



MEDIA WORLD COMMUNICATIONS LIMITED

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COMPANY ANNOUNCEMENT

The Board of Media World Communications ("MWC") today announced the execution of an agreement to acquire the Adams Platform group of companies, securing ownership of all of the intellectual property rights for the Adams Platform (AP) Technology.

AP Technology is a radical technology that enables, amongst other things, video compression with superior quality at significantly better ratios than those achieved by any existing technologies, such as industry standard MPEG.

The acquisition means MWC will be the owner and exclusive worldwide licensor of AP technology for all uses, allowing greater scope and clarity for licensing and joint venture opportunities. It also means that the core development of the technology and commercialisation of this international business will remain headquartered in Australia.

"This is a magnificent opportunity for all concerned", said John Tatoulis, Executive Vice Chairman of MWC. "It validates the long-standing commitment by Media World Communications to bringing the AP technology to market and creating wealth for our shareholders, and the AP group's decision to work with an Australian company to achieve this aim."

Prior to entering the agreement MWC engaged US based The Tolly Group to conduct rigorous independent testing on the AP Technology over a two week period in Melbourne.

The Tolly Group (<http://www.tolly.com>) is recognised globally as a leading company for the third-party validation of IT products and services. The company's US-based global customer base includes Intel, IBM, Cisco Systems, Alcatel and Nortel Networks, as well as countless start-ups.

The Tolly Group verified that AP Technology provides a high quality, real time, full screen end-user video experience at 56Kbps. In addition, good quality full screen video streamed across the network at 14.4 Kbps was also observed during testing. An executive summary of the Tolly report is expected to be published within the coming week.

The Tolly findings will also support the pursuit of the broad range of commercial market applications now available to MWC, including the following:

- **Broadcasting** - Video on Demand, video gaming, and multi-channel TV; corporate communications and training
- **Telecommunications** - new services can be exploited using existing infrastructure and without the requirement to invest in extra bandwidth capacity
- **Consumer devices** - Mobile phones, PCs, games consoles, television set top boxes
- **Videoconferencing** - distance learning, tele surgery and distance consultation
- **Defence and security** - surveillance, crime scene documentation and in-field support
- **Storage and Imaging** - health image storage, long term archiving and general audio visual storage.

The consideration for the acquisition involves payment of an upfront fee of AUD\$11 million payable in two tranches, the issue of 850 million MWC shares to the current rights owners, and a deferred payment of AUD\$70 million in the form of redeemable convertible preference shares.

The acquisition is subject to shareholder approval, capital raising, due diligence and the provision of working capital and is scheduled to complete by 20 February 2004.