

1 December 2004

Level 10
90 Collins Street
Melbourne VIC 3000
Australia
t 03 9654 1517
f 03 9654 1515
e general@ppbvic.com.au
w www.ppbvic.com.au

associated offices in
Adelaide Brisbane
Perth Sydney

Media Release

Commencement of legal proceedings in Media World Communications Administration

Craig Crosbie of PPB, the Administrator of Media World Communications (MWC), yesterday commenced legal proceedings against Mr Adam Clark and companies associated with him in the Federal Court of Australia and has been granted a Mareva injunction 'freezing' the assets of Mr Clark and various associated companies. Mr Clark is the developer and inventor of Adams Platform Technology (APT) and a director of MWC.

Mr Crosbie was appointed Administrator of MWC on 22 September 2004. His role has involved an independent investigation into the business, affairs and financial circumstances of MWC, and in particular a forensic examination of the company's core asset, APT.

Mr Crosbie recently received a report from forensic technology experts PWC who have analysed a number of computer disks, including the Tolly test disks stored in the Westpac vault. PWC have concluded that:

- there was no evidence of compression technologies that are not already commercially available; and
- an abundance of evidence exists indicating the encoding allegedly performed by APT was actually performed by commercially available hardware and software disguised to make it appear as APT.

A further report provided to Mr Crosbie yesterday by Dr Tim Ferguson, an image and video coding and compression expert, has found:

- many technical flaws in the US Patent filed by the company relating to the APT; and
- the APT method for compressing video would not perform as well as a modern compression system and arguably would not even perform as well as the now dated MPEG1 coding technology.

On the basis of the findings of the independent technology experts, Mr Crosbie has commenced legal proceedings on behalf of MWC against Mr Clark alleging breaches of director's duties and misleading and deceptive conduct.

partners

Wayne Benton
Ian Carson
Craig Crosbie
Joe Dicks
Andrew McLeilan
Rod Slattery

directors

Daniel Bryant
Nicholas Martin
David Warner
Warren White
Bob Yeoward

Mr Crosbie sought the Mareva injunction from the Federal Court to ensure the property and assets of Mr Clark and companies associated with him are not dissipated or moved out of the jurisdiction before the Court rules on the claims against Mr Clark and his related companies. These assets include Mr Clark's holdings in the entities that purchased hotels from Lion Nathan Ltd earlier this year.

Mr Crosbie said, "The investigations into MWC have been complex and exhaustive. The reports of the technical experts were the necessary final step to determine whether legal proceedings against Mr Clark and his related companies could be initiated."

"Following receipt of the technology reports I have moved promptly to initiate legal proceedings for the benefit of all stakeholders," said Mr Crosbie.

The creditors' report including Mr Crosbie's recommendation on the company's future is expected to be distributed to creditors early next week ahead of the second meeting of creditors to be held on 14 December 2004.

Mr Crosbie will write to shareholders before Christmas to present the findings of his investigations.

Mr Crosbie has notified the Australian Securities & Investments Commission (ASIC) of the legal proceedings and has worked closely with the regulator throughout the investigation.

The first meeting of creditors was held on 29 September 2004. Due to the complexity of the investigations that were required, and the necessity to obtain expert technical advice, on 8 October 2004 the Federal Court of Australia granted a 60 day extension to the statutory period for the convening of the second creditors meeting.

Media Contact: Olivia Withers
Hinton & Associates
Telephone: (03) 9600 1979
Mobile: 0421 999 098