



10 August 2016

Company Announcements
Australian Securities Exchange

Via: www.asxonline.com

CORRECTION TO FULL YEAR STATUTORY ACCOUNTS

Mobile Embrace Limited (ASX: **MBE, MBE** or **Company**) refers to the Company's full year statutory accounts lodged with the ASX yesterday. Page 12 of the Directors' Report states that *"The Company was not a party to any proceedings during the year."*

The correct position refers to an update of the proceedings, as have previously been announced, and is contained within Note 31 on page 54 which states:

"Unresolved Litigation

As announced to the ASX 6 October 2015: During the course of the half year Mobile Embrace was served with a Summons filed in the Supreme Court of NSW from a company called GBD Ventures Pty Ltd (the Claim). The Claim alleges that Mobile Embrace owes GBD an amount in the order of \$4 million in respect of a digital video advertising supply agreement involving the two companies. The Claim has subsequently been reduced by GBD to \$3.5 million. In response to the Claim MBE has filed and served a defense and a cross claim against the Plaintiff and its two shareholders who were also representatives of GBD. The amount of the cross claim is yet to be quantified, but is expected to be substantial. As at the time of this reporting, the pleadings have closed and is in the stage of the parties serving their written evidence which is expected to be complete in late 2016.

MBE continues to deny the Claim in its entirety. It is anticipated that if the matter is unresolved it shall proceed to a hearing in the early part of 2017."

Justin Clyne

Company Secretary

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