



**Transcript of Managing Director's presentation to the
Annual General Meeting of
World Wide Entertainment Group Limited
12 November 2009**

Thank you all for taking the time to attend our first Annual General Meeting as World Wide Entertainment Group Limited.

The Company, like the economies of the world, has had an up-and-down year – or as we described it in the Annual Report – a year of two parts.

As such, in this presentation, I would like to cover:

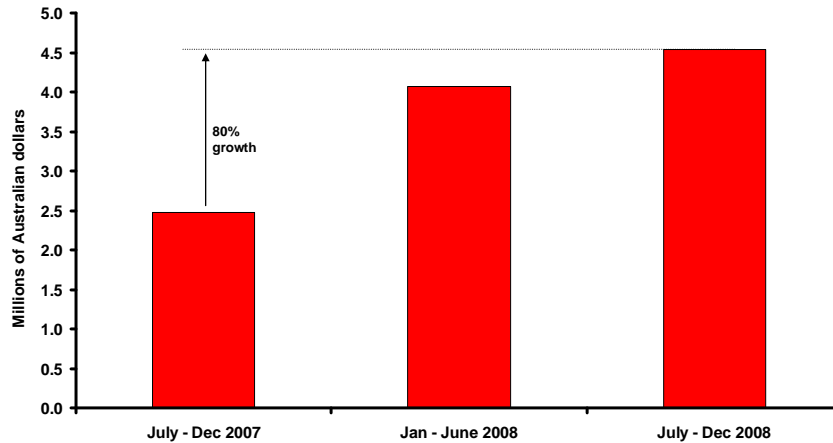
- The performance for the company in the first half of the financial year and the second half
- Summarise the results for the full year
- Comment on the opening performance for the current financial year

First half of the financial year

The first half of the year, leading to the listing of the company, was by far the best the company has experienced. As can be seen in the chart, licensing of programming from our library continued to grow from half year to half year. In the first half of the financial year, the value of contracts written was 80% up on the July – December period in the previous year.



**Contracts signed by World Wide Entertainment and subsidiaries by half year
2007 - 2008**



Note: For comparison purposes, value of all contracts converted to AUD at 30 June 30 exchange rates



This growth in contract writing over this period was due to a number of factors:

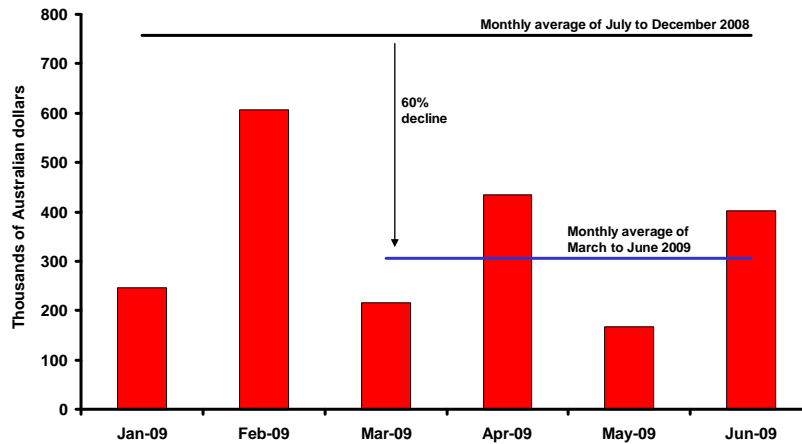
- Firstly, investment in the sales team in 2007 resulted in experienced, stable and focussed team in this period;
- Secondly, investment in new footage sources and archives expanded the breadth of new content as well as the depth and quality of new programming; and
- Thirdly, favourable market conditions led to investment in new programming.

Second half of the financial year

The Company began the second half of the financial year with on-budget performance in January and February. January and February are our seasonally low months for contract writing. In normal years we expect an increase to run-rate business levels in March. As the chart demonstrates, this did not occur. The level of contract writing in the 4 months to June was 60% lower than the average of the first half of the year. This fall was dramatic and unexpected.



**Contracts signed by World Wide Entertainment and subsidiaries
January to June 2009**



Note: 1. All contracts converted to AUD at June 30 2009 exchange rates



The downturn in business performance was due to 3 main factors:

Firstly, due to uncertainty in advertising and credit markets, broadcasters around the world reduced their budgets for new programming significantly, electing instead to re-run their inventories of older programming. Therefore, producers and distributors selling new or catalogue programming experienced dramatically lower demand. This occurred in almost all World Wide territories with Asia, Eastern and Western Europe hardest hit.

Secondly, the global financial crisis reduced the amount of capital available to new launching channels. In the past, World Wide – with its sizeable catalogue – has benefited from selling large volumes of programming to new launching channels. In the second half of last financial year, these new launching channels either postponed their launch OR stopped the launching process. This reduced demand for programming.

Thirdly, the global financial crisis reduced the amount of foreign currency available to developing nations. Countries in Africa, Eastern Europe and Asia could not obtain currency to pay international



suppliers resulting in payments not being made, contracts cancelled or contracts not being entered into.

The recovery in global markets coupled with broadcasters needing to renew their inventories of programming has resulted in renewed demand of our programming. Since September, contract writing has returned to \$700,000 to \$800,000 level per month – almost pre-financial crisis levels.

Cost savings

As a result of the financial crisis, Directors and Management moved quickly to reduce the cost base of the Company in April. Through a number of initiatives we managed to reduce the Company's cost base by 30%. These initiatives included:

- bringing production in-house;
- reducing the level of production;
- reducing administration overhead;
- reducing marketing expenditure; and
- implementing (with the agreement of our employees) a 10% salary reduction across the board.

The full effects of these costs savings will be felt in the current financial year.

Directors and Management aimed to reduce these costs without compromising the Company's revenue potential. This was achieved. As a result, the company is well positioned to recommence its growth strategy.



Results for the full year

Due to the dramatic fall in contract writing in the March to June period, the results for the year were well below the forecasts included in the Prospectus issued in December of last year. The results included in the Prospectus were – at the time – considered to be conservative based on performance that had been achieved in the previous 12 months.

**Performance versus Prospectus forecast
financial year ending 30 June 2009**

	Actual	Prospectus forecast
Revenue	\$8.92m	\$10.44m
Adjusted EBITDA	\$1.40m	\$2.67m
EBIT	\$0.93m	\$2.28m
Net profit	\$0.47m	\$1.67m
<i>Earnings per share</i>	<i>2.0c</i>	<i>6.9c</i>



As you can see in the table, revenue was down by \$1.5m and net profit was down by \$1.2m on the Prospectus forecast.

During this period of restructuring, the Company drew on its reserves of capital. The Company now has limited capital reserves however monthly revenue is now exceeding expenses providing capital to the business.



This financial year

As mentioned, since September, revenues have stepped up markedly and are running at approximately \$700,000 to \$800,000 per month. We are almost back to pre-financial crisis level of business.

Over the past months, Directors and Management have reviewed the medium term strategy for the Company. The Company will continue to expand its production quantity and quality including a move to original programming and high definition programming. As the library of programming expands, we will further expand our sales arm to ensure programming continues to be effectively marketed to all corners of the world. The Company is well positioned to benefit from the rapid growth of digital television and television over the internet as well as the rapid growth of out-of-home digital signage.

This calendar year has been a difficult one for the employees of the Company. Not only did our team agree to take a temporary pay cut, they have also seen significantly lower commissions and bonuses. Furthermore, the employees engaged in the significant change programme that has resulted in lowering of the Company's cost base. Change is never easy. On behalf of the Directors and Shareholders, I would like to extend our thanks to all the World Wide team.

Due to the uncertainty in the extent of the recovery in our markets, we will not be issuing profit guidance for this year.

Once again, thank you for joining us today and thank you for your support of World Wide Entertainment.