

RIVUSTV LTD*

ACN 123 741 613

("Company")



WWW.SPONDO.COM

WWW.RIVUSTV.COM

REPLACEMENT OFFER INFORMATION STATEMENT

An offer of 5,000,000 shares at a price of \$0.60 per share, to raise a total of \$3.0m.

[This document is important and should be read in its entirety.](#)

It is important that you read this Offer Information Statement carefully before deciding whether or not to accept the Offer described in the Offer Information Statement. In particular, you should consider the risk factors that could affect the financial performance of the Company. If you do not understand its contents, you should consult your stockbroker, accountant or other professional adviser without delay.

This Replacement Offer Information Statement is dated 19 November 2013 and replaces the Offer Information Statement dated 11 November 2013. A copy of this Offer Information Statement was lodged with the Australian Securities & Investments Commission ("**ASIC**") on the same date. ASIC takes no responsibility for the contents of this Offer Information Statement.

This Offer Information Statement will expire thirteen months after it was lodged with ASIC, and no securities will be allotted or issued on the basis of this Offer Information Statement after that date.

[The securities offered under this Prospectus are considered speculative.](#)

This Offer Information Statement is not a prospectus and it has a lower level of disclosure requirements than a prospectus.

*RivusTV Limited plans to change its name to Spondo Limited, subject to shareholder approval

IMPORTANT NOTICE

Subject to the *Corporations Act 2001* (Cth) ("**Corporations Act**"), the Company reserves the right to not proceed with the Offer described in this Offer Information Statement.

No securities will be allotted, issued or sold on the basis of this Offer Information Statement later than thirteen (13) months after the date of this Prospectus, being the expiry date of this Offer Information Statement.

No person is authorised to give any information or to make any representation in connection with this Prospectus that is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

This Offer Information Statement does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Persons resident in countries outside Australia should consult their professional advisers as to whether any governmental or other consents are required or whether formalities need to be observed to enable them to acquire Shares, and observe such restrictions and requirements. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the Offer or the Shares, or otherwise to permit a public offering of the Shares, in any jurisdiction outside Australia. The Shares have not been, and will not be, registered under the United States Securities Act of 1933 and should not be offered or sold within the USA. Any person accessing the electronic version of this Prospectus for the purpose of investing in the Company must only access it from within Australia or New Zealand. Return of a duly completed Application Form or payment will be taken by the Company to constitute a representation that there has been no breach of such requirements.

No account has been taken of the particular objectives, financial situation or needs of recipients of this Offer Information Statement. Because of this, recipients of this Offer Information Statement should have regard to their own objectives, financial situation and needs. Recipients of this Offer Information Statement should make their own independent investigation and assessment of the Company, its business, assets and liabilities, prospects and profits and losses, and the risks associated with investing in the Company. Independent expert advice should be sought before any decision is made to accept the Offer, or to acquire Shares or other securities of the Company.

The Corporations Act prohibits the Company from processing acceptances of the Offer in the seven (7) day period after the date of lodgement of the Offer Information Statement. This period is an exposure period to enable the Offer Information Statement to be examined by ASIC prior to the raising of funds. Acceptances received during the exposure period will not be processed until after the expiry of that period. No preference will be conferred on acceptances received in the exposure period. The exposure period may be extended by ASIC, in which case acceptances received during the extended exposure period will not be processed until after the expiry of that period. Acceptances lodged before the end of the exposure period will be treated as if they were received at the same time at the end of the exposure period.

All monetary amounts in this Prospectus are in Australian dollars unless otherwise stated.

1. CHAIRPERSON'S LETTER

On behalf of the board, it gives me great pleasure to offer you this opportunity to invest in RivusTV Ltd (to be renamed Spondo Ltd¹) – a digital content syndication platform company founded in Australia and with offices and commercial partners now in the USA, Germany and the United Kingdom.



The core of our technology is the Spondo Revenue Distribution Engine. Our first to market Spondo products include the Spondo Social Movie Player, Spondo ADiQ and Spondo Syndication. Together, they form the empowering Spondo platform. A set of tools used either independently or combined, allowing digital content owners to maximise revenue from their digital assets. Our proprietary technology revolutionises the way content owners and organisations/distributors connect, providing new and unique business and revenue opportunities.

The Spondo technology built by our team has been validated in both Video on Demand and live environments. The company appointed US technology and media expert Chris Adams as the CEO to take the company global. Chris is an internationally recognised new media pioneer, media, entertainment and technology executive, with twenty plus years of experience in accelerating businesses and innovation. Chris was at Facebook from July 2006, he has worked at Amazon and he was a senior executive and Chief Vision Officer at Participant Media movie studio in Los Angeles.

Since his appointment as CEO, Chris has assembled a strong team in Australia, the US and in Europe to both deploy and exploit the Spondo assets. Chris has aggregated a strong pipeline of digital content ready for deployment.

Our executive team has experience across studio production, advertising, law, technology business development and start-ups over the past 20 years. The technology team is headed by Paul Evans, one of the founders of the Company, along with Geoff Collinson, and the creator of the Spondo Revenue Distribution Engine. Former Norton Rose Fulbright legal partner David Stavropoulos was appointed as the Chief Operating Officer earlier this year, bringing with him two decades of commercial experience. The executive team has been further strengthened by the recent appointment of Michael Padden, former head of the Telstra Advertising network, as head of the Spondo ADiQ unit.

The Board has significant entertainment, legal, entrepreneurial and financial services expertise bolstered by the recent appointment of US based entertainment lawyer Trent Blacket. The Board has prudently guided the company through its years as a technology development program and start up to the current position where the company is poised for commercial growth.

Funds raised will be deployed to commercialise a growing pipeline of digital content, develop distribution streams, build new verticals and grow the capacity of the organisation with further key appointments required particularly in the USA and Europe.

¹ Subject to shareholder approval

The offer under this Offer Information Statement seeks to raise \$3 million at \$0.60 cents per share, issuing 5 million new shares on a pre-money valuation of \$12 million.

On behalf of the Board, I commend this investment opportunity to you in our Company, an exciting growth story with massive global potential, and look forward to welcoming you as a shareholder.

A handwritten signature in black ink, appearing to be 'HP' or similar initials, written in a cursive style.

Henry Pinskier

Chairman

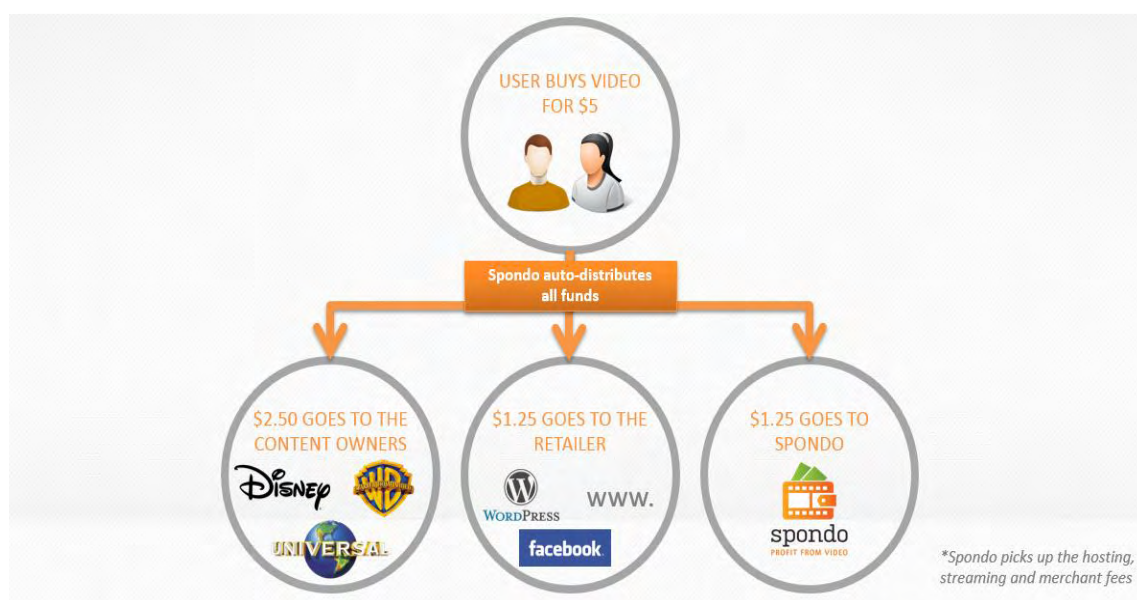
2. INVESTMENT OVERVIEW

The Company's goal is to generate profits by offering a variety of products and tools that can be used by entities and individuals to generate their own revenue through the distribution of video and other digital media. These products and tools have been developed to respond to gaps in available media distribution services whilst taking advantage of established online consumer behaviour. The Company's cornerstone platform, Spondo, has the ability to generate revenue for content owners and affiliates. Through the usability, scalability and reach of its products, the Company is well-positioned to disrupt and democratise the online video and digital content industries.

2.1. OVERVIEW OF PRODUCTS AND TOOLS

RivusTV Ltd (soon to be renamed 'Spondo Ltd') is the holding company that owns all of the intellectual property and is comprised of offices in Australia, the USA and Europe. The products and tools offered by the Company are outlined below. These are effectively business units that each represent discrete forms of intellectual property.

- **Spondo Syndication** - This is a tool that enables content owners to monetise their digital video content by making it available to affiliates, who then on-sell the content to their own audiences. Revenue is generated through the content being offered on either a pay-per-view, subscription or advertisement funded/supplemented basis. The revenue is collected by the Company's proprietary Revenue Distribution Engine and distributed proportionally to the Company, content owner and affiliate. The Company's relationships with both content owners who have desirable content and with affiliates who have a ready-made audience will be integral to its success. A simple example of the revenue distributed for a pay-per-view sale is extracted below. Additional information on Spondo Syndication is found in Section 8.2.



- **Spondo for Studios** - Provides a platform that can be used to facilitate the sale of video content through social networking pages (such as Facebook) and websites. More information on Spondo for Studios is found in Section 8.3 and Appendices B, C, D & E.

- **Spondo Ads (branded “ADiQ”)** – Allows ‘smart ads’ which combine video content, survey questions, demographic information gathering, offerings and lead-generation all in one, powerful advertising unit. The price of video content offered to end customers is subsidised either partially or wholly through the integration of an advertisement placed to reach a target audience and gather demographic information for the advertiser’s marketing purposes. More information on Spondo Ads is found in Section 8.4 and Appendices B, C, D & E.
- **Spondo IQ** – Has particular utility for organisations that have a need to educate individuals. It allows questions to be integrated throughout video content, making the video content interactive. Viewers are required to answer questions presented at pre-determined times throughout a video in order to finish viewing it. Responses are tracked and successful completion reported, which can then be provided to the owner of the video content. There is veritable value in the utility of this product to educators and organisations that need to measure employee compliance.
- **Spondo Data Services** – Facilitates the digitisation, processing, encoding and storage of video media content and corporate data, so that it may be made available for delivery to digital retailers such as iTunes, Netflix and Amazon within the Asia-Pacific and Middle Eastern markets. Fees are charged according to the service required.
- **Spondo Revenue Distribution Engine (SRDE)** – This is the core intellectual property of the Company. It enables revenue generated through the use of the Company’s products and services to be distributed to the parties in the transactional chain (such as content owners and affiliates) according to the proportions requested.

2.2. OVERVIEW OF RISKS

Despite these potential benefits to investors, there are a number of risks to the future operating and financial performance of the Company, and therefore the value of any investment in the Company, that must be disclosed. Risks specific to the Company itself are:

- the Company is in a start-up phase and has incurred losses since commencing operations. Losses of approximately \$1.4m were incurred for the year ended 30 June 2013. If the Company is not able to generate profits then further capital investment will be required to ensure its survival. Given its history of losses, there is uncertainty about its ability to generate profit in the future. There is no guarantee that the Company would be able to raise the required funds.
- the Company has developed a broad range of unique and proprietary items of intellectual property that the Company believes are novel and inventive. The Company is examining items that can be patented and that may form the basis for lodgement of a provisional patent. As the Company has not yet lodged any applications for patent protection, this poses a risk that its business model may be copied by others.
- the Company has very little to no known competition in the specific business models within which it operates. However, the barriers for entry are quite low, which raises the possibility of competitors entering the market.

For more information on potential risks of investment, please refer to Section 14.

2.3. OVERVIEW OF STAFF

The Company has a number of experienced Directors, Managers and Advisors. The experience is generally held in areas relevant to the Company's operations, such as digital content distribution, marketing and corporate management. The Managerial team is also comprised of executive officers who have experience in software development and dealing with commercial, legal and marketing issues. In addition, the Company has an Advisory Board that provides it with strategic direction and access to valuable professional networks. For detailed information on the Company's Directors, Managers and Advisors, please refer to Section 11.

2.4. OVERVIEW OF OFFER DETAILS

The Company is offering 5,000,000 Ordinary Shares at the Subscription price of \$0.60 per Share. The minimum subscription price is \$25,000, for 41,667 Shares. As the Company is public but unlisted, Shares in it are not liquid. The Company intends to use the capital raised to cover its operating expenses, worker payments and global marketing expenses. Even if this Offer is realised, it is likely that further fundraising attempts will be required to cover these expenses until the Company begins to operate at a profit. A detailed summary of the details of this Offer and the use of shareholder capital is found under Section 4.

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4. OFFER STATISTICS

Offer Price ²	\$0.60
Number of Shares Offered	5,000,000
Number of shares on issue pre-raising on a fully diluted basis	20,000,000
Number of shares on issue offer after raising	25,000,000
Market Capitalisation pre money valuation	\$12,000,000

² All references in this Offer Information Statement to dollars or \$ are references to Australian Dollars.

5. OFFER DETAILS

5.1. The offer

The offer in this Offer Information Statement ("Offer") is an offer for Ordinary Shares in RivusTV Limited ACN 123 741 613, to raise up to \$3,000,000.

The Offer is open to the general public.

The Subscription price for one Ordinary Share is \$0.60.

Applications may only be made for Ordinary Shares in multiples of \$2,500 (rounded to the nearest share).

Applicants are not required to pay any fee, commission, charge, or other amount in order to acquire Shares.

5.2. Minimum Application Subscription

The minimum application subscription under the Offer is for 41,667 shares, for a minimum subscription price of \$25,000.

5.3. Share issue terms

The Shares offered and issued under this Offer Information Statement will be fully paid ordinary shares in the capital of the Company, which will rank equally with, and will have the same voting and other rights as the existing issued ordinary shares of the Company. The rights attaching to the Company's shares are set out in the Company's Constitution, and the Corporations Act. The Company's Constitution has been lodged with ASIC. The Constitution contains provisions of the kind common for public companies in Australia. The Constitution is taken to be included in this Offer Information Statement by operation of Section 712 of the Corporations Act. Any person may request a copy of the Constitution during the offer period of the Offer Information Statement, which the Company will provide free of charge.

5.4. Forecasts and financial information

Some statements in this Offer Information Statement relate to forecasts, intentions, future acts, and events. These statements are generally classified as forward looking statements and involve inherent risks, (some of which are known and unknown), uncertainties, and other factors that could cause circumstances to differ from the manner in which they are portrayed in this Offer Information Statement.

Potential investors should consider the assumptions underlying forward looking statements prior to placing any reliance on them.

5.5. Use of the Funds

As there is no minimum subscription under this Offer Information Statement, the Company will accept all funds raised under this Offer Information Statement.

Funds raised under this Offer Information Statement will be applied to a number of elements of the Company's business based on the total amount of funds raised (up to the maximum total raise of \$3,000,000).

The first \$500,000 of funds raised under this Offer Information Statement will be applied to current operating expenses and working capital requirements. Funds raised under this Offer Information Statement in excess of \$500,000 will be applied in accordance with the table set out below (applied proportionately between Purposes (2) & (3) in the event less than \$3,000,000 is raised):

Purpose	Amount of capital raised under OIS (\$)	
	<\$500,000	\$500,000 - \$3,000,000
(1) Operating Expenses / Working Capital	\$500,000	\$500,000
(2) Employee, Contractor, Consultant expenses	NIL	\$1,500,000
(3) Global Marketing Activities	NIL	\$1,000,000

The above table is a statement of the proposed application of the funds raised as at the date of this Offer Information Statement. As with any budget, intervening events and new circumstances have the potential to affect the Company's decisions and the Company reserves the right to vary the way the funds are applied should the Board of Directors in its discretion deem necessary and appropriate.

5.6. Options that may affect shareholding

There are a total of 2,930,000 options that are allocated to directors and employees of the Company. The vesting dates and exercise prices are varied, and dependent on the employees remaining with Spondo beyond their vesting date. The latest expiry date for these options is 31 December 2018.

Existing issued options

<i>Number of options</i>	<i>Expiry date</i>	<i>Exercise price</i>
2,490,000	31 December 2018	\$0.40
40,000	30 June 2018	\$0.40
400,000	31 December 2014	\$1.25

5.7. Dividend Policy

Dividends have not been declared by the company to date. Any future dividend payment will be subject to the Company's ability to meet any of its cash funding requirements for growth, taking into account the capital and trading requirements at that time. The Company is not in a position to predict when it will pay a dividend, if at all.

5.8. Privacy

When applying for Shares in the Company, Applicants will be requested to provide personal information to the Company directly, such as name, address, telephone number, tax file number and account details. The Company collects, holds and uses that personal information to assess Applications, and undertake administration. Access to information may be disclosed by the Company to its agents and service providers on the basis that they deal with such information pursuant to the provisions of the Privacy Act 1988 (as amended).

The Company will keep records of personal information up to date. Applicants may request access to their personal information, held by or on behalf of the Company, by contacting the Company.

Applicants are responsible for notifying the Company of any changes to their personal information and may request that their personal information be changed by contacting the Company.

5.9. How to Accept the Offer

The Offer can only be accepted by completing the Application Form attached to or accompanying a copy of this Offer Information Statement in its paper copy form or a print out of the form which formed part of or was accompanied by the complete and unaltered electronic version of the Offer Information Statement. Details on how to fill out the Application Form are included in the form.

Acceptances must be accompanied by a bank cheque, personal cheque or company cheque (crossed "not negotiable"), or a bank draft payable in Australian dollars, drawn on an Australian branch of an Australian registered bank for an amount equal to the Subscription Sum (being the number of Shares applied for multiplied by \$0.60 per Share, and in a multiple of \$2,500). Cheques or bank drafts should be made payable to "RivusTV Limited".

Alternatively, funds may be sent EFT to “RivusTV Ltd Capital Account”:

BSB: 033 364
ACCT: 719 885

Applicants must return their completed Application Forms to:

If delivered:	If by mail:
RivusTV Ltd Suite 702, 198 Harbour Esplanade Docklands Victoria 3008	RivusTV Ltd Suite 702, 198 Harbour Esplanade Docklands Victoria 3008

The Company accepts no responsibility for lost or misdelivered Application Forms.

No account has been taken of the particular objectives, financial situation or needs of prospective applicants under the Offer. Because of this, prospective applicants should have regard to their own objectives, financial situation and needs before deciding whether to apply for Shares under the Offer.

Prospective applicants should make their own independent investigation and assessment of the Company, its business, assets and liabilities, prospects and profits and losses, and the risks associated with investing in the Company. Professional investment advice should be sought before any decision is made to participate in the Offer.

5.10. Allotment & Issue of Shares

The allotment and issue of Shares to applicants will occur as soon as practicable after the Company's receipt of a duly completed Application Form, after which statements of shareholding will be dispatched.

The Company may reject an application where payment of the application monies is not received or a cheque is not honoured or, without prejudice to its rights, issue Shares in response to the application and recover outstanding application monies from the applicant.

If an application for Shares is rejected, or if fewer Shares than applied for are issued to an applicant, the application monies in respect of the rejected application (or part of the application) will be refunded to the applicant without interest.

No Shares will be issued to an applicant if the issue of those Shares would result in any person (and its associates, as that term is defined in the Corporations Act) acquiring an interest in greater than twenty percent (20%) of the issued voting Shares of the Company, unless that person (and its associates) are permitted to do so under the Corporations Act.

Questions

If you have any questions regarding the content of this Offer Information Statement or how to complete the Application Form, please contact your stockbroker, accountant, lawyer or independent financial advisor, or the Company on (03) 9005 4650 or by email at invest@spondo.com.

5.11. Withdrawal of Offer

The Company reserves the right to withdraw the Offer at any time before the allotment of Shares under the Offer. If the Offer does not proceed, all Application Monies will be refunded. No interest or other fees will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.

5.12. Allocation

Applications will be considered on a first come first served basis and Shares will be allocated at the discretion of the Company. Underwriting

The Offer under this Offer Information Statement is not underwritten.

5.13. New Zealand Regulatory Requirements

This Offer to New Zealand investors is a regulated Offer made under Australian and New Zealand Law. In Australia, this is Chapter 8 of the *Corporations Act* and Regulations. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings - Australia) Regulations 2008. This Offer and the content of the offer document are principally governed by Australian, rather than New Zealand, law. In the main, the *Corporations Act* and Regulations set out how the Offer must be made.

There are differences in how securities are regulated under Australian, as opposed to New Zealand, law. For example, the disclosure of fees for collective investment schemes is different under Australian law.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Securities Commission, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as that for New Zealand securities.

If you are uncertain as to whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial advisor.

The Offer may involve a currency exchange risk. The currency for the securities is in dollars that are not New Zealand dollars. The value of the securities will go up and down according to changes in the exchange rate between those dollars and New Zealand dollars. These changes may be significant.

If you receive any payments in relation to the securities that are not in New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the securities are able to be traded on a financial market and you wish to trade the securities through that market, you will have to make arrangements for a participant in that market to sell the securities on your behalf. If the securities market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from markets that operate in New Zealand.

5.14. No Offer Where Unlawful

This Offer Information Statement does not constitute an offer for securities in any place where, or to any person whom, it would be unlawful to make such an offer. The distribution of this Offer Information Statement in jurisdictions outside Australia and New Zealand may be restricted by law, and persons outside Australia and New Zealand who come into possession of this Offer Information Statement should seek advice on, and observe any, such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register the Offer or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia and New Zealand. The Shares have not been, and will not be, registered under the United States Securities Act of 1933 and must not be offered or sold within the USA.

5.15. Taxation

Prospective applicants under the Offer should seek and obtain their own taxation advice before applying for Shares under this Offer Information Statement so that they may first satisfy themselves of any taxation implications associated with the acquisition of Shares.

5.16. Electronic Offer Information Statement

This Offer Information Statement is available in electronic format at <http://spon.do/invest>

Persons having received this Offer Information Statement in electronic form may obtain a paper copy of this Prospectus (free of charge) by telephoning the Company +61 (0) 3 9005 4650.

Applications for Shares under this Offer Information Statement may only be made on the Application Form which accompanied or was attached to a copy of this Prospectus in its paper copy form or a print out of the form which formed part of or was accompanied by the complete and unaltered electronic version of this Prospectus. The *Corporations Act* prohibits any person from passing on to another person an Application Form unless it is attached to or accompanied by a hard copy of this Offer Information Statement or by the complete and unaltered electronic version of this Offer Information Statement.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the complete and unaltered electronic version of this Offer Information Statement.

6. INVESTMENT HIGHLIGHTS

6.1. Unique product offering

The Company believes it has developed a suite of innovative, proprietary and truly disruptive set of products for a well-defined and growing market segment (See Section 8.1).

6.2. Valuable Intellectual Property

The Company has developed a broad range of unique and proprietary items of intellectual property that the Company believes are novel and inventive. The Company is examining items that can be patented and that may form the basis for lodgement of a provisional patent.

6.3. Strong board of directors and management team

The Board of Directors and Management team steering the Company are all highly respected and experienced in their particular fields (See Section 11).

6.4. Global Partnerships

Over the past 12 months, the Company has developed partnerships with content providers, advertising networks and agencies, and clients. The Company believes these relationships will help drive the company to growth over the next 2 years and beyond (see Section 10).

6.5. Commercial and Financial

Since its inception, the Company has raised in excess of \$8m in capital to fund the development of its core technology. Between February and April the company raised \$1m under a convertible note facility with a conversion price of \$0.40 per share. All of the notes convert at the company's election. More recently, in late September, early October, the Company has received written commitments (via an application form) for over \$300K in capital from sophisticated investors at \$0.60 cents per share. In January 2013, German media magnate and founder of Icestorm, Gerhard Sieber joined forces with the Company by spearheading the Company's expansion into the lucrative European market, and also making a cash investment in the Company. The Company has enforced strict budgetary and project management measures to ensure the Company's products have been developed within the allocated budgets. This level of financial control positions the company ideally for some very focused growth as it transitions from a 'build the business' to more of a 'grow the business' phase.

6.6. Red Herring Asia Top 100

In September 2013, Spondo won a coveted spot in the prestigious Red Herring Top 100 Asia technology awards. Spondo is the only Australian company to make the Top 100 Asia list and the Global 100 finals.

This honour is a big step for Spondo, providing recognition and validation on both a regional and global scale. The event, held September 2-5 in Hong Kong, saw companies from throughout the Asia Pacific and Middle East regions all gather to pitch their products, services and companies to a panel of world-class judges and each other. Spondo has been named as a finalist for the Red Herring Global 100, to be held November 18-20 in Los Angeles. Spondo will compete against the winners from the Asia Pac region, the North American region and Europe. The Red Herring award has given the Company significant exposure and substantial marketing value.

7. THE PROBLEM

In the multi-billion dollar content, movie and TV industry, Studios, Networks, Producers and Production Companies spend millions of dollars on:

- Search engine optimization (SEO)
- Search engine marketing (SEM)
- Social and Digital Media
- Paid Search
- Press Releases
- Social Network Likes, +1s, Click-thru, views, etc

All to drive their customers from the Official Sites and Social Pages of their content to other sites to buy their products.

It's not good enough anymore for advertisers and marketers to use broad messages in the hope of reaching some of their target customers and clawing them to a single destination at great expense. Social Media and mobile have created vast communities where influencers, users, brands and advertisers, publishers and individuals discover, curate, consume and share information from those they trust or respect. Brands want advertisers to target specific customers with offers and messages that align to their individual preferences rather than waste marketing dollars on a "spray and pray" approach of just trying to solicit – or buy – "eyeballs" and "awareness."

- Free to air has less interesting and standardized content, tipping toward reality and entertainment that appeals to the lowest common denominator++.
- DVRs and TiVo and time-shifting is taking the advertising eyeballs away from TV and online videos
- Cable has 100s of channels but it is our view that there is rarely anything interesting to watch.
- When searching for content online, it's often difficult and time consuming to find high quality shows to watch and, even when found, most if not all are either pirated or require signups and subscriptions at various destinations

Spondo has solved these problems.

PRODUCERS



"I want more sales and lower marketing costs"

ADVERTISERS



"I want information to target individual customers"

Nobody has asked customers the right questions!

CONSUMERS



"I want something interesting to watch"

Too little choice on TV; too hard to find quality on-line!

8. THE BUSINESS

The company was first established in 2007 with a primary intention to leverage the power of the Internet, social, mobile and cloud-computing technologies to create revenue-generation from the global media industry. The company's goal is to generate substantial profits by maximising the distribution of revenue-generating video and other digital media across the Internet and connected devices. The company's cornerstone platform, Spondo, which can be seen at:

<http://www.spondo.com>, has the ability to cover the entire value chain between content producers and retailers, advertisers and brands. We supply video streaming (live and VOD) platforms, proprietary products, data processing, storage and distribution services to content producers, publishers, brands and advertisers and compete against highly fragmented and incomplete solutions through scale, scope and speed.

Social and the web, mobile and broadband have connected us like no time before in history and as a result of this connectivity, consumers want choice, speed, trust and access. The same goes with publishers and brands.

Spondo answers this need by giving the power to users, brands and publishers to connect – and generate revenues – directly.

By using a large-scale, Internet-based syndication model with a financially motivated affiliate network, Spondo will grow the consumption of revenue generating video and any other digital content in the online media space. Spondo also has a content “discovery” engine to increase end-user consumption, plus social networks to create awareness and discovery at low-cost and with ease.

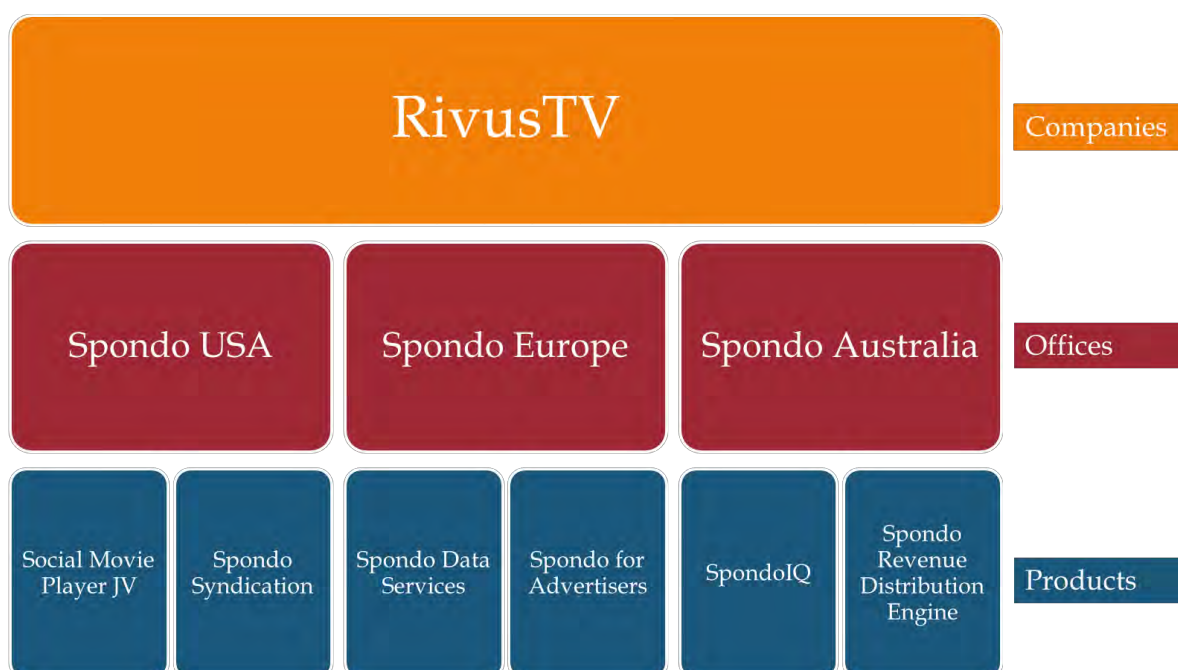
Spondo is also poised to disrupt and democratize the online video and digital content industries as, for the first time, at scale, tools are being deployed to entities and individuals, with large and small communities and content offerings, in which content producers, publishers, advertisers, marketers, distributors, brands and consumers can have a direct relationship with and amongst each other.

Finally, though the Spondo technology is novel, unique and proprietary, it is being deployed into the market by leveraging usual existing consumer behaviour, established user-experience, market-standard practice and the power of social connectivity and recommendation. This is very important as Spondo does not demand that users, brands and publishers adopt new methodologies to reach customers, rather, it simply expands and synthesises existing user and enterprise practice to generate revenues faster, easier and directly.

Amazon taught us how to buy. Google taught us how to search. EBay taught us how to create businesses online. WordPress taught us how to publish our own content. Yahoo brought relevance to information. AdWords gave everyone an ad. iTunes taught us how to own content. Netflix brought subscription to the web. Hulu put TV online. Facebook taught us how to share. Twitter taught us how to post. The iPhone connected us everywhere, all the time. The iPad gave us a personal screen. Spotify taught us how to curate. Wikipedia taught us how to contribute.

Spondo gives everyone the power to broadcast.

8.1. Corporate Structure



RivusTV Ltd (soon to be renamed Spondo Ltd) is the holding company that holds all the intellectual property and is comprised of offices in Australia, USA and Europe. The following are the primary business units of the company:

- (a) **Spondo Syndication** –Established in 2012 to aggregate video and all other digital content from multiple producers, whilst recommending content to any affiliate retailer aligned to their brand and customers preferences. Revenue is generated from the end consumer buying streamed video sessions (pay-per-view), a group of video sessions (subscription), and/or by watching ads within a video stream (ad funded/supplemented). Revenue is collected by Spondo’s proprietary Revenue Distribution Engine with a percentage of revenue allocated to the content provider and the affiliate retailer. More information on Spondo Syndication can be found in Section 8.2
- (b) **Spondo for Studios** – Established in 2013 combining core software and content acquisition services to launch a platform into Facebook, other Social Pages/Networks and the web that will facilitate the sale (via transactional VOD and/or Ad-supported VOD) of content directly through Facebook/Social Pages and web pages. More on Spondo for Studios can be found in Section 8.3 & Appendices B, C, D and E



(c) **Spondo Ads (branded “ADiQ”)** – Leverages the Company’s proprietary software (“SpondoIQ”) to create a “smart ad” which combines: a video Ad impression, survey questions, demographic information gathering, offerings and lead-generation all in one, powerful Ad unit. Consumers who view the Ad and answer the questions to receive a free, uninterrupted view of digital content upon completion of the data input and Ad view. More on Spondo Ads (ADiQ) can be found in Section 8.4 & Appendices B, C, D and E.



(d) **Spondo IQ** - is an assured learning platform that turns training and educational videos into an interactive compliance tool. Questions are added into the video at pre-determined times, requiring the viewer to select an answer from several alternatives before the video commences again. All results are tracked, allowing each viewer's answers to be assessed using a variety of reports and analytics. The educational benefits through direct engagement with the viewer are immense.



(e) **Spondo Data Services** – facilitates the digitisation, processing, encoding and distribution of video media content and corporate data from producers/corporations for fees. The media content is then ready for on-demand streaming delivery to digital retailers including iTunes, Netflix, Hulu, Google Play and Amazon within the Asia Pacific & Middle East markets. Spondo Data Services charges content providers/corporates for content/data processing, storage but not distribution. Spondo Data Services will effectively be a service provider to the other Spondo businesses.



(f) **Spondo Revenue Distribution Engine (SRDE)** - the core IP of the company with its multi modal methodology of distributing revenue to content owners, distributors, affiliates and any other parties under any formula such as Pay Per View, Ad Funded, Subscription based on individual digital content to grouped digital content.



8.2. More on Spondo

Spondo Syndication is the cornerstone platform. It empowers affiliate retailers with their own website or presence on selected social networks (e.g. Facebook) to market and sell streamed video and other digital content to consumer segments who have common content preferences. The platform is as easy to integrate as creating a YouTube Page, allowing content to be readily targeted at specific, loyal audiences.

For content owners, Spondo means increased revenue over current approaches where content can remain largely undiscovered in the noise of mass-market delivery from limited sites of destination. For affiliate retailers, it means complementary new revenue streams or even completely new businesses focusing on selling video content.

The Company believes this is the right time for the Spondo syndication model because consumers have become:

- Bored with traditional free-to-air TV - there is not enough choice;
- Angered by cable companies who inflate subscription prices by bundling content they are not interested in;
- Frustrated by the time it takes to find quality content on the Internet; and
- Interested in creating and curating their own playlists to offer to their communities, friends and networks.

Spondo supports multiple models to monetise streamed video content:

- Pay-per-view Live: watch content from music, concerts, sport or other live events;
- Transactional VOD: rent or download to own content to watch for a limited amount of time or own a perpetual license for repeat viewings over time;
- Subscription: watch a set of content for a defined period of time;
- Ad funded/supplemented:
 - Traditional: Ad(s) appear before / during / after content; and
 - Interactive: Ad(s), via Spondo Ads, requiring consumer action appears before / during / after content.

The minimum retail price of the content is set by the content producer, publisher or owners. When content is sold by the affiliate retailer, predefined revenue distribution rules are applied in Spondo and revenues divided between the producer, retailer and Spondo. It's a simple and fast transaction.

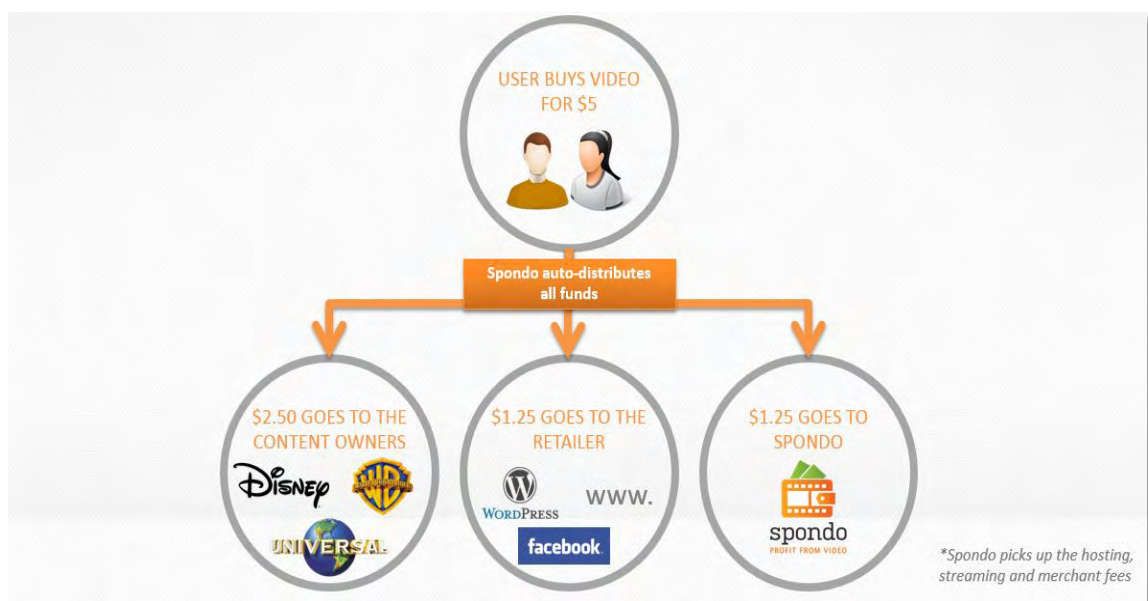


Figure 1: Revenue split for Pay-Per-View case

Features and Benefits for Affiliates

Feature	Benefit
Revenue share	Sales commission automatically paid when video content sold
Easy integration	Saving integration time and costs
Set content preferences	Choose content types that match your web-site or web-presence
Content recommendations engine	Saves time
Social network embeddable	Low-cost marketing through networks

Features and Benefits for Consumers

Feature	Benefit
Easy to find retailers who play targeted content e.g. Star Trek	Save time
Only pay for content wanted i.e. avoid cable bundling issues	Save money
On-demand	Available when wanted
Multi-device type	Watch where wanted
Fast, secure purchase	Low stress
Social Recommendation	Discover content via your friends/influencers/network

Examples of Spondo ADiQ and PPV can be found here:

1. Creep Van Facebook page. This page utilises both Pay Per View and Spondo Ads to provide access to the movie. The example uses a Visa Ad, with all of the questions at the beginning of the movie: <http://www.facebook.com/pages/Creep-Van/141625886034238> - access via PC or laptop
2. My Own Love Song. This page also utilises both Pay Per View and Spondo Ads to provide access to the movie. The example uses a Coca Cola Ad, with all of the questions at the end of the movie: <http://www.facebook.com/pages/My-Own-Love-Song/567645159959380> - access via PC or laptop
3. This is an ADiQ test that talks to an ad server to get the advertisement, it has the questions integrated within the video: <http://spondo.com/ADiQ/> - access using any reading device

See also Appendices B, C, D and E for screen shots and or live access if reading this on a PC, laptop, reading tablet or Smartphone.

Spondo Markets

Spondo serves the video-on-demand (VoD) – both transactional (payment via services like PayPal or credit card) and advertising-supported - market by facilitating transactions between digital content producers and consumers using online affiliate retailers as intermediaries. Spondo delivers digital video media by “streaming” content over the Internet (using Internet Protocol) which offers significant advantages in security, speed and moving content between and amongst multiple devices.

The VoD market is growing rapidly due to changing consumer preferences as viewers migrate from passive delivery models such as broadcast and cable/satellite TV (plus others including DVD/Bluray and cinema) to interactive, on-demand Internet and mobile delivery. Video already accounts for approximately 60% of total Internet traffic³.

8.3. More on the USA Social Movie Player JV

Spondo has entered into a US-based joint venture partnership with Trinidad Media Services and its owner, Erik Pence. This alliance was identified and formed after a series of other partnerships (content acquisition and Spondo Data Services) with Pence to best build and sell a platform that combines software from Spondo and Trinidad Media Services (a company in the VOD, streaming, advertising, search, discovery, rewards and content delivery space) in order to provide content producers and distributors with a way to monetize their content through the official content social pages (i.e. Facebook) and websites where they currently are aggregating large user-bases (via marketing) but little if no revenues.

The partnership's primary mission is to create a “social movie player” via combined software and augment Spondo’s “ADiQ” product into a seamless platform that can be deployed into social pages and the web at scale. Also crucial to this JV is the relationships that Pence has with all major studios, distributors, broadcasters, producers and content libraries through his position as Founder and current President of Bonded Services the company that now encompasses Inception Media Group and Inception Digital Services, the largest content and data digitization, procession, encoding and storage company in the world with clients including Sony, Warner Brothers, Paramount and many others. In addition to being the biggest name in digitization, IDS Bonded and Pence are responsible for the validation, recommendation and launch (on behalf of the studios) of their content into new online platforms such as Netflix, iTunes, Amazon Prime, Hulu, Quikflix and nearly 100 more.

The platform to be operated by the partnership will live within the official movie/TV Show/documentary/etc al page for content owned by the studios and users will consume via either transactional VOD (Pay) or ad-supported VOD (ADiQ) – see Appendices B, C, D and E.

³ Source: Cisco – The Zettabyte Era – Trends and analysis. *Link:*
http://www.cisco.com/en/US/solutions/collateral/ns341/ns525/ns537/ns705/ns827/VNI_Hyperconnectivity_WP.html

Via leveraging software, personnel, relationships and access, the platform is uniquely poised to monetize social media and the web in a very disruptive way and solves several key problems for studios, consumers including:

- Creating revenues (and therefore ROI) on official movie/TV/documentary/sport/et al social and web pages where huge numbers of users most often visit (as the result of CEO/SEM and Paid Search) and which studios, distributors and networks spend vast amounts of marketing and digital/social media dollars with little to no ROI.
- Giving users the opportunity to watch content they love or discover right where the content lives – on the official site or social page – via their friends, influencers and network or existing affiliation with that site/Page. Instead of going through a tedious and often frustrating process to search for or discover content, then be driven to one of a number of destination sites (i.e. Netflix, Quikflix, Hulu, et al) where they have to create accounts and most often subscribe, they can simply watch where they already are.
- Negate the need for a content license and, therefore, a minimum guarantee. Virtually all premium content comes with a very strict and very expensive content license (covering territories), which the established destinations are saddled with and must spend enormous sums on marketing and customer acquisition to recoup. With the partnership's unique software system, personnel experience and relationships, it has enables a system to work with publishers/studios/distributors, et al without a content license or minimum guarantees. This is achieved by integrating the Spondo platform into the host servers (which are largely controlled by Pence's IDS Bonded), thus delivering the content owned by the studio directly into the Page owned by the studio to be marketed to the public via the same methods that the studios are already employing. The offering thereby includes a platform, streaming, payment and metrics to all parties. It is ideal for content owners who initially prefer not to syndicate their content through Spondo's Affiliate network.
- Scale. With millions of movies, TV shows and other online destinations already having "real estate" online, Spondo's opportunity to offer primary revenue generation by the owners of those sites and the accompanying content is great. The Spondo platform scales enormously and can integrate at speed and scale across virtually unlimited numbers of sites.

The entertainment industry was estimated to be \$1.6 Trillion dollars in 2012 ⁴and there are over 2 Billion users of social media (just in the top 5 sites alone). The partnership sits at the intersection between massive supply and massive demand which is not currently being served.

See Appendices B, C, D and E for screen shots and or live access if reading this on a PC, laptop, reading tablet or Smartphone.

⁴ PWC – Global Entertainment and Media Outlook 2013 – 2017 – link: <http://www.pwc.com/qx/en/global-entertainment-media-outlook/data-insights.jhtml>

8.4. More on Spondo Ads/”ADiQ”

Spondo believes ADiQ will dramatically change pre-roll and in-roll video advertising by allowing the advertiser to engage and interact directly with consumers like never before. This “Holy Grail” of ad units – combining all of the various existing online advertising products and methodologies – enables brands, marketers and advertisers to obtain clear data sets of the viewing audiences and allow further defined advertised targeting to individuals and audiences by known content viewing preferences.

ADiQ facilitates the promotion of products via packaging. For example, the promotion of premium pet food by pet food manufacturers and distributors using advertising codes on packaging. This directs the consumer with pet interests to a site that has a piece of online content relevant to their interest and enables them to watch for free. Additionally, Spondo Ads/ADiQ works seamlessly with content (pre-roll/in-roll) as well as a stand-alone, massively scalable and distributable ad unit which can be licensed by media companies, publishers, marketers, brands, agencies and advertisers.

See Appendices B, C, D and E for screen shots and or live access if reading this on a PC, laptop, reading tablet or Smartphone.

8.5. More on Spondo Revenue Distribution Engine (SRDE)

The Spondo Revenue Distribution Engine (SRDE) allows any party - observing the terms and conditions of proper use - to establish an online digital transaction business facilitating single use single site digital transactions right through to multi user multi-site syndicated transactions. The development of digital syndicates where transactions occur requires a collections and payment engine to manage front end and back end transactions whether that be using video content or other digital content. The SRDE provides a white label solution that currently does not exist in a multi site multi-tiered environment.

Additionally, it is this system that offers the company its greatest technology competitive advantage over others as it enables the tracking and payments at scale across a virtually limitless number of sites, handling thousands of videos and millions of users. The SRDE will be the core of the company’s explosive growth and attractiveness to potential acquirers.

9. WHY NOW?

There has never been a better time to grow, expand and scale a business such as Spondo. In terms of supply, the Video on Demand market is still in a relatively early stage but it's growing and changing rapidly. According to The NPD Group, a global information company, sales of Blu-ray discs and DVDs remain the largest source of revenue for the movie industry, accounting for 61 per cent of home-video spending on movies (excluding Netflix and other movie streaming subscriptions)⁵. This has encouraged the development of the "Electronic Sell Through (EST)" transactional model for VoD, where consumers pay a one-time fee to download and keep a digital media file.

However, in 2011, according to analytics provider IHS, the online movies business saw the balance of consumer spending shift from transactional models (Pay-Per-View [PPV] and EST) to a more TV-like subscription approach⁶. In the U.S., revenue from subscription VoD services reached \$454 million in 2011, growing by more than 10,000 per cent from \$4.3 million in 2010. As a result, subscription VoD became the largest segment of the U.S. online movie business in 2011, surpassing transactional VoD and EST. Meanwhile, transactional VoD (with main supplier being iTunes) expanded to \$273 million in 2011, up 75 per cent from \$155 million during 2010. Electronic sell-through grew by just 2.4 per cent to reach \$236 million⁷. EST and PPV are more profitable models for content producers but consumers appear to overwhelmingly prefer subscription for the unlimited consumption for a low monthly fee.

2011 Rank	Company	% US Market Share
1	Netflix	44%
2	Apple	32%
3	Microsoft	8%
4	Vudu (Walmart)	4%
5	Sony	2%

Figure 2: Online Movie Market Share (IHS Jun 2012)

Major studios, including Fox, NBC Universal, and Warner Bros. have already established web sites for their premium video titles, in hope of securing a part of the growing online market. An example is the Hulu platform, created by NBC Universal and News Corp's Fox. This online video site offers access to premium TV shows and movies in both short clips and full-length format free. Hulu is ad-

⁵ Source: NPD Group – Press Release – January 30, 2013. *Link:* <http://www.prweb.com/releases/2013/1/prweb10376461.htm>

⁶ Source: HIS iSuppli – *Link:* <http://bgr.com/2012/06/06/apple-itunes-revenue-netflix-movies-streaming/>

⁷ Source: HIS iSuppli (including table) – June 1, 2012 – *Link:* <http://www.isuppli.com/Media-Research/News/Pages/Netflix-Surpasses-Apple-to-Take-Lead-in-US-Online-Movie-Business-in-2011.aspx>

driven, with integrated video ads and banners played during the streaming of a piece of content. Hulu is Free-To-Air TV without the time-shifting offering customers access to movies, shows and documentaries with advertisements throughout the programs. Customers who wish to skip the ads can subscribe, but after more than 5 years in the market, the service is still only available in the US.

9.1. Market Attractiveness

It is believed that many companies are moving into the paid content market, but predominantly in the aggregated content on a subscription-based model. There is generally little differentiation in the market with several big players dominating and when competitors do enter, it is usually with the same business model and customer acquisition strategy.

Using Spondo's syndication model, there is a significant potential disruptor to this market as it allows for a much broader and social distribution of content due to its ability for affiliates to choose content directly relevant to their target customer base. Very simply, instead of several, monolithic destinations, all of whom carry essentially the same content, Spondo enables vast "democratisation" of broadcasting by empowering anyone with a website, social page or blog to become a broadcaster using their content, Spondo's content or a combination. This means potentially millions, if not billions of content channels online.

This democratisation is key as other platforms such as WordPress, Spotify and Pandora have been adopted by users and companies in vast numbers for their empowering users to create, curate and share. Yet these platforms have struggled to monetize as they still rely on out-dated and rapidly declining CPM (cost-per-thousand) revenue models. Spondo, with its PPV/VOD/Subscription and Smart Ad (ADiQ) revenue models and concentration on video is poised to create a revolution in the way people interact with content and each other.

9.2. Competitive Positioning

Spondo will syndicate content through a vast network of affiliate retailers who will market and sell targeted content directly to their customers and user-base and share in the profit. These affiliate retailers will embed Spondo into their websites or social pages to dramatically increase channels to market for content.

The table below highlights the areas where each of the key Spondo competitors have their primary strengths. At this stage, Spondo has a first mover advantage in a number of areas, whilst also having all of these key functions.

	Spondo	YouTube	Amazon	iTunes	Netflix	Hulu	Vimeo
Pay-Per-View Video Streaming	✓	✓	✓	✓	✓	✓	✓
Pay-Per-View Live Streaming	✓	✗	✗	✗	✗	✗	✗
Subscription Streaming	✓	✓	✓	✗	✓	✓	✗
Ad Funded/Supported Streaming	✓	✓	✗	✗	✗	✓	✓
Interactive Ad Funded Streaming	✓	✗	✗	✗	✗	✗	✗
Syndication in 3 rd party website	✓	✗	✗	✗	✗	✗	✗
Syndication in social networks	✓	✗	✗	✗	✗	✗	✗

Figure 5: Spondo's Competitive Positioning

10. TRACTION AND VALIDATION

The Company was established in Melbourne, Australia in 2007 by two musicians. As professional musicians interested in technology, they saw an opportunity to develop an Internet platform to deliver video content from producers to consumers in a more efficient and direct way.

The original business model and technology was in live-streaming and as a hardware solution. Over time, the company developed both syndication (one to many) and their proprietary Revenue Distribution System (pay and track at scale). In a visionary pivot, in 2011, the company extracted its core software technology from the hardware solution and migrated it online, leveraging the economies of scale of web, social, cloud, payment gateways, CDN (content delivery networks) CMS (content management systems), storage, hosting, broadband and mobile.

Over the last 12 months, the business has achieved some very important milestones in rapid succession.

Aug 2012	Brings ex Facebook, Participant Media, Amazon and Comcast Senior Executive Chris Adams on as Advisor
Sep 2012	Signs deals with: The ABC, Madman Entertainment, Starlight Children's Foundation and others
Oct 2012	Launches Spondo with Golf.com.au and 50+ other sites to live-stream head-to-head match between Tiger Woods and Rory McIlroy. where over 25,000 viewers from 103 countries enjoyed the PPV event
Nov 2012	Spondo and Golf.com.au offer VOD stream of Tiger Woods vs. Rory McIlroy holes 10-18 on Golf.com.au site
Dec 2012	Chris Adams hired as Global CEO and Executive Director
Jan 2013	Launches partnership with ABC (Australian Broadcasting Corporation) and The Starlight Children's Foundation Australia with www.123tv.com.au
Feb 2013	Signs deal with Trinidad Entertainment/Inception Media Group to license 50,000 hours of movie, TV, documentary, sport and other video content. Spondo is in the process of assembling this library of media. Signs deal with IceStorm Entertainment (\$50M Euro market cap German-based entertainment company) to acquire over 20,000 titles Spondo feature stories appear in Wall Street Journal and The Australian Appoints CNN's KJ Mathews, Telstra's Darren Van Ginkel, Telstra's Michael Padden and Big Fuel's Mike McGraw to Advisory Board
Mar 2013	Signs partnership deal with Inception Digital Services/IDS Bonded to form Spondo Data Services Australasia Launches partnership with Madman Entertainment and The Martial Arts Association of Australia with www.martialartstv.com.au Chris Adams CEO appointment announcement is released globally including placement on The Reuters Board in Times Square (the largest digital sign in the world)
Apr 2013	Raises \$1M AUD from private individuals at \$.40 cents per share establishing an \$8M AUD pre-money valuation.

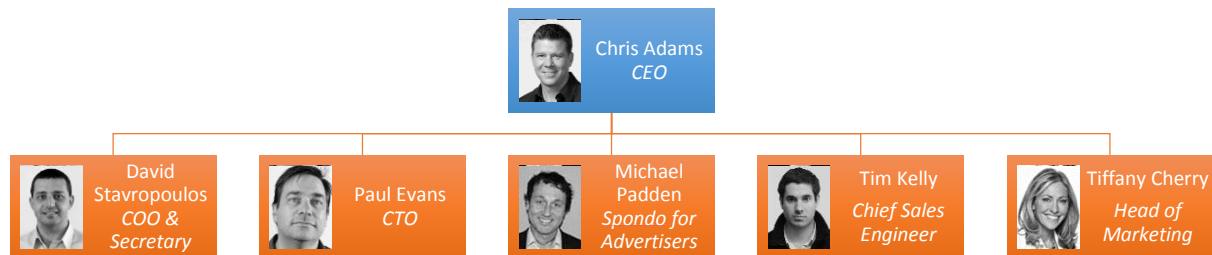
	Opens US office via Partnership with ROAR in Los Angeles
May 2013	Signs first US-based content deal with CINEBX giving the company 20,000 titles in movies, TV and documentaries
June 2013	Creates first in-Facebook products (Spondo for Studios and Spondo Ads/ADiQ) and launches into Facebook with live movies. Links at: https://www.facebook.com/pages/Creep-Van/113474462008051
July 2013	Signs deal with blogger and producer Hayden Black (Time Magazine, Yahoo, BBC America) to launch his webisodic comedy series, "Goodnight Burbank" into the show's official Facebook Page. Link at: https://www.facebook.com/GoodnightBurbank Appoints Trent Blacket to The Board of Directors
Aug 2013	Signs deal with Ingram Books to acquire rights to 7.5 million eBook and Print-on-Demand titles Signs JV agreement with Trinidad Media Services to create Social Movie Player Signs agreement with NASDAQ-listed independent movie distributor, Cinedigm to integrate Spondo platform into select Cinedigm official movie websites and Facebook Pages Signs deal with content aggregator, Switch International Launches ScrapbookingTV into Facebook. Link at: https://www.facebook.com/ScrapbookingTV?ref=br_tf Signs deal with content aggregator Umbrella Entertainment Launches IceStorm/Spondo/Burda Media partnership at www.superillo.de
Sept 2013	Raises further capital from private individuals at \$.60 cents per share raising the pre-money valuation of the company to \$12M AUD Wins coveted spot in Red Herring Top 100 Asia (and is listed as a finalist for the Global 100 to be held in Los Angeles in November, 2013) Secures deal with Sensis (Australian-based and Telstra-owned Yellow and White Pages company both online and off) Hires ex-Telstra Head of Digital Advertising, Michael Padden to run Spondo Ads/ADiQ Appoints Eric Fleming to Advisory Board Appoints Tiffany Cherry to Advisory Board Hires Social Radius (www.socialradius.com) to run global Digital and Social Media, marketing and PR.

11. MEET THE TEAM

Spondo has put together a world class team of Directors, Managers and Advisors. This team has the experience, passion and dedication required to scale Spondo into a highly respected leader in online media sales and distribution.

11.1. Organisational Structure

Below is the organisational structure for the senior management team at Spondo



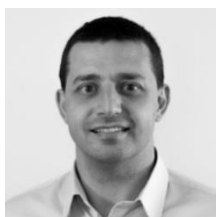
CEO – Chris Adams



Chris Adams is an internationally recognised new media pioneer, media, entertainment and technology executive, children's author with over twenty years of experience in accelerating businesses and innovation. Over that time, he has held executive roles at Amazon (September 1997 – March 2001), Participant Media (October 2003 – February 2006) and Facebook.com (July 2006 – October 2008), and has held executive consulting roles with HBO, Comcast Cable and Interactive and Glam.com.

In 2004, Chris helped to build Participant Media with eBay's Jeff Skoll. Participant's first slate of movies – 'Syriana', 'North Country' and 'Good Night and Good Luck' – were nominated for 11 Academy Awards. Chris is also proud to have identified and helped develop former Vice President Al Gore's Oscar-winning documentary 'An Inconvenient Truth' which, along with Gore's work, participated in his being awarded the Nobel Peace Prize.

COO and Company Secretary – David Stavropoulos



In his role as Chief Operating Officer, David is responsible for the daily operations of Spondo. He is integral in developing and implementing the company's strategic business plan, including formalising alliances with major stakeholders of the business. David is also in-house legal counsel and serves on the Board as company secretary.

David has two decades of experience as one of Australia's brightest tax and structuring advisors in major legal and accounting firms. Most recently he was a partner at international law firm Norton

Rose Fulbright for over eight years. He is a trusted advisor renowned for developing extremely practical solutions for complex legal and commercial problems.

David holds degrees in economics and law, and has served on a Specialisation Accreditation committee for The Law Institute of Victoria. He is also a major shareholder and advisor to a large privately owned food distributor based in Western Australia. This business was founded by David and two colleagues and has had over ten consecutive years of growth.

CTO - Paul Evans



Paul Evans is a Churchill Fellow, Spondo's Chief Technology Officer and co-founder along with Geoff Collinson.

As Spondo's Chief Technology Officer, Paul oversees the development and implementation of all of Spondo's innovative technology products and reports directly to the Board of Directors and the rest of the Executive team. Having a background in both the arts and science gives Paul a unique perspective on problem-solving and this is put to good use when resolving technical issues and managing the software engineering team.

Prior to founding Spondo, Paul worked for over a decade in Germany and Denmark before returning to Australia in 2000. He then established a web consultancy company that serviced clients in the biotechnology and pharmaceutical fields, as well as the Australian arts community.

Head of ADiQ– Spondo Advertising/ADiQ - Michael Padden



Michael is an Australian Internet and Digital Advertising executive and entrepreneur whose experience in nearly 20 years of digital media has included executive management, production, sales, commercial, product, M&A and business development in both start-up businesses and large publishers such as Fairfax, BigPond and Telstra Media. He has held Board roles at the IAB, AIMIA Victoria, Mobility Victoria and the Film Victoria Digital Investment Fund.

Michael is acknowledged by industry as a pioneer of the mobile media industry and ranked by leading executives as one of the top 10 digital executives in the nation with a demonstrated track record of outstanding digital product and service development, P&L performance, commercial management, business development and culture development.

Most recently, Michael headed up the Telstra Advertising Network with responsibility for Telstra's display and classified media sales businesses, representing some of Australia's biggest and most innovative media brands online and mobile such as BigPond, AFL.com.au, NRL.com.au, MOG, Tradingpost, Yellow and the T-Box IPTV service.

He has extensive commercial development experience and have completed partnership arrangements with many leading media groups including for example, News Ltd, PBL and more recently MCN, AFL and Carsales.com.au.

Finally, Michael has the distinction of launching Australia's first mobile app store in 2003 and have pioneered development and commercialisation of many digital media services now mainstream including e-commerce, video, app stores, sport, advertising and subscription services.

Tiffany Cherry – Head of Marketing



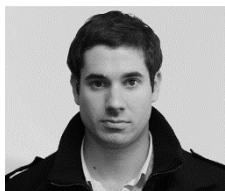
Tiffany Cherry has worked in the media industry for 20 years across a variety of roles from reporter to most recently hosting the London 2012 Olympic Games for Foxtel. After working for ESPN, including establishing their Melbourne bureau plus anchoring and producing their flagship Australia/New Zealand Sports center show from the US, Tiffany re-joined Foxtel in July 2009 as Co-Presenter for the Vancouver 2010 Winter Olympic Games and New Delhi 2010 Commonwealth Games. She currently produces and hosts her own radio sports show on Melbourne's SEN, The Hen House and is also producing and hosting a radio and on-line football show which highlights Australia's great Indigenous and multicultural talent and stories across all football codes.

Whilst in America, Tiffany hosted the exclusive ESPY awards in Hollywood in July 2007 and joined the network's coveted Tennis Team covering the Australian Open in 2009. She hosted the show LIVE on Australia Day back into the US market with a viewing audience of more than 30 million. She also worked on the Superbowl, NBA Finals, US Open tennis and golf, Wimbledon, Volvo Around the World Ocean race and Kentucky Derby.

Tiffany has also been an athlete and represented Australia at the 1999 World Triathlon Championships in Montreal; and was a physiotherapist for the AFL's Richmond Football Club for three years.

Tiffany was the first female AFL Boundary Rider and one of the original faces of FOX Footy. She has worked at seven Olympic Games (summer and winter), as well as two Commonwealth Games, produced numerous documentaries around the world and worked across all platforms of media.

Chief Sales Engineer – Tim Kelly



Tim has an extensive background in the performing arts and entertainment sector - holding production, senior management and board positions with organisations including the Australian Broadcasting Corporation and Melbourne Symphony Orchestra. As co-founder of successful start-up Handsome Productions Pty Ltd, Tim has worked at the bleeding edge of live streaming media – providing technical solutions to clients in the UK, Germany, USA and the APAC region.

Working with the Company since late 2007, his immense technical experience coupled with sharp business acumen has seen him implement both technical and commercial solutions for clients throughout a range of industries.

11.2. Board of Directors



Dr Henry Pinski - Chairman



Henry is an Entrepreneur, Investor & Company Director. He joined the Board of the Company in 2010 and was recently appointed to the role of Chair. Henry was also recently appointed Chair of NASDAQ listed entity 30DCinc – an online marketing company that has developed, released and commercialised a digital publishing tool that just like Spondo in video is disrupting the publishing sector. The publishing tool MagCast has now launched over 350 completely new Magazines since June 2012 on a worldwide basis making it the fastest growing publishing group in the world.

Recently appointed to sit on the investment committee of a funds management business Henry has also been a Director of the government insurance business VMIA, the Alfred Group of Hospitals and Yarra Valley Water. He has been a Director of 3 ASX listed companies over the past decade. Henry is medically trained and owner of a health services and facilities management business.

Trent J Blacket



Trent J Blacket is the head of Los Angeles based ROAR Asia Pacific. ROAR is a talent management, production and corporate advisory firm based in Beverly Hills, California with offices in Nashville, Atlanta, and New York. www.roarasiapacific.com

Trent specialises in advising clients operating in both the North American and Australian/Asia Pacific regions.

ROAR's talent Clients include: Zac Brown Band, Chris Hemsworth, Liam Hemsworth, Ken Watanabe, Jamie Durie, Joe Hachem, Laird Hamilton.

ROAR's corporate clients include: Qantas, Village Roadshow, Nine Network Australia, Dainty Entertainment, Cinedigm Entertainment Group, Lowy Family Group, Donna Karan's Urban Zen, , The Government of Western Australia and The Michael Hutchence Trust.

Trent is an Australian Lawyer (admitted in Victoria) and was formerly a Director of TC&A Lawyers, of Melbourne. At TC&A, Trent worked closely with JT Campbell & Co, a prominent merchant bank (Chairman, Michael Kroger) and also represented prominent Australian clients including Gai Waterhouse Racing, Roy Morgan Research Centre, Tempo/ISS and PPB Victoria.

Trent was educated at Trinity Grammar in Kew, Victoria, and subsequently at Monash University Law School. Trent holds a combined degree of Bachelor of Laws (International Business major) and a Bachelor of Jurisprudence.

Trent is the Chairman of Advance (Los Angeles), Founding Advisory Board Member of Alpha (Westpac Bank) and a member of The Milken Institute Young Leaders Circle (USA).

Peter Leggett



Peter Leggett is the Managing Director and Private Client Manager of Arrow Wealth Management in Australia. He has been involved in financial services for over 25 years and for the last 16 years operating and growing a 'holistic' wealth management business. He is also the Managing Director of financial advice business Leggett Financial. He was the Chairman and founding Managing Director of Financial Focus Group, a business specialising in coaching and business skills development for financial advice businesses

across Australia and New Zealand.

He is a past five year member of the Advisory Board to Perpetual Funds Management, held a two year position on the Advisory Board of Rothschild Investment Management, current six year board member of his Dealer Group's Advisers Association, past Chairman for two medium Business Enterprises (Food, Manufacturing) and present Board Member of two other external SME businesses (Technology, Asset Management).

Peter Marks



Peter is currently an Executive Director of Peregrine Corporate Ltd, a boutique investment bank specialising in identifying, structuring, investing in and listing small to medium sized enterprises on the Stock Exchange in Australia and the UK. The focus of Peter's activities for the last 10 years has been in the resources, life science and technology sectors. Peter also served as an Executive Chairman of Premier Bionics, Medic Vision and KarmelSonix Limited (now iSonea Ltd.), which were all ASX-listed medical devices companies, as well as currently serving as a director of Prana Biotechnology Ltd, a bio-tech company listed on the ASX and NASDAQ. Peter is also non-executive Chairman of Armadale Capital PLC, an AIM listed Investment Company. Peter has had extensive experience with start-up and emerging companies, particularly in the technology space via direct investment as well as through a Funds Management business, founded by Peter (and 2 colleagues) in the mid '90s. In 2001 he joined the team at Peregrine Corporate where he is currently a director and shareholder.

Chris Adams – refer section 11.1

David Stavropoulos – refer section 11.1

11.3. Spondo Advisory Board and Partners

The Company has secured a number of well-respected business advisors and partners with a mixture of skills, experience and contacts that will prove valuable in the development of the organisation. The company intends to appoint up to six additional advisors.

Tim Bos – Chairman – Advisory Board



Tim has over 2 decades experience working with, advising and founding start-ups and larger enterprises with a focus on technology and online media. During this time he has held senior roles with a number of widely recognised and respected organisations, including Avanade Australia (a Microsoft and Accenture joint venture), Associate Director at Barclays Capital, Project Manager at GE Capital, IT Infrastructure Manager at Atari – Melbourne House, and Principal Consultant at Software Spectrum.

Tim Bos also established bioWatch Australia in July 2004, with the purpose of building a scalable cloud based framework for tracking valuable assets around the globe. He sold the company to Procon MRM in the USA in 2008. Since that time, Tim has assisted in growing the Procon group of companies to over \$100mil in revenue, with over 3 million vehicles tracked globally.

Tim also co-founded New Enterprise Services (NES). NES seeks to add significant value to the ideas, intellectual property and inventions of others by (for example) establishing and chairing formal management advisory boards that assist companies in defining their long term goals, and helping them identify strategic tasks required to achieve these goals.

Tim also recently co-founded Keaz, a cloud based car sharing and pool car management platform.

Michael Padden – refer section 11.1

Tiffany Cherry – refer section 11.1

Peter Leggett – refer section 11.2

Erik Pence - Pres. Bonded Services



As founder of Inception Digital Services and having served as its President and CEO before selling it into Bonded Services – a global asset management company - in 2013 of which he is now the global President, Erik has been instrumental in creating the technologies and techniques that have allowed digital platforms to take on video content. He is one of the most highly regarded and trusted industry figures in the Hollywood entertainment industry in this space. Bonded Services is a global asset has facilities in Los Angeles, New York, London, Toronto, Hong Kong, Paris and Amsterdam. IDS offer a wide range of video encoding, electronic packaging, and secure high-speed content delivery for the major platforms in film, music and entertainment.

IDS is certified to deliver to all major online, broadcast, and video on demand platforms, including CinemaNow, Amazon, Verizon, Netflix, Sony Playstation, Comcast, Echostar, Blockbuster, Hulu and Vudu. It is also the single largest technical provider for iTunes.

The JV partnership with Pence – the Spondo Social Media Player – and his private company Trinidad Media Services is described in Section 8.3.

Gerhard Sieber - CEO Icestorm Entertainment



Gerhard is spearheading Spondo's expansion into the lucrative European market. He is the sole owner and CEO of The ICESTORM Group, one of Germany's largest independent Entertainment companies. With PROGRESS Film Distribution GmbH and ICESTORM Entertainment GmbH, both based in Berlin, Germany, he owns the worldwide Television-, Video-, and VOD-Rights of the former East German film studios DEFA. The library consists of more than 14.000 productions, including feature films, children films, documentaries and the entire library of East Germany's newsreels "Der Augenzeuge".

Additionally, Gerhard is the President and CEO of The Future is Wild Australia Pty Ltd and the President and CEO of VIKTOR International Consulting Pty Ltd, both companies based in Melbourne.

Gerhard was previously CEO of Euro Video GmbH, the video distribution arm of the Bavaria Film Studios in Munich, Germany, where he was, amongst others, licensing partner of Walt Disney, MGM and Lorimar Pictures.

In his role as consultant for international sales and marketing, he oversaw Playboy Entertainment Group's worldwide video distribution until he started ICESTORM Entertainment in December 1997. He has a vast experience in sales and marketing of audiovisual content way beyond the European marketplace and was always a pioneer when it comes to new technologies and its implementation into existing business models.

Roger Felber – CEO British Pathe



British Pathe is one of the oldest media companies in the world with over 100 years of archival footage in news and documentaries and strategic partnerships in the British media and infotainment sector.

Their roots lie in 1890s Paris where their founder, Charles Pathé, pioneered the development of the moving image. They were established in London in 1902, and by 1910 were producing their famous bi-weekly newsreel the Pathé Gazette. After the First World War they started producing various Cinemagazines as well.

By 1930 they were producing the Gazette, the Pathetone Weekly, the Pathé Pictorial and Eve's Film Review, covering entertainment, culture and women's issues.

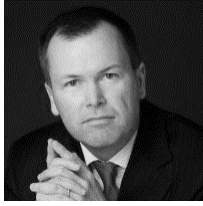
Eric Fleming



Eric is a global leader in organisational psychology. For almost 20 years he has been assisting companies, executives and individuals to change grow and develop. His client base spans 4 continents and multiple business sectors, including media, music, finance, publishing, health, government, sports and entertainment.

Eric has advised senior executives and globally leading companies on cultural change, team building and performance and behaviour change. Eric's background lies in clinical and sports psychology; it is his experiences in helping individuals and teams change behaviours and attitudes that underpins all of his work with businesses and organisations.

Darren Van Ginkel



Darren is a technology and marketing executive with over 20 years European, Australian and US experience. Darren has held senior management roles in development, marketing, sales and innovation at leading Australian and international communications companies such as Alcatel Lucent, Telstra and Agilent Technologies.

Mike McGraw



Mike is an experienced digital and social media executive and entrepreneur. He has held leadership roles at US and Australian media and communications companies including Big Fuel, Link Media Management, Telstra, Massive Interactive, and Gaylord Cable Networks. Mike also owned and operated Moving Story Pictures, an independent broadcast production company. After the sale of Big Fuel, where he was a founding partner, Mike is now consulting with and investing in new start-ups in the social/digital space.

KJ Matthews



KJ Matthews is an Entertainment Journalist for CNN. She's covered just about every facet of entertainment news for the cable news network for nearly a decade. From award shows to movie premieres to her in-depth one on one celebrity interviews, these are just a sliver of what she covers on a daily basis for CNN. During her tenure at CNN, her numerous stories have appeared on CNN.com and her produced pieces have aired on The Situation Room and CNN Newsroom.

12. FUTURE TARGETS

In the next 90 days, Spondo is planning on achieving the following key milestones:

- ✓ Launch movies into Facebook
- ✓ Secure marquee Brand/Agency/Media partners for time-based/territory-based “media buys” of Spondo Ads/ADiQ for first several months of service
- ✓ Launch a trial with a US-based, NASDAQ-listed media company, Cinedigm
- ✓ Expand Burda Media program in Germany
- ✓ Secure partnerships with video advertising networks.
- ✓ Finish user-experience development and Spondo “Marketplace” site
- ✓ Finish ingesting licensed content
- ✓ Expand current live projects (ScrapbookingTV, Goodnight Burbank, etc.)
- ✓ Close various “marquee” client deals in pipeline

Over the next 12 months, Spondo will

- ✓ Grow its digital content pipeline (content deals and distribution partnerships)
- ✓ Develop the distribution/affiliate networks for Spondo Syndication
- ✓ Build out new verticals in different genres and categories
- ✓ Launch over 5000 movies into the web and Facebook in the coming year
- ✓ Hire key Senior management roles required particularly in the USA and Europe
- ✓ Engage with key channel partners and value added resellers to extend the global reach of Spondo
- ✓ Investigate and partner with organisations that have ‘complementary’ products that can be added to the Spondo suite
- ✓ Increase the Spondo platform to include ecommerce APIs, SDKs and expanded mobile device compliance and usability.
- ✓ Conduct regular business model planning sessions to review the corporate strategy and ensure Spondo remains on a constant growth trajectory

12.1. Key Appointments

Based on the future targets listed above, Spondo will need the following additional people to augment the existing team. These are strategic recruits that are required as a result of the company's ongoing development. In the event that the funds raised are less than the amount sought, the key appointments will be revised according to the needs of the Company at the relevant time.

Q1 2014	<ul style="list-style-type: none"> • Director of Business Development; • Business Development Representative; • Affiliate Network Sales; • Affiliate Network Sales (part time); • User Interface Developer; • Regression Tester (part time); • Administration assistant; • Customer support officer;
Q2 2014	<ul style="list-style-type: none"> • Business Development Representative (US); • Engagement/Account Manager (US); • Business Development Representative (Europe); • Engagement/Account Manager (Europe);
Q3 2014	<ul style="list-style-type: none"> • Chief Executive Officer (US); • Chief Financial Officer;
Q1 2015	<ul style="list-style-type: none"> • Business Development Representative; • Engagement/Account Manager; • Director of Marketing; • Engineer; • Administration (US); • Director of Marketing (US); • Director of Engineering (US); • Account Director (US); • Engagement/Account Manager (US); • Technical Support (US); • Customer Support (US); • Director of Marketing (Europe); • Business Development Representative (Europe); • Account Director (Europe); • Engagement/Account Manager (Europe); • Customer Support (Europe);
Q2 2015	<ul style="list-style-type: none"> • Business Development Representative (US);

13. FINANCIAL INFORMATION

13.1. Current Financials

Below is the audited income statement and cash position of the Company as at 30 June 2013. The full audited accounts for year end 30 June 2013 can be found in Appendix F.

Statement Of Comprehensive Income As At 30 June 2013

Prior year audited financial statements are available upon request.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013			
	Note	2013	2012
		\$	\$
Income			
Revenue from sales and services rendered		49,917	155,727
Research and development grants		361,450	309,584
Expenses			
Administration and corporate		(95,953)	(160,314)
Consultancy and contracting		(263,212)	(365,510)
Depreciation and amortisation		(14,589)	(25,559)
Employee benefits	2a.	(1,112,349)	(975,754)
Finance costs		(90,268)	(17,652)
Information technology		(89,975)	(439,654)
Intellectual property expenses	2b.	161,000	(411,050)
Marketing		(200,167)	(73,984)
Occupancy		(119,558)	(154,678)
Loss before income tax		(1,413,705)	(2,158,844)
Income tax expense	3	-	-
Loss attributable to members of the company		(1,413,705)	(2,158,844)
Other comprehensive income		-	-
Total comprehensive loss for the year attributable to the members of the company		(1,413,705)	(2,158,844)

Auditors Statement:

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF RIVUSTV LTD**

I declare that, to the best of my knowledge and belief during the year ended 30 June 2013 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

J. C. Luckins

J. C. Luckins
Director

Dated this 4th day of October, 2013

14. INVESTMENT RISKS

The shares offered under this Offer Information Statement are considered speculative. There are a number of factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company and the value of an investment in the Company.

Some of these factors can be mitigated by the use of safeguards and appropriate commercial action and controls. However, many are outside the control of the Company and cannot be mitigated. There are also general risks associated with any investment in shares. Hence, prospective applicants under the Offer should be aware that the performance of the Company may be affected and the value of its Shares may rise or fall over any given period.

This section describes certain (non-exhaustive) risks associated with an investment in the Company. Prior to making an investment decision, prospective investors should carefully consider the following risk factors, as well as all other information contained in this Offer Information Statement.

SPECIFIC RISKS

14.1. No guaranteed source of funding

There can be no certainty that the Company will have sufficient resources from capital sought to be raised by this Offer Information Statement, revenue or further capital raising or other sources of funds be able to continue its activities, and investors in the Company may suffer the loss of their entire investment.

14.2. Reliance and key management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

To manage its growth, the Company must attract and retain additional highly qualified management, technical, sales and marketing personnel and continue to implement and improve operational, financial and management information systems. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.

14.3. Competition Risks

The Company has very little to no known competition in the specific business models within which it operates. However, the barriers for entry are low. Spondo believes that by scaling quickly, the Company is poised to take advantage of the first mover advantage in this area.

Additionally, the intellectual property of the Company is currently being evaluated for patentability and protection. The Company is in preliminary discussions with a patent attorney but has not yet lodged any applications for patent protection. This poses a risk that its business model may be copied by others.

14.4. Operating Losses

The Company is in start-up phase and has incurred losses since it commenced operations. Those losses are approximately \$1.4m for the year ended 30 June 2013. If the Company is not able to move from losses to profits then it would require further capital investment to survive. There is no guarantee that the Company would be able to raise the required funds. Given its history of losses, there is uncertainty about its ability to generate profit in the future.

14.5. Currency

The Company expects to derive a majority of its revenue from the United States, in US dollars. Accordingly, changes in the exchange rate between the United States dollar and the Australian dollar would be expected to have a direct effect on the performance of the Company.

14.6. Intellectual Property

The Company has developed a broad range of unique and proprietary items of intellectual property that the Company believes are novel and inventive. The Company is examining items that can be patented and that may form the basis for lodgement of a provisional patent.

14.7. Operational Considerations

Whilst the Company has redundancy and disaster recovery plans, there are no formal tested business continuity plans in place. These are currently in development and expected to be completed in early 2014.

14.8. Technology Risks

Lead times on hiring key support and development roles could be high due to the competitive hiring landscape for technology professionals. This could delay the ability to execute on large corporate opportunities and ongoing plans to enhance the Spondo products and featureset.

Expansion beyond English speaking countries requires additional multi-language support and development.

14.9. Reliance on partners

Spondo has partnered with companies such as Akamai, Amazon and Paypal to provide key functionality and hosting for Spondo's platforms. If any of these partners and suppliers were to have a major systems outage, or change their trading terms substantially, this would have an effect on Spondo's ability to deliver services to the Company's clients.

GENERAL RISKS

In addition to the specific risks set out above, the future performance of the Company and the Shares offered under this Offer Information Statement may be influenced by the following general risks.

14.10. General Economic Conditions

Changes in the general economic climate in which the Company operates may adversely affect the development activities of the Company. Factors that may contribute to that economic climate

include the general level of economic activity, interest rates, exchange rates, inflation and other economic factors.

14.11. Unforeseen Expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the anticipated budgets of the Company may be adversely affected.

14.12. Global Markets

The present state of local and international financial markets may impact upon the ability of the Company to raise additional funds if and when required to achieve its corporate and business goals.

14.13. Future Earnings

The Company's future earnings and the value of the Company's assets may be affected by the general economic climate and other factors beyond the control of the Company including force majeure events (such as fire, earthquake, storms, natural disasters, wars, acts of terrorism, strikes or loss of supply of electricity). As a result, no guarantee can be given in respect of the future earnings of the Company or the earning and capital appreciation of the Company's investments.

14.14. Market for Shares

The Company is not a listed entity and therefore its Shares are not able to be publicly traded. While Shareholders may transfer Shares to third-parties pursuant to the terms of the Company's Constitution, it is unlikely that an active and liquid market will develop for the Shares. Accordingly, an investment in Shares under this Offer Information Statement should be viewed as an illiquid investment.

14.15. No history of profits

The Company has not earned profits to date and there is no assurance that it will do so in the future. Further, significant capital investment may be required to achieve optimal commercial returns and there is no guarantee that the Company would be able to raise the required funds.

14.16. Government Policy

Changes in Government financial regulations and policies in Australia or North America or elsewhere may affect the ability of the Company to carry on its proposed activities, restrict the Company in achieving its objectives or may result in increased compliance costs, government royalties or charges or complexities in managing its business, and accordingly adversely affect the performance of the Company.

14.17. Taxation

Changes in Government fiscal policies in Australia and North America including the imposition of new or additional taxes, charges or duties and the redefining of current tax terminology, may adversely affect the financial performance of the Company.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the shares offered under this Prospectus. Therefore, the shares offered under this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Prospective applicants should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares under this Offer Information Statement.

15. CORPORATE GOVERNANCE

At the meetings of the board, the directors deal with various policy and corporate governance matters. The primary role is to guide the direction of the Company so that it is able to achieve its objectives. In addition, the Board monitors the business affairs of the Company on behalf of its Shareholders, with particular focus on identifying new revenue opportunities, potential investors and strategic commercial alliances that may be formed within the Company's operating sector.

The Board of Directors

The Company's constitution requires a minimum of three directors. The Directors have the power to fill a casual vacancy or to appoint additional Directors provided the maximum number of Directors authorised by the Company in general meeting is not exceeded. Directors chosen to fill a casual vacancy shall retain that office until the next Annual General Meeting at which point they are eligible for re-election. At least one third of all Directors must make themselves available for re-election at each Annual General Meeting. Directors are also required to make themselves available for re-election every three years. In Australia, Directors have both common law duties and statutory obligations. These duties include to:

- act bona fide in the interests of the company ahead of their own personal interests;
- avoid conflicts of interest;
- act with care and diligence;
- not abuse their position and act improperly;
- not disclose confidential information; and
- not trade while insolvent.

Subject to the limitations imposed by the Company's constitution, the size, composition and operation of the Board is subject to periodic review. This is intended to ensure that the Company is responsive to changes regarding the optimum number of Directors required to adequately supervise the Company's activities. The Board searches for new Directors to complement its existing skill set as and when required.

The Board considers that the current size and activities of the Company do not justify the formation of committees aimed at overseeing particular activities of the Company, such as audit and risk. For this reason, the Board is, as a whole, confident of its ability to continue to address issues relating to governance of the Company's activities and adherence to applicable ethical standards.

Continuous Review Cycle

The Directors are in regular contact with the executive team to ensure that the Directors are discharging their duties appropriately and not breaching any of their obligations. The Board holds a monthly Board Meeting at which the executive team and the Board discuss and review the progress of the business and its strategic direction. The Board also takes advice from professional advisors, including its accountants, auditors and lawyers, as required.

The Board is aware of the risks inherent in emerging companies within the internet space and understands that the Company's operational strategies must ultimately serve to foster, improve or, in the least, maintain its net worth. Consequently, the size of the Board and its development of governance practices will be given further consideration as a response to changes made to the size, nature and scope of the Company's activities.

16. CONSENTS

The Company's auditor, William Buck Audit (Vic) Pty Ltd, has given, and at the time of lodgement of this Offer Information Statement with ASIC has not withdrawn, its consent to be named as the auditor of the Company and the inclusion of its Independent Audit Report in respect of the Financial Statements set out in this Offer Information Statement and all references to that report in this Offer Information Statement.

William Buck Audit (Vic) Pty Ltd was not involved in the preparation of any part of this Offer Information Statement and did not authorise or cause the issue of this Offer Information Statement. William Buck Audit (Vic) Pty Ltd makes no express or implied representation or warranty in relation to the Company, the Offer Information Statement or the Offer and does not make any statement in this Offer Information Statement, nor is any statement in it based on any statement made by William Buck Audit (Vic) Pty Ltd. To the maximum extent permitted by law, William Buck Audit (Vic) Pty Ltd expressly disclaims and takes no responsibility for any material in, or omission from, this Offer Information Statement other than the reference to its name.

17. DIRECTORS' AUTHORISATION

This Replacement Offer Information Statement is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC.

Dated the 19th day of November 2013.

Signed for and on behalf of:

RIVUSTV LIMITED

A handwritten signature in black ink, appearing to be 'H. Pinski', written in a cursive style.

Henry Pinski
Chairman and Director

APPENDIX A – APPLICATION FORM

The share application form is on the following page.

The rest of this page is intentionally blank.

SHARE APPLICATION FORM

Before completing this form and signing the declaration on page 2, applicants should carefully read the Replacement Offer Information Statement dated 19 November 2013 and the information supplied on the following pages of this Share Application Form.

PLEASE USE BLOCK LETTERS

Given Name(s) or Company Name and ACN/ABN _____

Surname or <Account Destination> _____

Number and Street _____

Suburb _____ State _____ Postcode _____

Telephone (____) _____

Contact Name _____

Email _____

I/We apply for _____ Shares in RivusTV Ltd (or such lesser number of Shares as may be allocated to me/us by the Company) at \$0.60 (60 cents) per share.

I/We enclose application money \$ _____

Minimum Application - \$25,000

CHEQUE DETAILS

Drawer _____

Bank _____ Branch _____

Alternatively, funds may be sent EFT to "RivusTV Ltd Capital Account":

BSB: 033 364

ACCT: 719 885

By lodging this Application Form, I/We:

- Authorise the Company to complete or amend this form where to do so is necessary to correct any manifest error or omission;
- Agree to be bound by the Constitution of the Company and any contract between me/us and any other person arising from acceptance of this Application Form by the Company being governed by the laws of Victoria, Australia;
- Declare that:
 - I/We am/are not, as a result of the law of any place, a person to whom the information supplied should not be given. In particular, I am/we are not in, or acting for a person in, the United States of America or any other jurisdiction in which it is illegal to offer or issue securities under the information supplied.
 - I/we have had the opportunity to seek professional advice regarding all aspects of this investment; and
 - I/we have not relied on any statements or representations made by any party (including RivusTV Ltd, their officers, shareholders or advisors, employees and agents) prior to making this Application.

Signed

Signed

Name

Name

Date/...../.....

Date/...../.....

INSTRUCTIONS

Applicants may lodge this Application subject to the right of the Directors to alter the investment timetable or discontinue the capital raising at any time without prior notice. All communications from the Company will be mailed to the person(s) at the address shown. Applications must be in the name(s) of natural person(s), companies or other legal entities acceptable to the Company. To ensure validity see the table below and please note that -

- Only legal entities are allowed to hold Shares.
- The full and correct name of each entity must be shown.
- An account designation can be included (e.g. <Super Fund A/C>). If shown, it must be contained within one line and within the "<>" symbols. The last word of the designation must be ACCOUNT or A/C.

The Company reserves the right to reject or accept any application entirely or authorise the issue of a lesser number of Shares than those applied for. Excess monies (including where a lesser number of Shares is allocated) will be returned without interest to applicants as soon as practicable.

Application Forms must be forwarded or lodged, together with a cheque representing application money to:

RivusTV Ltd
Suite 702, 198 Harbour Esplanade
Docklands Victoria 3008

Complete cheque details as requested. Do not send cash. A separate cheque should accompany each Application Form.

Cheques must be -

- In Australian currency;
- Drawn on an Australian bank;
- Made payable to "RivusTV Ltd Capital Account"; and
- Crossed "Not Negotiable".

Cheques will be deposited as received pending allotment of the Shares or a refund. Sufficient cleared funds should be held in the applicants' relevant account, as cheques "returned unpaid" will result in rejection of the Application.

Alternatively, applications may be lodged by email to david.stavropoulos@spondo.com and funds may be sent EFT to the following "RivusTV Ltd Capital Account":

BSB: 033 364
ACCT: 719 885

FORMATS TO BE USED ON THE APPLICATION FORM

Type of Investor	Correct Form
INDIVIDUAL Use given names, not initial	John Alfred Smith
COMPANY Use Company title, no abbreviations	ABC Pty Ltd
TRUSTS Use Trustee(s) personal name(s) or company names including the name of the trust or super fund	Sue Smith <Sue Smith Family Trust A/C>
PARTNERSHIPS Use partners' names do not use the name of the partnership	John Smith and Michael Smith <John Smith & Son>
SUPERANNUATION FUNDS Use name of trustee of fund and the name of the fund	John Smith Pty Ltd <Super Fund A/C>

APPENDIX B – ADIQ EXAMPLE #1

The example below shows the basic flow of the AdIQ product when it is integrated with Facebook. This example will ask questions of the viewer before presenting them with an advertisement that's tailored to them. For more information on AdIQ, refer Section 8.4.

Please note that the Company has no commercial agreement or affiliation with Facebook. The following is an example of how Spondo products can be used in social media sites including but not limited to Facebook.







facebook

Email or Phone

Keep me logged in

Password

Forgot your password?

Log In

 Creep Van Creep Van Ad Supported

Like

Creep Van - Integrated Ad Quiz

Watch the following commercial, answer a few short questions, then enjoy the feature.

Click the Play button below to begin

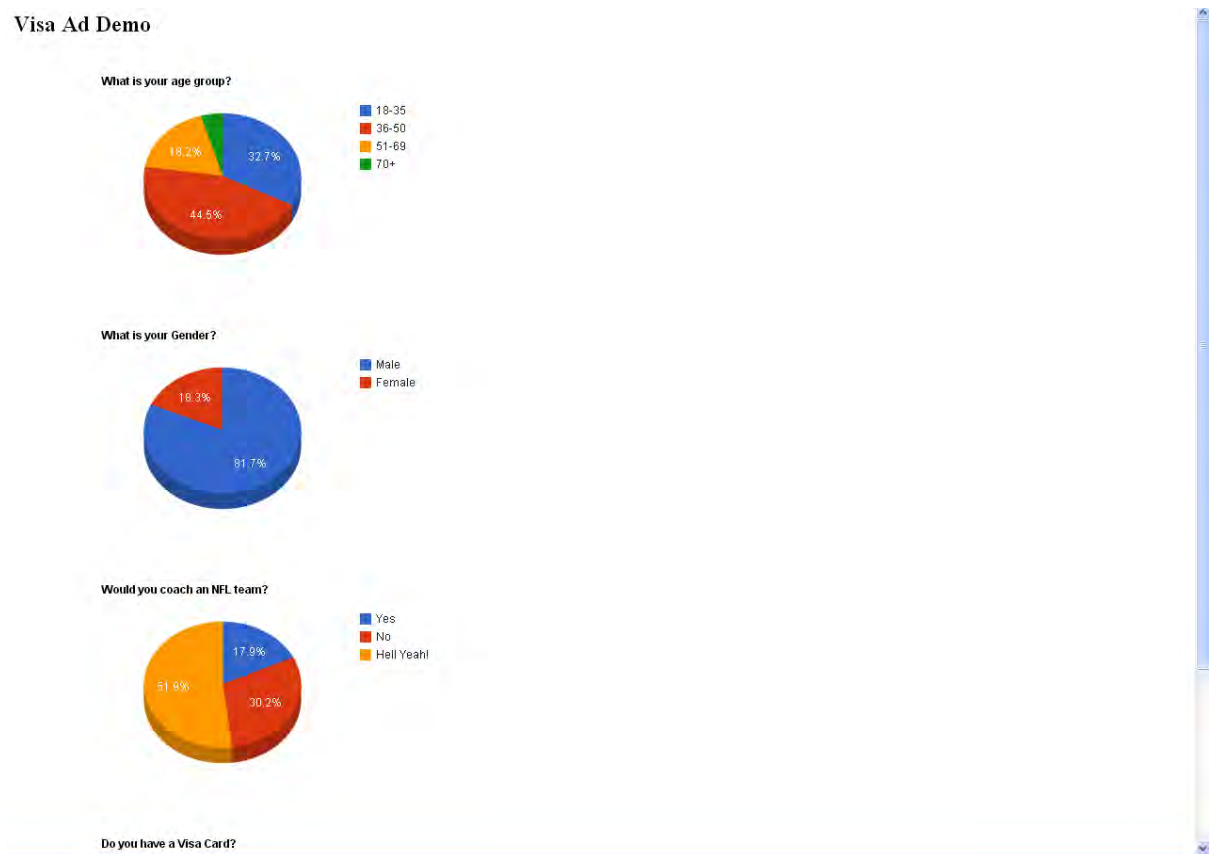
See Survey Results »



Facebook interface showing a post from Creep Van. The post includes a title "Creep Van - Integrated Ad Quiz", a description "Watch the following commercial, answer a few short questions, then enjoy the feature.", and a button "Click the Play button below to begin". Below the text is a video player showing a scene from "Artist View Entertainment Feature Presentation".

Facebook interface showing a post from Creep Van. The post includes a title "Creep Van - Integrated Ad Quiz", a description "Watch the following commercial, answer a few short questions, then enjoy the feature.", and a button "Click the Play button below to begin". Below the text is a video player showing a scene from "Artist View Entertainment Feature Presentation".

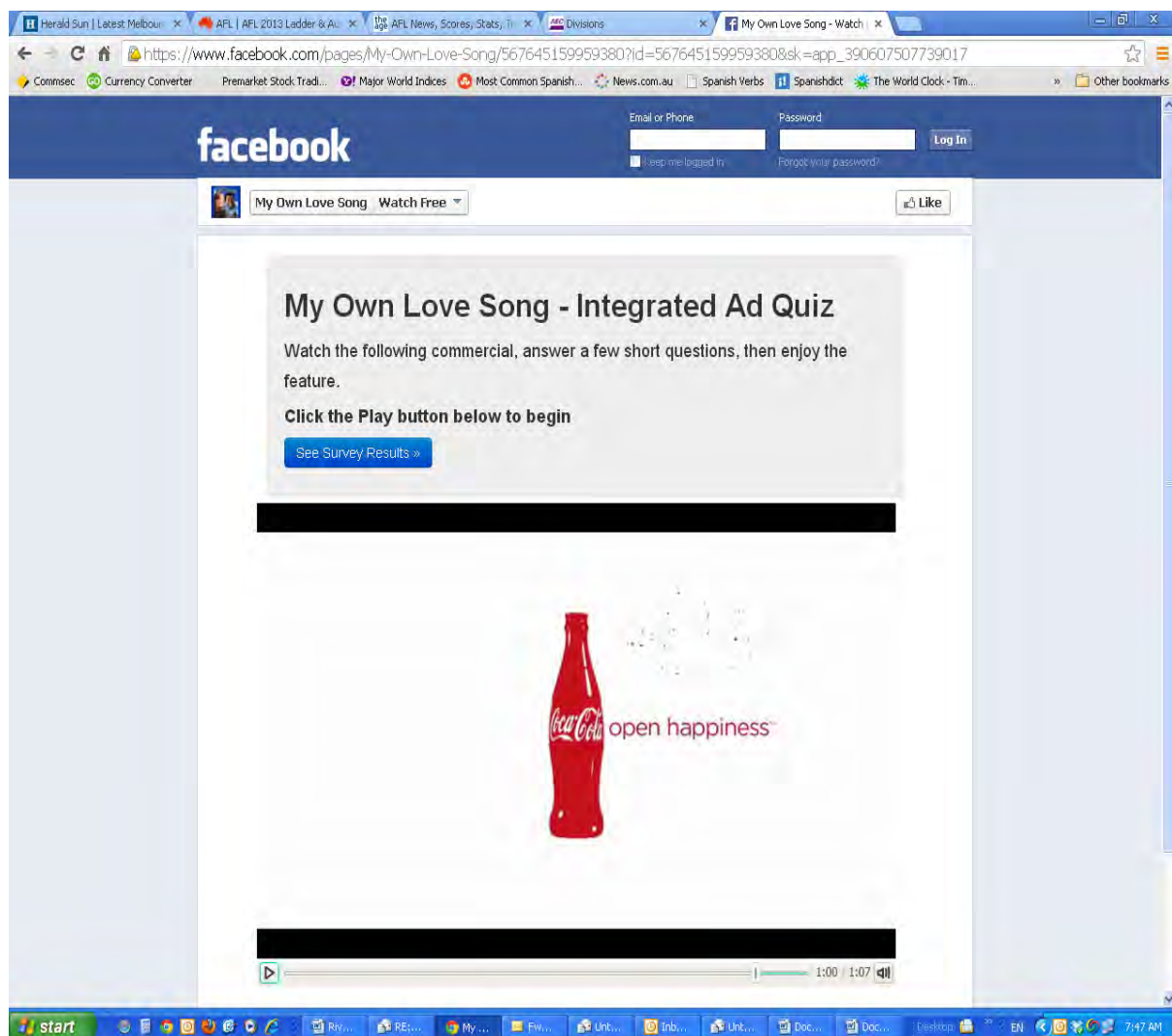
Visa Ad Demo

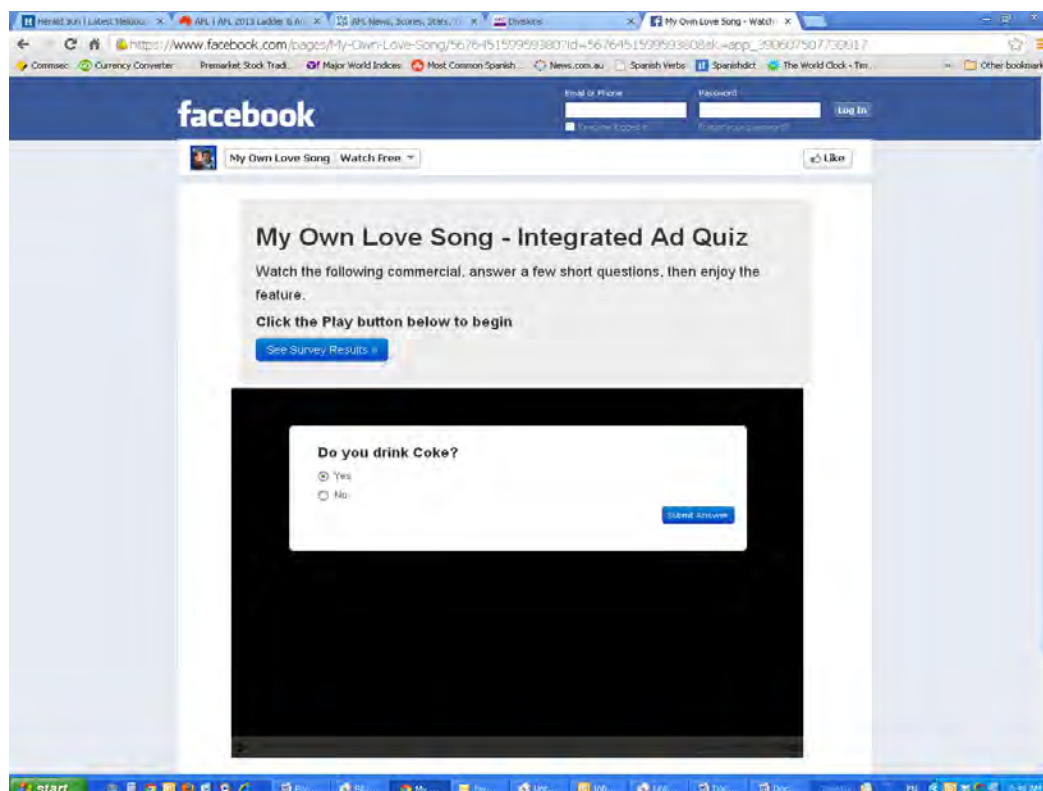
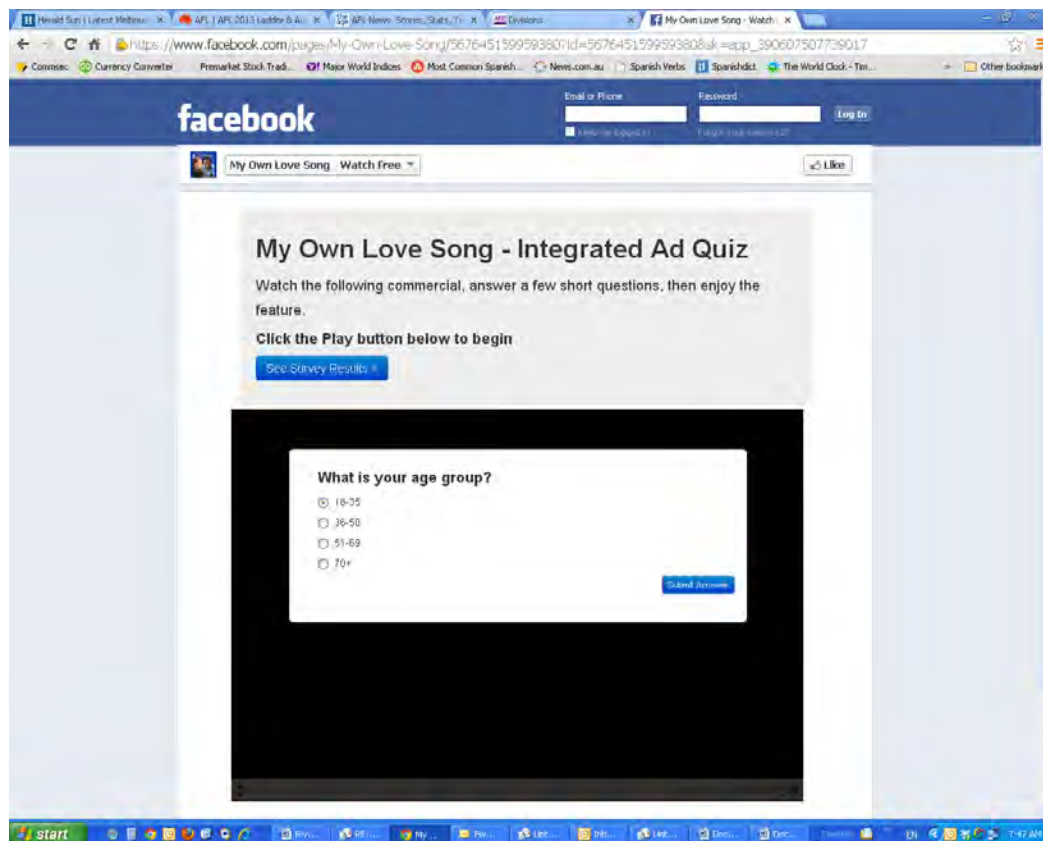


APPENDIX C – ADIQ EXAMPLE #2

Below is a further example that shows the basic flow of the AdIQ product when it is integrated with Facebook. This example will ask questions of the viewer after presenting them with an advertisement. Following that, they can watch the requested feature. For more information on AdIQ, refer Section 8.4.

Please note that the Company has no commercial agreement or affiliation with Facebook. The following is an example of how Spendo products can be used in social media sites including but not limited to Facebook.





Facebook login page showing the URL: https://www.facebook.com/pages/My-Own-Love-Song/567645159959380/?id=567645159959380&sk=app_390607507739017

Facebook logo and login fields (Email or Phone, Password, Log In) are visible.

Page title: My Own Love Song - Watch Free

Section: My Own Love Song - Integrated Ad Quiz

Text: Watch the following commercial, answer a few short questions, then enjoy the feature.

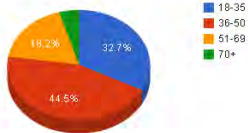
Text: Click the Play button below to begin

Button: See Survey Results

Video player showing a scene from the movie "Legende" with the title "LEGENDE" overlaid.

Visa Ad Demo

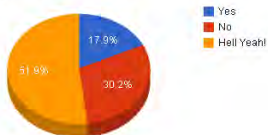
What is your age group?



What is your Gender?



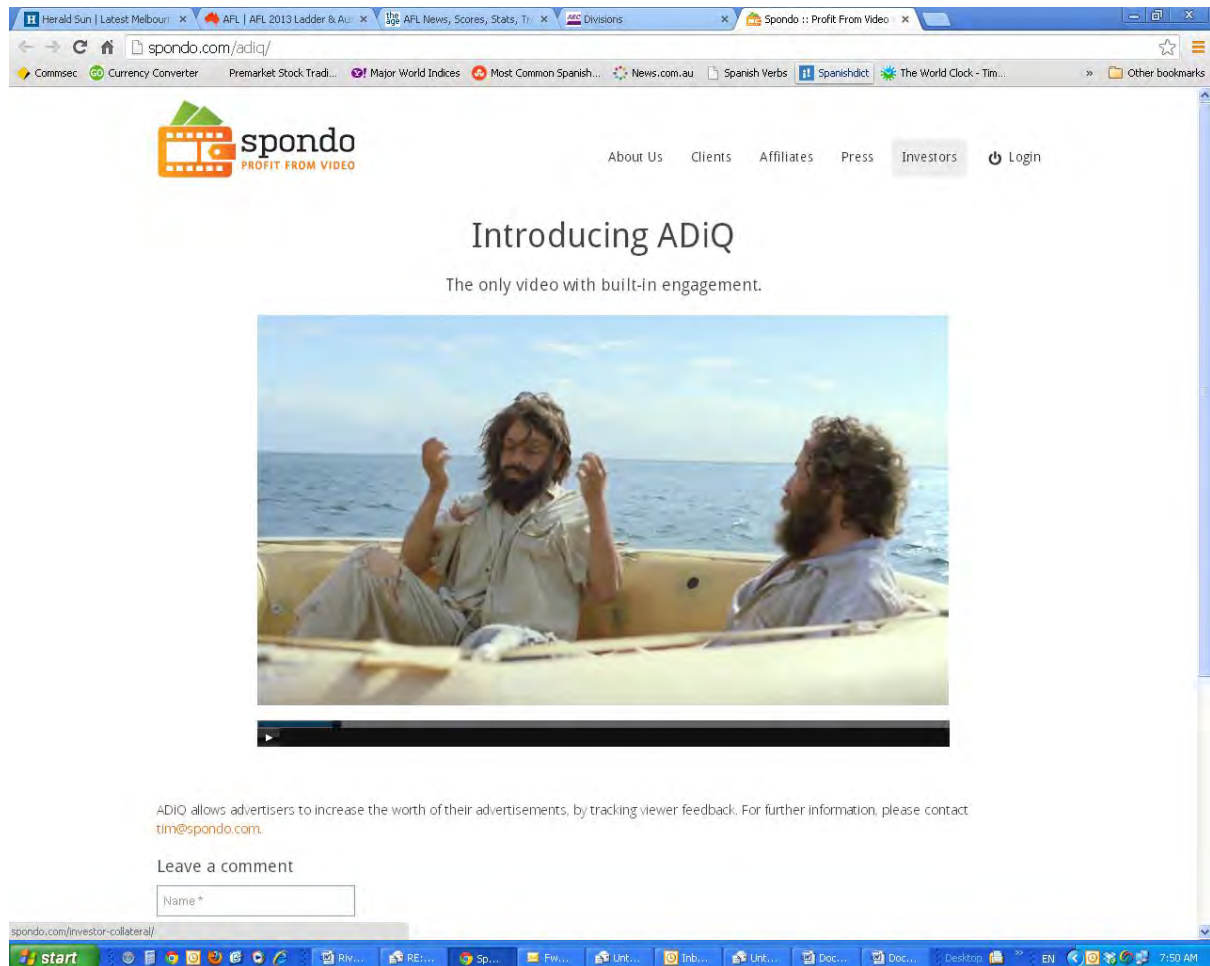
Would you coach an NFL team?

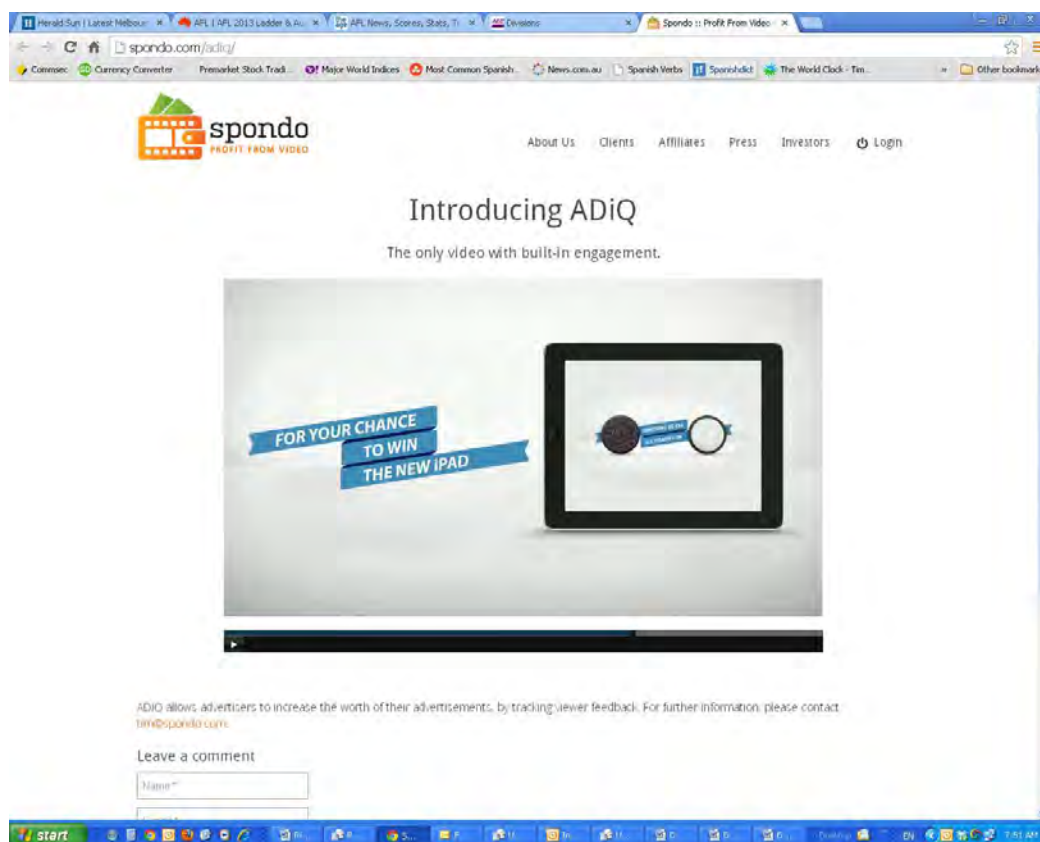
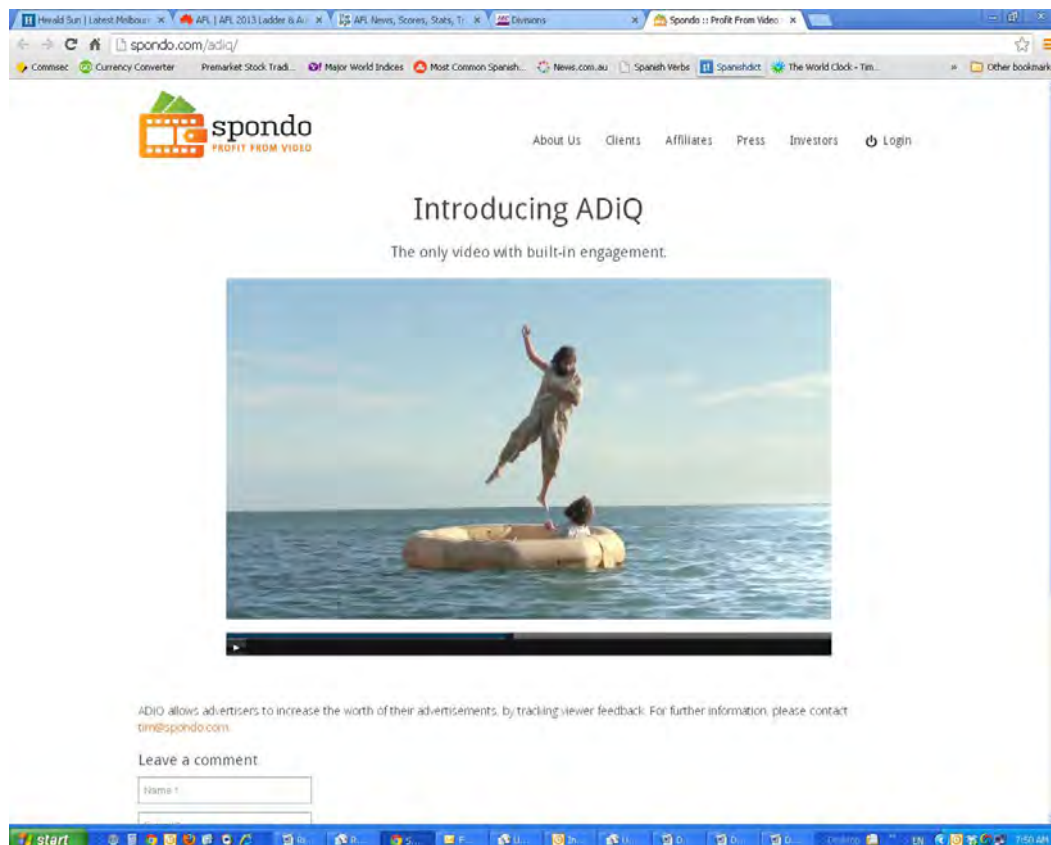


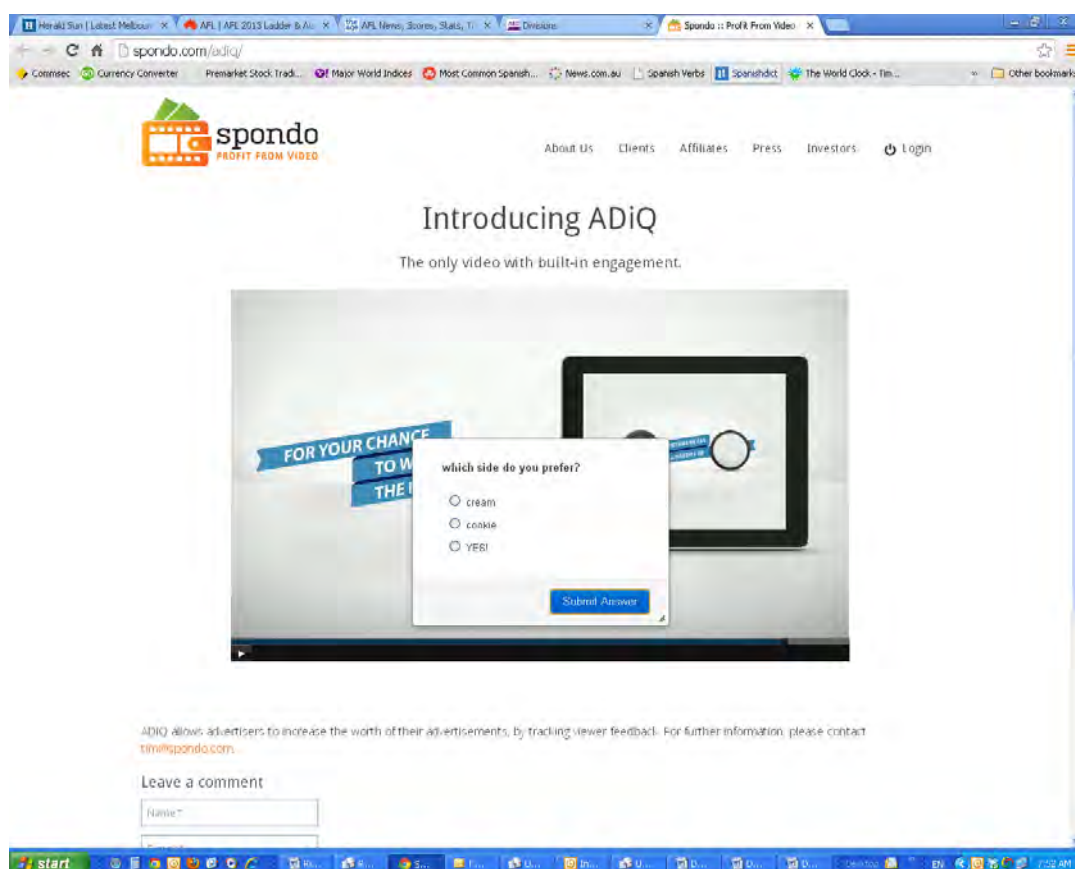
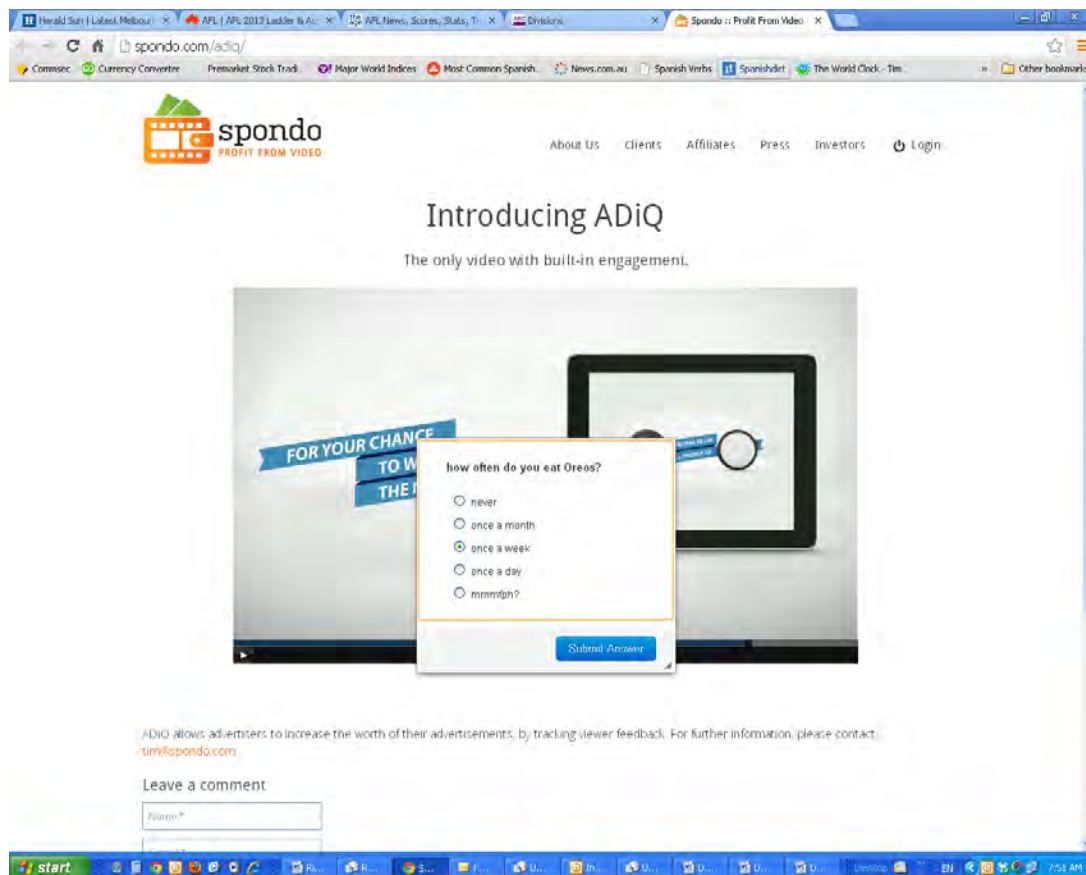
Do you have a Visa Card?

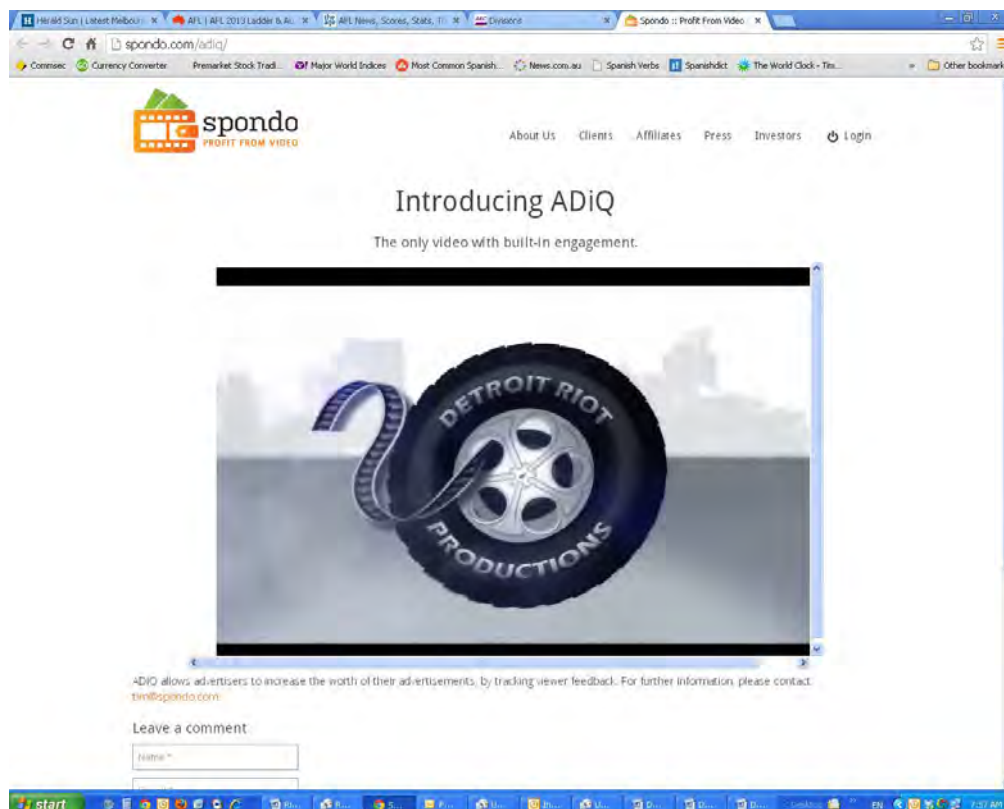
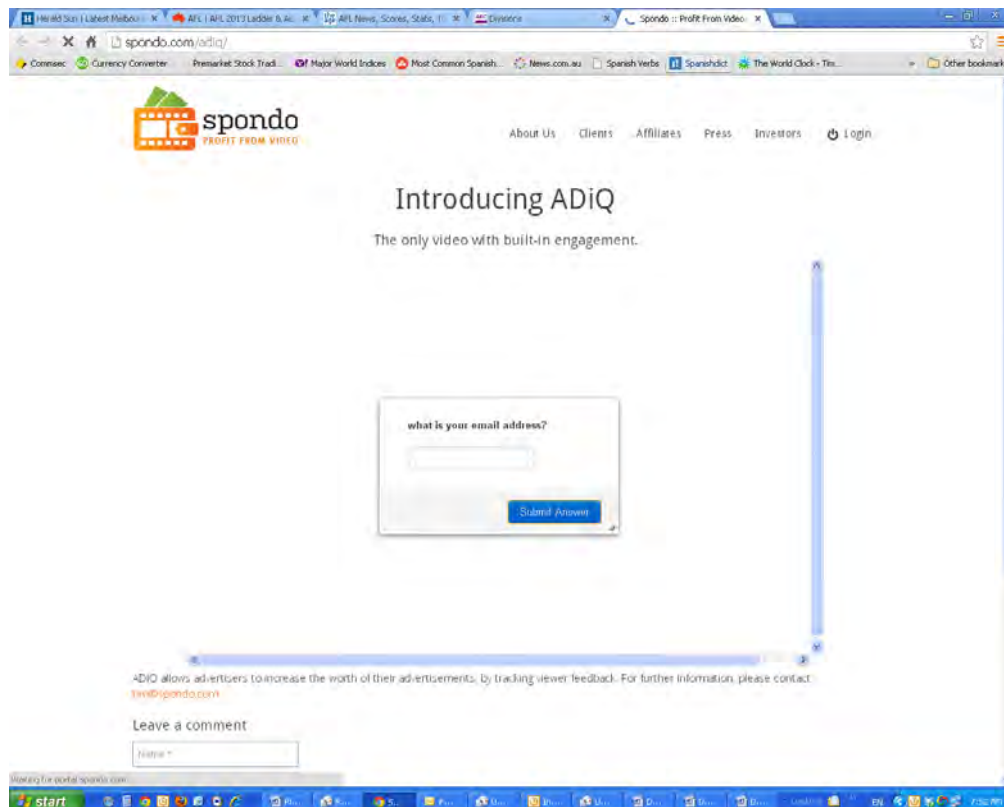
APPENDIX D – ADIQ EXAMPLE #3

This is an ADiQ example that operates directly through the Spondo.com web site. The system will communicate with a Spondo Ad server to obtain the advertisement. In this case, questions are asked of the user after they view the advertisement.







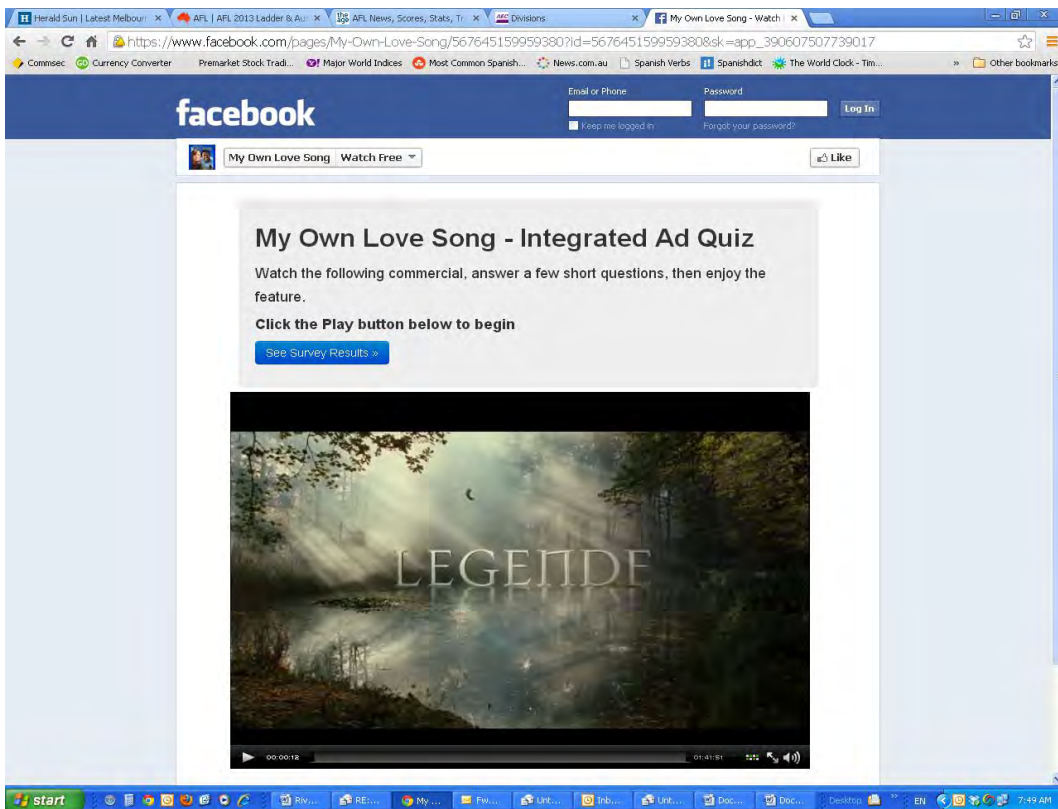
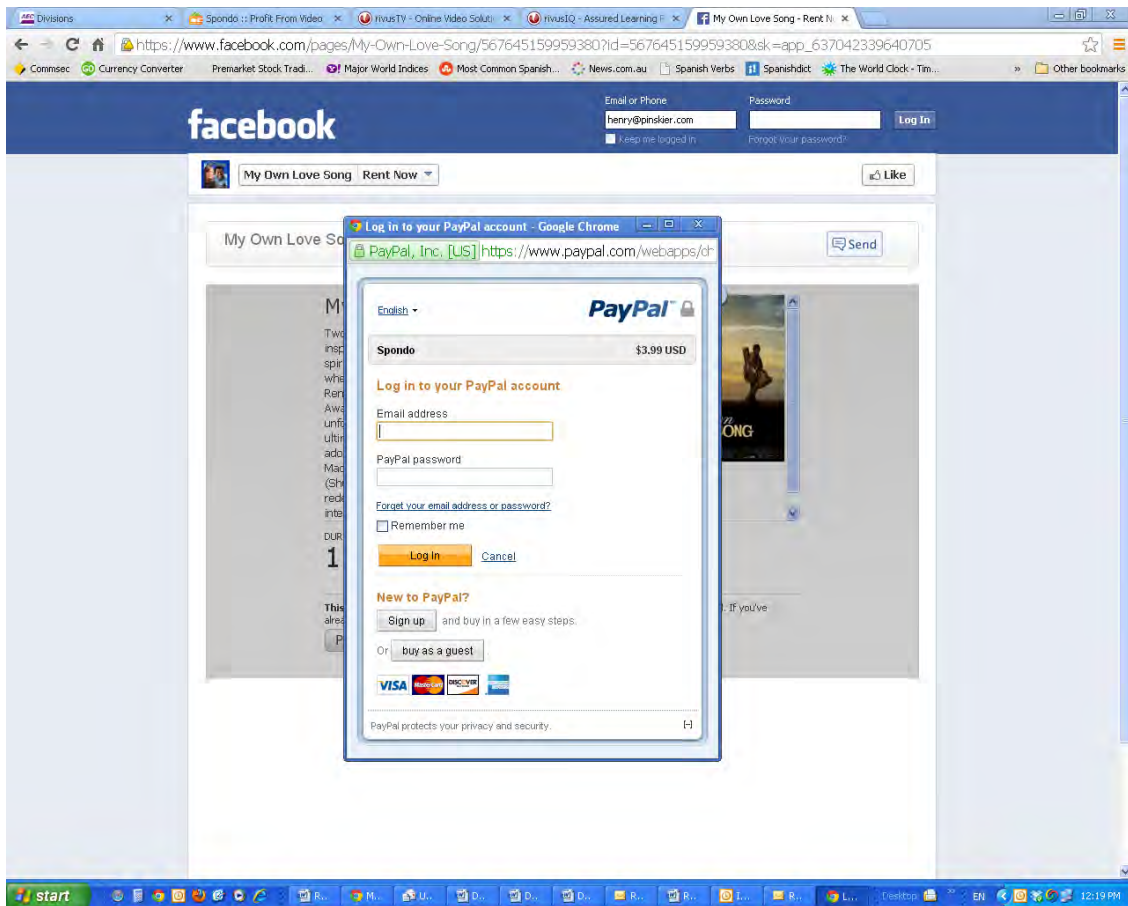


APPENDIX E – PAY PER VIEW EXAMPLE

The example below allows a user to rent a movie via the Facebook page. In this case, they go to the movie website (My Own Love Song), click on 'rent' and then pay via paypal before continuing to watch the movie.

Please note that the Company has no commercial agreement or affiliation with Facebook, The following is an example of how Spondo products can be used in social media sites including but not limited to Facebook.





APPENDIX F - AUDITED ACCOUNTS

On the following pages are the signed and audited accounts for year end 30 June 2013.

The rest of this page is intentionally blank.

rivusTV Ltd and controlled entity

30 June 2013

ABN: 48 123 741 613

rivusTV Ltd and controlled entity

ABN 48 123 741 613

DIRECTORS' REPORT

Your directors present their report on rivusTV Ltd (the "Company") and its controlled entity (together, the "consolidated entity") for the financial year ended 30 June 2013.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Henry Pinskiar (appointed 27 October 2009)
Chris Adams (appointed 19 December 2012)
Geoff Collinson (appointed as director 19 December 2012)
Peter Marks (appointed 2 February 2007)
Peter Leggett (appointed 27 October 2009)
Julie Raffe (appointed 6 July 2007, resigned 20 August 2012)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The names of the Company's officers in office at any time during, or since the end of the year are:

Chris Adams (Chief Executive Officer – appointed 1 February 2013)
Geoff Collinson (Chief Executive Officer – appointed April 2012, appointed as Chief Vision Officer 1 February 2013)
David Stavropoulos (Company Secretary – appointed 19 December 2012, appointed as Chief Operating Officer 11 March 2013)
Katherine van Vugt (Chief Operating Officer and Company Secretary – appointed 1 May 2012; resigned as Company Secretary 19 December 2012 and resigned as Chief Operating Officer 8 March 2013)

Attendance at board meetings

During the year, 12 meetings of directors were held. Attendances by each director during the year were as follows:

Director	# Eligible to Attend	# Attended
Henry Pinskiar	12	12
Chris Adams	6	6
Geoff Collinson	12	12
Peter Marks	12	11
Peter Leggett	12	12
Julie Raffe	3	3

rivusTV Ltd and controlled entity

ABN 48 123 741 613

Information on directors as at the date of this directors' report

Henry Pinski - Chairman

Henry is an Entrepreneur, Investor and Company Director. He joined the RivusTV Board in 2010 and recently was appointed to the role of Chair, and was also recently appointed Chair of NASDAQ listed entity 30DCinc – a company that has a digital publishing tool that just like Spondo in video is disrupting the publishing sector. The publishing tool MagCast has now launched over 300 completely new Magazines since June 2012 on a worldwide basis making it the fastest growing publishing group in the world. Henry is medically trained and owner of a health services and facilities management business. He has been a Director of 3 ASX listed companies and has also served on a variety of public sector and not for profit boards over the last decade. Henry was a director of the Fitzroy Football Club in the early 90s. Henry has strong networks in the area of business, government and sport. He enjoys strategy and mentoring. Those mentoring activities have included many professionals both established and emerging in recent years as well as assisting others return to the workforce.

Interest in shares and options	-	1,372,617 shares
	-	430,000 options

Chris Adams (Global Chief Executive Officer)

Chris Adams is an internationally recognized new media pioneer, media, entertainment and technology executive, children's author and with twenty+ years of experience in accelerating businesses and innovation. Over that time, he has worked for: Facebook.com, HBO, Comcast Cable and Interactive, Glam.com, Amazon.com, Lycos, Vimation.com and many others.

In 2004, Chris helped to build Participant Media with eBay's Jeff Skoll. Participant's first slate of movies, *Syriana*, *North Country*, *Good Night and Good Luck* were nominated for 11 Academy Awards. Chris is also proud to have identified and helped develop former Vice President Al Gore's Oscar-winning documentary, *An Inconvenient Truth* which, along with Gore's work, participated in his being awarded the Nobel Peace Prize.

Chris currently serves on the Global Advisory Board of The Global Poverty Project (www.globalpovertyproject.com). He is a frequent Key Note speaker with engagements at the Gold Coast Film Festival, the Zero Waste Conference in Adelaide, V21/AIMIA Conference, The TV 3.0 Conference, The Opportunity Green Conference, ideaCity, X Media Labs, Keynote at SPAA and SPADA, The OnHollywood Conference. He also is an Advisory Board member of www.UltimateMovieSite.com, serves as on the Expert Panel at www.MediaWave.tv.

Chris did his undergraduate work at The University of Denver, and then received his MA from USC's School of Film and TV and his MFA/PhD from USC's School of Professional Writing where he pursued his degrees concurrently. He lectures at Queensland University of Technology in their Creative Industries department and is working on his second PhD.

Interest in shares and options	-	500,000 shares
	-	500,000 options

rivusTV Ltd and controlled entity

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Geoff Collinson (Chief Vision Officer)

Founder and Chief Vision Officer, Geoff Collinson has focused on building a business that enables clients to utilise the power of pay per view video to monetise their valuable content or IP. Geoff and the team started the Company in 2007 with a focus on building a platform for musicians to broadcast and monetise their content. A much greater opportunity quickly arose when the founding team built the proprietary digital content syndication platform and revenue distribution engine now branded as Spondo.

Most recently, Geoff has driven the re-branding of the RivusTV product to become Spondo. He has been instrumental in raising capital, driving the direction of the business and the recruitment and appointment of Chris Adams as CEO.

Interest in shares and options	-	328,455 shares
	-	Nil options

Peter Marks (Non-Executive Director)

Peter is currently an Executive Director of Peregrine Corporate Ltd, a boutique investment bank specialising in identifying, structuring, investing in and listing small to medium sized enterprises on the Stock Exchange in Australia and the UK. The focus of activities of their last 10 years has been in the resources, life science and technology sectors. Peter also serves as an Executive Chairman of KarmelSonix Limited, an ASX-listed medical devices company (with offices in Australia and Israel) as well as a director of Prana Biotechnology Ltd, a bio-tech company listed on the ASX and NASDAQ. Peter is also non-executive Chairman of Watermark Global, a water treatment and management listed on the AIM market in London. Peter has had extensive experience with start-up and emerging companies, particularly in the technology space via direct investment as well as through Momentum Funds Management, a small venture capital fund founded by Peter (and 2 colleagues) in the mid '90s. In 2001 he joined the team at Peregrine Corporate where he is currently a director and shareholder.

Interest in shares and options	-	549,470 shares
	-	310,000 options

Peter Leggett (Non-Executive Director)

Peter Leggett is the Managing Director and Private Client Manager of Arrive Wealth Management (Vic). He has been involved in financial services for over 25 years and for the last 16 years operating and growing a 'holistic' wealth management business. He is also the Managing Director of financial advice business Leggett Financial. He was the Chairman and founding Managing Director of Financial Focus Group, a business specialising in coaching and business skills development for financial advice businesses across Australia and New Zealand. Clients have included ANZ Private, Retire Invest, AMP, Tandem and Hillross. He spent 18 months in London as a Management Accountant with the Jardine Matheson Group. He is a past five year member of the Advisory Board to Perpetual Funds Management, held a two year position on the Advisory Board of Rothschild Investment Management, current six year board member of his Dealer Group's Advisers Association, past Chairman for two medium Business Enterprises (Food, Manufacturing) and present Board Member of two other external SME businesses (Technology, Asset Management). He has been on the Board of Management at his local church for the past four years. Peter is a CFP, has completed his Bachelor of Business (Accounting), Advanced Diploma of Financial Planning, and is an Associate of the Australian Insurance Institute and Associate of the Financial Planning Association. He is currently completing his Masters in Finance.

He is sought after for his strategic thinking at both a senior corporate management level and to businesses and boards across Australia. His current clients include some of Australia's highest profiled business people.

Interest in shares and options	-	643,436 shares
	-	310,000 options

rivusTV Ltd and controlled entity

ABN 48 123 741 613

Review of Operations, Principal Activities, Significant Changes in Affairs of the Company and Likely Developments

The consolidated loss of rivusTV for the financial year after providing for income tax amounted to \$1,413,705 (30 June 2012: \$2,158,844).

During the year the consolidated entity concentrated on developing its social broadcasting syndication platform in its research and development program. The platform already provides video-streaming, pay-per-view, video-on-demand, subscription and ad-supported capabilities. The company was successful in signing numerous agreements with content owners to develop their material on the syndicated platform during the year. It is anticipated that these activities will continue in the short and medium term as the company continues its research and develop activities which will ultimately monetise these agreements and the content that is published through those agreements.

The major features of this year's operating results include the following points:

- Its research and development program and its support from the government through research and development credits
- A continuation of the company's share-based incentive scheme, with shares offered to the company's key management personnel in lieu of their directors' fees and employment entitlements; and
- A continuation of the support of the company's financiers and shareholders through the issue of share capital and convertible notes.

Whilst the medium-term objective of the company is to monetise its syndicated software platform, the directors anticipate that the company will require future financing through the issue of share capital or convertible notes to meet the company's working capital needs.

Options

As at the date of this report, 2,190,000 options over ordinary shares have been granted, issued and vested to Directors and employees of the consolidated entity with an exercise price of 40 cents per share, expiring 31 December 2018.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of rivusTV.

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

rivusTV Ltd and controlled entity

ABN 48 123 741 613

Dividends

No dividends were paid or declared during the financial year. No recommendation for payment of dividends has been made.

Non-Audit Services and Auditor's Independence Declaration

Details of non-audit services, as approved by the directors, are tabled in note 8 to the financial statements. The directors are satisfied that these non-audit services are compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on the following page.

Signed in accordance with a resolution of the Board of Directors:



Henry Pinski

Chairman

Dated this 4th day of October 2013

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF RIVUSTV LTD

I declare that, to the best of my knowledge and belief during the year ended 30 June 2013 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck.

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



J. C. Luckins
Director

Dated this 4th day of October, 2013

Sydney
Melbourne
Brisbane
Perth
Adelaide
Auckland

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Praxity
MEMBER
GLOBAL ALLIANCE OF
INDEPENDENT FIRMS

rivusTV Ltd and controlled entity

ABN 48 123 741 613

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013	2012
		\$	\$
Income			
Revenue from sales and services rendered		49,917	155,727
Research and development grants		361,450	309,584
Expenses			
Administration and corporate		(95,953)	(160,314)
Consultancy and contracting		(263,212)	(365,510)
Depreciation and amortisation		(14,589)	(25,559)
Employee benefits	2a.	(1,112,349)	(975,754)
Finance costs		(90,268)	(17,652)
Information technology		(89,976)	(439,654)
Intellectual property expenses	2b.	161,000	(411,050)
Marketing		(200,167)	(73,984)
Occupancy		(119,558)	(154,678)
Loss before income tax		(1,413,705)	(2,158,844)
Income tax expense	3	-	-
Loss attributable to members of the company		(1,413,705)	(2,158,844)
Other comprehensive income		-	-
Total comprehensive loss for the year attributable to the members of the company		(1,413,705)	(2,158,844)

The accompanying notes form part of these financial statements.

rivusTV Ltd and controlled entity

ABN 48 123 741 613

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

		2013	2012
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	401,297	24,381
Trade and other receivables		12,774	34,560
TOTAL CURRENT ASSETS		414,071	58,941
NON-CURRENT ASSETS			
Property, plant and equipment		30,233	44,993
TOTAL NON-CURRENT ASSETS		30,233	44,993
TOTAL ASSETS		444,304	103,934
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		255,301	347,764
Borrowings	5	1,335,704	506,809
Employee benefits provisions		49,834	48,321
TOTAL CURRENT LIABILITIES		1,640,839	902,894
TOTAL LIABILITIES		1,640,839	902,894
NET DEFICIENCY OF ASSETS		(1,196,535)	(798,960)
EQUITY			
Issued capital	6	7,087,549	6,071,419
Accumulated Losses		(8,284,084)	(6,870,379)
TOTAL EQUITY		(1,196,535)	(798,960)

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

	Issued Capital \$	Accumulated losses \$	Total \$
Balance at 1 July 2011	4,780,680	(4,711,535)	69,145
Total comprehensive loss		(2,158,844)	(2,158,844)
<i>Transactions with owners in their capacity as owners</i>	-		
Shares issued during the year	1,290,739	-	1,290,739
Balance at 30 June 2012	6,071,419	(6,870,379)	(798,960)
Balance at 1 July 2012	6,071,419	(6,870,379)	(798,960)
Total comprehensive loss		(1,413,705)	(1,413,705)
<i>Transactions with owners in their capacity as owners</i>	-		
Shares issued during the year	1,016,130	-	1,016,130
Balance at 30 June 2013	7,087,549	(8,284,084)	(1,196,535)

The accompanying notes form part of these financial statements

rivusTV Ltd and controlled entity

ABN 48 123 741 613

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013	2012
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		66,343	208,726
Research and development grants		361,450	309,584
Interest received		-	1,133
Payments to suppliers and employees		(1,409,813)	(1,601,389)
Net cash outflow from operating activities	7	(982,020)	(1,081,946)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of plant and equipment		-	(3,240)
Net cash used in investing activities		-	(3,240)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		150,000	516,965
Issue of convertible notes		1,230,667	428,300
Proceeds / (Repayment) of borrowings		(31,910)	(20,000)
Net cash provided by / (used in) financing activities		1,348,757	925,265
Net increase in cash and cash equivalents held		366,737	(159,921)
Cash and cash equivalents at beginning of financial year		34,560	184,302
Cash and cash equivalents at end of financial year		401,297	24,381

The accompanying notes form part of these financial statements.

rivusTV Ltd and controlled entity

ABN 48 123 741 613

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

These consolidated financial statements and notes represent those of rivusTV (the "Company") and its controlled entity (the "consolidated entity").

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The following is a summary of the material accounting policies adopted by the company in preparation of the financial report. The accounting policies have been adopted consistently, unless otherwise stated.

Accounting Policies

a. Going Concern Basis

The financial statements have been prepared on a going concern basis notwithstanding that for the year ended 30 June 2013 the company incurred a loss for the year of \$1,413,705 (30 June 2012: \$2,158,844) and operating cash outflows of \$982,020 (30 June 2012: \$1,081,946). At 30 June 2013 the company had a deficiency in net working capital of \$1,226,768 (30 June 2012 deficit: \$843,953).

The financial statements have been prepared on a going concern basis because the directors and management have prepared cash flow projections for the company that support the ability of the company to continue as a going concern. The following matters have been considered by the directors in determining the appropriateness of the going concern basis of preparation:

Raising additional capital

The Directors have considered raising further capital either through existing shareholders or through placements with new cornerstone investors, and have done so successfully. During the financial year, the Company has successfully issued convertible notes to its investors totalling \$1,230,667; these convertible notes have the same terms and conditions as those described in Note 5 of this report, including the ability of the Company, at its discretion to repay those notes through the issue of additional share capital.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (CONTINUED)

Going Concern Basis (continued)

Cash inflows from sales, leasing contracts and royalty agreements

Up to this point, the business has been in its start-up phase and has incurred cash outflows principally relating to the research and development of its in-house intangible assets, which are not capitalised in the statement of financial position.

The company completed a number of agreements with corporate parties, entitling the company to access and market content on its syndicated platform. The company has forecast to earn positive net cash inflows from these agreements.

Cash inflows from research and development credits

On a yearly basis the Company submits claims for research and development credits arising from the course of its operating and investing activities. In the financial year ended 30 June 2013 \$361,450 was receipted in relation to these credits (2012: \$309,584).

The cash flow forecast contemplates the business leveraging from these assets through transactions with external parties that net positive cash inflow for the company with little or no increased needs for working capital of the Company.

As a consequence of the above, the directors believe that the Company will be able to continue as a going concern and, therefore these financial statements have been prepared on a going concern basis. Accordingly, the financial statements do not include any adjustments in relation to the recoverability or classification of recorded assets, nor to the amounts of classification or liabilities that might be necessary should the Company not be able to continue as a going concern.

b. Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by rivusTV Ltd at the end of the reporting period. Control exists where the Company has the power over the investee, both through its rights and exposures to variable returns from its involvement with the investee, but also from its ability to affect those variable returns in the investee. Details of the Company's sole subsidiary are tabled in Note 2 to these financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

c. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period.

Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

d. **Plant and equipment**

Plant and equipment are measured on the cost basis less accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to rivusTV and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to rivusTV commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Depreciation is recognised in the statement of comprehensive income.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Software	40%
Rental assets	40%
Other	36%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

e. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs.

Classification and subsequent measurement

Financial instruments are subsequently measured at amortised cost, interest rate method, or cost.

Amortised cost is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) less principal repayments;
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (iv) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the statement of comprehensive income.

De-recognition

Financial assets are de-recognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are de-recognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in statement of comprehensive income.

f. Impairment of Non-Financial Assets

At the end of each reporting period, rivusTV assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, rivusTV estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

rivusTV Ltd and controlled entity

ABN 48 123 741 613

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (CONTINUED)

g. Provisions

Provisions are recognised when the business has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

h. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 12 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

i. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Sale of goods

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Provision of services

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of each reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Interest Revenue

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

j. Trade and Other Payables

Trade and other payables represent the liability outstanding at reporting date for goods and services received by rivusTV during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 90 days of recognition of the liability.

k. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (CONTINUED)

l. Equity-settled compensation

The Group operates an employee share ownership plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured.

m. Adoption of New and Revised Accounting Standards

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for the current and future reporting periods with the exception of these standards that are not available for early adoption for this reporting period, the Company has decided to adopt these standards. None of the changes in these standards had a material impact on the financial statements of the Company.

n. Critical Accounting Estimates and Judgments

Key estimates

(i) *Equity settled compensation*

In measuring equity settled share-based payments, the Company measures the goods and services received, and the corresponding increase in equity at the fair value of the goods and services received.

Where the fair value cannot be estimated reliably, the Group measures their value, and the corresponding increase in equity, indirectly with reference to the fair value of the equity instruments granted. Refer to Note 13 for further detail.

(ii) *Going Concern*

The financial statements are prepared on a going concern basis. For further information regarding the assumptions used, refer to Note 1a of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (CONTINUED)

NOTE 2: EXPENSES

	2013	2012
	\$	\$
a. Employment expenses:		
– Salaries and wages	501,752	522,194
– Superannuation	42,605	53,051
– On costs	992	24,259
– Share based payment expense	567,000	376,250
	<u>1,112,349</u>	<u>975,754</u>

b. Intellectual property expenses / benefits:

During the year ended 30 June 2012, the Company 100% acquired all of the ordinary shares of Great South Investments Pty Ltd, an Australian online company that specialises in providing services to customers in the field of online video streaming and syndication of online material, through the issue of 900,000 ordinary shares and an earn-out incentive. The Company's key management personnel held 100,020 shares of a total of 250,050 shares in Great South Investments Pty Ltd. In consideration for the sale, key management personnel received 540,000 shares in the Company and another 690,000 shares that could have been issued subject to the performance under the earn-out clause. The earn-out incentive has two separate conditions:

–if the Group obtains a break-even on an earnings before interest and tax (EBIT) basis by 28 February 2013, the Group will grant an additional 575,000 ordinary fully paid shares in rivusTV to the vendors (this condition has not been met therefore this tranche of 575,000 shares will not be issued); and

–if the Group obtains a net profit after tax (NPAT) margin of 10% to revenue by 30 June 2013; it will grant a further 575,000 ordinary fully paid shares in rivusTV to the sellers (to be distributed evenly between the parties)

The 900,000 shares were issued at 27.78 cents per share as stipulated in the acquisition agreement. The earn-out was valued at \$161,000, which considered a range of scenarios, based upon this share price of 27.78 cents, contemplating the likelihood of completion of the hurdles discussed above.

For the financial year ended 30 June 2013, the non-market conditions stipulated in the earn-out clause were not triggered. Consequently the earn-out clause, valued at \$161,000 and charged to the profit and loss in the 2012 financial year was credited and reversed from the profit and loss in the 2013 financial year.

NOTE 3: INCOME TAX EXPENSE

At 30 June 2013, the company reviewed the quantum of its unrecognised carry forward tax losses. As at that date there were estimated unrecognised carry forward tax losses of \$2,485,554 (30 June 2012: \$2,061,114) potentially available to offset against future year's taxable income. Tax losses have not been brought to account as utilisation of these losses is not probable. Income tax losses can only be recovered by the company deriving future assessable income, conditions for deductibility imposed by law being complied with and no changes in tax legislation adversely affecting the realisation of the benefit from the deductions. Therefore, carry forward losses may not be available to offset future assessable income.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (CONTINUED)

NOTE 4: CASH AND CASH EQUIVALENTS

	2013	2012
	\$	\$
CURRENT		
Cash at bank and in hand	401,297	24,381
	<u>401,297</u>	<u>24,381</u>

NOTE 5: BORROWINGS

CURRENT

Loans from employees	-	72,470
Convertible notes (1)	1,332,703	434,339
Other non-secured borrowings	3,001	-
	<u>1,335,704</u>	<u>506,809</u>

- (1) All convertible notes, which are unsecured, are repayable in cash or equity, at the discretion of the company up until their conversion date, which then must be in equity. All convertible notes on issue at 30 June 2013 had 10% p.a. interest per annum terms and convert to ordinary fully paid shares at 40 cents per share. As at 30 June 2013 \$53,688 in convertible notes was payable to director-related parties.

rivusTV Ltd and controlled entity

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (CONTINUED)

NOTE 6: ISSUED CAPITAL

	2012	2012
	Number	\$
a. Ordinary Shares		
At the beginning of reporting period	5,587,131	4,780,680
Shares issued during year:	2,315,995	1,129,739
Contingent consideration payable on acquisition of Great South Investments Pty Ltd (3):	-	161,000
At the end of the reporting period	<u>7,903,126</u>	<u>6,071,419</u>
	2013	2013
	Number	\$
b. Ordinary Shares		
At the beginning of reporting period	7,903,126	6,071,419
Shares issued during year (1):	1,589,325	610,130
Shares and options granted but not issued (2):	-	567,000
Contingent consideration payable on acquisition of Great South Investments Pty Ltd (3):	-	(161,000)
At the end of the reporting period (4):	<u>9,492,451</u>	<u>7,087,549</u>

- (1) For the financial year ended 30 June 2013, 1,150,325 shares were issued at 40 cents each in respect of the conversion of convertible notes.
- (2) Refer to Note 13.
- (3) Refer to Note 2b.
- (4) The company has issued 100,000 shares into a bare trust on behalf of a number of staff. These shares were issued as a success-based reward in anticipation of the completion of the 30 DC Share Sale and Purchase Agreement in 2011.

At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and to ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to manage the capital of the Group since the prior year.

rivusTV Ltd and controlled entity

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (CONTINUED)**NOTE 7: RECONCILIATION OF CASH FLOW FROM OPERATING EXPENSES**

	2013	2012
	\$	\$
Operating loss after tax	(1,413,705)	(2,158,844)
Depreciation and amortisation	14,589	25,559
Share based payments	567,000	787,300
Interest on convertible notes	90,268	23,736
Loss on disposal of plant and equipment	-	32,250
Adjustment to the earn out agreement relating to the acquisition of Great Southern Investments Pty Ltd	(161,000)	-
Changes in assets and liabilities, changes in net effects of purchases:		
(Increase) / decrease in trade and other receivables	11,607	41,991
(Increase) / decrease in inventory	-	31,469
Increase /(decrease) in trade and other payables	(92,292)	131,135
Increase / (decrease) in provisions	1,513	3,458
Cash flows from operating activities	(982,020)	(1,081,946)

NOTE 8: AUDITOR'S REMUNERATION

Remuneration to the auditors of the company for:

Audit of the financial statements	8,000	8,000
Other services	2,000	3,200
	10,000	11,200

The above represents fees for audit and other services for the year ended 30 June 2013 but not yet paid as at 30 June 2013.

NOTE 9: SUBSEQUENT EVENTS

There have been no other events subsequent to the end of the reporting period that would have a material impact on the financial statements for the year ended 30 June 2013.

NOTE 10: COMPANY DETAILS

Suite 702

198 Harbour Esplanade

Docklands, Victoria 3008

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (CONTINUED)

NOTE 11: FINANCIAL INSTRUMENTS

Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, accounts receivable, payable and convertible notes.

(i) Financial Risks

The main risk the Company is exposed to through its financial instruments is liquidity risk. The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate un-utilised borrowing facilities and bank overdraft limits are maintained, if necessary. Refer to Note 1a. for details.

(ii) Treasury Risk Management

The directors meet on a regular basis and the company's exposure to financial risks and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

(ii) Fair Values

Throughout the financial year the carrying values of the company's financial assets and liabilities approximated their fair values.

NOTE 12: KEY MANAGEMENT PERSONNEL

Key management personnel at any time during the year and up to the date of this report were Julie Raffe, Henry Pinskiar, Peter Marks, Peter Leggett, Geoff Collinson and Chris Adams.

The totals of remuneration paid to key management personnel of the company during the year are as follows:

	2013	2012
	\$	\$
Short-term employee benefits	277,121	372,462
Post-employment benefits	17,881	2,243
Share based payments	567,000	376,250
	<u>862,002</u>	<u>750,955</u>

NOTE 13: SHARE BASED PAYMENTS

A resolution was passed at the company's annual general meeting on 11 April 2013 granting 1,250,000 shares with attaching options to directors in-respect of services performed for the 2011, 2012 and 2013 financial years. This was considered to be the grant date under the company's accounting policy for measuring share-based payments. As at 30 June 2013 none of the shares or options had been issued to Directors. The options vest on 1 July 2013 following the satisfaction of a service condition required by the directors.

The 1,250,000 shares granted to directors were valued at 40 cents per share, which was the seed capital value of an ordinary fully paid share as at the grant date.

The 1,250,000 share options granted to directors had a fair value of 5.36 cents per share. The valuation of the share options was made in-reference to the fair value of services rendered to the company by its directors, which in this case also corresponds to the statutory tax value set out under section 83A of the 1997 *Income Tax Assessment Act* 1997. The options vest upon their issue, expire on 31 December 2018 and have an exercise price of 40 cents per share.

NOTE 14: CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2013 the Company had no known or suspected contingent assets or liabilities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RIVUSTV LTD AND CONTROLLED ENTITY (CONT)

Auditor's Opinion

In our opinion:

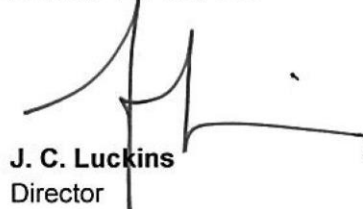
- a) the financial report of the consolidated entity is in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

Without qualification to the opinion expressed above, attention is drawn to the following. As a result of the matters described in Note 1 to the financial statements, there is an inherent uncertainty whether the consolidated entity will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.



William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



J. C. Luckins
Director

Dated this 4th day of October, 2013

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