



8 August 2008

Company Announcements Office  
Australian Securities Exchange Limited  
Level 6  
20 Bridge Street  
SYDNEY NSW 2000

**By electronic lodgement**

Total Pages: 9 (including covering letter)

**Notice of EGM and Proxy Form**

In accordance with Listing Rule 15.2, attached is a copy of the Notice of Extraordinary General Meeting and Proxy Form for ordinary shareholders and TELYS holders being despatched to these holders today.

Yours faithfully

**For and on behalf of Seven Network Limited**

**Warren Coatsworth**  
Company Secretary

Attach.

# Seven Network Limited

NOTICE OF EXTRAORDINARY GENERAL MEETING

ABN 21 052 816 789

NOTICE IS HEREBY GIVEN THAT AN EXTRAORDINARY GENERAL MEETING OF SEVEN NETWORK LIMITED (THE "COMPANY") WILL BE HELD AT ROOM 7, 38-42 PIRRAMA ROAD, PYRMONT NSW 2009 ON WEDNESDAY, 10 SEPTEMBER 2008 AT 10.00 AM.

## AGENDA

### RESOLUTION 1:

ORDINARY RESOLUTION TO APPROVE THE ON-MARKET BUY-BACK OF ORDINARY SHARES UNDER SECTION 257C OF THE CORPORATIONS ACT

- (1) approval of such buy-back agreements is required under section 257C of the Corporations Act; and
- (2) the number of shares bought back under such agreement does not exceed 40,000,000.

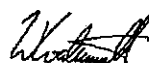
To consider, and if thought fit, pass the following resolution as an ordinary resolution:

This authorisation and approval is in addition to any further shares that the Company may buy back under the buy-back announced on 21 August 2007."

"That in accordance with section 257C of the Corporations Act 2001 the members of the Company authorise and approve:

- [a] the Company to undertake on-market buy-backs of its ordinary shares under buy-back agreements on the terms detailed in the explanatory notes which accompany this notice of meeting;
- [b] each agreement entered on those terms during the 12 months commencing on the date of this resolution to the extent that:

By order of the Board



**Warren Coatsworth**  
Secretary

5 August 2008

### Notes:

1. A member is entitled to appoint a proxy. A member who is entitled to cast two or more votes is entitled to appoint two proxies. If two proxies are appointed by a member, that member may specify the proportion or number of votes each proxy is appointed to exercise. If a member appoints two proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half the votes.
2. For the purpose of determining a person's entitlement to vote at the meeting, a person will be recognised as a member and the holder of shares if that person is registered as a holder of those shares at 7.00 pm (Sydney time) on Monday, 8 September 2008.

3. A proxy need not be a member of the Company.
4. A proxy form and the power of attorney or authority (if any) under which it is signed or a copy of the power of attorney or authority certified as a true copy by statutory declaration, must be duly completed and returned to the Secretary, Seven Network Limited, either at the Company Secretariat, Level 2, 38-42 Pirrama Road, Pyrmont NSW 2009 fax number: 02 8777 7192 or at Registries Limited, Level 7, 207 Kent Street, Sydney NSW 2000 fax number: 02 9279 0664 by no later than 10.00 am (Sydney time) on Monday, 8 September 2008.

## EXPLANATORY NOTES

### ORDINARY RESOLUTION TO APPROVE THE ON-MARKET BUY-BACK OF ORDINARY SHARES UNDER SECTION 257C OF THE CORPORATIONS ACT

#### Background

On 5 August 2008, the Board announced its intention to conduct an on-market buy-back of up to 40,000,000 of the Company's ordinary shares ("**Buy-Back**"), subject to receiving shareholder approval as set out in this Notice of Extraordinary General Meeting. The Company had 206,077,571 ordinary shares ("**Shares**") on issue on 28 June 2008 and there have been no changes in the number of issued shares since that time.

If the maximum number of Shares are bought back, this would represent approximately 19.4% of the Company's issued capital as at 28 June 2008. The Buy-Back is in addition to the 21,158,424 Shares bought back on-market by the Company in the period to 12 June 2008 pursuant to the on-market buy-back announced on 21 August 2007 and the remaining shares that the Company is entitled to acquire under that buy-back. The Company has not bought back any Shares under that existing buy-back since 12 June 2008.

If the Buy-Back is approved and the Company buys back the maximum number of Shares under both the Buy-Back and the current on-market buy-back, the Company will have bought back approximately 27% of the Shares that were on issue as at 21 August 2007.

#### Reason for Resolution 1

The purpose of Resolution 1 (the "**Buy-Back Resolution**") is to seek shareholder approval of the Buy-Back. Under the Corporations Act 2001 (Cth) ("**Corporations Act**"), the Company must obtain approval of its shareholders in order to buy back more than 10% of the smallest number of voting shares that the Company had on issue during the 12 months preceding the Buy-Back (the "**10/12 limit**"). The proposed Buy-Back would exceed the 10/12 limit and therefore shareholder approval of the Buy-Back is required.

The Buy-Back Resolution will be approved if more than 50% of votes cast at the Extraordinary General Meeting on the resolution are in favour of it.

In addition, under section 257C, in the notice that accompanies the resolution to approve the Buy-Back, the Company must disclose all information that is material to the decision on how to vote on the Buy-Back Resolution. Accordingly these Explanatory Notes set out:

- the terms of the Buy-Back;
- reasons for the Buy-Back;
- possible disadvantages of the Buy-Back;
- the effect of the Buy-Back on the Company; and
- other information material to a decision on how to vote on the Buy-Back Resolution.

#### The terms of the Buy-Back

The Company will conduct an on-market buy-back of Shares. Shares will be purchased in the ordinary course of trading at the prevailing market price on the ASX, in the same way as any other market participant.

The implementation of an on-market buy-back is regulated by both the Australian Securities and Investments Commission and the ASX.

The ASX Listing Rules require notices to be filed with the ASX, including the term or period of each buy-back, the number of shares intended to be bought back and any other information that would affect a shareholder's decision as to whether to sell shares, as well as daily notices containing details of shares repurchased on the previous day.

On any given day, the maximum price the Company will pay for Shares under the Buy-Back is the maximum imposed by the ASX Listing Rules, being 5% more than the average of the closing price for Shares on ASX's SEATS platform (excluding special crossings and overnight sales) over the preceding five days on which sales of Shares are recorded.

#### Share price information

On 4 August 2008 the closing share price of the Company's Shares was \$8.14. The Company's highest and lowest market sales prices on ASX during each of the preceding 6 months were \$13.00 and \$7.05, respectively. In the period to 12 June 2008, the Company has bought back Shares on-market for prices from between \$8.30 to \$11.81 under the existing buy-back. The Company has not bought back any Shares under that existing buy-back since 12 June 2008.

#### Number of Shares to be bought back

The Company is seeking approval to buy back up to 40,000,000 shares. The number of Shares actually bought back will depend on a range of factors, in particular, an assessment of the value to the Company of buying back Shares at particular market prices, alternative uses for the cash, the market price and the Directors' perception of the fair value of the Shares at the time of the proposed buy-back acquisition. The Company will, in any case, reserve the right not to buy back any shares at all.

#### Reasons for the Buy-Back

The Board considers that the Buy-Back is in the best interests of shareholders. The Company currently has surplus capital following the transaction with KKR to form the Seven Media Group. The Company would like to retain the flexibility to return some of this surplus cash to shareholders if alternative investment opportunities are not available. The Company considers that this will enable it to maintain a more efficient capital structure and optimise returns to shareholders. The Board considers the benefits of returning surplus capital to shareholders through the Buy-Back, rather than other methods of returning capital, are as follows:

- it provides an efficient means of returning excess capital to shareholders;

- it is expected to increase the Company's earnings per share and return on equity over time, based on the assumptions as to the prices at which the Buy-Back can be carried out (see the section below on earnings per share);
- the Board considers that the current market price of the Company's Shares represents a significant discount to net assets;
- purchases under the Buy-Back can be tailored to react to changing market conditions;
- the Company has complete flexibility to adjust the volume of any share purchases and can cease purchases at any time; and
- implementation of an on-market buy-back is very simple and involves few costs.

### Possible disadvantages of the Buy-Back

The Board does not think that the Buy-Back poses any significant disadvantage to shareholders and considers that the benefits of the Buy-Back outweigh the possible disadvantages. However in making their decision shareholders should evaluate the following factors:

- there will be a reduction in available cash levels and thus the Company's ability to use that cash including for acquisitions;
- the Buy-Back entails a reduction in the capital base of the Company;
- the voting power of the companies affiliated with Mr Kerry Stokes AC is likely to increase; and
- the Buy-Back is likely to result in a reduction in the liquidity of the Shares and may result in reduction of the Company's index weighting or the Company being removed from an index.

Further detail on these factors is provided below.

### Effect of the Buy-Back on the Company

#### Funding of the Buy-Back

If the Shares were bought back at an average price per Share which represents the same price as the Shares' closing price on ASX of \$8.14 on 4 August 2008, the total cash outlay by the Company (before transaction costs) to fund the buy-back of the 40,000,000 Shares would be \$325.6 million. The actual cost can not be determined until the completion of the Buy-Back and may be greater than, or less than, this amount depending on the prevailing market price of Shares at the particular times that the Company makes purchases under the Buy-Back. The Company had over \$1 billion of cash reserves as at 28 June 2008 and accordingly, has sufficient funds to fund the purchase of any Shares bought back. The Company also has investments in liquid securities, the value of which may fluctuate over the period of the Buy-Back, both through acquisitions and disposals and through changes in price. Although the value of these may fluctuate, as may the cash reserves, they also may be a source of funding for the Buy-Back.

#### Pro forma balance sheet as at 28 June 2008

	June 2008 \$'000	Shares bought back for \$8.14 / Share		Shares bought back for 30% more (\$10.58 / Share)	
		Buy-Back Adjustment	Pro forma post-Buy-Back	Buy-Back Adjustment	Pro forma post-Buy-Back
<b>Assets</b>					
Current assets	1,286,174	(325,600)	960,574	(423,280)	862,894
Non-Current assets	1,468,678		1,468,678		1,468,678
	<b>2,754,852</b>	<b>(325,600)</b>	<b>2,429,252</b>	<b>(423,280)</b>	<b>2,331,572</b>
<b>Liabilities</b>					
Current liabilities	121,857		121,857		121,857
Non-Current liabilities	655,937		655,937		655,937
	<b>777,794</b>	<b>-</b>	<b>777,794</b>	<b>-</b>	<b>777,794</b>
<b>Net Assets</b>	<b>1,977,058</b>	<b>(325,600)</b>	<b>1,651,458</b>	<b>(423,280)</b>	<b>1,553,778</b>
<b>Shareholders' Equity</b>	<b>1,977,058</b>	<b>(325,600)</b>	<b>1,651,458</b>	<b>(423,280)</b>	<b>1,553,778</b>
	<b>1,977,058</b>	<b>(325,600)</b>	<b>1,651,458</b>	<b>(423,280)</b>	<b>1,553,778</b>
<b>Net assets per Share</b>	<b>\$9.59</b>		<b>\$9.94</b>		<b>\$9.36</b>

## Financial position

The pro forma balance sheet as at 28 June 2008, based on the Company's Preliminary Final Report released on 5 August 2008, set out above reflects the impact of the Buy-Back assuming that the maximum 40,000,000 Shares were bought back at an average price of \$8.14 per Share (being the closing price of the Shares on 4 August 2008) at the start of the 2008 Financial Year, as well as at an average price that is 30% higher (\$10.58 per Share).

On the assumption that the maximum 40,000,000 Shares are bought back for even \$10.58 per Share (representing a total outlay of \$423.3 million), the Buy-Back will not materially prejudice the Company's ability to pay its creditors.

The adjacent table illustrates the effect on net assets per Share of various combinations of average per-Share buy-back prices and quantities of Shares bought back.

## Impact on earnings per Share

The pro forma profit and loss statement as at 28 June 2008, based on the Company's Preliminary Final Report released on 5 August 2008, set out below reflects the impact of the Buy-Back, taking into account costs of the Buy-Back, on profit (before and after tax) and on earnings per share (excluding unusual items) that the Buy-Back is expected to have, assuming that the maximum 40,000,000 Shares were bought back at an average price of \$8.14 per Share (being the closing price of the Shares on 4 August 2008) at the commencement of the 2008 Financial Year, as well as a price that is 30% higher (\$10.58 per Share).

Net assets per Share following Buy-Back						
Average price	No of Shares bought back (in millions)					
	0	10	20	30	40	
<b>\$5.70</b>	\$9.59	\$9.79	\$10.01	\$10.26	\$10.53	
<b>\$6.11</b>	\$9.59	\$9.77	\$9.97	\$10.19	\$10.43	
<b>\$6.51</b>	\$9.59	\$9.75	\$9.92	\$10.12	\$10.34	
<b>\$6.92</b>	\$9.59	\$9.73	\$9.88	\$10.05	\$10.24	
<b>\$7.33</b>	\$9.59	\$9.71	\$9.84	\$9.98	\$10.14	
<b>\$7.73</b>	\$9.59	\$9.69	\$9.79	\$9.91	\$10.04	
<b>\$8.14</b>	\$9.59	\$9.67	\$9.75	\$9.84	\$9.94	
<b>\$8.55</b>	\$9.59	\$9.65	\$9.71	\$9.77	\$9.85	
<b>\$8.95</b>	\$9.59	\$9.63	\$9.66	\$9.70	\$9.75	
<b>\$9.36</b>	\$9.59	\$9.61	\$9.62	\$9.63	\$9.65	
<b>\$9.77</b>	\$9.59	\$9.58	\$9.58	\$9.56	\$9.55	
<b>\$10.18</b>	\$9.59	\$9.56	\$9.53	\$9.49	\$9.45	
<b>\$10.58</b>	\$9.59	\$9.54	\$9.49	\$9.43	\$9.36	
<b>\$11.11</b>	\$9.59	\$9.52	\$9.43	\$9.34	\$9.23	
<b>\$11.64</b>	\$9.59	\$9.49	\$9.37	\$9.25	\$9.10	
<b>\$12.17</b>	\$9.59	\$9.46	\$9.32	\$9.15	\$8.97	
<b>\$12.70</b>	\$9.59	\$9.44	\$9.26	\$9.06	\$8.85	
<b>\$13.23</b>	\$9.59	\$9.41	\$9.20	\$8.97	\$8.72	
<b>\$13.76</b>	\$9.59	\$9.38	\$9.15	\$8.88	\$8.59	

## Pro forma profit and loss statement as at 28 June 2008

	June 2008 \$'000	Shares bought back for \$8.14 / Share		Shares bought back for 30% more [\$10.58 / Share]	
		Buy-Back Adjustment	Pro forma post-Buy-Back	Buy-Back Adjustment	Pro forma post-Buy-Back
Revenue and other income	114,901		114,901		114,901
Expenses	(127,410)		(127,410)		(127,410)
Share of net profits of associates	50,699		50,699		50,699
Net finance revenue (costs)	129,322	(26,048)	103,274	(33,862)	95,460
<b>Profit before tax</b>	<b>167,512</b>	<b>(26,048)</b>	<b>141,464</b>	<b>(33,862)</b>	<b>133,650</b>
Income tax expense	(25,918)	7,814	(18,104)	10,159	(15,759)
<b>Profit after tax</b>	<b>141,594</b>	<b>(18,234)</b>	<b>123,360</b>	<b>(23,704)</b>	<b>117,890</b>
Earnings attributable to Telys3	(33,019)		(33,019)		(33,019)
<b>Earnings Ordinary Shares</b>	<b>108,575</b>	<b>(18,234)</b>	<b>90,341</b>	<b>(23,704)</b>	<b>84,871</b>
<b>Basic EPS</b>	<b>0.49</b>		<b>0.50</b>		<b>0.47</b>

The following table illustrates the effect on earnings per Share of various combinations of average per-Share buy-back prices and quantities of Shares bought back.

Earnings per Share following Buy-Back						
	Average price	No of Shares bought back (in millions)				
		0	10	20	30	40
	\$5.70	\$0.49	\$0.50	\$0.51	\$0.52	\$0.53
	\$6.11	\$0.49	\$0.50	\$0.50	\$0.51	\$0.52
	\$6.51	\$0.49	\$0.49	\$0.50	\$0.51	\$0.52
	\$6.92	\$0.49	\$0.49	\$0.50	\$0.50	\$0.51
	\$7.33	\$0.49	\$0.49	\$0.50	\$0.50	\$0.51
	\$7.73	\$0.49	\$0.49	\$0.49	\$0.50	\$0.50
	\$8.14	\$0.49	\$0.49	\$0.49	\$0.49	\$0.50
	\$8.55	\$0.49	\$0.49	\$0.49	\$0.49	\$0.49
	\$8.95	\$0.49	\$0.49	\$0.49	\$0.49	\$0.49
	\$9.36	\$0.49	\$0.49	\$0.49	\$0.48	\$0.48
	\$9.77	\$0.49	\$0.49	\$0.48	\$0.48	\$0.48
	\$10.18	\$0.49	\$0.48	\$0.48	\$0.48	\$0.47
	\$10.58	\$0.49	\$0.48	\$0.48	\$0.47	\$0.47
	\$11.11	\$0.49	\$0.48	\$0.48	\$0.47	\$0.46
	\$11.64	\$0.49	\$0.48	\$0.47	\$0.46	\$0.45
	\$12.17	\$0.49	\$0.48	\$0.47	\$0.46	\$0.45
	\$12.70	\$0.49	\$0.48	\$0.47	\$0.45	\$0.44
	\$13.23	\$0.49	\$0.48	\$0.46	\$0.45	\$0.43
	\$13.76	\$0.49	\$0.48	\$0.46	\$0.44	\$0.43

### Dividends

As the Buy-Back will be entirely funded from cash or other liquid investments, there will be no borrowing costs associated with the Buy-Back, however the Company will have reduced interest income as a result of the cash used to acquire Shares. The Board does not expect the Buy-Back to have any impact on the Company's dividend policy.

### Impact on franking account

The Buy-Back will not result in any reduction in the franking account.

### Shares on Issue

As at 28 June 2008, the Company had approximately 206,077,571 Shares on issue and there have been no changes in the number of issued shares since that time. The Company will buy back up to a maximum of 40,000,000 Shares. Shares that the Company purchases under the Buy-Back will be cancelled.

### Impact on inclusion in indices

Depending upon the level of participation by Mr Stokes' affiliated companies (both in the Buy-Back and the existing on-market buy-back), there is the potential for a significant reduction in the Company's free float (shares not held by strategic investors), with the free float potentially falling to 43.7% from 55.0% assuming no participation by Mr Stokes' affiliated companies.

It is likely that the Buy-Back will result in a further reduction in the liquidity of the Shares and, depending on the number of Shares ultimately purchased under the Buy-Back, the relative index weightings of the Company may decrease or it may be removed from an index.

### Effect of the Buy-Back on the control of the company

Currently, Ashblue Holdings Pty Limited (**Ashblue**) and Wroxby Pty Limited (**Wroxby**) hold approximately 30.1% and 14.9% of the Shares, respectively. Ashblue and Wroxby are companies affiliated with Mr Stokes who, as a result, has a relevant interest in approximately 45.0% of the Shares. Mr Stokes controls each of Ashblue and Wroxby, which are part of the 'Tiberius' and 'ACE' corporate groups, respectively. Details of these corporate groups are contained in substantial holder notices given to the Company and ASX as required by the Corporations Act, the latest of which was dated 3 June 2008. The Tiberius corporate group comprises Ashblue and each of Redlake, Tiberius and the Tiberius Group Entities as defined in that substantial holder notice, while the ACE corporate group comprises Wroxby and each of Clabon, ACE, ACEH and the ACE Group Entities. Mr Stokes and each Tiberius group entity is an 'associate' of Ashblue, while Mr Stokes and each ACE group entity is an 'associate' of Wroxby.

Assuming that Ashblue and Wroxby do not participate in the Buy-Back or any further operation of the existing buy-back, and otherwise do not sell any Shares over the period of the Buy-Back, the voting power of Ashblue and the Tiberius group entities in the Company will increase by approximately 7.5% to 37.7%, and the voting power of Wroxby and the ACE group entities in the Company will increase by approximately 3.7% to 18.6%, if the maximum number of Shares are bought back under the Buy-Back and the existing buy-back. In these circumstances, Mr Stokes' voting power in the Company will increase by approximately 11.2% to 56.3%.

Having regard to the potential for the Buy-Back to increase the voting power of Mr Stokes' affiliated companies and their respective associates, particularly if they do not participate in the Buy-Back, these affiliated companies and their associates will not vote on the Buy-Back Resolution.

Mr Stokes' affiliated companies have not indicated any intentions in relation to their participation in the Buy-Back, but may decide to participate.

\* Percentage figures disclosed in this paragraph are rounded to the nearest decimal place.

## Other Material Information

### Effect of Buy-Back on holders of TELYS3

Holders of TELYS3 are eligible to vote on the Buy-Back Resolution and will have one vote per TELYS3. The Board believes that the Buy-Back will have little or no impact on the Company's ability to meet its obligations to TELYS3 holders. See "Pro forma profit and loss statement" on page 4.

### Effect on employee share plan shares and executive options

The Buy-Back will not result in an adjustment to the exercise price or the number of Shares to be issued on exercise of any options held by the Company's executives.

### Australian Taxation Considerations

Shareholders should obtain their own taxation advice in relation to the Buy-Back. However, the Company has been advised that the sale of shares into an on-market buy-back is treated as an ordinary on-market sale of shares for taxation purposes.

### Proposed Timing for the Buy-Back

The Company may commence buying back Shares under the Buy-Back after the passing of the Buy-Back Resolution. The Company may buy back shares on-market under the Buy-Back at its discretion in accordance with the terms detailed in these explanatory notes for the period of 12 months from the passing of the Buy-Back Resolution. The Buy-Back Resolution does not affect the Company's ability to continue to buy back shares under its existing buy-back.

## Board Recommendation

The Board (other than Messrs K Stokes, P Gammell and R Stokes) recommends that you vote in favour of Resolution 1. They believe the Buy-Back is the most efficient way to return capital to shareholders at this point in time.

Given that the Buy-Back is likely to increase the percentage shareholding of companies controlled by Mr Stokes, in the circumstances, none of Messrs K Stokes, P Gammell or R Stokes consider it appropriate to make a recommendation to shareholders in connection with the Buy-Back Resolution.

### Directors' interests in Shares, options and TELYS3

The relevant interest of each Director in the share capital of the Company as at 4 August 2008, as notified by the Directors of the Company to the ASX in accordance with section 205G of the Corporations Act, is:

	Ordinary Shares	Options over Ordinary Shares	TELYS3
KM Stokes AC	92,814,349	Nil	Nil
PD Ritchie AO	46,072	Nil	Nil
DJ Leckie	3,056,908	1,500,000	Nil
ED Boling	Nil	Nil	Nil
PJT Gammell	Nil	Nil	Nil
BI McWilliam	3,157,015	1,000,000	16,063
RK Stokes	23,000	Nil	Nil
MC Wells	4,000	Nil	710
RF Waters	Nil	Nil	Nil



# Seven Network Limited

ABN 21 052 816 789

## PROXY FORM

### Registries

All correspondence to:  
Registries Limited  
GPO Box 3993  
Sydney NSW 2001  
Enquiries: 61 2 9290 9600  
Facsimile: 61 2 9279 0664  
www.registries.com.au  
registries@registries.com.au

Name Address 1  
Name Address 2  
Name Address 3  
Name Address 4  
Name Address 5  
Name Address 6

## BARCODE

### APPOINTMENT OF PROXY

If appointing a proxy to attend the Extraordinary General Meeting on 10 September 2008 on your behalf, please complete the form and submit it in accordance with the directions on the reverse of the page.

I/We being a shareholder/shareholders of the Company pursuant to my/our right to appoint not more than two proxies, appoint

The Chairman of the Meeting (mark with an "X")

OR

Write here the name of the person you are appointing if this person is **someone other than** the Chairman of the Meeting.

or failing him/her

Write here the name of the other person you are appointing.

or failing him/her, (or if no proxy is specified above), the Chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting to be held at **Room 7, 38-42 Pirrama Road, Pyrmont NSW 2009 on Wednesday, 10 September 2008 at 10.00 am** and at any adjournment of that meeting.

#### Please complete if appointing more than one proxy

This proxy is to be used in respect of \_\_\_\_\_% of my/our voting rights.

### VOTING DIRECTIONS TO YOUR PROXY – please mark to indicate your directions

RESOLUTION	For	Against	Abstain*
1. Approval of on-market buy-back of ordinary shares under section 257C of the Corporations Act	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.  
*Executed in accordance with section 127 of the Corporations Act:*

Individual or Shareholder 1

Sole Director & Sole Company Secretary

Joint Shareholder 2

Director

Joint Shareholder 3

Director / Company Secretary

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2008

Contact Name

Contact Business Telephone / Mobile

## INSTRUCTIONS FOR COMPLETING PROXY FORM

1. Your pre-printed name and address is as it appears on the share register of the Company. If you are Issuer Sponsored and this information is incorrect, make the correction on the form, sign it and return it to us. Shareholders sponsored by a broker on the CHESSE subregister should advise their broker of any changes. Please note, you cannot change ownership of your ordinary shares or TELYS3 using this form.
2. Completion of a proxy form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
3. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A shareholder has one vote per share on each ordinary share and one vote per share on each TELYS3 held.
4. A proxy need not be a shareholder of the Company.
5. If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.
6. If a representative of a company shareholder is to attend the Meeting, a properly executed original (or certified copy) of the appropriate "Certificate of Appointment of Corporate Representative" should be produced for admission to the Meeting. Previously lodged "Certificates of Appointment of Corporate Representative" will be disregarded by the Company.
7. If a representative as Power of Attorney of a shareholder is to attend the meeting, a properly executed original (or originally certified copy) of an appropriate Power of Attorney should be produced for admission to the Meeting. Previously lodged Powers of Attorney will be disregarded by the Company.

8. **Signing Instructions**

You must sign this form as follows in the spaces provided:

- Individual:** Where the holding is in one name, the holder must sign.
- Joint Holding:** Where the holding is in more than one name, all of the shareholders should sign.
- Power of Attorney:** If you are signing under a Power of Attorney, you must lodge an original or certified photocopy of the appropriate Power of Attorney with your completed Proxy Form.
- Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person.
- If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone.
- Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

9. **Lodgement of a Proxy**

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address below not later than **10.00 am (Sydney time) on Monday, 8 September 2008** (48 hours before the commencement of the meeting). Any Proxy Form received after that time will not be valid for the scheduled meeting.

**Hand deliveries**

**Registries Limited  
Level 7  
207 Kent Street  
Sydney NSW 2000**

**Postal address:**

**Registries Limited  
GPO Box 3993  
Sydney NSW 2001**

**Fax number:**

**(02) 9279 0664**

**Or deliver, post or fax this Proxy Form to the Company's registered office, at Level 2, 38-42 Pirrama Road, Pyrmont NSW 2009 / Fax (02) 8777 7192.**