

**THIS IS AN IMPORTANT DOCUMENT
AND REQUIRES YOUR ATTENTION**

**If you are in doubt as to how to deal with it,
please consult your financial or other professional adviser.**

THE SWISH GROUP LIMITED

ACN 085 545 973

(Subject to Deed Of Company Arrangement)

**NOTICE OF ANNUAL GENERAL MEETING
AND
EXPLANATORY MEMORANDUM**

Notice is given that the Annual General Meeting of
The Swish Group Limited
will be held at First Floor, 1 Queens Road, MELBOURNE
VICTORIA 3004
on 30 April 2010, commencing at 10.00am.

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This is an important document. Please read it carefully.

**If you are unable to attend the Annual General Meeting,
please complete the proxy form and return it in accordance
with the instructions set out in that form.**

LETTER TO SHAREHOLDERS

30 March 2010

Dear Shareholder,

On 27 August 2009, the Directors of The Swish Group Limited ("**Swish Group**" or "**the Company**") appointed Mr Richard Cauchi and Mr David Lofthouse of CJL Partners Pty Ltd as voluntary administrators of the Company pursuant to Section 436A of the Corporations Act ("**Administrators**"). The appointment was made following the Company's securities being suspended from trading on the official list of the Australian Securities Exchange ("**ASX**") on 27 August 2009.

On 17 December 2009, the Company announced that it had entered into a Deed of Company Arrangement ("**Deed of Company Arrangement**") with Planet W Pty Ltd ("**Planet W**") and the Administrators (in their capacity of as voluntary administrators of the Company and as "Deed Administrators" under the Deed of Company Arrangement). The Deed of Company Arrangement set out the steps to be taken for the satisfaction of creditors' claims, for the Company to be released from external administration, and for its shares to be re-quoted on the ASX.

On 17 December 2009 the Company also entered into a conditional agreement for the Company to acquire the internet advertising business of Planet W Pty Ltd (a company associated with recently appointed Swish Group Executive Director Mr Damian London and of which Swish Group Managing Director, Mr Dean Jones is a shareholder) ("**Planet W**"). The consideration for the acquisition of the business and assets of Planet W being the issue of 1,200,000,000 fully paid ordinary shares in Swish Group. A summary of the agreement is set out in the attached Explanatory Memorandum.

Subsequently, the Company appointed Mr Dean Jones (a shareholder of Planet W) as Managing Director of the Company and Mr Damian London (a director and shareholder of Planet W) as an Executive Director of the Company.

The Company commissioned an independent expert DMR Corporate Pty Ltd to assess whether the proposed transaction is fair and reasonable within the meaning of RG 111 Content of Experts Report (RG111). The independent expert has prepared an Independent Experts Report, a copy of which is attached as Annexure B to this Notice of Meeting, and shareholders should consider the Independent Experts Report in full before drawing any conclusions or determining how they will vote at the Annual General Meeting.

Among other things, the Deed of Company Arrangement provides that, subject to certain conditions being met, Planet W will pay the sum of \$450,000, and the Company will issue 100,000,000 fully paid ordinary shares in the Company, to the Deed Administrators on behalf of creditors and employees and to meet the costs of the Administration. In addition, the Company has entered into a Convertible Note Agreement to raise the sum of \$250,000 to facilitate the steps required to enable the reinstatement of quotation of the securities of the Company on ASX and proposes to seek Shareholder approval at the Annual General Meeting to be convened pursuant to this Notice of Meeting to conduct a capital raising to raise a further amount of up to \$1,750,000 to repay Planet W for the \$450,000 to be paid to the Administrators under the Deed of Company Arrangement, to fund the Company's ongoing operations and to enable complementary and strategic acquisitions in the digital media sector as and when suitable opportunities arise.

To give effect to the proposed capital raising, the Agreement with Planet W and the Deed of Company Arrangement, among other things, you will be asked to vote on the following resolutions at the Annual General Meeting:

- Re-election of Mr Andrew Plympton and Mr Damian London as Directors of the Company.
- Approval for the Company to issue up to 1,750,000,000 fully paid ordinary Shares pursuant to a proposed capital raising to be carried out by the Company within one (1) month of the date of the Annual General Meeting to raise the sum of up to \$1,750,000;

- Approval for the Directors and their associates to participate in the capital raising referred to above, to a maximum aggregate value of \$150,000;
- Approval for the issue and allotment of 1,200,000,000 fully paid ordinary Shares to Planet W Pty Ltd (a company associated with Swish Group Executive Director Mr Damian London and of which Swish Group Managing Director, Mr Dean Jones is a shareholder) at \$0.001 (0.1 cents) per Share in consideration for the acquisition of the business and assets of the Planet W online advertising business;
- Approval for the issue and allotment of 100,000,000 fully paid ordinary Shares to the Administrators, the proceeds from the sale of which are to be distributed to existing creditors and employees of the Company;
- Approval for the issue and allotment of up to 250,000,000 fully paid ordinary Shares to various parties pursuant to the terms of the convertible securities issued to them by the Company in consideration for the payment of the sum of \$250,000. The facility is convertible into fully paid ordinary Shares in the Company at \$0.001 (0.1 cents) per Share for a period of 12 months from the date of issue;
- Approval for the issue and allotment of up to 193,329,987 fully paid ordinary Shares to CPS Holdings Pty Ltd (a Company associated with Swish Group Executive Director Mr Cary Stynes) in consideration of services provided by Mr Stynes to the Company since August 2009 and in lieu of receiving any distribution as a creditor to which it would otherwise have been entitled, such Shares to be issued for nil cash consideration; and
- Approval for the issue of 180,000,000 unlisted options under the Company's existing Executive and Employee Share Option Scheme. The unlisted options to be issued for no consideration and have an exercise price of \$0.002 (0.2 cents) per Share and a term of 5 years.

Other than in respect of the resolutions relating to director re-appointments, adoption of the remuneration report, and the issue of options, the resolutions are interdependent so that if the required majority does not pass any resolution, all such resolutions will fail. In the event that any of the resolutions relating to the Deed of Company Arrangement, the Agreement with Planet W, the proposed capital raising or the issue of Shares to CPS Holdings Pty Ltd are not passed, all of those resolutions will fail and the Administrators have indicated that they may place the Company into liquidation.

The passing of the resolutions proposed, which are included in the attached Notice of Annual General Meeting, will enable the Company to satisfy the terms of the Deed of Company Arrangement, to effectuate the Agreement with Planet W, to proceed with the proposed capital raising and to incentivise the Company's management

If the above resolutions are passed and the proposed restructuring and recapitalisation completed, the Company will immediately seek the reinstatement of quotation of its securities on the ASX. On satisfaction of the precondition of reinstatement of quotation of the Company's securities, the Deed of Company Arrangement provides for a payment to the Administrators of \$450,000 to be made by Planet W (which amount shall be reimbursed by the Company upon satisfactory completion of the capital raising), and for the Company to procure the issue to the Administrators of 100,000,000 fully paid ordinary Shares in the Company. These shares will be held in escrow for 90 days, after which the Administrators will be at liberty to sell them and the sale proceeds, together with the \$450,000, less administration costs, shall be distributed to existing creditors and employees of the Company.

The Annual General Meeting will comprise the ordinary business of the Company of receiving the financial report of the Company for the year ended 30 June 2009, the election of Directors and the special business of the recapitalisation proposal as described above.

Attached to the Notice of Annual General Meeting is the Company's Annual Report for the year ended 30 June 2009 for your consideration.

The Annual General Meeting of the Company is to be held at 10.00 am on 30 April 2010 at First Floor, 1 Queens Road MELBOURNE VICTORIA 3004

At the Annual General Meeting, the financial statements for the Company for the year ended 30 June 2009 will be tabled and Shareholders will be given the opportunity to raise any issues or ask any questions concerning the financial statements or the business operations of the Company. In addition, Shareholders will be asked to consider the various resolutions summarised above and set out in detail in the attached Notice of Meeting.

Enclosed with this letter are:

- 1 Annual Report for the financial year ended 30 June 2009;
- 2 Notice of Annual General Meeting;
- 3 Explanatory Memorandum for Shareholders in relation to the proposals to be put before Shareholders; and
- 4 Proxy Form.

Shareholders are asked to consider this material in full before drawing any conclusions or determining how they will vote at the Annual General Meeting. It is recommended that Shareholders consider the resolutions to be put to them in light of the details (in particular the accounts) contained in the Annual Report.

Except for those resolutions in which individual Directors have an interest (refer to Voting Exclusion Statements contained in the Notice of Annual General Meeting), your Directors strongly recommend that you vote in favour of all resolutions. In regard to those resolutions in which a particular Director has an interest in the outcome, that Director has abstained from making a recommendation on those resolutions.

If you are unable to attend the Annual General Meeting, you are strongly urged to complete the attached Proxy Form and return it by facsimile or mail (to be received no later than 10.00 am on 30 April 2010) to:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne
VIC 3001

Or

452 Johnston Street,
Abbotsford
VIC 3067

Facsimile number (within Australia) 1800 783 447 or (outside Australia) +61 (03) 9473 2555

The Administrators are not responsible for the contents of this Notice of Annual General Meeting or the accompanying Explanatory Memorandum, the financial report of the Company for the year ended 30 June 2009, or the reports by the Directors and Independent Auditor. The Administrators do not accept any responsibility for any disclosure in or failure to include any disclosure in those documents.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Andrew Plympton', with a long horizontal line extending to the left.

Andrew Plympton
Chairman

TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

The Annual General Meeting of the Shareholders of The Swish Group Limited (subject to Deed of Company Arrangement) will be held at:

First Floor
1 Queens Road
MELBOURNE VIC 3004

Commencing
10am (AEST)
on 30 April 2010

How to Vote

You may vote by attending the meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the meeting on the date and time and at the place set out above.

Corporate Representative

Any corporate Member who has appointed a person to act as its corporate representative at the Annual General Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative. An Appointment of Corporate Representative form is available from the Company.

Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of Annual General Meeting as soon as possible and return it by facsimile or mail to:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne
VIC 3001

Or

452 Johnston Street,
Abbotsford
VIC 3067

Facsimile number (within Australia) 1800 783 447 or (outside Australia) +61 (03) 9473 2555

Electronically for Intermediary Online subscribers (custodians), by visiting www.intermediaryonline.com and submitting voting intentions.

So that it is received not later than 10am (AEST) on 28 April 2010.

Your Proxy Form is enclosed.

THE SWISH GROUP LIMITED
ABN 93 085 545 973
(Subject to Deed Of Company Arrangement)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Members of The Swish Group Limited ("Company") will be held at First Floor, 1 Queens Road, Melbourne at 10.00am on 30 April 2010.

AGENDA

The Explanatory Memorandum that accompanies and forms part of this Notice of Meeting describes the matters to be considered as ordinary business and special business.

A ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the financial reports of the Company for the year ended 30 June 2009 and the reports of the Directors and Auditors.

The Corporations Act and the Company's Constitution do not require that a vote of the Members be taken on the financial reports, or the reports of the Directors or Auditors. However Members will be provided with the opportunity to raise any issues with, or ask questions of, the Directors or Auditor in relation to the reports or the business and operations of the Company at the Meeting.

Resolution 1: Adoption of Remuneration Report

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

"That the Remuneration Report required by section 300A of the Corporations Act for the financial year ended 30 June 2009 be adopted."

Note that the vote on this Resolution is advisory only and does not bind the Company or its Directors.

Resolution 2 – Re-election as a Director

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

"That, having been appointed during the year and retired pursuant to the Constitution of the Company, Andrew Plympton, being eligible and having consented to act, be re-elected as a Director of the Company."

Resolution 3 – Re-election as a Director

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

"That, having been appointed during the year and retired pursuant to the Constitution of the Company, Damian London, being eligible and having consented to act, be re-elected as a Director of the Company."

B. SPECIAL BUSINESS

Resolution 4 – Issue of New Shares

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

“That, subject to the approval by the Members of Resolutions 5 to 9 (inclusive), for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the issue by the Company of up to 1,750,000,000 fully paid ordinary Shares at an issue price of 0.1 cents (\$0.001) per Share pursuant to a proposed capital raising to be undertaken by the Company.”

Resolution 5 – Approval for Directors to participate in capital raising

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

“That, subject to the approval by the Members of Resolutions 4 and 6 to 9 (inclusive), for the purposes of Listing Rule 10.14 and all other purposes, approval for the Directors to participate in the capital raising referred to in Resolution 4 above, to a maximum aggregate value of \$150,000.”

Resolution 6 – Allotment and Issue of Shares

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

“That, subject to the approval by the Members of Resolutions 4, 5 and 7 to 9 (inclusive), for the purposes of Listing Rules 7.1, 10.1 and 10.11 and item 7 of section 611 of the Corporations Act and for all other purposes, approval is given for the issue and allotment of 1,200,000,000 fully paid ordinary shares in the Company to Planet W Pty Ltd (a Company associated with Executive Directors Mr Damian London and Mr Dean Jones) at a nominal value of \$0.001 (0.1 cents) per Share and for the Company to make an “earn-out” payment of up to \$300,000 to Planet W Pty Ltd, in consideration for the acquisition of the business and assets of the Planet W business.”

Resolution 7 – Allotment and Issue of Shares

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

“That, subject to the approval by the Members of Resolutions 4 to 6 (inclusive) and 8 to 9 (inclusive), for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the issue for no cash consideration of 100,000,000 fully paid ordinary Shares in the Company to the Administrators of The Swish Group Limited, the proceeds of the sale of such Shares to be distributed to creditors and employees of the Company.”

Resolution 8 – Approval to Issue Shares on Conversion of Convertible Notes

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

“That, subject to the approval by the Members of Resolutions 4 to 7 (inclusive) and 9 for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the issue by the Company of up to 250,000,000 fully paid ordinary Shares in the Company at \$0.001 (0.1 cents) per Share, to various parties on conversion by them of the relevant \$250,000 of convertible notes, and that the Company be entitled to issue such Shares at any time within 12 months of the date of the Annual General Meeting of the Company.”

Resolution 9 – Approval to issue Shares

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

“That, subject to the approval by the Members of Resolutions 4 to 8 (inclusive), for the purposes of Listing Rule 10.11 and all other purposes, the Company be authorised to issue and allot 193,329,987 fully paid ordinary shares to CPS Holdings Pty Ltd (a company associated with Executive Director Mr Cary Stynes) in consideration of services provided to the Company since August 2009 and in lieu of that company agreeing not to receive any distribution as a creditor to which it would otherwise have been entitled. Such Shares to be fully paid ordinary Shares in the Company and issued for nil consideration at a nominal value of \$0.001 (0.1 cents) per Share.”

If this issue of Shares is approved under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Resolution 10 – Approval for Company to Issue Unlisted Executive Options to Directors

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

“That, for the purposes of Listing Rules 7.1 and 10.14 and for all other purposes, approval for the issue of up to 180,000,000 unlisted options under the Company’s existing Executive and Employee Share Option Scheme to Mr Andrew Plympton, Mr Dean Jones, Mr Cary Stynes and Mr Damian London. The unlisted options to be issued for no consideration but to have an exercise price of \$0.002 (0.2 cents) per Share and a term of 5 years.”

C. GENERAL BUSINESS

To transact any business which may legally be brought forward in accordance with the Constitution.

By Order Of The Board



Andrew Plympton
Chairman
30 March 2010

NOTES:

1. Further details of the resolutions in this Notice of Annual General Meeting are contained in the Explanatory Memorandum accompanying this Notice of Annual General Meeting. The Explanatory Memorandum should be read together with, and forms part of this Notice of Annual General Meeting.
2. All securities of the Company that are quoted securities at 7.00 pm Melbourne time on 28 April 2010 are taken, for the purposes of the above meeting, to be held by the persons who held them at that time. Only those persons will be entitled to vote at the Annual General Meeting on 30 April 2010 or at an adjourned meeting.
3. Shareholders unable to attend the meeting can complete the attached Proxy Form and return it to the Company or to the Company’s Share Registry at the address or the facsimile numbers indicated in the Proxy Form no less than 48 hours before the time scheduled for the commencement of the meeting
4. **VOTING IN PERSON**

Shareholders who plan to attend the meeting are asked to arrive at the venue 30 minutes prior to the time designated for the meeting, if possible, so that we may check the Shareholding against the Share Register and note attendances.

In order to vote in person at the meeting, a corporation that is a Shareholder may appoint an individual to act as its representative. The appointment must comply with the requirements of Section 250D of the Corporations Act 2001. The representative should bring to the meeting evidence of their appointment, including any authority under which it is signed.

VOTING EXCLUSION STATEMENT - RESOLUTION 2

The Company will disregard any votes cast on Resolution 2 by Mr Andrew Plympton who is excluded from voting and any associate of that person, except as permitted by the paragraph below headed 'Permitted Exception to Voting Exclusion'.

VOTING EXCLUSION STATEMENT - RESOLUTION 3

The Company will disregard any votes cast on Resolution 3 by Mr Damian London who is excluded from voting and any associate of that person, except as permitted by the paragraph below headed 'Permitted Exception to Voting Exclusion'.

VOTING EXCLUSION STATEMENT - RESOLUTION 4

The Company will disregard any votes cast on Resolution 4 by sophisticated investors (within the meaning of section 708 of the Corporations Act) and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, who is excluded from voting and any associate of that person, except as permitted by the paragraph below headed 'Permitted Exception to Voting Exclusion'.

VOTING EXCLUSION STATEMENT - RESOLUTION 5

The Company will disregard any votes cast on Resolution 5 by each of the Directors, who are excluded from voting and any associate of them, except as permitted by the paragraph below headed 'Permitted Exception to Voting Exclusion'.

VOTING EXCLUSION STATEMENT - RESOLUTION 6

The Company will disregard any votes cast on Resolution 6 by Planet W Pty Ltd, Mr Damian London and Mr Dean Jones, who are excluded from voting and any associate of those persons, except as permitted by the paragraph below headed 'Permitted Exception to Voting Exclusion'.

VOTING EXCLUSION STATEMENT - RESOLUTION 7

The Company will disregard any votes cast on Resolution 7 by the Administrators of The Swish Group Limited who are excluded from voting and any associate of those persons, except as permitted by the paragraph below headed 'Permitted Exception to Voting Exclusion'.

VOTING EXCLUSION STATEMENT - RESOLUTION 8

The Company will disregard any votes cast on Resolution 8 by the holders of Convertible Notes in the Company who are excluded from voting and any associate of those persons, except as permitted by the paragraph below headed 'Permitted Exception to Voting Exclusion'.

VOTING EXCLUSION STATEMENT - RESOLUTION 9

The Company will disregard any votes cast on Resolution 9 by CPS Holdings Pty Ltd and Mr Cary Stynes who are excluded from voting and any associate of those persons, except as permitted by the paragraph below headed 'Permitted Exception to Voting Exclusion'.

VOTING EXCLUSION STATEMENT - RESOLUTION 10

The Company will disregard any votes cast on Resolution 10 by the Directors who are excluded from voting and any associate of those persons, except as permitted by the paragraph below headed 'Permitted Exception to Voting Exclusion'.

PERMITTED EXCEPTION TO VOTING EXCLUSION STATEMENT

The Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form to vote as the proxy decides.

**THE SWISH GROUP LIMITED
ACN 085 545 973**

EXPLANATORY MEMORANDUM

1. IMPORTANT NOTICE

This Explanatory Memorandum is given to Members in explanation of the resolutions to be considered at the Annual General Meeting of the Company to be held on 30 April 2010 at 10:00am and to assist Members in determining how they wish to vote on the resolutions. This Explanatory Memorandum should be read in conjunction with, and forms part of the Notice of Meeting, which this Explanatory Memorandum accompanies.

Members should read the full text of this Explanatory Memorandum, as the information contained in individual sections does not create a comprehensive review of the proposals contemplated in this Explanatory Memorandum.

In considering the resolutions, Shareholders must bear in mind the current financial circumstances of the Company. In this regard, Shareholders should note that the Administrators have prepared separate reports to creditors of the Company in accordance with the Corporations Act. The reports set out in detail the financial position of the Company, the actions and investigations taken by the Administrators, the reasons for the failure of the Company and the Administrators' recommendations for the future of the Company. A copy of these reports can be provided on request.

If the resolutions are passed and the proposed recapitalisation proposal is completed, the Company intends to seek the reinstatement of quotation of its securities on the Australian Securities Exchange. This reinstatement is subject to the discretion of the Australian Securities Exchange.

If Shareholders reject any of resolutions 4 through 9 (inclusive), all of those resolutions will fail, the consequences of which will include that (among other things) the Administrators may seek to terminate the Deed of Company Arrangement, in which case the Company is likely to proceed into liquidation. In this eventuality, the Administrators have advised that it is likely that there will be no return to Shareholders.

The Company commissioned an independent expert DMR Corporate Pty Ltd to assess whether the proposed transaction is fair and reasonable within the meaning of RG 111 Content of Experts Report (RG111). The independent expert has prepared an Independent Experts Report, a copy of which is attached as Annexure B to this Notice of Meeting, and shareholders should consider the Independent Experts Report in full before drawing any conclusions or determining how they will vote at the Annual General Meeting.

If you are in doubt about the action you should take in relation to the proposals contemplated in this Explanatory Memorandum, you should consult your financial or other professional adviser immediately.

Words or expressions used in this Explanatory Memorandum are defined in Glossary of Terms set out in Annexure C. Unless otherwise stated, all references to sums of money, \$ and dollars are references to Australian currency.

This Explanatory Memorandum is dated 26 March 2010.

2. OVERVIEW

2.1 Background

The Company was incorporated in 1998 and listed on the Australian Stock Exchange (now the Australian Securities Exchange) in June 1999. Swish Group's principal activities are digital media, audio and video production, technology and sales and marketing. The Company entered into a conditional agreement to acquire the business and assets of Planet W Pty Ltd in December 2009. Planet W Pty Ltd is involved in Internet advertising and the provision of services for the information technology industry. Information regarding the business and assets to be acquired from Planet W is set out on page 21.

2.2 Suspension of Trading of Company Shares and Appointment of Administrators

On 27 August 2009, the Directors of The Swish Group Limited appointed Mr Richard Cauchi and Mr David Lofthouse of CJL Partners Pty Ltd as Administrators of the Company pursuant to Section 436A of the Corporations Act. The appointment was made following the Company's securities being suspended from trading on the official list of the Australian Securities Exchange.

The Directors formed the view that the Company was likely to become insolvent as a result of being locked out of its proposed new offices after a dispute over the terms of the lease. This dispute occurred while the Company was in the process of undertaking a capital raising. Accordingly, the proposed capital raising did not proceed and the company was placed into external administration.

2.3 Plan to exit external administration

On 17 December 2009 the Administrators entered into a conditional contract for the Company to acquire certain assets of Planet W Pty Ltd (a company associated with recently appointed Executive Director Mr Damian London and Managing Director Mr Dean Jones), consideration for the acquisition being the issue and allotment of 1,200,000,000 fully paid ordinary Shares to Planet W Pty Ltd plus a possible "earn out" amount of up to \$300,000, depending on the performance of the Planet W business. The terms of the agreement with Planet W Pty Ltd are summarised in detail later in the Explanatory Memorandum in section 3.6.

On 17 December 2009, Mr Dean Jones and Mr Damian London were appointed to the Board and Mr Stephen Layton resigned as a Director of the Company. Mr Andrew Plympton was subsequently appointed to the Board on 9 February 2010 and Mr William Graham resigned on the same date.

The Deed of Company Arrangement requires that, subject to certain conditions being met, Planet W will pay the amount of \$450,000 and the Company will procure the issue of 100,000,000 fully paid ordinary Shares to the Administrators, to be made available for the satisfaction of creditors and employee claims and to meet the costs of the Administration. In addition, the Company proposes to conduct a capital raising to provide further funding to the Company to facilitate the reinstatement of quotation of the securities of the Company on ASX, to fund its ongoing operations and to reimburse Planet W for the \$450,000 to be paid to the Administrators.

The Company proposes to raise up to \$1,750,000 through the issue of up to 1,750,000,000 fully paid ordinary Shares in the Company at a price of \$0.001 (0.1 cents) per Share as part of a package of measures intended to assist to satisfy the terms of the Deed of Company Arrangement, assist the Company to exit external administration and to incentivise management. The Directors also propose that the Company engage in the following capital transactions:

- The issue and allotment of 100,000,000 fully paid ordinary Shares to the Administrators, the proceeds from the sale of which are to be distributed to existing creditors and employees of the Company;
- The issue and allotment of up to 250,000,000 fully paid ordinary Shares to various parties upon exercise of convertible notes issued by the Company in consideration of the payment of the sum of \$250,000. The facility is convertible into fully paid ordinary Shares in the Company at \$0.001 (0.1 cents) per Share for a period of 12 months from the date of the Annual General Meeting, provided that Shares cannot be issued unless and until shareholder approval is obtained in respect of the refinancing package proposed by the Company pursuant to the attached notice of meeting;

- The issue and allotment of up to 193,329,987 fully paid ordinary Shares to CPS Holdings Pty Ltd (a company associated with Director Mr Cary Stynes) in consideration of services provided to the Company since August 2009 and in lieu of CPS Holdings receiving any distribution as a creditor to which it would otherwise have been entitled (subject to there being available funds to make such distributions). Such Shares to be fully paid ordinary Shares in the Company and issued for nil cash consideration at a nominal value of \$0.001 (0.1 cents) per Share; and
- The issue of up to 180,000,000 unlisted options to the Company's Directors under the Company's existing Executive and Employee Share Option Scheme. The unlisted options to be issued for no consideration but to have an exercise price of \$0.002 (0.2 cents) per Share and a term of 5 years.

Several of the capital transactions proposed above require Shareholder approval to be sought at this Annual General Meeting.

Under the terms of the Deed of Company Arrangement, *inter alia*, Planet W is required pay \$450,000 to the Deed Administrators, and the Company is required to issue 100,000,000 Shares to the Deed Administrators, by 30 March 2010 or such other date as the Deed Administrators determine. The Deed Administrators have agreed to an extension of this date from 30 March 2010 until 17 May 2010. The Deed Administrators have not indicated that this date would be further extended beyond 17 May 2010.

Accordingly, if the recapitalisation proposal has not been completed by 17 May 2010, it appears likely that the Deed Administrators will call a meeting of the Deed Creditors at which they may resolve to terminate the Deed of Company Arrangement and place the Company into liquidation.

2.4 Future of the Company

The Company's intention in the next 12 months is to continue the existing business of Swish Group in the areas of digital media production and distribution, technology and to develop those businesses, through organic growth and by strategic and complementary acquisition (including that of Planet W).

The Directors are of the opinion that the Company, following the recapitalisation and re-quotation, will be able to trade successfully, as it has significantly reduced its overheads as a result of termination of all of its employees and the reduction other fixed overheads such as office space and communications expenses.

2.5 Planet W Pty Ltd

Planet W Pty Ltd was incorporated in 2007 for the purpose of developing an internet advertising business.

The Directors of Planet W Pty Ltd are Mr Damian London and Mr Peter Jermyn, and the Shareholders are DL Consulting Pty Ltd (a company associated with Mr Damian London) (25.6%), Myndarie Nominees Pty Ltd (a company associated with Mr Dean Jones) (25.6%), Arlco Pty Ltd (a company associated with Mr Peter Jermyn) (25.6%), Aspect Wave Pty Ltd (a company associated with Mr Sandeep Madhavan) (10.9%), Terabyte Computer Products (Australia) Pty Ltd (a company associated with Mr Christopher Jermyn) (7.1%), and Morsel Nominees (a company associated with Mr Simon Meadmore) (5%).

The existing Directors of Swish Group and Planet W Pty Ltd have significant experience in the media and technology industries and related areas and in the reorganisation, management and recapitalisation of public companies.

2.6 Details of Recapitalisation Proposal

The Board has considered various recapitalisation options and has resolved to proceed with the following recapitalisation proposal (subject to Shareholder and regulatory approvals):

- The Company will conduct a capital raising via a prospectus to raise up to 1,750,000,000 through the issue of up to 1,750,000,000 fully paid ordinary Shares at \$0.001 (0.1 cents) per Share;

- The issue and allotment of 1,200,000,000 fully paid ordinary Shares to Planet W Pty Ltd in consideration for the purchase of the business and assets of the Planet W Internet advertising business;
- The issue and allotment of 100,000,000 fully paid ordinary Shares to the Administrators, the proceeds from the sale of which are to be distributed to existing creditors and employees of the Company (satisfaction of this component, together with the payment of the sum of \$450,000 by Planet W, is a condition of the Company exiting external administration);
- The issue and allotment of up to 250,000,000 fully paid ordinary Shares to various parties on conversion of the convertible notes issued to them by the Company in consideration of the payment of the sum of \$250,000. The facility is convertible into fully paid ordinary Shares in the Company at \$0.001 (0.1 cents) per Share for a period of 12 months from the date of the re-quotations of the Company's shares on ASX provided that Shares cannot be issued unless and until shareholder approval is obtained in respect of the refinancing package proposed by the Company pursuant to the attached notice of meeting;
- The issue and allotment of up to 193,329,987 fully paid ordinary Shares to CPS Holdings Pty Ltd (a company associated with Executive Director Mr Cary Stynes) in consideration of services provided to the Company since August 2009 and in lieu of CPS Holdings receiving any distribution as a creditor, to which it would otherwise have been entitled. Such Shares to be fully paid ordinary Shares in the Company and issued for nil cash consideration at a nominal price of \$0.001 (0.1 cents) per Share; and
- The issue of up to 180,000,000 unlisted options under the Company's existing Executive and Employee Share Option Scheme to Directors of the Company. The unlisted options to be issued for no consideration but to have an exercise price of \$0.002 (0.2 cents) per Share and a term of 5 years.

As an alternative to the recapitalisation, consideration was given to selling the Company as an ASX listed shell. The Directors understand that the prices offered for the Company as an ASX listed shell were between \$350,000 and \$550,000, however the Administrators considered that the Planet W proposal was superior.

2.7 Details of Deed of Company Arrangement

The Company, Planet W and the Administrators have entered into a Deed of Company Arrangement. The Deed of Company Arrangement was executed on 11 December 2009 following the approval of creditors on 2 December 2009. The Deed of Company Arrangement incorporates the terms of the recapitalisation proposal and includes the following essential terms.

- The payment to the Administrators of \$450,000 by Planet W to be distributed first in payment of the Administrators' fees and charges and then to existing creditors and employees of the Company.
- The issue to the Administrators of 100,000,000 fully paid ordinary Shares in the Company, the sale proceeds of which are, on the sale of those shares, to be distributed to existing creditors and employees of the Company.

2.8 Conclusion

The resolutions set out in the Notice of Meeting are important and affect the future of the Company. Shareholders are therefore urged to give careful consideration to the Notice of Meeting and the contents of this Explanatory Memorandum.

The Company commissioned an independent expert DMR Corporate Pty Ltd to assess whether the proposed transaction is fair and reasonable within the meaning of RG 111 Content of Experts Report (RG111). The independent expert has prepared an Independent Experts Report, a copy of which is attached as Annexure B to this Notice of Meeting, and shareholders should consider the Independent Experts Report in full before drawing any conclusions or determining how they will vote at the Annual General Meeting.

2.9 Table of Directors' Interests

The following is a table of each Director's relevant interests in the Company as at the date of this Explanatory Memorandum:

Director:	Interest:	How held:
Mr Plympton	0	-
Mr Stynes	<ul style="list-style-type: none"> ▪ 120,605,133 Shares ▪ 6,000,000 options 	<ul style="list-style-type: none"> ▪ 70,520,000 Shares held by Media Entertainment Pty Ltd (a company in which Mr Stynes has a 47.5% interest) ▪ 49,785,133 Shares held by CPS Holdings Pty Ltd (a company in which Mr Stynes has a 100% interest) ▪ 300,000 Shares and 6,000,000 options held by Mr Stynes personally.
Mr London	0	-
Mr Jones	0	-

3. DETAIL OF PROPOSALS

3.1 Financial Statements

Section 250R of the Corporations Act 2001 provides that the business of an Annual General Meeting of a Company may include, among other matters, the consideration by the Members of the Annual Financial Report, Director's Report and Auditor's Report. Because the Company did not hold an Annual General Meeting after the Administrators were appointed in August 2009, these reports are presented to Shareholders at this meeting.

Under section 317 of the Corporations Act, the directors of a public company that is required to hold an annual general meeting must table the Annual Financial Report and Directors' and Auditor's reports of the company for the previous financial year for discussion by the company's members at that annual general meeting.

Members have been provided with all relevant information concerning the Company's Annual Financial Report and the reports of the Directors and Auditor in the Annual Report of the Company for the year ended 30 June 2009. A copy of the Annual Report has been made available to each Shareholder. A copy of the Annual Financial Report and the reports of the Directors and Auditor will also be tabled at the Meeting.

Members should note that sole purpose of tabling the annual financial report of the Company at the Annual General Meeting and those of the Directors and Auditor is to provide the Members with the opportunity to be able to ask questions or discuss matters arising from the annual financial report and the management of the Company at the Meeting. It is not the purpose of the Meeting, nor a requirement of the Corporations Act 2001 or the constitution of the Company that the financial statements be accepted, rejected or modified in any way.

All questions must be sent to the Company and may not be sent direct to the auditor. The Company will forward all questions to the auditor.

The auditor will be attending the Annual General Meeting and will be available to answer questions from Members relevant to:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

3.2 Remuneration Report (Resolution 1)

The Directors' report for the year ended 30 June 2009 contains a Remuneration Report. The Remuneration Report explains in detail the:

- remuneration policies adopted by the Board;
- links between the remuneration policies adopted by the Board and the performance of the Company;
- remuneration details for each Director; and
- different bases of remuneration paid to Non Executive Directors and executive management.

The Corporations Act (section 250R(2)) requires that a resolution be put to a vote that the Remuneration Report be adopted. The Corporations Act expressly provides that the vote on the Remuneration Report is advisory only and does not bind the Company or its Directors.

A summary of the annual remuneration to be paid to each director for the financial year ending 30 June 2010 is set out below:

Andrew Plympton (Chairman)	Directors fees of \$24,000 per annum + GST
Dean Jones (Managing Director)	Consulting fees of \$275,000 + GST + 9% superannuation equivalent
Cary Stynes (Executive Director)	Consulting fees of \$275,000 + GST + 9% superannuation equivalent
Damian London (Executive Director)	Consulting fees of \$90,000 + GST + 9% superannuation equivalent

The Directors consider that the salary and other benefits, which the Directors and employees of the Company may receive, are on commercial terms commensurate with the remuneration packages available to directors and employees, respectively, of public companies of a similar size and industry grouping to the Company.

Members attending the Annual General Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

3.3 Re-election of Director (Resolution 2)

Background

Mr Andrew Plympton was appointed to the Board on 9 February 2010. Pursuant to the Company's Constitution he holds office only until the Annual General Meeting. He now retires and offers himself for re-election.

Profile of Director

Set out below is the profile of Mr Andrew Plympton:

Mr Andrew Plympton

Experience

Andrew has had an extensive career in the Financial Services Sector, Sport Administration and more recently in the capacity as board director and Chairman of ASX listed and unlisted companies. Over the last twenty years he has been CEO/Chairman of two Global Insurance Broking Firms Asia Pacific operations. In addition served as Chairman of a Specialist Aviation Underwriting Company and Chairman of a high profile Captive Insurance operation. In the Public Company sector Andrew is Chairman of Beyond Sportswear International Ltd and Intermoco Limited, a Director of Newsat Limited. Chairman of MDHDG a private company involved with 5 Star hotel/marina developments in Australia and Chairman of New Zealand Company Energy Mad Limited, world leaders in Eco Bulb manufacturing. In sport Andrew was recently elected as an Executive Member of The Australian Olympic Committee and appointed director of The Australian Olympic Foundation Limited. He is also currently the longest serving President of Yachting Australia Inc and held for eight years the Chairmanship of AFL club St Kilda Football Club Limited. Andrew has been successful in sport winning one World Championship in sailing. He holds numerous sporting achievement awards and

life membership from two sporting organizations. Mr Plympton was appointed a Director of the Company in February 2010

3.4 Re-election of Director (Resolution 3)

Background

Mr Damian London was appointed to the Board on 17 December 2009. Pursuant to the Company's Constitution he holds office only until the Annual General Meeting. He now retires and offers himself for re-election.

Profile of Director

Set out below is the profile of Mr Damian London:

Mr Damian London

Experience

Mr. Damian London co-founded Planet W in 2007 and brings with him over 15 years experience in management, software and web development, search engine marketing and online advertising. Damian London has worked in a range of startup businesses and through these has worked for companies including IBM, Lotus Consulting and various other public and private organisations. In 2004 he co-founded Ansearch and spent 3 years as Chief Technology Officer and subsequently as Group Search and Information Technology Manager, during which he was responsible for the Search Divisions overall business activities including marketing, technology, business development and innovation. Mr London was appointed as a Director of Swish Group on 18 December 2009.

3.5 Approval to issue Shares (Resolutions 4 and 5)

Resolution 4

Details of resolution

ASX Listing Rule 7.1 provides, in summary, that an entity must not, without the approval of its ordinary Shareholders or unless an exception applies, issue or agree to issue equity securities (including options to acquire Shares) in any 12 month period which would exceed 15% of the total number of equity securities on issue at the commencement of that 12 month period. There are no relevant exceptions in respect of this Resolution.

As part of its recapitalisation proposal, the Board proposes that the Company raise up to \$1,750,000,000 through the issue and allotment of up to 1,750,000,000 fully paid ordinary Shares at \$0.001 (0.1 cents) per Share. Of this amount \$450,000 is to be paid to Planet W to repay it for the \$450,000 it is to pay the Administrators under the Deed of Company Arrangement. The remaining funds raised will be used to fund the Company's ongoing operations and to enable complementary and strategic acquisitions in the digital media sector as and when opportunities arise.

The capital raising is proposed to commence immediately following the Annual General Meeting (such Shares to be issued immediately subsequent to any Shares being issued to Planet W pursuant to Resolution 6), and is expected to be completed prior to 17 May 2010. The Company is currently proposing that the capital raising be 'sponsored'. Disclosure for the capital raising is proposed to be by way of a prospectus.

ASX Listing Rule 7.3 requires the Notice of Meeting at which Shareholders are required to consider a resolution pursuant to ASX Listing Rule 7.1 to include certain specified information in relation to the equity securities proposed to be issued. This information is set out below as follows:

- (a) *the maximum number of securities to be issued:* a maximum of 1,750,000,000 Shares will be issued to the Allottees (see below);
- (b) *the date by which the securities will be issued:* within 30 days of the date of the AGM;

- (c) *the issue price of securities*: the Shares are to be issued at an issue price of \$0.001 (0.1 cents) per Share;
- (d) *the names of the Allottees (if known)*: unknown participants in the capital raising;
- (e) *the terms of the securities*: the Shares to be issued to the Allottees will be fully paid ordinary Shares ranking equally in all respects with all other fully paid ordinary Shares then on issue in the Company;
- (f) *the intended use of funds raised*: of the funds to be received through this raising, \$450,000 is to be paid to the Administrators to settle claims of existing creditors and employees of the Company. The remaining funds will be used to facilitate the reinstatement of quotation of the securities of the Company on ASX and to fund its ongoing operations; and
- (g) *a voting exclusion statement*: there are no exclusions from voting in respect of Resolution 4.

Annexure A sets out the proposed capital structure of the Company if all resolutions (including Resolution 4) are passed at the Annual General Meeting (assuming a fully subscribed capital raising and that all convertible notes are immediately converted into Shares).

The table below illustrates that the maximum dilutionary effect of a fully subscribed capital raising will amount to 38.66% of the Company's expanded capital being issued as a result of the capital raising (this occurring if all of Resolutions 4 to 9 inclusive are passed but no shares are issued on conversion of the convertible notes).

Shares in the Company on Issue:	Number of Shares:	Percentage:
Present	1,283,674,612	28.36%
Capital Raising (Resolution 4)	1,750,000,000	38.66%
Planet W consideration (Resolution 6)	1,200,000,000	26.51%
Issue to Administrators (Resolution 7)	100,000,000	2.21%
Issue on conversion of Convertible Notes (Resolution 8)	0	0.00%
CPS Holdings Issuance (Resolution 9)	193,329,987	4.27%
Total Shares in the Company on Issue	4,527,004,599	100.00%

However this figure will be less (and hence the dilutionary effect of the issue less) if the capital raising is not fully subscribed, or if any Shares are issued on conversion of the convertible notes.

Interdependence of Resolutions

The Members are advised that Resolutions 4 to 9 (inclusive) form part of a total re-financing proposal for the Company. In the event that the Members do not agree to the approval of Resolution 4, the transactions contemplated by Resolutions 5 to 9 (inclusive) will not proceed. If Resolutions 4 to 9 (inclusive) are not approved, the agreement between Planet W and the Deed of Company Arrangement will fail and the Administrators have indicated that they may then place the Company into liquidation.

Resolution 5

Details of resolution

ASX Listing Rule 10.11 provides that, unless an exception under Listing Rule 10.12 applies, an entity must not issue or agree to issue securities to a related party without the approval of its ordinary shareholders. Directors and their associates are considered to be related parties.

The Board considers that it is in the best interests of the Company for the Directors to be eligible to participate in the capital raising the subject of Resolution 4. Accordingly, the Board seeks the approval for the Directors (and their associates) to subscribe for Shares as part of the capital raising, provided that in no event shall the total number of Shares issued to all Directors and their associates be more than 150,000,000 Shares (in aggregate).

ASX Listing Rule 10.13 lists the information, which must be contained in the Notice of Meeting and Explanatory Memorandum where Shareholders will consider a resolution pursuant to ASX Listing Rules 10.11. This information is set out below

- (a) *the maximum number of securities to be issued*: a maximum of 150,000,000 Shares will be issued to the Allottees (see below);
- (b) *the date by which the securities will be issued*: within 30 days from the date of the AGM;
- (c) *the issue price of securities*: \$0.001 (0.1 cents) per Share;
- (d) *the names of the Allottees (if known)*: the Directors of the Company and their associates as at the date of this Explanatory Memorandum and as at the date on which the capital raising is launched;
- (e) *the terms of the securities*: the Shares to be issued to the Allottees will be fully paid ordinary Shares ranking equally in all respects with all other fully paid ordinary Shares then on issue in the Company;
- (f) *the intended use of funds raised*: as set out in respect of Resolution 4;
- (g) *a voting exclusion statement*: a voting exclusion statement is set out elsewhere in this Explanatory Memorandum in respect of Resolution 5.

Interdependence of Resolutions

The Members are advised that Resolutions 4 to 9 (inclusive) form part of a total re-financing proposal for the Company. In the event that the Members do not agree to the approval of Resolution 5, the transactions contemplated by Resolutions 4 and 6 to 9 (inclusive) will not proceed. If Resolutions 4 to 9 (inclusive) are not approved, the agreement between Planet W and the Deed of Company Arrangement will fail and the Administrators have indicated that they may then place the Company into liquidation.

3.6 Approval to issue Shares (Resolution 6)

Introduction

As at the date of this Explanatory Memorandum, Planet W Pty Ltd does not hold Shares in the Company.

On 17 December 2009, the Company announced that Planet W (a company associated with Executive Directors Mr Damian London and Mr Dean Jones) had agreed with the Administrators of The Swish Group Limited to facilitate the reinstatement of quotation of the securities of the Company on ASX and its ongoing operations. This will be achieved in part:

1. Through a placement of up to 1,200,000,000 fully paid ordinary Shares to Planet W at \$0.001 (0.1 cents) per Share in consideration for the purchase of the business and assets of that Company pursuant to the terms of the Planet W Agreement; and
2. Through the issue and allotment of 100,000,000 fully paid ordinary Shares to the Administrators on behalf of creditors and employees pursuant to the terms of the Deed of Company Arrangement.

The agreement is subject to Shareholder approval as well as all necessary regulatory approvals.

Accordingly, the Company proposes to issue 1,200,000,000 Shares to Planet W for no consideration at an issue price of \$0.001 (0.1 cents) pursuant to the terms of the agreement.

The proposed sale agreement has provisions for an “earn out” in respect of FY2009/2010, whereby an incentive payment of up to \$300,000 may be paid to Planet W as follows:

- if EBITDA of the Planet W business is \$600,000 or over in FY2009/2010 - \$300,000;
- if EBITDA of the Planet W business is \$300,000 or less in FY2009/2010 – nil; and
- if EBITDA is between \$300,000 and \$600,000 in FY2009/2010, between \$0 and \$300,000, prorated against EBITDA.

Planet W may elect to receive any “earn out” payment either in cash or in Shares. If Planet W elects to receive an “earn out” payment in Shares, it is likely that the Company will be required to seek further shareholder approval for the purposes of section 611 of the Corporations Act.

In order to provide shareholders with further information in relation to the transaction the Company engaged DMR Corporate Pty Ltd to prepare an Independent Experts Report in accordance with ASIC Regulatory Guide 111 – Content of Experts Reports. ASIC Regulatory Guide 111 requires the Independent Expert to advise shareholders whether the proposed transaction is fair and reasonable, when considered in the context of the interests of the existing shareholders of the Company. The Independent Expert was also requested to express an opinion as to the value of the financial benefits that will be received by the Directors of Swish Group pursuant to Resolutions 6 and 9

The Independent Expert has stated in section 3 of their report that ‘In our opinion, the proposed transaction is fair and reasonable’ to the Company’s shareholders.

A copy of the Independent Experts Report is attached as **Annexure B** to this Explanatory Memorandum.

The proposed issue and allotment of 1,200,000,000 Shares to Planet W Media will give rise to an acquisition of a relevant interest in issued voting Shares in the Company (“**Planet W Acquisition**”) in excess of 20% for the purposes of section 606(1) of the Corporations Act 2001. The agreement with Planet W in respect of the Planet W Acquisition requires the Company to put Resolution 6 to Members for approval in accordance with section 611, item 7 of the Corporations Act.

The Planet W Acquisition requires the approval of Company Members in accordance with the procedure established under section 611 item 7 of the Corporations Act. If the Members approve Resolution 6 it will enable the allotment and issue of 1,200,000,000 Shares to Planet W without contravention of section 606(1) of the Corporations Act.

By virtue of the interest of Mr London and Mr Jones in Planet W, the issue of Shares to Planet W as proposed by Resolution 6 will also constitute an issue of Shares to (and the acquisition of a substantial asset from) a ‘related party’ for which approval is required pursuant to Listing Rule 10.1 and Listing Rule 10.11. As set out above Mr Andrew Plympton, a Director of the Company who is not associated with the proposal set out in Resolution 6, has sought and obtained an Independent Experts Report from DMR Corporate Pty Ltd in relation to the Planet W acquisition and formed the view that the transaction is on arm’s length terms and, on that basis, the Directors do not consider that approval is required for the purposes of section 208 of the Corporations Act. However, as Shareholder approval is required for other aspects of the transaction and given that the Planet W business is essentially speculative, the Directors are seeking shareholder approval for the proposed Planet W transaction.

Further, ASX Listing Rule 7.1 provides that an entity must not, without the approval of its ordinary Shareholders or unless an exception applies, issue or agree to issue equity securities (including Shares) in any 12 month period, which would exceed 15% of the equity securities on issue at the commencement of that 12 month period. There are no relevant exceptions in respect of this Resolution. As such, as the proposed issue to Planet W would exceed that threshold, shareholder approval is normally required pursuant to Listing Rule 7.1. However, if approval is obtained under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

This part of this Explanatory Memorandum provides Members with all information known to Planet W, or their associates, or known to the Company, that is material to the decision on how to vote on Resolution 6 for the purposes of the Corporations Act and Listing Rule 10.1 and 10.11.

Information regarding the business to be acquired from Planet W

The Planet W business (for the purposes of this section, **the Business**), which was established by Mr Damian London and Mr Dean Jones, operates in the area of online search and Internet advertising. The Business brokers online advertising inventory between online publishers and advertisers. It specialises in search and contextual advertising, providing services for both advertisers and publishers. The Business works with both advertisers and publishers to ensure that the maximum returns are achieved, namely improved revenue for publishers or improved leads for advertisers. The Business employs a team of experienced industry veterans, who have considerable experience in all aspects of online advertising. The Business, which is headquartered in Melbourne, also has offices in the United States and India.

There are certain risk factors in a business of the nature of Planet W that include, but are not limited to, the following:

(a) General economic conditions

Any prolonged economic slowdown of global economies may impact on the number of clients that the Business is able to attract and the level of advertising sales, which will have an effect on the Business' revenues and earnings.

(b) Market risk

The value of the Business can be expected to fluctuate depending upon various factors including general worldwide economic, political and general market conditions as well as the performance of the Business. Inflation, currency fluctuation, interest rates, supply and demand and changes in legislation can affect operating costs and stock market values.

(c) Regulation

The Business may be adversely affected by changes in government policy or legislation. These changes may require the Business to incur other costs and any of these events may have an adverse impact on the financial performance and/or financial position of the Business.

(d) Foreign exchange risk

The Business is and will in the future be exposed to foreign exchange fluctuations. Foreign currency transactions are converted to Australian dollars at the rates of exchange applicable to the dates of the transactions.

(e) Technology risk

Planet W is involved in businesses that rely on new digital media technologies and accordingly the development and success of those technologies and the speed with which they are adopted is uncertain and various factors may impact on their adoption and acceptance by consumers.

(f) Capital requirements

Whilst the Company believes that it has sufficient working capital, there can be no assurances that the Business will not need additional capital from equity and/or debt sources.

The Business has traded profitably in each of the 2008 and 2009 financial years and continues to trade profitably. The acquisition price for the business and assets of the Planet W business has been determined as a multiple of historical and projected earnings for the 2010 financial year.

Having said the above, the Business continues to be in its initial establishment phase. In these circumstances, there can be no assurances as to the continued profitability of the Business (although the Company expects that it will continue to be profitable). As is the case in respect of any start-up business, revenues are volatile and current financial performance is by no means a reliable indicator of future performance. The Business has little in the way of tangible assets, and any value is derived largely from goodwill and expectations of continued financial performance (which, for the foregoing reasons, cannot be assured).

In considering how to vote on this resolution, Shareholders should take into account that this is inherently a speculative acquisition.

Relevant interest of Planet W and its Associates in voting Shares in the Company as at date of Explanatory Memorandum

As at the date of this Explanatory Memorandum;

- Planet W does not hold Shares in the Company and does not otherwise have a relevant interest in the voting Shares in the Company; and
- Planet W's associates Mr Damian London and Mr Dean Jones do not hold shares in the Company and do not otherwise have a relevant interest in the voting Shares in the Company. Accordingly, the combined voting power of Planet W and its associates is currently nil.

(a) Minimum voting power of Planet W and its Associates (considering all resolutions)

In the event that Resolutions 4 to 9 (inclusive) are approved by the Members at the Annual General Meeting of the Company, the total number of Shares on issue in the Company, which Shares represent the total voting Shares on issue, will increase from 1,283,674,612 to a maximum of 4,777,004,599 Shares (assuming full take up of the capital raising and that all convertible notes are converted into Shares). If Resolutions 4 to 9 are approved, the effective voting power of Planet W in the Company will increase from nil to 1,200,000,000 Shares. If Resolutions 4 to 9 are approved and Directors associated with Planet W acquire shares in the capital raising equal to the maximum aggregate number permitted by Resolution 5 (150,000,000) then the effective voting power of Planet W in the Company could further increase to a maximum of 1,350,000,000 Shares.

Provided that the issue of shares contemplated by Resolutions 7 and 9 is also carried out, and assuming that:

- the capital raising is fully subscribed;
- all of the convertible notes are converted to Shares; and
- Directors associated with Planet W acquire shares in the capital raising equal to the maximum number permitted by Resolution 5,

the voting power of Planet W and its associates in the Company will be approximately 28.26% of the total voting Shares in the Company, as set out in the table below. This represents the minimum voting power of Planet W after the recapitalisation.

Shares in the Company on Issue:	
Present	1,283,674,612
Capital Raising (Resolutions 4 and 5)	1,750,000,000
Planet W consideration (Resolution 6)	1,200,000,000
Issue to Administrators (Resolution 7)	100,000,000
Issue on conversion of Convertible Notes (Resolution 8)	250,000,000
CPS Holdings Issuance (Resolution 9)	193,329,987
Total Shares in the Company on Issue	4,777,004,599
Prior Interest of Planet W	0
Prior Interest of Planet W's Associates*	0
Acquired Interest of Planet W	1,200,000,000
Acquired Interest of Planet W (%)	25.12%
Acquired Interest of Planet W's Associates*	150,000,000
Acquired Interest of Planet W's Associates* (%)	3.14%
Total Interest of Planet W & Associates*	1,350,000,000
Total Interest of Planet W & Associates* (%)	28.26%

***Note:** Mr Jones and Mr London are "associates" of Planet W for this analysis. This figure assumes that Mr Jones and Mr London collectively acquire the maximum aggregate amount of shares permitted to be acquired by directors in the capital raising (150,000,000) as well as Planet W being issued Shares pursuant to Resolution 6 (1,200,000,000). If Mr Jones and Mr London did not acquire Shares in the capital raising, then the total interest of Planet W and its associates would be 25.12%.

(b) Maximum voting power of Planet W and its Associates (considering all resolutions)

On the other hand, if Resolutions 4 to 9 (inclusive) are approved by Members at the Annual General Meeting, on the basis that the issues of shares contemplated by Resolutions 7 and 9 are carried out simultaneously, as is the intention of the Directors, but assuming that:

- the capital raising does not proceed; and
- none of the convertible notes are converted to Shares,

the voting power of Planet W in the Company would be approximately 43.21% of the total voting Shares in the Company, as set out in the table below. This represents the maximum possible voting power of Planet W after the recapitalisation (subject to the assumptions set out above). Note that this table demonstrates a theoretical maximum, which is not representative of the likely outcome, because if the capital raising does not proceed the Company will likely be placed into liquidation.

Shares in the Company on Issue:	
Present	1,283,674,612
Capital Raising (Resolutions 4 and 5)	0
Planet W consideration (Resolution 6)	1,200,000,000
Issue to Administrators (Resolution 7)	100,000,000
Issue on conversion of Convertible Notes (Resolution 8)	0
CPS Holdings Issuance (Resolution 9)	193,329,987
<hr/>	
Total Shares in the Company on Issue	2,777,004,599
Prior Interest of Planet W	0
Prior Interest of Planet W's Associates*	0
Acquired Interest of Planet W	1,200,000,000
Acquired Interest of Planet W (%)	43.21%
Acquired Interest of Planet W's Associates*	0
Acquired Interest of Planet W's Associates* (%)	0%
Total Interest of Planet W & Associates*	1,200,000,000
Total Interest of Planet W & Associates* (%)	43.21%

*Note: Mr Jones and Mr London are "associates" of Planet W for this analysis.

(c) Likely voting power of Planet W and its Associates (considering all resolutions)

Planet W's actual voting power upon issue of Shares and implementation of each of the matters contemplated by Resolutions 4 to 9 (inclusive) is expected to be somewhere between 28.26% and 43.21% (subject to the comments above regarding the likely outcome if the capital raising does not proceed).

Report by Non-Associated Director, Mr Andrew Plympton

The Company commissioned an independent expert DMR Corporate Pty Ltd to assess whether the proposed transaction is fair and reasonable within the meaning of RG 111 Content of Experts Report (RG111). The independent expert has prepared an Independent Experts Report, a copy of which is attached as Annexure B to this Notice of Meeting.

The Independent Experts Report analyses whether the proposal set out in Resolution 6 is fair and reasonable when considered in the context of the interests of the Shareholders (other than those involved in the proposed issue of shares). This report has been considered by Mr Andrew Plympton, a Director of the Company who is not associated with the proposal set out in Resolution 6 and on the basis that the report indicates that the transaction is considered to be fair and reasonable by the independent expert, Mr Plympton recommends that shareholders vote in favour of Resolution 6

Likely Advantages for Non-Associated Shareholders of Passing Resolution 6:

Resolution 6 forms part of a package of resolutions designed to recapitalise the Company and is interdependent with Resolutions 4, 5 and 7 to 9 (inclusive). Resolution 6 must be passed in order for the recapitalisation package to be implemented.

Recapitalisation of the Company is likely to increase the value of securities of the Company as compared to the likely value of zero (as advised by the Administrators), which will be attributed to the securities if Resolution 6 is not passed (see below).

Moreover, the recapitalisation of the Company will assist the Company to reinstate the securities of the Company to quotation on ASX. Reinstatement of quotation on ASX will result in a market for the securities of the Company and will allow existing shareholders to more easily trade their securities if they so wish.

In addition, while the medium to long term prospects of the Planet W business cannot be guaranteed, the acquisition is likely to deliver significant benefits to the Company due to it being in a similar area of businesses to that already operated by the Company (namely marketing and the sale of advertising).

Likely Disadvantages for Non-Associated Shareholders of Not Passing Resolution 6:

As noted above, Resolution 6 forms part of a recapitalisation package to be implemented in relation to the Company.

In the event that the recapitalisation package is not implemented, it is likely the conditions of the Deed of Company Arrangement will not be satisfied, in which case the Administrators have indicated that they may then place the Company into liquidation. If liquidation were to eventuate, the Administrators have advised that the shareholdings of the non-associated shareholders in the Company will be worthless.

Likely Disadvantages for Non-Associated Shareholders of Passing Resolution 6:

Non-associated shareholders of the Company may be disadvantaged by the passing of Resolution 6 as their voting power in the Company will be diluted as a result of the new issue of shares. However given that the Planet W has traded profitably in each of the last two financial years, the transaction is likely to be value accretive for shareholders.

Likely Advantages for Non-Associated Shareholders of Not Passing Resolution 6:

If Resolution 6 is not passed, the shareholding of the non-associated shareholders will remain static and will thus not be diluted.

Control Premium

A control premium represents the difference between the price that would have to be paid for a share to which a controlling interest attaches and the price at which a share which does not carry with it control of the company could be acquired. Control premiums are normally in a range of 25% to 35% above the value of a minority share.

If Swish shareholders approve the proposed transaction the subject of Resolution 6, the vendors of the Planet W business may control up to 35.74% of Swish's voting power. This means that the vendors of Planet W will effectively control Swish.

Mr Plympton has considered whether a discount for minority interest should be applied in making this evaluation. As a significant proportion of the value of the Non-Associated Shareholders' interests after the proposed transaction will be created by the proposed capital raising, which will be priced as a minority investment, he has concluded that no discount for minority interest should be applied to this component of the post transaction value.

He has also considered whether the value of the Planet W business should be discounted for minority interest. As this business has been valued using EBIT multiples sourced from control transactions, he considers that a minority discount should be deducted from this value. In view of

the small size of the business and the absence of any available synergies, he has applied a minority discount of 10% to 15%.

Mr. Plympton has formed the view that no person will receive any premium for control as a result of the proposed acquisition set out in Resolution 6.

Planet W's intentions regarding the business of the Company

Planet W has confirmed that it is not its intention to change the business or activities of the Company. The Planet W business and the Company's existing business are both in the area of advertising sales.

Planet W's intentions regarding further capitalisation of the Company

Planet W has confirmed that it is not its present intention to inject further capital into the Company (other than as contemplated by the resolutions contained in this Notice of Meeting and Explanatory Memorandum).

Planet W's intentions regarding the present employees of the Company

There are no present employees of the Company. One former director works as a director and consultant to the Company, and as such is not a present employee.

Planet W's intentions to transfer property between Planet W and the Company

Other than the transfer of the Planet W business (as set out above), Planet W and the Company have confirmed that it is not their intention to transfer any other property between themselves or any person associated with either of them.

Planet W's intentions regarding the redeployment of the Company's fixed assets

Planet W has confirmed that it is not its intention to redeploy any assets of the Company.

Planet W's intentions regarding the financial or dividend policies of the Company

Planet W has confirmed that it is not its intention to change the financial or dividend policies of the Company.

Substantial Shareholding

Members are advised that the approval of Resolution 6 may result in Planet W and its associates holding a maximum substantial interest of 43.21% in the Company.

Date of Allotment

If Resolution 6 is passed by Members, the allotment to Planet W will occur immediately prior to any Shares being issued pursuant to the proposed capital raising. It is intended that the allotment will occur on or prior to 17 May 2010.

ASX Listing Rule Requirements

ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that an entity must not, without the approval of its ordinary Shareholders or unless an exception applies, issue or agree to issue equity securities (including options to acquire Shares) in any 12 month period which would exceed 15% of the equity securities on issue at the commencement of that 12 month period. There are no relevant exceptions for the present purposes. However, if approval for an issue of equity securities is given by the holders of the ordinary Shares of the Company under ASX Listing Rule 10.11, then approval is not required under ASX Listing Rule 7.1.

ASX Listing Rule 10.1

ASX Listing Rule 10.1 provides that an entity must ensure that neither it, nor any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to, a 'related party'. For the purposes of this Listing Rule, the Planet W Acquisition is the acquisition of a 'substantial asset', and Planet W is a related party of the Company as Mr London is a director and shareholder and Mr Jones is a shareholder of Planet W. Notwithstanding that Listing Rule 10.3 provides that Listing Rule 10.1 does not apply for approval of a transaction where the reason that the party is a related party is because of the transaction only, the approval of the Members may be required to the acquisition of the Planet W business in accordance with Listing Rule 10.1.

ASX Listing Rule 10.11

ASX Listing Rule 10.11.1 provides that an entity must not, without the approval of its ordinary Shareholders, issue or agree to issue equity securities to a 'related party'. Planet W is a related party of the Company as Mr London is a director and shareholder and Mr Jones is a shareholder of Planet W. Accordingly, the approval of the Members is required to the issue of Shares to Planet W in accordance with Listing Rule 10.11.

ASX Listing Rule 10.13

ASX Listing Rule 10.13 lists the information, which must be contained in the Notice of Meeting and Explanatory Memorandum where Shareholders will consider a resolution pursuant to ASX Listing Rules 10.11. This information is set out below

- (a) *the maximum number of securities to be issued:* a maximum of 1,200,000,000 Shares will be issued to the Allottees (see below);
- (b) *the date by which the securities will be issued:* within 30 days from the date of the AGM;
- (c) *the issue price of securities:* a nominal price of \$0.001 (0.1 cents) per Share;
- (d) *the names of the Allottees (if known):* Planet W Pty Ltd (a company associated with Mr Damian London and Mr Dean Jones);
- (e) *the terms of the securities:* the Shares to be issued to the Allottees will be fully paid ordinary Shares ranking equally in all respects with all other fully paid ordinary Shares then on issue in the Company;
- (f) *the intended use of funds raised:* no funds will be raised, but the consideration for the issue of the Shares shall be the acquisition of the business and assets of the Planet W internet advertising business; and
- (g) *a voting exclusion statement:* a voting exclusion statement is set out elsewhere in this Explanatory Memorandum in respect of Resolution 6.

Section 208 of the Corporations Act 2001

Section 208 of the Corporations Act 2001 generally provides that for a public company to give a 'financial benefit' to a 'related party' of the public company, the public company must obtain the approval of the public company's members and give the benefit within 15 months of the date that approval is given.

The term 'financial benefit' has the meaning given by section 229 of the Corporations Act and includes the issue of securities to a 'related party'. As Planet W is classified as a 'related party' for the purposes of section 228 of the Corporations Act, prima facie the issue of Shares to Planet W and the potential earn-out payment to Planet W contemplated by the acquisition agreement (as proposed by Resolution 6) requires the approval of the Members of the Company to the issue to satisfy the requirements of, and be conducted in accordance with, sections 217 to 227 of the Corporations Act.

An exception to the requirement to seek the approval of Members exists where the 'financial benefit' is given on terms which would be reasonable in the circumstances if the Company and Planet W were dealing at arm's length (or are more favourable to the Company than such terms). Mr Andrew Plympton, a Director of the Company who is not associated with the proposal set out in Resolution 6, is of the opinion that the allotment and issue of Shares (and the potential earn-out payment contemplated by the acquisition agreement) to Planet W in consideration for the acquisition of the Planet W business is on arm's length terms (or terms more favourable to the Company than arm's length terms).

Nonetheless, as the Listing Rules require shareholder approval in any event, the Company is seeking approval from Members for the allotment and issue of Shares (and the potential earn-out payment contemplated by the acquisition agreement) to Planet W.

Additional Information

To assist shareholders, the following additional information is provided:

Directors interested in Resolution 6

Mr London

Mr London is a retiring Director of the Company who has been nominated for re-election at this meeting.

Mr London is a Director and Shareholder of Planet W.

Mr Jones

Mr Jones is a Shareholder of Planet W.

Directors' Recommendations and interests – Resolution 6

Mr Plympton approved the proposal to put Resolution 6 and this part of this Explanatory Memorandum to the Members. Mr Stynes abstained from commenting on this part of the Explanatory Memorandum or from making any recommendation on the Resolution due to his prior knowledge of Planet W, obtained through acting for Planet W as a legal adviser on arm's length terms.

As a consequence of their association with Planet W, Mr London and Mr Jones absented themselves from the discussion about, and did not vote in respect of, the proposal to put Resolution 6 or this part of this Explanatory Memorandum to the Members. Because of Mr Stynes' prior knowledge of Planet W, Mr Plympton was solely responsible for approving the content of this part of the Explanatory Memorandum.

Given that Mr London is a director and Shareholder of Planet W and Mr Jones is a Shareholder of Planet W, Mr London and Mr Jones do not make any recommendation to the Members of the Company.

The Company commissioned an independent expert, DMR Corporate Pty Ltd, to assess whether the proposed transaction is fair and reasonable within the meaning of RG 111 Content of Experts Report (RG111). The independent expert has prepared an Independent Experts Report, a copy of which is attached as Annexure B to this Notice of Meeting. The Independent Experts Report analyses whether the proposal set out in Resolution 6 is fair and reasonable when considered in the context of the interests of the Shareholders (other than those involved in the proposed issue of shares). This report has been considered by Mr Andrew Plympton, a Director of the Company who is not associated with the proposal set out in Resolution 6 and on the basis that the report indicates that the transaction is considered to be fair and reasonable by the independent expert, Mr Plympton recommends that shareholders vote in favour of Resolution 6

Mr Plympton also recommends that Members vote in favour of Resolution 6 in order to facilitate the acquisition of the business and assets of Planet W, enable the reinstatement of quotation of the securities of the Company on ASX and enable the growth of the Company. Mr Plympton does not have any interest in the outcome of Resolution 6.

Other information which may be required by members in order to decide whether or not it is in the Company's interests to pass Resolution 6

Opportunity Costs – The opportunity cost of approving Resolution 6 is that the Company will not be able to sell itself as a listed shell, as set out in **section 2.6** above.

Taxation Consequences – The Company is not aware of any taxation consequences relevant to Resolution 6.

Benefits Foregone by the Company and Members – If the Members approve Resolution 6, the Members will forego the benefits of having a smaller capital base of the Company, as Members' interests in the Company will be diluted by the issue of Shares in accordance with Resolution 6. However if Resolutions 4 to 9 (inclusive) are not approved, the agreement between Planet W and the Deed of Company Arrangement will fail and the Administrators have indicated that they may then place the Company into liquidation.

Interdependence of Resolutions

The Members are advised that Resolutions 4 to 9 (inclusive) form part of a total re-financing proposal for the Company. In the event that the Members do not agree to the approval of Resolution 6, the transactions contemplated by Resolutions 4, 5 and 7 to 9 (inclusive) will not proceed. If Resolutions 4 to 9 (inclusive) are not approved, the agreement between Planet W and the Deed of Company Arrangement will fail and the Administrators have indicated that they may then place the Company into liquidation.

3.7 Approval to Issue of Shares (Resolution 7)

The Company seeks approval to issue a total of 100,000,000 fully paid ordinary Shares to the Administrators of Swish Group.

The purpose of the issue and allotment of up to 100,000,000 Shares is to enable the Administrators to effect settlement of certain claims by existing creditors and employees of the Company. In addition Furneaux Equity Limited (an unrelated Company) has provided a guarantee to the Administrators that in the event that the Administrators are unable to sell those shares following their release from escrow, three months after re-quotations of those shares, that it will acquire those unsold shares at a price of \$0.001 cents each

Legal and Regulatory Requirements

ASX Listing Rule Requirements

ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that an entity must not, without the approval of its ordinary Shareholders or unless an exception applies, issue or agree to issue equity securities in any 12 month period which would exceed 15% of the equity securities on issue at the commencement of that 12 month period. There are no relevant exceptions for the purposes of this Resolution. Subject to the approval by the Members of Resolutions 4 to 9 (inclusive), the issue of Shares to the Administrators as proposed by Resolution 7 will not exceed of itself the 15% in 12 month rule in Listing Rule 7.1. Nonetheless, for the purpose of enabling the Company to issue up to 15% of the capital of the Company in the next 12 months without requiring further Member approval, the Board wishes to obtain the approval of the Members to the issue of Shares to the Administrators.

ASX Listing Rule 7.3

ASX Listing Rule 7.3 requires the Notice of Meeting at which Shareholders are required to consider a resolution pursuant to ASX Listing Rule 7.1 to include certain specified information in relation to the equity securities proposed to be issued. This information is set out below as follows:

- (a) *the maximum number of securities to be issued:* a maximum of 100,000,000 Shares will be issued to the Allottees (see below);
- (b) *the date by which the securities will be issued:* within 30 days from the date of the AGM;
- (c) *the issue price of securities:* the Shares are to be issued for no cash consideration;
- (d) *the names of the Allottees (if known):* to the Administrators on behalf of existing creditors and employees of the Group;
- (e) *the terms of the securities:* the Shares are to be issued to the Administrators of The Swish Group Limited, the proceeds from the sale of such Shares to be distributed to creditors and employees of the Company;
- (f) *the intended use of funds raised:* no funds will be raised, but the consideration for the issue of the Shares shall be the satisfaction of certain debts payable to creditors and employees of the Company pursuant to the terms of the Deed of Company Arrangement.
- (g) *a voting exclusion statement:* a voting exclusion statement is set out elsewhere in this Explanatory Memorandum in respect of Resolution 7.

Interdependence of Resolutions

The Members are advised that Resolutions 4 to 9 (inclusive) form part of a total re-financing proposal for the Company. In the event that the Members do not agree to the approval of Resolution 7, the transactions contemplated by Resolutions 4, 5, 6, 8 and 9 will not proceed. If Resolutions 4 to 9 (inclusive) are not approved, the agreement between Planet W and the Deed of Company Arrangement will fail and the Administrators have indicated that they may then place the Company into liquidation.

3.8 Approval to Issue Shares on the Conversion of 250,000,000 Convertible Notes in the Company (Resolution 8)

In December 2009 the Company issued \$250,000 of Convertible Notes that are convertible into Shares in the Company for a period of 12 months from the date of issue and the refinancing package the subject of this Explanatory Memorandum is approved by Shareholders and the Company's shares are re-quoted on ASX, such shares to be issued at 0.1 cents (\$0.001) per Share, provided that no such Shares can be issued unless and until resolutions 4 to 9 of the attached Notice of Meeting are passed and the Company's shares are re-quoted on ASX .

The Convertible Notes were issued for the purpose of obtaining working capital to facilitate the reinstatement of quotation of the Company's securities on ASX. The Convertible Notes were issued to various clients of Patersons Securities Limited who had no previous association with the Company. No Convertible Notes were issued to any Director of the Company or any of their associates.

The Board is seeking Shareholder approval to allow the Company to issue up to 250,000,000 Shares at an issue price of 0.1 cents (\$0.001) upon the conversion of the Convertible Notes, pursuant to their terms of issue.

This part of this Explanatory Memorandum provides Members with all information known to the Company, which is material to the decision on how to vote on Resolution 9 and as required by Listing Rule 7.1.

Material terms of the Convertible Notes

Amount:	\$250,000
Term:	12 months from the date of issue
Default:	The following are the principal events of default: <ul style="list-style-type: none"> a. Failure to effectuate the Deed of Company Arrangement by 30 March 2010 (which date has been extended by consent to at least 17 May 2010) b. Termination of the Agreement to acquire Planet W or failure to complete the acquisition of Planet W by 30 June 2010 c. The Company's Shares not being re-quoted on ASX before 30 June 2010 d. The Company failing to either lodge a prospectus with ASIC and ASX or issuing a cleansing notice such that trading restrictions will apply to the Shares on conversion of the Convertible Notes e. Failure to pay the monthly interest f. If an order is made for the winding up of the Company g. If the Company enters liquidation h. If the Company enters into any arrangement, reconstruction or composition with its creditors without the prior written consent of each holder of the Convertible Notes
Interest:	12% per annum until converted (minimum of 6 months payable)
Conversion Date:	last day of any month from the date Shares are re-quoted on ASX
Conversion Rights:	monthly following re-quotations on ASX
Conversion Price:	\$0.001 per fully paid ordinary Share
Rights:	shares issued on conversion rank equally with all other fully paid ordinary Shares on issue
Redemption:	monthly following re-quotations on ASX. Those not converted redeemed at issue price.

The table below illustrates that the maximum dilutionary effect of the conversion of the convertible notes will amount to 8.26% of the Company's expanded capital being issued as a result of the conversion (this occurring if all of resolutions 4 to 9 inclusive are passed but the capital raising does not proceed). Note that this table demonstrates the theoretical maximum which is not representative of the likely outcome, because if the capital raising does not proceed, the Company will likely be placed into liquidation.

Shares in the Company on Issue:

Present	1,283,674,612	42.41%
Capital Raising (Resolution 4)	0	0.00%
Planet W consideration (Resolution 6)	1,200,000,000	39.64%
Issue to Administrators (Resolution 7)	100,000,000	3.30%
Issue on conversion of Convertible Notes (Resolution 8)	250,000,000	8.26%
CPS Holdings Issuance (Resolution 9)	193,329,987	6.39%

Total Shares in the Company on Issue	3,027,004,599	100.00%
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The minimum dilutionary effect of the convertible notes will be nil, this scenario arising if none of the convertible notes are converted into Shares.

If holders of convertible notes are given an option of converting the convertible notes into shares, then it is likely that the actual dilutionary effect of the conversion of the convertible notes will be somewhere between nil and 8.26% (subject to the comments above regarding the likely outcome if the capital raising does not proceed).

ASX Listing Rule Requirements

ASX Listing Rule 7.1

Listing Rule 7.1 permits a company to issue up to 15% of the company's issued equity capital in any 12 month period without the necessity of obtaining Member approval to the issue.

For the purpose of ensuring that the Company to issue up to 15% of the capital of the Company in the next 12 months without requiring further Member approval, the Board wishes to obtain the approval of the Members to the issue of Shares to Convertible Note holders for the purposes of Listing Rule 7.1.

ASX Listing Rule 7.3

ASX Listing Rule 7.3 requires the Notice of Meeting at which Shareholders are required to consider a resolution pursuant to ASX Listing Rule 7.1 to include certain specified information in relation to the equity securities proposed to be issued. This information is set out below as follows:

- (a) *the maximum number of securities to be issued:* a maximum of 250,000,000 Shares will be issued to the Allottees (see below);
- (b) *the date by which the securities will be issued:* the Convertible Notes are already on issue. Shares to be issued on conversion will be issued progressively under the terms of the Convertible Notes;
- (c) *the issue price of securities:* \$0.001 (0.1 cents) per Share;
- (d) *the names of the Allottees (if known):* current holders of the Convertible Notes who choose to convert those notes in return for the issue of Shares by the Company;
- (e) *the terms of the securities:* the Shares are to be issued to the Administrators of The Swish Group Limited, such Shares to be distributed to creditors and employees of the Company;
- (f) *the intended use of funds raised:* no funds will be raised as the Convertible Notes have already been issued;
- (g) *a voting exclusion statement:* a voting exclusion statement is set out elsewhere in this Explanatory Memorandum in respect of Resolution 8.

Directors' Recommendation – Resolution 8

The Directors approved the proposal to put Resolution 8 and this part of this Explanatory Memorandum to the Members.

The Directors recommend that Members vote in favour of Resolution 8 in order to ensure the provision of adequate financing for the Company, enable the reinstatement of quotation of the securities of the Company on ASX and enable the growth, both organic and via acquisition, of the Company.

“The Board believes that the ability to elect whether to issue shares or to pay the cash settlement amount is beneficial for the Company. The Board recommends that Members vote in favour of Resolution 8, as it allows the Company flexibility in relation to its future capital structuring alternatives and, in particular, allows the Company to retain control over its use of cash reserves and its gearing strategies.”

Interdependence of Resolutions

The Members are advised that Resolutions 4 to 9 (inclusive) form part of a total re-financing proposal for the Company. In the event that the Members do not agree to the approval of Resolution 8, the transactions contemplated by Resolutions 4, 5, 6, 7, and 9 will not proceed. If Resolutions 4 to 9 (inclusive) are not approved, the agreement between Planet W and the Deed of Company Arrangement will fail and the Administrators have indicated that they may then place the Company into liquidation.

3.9 Approval to issue Shares (Resolution 9)

Introduction

As at the date of this Explanatory Memorandum, CPS Holdings Pty Ltd (a Company Associated with Executive Director Mr Cary Stynes) holds 49,785,133 Shares. Mr. Stynes also has a 47.5% interest in Media Entertainment Pty Ltd, which holds 70,520,000 Shares. Mr. Stynes also holds 300,000 Shares and 6,000,000 options in his own name. CPS Holdings Pty Ltd and its associates and Mr. Cary Stynes have a total direct and indirect shareholding as at the date of this Explanatory Memorandum of 120,605,133 shares or 9.39% in the Company.

As part of discussions with the Administrators, CPS Holdings Pty Ltd agreed that in the event the Planet W proposal was accepted, CPS Holdings Pty Ltd would not participate in any distribution to creditors to which it would otherwise have been entitled (which would depend upon the funds available for distribution to creditors generally). The total amount owed to CPS Holdings at the time the Company was placed into external administration was approximately \$488,000. In addition, CPS Holdings has provided the services of Mr Cary Stynes to the Company at no charge for a period of approximately 4 months to assist in the proposed re-quotations of the Company's Shares on ASX. Accordingly the Company proposes to issue 193,329,987 Shares to CPS Holdings for nil consideration in recognition of the services and debt forgiveness provided by CPS Holdings.

By virtue of the interest of Mr Stynes, the issue of Shares to CPS Holdings as proposed by Resolution 9 will constitute an issue of Shares to a 'related party' for which approval is required pursuant to Listing Rule 10.11.

Mr Andrew Plympton, a Director of the Company who is not associated with the proposal set out in Resolution 9, has formed the view that the transaction - viewed in light of all the surrounding circumstances - is on arm's length terms and, on that basis, the Directors do not consider that approval is required for the purposes of section 208 of the Corporations Act. However, as Shareholder approval is required for other aspects of the transaction, the Directors are seeking shareholder approval for the proposed issue of Shares to CPS Holdings.

Subject to the approval by the Members of Resolutions 4 to 8 (inclusive), it is not expected that the issue of Shares to CPS Holdings as proposed by Resolution 9 will exceed the 15% in 12 month rule in Listing Rule 7.1. Nonetheless, for the purpose of enabling the Company to issue up to 15% of the capital of the Company in the next 12 months without requiring further Member approval, the Board wishes to obtain the approval of the Members to the issue of Shares to CPS Holdings for the purposes of Listing Rule 7.1.

Any issuance of Shares to CPS Holdings as proposed by Resolution 9 will occur after the issuance of Shares to Planet W pursuant to Resolution 6 in order to ensure that the relevant interests of CPS Holdings and its associates is at all times below the 20% threshold required by section 606 of the Corporations Act.

This part of this Explanatory Memorandum provides Members with all information known to CPS Holdings, the Company, and their respective associates that is material to the decision on how to vote on Resolution 9 and as required by section 219 of the Corporations Act and Listing Rules 10.13 and 7.3.

CPS Holdings and its associates currently hold 120,605,133 Shares in the Company, which amounts to a voting interest of 9.40% of the voting Shares in the Company.

(a) Minimum voting power of CPS Holdings Pty Ltd and its Associates

If Resolutions 4 to 9 (inclusive) are approved by Members at the Annual General Meeting, the effective voting power of CPS Holdings and its associates will increase from 120,605,133 voting shares to 313,935,120 voting shares. If the capital raising is fully subscribed and 100% of the convertible notes are converted to Shares, the voting power of CPS Holdings and its associates in the Company will be 6.57% of the total voting Shares in the Company (as set out in the table below). This represents the minimum possible voting power of CPS Holdings after the recapitalisation (provided that the issuance of shares contemplated by Resolutions 6 and 7 is carried out). Note that this assumes that Mr Stynes does not participate in the capital raising contemplated by Resolution 4 (notwithstanding whether or not Resolution 5 is passed).

Shares in the Company on Issue:	
Present	1,283,674,612
Capital Raising (Resolution 4)	1,750,000,000
Planet W consideration (Resolution 6)	1,200,000,000
Issue to Administrators (Resolution 7)	100,000,000
Issue on conversion of Convertible Notes (Resolution 8)	250,000,000
CPS Holdings Issuance (Resolution 9)	193,329,987
Total Shares in the Company on Issue	4,777,004,599
Prior interest of CPS Holdings	49,785,133
Prior interest of CPS Holdings' Associates*	70,820,000
Acquired interest of CPS Holdings	193,329,987
Acquired interest of CPS Holdings (%)	4.05%
Acquired interest of CPS Holdings' Associates*	0
Acquired interest of CPS Holdings' Associates* (%)	0.00%
Total Interest of CPS Holdings & Associates*	313,935,120
Total Interest of CPS Holdings & Associates*(%)	6.57%

*Note: Mr Cary Stynes and Media Entertainment Pty Ltd are both "associates" of CPS Holdings

(b) Maximum voting power of CPS Holdings Pty Ltd and its Associates

On the other hand, provided that the issuance of shares contemplated by Resolutions 6 and 7 is carried out, if Resolutions 4 to 9 (inclusive) are approved by Members at the Annual General Meeting, but:

- the capital raising does not proceed; and
- none of the convertible notes are converted to Shares,

the voting power of CPS Holdings and its associates in the Company would be approximately 11.30% of the total voting Shares in the Company (as set out in the table below). This represents the maximum possible voting power of CPS Holdings and its associates after the recapitalisation (subject to the assumptions above). Note that this table demonstrates the theoretical maximum which is not representative of the likely outcome, because if the capital raising does not proceed, the Company will likely be placed into liquidation.

Shares in the Company on Issue:	
Present	1,283,674,612
Capital Raising (Resolution 4)	0
Planet W consideration (Resolution 6)	1,200,000,000
Issue to Administrators (Resolution 7)	100,000,000
Issue on conversion of Convertible Notes (Resolution 8)	0
CPS Holdings Issuance (Resolution 9)	193,329,987

Total Shares in the Company on Issue	2,777,004,599
Prior interest of CPS Holdings	49,785,133
Prior interest of CPS Holdings' Associates*	70,820,000
Acquired interest of CPS Holdings	193,329,987
Acquired interest of CPS Holdings (%)	6.96%
Acquired interest of CPS Holdings' Associates*	0
Acquired interest of CPS Holdings' Associates* (%)	0.00%
Total Interest of CPS Holdings & Associates*	313,935,120
Total Interest of CPS Holdings & Associates (%)	11.30%

*note: Mr Cary Stynes and Media Entertainment Pty Ltd are both "associates" of CPS Holdings

(c) Likely voting power of CPS Holdings Pty Ltd and its Associates

The actual voting power of CPS Holdings and its associates upon issue of Shares and implementation of the matters contemplated by each of Resolutions 4 to 9 (inclusive) is expected to be somewhere between 6.57% and 11.30% (subject to the comments above regarding the likely outcome if the capital raising does not proceed).

Report by Non-Associated Directors, Mr Andrew Plympton, Mr Dean Jones, Mr Damian London

The following report analyses whether the proposal set out in Resolution 9 is fair and reasonable when considered in the context of the interests of the shareholders other than those involved in the proposed issue of shares.

Mr Andrew Plympton, Mr Dean Jones and Mr Damian London, who are directors of the Company and who are not associated with the proposal set out in Resolution 9, have prepared this report.

Likely Advantages for Non-Associated Shareholders of Passing Resolution 9:

Resolution 9 forms part of a package of resolutions designed to recapitalise the Company and is interdependent with Resolutions 4 to 8 (inclusive). Resolution 9 must be passed in order for the recapitalisation package to be implemented.

The issuing of shares to CPS Holdings Pty Ltd (a company associated with Executive Director Mr Cary Stynes) is in lieu of CPS Holdings participating as a creditor of the Company in any distribution to creditors and will increase the funds otherwise available (if any) to unsecured creditors. In addition the Shares proposed to be issued are in lieu of certain consulting fees that would otherwise have been payable for work and labour done by Mr Stynes in carrying out the work required by the Company to the date of execution of the Deed of Company Arrangement and to incentivise him to assist in the future development of the Company.

Likely Disadvantages for Non-Associated Shareholders of Not Passing Resolution 9:

As noted above, Resolution 9 forms part of a recapitalisation package to be implemented in relation to the Company.

In the event that the recapitalisation package is not implemented, the terms of the Deed of Company Arrangement will not be satisfied and it is likely that the Company would be placed into liquidation. If liquidation were to eventuate, the Administrators have advised that the shareholdings of the non-associated shareholders in the Company will be worthless.

Likely Disadvantages for Non-Associated Shareholders of Passing Resolution 9:

Non-associated shareholders of the Company will be disadvantaged by the passing of Resolution 9 as their interest in the Company will be diluted as a result of the new issue of shares.

Likely Advantages for Non-Associated Shareholders of Not Passing Resolution 9:

If Resolution 9 is not passed, the shareholding of the non-associated shareholders will remain static and will thus not be diluted.

ASX Listing Rule Requirements

ASX Listing Rule 10.11

ASX Listing Rule 10.11.1 provides that an entity must not, without the approval of its ordinary Shareholders, issue or agree to issue equity securities to a 'related party'. CPS Holdings is a related party of the Company as Mr Stynes is a director and shareholder of CPS Holdings. Accordingly, the approval of the Members is required to the issue of Shares to Planet W in accordance with Listing Rule 10.11.

Provided that approval for an issue of equity securities is given by the holders of the ordinary Shares of the Company under ASX Listing Rule 10.11, then approval is not required under ASX Listing Rule 7.1.

ASX Listing Rule 10.13

ASX Listing Rule 10.13 requires that a Notice of Meeting at which Shareholders are required to consider a resolution pursuant to ASX Listing Rule 10.11 must include certain specified information in relation to the equity securities proposed to be issued.

ASX Listing Rule 10.13 lists the information that must be contained in the Notice of Meeting and Explanatory Memorandum where Shareholders will consider a resolution pursuant to ASX Listing Rules 10.11 and 10.13. This information is set out below

- (a) *the maximum number of securities to be issued:* a maximum of 193,329,987 Shares will be issued to the Allottee (see below);
- (b) *the date by which the securities will be issued:* within 30 days from the date of the AGM (but no earlier than the date on which Shares are issued to Planet W in accordance with Resolution 6, which is expected to occur on or before 17 May 2010);
- (d) *the issue price of securities:* nil cash consideration (a nominal value of \$0.001 (0.1 cents) per Share);
- (e) *the names of the Allottee (if known):* CPS Holdings (a Company associated with Mr Cary Stynes);
- (f) *the terms of the securities:* the Shares to be issued to the Allottee will be fully paid ordinary Shares ranking equally in all respects with all other fully paid ordinary Shares then on issue in the Company;
- (g) *intended use of funds:* no funds will be raised, but the issue of the Shares shall be made in consideration for work carried out by Mr Cary Stynes and in lieu of a distribution to which CPS Holdings would otherwise have been entitled.

Section 208 of the Corporations Act

Section 208 of the Corporations Act generally provides that for a public company to give a 'financial benefit' to a 'related party' of the public company, the public company must obtain the approval of the public company's Members and give the benefit within 15 months of the date that approval is given.

The term 'financial benefit' has the meaning given by section 229 of the Corporations Act and includes the issue of securities to a 'related party'. As CPS Holdings is classified as a 'related party' for the purposes of section 228 of the Corporations Act, prima facie the issue of Shares to CPS Holdings as proposed by Resolution 9 requires the approval of the Members of the Company to the issue to satisfy the requirements of, and be conducted in accordance with, sections 217 to 227 of the Corporations Act.

An exception to the requirement to seek the approval of Members exists where the 'financial benefit' is given on terms which would be reasonable in the circumstances if the Company and CPS Holdings were dealing at arm's length (or are more favourable to the Company than such terms). Mr Andrew Plympton, a Director of the Company who is not associated with the proposal set out in Resolution 9, is of the opinion that – viewed in light of all the surrounding circumstances - the issue

of Shares to CPS Holdings in consideration for services provided to the Company since August 2009 and in lieu of that company agreeing not to receive any distribution as a creditor to which it would otherwise be entitled is on arm's length terms (or terms more favourable to the Company than arm's length terms).

Nonetheless, as the Listing Rules require shareholder approval in any event, the Company is seeking approval from Members for the issue of Shares to CPS Holdings.

Additional Information

To assist shareholders, the following additional information is provided:

Interests of Directors in Resolution 9

Mr Stynes

Mr Stynes is a Director and Shareholder of the Company.

Mr Stynes is a Director and Shareholder of CPS Holdings.

Directors' Recommendation – Resolution 9

The Directors (other than Mr Stynes), approved the proposal to put Resolution 9 and this part of this Explanatory Memorandum to the Members.

As a consequence of his association with CPS Holdings, Mr Cary Stynes absented himself from the discussion about, and did not vote in respect of, the proposal to put Resolution 9 or this part of this Explanatory Memorandum to the Members.

Given that Mr Stynes is a director and Shareholder of CPS Holdings, Mr Stynes does not make any recommendation to the Members of the Company.

The Directors (other than Mr Stynes) recommend that Members vote in favour of Resolution 9 in order to facilitate the recapitalisation of the Company, the acquisition of the business and assets of Planet W, enable the reinstatement of quotation of the securities of the Company on ASX and enable the growth of the Company.

The Directors consider the issue of shares to CPS Holdings Pty Ltd (a Company associated with Executive Director Mr Cary Stynes) is in the interest of the Company to incentivise him to assist in the future development of the Company.

Other information which may be required by members in order to decide whether or not it is in the Company's interests to pass Resolution 9

Opportunity Costs – The opportunity cost of approving Resolution 9 is that (in combination with Resolutions 4 to 8 inclusive) it forms part of a refinancing proposal for the Company, which means that the Company will not be able to sell itself as a listed shell, as set out in **section 2.6** above.

Taxation Consequences – The Company is not aware of any taxation consequences relevant to Resolution 9.

Benefits Foregone by the Company and Members – If the Members approve Resolution 9, the Members will forego the benefits of having a smaller capital base of the Company, as Members' interests in the Company will be diluted by the issue of Shares in accordance with Resolution 9. However if Resolutions 4 to 9 (inclusive) are not approved, the agreement between Planet W and the Deed of Company Arrangement will fail and the Administrators have indicated that they may then place the Company into liquidation.

Interdependence of Resolutions

The Members are advised that Resolutions 4 to 9 (inclusive) form part of a total re-financing proposal for the Company. In the event that the Members do not agree to the approval of Resolution 9, the transactions contemplated by Resolutions 4 to 9 (inclusive) will not proceed. If Resolutions 4 to 9 (inclusive) are not approved, the agreement between Planet W and the Deed of Company Arrangement will fail and the Administrators have indicated that they may then place the Company into liquidation.

3.10 Approval for Board to issue Executive Options (Resolution 10)

The Company seeks approval for the issue 180,000,000 unlisted options under the Company's existing Executive and Employee Share Option Scheme, as approved by shareholders in November 2003, to Directors or their associates. The unlisted options to be issued for no consideration but to have an exercise price of \$0.002 (0.2 cents) per Share and a term of 5 years.

As a consequence of the Share Option Scheme having previously been approved by shareholders no shareholder approval is required under section 208 of the Corporations Act in respect of the proposed issue of options to Directors.

The Listing Rules require that the approval of Members be obtained for an issue of securities (including options) to any related party of the Company (including a Director) under an employee incentive scheme.

The Board has resolved, subject to Member approval being obtained, to grant 180,000,000 unlisted options to the Directors or their associates, as follows:

Mr Andrew Plympton – 30,000,000 unlisted options

Mr Dean Jones – 50,000,000 unlisted options

Mr Cary Stynes – 50,000,000 unlisted options

Mr Damian London – 50,000,000 unlisted options

The options proposed to be issued to the Directors form part of the Directors' total compensation, and have been negotiated based upon what was reasonably agreed in order to attract candidates to the Board. The allocation of options reflects the fact that, other than Mr Plympton, none of the Directors are being paid directors' fees.

It is proposed to issue these options in order to incentivise Directors, and to ensure that the interests of Directors align with the interests of Shareholders.

It is proposed that Shares to be issued following the Annual General Meeting would be issued at an issue price of \$0.001 (0.1 cents) per share, meaning that the exercise price in respect of the Options represents a 100% per share premium to that price. If approved by Members, the Options will be granted within 12 months of the date of the Annual General Meeting.

The terms of the options would be identical for all Directors, as follows:

1. Issued for nil consideration.
2. Exercisable for 5 years from the date of issue
3. Exercisable at a conversion price of \$0.002 (0.2 cents) per share
4. Cancelled if not exercised within 30 days of the Directors resignation or termination from the Company

The grant of Options is consistent with the Company's remuneration policy. The grant of options to Directors provides an incentive to those persons directly associated with the management of the Company to build the success of the Company and increase value for Members.

It is proposed that any and all funds raised by the Company from the exercise of the Options will be applied as general working capital of the Company.

If the Options are not exercised, they will have no impact upon the capital structure of the Company. The table below illustrates that the maximum dilutionary effect of the exercise of the Options will amount to 6.09% of the Company's expanded capital being issued as a result of exercise of the Options (assuming that Resolutions 4 to 10 (inclusive) are passed, but that the capital raising does not proceed, and no Shares are issued on the conversion of the Convertible Notes). Note that this table demonstrates the theoretical maximum which is not representative of the likely outcome, because if the capital raising does not proceed, the Company will likely be placed into liquidation.

Shares in the Company on Issue:		
Present	1,283,674,612	43.41%
Capital Raising (Resolutions 4 and 5)	0	0.00%
Planet W consideration (Resolution 6)	1,200,000,000	40.58%
Issue to Administrators (Resolution 7)	100,000,000	3.38%
Issue on conversion of Convertible Notes (Resolution 8)	0	0.00%
CPS Holdings Issuance (Resolution 9)	193,329,987	6.54%
Options (Resolution 10)	180,000,000	6.09%

Total Shares in the Company on Issue	2,957,004,599	100.00%
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These options are unable to be valued by usual valuation methodologies, as the Shares are currently suspended from trading, so the price and volatility of the underlying Shares is unknown. However the Directors note that the exercise price represents a 100% premium to the assumed price of \$0.001 per Share used for Resolutions 4, 6, 8 & 9.

ASX Listing Rule Requirements

ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires Shareholder approval before a Director may be granted options under the Company's Executive and Employee Share Option Scheme. If approval is given under ASX Listing Rule 10.14, further approval is not required under ASX Listing Rule 7.1 or 10.11.

ASX Listing Rule 10.15

ASX Listing Rule 10.15 lists the information that must be contained in the Notice of Meeting and Explanatory Memorandum where Shareholders will consider a resolution pursuant to ASX Listing Rule 10.14.

the maximum number of securities to be issued to all persons who require approval under this provision: a maximum of 180,000,000 options will be issued to the Allottees (being the persons named earlier in this section);

the price at which securities will be issued: nil cash consideration, but to have an exercise price of \$0.002 (0.2 cents) per Share;

the names of all persons named in Listing Rule 10.14 who received securities under the Scheme since the last approval, the number of securities received and the issue price for each security: none

the date by which the securities will be issued: within 12 months of the date of the Annual General Meeting.

No recommendation

While the Directors consider that the passing of Resolution 10 shall benefit the Company, by allowing the Company to provide alternative incentive-based remuneration to its Directors without any drain on its cash reserves, the Directors note that each of them have an interest in the outcome of Resolution 10. Accordingly, they make no recommendation as to how to vote on the Resolution and ask Members to make their own assessment in this regard.

DIRECTORS' APPROVALS AND RECOMMENDATIONS

Except for those resolutions in which individual Directors have an interest in the outcome (refer to Voting Exclusion Statements contained in the Notice of Annual General Meeting), your Directors recommend that you vote in favour of all resolutions in order to ensure the provision of adequate financing for the Company, enable the reinstatement of quotation of the securities of the Company on ASX and enable the growth, both organic and via acquisition, of the Company. In regard to those resolutions in which a particular Director has an interest in the outcome, that Director has abstained from making a recommendation on those resolutions.

The Company commissioned an independent expert DMR Corporate Pty Ltd to assess whether the proposed transaction is fair and reasonable within the meaning of RG 111 Content of Experts Report (RG111). The independent expert has prepared an Independent Experts Report, a copy of which is attached as Annexure B to this Notice of Meeting, and shareholders should consider the Independent Experts Report in full before drawing any conclusions or determining how they will vote at the Annual General Meeting.

The Directors believe that all Members should carefully consider all the information set out in this Explanatory Memorandum prior to the date of the Annual General Meeting of the Company.

A handwritten signature in black ink, appearing to read 'Andrew Plympton', with a long horizontal stroke extending to the left.

Andrew Plympton
Chairman
26 March 2010

**ANNEXURE A
CAPITAL STRUCTURE IMMEDIATELY
FOLLOWING ANNUAL GENERAL MEETING
ASSUMING ALL RESOLUTIONS ARE PASSED
AT THE ANNUAL GENERAL MEETING**

Total Shares at 31 December 2009	1,283,674,612	26.87%
Resolution 4 - issue of Shares in capital raising	1,750,000,000	36.63%
Resolution 6 - issue of Shares to acquire Planet W	1,200,000,000	25.12%
Resolution 7 - issue of Shares to Administrator	100,000,000	2.09%
Resolution 8 - issue of Shares on Conversion of Convertible Notes	250,000,000	5.23%
Resolution 9 - issue of Shares to CPS Holdings Pty Ltd	193,329,987	4.05%
Total Shares on issue assuming all resolutions are passed at AGM	<u>4,777,004,599</u>	100.00%

On a fully diluted basis

Total Shares as above	4,777,004,599	96.25%
Existing Options	6,000,000	0.12%
Resolution 10 - issue of Options	180,000,000	3.63%
Total Shares on a fully diluted basis	<u>4,963,004,599</u>	100.00%

ANNEXURE B

23 March 2010

Mr. A. Plympton,
Chairman,
Swish Group Limited
Level 9
1 Queens Road
Melbourne, Vic 3004

Dear Sir,

Re: Independent Expert's Report

1. Introduction

On 27 August 2009 the Directors of Swish Group Limited ("Swish" or "the Company") appointed voluntary administrators and on 17 December 2009, the Company announced that it had entered into a Deed of Company Arrangement ("Deed of Company Arrangement") with Planet W Pty Ltd ("Planet W") and the administrators. The Deed of Company Arrangement sets out the steps to be taken for the satisfaction of creditors' claims, for the Company to be released from external administration, and for its shares to be re-quoted on the ASX. At the same time Swish entered into an agreement to acquire the Internet advertising business currently conducted by Planet W ("the Planet W Business"). Planet W is associated with Mr. Dean Jones and Mr. Damian London, Directors of Swish.

Resolutions for the proposed acquisition of the Planet W business and the recapitalization of Swish are to be put to the shareholders of Swish at a forthcoming General Meeting. Shareholders are being asked to vote on 10 separate resolutions. Resolutions 4 to 9 are interdependent, meaning that shareholders must approve each of these six resolutions, or none of the resolutions will become effective. Due to their interdependent nature, we regard Resolutions 4 to 9 as one transaction.

The Directors of Swish have requested DMR Corporate Pty Ltd ("DMR Corporate") to prepare an independent expert's report in respect of the transaction that is comprised of Resolutions 4 to 9, as detailed in Section 2 below.

2. The Proposed Transaction

2.1 Definition of the Proposed Transaction

Pursuant to the terms of the restructure proposal, the shareholders are being asked to approve the following interdependent resolutions ("the Proposed Transaction"):

Resolution 4

“That, subject to the approval by the Members of Resolutions 5 to 9 (inclusive), for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the issue by the Company of up to 1,750,000,000 fully paid ordinary Shares at an issue price of 0.1 cents (\$0.001) per Share pursuant to a proposed capital raising to be undertaken by the Company.”

Resolution 5

“That, subject to the approval by the Members of Resolutions 4 and 6 to 9 (inclusive), for the purposes of Listing Rule 10.14 and all other purposes, approval for the Directors to participate in the capital raising referred to in Resolution 4 above, to a maximum aggregate value of \$150,000.”

Resolution 6

“That, subject to the approval by the Members of Resolutions 4, 5 and 7 to 9 (inclusive), for the purposes of Listing Rules 7.1, 10.1 and 10.11 and item 7 of section 611 of the Corporations Act and for all other purposes, approval is given for the issue and allotment of 1,200,000,000 fully paid ordinary shares in the Company to Planet W Pty Ltd (a Company associated with Executive Directors Mr Damian London and Mr Dean Jones) at a nominal value of \$0.001 (0.1 cents) per Share and for the Company to make an “earn-out” payment of up to \$300,000 to Planet W Pty Ltd, in consideration for the acquisition of the business and assets of the Planet W business.”

Resolution 7

“That, subject to the approval by the Members of Resolutions 4 to 6 (inclusive) and 8 to 9 (inclusive), for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the issue for no cash consideration of 100,000,000 fully paid ordinary Shares in the Company to the Administrators of The Swish Group Limited, the proceeds of the sale of such Shares to be distributed to creditors and employees of the Company.”

Resolution 8

“That, subject to the approval by the Members of Resolutions 4 to 7 (inclusive) and 9 for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the issue by the Company of up to 250,000,000 fully paid ordinary Shares in the Company at \$0.001 (0.1 cents) per Share, to various parties on conversion by them of the relevant \$250,000 of convertible notes, and that the Company be entitled to issue such Shares at any time within 12 months of the date of the Annual General Meeting of the Company.”

Resolution 9

“That, subject to the approval by the Members of Resolutions 4 to 8 (inclusive), for the purposes of Listing Rule 10.11 and all other purposes, the Company be authorised to issue and allot 193,329,987 fully paid ordinary shares to CPS Holdings Pty Ltd (a company associated with Executive Director Mr Cary Stynes) in consideration of services provided to the Company since August 2009 and in lieu of that company agreeing not to receive any distribution as a creditor to which it would otherwise have been entitled. Such Shares to be fully paid ordinary Shares in the Company and issued for nil consideration at a nominal value of \$0.001 (0.1 cents) per Share.”

The directors have requested DMR Corporate to prepare an independent expert’s report in accordance with ASIC Regulatory Guide 111 – Content of expert reports. ASIC Regulatory Guide 111 requires the Independent Expert to advise shareholders whether the Proposed Transaction is fair and reasonable, when considered in the context of the interests of the Non-Associated Shareholders.

We have also been requested to express our opinion as to the value of the financial benefits that will be received by directors of Swish pursuant to Resolutions 6 and 9.

2.2 Impact on Share Capital and Voting Power

As at the date of this report Swish has 1,283,674,612 shares on issue. Set out in the following table is the position assuming that shareholders approve the Proposed Transaction and the maximum number of shares authorised by each Resolution is issued:

	No of Shares	Voting Power
Total shares on issue	1,283,674,612	26.87%
Resolution 4 - issue of shares in capital raising	1,750,000,000	36.63%
Resolution 6 - issue of shares to acquire the Planet W Business	1,200,000,000	25.12%
Resolution 7 - issue of shares to Administrator	100,000,000	2.09%
Resolution 8 - issue of shares on Conversion of Convertible Notes	250,000,000	5.23%
Resolution 9 - issue of shares to CPS Holdings Pty Ltd ("CPS")	193,329,987	4.05%
Maximum Potential Number of Shares on Issue	<u>4,777,004,599</u>	<u>100.00%</u>

Whilst approval of the Proposed Transaction may result in Swish having up to 4,777,004,599 shares on issue, there is no guarantee that the holder of the convertible notes will seek to convert the notes, or that the capital raising authorised by Resolution 4 will in fact proceed or be fully subscribed. Furthermore Resolution 5 authorises the Directors of Swish to subscribe for up to 150 million shares pursuant to the capital raising. As two of the Directors of Swish are associated with Planet W, we have set out in the following table the maximum voting power in Swish that Planet W and its associates may gain as a result of the Proposed Transaction:

	No of Shares	Voting Power	
		Planet W & Associates	Total
Total shares on issue	1,283,674,612	-	43.86%
Resolution 5 - issue of shares in capital raising – Director participation	150,000,000	5.12%	5.12%
Resolution 6 - issue of shares to acquire the Planet W Business	1,200,000,000	41.00%	41.00%
Resolution 7 - issue of shares to Administrator	100,000,000	-	3.42%
Resolution 8 - issue of shares on Conversion of Convertible Notes	-	-	-
Resolution 9 - issue of shares to CPS	193,329,987	-	6.61%
Potential Number of Shares on Issue	<u>2,927,004,599</u>	<u>46.12%</u>	<u>100.00%</u>

Assuming that the convertible notes are not converted and assuming that only \$150,000 is raised pursuant to Resolution 4 and all of these funds are subscribed by the two Directors associated with Planet W, Planet W and its associates may hold up to 46.12% of Swish's voting power.

2.3 Agreement for the Acquisition of the Planet W Business

Resolution 6 seeks approval for the issue and allotment of 1,200,000,000 fully paid ordinary shares in the Company in consideration for the acquisition of the business and assets of the Planet W business. The agreement with Planet W also includes the following important provisions for which shareholder approval is not required but which will come into effect if shareholders approve Resolution 6:

- the shares to be issued pursuant to Resolution 6 are to be escrowed for 24 months from the date of issue;
- In addition to the 1,200,000,000 shares, Planet W will be entitled to receive an additional \$300,000, in cash or fully paid ordinary shares, at its option, in the event that the Planet W Business achieves audited earnings before interest, tax, depreciation and amortisation (“EBITDA”) of \$600,000 in the financial year ended 30 June 2010. Such sum is to be paid in cash or shares in Swish after completion of the 2010 audit and any necessary shareholder approvals. These shares are to be escrowed for 6 months from the date of issue. The price at which the shares are to be issued is to be the weighted average closing price over the 30 days immediately prior to the issuing of those shares.
- in the event that the Planet W Business fails to achieve an EBITDA in the 2010 financial year of \$600,000, Planet W agrees that this additional payment will be reduced pro-rata in accordance with the extent to which the Planet W Business falls short of that sum. If the Planet W Business fails to achieve an audited EBITDA of \$300,000 in the 2010 financial year no amount is payable.
- the assets being acquired with the Planet W Business are limited to the software assets and customer and supplier agreements. Other business assets such as trade debtors will not be acquired by Swish and Swish is not assuming any liabilities of the Planet W Business, other than the assumption of operating leases for computer servers used by the business.

3. Summary Opinions

3.1 Fairness Opinion

In our opinion, the Proposed Transaction set out in Section 2 above is **fair and reasonable to the Non-Associated Shareholders**.

Our principal reasons for reaching the above opinion are:

- we have assessed the current value of the Non-Associated Shareholders’ interests in Swish at nil (Section 7.8).
- we have valued the Non-Associated Shareholders minority interest in Swish after the Proposed Transaction to be in a range of nil to \$466,094 (Section 11).

As the value of the Non-Associated Shareholders’ interests after the Proposed Transaction is equal to or greater than the value of their interests before the Proposed Transaction, we have concluded that **the Proposed Transaction is fair**.

We have also reviewed the other considerations referred to in Section 13 of this report and we consider that **the Proposed Transaction is reasonable**.

3.2 Assessment of Financial Benefits – Related Parties

In our opinion approval of Resolution 6 will result in Mr. Damian London and Mr. Dean Jones, executive directors of Swish, receiving financial benefits in a range of nil to \$91,794 each (Section 14.2).

In our opinion approval of Resolution 9 will result in CPS, a company associated with Mr. Cary Stynes, an executive director of Swish, receiving financial benefits in a range of nil to \$70,197 (Section 14.3).

4. Structure of this Report

This report is divided into the following Sections:

<u>Section</u>		<u>Page</u>
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6	Swish - Key Information	9
7	Valuation of Swish Before the Proposed Transaction	10
8	Planet W - Key Information	12
9	Valuation of Planet W	13
10	Control Premium	17
11	Valuation of Swish After the Proposed Transaction	17
12	Assessment as to Fairness	18
13	Other Considerations	18
14	Assessment of Financial Benefits - Related Parties	19
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E	Declarations, Qualifications and Consents	29

5. Purpose of the Report

This report has been prepared to meet the following regulatory requirements:

- **Corporations Act 2001**

Section 606 of the Act contains a general prohibition on the acquisition of shares in a company if, as a result of the acquisition, any person increases his or her voting power in the company from 20% or below to more than 20%.

Section 611 of the Act contains an exception to the Section 606 prohibition. For an acquisition of shares to fall within the exception, the acquisition must be approved in advance by a resolution passed at a general meeting of the company in which shares will be acquired.

Swish is seeking shareholder approval for the Proposed Transaction under Section 611 of the Act as Planet W and its associates may increase their interests in Swish from nil to up to 46.12%.

- **ASIC Regulatory Guides**

This report has been prepared in accordance with the ASIC Regulatory Guides and more particularly:

RG 111 – Content of Expert Reports (“RG111”)

RG 111.21 An issue of shares by a company otherwise prohibited under S606 may be approved under item 7 of S611 and the effect on the company’s shareholding is comparable to a takeover bid. Examples of such issues approved under item 7 of S611 that are comparable to takeover bids under Ch 6 include:

- (a) a company issues securities to the vendor of another entity or to the vendor of a business and, as a consequence, the vendor acquires over 20% of the company incorporating the merged businesses. The vendor could have achieved the same or a similar outcome by launching a scrip takeover for the company

RG111.24 There may be circumstances in which the allottee will acquire 20% or more of the voting power of the securities in the company following the allotment or increase an existing holding of 20% or more, but does not obtain a practical measure of control or increase its practical control over that company. If the expert believes that the allottee has not obtained or increased its control over the company as a practical matter, then the expert could take this outcome into account is assessing whether the issue price is ‘reasonable’ if it has assessed the issue price as being ‘not fair’ applying the test in RG111.10.

RG111.9 It has long been accepted in Australian mergers and acquisitions practice that the words ‘fair and reasonable’ in S640 established two distinct criteria for an expert analysing a control transaction:

- (a) is the offer ‘fair’; and
- (b) is it ‘reasonable’?

That is, ‘fair and reasonable’ is not regarded as a compound phrase.

RG111.10 Under this convention, an offer is ‘fair’ if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer. This comparison should be made assuming 100% ownership of the ‘target’ and irrespective of whether the consideration is scrip or cash. The expert should not consider the percentage holding of the ‘bidder’ or its associates in the target when making this comparison. For example, in valuing securities in the target entity, it is inappropriate to apply a discount on the basis that the shares being acquired represent a minority or ‘portfolio’ parcel of shares.

RG111.11 An offer is ‘reasonable’ if it is fair. It might also be ‘reasonable’ if, despite being ‘not fair’, the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.

Due to Planet W and its associates attaining an interest of up to 46.12% in Swish’s voting power, ASIC Regulatory Guide 111 requires that the Proposed Transaction be assessed as if it was a takeover of Swish.

In assessing a takeover bid Regulatory Guide 111 states that the expert should consider whether the Proposed Transaction is both “fair” and “reasonable”.

- **ASX - Listing Rules**

Listing Rule 10.1 requires that a company obtain shareholder approval at a general meeting when the sale or acquisition of a substantial asset is to be made to or from:

- (i) a related party;
- (ii) a subsidiary;
- (iii) a substantial shareholder who is entitled to at least 10% of the voting securities, or a person who was a substantial shareholder entitled to at least 10% of the voting securities at any time in the 6 months before the transaction;
- (iv) an associate of a person referred to in paragraphs (i), (ii) or (iii) above;
- (v) a person whose relationship to the entity or a person referred to above is such that, in the ASX's opinion, the transaction should be approved by security holders.

Listing Rule 10.2 defines a substantial asset as being an asset whose value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity as set out in the latest accounts given to the ASX under the listing rules. Messrs. London and Jones are directors of Swish and they are deemed to be related parties to Swish. As the acquisition of the Internet advertising business from Planet W (partly owned by Messrs. London and Jones) represents more than 5% of Swish's net assets as at 30 June 2009, it therefore represents the acquisition of a substantial asset from a related party.

The notice of any meeting of shareholders to approve any transaction referred to in Listing Rule 10.1 shall be accompanied by a report from an independent qualified person who shall state his opinion as to whether the proposed transaction is fair and reasonable to the Non-Associated Shareholders.

- **General**

The terms "fair" and "reasonable" are not defined in the Act, however guidance as to the meaning of these terms is provided by ASIC in Regulatory Guide 111. For the purpose of this report, we have defined them as follows:

Fairness - the Proposed Transaction is "fair" if the value of the Non-Associated Shareholders' interests after the Proposed Transaction is equal to or greater than the value of their interests before the Proposed Transaction.

Reasonableness - the Proposed Transaction is "reasonable" if it is fair. It may also be "reasonable" if, despite not being "fair" but after considering other significant factors, shareholders should vote in favour of the Proposed Transaction in the absence of a superior proposal being received.

In determining whether the Proposed Transaction is fair, we have:

- valued the Non-Associated Shareholders' interests in Swish before the Proposed Transaction;
- valued the Non-Associated Shareholders' interests in Swish after the Proposed Transaction; and
- compared the values before and after the Proposed Transaction.

In determining whether the Proposed Transaction is reasonable we have analysed other significant factors, which the Non-Associated Shareholders should consider prior to accepting or rejecting the Proposed Transaction.

- **Corporations Act 2001 – Chapter 2E**

Section 208 of the Act states that a public company must obtain approval from the company's members if it gives a financial benefit to a related party unless the benefit falls within the scope of an exception to the Act as set out in Section 210 to 216 of the Act.

Section 210 of the Act states that member approval is not needed to give a financial benefit on terms that:

- (a) would be reasonable in the circumstances if the public company or entity and the related party were dealing at arm's length; or
- (b) are less favourable to the related party than the terms referred to in paragraph (a) above.

Section 228 of the Act defines 'related parties' as:

- (a) directors of the public company;
- (b) directors (if any) of an entity that controls the public company;
- (c) if the public company is controlled by an entity that is not a body corporate – each of the persons making up the controlling entity;
- (d) spouses and de facto spouses of the persons referred to in paragraphs (a) to (c) above.

Swish is not seeking shareholder approval for the issue of shares to Planet W pursuant to Resolution 6 and the issuance of the Swish shares to CPS pursuant to Resolution 9 as Swish is relying on the exemption set out in Section 210 (a) of the Act. Nevertheless the Directors of Swish have requested DMR Corporate to independently assess the value of these financial benefits.

The ASIC media release issued on 10 August 2004 has expressed the view that the financial benefit must be adequately valued. ASIC has gone on to state:

“An adequate valuation requires the basis of the valuation and the principal assumptions behind the valuation to be disclosed, and in some circumstances it may be necessary to provide a valuation by an independent expert.”

6. Swish - Key Information

6.1 Background

Swish was listed on ASX in 1999 however its shares were suspended from trading on the ASX on 27 August 2009 when Swish was placed in voluntary administration.

Until Swish was placed in voluntary administration on 27 August 2009, the Company operated one of Australia's largest digital signage networks in medical centres, hospitals and pharmacies throughout Australia, it was one of Australia's largest wholesalers of independent digital music to online music retailers and telecommunication companies, had a significant film and television production and distribution business and a significant sales and marketing business. The Company's principal divisions were Digital Media, Film Production and Distribution and Marketing and Sales Services.

On 17 December 2009 the Administrator entered into an agreement to enable the recapitalisation and re-quotation of the Company's shares on the ASX, subject to certain shareholder approvals being obtained. In addition to recapitalising Swish, the proposal provides for the recapitalisation of each of the Company's nine subsidiaries that were also placed into Voluntary Administration at the same time as Swish and the conditional acquisition of the online Internet advertising business from Planet W.

6.2 Share Capital

As at the date of this report Swish had 1,283,674,612 fully paid ordinary shares on issue and the 20 largest shareholders of Swish as at 12 March 2010 are presented in Appendix A-1.

Swish also has the following options on issue:

Holder	No of Options	Expiry Date	Exercise Price \$
Mr. Cary Stynes	2,000,000	30/11/2011	0.02
Mr. Cary Stynes	2,000,000	30/11/2011	0.03
Mr. Cary Stynes	2,000,000	30/11/2011	0.04
Total	<u>6,000,000</u>		

As the above options are not 'in the money' we have assumed that they will not be exercised and therefore there will be no dilution to the present shareholder interests.

6.3 Operating Performance

Swish's audited income statement for the financial years ended 30 June 2008 and 2009 are set out in Appendix B-1.

6.4 Cash Flow Statements

Swish's audited cash flow statement for the financial years ended 30 June 2008 and 2009 are set out in Appendix B-2.

6.5 Balance Sheets

Swish's audited balance sheet as at 30 June 2009 disclosed a deficiency of net assets of \$2,305,875 - refer Appendix B-3.

7. Valuation of Swish Before the Proposed Transaction

7.1 Value Definition

DMR Corporate's valuation of Swish has been made on the basis of fair market value, defined as the price that could be realized in an open market over a reasonable period of time given the current market conditions and currently available information, assuming that potential buyers have full information, in a transaction between a willing but not anxious seller and a willing but not anxious buyer acting at arm's length.

7.2 Valuation Methodologies

In selecting appropriate valuation methodologies, we considered the applicability of a range of generally accepted valuation methodologies. These included:

- share price history;
- capitalisation of future maintainable earnings;
- net present value of future cash flows;
- asset based methods;
- comparable market transactions; and
- alternate acquirer.

7.3 Share Price History

The share price history valuation methodology values a company based on the past trading in its shares. We normally analyze the share prices up to a date immediately prior to the date when a takeover, merger or other significant transaction is announced to remove any price speculation or price escalations that may have occurred subsequent to the announcement of the proposed transaction.

This is not required in this report as the Swish shares were suspended from trading on the ASX on 27 August 2009 and trading has not resumed since that date.

As Swish went into voluntary administration on 27 August 2009 and remains under administration, we have concluded that the past share prices are no longer relevant and consequently we concluded that this valuation methodology cannot be applied in valuing Swish.

7.4 Capitalization of Future Maintainable Earnings

This methodology involves capitalizing the estimated future maintainable earnings of a business at a multiple which reflects the risks of the business and its ability to earn future profits.

There are different definitions of earnings to which a multiple can be applied. The traditional method is to use net profit after tax – Price Earnings or PE. Another common method is to use Earnings Before Interest and Tax, or EBIT. One advantage of using EBIT is that it enables a valuation to be determined which is independent of the financing and tax structure of the business. Different owners of the same business may have different funding strategies and these strategies should not alter the fundamental value of the business.

Other variations to EBIT include ‘Earnings Before Interest, Tax, Depreciation and Amortization’ – EBITDA and ‘Earnings Before Interest, Tax, and Amortization’ – EBITA.

As Swish is in administration and does not have an operating business generating profits, we consider that the capitalization of future maintainable earnings valuation methodology is not an appropriate methodology to use to value Swish.

7.5 Net Present Value of Future Cash Flows

An analysis of the net present value of the projected cash flows of a business (or discounted cash flow technique) is based on the premise that the value of the business is the net present value of its future cash flows. This methodology requires an analysis of future cash flows, the capital structure, the costs of capital and assessment of the residual value of the business remaining at the end of the forecast period.

As Swish does not have an operating business generating cash flows, we consider that the capitalisation of future cash flows is not an appropriate methodology to use to value Swish.

7.6 Asset Based Methods

This methodology is based on the realisable value of a company’s identifiable net assets. Asset based valuation methodologies include:

(a) Net Assets

The net asset valuation methodology involves deriving the value of a company or business by reference to the value of its assets. This methodology is likely to be appropriate for a business whose value derives mainly from the underlying value of its assets rather than its earnings, such as property holding companies and investment businesses that periodically revalue their assets to market. The net assets on a going concern basis method estimates the market values of the net assets of a company but does not take account of realization costs.

(b) Orderly Realisation of Assets

The orderly realisation of assets method estimates the fair market value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner.

(c) Liquidation of Assets

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a short time frame.

As can be seen from Appendix B-3, as at 30 June 2009 Swish had a net deficiency of assets of \$2,305,875.

Subsequent to 30 June 2009 the Directors of Swish appointed a Voluntary Administrator. In a Report to Creditors dated 11 November 2009 the Administrator estimated that if Swish is liquidated there will be no dividend to creditors or to priority creditors as the proceeds from realising Swish's assets will be less than the cost of liquidating the assets.

Swish is an ASX listed entity and generally a residual value can be ascribed to the listed shell that remains after the existing business has stopped operating. This value can only be realised via the backdoor listing of a new business into the existing shell. In our experience, the value ascribed to an ASX listed shell, which has no debts, is in the range of \$350,000 to \$400,000.

Given the fact that Swish had negative net assets of \$2,305,875 as at 30 June 2009 and given the findings of the Voluntary Administrator, in our opinion the value of the listed shell is insufficient to produce a positive value on an asset based valuation.

7.7 Alternate Acquirer

The value that an alternative offeror may be prepared to pay to acquire Swish is a relevant valuation methodology to be considered.

In this instance we are not aware of any alternative offer for Swish and we can see no reason as to why an offer would be initiated prior to the Proposed Transaction taking place.

7.8 Conclusion

The only valuation methodology that can be applied in valuing Swish is an asset based methodology. Given the negative net asset position of Swish, shareholders can only extract a value for their shareholding through a back door listing of another business into the Swish shell. Whilst in Section 7.6 we ascribed a value in the range of \$350,000 to \$400,000 to the listed shell, this value assumes that there are no debts. As Swish had a deficiency of net assets of approximately \$2.31 million at 30 June 2009 and this deficiency has since increased by the cost of the Administration, we have concluded that Swish's shareholders' existing interests have a nil value.

As the Non-Associated Shareholders control 100% of the Swish shares their interests are valued at nil before the Proposed Transaction.

8. Planet W – Key Information

8.1 Background

Planet W was incorporated in August 2007 as a proprietary company. Since that date Planet W has developed a business specialising in Internet search and contextual advertising.

Planet W has entered into a number of agreements with website publishers and with Yahoo Inc. and its subsidiaries, which enable it to earn revenue from acting as a broker of online advertising and from online advertising searches on websites published by Planet W. All of these agreements are non-exclusive.

Planet W does not have any employees and all services are provided by contractors, including management.

Further details of the Planet W Business are set out in section 3.6 of the Explanatory Memorandum to which this report is an attachment.

8.2 Operating Performance

Planet W's unaudited income statements for the financial year ended 30 June 2008 and 2009 and for the six month period ended 31 December 2009 are set out in Appendix C.

9. Valuation of Planet W

9.1 Value Definition

We have used the same definition of value in this Section as was applied in Section 7.1 above when we assessed the value of Swish before the Proposed Transaction.

9.2 Valuation Methodologies

In selecting appropriate valuation methodologies, we considered the applicability of the same generally accepted valuation methodologies as detailed in Section 7.2 above and we determined that the appropriate methodology to use to value Planet W was the capitalisation of maintainable earnings methodology.

We also considered applying the orderly realisation of assets methodology, however the business assets to be acquired by Swish are limited to intangible assets. These assets are not recorded in the books and records of Planet W and there is no basis on which we could estimate the value that these assets could realise in an orderly realisation.

9.3 Capitalisation of Maintainable Earnings

9.3.1 Description of Methodology

This method involves capitalizing the estimated future maintainable earnings of a business at a multiple which reflects the risks of the business and its ability to earn future profits.

There are different definitions of earnings to which a multiple can be applied. The traditional method is to use net profit after tax. Another common method is to use Earnings Before Interest and Tax, or EBIT. One advantage of using EBIT is that it enables a valuation to be determined which is independent of the financing and tax structure of the business. Different owners of the same business may have different funding strategies and these strategies should not alter the fundamental value of the business. Other variations to EBIT include 'Earnings Before Interest, Tax, Depreciation and Amortization' – EBITDA and 'Earnings Before Interest, Tax, and Amortization' – EBITA.

We have selected EBIT as the measure of earnings to be capitalised as Planet W does not have a significant level of fixed assets.

A valuation based on capitalised EBIT requires the following key assessments to be made:

- the level of future maintainable earnings; and

- the selection of an appropriate capitalisation rate (or multiple), which reflects the risks facing the business and the achievement of the expected future maintainable earnings.

9.3.2 Assessment of Maintainable Earnings

Set out in Appendix C are Planet W's unaudited income statements for the financial years ended 30 June 2008 and 2009 and for the six month period ended 31 December 2009. Based on the information in Appendix C we have set out below our assessment of the actual EBIT for recent past, excluding the effects of one-off items:

	Year Ended 30/6/2008 \$	Year Ended 30/6/2009 \$	Six Months Ended 31/12/2009 \$
Revenue (Note 1)	<u>771,607</u>	<u>3,861,173</u>	<u>805,053</u>
Operating profit before income tax	72,190	608,919	175,264
Interest income	(1,412)	(8,163)	(27,208)
One-off consulting fees paid	-	328,475	-
EBIT	<u>70,778</u>	<u>929,231</u>	<u>148,056</u>

Note 1 revenue for the six months ended 31 December 2009 includes consulting income of \$122,781. No consulting income was earned during the preceding two financial years.

We have been provided with copies of a number of non-exclusive contracts with Internet publishers to which Planet W is a party. The contracts are generally for a period of one year and continue thereafter until terminated by either party. The contracts give rise to the search revenue generated by Planet W. We have also been provided with Planet W's monthly forecasts for the period 1 January 2010 to 31 December 2010. The forecasts are general in their nature and they are based on a limited number of assumptions.

We have discussed the above operating results and forecasts with an executive of Planet W. In particular we inquired into the reasons for the decline in profitability during the six months period ended 31 December 2009 compared to the profit reported for the financial year ended 30 June 2009. A number of reasons were advanced for the decline in profitability, including a reduction in the price per Internet page viewed, a decline in advertising due to the global financial crisis, loss of a significant customer and the need to replace the business development contractor.

After considering the above information, we have concluded that the maintainable EBIT is in a range of \$300,000 to \$320,000.

9.3.3 Capitalisation Multiple

In selecting an appropriate capitalisation rate to apply to the maintainable EBIT we have had regard to the following:

- the current ten year Commonwealth Bond rate of 5.54% (as at 10 March 2010);
- the business has only been operating since 2007;

- Planet W has entered into a number of non-exclusive contracts with Internet publishers. The contracts are generally for a period of one year and continue thereafter until terminated by either party. As such Planet W has limited contractual support for its future revenue;
- the business has no staff and relies on contractors for all services;
- advertising income for the six months period to 31 December 2009 was approximately \$680,000 whereas advertising income for the six-month period to 31 December 2008 was approximately \$2,510,000.

Valuation multiples can generally be derived from multiples at which shares in comparable listed companies trade on the ASX. Our enquiries revealed that Mooter Media Limited (“Mooter”) and Webfirm Group Limited may be comparable to Planet W, however neither of these companies is profitable and we are therefore not able to derive a multiple from trading in the shares of these companies.

Mooter acquired Project Search Pty Ltd (“Project Search”) in September 2009. Project Search was a company partly owned by Planet W and operated in a similar market to Planet W. As Project Search was not profitable at the time of that transaction, the independent expert appointed by Mooter concluded that it could not value Project Search by capitalising its earnings.

In view of the difficulty in sourcing relevant comparable multiples, we have reviewed a range of past transactions and other valuations involving private companies. These cover a range of industries and businesses of different scope and risk profile. We have also reviewed the most recent information as to EBIT multiples for medium sized businesses in the property and business services sector reported by BizExchange¹.

After considering the factors set out above, we have concluded that a multiple of 1.5 to 2.0 times EBIT is appropriate to a valuation of the Planet W Business.

9.3.4 Enterprise Value

In Section 9.3.2 above we concluded that the Planet W Business has a future maintainable EBIT in a range of \$300,000 to \$320,000 and in Section 9.3.3 above we concluded that the business should be valued using an EBIT multiple of 1.5 to 2.0.

Based on the above, we have assessed the enterprise value of the Planet W Business as follows:

	Low	High
Estimated future maintainable EBIT	\$300,000	\$320,000
Multiple	1.5	2.0
Enterprise value	<u>\$450,000</u>	<u>\$640,000</u>

¹ The BizExchange Index December 2009

9.3.5 Valuation Adjustments

The enterprise value must generally be increased by the value of surplus assets and reduced by the value of interest bearing debt in order to determine the value of equity under this methodology. However in this case Swish is only acquiring the business of Planet W and therefore there are no surplus assets or interest bearing debt.

Generally the enterprise value includes the working capital and any other assets required to generate the future earnings. In this case Swish is to acquire the business and associated contracts and intangible assets but not the working capital used in the business. This means that Swish will have to fund the working capital from its own resources and the required working capital requirement should be deducted from the enterprise value.

We have been provided with a copy of the balance sheet of Planet W as at 31 December 2009. This balance sheet showed that working capital was approximately \$15,000, however without access to other balance sheets we are unable to determine whether this is a normal level of working capital, or whether a larger investment is required.

After reviewing Planet W's contractual arrangements and the monthly revenue and cost of sales, we have estimated that the average working capital would be approximately \$50,000.

As disclosed in Section 2.3 above, Planet W may be entitled to an earn out payment. There is no earn out payable if the acquired business achieves an EBITDA of less than \$300,000 for the year ending 30 June 2010. The earn out payment will be \$300,000 if the EBITDA exceeds \$600,000. If the EBITDA is between \$300,000 and \$600,000 the earn out is scaled back pro-rata. The earn out payment is payable in cash or shares at the option of the vendor, however a payment in shares may require a prior shareholder approval.

In Section 9.3.2 above we concluded that the Planet W Business has a future maintainable EBIT (which in the absence of fixed assets is the same as EBITDA) in a range of \$300,000 to \$320,000. This level of earnings would attract an earn out payment in the range of nil to \$10,000.

After considering the above points we concluded that the value of the Planet W Business can be expressed as follow:

	Low \$	High \$
Enterprise value	450,000	640,000
Working capital adjustment	(50,000)	(50,000)
Earn out adjustment	-	(10,000)
Value of acquired business	<u>400,000</u>	<u>580,000</u>

9.3.6 Conclusion

In our opinion, based on the capitalisation of earnings valuation methodology, the value of the Planet W Business is in a range of \$400,000 to \$580,000.

10. Control Premium

A control premium represents the difference between the price that would have to be paid for a share to which a controlling interest attaches and the price at which a share which does not carry with it control of the company could be acquired. Control premiums are normally in a range of 25% to 35% above the value of a minority share.

If the Swish shareholders approve the Proposed Transaction, the vendors of the Planet W Business may control up to 35.74% of Swish's voting power. This means that the vendors of Planet W will effectively control Swish.

An evaluation of the Non-Associated Shareholders' interests is set out in Section 11. We have considered whether a discount for minority interest should be applied in making this evaluation. As a significant proportion of the value of the Non-Associated Shareholders' interests after the Proposed Transaction will be created by the proposed capital raising, which will be priced as a minority investment, we have concluded that no discount for minority interest should be applied to this component of the post transaction value.

We have also considered whether the value of the Planet W business, as determined in Section 9.3.6 should be discounted for minority interest. As this business has been valued using EBIT multiples sourced from control transactions, a minority discount should be deducted from this value. In view of the small size of the business and the absence of any available synergies, we have applied a minority discount of 10% to 15%.

11. Valuation of Swish After the Proposed Transaction

In order to assist the Non-Associated Shareholders in understanding the impact of the Proposed Transaction, set out below is a pro-forma balance sheet of Swish assuming that shareholders approve the Proposed Transaction:

	Low Value	High Value
Assets		
Investment in Planet W Business – refer Section 9.3.6	\$400,000	\$580,000
Minority discount	\$(60,000)	\$(58,000)
Proceeds from capital raising	-	\$1,662,500
Total Assets	<u>\$340,000</u>	<u>\$2,184,500</u>
Liabilities		
Amount owing to Planet W	\$450,000	\$450,000
Convertible Note	\$253,055	-
Total Liabilities	<u>\$703,055</u>	<u>\$450,000</u>
Net Assets	<u>\$(363,055)</u>	<u>\$1,734,500</u>
No of shares on issue	2,777,004,599	4,777,004,599
Value per share	\$(0.000131)	\$0.000363
Value of Non-Associated Shareholders' interest	<u>\$(167,823)</u>	<u>\$466,094</u>

Notes:

- Resolution 4 seeks approval to issue up to 1,750,000,000 shares at \$0.001 per share. There is however no guarantee that the full sum of \$1,750,000 will be raised. In the low valuation we have assumed that no capital raising will in fact take place, however in the high valuation we assumed that the full sum of \$1,750,000 will be raised. We have been advised that the capital raising will not be underwritten and we estimate that costs of the issue will be 5% of the sum raised.

2. Resolution 8 seeks approval to issue up to 250,000,000 shares on conversion of the Convertible Notes. There is however no guarantee that the holders of the Convertible Notes will in fact exercise the right to convert. In the low valuation we have assumed that the Convertible Notes will not be converted and in the high valuation we assumed that conversion will take place.
3. In the low valuation scenario we have assumed that there will be 2,777,004,599 shares on issue following completion of the Proposed Transaction. This comprises of the shares currently on issue, plus the shares to be issued pursuant to Resolutions 6, 7 and 9. In the high valuation scenario we have assumed that there will be 4,777,004,599 shares on issue following completion of the Proposed Transaction. This comprises of the shares currently on issue, plus the maximum number of shares to be issued pursuant to Resolutions 4 to 9.

12. Assessment as to Fairness

In Section 7.8 we assessed the Non-Associated Shareholders' interests in Swish to be nil before the Proposed Transaction.

In Section 11 above we assessed the Non-Associated Shareholders' interests in Swish to have a value in a range of nil to \$466,094 after the Proposed Transaction.

As the value of the Non-Associated Shareholders' interests after the Proposed Transaction is equal to or greater than the value of their interests before the Proposed Transaction, we have concluded that **the Proposed Transaction is fair**.

13. Other Considerations

Prior to deciding whether to approve or reject the Proposed Transaction the shareholders should also consider the following factors:

- In Section 12 above we concluded that the Proposed Transaction is fair.
- Whilst resolution 4 seeks shareholder approval for a capital raising, the capital raising is not underwritten and there is no guarantee that the capital raising will be successful. Unless Swish is able to raise at least \$500,000, it will not have sufficient funds to be able to repay the funds advanced to the Administrator by Planet W pursuant to the Deed of Company Arrangement and the minimum working capital that we estimate will be required to fund the business to be acquired from Planet W.
- If shareholders do not support the Proposed Transaction, there is a real possibility that a liquidator will be appointed to Swish. The Administrator in his report to creditors has indicated that if this were to happen there would be no return to shareholders.
- The Planet W Business generated an EBIT of approximately \$930,000 (excluding one-off items) for the year ended 30 June 2009. A return to that level of profitability may result in a substantial upside in the value of the Non-Associated Shareholders' interest in Swish.
- The completion of the Proposed Transaction should ensure that Swish shares will be re-listed by the ASX and shareholders will have a market for their shares.

- The current Non-Associated Shareholders will lose their collective influence in Swish as their interests in Swish will be severely diluted – from 100% at the date of this report to approximately 26.9% if the capital raising is successful and the convertible notes are converted.

After reviewing the above significant factors we consider that **the Proposed Transaction is reasonable.**

14. Assessment of Financial Benefits - Related Parties

14.1 Approach to Assessing the Financial Benefits

Section 229(1)(c) of the Act states:

“in determining whether a financial benefit is given you must disregard any consideration that is or may be given for the benefit, even if the consideration is adequate.”

As such in assessing the value of the financial benefits to be received by the directors of Swish we have only valued the consideration to be received by the directors, without taking into account the value of the assets or rights given up by the directors in return.

14.2 Resolution 6

Approval of Resolution 6 will result in the issue of 1,200,000,000 shares to Planet W, a company associated with Mr. Damian London and Mr. Dean Jones, executive directors of Swish.

In Section 13 we concluded that if the Proposed Transaction proceeds each Swish share will have a value in a range of nil to \$0.000363. On this basis Planet W will receive financial benefits in a range of nil to \$435,712 (1,200,000,000 shares x \$0.000363), before considering the potential benefit of the earn out provisions and the impact of the agreed escrow period.

Planet W may be entitled up to a further \$300,000 if the business achieves and EBITDA of \$600,000 for the year ending 30 June 2010. Whilst this is the nominal maximum additional benefit that Planet W may receive, in Section 9.3.5 we concluded that only \$10,000 of this amount is actually likely to be received.

As part of the agreement with Planet W, the 1,200,000,000 shares to be received by Planet W are to be escrowed for a period of 24 months. Shares subject to escrow restrictions generally have a lower value than shares that are freely tradeable. In our experience a discount of 20% is appropriate when valuing a share subject to a two-year escrow compared to a freely tradeable share.

Our assessment of the value of the financial benefit to be received by Planet W can be summarised as follows:

	Low \$	High \$
Value of 1.2 billion shares	-	435,712
Discount for escrow	-	(87,142)
Earn out adjustment	-	10,000
Value of Financial Benefit	<u>-</u>	<u>358,570</u>

We have been advised that an entity associated with Mr. Damian London holds a 25.6% interest in Planet W and an entity associated with Mr. Dean Jones also holds a 25.6% interest in Planet W. On that basis each of Mr. Damian London and Mr. Dean Jones will receive a financial benefit that we have valued in a range of nil to \$91,794.

14.3 Resolution 9

Approval of Resolution 9 will result in the issue of 193,329,987 shares to CPS, a company associated with Mr. Cary Stynes, an executive director of Swish.

The Administrator's Report to Creditors shows that CPS was Swish's single largest unsecured creditor with a balance owing of \$482,791. CPS is excluded from the Deed of Company Arrangement and the 193,329,987 shares are being issued to CPS "in consideration of services provided to the Company since August 2009 (by Mr. Cary Stynes) and in lieu of that company agreeing not to receive any distribution as a creditor to which it would otherwise have been entitled".

In Section 13 we concluded that if the Proposed Transaction proceeds each Swish share will have a value in a range of nil to \$0.000363. On this basis CPS will receive financial benefits in a range of nil to \$70,197 (193,329,987 shares x \$0.000363).

15. Financial Services Guide

15.1 Financial Services Guide

This Financial Services Guide provides information to assist retail and wholesale investors in making a decision as to their use of the general financial product advice included in the above report.

15.2 DMR Corporate

DMR Corporate holds Australian Financial Services Licence No. 222050, authorizing it to provide reports for the purposes of acting for and on behalf of investors in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues and to carry on a financial services business to provide general financial product advice for securities to retail and wholesale investors.

15.3 Financial Services Offered by DMR Corporate

DMR Corporate prepares reports commissioned by a company or other entity ("Entity"). The reports prepared by DMR Corporate are provided by the Entity to its members.

All reports prepared by DMR Corporate include a description of the circumstances of the engagement and of DMR Corporate's independence of the Entity commissioning the report and other parties to the transactions.

DMR Corporate does not accept instructions from retail investors. DMR Corporate provides no financial services directly to retail investors and receives no remuneration from retail investors for financial services. DMR Corporate does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice to retail investors.

15.4 General Financial Product Advice

In the reports, DMR Corporate provides general financial product advice. This advice does not take into account the personal objectives, financial situation or needs of individual retail investors.

Investors should consider the appropriateness of a report having regard to their own objectives, financial situation and needs before acting on the advice in a report. Where the advice relates to the acquisition or possible acquisition of a financial product, an investor should also obtain a product disclosure statement relating to the financial product and consider that statement before making any decision about whether to acquire the financial product.

15.5 Independence

At the date of this report, none of DMR Corporate, Derek M Ryan nor Mr Paul Lom has any interest in the outcome of the Proposed Transaction, nor any relationship with Swish, Planet W or their associates.

Drafts of this report were provided to and discussed with a Director of Swish and its advisers. Certain changes were made to factual statements in this report as a result of the reviews of the draft reports. There were no alterations to the methodology, valuations or conclusions that have been formed by DMR Corporate.

DMR Corporate had no part in the formulation of the Proposed Transaction. Its only role has been the preparation of this report.

DMR Corporate considers itself to be independent in terms of Regulatory Guide 112 issued by ASIC on 30 October 2007.

15.6 Remuneration

DMR Corporate is entitled to receive a fee of approximately \$28,000 for the preparation of this report. With the exception of the above, DMR Corporate will not receive any other benefits, whether directly or indirectly, for or in connection with the making of this report.

Except for the fees referred to above, neither DMR Corporate, nor any of its directors, employees or associated entities receive any fees or other benefits, directly or indirectly, for or in connection with the provision of any report.

15.7 Compensation Arrangements and Complaints Process

As the holder of an Australian Financial Services Licence, DMR Corporate is required to have suitable compensation arrangements in place. In order to satisfy this requirement DMR Corporate holds a professional indemnity insurance policy that is compliant with the requirements of Section 912B of the Act.

DMR Corporate is also required to have a system for handling complaints from persons to whom DMR Corporate provides financial services. All complaints must be in writing and sent to DMR Corporate at the above address.

DMR

DMR Corporate will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service Limited – GPO Box 3, Melbourne Vic 3000.

Yours faithfully

DMR Corporate Pty Ltd



Paul Lom
Director



Derek Ryan
Director

The Swish Group Limited

20 Largest Shareholders as at 12 March 2010

Name	Number of Fully Paid Ordinary Shares
Serec Pty Ltd	124,500,000
Media Entertainment Pty Ltd	70,520,000
Ganbros Pty Ltd <Joe Ganim Superfund A/C>	50,000,000
Cantori Pty Ltd <Cantori Superfund A/C>	47,500,000
Ms Lorna Jean Osborne	46,000,000
Pebeen Pty Ltd <Pebeen Super Fund A/C>	45,000,000
HSBC Custody Nominees (Australia) Limited	43,000,000
Dr. Leon Eugene Pretorius	31,500,000
Bodie Investments Pty Ltd	30,000,000
CPS Holdings Pty Ltd <Stynes A/C>	30,000,000
Yavern Creek Holdings Pty Ltd	26,000,000
Aurisch Investments Pty Ltd	25,806,301
Alturas Nominees Pty Ltd	25,000,000
Nelson River International Pty Ltd	24,562,500
Mungala Investments Pty Ltd	21,000,000
Stebur Investments Pty Ltd <Allocated Pension A/C>	21,000,000
Mr. John Ernest Lynch	20,000,000
Mr. Paul Ganim	18,428,410
CPS Holdings Pty Ltd	17,535,133
Mr. Darryl Somerville & Mrs. Elizabeth Somerville	17,500,000
Total number of shares held by the twenty largest holders	<u>734,852,344</u>
Total shares on issue – 1,283,674,612	
The percentage of the total holding of the twenty largest holders of ordinary shares was 57.25%	
Source: Swish Share Register 12 March 2010	

The Swish Group Limited

Income Statements

	Audited Year Ended 30/6/2008 \$	Audited Year Ended 30/6/2009 \$
Income		
Revenue from operating activities	7,430,536	11,322,519
Revenue from non-operating activities	5,535	32
	<u>7,436,071</u>	<u>11,322,551</u>
Expenses		
Cost of sales	(2,421,470)	(3,584,263)
Film production costs	(2,805,442)	(4,525,525)
Employee costs	(2,808,465)	(3,635,915)
Administrative expenses	(1,043,911)	(2,032,212)
Impairment losses	-	(1,053,166)
Depreciation expense	(100,875)	(211,768)
Finance costs	(20,997)	(98,892)
	<u>(1,765,089)</u>	<u>(3,819,190)</u>
Loss before income tax	<u>(1,765,089)</u>	<u>(3,819,190)</u>
Income tax expense	-	-
	<u>(1,765,089)</u>	<u>(3,819,190)</u>
Loss for the year	<u>(1,765,089)</u>	<u>(3,819,190)</u>
Source: Swish – 2008 and 2009 Annual Reports		

The Swish Group Limited

Cash Flow Statements

	Audited Year Ended 30/6/2008 \$	Audited Year Ended 30/6/2009 \$
Cash flows from operating activities		
Receipts from customers	6,854,669	11,480,937
Payments to suppliers and employees	(8,244,463)	(12,701,624)
Interest received	1,636	32
Borrowing costs	(20,997)	(98,892)
Net cash used in operating activities	<u>(1,409,155)</u>	<u>(1,319,547)</u>
Cash flows from investing activities		
Purchase of plant and equipment	(66,491)	(101,563)
Purchase of businesses	-	(100,000)
Net cash provided by/(used in) investing activities	<u>(66,491)</u>	<u>(201,563)</u>
Cash flows from financing activities		
Proceeds from issue of equity securities	1,620,000	1,383,783
Proceeds from borrowings	404,218	596,235
Repayment of borrowings	(547,183)	(390,806)
Capital raising costs	(90,750)	(181,220)
Net cash provided by /(used in) financing activities	<u>1,386,285</u>	<u>1,407,992</u>
Net increase/(decrease) in cash held	(89,361)	(113,118)
Cash and cash equivalents at the beginning of the year	211,064	121,703
Cash and cash equivalents at end of the year	<u>121,703</u>	<u>8,585</u>
Source: Swish - 2008 and 2009 Annual Reports		

The Swish Group Limited

Balance Sheets

	30/6/2008 Audited \$	30/6/2009 Audited \$
CURRENT ASSETS		
Cash and cash equivalents	121,703	8,585
Trade and other receivables	788,552	601,161
Inventory	-	65,701
TOTAL CURRENT ASSETS	<u>910,255</u>	<u>675,447</u>
NON CURRENT ASSETS		
Plant and equipment	460,274	371,886
Intangible assets	865,500	-
TOTAL NON CURRENT ASSETS	<u>1,325,774</u>	<u>371,886</u>
TOTAL ASSETS	<u>2,236,029</u>	<u>1,047,333</u>
CURRENT LIABILITIES		
Trade and other payables	1,903,054	2,716,890
Interest bearing liabilities	351,331	481,023
Provisions	35,225	155,295
TOTAL CURRENT LIABILITIES	<u>2,289,610</u>	<u>3,353,208</u>
NET ASSETS/(DEFICIENCY)	<u>(53,581)</u>	<u>(2,305,875)</u>
EQUITY		
Contributed equity	20,275,413	21,842,309
Options granted reserve	57,485	57,485
Accumulated losses	(20,386,479)	(24,205,669)
TOTAL EQUITY	<u>(53,581)</u>	<u>(2,305,875)</u>
Source: Swish - 2008 and 2009 Annual Reports		

Planet W Pty Ltd

Income Statements

	Unaudited Year Ended 30/6/2008 \$	Unaudited Year Ended 30/6/2009 \$	Unaudited Six Months Ended 31/12/2009 \$
Income			
Operating revenue	771,607	3,861,173	805,053
Cost of sales	(430,483)	(1,955,887)	(359,979)
Gross profit	<u>341,124</u>	<u>1,905,286</u>	<u>445,074</u>
Gross profit margin (Note 1)	44.2%	49.3%	55.3%
Expenses			
Marketing	(18,794)	(159,893)	(39,599)
Employment costs	(203,901)	(545,558)	(161,850)
Administrative expenses	(47,650)	(599,080)	(95,569)
Finance costs	1,412	8,163	27,208
Operating profit before income tax	<u>72,190</u>	<u>608,919</u>	<u>175,294</u>
Source: Planet W – management accounts for the years ended 30 June 2008 and 2009 and for the six months to 31 December 2009			

Note 1: Gross profit margin for the six months ended 31 December 2009 is 47.2% if the consulting income of \$122,781 is eliminated from the calculation.

Sources of Information

- The Notice of General Meeting and the Explanatory Memorandum which this report accompanies;
- Asset Purchase Agreement between Swish and Planet W dated 17 December 2009;
- Swish annual reports for the years ended 30 June 2008 and 2009;
- Deed of Company Arrangement dated 11 December 2009;
- Administrators Reports to Creditors dated 11 November 2009 and 16 December 2009;
- Swish's share register as at 12 March 2010;
- Swish's announcements to the ASX since 1 July 2009;
- Unaudited profit and loss statements for Planet W for the financial years ended 30 June 2008 and 2009 and for the six month period ended 31 December 2009;
- Planet W's profit and loss budget for the 2010 calendar year;
- Planet W's unaudited balance sheet as at 31 December 2009;
- Copies of agreements between Planet W, web publishers and Yahoo;
- Discussions with Directors of Swish.

Declarations, Qualifications and Consents

1. Declarations

This report has been prepared at the request of the Directors of Swish pursuant to Section 611 and Chapter 2E of the Act and Chapter 10 of the ASX listing rules to accompany the notice of meeting of shareholders to approve the Proposed Transaction. It is not intended that this report should serve any purpose other than as an expression of our opinion as to whether or not the Proposed Transaction is fair and reasonable.

This report has also been prepared in accordance with the Accounting Professional and Ethical Standards Board professional standard APES 225 – Valuation Services.

The procedures that we performed and the enquiries that we made in the course of the preparation of this report do not include verification work nor constitute an audit in accordance with Australian Auditing Standards, nor do they constitute a review in accordance with AUS 902 applicable to review engagements.

2. Qualifications

Mr Derek M Ryan and Mr Paul Lom, directors of DMR Corporate prepared this report. They have been responsible for the preparation of many expert reports and are involved in the provision of advice in respect of valuations, takeovers and capital reconstructions and reporting on all aspects thereof.

Mr Ryan has had over 35 years experience in the accounting profession and he is a Fellow of the Institute of Chartered Accountants in Australia. He has been responsible for the preparation of many expert reports and is involved in the provision of advice in respect of valuations, takeovers and capital reconstructions and reporting on all aspects thereof.

Mr Lom is a Fellow of the Institute of Chartered Accountants in Australia and a Registered Company Auditor with more than 30 years experience in the accounting profession. He was a partner of KPMG and Touche Ross between 1989 and 1996, specialising in audit. He has extensive experience in business acquisitions, business valuations and privatisations in Australia and Europe.

3. Consent

DMR Corporate consents to the inclusion of this report in the form and context in which it is included in the Explanatory Memorandum.

ANNEXURE C GLOSSARY OF TERMS

The following definitions apply throughout the Notice of Annual General Meeting and the accompanying Explanatory Memorandum, unless the context requires the contrary:

Administrators means Mr Richard Cauchi and Mr David Lofthouse of C.JL Partners Pty Ltd who were appointed as Joint and Several Administrators of The Swish Group Limited 26 August 2009 pursuant to Section 436A of the Corporations Act.

Associate has the same meaning as in Pt 1.2, division 2 of the Corporations Act.

ASIC means the Australian Securities and Investments Commission, which is empowered by the Corporations Act and other legislation to regulate the conduct of Australian corporations and enforce the provisions of the Corporations Act.

ASX means Australian Securities Exchange Limited.

ASX Listing Rules or **Listing Rules** means the official rules of the ASX as at the date of this Notice of Meeting.

Board means the board of Directors of the Company.

Company means The Swish Group Limited ACN 085 545 973.

Corporations Act means the *Corporations Act 2001* (Cth).

Constitution means the Constitution of the Company.

Deed Administrators means the Administrators acting in their capacity as Deed Administrators of the Deed of Company Arrangement.

Directors means the Directors of the Company as at the date of this Explanatory Memorandum.

DOCA or **Deed of Company Arrangement** means the Deed of Company Arrangement in respect of the Company and its subsidiaries dated 11 December 2009.

Entitlement Time means, in the context of the entitlement of Shareholders to vote, 10.00 am on the date two days prior to the date of the meeting.

Explanatory Memorandum means the Explanatory Memorandum accompanying the Notice of Meeting.

Meeting means a general meeting of Shareholders of the Company to which the Notice of Meeting relates.

Member means a holder of Shares in the Company.

Notice of Meeting means the notice of Annual General Meeting dated [insert], which this Explanatory Memorandum accompanies.

Planet W means Planet W Pty Ltd (ACN 127 051 521).

Proxy Form means a proxy form in the form enclosed with this document which is given by a Member who is eligible to vote at the meeting.

Resolution means a resolution referred to in the Notice of Meeting.

Share means a fully paid ordinary Share in the capital of the Company and **voting Share** has the same meaning.

Shareholder means Member.

Swish Group means The Swish Group Limited (ACN 085 545 973).

Voting Exclusion means, in respect those matters which the ASX Listing Rules require it, that votes will not be considered if they are made by persons who are in a position to benefit from the passing of a resolution. In respect to the Meeting, there are a number of voting exclusions which are specified in detail in the Notice of Annual General Meeting.

