

network limited

A.B.N. 96 091 780

ASX RELEASE: 2 SEPTEMBER 2004

Company Announcements Office
Australian Stock Exchange
Exchange Centre
Level 4, 20 Bridge Street
Sydney NSW 2000

Facsimile: ~~1300 300 021~~ 1900 999 279

Dear Sir/Madam

**NETWORK LTD ACQUIRES FURTHER 4,000,000 RIVKIN SHARES
FORM 603 – APPENDIX A**

Attached is Appendix "A" of 12 pages referred to in the Notice of Initial Substantial Shareholder - Form 603 just released electronically.

For more information:

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About Network Limited: *Listed on the ASX and AIM (Code: NWK), Network is an Australian based and operated outdoor media company. Network is well positioned to leverage its current position as Australia's largest outdoor media brokerage business. The company has demonstrated capabilities including over 14 years of strong growth, an extensive national network of site owners, a successful management team, and the ability to grow through strategic acquisitions. Network is well placed to consolidate its position and exploit growth opportunities in the Australian media industry.*

Websites: www.networklimited.com & www.networkoutdoor.com.au

MUTUAL SUBSCRIPTION AGREEMENT

DATED 2 July 2004

BETWEEN

**NETWORK LIMITED
A.C.N. 091 780 924**

AND

**RIVKIN FINANCIAL SERVICES LIMITED
A.C.N. 061 287 045**



DIBBS BARKER GOSLING | LAWYERS

Level 8 Angel Place 123 Pitt Street Sydney NSW 2000
GPO Box 983 Sydney NSW 2001 DX 101 Sydney
Tel 61 2 8233 9500 Fax 61 2 8233 9555
www.dbglaw.com.au

Ref: JPR/GFC:7777777x

This is annexure "A" of 12 pages referred to in form 603 Notice of initial substantial holder. I hereby certify that this is a true copy of the original.

.....
Christopher Bregenhoj

.....
Date:

29.2004

TABLE OF CONTENTS

1.	DEFINITIONS AND INTERPRETATION	1
2.	SUBSCRIPTION FOR SHARES	3
3.	COMPLETION	3
4.	QUOTATION OF SHARES AND HOLDING STATEMENTS	4
5.	TERMINATION	4
6.	CONFIDENTIALITY AND DISCLOSURE	5
7.	WARRANTIES	5
8.	NO MERGER	7
9.	NOTICES	7
10.	COSTS	8
11.	ENTIRE AGREEMENT	8
12.	NO WAIVER	8
13.	GOVERNING LAW AND JURISDICTION	8
14.	COUNTERPARTS	8
15.	ASSIGNMENT	8

THIS AGREEMENT is made on 2 July 2004

BETWEEN: NETWORK LIMITED A.C.N. 091 780 924 of Unit B3/2-4 Central Avenue, Thornleigh, New South Wales 2120 ("Network")

AND: RIVKIN FINANCIAL SERVICES LIMITED A.C.N. 061 287 045 of Level 33 Citigroup Centre, 2 Park Street, Sydney, New South Wales 2000 ("RFS")

RECITALS

- A. Network is a company listed on the ASX and AIM.
- B. RFS is a company listed on the ASX.
- C. RFS and Network have agreed to subscribe for ordinary shares in each other on the terms and conditions set out in this agreement.

OPERATIVE PROVISIONS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this agreement, including the recitals, unless contrary to or inconsistent with the context:

"AIM" means the Alternative Investment Market of the London Stock Exchange plc.

"AIM Rules" means the rules of AIM published from time to time by the London Stock Exchange plc.

"ASX" means Australian Stock Exchange Limited.

"ASX Listing Rules" means the listing rules of the ASX.

"Authorised Officer" means a director or secretary of a party or any person appointed by a party whose title or office includes the word "manager", "executive" or "vice president" or a person performing the functions of any of them.

"Business Day" means a day on which banks (as defined in the *Banking Act, 1959* (Cth)) are open for general banking business in Sydney, excluding Saturdays and Sundays.

"Completion" or "Complete" means completion of the allotment of the Network Shares to RFS and the RFS Shares to Network in accordance with this agreement.

"Completion Steps" means those actions or events specified in clause 3.5.

"Completion Date" means 2 July 2004 or such other date agreed between the parties.

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

"Network Share Price" means \$0.21 per Network Share.

"Network Shares" means 10,000,000 ordinary shares of Network to be allotted to RFS at the Network Share Price.

"RFS Cash Amount" means \$1,000,000.00.

"RFS Share Price" means \$0.22 per RFS Share.

"RFS Shares" means 5,000,000 ordinary shares of RFS to be allotted to Network at the RFS Share Price.

1.2 Interpretation

In this agreement, including the recitals, unless contrary to or inconsistent with the context:

- (a) words importing:
 - (i) the singular include the plural and vice versa; and
 - (ii) a gender includes every other gender;
- (b) a reference to a party or person includes a reference to that party or person, its successors, substitutes (including, but not limited to, a party or person taking by novation), executors, administrators and assigns;
- (c) a reference to any thing or matter is a reference to the whole and any part of it;
- (d) the word "person" includes a corporation and vice versa;
- (e) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and any governmental agency;
- (f) a reference to a group of persons or parties is a reference to any two or more of them jointly and to each of them individually;
- (g) a covenant, representation or warranty in favour of two or more persons is for the benefit of them jointly and severally;
- (h) a covenant, representation or warranty on the part of two or more persons binds them jointly and severally;
- (i) a reference to this agreement or other document includes any variation, novation or replacement of or supplement to any of them from time to time;
- (j) where any clause contains sub-clauses, paragraphs or sub-paragraphs, each sub-clause, paragraph and sub-paragraph however called will be read and construed separately and independently of any other;
- (k) a reference to a document includes without any limitation any deed or agreement in writing, certificate, notice or other instruction of any kind;
- (l) a reference to A\$ and \$ means the lawful currency of Australia;
- (m) "writing" and related expressions includes all means of reproducing words in a tangible and permanently visible form;
- (n) headings are inserted only for guidance and do not affect the interpretation of this agreement;
- (o) a reference to any statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing them and a reference to a statute includes all regulations, proclamations, ordinances and by-laws made or issued under that statute;
- (p) a reference to a body other than a party to this agreement:

- (i) which ceases to exist; or
- (ii) the powers or functions of which are transferred to another body,
- (q) is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (r) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this agreement; and
- (s) all references to accounting and financial terms have the meaning commonly given to them in accordance with the accounting principles generally accepted in Australia.

2. SUBSCRIPTION FOR SHARES

2.1 Network Shares

RFS agrees to subscribe for the Network Shares and Network agrees to allot the Network Shares to RFS on the terms and conditions set out in this agreement.

2.2 RFS Shares

Network agrees to subscribe for the RFS Shares and RFS agrees to allot the RFS Shares to Network on the terms and conditions set out in this agreement.

3. COMPLETION

3.1 Time and place for Completion

Completion will take place on the Completion Date at the offices of Dibbs Barker Gosling Lawyers, 123 Pitt Street, Sydney, New South Wales, Australia or any other time and place agreed by the parties.

3.2 Completion notice

- (a) If Completion has not occurred on or before the Completion Date, then either party may serve on the other a completion notice requiring Completion to be effected by a time and on a date which is at least five (5) Business Days but no more than ten (10) Business Days (as specified in the completion notice) after the date of service of the completion notice.
- (b) The parties agree that a completion notice served under paragraph (a) is sufficient at law and in equity to make time of the essence in respect of the time (both the date and the hour of the day) specified in the completion notice.

3.3 Completion Steps

- (a) Completion will occur when each of the Completion Steps have been completed to the satisfaction of the parties.
- (b) Each of the Completion Steps is interdependent.
- (c) No Completion Step will be effective unless each other Completion Step is completed and Completion takes place.

3.4 Reasonable endeavours

Each party will use all reasonable endeavours prior to Completion to ensure that it will be in a state of preparedness to complete the Completion Steps on the Completion Date.

3.5 Obligations at Completion

At Completion the following events must occur in sequential order and the parties agree to take all such steps and do all such things as are necessary on their respective parts to ensure that:

- (a) RFS must pay to Network, by cash or bank cheque, the RFS Cash Amount;
- (b) RFS must deliver to Network a completed application to subscribe for the Network Shares in the form of schedule 1;
- (c) Network must deliver to RFS a completed application to subscribe for the RFS Shares in the form of schedule 1;
- (d) Network must allot the Network Shares to RFS;
- (e) RFS must allot the RFS Shares to Network;
- (f) Network must register RFS in the register of members of Network;
- (g) RFS must register Network in the register of members of RFS;

4. QUOTATION OF SHARES AND HOLDING STATEMENTS

4.1 Network

Network agrees that it will:

- (a) apply for quotation of the Network Shares in accordance with the ASX Listing Rules and the AIM Rules; and
- (b) deliver to RFS a holding statement for the Network Shares,
within 10 Business Days of Completion.

4.2 RFS

RFS agrees that it will:

- (a) apply for quotation of the RFS Shares in accordance with the ASX Listing Rules; and
- (b) deliver to Network a holding statement for the RFS Shares,
within 10 Business Days of Completion.

5. TERMINATION

5.1 Termination

If either party defaults in its obligations under clause 3.5, the other party may immediately terminate this agreement by notice in writing given to the defaulting party.

5.2 Release

If this agreement is terminated, then in addition to any other rights, powers or remedies provided by law:

- (a) each party is released from its obligations to further perform the agreement except those imposing on it obligations of confidentiality; and

- (b) each party retains the rights it has against any other party in respect of any past breach.

6. CONFIDENTIALITY AND DISCLOSURE

Except as required by law or by the ASX Listing Rules or the AIM Rules:

- (a) the terms of this agreement are to be kept confidential and released to persons who are not parties to this agreement (other than the professional advisers to the parties) only by the mutual written consent of the party; and
- (b) no party may make any press release in relation to this agreement without the prior consent of the other party.

7. WARRANTIES

7.1 General

Each party represents and warrants to the other party that each of the following statements insofar as they are applicable to that party is true and correct and will be true and correct at Completion:

- (a) **(status)** it has been duly incorporated or created as the case may be and is validly existing under the laws of the place of its incorporation or creation;
- (b) **(power)** it has the power to enter into and perform its obligations under this agreement, to carry out the transactions contemplated by this agreement and to carry on its business as now conducted or contemplated;
- (c) **(corporate authorisations)** it has taken all necessary action to authorise the entry into and performance of this agreement and to carry out the transactions contemplated by this agreement;
- (d) **(documents binding)** this agreement creates valid and binding obligations enforceable in accordance with their terms, subject to any necessary stamping and registration; and
- (e) **(transactions permitted)** the execution and performance by it of this agreement and each transaction contemplated under this agreement did not and will not violate in any respect a provision of:
- (i) a law or treaty or a judgment, ruling, order or decree of a government or governmental authority or agency binding on it;
 - (ii) its memorandum or articles of association, constitution or other constituent documents; or
 - (iii) any other document or agreement which is binding on it or its assets; and
- (f) **(compliance)** it is in material compliance with all applicable laws, the ASX Listing Rules and its constituent documents.

7.2 Secondary sale

- (a) Each party represents and warrants that it has not issued or subscribed for the Network Shares (as the case may be) for the purpose of RFS selling or transferring the Network Shares, or granting, issuing or transferring options in or over the Network Shares within 12 months of Completion.
- (b) Each party represents and warrants that it has not issued or subscribed for the RFS Shares (as the case may be) for the purpose of Network selling or transferring the RFS Shares, or

granting, issuing or transferring options in or over the RFS Shares within 12 months of Completion.

- (c) RFS further represents and warrants that:
- (i) it is in compliance with its periodic and continuous disclosure obligations under the ASX Listing Rules and the Corporations Act and has disclosed all information of the kind that RFS would be required to disclose under subsection 713(5) of the Corporations Act if a prospectus was to be issued in reliance on section 713 of the Corporations Act in relation to an offer of the RFS Shares;
 - (ii) the RFS Shares are in a class of securities that are quoted ED securities (as defined in the Corporations Act) and have been such at all times in the 12 months before the date of issue of RFS Shares or this agreement and were quoted on ASX during that period without being suspended from trading for more than a total of 5 trading days; and
 - (iii) no determination is in force under subsection 713(6) of the Corporations Act in respect of RFS;
- (d) Network further represents and warrants that:
- (i) it is in compliance with its periodic and continuous disclosure obligations under the ASX Listing Rules and the Corporations Act and has disclosed all information of the kind that Network would be required to disclose under subsection 713(5) of the Corporations Act if a prospectus was to be issued in reliance on section 713 of the Corporations Act in relation to an offer of the Network Shares;
 - (ii) the Network Shares are in a class of securities that are quoted ED securities (as defined in the Corporations Act) and have been such at all times in the 12 months before the date of issue of Network Shares or this agreement and were quoted on ASX during that period without being suspended from trading for more than a total of 5 trading days; and
 - (iii) no determination is in force under subsection 713(6) of the Corporations Act in respect of Network;
- (e) RFS undertakes that at or about, and in any event no later than two Business Days after the time of issue of the RFS Shares, it will notify the ASX that:
- (i) all information of the kind that would be required to be disclosed under subsection 713(5) of the Corporations Act if a prospectus were to be issued in reliance on section 713 of the Corporations Act in relation to an offer of the RFS Shares has been disclosed to ASX; or
 - (ii) there is no information of the kind described in clause 7.2(c)(i) to be disclosed;
- (f) Network undertakes that at or about, and in any event no later than two Business Days after the time of issue of the Network Shares, it will notify the ASX that:
- (i) all information of the kind that would be required to be disclosed under subsection 713(5) of the Corporations Act if a prospectus were to be issued in reliance on section 713 of the Corporations Act in relation to an offer of the Network Shares has been disclosed to ASX; or
 - (ii) there is no information of the kind described in clause 7.2(d)(i) to be disclosed

8. NO MERGER

The provisions of this agreement capable of having effect after Completion do not merge on Completion and continue to have full effect.

9. NOTICES

9.1 Any notice to be given to one party by the other under this agreement:

(a) must be in legible writing and in English addressed as follows:

(i) if to Network:

Address: B3/2-4 Central Avenue

Thornleigh NSW 2120

Attention: Christopher Bregenhøj

Facsimile: (02) 9980 7233

with a copy to: Dibbs Barker Gosling Lawyers

Address: Level 8, 123 Pitt Street

Sydney NSW 2000

Attention: John Reen

Facsimile: (02) 8233 9555

(ii) if to RFS:

Address: Level 33 Citigroup Centre

2 Park Street

Sydney NSW 2000

Attention: Andrew Davis

Facsimile: (02) 9810 1669

with a copy to: Minter Ellison

Address: Aurora Place

88 Phillip Street

Sydney NSW 2000

Attention: James Phillips

Facsimile: (02) 9921 8123

(b) must be delivered to the recipient in person or courier hand delivery, by prepaid ordinary post or by facsimile;

(c) must be signed by a duly Authorised Officer or under the common seal of the sender;

- 9.2 A notice is regarded as being given by the sender and received by the recipient:
- (a) if by delivery in person, when delivered to the recipient;
 - (b) if by post, three Business Days from and including the date of postage; or
 - (c) if by facsimile transmission, whether or not legibly received, when the machine from which the facsimile is sent generates a transmission report confirming that all pages of the notice have been sent to the recipient's facsimile number.

9.3 A notice may be relied upon by the recipient and the recipient is not liable to the other party for any consequences of that reliance if the recipient reasonably believes the notice to be genuine, correct and authorised by the sender.

9.4 If a notice is received by facsimile on a day which is not a Business Day or after 5.00 pm on a Business Day, that notice is regarded as received at 9.00 am on the following Business Day.

10. COSTS

Each party must bear its own costs in relation to the preparation and execution of this agreement.

11. ENTIRE AGREEMENT

This agreement contains the entire understanding of the parties as to its subject matter and any and all previous understandings or agreements on that subject matter cease to have any effect from the date of this agreement.

12. NO WAIVER

12.1 The failure of a party to exercise or delay in exercising a right, power or remedy under this agreement does not prevent its exercise.

12.2 A provision of or right under this agreement may not be waived except by a waiver in writing signed by the party granting the waiver, and will be effective only to the extent specifically set out in that waiver.

13. GOVERNING LAW AND JURISDICTION

13.1 This agreement is governed by the law of New South Wales.

13.2 Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales.

14. COUNTERPARTS


This agreement may be executed in any number of counterparts and all those counterparts taken together are regarded as one instrument.

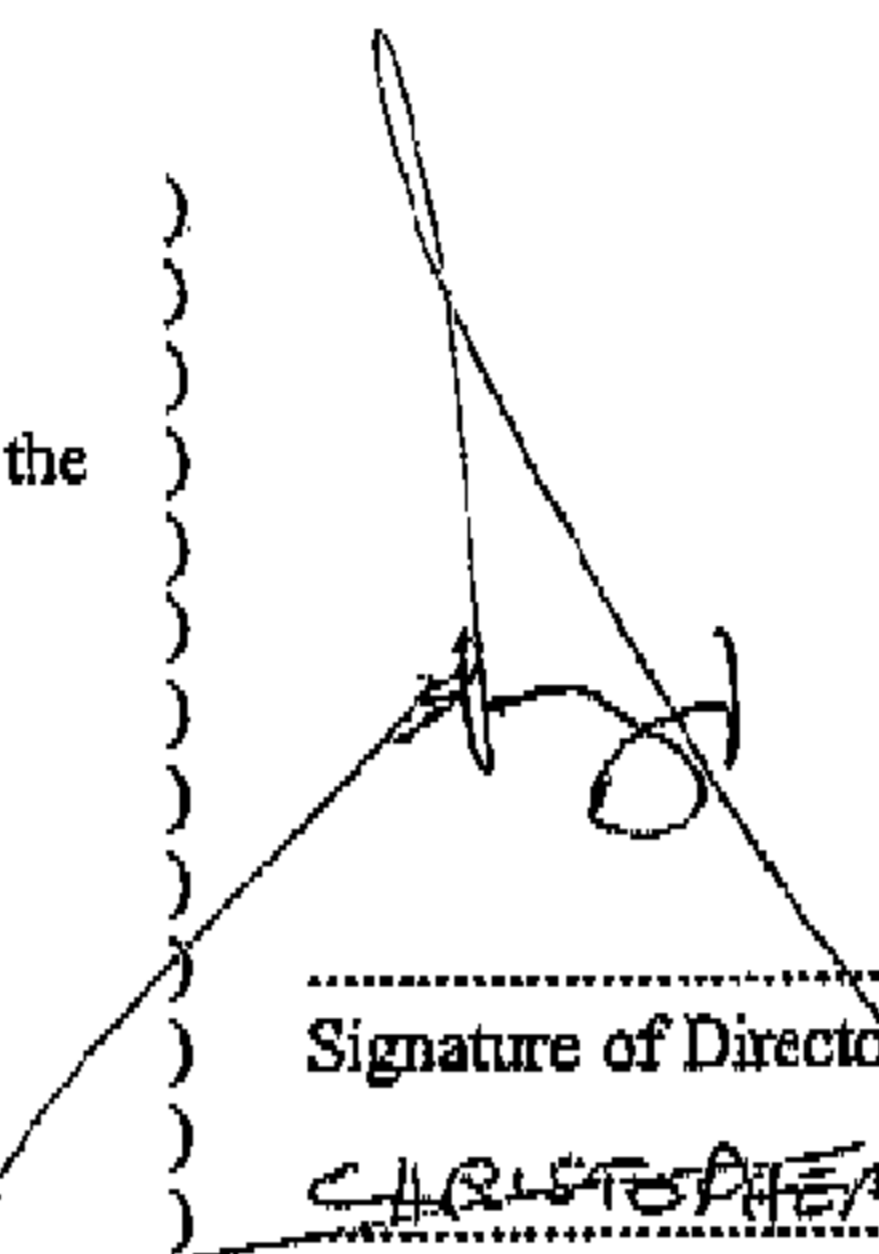
15. ASSIGNMENT

Neither party may assign its rights under this agreement without the prior written consent of the other party.


SIGNED as an AGREEMENT

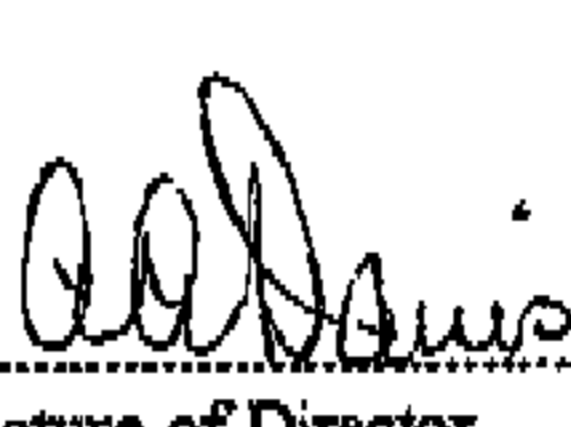
SIGNED by
NETWORK LIMITED A.C.N. 091
780 924
in accordance with section 127 of the
Corporations Act, 2001:


.....
Signature of Director/Secretary
Michael Egan
.....
Name of Director/Secretary


.....
Signature of Director
CHRISTOPHER H. BREGENTHOJ
.....
Name of Director

SIGNED by
RIVKIN FINANCIAL SERVICES
LIMITED A.C.N. 061 287 045
in accordance with section 127 of the
Corporations Act, 2001:


.....
Signature of Director/Secretary
LAWRENCE J. CHARTRET
.....
Name of Director/Secretary


.....
Signature of Director
ALAN ANDREW DAVIS
.....
Name of Director

