



ECSI LIMITED

ABN 68 004 240 313

Company Update

Proposed Transaction – Coal & Uranium

The board of ECSI Limited (ASX:ECS) after careful consideration and taking into account many different factors have decided not to proceed with the proposed transaction announced on 27 January 2012 (**proposed transaction**).

The main consideration for the board was whether the proposed transaction would bring an increase in value to shareholders of the Company, and in light of all factors the board considered it was decided to look for other opportunities.

Proposed Transaction – Mi Media Holdings & Essential Digital Group

The board of ECSI Limited are pleased to announce it has enter into an agreement with Mi Media Holdings and Essential Digital Group (**proposed transaction**), to acquire 100% of the shares in Mi Media Holdings and Essential Digital Group in exchange for the issue of 1,930,000,000 shares in ECSI Limited at a value of \$0.005 (a value of \$9,650,000) subject to shareholder approval.

Under the terms of the agreement Mi Media and Essential Digital Group subject to the completion of the transaction have underwritten \$1,000,000 under a prospectus and best endeavors over \$1,000,000 to \$2,500,000.

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The board of ECSI Limited believe this transaction will complement the present operations of the Company and bring better value to all shareholders through two avenues. Under the terms of this proposed transaction compared to the previous there is less dilution on the current shareholders of the Company and secondly the acquisition will bring to the Company both revenue and profit.

Mi Media Holdings Ltd

Mi Media Holdings Limited (known as Mi Media) is a global digital media technology company founded in 2008. The company is known for its multi-award winning technology and is recognized as a global market innovator in streaming digital media technology (global radio and music services).

The mi Roamer product has won a number of awards including:

- Finalist – Best of CES 2005 (Las Vegas)
- Winner – AIIA Award 2005 (Sydney)
- Finalist – IFA Digital Lifestyle 2005 (Berlin)
- Winner – CES Innovation Award 2006 (Las Vegas)
- Winner – CES Innovation Award 2007 (Las Vegas)
- Winner – AIIA Award 2009 (Melbourne)
- Winner – Popular Mechanics “Editor’s Choice” CES 2009 (Las Vegas)
- Winner – Anthill “Smart 100” 2010 (Melbourne)

The technology platform has many applications and makes it easier for manufacturers and carriers to add digital media content to (as part of) their product offerings. It also allows consumers to access digital media content on their connected devices which include PCs, Smartphones, tablets, web enabled car radios and other intelligent connected devices, anywhere, anytime.

The Company has completed the development and launch of its first product; mi Roamer®, and it is now poised to launch its market penetration phase in the Telecommunications (Telco) and Auto sectors, targeting key material

contracts, whilst continuing on the development of applications into other sectors. Typically, companies in this sector are predominantly technology led enterprises, Mi Media is very strategic, not to fall into this trap and instead use its technological knowhow and capabilities to develop market driven products and solutions.

The mi Roamer technology platform was designed with the future in mind and the way the digital media world is evolving. It effectively provides content aggregation and distribution solutions in a seamless manner to manage a number of issues relating to monetization, sourcing and managing content, integration (transcoding), and managing complex territorial content rights issues.

The Platform provides a complete, integrated solution for content originators, manufacturers, carriers and consumers. Whilst the technology is complex and can cater for any form of data, voice, music, movies and documents, it can simply be applied to provide unique customer solutions.

The Company predominantly follows a Business-to-Business (B2B) approach to the market, engaging original equipment manufacturers (OEMs) and telecommunication carriers to access their respective “captive” markets of thousands of consumers.

Essential Digital Group Pty Limited

Essential Digital Group Pty Limited (known as Essential Apps) is a mobile application development technology company founded in 2011. The company is known for its template application subscription services as well as bespoke application developments.

The template services technology platform has been developed to allow small to medium enterprises to launch their very own mobile application quickly,

easily and cost effectively. For a nominal monthly service fee, the solution is designed to cater for a number of varying business categories

The Company has completed the development and launch of its first suite of template application products for the iPhone, and is in the process of partnering with companies with a view to establish a number of prequalified resellers. The Company has agreed to partner with its first national carrier reseller. In addition, the Company is in deep discussions with a number of other carrier business centers and is expected to secure reseller agreements to supply its template application services across multiple territories.

The goal is to establish the Essential Apps business as the market-leading brand for all mobile application development services, with a specific focus on the small to medium businesses.

The Company provides mobile application development and management services for small to medium enterprises (SMEs). Its template application services are priced from \$39.00 per month (plus \$499.00 set-up fee). This provides a regular recurring revenue opportunity from small business clients. The template technology platform includes a web portal administration service, which allows customers to maintain their own applications without needing to contact the Company. This service ensures minimal customer contact after the service is launched, thereby minimizes the ongoing administration and support costs.

The Company also has a distribution agreement with Mobiroo (Canada) to sell mobile application gift cards. These cards allow for consumers to purchase Android and BlackBerry applications through Mobiroo's secure gift card and application delivery technology.

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TIMETABLE

Notice of Meeting and Independents
Experts Report

10 February 2013

Shareholders Meeting

11 March 2013

Prospectus

31 March 2013

Re-quotation of Securities

26 April 2013

ECS Limited Pro forma balance sheet 27/12/2012

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	ECS	Mi Media	Essential Digital	Capital Raising	Purchase of Assets	Proforma
ASSETS	A\$	A\$		A\$	A\$	A\$
Current Assets						
Cash	12,032	0	3	2,500,000	0	2,512,035
Trade & other receivable	0	62,923.95	5,657	0	0	68,581
less: Provision doubtful debts	0	-	0	0	0	-62,924
Financial Assets	0	27,709	0	0	0	27,709
Total Current Assets	12,032	27,709	5,660	2,500,000	0	2,545,401
Non-Current Assets						
Fixed Assets	0	3,860	13,703	0	0	17,563
Intangible Assets	0	1,053,783	119,103	0	0	1,172,886
Total Non Current Assets	0	1,057,643	132,806	0	9,690,000	10,880,449
Total Assets	12,032	1,085,352	138,466	2,500,000	9,690,000	13,425,850
LIABILITIES						
Current Liabilities						
Financial Liabilities	104,400	533,950	111,745	125,000	0	875,095
Trade and Other Payable	37,896	634,603	40,000	0	0	712,499
Total Current Liabilities	142,296	1,168,553	151,745	125,000	0	1,587,594
Total Liabilities	142,296	1,168,553	151,745	125,000	0	1,587,594
Net Assets	-130,264	-83,201	-13,279	2,375,000	9,690,000	11,838,256
EQUITY						
Contributed Equity	93,480,850	3,525,761	3	2,500,000	9,690,000	109,196,614
Retained Earnings	93,611,114	3,608,962	-13,282	-125,000	0	-97,358,358
Total Equity	-130,264	-83,201	-13,279	2,375,000	9,690,000	11,838,256

Notes

1. Capital raising under prospectus to raise a minimum of \$2 million up to \$2.5 million.

2. Purchase of Mi Media and Essential Digital

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Pro forma capital structure

ECSI Ltd	Starting capital	570,536,387
Mi Media & Essential Digital	Total Vendor Shares	1,938,000,000

Total Shares		2,508,536,387
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Consolidation	Consolidation 40:1	62,713,410
	Expanded capital post-transaction and post-consolidation	62,713,410

Ownership structure post-transaction and post-consolidation

Initial shareholders	22.74%
Mi Media & Essential Digital	77.26%
Total	100.00%

IPO	IPO raises \$2.5m@20cents	12,500,000
	Expanded capital post-IPO	75,213,410

Ownership structure post-transaction

IPO subscribers	16.62%
Initial shareholders	18.96%
Coal Vendors	64.42%
Total	100.00%