

18 October 2002

VIA FACSIMILE

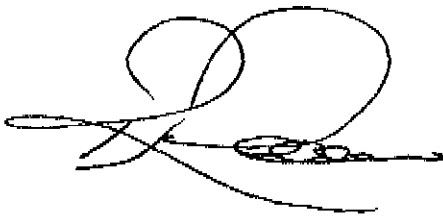
(3 Pages)

Company Announcements
Australian Stock Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

In accordance with the Listing Rules please find attached an announcement in relation to TMS' group restructuring.

Yours faithfully



Ross Pearson
Company Secretary

lasxasclax111.doc

TMS ANNOUNCES RESTRUCTURE

18 October 2002

As previously announced to the market, TMS has been negotiating with various interested parties regarding a proposed restructure.

An in-principle agreement on the restructure is part of that negotiation. No binding offer or acceptance has yet been made or received.

Subject to a number of conditions, including TMS shareholder approval, any necessary regulatory approvals and formal documentation:

- TMS would transfer the loss making Val Morgan and MEG Australian and New Zealand cinema advertising businesses ("Advertising Businesses") to major creditors of the Advertising Businesses (being the cinema exhibitors Hoyts, Greater Union and Village) ("Exhibitors") in return, particularly, for the release of existing and future liabilities under cinema advertising agreements.
- TMS would be recapitalised and will focus on growing and developing its profitable TV production and outside broadcasting business through its wholly owned subsidiary, Global Television.
- TMS will continue the review of its non-core assets, with the proceeds from any asset sales being used to reduce TMS' bank debt.

Further details of the proposed restructure are as follows:

- A standstill agreement would be entered into, pursuant to which the Exhibitors will agree to a moratorium on outstanding cinema rentals and a reduction in the rentals for the period from 1 October 2002 until the restructure is completed or terminated. An interim standstill agreement for the period from 1 October 2002 to 25 October 2002 has been agreed.
- TMS will make a rights issue, offering (at 2.5 cents per share) 5 new shares for every 2 shares currently held. For each new share subscribed for, an option to subscribe for a TMS share exercisable during the next 3 years at 2.5 cents per share will be granted.
- The rights issue will be jointly underwritten by PBL and TEN.

- An additional placement of \$2.5m on approximately the same pricing terms is expected to be underwritten by ANZ, which proceeds will be used as part of the Exhibitor transactions.
- Of the \$11.4m raised under the rights issue, TMS would use \$10 million to reduce its bank debt.
- PBL and TEN will provide limited guarantees of TMS's obligations to the ANZ of up to approximately \$13m. If the guarantees are called on during the next 3 years then the debt of TMS to PBL and TEN to the extent of the call may be capitalised at the option of PBL or TEN at 2.5 cents per TMS share.
- Each of PBL, TEN and ANZ are to be granted 50 million 4 year options to subscribe for TMS shares exercisable at 3 cents.

As would be expected, there are a number of conditions to be met for the restructure to be implemented. Reaching an agreement which balances the interests of all stakeholders has been and is a difficult and complex task.

The TMS board looks forward to finalising the formal terms of the restructure proposal and presenting it to TMS shareholders for their consideration.