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**Horizon Global Limited**  
ABN: 97 009 201 763

18 August 2006

Company Announcements  
Australian Stock Exchange Limited  
Level 5  
20 Bridge Street  
SYDNEY NSW 2000

### **SUSPENSION FROM OFFICIAL QUOTATION**

#### **Security Code “HZG”**

The Securities of Horizon Global Limited (“the Company”) will be suspended from quotation immediately, following the announcement of the Company’s proposed acquisition of Imagine Essential Services Limited and Imagine Global Pty Ltd.

Unless the ASX decides otherwise, the Company’s securities will be reinstated to quotation prior to the commencement of trading on 21 August 2006.

In accordance with the ASX’s requirements for compliance with Chapter 11 of the Listing Rules, the Company’s securities will be suspended from quotation at the close of trading on the day before the general meeting of shareholders called to approve the acquisitions, and will remain suspended until the Company has complied with Chapters 1 and 2 of the Listing Rules.

For further details, please refer to the following Company announcement.

**Paul G Burge – Director and Company Secretary**

**18 August 2006**

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**IMAGINE ESSENTIAL SERVICES LIMITED**

**and**

**IMAGINE GLOBAL PTY LTD**

Horizon Global Limited (“Horizon” - ASX : HZG) is pleased to announce that it has finalised an agreement to acquire 92.84% of Imagine Essential Services Limited (“Imagine ES”) ACN 104 433 098, and 100% of Imagine Global Pty Ltd (“Imagine Global”) ACN 114 620 692. Acquisition of the remaining 7.16% of Imagine ES is under negotiation under the same terms and conditions as the 92.84% already agreed.

Imagine ES is an unlisted public company incorporated in 2003 and based in Perth, WA. It offers cost savings and efficiencies to SME and individual customers on Essential Services, which include electricity, gas, mobile and fixed telecommunications, internet, Eftpos, web development, fuel and fleet management.

Imagine Global is a private company incorporated in 2005 and is also based in Perth, WA. It was formed to hold all global property rights associated with the Imagine business, including intellectual property, patents, and copyrights. The Australian rights have been granted to Imagine ES.

Under the agreement, which, among other things, is subject to Horizon completing due diligence (expected to be completed by 8 September 2006), Horizon will acquire the companies in exchange for the issue to the shareholders of Imagine ES and Imagine Global of:

- 437,500,000 shares in Horizon at an implied value of 4.0 cents per share for 100% of Imagine ES; and
- 87,500,000 shares in Horizon at an implied value of 4.0 cents per share for 100% of Imagine Global.

Under the agreement Horizon will also issue to Mikael Pty Ltd (ACN 112 202 972) or its nominee:

- 30,000,000 (30m) options to acquire Horizon shares at a strike price of 10c on or before 30 June 2009; and
- 30,000,000 (30m) options to acquire Horizon shares at a strike price of 15c on or before 30 June 2010; and
- 40,000,000 (40m) options to acquire Horizon shares at a strike price of 20c on or before 30 June 2011.

Mikael Pty Ltd is associated with Mr Richard Evans, the founder and CEO of the Imagine business.

The shareholders of Imagine ES and Imagine Global are unrelated parties to Horizon Global.

A Prospectus seeking a raising of approximately \$2,000,000 and outlining the detailed terms of the transaction will be prepared and sent to shareholders shortly after the completion of Horizon's due diligence. The transactions are subject to the approval of the shareholders of Horizon and the regulatory bodies. The EGM to seek shareholder approval for the transactions is expected to be held simultaneously with the 2006 Annual General Meeting of Horizon.

### **ASX Information and Shareholder Approval Process**

As the acquisition represents a change of activities of Horizon under Chapter 11 of the Listing Rules, and, if 100% of Imagine ES is acquired, will also result in the shareholders of IES and IG holding 87.64% of the issued capital of Horizon, approval from Horizon shareholders is required.

Furthermore, ASX has advised that in accordance with Chapter 11 of the Listing Rules, Horizon will be required to comply with Chapters 1 and 2 of the Listing Rules if the transaction is approved by shareholders (being the provisions that would otherwise apply to a company applying for a new listing) following shareholder approval.

Trading in Horizon shares will be suspended at the close of trading on the day immediately preceding the Annual General Meeting until the requirements of Chapters 1 and 2 of the Listing Rules have been satisfied.

The anticipated timetable for complying with Chapters 1 and 2 is provided on page 7.

### **Funding and Prospectus**

A Prospectus to raise, at a minimum, sufficient funds to satisfy the requirements of Chapters 1 and 2 of the Listing Rules will be prepared, lodged with ASIC, and sent to shareholders with the Notice of Meeting to approve the transaction and related matters and other matters relevant to the annual general meeting.

It is anticipated that an amount of approximately \$2.0m will be raised under the Prospectus, and that this amount will be sufficient for the HZG / IES / IG Group to implement its business plan in the medium term.

## **Summary Information on Imagine ES and Imagine Global (“Imagine”)**

### ***Company Background***

Imagine ES was formed in 2003 to address significant anomalies in the Essential Services marketplace, including customer isolation from vendors (for example call centres and computer interactive voice telephone systems), flaws in the distribution process, and a lack of independent industry advice for SME and individual customers.

The transactional revenue on an ongoing basis that is “managed” by Imagine advisors currently exceeds \$100 million. Imagine’s advisor pool now exceeds 400, and its client base exceeds 10,000 members. The pool of members is growing at over 300 new members per week.

The company has achieved audited profits of over \$3m from its inception to 30 June 2005. Its 2006 financial results are currently being audited, but are expected to exceed \$1m before tax.

Imagine Global was formed in 2005 as the structure to own all global property rights associated with the Imagine business model, including intellectual property, patents, and copyrights.

### ***Market Outline***

Essential Services, which include the key industries of electricity, gas, and telecommunications, have been undergoing deregulation in the Australian marketplace over the past 10 years. Collectively, consumers of these services spend more than \$69 billion annually in a form of “unconscious consumption” – they give little thought to these services as they are consumed.

The deregulation of these industries creates an opportunity for rationalization – there are now hundreds of firms offering thousands of different options to customers based on product, service, and price. For the average consumer these offerings are a bewildering array, and, for most, simply too confusing and time consuming to sort out.

As in any industry where there are many possible choices, or many variables to be considered, a conduit middle-market industry is often created to provide independent advice to assist customers in purchase decisions. Examples of this in Australia include mortgage broking, travel agency, and financial planning.

### ***Business Outline***

Imagine has created a business designed to offer Essential Services advice to small and medium sized businesses, homes, and individuals. Imagine’s services are offered to customers free of charge, with revenue streams to Imagine being generated from payments by the providers of the services recommended by Imagine. Imagine advisors have the ability to offer customers better rates than they could normally get on their own, as Imagine uses the size of its member base to create a national buying group that has access to deals not normally available to small customers. For example, a business spending as little as \$100 per month on telephony would have comparable buying power to a business spending over \$5000 per month for telephony.

The Imagine business model is based upon a licensee/franchise system. Advisors buy a license which provides them with access to the proprietary intellectual property developed by Imagine and which includes systems, training, and the national group buying rates. Advisors then market their services to registered members of Imagine, which represents a pool of qualified prospects for essential services advice. Advisors are paid an upfront commission and a portion of the trailing commission from the contracts they negotiate for their clients, with the remainder being kept by Imagine. These commissions are in most cases paid for the duration of the customer account with the vendor, and over time can build into a substantial residual income for the Advisor, as well as Imagine.

### ***Key Management and Personnel Resources***

Richard Evans – CEO and Founder

Mr. Evans has over 15 years experience in a range of commercial activities, including insurance, property, corporate project sales, financial planning, and corporate advising. He also spent 3 years in the Australian Military Forces. His recognition of the implications of deregulation led to his founding of Imagine in 2003. He leads the senior management team in developing the business model and framework to enable Imagine's rapid growth in the Australian market, as well as the planned global expansion to other markets.

Mark Gomes – Managing Director

Mr. Gomes spent a number of years in the marine industry, gaining extensive experience in transport franchising. He then entered the telecommunications field and was instrumental in building a new payphone business model which went on to become Payphones Australia, one of the largest privately owned payphone businesses in Australia.

Christopher Paull – Executive Director and GM Operations

Mr. Paull has over 30 years experience in telecommunications and electronic systems, with roles in engineering, management, and technical areas. He spent the last 10 years prior to joining Imagine as a project engineer involved in control and communications systems in mining and railways. He also assisted Imagine in development of the distribution template based on the payphone business model.

Thomas Leahy – Executive Director

Mr. Leahy has over 30 years experience, the vast majority of this in the insurance sector where he held a number of top positions with Combined Insurance Group of America, part of the AON Group. His roles included VP Sales for Australia, VP and General Manager for New Zealand, and resident VP and CEO for Asia Pacific. He was also a director of 2 other companies within CIGA. Mr. Leahy is particularly focused on licensee and executive development within Imagine.

Daniel Watson – Executive Director

Mr. Watson is an experienced general manager, management consultant, business advisor, and sales manager with over 30 years experience in the public and private sectors. Mr. Watson has had extensive management experience in the real estate industry, including almost ten years of involvement within a national real estate franchised network. He has been a director of Rhodan Management Consultants Pty Ltd for the last ten years.

Additional key managers (employed and contracted) include:

Jim Lim	General Manager	Legal & Corporate Governance
Charles D'Souza	Operations Manager	
Beau Lester	General Manager	Brand Culture
Martin Toomey	General Manager	Licensee Acquisition
Theo Gogas	Financial Controller	

In addition, Imagine ES is currently actively seeking an experienced Finance Director.

### **Summary of Proposed Transaction**

The material terms of the transaction are as follows:

- (a) Horizon will acquire a minimum of 92.84% of the ordinary share capital of Imagine ES and 100% of the ordinary share capital of Imagine Global.
- (b) The consideration payable by Horizon for the acquisition of 100% of the shares of Imagine ES is to be satisfied through the allotment and issue of 437,500,000 fully paid ordinary shares, which, subject to regulatory approval, will rank pari passu in all respects with existing Horizon shares on issue.
- (c) The consideration payable by Horizon for the acquisition of 100% of the shares of Imagine Global is to be satisfied through the allotment and issue of 87,500,000 fully paid ordinary shares, which, subject to regulatory approval, will rank pari passu in all respects with existing Horizon shares on issue.
- (d) The consideration payable by Horizon for the acquisition of the shares of Imagine IES and Imagine Global also includes the issue to Mikael Pty Ltd or its nominees:
  - i. 30,000,000 options to acquire Horizon shares at a strike price of 10c on or before 30 June 2009; and
  - ii. 30,000,000 options to acquire Horizon shares at a strike price of 15c on or before 30 June 2010; and
  - iii. 40,000,000 options to acquire Horizon shares at a strike price of 20c on or before 30 June 2011.

Mikael Pty Ltd is associated with Mr Richard Evans.

- (e) Completion of the transaction contemplated by the agreement is subject to a number of conditions precedent, including the following:
  - i. Horizon completing its due diligence investigations on Imagine ES and Imagine Global and the results of those investigations being satisfactory to the board of Horizon, in its sole and absolute discretion.

- ii. Horizon obtaining all necessary regulatory and shareholder approvals required to complete the transactions, including those pursuant to the requirements of the Corporations Act 2001 and the ASX Listing Rules.
  - iii. Completion of both acquisitions – if one acquisition does not complete for any reason, neither acquisition will complete.
- (f) The acquisition agreement contains a number of other warranties, representations and provisions that are normal for a transaction of this nature.

### **Anticipated Timetable**

The anticipated timetable for completion of the acquisition of Imagine ES and Imagine Global and the balance of the matters referred to above is set out below:

<b>Event</b>	<b>Anticipated Date</b>
Announcement of proposed acquisition	18 August 2006
Completion of due diligence by Horizon	8 September 2006
Lodgement of Prospectus with ASIC	25 September 2006
Dispatch Notice of General Meeting seeking shareholder approvals for the acquisitions, change of activities of the Company, and other matters.	29 September 2006
Trading of Horizon's securities will be suspended at the close of trading	26 October 2006
General Meeting to approve the acquisition and related matters, and 2006 Annual General Meeting	27 October 2006
Closing of offer contained in Prospectus	31 October 2006
Expected date of satisfying ASX requirements to enable suspension of trading to be lifted.	10 November 2006

### **Proforma Capital Structure**

A proforma capital structure of Horizon following completion of the acquisitions is set out in Annexure 1.

### **Proforma**

A proforma statement of financial position of the Horizon Group following completion of the acquisitions is provided in Annexure 2.

### **Consolidation of Capital**

It is anticipated that a resolution to consolidate the issued capital of Horizon on a 1 for 5 basis will be put to shareholders for approval at Horizon's 2006 AGM. All options on issue will be similarly consolidated if the consolidation of capital is approved.

### **Horizon's Other Businesses**

Horizon has investments in Horizon TV (Operations) Pty Limited (75%) and AstroVision Australia Limited (95%).

A substantial amount of time and money has been invested in developing both businesses with no meaningful success to date. While the Board of Horizon has not given up on the possibility that each business could eventually lead to the establishment of viable operations, the continued inability of their respective management to achieve the requisite milestones necessary to create such operations has now lead to a lack of confidence.

Rather than continue to commit resources under such circumstances, the Board of Horizon believes that the Imagine acquisition will, with both greater speed and certainty, lead to a recovery of share value.

### **Summary**

The Horizon Board strongly recommends this investment. Imagine ES and Imagine Global operate in a sunrise industry and already have significant first mover advantage. Plans are in place to expand Imagine's presence in the Australian market. At the appropriate time similar expansion will take Imagine overseas. These plans are likely to result in significant benefits to Horizon's shareholders. The Horizon Board expects that in due course the market capitalization of the new group will significantly exceed the current implicit valuation of \$24m.

Further detailed information will be included in the Notice of Meeting and Prospectus.

**Paul G Burge – Director and Company Secretary**

**18 August 2006**

**ANNEXURE 1**  
**PRO-FORMA CAPITAL STRUCTURE**

<b>Shares</b>	<b>Number</b>	<b>%</b>
Currently in issue	74,068,775	12.36
Issued to the vendors of Imagine ES and Imagine Global (and assuming the acquisition of 100% of Imagine ES)	525,000,000	87.64
<b>TOTAL</b>	<b>599,068,775</b>	<b>100.00</b>

**Options**

Currently in issue	35,710,607	26.31
Issued to Mikael Pty Ltd or nominees (associated with R Evans)	100,000,000	73.69
<b>TOTAL</b>	<b>135,710,067</b>	<b>100.00</b>

**All Securities (Fully Diluted)**

Currently in issue	109,779,382	14.94
Issued to the vendors of Imagine	625,000,000	85.06
<b>TOTAL</b>	<b>734,779,382</b>	<b>100.00</b>

**Note Regarding Substantial Shareholders In Horizon**

Following the completion of the Imagine ES and Imagine Global Purchases, (and assuming the acquisition of 100% of Imagine ES), the following shareholders of Imagine ES and Imagine Global will become substantial shareholders of Horizon:

<u>Imagine Shareholder</u>	<u>% Issued Shares</u>	<u>% Fully Diluted</u>
Mikael Pty Ltd or its nominees (associated with R Evans)	59.25	61.92
Nameless Holdings Pty Ltd (associated with M Gomes)	5.48	4.47
M Gomes	5.11	4.17
J Marwick	5.11	4.17

**ANNEXURE 2**  
**PRO-FORMA STATEMENT OF FINANCIAL POSITION**  
**as at 30 June 2006**

	\$ '000	\$,000
	Pre Acquisition	Post Acquisition
<b>Current Assets</b>		
Cash assets	1,002	1,097
Receivables	3	3,180
Other financial assets	34	93
<b><u>Total Current Assets</u></b>	<b>1,039</b>	<b>4,370</b>
<b><u>Non Current Assets</u></b>		
Property, plant and equipment	0	353
Intangibles – Licences	719	732
Intangibles – Goodwill On Consolidation	642	18,866
<b><u>Total Non Current Assets</u></b>	<b>1,361</b>	<b>19,951</b>
<b>TOTAL ASSETS</b>	<b>2,400</b>	<b>24,321</b>
<b><u>Current liabilities</u></b>		
Payables	87	243
Company Tax Payable	0	425
Loans	0	102
Other	0	87
<b><u>Total Current liabilities</u></b>	<b>87</b>	<b>857</b>
<b><u>Non Current Liabilities</u></b>		
Loans	0	151
<b><u>Total Non Current liabilities</u></b>	<b>0</b>	<b>151</b>
<b>TOTAL LIABILITIES</b>	<b>87</b>	<b>1,008</b>

NET ASSETS	2,313	23,313
EQUITY		
Contributed equity	18,339	39,339
Accumulated losses	(15,572)	(15,572)
Outside equity interests	(454)	(454)
TOTAL EQUITY	2,313	23,313

### **Notes**

1. The 30 June 2006 amounts have been extracted from the accounts of the Horizon Group, Imagine ES and Imagine Global. All these accounts are currently being audited.
2. The pro-forma numbers account for a share placement of 525,000,000 ordinary shares at an assumed price of 4c. This amount is the cost of acquiring 100% of Imagine ES and Imagine Global.
3. No transaction costs have been included in these balance sheets as they cannot be reasonably estimated at the date of this announcement.