

# ASX ANNOUNCEMENT



13<sup>th</sup> August 2014

ASG Group - ASX/Media Release

## ASG \$11.7m DATACENTRE SALE

### Key Points:

- Substantial \$11.7million Data Centre sale used to accelerate debt reduction
- Increased Group opportunities as a strategic partner with Vocus Communications Limited
- On track for a Net Debt Position for FY15 of less than \$10m
- Record Operating Cash position as at 30 June 2014

The Board of ASG Group Limited ("ASG") (ASX: ASZ) is pleased to announce it has entered into agreements with Vocus Communications Limited ("Vocus") (ASX: VOC ) for the sale to Vocus of its data centre located in the Perth suburb of Bentley ("Bentley Data Centre") for \$11.7million. The payment terms for the purchase are \$10.7 million paid at completion, and \$1 million deferred and payable 12 months after completion.

The ASG Board had previously identified the Bentley Data Centre as a non-core asset. While important to the workings of the group, it was recognised that the data centre would be better in the hands of a partner for whom data centres were core to their business. Vocus Communications is a leading telecommunications provider with extensive experience in operating data centres and a defined strategy of data centre expansion.

ASG will remain a tenant, thereby providing ongoing hosting services to all their managed services clients. However, as part of the transaction, Vocus will now become a preferred supplier to ASG for telecommunications services across the Group.

*"The opportunity to extract far greater synergies by entering this partnership with Vocus in this area was just far too persuasive"* Commented ASG CEO Geoff Lewis.

He added *"This is a win - win transaction for us: the sale of a non-core asset and we now have the ability to leverage a leading telecommunications partner in Vocus Communications; each company specialising in its core area of expertise. It also allows us to offer increased services to all our existing customers around Australia."*

Through the sale of the Data Centre, and the strong underlying organic growth based on its New World model, ASG is forecasting a Net Debt target of less than \$10m to be achieved for FY15.

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Mr Lewis emphasised the fact that the debt reduction was part of the debt remediation strategy previously outlined by management. This transaction allows the Company to substantially accelerate the process and complete the strategy far earlier than planned.

The unaudited financial results for FY14 show:

- Strong organic growth based on ASG's New World
- EBITDA margins in H2 FY14 that are in-line with H1 FY14, and
- Record Operating Cash position as at 30 June 2014.

-ENDS-

## For more information:

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## About ASG Group:

ASG Group Limited (ASX: ASZ) is an award winning and Australian IT business solutions provider, offering IT management and consulting services, business intelligence and thought leadership. Established in 1996, the company's goal is to provide innovative, high-quality and cost-effective services to its clients. In 2003, ASG listed on the Australian Securities Exchange.

For more information visit [www.asggroup.com.au](http://www.asggroup.com.au)

## About Vocus:

Vocus Communications (ASX:VOC) is an ASX listed leading telecommunications provider of Data Centre, Dark Fibre and International Internet connectivity across Australia, NZ, Singapore and the US. The company provides high performance, high availability, and highly scalable communications solutions, which allow service providers to quickly and easily deploy new services for their own customer base.