

Eftel Acquires Visage Telecom Pty Ltd

6 August 2012

Eftel Limited (**ASX: EFT**) today signed an agreement to acquire all of the issued shares of Visage Telecom Pty Ltd, an Australian voice product service provider to small and medium businesses.

The acquisition represents total consideration on a post synergy annual EBITDA multiple of less than two times.

This acquisition continues Eftel's strategy of identifying value adding synergistic businesses, acquired with market competitive EBITDA multiples, with relatively low investment payback timeframes – creating immediate value to Eftel shareholders.

Eftel CEO Scott Stavretis commented, "This acquisition reinforces that the company can identify and acquire assets that offer immediate benefit to the bottom line, at very reasonable valuations."

"Our team is highly experienced and geared to manage acquisitions of this nature. With that experience, we are confident that we will successfully implement all synergies identified within 30 days."

The consideration of \$450,000 will be paid by way of cash instalments totalling \$225,000 and the issue of Eftel shares valued at \$225,000 (at an issue price of 17.5 cents per share). The Vendor of Visage (and hence, holders of the Eftel shares to be issued) are interests associated with Sydney based John Beville, a successful entrepreneur with varied business and investment interests. The issued shares will be held in voluntary escrow for 12 months.

There will also be a cash adjustment for net tangible assets acquired, which is anticipated to be less than 10% of the purchase price.

The transaction is expected to reach Completion within the next 72 hours.

Enquiries:

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The logo for ClubTelco, featuring the word "ClubTelco" in a bold, blue, sans-serif font. The "Telco" part is partially overlaid by a circular pattern of grey dots of varying sizes, creating a textured effect.

About Eftel Ltd

Eftel Ltd is a multiple award winning Internet and telecommunications provider across the retail, wholesale, corporate and government sectors.

The retail division is a Top 10 Internet Service Provider offering a full suite of consumer Internet products. Its flagship brand - ClubTelco - provides a premium level of service and extensive member benefits.

The wholesale division services a large proportion of Australia's service providers, enabling them access to a very broad gateway of services via Eftel's extensive carrier partner network.

The corporate division offers tailored solutions to business and government clients throughout Australia. It is a preferred supplier to the Victorian Government.

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