

ASX Release
17 December 2014

VOCUS AND AMCOM AGREE TERMS UNDER WHICH VOCUS TO ACQUIRE OUTSTANDING SHARES IN AMCOM

CREATES A NATIONAL TELECOMMUNICATIONS INFRASTRUCTURE PROVIDER

- **Vocus and Amcom have entered into a Scheme Implementation Agreement under which Vocus will acquire the outstanding 90% of shares it doesn't own in Amcom via a scheme of arrangement**
- **Amcom shareholders are to receive 0.4614 Vocus shares for each Amcom share**
- **Amcom shareholders to continue to be part of the upside of their business, in addition to sharing in the growth opportunity of the combined national provider**
- **Three Amcom directors to join an expanded Vocus Board which will total 8 people. Tony Grist will become Deputy Chairman with David Spence to continue as Chairman and James Spenceley as CEO**
- **Transaction is accretive to both shareholder groups**
- **Amcom's Board of Directors unanimously recommends that shareholders vote in favour of the scheme**

Vocus Communications Limited ("Vocus", ASX:VOC) and Amcom Telecommunications Limited ("Amcom", ASX:AMM) announce that they have entered into a scheme implementation agreement ("Scheme Implementation Agreement"), subject to certain conditions, under which Vocus will acquire the outstanding 90% of shares in Amcom it doesn't own by way of a scheme of arrangement ("Scheme").

The Scheme Implementation Agreement follows Vocus' acquisition of a 10% interest in Amcom and approach to the company announced on 27 October 2014 and the subsequent discussions and agreement to enter into exclusive, mutual due diligence announced on 10 November 2014.

The Scheme will be subject to Amcom shareholder and Court approvals. If approved, Amcom shareholders will receive a fixed exchange ratio of 0.4614 Vocus shares for each Amcom share, representing a value of \$2.45 per Amcom share based on Vocus' undisturbed closing share price on 24 October 2014. The Scheme consideration will not be adjusted by any interim or special dividend declared by Amcom or Vocus prior to implementation, subject to an agreed cap of \$0.05 per share for Amcom and \$0.063 per share for Vocus.

Amcom's Board of Directors unanimously recommends that Amcom shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to an Independent Expert opining that the Scheme is in the best interests of Amcom shareholders.

The implementation of the Scheme is subject to several conditions, including:

- Amcom shareholders approving the Scheme at a Scheme Meeting;
- Satisfaction of all regulatory approvals;
- An Independent Expert opining that the Scheme is in the best interest of Amcom shareholders;
- No material adverse event or prescribed occurrence by either Vocus or Amcom; and
- Court approval.

Vocus and Amcom have identified cost synergies of at least \$13-15m per annum, which are expected to be fully implemented by the end of FY17. In addition to cost synergies, there are significant revenue synergies from the expanded and complementary product sets and cross-selling opportunities to respective customer bases.

The transaction is expected to be highly earnings and cash flow accretive to both sets of shareholders in the first full financial year following completion¹.

Three Amcom directors will join an expanded eight person Vocus Board, as representatives of Amcom shareholders who will hold approximately half of the combined entity. David Spence will continue as Chairman, James Spenceley as CEO and Tony Grist will be appointed Deputy Chairman. Amcom CEO Clive Stein will continue with the Amcom business for a period following completion of the transaction to ensure a smooth transition.

"Vocus and Amcom are highly complementary businesses that make this transaction strategically unique. This acquisition enhances Vocus' positioning to create a national telecommunications infrastructure provider to service commercial, channel and wholesale customers. This is an exciting day for both sets of shareholders", said Vocus Chairman David Spence.

"This proposal represents an attractive value outcome for shareholders and a unique opportunity to participate in the continued growth of the companies. The combined businesses are incredibly complementary and the combination will add scale, significant synergy benefits and real value for both companies' shareholders", said Amcom Chairman Tony Grist.

A Scheme Meeting will be scheduled, and subject to the conditions of the Scheme being satisfied, the Scheme will be implemented in April 2015. A copy of the Implementation Agreement will be lodged separately.

Vocus is being advised by Credit Suisse Emerging Companies and Minter Ellison and Amcom is being advised by Lazard and Clayton Utz.

¹ Before Scheme transaction and implementation costs and the earnings impact of any purchase price accounting allocations.

OVERVIEW OF VOCUS

A member of the S&P/ASX 200 Index², Vocus is a leading provider of integrated telecommunications services, including fibre solutions, international IP transit and data centre facilities.

Vocus owns approximately 600km of metro fibre in Australia and over 4,200km of intercity fibre in New Zealand. Vocus' metro fibre network connects over 1,000 buildings in capital cities and has an additional ~30,000 buildings within its footprint.

In addition to its fibre network, Vocus owns submarine cable capacity connecting Australia to Singapore, New Zealand and the United States, along with data centre facilities in Auckland, Sydney, Melbourne, Newcastle and Perth.

Vocus has a strong track record of accretive acquisitions, acquiring data centre providers E3 Networks in 2010 and Perth iX in 2011, dark fibre provider Digital River in 2011, and both Maxnet and Ipera Communications in 2012. In the current fiscal year, Vocus acquired the Bentley Data Centre from ASG Group in August 2014 and in September 2014 further expanded its New Zealand presence with the acquisition of FX Networks.

OVERVIEW OF AMCOM

Amcom is an ASX listed telecommunications and IT company that via national data network access delivers business grade data and internet services, business class Unified Communications and IP voice, cloud solutions and managed services.

Amcom's business is centred largely in Perth, Adelaide and Darwin where it owns approximately 2,300km of fibre network, 7 data centres, two industry leading Unified Communications platforms deployed nationally and provides a range of IT services.

Following the acquisition of Megaport and FirstPath fibre access agreement, Amcom has expanded its presence on the East Coast with the addition of 180km of fibre network in Melbourne, Sydney and Brisbane and access to 200 Sydney CBD buildings.

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² Vocus' entry to the S&P/ASX 200 in the December 2014 Quarterly Rebalance of S&P/ASX Indices was announced on 5 December 2014 and will become effective after the close of trading on 19 December 2014.