

**ASX Announcement  
My Net Fone Limited (ASX: MNF)**

**Sydney – 2nd April 2015  
For Immediate Release**

**My Net Fone acquires Telecom New Zealand International voice business “TNZI”**

The Board of Australian telecommunications provider My Net Fone Limited (ASX:MNF) is pleased to announce the purchase of the global wholesale voice business of Telecom New Zealand International (“TNZI”), the dominant international wholesale voice carrier in New Zealand. TNZI currently has operations in 6 countries and carries over 2.8 Billion minutes annually.

My Net Fone will pay NZ\$22.4m in cash for TNZI’s long-term provision of the bulk of international voice traffic to and from New Zealand, as well as its proprietary platforms and traffic management systems. Based on current activities, the Board anticipates the acquisition to generate revenues in the range of AU\$90m to AU\$100m in FY16, with EBITDA of approximately AU\$3.5m before potential synergies and savings.

My Net Fone will initially fund the acquisition by means of a low cost \$25m bank facility to cover the purchase price and working capital with a conservative buffer.

My Net Fone expects to settle and complete the purchase of TNZI from Spark New Zealand Limited (ASX:SPK) by the end of April 2015, with the US assets to complete following US government approval, and will immediately combine the group’s international trading operations under the TNZI brand.

The acquisition of TNZI consists of:

- A carrier grade global voice network, spanning 4 continents: Europe, North America Asia and Oceania (Australia, New Zealand and the Pacific). This network includes all physical assets and operating contracts required to operate the business.
- Specialist staff with extensive experience in the global voice trading business, strategically covering the UK, USA, and Australian markets, with headquarters in New Zealand.
- Sophisticated custom-built international voice trading systems, including all intellectual property and software source code.
- An extensive portfolio of over 220 international carrier relationships and interconnect agreements around the globe, including many of the world’s leading Tier 1 carriers.
- The TNZI brand, which enjoys a long-established and highly regarded global reputation for quality and reliability.

“The acquisition of TNZI and its international voice business is a huge step up for My Net Fone. This transforms My Net Fone into a significant voice player in the global market”,

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commented Mr Sugo, CEO, It would have taken the company many, many years and a far greater investment to build the team, capabilities, customer base and network reach that this great deal brings us”, he added.

The acquisition of TNZI provides the My Net Fone group with a unique opportunity to add the benefits of its existing services with substantial additional global minutes traffic. The additional network footprint and customer relationships are expected to provide a launching pad for the company to take its highly profitable wholesale hosted services to a global market. The company plans to build out the TNZI network with additional capabilities in order to deliver My Net Fone’s high value, high margin product suites, including iBoss and TollShield, as well as hosted value-added services such as number hosting, managed SIP trunks, and managed end-points. This is the key strategy in building a high value voice oriented business with strong and sustainable EBITDA margins and growth.

The compelling rationale and strategic benefits for the acquisition for MNF include:

- Additional initial wholesale voice trading revenues of approximately AU\$90m to AU\$100m per annum.
- Initial full year EBITDA of approximately AU\$3.5m.
- Adds scale with an incremental 2.8 Billion minutes per annum, which includes 400 million Australian terminating minutes.
- Provides a global customer base of 220 wholesale voice customers, many of which are long term loyal customers.
- A strategic 3 year exclusive trading agreement with the dominant NZ retail telecommunications provider Spark New Zealand for international minutes estimated at AU\$10m per annum in revenue.
- Provides fully interconnected network and points of presence in key global voice trading centres.

The decision to use debt is a pivotal one in the growth and development of My Net Fone as a fast growing mid-size telco. “The board is of the opinion that a modest amount of debt with a healthy EBITDA cover is sensible leverage to allow the company to grow quickly while limiting dilution and increasing shareholder value. We understand that a lot of shareholders appreciate the debt-free status that My Net Fone has enjoyed in the past, and the current plan is to pay down the debt with the proceeds generated by the acquisition itself within 5 years”, said Mr Sugo, CEO.

The ASX has reviewed the details of this transaction and the application of Listing Rule 11 (Significant Transactions). The ASX has determined that My Net Fone is not required to obtain shareholder approval under listing rule 11.1.2 and is not required to comply with listing rule 11.1.3.

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### **About MyNetFone Limited**

My Net Fone Limited, (ASX:MNF) is Australia's largest provider of hosted voice and data communications services for business, enterprise and residential users. My Net Fone was founded in 2004 and listed on the ASX in mid 2006, has 62.7 million shares on issue, has operated profitably since 2009 and has paid dividends to its shareholders every six months since September 2010.

Its wholly owned subsidiary, Symbio, owns and operates Australia's largest VoIP network, providing wholesale carrier services to the Australian and international communications industry and carrying 3.2 Billion minutes of voice per annum.

My Net Fone has a reputation for quality, value and innovation, having won numerous awards including the Forbes Asia's 200 Best Under a Billion (2014), Deloitte Technology Fast 50 (2008, 2009, 2010, 2012, 2013), CeBIT Outstanding Project Award (2013), PC User Product of the Year (2005), Money Magazine Product of the Year (2007) and many others.



My Net Fone Group of companies includes retail brands MyNetFone, Connexus, CallStream, PennyTel and The Buzz; and wholesale brands Symbio Networks and iBoss.

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