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Vocus Announces Granting of Non-Exclusive Due Diligence

On 7th June 2017, Vocus Group Limited (**Vocus or Company**) (ASX:VOC) announced that it had received a preliminary, indicative and non-binding proposal from Kohlberg Kravis Roberts & Co. L.P. (together with its affiliates, **KKR**) to acquire 100% of the shares in Vocus (on a fully diluted basis) at a price of \$3.50 cash per share, via a scheme of arrangement (**Indicative Proposal**).

The Board of Vocus, together with its financial advisors, has carefully reviewed the Indicative Proposal in the context of the Company's strategic plans as outlined at the Company's recent Investor Day held on 14th June 2017. Based on this review, the Board has determined that, subject to negotiation of an appropriate confidentiality agreement, it is in the best interests of shareholders to grant KKR the opportunity to conduct due diligence on a non-exclusive basis in order to establish whether an acceptable binding transaction could be agreed.

Commenting on the Indicative Proposal, Vocus' Chairman David Spence said, "The Vocus Board believes that the management of Vocus has established a strong strategic plan which will deliver value for shareholders both in the short and medium term. While we are confident that the management team can deliver on the strategic plan, we believe it is in the best interests of shareholders to grant KKR due diligence to explore whether a potential whole of company proposal is available that takes into account the benefits that the plan delivers."

The Indicative Proposal is subject to a number of conditions, including due diligence to KKR's satisfaction, availability of financing, unanimous recommendation from the Vocus Board, and entry into a definitive scheme implementation agreement between the parties.

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Any scheme implementation agreement would also be subject to a number of further conditions, including a determination by an independent expert that the transaction would be in the best interests of shareholders, shareholder and court approvals and all required regulatory approvals and clearances (including FIRB approval).

The Vocus Board notes that there is no certainty that granting due diligence based on the Indicative Proposal will result in an acceptable offer for Vocus, nor what the terms of any such offer would be, or whether there would be a recommendation by the Vocus Board.

Vocus shareholders do not need to take any action in response at this time and the Vocus Board will update shareholders as appropriate.

– ENDS –

For further information, please contact:

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About Vocus (ASX: VOC): Vocus Group is an ASX listed, vertically integrated telecommunications provider, operating in the Australian and New Zealand markets. The Company owns an extensive national infrastructure network of metro and back haul fibre. It

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connects all capital cities and most regional cities across Australia and New Zealand and directly connects more than 5,500 buildings. Vocus owns a portfolio of brands catering to corporate, small business, government and residential customers across Australia and New Zealand. Vocus also operates in the wholesale market providing 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.

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