

M2 TELECOMMUNICATIONS GROUP LTD (ASX: MTU)

M2 TO PROVIDE \$5.5M LOAN TO AGGREGATO GLOBAL LTD

Friday, 6 September 2013: M2 Telecommunications Group Ltd ("M2", ASX: MTU) today announces that it has entered into an agreement to provide a \$5.5 million, three-year, secured debt facility to Aggregato Global Ltd ("Aggregato").

Aggregato, a specialist provider of fixed and mobile pre-paid calling products, is an unlisted public company in which M2 holds a 32% equity interest¹. Aggregato will use the loan funds to acquire a US-based, pre-paid calling business, which is a complementary bolt-on to their existing business.

The debt facility is provided on commercial terms and first-ranking security arrangements are in place to protect M2's position under the facility. The terms of the facility also provide M2 with the option to convert all or part of the then-outstanding amount into equity in Aggregato on the date that the final repayment is due or on Aggregato undertaking an Initial Public Offering. These conversion rights, if exercised, would allow M2 to increase its equity interest in Aggregato.

Geoff Horth, M2 CEO said of the loan, "Aggregato is a well-performing, established business with strong growth prospects. The provision of this facility presents the opportunity for Aggregato to further expand and therefore, the opportunity for M2, as a substantial shareholder, to enhance its investment and future returns."

M2 Executive Director Vaughan Bowen was appointed non-executive Chairman of the Aggregato Board of Directors on M2's acquisition of its 32% equity interest. An entity controlled by Mr Bowen is the holder of a convertible note in Aggregato which, if converted, would give it an 8% equity interest in the business. The M2 Board of Directors notes that Mr Bowen did not participate in the decision to provide Aggregato with the debt facility.

¹ as disclosed in half and full year 2013 financial reports on 25 February and 26 August 2013, respectively

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ASX Release



About M2 Telecommunications Group Ltd

Established in 1999, M2 Telecommunications Group Ltd ("M2", ASX: MTU) is a fast-growing provider of a range of communication and utility services to Australian households and small businesses. Listed on the ASX in 2004, M2 gained entry into the S&P/ASX200 in 2012. Headquartered in Melbourne, M2 has more than 3000 team members across Australia, New Zealand and the Philippines.

M2 comprises three segments: Consumer, Business and Wholesale. **iPrimus** and **Dodo** lead M2's entry into the Consumer market, providing low cost / high value services to Australian families and individuals. **Commander** is M2's leading brand for the Business market, with our well-established and external network of Commander Dealers around the country. M2 Wholesale provides fixed line, mobile and data telecommunications services to junior reseller telcos, with a range of support services to assist partner growth.

For more about M2 visit www.m2.com.au.

Related Company sites (part of the M2 Group):

- www.commander.com
- www.iprimus.com.au
- www.dodo.com.au
- www.m2wholesale.com.au