

Seven Group Holdings confirms sale of Engin

24 September 2012 -- Seven Group Holdings today confirmed the sale of Engin to Eftel Limited.

Eftel Limited has acquired the business of Engin, a leading Voice over Internet Protocol (VOiP) network, including customer contracts and intellectual property for a total consideration of \$9.1 million.

(Attached is Eftel's ASX statement on the acquisition of Engin)

About Seven Group Holdings

SGH comprises WesTrac Group, National Hire Group and significant shareholdings in major media companies in Australia – encompassing broadcast and subscription television, magazine and newspaper publishing, and online and new media technologies. WesTrac Group is the sole authorised Cat dealer in Western Australia, New South Wales/ACT and in North Eastern China territories and is one of Caterpillar's top five dealers globally (by sales value). SGH also owns National Hire Group (which itself has a 46 per cent shareholding in Coates Hire, Australia's largest equipment hire business). In media, SGH has a 33.2 per cent shareholding and holds convertible preference shares in Seven West Media, Australia's largest multiple platform media company, including Seven Network, West Australian Newspapers, Pacific Magazines and Yahoo!7. SGH also has a 24.5 per cent investment in Consolidated Media Holdings, which has a 25 per cent shareholding in Foxtel and a 50 per cent shareholding in Fox Sports Australia (previously Premier Media Group).



Eftel Announces Acquisition of Engin

24 September 2012

Eftel Limited (**ASX: EFT**) today announced it has signed an agreement to purchase the business of Engin, including the customer contracts and intellectual property.

Engin established the first commercially available Voice over Internet Protocol (VoIP) network in Australia in 2004 and has extensive technical skills in IP voice technologies.

Engin had revenues in excess of \$20m in FY12, predominately through the sale of VoIP services to Consumer, Business and Wholesale customers - with over 85,000 VoIP Services in Operation. In addition to its VoIP services, the business also sells ADSL Broadband, PSTN Telephony and Mobile services.

The full year annualised underlying EBITDA contribution of the business to Eftel is expected to be over \$2.5m, after expected one-off restructuring costs of approximately \$0.8m. Eftel will fund the acquisition primarily from new debt of \$9m.

The total purchase price of \$9.1m is approximately 3.5 times underlying EBITDA, post planned synergies.

Eftel CEO Scott Stavretis said today, "Over the last 12 months we have established an operation that can deliver large cost advantages from acquired businesses. Due to that foundation we are able to extract significant earnings from this acquisition, extracting additional value from the increase in revenue that Engin brings into Eftel."

"Not only does the acquisition of Engin provide immediate benefit to shareholders, this transaction is also strategically very important to Eftel. As the National Broadband Network (NBN) rolls out across the country, VoIP will be the solution used to deliver traditional fixed line voice calls. The VoIP scale and experience acquired under this transaction will greatly assist the Eftel business as the industry undergoes this technology change."

Commenting on the balance sheet effectiveness of this transaction, Scott Stavretis said, "This acquisition is value accretive for Eftel shareholders. It is consistent with the Board's stated objective of taking a cautious and measured approach to borrowings when adding earnings and cash flow accretive acquisitions, as Eftel continues to build its portfolio of synergistic profit generating assets".

Enquiries:

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The ClubTelco logo, featuring the word "ClubTelco" in a bold, blue, sans-serif font. To the right of the text is a circular graphic composed of a grid of small dots, with some dots highlighted in blue to form a star-like shape. The background of the top right corner features a pattern of light grey circles of varying sizes.

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.