



**ASX Release
26 May 2015**

**SUPPLEMENTARY DISCLOSURE - DIVESTMENT OF 10% AMCOM INTEREST BY
VOCUS**

- Amcom and Vocus remain fully committed to implementation of the Scheme
- The directors of Amcom continue to unanimously recommend that Amcom shareholders vote in favour of the Scheme, in the absence of a superior proposal
- The Scheme Meeting will now be held at 11:00 am (Perth time) on Monday, 15 June
- Proxy votes must be received by 11:00 am (Perth time) on Friday, 12 June

Amcom Telecommunications Limited ("Amcom") (ASX:AMM) refers to the recent announcements made by Amcom and Vocus Communications Limited ("VOC") (ASX:VOC) that Vocus has divested its interest in 26,639,915 shares in Amcom.

Amcom today announces that the Federal Court of Australia has approved, and the Australian Securities and Investments Commission has registered, a letter to be sent to Amcom shareholders which contains supplementary information which may be relevant to their vote on the previously announced scheme of arrangement ("Scheme") under which Vocus will acquire Amcom ("Second Supplementary Information Letter").

A copy of the Second Supplementary Information Letter is attached to this announcement and is also available on Amcom's website (www.amcom.com.au). A copy of the Second Supplementary Information Letter will be sent to Amcom shareholders on or around Wednesday, 27 May 2015.

The Scheme Meeting will be held at 11.00 am (Perth time) on Monday, 15 June 2015 at the Perth Convention Exhibition Centre, 21 Mounts Bay Road, Perth, Western Australia ("Scheme Meeting").

The time for determining eligibility to vote at the Scheme Meeting will now be 5.00 pm (Perth time) on Saturday, 13 June 2015. All Amcom shareholders are encouraged to vote either by attending the Scheme Meeting in person, or by lodging a proxy vote either by returning their completed proxy form or by voting online at www.investorvote.com.au by 11.00 am (Perth time) on Friday, 12 June 2015.

The Amcom directors continue to unanimously recommend that Amcom shareholders vote in favour of the Scheme, in the absence of a superior proposal. In addition, each Amcom director has not changed their intention to vote in favour of the Scheme in relation to the Amcom shares held or controlled by them, in the absence of a superior proposal.

Shareholder Information Line

Amcom shareholders who have questions regarding the Scheme, the Scheme Booklet or the Supplementary Information Letter should contact Amcom's shareholder information line on 1800 992 673 (within Australia) or +61 1800 992 673 (outside of Australia) Monday to Friday between 7.00 am and 4.30 pm (Perth time).

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26 May 2015

Dear Shareholder,

SUPPLEMENTARY DISCLOSURE - DIVESTMENT OF 10% AMCOM INTEREST BY VOCUS

As previously announced, Amcom Telecommunications Limited ("Amcom") (ASX:AMM) entered into a Scheme Implementation Agreement with Vocus Communications Limited ("Vocus") (ASX:VOC) under which it is proposed that Vocus will acquire Amcom by way of a scheme of arrangement ("Scheme"). Under the proposed Scheme, Amcom shareholders would receive 0.4614 new Vocus shares for each Amcom share they hold.

The Scheme Booklet dated 30 March 2015 was released to ASX on that date and sent to all Amcom shareholders on or before 2 April 2015. Supplementary information dated 21 April 2015 was released to ASX and sent to all Amcom shareholders on that date ("First Supplementary Disclosure").

Since the date of the Scheme Booklet and First Supplementary Disclosure, Vocus released an announcement dated 14 May 2015 announcing that it had divested its interest of approximately 10% in Amcom ("Vocus Divestment").

Details of the Vocus Divestment are set out below.

Scheme Booklet

The purpose of this letter is to provide supplementary disclosure to Amcom shareholders as a result of the Vocus Divestment.

This letter supplements and should be read together with the Scheme Booklet and First Supplementary Disclosure. The Scheme Booklet and the First Supplementary Disclosure, together with this letter, contain all the information relevant to the Scheme. Other than outlined in this letter and the First Supplementary Disclosure, there has been no material change to the information contained in the Scheme Booklet.

I strongly encourage shareholders to read this letter in conjunction with the Scheme Booklet carefully and in full. Shareholders should seek their own independent financial, taxation or other professional advice before making a decision regarding the Scheme.

Vocus Divestment

As at the date of the Scheme Booklet, Vocus held a relevant interest in 26,639,915 ordinary shares in Amcom (representing approximately 10% of the issued capital of Amcom).

In an announcement dated 14 May 2015, Vocus announced the Vocus Divestment to ASX. Amcom consented to the Vocus Divestment under the Scheme Implementation Agreement, including the termination and settlement of the physically-settled equity swap with Commonwealth Bank of Australia (as announced by Vocus to ASX on 27 October 2014) under which Vocus held its relevant interest in the Amcom shares.

Vocus is no longer a substantial holder in Amcom and does not otherwise have any relevant interest in any Amcom shares.

Notwithstanding this action, Vocus remains fully committed to pursuing the Scheme under which Vocus would acquire Amcom, an outcome that Vocus strongly believes is in the best interests of all Amcom and Vocus shareholders. Amcom shareholders who are registered on the Amcom share register at the time for determining eligibility to vote at the Scheme Meeting (see below) are eligible to vote on the Scheme, including in respect of the Amcom shares the subject of the Vocus Divestment.

Section 5.12 of the Scheme Booklet contains an overview of Vocus' historical and pro forma historical financial information, including in relation to the interim financial statements for the 6 months ended 31 December 2014, and section 5.13 contains information in relation to material changes in the financial position of Vocus since the date of its half-yearly financial reports for the 6 months ended 31 December 2014. This information was further updated in the First Supplementary Disclosure.

Relative to the combined group pro forma historical financial information presented in the Scheme Booklet, the sale of Vocus' relevant interest in 26,639,915 Amcom shares will result in the combined company's debt financing requirement being reduced by \$55.3 million and Vocus will issue an additional 12.29 million shares on successful completion of the Scheme.

The pro forma realised gain from the disposal of the relevant interest in Amcom is expected to be \$6.0 million as compared to the unrealised gain expected on physical settlement of the equity derivative of \$26.9 million disclosed in the Scheme Booklet, reflecting the difference between the actual sale price achieved and Amcom's share price as at 31 December 2014.

On a standalone basis, Vocus has realised a gain of \$6.0 million before tax from the disposal of its relevant interest in Amcom (which replaces the \$26.9 million unrealised gain as at 31 December 2014). The Amcom interest was held via a physically-settled equity swap and was not reflected in the Statement of Financial Position, thus the disposal of this relevant interest will have no material impact on the net debt position of Vocus on a standalone basis relative to that presented in the Scheme Booklet.

Section 6.5 of the Scheme Booklet contains an estimate of Vocus' capital structure after the Scheme is implemented. Section 6.6(a) of the Scheme Booklet also contains an estimate of the number of new Vocus shares to be issued to Amcom shareholders under the Scheme which is calculated based on the number of Amcom shares on issue excluding the 26,639,915 Amcom shares in which Vocus previously held a relevant interest. As a consequence of the Vocus Divestment:

- 124,483,020 new Vocus shares are expected to be issued to Amcom shareholders as consideration under the Scheme; and
- 229,911,635 Vocus shares are expected to be on issue following implementation of the Scheme.

The updates to the Scheme Booklet described above have been incorporated in an updated section 6.6 of the Scheme Booklet, which is set out in the Annexure to this letter and replaces the existing section 6.6 of the Scheme Booklet.

No change to Amcom directors' recommendation and voting intentions

The Amcom directors have considered the advantages and disadvantages of the Scheme, including in light of the Vocus Divestment, and continue to unanimously recommend that Amcom shareholders vote in favour of the Scheme, in the absence of a superior proposal.

Each Amcom director intends to vote in favour of the Scheme in relation to the Amcom shares held or controlled by them, in the absence of a superior proposal.

The reasons for the Amcom directors' recommendation and support of the Scheme have not changed. These reasons and other relevant considerations are set out in the Scheme Booklet.

No change to the Independent Expert's conclusion in relation to the Scheme

PricewaterhouseCoopers Securities Ltd was appointed by Amcom to prepare an Independent Expert Report on the Scheme, a copy of which was included in the Scheme Booklet, and concluded that the Scheme is in the best interests of Amcom shareholders, in the absence of a superior proposal.

Amcom requested the Independent Expert to reconsider its opinion in light of the Vocus Divestment. The Independent Expert has provided a supplementary letter dated 18 May 2015 ("Supplementary Independent Expert's Letter") which confirms that after its consideration of the Vocus Divestment, the Scheme continues to be in the best interests of Amcom shareholders, in the absence of a superior proposal.

Independent Investigating Accountant's Report

Ernst & Young Transaction Advisory Services Limited was appointed by Amcom to prepare an Independent Limited Assurance Report, a copy of which was included in the Scheme Booklet. The Investigating Accountant has confirmed that based on further review procedures, no change is required to the conclusions issued on 6 March 2015 and therefore the previously issued report does not require updating in light of the Vocus Divestment.

Scheme Meeting adjourned to Monday, 15 June 2015

In order to provide shareholders with sufficient time to consider the Vocus Divestment, the meeting of Amcom shareholders to vote on the Scheme ("Scheme Meeting") and the time for lodging proxies have changed. The Scheme Meeting will be held at 11.00 am (Perth time) on Monday, 15 June 2015 at the Perth Convention Exhibition Centre, 21 Mounts Bay Road, Perth, Western Australia.

The time for determining eligibility to vote at the Scheme Meeting will now be 5.00 pm (Perth time) on Saturday, 13 June 2015. Proxy forms must be lodged by no later than 11.00 am (Perth time) on Friday, 12 June 2015.

All Amcom shareholders are encouraged to vote either by attending the Scheme Meeting in person, or by lodging a proxy vote, either by returning their completed proxy form as soon as possible or by voting online at www.investorvote.com.au. Information on how to vote is on page 35 of the Scheme Booklet and the proxy form which accompanied the Scheme Booklet.

Proxies and voting

If you have already voted and do not wish to change your vote, you do not need to take any action.

If you have not yet voted, or have submitted a proxy but wish to change your vote, then you can request another proxy form by calling Amcom's share registry on 1300 763 915 (within Australia only) or +61 3 9415 4000 (outside Australia). A new proxy will be taken to revoke any existing proxy.

Updated timetable

An updated indicative timetable of the key dates for the Scheme is outlined below.

Event	Time and Date
Latest time and date for receipt of completed proxy forms	11.00 am (Perth time) on 12 June 2015
Record date for shareholders eligible to vote at Scheme Meeting	5.00 pm (Perth time) on 13 June 2015
Scheme Meeting (to be held at the Perth Convention Exhibition Centre, 21 Mounts Bay Road, Perth, Western Australia)	11.00 am (Perth time) on 15 June 2015
If the Scheme is approved by the Requisite Majority of Amcom Shareholders, the expected timetable for implementation of the Scheme is:	
Second Court Date	11.00 am (Perth time) on 23 June 2015
Effective Date	24 June 2015
Suspension of trading in Amcom Shares	Close of trading on 24 June 2015
Commencement of trading in New Vocus Shares on a deferred settlement basis on the ASX	25 June 2015
Date for determining entitlements to Scheme Consideration (Record Date)	7.00 pm (Perth time) on 1 July 2015
Implementation Date	8 July 2015
Payment of Scheme Consideration to be made to Amcom Shareholders	8 July 2015
Last day of deferred settlement trading in New Vocus Shares	8 July 2015
New Vocus Shares commence trading on a normal settlement basis on the ASX	9 July 2015

Capitalised terms above have the meaning given to them in the Scheme Booklet.

Additional Information

This letter will be sent to Amcom shareholders on or around 27 May 2015.

A copy of this letter has been provided to the Australian Securities and Investments Commission ("ASIC") and has been released on ASX. Neither ASIC nor ASX nor any of their officers takes any responsibility for the contents of this letter.

The Federal Court of Australia ("Court") has reviewed and approved despatch of this letter to Amcom shareholders. The fact that the Court has reviewed this letter (which forms part of the Scheme Booklet) does not mean that the Court has formed any view as to the merits of the proposed Scheme, how Amcom shareholders should vote, or has prepared or is responsible for the content of this letter or the Scheme Booklet.

Consents

PricewaterhouseCoopers Securities Ltd has given, and has not withdrawn before the date of this letter, its written consent to be named as Independent Expert in the form and context in which it is named, and the inclusion in this letter of statements made by the Independent Expert, or said to be based on the Supplementary Independent Expert's Letter and the Independent Expert's Report and to all references to those statements, in the form and context in which they are respectively included.

Ernst & Young Transaction Advisory Services Limited has given, and has not withdrawn before the date of this letter, its written consent to being named in the letter as Investigating Accountant, appointed by Amcom to prepare an Independent Limited Assurance Report, and consents to the inclusion in this letter of statements based on statements made by the Investigating Accountant, in the form and context in which they are included.

Each of PricewaterhouseCoopers Securities Ltd and Ernst & Young Transaction Advisory Services Limited has not authorised or caused the issue of this letter, does not make or purport to make any statement in this letter or any statement on which a statement in this letter is based other than those statements which have been included in this letter with the consent of that person, and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this letter, other than a reference to its name and any statements or letter which have been included in this letter with the consent of that person.

Shareholder Information Line

Amcom shareholders who have questions regarding the Scheme, the Scheme Booklet or this letter should contact Amcom's shareholder information line on 1800 992 673 (within Australia) or +61 1800 992 673 (outside of Australia) Monday to Friday between 7.00 am and 4.30 pm (Perth time).

Yours sincerely,

Tony Grist
Chairman
Amcom Telecommunications Limited

ANNEXURE

Capitalised terms below have the meaning given to them in the Scheme Booklet.

6.6 Combined Group Pro Forma Historical Financial Information following implementation of the Scheme

(a) Basis of preparation

This Section 6.6 contains the Combined Group Pro Forma Historical Financial Information comprising the Combined Group pro forma historical consolidated income statement for the six months ending 31 December 2014 and the Combined Group pro forma historical consolidated Statement of Financial Position as at 31 December 2014. The Combined Group Pro Forma Historical Financial Information has been prepared to provide Amcom Shareholders with an indication of the historical consolidated Income Statement and Historical consolidated financial position of the Combined Group and the illustrative financial effect on the Combined Group if the Scheme is implemented. It does not illustrate the financial information that may be contained in future Vocus financial statements when the Scheme is implemented.

The Combined Group Pro Forma Historical Financial Information has been prepared in a manner consistent with the recognition and measurement principles contained in Australian Accounting Standards, other than it reflects (a) the exclusion of certain transactions that occurred in the six month period ended 31 December 2014; and (b) the impact of certain events or transactions as if they occurred on 31 December 2014.

The Combined Group Pro Forma Historical Financial Information set out in this Section should be read in conjunction with the risk factors set out in Section 7 of this Scheme Booklet, other information contained in this Scheme Booklet and the accounting policies of Vocus as disclosed in its most recent annual and half yearly financial reports. A preliminary assessment of the Vocus and Amcom accounting policies has not identified any material differences.

The Combined Group Pro Forma Historical Financial Information contained in this Section 6.6 has been derived from:

- (i) Historical financial statements of Amcom; and
- (ii) The Vocus Pro Forma Historical Financial Information, comprising the historical consolidated Income Statement of Vocus for the six months ended 31 December 2014 and the historical consolidated Statement of Financial Position of Vocus as at 31 December 2014, and adjusted for the effects of pro forma adjustments described in Sections 5.12(b) and 5.12(c) of the Scheme Booklet.

It is presented in an abbreviated form and does not contain all of the presentation and disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act.

Ernst & Young Transaction Advisory Services Limited has been engaged as the Investigating Accountant to prepare an Independent Limited Assurance Report on the Amcom Historical Financial Information, as set out in Sections 4.9(b) and 4.9(c) of the Scheme Booklet and the Combined Group Pro Forma Historical Financial Information, as set out in Sections 6.6(b) and 6.6(c) of the Scheme Booklet. The Independent Limited Assurance Report is set out in Annexure B of the Scheme Booklet. Amcom Shareholders should note the scope and limitations of the Independent Limited Assurance Report.

(i) **Assumptions regarding capital structure**

The Combined Group's Pro Forma Historical Financial Information has been prepared on the assumption that Vocus will own 100% of Amcom following implementation of the Scheme.

The merger ratio for each Amcom Share is 0.4614 for each Vocus Share. The table below shows the calculation of the number of Vocus Shares to be issued and the value of the purchase consideration.

Amcom Shares currently on issue	266,399,148
Amcom Shares to be issued upon vesting of Amcom Performance Rights as a result of the Scheme	2,605,000
Projected Amcom Shares on issue subject to the Scheme	269,004,148
Exchange ratio	0.4614
New Vocus Shares to be issued*	124,118,514
Vocus Share price	\$5.91
Scheme Consideration	\$733,540,418

The above table differs from the table on page 91 of the Scheme Booklet as released to ASX on 30 March 2015 as Vocus no longer holds an interest in any Amcom Shares due to the Vocus Divestment. As a result, the Amcom shares in which Vocus formerly had an interest are no longer excluded from the Scheme and would be acquired by Vocus under the Scheme upon implementation.

* The New Vocus Shares to be issued in the table above excludes 790,000 Amcom Performance Rights belonging to 'Tranche F' that require various approvals prior to vesting. The table in Section 6.5(a) of this Scheme Booklet assumes that these Amcom Performance Rights will vest prior to implementation of the Scheme, and therefore will result in 364,506 New Vocus Shares being issued.

For the purposes of preparing the Combined Group Pro Forma Historical Financial Information a Vocus Share price of \$5.91 has been used being the closing Vocus Share price on 15 May 2015.

(ii) **Sources of information and pro forma adjustments**

The Combined Group Pro Forma Historical Financial Information presented in this Section 6.6 has been derived from the following sources:

- A. for Amcom, the historical consolidated Income Statement for the six months ended 31 December 2014 and the historical consolidated Statement of Financial Position as at 31 December 2014 as presented in Sections 4.9(b) and 4.9(c) respectively of this Scheme Booklet; and
- B. for Vocus, the pro forma historical consolidated Income Statement for the six months ended 31 December 2014 and the pro forma historical consolidated Statement of Financial Position as at 31 December 2014 as presented in Sections 5.12(b) and 5.12(c) respectively of this Scheme Booklet.

(b) **Combined Group pro forma historical consolidated income statement for the six months ended 31 December 2014**

A \$ Million	Historical HY2015 Amcom	Historical HY2015 Vocus pro forma	Notes	pro forma adjustments	Historical HY2015 pro forma Combined
Revenue	80.7	77.6	a	(0.3)	158.0
EBITDA	23.0	25.3		-	48.3
Depreciation and amortisation	(6.8)	(10.3)	d	(3.6)	(20.7)
EBIT	16.2	15.1		(3.6)	27.6
Interest (net)	(0.8)	(3.9)		-	(4.7)
Profit before tax and before significant items	15.4	11.1		(3.6)	22.9
Income tax expense	(4.4)	(2.2)	e	1.1	(5.5)
Net profit after tax and before significant items	11.0	8.9		(2.5)	17.4
Significant items (net of tax)	(1.7)	2.6	b, c	(3.3)	(2.4)
Pro forma net profit after tax including significant items	9.3	11.5		(5.8)	15.0

* non IFRS financial information is reconciled to IFRS financial information below

Significant items (net of tax) in the table above differs from the Combined Group pro forma historical consolidated income statement for the six months ended 31 December 2014 presented on page 92 of the Scheme Booklet as released to ASX on 30 March 2015. Following the divestment of Vocus' 10% relevant interest in Amcom and the settlement of the associated physically-settled equity swap on 14 May 2015, significant items (net of tax) decreased by \$14.6 million, reflecting the net impact of the reversal of the after-tax unrealised mark to market gain of the swap of \$18.7 million and the recording of the after-tax realised gain on settlement of \$4.1 million.

The following pro forma adjustments have been included in the combined pro forma historical consolidated Income Statement as if the Scheme had occurred on 30 June 2014:

Note a: Elimination of \$300,000 of revenue arising on transactions between Amcom and Vocus which occurred on an arm's length basis in the ordinary course of business.

Note b: Elimination of \$900,000 of Scheme transaction costs to the extent they are included in the standalone Income Statements of Vocus and Amcom on the basis that Scheme transaction costs are non-recurring.

Note c: Elimination of (\$5,964,000) of Vocus' gain on total return swap for Amcom Shares (after tax \$4,175,000) to the extent this was included in the Historical Income statement of Vocus.

Note d: Recognition of the depreciation and amortisation arising from the increase in the value of property, plant and equipment, and recognition of customer contracts noted in Section 6.6(c) Note e and Note g.

Note e: Recognition of the income tax expense for the pro forma adjustment in Section 6.6(b) Note d above.

Transactions not included in the Combined Group pro forma historical consolidated income statement

The Combined Group pro forma historical consolidated income statement does not include a number of one-off items directly attributable to the Scheme:

1. Transaction costs incurred by Amcom post 31 December 2014 of \$10.1 million which will be treated as pre-acquisition expenses.
2. Transaction costs incurred by Vocus post 31 December 2014 estimated at \$17.0 million which will be expensed.
3. Approximately \$2.3 million of additional share payment expenses incurred by Amcom as a direct result of the accelerated vesting of Amcom Performance Rights due to the Scheme resulting in a change of control and the vesting of 2,605,000 Amcom Performance Rights.
4. Synergy benefits have not been included as an assessment of integration and any costs to be incurred to achieve the synergies has not yet been undertaken. On this basis the costs of integrating Amcom and Vocus have also not been included.

5. Following implementation of the Scheme, Amcom and its 100% subsidiaries will join the Vocus tax consolidated group. As a result of the tax consolidation regime, the existing tax base of Amcom's assets will be reset which may have an impact on income tax expense. A detailed analysis of the consequences of joining the Vocus tax consolidated group will be undertaken following implementation, and has not been included in the Combined Group pro forma historical combined income statement.

(c) **Pro forma historical consolidated statement of financial position as at 31 December 2014**

A\$ Million	Historical 31 December 2014 Amcom statutory	Historical 31 December 2014 Vocus pro forma	Notes	Pro forma adjustments	Historical 31 December 2014 pro forma Combined
CURRENT ASSETS					
Cash & cash equivalents	21.7	14.3		-	36.0
Receivables, inventories and other current assets	23.4	19.0		-	42.4
Total Current Assets	45.1	33.3		-	78.4
NON-CURRENT ASSETS					
Property, plant & equipment	154.7	197.9	d	28.0	380.6
Goodwill	54.1	66.2	e	498.5	618.8
Other intangibles	9.0	66.6	f	64.6	140.2
Other Assets	-	3.1		-	3.1
Equity Accounted Investments	-	3.2		-	3.2
Investment in Amcom	-	-		-	-
Deferred tax assets	-	4.0		-	4.0
Total Non Current Assets	217.8	341.0		591.1	1,149.9
TOTAL ASSETS	262.9	374.3		591.1	1,228.3
CURRENT LIABILITIES					
Trade and other payables	20.2	27.3	a	27.1	74.6
Deferred revenue	13.1	-		-	13.1
Borrowings	5.0	10.1		-	15.1
Provisions and other liabilities	5.0	3.9	b	(0.3)	8.6
Total Current Liabilities	43.3	41.3		26.8	111.4
NON-CURRENT LIABILITIES					
Borrowings	32.6	105.2		-	137.8
Deferred revenue	4.8	-		-	4.8
Provisions and other liabilities	2.7	8.8		-	11.5
Deferred tax liabilities	9.1	23.0	c	18.2	50.3
Total Non Current Liabilities	49.1	137.0		18.2	204.4
TOTAL LIABILITIES	92.5	178.3		45.0	315.8
NET ASSETS	170.4	196.0		546.1	912.5
EQUITY					
Contributed equity	151.5	143.5	g	582.0	877.1
Reserves	(1.8)	6.5	h	1.8	6.5
Retained profits	20.7	45.9	i	(37.7)	28.9
TOTAL EQUITY	170.4	196.0		546.1	912.5

The following items in the table above differ from the pro forma historical consolidated statement of financial position as at 31 December 2014 presented on page 93 of the Scheme Booklet as released to ASX on 30 March 2015:

- Following the divestment of Vocus' 10% relevant interest in Amcom and the settlement of the associated physically-settled equity swap on 14 May 2015, the following movements have occurred:
 - cash & cash equivalents decreased by \$6.2 million, reflecting the net cash outflow upon settlement of the physically-settled equity swap;
 - Vocus' historical 31 December 2014 pro forma financial assets decreased by \$16.5 million, reflecting the reversal of the cash receivable relating to mark to market movements in the value of the interest in Amcom as at 31 December 2014 upon settlement of the physically-settled equity swap;
 - deferred tax liabilities (non-current liability) decreased by \$8.1 million, reflecting the reversal of the tax effect of the unrealised gain on the physically-settled equity swap as the gain is now realised;
 - non-current borrowings decreased by \$61.5 million, as cash settlement of the equity swap using borrowings on the Scheme Implementation Date is no longer required following Vocus' divestment; and
 - net assets and retained profits decreased by \$14.7 million, reflecting the net impact of the reversal of the after-tax unrealised mark to market gain of the swap of \$18.8 million and the recording of the after-tax realised gain on settlement of \$4.1 million.

Pro forma adjustments to the combined group pro forma historical consolidated statement of financial position as at 31 December 2014

The following pro forma adjustments have been made for the purposes of illustrating the Combined Group pro forma historical statement of financial position as if the Scheme had occurred on 31 December 2014:

Note a: Total transaction costs of \$27.1 million have been included as an increase in payables and accounted as follows:

1. \$10.1 million of transaction costs incurred by Amcom have been included as a pre-acquisition expense and eliminated on consolidation; and
2. \$17.0 million of transaction costs incurred by Vocus will be expensed.

Note b: Decrease in tax payable of \$0.3 million to reflect the transaction costs incurred by Amcom.

Note c: Increase in deferred tax liability of \$19.4 million to reflect the customer contracts, offset by a \$1.2 million deferred tax benefit as a result of the Amcom transaction costs.

Note d: Increase in fair value of Amcom's property, plant and equipment of \$28 million.

Note e: The purchase price accounting for the acquisition has been determined on a provisional basis by the Amcom directors who have undertaken a fair value assessment of the carrying values of Amcom's net assets and as a result have made the following provisional adjustments summarised in the table below resulting in the recognition of \$498.5 million of goodwill arising from the implementation of the Scheme. Subsequent to implementation Vocus will undertake this assessment, which by its nature requires judgement. Accordingly, that allocation may give rise to material differences in values allocated to the statement of financial position items and may also give rise to fair value being allocated to other statement of financial position line items.

	\$m
Amcom net assets standalone as at 31 December 2014	170.4
Add: Up lift - property, plant and equipment	28.0
Add: Recognition of customer contracts	64.6
Less: Associated deferred tax	(19.4)
Less: Transaction costs net of tax (Amcom)	(8.6)
Adjusted Amcom net assets	235.0
Scheme consideration	733.5
Goodwill arising	498.5

Note f: Increase in other intangibles of \$64.6 million to recognise value of Amcom customer contracts.

Note g: Decrease in contributed equity of \$151.5 million to reflect the elimination of Amcom's share capital, this is offset by an increase to contributed equity for the Scheme Consideration of \$733.5 million. Scheme Consideration has been calculated based upon a Vocus Share price of \$5.91 and a merger ratio of 0.4614 New Vocus Shares per Amcom Share, such that Vocus will issue 124,118,514 New Vocus Shares for a Scheme Consideration value of \$733.5 million. The vesting of 2,605,000 Amcom Performance Rights due to the change of control arising from the implementation of the Scheme has been included in the calculation of Scheme Consideration as the resulting Amcom Shares will participate in the Scheme.

Note h: This adjustment eliminates the Amcom reserves at 31 December 2014.

Note i: This adjustment eliminates the \$20.7 million of Amcom retained profits at 31 December 2014, and decreases retained profits for the \$17 million of transaction costs incurred by Vocus.

Transactions not included in the Combined Group pro forma historical consolidated statement of financial position as at 31 December 2014

Following implementation of the Scheme, Amcom and its 100% subsidiaries will join the Vocus tax consolidated group. As a result of the tax consolidation regime, the existing tax base of Amcom's assets will be reset which may have an impact on current and deferred tax balances recognised in relation to Amcom's assets. A detailed analysis of the consequences of joining the Vocus tax consolidated group will be undertaken following implementation, and have not been included in the Combined Group pro forma historical consolidated statement of financial position.

The acquisition by Vocus of a strategic investment in Macquarie Telecom Group Limited has not been included in the Combined Group pro forma historical consolidated statement of financial position as it has been acquired through a physically-settled equity swap transaction which has a termination date of 30 June 2016. Under the swap arrangement, Vocus does not hold the physical shares relating to the strategic investment, but instead receives and makes payments equivalent to any market movement in the value of the underlying shares and any dividends paid, which are included in cash (to the extent received or paid) or in financial assets (if not yet received or paid). Upon settlement, Vocus will receive the physical shares and consequently record the investment in its statement of financial position by increasing non-current assets by \$16.207 million plus any gain or loss from its mark to market adjustments, with a corresponding increase in net debt.

A preliminary assessment of the Vocus and Amcom accounting policies has not identified any material differences, as such the Combined Group Pro Forma Historical Financial Information does not include any impact of aligning Amcom and Vocus accounting policies.