



M2 Group Ltd (ASX: MTU)

M2 COMPETING PROPOSAL - UPDATE

Thursday, 30 April 2015: M2 Group Ltd ("M2", ASX: MTU) today welcomed the decision by the Board of iiNet Limited ("iiNet", ASX: IIN) to issue a "Relevant Notice" to TPG Telecom Limited ("TPG", ASX: TPM), thereby triggering TPG's matching rights under the Scheme Implementation Agreement entered into between iiNet and TPG ("TPG SIA").

Under clause 10.6(b) of the TPG SIA, iiNet can only issue a "Relevant Notice" to TPG after the iiNet Board has determined in good faith, after consultation with iiNet's financial advisers, that M2's Competing Proposal "is or may be reasonably expected to lead to a Superior Proposal."

M2 Chairman Craig Farrow said: "M2 is pleased that the iiNet Board has now made this decision and that iiNet acknowledged the value premium embedded in the M2 offer plus the potential value of synergies."

TPG now has the right, but not the obligation, to submit a counter proposal for the iiNet Board to consider at any time during the next 3 business days ending at 5pm (WST) on Tuesday 5 May 2015.

On the basis that iiNet has now given due consideration to the value of M2's proposal under a range of scenarios, M2 does not believe it to be in the best interests of M2 shareholders to accept any delays that prolong the TPG matching right process beyond what is reasonably allowed for under the TPG SIA.

As such, if M2 and iiNet do not enter into a scheme implementation deed by 5.00pm (AEST) on Wednesday 6 May 2015, M2's current Competing Proposal and associated financing approvals will be withdrawn.

For the avoidance of doubt and notwithstanding that M2's Competing Proposal may be withdrawn, M2 reserves the right to submit another proposal to iiNet, although there will be no obligation on M2 to do so.

ENDS

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