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Company Announcements Office  
Australian Securities Exchange Limited

## **Amcom acquires L7 Solutions**

Amcom Telecommunications (ASX: AMM), a leading telecommunications provider, is pleased to announce that it has acquired L7 Solutions Pty Ltd (L7) for \$15m.

L7 is an information technology company, specialising in the provision of IT integration solutions, managed services, advisory and related services, generating revenue of \$40m in FY11.

Established in 2004, L7 has a strong reputation having built its business organically in the Perth market. Now employing 130 staff, with approximately 200 clients across the Enterprise and Government sectors.

Amcom's CEO Clive Stein said, "The acquisition is an excellent strategic fit for Amcom as it provides complementary product offerings and importantly, leverages our existing fibre network assets and opens opportunities to offer new services into our existing customer base. The L7 business has an extensive skills capability that will enable us to accelerate our recently launched Cloud offering. There are significant cross selling opportunities into our existing 900 corporate and Government customer base."

"For FY13, we expect the business to deliver at least \$4m in EBITDA, the first full financial year as part of the group. This means it will be strongly EPS accretive that year" said Stein.

L7 CEO Matt Sullivan said, "We are delighted to be joining Amcom. With L7's IT skill base and Amcom's infrastructure (fibre network, hosted IP Telephony platform and 3 data centres) we will be in an ideal position to provide customers with comprehensive end to end solutions - which is a logical extension of their fibre and hosted product offerings."

“Both IT and Telco sectors are converging in the area of cloud and managed services, we are ideally positioned to leverage these opportunities. This acquisition is an investment in the longer term growth of Amcom.” Stein added.

The acquisition has been mostly funded by debt, with net debt now standing at \$18m post this acquisition or a gearing level of 16%. Amcom has also taken the opportunity to extend the maturity of its banking facilities to 31 December 2014 and increase the facility from \$30.0m to \$40.0m.

More information on L7 can be found at [www.l7.com.au](http://www.l7.com.au)

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