



23 February 2010

Company Announcements Office  
Australian Securities Exchange Limited

## **ACQUISITION OF IP SYSTEMS PTY LTD**

Amcom Telecommunications Limited ("**Amcom**") (ASX: AMM) is pleased to announce that it proposes to acquire 100% of the issued share capital of IP Systems Pty Ltd ("**IPS**"). At settlement of the proposed acquisition, IPS will be a wholly-owned subsidiary of Amcom.

IPS is a leading provider of converged voice, video and data solutions to the enterprise market. These solutions are delivered over carrier-grade IP (internet protocol) based technology and fibre-optic networks.

### ***A strategic transaction***

This strategic acquisition expands Amcom's product range into enterprise voice solutions and increases Amcom's addressable market.

Amcom's CEO Clive Stein said: "This gives us the potential to significantly increase Amcom's share of our customers' spend on telecommunications services.

"The acquisition also provides opportunities for Amcom to extend its market footprint, with an Amcom office now in most major capital cities. This means Amcom can better serve the needs of national customers and grow our business.

"IPS has 10 years' experience in deploying reliable market leading voice and communications technology, and its products are ideally suited to Amcom's existing customer base. We are very pleased that as a result of this acquisition we will be able to provide our existing customers with a 'best of breed' voice and communication solution that enhances our already strong customer relationships.

"IPS will add approximately \$12m revenue to our strongly growing business. Very importantly this transaction has been structured to be EPS accretive for our shareholders from the first full year of ownership," Mr Stein said.

Initial consideration will be \$6.5m comprising cash consideration of \$5.3m and 4.1m shares in Amcom at 30c per share. Further consideration in the form of Amcom shares to a minimum floor of \$3m and a maximum cap of \$14m will be issued subject to IPS meeting agreed profitability levels between 1 July 2009 and June 2012.

The transaction has been priced upon a normalised EBIT multiple of 5x subject to the consideration cap and floor.

***General Meeting and approvals***

The transaction is subject to regulatory approval and approval by Amcom shareholders at a General Meeting, which is planned to be held in April 2010. Further details of the transaction will be included in the Notice of Meeting and Explanatory Memorandum.

***About IP Systems***

IPS is a leading Australian provider of IP (internet protocol) based communications technology. Built on a fibre-optic backbone, the IP Systems network delivers converged voice, video and data solutions to major centres in Australia and New Zealand.

Further information on IPS and its product offerings can be found at [www.ipsystems.com.au](http://www.ipsystems.com.au)

**For further information please contact:**

Clive Stein  
Managing Director & CEO  
Tel (08) 9244 6022  
Email [clivestein@amcom.com.au](mailto:clivestein@amcom.com.au)

David Hinton  
Chief Financial Officer & Company Secretary  
Tel (08) 9244 6031  
Email [davidhinton@amcom.com.au](mailto:davidhinton@amcom.com.au)

**For media inquiries please contact:**

David Ikin  
Corporate Communications Manager  
Tel (08) 9244 6123  
Email [david.ikin@amcom.com.au](mailto:david.ikin@amcom.com.au)