

M2 GROUP LTD (ASX: MTU)

M2 TO INCREASE INVESTMENT IN AGGREGATO GLOBAL LTD

Monday, 24 March 2014: M2 Group Ltd (“M2”, ASX: MTU) today announces that it has entered into an agreement to convert into equity the \$5.5 million loan it provided to Aggregato Global Ltd (“Aggregato”). The loan was announced to ASX in September 2013.

Aggregato and M2 have consented to the conversion of the debt into additional equity to enable Aggregato to enter into an agreement to acquire certain assets relating to the international calling card business of publicly listed telecommunications provider Tel.Pacific Limited (ASX: TPC, “Tel.Pacific”).

The Aggregato acquisition of the Tel.Pacific assets is subject to approval by Tel.Pacific shareholders under ASX listing rules. The conversion of M2’s loan into equity is subject to completion of the transaction, which is expected to take place before 31 May 2014. On completion of this transaction, the Aggregato business will be the largest supplier of calling card services in Australia, together with a growing market share in the United States of America.

Aggregato will fund the transaction via a facility with Bankwest, in addition to a separate equity raising of up to \$5 million. M2’s loan will be converted to equity at an agreed rate that may be subject to a subsequent adjustment to ensure that M2 is treated not less favourably than subscribers to the equity raising.

As a result of M2’s conversion and the equity raising, M2’s interest in Aggregato will increase, with the precise shareholding to be confirmed post completion of the Tel.Pacific transaction. M2 will make a further announcement to ASX at that time.

An entity controlled by Vaughan Bowen (M2 Executive Director), which was the holder of a \$1 million convertible note in Aggregato (as previously disclosed), has converted this interest into equity. Mr Bowen was appointed non-executive Chairman of Aggregato on M2’s initial investment in Aggregato. The M2 Board of Directors notes that Mr Bowen did not participate in the decision to convert the M2 loan into equity, nor the negotiation of M2’s conversion terms.

M2 advises that until completion of the Tel.Pacific transaction, the loan with Aggregato will remain in place with revised security arrangements, to enable Bankwest to take a senior position with respect to their facility.

Geoff Horth, M2 CEO said of the conversion, “Aggregato has recorded a strong performance in the six months to 31 December 2013. We are pleased to have agreed to increase our investment in the company in order to enable further growth and development and to likewise increase the value of our investment and its returns, for the benefit of M2 shareholders.”

M2 also advises that it is party to an exclusive long-term wholesale supply arrangement with Aggregato.

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About M2 Group Ltd

Established in 1999, M2 Group Ltd (“M2”, ASX: MTU) is a fast-growing provider of a range of communication, utility and insurance services to Australian households and small businesses. Headquartered in Melbourne, M2 has more than 3,000 team members across Australia, New Zealand and the Philippines.

M2’s business segment encompasses the Commander and Engin brands, offering a suite of traditional and next generation managed voice and data services, equipment, personalised service and value-added offerings.

The consumer segment, under the leading brands of Dodo and iPrimus, provides Australian households with a low-cost alternative for the full range of telecommunications services in addition to energy and insurance.

Through the M2 Wholesale division, M2 provides wholesale fixed line, mobile and data telecommunications services to small and medium-sized telecommunications service providers and Internet Service Providers.

For more about M2 visit www.m2.com.au.

Related Company sites (part of the M2 Group):

- www.commander.com
- www.engin.com.au
- www.iprimus.com.au
- www.dodo.com.au
- www.m2wholesale.com.au

For more about Aggregato, visit www.aggregatoglobal.com.

