

**Form 603**  
Corporations Act 2001  
Section 671B

**Notice of initial substantial holder**

To Company Name/Scheme Eftel Limited (Company)

ACN 073 238 178

**1. Details of substantial holder (1)**

Name M2 Telecommunications Group Limited (M2) and its controlled entities set out in Annexure A (M2 Associates)

ACN 091 575 021

The holder became a substantial holder on 16/3/2013

**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

| Class of securities (4)             | Number of securities | Person's votes (5) | Voting power (6) |
|-------------------------------------|----------------------|--------------------|------------------|
| Fully paid ordinary shares (Shares) | 21,393,778           | 21,393,778         | 19.9%            |

**3. Details of relevant interests**

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

| Holder of relevant interest | Nature of relevant interest (7)   | Class and number of securities |
|-----------------------------|---|--------------------------------|
| M2                          | Power over disposal of Shares under a Pre-Bid Option Deed dated 16 March 2013 between Cannes Management Pty Ltd ACN 104 506 532 as trustee for the Kestelman Family Trust No.2 ABN 54 564 283 614 and M2, set out in Annexure B | 21,393,778 Shares              |

**4. Details of present registered holders**

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

| Holder of relevant interest | Registered holder of Securities   | Person entitled to be registered as holder (8) | Class and number of securities |
|-----------------------------|---|--|--------------------------------|
| M2                          | Cannes Management Pty Ltd ACN 104 506 532 as trustee for the Kestelman Family Trust No.2 ABN 54 564 283 614 | Not applicable                                 | 21,393,778 Shares              |

**5. Consideration**

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

| Holder of relevant interest | Date of acquisition | Consideration (9) |          | Class and number of securities |
|-----------------------------|---------------------|-------------------|----------|--------------------------------|
|                             |                     | Cash              | Non-cash |                                |
| M2                          | 16/3/2013           | \$1               |          | 21,393,778 Shares              |

## 6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

| Name and ACN/ARSN (if applicable) | Nature of association   |
|-----------------------------------|---|
| M2                                | An associate of the M2 Associates by virtue of s12(2)(a)(ii) of the Corporations Act 2001 (Cth) |

## 7. Addresses

The addresses of persons named in this form are as follows:

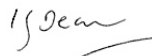
| Name                 | Address   |
|----------------------|---|
| M2 and M2 Associates | Level 10, 452 Flinders Street, Melbourne, Victoria 3000 |

## Signature

print name Kellie Dean

capacity Company Secretary

sign here



date

18/3/2013

### DIRECTIONS


- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
  - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."

- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

## Annexure A

M2 Telecommunications Pty Ltd ABN 65 090 251 424, M2 Loyalty Programs Pty Ltd ABN 85 118 574 486, M2 Wholesale Pty Ltd ABN 99 119 220 843, M2 Commander Pty Ltd ABN 85 136 950 082, Primus Telecom Holdings Pty Ltd ABN 50 111 352 277, People Telecommunications Pty Ltd (formerly People Telecom Ltd) ABN 41 091 714 699, People Telecom Pty Ltd (formerly Swiftel Ltd) ABN 31 009 273 152, Southern Cross Telco Pty Ltd ABN 60 066 034 400, Orion Telecommunications Ltd ABN 54 109 038 520, M2 Clear Pty Ltd ABN 32 148 154 590, M2 Viptel Pty Ltd ABN 67 150 061 886, Wholesale Communications Group Pty Ltd ABN 21 109 626 011, M2 Wholesale Services Pty Ltd ABN 11 071 659 348, Primus Telecom Pty Ltd ABN 55 111 353 989, Primus Network (Australia) Pty Ltd ABN 60 109 142 216, Primus Telecommunications (Australia) Pty Ltd ABN 77 061 754 943, Hotkey Internet Services Pty Ltd ABN 66 075 759 821, Primus Telecommunications Pty Ltd ABN 69 071 191 396, M2 NZ Limited Co. No. 1750309 and Primus Online Pty Ltd ABN 29 092 063 691.

This Annexure A of 1 page referred to in the Form 603 Notice of initial substantial holder signed by me and dated 18/3/2013



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Name: Kellie Dean

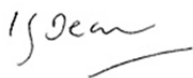
Title: Company Secretary

M2 Telecommunications Group Limited  
ACN: 091 575 021

Date: 18/3/2013

## Annexure B

This Annexure B of pages referred to in the Form 603 Notice of initial substantial holder signed by me and dated 18/3/2013



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Name: Kellie Dean

Title: Company Secretary

M2 Telecommunications Group Limited  
ACN: 091 575 021

Date: 18/3/2013