

ASX/Media Release

ACCC NOT TO OPPOSE VOCUS ACQUISITION OF NEXTGEN NETWORKS

Thursday, 22 September, 2016: Vocus Communications (ASX:VOC) (Vocus) today announces that the Australian Competition and Consumer Commission (ACCC) has decided not to oppose the previously announced acquisition of Nextgen Networks and two development projects from the Nextgen Group.

The acquisition remains subject to further conditions. The Company will work with the various stakeholders to meet these conditions and currently anticipates completing the transaction in October 2016.

Geoff Horth, CEO of Vocus said, "We are extremely pleased with the announcement from the ACCC and will move as quickly as possible to close the transaction and integrate the business under the Vocus umbrella. We will be working to ensure that we leverage the benefits of our expanded infrastructure platform and increased scale across our customer base.

"We look forward to welcoming the Nextgen team into Vocus as we move into the next exciting phase of growth in the business."

Update

The Vocus Corporate and Wholesale business continues to perform strongly, exceeding new sales targets in Q1 FY17 and will be further strengthened with the ability to target new customer segments and markets following the integration of the Nextgen assets.

As the roll out of the NBN gathers pace, Vocus' Australian Consumer business will also benefit from the fibre network that the Nextgen acquisition delivers, providing connectivity to the vast majority of NBN Points of Interconnect. The Company's NBN subscriber base has continued to grow strongly since fiscal year end with a 21.7% increase in active consumer subscribers since 30 June. The average gross margin per subscriber in dollar terms has remained constant, with NBN margins in line with bundled copper broadband margins.

A comprehensive business performance update will be provided at or prior to the 2016 AGM following the completion of the Nextgen acquisition.

ENDS

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About Vocus

Vocus Communications Limited is a provider of a range of integrated telecommunications services including Fibre and Ethernet services, IP Voice, international transit and data centre services as well as retail electricity and gas. Vocus has an extensive portfolio of brands catering to residential, small business, corporate and government customers in both Australia and New Zealand.

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