

# Panaseer Expands Business Offering with Commander Communications

Panaseer Limited (PSL) and Commander Communications Limited (CDR) announced that they have conditionally exchanged contracts in a deal that will see Commander acquire the Panaseer business (Jtec Pty Limited).

The acquisition will further strengthen Panaseers position as Australias leading provider of managed Virtual Private Networks and enable expansion of its services to corporate and Government sectors within Australia. The addition of Panaseers business to that of Commander adds further legitimacy to Commanders thrust of becoming a single source of voice, data and video systems, solutions and services to small and medium enterprises and selected corporate customers.

Over the past two years, Panaseer has consistently achieved revenue growth rates in the managed outsourced telecommunications sector of over 40 percent per annum, along with customer acquisition rates in the order of 70 percent.

Commenting on the announcement, Mr Noel Robertson, Managing Director, Panaseer said, To sustain our excellent performance and growth, we have been looking for the ideal partner within the market for a number of months. Commander brings to the table a strong financial position, a good client base and a complementary set of skills, products and experience. Mr Robertson has agreed to continue managing the Panaseer business.

With a like customer base, the combined companies are ideally placed to be a greater force in the SME and corporate market for data, voice, video, mobility and managed networking solutions. Mr Robertson added, We see tremendous benefits in the areas of voice and data solutions. Panaseer will be able to leverage Commanders strength in voice, data, video and bundled offerings and Commander will benefit from Panaseers extensive experience in the corporate market including voice, data, outsourcing and fully managed networking solutions. The end result will be a company that can deliver best of breed and end to end telecommunication solutions effectively to Australian businesses.

Commander Managing Director, Adrian Coote, said The Panaseer acquisition was a further step forward in Commanders strategy to continue to grow its national data presence and play a leading role in the convergence of voice and data. Panaseer provides Commander with additional critical mass in the data services business where we offer converged solutions to our SME and corporate clients.

Both companies have solid partnerships with most of the worlds leading communication and IT vendors and providers, as well as a history of strong system integration and service delivery.

Panaseer has a proud history of technical excellence, high customer service and market success and this will be welcomed by the Commander customer base as Commander continues with its strategy of offering 360 communication Data, Internet, Voice and Network, Mr Coote said.

Key elements of the acquisition include:

Main condition precedent: The shareholders of Jtecs parent company, Panaseer Limited (PSL) must approve the sale. Either party can terminate the agreement should this approval not be obtained by 12 February 2004.

Acquisition funding: The acquisition will be funded from operational cash flows and Commanders \$79 million line of credit with its bankers.

Revenue/EPS impact: Commander anticipates the acquisition of the Panaseer business will deliver revenue in excess of \$15 million from year 1, and be earnings per share (EPS) positive in the last quarter of FY2004.

The acquisition is expected to be completed on or about 16 February 2004.

About Panaseer

Panaseer is Australias leading provider of managed outsourced telecommunications solutions. The company provides tailored outsourced networks that simplify communication complexities. The companys corporate customers enjoy the benefits of VPNs, for voice and data, video, and online applications. Delivering real value and cost savings.

Panaseers team is passionately focused on delivering these customised telecommunications solutions that are driven by service level guarantees and the companys 370 man-years of expertise.

The company bring efficiencies that reduce customers capital expenditure, and lower their operational costs, giving them a competitive advantage in their business. Panaseers solutions are developed to suit our customers applications, locations and budget, with a fully integrated national network that delivers assured service levels 24/7.