

Anittel Half Year Results to December 12

For Release 28th February 2013

The Board of Anittel Group Limited is pleased to present the attached Appendix 4D Half-Year Report for the 6 months to December 2012.

Highlights and key elements are as follows:

- Positive Adjusted EBITDA of \$123,000
- Services revenues increased by 8.7% overall, highlighted by an increase of 184% in cloud services revenue.
- Hardware/software product sales declined by 31.5%.
- Net loss of \$5.939 million which includes a charge for goodwill impairment of \$5 million taken against the IT product and services business unit. This impairment is based upon a strict point in time application of AASB 136 which specifically excludes any planned changes in cost structures.
- Cash outflows of \$2.344 million, impacted by the timing of payments for hardware and software, capital costs relating to investments in IP telephony delivery platform in Tasmania and other capital items largely relating to the communications network upgrade.
- The Company retains its \$1.5 million bank facility with the CBA, which at today's date remains undrawn.

The significant drop in hardware/software sales is a result of market conditions, changes in Microsoft licensing status and the general market trend towards cloud computing. Whilst the Company has previously developed its own cloud solutions, sales of which are growing significantly, it has now accelerated plans to further adapt business models and cost structures in anticipation of this trend continuing, and accelerating.

We continue to invest in the growth of our delivery platforms for our cloud services. We made the decision to upgrade our hosted Unified Communications platform to use the full CISCO HCS product set. This is the platform that is being used for our Tasmanian Government deployment of Hosted IP Telephony. This CISCO premium product offering is now a key cornerstone of our cloud services suite of products. The HCS product will be targeted towards mid- market and enterprise opportunities across Australia.

Further Information:

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About Anittel:

Anittel provides Cloud, Internet, Telecommunication and IT services for organisation across regional and metropolitan Australia. The company is expanding through organic growth and targeted acquisitions to offer scale, geographic reach and expertise for existing and prospective customers.

