



ASX RELEASE

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TPG Telecom Limited: proposal to acquire IntraPower Limited

TPG Telecom Limited (ASX: TPM) ("TPG") and IntraPower Limited (ASX: IPX) ("IntraPower") have entered into a Takeover Bid Implementation Agreement under which it is proposed that TPG acquire all of the shares in IntraPower via an off market takeover offer.

Under the proposal an IntraPower shareholder will be able to elect to receive either:

- \$0.30 cash; or
- \$0.15 cash and 0.089 TPG shares per IntraPower share (the "TPG Proposal").

IntraPower's Board of Directors unanimously recommends that IntraPower shareholders accept the TPG Proposal, in the absence of a superior proposal. Furthermore, each Director has indicated they will accept the offer for all IntraPower shares in which they have a relevant interest in the absence of a superior proposal.

In recommending the TPG Proposal, IntraPower's Board of Directors notes that:

- The all cash alternative values IntraPower's shares at approximately \$12.8 million;
- The all cash alternative offers IntraPower shareholders a price per share which represents a 104% premium to IntraPower's volume weighted average price for the past 3 months; and
- The cash and shares option offers IntraPower shareholders the opportunity to retain an interest in the enlarged business.

TPG anticipates that it will lodge formal bid documentation within 14 days of this announcement. A summary of the Conditions of the TPG Proposal is attached (Attachment A).

Directors of IntraPower including Greg Kennish, Chief Executive Officer, and Darc Rasmussen, Chief Operating Officer, have entered into Pre-Bid Acceptance Agreements with TPG over a portion of their respective shareholdings which gives TPG a relevant interest in 19.9% of IntraPower shares as at the date of this announcement.

Executive Chairman of TPG, Mr David Teoh, said the transaction is a key step in TPG's plans to widen its range of solutions to its business, corporate and government customers. *"Following the expansion of its nationwide high-speed telecommunications infrastructure through the acquisition of PIPE*

Networks last year, TPG's product set will be further enhanced by the addition of IntraPower's TrustedCloud™ offering. The TPG Group's network and data centre services together with IntraPower's proven capability will enable TPG immediately to meet the emerging demand from customers for the benefits that can be obtained from Cloud Computing."

"An additional benefit of the acquisition will be the cost synergies the enlarged group will gain from network and data centre integration."

Mr Mike Ahern, Chairman of IntraPower, said that the TPG proposal provides an opportunity for shareholders to realise their investment in IntraPower at a price well above the prevailing market price.

"IntraPower is a business with a significant customer base and a wonderful opportunity before it. However, that opportunity will be significantly improved if the business is part of a larger organisation. We have explored a number of strategic options and, in the absence of a superior proposal, I am delighted that the Board is now in a position to recommend the TPG Proposal".

TPG is being advised by Norton Rose Australia as legal adviser and IntraPower is being advised by Ballidu Legal in relation to the TPG Proposal.

About IntraPower Limited

IntraPower is a public company listed on the Australian Stock Exchange (ASX: IPX) and the leader in the provision of high-availability On-Demand Information, Communication, Technology & Telecommunications (ICT & T) services to commercial and government organisations in Australia. IntraPower's speciality is ensuring that IT never distracts its clients from focusing on their core business.

IntraPower's Trusted Cloud solution delivers unified IT, Voice, Data Communications and Infrastructure as a service. The organisation services over 2,000 customers nationwide from its offices in Sydney, Melbourne and Brisbane and through a national network of professional partners. Find out more at www.intrapower.com.au.

About TPG

TPG Telecom Limited (ASX: TPM) is an innovative market leader in the Australian telecommunications industry, listed on the Australian Securities Exchange since 2001. In March 2010, TPG acquired Pipe Networks, providing TPG with access to an extensive Australian fibre optic network including the wholly owned Pipe Pacific Cable (PPC-1) link between Sydney and Guam with onwards connectivity to the USA and Japan. With sustained organic growth, the company has become a dynamic and integrated force providing innovative voice, internet and data solutions through one of the largest networks in Australia.

TPG provides a diverse range of IT products and services to residential users, businesses and SMEs, government and large corporate enterprises.

CONTACTS

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ATTACHMENT A

Summary of Takeover Bid Conditions

1 Offer Conditions

1.1 Minimum acceptance condition

That by the end of the Offer Period, the TPG has a relevant interest (as defined in the Corporations Act) in at least 90% of the IntraPower Shares.

1.2 Regulatory Approvals

That, before the end of the Offer Period, all approvals or consents that are required by law, or by any Government Agency, as are necessary to permit:

- (1) the Offer to be lawfully made to and accepted by the Shareholders; and
- (2) the acquisition of the Shares by the TPG to be completed, are granted, given, made or obtained on an unconditional basis, remain in full force and effect in all respects, and do not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew them.

1.3 No threatened action

That before the end of the Offer Period:

- (1) there is not in effect any preliminary or final decision, order or decree issued by a Government Agency;
- (2) no action or investigation is announced, threatened or commenced by a Government Agency; and
- (3) no application is made to any Governmental Agency (other than by the TPG or any of its Associates),

in consequence of or in connection with the Offer (other than an application to or a determination by ASIC or the Takeovers Panel in the exercise of the powers and discretions conferred by the Corporations Act), which restrains, impedes, prohibits or delays (or if granted could restrain, impede, prohibit or delay) or otherwise materially adversely impacts upon the making of the Offer or any transaction contemplated by the Agreement, the Offer or the rights of the TPG in respect of IntraPower or otherwise.

1.4 Material Adverse Change

Between the Announcement Date and the end of the Offer Period:

- (1) there not having occurred, been announced, become probable or imminent or become known to TPG or IntraPower (whether or not becoming public) any Material Adverse Change; and
- (2) it not becoming known to TPG or IntraPower that information publicly filed by IntraPower or any of its Subsidiaries prior to the Announcement Date is, or is likely to be, incomplete, incorrect, untrue or misleading in a material respect.

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1.5 Prescribed Occurrences

Between the Announcement Date and the end of the Offer Period, none of the occurrences listed in section 652C(1) or (2) of the Corporations Act happen (other than the issue of IntraPower Shares pursuant to the exercise of options issued before the Announcement Date), that is:

- (1) IntraPower converts all or any of its shares into a larger or smaller number of shares;
- (2) IntraPower or a Subsidiary of IntraPower resolves to reduce its share capital in any way;
- (3) IntraPower or a Subsidiary of IntraPower:
 - (a) enters into a buy-back agreement; or
 - (b) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (4) IntraPower or a Subsidiary of IntraPower issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (5) IntraPower or a Subsidiary of IntraPower issues, or agrees to issue, convertible notes;
- (6) IntraPower or a Subsidiary of IntraPower disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (7) IntraPower or a Subsidiary of IntraPower charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (8) IntraPower or a Subsidiary of IntraPower resolves to be wound up;
- (9) the appointment of a liquidator or provisional liquidator of IntraPower or a Subsidiary of IntraPower;
- (10) a court makes an order for the winding up of IntraPower or a Subsidiary of IntraPower;
- (11) an administrator of IntraPower, or a Subsidiary of IntraPower, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (12) IntraPower or a Subsidiary of IntraPower executes a deed of company arrangement; or
- (13) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of IntraPower or a Subsidiary of IntraPower.

2 Definitions

- (1) **Announcement Date** means 14 July 2011;
- (2) **Governmental Agency** means any government and any governmental body whether:
- (a) legislative, judicial or administrative;
 - (b) a department, commission, authority, tribunal, agency or entity;
 - (c) commonwealth, state, territorial or local;
- but does not include a governmental body in respect of any service or trading functions as distinguished from regulatory or fiscal functions;
- (3) **Material Adverse Change** means one or more events, changes or conditions (individually or when aggregated) which have or could reasonably be expected to have, a material adverse effect on the business, financial or trading position, assets or liabilities, profitability or prospects of IntraPower or any of its Subsidiaries (taken as a whole);
- (4) **Offer** means the offer to acquire all IntraPower Shares that TPG does not already control made pursuant to the Takeover Bid;
- (5) **Offer Period** means the period that the Offer is open for acceptance; and
- (6) **Subsidiary** has the meaning given in the Corporations Act; and
- (7) **Takeover Bid** means an off-market takeover bid pursuant to Chapter 6 of the Corporations Act and the Takeover Implementation Agreement under which TPG offers to acquire IntraPower Shares (other than IntraPower Shares held by TPG or its Associates prior to the commencement of the Offer Period) on terms no less favourable to IntraPower Shareholders than the Agreed Offer Terms.

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