SpeedCast

SpeedCast International Limited

ACN 600 699 241

Initial Public Offering

PROSPECTUS

Lead Manager

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Co-Lead Manager

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Co-Managers

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IMPORTANT NOTICES

Offer

The Offer contained in this Prospectus is an invitation by SpeedCast SaleCo Limited (**SaleCo**) and SpeedCast International Limited (**Company**) to acquire Shares in the Company.

This Prospectus is issued by SaleCo and the Company.

References to SpeedCast and the Restructure

The Company was incorporated on 14 July 2014 and does not currently own the satellite services business conducted by SpeedCast. The business of SpeedCast is currently being conducted by SpeedCast Acquisitions. In connection with the Offer, SpeedCast will undertake the Restructure, under which SpeedCast International Limited will become the new parent company of the SpeedCast group. Completion of the Restructure is subject to Listing. The Restructure will take effect on 14 August 2014. If the Restructure does not complete, the Offer will not proceed.

Under the Restructure, the Existing Shareholders (being the current owners of SpeedCast Acquisitions) will receive Shares in exchange for their securities in SpeedCast Acquisitions. As such, Shares have not been issued as at the Prospectus Date and will only be issued on completion of the Restructure. The issue of Restricted Management Rights in substitution for existing rights held by management comprises a component of the Restructure.

Unless otherwise specified, this Prospectus is prepared as if the Restructure has occurred. For example, the Investment Overview in Section 1, the Business and Industry Overview in Section 2 and the Historical and Forecast Financial Information in Section 3 describe SpeedCast after completion of the Restructure and the Historical and Forecast Financial Information represents the business operations of SpeedCast after completion of the Restructure.

Please refer to Section 8.3 for a description of the Restructure.

Lodgement and listing

This replacement prospectus is dated 5 August 2014 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. It is a replacement prospectus which replaces the prospectus dated 25 July 2014 and lodged with ASIC on that date (**Original Prospectus**). For the purposes of this document, this replacement prospectus will be referred to as the **Prospectus**. The Prospectus provides certain additional disclosure (in Section 3.2.1) regarding the Directors' preliminary indicative analysis of the potential effect of acquisition accounting on SpeedCast's pro forma net assets as at 31 December 2013 which was not included in the Original Prospectus.

None of ASIC, the Australian Securities Exchange (**ASX**) or their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The Company has applied to ASX for listing and quotation of the Shares on ASX. No Shares will be issued or transferred on the basis of this Prospectus later than 13 months after the date of the Original Prospectus.

Note to Applicants

The Offer contained in this Prospectus is not financial advice and does not take into account the investment objectives, financial position and particular needs of individual investors.

It is important that you read this Prospectus carefully and in full before deciding to invest in the Company. In particular, in considering this Prospectus and the prospects of the Company, you should consider the risk factors that could affect the financial performance of the Company in light of your personal circumstances and seek professional advice from your accountant, tax adviser, stockbroker, lawyer or other professional adviser before deciding to invest. Some of the key risk factors that should be considered by prospective investors are set out in Section 4. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital or the payment of a return on the Shares. No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by SaleCo or the Company.

As set out in Section 6, it is expected that the Shares will be quoted on the ASX initially on a conditional and deferred settlement basis. The Company and SaleCo each disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statement.

No offering where offering would be illegal

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia. The distribution of this Prospectus outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

In particular, the Shares have not been, and will not be, registered under the United States Securities Act of 1933 as amended (**U.S. Securities Act**) or any state securities law in the United States and may not be offered, sold, pledged or transferred in the United States unless the Shares are registered under the U.S. Securities Act, or an exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws is available. Please refer to Section 8 for more detail on selling restrictions that apply to the Offer and the sale of Shares in jurisdictions outside of Australia.

Obtaining a copy of this Prospectus

A hard copy of this Prospectus is available free of charge to any Broker Firm Offer Applicant in Australia by calling the SpeedCast Share Offer Information Line on 1800 129 431 (toll free within Australia) or +61 1800 129 431 (outside Australia) from 8.30am to 5.30pm (AEST) during the Broker Firm Offer period.

This Prospectus is also available to Broker Firm Offer Applicants in electronic form via the Company's website, www.speedcast.com/shareoffer. This Prospectus is not available to persons in jurisdictions outside Australia.

Exposure Period

The Corporations Act prohibits the Company and SaleCo from processing Applications in the seven day period after the date of lodgement of the Original Prospectus (**Exposure Period**). The Exposure Period enabled the Original Prospectus to be examined by market participants prior to the processing of Applications. The Exposure Period expired on 1 August 2014. Applications received during the Exposure Period, and Applications received after the expiry of the Exposure Period but prior to the lodgement of this Prospectus (dated 5 August 2014) have not been processed by the Company and will not receive any preference.

Photographs and diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by SpeedCast. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Do not rely on forward-looking statements

This Prospectus contains forward-looking statements, including the Forecast Financial Information in Section 3, which may identified by words such as "may", "could", "believes", "estimates", "expects", "intends" and other similar words.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, at the date of this Prospectus, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company. The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Forward-looking statements should be read in conjunction with the risk factors set out in Section 4, the assumptions contained in the Historical and Forecast Financial Information set out in Section 3 and other information in this Prospectus.

Statement of past performance

This Prospectus includes information regarding the past performance of SpeedCast. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

Historical and Forecast Financial Information presentation

The basis of preparation and presentation of the Historical and Forecast Financial Information in this Prospectus is set out in Section 3. The Historical and Forecast Financial Information should be read in conjunction with, and is qualified by reference to, the information contained in Section 3 including the general assumptions and specific assumptions, the sensitivity analysis, the significant accounting policies in Appendix A and the risk factors in Section 4.

Certain financial data included in this Prospectus, such as EBITDA, EBITA, EBIT and NPATA are 'non-IFRS financial information' under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC. The Company believes that this non-IFRS financial information provides useful information to users in measuring the financial performance and condition of SpeedCast. Readers are cautioned not to place undue reliance on any non-IFRS financial information and ratios included in this Prospectus.

Financial amounts and exchange rate

SpeedCast has historically prepared its financial information in United States dollars as its reporting currency. This policy will continue following Completion of the Offer and unless otherwise indicated, the financial information included in this Prospectus is presented in United States dollars (indicated by **US$** or **$**). The general assumptions adopted in preparation of the Forecast Financial Information, including the underlying A$/US$, €/US$ and HK$/US$ exchange rates are included in Section 3.7.1.

To facilitate comparison of financial information, key Offer statistics (including gross proceeds of the Offer and market capitalisation at the Offer Price) that have been presented in Australian dollars (indicated by **A$**) have also been shown in United States dollars assuming an exchange rate of A$1:US$0.9432, unless otherwise stated.

Glossary

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary in Appendix B.

Privacy

By filling out the Application Form to apply for Shares, you are providing personal information to SaleCo and the Company through the Company's service provider, Link Market Services Limited ABN 54 083 214 537 (**Share Registry**), which is contracted to manage Applications. SaleCo, the Company, and the Share Registry on its behalf, may collect, hold and use that personal information in order to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

If you do not provide the information requested in the Application Form, SaleCo, the Company and the Share Registry may not be able to process or accept your Application.

Your personal information may also be used from time to time to inform you about other products and services offered by the Company, which it considers may be of interest to you.

Your personal information may also be provided to the Company's members, agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy. The members, agents and service providers of the Company may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the register of members;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register of members. If you do not provide all the information requested, your Application form may not be able to be processed.

The information contained in the Company's register of members must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register of members is also used to facilitate dividend payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements. An Applicant has a right to gain access to the information that the Company and the Share Registry hold about that person, subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing or by telephone call to the Company's registered office or the Share Registry's office, details of which are disclosed in the Corporate Directory on the inside back cover of this Prospectus.

Applicants can obtain a copy of the Company's privacy policy by visiting the Company's website (www.speedcast.com).

Questions

If you have any questions about how to apply for Shares, call the SpeedCast Share Offer Information Line on 1800 129 431 (toll free within Australia) or +61 1800 129 431 (outside Australia) from 8.30am to 5.30pm (AEST) during the Broker Firm Offer period.

If you have any questions about whether to invest in the Company you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

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CHAIRMAN'S LETTER

5 August 2014

Dear Investor,

On behalf of the Directors of SpeedCast International Limited, it is my pleasure to invite you to become a Shareholder in the Company.

SpeedCast is a leading provider of satellite network services. It designs, implements, integrates, operates and maintains satellite-based communications networks and services for its customers, providing the critical network infrastructure to create satellite services for end users.

The business is supported by strong industry fundamentals within the satellite services industry and the broader industries in which SpeedCast's customers operate. These industry fundamentals include increasing automation of critical functions which rely on high speed networks, reliance on data collection and analysis for critical decision making, increasing data consumption and internet usage and investment from governments to expand access to telecommunications networks across rural areas. These industry fundamentals are driving sustained demand for SpeedCast's products and network services.

SpeedCast's technical expertise, global network footprint, customer focus and strong industry relationships have allowed the business to develop a leading position in the Asia Pacific region and a strong platform to service its target markets. SpeedCast serves over 1,000 customers across over 3,000 terrestrial sites, predominantly in Asia Pacific, and approximately 1,700 offshore rigs and vessels with satellite services.

SpeedCast has a strong track record of revenue and earnings growth, driven by increasing scale, strategic acquisitions and demonstrated operating leverage.

SpeedCast operates in a fragmented industry and has successfully integrated a number of recent acquisitions. Further consolidation opportunities, together with strategic organic growth initiatives and underlying industry fundamentals, form a strong platform from which to achieve anticipated future growth.

On Completion of the Offer, successful Applicants will become Shareholders in the Company. Investors in the Offer are expected to hold 63.7% of the Shares, with the remainder being held by current majority shareholders, the TA Associates Funds, Management Shareholders and Directors.

The Company was incorporated on 14 July 2014 and does not currently own the satellite services business conducted by SpeedCast. The business of SpeedCast is currently being conducted by SpeedCast Acquisitions and its controlled entities. In connection with the Offer, SpeedCast will undertake the Restructure, under which SpeedCast International Limited will become the new parent company of the SpeedCast group.

This Prospectus contains detailed information about the Offer, the industry in which SpeedCast operates, and its financial and operating performance. As with other businesses, SpeedCast is subject to a range of risks, which if they occur may decrease the demand for SpeedCast's goods and services and have a negative impact on SpeedCast's financial performance and position. These risks include competition from satellite network service industry participants, competitive pressures from different methods of communication transmission, reduced channels to customers as a result of vertical integration in the satellite network industry, the inability to secure sufficient satellite bandwidth to meet anticipated future requirements and the loss of key customers. These risks, and others, are detailed in Section 4. It is important that you read this Prospectus carefully and in its entirety before making your investment decision.

A total of A$150.0 million of Shares are available to Institutional Investors and Broker Firm Offer Applicants under the Offer, comprising A$51.6 million of Shares to be issued by the Company and A$98.4 million of Shares to be transferred by SaleCo from Selling Shareholders. The Offer is fully underwritten by the Lead Manager, UBS AG, Australia Branch.

On behalf of my fellow Directors, I look forward to welcoming you as a Shareholder.

Yours sincerely,

John Mackay AM
Chairman

KEY OFFER STATISTICS

Key Offer statistics	
Total number of Shares available under the Offer	76.5 million
Offer Price	A$1.96 per Share
Gross proceeds of the Offer	A$150.0 million
Number of Shares to be held by the TA Associates Funds on Completion of the Offer[1]	29.5 million
Number of Shares to be held by Management Shareholders on Completion of the Offer[1]	13.1 million
Total number of Shares at Completion of the Offer	120.2 million
Market capitalisation at the Offer Price[2]	A$235.5 million
Enterprise value at the Offer Price[3]	A$278.8 million

SpeedCast prepares its financial information in United States dollars as its reporting currency. The general assumptions adopted in preparation of the Forecast Financial Information, including the underlying A$/US$, €/US$ and HK$/US$ exchange rates, are included in Section 3.7.1. To facilitate comparison of financial information, key Offer statistics (including gross proceeds of the Offer and market capitalisation at the Offer Price) that have been presented in Australian dollars have also been shown in United States dollars assuming an exchange rate of A$1:US$0.9432, unless otherwise stated.

Gross proceeds of the Offer[4]	US$141.5 million
Market capitalisation at the Offer Price[5]	US$222.2 million
Enterprise value at the Offer Price[6]	US$263.0 million
Enterprise value at the Offer Price/pro forma consolidated forecast EBITDA for the 12 months ending 30 June 2015[7,8]	10.9×
Market capitalisation at the Offer Price/pro forma consolidated forecast NPATA for the 12 months ending 30 June 2015[7,9,10]	17.0×
Implied forecast dividend yield at the Offer Price for the 12 months ending 30 June 2015[7,11]	2.9%

1. The Shares to be held by the TA Associates Funds and Management Shareholders will be subject to voluntary escrow arrangements, as described in Section 8.12.
2. Market capitalisation at the Offer Price in Australian dollars is calculated as the total number of Shares on Completion of the Offer multiplied by the Offer Price.
3. Enterprise value at the Offer Price in Australian dollars is calculated as the total number of Shares on Completion of the Offer multiplied by the Offer Price, plus pro forma net debt on Completion of the Offer. Pro forma net debt is calculated as current and non-current interest bearing liabilities less cash and cash equivalents in United States dollars and multiplied by an exchange rate of A$1:US$0.9432.
4. Gross proceeds of the Offer in United States dollars is calculated as the gross proceeds of the Offer in Australian dollars multiplied by an exchange rate of A$1:US$0.9432.
5. Market capitalisation at the Offer Price in United States dollars is calculated as the total number of Shares on Completion of the Offer multiplied by the Offer Price, multiplied by an exchange rate of A$1:US$0.9432.
6. Enterprise value at the Offer Price in United States dollars is calculated as the total number of Shares on issue on Completion of the Offer multiplied by the Offer Price, multiplied by an exchange rate of A$1:US$0.9432, plus pro forma net debt on Completion of the Offer. Pro forma net debt is calculated as current and non-current interest bearing liabilities less cash and cash equivalents in United States dollars.
7. The Forecast Financial Information is based on assumptions and accounting policies set out in Section 3 and Appendix A and is subject to the key risks set out in Section 4. There is no guarantee that forecasts will be achieved.
8. Calculated as the enterprise value at the Offer Price in United States dollars divided by pro forma forecast EBITDA for the 12 months ending 30 June 2015. This multiple represents a valuation metric that may enable prospective investors to assess the valuation of comparable businesses before the impact of depreciation, amortisation and different capital and taxation structures.
9. This ratio is commonly referred to as a price to earnings, or PE, ratio.
10. NPATA is net profit after tax but prior to the amortisation of acquisition-related intangibles (net of tax effect). SpeedCast's management believes NPATA is an important measure of the underlying earnings of the business due to the number of acquisitions during the historical period which has resulted in increased amortisation, which represents a non-cash charge.
11. Implied forecast dividend yield is calculated as the implied dividend per Share based on the midpoint of the Company's target dividend payout ratio range of 40% to 60% of pro forma forecast NPATA for the 12 months ending 30 June 2015, divided by the Offer Price in United States dollars. The Offer Price in United States dollars is calculated as the Offer Price in Australian dollars, multiplied by an exchange rate of A$1:US$0.9432. The payment of a dividend by the Company is at the discretion of the Directors and will be a function of a number of factors, including general business conditions, the operating results and financial condition of SpeedCast, future funding requirements, compliance with debt facilities, capital management initiatives, taxation considerations (including the level of franking credits available), any contractual, legal or regulatory restrictions on the payment of dividends by the Company, and any other factors the Directors may consider relevant. No assurances can be given by any person, including the Directors, about payment of any dividend and the level of franking on any such dividend. For more information on the Company's dividend policy, see Section 3.10.

IMPORTANT DATES

Important dates	
Prospectus Date	Tuesday, 5 August 2014
Broker Firm Offer open*	Monday, 4 August 2014
Broker Firm Offer close (**Closing Date**)	Friday, 8 August 2014
Expected commencement of trading of Shares on the ASX on a conditional and deferred settlement basis	Tuesday, 12 August 2014
Allotment of Shares, completion of the Restructure and Completion of the Offer (last day of conditional trading)	Thursday, 14 August 2014
Expected mailing of holding statements	Friday, 15 August 2014
Shares expected to begin trading on a normal settlement basis	Monday, 18 August 2014

Note: This timetable is indicative only and may change. Unless otherwise indicated, all times are stated in AEST. The Company, in agreement with the Lead Manager, reserves the right to vary any and all of the above dates and times without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, or to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer before the issue of Shares). If the Offer is cancelled or withdrawn before the allocation of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Broker Firm Offer Applicants are encouraged to submit their Applications as early as possible after the Offer opens.

* Applications received during the Exposure Period, and Applications received after the expiry of the Exposure Period but prior to the Prospectus Date, have not been processed by the Company and will not receive any preference.

How to invest

Broker Firm Offer Applicants may apply for Shares by completing a valid Application Form attached to or accompanying this Prospectus and lodging it with the Broker that invited them to participate in the Offer.

Instructions on how to apply for Shares are set out in Section 6 and on the back of the Application Form.

SECTION 1
INVESTMENT OVERVIEW

1. INVESTMENT OVERVIEW

The Company was incorporated on 14 July 2014 and does not currently own the satellite services business conducted by SpeedCast. The business of SpeedCast is currently being conducted by SpeedCast Acquisitions and its controlled entities. In connection with the Offer, SpeedCast will undertake the Restructure, under which SpeedCast International Limited will become the new parent company of the SpeedCast group. Completion of the Restructure is subject to Listing. The Restructure is scheduled to take effect on 14 August 2014. If the Restructure does not complete, the Offer will not proceed.

This Investment Overview has been prepared as if the Restructure has already occurred and describes SpeedCast after the Restructure.

1.1 Introduction

Topic	Summary	For more information
What is SpeedCast?	SpeedCast is a leading provider of satellite-based communication networks and services in the Asia Pacific region and to the global maritime industry. It designs, implements, integrates, operates and maintains communications networks. It combines satellite capacity, network infrastructure and value-added services to create communications solutions for its customers. SpeedCast serves over 1,000 customers across over 3,000 terrestrial sites, predominantly in Asia Pacific, and 1,700 offshore rigs and vessels with satellite services. SpeedCast is headquartered in Hong Kong.	Section 2
What is the industry in which SpeedCast operates?	SpeedCast operates in the satellite service provider industry. Satellite service providers play a critical role in the broader satellite industry by providing the necessary infrastructure, software and technical capabilities to create communications solutions for end users that are operated and supported by the satellite service provider from satellite capacity leased from satellite operators.	Section 2.2
What are satellite communications networks used for?	Satellite networks are used to extend communications services to remote and rural areas beyond the reach of terrestrial networks (including maritime), or where natural disasters or military conflict render terrestrial communications unreliable.	Section 2.1
What technology platforms does SpeedCast use?	SpeedCast designs, implements, integrates, operates and maintains predominantly satellite-based networks around Very Small Aperture Terminal (**VSAT**) technologies. VSAT units utilise small dishes and antennas that send and receive high focused beams from satellites known as Fixed Satellite Services (**FSS**) satellites. FSS antennas are affixed to land, buildings, vehicles and ships. The most common technologies utilised by satellite service providers are VSAT and Mobile Satellite Services (**MSS**) satellite transmissions. MSS antennas are generally smaller and can be incorporated into mobile devices. MSS is commonly used to transmit voice and low-bit data. SpeedCast supplements its VSAT networks with MSS and other non-VSAT communication technologies such as fibre, microwave and wireless.	Section 2.2, Section 2.3
What services does SpeedCast provide?	SpeedCast provides its customers with communications networks and services that it designs to suit their requirements. SpeedCast installs and configures equipment, tests and configures satellite bandwidth, provides active network operation and monitoring and operates 24/7 support centres. SpeedCast also offers its customers a range of value-added service products, such as user applications (voice, video conferencing, video surveillance), network optimisation (firewalls, filtering, data compression) and network monitoring and management (including reporting tools and remote access for IT technicians).	Section 2.2, Section 2.3
What is the Offer?	The Company is offering to issue 26.3 million Shares to raise A$51.6 million and SaleCo is offering to transfer 50.2 million Shares from Selling Shareholders to raise A$98.4 million. All Shares issued and transferred pursuant to this Prospectus will, from the time they are issued and transferred, rank equally.	Section 6

1. INVESTMENT OVERVIEW

1.1 Introduction

Topic	Summary	For more information
Why is the Offer being conducted?	The purpose of the Offer is to provide the Company with: • a liquid market for its Shares and broaden the Company's shareholder base; • funds to partly repay SpeedCast's Existing Banking Facilities; • additional financial flexibility and access to capital markets to pursue the growth opportunities outlined in Section 2.8; • added benefits of an increased brand profile that arises from being a listed entity; and • ability to better attract and retain high quality staff. The Offer also provides certain Existing Shareholders with an opportunity to realise part of their investment in SpeedCast.	Section 6
What is the Restructure?	SpeedCast will undertake the Restructure, under which SpeedCast International Limited will acquire all of the issued share capital of SpeedCast Acquisitions and in return issue Shares to the securityholders of SpeedCast Acquisitions, in the same proportion as their securityholdings in SpeedCast Acquisitions. The issue of Restricted Management Rights in substitution for existing rights held by management comprises an additional component of the Restructure. Completion of the Restructure is subject to Listing. The Restructure is scheduled to take effect on 14 August 2014. If the Restructure does not complete, the Offer will not proceed.	Section 8.3

1.2 Key features of SpeedCast's business model

Topic	Summary	For more information
How does SpeedCast generate revenue?	SpeedCast generates revenue from the provision of satellite-based communications networks and services to its customers. Satellite networks are used on land and at sea by users who are beyond the reach of terrestrial networks or where natural disasters or military conflicts render terrestrial networks unreliable. Satellite networks are also used by telecom customers to extend the reach of their cellular or fibre networks, for dedicated communications between multiple sites by enterprise customers or as back-up in case terrestrial systems fail. SpeedCast's customers generally pay a fixed monthly fee for a given bandwidth with unlimited usage, with includes maintenance and customer support. SpeedCast offers a range of value-added services that may be purchased for an incremental fee. SpeedCast also receives an upfront installation fee and revenue from the sale of equipment.	Section 2.1, Section 2.3
Which geographical markets does SpeedCast operate in?	SpeedCast operates predominantly across Asia Pacific for land-based services, and globally for its maritime services. Geographically, SpeedCast's customers located in Australia contributed approximately 35% of SpeedCast's pro forma service revenue (excluding Afghanistan) in FY2013. Customers located in the Pacific Islands contributed 21% of SpeedCast's pro forma service revenue (excluding Afghanistan) in FY2013.	Section 2.1

1.2 Key features of SpeedCast's business model

Topic	Summary	For more information
Which geographical markets does SpeedCast operate in? continued	A further 14% of pro forma service revenue (excluding Afghanistan) was generated by customers located in other parts of Asia Pacific (including Indonesia, Malaysia, Philippines, Singapore, Hong Kong, Myanmar, Vietnam, Laos, Cambodia, Bhutan, Nepal, Pakistan, Bangladesh, Thailand, Turkmenistan, Uzbekistan, China, Japan and South Korea) in FY2013. Customers in Europe, the Middle East and Africa and elsewhere contributed 4% of SpeedCast's pro forma service revenue (excluding Afghanistan) in FY2013.[12] Maritime customers contributed 26% of SpeedCast's pro forma service revenue (excluding Afghanistan) in FY2013. SpeedCast's maritime customers, primarily owners and managers of merchant shipping vessels and OSVs, are active globally.	Section 2.1
Does SpeedCast have any debt facilities?	On Completion of the Offer, SpeedCast will have approximately US$60.0 million of third-party debt facilities (drawn to approximately US$45.7 million and net of capitalised borrowing costs of approximately US$0.6 million) and a cash and cash equivalents balance of US$5.0 million (US$4.2 million as per the 31 December 2013 pro forma balance sheet).[13] This represents approximately 2.0× pro forma net debt to FY2014 pro forma EBITDA (and 2.0× pro forma historical net indebtedness as at 31 December 2013 to FY2014 pro forma EBITDA) and provides a level of gearing which the Board believes to be appropriate given the historical financial performance and forecast financial performance of the business.	Section 3
What are SpeedCast's customer segments?	SpeedCast focuses on five customer segments divided by customer industry: telecom, maritime, natural resources, government and NGO, and enterprise. Telecom customers comprised 29% of SpeedCast's FY2013 pro forma service revenue (excluding Afghanistan), maritime 26%, natural resources 15%, government and NGO 11% and enterprise 16%, while 3% was generated by other verticals.	Section 2.1, Section 2.4
How does SpeedCast expect to fund its operations?	SpeedCast expects to fund its operations, any interest payments and repayment of bank facilities from its operating cash flows.	Section 3.4.4
Has SpeedCast made any recent acquisitions?	SpeedCast operates in a fragmented industry that is undergoing consolidation. SpeedCast has made five acquisitions since being acquired by the TA Associates Funds in 2012. SpeedCast's first subsequent acquisition was the business of Australian Satellite Communications Pty Ltd (**ASC**) (today part of SpeedCast Australia), a leading satellite service provider in the Australian market. The acquisition was completed in 2012, shortly after the acquisition of SpeedCast by the TA Associates Funds and management. In 2013, SpeedCast acquired European maritime-focused service provider Satfa BV and Elektrikom BV (which together, form the **Elektrikom** business and today are part of SpeedCast Europe) and Pactel International Pty Ltd (**Pactel**) (today part of SpeedCast Pacific), an Australian based service provider with strong operations in the Pacific Islands. In 2014, SpeedCast acquired MSS and VSAT service provider Satellite Communications Australia Pty Ltd (**SatComms**) and VSAT services provider Oceanic Broadband Solutions Pty Ltd (**Oceanic**). SpeedCast has demonstrated a proven ability to successfully integrate its acquisitions and realise cost and revenue synergies.	Section 2.3.2, Section 2.8.5

12. As described in Section 3.3.1, service revenues generated in Afghanistan arose from a particular event and have been excluded from pro forma service revenue for this reason.
13. Shown after the payment of US$5.6 million in acquisition related payments payable in August and September 2014. Borrowings also include US$0.1 million of finance leases – see Section 3.4 for further details.

1.2 Key features of SpeedCast's business model

Topic	Summary	For more information
What is SpeedCast's pro forma historical and forecast financial performance?	The Historical and Forecast Financial Information presented below is a summary only and should be read in conjunction with the more detailed discussion of the Pro Forma Historical Financial Information and the Forecast Financial Information in Section 3, including the assumptions, management discussion and analysis and sensitivity analysis, as well as the risk factors set out in Section 4. A reconciliation of the pro forma forecast and statutory forecast income statements is provided in Section 3.3.2.	Section 3

Summary consolidated pro forma historical income statement information from FY2011 to FY013, and summary consolidated pro forma forecast income statements for FY2014 and the 12 months ending 30 June 2015[14]

	Pro Forma Historical Results			Pro Forma Forecast Results	
December year end (US$m)	FY2011	FY2012	FY2013	FY2014	12 months ending 30 June 2015
Total revenue	87.0	102.9	111.3	119.0	128.5
EBITDA	9.5	15.9	17.5	20.6	24.0
EBITA[15]	6.6	12.5	13.8	16.1	18.9
NPAT			3.6	6.1	8.4
NPATA[16]			8.3	10.8	13.1

The Pro Forma Historical Results for FY2011 and FY2012 have not been presented on an NPAT or NPATA level because SpeedCast's corporate and funding structure prior to the incorporation of SpeedCast Acquisitions was materially different from that in place after the incorporation of SpeedCast Acquisitions and the acquisition of SpeedCast by the TA Associates Funds and management. Refer to Section 3.2.1 for further details.

1.3 Key strengths

Topic	Summary	For more information
Strong underlying fundamentals and high growth end markets	SpeedCast's business is supported by several strong industry fundamentals that are driving increased usage of satellite capacity and bandwidth requirements: • growing internet usage globally, generally via satellite in regions with no access to fibre, and internet-based applications that require additional bandwidth requirements; • increasing automation and sophistication of mission critical systems including remote operation of critical machinery, systems management, data collection and reliance on data for decision making; • growing focus from governments and international organisations to bridge the "digital divide" in rural areas and developing nations, and expansion of rural coverage of cellular networks, either by regulation or in search of subscriber growth; and • regulatory and operational requirements in maritime, including access to updated navigation maps, monitoring of key equipment such as engines, vessel tracking, weather forecasting, and the provision of high speed connections for internet and voice on board.	Section 2.4

14. Certain financial data included in this Prospectus, such as EBITDA, EBITA, EBIT and NPATA are 'non-IFRS financial information' under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC. The Company believes that this non-IFRS financial information provides useful information to users in measuring the financial performance and condition of SpeedCast. Readers are cautioned not to place undue reliance on any non-IFRS financial information and ratios included in this Prospectus.
15. EBITA is earnings before interest, tax and amortisation of acquisition related intangibles.
16. NPATA is net profit after tax but prior to amortisation of acquisition-related intangibles (net of tax effect). SpeedCast's management believes NPATA is an important measure of the underlying earnings of the business due to the number of acquisitions during the historical period which has resulted in increased amortisation, which represents a non-cash charge.

1.3 Key strengths

Topic	Summary	For more information
Strong track record of growth	SpeedCast has achieved a strong track record of revenue and earnings growth. Pro forma total revenue has grown at a CAGR of 13% from FY2011 to F20Y13, from US$87.0 million in FY2011 to US$111.3 million in FY2013. Pro forma EBITDA over the same period increased from US$9.5 million in FY2011 to US$17.5 million in FY2013, or 36% CAGR. SpeedCast's pro forma total revenue and EBITDA is forecast to grow by 7% and 17% per annum, respectively, from FY2013 to FY2014 and by 17% and 38% per annum, respectively, from 1H FY2014 to 1H FY2015. SpeedCast has high operating leverage and has benefitted from increasing scale, demonstrated by a 5 percentage point increase in EBITDA margins from 11% in FY2011 to 16% in FY2013.[17]	Section 3
Demonstrated track record of successful integration of acquisitions	SpeedCast has made a number of material acquisitions since 2012. SpeedCast acquired ASC, Elektrikom and Pactel in 2012 and 2013, and has recently completed two acquisitions in 2014, SatComms and Oceanic. SpeedCast has demonstrated an ability to successfully integrate its acquisitions and drive capability and scale benefits. Realised benefits include cost synergies as well as leveraging product and geographic capabilities across acquired customer bases to generate revenue synergies.	Section 2.3.2
Well positioned to benefit from strategic acquisitions	The markets in which SpeedCast operates are fragmented, comprised largely of providers focused on either specific countries, and sometimes regions, or particular customer segments. SpeedCast expects industry consolidation to continue and considers that it is well positioned to benefit from future strategic acquisition opportunities as they arise.	Section 2.5
Strong competitive position	SpeedCast believes that it has a strong and sustainable competitive position as a satellite service provider, with competitive strengths that include: • global network and infrastructure footprint developed over the last decade, including a series of strong and long-term relationships with providers of critical network components, software developers and on-the-ground licensing and maintenance partners to complement SpeedCast's own engineering teams; • established brand and reputation; • a leading operator in the Asia Pacific region; • economies of scale, which drive efficiency in areas including the purchase of satellite capacity; • turnkey solutions and value-added services for key customer segments; and • diversified customer base across multiple customer segments and geographic regions.	Section 2.7
Highly experienced management team	The management team is led by Pierre-Jean ("PJ") Beylier, who has been with SpeedCast for 14 years, including 10 years as Chief Executive Officer. Under PJ, SpeedCast has managed the transition to its current technology platform and strategic focus on providing turnkey, tailored solutions to key customer segments across Asia Pacific and maritime globally. SpeedCast's management team has a proven track record of achieving strong financial results.	Section 5.2

17. Operating leverage is the ability to drive revenue at a faster rate than costs which is reflected in growth in EBITDA relative to growth in revenue.

1.4 Key risks

Topic	Summary	For more information
SpeedCast operates in a competitive industry	The satellite services industry is subject to vigorous competition based on factors including price, service, quality, performance standards and the ability to provide customers with an appropriate range of reliable and tailored services in a timely manner. SpeedCast competes against global and local satellite services providers; certain global providers may have larger market share and greater financial resources, and certain local providers may have stronger positions in domestic markets. SpeedCast's growth plans may be impacted by difficulties in effectively competing against global and domestic competitors, which could adversely affect its future financial performance and position.	Section 4.2.1
SpeedCast faces competition from a range of technologies	Satellite services providers compete with a range of different methods of transmission, including fibre-optic (such as Australia's National Broadband Network), Wi-Fi and WiMax. As competing networks expand, satellite communication's competitive advantage in providing connectivity to users outside established networks is reduced. If telecommunications to remote locations becomes more readily accessible or less expensive, SpeedCast's financial position and performance could be adversely affected.	Section 4.2.2
Consolidation of SpeedCast's industry could change the competitive landscape	The satellite services industry is undergoing a period of consolidation and vertical integration. SpeedCast's competitive position could be affected if satellite operators acquire SpeedCast's product distributors and re-sellers, which are an important channel for SpeedCast's services. Satellite operators may also attempt to compete with SpeedCast by providing services directly to end-users. If SpeedCast fails to adequately respond to the change in competitive landscape of the satellite services industry it could lead to a deterioration in SpeedCast's financial position and performance.	Section 4.2.3
SpeedCast may be unable to secure sufficient satellite bandwidth	SpeedCast expects to require access to additional satellite bandwidth in order to meet its anticipated future growth. There may be a material disruption or loss of capacity as a result of the partial or complete failure of one or more satellites, or alternatively the expected growth in bandwidth supply may not eventuate or global radio frequency spectrum may be re-allocated from satellite operators to other terrestrial users. Increased future competition for capacity may materially increase SpeedCast's costs. If SpeedCast is unable to procure sufficient bandwidth in the future, or if the cost of the bandwidth materially increases, SpeedCast's financial position and performance could be adversely affected.	Section 4.2.4
SpeedCast may lose key customers	SpeedCast is dependent on its customers in order to sustain and grow its business. SpeedCast's customer relationships may be adversely affected by a range of factors, some of which are outside SpeedCast's control. SpeedCast may lose key customers for a variety of reasons, including through service disruptions or breaches of its contractual obligations. Certain customers are not subject to formal written contracts, and certain others may be entitled to terminate their contracts on short notice and without financial penalty. There is also a risk that customers may not renew contracts as and when they expire. If SpeedCast loses key customers, or if there is a reduction in demand from key customers, SpeedCast's business operations and financial performance will be adversely affected.	Section 4.2.5

1.4 Key risks

Topic	Summary	For more information
Certain of SpeedCast's key customer contracts may be inadequate	Certain of SpeedCast's key customers have not entered into formal written contracts with SpeedCast, most of which are legacy customers of the businesses acquired by SpeedCast. Certain other of SpeedCast's key customers are party to contracts that have expired and are continuing on a "month-to-month" or other similarly short-term basis. There is a risk that uncontracted customers, or customers who are on "month-to-month" or other short-term arrangements, may decide to cease doing business with SpeedCast on little or no notice. There is also a risk that SpeedCast may face difficulties in enforcing agreed but undocumented commercial arrangements with customers. If these risks eventuate, SpeedCast's business operations and financial performance may be adversely affected.	Section 4.2.6
SpeedCast may be unable to pass on cost increases	Most of SpeedCast's key customer contracts provide for a fixed price for its services. Where possible, SpeedCast contracts with customers and satellite capacity providers on a "back to back" basis, however this is not always possible. In the event that SpeedCast is unable to enter into "back to back" arrangements with suppliers and customers, SpeedCast is at risk if the cost of securing satellite capacity to provide services under a key contract increases during the term of the contract. This may adversely affect SpeedCast's profitability and financial position.	Section 4.2.7
SpeedCast may lose, or be unable to attract, key personnel	SpeedCast's success depends to a significant extent on its key personnel, in particular the senior management team discussed at Section 5. SpeedCast's key personnel have extensive experience in, and knowledge of, the satellite services industry. There is significant competition for key personnel with experience in the satellite services industry, and this competition is expected to increase. The loss of key personnel, and an inability to recruit or retain replacement or additional personnel, may adversely affect SpeedCast's future financial performance.	Section 4.2.8

1.5 Directors and key management

Topic	Summary	For more information
Who are the Directors of the Company?	**John Mackay AM** *(Chairman)*: John has over 15 years of experience as a Chairman and director of major companies across the communications, utilities, health, construction and education sectors. John is a current director of CIC Australia and Chairman of the audit and remuneration committees, and a director of data centre manufacturer Datapod. Previously, John held the role of Chairman of TransACT Communications, and he was the Chairman and CEO of ACTEW Corporation and CEO, Chairman and founder of its joint venture with AGL. John has been a Chairman or director of several charitable, arts and sporting boards, and has held a number of senior roles in the Australian federal public service. John was appointed a Member of the Order of Australia in 2004, and was named as Canberra Citizen of the Year in 2008. John holds Bachelors of Arts (Administration) and Economics and an Honorary Doctorate from the University of Canberra.	Section 5.1

1.5 Directors and key management

<table>
<tr><th>Topic</th><th colspan="2">Summary</th><th>For more information</th></tr>
<tr><td rowspan="4">Who are the Directors of the Company?
continued</td><td>Pierre-Jean ("PJ") Beylier
(Chief Executive Officer)</td><td>PJ is the Chief Executive Officer of SpeedCast. He was appointed to the role in 2004 after joining SpeedCast in 2000. PJ has been instrumental to the success of SpeedCast, having managed the transition to its current technology platform and guided the development of SpeedCast's strategic focus.

PJ has over 20 years of experience in international sales and marketing, including roles at Black and Decker in France, and Rhodia, a French manufacturer of specialised industrial chemicals.

PJ graduated from Lyon School of Management and received an MBA from the University of Southern California.</td><td rowspan="4">Section 5.1</td></tr>
<tr><td>Michael Berk
(Non-executive Director)</td><td>Michael Berk is a Managing Director of TA Associates. He has been a Director of SpeedCast since its acquisition by the TA Associates Funds in 2012. On behalf of TA Associates, Michael also currently serves as a director of Dealer Tire, the Professional Warranty Service Corporation and Towne Park. Previously, Michael was a director of Microban International and Triumph HealthCare.

Michael holds a JD (cum laude) from Harvard Law School, an MBA from Harvard Business School and a Bachelor of Arts (magna cum laude) from Harvard University.</td></tr>
<tr><td>Grant Ferguson
(Independent Non-executive Director)</td><td>Grant has over 15 years of experience in the telecommunications industry, in both finance and general management roles. Grant was previously the CEO of Astro Overseas Ltd, responsible for the development and management of the Astro Group's international business, and the CFO of Astro All Asia Networks Plc. Grant has also held positions as Managing Director at Temasek Holdings, overseeing the development of the fund's telecommunications and media investments, CFO of Total Access Communications in Thailand, and Treasurer for the First Pacific Group in Hong Kong. Grant currently serves as an adviser to and non-executive director of a number of businesses across Asia covering a variety of industry sectors.

Grant commenced his career with PricewaterhouseCoopers in the United Kingdom, United States and Hong Kong where he held a series of senior management positions. Grant is a member of the Institute of Chartered Accountants in Scotland and the Hong Kong Institute of Certified Public Accountants.</td></tr>
<tr><td>Peter Jackson
(Non-executive Director)</td><td>Peter has over 40 years of experience in the satellite and telecommunications sectors. He has held roles at Cable and Wireless and AsiaSat, where he was CEO and Executive Chairman. Peter is also a former director of the Cable & Satellite Broadcasting Association of Asia. Peter is currently a non-executive director of AsiaSat, a member of the Advisory Board of Thuraya Telecommunications, a consultant to CITIC and a member of the investment committee of a private equity firm.</td></tr>
</table>

1.5 Directors and key management

Topic	Summary		For more information
Who are the Directors of the Company? continued	**Michael Malone** *(Independent Non-executive Director)*	Michael is the founder and former CEO of ASX-listed internet provider iiNet. Previously, Michael served as the President of the Western Australian Internet Association, and he is the former Deputy Chairman of Autism West. Michael was a winner of the Western Australian Information Technology and Telecommunications Awards lifetime achievement award in 2005, and in 2006 was awarded the Business News Award for the most outstanding business leader in Western Australia under 40 and the Young Leader of the Year award for the JML Australia Human Capital Leadership Awards. Michael holds a Bachelor of Science and a Diploma of Education from the University of Western Australia.	Section 5.1
	Edward Sippel *(Non-executive Director)*	Edward is a Managing Director of TA Associates and Co-Head of TA Associates in Asia. Edward focuses on investments in companies in the Asia Pacific region. Edward has been a Director of SpeedCast since its acquisition by the TA Associates Funds in 2012. On behalf of TA Associates he also serves on the board of Nintex in Australia and was formerly a director of Forgame in China. Prior to joining TA Associates, Edward was a partner at two private equity funds, Quadrangle Capital Partners and TVG Capital. In this capacity Edward served on the Board of Directors of many public and private companies globally, including several in Australia such as Request Broadband and PowerTel, an ASX-listed entity which was later acquired by Telecom New Zealand/AAPT. Edward holds a BA from Georgetown University.	
Who is SpeedCast's senior Board adviser?	**William ("Bill") Barney** *(Senior adviser)*	Bill is a senior adviser to the SpeedCast Board. Bill has over 25 years of experience in the telecommunications industry including 10 years as CEO of Pacnet. Bill is currently the CEO of Global Cloud Xchange, and the Treasurer and Governor of the Pacific Telecommunications Council. Bill has served as the Asia Pacific President and CEO of MCI Worldcom Asia Pacific, Vice President of Global One and performed various roles at AT&T. Bill holds a BA from Wesleyan University and an MBA from Columbia University.	Section 5.1

1.5 Directors and key management

Topic	Summary		For more information
Who is SpeedCast's Company Secretary?	**Andrew Metcalfe** *(Company Secretary)*	Andrew is a qualified chartered secretary and experienced governance adviser. He is a CPA, Fellow of the Governance Institute of Australia and Member of the Australian Institute of Directors. Andrew has acted as Company Secretary for a range of ASX-listed companies across a broad industry base. Andrew is located in Melbourne and advises SpeedCast on company secretarial practice and procedures and governance matters.	Section 5.1
Other than Pierre-Jean Beylier, who are the key members of SpeedCast's management?	**Mark Ellison** *(Chief Financial Officer)*	Mark is Chief Financial Officer of SpeedCast and has over 40 years of experience in finance. Prior to joining SpeedCast in 2012, Mark was CFO of satellite services provider Vizada Group. Mark has held several CFO and senior finance roles including at KPMG, Computacenter, Monaco Telecom and as Partner with Ernst and Young. Mark holds an MA from the University of Cambridge and an MBA from INSEAD in France. Mark is also a Chartered Accountant (England and Wales), as well as a Certified Public Accountant (New York State). Mark is based in Hong Kong.	Section 5.2
	Richard Carden *(Senior Vice President, Global Sales)*	Richard is Senior Vice President, Global Sales and has 25 years of experience in the telecommunications and IT sectors. Richard previously held the role of Senior Vice President of Global Sales at Pacnet in Singapore. Prior to this, Richard served as President and CEO of Verizon Business Japan and Chief Operating Officer of Asia Netcom Japan. Richard is based in Singapore.	
	Mark Borgas *(Vice President, Australia Pacific)*	Mark is Vice President, Australia Pacific, and has more than 25 years of experience in the telecommunications sector. Mark commenced at ASC in 1998, and joined the SpeedCast management team when SpeedCast acquired ASC in 2012. Mark holds a Bachelor of Electrical and Electronic Engineering (Hons) from the University of Adelaide and an MBA from La Trobe University. Mark is based in Australia.	

1.5 Directors and key management

Topic	Summary		For more information
Other than Pierre-Jean Beylier, who are the key members of SpeedCast's management? continued	**André Eerland** *(Vice President, Maritime)*	André is Vice President, Maritime and has more than 25 years of experience in the maritime industry and over 20 years of experience in satellite communications. André joined Elektrikom in 1993, which was acquired by SpeedCast in 2013. André holds a university degree of applied science and studied in Rotterdam, Netherlands. André is based in the Netherlands.	Section 5.2
	Tony Chung *(Senior Vice President, Operations and Engineering)*	Tony is Senior Vice President, Operations and Engineering, having joined SpeedCast in 2003. Tony has been leading the Operations, Engineering and Customer Support team since 2006. Tony holds a Master of Philosophy and Bachelor of Arts in Computing from the Hong Kong Polytechnic University. Tony is based in Hong Kong.	
	Peter Radford *(Vice President, Products)*	Peter is Vice President, Products. Peter joined SpeedCast in 2006 as Head of Network Solutions. Peter has had over 20 years of product management experience in the IT and telecommunications sectors, including roles at TIME Telekom, Motorola and Philips. Peter holds an MBA from the Rotterdam School of Management and a Bachelor of Engineering (Hons) from the University of Surrey. Peter is based in Malaysia.	
	Andrew Burdall *(Vice President, Strategic Business Development)*	Andrew is Vice President, Strategic Business Development. Andrew joined SpeedCast in 2014 following SpeedCast's acquisition of SatComms, where Andrew had been CEO since 2010. Prior to joining SatComms, Andrew was a finance executive at JN Taylor & Co Ltd. Andrew is a Certified Chartered Accountant and Fellow of the Association of Chartered Certified Accountants (ACCA Global), and a member of the Institute of Public Accountants in Australia. Andrew is based in Australia.	

1.6 Significant interests of key people and related party transactions

<table>
<tr><th>Topic</th><th>Summary</th><th>For more information</th></tr>
<tr><td>Who are the Existing Shareholders and what will be their interest in the Company at Completion?</td><td>
<table>
<tr><th></th><th>Ownership of the Company after the Restructure and prior to Completion of the Offer</th><th colspan="2">Ownership of the Company following Completion of the Offer</th></tr>
<tr><th></th><th>%</th><th>Shares (million)</th><th>%</th></tr>
<tr><td>TA Associates Funds</td><td>81.6</td><td>29.5</td><td>24.6</td></tr>
<tr><td>Pierre-Jean Beylier</td><td>9.7</td><td>7.1</td><td>5.9</td></tr>
<tr><td>Other Management Shareholders</td><td>7.6</td><td>6.0</td><td>5.0</td></tr>
<tr><td>Directors</td><td>1.1</td><td>1.0</td><td>0.9</td></tr>
<tr><td>Total</td><td>100.0</td><td>43.6</td><td>36.3</td></tr>
</table>
The Existing Shareholders are the current owners of SpeedCast Acquisitions, which is the parent entity of the group of companies that carries on the SpeedCast business as at the Prospectus Date. Under the Restructure, each Existing Shareholder will receive Shares in exchange for their securities in SpeedCast Acquisitions. As such, Shares which will be owned by the Existing Shareholders have not been issued as at the Prospectus Date and will only be issued on completion of the Restructure.
Some of the Existing Shareholders will sell some of the Shares that they are issued under the Restructure to SaleCo. SaleCo will then sell those Shares into the Offer.
The TA Associates Funds have agreed to retain a total of 39% of their Shares (equating to a 24.6% Shareholding on Completion of the Offer) and the Management Shareholders (including Pierre-Jean Beylier) will retain a total of 81% of their Shares (equating to a 10.9% Shareholding on Completion of the Offer).[18]
The TA Associates Funds are party to a Relationship Deed with the Company. The Relationship Deed will require the provision of certain financial information from the Company to the TA Associates Funds to enable the TA Associates Funds to meet their legal obligations relating to the filing of tax returns, tax-related forms and tax elections in the United States. The Relationship Deed, and therefore, the TA Associates Funds' rights to receive such information, will terminate when the TA Associates Funds no longer require the financial information to meet their tax compliance obligations in the United States. Refer to Section 8.11 for further discussion of the Relationship Deed.
The Company has also agreed to issue Restricted Management Rights to certain employees of SpeedCast as a component of the Restructure. On vesting of the Restricted Management Rights, which will occur over period of approximately four years from Completion of the Offer, approximately 1.1 million Shares will be issued, representing approximately 0.9% of the issued share capital of the Company on Completion of the Offer.
</td><td>Section 5.3.2.2, Section 5.3.3.4, Section 6.1.3</td></tr>
</table>

18. The Shares to be held by the TA Associates Funds and Management Shareholders will be subject to voluntary escrow arrangements, as described in Section 8.12.

1.6 Significant interests of key people and related party transactions

Topic	Summary	For more information
What significant benefits and interests are payable to Directors and other persons connected with SpeedCast or the Offer?	See table below. The above table does not take into account any Shares the Directors may acquire under the Offer. None of the Shares held by the Directors will be subject to any escrow restrictions (with the exception of the Shares held by Pierre-Jean Beylier). Michael Berk (Managing Director of TA Associates) and Edward Sippel (Managing Director of TA Associates and Co-Head of TA Associates in Asia), each of whom are partners of certain of the TA Associates Funds, may be deemed to have indirect interests in some of the Shares held by the TA Associates Funds through the 24.6% shareholding in the Company that the TA Associates Funds will have following the Offer (by virtue of their respective positions as partners of certain of the TA Associates Funds). All Non-executive Directors other than Michael Berk and Edward Sippel will receive directors' fees. Pierre-Jean Beylier will receive remuneration as an Executive Director. Advisers and other service providers are entitled to fees for services as disclosed in Section 8.16.1.	Section 5.3.3.4

	Number of Shares held on Completion of the Offer (million)	Ownership of the Company following Completion of the Offer (%)
John Mackay	0.3	0.2
Pierre-Jean Beylier	7.1	5.9
Michael Berk	n/a	n/a
Grant Ferguson	0.3	0.2
Peter Jackson	0.3	0.2
Michael Malone	0.3	0.2
Edward Sippel	n/a	n/a

1.7 Proposed use of funds and key terms and conditions of the Offer

Topic	Summary	For more information
What is the Offer?	The Company is offering to issue 26.3 million Shares to raise A$51.6 million and SaleCo is offering to transfer 50.2 million Shares from Selling Shareholders to raise A$98.4 million. All Shares issued and transferred pursuant to this Prospectus will, from the time they are issued and transferred, rank equally.	Section 6.1
Who are the issuers of this Prospectus?	SpeedCast International Limited ACN 600 699 241 and SpeedCast SaleCo Limited ACN 600 693 141.	Section 6.1

1.7 Proposed use of funds and key terms and conditions of the Offer

Topic	Summary	For more information
What is SaleCo and what is its involvement in the Offer?	SaleCo is a special purpose vehicle established to sell Shares acquired from Selling Shareholders. The Selling Shareholders have executed deeds under which they have agreed to sell certain Shares issued to them under the Restructure to SaleCo free from encumbrances and third party rights and conditional on (among other things) Listing. The Selling Shareholders have agreed to sell in total 50.2 million Shares to SaleCo. The Shares which SaleCo acquires from the Selling Shareholders will be transferred to Successful Applicants at the Offer Price.	Section 8.5
Why is the Offer being conducted?	The purpose of the Offer is to provide the Company with: • a liquid market for its Shares and broaden the Company's shareholder base; • funds to partly repay SpeedCast's Existing Banking Facilities; • additional financial flexibility and access to capital markets to pursue the growth opportunities outlined in Section 2.8; • added benefits of an increased brand profile that arises from being a listed entity; and • ability to better attract and retain high quality staff. The Offer also provides certain Shareholders with an opportunity to realise part of their investment in SpeedCast.	Section 6.1.2
What are the conditions to the Offer proceeding?	The Offer is conditional on completion of the Restructure.	Section 6.8.3, Section 8.3
Will the Shares be quoted on the ASX?	The Company has applied to the ASX for admission to the Official List and quotation of Shares on the ASX under the code SDA. Completion of the Offer is conditional on the ASX approving this application and on completion of the Restructure. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.	Section 6.2
Will any Shares be subject to voluntary escrow arrangements?	Yes. Details are provided in Section 8.12.	Section 8.12
How is the Offer structured?	The Offer comprises the: • Broker Firm Offer; and • Institutional Offer, which consists of an invitation to certain Institutional Investors.	Section 6.1.1
Is the Offer underwritten?	Yes. The Offer is fully underwritten by the Lead Manager.	Section 6.1.1, Section 8.10
What is the allocation policy?	The allocation of Shares between the Broker Firm Offer and the Institutional Offer is determined by the Lead Manager in consultation with the Company and SaleCo, having regard to the allocation policies outlined in Sections 6.3.4 and 6.5.2. The Lead Manager and the Company have absolute discretion regarding the basis of allocation of Shares among Institutional Investors. For Broker Firm Offer Applicants, the relevant Broker will decide how they allocate Shares among their clients.	Section 6.3.4, Section 6.5.2

1.7 Proposed use of funds and key terms and conditions of the Offer

Topic	Summary	For more information
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer.	Section 6.2
What are the tax implications of investing in the Shares?	You may be subject to Australian income tax or withholding tax on any future dividends paid. The tax consequences of any investment in Shares will depend upon your particular circumstances, particularly for non-Australian tax resident investors. Applicants should obtain their own tax advice prior to deciding whether to invest.	Section 8.15
When can I sell my Shares on ASX?	It is expected that trading of the Shares on the ASX will commence on or about 12 August 2014, initially on a conditional and deferred settlement basis. It is expected that the dispatch of holding statements will occur on or about 15 August 2014 and that Shares will commence trading on the ASX on a normal settlement basis on or about 18 August 2014. It is the responsibility of each Applicant to confirm their holding before trading Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk.	Section 6.8.3
What is the Company's dividend policy?	Subject to future business conditions and the future cash flow requirements of SpeedCast, the Directors intend to target a dividend payout ratio in the range of 40% to 60% of NPATA.[19]	Section 3.10
How can I apply?	Broker Firm Offer Applicants may apply for Shares by completing a valid Application Form attached to or accompanying this Prospectus in its paper form or electronic form via the Offer website, www.speedcast.com/shareoffer. To the extent permitted by law, an Application under the Offer is irrevocable.	Section 6.3, Section 6.5
Can the Offer be withdrawn?	The Company and SaleCo may withdraw the Offer at any time before the issue of Shares to Successful Applicants. If the Offer does not proceed, Application Monies will be refunded by the Share Registry, your Broker or the Company. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.	Section 6.6
Where can I find more information about this Prospectus or the Offer?	Please call the SpeedCast Offer Information Line on 1800 129 431 (toll free within Australia) or +61 1800 129 431 (outside Australia) from 8.30am until 5.30pm (AEST) Monday to Friday. If you are unclear about any matter or are uncertain as to whether SpeedCast is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.	Important Notices

19. NPATA is net profit after tax but prior to the amortisation of acquisition-related intangibles (net of tax effect). SpeedCast's management believes NPATA is an important measure of the underlying earnings of the business due to the number of acquisitions during the historical period which has resulted in increased amortisation, which represents a non-cash charge.

SECTION 2
BUSINESS AND INDUSTRY OVERVIEW

2. BUSINESS AND INDUSTRY OVERVIEW

This section provides an overview of SpeedCast's business, the markets in which it operates, and key industry dynamics and trends.

The Company was incorporated on 14 July 2014 and does not currently own the satellite services business conducted by SpeedCast. The business of SpeedCast is currently being conducted by SpeedCast Acquisitions. In connection with the Offer, SpeedCast will undertake the Restructure, under which SpeedCast International Limited will become the new parent company of the SpeedCast group. Completion of the Restructure is subject to Listing. The Restructure is scheduled to take effect on 14 August 2014. If the Restructure does not complete, the Offer will not proceed.

This Business and Industry Overview has been prepared as if the Restructure has already occurred and describes SpeedCast after the Restructure.

2.1 Introduction to SpeedCast

SpeedCast is a leading provider of satellite-based communication networks and services in the satellite service provider industry. Satellite networks are used to extend communications services to remote and rural areas beyond the reach of terrestrial networks (including maritime), or where natural disasters or military conflict render terrestrial communications unreliable. Customers operating in industries such as natural resources and governments make use of satellite networks for this purpose, as well as telecom operators to extend the reach of their own cellular and fibre networks. The reliability of satellite communications has also led to the creation of a market for enterprise customers, such as the finance and banking sectors. These sectors use satellite networks for business continuity purposes, relying on satellites to transmit mission critical information via dedicated networks across multiple sites or as a back-up network in case terrestrial systems fail (for example, in the case of natural disasters). Where other infrastructure is not available, satellite communications technology is useful in situations where mobility is required. It is an important means of communication in the maritime industry, while use in the aeronautical market is also growing.

SpeedCast operates predominantly Very Small Aperture Terminal (**VSAT**) networks. VSAT is a type of satellite signal transmission that utilises small dishes and antennas that send and receive high focused high throughput beams from satellites. SpeedCast's key customer segments are land-based customers across the Asia Pacific region, and global maritime customers. SpeedCast has over 1,000 customers across over 3,000 terrestrial sites and 1,700 offshore rigs and vessels including merchant shipping vessels and offshore supply vessels (**OSVs**). SpeedCast services five key customer segments: telecom, maritime, natural resources, government and NGO and enterprise.

Geographically, SpeedCast's customers located in Australia contributed approximately 35% of SpeedCast's pro forma service revenue (excluding Afghanistan) in FY2013. Customers located in the Pacific Islands contributed 21% of SpeedCast's pro forma service revenue (excluding Afghanistan) in FY2013. A further 14% of pro forma service revenue (excluding Afghanistan) was generated by customers located in other parts of Asia Pacific (including Indonesia, Malaysia, Philippines, Singapore, Hong Kong, Myanmar, Vietnam, Cambodia, Bhutan, Nepal, Pakistan, Bangladesh, Thailand, Turkmenistan, Uzbekistan, China, Japan and South Korea) in FY2013. Maritime customers contributed 26% of SpeedCast's pro forma service revenue (excluding Afghanistan) in FY2013. Customers in Europe, the Middle East and Africa and elsewhere contributed 4% of SpeedCast's pro forma service revenue (excluding Afghanistan) in FY2013.[20]

Figure 1. FY2013 pro forma service revenue by customer geography[21]

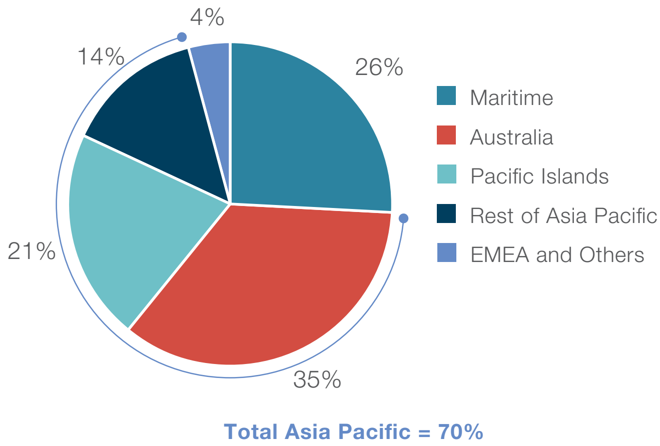
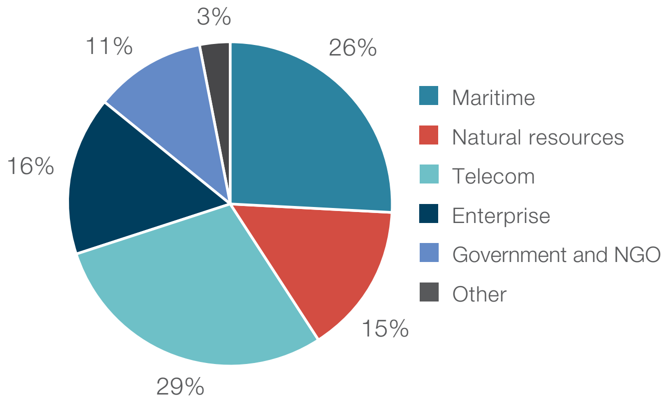


Figure 2. FY2013 pro forma service revenue by customer segment[22]



20. As described in Section 3.3.1, service revenues generated in Afghanistan arose from a particular event and have been excluded from pro forma service revenue for this reason.
21. Shown as a proportion of FY2013 pro forma service revenue excluding Afghanistan. FY2013 service revenue (including Afghanistan) is attributable 33% to Australia, 22% to the rest of Asia Pacific, 18% to Pacific Islands, 23% to maritime, and 4% to EMEA and Others.
22. Shown as a proportion of FY2013 pro forma service revenue excluding Afghanistan. FY2013 service revenue (including Afghanistan) is attributable 23% to maritime, 13% to natural resources, 30% to telecom, 15% to enterprise, 15% to government and NGO and 3% to Other.

SpeedCast operates a network with global coverage that can support mission critical communications for customers across all industries and all over the world. The network has built-in redundancy (where key components are replicated as a back-up network in the case of failure in the primary network).

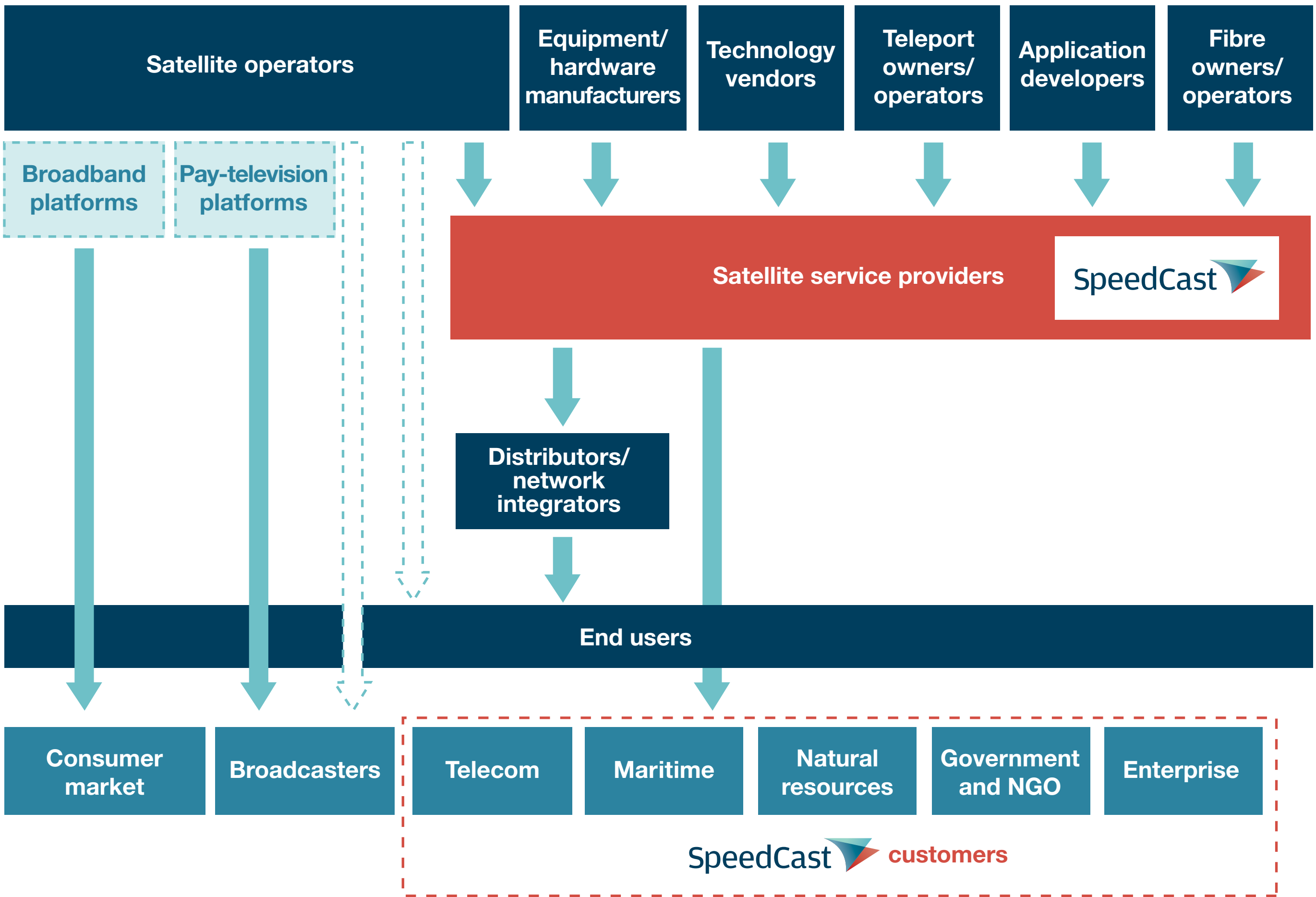
SpeedCast does not own satellites, and the majority of the infrastructure required to operate its satellite networks is leased. It contracts leased capacity on satellites and other major infrastructure components. Section 2.6 provides further detail of SpeedCast's network infrastructure.

SpeedCast incurs capital expenditure primarily related to satellite communications equipment associated with meeting new customer requirements. SpeedCast owns its core network equipment that is installed at leased and owned teleports, such as servers, modems and routers, as well as any application-related software and hardware. Capital expenditure may also include equipment installed at customers' premises as part of a turnkey contract covering service and equipment. Section 3 provides further detail of SpeedCast's capital expenditure.

2.2 Overview of the satellite services industry

Participants in the satellite services industry can be broadly categorised as satellite operators, satellite service providers, distributors/network integrators and end users. Satellite operators own and operate satellites. Satellite service providers (such as SpeedCast) lease satellite capacity from satellite operators and provide the necessary infrastructure, software and technical capability to create services for end users. The satellite service providers are therefore a critical link in the satellite industry value chain.

Figure 3. Satellite industry value chain



Satellite operators

Within the satellite industry, there is a small number of larger satellite operators with large fleets of satellites that provide global network coverage. There are also smaller operators with fewer satellites that provide regional network coverage. Significant fixed costs are incurred by a satellite operator to build, launch and insure each satellite. The satellite operators typically prefer to operate on a wholesale basis, leasing as much capacity as possible to large customers. In most cases, satellite operators do not possess the terrestrial infrastructure or the network design, technical support and maintenance capabilities required to provide end users with a working turnkey network service, nor do they have the sales and distribution network to reach widely dispersed end users. The satellite operators rely on satellite service providers such as SpeedCast, who provide the necessary infrastructure and have the capabilities to enable and manage a network, in order to turn satellite capacity into a useful service for a wide range of end users.

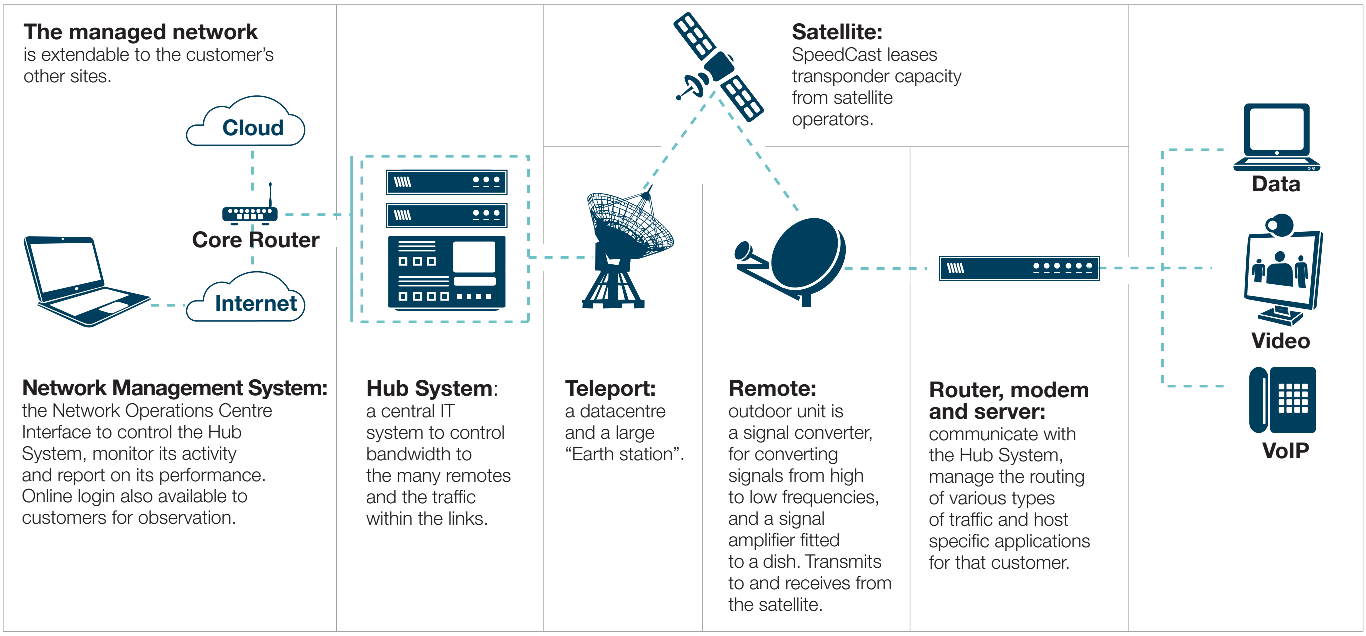
Satellite service providers

Satellite service providers, such as SpeedCast, design, source, install, configure, integrate, operate and maintain all of the components that are required to provide a working satellite communications solution to end users. These components include:

- satellite capacity;
- supporting network infrastructure such as teleports and data centres, VSAT hubs, terrestrial links to phone and internet backbones;
- network equipment including antennas, modems and routers;
- software to monitor and control the network and to provide an interface for the end user;
- other hardware and software enabling applications for the customer such as Voice-over-Internet Protocol (**VoIP**), video surveillance or network optimisation; and
- 24/7 customer support.

Satellite service providers design a network to meet the precise needs of the customer, procure, install and configure all equipment, and provide network management services, end user applications and dedicated engineering and technical support. In order to do this, the satellite service provider leases capacity from satellite operators, engages teleport and fibre operators, sources appropriate equipment from manufacturers and works with application developers. In some cases, customers may also outsource certain IT applications or functions to the satellite service provider. Large satellite service providers, such as SpeedCast, can dedicate active and latent capacity across the network to a single customer, or can manage direct communications traffic to different parts of the network according to bandwidth demand to provide optimum network quality at all times.

Figure 4. Illustrative SpeedCast VSAT network set-up



Satellite service providers typically provide VSAT and/or Mobile Satellite Services (**MSS**) services. These are explained below.

- **VSAT services**
  VSAT units utilise small dishes and antennas that send and receive high focused beams from satellites known as Fixed Satellite Services (**FSS**). FSS for non-military and non-broadcast use is commonly transmitted across the frequency ranges (known as frequency **bands**) C-band, Ku-band and Ka-band. FSS antennas are affixed to land, buildings or vehicles. VSAT equipment typically includes a satellite dish that comprises an antenna and its component parts that enables transmission and reception and a modem. Land-based VSAT units are pointed at the satellite and fixed securely so that the dish cannot move. Maritime VSAT units include stabilised antennas to compensate for the motion of a vessel on the water.
- **MSS services**
  MSS is commonly used to transmit voice and low-bit data. MSS principally operates across L-band frequencies. MSS antennas are generally smaller and are able to be incorporated into handheld mobile devices. MSS has its origins in maritime communications, although the use of VSAT as an alternative technology is increasing in this sector, partly driven by limitations in the ability of MSS to transmit or receive large amounts of data and the cost to customers.

SpeedCast designs, implements, integrates, operates and maintains predominantly satellite-based networks around VSAT technologies, and supplements its VSAT networks with MSS and non-satellite services such as fibre, microwave and wireless as required.

Figure 5. SpeedCast's network service technologies

VSAT ("Very Small Aperture Terminal")	• A type of satellite transmission that utilises small dishes and antennas that send and receive high focused beams from satellites known as Fixed Satellite Services (**FSS**). • FSS satellites transmit to affixed antennas (e.g. to land, buildings or vehicles).
MSS ("Mobile Satellite Services")	• A type of satellite transmission used commonly to transmit voice and low-bit data to handheld and other mobile devices, including Maritime communications.
Terrestrial (e.g. fibre, microwave, wireless)	• Enables SpeedCast to provide end-to-end network solutions, including last mile connectivity backbone to the internet or to a telephone network, and connectivity between multiple end user sites.

Distributors/network integrators

Satellite service providers contract with customers directly or via third party distributors and network integrators and supply services to these third parties. The distributors and network integrators act as reseller partners with local relationships or to meet local regulatory or licensing requirements, or they may bundle satellite services with other communications networks such as fibre, cellular, microwave or radar, or specialised equipment such as maritime electronics to pass to end users.

2.3 SpeedCast's business model

2.3.1 Overview

SpeedCast generates income from the operation of a satellite services business that designs, implements, integrates, operates and maintains critical networks, comprised of multiple network elements and technologies, to create satellite communications solutions.

SpeedCast designs and deploys the network, including installation and configuration of equipment, and then provides active network operation and monitoring, 24/7 support, and on-the-ground technical support and maintenance. SpeedCast also offers its customers a range of value-added services, such as user applications (voice, video conferencing, video surveillance), network optimisation (firewalls, filtering, data compression) and networking monitoring and management (including reporting tools and remote access for IT technicians).

SpeedCast generates five main types of revenue from its customers that can be classified into three buckets: service revenue, equipment revenue and wholesale VoIP revenue.

Service revenue is generated from the following services:

- **Network service:**
  A VSAT customer generally pays a fixed monthly fee for a given bandwidth with unlimited usage, which includes maintenance and customer support. Key determinants of the fee per customer are the cost of the satellite capacity and the cost of the core infrastructure required to deliver the service including teleport costs and any onward connectivity (e.g. to the customer's datacentre) or equipment supplied. Prices are typically adjusted to compensate for the size of the project, the complexity of the network design or systems integration and follow-up maintenance and the duration of the contract, as well as market pricing.

  An MSS customer generally pays a monthly fee based on the volume of data or voice used.
- **Value-added services:**
  SpeedCast offers a range of value-added services that may be purchased by customers for an incremental fee. Fees may be on a fixed monthly or cost-per-usage basis depending on the service.
- **Installation:**
  SpeedCast generally receives an upfront installation fee for connecting, testing and configuring equipment at the customer location.

Equipment sales: Where customers purchase equipment from SpeedCast, SpeedCast receives revenue from those sales of equipment including the VSAT terminals that send and receive the transmitted data, modems, routers and other types of equipment related to the provision of value-added services.

Wholesale VoIP is revenue generated via the sale of voice minutes on a wholesale basis to telecom customers that are then re-sold to the end user. VoIP services sold directly to the end user are classified as a value-added service, and are included in service revenue.

Section 8.7 describes SpeedCast's key customer and supply contracts.

2.3.2 Business model evolution

SpeedCast was founded in Hong Kong in 1999, where it remains headquartered, by a group that included AsiaSat and private investors. Over SpeedCast's history, its business model has evolved in technology, product and customer focus, and the business has expanded geographically both organically and via acquisition.

SpeedCast began as a generalist satellite service provider offering primarily internet access services to the small-medium enterprise market to capitalise on the growing internet usage of this market segment. In 2003, SpeedCast upgraded its network, leveraging technology enhancements to establish a platform that provided greater bandwidth, flexibility and sophistication. This enabled SpeedCast to transition to a more specialised provider and target larger enterprise customers in specific industries that demand high reliability, significant support and complex, often customised, solutions.

In 2007, AsiaSat bought out the private investors to acquire 100% of SpeedCast. At around the same time, SpeedCast launched a service designed specifically to meet the needs of cellular network operators and signalled a shift in the company's strategic focus to providing tailored, turnkey solutions for specific high growth industry segments. In the same year, SpeedCast undertook a major project to develop a global Ku-band VSAT maritime network to service commercial fleets with a tailored maritime service that was launched in 2008. Today, this expertise and speciality in developing and providing services to meet the specific needs of key industries in which its customers operate has become a key differentiator for SpeedCast.

In 2012, SpeedCast was acquired from AsiaSat by the TA Associates Funds in partnership with the management team. Under the current ownership, SpeedCast has made a number of acquisitions that have supplemented its organic growth to achieve increased scale, geographic reach and channel diversity.

SpeedCast's first subsequent acquisition was the business of Australian Satellite Communications Pty Ltd (today part of SpeedCast Australia), a leading satellite service provider in the Australian market. The acquisition was completed in 2012, shortly after the acquisition of SpeedCast by the TA Associates Funds and management. In 2013, SpeedCast acquired European maritime focused service providers Satfa BV and Elektrikom BV (which together form the Elektrikom business referred to in Figure 6 below) (today part of SpeedCast Europe), and Pactel International Pty Ltd (today part of SpeedCast Pacific), an Australian based service provider with strong operations in the Pacific Islands. In 2014, SpeedCast has made two further acquisitions. In June 2014 SpeedCast acquired MSS and VSAT service provider Satellite Communications Australia Pty Ltd and in July 2014 SpeedCast acquired VSAT services provider Oceanic Broadband Solutions Pty Ltd. A summary of recent acquisitions is provided in Figure 6 below.

Figure 6. Overview of recent acquisitions

ASC Acquired 2012	• Founded in 1985 with focus on domestic Australian customers across natural resources, enterprise and government and NGO segments • Owned teleport in Adelaide provided a point of presence in Australia, a key market for the resources sector, and back-up to SpeedCast's Hong Kong infrastructure • Now forms part of SpeedCast Australia
Elektrikom Acquired 2013	• Founded in 1985 and strategically based in Rotterdam, the Netherlands, a key maritime shipping hub • Provided VSAT services directly to 250 vessels of blue chip maritime customers • Complementary geographical presence and customer base to SpeedCast's existing maritime business, which was focused on markets in the Asia Pacific region • Scale and profile of merged maritime operations have enhanced the SpeedCast group's profile and competitiveness in maritime tenders, particularly in Europe and Asia • Now forms part of SpeedCast Europe
Pactel Acquired 2013	• Original business founded in 1999 and headquartered in Sydney, Australia • Services land-based customers in Australia and the Pacific Islands including government and NGO, natural resources and telecom segments • Acquisition provided an expanded network and points of presence across Australia, and increased penetration into the Pacific Island region • The acquisition completed in May 2013 and now forms part of SpeedCast Pacific

SatComms Acquired 2014	• Founded in 2005 and headquartered in Brisbane, Australia • MSS and FSS provider across Australia and broader Asia Pacific region servicing customers in natural resources, maritime and government and NGO segments • Provides strategic points of presence in Queensland (sales and engineering) and Western Australia (network operations centre and owned teleport), enhanced flexibility and network customisation capabilities, and strengthened MSS offering • The acquisition completed in June 2014
Oceanic Acquired 2014	• Founded in 2007 and headquartered on the Gold Coast, Australia • Focuses on provision of VSAT and wireless broadband internet access across 13 countries in Asia Pacific, with a strong presence in Papua New Guinea • The acquisition completed in July 2014

2.3.3 Products and service offerings

SpeedCast designs, implements, integrates, operates and maintains predominantly satellite-based networks around VSAT technologies, using multiple types of technology, frequency, bands and satellites as required to provide high quality, cost-effective networks that best suit the customer's needs. SpeedCast supplements its VSAT networks with other non-VSAT satellite services, such as MSS, and non-satellite services such as fibre, microwave and wireless services as required.

Network solutions

Solutions can vary from simple point-to-point communication between sites to a fully integrated solution setting up a complete private network allowing multiple forms of communication such as VoIP, data and video.

SpeedCast specialises in providing a range of turnkey solutions that are designed specifically to address the needs of customers across its key customer industry segments of telecom, maritime, natural resources, government and NGO and enterprise. The solutions can then be tailored to suit the customer's specific needs. Some examples are shown in Figure 7 below.

Figure 7. Network solutions examples

OpenCast
Mining industry solution for communications throughout life cycle of mine. Includes residential staff applications such as pre-paid and post-paid phone cards and internet service as mission critical operational communications.

EduCast
Solution used by schools, universities and distance education providers for secure, enhanced internet access. Includes filtering of adult content, compression to improve download performance, and concurrent broadcasting across the VSAT network of speeches and educational content in real time.

CelCast
Outsourced backhaul transmission designed for cellular operators to extend their coverage to remote areas that require satellite.

UpCast
Solutions designed to aid with business continuity and disaster recovery for enterprise customers with critical dependence on their information system infrastructure. Potential customers include stock exchanges, call centres, logistics operators, and banks.

FlyCast
Solution designed for emergency response service providers, NGOs, peacekeeping forces and the military which permits fast internet access, secure video or data transmission, high quality VoIP and advanced encryption.

Turnkey Private Networks
One-stop shop for network design, supply, installation and training.

Value-added services

SpeedCast has invested in hardware, software and systems to be able to deliver value-added solutions to its customers. Value-added services play an important role in creating industry-specific solutions, and provide SpeedCast with a competitive advantage to attract and retain customers. Value-added services increase reliance on SpeedCast's network and services by further integrating SpeedCast's solutions into the operational capabilities and processes of its customers.

Value-added services are classified into three categories: user applications, network optimisation and network monitoring and management.

Figure 8. Value-added services examples

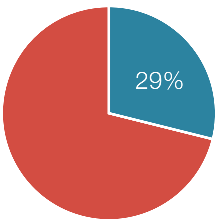
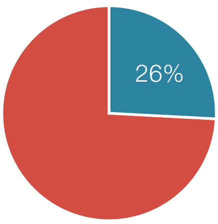
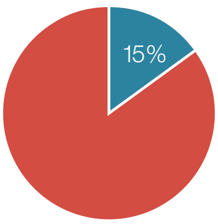
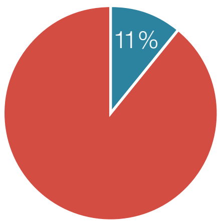
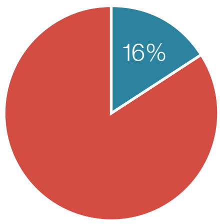
User applications	Network optimisation	Network monitoring and management
• Voice Services • Video Conferencing • IP Video Surveillance • Super Wifi • L-band services	• WAN Optimiser • Firewall • Security • Web compression • Web filter • Back-up	• Remote Access Management • Monitoring and Reporting • Supervisory Control and Data Acquisition (SCADA)

2.4 SpeedCast's customer segments

2.4.1 Overview

SpeedCast's business is focused on five customer segments: telecom, maritime, natural resources, government and NGO and enterprise.

Figure 9. Summary of key customer segments

	Telecom	Maritime	Natural Resources	Government and NGO	Enterprise
Example customer industries	 • ISPs • Telcos • Resellers	 • Shipping • Oil and Gas • Government • Yachting	 • Oil and Gas • Mining • Construction • Engineering	 • Military and Defense • Emergency services • Education • Rural connectivity	 • Large Enterprises • Banking sector
FY2013 pro forma service revenue[1] contribution					

1. Service revenue excluding Afghanistan. Excludes revenue from other verticals which accounts for 3% of FY2013 service revenue (excluding Afghanistan).

This section provides an overview of SpeedCast's addressable VSAT markets by customer segments. SpeedCast focuses on the Asia Pacific region (including Australia and the Middle East) servicing the needs of natural resources, enterprise, telecom and government customers, and has started expanding into Africa, following its customers wherever they operate. SpeedCast is also focusing on the global maritime sector. Each segment has unique growth drivers, underlying dynamics and trends. The common theme across all segments is increasing demand for data connectivity as the way that businesses and consumers use technology changes, which is driving demand for more sites to be connected via VSAT broadband systems and significantly increased volume requirements.

2.4.2 Telecom

SpeedCast's telecom customers contributed approximately 29% of SpeedCast's pro forma service revenue (excluding Afghanistan) in FY2013.

SpeedCast's services to telecom customers can be grouped into the following categories – trunking, backhaul, and services provided to telecom operators as part of a broader end-user solution. Trunking services provide the link for telecom operators and internet service providers (**ISPs**) between their core terrestrial network and an established internet or telephone gateway. Backhaul services are provided to cellular network operators to extend the coverage of the cellular network by connecting remote base stations to the rest of the network via satellite. Trunking and backhaul services are discussed in more detail below. Services operated on behalf of telecom operators are satellite services that telecom operators provide to their customers, which are outsourced to SpeedCast to provide in partnership. Services supplied to the end user via the telecom operator are discussed in more detail in Sections 2.4.3, 2.4.4, 2.4.5 and 2.4.6 for maritime, natural resources, government and NGO and enterprise verticals respectively.

SpeedCast also generates wholesale VoIP revenue from telecom customers. This service is on a wholesale basis, allowing the telecom operator to bundle the service with other telecommunications services.

2.4.2.1 Trunking services

Introduction

Satellite trunking provides the link for telecom operators and ISPs between their core terrestrial network and an established internet or telephone gateway. Often the link provides access for the telecom operator's or ISP's internet subscribers in developing countries to major internet backbones in developed countries.

Trunking segment dynamics

The majority of SpeedCast's trunking services are in the Pacific Islands, where SpeedCast supplements its satellite networks with fibre networks. On some of the larger islands, where fibre networks have replaced satellite as the primary means of communication, satellite continues to be used as a back-up network. For a number of islands, however, the size of the market and the distance to existing fibre networks render the extension of a submarine cable to these islands difficult to justify financially, such that satellite continues to be the only connectivity to telephone networks and internet gateways.

2.4.2.2 Backhaul services

Introduction

Satellite backhaul services are most commonly used by cellular network operators to transmit cellular network voice and data signals from a remote base station to the rest of the network, and are often used to extend network coverage outside of established coverage zones, both in rural and urban areas. SpeedCast's CelCast solution is a fast and cost effective turnkey solution for cellular mobile operators looking to outsource their rural transmission coverage quickly and reliably with minimal capital expenditure.

The case study in Figure 10 below illustrates the services SpeedCast is able to provide to telecom customers.

Figure 10. Illustrative case study: cellular backhaul

- SpeedCast provides services to a large cellular operator in Indonesia with thousands of base transmitter stations in rural areas
- Requirement to provide cellular service via mobile communications system sites in remote islands and far inland across Indonesia via satellite backhaul to connect base transmitter stations to the centre of the network
- SpeedCast provided a cellular backhaul managed service, which connected the remote sites
- Reduced bandwidth consumption of the network by 40-50% through the use of the latest technologies, substantially reducing partners' operating expenditure
- Maintained the service quality of the mobile communications system network for their mobile subscribers

Backhaul segment dynamics

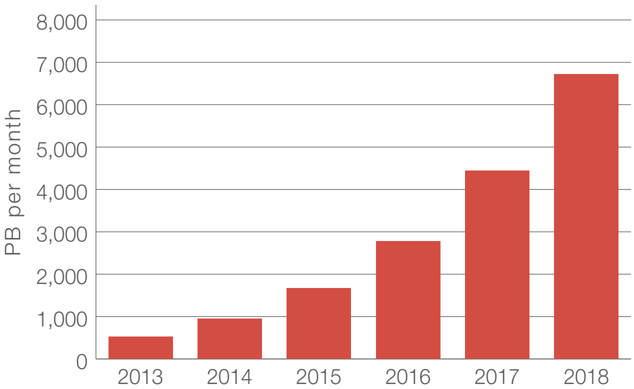
Asia (including Australia and Asia Pacific) is currently the largest market in the world for satellite backhaul services, generating over US$200 million to backhaul providers across the industry.[23] Asian backhaul sites are forecast to grow by 5.1% CAGR from 2012-2022, while total backhaul bandwidth requirements are forecast to grow by 13.7% CAGR over the same period, demonstrating the demand from end consumers for networks which facilitate faster and higher capacity data transmission.[23] Asian service revenue across the industry is forecast to grow by over US$200 million, or 7.4% CAGR to US$426 million from 2012-2022.[23]

Demand for satellite backhaul solutions by cellular network operators in regional areas is driven by a number of factors. The penetration of data intensive smartphones, with internet browsing and file sharing/multimedia messaging service (or "MMS") capabilities in Asia is driving end user bandwidth

23. NSR, *Broadband Satellite Markets, 12th Edition* (2013).

requirements. Cellular data traffic is forecast to grow at a CAGR of 67% between 2013 and 2018 in Asia Pacfic.[24] Smartphone users are not constrained to urban areas, and cellular network operators require satellite backhaul to fulfil user data volume and download speed requirements. The network operators are also using satellite backhaul solutions to fill in coverage gaps and expand their networks in a search for subscriber growth outside saturated traditional urban network areas. In some areas, regulated requirements to provide minimum levels of access to basic services to the entire population (or universal service obligations) that are often incentivised create additional incentives for the use of satellite backhaul services in areas where it would be uneconomical to extend the coverage of the terrestrial network.

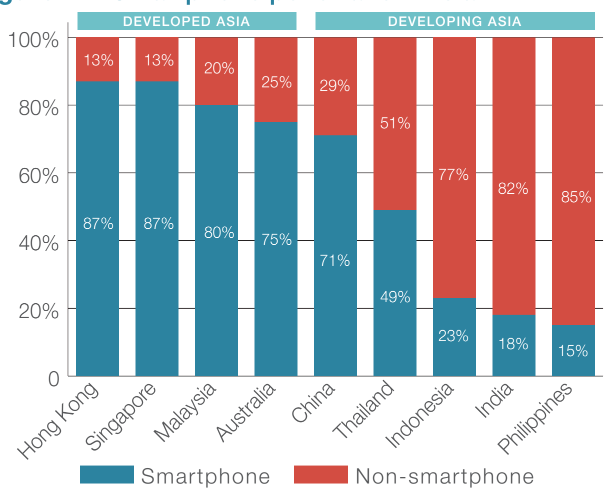
Figure 11. Mobile data traffic, 2013-2018[1]



Source: Cisco, *Visual Networking Index: Forecast and Methodology, 2013–2018* (2014).

1. Mobile data traffic includes handset-based data traffic, such as text messaging, multimedia messaging, and handset video services, as well as data used by wireless cards for portable computers.

Figure 12. Smartphone penetration: Asia



Source: AC Nielsen, *The Asian Mobile Consumer Decoded* (2013).

2.4.3 Maritime

Introduction

Maritime is a significant and fast growing part of SpeedCast's business, representing approximately 26% of SpeedCast's pro forma service revenue (excluding Afghanistan) in FY2013.

SpeedCast's maritime customers are predominantly in the merchant shipping and offshore oil and gas sectors. Merchant shipping vessels include cargo, tanker, bulk, container and service ships. The main uses for VSAT communications solutions in relation to merchant shipping vessels include accessing corporate networks, crew communication and ship operation, a function increasingly performed remotely.[25] The offshore oil and gas sector encompasses offshore oil and gas rigs, as well as to the OSVs that perform support functions for offshore rigs including research and surveying, construction, logistics and platform support and development.

SpeedCast is well positioned in the maritime sector. It is a global service provider, with an established reputation and relationships in the European maritime market. It has an extensive on-the-ground support and infrastructure focused on the Asian region and centred around key Asian shipping routes, including engineers, network designers, installation teams and other key personnel as well as offices in key ports of Hong Kong, Singapore, Rotterdam and Dubai as well as in Beijing (a base for many ship owners). The acquisition of Elektrikom in 2013 provided SpeedCast with a key customer base of blue chip maritime industry players based in the European region. Joining the SpeedCast group has resulted in margin expansion, broader product capabilities and geographic network coverage, as well as greater global brand awareness for the SpeedCast brand. The acquisition of SatComms in June 2014 provided SpeedCast with enhanced L-band (MSS) capabilities. The acquisition provides a lower cost base for providing maritime customers with back-up L-band networks and provides opportunities for SpeedCast to upgrade current L-band customers to VSAT products.

The case studies below illustrate solutions provided to customers in the merchant shipping and offshore oil and gas segments.

Figure 13. Illustrative case study: merchant shipping customer

- SpeedCast provides services to a leading motor vehicle cargo operator
- Requirement for a highly secure and redundant network able to operate across challenging sailing areas
- SpeedCast, working together with equipment manufacturers, offered a tailor-made VSAT solution for this customer, combining three services (a "triple band" solution of global Ku-band service combined with C-band and L-band) for all ships to ensure global coverage and a very high service availability
- Also provided a full private network solution including leased line to the company's headquarters

24. Cisco, *Visual Networking Index: Forecast and Methodology, 2013–2018* (2014).
25. Euroconsult, *Maritime Telecom Solutions by Satellite, 3rd Edition* (2014).

Figure 14. Illustrative case study: offshore oil and gas customer

- SpeedCast provides services to a leading global shipping company for its fleet of Offshore Support Vessels (**OSV**)
- Requirement for a high-quality, always-on broadband satellite service across the company's entire fleet of OSVs, with the added flexibility for possible upgrades for certain missions
- Quality of voice communications was a priority for operational discussions and crew calling
- SpeedCast delivered a maritime VSAT system featuring always-on broadband connection with world-wide coverage as part of an overall communication solution
- SpeedCast has been providing its service to this company on some of the vessels for the past five years and the company recently decided to expand the SpeedCast service to its entire fleet of over 50 vessels for the next three years. These additional vessels did not have any VSAT on-board until now
- SpeedCast will also roll out several of its value-added services and a new MSS service as a back-up

Maritime segment dynamics

The maritime industry is undergoing a period of technological transition. Operational, regulatory and social requirements for increased data connectivity are a driving force behind the growing adoption of VSAT. These drivers are discussed below.

- **Operational requirements**: Operationally, IT systems on vessels are becoming more complex and require large amounts of bandwidth to monitor and control. VSAT networks may also enable ship owners to reduce fuel consumption and other operating costs by remotely controlling functions such as engines and navigation systems. Advancements in technology have led to the emergence of the "digital oil field", with rig operational systems increasingly relying on satellite communications solutions to facilitate the required transmission of real-time information for controlling remotely. SpeedCast's services enable remote controlled and automated data collection and monitoring of industrial control systems, including temperature, voltage, flow sensors and access systems. Other applications, such as weather forecasting, video surveillance and customs pre-clearance, are becoming popular and cannot be supported by older communication technologies.
- **Regulatory requirements**: There are a number of regulatory requirements which are driving demand for new generation satellite communications services such as VSAT. The International Convention for the Safety of Life at Sea (or "SOLAS"), 1974, regulates minimum safety standards in the maritime industry. A 2009 amendment that came into force in January 2011 made core navigational systems, known as Electronic Chart Display and Information Systems and Bridge Navigational Watch Alarm Systems, mandatory in all new vessels built from 2013, with existing vessels over a certain size required to install the new system by 2018.[26] Due to growing data requirements such as these, VSAT based communication is expected to be preferred over MSS. The co-ordination of efforts to tackle piracy is also increasingly relying on VSAT communications as a way to share critical, real-time information about piracy activity and also to inform ships who may be at risk of attack.
- **Crew welfare**: Access to social media, entertainment and cost-effective phone calls is important to attract and retain a new generation of seafarers, with vessel operators competing for qualified workers skilled in the sophisticated machinery used on vessels and who are prepared to live at sea. VSAT services, on a fixed fee for unlimited usage, are much more economical than the cost per usage model most commonly offered by MSS, and can enable crew applications that are not financially feasible over MSS services, in an industry where crew communications can amount to 80% of a ship's total communications traffic.[26] VSAT networks can provide VoIP or GSM networks (cellular/mobile handheld devices), pre-paid and post-paid phone cards to track usage, access to social media and web browsing, and TV/video on demand. The networks are also used for crew training and medical interventions.

At the end of 2013, there were an estimated 11,000 VSAT terminals installed on vessels across the maritime industry, having grown at an estimated three year CAGR of 13%.[26] This represents 3% of the total installed base of satellite terminals (including MSS) at present, or less than 10% penetration of the total addressable vessels at the end of 2013.[26] Over the next decade, the number of VSAT terminals is forecast to grow at a CAGR of 13% to approximately 40,000 terminals, or 6.5% of the total installed terminal base.[26] Growth in VSAT across the industry is expected to come from both transition from MSS, and additional bandwidth requirements as data usage increases. MSS is expected to continue to be used as a back-up for VSAT and for safety-related obligations.

26. Euroconsult, *Maritime Telecom Solutions by Satellite, 3rd Edition* (2014).

Figure 15. Active maritime VSAT terminals 2010-2023

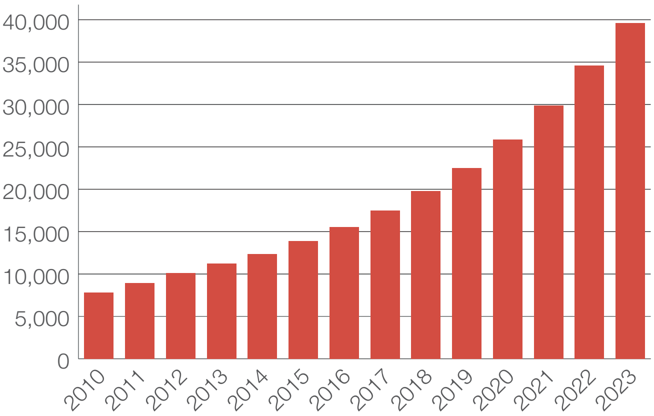
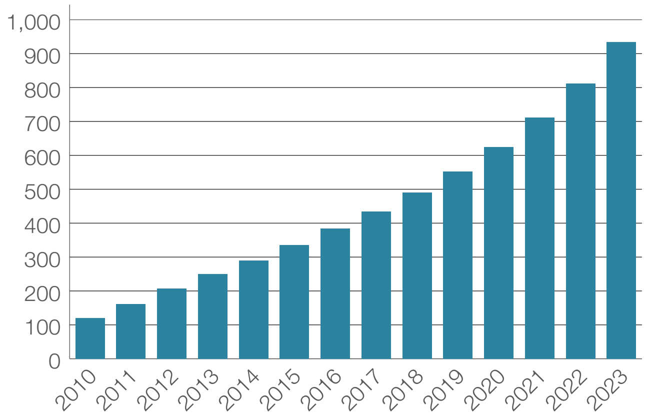


Figure 16. Total maritime VSAT revenue to satellite operators (US$m) 2010-2023[1]



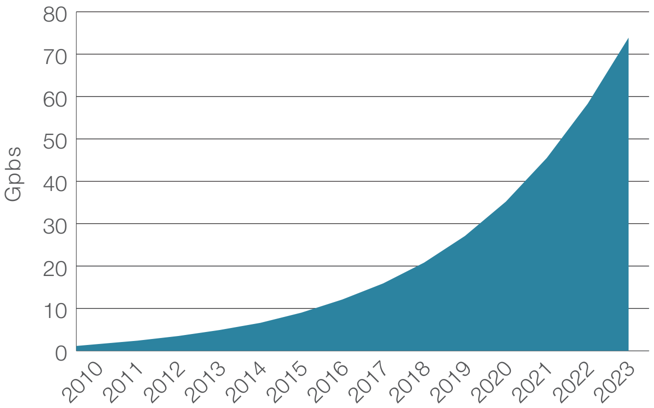
Source: Euroconsult, *Maritime Telecom Solutions by Satellite, 3rd Edition* (2014).

1. Includes revenue to satellite operators for the provision of satellite bandwidth used in maritime VSAT service provision only. Does not include revenues to the VSAT service provider industry for the provision of the services.

Maritime VSAT service revenue to satellite operators (not VSAT service providers) for the provision of the satellite bandwidth used in maritime VSAT services was an estimated US$250 million in 2013. This is forecast to grow to US$935 million in 2023.[27] Management believes that this represents only a small portion of the revenue to the VSAT service providers, such as SpeedCast.

Bandwidth demand in the maritime sector is forecast to grow at a CAGR of 31% between 2013 and 2023.[27] The growth opportunities in the maritime sector are being recognised by satellite operators, with increasing numbers of satellite operators targeting key maritime areas to increase total capacity across all bands from 15 Gbps in 2013 to 91 Gbps in 2016.[27] This includes several new technology high throughput satellites (HTS) capable of improved speeds and bandwidth efficiency (lower cost), which are compatible with VSAT technologies across Ku-band and Ka-band. HTS capacity has the potential to drive even more uptake of VSAT services across the maritime sector. SpeedCast plans to incorporate HTS capacity as part of its network consistent with its technology agnostic approach.

Figure 17. Bandwidth demand, Ku-band, Ka-band and C-band (Gbps, 2010-2023)



Source: Euroconsult, *Maritime Telecom Solutions by Satellite, 3rd Edition* (2014).

2.4.4 Natural resources

Introduction

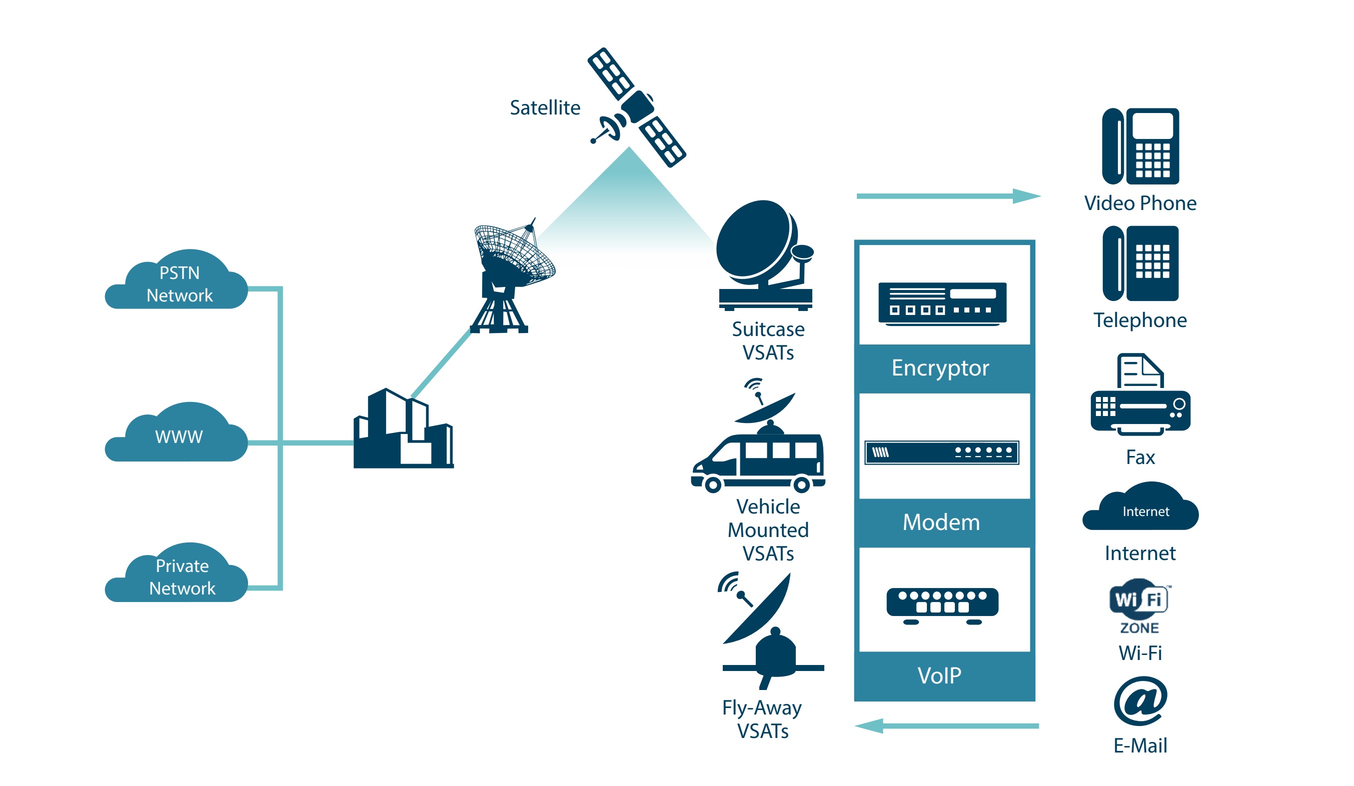
The natural resources segment contributed approximately 15% of SpeedCast's pro forma service revenue (excluding Afghanistan) in FY2013. SpeedCast's customers in this segment are predominantly from the mining and oil and gas sectors.

VSAT communication solutions are a critical part of the communications networks for natural resources customers, whose operations are often in remote areas beyond the reach of landline or cellular network connections. SpeedCast provides mission critical connectivity between an organisation's different operational sites and headquarters. The high speed networks are used for real-time relaying of data for geologists and engineers, production volume monitoring, oil storage levels, video surveillance and remote operation of vehicles and machinery.

For natural resources customers undertaking exploration activities, SpeedCast offers terrestrial mobility solutions, leveraging mobile antennas such as vehicle mounted antennas and fly-away antennas. Figure 18 illustrates a typical terrestrial mobility VSAT network set-up.

27. Euroconsult, *Maritime Telecom Solutions by Satellite, 3rd Edition* (2014).

Figure 18. Example terrestrial mobility VSAT set-up



Access to entertainment including internet and social media is important for welfare and retention of onsite workers in the natural resources industry. SpeedCast's network solutions, such as OpenCast, also provide staff applications such as pre-paid and post-paid phone cards and internet services for these workers.

SpeedCast's owned teleport locations in Western Australia and South Australia are a strategic advantage in instilling confidence in network capabilities, flexibility and reliability when pitching for new business in the natural resources sector in Australia. The cost of downtime to the natural resources industry can be significant, while the networks provide monitoring and control functions that can be critical to the safety of the remote sites. Therefore, the reliability of VSAT networks and on-the-ground as well as centralised engineering support teams are critical for these applications.

The case study below illustrates an example of the use of SpeedCast's networks to connect multiple remote sites of a natural resources customer.

Figure 19. Illustrative case study: natural resources customer

- SpeedCast provides services to a global provider of services such as drilling and well services to the oil and gas sector
- The customer required the implementation of a group network globally, including to remote sites, and full integration of their satellite and terrestrial communications into their corporate network
- SpeedCast implemented a total end to end solution linking remote sites with the network regardless of the geographical location. Services ranged from the provision of IT equipment and configuration to state of the art satellite network design, connecting all remote site traffic to the customer's headquarters; all privately via dedicated fibre lines from SpeedCast's Western Australian teleport
- The resultant solution has allowed rapid, refined and integrated deployment of the customer's network regardless of an asset's location

The case study below illustrates SpeedCast's capabilities in mobility products.

Figure 20. Illustrative case study: natural resources customer, Savanna

Savanna Energy Services Pty Ltd.

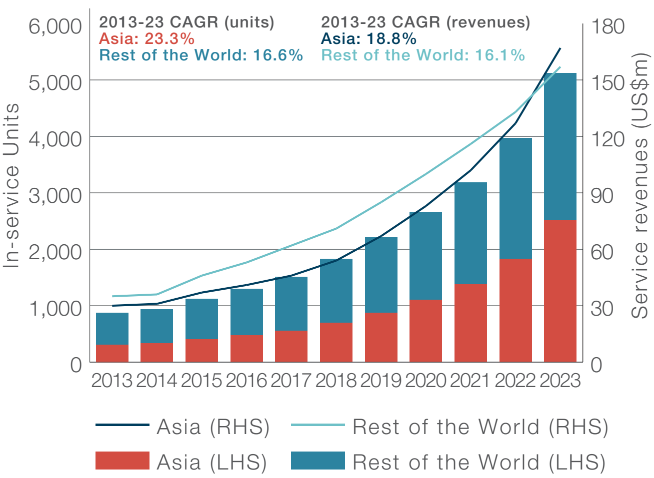
- SpeedCast provides services to Savanna, a premier provider of drilling, well servicing and transport services with industry-leading technology to the coal seam gas industry in Australia
- The company relocates its drilling and services at least once a week
- Required constant and reliable voice and data communications to remote areas within Australia. Ease of set-up, ability to easily relocate, access to its corporate network from remote site and ability to dynamically share its bandwidth for all of its remote rigs, were all important
- SpeedCast provided the company with self-deploy antennas mounted on transportable buildings that allowed the company to be online quickly after rig moves
- SpeedCast trained the company's IT staff to perform installations and first level support to the network, with second level support provided by SpeedCast's help desk technicians

Natural resources segment dynamics

It is forecast that the number of terminals across the VSAT market in Asia (including Australia and Asia Pacific) servicing the mining sector will grow at 23.3% CAGR and generate industry revenue growth of 18.8% CAGR from 2013 to 2023.[28] The number of terminals in the region servicing the onshore (non-maritime) oil and gas sector is forecast to grow at 12.0% CAGR, generating industry revenue growth of 13.7% CAGR.[28]

Demand growth is driven primarily by increased bandwidth requirements in the operations of existing VSAT networks, as well as growth in mining and oil and gas exploration and production activities. In the mining sector, increasing automation of machinery and processes (e.g. data collection and testing), complex IT systems and an increasing use of video surveillance for security is driving bandwidth growth. In the oil and gas sector, bandwidth growth drivers include increasingly remote rig sites and longer pipelines, demands from personnel for improved on-site living conditions (including phone, internet and video entertainment), increased real time data reporting back to head offices, automated regulatory reporting and pipeline control systems.

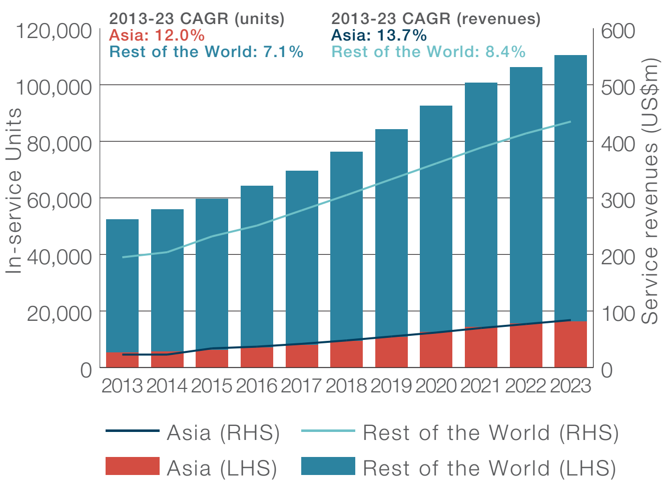
Figure 21. Mining VSAT units and service revenue: Asia and rest of the world, 2013-2023[1]



Source: NSR, *Energy Markets via Satellite, 4th Edition* (2014).

1. VSAT units includes Ku-band, C-band, O3b and HTS in-service units.

Figure 22. Onshore oil and gas VSAT units and service revenue: Asia and rest of the world, 2013-2023[1]



Source: NSR, *Energy Markets via Satellite, 4th Edition* (2014).

1. VSAT units includes Ku-band, C-band, O3b and HTS in-service units.

28. NSR, *Energy Markets via Satellite, 4th Edition* (2014).

2.4.5 Government and NGO

SpeedCast's government and NGO division encompasses customers across government departments, including military, and NGOs such as foreign aid, charitable organisations and inter-governmental organisations such as the United Nations. Government and NGO customers contributed approximately 11% of SpeedCast's pro forma service revenue (excluding Afghanistan) in FY2013.

The Financial Information in Section 3 presents the service revenue generated in Afghanistan separately, the majority of which was generated from government and NGO customers following the deployment of foreign troops in the region and which has declined following the withdrawal of troops in FY2013. Including service revenue from Afghanistan, SpeedCast's government and NGO customers contributed approximately 15% of pro forma service revenue in FY2013.

Satellite networks are utilised by the government and NGO segment to aid recovery and provide humanitarian solutions after natural disasters or military conflict. Satellite communications are less affected than fibre by disruptions on land. There is a range of portable and vehicle mounted options, and communications networks can be re-established in a few minutes with automated technology provided with the units. SpeedCast also supplies equipment and services to military organisations to establish communications networks used for troop personnel welfare (i.e. non-operational communications), allowing military personnel to communicate with friends and family back home and access to education, training and entertainment services. Demand for government and military commercial satellite bandwidth is forecast to grow in Asia at a CAGR of 7.5%, in the Indian Ocean region at a CAGR of 7.7% and in the Pacific Ocean region at a CAGR of 6.2% from 2012 to 2022.[29]

It is also used by governments to bridge the "digital divide" in rural areas and developing nations, to extend high speed internet access into areas beyond the reach of terrestrial connections in order to provide access to education, medical services and other essential services. In Indonesia, India and Papua New Guinea, for example, there are an estimated 19,500 VSAT units installed related to government programs, such as civil security, defence or education.[30]

The case study in Figure 23 illustrates an example of one of SpeedCast's government customers using satellite networks to connect schools in remote areas.

Figure 23. Illustrative case study: Northern Territory Government

- In 2008, SpeedCast was awarded the contract for the design, supply, installation, commissioning and operation of a broadband VSAT network by the Northern Territory Government (NTG) called the Satellite to All Remote Sites ("STARS") project across 200 schools
- Network was designed to enable significantly increased number of distance learning lessons available, faster internet access and video so that students could interact more directly with teachers and peers
- The project required the provision of a dedicated and redundant broadband IP capable satellite communication network together with satellite bandwidth and a few additional services such as acceleration and the support of video streams
- The success of the network has led to various other NTG entities connecting to the high performance network, to the point where the network now supports 300 sites
- The project's bandwidth continues to grow. The initial 5-year contract has just been extended for a further three years, with additional bandwidth and an equipment upgrade in order to support future bandwidth growth

2.4.6 Enterprise

Introduction

SpeedCast's enterprise customers contributed approximately 16% of SpeedCast's pro forma service revenue (excluding Afghanistan) in FY2013.

Enterprise customers generally use VSAT networking solutions in order to support office IT applications in the co-ordination of business activities across multiple remote locations. Product offerings that offer cost-effective and value-added services to these customers include internet access, voice, video and data, online payment facilities, file sharing, real-time supply reports, online trading applications, warehouse surveillance, network traffic improvement, and back-up services.

Illustrative end user applications of VSAT networks in the enterprise segment include:

- **Freight and logistics providers** – tracks freight throughout its delivery chain; connects central headquarters to warehouses, drop-off centres and delivery personnel on the road
- **Retailers** – multi-casts music, videos and advertising across large store networks, tracks point of sales data, warehouse and inventory levels, provides employee training modules and redundant back-up network capacity
- **Financial services** – provides networks for centralised banking systems, ATMs and remote payment facilities

29. NSR, *Government & Military Satellite Communications, 10th Edition* (2014).
30. Euroconsult, *Assessment of C-band usage in Asian countries* (2014).

Across Indonesia, for example, an estimated 75,000 ATMs have C-band VSAT antennas installed. These VSAT units transmit an estimated 15 million transactions per day with an aggregate value of more than US$400 million, illustrating the mission critical nature of satellite networks.[31] VSAT networks are also used to support Indonesia's critical tsunami early warning system, and to facilitate identity cards, enrolment and voting at elections.[31]

The case study below illustrates the use of a typical SpeedCast VSAT network by enterprise customers in the banking industry in Bangladesh.

Figure 24. Illustrative case study: Banking in Bangladesh

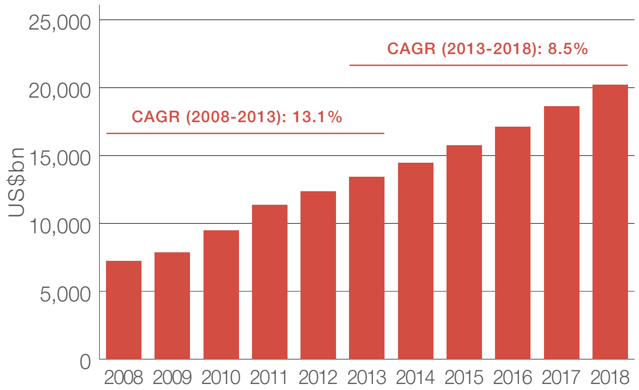
- Bangladesh banking industry requires secure, reliable methods to connect their branch offices with central headquarters
- SpeedCast has invested in a redundant network operations centre in Dhaka, now serving about 250 links for the banking industry exclusively
- SpeedCast is now the sole provider of VSAT services for the ATM networks of all the largest banks in Bangladesh

Enterprise segment dynamics

Growth in the enterprise segment is generally a reflection of a country's broader economic activity, and therefore the segment is expected to grow in line with economic activity.

In Asia (including Australia and Asia Pacific), the number of VSAT terminals providing enterprise networking services (across all customer segments, including enterprise) is forecast to increase by a CAGR of 5.9% from 2012-2022, with industry revenue CAGR of 5.5% over the same period.[32] In emerging areas of Asia, GDP growth is forecast to increase at 8.5% CAGR from 2013 to 2018.[33]

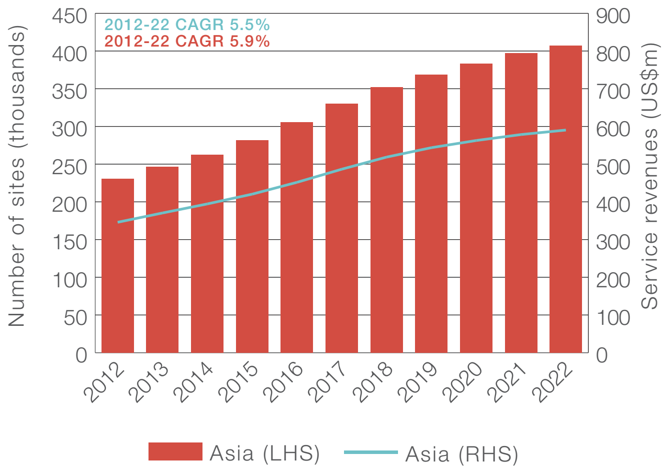
Figure 25. Emerging Asia GDP at current prices, 2008-2018



Source: IMF, *World Economic Outlook Database*, April 2014.

1. GDP in national currency at current prices, converted to United States dollars at yearly average exchange rates.
2. Includes Bangladesh, Bhutan, Brunei, Cambodia, China, Fiji, India, Indonesia, Kiribati, Laos, Malaysia, Maldives, Marshall Islands, Micronesia, Mongolia, Myanmar, Nepal, Palau, Papua New Guinea, Philippines, Samoa, Solomon Islands, Sri Lanka, Thailand, East Timor, Tonga, Tuvalu, Vanuatu, Vietnam.

Figure 26. Asia VSAT sites and service revenue, 2012-2022



Source: NSR, *Broadband Satellite Markets, 12th Edition* (2013).

1. Data relates to two-way broadband "Enterprise VSAT Networking" activities, as defined by NSR. Encompasses majority of services offered within SpeedCast's customer segments of natural resources, government and NGO and enterprise, and some telecom customer services.
2. NSR does not include Afghanistan in Asia data.

31. Euroconsult, *Assessment of C-band usage in Asian countries* (2014).
32. NSR, *Broadband Satellite Markets, 12th Edition* (2013).
33. IMF, *World Economic Outlook Database*, April 2014.

2.5 Competitive Dynamics

The key markets in which SpeedCast operates can be broadly categorised as Asia Pacific, of which a significant portion is Australia, and global maritime.

The industry in Asia Pacific is fragmented. It is estimated that there are dozens of VSAT service providers in Asia Pacific.[34] There are a limited number of international operators, of which SpeedCast is one. Large telecommunications providers and satellite operators also provide some VSAT services to the region, although it is generally not a strategic focus for them and does not contribute significantly to the total revenue of the provider. There is also a number of domestically focused market participants.

There is no competitor with a regional focus on the Asia Pacific region that matches the scale of SpeedCast. SpeedCast generally competes with domestic operators within specific geographic markets.

The table below provides management's view of SpeedCast's broader competitive landscape in Asia Pacific across its key customer segments. Participants who are predominantly providers of satellite internet services to non-enterprise end users (e.g. residential internet access) are excluded. A large number of small, domestically focused participants who may compete with SpeedCast in specific countries are also excluded. References to "smaller" satellite providers such as Optus and Singtel do not indicate or imply that the competitor is smaller (or mid-sized, or large, as appropriate), but rather that the competitor is a smaller provider of satellite services in Asia Pacific.

Figure 27. Competitive landscape: a selection of key competitors in SpeedCast's main Asia Pacific VSAT markets

Company	Principle geographical overlap with SpeedCast's key geographic markets	Ownership
Large VSAT service providers		
Harris Caprock	• Asia Pacific	• Public (New York Stock Exchange)
RigNet	• Asia Pacific	• Public (NASDAQ)
Mid-sized VSAT service providers		
ITC Global	• Australia, Singapore	• Private Equity (Riverside Partners)
PCCW	• Mainland Asia	• Public (Hong Kong Stock Exchange)
Smaller VSAT service providers		
AJN Solusindo	• Indonesia	• Private
Applied Satellite Technology ("AST")	• Australia	• Private (Gardline Group)
Baycom	• Malaysia	• Private
Bentley Walker	• Afghanistan	• Private
Maxis Berhad	• Malaysia	• Public (Bursa Malaysia)
Optus	• Australia	• Singapore Telecommunications ("SingTel") (Singapore Stock Exchange)
Patra Telekomunikasi Indonesia ("Patrakom")	• Indonesia	• Telkom Indonesia (New York Stock Exchange)
Primacom Interbuana	• Indonesia	• Private
Pasifik Satelit Nusantara ("PSN")	• Indonesia	• Private (22% owned by Telkom Indonesia (New York Stock Exchange))
ScopeTel	• Malaysia	• Private
SingTel	• South East Asia	• Public (Singapore Stock Exchange)

SpeedCast is one of only a small number of large competitors in the Asia Pacific region. Some of the competitors in Figure 27 are also SpeedCast customers due to SpeedCast's leading position and engineering capabilities in Asia Pacific. In addition, there are a number of large global VSAT service providers who are customers of SpeedCast rather than compete directly in SpeedCast's key markets in Asia Pacific.

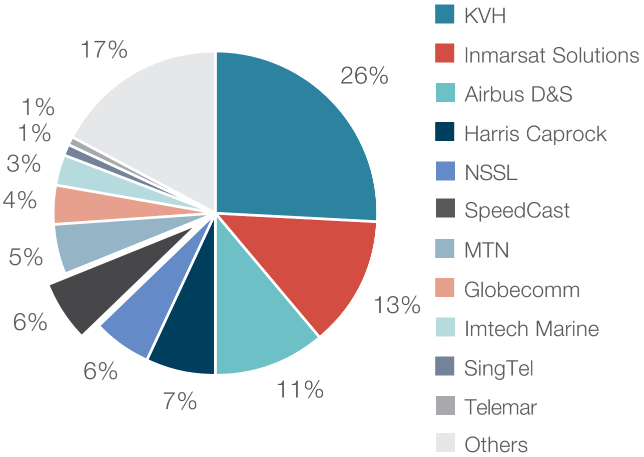
34. Euroconsult, *Assessment of C-band usage in Asian countries* (2014).

The large number of small, domestic focused providers presents acquisition opportunities for SpeedCast to continue consolidating its presence in the region with targeted acquisitions. Via acquisition, SpeedCast may also expand beyond the Asia Pacific region to service its Asia Pacific customers in other regions where they operate. Further discussion of SpeedCast's acquisition strategy is in Section 2.8.5.

The maritime market is also fragmented. There are approximately 60 providers actively servicing customers in the maritime industry.[35] The VSAT providers in the maritime segment shown in Figure 28 account for approximately 83% of the installed terminal base, followed by a long tail of providers with an installed base of 100 vessels or less.[35] Operators providing maritime communications require a network footprint that extends to the shipping routes where its customers operate. The market is therefore characterised by operators focusing on particular market segments, where fishing and offshore oil and gas can be more regionally focused and serviced by smaller network footprints than merchant shipping, for example. The majority of SpeedCast's maritime service revenue is generated by customers in the merchant shipping and offshore oil and gas segments.

On the basis of active terminals, SpeedCast was the sixth largest maritime VSAT provider at the end of 2013.[35] SpeedCast's acquisitions of Elektrikom (today part of SpeedCast Europe) in 2013 and SatComms in 2014 have enhanced SpeedCast's maritime position globally across both VSAT and MSS. The acquisition of Elektrikom has also provided a platform from which to penetrate the European maritime market, including a blue chip customer base and established regional reputation. SpeedCast is now regularly invited to participate in large tenders in Europe and Asia, and has been successful in several recent tenders.

Figure 28. Maritime VSAT provider market share in 2013 (by number of terminals)



Source: Euroconsult, *Maritime Telecom Solutions by Satellite, 3rd Edition* (2014).

2.6 Network infrastructure

SpeedCast is able to provide its customers access to a high quality network with global coverage. It provides services to its 3,000 terrestrial and 1,700 maritime VSATs via a network of leased infrastructure in partnership with providers of satellite transponder capacity, teleports, and other essential infrastructure. SpeedCast does not own the majority of its network infrastructure. In most cases, SpeedCast does own the core technologies and equipment used to deliver its services, including VSAT hubs, other core network equipment and application-related software and hardware.

The network is world-class, built to support major telecommunications carriers for voice and data services, and it has built-in redundancy (where key components are replicated as a back-up network in the case of failure in the primary network). Coverage extends globally, enabling SpeedCast to support mission critical communications for customers across all industries and all over the world.

The teleport and satellite infrastructure uses several frequency bands. SpeedCast utilises predominantly C-band satellite capacity. It uses Ku-band satellite capacity for mobility applications and in drier climates, where it is better suited. This is complemented by targeted Ka-band coverage. SpeedCast also utilises L-band capacity for MSS services that serve as a back-up to the VSAT service onboard vessels or as a primary network.

SpeedCast leases transponder capacity on 41 different satellites, owned by 15 satellite operators, including major global and regional operators. In FY2013, 33% of SpeedCast's satellite capacity was provided by AsiaSat (see Section 8.8 for details of the AsiaSat contractual arrangements). SpeedCast utilises 26 teleports. It owns two teleports in Australia (in Adelaide, South Australia and Henderson, Western Australia) and one in Port Moresby, Papua New Guinea. SpeedCast leases uplink services on a further 23 teleports.

SpeedCast utilises leased fibre networks as well as microwave and wireless services as last-mile solutions, enabling SpeedCast to provide end-to-end solutions to its customers and route the customer's traffic wherever needed.

SpeedCast actively manages its bandwidth requirements. At times, SpeedCast will purchase bandwidth in response to a specific customer order, in which case SpeedCast will aim to reflect the key terms (such as length) of the customer contract in the supply contract as much as possible. SpeedCast also pre-purchases bandwidth. Pricing in the industry fluctuates, typically in response to normal supply and demand dynamics, for example lower pricing in regions where there is excess supply or recently launched satellites with remaining capacity, and higher pricing where supply is more scarce.

SpeedCast is one of the largest buyers amongst satellite service providers of satellite capacity in the Asia Pacific region, and believes it receives favourable pricing as a result. SpeedCast also benefits from economies of scale generated by an ability to manage traffic across its network and move customers from one satellite to another if required. Section 8 describes SpeedCast's key customer and supply contracts in further detail.

35. Euroconsult, *Maritime Telecom Solutions by Satellite, 3rd Edition* (2014).

Figure 29. Map of SpeedCast's satellite coverage, teleports and offices

2.7 SpeedCast's competitive strengths

SpeedCast believes that it has a strong and sustainable competitive position as a satellite services provider, with competitive strengths that include:

- **Global network and infrastructure footprint** developed over the last decade, including a series of strong and long-term relationships with providers of critical network components including satellite bandwidth, technology platform vendors, equipment and hardware manufacturers, software developers and on-the-ground licensing and maintenance partners to complement SpeedCast's own engineering teams;
- **Established brand and reputation** for high quality network solutions and dedicated customer support to generate high levels of customer satisfaction;
- **A leading operator in the Asia Pacific region** with strategically located sales teams and on-the-ground engineering support. SpeedCast also has the capabilities to service customers based in all regions across the world where they operate;
- **Economies of scale**, including being one of the largest purchasers amongst satellite service providers of satellite capacity in the Asia Pacific region;
- **Turnkey solutions and value-added services** for key customer segments, coupled with expertise in tailoring networks to meet customer requirements; and
- **Diversified customer base**, across geographies and customer segments. SpeedCast serves over 1,000 customers across over 3,000 terrestrial sites, predominantly in Asia Pacific, and approximately 1,700 offshore rigs and vessels with satellite services. In FY2013, no single customer contributed more than 2.9% of pro forma revenue.

2.8 SpeedCast's Growth Strategy

SpeedCast's growth strategy is underpinned by five growth pillars:

- underlying market growth;
- market share growth;
- expansion opportunities into adjacent geographic and customer markets;
- continued product innovation and value-added services; and
- strategic acquisitions.

SpeedCast's long-term goal is to consolidate its position as a leader in satellite service provision in Asia Pacific and retain its status among leading global maritime providers. SpeedCast's growth pillars aim to best position SpeedCast to achieve these goals. Each pillar has strategic initiatives associated with it that are outlined below.

2.8.1 Underlying market growth

Growth in SpeedCast's core customer segments has been outlined in Section 2.4, comprised of new customer growth and growth in bandwidth requirements of existing customers within each segment.

SpeedCast expects to benefit from this underlying market growth across its core customer segments, particularly given its strong strategic position in the Asia Pacific market as a network provider of scale that is active globally with a regional focus, and its enhanced maritime offering following the acquisition of Elektrikom.

SpeedCast's strategic objective is to continue to focus on delivering high quality, tailored product offerings with high levels of customer services to maintain its reputation across Asia Pacific. It will retain the flexibility to provide a range of technologies and product platforms to react to changes in customer requirements and industry trends.

2.8.2 Market share growth

SpeedCast is targeting opportunities to enhance market share across all customer segments, in particular across the maritime, natural resources and telecom sectors.

In maritime, SpeedCast expects to be able to gain market share by strengthening its network of distribution partners in key shipping segments and increasing the number of dedicated direct sales teams across selected segments. It will also further invest in service delivery capabilities including project management and field engineering and will further invest in targeted marketing activities to continue to build the SpeedCast brand globally.

In the telecom sector, SpeedCast is engaged in expanding its partnerships with global telecom operators, to help them fulfil the communications needs of their large corporate customers. It is also leveraging the growing trend among cellular operators to outsource their VSAT network.

In the natural resources segment, SpeedCast management believes there is an opportunity to establish a position as one of the leading oil and gas sector communications network providers globally. SpeedCast's key competitors in the oil and gas segment focus almost solely on the segment, however there is no competitor with a strong Asia Pacific focus that matches that of SpeedCast. SpeedCast intends to build its reputation and brand awareness in the global oil and gas market in the same way that it has done across the maritime industry, and it will continue to invest to strengthen both its sales and engineering capabilities in key natural resources hubs as well as its brand on a global basis.

2.8.3 Expansion into adjacent geographic and customer markets

SpeedCast intends to take advantage of its established position in Asia Pacific and capabilities across key customer segments to enter new markets, in particular high growth emerging and developing countries with little terrestrial infrastructure. It has identified countries in Asia where it intends to expand its operation, as well as a strategic focus on Africa and the Middle East, where it currently has satellite coverage.

SpeedCast's existing customer base, particularly across the natural resources sector, offers opportunities for SpeedCast to service their communications requirements for operations in other parts of the world. SpeedCast can leverage its global network capabilities and provide these customers with a consistent service quality and price wherever they operate.

Adjacent customer opportunities also exist. For example, SpeedCast has identified aeronautical VSAT applications as a logical extension of SpeedCast's maritime business of providing mobile VSAT services. Aeronautical represents a small market at present but has large upside potential, if on-board satellite broadband internet access continues to gain momentum.

2.8.4 Continued product innovation and value-added services

With its in-house product development capabilities, including software development, and established partnerships with technology vendors, SpeedCast is well positioned to lead the market with new solutions to meet evolving customer requirements and market trends. Value-added services provide SpeedCast with a competitive advantage to attract and retain customers. Value-added services also increase reliance on SpeedCast's network and products by further integrating SpeedCast's solutions into the operational capabilities and processes of its customers.

SpeedCast will continue to identify opportunities for providing value-added services, including cross-promotional and cross-selling opportunities, and develop this portfolio of products to remain innovative and relevant to customer needs, and a one-stop solution provider.

2.8.5 Strategic acquisitions

SpeedCast operates in a fragmented industry, with a large band of mid-sized participants focusing on particular geographies and customer segments, and hundreds of small VSAT providers with fewer than 100 sites and generally active in one single country. Industry consolidation is beginning to occur and is expected to continue, as there are significant benefits of scale in the industry.

SpeedCast has made five acquisitions over the last two years. With the acquisitions of ASC, Elekrikom and Pactel it has demonstrated a proven ability to successfully integrate its acquisitions and realise cost and revenue synergies.

SECTION 3
FINANCIAL INFORMATION

3. FINANCIAL INFORMATION

The Company was incorporated on 14 July 2014 and does not currently own the satellite services business conducted by SpeedCast. The business of SpeedCast is currently being conducted by SpeedCast Acquisitions. In connection with the Offer, SpeedCast will undertake the Restructure, under which SpeedCast International Limited will become the new parent company of the SpeedCast group. Completion of the Restructure is subject to Listing. The Restructure is scheduled to take effect on 14 August 2014. If the Restructure does not complete, the Offer will not proceed.

This financial information has been prepared as if the Restructure has already occurred and describes SpeedCast after the Restructure.

3.1 Introduction

The financial information for SpeedCast contained in Section 3 includes:

- Statutory historical financial information for SpeedCast, being the:
  - consolidated statutory revenue and net profit after tax (NPAT) for FY2013 (**Statutory Historical Results**);
  - consolidated statutory operating free cash flow after capital expenditure for FY2013 (**Statutory Historical Cash Flows**); and
  - consolidated statutory historical balance sheet as at 31 December 2013 (**Statutory Historical Balance Sheet**);

  (**Statutory Historical Financial Information**);
- Pro forma historical financial information for SpeedCast, being the:
  - pro forma consolidated historical income statements for FY2011, FY2012 and FY2013 (**Pro Forma Historical Results**);
  - pro forma consolidated historical cash flow statements for FY2011, FY2012 and FY2013 (**Pro Forma Historical Cash Flows**); and
  - pro forma consolidated historical balance sheet as at 31 December 2013 (**Pro Forma Historical Balance Sheet**),

  (**Pro Forma Historical Financial Information**) (together, **Historical Financial Information**); and
- Forecast financial information for SpeedCast being the:
  - pro forma consolidated forecast income statement for FY2014 and the 12 months ending 30 June 2015 (**Pro Forma Forecast Results**); and
  - pro forma consolidated forecast cash flow statement for FY2014 and the 12 months ending 30 June 2015 (**Pro Forma Forecast Cash Flows**); (together with the Pro Forma Forecast Results, the **Pro Forma Forecast Financial Information**);
  - statutory consolidated forecast income statement for FY2014 (**Statutory Forecast Results**); and
  - statutory consolidated forecast cash flow statement for FY2014 (**Statutory Forecast Cash Flows**) (together with the Statutory Forecast Results, the **Statutory Forecast Financial Information**);

  (together, **Forecast Financial Information**).

The Historical Financial Information and Forecast Financial Information together form the **Financial Information**. SpeedCast has historically prepared its financial information in United States dollars as its reporting currency. This policy will continue following Completion of the Offer and unless otherwise indicated, the financial information included in this Section 3 of the Prospectus is presented in United States dollars and rounded to the nearest $'000.

Also contained in this section are:

- key operating metrics, including service revenue by key customer vertical (Section 3.3.1);
- SpeedCast's statutory and pro forma consolidated historical indebtedness and capitalisation at 31 December 2013 (Section 3.4.1);
- a description of the New Banking Facilities (Section 3.4.3);
- SpeedCast management's discussion and analysis of the Historical Financial Information (Section 3.6);
- the Directors' assumptions underlying the Forecast Financial Information (Section 3.7);
- a sensitivity analysis of the Forecast Financial Information to changes in certain key forecast assumptions (Section 3.9); and
- the Company's dividend policy (Section 3.10).

3.2 Basis of preparation and presentation of Financial Information

The Company was incorporated as an Australian public company on 14 July 2014. The Company will acquire SpeedCast Acquisitions Limited (**SAL** or **SpeedCast Acquisitions**) on Completion of the Offer. The Company will not undertake any trading activities until Completion of the Offer, except for the ongoing trading activities of its subsidiary, SAL.

SAL was incorporated on 10 August 2012, and subsequently made the following Acquisitions:

- Acquisition of SpeedCast Holdings Limited in September 2012, previously a wholly owned subsidiary of AsiaSat, a public company listed on the Hong Kong Stock Exchange;
- Acquisition of the business of ASC in November 2012;
- Acquisition of Elektrikom in January 2013;
- Acquisition of Pactel in May 2013;
- Acquisition of SatComms in June 2014; and
- Acquisition of Oceanic in July 2014;

(together, the Acquisitions).

Under the terms of the Offer, the Company is offering to issue 26.3 million Shares to raise A$51.6 million and SaleCo is offering to transfer 50.2 million Shares from Selling Shareholders to raise A$98.4 million. All Shares issued and transferred pursuant to this Prospectus will, from the time they are issued and transferred, rank equally. Refer to Section 6 for further details of the Offer.

There are no standalone statutory historical financial statements for the Company. Financial statements were prepared for SAL for the period after its incorporation to 31 December 2012 and for the year ended 31 December 2013.

The Financial Information has been reviewed and reported on by PricewaterhouseCoopers Securities Ltd (**PwCS**) as set out in the Investigating Accountant's Report (**IAR**) in Section 7. Investors should note the scope and limitations of the IAR (refer to Section 7).

The Financial Information has been prepared in accordance with the measurement and recognition principles of Australian Accounting Standards (AAS), which are consistent with International Financial Reporting Standards issued by the International Accounting Standards Board (IFRS). The Financial Information has been sourced partly from the financial statements of SAL which are prepared in accordance with IFRS. There are no material differences between financial information prepared in accordance with AAS and IFRS. The Financial Information is presented in an abbreviated form insofar as it does not include all the disclosures, statements or comparative information as required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act. SpeedCast's key accounting policies are set out in Appendix A.

The Financial Information presented in this Section 3 should be read in conjunction with the risk factors set out in Section 4 and other information contained in this Prospectus.

3.2.1 Preparation of Historical Financial Information

The Historical Financial Information presented reflects a pro forma consolidation of SAL and the Acquisitions and assumes Completion of the Offer and the New Banking Facilities, as well as other adjustments to eliminate non-recurring items, as if those had taken place on 1 January 2011. The Historical Financial Information has been prepared as follows:

FY2011

The financial information of SpeedCast Holdings Limited was audited by PricewaterhouseCoopers Hong Kong who issued an unqualified audit report thereon. The pro forma consolidated historical income statement and cash flows for FY2011 are based on accounting records and information in relation to SpeedCast Holdings Limited, together with compiled unaudited financial information for ASC, Pactel, Elektrikom, SatComms and Oceanic.

FY2012

The financial information of SpeedCast Holdings Limited was audited by PricewaterhouseCoopers Hong Kong who issued an unqualified audit report thereon. The pro forma consolidated historical income statement and cash flows for FY2012 are based on audited financial statements of SpeedCast Holdings Limited, audited financial statements of SpeedCast Acquisitions Limited, compiled unaudited pre-acquisition financial information for ASC for the period until the acquisition of ASC by SAL on 30 November 2012, together with compiled unaudited financial information for Pactel, Elektrikom, SatComms and Oceanic.

FY2013

The financial information of SAL was audited by PricewaterhouseCoopers Hong Kong who issued an unqualified audit report thereon. The pro forma consolidated historical income statement and cash flows for FY2013 are based on the audited financial statements of SAL, compiled unaudited pre-acquisition financial information for Pactel for the period until the acquisition of Pactel by SAL on 31 May 2013, together with compiled unaudited financial information for SatComms and Oceanic.

The pro forma consolidated balance sheet as at 31 December 2013 is based on the audited financial statements of SAL at that date, adjusted to reflect the impact of the Offer and the New Banking Facilities, the impact of the acquisitions of SatComms and Oceanic, payment of dividends after 31 December 2013 and the effect of the capital reorganisation by which the Company will acquire SAL.

The Pro Forma Historical Results are presented in Section 3.3 and the Pro Forma Historical Balance Sheet is presented in Section 3.4.

The Company is the legal parent in respect of the Offer and will issue shares to effect the capital reorganisation with SAL and its subsidiaries. For accounting purposes, the Directors are of the opinion that the proposed IPO structure represents a reorganisation of the economic entity historically known as SAL and its subsidiaries and will result in the Company becoming the new parent entity of that group. As such, the consolidated financial statements of the Company will reflect a continuation of the existing SAL consolidated financial statements. Accordingly, for the purposes of the Financial Information, no adjustments have been made to the value of the assets and liabilities of SAL on the basis that the new group is the same economic entity after Completion of the Offer as the SAL group prior to this time, subject to the use of proceeds raised under the Offer and drawdown of the New Banking Facilities.

The international accounting standard setters (International Accounting Standards Board or IASB) have agreed that the accounting treatment for transactions similar in nature to the proposed reorganisation of SpeedCast on Completion of the Offer, as set out above, should be addressed through a broader project on accounting for common control transactions. The Directors believe it is appropriate to adopt the accounting treatment for the preparation of the Financial Information consistent with established accounting practice for similar reorganisations in the Australian market to date.

As the timing of a project on common control transactions remains unknown, including whether any changes will be applied retrospectively or prospectively, there remains the risk that the accounting may differ materially to that presented in this section.

In the event that:

- the IASB's project on common control transactions determines that similar transactions are business combinations that require the recognition of acquired assets and liabilities at fair value and that changes are required to be applied retrospectively; and
- it is determined that the Completion of the Offer resulted in a loss of control by SpeedCast's current controlling party,

then acquisition accounting would need to be applied.

Acquisition accounting would require SAL's identifiable assets and liabilities to be fair valued by the new parent at the acquisition date in accordance with AASB 3 Business Combinations. The impact of acquisition accounting cannot be accurately determined at this time, as a formal purchase price allocation exercise has not been carried out. Nevertheless, it would likely result in a material increase in:

- intangible asset balances and subsequent amortisation charges in the consolidated income statements of the Company from FY2014; and
- goodwill balances and the resulting potential risk and quantum of goodwill impairment charges in future periods.

Based on SpeedCast's market capitalisation at the Offer Price, the pro forma net assets of SpeedCast at 31 December 2013 would increase by approximately $190 million. The Directors have provided a preliminary indicative analysis of revised values of certain intangible assets, notably trademarks and customer relationships, which would increase by approximately $4 million and $35 million respectively, which would result in an additional annual amortisation charge for these assets of approximately $4 million before the impact of tax. The balance of any increase in net assets would be recorded as goodwill and not subject to amortisation.

In addition, tax accounting is also likely to be materially different as a result of acquisition value accounting. The impact of acquisition accounting, should this subsequently be required by the IASB, is non-cash in nature and will not impact future cash flows. In addition, acquisition accounting in the consolidated financial statements of the Company should not impact the ability of SpeedCast to pay future dividends, as the overall financial position of the parent entity, the Company, will be the determinant of whether or not dividends are able to be paid in future financial periods.

The Pro Forma Historical Results set out in Section 3.3 have been presented before interest expense and income tax in FY2011 and FY2012 because SpeedCast's corporate and funding structure prior to the incorporation of SAL was materially different from that in place during the period prior to Listing. Accordingly, the historical pro forma interest expense and income tax are not a meaningful representation of the Company's future earnings profile. Reconciliations of the audited Historical Financial Information of SAL to the Pro Forma Historical Financial Information for FY2013 are provided in Sections 3.3.2 and 3.5.2.

Investors should note that past results do not guarantee future performance.

3.2.2 Preparation of Forecast Financial Information

The Forecast Financial Information has been prepared solely for inclusion in this Prospectus. The Directors believe that the Forecast Financial Information has been prepared with due care and attention, and consider all best estimate assumptions when taken as a whole to be reasonable at the time of preparing this Prospectus. However, this information is not fact and investors are cautioned not to place undue reliance on the Forecast Financial Information.

The Pro Forma Forecast Financial Information has been derived from the statutory consolidated forecast income and cash flow statements of SpeedCast for FY2014 and the 12 months ending 30 June 2015, after adjusting for the Acquisitions and other adjustments to reflect SpeedCast's operations following Completion of the Offer and to eliminate non-recurring items as set out in Sections 3.3.2 and 3.5.2. The statutory consolidated forecast income and cash flow statements for FY2014 consist of actual unaudited results and cash flows for the four months to 30 April 2014 (except for the recent acquisitions of SatComms and Oceanic, whose actual results are included for the three months to 31 March 2014) and SpeedCast's best estimate forecasts for the eight months (nine months for the recent acquisitions) to 31 December 2014.

The Forecast Financial Information has been prepared by SpeedCast based on an assessment of present economic and operating conditions and on a number of best estimate assumptions regarding future events and actions as set out in Sections 3.7.1 and 3.7.2. This information is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring, but is not intended to be a representation that the assumptions will occur. The Forecast Financial Information presented in this Prospectus has been reviewed by PwCS but has not been audited. Investors should note the scope and limitations of the IAR (refer to Section 7).

Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information, and that this may have a material positive or material negative effect on SpeedCast's actual financial performance or financial position. Accordingly, none of the Company, the Directors, SpeedCast's management, or any other person can give investors any assurance that the outcomes discussed in the Forecast Financial Information will arise. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information.

The Forecast Financial Information in Section 3.7 should be read in conjunction with the specific assumptions as set out in Section 3.7.2, the general assumptions as set out in Section 3.7.1, the sensitivities as set out in Section 3.9, the risk factors as set out in Section 4 and other information in this Prospectus. SpeedCast has no intention to update or revise the Forecast Financial Information or other forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

3.2.3 Explanation of certain non-International Financial Reporting Standards ("IFRS") financial measures

SpeedCast uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards. These measures are collectively referred to in Section 3 as "non-IFRS financial measures" under Regulatory Guide 230 "Disclosing non-IFRS financial information" published by ASIC. The principal non-IFRS financial measures that are referred to in this Prospectus are as follows:

EBITDA is earnings before interest, tax, depreciation and all amortisation expenses. Management uses EBITDA to evaluate the operating performance of the business without the non-cash impact of depreciation and amortisation and before interest and tax charges, which are significantly affected by the capital structure and historical tax position of SpeedCast.

SpeedCast also presents EBITDA margin, which is EBITDA divided by revenue, expressed as a percentage. EBITDA margin is a key measure that management uses to evaluate the profitability of the overall business. EBITDA is also used in determining financial covenants incorporated into the New Banking Facilities. Because it does not include the non-cash charges for depreciation and amortisation, EBITDA is useful to help understand the cash generation potential of the business. However, it should not be considered as an alternative to cash flow from operations and investors should not consider EBITDA in isolation from, or as a substitute for, analysis of the company's results of operations. Some of the limitations of EBITDA are that it does not reflect:

- SpeedCast's available cash;
- changes in SpeedCast's working capital needs;
- the cash requirements necessary to service interest payments or principal repayments in respect of any borrowings;
- that, although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised will often have to be replaced in the future, and there will likely be cash requirements for such replacements; and
- that other companies in SpeedCast's industry may calculate these measures differently from how SpeedCast does, limiting their usefulness as a comparative measure.

EBITA is earnings before interest, tax and amortisation of acquisition related intangibles.
EBIT is earnings before interest and tax.
NPAT is net profit after tax.
NPATA is net profit after tax but prior to the amortisation of acquisition related intangibles (net of tax effect).

A reconciliation of EBITDA, EBITA, EBIT and NPATA to NPAT is shown in Section 3.3.1. Certain financial data included in Section 3.3.1 is also non-IFRS financial information.

Although the Directors believe that these measures provide useful information about the financial performance of SpeedCast, they should be considered as supplements to the income statement measures that have been presented in accordance with the Australian Accounting Standards and not as a replacement for them. Because these non-IFRS financial measures are not based on Australian Accounting Standards, they do not have standard definitions, and the way SpeedCast calculated these measures may differ from similarly-titled measures used by other companies. Readers should therefore not place undue reliance on these non-IFRS financial measures.

3.3 Consolidated historical and forecast income statements

3.3.1 Overview

Figure 30 sets out the Pro Forma Historical Results, the Pro Forma Forecast Results and the Statutory Forecast Results of SpeedCast.

Figure 30. Summary consolidated pro forma historical income statement information from FY2011 to FY2013, summary consolidated pro forma forecast income statements for FY2014 and the 12 months ending 30 June 2015 and summary consolidated statutory forecast income statement for FY2014

	Pro Forma Historical Results			Pro Forma Forecast Results		Statutory Forecast Results
December year end (US$'000s)	FY2011	FY2012	FY2013	FY2014	12 months ending 30 June 2015	FY2014
Service (ex. Afghanistan)	51,228	63,354	76,223	89,677	99,543	87,611
Service (Afghanistan)	13,554	14,920	11,099	5,449	4,416	5,449
Equipment	12,507	15,697	12,653	12,697	12,737	11,038
Wholesale VoIP	9,750	8,882	11,351	11,191	11,850	11,191
Total revenue	**87,039**	**102,853**	**111,326**	**119,014**	**128,546**	**115,289**
Service	(39,805)	(46,461)	(50,916)	(52,528)	(56,515)	(51,432)
Equipment	(8,310)	(9,891)	(7,619)	(9,230)	(9,276)	(7,956)
Wholesale VoIP	(8,000)	(7,827)	(9,582)	(9,595)	(10,049)	(9,595)
Staff costs	(14,414)	(14,774)	(16,405)	(17,999)	(19,067)	(18,855)
Other operating expenses	(6,997)	(8,024)	(9,274)	(9,087)	(9,614)	(15,107)
Total operating expenses	**(77,526)**	**(86,977)**	**(93,796)**	**(98,439)**	**(104,521)**	**(102,943)**
EBITDA	**9,512**	**15,875**	**17,530**	**20,576**	**24,025**	**12,345**
EBITDA margin	*10.9%*	*15.4%*	*15.7%*	*17.3%*	*18.7%*	*10.7%*
Depreciation	(2,955)	(3,397)	(3,756)	(4,472)	(5,090)	(4,296)
EBITA	**6,557**	**12,478**	**13,774**	**16,104**	**18,935**	**8,049**
Amortisation of acquired intangibles	(5,956)	(5,955)	(5,926)	(5,885)	(5,885)	(7,890)
EBIT	**601**	**6,523**	**7,848**	**10,219**	**13,050**	**159**
Net interest expense			(1,990)	(1,954)	(1,954)	(7,231)
Share of profits of Joint Ventures			251	225	183	131
Net profit/(loss) before tax			**6,109**	**8,490**	**11,279**	**(6,941)**
Income tax expense			(2,486)	(2,405)	(2,887)	1,416
NPAT			**3,623**	**6,085**	**8,392**	**(5,525)**
Amortisation of acquired intangibles after tax			4,704	4,676	4,676	6,084
NPATA			**8,328**	**10,761**	**13,068**	**559**

Included in SpeedCast's Pro Forma Historical and Forecast Results is service revenue generated in Afghanistan, which commenced following the deployment of foreign troops in the region. Following the withdrawal of troops in FY2013, SpeedCast's service revenues from Afghanistan have declined. The majority of SpeedCast's Afghanistan service revenue is generated in providing services to government and NGO customers (both directly and via subcontractors) and to ISPs in the country.

The service revenue from Afghanistan has been separated as arising from a particular event. SpeedCast believes it is well positioned to respond to similar situations globally as they arise. The Directors have not included any revenue from similar situations in the Pro Forma Forecast Results as they are by their nature not predictable. Figure 31 provides a summary of SpeedCast's pro forma consolidated service revenue by customer vertical and geography separating Afghanistan for FY2011, FY2012 and FY2013, relating to the Pro Forma Historical Results, and for FY2014 and the 12 months ending 30 June 2015 relating to the Pro Forma Forecast Results.

Figure 31. Summary pro forma consolidated service revenue by customer vertical (excluding Afghanistan) for FY2011, FY2012, FY2013, FY2014 and the 12 months ending 30 June 2015

	Pro Forma Historical Results			Pro Forma Forecast Results	
December year end (US$'000s)	FY2011	FY2012	FY2013	FY2014	12 months ending 30 June 2015
Service revenue by customer vertical					
– Maritime	15,803	15,852	20,034	25,555	30,072
– Natural resources	6,474	10,435	11,550	13,570	15,755
– Telecom	15,096	19,479	22,293	24,745	27,199
– Enterprise	4,505	8,302	11,842	13,732	13,700
– Government and NGO	6,476	7,363	8,423	9,028	9,873
– Other	2,873	1,923	2,083	3,047	2,942
Service revenue by customer vertical (ex. Afghanistan)	**51,228**	**63,354**	**76,223**	**89,677**	**99,543**
Afghanistan service revenue	13,554	14,920	11,099	5,449	4,416
Service revenue by customer vertical	**64,781**	**78,274**	**87,322**	**95,126**	**103,958**
Service revenue by geography					
– Maritime	15,803	15,852	20,034	25,555	30,072
– Australia	14,768	22,388	26,385	24,702	26,578
– Pacific Islands	8,813	12,283	16,071	23,129	23,389
– Asia	8,851	8,972	10,315	12,568	15,332
– EMEA and Others	2,993	3,859	3,419	3,723	4,171
Service revenue by geography (ex. Afghanistan)	**51,228**	**63,354**	**76,223**	**89,677**	**99,543**
Afghanistan service revenue	13,554	14,920	11,099	5,449	4,416
Service revenue by geography	**64,781**	**78,274**	**87,322**	**95,126**	**103,958**

3.3.1.1 Key operating metrics

Figure 32 provides a summary of SpeedCast's key historical operating metrics for FY2011, FY2012 and FY2013, relating to the Pro Forma Historical Results, and the forecast key operating metrics for FY2014 and the 12 months ending 30 June 2015 relating to the Pro Forma Forecast Results.

Figure 32. Summary historical pro forma key operating metrics from FY2011 to FY2013 and summary forecast pro forma key operating metrics for FY2014 and the 12 months ending 30 June 2015

	Pro Forma Historical Results			Pro Forma Forecast Results		
December year end (US$'000s)	FY2011	FY2012	FY2013	FY2014	12 months ending 30 June 2015	1H FY2015[1]
Total revenue	87,039	102,853	111,326	119,014	128,546	66,516
Annual growth		*18%*	*8%*	*7%*		*17%*
Total revenue (ex. Afghanistan)	73,485	87,932	100,228	113,565	124,130	64,690
Annual growth		*20%*	*14%*	*13%*		*20%*
Service revenue	64,781	78,274	87,322	95,126	103,958	53,982
Annual growth		*21%*	*12%*	*9%*		*20%*
Service revenue ex. Afghanistan	51,228	63,354	76,223	89,677	99,543	52,156
Annual growth		*24%*	*20%*	*18%*		*23%*
EBITDA	9,512	15,875	17,530	20,576	24,025	12,644
Annual growth		*67%*	*10%*	*17%*		*38%*
EBITDA margin	11%	15%	16%	17%	19%	19%
Annual growth (bps)		*451*	*31*	*154*		*287*
EBITA	6,557	12,478	13,774	16,104	18,935	9,950
Annual growth		*90%*	*10%*	*17%*		*40%*
EBITA margin	8%	12%	12%	14%	15%	15%
Annual growth (bps)		*460*	*24*	*116*		*247*
NPAT			3,623	6,085	8,392	4,586
Annual growth				*68%*		*101%*
NPATA			8,328	10,761	13,068	6,924
Annual growth				*29%*		*50%*

1. 1H FY2015 metrics compared to 1H FY2014. The income statements for these periods are set out in Section 3.8.

3.3.2 Pro forma adjustments to the statutory income statements

Figure 33 sets out the adjustments that have been made to the audited statutory historical income statements for SpeedCast Acquisitions Limited (Statutory Historical Results) for FY2013, along with the Statutory Forecast Results, primarily to reflect the Acquisitions as if they had taken place as at 1 January 2011, and the full year impact of the operating and capital structure that will be in place following Completion of the Offer as if it was in place as at 1 January 2011. In addition, certain other adjustments to eliminate non-recurring items have been made. As SpeedCast Acquisitions Limited was incorporated in August 2012, a reconciliation would not be meaningful for FY2011 and FY2012. Consistent pro forma adjustments have been reflected in FY2011 and FY2012 as appropriate. The 12 months ending 30 June 2015 is not a statutory period for which SpeedCast will prepare statutory results, accordingly no reconciliation has been prepared for that period.

Figure 33. Pro forma adjustments to the audited statutory consolidated historical income statements from FY2013 and the statutory consolidated forecast income statement for FY2014

December year end (US$'000s)		FY2013	Forecast FY2014
Statutory revenue		**90,708**	**115,289**
Pro forma impact of Acquisitions	1	20,618	3,725
Pro forma revenue		**111,326**	**119,014**
Statutory NPAT		**(15,632)**	**(5,525)**
Pro forma impact of Acquisitions – Pactel	1	3,083	–
Pro forma impact of Acquisitions – SatComms		(927)	127
Pro forma impact of Acquisitions – Oceanic		8	(123)
Pro forma share of profit of Joint Ventures	2	251	94
Acquisitions transaction costs	3	2,560	332
Non-recurring foreign exchange loss	4	5,789	–
Amortisation	5	7,082	2,091
Share based payments	6	(18)	299
Net interest adjustment	7	6,454	5,277
Public company costs	8	(750)	(438)
IPO transaction costs	9	–	6,618
Performance rights issued to management	10	–	1,154
Tax effect of pro forma adjustments	11	(4,276)	(3,821)
Pro forma NPAT		**3,623**	**6,085**

The pro forma adjustments made to the Historical and Forecast Financial Information of SpeedCast reflect the following events and assumptions (on an annualised basis):

1. **Pro forma impact of Acquisitions** – FY2013 includes a pro forma adjustment for the full year impact of SatComms and Oceanic, together with the pre-acquisition results in that period of Pactel. FY2014 includes a pro forma adjustment for the pre-acquisition results of SatComms and Oceanic.
2. **Pro forma share of profit of joint ventures** – Represents the pre-acquisition share of the NPAT of the joint ventures of SatComms.
3. **Acquisitions transaction costs** – Represents a pro forma adjustment to exclude the transaction costs incurred by SpeedCast on the Acquisitions.
4. **Non-recurring foreign exchange loss** – Represents the pro forma adjustment for a non-recurring foreign exchange translation loss recorded in relation to debt held prior to the New Banking Facilities.
5. **Amortisation** – Represents a pro forma adjustment to historical amortisation expense to exclude accelerated amortisation charges in FY2013 and FY2014 for acquired trademarks and brand names following a rebranding of group companies to SpeedCast, together with the pro forma adjustment for the full year amortisation of customer relationships acquired with Pactel, SatComms and Oceanic.
6. **Share based payments** – Reflects a pro forma adjustment to exclude the historical share based payments expense of SpeedCast Acquisitions Limited and include the estimated annual charge in relation to SpeedCast's executive and employee incentive arrangements as described in Section 5.3.2.
7. **Net interest adjustment** – Existing Banking Facilities will be extinguished, financed in part by proceeds of the Offer and in part by the New Banking Facilities (outlined in Section 3.4.3). The net interest expense included in the Statutory Historical Results and Statutory Forecast Results has been adjusted to reflect the anticipated debt profile of SpeedCast following Completion of the Offer using base interest rates that prevailed, or are forecast to prevail, during the relevant periods (BBSW and LIBOR) and margins as set out in the New Banking Facilities at Completion of the Offer. This adjustment takes into account interest revenue based on the anticipated net operating cash profile of SpeedCast following Completion of the Offer using historical or forecast BBSW and LIBOR rates prevailing, or forecast to prevail, in the relevant period. In addition, an adjustment has been made to remove the impact of the write-off of unamortised borrowing costs in the Statutory Forecast Results relating to the historical debt structure of SpeedCast Acquisitions Limited. SpeedCast's Existing Banking Facilities include interest rates swaps. Management does not believe, based on current mark-to-market estimates, that there will be any material gain or loss when they are replaced by the New Banking Facilities.
8. **Public company costs** – This is based on SpeedCast's estimate of the incremental annual costs that the Company will incur as a listed public company. These costs include incremental increases to Non-executive Director remuneration, additional audit and legal costs, listing fees, share registry fees, Directors' and officers' insurance premiums as well as annual general meeting and annual report costs.
9. **IPO transaction costs** – Total expenses of the Offer are estimated at $10.1 million, of which $3.5 million (before tax) are directly attributable to the issue of Shares by the Company and will be offset against equity raised in the Offer. The remaining $6.6 million (before tax) is expensed in the Statutory Forecast Result and relates to the sale of Shares by Selling Shareholders.
10. **Performance rights issued to management** – Under the terms of the Company's previous equity participation plan agreed with the previous shareholders, certain executives and Directors of the Company are entitled to performance rights, some of which vest at the IPO date and others which vest progressively over 4 years and require the managers to continue to be employed by the Company. This adjustment reflects the statutory charge in FY2014 for the shares which vest on Completion of the Offer ($1.2 million). An ongoing charge of $0.1 million will be incurred in relation to performance rights which vest progressively over 4 years. This plan is separate to the share based payments noted in Adjustment 6.
11. **Tax effect of pro forma adjustments** – The pro forma forecast tax rate applicable to SpeedCast in FY2014 after adjusting for its share of Joint Venture NPAT is approximately 29.1% which reflects the tax rates applicable in the jurisdictions in which SpeedCast operates. The tax impact of adjustments 1 to 10 above has been reflected as part of this adjustment as appropriate.

3.4 Consolidated historical balance sheet

Figure 34 below sets out the adjustments that have been made to the audited statutory historical balance sheet for SpeedCast Acquisitions Limited as at 31 December 2013 in order to prepare a pro forma consolidated historical balance sheet for SpeedCast. These adjustments, discussed in the notes to Figure 34, reflect the impact of the operating and capital structure that will be in place following Completion of the Offer as if they had occurred or were in place as at 31 December 2013. These adjustments have been reflected based on an A$/US$ exchange rate of A$1:US$0.9432.

Figure 34. Pro forma consolidated historical balance sheet as at 31 December 2013

Pro forma as at 31 December 2013 (US$'000s)	Audited statutory	Acquisition by the Company of SAL & Payment of dividend	Impact of the Acquisitions and Offer	New Banking Facilities	Pro forma
Current assets					
Cash and cash equivalents	12,250	–	–	(8,082)	4,168
Trade and other receivables	16,935	–	1,749	–	18,684
Inventories	1,580	–	247	–	1,827
Other current assets	481	–	–	–	481
Total current assets	**31,246**	**–**	**1,995**	**(8,082)**	**25,159**
Property, plant and equipment	11,483	–	1,430	–	12,913
Intangible assets	61,694	–	5,367	–	67,061
Deferred tax assets	1,322	–	3,077	–	4,399
Investments accounted for using the equity method	–	–	486	–	486
Total non-current assets	**74,499**	**–**	**10,361**	**–**	**84,860**
Total assets	**105,745**	**–**	**12,356**	**(8,082)**	**110,019**
Current liabilities					
Trade and other payables	26,937	–	(2,233)	–	24,704
Borrowings	3,349	–	(3,315)	–	34
Income tax payable	1,681	–	–	–	1,681
Other current liabilities	212	–	–	–	212
Total current liabilities	**32,179**	**–**	**(5,548)**	**–**	**26,631**
Non-current liabilities					
Borrowings	44,655	30,000	(23,498)	(5,984)	45,173
Deferred tax liabilities	6,410	–	595	–	7,005
Other non current liabilities	25	–	31	–	56
Total non-current liabilities	**51,090**	**30,000**	**(22,873)**	**(5,984)**	**52,233**
Total liabilities	**83,269**	**30,000**	**(28,421)**	**(5,984)**	**78,864**
Net assets	**22,476**	**(30,000)**	**40,776**	**(2,098)**	**31,154**
Contributed equity	35,864	(7,306)	46,200	–	74,758
Retained earnings	(18,096)	(30,000)	(5,424)	(2,098)	(55,618)
Other reserves	4,708	7,306	–	–	12,014
Total equity	**22,476**	**(30,000)**	**40,776**	**(2,098)**	**31,154**

1. **Acquisition by the Company of SAL and payment of dividend** – The accounting for this transaction will be on the basis described in Section 3.2.1 based on the SpeedCast Acquisitions Limited entity balance sheet at acquisition date (1 August 2014). This will affect Contributed equity and Other reserves (as a Capital Reorganisation Reserve) but will not affect cash. This adjustment also reflects the drawdown of $30.0 million of debt under the Existing Banking Facilities in March 2014 to pay a dividend to Existing Shareholders.

2. **Impact of the Acquisitions and Offer** – Represents the consolidation of SatComms and Oceanic as if they had been acquired at 31 December 2013, based on unaudited management accounts information as at 31 December 2013 for both entities. SatComms was acquired on 2 June 2014 for $3.8 million (including $0.3 million of deferred consideration), while Oceanic was acquired on 1 July 2014 for $2.8 million (including $0.3 million of deferred consideration), respectively, with the initial consideration of $6.0 million paid from cash that existed at those dates. Deferred consideration of $5.0 million payable in September 2014 in relation to Pactel which was acquired in May 2013 and $0.3 million in relation to each of SatComms and Oceanic payable in August and September 2014 respectively has been adjusted as if it had been paid at 31 December 2013. Estimated transaction costs totalling $0.3 million have been expensed in the Statutory Forecast Result and have been included in the Pro Forma Historical Balance Sheet. The pro forma consolidated historical balance sheet reflects, as a result of the Offer, a contributed equity increase by $46.2 million through the issue of Shares by the Company ($48.6 million) less IPO transaction costs ($3.5 million, $2.4 million after the impact of tax) offset against equity, with $6.6 million ($4.6 million after impact of tax) expensed. Pro forma adjustments also include $11.6 million utilised for Acquisition payments being initial consideration of $3.5 million paid for SatComms in June 2014 and $2.5 million paid for Oceanic in July 2014 and deferred consideration of $5.6 million associated with the Pactel, SatComms and Oceanic acquisitions as described above. The balance of the proposed $48.6 million to be raised by the Company under the Offer has been applied to the extinguishment of a portion of the Existing Banking Facilities. Further information on the sources and uses of funds of the Offer is contained in Section 6.1.2.
3. **New Banking Facilities** – Represents the drawdown of $45.7 million (less $0.6 million of borrowing costs capitalised against borrowings on the balance sheet), repayment of $53.2 million on existing facilities (including $8.1 million from existing cash) and the non-cash write-off of $2.1 million of unamortised borrowing costs related to the debt held by SpeedCast Acquisitions Limited prior to the New Banking Facilities.

Figure 35. SatComms and Oceanic – Provisional Acquisition accounting

(US$'000s)	SatComms	Oceanic
Consideration for acquisition	**3,773**	**2,830**
Less: Pro forma net tangible assets acquired	1,325	(88)
Intangibles arising on acquisition	**2,448**	**2,918**
Representing:		
Identifiable intangible assets (including customer contracts and relationships)	1,132	849
Goodwill	1,316	2,069
Intangibles arising on acquisition	**2,448**	**2,918**

Accounting standards allow a period of 12 months to finalise provisional accounting adjustments from the date of acquisition, including the impact of any completion adjustment mechanisms arising out the acquisition agreements. The acquisition agreements for SatComms (acquired June 2014) and Oceanic (acquired July 2014) include completion adjustment mechanisms (including working capital adjustment mechanisms) which will be reflected in the final acquisition accounting adjustments.

3.4.1 Indebtedness and capitalisation

Figure 36 below sets out the indebtedness and capitalisation of SpeedCast as at 31 December 2013, before and following Completion of the Offer.

Figure 36. Pro forma consolidated historical indebtedness and capitalisation as at 31 December 2013

As at 31 December 2013 (US$'000s)	Statutory	Pro forma
Cash and cash equivalents	(12,250)	(4,168)
Borrowings	48,004	45,208
Total net indebtedness	**35,754**	**41,040**
Contributed equity	35,864	74,758
Retained earnings	(18,096)	(55,618)
Other reserves	4,708	12,014
Total capitalisation	**22,476**	**31,154**
Total net indebtedness and capitalisation	**58,230**	**72,194**
Net indebtedness to FY2014 Pro Forma EBITDA	**1.7×**	**2.0×**

The US$45.7 million of New Banking Facilities, net of that portion of the costs associated with the New Banking Facilities to be capitalised as non-current borrowing costs (US$0.6 million), result in pro forma borrowings of US$45.2 million following Completion of the Offer.

The pro forma historical indebtedness as at 31 December 2013 reflects adjustments to the audited statutory balance sheet position as at 31 December 2013 to incorporate the impact of certain acquisitions, dividends and the impact of the Offer and New Banking Facilities. It does not reflect movements in operating cash flow since that date.

SpeedCast is targeting total net indebtedness upon Completion of the Offer of approximately $41.0 million after paying the initial consideration of $6.0 million for Oceanic and SatComms and $5.6 million in deferred consideration payable in relation to Pactel, Oceanic and SatComms in August and September 2014. These payments will be reflected as an investing cash flow in SpeedCast's FY2014 statutory statement of cash flows.

3.4.2 Description of the Existing Banking Facilities

Statutory bank facilities as at 31 December 2013 (**Existing Banking Facilities**) included a term loan of $50.0 million and a revolving facility of $5,000,000. The term loan had a maturity of 5 years, repayable in instalments. The initial margin was 4.75% over US$ LIBOR. $300,000 had been drawn as a bank guarantee on 27 September 2013 with an interest rate of 4% per annum under the revolving facility. A dividend of $30.0 million was declared and paid in March 2014, and the bank facilities amended and increased. Immediately prior to Completion of the Offer, the statutory bank facilities comprised a term loan of $80,000,000 (fully drawn), a revolving facility of $5,000,000 (undrawn) and a capex facility of $5,000,000 (undrawn).

3.4.3 Description of the New Banking Facilities

SpeedCast and HSBC Bank Australia Limited, Siemens Financial Services, Inc. and Westpac Banking Corporation (the **Lenders**) have entered into a loan facility agreement for the provision of multicurrency secured revolving cash advance and letter of credit facilities (**New Banking Facilities**).

The New Banking Facilities are subject to the satisfaction of certain conditions precedent customary for an initial public offering-related refinancing, most importantly the successful Completion of the Offer and the application of part of the Offer proceeds to the repayment of SpeedCast's Existing Banking Facilities (each of which the Company expects to be satisfied). There is also the ability to increase facilities of up to US$20.0 million on similar terms as the New Banking Facilities subject to a lender committing to the new amount and certain conditions being met.

The New Banking Facilities will comprise:

- a US$35.0 million three year secured multi-currency revolving cash advance facility (Facility A);
- a US$22.0 million five year secured multi-currency revolving cash advance facility (Facility B); and
- a US$3.0 million five year secured multi-currency revolving letter of credit and bank guarantee facility (Facility C).

Figure 37 below sets out a summary of the New Banking Facilities.

Figure 37. Summary of New Banking Facilities

(US$'000s)	Facility commitment	Pro forma drawn
Facility A	35,000	35,000
Facility B	22,000	10,700
Facility C	3,000	–
Total	**60,000**	**45,700**

3.4.3.1 Facility A

Facility A will be available for refinancing SpeedCast's Existing Banking Facilities, paying down costs associated with the Offer and the refinancing, for capital expenditure, general corporate purposes and permitted acquisitions. Facility A is repayable in full at maturity, being three years from the date of the first drawdown under the New Banking Facilities. No interim scheduled principal repayments are required during the term of Facility A. Facility A has a variable interest rate, which is based on Bank Bill Swap Bid Rate (BBSY), London Interbank Offered Rate (LIBOR) or the Euro Interbank Offered Rate (Euribor) as appropriate based on the applicable drawn currency plus a margin. If Facility A is not fully drawn at any stage, Facility A will attract commitment fees equal to 45% of the applicable margin on the committed but undrawn funds under this facility.

3.4.3.2 Facility B

Facility B will be available for refinancing SpeedCast's Existing Banking Facilities, paying down costs associated with the Offer and the refinancing, for capital expenditure, general corporate purposes and permitted acquisitions. Facility B is repayable in full at maturity, being five years from the date of the first drawdown under the New Banking Facilities. No interim scheduled principal repayments are required during the term of Facility B. Facility B has a variable interest rate, which is based on BBSY, LIBOR or Euribor as appropriate based on the applicable drawn currency plus a margin. If Facility B is not fully drawn at any stage, Facility B will attract commitment fees equal to 45% of the applicable margin on the committed but undrawn funds under this facility.

3.4.3.3 Facility C

Facility C will be available to be drawn by way of letters of credit and bank guarantees for general corporate purposes. Facility C is repayable in full at maturity, being five years from the date of the first drawdown under the New Banking Facilities. Fees are payable in relation to the bank guarantees and letters of credit. Facility C will attract commitment fees equal to 45% of the applicable bank guarantee and letter of credit fees on the committed but undrawn funds under this facility.

3.4.3.4 Representations and warranties

The New Banking Facilities will contain representations and warranties usual for facilities of this nature, the breach of which may lead to the funds borrowed becoming due on an accelerated basis and the New Banking Facilities being cancelled.

3.4.3.5 Undertakings

The New Banking Facilities contain financial information and reporting undertakings customary for debt facilities of this nature. Financial undertakings include SpeedCast's compliance with certain leverage and interest coverage ratios, which will be tested semi-annually on a rolling 12-monthly basis.

Information undertakings include undertakings relating to provision of accounts and compliance certificate in respect of financial undertakings, notice of defaults, notice of litigation, documents issued to the ASX and "know your customer" requirements.

Other general undertakings include undertakings relating to the group and business as well as a negative pledge and restrictions on incurring additional indebtedness, making acquisitions, disposals, distributions and loans, giving guarantees and entering into mergers or corporate reconstructions.

SpeedCast expects to remain in compliance with these undertakings.

3.4.3.6 Events of default

The New Bank Facilities prescribe events of default which are usual for facilities of this nature, including relating to non-payment, failure to comply with obligations, misrepresentations, cross-default to other financial indebtedness, unlawfulness, an event occurring which has a material adverse effect and various insolvency-style events of default. The occurrence of an event of default, if not cured in a timely fashion, may lead to the funds borrowed becoming due on an accelerated basis and the New Banking Facilities being cancelled.

3.4.3.7 Events of review

If a review event occurs, including SpeedCast's de-listing from ASX or its suspension from trading on ASX for more than 10 business days, SpeedCast and the Lenders will be required to re-negotiate revised terms for the New Banking Facilities. If agreement cannot be reached within a certain period, then it may lead to some or all of the funds borrowed becoming due and the New Banking Facilities being cancelled.

3.4.4 Liquidity and capital resources

Following Completion of the Offer, SpeedCast's principal sources of liquidity consist of cash resources, cash flows from operations, and drawings under New Banking Facilities.

The majority of SpeedCast's capital expenditure relates to satellite communication equipment associated with meeting new customer requirements. SpeedCast's historical and forecast capital expenditure and working capital trends are set out in Sections 3.6.3, 3.6.5, 3.7.2.3 and 3.7.2.6.

SpeedCast expects that it will have sufficient cash flow from operations to meet its operational requirements and business needs during the forecast period to 30 June 2015. SpeedCast expects that its operating cash flows, together with borrowings under the New Banking Facilities, will position SpeedCast to grow its business in accordance with the Forecast Financial Information.

The Directors believe that SpeedCast will have sufficient working capital to carry out its stated objectives in the forecast period to 30 June 2015.

3.4.5 Contractual obligations and commitments

Figure 38 summarises SpeedCast's pro forma contractual obligations and commitments (following Completion of the Offer) under the New Banking Facilities and finance and operating leases.

Figure 38. Pro Forma contractual obligations and commitments

	Pro forma drawn total	Facility commitment total	Payments due by periods		
As at 31 December 2013 (US$'000s)			**< 1 year**	**1-5 years**	**> 5 years**
Operating lease commitments	–	3,629	1,280	2,349	–
Finance lease commitments	–	102	34	68	–
Bank facilities	45,700	60,000	–	35,000	10,700
Total	**45,700**	**63,731**	**1,314**	**37,417**	**10,700**

3.5 Consolidated historical and forecast cash flows

3.5.1 Overview

Figure 39 sets out the Pro Forma Historical Cash Flows, the Pro Forma Forecast Cash Flows and Statutory Forecast Cash Flows of SpeedCast.

Figure 39. Pro forma consolidated historical and forecast operating cash flows from FY2011 to FY2014, 12 months ending 30 June 2015 and statutory consolidated forecast operating cash flows for FY2014

	Pro Forma Historical Cash Flows			Pro Forma Forecast Cash Flows		Statutory Forecast Cash Flows
December year end (US$'000s)	FY2011	FY2012	FY2013	FY2014	12 months ending 30 June 2015	FY2014
EBITDA	**9,512**	**15,875**	**17,530**	**20,576**	**24,025**	**12,345**
Non-cash items in EBITDA	463	236	1,230	1,283	1,419	2,735
Change in working capital	567	(1,617)	519	(5,283)	(2,147)	(6,208)
Operating free cash flow before capital expenditure	**10,543**	**14,494**	**19,278**	**16,575**	**23,297**	**8,873**
Acquisition of property, plant and equipment	(4,606)	(5,486)	(5,165)	(6,762)	(8,551)	(6,762)
Total capital expenditure	**(4,606)**	**(5,486)**	**(5,165)**	**(6,762)**	**(8,551)**	**(6,762)**
Operating free cash flow after capital expenditure	**5,937**	**9,008**	**14,113**	**9,814**	**14,746**	**2,111**
Cash conversion ratio[1]	62%	57%	81%	48%	61%	17%

1. Operating free cash flow after capital expenditure as a percentage of EBITDA.

Note: SpeedCast's FY2014 statutory cash flows will reflect the payment of $6.0 million of initial consideration in relation to SatComms and Oceanic (based on a A$/US$ exchange rate of A$1:US$0.9432) and $5.6 million of deferred consideration in relation to Pactel, SatComms and Oceanic as an investing cash flow. These payments are reflected as an adjustment to the pro forma balance sheet at 31 December 2013 in Section 3.4.

3.5.2 Pro forma adjustments to the statutory cash flow statements

Figure 40 sets out the adjustments that have been made to the audited statutory historical cash flow statements of SpeedCast Acquisitions Limited (Statutory Historical Cash Flows) for FY2013, along with adjustments made to the Statutory Forecast Cash Flows to reflect the full year impact of the Acquisitions and the operating structure that will be in place following Completion of the Offer and to eliminate certain non-recurring items. As SpeedCast Acquisitions Limited was incorporated in August 2012, reconciliations would not be meaningful for FY2011 and FY2012.

Figure 40. Pro forma adjustments to the audited statutory consolidated historical cash flow statement for FY2013 and the statutory consolidated forecast cash flow statement for FY2014

December year end (US$'000s)	FY2013	Forecast FY2014
Statutory operating free cash flow after capital expenditure	**9,584**	**2,111**
Pro forma impact of historical and forecast acquisitions EBITDA and change in working capital	2,719	1,190
Acquisitions transaction costs	2,560	332
Public company costs	(750)	(438)
IPO transaction costs	–	6,618
Pro forma operating free cash flow after capital expenditure	**14,113**	**9,814**

Pro forma impact of Acquisitions EBITDA and change in working capital – An adjustment has been made to SpeedCast's historical and statutory forecast operating cash flows after capital expenditure to include the net operating cash flows (prior to net interest, tax payments, payments for the Acquisitions and after capital expenditure) associated with the Acquisitions as detailed in Section 3.3.2 as if these had occurred before or on 1 January 2011.

Acquisitions transaction costs – An adjustment has been made to reflect the cash impact of adjustment 3 in Section 3.3.2.

Public company costs – An adjustment has been made to reflect the operating cash impact of adjustment 8 in Section 3.3.2.

IPO transaction costs – The portion of the transaction costs of the Offer that will be expensed in the Statutory Forecast Result.

3.6 Management discussion and analysis of Historical Financial Information

3.6.1 General factors affecting the operating results of SpeedCast

Below is a discussion of the main factors that affected SpeedCast's operations and relative financial performance in FY2011, FY2012 and FY2013 that SpeedCast expects may continue to affect it in the future. The discussion of these factors is intended to provide a brief summary only and does not detail all factors that affected SpeedCast's historical operating and financial performance, nor everything which may affect SpeedCast's operations and financial performance in the future.

3.6.1.1 Revenue

Figure 41 below sets out SpeedCast's pro forma consolidated revenue for the historical periods FY2011, FY2012, FY2013 and the forecast period FY2014 and the 12 months ending 30 June 2015.

Figure 41. Summary consolidated pro forma historical revenue from FY2011 to FY2013, summary consolidated pro forma forecast revenue for FY2014 and the 12 months ending 30 June 2015 and the summary consolidated statutory forecast revenue for FY2014

	Pro Forma Historical Results			Pro Forma Forecast Results		Statutory Forecast Results
December year end (US$'000s)	FY2011	FY2012	FY2013	FY2014	12 months ending 30 June 2015	FY2014
Service (ex. Afghanistan)	51,228	63,354	76,223	89,677	99,543	87,611
Service (Afghanistan)	13,554	14,920	11,099	5,449	4,416	5,449
Equipment	12,507	15,697	12,653	12,697	12,737	11,038
Wholesale VoIP	9,750	8,882	11,351	11,191	11,850	11,191
Total revenue	**87,039**	**102,853**	**111,326**	**119,014**	**128,546**	**115,289**

An overview of the different revenue streams to be generated by SpeedCast and the key drivers of each revenue stream are set out below.

Service

Service revenues are those generated from broadband services and network solutions (including installation services) provided to the five key verticals served by SpeedCast, and value-added services (including VoIP, user applications, network optimisation, network monitoring and management services). Services are mostly of a recurring nature, with the exception of installation/maintenance revenues and retail VoIP revenues, which are usage-based and for which traffic can vary from one month to another.

Service revenue outlook may depend on a range of factors set out in Section 2. Key determinants include, but are not limited to:

- demand for services offered by SpeedCast in the customer segments in which SpeedCast operates;
- SpeedCast's ability to attract and retain customers in the markets in which SpeedCast operates;
- the bandwidth and number of sites (or vessels in the case of maritime customers) required by customers;
- take-up of value-added services by customers in addition to the network service, and usage of these services (where fees are based on usage rather than a set fee); and
- the prevailing market pricing dynamics for services similar to those offered by SpeedCast and SpeedCast's ability to retain its current pricing model.

Additionally, the rate of growth in service revenue is impacted by the reduction of SpeedCast's service revenue in Afghanistan, as outlined in Section 3.3.1 above, and further in Sections 3.6.2, 3.6.4 and 3.7.2 below.

Equipment

Equipment revenues are generated from the sale of equipment, such as VSAT terminals that send and receive the transmitted data, modems, routers and other types of equipment related to the provision of value-added services to customers.

Equipment revenue outlook may depend on a range of factors set out in Section 2. Key determinants include, but are not limited to:

- the number of customers who purchase equipment outright or prefer to rent, or already have equipment on site that can be used by SpeedCast to provide its services;
- the number of sites required by customers (with each requiring equipment); and
- the prevailing market pricing dynamics for the sale of equipment provided by SpeedCast to its customers and SpeedCast's ability to sustain current margins.

Wholesale VoIP

Wholesale VoIP is revenue generated via the sale of voice minutes on a wholesale basis to telecom customers that are then re-sold to the end user. VoIP services sold directly to the end user are classified as a value-added service, and are included in service revenue.

Wholesale VoIP outlook may depend on a range of factors set out in Section 2. Key determinants include, but are not limited to:

- demand for voice traffic in the countries in which SpeedCast offers this service;
- SpeedCast's ability to attract and retain customers in the countries in which SpeedCast operates;
- take-up of other services by customers, for example network connectivity services; and
- the prevailing market pricing dynamics for wholesale VoIP services.

3.6.1.2 Operating Expenses

Operating expenses comprise:

Service – comprises bandwidth costs paid to satellite operators, such as AsiaSat, teleport and uplink costs. Bandwidth can be purchased specifically for a certain contract, in which case SpeedCast will aim to reflect the key terms (such as length) of the customer contract in the supply contract, or purchased in general to support various existing and new customers. To the extent the bandwidth is purchased specifically for a certain customer, this cost is variable as SpeedCast will negotiate the best deal possible with various satellite operators. For bandwidth purchased for general customer support purposes, this cost is primarily fixed, unless the contract terms allow for adjustment or termination. Scale allows for more flexibility in adjusting some contract terms. Teleport costs are associated with the rental of third party teleports. Uplink costs are paid to the owners of teleports used by SpeedCast. These costs are primarily variable, based on the amount of traffic being uplinked. For the teleports that SpeedCast owns, the costs are mostly fixed.

Equipment – cost of equipment sold to equipment customers together with associated freight, insurance etc. These costs are primarily variable; SpeedCast keeps some amount of inventory to respond quickly to customer needs.

Wholesale VoIP – represents per minute charges paid to telecom companies. These costs are primarily variable.

Staff costs – salary, bonus and welfare paid to SpeedCast employees.

Other operating expenses – include travel, facilities, maintenance, general administrative costs and bad debts expenses as well as other cost of sales including equipment installation and warranty as well as other miscellaneous costs. Other expenses also include an assumption of incremental annual costs of $0.75 million incurred in operating as a listed public company, which relate to Directors' remuneration, additional audit and tax costs, listing fees, share registry fees, directors' and officers' insurance premiums, as well as annual general meeting and annual report costs.

3.6.1.3 Depreciation and amortisation

Depreciation predominantly relates to the depreciation of satellite equipment and network operations centre equipment, on a straight line basis over 2 to 5 years for satellite equipment, and 5 to 15 years for network operations centre equipment.

Amortisation predominantly relates to the customer relationships recognised in relation to the Acquisitions (amortised on a straight line basis over 10 to 12 years) and the value of the satellite supply contract entered into with AsiaSat (as described in Section 8.8) at the time of the acquisition of SpeedCast Holdings Limited by SpeedCast Acquisitions Limited. Accordingly, amortisation is considered an acquisition-related, non-cash expense that would not have been incurred in the normal course of business. Therefore NPATA and EBITA is considered by SpeedCast's management as an important measure of the underlying earnings of the business.

3.6.1.4 Net finance costs

SpeedCast is targeting total net indebtedness upon Completion of the Offer of approximately $41.0 million as described in Section 3.4.1. Pro forma net finance costs reflect the debt profile and interest margins applicable under the terms of the New Banking Facilities and reduced level of debt following Completion of the Offer. The average interest rate for the net banking facilities in FY2014 of 4.656% has been applied to Australian dollar denominated debt of US$33.7 million, and 2.081% in relation to United States dollar denominated debt of US$12.0 million. Pro forma net finance costs include annual amortisation of upfront costs and undrawn facility fees of $0.3 million incurred in the establishment of the New Banking Facilities, ex-GST.

3.6.1.5 Capital expenditure

SpeedCast incurs capital expenditure primarily related to satellite communications equipment associated with meeting new customer requirements. This equipment is generally installed at the company's teleports, and may also include equipment installed at customers' premises as part of a turnkey contract covering service and equipment.

SpeedCast also expects to incur costs during the forecast period in relation to integration costs associated with recent acquisitions, including investments in NOC infrastructure and teleport assets and project costs, and the implementation of a new enterprise resource planning system.

3.6.1.6 Seasonality

SpeedCast's operations have historically demonstrated a small degree of seasonal revenue impacts, including slight seasonality from natural resources customers. During the southern hemisphere wet season (December to March), there are some site closures primarily in Australia by natural resources customers. Equipment sales can also potentially experience a surge in the second half of the year (July to December) as customers spend remaining budgeted amounts.

3.6.1.7 Cash flows and working capital

SpeedCast's working capital cycle is impacted by the following key matters:

- timing of receivables from customers at month-end;
- payment terms with satellite providers; and
- customers typically paying a deposit and/or monthly in advance for services.

3.6.1.8 Tax

The primary jurisdictions in which SpeedCast operates and their applicable corporate tax rates are Australia (30%), the Netherlands (25%) and Hong Kong (16.5%). An effective tax rate of 29.1% and 26.0% has been applied to the Pro Forma Forecast Financial Information for the year ending 31 December 2014 and the 12 months ending 30 June 2015, respectively.

3.6.1.9 Foreign exchange

A majority of SpeedCast's revenues and expenses are denominated in United States dollars, or currencies linked to the United States dollar. Some revenues and expenses are denominated in other currencies, including Australian dollars and Euros. The non-United States dollar denominated revenues effectively act as a partial natural hedge against non-United States dollar denominated expenses. Foreign exchange gains and losses recognised in the income statement arise from the translation of transactions in currencies other than the functional currencies of SpeedCast's subsidiaries. The sensitivity of SpeedCast's pro forma forecast NPAT to changes in the exchange rate between the United States dollar to the Australian dollar and Euro are set out in Section 3.9.

It is intended that hedge accounting will apply to SpeedCast's debt denominated in a currency other than the functional currency of the subsidiary holding the debt under the New Banking Facilities. Accordingly foreign exchange gains and losses relating to this debt will be recorded in equity.

3.6.2 Pro forma consolidated historical income statements: FY2012 compared to FY2011

Figure 42 sets out the summary pro forma consolidated historical income statements and summary of service revenue by customer vertical for FY2011 and FY2012.

Figure 42. Summary pro forma consolidated historical income statements and summary of service revenue by customer vertical: FY2012 compared to FY2011

	Pro Forma Historical Results			
			Variance	
December year end (US$'000s)	FY2011	FY2012	US$'000s	%
Service (ex. Afghanistan)	51,228	63,354	12,126	23.7%
Service (Afghanistan)	13,554	14,920	1,367	10.1%
Equipment	12,507	15,697	3,189	25.5%
Wholesale VoIP	9,750	8,882	(868)	(8.9%)
Total revenue	**87,039**	**102,853**	**15,814**	**18.2%**
Service	(39,805)	(46,461)	(6,656)	16.7%
Equipment	(8,310)	(9,891)	(1,581)	19.0%
Wholesale VoIP	(8,000)	(7,827)	173	(2.2%)
Staff costs	(14,414)	(14,774)	(360)	2.5%
Other operating expenses	(6,997)	(8,024)	(1,027)	14.7%
Total operating expenses	**(77,526)**	**(86,977)**	**(9,451)**	**12.2%**
EBITDA	**9,512**	**15,875**	**6,363**	**66.9%**
EBITDA margin	*10.9%*	*15.4%*	*4.5%*	*41.2%*
Depreciation	(2,955)	(3,397)	(442)	14.9%
EBITA	**6,557**	**12,478**	**5,921**	**90.3%**
Amortisation of acquired intangibles	(5,956)	(5,955)	1	(0.0%)
EBIT	**601**	**6,523**	**5,922**	**984.9%**

Figure 42. Summary pro forma consolidated historical income statements and summary of service revenue by customer vertical: FY2012 compared to FY2011 (continued)

Summary of service revenue by customer vertical			Variance	
December year end (US$'000s)	FY2011	FY2012	US$'000s	%
Service revenue by customer vertical (ex. Afghanistan)				
– Maritime	15,803	15,852	49	0.3%
– Natural resources	6,474	10,435	3,961	61.2%
– Telecom	15,096	19,479	4,383	29.0%
– Enterprise	4,505	8,302	3,797	84.3%
– Government and NGO	6,476	7,363	886	13.7%
– Other	2,873	1,923	(950)	(33.1%)
Service revenue by customer vertical (ex-Afghanistan)	**51,228**	**63,354**	**12,126**	**23.7%**
Afghanistan service revenue	13,554	14,920	1,367	10.1%
Service revenue by customer vertical	**64,781**	**78,274**	**13,493**	**20.8%**

3.6.2.1 Revenue

FY2012 total revenue increased by $15.8 million over FY2011 total revenue, to $102.9 million, an increase of 18.2%. Total revenue excluding Afghanistan increased to $87.9 million, an increase of 19.7%. The major factors driving this increase are discussed below.

Service revenue increased 20.8% to $78.3 million. Service revenue excluding Afghanistan increased by 23.7% to $63.4 million. The increase was due to:

- strong demand from customers in the natural resources vertical which increased by $4.0 million (or 61.2%);
- two major customer wins in the enterprise vertical, which increased by $3.8 million (or 84.3%);
- demand from customers in the telecom industry, which increased $4.4 million (or 29.0%), primarily driven by increase in cellular backhaul requirements in emerging Asian countries, in trunking services in the Pacific and in sales to ISPs in Afghanistan at the beginning of the year;
- growth in services to the government and NGO vertical in emerging Asian countries which increased by $0.9 million (or 13.7%);
- a decline in revenues in the other industries vertical of $1.0 million, reflecting the decline in revenues from media services, following a strategic decision not to pursue opportunities in this sector; and
- maritime revenue was affected by the loss of one major customer in Europe. More broadly, subdued sales in Europe (principally due to economic conditions) were offset by successes in Korea, China, South East Asia and the Middle East.

Wholesale VoIP declined primarily due to the loss of one major customer in December 2011 that generated approximately $1.6 million in Wholesale VoIP revenue in FY2011, together with lower traffic by two other major customers resulting in decreased revenue of $0.9 million.

Afghanistan service revenue increased by 10%, to $14.9 million. Revenue was strong in the first quarter of 2012, but began to decline from April 2012, consistent with the United States Government's winding down of its military operations and funding in Afghanistan. Monthly recurring revenues from all Afghanistan service customers was approximately $1.3 million per month in January 2012, declining to about $1.0 million per month by December 2012.

Equipment revenue increased 25.5% to $15.7 million primarily due to a few large projects in Papua New Guinea and Australia. This was partially offset by a decline in Maritime equipment sales due to a growing trend by customers to rent equipment rather than purchase it outright.

3.6.2.2 Operating expenses

Operating expenses increased from $77.5 million to $87.0 million, an increase of $9.5 million, primarily driven by:

- a $6.7 million (16.7%) increase in service expenses. This rate of increase is less than the rate of increase in service revenue, primarily due to higher utilisation of already contracted bandwidth for the Maritime vertical. The impact of reduced bandwidth requirements from slowing service revenues in Afghanistan was partially offset by the return of some unused capacity to AsiaSat under the terms of the agreement (see Section 8.8 for details);
- a $1.6 million (19%) increase in equipment cost of sales following sales revenue growth; and

- an increase of $1.0 million or 14.7% in other operating expenses, below revenue growth, due to increased training costs for sales and technical staff, higher recruitment costs, increased travel costs as new markets were explored or established and increased telecommunications costs as SpeedCast's geographic footprint widened.

3.6.2.3 EBITDA and EBIT

EBIT increased by $5.9 million to $6.5 million reflecting the increase in FY2012 EBITDA of $6.4 million over FY2011 EBITDA, to $15.9 million (an increase of 66.9%). This was offset by an increase in depreciation of $0.4 million.

EBITDA margin increased from 10.9% to 15.4% as a result of bandwidth cost efficiencies from increased capacity utilisation and the use of more bandwidth efficient technologies. Improved gross margin on equipment sales also contributed to the EBITDA growth as SpeedCast sold higher value equipment and completed more complex projects. Total margin improvements were partially offset by the loss of a major Wholesale VoIP customer with higher margins than other Wholesale VoIP contracts.

3.6.3 Pro forma consolidated historical cash flows: FY2012 compared to FY2011

Figure 43 sets out the summary pro forma consolidated historical operating cash flow statements for FY2011 and FY2012.

Figure 43. Summary pro forma consolidated historical cash flow statements: FY2012 compared to FY2011

	Pro Forma Historical Cash Flows			
			Variance	
December year end (US$'000s)	FY2011	FY2012	$'000s	%
EBITDA	**9,512**	**15,875**	**6,363**	**66.9%**
Non-cash items in EBITDA	463	236	(227)	(49.0%)
Change in working capital	567	(1,617)	(2,184)	(385.1%)
Operating free cash flow before capital expenditure	**10,543**	**14,494**	**3,951**	**37.5%**
Property, plant and equipment	(4,606)	(5,486)	(880)	19.1%
Total capital expenditure	**(4,606)**	**(5,486)**	**(880)**	**19.1%**
Operating free cash flow after capital expenditure	**5,937**	**9,008**	**3,072**	**51.7%**
Cash conversion ratio[1]	62%	57%	(6%)	(9.1%)

1. Cash conversion ratio calculated as operating free cash flow after capital expenditure as a percentage of EBITDA.

Overall, net cash from operating activities increased $3.1 million between FY2011 and FY2012, driven by a $6.4 million increase in EBITDA which was partially offset by an increase in working capital over the period. The increase in working capital of $1.6 million in FY2012 was partly a result of certain customers in Afghanistan taking longer to pay as they wound up their operations. The 19.1% increase in capital expenditure reflects new offices in China, Dubai and Papua New Guinea and refurbishment and relocation of the main operations centre in Hong Kong. As a result, the cash conversion ratio declined from 62% in FY2011 to 57% in FY2012.

3.6.4 Pro forma consolidated historical income statements: FY2013 compared to FY2012

Figure 44 sets out the summary pro forma consolidated historical income statements and summary of service revenue by customer vertical for FY2012 and FY2013.

Figure 44. Summary pro forma consolidated historical income statements and summary of service revenue by customer vertical: FY2013 compared to FY2012

	Pro Forma Historical Results			
			Variance	
December year end (US$'000s)	FY2012	FY2013	US$'000s	%
Service (ex. Afghanistan)	63,354	76,223	12,870	20.3%
Service (Afghanistan)	14,920	11,099	(3,822)	(25.6%)
Equipment	15,697	12,653	(3,043)	(19.4%)
Wholesale VoIP	8,882	11,351	2,469	27.8%
Total revenue	**102,853**	**111,326**	**8,473**	**8.2%**
Service	(46,461)	(50,916)	(4,455)	9.6%
Equipment	(9,891)	(7,619)	2,272	(23.0%)
Wholesale VoIP	(7,827)	(9,582)	(1,755)	22.4%
Staff costs	(14,774)	(16,405)	(1,631)	11.0%
Other operating expenses	(8,024)	(9,274)	(1,250)	15.6%
Total operating expenses	**(86,977)**	**(93,796)**	**(6,819)**	**7.8%**
EBITDA	**15,875**	**17,530**	**1,655**	**10.4%**
EBITDA margin	*15.4%*	*15.7%*	*0.3%*	*2.0%*
Depreciation	(3,397)	(3,756)	(359)	10.6%
EBITA	**12,478**	**13,774**	**1,296**	**10.4%**
Amortisation of acquired intangibles	(5,955)	(5,926)	29	(0.5%)
EBIT	**6,523**	**7,848**	**1,325**	**20.3%**

Summary of service revenue by customer vertical			Variance	
December year end (US$'000s)	FY2012	FY2013	US$'000s	%
Service revenue by customer vertical (ex. Afghanistan)				
– Maritime	15,852	20,034	4,182	26.4%
– Natural resources	10,435	11,550	1,114	10.7%
– Telecom	19,479	22,293	2,814	14.4%
– Enterprise	8,302	11,842	3,540	42.6%
– Government and NGO	7,363	8,423	1,060	14.4%
– Other	1,923	2,083	159	8.3%
Service revenue by customer vertical (ex-Afghanistan)	**63,354**	**76,223**	**12,869**	**20.3%**
Afghanistan service revenue	14,920	11,099	(3,822)	(25.6%)
Service revenue by customer vertical	**78,274**	**87,322**	**9,048**	**11.6%**

3.6.4.1 Revenue

FY2013 total revenue increased by $8.5 million over FY2012 total revenue, to $111.3 million, an increase of 8.2%. Total revenue excluding Afghanistan increased by $12.3 million to $100.2 million, an increase of 14%. The major factors driving this increase are discussed below:

Service revenue increased by $9.0 million over FY2012, an increase of 11.6%. Service revenue excluding Afghanistan increased by $12.9 million, or 20.3%, to $76.2 million. The increase was due to:

- maritime revenue which increased by $4.2 million or 26.4%, as a result of revenue synergies due to brand visibility and greater global service and support capabilities from the combination of the Elektrikom business with SpeedCast's maritime business. Growth also reflected underlying market growth from accelerating penetration of broadband satellite systems (VSAT) on maritime vessels;
- the telecom vertical grew by $2.8 million due primarily to bandwidth upgrades from telecom operators in the Pacific (trunking revenues) and from cellular backhaul projects in South and South East Asia;
- the enterprise vertical grew by $3.5 million (42.6%) due primarily to new customers in Australia and Papua New Guinea;
- the government and NGO vertical grew by $1.1 million (14.4%) partly due to increased services provided to Australian federal and state government departments; and
- the natural resources sector continued to experience double digit growth despite a slowdown in mining in Australia, with market share gains as new customers were signed and exploration in oil and gas continued to expand.

Afghanistan service revenue declined by $3.8 million or 25.6% to $11.1 million, reflecting continued churn of Afghanistan customers throughout FY2013, which accelerated in the middle of FY2013 and then slowed in October 2013 as a number of large links had either been terminated or downgraded in prior months.

Equipment revenue decreased by $3.0 million or 19.4% reflecting fewer large projects compared with 2012, partially offset by an increase in maritime equipment sales following the increase in the number of vessels serviced.

Wholesale VoIP revenue increased by $2.5 million or 27.8%, primarily due to higher carrier management fees and growing voice traffic between Australia and the Pacific Islands.

3.6.4.2 Operating expenses

Total operating expenses increased from $87.0 million to $93.8 million, an increase of $6.8 million, primarily driven by:

- a $4.5 million increase in service expenses, including:
  - a $2.0 million increase in bandwidth costs (within service expenses) which grew at a slower rate than service revenue resulting from synergies from integrating acquired businesses into SpeedCast with more favourable pricing. The impact of slowing service revenues from Afghanistan was partially offset by the return of some unused capacity to AsiaSat under the terms of the agreement (see Section 8.8 for details); and
  - a $0.9 million increase in teleport and uplink costs due partially to a new teleport established in the Middle East in June 2013 and to the growth of SpeedCast's global maritime network;
- a $2.3 million (23.0%) decrease in equipment cost of sales following the decrease in revenue;
- a $1.8 million (22.4%) increase in wholesale VoIP cost of sales following the increase in revenue;
- staff costs increased by $1.6 million (11.0%) to $16.4 million in FY2013, due to the hiring of senior staff to support business growth and the larger SpeedCast geographic footprint; and
- a $1.1 million increase in the provision for bad debts raised during the year mainly for certain Afghanistan customers.

3.6.4.3 EBITDA and EBIT

EBIT increased by $1.3 million to $7.8 million reflecting the increase in FY2013 EBITDA of $1.7 million over FY2012 EBITDA, to $17.5 million, an increase of 10.4%. This was offset by an increase in depreciation of $0.4 million.

EBITDA margin improved from 15.4% to 15.7% as a result of 8.2% growth in revenue and improvements in margin, due to synergies and efficiencies. Total margin improvements were partially offset by higher staff costs and other operating expenses which increased by 12.6%.

3.6.5 Pro forma consolidated historical cash flows: FY2013 compared to FY2012

Figure 45 sets out the summary pro forma consolidated historical operating cash flow statements for FY2012 and FY2013.

Figure 45. Summary pro forma consolidated historical cash flow statements: FY2013 compared to FY2012

	Pro Forma Historical Cash Flows			
			Variance	
December year end (US$'000s)	FY2012	FY2013	$'000s	%
EBITDA	**15,875**	**17,530**	**1,655**	**10.4%**
Non-cash items in EBITDA	236	1,230	993	420.3%
Change in working capital	(1,617)	519	2,136	(132.1%)
Operating free cash flow before capital expenditure	**14,494**	**19,278**	**4,784**	**33.0%**
Property, plant and equipment	(5,486)	(5,165)	321	(5.9%)
Total capital expenditure	**(5,486)**	**(5,165)**	**321**	**(5.9%)**
Operating free cash flow after capital expenditure	**9,008**	**14,113**	**5,105**	**56.7%**
Cash conversion ratio[1]	57%	81%	24%	41.9%

1. Cash conversion ratio calculated as operating free cash flow after capital expenditure as a percentage of EBITDA.

Overall, net cash from operating activities increased $5.1 million between FY2012 and FY2013, driven by a $1.7 million increase in EBITDA and a $2.1 million improvement in working capital. The improved working capital reflects better collection of long overdue (over 60 days) trade receivables, including some of those in Afghanistan that were outstanding at the end of FY2012, and the alignment of payment terms for bandwidth purchases across the SpeedCast group following the operational integration of the Acquisitions. In addition, some supplier payments were deferred to the following year. Capital expenditure for FY2013 was $5.2 million compared to capital expenditure for FY2012 of $5.5 million. As a result the cash conversion ratio improved from 57% to 81%.

3.7 Forecast Financial Information

3.7.1 General assumptions

In preparing the Forecast Financial Information, the following general assumptions in relation to the Forecast Period have been adopted:

- no material change in the competitive operating environment in which SpeedCast operates;
- no significant deviation from current market expectations of global or Australian economic conditions relevant to the satellite communications sector in Australia or globally;
- no material changes in Commonwealth, state, territory or overseas government legislation, tax legislation, regulatory legislation, regulatory requirements or government policy that will have a material impact on the financial performance or cash flows, financial position, accounting policies, financial reporting or disclosure of SpeedCast;
- no material changes in key personnel, including key management personnel. It is also assumed that SpeedCast maintains its ability to recruit and retain the personnel required to support future growth;
- no material changes in applicable Australian Accounting Standards, other mandatory professional reporting requirements or the Corporations Act which have a material effect on SpeedCast's financial performance, financial position, accounting policies, financial reporting or disclosure;
- no material industry strikes or other disturbances, environmental costs, contingent liabilities or legal claims arise or are settled to the detriment of SpeedCast;
- no material cash flow or income statement or balance sheet impact in relation to litigation (existing or otherwise);
- no material acquisitions, disposals, restructurings or investments other than as set out in, or contemplated by, this Prospectus;
- no material changes to SpeedCast's corporate and funding structure other than as set out in, or contemplated by, this Prospectus;
- no material disruptions to the continuity of operations of SpeedCast or other material changes in its business;
- no material amendment to any material agreement or arrangement relating to SpeedCast's business other than set out in, or contemplated by, this Prospectus;
- none of the risks listed in Section 4 has a material adverse impact on the operations of SpeedCast;
- the A$/US$ exchange rate remains at A$1:US$0.9019 and the €/US$ exchange rate remains at €1:US$1.3737 and the HK$/US$ exchange rate remains at HK$1:US$0.129;

- the 2H FY2014 dividend is paid in 1H FY2015 and the 1H FY2015 dividend is paid in 2H FY2015; and
- the Offer proceeds are received in accordance with the timetable set out in the Important dates section of this Prospectus.

3.7.2 Specific assumptions

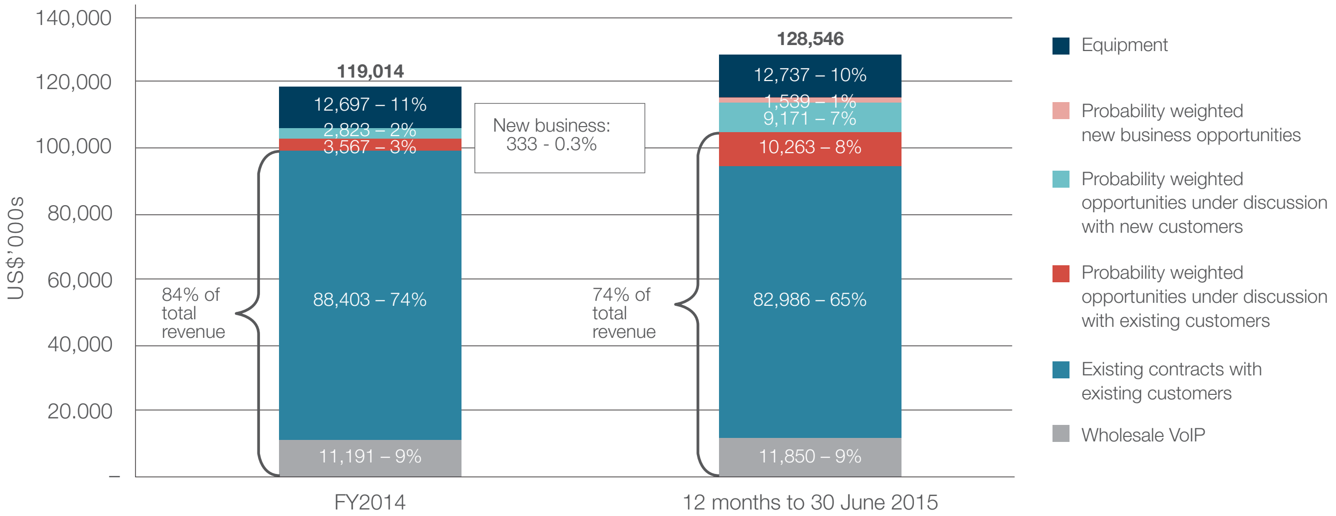
3.7.2.1 Revenue composition and forecast compilation

In determining the forecast revenue for FY2014 and the 12 months ending 30 June 2015, SpeedCast management has analysed each existing contract and contract opportunities. The forecast revenues are comprised of the following categories:

- Service revenue from **existing contracts with existing customers**. This represents revenue from customers with existing contracts as at April 2014, including existing contracts that are locked in for the forecast period, existing contracts with terms expiring within the forecast period for which management has determined on a case by case basis whether they are expected to be renewed, and existing "month-to-month" contracts that management expects will continue through the forecast period;
- Service revenue from **probability weighted opportunities under discussion with existing customers** for incremental requirements, representing discussions with existing customers as at April 2014 for incremental requirements that, for the majority, are expected to commence during FY2014. A probability weighting has been applied to reflect the likelihood of each contract commencing to generate revenue;
- Service revenue generated from **probability weighted opportunities under discussion with new customers**, representing discussions with new customers as at April 2014 for contracts that are, for the majority, expected to commence during FY2014. A probability weighting has been applied to reflect the likelihood of each contract commencing to generate revenue;
- Service revenue from **probability weighted new business opportunities**, representing future opportunities for service revenue growth for which there is currently no specific customer being pursued;
- **Equipment revenue**, where revenue growth forecasts are based on historical run rate growth achieved; and
- **Wholesale VoIP revenue**, where revenue growth forecasts are based on historical run rate growth achieved.

Forecast service revenues from existing contracts with existing customers and forecast Wholesale VoIP revenues (which are generally considered recurring) comprise 84% of total FY2014 forecast revenues, and 74% of total forecast revenues for the 12 months ending 30 June 2015, as shown in Figure 46.

Figure 46. Forecast revenue composition



3.7.2.2 Pro forma consolidated forecast income statements: FY2014 compared to FY2013

The pro forma consolidated forecast income statement for FY2014 has been prepared on the basis of the actual unaudited financial results for the four months to 30 April 2014 (except for the recent acquisitions of SatComms and Oceanic, whose actual results are included for the three months to 31 March 2014) based on SpeedCast's management accounts and SpeedCast's pro forma consolidated forecast income statement for the eight months (nine months for the recent acquisitions) ending 31 December 2014. SpeedCast's forecast for the eight months ending 31 December 2014 also has regard to the current trading performance of SpeedCast up until the date of lodgement of the Original Prospectus.

Figure 47 sets out the summary pro forma consolidated income statements and summary of service revenue by customer vertical for FY2013 and FY2014.

Figure 47. Summary pro forma consolidated income statements and summary of service revenue by customer vertical: FY2014 compared to FY2013

	Pro Forma Historical Results	Pro Forma Forecast Results	Variance	
December year end (US$'000s)	**FY2013**	**FY2014**	**US$'000s**	**%**
Service (ex. Afghanistan)	76,223	89,677	13,454	17.7%
Service (Afghanistan)	11,099	5,449	(5,650)	(50.9%)
Equipment	12,653	12,697	44	0.3%
Wholesale VoIP	11,351	11,191	(160)	(1.4%)
Total revenue	**111,326**	**119,014**	**7,688**	**6.9%**
Service	(50,916)	(52,528)	(1,612)	3.2%
Equipment	(7,619)	(9,230)	(1,612)	21.2%
Wholesale VoIP	(9,582)	(9,595)	(12)	0.1%
Staff costs	(16,405)	(17,999)	(1,594)	9.7%
Other operating expenses	(9,274)	(9,087)	188	(2.0%)
Total operating expenses	**(93,796)**	**(98,439)**	**(4,642)**	**4.9%**
EBITDA	**17,530**	**20,576**	**3,046**	**17.4%**
EBITDA margin	*15.7%*	*17.3%*	*1.5%*	*9.8%*
Depreciation	(3,756)	(4,472)	(716)	19.1%
EBITA	**13,774**	**16,104**	**2,330**	**16.9%**
Amortisation of acquired intangibles	(5,926)	(5,885)	41	(0.7%)
EBIT	**7,848**	**10,219**	**2,371**	**30.2%**

Summary of service revenue by customer vertical			Variance	
December year end (US$'000s)	**FY2013**	**FY2014**	**US$'000s**	**%**
Service revenue by customer vertical (ex. Afghanistan)				
– Maritime	20,034	25,555	5,521	27.6%
– Natural resources	11,550	13,570	2,021	17.5%
– Telecom	22,293	24,745	2,452	11.0%
– Enterprise	11,842	13,732	1,890	16.0%
– Government and NGO	8,423	9,028	605	7.2%
– Other	2,083	3,047	965	46.3%
Service revenue by customer vertical (ex-Afghanistan)	**76,223**	**89,677**	**13,454**	**17.7%**
Afghanistan service revenue	11,099	5,449	(5,650)	(50.9%)
Service revenue by customer vertical	**87,322**	**95,126**	**7,804**	**8.9%**

The key assumptions underpinning the Pro Forma Forecast Results are as follows:

Revenue

Total revenue is forecast to increase by $7.7 million or 6.9% to $119.0 million in FY2014, which is primarily driven by forecast growth in service revenue. A summary of the key factors expected to drive forecast growth in FY2014 are:

- Service revenue excluding SpeedCast's Afghanistan business is forecast to grow by $13.5 million, driven by growth from market sectors including maritime, natural resources and telecom. A $5.7 million revenue decline is forecast in SpeedCast's Afghanistan business;
- $6.8 million or 54% of this growth (excluding Afghanistan) is forecast to be driven by the increase in year-on-year service revenue from existing contracts with existing customers;
- $3.6 million or 28% of this growth (excluding Afghanistan) is forecast to be contributed by probability weighted opportunities under discussion with existing customers for incremental requirements;
- $2.8 million or 17% (excluding Afghanistan) is forecast to be contributed by probability weighted opportunities under discussion with new customers; and
- $0.3 million or 1% (excluding Afghanistan) is forecast to be contributed by probability weighted new business opportunities.

Service revenue by customer vertical:

- FY2014 service revenue growth is forecast to be driven mainly by the maritime, natural resources and telecom customer verticals;
- Growth of $5.5 million in SpeedCast's maritime business is driven by growth in average vessel numbers equipped with VSAT by 148 in FY2014 compared to FY2013. Contributing to this are three significant contracts, two of which the business has recently signed, which account for 64% of this average vessel growth. Maritime service revenues in FY2014 include:
  - $2.8 million of growth in service revenue from existing contracts with existing customers;
  - $1.7 million growth in service revenue from probability weighted opportunities under discussion with existing customers for incremental requirements; and
  - $1.0 million growth in service revenues from probability weighted opportunities under discussion with new customers, as described in Section 3.7.2.1;
- Growth in telecom is driven by cellular backhaul projects in Asia, while growth in natural resources is driven by growth of existing customers, the opening of new offices in key resources hubs and strong activity in the Papua New Guinea market; and
- Offsetting growth is a forecast $5.7 million decline in SpeedCast's Afghanistan business due to the continuing withdrawal of United States and Australian troops from the region.

Operating expenses

- Service expenses are expected to be growing at a rate lower than service revenue. This is primarily driven by the forecast shift of focus to a more cost efficient maritime platform, lower bandwidth costs and the synergy benefit to be achieved in Oceanic and SatComms when they migrate to leverage the bandwidth procurement terms of SpeedCast;
- Equipment expenses are forecast based on forecast market trends;
- Wholesale VoIP expenses are forecast to be at levels broadly consistent with FY2013;
- Staff costs are forecast to grow by 9.7% primarily due to the full year effect of increased headcount in FY2013 reflecting recruitment to provide an appropriate level of resource level to support SpeedCast's forecast growth; and
- Other operating expenses is forecast to decrease marginally by $0.2 million (2%).

EBITDA

SpeedCast EBITDA is forecast to increase by $3.0 million to $20.6 million in FY2014 and EBITDA margin is forecast to increase to 17.3% from 15.7% in FY2013. This is primarily driven by the forecast revenue growth, bandwidth cost efficiencies and synergies described above.

Depreciation and Amortisation

Depreciation expense is forecast to increase by $0.7 million or 19% due to depreciation of increased capital expenditure in FY2014. Amortisation expense is forecast to be broadly comparable with FY2013.

3.7.2.3 Pro forma consolidated cash flow statements: FY2014 compared to FY2013

Figure 48 sets out the summary pro forma consolidated cash flow statements for FY2013 and FY2014.

Figure 48. Summary pro forma consolidated cash flow statements: FY2014 compared to FY2013

	Pro Forma Historical Cash Flows	Pro Forma Forecast Cash Flows	Variance	
December year end (US$'000s)	FY2013	FY2014	$'000s	%
EBITDA	**17,530**	**20,576**	**3,046**	**17.4%**
Non-cash items in EBITDA	1,230	1,283	53	4.3%
Change in working capital	519	(5,283)	(5,802)	(1118.5%)
Operating free cash flow before capital expenditure	**19,278**	**16,575**	**(2,703)**	**(14.0%)**
Property, plant and equipment				
– Growth	(4,200)	(5,711)	(1,511)	36.0%
– Integration and project	(822)	(715)	107	(13.0%)
– Maintenance	(143)	(335)	(192)	134.1%
Total capital expenditure	**(5,165)**	**(6,762)**	**(1,597)**	**30.9%**
Operating free cash flow after capital expenditure	**14,113**	**9,814**	**(4,299)**	**(30.5%)**
Cash conversion ratio[1]	81%	48%	(33%)	(40.8%)
Cash conversion ratio excluding integration and projects[1]	85%	51%	(34%)	(39.9%)

1. Cash conversion ratio calculated as operating free cash flow after capital expenditure as a percentage of EBITDA.

3.7.2.4 Change in working capital and capital expenditure

Change in working capital

Working capital requirements increased by $4.2 million in the first four months of 2014, and are expected to increase by a further $1.1 million for the eight months to December 2014.

The increase in the first four months of 2014 includes the deferral of certain payments between the FY2013 and FY2014 period. The increase for the remaining eight months of 2014 results principally from increased receivables reflecting higher sales, partially compensated by increased payables, reflecting higher purchases as well as improved payment terms.

Capital expenditure

Capital expenditure of $6.8 million is forecast, principally to support additional revenues. Growth capex of $5.7 million includes equipment at customers' premises (such as antennas and modems), primarily in the maritime vertical, as well as network equipment needed at the teleports to manage additional links. Integration and project capex of $0.7 million includes IT systems and teleport enhancements, as well as platform rationalisation requirements following recent acquisitions.

3.7.2.5 Pro forma consolidated forecast income statements: 12 months ending 30 June 2015 compared to FY2014

Figure 49 sets out the summary pro forma consolidated income statements and summary of service revenue by customer vertical for FY2014 and the 12 months ending 30 June 2015.

Figure 49. Summary pro forma consolidated income statements and summary of service revenue by customer vertical: 12 months ending 30 June 2015 compared to FY2014

	Pro Forma Forecast Results		Variance	
December year end (US$'000s)	**FY2014**	**12 months ending 30 June 2015**	**US$'000s**	**%**
Service (ex. Afghanistan)	89,677	99,543	9,865	11.0%
Service (Afghanistan)	5,449	4,416	(1,033)	(19.0%)
Equipment	12,697	12,737	40	0.3%
Wholesale VoIP	11,191	11,850	659	5.9%
Total revenue	**119,014**	**128,546**	**9,531**	**8.0%**
Service	(52,528)	(56,515)	(3,987)	7.6%
Equipment	(9,230)	(9,276)	(46)	0.5%
Wholesale VoIP	(9,595)	(10,049)	(454)	4.7%
Staff costs	(17,999)	(19,067)	(1,068)	5.9%
Other operating expenses	(9,087)	(9,614)	(528)	5.8%
Total operating expenses	**(98,439)**	**(104,521)**	**(6,082)**	**6.2%**
EBITDA	**20,576**	**24,025**	**3,449**	**16.8%**
EBITDA margin	*17.3%*	*18.7%*	*1.4%*	*8.1%*
Depreciation	(4,472)	(5,090)	(618)	13.8%
EBITA	**16,104**	**18,935**	**2,831**	**17.6%**
Amortisation	(5,885)	(5,885)	–	0.0%
EBIT	**10,219**	**13,050**	**2,831**	**27.7%**

Summary of service revenue by customer vertical			Variance	
December year end (US$'000s)	**FY2014**	**12 months ending 30 June 2015**	**US$'000s**	**%**
Service revenue by customer vertical (ex. Afghanistan)				
– Maritime	25,555	30,072	4,518	17.7%
– Natural resources	13,570	15,755	2,185	16.1%
– Telecom	24,745	27,199	2,455	9.9%
– Enterprise	13,732	13,700	(32)	(0.2%)
– Government and NGO	9,028	9,873	845	9.4%
– Other	3,047	2,942	(106)	(3.5%)
Service revenue by customer vertical (ex-Afghanistan)	**89,677**	**99,543**	**9,865**	**11.0%**
Afghanistan service revenue	5,449	4,416	(1,033)	(19.0%)
Service revenue by customer vertical	**95,126**	**103,958**	**8,832**	**9.3%**

The key assumptions underpinning the Pro Forma Forecast Results are as follows:

Revenue

As compared to FY2014, total revenue is forecast to increase by $9.5 million in the 12 months ending 30 June 2015, primarily attributable to growth in service revenue.

A summary of the key factors that are expected to drive the forecast revenue growth in the 12 months ending 30 June 2015 are:

- Growth in service revenue of $8.8 million, with decline in Afghanistan revenue of $1 million more than offset by growth from other markets including maritime, natural resources and telecom;
- Growth in service revenue from probability weighted opportunities under discussion with existing customers for incremental requirements of $6.7 million;
- Growth in service revenue from probability weighted opportunities under discussion with new customers of $6.3 million;
- Growth in probability weighted new business opportunities of $1.2 million; and
- An offsetting reduction in service revenue from existing contracts with existing customers of $4.4 million, due to contracts that expire during this period that management has determined are unlikely to be renewed.

Service revenue by customer vertical:

- 12 months ending 30 June 2015 service revenue growth is primarily forecast to be generated from the maritime, natural resources and telecom customer verticals;
- Growth in natural resources is driven by growth in oil and gas projects in Asia Pacific, while growth in telecom is driven by cellular backhaul requirements in Asia and new partnerships with global telecom operators; and
- Maritime business growth is driven by a forecast increase in average number of vessels equipped with VSAT from 653 in FY2014 to 821 in the 12 months ending 30 June 2015, primarily due to three significant contracts due to start in 2H FY2014 and early 2015.

Operating expenses

- Service expenses are forecast to continue to grow at a rate lower than service revenue. This is primarily driven by the continued forecast shift of focus to a more cost efficient maritime platform and lower bandwidth costs driven by economies of scale;
- 12 months ending 30 June 2015 Equipment expenses and Wholesale VoIP expenses are forecast to be at broadly comparable levels to those of FY2014;
- Staff costs are forecast to grow by $1.1 million or 5.9% primarily due to the costs of staff newly recruited in 1H FY2015 and a 5.0% staff cost uplift assumed to be effective from January 2015 onwards; and
- Other operating expenses are forecast to grow by $0.5 million or 5.8% primarily due to expected defaults on debts owing from Afghanistan based customers, the effect of increased headcount as well as a 4.5% inflation assumption applied from January 2015 onwards.

EBITDA

SpeedCast EBITDA is forecast to increase by $3.4 million or 16.8% in the 12 months ending 30 June 2015 and EBITDA margin is forecast to increase to 18.7% from 17.3% in FY2014. This is expected to be primarily driven by the forecast revenue growth and bandwidth cost synergies.

Depreciation and Amortisation

Depreciation expense is forecast to increase by $0.6 million or 13.8% due to depreciation of increased capital expenditure in the 12 months ending 30 June 2015. Amortisation expense is forecast to be broadly comparable with FY2014.

3.7.2.6 Pro forma consolidated cash flow statements: 12 months ending 30 June 2015 compared to FY2014

Figure 50 sets out the summary pro forma consolidated cash flow statements for FY2014 and the 12 months ending 30 June 2015.

Figure 50. Summary pro forma consolidated cash flow statements: 12 months ending 30 June 2015 compared to FY2014

	Pro Forma Forecast Cash Flows		Variance	
December year end (US$'000s)	FY2014	12 months ending 30 June 2015	$'000s	%
EBITDA	**20,576**	**24,025**	**3,449**	**16.8%**
Non-cash items in EBITDA	1,283	1,419	136	10.6%
Change in working capital	(5,283)	(2,147)	3,137	(59.4%)
Operating free cash flow before capital expenditure	**16,575**	**23,297**	**6,721**	**40.6%**
Property, plant and equipment				
– Growth	(5,711)	(7,122)	(1,411)	24.7%
– Integration and project	(715)	(1,101)	(386)	53.9%
– Maintenance	(335)	(327)	8	(2.2%)
Total capital expenditure	**(6,762)**	**(8,551)**	**(1,789)**	**26.5%**
Operating free cash flow after capital expenditure	**9,814**	**14,746**	**4,932**	**50.3%**
Cash conversion ratio	48%	61%	14%	28.7%
Cash conversion ratio excluding integration and projects	51%	66%	15%	28.9%

3.7.2.7 Change in working capital and capital expenditure

Change in working capital

Working capital requirements are forecast to increase by $2.1 million in the 12 months ending 30 June 2015, primarily due to increased receivables reflecting the increased sales of SpeedCast.

Capital expenditure

Capital expenditure of $8.6 million is forecast, principally to support additional revenues. Growth capex of $7.1 million includes equipment at customers' premises (such as antennas and modems), principally in the maritime and cellular backhaul sectors, as well as network equipment needed to manage additional links. Integration and project capex of $1.1 million includes principally the implementation of an ERP system and outfitting of new offices.

3.8 Summary income statements for 1H FY2014, 2H FY2014 and 1H FY2015

Figure 51 below sets out the summary forecast income statements for SpeedCast for 1H FY2014, 2H FY2014 and 1H FY2015.

Figure 51. Summary income statements for 1H FY2014, 2H FY2014 and 1H FY2015

	Pro Forma Forecast Results		
December year end (US$'000s)	**1H FY2014**	**2H FY2014**	**1H FY2015**
Service (ex. Afghanistan)	42,291	47,386	52,156
Service (Afghanistan)	2,860	2,589	1,826
Equipment	6,393	6,304	6,433
Wholesale VoIP	5,441	5,750	6,100
Total revenue	**56,985**	**62,030**	**66,516**
Service	(25,140)	(27,388)	(29,127)
Equipment	(4,698)	(4,533)	(4,743)
Wholesale VoIP	(4,719)	(4,876)	(5,173)
Staff costs	(8,855)	(9,144)	(9,923)
Other operating expenses	(4,378)	(4,708)	(4,906)
Total operating expenses	**(47,789)**	**(50,649)**	**(53,871)**
EBITDA	**9,195**	**11,380**	**12,644**
EBITDA margin	*16.1%*	*18.3%*	*19.0%*
Depreciation	(2,076)	(2,395)	(2,694)
EBITA	**7,119**	**8,985**	**9,950**
Amortisation of acquired intangibles	(2,942)	(2,942)	(2,942)
EBIT	**4,177**	**6,043**	**7,008**
Net interest expense	(977)	(977)	(977)
Share of profits of Joint Ventures	121	104	78
Net profit/(loss) before tax	**3,320**	**5,170**	**6,109**
Income tax expense	(1,041)	(1,364)	(1,523)
NPAT	**2,279**	**3,806**	**4,586**
Amortisation of acquired intangibles after tax	2,338	2,338	2,338
NPATA	**4,617**	**6,144**	**6,924**

The reconciliation of the pro forma forecast FY2014 results to the FY2014 Statutory Forecast Result is set out Section 3.3.2 above. There are no reconciling items between the 1H FY2015 pro forma forecast result and the 1H FY2015 statutory forecast result other than the $0.1 million expense to be recorded in relation to the performance rights issued to new management noted in adjustment 10 in Section 3.3.2, which will reduce statutory 1H FY2015 NPAT by $0.1 million to $4.5 million.

3.9 Sensitivity analysis

The Forecast Financial Information included in Section 3.7 is based on a number of estimates and assumptions as described in Sections 3.7.1 and 3.7.2. These estimates and assumptions are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of SpeedCast, the Directors and management. These estimates are also based on assumptions with respect to future business decisions, which are subject to change.

Set out below is a summary of the sensitivity of the Pro Forma Forecast Results to changes in a number of key assumptions. The changes in the key assumptions set out in the sensitivity analysis are intended to provide a guide only and are not intended to be indicative of the complete range of variations that may be experienced. Variations in actual performance could exceed the ranges shown. For the purposes of this analysis, each sensitivity is presented in terms of the impact of each on pro forma forecast NPAT of FY2014 and 12 months ending 30 June 2015 is set out below in Figure 52.

Care should be taken in interpreting each sensitivity. The estimated impact of changes in each of the assumptions has been calculated in isolation from changes in other assumptions, in order to illustrate the likely impact on the Pro Forma Forecast Results. In practice, changes in assumptions may offset each other or be additive, and it is likely that management would respond to any adverse change in one item to seek to minimise the net effect on SpeedCast's NPAT and cash flow.

Figure 52. SpeedCast NPAT sensitivity table

(US$'000s)	Increase/ decrease	FY2014 NPAT impact	12 months ending 30 June 2015 NPAT impact
Total service revenue	+/– 1%	209/(209)	350/(350)
Maritime service revenue	+/– 1%	58/(58)	102/(102)
EBITDA %	+/– 50 bps	293/(293)	476/(476)
Interest rates	+/– 50 bps	(160)/160	(168)/168
Effective tax rate	+/– 100 bps	(152)/152	(161)/161
US$ exchange rates	+/– 100 bps	82/(82)	95/(95)

3.10 Dividend policy

The payment of a dividend by the Company is at the discretion of the Directors and will be a function of a number of factors, including the general business environment, the operating results and the financial condition of the Company, future funding requirements, capital management initiatives, taxation considerations (including the level of franking credits available), any contractual, legal or regulatory restrictions on the payment of dividends by the Company, and any other factors the Directors may consider relevant.

Having regard to the factors outlined above, it is the Board's current intention to target a dividend payout ratio in the range of 40% to 60% of NPATA. The first dividend is anticipated to be declared in respect of earnings for the six months ending 31 December 2014. Depending on available profits and the financial position of the Company, it is the intention of the Board to declare interim dividends in respect of half years ending 30 June and final dividends in respect of full years ending 31 December each year.

The Company intends to frank dividend payments to the maximum extent possible. However, given the proportion of the Company's earnings which are derived outside of Australia, dividends are not expected to be fully franked.

No assurances can be given by any person, including the Directors, about payment of any dividend and the level of franking on any such dividend.

The Constitution authorises the Board, on any terms and at their discretion, to establish a Dividend Reinvestment Plan (**DRP**) under which any Shareholder may elect that the dividends payable by the Company be reinvested in whole or in part by a subscription for Shares at a price to be determined by the Board from time to time. While the Company has adopted a DRP, it has been assumed the DRP will not be activated by the Company during the forecast period.

Investors who are not residents of Australia and who acquire Shares may be subject to Australian withholding tax on dividends or other distributions paid in respect of the Shares. Prospective investors who are not residents of Australia should consult with their own tax advisers regarding the application of the Australian withholding or other taxes to their particular situations as well as any additional tax consequences resulting from purchasing, holding or disposing of the Shares.

SECTION 4

KEY RISKS

4. KEY RISKS

4.1 Introduction

Section 4 describes potential risks associated with SpeedCast's business and an investment in the Shares. It does not list every risk that may be associated with SpeedCast and the occurrence or consequences of some of the risks described in this section are partially or completely outside the control of SpeedCast, its Directors and senior management.

The selection and order of risks has been based on an assessment of a combination of the probability of the risk occurring and the impact if it did occur. This assessment is based on the knowledge of the Directors and senior management as at the Prospectus Date. There is no guarantee or assurance that the risks will not change or that other risks will not emerge.

There can be no guarantee that the Company will deliver on its business strategy, or that the Forecast Financial Information or any forward-looking statement contained in this Prospectus will be achieved or realised. Investors should note that past performance is not a reliable indicator of future performance.

Before applying for Shares, any prospective investor should be satisfied that they have a sufficient understanding of the risks involved in making an investment in the Company and whether it is a suitable investment, having regard to their own investment objectives, financial circumstances and taxation position. If you do not understand any part of this Prospectus or are in any doubt as to whether to invest in Shares, it is recommended that you seek professional guidance from your stockbroker, solicitor, accountant or other independent and qualified professional adviser before deciding whether to invest.

4.2 Risks specific to an investment in SpeedCast

4.2.1 The satellite services industry is highly competitive

The satellite services industry is subject to vigorous competition, based on factors including price, service, quality, performance standards, innovation and the ability to provide customers with an appropriate range of reliable and tailored services in a timely manner.

SpeedCast competes against a range of global satellite services providers, particularly in the maritime and natural resources segments. SpeedCast also competes across all segments with local competitors in the countries in which it operates.

Some of SpeedCast's global competitors have longer operating histories, larger market share or greater financial and other resources, which may make them better able to withstand any downturns in the market or expand into new and developing markets more aggressively than SpeedCast. In addition, some of SpeedCast's local competitors may be able to provide their services at a lower price due to lower overhead costs and lower costs of complying with government regulations. New entrants may also enter the markets.

SpeedCast's growth plans may be impacted by unanticipated difficulties in effectively competing against global industry participants in certain key segments targeted by SpeedCast for future growth, or in penetrating new geographic segments with well-established local operators. Any failure by SpeedCast to effectively compete with established global and regional competitors, and potential new entrants in the customer segments it services and in targeted growth segments and regions, will adversely affect SpeedCast's future financial performance and position.

4.2.2 Satellite service providers face competition from a range of communications services and new technologies

Satellite communication competes with a number of different methods of transmission, including fibre-optic (such as Australia's National Broadbank Network), Wi-Fi and WiMax. As competing networks expand, satellite communication's competitive advantage in providing connectivity to users outside established networks is reduced. A significant increase in the scale of competing communications networks may adversely affect SpeedCast's business if the competing networks can provide similar standards of services and network architecture at equivalent or cheaper prices than SpeedCast.

If telecommunications to remote locations becomes more readily accessible or less expensive than SpeedCast's services, the Company's financial position will be adversely affected. New disruptive technologies could make SpeedCast's VSAT-based networks or other services obsolete or less competitive than they are today, requiring SpeedCast to reduce the prices it is able to charge for its services or causing it to undergo expensive transitions to new communications technologies.

4.2.3 Consolidation of the satellite services industry could change the competitive landscape

The satellite services industry has recently undergone a period of consolidation and vertical integration. Certain of SpeedCast's distributors have recently been acquired by competitors and SpeedCast anticipates that other distributors of its services will be acquired by competitors in the future. This could adversely affect SpeedCast's business operations and financial performance by reducing demand for its services from distributors and re-sellers that are acquired by SpeedCast's competitors, which may be important distribution channels for SpeedCast's services. In certain other circumstances, satellite operators may attempt to compete with SpeedCast by endeavouring to provide satellite services directly to end users.

If SpeedCast fails to adequately respond to the changing competitive landscape in the satellite services industry it may lose important channels to end-users and face increased competition from vertically integrated satellite providers. Any reduction in competitiveness could lead to a deterioration in SpeedCast's financial position and performance.

4.2.4 Inability to secure sufficient satellite capacity

SpeedCast's business model is dependent on the availability of satellite capacity and SpeedCast expects to require significant additional satellite capacity to meet its anticipated growth, including when its contractual arrangements with AsiaSat expire. There is currently sufficient satellite capacity available, and additional capacity is expected to come online over the coming years, such that SpeedCast currently expects to have adequate satellite capacity available to it to meet its expected future requirements.

Notwithstanding this, there may be a material disruption or loss of capacity as a result of the partial or complete failure of one or more satellites. This would be likely to reduce the availability of capacity and increase its cost. The expected growth in supply of satellite capacity may not eventuate, and increased future competition for capacity may reduce the available supply, or materially increase the cost of acquiring satellite capacity in the future. Further, there is a risk that global radio frequency spectrum, which is allocated by the International Telecommunications Agency (a United Nations agency), will be re-allocated from satellite operators to other terrestrial users. This would result in less capacity being available for satellite operators and providers. If SpeedCast is unable to procure sufficient satellite capacity, or if the cost of capacity materially increases, SpeedCast's ability to meet its growth targets and its future profitability would be adversely affected.

4.2.5 Loss of customers or reduction in demand for SpeedCast's services

SpeedCast is dependent on its customers in order to sustain and grow its business. SpeedCast's customer relationships can be adversely affected by a range of factors, some of which are outside SpeedCast's control.

In the event that SpeedCast experiences significant service disruptions or otherwise materially breaches its contractual obligations, customers will generally be entitled to terminate their contracts without financial penalty. If customer contracts or arrangements are terminated without penalty, SpeedCast would not receive expected revenues and could continue to incur costs, such as costs to secure satellite capacity for the customers under agreements with satellite providers which may not be as easily or as quickly terminated without penalty (particularly in circumstances where the disruption was caused by SpeedCast rather than the satellite provider). This could result in harm to SpeedCast's business, financial condition and results of operations.

Certain customers are not subject to formal written contracts, and certain others may be entitled to terminate their contracts on short notice and without financial penalty. There is also a risk that customers may not renew contracts as and when they expire, which they may do for a number of reasons including perceived advantages in competitors or competing technologies and poor performance by SpeedCast (which may be for reasons outside its control). Customer demand for SpeedCast's services may also be adversely affected by changes in the dynamics of SpeedCast's key segments – for example, a reduction in government or defence business due to changing fiscal policies, or a decrease in mining business due to challenges in that sector.

If SpeedCast loses key customers, or if there is a reduction in demand from key customers, SpeedCast's business operations and financial performance will be adversely affected.

4.2.6 Failure to enter into formal written contracts, and short-term customer arrangements

Certain of SpeedCast's key customers have not entered into formal written contracts with SpeedCast, most of which are legacy customers of the businesses acquired by SpeedCast.

Certain other of SpeedCast's key customers are party to contracts that have expired and are continuing on a "month-to-month" or other similarly short-term basis.

SpeedCast is in the process of standardising its contractual arrangements with its customers and entering into formal written agreements, however this process has not yet been completed. It is expected to be substantially completed in 2015. Until SpeedCast has completed this process, there is a risk that uncontracted customers, or customers who are on "month-to-month" or other short-term arrangements, may decide to cease doing business with SpeedCast on little or no notice. There is also a risk that SpeedCast may face difficulties in enforcing agreed but undocumented commercial arrangements with customers. If either or both of these risks eventuate, SpeedCast's business operations and financial performance may be adversely affected.

4.2.7 Inability to pass on costs to customers

Most of SpeedCast's key customer contracts provide for a fixed price for its services. Where possible, SpeedCast contracts with customers and satellite capacity providers on a "back to back" basis, however this is not always possible. In the event that SpeedCast is unable to enter into "back to back" arrangements with suppliers and customers SpeedCast is at risk if the cost of securing satellite capacity to provide services under a key contract increases during the term of the contract. This risk may also occur in the event that any other material operating cost increases during the term of a key contract. In the event that SpeedCast's material costs increase during the term of a key contract, SpeedCast may be unable to pass on the full extent of cost increases under the contract. This may adversely affect SpeedCast's future profitability and financial position.

4.2.8 Loss of, or inability to attract, key personnel

SpeedCast's success depends to a significant extent on its key personnel, in particular the senior management team discussed at Section 5. SpeedCast's key personnel have extensive experience in, and knowledge of, the satellite services industry. There is significant competition for key personnel with experience in the satellite services industry, and this competition is expected to increase.

The loss of key personnel, and an inability to recruit or retain replacement or additional personnel, may adversely affect SpeedCast's future financial performance.

4.2.9 Reliance on distributors

SpeedCast currently derives approximately 56% of its revenue directly from end-users of its services, and approximately 44% from its distributors and re-sellers. Distributors include other companies that install customer IT and telecommunication equipment on vessels or in remote locations and engage SpeedCast to provide the satellite services to connect the network. They may also include internet service providers who engage with customers to provide internet connectivity and then acquire the satellite-based internet access services from SpeedCast.

When SpeedCast's satellite services are provided to an end-user by a distributor, SpeedCast may not have direct contact with the customer and does not control the customer relationship. It is therefore in a weaker position to distinguish its services and engender customer loyalty. End users may terminate, or fail to renew, their contracts with distributors for a number of reasons outside SpeedCast's control, including the poor performance of a distributor. Distributors may also go out of business, be acquired by SpeedCast's competitors or lose the telecommunications licences they require to operate as a result of non-compliance with licence terms or regulatory obligations.

In the event that SpeedCast's distributors lose customers, cease operations or have their operations materially disrupted, or are acquired by competitors, an important distribution channel for SpeedCast's services could be adversely affected, thereby affecting SpeedCast's financial performance and position.

4.2.10 Service delivery may experience disruptions or failures

SpeedCast's business operations and ability to deliver its services to customers may be subject to disruption or failure, which may arise as a result of a wide range of scenarios.

Temporary disruptions to services may occur as a result of "solar flares", which are brief releases of high energy radiation from the sun, or as a result of technical failures of satellites or ground equipment.

Permanent disruptions may occur as a result of partial or complete failure or loss of a satellite or satellites used by SpeedCast. The interruption may be of significant duration in circumstances where replacement satellite capacity is not readily available.

SpeedCast's teleport operations may be affected by fires, earthquakes and storms and other significant natural disasters. This could lead to interruptions in service delivery and damage to, or loss of, SpeedCast's hardware installed at its teleports. As a result, SpeedCast would be required to relocate to other teleports and repair or replace its hardware, which would involve unbudgeted expenses and further service interruptions.

Mechanical failure, for example failure of an antenna, may occur at a teleport leased by SpeedCast, and fibre connections to end-users may also fail or be damaged by natural disasters or inadvertent actions.

Any service interruption suffered by SpeedCast could damage its business reputation and affect its profitability. In the event that a service interruption was prolonged, SpeedCast could lose key customer contracts and could be unable to win new contracts, which would adversely affect its financial position.

4.2.11 Failure to adapt or adequately respond to new technologies

The satellite services industry is characterised by rapid changes in technology, new evolving standards and frequent new product and service introductions.

SpeedCast's future business prospects largely depend on its ability to meet changing customer preferences, to anticipate and respond to technological changes and to continue to develop competitive products. SpeedCast may not be able to successfully respond to new technological developments and challenges or identify and respond to new market opportunities, services or products offered by its competitors. In addition, SpeedCast's efforts to respond to technological innovations may require significant capital investments and resources. Failure to keep up with future technological changes could harm our business, financial condition and results of operations.

4.2.12 Satellite service providers are subject to strict regulatory and licensing requirements

The provision of telecommunication services is highly regulated in most of the countries which SpeedCast operates in. SpeedCast is required to obtain approvals from national and local authorities in connection with many of the services that it provides. In many jurisdictions, SpeedCast must maintain these approvals through compliance with licence conditions or payment of annual regulatory fees.

Telecommunications regulators have the right to sanction a service provider or to revoke licences if a service provider violates applicable laws or regulations. SpeedCast has developed internal controls and processes to ensure it acquires all required licences to undertake its business operations. However if SpeedCast fails to obtain all required licences or is otherwise not in compliance with applicable licence conditions or regulations, SpeedCast could face enforcement actions, which could result in, among other things, the imposition of fines, the cancellation of licences or imposition of additional licence terms and conditions, or the refusal to grant regulatory authority necessary for the future provision of services.

4.2.13 Country-specific risks in foreign operations

SpeedCast has operations in a number of overseas jurisdictions and is exposed to a range of different legal and regulatory regimes. This gives rise to risks relating to labour practices, foreign ownership restrictions, difficulty in enforcing contracts, changes to or uncertainty in the relevant legal and regulatory regime (including in relation to communications licensing, taxation and foreign investment) and other issues in foreign jurisdictions in which SpeedCast operates (for example, practices of government and regulatory authorities).

Some of the countries which SpeedCast operates in, including Afghanistan, are currently experiencing severe political and social instability and others, including Pakistan, have from time to time experienced instability. Certain other countries in which SpeedCast operates have also been subject to a number of destabilising events such as terrorist attacks, which have led to economic, social and political volatility. There can be no assurance that further instability will not occur in the future, which could interrupt or affect parts of SpeedCast's business, the business of SpeedCast's customers or the business of its suppliers, which may materially and adversely affect SpeedCast's financial condition, results of operations and prospects.

While SpeedCast has full operational control over SpeedCast Malaysia and is entitled to a 100% economic interest in it, legal ownership of SpeedCast Malaysia is held as to 30% by SpeedCast and 70% by two Malaysian nationals. There is a risk that SpeedCast Malaysia's other shareholders may seek to deal with or encumber their shares in SpeedCast Malaysia in contravention of arrangements preventing these actions. If this occurs, SpeedCast will be required to take action to enforce these arrangements in circumstances where it is not certain that a Malaysian court would decide the matter in SpeedCast's favour. This could potentially lead to SpeedCast losing control of SpeedCast Malaysia and losing its entitlement to up to 70% of its beneficial interest in SpeedCast Malaysia.

4.2.14 Reliance on AsiaSat for the supply of satellite and teleport capacity

In 2013, SpeedCast acquired approximately 33% of its satellite capacity from AsiaSat. SpeedCast also relies on AsiaSat in respect of the key teleport capacity leased from AsiaSat at SpeedCast's operational headquarters in Hong Kong. SpeedCast's contractual arrangements with AsiaSat expire in 2017, at which time SpeedCast has the option to extend certain aspects of the arrangement for an additional two years. These contractual arrangements are described in further detail at Section 8.8.

In the event that contractual arrangements with AsiaSat are terminated prior to their expiry, or if AsiaSat experiences a significant disruption to its operations or ceases operations, SpeedCast may be unable to secure replacement satellite and teleport capacity. Alternatively, even if SpeedCast is able to secure replacement capacity, it may be unable to do so at equivalent prices. This would adversely affect SpeedCast's ability to deliver services to its customers, its financial position and performance.

SpeedCast relies on a specific AsiaSat satellite, AsiaSat 4, for a material percentage of its Australian and Asian bandwidth requirements. In the event that there was a disruption or service outage in respect of AsiaSat 4, or AsiaSat 4 is retired but not replaced, SpeedCast would be required to secure significant capacity to replace the lost capacity. There is no guarantee that replacement capacity would be available and, even if it is, the replacement capacity may not be available at equivalent prices. This would adversely affect SpeedCast's ability to deliver services to its customers, its financial position and performance.

4.2.15 Risks relating to acquisitions

SpeedCast has experienced rapid recent growth through acquisitions. This growth has placed, and may continue to place, significant demands on management, information reporting resources, and financial and internal controls and systems. Effective management of SpeedCast's growth will require, among other things, continued development and appropriate resourcing of its management information reporting systems and financial and internal controls.

SpeedCast also expects to make future strategic acquisitions in circumstances where the Directors believe that those acquisitions support SpeedCast's growth strategy.

In addition to the significant demands placed on management, systems and processes, there are a range of risks associated with strategic acquisitions, including:

- SpeedCast may not be able to identify suitable acquisition candidates at attractive valuations and obtain financing to fund such acquisitions;
- one or more past or future acquisitions may result in SpeedCast incurring significant debt and unknown or contingent liabilities, being or becoming liable for unforeseen costs or incurring damage to its reputation (for example, as a result of transactions effected by acquired businesses prior to their acquisition, litigation commenced against acquired businesses). Reasonable due diligence enquiries may not identify all issues in relation to acquired businesses;
- SpeedCast could suffer a loss in relation to an acquisition for which it cannot recover under the relevant acquisition agreement, for example if no warranty or indemnity protection was provided, the basis of a claim does not fall within any of the warranties contained in the agreement, or the time period for bringing a claim has expired or if the relevant seller does not have the funds to satisfy a claim which SpeedCast has made;
- legal restrictions or regulatory intervention may limit the ability of SpeedCast to complete strategic acquisitions in a timely manner, or at all;
- SpeedCast may fail to achieve expected synergies and costs savings in relation to an acquisition;
- customers and key employees of acquired companies may not be retained after completion of the acquisition; and
- the customer contracts of acquired businesses may contain unusual or onerous terms, including termination rights.

Any of the above factors, either individually or in combination, may have a material adverse effect on SpeedCast's future financial performance and position.

4.2.16 SpeedCast may not meet its forecasts

The forward-looking statements, opinions and estimates provided in this Prospectus, including the Forecast Financial Information, rely on various contingencies and assumptions, some of which are described in Section 3. Various factors, both known and unknown, may impact upon the performance of SpeedCast and cause actual performance to vary significantly from expected results. There can be no guarantee that SpeedCast will achieve its stated objectives or than any forward-looking statement or forecast will eventuate.

4.2.17 Information technology systems and security arrangements may fail

Unintentional disruption, failure, misappropriation or corruption of SpeedCast's information technology network and information systems may occur as a result of bugs, computer viruses, worms and other destructive or disruptive software as well as natural disasters, power outages, terrorist attacks and similar events. In addition, SpeedCast could be adversely affected by the theft, destruction, loss, misappropriation or release of confidential customer data or intellectual property, and the networks and information systems of SpeedCast's third-party providers and customers may also be vulnerable to disruption or failure.

Operational or business delays, and damage to reputation, may result from any disruption or failure of SpeedCast's information systems and the systems of its providers and customers. This could lead to operational and business delays and damage to SpeedCast's reputation, and could affect its business and financial position.

4.2.18 The TA Associates Funds will exercise a significant influence over SpeedCast on Completion of the Offer

The TA Associates Funds will hold 24.6% of Shares on Completion of the Offer. Consequently, the TA Associates Funds will have a significant influence over all matters that require approval by Shareholders, including the election and removal of Directors and approval of significant corporate transactions (unless prevented from voting under the Corporations Act or ASX Listing Rules). This concentration of ownership will limit other Shareholders' ability to influence corporate matters, and as a result, actions may be taken that some Shareholders may not view as beneficial.

4.2.19 Failure to effectively manage anticipated future growth

SpeedCast expects to experience rapid growth in the scope of its operating activities, which may include operating in new markets. This growth is anticipated to result in an increased level of responsibility for both existing and new management personnel. If SpeedCast is unable to manage its expected growth successfully, including through the recruitment, training, integration and management of the staff required to support this expected growth, it may not be able to take advantage of market opportunities, satisfy customer requirements, execute its business plan or respond to competitive threats.

4.2.20 No history as a listed entity

SpeedCast has a short history and has never operated as a listed entity. It is currently developing the information reporting resources and financial and internal control systems necessary to effectively operate as a listed entity. The development of SpeedCast's management information reporting systems and financial and internal controls may require unexpected levels of management attention, which could distract management from enabling SpeedCast's businesses to grow until the systems and controls are settled.

4.2.21 The Company may suffer loss in connection with the Restructure

Under the Restructure, due to the familiarity that existing management has with the operations of SpeedCast Acquisitions, the Existing Shareholders have provided limited warranties in connection with the shares in SpeedCast Acquisitions that they will transfer to the Company in exchange for Shares.

The Company may suffer loss as a result of the acquisition of SpeedCast Acquisitions from the Existing Shareholders for which it cannot recover under the Restructure, for example if the basis of the claim does not fall within any of the warranties in the contractual arrangements.

4.2.22 Exposure to bribery and corruption

SpeedCast may incur fines or penalties, damage to its reputation or suffer other adverse consequences if its Directors, officers, employees, consultants, agents, service providers or business partners violate, or are alleged to have violated, anti-bribery and corruption laws in any of the jurisdictions in which it operates.

SpeedCast cannot guarantee that its internal policies and controls will be effective in each case to ensure that SpeedCast is protected from reckless or criminal acts committed by its officers, employees, consultants, agents, service providers or business partners that would violate Australian or any other applicable laws. Any improper actions could result in SpeedCast facing civil or criminal investigations in Australia or overseas, which could lead to substantial civil or criminal monetary and non-monetary penalties against SpeedCast and damage to SpeedCast's reputation. This would result in significant expenditures in investigating and responding to such actions and may in turn have an adverse effect on SpeedCast's financial performance and position.

4.2.23 Exposure to risks related to insurance

SpeedCast seeks to maintain appropriate insurance policies consistent with those customarily carried by organisations in the satellite services sector. However, SpeedCast's insurance coverage may be inadequate to cover losses it may sustain. In the event of an uninsured loss or a loss in excess of SpeedCast's insured limits, SpeedCast could suffer damage to its reputation or lose future sales revenue. Any material loss not covered by insurance could adversely affect SpeedCast's business, financial performance and position.

4.2.24 Employment costs may increase

Any material increase in employment-related costs in the jurisdictions in which SpeedCast operates may have a material adverse effect on SpeedCast's future financial performance and position. Further, SpeedCast may be subject to industrial action, which could adversely affect SpeedCast's reputation and its business, financial performance and position.

4.3 General risks of an investment in SpeedCast

4.3.1 Economic conditions

SpeedCast is dependent on global economic conditions and the global economic outlook, and on the economic conditions and outlook in its key markets. Economic conditions may be affected by levels of business spending, inflation, interest rates, consumer confidence, access to debt and capital markets and government fiscal, monetary and regulatory policies. A prolonged downturn in general economic conditions may have a material adverse impact on SpeedCast's trading and financial performance.

4.3.2 Foreign exchange rates

SpeedCast's financial reports are prepared in United States dollars. However, a substantial proportion of SpeedCast's sales revenue, expenditures and cash flows are generated in various other currencies, including Australian dollars and Euros. Further, as SpeedCast expands its operations it is expected that it will be exposed to additional currencies. Any adverse exchange rate fluctuations or volatility in the currencies in which SpeedCast generates its revenues and cash flows, and incurs its costs, would have an adverse effect on SpeedCast's future financial performance and position.

4.3.3 Interest rates

As a borrower of money, SpeedCast is exposed to increases in interest rates which would increase the cost of servicing SpeedCast's debt. Increases in interest rates may also affect the level of customer demand. Accordingly, an increase in interest rates may have a materially adverse effect on SpeedCast's future financial performance and position.

4.3.4 The price of Shares may fluctuate

The price at which Shares are quoted on the ASX may increase or decrease due to a number of factors. These factors may cause the Shares to trade below the Offer Price. There is no assurance that the price of the Shares will increase following the quotation on the ASX, even if the Company's earnings increase.

Some of the factors which may affect the price of the Shares include fluctuations in the domestic and international market for listed stocks, general economic conditions, including interest rates, inflation rates, exchange rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation, inclusion in or removal from market indices, the nature of the markets in which SpeedCast operates and general operational and business risks.

Other factors which may negatively affect investor sentiment and influence the Company specifically or the stock market more generally include acts of terrorism, an outbreak of international hostilities or fires, floods, earthquakes, labour strikes, civil wars and other natural disasters.

4.3.5 Changes in laws, including tax laws

SpeedCast is subject to local laws and regulations in each of the jurisdictions in which it operates. Future laws or regulations may be introduced concerning the satellite services and telecommunications industries in the countries in which SpeedCast operates, which could restrict or complicate SpeedCast's activities and significantly increase its compliance costs.

Any changes to taxation laws, regulations or policies in jurisdictions in which SpeedCast operates may also adversely affect Shareholder returns.

4.3.6 Trading in Shares may not be liquid

There can be no guarantee that an active market in the Shares will develop, particularly given the TA Associates Funds' approximately 24.6% holding in SpeedCast on Completion of the Offer. There may be relatively few potential buyers or sellers of the Shares on the ASX at any time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price that Shareholders paid.

4.3.7 Risk of Shareholder dilution

In the future, SpeedCast may elect to issue Shares or securities convertible into Shares to fund, or raise proceeds, for acquisitions the Company may decide to make. While SpeedCast will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital it is able to issue within a 12 month period (other than where exceptions apply), Shareholders may be diluted as a result of future issues of Shares or other securities.

4.4 No guarantee in respect of investment

The above list of risk factors should not be taken as an exhaustive list of the risks faced by SpeedCast or by investors in the Company. The above factors, and others not specifically referred to above, may materially affect the financial performance of SpeedCast and the value of the Shares. The Shares issued and sold under the Offer carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on the ASX. Furthermore, there is no guarantee that the Shares will remain continuously quoted on the ASX, which could impact the ability of prospective Shareholders to sell their Shares.

SECTION 5
KEY PEOPLE, INTERESTS AND BENEFITS

5. KEY PEOPLE, INTERESTS AND BENEFITS

5.1 Board of Directors

The Board of Directors has been appointed to ensure a highly experienced and complementary skill set exists for the benefit of the Company. The Board of Directors has extensive relevant experience in technology and telecommunications, and experience on the Boards of both listed and unlisted companies.

The Board of Directors comprises seven directors: an independent Non-executive Chairman, an Executive Director, two independent Non-executive Directors and three Non-executive Directors. Each member of the Board was appointed as a Director on the date the Company was incorporated, being 14 July 2014.

Director	Experience
 **John Mackay AM** *Independent Non-executive Chairman*	• John was appointed to the SpeedCast Board in 2013 as an Independent Non-executive Director and appointed as Chairman in May 2014. He was appointed as a director of the SpeedCast company that acquired the ASC business in 2012 • John has over 15 years of experience as a Chairman and director of major companies across the communications, utilities, health, construction and education sectors • John is a current director of ASX-listed property developer CIC Australia and Chairman of the audit and remuneration committees and a director of data centre manufacturer Datapod • Previously, John held the role of Chairman of TransACT Communications, a regional integrated telecommunications and subscription TV operator. John was the Chairman and CEO of ACTEW Corporation and CEO, Chairman and founder of its joint venture with AGL. Earlier in his career, John held a number of senior roles in the Australian federal public service • John has been a Chairman or director of several charitable, arts and sporting boards. He was Chancellor of the University of Canberra and Chairman of the Strategic Advisory Board of the National Arboretum Canberra • John was appointed a Member of the Order of Australia in 2004, and was named as Canberra Citizen of the Year in 2008. John holds Bachelors of Arts (Administration) and Economics and an Honorary Doctorate from the University of Canberra
 **Pierre-Jean ("PJ") Beylier** *Chief Executive Officer, Executive Director*	• PJ joined SpeedCast in 2000 as Head of Sales and Marketing. He was appointed Chief Executive Officer of SpeedCast in 2004. PJ has been instrumental to the success of SpeedCast, having managed the transition to its current technology platform and guided the development of SpeedCast's strategic focus • PJ has over 20 years of experience in international sales and marketing across Black and Decker in France, and at Rhodia, a French manufacturer of specialised industrial chemicals where he held a number of roles including export sales manager for one of the divisions, responsible for Southern and Eastern Europe, Middle East and Africa, and then managed key e-business projects in the Group • PJ graduated from Lyon School of Management and received a MBA from the University of Southern California
 **Michael Berk** *Non-executive Director*	• Michael Berk is a Managing Director of TA Associates, and has been a Director of SpeedCast since its acquisition by the TA Associates Funds in 2012 • On behalf of TA Associates, Michael currently serves as a director of Dealer Tire, the Professional Warranty Service Corporation and Towne Park • Previously, Michael was a director of Microban International and Triumph HealthCare • Michael holds a JD (cum laude) from Harvard Law School, an MBA from Harvard Business School and a Bachelor of Arts (magna cum laude) from Harvard University

5. KEY PEOPLE, INTERESTS AND BENEFITS

Director	Experience
 **Grant Ferguson** *Independent Non-executive Director*	• Grant was appointed as an Independent Non-executive Director of SpeedCast in 2013. Grant is also Chair of the Audit, Business Risk and Compliance Committee • Grant has over 15 years of experience in the telecommunications industry. Previously, Grant was the CEO of Astro Overseas Ltd, where he was responsible for the development and management of the Astro Group's international business • While CEO of Astro Overseas, Grant was concurrently the CFO of Astro All Asia Networks Plc, one of Asia's leading integrated multimedia groups • Prior to that role, Grant was a Managing Director at sovereign wealth fund Temasek Holdings, where he was responsible for overseeing the development of the fund's telecommunications and media investments • Grant has also held the roles of CFO of Total Access Communications in Thailand and Treasurer for the First Pacific Group in Hong Kong • In 2014, Grant was appointed to the board of Italian Football Club Inter Milan • Grant currently serves as an adviser to and non-executive director of a number of businesses across Asia covering a variety of industry sectors • Grant commenced his career with PricewaterhouseCoopers in the United Kingdom, United States and Hong Kong where he held a series of senior management positions • Grant is a member of the Institute of Chartered Accountants in Scotland and the Hong Kong Institute of Certified Public Accountants
 **Peter Jackson** *Non-executive Director*	• Peter was appointed as a Non-executive Director of SpeedCast in 2012 and is also currently the Chair of the Nomination and Remuneration Committee • Peter has over 40 years of experience in the satellite and telecommunications sectors. He is currently a non-executive director of AsiaSat, where until 2012 he was Executive Chairman, having joined as CEO where he led the company through its 1997 listing on the Hong Kong Stock Exchange. Peter is also a former director of the Cable & Satellite Broadcasting Association of Asia • Prior to joining AsiaSat, Peter spent 20 years with Cable and Wireless • Peter is currently a member of the Advisory Board of Thuraya Telecommunications, a mobile satellite operator in Dubai, a consultant to CITIC and a member of the investment committee of a private equity firm • Peter has previously held the role as Director and Chairman at Daum, a public company that is a large internet provider in South Korea
 **Michael Malone** *Independent Non-executive Director*	• Michael Malone was appointed as an Independent Non-executive Director of SpeedCast in May 2014 • Michael is the founder and former CEO of ASX-listed internet provider iiNet, a position he held from 1999 to 2013 • Michael served as the President of the Western Australian Internet Association from 1996 to 2002 • Michael is also the former Deputy Chairman of Autism West • Michael was a winner of the Western Australian Information Technology and Telecommunications Awards lifetime achievement award in 2005, and in 2006 was awarded the Business News Award for the most outstanding business leader in Western Australia under 40 and the Young Leader of the Year award for the JML Australia Human Capital Leadership Awards • Michael holds a Bachelor of Science and a Diploma of Education from the University of Western Australia

5. KEY PEOPLE, INTERESTS AND BENEFITS

Director	Experience
 **Edward Sippel** *Non-executive Director*	• Edward is a Managing Director of TA Associates and Co-Head of TA Associates in Asia. Edward focuses on investments in companies in the Asia Pacific region • Edward has been a Director of SpeedCast since its acquisition by the TA Associates Funds in 2012. On behalf of TA Associates he also serves on the board of Nintex in Australia and was formerly a director of Forgame in China • Prior to joining TA Associates, Edward was a partner at two private equity funds, Quadrangle Capital Partners and TVG Capital. In this capacity Edward served on the Board of Directors of many public and private companies globally, including several in Australia such as Request Broadband and Power Tel, an ASX-listed entity which was later acquired by Telecom New Zealand/AAPT • Edward holds a BA from Georgetown University

The Company has appointed William ("Bill") Barney as a senior adviser to the Board, in order to benefit from Bill's 25 years of experience in the industry.

 **William ("Bill") Barney** *Senior adviser*	• Bill is currently the CEO of Global Cloud Xchange, an Indian-owned undersea global fibre network, as well as the Treasurer and Governor of the Pacific Telecommunications Council • Bill has over 25 years of experience in the telecommunications industry including 10 years as CEO of Pacnet, one of Asia's largest undersea fibre network operators. During his time at Pacnet, Bill was named 2008 CEO of the Year by TelecomAsia • Before joining Pacnet, Bill served as the Asia Pacific President and CEO of MCI Worldcom Asia Pacific (1999-2002), Vice President of Global One (1995-1999) and performed various roles at AT&T (1988-1995) • Bill holds a BA from Wesleyan University, as well as an MBA from Columbia University

The Company has appointed Andrew Metcalfe as Company Secretary.

 **Andrew Metcalfe** *Company Secretary*	• Andrew is a qualified chartered secretary and experienced governance adviser • He is a CPA, Fellow of the Governance Institute of Australia and Member of the Australian Institute of Directors • Andrew has acted as Company Secretary for a range of ASX-listed companies across a broad range of industries • Andrew is located in Melbourne and advises SpeedCast on company secretarial practice and procedures and governance matters

5.2 Senior management of SpeedCast

Profiles of the key members of SpeedCast's management team (excluding Pierre-Jean Beylier) are set out below.

Executive	Experience
 **Mark Ellison** *Chief Financial Officer*	• Mark is Chief Financial Offer of SpeedCast and has more than 40 years of experience in finance • Prior to joining SpeedCast in 2012, Mark was CFO of satellite services provider Vizada Group, participating in the sale of Vizada by Apax Partners to Astrium (now part of Airbus Group) • Prior to that, Mark held several CFO and senior finance roles including at KPMG, Computacenter, Monaco Telecom, and as Partner with Ernst and Young • Mark holds an MA from the University of Cambridge and an MBA from INSEAD in France • Mark is also a Chartered Accountant (England and Wales), as well as a Certified Public Accountant (New York State) • Mark is based in Hong Kong
 **Richard Carden** *Senior Vice President, Global Sales*	• Richard is Senior Vice President, Global Sales and has 25 years of experience in the telecommunications and IT sectors. He has been based in Asia for the last 17 years • Richard previously held the role of Senior Vice President of Global Sales at Pacnet in Singapore where he was responsible for a team of 250 sales people • Prior to this, Richard served as President and CEO of Verizon Business Japan and Chief Operating Officer of Asia Netcom Japan • Richard is based in Singapore
 **Mark Borgas** *Vice President, Australia Pacific*	• Mark is Vice President, Australia Pacific and has more than 25 years of experience in the telecommunications sector. Mark commenced at ASC in 1998 and rose to the role of General Manager, before joining the SpeedCast management team when SpeedCast acquired ASC in 2012 • Before working at ASC, Mark spent 10 years working at Telstra in various roles including as an engineer in the TV and Radio Broadcasting Division and also worked on the Jindalee Over the Horizon HF Radar project • Mark holds a Bachelor of Electrical and Electronic Engineering (Hons) from the University of Adelaide, as well as an MBA from La Trobe University • Mark is based in Australia
 **André Eerland** *Vice President, Maritime*	• André is Vice President, Maritime and has more than 25 years of experience in the maritime industry and over 20 years of experience in satellite communications • André joined Elektrikom in 1993 and rose to the role of General Manager, before becoming part of the SpeedCast management team when SpeedCast acquired Elektrikom in 2013. André will own approximately 1% of the Company on Completion of the Offer • André holds a university degree of applied science and studied in Rotterdam, Netherlands • André is based in the Netherlands

Executive	Experience
 **Tony Chung** *Senior Vice President, Operations and Engineering*	• Tony is Senior Vice President, Operations and Engineering. Tony joined SpeedCast in 2003 and has been leading the Operations, Engineering and Customer Support team since 2006 • Tony holds a Master of Philosophy and Bachelor of Arts in Computing from the Hong Kong Polytechnic University, with research focused on next generation internet and communications • Tony is based in Hong Kong
 **Peter Radford** *Vice President, Products*	• Peter is Vice President, Products. Peter joined SpeedCast in 2006 as Head of Network Solutions to develop and manage SpeedCast's portfolio of products and service solutions • Peter has had over 20 years of product management experience in the IT and telecommunications sectors, including roles at TIME Telekom, Motorola and Philips • Peter holds an MBA from the Rotterdam School of Management and a Bachelor of Engineering (Hons) from the University of Surrey • Peter is based in Malaysia
 **Andrew Burdall** *Vice President, Strategic Business Development*	• Andrew is Vice President, Strategic Business Development. Andrew joined the SpeedCast management team following SpeedCast's acquisition of SatComms in 2014, where he had been CEO since 2010 • Prior to joining SatComms, Andrew was a finance executive at JN Taylor & Co Ltd • Andrew is a Certified Chartered Accountant and Fellow of the Association of Chartered Accountants, and a member of the Institute of Public Accountants in Australia • Andrew is based in Australia

5.3 Interests and benefits

5.3.1 Senior management remuneration

5.3.1.1 Chief Executive Officer

Pierre-Jean Beylier ("PJ") is employed by SpeedCast Limited (Hong Kong) in the position of Chief Executive Officer of SpeedCast.

PJ is entitled to a base salary of HK$3,120,372 per annum, which includes payment for his services as Chief Executive Officer and any fees or other amounts to which PJ may be entitled to as a director, officer, employee or other member of SpeedCast.

In addition to base salary, PJ is entitled to a discretionary annual cash bonus of 50% of annual base salary, as determined solely by the Board, based on individual measures and business performance against key performance indicators. Key performance indicators are set each year and tested at the end of each year. They may include measures such as revenue, EBITDA and growth targets. In order to be eligible to receive an annual bonus, PJ must be an employee in good standing as at the date on which the relevant bonus is payable.

PJ will be eligible to participate in the SpeedCast long-term incentive plan (**LTIP**). For further details about the LTIP, refer to Section 5.3.2.1. SpeedCast intends to grant PJ with rights to receive Shares in the Company, up to A$229,378 under the LTIP at or shortly after Listing. The key terms and conditions such as the performance period and vesting conditions that apply to the rights granted to PJ are set out in Section 5.3.2.1. PJ's employment contract also provides for participation in management equity incentives. These incentives have been superseded by the new incentive arrangements described in Section 5.3.2.

PJ is also entitled to certain other benefits under his employment contract, including reimbursement for his children's regular school fees (up to a fixed annual amount), the use of a company car (including insurance, licensing fees and reimbursement for gasoline) and reimbursement for reasonable travelling and other business related expenses (subject to SpeedCast's expense reporting procedures). PJ is also entitled to participate in the Mandatory Provident Fund scheme applicable to Hong Kong residents and SpeedCast Limited's life insurance scheme. Under his employment contract, PJ and his immediate family are entitled to participate in SpeedCast Limited's medical scheme.

The term of PJ's employment as Chief Executive Officer is ongoing. PJ may resign from his employment by giving three months' notice to SpeedCast Limited. SpeedCast Limited may terminate PJ's employment immediately where there is cause to do so (e.g. wilful misconduct or gross negligence), without notice or payment in lieu of notice. SpeedCast Limited may terminate PJ's employment on the basis of underperformance immediately by paying him a severance payment equal to nine months' base salary. SpeedCast Limited may also terminate PJ's employment for redundancy or convenience, in which case PJ will receive a severance payment equal to 18 months' base salary. This severance payment is also payable where PJ's employment automatically terminates due to his death or permanent invalidity.

Upon termination, PJ is bound by a restraint period generally up to a maximum of 12 months, during which time he cannot compete with SpeedCast or provide services in any capacity to a competitor of SpeedCast or solicit current or proposed clients, suppliers or employees of SpeedCast.

PJ is an Existing Shareholder and will hold 5.9% of the Shares in the Company on Completion of the Offer. PJ has accepted a voluntary escrow being placed on the Shares he holds. Refer to Section 8.12 for further details.

5.3.1.2 Chief Financial Officer

Mark Ellison is employed by SpeedCast Limited (Hong Kong) in the position of Chief Financial Officer of SpeedCast.

Mark is entitled to a base salary of HK$2,039,400 per annum, plus a housing allowance of HK$480,000 per annum. Additionally, Mark is entitled to a discretionary annual cash bonus of 40% of annual base salary, as determined solely by the Board, based on individual measures and business performance against key performance indicators. Key performance indicators are set each year and tested at the end of each year. They may include measures such as revenue, EBITDA and growth targets. In order to be eligible to receive an annual bonus, Mark must be an employee in good standing as at the date on which the relevant bonus is payable.

Mark will be eligible to participate in the SpeedCast LTIP. For further details about the LTIP, refer to Section 5.3.2.1. SpeedCast intends to grant Mark with rights to receive Shares in the Company, up to A$81,772 under the LTIP at or shortly after Listing. The key terms and conditions such as the performance period and vesting conditions that apply to the rights granted to Mark are set out in Section 5.3.2.1. Mark's employment contract also provides for participation in management equity incentives. These incentives have been superseded by the new incentive arrangements described in Section 5.3.2.

Mark is entitled to certain other benefits under his employment contract, including reimbursement of reasonable travel and other business-related expenses (subject to SpeedCast's expense reporting procedures). Mark must also participate in the Mandatory Provident Fund scheme applicable to Hong Kong residents. Mark is entitled to participate in SpeedCast Limited's life insurance scheme, and Mark and his immediate family are also entitled to participate in SpeedCast Limited's medical scheme.

The term of Mark's employment as Chief Financial Officer is ongoing. Mark's employment may be terminated by either party giving three months' notice. SpeedCast Limited may pay Mark in lieu of giving him notice. Mark's employment may also be terminated by SpeedCast Limited without notice where there is cause to do so (e.g. serious misconduct or gross negligence). Mark's employment automatically terminates upon his death or permanent invalidity.

Upon termination, Mark is bound by a restraint period up to a maximum of 12 months, during which time he cannot compete with SpeedCast or provide services in any capacity to a competitor of SpeedCast or solicit current or proposed clients, suppliers or employees of SpeedCast.

Mark is an Existing Shareholder and will hold 1.0% of the Shares in the Company on Completion of the Offer. Mark has accepted a voluntary escrow being placed on the Shares he holds. Refer to Section 8.12 for further details.

5.3.2 Executive and employee incentive arrangements

SpeedCast has established a number of incentive arrangements to enable attraction, motivation and retention of management and employees of SpeedCast.

For the executive team, the remuneration packages will consist of:

- Fixed remuneration;
- Cash-based short-term incentive; and
- the LTIP.

Both the cash-based short-term incentive and the equity-based LTIP are subject to achievement of performance criteria or hurdles set and assessed by the Board.

The key components of the cash-based short-term incentive are:

- participants are entitled to receive a percentage of their fixed remuneration as an annual cash bonus;
- to be eligible for an annual cash bonus, participants must be employees in good standing of SpeedCast at the date on which the relevant bonus is payable;
- payment of annual cash bonuses is discretionary and determined by the Board based on individual measures and business performance against key performance indicators; and
- key performance indicators are set each year, tested at the end of each year and may include measures such as revenue, EBITDA and growth targets.

The Nomination and Remuneration Committee recommends to the Board the remuneration packages for the executive team. It is intended that these will be reviewed annually. The Nomination and Remuneration Committee may seek external advice to determine the appropriate level and structure of the remuneration packages from time to time.

5.3.2.1 Long-term incentive plan (LTIP)

SpeedCast has established an equity incentive plan (**Plan**) in order to facilitate remuneration arrangements for SpeedCast's senior management and enhance the alignment of their interests with those of shareholders.

Features of the Plan

The rules of the Plan (**Plan Rules**) provide the framework under which the Plan and individual grants will operate.

The key features of the Plan are outlined below:

Eligibility	Offers may be made at the Board's discretion to employees of SpeedCast or any other person that the Board determines to be eligible to receive a grant under the Plan.
Types of securities	The Plan Rules provide flexibility for SpeedCast to grant one or more of the following securities as incentives, subject to the terms of individual offers: • performance rights; • options; and • restricted shares. Options are an entitlement to receive a Share upon payment of an applicable exercise price. Performance rights and restricted shares are an entitlement to receive a Share for no consideration.
Offers under the Plan	The Board may make offers at its discretion and any offer documents must contain the information required by the Plan Rules. The Board has the discretion to set the terms and conditions on which it will offer performance rights, options and restricted shares in individual offer documents. Offers must be accepted by the employee and can be made on an opt-in or opt-out basis.
Issue price	Unless the Board determines otherwise, no payment is required for a grant of a performance right, option or restricted share under the Plan.

Vesting	Vesting of performance rights, options and restricted shares under the Plan is subject to any vesting or performance conditions determined by the Board and specified in the offer document. Options must be exercised by the employee and the employee is required to pay the exercise price before Shares are allocated. Subject to the Plan Rules and the terms of the specific offer document, any performance rights, options or restricted shares will either lapse or be forfeited if the relevant vesting and performance conditions are not satisfied.
Cessation of employment	Under the Plan Rules, the Board has a broad discretion in relation to the treatment of entitlements on cessation of employment. It is intended that individual offer documents will provide more specific information on how the entitlements will be treated if the participating employee ceases employment.
Clawback and preventing inappropriate benefits	The Plan Rules provide the Board with broad "clawback" powers if, amongst other things: • the participant has acted fraudulently or dishonestly, has wilfully breached their duties, or the Company is required or entitled under law or company policy to reclaim remuneration from the participant; or • the participant's entitlements vest as a result of the fraud, dishonesty or wilful breach of duty of any other person and the Board is of the opinion that the incentives would not have otherwise vested.
Change of control	The Board may determine that all or a specified number of a participant's performance rights, options or restricted shares will vest or cease to be subject to restrictions on a change of control event in accordance with the Plan Rules.
Other terms	The Plan contains customary and usual terms for dealing with administration, variation, suspension and termination of the Plan.

2014 LTIP offer

SpeedCast intends to offer performance rights as long-term incentives which it will grant under the Plan.

The key terms of the proposed 2014 LTIP arrangements are summarised in the table below:

Participants	The 2014 LTIP offer will be made to the Chief Executive Officer, Chief Financial Officer and other members of senior management that the Board determines to be eligible to receive a grant.
Grant date and timing of future offers	The 2014 LTIP award will be made at or around the time of Listing. Any future grants will be at the discretion of the Board and subject to any requirements for shareholder approval.
Grant of performance rights	The 2014 LTIP offer will comprise of performance rights. A performance right entitles the holder to acquire a Share for nil consideration at the end of the performance period, subject to meeting specific performance conditions. The number of performance rights granted will be based on a fixed percentage of the relevant participant's annual fixed remuneration and will be issued to the participant at no cost. No exercise price is payable in respect of the performance rights.

Performance conditions, performance period and vesting	Performance rights granted as part of the 2014 LTIP offer will vest subject to the satisfaction of performance conditions. The performance conditions will be tested over a performance period of at least three years (commencing on the date of Listing and ending on 31 December 2017). The performance conditions must be satisfied in order for the performance rights to vest. For the 2014 LTIP offer it is intended that the performance conditions will be as follows: • 50% of the performance rights will vest subject to the achievement of a Total Shareholder Return (**TSR**) performance target for the Company relative to the S&P/ASX Small Ordinaries Index (AUD) (**Index**) over the performance period (**TSR component**); and • 50% of the performance rights will vest subject to the participant being an employee at the end of the performance period (**service component**). In relation to the TSR component, the percentage of performance rights that vest, if any, will be determined by reference to the following vesting schedule: Any performance rights that remain unvested at the end of the performance period will lapse immediately.
Rights associated with performance rights	The performance rights do not attract dividends, voting rights or any capital distributions.
Restrictions on dealing	Participants must not sell, transfer, encumber, hedge or otherwise deal with performance rights.
Cessation of employment	If the participant ceases employment for death, permanent disability or is otherwise determined to be a "good leaver" by the Board, unvested performance rights will vest in full, unless otherwise determined by the Board. If the participant ceases employment in any other circumstances, all unvested performance rights will lapse, unless otherwise determined by the Board.
Change of control	In a situation where there is likely to be a change of control, the Board has the discretion to accelerate vesting of some or all of the performance rights. Where only some of the performance rights are vested on a change of control, the remainder of the performance rights will immediately lapse.

Further details regarding the grants to the CEO and CFO are set out below, however these grants will otherwise be granted on the key terms of the 2014 LTIP offer outlined above. Grants to other participants will be on similar terms, at the discretion of the Board.

The total value of performance rights being awarded to senior management (including the CEO and CFO) in the 2014 LTIP Offer is A$720,767. The final number of performance rights to be awarded will be calculated by dividing the total value by the Offer Price.

Grant of performance rights to the CEO

A 2014 LTIP offer of performance rights will be made to the CEO at or around the date of Listing.

The CEO will have a maximum LTIP opportunity of up to 55% of his annual fixed remuneration. Under the 2014 LTIP opportunity, the CEO will be entitled to receive performance rights worth A$229,378 in value. The final number of performance rights awarded to the CEO is calculated by dividing his maximum LTIP opportunity by the Offer Price.

The performance rights will be granted to the CEO under the Plan and subject to the key terms and vesting and performance conditions of the 2014 LTIP offer outlined above.

Grant of performance rights to the CFO

A 2014 LTIP offer of performance rights will also be made to the CFO at or around the date of Listing.

The CFO will have a maximum LTIP opportunity of up to 30% of his annual fixed remuneration. Under the 2014 LTIP opportunity, the CFO will be entitled to receive performance rights worth A$81,772 in value. The final number of performance rights awarded to the CFO is calculated by dividing his maximum LTIP opportunity by the Offer Price.

The performance rights will be granted to the CFO under the Plan and subject to the key terms and vesting and performance conditions outlined above.

5.3.2.2 Restricted Management Rights

Restricted Management Rights are rights which will be issued by the Company under the equity incentive plan on or shortly after Completion of the Offer. The Restricted Management Rights effectively replace certain rights to shares of SpeedCast Acquisitions which were issued by SpeedCast Acquisitions to certain employees of SpeedCast prior to the Prospectus Date. The issue of Restricted Management Rights in substitution for existing rights held by management comprises an additional component of the Restructure.

Accordingly, at or around Listing, the Company will make an offer of rights to acquire Shares in the Company to the affected members of senior management (**Restricted Management Rights**). The offer of Restricted Management Rights will be made on the terms set out below and pursuant to the Plan Rules.

The affected members of senior management will receive a total of 1.1 million Restricted Management Rights, representing approximately 0.9% of the issued share capital of the Company on Completion of the Offer.

The number of Restricted Management Rights being granted has been determined by the Company and has been fixed such that the value of the Restricted Management Rights is equivalent in value to the existing rights in SpeedCast Acquisitions that the affected members of senior management will relinquish.

Further details of the offer are set out below.

Participants	Restricted Management Rights will be granted to the following six senior managers of SpeedCast: Richard Carden, Moti Shulman, Andrew Burdall, Piers Cunningham, Tony Waters and Ron Garvey.
Grant date, grant conditions and timing of future offers	The Restricted Management Rights will be granted at or around the time of Completion of the Offer. There will be no future grants of Restricted Management Rights. The grant of Restricted Management Rights will be conditional on Completion of the Offer.
Grant of Restricted Management Rights	Each Restricted Management Right will entitle the holder to acquire a Share for nil consideration at the end of the relevant vesting period, subject to meeting the vesting condition. The number of Restricted Management Rights granted will be 1.1 million and Restricted Management Rights will be issued to the participants at no cost. No exercise price is payable in respect of the Restricted Management Rights.
Vesting condition and vesting periods	The offer will be divided into tranches of Restricted Management Rights with differing vesting periods. Each tranche of Restricted Management Rights will vest subject to the satisfaction of the vesting condition over the vesting period relevant to that tranche. The vesting condition is continued employment with SpeedCast. Vesting will occur over a total period of approximately four years from Completion of the Offer. For each tranche, the vesting condition must be satisfied at the end of the relevant vesting period for that tranche in order for the Restricted Management Rights to vest. It is intended that the tranches and vesting periods will be as follows: • 25% of the Restricted Management Rights will vest 12 months after Completion of the Offer if the participant remains in employment with SpeedCast (**first tranche**); and • following vesting of the first tranche, at the end of each three month period another 6.25% of the Restricted Management Rights will vest if the participant remains in employment with SpeedCast. The Restricted Management Rights in each tranche will lapse immediately if the vesting condition for that tranche is not satisfied at the end of the relevant vesting period.

Entitlements associated with Restricted Management Rights	The Restricted Management Rights do not attract dividends, voting rights or any capital distributions.
Restrictions on dealing	Participants must not sell, transfer, encumber, hedge or otherwise deal with Restricted Management Rights. Shares acquired by participants on vesting of their Restricted Management Rights will be subject to the Company's Securities Dealing Policy.
Cessation of employment	If the participant resigns or the Company terminates the participant's employment in accordance with their employment contract, all unvested Restricted Management Rights will lapse, unless otherwise determined by the Board.
Change of control	In a situation where there is likely to be a change of control, the Board has the discretion to accelerate vesting of some or all of the Restricted Management Rights. Where only some of the Restricted Management Rights are vested on a change of control, the remainder of the Restricted Management Rights will immediately lapse.

5.3.3 Director remuneration

5.3.3.1 Non-executive Director remuneration

Under the Constitution, the Board may decide the remuneration from the Company to which each Non-executive Director is entitled for his or her services as a Director. However, the total amount provided to all Directors for their services as Directors must not exceed in aggregate in any financial year the amount fixed by the Company in general meeting. This amount has been fixed at US$500,000.

For its initial year of Listing, the annual base Non-executive Director fees currently agreed to be paid by the Company are US$65,000 to the Chairman, US$50,000 to each other Non-executive Director and an additional US$10,000 to the chair of the Audit, Business Risk and Compliance Committee and an additional US$5,000 to the chair of the Nomination and Remuneration Committee. In subsequent years, these figures may vary.

Michael Berk and Edward Sippel do not receive fees for acting as Directors of the Company.

5.3.3.2 Deeds of indemnity, insurance and access for Directors

The Company has entered into a deed of indemnity, insurance and access with each Director which confirms the Director's right of access to certain books and records of the Company and its related bodies corporate while they are a Director and for a period of seven years after the Director ceases to hold office. The deeds of indemnity, insurance and access also require the Company to indemnify Directors to the full extent permitted by law against all losses or liabilities (including all reasonable legal costs) incurred by the Director as an officer of the Company or of a related body corporate.

Pursuant to the Constitution, the Company may to the extent permitted by law, purchase and maintain insurance or pay or agree to pay a premium for insurance for each Director against any liability incurred by the Director as an officer of the Company or of a related body corporate. Under the deeds of indemnity, insurance and access, the Company must maintain such insurance until seven years after a Director ceases to hold office as a Director of the Company or a related body corporate (or the date any relevant proceedings commenced during the seven year period have been finally resolved).

5.3.3.3 Other information

Directors may be paid for travel and other expenses incurred in attending to the Company's affairs, including attending and returning from Board or committees of the Board or general meetings. Any Director who devotes special attention to the business of the Company or who performs services which, in the opinion of the Board, are outside the scope of ordinary duties of a Director, may be remunerated for the services (as determined by the Board) out of the funds of the Company. There are no retirement benefit schemes for Directors, other than statutory superannuation contributions.

5.3.3.4 Directors' shareholdings

Directors are not required under the Constitution to hold any Shares. On Completion of the Offer, the Directors are expected to hold the following Shares in the Company through beneficial interests or entities associated with the Director.

Figure 53. Directors' shareholdings

Director	Shares on Completion of the Offer (million)	Shareholding on Completion of the Offer (%)
John Mackay	0.3	0.2
Pierre-Jean Beylier	7.1	5.9
Michael Berk	n/a	n/a
Grant Ferguson	0.3	0.2
Peter Jackson	0.3	0.2
Michael Malone	0.3	0.2
Edward Sippel	n/a	n/a

Michael Berk (Managing Director of TA Associates) and Edward Sippel (Managing Director of TA Associates and Co-Head of TA Associates in Asia), each of whom are partners of certain of the TA Associates Funds, may be deemed to have indirect interests in some of the Shares held by the TA Associates Funds through the 24.6% shareholding in the Company that the TA Associates Funds will have following the Offer (by virtue of their respective positions as partners of certain of the TA Funds).

None of the Shares held by the Directors will be subject to any escrow restrictions (with the exception of the Shares held by Pierre-Jean Beylier).

The Directors are entitled to apply for Shares under the Offer. The above table is as at the Prospectus Date and does not take into account any Shares the Directors may acquire under the Offer. The Shares recorded in the above table as held by Pierre-Jean Beylier will be subject to voluntary escrow arrangements (see Section 8.12).

5.3.3.5 Existing Shareholders

Each of the Directors that will own Shares on Completion of the Offer is an Existing Shareholder and will be issued Shares under the Restructure.

PJ is an Existing Shareholder. The Shares in which PJ will have an interest on Completion of the Offer will be subject to voluntary escrow arrangements (see Section 8.12).

The other Management Shareholders are Existing Shareholders and may sell some of their Shares to SaleCo in connection with the Offer. The Shares in which the other Management Shareholders will have an interest on Completion of the Offer will be subject to voluntary escrow arrangements (see Section 8.12) with the exception of one Management Shareholder who is not subject to escrow.

5.4 Corporate governance

Section 5.4 explains the main corporate governance policies and practices adopted by the Company. Details of SpeedCast's key policies and practices and the charters for the Board and each of its Committees will be made available at www.speedcast.com.

The Board plays a key role in overseeing the policies, performance and strategies of the Company. It is accountable to the Company's members as a whole and must act in the best interests of the Company. The Board monitors the operational and financial position and performance of the Company and oversees its business strategy including approving the strategic objectives, plans and budgets of the Company. The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return, and sustaining the growth and success of the Company. In conducting the Company's business with these objectives, the Board seeks to ensure that the Company is properly managed to protect and enhance Shareholder interests, and that the Company, its Directors, officers and personnel operate in an appropriate environment of corporate governance.

Accordingly, the Board has created a framework for managing the Company, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company. The Board sets the culture and ethical tone for the Company.

The main policies and practices adopted by the Company, which will take effect from Listing, are summarised below.

5.4.1 ASX Corporate Governance Principles and Recommendations

The Company is seeking a listing of its Shares on the ASX. The ASX Corporate Governance Council has developed and released its ASX Corporate Governance Principles and Recommendations 3rd edition (**ASX Recommendations**) for Australian listed entities in order to promote investor confidence and to assist companies in meeting stakeholder expectations. The recommendations are not prescriptions, but guidelines, designed to produce an outcome that is effective and of high quality and integrity. However, under the ASX Listing Rules, the Company will be required to provide a statement in its annual report, or the URL of the page on its website where such a statement is located, disclosing the extent to which it has followed the recommendations during each reporting period. Where the Company does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it.

The Company aims to comply with all of the ASX Recommendations from the time of its Listing, with the following exceptions:

- Recommendation 2.4 provides that a majority of the board of a listed entity should be independent directors. On Listing, three of the Directors will be independent and four of the Directors will not be considered independent (including one Executive Director (the CEO)). Of the Non-executive Directors who are not considered to be independent, two of those Directors, Edward Sippel and Michael Berk, are nominated by a substantial Shareholder of the Company, the TA Associates Funds, and the other Director, Peter Jackson, is the former Chairman (and current non-executive director) of one of the Company's key suppliers, AsiaSat. The Board considers that each of these Directors will add significant value given their considerable experience and skills, and will bring objective and independent judgement to the Board's deliberations.
- Recommendations 2.1 and 8.1 provide that a majority of Directors on the Nomination Committee and the Remuneration Committee (respectively) should be independent, and that each committee should be chaired by an independent Director. The Company intends to have a combined Nomination and Remuneration Committee, composed of two independent and two non-independent, Non-executive Directors. The Board considers that the two non-independent, Non-executive Directors on the Nomination and Remuneration Committee, Peter Jackson and Edward Sippel, will each bring the desired mix of skills and qualifications required to effectively assist the Board in matters relating to succession planning and the nomination and remuneration of the Directors and the CEO. In particular, the Board considers that Peter Jackson, as chair of the Committee, will add significant value to the Board given his extensive industry experience in the satellite and telecommunications sectors. The Board considers Mr Jackson and Mr Sippel will each bring objective and independent judgement to their roles on the Nomination and Remuneration Committee.

5.4.2 Board appointment and composition

The Board is currently made up of seven Directors, comprising:

- three independent Non-executive Directors (including the Chairman);
- three (non-independent) Non-executive Directors; and
- one Executive Director (the Chief Executive Officer).

The Board considers a Director to be independent where he or she is not a member of management and is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement. The Board will consider the materiality of any given relationship on a case by case basis and has adopted materiality guidelines to assist it in this regard. The Board reviews the independence of each Director in light of interests disclosed to the Board.

The Board considers that each of John Mackay, Grant Ferguson and Michael Malone is free from any business or any other relationship that could materially interfere with the independent exercise of their judgement and is able to fulfil the role of an independent Director for the purposes of the ASX Recommendations.

Peter Jackson, Edward Sippel and Michael Berk are currently considered by the Board not to be independent. Pierre-Jean Beylier is an Executive Director and the CEO of the Company and is also considered not to be independent. Edward Sippel and Michael Berk are nominees of the substantial shareholder of the Company, TA Associates. Peter Jackson is the former Chairman (and current non-executive director) of AsiaSat, one of the Company's key suppliers.

Three of the six members of the Board who are Non-executive Directors are independent of management. The other three Non-executive Directors, who are not considered to be independent (being the nominee Directors and Peter Jackson), will each add significant value to Board deliberations with their considerable industry experience and mix of skills. The Board also considers that each of these Directors will bring objective and independent judgement to Board deliberations.

5.4.3 Board charter

The Board has adopted a written charter to provide a framework for the effective operation of the Board, which sets out:

- the Board's composition and processes;
- the Board's role and responsibilities;
- the relationship and interaction between the Board and management; and
- the authority delegated by the Board to management and Board committees.

The Board's role is to:

- represent and serve the interests of Shareholders by overseeing and appraising the Company's strategies, policies and performance. This includes overseeing the financial and human resources the Company has in place to meet its objectives and reviewing management performance;
- protect and optimise the Company's performance and build sustainable value for Shareholders in accordance with any duties and obligations imposed on the Board by law and the Company's Constitution and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- set, review and ensure compliance with the Company's values and governance framework (including establishing and observing high ethical standards); and
- ensure that Shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.

Matters which are specifically reserved for the Board or its Committees include:

- appointment of a Chair;
- appointment and removal of the Chief Executive Officer;
- appointment and removal of the Chief Financial Officer;
- appointment of Directors to fill a vacancy or as an additional Director;
- establishment of Board committees, their membership and delegated authorities;
- approval of dividends;
- approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to management;
- calling of meetings of Shareholders; and
- any other specific matters nominated by the Board from time to time.

The management function is conducted by, or under the supervision of, the Chief Executive Officer as directed by the Board (and by officers to whom the management function is properly delegated by the Chief Executive Officer). Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively.

Directors are entitled to request additional information at any time they consider it appropriate. The Board collectively, and each Director individually, may seek independent professional advice, subject to the approval of the Chair, or the Board as a whole.

A copy of the Board charter will be made available on SpeedCast's website at www.speedcast.com.

5.4.4 Board committees

The Board may from time to time establish Committees to streamline the discharge of its responsibilities. The Board has established the following Committees:

- Audit, Business Risk and Compliance Committee; and
- Nomination and Remuneration Committee.

5.4.4.1 Audit, Business Risk and Compliance Committee

The Audit, Business Risk and Compliance Committee will assist the Board in carrying out its accounting, auditing, and financial reporting responsibilities including to:

- oversee the Company's relationship with the external auditor and the external audit function generally;
- oversee the preparation of the financial statements and reports;
- oversee the Company's financial controls and systems; and
- manage the process of identification and management of financial risk.

The Committee's charter provides that the Committee must comprise of only Non-executive Directors, a majority of independent Directors, an independent chair who is not chair of the Board, and a minimum of three members of the Board. The Audit, Business Risk and Compliance Committee will comprise:

- Grant Ferguson (chair);
- John Mackay; and
- Edward Sippel.

Non-committee members, including members of management and the external auditor, may attend meetings of the Committee by invitation of the Committee chair.

A copy of the Committee's charter will be made available on SpeedCast's website at www.speedcast.com.

5.4.4.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for matters relating to succession planning, nomination and remuneration of the Directors and the Chief Executive Officer.

The responsibilities of the Nomination and Remuneration Committee are as follows:

- assist the Board to develop a board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership;
- review and recommend to the Board the size and composition of the Board, including review of Board succession plans and the succession of the Chairman and Chief Executive Officer, having regard to the objective that the Board comprise of Directors with a broad range of skills, expertise and experience from a broad range of backgrounds, including gender;
- review and recommend to the Board the criteria for Board membership, including the necessary and desirable competencies of Board members and the time expected to be devoted by Non-executive Directors in relation to the Company's affairs;
- review and recommend to the Board the composition and membership of the Board, including making recommendations for the re-election of Directors (subject to the principle that a Committee member must not be involved in making recommendations to the Board in respect of themselves) and assisting the Board as required to identify individuals who are qualified to become Board members (including in respect of executive directors), in accordance with the policy outlined in the Charter;
- assist the Board as required in relation to the performance evaluation of the Board, its committees and individual Directors, and in developing and implementing plans for identifying, assessing and enhancing Director competencies;
- review and make recommendations in relation to any corporate governance issues as requested by the Board from time to time;
- review the Board charter on a periodic basis and recommend any amendments for the Board's consideration;
- ensure that an effective induction process is in place and regularly review its effectiveness and provide appropriate professional development opportunities for Directors;
- on an annual basis, review the effectiveness of the Company's Diversity Policy by assessing the Company's progress towards the achievement of the measurable objectives and any strategies aimed at achieving the objectives; and reporting to the Board recommending any changes to the measurable objectives, strategies or the way in which they are implemented; and
- in accordance with the Company's Diversity Policy, on an annual basis, review the relative proportion of women and men on the Board, in senior management positions and in the workforce at all levels of SpeedCast, and submit a report to the Board, which outlines the Committee's findings or, if applicable, provide the Board with the Company's most recent indicators as required by the *Workplace Gender Equality Act 2012* (Cth).

The Committee's charter provides that the Committee must consist of only Non-executive Directors and a minimum of three members. The current members of the Committee are:

- Peter Jackson (chair);
- Grant Ferguson;
- Michael Malone; and
- Edward Sippel.

Non-Committee members, including members of management, may attend all or part of a meeting of the Committee at the invitation of the Committee chair.

A copy of the Committee's charter will be made available on SpeedCast's website at www.speedcast.com.

5.4.5 Corporate governance policies

The Board has adopted the following corporate governance policies (to take effect upon commencement of trading on the ASX), each having been prepared having regard to the ASX Corporate Governance Principles and Recommendations and which will be made available on the Company's website at www.speedcast.com.

5.4.5.1 Continuous Disclosure Policy

The Company places a high priority on communication with Shareholders and is aware of the obligations it will have, once listed, under the Corporations Act and the ASX Listing Rules, to keep the market fully informed of any information the Company becomes aware of concerning itself that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

The Company has adopted a Continuous Disclosure Policy which establishes procedures to ensure that Directors and senior management are aware of and fulfil their obligations in relation to the timely disclosure of material price-sensitive information.

5.4.5.2 Policy for Dealing in Securities

The Company has adopted a Policy for Dealing in Securities which is intended to explain the types of conduct in dealings in securities that are prohibited under the Corporations Act and establish a best practice procedure for the buying and selling of securities that protects the Company and Directors and employees against the misuse of unpublished information which could materially affect the value of securities. The policy applies to all Directors, officers, senior executives and employees of SpeedCast and their connected persons (as defined in the Policy) (referred to as **Relevant Persons**).

The policy provides that Relevant Persons must not deal in Shares:

- when they are in possession of price sensitive or "inside" information or the Company is in possession of price sensitive or "inside" information and has notified them they must not deal in the Company's securities;
- on a short-term trading basis; or
- during non-trading window periods (except in exceptional circumstances).

Otherwise, trading by Relevant Persons will only be permitted in trading windows or in all other periods by:

- Directors (including the Chief Executive Officer) with prior approval from the Chairman of the Board;
- the Chairman of the Board with prior approval from the Board or the Chairman of the Audit, Business Risk and Compliance Committee; and
- senior executives with prior approval from the Chief Executive Officer.

5.4.5.3 Code of Conduct

The Company is committed to a high level of integrity and ethical standards in all business practices. Accordingly, the Board has adopted a formal Code of Conduct which outlines how SpeedCast expects its representatives to behave and conduct business in the workplace on a range of issues and includes legal compliance and guidelines on appropriate ethical standards. All employees of SpeedCast (including temporary employees, contractors, consultants, agents and Directors) must comply with the Code of Conduct.

The Code is designed to:

- provide a benchmark for professional behaviour throughout SpeedCast;
- support SpeedCast's business reputation and corporate image within the community; and
- make Directors and employees aware of the consequences if they breach the policy.

5.4.5.4 Diversity Policy

The Board has formally approved a Diversity Policy in order to address the representation of women in senior management positions and on the Board, and to actively facilitate a more diverse and representative management and leadership structure.

The Board will include in the Annual Report each year a summary of the Company's progress towards achieving the measurable objectives set under the Diversity Policy for the year to which the Annual Report relates and details of the measureable objectives set under the Diversity Policy for the subsequent financial year.

5.4.5.5 Communications Strategy

The Company's aim is to ensure that Shareholders are kept informed of all major developments affecting the state of affairs of the Company. In addition to the Company's continuous disclosure obligations, the Company recognises that potential investors and other interested stakeholders may wish to obtain information about the Company from time to time and the Company will communicate this information regularly to Shareholders and other stakeholders through a range of forums and publications.

All ASX announcements made to the market, including annual and half year financial results, will be posted on the Company's website at www.speedcast.com as soon as they have been released by the ASX. The full text of all notices of meetings and explanatory material, the Company's Annual Report and copies of all investor presentations made to analysts and media briefings will be posted on the Company's website. The website will also contain a facility for the Shareholders to direct queries to the Company, and to elect to receive communications from the Company via email.

SECTION 6
DETAILS OF THE OFFER

6. DETAILS OF THE OFFER

6.1 Introduction

This Prospectus relates to an initial public offering of 76.5 million Shares at an Offer Price of A$1.96 per Share. The Shares offered under this Prospectus will represent approximately 63.7% of the Shares at Completion of the Offer. The Offer is expected to raise approximately A$150.0 million (comprising A$51.6 million from the issue of Shares by the Company and A$98.4 million from the sale of Shares by SaleCo).

There will be 120.2 million Shares on issue on Completion of the Offer and all Shares will, once issued, rank equally with each other. A summary of the rights attaching to the Shares is set out in Section 6.9.2.

The Offer is made on the terms and conditions set out in this Prospectus.

6.1.1 Structure of the Offer

The Offer comprises the:

- Broker Firm Offer, which is only open to Australian resident investors who have received an invitation to participate from their Broker; and
- Institutional Offer, which consists of an invitation to certain Institutional Investors in Australia and a number of other eligible jurisdictions to apply for Shares.

No general public offer of Shares will be made under the Offer.

Details of the Broker Firm Offer and the allocation policy under it are described in Section 6.3.4. Details of the Institutional Offer and the allocation policy under it are described in Section 6.5.2. The allocation of Shares between the Broker Firm Offer and the Institutional Offer was determined by the Lead Manager in consultation with the Company, having regard to the allocation policies outlined in Sections 6.3.4 and 6.5.2.

The Offer has been fully underwritten by the Lead Manager, UBS AG, Australia Branch. A summary of the Underwriting Agreement, including the events which would entitle the Lead Manager to terminate the Underwriting Agreement, is set out in Section 8.10.

6.1.2 Purpose of the Offer and use of proceeds

The purpose of the Offer is to provide the Company with:

- a liquid market for its Shares and broaden the Company's shareholder base;
- funds to partly repay SpeedCast's Existing Banking Facilities;
- additional financial flexibility and access to capital markets to pursue the growth opportunities outlined in Section 2.8;
- added benefits of an increased brand profile that arises from being a listed entity; and
- ability to better attract and retain quality staff.

The Offer also provides certain Existing Shareholders with an opportunity to realise part of their investment in SpeedCast.

The Offer is expected to raise gross proceeds of US$141.5 million.[36] Assuming Completion of the Offer occurs on 14 August 2014, this amount, together with drawn debt of US$45.7 million post Completion of the Offer and US$6.9 million of existing cash in the balance sheet (as illustrated in sources of funds in Figure 54) will be applied as follows:

- US$92.9 million will be paid to SaleCo to be distributed to Existing Shareholders as part of the consideration for the sale of their Shares under the SaleCo deeds (as described in Section 8.5);
- US$80.0 million will be used to fund repayment of SpeedCast's Existing Banking Facilities;
- US$5.6 million will be used to fund acquisition related payments related to the deferred consideration of US$5.0 million payable in September 2014 in relation to Pactel which was acquired in May 2013 and US$0.3 million in relation to each of SatComms and Oceanic payable in August and September 2014 respectively;
- US$10.7 million will be used to pay the costs of the Offer; and
- US$5.0 million will be retained by the Company.

36. Gross proceeds of the Offer in United States dollars is calculated as the gross proceeds of the Offer in Australian dollars and multiplied by an exchange rate of A$1:US$0.9432.

Figure 54. Sources and uses of funds

Sources of funds	US$ million	%
Offer proceeds received by SaleCo from the sale of Shares	92.9	47.8
Offer proceeds received by the Company from the issue of Shares	48.6	25.1
Cash proceeds from New Banking Facilities	45.7	23.5
Cash balance prior to the Offer	6.9	3.6
Total sources of funds	**194.1**	**100.0**

Uses of funds	US$ million	%
Payment of proceeds to SaleCo[37]	92.9	47.8
Payment of costs of the Offer	10.7	5.5
Repayment of SpeedCast's Existing Banking Facilities	80.0	41.2
Acquisition related payments[38]	5.6	2.9
Cash balance post Completion of the Offer	5.0	2.6
Total uses of funds	**194.1**	**100.0**

6.1.3 Shareholding structure

The Company expects its key Shareholders will have the approximate shareholdings immediately prior to, and following Completion of the Offer outlined in Figure 55 below.

Figure 55. Shareholding structure

	Ownership of the Company after the Restructure and prior to Completion of the Offer	Ownership of the Company following Completion of the Offer	
	%	Shares (million)	%
TA Associates Funds	81.6	29.5	24.6
Pierre-Jean Beylier	9.7	7.1	5.9
Other Management Shareholders	7.6	6.0	5.0
Directors	1.1	1.0	0.9
Shares to be issued under the Offer	n/a	76.5	63.7
Total	**100.0**	**120.2**	**100.0**

Information on the number of Shares to be held on Completion of the Offer that will be subject to escrow arrangements, and details of those escrow arrangements are set out in Section 8.12.

The Company has also agreed to issue Restricted Management Rights to certain employees of SpeedCast. On vesting of the Restricted Management Rights, which will occur over a period of approximately four years from the date of Completion of the Offer, approximately 1.1 million Shares will be issued, representing approximately 0.9% of the issued share capital of the Company on Completion of the Offer.

6.1.4 Control implications of the Offer

The Directors do not expect that any single Shareholder will control the Company on Completion of the Offer. However, by virtue of their aggregate 24.6% Shareholding on Completion of the Offer, the TA Associates Funds will be in a position to exercise significant influence over all matters that require approval by Shareholders, including the election and removal of Directors and approval of significant corporate transactions (unless prevented by voting under the Corporations Act or the ASX Listing Rules).

37. SaleCo is a special purpose vehicle established to enable the sale of Shares by Existing Shareholders. Proceeds will be distributed to Existing Shareholders as part of the consideration for the sale of their Shares under the SaleCo deed (as described in 8.5).

38. US$5.0 million payable in September 2014 in relation to Pactel which was acquired in May 2013 and US$0.3 million in relation to each of SatComms and Oceanic payable in August and September 2014 respectively.

6.1.5 Potential effect of the fundraising on the future of the Company

The Directors believe that, following Completion of the Offer, the Company will have sufficient working capital to carry out its stated business objectives.

6.2 Terms and conditions of the Offer

Topic	Summary
What is the type of security being offered?	Shares (being fully paid ordinary shares in the capital of the Company).
What are the rights and liabilities attached to the security being offered?	A description of the Shares, including the rights and liabilities attaching to them, is set out in Section 6.9.2.
What is the consideration payable for each security being offered?	Successful Applicants under the Offer will pay the Offer Price, being A$1.96 per Share.
What is the Broker Firm period?	The Broker Firm Offer opens at 9.00am (AEST) on 4 August 2014. The Broker Firm Offer closes at 5.00pm (AEST) on 8 August 2014. The key dates, including details of the Broker Firm Offer Period, are set out in the Important Dates section of this Prospectus. This timetable is indicative only and may change. Unless otherwise indicated, all times are stated in AEST. The Company, in agreement with the Lead Manager, reserves the right to vary both of the above times and dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer before the issue of Shares). If the Offer is cancelled or withdrawn before the allocation of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.
What are the cash proceeds to be raised?	Approximately A$150.0 million will be raised under the Institutional Offer and the Broker Firm Offer.
Is the Offer underwritten?	Yes. The Lead Manager has fully underwritten the Offer pursuant to the Underwriting Agreement. Details are provided in Section 8.10.
What is the minimum and maximum Application size under the Broker Firm Offer?	The minimum Application under the Broker Firm Offer is as directed by the Applicant's Broker. The Lead Manager, together with the Company and SaleCo, reserves the right to reject any Application or to allocate a lesser number of Shares than that applied for.

Topic	Summary
What is the allocation policy?	The allocation of Shares between the Broker Firm Offer and the Institutional Offer is determined by the Lead Manager, in consultation with the Company and SaleCo, having regard to the allocation policy outlined in Sections 6.3.4 and 6.5.2. For Broker Firm Offer participants, the relevant Broker will decide as to how they allocate Shares among their clients. The Lead Manager, in consultation with the Company and SaleCo, has absolute discretion regarding the allocation of Shares to Applicants under the Offer (other than to certain Institutional Investor Applicants) and may reject an Application, or allocate a lesser number of Shares than applied for. The Lead Manager, in consultation with the Company and SaleCo, also reserves the right to aggregate any Applications that they believe may be multiple Applications from the same person. The Company expects to announce the final allocation policy under the Broker Firm Offer on or about 12 August 2014. For further information on the Broker Firm Offer, see Section 6.3. For further information on the Institutional Offer, see Section 6.5.
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched by standard post on 15 August 2014.
Will the Shares be listed?	The Company has applied to the ASX for admission to the Official List of ASX and quotation of Shares on the ASX, which will be under the code SDA. Completion of the Offer is conditional on the ASX approving this application and on completion of the Restructure. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. The ASX and its officers take no responsibility for this Prospectus or the investment to which it relates. The fact that the ASX may admit the Company to the official list is not to be taken as an indication of the merits of the Company or the Shares offered for subscription.
When are the Shares expected to commence trading?	It is expected that trading of the Shares on the ASX will commence on or around 12 August 2014, initially on a conditional and deferred settlement basis. This will be before the condition for the commencement of unconditional trading will have been satisfied, being completion of the Restructure. The contracts formed on acceptance of Applications and confirmations of allocations will be conditional on the ASX agreeing to quote the Shares on the ASX, and on the Restructure occurring. Following completion of the Restructure, trading will be on an unconditional but deferred settlement basis until the Company has advised the ASX that holding statements have been dispatched to Shareholders. It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk. The Company, SaleCo and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial holding statement, whether on the basis of a confirmation of allocation provided by any of them, by the SpeedCast Offer Information Line, by a Broker or otherwise.

Topic	Summary
What is conditional and deferred settlement trading?	It is expected that trading of the Shares on the ASX (on a conditional and deferred settlement basis) will commence on or about 12 August 2014. It is expected that the Restructure will complete on 14 August 2014. The period of conditional and deferred settlement trading allows for Shares to trade on the ASX prior to (and including) this date. In the event the Restructure does not complete by the end of the conditional and deferred settlement trading period, the Offer will not complete and all trades conducted during the conditional and deferred settlement trading period will be invalid and will not settle. All Application Monies received will be returned to Applicants. No interest will be paid on any Application Monies refunded as a result of the Offer not completing. Trading on the ASX is expected to commence on a normal settlement basis on or about 18 August 2014.
Are there any voluntary escrow arrangements?	Yes. Details are provided in Section 8.12.
Has an ASIC relief or ASX waiver been sought?	Yes. Details are provided in Section 8.20.
Are there any tax considerations?	Refer to Section 8.15.
Is there any brokerage, commission or stamp duty payable?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer. See Sections 8.10.1 and 8.16.1 for details of various fees payable by the Company to the Lead Manager and by the Lead Manager to certain Brokers.
What should I do with any enquiries?	All enquiries in relation to this Prospectus should be directed to the SpeedCast Offer Information Line on 1800 129 431 (toll free within Australia) or +61 1800 129 431 (outside Australia) between 8.30am and 5.30pm (AEST), Monday to Friday, during the Broker Firm Offer Period. All enquiries in relation to the Broker Firm Offer should be directed to your Broker. If you are unclear in relation to any matter or are uncertain as to whether Shares are a suitable investment for you, you should seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest.

6.3 The Broker Firm Offer

6.3.1 Who may apply

The Broker Firm Offer is open to persons who have received an invitation to participate in the Offer from their Broker and who have a registered address in Australia. If you have been invited to participate by your Broker, you will be treated as a Broker Firm Offer Applicant. You should contact your Broker to determine whether you can receive an allocation of Shares from them under the Broker Firm Offer.

6.3.2 How to apply

If you are an investor applying under the Broker Firm Offer, you should complete and lodge your Broker Firm Offer Application Form with the Broker who invited you to participate in the Offer. Broker Firm Offer Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Application Form. Applications for Shares may only be made on an Application Form attached to or accompanying this Prospectus in its paper copy form or in its electronic form, which may be downloaded in its entirety from www.speedcast.com/shareoffer.

By making an Application, you declare that you were given access to this Prospectus (and any supplementary or replacement prospectus), together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The minimum Application under the Broker Firm Offer is as directed by the Applicant's Broker. There is no maximum value of Shares that may be applied for under the Broker Firm Offer. The Company may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer application procedures or requirements, in its discretion in compliance with applicable laws.

The Company, SaleCo, the Lead Manager and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application.

The Broker Firm Offer opens at 9.00am (AEST) on 4 August 2014 and is expected to close at 5.00pm (AEST) on 8 August 2014. The Company, SaleCo and the Lead Manager may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late Applications either generally or in particular cases. The Offer or any part of it may be closed at any earlier time and date, without further notice (subject to the ASX Listing Rules and the Corporations Act). Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their Applications as early as possible. Please contact your Broker for instructions.

6.3.3 How to pay

Applicants under the Broker Firm Offer must pay their Application Monies in accordance with instructions provided by their Broker.

6.3.4 Allocation policy under the Broker Firm Offer

The allocation of Shares to Brokers will be determined by the Lead Manager, in consultation with the Company. Shares that have been allocated to Brokers for allocation to their Australian resident clients will be issued or transferred to Successful Applicants. It will be a matter for each Broker as to how they allocate Shares among their clients, and they (and not the Company, SaleCo or the Lead Manager) will be responsible for ensuring that their clients who have received a firm allocation from them, receive the relevant Shares.

6.3.5 Acceptance of Applications

An Application in the Broker Firm Offer is an offer by the Applicant to the Company and SaleCo to apply for the amount of Shares specified in the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement document) and the Application Form (including the conditions regarding quotation on the ASX in Section 6.8.1). To the extent permitted by law, an Application by an Applicant is irrevocable.

An Application may be accepted in respect of the full amount, or any amount lower than that specified in the Application Form, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on the issue of Shares to Successful Applicants.

The Lead Manager, in agreement with the Company, reserves the right to reject any Application which is not correctly completed or which is submitted by a person who they believe is ineligible to participate in the Broker Firm Offer, or to waive or correct any errors made by an Applicant in completing their Application.

6.3.6 Application Monies

The Company reserves the right to decline any Application in whole or in part, without giving any reason. Applicants under the Broker Firm Offer whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund (without interest) of all or part of their Application Monies, as applicable. No refunds pursuant solely to rounding will be provided. Interest will not be paid on any monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by the Company.

Applicants whose Applications are accepted in full will receive the whole number of Shares calculated by dividing the Application amount by the Offer Price. Where the Offer Price does not divide evenly into the Application amount, the number of Shares to be allocated will be determined by the Applicant's Broker.

Cheque(s) or bank draft(s) must be in Australian dollars and drawn on an Australian branch of an Australian financial institution, must be crossed "Not Negotiable" and must be made payable in accordance with the directions of the Broker from whom the Applicant received a firm allocation.

Applicants should ensure that sufficient funds are held in the relevant account(s) to cover the amount of the cheque(s) or bank draft(s). If the amount of your cheque(s) or bank draft(s) for Application Monies (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is less than the amount specified on your Application Form, you may be taken to have applied for such lower dollar amount of Shares as the number for which your cleared Application Monies will pay (and to have specified that amount on your Application Form) or your Application may be rejected.

6.4 Announcement of the final allocation policy under the Broker Firm Offer

The Company expects to announce the final allocation policy under the Broker Firm Offer on or about 12 August 2014.

Applicants under the Broker Firm Offer will be able to call the SpeedCast Offer Information Line on 1800 129 431 (toll free within Australia) or +61 1800 129 431 (outside Australia) between 8.30am and 5.30pm (AEST), Monday to Friday, after the final allocation policy is announced to confirm their allocations. Applicants under the Broker Firm Offer will also be able to confirm their allocation through their Broker.

However, if you sell Shares before receiving a holding statement, you do so at your own risk, even if you obtained details of your holding from the Company or confirmed your allocation through your Broker.

6.5 Institutional Offer

6.5.1 Invitations to bid

The Institutional Offer consists of an invitation to certain Institutional Investors in Australia and a number of other eligible jurisdictions to apply for Shares. The Lead Manager separately advises Institutional Investors of the application procedures for the Institutional Offer.

6.5.2 Allocation policy under the Institutional Offer

The allocation of Shares among Applicants between the Institutional Offer and the Broker Firm Offer is determined by the Lead Manager in consultation with the Company. The Lead Manager and the Company have absolute discretion regarding the basis of allocation of Shares among Institutional Investors.

Participants in the Institutional Offer are advised of their allocation of Shares, if any, by the Lead Manager. The allocation policy is influenced by a number of factors including:

- number of Shares bid for by particular bidders;
- the timeliness of the bid by particular bidders;
- the Company's desire for an informed and active trading market following Listing on ASX;
- the Company's desire to establish a broad spread of institutional Investors;
- overall level of demand under the Broker Firm Offer and Institutional Offer;
- the size and type of funds under management of particular bidders;
- the likelihood that particular bidders will be long-term Shareholders; and
- any other factors that the Company and the Lead Manager considered appropriate.

6.6 Discretion regarding the Offer

The Company and SaleCo may withdraw the Offer at any time before the issue of Shares to Successful Applicants. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest) in accordance with the requirements of the Corporations Act.

The Company, SaleCo and the Lead Manager also reserve the right (subject to the ASX Listing Rules and the Corporations Act) to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Shares than the amount applied or bid for. Applications received under the Offer are irrevocable and may not be varied or withdrawn except as required by law.

6.7 Restrictions on distribution

No action has been taken to register or qualify this Prospectus, the Shares or the Offer or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia.

This Prospectus does not constitute an offer or invitation to subscribe for Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue or transfer under this Prospectus.

This Prospectus may not be released or distributed in the United States or elsewhere outside Australia, unless it has attached to it the selling restrictions applicable in the jurisdictions outside Australia, and may only be distributed to persons to whom the Institutional Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

The Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged or transferred directly or indirectly, in the United States except in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act laws and any other applicable laws.

Each Applicant will be taken to have represented, warranted and agreed as follows:

- it understands that the Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered, sold or resold in the United States, except in a transaction exempt from, or not subject to, registration under the U.S. Securities Act and any other applicable securities laws;
- it is not in the United States;
- it has not and will not send this Prospectus or any other material relating to the Offer to any person in the United States; and
- it will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration under the U.S. Securities Act and in compliance with all applicable laws in the jurisdiction in which the Shares are offered and sold.

Each Applicant under the Institutional Offer will be required to make certain representations, warranties and covenants set out in the confirmation of allocation letter distributed to it.

6.8 ASX listing, registers and conditional and deferred settlement trading

6.8.1 Application to the ASX for listing of the Company and quotation of Shares

The Company has applied to the ASX for admission to the official list of the ASX. The Company's ASX code will be SDA.

The ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that the ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares offered for subscription.

If permission is not granted for the official quotation of the Shares on the ASX within three months after the Prospectus Date (or any later date permitted by law), all Application Monies received by SpeedCast will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

The Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time.

6.8.2 CHESS and issuer sponsored holdings

The Company has applied to participate in the ASX's Clearing House Electronic Subregister System (**CHESS**) and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in an electronic form.

When the Shares become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two subregisters, an electronic CHESS subregister or an issuer sponsored subregister. For all Successful Applicants, the Shares of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS subregister. All other Shares will be registered on the issuer sponsored subregister.

Following Completion of the Offer, Shareholders will be sent a holding statement that sets out the number of Shares that have been issued or transferred to them. This statement will also provide details of a Shareholder's Holder Identification Number (**HIN**) for CHESS holders or, where applicable, the Securityholder Reference Number (**SRN**) of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their shareholding. Share certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS subregister or through the Share Registry in the case of a holding on the issuer sponsored subregister. The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

6.8.3 Conditional and deferred settlement trading and selling Shares on market

It is expected that trading of the Shares on the ASX on a conditional and deferred settlement basis will commence on or about 12 August 2014.

If the Offer is withdrawn before Shares have commenced trading on an unconditional basis, all contracts for the sale of the Shares on the ASX will be cancelled and any Application Monies received will be refunded as soon as possible. Conditional and deferred settlement trading will continue until the Company has advised the ASX that the Restructure has completed, which is expected to be on or about 14 August 2014. If completion of the Restructure has not occurred by the end of the conditional and deferred settlement trading period, the Offer will not complete and all trades conducted during the conditional and deferred settlement trading period will be invalid and will not settle. All Application Monies received will be refunded to Applicants. No interest will be paid on any Application Monies refunded as a result of the Offer not completing.

Following completion of the Restructure, trading on the ASX will be on an unconditional but deferred settlement basis until the Company has advised the ASX that initial holding statements have been dispatched to Shareholders. Trading on the ASX is expected to commence on a normal settlement basis (that is, on a T+3 basis) on or about 18 August 2014.

Following the issue of Shares, successful Applicants will receive a holding statement setting out the number of Shares issued or transferred to them under the Offer. It is expected that holding statements will be dispatched by standard post on or about 15 August 2014.

It is the responsibility of each person who trades in Shares to confirm their holding before trading in Shares. If Shares are sold before receiving a holding statement, Successful Applicants do so at their own risk. The Company, SaleCo, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, if a Shareholder sells Shares before receiving a holding statement, even if the Shareholder obtained details of their holding from the SpeedCast Offer Information Line or confirmed their firm allocation through a Broker.

6.9 Summary of rights and liabilities attaching to Shares and other material provisions of the Constitution

6.9.1 Introduction

The rights and liabilities attaching to ownership of Shares arise from a combination of the Company's Constitution, legislation, the ASX Listing Rules and general law.

A summary of the significant rights attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that the Company is admitted to the official list of the ASX.

6.9.2 Rights attaching to Shares

The rights attaching to the Shares are set out in the Constitution and are, in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and the general law.

The principal rights, liabilities and obligations of the Shareholders are summarised below.

6.9.2.1 Voting

At a general meeting, every Shareholder present in person or by proxy, attorney or representative has one vote on a show of hands (unless a Shareholder has appointed more than one proxy, attorney or representative, in which case neither may vote on a show of hands) and one vote on a poll for each Share held (with adjusted voting rights for partly paid shares). The chairperson of the meeting has no casting vote.

6.9.2.2 Dividends

The Board may pay any interim and final dividends that, in its judgement, the financial position of the Company justifies. The Board may also pay any dividend required to be paid under the terms of issue of a Share, and fix a record date for a dividend and the timing and method of payment.

6.9.2.3 Issue of further Shares

The Board may (subject to the Constitution, the ASX Listing Rules and the Corporations Act) issue, allot or grant options for, or otherwise dispose of, Shares in the Company on such terms as the Board decides.

6.9.2.4 Variation of class rights

The procedure set out in the Constitution must be followed for any variation of rights attached to the Shares. Under that section, the rights attached to a class of Shares may be varied with the:

- consent in writing of the holders of at least 75% of the issued Shares in the particular class; or
- by special resolution passed at a separate meeting of the holders of Shares in that class,

the rights attached to a class of Shares may be varied or cancelled.

6.9.2.5 Transfer of Shares

Subject to the Constitution and to any restrictions attached to a Shareholder's Shares, Shares may be transferred in accordance with the ASX Settlement Operating Rules, any other ASX requirements and the Corporations Act or via a written transfer in any usual form or in any other form approved by the Board and permitted by the relevant laws and ASX requirements.

The Board may decline to register a transfer of Shares or apply a holding lock to prevent a transfer in accordance with the Corporations Act and ASX Listing Rules.

6.9.2.6 General meeting and notices

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, Corporations Act and ASX Listing Rules.

The Company must give at least 28 days' written notice of a general meeting.

6.9.2.7 Winding up

Subject to the Constitution, the Corporations Act and any preferential rights attaching to any Shares or classes of Shares, Shareholders will be entitled on a winding up to a share in any surplus assets of the Company in proportion to the Shares held by them. If the Company is wound up, the liquidator may with the sanction of a special resolution, divide the whole or part of the Company's property among Shareholders and decide how the division is to be carried out as between Shareholders or different classes of Shareholders.

6.9.2.8 Non-marketable parcels

In accordance with the ASX Listing Rules, the Board may sell Shares which constitute less than a marketable parcel by following the procedures set out in the Constitution.

6.9.2.9 Proportional takeover provisions

The Constitution requires Shareholder approval in relation to any proportional takeover bid. These provisions will cease to have effect unless they are renewed by Shareholders passing a special resolution by the third anniversary of either the date that those rules were adopted or the date those rules were last renewed.

6.9.2.10 Directors – appointment and removal

Under the Constitution, the Board is comprised of a minimum of three Directors and a maximum of ten, unless the Shareholders pass a resolution varying that number at a general meeting. Directors are elected or re-elected at general meetings of the Company.

No Director (excluding any Managing Director) may hold office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected. The Board may also appoint a Director in addition to the existing Directors or to fill a casual vacancy on the Board, and that Director (apart from the Managing Director) will then hold office until the conclusion of the next annual general meeting of the Company.

6.9.2.11 Directors – voting

Questions arising at a meeting of the Board must be decided by a majority of votes cast by the Directors present at the meeting and entitled to vote on the matter. The chairperson of a meeting of the Board does not have a casting vote.

6.9.2.12 Directors – remuneration

Under the Constitution, the Board may decide the remuneration from the Company to which each Director is entitled for his or her services as a Director. However, the total amount provided to all Non-executive Directors for their services as Directors must not exceed in aggregate in any financial year the amount fixed by the Company in general meeting. The remuneration of a Director (who is not a Managing Director or an Executive Director) must not include a commission on, or a percentage of, profits or operating revenue.

Directors may be paid for travel and other expenses incurred in attending to the Company's affairs, including attending and returning from meetings of the Board or committees of the Board or general meetings. Any Director who devotes special attention to the business of the Company or who performs services which, in the opinion of the Board, are outside the scope of ordinary duties of a Director, may be remunerated for the services (as determined by the Board) out of the funds of the Company.

Directors' remuneration is discussed in Section 5.3.3.

6.9.2.13 Powers and duties of Directors

The business and affairs of the Company are to be managed by or under the direction of the Board, which (in addition to the powers and authorities conferred on it by the Constitution) may exercise all powers and do all things that are within the Company's power (that are not required by law or by the Constitution to be exercised by the Company in general meeting).

6.9.2.14 Preference shares

The Company may issue preference shares including preference shares which are, or at the option of the Company or holder are, liable to be redeemed or convertible to ordinary Shares. The rights attaching to preference shares are those set out in the Constitution unless other rights have been approved by special resolution of the Company.

6.9.2.15 Officers' indemnity

The Company, to the extent permitted by law, indemnifies each Director, alternate Director and executive officer of the Company on a full indemnity basis against all losses, liability, costs, charges and expenses incurred by that person as an officer of the Company or one of its related bodies corporate.

The Company, to the extent permitted by law, may purchase and maintain insurance, or pay or agree to pay a premium for insurance for each Director, alternate Director and executive officer of the Company or its related bodies corporate against any liability incurred by that person as an officer of the Company or its related bodies corporate, including a liability for negligence or for reasonable costs and expenses incurred in defending or responding to proceedings (whether civil or criminal and whatever their outcome).

The Company may enter into contracts with a Director or former Director agreeing to provide continuing access to Board papers, books, records and documents of the Company which relate to the period during which the Director or former Director was a Director. The Company may procure that its subsidiaries provide similar access to board papers, books, records or documents.

6.9.2.16 Amendment

The Constitution may be amended only by a special resolution passed by Shareholders.

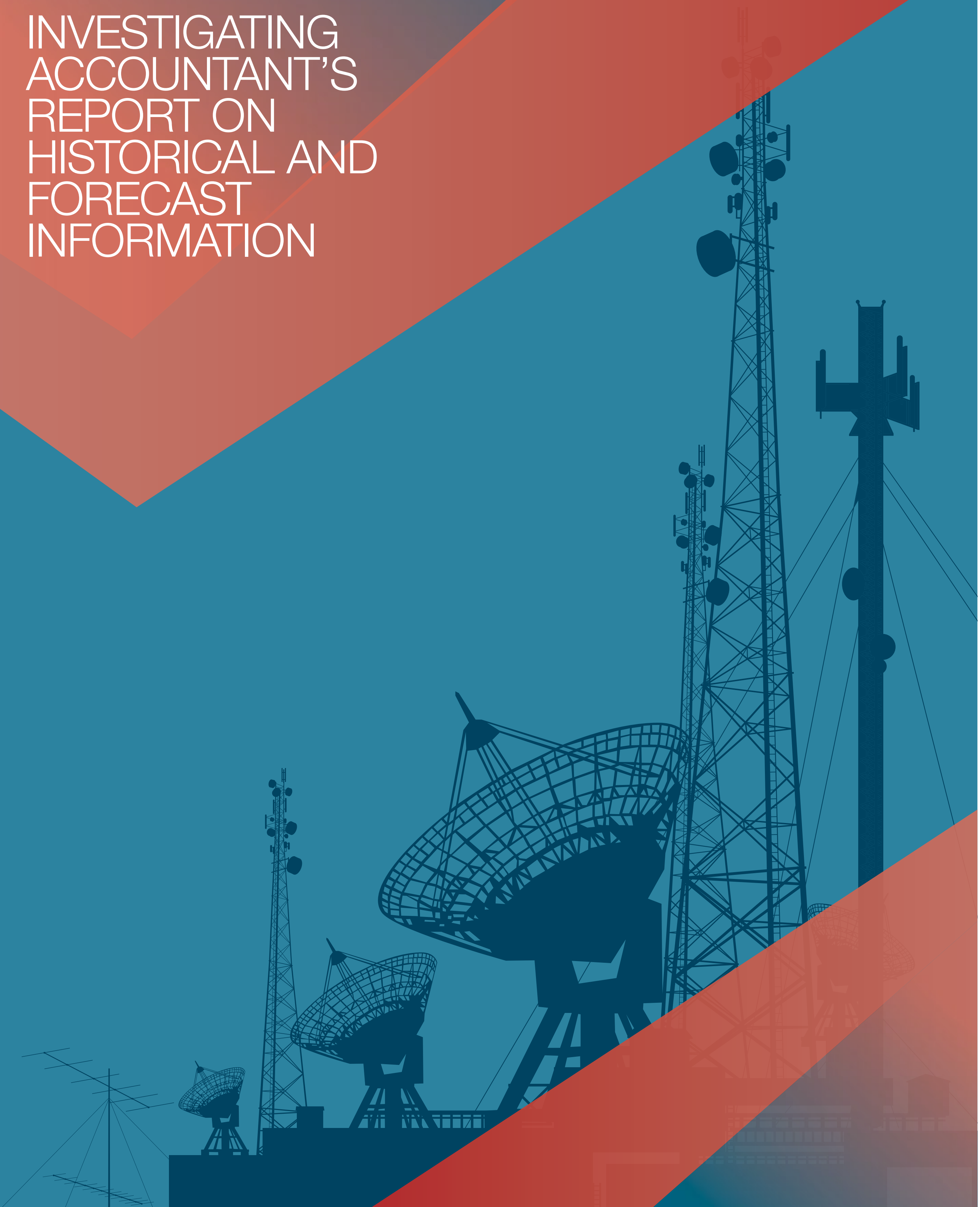
6.9.2.17 Dividend reinvestment plan

The Constitution authorises the Directors, on any terms and at their discretion, to establish a dividend reinvestment plan (under which any member may elect that the dividends payable by SpeedCast be reinvested by a subscription for securities in the Company or a related body corporate).

6.9.3 Share capital

As at the Prospectus Date, the only class of security on issue by the Company are fully paid ordinary Shares.

SECTION 7
INVESTIGATING ACCOUNTANT'S REPORT ON HISTORICAL AND FORECAST INFORMATION



7. INVESTIGATING ACCOUNTANT'S REPORT

SpeedCast International Limited
Level 2, 470 Collins Street
Melbourne VIC 3000

SpeedCast SaleCo Limited
Level 2, 470 Collins Street
Melbourne VIC 3000

5 August 2014

Dear Directors

Investigating Accountant's Report

Independent Limited Assurance Report on SpeedCast International Limited historical and forecast financial information and Financial Services Guide

We have been engaged by SpeedCast International Limited (the Company) and SpeedCast SaleCo Limited to report on:

- the historical pro forma financial information of the Company for the years ended 31 December 2011, 2012 and 2013 ("Pro Forma Historical Financial Information");
- pro forma forecast financial information for the year ending 31 December 2014 and the 12 months ending 30 June 2015 ("Pro Forma Forecast Financial Information");
- historical statutory financial information for the year ended 31 December 2013 ("Statutory Historical Financial Information"); and
- the statutory forecast financial information for the year ended 31 December 2014 ("Statutory Forecast Financial Information");

for inclusion in the Prospectus dated on or about 5 August 2014 and relating to the issue and sale of ordinary shares in the Company.

Expressions and terms defined in the Prospectus have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian financial services licence under the Corporations Act 2001. PricewaterhouseCoopers Securities Ltd, which is wholly owned by PricewaterhouseCoopers holds the appropriate Australian financial services licence under the Corporations Act 2001. This report is both an Investigating Accountant's Report, the scope of which is set out below, and a Financial Services Guide, as attached at Appendix A.

Scope

You have requested PricewaterhouseCoopers Securities Ltd to review the following financial information of the Company included in the Prospectus:

PricewaterhouseCoopers Securities Ltd, ACN 003 311 617, ABN 54 003 311 617, Holder of Australian Financial Services Licence No 244572
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
T +61 2 8266 0000, F +61 2 8266 9999, www.pwc.com.au

pwc

Statutory Historical Financial Information

- consolidated statutory revenue and net profit after tax (NPAT) for the year ended 31 December 2013 (Statutory Historical Results);
- consolidated statutory operating free cash flow after capital expenditure for the year ended 31 December 2013 (Statutory Historical Cash Flows); and
- consolidated statutory historical balance sheet as at 31 December 2013 (Statutory Historical Balance Sheet)

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies. The historical financial information has been extracted from the financial report of SpeedCast Acquisitions Limited for the year ended 31 December 2013, which was audited by PricewaterhouseCoopers Hong Kong in accordance with International Standards on Auditing. PricewaterhouseCoopers Hong Kong issued an unmodified audit opinion on the financial report. The historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

Pro Forma Historical Financial Information

- pro forma consolidated historical balance sheet as at 31 December 2013;
- pro forma consolidated historical income statements for the years ended 31 December 2011, 31 December 2012 and 31 December 2013; and
- pro forma consolidated historical cash flow statements for the years ended 31 December 2011, 31 December 2012 and 31 December 2013

The pro forma historical financial information has been derived from the historical financial information of SpeedCast Acquisitions Limited, after adjusting for the effects of pro forma adjustments described in Sections 3.3.2, 3.4 and 3.5.2 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Sections 3.3.2, 3.4 and 3.5.2 of the Prospectus, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the Company's actual or prospective financial position, financial performance, and/or cash flows.

Statutory Forecast Financial Information

The statutory consolidated forecast income statement and statutory consolidated forecast cash flow statement of the Company for the year ending 31 December 2014, as described in Sections 3.3.1 and 3.5.1 of the Prospectus. The directors' best-estimate assumptions underlying the Forecast are described in Sections 3.7.1 and 3.7.2 of the Prospectus. The stated basis of preparation used in the preparation of the Statutory Forecast Financial Information being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies;

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Pro Forma Forecast Financial Information

The pro forma consolidated forecast income statements and pro forma consolidated cash flow statements of the Company for the year ending 31 December 2014 and twelve months ending 30 June 2015, described in Section 3.3.1 and 3.5.1 of the Prospectus. The Pro Forma Forecast Financial Information has been derived from the Company's Statutory Forecast Financial Information, after adjusting for the effects of the pro forma adjustments described in Sections 3.3.2 and 3.5.2 of the Prospectus. The stated basis of preparation used in the preparation of the Pro Forma Forecast Financial Information, being the recognition and measurement principles contained in Australian Accounting Standards applied to the forecast and the events or transactions to which the pro forma adjustments relate, as described in Sections 3.3.2 and 3.5.2 of the Prospectus, as if those events or transactions had occurred as at 1 January 2014. Due to its nature, the Pro Forma Forecast Financial Information does not represent the company's actual prospective financial performance, and/or cash flows for the year ending 31 December 2014 or the twelve months ending 30 June 2015.

Directors' responsibility

The directors of the Company are responsible for the preparation of the Statutory Historical Financial Information and the Pro Forma Historical Financial Information, including its basis of preparation and the selection and determination of pro forma adjustments made to the Statutory Historical Financial Information and included in the Pro Forma Historical Financial Information. The directors of the Company are also responsible for the preparation of the Statutory Forecast Financial Information, including its basis of preparation and the best-estimate assumptions underlying the Statutory Forecast Financial Information. They are also responsible for the preparation of the Pro Forma Forecast Financial Information, including its basis of preparation and the selection and determination of the pro forma adjustments made to the Statutory Forecast Financial Information and included in the Pro Forma Forecast Financial Information. This includes responsibility for its compliance with applicable laws and regulations and for such internal controls as the directors determine are necessary to enable the preparation of historical financial information, pro forma historical financial information, a forecast and a pro forma forecast that are free from material misstatement.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Statutory Historical Financial Information, the Pro Forma Historical Financial Information, the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information, the best-estimate assumptions underlying the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information, and the reasonableness of the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information themselves, based on our review. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Statutory Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Statutory Historical Financial Information of the Company, as described in Sections 3.3.1, 3.4 and 3.5.1 of the Prospectus, and comprising:

- the consolidated statutory revenue and net profit after tax for the year ended 31 December 2013;
- the consolidated statutory operating free cash flow after capital expenditure for the year ended 31 December 2013; and
- the consolidated statutory historical balance sheet as at 31 December 2013;

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 3.2 of the Prospectus being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information of the Company as described in Sections 3.3.1, 3.4 and 3.5.1 of the Prospectus, and comprising:

- the pro forma consolidated historical income statements for the years ended 31 December 2011, 31 December 2012 and 31 December 2013;
- the pro forma consolidated historical cash flow statements for the years ended 31 December 2011, 31 December 2012 and 31 December 2013; and
- the pro forma consolidated historical balance sheet as at 31 December 2013;

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 3.2 of the Prospectus being the recognition and measurement principles contained in Australian Accounting Standards and the Company adopted accounting policies applied to the Statutory Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in Sections 3.3.2 and 3.5.2 of the Prospectus, as if those events or transactions had occurred as at the date of the Pro Forma Historical Financial Information.

Statutory Forecast Financial Information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that:

- the directors' best-estimate assumptions used in the preparation of the statutory consolidated forecast income statements and statutory consolidated forecast cash flow statement of the Company for the year ending 31 December 2014 do not provide reasonable grounds for the Statutory Forecast Financial Information; and
- in all material respects, the Statutory Forecast Financial Information:

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- is not prepared on the basis of the directors' best-estimate assumptions as described in Sections 3.7.1 and 3.7.2 of the Prospectus; and
- is not presented fairly in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the entity's adopted accounting policies; and

- the Statutory Forecast Financial Information itself is unreasonable.

Pro Forma Forecast Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

- the directors' best-estimate assumptions used in the preparation of the pro forma consolidated forecast income statements and pro forma consolidated forecast cash flow statements of the Company for the year ending 31 December 2014 and the twelve months ending 30 June 2015 do not provide reasonable grounds for the Pro Forma Forecast Financial Information; and
- in all material respects, the Pro Forma Forecast Financial Information:

  - is not prepared on the basis of the directors' best-estimate assumptions, as described in Section 3.7.1 and 3.7.2 of the Prospectus; and
  - is not presented fairly in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies, applied to the Statutory Forecast Financial Information and the pro forma adjustments as if those adjustments had occurred as at the date of the forecast; and

- the Pro Forma Forecast Financial Information itself is unreasonable.

Statutory Forecast Financial Information and Pro Forma Forecast Financial Information

The Statutory Forecast Financial Information and Pro Forma Forecast Financial Information have been prepared by management and adopted by the directors in order to provide prospective investors with a guide to the potential financial performance of the Company for the year ending 31 December 2014 and the twelve months ending 30 June 2015. There is a considerable degree of subjective judgment involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information since anticipated events or transactions frequently do not occur as expected and the variation may be material. The directors' best-estimate assumptions on which the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information are based relate to future events and/or transactions that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of the Company. Evidence may be available to support the directors' best-estimate assumptions on which the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information are based however such evidence is generally future-oriented and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly,

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provide a lesser level of assurance on the reasonableness of the directors' best-estimate assumptions. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in the Company, which are detailed in the Prospectus, and the inherent uncertainty relating to the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information. Accordingly, prospective investors should have regard to the investment risks and sensitivities as described in Section 4 of the Prospectus. The sensitivity analysis described in Section 3.9 of the Prospectus demonstrates the impact on the Pro Forma Forecast Financial Information of changes in key best-estimate assumptions. We express no opinion as to whether the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information will be achieved.

The Statutory Forecast Financial Information and Pro Forma Forecast Financial Information have been prepared by the directors for the purpose of inclusion in Prospectus to provide prospective investors with a guide to the potential financial performance of the Company for the year ending 31 December 2014 and the twelve months ending 30 June 2015. We disclaim any assumption of responsibility for any reliance on this report, or on the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of management of the Company, that all material information concerning the prospects and proposed operations of the Company has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Restriction on Use

Without modifying our conclusions, we draw attention to Section 3.2.2 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Consent

PricewaterhouseCoopers Securities Ltd has consented to the inclusion of this assurance report in the public document in the form and context in which it is included.

Liability

The liability of PricewaterhouseCoopers Securities Ltd is limited to the inclusion of this report in the Prospectus. PricewaterhouseCoopers Securities Ltd makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from the Prospectus.

Independence or Disclosure of Interest

PricewaterhouseCoopers Securities Ltd does not have any interest in the outcome of this transaction other than the preparation of this report and participation in due diligence procedures for which normal professional fees will be received.

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Financial Services Guide

We have included our Financial Services Guide as Appendix A to our report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our report.

Yours faithfully

Andrew J Parker
Authorised Representative of
PricewaterhouseCoopers Securities Ltd

Appendix A – Financial Services Guide

PRICEWATERHOUSECOOPERS SECURITIES LTD

FINANCIAL SERVICES GUIDE

This Financial Services Guide is dated 5 August 2014

1. About us

PricewaterhouseCoopers Securities Ltd (ABN 54 003 311 617, Australian Financial Services Licence no 244572) ("**PwC Securities**") has been engaged by SpeedCast International Limited (the Company or SpeedCast) and SpeedCast SaleCo Limited to provide a report in the form of an Investigating Accountant's Report in relation to the Financial Information (the "Report") for inclusion in the prospectus dated 5 August 2014.

You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

2. This Financial Services Guide

This Financial Services Guide ("**FSG**") is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about PwC Securities generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.

3. Financial services we are licensed to provide

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities, interests in managed investment schemes, derivatives, superannuation products, foreign exchange contracts, insurance products, life products, managed investment schemes, government debentures, stocks or bonds, and deposit products.

4. General financial product advice

The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.

You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

5. Fees, commissions and other benefits we may receive

PwC Securities charges fees to produce reports, including this Report. These fees are negotiated and agreed with the entity who engages PwC Securities to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report our fees are charged on an hourly basis and as at the date of this Report amount to $1,000,000 (excluding disbursements and GST).

Directors or employees of PwC Securities, PricewaterhouseCoopers, or other associated entities, may receive partnership distributions, salary or wages from PricewaterhouseCoopers.

6. Associations with issuers of financial products

PwC Securities and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products. For example, PricewaterhouseCoopers may be the auditor of, or provide financial services to, the issuer of a financial product and PwC Securities may provide financial services to the issuer of a financial product in the ordinary course of its business. PricewaterhouseCoopers is the auditor of the Company.

7. Complaints

If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner. In addition, a copy of our internal complaints handling procedure is available upon request.

If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Financial Ombudsman Service ("**FOS**"), an external complaints resolution service. FOS can be contacted by calling 1300 780 808. You will not be charged for using the FOS service.

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8. Contact Details

PwC Securities can be contacted by sending a letter to the following address:

Andrew J Parker
Authorised Representative of
PricewaterhouseCoopers Securities Ltd
Darling Park, Tower 2
201 Sussex Street
Sydney NSW 2000
GPO Box 2650
Sydney NSW 1171

SECTION 8
ADDITIONAL INFORMATION

8. ADDITIONAL INFORMATION

8.1 Incorporation

The Company was incorporated in Victoria on 14 July 2014 as a public company.

8.2 Company tax status

The Company will be taxed in Australia as a public company.

8.3 The Restructure

The business of SpeedCast is currently conducted by SpeedCast Acquisitions, which as at the Prospectus Date is the parent entity of the SpeedCast group of companies. As at the Prospectus Date, the Existing Shareholders hold securities in SpeedCast Acquisitions (and not SpeedCast International Limited).

In connection with the Offer, SpeedCast will undertake the Restructure, under which SpeedCast International Limited will acquire all of the issued share capital of SpeedCast Acquisitions and in return issue Shares to the securityholders of SpeedCast Acquisitions, in the same proportion as their holdings in SpeedCast Acquisitions. The issue of Restricted Management Rights comprises an additional component of the Restructure.

Completion of the Restructure is subject to Listing. The Restructure is scheduled to take effect on 14 August 2014. If the Restructure does not complete, the Offer will not proceed.

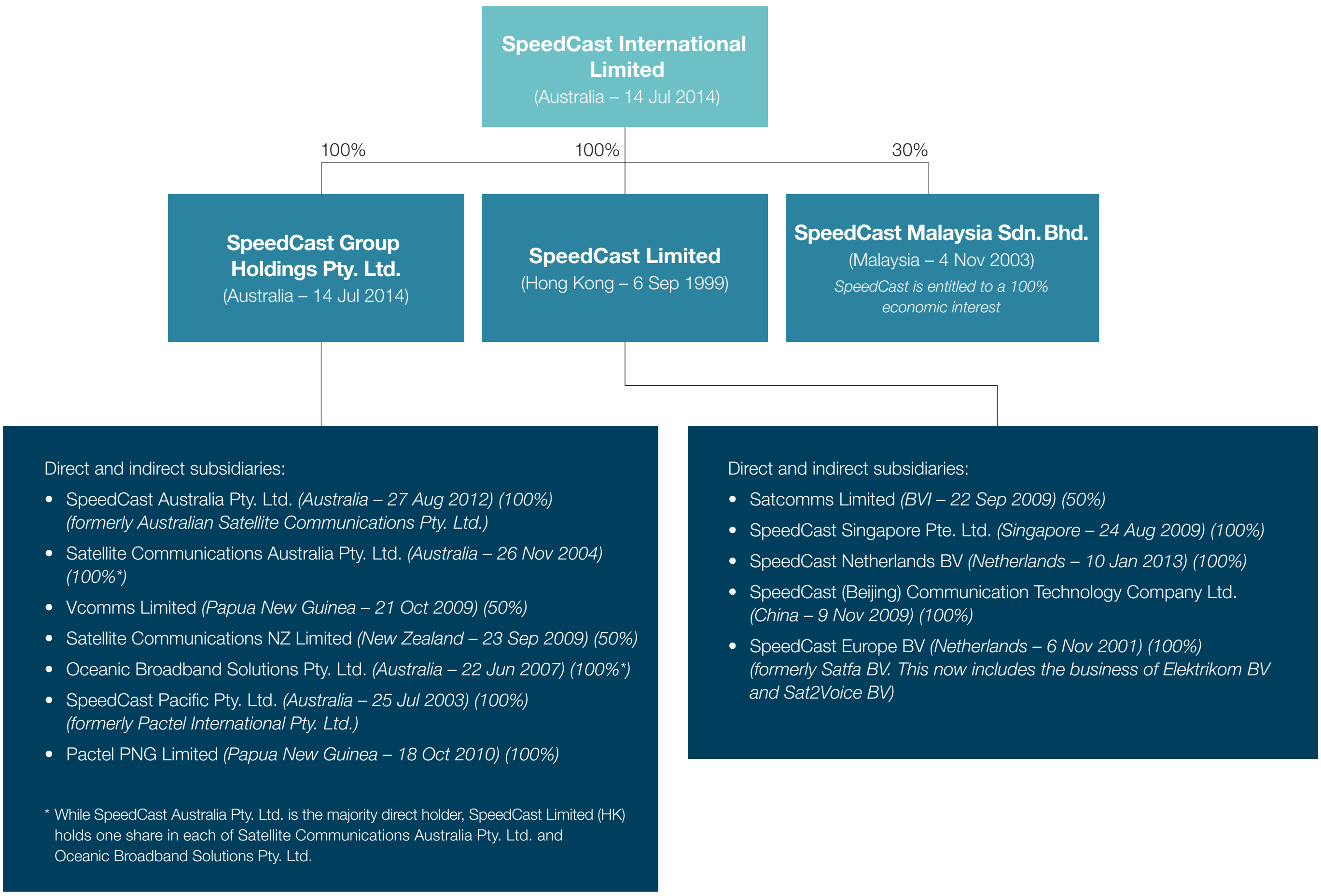
It is proposed that following the Restructure and Completion of the Offer, SpeedCast Acquisitions and its direct subsidiary, SpeedCast Holdings Limited (a Caymans company), will be liquidated with the ownership of their controlled entities transferred to the Company. A number of other steps will also be undertaken shortly after Completion of the Offer to simplify the corporate structure of the SpeedCast group.

The corporate structure of the SpeedCast group after completion of the Restructure and other steps is contained in Section 8.4.

8.4 Corporate structure on completion of the Restructure and other steps

Figure 56 represents the corporate structure of SpeedCast after completion of the Restructure and other steps.

Figure 56. Corporate structure of SpeedCast after completion of the Restructure and other steps



Note that, in the brackets, the country refers to the country of incorporation of the company, the date refers to the date of incorporation, and the percentage in brackets refers to the percentage owned by the SpeedCast group.

8.5 Sale of Shares

SaleCo, a special purpose vehicle, has been established to facilitate the sale of some of the Shares that Selling Shareholders receive under the Restructure.

The Selling Shareholders have executed deeds in favour of, and for the benefit of, SaleCo under which they agree to sell some of the Shares they receive under the Restructure to SaleCo free from encumbrances and third party rights and conditional (among other things) on Listing.

The Shares that SaleCo acquires from the Selling Shareholders will be transferred to Successful Applicants under the Offer at the Offer Price. The price payable by SaleCo for these Shares is the Offer Price. The Company will also issue Shares to Successful Applicants under the Offer.

SaleCo has no material assets, liabilities or operations other than its interest in the deeds described above. The directors of SaleCo are John Mackay, Pierre-Jean Beylier and Michael Malone. The Company has indemnified SaleCo, and the directors of SaleCo, for any loss that SaleCo, or the directors of SaleCo, may incur as a consequence of the Offer.

8.6 Dividend Reinvestment Plan (DRP)

The Board has approved a DRP. The Company will determine when it may be appropriate to activate the DRP. The rules of the DRP are typical of a DRP operated by an ASX-listed company.

Shareholders who elect to participate in the DRP will be able to reinvest the dividends they are entitled to receive in Shares rather than receiving those dividends in cash. Shareholders may choose to participate in the DRP in respect of some or all of their Shares, although the Company may specify a minimum and/or maximum number of Shares that are able to participate.

The Company may choose to enter into underwriting arrangements from time-to-time for the partial or full underwriting of any shortfall in the DRP take-up with respect to a particular dividend. The DRP may be varied, suspended or terminated by the Company at any time, according to the rules of the DRP. Shareholders who are not resident in Australia or New Zealand may not be eligible to participate in the DRP, except where the Company is satisfied that it would be lawful and practicable for them to do so. The Board will determine eligibility to participate in the DRP as it sees fit having regard to the criteria in the DRP rules.

If and when the DRP is activated, a copy of the rules of the DRP will be made available to Shareholders in advance of the record date for the first dividend payable by the Company after the activation of the DRP, and a copy of the rules of the DRP will be made available on SpeedCast's website at www.speedcast.com.

8.7 Key customer contracts

SpeedCast has entered into a number of different forms of contractual agreements with its key customers and the arrangements vary widely. This is a summary only of the typical characteristics of SpeedCast's key customer arrangements, and the arrangements can differ on a number of grounds.

Nature of material customer contracts

SpeedCast has written contracts with most but not all of its key customers. SpeedCast's contracts with its key customers average from between one and five years in length. A number of SpeedCast's key customer contracts are subject to automatic renewal periods unless notice to terminate is given and some of these contracts are currently in "rolling" renewal periods, typically of between one month and one year. These contracts can generally be terminated for convenience at short notice and without penalty, provided that no service orders are current at the time (in which case the contract will continue on foot until expiry of or termination of all service orders under the contract).

SpeedCast's customer contracts are primarily contracts for the provision of satellite bandwidth (and can also include value-added services and ground equipment) with a variety of Australian and foreign customers. Certain of SpeedCast's key customer contracts are "framework" or "master" agreements, under which service orders may be agreed for the provision of bandwidth from time to time. Service order terms average from three months to two years in duration and some service orders are also subject to automatic renewal unless notice is given. Certain other contracts comprise long form agreements for the provision of bandwidth, some of which have been altered or extended through contract variations.

Contracted revenue

SpeedCast's revenue from key customer contracts is generally based on fixed monthly fees for a specified amount of satellite bandwidth or other services, with prices typically set in either service orders or in a long form contract.

Termination

Generally, customers may not terminate their long form agreements or service orders prior to the end of the initial term unless for cause, which generally includes:

- prolonged or repeated service disruption;
- unremedied contractual breach;
- retirement or destruction of the relevant satellite;
- serious misconduct by an employee of SpeedCast;
- insolvency;
- inability or failure of SpeedCast to maintain required licences to provide the service; and
- the occurrence of specified force majeure events for a prolonged period.

Certain customers are permitted to terminate without cause by giving a prescribed period of notice, however most of these customers are required to pay liquidated damages on termination without cause.

Overview of liability regime

SpeedCast's contractual liabilities vary from contract to contract.

Customers typically indemnify SpeedCast against third party claims resulting from the customer's use of the service and from failures on behalf of the customer to hold the requisite licences for using the service.

In certain cases, SpeedCast provides a contractual indemnity in favour of the customer, however customer contracts generally exclude liability on the part of SpeedCast for consequential or indirect loss or damage.

8.8 AsiaSat contractual arrangements

As discussed in Section 4.2.14, SpeedCast has entered into a number of contracts with AsiaSat for the supply of certain satellite capacity and teleport services. The following section summarises key aspects of the contractual arrangements with AsiaSat.

Nature of AsiaSat contracts

SpeedCast has entered into four key agreements with AsiaSat dealing with the provision of the following:

- uplink and downlink services and use of AsiaSat's Tai Po Earth Station (**Teleport Service Agreement**);
- network equipment hosting services at AsiaSat's Tai Po Earth Station (**NOC Agreement**);
- utilisation of a C-band transponder on satellite AsiaSat 4 (**C-band Agreement**); and
- utilisation of a Ku-band transponder on satellite AsiaSat 4 (**Ku-band Agreement**).

The C-band Agreement and the Ku-band Agreement are, collectively, the **Transponder Utilisation Agreements**. A number of additional agreements for the supply of C-band and Ku-band bandwidth have also been entered into with AsiaSat.

The Teleport Service Agreement and the Transponder Utilisation Agreements were entered into on 21 September 2012 and have a term of five years. The NOC Agreement was also entered into on 21 September 2012, however it has a term of three years. The Teleport Service Agreement and the C-band Agreement each provide SpeedCast with an option to renew for a further two years (**Renewal Term**) if certain conditions are met (such as provision of notice to AsiaSat, SpeedCast not being in material breach of the relevant agreement, and in the case of the Teleport Service Agreement the utilisation fees under the Transponder Utilisation Agreements meeting an agreed threshold). The Ku-band Agreement and the NOC Agreement do not provide SpeedCast with an option to renew.

All four key agreements are governed by the laws of Hong Kong.

SpeedCast pays for services under each agreement as follows:

- Teleport Service Agreement – a fixed monthly base rate as well as a variable amount based on the extent of use of the services. The base rate increases in the Renewal Term;
- NOC Agreement – a fixed monthly fee as well as a variable amount based on electricity usage;
- C-band Agreement – a fixed annual fee which increases during the Renewal Term; and
- Ku-band Agreement – a fixed monthly fee which increases in intervals over the life of the contract (however the increase does not apply to all Ku-band capacity acquired from AsiaSat).

Termination

Teleport Service Agreement

The Teleport Service Agreement may be terminated on the occurrence of certain events including:

- an insolvency event occurring in respect of either party;
- by AsiaSat, upon non-remedy of a payment default by SpeedCast, under the Teleport Services Agreement, within allowed timeframes;
- by either party, upon non-remedy of a material breach by the other party of its obligations under the Teleport Services Agreement, within allowed timeframes;
- if one or more of the transponder utilisation agreements between the parties are terminated for cause, such that the total monthly utilisation fees payable to AsiaSat under the remaining transponder utilisation agreements between the parties falls below an agreed threshold;
- certain actions of regulatory and other authorities; and
- by either party, upon non-remedy of a material breach by the other party of its obligations under the NOC Agreement.

For a number of these grounds for termination, AsiaSat is also entitled to suspend its service (prior to termination) by providing notice and pending remedy of the default by SpeedCast.

NOC Services Agreement

The termination provisions in the NOC Agreement are substantially the same to those in the Teleport Service Agreement. However, in place of the last ground for termination stated above, the NOC Agreement may be terminated, by either party, upon non-remedy of a material breach by the other party of its obligations under the Teleport Services Agreement.

Transponder Utilisation Agreements

The Transponder Utilisation Agreements may be terminated for cause on the occurrence of certain events including:

- an insolvency event occurring in respect of either party;
- by either party, upon non-remedy of a material breach by the other party of its obligations under the relevant agreement within allowed timeframes;

- by AsiaSat, upon non-remedy of a payment default by SpeedCast under the relevant agreement within allowed timeframes;
- by AsiaSat, upon non-remedy of the Company's failure to pay amounts in excess of a certain threshold under the other transponder utilisation agreements between the parties, within an allowed timeframe;
- SpeedCast's failure to pay amounts in excess of a certain threshold under the other Transponder Utilisation Agreement, subject to an ability to remedy such breach within an allowed timeframe; and
- the Transponder Utilisation Agreements may be terminated upon the retirement of the satellite for technical reasons or to comply with the order of any public authority exercising the appropriate jurisdiction; the loss or destruction of the relevant satellite; or the expiration of the operational life of the relevant satellite.

For a number of the above grounds for termination, AsiaSat is also entitled to suspend its service (prior to termination) by providing notice and pending remedy of the default by SpeedCast.

8.9 Telecommunications licences and permits

8.9.1 Regulatory framework for telecommunications in Australia

8.9.1.1 Legislation

The *Telecommunications Act 1997* (Cth) (**Telecommunications Act**) is the principal Act in the current Australian telecommunications legislative regime and the *Radiocommunications Act 1992* (Cth) (**Radiocommunications Act**) is the principal Act dealing with the management and licensing of radiofrequency spectrum. Other key Acts that deal with telecommunications (together with subordinate legislation made under the authority of those Acts) include:

- the *Telecommunications (Consumer Protection and Service Standards) Act 1999* (Cth) (**TCPSS Act**);
- Parts XIB and XIC of the *Competition and Consumer Act 2010* (Cth) (**CCA**), which deal respectively with anti-competitive conduct and access to essential services;
- the *Australian Communications and Media Authority Act 2005* (Cth), which establishes the converged industry regulator and sets out its functions and powers; and
- the *Telecommunications (Interception and Access) Act 1979* (Cth) (**Interception Act**) which deals with interception, privacy and tapping of telecommunications.

8.9.1.2 Regulators

There are two government regulatory bodies with responsibility for the regulation of telecommunications in Australia, being the:

- Australian Communications and Media Authority (**ACMA**), which is the primary regulator of both telecommunications and radiocommunications, as well as broadcasting. ACMA's telecommunications and radiocommunications responsibilities include issuing and administering carrier and radiocommunications licences, spectrum management, regulation of service providers and investigating breaches of telecommunications and radiocommunications legislation; and
- Australian Competition and Consumer Commission (**ACCC**), which regulates competition issues in Australia. The main functions of the ACCC, with respect to telecommunications industry-specific competition regulation, are the administration of the telecommunications access regime and the regulation of anti-competitive conduct in the telecommunications industry.

8.9.1.3 Industry self-regulation

Significant elements of the telecommunications regime are also subject to industry self-regulation, administered by bodies such as the Communications Alliance (whose primary role is to develop technical, operational and consumer industry codes and standards) and the Telecommunications Industry Ombudsman (an industry body mandated under the TCPSS Act whose role is to provide a dispute resolution forum for complaints made by residential and small business consumers of telecommunications services).

8.9.2 Telecommunications licences in Australia

Participants in the telecommunications industry that supply telecommunication services to the public fall into two categories: Carriers and Carriage Service Providers.

8.9.2.1 Carriers

Any person who owns a network unit (that is not exempt) used to supply carriage services (telephony or internet) to the public is a Carrier and must hold a Carrier Licence (unless they have transferred responsibility for the network unit to another licensed Carrier pursuant to a nominated carrier declaration). A Carrier Licence is acquired upon application to the ACMA. Carriers are required to comply with the Telecommunications Act, the CCA and the Interception Act.

8.9.2.2 Carriage Service Providers

A Carriage Service Provider is any person, including a Carrier, who uses a network to supply a carriage service to the public between two or more points where at least one of the points is in Australia.

Carriage Service Providers are not required to hold a licence or be registered. They are required to comply with the Telecommunications Act (and the service provider rules set out in the legislation), the TCPSS Act and the CCA.

SpeedCast is a Carriage Service Provider for the purposes of the Telecommunications Act.

8.9.3 Radiocommunications licences in Australia

Three categories of licences are issued by the ACMA under the Radiocommunications Act for use of radiofrequency spectrum in Australia:

- Spectrum licences – granted in relation to a frequency band and geographical area, allowing the licensee to deploy any radiocommunications device within that band and area, subject to compliance with the licence requirements and technical framework (i.e. services that can be supplied from that band). Spectrum licences are usually acquired through a spectrum auction and have a fixed duration of up to 15 years;
- Apparatus licences – for use of a particular radiocommunications device in a particular frequency band and location. Apparatus licences are granted for one to five years, and subject to payment of licence fees; and
- Class licences – authorising any person to use any radiocommunications device falling within a particular class of devices, subject to the use complying with the conditions of the licence. No licence application or fee is required.

SpeedCast holds apparatus licences to undertake its operations in Australia. In operating a device pursuant to an apparatus licence, the licensees must comply with the Radiocommunications Act, the conditions specified on the licence, and any licence condition determinations applicable to the use.

8.9.4 Telecommunications regulation and licensing outside Australia

SpeedCast also holds telecommunications related licences in the Netherlands, Hong Kong, Malaysia and Papua New Guinea (and certain other jurisdictions) in order to undertake operations in those jurisdictions.

Jurisdiction-specific licensing and regulatory obligations apply to providers of telecommunication services in those jurisdictions. The primary telecommunications legislation and regulator in each of these jurisdictions is set out in Figure 57 below.

Figure 57. Primary telecommunications legislation and regulator

	Primary Act	Regulator
Netherlands	Telecommunications Act 1998 (Netherlands)	Authority for Consumers and Markets
Hong Kong	Telecommunications Ordinance (Hong Kong)	The Communications Authority
Malaysia	Communications and Multimedia Act 1998 (Malaysia)	Malaysian Communications and Multimedia Commission
Papua New Guinea	National Information and Communications Technology Act 2009 (PNG)	National Information and Communications Technology Authority

8.10 Underwriting Agreement

The Offer is underwritten by the Lead Manager pursuant to an underwriting agreement dated 18 July 2014 between the Company, SaleCo, the Lead Manager and SpeedCast Acquisitions (acting as guarantor for the Company's obligations under the Underwriting Agreement (**Guarantor**)). Under the Underwriting Agreement, the Lead Manager has agreed to arrange, manage and underwrite the Offer.

8.10.1 Fees and expenses

The Company has agreed to pay the Lead Manager an underwriting fee equal to 2.00%, and a management and selling fee equal to 1.00%, of the funds raised under the Offer. The underwriting fee, and the management and selling fee, will become payable by SpeedCast on the Settlement Date.

SpeedCast may also pay an incentive fee to the Lead Manager of up to 0.75% of the funds raised under the Offer. Payment of the incentive fee is at the Company's absolute discretion. If SpeedCast elects to pay the incentive fee, it will be paid up to 90 days from the Settlement Date.

The Company has also agreed to reimburse the Lead Manager for certain reasonable costs and expenses incidental to the Offer.

The Lead Manager must pay, on behalf of the Company and SaleCo, any broker firm fees due to any Brokers appointed by the Lead Manager under the Underwriting Agreement. The broker firm fee is 1.50% of the value of any allocation of Shares the Broker receives.

8.10.2 Representations, warranties and undertakings

The Underwriting Agreement contains representations, warranties and undertakings provided by the Company and SaleCo to the Lead Manager. The representations and warranties relate to matters such as their powers and capacities, their conduct (including in respect of their business, due diligence, disclosure and compliance with applicable laws and the ASX Listing Rules), information provided, insurance, insolvency, litigation, the Offer Documents and the conduct of the Offer.

The Company and SaleCo's undertakings include that it will not, during the 60 day period after the Allotment Date, allot or agree to allot any Shares without the prior written consent of the Lead Manager.

8.10.3 Indemnity

The Company and SaleCo agree to keep the Lead Manager and certain of the Lead Manager's affiliated parties indemnified from losses suffered in connection with the Offer, subject to customary exclusions (including fraud, wilful misconduct, recklessness or gross negligence).

8.10.4 Termination events

If any of the following termination events occurs at any time from the date of execution of the Underwriting Agreement up to 4pm on the Settlement Date, the Lead Manager may terminate its obligations under the Underwriting Agreement:

- (disclosures) in the Lead Manager's reasonable opinion a statement in the Offer Documents is or becomes misleading or deceptive or is likely to mislead or deceive, or a material matter required to be included is omitted from the Offer Documents;
- (new circumstances) there occurs a new circumstance that arises after the Prospectus is lodged that would have been required to be included in the Prospectus if it had arisen before lodgement;
- (supplementary Prospectus) the Offerors issue or, in the reasonable opinion of the Lead Manager, are required to issue, a supplementary Prospectus to comply with section 719 of the Corporations Act;
- (market fall) at any time the S&P/ASX 200 Index falls to a level that is 90% or less of the level as at the close of trading on the day immediately prior to the date of the Underwriting Agreement and is at or below that level at the close of trading:
  - for three consecutive Business Days during any time after the date of the Underwriting Agreement; or
  - on the Business Day immediately prior to the Settlement Date;
- (voluntary escrow) any of the voluntary escrow deeds are withdrawn, varied, terminated, rescinded, altered or amended, breached or failed to be complied with;
- (restructuring document) the document that effects the Restructure is withdrawn, varied, terminated, rescinded, altered or amended, breached or failed to be complied with or a condition precedent to completion under the document which requires each shareholder in SAL to accept the offer made to them by the Company is not complied with;
- (share sale deed) the share sale deed, under which the Selling Shareholders irrevocably offer to sell to SaleCo the Shares to be sold under the Offer by SaleCo, is withdrawn, varied, terminated, rescinded, altered or amended, breached or failed to be complied with;
- (listing and quotation) approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, to:
  - the Company's admission to the official list of ASX on or before the listing approval date;
  - the quotation of all of the Company's ordinary shares, including the Shares, on ASX or for the Company's ordinary shares, including the Shares, to be traded through CHESS on or before the quotation date,

  or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;
- (notifications) any of the following notifications are made in respect of the Offer:
  - ASIC issues an order (including an interim order) under section 739 of the Corporations Act;
  - ASIC holds a hearing under section 739(2) of the Corporations Act;
  - an application is made by ASIC for an order under Part 9.5 in relation to the Offer or an Offer Document or ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the Offer or an Offer Document except where such application, investigation or hearing either becomes publicly known or is not withdrawn or otherwise disposed of to the Lead Manager's satisfaction within three Business Days after it is made and in any event before noon on the Business Day before the Settlement Date;
  - any person (other than the Lead Manager) who has previously consented to the inclusion of its name in any Offer Document withdraws that consent; or
  - any person (other than the Lead Manager) gives a notice under section 730 of the Corporations Act in relation to an Offer Document;
- (certificate not provided) the Company, the Guarantor or SaleCo does not provide a closing certificate as and when required by the Underwriting Agreement;
- (withdrawal) the Company or SaleCo withdraws the Offer or the Prospectus or indicates that it does not intend to proceed with the Offer or any part of the Offer;
- (insolvency events) any Group Member becomes insolvent, or there is an act or omission which is likely to result in a Group Member becoming insolvent;
- (timetable) an event specified in the timetable set out in the Underwriting Agreement up to and including the Settlement Date is delayed by more than two Business Days (other than any delay agreed between the Company, SaleCo and the Lead Manager (who must each act reasonably));
- (unable to issue or transfer Offer Shares) the Company is prevented from allotting and issuing (as applicable) the Shares issued under the Offer, or SaleCo is prevented from transferring Shares to be sold under the Offer, within the time required by the ASX Listing Rules, by applicable laws, an order of a court of competent jurisdiction or a governmental authority;
- (change to Company) the Company or the Guarantor:
  - alters the issued capital of the Company or a Group Member otherwise than as contemplated in the Offer Documents; or
  - disposes or attempts to dispose of a substantial part of the business or property of the Company or a Group Member,

  without the prior written consent of the Lead Manager (such consent not to be unreasonably withheld);

- (regulatory approvals) if a regulatory body withdraws, revokes or amends any regulatory approvals required for the Company, the Guarantor or SaleCo to perform their obligations under the Underwriting Agreement or to carry out the transactions contemplated by the Offer Documents;
- (force majeure) there is an event or occurrence, including any statute, order, rule, regulation, directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any governmental agency which makes it illegal for the Lead Manager to satisfy an obligation under this document, or to market, promote or settle the Offer; and
- (prosecution) any of the following occur:
  - a director or proposed director of the Company, the Guarantor or SaleCo named in a pathfinder prospectus or prospectus, is charged with an indictable offence; or
  - any director or proposed director of the Company, the Guarantor or SaleCo named in a pathfinder prospectus or prospectus is disqualified from managing a corporation under Part 2D.6 of the Corporations Act.

If any of the following events occur at any time from the date of execution of the Underwriting Agreement until before 4pm on the Settlement Date or at any other time as specified below, the Lead Manager may terminate its obligations if, in the reasonable opinion of the Lead Manager, the event:

- has, or is likely to have, a materially adverse effect on:
  - the success, settlement or marketing of the Offer or on the ability of the Lead Manager to market or promote or settle the Offer or on the likely price at which the Shares issued under the Offer will trade on ASX; or
  - the willingness of investors to subscribe for the Shares to be issued under the Offer,
- or gives rise to, or is likely to give rise to, any liability on the part of the Lead Manager under any law or regulation or any contravention by the Lead Manager of the Corporations Act or any other law.

The events are:

- (change in management) a change in the Chief Executive Officer or Chief Financial Officer of the Company or the Guarantor occurs, or there is a change in the board of directors of the Company, the Guarantor or SaleCo;
- (vacancy in office) the chairman, chief executive officer or chief financial officer of the Company or the Guarantor vacates his or her office;
- (disclosures in the due diligence report and any other information) the due diligence report or verification material or any other information supplied by or on behalf of the Company, the Guarantor or SaleCo to the Lead Manager in relation to the group or the Offer is, or becomes, misleading or deceptive;
- (adverse change) any adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company and the Group (insofar as the position in relation to an entity in the Group affects the overall position of the Company), including any adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company or the Group from those respectively disclosed in any Offer Document or public information;
- (change of law) there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia, the United States, Canada, the United Kingdom, Japan, Hong Kong, Malaysia, or any Member State of the European Union or any State or Territory of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, including ASIC, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Underwriting Agreement);
- (breach of laws) there is a contravention by the Company, SaleCo or any other Group Member of the Corporations Act, the *Competition and Consumer Act 2010* (Cth), *Australian Securities and Investments Commission Act 2001* (Cth) (any regulations under those acts), or any of the ASX Listing Rules;
- (compliance with law) any of the Offer Documents or any aspect of the Offer does not comply with the Corporations Act (and all regulations under the Corporations Act), an Offeror's constitution, the ASX Listing Rules or any other applicable law or regulation;
- (representations and warranties) a representation, warranty, undertaking or obligation contained in the Underwriting Agreement on the part of the Company, the Guarantor or SaleCo (whether severally or jointly) is breached, becomes not true or correct or is not performed;
- (breach) the Company, the Guarantor or SaleCo defaults on one or more of its obligations under the Underwriting Agreement;
- (constitution) the Company varies any term of its constitution without the prior written consent of the Lead Manager (such consent not to be unreasonably withheld or delayed);
- (legal proceedings) any of the following occurs:
  - the commencement of legal proceedings against the Company, the Guarantor, SaleCo, any other Group Member or against any director of the Company, the Guarantor, SaleCo or any other Group Member in that capacity; or
  - any regulatory body commences any enquiry or public action against a Group Member;
- (hostilities) hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) in Australia, the United States, Canada, Japan, the United Kingdom, Hong Kong, Malaysia, South Korea, Russia, Singapore, or any member state of the European Union, or a major terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries;
- (certificate incorrect) a statement in any closing certificate given under the Underwriting Agreement is false, misleading, inaccurate or untrue or incorrect;

- (disruption in financial markets) any of the following occurs:
  - a general moratorium on commercial banking activities in Australia, Canada, The People's Republic of China, Japan, Singapore, Hong Kong, the United Kingdom, the United States, or a Member State of the European Union is declared by the relevant central banking authority in those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries;
  - any adverse effect on the financial markets in Australia, Japan, Canada, The People's Republic of China, Singapore, Hong Kong, the United Kingdom, the United States or a Member State of the European Union, or in foreign exchange rates or any development involving a prospective change in political, financial or economic conditions in any of those countries; or
  - trading in all securities quoted or listed on ASX, New York Stock Exchange, London Stock Exchange, Hong Kong Stock Exchange or the Tokyo Stock Exchange is suspended or limited in a material respect for one day (or a substantial part of one day) on which that exchange is open for trading.

8.11 Relationship Deed

The TA Associates Funds will have a 24.6% shareholding in the Company on Completion of the Offer.

The Company entered into a Relationship Deed with each of the TA Associates Funds on on or around 24 July 2014.

The Relationship Deed requires the provision of certain financial information by the Company to the TA Associates Funds to enable the TA Associates Funds to file tax returns, tax related forms and tax elections in the United States with federal, state and local taxing authorities.

The Relationship Deed also contains restrictions on the use of confidential information received by the TA Associates Funds under the Relationship Deed.

The Company is not required to provide such information to the extent that it would cause a breach of law by the Company or the TA Associates Funds.

The Relationship Deed, and therefore, the TA Associates Funds' rights to receive such information, will terminate when the TA Associates Funds no longer require the financial information to meet their tax compliance obligations in the United States.

8.12 Voluntary escrow arrangements

Each of the Escrowed Shareholders (listed in the table below) has entered into a voluntary escrow deed with the Company in respect of their escrowed Shares. Under the escrow deed, the Escrowed Shareholders agree, subject to limited exceptions, not to deal in those escrowed Shares from Completion of the Offer until release to the ASX of the Company's results for the six months ending 30 June 2015.

In aggregate, 42.5 million Shares will be the subject of these escrow arrangements, representing approximately 35% of the total Shares immediately following Completion of the Offer. The number of Shares in respect of which the Escrowed Shareholders have agreed to enter into voluntary escrow arrangements with the Company are set out in the table below.

The escrow restrictions will cease to apply in certain circumstance, including in the event that:

- a takeover bid is made for the Shares, subject to certain conditions; and
- a scheme of arrangement relating to the Shares becomes effective.

Figure 58. Voluntary escrow arrangements

Name of Escrowed Shareholder	Shares held immediately post Completion of the Offer[1]	Number of Shares held in escrow
TA Associates Funds	29.5	29.5
Pierre-Jean Beylier	7.1	7.1
Other Escrowed Shareholders[2]	6.0	5.9

1. Not including any Shares acquired under the Offer.
2. All of the Management Shareholders are Escrowed Shareholders, with the exception of a former employee of TA Associates, whose shares will not be subject to escrow.

8.13 Ownership restrictions

The sale and purchase of Shares is regulated by Australian laws that restrict the level of ownership or control by any one person (either alone, or in combination with others). This section contains a general description of these laws.

8.13.1 Corporations Act

The takeover provisions in Chapter 6 of the Corporations Act restrict the acquisition of shares in listed companies (and unlisted companies with more than 50 members), if the acquirer's voting power would increase to above 20%, or would increase from a starting point that is above 20% and below 90%, unless certain exceptions apply.

The Corporations Act also imposes notification requirements on persons having voting power of 5% or more in the Company.

8.13.2 Foreign Acquisitions and Takeovers Act

Generally, the Foreign Acquisitions and Takeovers Act applies to acquisitions of shares and voting power in a company of 15% or more by a single foreign person and its associates (substantial interest), or 40% or more by two or more unassociated foreign persons and their associates (aggregate substantial interest). Where an acquisition of a substantial interest meets certain criteria, the acquisition may not occur unless notice of it has been given to the Federal Treasurer and the Federal Treasurer has either stated that there is no objection to the proposed acquisition in terms of the Australian Federal Government's Foreign Investment Policy or a statutory period has expired without the Federal Treasurer objecting. An acquisition of a substantial interest or an aggregate substantial interest meeting certain criteria may also lead to divestment orders unless a process of notification, and either a statement of non-objection or expiry of a statutory period without objection, has occurred.

8.14 Selling restrictions

No action has been taken to register or qualify this Prospectus, the Shares or the Offer or otherwise to permit a public offering of the Shares in any jurisdiction other than Australia.

The Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States and may not be offered, sold or pledged in the United States except in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, and any other applicable securities laws.

This Prospectus may only be distributed in Australia and, outside of those jurisdictions, to persons to whom the Offer may be lawfully made in accordance with the laws of the applicable jurisdiction, provided that the Prospectus may not be distributed in the United States. The Offer is not an offer or invitation in any jurisdictions where, or to any person to whom, such an offer or invitation would be unlawful.

Each Applicant will be taken to have represented, warranted and agreed as follows:

- it understands that the Shares have not been, and will not be, registered under the U.S. Securities Act and may not be offered, sold or resold in the United States, or to or for the account or benefit of U.S. Persons, except in transactions exempt from, or not subject to, registration under the U.S. Securities Act and any other applicable securities laws;
- it is not in the United States or a U.S. Person, and is not acting for the account or benefit of a U.S. Person;
- it has not and will not send the Prospectus or any other material relating to the Offer to any person in the United States or to any person that is, or is acting for the account or benefit of, a U.S. Person; and
- it will not offer or sell the Shares in the United States or to, or for the account or benefit of, any U.S. Person or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration under the U.S. Securities Act and in compliance with all applicable laws in the jurisdiction in which the Shares are offered and sold.

8.15 Tax considerations generally

The following comments provide a general summary of Australian tax issues for Australian tax resident investors who acquire Shares under this Prospectus.

The categories of investors considered in this summary are limited to individuals, companies (other than life insurance companies), trusts, partnerships and complying superannuation funds that hold their shares on capital account.

This summary does not consider the consequences for non-Australian tax resident investors, or insurance companies, banks, investors that hold their Shares on revenue account or carry on a business of trading in shares or investors who are exempt from Australian tax. This summary also does not cover the consequences for investors who are subject to Division 230 of the *Income Tax Assessment Act 1997* (Cth) (the Taxation of Financial Arrangements regime) and have made fair value or Reliance on Financial Reports elections.

This summary is based on the law in Australia in force at the time of issue of this Prospectus. Australian tax laws are complex. It also does not take into account the tax law of countries other than Australia. This summary is general in nature and is not intended to be an authoritative or complete statement of the applicable law. The taxation laws of Australia or their interpretation may change. The precise implications of ownership or disposal will depend upon each investor's specific circumstances.

Investors should seek professional advice on the taxation implications of holding or disposing of the Shares, taking into account their specific circumstances.

8.15.1 Dividends paid on Shares

8.15.1.1 Australian tax resident individuals and complying superannuation entities

Where dividends on a Share are distributed by the Company, those dividends will constitute assessable income of an Australian tax resident investor. Australian tax resident investors who are individuals or complying superannuation entities should include the dividend in their assessable income in the year the dividend is paid, together with any franking credit attached to that dividend. Such investors should be entitled to a tax offset equal to the franking credit attached to the dividend subject to being a "qualified person" (refer further comments below). The tax offset can be applied to reduce the tax payable on the investor's taxable income. Where the tax offset exceeds the tax payable on the investor's taxable income, such investors should be entitled to a tax refund.

Where a dividend paid by the Company is unfranked, the investor will generally be taxed at his or her prevailing marginal rate on the dividend received with no tax offset.

8.15.1.2 Corporate investors

Corporate investors are also required to include both the dividend and associated franking credit in their assessable income. A tax offset is then allowed up to the amount of the franking credit on the dividend.

An Australian resident corporate investor should be entitled to a credit in its own franking account to the extent of the franking credit on the dividend received. Such corporate investor may then be able to pass on the benefit of the franking credits to its own shareholder(s) on the payment of dividends.

Excess franking credits received cannot give rise to a refund, but may be able to be converted into carry forward tax losses.

8.15.1.3 Trusts and partnerships

Investors who are trustees (other than trustees of complying superannuation entities) or partnerships should include the franking credit in determining the net income of the trust or partnership. The relevant beneficiary or partner may be entitled to a tax offset equal to the beneficiary's or partner's share of the franking credit received by the trust or partnership.

8.15.1.4 Shares held at risk

The benefit of franking credits can be denied where an investor is not a "qualified person" in which case the investor will not be able to include an amount for the franking credits in their assessable income and will not be entitled to a tax offset.

Broadly, to be a qualified person, an investor must satisfy the holding period rule and, if necessary, the related payment rule.

The holding period rule requires an investor to hold the Shares "at risk" for more than 45 days continuously, measured as the period commencing the day after the investor acquires the Shares and ending on the 45th day after the Shares become ex-dividend. The date the Shares are acquired and disposed of are ignored for the purposes of determining the 45 day period. Any day on which an investor has a materially diminished risk or loss of opportunity for gain (through transactions such as granting options or warrants over Shares or entering into a contract to sell the Shares) will not be counted as a day on which the investor held the Shares "at risk". This holding period rule is subject to certain exceptions, including where the total franking offsets of an individual in a year of income do not exceed A$5,000. Special rules apply to trusts and beneficiaries.

Under the related payment rule, a different testing period applies where the investor has made, or is under an obligation to make, a related payment in relation to a dividend. The related payment rule requires the investor to have held the Shares at risk for a period commencing on the 45th day before, and ending on the 45th day after, the day the Shares become ex-dividend. Practically, this should not impact investors who do not pass the benefit of a dividend to another person. Investors should obtain their own tax advice to determine if these requirements have been satisfied.

8.15.2 Disposal of Shares

The disposal of a Share by an investor will be a capital gains tax (CGT) event. A capital gain will arise where the capital proceeds on disposal exceed the cost base of the Share (broadly, the amount paid to acquire the Share plus any transaction costs). In the case of an arm's length on-market sale, the capital proceeds will generally be the cash proceeds from the sale.

A CGT discount may be applied against the net capital gain where the investor is an individual, complying superannuation entity or trustee, the Shares have been held for more than 12 months and certain other requirements have been met. Where the CGT discount applies, any capital gain arising to individuals and entities acting as trustees (other than a complying superannuation entity) may be reduced by one half after offsetting current year or prior year capital losses. For a complying superannuation entity, any capital gain may be reduced by one third, after offsetting current year or prior year capital losses.

A capital loss will be realised where the reduced cost base of the Share exceeds the capital proceeds from disposal. Capital losses may only be offset against capital gains realised by the investor in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income.

8.15.3 Tax file numbers and Australian business numbers

Resident Shareholders may, if they choose, notify the Company of their TFN, ABN or a relevant exemption from withholding tax with respect to dividends. In the event the Company is not so notified, tax will automatically be deducted at the highest marginal tax rate, including various compulsory levies, from unfranked dividends and/or distributions. The rate of withholding tax is currently 49%.

The Company is required to withhold and remit to the ATO such tax until such time as the relevant TFN, ABN or exemption notification is given to it. Resident Shareholders will be able to claim a tax credit/rebate (as applicable) in respect of any tax withheld on dividends in their income tax returns.

Legislation has been passed by Parliament approving a 2% Deficit Levy charge for high income earners from 1 July 2014 until 30 June 2017. The legislation received Royal Assent on 25 June 2014 and accordingly the rate of withholding tax will be 49% for the period from 1 July 2014 until 30 June 2017 based on existing law.

8.15.4 Stamp duty

Investors should not be liable for stamp duty in respect of their investment in Shares. Under current stamp duty legislation, no stamp duty would ordinarily be payable by investors on any subsequent transfer of Shares.

Investors should seek their own advice as to the impact of stamp duty in their own particular circumstances.

8.15.5 Australian Goods and Services Tax (GST)

Investors should not be liable for GST in respect of their investment in Shares. Investors may not be entitled to claim full input tax credits in respect of any GST paid on costs incurred in connection with their acquisition of the Shares. Separate GST advice should be sought by investors in this respect.

Investors should seek their own advice on the impact of GST in their own particular circumstances.

8.16 Interests of Directors, advisers and promoters

Sections 5, 8.10.1 and 8.16 outline the nature and extent of the interests and fees of certain persons involved in the Offer.

Other than as set out in this Prospectus:

- no amount has been paid or agreed to be paid and no benefit has been given or agreed to be given to a Director, or proposed Director, to induce them to become, or to qualify as, a Director of the Company; and

- none of the following persons:
  - a Director or proposed Director of the Company;
  - each person named in the Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus;
  - a promoter of the Company; or
  - an underwriter to the issue of the Shares,

  holds or held at any time during the last two years an interest in:
  - the formation or promotion of the Company;
  - property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of the Shares; or
  - the Offer of the Shares,

  or was paid or given or agreed to be paid or given any amount or benefit for services provided by such persons in connection with the formation or promotion of the Company or the Offer of the Shares.

8.16.1 Interests of advisers

- UBS AG, Australia Branch, has acted as Lead Manager to the Offer. The Company has agreed to pay the Lead Manager the amount described in Section 8.10.1 in accordance with the terms of the Underwriting Agreement.
- CIMB Capital Markets (Australia) Ltd, has acted as Co-Lead Manager to the Offer. The Company has agreed to pay the Co-Lead Manager a fixed fee equal to 0.30% of the funds raised under the Offer. The fixed fee will become payable by SpeedCast on Completion of the Offer.
- UBS Wealth Management Australia Limited has acted as Co-Manager to the Offer and will be paid a broker firm fee of 1.50% (inclusive of GST) of its allocation of Shares, which is payable by the Lead Manager out of the fees payable to it by the Company.
- Morgans Financial Limited has acted as Co-Manager to the Offer and will be paid a broker firm fee of 1.50% (inclusive of GST) of its allocation of Shares, which is payable by the Lead Manager out of the fees payable to it by the Company.
- Ord Minnett Limited has acted as Co-Manager to the Offer and will be paid a broker firm fee of 1.50% (inclusive of GST) of its allocation of Shares, which is payable by the Lead Manager out of the fees payable to it by the Company.
- Herbert Smith Freehills has acted as Australian legal adviser to the Company in connection with the Offer (excluding in relation to taxation and stamp duty). The Company has paid or agreed to pay A$750,000 (exclusive of GST) for these services up to the date of this Prospectus. Further amounts may be paid to Herbert Smith Freehills in accordance with its time-based charge out rates.
- PricewaterhouseCoopers Securities Ltd has undertaken accounting and taxation due diligence in relation to SpeedCast in connection with the Offer and has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report included in this Prospectus. The Company has paid or agreed to pay approximately A$1,000,000 for these services to the date of this Prospectus. Further amounts may be paid to PricewaterhouseCoopers Securities Ltd in accordance with its time-based charge-out rates.
- PricewaterhouseCoopers has acted as taxation adviser to SpeedCast in connection with the Offer. SpeedCast has paid or agreed to pay approximately A$260,000 for those services to the date of this Prospectus. Further amounts may be paid to PricewaterhouseCoopers in accordance with its time-based charge-out rates.

Unless stated otherwise, all such payments have been paid or are payable in cash.

8.17 Description of the syndicate

UBS AG, Australia Branch, is Lead Manager to the Offer. CIMB Capital Markets (Australia) Ltd is Co-Lead Manager to the Offer and UBS Wealth Management Australia Limited, Morgans Financial Limited and Ord Minnett Limited are Co-Managers to the Offer.

8.18 Consents to be named and disclaimers of responsibility

Written consents to the issue of this Prospectus have been given and, at the time of lodgement of this Prospectus with ASIC, had not been withdrawn by the following parties:

- UBS AG, Australia Branch has given, and not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the underwriter and Lead Manager in the form and context in which it is named. UBS AG, Australia Branch, takes no responsibility for any part of this Prospectus other than any reference to its name.
- CIMB Capital Markets (Australia) Ltd has given, and has not withdrawn prior to lodgement of this Prospectus, its written consent to be named in this Prospectus as Co-Lead Manager to the Offer in the form and context in which it is named. CIMB Capital Markets (Australia) Ltd takes no responsibility for any part of this Prospectus other than any reference to its name.
- UBS Wealth Management Australia Limited has given, and not withdrawn prior to lodgement of this Prospectus, its written consent to be named in this Prospectus as Co-Manager to the Offer in the form and context in which it is named. UBS Wealth Management Australia Limited takes no responsibility for any part of this Prospectus other than any reference to its name.

- Morgans Financial Limited has given, and not withdrawn prior to lodgement of this Prospectus, its written consent to be named in this Prospectus as Co-Manager to the Offer in the form and context in which it is named. Morgans Financial Limited takes no responsibility for any part of this Prospectus other than any reference to its name.
- Ord Minnett Limited has given, and not withdrawn prior to lodgement of this Prospectus, its written consent to be named in this Prospectus as Co-Manager to the Offer in the form and context in which it is named. Ord Minnett Limited takes no responsibility for any part of this Prospectus other than any reference to its name.
- Herbert Smith Freehills has given, and not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Company's Australian legal adviser (except in relation to taxation and stamp duty) in the form and context in which it is named. Herbert Smith Freehills takes no responsibility for any part of this Prospectus other than any reference to its name.
- PricewaterhouseCoopers Securities Ltd has given, and not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Investigating Accountant to the Company in the form and context it is so named and has not withdrawn its consent to the inclusion in this Prospectus of its Independent Limited Assurance Report in the form and context in which it is included. PricewaterhouseCoopers Securities Ltd takes no responsibility for any part of this Prospectus other than any reference to its name and the Independent Limited Assurance Report.
- PricewaterhouseCoopers has given, and not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named as taxation adviser and auditor in this Prospectus. PricewaterhouseCoopers takes no responsibility for any part of this Prospectus other than any reference to its name.
- Link Market Services Limited has given and has not withdrawn its written consent to be named as the Share Registry in the form and context in which it is named. Link Market Services Limited has not taken part in the preparation of any part of this Prospectus other than the recording of its name as Share Registry to the Company. Link Market Services Limited has not authorised or caused the issue of and expressly disclaims and takes no responsibility for any part of this Prospectus.
- NSR has given, and not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to the inclusion in this Prospectus of parts of its reports "Energy Markets via Satellite, 4th Edition (2014)", "Broadband Satellite Markets, 12th Edition (2013)" and "Government & Military Satellite Communications, 10th Edition (2014)" in the form and context in which they are included.
- Euroconsult has given, and not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to the inclusion in this Prospectus of parts of its reports "Maritime Telecom Solutions by Satellite, 3rd Edition (2014)" and "Assessment of C-band usage in Asian countries (2014)" in the form and context in which they are included.
- Savannah Energy Services has given, and not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to the inclusion in this Prospectus of the case study relating to it in Figure 20 in the form and context in which it is included.
- Northern Territory Government has given, and not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to the inclusion in this Prospectus of the case study relating to it in Figure 23 in the form and context in which it is included.

8.19 Costs of the Offer

The expenses connected with the Offer, which are payable by the Company, are estimated to be approximately US$10.7 million (A$11.3 million).

8.20 ASIC relief and ASX confirmations and waivers

The Company has obtained the following exemptions, declarations and confirmations from ASIC and ASX in relation to the Offer:

- an ASIC exemption from the pre-prospectus advertising and publicity rules in section 734(2) of the Corporations Act to permit the Company to provide employees with certain information relating to the Offer;
- a declaration from ASIC modifying Chapter 6 of the Corporations Act so that the voluntary escrow arrangements described in Section 8.12 do not give rise to a relevant interest for the Company in respect of the Escrowed Shares;
- a waiver of ASX Listing Rule 10.14 so that the Company may issue Shares, options or rights to Mr Beylier as part of the Company's executive incentive plan over approximately three years following the Offer without obtaining shareholder approval, to the amount disclosed in the Prospectus;
- confirmation from ASX that the Shares are not restricted securities for the purposes of Chapter 9 of the Listing Rules; and
- confirmation from ASX that the Company may undertake conditional and deferred settlement trading of Shares subject to certain conditions to be approved by ASX.

8.21 Litigation and claims

As far as the Directors are aware, there are no current or threatened civil litigation, arbitration proceedings or administrative actions, or criminal or governmental prosecutions of a material nature in which SpeedCast is directly or indirectly concerned which are likely to have a material adverse effect on the business or financial position of SpeedCast.

8.22 Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications are governed by the law applicable in Victoria, Australia and each Applicant under this Prospectus submits to the exclusive jurisdiction of the courts of Victoria, Australia.

8.23 Statement of Directors

This Prospectus is authorised by each Director of the Company and by each director of SaleCo, who each consent to its lodgement with ASIC and its issue.

APPENDIX A

SIGNIFICANT ACCOUNTING POLICIES

APPENDIX A – SIGNIFICANT ACCOUNTING POLICIES

Summary of significant accounting policies

The principal accounting policies applied in the preparation of the Financial Information are set out below.

Subsidiaries

A subsidiary is an entity (including a structured entity) over which SpeedCast has control. SpeedCast controls an entity when SpeedCast is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

SpeedCast applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by SpeedCast. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. SpeedCast recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of an acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by SpeedCast is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with SpeedCast's accounting policies.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of SpeedCast's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in United States dollars (**US$**), which is SpeedCast's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of comprehensive income within "finance cost – net". All other foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income within "Administrative and other expenses".

(c) Group companies

The results and financial position of all SpeedCast entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;

(ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) all resulting exchange differences are recognised in the other comprehensive income.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to SpeedCast and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are expensed in the consolidated statement of comprehensive income during the financial year in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, at the following rates per annum:

Office equipment	15% – 20%
2-way equipment	20% – 50%
Teleport equipment	20%
Computer equipment	25% – 50%
Leasehold improvements	2-10 years over the unexpired period of the lease, whichever is shorter
Network operations center ("NOC") equipment	6 – 20%
Remote content servers ("RCS") equipment	50%
Motor vehicles	20% – 33%

Assets held under finance leases are depreciated over the shorter of their expected useful lives or the term of the leases.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are recognised within "Administrative and other expenses" in the consolidated statement of comprehensive income.

Goodwill

Goodwill arises on the acquisition of a business and represents the excess of the consideration transferred over SpeedCast's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business is allocated to each of the individual entities, or groups of entities, that is expected to benefit from the synergies of the combination. Each entity or group of entities to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Intangible assets

Customer relationships and supplier contracts

The acquired customer relationships in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the assets, as follows:

Customer relationship	10 to 12 years
Supplier contracts	5 years

Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised immediately in the "other (loss)/gain" in the consolidated statement of comprehensive income.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method and comprises all costs of purchase and other costs incurred in bringing the inventories to their present locations and conditions. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Financial assets

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. SpeedCast's loans and receivables comprise "trade and other receivables", "cash and cash equivalents" and "amount due from a shareholder". Loans and receivables are subsequently carried at amortised cost using the effective interest method.

(b) Impairment of financial assets carried at amortised cost

SpeedCast assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The criteria that SpeedCast uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- SpeedCast, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;

- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
  - (i) adverse changes in the payment status of borrowers in the portfolio; and
  - (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

SpeedCast first assesses whether objective evidence of impairment exists.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, SpeedCast may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and service providers. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, unless the effect of discounting is insignificant and in which case they are stated at historical cost.

Employee benefits

(a) Pension obligations

SpeedCast participates in defined contribution plans. A defined contribution plan is a pension plan under which SpeedCast pays fixed contributions into a separate entity. SpeedCast has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Performance-based bonuses

The expected costs of performance-based bonuses are recognised as a liability when SpeedCast has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for performance-based bonuses are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(c) Share-based compensation

SpeedCast operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the equity instruments is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted: (i) including any market performance conditions; (ii) excluding the impact of any service and non-market performance vesting conditions (for example, profitability and sales growth targets); and (iii) including the impact of any non-vesting conditions. Non-market vesting conditions are included in assumptions about the number of shares that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, SpeedCast revises its estimates of the number of equity instruments that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of comprehensive income, with a corresponding adjustment to equity.

Provisions

Provisions for asset retirement obligations are recognised when: SpeedCast has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any differences between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowing costs

Borrowing costs are recognised in the consolidated statement of comprehensive income in the period in which they are incurred.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivables, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes.

SpeedCast recognises revenue when the amount of revenue and costs can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of SpeedCast's activities, as described below. SpeedCast bases its estimates of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Broadband access revenue is recognised when the broadband access services are rendered.

(b) Sale of broadband services equipment is recognised upon the transfer of risks and rewards of ownership, which generally coincides with the time when goods are delivered to customers and title is passed.

(c) Interest income is recognised using the effective interest method. When a loan and receivable is impaired, SpeedCast reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables are recognised using the original effective interest rate.

Leases (as the lessee)

(a) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed in the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

(b) Finance leases

SpeedCast leases certain property, plant and equipment. Leases of property, plant and equipment where SpeedCast has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in liabilities. The interest element of the finance cost is charged to the consolidated statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where SpeedCast operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except for deferred income tax liability where the timing of reversal of the temporary difference is controlled by SpeedCast and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

APPENDIX B
GLOSSARY

APPENDIX B – GLOSSARY

€	Euros
1H	six month period ended or ending 30 June
2H	six month period ended or ending 31 December
A$	Australian dollars
Acquisitions	the acquisitions of SpeedCast Holdings Ltd, ASC, Elektrikom, Pactel, SatComms and Oceanic as described in Section 3.2
AEST	Australian Eastern Standard Time
Allotment Date	for the purposes of Section 8.10, means the date on which the Shares are allotted under the Offer
Applicant	a person who submits an Application
Application	an application made to subscribe for Shares offered under this Prospectus
Application Form	an application form attached to or accompanying this Prospectus (including the electronic form provided by an online Application facility)
Application Monies	the amount of money accompanying an Application Form submitted by an Applicant
ASC	Australian Satellite Communications Pty Ltd
Asia Pacific	includes Australia, Papua New Guinea, the Pacific Islands, Indonesia, Malaysia, Philippines, Singapore, Hong Kong, Myanmar, Vietnam, Laos, Cambodia, Bhutan, Nepal, Pakistan, Afghanistan, Bangladesh, Thailand, Turkmenistan, Uzbekistan, China, Japan and South Korea
AsiaSat	Asia Satellite Telecommunications Company Limited, a company listed on the Hong Kong Stock Exchange whose two major shareholders are CITIC Limited and General Electric Company
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ASX Listing Rules	the listing rules of the ASX, as amended, modified or waived from time to time
ATM	automatic teller machine
BBSW	bank bill swap rate
Board	the board of Directors
Broker	any ASX participating organisation selected by the Lead Manager and the Company to act as a broker to the Offer
Broker Firm Offer	the offer of Shares under this Prospectus to Australian resident clients of Brokers who have received a firm allocation from their Broker provided that such clients are not in the United States
Broker Firm Offer Period	the period from the Opening Date and ending on the Closing Date
Broker Firm Offer Applicant	a person who submits an Application under the Broker Firm Offer
Business Day	a day on which: • ASX is open for trading in securities; and • banks are open for general banking business in Melbourne
CAGR	compound annual growth rate
C-band	a band of frequencies (approximately 4-7 GHz) transmitted by FSS satellites, which is commonly used for maritime VSAT systems
CEO	chief executive officer
CFO	chief financial officer
CHESS	Clearing House Electronic Subregister System
Chief Executive Officer	the chief executive officer of SpeedCast, Pierre-Jean Beylier
Chief Financial Officer	the chief financial officer of SpeedCast, Mark Ellison
CIMB	CIMB Securities International (Australia) Pty Ltd

APPENDIX B – GLOSSARY

Closing Date	the date on which the Broker Firm Offer is expected to close, being 8 August 2014
Co-Lead Manager	CIMB Capital Markets (Australia) Ltd
Co-Managers	UBS Wealth Management Australia Limited Morgans Financial Limited Ord Minnett Limited
Committee	the Audit, Business Risk and Compliance Committee and/or the Nomination and Remuneration Committee
Company	SpeedCast International Limited ACN 600 699 241
Completion of the Offer	completion of the Restructure and the allotment of Shares to the Successful Applications under this Prospectus
Constitution	the constitution of the Company
Corporations Act	*Corporations Act 2001* (Cth)
Directors	the directors of the Company from time to time
DRP	Dividend Reinvestment Plan
Elektrikom	the business of the two Dutch entities, Elektrikom BV and Satfa BV
Euribor	Euro interbank offered rate
Escrowed Shareholders	means the TA Associates Funds, Pierre-Jean Beylier and other Management Shareholders, including any of their controlled entities who hold Shares on Completion of the Offer (but excluding the former employee of TA Associates referred to in the definition of Management Shareholder)
Existing Banking Facilities	as described in Section 3.4.2
Existing Shareholder	a securityholder in SpeedCast Acquisitions as at the Prospectus Date who is issued Shares under the Restructure
Exposure Period	the seven day period after the date of lodgement of the Original Prospectus with ASIC, which expired on 1 August 2014
Forecast Financial Information	as described in Section 3
FSS	Fixed Satellite Services
FY	financial year ended or ending 31 December
Ghz	gigahertz
Group	for the purposes of Section 8.10, means the Company, SpeedCast Acquisitions and their respective subsidiaries and SaleCo and Group Member means any member of the Group
Guarantor	for the purposes of Section 8.10, means SpeedCast Acquisitions
Historical Financial Information	as described in Section 3
HK$	Hong Kong dollars
HTS	High-Throughput Satellite
Institutional Investors	an investor: • in Australia who is either a "professional investor" or "sophisticated investor" under sections 708(11) and 708(8) of the Corporations Act; or • in certain other jurisdictions, as agreed between the Company and the Lead Manager, to whom offers or invitations in respect of securities can be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approval by, any governmental agency, in either case, provided that such person is not in the United States

APPENDIX B – GLOSSARY

Institutional Offer	the invitation to Institutional Investors under this Prospectus to acquire Shares, as described in Section 6.5
Ka-band	a band of frequencies (approximately 26.5-40 GHz) transmitted by FSS satellites and commonly used for high definition broadcasting and terrestrial VSAT systems, as well as maritime and aeronautical applications
Ku-band	a band of frequencies (approximately 12-18 GHz) transmitted by FSS satellites and commonly used for VSAT systems and broadcasting
Lead Manager	UBS AG, Australia Branch
LIBOR	London interbank offered rate
Listing	the commencement of trading in Shares on the official list of the ASX, initially on a conditional and deferred settlement basis
LTIP	long-term incentive plan
Management Shareholders	the management and employees of SpeedCast who receive Shares under the Restructure, which includes a former employee of TA Associates and who are all Escrowed Shareholders with the exception of the former employee of TA Associates
MSS	Mobile Satellite Services
New Banking Facilities	has the meaning given in Section 3.4.3
NGO	Non-Government Organisation
Oceanic	Oceanic Broadband Solutions Pty Ltd
Offer	the offer under this Prospectus of Shares for issue by the Company and Shares for sale by SaleCo
Offer Documents	for the purposes of Section 8.10, means the documents issued or published by or on behalf of the Company and SaleCo with their prior approval in respect of the Offer
Offer Price	A$1.96 per Share
Opening Date	the date on which the Broker Firm Offer opens
Original Prospectus	the prospectus dated 25 July 2014 in relation to the Offer, which is replaced by this Prospectus
OSV	offshore supply vessel
Pactel	Pactel International Pty Ltd (now known as SpeedCast Pacific Pty Limited)
Prospectus	this document (including the electronic form of this document) dated 5 August 2014, which is a replacement prospectus and which replaces the Original Prospectus
Prospectus Date	the date on which this Prospectus was lodged with ASIC, being 5 August 2014
Relationship Deed	the relationship deed described in Section 8.11
Relevant Persons	all Directors, officers, senior executives, employees of the Company and its related bodies corporate and their connected persons
Restricted Management Rights	rights to be issued by the Company under its equity incentive plan on or shortly after Completion of the Offer, which effectively replace certain rights to shares of SpeedCast Acquisitions which were issued by SpeedCast Acquisitions to certain employees of SpeedCast prior to the Prospectus Date
Restructure	the restructure described in Section 8.3
SaleCo	SpeedCast SaleCo Limited ACN 600 693 141
SatComms	Satellite Communications Australia Pty Ltd
Selling Shareholders	Shareholders who receive Shares under the Restructure and sell some of those Shares to SaleCo for Sale by SaleCo under the Offer
Settlement Date	for the purposes of Section 8.10, means the day of settlement under the Institutional Offer and Broker Firm Offer

Share	a fully paid ordinary share in the capital of the Company
Share Registry	Link Market Services Limited ABN 54 083 214 537
Shareholder	a holder of a Share in the Company
SpeedCast Acquisitions or **SAL**	SpeedCast Acquisitions Limited, a company registered and domiciled in the Cayman Islands which as at the Prospectus Date is the parent company of the SpeedCast group but which will become a wholly owned subsidiary of the Company on completion of the Restructure
SpeedCast	means: • before completion of the Restructure, SpeedCast Acquisitions and its controlled entities, and the business carried on by them; and • after completion of the Restructure, the Company and its controlled entities and the business carried on by them
Successful Applicant	an Applicant who is issued or transferred Shares under the Offer
TA Associates	TA Associates Management, L.P., the investment manager or adviser of the TA Associates Funds
TA Associates Funds	the following Delaware limited partnerships managed or advised by TA Associates, each of which are Existing Shareholders: • TA XI, L.P; • TA Atlantic and Pacific VI, L.P.; • TA Investors III, L.P.; and • TA Subordinated Debt Fund III, L.P.
Teleport	a telecommunications port or a ground station that links satellite communications to land-based communications networks (e.g. fibre)
TSR	total shareholder return
US$	United States dollars
U.S. or **United States**	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. Person	has the meaning given in Rule 902(k) of Regulation S under the U.S. Securities Act
U.S. Securities Act	U.S. Securities Act of 1933, as amended
UBS AG, Australia Branch	UBS AG, Australia Branch ABN 47 088 129 613
Underwriting Agreement	the underwriting agreement between the Company, SaleCo, SpeedCast Acquisitions (as Guarantor) and the Lead Manager dated 18 July 2014
VoIP	Voice-over-Internet Protocol, a methodology and group of technologies for the delivery of voice communications and multimedia over the internet
VSAT	Very Small Aperture Terminal

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APPLICATION FORM

SpeedCast

SpeedCast International Limited
ACN 600 699 241

Broker Code

Adviser Code

Broker Firm Offer Application Form

This Application Form relates to the Broker Firm Offer on the terms set out in the replacement prospectus (Prospectus) dated 5 August 2014 and issued by SpeedCast International Limited (ACN 600 699 241) ("the Company" or "SpeedCast") and SpeedCast SaleCo Limited (ACN 600 693 141) ("SaleCo") in relation to the initial public offering of shares in SpeedCast ("Shares").

Applicants under the Broker Firm Offer must contact their Broker for information on how to submit this Broker Firm Offer Application Form ("Application Form") and for payment instructions.

If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Prospectus contains information relevant to a decision to invest in Shares and you should read the entire Prospectus carefully before applying for Shares.

A Shares applied for ______ at Price per Share **A$1.96**

B Application Monies **A$** ______

C **PLEASE COMPLETE YOUR DETAILS BELOW** (refer overleaf for correct forms of registrable names)

Applicant #1 – Surname/Company Name

Title | First Name | Middle Name

Joint Applicant #2 – Surname

Title | First Name | Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

D TFN/ABN/Exemption Code

First Applicant | Joint Applicant #2 | Joint Applicant #3

TFN/ABN type – if NOT an individual, please mark the appropriate box ☐ Company ☐ Partnership ☐ Trust ☐ Super Fund

E **PLEASE COMPLETE ADDRESS DETAILS**

PO Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)

Unit Number/Level | Street Number | Street Name

Suburb/City or Town | State | Postcode

Email address (only for purpose of electronic communication of shareholder information)

F CHESS HIN (if you want to add this holding to a specific CHESS holder, write the number here)

X

Please note: that if you supply a CHESS HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN and any Shares issued as a result of the Offer will be held on the issuer sponsored sub-register.

G Telephone Number where you can be contacted during Business Hours ( ) | Contact Name (PRINT)

Cheques or bank drafts should be drawn up according to the instructions given by your Broker.

H Cheque or Bank Draft Number | BSB - | Account Number

Total Amount **A$** ______

LODGEMENT INSTRUCTIONS

The Closing Date of the Broker Firm Offer is 5:00pm (AEST) on 8 August 2014.

You must return your Application Form so it is received by your Broker by the deadline set out in their offer to you.

SDA BRO001

Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are Shares in SpeedCast. Further details about the Shares are contained in the Prospectus dated 5 August 2014 issued by SpeedCast and SaleCo. The Prospectus will expire on 24 August 2015. While the Prospectus is current, SpeedCast will send paper copies of the Prospectus, any supplementary document and the Application Form, free of charge on request.

The Corporations Act prohibits any person from passing on to another person an Application Form in relation to the offer of Shares, unless the Application Form is attached to or accompanies a complete and unaltered copy of the Prospectus (or an electronic copy of this Prospectus). A person who gives another person access to the Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary or replacement prospectus. Applications for Shares will only be accepted if made on an Application Form that was attached to or accompanies the Prospectus. Capitalised terms used in this Application Form and not otherwise defined have the meaning given to them in the Prospectus.

The Prospectus contains important information about investing in the Shares. You should read the Prospectus before applying for Shares.

A Insert the number of Shares you wish to apply for. You may be issued all of the Shares applied for or a lesser number.

B Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the Offer Price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.

C Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.

D Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, SpeedCast will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.

E Please enter your postal address for all correspondence. All communications to you from SpeedCast and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

F If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHESS for this HIN is different to the details given on this form, your Shares will be issued to SpeedCast's issuer sponsored subregister.

G Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.

H Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B.

If you receive a firm allocation of Shares from your Broker make your cheque payable to your Broker in accordance with their instructions.

DECLARATION

By submitting this Application Form, I/we declare, represent and warrant that this Application Form is completed and lodged in accordance with the Prospectus and this Application Form, and declare that all declarations, details and statements made by me/us are complete and accurate.

It is not necessary to sign the Application Form. Any Application may be rejected without giving reasons, including where the Application Form is not properly completed or where a cheque submitted with the Application Form is dishonoured. If your Application Form is not completed correctly, is late or if the accompanying cheque is for the wrong amount, it may still be treated as valid. The decision as to whether to treat your Application as valid, and how to construe, amend or complete it, is final. An Application may be accepted in part only and Applicants may be allocated fewer Shares than the Applicant applied for. The decision on the number of Shares to be allocated to you is final. An Applicant will not, however, be treated as having offered to subscribe for a higher number of Shares than are indicated on the Application Form. If an Application Form is rejected, or is accepted in part only, the Applicant will receive a refund of all or part of their Application Monies without interest (as applicable). No refunds pursuant to rounding will be provided.

LODGEMENT INSTRUCTIONS

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CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

SpeedCast

SpeedCast International Limited
ACN 600 699 241

Broker Code | Adviser Code

Broker Firm Offer Application Form

This Application Form relates to the Broker Firm Offer on the terms set out in the replacement prospectus (Prospectus) dated 5 August 2014 and issued by SpeedCast International Limited (ACN 600 699 241) ("the Company" or "SpeedCast") and SpeedCast SaleCo Limited (ACN 600 693 141) ("SaleCo") in relation to the initial public offering of shares in SpeedCast ("Shares").

Applicants under the Broker Firm Offer must contact their Broker for information on how to submit this Broker Firm Offer Application Form ("Application Form") and for payment instructions.

If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Prospectus contains information relevant to a decision to invest in Shares and you should read the entire Prospectus carefully before applying for Shares.

A Shares applied for ___,___,___ at Price per Share **A$1.96**

B Application Monies **A$** ___,___,___.__

C **PLEASE COMPLETE YOUR DETAILS BELOW** (refer overleaf for correct forms of registrable names)

Applicant #1 – Surname/Company Name

Title | First Name | Middle Name

Joint Applicant #2 – Surname

Title | First Name | Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

D TFN/ABN/Exemption Code

First Applicant | Joint Applicant #2 | Joint Applicant #3

TFN/ABN type – if NOT an individual, please mark the appropriate box ☐ Company ☐ Partnership ☐ Trust ☐ Super Fund

E **PLEASE COMPLETE ADDRESS DETAILS**

PO Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)

Unit Number/Level | Street Number | Street Name

Suburb/City or Town | State | Postcode

Email address (only for purpose of electronic communication of shareholder information)

F CHESS HIN (if you want to add this holding to a specific CHESS holder, write the number here)

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Total Amount **A$** ___,___,___.__

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Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
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Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
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Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

CORPORATE DIRECTORY

SpeedCast International Limited and SpeedCast SaleCo Limited

Level 2, 470 Collins Street
Melbourne, VIC, 3000, Australia

Lead Manager

UBS AG, Australia Branch
Level 16, 2 Chifley Tower
Sydney, NSW, 2000, Australia

Co-Lead Manager

CIMB Capital Markets (Australia) Ltd
Level 29, Aurora Place
88 Phillip Street
Sydney, NSW, 2000, Australia

Co-Managers

Morgans Financial Limited
Level 29, 123 Eagle Street
Brisbane, QLD, 4001, Australia

Ord Minnett Limited
Level 8, NAB House
255 George Street
Sydney, NSW, 2000, Australia

UBS Wealth Management Australia Limited
Level 16, The Chifley Tower
2 Chifley Square
Sydney, NSW, 2000, Australia

Australian Legal Adviser to the Company

Herbert Smith Freehills
101 Collins Street
Melbourne, VIC, 3000, Australia

Investigating Accountant

PricewaterhouseCoopers Securities Ltd
201 Sussex Street
Sydney, NSW, 2000, Australia

Auditor

PricewaterhouseCoopers
201 Sussex Street
Sydney, NSW, 2000, Australia

Share Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney, NSW, 2000, Australia

SpeedCast Share Offer Information Line

Within Australia (toll free): 1800 129 431
Outside Australia: +61 1800 129 431

Hours of operation: 8.30am to 5.30pm (AEST) Monday to Friday during the Broker Firm Offer Period

Offer website

www.speedcast.com/shareoffer

Corporate website

www.speedcast.com

SpeedCast

www.speedcast.com