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ASX Release

Sydney, 18 March 2016

AGREES NEW DEBT FACILITIES WITH IMPROVED TERMS

STW Communications Group Limited ("STW", ASX: SGN), Australasia's leading marketing content and communications group, today announces that it has agreed new debt facilities to refinance existing arrangements and provide ongoing working capital funding pending the completion of the proposed merger with the Australian and New Zealand businesses of WPP plc ("WPP"), (the "Transaction").

The agreed and committed core debt facilities comprise AUD \$547 million and NZD \$3 million (the "Facilities"). The Facilities have been put in place with a syndicate of domestic and international banks and were scaled back after being over-subscribed. Following the refinancing, STW's next debt maturity will not arise until the first half of 2019. The Facilities will be used to refinance STW's existing facilities, repay the WPP shareholder debt which STW will assume as part of the Transaction and for general corporate purposes.

The agreed Facilities extended to STW on the basis of the merged group are on materially better terms than were available on a standalone basis. The improvements include:

- Significantly lower margins effective upon first drawing under the Facilities;
- A reduced number of financial covenants with improved covenant levels and definitions; and
- The new arrangement being unsecured.

Lukas Aviani, STW's Chief Financial Officer said: "We are extremely satisfied with the outcome of our bank facility renewal with our syndicate of six banks (including very strong support from our two incumbents HSBC and Westpac). The outcome of the refinance is a strong endorsement of the business strength, gearing levels and earnings and cashflow profiles of the combined group that arises as a result of the Transaction."

"WPP's strong banking relationships were also critical to the outcome. The refinance is illustrative of how additional value can be created for STW through the Transaction and being able to benefit from WPP's key relationships."

The availability of the facilities is subject to the Transaction completing and may be reviewed by the lenders if control of STW changes after that time. Availability of the facilities is also subject to other customary conditions precedent for a syndicated facility of this type.

For further information contact:

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Chief Financial Officer

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