

## ASX Announcement

6 April 2017

### Superloop expands international capacity with acquisition of SubPartners

Superloop Limited (**ASX: SLC**) is pleased to announce that it has acquired all the issued shares of SubPartners Pty Ltd (“SubPartners”).

SubPartners was established to develop high performance secure international cable systems capable of providing improved connectivity between Australia and the rest of the world.

The acquisition of SubPartners will deliver Superloop strategic assets including ownership of international submarine cable capacity as a member of the INDIGO consortium which is constructing the INDIGO West cable (Singapore to Perth) and the INDIGO Central cable (Perth to Sydney). The acquisition will also deliver Superloop a team with substantial submarine cable experience and an ability to lead or participate in other future potential undersea cable investments.

The INDIGO cable system is currently expected to be completed by mid-2019. Once complete, Superloop will have access to dedicated fibre spectrum capable of supporting initial capacity of at least 4.5 terabits per second. Due to the nature of the spectrum ownership Superloop will be able to further increase capacity as technological advancements are made.

Bevan Slattery, Chairman and CEO of the Superloop Group said “We are very excited by the prospect of offering customers a fully meshed Pan-Asian network, connecting the existing metropolitan networks which we own and operate. Once the cables are complete, we will have even more capacity to meet growing customer demand across the region.”

### Strategic rationale

The acquisition of SubPartners has significant strategic benefits for the Superloop Group as it will provide the basis for connectivity between existing metropolitan networks, creating a broad inter-connected Pan-Asian network. Through the ability to swap capacity for access to other international cable systems, it will also open up access to new markets and customers.

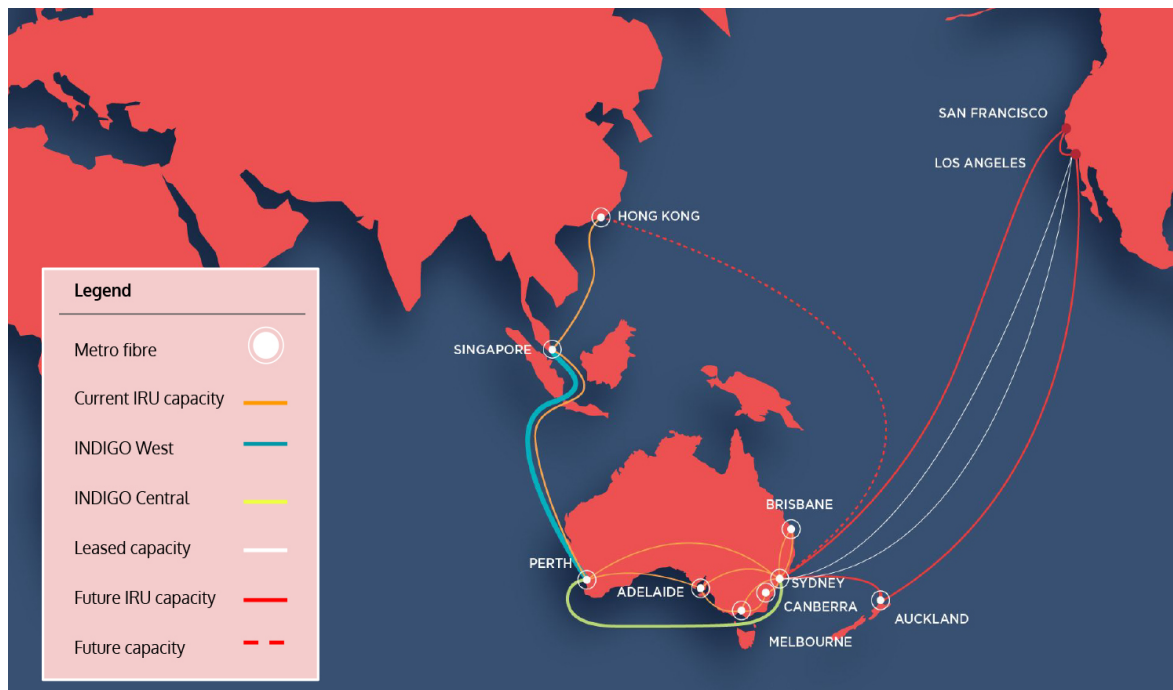
Acquiring SubPartners accelerates access to international capacity which would otherwise take time to establish. Superloop benefits from these time to market savings and from the work SubPartners has already undertaken including:

- developing the INDIGO West and Central projects,
- assisting the establishment of the INDIGO consortium,
- assisting in negotiating the various commercial arrangements between members of the INDIGO consortium,
- assisting in negotiating the supply arrangements for the construction of the INDIGO cable systems, and
- assisting in establishing innovative technical specifications for the consortium cable structure.

Superloop will be able to configure and expand its cable capacity, independently of the other consortium members, allowing it to offer Singapore to Perth, Perth to Sydney and Singapore to Sydney routes to match customer requirements.

Further cost savings include savings on current leased capacity from Perth to Singapore.

Superloop network including future capacity available through INDIGO West and INDIGO Central:



## Consideration

Consideration for the acquisition of SubPartners is US\$2.5 million, satisfied by the issue of 1,451,869 fully paid ordinary shares in Superloop at an issue price of \$2.255, being the VWAP for the 5 trading days to 30 March 2017. All shares issued as consideration to the sellers of SubPartners will:

- rank equally with existing Superloop shares
- be subject to voluntary escrow for 12 months from the date of completion.

The Company will seek shareholder approval for the issue of shares to Mr Slattery, the owner of 80% of the issued capital of SubPartners. If shareholders approve the issue of shares to Mr Slattery, his holding in Superloop will increase from 28.8% to approximately 29.1%. If shareholders do not approve the issue of shares to Mr Slattery, he will be paid cash consideration equivalent to US\$2 million.

## Obligations of SubPartners assumed by Superloop

The INDIGO Consortium has signed a fixed price supply agreement with a cable supplier for the construction and maintenance of each cable system. Completion of the systems are expected by mid-2019.

Superloop has provided a guarantee in relation to SubPartner's construction capital commitments to the supplier as well as its ongoing operating and maintenance commitments. Capital contributions will also be required for the construction and maintenance of landing stations as well as for the optical equipment required to manage capacity on the cables. Total capital expenditure by SubPartners in relation to the INDIGO cable systems is expected to be between US\$35 million and US\$37 million from FY17 until FY20.

Superloop has sufficient funding headroom to meet SubPartners' capital and operational commitments within Superloop's current debt facility.

SubPartners is also responsible for the procurement, provision, operation and maintenance of the shore end infrastructure for INDIGO Central in Sydney and will receive fees of approximately US\$5.3 million from the INDIGO consortium over FY17 and FY18.

Superloop also assumes the obligation of SubPartners to repay amounts owing to entities associated with Mr Slattery, up to a maximum of \$7 million, for work undertaken to establish and operate SubPartners.

### **ADDITIONAL INFORMATION**

For further comment or other information please contact:

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### **About Superloop**

Superloop is a leading independent provider of digital services in the Asia Pacific region.

The Group owns and operates over 540km of fibre networks in Australia, Singapore and Hong Kong, connecting over 70 of the region's key data centres. The network is continually expanding with further diverse connections recently completed to the Singapore Exchange, IO and NTT data centres in Singapore.

In Hong Kong, Superloop has established a 110km fibre optic network to initially connect 30 strategic sites including the Hong Kong Stock Exchange data centre. The Company has constructed TKO Express, the first submarine cable to connect the traditional carrier hotels located in Chai Wan on Hong Kong Island and the data centre campus located at Hong Kong Science and Technology Park's Tseung Kwan O Industrial Estate on the mainland, providing much needed physical diversity and a low latency path between Hong Kong's major finance and technology hubs. TKO Express is the world's largest fibre core count subsea cable system.

The Group also operates businesses including BigAir Group, APEXNetworks and CINENET Systems.

For more information, visit: [www.superloop.com](http://www.superloop.com)