

Eftel's Director Shareholders accept "All Shares' option of M2 Takeover Offer

10 April 2013

Eftel Limited (**ASX: EFT**) today announced that each of its Directors that were also Shareholders in the Company had given their instructions to accept the M2 takeover offer for the Company – making the All Shares' election – in respect of all shares which they controlled.

The Eftel Directors and their associates hold a relevant interest in the following shares, in relation to which instructions to accept the M2 offer have been given:

Name	Relevant interest in Eftel Shares of Director and his associates	Voting power
Larry Kestelman	85,010,288	79.07%
Ryan O'Hare	5,714,286	5.32%
Simon Ehrenfeld	2,369,872	2.20%
Scott Stavretis	2,011,265	1.87%
Stephe Wilks	40,000	0.04%

Commenting on the Directors' acceptances, Stephe Wilks, Chairman said "This early acceptance of the M2 offer confirms the Directors' view that the M2 takeover offer represents an attractive value proposition for all shareholders, and one which is supported by the Directors in respect of their own shareholdings. We look forward to the offer being completed, to see Eftel become part of one of the industry's largest telecommunications companies, seizing the opportunity to expand our presence nationally, and enhance our product and service offering to all customers".

Enquiries:

Stephe Wilks

Chairman

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About Eftel Ltd

Established in 1999, Eftel Limited is an Australian telecommunications carrier and internet service provider, and with its leading brands Eftel, ClubTelco, Engin and aaNet services wholesale, corporate, government, and retail customers across Australia. The Company offers Services including DSL and fibre broadband, mobile broadband, Ethernet broadband internet, webhosting, domain services, mobile and fixed line telephone, and voice over broadband. Eftel Limited is listed on the ASX (ASX: EFT).

The Eftel retail division is a Top 10 internet service provider offering a full suite of consumer internet products, while the Eftel wholesale division services a large number of Australia's service providers, giving them access to a broad gateway of services via Eftel's extensive carrier partner network. The Eftel corporate division offers tailored solutions to business and government clients throughout Australia. Eftel Limited's newest division, Engin, is one of Australia's leading providers of voice over broadband.

About M2 Telecommunications Group Ltd

Established in 1999, M2 Telecommunications Group Ltd ("M2", ASX: MTU) is one of Australia's largest and most profitable telecommunication service providers, supplying a broad range of telecommunications products and services to both the retail and wholesale markets. Headquartered in Melbourne, M2 employs approximately 950 people across Australia and New Zealand.

M2's retail division targets the small to medium business ("SMB") market under the Commander brand and the residential market under the iPrimus brand. M2 offers a full suite of traditional and next generation telecommunications services including fixed line voice services, 3G mobile, mobile broadband, ADSL2 broadband, hosted/managed data services and IP/hosted voice solutions.

M2's Wholesale division provides wholesale fixed line, mobile and data telecommunications services to small and medium- sized telecommunications service providers and Internet Service Providers ("ISPs").

M2 has consistently delivered growth in profit year-on-year since listing on the ASX in 2004 and in June 2012 was added to the S&P/ASX200.

For more about M2 visit www.m2.com.au/Investor-Centre.

Related Company sites (part of the M2 Group):

- www.commander.com
- www.iprimus.com.au
- www.bw.co.nz
- www.m2wholesale.com.au