



FIRST OPPORTUNITY FUND LIMITED
ABN 96 084 115 499

PROPOSED TO BE RENAMED

VOCUS COMMUNICATIONS LIMITED

Prospectus

CLOSING DATE: 5.00pm (Sydney time) on Wednesday, 16 June 2010

This document is important. Carefully read this Prospectus in full and consult your stockbroker, solicitor, accountant, licensed financial adviser or other professional adviser if you are in any doubt as to what to do.

Important Information

This Prospectus is dated 17 May 2010 and a copy of this Prospectus was lodged with ASIC on that date. Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus. The fact that ASX has previously admitted the Company to its Official List is not to be taken in any way as an indication of the merits of the Company.

No New Shares will be issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus. New Shares offered pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

Pursuant to ASX Listing Rule 11.1.3, the Company is required to satisfy the requirements of Chapters 1 and 2 of the ASX Listing Rules, as advised by the ASX, as if applying for re-admission to the Official List. Accordingly, this Prospectus is being issued principally to satisfy those requirements.

The Company's Shares are "continuously quoted securities" as defined in the Corporations Act. This is a Prospectus for an offer of "continuously quoted securities" of the Company. Accordingly, no exposure period applies to this Prospectus.

This Prospectus does not take into account the individual investment objectives, financial situation or particular needs of any person. Before deciding to invest in the Company, potential investors should read the entire Prospectus and, in particular, in considering the prospects for the Company, investors should consider the risk factors that could affect the financial performance of the Company. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues). The Company is embarking on a new acquisition and business strategy and risks are, therefore, significant. Refer to Section 9 for information relating to Risk Factors. Investors should seek professional advice from a licensed financial adviser, accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

Disclaimer

No person is authorised to give any information or make any representations in connection with the Offer other than as contained in this Prospectus. Any information or representation in connection with the Offer not contained in this Prospectus is not, and may not be relied on as having been, authorised by the Company (or any of its officers).

Foreign Jurisdictions

The Offer is being made in Australia only. This Prospectus does not constitute an offer in any place which, or to any person whom, it would not be lawful to make such an offer. The distribution of this Prospectus in jurisdictions

outside Australia may be restricted by law and persons who come into possession of this Prospectus in such jurisdictions should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

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

Privacy

The Company collects information about each Applicant provided on an Application for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application, each Applicant agrees that the Company may use the information provided by that Applicant on that Application for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX, ASIC and other regulatory authorities.

If an Applicant becomes a security holder of the Company, the Corporations Act requires the Company to include information about the security holder (name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a security holder of the Company. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application, the Company may not be able to accept or process your Application.

An Applicant has a right to gain access to the information that the Company and the Share Registry holds about that person subject to certain exemptions under law. Access requests must be made in writing to the Company through the Share Registry at Computershare Investor Services Pty Limited, Level 3, 60 Carrington Street, Sydney NSW 2000.

Financial amounts

Financial amounts in this Prospectus are expressed in Australian dollars unless otherwise stated.

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NOTE: Capitalised terms used in this Prospectus are defined in the Glossary (Section 14).

KEY DATES

Lodgement of Prospectus with ASIC	17 May 2010
Offer Opens	17 May 2010
Offer Closes	16 June 2010
Date of Shareholder Meeting	16 June 2010
Allotment of New Shares	30 June 2010
Expected dispatch of Shareholder holding statements	5 July 2010
New Shares expected to commence trading on ASX	6 July 2010

NOTE: The above timetable is indicative only. The Company has the right to vary any of the above dates without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws.

KEY OFFER STATISTICS

Number of Shares on issue as at the date of this Prospectus	10,116,062
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Stage 1: Public Offer and Placement

Number of Public Offer and Placement Shares to be issued	12,000,000
Issue Price per Share	\$0.50
Total proceeds from the Public Offer and Placement	\$6 million, before expenses of the Offer ^{##}
Total number of Shares on issue after completion of the Public Offer and Placement	22,116,062 [#]

Stage 2: Issue of Consideration Shares

Total number of Consideration Shares to be issued to the Vocus Shareholders (or at their direction)	26,952,991
Deemed issue price per Consideration Share	\$0.50
Total number of shares on issue after completion of both the Public Offer and Placement and the Proposed Transaction	49,069,053 [#]
Market capitalisation after completion of both the Public Offer and Share Placement, and the Proposed Transaction, calculated at the Issue Price	\$24,534,527 [#]

[#] Assuming that no options over Shares are exercised before completion of the Proposed Acquisition of Vocus. A company controlled by Messrs Brett and Chonowitz holds 2,000,000 options to subscribe for ordinary Shares in FOF, which are exercisable on or before 22 July 2010.

^{##} Expenses of the Offer are estimated to be \$435,000 (see Sections 2.6 and 12.15).

Highlights of Vocus

Vocus provides wholesale telecommunications fixed line, voice and data products and services to the Internet service provider (ISP) and telecommunications markets.

- **Fast growth**

Vocus sales are forecast to grow 177% from FY09 to FY10*.

- **Strong and diversified customer base**

Vocus' customers represent some of the largest ISPs and telecommunications companies in Australia and New Zealand. No customer accounts for more than 13% of revenue.

- **Forecasts supported by contracted earnings**

Approximately 85% of FY10 forecast revenue is supported by Internet protocol (IP) transit, data and voice contracts with existing customers.

- **Positive industry trends**

The amount of data sent over communication networks is growing rapidly in response to increasing business and personal use of information, greater availability of high speed Internet access and increasing bandwidth requirements of Internet content.

- **Independent competitive position**

Following the acquisition of PIPE Networks Limited by TPG Telecom Limited, Vocus becomes one of the only independent wholesale providers of IP transit services.

- **Positioned for growth**

After the Offer, Vocus will have cash available to fund growth.

	Pro forma FY09 \$ millions	Pro forma FY10* \$ millions	Growth** (FY09 to FY10)
Sales	5.80	16.08	177%
EBITDA	0.20	6.64	3,202%
Forecast NPAT		3.25	n/a
Forecast EPS (cents per share)		6.6cps	n/a
Interest Bearing Debt***		21.20	n/a
Valuation Metrics****			
Market Capitalisation on Completion****		24.53	
EV/EBITDA		6.9x	
PER		7.5x	

* Including 6 months audited results and 2 months unaudited actual to 28 February 2010

** Growth rates are FY10 pro forma compared to FY09 pro forma (Refer Section 8).

*** Interest Bearing Debt comprises \$20.4m in contractual obligations payable to Southern Cross Cables Limited for capacity purchased on its intercontinental submarine fibre optic cable, and \$0.8m of finance lease liabilities.

**** Based on an Issue Price of \$0.50 per share and assuming that no options over FOF Shares are exercised before completion of the Proposed Acquisition of Vocus.

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Chairman's Letter

Date: 17 May 2010

Dear Investor,

On behalf of the Directors of First Opportunity Fund Limited (which is to be renamed Vocus Communications Limited) (**Company** or **FOF**), I am pleased to confirm that the Board, subject to Shareholder approval, is implementing the following:

1. a public offer of New Shares (**Public Offer**);
2. a share placement to the IWPE Funds (as defined in the Glossary in Section 14 of this Prospectus) (**Placement**); and
3. an issue of Shares to the shareholders of Vocus Group Limited (or at their direction) (**Issue of Consideration Shares**).

Background

On 12 April 2010, the Company announced that, following satisfactory completion of due diligence, the Company had entered into a conditional agreement to acquire the entire issued share capital of Vocus Group Limited (**Vocus**).

Vocus is a non-listed Australian public company which is engaged in the sale of wholesale telecommunication services to Internet service providers and to the telecommunications market.

It is intended that FOF will dispose of its existing interest in the Monarch Group, which will enable the Company to move from being an investment company to an active participant in a fast growing sector of the telecommunications industry.

Accordingly, the Company's acquisition of Vocus represents a significant change in the scale of the Company's activities, and therefore requires the approval of FOF's Shareholders.

Conditional Offer

The Offer of New Shares pursuant to this Prospectus is conditional on Shareholder approval being obtained at the general meeting to be held on Wednesday, 16 June 2010 (**General Meeting**). In accordance with the applicable law, the Notice of Meeting for the General Meeting includes an Independent Expert's Report opining as to whether the Issue of Consideration Shares is fair and reasonable in the context of the interests of Shareholders other than those involved in the proposed allotment or purchase or associated with such persons. The Notice of Meeting and the Independent Expert's Report will be available from 17th May 2010 for review on the Company's announcement section on www.asx.com.au.

If such Shareholder approval is not obtained, or any of the other conditions precedent to the Offer are not met, no funds will be raised pursuant to this Prospectus, no New Shares will be issued pursuant to the Offer and all Application Payments will be refunded to Applicants.

Public Offer

The Public Offer provides an opportunity for new investors to become Shareholders, by subscribing for Public Offer Shares at an Issue Price of \$0.50 per New Share. The principal purpose of the Public Offer is to enable the acquisition of Vocus to be completed and to increase the spread of shareholders in the Company. The Public Offer is underwritten by Investec Wentworth Private Equity Ltd (**IWPE**) and will raise \$1 million before expenses.

Placement

In conjunction with the Public Offer, FOF will undertake a Placement of 10,000,000 Shares at \$0.50 per New Share, raising \$5 million before expenses. The Placement will be made to the IWPE Funds (as defined in the Glossary in Section 14 of this Prospectus).

Issue of Consideration Shares

FOF will allot and issue 26,952,991 fully paid ordinary shares in the Company (**Consideration Shares**) to the shareholders of Vocus (**Vocus Shareholders**) or at their direction, at an issue price of \$0.50 per Share, as part of the consideration for the acquisition by the Company of the entire issued share capital of Vocus. The issue of the Consideration Shares is conditional on completion of the Proposed Acquisition of Vocus.

Placee and Underwriter

IWPE is currently the manager of FOF, and the applicable management agreement will be terminated without penalty with the consent of both parties immediately prior to completion of the Proposed Transaction.

The IWPE Funds and IWPE have agreed to apply for the Placement Shares and to underwrite the Public Offer (respectively), subject to Shareholder approval. After careful consideration of all relevant matters, I as the independent director on the Board of FOF appointed IWPE to place New Shares and to underwrite the Public Offer, subject to Shareholder approval. This appointment was made on the basis of IWPE's confidence in the new direction of the Company when its main business will be Vocus' current operations and IWPE's willingness to provide the assurance of the Placement and underwriting commitment.

After the transaction, IWPE will have two representatives on the FOF Board.

The funds raised by Public Offer and the Placement will enable the Company to acquire 100% of Vocus and to provide working capital to fund ongoing operations and future growth of the business.

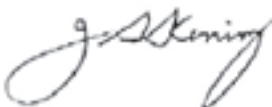
Timetable

The Offer will close on Wednesday, 16 June 2010, unless varied by the Board. The Company will issue and allot all New Shares on the date of completion of the Proposed Acquisition of Vocus, which is expected to occur on 30 June 2010.

If you have any queries in relation to this Prospectus, please do not hesitate to contact Computershare Investor Services on 1 300 850 505 (for callers within Australia) and +61 3 9415 4000 (for callers outside Australia). I recommend you obtain the advice of your licensed financial adviser, stockbroker or other professional adviser on the Offer.

On behalf of the Directors, I invite you to consider this opportunity to invest in the Company.

Yours sincerely



Dr John S Keniry, AM
Chairman



Investment Highlights

The information in this Section 2 is a summary only. It should be read in conjunction with the information in the remainder of this Prospectus.

2.1 BACKGROUND

On 12 April 2010, the Company announced that, following satisfactory completion of due diligence, the Company had entered into a conditional agreement to acquire the entire issued share capital of Vocus Group Limited (**Vocus**).

The Proposed Acquisition of Vocus represents a significant change in the scale of the Company's activities, and therefore requires the approval of FOF's Shareholders. Further, under the ASX Listing Rules, the magnitude of the change in scale places a requirement on the Company to satisfy the provisions of Chapters 1 and 2 of the ASX Listing Rules as if re-applying for admission to the Official List of the ASX.

2.2 SUMMARY OF THE PROPOSED TRANSACTION

The Proposed Acquisition of Vocus comprises the following elements:

- (a) FOF disposing of its interests in the Monarch Group to third party purchasers for cash;
- (b) FOF distributing to current Shareholders by way of reduction of capital up to a maximum of approximately \$1.5 million in cash so as to leave FOF with \$5 million in cash before transaction expenses, before the acquisition of Vocus and before the exercise of any current options over FOF Shares. If such options are exercised before completion of the acquisition of Vocus, FOF will have \$6 million in cash before transaction expenses and before completion. The Directors estimate that the expenses of the Proposed Transaction will be approximately \$706,000 (including costs of the Offer of approximately \$435,000);
- (c) revocation of the Company's pooled development fund status under the Pooled Development Funds Act 1992 (*Cth*);
- (d) the Company terminating its Management Agreement with its manager, Investec Wentworth Private Equity Limited;
- (e) the extinguishment of all liabilities of the Company in excess of sundry creditors of \$200,000 in aggregate;
- (f) FOF undertaking the Placement, the Public Offer, and the Issue of Consideration Shares to the Vocus Shareholders or at their direction, under this Prospectus; and
- (g) the transfer to FOF of all of the issued shares in the capital of Vocus in consideration for a cash payment of \$6,523,504 and the issue of 26,952,991 Consideration Shares to the Vocus Shareholders (or at their direction).

Except for item 2.2(a), which will be implemented independently (subject to Shareholder approval), the implementation of each other element is subject to the implementation of all elements.

Completion of the Proposed Transaction depends, amongst other things, on each of the above elements being completed, and the passing of the Resolutions by Shareholders at the General Meeting of the Company to be held on Wednesday, 16 June 2010.

On completion of the Proposed Transaction, Vocus will effectively be listed on the ASX, and the existing business of FOF will cease to operate.

2.3 FINANCIAL HIGHLIGHTS

	30 June 2009 pro forma income statement	30 June 2010 pro forma forecast income statement
	\$	\$
Revenue	5,796,217	16,083,036
Other income	93,631	-
Cost of delivery	(3,327,310)	(4,402,659)
Operational expenses	(2,329,422)	(4,960,526)
Other expenses	(31,926)	(76,242)
EBITDA*	201,190	6,643,609
Depreciation and amortisation		(2,142,618)
Interest		(106,675)
NPBT**		4,394,316
Tax		(1,143,654)
NPAT***		3,250,662

* Earnings Before Interest Tax Depreciation and Amortisation

** Net Profit before Tax

*** Net Profit after Tax

The above summary of financial information needs to be read in conjunction with the more detailed commentary in Section 8 on Financial Information and in Section 9 on Risk Factors.

2.4 THE OFFER

The Offer for the purposes of this Prospectus comprises the following 3 proposed issues of New Shares by the Company:

- the Placement to IVPE Funds of 10,000,000 Placement Shares at an Issue Price of \$0.50 per New Share to raise \$5 million before expenses;
- the underwritten Public Offer of 2,000,000 Public Offer Shares to investors other than the Vocus Shareholders, at an Issue Price of \$0.50 per New Share, to raise \$1 million before expenses; and
- the Issue of Consideration Shares to the Vocus Shareholders or at their direction (being 26,952,991 New Shares at a deemed issue price of \$0.50 per New Share), as part of the consideration for the purchase by the Company of all of the issued shares in the capital of Vocus.

Details of the Offer are set out in Section 3 of this Prospectus. The sources and uses of funds relating to the Offer are as follows:

Sources of funds	\$	Use of funds	\$
Proceeds from the Placement	5,000,000	Cash payment to the Vocus Shareholders	6,523,504
Proceeds from the Public Offer	1,000,000	Transaction expense (including expenses of the Offer)	706,000
FOF cash on hand ^{1,2}	5,000,000	Cash retained for running the Company ²	3,770,496
TOTAL²	11,000,000	TOTAL²	11,000,000

Notes:

- After implementation of the capital reduction to be implemented by FOF (as referred to in paragraph 2.2 above), before transaction expenses and before the Proposed Acquisition of Vocus.
- Assuming that no options over FOF Shares are exercised before completion of the Proposed Acquisition of Vocus.

Instructions on how to make an Application for New Shares is set out in Section 4 of this Prospectus.

2.5 THE OFFER IS CONDITIONAL

The Offer set out in this Prospectus is conditional upon the passing of the Resolutions at the General Meeting to be held on 16 June 2010, on completion of the Proposed Transaction and on the Company meeting the requirements of Chapters 1 and 2 of the ASX Listing Rules.

No issue of New Shares will be made until permission is granted for quotation of the New Shares on the ASX. If the New Shares are not admitted for quotation within 3 months after the date of this Prospectus, then the Offer will not proceed.

If Shareholder approval is not obtained at the General Meeting, or any of the other conditions precedent to the Offer are not met, no funds will be raised pursuant to this Prospectus, no New Shares will be issued pursuant to the Offer and all Application Payments will be refunded to Applicants.

Further details regarding the Resolutions are set out in Section 12.

2.6 APPLICATION OF PROCEEDS

The Directors estimate that the expenses of the Proposed Transaction will be approximately \$706,000 (including costs of the Offer of approximately \$435,000).

The funds raised will be applied first towards meeting the expenses of the Offer, which are expected to be approximately \$435,000. A breakdown of the expected costs of the Offer is set out under Section 12. The balance of the transaction expenses will be paid from FOF's existing cash assets.

Assuming the Offer is fully subscribed, the net proceeds of the Offer are expected to be \$5,565,000 after expenses.

The net proceeds of the Offer will be used to assist the Company to acquire all of the issued share capital in Vocus and to provide working capital to fund ongoing operations and future growth of the business.

2.7 RISK FACTORS

There are a number of risks associated with an investment in the Company which may affect its financial performance, financial position, cash flows, distributions, growth prospects and share price. The key risk factors identified by the Directors are summarised in Section 9. You should read this Prospectus carefully and in its entirety, including Section 9, before deciding whether to apply for New Shares. If you are in doubt as to the course you should follow, you should consult your licensed financial adviser, accountant, stockbroker, solicitor or other professional adviser.

The Directors draw your attention to one of the risks set out in Section 9.2(d) in relation to contract renewal in normal course. Vocus has entered into medium term contracts with some of its customers. Given Vocus' short trading history, there is limited empirical evidence regarding contract renewal rates. In light of this limited empirical evidence the Directors do not believe there is a reasonable basis for disclosing forecast financial information beyond 30 June 2010.



Details of the Offer

3.1 PLACEMENT

The Company is undertaking a share placement to the IWPE Funds at an Issue Price of \$0.50 per New Share (**Placement**).

The total number of Placement Shares which will be issued pursuant to the Placement will be 10,000,000. The amount which will be raised under this Placement is \$5 million, before expenses. A breakdown of the expected costs of the Offer is set out under Section 12.

The funds raised from the Placement will assist in funding the acquisition by the Company of the entire issued share capital of Vocus and provide working capital to fund the ongoing operations and future growth of the business.

3.2 PUBLIC OFFER

The company is undertaking a Public Offer of 2,000,000 Public Offer Shares to investors other than the Vocus Shareholders, at an Issue Price of \$0.50 per New Share. The amount which will be raised under the Public Offer is \$1 million, before expenses. A breakdown of the expected costs of the Offer is set out under Section 12.

The funds raised from the Public Offer will enable the acquisition of Vocus to be completed, and will provide working capital to fund the ongoing operations and future growth of the business. The implementation of the Public Offer will also enable the Company to increase its spread of Shareholders.

In accordance with ASX Listing Rule 10.11, the Public Offer Shares will be issued to Applicants who are not related parties of the Company, other than to IWPE as Underwriter.

3.3 PLACEE AND UNDERWRITER

IWPE is the current manager of the Company under a Management Agreement which will be terminated with the consent of both parties prior to completion of the Proposed Acquisition of Vocus. John Murphy, Alan Chonowitz and Jonathan Brett are directors of IWPE and/or its associated entities. (Please refer to Section 12.12 for full details of the interests of the Directors in the Company.)

The IWPE Funds and IWPE have agreed to apply for the Placement Shares and to underwrite the Public Offer (respectively), subject to Shareholder approval. After careful consideration of all relevant matters, the independent director on the Board appointed IWPE to place New Shares and to underwrite the Public Offer, subject to Shareholder approval. This appointment was made on the basis of IWPE's confidence in the new direction of the Company when its main business will be Vocus' current operations and IWPE's willingness to provide the assurance of the Placement and underwriting commitment.

After the transaction, IWPE will have two representatives (being Mr Murphy and Mr Brett) on the FOF Board.

If approved by Shareholders at the General Meeting, the issue of the Public Offer Shares and Placement Shares would result in IWPE and the IWPE Funds obtaining a cumulative voting power in the Company of approximately:

- (a) 20.38% of the enlarged Share capital of the Company, after taking into account all New Shares to be issued pursuant to this Prospectus, assuming that IWPE (as underwriter) does not subscribe for any Public Offer Shares;
- (b) 22.42% of the enlarged Share capital of the Company, after taking into account all New Shares to be issued pursuant to this Prospectus, assuming that IWPE (as underwriter) subscribes for 50% of the Public Offer Shares; and
- (c) 24.46% of the enlarged Share capital of the Company, after taking into account all New Shares to be issued pursuant to this Prospectus, assuming that IWPE (as underwriter) subscribes for 100% of the Public Offer Shares,

in each case assuming that no options over FOF Shares are exercised prior to completion of the Proposed Acquisition of Vocus.

Details of the Underwriting Agreement and the circumstances under which the Underwriter is able to terminate its obligations are set out in Section 12.

3.4 ISSUE OF CONSIDERATION SHARES

As part of the purchase consideration for the issued share capital of Vocus, the Company has agreed to issue 26,952,991 Consideration Shares to the Vocus Shareholders (or at their direction), at an issue price of \$0.50 per New Share, as follows:

Name	Number of Consideration Shares to be allotted	Resultant post-completion % holding in the Company#
Spenceley Management Pty Ltd (ACN 127 151 437) in its capacity as trustee for the Spenceley Family Trust ¹	8,339,407	17.0%
Spenceley Management Pty Ltd (ACN 127 151 437) in its capacity as trustee for the Spenceley Family Superannuation Fund ¹	358,883	0.7%
Tameion Pty Ltd (ACN 099 043 740) in its capacity as trustee for the McConnell II Family Trust ²	7,555,929	15.4%
Tameion Pty Ltd (ACN 099 043 740) in its capacity as trustee for the Tameion Super Fund ²	2,716,736	5.5%
Layer 10 Pty Ltd (ACN 106 146 650) in its capacity as trustee for the Wiltongate Trust	1,863,888	3.8%
Daryl R James	411,208	0.8%
Officelink Partnership (ABN 42 946 564 199)	945,638	1.9%
Roman Empire Pty Ltd (ACN 118 227 893) ³	727,598	1.5%
McDonald Richards	1,016,666	2.1%
Mark de Kock ⁴	400,636	0.8%
Anthony Fabian	593,056	1.2%
Michael Fuller	67,778	0.1%
Julian Ryan in his capacity as trustee for the HJ Discretionary Trust	254,166	0.5%
Daniel Whitford	1,016,666	2.1%
Len Walter	254,170	0.5%
Julian Breen	84,722	0.2%
Richard Correll	33,889	0.0%
Rick Carter	17,792	0.0%
Susan Alexander	16,954	0.0%
Damien Coxall	6,778	0.0%
David Phippen	5,931	0.0%
Corinne Cowlshaw	3,389	0.0%
Vorpal Pty Ltd (ACN 087 802 444) in its capacity as trustee for the VJWS Family Trust ⁵	200,000	0.4%
Hall Capital Strategies Pty Ltd (ACN 090 433 775) ⁵	61,111	0.1%
TOTAL	26,952,991	54.9%⁶

Notes:

Approximate figures. Totals may not add due to rounding. Assuming that no options over Shares are exercised before completion of the Proposed Acquisition of Vocus.

1. Entities associated with Mr James Spenceley, who will be a Director of the Company subject to the passing of all Resolutions and completion of the Proposed Transaction.

2. Entities associated with Mr Paul McConnell, who will be a Director of the Company subject to the passing of all Resolutions and completion of the Proposed Transaction.
3. An entity associated with Mr Nicholas McNaughton, who will be a Director of the Company subject to the passing of all Resolutions and completion of the Proposed Transaction.
4. Mr Mark de Kock will be a Director and company secretary of the Company subject to the passing of all Resolutions and completion of the Proposed Transaction.
5. Consideration Shares will be issued to these entities at the direction of Vocus Shareholders. These entities are not Vocus Shareholders and are not associates of Vocus Shareholders.
6. Taking into account Consideration Shares to be issued to unrelated third parties at the direction of Vocus Shareholders (see Note 5 above).

Under the Acquisition Agreement, the Vocus Shareholders are deemed to have lodged valid Applications for the Consideration Shares.

Each of the allottees listed in the above table who will hold more than 100,000 Consideration Shares post-allotment (each a **Restricted Security Holder**) will enter into a Restriction Agreement in relation to the Consideration Shares allotted to it, other than with respect to the first 100,000 Consideration Shares allotted to that Restricted Security Holder (**Restricted Securities**). The Restricted Securities held by each Restricted Security Holder are subject to the following escrow requirements:

- in respect of 75% of the Restricted Securities, an escrow period of 12 months from the date the Restricted Securities are allotted; and
- in respect of 25% of the Restricted Securities, an escrow period of 6 months from the date the Restricted Securities are allotted.

3.5 OPENING AND CLOSING DATES

The Offer will open for receipt of acceptances on Monday, 17 May 2010. No Application will be processed until the Offer opens.

The Closing Date and time for acceptances and payments is 5.00pm (Sydney time) on Wednesday, 16 June 2010 or such other date as the Company in its absolute discretion determines subject to the requirements of the ASX Listing Rules.

3.6 ISSUE OF NEW SHARES

Conditional on the matters referred to in Section 2.5 of this Prospectus, the Company expects to issue the New Shares on the date of completion of the Proposed Acquisition of Vocus, which is expected to occur on 30 June 2010.

As the New Shares will be issued after the record date for the capital reduction to be implemented by FOF (as referred to in paragraph 2.2 above), holders of the New Shares will not be eligible to receive funds from FOF pursuant to that capital reduction.

As the New Shares will be issued after the record date for the General Meeting to be held on Wednesday, 16 June 2010 (as referred to in paragraph 2.2 above), holders of the New Shares will not be entitled to vote on any of the Resolutions at the General Meeting.

The New Shares, from the time they are issued, will be fully paid Shares and will rank equally with existing Shares. Full details of the rights attaching to the New Shares are contained in the Corporations Act and the Company's Constitution. A summary of the Company's new Constitution is set out in Section 12.

No Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus.

3.7 MAJOR SHAREHOLDERS AT COMPLETION OF THE OFFER

After completion of the Offer, the top five shareholders in the Company will be as follows:

Top 5 Shareholders	Shares	Stake#
1 Tameion Pty Limited *	10,272,665	20.94%
2 IWPE Funds **	10,000,000	20.38%
3 Spenceley Management Pty Limited ***	8,698,290	17.73%
4 Loftus Lane Investments Pty Limited	2,268,034	4.62%
5 Layer 10 Pty Ltd ATF Wiltongate Trust	1,863,888	3.80%

Notes:

- # Approximate figures only. Assuming that no options over FOF Shares are exercised before completion of the Proposed Acquisition of Vocus.
- * Tameion Pty Limited is trustee for the McConnell II Family Trust and for the Tameion Super Fund, being entities associated with Mr Paul McConnell, who will be a Director of the Company subject to the passing of all Resolutions and completion of the Proposed Transaction.
- ** IWPE Funds are managed by IWPE, the underwriter to the Public Offer. This shareholding assumes the Public Offer is fully subscribed and no New Shares are issued to IWPE pursuant to the Underwriting Agreement. If no New Shares are issued to Applicants under the Public Offer and the underwriting commitment is called on in full, IWPE Funds and IWPE will together own 12,000,000 Shares equal to 24.46% of the enlarged Share capital of the Company (see paragraph 3.3 above).
- *** Spenceley Management Pty Limited is trustee for the Spenceley Family Trust and for the Spenceley Family Superannuation Fund, being entities associated with Mr James Spenceley, who will be a Director and the CEO of the Company subject to the passing of all Resolutions and completion of the Proposed Transaction.

3.8 CHESS

FOF is currently a participant in the Securities Clearing House Electronic Subregister System (**CHESS**). CHESS is operated by the ASX's Securities Clearing House (**SCH**) in accordance with the ASX Listing Rules and the SCH Business Rules. Under CHESS, FOF will not be issuing certificates to Applicants who elect to hold their New Shares on the CHESS sub-register. After allotment of the New Shares, successful Applicants will receive a CHESS statement.

3.9 ASX LISTING

Within 7 days after the date of issue of the Prospectus, FOF intends to apply for quotation of the New Shares to be issued under this Prospectus on the ASX. If granted, quotation of the New Shares will commence as soon as practicable after allotment of Shares to Applicants. It is the responsibility of the Applicants to determine their allocation of New Shares prior to trading.

If the New Shares are not admitted for quotation within 3 months after the date of this Prospectus then the Offer will not proceed and the Application Payments will be returned to the Applicant.

3.10 PROFESSIONAL ADVICE

If you are in any doubt as to whether to accept the Offer, please contact your stockbroker, licensed financial adviser or other professional adviser.

The Directors do not consider it appropriate to give Shareholders or investors advice regarding the taxation consequences of subscribing for New Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders or investors. As a result, Shareholders and investors should consult their professional tax adviser in connection with any aspect of the Offer and/or applying for New Shares under this Prospectus.

3.11 DISPUTES

The Board may settle, in any manner it thinks fit, any disputes or anomalies which may arise in connection with or by reason of the operation of the Placement and the Public Offer, whether generally or in relation to any Shareholder, investor, Applicant or Application. The decision of the Board will be conclusive and binding on all persons to whom the determination relates.

3.12 CHANGE TO THE TERMS OF THE OFFER

FOF reserves the right to waive strict compliance with or vary any provision of the Terms of the Offer, or to vary, suspend or terminate the Offer at any time without notice.

If FOF does this, it will make an announcement to ASX. Failure to notify Shareholders or investors of changes to, suspension or termination of the Offer or the Terms of the Offer will not invalidate the change, suspension or termination.

FOF reserves the right to issue no New Shares or fewer New Shares than an Applicant applies for under the Offer if the Board believes the issue of those New Shares would contravene ASIC's Class Order, requirements or policies, any law or any ASX Listing Rule.

3.13 GOVERNING LAW

This Offer is governed by the law in force in New South Wales. By accepting the Offer, you submit to the non-exclusive jurisdiction of the courts of New South Wales.

3.14 ENQUIRIES

For enquiries regarding the Offer or other registry matters, please contact Computershare Investor Services on 1300 850 505 (for callers within Australia) and +61 3 9415 4000 (for callers outside Australia).



How to Apply for New Shares

If you wish to apply for New Shares under the Offer, please complete the Application Form in accordance with the instructions set out on that form. An Application Form is provided in Section 17 and is also available for download on www.vocus.com.au.

All Application Forms must be accompanied by payment in full of the Issue Price of \$0.50 per New Share applied for.

Application Payment must be made by cheque, bank draft or money order, unless otherwise determined by the FOF Board.

Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "FOF Public Offer" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received.

Applicants must not forward cash. Receipts for Application Payments will not be issued.

All Applications (including Application Payments) must reach the Share Registry by 5.00pm (Sydney time) on Wednesday, 16 June 2010 (**Closing Date**). FOF reserves the right to vary the Closing Date, subject to the ASX Listing Rules.

FOF reserves the right to reject any Application which it believes does not comply with the Terms of the Offer.

By making an Application to purchase New Shares:

- (a) you authorise FOF and the Share Registry (and their officers, employees or agents) to correct any error or omission in your Application Form and to complete the Application Form by the insertion of any missing details;
- (b) you accept the risk associated with any refund of your Application Payment that may be paid to you by cheque to your address shown on FOF's members register or your Application (as the case may be); and
- (c) you irrevocably and unconditionally agree to be bound by the Terms of the Offer and the Company's constitution.



Industry Background

This Section 5 provides background information on the sectors in which the Company will operate after completion of the Proposed Transaction.

The volume of data being transferred around the world is increasing due to changes in personal and business habits, increasing digital convergence, and improved access to faster communication links. Users of this data, such as companies, households and individuals, access available information over domestic and international communications infrastructure through a series of intermediary service providers.

Vocus provides wholesale telecommunications, fixed line voice and data products and services to the Internet service provider (ISP) and telecommunications markets who in turn connect with these companies, households and individuals.

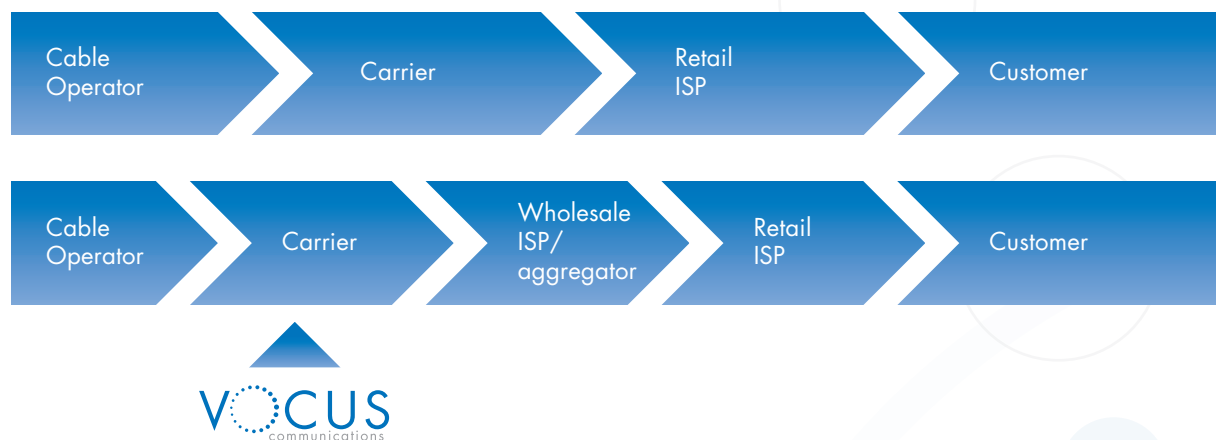
Vocus operates as a carrier in the international telecommunications industry. It provides three discrete service offerings:

1. IP Transit Services;
2. Voice Services; and
3. Data Services.

The international telecommunications industry and the three market segments in which Vocus operates are discussed below.

5.1 THE INTERNATIONAL IP TELECOMMUNICATIONS INDUSTRY

The international IP telecommunications industry has several tiers as shown below:



Cable Operators are special purpose vehicles that operate intercontinental submarine fibre optic cables. A cable operator typically provides no additional services other than to build and maintain the physical cable between two countries. For the cable to carry IP traffic, it requires sophisticated termination and transmission equipment at both ends of the cable, to transmit the IP traffic onto land-based networks to ISPs and Internet users.

Australian and New Zealand international telecommunication and Internet services use intercontinental submarine fibre optic cables linked to the rest of the world.

There are four main cable operators providing direct access to the Australian market from the USA:

- Telstra Endeavour (100% owned by Telstra) - routed via Australia and Hawaii and interconnecting with the Japan-US cable and the Asia-America Gateway. Capacity up to 1.28Tbps;
- Australia-Japan Cable(AJC) (Telstra 40%, Verizon 15%, AT&T 10%, NTT Communications Corporation 10%, Japan Telecom 10%, other 15%) - routed to Japan via Guam and then via interconnect to USA and Asia;
- PIPE Networks' PPC1 Cable (100% owned by TPG Telecom) - routed to Guam then on to Japan and USA via Tata-owned cables; and

- Southern Cross Cable (Telecom NZ 50.1%, SingTel 39.9%, Verizon 10%) - routed via two independent paths to USA. Path one is via Sydney, Fiji and Hawaii to the USA. Path two is via Sydney, New Zealand and Hawaii to the USA. It provides the only link between Australia and New Zealand and provides redundant paths on its two cables.

Cable operators sell cable capacity in the form of Indefeasible Rights of Use (**IRU**), which provide exclusive and non-revocable access to a defined amount of data transmission bandwidth on the cable. Cable operator capacity is sold as channels of digital data transmission speed capacity (Giga bits per second or **Gbps**) to carriers and large ISPs who then on-sell capacity to wholesale or retail ISPs or telecommunication service providers.

Southern Cross Cable¹

According to Southern Cross Cable Networks, the Southern Cross Cable provides the fastest, most direct, and most secure international bandwidth from Australia, New Zealand and Hawaii to the heart of the Internet in the USA.

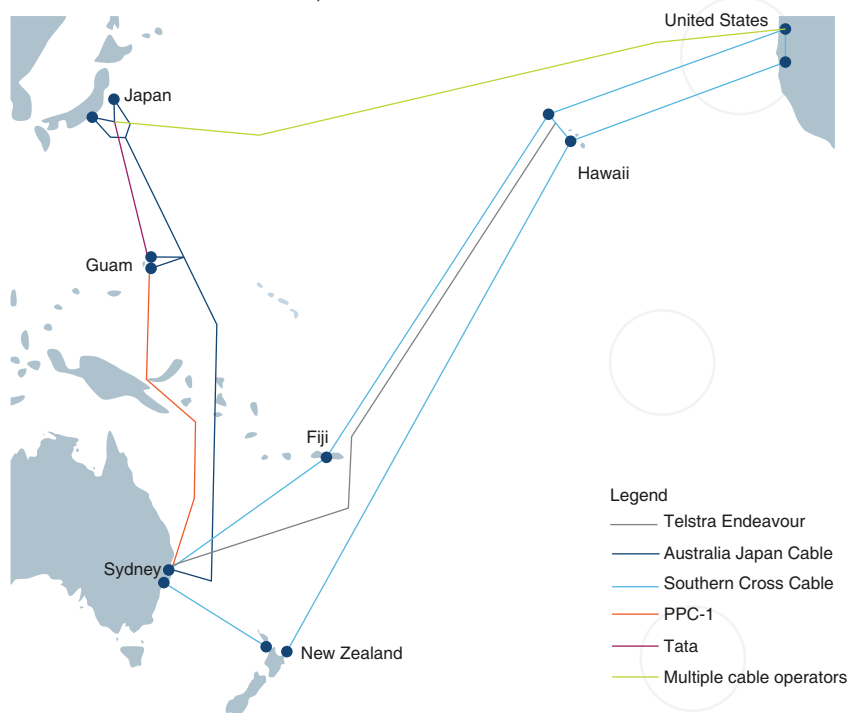
Southern Cross is currently delivering 295 Gbps of fully protected bandwidth and has the potential to increase to 1.2 Tbps using the existing 10 Gbps technology or 4.8 Tbps using 40 Gbps technology.

The network is almost 30,500km in length, including 28,900km of intercontinental submarine fibre optic cable incorporating around 500 optical repeaters (placed every 40-70km to boost signals), and 1,600km of terrestrial cable. There are nine cable stations (two each in Australia, New Zealand, Hawaii and the US mainland, and one in Fiji) and an access point in San Jose, California.

Both cables in the network contain six optical fibres (3 fibre pairs) between Sydney and Hawaii, and eight fibres (4 fibre pairs) between Hawaii and the US West Coast.

The intercontinental submarine fibre optic cable network

Eastern Australia international connection options



Source: Vocus management

1 Southern Cross Cable Networks (Refer www.southerncrosscables.com)

A **carrier** in the IP transit market provides wholesale IP traffic transmission to retail ISP's and retail voice telecommunication service providers. Carriers are the main customers of the cable operator. They maintain equipment in their target geography and the USA, to interconnect to Internet backbone providers in the USA.

Industry sources suggest 86% of inbound international data traffic to Australia comes from the USA, 8% from Asia and 6% from UK/Europe.²

Retail ISPs and **Retail telecommunications providers** aggregate the data usage of many tens (or hundreds) of thousands of end-users. These companies then purchase wholesale Internet access from a Carrier to support the requirements of their customers.

Wholesale ISPs sell ISP services to smaller ISPs with their own retail operations.

5.2 THE IP TRANSIT MARKET

IP transit consists of two bundled services:

- the advertisement of customer routes to ISPs, thereby soliciting inbound traffic towards the customer; and
- the advertisement of other users' ISP routes to the ISP's customer, thereby soliciting outbound traffic from the customer towards these networks.

IP transit services for ISPs are typically priced per megabit per second per month, and customers are generally required to commit to a minimum volume of bandwidth and a minimum term of service.

The wholesale IP transit market, providing international IP transit to Australian telecommunication providers and ISPs has a small number of large scale operators, including:

- Telstra;
- SingTel Optus;
- AAPT;
- Verizon;
- Pacnet;
- TPG Telecom (PIPE Networks); and
- Vocus.

An international IP transit operator is an IP transit operator that has acquired an IRU on one of the intercontinental submarine fibre optic cable operators, and manages the international traffic across these cables with transmission equipment at both cable termination points.

5.3 THE VOICE SERVICES MARKET

In the wholesale fixed line voice telephony market, operators provide retail telecommunications service providers telephony connection and associated services. The wholesale operators route calls to and from the global telephone network and manage the rating or costing of the interconnection with other telecommunication networks. Network services for voice over Internet protocol (**VoIP**) or public switched telephone network (**PSTN**) services are provided. The retail telecommunications service providers on-sell these services to their customer base.

Wired services are expected to represent approximately 28% of telecommunication resellers industry service segmentation in 2009-10 or a total of \$3.4 billion.³

2 IBISWorld Pty Ltd Industry Report, 31 August 2009, "Internet Service Providers in Australia"

3 IBISWorld Pty Ltd Industry Report, December 2009, "Telecommunications Resellers in Australia"

5.4 THE DATA SERVICES MARKET

The wholesale international ethernet market provides direct connectivity between two points on Ethernet networks for high volume ethernet traffic. It allows customer connectivity between remote two points as if they were on their own Local Area Network (**LAN**) or internal secure network.

These products are typically used by large organisations to securely connect their international corporate network.

Data services are expected to account for 26% of telecommunication resellers industry revenue in 2009-10 equal to approximately \$884 million per year.⁴

5.5 AUSTRALIAN INTERNET SERVICE PROVIDER INDUSTRY^{5,6,7}

The Australian ISP industry is the fastest growing industry in the telecommunications subsector due to the Internet's increasingly important part of the day-to-day lives of businesses and consumers. More than 85% of people are using the Internet daily as entrenched services such as general browsing, e-mail and social networking make the Internet a business and life necessity.

Rapidly advancing broadband penetration is enabling faster service delivery to more businesses and consumers. This is boosting usage by facilitating access to various data intensive applications such as online gaming, online commerce, video sharing and content downloads. Measured in units of data, information downloaded over the internet in Australia between June 2008 and June 2009 increased by approximately 80%.

Retail ISPs and retail telecommunications service providers typically sell their services on a usage basis, with download speed being an additional service proposition parameter for ISPs. There were approximately 405 ISPs in Australia and 118 telecommunications resellers in Australia in 2009/10.

5.6 IMPACT OF THE NATIONAL BROADBAND NETWORK

In April 2009, the Australian government announced its intention to build the National Broadband Network (**NBN**) providing broadband access speeds of up to 100 Mbps to 90% of Australian homes and workplaces and wireless or satellite services to the remaining 10%. In September 2009, the Telecommunications Legislation Amendment (Competition and Consumer Safeguards) Bill was introduced to the Senate aimed at creating a level playing field in Australia's telecommunications sector through the structural separation of Telstra's wholesale and retail businesses.

However, as the exact structure of the NBN infrastructure is still unknown, it is not possible to define the impact on the industry or Vocus' competitive position. As the final NBN structure is under negotiation, industry changes may be significantly different from those outlined in government announcements to date or the draft legislation.

4 IBISWorld Pty Ltd Industry Report, December 2009, "Telecommunications Resellers in Australia"

5 IBISWorld Pty Ltd Industry Report, 31 August 2009, "Internet Service Providers in Australia"

6 Based on Australian Bureau of Statistics data, 8153.0 - Internet Activity, Australia Jun 2009 (Refer www.abs.gov.au)

7 IBISWorld Pty Ltd Industry Report, December 2009, "Telecommunications Resellers in Australia"

06

Business Overview

6.1 FIRST OPPORTUNITY FUND LIMITED

(a) History

FOF is a company incorporated in Australia under the Corporations Act and is registered as a Pooled Development Fund (**PDF**).

- August 1998 – FOF was registered as First Wine Fund Limited with the aim of providing capital to a group of selected companies within the Australian wine industry
- June 1999 – Admitted to the official listing on the ASX
- 1999 – Acquired interest in Monarch Wine Making Services Pty Ltd and Monarch Trading Pty Ltd (together **Monarch Group**)
- December 1999 – Invested \$1 million in Winepros Ltd; subsequently sold on-market
- 2000 – Acquired 25% equity interest in King Valley Wines Pty Ltd (**King Valley Wines**)
- April 2001 – Acquired 8% interest in International Vintners Australia Pty Limited (**International Vintners**)
- 2001 – Acquired 18% stake in Beelgara Estate Pty Limited (**Beelgara**)
- January 2003 – Completed non-renounceable rights issue to raise \$1 million
- May 2004 – Sold interest in Beelgara
- September 2004 – Paid dividend of \$0.10 per share
- 2005 – Changed name to First Opportunity Fund Limited, broadened nature of investment activities to enable company to provide capital to companies outside of the wine industry. Terminated management agreement with First Investment Corporation Limited, appointed IWPE as manager
- January 2007 – Sold interest in International Vintners
- February 2010 – Sold interest in King Valley Wines

(b) Business model and operations

FOF is an investment company and does not trade in its own right. Earnings are derived from its interests in underlying investments, which IWPE actively manages to provide returns to FOF Shareholders. In return, IWPE is paid a management fee in accordance with the management agreement of \$180,000 per year.

In compliance with the terms of the Vocus transaction, the management agreement between FOF and IWPE will be terminated without penalty to FOF and FOF will relinquish its PDF status immediately prior to completion of the Proposed Acquisition of Vocus. FOF will acquire the business of Vocus, be renamed Vocus Communications Limited and operate the Vocus businesses.

6.2 VOCUS GROUP LIMITED

(a) History

Vocus, founded in March 2008, is a company incorporated in Australia under the Corporations Act and is registered as a non-listed public company.

- Vocus operates an international telecommunications network connecting Australia and New Zealand to the global Internet backbone via the USA and utilises this and its domestic network to provide telecommunications services to the ISP and telecommunications markets. Vocus provides wholesale-only IP transit, data and fixed line voice services, and is one of the only independent IP transit wholesale companies in Australia which does not also have a retail ISP offering.
- Vocus provides services to over 100 customers, including iiNet, gotalk, Internode, TransACT and BigAir with strong focus on customer service, network quality and technical proficiency.
- In FY09, the first full year of operations, Vocus achieved a pro forma EBITDA of \$201,190.
- In FY10, Vocus is forecast to achieve a pro forma EBITDA of \$6,643,609.

(b) Vocus' background and service offering

Vocus has right of access under contract to a national and international IP network that connects Australia and New Zealand to the global Internet backbone in the United States. It sells access to this network to ISPs and telecommunications companies.

Vocus provides three discrete service offerings:

- IP Transit Services;
- Voice Services; and
- Data Services.

Vocus' IP Transit Services

Vocus is one of a small number of carriers providing wholesale services in Australia. Telstra, Optus, AAPT, TPG Telecom (PIPE Networks), Verizon and PacNet are some of the other active carriers in Australia. Carriers provide the domestic Internet backbone.

Vocus currently operates as a Carriage Service Provider which allows it to provide services without requiring a carrier license to operate its IP transit provision business.

Vocus has acquired IRU capacity on the Southern Cross Cable Network. The IRU provides Vocus with a secure entitlement to use and on-sell the acquired capacity for the period of the IRU, ending November 2020, being the end of the useful life of the cable. Vocus manages the termination equipment and Internet traffic interconnectivity at all termination points of the dual path cable, and on-sells this international Internet access to ISPs in Australia and New Zealand on a wholesale basis.

Vocus' Voice Services

Vocus has a voice network that allows telephone calls coming from any telephony user worldwide to be connected to a user on the Vocus voice network. Vocus and the other Australian interconnect carriers connect these calls to each other as part of the Australian voice network. For calls originating from the Vocus network, the converse takes place.

Calls originating from the Vocus network typically come from a VoIP service provider. The VoIP service providers provide end users with equipment so that they can make telephone calls, which are converted to digital signals for transmission and connection. The VoIP service providers are Vocus' customers.⁸

8 IBISWorld Pty Ltd Industry Report, December 2009, "Telecommunication resellers in Australia"

Vocus also provides wholesale network services to the calling card industry segment, a component of this fixed and voice telephony market.

Vocus also provides wholesale voice services to the reseller segment. Vocus' main competitors in this market are TPG Telecoms, TCNZ Australia (AAPT), SingTel Optus and Telstra.

Vocus' Data Services

The wholesale International Ethernet market provides direct connectivity between two points on Ethernet networks for high volume ethernet traffic. It allows customer connectivity between two remote points as if they were on their own Local Area Network (LAN) or internal secure network.

The international ethernet product uses the same infrastructure and parts of Vocus' network as IP transit and this product therefore has a low marginal infrastructure cost base and has a similar level of scalability to Vocus' IP transit offering.

(c) Business model and operations

Vocus' strategic position in the IP transit market

Vocus is one of the only independent wholesale service providers in the IP transit market. Vocus does not compete with its customers, ISPs and telecommunications service providers who operate in the retail segment. Vocus aims to offer the highest level of technical network quality and customer service in the industry to further differentiate its offering.

Vocus has been operating for two years and over that time has attracted over 100 customers. Independent market research commissioned by Vocus⁹ illustrated high levels of customer satisfaction with Vocus' service offering, including:

- 88% of customers selected Vocus over other providers due to the company's reputation, network quality and the level of support and technical proficiency of the team;
- Vocus has a 4 hour customer guarantee for service requests and 62% of customers found Vocus response time faster than other providers;
- Vocus' standard Service Availability Service Level Agreement (**SLA**) provides for 99.95% network availability and 92% of respondents either had not experienced a network fault or were happy with the response from the Vocus' team when an issue did occur; and
- 95% of respondents stated that they were planning to increase their services with Vocus in the coming 12 to 24 months.

The Vocus network

Vocus has 11 Points of Presence (**PoPs**) in Australia, 3 in the USA and 3 in New Zealand.

Vocus' equipment is installed in each of these PoPs which are typically Internet exchanges or large datacentres, where Vocus' wholesale customer base also have their equipment housed. This co-location is an efficient method of providing wholesale services. Vocus expands its presence as required by commercial agreements with the owners of datacentres or Internet exchanges. Vocus has medium term leases in these locations where its equipment is installed.

The combination of the above assets provides Vocus with a domestic network in Australia with international connectivity. Together with a highly skilled technical team, this network allows Vocus to provide high quality IP transit, Data and Voice services to its customers.

Vocus' business model, network and systems are highly scalable, having supported traffic and revenue growth for over 100 customers while currently employing only 17 staff.

⁹ Research performed by Market Clarity Pty Limited surveying customer lists provided by Vocus. Report dated 8 May 2009.

Vocus' revenue can be split into three main product lines, namely IP transit, Data and Voice services. For FY10, IP transit is forecast to contribute 63% of revenue with Voice and Data Services contributing 24% and 13% of revenue, respectively.

Vocus operates in two main geographies namely Australia and New Zealand. For the FY10 forecast period, 73% of revenue is expected to be earned from Australia with the remaining 27% earned in New Zealand.

Vocus' customers represent some of the largest ISPs and telecommunications companies in Australia and New Zealand. No customer accounts for more than 13% of revenue.

6.3 PROFILE OF THE COMPANY FOLLOWING THE ACQUISITION OF VOCUS

(a) Intentions of the Proposed Directors

Following implementation of the Proposed Transaction, the Directors of the Company intend to manage the business and assets of the Group with a view to increasing value to shareholders over the long term.

(b) Corporate structure

Vocus Communications Limited (formerly First Opportunity Fund Limited)

Wholly owned subsidiaries:

- Vocus Group Limited
- Vocus Pty Limited
- Vocus Connect Pty Limited

(c) Business opportunities and prospects

Since inception in March 2008, Vocus has rapidly grown revenue and profits.

Vocus' key organic growth opportunities are in the data, voice and IP transit areas.

As a wholesale-only operator, the Group will occupy a strong competitive position making it an attractive service provider to its current and potential customers. It is intended that the Group will grow its market share through concentrated sales efforts in these markets and by developing new service offerings.

It is also intended that the Group will grow via acquisition in the markets in which it is currently active, and adjacent markets where this allows the Group to cross sell its increased product set to its existing customer base and to the newly acquired customer base.

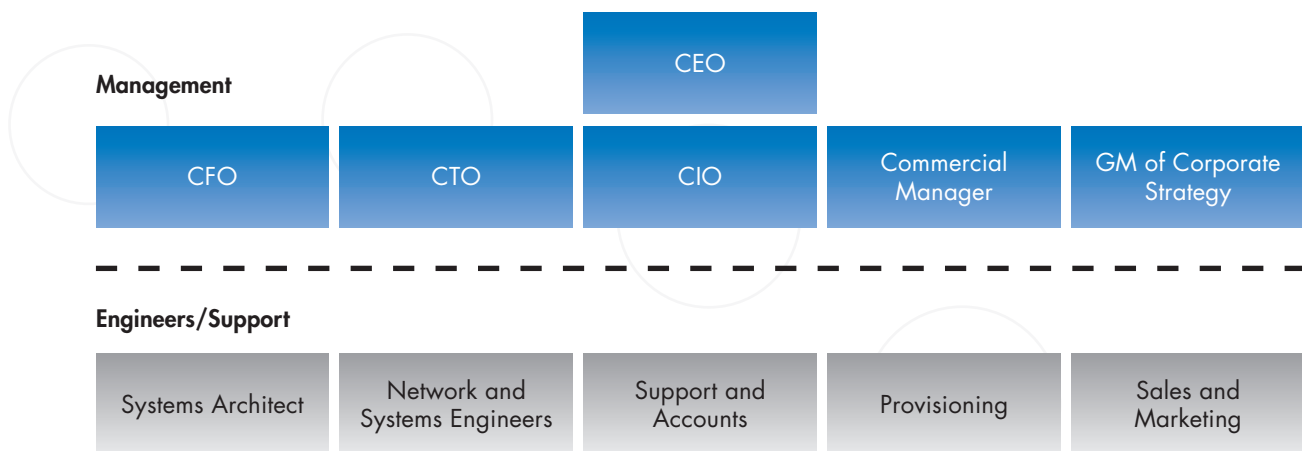


Board and Senior Management

This Section 7 sets out the details of the composition of the Board and senior management, following completion of FOF’s acquisition of Vocus.

7.1 MANAGEMENT STRUCTURE

Following completion of the Proposed Transaction, the management structure of the Company will be as follows:



7.2 PROPOSED DIRECTORS

The Board of Directors of the Company following completion of the Proposed Transaction and the change in name to Vocus Communications Limited will comprise the following Proposed Directors.

(a) David Spence – Chairman

Mr Spence is well known in the Internet and communications industry both in Australia and New Zealand. He has been involved in over 20 Internet businesses, as Chairman, CEO, director, shareholder or advisor.

Until February 2010, Mr Spence held the role of CEO at Unwired Ltd. Since joining Unwired in January of 2004, Mr Spence grew that company from a handful of employees to one of the world’s largest portable wireless broadband carriers, servicing in excess of 70,000 customers in the greater Sydney and Melbourne areas. In late 2008 the company was sold to Seven Network Limited.

From 1995 until 2000, Mr Spence held various positions with OzEmail, including Managing Director and CEO. Mr Spence grew the business to become Australia’s second largest ISP.

Mr Spence is a past Chairman of the board of the Internet Industry Association.

Mr Spence has a Commerce degree and is a chartered accountant graduating from Natal and Cape Town Universities of South Africa.

(b) James Spenceley – Chief Executive Officer

Mr Spenceley is the founder and Chief Executive Officer of Vocus. He has been involved with the Internet and telecommunications industry for more than 12 years. During this time Mr Spenceley was the network architect and infrastructure manager of the \$300 million COMindico (acquired by Soul Pattinson Telecom, now TPG Telecom) network, which was widely regarded as the single largest and first converged voice and data networks in Australia. Additionally, Mr Spenceley was a member of the team responsible for buying and connecting COMindico to the USA via the Southern Cross Cable at COMindico and created the company's wholesale IP transit product.

Mr Spenceley is the founding director of Australian Network Operators Group (AusNOG) and sits on the board of the Asia Pacific Network Information Centre (APNIC), one of five Regional Internet Registries (RIRs) appointed by ICANN (Internet Corporation for Assigned Names and Numbers) which allocates and is responsible for the management of IP addresses for the whole of the Asia Pacific region.

(c) Mark de Kock – General Manager Corporate Strategy and Company Secretary

Mr de Kock is the General Manager of Corporate Strategy, responsible for determining and managing Vocus' growth strategy. Mr de Kock has over 20 years' experience in information and communication technology. Mr de Kock has managed the automation of several stock exchanges in Asia, managed the original technical design, launch and operation of www.qantas.com.au and held senior roles with SingTel Optus, Vodafone AU, HP (Tandem/ Compaq) and Accenture.

Mr de Kock has a Bachelor of Science (First class honours) in Electronic Engineering from University College London and an Executive Masters in Business Administration from the Australian Graduate School of Management.

Mr de Kock will also be the Company Secretary.

(d) Paul McConnell – Non Executive Director

Mr McConnell has over 21 years' information and communication technology experience and has over 15 years' experience in successful financial management with a specific focus on telecommunications. Mr McConnell established the oldest Canberra based ISP, OfficeLink+, and was responsible for connecting the Australian Parliament House to the Internet. Mr McConnell joined Vocus during its early formative stages as Chairman and was the CFO until December 2009.

Mr McConnell holds a Bachelor of Science in Information Technology and Mathematics from the Australian National University, Canberra.

(e) Jonathan Brett – Non Executive director

Mr Brett has extensive experience in the areas of management, operations, finance and corporate advisory. Mr Brett's experience includes several years as managing director of a number of publicly listed companies and was also formerly the non executive deputy president of the NRMA. Mr Brett is currently on the board of several unlisted companies and is a director of IWPE.

Mr Brett holds a Bachelor of Commerce, Bachelor of Accounting, Masters Degree in Commerce and is a Chartered Accountant (SA).

(f) John Murphy – Non Executive director

Mr Murphy is the Managing Director of IWPE, a private equity investment company and a director of Investec Bank (Australia) Limited. He has extensive experience in the areas of corporate recovery, corporate finance and mergers and acquisitions. Prior to establishing the IWPE Funds, Mr Murphy spent 26 years with an international accounting firm where he held national and regional responsibilities.

Mr Murphy holds Bachelor and Masters Degrees in Commerce and is a Fellow of the Australian Society of Certified Practising Accountants and is an Associate of the Institute of Chartered Accountants of Australia.

(g) Nicholas McNaughton – Non Executive Director

In 2007, with backing from Japan, Mr McNaughton established Blue Cove Ventures, a venture capital company committed to supporting gifted entrepreneurs in building prosperous technology companies.

During his career Mr McNaughton has been an integral member of the start-up teams of globally successful software companies including Allaire (listed on NASDAQ in 1998 and sold to Macromedia in 2001); Soulmates Technology (sold to NASDAQ:IACI in 2002) and Wily Technology (sold to NYSE: Computer Associates in 2006).

Mr McNaughton is currently studying an MBA from the International Graduate School of Business at the University of South Australia. He is also a member of the Australian Institute of Company Directors, Deputy Chairman of Capital Angels and a founding member of Sydney Angels.

7.3 SENIOR MANAGEMENT

The senior management of the Company following completion of the Proposed Transaction and the change in name to Vocus Communications Limited will comprise the following persons.

(a) James Spenceley – Chief Executive Officer

See Section 7.2(b).

(b) Mark de Kock – General Manager of Corporate Strategy

See Section 7.2(c).

(c) Richard Correll – Chief Financial Officer

Mr Correll has worked extensively in finance, media and communications industries in the US, China, Europe and Australia, holding senior financial and general executive roles in companies including Ernst & Young, News Limited and Austar Limited.

Mr Correll holds a Bachelor of Science in Business from Indiana University, and obtained Certified Public Accountant qualifications from the American Institute of Certified Public Accountants.



Financial Information

8.1 OVERVIEW

The financial information includes both pro forma historical and pro forma and statutory forecast financial information.

The historical financial information has been adjusted to reflect the Company, as if the transaction with Vocus had occurred for the full historical period covered by the financial information. To enable this, the historical financial information has been adjusted to show adjusted or “pro forma” historical financial information. In addition, pro forma forecast financial information has been included to reflect the nature of the Company’s business after the Proposed Transaction is complete and reflects the related capital structure, effective from the start of the forecast year.

To properly reflect the substance of the transaction as outlined below, the combination of FOF and Vocus is accounted for based on reverse acquisition principles. Therefore, following the completion of the Vocus acquisition, the consolidated financial statements of the Company will represent a continuation of the Vocus financial statements.

All financial information is presented as consolidated financial information. The financial information included in this Prospectus has been prepared in accordance with the Company’s accounting policies, as set out in Section 8.8. The financial information is presented in summary form and does not comply with all the presentation and disclosure requirements of Australian Accounting Standards applicable to annual reports prepared in accordance with the Corporations Act.

In order to understand the bases, assumptions and limitations underlying the pro forma historical financial information and pro forma and statutory forecast financial information, this information should be read in conjunction with:

- the Risk Factors in Section 9;
- the Investigating Accountants’ Report on the pro forma historical financial information set out in Section 10;
- the Report on Directors’ Forecasts set out in Section 11;
- the notes to the pro forma historical financial information and pro forma and statutory forecast financial information set out in Section 8.8; and
- other information contained in this Section and the Prospectus.

Accounting for the Transaction

The substance of the transaction (rather than legal form) is outlined below:

- Vocus will undertake a reverse takeover of FOF enabling the company to list its business on the ASX;
- Vocus will in effect undertake a capital raising by issuing shares in the Company in consideration for the proposed cash balance in FOF at the transaction completion date;
- the exiting Vocus shareholders will in effect have their Vocus shares bought back; and
- post completion, the transaction will result in the continuation of the business activities of Vocus, since FOF will represent a cash shell at completion date.

To properly reflect the substance of the Proposed Transaction the combination of FOF and Vocus is accounted for based on reverse acquisition accounting principles. In a reverse acquisition, the legal subsidiary, Vocus, is deemed to be the acquirer and the legal parent, FOF, is deemed to be the acquiree. Therefore, under the reverse acquisition accounting treatment adopted by the Company, following completion of the Vocus acquisition, the consolidated financial statements of the Company will represent a continuation of the consolidated financial statements of Vocus.

The major implications of the application of this accounting treatment and the substance of the transaction are that:

- Consolidated financial statements shall be issued under the name of FOF, but described in the notes as a continuation of the financial statements of Vocus (Accounting Acquirer) and accordingly:
 - the assets and liabilities of Vocus ("Accounting Acquirer") shall be recognised and measured in those consolidated financial statements at their carrying amounts immediately before settlement, rather than at fair values;
- the retained earnings and other equity balances recognised in those consolidated financial statements shall be the retained earnings and other equity balances of Vocus (Accounting Acquirer) immediately before settlement;
- the 'in substance' capital raising in the consolidated financial statements will be measured by reference to the cash consideration received from FOF;
- the 'in substance' buy-back from the exiting Vocus shareholders will be recognised in the consolidated financial statements as a reduction in equity by reference to the amount of cash received by those exiting shareholders; and
- the costs incurred in relation to the Proposed Transaction will be analysed and allocated between the FOF capital raising, in substance Vocus capital raising, in-substance Vocus share buy-back, listing of the existing Vocus shares and other costs and accounted for in accordance with their substance. These costs will then be treated in accordance with the various applicable accounting standards in each of the consolidated and separate financial statements.

2009 pro forma historical financial information

The pro forma historical financial information in this Section consists of the:

- pro forma consolidated income statement (the "pro forma historical income statement") of the Company for year ended 30 June 2009, as set out in Section 8.3(a);
- pro forma consolidated balance sheet (the "pro forma balance sheet") of the Company as at 31 December 2009, as set out in Section 8.6(a); and
- pro forma consolidated cash flow statement (the "pro forma historical cash flow statement") of the Company for the year ended 30 June 2009 as set out in Section 8.7.

2010 forecast financial information

The pro forma forecast financial information reflects a full year forecast for Vocus. It includes public company costs, excludes certain one off items, and reflects the full year effect of the proposed capital structure to provide an understanding of the business upon completion of the offer. The pro forma forecast financial information comprises the:

- pro forma forecast income statement of the Company for the year ending 30 June 2010 as set out in Section 8.3(a); and
- pro forma forecast cash flow statement of the Company for the year ending 30 June 2010 as set out in Section 8.7.

The statutory forecast financial information presents the forecast financial information including public company costs, one off items and the proposed capital structure for the period between share allotment and year end. It comprises the:

- statutory forecast income statement of the Company for the year ending 30 June 2010 as set out in Section 8.3(a).

8.2 BASIS FOR THE PREPARATION OF THE FINANCIAL INFORMATION

2009 pro forma historical financial information

The pro forma historical financial information has been prepared under the measurement and recognition requirements (but not all the disclosure requirements) of Australian Accounting Standards (including the Australian Accounting Interpretations), except for the pro forma adjustments set out in Section 8.3(d) and Section 8.6 (b).

The pro forma historical income statement has been derived from the audited consolidated financial statements of Vocus for the year ended 30 June 2009 after making adjustments for:

- the full year effect of the acquisition of Vocus Connect Pty Limited which was acquired on 19 February 2009;
- additional costs associated with being a public company; and
- excluding certain one off items.

The pro forma balance sheet has been derived from the audited consolidated balance sheet of Vocus as at 31 December 2009, the FOF reviewed balance sheet as at 31 December 2009, pro forma FOF adjustments, and pro forma acquisition and transaction adjustments. For full details as to the pro forma balance sheet compilation, refer to the pro forma balance sheet in Section 8.6.

The pro forma historical cash flow has been derived from the audited cash flow statement of Vocus for the year ended 30 June 2009 adjusted on the same basis as the pro forma historical income statement cash impacting adjustments as discussed above.

2010 forecast financial Information

The pro forma forecast financial information has been presented to:

- eliminate one off items;
- reflect the full year effect of the operating and capital structure of the Company that will be in place upon completion of the Offer; and
- include public company costs.

The statutory forecast financial information has been prepared and is presented on the same basis as the financial information that will be included in the Company's annual report for the statutory financial reporting period ending 30 June 2010.

A reconciliation between the pro forma and statutory forecast financial information is set out in Section 8.3(f).

The forecast financial information is based on 6 months of audited actual results of Vocus Group Limited to 31 December 2009, 2 months of unaudited actual results and 4 months of forecast results.

The forecast financial information is based on a number of estimates and assumptions concerning future events, including the key assumptions set out in Section 8.4. These assumptions have been presented in this Prospectus by the Directors of the Company to provide potential investors with a guide to the anticipated financial performance of the Company during the year ending 30 June 2010. The Directors of the Company have prepared this information with proper care and attention and consider the assumptions, when taken as a whole, to be reasonable at the time of preparing this Prospectus based on present circumstances and market conditions, and the implementation of the Company's business strategies.

Investors should be aware, however, that the forecast financial information is likely to vary from actual results and any variation could be materially positive or negative. The forecast financial information and the best estimate assumptions are by their very nature subject to business, economic and competitive uncertainties, contingencies and risks, many of which are beyond the control of the Directors of the Company and are not

reliably predictable. The forecast financial information is based upon assumptions with respect to future business decisions which are subject to change. Accordingly, the Directors of the Company can give no assurance that the forecast financial information or any prospective statement in this Prospectus will be achieved. Their inclusion should not be regarded as a representation or warranty with respect to their accuracy or the accuracy of the underlying best estimate assumptions.

Events and outcomes might differ in quantum and timing from the assumptions, with material consequential impacts on the forecast financial information. Investors are therefore cautioned not to place undue reliance on this information.

8.3 HISTORICAL AND FORECAST FINANCIAL PERFORMANCE

(a) Financial performance

The pro forma historical income statement for the year ended 30 June 2009 and the statutory and pro forma forecast income statements for the year ending 30 June 2010 are shown below.

The pro forma historical income statement is presented to an EBITDA level only. This is because historically the Company (on a pro forma basis) has operated under a different corporate and financial structure to that assumed to be in place at the time of completion of the Proposed Transaction. In addition, the Company (on a pro forma basis) acquired its capacity asset at the start of the forecast year hence there was minimal depreciation in 2009. Accordingly, historical interest, depreciation, amortisation and taxation expenses for the Company (on a pro forma basis) are not considered to be comparable to forecast, and therefore have not been presented.

	30 June 2009 pro forma historical income statement	30 June 2010 pro forma forecast income statement	30 June 2010 statutory forecast income statement
	\$	\$	\$
Revenue	5,796,217	16,083,036	16,083,036
Other income	93,631	-	788,976
Cost of delivery	(3,327,310)	(4,402,659)	(4,402,659)
Operational expenses	(2,329,422)	(4,960,526)	(4,910,960)
Other expenses	(31,926)	(76,242)	(76,242)
EBITDA*	201,190	6,643,609	7,482,151
Depreciation and amortisation		(2,142,618)	(2,142,618)
Interest		(106,675)	(389,407)
NPBT**		4,394,316	4,950,126
Tax		(1,143,654)	(1,310,397)
NPAT***		3,250,662	3,639,729

* Earnings Before Interest Tax Depreciation and Amortisation

** Net Profit before Tax

*** Net Profit after Tax

(b) Management discussion and analysis of pro forma forecast and pro forma historical financial information

Management's discussion and analysis below relates to the pro forma historical consolidated financial information of the Company for FY2009 and the pro forma financial forecast of the Company for FY2010, and should be read in conjunction with the description of the basis upon which the information has been prepared (refer to Section 8.2, and the pro forma adjustments described in this Section. In addition this Section should be read in conjunction with Risk Factors associated with the business at Section 9).

Year ending 30 June 2010 compared to the year ended 30 June 2009

Growth has been significant and is linked to the investment in increased capacity of revenue generating indefeasible rights to use intercontinental submarine cable. A growing customer base and this expanding infrastructure have facilitated increases in income from FY2009 to FY2010. This has led to a substantial increase in forecast revenue over FY2009. Revenue for the 6 months to 31 December 2009 (audited) was \$7,234,092.

On the cost side and due to the fixed cost nature of its infrastructure investment and related ongoing costs, the relative level of direct costs associated with the provision of the Company's services has reduced when compared to revenues, leading to greater operating leverage and economies of scale during the forecast period.

Category	FY2009 pro forma historical income statement	FY2010 pro forma forecast income statement	Change %	Commentary
	\$	\$		
Revenue	5,796,217	16,083,036	177%	Note 1
EBITDA	201,190	6,643,609	3,202%	Note 2

Operating results notes

1. The increase in revenue is due to a number of general factors including:

- The Company's ability to sell IP transit and additional products including voice and data transmission based on what management believe is a lower cost model in a market with barriers to entry allowing it to gain market share. The Company, through successful customer acquisition, has achieved increased sales in both Australia and New Zealand.
- Management believe that revenue growth can largely be achieved over the forecast period with the existing fixed costs allowing for significant operating leverage.

Key drivers which contributed to this operating performance are set out below.

2. EBITDA increase for FY2010 reflects a number of general factors including:

- The Company's existing base of IP transit contacts will continue through the forecast period and as the prices are locked in, this provides a steady monthly revenue stream supporting revenue in the forecast period.
- The Company maintains the liabilities from its contractual obligations for intercontinental submarine fibre optic cable capacity in US Dollars. Management do not have any hedges in place to mitigate this foreign exchange exposure other than some USD revenues it enjoys from some of its customers. Any movement in USD will have a direct outcome on other income or expense through unrealised gains or losses and therefore EBITDA in the forecast period. During the forecast period, management believe it will book other income of approximately \$788,000 principally as a result of a revaluation of this USD liability through to the end of the forecast period in its statutory forecast income statement.

Key drivers

Operating performance

- To operate and sell access to its global network, the Company has purchased capacity on intercontinental submarine fibre optic cables with an expected economic life until November 2020. The cost of this asset has been capitalised in the business and is amortised on a straightline basis over its expected economic life.
- Consumer demand for IP traffic has increased and is underpinning customer demand for IP, Data and Voice Contracts.
- Consumer demand is also driving increased supply of capacity, however over the forecast period this is not expected to be significant and any price attrition, should it occur, will be mitigated by the Company's existing contracts during the forecast period.
- As a backdrop to consumer demand, the Company is providing a reliable network and service, providing prompt service and provisioning. As a result, the Company is experiencing:
 - High customer acquisition;
 - High customer retention; and
 - Improved utilisation of infrastructure.
- Operating leverage emerged in 2010 relative to customer growth and costs to service and maintain its delivery of wholesale services as the Company operates a semi-fixed cost base with the majority of its operating expenditure relating to employee expenses and network costs.

Earnings and cash flow

- During the forecast period, cash generated is lower than the operating earnings as payments for its capacity on the intercontinental submarine fibre optic cables are made over a shorter time frame than the useful life of the IRU capacity and therefore benefit from the underlying asset.
- The Company pays its intercontinental submarine fibre optic cable capacity contractual obligations at an accelerated rate compared to its expected economic life. This has the effect of reducing the Company's cash flow during the repayment and forecast period. Under its existing contract the asset life is maintained until November 2020 whereas repayment occurs through December 2014.

(c) Reconciliation of the historical income statement

The reconciliation between the 30 June 2009 pro forma historical income statement and the 30 June 2009 statutory income statement is shown below.

	30 June 2009 statutory income statement	FY09 pro forma adjustments	30 June 2009 pro forma historical income statement
	\$	\$	\$
Revenue	5,032,208	764,009	5,796,217
Other income	193,631	(100,000)	93,631
Cost of delivery	(2,532,428)	(794,881)	(3,327,310)
Operational expenses	(1,574,358)	(755,064)	(2,329,422)
Other expenses	(45,945)	14,018	(31,926)
EBITDA	1,073,108	(871,918)	201,190

(d) Pro forma 2009 income statement adjustments

Pro forma adjustments represent the full year EBITDA effect of:

- the elimination of one off income of \$100,000 related to the purchase of the remaining shares in Vocus Connect Pty Ltd;
- inclusion of additional expenses associated with the Company's ongoing status as a public company. These costs are forecast to be approximately \$350,000 per annum; and
- the full year effect of the acquisition of Vocus Connect Pty Limited which was acquired on 19 February 2009 which has the effect of increasing revenue by \$764,009, increasing cost of delivery by \$794,881, increasing operational expenses by \$405,064 and decreasing other expenses by \$14,018, with a net impact of reducing EBITDA by \$421,918.

(e) Pro forma forecast income statement

The pro forma forecast income statement has been derived from the consolidated financial forecasts of Vocus Group Limited for the year ending 30 June 2010. Pro forma adjustments represent the adjustments, explained below, to give effect to Vocus operating as a public company from 1 July 2009.

The 30 June 2010 statutory forecast income statement represents the effect of the pro forma adjustments from completion of the Proposed Transaction to 30 June 2010. A reconciliation between the 30 June 2010 pro forma forecast income statement and the 30 June 2010 statutory forecast income statement is provided in 8.3(f) below.

(f) Reconciliation of forecast income statements

	30 June 2010 statutory forecast income statement	FY10 pro forma adjustments	30 June 2010 pro forma forecast income statement
	\$	\$	\$
Revenue	16,083,036	-	16,083,036
Other income	788,976	(788,976)	-
Cost of delivery	(4,402,659)	-	(4,402,659)
Operational expenses	(4,910,960)	(49,566)	(4,960,526)
Other expenses	(76,242)	-	(76,242)
EBITDA	7,482,151	(838,542)	6,643,609
Depreciation, Amortisation and Interest	(2,532,025)	282,732	(2,249,293)
NPBT	4,950,126	(555,810)	4,394,316
Tax	(1,310,397)	166,743	(1,143,654)
NPAT	3,639,729	(389,067)	3,250,662

Pro forma and statutory 2010 forecast income statement adjustments

The adjusting NPBT differences between the 30 June 2010 pro forma and statutory forecast income statements are:

- other income relating to realised and unrealised foreign exchange gains of \$788,976 have been excluded from the pro forma forecast income statement given the inherent uncertainty around future foreign exchange movements (refer Section 8.5 for foreign exchange Sensitivity Analysis);
- public company costs of \$320,833 which is the difference between the one month of costs (\$29,167) in the 30 June 2010 statutory forecast income statement compared to a full 12 months (\$350,000) in the pro forma forecast income statement less one off transaction expenses associated with the Proposed Transaction (legal and advisory fees) of \$271,267, totalling \$49,566;
- one off interest expenses associated with loans that are settled as part of the Proposed Transaction of \$134,732 are only shown in the 30 June 2010 statutory forecast income statement plus interest income of \$148,000 associated with net cash available after completion is not included in the 30 June 2010 statutory forecast income statement compared to a full 12 months in the pro forma forecast income statement; and
- the tax effect of the above pro forma adjustments of \$166,743.

8.4 Forecast financial performance assumptions

The forecasts must be read in conjunction with the basis for the preparation of the financial information in Section 8.2, the balance of the material in this Prospectus, particularly this Section and Section 9 Risk Factors.

Material assumptions underlying the Directors' Forecasts

General assumptions

- The Offer is fully subscribed and the Company's entitlement to the Offer proceeds has been made available to the Company by 30 June 2010.
- There will be no significant changes in the nature of the competitive environment in which the Company operates or in the strategy or performance of any major competitor during the Forecast Period.
- There will be no significant change in the relationship with any supplier during the Forecast Period.
- There are no material beneficial or adverse effects from changes in technology or the actions of competitors.
- There are no material beneficial or adverse effects from changed economic conditions in the market in which the Company operates.
- There are no material industrial or political disturbances or material disruptions through damage to facilities.
- There will be no changes in statutory, legal or regulatory requirements in these markets that would have a material effect on the Company's results.
- There will be no material movement in the Australian dollar relative to the currencies of countries in which the Company carries on business.
- There will be no loss of key executives and senior staff during the Forecast Period.
- There will be no material amendment to any material agreement relating to the Company's business.
- The Company is not and will not be a party to any material litigation.

Specific assumptions

- Revenue:

Operating revenues have been based on the assessment of the Company's management, based on past experience and anticipated increases in demand for the Company's products and services. The Directors expect:

- o Existing base of IP transit contracts will continue through to term providing a steady monthly revenue stream underpinning forecast revenue;
- o High demand for capacity will continue to drive new customer demand and underpin forecast revenue;
- o Price risk will be mitigated by the average length of its customer contracts with respect to IP Transit during the Forecast Period; and
- o Data and Voice will continue to grow at historical rates achieved by the Company.

- Other:

- o An allowance for costs associated with the Offer and costs associated with official quotation (underwriting fees, share registry expenses, legal fees and adviser fees, etc) of approximately \$435,000 has been tax effected and applied against issued capital;
- o The Company has sufficient capacity to deliver its Forecast and will not be constrained in terms of sourcing additional capacity to seek further growth;
- o Adverse movements in AUD/USD forecast assumption of \$0.83 or AUD/NZD forecast of 1.28 assumptions could have a material impact on the Forecast Period as the Company has significant USD liabilities;
- o Operating expenses have been based on the assessment of the Company's management according to past experience and anticipated requirements; and
- o No share based payment expense has been included in the pro forma or statutory forecasts as this is not considered a material expense to the Company.

The Directors have given due care and attention to the forecasts before their adoption. However, forecasts are by their nature, subject to uncertainty and unexpected results, many of which are beyond the control of the Directors. Accordingly, the Directors' assessment of the forecasts may vary materially from the actual results and no guarantee or assurance is given that any of the forecasts will be achieved.

8.5 SENSITIVITY ANALYSIS

The Company's forecast NPAT is sensitive to movements in a number of key variables. The following sensitivities have been calculated to demonstrate the financial effect on NPAT of changes in specified variables for the year ending 30 June 2010. If there were any significant changes in these variables, the Company would endeavour to respond to any adverse changes by taking appropriate action to minimise the effect on profitability.

The table below shows the net estimated effect to NPAT for changes in revenue, costs and movements in currency for the Company over the forecast period to 30 June 2010.

Change in NPAT on 30 June 2010 Pro Forma Forecast Income Statement

Change	+5%	-5%
Revenue	\$409,040	\$(409,040)
Cost to delivery and operating expenses	\$(315,461)	\$315,461
Change: AUD 0.01c	Appreciation	Depreciation
USD (realised)	\$18,153	\$(18,153)
USD (unrealised)	\$92,229	\$(92,229)
NZD (realised)	\$(29,183)	\$29,183
NZD (unrealised)	\$(2,110)	\$2,110

Over the forecast period to 30 June 2010, a 5% change in revenue leads to an estimated \$409,040 increment or decrement to NPAT whereas a 5% change in costs leads to an estimated \$315,461 decrement or increment to NPAT. Changes in AUD against the USD and NZD give rise to an estimated \$110,382 increment or decrement to NPAT for USD and an estimated \$31,293 decrement or increment to NPAT for NZD.

The unrealised foreign exchange movements sensitivity is a non-cash amount related to restating assets and liabilities denominated in foreign currency.

8.6 PRO FORMA BALANCE SHEET

(a) Pro forma balance sheet

\$000's	Dec-09 pro forma		Dec-09 pro forma
ASSETS		LIABILITIES	
Current assets		Current liabilities	
Cash	3,451	Trade and other payables	(2,003)
Receivables	2,205	Borrowings	(4,038)
Other financial assets	69	Provisions	(74)
Other current assets	27	Current tax liability	(609)
Total current assets	5,752	Other	(145)
Non-current assets		Total current liabilities	(6,869)
Trade and other receivables	249	Non-current liabilities	
Property, plant & equipment	1,728	Borrowings	(14,092)
Investments	-	Deferred tax liabilities	(670)
Intangible assets - IRU	19,894	Other	(6)
Goodwill	871	Total non-current liabilities	(14,768)
Deferred tax assets	130	TOTAL LIABILITIES	
Other non-current assets	144	(21,637)	
Total non-current assets	23,016	NET ASSETS	
TOTAL ASSETS	28,768	7,131	
		EQUITY	
		Share capital	11,623
		Contributed capital	62
		Share buy back reserve	(6,229)
		Share based payments reserve	14
		Retained earnings	1,661
		Total shareholders' equity	7,131

The pro forma balance sheet at 31 December 2009 comprises:

- the audited consolidated balance sheet of Vocus ("Vocus Consolidated Balance Sheet") as at 31 December 2009, as extracted from the audited consolidated financial statements of Vocus for the half year ended 31 December 2009;
- the reviewed balance sheet of FOF as at 31 December 2009, as extracted from the Interim Financial Report for the half year ended 31 December 2009 of the Company;
- pro forma FOF Adjustments as set out in Section 8.6(b)iii; and
- pro forma acquisition and transaction adjustments as set out in Section 8.6(b)v.

As discussed throughout this Section, the pro forma balance sheet of the Company has been prepared based on the principles of reverse acquisition accounting to reflect the substance of the Proposed Transaction.

(b) Pro forma balance sheet adjustments

	Vocus	FOF	Pro Forma FOF Adjustments	Pro Forma FOF	Pro Forma Acquisition/Transaction Adjustments				Company
\$000's	Dec-09 Actual	Dec-09 Actual							Dec-09 Proforma
Notes	(i)	(ii)	(iii)	(iv)	(v)	(v)	(v)	(v)	
ASSETS									
Cash	676	4,298	706	5,004	5,294	(6,524)	(1,000)	-	3,450
Receivables	2,199	501	(494)	7	-	-	-	-	2,206
Other financial assets	69	-	-	-	-	-	-	-	69
Other current assets	27	-	-	-	-	-	-	-	27
Total current assets	2,971	4,799	212	5,011	5,294	(6,524)	(1,000)	-	5,752
Non-current assets									
Trade and other receivables	249	-	-	-	-	-	-	-	249
Property, plant & equipment	1,728	-	-	-	-	-	-	-	1,728
Investments	-	1,585	(1,585)	-	-	-	-	-	-
Intangible assets	19,894	-	-	-	-	-	-	-	19,894
Goodwill	871	-	-	-	-	-	-	-	871
Deferred tax assets	-	-	-	-	130	-	-	-	130
Other non-current assets	144	-	-	-	-	-	-	-	144
Total non-current assets	22,886	1,585	(1,585)	-	130	-	-	-	23,016
TOTAL ASSETS	25,857	6,384	(1,373)	5,011	5,424	(6,524)	(1,000)	-	28,768

(b) Pro forma balance sheet adjustments (continued)

	Vocus	FOF	Pro Forma FOF Adjustments	Pro Forma FOF	Pro Forma Acquisition/Transaction Adjustments				Company
\$000's	Dec-09 Actual	Dec-09 Actual							Dec-09 Proforma
Notes	(i)	(ii)	(iii)	(iv)	(v)	(v)	(v)	(v)	
LIABILITIES									
Trade and other payables	(1,985)	(29)	11	(18)	-	-	-	-	(2,003)
Borrowings	(4,038)	-	-	-	-	-	-	-	(4,038)
Provisions	(74)	-	-	-	-	-	-	-	(74)
Current tax liability	(609)	-	-	-	-	-	-	-	(609)
Other	(145)	-	-	-	-	-	-	-	(145)
Total current liabilities	(6,851)	(29)	11	(18)	-	-	-	-	(6,869)
Non-current liabilities									
Borrowings	(14,634)	-	-	-	-	-	542	-	(14,092)
Deferred tax liabilities	(670)	-	-	-	-	-	-	-	(670)
Other	(6)	-	-	-	-	-	-	-	(6)
Total non-current liabilities	(15,310)	-	-	-	-	-	542	-	(14,768)
TOTAL LIABILITIES	(22,161)	(29)	11	(18)	-	-	542	-	(21,637)
NET ASSETS	3,696	6,355	(1,362)	4,993	5,424	(6,524)	(458)	-	7,131
EQUITY									
Share capital	750	6,874	(1,300)	5,574	5,695	(295)	480	(581)	11,623
Contributed capital	62	-	-	-	-	-	-	-	62
Share buy back reserve	-	-	-	-	-	(6,229)	-	-	(6,229)
Share based payments reserve	14	103	-	103	-	-	-	(103)	14
Retained earnings	2,870	(622)	(62)	(684)	(271)	-	(938)	684	1,661
Total shareholders' equity	3,696	6,355	(1,362)	4,993	5,424	(6,524)	(458)	-	7,131

- i. represents the audited consolidated balance sheet of Vocus Group Limited as extracted from Vocus Group Limited's 31 December 2009 half year financial statements;
- ii. represents the FOF reviewed Balance Sheet, as extracted from the Interim Financial Report for the half year ended 31 December 2009;
- iii. pro forma FOF adjustments represent the following assumed events that will occur prior to the Proposed Transaction:
 - o divestiture of all 31 December 2009 assets other than cash and sundry debtors and a distribution to FOF shareholders in cash of all but \$706,000 via a proportionate capital reduction of the Company's net assets; and
 - o extinguishment of all FOF liabilities in excess of sundry creditors of \$200,000 in aggregate.

- iv. the pro forma FOF Balance Sheet incorporates the pro forma FOF adjustments per (iii) above;
- v. pro forma acquisition and transaction adjustments reflect the:
 - o receipt of net capital raising proceeds pursuant to this Prospectus of \$5,565,000 after a gross capital raising of \$6,000,000 and payment of approximately \$435,000 in relation to costs associated with the capital raising which have been capitalised within equity net of deferred tax;
 - o payment of approximately \$271,267 in costs associated with the Proposed Transaction which will be expensed as part of the reverse listing costs in the consolidated accounts. No deferred tax asset has been recognised as this will depend on the impact of future tax consolidation of the Company and any temporary differences created between the accounting cost base and the tax cost base of Vocus's assets;
 - o "in substance" buy back of shares held by existing Vocus shareholders who have elected to take cash of \$6,524,503 instead of FOF shares;
 - o in substance capital raising by Vocus by issuing 26,952,991 ordinary shares in the capital of FOF, in consideration for the proposed net assets (principally cash) in FOF at the transaction completion date; the elimination of the pre transaction reserves of FOF based on reverse acquisition accounting principles;
 - o pro forma fair valuing of FOF options which have been assumed to have \$nil fair value due to their out of money position and short term maturity date. It is assumed that no options over Shares are exercised before completion of the Proposed Acquisition of Vocus. A company controlled by Messrs Brett and Chonowitz holds 2,000,000 options to subscribe for ordinary Shares in FOF, which are exercisable on or before 22 July 2010;
 - o exercise of 1,200,000 Vocus share options resulting in \$480,000 new equity being raised;
 - o settlement of the \$650,000 PIPE Networks loan including \$108,000 unwind of the present value discounting of the loan at 31 December 2009; and
 - o payment of a \$829,500 dividend to the existing shareholders of Vocus prior to completion of the Proposed Transaction.

8.7 CASH FLOWS

The table below sets out the pro forma historical cash flow for the year ended 30 June 2009 and pro forma forecast cash flow for the year ending 30 June 2010.

The 30 June 2009 pro forma historical cash flow is derived from the audited cash flow statement of Vocus adjusted on the same basis as the pro forma historical income statement cash impacting adjustments.

30 June 2010 pro forma forecast cash flow statement represents the forecast cash flow for the Company on a pro forma basis excluding the cash out flows related to the Proposed Transaction but including other pro forma adjustments which the Company will incur on an ongoing basis.

	30 June 2009 pro forma historical cash flow statement	30 June 2010 pro forma forecast cash flow statement
	\$	\$
EBITDA	201,190	6,643,609
Change in working capital	(585,178)	(1,844,718)
Capital expenditure	(210,257)	(540,029)
Repayment of operating liabilities	(76,302)	(2,955,726)
Cash flows after operating liability payments	(670,547)	1,303,136

The 30 June 2009 pro forma historical cash flow does not include any IRU payments but includes capacity access under operating lease contracts in FY2009 as the business was starting out.

The forecast working capital is based on historical working capital classifications and is primarily driven by receivables from customers, payments to suppliers and tax.

The repayment of operating liabilities in the 2010 pro forma forecast cash flow relates to the IRU payments to Southern Cross. During the forecast year the monthly amounts increased for the remainder of the contract. The impact of this beyond the forecast period is an additional \$1.08 million cash outflow per annum compared to the forecast year at the assumed forecast USD/AUD rate of 83 cents until the final payment in December 2014.

8.8 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

Although the Proposed Transaction between FOF and Vocus falls outside of AASB 3: Business Combinations, FOF's legal acquisition of Vocus will be accounted for based on reverse acquisition accounting principles.

In a reverse acquisition, the legal subsidiary, Vocus, is deemed to be the acquirer and the legal parent, the Company, is deemed to be the acquiree. Pursuant to the reverse acquisition accounting treatment (refer to Section 8.1), following completion of the Vocus acquisition, the consolidated financial statements of the Company will represent a continuation of the consolidated financial statements of Vocus. After the combination, FOF is included in the consolidation as a controlled entity of Vocus.

The major implications of the application of the above accounting treatment are that consolidated financial statements will be issued under the name of the Company, but described in the notes as a continuation of the financial statements of Vocus (Accounting Acquirer) and accordingly:

- The assets and liabilities of Vocus ("Accounting Acquirer") shall be recognised and measured in those consolidated financial statements at their carrying amounts immediately before settlement, rather than at fair values;
- The 'in substance' capital raising in the consolidated financial statements will be measured by reference to the cash consideration received from FOF; and
- Comparative information presented in those consolidated financial statements shall be that of Vocus (Accounting Acquirer).

The consolidated financial statements incorporate the financial statements of the Company, and its controlled entities referred collectively throughout the financial information as the consolidated entity or Group. Controlled entities are those entities in which the Company has the power to govern the financial and operating policies so as to obtain benefits from their activities.

(b) Foreign currency

The financial statements of the Group are presented in the currency of the primary economic environment in which the Group operates (its functional currency). For the purpose of the financial statements, the results and financial position of the entity are expressed in Australian dollars, which is the functional currency of the Group, and the presentation currency for the financial statements.

In preparing the financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

(c) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods or services provided in the normal course of business, net of discounts and sales related taxes.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

On contracts where a free service period has been offered to the customer, revenue is recognised on a straight line basis over the total service period.

Revenue from the provision of telecommunication services is recognised once the service has been rendered.

Interest revenue

Interest revenue is recognised on a time proportional basis taking into account the interest rates applicable to financial assets.

Other revenue

Other revenue is recognised when the right to receive the revenue has been established.

(e) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Following completion of the Proposed Transaction, the Group intends to form a tax consolidated group.

(f) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition or construction of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

The following useful lives are used in the calculation of depreciation:

Network Equipment	5 years
Other plant and equipment	9 years

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(g) Impairment of long-lived assets

At each reporting date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

(h) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Financial assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Subsequent to initial recognition, investments in subsidiaries are measured at cost in the Group financial statements.

Other financial assets are classified as 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

(j) Financial assets

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

De-recognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(k) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when employees have rendered service entitling them to the contributions.

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(m) Financial instruments issued by the Group

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

(n) Share-based payments

Share-based payments made to employees and others, that grant rights over the shares of the Company are accounted for as equity-settled share-based payment transactions when the rights over the shares are granted. As the Group does not require reimbursement for the cost of the grant, amounts relating to the grant are deemed a contribution by the Company in its capacity as owner.

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of a binomial model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders service.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

(o) Leased assets

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Finance leased assets are amortised on a straight-line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Lease incentives

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(p) Goodwill

Goodwill acquired in a business combination is initially measured at its cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised at the date of the acquisition.

Goodwill is subsequently measured at its cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units, or groups of cash-generating units, expected to benefit from the synergies of the business combination. Cash-generating units or groups of cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently if events or changes in circumstances indicate that goodwill might be impaired.

If the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (or groups of cash-generating units), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or groups of cash-generating units) and then to the other assets of the cash generating units pro-rata on the basis of the carrying amount of each asset in the cash-generating unit (or groups of cash-generating units). An impairment loss recognised for goodwill is recognised immediately in profit or loss and is not reversed in a subsequent period.

On disposal of an operation within a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal of the operation.

(q) Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Indefeasible rights of use of capacity ("IRU")

Indefeasible rights of use of capacity are brought to account as intangible assets at cost, being the present value of the future cash flows payable for the right.

Amortisation

Amortisation is charged to the income statement on a straight line basis, unless otherwise stated, over the estimated useful lives of the intangibles unless such lives are indefinite. Goodwill and intangibles assets with an indefinite useful life are systematically tested for impairment at each balance sheet date. Other intangibles are amortised from the date they are available for use. The estimated useful lives of the group's intangibles as follows:

Goodwill	Indefinite
IRU	Over the life of the IRU (11 years and 5 months from 1 July 2009)

(r) Equity

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

(s) Net current asset deficiency

At 31 December 2009, the pro forma balance sheet reflects an excess of current liabilities over current assets of \$1,117,000. The working capital deficit arises from the classification of \$3,652,372 of Southern Cross borrowing obligations within current liabilities whilst the associated intangible asset is capitalised within non-current assets.

The directors are satisfied that the Group will be able to meet its working capital requirements through surplus cash generated from its normal operating activities.

8.9 DIVIDEND POLICY

The Directors do not expect to declare a final dividend for the six months ending 30 June 2010.

No guarantee can be given about future dividends, or the level of franking or imputation of such dividends, as these matters will depend upon the future profits of the Company, its financial and taxation position and the Directors' view of the appropriate payout ratio at the time.



Risk Factors

There are general risks with any investment in the stock market. In addition, there are a number of specific risks concerning the Company which potential investors should be aware.

The following is not an exhaustive summary but identifies the areas the Board regards as the major risks specific to an investment in the Company. You should carefully consider the risks and uncertainties set out below and the information contained elsewhere in this Prospectus before you decide whether to apply for New Shares. You should also seek your own professional advice in relation to the risks associated with an investment in the Company and should make your own assessment as to whether to invest in the Company.

9.1 GENERAL RISK FACTORS

(a) General equity market risks

There can be no certainty that following the Proposed Transaction, an active market in the Shares will develop. In addition the Company's Shares may trade on the ASX at a premium or discount to the Issue Price. The price at which the Shares trade on ASX may be affected by a number of factors, including the financial and operating performance of the Company and external factors over which the Company and its Directors have no control.

These external factors include actual, expected and perceived general economic conditions, changes in government policy or regulation, significant events such as natural disasters or acts of terrorism, investor attitudes, changes in taxation, movements in interest rates, movements in stock markets, and general conditions in the markets in which the Group will operate.

In addition, new investors should consider the historical volatility of Australian and overseas share markets.

(b) Economic conditions

The performance of the Group is likely to be affected by changes in economic conditions. Profitability of the business may be affected by some of the matters listed below. The Directors make no forecast in regard to:

- the future demand for the Group's products and services beyond June 2010;
- the level of future spending on telecommunications services by business in Australia;
- general financial issues which may affect policies, exchange rates, inflation and interest rates; and
- deterioration in economic conditions, possibly leading to reductions in business spending and other potential revenues which could be expected to have a corresponding adverse impact on the Company's operating and financial performance.
- the strength of the equity and share markets in Australia and throughout the world,
- financial failure or default by any entity in which a Group Company is or may become involved in a contractual relationship; and
- industrial disputes in Australia and overseas.

(c) Geo-political factors

The Group may be affected by the impact that geo-political factors have on the world or Australian economy or on financial markets and investments generally or specifically. This may include international wars, terrorist type activities and governmental responses to such activities.

(d) Government policies & legislation

The Group may be affected by changes to government policies and legislation, including those relating to the telecommunications, defence and homeland security sectors and taxation.

Specifically, the Australian government has announced significant changes to the regulatory landscape of the telecommunications sector with the creation of the NBN and the structural separation of Telstra. As the exact structure of the NBN infrastructure is still unknown, the impact on the industry or Vocus' competitive position is impossible to define.

9.2 SPECIFIC RISK FACTORS

(a) Margins may contract

Competitive pricing of the products and services the Group will sell may fall, negatively impacting future revenue, margin and profitability.

(b) Consolidation of customer base

Vocus' customers include retail and wholesale ISPs and telecommunication companies. There is a risk that Vocus may lose customers should there be some industry consolidation of ISPs.

(c) Forecast new business targets may not be achieved

Vocus has made assumptions relating to new business won in order to determine the FY2010 forecasts. The forecasts are based on Vocus' best estimate of how much new business will be won on and before 30 June 2010 as well as the run rate of existing business that is not subject to long term contracts (data and voice). To the extent that Vocus does not achieve the forecast new business, there will be a negative impact on FY10 revenue and profitability.

(d) Contract renewal in normal course

Vocus has entered into medium term contracts with some of its customers. Given Vocus' short trading history, there is limited empirical evidence regarding contract renewal rates. In the event a large number of these customers do not renew their respective contracts in the normal course of business, this may have a material adverse effect on the revenue and earnings of the Group.

(e) Customer concentration risk

Vocus has over 100 customers with low concentration and no single customer representing more than 13% of FY10 forecast revenue. Notwithstanding, there remains a risk that should Vocus' larger customers change carriers or decide to purchase IRU capacity directly, profitability may be negatively impacted.

(f) Reliance on key staff

Vocus has 17 employees and as such relies significantly on the contribution of those employees to the organisation. The departure of those employees, particularly the Chief Executive Officer, CFO and CTO may have a material impact on the business. To manage this risk, Vocus has entered into employment contracts with key senior management and the Group will adopt an Employee Share Option Plan to incentivise and retain employees.

(g) Foreign exchange risk: Movements in the USD/AUD exchange rate will affect the company's profitability

Vocus has USD denominated liabilities. Any weakening of the Australian dollar with respect to the US dollar will have a negative impact on Vocus' profitability. Refer sensitivity analysis in Section 8.5.

(h) Technology risk and improved products and services

Vocus competes with other telecommunications companies who may introduce new products and services. While the Directors have no reason to believe that any of Vocus' products and services will become obsolete, if these new products and services are superior or perceived to be superior to Vocus' products and services, and if Vocus' is unable to offer these new products and services, then this may impact adversely on the Group's ability to compete in the market.

(i) Network operation and IT risks

Any material damage or disruption to Vocus' network may impair its ability to provide its products and services and result in a significant disruption to the business and its customers.

The disruption could arise as a result of events which are beyond the Group's control, such as telecommunications network failure, improper or negligent operation of the Group's systems by employees, consultants or service providers, unauthorised physical or electronic access, general network failure or natural disasters.

In addition, the Group may be adversely affected by attacks and other forms of cyber crime, such as attempts by computer hackers to gain access to the Group's systems and databases that may cause its sites to fail and disrupt customers' dealings with the Group. While Vocus employs prevention measures and disaster recovery protocols, no assurance can be given that the Group's servers and production environment will not be adversely affected by malicious viruses or hackers.

Any material damage to the Group's IT and telecommunications system may materially and adversely affect the Group's operations and financial performance.



Investigating Accountants' Report

The Directors
First Opportunity Fund Limited
Level 31
The Chifley Tower
2 Chifley Square
Sydney NSW 2000

17 May 2010

Dear Directors

INVESTIGATING ACCOUNTANTS' REPORT ON PRO FORMA HISTORICAL FINANCIAL INFORMATION

Introduction

Deloitte Touche Tohmatsu (Deloitte) has been engaged by the Directors of First Opportunity Fund Limited (the Company) to prepare this Investigating Accountants' Report (Report) for inclusion in a Prospectus (Prospectus) to be issued by First Opportunity Fund Limited (proposed to be renamed to Vocus Communications Limited) in connection with the offer of shares in the Company and the significant change in the nature and scale of the Company's activities including its acquisition of Vocus Group Limited (Vocus Group).

References to First Opportunity Fund Limited and the Vocus Group and other terminology used in this report have the same meaning as defined in the Glossary of the Prospectus.

Pro Forma Historical Financial Information

Deloitte has been requested to prepare a report covering the following pro forma historical financial information:

- The pro forma historical income statement before depreciation, amortisation, net interest and income tax (EBITDA) of the Company for the year ended 30 June 2009 as set out in Section 8.3(a) of the Prospectus;
- The pro forma balance sheet of the Company as at 31 December 2009 as set out in Section 8.6(a) of the Prospectus;
- The pro forma historical cash flow statement of the Company for the year ended 30 June 2009 as set out in Section 8.7 of the Prospectus;
- The notes to the above pro forma historical financial information of the Company as set out in Section 8.8 of the Prospectus; and
- The pro forma adjustments and the assumptions on which they are based as described in Sections 8.3(d) and 8.6(b) of the Prospectus

(Collectively the Pro Forma Historical Financial Information).

All Pro Forma Historical Financial Information of the Company is presented as consolidated financial information.

The Pro Forma Historical Financial Information has been derived from the reviewed financial statements for the half year ended 31 December 2009 of First Opportunity Fund Limited and the audited financial statements for the year ended 30 June 2009 and the half year ended 31 December 2009 of Vocus Group, after reflecting the Pro forma adjustments in Sections 8.3(d) and 8.6(b) of the Prospectus.

The financial statements of First Opportunity Fund Limited and the Vocus Group for the half year ended 31 December 2009 and the year ended 30 June 2009 were audited and/or reviewed by Deloitte Touche Tohmatsu. Our audits have been conducted in accordance with Australian Auditing Standards to provide reasonable assurance that the financial statements are free from material misstatement. Our review has been conducted in accordance with Australian Auditing Standards to provide assurance that nothing has come to our attention which would cause us to believe that the financial statements are not free from material misstatement. The audit opinions and/or review statement issued by Deloitte Touche Tohmatsu to the members of First Opportunity Fund Limited and the Vocus Group relating to those financial statements were unqualified.

The Directors of the Company are responsible for the preparation and presentation of the Pro Forma Historical Financial Information, including the determination of the pro forma adjustments and the assumptions on which they have been based.

The Pro Forma Historical Financial Information is presented in an abbreviated form insofar as it does not include all of the disclosures required by Australian Accounting Standards (including the Australian Accounting Interpretations) applicable to annual financial reports prepared in accordance with the Corporations Act 2001.

Scope

Review of the Pro Forma Historical Financial Information

We have reviewed the Pro Forma Historical Financial Information in order to report whether anything has come to our attention which causes us to believe that the Pro Forma Historical Financial Information set out in the Prospectus in Section 8, does not present fairly:

- The pro forma historical income statement before depreciation, amortisation, net interest and income tax (EBITDA) of the Company for the year ended 30 June 2009;
- The pro forma balance sheet of the Company as at 31 December 2009;
- The pro forma historical cash flow statement of the Company for the year ended 30 June 2009;
- The notes to the above Pro Forma Historical Financial Information of the Company; and
- The pro forma adjustments and the assumptions on which they are based

in accordance with the basis of preparation as described in Section 8.2 of the Prospectus.

Our review has been conducted in accordance with Australian Auditing Standard on Review Engagements (ASRE) 2405 "Review of Historical Financial Information Other than a Financial Report". We have made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances, including:

- Analytical procedures on the Pro Forma Historical Financial Information;
- A review of work papers, accounting records and other documents;
- A review of the pro forma adjustments and the assumptions on which they are based as described in Sections 8.3(d) and 8.6(b) of the Prospectus;

- A comparison of consistency in application of the recognition and measurement principles in Australian Accounting Standards (including the Australian Accounting Interpretations), and the accounting policies adopted by the Company as disclosed in the Prospectus at Section 8.8; and
- Enquiry of the directors and management of the Company and Vocus Group.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Pro Forma Historical Financial Information.

Review Statement

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the Pro Forma Historical Financial Information set out in section 8 of the Prospectus does not present fairly:

- The pro forma historical income statement before depreciation, amortisation, net interest and income tax (EBITDA) of the Company for the year ended 30 June 2009;
- The pro forma balance sheet of the Company as at 31 December 2009;
- The pro forma historical cash flow statement of the Company for the year ended 30 June 2009;
- The notes to the above Pro Forma Historical Financial Information of the Company; and
- The pro forma adjustments and the assumptions on which they are based

in accordance with the basis of preparation as described in Section 8.2 of the Prospectus.

Subsequent Events

Apart from the matters dealt with in this Report, and having regard for the scope of our Report, nothing has come to our attention that would cause us to believe that matters arising after 31 December 2009, other than matters dealt with in Section 8 of the Prospectus, would require comment on, or adjustments to, the information contained in Section 8 of the Prospectus, or would cause such information to be misleading or deceptive.

Independence and Disclosure of Interest

Deloitte Touche Tohmatsu and Deloitte Corporate Finance Pty Limited do not have any interest in the outcome of this Offer other than the preparation of this Report, the preparation of a Review of Directors' Forecasts and participation in the due diligence procedures for which normal professional fees will be received.

Deloitte Touche Tohmatsu is the independent auditor of First Opportunity Fund Limited and Vocus Group.

Yours faithfully



Michael Kaplan
Partner
Deloitte Touche Tohmatsu



Report on Directors' Forecast and Financial Services Guide

The Directors
First Opportunity Fund Limited
Level 31
The Chifley Tower
2 Chifley Square
Sydney, 2000

17 May 2010

Dear Sirs

REPORT ON DIRECTORS' FORECAST AND FINANCIAL SERVICES GUIDE

Introduction

This report has been prepared at the request of the Directors of First Opportunity Fund Limited (First Opportunity Fund or the Company) for inclusion in a Prospectus to be issued by the First Opportunity Fund (proposed to be renamed Vocus Communications Limited) in respect of the offer of shares in the Company (the Offer).

Deloitte Corporate Finance Pty Limited has been engaged by the Directors of the Company to conduct a limited assurance engagement on the forecast financial information comprising:

- The pro forma forecast income statement of the Company for the year ending 30 June 2010, as set out in Section 8.3(a) of the Prospectus;
- The statutory forecast income statement of the Company for the period ending 30 June 2010, as set out in Section 8.3(a) of the Prospectus; and
- The pro forma forecast statement of cash flows of the Company for the year ending 30 June 2010, as set out in Section 8.7 of the Prospectus.

(referred to collectively as the Forecast Financial Information).

All pro forma forecast financial information of the Company is presented as consolidated financial information

Deloitte Corporate Finance Pty Limited is wholly owned by Deloitte Touche Tohmatsu and holds the appropriate Australian Financial Services licence for the issue of this report.

This engagement has been conducted in accordance with professional standard APES 345 "Reporting on prospective financial information prepared in connection with a Disclosure Document" issued by the Accounting Professional and Ethical Standards Board.

References to the Company and other terminology used in this report have the same meaning as defined in the Glossary.

Directors' Responsibility for the Forecast Financial Information

The Directors are solely responsible for the preparation and presentation of the Forecast Financial Information and the information contained within the Prospectus, including the assumptions on which it is based.

Forecast Financial Information

The Forecast Financial Information has 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 30 June 2010. There is a considerable degree of subjective judgement involved in preparing forecasts. The underlying assumptions are also subject to uncertainties and contingencies which are often outside the control of the Company. The Forecast Financial Information has been prepared using assumptions summarised in the Prospectus which are based on best estimate assumptions relating to future events that management expect to occur and actions that management expect to take.

The sensitivity analysis set out in Section 8.5 of the Prospectus demonstrates the impacts on the Forecast Financial Information of changes in key assumptions. The Forecast Financial Information is therefore only indicative of the financial performance which may be achievable. Prospective investors should be aware of the material risks and uncertainties relating to an investment in the Company, which are detailed in the Prospectus, and the inherent uncertainty relating to the prospective financial information.

Accordingly prospective investors should have regard to the investment risks and sensitivities set out in Section 9 and Section 8.5 respectively of the Prospectus.

Our Responsibility

Our responsibility is to express a conclusion on the Forecast Financial Information based on our procedures.

We conducted our engagement in accordance with Australian Standard on Assurance Engagement (ASAE) 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ASAE 3000), issued by the Australian Auditing and Assurance Standards Board, in order to state whether, based on the procedures performed, anything has come to our attention that causes us to believe that, in all material respects:

- a) the Directors' best estimate assumptions do not provide reasonable grounds for the preparation of the Forecast Financial Information
- b) the Forecast Financial Information is not properly prepared on the basis of the Directors' best estimate assumptions, consistent with the accounting policies adopted and used by the Company and in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards
- c) the Forecast Financial Information itself is unreasonable.

Our procedures consisted primarily of enquiry, comparison, and analytical review procedures we considered necessary including discussions with management and Directors of the Company of the factors considered in determining their assumptions. Our procedures included examination, on a test basis, of evidence supporting the assumptions, amounts and other disclosures in the Forecast Financial Information and the evaluation of accounting policies used in the Forecast Financial Information.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement conducted in accordance with ASAE 3000 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly we will not express an opinion providing reasonable assurance.

Limitations of Use

We disclaim any responsibility for any reliance on this report or on the Forecast Financial Information to which it relates for any other purpose than that for which it was prepared.

Inherent Limitations

Prospective financial information, such as the Forecast Financial Information, relates to events and actions that have not yet occurred and may not occur. While evidence may be available to support the assumptions on which the Forecast Financial Information is based, those assumptions are generally future orientated and therefore speculative in nature. Accordingly, actual financial performance may vary from the prospective financial information presented in the Prospectus and such variations may be material. We express no opinion as to whether the Forecast Financial Information will be achieved.

Subsequent Events

Apart from the matters dealt with in this Report, and having regard for the scope of our Report, nothing has come to our attention that would cause us to believe that matters arising after 17 May 2010, other than matters dealt with in Section 8 of the Prospectus, would require comment on, or adjustments to, the information contained in Section 8 of the Prospectus, or would cause such information to be misleading or deceptive.

Independence and Disclosure of Interest

Deloitte Corporate Finance Pty Limited and Deloitte Touche Tohmatsu do not have any interest in the outcome of this Offer other than the preparation of this Report, the preparation of an Independent Accountants' Report and participation in the due diligence procedures for which normal professional fees will be received.

Deloitte Touche Tohmatsu is the independent auditor of First Opportunity Fund.

Conclusion

Based on our review of the Forecast Financial Information, nothing has come to our attention that causes us to believe that, in all material respects:

- i) the Directors' best estimate assumptions, as set out in the Prospectus, do not provide reasonable grounds for the preparation of the Forecast Financial Information
- ii) the Forecast Financial Information is not properly prepared on the basis of the Directors' best estimate assumptions, consistent with the accounting policies adopted and used by the Company and in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards
- iii) the Forecast Financial Information itself is unreasonable.

Financial Services Guide

We have attached our Financial Services Guide to this report on the following page. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our Report.

Yours faithfully



Richard Young
Director
Deloitte Corporate Finance Pty Limited

Financial Services Guide

What is a Financial Services Guide?

This Financial Services Guide (FSG) provides important information to assist you in deciding whether to use our services. This FSG includes details of how we are remunerated and deal with complaints.

Where you have engaged us, we act on your behalf when providing financial services. Where you have not engaged us, we act on behalf of our client when providing these financial services, and are required to give you an FSG because you have received a report or other financial services from us.

What financial services are we licensed to provide?

We are authorised to provide general financial product advice or to arrange for another person to deal in financial products in relation to securities, interests in managed investment schemes and government debentures, stocks or bonds.

Our general financial product advice

Where we have issued a report, our report contains only general advice. This advice does not take into account your personal objectives, financial situation or needs. You should consider whether our advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is provided to you in connection with the acquisition of a financial product you should read the relevant offer document carefully before making any decision about whether to acquire that product.

How are we and all employees remunerated?

Our fees are usually determined on a fixed fee or time cost basis and may include reimbursement of any expenses incurred in providing the services. Our fees are agreed with, and paid by, those who engage us.

Other than our fees, we, our directors and officers, any related bodies corporate, affiliates or associates and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary and while eligible for annual salary increases and bonuses based on overall performance they do not receive any commissions or other benefits as a result of the services provided to you. The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Associations and relationships

We are ultimately owned by the Australian partnership of Deloitte Touche Tohmatsu (DTT). The Australian partnership of DTT is a member firm of the Deloitte Touche Tohmatsu Verein (the Verein). The Verein is a Swiss Verein (association). Each of the member firms is a separate and independent legal entity. Neither the Verein nor any of its member firms has any liability for each other's acts or omissions. Please see www.deloitte.com/au/about for a description of the legal structure of the Verein.

We and DTT (and other entities related to DTT):

- do not have any formal associations or relationships with any entities that are issuers of financial products; and
- may provide professional services to issuers of financial products in the ordinary course of business.

What should you do if you have a complaint?

If you have any concerns regarding our report or service, please contact us. Our complaint handling process is designed to respond to your concerns promptly and equitably. All complaints must be in writing to the address below.

If you are not satisfied with how we respond to your complaint, you may contact the Financial Ombudsman Service (FOS). FOS provides free advice and assistance to consumers to help them resolve complaints relating to the financial services industry. FOS' contact details are also set out below.

The Complaints Officer	Financial Ombudsman Service
PO Box N250	GPO Box 3
Grosvenor Place	Melbourne VIC 3001
Sydney NSW 1220	T: 1300 780 808
E: complaints@deloitte.com.au	F: +61 3 9613 6399
F: (02) 9255 8434	E: info@fos.org.au
	I: www.fos.org.au

What compensation arrangements do we have?

DTT holds professional indemnity insurance that covers the financial services provided by us. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).



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Additional Information

12.1 SHAREHOLDER MEETING

On or about 17 May 2010, the Directors intend to convene a meeting of Shareholders to be held on Wednesday, 16 June 2010 (**General Meeting**) to consider, amongst other matters, the following resolutions (together, **Resolutions**):

- (a) for the purposes of ASX Listing Rule 11.2, the approval of the disposal by FOF of its interests in the Monarch Group (comprising Monarch Winemaking Services Pty Ltd ACN 078 607 940 and Monarch Trading Pty Ltd ACN 068 470 931);
- (b) for the purposes of section 256C of the Corporations Act, the reduction of the capital of FOF by a cash distribution to FOF shareholders, such that FOF will have \$5 million in cash before transaction expenses and prior to completion of its acquisition of Vocus;
- (c) the approval of the Directors making an application for revocation of FOF's pool development fund status under the Pooled Development Fund Act;
- (d) for the purposes of ASX Listing Rule 11.1, the approval of the acquisition by FOF of the entire issued share capital of Vocus, and the approval of the change in the nature and scale of FOF's activities as a result of the Vocus acquisition;
- (e) for the purposes of ASX Listing Rules 7.1, Chapter 2E and section 611 (item 7) of the Corporations Act, the approval of the allotment and issue of 26,952,991 fully paid ordinary shares in FOF to the shareholders of Vocus (or at their direction), at an issue price of \$0.50 per share, as part of the consideration for the acquisition by FOF of the entire issued share capital of Vocus;
- (f) for the purposes of ASX Listing Rules 7.1 and 10.11 and Chapter 2E and section 611 (item 7) of the Corporations Act, the approval of the share placements and public offer (both as referred to above) under a Prospectus to be lodged with ASX and ASIC;
- (g) the approval of the appointment of Mr David Spence, Mr James Spenceley, Mr Mark de Kock, Mr Nicholas McNaughton and Mr Paul McConnell as Directors of FOF;
- (h) the approval, by special resolution, of the change of FOF's name to "Vocus Communications Limited";
- (i) the approval, by special resolution, of the repeal of FOF's existing constitution and the adoption of a new constitution;
- (j) for the purposes of ASX Listing Rule 7.2 (Exception 9), approval for the issue of securities under the Employee Share Option Plan to be adopted by FOF; and
- (k) for the purposes of ASX Listing Rule 10.14 and Part 2E.1 of the Corporations Act, approval for the issue of securities under the Employee Share Option Plan to be adopted by FOF to Mr James Spenceley and Mr Mark de Kock.

Except for the passing of Resolution 1, which is to be considered independently, the passing of each other Resolution is subject to the passing of all of them. The Offer pursuant to this Prospectus is conditional, amongst other things, upon the passing of the Resolutions. If the Resolutions are not passed, no funds will be raised pursuant to this Prospectus.

12.2 COMPANY'S CONSTITUTION AND RIGHTS ATTACHING TO NEW SHARES

Subject to Shareholder approval being obtained at the General Meeting, the Company will adopt a new constitution (**New Constitution**) with effect from completion of the Proposed Acquisition of Vocus. The New Constitution is of the kind usually adopted by a public company listed on the ASX.

A summary of the rights attaching to the Shares (including the New Shares) under the New Constitution is set out below. This summary is qualified by the full terms of the New Constitution (copies of the New Constitution and the existing constitution of FOF may be inspected at the registered office of the Company during normal business hours by appointment with the Company Secretary) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the New Constitution with statutory, ASX Listing Rules and common law requirements. For an investor to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the investor should seek legal advice.

(a) General

Subject to the New Constitution and the terms of issue of a Share, attached to each Share is the right to receive notice of any attend and vote at all meetings of Shareholders, to receive dividends, and in a winding up to participate equally in the distribution of assets of the Company subject only to the amounts unpaid on any Share.

(b) Voting

At a meeting of Shareholders, subject to the New Constitution, the Corporations Act and the ASX Listing Rules, on a show of hands each Shareholder present in person or by proxy has one vote. At the taking of a poll, each Shareholder present in person or by proxy has one vote for each fully paid Share, and for each partly paid Share a fraction of a vote equivalent to the proportion which the amount paid (not credited) bears to the total amount paid and payable (excluding amounts credited). A Shareholder is entitled to be counted in a vote only in respect of Shares on which all calls due and payable have been paid.

A resolution put to vote at a meeting must be decided on a show of hands unless a poll is demanded.

(c) General meetings and notices

A director of the Company may call a general meeting and the Directors must call an annual general meeting in accordance with the Corporations Act. The Shareholders may request or call and arrange to hold a general meeting in accordance with the Corporations Act.

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

The quorum for a meeting of Shareholders is 5 Shareholders entitled to vote at the meeting.

(d) Dividends and Share Plans

The Directors may pay to Shareholders any interim and final dividends as they see fit. The Directors may fix the amount, the time for payment and the method of payment.

The Directors may establish and make rules for a dividend reinvestment plan/or a dividend election plan in relation to any dividend payable by the Company.

The Directors may declare dividends on a class of Shares to the exclusion of and in different amounts than other classes. Dividends on partly paid shares must not exceed the proportion which the amount paid (not credited) bears to the total amount paid and payable (excluding amounts credited) on that Share.

The Directors do not expect to declare a final dividend for the six months ending 30 June 2010.

(e) Issue of Shares

Subject to the New Constitution, the Corporations Act, the ASX Listing Rules and any special rights conferred on holders of existing Shares or a class of Shares, the Directors may issue or otherwise dispose of, or grant options in respect of, shares to such persons on such terms as they think fit. In particular, the Directors may issue shares with preferred, deferred or special rights or restrictions in relation to dividends, voting, return of capital and payment of calls.

The Company may issue preference shares which are or at the option of the Company are to be, liable to be redeemed. Holders of preference shares will only have the right to vote at a meeting convened for the purpose of reducing capital, in certain circumstances upon winding up, where the resolution effects the rights attached to the preference shares, when a dividend on the preference shares are in arrears or on a resolution to approve the terms of a buy-back.

(f) Transfer of Shares

Generally, all Shares in the Company are freely transferable subject to the procedural requirements of the New Constitution, and to the provisions of the Corporations Act, the ASX Listing Rules and the rules of the ASX's Securities Clearing House. The Directors may decline to register an instrument of transfer received where refusal is permitted under the ASX Listing Rules. The Directors must refuse to register the transfer of Restricted Securities (as defined in the New Constitution) during the relevant escrow period (except as permitted by the ASX Listing Rules or the ASX) or any other transfer as required by the ASX Listing Rules. If the Directors decline to register a transfer the Company must give reasons for the refusal.

(g) Proportional takeover provisions

The registration of a transfer of Shares which would give effect to a proportional takeover bid is prohibited unless and until an approving resolution approving the proportional takeover bid is passed. The proportional takeover provisions will cease to have effect on the third anniversary of the adoption of the New Constitution, unless renewed.

(h) Small shareholdings

Subject to the ASX Listing Rules, and compliance with the procedure set out in the New Constitution, the Company may issue a notice of divestment to a Shareholder holding a parcel of non-marketable shares. Unless the Shareholder objects to the divestment, the Company must sell the Shares as agent of the Shareholder with all consideration received by the Company to be paid by the relevant Shareholder.

(i) Winding up

Subject to the any special rights attaching to a class of shares, if the Company is wound up the liquidator in a winding up may, with the sanction of a special resolution of the Shareholders, divide the assets of the Company among the Shareholders.

(j) Liability of shareholders

As the Shares under this Offer will be issued fully paid, Shareholders will not be subject to any further call for money by the Directors and therefore Share will not become liable to forfeiture.

(k) Variation of rights

The rights attaching to the Shares may only be varied, modified or cancelled with the prior written consent of at least 75% of the holders of votes in that class or by a special resolution of the holders of shares in that class at a meeting of those holders.

(l) Directors – appointment, retirement and removal

The minimum number of Directors is three (3) and the maximum is ten (10). Immediately following Completion of the Proposed Transaction there will be a total of 7 Directors. The Directors are not required to hold any Shares.

Directors may be appointed by resolution of the Shareholders at a general meeting. The Directors may appoint a Director either in addition to existing Directors or to fill a casual vacancy, and such Director will hold office until the next annual general meeting.

Directors may only be removed by resolution of the Shareholders at a general meeting.

A Director must retire from office at the end of the third annual general meeting following that Directors last appointment or 3 years, whichever is longer. The requirement to retire does not apply to the Managing Director. If there is more than one Managing Director then the requirement to retire will not apply to just one Managing Director. A retiring Director is eligible for re-election.

(m) Decisions of Directors

The quorum for a meeting of Directors is two. Questions arising at a meeting of Directors are decided by a majority of votes cast by Directors entitled to vote on the resolution. The Chairman has a casting vote.

(n) Alteration to the New Constitution

The New Constitution can only be amended by a special resolution passed by at least 75% of Shareholders present and voting at a general meeting. At least 28 days' notice of the meeting at which the special resolution is proposed must be given.

12.3 CORPORATE GOVERNANCE

The corporate governance policies of the Board are set out in the Corporate Governance Statement on pages 33 to 36 of the Company's 2009 Annual Report.

During the 12 months after completion of the proposed acquisition it is intended that the Board will continue to have regard to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations to determine what, if any, amendments are required to those policies in light of the change in circumstances of the Company arising from the Proposed Transaction.

12.4 EMPLOYEE SHARE OPTION PLAN

It is intended that the Company will adopt an employee share option plan known as the Vocus Communications Limited Options and Performance Shares Plan (**ESOP**) following and subject to completion of the Proposed Transaction. The ESOP entitles the Company to offer eligible employees options to subscribe for Shares (**ESOP Options**).

The Board may determine, from time to time, which employees and Directors of the Company and its related bodies corporate are eligible to participate in the ESOP, and the exercise price and other terms of the issue of ESOP Options. Participation in the ESOP is voluntary. The ESOP Options granted are non-transferrable, except in limited circumstances.

All ESOP Options are granted at a nil issue price unless otherwise determined by the Board and each ESOP Option enables the holder to subscribe for one Share. The number of Shares that would be issued if the ESOP Options granted were to be exercised (disregarding certain issues in accordance with the rules of the ESOP) must not exceed 7.5% of the total number of issued Shares as at the time of the grant.

The ESOP Options may be exercised, subject to the satisfaction of any exercise conditions imposed by the Board, in accordance with the date determined by the Board. The Board may determine that the ESOP Options are exercisable, regardless of whether the applicable exercise conditions have been satisfied, if an event occurs whereby a person who previously did not previously have control of the Company acquires control of the Company. A person may acquire control of the Company if that person acquires 50% or more of the issued Shares in the Company.

ESOP Option holders are not permitted to participate in new issues of securities by the Company, as related to those options held, but adjustments are to be made to the number of Shares over which the options are granted or the exercise price to take into account changes in the capital structure of the Company that occur by way of pro rata and bonus issues in accordance with the formula set out in the ESOP and the ASX Listing Rules.

As at the date of this Prospectus, no ESOP Options have been issued by FOF, and there are no ESOP Options on issue which have not been exercised. It is intended that, subject to Shareholder approval and completion of the Proposed Acquisition of Vocus, the Company will issue 500,000 ESOP Options to each of James Spenceley and Mark de Kock, each of whom is a Proposed Director.

12.5 DIVIDENDS

The Directors do not expect to declare a final dividend for the six months ending 30 June 2010.

No guarantee can be given about future dividends, or the level of franking or imputation of such dividends, as these matters will depend upon the future profits of the Company, its financial and taxation position and the Directors' view of the appropriate payout ratio at the time.

12.6 TAX STATUS

The Company has been a pooled development fund (**PDF**) under the Pooled Development Funds Act 1992 (Cth) (**PDF Act**) since 29 September 1998. As a PDF, the Company has had the benefit of certain tax concessions associated with that status.

It is a condition precedent to completion of the Acquisition Agreement that the Company revokes its registration as a PDF under the PDF Act prior to completion of its Proposed Acquisition of Vocus.

Subject to Shareholder approval at the General Meeting, the Directors intend to apply to revoke the Company's PDF status. The revocation of the Company's PDF status will mean that the Company (and its Shareholders) will no longer be eligible for the applicable taxation benefits.

Accordingly, immediately following revocation of the Company's PDF status, the Company will be taxed in Australia as a Public Company.

12.7 LITIGATION

To the knowledge of Directors, there is no litigation threatened against the Company and no litigation threatened by the Company. The Directors are not presently aware of any circumstances likely to give rise to any of the above.

12.8 FUNDING ARRANGEMENTS

As at completion of the Proposed Acquisition of Vocus, the Company will only have finance leases in respect of certain of its equipment and the contractual obligations under its Capacity Usage Agreement with Southern Cross Cables Limited which commenced on 1 July 2009. Capacity is supplied (defined as an IRU) to the Company over a defined usage period in return for a non-refundable amount being paid to Southern Cross Cables Limited over a defined payment term. The IRU is brought to account as an intangible asset at cost, being the present value of the future cash flows payable for the right to access cable capacity. Amortisation is charged to the income statement on a straight line basis over the estimated useful life of the asset. The IRU contract obligation is presented with the payments due within 12 months of 31 December 2009 shown as a current liability and remainder as non-current liability.

12.9 MATERIAL CONTRACTS

Set out below is a brief summary of certain contracts which have been entered into by FOF and Vocus respectively, (or their wholly owned subsidiaries as the case may be). These are important contracts for the Company and have accordingly been identified as relevant information of which an investor in the Company should be aware.

(a) Southern Cross Cable Network Capacity Use Agreement

Parties: Southern Cross Cables Limited and Vocus Connect Pty Limited

Date: 1 July 2009, expiring 15 November 2020

Under this contract, Vocus gains an indefeasible right to use a specifically assigned capacity of the intercontinental submarine fibre optic cable network and have access to other landing party services. Vocus will also be granted capacity on the US network assets and have access to US landing party services.

(b) Master Lease Agreement

Parties: Cisco Systems Capital (Australia) Pty Limited and Vocus Pty Limited

Date: Commencing 9 May 2008 expiring June 2012

This agreement is a finance lease arrangement for various software and hardware provided by Cisco with a net lease liability of \$728,810 at 31 December 2009.

Each lease schedule constitutes a non-cancellable net lease. Once the term has begun, Vocus' obligations to pay rent and all other amounts due under a lease is absolute and unconditional, and shall not be affected by any circumstance whatsoever. Vocus cannot sell or sublease or encumber any equipment and must insure the equipment against casualty to the equipment and commercial liability arising in connection with the equipment. Cisco must be noted as an additional insured and the sole loss payee.

(c) Executive Service Agreement with James Spenceley

Parties: Vocus Pty Ltd and James Spenceley

Date: To be entered into, and commencing, on completion of the Proposed Acquisition of Vocus for a minimum term of 2 years employment, with a six month notice period, and continuing thereafter.

Under this agreement Vocus Pty Ltd engages James Spenceley to perform services as CEO of FOF (to be renamed Vocus Communications Limited) and its subsidiaries for an annual salary of \$260,000 plus superannuation (9%). The agreement can be terminated with 6 months notice from either party after the initial term, other than for cause such as fraud which requires no notice period. The agreement contains customary restraints of trade for a period of up to 2 years after termination for which Mr Spenceley is entitled to remuneration as consideration for observing the restraint, set at 50% of salary at termination.

(d) Customer Contracts

Parties: Vocus Group Pty Ltd, Vocus Pty Ltd and Vocus Connect Pty Ltd, and the relevant customer

Date: Various

The majority of Vocus' customer contracts are based on a standard template prepared by Vocus. There are minor variations between each customer contract as compared to the standard template, depending on the particular circumstances of each contract. Under each contract, Vocus is to provide IP transit services and/or voice products to the customer.

(e) Share Sale and Purchase Agreement in relation to the Proposed Acquisition of Vocus

Parties: FOF and the Vocus Shareholders

Date: 12 April 2010

The Share Sale and Purchase Agreement between FOF and the Vocus Shareholders dated (Acquisition Agreement) governs the sale to FOF of all of the issued shares in Vocus (Sale Shares). In consideration for the transfer of the Sale Shares to FOF, FOF must pay \$6,523,504 cash and issue and allot 26,952,991 fully paid ordinary Shares (Consideration Shares) to the Vocus Shareholders or at their direction, as more fully set out in the Acquisition Agreement.

Completion of the Acquisition Agreement is conditional upon certain conditions precedent being satisfied, including but not limited to:

- i. FOF obtaining all necessary shareholder approvals and satisfying all requirements, under the Corporations Act and the ASX Listing Rules (including all appropriate or necessary waivers) for the transactions contemplated by:
 - (A) the Acquisition Agreement;
 - (B) the Prospectus; and
 - (C) any other document in respect of the Proposed Transaction.
- ii. FOF and Vocus Shareholders being satisfied with the results of their due diligence investigations in respect of Vocus and FOF (respectively);
- iii. FOF procuring that it disposes of its interest in Monarch Trading Pty Limited and Monarch Winemaking Services Pty Ltd (Monarch Group);
- iv. the management agreement between FOF and IWPE being terminated;
- v. FOF's registration under the Pooled Development Funds Act being revoked;
- vi. FOF successfully implementing the following capital raising:
 - (A) 10,000,000 Shares at \$0.50 per Share, to raise a total of \$5,000,000, to be placed with placees indentified by IWPE, (in respect of which no fees, underwriting, or placement costs will be paid to any party managing or participating in such capital raising); and
 - (B) 2,000,000 Shares at \$0.50 per Share, to raise a total of \$1,000,000 to be placed with members of the public, and in respect of which an underwriting or placement fee may be paid as determined by the FOF Board up to a maximum of \$25,000.
- vii. the Consideration Shares, once issued, will be quoted on the ASX;
- viii. the exercise of any Vocus options (including by the payment of \$480,000 by the holders of those Vocus options to Vocus) and fully-paid ordinary shares in Vocus to be issued when those options are exercised;
- ix. Vocus satisfying a minimum working capital requirement;
- x. the Vocus Shareholders procuring that Vocus has repaid and discharged specified debts immediately before Completion of the Proposed Transaction;
- xi. all transfers of issued shares in the capital of each Vocus entity have been duly stamped, other than the transfers to occur as part of the Proposed Transaction;
- xii. the new Executive Service Agreements between Vocus Pty Ltd and each of James Spenceley and Mark de Kock are duly executed;
- xiii. the resignation from the Board of FOF of John Stanley Keniry (as Director), Alan Harold Chonowitz (as Director) and Jonathan Keith Brett (as Secretary). For the avoidance of doubt Jonathan Keith Brett and John William Murphy will not resign as Directors of FOF; and
- xiv. the appointment to the Board of the Company of:
 - (A) James Spenceley, Paul McConnell, Mark De Kock and Nicholas McNaughton; and
 - (B) David Spence as independent chairman.

Completion of the Acquisition Agreement is expected to take place on 30 June 2010, unless otherwise agreed between the parties in writing. The sequence of interdependent completion events is as follows:

- i. FOF's interest in the Monarch Group is transferred to a third party;
- ii. FOF distributing to current Shareholders by way of reduction of capital up to a maximum of \$1.5 million in cash so as to leave FOF with \$5 million in cash before transaction expenses and before the acquisition of Vocus;
- iii. the revocation of FOF's registration as a pooled development fund under the Pooled Development Funds Act;
- iv. the allotment of New Shares pursuant to this Prospectus; and
- v. all other completion obligations set out in the Acquisition Agreement.

On completion of the Acquisition Agreement, each person who will be allotted more than 100,000 Consideration Shares on Completion of the Proposed Transaction (each a **Restricted Security Holder**) must execute a Restriction Agreement in relation to the Consideration Shares allotted to it, other than with respect to the first 100,000 Shares allotted to that Restricted Security Holder.

There are various other provisions in the Acquisition Agreement including warranties and indemnities that reflect the arms' length negotiations that preceded its execution. The maximum amount that either the Vocus Shareholders or FOF can recover from the other party for a breach of warranty, or any other claim under the Acquisition Agreement, is limited to \$6,000,000.

(f) **Placement Agreement**

Parties: IWPE and FOF
Date: 11 May 2010

The Company has entered into a placement agreement with IWPE (**Placement Agreement**) to place with placees identified by IWPE (being, the IWPE Funds) a maximum of 10 million New Shares available for subscription under the \$5 million Placement on the terms and conditions of the Placement Agreement.

The terms of the Placement Agreement are customary for the size and risk associated with this type of transaction.

No fees, underwriting, or placement costs will be paid to any party managing or participating in the Placement.

12.10 UNDERWRITING ARRANGEMENTS FOR THE PUBLIC OFFER

The Company has entered into an underwriting agreement with IWPE (**Underwriting Agreement**) to underwrite the offer of a maximum of 2 million New Shares available for subscription under the \$1 million Public Offer on the terms and conditions of the Underwriting Agreement.

If approved by Shareholders at the General Meeting, the issue of the Public Offer Shares and Placement Shares would result in IWPE obtaining a cumulative voting power in the Company of approximately:

- 20.38% of the enlarged Share capital of the Company, after taking into account all New Shares to be issued pursuant to this Offer Document, assuming that IWPE (as underwriter) does not subscribe for any Public Offer Shares;
- 22.42% of the enlarged Share capital of the Company, after taking into account all New Shares to be issued pursuant to this Offer Document, assuming that IWPE (as underwriter) subscribes for 50% of the Public Offer Shares; and
- 24.46% of the enlarged Share capital of the Company, after taking into account all New Shares to be issued pursuant to this Offer Document, assuming that IWPE (as underwriter) subscribes for 100% of the Public Offer Shares,

in each case assuming that no options over Shares are exercised prior to the Proposed Transaction.

The terms of the Underwriting Agreement are customary for the size and risk associated with this type of transaction. The following is a summary of the principal provisions of the Underwriting Agreement:

(a) Fees, costs and expenses

The Company will pay IWPE a 2.5% underwriting fee, equal to \$25,000 plus IWPE's reasonable legal and other expenses of approximately \$6,000.

(b) Conditions Precedent

The obligations of IWPE under the Underwriting Agreement are conditional on the occurrence of certain events, including (but not limited to) the members of the Company passing all of the Resolutions and the Company completing the Proposed Transaction.

(c) Representations, warranties and undertakings

Customary and usual representations and warranties are given by the parties in relation to matters such as the power to enter into the Underwriting Agreement, corporate authority and approvals and the Company's compliance with the Corporations Act and ASX Listing Rules in relation to the Public Offer.

The Company gives a number of further representations and warranties, including that this Offer Document and related public information do not contain any misleading or deceptive statements and will comply with applicable laws, and that none of the information supplied to IWPE is misleading or deceptive in any material respect and does not contain any material omissions. The Company also represents and warrants that no other shareholder approval is required in connection with the Proposed Transaction other than those provided for in the Resolutions.

(d) Indemnity

The Company indemnifies IWPE, its affiliates, directors, officers, employees, agents, advisers and related bodies corporate (Indemnified **Parties**) in respect of all losses incurred in respect of the offer including (without limitation) as a result of:

- i. any misleading or deceptive statement in, or omission of information required from, the Offer Document;
- ii. the distribution of the Offer Document, the making of the Offer and allotment and issue of the New Shares; and
- iii. a breach by the Company of its obligations under the Underwriting Agreement, including any of the representations and warranties by the Company contained in the Underwriting Agreement not being true and correct.

The indemnity does not extend to and is not taken to be an indemnity against losses of an Indemnified Party if those losses result from:

- i. any fraud, recklessness, wilful misconduct or gross negligence of that Indemnified Party or any failure by that Indemnified Party to perform or observe obligations or undertakings binding on it under the Underwriting Agreement, other than to the extent that failure is caused or contributed to by the Company or its officers, employees, advisers or agents;
- ii. any penalty or fine which that Indemnified Party is required to pay for any contravention of the Corporations Act; or
- iii. any amount in respect of which this indemnity would be illegal, void or unenforceable under any law.

(e) Termination events

IWPE may terminate its obligations under the Underwriting Agreement on the occurrence of certain events. These specified events are:

- i. **(Disclosures)** a statement contained in the Offer Document or public information is or becomes misleading or deceptive, or a matter required to be included is omitted from the Offer Document (including, without limitation, having regard to the provisions of Part 6D.2 of the Corporations Act);
- ii. **(New circumstances)** there occurs a new circumstance that arises after the Offer Document is lodged that would have been required to be included in the Offer Document if it had arisen before the Offer Document was lodged;
- iii. **(Supplementary Offer Document)** the Company issues or is required to issue a supplementary Offer Document to comply with section 719 of the Corporations Act;
- iv. **(Form of supplementary Offer Document)** the Company lodges a supplementary Offer Document with ASIC in a form that has not been approved by IWPE in circumstances required by the Underwriting Agreement or otherwise fails to comply with the Underwriting Agreement;
- v. **(Market fall)** at any time the S&P/ASX All Ordinaries Index falls to a level that is 90% or less of the level as at the close of trading on the date of the Underwriting Agreement and remains at or below that 90% level for at least three Business Days or until the Business Day immediately prior to the issue of the New Shares, whichever is shorter;
- vi. **(Forecasts)** there are not or there ceases to be reasonable grounds in the reasonable opinion of IWPE for any statement by the Company in the Offer Document which relates to future matters (including financial forecasts);
- vii. **(Listing and quotation):**
 - (A) the Company ceases to be admitted to the official list of ASX or the securities of the Company are suspended from quotation on ASX;
 - (B) approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, to the quotation of the New Shares on ASX or for the New Shares to be traded through CHESS, on or before the Quotation Date, or if granted, the approval is subsequently withdrawn, qualified (other than subject to customary conditions) or withheld;
- viii. **(Notifications)** any of the following notifications are made:
 - (A) ASIC issues an order (including an interim order, other than an interim order which does not become public) under section 739 of the Corporations Act;
 - (B) ASIC holds a hearing under section 739(2) of the Corporations Act (other than a hearing which does not become public);
 - (C) an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Offer or an Offer Document (other than an application which does not become public and is dismissed or withdrawn by ASIC within 5 Business Days or before the Settlement Date, whichever occurs sooner) or ASIC commences any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 1989 (Cth) in relation to the Offer or the Offer Document;
 - (D) any person (other than IWPE) who has previously consented to the inclusion of its name in any Offer Document withdraws that consent; or
 - (E) any person gives a notice under section 730 of the Corporations Act in relation to the Offer Document;
- ix. **(Certificate)** the Company does not provide a Closing Certificate as and when required by the Underwriting Agreement or a statement in any Closing Certificate is untrue or incorrect in a material respect;
- x. **(Lodgement)** the Company fails to lodge the Offer Document by the Lodgement Date;

- xi. **(Withdrawal)** the Company withdraws the Offer Document or the Offer;
- xii. **(Insolvency events)** any member of the Group becomes insolvent;
- xiii. **(Termination of the Proposed Acquisition of Vocus)** any party to the agreement underlying the Proposed Transaction terminating such agreement;
- xiv. **(Disclosures in Due Diligence Report)** the due diligence report or verification material or any other information supplied by or on behalf of the Company to IWPE in relation to the Group or the Offer is or becomes false or misleading or deceptive, including by way of omission;
- xv. **(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, and the Group from those respectively disclosed in any Offer Document or the public information;
- xvi. **(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) involving any one or more of Australia, the United States, New Zealand, the United Kingdom, any member of the European Union, China or Japan 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;
- xvii. **(Change of law)** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia 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 this agreement), any of which does or is likely to prohibit, restrict or regulate the Offer, capital issues, the level or likely level of Valid Applications or stock markets;
- xviii. **(Change in management)** a change in senior management or the board of directors of the Company occurs except as disclosed in the Offer Document;
- xix. **(Prosecution)** any of the following occur:
 - (A) a director of the Company is charged with an indictable offence;
 - (B) any government agency commences any public action against the Company or any of its directors in their capacity as a director of the Company, or announces that it intends to take such action; or
 - (C) any director is disqualified from managing a corporation under Part 2D.6 of the Corporations Act;
- xx. **(Compliance with agreements and regulatory requirements)** a contravention by the Company or any entity in the Group of the Corporations Act, the Company's constitution, or any of the Listing Rules, or the Company commits a fraudulent act;
- xxi. **(Default)** a default by the Company in the performance of any of its obligations under the Underwriting Agreement occurs;
- xxii. **(Representations and warranties)** a representation or warranty contained in the Underwriting Agreement on the part of the Company is breached or becomes not true or correct;
- xxiii. **(Timetable)** the Offer is not conducted in accordance with the Timetable or any event specified in the Timetable is delayed for more than two Business Days without the prior written consent of IWPE (which must not be unreasonably withheld or delayed);
- xxiv. **(Constitution)** the Company varies any term of its constitution without the prior written consent of IWPE to the terms of the variation, such consent not to be unreasonably withheld except to adopt a new constitution which complies with the requirements of the Listing Rules and which has been approved by IWPE (such approval not to be unreasonably withheld or delayed);

xxv. **(Change to Company)** the Company:

- (A) alters the issued capital of the Company;
- (B) disposes or attempts to dispose of a substantial part of the business or property of the Company, other than:
- (C) as described in the Vocus Share Sale and Purchase Agreement; or
- (D) with the prior written consent of IWPE (which must not be unreasonably withheld or delayed);

xxvi. **(Charges)** the Company or any of its Related Bodies Corporate charges, or agrees to charge, the whole or a substantial part of the business or property of the Company other than:

- (A) a charge over any fees or commissions to which the Company is or will be entitled; or
- (B) as disclosed in the Offer Document; or
- (C) as agreed with IWPE (acting reasonably); or

xxvii. **(Disruption in financial markets)** any of the following occurs:

- (A) a general moratorium on commercial banking activities in Australia and the United States, New Zealand, the United Kingdom, any member of the European Union, China or Japan is declared by the relevant central banking authority in those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
- (B) any adverse effect on the financial markets in Australia and the United States, New Zealand, the United Kingdom, any member of the European Union, China or Japan, or in foreign exchange rates or any development involving a prospective change in political, financial or economic conditions in any of those countries; or
- (C) trading in all securities quoted or listed on the ASX and the United States, New Zealand, the United Kingdom, any member of the European Union, China or Japan is suspended or limited in a material respect for one day on which that exchange is open for trading.

No event in paragraphs xiv to xxvii entitles IWPE to exercise its right to terminate any of its relevant obligations under the Underwriting Agreement unless it has reasonable and bona fide grounds to believe, and does believe, that the event has, or is likely to have, a materially adverse effect on the success or settlement of the Offer, the likely price at which the New Shares will trade on ASX, would give or would be likely to give rise to a material liability for IWPE or would give or would be likely to give rise to contravention by IWPE or IWPE being involved in a contravention of any law, regulation, treaty or administration action.

12.11 PARTICIPANTS IN THE PROPOSED TRANSACTION AND THEIR RESPECTIVE INTEREST IN THE COMPANY

In order to clearly identify the respective interests of the various participants in the Proposed Transaction, set out below is a list of the relevant participants and their interests:

Name	Nature of their current interests and interest in the Proposed Transaction
IWPE	<ul style="list-style-type: none"> • Manager of FOF. ** IWPE is paid a management fee of \$180,000 per annum in accordance with the Management Agreement between IWPE and FOF. • Manager of certain of the IWPE Funds to which Placement Shares will be issued. * No fees, underwriting, or placement costs will be paid to any party managing or participating in the Placement. • Underwriter of the Public Offer. * FOF will pay IWPE a 2.5% underwriting fee, equal to \$25,000, plus IWPE's reasonable legal and other expenses of approximately \$6,000, in accordance with the Underwriting Agreement between FOF and IWPE.
Dr John Keniry	<ul style="list-style-type: none"> • A Director of FOF. ** • Owns 32,501 shares in FOF and is a director of a company (Lakelands Investments Pty Limited) that owns 33,638 Shares in FOF (representing a total of approximately 0.65% of Shares on issue as at the date of this Prospectus). <p><i>Dr Keniry has no interest in IWPE or Vocus.</i></p>
Mr John Murphy	<ul style="list-style-type: none"> • A Director of FOF. • Controls a company (Tuwele Pty Limited) that owns 449,371 Shares in FOF (representing approximately 4.44% of Shares on issue as at the date of this Prospectus). • A director of IWPE and/or its associated entities.
Mr Alan Chonowitz	<ul style="list-style-type: none"> • A Director of FOF. ** • A director of IWPE and/or its associated entities. • In conjunction with Mr Brett: Controls a company (First Capital Partners Pty Limited) that owns 1,589,391 Shares (representing approximately 15.71% of Shares on issue as at the date of this Prospectus) and a company (First Investment Corporation Pty Ltd) that owns 2,000,000 options over Shares in FOF.
Mr Jonathan Brett	<ul style="list-style-type: none"> • A Director of FOF. • The current company secretary of FOF. ** • A director of IWPE and/or its associated entities. • A director of Monarch Trading Pty Ltd: ** <ul style="list-style-type: none"> ◦ which owns 436,942 Shares in FOF; and ◦ in which FOF currently has a 32.5% equity interest. ** • In conjunction with Mr Chonowitz: Controls a company (First Capital Partners Pty Limited) that owns 1,589,391 Shares (representing approximately 15.71% of Shares on issue as at the date of this Prospectus) and a company (First Investment Corporation Pty Ltd) that owns 2,000,000 options over Shares in FOF.
Mr David Spence	<ul style="list-style-type: none"> • A Proposed Director of FOF. <p><i>Mr Spence has no interest in FOF, IWPE or Vocus.</i></p>

Name	Nature of their current interests and interest in the Proposed Transaction
Mr James Spenceley	<ul style="list-style-type: none"> • A Proposed Director of FOF. • Associated with a Vocus Shareholder (Spenceley Management Pty Ltd) to which FOF will issue a total of 8,698,290 Consideration Shares and pay \$1,993,734 for those Vocus Shares that FOF is acquiring.* • The Company will issue 500,000 ESOP Options to Mr Spenceley.*
Mr Nicholas McNaughton	<ul style="list-style-type: none"> • A Proposed Director of FOF. • Associated with a Vocus Shareholder (Roman Empire Pty Ltd) to which FOF will issue 727,598 Consideration Shares and pay \$59,812 for those Vocus Shares which FOF is acquiring.*
Mr Paul McConnell	<ul style="list-style-type: none"> • A Proposed Director of FOF. • Associated with a Vocus Shareholder (Tameion Pty Ltd) to which FOF will issue a total of 10,272,665 Consideration Shares for those Vocus Shares that FOF is acquiring.*
Mr Mark de Kock	<ul style="list-style-type: none"> • A Proposed Director and proposed company secretary of FOF. • A Vocus Shareholder to whom FOF will issue 400,636 Consideration Shares and pay \$189,404 for those Vocus Shares that FOF is acquiring.* • The Company will issue 500,000 ESOP Options to Mr de Kock.*
Vocus Shareholders	<ul style="list-style-type: none"> • FOF will issue a total of 26,952,991 Consideration Shares and pay a total of \$6,523,504 to the Vocus Shareholders or at their direction. Details of the number of Consideration Shares to be issued to each person are set out in Section 3.4 of this Prospectus.
Vorpall Pty Ltd (ACN 087 802 444) in its capacity as trustee for the VJWS Family Trust	<ul style="list-style-type: none"> • 200,000 Consideration Shares will be issued to this entity at the direction of Vocus Shareholders. This entity is not a Vocus Shareholder and is not an associate of a Vocus Shareholder.*
Hall Capital Strategies Pty Ltd (ACN 090 433 775)	<ul style="list-style-type: none"> • 61,111 Consideration Shares will be issued to this entity at the direction of Vocus Shareholders. This entity is not a Vocus Shareholder and is not an associate of a Vocus Shareholder.*

Notes:

* Subject to Shareholder approval and completion of the Proposed Acquisition of Vocus.

** This will cease to be the case following completion of the Proposed Acquisition of Vocus.

12.12 DIRECTORS' INTERESTS

Except as set out below or elsewhere in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with the Company's formation or the promotion or the Offer; or
- the Offer.

In addition, except as set out below or elsewhere in this Prospectus, no benefits of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or the promotion of the Company or the Offer.

(a) Interest in securities

At the date of this Prospectus the direct and indirect interests of each Director and each Proposed Director in the securities of the Company are as follows:

Director/Proposed Director (including associates)	Before completion of the Proposed Transaction		After completion of the Proposed Transaction	
	Shares	Options	Shares	Options
Dr John Keniry	66,139 ²	–	66,139 ²	–
Mr John Murphy	449,371	–	449,371	–
Mr Alan Chonowitz	1,589,391 ³	2,000,000 ³	1,589,391 ³	2,000,000 ³
Mr Jonathan Brett	1,589,391 ³	2,000,000 ³	1,589,391 ³	2,000,000 ³
Mr David Spence	–	–	–	–
Mr James Spenceley	–	–	8,797,743	500,000 ¹
Mr Nicholas McNaughton	–	–	1,688,687	–
Mr Paul McConnell	–	–	10,021,467	–
Mr Mark de Kock	–	–	406,325	500,000 ¹

Notes:

1. It is intended that, subject to Shareholder approval and completion of the Proposed Acquisition of Vocus, the Company will issue 500,000 ESOP Options to each of James Spenceley and Mark de Kock.
2. Dr Keniry owns 32,501 shares in FOF and is a director of a company that owns 33,638 shares in FOF.
3. Messrs Brett and Chonowitz control a company (First Capital Partners Pty Limited) that owns 1,589,391 Shares and a company (First Investment Corporation Pty Ltd) that owns 2,000,000 options over Shares in FOF. Mr Brett is also a director of Monarch Trading Pty Limited (see Section 6.1) (**Monarch Trading**) which owns 436,942 shares in FOF. Subject to Shareholder approval at the General Meeting, FOF will dispose of its interest in Monarch Trading, following which Mr Brett will resign as a director of Monarch Trading.

The Company's Constitution states that no Share qualification is required of any Director.

(b) Remuneration

The Directors are entitled to the payment of fees, remuneration and expenses in aggregate as set out in the Company's Constitution. The Constitution provides that the aggregate fees payable to Non-Executive Directors is to be approved by Shareholders in a general meeting. At present the aggregate maximum sum approved by Shareholders is \$43,600. The total remuneration must not be increased except pursuant to a resolution passed at a general meeting.

The remuneration of each Director for the year ended 30 June 2009 is disclosed on page 7 of the Company's 2009 Annual Report.

(c) Indemnification and Directors & Officers Insurance

The Company has an insurance policy in place to insure the Directors, the Company Secretary and all executive officers of the Company and any related body corporate against a liability incurred as a Director, a company secretary or an executive officer of the Company to the extent permitted by the Corporations Act.

Details of the indemnification of officers of the Company for the year ended 30 June 2009 is disclosed on page 5 of the Company's 2009 Annual Report.

The Company has not otherwise indemnified or agreed to indemnify an officer of the Company or of any related body corporate against a liability incurred by such officer.

12.13 INTERESTS OF NAMED PERSONS

Set out below are the benefits that have been or have been agreed to be given to any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (together, **Prescribed Persons**).

Except as set out below or elsewhere in this Prospectus, no Prescribed Person holds, or during the last 2 years has held, any interests in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with the Company's formation or the promotion, or the Offer; or
- (c) the Offer.

In addition, except as set out below or elsewhere in this Prospectus, no benefit of any kind, (whether in cash, Shares or otherwise) have been paid or agreed to be paid to a Prescribed Person in connection with the preparation or distribution of the Prospectus for services rendered by that person in connection with the formation or promotion of the Company, or the Offer.

Deloitte Touche Tohmatsu has prepared the Investigating Accountant's Report contained in this Prospectus and has been paid or will be paid \$42,000 (excluding GST and disbursements).

Deloitte Corporate Finance Pty Limited (AFSL number 241457) has prepared the Review of Directors' Forecast Report contained in this Prospectus and has undertaken financial due diligence services in relation to the Offer and has been paid or will be paid \$43,000 (excluding GST and disbursements).

Thomson Playford Cutlers has acted as the Australian legal advisers to the Company for the purposes of the Offer. For this work, and all work associated with the acquisition of Vocus, Thomson Playford Cutlers is to receive fees amounting to approximately \$180,000 including GST.

IWPE is the current manager of FOF and the manager of certain of the IWPE Funds. IWPE will receive a management fee from FOF for the period up to the completion date of the Proposed Transaction equal to \$45,000 per quarter or pro rata for part thereof.

In addition, the IWPE Funds and IWPE have agreed to apply for the Placement Shares (\$5,000,000) and to underwrite the Public Offer (\$1,000,000) (respectively), subject to Shareholder approval at the General Meeting. No fees, underwriting, or placement costs will be paid to any party managing or participating in the Placement. For acting as underwriter to the Public Offer, IWPE will receive a fee of \$25,000 under the Underwriting Agreement, as well as reimbursement for its reasonable legal and other expenses of approximately \$6,000.

12.14 CONSENTS

Vocus has consented to all statements made by it, or are said to be based on statements made by it, being included in the form and context in which they are included in this Prospectus, and has not withdrawn such consent prior to the lodgement of this Prospectus with ASIC.

IBISWorld Pty Ltd has consented to its reports being included in the form and context in which they are included in this Prospectus, and has not withdrawn such consent prior to the lodgement of this Prospectus with ASIC.

Market Clarity Pty Ltd has consented to the contents of its report on Vocus' customers dated 8 May 2009, and all statements that are said to be based on statements made by it in that report, being included in the form and context in which they are included in this Prospectus, and has not withdrawn such consent prior to the lodgement of this Prospectus with ASIC.

Southern Cross Cables Limited has consented to the contents of its website (www.southerncrosscables.com), and all statements that are said to be based on the contents of its website, being included in the form and context in which they are included in this Prospectus, and has not withdrawn such consent prior to the lodgement of this Prospectus with ASIC.

In addition, each of the parties named in the table below in this Section 12.14:

- (a) has consented to being named in this Prospectus in the capacity noted in the table;
- (b) other than as specified below, has consented to all statements made by it, or are said to be based on statements made by it, being included in the form and context in which they are included in this Prospectus; and
- (c) has not withdrawn such consent prior to the lodgement of this Prospectus with ASIC.

Capacity as appointed by the Company	Consenting Party
Australian legal adviser	Thomson Playford Cutlers
Auditor Investigating Accountant	Deloitte Touche Tohmatsu
Preparer of the Report on Directors' Financial Forecasts	Deloitte Corporate Finance Pty Limited
Current Manager of FOF Manager of certain of the IWPE Funds Underwriter to the Public Offer	IWPE

Deloitte Touche Tohmatsu has consented to its Investigating Accountants' Report on Historical Financial Information being included in the form and context in which it is included in this Prospectus.

Deloitte Corporate Finance Pty Limited has consented to its Report on Director's Financial Forecasts being included in the form and context in which it is included in this Prospectus.

To the maximum extent permitted by law, each of the parties named in the table in this Section 12.14:

- (a) states that it has not authorised or caused the issue of this Prospectus;
- (b) is not taken to have made, or purported to have made, any representation or warranty in relation to the Company either expressly or implied or any statement in this Prospectus or on which a statement made in the Prospectus is based other than as specified in this Section or elsewhere in this Prospectus; and
- (c) expressly disclaims and takes no responsibility for any part of this Prospectus other than as referred to in this Prospectus as having been made by such party.

12.15 EXPENSES OF THE OFFER

All expenses connected with the Offer are being borne by the Company.

Based on the Offer being fully subscribed, the estimated costs of the Offer, which has been paid or is payable by the Company, is as follows:

Expenses of the Offer	Amount excluding GST
Underwriting fee	\$25,000
Investigating Accountants' Report	\$42,000
Review of Directors' Forecast Report	\$43,000
Other Due Diligence	\$40,000
Independent Expert's Report	\$65,000
Legal fees	\$105,000
Prospectus printing and posting	\$10,000
ASX and ASIC fees	\$5,000
Advisory fees	\$100,000
TOTAL	\$435,000

The Directors estimate that the expenses of the Proposed Transaction will be approximately \$706,000 (including costs of the Offer, as outlined above).

12.16 ELECTRONIC PROSPECTUS

This Prospectus is available in electronic form at www.vocus.com.au and on the FOF announcements page at www.asx.com.au.

The Offer to which this electronic Prospectus relates is only available to persons receiving the electronic Prospectus in Australia. Persons having received a copy of this Prospectus in its electronic form may obtain a paper copy of the Prospectus (including any supplementary document and the Application Form) (free of charge) during the life of this Prospectus by contacting the Company Secretary at the Company's registered office at 'Chifley Tower' Level 31, 2 Chifley Square, Sydney NSW 2000.

Applications for New Shares may only be made in accordance with the instructions set out in Section 4.

12.17 INFORMATION AVAILABLE TO SHAREHOLDERS

The Company will provide a copy of each of the following documents, free of charge, to any investor who so requests during the application period under this Prospectus:

- (a) the Financial Report for the Company for the year ending 30 June 2009; and
- (b) the following documents used to notify ASX of information relating to the Company during the period after lodgement of the Financial Report of the Company for the period ending 30 June 2009 (notified to ASX on 29/09/2009) and before the date of this Prospectus:

Date of Announcement	Announcement
10/11/2009	Chairman's Address to Shareholders
10/11/2009	Results of Meeting
25/11/2009	Change of Director's Interest Notice
22/01/2010	ASX Appendix 3Y Query and Response
02/02/2010	Sale of Business - Subject to Shareholder Approval
02/02/2010	Sale of Business Subject to Shareholder Approval - Updated
05/02/2010	Sale of Business
23/02/2010	Half Yearly Report and Accounts
12/04/2010	SUSPENSION FROM OFFICIAL QUOTATION
12/04/2010	FOF to acquire Vocus Group Limited
12/04/2010	TDI: Company Update
13/04/2010	Reinstatement to Official Quotation
21/04/2010	Change in Substantial Shareholding of FOF

A detailed list and full copies of all documents released to the ASX pursuant to the Company's continuous disclosure obligations can be found on the ASX website at www.asx.com.au.

In addition, the Company is a disclosing entity (as defined in the Corporations Act), and as such the Company is subject to regular reporting and disclosure obligations to ASIC. Copies of all documents lodged with ASIC, in respect of the Company, may be obtained from or inspected at an ASIC office.



Directors' Responsibility Statement and Consent

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in the Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with ASIC, or to the Directors knowledge, before any issue of New Shares pursuant to this Prospectus.

The Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

This Prospectus is authorised by each of the Directors of the Company, pursuant to a resolution of the Board dated 11 May 2010.



Mr J.K. Brett

For and on behalf of the Directors
Date: 17 May 2010



Glossary

In this Prospectus, unless the context or subject matter otherwise requires:

Acquisition Agreement	The share sale and purchase agreement between the Company and the Vocus Shareholders dated on or about 12 April 2010
Applicant	A person who returns an Application
Application	An application for New Shares under the Offer
Application Form	The entitlement and acceptance form attached to this Prospectus
Application Payment	The payment of the Issue Price under the Offer (ie, \$0.50 per New Share) submitted by an Applicant for the purposes of making an Application
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ABN 98 008 624 691)
ASX Listing Rules	The official Listing Rules of ASX
AUD	Australian Dollar
Board	The board of Directors
Business Day	A day on which the ASX is open for trading in securities and banks are open for general banking business in Sydney, Australia
Closing Certificate	A certificate signed by two directors, or one director and one secretary, of the Company in the form appearing in Schedule 2 of the Underwriting Agreement
Closing Date	5.00pm (Sydney time) on 16 June 2010 (unless varied)
Company or FOF	First Opportunity Fund Limited (ABN 96 084 115 499) to be renamed Vocus Communications Limited
Consideration Shares	The New Shares to be issued to the existing shareholders of Vocus (or at their direction), as part of the purchase consideration for the issued shares in Vocus
Corporations Act	Corporations Act (2001) (Cth) as amended from time to time
Directors	The directors of the Company
General Meeting	The general meeting of the Company to be held on 16 June 2010
Group	The Company and its subsidiaries post-completion of the Acquisition Agreement, and Group Company means any member of the Group
IRU	An Indefeasible Right to Use capacity on an undersea telecommunications cable
Issue Price	The subscription price per New Share under the Offer (ie, \$0.50 per New Share)
IWPE	Investec Wentworth Private Equity Limited
IWPE Funds	Funds managed by IWPE being IWPE Nominees Pty Limited as trustee for Investec Wentworth Private Equity Fund 3 (IWPE3) and Investec Wentworth Private Equity Fund 3A (IWPE3A) and Investec Bank (Australia) Limited
Monarch Group	The group of entities comprising Monarch Winemaking Services Pty Ltd (ACN 078 607 940) and Monarch Trading Pty Ltd (ACN 068 470 931)
NBN	The National Broadband Network
New Shares	The Shares to be issued pursuant to this Prospectus
Notice of Meeting	The notice dated 17 May 2010 convening a general meeting of the Company on or around 16 June 2010 for the purpose of seeking shareholder approval for various resolutions in connection with the Proposed Transaction, comprising the chairman's letter, notice of meeting, explanatory notes and all appendices

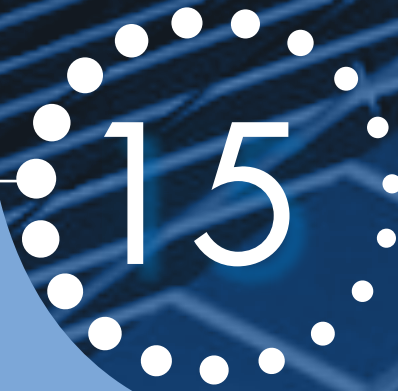
NZD	New Zealand Dollar
Offer	The offer of New Shares under this Prospectus
Placement	The placement of 10 million shares at the Issue Price to IWPE Funds under this Prospectus
Placement Shares	The New Shares offered under the Placement
Proposed Acquisition of Vocus	The Company's proposed acquisition of all of the issued share capital in Vocus
Proposed Directors	The proposed Directors following completion of the Proposed Transaction
Proposed Transaction	The proposed transaction to acquire all of the issued share capital in Vocus, comprising the elements described in Section 3
Prospectus	This prospectus
Public Offer	The offer of 2,000,000 New Shares to members of the public, other than the shareholders of FOF and Vocus, under this Prospectus
Public Offer Shares	The New Shares offered under the Public Offer
Resolutions	The resolutions to be considered by Shareholders at the General Meeting of the Company to be held on 16 June 2010, as set out in the Notice of Meeting to be despatched to Shareholders on or about 17 May 2010
Shareholder	Holder of Shares
Share Registry	Computershare Investor Services Pty Limited
Shares	Ordinary shares in the capital of the Company
Shortfall or Shortfall Shares	The aggregate of those Public Offer Shares which are not allotted to any Applicant in accordance with the Terms of the Offer
Terms of the Offer	The terms and conditions set out in this Prospectus, including any modifications made by the Company
Underwriter	IWPE
Underwriting Agreement	Underwriting Agreement between the Company and the Underwriter dated on or about 30 April 2010
USD	United States Dollar
Vocus	Vocus Group Limited (ABN 80 130 364 359)
Vocus Shareholders	<p>The shareholders of Vocus who will be selling their interest in all of the issued share capital in Vocus to the Company on completion of the Proposed Transaction, whose names are set out below:</p> <ul style="list-style-type: none"> • Spenceley Management Pty Ltd (ACN 127 151 437) in its capacity as trustee for the Spenceley Family Trust • Spenceley Management Pty Ltd (ACN 127 151 437) in its capacity as trustee for the Spenceley Family Superannuation Fund • Tameion Pty Ltd (ACN 099 043 740) in its capacity as trustee for the McConnell II Family Trust • Tameion Pty Ltd (ACN 099 043 740) in its capacity as trustee for the Tameion Super Fund • Layer 10 Pty Ltd (ACN 106 146 650) in its capacity as trustee for the Wiltongate Trust

Vocus Shareholders (cont'd)

- Daryl R James
- Officelink Partnership (ABN 42 946 564 199)
- Roman Empire Pty Ltd (ACN 118 227 893)3
- McDonald Richards
- Mark de Kock
- Anthony Fabian
- Michael Fuller
- Julian Ryan in his capacity as trustee for the HJ Discretionary Trust
- Daniel Whitford
- Len Walter
- Julian Breen
- Richard Correll
- Rick Carter
- Susan Alexander
- Damien Coxall
- David Phippen
- Corinne Cowlshaw

VoIP

Voice over Internet protocol is the means by which voice communication is transmitted over data networks



Vocus Company Information

Holding Company

Vocus Group Limited ACN: 130 364 359
An Unlisted Public Company

Operating Companies

Vocus Pty Limited ACN: 127 842 853
Vocus Connect Pty Limited ACN: 130 366 237

Trading Name

Vocus Communications

Australian Trade Mark

Vocus

Domains

vocus.com.au vocus.co.nz
vocus.net.au vocus.net.nz

Management

James Spenceley	CEO
Richard Correll	CFO
Mark de Kock	GM Corporate Strategy

Directors

James Spenceley	Executive Director
Paul McConnell	Executive Director
Paul Brooks	Non-Executive Director
Nicholas McNaughton	Non-Executive Director

Registered & Business Office

Level 1, Vocus House
189 Miller Street
North Sydney NSW 2060

Auditors & Accountants

Deloitte Touche Tohmatsu
Level 9, Grosvenor Place
225 George Street
Sydney NSW 2000

Adviser to Vocus Group



Hall Capital Strategies Pty Ltd
ABN 72 090 433 775
Level 4, 66 Hunter Street
Sydney NSW 2000
Tel: (02) 9954 5111
Fax: (02) 9232 2672



Corporate Directory

Current Directors

Dr J.S. Keniry (Chairman)
Mr J.W. Murphy
Mr A.H. Chonowitz
Mr J.K. Brett

Current Company Secretary

Mr J.K. Brett

Registered Office

Level 31, The Chifley Tower
2 Chifley Square
SYDNEY NSW 2000
Tel: (02) 9293 2232
Fax: (02) 9293 2306

Share Register

Computershare Investor Services Pty Limited
Level 4
60 Carrington Street
SYDNEY NSW 2000
Tel: 1300 787 272

Solicitors

Thomson Playford Cutlers
Level 25, Australia Square Tower
264 George Street
SYDNEY NSW 2000

Manager

Investec Wentworth Private Equity Limited
ABN 72 098 207 740
Level 31, The Chifley Tower
2 Chifley Square
SYDNEY NSW 2000
Tel: (02) 9293 2315
Fax: (02) 9293 2306

Directors following completion of the Proposed Transaction

Mr D. Spence (new Director and Chairman)*
Mr J. Spenceley (new Director)*
Mr M. de Kock (new Director)*
Mr P. McConnell (new Director)*
Mr N. McNaughton (new Director)*
Mr J.W. Murphy (current Director)
Mr J.K. Brett (current Director)

*Subject to Shareholder approval at the General Meeting.

Company Secretary following completion of the Proposed Transaction

Mr M. de Kock



Application Form

How to complete this form

A Shares Applied for

Enter the number of New Shares you wish to apply for.

B Application Monies

Enter the amount of Application Monies. To calculate the amount, multiply the number of New Shares by the price per New Shares.

C Applicant Name(s)

Enter the full name you wish to appear on the statement of share holding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHES) participants should complete their name identically to that presently registered in the CHES system.

D Postal Address

Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E Contact Details

Enter your contact details. These are not compulsory but will assist us if we need to contact you.

F CHES

First Opportunity Fund Limited (the Company) will apply to the ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Securities Exchange Limited. In CHES, the company will operate an electronic CHES Subregister of security holdings and an electronic Issuer Sponsored Subregister of security holdings. Together the two Subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of New Shares allotted. If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold New Shares allotted to you under this Application on the CHES Subregister, enter your CHES HIN. Otherwise, leave this section blank and on allotment, you will be sponsored by the Company and allocated a Securityholder Reference Number (SRN).

G Payment

Make your cheque or bank draft payable to FOF Public Offer in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian Bank.

Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box B. **Please note that funds are unable to be directly debited from your bank account.**

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the Application Form where indicated. Cash will not be accepted. Receipt for payment will not be forwarded.

Before completing the Application Form the applicant(s) should read this prospectus to which this application relates. By lodging the Application Form, the applicant agrees that this application for New Shares in First Opportunity Fund Limited is upon and subject to the terms of the prospectus and the Constitution of First Opportunity Fund Limited, agrees to take any number of New Shares that may be allotted to the Applicant(s) pursuant to the prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application

Application Forms must be received by Computershare Investor Services Pty Limited Melbourne by no later than 5:00pm (AEST) on Wednesday, 16 June 2010. You should allow sufficient time for this to occur. Return the Application Form with cheque(s) attached to:

Computershare Investor Services Pty Limited
GPO Box 2115
Melbourne VIC 8060

Neither CIS nor the Company accepts any responsibility if you lodge the Application Form at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited ("CIS"), as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au

If you have any enquiries concerning your application, please contact the Computershare Investor Services Pty Limited on 1300 850 505.

Correct forms of registrable title(s)

Note that ONLY legal entities are allowed to hold New Shares. Applications must be made in the name(s) of natural persons, companies or other legal entities in accordance with the Corporations Act. At least one full given name and the surname is required for each natural person. The name of the beneficial owner or any other registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms of registrable title(s) below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual - Use given name(s) in full, not initials	Mr John Alfred Smith	J.A Smith
Joint - Use given name(s) in full, not initials	Mr John Alfred Smith & Mrs Janet Marie Smith	John Alfred & Janet Marie Smith
Company - Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts - Use trustee(s) personal name(s) - Do not use the name of the trust	Ms Penny Smith <Penny Smith Family A/C>	Penny Smith Family Trust
Deceased Estates - Use executor(s) personal name(s) - Do not use the name of the deceased	Mr Michael Smith <Est John Smith A/C>	Estate of Late John Smith
Minor (a person under the age of 18) - Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Peter Smith
Partnerships - Use partners personal name(s) - Do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith & Son A/C>	John Smith & Son
Clubs/Unincorporated Bodies/Business Names - Use office bearer(s) personal name(s) - Do not use the name of the club etc	Mrs Janet Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds - Use the name of trustee of the fund - Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund

