

THE CELLNET GROUP



2 July 2003

The Manager
Company Announcements Office
Australian Stock Exchange
10th Floor, 20 Bond Street
SYDNEY NSW 2000

ELECTRONIC LODGEMENT

Dear Sir/ Madam

Re: Cellnet Group Ltd Broadens Horizons with IT Acquisition

In accordance with the listing rules I enclose an announcement be released to the media following confirmation from the ASX of receipt of this information.

Yours sincerely

A handwritten signature in black ink, appearing to read "Scott McLennan", written over a large, stylized loop.

Scott McLennan
Company Secretary

Head Office

59 - 61 Gantas Drive
Eagle Farm Qld 4009

Cellnet Group Limited

ABN 97 010 721 749

Phone 61 7 3853 5555

Fax 61 7 3853 5600

Email accesson@cellnet.com.au

www.cellnet.com.au

IT Wholesale

Phone 61 7 3853 5577

Fax 61 7 3853 5677

Email qldsales@itwholesale.com.au

www.itwholesale.com.au



AUSTRALIA - NEW ZEALAND

CELLNET GROUP LIMITED BROADENS HORIZONS WITH IT ACQUISITION

Mobile telecommunications and IT distributor Cellnet Group Limited has today announced the signing of an agreement to acquire IT distribution company Cassa Australia Pty Limited. It is expected that Cellnet will complete the transaction on Thursday 3 July 2003.

Cassa is a privately owned company that imports and distributes a specialist range of IT product.

Cassa, headquartered in Brisbane, was established in 1994 and distributes a number of products including, notebooks, motherboards, video and multi-media cards, as well as networking and memory products. Cassa employs 18 staff who will all continue with the business. Cassa's founder, Chris Hill, will become a key member of Cellnet's IT division.

Cellnet will pay a base consideration of \$1.47 million in cash and assume debt of \$2.31 million. A deferred consideration component of up to \$2.5 million, calculated in accordance with an agreed formula, is payable on Cassa achieving minimum profit targets for the financial year ended 30 June 2004.

Cellnet will pay at least 25% of any deferred consideration in Cellnet shares which will be issued at a 10% discount to the five day volume weighted average price prior to the release of Cellnet's results for the period to which it relates.

Cassa achieved revenue of approximately \$20 million for the full year ended 30 June 2003.

Cellnet chairman Darryl McDonough said Cassa will be earnings per share accretive for the financial year ending 30 June 2004. He said Cassa represents a strategic fit for Cellnet and will significantly boost the Group's IT operations.

“Cassa allows us to expand into new IT markets and complements our IT Wholesale business,” he said. “Cassa has a complimentary product range with IT Wholesale and provides us with a more comprehensive suite of IT products.”

Cellnet managing director Stephen Harrison said Cassa allows Cellnet to expand into the area of IT components, which currently represents approximately 60% of the total IT market spend in Australia.

Cellnet expects to grow Cassa’s earnings by leveraging off Cellnet’s existing Australian and New Zealand sales network, IT customer base and distribution facilities. This strategy was successful with its prior acquisition of IT Wholesale.

“This acquisition re-affirms our commitment to the continued growth and expansion of our IT distribution business and provides us with an exciting new product range and well-established re-seller network,” he said.

“We originally entered the IT market in October 1999 because of the growing convergence between telecommunications, IT products and customers. That strategy is paying dividends with IT Wholesale continuing to gain greater market share.”

“Cassa now represents a new opportunity to capitalise on our state-of-the-art distribution infrastructure, expertise and cross-marketing opportunities between the telecommunications and IT industries.”

ENDS. Media enquiries to Darryl McDonough. Tel: (07) 3292 7029;

Stephen Harrison. Tel (07) 3853 5555 or Scott McLennan,

Chief Financial Officer. Tel: 0418 784 000.