



Investor Day

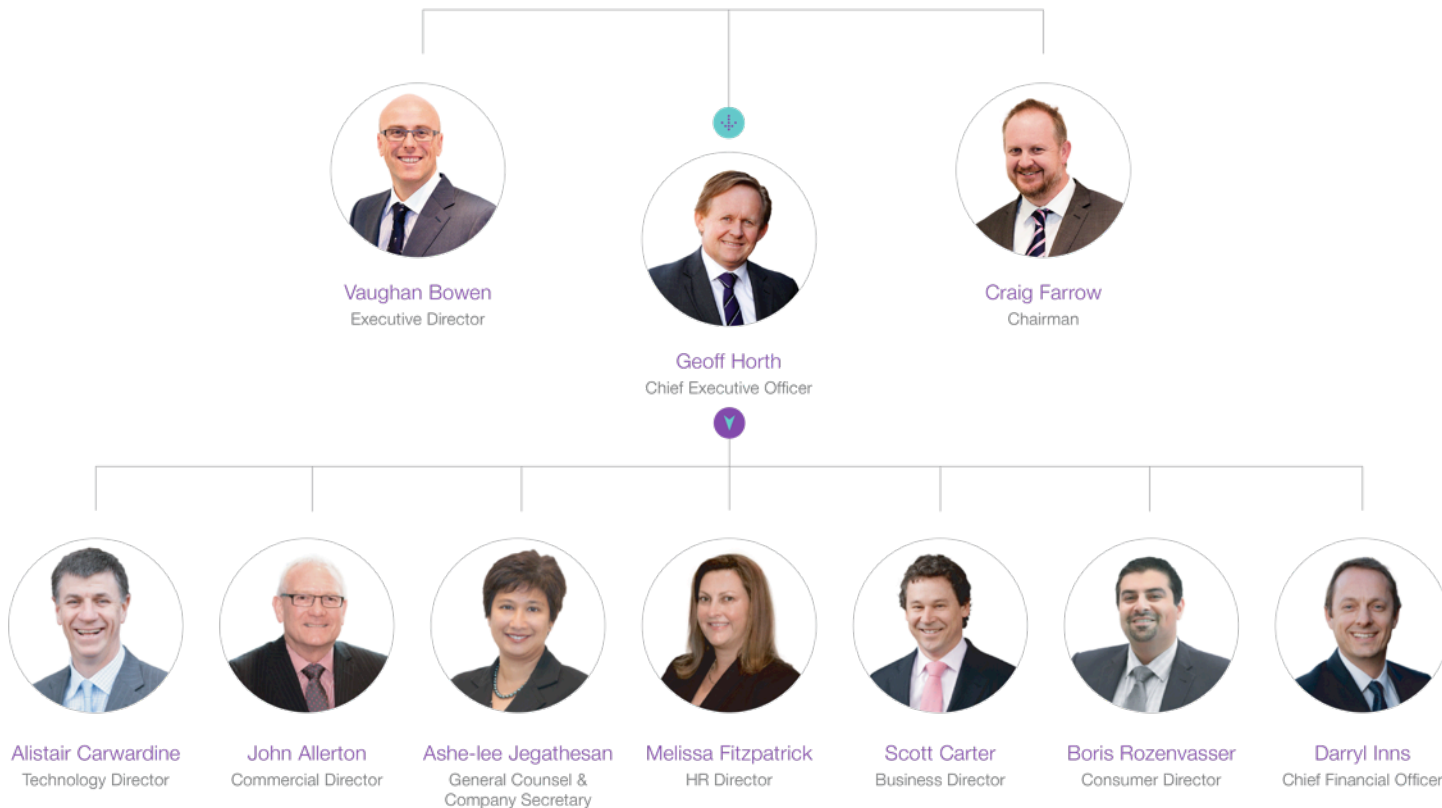
13 November 2014

Geoff Horth, CEO

Agenda

Presenter	Content
Geoff Horth, CEO	Welcome & Introduction
Darryl Inns, CFO	Earnings & Capital Management
Scott Carter, Business Director	Business Segment Strategy
Boris Rozenvasser, Consumer Director	Consumer Segment Strategy
Geoff Horth, CEO	Outlook & Concluding Comments
Panel Q&A	With CEO, CFO, Business & Consumer Directors
Lunch	With the Executive Team

Board and Executive present today



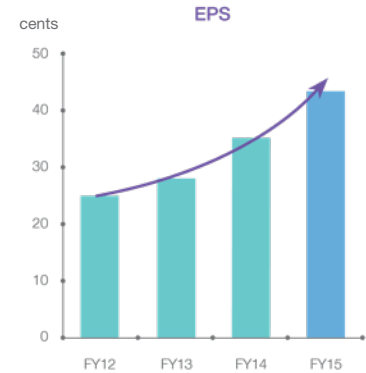
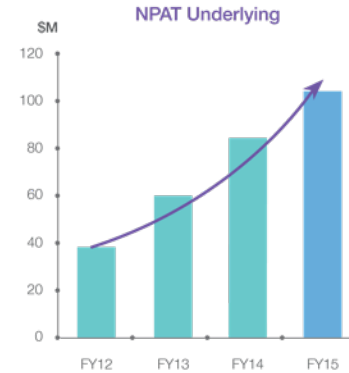
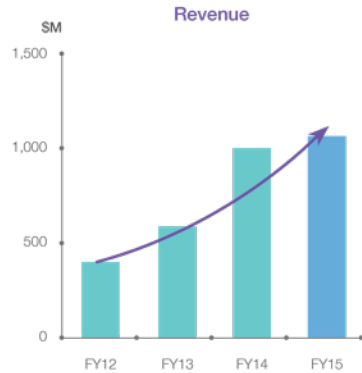


Finance

Darryl Inns, CFO

Growth continues upwards trajectory

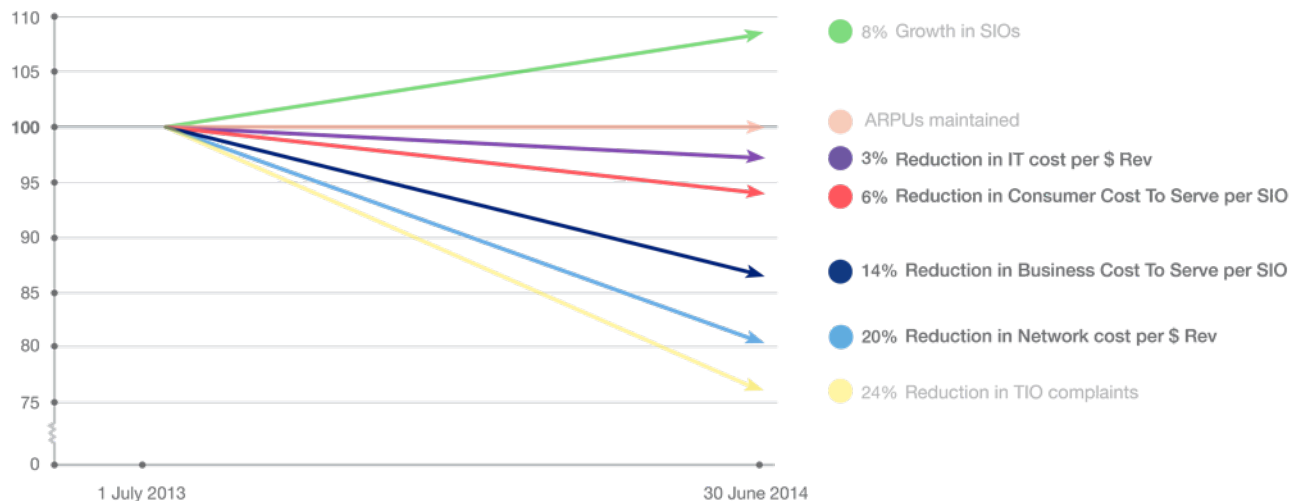
- FY15 trajectory implies 16% EPS accretion on FY14



All FY15 values calculated to mid-point of guidance range

Inherent Focus on Efficiency

Indexed view of key earnings efficiency measures



Key items of focus for FY15 include:

- Reduction of IT cost per \$ revenue through projects such as billing system consolidation
- Consolidation of premises
- Sharp procurement focus
- Migrations: optimising network
- Leveraging carrier supply options

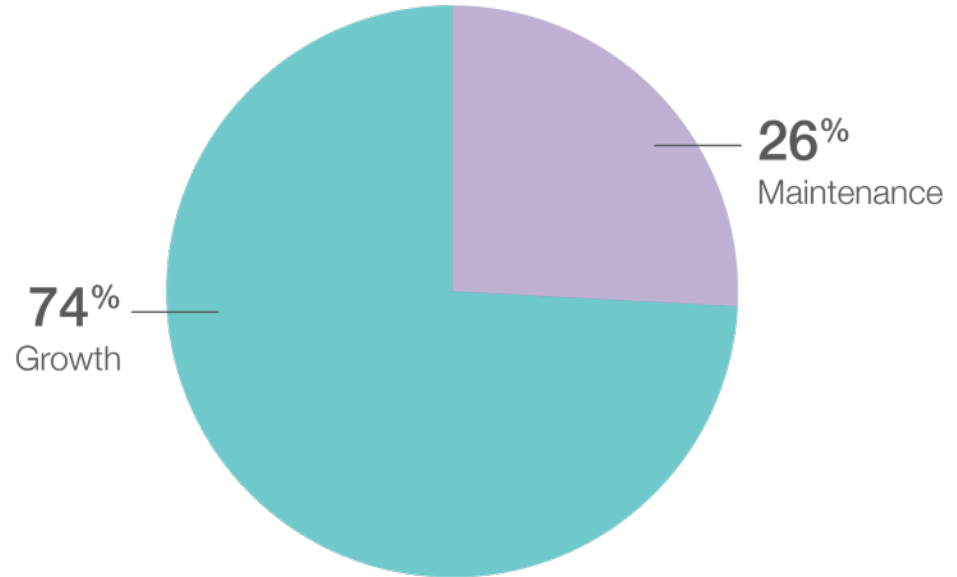
Capital Management – utilisation of cash in FY15

Commitments	\$M
Capex	27
Bank Debt ¹	30
Dividends ²	42
Other ³	8

Growth consists of:

- Customer Equipment
- Kiosk expansion
- Billing system development
- Network efficiency and IP infrastructure

FY15 capex estimate



¹ Assumes current amortisation practices

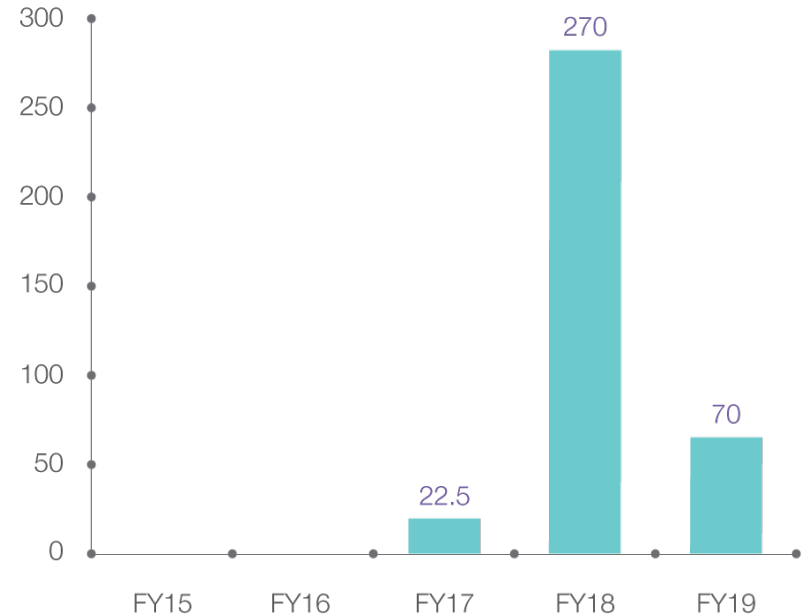
² Subject to director declaration of a dividend. Calculated using stated dividend payout policy of 70% of reported NPAT, using the mid-point of FY15 guidance, assuming 25% DRP participation. Assumes FY14 final dividend and FY15 interim dividend

³ Includes paydown of existing subordinated debt

Bank Refinance Completed

- Extended syndicated loan facility for \$362.5 million, drawn debt of \$277.5 million at 1 October 2014
- Average term of 3.1 years
- No compulsory amortisation
- Syndicate comprises 7 members, with the addition of 2 new
- Re-financing process oversubscribed by 1.5x
- Improved pricing and terms in accordance with forecast expectations
- Potential ability to expand facility with existing lenders

Syndicated Debt Maturity Profile



Summary – excellent financial health and position

- ▶ Strong organic revenue growth continuing in FY15
- ▶ Relentless focus on the reduction of costs, without affecting customers or service
- ▶ Earnings growing faster than revenues – leveraging cost efficiencies and optimisation
- ▶ Strong operating cash flows
- ▶ Robust capital management program
- ▶ Long term, flexible debt facilities

Business is in excellent financial health, well positioned to maintain track record of growing shareholder returns



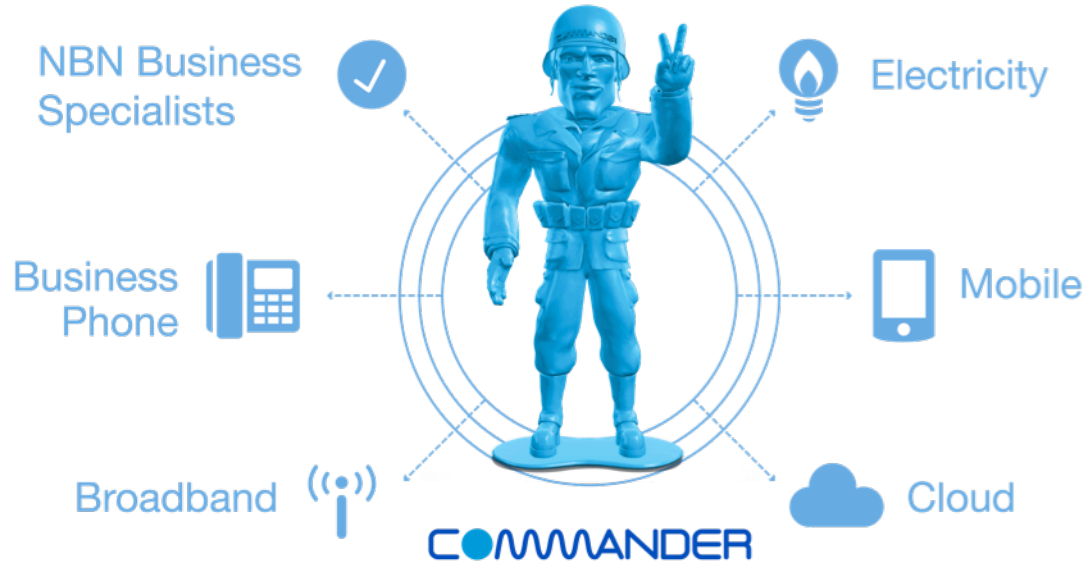
Business Segment

Scott Carter, Business Director

Business Segment Strategy

Commander Saves Business

Simple communication and energy solutions to save businesses time and money.



Business Segment Priorities



Expand
Distribution



Innovate



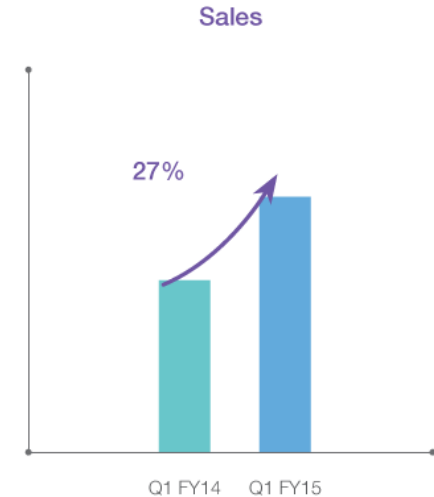
Happy
Customers

Expand Distribution – current channels strengthened



93% of Australian businesses have fewer than 20 employees

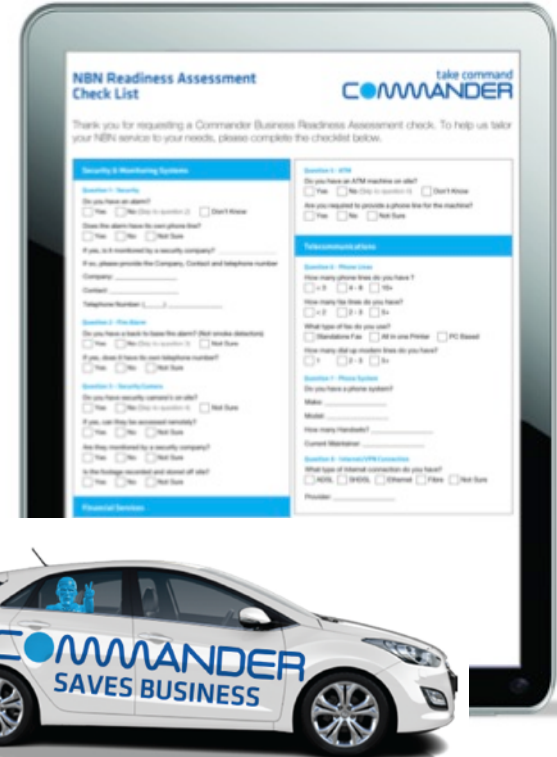
- Commander channel re-launch
- Cross sell teams expanded and dedicated energy team formed
- Investments being made into channel in FY15 for the next wave of growth
- **Q1 FY15 sales volume up 27% on Q1 FY14**



Statistic on the SME market obtained from ABS Report, “Counts of Australian Businesses, including Entries and Exits, Jun 2009 to Jun 2013”, Mar 2014

Expand Distribution – Field Sales Trial

- Leading with exclusive Commander Phone + Power bundle
- Territory-based sales management approach



Expand Distribution – Commander HQ

- ▶ Pop up stores targeting regional areas



- ▶ Rolled out with targeted local advertising to generate demand
- ▶ Take the “Beat Your Bill” challenge

Commander unique business phone and electricity bundle



The advertisement features a black business phone with a screen displaying "Call 137 090" on the left. On the right is a blue desk lamp. The background is a solid blue color. The text "Business Phone & Electricity Bundle" is centered at the top. Below it, "20% Off + 20% Off" is written in large white font. Underneath, "Business Phone Plans*" and "Electricity Usage Rates*" are written in smaller white font. An orange button with the text "Find Out More" is centered below the text.

Business Phone & Electricity Bundle

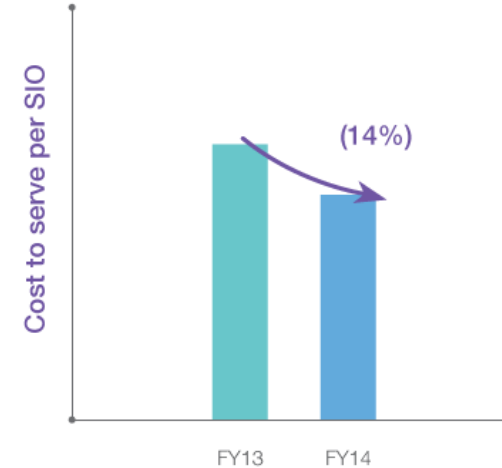
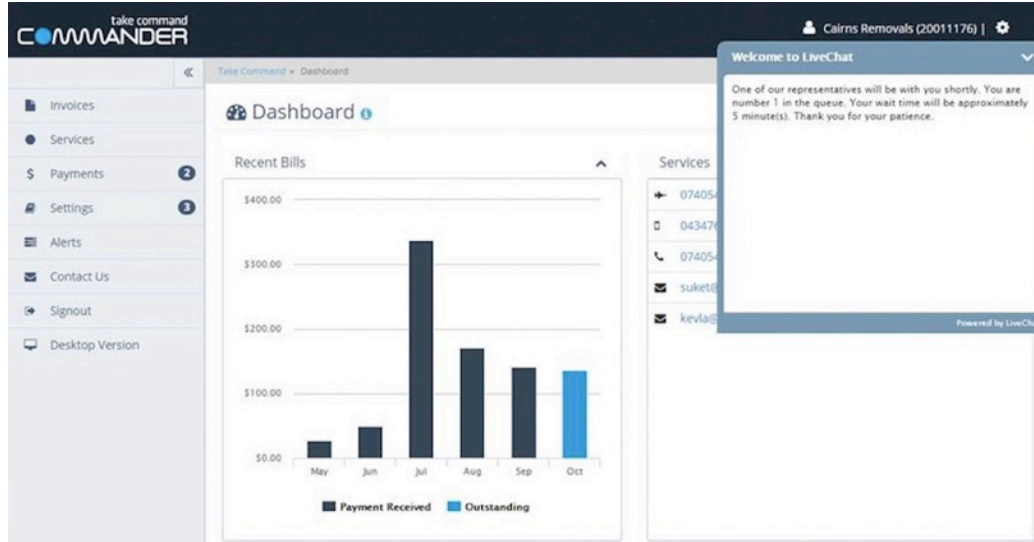
20% Off + 20% Off

Business Phone Plans* Electricity Usage Rates*

Find Out More

- Stop paying line rental
- Easy plug and play solution
- Big business functionality for low monthly cost
- Energy demonstrating 10-15% customer savings
- Average revenues approximately \$350/month

Happy Customers



- Sustained improvement in Cost To Serve
- Implemented live chat and customer self help apps
- Operational re-alignment completed in FY14
- Operations efficient and able to scale to accommodate growth



Consumer Segment

Boris Rozenvasser, Consumer Director

Consumer Segment Strategy

One call – Connect & Save with Dodo



Proven brand proposition that can be extended to other utilities and products:

- Increase ARPUs
- Improve customer retention
- Enhance brand perception



Low Cost To Serve

- Sustain reseller margins
- 'Match fit for NBN'



Low Cost To Acquire

Large, scalable sales organisation



Excellent growth profile with further opportunities to accelerate through Dodo Kiosk expansion



Continue gains in Customer Experience with variety of service options online and in person at Kiosks



Planned extensions to services portfolio. Anticipate one new service launch.

Consumer Segment Priorities



Expand
Distribution



Innovate



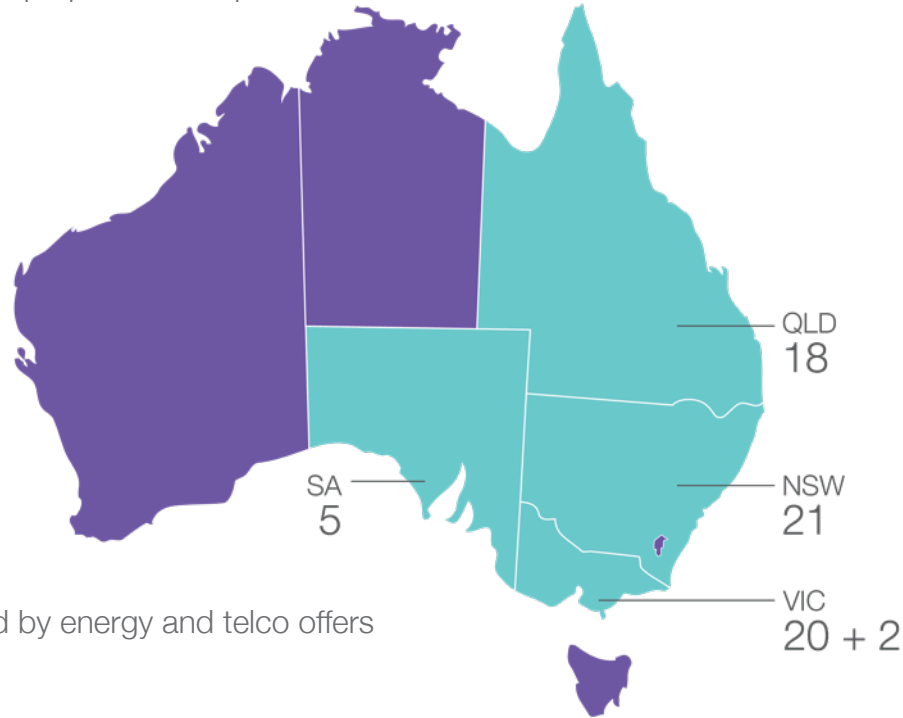
Happy
Customers

Expand Distribution - Kiosks



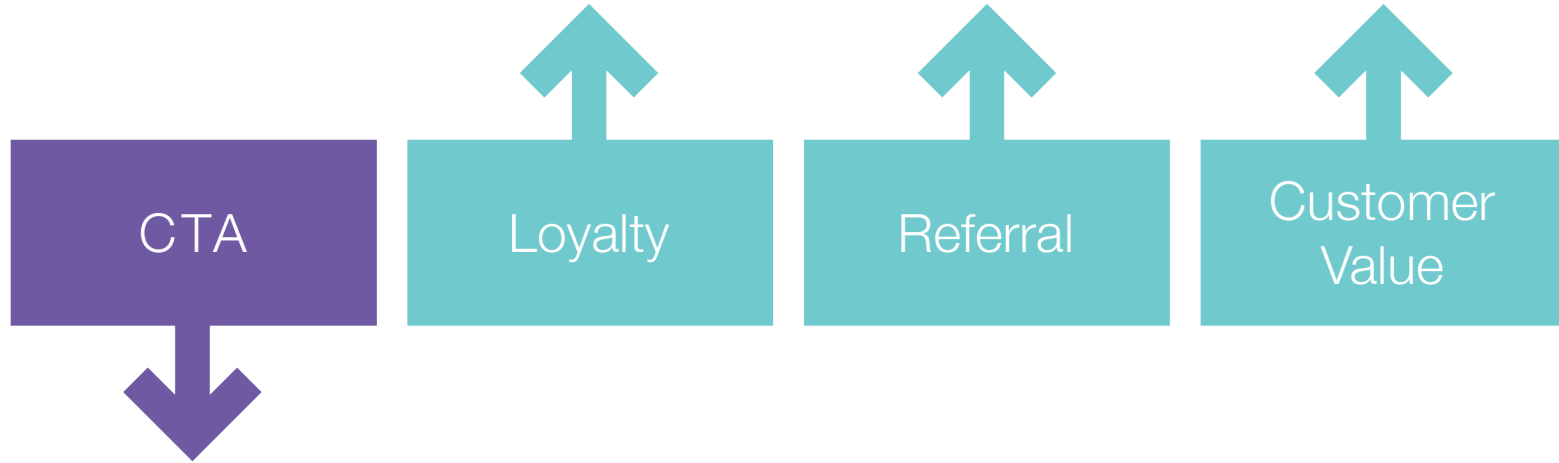
Expand Distribution - Kiosks

Launching approximately 40 kiosks in preparation for peak sales season



- Expansion of kiosks underpinned by energy and telco offers
- Launching Franchise model

Expand Distribution – cross sale focus



- In addition to our physical kiosk presence, our cross-sales team has grown to increase products per customer and fully realise the benefits of multiple products
- Customer base analysis underway to better target customers

Innovate – A Market-Leading Entertainment Offer

FETCH TV FOR \$0 P/M
(\$69 set-up applies)

UNLIMITED ADSL2+

BROADBAND & DODO TV WITH FETCH

\$39^{.90} P/M



- Movie rentals on demand
- Access to the Fetch TV App
- Free to air & catch up TV
- Record up to two channels while watching a third



- ▶ Market-disruptive offer – Fetch TV for \$0/month with our \$39.90 Unlimited ADSL2+
- ▶ Advertising contains strong call to action, per our marketing strategy
- ▶ TV Commercial started last week around the country

Innovate – Leading Hardware Offer



- ▶ First low-cost Windows tablet in the market with Pendo, leveraging Microsoft partnership
- ▶ Distributed through Target and online
- ▶ Competitively priced, fully featured Pendo 4G Android Smartphone
- ▶ XBOX bundle extended, now including Minecraft: continuing strong partnership

Happy Customers

- ▶ Next generation of customer experience
- ▶ Providing customers with service options: live chat, call, email, self service, the Dodo app
- ▶ Transparency in our service levels; we are proud of our customer service
- ▶ Current call wait times available online
- ▶ Live chat for service and support
- ▶ Post-call survey offered after every call
- ▶ Unique customer call handling (call routing)
- ▶ Focus continues on first call resolution and near real-time monitoring of agent feedback



Contact Us

Sales

13 dodo (13 36 36) 8am to 11pm AEST (Monday to Sunday)

If you would prefer not to call a 13 number, you can call [0382566701](tel:0382566701) (Please note standard call rates may apply depending on your location)

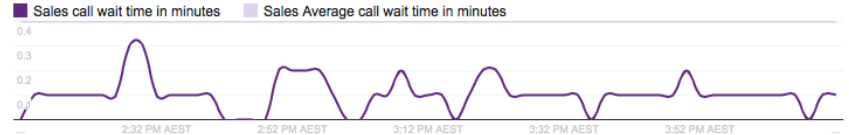
[Request a call Back](#)

Live Chat Sales



Average Call Wait Time: 0.4 minutes

Current Call Wait Time: 0.1 minutes



Customer Service

13 dodo (13 36 36) 10am to 7pm AEST (Monday to Friday)

If you would prefer not to call a 13 number, you can call [0382566701](tel:0382566701) (Please note standard call rates may apply depending on your location)

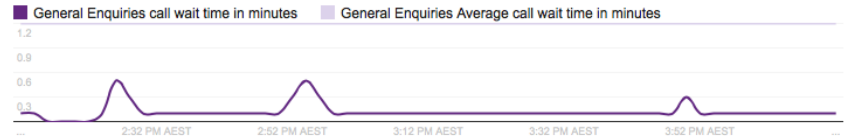
[Online Support Request](#)

Live Chat Support



Average Call Wait Time: 1.2 minutes

Current Call Wait Time: 0.1 minutes



Happy Customers



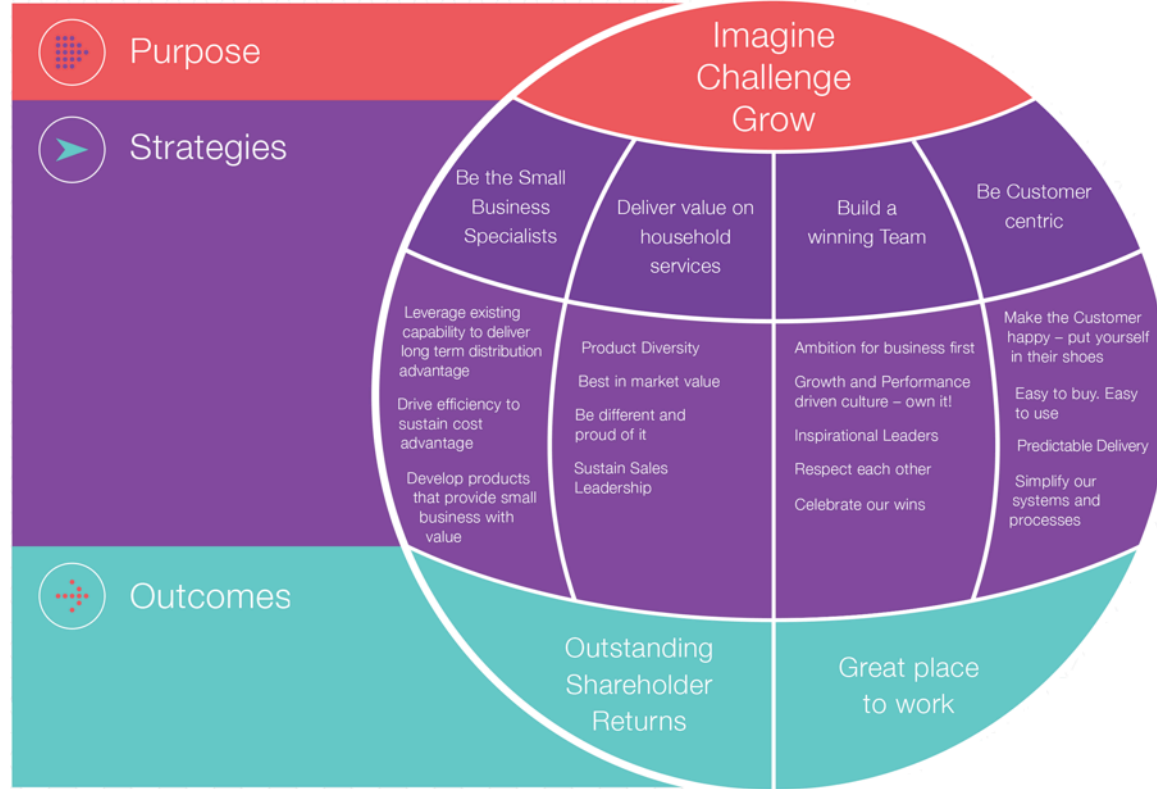
- Services portfolio grew by 12.5% in FY14
- Headcount remained stable; a realisation of scale benefits and efficiency initiatives
- Customer post-call survey remains strong, consistently above 4.5 out of 5 across customer service and technical support



Overview & Outlook

Geoff Horth, CEO

Strategy / Our path to increasing shareholder returns



Team – Core to Our Success

We have built a highly capable, committed and motivated team.

Good tenure and experience

- ▶ Average length of service is more than 5 years
- ▶ Experience and capability is high
- ▶ Turnover is less than 15%

Key Achievements over past 12 months

- ▶ Restructure of our operations to ensure we have the right people in the right roles
- ▶ Implementation of a formal Leadership development Program across the entire business
- ▶ Expansion of our Learning & Development Program, tailored to meet our growth plans
- ▶ Refresh of the team member benefits program including the introduction of Purchased Leave, Salary Sacrifice for Tech
- ▶ Products & Novated Car Leases and a Corporate Banking Program (CBA)

Our strategy is to foster development, achievement and success, to make M2 *a great place to work*

The Growth Agenda



Expand Distribution

- Commander field sales team
- Commander HQ – pop up stores
- Increase cross-sell efforts
- Grow kiosk footprint



Innovate

- Commander Cloud Phone
- Unique Telco + Energy bundle
- Market-leading content and hardware offers



Happy Customers

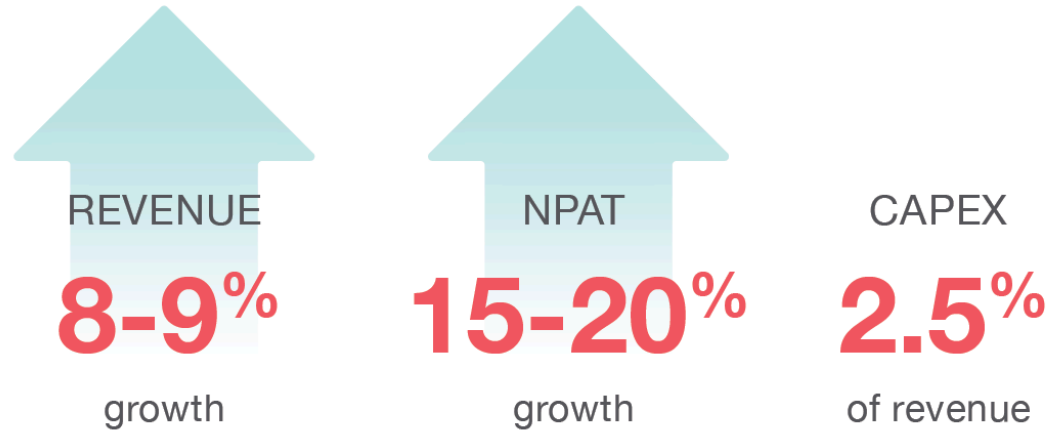
- Improving first call resolution
- TIO complaints reducing
- Real-time monitoring of Agent feedback
- Servicing the customer the way they want to be serviced



Team

- Formal talent identification and leadership development program
- Team benefits program refreshed
- Making M2 *a great place to work*

Outlook – Continued growth in shareholder returns



In 10 years as a listed company, we have delivered a TSR of more than \$8 per share, or approximately 3500%

Disclaimer

Certain statements made in this presentation are forward-looking statements. These forward-looking statements are not historical facts but rather are based on M2's current expectations, estimates and projections about the industry in which M2 operates, and its beliefs and assumptions.

Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "guidance" and similar expressions are intended to identify forward-looking statements.

These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of M2, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements.

M2 cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of M2 only as of the date of this presentation. The forward-looking statements made in this presentation relate only to events as of the date on which the statements are made.

M2 will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this presentation except as required by law or by any appropriate regulatory authority.

Questions





GROUP

www.m2.com.au