

3 November 2014

ASX RELEASE

Company Announcements Office
Australian Securities Exchange Limited

Amcom Executes East Coast Expansion

- Acquisition of 180km of fibre assets in Melbourne, Sydney and Brisbane from Megaport for \$15 million
- Long term fibre access agreement with FirstPath in Sydney
- Significant number of CBD buildings passed, with immediate access to 200 buildings in Sydney CBD
- Rollout of Ethernet in the First Mile (EFM) infrastructure in Melbourne, Sydney and Brisbane

Amcom Telecommunications Limited (ASX: AMM) is pleased to announce the next phase of its east coast expansion strategy, which includes the cornerstone acquisition of Megaport's 180km fibre network in Melbourne, Sydney and Brisbane.

In addition to the acquisition of Megaport's fibre network, Amcom has executed a 15 year fibre access agreement with Sydney based network owner FirstPath. This is a significant increase in Amcom's network reach, which will provide immediate access to 200 Sydney CBD buildings with the Megaport fibre network passing circa 17,000 buildings across Melbourne, Sydney and Brisbane.

Amcom Chief Executive Officer Clive Stein said "Amcom has built a strong business in only 20% of the Australian market, and the time is now right to expand into the remaining 80% of the market with a national infrastructure footprint."

"This strategic expansion program further leverages our existing 300 strong Wholesale and Channel partners and provides us with last mile data networks in the large markets of Melbourne, Sydney and Brisbane. The beachhead acquisition of Megaport's fibre network and access agreement with FirstPath provides immediate capacity to accelerate our east coast growth."

To further accelerate customer acquisition on the east coast, Amcom is rolling out infrastructure to 30 exchanges to enable Ethernet in the First Mile (EFM) and will commence customer connections from Q1 2015.

"We have been working on this plan throughout 2014 and put the funding in place in June via our equity raising. It is very pleasing to have aligned the various elements together into an integrated plan and we are confident in our ability to deliver strong returns to our shareholders from this initiative" said Mr Stein.

Key features of the east coast plan includes:

1. **Network Acquisition:** The Megaport network acquisition fast-tracks infrastructure ownership on the east coast. The network consists of over 180km of fibre passing 17,000 CBD buildings in Melbourne, Sydney and Brisbane. It strategically connects 30 data centres, with an additional 18 to be added and circa 30 NBN POI's.

Bevan Slattery, Executive Chairman of Megaport, said *"We have been working co-operatively for some time with Amcom towards a transaction that accelerates Amcom's East Coast expansion strategy, but also provides Megaport and Superloop with long term access to fibre infrastructure necessary for each company's development. This transaction delivers both and makes tremendous sense for both parties."*

2. **Network Extension:** The Megaport network will form the backbone of Amcom's fibre in the east coast capital cities. Importantly, this acquisition immediately results in an estimated 5,000 potential new customers now being within "on-net" data centres and having Amcom as a choice as their data network carrier.
3. **Long Term Fibre Access:** Amcom has executed a 15 year strategic fibre access agreement with Sydney based network and infrastructure owner, FirstPath. The Sydney based network will immediately add over 200 buildings to Amcom's expanding national network footprint.

FirstPath Managing Director, Stephen Carter said *"This agreement is a "win-win" for both parties as it will enable FirstPath to accelerate expansion of our network and offer Amcom access to last mile fibre connection to over 200 buildings in Sydney."*

4. **Ethernet in the First Mile (EFM):** Amcom has commenced establishing infrastructure in 30 exchanges in Melbourne, Sydney and Brisbane that will drive its customer acquisition strategy for services up to 40 Mbps.

Mr Stein said *"We have successfully deployed this same technology in Perth and it has provided us with speed to market ahead of fibre rollout, as well as a very cost-effective and efficient platform to win new business customers."*

Amcom will continue to explore east coast acquisition opportunities and retains strong balance sheet capacity for further M&A following the acquisition of the Megaport fibre network and the implementation of organic growth initiatives. Consolidation has been a feature in the industry which has reduced the number of suitable target companies, however, this expanded network infrastructure ownership opens new opportunities for Amcom and increases potential synergies from acquisition integration.

To support our east coast strategy, Amcom appointed senior telecommunications industry executive Mr Jason Sinclair as Group Executive – Sales & Operations Eastern Region in September 2014. Mr Sinclair is the former CEO of wholesale and corporate telecommunications infrastructure company PIPE Networks.

Amcom has a proven growth model, and a consistent track record of delivering earnings growth to shareholders. The Company is well positioned financially and operationally to continue delivering both organic and acquisitive growth in the short and long term and believes growth from the east coast data network has the potential to contribute up to 20% of earnings in FY17.

An investor presentation providing further detail in relation to the east coast execution strategy has been lodged separately with ASX.

Update on Proposal from Vocus Communications Limited (VOC)

Further to its announcement on 27 October 2014, outlining receipt of a confidential, conditional, incomplete and non-binding proposal from Vocus Communications Limited ("the Proposal"), Amcom confirms it is continuing discussions with Vocus to determine whether or not there is a basis to progress the Proposal.

There remains no certainty that these discussions will result in a transaction.

Amcom will continue to update its shareholders when it is in a position to do so.

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