



East Coast Growth Strategy

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amcom

East Coast Growth Strategy

Industry consolidation has created an ideal opportunity for Amcom to execute its East Coast network infrastructure expansion strategy



Market demand for alternative fibre network providers



Amcom has an established **distribution channel in place**

- Wholesale relationships with all major telcos
- Over 300 resellers in place nationally
- Expanding direct corporate sales resources in each capital city



Amcom has a **comprehensive product offering** in place

- Fibre, Ethernet, Internet, Data Centre, Unified Communications, Cloud & Managed Services



Proven track record of delivering value solutions and reliable services to customers



Amcom has consistently delivered **strong earnings growth over the past decade**

East Coast Infrastructure Strategy

Execution of fibre network infrastructure in East Coast market through the following 4 initiatives:

			SYD	MELB	BRIS
1	Fibre Network	Acquisition	✓	✓	✓
2	Network Extension	Organic	✓	✓	✓
3	Long Term Fibre Lease	Organic	✓		
4	Ethernet First Mile (EFM)	Organic	✓	✓	✓

Acquisition of 180km fibre asset

1 Fibre Network Acquisition

- › Acquisition of Megaport's fibre network infrastructure for cash consideration of \$15m
- › Over 180 km of fibre passing 17,000 CBD buildings in Melbourne, Sydney & Brisbane
- › Strategically connecting 30 data centres, plus an additional 18 to be added within ~6 months
- › Access agreement in place back to Superloop (vendor party) for 15 years

Outcomes

- › Instant access to significant fibre capacity in Melbourne, Sydney and Brisbane
- › Fast tracks penetration into large East Coast market
- › Large addressable market opportunity via 30 data centres and buildings enroute
- › 2 to 3 years ahead of an organic rollout
- › Leverages core strengths – sales and data network operations

Expanding Fibre footprint

2 Network Extension

- › Megaport acquisition provides the fibre backbone to cost effectively access selected buildings, exchanges and NBN POI's
- › Future expansion to key business areas will be driven by customer demand
- › Approximately 250 buildings (near network) connected each year

Outcomes

- › 5,000 (est.) potential customers within on-net data centres
- › Low capital cost to rollout to high yield buildings due to close proximity to backbone
- › Extend fibre to existing customer base
- › Shorter build times and quicker payback

Fibre networks has been Amcom's core capability over the past 15 years

Immediate access to CBD Sydney fibre

3 Fibre Network Access – FirstPath

- › 15 year access agreement with FirstPath
- › Access to over 50km of fibre in Sydney CBD with entry into ~200 buildings
- › Dark fibre and Ethernet services providing ability to transition existing customers onto new fibre and Ethernet services

Outcomes

- › Immediate entry into the Sydney market
- › Complements acquisition of Megaport
- › Immediately opens data centre opportunities
- › Migration of existing third-party services delivering immediate benefits
- › Low cost base

Rapid market coverage

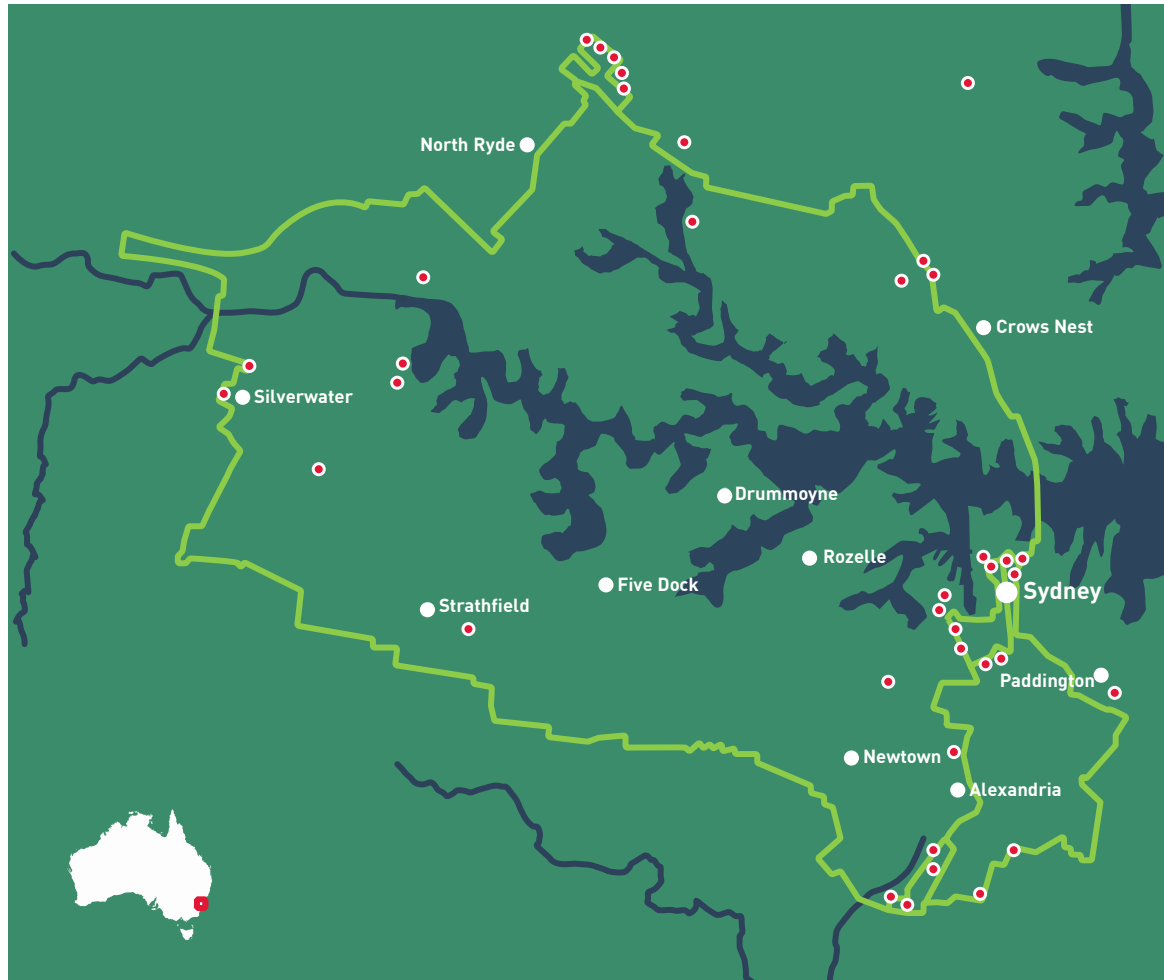
4 Ethernet in the First Mile

- › Establishing infrastructure within 30 Exchanges in Melbourne, Sydney & Brisbane
- › Implementation commenced September, with completion scheduled Q1 2015
- › Customer acquisition strategy for services up to 40 Mbps
- › Fast tracks market entry and customer acquisition
- › Transition existing customers onto EFM networks (on-net), and in-time, onto fibre

Outcomes

- › EFM technology successfully used in Amcom's core markets today
- › Rapid deployment and speed to market
- › Significant established demand for these services
- › Compelling return on investment ahead of NBN
- › Migration of existing services to on-net delivers higher margins

Fibre Coverage - Sydney



38 x Data Centres



**130km
Fibre Network**

- > Covers key business area (CBD/North Sydney/North Ryde/Chatswood)
- > Connects Silverwater (Government data centre)
- > Harbour crossing via tunnel (scarce asset)
- > Diverse fibre rings



Data Centre Location



Fibre Network Path

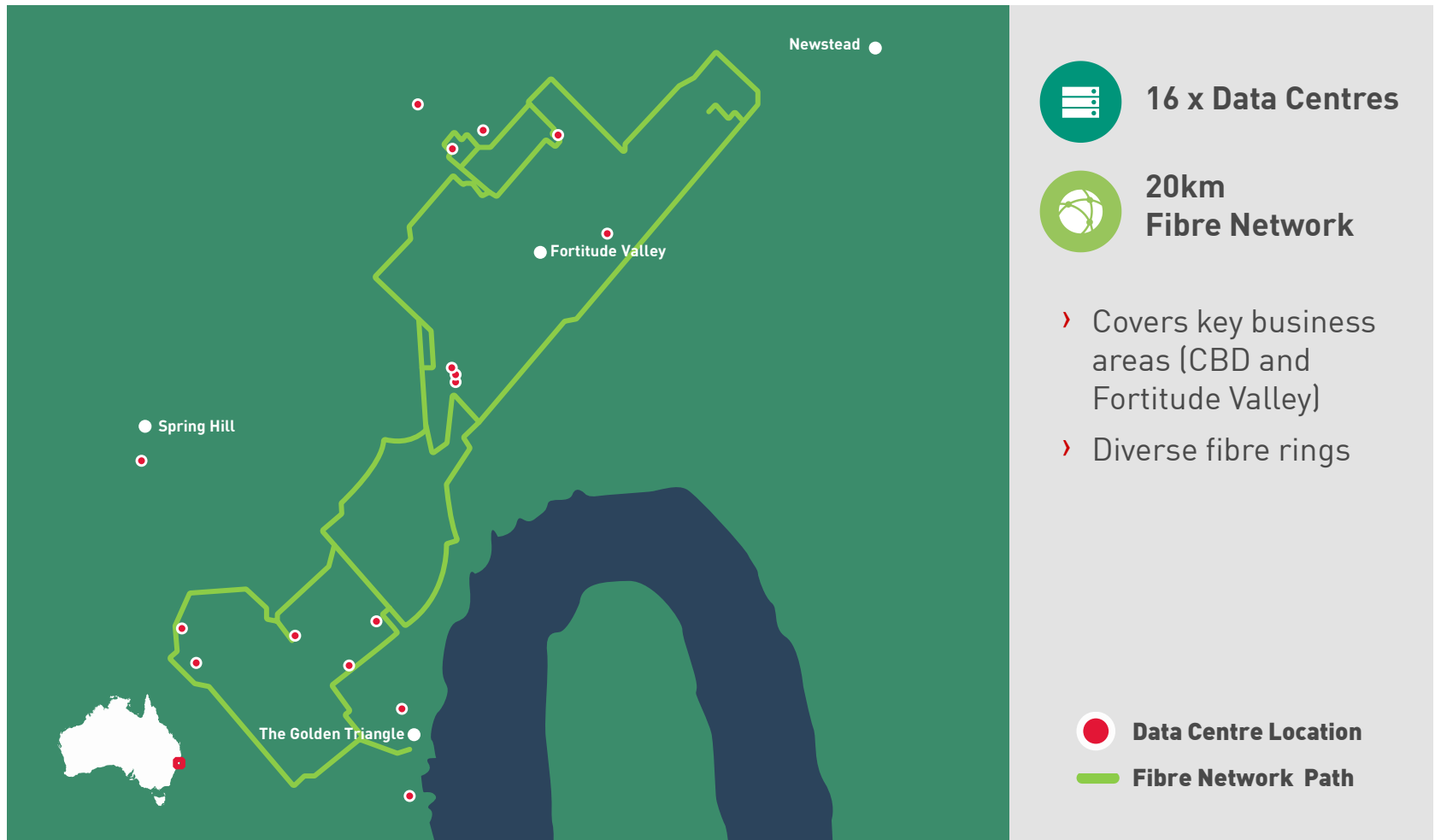
Indicative coverage not to scale – for illustration purposes only

Fibre Coverage - Melbourne



Indicative coverage not to scale – for illustration purposes only

Fibre Coverage - Brisbane



Indicative coverage not to scale – for illustration purposes only

EFM Coverage - Sydney



- › Extensive coverage
- › 14 key business exchanges
- › Roll out commenced September 2014

**Ethernet First
Mile Coverage**

Indicative coverage not to scale – for illustration purposes only

EFM Coverage - Melbourne

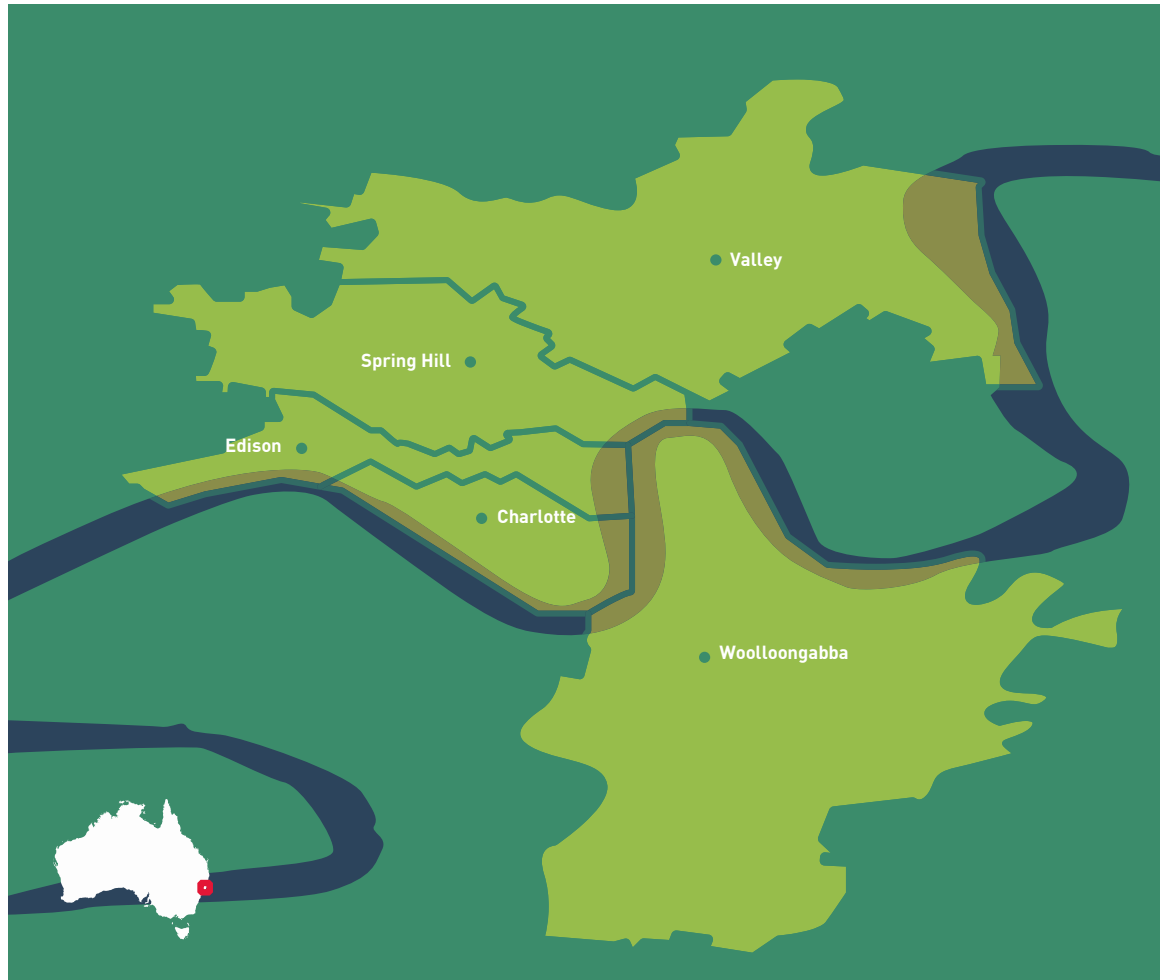


- › Extensive coverage
- › 10 key business exchanges
- › Roll out commenced September 2014

Ethernet First Mile Coverage

Indicative coverage not to scale – for illustration purposes only

EFM Coverage - Brisbane



- › Extensive coverage
- › 6 key business exchanges
- › Roll out commenced September 2014

**Ethernet First
Mile Coverage**

Indicative coverage not to scale – for illustration purposes only

Long term network access - Sydney



- › FirstPath Network access
- › Extensive CBD & North Sydney
- › Over 200 buildings connected

 **Fibre Network Path**

Indicative coverage not to scale – for illustration purposes only

Established distribution channel



Established channel partner program with over **300 resellers nationally**



Long term **Wholesale (Telco)** customers



Tremendous opportunity to leverage **established relationships**

Sales - our core

Strong sales culture at Amcom with a **proven track record of delivery**

Experienced sales practices for selling fibre networks

Ability to provide a differentiated **value proposition to customers**

Appointed new **Senior Telco Executive to East Coast**
(Ex Pipe CEO)

Jason Sinclair

Group Executive -
Sales & Operations

amcom

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Compelling product portfolio

Complementary product offerings in growth market segments, value adding to data network sales



**Fibre, Ethernet,
Internet, VPN &
EFM services**



**Unified
Communications
& IP telephony**



Cloud



Data Centre



**IT & Managed
Services**

Favourable market dynamics



Demand for high performing Fibre Networks continues to grow to service the rapidly expanding cloud and hosted market



Reduced infrastructure based **competition**



Favourable market conditions for Amcom to expand on the East Coast

Summary



Our strategy takes advantage of **industry consolidation, excellent market conditions** and limited number of providers in the market



Our **product portfolio enhances** the customer value proposition



Amcom has built a strong business in only 20% of the Australian market; an opportunity **to expand into the 80% of the market**



Network ownership on the East Coast provides new opportunities and Amcom has **significant balance sheet capacity** for further M&A



Strategy in place for **rapid expansion of existing business model into the East Coast market**



Proven growth strategy and **long term track record** of growth delivery



Amcom has an established **National distribution channel** – sales, systems and people already in place, allowing leverage of cost base



Earnings from East Coast data network has the potential to contribute up to **20% of Amcom's earnings in FY17**

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