



19 November 2014

ASX RELEASE

Company Announcements Office
Australian Securities Exchange Limited

ANNUAL GENERAL MEETING

The Chairman's address and presentation made at this morning's Annual General Meeting follow and are provided in accordance with ASX Listing Rule 3.13.

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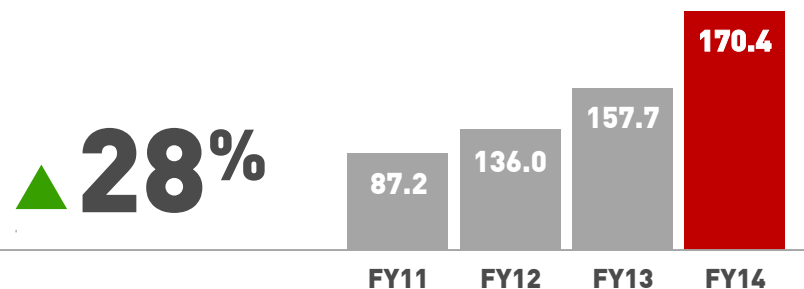
2014

AMCOM TELECOMMUNICATIONS LTD
ANNUAL GENERAL MEETING

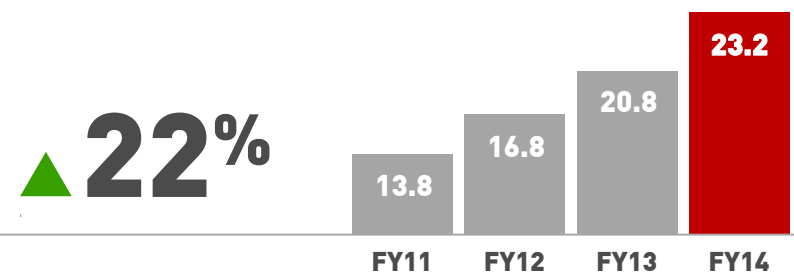
amcom

Consistent Track Record (4 YR CAGR)

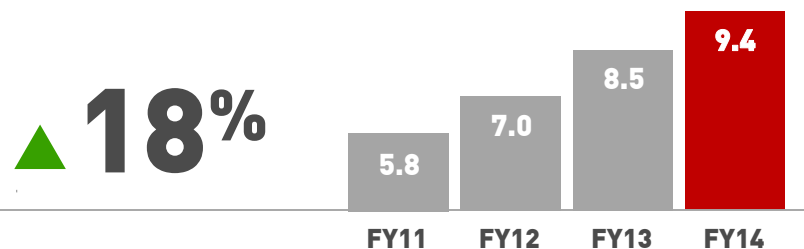
Revenue (\$m)



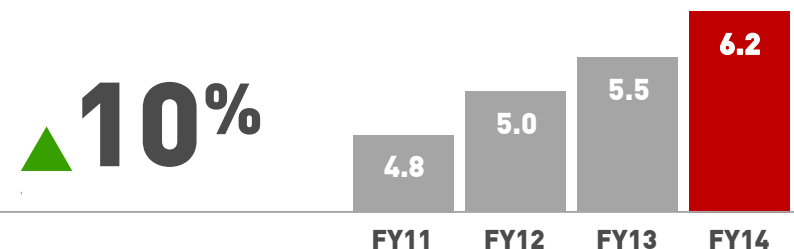
NPAT* (\$m)



EPS* (cps)



Annual Dividend (cps)



Financial Highlights

\$m	FY13	FY14	YoY
Revenue	157.7	170.4	▲ 8%
EBITDA	40.0	46.7	▲ 17%
NPAT (before significant items#)	20.8	23.2	▲ 12%
NPAT (reported)	20.8	22.4	▲ 8%
Annual dividend per share	5.5c	6.2c	▲ 13%

Ungearred balance sheet with significant capacity to invest

- › Net cash of \$7.2m at 30 June 14
- › \$ 52m undrawn Bank debt facilities - Dec 17

Significant items comprise acquisition and integration costs

Compelling Product Portfolio

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



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



**Unified
Communications
& IP telephony**



Data Centre



Cloud



**IT & Managed
Services**

Growth Opportunities



Data Networks

- › Demand for Fibre Networks continues to grow to service the rapidly expanding hosted and cloud market nationally
- › Continued growth in Northern Territory via Government contract wins
- › Our infrastructure ownership advantage enhances customer experience and margin



Unified Communications (UC)

- › IPTel (Broadsoft) – established and growing market share
- › ACC (Cisco HCS) strong sales pipeline in Enterprise telephony and UC
- › Higher Education and Research sector (early adopter) University of Melbourne



East Coast Expansion

- › Favourable market conditions for Amcom to expand on the East Coast
- › Data network infrastructure in Melbourne, Sydney and Brisbane

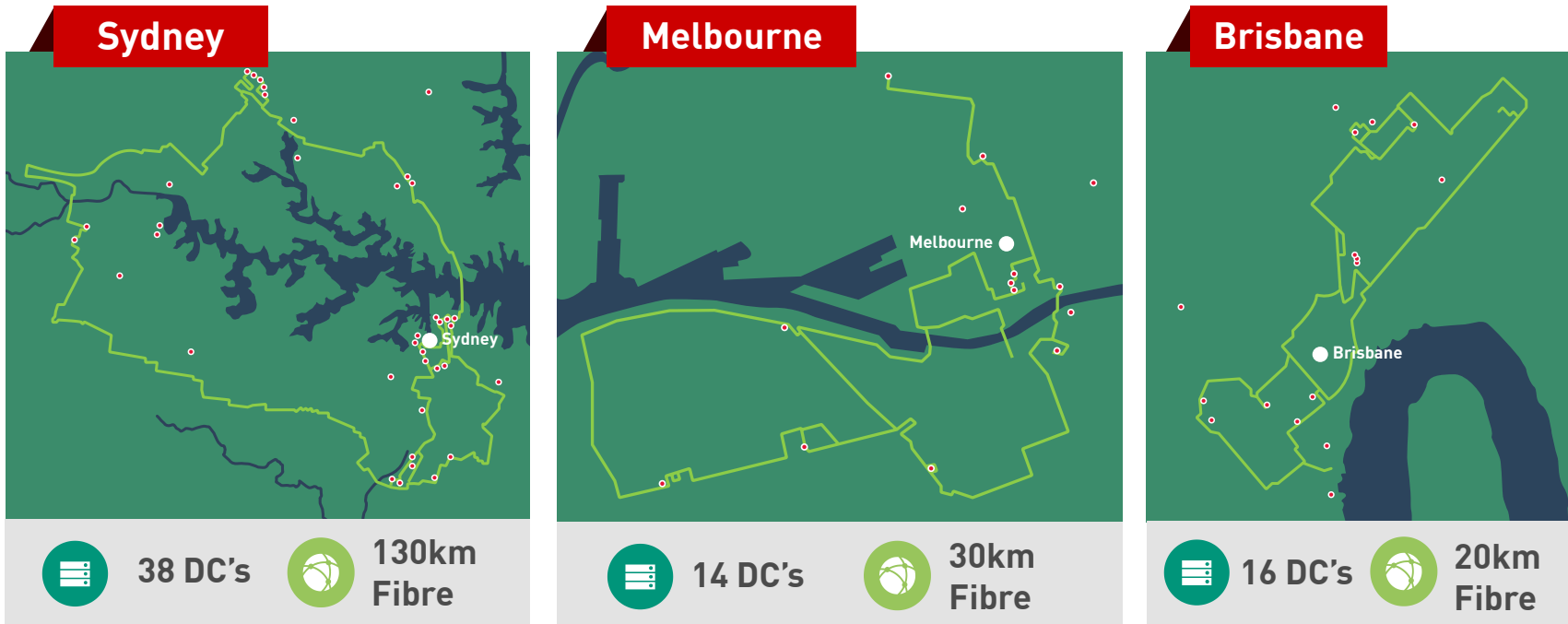
East Coast Infrastructure Strategy

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

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

▶ Earnings accretive in FY16 and up to 20% of earnings in FY17

Acquisition of 180km Fibre Asset



1 > Acquisition of Megaport Pty Ltd fibre network infrastructure for \$15m

> Over 180 km of fibre passing 17,000 CBD buildings in Melbourne, Sydney & Brisbane

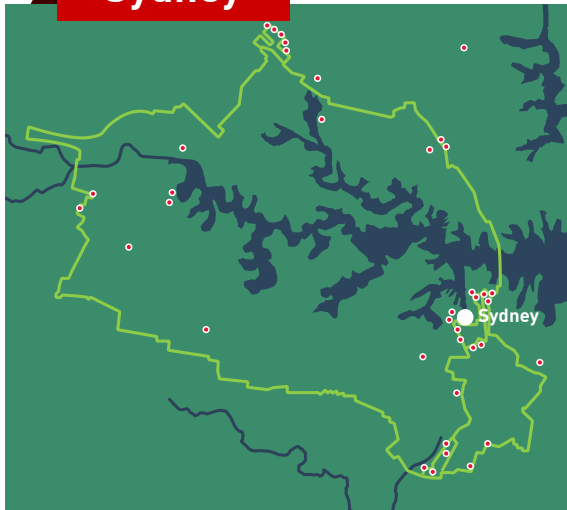
> Strategically connecting 30 data Centres, plus 18 to be added within ~6 months

Expanding Fibre footprint

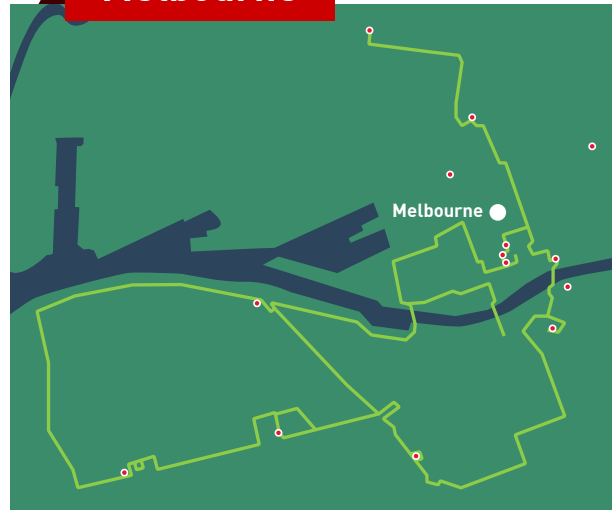
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- › 5,000 potential customers within on-net data centres
- › Megaport acquisition provides the fibre backbone to cost effectively access selected buildings, exchanges and NBN POI's
- › Future expansion to key business areas will be driven by customer demand
- › Fibre networks has been Amcom's core capability over the past 15 years

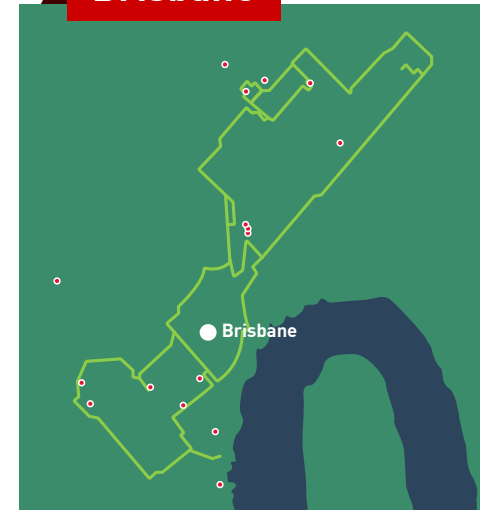
Sydney



Melbourne



Brisbane



Ethernet First Mile Coverage



3

- › EFM technology successfully used in Amcom's core markets today
- › Fast tracks market entry and a customer acquisition strategy for data network services up to 40 Mbps
- › Commenced September with completion scheduled Q1 2015
- › 30 Exchange areas in Melbourne, Sydney & Brisbane
- › Transition existing customers onto EFM networks (on-net) and in-time onto fibre

Immediate access to CBD Sydney fibre

4 Fibre Network Access – FirstPath

- › 15 year access agreement with FirstPath
- › Access in Sydney with entry into 200 buildings
- › Immediate entry into the Sydney market
- › Complements acquisition of Megaport
- › Dark fibre and Ethernet services
- › Migration of existing third-party services delivering immediate benefits

Growth Opportunities

Favourable Conditions



Strong demand for high performing Fibre Networks



Infrastructure ownership advantage



Favourable market conditions for Amcom to expand on the East Coast

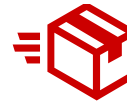
M&A Update

- > We have evaluated a number of targets this calendar year
- > Network ownership increases synergies through moving data network traffic on-net
- > Significant balance sheet capacity for further M&A

Summary & Outlook



Amcom has built a strong business in only 20% of the market, now expanding into **80% of the market**



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



Earnings from East Coast data network expected to be **15 to 20% of Amcom's earnings in FY17**



Core business continues to perform strongly



Strong balance sheet to support growth opportunities



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

▶ **FY15 Guidance** : Similar NPAT* growth as in FY14 (excluding M&A in FY15)

2014

AMCOM TELECOMMUNICATIONS LTD
ANNUAL GENERAL MEETING

amcom

Good morning ladies and gentleman. Welcome to the 2014 annual general meeting of Amcom Telecommunications. My name is Tony Grist and I'm the Chairman of your company. Thank you for your attendance.

The 2014 year in review

It is with great pleasure that I present Amcom's results for the year ended 30 June 2014. It has been another successful year for the company amidst an environment of ongoing change within the telecommunications and information technology industries.

For the 2014 year, Amcom's underlying net profit after tax (excluding one-off items) rose 12% to \$23.2m. This performance reflects continued strong demand for our core fibre based communications products we provide to the corporate, government and wholesale sectors. This year's result continues our enviable track record of consistent double digit earnings growth year after year. Our business model of meeting communication needs that are essential services to organisations today, has demonstrated consistency throughout volatile economic conditions over the past decade.

We have again been able to deliver an improved dividend with 6.2 cents per share paid to shareholders in respect of the 2014 financial year - an increase of 12%. Delivering a growing income stream in the form of fully franked dividends is an attractive feature of Amcom's investment profile, along with earnings growth in our core data networks business and ongoing investment in new technologies.

Amcom finished the year in a strong financial position with no net debt. The strong operating performance of the business, combined with the recent \$40m equity raising, leaves the company with significant financial capacity to fund both organic and acquisitive growth opportunities.

As the evolution of Amcom continues, the opportunities to keep growing your company show no signs of abating. Our strategy revolves around taking advantage of the convergence of the telecommunications and IT industries. Utilising our high

speed data networks already in the ground we are expanding our product offerings into areas such as hosted and cloud services. This is a new and dynamic growth opportunity for us, as our key corporate and government customers seek ways to manage their telco and IT requirements more efficiently and cost effectively.

Proposal received from Vocus Communications

Turning now to more recent events. As you are no doubt aware, late last month we received a letter from Vocus Communications informing us they had acquired a 10% stake in Amcom and outlining a proposal to combine both businesses via a scrip based merger. This approach was unsolicited, conditional, incomplete and non-binding.

Following some initial discussions with Vocus, we announced to the ASX that we have entered into a confidentiality agreement and agreed to conduct a period of mutual due diligence on each other in order to assess the merits of a combination. The Board has engaged advisors to assist in fully evaluating the proposal and help determine whether there are grounds for a potential transaction.

Details of the discussions with Vocus remain confidential so I can't provide further information today. However, if a transaction were to occur, we are mindful that many of our shareholders would become owners of the combined entity going forward. As a result, on behalf of the Board I can assure you that we will only be recommending a proposal to shareholders which we believe is in your best interests and fully reflects the value that Amcom brings to the table in this regard.

East Coast expansion

While these events were occurring we also announced the next phase of our east coast expansion, which included the cornerstone acquisition of Megaport's 180km fibre network in Sydney, Melbourne and Brisbane. This highly strategic move was months in the making and represents an exciting strategic opportunity for Amcom to own infrastructure and leverage its expertise in significant new markets.

Regardless of whether a transaction proceeds with Vocus we believe our east coast strategy is a significant growth engine and adds value to our shareholders, both as part of a combined entity or stand alone.

Board Update

The east coast initiatives we have undertaken are an important step in the evolution of Amcom, and reflecting this, we will look to appoint a new Board member with appropriate expertise to support our increased presence in this market. Again, we expect this process to continue irrespective of the outcome of our discussions with Vocus.

This continues the process of Board change begun with the appointment of Paul Brandling from Hewlett-Packard in September last year. I have said before that stability, diversity, and continued evolution have been important success factors for our Board in dealing with the rapid changes in our industry. It is our intention not to expand the size of the Board and as a result, one of our long standing Directors is likely to stand down. I believe the Board renewal process underway ensures we are remain well positioned for the future.

In closing, Amcom is a well managed company, with a proven growth strategy, and a consistent track record of delivering earnings growth to shareholders. On behalf of the Board I would like to thank Clive and his executive team for their continued dedication to Amcom's long term success, along with the rest of the hard working Amcom team. The Board recognises that quality people are fundamental to making a good company a great company. Well done to all of you. The recognition of the importance of the people involved in our business is a key contributor to a high performance culture at Amcom.

I would now ask Clive to update you in more detail on the company's performance and our strategy going forward.