



## Half Year Results FY15

20<sup>th</sup> February 2015

Australian Securities Exchange Limited

### Highlights

- Revenue (excluding IT services ) up 10% to \$67.3m
- EBITDA\* up 3% to \$23.0m
- Recurring revenue base up 8% on pcp to \$125m
- Interim dividend up 127% to 5.0 cents per share fully franked

Amcom Telecommunications Limited (“Amcom”) (ASX: AMM), today announced its results for the six months ended 31 December 2014. Revenue for the six months to 31 December 2014 was \$80.7m, a decrease of 3% on the prior corresponding period. However, excluding the IT services division, revenue and EBITDA increased by 10% to \$67.3m and \$23.4m respectively. Inclusive of the IT Services performance the net profit after tax before significant items was slightly down on prior period at \$11.0m (1H14: \$11.5m).

The Company’s core Data Networks business continued to perform strongly with a 13% increase in revenue with consistent EBITDA margins. Hosted and Cloud services revenue was up 9% to \$17.4m over the prior period, while EBITDA grew by 28%. IT Services revenue was down 39% on the prior period, impacted by the resources sector downturn in Western Australia.

Commenting on the result Amcom’s CEO Mr Clive Stein said *“While the headline revenue and profit are down on the previous corresponding period the fundamentals of our business remain strong and our core data network annuity business increased revenue by 13%. Our recurring revenue base grew to \$125 million, an 8% increase on the previous corresponding period. This is an important indicator pointing to continued earnings growth for the company going forward.”*

*“The slowdown in the West Australian economy has certainly affected earnings from our IT services business where customer IT spend has been deferred, we have right sized our operations accordingly and expect a profitable second half from this business”* added Mr Stein.

A presentation providing further detail in relation to the results for the six months ended 31 December 2014 has been separately lodged with the ASX.

### Dividend

The Board has declared a fully franked interim dividend of 5 cents per share (1H14: 2.2 cents per share). The dividend is payable on 30 April 2015 to shareholders on the register as at 24 April 2015. The Dividend Reinvestment Plan has been suspended due to the proposed Scheme of Arrangement with Vocus Communications Limited, and will therefore not apply to this interim dividend.

Commenting on the dividend Amcom’s Chairman Mr Tony Grist said *“We have declared a dividend of 5 cents as we have available profits and an adequate cash position on our balance sheet. We raised capital during 2014 primarily for acquisition purposes. However, as a result of recent events and the Board’s view of our future funding requirements, we felt the prudent action from a capital management perspective was to enhance returns to shareholders via a fully franked dividend.”*

\* non AIFRS financial information refer to Appendix 4D

## **Outlook**

Amcom is subject to a proposed Scheme of Arrangement with Vocus Communications Limited to combine both businesses to create a \$1 billion plus national telecommunications company. It is the unanimous view of the board of directors that this highly complementary combination with Vocus will significantly enhance both the Company's market position and is in the best interests of Amcom shareholders. It is anticipated Scheme documents will be mailed to shareholders in March with a view to holding a Shareholder Meeting to consider the Scheme in April 2015.

Given the status of the proposed merger, the company believes it is not appropriate to provide stand-alone FY15 earnings guidance.

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