



18 November 2010

**ASX RELEASE**

Company Announcements Office  
Australian Securities Exchange Limited

<b>ANNUAL GENERAL MEETING</b>
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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.

For further comment and information:

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# ANNUAL GENERAL MEETING

November 2010

Presented by

**Tony Grist**

Chairman

**Clive Stein**

CEO

# 2010

AMCOM TELECOMMUNICATIONS

ANNUAL  
GENERAL  
MEETING

**Tony Grist**  
Chairman



# Strong Financial Performance

REPORTED NPAT

▲ **43%**

**\$17.3m**

DIVIDEND

▲ **75%**




**1.4c share**

REVENUE

▲ **18%**

**\$63m**

AMCOM  
TELECOMMUNICATIONS LIMITED  
(ASX : AMM)

	100%
	100%
	23%

# Capital Management Initiative



- ▶ Options exercised
- ▶ \$25m of new equity capital raised
- ▶ Strong financial position with negligible net debt
- ▶ Flexibility to grow the business through both organic and acquisitive growth

# NT Government Contract



Northern Territory Government

- ▶ Roll out of competitive last mile infrastructure in Darwin & Alice Springs
- ▶ \$20m revenue over 5 year term
- ▶ Provision of high speed fibre based services
- ▶ Largest and fastest rollout for Amcom

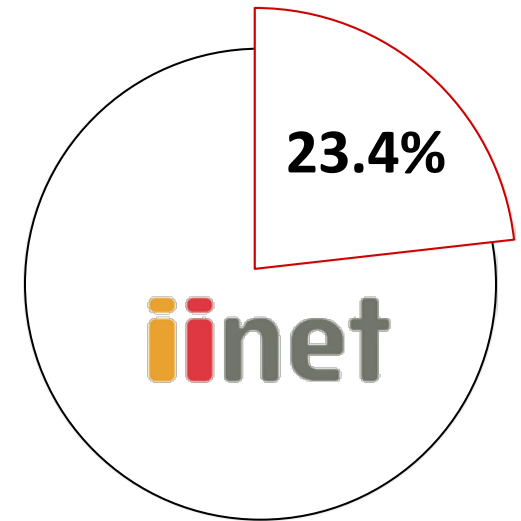
# IP Systems Acquisition

- ▶ IP Systems – leading provider of IP voice, video & data
- ▶ Business customer focus
- ▶ Expand product offerings
- ▶ Move up the value chain
- ▶ National growth outside existing network footprint
- ▶ Future – Cloud Computing



# iiNet Investment

- ▶ Amcom - single largest shareholder with 23.4%
- ▶ 2<sup>nd</sup> Largest DSL broadband ISP in Australia with ~ 650,000 subscribers
- ▶ Recent acquisition of AAPT
- ▶ Strategy – customer service, innovative content & products
- ▶ Contribution:
  - ▶ \$7.8m to earnings
  - ▶ \$2.7m in dividends





# 2010

AMCOM TELECOMMUNICATIONS

ANNUAL  
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MEETING

**Tony Grist**  
Chairman



# 2010

AMCOM TELECOMMUNICATIONS

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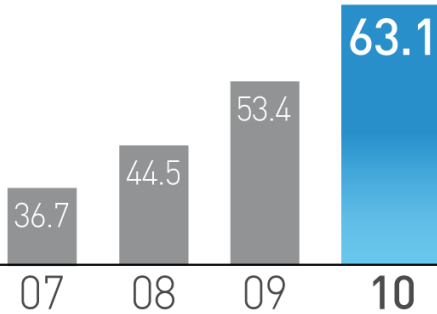
Clive Stein  
CEO & MD



# Strong track record

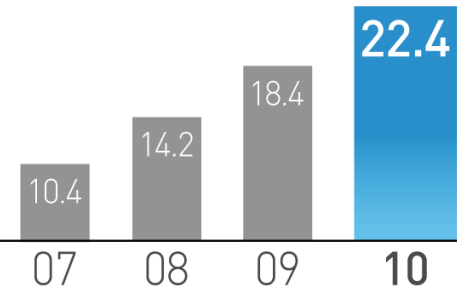
REVENUE (\$M)

▲ 15%  
4 YR CAGR



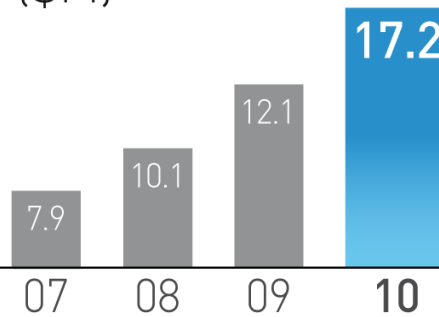
EBITDA (\$M)

▲ 21%  
4 YR CAGR



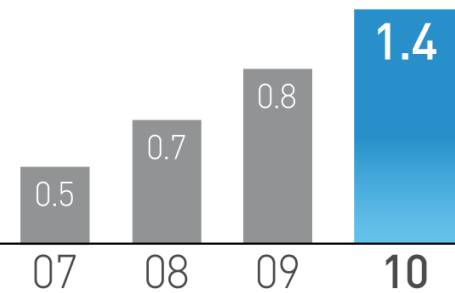
REPORTED NPAT (\$M)

▲ 21%  
4 YR CAGR



DIVIDEND (C)

▲ 29%  
4 YR CAGR



# IP Systems Acquisition



- ▶ Acquisition finalised mid May 2010, upfront plus earn-out
- ▶ Earn-out structure aligns vendor's interests with Amcom shareholders
- ▶ IP Systems is the first of our emerging Cloud based products
- ▶ Integration and business development
  - ▶ Amcom selling IPS products to existing and new customers
  - ▶ IPS recruiting sales force – Melbourne, Sydney and Brisbane
  - ▶ Bolstering channel distribution
  - ▶ National sales and support capability



# NT Government Contract

- ▶ High speed fibre based services to government agencies and schools in Darwin and Alice Springs
- ▶ \$20m revenue over five year term with annual renewals
- ▶ Capex of \$10m, most in FY10
- ▶ Benefits flowing in FY11
- ▶ Increased sales to new customers



Northern Territory Government

# Well Positioned Strategic Assets

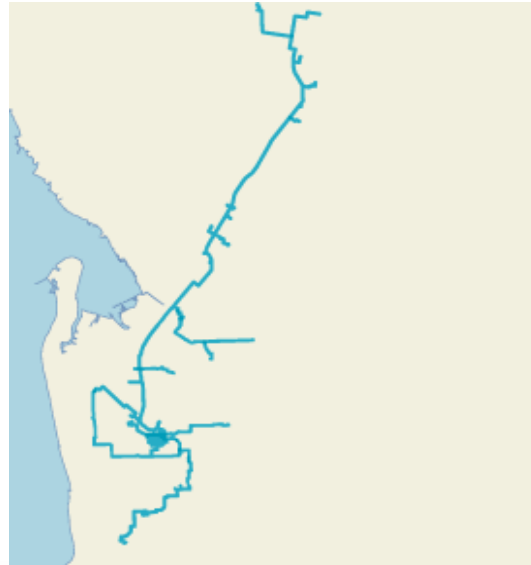
PERTH

FIBRE NETWORK  
**1496KM**



ADELAIDE

FIBRE NETWORK  
**282KM**



N.T.

FIBRE NETWORK  
**144KM**



▶ *Proven ability to leverage assets*

# National Broadband Network (NBN)



## NBN

- ▶ Mass market
- ▶ Residential focus
- ▶ Speeds of 100mb > 1G
- ▶ Shared between customers
- ▶ Delivered in 5+ years
- ▶ Network connection only

## Amcom

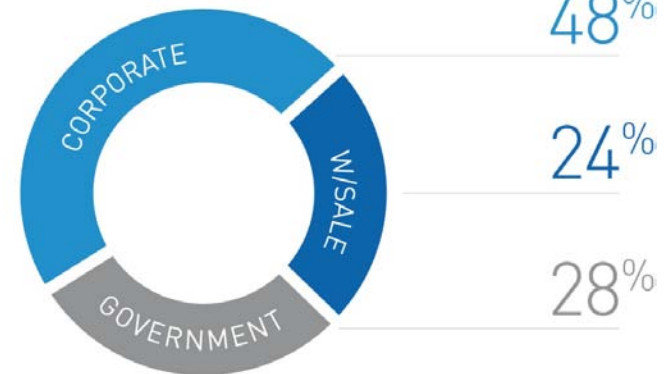
- ▶ Niche focus
- ▶ Business focus
- ▶ Speeds up to 10G
- ▶ Dedicated to each customer
- ▶ Today
- ▶ Value added services (VAS) via IP Systems

▶ *Today, 50% of our customers use 1G and more*

# Customers Select Amcom for

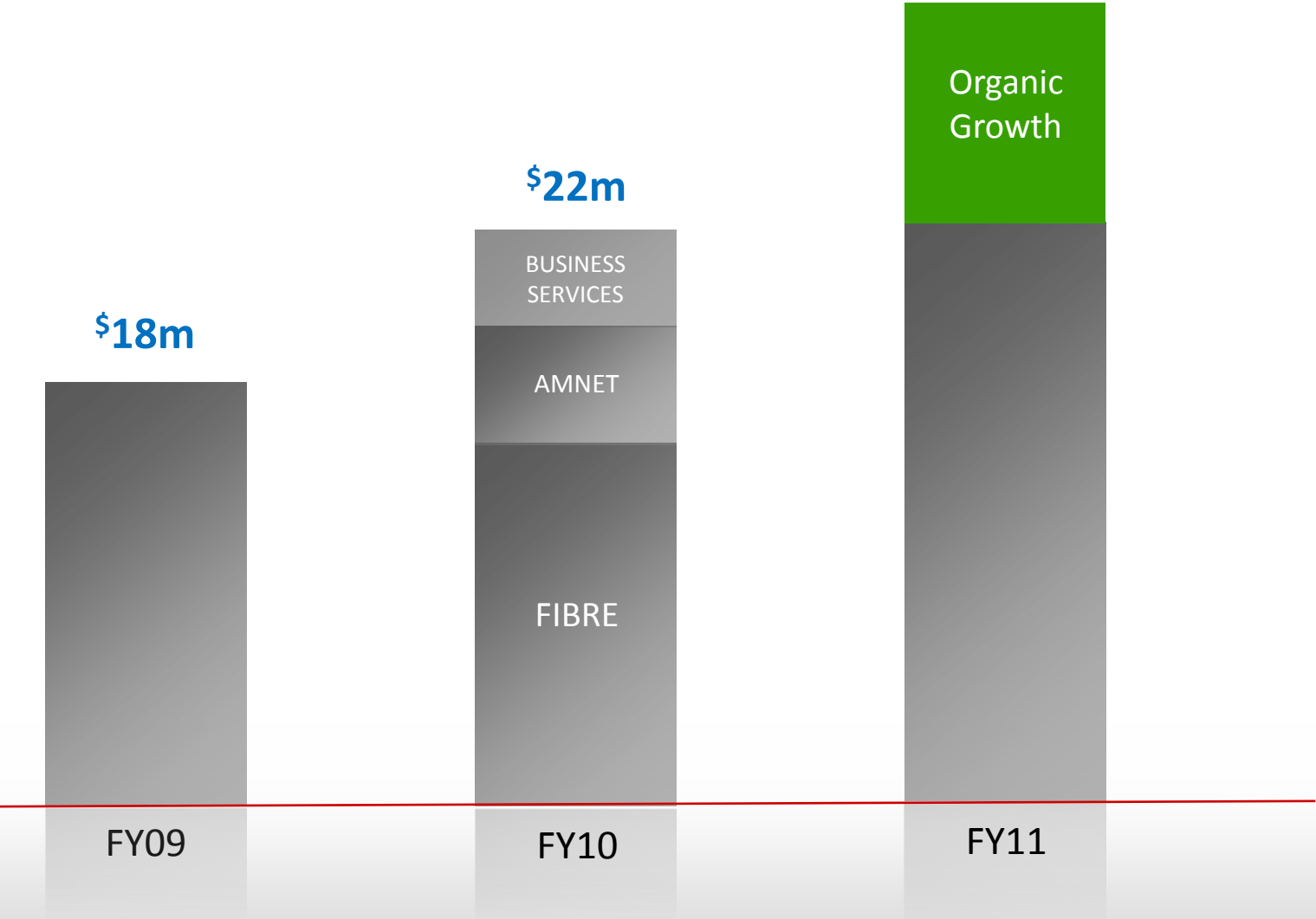
- ▶ Value and competitive pricing
- ▶ Customer service culture and strong account management skills
- ▶ Network performance and reliability
- ▶ Simple, flexible and easy to understand plans
- ▶ Innovative solutions tailored to customers' requirements

DIVERSE CUSTOMER BASE



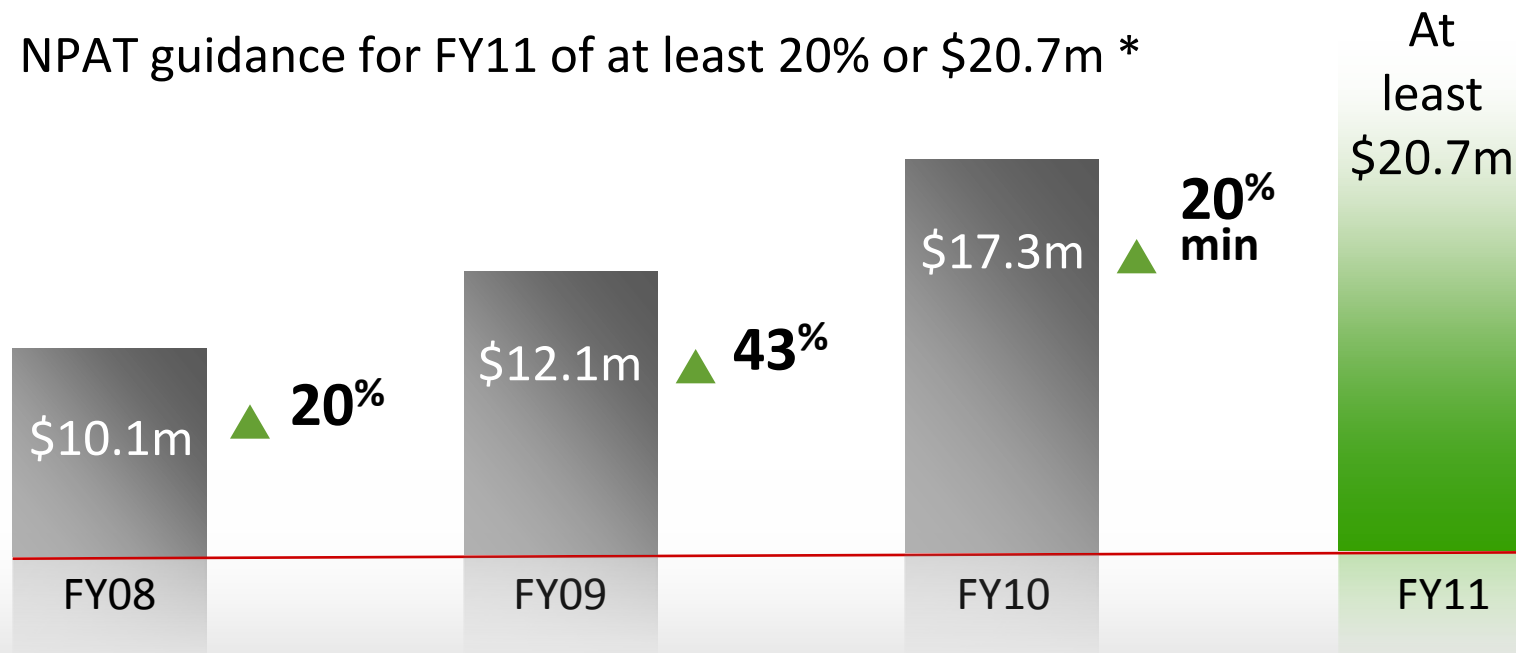


# EBITDA – Continued Strong Growth



# Outlook and Guidance

- ▶ Strong demand for fibre-based products
- ▶ Moving to greater share of customer wallet
- ▶ National sales capability
- ▶ NT Government contract and IP Systems benefits in FY11
- ▶ NPAT guidance for FY11 of at least 20% or \$20.7m \*



\* equity accounted earnings of iiNet based upon analyst consensus forecasts

# 2010

AMCOM TELECOMMUNICATIONS

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# Resolution 1

## Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an advisory resolution:

*“That, for the purposes of Section 250R(2) of the Corporations Act, the Company adopt the Remuneration Report as set out in the Company’s 2010 Annual Report for the year ended 30 June 2010.”*

# Resolution 1

## Remuneration Report

Proxies in favour	391,493,136
Proxies against	25,728,658
Proxies abstain	822,011
Open proxies	nil

## Resolution 2



### Re-election of Anthony Davies

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*“That, Mr Anthony Davies, being a Director of the Company, who retires in accordance with rule 78 of the Company’s constitution and the Listing Rules and, being eligible for re-election, is re-elected as a Director of the Company.”*

## Resolution 2

### Re-election of Anthony Davies

Proxies in favour	415,214,495
Proxies against	1,225,483
Proxies abstain	1,153,827
Open proxies	nil

## Resolution 3 –

### Approval of grant of performance rights to Mr Clive Stein

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*“That, for the purposes of ASX Listing Rules 7.1, 10.14 and for all other purposes, Shareholders approve and authorise the Directors to grant 576,000 Tranche B Performance Rights (each to acquire one Ordinary Share in the capital of the Company) for nil consideration to Mr Clive Stein, and to allot and issue Ordinary Shares on the vesting of those Performance Rights, in accordance with the Performance Rights Plan and otherwise on the terms and conditions set out in the Explanatory Statement.”*



## Resolution 3

### Approval of grant of performance rights to Mr Clive Stein

Proxies in favour	411,252,733
Proxies against	3,957,837
Proxies abstain	2,383,235
Open proxies	nil

## Resolution 4



### Remuneration of Directors

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*“That, the maximum aggregate remuneration of non-executive Directors of the Company be increased by \$150,000 per annum, from \$600,000 per annum, to a maximum of \$750,000 per annum to be divided amongst current and any additional non-executive directors in such manner as may be approved by the Board.”*

## Resolution 4

### Remuneration of Directors

Proxies in favour	370,923,961
Proxies against	14,545,697
Proxies abstain	32,124,147
Open proxies	nil

# 2010

AMCOM TELECOMMUNICATIONS

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GENERAL  
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## **AMCOM TELECOMMUNICATIONS LIMITED**

### **CHAIRMAN'S SPEECH    AGM 2010**

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Good morning ladies and gentlemen. It is with great pleasure that I present to you Amcom Telecommunications Limited's results for the year ended 30 June 2010. I am truly delighted with the company's operating performance and the outstanding returns we delivered to our shareholders throughout the year. It demonstrates the strength of the company's business model and our focus on growth segments of the telecommunications industry, where data has become an essential service for business today.

Fellow shareholders your company has again produced a strong increase in profit for the year ended 30 June 2010 our net profit after tax increased by 43% to \$17.3 million. Dividends paid were up 75% to 1.4 cents per share and over the course of the year the share price doubled. It was indeed a very rewarding year for all Amcom shareholders.

Revenue increased 18% which reflected continued demand for our high speed data services. Organic growth adds to the company's recurring revenue base each year and we are continuing to see solid demand for our products from the corporate, government and wholesale sectors as we move this new financial year.

The exercise of outstanding listed options last December raised \$25 million in new equity capital and placed the company in a very strong financial position with negligible net debt. This provides us with significant flexibility to grow the business going forward, both from organic growth and sensible acquisitions that add value to shareholders.

In February we were delighted to announce that Amcom had won a 5 year, \$20m contract to provide fibre based telecommunications services to the Northern Territory Government. This involved Amcom extending its fibre networks in both Darwin and Alice Springs to connect government agencies with high speed data services. The roll out of this network, which was completed last month, will provide us with competitive last mile infrastructure in both centres, and the ability to capitalise on other commercial opportunities. This is the largest project the company has

undertaken and I would like to congratulate Clive and his team for successfully completing this project.

Towards the end of the year we completed the acquisition of IP Systems Pty Ltd - a leading provider of converged voice, video and data solutions to businesses around the country. This is an important chapter in Amcom's growth story as it enables us to expand our product offerings to both existing and new customers, and assists the group to grow nationally outside of our network footprint. Importantly it allows us to build on relationships with our existing customers, and move up the value chain by being able to offer an IP voice solution to new and existing customers.

It is also an important step by Amcom towards embracing Cloud computing, where hosted resources are delivered over private fibre data networks. This is an exciting area of development for telcos. For Amcom it allows us to expand our market share outside of our network footprint and leverage our strong brand and reputation for service and technical excellence into new geographic markets.

Turning to our investment in iiNet. We have a 23.4% shareholding in the company. This is a strategic investment in the consumer broadband market. iiNet has recently acquired AAPT's consumer business. This now places iiNet as the second largest ISP in the country with approximately 650,000 subscribers. iiNet continues to deliver on its strategy of customer service, innovative content and products, and consolidation of the ISP sector. Our iiNet investment contributed \$7.8 million in equity accounted earnings and importantly added \$2.7 million in dividends to our cash flow.

Turning now to the outlook for the year ahead. As I mentioned earlier, demand for our fibre based products remains strong. Our business strategies continue to deliver and the company's financial position is sound. The substantial increase in the final dividend announced when we released our results in August reflects the board's confidence in the future of your company.

Organic revenue growth remains strong and adds to our recurring revenue base each year. This year organic growth will be supplemented by a full 12 month contribution from IP Systems and from the Northern Territory Government contract secured back in February.

We anticipate another year of strong earnings growth with FY11 net profit after tax to be up at least 20% on FY10 or in dollar terms at least \$20.7m. This is inclusive of our share of equity accounted earnings from iiNet, based upon analyst consensus forecasts for that company.

This re-affirms our guidance issued in August and we will provide updated guidance on the full year outcome when our interim results are released in February 2011.

Delivering a performance such as Amcom has over the past year is the result of both a robust business model and also the tireless efforts of great staff who are deeply committed to the success of the organisation. Led by Clive Stein, Amcom has developed a culture of customer service, flexibility and innovation which is second to none in our industry. On behalf of the board of Amcom I would like to take this opportunity to thank Clive and his team for delivering a stellar year in terms of corporate performance and total return to our shareholders. It is why we are asking shareholders to approve performance based incentives to be provided to Clive Stein per resolution 3 today, in recognition of this performance but also to continue to incentivise management to align with shareholders interests.

I would also like to thank my fellow directors for their continued diligence in overseeing the company on behalf of all stakeholders – customers, staff and shareholders alike.

It is with confidence I look forward to reporting back to you next year on the exciting progress of the Amcom growth story which continues to unfold. I would now like to hand over to the CEO and Managing Director of Amcom Telecommunications, Mr Clive Stein.