

ANNUAL GENERAL MEETING:

25 NOVEMBER 2010



# Now and into the future

## Company Strategy

- To be partner of choice for SME's seeking to consolidate their delivery partners – one stop IT shop
- Focus on growing revenues from recurring services – managed services, data and cloud
- Optimise organisation performance and margins
- Forge strong relationships with leading national and regional businesses
- Differentiate our service offering through unified national brand presence

## Acquisition & Integration Experience

- Hostech has acquired 8 businesses since January 2010
- Back-office integration is substantially complete
- Cross selling of services amongst the client groups has had early and significant success
- National service system, time invoicing platform and performance management system
- One Finance, Payroll Communications and HR system
- One team (225 employees)

## Continued Growth

- There remain a number of profitable, well established businesses which fit our desired national footprint
- Our objective is to substantially grow revenues during 2012 with EBITDA margins in line with industry benchmarks

# Now and into the future

## Key Personnel

- Peter Kazacos – KAZ Group
- Ilkka Tales – Myriad Group, Engin, MoGeneration
- Campbell Corfe – Chairman Youi Insurance

## Financial Performance

- In FY10 revenue grew by 310% and revenue growth is expected to exceed this in FY11
- Hostech continues to grow significantly with improving gross margins and strong recurring revenue uptake
- The board considers there are risks in achieving previous guidance based on industry wide softening hardware sales and will continue to monitor the impact of this on guidance.

# Company Overview

**MARCH 2009**

Recapitalisation

**JANUARY 2010**

Hostech  
Acquires 5Star  
and Officelink

**JUNE 2010**

HTC cash flow  
positive under new  
team.  
\$6m in revenue  
per month

**OCTOBER 2010**

Fastest growing  
business in IT  
services and telco  
in Australia\*

**2009/10**

Hires world-  
class exec team

**APRIL 2010**

Acquires 4 companies;  
Accord  
Aspirence  
Axxis and  
Anittel

**30 JUNE, 2010**

Revenue up 310%  
Loss down to \$1.4m  
from \$8.4m prior year



**Deloitte.**

Technology Fast50  
Australia 2010 Winner

# Significant Growth

## 2010 - HTC becomes relevant & recognised in Australian IT&T services

### Credibility

- **Market leader** in Australia setting industry standards

### Service Delivery

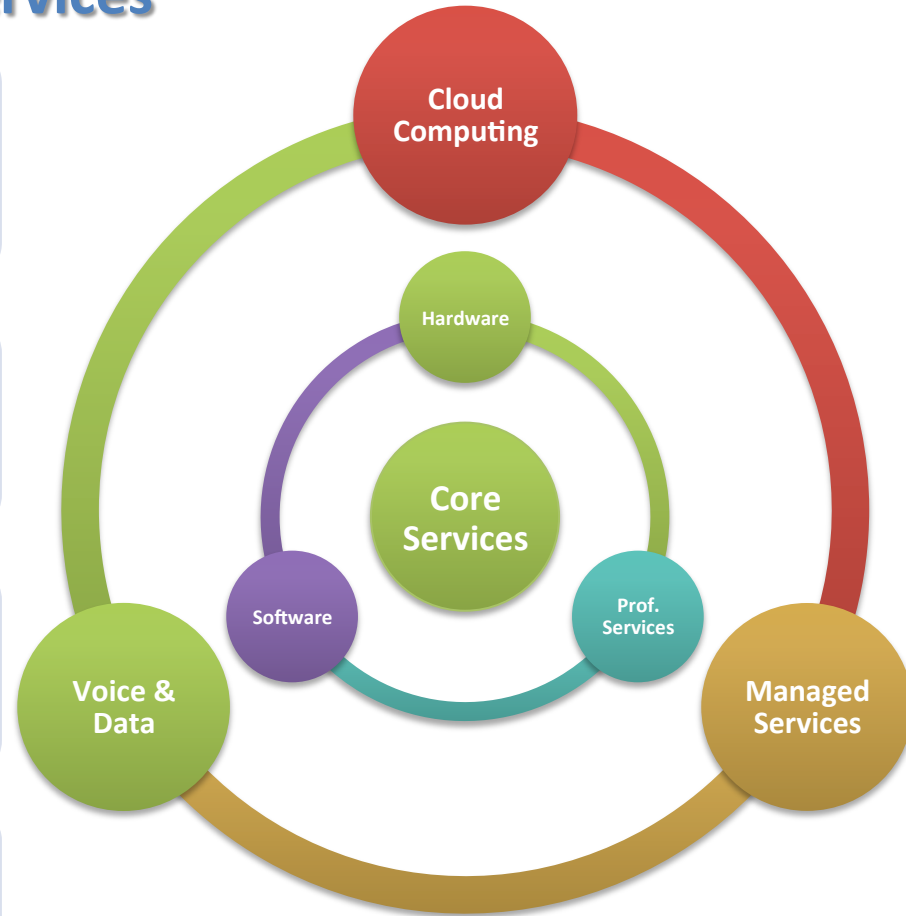
- Providing outstanding service which is highly **valued** by our customers. eg. 3 ring policy

### Strong Growth

- Fastest growing IT&T business in Australia\*
- Improved gross margin

### Customer base

- Consistently selling more services to **existing customers**



\*CRN Fast 50

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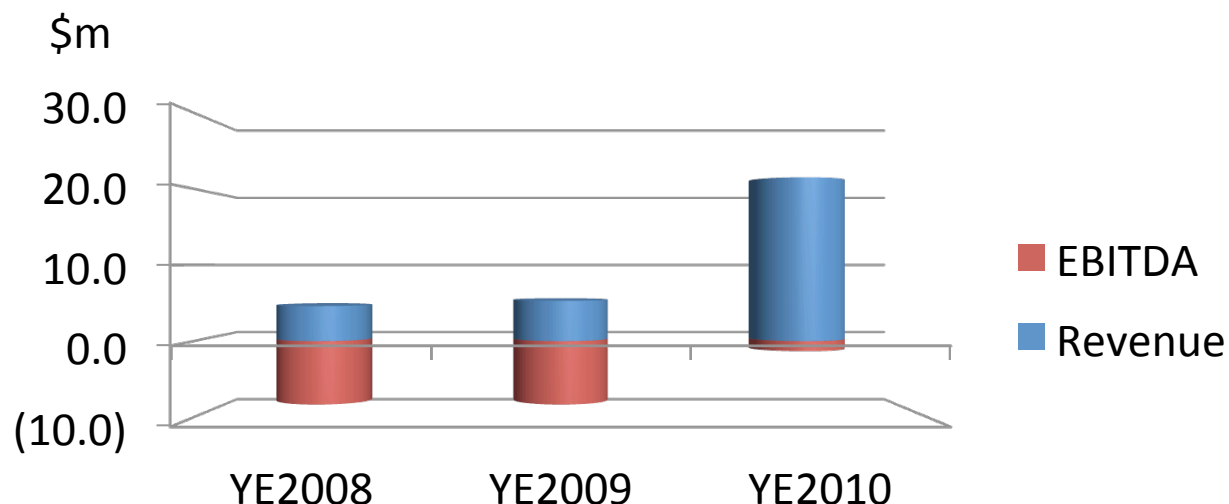


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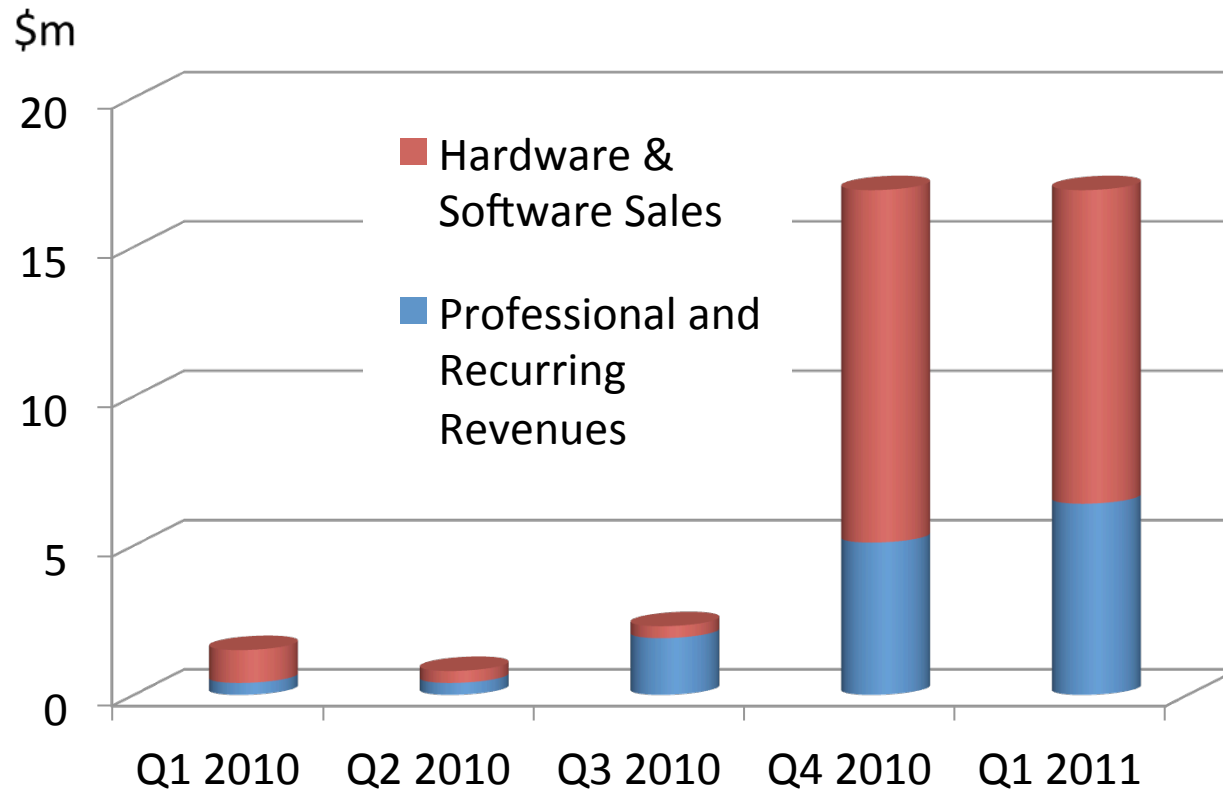
# YE 2010 Financial Summary

	YE 2010	YE 2009
Revenue	\$21.5m	\$5.3m
EBITDA Loss	(\$0.9m)	(\$7.8m)
Net Assets	\$28.6m	\$6.2m
Staffing	230	25



New management late '09, strategy implementation commenced Dec '09, impact 2011

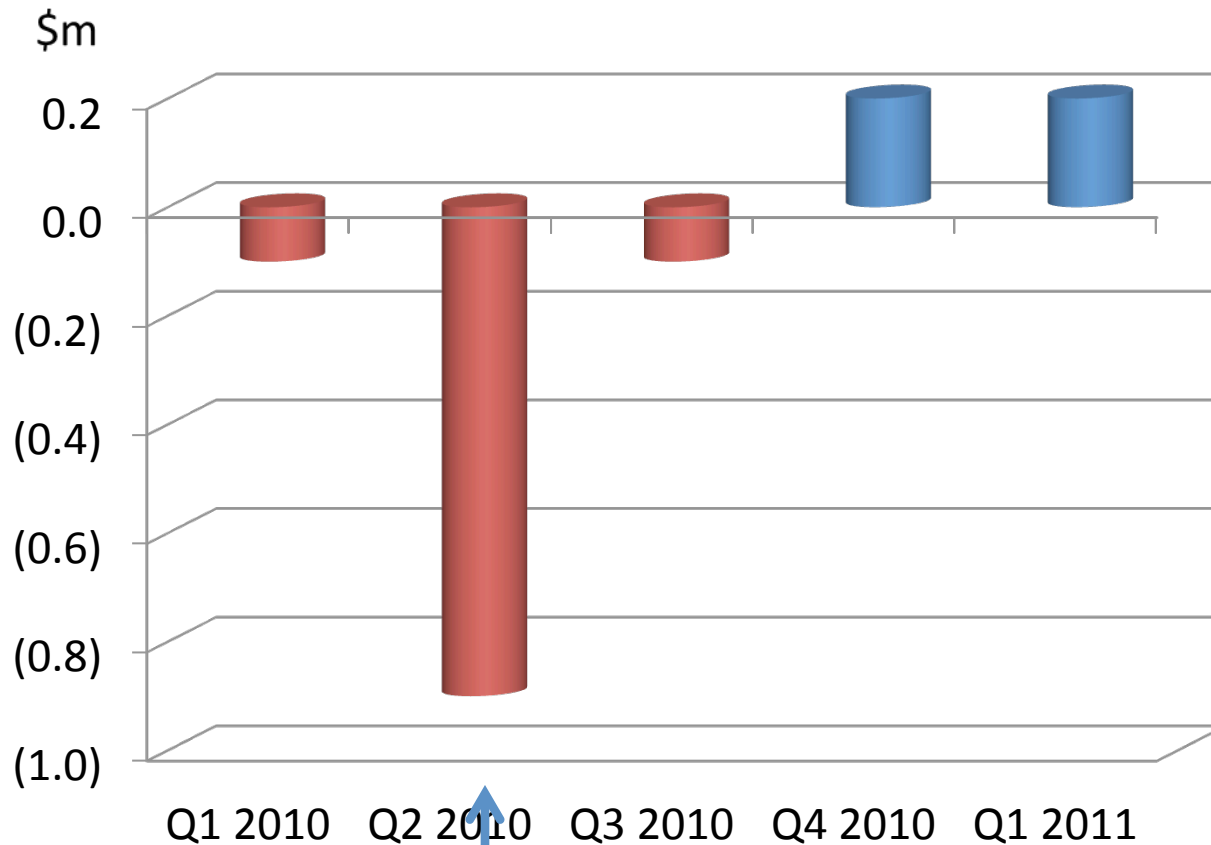
# Revenue growth continues into 2011



Focus on driving high margin professional and recurring revenues, particularly Managed Services, Cloud and Data



# Positive EBITDA quarters continue into 2011



Intensive “therapy” followed by strategy implementation

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