

VOCUS
communications

Vocus Communications FY 2011 Full Year Results

Released 24 Aug 2011

Vocus at a Glance



- Vocus named Telecommunications Carrier of the Year 2011
- Vocus extends the global internet backbone to Australia and New Zealand, to provide domestic and international internet services to ISP's and telecommunications companies
- Vocus also provides:
 - Carrier grade wholesale Data and Voice services
 - Dark Fibre in Sydney, Melbourne, Brisbane, Adelaide and Perth
 - Colocation services in Vocus' Data Centres in Sydney, Melbourne and Perth

Successful and Awarded Business Model



2011 Placed 9th
2010 Placed 28th



Technology Fast50
Australia 2010 Winner

#1 Fastest growing
Technology
Company in
Australia 2010



Technology Fast500
Asia Pacific 2010 Winner

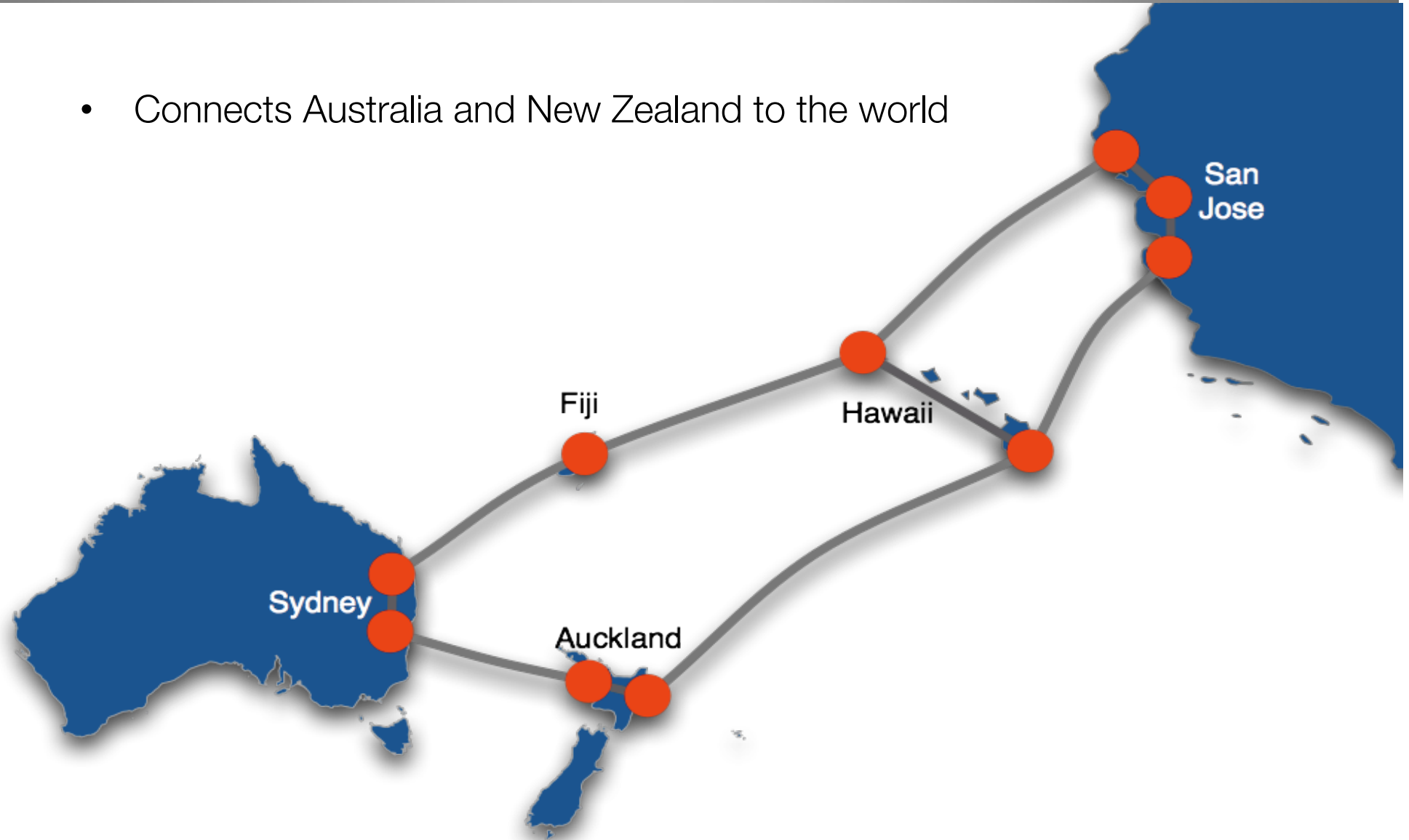
#2 Fastest growing
Technology
Company in Asia
Pacific 2010



2011
Telecommunications
Carrier of the Year
Award

The Vocus International Network

- Connects Australia and New Zealand to the world

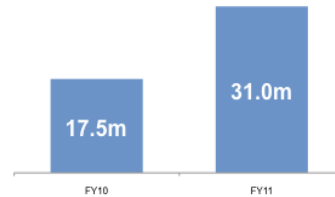


FY11 Highlights

- Entry into the Data Centre market
 - Acquired Data Centres in Sydney, Melbourne and Perth
- Entry into the Dark Fibre market
 - Acquired Digital River network assets and now aggressively rolling out fibre
- Strong organic growth
 - IP Transit growth of 128% YoY

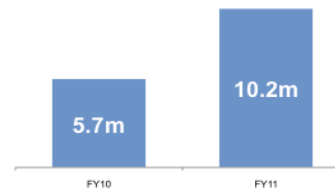
FY11 Financial Performance

REPORTED REVENUE



77% increase from FY10

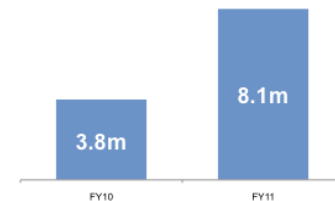
PBT



80% increase from FY10

Includes acquisition transaction costs and FX gains

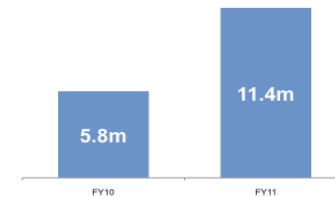
REPORTED NPAT



113% increase from FY10

Includes acquisition transaction costs, tax benefits and FX gains

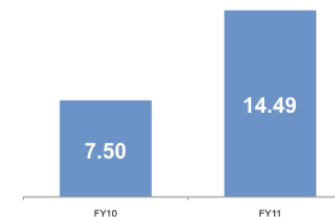
OPERATING CASHFLOWS



96% increase from FY10

Before investing and financing activities

EARNINGS PER SHARE

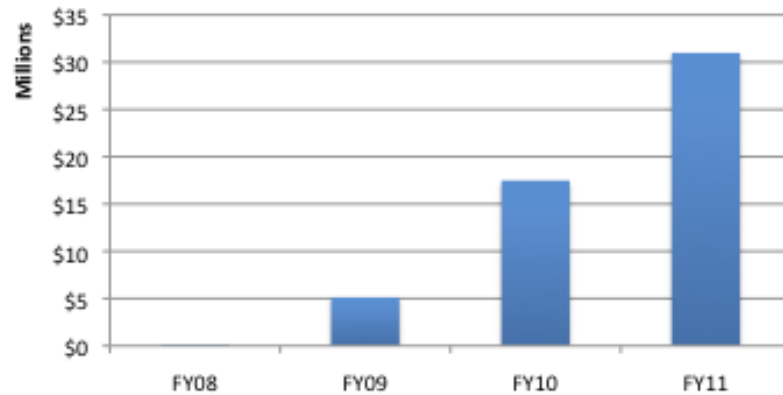


93% Increase (diluted) from FY10

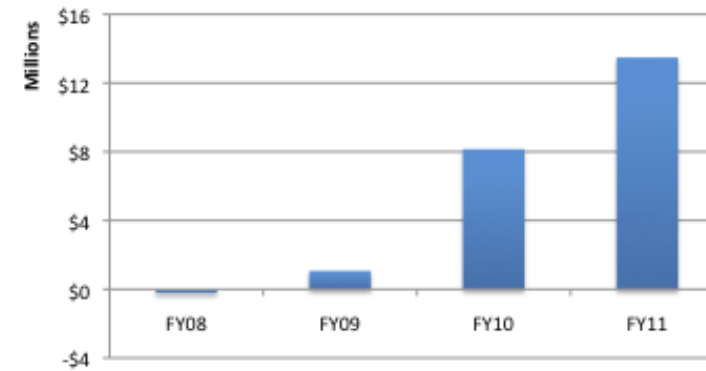
FY10 EPS normalised for the number of Vocus shares issued at listing.

FY11 Financial Performance

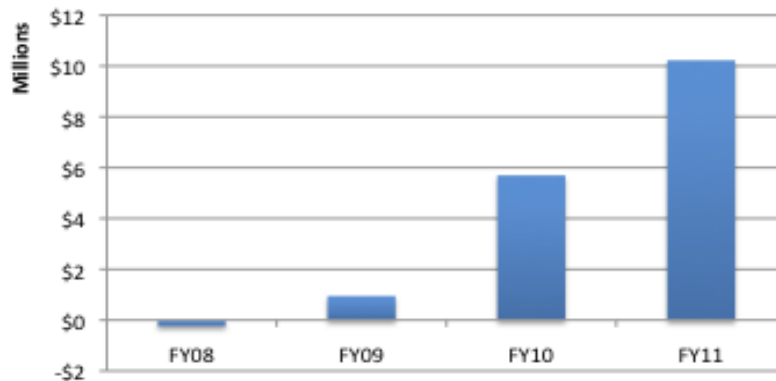
Annual revenue



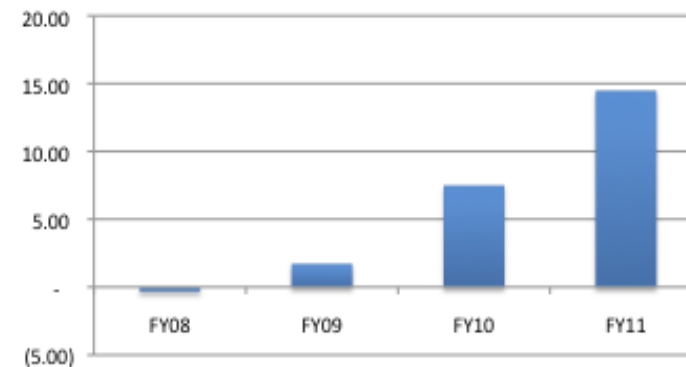
EBITDA



Profit Before Tax



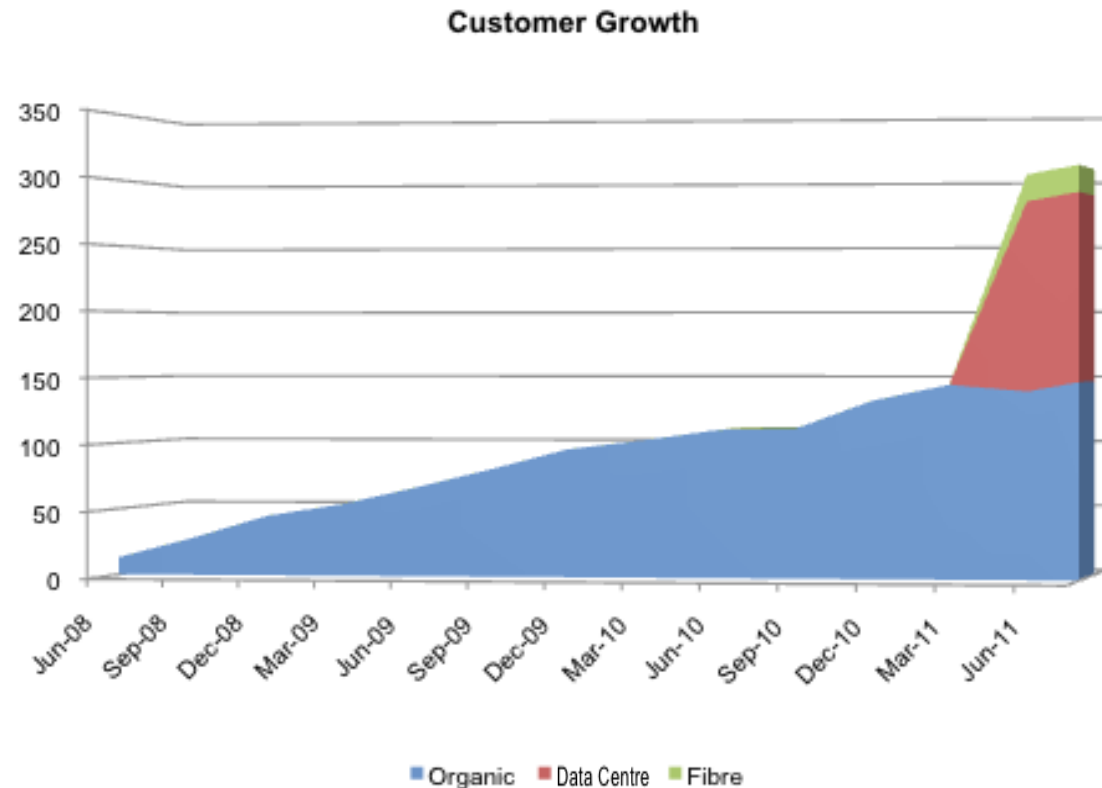
Normalised Earnings per Share (cents)



FY08 & FY09 approx: pre-reverse acquisition EPS normalised for listing share base

Customer Growth (Inc. Acquisitions)

- New products enable new markets for Vocus
- Only 26% of customers buy more than one product from Vocus
- Significant opportunity to cross sell services; 301 customers at end FY11



Excludes duplicate customers (>10%) across businesses

Shareholders

Rank	Name	Units	% of Units
1.	SPENCELEY MANAGEMENT PTY LTD <SPENCELEY FAMILY A/C>	7,417,888	12.21
2.	IWPE NOMINEES PTY LIMITED <IWPE FUND 3 A/C>	6,666,667	10.97
3.	TAMEION PTY LTD <TAMEION SUPER FUND A/C>	5,727,944	9.43
4.	TAMEION PTY LTD <MCCONNELL II FAMILY A/C>	2,455,929	4.04
5.	FIRST CAPITAL PARTNERS PTY LIMITED	2,000,000	3.29
6.	INVESTEC BANK (AUSTRALIA) LIMITED	2,000,000	3.29
7.	IWPE NOMINEES PTY LIMITED <IWPE FUND 3A A/C>	1,333,333	2.19
8.	LAYER 10 PTY LTD <WILTONGATE A/C>	1,322,916	2.18
9.	IBNLT PTY LTD	1,178,486	1.94
10.	MR DANIEL LACHLAN WHITFORD	1,000,000	1.65
11.	COGENT NOMINEES PTY LIMITED	999,614	1.64
12.	DAVID PRESTON + CASSANDRA LENEVEZ + MARK PURCELL <OFFICELINK PARTNERSHIP A/C>	945,638	1.56
13.	NATIONAL NOMINEES LIMITED	887,819	1.46
14.	ALSUMARY PTY LTD <THE ALSUMARY SUPER FUND A/C>	794,696	1.31
15.	DALESAM PTY LTD <JON BRETT SUPER FUND A/C>	794,695	1.31
16.	MCDONALD WHITFORD RICHARDS	687,500	1.13
17.	ROMAN EMPIRE PTY LTD	627,598	1.03
18.	W DONNELLY SERVICES PTY LTD <THE DONNELLY SUPER FUND A/C>	551,038	0.91
19.	SPENCELEY MANAGEMENT PTY LTD <SPENCELEY FAMILY S/F A/C>	532,112	0.88
20.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	502,015	0.83

- ✓ Shares on issue at 30 June 2011: 60,369,344
- ✓ Employee options on issue at 30 June 2011: 2,214,999
- ✓ Shareholders at listing: 685
- ✓ Shareholders at 30 June 2011: 2,370
- ✓ \$15 million capital raising on 14 March 2011

FY12

Vocus Transforms
The Opportunity Ahead

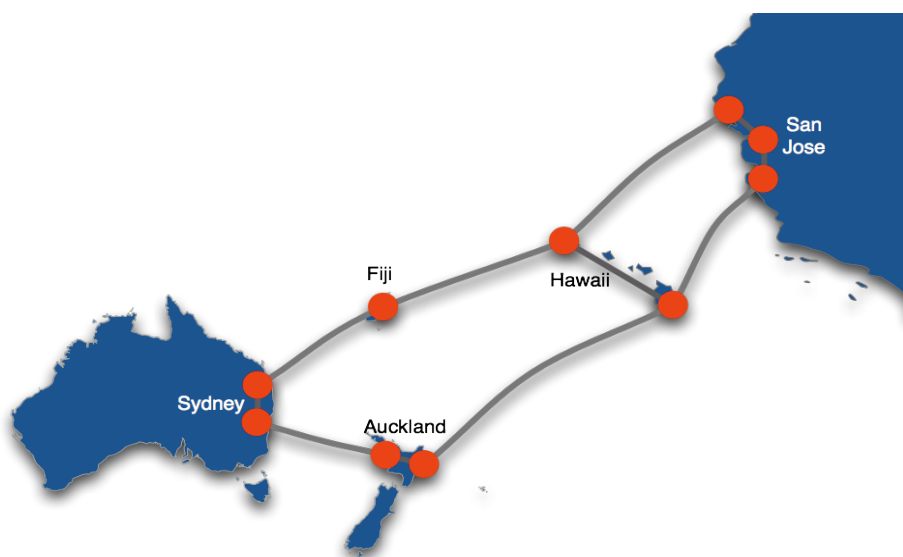
- 11th Nov 2010 – Vocus acquires Data Centre business of E3 Networks
 - Data Centres in Sydney and Melbourne
- 2nd May 2011 – Vocus acquires Perth iX Data Centre business
 - Data Centre in Perth CBD
- 7th May 2011 – Vocus acquires Dark Fibre network from Digital River
 - Fibre Optic network linking major Data Centres and CBDs

Vocus – Key 3 Products

- 3 Key infrastructure owned products
 - International Internet
 - Data Centre
 - High speed connectivity (typically Dark Fibre / Metro Ethernet)
- Each product alone has a target market, however cross sell opportunities are significant
- Ability to leverage Vocus' successful brand into these growing areas

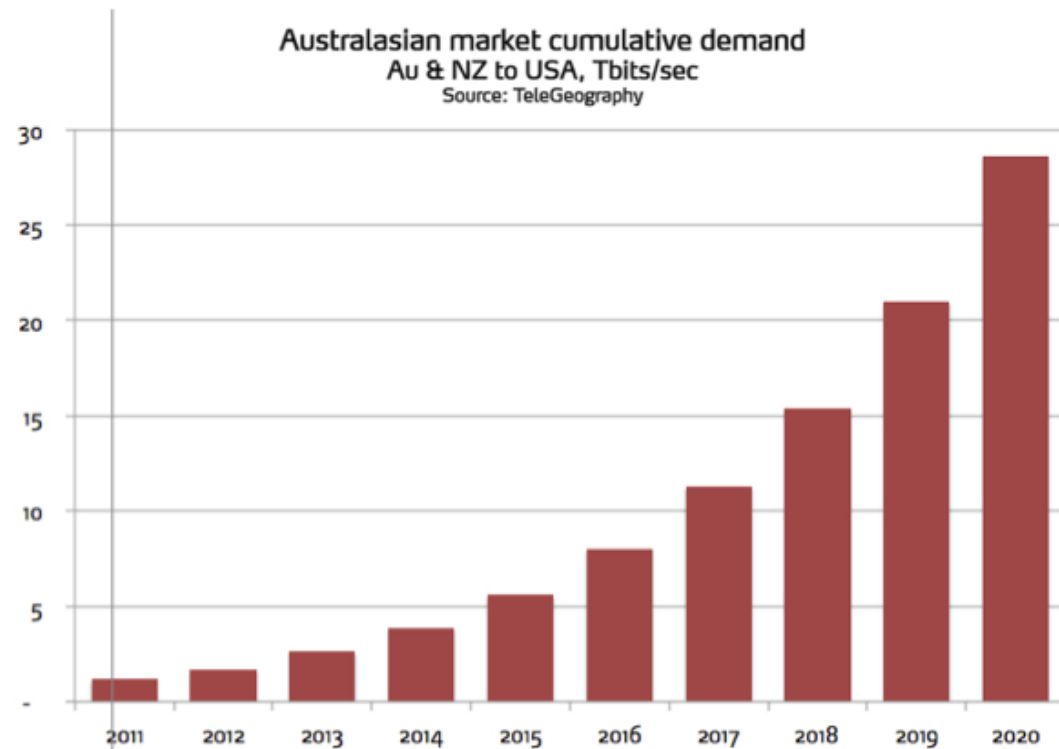
Vocus Internet

- One of the largest providers of wholesale Internet in Australia & New Zealand
- Cable redundancy to the USA from AU and NZ
- Lowest latency direct route to the US
- Highly regarded in terms of network performance and reliability
- Strong and successful brand
- Fixed annuity revenue
- Scale and efficiency
- Will benefit from the NBN



Market Outlook – IP Transit

- TeleGeography predicts 40.2% annual compound growth without the NBN; 46.9% with the NBN
- Vodafone NZ have experienced 100% mobile data growth in FY11¹
- Vocus had 128% IP transit volume growth in FY11, gaining significant market share
- IP transit margins declining in market, however, Vocus experiencing substantial net earning increases



Vocus Data Centres

- Vocus owns 3 facilities
 - Sydney, Melbourne and Perth
- Vocus operates each facility and provides
 - Security and access
 - Monitoring
 - Guaranteed power delivery via battery backup (UPS) and generators
 - Cooling
 - Remote hands and installation
- Vocus charges customers a monthly fee on long term contracts
 - Per rack of equipment (including power)
 - Caged floor space for large customers (power billed separately)



Diesel Generator



Chiller for Air Conditioners



Customer Racks



Caged Customer Area

- Data Centre market
 - Current lack of capacity in NSW, VIC: “Crisis ahead for Oz data centres: many close to capacity.” Frost & Sullivan, March 2011
 - Large build projects in pipeline in NSW, VIC by Macquarie Telecom, Global Switch, NextDC, HP, and many more
 - The growth in the Cloud market is expected to drive Data Centre capacity demand: “43% of Australian Businesses are using some form of Cloud.” Frost & Sullivan 26 May 2011
 - Vocus Data Centres ideally positioned to provide redundancy site to major facilities being built outside the CBDs.
- Vocus Data Centres
 - Melbourne facility is full; Sydney is 69% full; Perth iX is 80% full
 - Vocus aims to acquire or build further Data Centres, with medium scale and preferably with large established customer base
 - Vocus operates in a different market segment (CBD, medium sized, tier 2/3, colocation model), from large pure DC players
 - Customer churn in Data Centre is very low
 - Vocus is uniquely positioned for the Cloud segment, with integrated Data Centre, Dark Fibre and Internet connectivity

- Purchased Fibre Network in May 2011

- Awarded carrier licence in May 2011
- Network is predominantly in Sydney and Melbourne
- Vocus expanding the network
- Acquired strong customer base in both wholesale and corporate clients
- Positive reaction from customers and industry to an alternative Dark Fibre provider

- Key Statistics at acquisition

- <2% utilised
- Connects 14 major Data Centres
- Either in or building to all NextDC sites
- Fibre currently passes 651 Buildings
- Vocus fibre within easy reach of every CBD building in Melbourne
- Vocus fibre within easy reach of every CBD building in Sydney



New Vocus Fibre being Installed June 2011



Vocus Fibre – Our Expansion

- Currently expanding fibre network
 - Expanding fibre sales team, operations and management in 1H of FY12
 - Expect fibre to contribute positive earnings 2H of FY12; Business was losing money at time of acquisition
 - Vocus already expanding the network via customer orders and core network builds
 - Expect to deploy up to \$5 million in fibre CAPEX in FY12
 - Contracts provide long term fixed annuity revenue
 - Typical contract lengths 36 – 60 months
- We are investing in the future and the future is FIBRE

- Current positioning
 - We believe we are currently in a market “Sweet Spot”
 - One of only two active Dark Fibre providers on East Coast (our highest EBITDA margin product)
 - Positioned as communications Infrastructure provider of choice, with the complementary products of Dark Fibre, Internet and Data Centres
 - Strong opportunity to build off our current customer base
 - Well positioned to capitalise on Cloud market
 - New additional target customer segments with Dark Fibre and Data Centres (non telco customers)
- Going Forward
 - Aggressively build out fibre network
 - Grow our national Data Centre footprint in CBD areas
 - Focus on cross sell and further organic growth in new addressable markets
 - Position ourselves to capitalise on NBN opportunities



Internet | Data Centre | Dark Fibre

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