

FY12 Results Presentation

21 August 2012

Presented by

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FY12 Highlights

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- Revenue up 56% to \$136m
- NPAT Reported up 10% to \$28.4m
- NPAT* up 22% to \$16.8m
- Operating cash flow up 30%# to \$32.3m
- Free cash flow up 82% to \$13.4m
- Final dividend up 7% to 3.2c fully franked

“ 10th consecutive year of delivering over 20% annual NPAT* growth ”

- Annuity Data Networks (Fibre) sales up over 40% YoY
- Recurring billing base > \$90m

* Underlying net profit after tax from 100% owned operations

Excludes \$3.9m IIN dividend from FY11

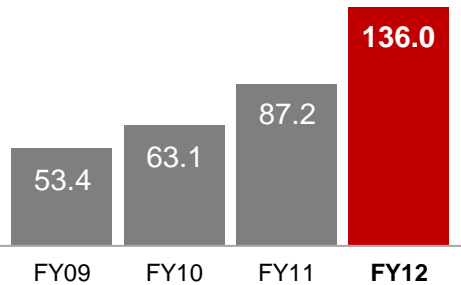
Financial Highlights

Consistent Track Record (3 YR CAGR)

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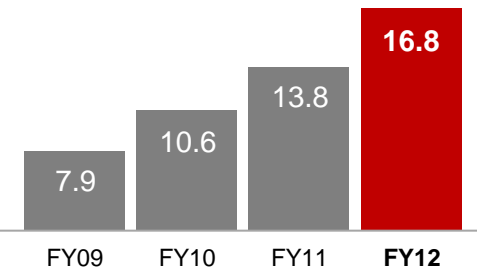
Revenue (\$m)

▲ 37%



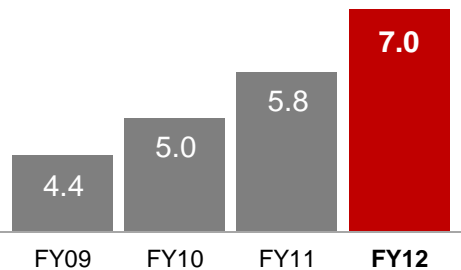
NPAT* (\$m)

▲ 29%



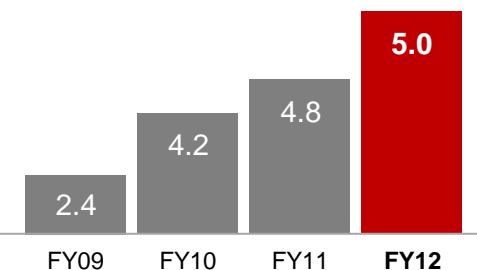
EPS* (cps)

▲ 17%



Dividend (cps)

▲ 28%



* Excluding equity accounted earnings and significant items

Financial Highlights

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Profit Summary (\$m)	FY 12	FY 11	Var %
Revenue	136.0	87.2	▲ 56%
EBITDA	34.0	28.8	▲ 18%
EBIT	25.1	20.2	▲ 24%
NPAT - Operating Units before Significant Items	16.8	13.8	▲ 22%
EPS cents (Operating Units before Significant Items)	7.0	5.8	▲ 20%
ROE normalised	15%	13%	

Financial Highlights

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Profit Summary (\$m)	FY 12	FY 11	Var %
NPAT - Operating Units before Significant Items	16.8	13.8	▲ 22%
Significant Items (net of tax):			
Profit - in specie IIN	18.6	-	
Impairments *	(6.3)	-	
Acquisition & other expenses	(0.8)	-	
Equity accounted earnings/profit on sale IIN	-	12.1	
NPAT - Reported	<u>28.3</u>	<u>25.9</u>	▲ 10%
EPS cents (Reported)	11.8	10.8	▲ 9%
Final dividend per share cents	3.2	3.0	▲ 7%

* Impairments - Amnet goodwill \$2.8m and infrastructure \$3.5m

Cash Flow

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(\$m)	FY 12	FY 11	Var %
EBITDA	34.0	28.8	▲ 18%
Interest paid	(1.2)	(1.2)	
Tax paid	(5.6)	(2.9)	
Working Capital & Other	5.1	0.1	
Operating Cash Flow*	32.3	24.8	▲ 30%

Operating Cash Flow

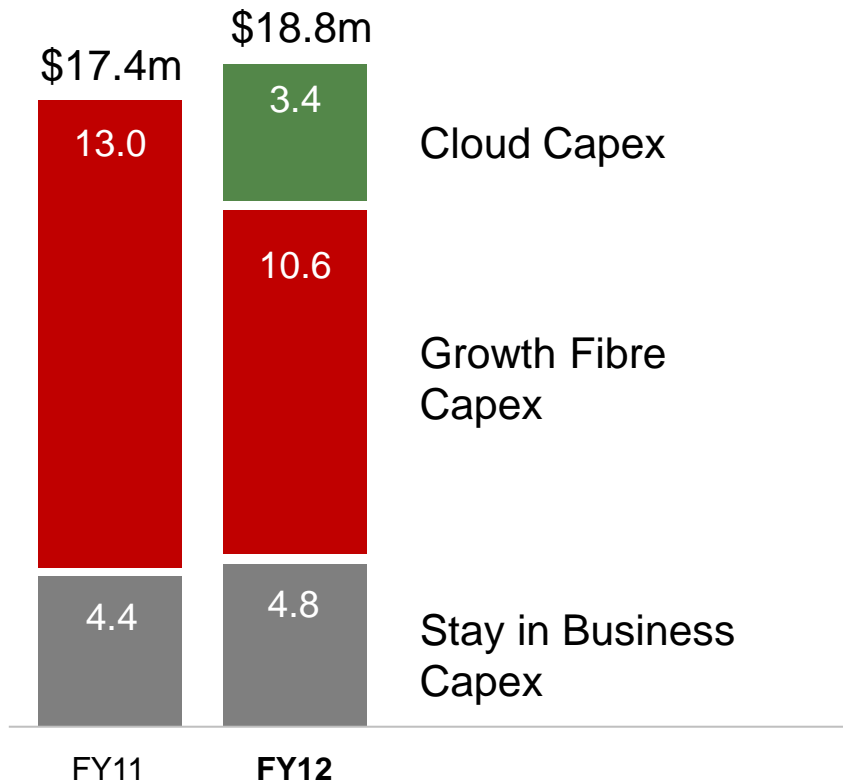
per share (¢)



* Excluding IIN dividend of \$3.9m in FY11

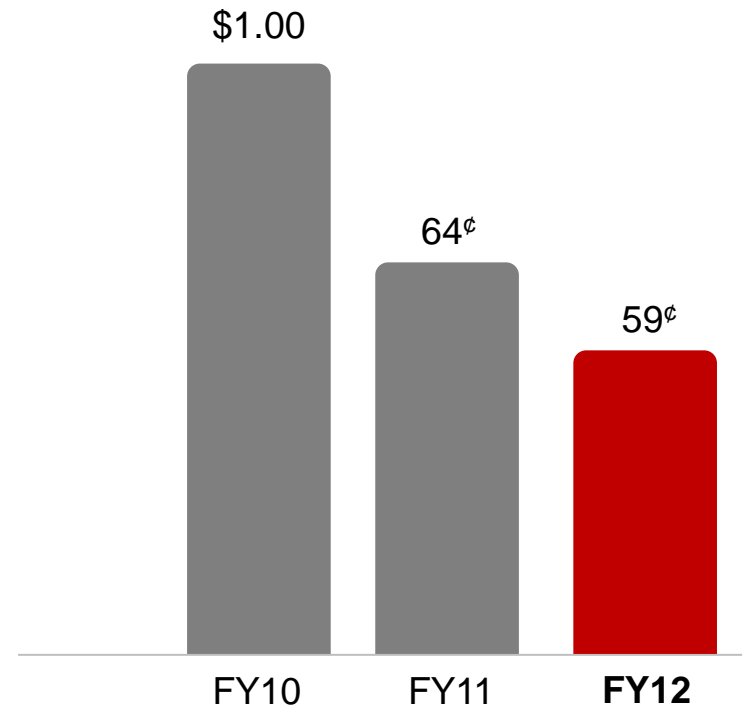
Capex Efficiency

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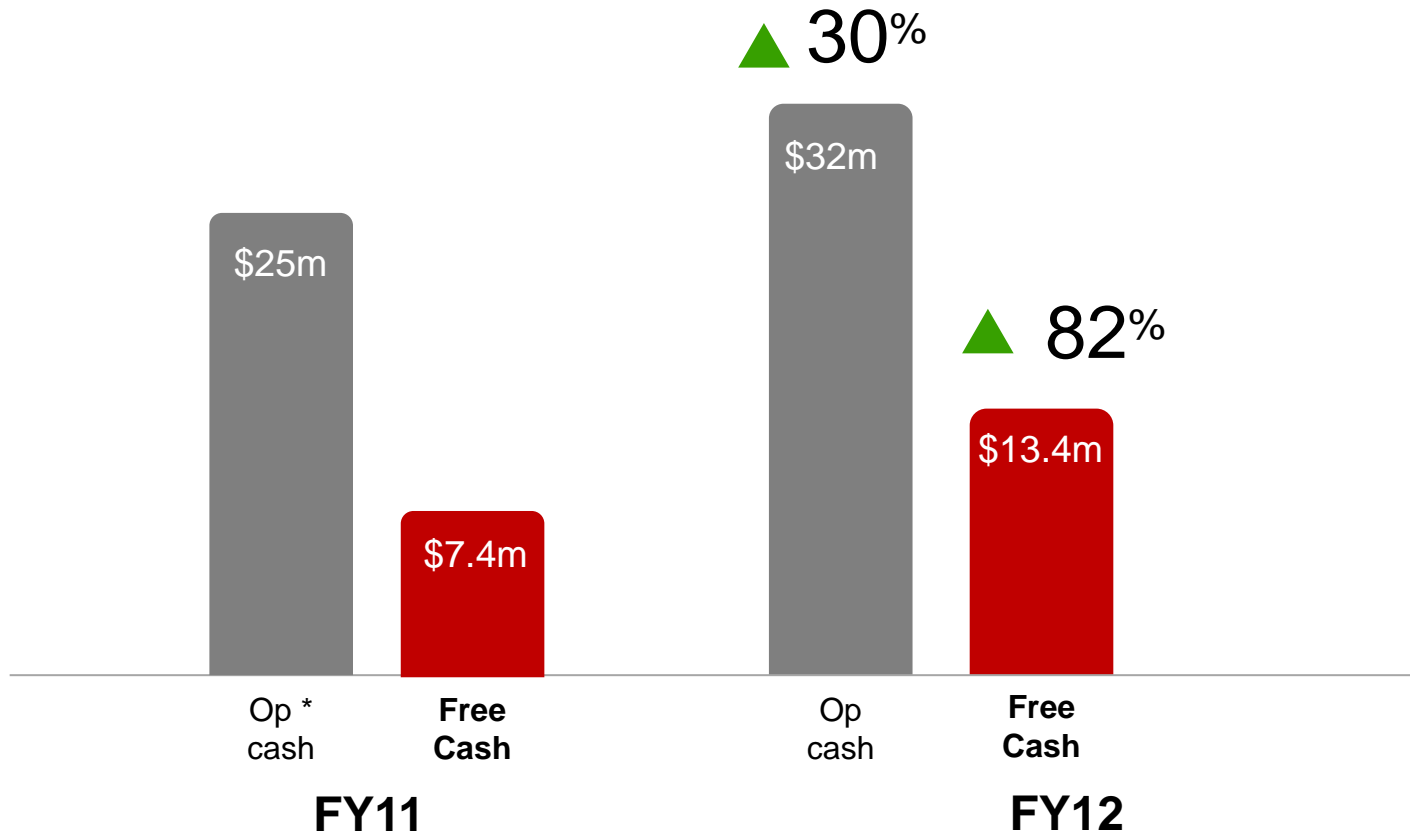
* Includes \$2.0m Northern Territory Government Build

Capex to connect a dollar of data networks (Fibre) revenue



Free Cash Flow

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* Operating Cash Flow before iiNet dividend

Free Cash Flow = Operating Cash Flow less payments for PPE

Capacity to Grow

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	FY 12	FY 11
Cash (\$m)	24.2	22.0
Net Debt / (Cash) (\$m)	7.9	(6.7)
Shareholders Equity ¹ (\$m)	111.8	163.9
Gearing ² %	7%	-
EBITDA/ Net Interest Exp (x)	28.3	24.0
Net Debt/ EBITDA %	23	-

¹ Shareholders' equity reduction due to in specie distribution

² Gearing: Net debt to net debt plus equity

- \$40m Bank Facilities to December 2014
- Low Gearing
- Strong operating cash flow

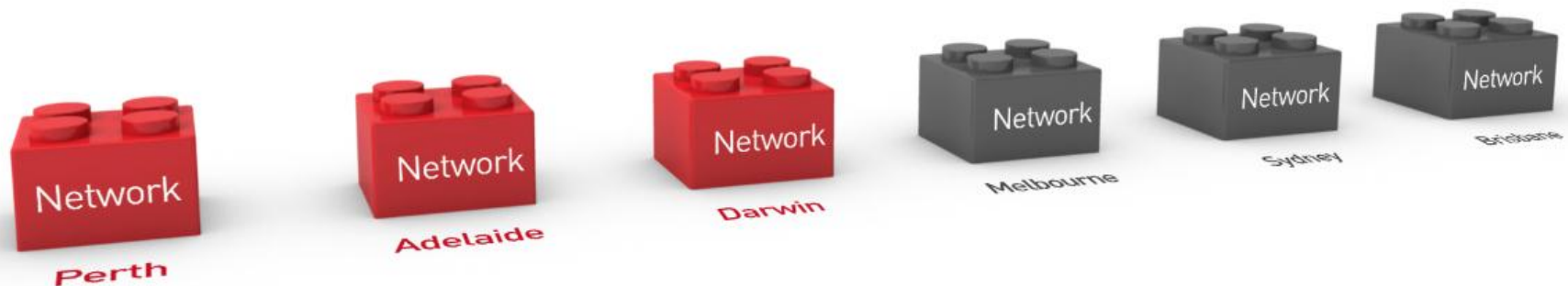
Business Update & Strategy

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Amcom, built for business



Our fibre network spans over 2200km, entering over 1000 buildings in Perth, Adelaide & Darwin



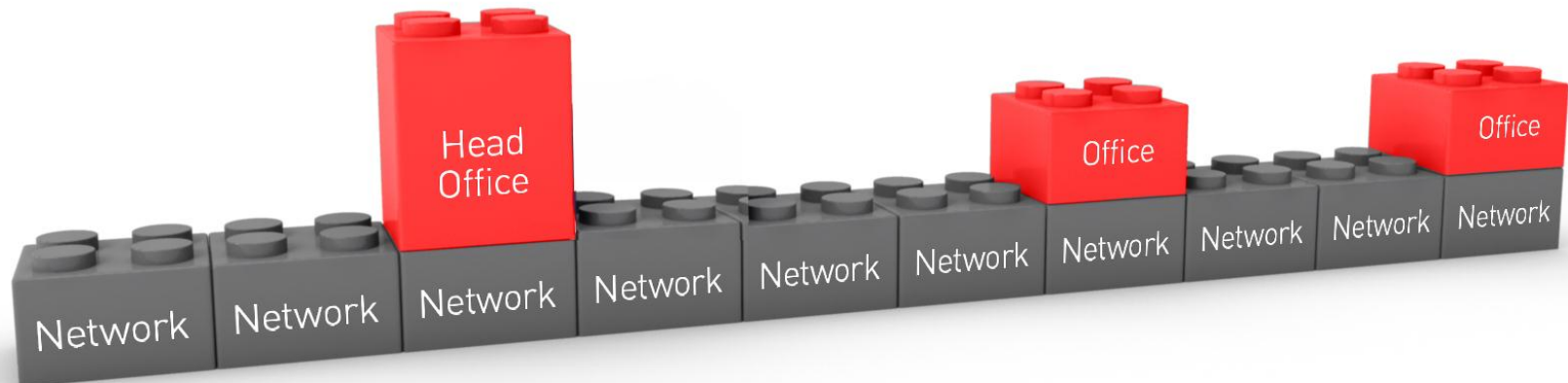
In other capital cities, we access third party networks



By linking these networks, **we connect everywhere** in Australia



And connect to **all customer**
office locations



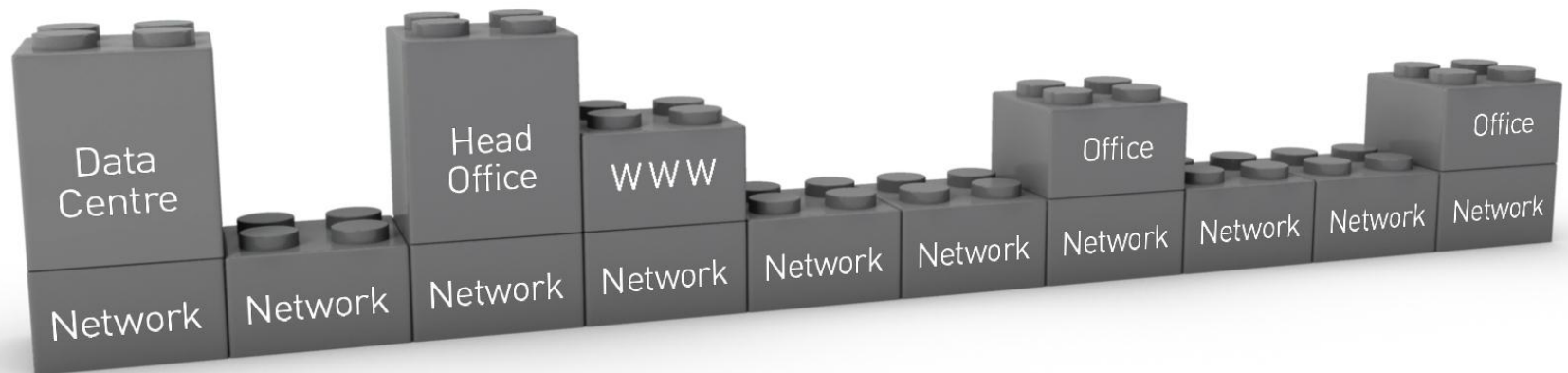
All businesses use the Internet, we offer **enterprise grade Internet**



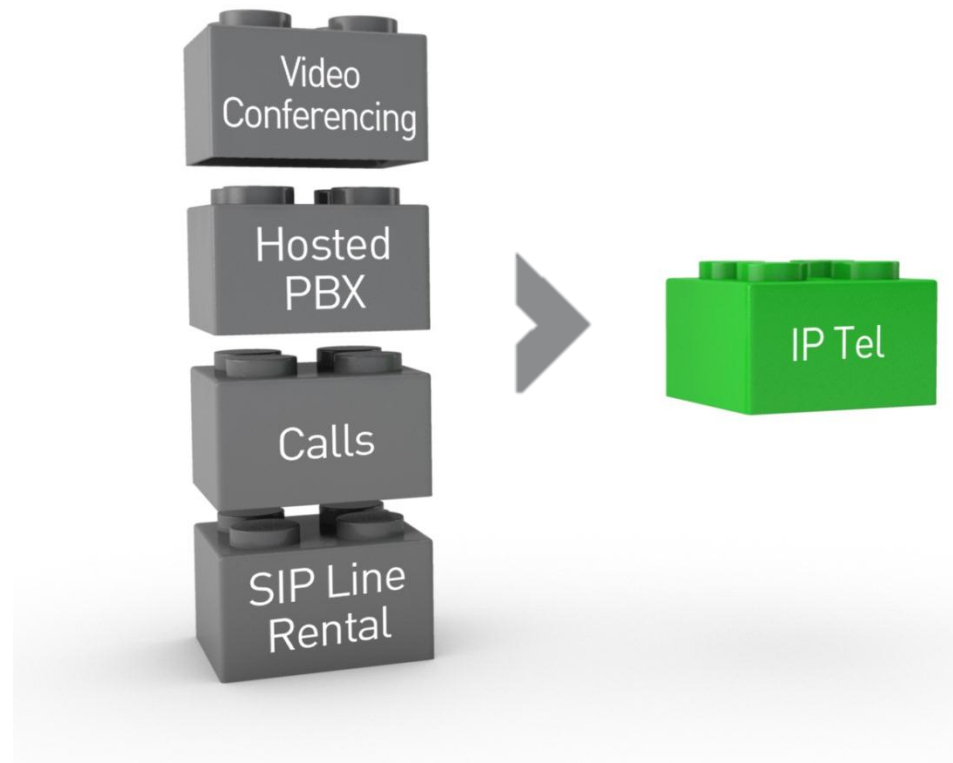
Businesses use **Data Centres** to house their IT infrastructure, we own **3** and **connect** to **50** nationally



We have a national network with a strong **sales** and **customer service** culture.



Our 1st step into the **Cloud** with Hosted Voice/IP Tel



IP Tel enables a business to replace their old PABX with something far more **flexible** for a **fraction of the cost**

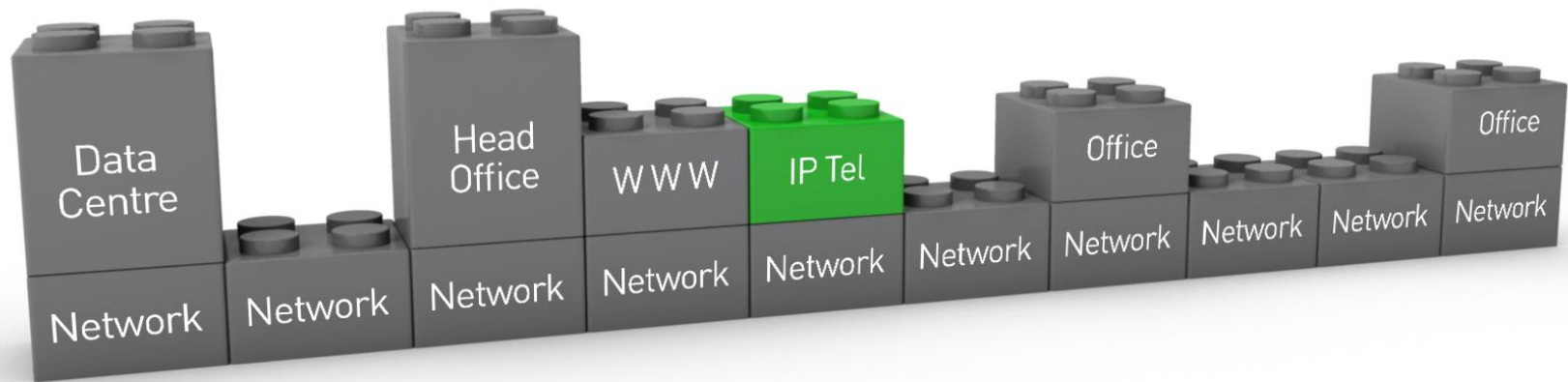


Many more compelling reasons to choose **Amcom IP Tel**

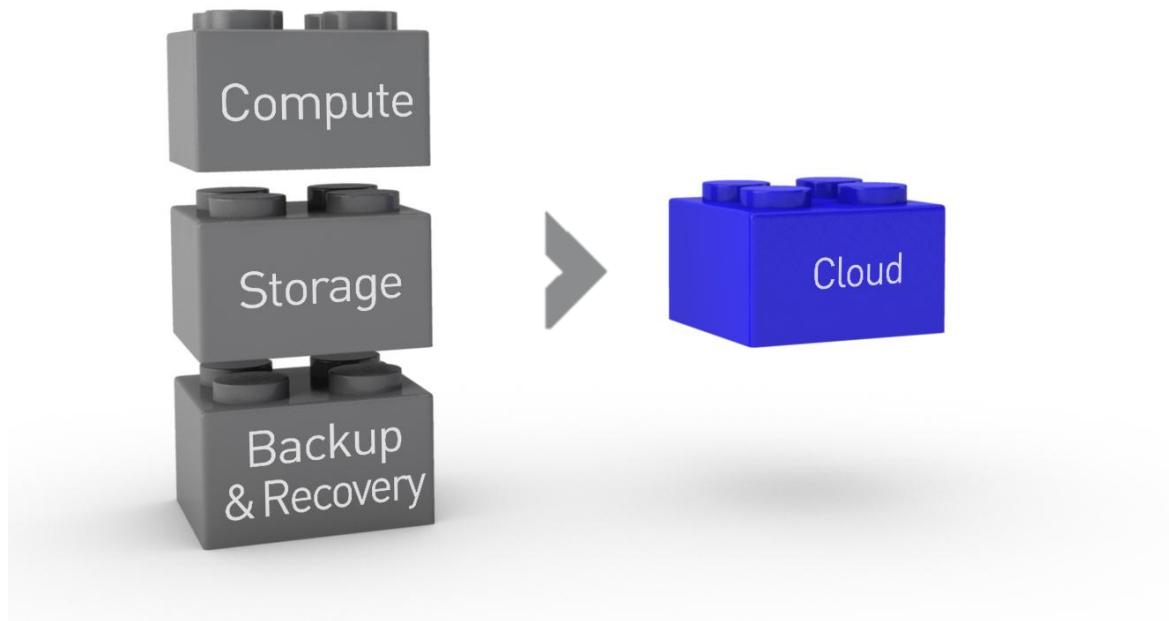


- CapEx to OpEx
- Save on phone line rental
- No maintenance
- Advanced features
- Rapidly scale up or down

Cross-sell IP Tel to existing customers and acquire new customers



We launched **Cloud** services with an **early win**



Many compelling reasons to choose our **Private Cloud**

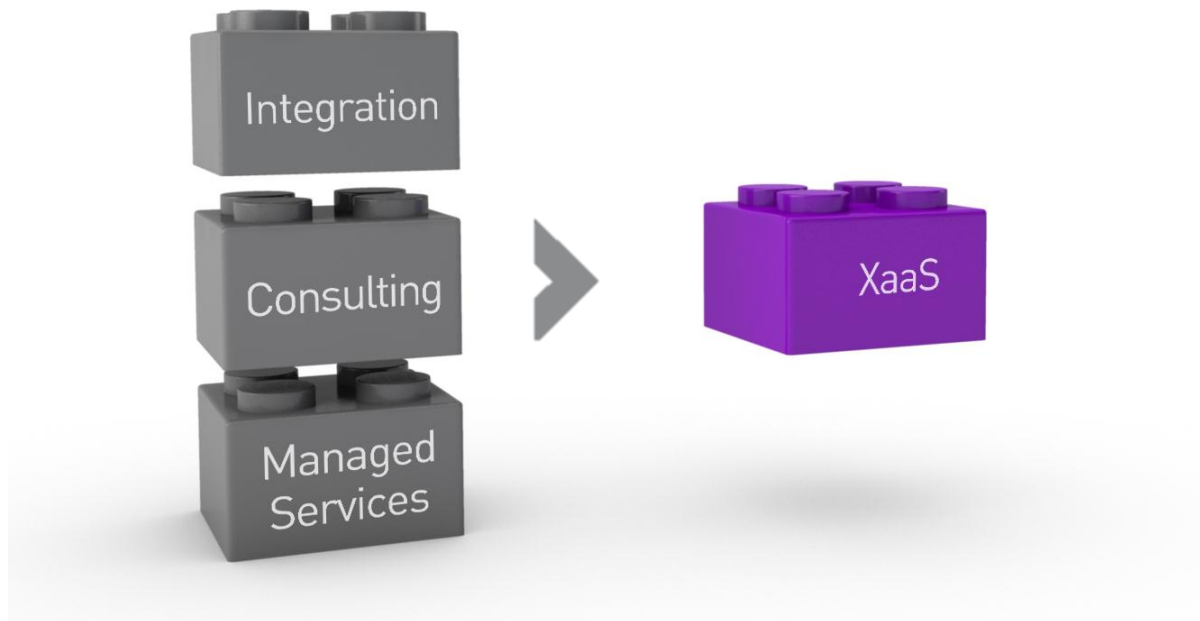


- CapEx to OpEx
- On demand access to resources
- Scale IT instantly
- Low risk solution
- Peace of mind – secure and reliable

Cloud offers a consistent approach to IT, delivered across our network



Amcom acquires **L7 Solutions** - capability for implementation and management of IT services (XaaS)



Many compelling reasons for **X-as-a-Service (XaaS)**



- CapEx to OpEx
- Fast deployment
- Scale as required
- Fully Managed
- Peace of mind – secure and reliable

The **Telco & IT sectors** are merging.
Our **Cloud** offerings leverage our network, data centres, IT expertise and extensive customer base



Executing our **Strategy.**



➤ New annuity based services



➤ Acquisition of L7 Solutions

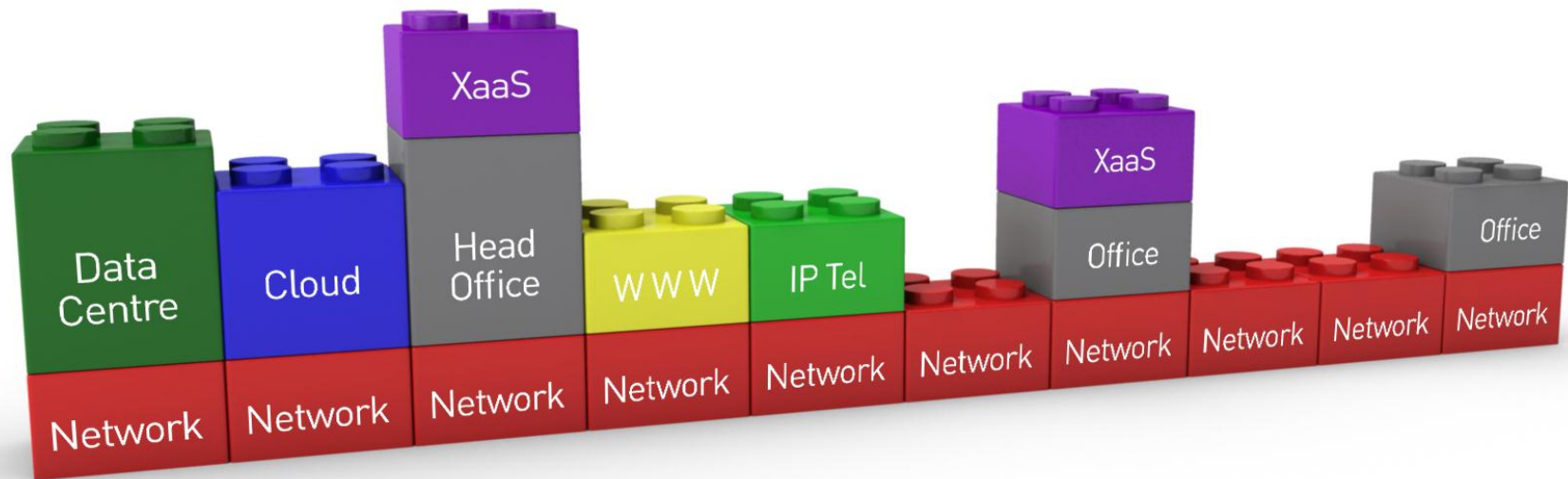


➤ Cloud Platform



➤ Acquisition of IP Systems

Amcom, built for business



Summary and Outlook

Annuity Business

- Predictable earnings
- Solid core to leverage
- Strong sales culture
- Recent acquisitions to drive core growth

Positioned to move quickly on strategic opportunities

- Low debt position
- Will consider opportunities that add service capability and ability to cross sell and enhance base
- L7 Solutions evidence of this approach

Amcom and NBN are not the same

Market Focus

- NBN - Residential and Small Business
- Amcom - Corporate and Government

Network Speed

- NBN - "up to" - network speeds
- Amcom - guaranteed speed

NBN

- Copper replacement program
- Connectivity only
- Wholesale only

NBN Rollout timeframe

- 93% coverage by approx 2021
- Up to 9 years to complete
- Government changes may influence plan

Convergence of IT and Telco

- Business moving to new technologies
- Cost reduction and operational efficiency/simplicity is a key driver
- Cloud is the enabler
- Comprehensive offering: Data Networks, IP Voice, Unified Communications, Managed Services and Cloud

Significant growth headroom

- Relatively small market share
- Strong potential to cross sell

Business is on track to achieve similar underlying earnings growth in FY13 as delivered in FY12.

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