

Results Presentation

First Half FY13

12 February 2013

Presented by

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1H13 Financial Highlights

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- Revenue up 43% to \$80m
- NPAT* up 20% to \$10m
- Operating cash flow up 20% to \$17m
- Free cash flow up 66% to \$7m
- Interim dividend up 11% to 2.0c fully franked
- Recurring billing base > \$97m

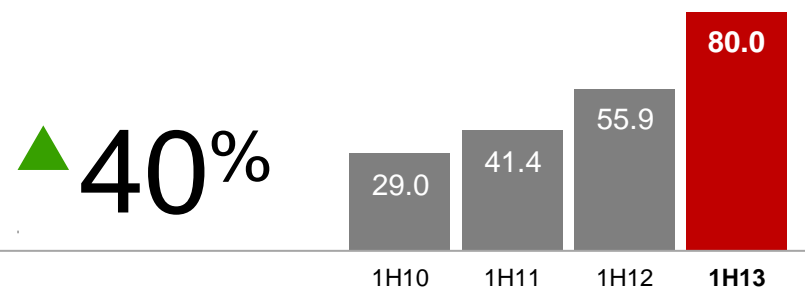
* Underlying net profit after tax excluding once off items

Consistent Track Record

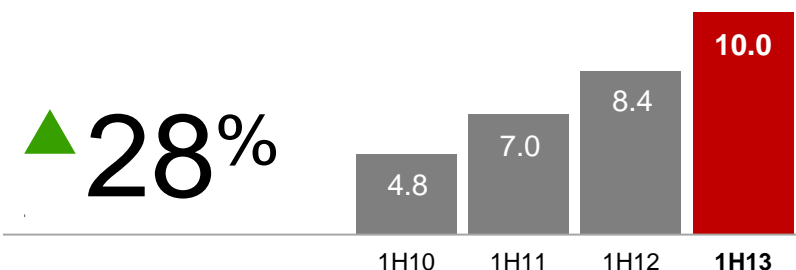
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(3 Half Year CAGR)

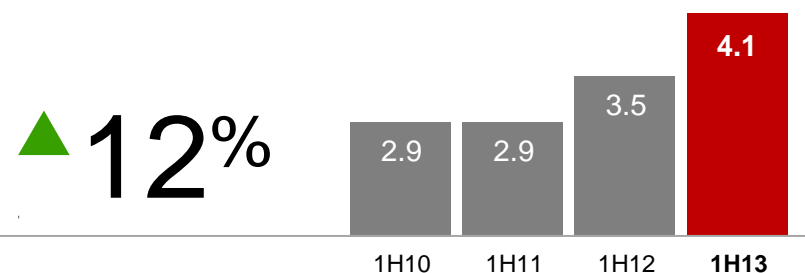
Revenue (\$m)



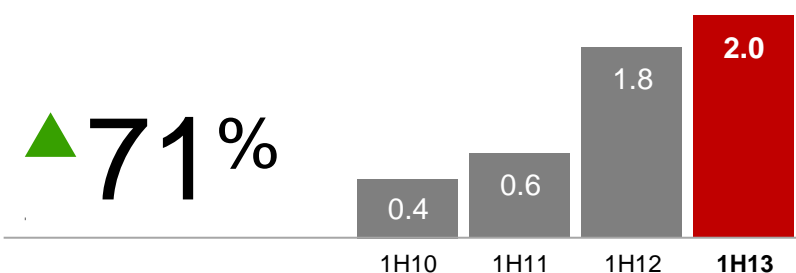
NPAT* (\$m)



EPS* (cps)



Dividend (cps)



* Excluding equity accounted earnings and significant items

Financial Highlights

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Profit Summary (\$m)	1 H 13	1 H 12	Var %
Revenue	80.1	55.9	▲ 43%
EBITDA	19.2	16.6	▲ 16%
EBIT	14.5	12.3	▲ 18%
NPAT - before Significant Items	10.0	8.4	▲ 20%
NPAT -Reported	10.0	26.5	▼ (62)%
EPS cents (before Significant Items)	4.1	3.5	▲ 17%
ROE normalised	18%	15%	
Interim dividend per share (c)	2.0	1.8	▲ 11%

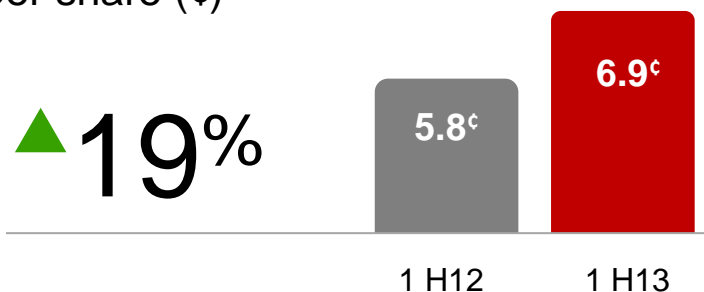
1H12 Significant Items included the profit of \$18.6m from the distribution of IIN

Cash Flow

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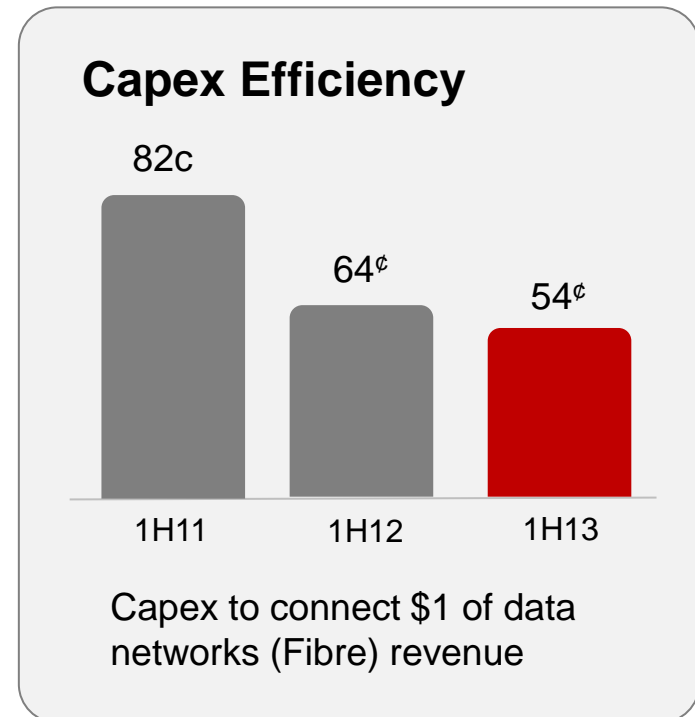
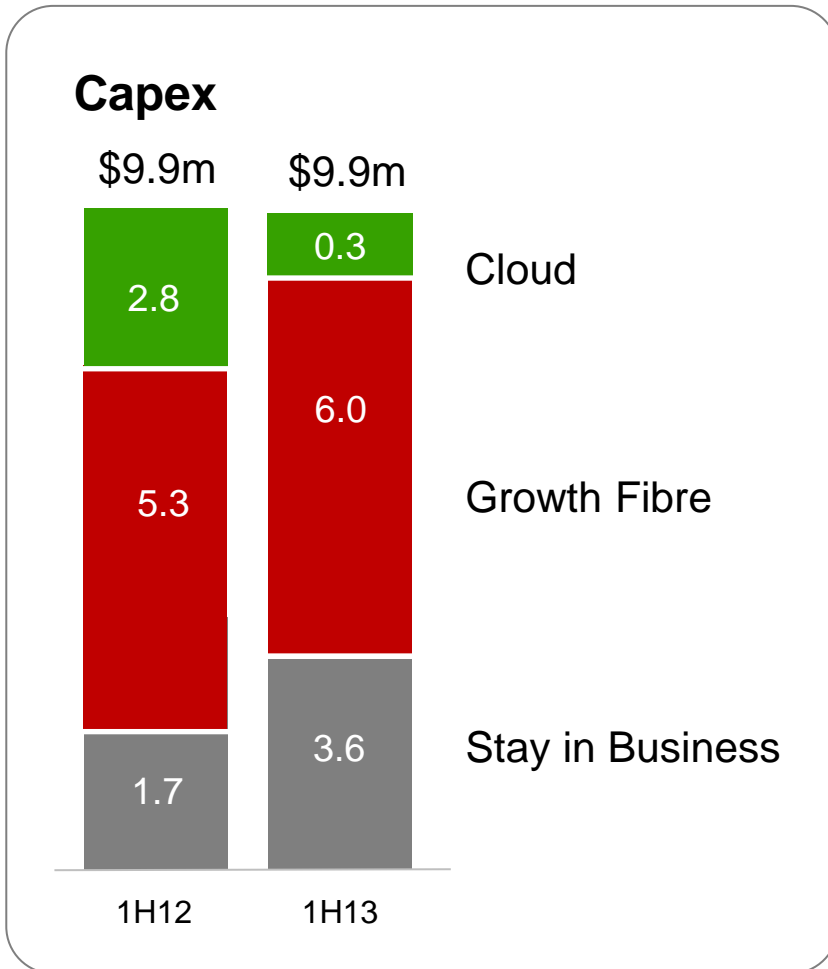
(\$m)	1 H13	1 H12	Var %
EBITDA	19.2	16.6	▲ 16%
Interest paid	(0.8)	(0.3)	
Tax paid	(2.4)	(3.3)	
Working Capital & Other	0.9	1.1	
Operating Cash Flow	16.9	14.1	▲ 20%
Operating Cash Flow per Share (¢)	6.9	5.8	▲ 19%

Operating Cash Flow per share (¢)



Capex Investment

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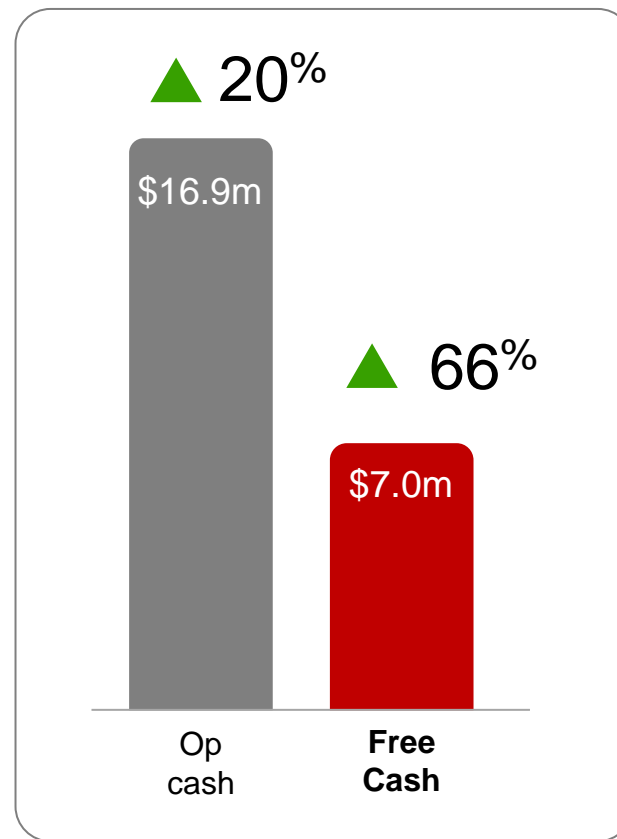


Free Cash Flow*

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1H12



1H13

*Free Cash Flow = Operating Cash Flow less payments for PPE

Capacity to Grow

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	1 H13	1 H 12
Cash (\$m)	25.2	19.6
Net Debt / (Cash) (\$m)	8.9	12.6
Shareholders Equity (\$m)	114.1	113.9
Gearing* %	7%	10%
EBITDA/ Net Interest Exp (x)	24.0	53.2
EBITDA [#] / Net debt (x)	4.3	2.6

- \$38m Bank Facilities to December 2014
- \$15m Cisco vendor loan facility – undrawn at 31 December
- Strong operating cash flow

* Gearing: Net debt to net debt plus equity

EBITDA annualised

New Business Developments

Expanded Cisco Partnership

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Data Network Upgrade

- Every 5-7 years our data network platform is upgraded:
 - New features
 - Additional capacity
- Initial \$5m upfront investment – vendor financed
- Further investment based on sales take-up, upgrades, migrations etc
- Earnings contribution from new value added services from FY14 onwards

Unified Communications Platform

- Initial \$2m investment in Cisco HCS, vendor financed
- Platform in place by Jun 13
- Pre-sales commenced
- Further investment based on sales take-up
- Earnings contribution from FY14 onwards

Key Points

- Low capex requirement
- Technology is scalable
- Generates strong cash flow

Strategic Positioning

- All businesses use PABX's - telephone systems
- Most PABX's today on-premise
- Aligning with Cisco to address Enterprise market
- Cisco already has strong share of Enterprise market
- Compelling drivers for customers to transition from on-premise to hosted:
 - Capex to opex
 - No maintenance (outsource)
 - Easy to scale
 - Add new features – Unified Communication (UC)





Telephony

- Feature rich handset range



Video Conferencing

- High quality audio and HD video
- Conference using room, mobile, handset or desktop
- Full meeting room experience



Mobility

- Mobile workforce
- Any Device, anywhere, anytime



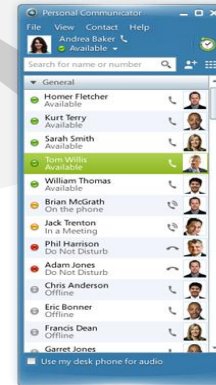
Collaboration

- Collaborate with rich media and video from any device



Presence

- Easily determine your colleague's availability for meetings and calls



Chat / IM

- Instantly connect and communicate



HCS - Another Growth "Engine"

- Existing customer base (Amcom and L7)
- Data Networks and Data Centre in place
- IP Telephony expertise
- Cisco expertise through L7 acquisition
- Amcom L7 and Cisco existing on-premises customers targeted



Cloud

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- Cloud recurring billing of circa \$5m
- Two new global vendor Enterprise platforms being deployed using L7 capabilities:

Enterprise market Compute and Storage
(Infrastructure-as-a-Service)



Big Data Platform
(Big data-as-a-Service)



- Anchor customers secured
- Operating lease tailored to a consumption model
- Demonstrates Amcom's ability to leverage its data network, data centres and technology skills
- Positive earnings contribution from FY14

IDC projects that by 2020, data storage will increase by 50-fold from 2010

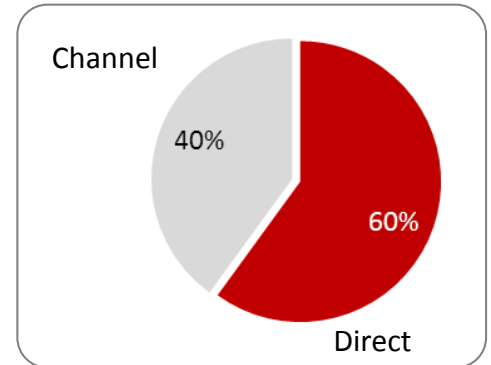
Business Update

Data Networks

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- Strong annualised sales ~\$1.8m per month
- Expanded sales distribution capability underpinning consistent sales growth:
 - Strong direct sales teams
 - Channel - Resellers (~200 partners nationally) and Wholesale
- We sell everywhere – beyond our own network footprint
- Upgrading network platform with Cisco

Sales Mix

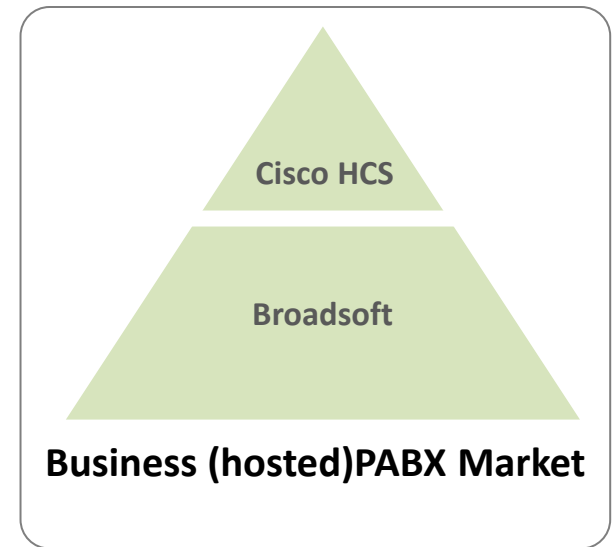


In Australia, business data network traffic will double 2011-2016, a CAGR of 19%

Cisco VNI Global IP Traffic Forecast, 2011-2016



- Two platforms providing full business market coverage:
 - Cisco HCS (new) – Enterprise market
 - Broadsoft (Existing) - Mid market
- Direct sales teams & Resellers (nationally)
- Profit performance of IPTel unit well above expectation, focussing on higher margin business



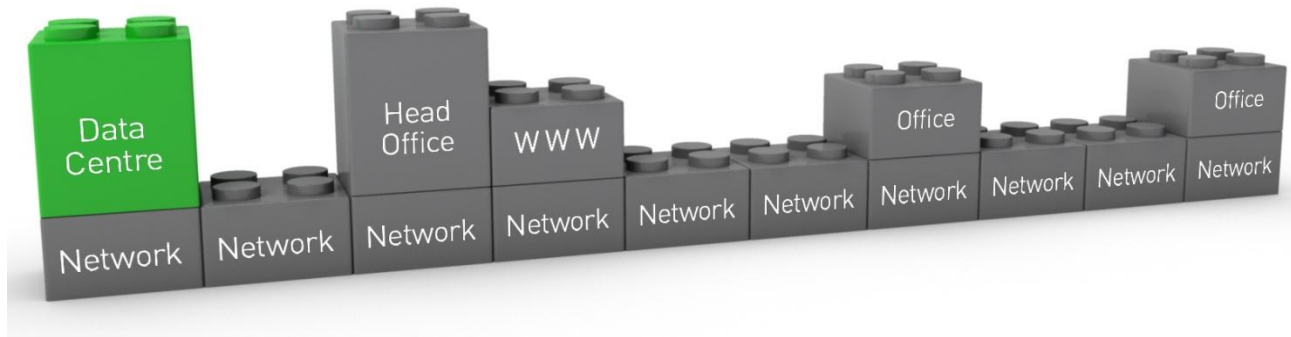
L7 Solutions

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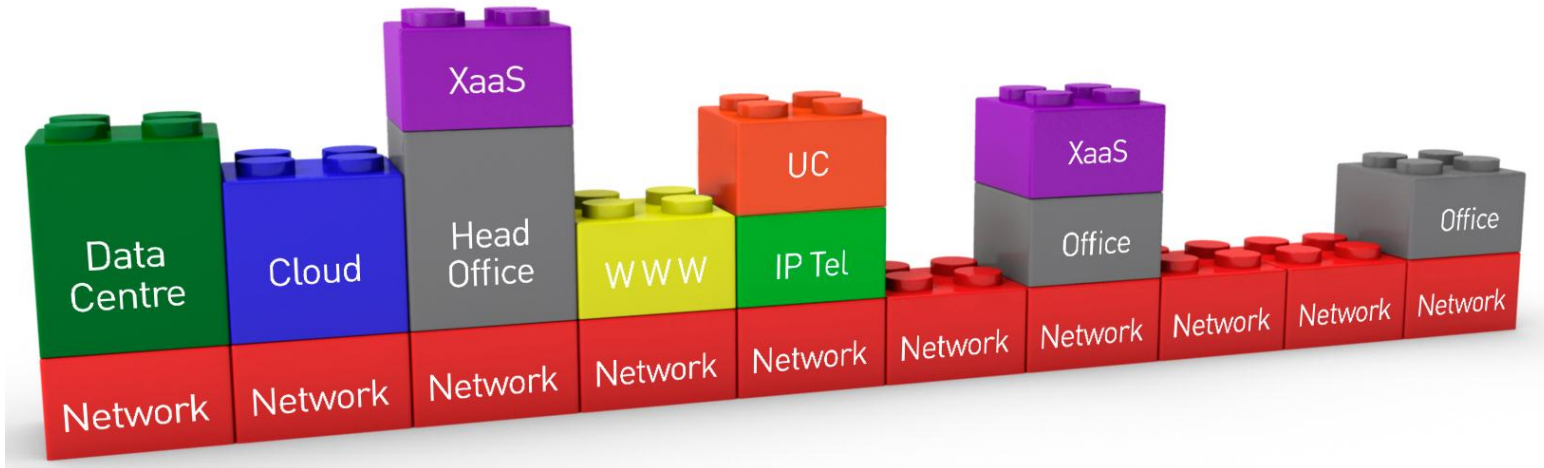
- 12 months since acquisition
- Rebranded Amcom
- Utilising L7 core skills to drive new annuity services:
 - Cisco – IP Telephony
 - EMC – storage services
 - VCE – new cloud offering
- Strong value created through cross selling, particularly high margin data networks
- Expect \$4m EBITDA contribution across the group through base business, cost and strong revenue synergies



- 3 owned and operated data centres
- Connected to ~ 50 Data Centres nationally
- Colocation of IT equipment key driver
 - Resell 3rd party data centre
 - Drives data network growth
- Cloud platforms are housed in own data centres
- Increase own capacity this calendar year



We have a national business with compelling product offerings, differentiated through exceptional customer experience.



Summary and Outlook

Strategically well positioned

- Continued convergence IT and Telco
- Extensive networks in place
- Broad offering of services with key partnerships in place
- Sales and marketing led
- Focus on medium to large corporates and government

Consistent financial performance

- Ongoing revenue and underlying profit growth
- High level of recurring revenues
- Strong free cash flows

Solid growth strategy

- Capacity to grow
- Strong cross-selling and up-selling opportunities
- Large markets with ample room to gain market share

On track to achieve circa 20% underlying earnings increase in FY13 above FY12.

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