

**Vocus Communications Limited
Annual General Meeting
26 November 2013**

Chairman's Address

Good afternoon Ladies and Gentlemen. It's a pleasure to welcome you to the 2013 Annual General Meeting of the Company and thank you for your attendance today. I confirm we have a quorum.

For those of you I haven't met, my name is David Spence and I am the Chairman of your Company. Let me introduce my fellow Directors. Your Board today includes:

- Nick McNaughton
- Jon Brett
- John Murphy

I'm also joined by James Spenceley, our founder and CEO. Completing the line up on the platform are Rick Correll our CFO, and Mark Simpson our General Counsel and Company Secretary.

The Notice of Meeting was distributed to all Shareholders. With your consent, I will take it as read.

The annual accounts of the company and its controlled entities and the reports of the Directors and Auditors for the year ended 30th June 2013, have been published and distributed to shareholders.

Details of the Company's shareholders represented by proxies and of how the proxy votes were cast in relation to the proposed resolutions will be advised when we move to the formal part of the meeting.

Our third full year as a public listed company has again been an exciting one with the company achieving all its growth, profit and diversification goals during the 2013 financial year. Today, Vocus provides four essential core services: internet transit, voice services, data centres and fibre cables on core routes in capital cities.

Internet transit and voice – the original products we supplied - now make up only approximately 41% and 13%, respectively, of total revenue. The remaining approximately 46% is accounted for by our rapidly growing fibre and data centre businesses, which each make up 23% of the total. This represents a substantial contribution towards this year's growth, and we expect that to continue with an even greater weighting towards data centres and fibre into FY2014.

The growth in these services in the last 12 months has been extraordinary, reflecting the astuteness of the vision to grow the company beyond a pure internet bandwidth play into the telecommunications provider of choice for the cloud revolution.

James Spenceley will present a more detailed analysis shortly but in summary I'm very pleased to report that the year ended 30th June 2013 we achieved:

- an increase in revenue of 48%
- an increase in underlying EBITDA of 36%
- an increase in underlying Net Profit after Tax of 4%
- an increase in operating cash flows up 23% to \$15.3m

Underlying diluted earnings per share decreased to 11.26 cents per share from 13.28 cents per share, principally due to investment in infrastructure resulting in greater depreciation and amortization and an increase in Vocus's effective tax rate.

Key achievements

FY2013 has been another big year for Vocus. For the fourth year in a row we made Deloitte's Fastest Growing Technology Company list and the BRW Fast Starters table.

We acquired Ipera Communications in December last year when I was delighted to welcome Chris Deere, the founder of Ipera and now a large shareholder in Vocus, as a key member of the executive management team.

Bedding down Ipera, growing the fibre business, securing the high profile acquisition of Maxnet as well as growing the New Zealand brand and customer base have kept things buzzing at Vocus. New Zealand revenues of the combined business today makes up about 35 per cent of total revenue.

More recently we have opened new data centres in Auckland and Melbourne.

Let me now show you a couple of videos relating to these two new sites.

The first video was created to give our New Zealand customers a flavour of our Auckland data centre, and the additional services we provide there and throughout our international network.

➤ **PLAY VIDEO**

The second video is a time-lapse film of the construction of our new flagship data centre at 530 Collins Street, Melbourne, which shows the enormous time and effort that goes into constructing a data centre.

➤ **PLAY VIDEO**

The telecommunications market

The insatiable demand for high bandwidth remains although we are seeing some

reductions in internet transit pricing. We believe that the “cloud” revolution and the trends to outsourcing, including for example SaaS (Software as a Service), will continue and will drive demand for data centre capacity and the associated connected fibre routes. In the year ahead we plan to continue to focus on fibre opportunities, maximize the existing network by connecting more buildings and enterprises as well as keeping a look out for complementary acquisition opportunities.

Internal operations

As a Board we are very aware that growing these businesses requires investment in systems, people, workflow processes and customer support. We endeavor to ensure that we install, implement and transfer to new systems as quickly and efficiently as we can, as and when they are required. During the past year and through today we are investing in system automation across most functions internally including Finance, Operations and Sales. This will allow us to provide better customer service, be more productive and efficient and improve our internal capabilities.

Corporate Governance

Ensuring high standards of corporate governance to protect and advance shareholder value continues as a prime focus of the Vocus Board. Our corporate governance policies are set out in the Annual Report and provided in more detail on our website. I am confident we are taking the right approach to risk and I’m happy to answer any questions regarding this during this meeting or afterwards.

Thank You

On behalf of the Board I want to thank James, the executive leadership team and all the Vocus staff for their huge efforts during this past year. I also want to welcome all the Ipera staff to the Vocus team. Integration of product, services and cultures is never easy but we are delighted by how the staff are jointly managing the integration and involving themselves in the greater Vocus company.

We have a lot of confidence in the team and I’m sure they will continue to bring focus and energy to the program we have planned for 2014. This includes further development of our internal systems and customer interface processes as well as being on the lookout for further accretive acquisitions that complement our business.

I would also like to express my thanks to all of our loyal customers. Our goal is to continue to provide the best possible service, and we look forward to continuing to work closely with you over the coming year and beyond.

To my Board colleagues, thank you for your valuable direction, advice and support to me and the management team during the past year.

On behalf of the Board, and management we take this opportunity of thanking you, our fellow shareholders, for your support during the year and assure you of our dedication to position the company for growth and the delivery of superior returns.

In closing, I would like to stress that while the communications sector continues to grow strongly and our shareholder value has increased substantially we see the need to focus more on the longer term future in order to maintain our thriving business.

It is important to continue our growth, and we continue to look both at international and national opportunities as they arise. We will of course keep you advised at the right time concerning any opportunities and what that means for our capital position.

Thank you, and I'll now hand over to our CEO, James Spenceley.

David Spence
Chairman



Vocus Communications

CEO update - AGM

26 November 2013

Highlights

Continued growth and diversification of revenues

Strategy

Focus on wholesale and enterprise markets with bundled service offerings

Financial Results

	FY13	FY12	% Chg
Revenue (\$'000)	66,910	45,285	▲ 47.8%
Underlying EBITDA ¹ (\$'000)	22,630	16,673	▲ 35.7%
Underlying NPAT ¹ (\$'000)	8,738	8,441	▲ 3.5%
Statutory NPAT (\$'000)	5,098	7,775	▼ (34.4)%

Earnings

Strong growth in Fibre / Ethernet and Data Centre product groups has diversified FY13 revenue. These products now account for 46% of group revenues

Network investment has increased depreciation / amortisation and interest, and combined with an increased effective tax rate has affected underlying NPAT growth

Net foreign exchange losses of \$5.2m, largely non-cash unrealised exchange differences in US\$ denominated IRU liabilities has led to a decline in statutory NPAT

FY13 Revenue and EBITDA

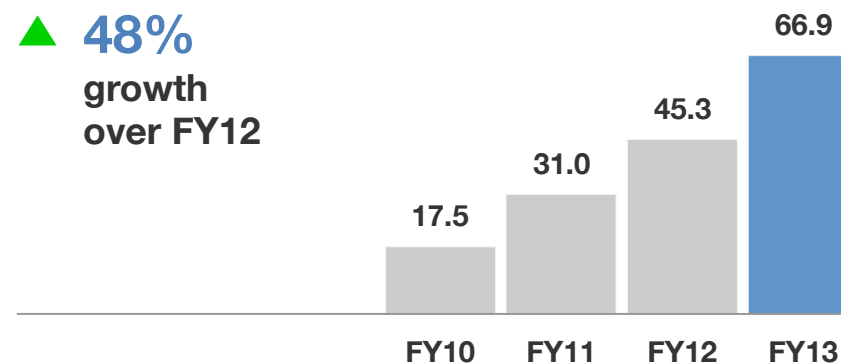
Internet, Fibre and Data Centres showing robust growth

Revenue up 48% to \$66.9m

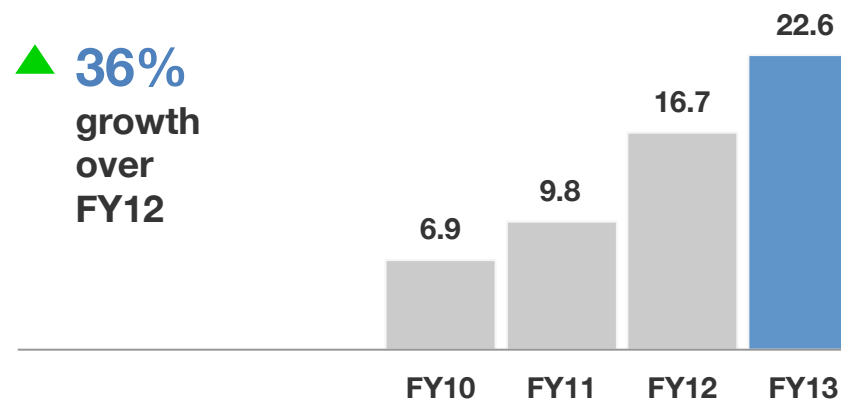
Underlying EBITDA¹ up 36% to \$22.6m

- Data Centres and Fibre contributed 73% of FY13 revenue growth and are expected to drive continued growth into FY14 as expansions come online
- 651 buildings connected to the Vocus Fibre network up 343% over the previous year

Revenue (\$m)



Underlying EBITDA¹ (\$m)



Notes: 1) Underlying EBITDA excludes FX gains and losses

Product Highlights

Fibre and Data Centres are the primary growth drivers

Fibre and Ethernet

180%

Revenue Growth

\$5.39M → \$15.09M

110%

Fibre Network Growth

173km → 363km

Data Centres

67%

Revenue Growth

\$9.36M → \$15.60M

34%

Capacity Growth

2,471m² → 3,300m²

Product Highlights

Internet performing strongly

Voice marginally down

Internet

32%

Revenue Growth

\$20.49M → \$27.08M

Voice

(11%)

Revenue Growth

\$9.84M → \$8.73M

34%

IP Transit Customer
Growth

(10%)

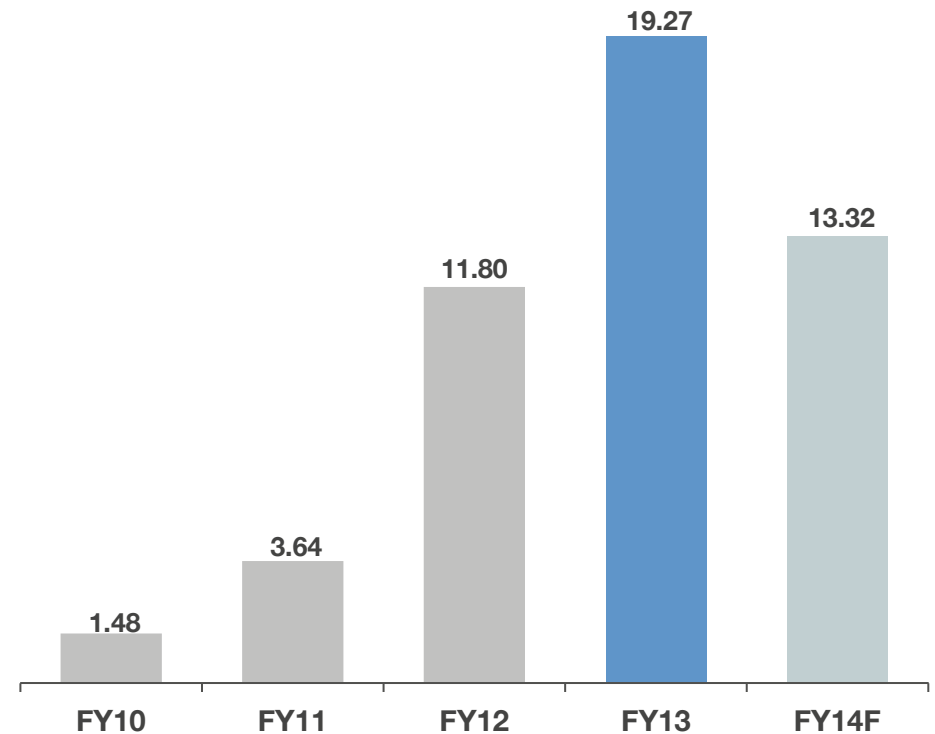
Volume Growth

Capital Expenditure

Investments in core network, fibre and data centres in FY13

- Capital expenditure driven by customer demand
- Solid base for future growth and return on assets
- FY14 planned capital expenditure of \$13.3m for:
 - Expansion of Fibre and Core Network in response to customer demand
 - Data Centre expansion
 - Voice product refresh as part of targeting the enterprise market

Capital expenditure (\$m)



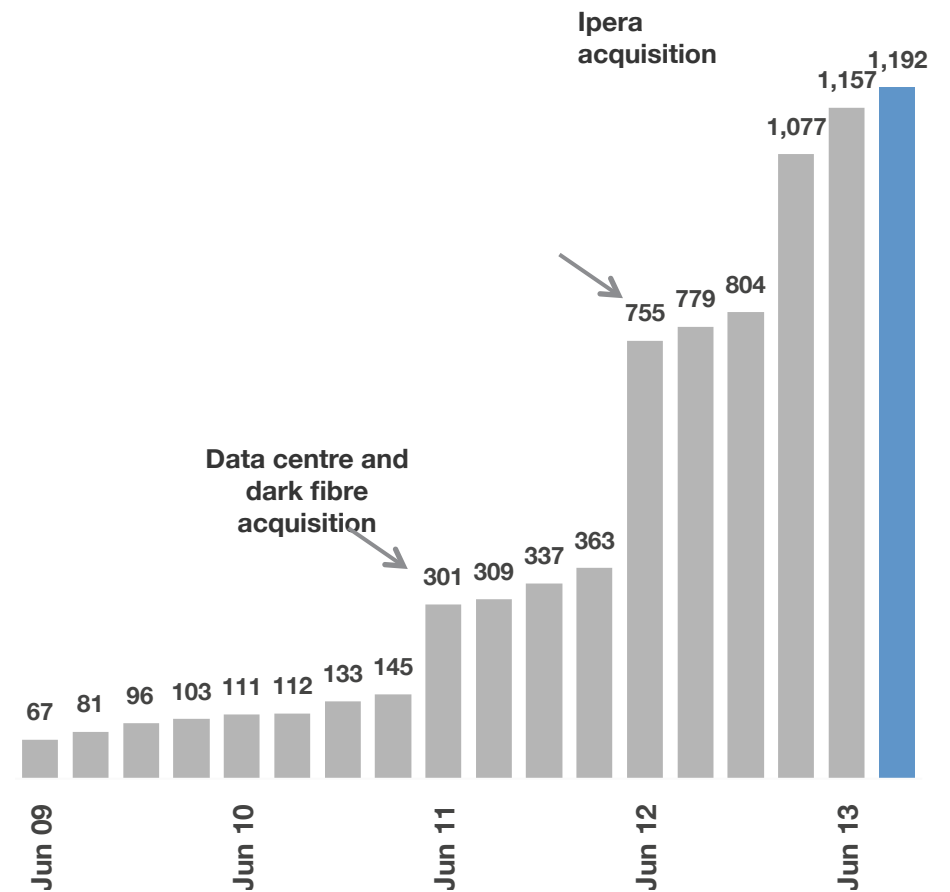
Capital expenditure represents additions to property, plant and equipment, measured on an accrued basis

Strong Customer Growth

Updated for September Quarter

- Customer CAGR of 145% since June 2009
- Organic customer growth of 58% in FY13
- 195 customers added as part of Ipera acquisition

Customer Numbers



Does not include Maxnet retail ISP customers

Milestones since Full Year results



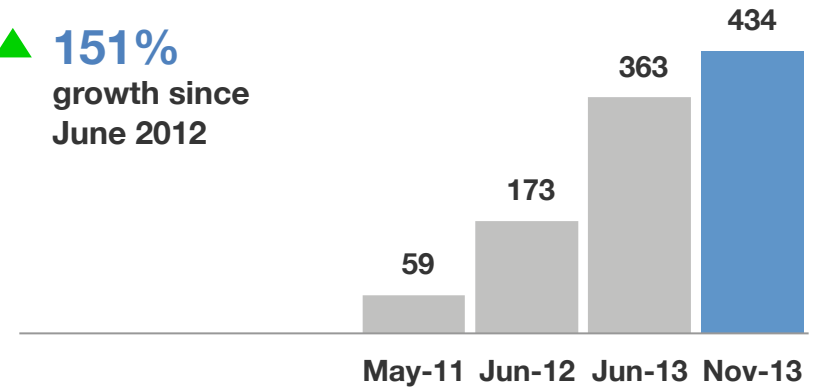
Fibre and Ethernet

Key driver of growth

Vocus Dark Fibre Network Key Statistics	
Geographic location	Sydney, Melbourne, Brisbane, Adelaide, Perth and Newcastle CBDs
Fibre Kilometres	434kms
Major Data Centres connected	70
Buildings connected	778
Current utilisation	10.9%

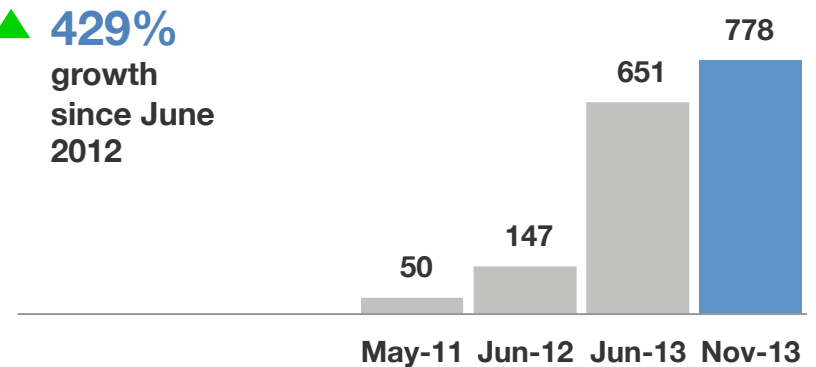
Fibre network kilometres

▲ **151%**
growth since
June 2012



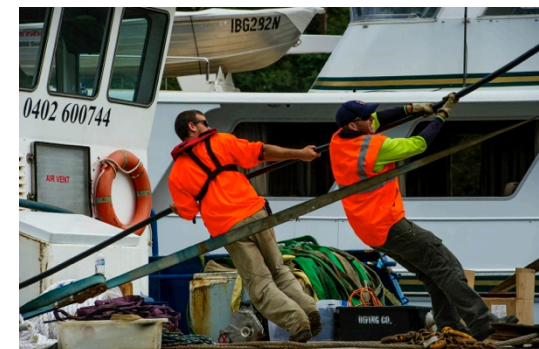
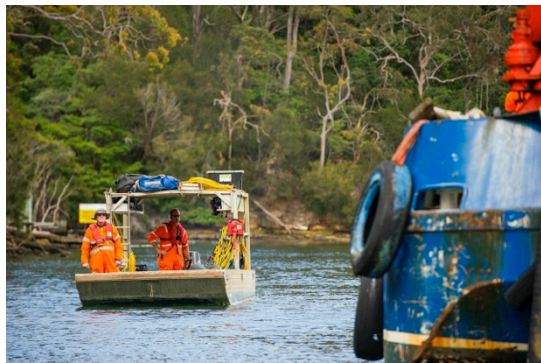
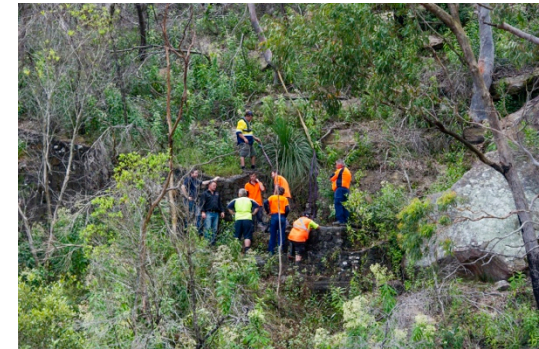
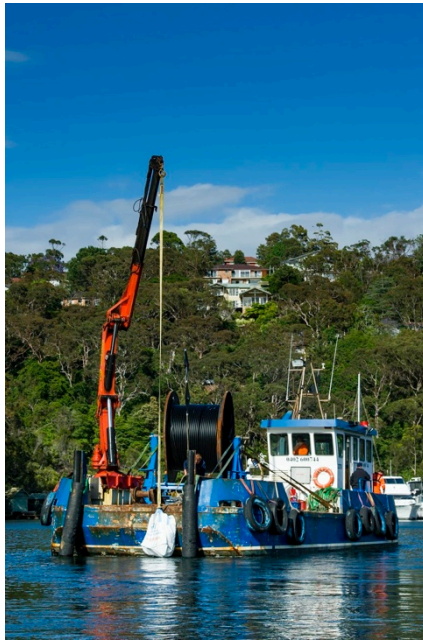
On-net buildings

▲ **429%**
growth
since June
2012



Sydney Middle Harbour Fibre Crossing

..another Vocus first



Albany DC Launch

Albany DC Expansion	
Geographic location	Albany, Auckland, New Zealand
White space	144sqm
Initial # racks	64
Initial Power	275 kw
First Customer Activated	Nov 2013



Melbourne DC Launched



Melbourne 2 Data Centre - Key Statistics

Geographic location	Collins Street – Melbourne CBD
White space	685sqm
Initial # racks	>300
Initial Power	2MW
Customers live	Nov 2013



Vocus View iPhone App

- Keyless access to racks via iPhone
- Monitor live power usage
- Hot/Cold aisle temperatures
- Notifications and reporting
- Historical records and graphs

Melbourne DC Launched

Platform for DC growth into FY15



Data centre capacity and utilisation

DC Utilisation

- Rack capacity is noted in the table opposite
- The SYD and AKL2 data centre facilities have available floor space and power which can be utilised to deploy additional capacity as demand requires
- No new data centre sites are planned in the medium term with the focus on increasing utilisation in existing sites

Data Centre Summary – September 2013

Location	Area	Racks	Utilisation	Power*
Sydney (SYD1, SYD2, SYD3a)	902m ²	225	83%	2 MW
Sydney (S4) - available floor space	361m ²	n/a	n/a	1.5 MW
Melbourne – Crockford St (MEL1)	490m ²	156	100%	800 kW
Perth (PER1)	536m ²	165	96%	550 kW
Auckland (AKL1)	420m ²	236	86%	1.8 MW
Christchurch (CHC1)	128m ²	51	33%	160 kW
Newcastle – Denison (NTL01)	90m ²	35	97%	160 kW
Newcastle – Steel River (NTL02)	280m ²	91	59%	500 kW
Melbourne – 530 Collins St (MEL2)**	685m ²	300	0%	2 MW
Auckland (AKL2)**	144m ²	64	0%	275 kW
Total	4,036m²	1,382	61%	8.24 MW

* Total power available at site

** AKL2 and MEL2 went live in October and November, respectively

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