

ASX RELEASE
25 October 2011

AGM 2011
CHAIRMAN'S REPORT AND CEO'S REPORT

We enclose the Chairman's Report and CEO's Report from today's Annual General Meeting.

A handwritten signature in black ink, appearing to read "Mark Simpson".

Mark Simpson
Company Secretary

About Vocus

(ASX:VOC) Vocus Communications is an ASX listed leading telecommunications provider of wholesale data centre, dark fibre, voice, peering and international Internet connectivity to telecommunications companies and ISPs across Australia, NZ and the US. The company provides high performance, high availability, and highly scalable communications solutions, which allow service providers to quickly and easily deploy new services for their own customer base.

For further information contact Karen Tearney on 0410 743 151 / karen@republic-pr.com

VOCUS COMMUNICATIONS LIMITED
ACN 084 115 499

ANNUAL GENERAL MEETING HELD ON 25 OCTOBER 2011

CHAIRMAN'S ADDRESS AND CEO'S ADDRESS

1. Chairman's Address

Welcome to the 2011 Annual general Meeting of the Company, and thank you for your attendance today. I confirm we have a quorum.

Let me introduce my fellow Directors and the senior team here with us today. Our board is Nick McNaughton (deputy chairman), Jon Brett, John Murphy, Steve Baxter. We also have our executive directors, James Spenceley (CEO) and Mark de Kock (Executive Director, Strategy). In addition, we have present Rick Correll our CFO and Mark Simpson our General Counsel and Company Secretary.

Our first full year as a listed company has been very exciting, with the Company achieving all its growth, profit and diversification goals for the year. Today, Vocus provides carrier grade international data and voice services, dark fibre services nationally as well as colocation services in our data centres in Sydney, Melbourne and Perth.

We are proud that we were named the 2011 ATUG Telecommunications Carrier of the Year in our first year as a carrier. This year, we also placed 1st in the Deloitte Technology Fast 50 in Australia, 2nd in the Deloitte Technology Fast 500 in Asia Pacific and 9th in BRW's Fast Starters list. These awards are directly attributable to the skills, talent and dedication of the Vocus team.

James Spenceley will present more detailed analysis of our results shortly, but in summary, I'm very pleased to report that in the year ending 30 June 2011 we achieved:

- an increase in Revenue of 77% to \$30.98 million (FY10: \$17.48 million)

- an increase in Profit Before Tax of 80% to \$10.22 million (FY10: \$5.69 million)
- an increase in Net Profit After Tax of 113% to \$8.12 million (FY10: \$3.81 million)
- an increase in Operating cashflow of 96% to \$11.41 million (FY10: \$5.81 million)

We also successfully completed a \$15m capital raising in April of this year.

Operationally, we continued to focus on our growth strategy and completed the following acquisitions:

- we acquired E3 Network's data centre businesses in Sydney and Melbourne
- we acquired PerthIX's data centre business in Perth; and
- we acquired Digital River Network's fibre optic network, primarily in Sydney, Melbourne and Brisbane.

Revenue and profit growth during the year was driven largely by the successful development of Vocus' international submarine fibre optic cable access rights and associated networks. Our new data centre and dark fibre businesses are expected to make a substantial contribution to growth during the current year.

We have made good on our promise to continue our core business - buying network access and adding technical services and optimization. In addition, the Company has expanded its core business by acquiring related assets and customers that will enable us to leverage these services in the years ahead.

Vocus continues to look for opportunities that can be easily integrated into our wholesale telecommunications services business. Data centres and dark fibre are a natural fit to our core product range. Expansion by acquisition also enables us to cross-sell other products to the new customers we acquire. We will advise the market as these opportunities arise.

A core understanding of market trends has enabled Vocus to find the sweet spot in the wholesale telecommunications market. We are strong believers in the movement to cloud based services. We believe this will dramatically increase the need for fibre access services to and from the cloud, both from enterprises to data centres, and for redundant links. Our investment into dark fibre is based on this belief. We have

committed up to \$5 million to further extend our dark fibre network during the coming year.

Today only 26% percent of our customers buy more than one product from Vocus. However, most customers need internet access, connectivity and colocation services to and from data centres. Given our recent acquisitions, we hope to leverage our assets across our entire customer base. Vocus's compelling offer of redundant international access, data centre colocation and dark fibre to the premise is what we believe ISPs, corporates and large internet users now need. These needs are what will drive our business forward.

As I said last year, we want to drive the growth of this business as fast as our abilities allow us to do and we see nothing ahead that prevents us from doing that. We remain on track to deliver our second year goals and nothing has changed inside the business that has slowed us down. The recent fluctuations in our share price are not consistent with our continued growth nor does it deter us from our longer term plans.

Finally, on behalf of the Vocus Board of Directors, I want to thank all our shareholders for their support during our capital raising throughout the year and for your understanding regarding our needs to move quickly when the right opportunities arise.

I also want to thank James and his hard working team for the huge effort during the past year and their ongoing resolve in meeting the Company's goals.

I can assure you that while we are very pleased with our performance this past year we remain resolved during the year ahead to stay focused on our core business and to maintaining a high growth rate in line with our capabilities.

I'll now hand over to James Spenceley for the CEO's report.

2.CEO's Address

James Spenceley presented the following slides.



Vocus the Year at a Glance

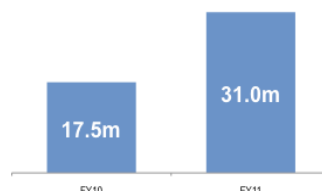


- Listed July 2010
- Acquired and Successfully Integrated 3 businesses
 - E3 Networks
 - Perth IX
 - Digital River
- 1st Place - Deloitte Australia Fast 50
- 2nd Place – Deloitte Asia/Pac Fast 500
- Vocus named Telecommunications Carrier of the Year 2011

FY11 Financial Performance

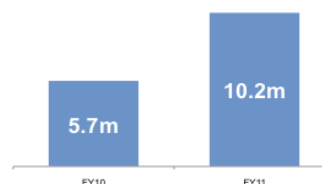


REPORTED REVENUE



77% increase from FY10

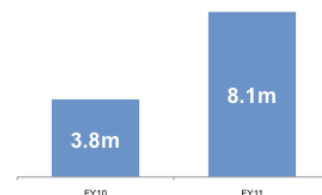
PBT



80% increase from FY10

Includes acquisition transaction costs and FX gains

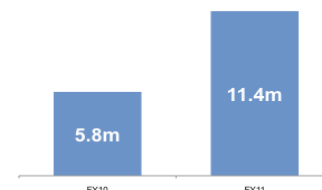
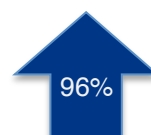
REPORTED NPAT



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



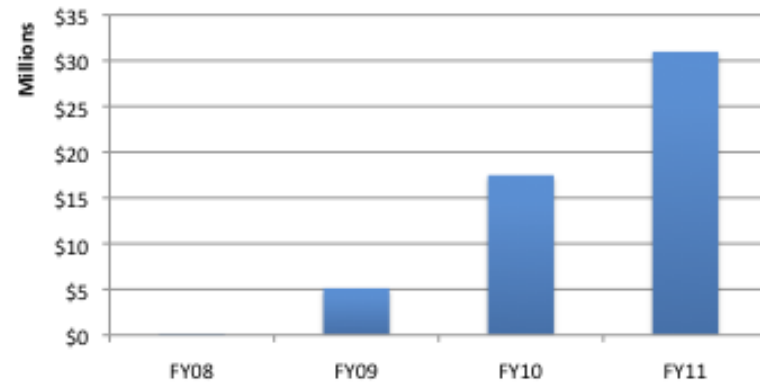
93% Increase (diluted) from FY10

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

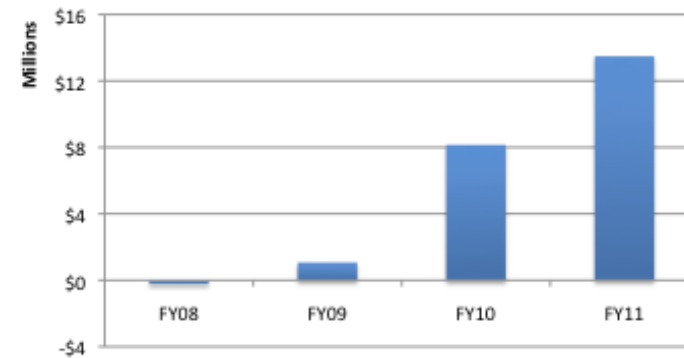
FY11 Financial Performance



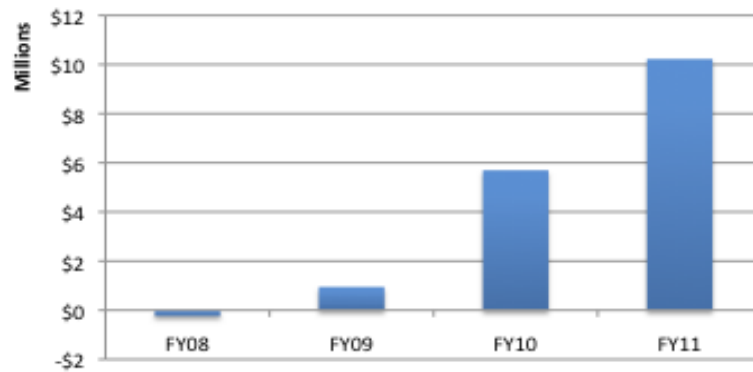
Annual revenue



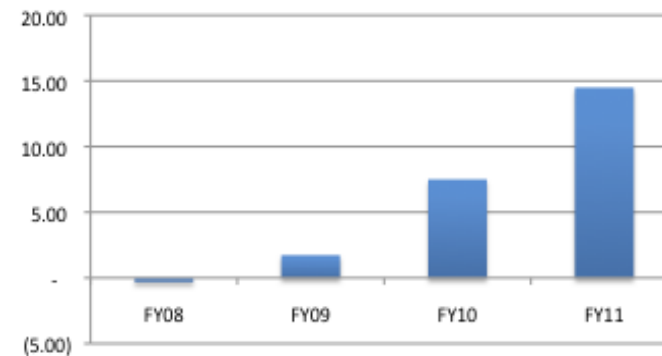
EBITDA



Profit Before Tax



**Normalised Earnings per Share
(cents)**



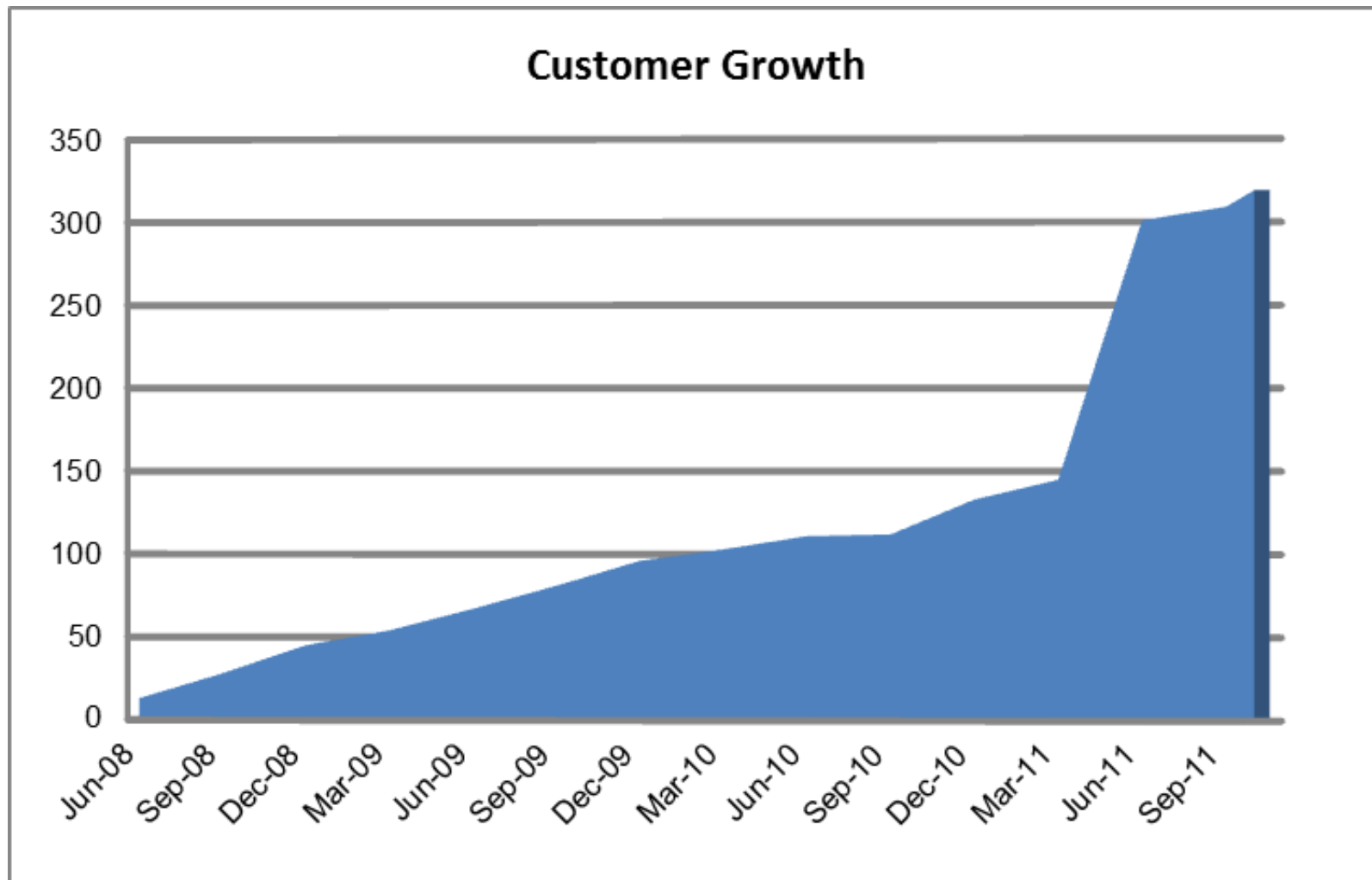
FY08 & FY09 approx: pre-reverse acquisition EPS normalised for listing share base

Vocus – Sales Expansion



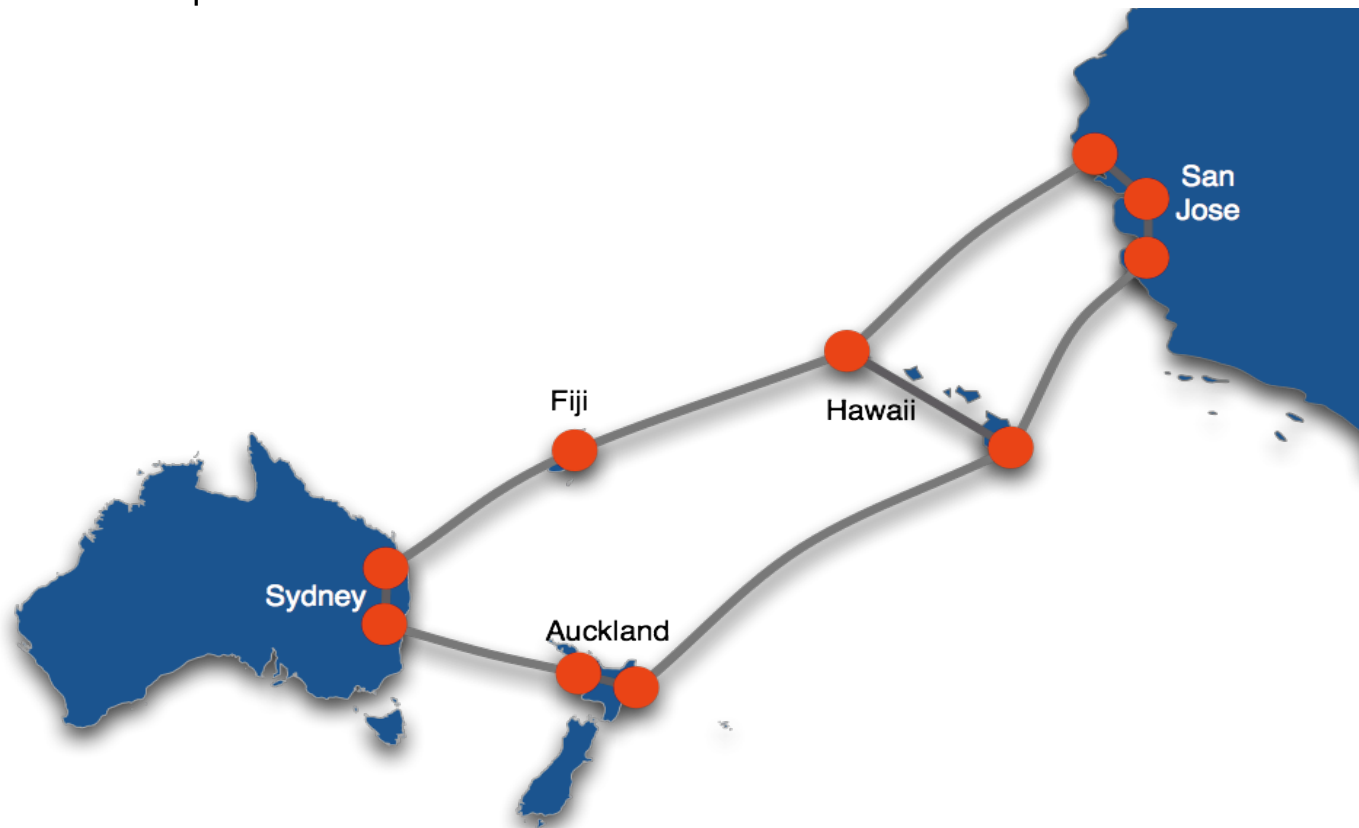
- Opened sales offices in Perth, Melbourne and Brisbane (previously just Sydney)
- Significantly expanded sales team over past 6 months
 - Previously
 - 1 Sales Manager and 2.5 Sales staff
 - Today
 - 1 General Manager, 1 Sales Manager, 9 Sales staff
- Appointed Industry Veteran – Matt Hollis (ex PIPE Networks) as General Manager of Sales

Vocus – Sales Expansion



Vocus Internet - Update

- Continued strong new customer additions
- Existing customers growing
- January 2011 added 2nd IRU on Southern Cross cable
- September 2011 added 3rd IRU on Southern Cross cable



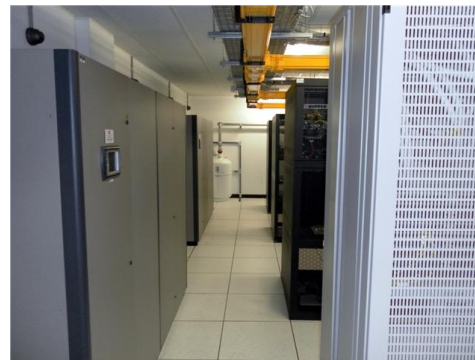
Market Outlook – IP Transit



TeleGeography predicts 40.2% annual compound growth without the NBN; 46.9% with the NBN

Data Centre Update

VOCUS
communications



DC Integration

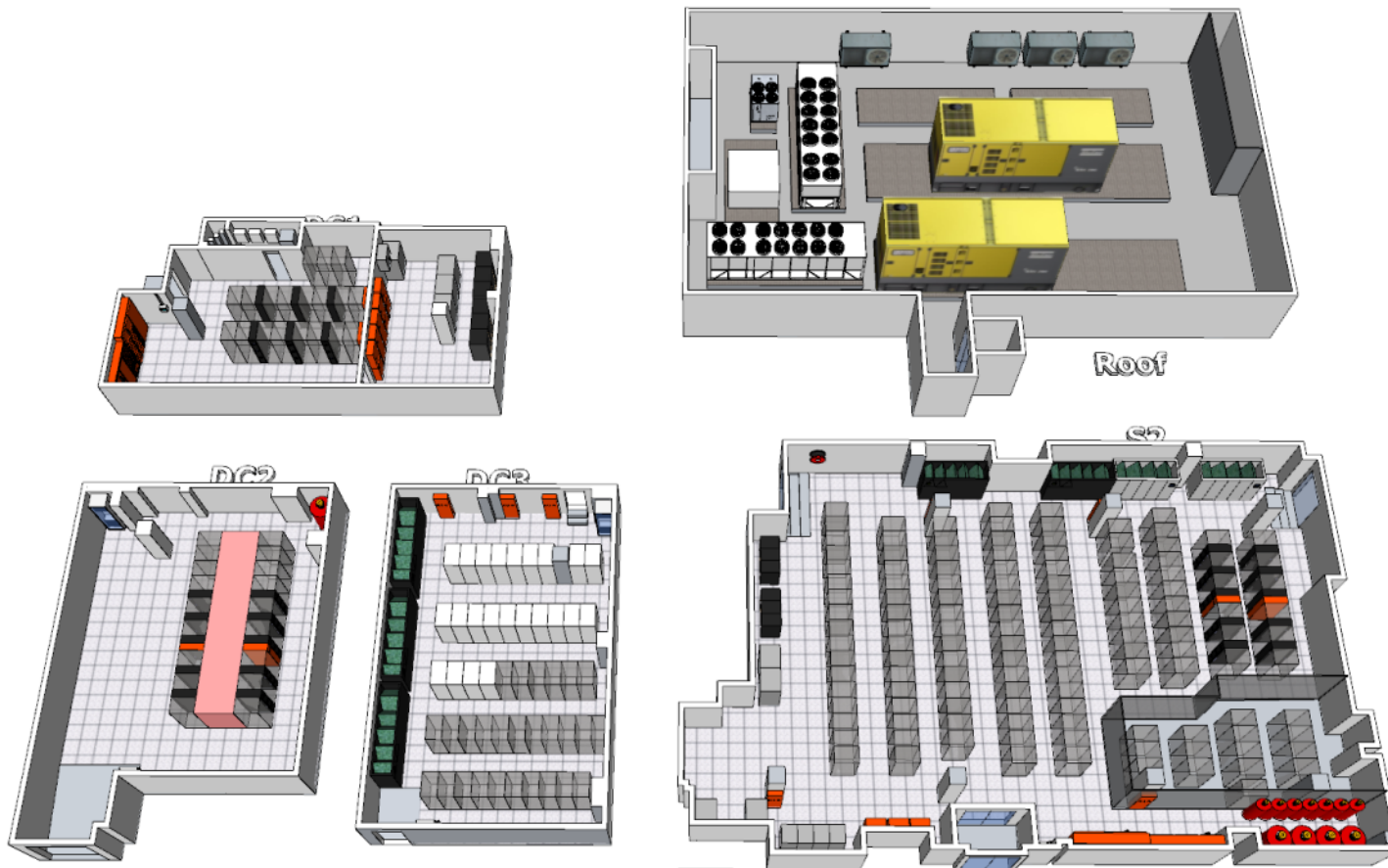
- Operations now centrally managed with local operations
- Ability to leverage existing organisational structure
- Additional facilities, expansion or acquisitions will benefit from this scale (cost synergies & economies of scale)

INTEGRATION				
	Staff	Billing	Policies	Branding
Sydney	✓	✓	✓	✓
Melbourne	✓	✓	✓	✓
Perth	✓	✓	✓	✓

Sydney

Sydney

- S1/S2
800m2
76% Sold



Perth

Perth

Total

536m²

85% Sold



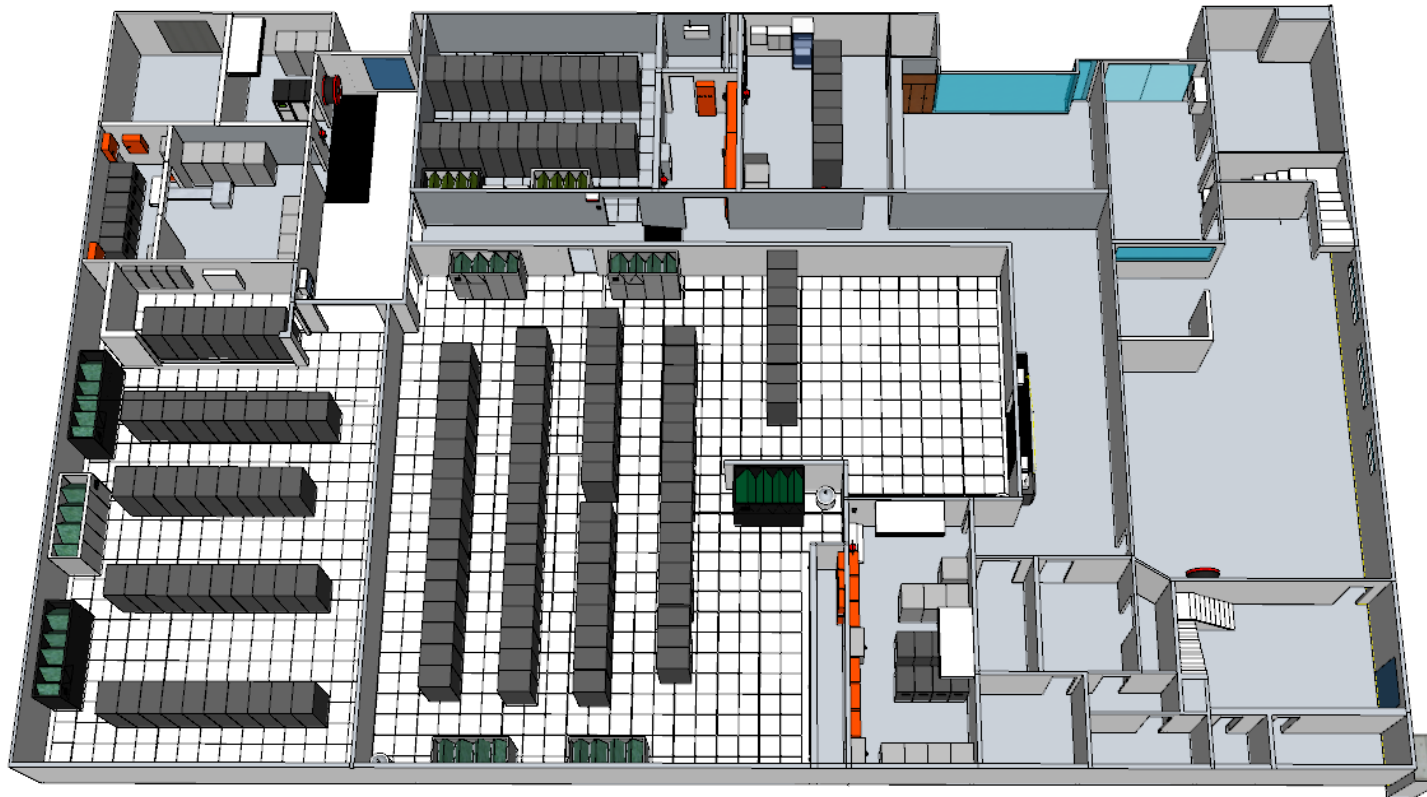
Melbourne

Melbourne

Total

490m²

100% Sold





Vocus Fibre sales ahead of expectations

Our Expansion



- Significantly increased network in Sydney, Brisbane and Melbourne
- Already sold multiple services into NextDC B1
- Growth in connected Data Centres
 - At Acquisition 9 on-net Data Centres
 - 23rd August 14 on-net Data Centres (FY results update)
 - 25th October 22 on-net Data Centres
- Completed fibre build across Sydney Harbour Tunnel
- Estimated \$5m growth CAPEX spend on Fibre in FY2012

- Current positioning
 - Currently in a market “Sweet Spot”
 - One of two active Dark Fibre providers on East Coast
 - 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 with expanded Sales team
 - 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
 - Actively looking for accretive acquisitions
 - Focus on cross sell and further organic growth in new addressable markets
 - Position ourselves to capitalise on NBN opportunities

Vocus on the ASX

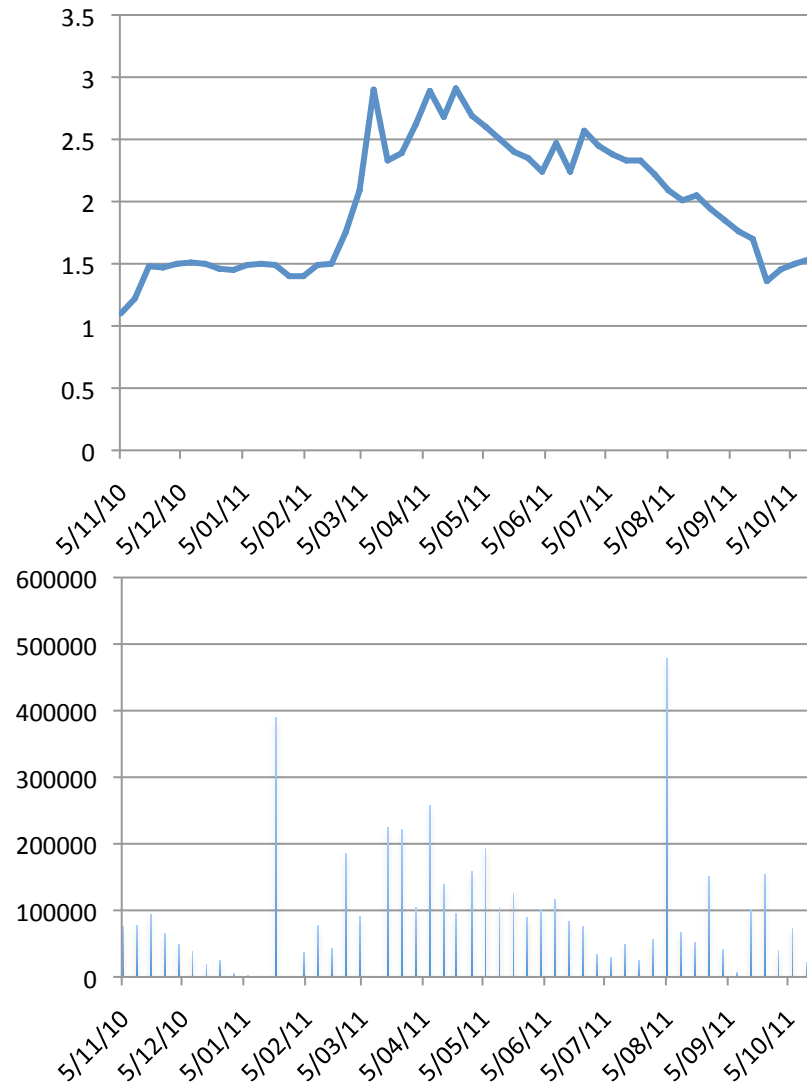


- Increased Broker Coverage during the year (average target price \$2.29)
 - Shaw Stockbroking
 - Pattersons Securities
 - Ord Minnett
 - Microequities
- Increased shareholders from 658 to 2,611 since listing
- Successfully added a number of small and microcap funds to register

Vocus ASX Performance



ASX:VOC 12 months





Internet | Data Centre | Dark Fibre

Contacts



James Spenceley

CEO

Mark de Kock

Executive Director, Strategy

Rick Correll

CFO

Level 1 – Vocus House
189 Miller Street
North Sydney

P: +61 2 8999 8999

F: +61 2 9959 4348

E: [vocus @vocus.com.au](mailto:vocus@vocus.com.au)

www.vocus.com.au

Disclaimer



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This presentation only contains information required for a preliminary evaluation of the company and in particular only discloses information by way of summary within the knowledge of the company and its directors. An investor should seek its own independent professional advice in relation to the technical, financial, taxation, legal and commercial matters relating to any investment in Vocus Communications Limited.

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