

FY15 INVESTOR PRESENTATION.

28 AUGUST 2015.

ABOUT VOCUS.

MEMBER OF THE ASX 200.

NATIONAL PROVIDER OF FIBRE, ETHERNET, INTERNET, DATA CENTRE
AND UNIFIED COMMUNICATIONS.

TRUE NATIONAL ALTERNATIVE ACROSS AUSTRALIA AND NEW
ZEALAND.

LEADER IN TRANS-TASMAN COMMUNICATIONS.

NETWORK BUILT IN THE NEW MILLENNIUM FOR BUSINESSES OF THE
NEW MILLENNIUM.

STRAIGHTFORWARD.

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3. COMBINED GROUP OVERVIEW
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HIGHLIGHTS.

CONSISTENT WITH LONG-TERM GROWTH STRATEGY AND VISION



Record financial results – revenue up 62% and underlying EBITDA up 56%



Strategic acquisitions of FX Networks and Bentley/EDC Data Centres



Admitted to the ASX200 in December 2014



Acquisition of Amcom Telecommunications on 8 July 2015



**AUSTRALIAN AND NEW ZEALAND FIBRE NETWORKS
UNDERPINNED BY INTERNATIONAL CONNECTIVITY TO HONG
KONG, SINGAPORE AND THE UNITED STATES**



FINANCIAL HIGHLIGHTS.



SIGNIFICANT EXPANSION IN CORE BUSINESS AUGMENTED BY ACQUISITIONS

Revenue

\$149.8m



62%

Underlying¹ EBITDA

\$51.6m



56%

Underlying¹ NPAT

\$18.1m



34%

Operating Cash Flow

\$42.6m



39%

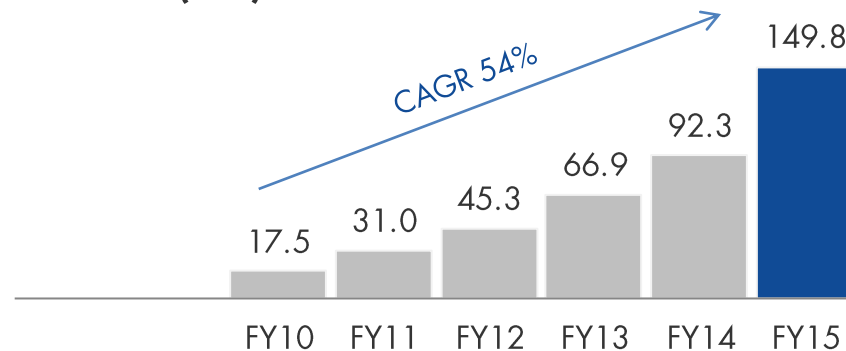
1. Underlying EBITDA excludes gains on total return swaps, early repayment of borrowings, acquisition and integration costs and other gains/losses. Underlying NPAT also excludes amortisation of acquired customer contracts.

HEADLINE RESULTS.

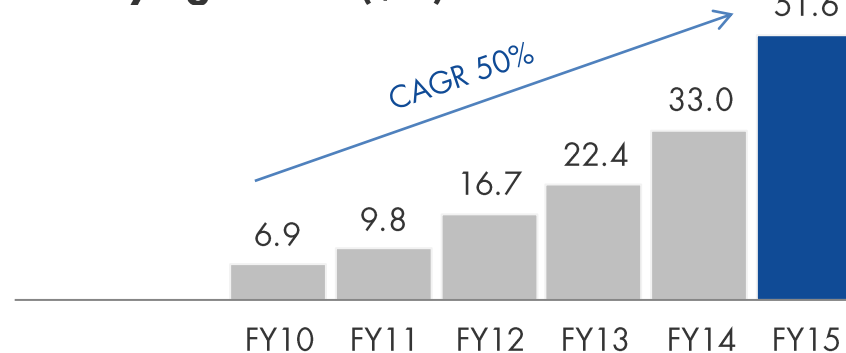
HIGH QUALITY INFRASTRUCTURE ASSETS DELIVERING STRONG GROWTH

- Revenue growth of 62% driven by organic growth and acquisitions
- Significant infrastructure base providing long-term EBITDA growth potential

Revenue (\$m)



Underlying EBITDA (\$m)¹



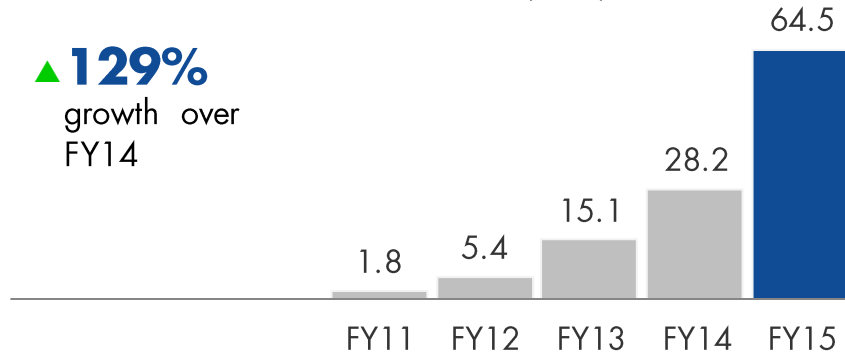
1. Underlying EBITDA excludes gains on total return swaps, early repayment of borrowings, acquisition and integration costs and other gains/losses
2. Compound annual growth rate ("CAGR") from FY10 – FY15

REVENUE GROWTH.

ROBUST FINANCIAL RESULTS

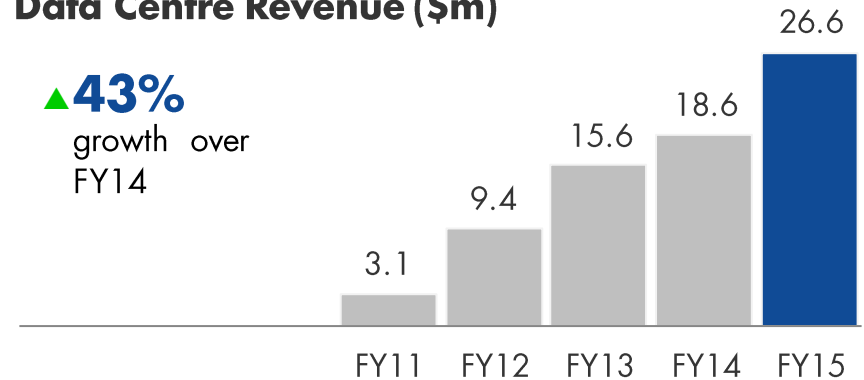
Fibre and Ethernet Revenue (\$m)

▲ **129%**
growth over
FY14



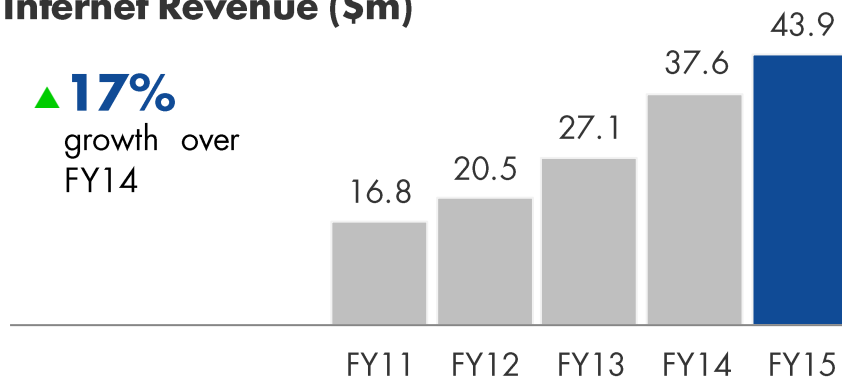
Data Centre Revenue (\$m)

▲ **43%**
growth over
FY14



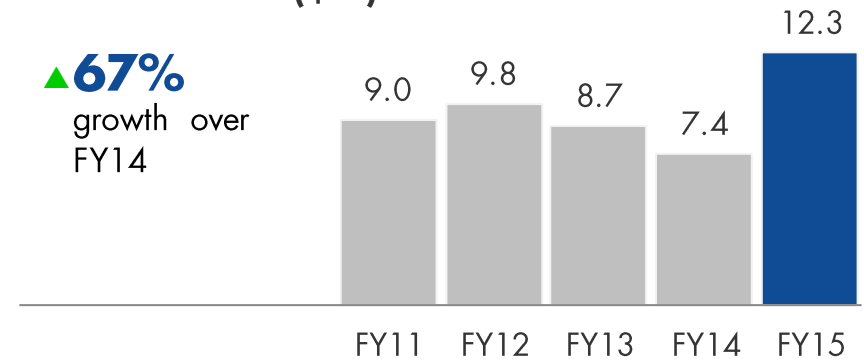
Internet Revenue (\$m)

▲ **17%**
growth over
FY14



Voice Revenue (\$m)

▲ **67%**
growth over
FY14



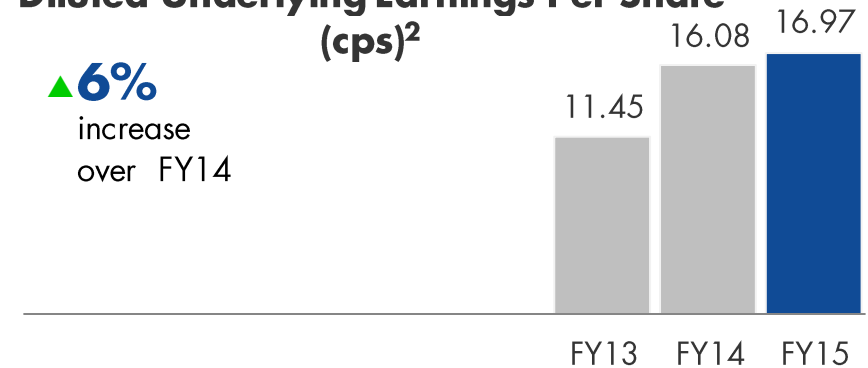
EARNINGS AND DIVIDENDS.

CONTINUED GROWTH IN EARNINGS AND DIVIDENDS

- FY15 EPS growth of 6% is after increase in ordinary share base¹ of 26%
- Continued growth in dividends to shareholders while investing in infrastructure for future growth
- Final dividend of 2.0 cps

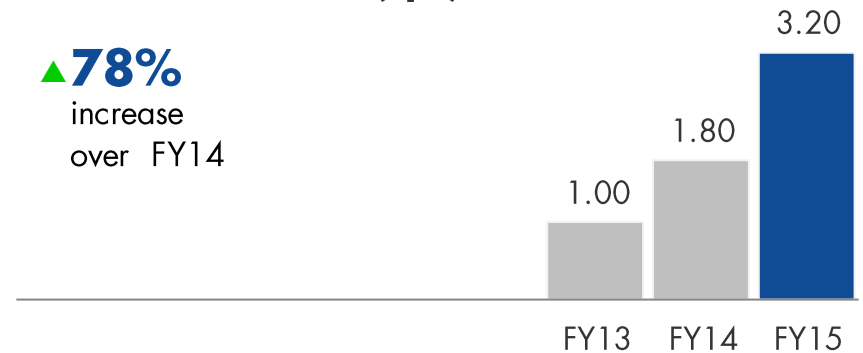
Diluted Underlying Earnings Per Share (cps)²

▲ **6%**
increase
over FY14



Dividends declared (cps)³

▲ **78%**
increase
over FY14



1. Represented by weighted average number of shares in FY14 and FY15 (Note 6 of the Annual Report)

2. Diluted EPS calculated on underlying NPAT

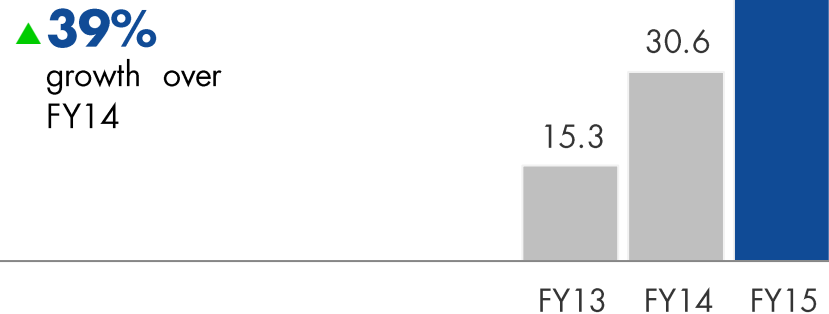
3. Excludes Special one-off dividend of 5.1 cps declared as part of the Amcom scheme of arrangement paid in July 2015

CASH FLOWS.

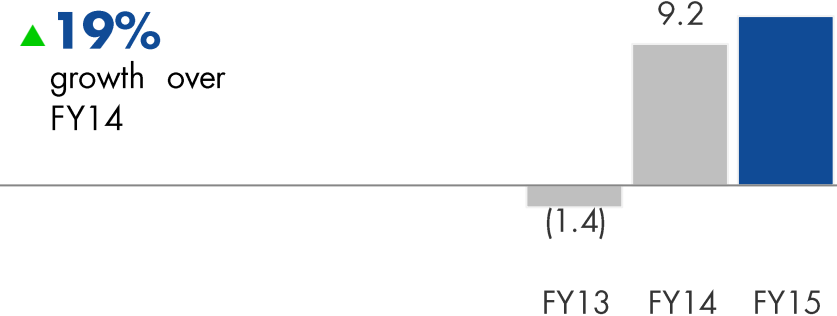
STRONG OPERATING CASH FLOW FROM QUALITY INFRASTRUCTURE ASSETS

- Operating cash flow continues to strengthen
- Improving free cash flow whilst investing in long-term infrastructure

Operating Cash Flow (\$m)



Free Cash Flow (\$m)



Free Cash Flow = Operating Cash Flow less payments for property, plant and equipment and intangibles net of proceeds on disposal

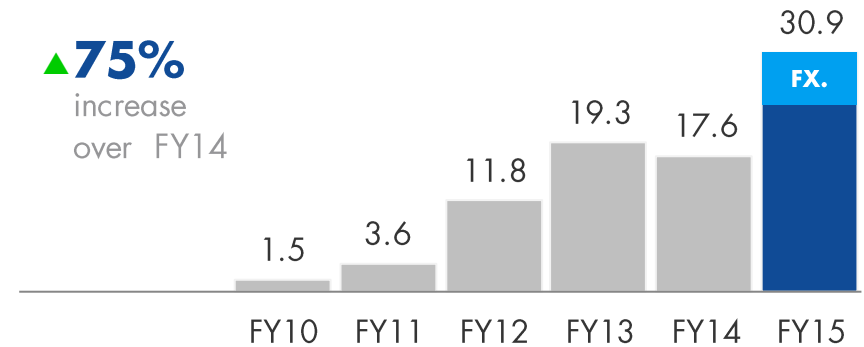
CORE CAPITAL EXPENDITURE.

CAPITAL EXPENDITURE HIGHER, REFLECTING INCREASED SCALE AND NETWORK REACH

- Investment in long-term infrastructure
- Predominantly spent on metropolitan fibre, data centre expansion and supporting infrastructure
- Capex above expectation due to increased customer demand
- Focus on high-yield infrastructure builds

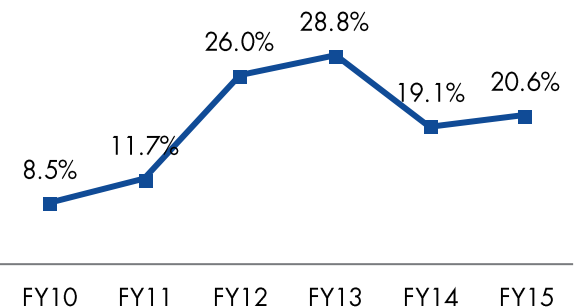
Core Capital Expenditure (\$m)

▲ **75%**
increase
over FY14



Core capex as % of revenue

▲ **8%**
increase
over FY14



Core capital expenditure represents additions to property, plant and equipment

STRAIGHTFORWARD.

ACQUIRED BUSINESSES.

EDC, BENTLEY AND FX NETWORKS ON PLAN AND IMPROVING

- Integration of EDC and Bentley largely complete
- FX Networks integration progressing
 - New CEO appointed, addressing legacy issues
 - Legacy issues affected FY15 results
 - Construction business de-risked via JV divestment with committed revenue
 - Strong sales pipeline
 - Shift away from bespoke solutions to telco products

A\$m	Bentley DC	FX Networks	EDC
Acquired	Aug 2014	Oct 2014	Apr 2015
Business acquired	Perth data centre	NZ intercity fibre network	Sydney and Melbourne data centres
Revenue Contribution	3.8	36.5	3.0

PRODUCT REVIEW

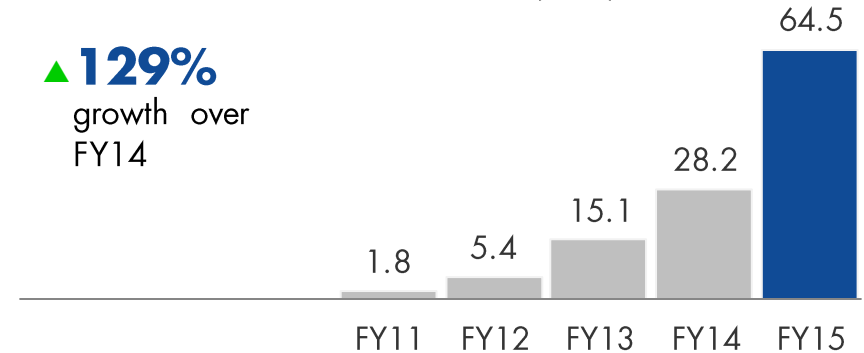
FIBRE AND ETHERNET.

LARGEST CONTRIBUTOR TO EARNINGS

- Significant revenue growth
- Strong organic growth combined with revenue from FX Networks
- Substantial fibre infrastructure
 - Metropolitan fibre networks across Australia
 - Intercity fibre optic network in New Zealand

Fibre and Ethernet Revenue (\$m)

▲ **129%**
growth over
FY14

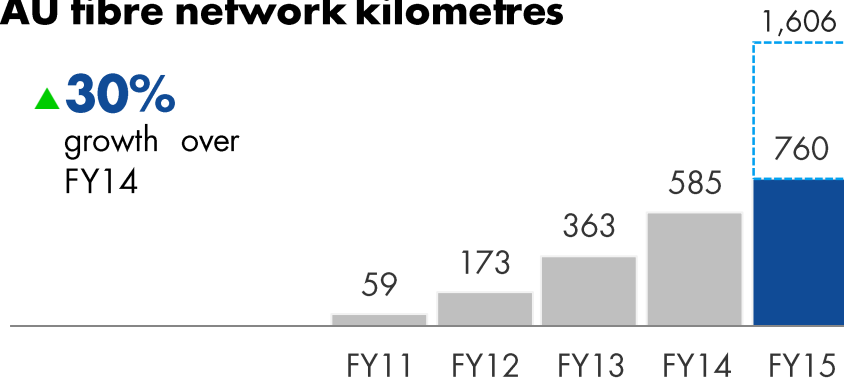


FIBRE AND ETHERNET.

AUSTRALIAN METRO FIBRE NETWORK CONTINUES TO GROW

AU fibre network kilometres

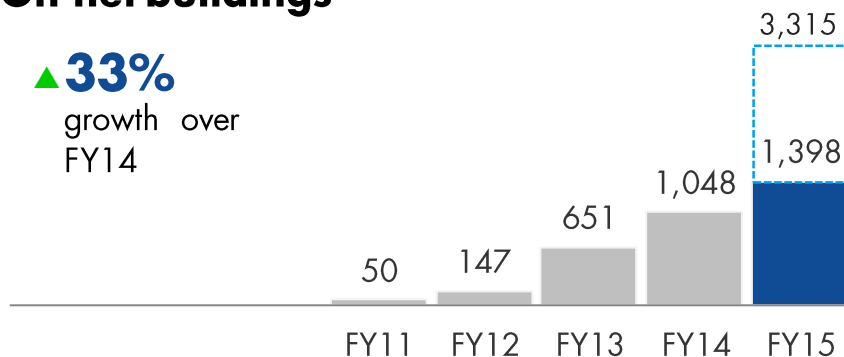
▲ **30%**
growth over
FY14



Including
Amcom

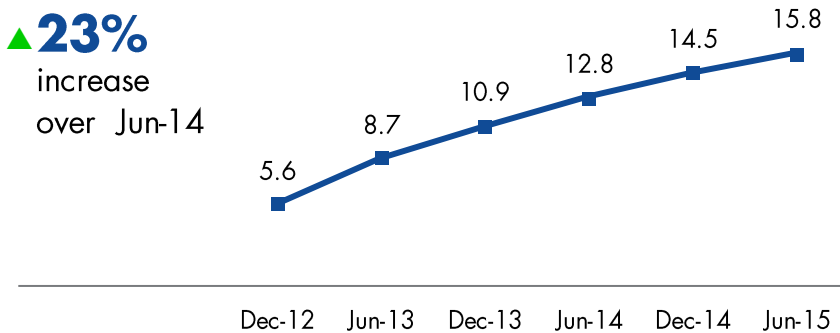
On-net buildings

▲ **33%**
growth over
FY14



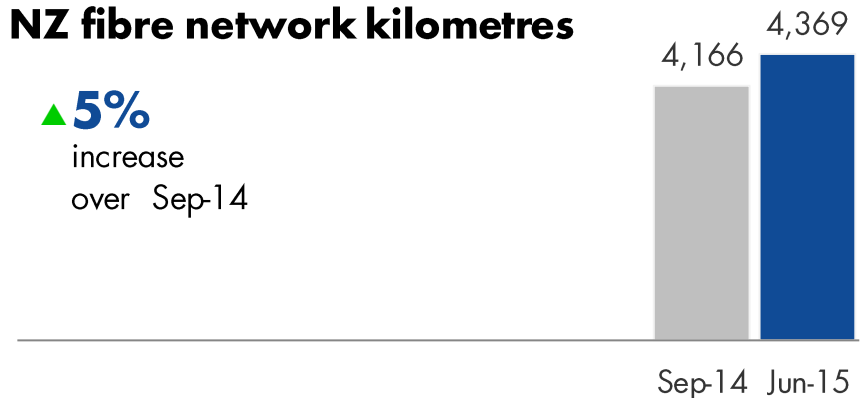
Vocus AU fibre utilisation [%]

▲ **23%**
increase
over Jun-14



NZ fibre network kilometres

▲ **5%**
increase
over Sep-14



FIBRE AND ETHERNET.

SYDNEY METRO FIBRE FOOTPRINT

EXPLORE OUR NETWORK.

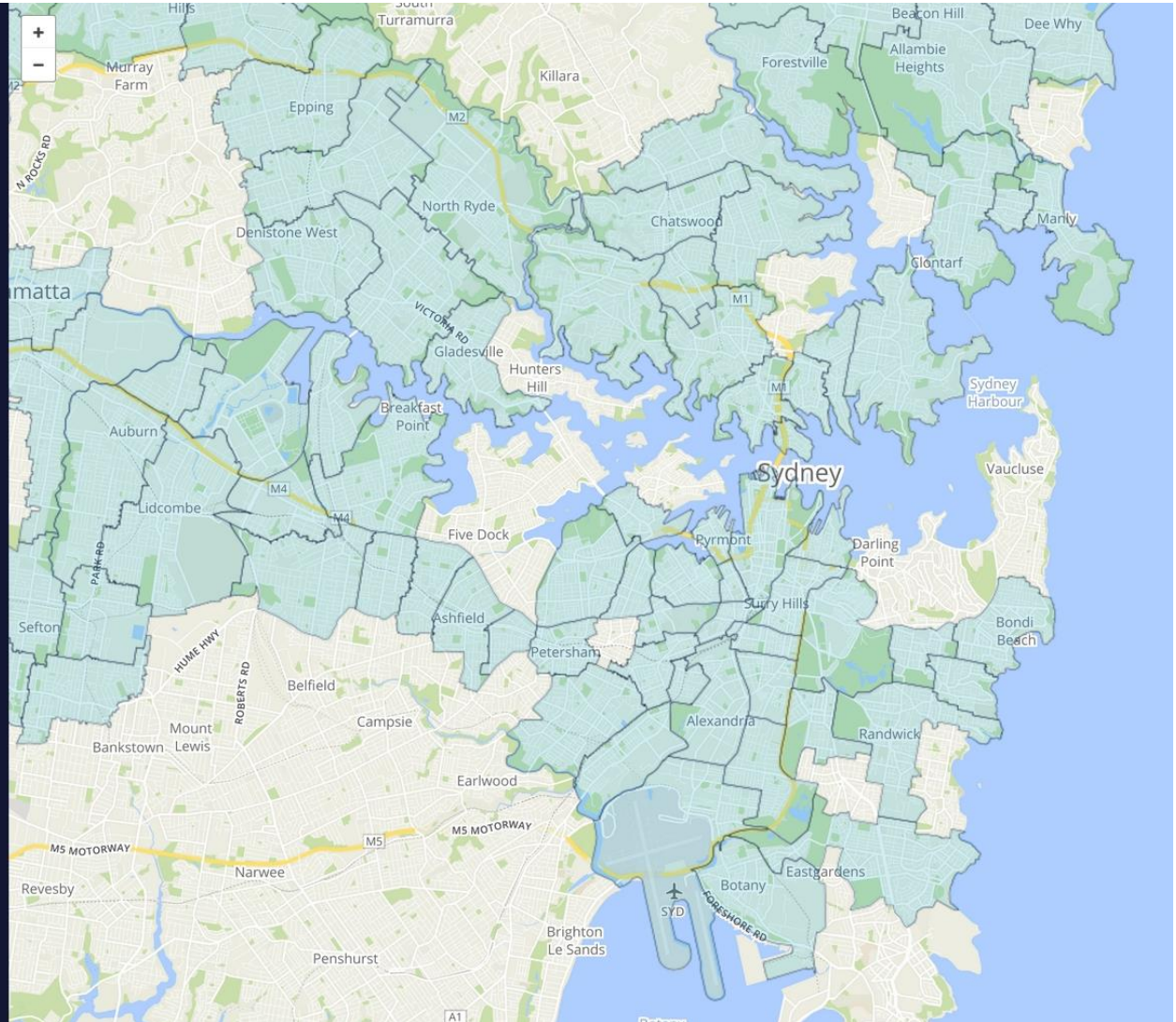
Australia

- ☒ Fibre Coverage ☐ POPs
- ☐ National/International Network

Click on the locations below to move to their location on our network map.

AUSTRALIA

-  SYDNEY, AUSTRALIA
-  MELBOURNE, AUSTRALIA
-  BRISBANE, AUSTRALIA
-  NEWCASTLE, AUSTRALIA
-  PERTH, AUSTRALIA



FIBRE AND ETHERNET.

NEW ZEALAND INTERCITY FIBRE NETWORK

EXPLORE OUR NETWORK.

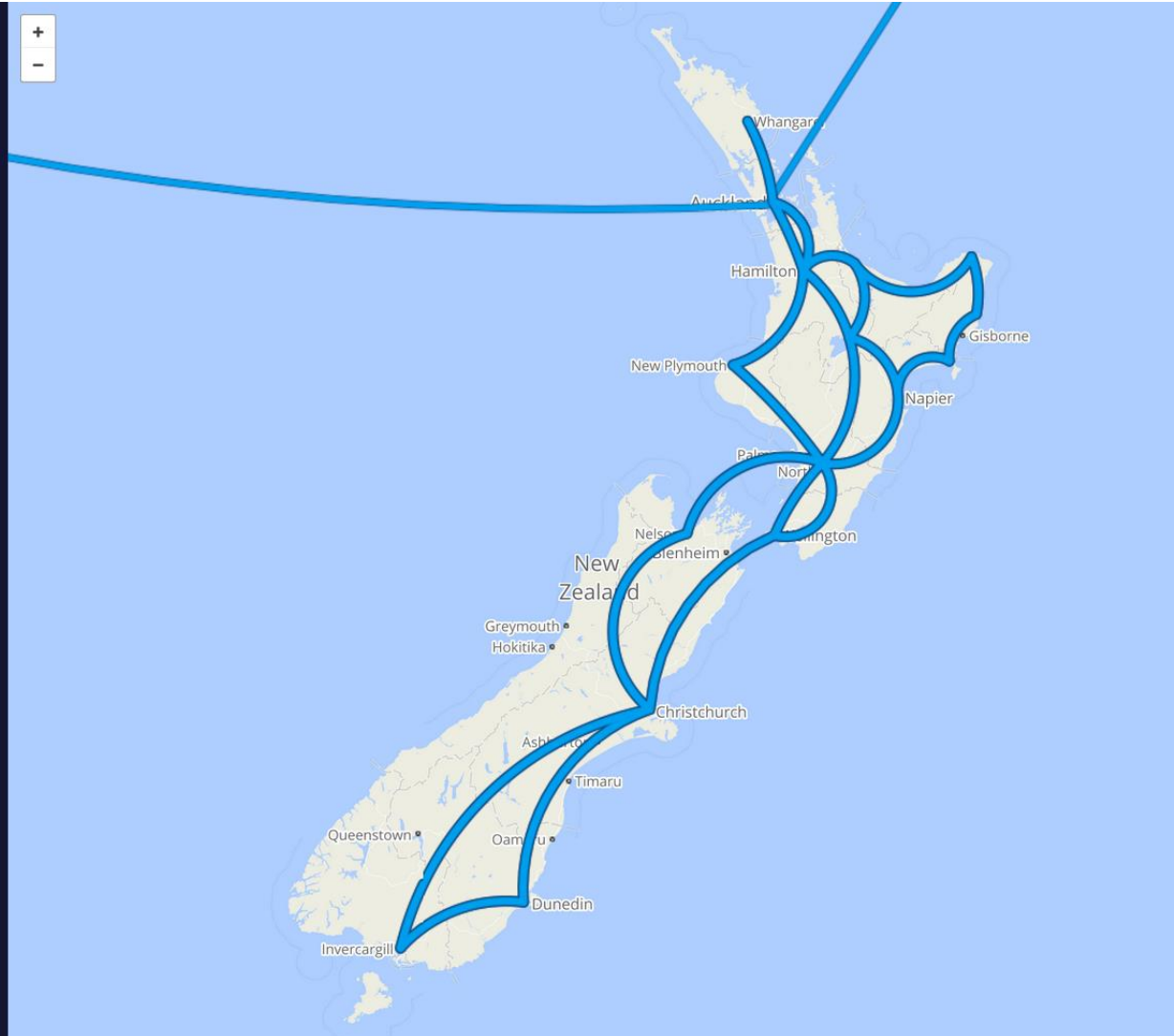
New Zealand

- ☐ Fibre Coverage ☐ POPs
- ☒ National/International Network

Click on the locations below to move to their location on our network map.

NEW ZEALAND

-  AUCKLAND, NEW ZEALAND
-  WELLINGTON, NEW ZEALAND
-  CHRISTCHURCH, NEW ZEALAND

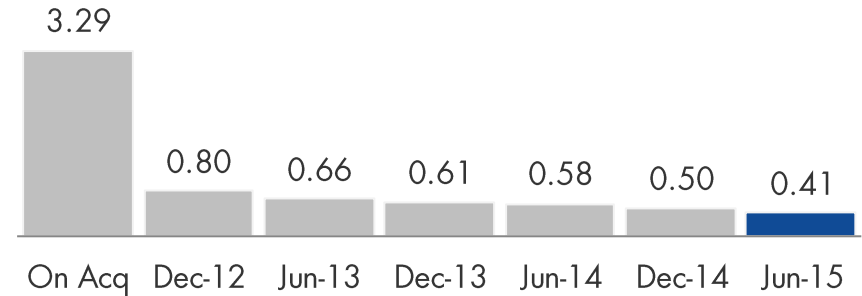


FIBRE CAPEX EFFICIENCY.

AUSTRALIAN METRO FIBRE NETWORK EFFICIENCY IMPROVING

- Focus on selling existing capacity
- Increasing on-net footprint reducing service delivery capex
- Addition of Amcom corporate and government sales capability to drive further efficiencies

Vocus fibre efficiency



Fibre capex efficiency represents the ratio of capex expended for each new dollar of contract revenue

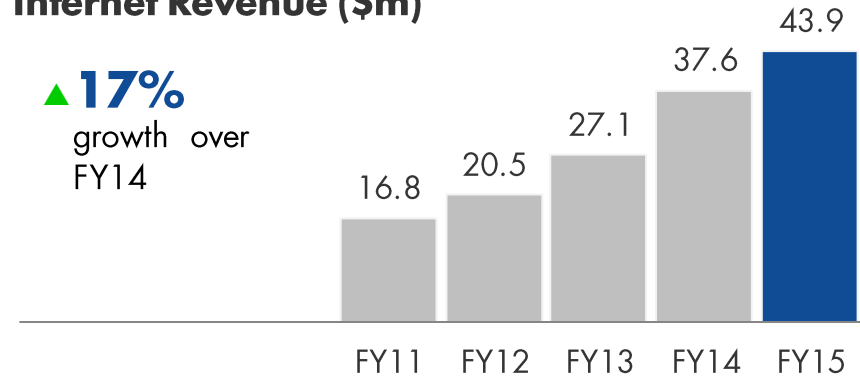
INTERNET.

VOLUME GROWTH CONTINUES

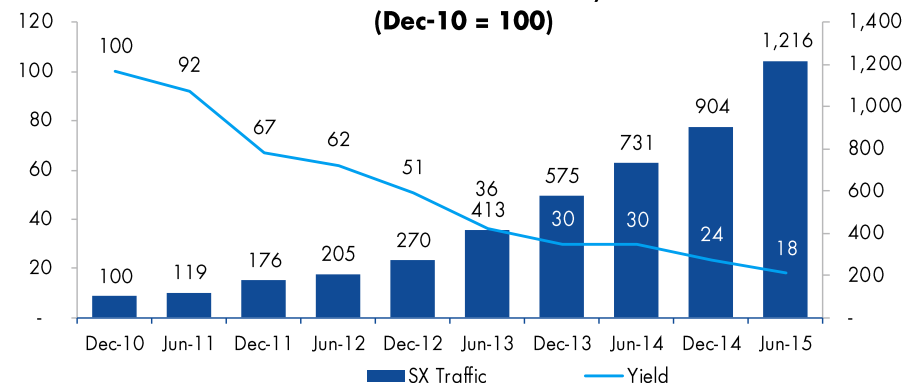
- Internet revenue growth of 17%, despite price decline
- New international capacity ensures price competitiveness
- 18-month volume growth of 111% offset by 40% price decline

Internet Revenue (\$m)

▲ **17%**
growth over
FY14



Vocus Internet Traffic and Yield, indexed (Dec-10 = 100)

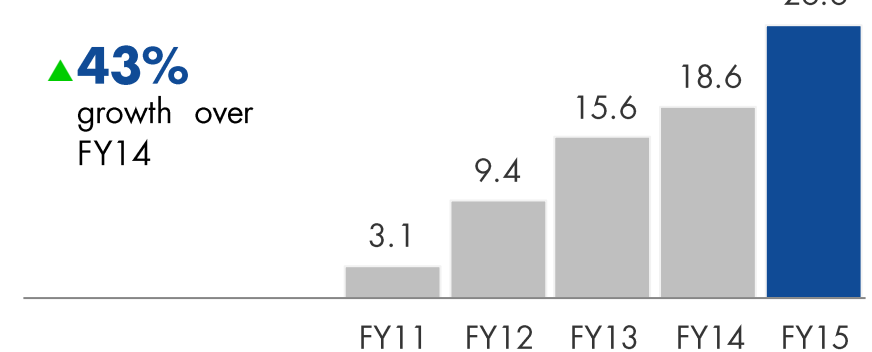


DATA CENTRES.

STRONG PERFORMANCE ACROSS DATA CENTRES

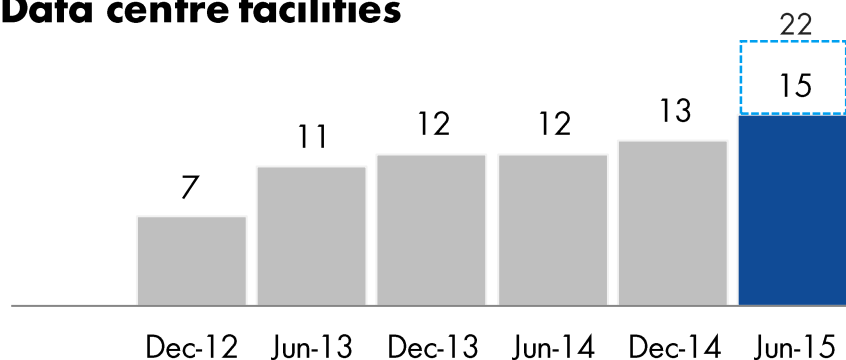
- 15 facilities across 11 sites, totalling 5,788m²
- Additional revenue in FY15 largely arising from acquisition of:
 - Data centres from Enterprise Data Corporation
 - Bentley Data Centre from ASG Group Ltd

Data Centre Revenue (\$m)



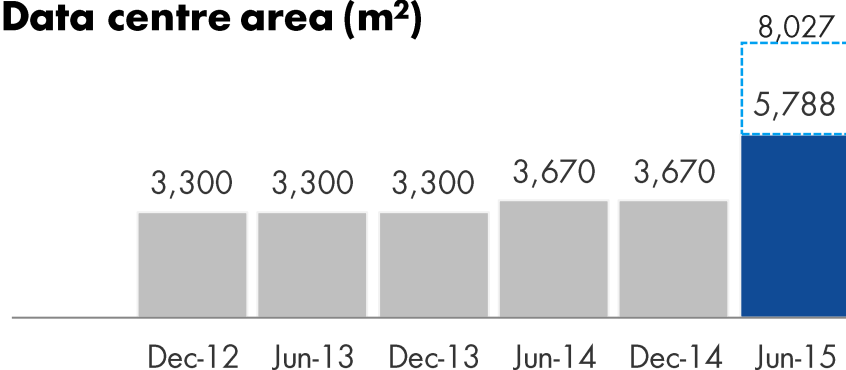
DATA CENTRES.

Data centre facilities



Including
Amcom

Data centre area (m²)



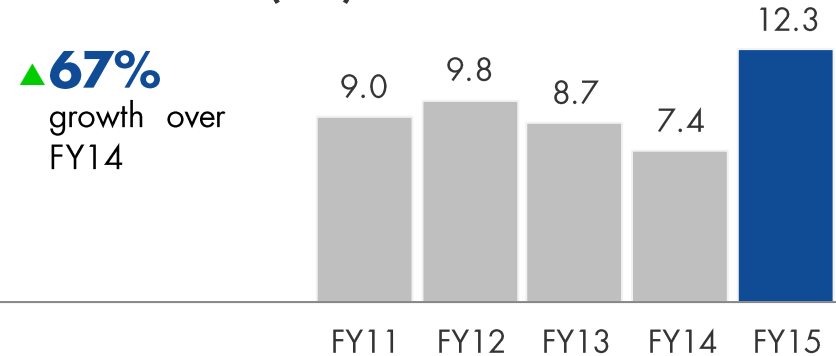
Location	Area (m ²)	Co-lo utilisation
Sydney – Doody St (VDC-SYD01, SYD02, SYD03)	897	67%
Sydney – Norwest (VDC-SYD04)	630	82%
Newcastle – Denison (VDC-NTL01)	90	96%
Newcastle – Steel River (VDC-NTL02, NTL03)	280	58%
Melbourne – Crockford St (VDC-MEL1)	490	100%
Melbourne – Collins St (VDC-MEL2)	685	78%
Melbourne – Mitcham (VDC-MEL03)	936	75%
Auckland – Albany (VDC-AKL01, AKL02)	564	69%
Christchurch (VDC-CHC01)	128	26%
Perth – PerthIX (VDC-PER01)	536	91%
Perth – Bentley (VDC-PER02)	552	72%
Perth – St Georges Tce (ADC-PER01)	124	70%
Perth – Murchison Tce (ADC-PER02)	440	65%
Perth – Bennett St (ADC-PER03)	387	73%
Perth – McGrath Rd (ADC-PER04)	240	100%
Perth – King Edward Rd (ADC-PER05)	150	100%
Perth – St Georges Tce (ADC-PER06)	362	91%
Perth – Adelaide Tce (ADC-PER07)	536	88%
Total	8,027	75%

VOICE.

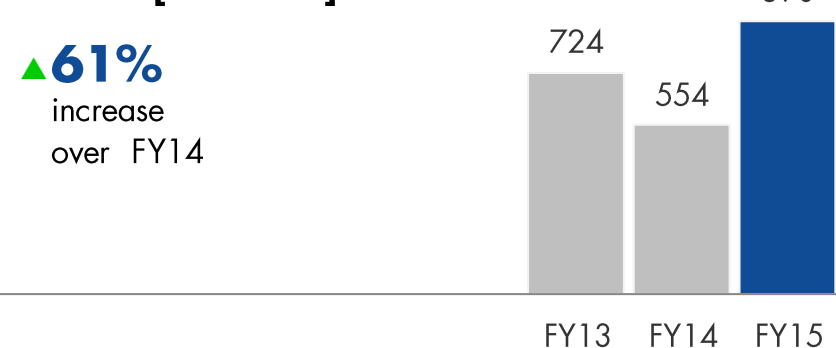
PLATFORM REFRESH AND PRODUCT FOCUS DRIVING REVENUE GROWTH

- Investment in voice in recent years now driving growth
- Valuable bundled service for enterprise customers
- Voice infrastructure complements Amcom voice products

Voice Revenue (\$m)



Minutes [millions]



COMBINED GROUP.



VOCUS
communications

amcom

COMBINED GROUP OVERVIEW.

amcom

VOCUS
communications

Infrastructure	Fibre Networks	Perth, Adelaide, Darwin, Sydney, Melbourne, Brisbane	Melbourne, Sydney, Brisbane, Newcastle, NZ
	International Networks	-	Owned capacity on Southern Cross and Sea-Me-We 3
	Ethernet First Mile	Perth, Adelaide, Darwin, Sydney, Melbourne, Brisbane	-
	Data Centres	Perth	Perth, Melbourne, Sydney, Brisbane, Auckland, Christchurch and Newcastle
Internet	Internet Connectivity	Purchased as required through third party supplier	Owned network
Additional Services	Unified Communications/Voice	Cisco/Broadsoft (national deployment)	Carrier-grade Voice network for wholesale customers
Distribution	Indirect Sales	~300 channel partners nationally	~60 channel partners nationally
	Wholesale Sales	Wholesale sales team	Strong Wholesale sales team
	Direct Sales	Strong corporate and government focus	Corporate focus
	Geographic	National with core customer base (WA, SA NT)	National with core customer base (NSW, QLD, VIC, ACT and NZ)

VOCUS
communications

VOCUS
communications

Significant national fibre footprint in Australia and NZ

Strong selling proposition around international connectivity

Complementary national footprint and larger sales force

DC footprint in key markets

Potential for increased sales via enhanced competitive position and cost base

Strong cross selling opportunity across Australia and NZ

Enhanced distribution to drive sales across national infrastructure

Significant opportunity for west coast wholesale sales opportunities

Enhanced go to market know-how for potential East Coast government sales

Complementary – minimal overlap

INDICATIVE PRO-FORMA PROFIT & LOSS.

\$m	Vocus		Amcom (FY15 unaudited)		Total Group ¹		YoY
	FY14	FY15	FY14	FY15	FY14	FY15	
Sales revenue	91.7	149.0	170.1	165.7	261.8	314.7	▲ 20%
Underlying EBITDA	33.0	51.6	46.7	48.7	79.7	100.3	▲ 26%
Underlying EBIT	20.4	33.6	35.2	34.4	55.6	68.0	▲ 22%
Underlying NPAT	13.6	18.1	23.2	22.8	36.8	40.9	▲ 11%

1. As if Vocus had owned Amcom for FY14/FY15 and excludes synergies/intercompany adjustments

CAPITAL STRUCTURE ON ACQUISITION.

- Amcom acquisition completed on 8 July 2015
- 124.4m shares and 0.4m performance rights issued to Amcom shareholders
- Debt refinanced using A\$265m facility, \$190m drawn on completion
- \$75m of available facilities

Debt (\$m)

Bank debt	190.0
Finance leases as at 30 June 2015	25.3
less Cash	(26.2)
Net debt	189.1
Gearing ratio*	18%
Net leverage**	1.89x

Indicative non-current assets (\$m)

Property, plant and equipment	388.1
Goodwill	568.7
Customer Contracts	85.0
IRU capacity	58.3
Other Intangibles	14.8

*Net Debt divided net debt plus equity (Vocus equity plus consideration paid for Amcom)

** Net Debt / Pro-forma Underlying EBITDA

AMCOM FY15 PERFORMANCE.

STRAIGHTFORWARD.

AMCOM REVENUE RESULTS.



(\$m)	FY14	FY15	YoY
Revenue			
Data Networks (excl. Corporate Internet)	66.3	69.8	▲ 5%
Corporate Internet	22.4	26.0	▲ 16%
Amnet	10.2	10.1	▼ 1%
<i>Total Telco</i>	98.9	105.9	▲ 7%
Broadsoft	12.1	13.4	▲ 11%
Data Centre	8.8	9.8	▲ 11%
Cloud	6.0	5.9	▼ 2%
ACC	0.5	2.5	▲ 400%
<i>Total Hosted & Cloud</i>	27.4	31.6	▲ 15%
<i>IT Services</i>	43.7	28.2	▼ 35%
Sales Revenue	170.1	165.7	▼ 3%

STRAIGHTFORWARD.

27

Due to rounding, numbers presented may not add up precisely to the totals provided

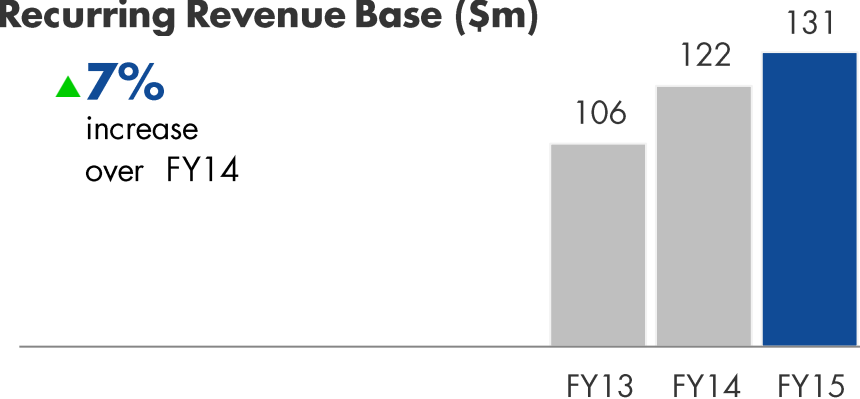
AMCOM FY15 REVIEW.

GROWTH IN TELCO AND HOSTED/CLOUD

- Recurring revenue base (annuity revenue streams of Telco, Cloud & Hosted) increased to \$131m, up 7% on pcp
- Continued strength in core business (Corporate internet/data networks and Cloud & Hosted) continues to grow through strong sales and marketing effort, notwithstanding resource sector slowdown in WA.
- IT Services significantly impacted by WA slowdown
- Underlying EBITDA growth of 4%

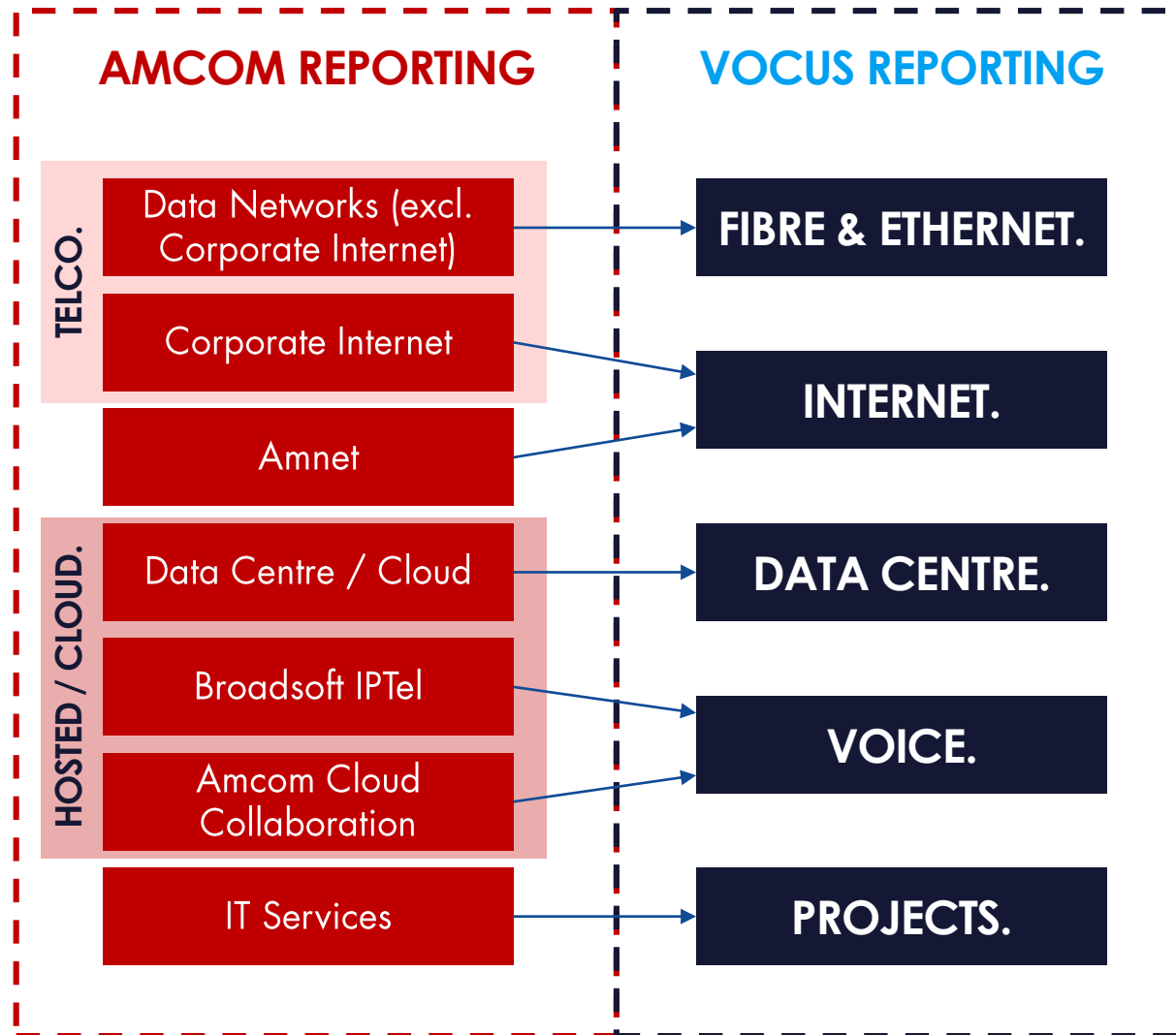
Recurring Revenue Base (\$m)

▲ **7%**
increase
over FY14



REVENUE SEGMENTATION.

Post acquisition, Amcom's products will be mapped to the Vocus revenue reporting segments as outlined in the diagram opposite.





THE WAY FORWARD

THE WAY FORWARD.

- Focus on integration and operational leverage
- To be the most loved telco in Australia and New Zealand
- Leverage global network
 - Maximise yield with over-the-top services such as Unified Communications
 - Sell more services in existing on-net buildings
- Only sell products we are great at
- Dominate Trans-Tasman business communications
- First choice in hosted voice in Australia and New Zealand
- Divest non-core business where appropriate

BRAND REFRESH.



A NATIONAL TELCO ALTERNATIVE FOR THE CORPORATE MARKET



FINALLY TOGETHER

THERE'S A NEW NATIONAL TELCO ALTERNATIVE.



OUR COMPETITOR SPENT \$113 MILLION TRYING TO STOP US.
TOGETHER WE...

- OWN A NATIONAL FIBRE NETWORK OF 6,800 KMS
- LEADER IN TRANS-TASMAN TELECOMMUNICATIONS
- INTERNATIONAL CAPACITY TO HONG KONG, SINGAPORE AND USA
 - SERVING 19,500 BUILDINGS NATIONALLY
 - 22 DATA CENTRES WITH 8,117 SQM OF SPACE
 - AWARDING WINNING CISCO UNIFIED COMMS
 - PROVEN LEADER IN CLOUD

IF YOUR IT DEPARTMENT ISN'T TALKING TO US,
THERE'S 113 MILLION REASONS WHY THEY SHOULD.

VOCUS.COM.AU



STRAIGHTFORWARD.

MARKETING INITIATIVES.

NEW WEBSITE AND MARKETING COLLATERAL TO SUPPORT CORPORATE SALES FOCUS



FIVE PRODUCTS ONE SOLUTION



FIBRE



INTERNET



CLOUD

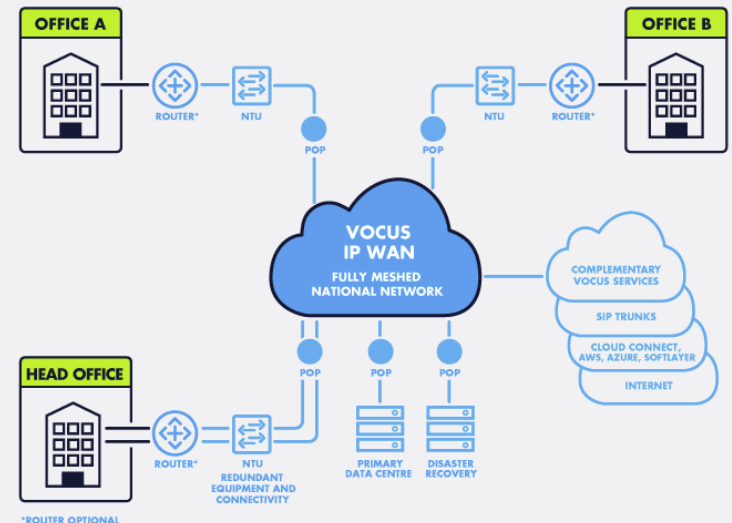


DATA CENTRES



UNIFIED COMMS

TYPICAL IP WAN NETWORK



CONTACTS.



JAMES SPENCELEY
CEO

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**

WWW.VOCUS.COM.AU

APPENDICES.

UNDERLYING EBITDA RECONCILIATION.

(\$m)	FY14	FY15
Statutory NPAT	12.9	19.9
Add back: Income tax expense	5.6	8.4
Add back: Net finance costs	1.8	5.3
Add back: Depreciation and amortisation	11.7	18.7
<i>Statutory EBITDA</i>	32.1	52.2
Less: Gains and losses on early repayment of borrowings	(0.6)	(5.5)
Less: Gains on total return swaps	-	(7.5)
Add back: Acquisition and integration costs	1.4	10.4
Add back: Gains and losses on foreign exchange	0.2	0.6
Add back: Other gains and losses	(0.1)	1.3
Underlying EBITDA	33.0	51.6

*Underlying EBITDA excludes gains on total return swaps, early repayment of borrowings, acquisition and integration costs and other gains/losses
Due to rounding, numbers presented on this reconciliation may not add up precisely to the totals provided*

UNDERLYING NPAT RECONCILIATION

(\$m)	FY14	FY15
Statutory NPAT	12.9	19.9
Less: Gains and losses on early repayment of borrowings	(0.6)	(5.5)
Less: Gains on total return swaps	-	(7.5)
Add back: Acquisition and integration costs	1.4	10.4
Add back: Gains and losses on foreign exchange	0.2	0.6
Add back: Other gains and losses	(0.1)	1.3
Add back: Amortisation of acquired customer contracts	0.3	0.6
Tax effect of above items	(0.6)	(1.6)
Underlying NPAT	13.6	18.2

Underlying NPAT excludes the after-tax impact of gains on total return swaps, early repayment of borrowings, acquisition and integration costs, other gains/losses and amortisation of acquired customer contracts

Due to rounding, numbers presented on this reconciliation may not add up precisely to the totals provided

DISCLAIMER

This presentation contains forward looking statements that involve risks and uncertainties. These forward looking statements are not guarantees of Vocus' future performance and involve a number of risks and uncertainties that may cause actual results to differ materially from the results discussed in these statements.

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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