H1/13 Results Presentation

28th February 2013

Vocus Communications Overview

- ✓ A leading independent provider of integrated wholesale and corporate telecommunications services in Australia and New Zealand

- ✓ From its initial offering of IP Transit and Voice Services, Vocus has transformed and now delivers high performance, high availability and highly scalable communications solutions utilising its Fibre, Data Centre, Internet and Voice infrastructure

- ✓ Organic growth, strategic acquisitions and an expanded product offering has resulted in customer growth from 96 in December 2009 to 804 in December 2012 – a 738% increase

- ✓ Total capital expenditure to peak in FY13, signalling the completion of Vocus' transformational investment phase with benefits to be realised in FY14 and beyond

Highlights

Strong underlying growth	H1/13 revenue growth of 40% over H1/12 H1/13 underlying* EBITDA growth of 29% over H1/12
Fibre and Ethernet growth	Services delivered on Vocus fibre up 316% since December 2011 Fibre and Ethernet revenue up 152% over H1/12
Direct/Corporate sales growth	Direct/Corporate sales have more than doubled over H1/12
Investments / Expansion	Capacity on Southern Cross quadrupled Build commenced on a 2nd Melbourne CBD Data Centre Expansion of the existing Auckland Data Centre 178% increase in fibre network kilometres since December 2011
Ipera acquisition	Completed the acquisition of Ipera Communications, a Newcastle-based data centre and fibre operator in January 2013
Maiden dividend declared	Interim dividend of 0.4 cents per share declared, fully franked

** Excludes the effect of foreign exchange*

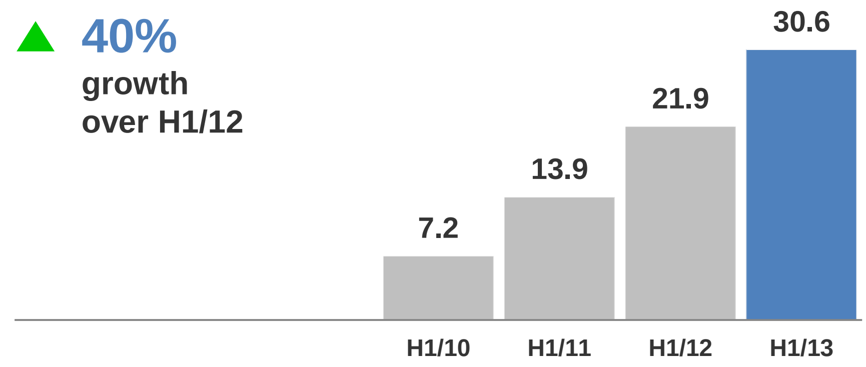
Consistent Revenue and EBITDA Growth

- Revenue growth of 40%, driven by Internet, Fibre and Data Centres
- Underlying EBITDA up 29%

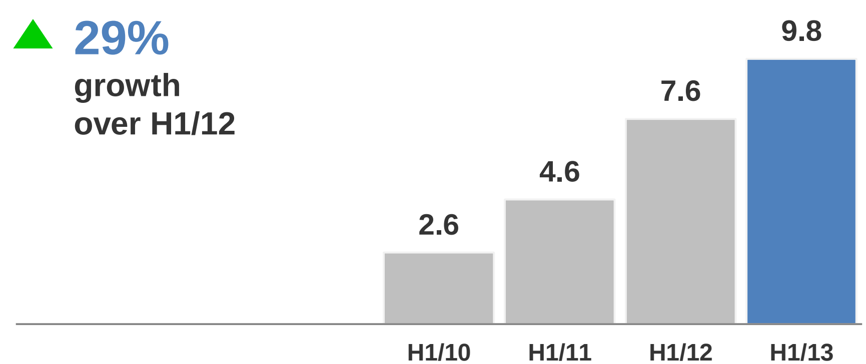
Growth

- Number of Fibre services up 316% over H1/12
- Fibre revenue up 152% over H1/12
- Data Centre revenue up 88% over H1/12
- Internet revenue up 31% over H1/12

Revenue ($m)



Underlying EBITDA[1] ($m)

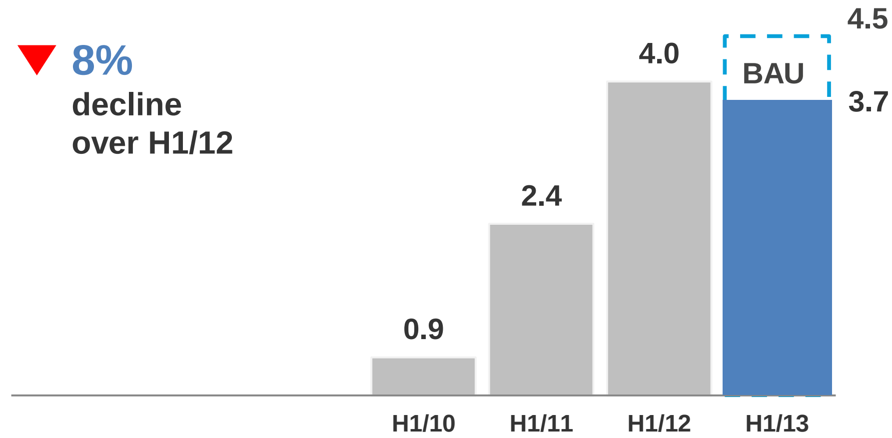


Source: Half-year accounts
Notes: 1) Underlying EBITDA excludes FX gains and losses

BAU NPAT strong

- Business As Usual (BAU) NPAT for H1/13 is $4.5m up 13% over H1/12
- BAU NPAT excludes new expenses in FY13 which are not accretive until FY14
- Effective tax rate increased to 28% from 19% in H1/12 (not included in BAU)

Underlying Net Profit after Tax[1] ($m)

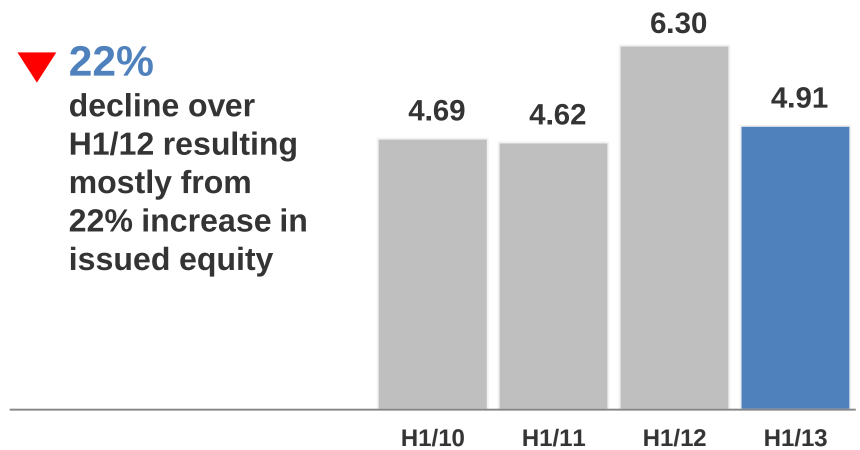


Source: Half-year accounts
Notes: 1) Underlying NPAT excludes FX gains and losses

Earnings Per Share

- EPS impacted by
  - Capital raising in July 2012 to fund growth strategies – primarily fibre network expansion and data centre builds
  - New expenses in FY13 related to the above growth initiatives not accretive until FY14
  - Increased effective tax rate from 19% to 28%

Diluted Underlying Earnings Per Share[1,2,3] (cps)



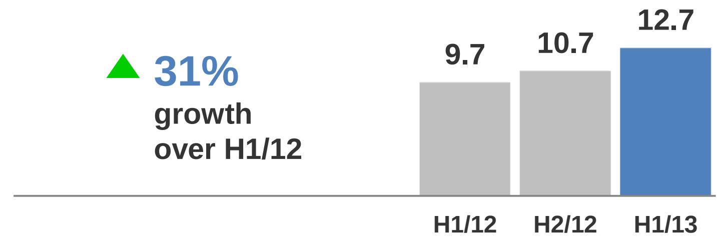
Source: Half-year accounts
Notes: 1) Underlying NPAT excludes FX gains and losses; 2) Diluted EPS calculated on underlying NPAT 3) H1/10 is approximated using listing share base at FY10

Growth in Integrated Services

Revenue by Service ($m)

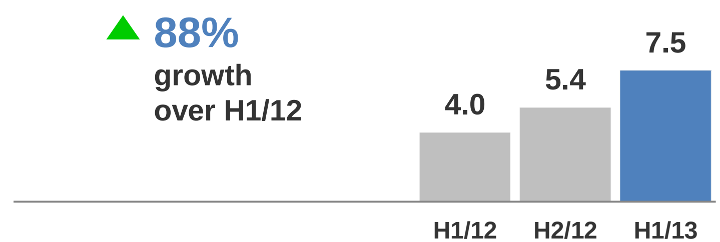
Internet

- 31% revenue growth over H1/12
- 61% traffic growth over H1/12
- New Southern Cross IRU increases transit capacity and potential for new sales



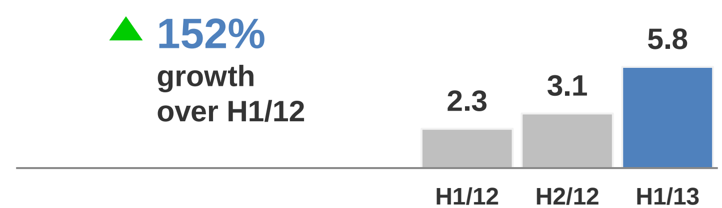
Data Centres

- 88% revenue growth over H1/12
- New Melbourne DC in build, on former ASX data centre site
- Auckland DC expansion in build, on adjacent site



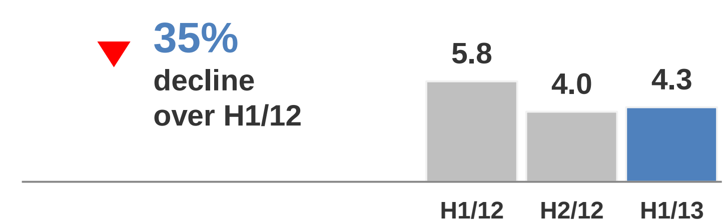
Fibre and Ethernet

- 152% revenue growth over H1/12
- Network expanded 180% in the past 12 months to 262km
- 316% increase in new services over December 2011



Voice

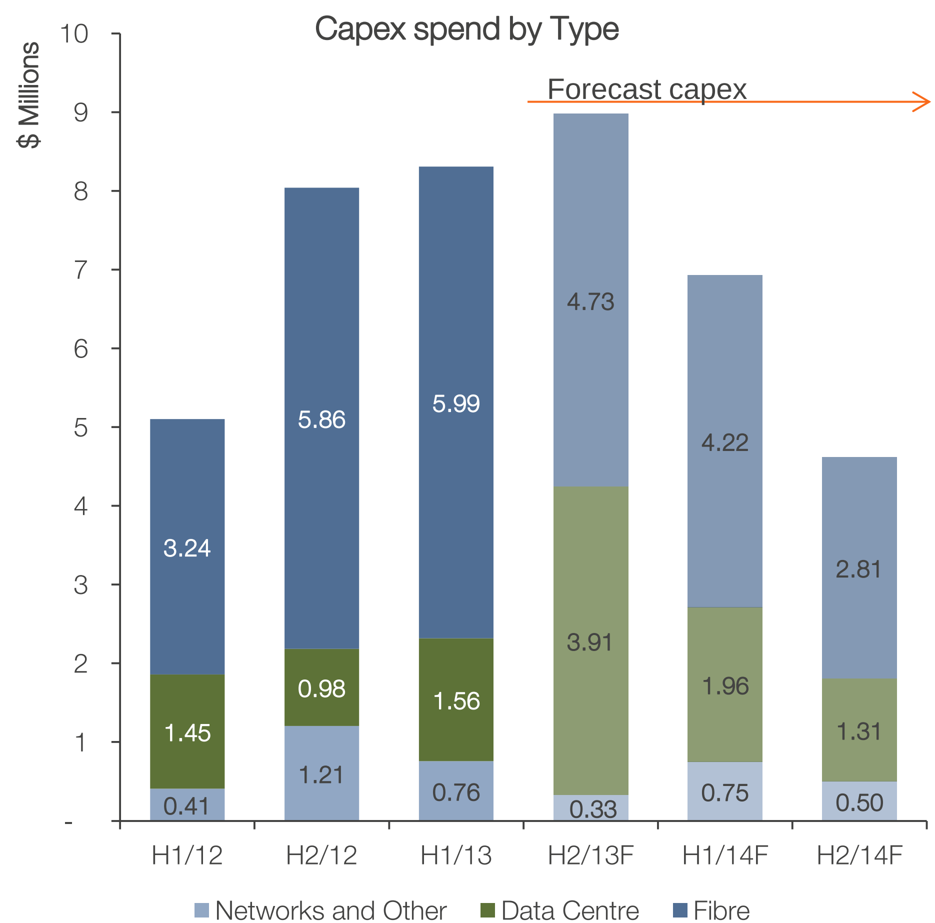
- Voice GM employed August 2012
- Voice volumes and profitability improving over H2/12
- H1/13 result up 6.5% over H2/12



H1/11 revenue figures based on product segmentation performed subsequent to the release of the H1/11 financial report.

Capital Expenditure

- Capital expenditure totalled $8.3m in H1/13, primarily as a result of building out the fibre network in response to customer demand
- Total capital expenditure is expected to peak in FY13, signalling the expected completion of Vocus' transformational investment phase
- Other capex includes incremental improvements to the core network and data centre operations
- Maintenance capex estimated to be $1-2m in FY13



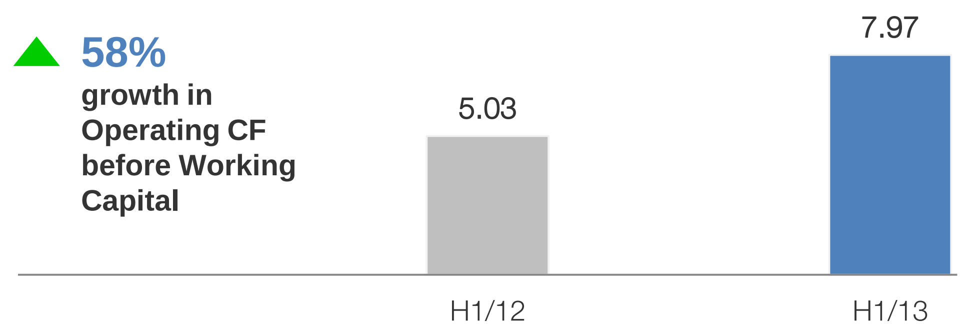
Cash Flows

- Weighted average remaining contract duration is 25.11 months, representing over two years of committed revenues, providing quality earnings and cash flows

- Provides a strong base to fund ongoing operations and provide returns to shareholders including the maiden dividend of 0.4c per share

	31 Dec 2012	31 Dec 2011
EBITDA	$10.26m	$6.86m
Tax and other payments	($2.29m)	($1.83m)
Operating Cash Flow before Working Capital	**$7.97m**	**$5.03m**
Working capital movements*	($2.27m)	$1.46m
Operating Cash Flow	**$5.69m**	**$6.49m**

** Movements in relation to timing of receipts, payments and prepaid revenue*



Maiden dividend declared

- Milestone achieved - a maiden interim dividend declared of 0.4 cents per share, fully franked
- Represents confidence in underlying operating strength and future cash flow
- Returns to shareholders while still providing a platform for strong growth
- Payable on 26 March 2013 to shareholders registered on 12 March 2013

Gearing and Leverage

- Gearing has increased as part of the additional vendor financed Southern Cross capacity taken up in September 2012
- Excluding Southern Cross vendor finance, Vocus at 31 December 2012 had net cash of $5.1m
- Gearing reduces quickly as repayments total $10m annually
- Repaid $7m of bank debt, finance leases and vendor finance in H1/13

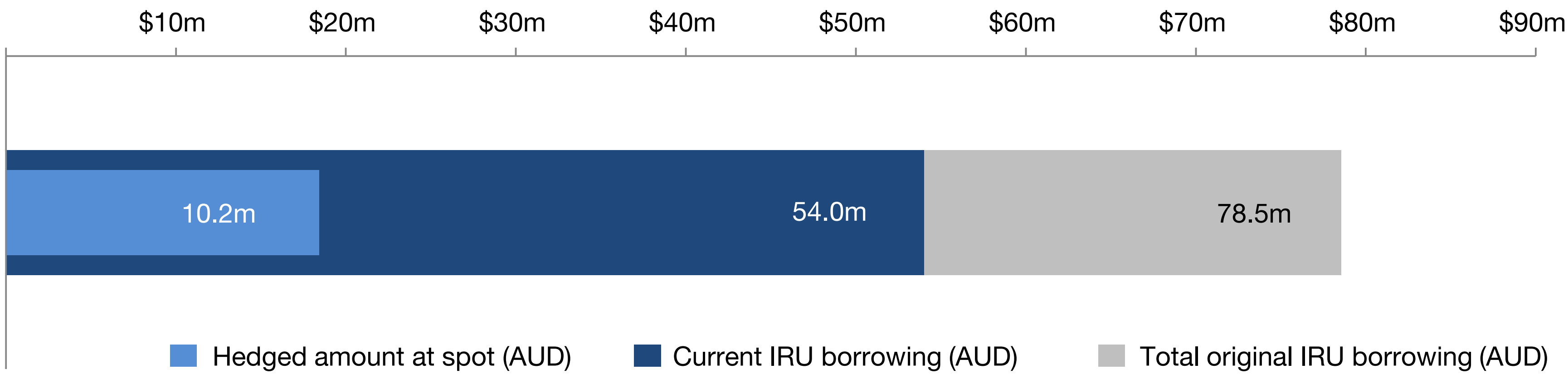
	31 Dec 2012	31 Dec 2011
Cash	$13.3m	$4.8m
IRU liability	($54.0m)	($30.5m)
Finance leases	($1.5m)	($1.0m)
Bank debt	($6.7m)	nil
Net debt incl. SX vendor finance	**($48.9m)**	**($26.7m)**
Net (debt)/cash excl. SX vendor finance	**$5.1m**	**$3.8m**
Interest cover[1]	24.6x	83.4x
Net leverage[2] - incl. SX - excl. SX	 2.66x (0.29x)	 2.01x (0.29x)
Gearing[3] - incl. SX - excl. SX	 42% (8%)	 41% (11%)

Notes:
1) *Underlying EBITDA/Net Interest Expense for the period*
2) *Annualised Underlying EBITDA/Net Debt*
3) *Net Debt/Net Debt plus Equity*

New Financing Facilities

- Signed term sheet with bankers in relation to new total financing facilities of $21.8m, an increase of $15m over its existing facilities, subject to final documentation
- The new facilities include $13m of acquisition funding facilities
- The new facilities provide flexibility in funding current and future acquisitions and reduce the requirement for additional equity capital

IRU and FX Hedging



- Liability in relation to the Southern Cross IRU is $54.0m at December 2012, up from $26.4m at June 2012 following a quadrupling in transit capacity in September 2012
- FY13 repayments are hedged in full
- $5.21m of repayments in H1/13 and will be fully paid by August 2018

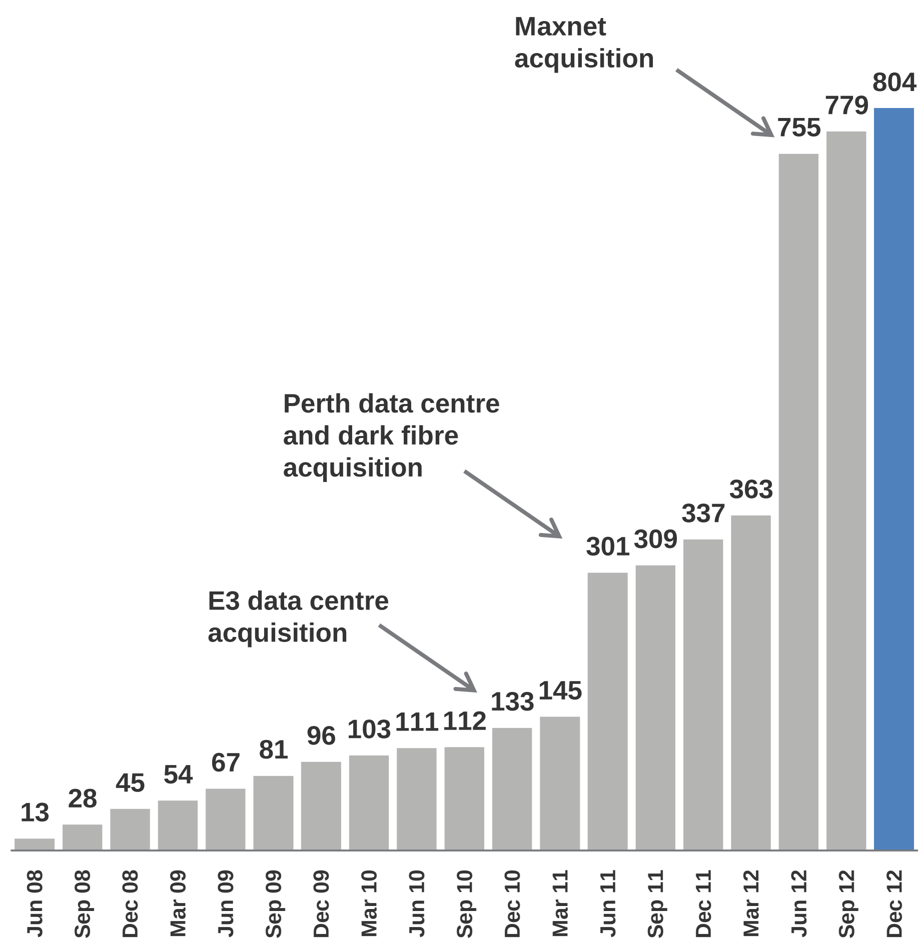
Strong Customer Growth

- Strong organic customer growth – 7% in H1/13 and 32% over the past 12 months

- Leads the industry in customer retention

- Weighted average remaining contract duration 25.11 months

Customer Growth

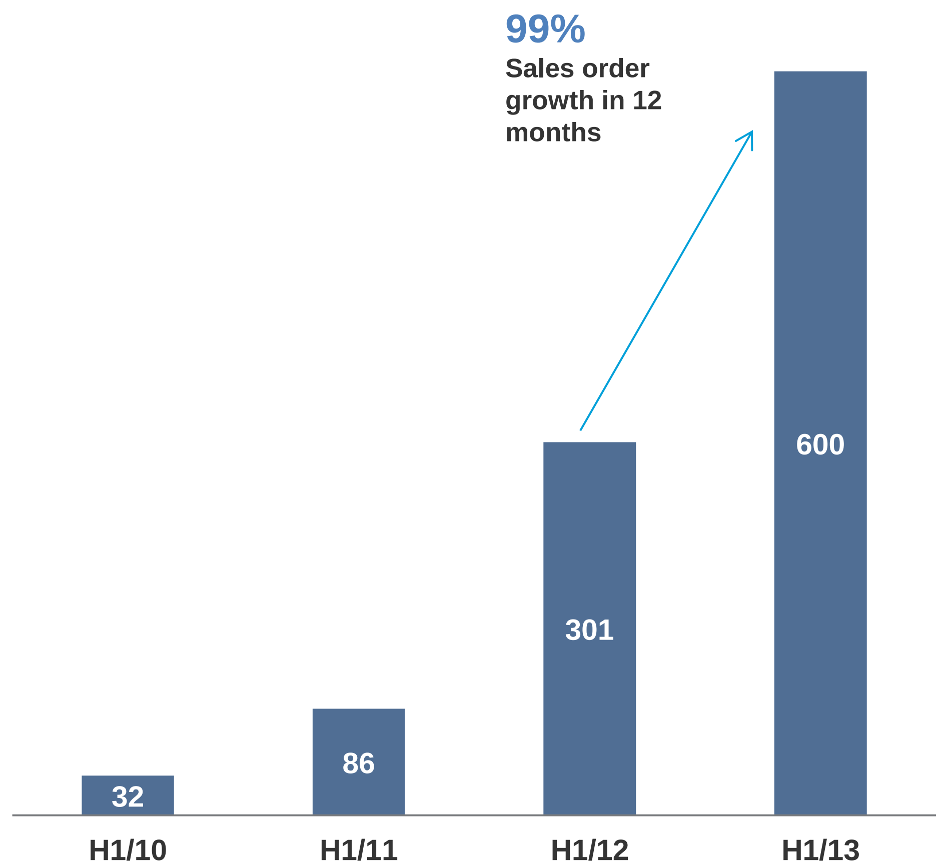


Source: Billing Data, does not include Ipera and Maxnet retail ISP customers

Sales Order Growth

- Strong growth in sales – result of investment in sales and marketing teams
- Pipeline is robust and benefits from new focus on the corporate market
- Realising benefits of Maxnet acquisition through cross sales of NZ co-location and data services to Australian customers and vice versa

Sales Order Growth

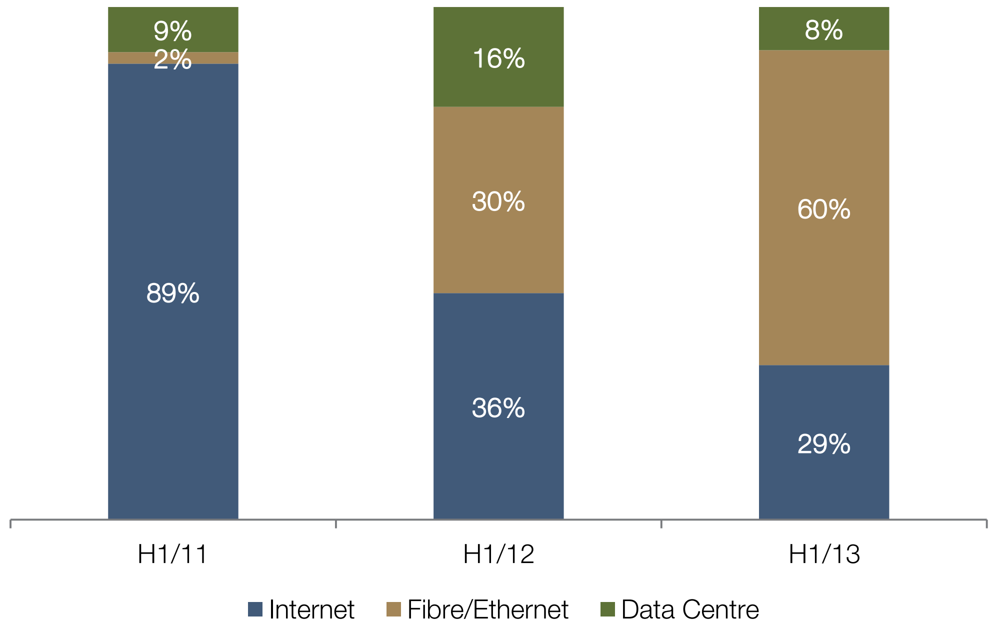


Source: Billing Data

Evolving Sales Mix

- New sales predominantly coming from Fibre/Ethernet
- New / expanded DC facilities in Auckland and Melbourne along with Newcastle DCs acquired via Ipera will contribute to growth in FY14
- Profitability of Fibre and Ethernet sales increasing as more sales are on-net and do not require significant build out costs

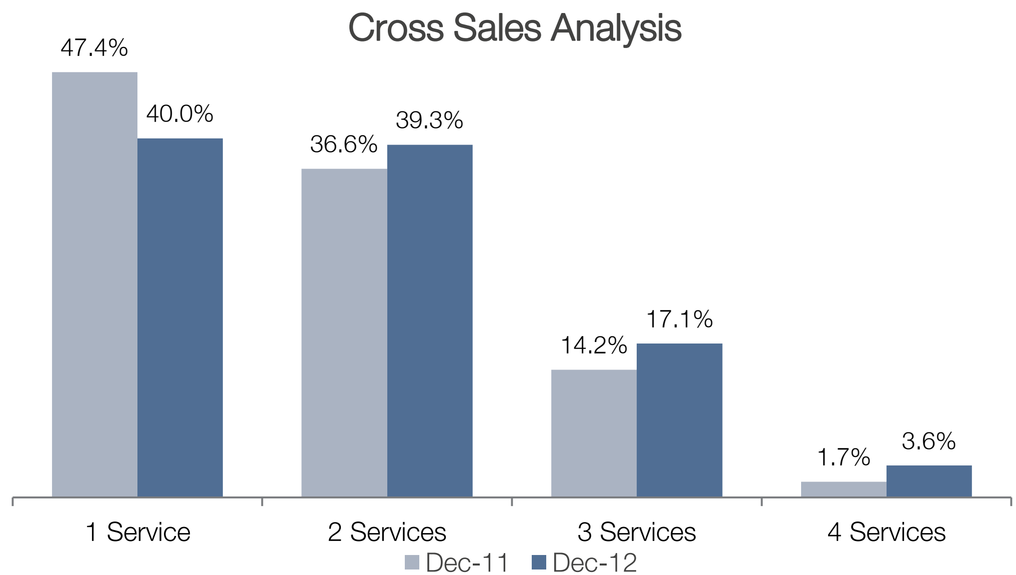
Proportion of new monthly recurring revenue by product



Source: Billing Data

Cross Sales Potential

- Increasing success in bundled sales to existing customers over the past 12 months
- Bundled services represents a winning value proposition in the market
- Significant opportunity to cross sell services, and existing customers present a strong source of sales leads

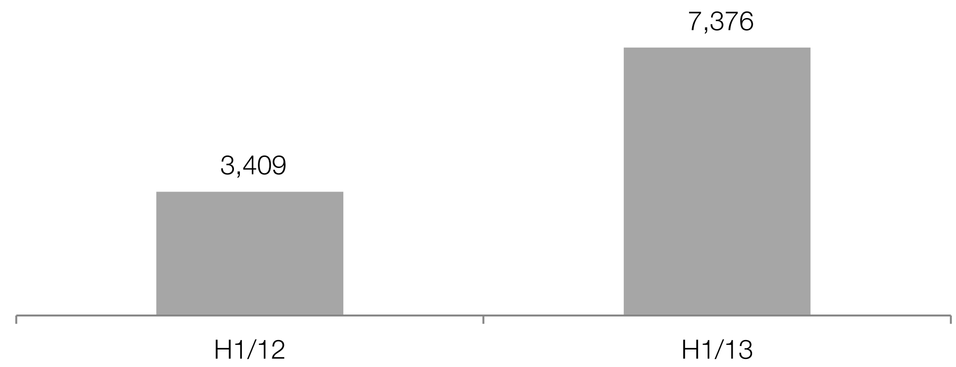


Source: Customer Data, excludes Maxnet customers

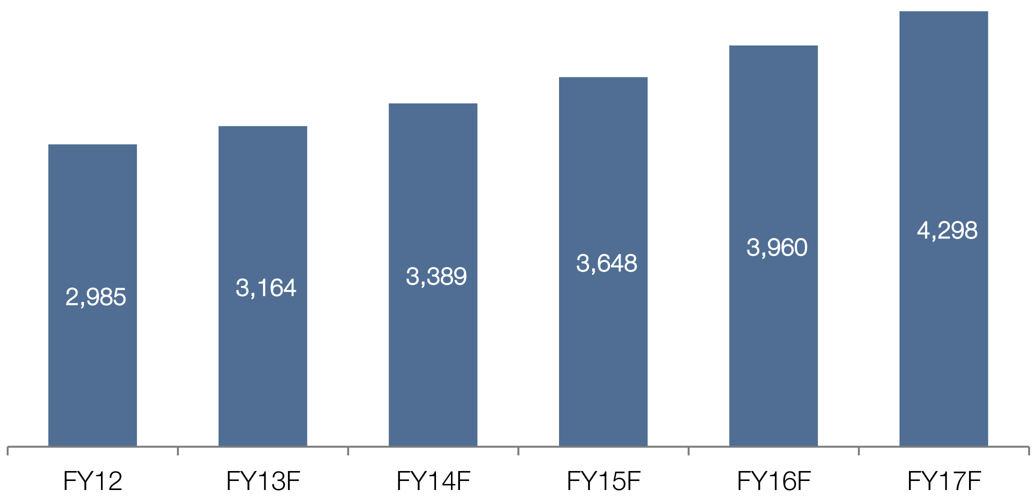
Increased Corporate Sales Focus

- The business and enterprise data market represents a significant new market
- New sales (total contract value) to corporate customers increased by 116% over H1/12
- Corporate sales are expected to grow strongly in FY13 following significant investment in expanding the direct sales team

Corporate Sales Growth (signed contracts $'000)



Australian Business and Enterprise Data market, $m

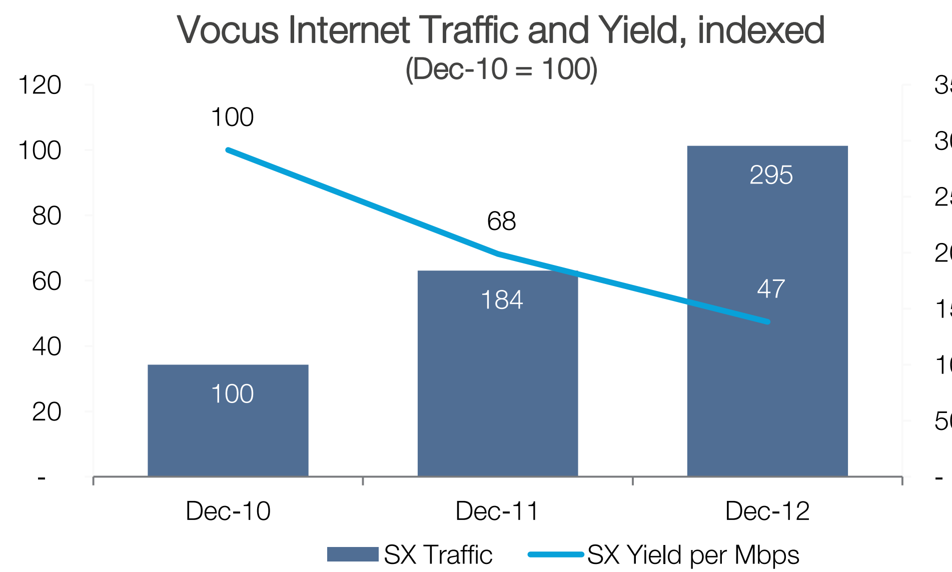


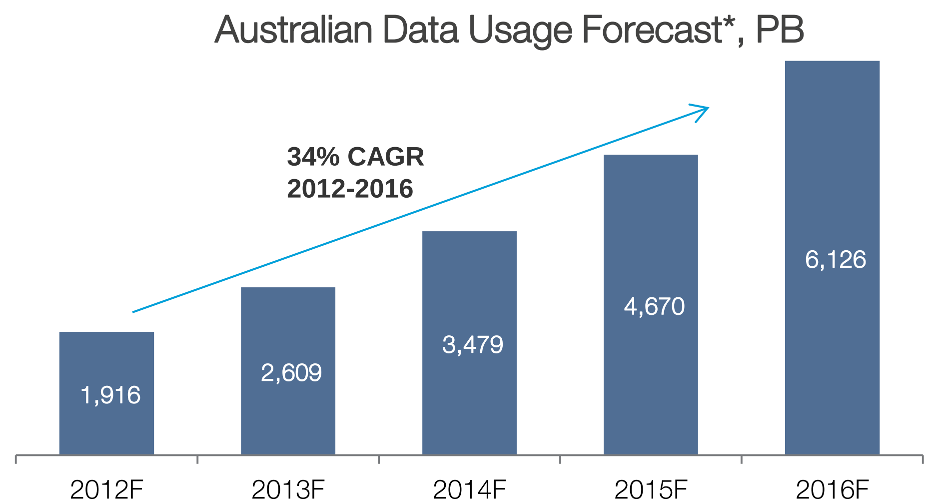
Source: Yankee Global ConnectedView Forecast 2012

Product Updates

Internet

- Long-term contracts (durations of 12-36 months, current weighted average remaining duration ~19 months)
- Significant capacity available following new IRU arrangements signed in September 2012 which will drive future sales growth
- Data usage is forecast to increase more than 3-fold between 2012 and 2016*, driven mainly by demand from video.
- Increased data demand leads to increased requirements for internet transit which Vocus can supply using its IRU





* *ABS, CISCO Visual Networking Index 2011-2016*

Data Centres

- Operates 7 facilities across 5 sites, totalling 2,471m^2 at December 2012
- New flagship data centre build in Melbourne on the site of the previous ASX data centre, with Phase 1 complete in July 2013
- Auckland data centre expansion in progress, with Phase 1 complete in July 2013
- Ipera acquisition in January 2013 adds two data centres in Newcastle
- Cloud computing positioned to be strong driver of demand for data centre space

Data Centre Summary – December 2012

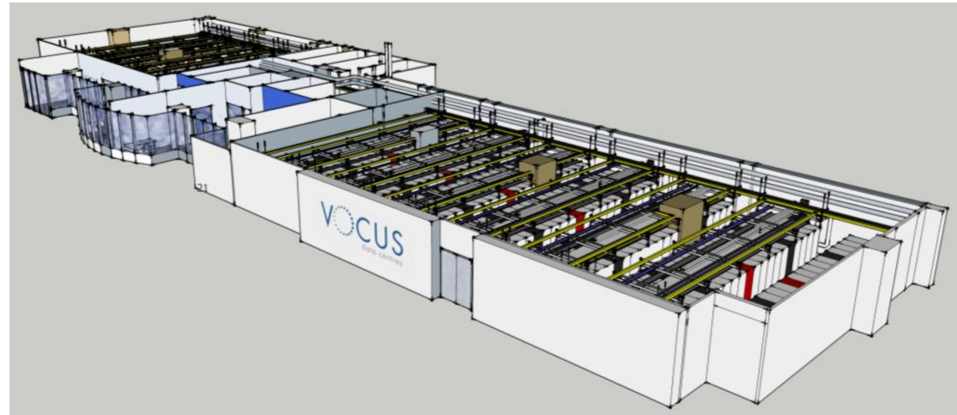
Location	Area	Utilisation
Sydney (SYD1, SYD2, SYD3a)	897m^2	72%
Melbourne (MEL1)	490m^2	100%
Perth (PER1)	536m^2	98%
Auckland (AKL1)	420m^2	76%
Christchurch (CHC1)	128m^2	32%
Total current DCs	2,471m^2	79%
Melbourne (MEL2) – in build	685m^2	n/a
Auckland (AKL2) – in build	144m^2	n/a
Total area incl. in build DCs	3,300m^2	

Does not include Ipera acquisition in January 2013 which adds 370m^2 across two data centres in Newcastle, NSW

Data Centres: Expanding Footprint

Melbourne (M2) Data Centre Project

- Located on Collins St, Melbourne on the site of the previous ASX data centre
- Central Melbourne CBD location provides low-latency solutions for Melbourne customers
- Includes new Sales Office, customer staging area and breakout room
- Phase 1 will deploy 105 racks and ready for launch July 2013



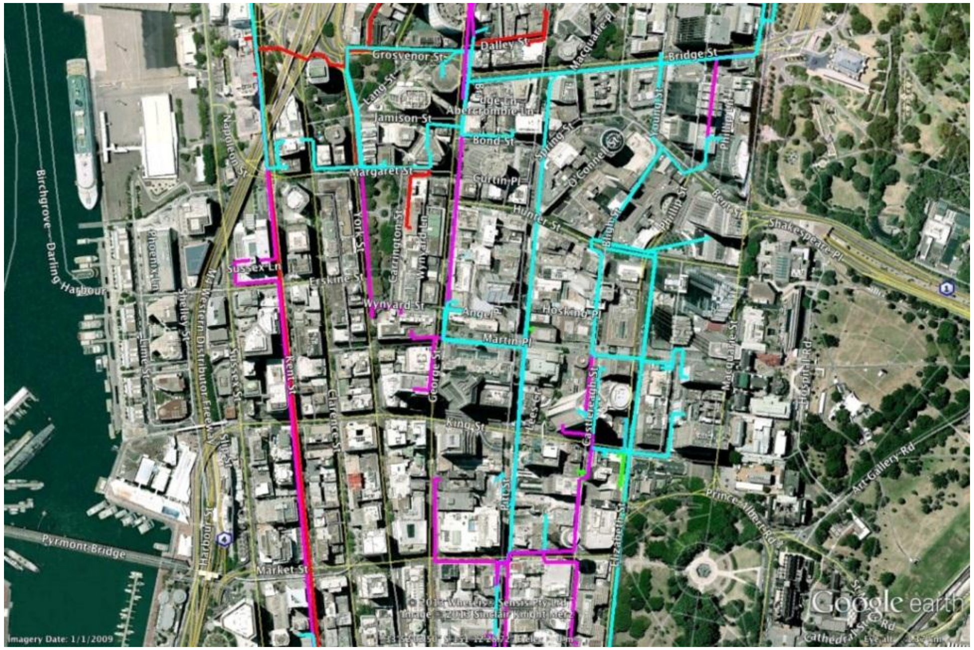
Auckland (AKL02) Data Centre Expansion

- Phase 1 expansion of existing Auckland Data Centre
- Additional 61 high availability racks to be deployed as existing HA rack inventory is sold out
- Potential to expand to adjacent unit in Phase 2, dependent on customer demand
- Ready for launch in July 2013

Fibre and Ethernet

Vocus Dark Fibre Network Key Statistics	
Geographic location	Sydney, Melbourne, Brisbane, Adelaide and Perth CBDs
Fibre length	59km (at acquisition) 94km (at December 2011) 173km (at June 2012) 262km (at December 2012)
On-Net Buildings	50 (at acquisition) 79 (at December 2011) 147 (at June 2012) 219 (at December 2012)
Major Data Centres connected	59
Cable Capacity	Type 1 – 624 fibre strands Type 2 – 312 fibre strands Building Lead-in – 72 fibre strands
Current utilisation	5.6%

Does not include Ipera acquistion in January 2013 which adds 55km of fibre and 81 on-net buildings in Newcastle, NSW



Fibre: Increased efficiency

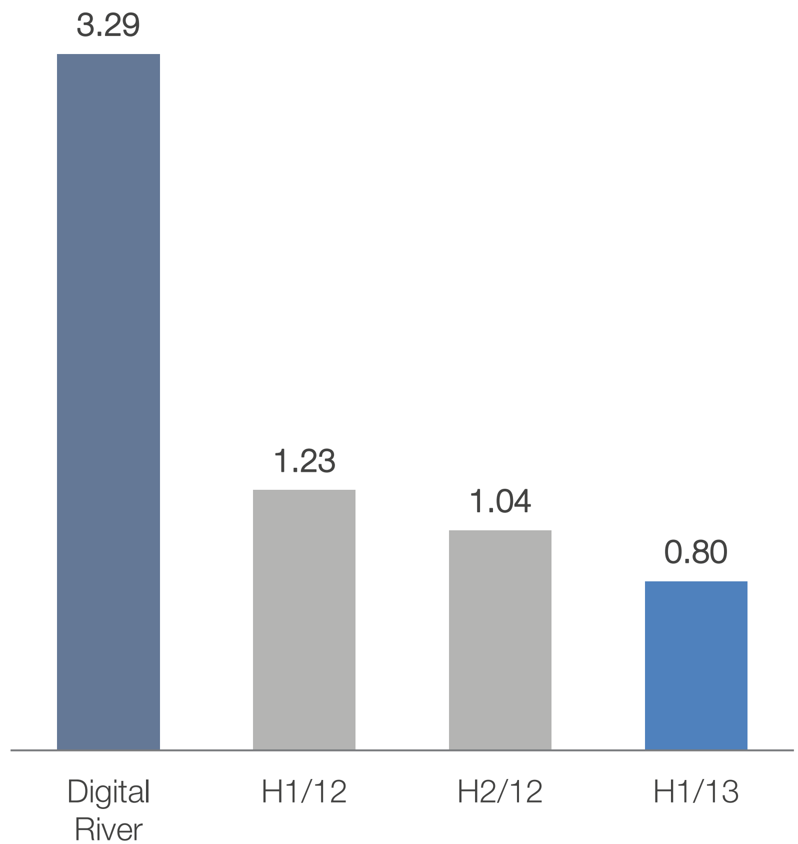
- Capex required per new contracted $revenue to continue to decrease generating more yield from the network

- Network utilisation is currently 5.6% Large potential to extract more revenue from existing infrastructure

- For example, a 1% increase in utilisation on the current network would potentially deliver an additional $0.54m in annualised EBITDA

Fibre Capex Growth Efficiency

Fibre capex $ for each new $1 of contracted revenue

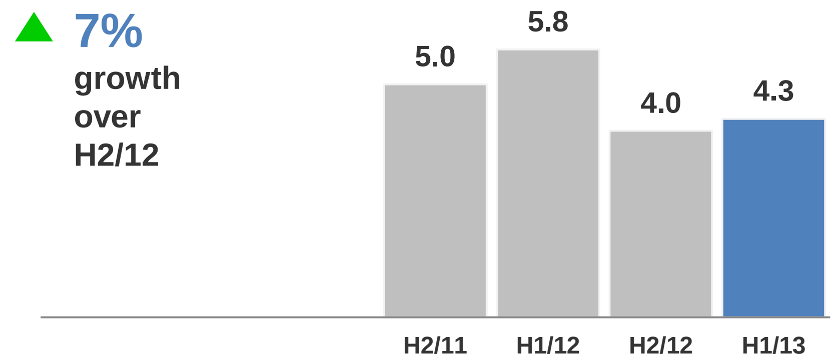


Notes: 1) Digital River capex efficiency is calculated using the purchase price of Digital River and contracted revenue arising from the acquisition

Voice: Revenues and volumes recovering

- New General Manager - Voice in August 2012 recruited to provide renewed focus on this segment and generating results
- Developing products strategically positioned to capitalise on NBN voice opportunities

Voice Revenue ($m)



Ipera Communications Acquisition

- Ipera acquisition announced in December 2012 and completed in January 2013
- The acquisition provides an increased national footprint with high quality fibre and data centre assets in Newcastle, NSW
- Complementary to existing fibre and data centre infrastructure
- Minimal contribution to FY13 earnings after transaction costs
  Forecast EBITDA contribution of $2.3m - $2.5m in FY14

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