

30 October 2018

**The Manager
Company Announcements Office
Australian Securities Exchange
4th Floor
20 Bridge St
SYDNEY NSW 2000**

ELECTRONIC LODGEMENT

Dear Sir/Madam,

2018 ANNUAL GENERAL MEETING SPEECHES

Vocus Group Limited (ASX: VOC) today holds its 2018 Annual General Meeting.

Please find attached the speeches of the Chairman and Group Managing Director and Chief Executive Officer, which will be delivered from 10am at the meeting.

As announced to the ASX on 29 October, the meeting will also be webcast and can be accessed through the Company's website at www.vocusgroup.com.au/investors.

Yours faithfully,

Vocus Group Limited



Ashe-lee Jegathesan
Company Secretary

Date: 30 October 2018

AGM Speeches

Chairman's Address 2018

Good morning, my name is Bob Mansfield and I am Chairman of your company. On behalf of the Vocus Board of Directors, I'd like to welcome our shareholders, employees and guests present today – thank you for attending. I'd also like to welcome those listening to proceedings through our webcast facilities.

I acknowledge and respect the traditional indigenous owners of the land on which we work, the first people of this country. We pay our respects to them, their culture, and their Elders, past present and emerging.

As a quorum is present, I declare the 2018 Vocus Annual General Meeting open. I propose to take the Notice of Meeting as read.

I would like to start by introducing the company officeholders present today:

- Kevin Russell, Group Managing Director and CEO
- Non-Executive Directors:
 - David Wiadrowski
 - John Ho
 - Julie Fahey
 - Bruce Akhurst
 - Matthew Hanning
- And Executive Director Mark Callander

Also with us is our Executive Team, including:

- Mark Wratten, Group CFO
- Ashe-lee Jegathesan, General Counsel & Company Secretary
- Simon Smith, Chief Technology Officer
- Sandra de Castro, Chief Executive – Consumer
- Matt Walsh, Chief Customer Officer
- Antony de Jong, Chief Executive – Commander
- Amber Kristof, Head of People and Culture

Also with us is our Auditor, Ryan Hansen and Nick Howard from the Deloitte team. An opportunity to ask questions of our Auditor will be provided later in this meeting.

Today, in this address, I will speak briefly on our 2018 financial results and address the important process of renewal undertaken during the year, also touching on our significant achievements. I will then hand over to our Group Managing Director & CEO Kevin Russell. He will talk about why

he joined Vocus and the opportunity ahead, his immediate focus on building the executive leadership team, the performance of the business units and our outlook for FY19.

Following this will be the formal proceedings as outlined in the Notice of Meeting:

- Consideration of our 2018 Financial Statements and Reports
- Adoption of the 2018 Remuneration Report
- Consideration of the re-election of Directors
- Consideration of the proposed grant of Options to Managing Director & CEO and the Executive Director

Voting on all resolutions will be conducted by a poll.

We appreciate the opportunity to speak with shareholders following these presentations and will give shareholders the opportunity to ask questions or comment after the Chairman and CEO addresses and as we progress through the resolutions.

I will turn now to the performance of Vocus during the 2018 financial year.

FY18 was a period of significant internal change and challenging market conditions. Within this environment, pleasingly, we delivered a positive result with EBITDA growth ahead of revenue growth.

Our underlying EBITDA increased by 7% to \$366 million on a revenue increase of 2% to \$1.9 billion.

The Australian Enterprise, Government and Wholesale segment delivered a strong performance, as did the New Zealand segment. The Consumer segment in Australia is operating in a very competitive environment and undergoing significant disruption as it transitions to the NBN. While we maintained our market share of 7%, significant work needs to be done to transition this business to a new digitally enabled, low cost model.

The performance of the newly separated Commander business, which serves the Small and Medium Business segment, was very disappointing. The long-term sustainability of this business has been compromised by a lack of focus and investment. Urgent remedial action is required to address the decline we are experiencing in this business.

Kevin will go over the segments in more detail and the steps that he is taking to turn around the underperforming segments.

Moving to our core – our world-class network.

Our 2100km North-West Cable System, linking Port Hedland to Darwin, connected its two foundation customers in October last year, improving services in this often-neglected part of Australia. The North West Cable System will enable future growth opportunities, particularly in the Oil and Gas sector.

In September, we announced a collaboration with the Northern Territory Government to construct a new fibre optic cable link between Darwin and the Tiwi Islands, bringing secure fibre connectivity to the Tiwi Islands for the first time.

In June, we won a contract with the Australian Government to construct a sub-marine cable between Solomon Islands, Papua New Guinea and Australia (this has been named the 'Coral Sea Cable'), and a domestic cable network within Solomon Islands.

Another significant network achievement was the completion in May of the main lay of the Australia Singapore Cable (ASC), our 4,600km submarine cable linking Perth to Singapore via Indonesia. The Australia Singapore Cable subsequently went live in early September to support our current customers before its formal launch in mid-September.

These achievements are reflective of a level of confidence in Vocus as a submarine cable network provider and as a trusted provider of secure, reliable global connectivity.

In June this year, we closed a new and increased debt facility of:

- A\$1,270 million and
- NZ\$150 million,

removing any requirement to divest assets and providing us with the financial headroom and flexibility to execute strategic opportunities over the coming years. We closed the period with net debt of \$1 billion, within the expected range.

The Vocus Board has not declared a dividend in FY18. An Interim Dividend was not declared due to competing demands for capital investment across the business at that time, in particular, the Australia Singapore Cable. A Final Dividend was not declared as the new debt facility stipulates that dividends shall not be paid until the Net Leverage Ratio is below 2.25x for two consecutive periods. We understand that this may be disappointing to some shareholders seeking a dividend. However, your Board remains committed to continued debt reduction to give a firm financial footing to the business.

When I first joined the Board in 2017, I did so because I could see the potential. I believed that the strategy was strong and the opportunity was significant. Corporate activity in earlier years had created a platform that makes Vocus competitive with the majors and opens up significant future growth opportunities. However, it became clear that we needed something different, at Board and Executive level, to properly execute on the opportunities in front of us. We all agreed at that point that we had to make significant changes from the top.

During the past 12 months, we have completely renewed the Board and made substantial progress with our executive team.

For Board renewal, we undertook a comprehensive search process, with two highly regarded search firms in this area. Together with our advisors, we identified the skills that would best serve the company as it commenced its turnaround phase. Also top of mind for us through this process was diversity (both gender and cultural) as well as the right philosophy and culture to enable the Board to properly serve your interests as shareholders.

We have been fortunate to attract depth of experience and talent in John Ho, Julie Fahey, Bruce Akhurst and Matthew Hanning. We are pleased to welcome them to the Board and to present them for your election later in today's proceedings. All directors contribute knowledge of the

telecommunications industry, whether from within the industry or working alongside it, as well as contributing skills gained in leading successful global businesses.

We invited Mark Callander, our Chief Executive – New Zealand, on to the Board as an Executive Director. Mark has built an exceptionally strong New Zealand business and has done an excellent job of leading the merger integration over the last couple of years. He also brings continuity, corporate history and knowledge. We value his experience and contributions and believe that the Board will greatly benefit from his telco sector experience and knowledge of the NZ market.

The Board before you today is independent, has a strong mix of skills and experience, and is very excited about the future of your Company.

When I was appointed Chairman in March this year, my clear priority was to recruit a new CEO. We needed to find an executive that could lead the company through its next stage. We needed a leader to build a high performing team, focused on developing and executing a strategy that will deliver the potential value in the company.

I was very pleased when we announced this year that we had appointed Kevin Russell to the CEO role. Kevin is a highly respected and experienced CEO. He has an excellent mix of skills and the demonstrated strategic and leadership ability to improve business performance. We are delighted to have him on board.

Prior to Kevin's appointment, it was clear to both of us that we were completely aligned on the opportunity. As a fibre infrastructure company, we must take a long-term view of strategy and growth. At our full year results in August, Kevin began to lay out where we see our long-term opportunity as a fibre company. He will talk about that again today. We still have some work to do to fully develop our strategy, but there is no doubt that this is a business that requires long-term thinking and long-term planning.

We wanted a remuneration structure that rewarded that philosophy, both for Kevin and the management team. Over the following months, we developed and implemented a new remuneration structure for FY19 and beyond.

The plan is simple, transparent, and completely aligned with shareholder value creation. Short Term Incentives, which reward short-term decision-making, have been eliminated. Remuneration for Executives is heavily weighted towards a Long-Term Incentive plan, with equity that has 3-5 year vesting timeframe. This plan has been specifically developed for a turnaround phase in our journey. We will continue to take shareholder views and input in developing the right plan for the next phase.

The only metric is Total Shareholder Return, which means complete alignment of management and shareholders. There is no vesting unless there is a minimum 50% appreciation in share price in 3 years time. Full vesting requires the share price to double in three years. We needed to find management who would back themselves to think like this.

The detail of this long-term incentive plan has been included in the Notice of Meeting. Among other topics, Kevin will talk more about the progress he has made developing the leadership team since he started at the end of May.

I would now like to invite our Group Managing Director and CEO, Kevin Russell to the lectern. Before Kevin speaks, we have a short video on the Australian Singapore Cable, an investment that I believe has added a completely new dimension to our business.

CEO Speech

Good morning everyone and thank you for joining us today.

As Bob has outlined, it has been a period of significant change at Vocus. I am now 5 months into the role as CEO and, frankly, loving the challenge and opportunity.

If I can briefly summarise my background, I've been in the telecoms industry for over 23 years, with 17 years spent operating at a CEO level. I've worked extensively internationally with time outside of Australia in Hong Kong, Israel, the UK and the US. I have generally been involved in challenger brands either as a complete start-up, like Three Mobile in Australia, or as a turn-around. I have also more recently spent time at both Optus and Telstra so I come to Vocus with an experienced insight into our competitive environment.

I have come to Vocus because I believe in the opportunity to develop a very strong and successful growth business. There are 3 simple reasons for my confidence in our opportunity.

Firstly, our market share is sub-scale. It is low relative to the extensive fibre and network assets that we own. I believe that our growth potential is significantly greater than we have challenged ourselves to realise.

We have a market share of approximately 5-6% in the Australian Enterprise, Government and Wholesale markets. When you break it down a bit more, we have a good market share on the West Coast of Australia, in the mid to high teens. But on the East Coast, where the biggest opportunity lies, our market share percentage is low single digits. Getting the right marketing, product and distribution capability is key to unlocking our potential growth here.

Secondly, I believe that the market environment is broadly favourable for our core fibre business. All of our major competitors are having their own internal challenges. Telstra is trying to implement its 2022 strategy – the biggest change within that company in a generation. TPG and Vodafone are facing the execution challenges of a merger of equals and Optus is driving a significant cost-out programme. Combined with the focus that all 3 companies have on mobile competition and 5G, I believe that we have a window of opportunity to gain market share, if we execute well.

Finally, in terms of our opportunity, the reset of the Vocus Board and its focus on long-term value creation not short-term targets is critical to giving management the support to make the right strategic decisions. The new remuneration structure is integral to this longer term focus, and alignment of management and shareholder interests.

Bob has talked through the new Board that is now in place. For me, personally, working with Bob as Chair is an absolute privilege. I have known Bob for over 15 years. He is an experienced operator, a people person and a strong strategic thinker. He empowers management to execute

the task and he and the Board will hold me and my team to account to make sure that the results get delivered.

Five months in, my belief and my confidence in the opportunity for Vocus has only grown. The key now is execution and my primary focus in these early months has been on building the right executive team who can similarly see and believe in the opportunity ahead.

To get momentum into the reset of Vocus, it has been important to make leadership changes quickly and I am pleased with the initial progress we have made.

To summarise some of the changes to my executive team.

We have Andrew Wildblood coming in to lead Enterprise and Government in the new year. Andrew is joining us from Telstra and his knowledge of mid-market and enterprise in Australia is second to none. He is so passionate about the opportunity for Vocus that he is leaving a very senior role at the industry incumbent to now join the challenger. To be able to attract talent with Andrew's experience and capability is a strong validation of the potential at Vocus.

Antony de Jong joined in September to head up Commander's push into Small Business. Antony most recently founded and headed the telco challenger brand Belong. He is a detailed, hands-on operator, which this neglected segment needs. Antony came into Vocus initially as a consultant to help us better understand the Commander business. The fact that he then signed on to lead its turn-around and is so excited about its prospects is again very encouraging.

Another key external hire is Amber Kristof, who has joined us from L'Oreal and has previous experience in the telco sector. Amber leads our People and Culture team, an area where we have been lacking true leadership and expertise for some time. I will be working very closely with Amber to lead our drive to embed our challenger values into Vocus and to establish a high performance growth culture.

From within the existing team, bringing "Customer" to the Executive table is Matt Walsh, who has been elevated to the role of Chief Customer Officer. Matt brings years of corporate knowledge from within the business and a customer focus and voice to the Executive Team. Matt also now heads up our operations in Perth.

And last but certainly not least, Mark Callander. As Bob said, Mark has joined the Board. As well as that, his executive role has been expanded beyond New Zealand. Until Andrew joins us, Mark has oversight of the Australian Enterprise, Government and Wholesale segment. In the new year, Mark will continue to run the Wholesale business as well as the New Zealand business. Mark is an exceptional executive who has built a strong business in New Zealand. It is critical that we all benefit from his knowledge, experience and counsel.

Supporting the Executive level, there are a number of additional key hires that will help us take the business forward. These have included key appointments in Product, Regulatory, Commercial and Technology. My expectation is that by January of next year, more than half of Vocus senior leadership will be new. Having the right leadership in place to execute on the opportunity is critical and we have moved quickly to establish that team.

Moving onto our business units.

The clearest and most valuable growth opportunity for Vocus is in our Enterprise, Government and Wholesale segment. Our target is to double revenue from this business within 5 years, which requires a 15% CAGR over this period. There is already good momentum in this segment, with underlying EBITDA growth of 15% on revenue growth of 11% in FY18.

Our Enterprise sales team has been restructured during the past year and the basic disciplines that Julia Walsh, our GM of Enterprise has brought through are really encouraging. This has included an expansion of our sales presence on the East Coast, from what had been a very West Coast dominated team, and significant improvements in targeting and training. The impact of a stronger distribution capability in Enterprise has been very clear over our last 2 quarters.

Our wholesale operation has been one of the stronger performing parts of our business in recent years. The completion of the Vocus Australia Singapore Cable in mid-September, linking our Australian fibre network to Singapore via Jakarta, brings an entirely new dimension to our Wholesale business and, indeed, to Vocus.

The Australia Singapore Cable involved more than 5 years of planning and permitting and took 2 years to construct. It involved 4,600km of undersea cable being laid, with depths many kilometres down to the ocean bed. A great engineering feat that now gives Vocus a very valuable asset. This was a true cross-business effort and brought together people from across the Group. From New Zealand to Sydney, to Perth and into Singapore.

One of my proudest days since starting at Vocus was when the ASC went into service ahead of schedule. The existing Sea-Me-We3 submarine cable between Perth and Singapore suffered another major outage in early September. We were due to go live in a couple of weeks but testing was progressing well so the team decided to move our customers on Sea-Me-We3 across to ASC early. After an incredible effort over 24 hours, we were confident that it could be done and we went for it. It worked perfectly.

That is how we need to operate. Fast. Decisive. Focussed on the right outcomes for our customers.

The ASC is now fully operational and has been very successfully supported by our industry. The latest outage on Sea-Me-We3 undeniably reinforces the requirement for the ASC to support affordable and trusted connectivity with our closest trading partners in Asia.

Sales are off to a very strong start with over 2.5Tbps of capacity already sold and our sales pipeline is strengthening. The cable is 100% owned by Vocus, which gives us ownership economics as sales momentum increases and revenue growth.

In Government, our relationships are strong at a Federal level, and we are confident in our growth potential. We have work to do in State Governments in New South Wales and Victoria where our market shares are low. These are clear priority areas for us moving forward.

Winning the contract to build the Coral Sea Cable recognises the respect and confidence the Federal Government has for Vocus. We are mindful of the trust from the Federal Government and are progressing well in executing on this project.

We have set a clear goal of doubling our revenue in Australia from our Enterprise, Government and Wholesale segments within 5 years. There is a good platform in place and clear plans to ramp up our growth, but to achieve this goal, we are investing in sales capability, strategic partnerships and strengthening our product portfolio. I firmly believe that the achievement of our growth ambitions here will almost entirely be down to our ability to execute.

Moving on to New Zealand, we continue to see the business performing strongly. In 2018, New Zealand reported 4% revenue growth year on year in every single segment. My observation is that New Zealand has been managed to a short-term target. It is now being challenged to grow strategically and we will make available the investment required to help it achieve its growth potential.

There is a similar opportunity in New Zealand to Australia. Our aim is to double revenue within the Enterprise, Government and Wholesale segments. We are an agnostic partner for ICT suppliers in New Zealand and a credible alternative to incumbents. Again, we will invest in NZ to capitalise on that opportunity.

In contrast, the performance of the Commander brand in the Small to Medium Business segment has been disappointing over the last 2 years. A 15% revenue decline in FY18 led to an 11% decline in underlying EBITDA. The historical short-term focus on removing cost at the expense of the long-term sustainability of the business has contributed to this deteriorating performance and there is a sharp focus on turning Commander around.

Steps are being urgently taken to address these issues. Commander has been separated into a stand-alone business headed up by Antony de Jong, who is an experienced and hands on operational executive.

Small Medium Business is a growing market but it is a market that is poorly served in Australia today. In the medium term, SMB is an area that I expect us to grow market share. We have good assets and a recognised brand. However, we clearly have short-term remedial work to address. We need to secure the base, energise our channels and re-establish our brand. That is our immediate focus for Commander.

The Consumer segment is challenging in Australia in relation to Broadband. Resale economics in NBN are tight and differentiation is limited. Legacy voice and margins in this business continue to be impacted by the migration to the NBN and in response we are building a scalable, low-cost business model through a new digital front end for sales and service supported by better targeted marketing. We relaunched the Dodo brand in August which is getting good traction with online channels, as well as in traditional media. Recognition of the Dodo brand is high and we are focused on converting that recognition into sales, improving the bundled attachment of our other products like mobile and energy and then of course, critically, we are focused on reducing our operating costs.

The Consumer segment is challenging. It is highly competitive and the economics associated with NBN mean there is very little margin. We will continue to improve our operational execution but we are mindful that much of our input costs lie outside of our control with the NBN. Whether this will be a long-term viable business model for Vocus and other resellers remains unclear and I expect that our strategy will evolve as longer term pricing from the NBN becomes clearer.

There are opportunities within Vocus to reduce operational complexity and reduce costs. Some of the key projects we are focused on include the implementation of a single advanced core network within Australia, improving network resiliency and security, the consolidation of our Australian network operating centres, and the implementation of improved digital sales and service capabilities in our Consumer business.

However, I am not pushing a stand-alone Transformation programme. I don't believe in Transformation programmes. I am by reputation a cost-cutting CEO. I wear that badge with pride. Being smart about how you spend money is a good thing. Being commercially smart is a good thing. I expect our ability to manage our costs and our cash to simply be a core part of our DNA. That is what we must do as leaders every day, and that is how we will approach it.

So, what does all this mean for future earnings?

We provided guidance to the market at our annual results on 22 August, which I would like to reiterate now.

FY19 is a transition year for Vocus with significant change in leadership and changes in focus and priorities. Sustainable, long-term growth is critical and we are investing in FY19 to drive revenue through 2020 and 2021. This does mean that we are not anticipating earnings growth in FY19 and we do expect the second half of FY19 to be stronger than the first half.

Ladies and gentlemen, it is a privilege to lead Vocus. We have an outstanding opportunity to build a successful growth business and I feel, personally, very lucky to head up the charge. This is a major reset for Vocus. We have a new Board, new leadership and a new strategic direction. I am confident we will gain momentum to drive growth as we implement our strategy.

I thank the Vocus Board for their backing and I thank the talented Vocus team for their contributions and dedication. Most importantly, thank you, our shareholders, for your confidence and support. I can assure you that our primary objective is to maximise shareholder value.

ENDS

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About Vocus: Vocus Group (ASX: VOC) is a vertically integrated telecommunications provider, operating in the Australian and New Zealand markets. The Company owns an extensive national infrastructure network of metro and back haul fibre connecting all capital cities and most regional centres across Australia and New Zealand. Vocus infrastructure now connects directly to more than 5,000 buildings. Vocus owns a portfolio of brands catering to corporate, small business, government and residential customers across Australia and New Zealand. Vocus also operates in the wholesale market providing 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.