



NEW ZEALAND INVESTOR DAY.

17 NOVEMBER 2015

VOCUS.COM.AU

ABOUT VOCUS.



**MEMBER OF
THE ASX 200.**



**NATIONAL
PROVIDER OF
FIBRE, ETHERNET,
INTERNET, DATA-
CENTRE, CLOUD
AND UNIFIED
COMMS.**



**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.**

SUCCESS IN NUMBERS.



\$100M

FY15 UNDERLYING EBITDA*



3,500⁺

ON-NET BUILDINGS



20,000⁺

NEAR-NET BUILDINGS



22

DATA CENTRES SERVICING AUSTRALIA AND NEW ZEALAND



6,000

KILOMETRES OF FIBRE OPTIC CABLE



600

STAFF ACROSS AUSTRALIA AND NEW ZEALAND

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

CONTENTS.

1. VOCUS + AMCOM + MARKETING = ...
2. AUSTRALIA-SINGAPORE CABLE (ASC).
3. VOCUS NEW ZEALAND OVERVIEW.
4. PEOPLE AND CULTURE.
5. INTEGRATION OVERVIEW.



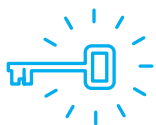
**VOCUS + AMCOM +
MARKETING =**

A SALES MACHINE

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VOCUS



Vocus continues to focus on what we're great at – Internet & point to point data links



Selling predominantly to Wholesale and Enterprise customers



Vocus sells components (PtoP Ethernet) not solutions (IP WAN) to sophisticated end users



Delivers these products across Australia New Zealand and onwards into Asia and US

STRAIGHTFORWARD.

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VOCUS + AMCOM



Amcom brings expertise in Wide Area Networking (e.g. IP WAN) and IP Tel



Amcom fibre network in WA, SA and NT to give Vocus truly national coverage



Amcom brings experience selling solutions to corporate, government and enterprise customers



Vocus and Amcom combined now have the products and the coverage to not only sell more to its existing customer base but to also expand target markets



By selling IP WAN, Internet and IP Tel Vocus now has an offering required by all businesses...

STRAIGHTFORWARD.

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communications

VOCUS + AMCOM + MARKETING



Vocus achieved all it did with only 2 Marketing staff, consequently sales had to mostly find their own leads



Amcom brings additional Marketing staff and expertise – Team is now 8 FTEs



Marketing budget has been increased to drive leads to the sales team (it's like adding a turbo charger)



Marketing campaigns to target on-net buildings and to drive market awareness of the expanded Vocus product suite with a focus on IP Tel.

WE NOW HAVE A SALES MACHINE



We have the products, the coverage, the sales people and the marketing team to drive growth



We have a very experienced Sales, Marketing and Product management team to provide the foundation for additional growth



We have major competitors just waiting to give us some of their market share 😊



We have the size and the proven performance over time to compete with anyone in ANZ

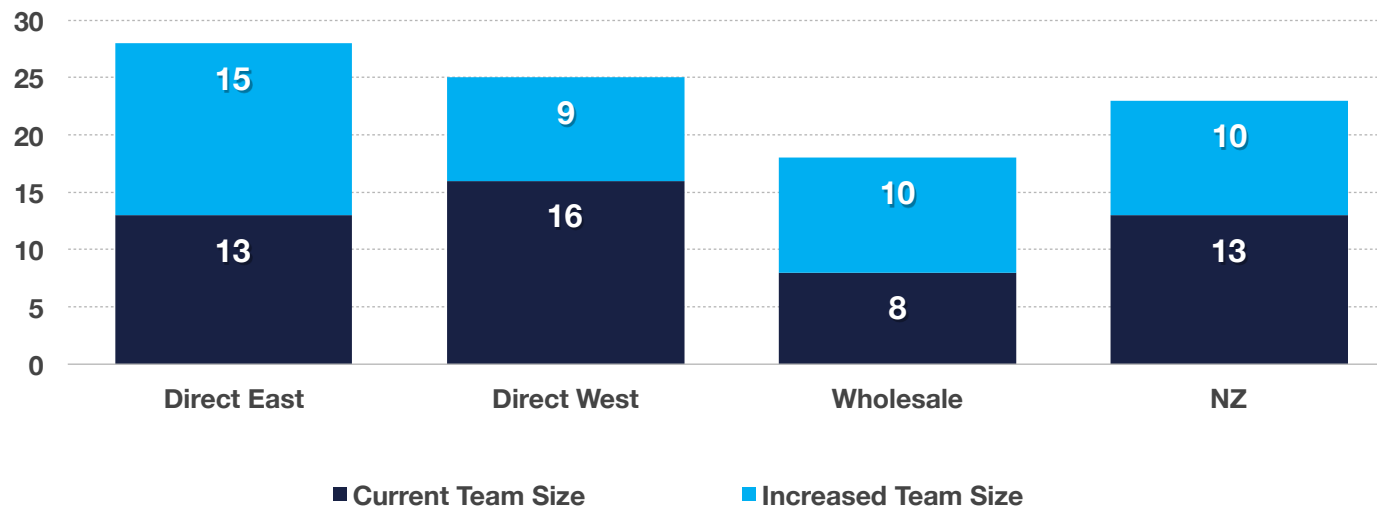


We now just add extra sales staff to generate additional sales

STRAIGHTFORWARD.

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communications

PLANNED SALES STAFF INCREASE



STRAIGHTFORWARD.

2016 MARKET APPROACH.



Rebrand Amcom to Vocus nationally



National Vocus marketing campaign



Aggressive marketing campaign to sell into on-net buildings



Simplify and Rollout IP Tel product across ANZ



Expand business partner program nationally



Targeted cross sell across entire customer base"

STRAIGHTFORWARD.

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communications

GO TO MARKET MODELS.



STRAIGHTFORWARD.

DRIVE ON-NET SALES.



National On-Net building marketing program
For new and existing on-net buildings as an always-on activity



New inside sales team has a heavy On-net building focus
Outbound sales campaign driving internet, IP Tel and data networks.



A coordinated sales and marketing approach
Target decision makers in on-net buildings across multiple touch-points

OUR BRAND POSITIONING.

A REAL NATIONAL BUSINESS ALTERNATIVE TO THE INCUMBENT TELCOS



Straightforward and built just for business



We're Smart, aspirational and GENUINE.



Challenger – We're here to do it better. We're not like the competition.

STRAIGHTFORWARD.

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WE LOVE WORKING
WITH SMART BUSINESSES
SO WE BUILT
OUR NETWORK FOR THEM.

VOCUS MEANS BUSINESS.



FIBRE



INTERNET



CLOUD



DATA
CENTRES



UNIFIED
COMMS

VOCUS
communications

WHEN THERE
WASN'T A TELCO WE LIKED
WE CREATED
ONE FOR PEOPLE LIKE US.

VOCUS MEANS BUSINESS.



FIBRE



INTERNET



CLOUD



DATA
CENTRES



UNIFIED
COMMS

VOCUS
communications

WE'RE GREAT AT BUILDING
NETWORK PRODUCTS
SO THAT'S
WHAT WE DO.

VOCUS MEANS BUSINESS.



FIBRE



INTERNET



CLOUD



DATA
CENTRES



UNIFIED
COMMS

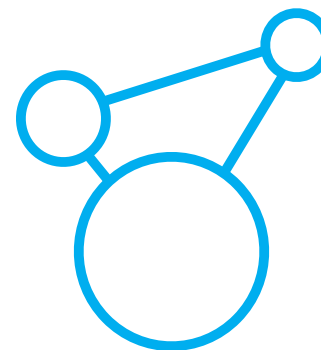
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AUSTRALIA-SINGAPORE CABLE (ASC)

JAMES SPENCELEY, CEO

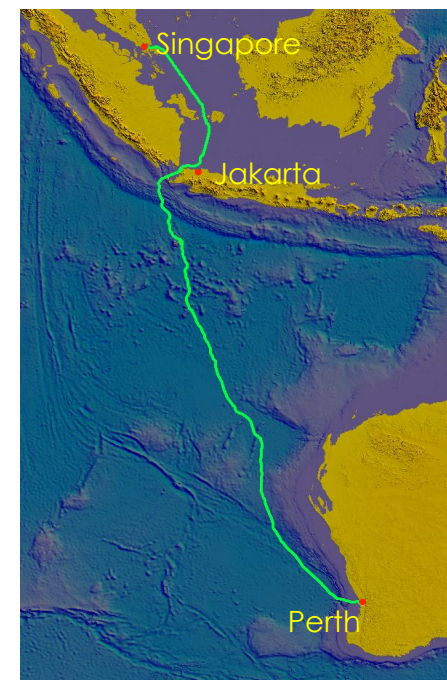
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AUSTRALIA-SINGAPORE CABLE.

SUMMARY OF PROPOSED SUBMARINE CABLE

- 50/50 JV between Vocus and Nextgen
- Cable from Singapore to Jakarta and Perth (4,608 km)
- Direct low latency route between Sydney and SE Asia via seamless link from Perth to Sydney
- Cable capacity of >20Tbps
- Carrier neutral PoP to PoP offering, available at major DCs
- US\$120-130m build cost
- 18 month construction period, beginning early 2016
- Only latest generation cable connecting Australia to Asia

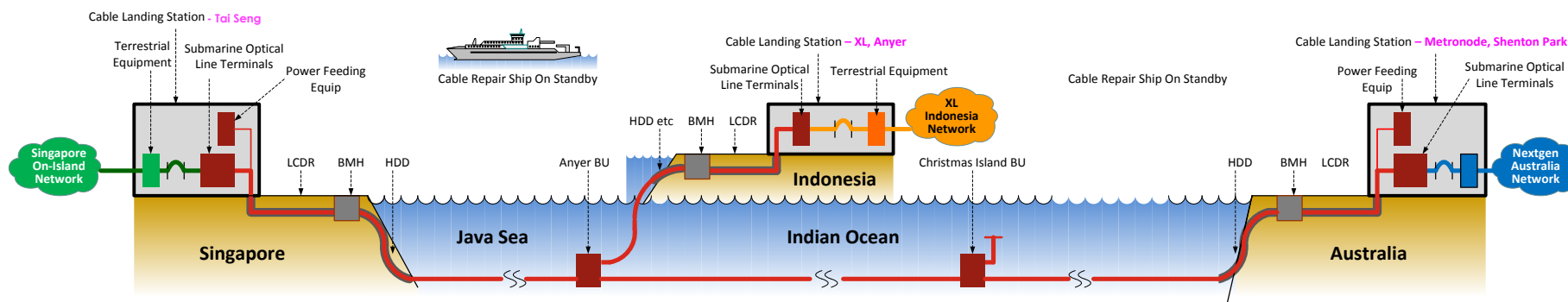


STRAIGHTFORWARD.

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AUSTRALIA-SINGAPORE CABLE.

PERTH – SINGAPORE VIA JAKARTA



STRAIGHTFORWARD.

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AUSTRALIA-SINGAPORE CABLE.

MARKET DYNAMICS

- Asia derives international bandwidth through submarine cables
- Major international brands have content in Singapore that serves Australia
- Oceanian and Asian international traffic has shown compound growth of 45% and 40% respectively over the last 4 years
- Demand for bandwidth in Australia will continue to grow strongly with NBN
- Growing Asian language population in Australia drives traffic demand on this route
- Strong demand for an additional cable as current cable (SMW3) has limited capacity
- Extended outages on existing cable shows there is requirement for redundancy

AUSTRALIA-SINGAPORE CABLE.

ASC, FAR AHEAD OF THE COMPETITION

- Proposition includes inter-capital & metro fibre networks for delivery to almost anywhere in Australia
- Completed detailed marine survey, cable route is known - other cables yet to commence marine survey
- Indonesian landing party is XL Axiata
- Only cable with WAYLEAVE permit approved in Singapore
- Singapore Carrier license approved (FBO)
- Secured last landing at Tanah Merah Singapore, if landing in Changi North adds an estimated \$15m to landing costs
- Landing permits and Landing station in Perth complete
- Turnkey solution provided by cable construction company

STRAIGHTFORWARD.

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AUSTRALIA-SINGAPORE CABLE.

DUE DILIGENCE IN PROGRESS

- Financial assumptions currently being tested in due diligence
 - Qualified sales demand of >US\$200m within first 3yrs of operation
 - Project NPV greater than \$100m over the economic life of the cable (25 years)
 - IRR to Vocus in excess of 25%
 - Lean operating model with high profit margins
 - Highly complementary to existing terrestrial assets
 - High \$ value of pre-committed sales

AUSTRALIA-SINGAPORE CABLE.

SUMMARY

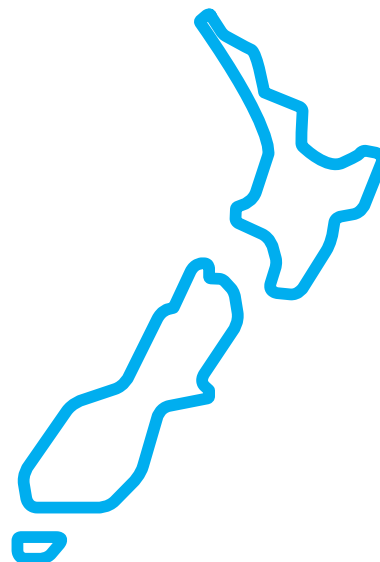
- Existing SMW3 cable has limited capacity
- Demand for Australia to SE/Asia capacity is increasing
- Singapore is a content hub for Australia
- Growing Asian language focus of Internet traffic
- ASC is far ahead of proposed other cables
- Combines submarine, inter-capital and metro fibre for ASC customers
- Addition of Vocus brings existing customer relationships and demand
- Opportunity to build a high demand and critical piece of national infrastructure



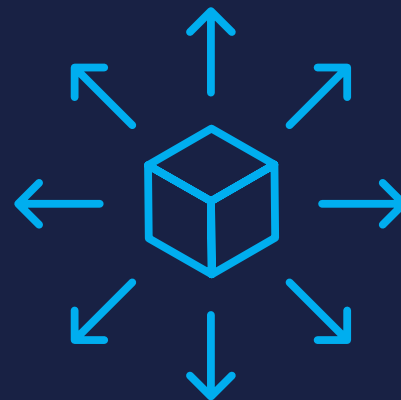
VOCUS NZ OVERVIEW.

MAXINE ELLIOTT, VOCUS NZ CEO

[VOCUS.COM.AU](https://vocus.com.au)



NEW ZEALAND BUSINESS TRANSFORMATION.



NZ BUSINESS OVERVIEW.

- Office locations – Auckland, Hamilton, Wellington, Christchurch
- 120 Staff, 23 in sales
- National backbone operator
- We buy access tails from third parties
- 4300km fibre network lit with leading optical equipment (Infinera)
- Comprehensive coverage with our Cisco MPLS network
- In all major POPs and data centres
- 3 Vocus data centres in NZ
- ~80% of the revenue from resellers
- Well positioned now for growth



STRAIGHTFORWARD.

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WHAT WE FOUND.

WE FACED SOME CHALLENGES

- FX was a construction and solutions business:
 - We did not have key contracts in place - with staff, customers and suppliers
 - We had limited visibility of our costs – internal and third party
 - Products were bespoke and not scalable
 - Products were not costed – did not know gross margins
 - Sales did service delivery and billing
 - Commercial focus was lacking
- But there was a great asset!

WE'VE BEEN ON A JOURNEY.

TURNING THE BUSINESS INTO A TELECOMMUNICATIONS COMPANY

Commercial focus brought to the business – doing things smarter and taking cost out

- We have taken the noise out to focus on core business
- Connect 8 JV with Spark
- We have put key contracts in place
- We have 5 new systems
- Product management introduced
- Sales process introduced
- Service delivery split off to Network operations.

Growth

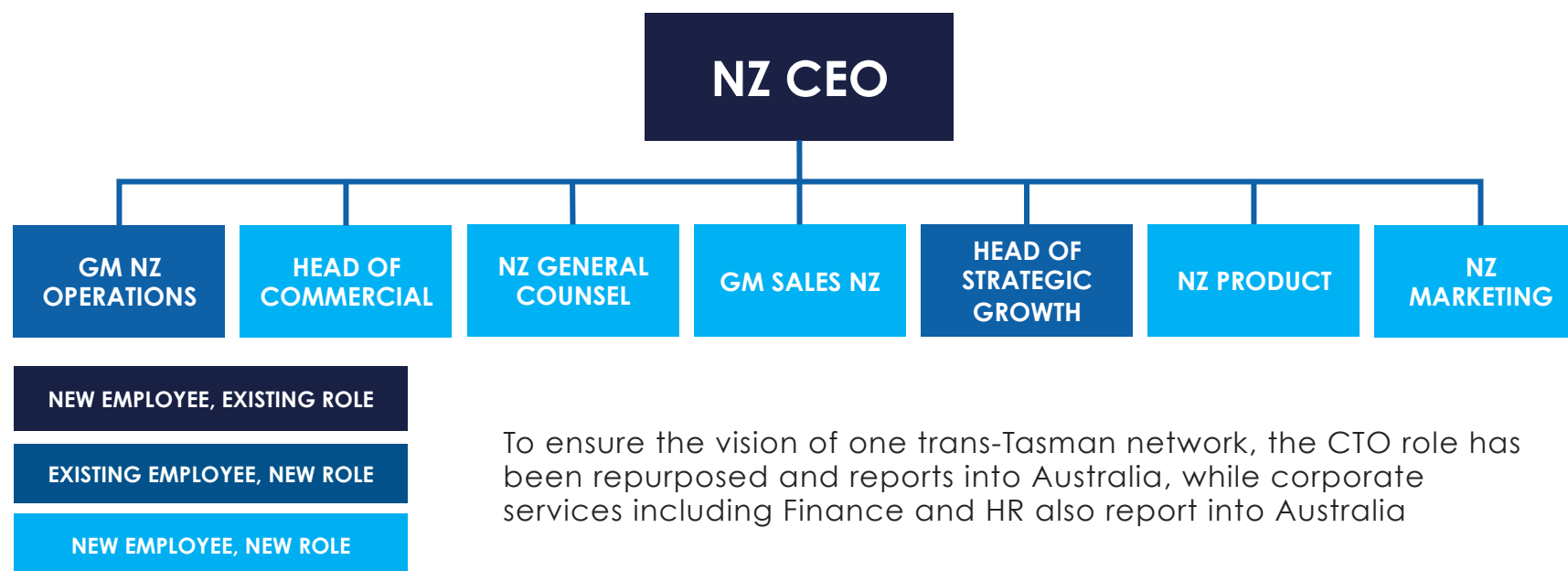
- Invested in people
- Invested in culture
- Invested in the network
- Invested in brand

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WHAT HAVE WE ACHIEVED.

REFRESHED THE SENIOR MANAGEMENT TEAM.

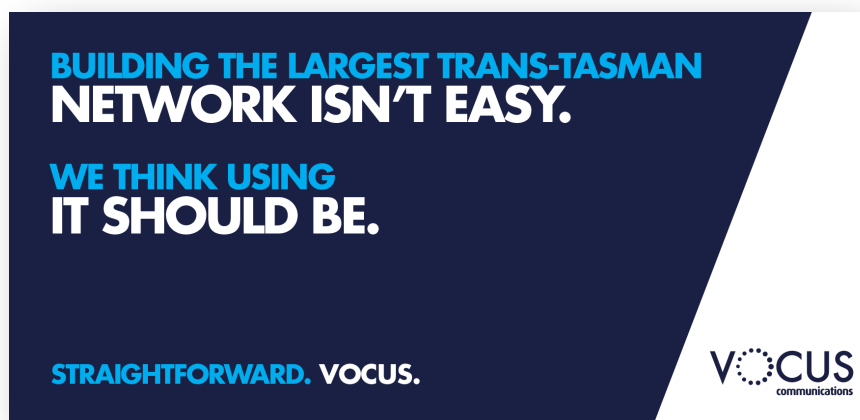


To ensure the vision of one trans-Tasman network, the CTO role has been repurposed and reports into Australia, while corporate services including Finance and HR also report into Australia

STRAIGHTFORWARD.

THE NZ STORY.

- We are the No. 1 trans-Tasman data, voice and Internet network – the only telco offering an on-net Australasian WAN.
- New Zealand's most relied upon organisations rely on us - government, top 50 NZX companies.
- Our continued network investment underpins NZ's digital future.



STRAIGHTFORWARD.

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NEW ZEALAND MARKET.



MARKET TRENDS.

- The Ultrafast Broadband rollout is changing the NZ market.
- UFB is positioned well on price and is a high quality product.
- Bandwidth demand is growing – driven by on-demand services.
- Government reviewing post 2020 regulatory environment for fibre and copper.
- Cloud adoption is increasing in NZ.
- Move to per user pricing for Government.

IMPLICATIONS FOR VOCUS.

- Resellers like our clear network products focus.
- Network investment has meant Vocus is in all major data centres in New Zealand.
- Vocus Cloud Connect and Data Centre Interconnect are well positioned for cloud adoption by businesses in New Zealand.
- Lack of legacy products and systems means Vocus can innovate and get to market faster than incumbents.
- Regulatory review likely to have low impact.

KEY PRODUCTS.

- National Ethernet – Data Centre Interconnect and UFB Connect
- IP Transit/Internet
- IP WAN
- Vocus Cloud Connect – AWS, Azure and IBM SoftLayer
- Datacentre co-location
- Voice (SIP Trunks) – IP Tel launch Q4 FY16

STRAIGHTFORWARD.

VOCUS

STRAIGHT TO MANY CLOUDS

Introducing the new Vocus Cloud Connect

VOCUS NOW OFFERS YOU ONE, DEDICATED, HIGH-PERFORMANCE CONNECTION TO MORE PUBLIC CLOUDS.

If you're already a Cloud Connect customer, you know how much better it's made your experience with Amazon Web Services (AWS).

Now you can seamlessly enjoy the same private, dedicated connectivity into Microsoft Azure and IBM SoftLayer.

Vocus Cloud Connect (VCC) is the latest evolution of our high-performance network offerings. And we've made it easy and convenient to take advantage of reliable, secure and high-performance connectivity to more clouds - and across your whole enterprise network.

YOUR PUBLIC CLOUD CONNECTION

AMAZON WEB SERVICES

Take advantage of the latest Amazon cloud innovations even faster with Vocus Cloud Connect.

[VIEW](#)

MICROSOFT AZURE

Your VCC connection to Azure supports and optimizes your business's Microsoft server applications.

[VIEW](#)

IBM SOFTLAYER

Use VCC to improve the performance of IBM's state-of-the-art data solutions for your enterprise.

[VIEW](#)

GET IN TOUCH. We'd love to get you connected. To learn more or to chat with us about your specific network challenges, please contact your Account Manager or call us 1300 88 99 88.

VOCUS

ROCK SOLID NETWORK TO MOVE DATA FAST

DATA CENTRE INTERCONNECT.

Want to know more about how we can help you? Call us now 1300 88 99 88 or email sales@vocus.co.nz

VOCUS.CO.NZ

VOCUS

DATA CENTRE INTERCONNECT.

CONNECT YOUR CORE SITES ACROSS NEW ZEALAND USING VOCUS ETHERNET.

THE VOLUME OF INTER-DATA CENTRE TRAFFIC CONTINUES TO GROW. NEW ZEALAND'S BUSINESS AND INDUSTRY ARE DEPENDENT ON THE INCREASING POPULARITY OF CLOUD COMPUTING, ON-DEMAND CONTENT, VIDEO AND OTHER DATA-INTENSIVE SERVICES.

The underlying data connectivity across the country is under strain. It's time to look for a solution to ensure business-critical data can move fast and reliably.

At Vocus, we've built a network that's designed to handle the high volume of data traffic that's moving across the country. It's the ideal for those seeking faster recovery times in the event of a disaster, or simply to ensure that your data is always available.

WHO IT'S FOR?

- For those looking for a secure, high-speed, high-capacity network to connect their data centres across the country.
- For those looking for a secure, high-speed, high-capacity network to connect their data centres across the country.

BEST VOCUS DATA CENTRE INTERCONNECT?

- It's the only high-speed, high-capacity network that's designed to handle the high volume of data traffic that's moving across the country.
- It's the only high-speed, high-capacity network that's designed to handle the high volume of data traffic that's moving across the country.

VOCUS

PRODUCT OVERVIEW

IP WAN SERVICES.

Want to know more about how we can help you? Call us now 1300 88 99 88 or email sales@vocus.co.nz

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VOCUS

IP WAN SERVICES.

ENHANCE EFFICIENCY ACROSS YOUR ENTIRE NETWORK.

OUR IP WAN SERVICES ARE BASED ON MULTIPROTOCOL LABEL SWITCHING (MPLS) AND ARE DESIGNED TO PROVIDE A HIGH-QUALITY OF SERVICE (QoS) IF YOU ARE A BUSINESS USER. A SERVICE OFFERED BY VOCUS COMMUNICATIONS AS A MANAGED OR SELF-MANAGED SERVICE.

Managed IP WAN services offer a secure, high-speed, high-capacity network that's designed to handle the high volume of data traffic that's moving across the country. It's the ideal for those seeking faster recovery times in the event of a disaster, or simply to ensure that your data is always available.

FEATURES & BENEFITS

| Feature/Benefit | Managed Service | Self-Managed Service |
|------------------------------------------------|-----------------|----------------------|
| High-speed, high-capacity network | ✓ | ✓ |
| Secure, reliable network | ✓ | ✓ |
| High-quality of service (QoS) | ✓ | ✓ |
| Fast recovery times in the event of a disaster | ✓ | ✓ |
| Simple to manage and maintain | ✓ | ✓ |
| Cost-effective | ✓ | ✓ |
| Scalable | ✓ | ✓ |
| Flexible | ✓ | ✓ |
| Reliable | ✓ | ✓ |
| Secure | ✓ | ✓ |
| Highly available | ✓ | ✓ |
| Easy to integrate with existing systems | ✓ | ✓ |
| Simple to manage and maintain | ✓ | ✓ |
| Cost-effective | ✓ | ✓ |
| Scalable | ✓ | ✓ |
| Flexible | ✓ | ✓ |
| Reliable | ✓ | ✓ |
| Secure | ✓ | ✓ |
| Highly available | ✓ | ✓ |
| Easy to integrate with existing systems | ✓ | ✓ |

HARD WORK IS DONE.

WE HAVE A PLATFORM FOR GROWTH

- Current market share in trans-Tasman business is small - strong opportunity for growth with our unique trans-Tasman WAN story
- Introduced new products to grow revenue – UFB Connect, voice capability – supports our customers growth in broadband and cloud
- Simplified doing business
- Improving Gross margin through cost efficiencies
- We now have:
 - Great Network
 - Great People
 - Great Service

STRAIGHTFORWARD.

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TRUST POWER.



<https://vocuscomm.wistia.com/medias/f4zd19gcwr>

STRAIGHTFORWARD.

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PEOPLE AND CULTURE.

DENISE HANLON, HEAD OF HR



VOCUS.COM.AU



NEW VALUES.

NEW VALUES AND GOALS

- Input from Amcom and Vocus
- Call to action – not passive
- Different – not like the others
- Continue to focus on empowerment

STRAIGHTFORWARD.



EMPOWERED DECISION-MAKING.



<https://vocuscomm.wistia.com/medias/7wsypvsfna>

STRAIGHTFORWARD.

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INTERNAL COMMUNICATION.

yammer

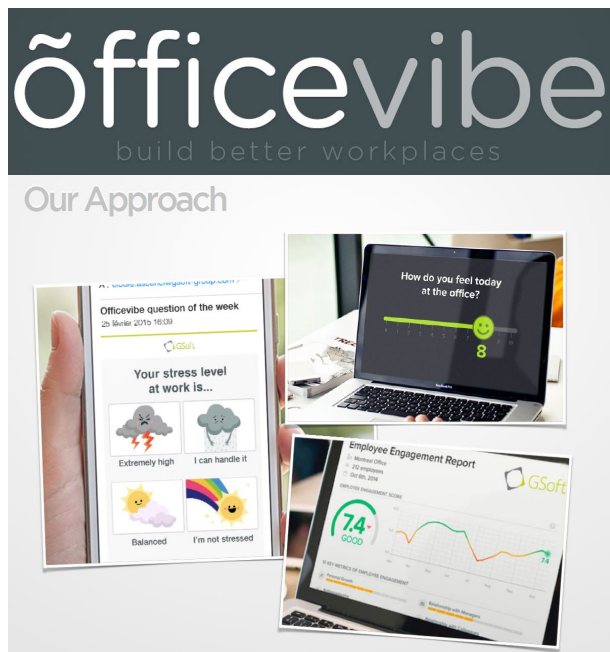
- No hierarchy
- Device agnostic
- Promotes collaboration

The screenshot displays the Yammer web interface. On the left is a sidebar with a search bar and a list of groups including 'All Company', 'Vocus Rollout - Amcom Clou...', 'NZ', 'Culture Club', 'Aligning for the future: Empl...', 'Qlik', 'Human Resources and Com...', 'Managers', 'Commercial', 'Speaking Safety', 'Collaboration', 'Work Life Balance Group', 'Product Training', 'General Ideas & Feedback', 'Risk Management', and 'CSR Group'. The main content area is titled 'View Conversation' and shows a poll initiated by James Spenceley on August 11 at 10:55am. The poll question is 'THE FUTURE OF OUR BRAND In bringing Vocus and Amcom together, it's time to thinking about branding. The big decision we face is what to do with the Amcom brand? Should Amcom rebrand to Vocus and we have one main brand across the group?'. The poll results are: 'Yes - do it ASAP!' (46%), 'Yes although don't rush please - change in 6 to 12 months would be good.' (48%), and 'It's too early to call it, let's run with dual brands and review in 12-18 months' (6%). Below the poll, a comment from Matt Walsh on August 18 at 12:33pm discusses the re-brand process, mentioning 'External' and 'Internal' streams. On the right side of the interface, there is a vertical list of online users, including Nathan Woodhead, James Spenceley (CEO), True Blue, Robert crofts (DC & BC Engineer), Simon Robson (CAO), and Ash Ratcliffe (Level 2 Technical Supp...).

STRAIGHTFORWARD.

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FEEDBACK LOOPS.

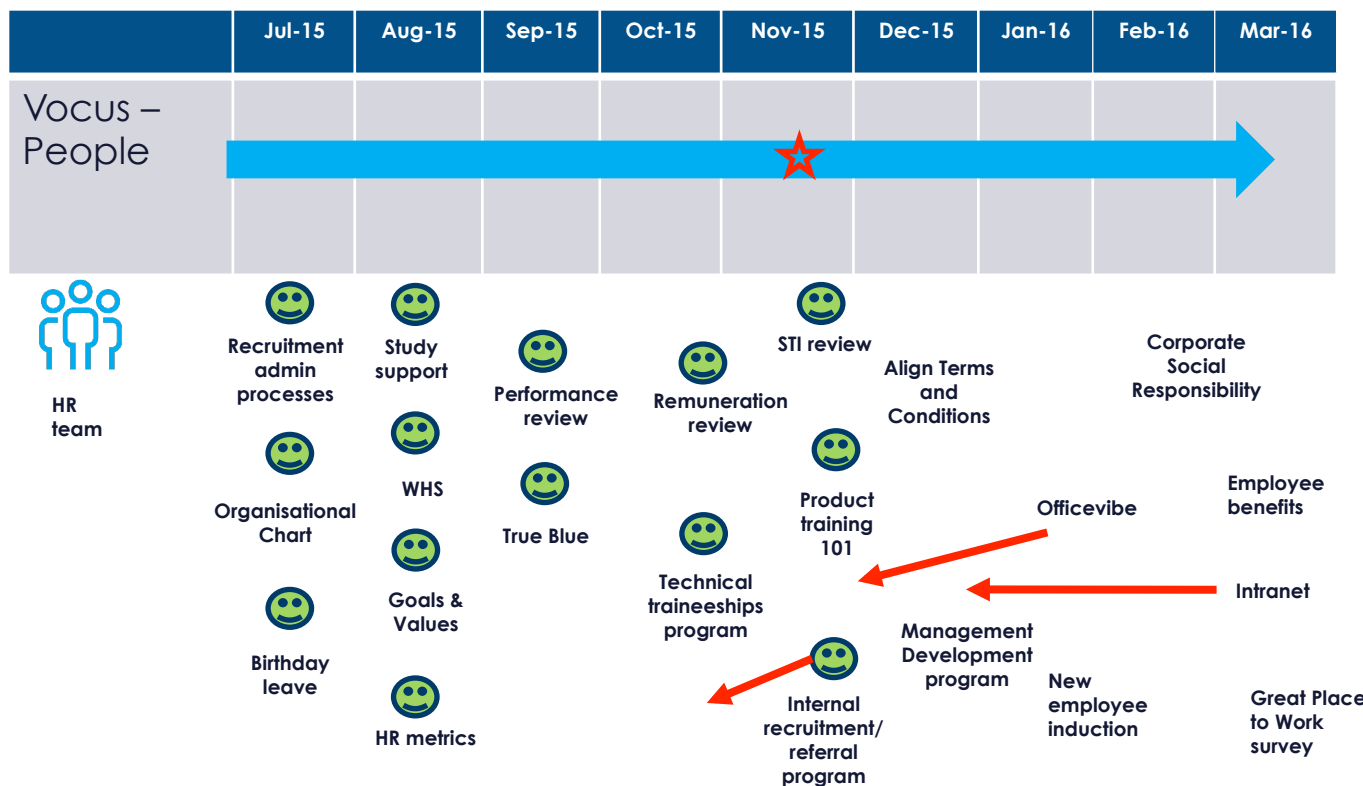


STRAIGHTFORWARD.



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PEOPLE PROCESS ALIGNMENT.

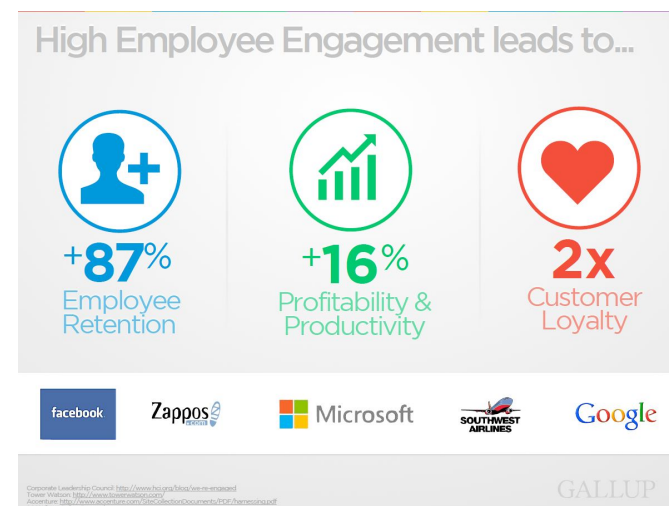


STRAIGHTFORWARD. NB: Timing indicates when bulk of work completes/commences

THE NUMBERS.

WE HAVE STARTED 'UNSHACKLING' BUT IT'S JUST THE BEGINNING

- Reimaging Performance Management by removing ratings, written objectives and focussing on development of strengths. Saved 2 weeks per year = \$2.4m pa
- Alignment of Amcom and Vocus to monthly payroll – est. \$60k pa savings
- Goal to be Top 10 Great Place to Work recognises the value that employees bring to business success



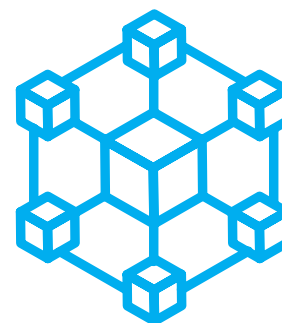
STRAIGHTFORWARD.

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INTEGRATION UPDATE.

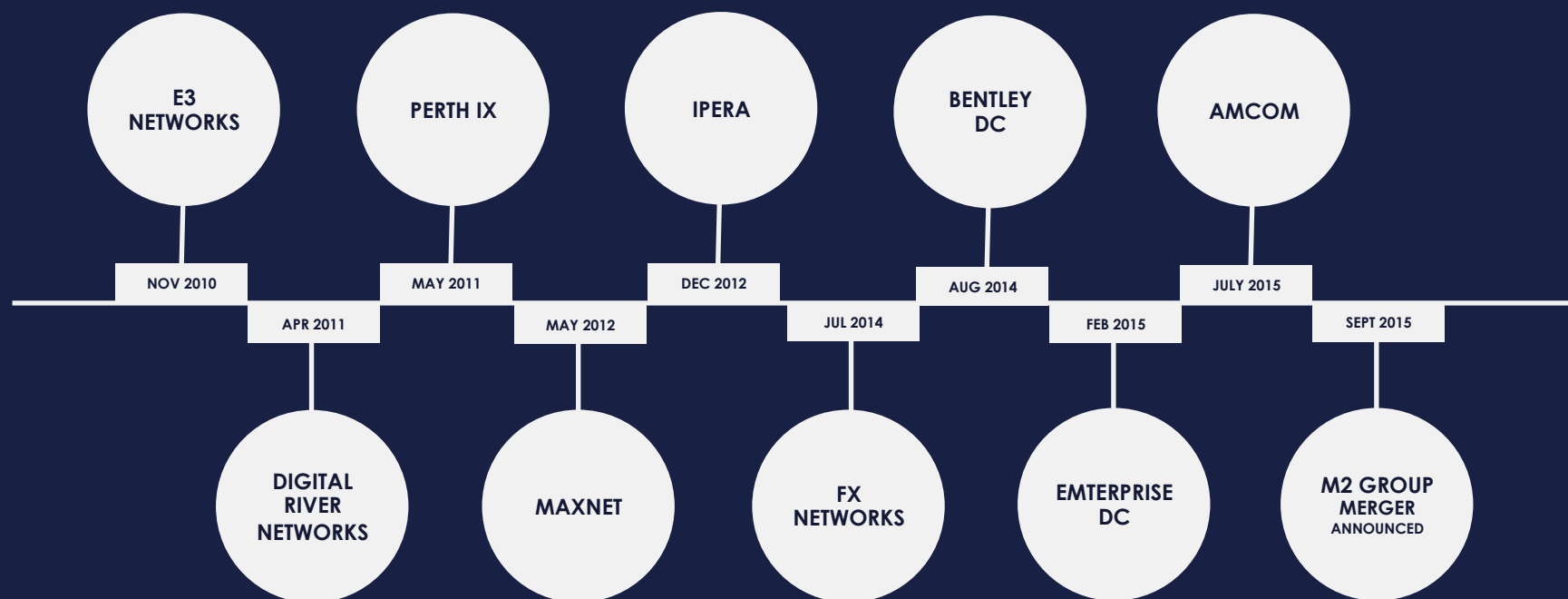
SIMON ROBSON, CAO










































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ACQUISITION TIMELINE.

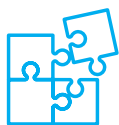


RAPID PROGRESS.

| | People & Collaboration | Product & Pricing Alignment | Marketing & Branding | Sales Process & CRM | Support Process & Systems | Service Delivery & Provisioning | Network Optimisation | Financials & Reporting | Legal & Compliance | Synergy Realisation & Tracking |
|--------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| Maxnet |  |  |  |  |  |  |  |  |  |  |
| Ipera |  |  |  |  |  |  |  |  |  |  |
| FX |  |  |  |  |  |  |  |  |  |  |
| Amcom |  |  |  |  |  |  |  |  |  | Ongoing |

STRAIGHTFORWARD.

A PROVEN FORMULA.



Our goal is to have a single set of best of breed systems.



We've done this before and we have a repeatable process.



We have a great team with experience.



We are focussed on getting the job done.

VOCUS+AMCOM
TOGETHER.

THE ESSENTIALS.

PEOPLE

**SALES &
PRODUCTS**






**SERVICE
DELIVERY**

SUPPORT

**FINANCIALS
& REPORTING**

SUPPORT OUR PEOPLE FIRST.

A SINGLE PLATFORM FOR COMMUNICATIONS, SHARING AND COLLABORATION. ONE SET OF PEOPLE SYSTEMS ACROSS ANZ.

-  One network for everyone.
-  One phone and video conference platform across ANZ.
-  Shared access to existing systems.
-  One common reporting and measurement.
-  One communication and collaboration platform.

STRAIGHTFORWARD.

VOCUS
communications

GREAT PRODUCTS AND OUTSTANDING SALES EXPERIENCE.

CREATING A SINGLE CONSISTENT PRODUCT CATALOGUE, EXPERIENCE AND SALES STRUCTURE ACROSS ANZ AND MAKING IT EASY FOR OUR SALES TEAM.



- ✓ Aligned product roadmap nationally.
- ✓ Vocus now selling key Amcom product set.
- ✓ National pricing strategy.
- ✓ Final stages of CRM and Marketing platform integration.

STRAIGHTFORWARD.

VOCUS
communications

GREAT DELIVERY, OUTSTANDING SUPPORT.

CREATE AN OUTSTANDING CUSTOMER EXPERIENCE ACROSS EVERY TOUCHPOINT FOR OUR CUSTOMERS.

-  A single support team structure, nationally.
-  Local 24/7 national support.
-  Final stages of integrating service management platforms.
-  Single service delivery platform and process.

STRAIGHTFORWARD.

VOCUS
communications

FINANCIALS & REPORTING.

A SINGLE SET OF INTEGRATED SYSTEMS DELIVERING CUSTOMER BILLING, THROUGH TO FINANCIAL CONSOLIDATION AND REPORTING



Standard governance and controls.



Consolidated budget and financial data.



Consistent reporting across key metrics.



A single billing platform.



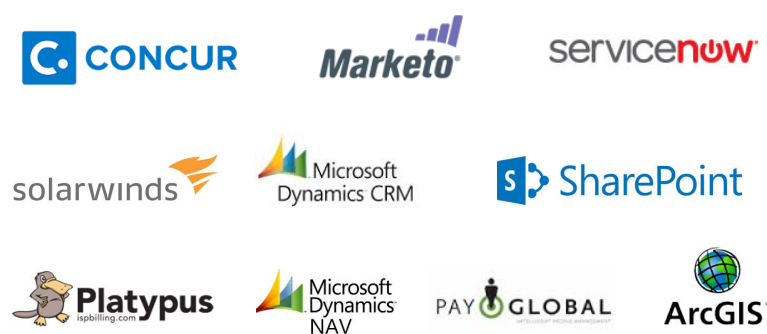
A single Financial ERP platform and payroll.

STRAIGHTFORWARD.

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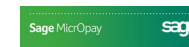


amcom

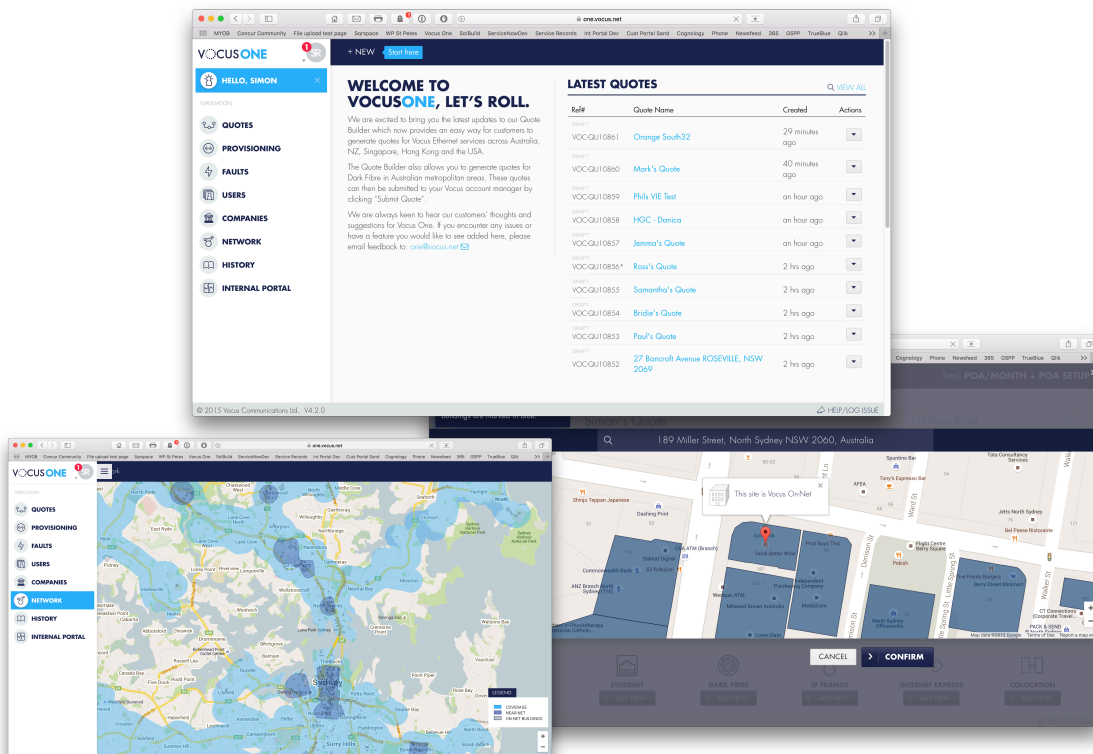


VOCUSONE





INNOVATION & DISRUPTION.



STRAIGHTFORWARD.

- Central point of interaction.
- Intuitive & simple to access.
- The same experience for customers, resellers and staff.
- Comprehensive & fun.

VOCUS
communications

**ALL THIS IN
FOUR
MONTHS....
THAT'S HOW WE ROLL**

QUESTIONS?

SIMON ROBSON, CAO VOCUS COMMUNICATIONS

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