INVESTOR UPDATE

amcom TELECOM

ISSUE 2, SEPTEMBER 2010

Welcome

Dear Shareholder,

By any measure, Amcom has had another outstanding year.

Our net profit increased to $17.3 million, up 43% over the previous year.

The company's revenue grew strongly as a result of record sales on the back of strong demand for our fibre-based products.

We are delighted to be able to pay our shareholders a fully franked final dividend of 1 cent per share, payable on 10 November 2010. This brings the dividend for the year to 1.4 cents – an increase of 75% on FY09. The increased dividend reflects the Board's confidence in the company's strong financial position and outlook.

As a business we have had some great wins over the past 12 months. In the Northern Territory we won a $20 million contract to provide services to government agencies and schools in Darwin and Alice Springs over the next five years. We have also established an office in Darwin and are now successfully pursuing other growth opportunities in the NT.

We also acquired a business, IP Systems, which is enabling us to expand our product offering into the converged IP video, voice and data market. We are starting to reap the benefits of this acquisition, as it allows us to capture a greater share of our customers' telecommunications spend.

These are Amcom's building blocks for the future, with the benefits set to flow into FY11 and beyond. We anticipate FY11 net profit after tax to be at least 20% up on this year, or at least $20.7m. This includes equity accounted earnings from our strategic investment in iiNet Limited based upon analyst consensus forecasts for iiNet in FY11.

In summary, your company is growing strongly through both organic growth in our core business and through acquisition which adds capability, adding up to an excellent outlook for our continued success.

I will continue to keep you informed as we progress.

Clive Stein

Clive Stein
Chief Executive Officer

Net profit of $17.3m, up 43%

Amcom has announced a reported net profit after tax of $17.3m for the financial year ended 30 June 2010.

This result was up 43% over the previous financial year.

The net profit after tax from 100% owned operations excluding equity accounted earnings of associates and significant items increased 34% to $10.6m.

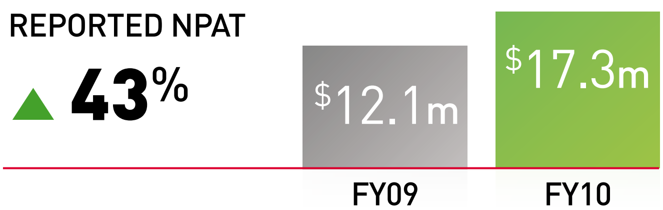
The result was based on continued strong demand for Amcom's core fibre-based communications services. Revenue growth of 18% was driven by continued demand for high-speed data services. Record sales in FY11 reflect Amcom's focus on this high growth segment of the telecommunications market.

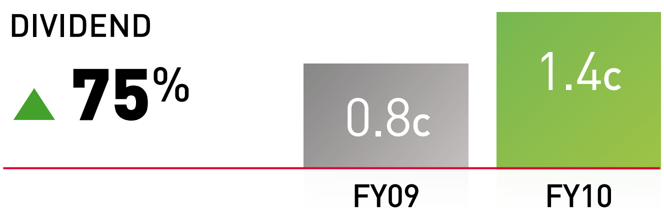
The company has a strong balance sheet with negligible gearing.

With a 22.4% stake, Amcom is the largest shareholder in Perth-based internet service provider iiNet. iiNet has performed well over the past year, contributing equity accounted earnings of $7.8m to Amcom.

For full details of the company's financial results, visit our online Investor Centre at www.amcom.com.au

"The result was based on continued strong demand for Amcom's fibre-based communications services."





Analysts concur - Amcom is a "Buy"

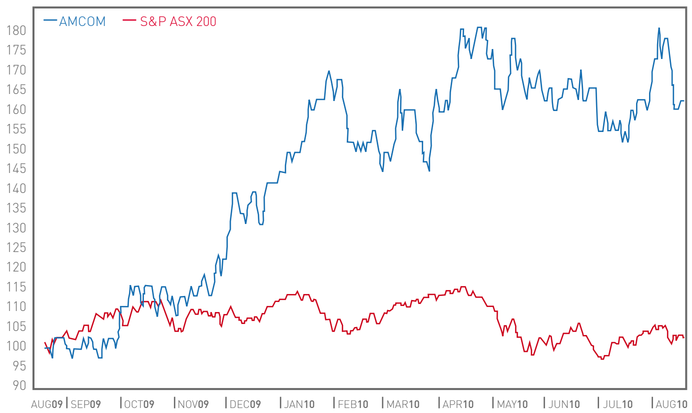
Four broking houses currently produce regular research reports on Amcom. A selection of their comments and ratings from their latest reports:

"AMM is a compelling niche telco operator, providing fibre connectivity to corporate and wholesale customers." **RECOMMENDATION: BUY**
Daniel Blair, Southern Cross Equities, 24.8.10

"We believe industry consolidation will be a key feature of the telecom landscape in the near future and we see AMM as especially well placed to participate." **RECOMMENDATION: BUY**
Brad Dunn, Ord Minnett, 20.7.10

"AMM is a quality business given its recurring revenue stream, strong organic growth and high barriers to entry. AMM has a strong growth outlook as it leverages its strategic fibre optic network and expands into the growing market of converged voice, video and data." **RECOMMENDATION: BUY**
Richard Hamersley, Euroz Securities, 23.8.10

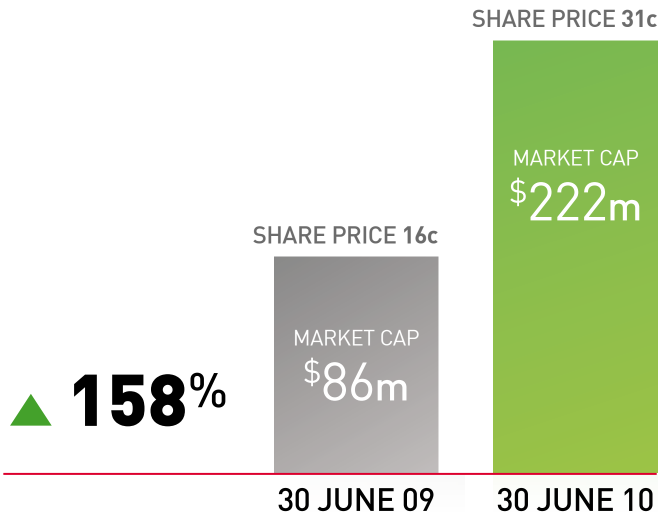
"We view the company's organic growth profile positively, as it continues to increase its fibre footprint, while gaining share of wallet through cross selling additional services."
RECOMMENDATION: BUY
Alan Stuart, Royal Bank of Scotland, 24.8.10



Performance of Amcom versus the S&P ASX 200 over the past 12 months.
Source: Iress

Market capitalisation growth

Your company's market capitalisation has increased by 158% over the past 12 months.



A better way to receive your dividends

Are you still receiving your Amcom dividends by cheque? Consider changing to our direct credit system, and your dividends will be paid directly to your bank account. This means you will receive your dividends faster. You will continue to receive a dividend statement which will confirm the number of shares, the amount of the dividend, the date of payment and details of the nominated account into which the payment has been made. To make the change, go online at www.investorcentre.com or use the form included with this newsletter.

Upcoming key dates

You may wish to make a note of the following upcoming events in our investor calendar.

10 November 2010
Final dividend paid (record date 22 October)

18 November 2010
Annual General Meeting

T: 08 9244 6000
E: investor@amcom.com.au
W: www.amcom.com.au

AMCOM TELECOMMUNICATIONS LTD.
ABN: 20 062 066 217