

INVESTOR UPDATE

amcom
TELECOM

ISSUE 1, MARCH 2010



Welcome

Dear Shareholder,

As part of our ongoing commitment to keeping shareholders informed about Amcom, we are pleased to provide you with this update.

We have recently announced our half year results, with a strong increase in net profit and interim dividend.

These are exciting times at Amcom. In addition to strong organic growth we are continuing to grow the company through a combination of winning new business and a strategic acquisition.

The company has won a very significant contract with the Northern Territory Government which will see us extending our fibre network in Darwin over the coming months.

And we have also announced plans to acquire IP Systems, which will expand our product range, our potential market and provide national capability.

Further information on each of these major developments is contained in this update.

Thank you for your ongoing support of Amcom. We will keep you informed as we move through 2010.

Clive Stein
Chief Executive Officer

Half year net profit \$7.6m

Amcom's reported net profit after tax for the six months to 31 December 2009 was \$7.6m, which was up 66% over the previous corresponding period. On a like-for-like basis (excluding one off costs in the prior period) the reported net profit after tax was up 24%.

We can attribute the strong result to an increase in sales revenue including new customer connections over the past six months.

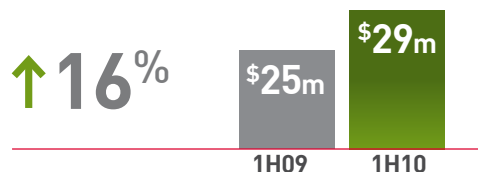
"Shareholders will be paid a fully franked interim dividend of 0.4 cents"

The result demonstrates the strength of the company's business model. We are continuing to see growing demand for our products from the corporate, government and wholesale sectors. With a strong balance sheet and track record of recurring earnings, Amcom is now poised for future growth.

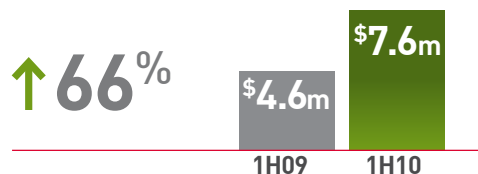
Shareholders will be paid a fully franked interim dividend of 0.4 cents on 16 April 2010 (record date 26 March 2010).

First Half FY10 Results

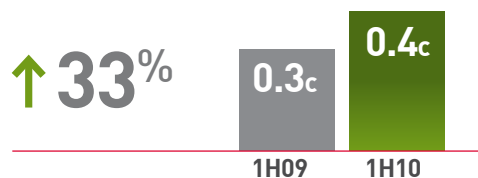
REVENUE



REPORTED NPAT



INTERIM DIVIDEND



IP Systems acquisition

Amcom continues to grow with our plans to acquire a Melbourne-based business, IP Systems (IPS).

This is a strategic deal as IPS is a great “fit” for Amcom. IPS is a leading provider of carrier grade internet protocol (IP) based communications technology to the enterprise market, delivering converged voice, video and data solutions over fibre-optic networks.

This strategic acquisition expands Amcom’s product range into enterprise voice solutions and increases the company’s addressable market. It gives us the potential to significantly increase our share of our customers’ spend on telecommunications services.

“IPS will add approximately \$12m revenue to our strongly growing business”

The acquisition also provides opportunities for Amcom to extend its national customer footprint, with an office now in most major capital cities. This means we can better serve the needs of national customers and grow the business.

IPS has 10 years’ experience in deploying reliable market leading voice and communications technology, and its products are ideally suited to Amcom’s existing customer base.

IPS will add approximately \$12m revenue to our strongly growing business. Very importantly this transaction has been structured to be EPS accretive for our shareholders from the first full year of ownership.

Once the deal is completed, IP Systems will become a fully owned subsidiary of Amcom. The acquisition is subject to the approval of shareholders at meeting to be held in April. Further details of the proposal, including the Notice of Meeting and Explanatory Memorandum, are included in this mail-out. For more information on IPS, visit their website www.ipsystems.com.au

\$20 million contract with Northern Territory Government

Amcom has won a major contract to provide high-speed fibre based telecommunications services to the Northern Territory Government.

“This is a beachhead contract of significant value”

The agreement will involve Amcom extending its existing fibre networks in both Darwin and Alice Springs to provide data carriage services to government agencies and schools. The initial contract value is for \$20 million over 5 years. The company will establish an office in Darwin to service the Northern Territory business and pursue further commercial opportunities.

We are delighted to be awarded this tender from the Northern Territory Government as it reinforces our growth strategy and our position as a leading provider in high-speed fibre based telecommunications.

This is a beachhead contract of significant value and provides us with expanded infrastructure and scale to capture further organic opportunities in Darwin and Alice Springs. The additional fibre optic infrastructure to be installed in Darwin and Alice Springs will enable us to leverage other commercial opportunities and introduce new data products for business customers, who to date have had limited access to high-speed fibre services.



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