Investor Presentation

Reporting for the Full Year ending 30 June 2012

Presented by Scott Stavretis – CEO & Managing Director

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Eftel Group Overview

Eftel Ltd is an Australian telecommunications carrier, providing a complete range of services to consumers, corporate, government and the wholesale market. Eftel has delivered strong organic sales over FY12, with a substantial uplift from a full year contribution from the Eftel and ClubTelco businesses, as well as the financial performance of Platform Networks since that acquisition in August 2011. The Eftel board and management have demonstrated their capacity to drive financial performance by way of organic business growth.

EFTEL LTD

ASX Code	EFT
EBITDA (Underlying)	$4.1million
Shares on Issue (Aug 2012)	107,506,425
Share Price (30 Aug 2012)	$0.150
Market Capitalisation (Aug 2012)	$16.1million
Total Shareholders' Equity (Jun 2012)	$12.1million

EFTEL DIVISIONS & BRANDS

Consumer	aaNet, ClubTelco, Eftel
Corporate & Government	Eftel, Visage Telecom
Wholesale	Eftel, Platform Networks

PRODUCTS

ADSL

Dark Fibre

Data Centre CoLocation

Ethernet

International Transmission

IP Transit

Mobile Broadband

Mobile Telephony

National Broadband Network (NBN) Fibre

SIP / Voice over IP

Virtual Private Networks

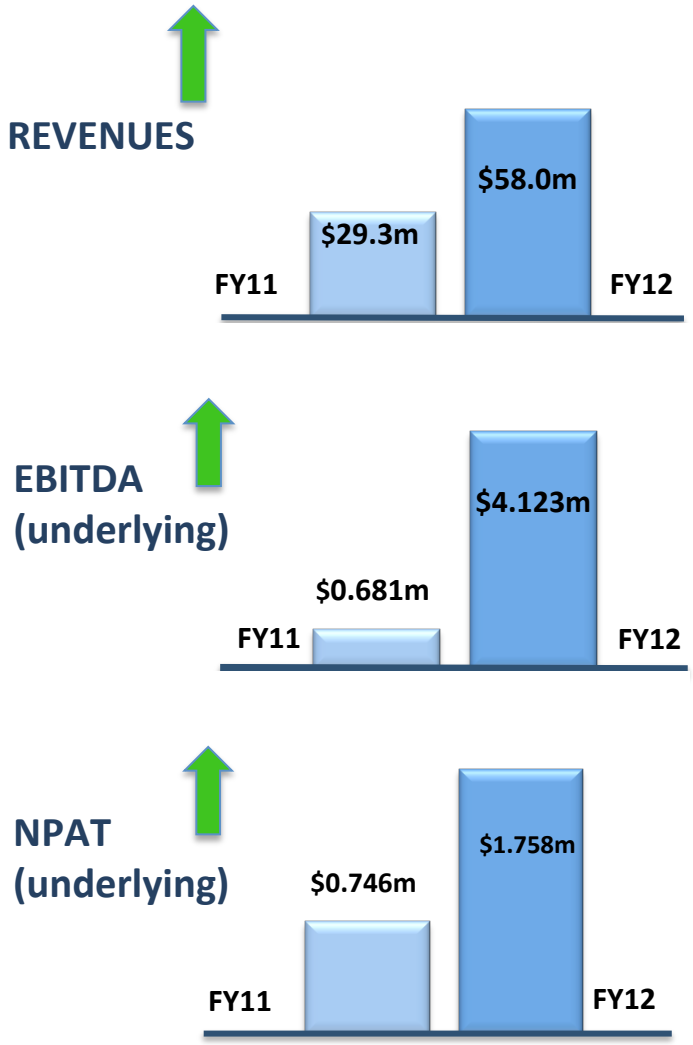
Voice - PSTN & ISDN

FY12 Financial Performance Detail

	30-Jun-12 $'000	30-Jun-11 $'000
Total Revenues	58,015	29,281
Communication expenses	(36,037)	(20,336)
Gross Contribution Margin	21,978	8,945
Gross Contribution Margin %	37.9%	30.5%
EBITDA	3,633	681
EBITDA (underlying) [2]	4,123	681
EBIT	(1,893)	659
EBIT (underlying) [1 2]	2,528	659
NPAT	(2,083)	746
NPAT (underlying) [1 2]	1,758	746
EPS (cents)	(0.036)	0.025
EPS (cents underlying) [1 2]	0.017	0.025

[1] Underlying EBIT, NPAT and EPS results include an add-back of non-cash cost of $3.931m comprised of asset impairment associated with the write off of MSAN, with adjustment for resulting tax effect on this write off (in accordance with Australian Accounting Standards).

[2] Underlying EBITDA, EBIT, NPAT and EPS results in FY 30 Jun 2012 also include an add-back of $0.490m comprised of termination payments to redundant employees from a restructure of operations.



FY12 Highlights

- Delivered on the commitment to reduce interest bearing borrowings with a repayment of borrowings of $4.3m in FY12, with closing borrowings of only $0.400m at year end
- Successful integration of ClubTelco and Eftel businesses to gain cost synergies
- Acquisition of wholesale aggregator Platform Networks which has established immediate scale in Eftel's wholesale operations
- Entered underwriting agreement for the raising of $9.3m in new equity by way of a rights issue. Of the total amount underwritten, $7.8m of the funds were received during the financial year whilst the remainder was received shortly after.
- Invested over $3m in sales and marketing activity that successfully delivered organic sales that contribute directly to earnings and revenue
- Joined the National Broadband Network as a preferred partner
- Secured Australia's largest private Telco as customer for NBN services
- Renegotiated major supply agreements that directly lowered costs, delivering a substantial increase in gross profit
- Completed the recruitment and introduction of a new management team across all the key functional areas of operations and a board of directors with a track record of delivering results
- Acquired West Australia Networks (Jun '12) and Visage Telecom (Aug '12)
- Finished the financial year with a strong outlook for the company's acquisition and merger strategies

Outlook

- Continue our successful organic sales growth in all three sectors: consumer, corporate and wholesale
- Actively pursue further merger and acquisition opportunities
- Continue the company's early adoption of NBN services, rolling out into new areas as NBN Co expands the network
- Further focus on internal cost control including rationalising resources from previous acquisitions

National Broadband Network (NBN)

As the National Broadband Network is deployed across Australia, Eftel is in an ideal position to leverage its experience as a reseller of other carriers' broadband services. The Eftel business has already been operating on tight reseller margins unlike other infrastructure heavy competitors. With our continued focus on cost control combined with our sales and marketing activity that has proven to deliver customers, revenue and earnings, Eftel is ready to take advantage of this industry changing network.

Debt Position

- Executive management and the board delivered on its promise to reduce the level of debt in the second half of FY12
- In eliminating all high interest borrowings in FY12, Eftel is poised to take advantage of acquisition opportunities
- Management have prioritised the restructuring of balance sheet debt as synergies from acquisitions flow to the Group, and underlying financial performance continues to improve
- Management confidence in H1FY12 in being able to restructure debt and therefore significantly improve balance sheet gearing within a timely manner was well founded
- Eftel is now delivering positive operating cashflow

Investor Contacts

Name	Position	Phone	Email
Scott Stavretis	CEO and MD	+61 3 9090 2511	scott.stavretis@team.eftel.com
Stephe Wilks	Non-Executive Chairman	+61 2 9226 9839	stephe.wilks@team.eftel.com

Our Brands