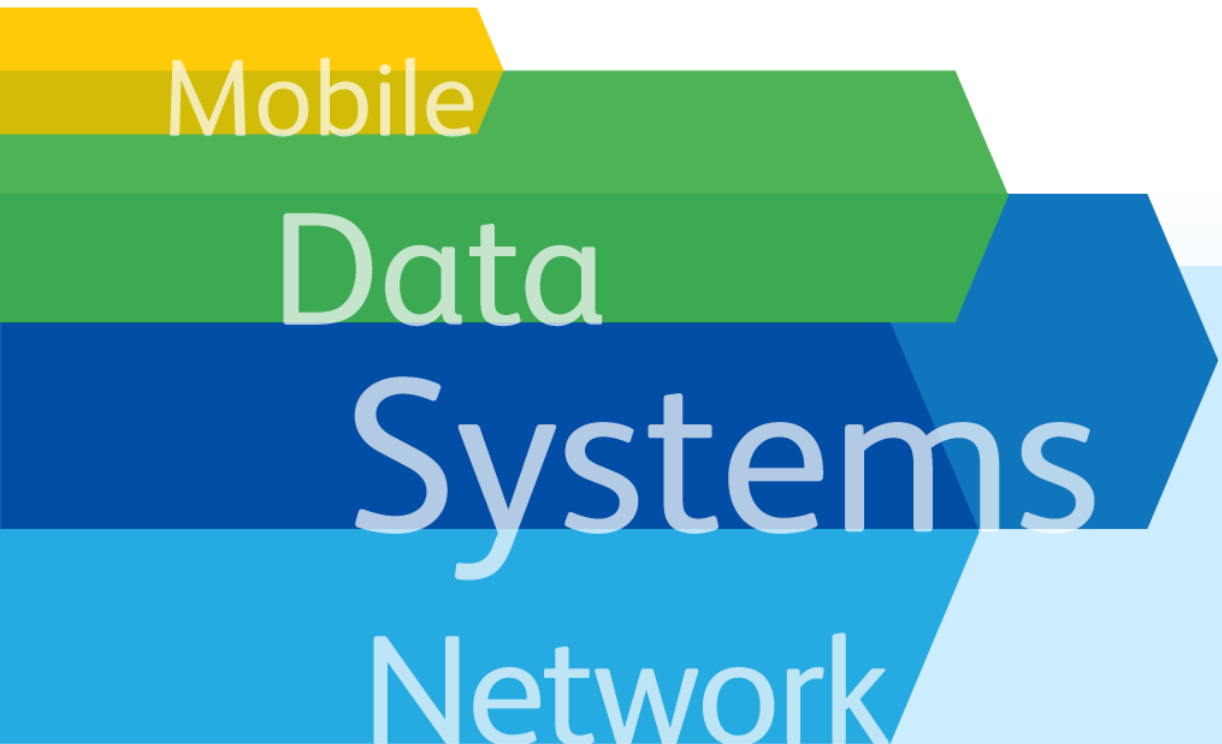
Daisy Group plc

Interim Results for the six months ended 30 September 2011

30 November 2011

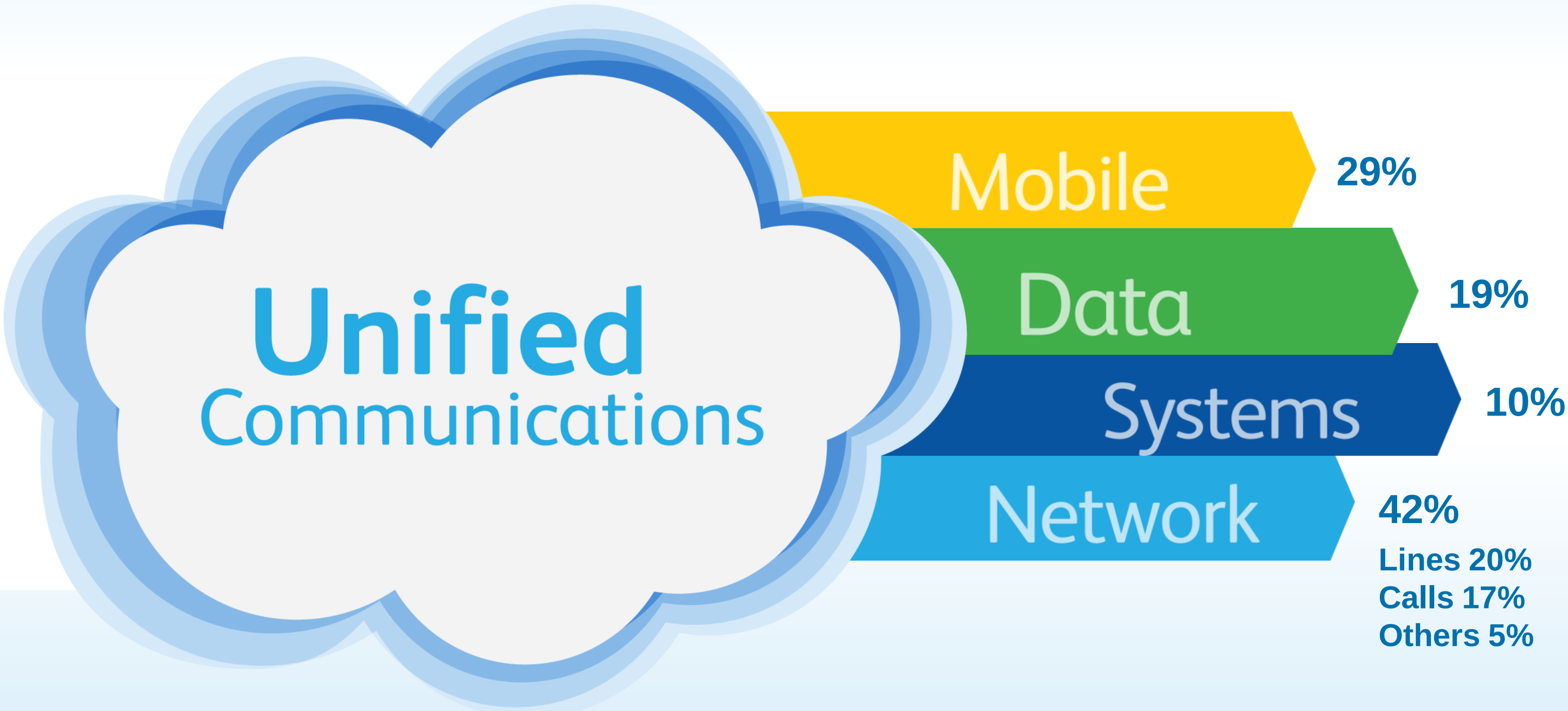


Agenda

Introduction & highlights	Matthew Riley, Chief Executive Officer
Financial Performance	Steve Smith, Chief Financial Officer
Operational Update & Outlook	Matthew Riley, Chief Executive Officer

Unified Communications

End to end solutions - Fixed Line Calls now only 17% of Group revenues



Highlights

For the six months ended 30 September 2011

- Strong results:
  - Significant growth in market share
  - Organic revenue growth in line with market expectations
  - 47% growth in reported revenue
  - 65% growth in adjusted EBITDA
  - 53% growth in adjusted basic EPS
  - High cash conversion from EBITDA

- Improving revenue mix
  - Fixed Line Calls just 17% of revenue and falling
  - 85% of Group revenue is recurring

- Integrations complete
  - Significantly lower levels of cash exceptionals expected in H2

- Headroom in bank facilities

Financial Performance

Steve Smith, Chief Financial Officer

Income Statement

Growth in revenues and earnings

		6 months 30 Sep 11 £'m	6 months 30 Sep 10 £'m	12 months 31 Mar 11 £'m
Revenue		**176.0**	120.0	266.3
Gross profit		**67.5**	46.2	103.5
Gross margin %		**38.4%**	38.5%	38.9%
Adjusted EBITDA	*	**26.6**	16.1	40.7
Basic EPS on adjusted profit (p)	**	**6.6**	4.3	9.8

*Underlying performance on continuing activities before amortisation of intangibles, depreciation, net exceptional charges and share based payment costs
**Underlying earnings from continuing activities before amortisation of acquisition related intangibles, net exceptional charges and share based payment costs

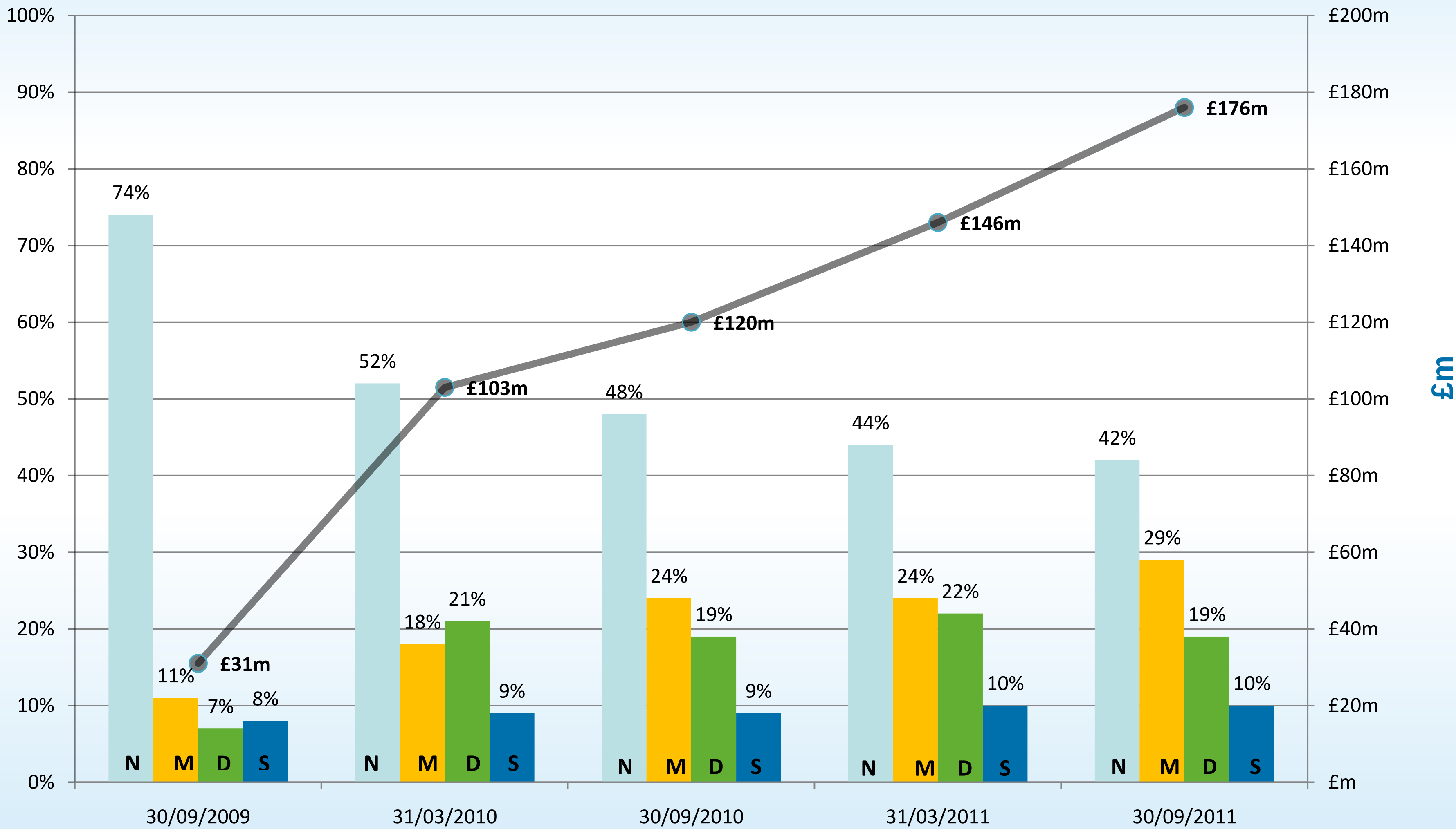
Segment Revenues

Growth across all divisions and product areas

		6 months 30 Sep 11 £'m	6 months 30 Sep 10 £'m	12 months 31 Mar 11 £'m
Divisions				
	Retail	**128.0**	89.5	196.6
	Wholesale	**23.8**	12.5	31.6
	Distribution	**24.2**	18.0	38.1
		176.0	120.0	266.3
Products				
	Networks	**73.8**	57.1	120.9
	Data	**33.5**	22.4	54.9
	Mobile	**51.2**	29.5	64.2
	Systems	**17.5**	11.0	26.3
		176.0	120.0	266.3

Revenue Trend

Fixed Line Calls now only 17% of Group revenue



Free Cash Flow

Continued strong free cash generation

	6 months 30 Sep 11 £'m	6 months 30 Sep 10 £'m	12 months 31 Mar 11 £'m
Adjusted EBITDA	**26.6**	16.1	40.7
Working capital	**-3.1**	-1.4	-1.1
Capex and intangibles	**-3.4**	-2.7	-5.5
Taxation	**-1.2**	-0.2	-1.9
Net Financing costs	**-2.0**	-0.6	-4.3
Free Cash Flow	**16.9**	11.2	27.9

Net Debt

Headroom in £115m bank facilities

	6 months 30 Sep 11 £'m	6 months 30 Sep 10 £'m	12 months 31 Mar 11 £'m
Free cash flow	**16.9**	11.2	27.9
Acquisitions and disposals	**-26.7**	-0.6	-75.6
Exceptional items	**-5.3**	-4.2	-9.8
Share issues	**1.5**	0.1	0.2
Net financing	**18.7**	11.5	81.2
Net cashflow in the period	**5.1**	18.0	23.9
Cash and equivalents b/f	**27.8**	3.9	3.9
Cash and equivalents c/f	**32.9**	21.9	27.8
Bank debt *	**-112.6**	-25.7	-94.0
Net debt	**-79.7**	-3.8	-66.2

* Excludes unamortised bank borrowing fees

Operational update and Outlook

Matthew Riley, Chief Executive Officer

Integration

Successful integration programme

- All acquisitions now integrated

- For Daisy, integration means common:
  - Branding
  - Management
  - Operational platforms (procurement, billing, customer service)

- Integration exceptional costs recorded in H1 - £2.6m

- Expected annual synergies from current year acquisition integrations - £1.8m

Cross selling

15% increase in number of customers taking 3 + products

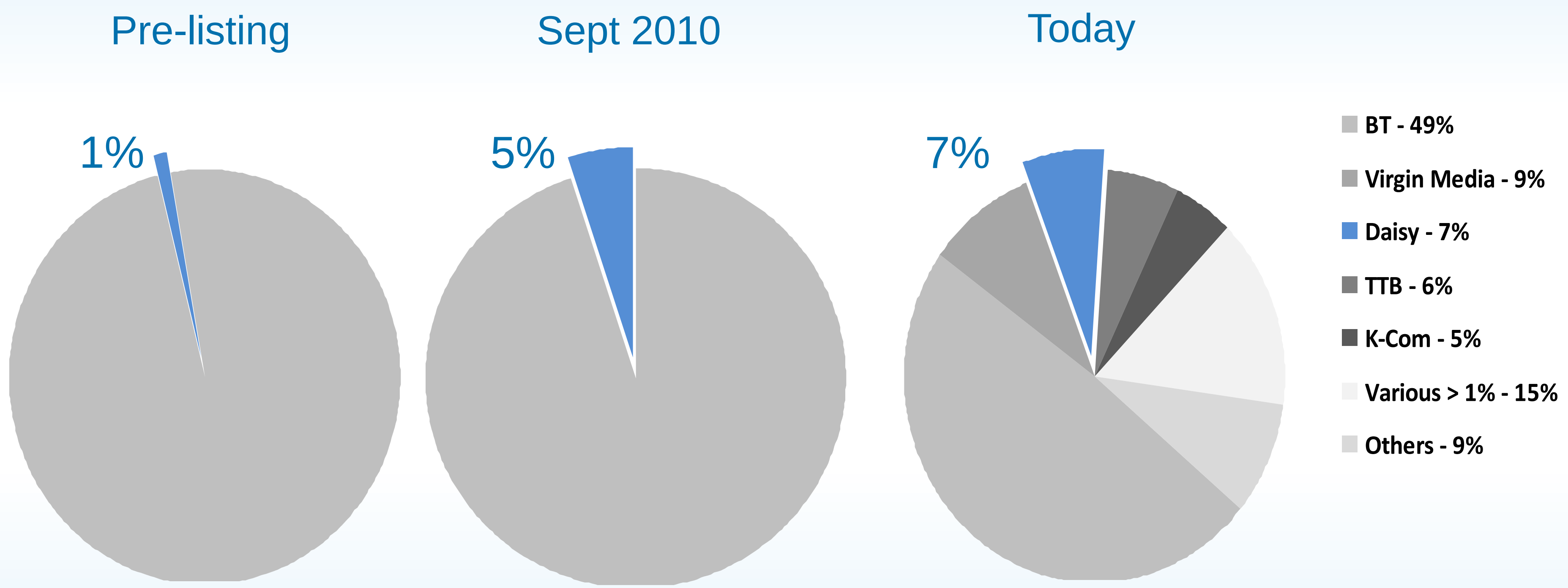
Re-basing of products per customer following 2010 and 2011 acquisitions

		Customers Sep-11	Customers Mar-11
Number of products	1	**39554**	24284
	2	**24296**	24892
	3	**10572**	9714
	4+	**2693**	1821
		77115	60711
Products per customer		**1.69**	1.82

- Products per customer impacted by acquisition of “single product” customer bases
- 15% increase in number of customers taking 3+ products

Market Share

Continued increase in market share



Approximate market size £5.3bn (SME and mid market telecoms)

Summary

- Increase in market share
- Organic revenue growth in line with expectations
- Revenue and profit growth across all divisions and product areas
- Significantly reduced exposure to Fixed Line Calls
- Strong free cash generation
- Headroom in £115m bank facilities

Outlook

- Confident in full year expectations, despite difficult macro-economic environment
- Expectation of further strong cash conversion
- Focus on continued organic revenue growth
- Continued consideration of strategic acquisitions that provide clear value for shareholders

Q&A

Appendices

About Daisy Group

The business divisions

Retail

- Unified product set
- 75,000+ SME, mid market and corporate customers
- Direct and indirect channels

Wholesale

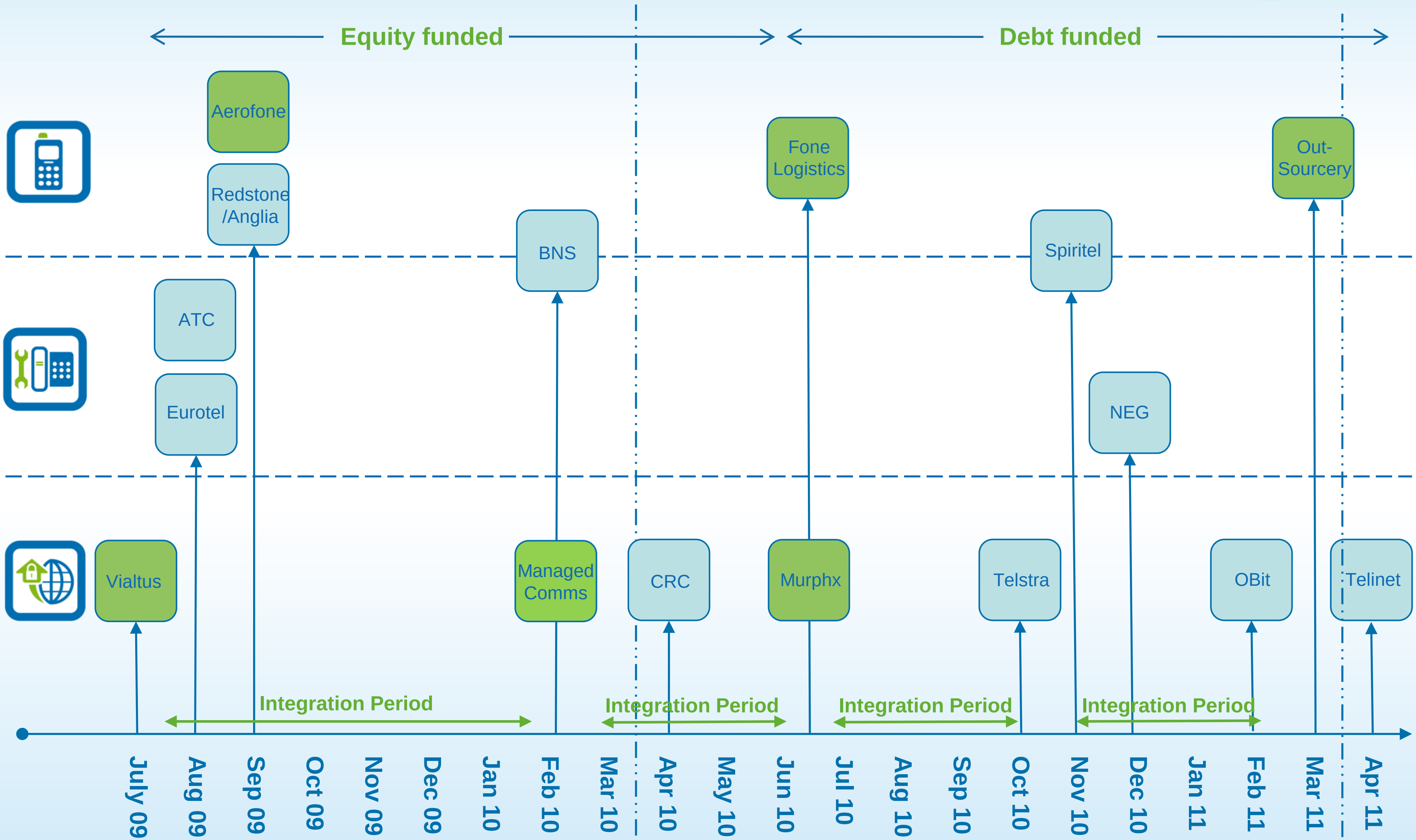
- Unified product set and managed billing services
- 1,000+ active resellers
- White label maintenance & engineering to BT and UK Channel

Distribution

- Mobile handset & airtime distribution
- 340 active business partners

Acquisitive Growth

Acquisitions to date



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