Annual General Meeting
27 November 2007

Macquarie Telecom

Chairman's Address

Robert Kaye

2007 - Executing on strategy

macquarie TELECOM

- Benefits of the Metro Access Network flowing through to our company and our customers
- Allows Macquarie to become more efficient, productive and customer-focused
- Investment in higher margin businesses enhances ability to meet customers increasingly sophisticated IP based needs
- Strength in Hosting and security is highly regarded and well recognised
- New clients such as Fairfax Business Media's afr.com and PBL Media's Trader Classifieds.

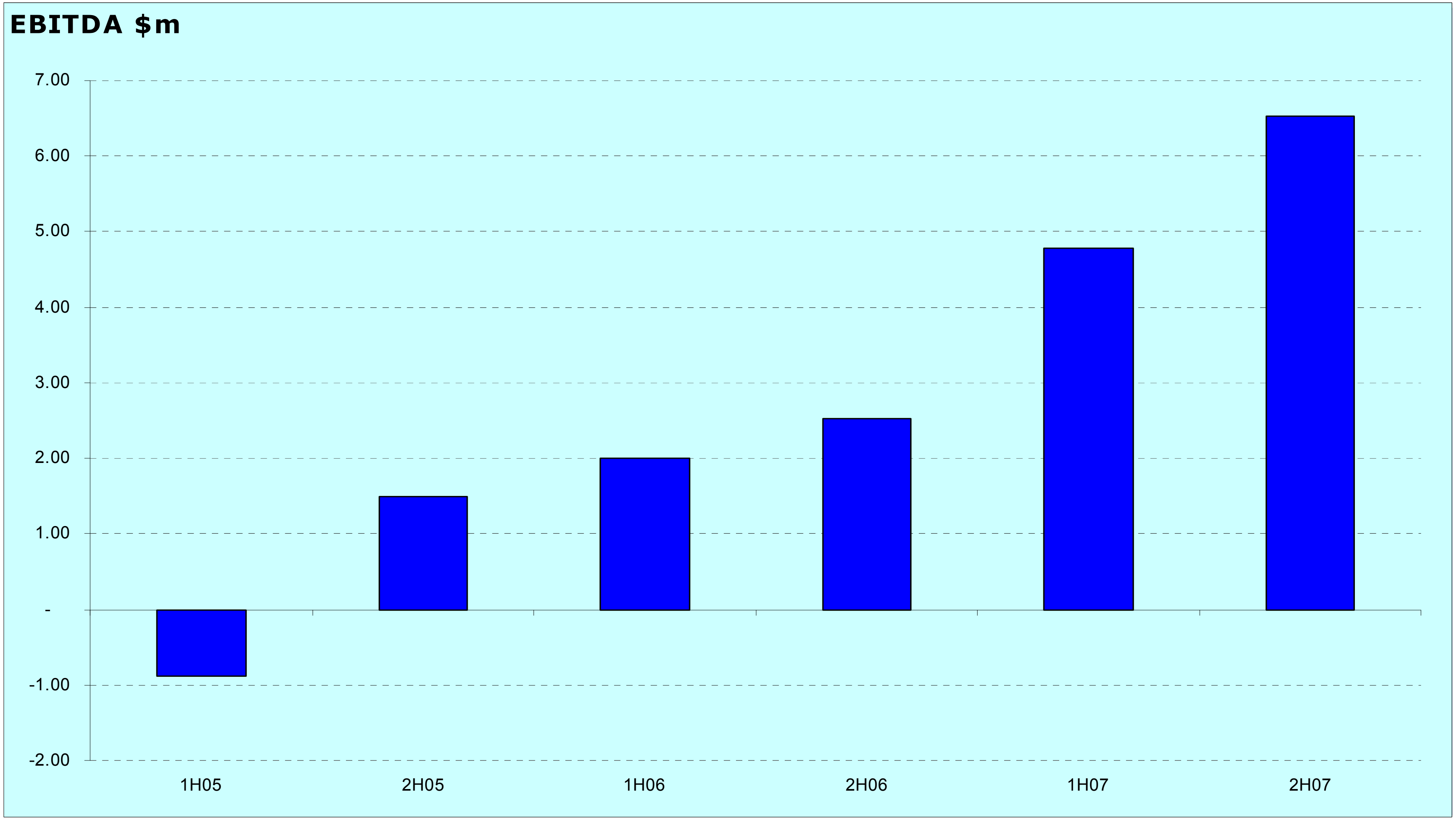
Investment program begins to translate into profitable growth

2007 Financial Highlights

- Total service revenue up 2.3% to $255 million
- Data & Hosting revenue up 8.0% to $72.2 million
- Voice EBITDA up 32.2% to $10.7 million
- Mobile revenue up 25.5% to $26.4 million
- Asian data offering is gaining traction
- EBITDA profit of $11.3 million, 150% improvement on pcp
- EBITDA performance reflects execution of investment program

Results exceed expectations

Profitable Growth



Outlook

- Foundations to deliver future growth and profitability have been completed.
- EBITDA profitability for H1 FY2008 expected to improve on H1 FY2007.
- Capital expenditure for the full year is expected to be 5% of revenue.

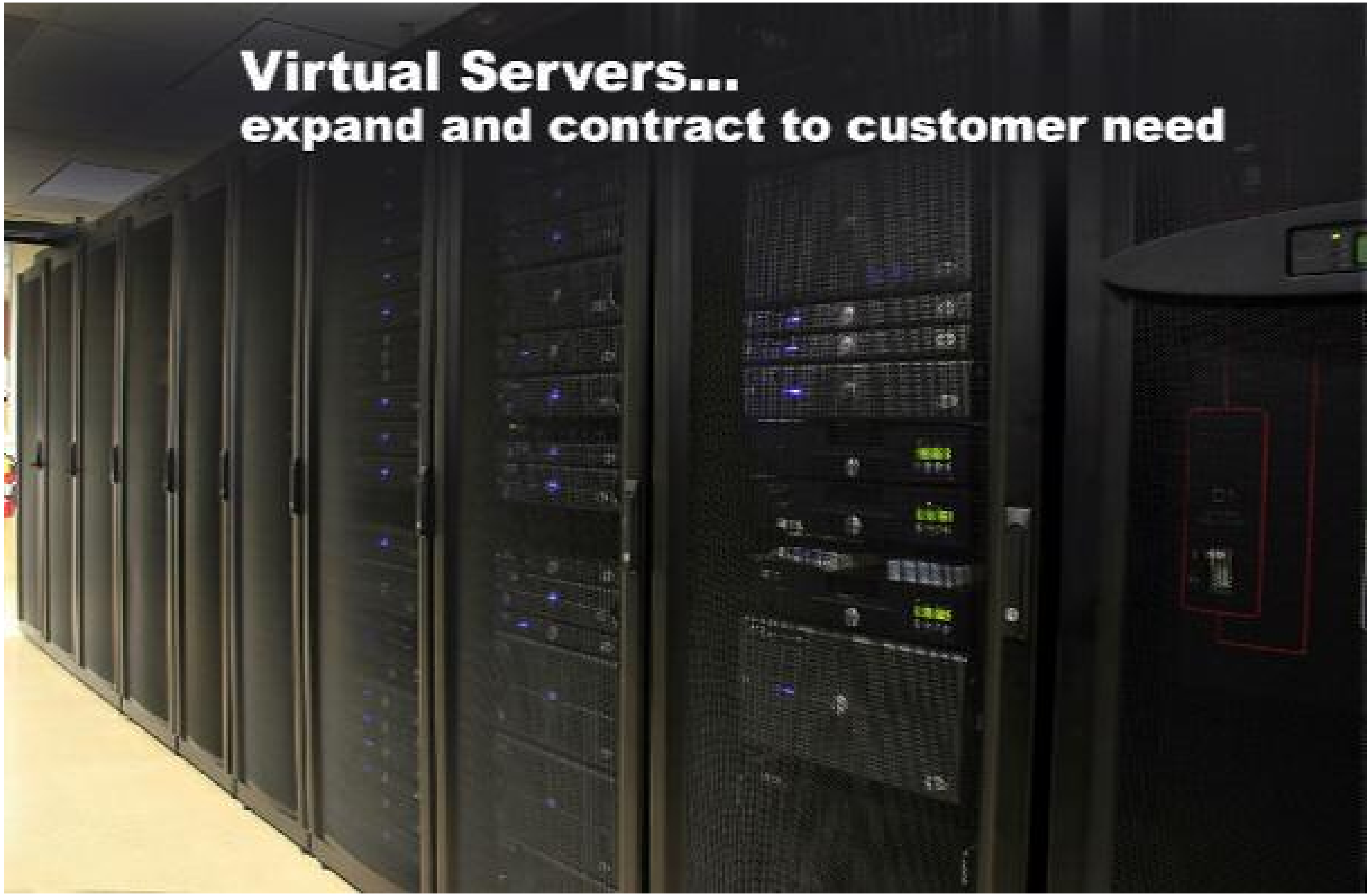
Improving profitability

David Tudehope

Personal Accountable Service

Client View – Wattyl
Data Private IP Network

Hosting



Client View – BIC Singapore

Regulatory

- Macquarie Telecom maintains a leadership role in policy debates and regulatory processes
- Telstra continues to resist regulations that aim to promote competition despite both major parties adopting policies that recognise the need to foster new infrastructure investments.
- Macquarie Telecom achieves greater certainty around ACCC access pricing for fixed line (ULLs) and mobile (MTAS)
- We will continue to work with the “non-Telstra”rest of the industry to develop the G9 model for FTTN that aims to bring higher speed data services to more households and businesses.

Influencing regulatory outcomes

Outlook

- Our focus is driving profitable growth through leveraging communications technology change for medium to large sized business customers
- Continued investment in security, hosting and IP-based products
- Platform for profitability and growth
- Fully funded operating plan

Macquarie Telecom is positioned for future growth

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