

30 July 2009

Macquarie Telecom Announces Sale of its Singapore Business to CITIC 1616 and Establishment of a Preferred Carrier Arrangement

Macquarie Telecom (ASX: MAQ) today announced it has entered into a Share Sale Agreement with CITIC 1616 Holdings Limited (CITIC 1616) (HKSE: 1883), one of the leading wholesale voice service providers in Asia. Macquarie Telecom agreed to sell to CITIC 1616 its wholly-owned subsidiary Macquarie Singapore Pte Limited for cash consideration of SGD10.5 million (subject to adjustment). The transaction is expected to complete tomorrow the 31st of July 2009.

In addition, Macquarie Telecom will be CITIC 1616's preferred partner for its Australian inbound and outbound Voice and Data traffic. Conversely CITIC 1616 will be Macquarie Telecom's preferred partner into Asia.

The strategic partnership with CITIC 1616 means that Macquarie Telecom will expand its reach into the Asian region by leveraging CITIC 1616's extensive presence in the region. CITIC 1616 has points of presence worldwide for interconnection, with over 350 telecom operators in 62 countries. Its wholly own subsidiary, CPCNet, is also the leading MPLS VPN service provider in Asia.

Mr. David Tudehope, the Chief Executive Offer of Macquarie Telecom, said "we are excited about entering into a new strategic partnership with a telecommunications enterprise of the size and reach into the Asia market of CITIC 1616."

"Our new relationship with CITIC 1616 will strengthen our Asian reach, particularly into China. The sale of our Singapore business will generate additional capital for the continued expansion of our Hosting and Data businesses," Mr Tudehope said. "We are pleased that our new partner CITIC 1616 shares Macquarie Telecom's passion for customer service and believe both our customer bases will benefit from this new strategic partnership."

Mr. Norman K. T. Yuen, the Chief Executive Officer of CITIC 1616, said: "Business and investment relations between China and Australia are continuing to strengthen rapidly, which means that the communications needs between companies established in these two regions are extensive and growing. This new strategic partnership will create significant business synergies and mutual benefits through reciprocal traffic between CITIC1616 in Greater China and Macquarie Telecom in Australia as well as other collaborative opportunities."

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About Macquarie Telecom

Macquarie Telecom delivers a full range of hosting, data, voice and mobile services specifically to the business and government market. Established in 1992, Macquarie Telecom is one of the first telecommunication providers of the deregulated era and successfully publicly listed on the Australian Securities Exchange in October 1999. Macquarie Telecom has been recently judged the best telecommunications provider for customer care in the World at the World Communication Awards in November 2008. Macquarie Telecom was honoured with the “Best Customer Care” because of its unique Personal Accountable Service (PAS) program. PAS is their attitude and commitment to delivering a superior experience for customers through Ownership, Proactivity, Communication and Responsiveness.

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About CITIC 1616 Holdings Limited

CITIC 1616, a company listed in the Stock Exchange of Hong Kong, is Asia’s leading telecom services provider, specialising in hub-based services. In addition to serving its key markets in China and Hong Kong, the Company is actively expanding its services to international telecom operators. The Group has 4 main business segments, namely Voice Services, SMS Services, Mobile VAS and VPN Services. Its independent hub connects over 350 telecom operators in 60 countries or areas and carries in excess of 8 billion voice minutes annually. The Group’s wholly-owned subsidiary CPCNet Hong Kong Ltd. is a major virtual private network (VPN) services provider in Asia. Additional news and information about CITIC 1616 and CPCNet is available at www.citic1616.com and www.cpcnet-hk.com