

MACQUARIE TELECOM GROUP LIMITED

ANNUAL GENERAL MEETING

FRIDAY, 25 NOVEMBER 2011

CHIEF EXECUTIVE'S ADDRESS

Thanks Robert, and welcome shareholders. I'm David Tudehope, Chief Executive of Macquarie Telecom.

During the 2011 fiscal year Macquarie Telecom continued on its journey of profitable growth. We delivered another strong profit result and generated solid operational cash flows.

Robert has given you a brief overview of Macquarie's recent performance and overall business strategy.

I would now like to take this opportunity to give you an update on some of the exciting new developments at Macquarie Telecom that have occurred over the past year that we believe will help to enhance our position as Australia's number one Managed Hosting and integrated Telco provider to business and government customers through the delivery of service excellence.

During the year we launched our Enterprise Managed and Self-Managed Cloud Computing offerings. Cloud Computing services offer our customers faster time-to-market, highly elastic capacity, a pay-per-use model, and the ability to treat infrastructure costs as a variable operating expense, not a capital expense.

This strategic investment in Cloud Computing is the next step in the evolution of Macquarie Telecom as a major player in the Australian hosting and telecommunications market. The new Macquarie Telecom enterprise cloud service directly addresses current industry-wide concern around data residency, latency, security, risk and compliance, management options, performance and reliability and customer service that has inhibited cloud adoption by Australian organisations and government departments to date.

Another exciting development in 2011 was the commencement of construction on our second Sydney data centre in Macquarie Park, near North Ryde. The site was chosen due to the diversity of telecommunications supply and power infrastructure crucial to the development of a state-of-the-art, multi redundant data centre facility. The North Ryde business precinct also offers proximity to our current and future customer base and complements our existing Sydney CBD data centre.

The following Intellicentre 2 fly through should bring to life the scale and features of this exciting project.

Work is well under way on what we believe will be Australia's highest quality, state-of-the-art data centre – Intellicentre 2. Engineered with a focus on sustainability, security and full N+1 redundancy for all elements including power, water and data, this data centre marks a significant step forward in continuing to provide our customers with the best possible enterprise-grade data hosting and Cloud services.

Macquarie Telecom remains committed to delivering a superior customer experience. In the National Broadband Network era, decisions should no longer be made based on the ownership of services, but instead on the treatment customers receive with the delivery and support of services and how well providers can help their customers' business. We recognise that in the future, the business with a focus on customer care will be the business that differentiates and succeeds. By leveraging the MacquarieHub, our in-house contact centre, maintaining our focus on customer care as a key differentiator and delivering operational excellence to our customers we believe we can extend our leadership in customer service.

Macquarie Telecom maintains an active thought leadership role surrounding the long term implications of the National Broadband Network to the telecommunication industry and our customers. Whilst some uncertainty remains as to the final form the National Broadband Network will take, we believe increasing bandwidth speeds will elevate the importance of mission critical web applications in business and fuel growth in Hosting.

Our focus in the year ahead is to continue to execute on our strategy of growing our higher margin businesses and delivering exceptional service to our customers. In recent years we have demonstrated that our strategy is working and we remain confident that the momentum we have created combined with investments in data centre capacity and Cloud Computing will lead to continued growth in the future.

None of the achievements over the past year would have been possible without the support of our business partners and customers.

In closing, I would like to express my thanks to the entire Macquarie team for their hard work and my gratitude to our shareholders for their ongoing support.

Thank you all for being here today. I look forward to the year ahead. I will now hand back to the Chairman Robert Kaye.