

MACQUARIE TELECOM GROUP LIMITED

ANNUAL GENERAL MEETING

FRIDAY, 23 NOVEMBER 2012

CHIEF EXECUTIVE'S ADDRESS

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

I'm pleased to be able to report to our shareholders that Macquarie Telecom delivered a record full year result whilst investing in its Cloud Computing capabilities and completing the construction of our second Sydney data centre facility, Intellicentre 2.

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 developments at Macquarie Telecom and within the industry 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 completed the construction of Intellicentre 2. This facility complements our existing CBD based data centre, Intellicentre 1, and alleviates any security, compliance, data residency and low latency concerns customers have about cloud services, particularly in today's climate, which is dominated by a growing number of security scares, locally and overseas.

Intellicentre 2 is the first facility of its type in Australia to be certified to a Tier III standard by the Uptime Institute. The facility utilises global-leading energy, cooling and management technologies to drive down power consumption. The facility is engineered to world-class standards with a focus on sustainability, security and full N+1 redundancy for all elements including power, water and data.

The strong 2012 profit result demonstrates that our long term strategy of driving a change in revenue mix towards higher-margin services, such as Hosting, is successfully delivering profitable growth. There are a number of important recent developments in the Information Technology and Telecommunications industry we believe will continue to drive growth in the coming years, namely Cloud Computing, the National Broadband Network and Bring Your Own Device.

Firstly, the emergence of Cloud Computing, which is a natural extension of managed hosting, is providing new market opportunities which Macquarie Telecom is well positioned to capitalise on with the opening of Intellicentre 2, our deep Hosting product set and 11 years of Hosting experience.

Secondly, the roll-out of the NBN fundamentally shifts the competitive dynamics of the telecommunications market from infrastructure to customer service which plays to Macquarie Telecom's key strength in customer service delivery. We believe increasing bandwidth speeds will elevate the importance of mission critical web applications in business and fuel growth in Hosting. Indeed, we have identified that for many businesses, it is important that information that is hosted in data centres remains in Australia. Accordingly, the increasing awareness of the benefits of "on-shored" solutions provides Macquarie Telecom with the opportunity to service the emerging data security and residency needs of our customers.

Thirdly, the proliferation of "Bring Your Own Device", where staff bring their own devices to work and want them connected to the corporate network is creating significant security issues for the corporate Chief Information Officer. Macquarie Telecom's mobile device management tools solve these issues. In addition, our new Telstra 3G network means we now uniquely have three mobile networks to offer our customers to get the perfect fit for their expanding mobile device fleets.

In addition to the above, as announced on 3 October 2012, we are delighted to be the first external provider selected by The Department of Agriculture, Fisheries and Forestry (DAFF) in its capacity as a Lead Agency for the Australian Government's Lead Agency Secure Internet Gateway program.

Macquarie Telecom is a recognised specialist in the end-to-end management of secure internet gateway services for the Australian Government with over 9 years experience as a DSD certified provider. The agreement with DAFF is not only testament to Macquarie Telecom's experience to securely connect government to the outside world, but an indicator of cyber security's vital importance for the government sector.

In the year ahead we will be focused on continuing 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.