macquarie TELECOM

Annual General Meeting

22 November 2013

Chairman's Address

ROBERT KAYE

A Year of Investment

- Expansion of our data centre capacity at Intellicentre 2.
- Completion of the construction of Intellicentre 4 in Canberra.
- Further developing our Cloud Computing capabilities.
- Investments enable the company to take full advantage of current and future growth opportunities.

2013 Financial Summary

- NPAT of $11.3 million, down 42% on record 2012 performance, impacted by:
  - Realisation delays from some of our larger contracted Corporate and Federal Government customers;
  - A flat revenue performance in Managed Hosting business, caused by price reductions and the incremental costs associated with investments in automation, service assurance and other staff costs; and
  - The planned consequence of the significant capital expenditure program executed over the past two years, resulting in increased depreciation and amortisation charges and reduced interest revenue.

2013 Financial Summary

- Ordinary dividend of 24 cps fully franked

- Capital expenditure for fiscal 2013 was $51.5 million, of which approximately $29 million was spent on the expansion of Hosting capacity in Sydney and Canberra and approximately $22.5 million on business as usual capital expenditure.

- $50 million working capital facility to support strategic growth opportunities of which $9 million was drawn as at 30 June 2013.

Outlook

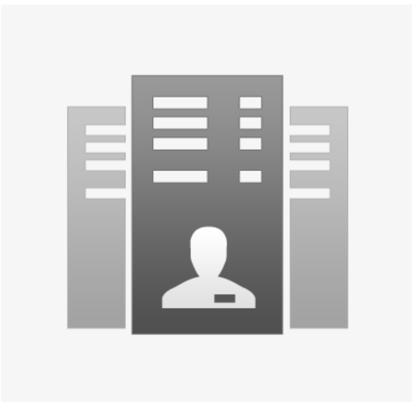
- EBITDA profit for the first half of fiscal 2014 is expected to be between $12 million and $14 million.
- Strong growth anticipated in the second half of fiscal 2014.
- Depreciation for fiscal 2014 is expected to be between $24 million and $26 million. The increase on last year being primarily attributable to depreciation associated with Intellicentre 2 expansion and Intellicentre 4.
- Fit out of the 2nd Data Hall and installation of the 3rd megawatt of IT load at Intellicentre 2 in Sydney to commence. This project is expected to be completed in the first half of fiscal 2015 at a cost of approximately $11 million of which $6 million is expected to be spent in the second half of fiscal 2014.
- Capital expenditure for fiscal 2014 is therefore expected to increase from previous guidance of $30 million to be approximately $36 million.

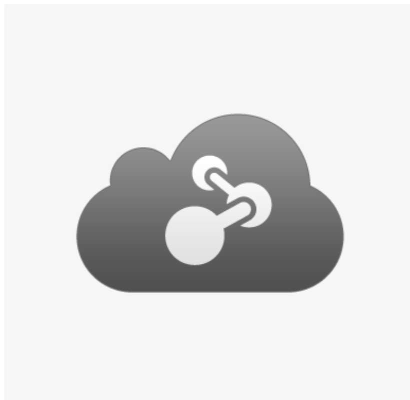
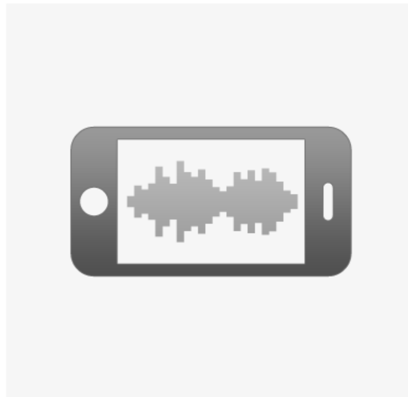
Chief Executive's Address

DAVID TUDEHOPE

Strategic objective

Australia's number one Managed Hosting, Cloud and Telecommunications provider to business and government customers through the delivery of service excellence



Intellicentre 2

Intellicentre 4

Open for business

Industry Trends

Cloud Computing

NBN

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