Macquarie Telecom delivers record full year profit result

Key Points

- Earnings before interest, tax, depreciation and amortisation (EBITDA) of $40.6 million, an increase of 9.0% on the previous corresponding period.
- Net profit after tax (NPAT) of $19.6 million for the year ended 30 June 2012, up 10.6% on the previous corresponding period.
- A healthy balance sheet maintained with cash and cash equivalents of $30.8 million and a $30 million undrawn working capital facility in place.
- Second Sydney Data Centre – Intellicentre 2 – open for business.
- Declares a fully franked final dividend of 12.0 cents per share, with the total dividend for fiscal 2012 being 24.0 cents per share fully franked.
- Positive outlook for fiscal 2013 and ongoing investment in future growth opportunities.

Macquarie Telecom (ASX: MAQ), a leading provider of Hosting and Telco services to Australian business and government customers, announces a record NPAT of $19.6 million for the full year ending 30 June 2012, up 10.6% from the previous corresponding period.

The company has also delivered a record EBITDA result of $40.6 million, an increase of 9.0% on the previous year’s EBITDA result of $37.2 million.

The record NPAT and EBITDA results were achieved from total service revenue for the period of $218.9 million, down slightly on the previous corresponding period.

The Chairman of Macquarie Telecom, Robert Kaye, said: “Macquarie Telecom has delivered a record full year result whilst investing in its Cloud Computing capabilities and completing the construction of its second Sydney data centre facility, Intellicentre 2.

“Intellicentre 2 will enable the company to take full advantage of future growth opportunities and capitalise on the continued demand for its Hosting services,” Mr Kaye said.
Macquarie Telecom’s Hosting business continued its strong revenue performance, growing by 9.0% when compared to the previous corresponding period, contributing $58.5 million, or 27% of total service revenue. The Hosting business recorded EBITDA of $15.3 million an increase of 5.9% on the previous corresponding period.

Macquarie Telecom’s Telco (Data, Voice and Mobile) business remains an important part of the company’s overall offering, delivering $160.3 million in revenue and EBITDA of $31.2 million, up 8.9% on the previous corresponding period. Strict cost control and automation has contributed to the improved margins in the Telco business.

Capital expenditure for the year was $51.9 million of which $27.0 million related to building construction, mechanical and electrical fit out of Intellicentre 2, $7.0 million related to software implementation and development and data centre networking, and the remaining $17.9 million related to business as usual capital expenditure.

Strategy and Outlook

Macquarie Telecom remains focused on being Australia’s number one Managed Hosting and integrated Telco provider to business and government customers through the delivery of service excellence.

Chief Executive David Tudehope said the company continues to experience increasing demand for its hosting services due to the growing trend of selective outsourcing of Information Technology.

“We believe this trend of outsourcing is accelerating due to higher speed internet connectivity driving new web technology and the associated demand for managed hosting. In addition, we believe the emergence of cloud computing, which is a natural extension of managed hosting, will increase this trend and provide new market opportunities for Macquarie Telecom,” Mr Tudehope said.

Investing for future growth

In fiscal 2013 Macquarie Telecom will continue to invest in developing its Intellicentre 2 data centre and its Cloud Computing capabilities to position Macquarie Telecom for strong future growth.

Capital expenditure for fiscal 2013 is expected to be approximately $34 million of which it is expected approximately $14 million will be spent on the expansion of Hosting capacity.

An update on Macquarie Telecom’s first half performance in fiscal 2013 will be given at the company’s Annual General Meeting in late November.

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For more information, please contact:

**MAGNUS Investor Relations + Corporate Communication**
John Gardner  
(08) 9212 0101 or 0413 355 997  
Dudley White  
(02) 8999 1002

**About Macquarie Telecom**
Macquarie Telecom is Australia’s only integrated Managed Hosting, Cloud and Telecommunications Company focused solely on mid-size businesses, corporate IT and government. Working with and supporting some of Australia’s best-known organisations, Macquarie Telecom is a full service hosting provider offering managed dedicated servers, managed co-location, and managed private, hybrid and public clouds. Our fully owned, Australian based data centres are the most secure and accredited data centres in Australia with ISO27001, PCI Compliance, DSD Gateway and ASIO Intruder Resistant accreditation. Macquarie Telecom’s offerings are underpinned by world-class customer care which is delivered by our fully owned and managed customer service centre, MacquarieHUB. Macquarie Telecom is best placed to help transition organisations to the new online NBN era.

Head office, Level 20, 2 Market Street, Sydney 2000  
[www.macquaritelecom.com](http://www.macquaritelecom.com)