

MACQUARIE TELECOM GROUP LIMITED

ANNUAL GENERAL MEETING

FRIDAY, 24 NOVEMBER 2017

CHIEF EXECUTIVE'S ADDRESS

Thank you, Peter, and welcome shareholders. I'm David Tudehope, Chief Executive of Macquarie Telecom Group.

Peter has given you a brief overview of Macquarie's recent performance and guidance for the future.

I would now like to take this opportunity to give you an update on developments during the past year and our overall business strategy.

We are very proud of this result and that the strategy we put into place over three years ago is coming through into underlying earnings.

Our investments in customer service and capital projects have created sustainable growth, and our Hosting businesses is well positioned to benefit from the megatrends of Cloud and Cyber Security.

The heart of who we are is that we're all about delivering amazing customer experience. We've embraced the Net Promoter Score (NPS) system as a way of measuring customer service, and we've used it internally to drive behaviour, shape culture and change the customer experience. Our NPS of +68 as at Q4 FY17 puts us as one of the highest ASX companies in Australia for customer experience based on a recent survey.

Bulletproof Offer

Bulletproof has an experienced and talented team which will be a good fit with the Macquarie culture.

Bulletproof's private cloud business is similar to ours and we can leverage our data centre investment by deploying new technology to grow the combined customer base.

The acquisition will expand our hybrid cloud options to include public cloud and will provide Bulletproof customers with access to our colocation and data centre offering and expertise.

FY18 Priorities

In the Hosting space, we see continued growth in underlying demand and are building out capacity to support customer demand. Total workload for all Intellicentres is currently 12.4MW with upgrades to progress to 14.5MW. In the next few months we will also finalise our decision on the build or purchase of data centre capacity. The potential for investment will increase the requirement for Capex that will primarily impact FY19.

In the Telecom business, our positioning of being the SoUnTelco recognises that we do everything opposite to our competitors. The new networking technology that we've recently launched and will continue to invest in, SD WAN, is very disruptive in this regard. The insourcing of the network operations centre, which we have recently completed, will also improve our service delivery and materially reduce costs.

The Federal Government is increasingly looking to the private sector to harness the productivity and value for money benefits that technology can deliver. The establishment of the Digital Transformation Agency, the Cloud First Policy and the Australian Cyber Security Centre are all initiatives that dovetail with our Macquarie Government and Cloud Services infrastructure and technology investments. Whilst focus is often on the transformative opportunities of these digital services and their

benefits, it's also the case that safe and secure digital transformation for both private and public sectors must also have a strong eye on cyber security. In this regard, we see an important role to play in continuing to collaborate and share our experiences of best practice cyber security across our Federal Government customer base.

In closing, I would like to express my gratitude to the management team and Macquarie Telecom Group staff for their dedication and hard work during the past year and thank our business partners, customers and 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, Peter James.