

Annual General Meeting.

2016.

18 November 2016

Our people.



Melissa
Account Manager

Angela
People and Culture

Palasari
Head of Architecture

Chairman's Address.

Peter James.

4 Key Business Highlights.



- Focus on leveraging our assets and improving operational efficiency through the delivery of a superior customer experience has seen an increase in revenue of 5% and EBITDA of 23% compared to fiscal 2015.
- Hosting business grew revenue and EBITDA by \$6.7 million (11%) and \$4.2 million (43%), respectively, compared to fiscal 2015.
- Telecom business has also grown its revenue and EBITDA during the year by \$3.7 million (3%) and \$1.8 million (11%), respectively.
- The Company exited the year with a cash position of \$36.5 million.
- Strong conversion of the EBITDA performance and strict working capital management resulted in operating cash flows of \$39.4 million, an increase of 65% compared to fiscal 2015.
- The declaration of a 25cps fully franked final dividend reinforces our commitment to drive further shareholder value and ongoing returns.

Outlook.

- We are continuing to see positive traction following the implementation of our strategy, resulting in continued improved performance across the business.
- Pleasingly, EBITDA profit for the first half of fiscal 2017 is expected to be between \$17.0 million to \$19.0 million, up from \$15.6 million in the previous corresponding period.
- Driven by strong demand, business as usual capex is now expected to be \$21 to \$23 million.
- In anticipation of continuing demand, investment in growth capex, such as data centre capacity and core network infrastructure, is now expected to be \$13 to \$15 million for Hosting and \$6 to \$7 million for Telecom.
- Depreciation is expected to be consistent with previous guidance; between \$21 and \$23 million.
- In line with the continued performance improvement the Company intends to declare a fully franked interim dividend of 25cps for H1 FY17.
- An update on full year performance in fiscal 2017 will be given with the half year results announcement.

Chief Executive's Address.

David Tudehope.

7 Our Brands.



For business, we are the full service provider of data, voice, mobile and colocation services. We are the telecom that does everything refreshingly different. We are where the Macquarie story started.



For business customers we are the specialists in hybrid IT. We integrate data centre, cloud, and dedicated servers. Different applications need different types of hosting. We manage it.



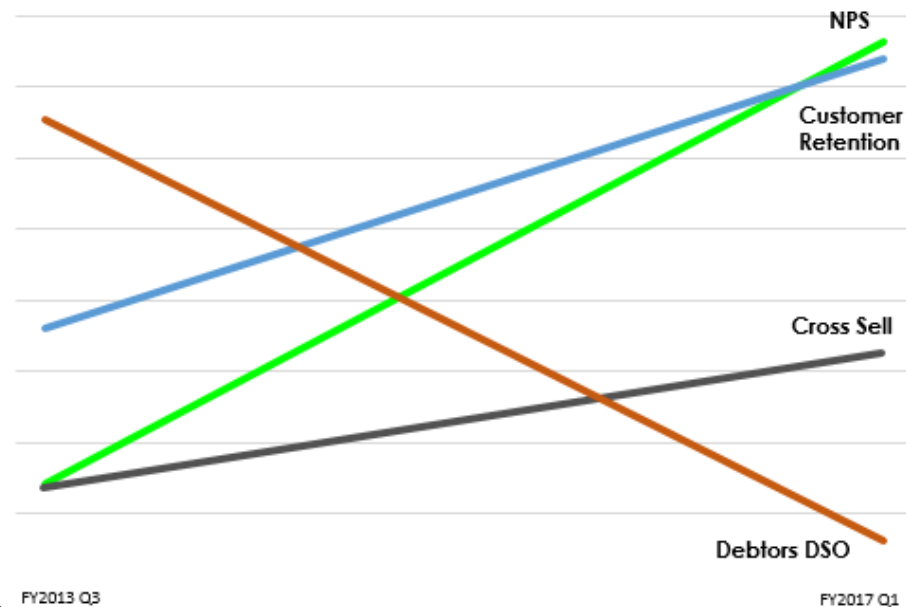
We are the Australian specialists in cyber security, secure cloud and data centres for Federal Government. We deliver services to 42% of Federal Government agencies.

Macquarie Telecom Group comprises of Macquarie Telecom, Macquarie Cloud Services and Macquarie Government. The Hosting segment comprises Macquarie Cloud Services and Macquarie Government.

8 Our Focus on NPS

We have chosen to be great at one thing across all our businesses. The best customer experience in Australia as rated by our customer's Net Promoter Score (NPS) feedback.

... is delivering improved performance.



9 Our customers include...



FY17 Priorities.

- Maintaining Net Promoter Score above +60 across our businesses.
- Hosting Business – capacity expansion of Intellicentres 2 and 4, in response to continued customer growth at these data centres.
- Macquarie Government – leverage the 42% of the Australian Government who trust us to further grow revenue in cyber security and secure cloud computing.
- Macquarie Telecom – will invest in new data networking technology and the insourcing of network operations to materially reduce costs and further improve service delivery.
- Continue to provide industry and policy leadership, including for the National Broadband Network which will provide benefits and play to the core strengths across each of our businesses.

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