

28th October 2011

Australian Securities Exchange
Company Announcements Office
20 Bridge St
Sydney NSW 2000

Sent via Electronic Lodgement

Dear Sir/Madam,

Re: Annual General Meeting – Chairman’s Address, incoming Executive Director and incoming Chief Executive Officer Presentations

In accordance with Listing Rule 3.13.3, please see attached a copy of the Chairman’s address to shareholders and presentations from the incoming Executive Director and incoming Chief Executive Officer, which are to be delivered this afternoon at the Annual General Meeting of shareholders.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Kellie Dean', with a horizontal line underneath.

Kellie Dean
Company Secretary

Chairman's Address to Shareholders – 2011 Annual General Meeting

For M2, the 2010/11 year was one of focus on internal process improvement and efficiency, whilst keeping abreast of the changes in the telecommunications landscape and positioning the Company appropriately for the future.

An important milestone reached during the year, in the context of industry changes, was the connection of customers to the NBN trial. This was completed through an agreement with Telstra for the period of the trial. There will be more on M2 and the NBN later in the presentations.

A significant event after balance date has been M2's admission into the S&P/ASX 300, a marker of increased coverage of and trading in the security.

As a result of improvement to the underlying business, in addition to organic growth and smaller acquisitions, full year results saw M2's EBITDA increase by 54% and NPAT increase by 72%, as compared with the previous corresponding period. The Company has maintained the dividend policy of 70% of NPAT, with dividends per share increasing 60% to 16c for the full financial year. These results would not have been possible without the diligence and efforts of the M2 Team, and for this I thank them.

As we move through the 2011/12 year, we enter a new era for the Company, with a new leader. As announced on 29 August, at the close of this meeting Vaughan Bowen will step aside from the role of CEO and transition into the role of Executive Director.

The success of the past 12 years has to a significant degree been created through the leadership, hard work and dedication of this entrepreneurial Chief Executive. During his tenure, Vaughan has led the growing M2 Team to produce outstanding results, including:

- nine consecutive years of record increases in revenue and profit;
- a strong, positive team culture which is not only noticed by external parties, it is complimented;
- a total shareholder return of almost 1200% since listing in 2004; and
- a market capitalisation increase of more than 2200% in the same period.

On behalf of the Board and the M2 Team, I would like to take this opportunity to thank Vaughan for his service as CEO. We look forward to continuing to work with him in his new capacity.

The Company's new CEO, Geoff Horth, was selected by the Board following a considered and careful process. Geoff has management experience in companies of a similar size as well as larger than M2, over a period of approximately 25 years including almost 3 years with M2. He has the full support of the Board and the M2 Team.

The matter of remuneration of Executives has received much attention and has been the subject of much debate in recent times. We believe M2 has prudent remuneration packages in place which appropriately reward Executives within the context of company size and performance, both through benchmarked base packages and Key Performance Indicator managed short term measures, combined with medium to long-term option packages.

It is viewed as appropriate to release details of new CEO packages. I can confirm that Geoff has an agreement for one year with rolling extensions, on a base salary of \$500,000 with capped super and a capped relocation allowance. Geoff is entitled to certain short-term incentives including a payment of \$50,000 on completion of 12 months service in the role of CEO and up to 20% of base salary where Key Performance Indicators are met, as determined by the Board.

Today, the M2 Board received notification from Max Bowen of his intention to retire from the Board at the close of this meeting. Max is one of the founding members, having served on the Board since 1999, including as Chairman until 2006. On behalf of the board of directors, the M2 team and our shareholders, I would like to extend a sincere thank you to Max for his years of service as well as his many and varied contributions which have helped to shape the Company into its present form.

Finally, to our shareholders, I would like to thank you for your continued support. The year ahead is one in which the Board, management and team of M2 will continue to focus on the improvement and growth of the Company, with a view to best taking advantage of industry changes afoot.

I will now hand over to Vaughan Bowen, to give further detail on the 2010/11 year and the Company's strategic direction.

Thank you.