



M2 TELECOMMUNICATIONS GROUP LTD (ASX: MTU)

ASX RELEASE

## M2 TO APPOINT NEW CHIEF EXECUTIVE OFFICER

Founding CEO / Managing Director to assume Executive Director role

**Monday 29 August 2011:** Following its release today of record revenue and earnings results for the financial year ended 30 June 2011, M2 Telecommunications Group Ltd ("M2", ASX: MTU) announces Vaughan Bowen's intention to step aside from his present role as Chief Executive Officer ("CEO") and assume a role as Executive Director. The Board of Directors is pleased to announce the impending appointment of Geoff Horth to the role of CEO.

Following the conclusion of the Company's Annual General Meeting on 28 October this year, Geoff Horth, M2's current Chief Operating Officer ("COO"), will formally assume the role of CEO, taking over from founding CEO and Managing Director, Vaughan Bowen.

Geoff has been a key member of the M2 executive team for more than two years, most recently in the role of COO, where he has been responsible for the day-to-day management of all core business functions across the M2 Group. Prior to his time at M2, Geoff held executive roles within the Australian telecommunications industry over a period of more than 20 years.

Following the handover of his current CEO responsibilities over the coming months, Vaughan will be retaining his place as a member of the M2 Board of Directors and will assume the new role of Executive Director, responsible for pursuing merger and acquisition ("M&A") opportunities, maintaining and developing key M2 stakeholder relationships and serving as advisor to the CEO on group-wide strategy.

M2's Chairman, Craig Farrow stated; *"Vaughan has proven himself to be a simply outstanding CEO. In his 12 years in the role, commencing at the time of the Company's incorporation in December 1999, M2 has grown from a fledgling start-up to a large, highly profitable and respected member of the Australian telecommunications industry, employing nearly 500 people across Australia and in New Zealand. Since its listing on the ASX almost seven years ago, Vaughan has steered M2 from a market capitalisation of \$14 million to more than \$360 million as of last market close, an increase of over 2500%.*

Mr Farrow continued; *"The M2 Board sincerely thanks Vaughan for his dedication and exceptional performance as CEO and Managing Director. Vaughan's own determination, in consultation with the Board, was that M2's prospects of continued future success were best served by a well managed transition of the day-to-day management of the Company. Through a structured evaluation process conducted over recent months, the Board formed a strong and united view that Geoff possesses the appropriate skills and experience to lead the next stage of M2's evolution. This enables Vaughan to focus on strategic opportunities and to work closely with Geoff and the Board on ensuring that the Company most effectively capitalises on the opportunities presented to it by the various industry structural changes afoot. I certainly look forward to continuing to work closely with Vaughan and Geoff in their respective new roles, as we continue to build upon the enviable foundations established over the last 12 years under Vaughan's exceptional leadership."*

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## About M2 Telecommunications Group Ltd

Established in 1999, M2 Telecommunications Group Ltd ("M2", ASX: MTU) is Australia's largest network independent provider of telecommunications services. M2 employs more than 450 people nationwide, across the Melbourne headquarters and offices in Sydney, Hobart, Adelaide, Brisbane, Perth and Wollongong. M2 also provides fixed line, 3G mobile and broadband services in New Zealand.

M2's retail business division incorporates Commander, People Telecom, M2 Telecom, Southern Cross Telco and the recently acquired Clear Telecoms. Within the retail division, M2 offers a suite of telecommunications services, equipment, personalised service and value-added offerings targeted principally at the small- and medium-sized business market. The retail products are offered across Australia through M2's national dealer and agent network, comprised of the exclusive Commander dealer channel and the extensive People Telecom dealer channel.

Through the M2 Wholesale division, M2 provides wholesale fixed line, mobile and data telecommunications services to small and medium-sized telecommunications service providers and Internet Service Providers (ISPs). M2 Wholesale was launched in 2006 following M2's appointment by Optus as its exclusively endorsed (post-paid) mobile services aggregator, an appointment which has since been extended to 2013.

In recognition of the Company's significant and consistent growth, M2 was named by BRW Magazine amongst Australia's 100 fastest-growing companies in 2003, 2004, 2005, 2006 and 2008, and in the Deloitte Technology Fast 50 in 2004, 2005, 2008, 2009 and 2010.

M2 has an established dividend pay-out ratio policy of 70% of net profit after tax (NPAT) and has consistently delivered upon this dividend policy for every fiscal half year since 2005.

For more about M2 visit [www.m2.com.au](http://www.m2.com.au).

Related Company sites (part of the M2 Group):

- [www.commander.com](http://www.commander.com)
- [www.peopletelecom.com.au](http://www.peopletelecom.com.au)
- [www.sctelco.com.au](http://www.sctelco.com.au)
- [www.cleartelecoms.com](http://www.cleartelecoms.com)
- [www.m2nz.co.nz](http://www.m2nz.co.nz)
- [www.bw.co.nz](http://www.bw.co.nz)

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