



M2 TELECOMMUNICATIONS GROUP LTD (ASX: MTU)

ASX RELEASE

M2 CONNECTS ITS FIRST NBN CUSTOMER

Wednesday 6th July 2011: Diversified telecommunications services provider M2 Telecommunications Group Ltd ("M2", ASX: MTU), through its wholly owned subsidiary Southern Cross Telco, has today confirmed the connection of its first customer to the NBN Co network.

The connection to the high-speed NBN Co fibre optic broadband network was completed for one of Southern Cross Telco's regional residential customers, based in Armidale, NSW.

Further M2 connections will continue to take place under Stage 1 of the NBN trial, facilitated through a wholesale aggregation alliance with Telstra Wholesale, which will include, in addition to Armidale, Brunswick in Victoria, Townsville in Queensland, Minnamurra in NSW and Willunga in South Australia.

M2's Managing Director and CEO, Vaughan Bowen, said *"We are pleased to be the first wholesale customer connected to the NBN through Telstra Wholesale. Our early involvement with NBN's mainland deployment illustrates M2's commitment to providing our customers with access to the next generation of telecommunications services and will provide us with valuable learnings in the processes associated with connecting and supporting customers on the NBN"*.

Bowen continued, *"Given the fundamental structural change which the NBN brings to the Australian telecommunications landscape, our first NBN customer connection is a significant milestone for M2. It is our intention to offer NBN services to those of our customers located in the areas which fall within the trial deployment footprints and to extend our NBN offering to a wider cross-section of our customer base, both retail and wholesale, as NBN continues its national roll-out over the coming months and years"*.

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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 400 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 mid-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.

M2 has consistently delivered growth in both revenues and profit year-on-year since 2003, with consolidated revenues now exceeding \$500 million (annualised, including Clear customer revenues).

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.

Related Company sites (part of the M2 Group):

- www.commander.com
- www.peopletelecom.com.au
- www.sctelco.com.au
- www.cleartelecoms.com
- www.m2nz.co.nz
- www.bw.co.nz
- www.simplymobiles.com.au
- www.greenmobiles.com.au

M2 Contact Details

Vaughan Bowen, Managing Director / CEO, Ph: 03 9674 6569

Debra Mansfield, Corporate Communications Manager, Ph: 03 9674 6569