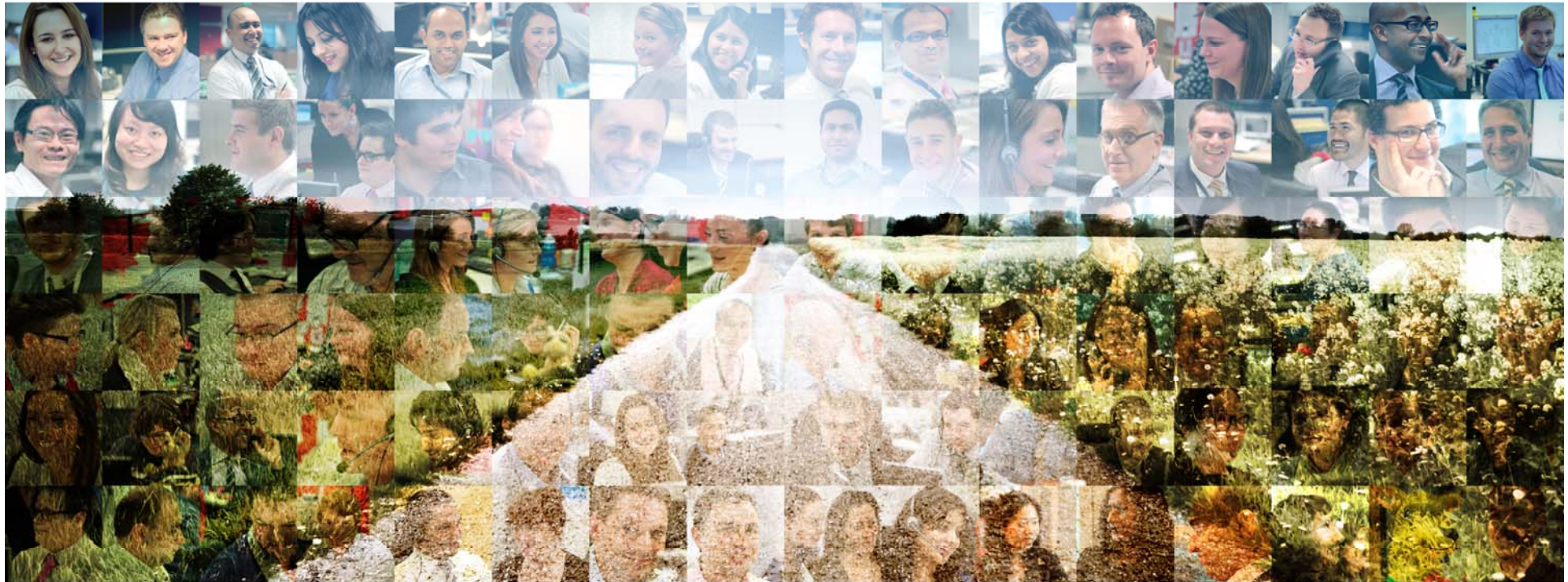




1H FY13 Financial Results

M2 Telecommunications Group Ltd



Geoff Horth, CEO
25 February 2013

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Presentation Content



1H FY13 Results



1H FY13 Achievements



Outlook and Priorities – 2H FY13

1H FY13 Results

\$m	1H13	1H12	% change
Revenue	305.2	185.4	Up 65%
EBITDA	55.1	27.6	Up 99%
EBITDA margin	18.0%	14.9%	Up 21%
NPAT	24.7	16.7	Up 47%
NPAT (underlying) ¹	31.7	19.0	Up 67%
EPS (cents) ²	15.7	13.5	Up 16%
EPS (underlying) ^{1, 2}	20.2	15.3	Up 32%
Interim Dividend (cents)	10c	9c	Up 11%
Dividend Paid/Payable ³	15.8	11.2	Up 41%

¹ Underlying NPAT and EPS figures each include an add-back of a non-cash cost of \$7.0 million in 1H13 (\$2.3 million in 1H12) for amortisation associated with customer contracts acquired in the relevant period (in accordance with Australian Accounting Standards)

² Calculated using the volume average weighted number of shares

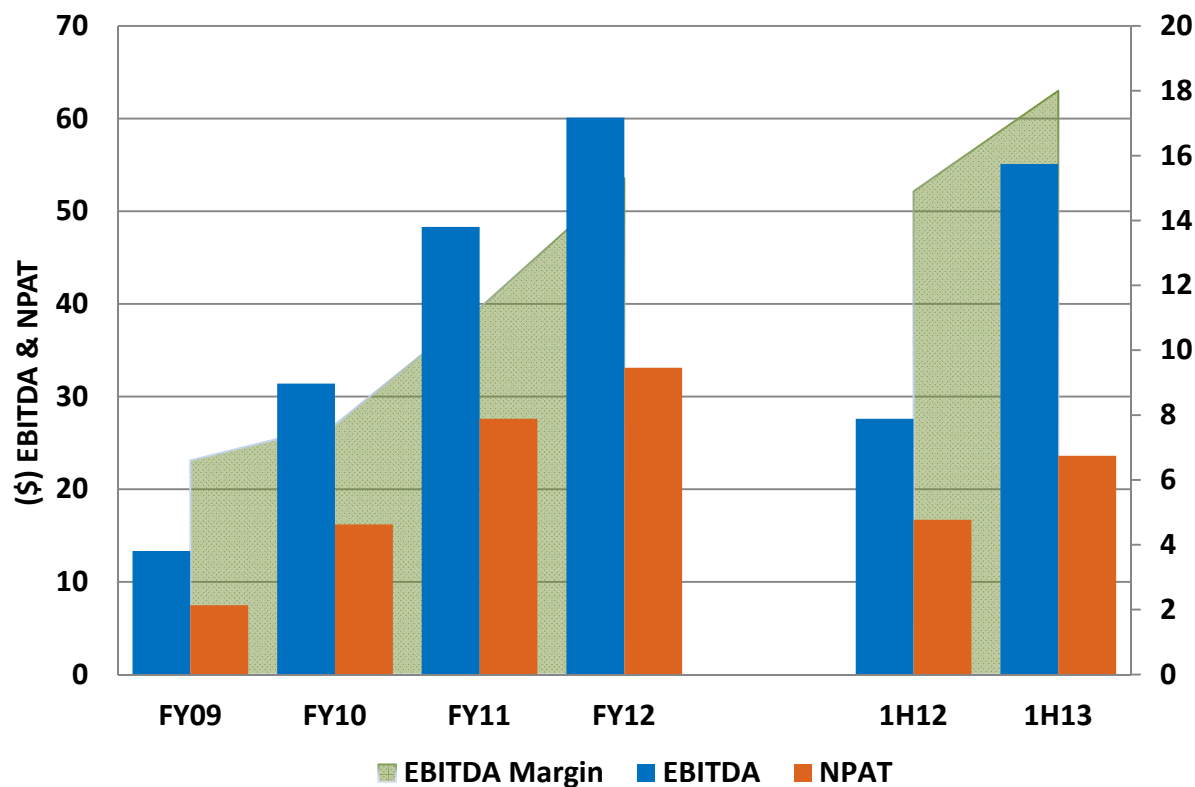
³ Dividends paid/payable refer to the interim dividends either paid or payable for the 1H periods. It is calculated as the gross figure (excluding DRP)

1H FY13 Financial Highlights

- EBITDA almost doubled to \$55.1 million
- Underlying EPS up 32% to 20.2 cents
- Strong operating cash flow at \$36.0 million
- 1H investment in Primus synergy realisation will support further earnings growth in 2H FY13
- Reduction in net debt to \$116.2 million
- 17th consecutive dividend declared - 10c per share (fully franked)

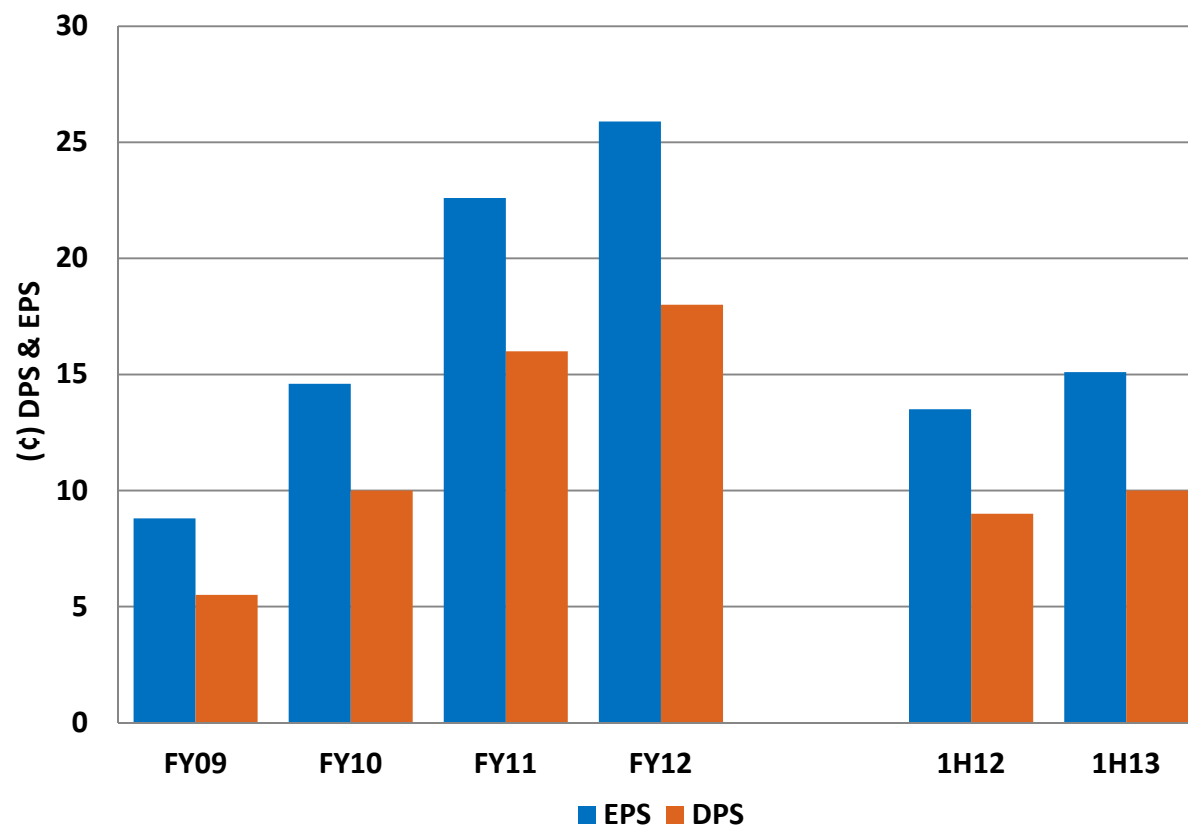
On track for 8th consecutive year of EPS growth

Consistent Growth in Earnings (\$M)



Year-on-year EBITDA and NPAT growth sustained, driven by Primus acquisition and a continued focus on efficiency

Consistent Shareholder Returns



Continued delivery of shareholder returns via consistent growth in earnings and dividends per share

Balance Sheet

\$m	31 December 12	30 June 12
Cash at bank	29.6	25.0
Other current assets	80.2	82.1
Goodwill/Intangibles	293.8	299.4
Other non-current assets	72.9	64.8
Total Assets	476.5	471.3
Borrowings (current)	22.5	22.3
Other current liabilities	109.4	112.6
Borrowings (non-current)	123.3	127.9
Other non-current liabilities	17.9	19.7
Total Liabilities	273.2	282.5
Net Assets	203.4	188.7
Net debt	116.2	125.3

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Presentation Content



1H FY13 Results



1H FY13 Achievements



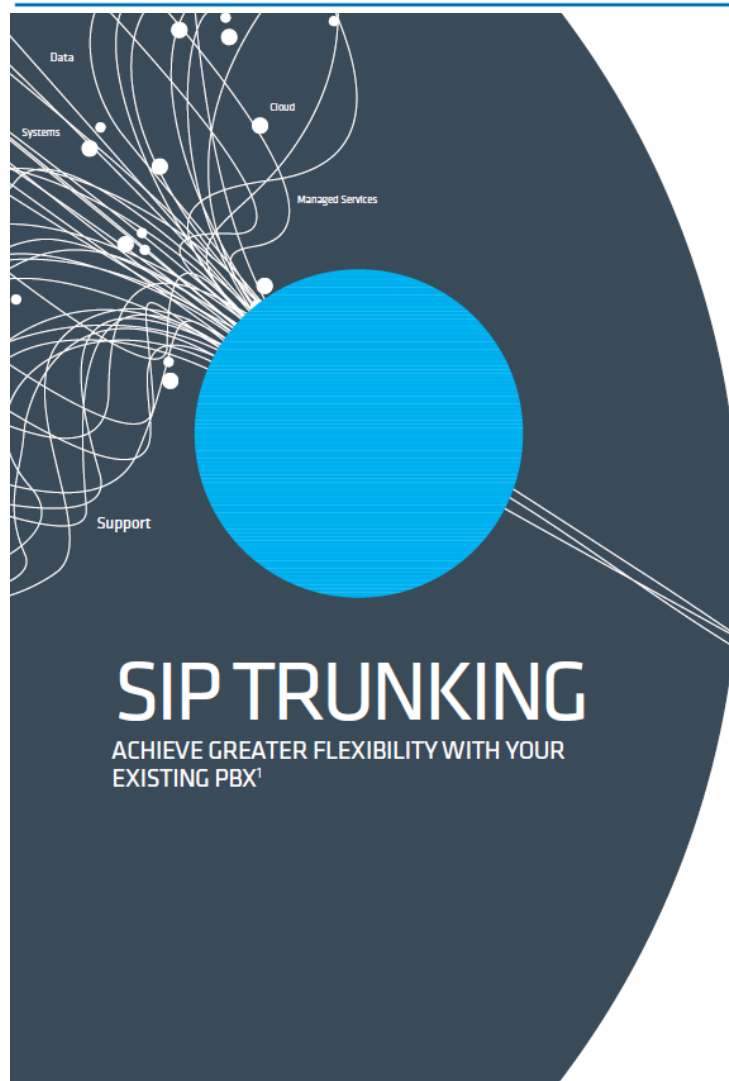
Outlook and Priorities – 2H FY13

Enhancing capabilities for the future

- Primus acquisition delivered increased capability in four key areas:
 - NBN
 - IP Voice
 - Hosted Voice
 - Cloud
- In less than 12 months we have successfully leveraged these assets to launch new products
 - Commander NBN – launched October 2012
 - Commander SIP Trunking – launched Feb 2013
 - Commander Hosted Voice – launched Feb 2013
 - Commander Cloud – launched Feb 2013

Primus acquisition has delivered synergies and enhanced capabilities which have strengthened the business

Commander SIP Trunking



Data
Systems
Cloud
Managed Services
Support

SIP TRUNKING

ACHIEVE GREATER FLEXIBILITY WITH YOUR EXISTING PBX¹

MODERNISE YOUR EXISTING PHONE SYSTEM WITH A FLEXIBLE IP PHONE SOLUTION

- Update your phone service without having to buy a new PBX or handsets³
- Simplify your line rental
- Fully scalable, voice channels can be added quickly with little, if any, associated costs¹⁰
- Set and forget with easy cloud based management allowing you to take command of your business
- Ready for Fibre enabled businesses

SIP TRUNKING - ESSENTIALS

Perfect for single or multi-site businesses with up to 20 lines

www.commander.com
132 777

take command
COMMANDER

Commander Hosted Voice

	<p>OFFICE</p> <ul style="list-style-type: none"> • LCD screen - 3 lines of 16 characters • Manage up to 6 calls simultaneously <p>\$29.95 PER MONTH Total Min Cost (over 24 months) \$718.80⁴</p>		<p>PROFESSIONAL</p> <ul style="list-style-type: none"> • LCD screen - 144 x 128 pixels • Manage up to 9 calls simultaneously • 12 customisable softkeys with LEDs <p>\$44.95 PER MONTH Total Min Cost (over 24 months) \$1,078.80⁴</p>
	<p>ENTERPRISE</p> <ul style="list-style-type: none"> • High resolution LCD touch screen • Manage up to 9 calls simultaneously • 55 customisable softkeys with LEDs <p>\$59.95 PER MONTH Total Min Cost (over 24 months) \$1,438.80⁴</p>		<p>RECEPTION</p> <p>All the features of the Enterprise handset PLUS Expansion Module features:</p> <ul style="list-style-type: none"> • LCD screen - 144 x 128 pixels • 60 customisable keys (20 soft x 3 hard) <p>\$84.95 PER MONTH Total Min Cost (over 24 months) \$2,038.80⁴</p>
<p>ALL PLANS INCLUDE:</p> <ul style="list-style-type: none"> ✓ 200 ENTRY DIRECTORY & CALLER LOG ✓ VOICEMAIL ✓ MUSIC ON HOLD ✓ FREE CALLS TO OFFICE PHONE AND MOBILES ON THE SAME COMMANDER ACCOUNT⁶ 			

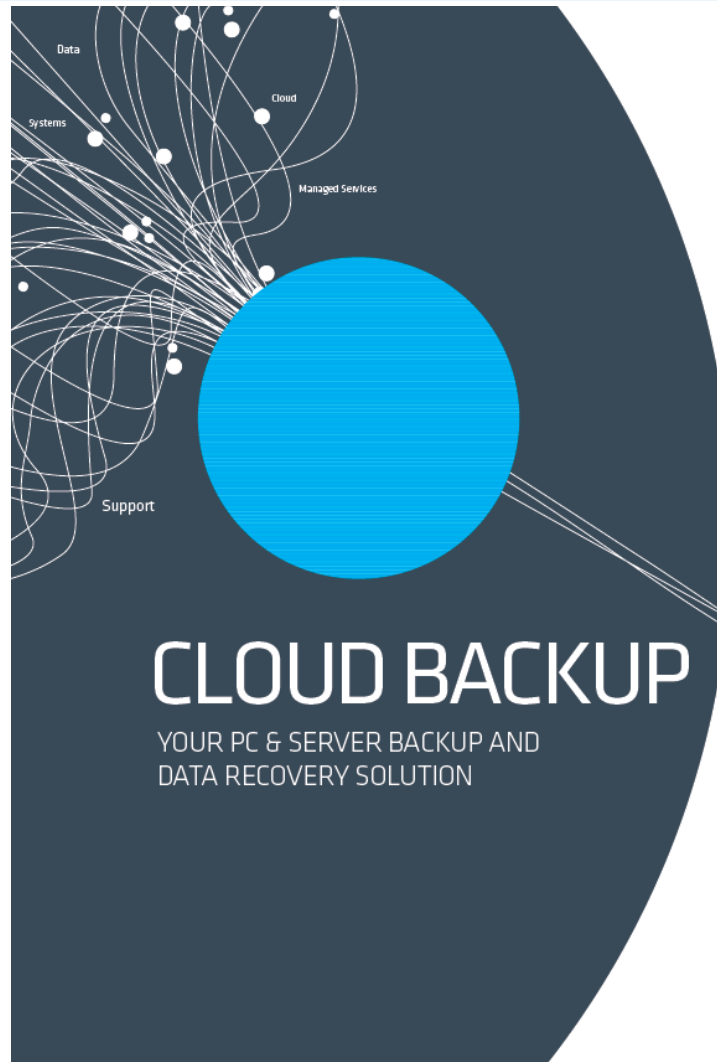
Slide 11

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Consider a new visual - nw modem possibly?

Geoff Horth, 16/10/2012

Commander Cloud



Data
Systems
Cloud
Managed Services
Support

CLOUD BACKUP

YOUR PC & SERVER BACKUP AND
DATA RECOVERY SOLUTION

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CMR_CLOUD BACKUP_PS 01.0313

PROTECT YOUR DATA WITH AN AUTOMATED BACKUP SOLUTION

- Improve data protection through automation
- Protect company & system information
- Reduce labour costs associated with managing in-house backup solutions
- Enhance security with encryption and storage in our secure data centre
- Improve disaster recovery - access and restore your data online - at anytime, anywhere

CLOUD BACKUP

A perfect solution to enhance your data protection capabilities and free up IT resources

5

Consider a new visual - nw modem possibly?

Geoff Horth, 16/10/2012



Commander Cloud

ALL PLANS INCLUDE:

- ✓ AUTOMATED BACKUPS CUSTOMISED TO YOUR REQUIREMENTS
- ✓ RAPID RECOVERY THROUGH A SECURE WEB-PORTAL INTERFACE
- ✓ FULLY SECURE IN OUR AUSTRALIAN DATA CENTRE WITH 256 BIT ENCRYPTION
- ✓ 24 X 7 ASSISTANCE THROUGH OUR 100% AUSTRALIAN BASED SUPPORT TEAM²

DATA STORAGE	MONTHLY FEE ³	SET UP FEE	TOTAL MINIMUM COST (24 months) ¹
10GB	\$20	Optional*	\$480
25GB	\$30	Optional*	\$720
50GB	\$50	Optional*	\$1,200
100GB	\$80	Optional*	\$1,920
150GB	\$100	\$95*	\$2,495
250GB	\$160	\$95*	\$3,935
500GB	\$290	\$95*	\$7,055

*Self installation required. Assisted Initial Installation is available for \$95.

*Includes Assisted Initial Installation

OPTIONAL EXTRAS

	FEE
ASSISTED INITIAL INSTALLATION	\$95
ADDITIONAL DATA PER GB STORED	\$2.75 PER MONTH ⁵
ON-CALL TECHNICAL SUPPORT	\$275 PER HOUR ²
PRE-PURCHASE ON-CALL TECHNICAL SUPPORT	\$1,650 PER 10 HOUR BLOCK ²
DIRECT CONNECT SERVICE ⁶	\$108.90 PER MONTH
ADDITIONAL DEVICES CONNECTED TO BACKUP SERVICE ⁴	\$9.90 PER MONTH

Slide 13

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Consider a new visual - nw modem possibly?

Geoff Horth, 16/10/2012

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Presentation Content



1H FY13 Results



1H FY13 Achievements



Outlook and Priorities – 2H FY13

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Organisational Focus

1. Aggressively grow share of SMB market via our scalable distribution network
2. Expand share of Consumer market via targeted cost effective sales and marketing channels
3. Be a great place to work
4. Provide our customers with good value, easy to use products
5. Relentlessly simplify our business to enable scale, deliver cost efficiency and improve customer experience

FY13 Guidance

\$m	FY13 Guidance	FY12 Actual	% Change (from midpoint)
Revenue	610-650	393.5	Up 60%
EBITDA	108-118	60.1	Up 88%
EBITDA margin	17.9%	15.3%	Up 17%
NPAT	43-48	33.0	Up 38%
NPAT (underlying*)	55-60	38.1	Up 52%
EPS (cents per share)	27-30	25.8	Up 13%
EPS (cents per share, underlying*)	35-38	29.8	Up 24%
Capex (as % of revenue)	3.0%	1.3%	Up 131%
Free Cash Flow	51-56	36	Up 53%

* Underlying NPAT and EPS figures each include an add-back of a non-cash cost of \$5.1 million (FY12) and \$12.4 million (FY13) for amortisation associated with customer contracts acquired in the relevant period (in accordance with Australian Accounting Standards)



Contacts

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www.m2.com.au



Disclaimer

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Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "guidance" and similar expressions are intended to identify forward-looking statements.

These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of M2, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements.

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THANK YOU