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ASX Announcement
Annual General Meeting November 25, 2010
Chairman's Address

At the 2009 Annual General Meeting, the then Chairman Campbell Corfe introduced you to a re-invigorated board of directors and outlined an exciting plan of growth for your company. Since that meeting, the business has completed 8 acquisitions and grown to 225 people across 15 locations. This growth was recently recognized by industry leaders such as CRN with Hostech/Anittel winning the CRN Fast 50 award, the ARN Reseller of the year award and placing 7th in the Deloitte's Technology Fast 50. It should be self evident that this is in fact now an entirely new national IT&T business and as such we have before you today a resolution to acknowledge this change with the renaming of the business to Anittel.

From the Board's perspective, an aggressive growth and acquisition strategy is not an insignificant undertaking and as such we would like to recognize and congratulate the efforts of your CEO Ilkka Tales and his executive leadership team, many of whom have come from the businesses acquired over the past 12 months. Such a program of growth is not without its challenges and whilst for the most part, integration is complete, with the 8 businesses and 225 staff now running from a single back office and service delivery platforms, there remains several additional opportunities to realize synergies within the business and we will continue to maximize the benefits from the new business combinations. Added to this, the business has faced pressure on its performance with a significant softening of hardware sales in Tasmania, as previously announced to the market, a trend which I am pleased to say has begun to reverse. Whilst at this point the board is not re-affirming its previous guidance we see a clear path to the success we have previously espoused. The board and executive will continue to monitor the broader market trends whilst focusing on operational efficiencies and at an appropriate time will restate our expected position for June 30, 2011.

Strategically, I believe the Company is well positioned to capitalise on several market trends; the increasingly sophisticated requirements of small to medium enterprises for IT&T services; the movement of on-premise installed product off-premise and into the cloud; and the ability to deliver sophisticated IT&T products as an affordable suite of services. These trends see an immature spread of over 10,000 small scale IT shops servicing over 750,000 SME's, a market ripe for consolidation. Anittel is continuing to seek out the more developed and well placed of these to be a part of our national approach to providing much needed IT&T services previously only available to large enterprises. As previously stated our goal is to scale up to become Australia's leading regional and SME focused IT&T business and we have both the capacity and plans to see us achieve this. We will continue to grow organically and acquisitively, and our M&A team is receiving regular calls from significant competitors who have recognized the strength of our strategy and who are eager to become a part of our continued expansion.

Finally, we have made a commitment to move towards ASX guidelines for best practice as a board of directors of a listed company. This will see the board evolve in the coming 12 months from a very management focused operationally engaged board, to a broader based, strategically focused governance board with a clear focus on building, consolidating and securing shareholder value and returns. As the start of this process, I would like to announce the resignation of Steve McAllister. Steve has recently taken on a wider responsibility in his role at Telstra and as a result is stepping down from his role as a non-executive

director of Hostech. I would also like to thank Matthew Costello for his contribution as an Executive Director. Matthew has stepped down from the board to focus on his role as Commercial Director reporting to the CEO. Matthew has been instrumental from the beginning with Campbell Corfe in driving this business into a new era of growth.

Peter Kazacos

Chairman

On behalf of the Board of Directors

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