



M2 TELECOMMUNICATIONS GROUP LTD (ASX: MTU)

ASX/MEDIA RELEASE

M2's OFFICIAL ENDORSEMENT BY OPTUS EXTENDED TO 2013

Wednesday, 14 April 2010 : Diversified telecommunications services provider M2 Telecommunications Group Ltd ("M2", ASX: MTU) has today announced that its status as the officially endorsed aggregator of Optus wholesale 3G post-paid mobile services has been extended for a further three and a half years, to September 2013.

M2 has been the officially endorsed Optus aggregator, also referred to as Mobile Virtual Network Enabler ("MVNE") since May 2006. Operating through the "M2 Wholesale" business division of M2, this MVNE arrangement has enabled a number of small and medium sized telecommunications companies to access wholesale mobile voice and data services on the Optus 3G network.

Gavin Williams, Acting Managing Director, Optus Wholesale and Satellite said *"We are pleased to continue our partnership with M2. For nearly four years M2 has served as our officially endorsed MVNE and it has been a successful relationship on all levels, hence the decision to extend the relationship for a further three plus years. Optus Wholesale directly provides services to a range of businesses nationally and this relationship with M2 will enable additional wholesale customers of varying scale or operating models to access the Optus mobile network"*.

Vaughan Bowen, M2's Managing Director and Chief Executive Officer, said of the Optus alliance, *"It was our MVNE appointment by Optus which sparked the formation of our M2 Wholesale business unit, which from a standing start in 2006 has grown into a core, profitable arm of the Group, with divisional revenues in excess of \$130 million per annum. So, needless to say, we are very pleased to have the continued official endorsement of Optus for this key aspect of our wholesale operations"*.

The Optus mobile network offers the widest 3G (2100/900 Mhz) coverage available in Australia for the mobile wholesale telecommunications market today and continues to expand its reach through a network build-out program presently underway, which further expands the Optus 3G network coverage in regional and rural Australia.

In addition to the MVNE appointment extension, Optus and M2 have reached agreement to extend Optus' mobile wholesaling agreement with M2, also through to September 2013. Incorporated within this agreement extension are various new commercial terms which M2 expects will provide it with increased competitiveness and flexibility within its 3G mobile voice and data offerings, for delivery to its core SMB and wholesale markets.

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About M2 Telecommunications Group Ltd

Established in 1999, M2 Telecommunications Group Ltd (ASX: MTU) is Australia's largest network independent provider of fixed-line, mobile and data telecommunications services. M2 is head-quartered in Melbourne and employs approximately 400 people nationwide. M2 also provides fixed-line and 3G mobile services in New Zealand.

Within its retail business division, M2 offers a suite of unique bundled telecommunications services and value added offerings targeted principally at the small enterprise market, distributed through an exclusive trans-Tasman network of sales dealerships, agencies and through targeted on-line marketing ventures (www.simplymobiles.com.au and www.greenmobiles.com.au). The retail business division incorporates Commander, People Telecom, M2 Telecom and Southern Cross Telco.

"M2 Wholesale" is the other core business division of M2, in which wholesale telecommunications services are supplied to small and medium sized telecommunications service providers and Internet Service Providers (ISP's). M2 Wholesale was launched in mid 2006 following M2's appointment by Optus as its officially endorsed aggregator/enabler of Optus mobile services. As a further boost to its wholesale operations, in May 2007 M2 completed the purchase of Australia's largest independent data wholesaling business, Wholesale Communications Group Pty Ltd (WCG), followed by the acquisition of Unitel Australia Pty Ltd in February 2008.

On 24th April 2009, M2 completed the acquisition of People Telecom Ltd, followed by the acquisition of the telecoms business assets of Commander Communications Limited, finalised on 16th June 2009. Maintaining the core focus of M2, both Commander and People Telecom target the small enterprise market.

M2 has a proven track-record of delivering consistent growth in both revenues and most importantly "bottom line" profit, year-on-year since 2003. In recognition of this significant and consistent growth, M2 was named by Business Review Weekly as one of Australia's fastest growing companies in 2003, 2004, 2005, 2006 and 2008 and on the Deloitte Technology Fast 50 in 2004, 2005, 2008 and 2009.

M2 has an established dividend policy, with fully franked dividends exceeding 70% of M2's Net Profit After Tax (NPAT) having been paid to shareholders each fiscal half since the first half 2005 dividend, with the most recent being a fully franked dividend of 5 cents per share for the half year to 31 December 2009.

For more about M2 visit www.m2.com.au

Related Company sites:

- www.commander.com
- www.peopletelecom.com.au
- www.sctelco.com.au
- www.simplymobiles.com.au
- www.greenmobiles.com.au



About Optus

Optus is an Australian leader in integrated communications. The company specialises in a broad range of communications services including mobile, local, national and long distance telephony, business network services, internet and satellite services and subscription television. For more information please visit www.optus.com.au

M2 Contact Details

Vaughan Bowen, MD and CEO

Ph: 03 9674 6569

Kellie Dean, Company Secretary

Ph: 03 9674 6577

Optus Contact Details

Simone Bergholcs, Optus Corporate Affairs

Ph: 02 8082 7846