

ASX Announcement

3 October 2012

Winner of first Lead Agency Gateway Outsourcing Announced

Macquarie Telecom wins major Australian Government deal as part of Federal cyber security initiative

Announces \$14 million increased investment

Macquarie Telecom (ASX: MAQ), a leading provider of Hosting and Telco services to Australian business and government customers, today announced it has signed a head agreement with the Department of Agriculture, Fisheries and Forestry (DAFF) in its capacity as a Lead Agency for the Australian Government's Lead Agency Secure Internet Gateway program.

The deal represents the first major outsourcing agreement as part of the Australian Government's Internet Gateway Reduction program initiated by the Australian Government Information Management Office (AGIMO).

The Internet Gateway Reduction Program affects all Australian Government agencies that are governed by the Financial Management and Accountability Act 1997 (FMA Act) and is aimed at reducing the risk of malicious cyber attacks against government agencies. As part of the program, the Australian Government will reduce the number of internet gateways used by FMA Act agencies from 124 to 8, each of which is administered by a "Lead Agency" representing the Commonwealth on behalf of several other agencies.

DAFF is the first Lead Agency to sign a head agreement for managed gateway and data services, selecting Macquarie Telecom as the leading Australian owned and operated secure internet gateway provider. DAFF went to market in November 2011 as Lead Agency on behalf of twelve federal government agencies.

Macquarie Telecom is a recognised specialist in the end-to-end management of secure internet gateway services for the Australian Government with over 9 years experience as a DSD certified provider.

Commenting on the agreement, Aidan Tudehope, Managing Director – Hosting, Macquarie Telecom said: "We are delighted to be the first external provider selected by a Lead Agency for this mission-critical work. The agreement is not only testament to Macquarie Telecom's experience to securely connect government to the outside world, but an indicator of cyber security's vital importance for the government sector."

As part of its ongoing commitment to the Federal Government, Macquarie Telecom expects to invest an additional \$14 million on Canberra capacity, networking and software and product development to deliver to the Lead Agency Secure Internet Gateway program, including DAFF. This investment increases previously given capex guidance for fiscal 2013 from \$34 million to \$48 million.

An update on Macquarie Telecom's first half performance in fiscal 2013 will be given at the company's Annual General Meeting in late November.

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About Macquarie Telecom

Macquarie Telecom is Australia's only integrated Managed Hosting, Cloud and Telecommunications Company focused solely on mid-size businesses, corporate IT and government. Working with and supporting some of Australia's best-known organisations, Macquarie Telecom is a full service hosting provider offering managed dedicated servers, managed co-location, and managed private, hybrid and public clouds. Our fully owned, Australian based data centres are the most secure and accredited data centres in Australia with ISO27001, PCI Compliance, DSD Gateway and ASIO Intruder Resistant accreditation. Macquarie Telecom's offerings are underpinned by world-class customer care which is delivered by our fully owned and managed customer service centre, MacquarieHUB. Macquarie Telecom is best placed to help transition organisations to the new online NBN era.

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