

M2 TELECOMMUNICATIONS GROUP LTD (ASX: MTU)**M2 TO BECOME SUBSTANTIAL HOLDER IN INABOX**

Wednesday, 3rd July, 2013: M2 Telecommunications Group Ltd ("M2", ASX: MTU) today announces its intention to invest \$2 million in the Initial Public Offering ("Offer") of Inabox Group Limited ("Inabox", ASX: IAB).

Inabox is an established, profitable provider of value-added wholesale telecommunications services, operating Australia-wide, with revenues of approximately \$45 million per annum.

M2 will acquire 1,666,667 shares at the listing price of \$1.20 per share, approximately 12% of the issued capital of Inabox, following the issue of shares under the Offer.

M2 CEO, Geoff Horth, stated "We are pleased to make this strategic investment into the Inabox IPO, building on what is an excellent, long standing relationship between our companies and providing a strengthened foundation to explore further commercial opportunities into the future".

The Inabox Prospectus is available via the ASX website, by searching the code "IAB". More information on Inabox is available via www.inaboxgroup.com.au.

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About M2 Telecommunications Group Ltd

Established in 1999, M2 Telecommunications Group Ltd ("M2", ASX: MTU) is one of Australia's largest and most profitable telecommunication service providers, supplying a broad range of telecommunications products and services to both the retail and wholesale markets. Headquartered in Melbourne, M2 employs more than 1200 people across Australia and New Zealand.

M2's retail division targets the small to medium business ("SMB") market under the Commander brand and the residential market under the iPrimus and Dodo brands. M2 offers a full suite of traditional and next generation telecommunications services including fixed line voice services, 3G mobile, mobile broadband, ADSL2 broadband, hosted / managed data services and IP / hosted voice solutions.

M2's Wholesale division provides wholesale fixed line, mobile and data telecommunications services to small and medium-sized telecommunications service providers and Internet Service Providers.

M2 has consistently delivered growth in profit year-on-year since listing on the ASX in 2004 and in June 2012 was added to the S&P / ASX200.

For more about M2 visit www.m2.com.au/Investor-Centre.

Related Company sites (part of the M2 Group):

- www.commander.com
- www.iprimus.com.au
- www.dodo.com.au
- www.m2wholesale.com.au