

People Telecom Sells Perth Corporate Data Business

Sydney – 7 March 2007 - People Telecom (ASX/NZX: PEO) today announced the sale of its Perth Corporate Data business to Amcom Telecommunications Ltd for \$6.25 million.

The sale is designed to enable People Telecom to deliver on its strategy to drive revenues and profit focused on its core small-to-medium-enterprise, ADSL and mobiles businesses.

The transaction comprises People Telecom's high-speed optical-fibre data ring around the Perth CBD and a data co-location and interconnect centre at 1 Adelaide Tce, Perth, as well as the associated customer revenues of \$6 million per annum.

Agreements covering the acquisition were signed in Sydney and Perth by People Telecom and Amcom. The expected completion date of the transaction is 31 March 2007.

People Telecom welcomed the deal today and the commercial benefits it will generate.

"This transaction aligns to our strategic aims and will allow People Telecom to focus on profitable growth in our core businesses", People Telecom CEO, John Stanton said.

"It will add horsepower to our growth in provision of leading-edge voice and data solutions to SME customers across Australia and the further expansion of our strong ADSL and Mobiles businesses at both the retail and wholesale level, " People Telecom CEO John Stanton said.

Mr Stanton stressed that the sale did not represent any reduction in People Telecom's ongoing commitment to its SME and consumer customers in Perth and Western Australia.

"We will continue to serve our SME and consumer customers in Western Australia and push to further grow our market share in those important customer segments. The transaction with Amcom includes supply agreements to ensure that People Telecom has full capability to continue serving SME data requirements , " he said.

[data]

[voip]

[phone]

[mobile]

“The sale of our Perth corporate data business to Amcom is good news for People Telecom’s continued drive to generate stronger operating margins and increased market share within our core customer segments.”

“Amcom and People Telecom already enjoy a strong commercial relationship and we see opportunities to further build on this in the future through bilateral supply arrangements and other cooperation.”

People Telecom and Amcom will work closely together over the coming months to ensure a smooth transition of corporate customers onto the Amcom network, and to manage the relocation of People Telecom’s national network operating centre from Perth to Sydney.

About People Telecom

People Telecom (ASX/NZX: PEO) is a leading supplier of a broad range of telecommunications products and services, providing a convergence of Voice, Mobile, Data and Hosting. In both business and consumer customer segments we follow a simple philosophy, ‘listen to our customers and bring them the best in class products and services available in the market’, our customers always come first.

People Telecom was recently recognised at number six in the BRW Fast 100 Awards and also won the national “Best Telecommunications Sales Executive” award presented by the Australian Newspaper group.

For more information visit: www.peopletelecom.com.au

For further press information please contact:

People Telecom

Sarah Curtis

National Marketing Manager

Ph: 03 9685 2050

0416 718 983

Email: sarah.curtis@peopletelecom.com.au