



People Telecom Limited

(ACN 009 273 152 ASZ / NZX: PEO)

2005 Annual General Meeting

Chairman's Speech

2005 was a successful year for your company.

We commenced the year with the task of integrating the former Swiftel Broadband business with the former People Telecommunications SME Voice and Data business. The integration was completed in a timely manner.

At last years AGM we forecast that revenues for 2005 would grow by 38% to \$100 million, this was an ambitious forecast and we are delighted to have achieved it – in a very competitive environment and with entirely organic growth. This demonstrates that we are very good at selling the telecommunications and data products which we offer.

We also forecast at last years AGM that we would turn from losses into profits and it was pleasing that our profit for the year before amortisation of Goodwill was \$1.9 million.

We expect that Revenue growth will be more difficult this year – the market will remain very competitive and in addition price erosion (that

is, falling retail prices for telecommunication and internet products) will have a great impact. Despite these factors we are still forecasting a 25% increase in revenues to \$125 million.

Your Directors continue to believe that the company is well placed to be a significant and viable participant in the Australian Telecommunication and Internet Industry.

In terms of our product offerings we are focussed on the rollout of voice services over data networks and the expansion of data and mobile services. Not only will this enable us to “future proof” the business by becoming less dependent on other carrier networks but it improves our Gross Margins.

People Telecom’s future is solid in its strategy to cement its customer relationships, product delivery and margin improvement.

I would like to take this opportunity to thank our CEO Ryan O’Hare and all employees in his team for their commitment to achieving the company’s strategies and objectives. Retaining our team of valued employees is a priority and our job as Directors is to do all that we can to provide them with the combination of an exciting work environment and a rewarding remuneration package.

Thank you ladies and gentlemen, I will now hand over to our Chief Executive, Ryan O’Hare, who will present to you on operational matters generally.

For further information please contact:

Barry Hamilton
Chairman
People Telecom Limited
barry.hamilton@peopletelecom.com.au
0418 325 333

Wayne Wanders
Company Secretary
People Telecom Limited
wayne.wanders@peopletelecom.com.au
(02) 9458 5813

