



people
TELECOM

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Full Year Results 2005



CEO - Ryan O'Hare

25th August, 2005



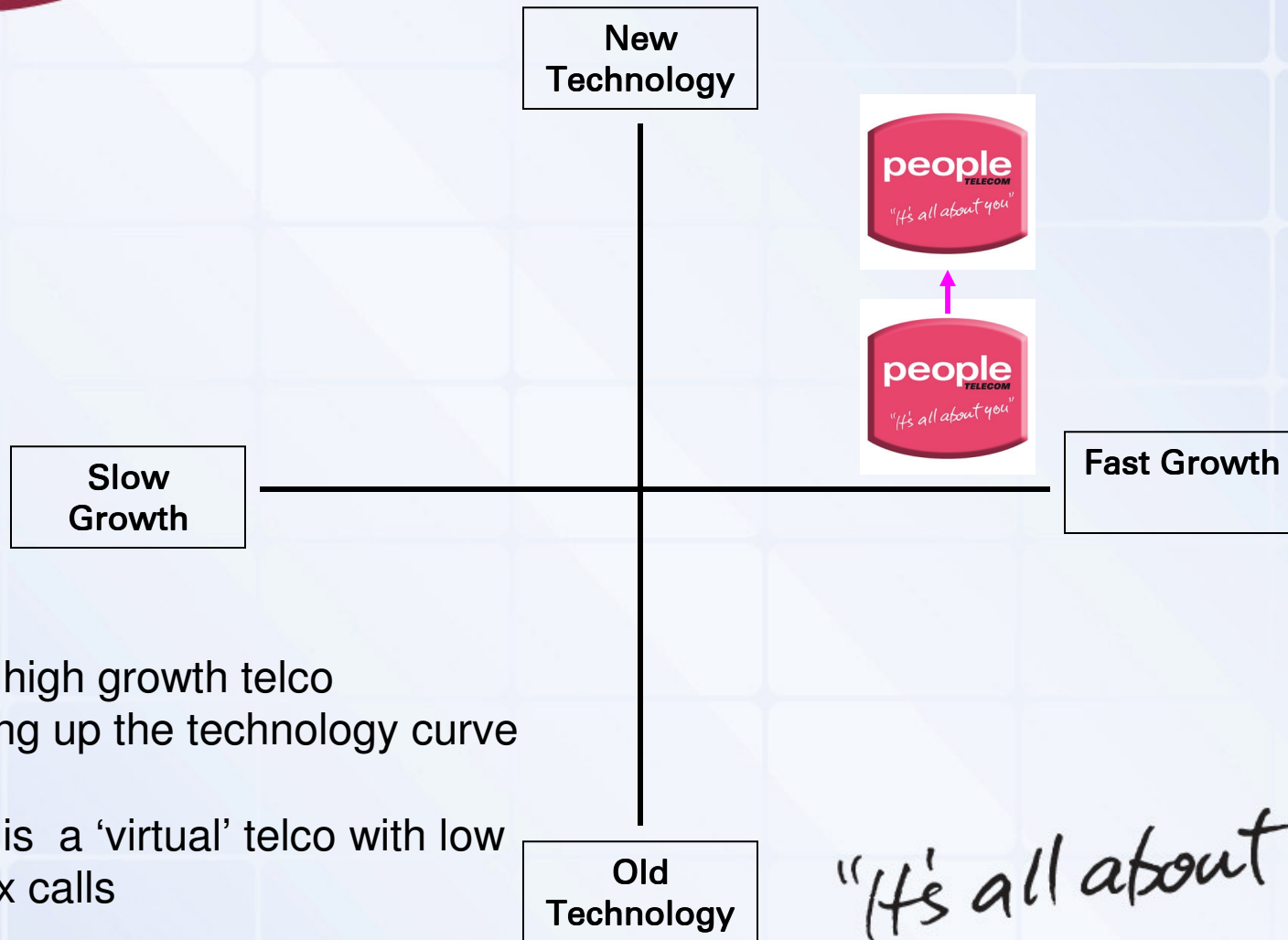
Agenda

1. **Competitive Positioning**
2. **Key benchmarks**
 - a. **Churn Overview**
 - b. **Sales – Revenue Growth**
 - c. **Customer Acquisitions**
 - d. **Strong Cash Collections**
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5. **Operational Highlights**
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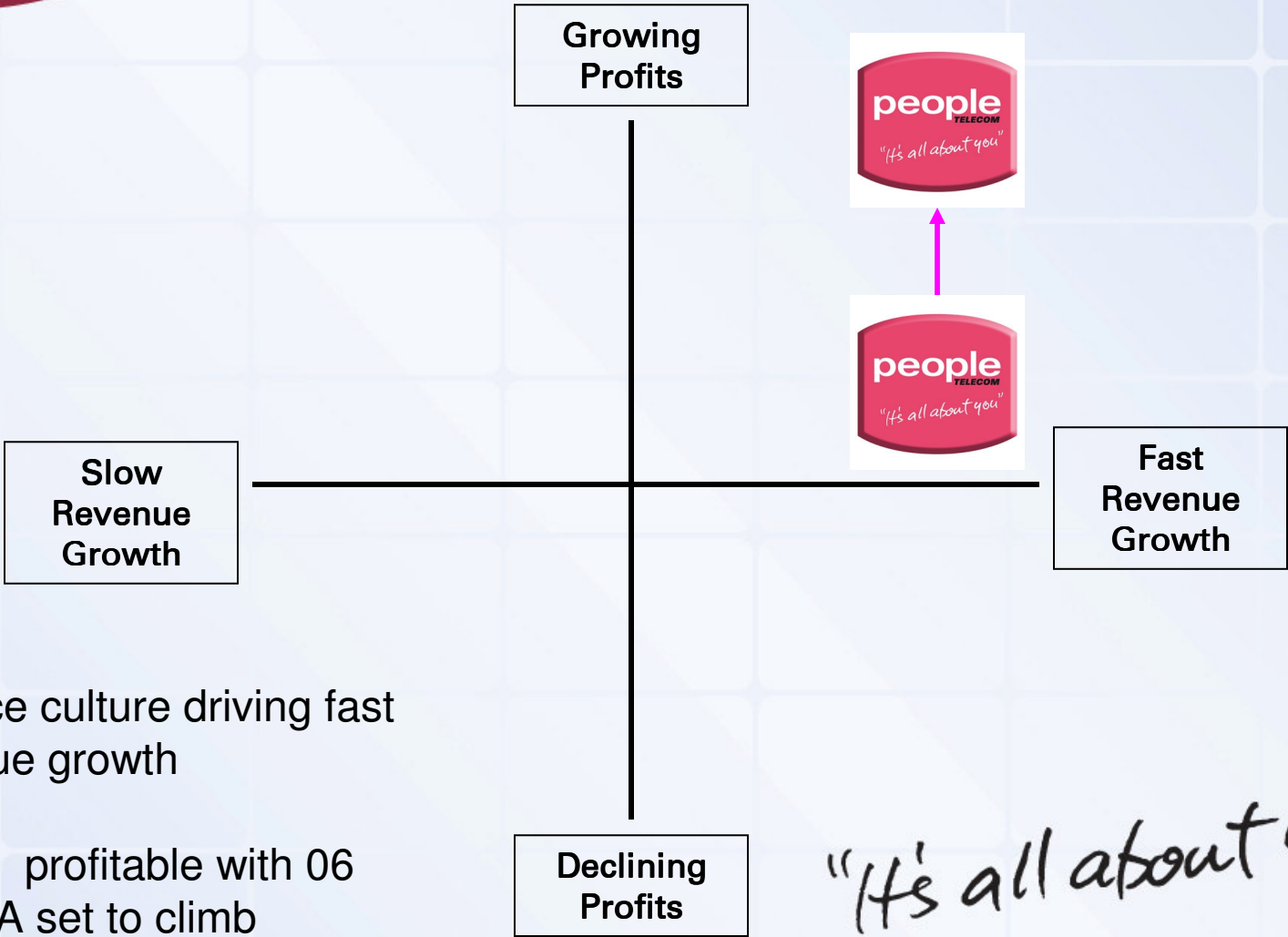
Competitive Positioning



- PEO high growth telco moving up the technology curve
- PEO is a 'virtual' telco with low capex calls



Competitive Positioning



- Service culture driving fast revenue growth
- PEO is profitable with 06 EBITDA set to climb

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Competitive Positioning

- No Legacy Networks to Depreciate
- Service and Marketing Focus Business
- High ROI Model
- Migration to Higher Margin IP Networks Starting
- Revenues have grown 38% to \$100 million

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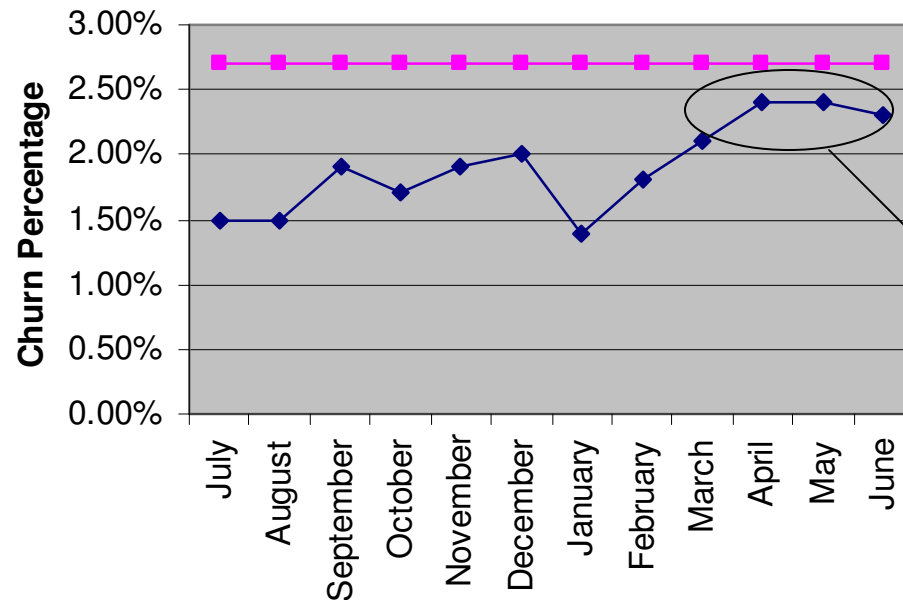
Key Benchmarks

1. Churn Overview
2. Sales and Revenue Growth
3. Customer Acquisitions
4. Strong Cash Collections
 - Key Performance benchmarks for investors to understand and assess PEO

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Churn Overview



PEO Churn
Industry

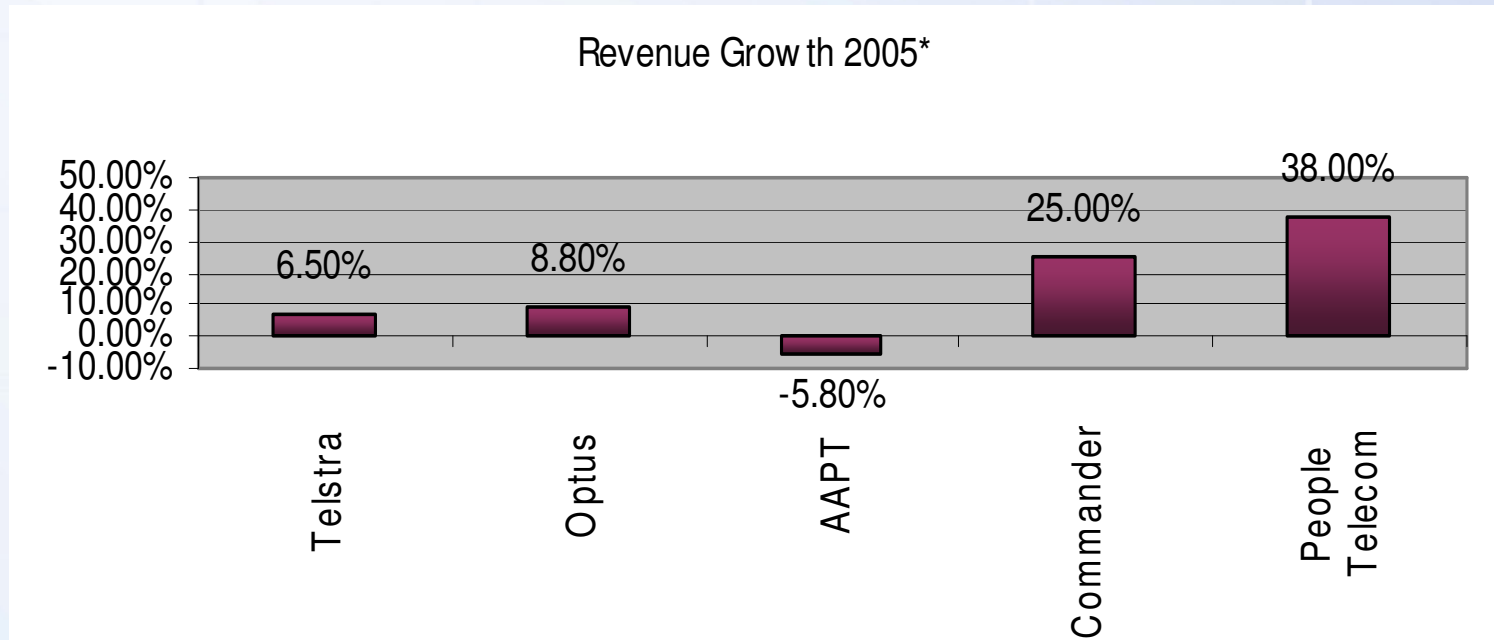
Full integration and Merged Branding quarter, churn now returning to Avg. 1.8% - target 2006 1%

- churn major focus as key PEO differentiator
- 1% per month churn reduction adds \$12 million in annual revenues and \$500k in EBITDA

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Sales – Revenue Growth



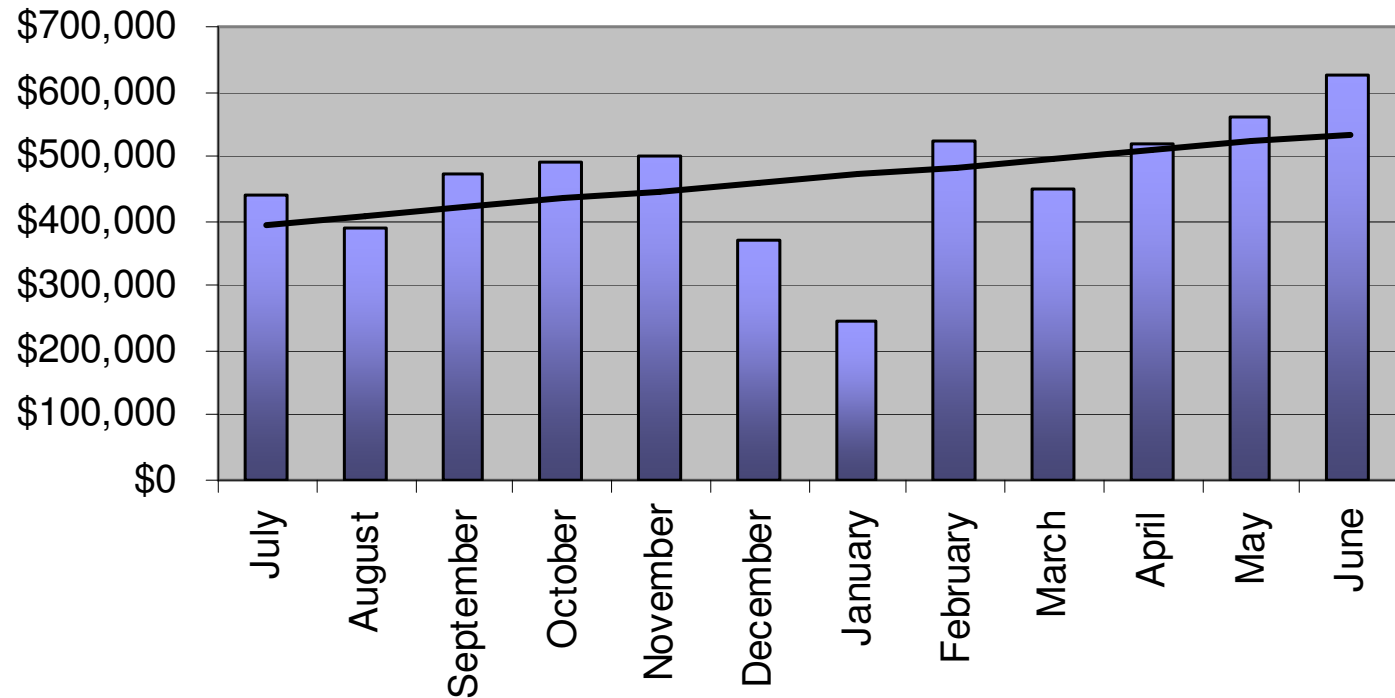
➤ all of PEO's 38% growth was organic

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* Source: 2004/2005 company announcements and analyst estimates



Customer Acquisitions



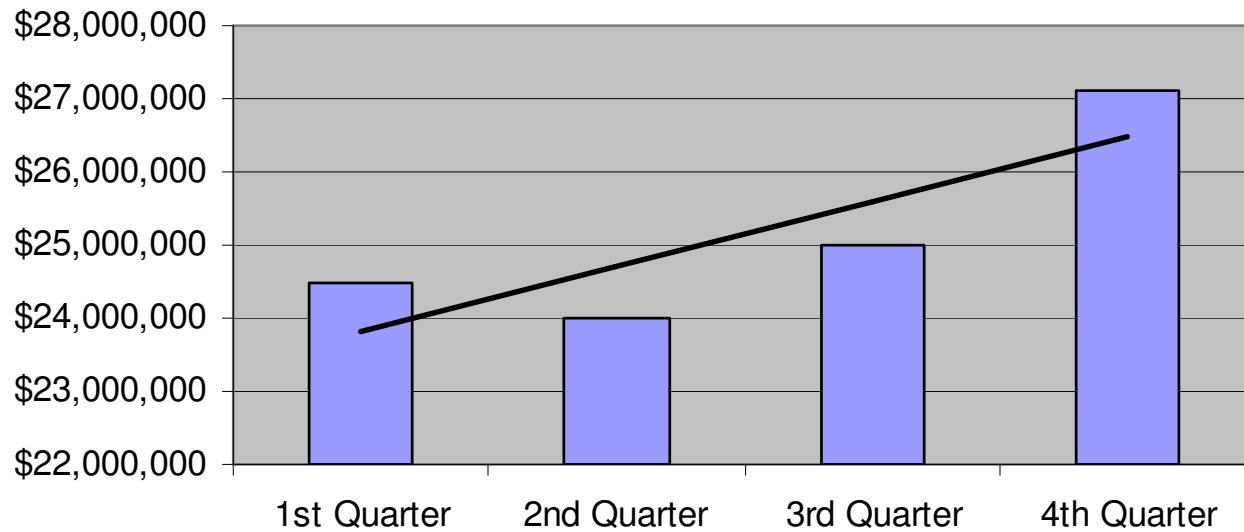
- Increased sales capacity to drive future revenues
- Revenue mix changing to data and mobile (higher margin)

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Strong Cash Collections

Part 4c Reporting



- Cash flow positive model – days to collect under wholesale terms

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Features of the Result

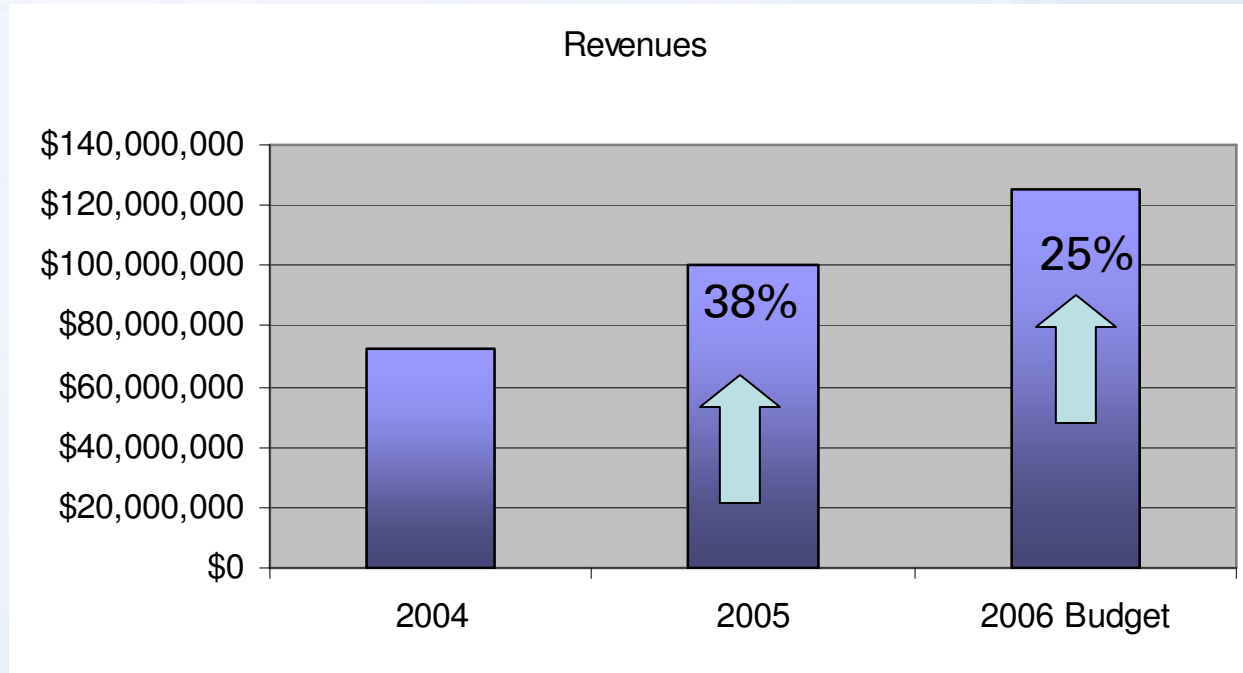
| | H1 05 | H2 05 | FY 05 | FY 05 YOY % |
|--------------------------|--------------|--------------|---------------|-------------|
| Sales | \$48,132,656 | \$51,908,361 | \$100,041,017 | 38% |
| EBITDA | \$1,443,687 | \$1,194,092 | \$2,637,779 | 354% |
| EBITDA % | 3.00% | 2.30% | 2.64% | |
| NP before Amort | \$1,044,783 | \$819,960 | \$1,864,743 | 156% |
| NP before Amort % | 2.17% | 1.58% | 1.86% | |
| Tax Rate | \$0 | \$0 | \$0 | |

- second half further investment in sales for future revenue growth

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Features of the Period

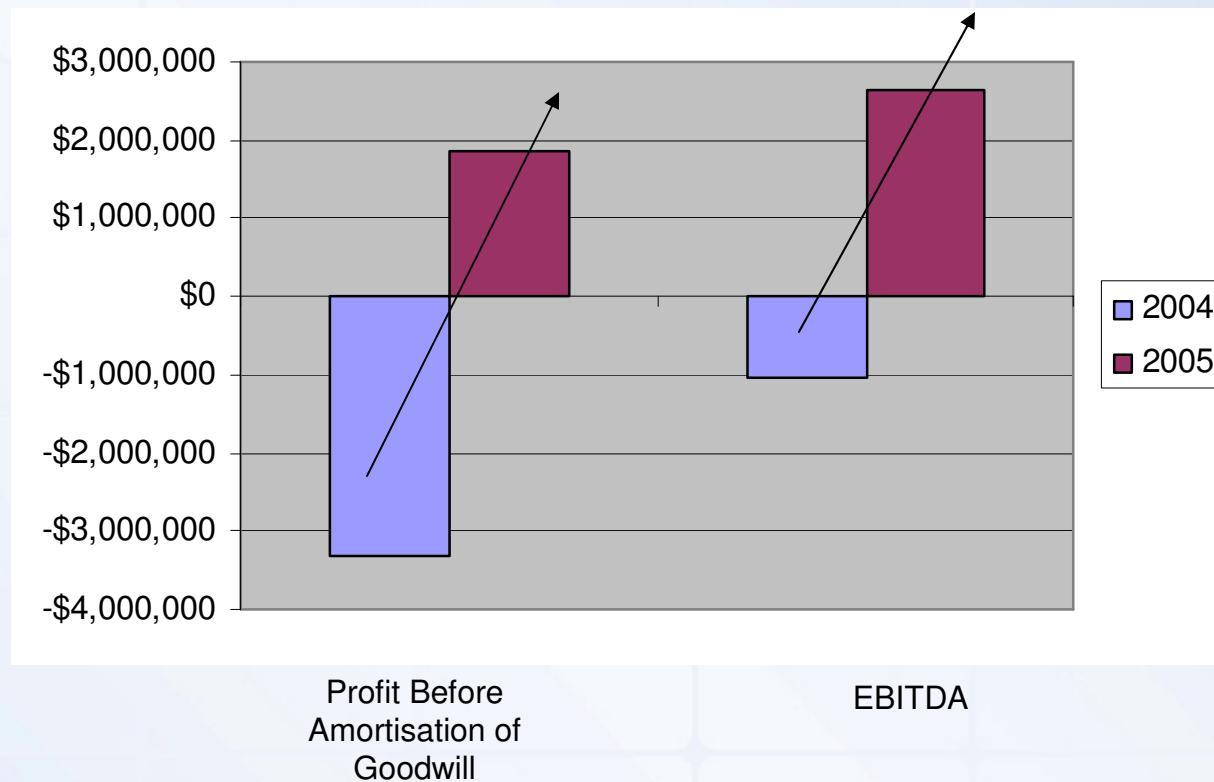


- 38% organic revenue growth in 04/05
- 25% organic revenue growth projected 05/06
stronger focus data and mobile

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Features of the Period



- Continued Profit Growth
- Continued EBITDA Growth

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Operational Highlights

- Reduced opex as a percentage of revenue from 26% to 22%
- Opening of a 700 square metre data centre
- Launched integrated Unwired Broadband product
- Launched iBurst Broadband & Blackberry products
- Opened Brisbane office
- Launched new brand consolidated Website and 'It's About You' Campaign in March

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Achievements

- Placed in the Top 10 fastest growing companies in 2005 as ranked by BRW
- Winner of the NSW/ACT Customer Service Excellence Award for Small Business
- Nominated for Telecommunications Company of the Year, Best ISP & Best Regional Telco.

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Goals

- To be the Premier Supplier of Telecoms in the SME market
- Repositioning to be less carrier dependent as IP convergence rolls out
- Targeting 3% of the SME telco market (\$500 million in revenues vs. \$13.2 billion* market size)
- Combination of organic growth, new products and acquisitions (following the success of Swiftel)
- Target achievement date
- 2008

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* Estimated.



The Board

| | |
|---------------------|-----------------|
| Chairman | Barry Hamilton |
| CEO & Exec Director | Ryan O'Hare |
| Non-Exec Director | Colin Marland |
| Non-Exec Director | Brendan Fleiter |
| Non-Exec Director | Martin Wylie |

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