

## PRESS RELEASE

For Immediate Release

### People Telecom Signs \$200m Wholesale Agreement with Telstra

**Sydney – 11 February 2008 – People Telecom** (ASX/NZX:PEO) has signed a new \$200 million supply agreement with Telstra Wholesale that will underpin the group's continuing growth in national fixed wire and broadband services.

The 3 year agreement, signed in Sydney by People Telecom CEO, John Stanton and Telstra Wholesale Group Managing Director, Kate McKenzie, follows an exhaustive competitive selection process with Australia's largest wholesale suppliers over the preceding six months.

Mr Stanton said, "This agreement, combined with reduced operating costs and improved internal efficiencies we now have in place will drive improved margins in People Telecom's core services during the second half of 2007-08 and beyond."

"These new arrangements with Telstra Wholesale reflect the strength of our long-standing relationship and offer substantial bottom-line benefits to People Telecom and the opportunity to drive additional profitable growth in the provision of retail and wholesale telecommunications services across Australia.

"The new agreement provides additional flexibility, an improved cost-base and the ability to maintain operating margins over time.

"As such we expect the new arrangements, combined with People Telecom's internal transformation, to deliver value to our shareholders," Mr Stanton said.

The agreement covers the provision of a wide range of fixed wire and broadband products and positions People Telecom to deliver a wider range of Telstra wholesale products during the life of the agreement.

[ data ]

[ voip ]

[ phone ]

[ mobile ]

Group Managing Director, Telstra Wholesale, Kate McKenzie, said she was pleased People Telecom had chosen to continue its long-standing relationship.

“Telstra Wholesale is a unique full service provider able to give customers reliable and robust network solutions, high levels of end-to-end service and unmatched technical support for the products that we offer.

“We are proud to be recognised by People Telecom as adding value to their business model,” Ms McKenzie said

### **About People Telecom**

People Telecom is a leading supplier of a broad range of telecommunications products and services, providing a convergence of Voice, Mobile, Data and Hosting. In both the business and consumer 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, through its **peoplenet 4** web-based customer portal, continues to lead the industry with its on-line billing and service management solutions, allowing customers to take full control of their billing and communications.

People Telecom was recently recognised at number six in the BRW Fast 100 Awards and was named Best Regional Service Provider in the 2007 Australian Media, Entertainment and Telecommunications Awards.

For more information visit: [www.peopletelecom.com.au](http://www.peopletelecom.com.au)

For further press information please contact:

John Stanton  
02 9458 5801