



## **PEOPLE TELECOM USES NEW TECHNOLOGIES TO INCREASE MARGINS AND ATTRACT NEW CUSTOMERS**

**Sydney, Australia: 16 May 2006:** New high speed broadband services are enticing new customers and providing significant margin boosts for People Telecom (PEO: ASX/NZX).

People Telecom recently connected their first commercial customers for two new service lines: next generation super high speed broadband called DSL2+ and People Direct, a converged business grade broadband service combined with carrier grade voice over the same connection (VoIP).

In addition to improving connection speeds, delivering improved productivity benefits and lowering costs, the new service lines will improve People Telecom's margin by up to 17 per cent over traditional broadband services (DSL2+) and up to 18 per cent on fixed line calls (People Direct).

Ryan O'Hare, CEO of People Telecom said the new services were proving attractive to new and existing customers, with volume sales of People Direct already underway in Sydney and Melbourne.

"We've experienced an unprecedented interest in DSL2+, we have fielded literally hundreds of calls through our call centre since we announced earlier this year that we would provide this service and we are now very pleased to be connecting these customers.

"A key differentiator for People Telecom is the value delivered to customers through our plans and bundles. The overwhelming response to our DSL2+ 'Velocity' package reinforces our position as a leading edge carrier for the SME and home office market," he said.

People Telecom's DSL2+ network will enable super fast connection speeds of up to 24 Mbps\*, the service has just been enabled on five exchanges in NSW and Victoria and will eventually be available across Australia on almost 100 exchanges.

People Direct, a converged voice and data network, is delivered through People Telecom's high speed business grade broadband network over 100 exchanges across Australia. Customers can access a next generation voice service over the same internet connection, with valuable features over and above normal voice services such as free calls with other People Direct voice customers, and '15c flat rate' calls between locations in east coast capitals.

People Telecom provides the services in packages that are designed with small businesses and home offices in mind, enabling these customers to take advantage of business grade connectivity and next generation broadband networks.

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**About People Telecom:**

As one of Australia's largest telecommunications groups, People Telecom offers a comprehensive range of telecommunications products and services for businesses.

The company is a leader in service within the telecommunications landscape, offering high customer service levels accompanied by a full suite of standard and cutting edge telecommunications products such as Voice-Over Internet Protocol (VoIP).

Over the five year period the company has grown significantly. In the 2004 financial year pro-forma revenues reached \$73m and in the 2005 financial year the revenue achieved was \$100 million.