

ASX Company Announcements

3 February 2009

NOTICE OF INTENTION TO IMPAIR GOODWILL

The Directors of People Telecom Limited resolved today that it is their intention to write down the value of Goodwill being carried on the Company's balance sheet, currently at \$15 million.

The Company, at the end of each reporting period in accordance with AIFRS, completes the impairment test for goodwill. The impairment test has been completed as at the date of this announcement, notwithstanding the half year accounts for the period ended 31 December 2008 not having been finalised.

The Directors of the Company have considered the valuation of goodwill resulting from the test process and have determined that the carrying value of goodwill of \$15,000,000 is no longer appropriate and have approved an impairment of \$5,000,000, which now values goodwill at \$10,000,000 as at 31 December 2008.

The financial statements for the period ended 31 December 2008, due to be released by 27 February 2009, will reflect the impairment and the new carrying value of goodwill accordingly.

Please contact Mr. Barry Hamilton, Chairman, on 0418 325 333 or Adam Zines, CFO and Company Secretary on 02 9458 5813, in relation to this announcement.