



People Telecom Expands into New Zealand

Sydney, Australia. Wednesday 14th June 2006. People Telecom is continuing its expansion and has signed an agreement that will enable the group to expand its operations to New Zealand.

Cognisant of the heavy investment in expanding overseas, People Telecom has formed an alliance with its New Zealand counterpart, CallPlus Services Limited, New Zealand's third largest Carrier, to manage the operations on its behalf until People Telecom chooses to open directly.

This agreement enables People Telecom to offer fixed wire and data services to customers in New Zealand.

Ryan O'Hare, CEO of People Telecom said the arrangement enables a fast and inexpensive entry into the newly deregulated New Zealand market.

"Rather than investing heavily in starting up our own operation in New Zealand, we believe it is prudent to enter into an agreement with CallPlus until People Telecom has achieved the critical mass to warrant the complete development of our own operations.

Working with a trusted partner such as CallPlus, will enable us to offer services across the Tasman at very little cost, while creating new opportunities for customer, revenue and profit growth".

This agreement will allow People Telecom to compete directly with trans Tasman telecommunication firms and provide customers with:

- a single telecommunications management service
- inter office cost savings across the two countries
- expansion of our VPN data services to include New Zealand simplifying data networks

People Telecom expects to finalise the arrangement by the end of June 2006, in order to commence offering the service in the new financial year.

For further information, please visit <http://www.peopletelecom.com.au> or contact:

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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 group 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 group 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.