

People Telecom Announces On-Market Share Buy-Back

Sydney – 19 July 2007 – **People Telecom (ASX/NZX: PEO)** today announced a planned on-market buy-back of People Telecom shares during coming months.

The announcement follows the recent sale of People Telecom's Perth Corporate Data business. People Telecom Directors believe it is appropriate to return to the Company's shareholders some of the proceeds of the sale that are surplus to working capital requirements, and have resolved to achieve this via the on-market share buy-back program.

The on-market share buy-back will commence following the release of People Telecom's results for the 2006-07 financial year, on or before 28 August 2007.

People Telecom currently has 307,823,854 shares on issue and proposes to buy-back up to 30,782,385 shares (being 10% of People Telecom's share capital).

About People Telecom

People Telecom (ASX/NZX:PEO) 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.

For more information visit: www.peopletelecom.com.au

For further press information please contact:

People Telecom

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Appendix 3C

Announcement of buy-back (*except* minimum holding buy-back)

Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/9/99. Origin: Appendix 7B. Amended 13/3/2000, 30/9/2001.

Name of entity

People Telecom Limited

ABN

31 009 273 152

We (the entity) give ASX the following information.

Information about buy-back

- | | | |
|---|---|---|
| 1 | Type of buy-back | On-market |
| 2 | +Class of shares which is the subject of the buy-back (<i>eg, ordinary/preference</i>) | Ordinary |
| 3 | Voting rights (<i>eg, one for one</i>) | One for One |
| 4 | Fully paid/partly paid (<i>and if partly paid, details of how much has been paid and how much is outstanding</i>) | Fully Paid |
| 5 | Number of shares in the +class on issue | 307,823,854 |
| 6 | Whether shareholder approval is required for buy-back | No |
| 7 | Reason for buy-back | People Telecom Directors believe it is appropriate to return to the Company's shareholders some of the proceeds of the sale of People Telecom's Perth Corporate Data business that are surplus to working capital requirements, and have resolved to achieve this via the on-market share buy-back program. |

⁺ See chapter 19 for defined terms.

8 Any other information material to a shareholder's decision whether to accept the offer (eg, details of any proposed takeover bid)

On-market buy-back

9 Name of broker who will act on the company's behalf

Wilson HTM Limited

10 Deleted 30/9/2001.

11 If the company intends to buy back a maximum number of shares - that number

30,782,385

Note: This requires a figure to be included, not a percentage.

12 If the company intends to buy back shares within a period of time - that period of time; if the company intends that the buy-back be of unlimited duration - that intention

Unlimited

13 If the company intends to buy back shares if conditions are met - those conditions

None

Employee share scheme buy-back

14 Number of shares proposed to be bought back

15 Price to be offered for shares

Selective buy-back

16 Name of person or description of class of person whose shares are proposed to be bought back

⁺ See chapter 19 for defined terms.

17 Number of shares proposed to be bought back

18 Price to be offered for shares

Equal access scheme

19 Percentage of shares proposed to be bought back

20 Total number of shares proposed to be bought back if all offers are accepted

21 Price to be offered for shares

22 ⁺Record date for participation in offer
Cross reference: Appendix 7A, clause 9.

Compliance statement

1. The company is in compliance with all Corporations Act requirements relevant to this buy-back.
2. There is no information that the listing rules require to be disclosed that has not already been disclosed, or is not contained in, or attached to, this form.

Sign here: Wayne Wanders
Company Secretary

Date: 19 July 2007

Print name: Wayne Wanders

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