



People Telecom Limited Appendix 4c Quarterly Report

People Telecom Limited (ASX/NZX:PEO) provides an update on the company including the June quarter Part 4c cash position.

People Telecom's success results from its ability to sell and service its customers in this competitive marketplace. The success of the sales force continues over the year with customer signups at an all time record in terms of new revenue signed for the June quarter.

The company's new sales continue to break records with June representing the largest sales month in its 5 year history with annualized revenues of \$7 million signed in the month.

In addition, People Telecom is pleased to announce it is the winner of this year's Customer Service Excellence Awards for NSW/ACT in the medium business category.

Cash collected in the June Quarter was the highest ever reaffirming the company's consistent organic growth message.

The company is pleased to report:

- Cash collected over the quarter was \$27.1 million (up from \$25 million for the previous quarter);
- Closing cash position at June 30 was \$2.671 million;
- Closing cash position excludes \$1.557m held on deposit as security for bank guarantees given to third parties;
- Operating Cash Inflows for the year exceeded \$100 million.

Revenue for the month of June exceeded \$9 million.

About People Telecom:

As one of Australia's largest and fastest growing 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 dramatically. In the 2004 financial year pro-forma revenues reached \$73m and in the 2005 financial year the revenue achieved was \$100m as per our guidance.

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

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People Telecom Limited
Appendix 4C
Quarterly report
for entities admitted
on the basis of commitments
For the Quarter ended 30 June 2005

Name of entity

PEOPLE TELECOM LIMITED

ABN

31 009 273 152

Quarter ended ("current quarter")

30 June 2005

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	27,105	100,840
1.2 Payments for		
(a) cost of sales	(20,748)	(73,392)
(b) wages and related expenses	(3,140)	(11,614)
(c) dealer payments	(1,470)	(6,095)
(d) other working capital	(2,799)	(9,716)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	44	189
1.5 Interest and other costs of finance paid	(29)	(105)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	(1,037)	107

Notes

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		Current quarter \$A'000	Year to date (9 months) \$A'000
1.8	Net operating cash flows (carried forward)	(1,037)	107
Cash flows related to investing activities			
1.9	Payment for acquisition of:		
	(a) businesses (item 5)		
	(b) equity investments		
	(c) intellectual property		
	(d) physical non-current assets	(219)	(694)
	(e) other non-current assets	(10)	180
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)		
	(b) equity investments		
	(c) intellectual property		
	(d) physical non-current assets		
	(e) other non-current assets		
1.11	Loans to other entities		
1.12	Loans repaid by other entities		
1.13	Other (provide details if material)		
	Net investing cash flows	(229)	(514)
1.14	Total operating and investing cash flows	(1,266)	(407)
Cash flows related to financing activities			
1.15	Proceeds from issues of shares, options, etc.	(18)	(10)
1.16	Proceeds from sale of forfeited shares		
1.17	Proceeds from borrowings		
1.18	Repayment of borrowings including finance lease principal	-	(469)
1.19	Dividends paid		
1.20	Other (provide details if material)		
	Net financing cash flows	(18)	(479)
	Net increase (decrease) in cash held	(1,284)	(886)
1.21	Cash at beginning of quarter/year to date	3,955	3,557
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	Cash at end of quarter	2,671	2,671

Note – Cash at end of quarter excludes cash on deposit of \$1.557 million provided as security for bank guarantees given to third parties

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	158
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Aggregate payment comprises salary to CEO and directors fees paid to non executive directors

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	2,671	3,955
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,671	3,955

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: 

Company secretary

Date: 22/7/05

Print name: Wayne Wanders

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a)- policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information