



## **Continued Growth in Cash (Appendix 4c Report)**

**Sydney Friday, April 28, 2006:** People Telecom Limited (ASX/NZX:PEO) is pleased report its closing cash position as at March 31, 2006.

The company is pleased to report:

- Cash collected over the quarter was \$29.6 million up from \$25.1 million in the prior corresponding period;
- Closing cash position at March 31, 2006 was \$3.6 million up from \$3.3 million at December 31, 2005;
- Closing cash position excludes \$1.5 million held on deposit as security for bank guarantees given to third parties;

### **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.

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 31 March 2006**

Name of entity

PEOPLE TELECOM LIMITED

ABN

31 009 273 152

Quarter ended ("current quarter")

31 March 2006

**Consolidated statement of cash flows**

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	Year to date ( 9 months) \$A'000
	1.1 Receipts from customers	29,616
1.2 Payments for		
(a) cost of sales	(21,629)	(65,124)
(b) wages and related expenses	(3,148)	(10,126)
(c) dealer payments	(1,510)	(4,479)
(d) other working capital	(3,200)	(8,168)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	46	133
1.5 Interest and other costs of finance paid	(31)	(86)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net operating cash flows</b>	<b>144</b>	<b>1,541</b>

**People Telecom Limited**  
**Appendix 4C - Quarterly report for entities admitted on the basis of commitments**  
**For the Quarter Ended 31 March 2006**

	Current quarter \$A'000	Year to date ( 9 months) \$A'000
1.8 Net operating cash flows (carried forward)	144	1,541
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(48)	(496)
(e) other non-current assets	106	40
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)	-	-
<b>Net investing cash flows</b>	58	(456)
<b>1.14 Total operating and investing cash flows</b>	202	1,085
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	255	255
1.18 Repayment of borrowings including finance lease principal	(181)	(446)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
<b>Net financing cash flows</b>	74	(191)
<b>Net increase (decrease) in cash held</b>	276	894
1.21 Cash at beginning of quarter/year to date	3,290	2,672
1.22 Exchange rate adjustments to item 1.20	-	-
<b>1.23 Cash at end of quarter</b>	3,566	3,566

Note – Cash at end of quarter excludes cash on deposit of \$1.5 million provided as security for bank guarantees given to third parties

**People Telecom Limited**  
**Appendix 4C - Quarterly report for entities admitted on the basis of commitments**  
**For the Quarter Ended 31 March 2006**

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**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	187
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
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**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
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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
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**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

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

**People Telecom Limited**  
**Appendix 4C - Quarterly report for entities admitted on the basis of commitments**  
**For the Quarter Ended 31 March 2006**

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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	3,566	3,290
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>3,566</b>	<b>3,290</b>

Note – Cash at end of quarter excludes cash on deposit of \$1.5 million provided as security for bank guarantees given to third parties

**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: Wayne Wanders  
Company secretary

Date: 27 April 2006

Print name: Wayne Wanders

**People Telecom Limited**  
**Appendix 4C - Quarterly report for entities admitted on the basis of commitments**  
**For the Quarter Ended 31 March 2006**

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**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, *AASB107: Cash Flow Statements* apply to this report except for the paragraphs of the Standard set out below.

Aus20.1	reconciliation of cash flows arising from operating activities to operating profit or loss
40	itemised disclosure relating to acquisitions and disposals
48	disclosure of restrictions on use of cash