

# Annual General Meeting 2006

**people**  
TELECOM

[ talk to people ]

# Agenda

**Welcome to Members**

**Introduction of Directors and Company Secretary**

**Chairman's Address to Shareholders**

**CEO's Presentation to Shareholders**

**Items of Business**

- **Review and consider Financial Statements and Reports**
- **To Adopt the Remuneration Report**
- **Re-election of Mr Ryan O'Hare**
- **Re-election of Mr Martin Wylie**
- **Other Matters**

# Your Board of Directors

Mr Barry Hamilton — Chairman

Mr John Stanton — Executive Director

Mr Brendan Fleiter — Non Executive Director

Mr Colin Marland — Non Executive Director

Mr Ryan O'Hare — Non Executive Director

Mr Martin Wylie — Non Executive Director

Mr Wayne Wanders — Company Secretary

# Mr Barry Hamilton

## Chairman's Address

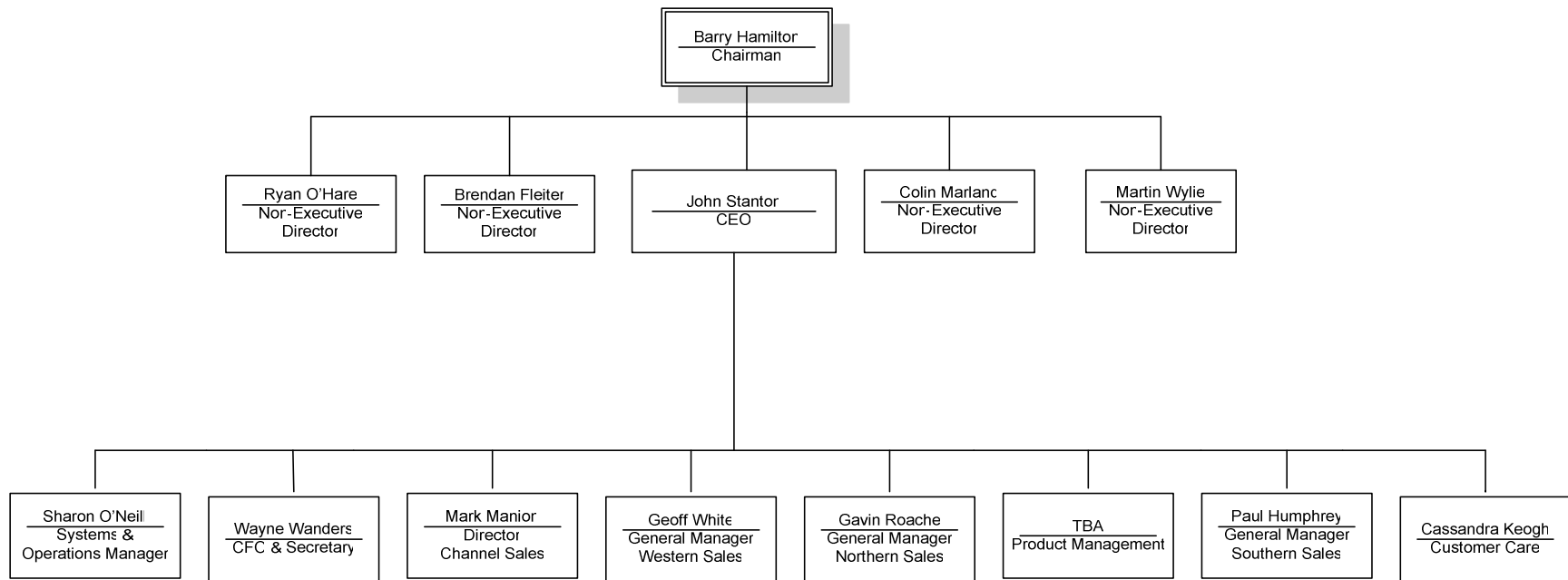
# Mr John Stanton

## Chief Executive's Address

# Group overview

- Launched Telecommunications Services: February 2000
- Full service telecommunications product and service provider
  - Voice (mobile and fixed)
  - Data (broadband and VPN)
- Business grade VoIP
- SME & Home Office focus
- Billed Services in Operation: 105,000
- Customers (as of August 2006): 40,370
- ARPU: \$2,744 p.a.
- Employees: 135

# Management Structure – as at 22<sup>nd</sup> November 2006



# Key business drivers

- Focused & user-friendly solutions for customers
- Strong sales from all channels balanced by cost of acquisition
- Quality relationships with carrier partners
- No legacy networks = flexibility & agility
- Commitment to quality customer service
- Investing further in customer retention

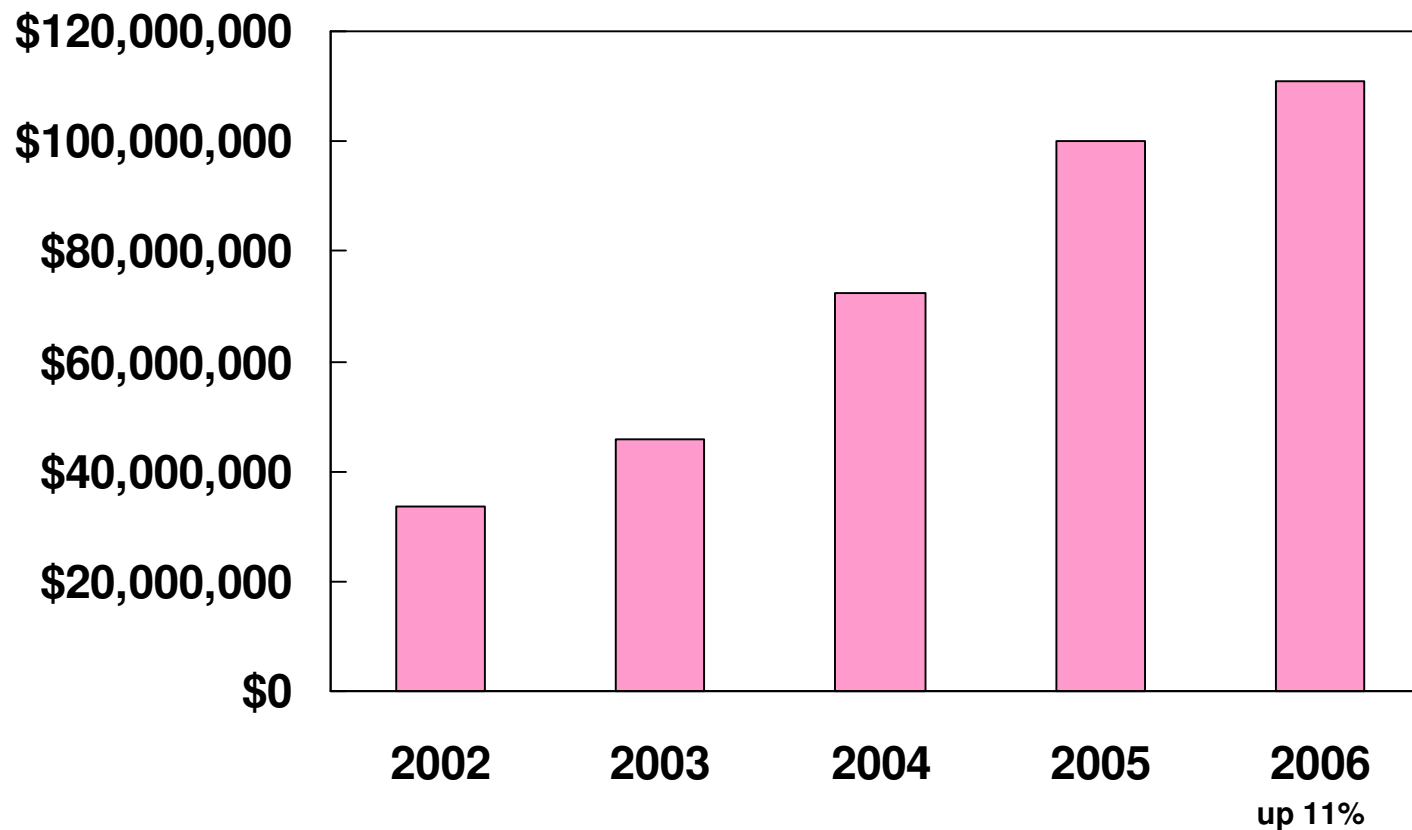
# Full year in review

- Continued strong growth in revenues – up 11% to \$110.78 million.
- Year-on-year growth most rapid in:
  - Mobile revenues – up 16% to \$20.2 million
  - Fixed Voice – up 15 % to \$65.8 million
  - Business Grade Data – up 10% to \$7.1m
- EBITDA profit of \$0.5 million (before goodwill write-down)
- Net operating cash flow of \$2.5 million, compared to \$0.1m in 2005
- Gross margin grew 2% to \$25.4 million

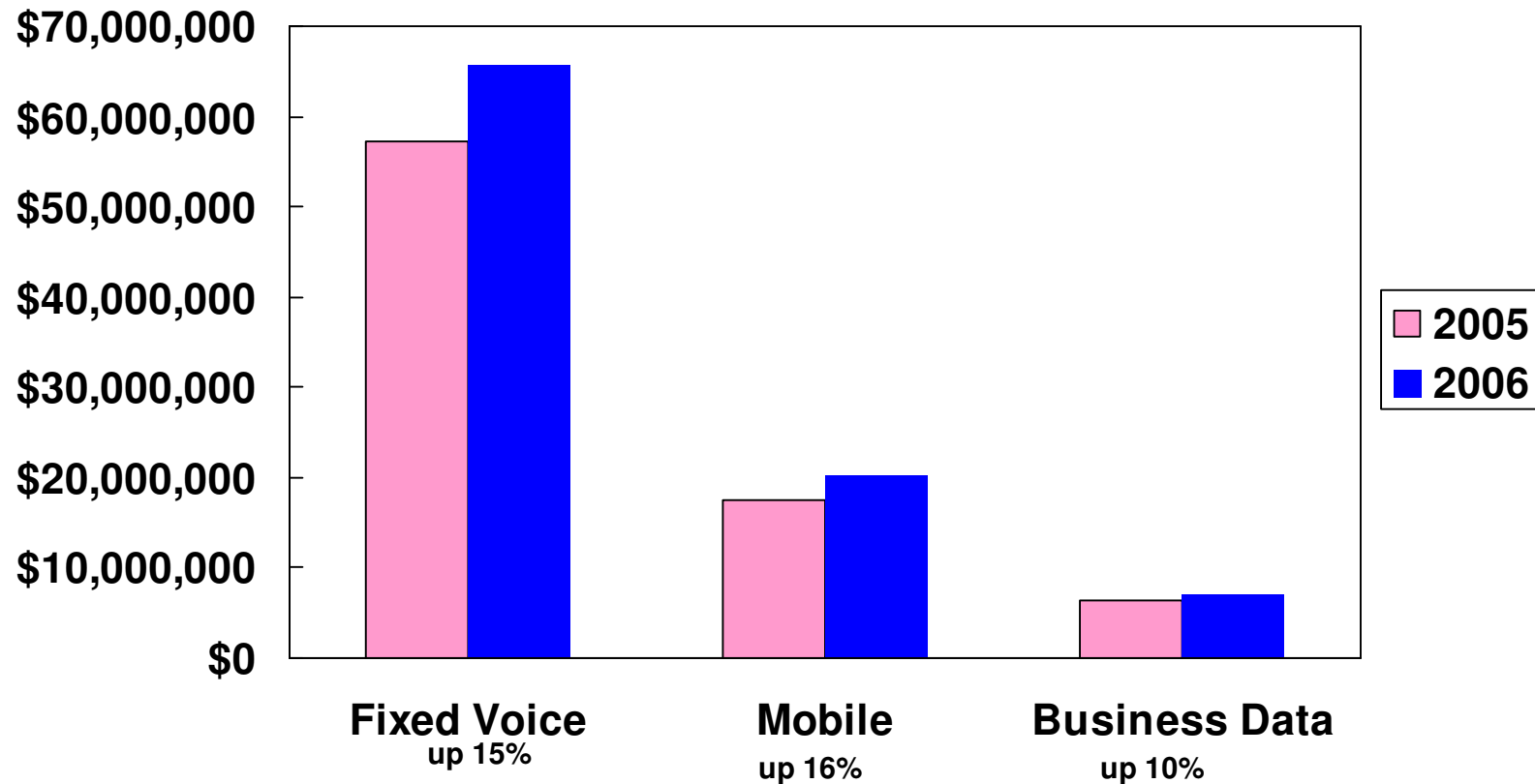
# Recent milestones

- New \$100 million agreement with Telstra for fixed line and broadband services
- New partnership with Call Plus, New Zealand
- Phases 1 and 2 of National Data Centre fully utilised
- Connected first commercial customers on People Direct (converged voice and data network)
- High Profile Accolades – National Telecoms Salesperson of the Year & BRW Fast 100

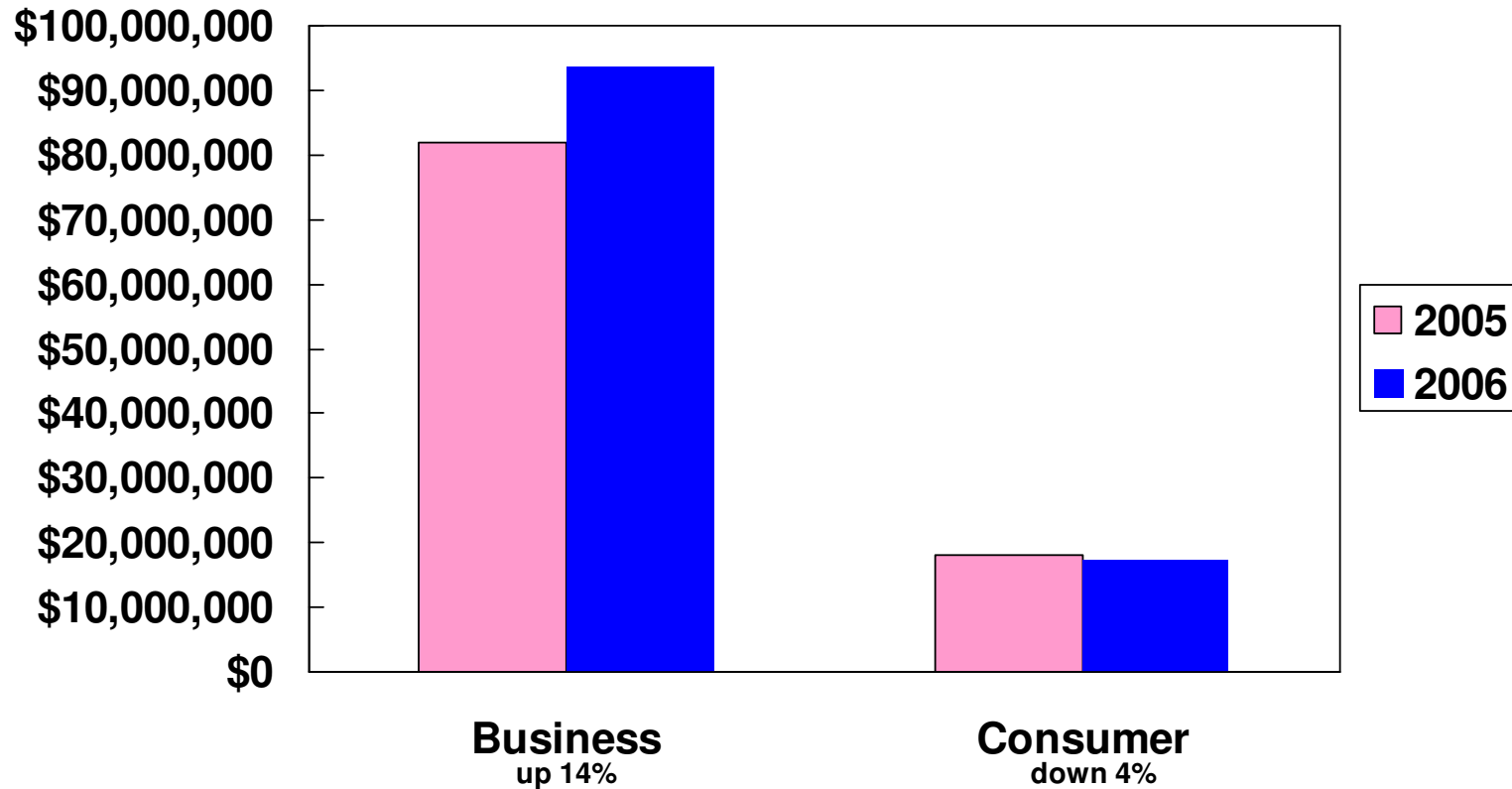
# Revenue growth year-on-year



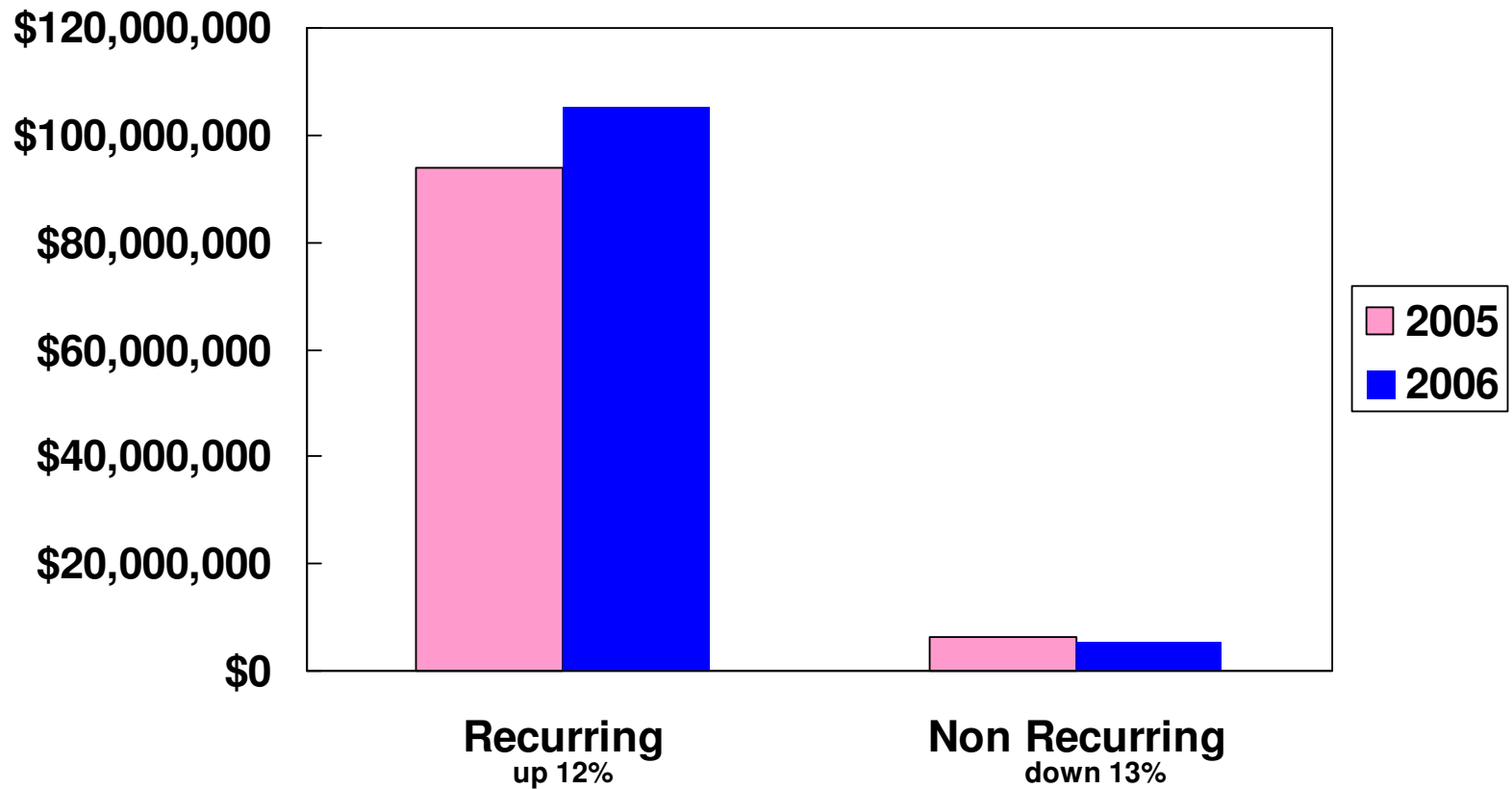
# Revenue by product



# Revenue by segment



# Revenue by type



# 2007 outlook – operational strategy

- Focus on improved execution of core business
- Continued revenue growth but strong focus on profitability:
  - Implementing a wide-ranging program to improve operational efficiencies and internal processes; and
  - further reductions in wholesale costs
- Targeted to improve customer service, maximise customer retention, generate profitable growth and put People on a stronger competitive footing

# “New People” program

Commenced August 2006: An ongoing and central part of the way we manage our business.

## Phase 1 Action Plans

1. Re-engineer customer provisioning and activation
2. Restructure customer care to optimise service levels and reduce costs
3. Customer issue resolution
4. People Telecom processes
5. People Telecom products
6. Customer Retention

**Generating a strong platform for profitable growth**

# Items of Business

- Review and consider Financial Statements and Reports
- To Adopt the Remuneration Report
- Re-election of Mr Ryan O'Hare
- Re-election of Mr Martin Wylie
- Other Matters

# Resolution One – Remuneration Report

Would like to move that the Remuneration Report for the year ended 30 June 2006 be adopted

## **Resolution Two – Re-Election of Director**

**Would like to move that Ryan Michael O’Hare, having retired in accordance with the Constitution of the Company, and being eligible for re-election, be re-elected as a Director of the Company**

## **Resolution Three – Re-Election of Director**

**Would like to move that Martin Edward Wylie, having retired in accordance with the Constitution of the Company, and being eligible for re-election, be re-elected as a Director of the Company**