



## **People Telecom Limited**

**(ACN 009 273 152 ASX / NZX: PEO)**

### **Address by the Chairman, Mr Barry Hamilton, to the People Telecom Annual General Meeting, Sydney, 19 November 2008**

Good morning ladies and gentlemen,

During the year ended 30 June 2008 the Group began to realise the improved operating performance that was targeted via the restructuring activities which commenced in the early part of the financial year.

Over the last twelve to fourteen months the Group has launched a number of new products including 3G mobile services, wireless broadband services, 8mbps ADSL and more recently ADSL2+ broadband plans.

In April the Group acquired the leading business-grade hosted IP provider, Valuenet – now re-branded as the People Connect suite of enhanced voice solutions. This acquisition puts the Group at the forefront of the growing trend for small to medium enterprises and large corporations in Australia to take advantage of moving to a converged and fully hosted solution for their business voice and data requirements.

The Group recorded an improved financial performance across the reporting period. Gross profit was in line with the prior year – albeit with better margin per dollar of revenue – and that, together with lower operating costs contributed to an improvement in the underlying EBITDA result for continuing operations. John Stanton, your CEO, will elaborate on these items in his presentation following my address.

The full year EBITDA result included a second half EBITDA of \$0.8 million which represented a performance improvement of more than \$2.0 million from the first half of the year.

During the period the Group signed new mobile supply agreements with Telstra. Early in the 2008-09 financial reporting period mobile supply arrangements were finalised with Vodafone, making the group a true multi-network mobile virtual network operator (MVNO); able to connect customers to all three of the major mobile networks in Australia, and integrate these services onto a single bill. Also early in 2008-09, the Group became the first service provider in Australia able to offer ADSL2+ broadband services on the Telstra network.

The Group has taken the significant step of outsourcing its call centre operations to an external call centre service provider. These initiatives will assist us to achieve our goal to return to full year profitability and consistent, profitable growth.

That completes my address ladies and gentlemen. Now I wish to hand you over to your Chief Executive Officer, Mr John Stanton, who will present to you in more detail regarding the operations for the 2008 financial year.