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People Telecom Upgrades Network to Meet Burgeoning Broadband Demand

Sydney – 13 February 2007 – People Telecom (ASX:PEO) is investing in upgraded network technology to meet growing customer demand for ADSL Broadband services.

People Telecom has reached agreement with Ericsson's Redback Networks to acquire Smartedge internet aggregation equipment that will add to the quality of service for its existing broadband customers and enhance the scalability of the network to meet new demand.

The decision to utilize Redback Networks followed an extensive evaluation process involving live testing on test equipment supplied by the vendor.

People Telecom CEO, John Stanton, said today the new Ethernet-based equipment was needed because of the ongoing success of the company's broadband business.

"In particular, strong sales of People Telecom's new 8Mbps high-speed broadband services mean that we need to keep expanding our network to ensure continued high quality service for both consumer and business grade data services," Mr Stanton said

"The Smartedge technology will be integrated into our network as a priority and a new suite of business and consumer grade services will be launched".

"This latest upgrade will increase the efficiency of People Telecom's network operations, further improve our operating margins for broadband services and position People Telecom for even stronger growth in the broadband sector."

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-page 2-

About People Telecom

People Telecom is a full-service telecommunication company, a leading Australian provider of ADSL broadband services on both a retail and wholesale basis, and provides generous download allowances across the broadband product range.

People Telecom was recently recognised at number six in the BRW Fast 100 Awards and also won the national “Best Telecommunications Sales Executive” award presented by the Australian Newspaper group.

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

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