

People Telecom Acquires ValueNet Hosted IP Voice Solution

Sydney – 30 April 2008 – People Telecom (ASX/NZX:PEO) announced today it has acquired the assets and customers of one of Australia's leading business-grade Hosted IP providers - **ValueNet**.

The ValueNet acquisition puts People Telecom at the forefront of the growing trend for Small-Medium Enterprises (SMEs) and large corporations in Australia to take advantage of moving to a converged and fully hosted solution for their business voice, internet data and inter-site VPN requirements.

The acquisition was completed yesterday in Sydney. People Telecom purchased the ValueNet assets from Lemarne Corporation Limited. The terms of the purchase agreement were not disclosed.

People Telecom CEO, John Stanton, said the ValueNet solution will enable People Telecom to offer both existing and new customers a high-value business grade alternative to traditional voice and data networks or IP PABX systems.

“The ValueNet solution is operating successfully in more than 40 enterprises across Australia and provides a feature-rich array of services including enhanced voicemail, virtual receptionist capability, advanced conferencing, in-built security, firewall protection and disaster-recovery,” Mr Stanton said.

“Customers can avoid the costs of owning their own PABX, and enjoy guaranteed Quality of Service (QoS) on their communications network, while also making significant savings on their overall communications costs.”

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The ValueNet solution operates on the respected Genband M6 platform and uses a Cisco-based core network, with redundant Points of Presence (PoPs) in Sydney and Melbourne.

Mr Stanton said key members of the ValueNet technical and commercial team had joined People Telecom as part of the transaction. People Telecom will continue the partnership with existing ValueNet distributors who market the solution to businesses across Australia, while looking to further strengthen and invigorate the distribution channel.

The ValueNet solution has proven itself able to generate and maintain high customer satisfaction and low customer churn and is projected to also increase overall gross margins in People Telecom's business.

Along with the existing fully-hosted solution, plans are also well advanced for additional services that the Genband platform can support. These include trunking solutions to provide a competitive alternative to the existing "direct-connect" offerings in the Australian market, as well as virtual key-systems and IP-based 4-32 line solutions for small businesses.

Mr Stanton said the ValueNet solution complements the recent upgrades to the People Telecom core network, including the inclusion of Redback Networks' Ethernet-based aggregation equipment in People Telecom PoPs and the upgrade of associated IBM server software.

About People Telecom

People Telecom is a leading supplier of a broad range of telecommunications products and services, providing a convergence of Voice, Mobile, Data and Hosting. In both the business and consumer segments we follow a simple philosophy: 'listen to our customers and bring them the best in class products and services available in the market' - our customers always come first.

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People Telecom, through its **peoplenet 4** web-based customer portal, continues to lead the industry with its on-line billing and service management solutions, allowing customers to take full control of their billing and communications.

People Telecom was recently recognised at number six in the BRW Fast 100 Awards and was named Best Regional Service Provider in the 2007 Australian Media, Entertainment and Telecommunications Awards.

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

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