ASX Release   **7th August 2003**

MAIDEN PROFIT EXPECTED FOR 2004 FINANCIAL YEAR

Swiftel expects a maiden profit for the 2004 financial year of $1.48 million on revenues of $15.7 million. This is a major milestone for the company and it comes after only three years of development. Further details are provided in the table below.

Division	ADSL	Corporate	Total
Revenue	$10,200	$5,500	$15,700
Gross Profit	$2,750	$1,650	$4,400
Expenses			$2,920
EBIT			**$1,480**

Table 1: Financial projections ('000) for the year ended June 30, 2004

The revenue growth for future years will be driven by the ADSL Division (also referred to as broadband) customer base.
The major growth currently is coming from Swiftel's Sydney operations with already over 2,500 ADSL customers since commencing the service in February 2003 and Swiftel is one of Telstra's fastest growing ADSL resellers.
 If growth continues to meet industry expectations the company is budgeting for 7000 customers by the end of the calendar year and 14,500 customers by June 2004. The current take up of the Swiftel ADSL product has risen significantly from 60 in February to 800 new customers being signed in July.
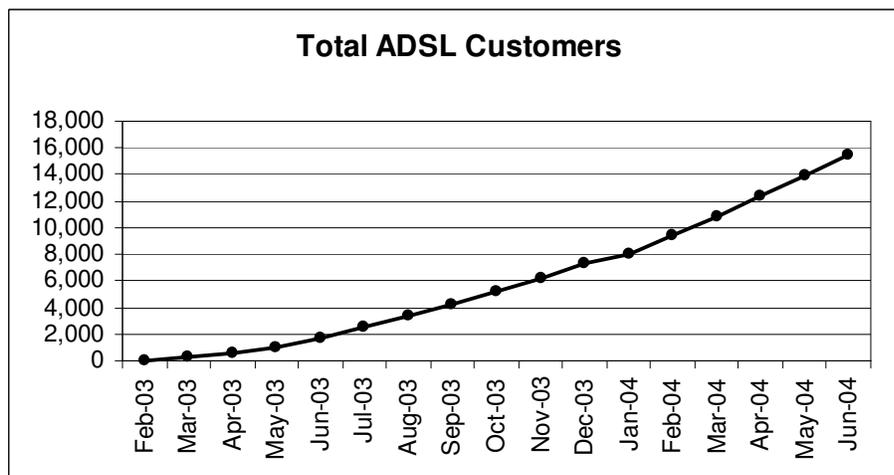
Table 2: Actual and projected number of ADSL customers

The primary reason for Swiftel's rapid success is customer satisfaction. This is demonstrated by the rapidly increasing numbers of applications that are a result of recommendations and also the low use of help line support. The reason for this high level of customer satisfaction is Swiftel's policy of providing a state of the art network that allows all users at all times to access the internet at the maximum connection speed. The company has also developed an online forum where users interact to assist each other and management to solve problems and improve all aspects of the service.

Swiftel has also signed up over 30 resellers or agents for the ADSL service. In particular, last week the company announced an agreement with People Telecom whereby all 12,000 People Telecom voice customers are potential ADSL customers of Swiftel. In addition, this agreement will allow Swiftel to offer fixed line and mobile voice services to its customers.

Swiftel's projections for the growth rate in new ADSL customers, as shown in Table 2, is based upon industry expectation for market penetration of broadband to increase from the current 4% to around 20% over the next three years. This would equate to over 2 million subscribers in 2006. There are expected to be 600,000 ADSL subscribers by the end of this year, with Telstra having the largest market share of around 40%.

Swiftel's projected customer base of 7,000 in December 2003 would therefore equate to a 1.2% market share. This is a conservative estimate and on current evidence is likely to be exceeded.

The Corporate customers and revenue of Swiftel also continue to increase with the signing of new customers Baker Hughes, Rick Hart and Home Loans Ltd. This brings total corporate customers to over 150 with annualised revenue of $4.5 million.

Further updates will be released as the ADSL business develops over coming months. For further information please contact Chris Gale or Mark Hansen. Alternatively, visit www.swiftel.com.au.

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BACKGROUND
Swiftel provides a premium, high speed, high bandwidth, optical telecommunications network for business and government throughout Australia. The network integrates advanced high-capacity fibre-optic cable with state-of-the-art switching technology to support a carrier grade IP network and emerging technologies.

The products range from Broadband ADSL Services, High Speed Managed Services, Co-Location, Data Storage as well as fixed line and mobile voice services.