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## **Swiftel posts 248% increase in Revenue-1H04**

A fully upgraded ADSL network to cater for up to 50,000 customers has data communications and internet service provider Swiftel Limited (ASX:SWT) geared for continued strong revenue growth this financial year.

The half yearly results to 31 December 2003 announced today, showed strong sales interest from ADSL subscribers and had resulted in a 248 per cent increase in the company's revenues, up from \$1,669,070 in the last corresponding period to \$5,815,158.

An additional \$996,536 from pre-paid income for December 2003 was not included in the company's first half figures due to conservative accounting principles.

Chief Executive Officer Chris Gale said the company had more than trebled its network capacity in Sydney, Perth, Melbourne and Brisbane after experiencing incredibly strong customers sales.

The expanded network capacity can accommodate the continued growth without further cost expansion, setting the scene for a move to profitability in the second half of the year.

"We have signed 12,500 broadband subscribers to 31 December – almost double our forecast - and so far this year we have attracted another 4,500 customers.

"The dramatic growth in customers required our ADSL network to be upgraded. Now, we have a high-grade, high-bandwidth Broadband telecommunications network that can cater for more than 50,000 customers throughout Australia.

Mr Gale said the network upgrade was completed during a six-month period when the company relocated its corporate headquarters to Sydney, it conducted an aggressive campaign to attract subscribers in Sydney, Melbourne, Perth and Brisbane, and doubled its technical and sales call support staff.

Swiftel produced a significant turnaround of almost \$1 million in net operating cash flow, reporting a healthy \$153,773 compared to the \$723,224 loss in the previous corresponding period.

The company's cash position had more than quadrupled by the end of the financial period, up to \$1.81 million compared to just over \$407,000 to 31 December 2002.

The Corporate Division also showed strong growth with sales of \$2,182,863 up 40% from the previous corresponding period (\$1,554,300) with a net result of \$568,265

However, costs associated with the company's network upgrade, its expansion into new markets in Melbourne and Brisbane, the re-location of its corporate headquarters to Sydney and doubling the technical and sales call support staff resulted in a EBITDA loss of \$803,078 and a net loss for the half year of \$1,137,231. This was slightly up on last year's corresponding loss of \$867,673.

Mr Gale also announced the company's ADSL division would trial a Voice Over Internet Product (VOIP), which would be marketed to Swiftel's strong customer base as a natural 'add on' product.

"We will continue to expand the range of services available to our subscribers as part of our strategy of becoming a full telecommunications service provider, offering an extensive range of high quality, data and voice solutions," he said.

"We will be actively marketing to our subscribers a full range of local, national and international voice calls, as well as mobile and other text messaging services, all via People Telecom's unique "One Bill" solution.

Mr Gale said Swiftel also would commence operations in Adelaide and Darwin early next month, extending the company's ADSL coverage network to all mainland capital cities except Canberra.

Furthermore, he expected Swiftel's ADSL subscriber base to pass 30,000 by 30 June based on its current level of 100 orders per day, which was well in excess of the company's business plan.

The outlook for the 2<sup>nd</sup> half of the financial year will be profitable as the ADSL network has been fully upgraded along with support staff .The scalability has now been built into the ADSL Division and should result in bottom line profit through this division.

For further information about Swiftel Limited, visit [www.swiftel.com.au](http://www.swiftel.com.au) or contact:

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