

**Swiftel Limited**

Level 18 QV1, St Georges Terrace  
Perth, WA 6000  
Telephone +618 9480 1222  
Facsimile +618 9480 1223  
info@swiftel.com.au  
www.swiftel.com.au  
A.C.N. 009 273 152



12 March 2004

## Swiftel to merge with people telecom

ASX-listed data communications and internet provider Swiftel Limited (ASX:SWT) will merge with voice services company people telecom Limited to create one of Australia's largest full service telecommunications groups.

The merged entity will be renamed people telecom. It will provide an extensive range of telecommunication products and services including voice (mobile and fixed), data (broadband and virtual private network) and voice over internet products.

The company will be headed by current people telecom Chief Executive Officer, Ryan O'Hare, with Swiftel's Chief Executive Officer, Chris Gale, being appointed people telecom's Director, Data Services.

The new people telecom will have more than 30,000 business and consumer customers across Australia.

The company is expected to produce an operating profit in the fourth (June) quarter of 2003-04. In its first full year, 2004-05, the merged entity is expected to generate revenue of more than \$110 million.

Under a heads of agreement announced today, Swiftel will issue shares to acquire people telecom such that the people telecom shareholders will hold approximately 64% of the issued capital of the merged entity on a fully diluted basis.

Mr Gale described the merger as a "huge upward leap" for Swiftel shareholders.

"Swiftel shareholders will now be owners of one of Australia's largest, publicly listed telecommunications companies," Mr Gale said.

"We will look to capitalise on the synergies that our respective businesses bring to the merged entity in order to deliver improved returns to our loyal shareholders."

### **people telecom's edge - full services, "real people", reliability**

Mr O'Hare said that rapidly growing people telecom would be lifted into a new level of competition with Australia's largest telecommunications providers.

“We expect to outperform the majors in the three crucial areas of personalised customer service, value for services and reliability,” he said. “We will have the full range of voice, data and voice over internet products at competitive rates, delivered to customers by real people and with a high level of reliability in Australia.

“These are the differentiating features that have been generating the phenomenal growth of the merging companies to both business and consumer markets

“The deal will enable each merging company to leverage its respective product offerings to its existing customer base in order to maximise revenue growth and deliver cost savings from economies of scale.

“We anticipate significant growth in a market in which customers are increasingly requiring one-stop full service providers and attentive servicing to their individual needs,.

“The new people telecom will continue to deliver innovative customer services and pricing to a customer base that is spread across all market segments from large corporations to individual consumers.

“We will provide customers with a ‘one bill’ solution in delivering a full suite of products and services – data, telephone, mobile and content.

“To the consumer market, we will deliver these services via our branded products to be known as Swiftdsl, Swiftmobile and Swiftvoice.”

Mr O’Hare said people telecom would be headquartered in Sydney where the merging companies have expanding operations.

“people telecom’s state-of-the-art back office, billings and service application systems would allow Swiftel to seamlessly integrate its data products and services, without the capital cost to Swiftel,” he said.

“In addition, Swiftel’s customer care staff will be integrated into our superior customer care centre, delivering further savings by operating one customer care network.”

Mr O’Hare said new people telecom would be a true national telecommunications provider with several competitive advantages. The merger would result in economies of scale and significant cost savings. As a merged entity, people telecom would be able to grow faster and could expect to achieve greater overall profitability than Swiftel or the existing people telecom could achieve on their own.

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

Chris Gale  
Chief Executive Officer  
T: +61 08 9480 1222  
[cgale@swiftel.com.au](mailto:cgale@swiftel.com.au)

For further information about people telecom, visit [www.peopletelecom.com.au](http://www.peopletelecom.com.au) or contact:

Ryan O'Hare  
Chief Executive Officer  
T: +61 29458 5888  
[ryan.ohare@peopletelecom.com.au](mailto:ryan.ohare@peopletelecom.com.au)

**About Swiftel Limited:**

Swiftel Limited provides a premium, high-grade, high bandwidth, optical telecommunications network for business and government throughout Australia. Established originally in Western Australia, Swiftel is now Sydney-based with over 18,000 customers nationally.

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.

Swiftel's product offering includes broadband ADSL services, high speed managed services, collocation, data storage, and fixed line and mobile voice services.

**About people telecom:**

People telecom is a privately owned Australian company that delivers voice products and voice services to more than 10,000 business accounts throughout Australia, including many of Australia's largest corporate businesses.

Key to the growth of people telecom has been its investment in user friendly state-of-the-art billing and customer service platforms that deliver unparalleled service.

Its personal account management system is a key strength of its business. Billing accuracy, flexibility and timely delivery are measured to high key performance indicators.