

Swiftel Limited

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Press Announcement for Swiftel Limited Board Of Directors

Merger to be consummated soon

The merger between Swiftel Limited (ASX: SWT) and people telecom Limited is on track with the EGM scheduled for June 14, 2004. Initial integration has commenced and this has resulted in significant cost reductions for the group, particularly in customer service.

The Swiftbroadband customer base continues to expand with the company successfully connecting its 22,000th Broadband customer. Customer activity and connection rates continue to grow. The Company confirms that its 2004 revenue targets will be met.

The costs of this enormous expansion in broadband and commencement of the Corporate Data Services division nationally together with the costs of the merger have meant that the organisation will not meet its profitability projection provided to the market earlier this year.

The Company confirms that its normalised results for the period April to June 2004 will be EBITDA positive and margins continue to improve as more customers are connected to the network and the bandwidth / customer efficiency targets are met.

people telecom has confirmed to the Company that it will meet its 2004 revenue and profitability targets.

For further information about Swiftel Limited, visit www.swiftel.com.au or contact:

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