



26 February 2007

MEDIA RELEASE

POWERTEL'S \$10M NET PROFIT IS MORE GOOD NEWS FOR SHAREHOLDERS

If PowerTel's shareholders weren't already riding the wave of success the Australian business telecommunications provider has enjoyed over the past 12 months, then the annual results should give them something to smile about.

Managing Director Paul Broad today released the finer details of PowerTel's achievement in 2006, the highlight of which is a \$10m net profit.

Net profit was up \$18m from a loss of \$8m in 2005. Additionally, operating cash flow increased 103% to \$35.3m in the period. Full year EBITDA of \$39.8m was up 48% on last year and exceeded the guidance range of \$37-\$39m.

"These results are certainly pleasing especially in light of the continuing tough competition in the Australian telecommunications market," Mr Broad said.

The past year has seen PowerTel take an 18.3% stake in Perth-based ISP, iiNet; launch an ADSL2+ service offering; and announce a wholesale strategic alliance with Telecom New Zealand (Telecom), which evolved last month into a proposed buy-out.

"PowerTel's financial and operating position has never been stronger. We are confident we have delivered a strong team, operational model and infrastructure platform to Telecom to leverage greater returns," Mr Broad said. "We think we are setting the base platform for further consolidation."

"It is an exciting time for the Australian telecommunications market and PowerTel's service delivery, independent network and wide range of wholesale and business products make us a significant player."

"We have never been more optimistic about the opportunities open to us but it is a cautious optimism," he said.

Chairman John Conde said the results showed PowerTel had achieved significant milestones in the past 12 months.

"With the Telecom deal in the offing, it is pleasing to be able to reward PowerTel's shareholders."

"However, this is not the time to sit back and relax. PowerTel will continue to work with our wholesale and business customers to further grow our market share," he said.

FURTHER INFORMATION:

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