

7 September 2001

ASX Company Announcements Office  
Australian Stock Exchange  
Level 4, 20 Bridge Street  
SYDNEY NSW 2000

By facsimile: 1300 300 021

**ASX Announcement – PowerTel Limited**

PowerTel Limited announces its half year results and Strategic Alliance.

**Further details are provided as attached.**

Regards,

SHANE ALLAN  
Company Secretary

## **PowerTel Limited Half Year Results and Strategic Alliance ASX Announcement**

**7 September 2001 – For Immediate Release**

PowerTel Limited, which owns and operates Australia's third largest broadband telecommunications network dedicated to the corporate and wholesale market, today announced its results for the half year to 30 June 2001 and a major strategic alliance with Macquarie Corporate Telecommunications. The results were in line with expectations on 3 July 2001, when the company advised that financial (EBITDA) break-even was likely to be achieved during the first half of 2002.

Sales revenue for the half year was \$22.4 million, an increase of 80% over the half year to 30 June 2000 excluding sales from the mobile business which has been divested. The net loss was \$47.0 million (2000: \$26.7 million) reflecting increased depreciation and marketing operating costs.

PowerTel's chairman, Mr. John Bumgarner, said: "We are continuing to build business on the network we completed in the third quarter of 2000. Our progress in acquiring new customers and increasing revenue from existing customers is encouraging, considering the present difficult telecommunications market. As the overall telecommunications market has softened, we have reduced staff numbers, operating costs and capital expenditure to ensure break-even EBITDA as early as possible."

Mr. Stephen Butler, chief executive officer, said: "We increased our revenue by 13.5% in the second quarter, which was below the 16.8% achieved in the first quarter due partly to customers deferring decisions to upgrade or expand their telecommunications facilities."

"Growth in sales to our target market of corporate and wholesale customers was in excess of 30% per quarter, while our lower margin Spectrum resold voice revenue declined by approximately 20% per quarter. As a result of the change in the revenue mix, the gross margin increased to 18.6%, compared with 9.8% in the previous corresponding period."

"Our corporate and wholesale customers have doubled to 339 over the past twelve months, with 48% of our business in the higher margin data sector. Our data sales increased to 70% of new sales during the first half of the year."

"Customers are attracted to PowerTel for our data, voice, internet and international service offerings on our own 2500km fibre optic network servicing over 400 buildings in the Sydney, Brisbane and Melbourne areas. This network gives our customers access to cost effective and scalable telecommunications solutions combined with superior customer service and service provisioning. Our industry peers and our customers recently awarded PowerTel the CommsWorld's 2001 award as Broadband Wholesale Carrier of the Year, providing further endorsement of our network and services."

"Following our \$145 million equity raising and our \$150 million medium debt raising in early 2001, PowerTel has a strong balance sheet and a fully funded business plan."

PowerTel also announced that it has formed a strategic alliance with Macquarie Corporate Telecommunications Limited. Under the alliance, Macquarie will gain access to PowerTel's fibre optic network, which will progressively begin handling Macquarie's voice traffic. Further details of the alliance are given in a separate joint release.



Mr. Stephen Butler, chief executive officer of PowerTel, said: “The alliance with Macquarie Corporate will enable us to enhance PowerTel’s business growth. It will increase our overall revenue and network utilisation to enable us to reach our EBITDA positive target earlier than we would have done otherwise. “

For more information about PowerTel, please see our website at: [www.powertel.com.au](http://www.powertel.com.au)

Media Contact: Brian Mahoney, Financial & Corporate Relations 02-9235-1666

Investor Contact: Stephen Butler, PowerTel Ltd. 02-8264-3888



7 September 2001

**Macquarie Corporate Telecommunications and PowerTel  
form alliance to enhance growth potential for both companies**

PowerTel Limited and Macquarie Corporate Telecommunications Holdings Limited today agreed and announced that they have formed an alliance that will enhance the telecommunications services both companies offer to their corporate customers and increase the efficiency with which those services are provided.

The principles for this new alliance will see the companies co-operate strategically to reduce carrier costs and share those cost savings. The benefits of the alliance include potentially significant carrier cost savings for Macquarie and substantial revenue enhancement for PowerTel.

Under the alliance agreement Macquarie will gain access to the PowerTel fibre optic network, which will progressively begin handling Macquarie's voice traffic. The two companies will also work together and share certain resources to bring new products and services to market more quickly and efficiently.

Macquarie and PowerTel will continue to operate independently and compete with each other in the market. Each company will market its own services separately and maintain its own customer relationships. PowerTel is a 10% shareholder in Macquarie, but the alliance is a business initiative and is unrelated to the shareholding.

"The alliance makes great commercial sense because it brings together the corporate customer base that Macquarie has built over the past 10 years with the advanced fibre optic network that PowerTel has developed," said Macquarie Chief Executive David Tudehope. "For Macquarie, the key benefit is a potentially significant reduction in carrier costs and further customer choice for voice services."

Stephen Butler, PowerTel's Chief Executive Officer, said: "The alliance enables each company to capitalise on the individual strengths of the other, and on the synergies between both. For PowerTel, we expect a substantial increase in revenue through greater utilisation of our network as we begin handling Macquarie's voice traffic. And in data service, we are particularly impressed with Macquarie's Intellicentre which we consider the best data centre facility in Australia and a potential driver of increased network utilisation."

Macquarie and PowerTel have had a commercial and competitive relationship for a number of years. The two companies have recognised the potential synergies for some time and have had discussions about working together for nearly a year.

*For more information, please contact:*

**Steve Silva**, Macquarie Corporate: 0414 539 440

**Brian Mahoney**, Financial & Corporate Relations: 02 9235 1666