

ASX Announcement

14 March 2003

## PowerTel doubles 2002 revenue; improves EBITDA

PowerTel Limited today announced its results for the year to 31 December 2002. Revenue doubled to \$102.5 from \$49.8 million for the previous corresponding period, and the EBITDA loss improved to \$2.4 million from \$42.8 million.

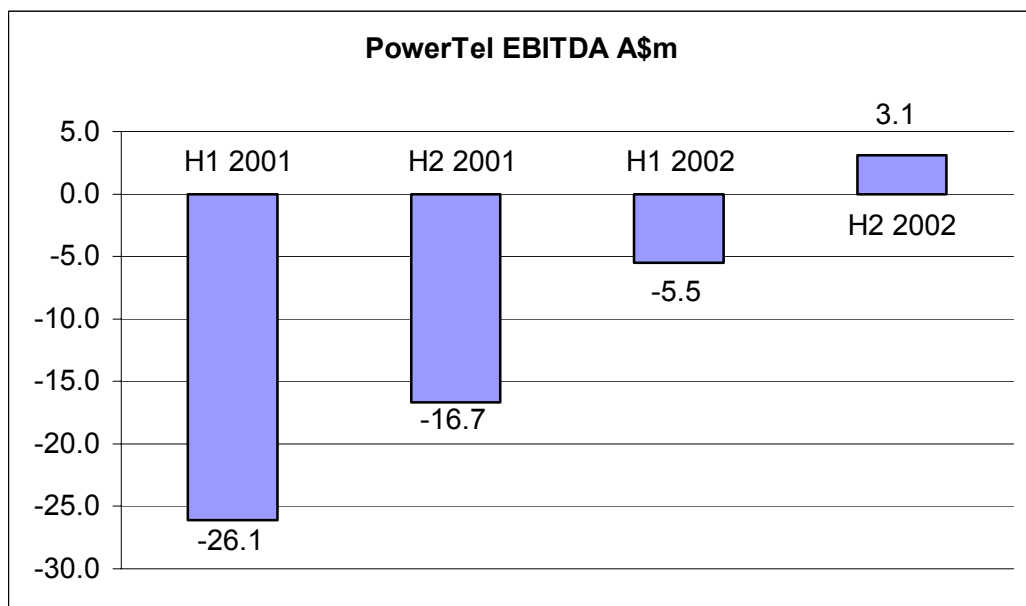
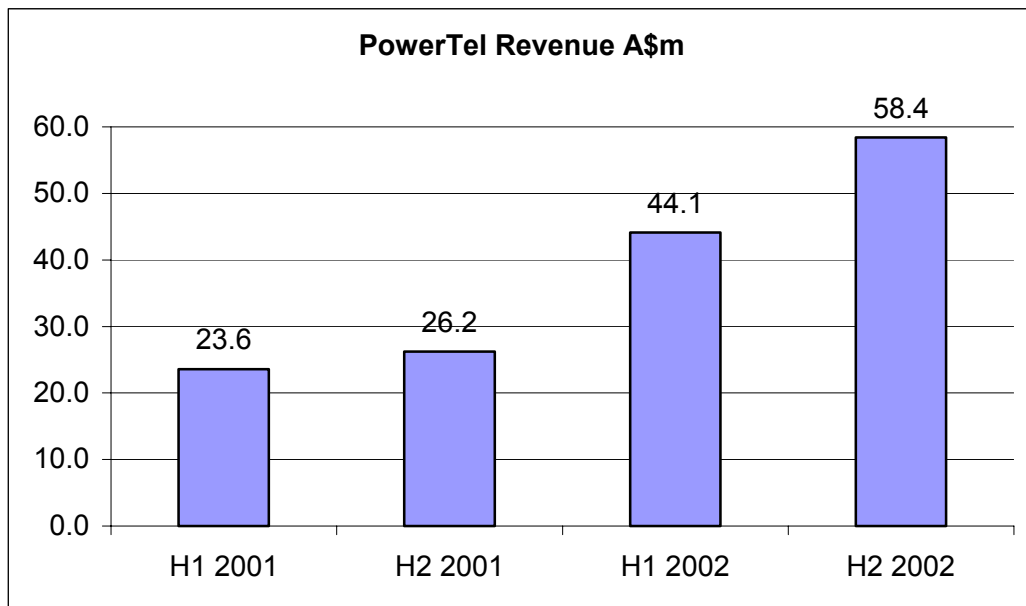
In the second half PowerTel made an EBITDA profit of \$3.1 million in contrast to the EBITDA loss of \$5.5 million in the first half.

Chairman Miller Williams said "Our revenue growth, combined with tight management of costs, resulted in the company achieving EBITDA positive every month during the second half of 2002. We have not only survived the worst year for telecommunications in recent history; we've more than doubled our revenue and grown our market share."

Earlier this week PowerTel announced a non-cash asset write down of \$106.9 million, reflecting the decline in telecommunications asset values throughout the industry. Excluding the write-down, PowerTel reduced its net operating loss to \$52.8 million in 2002 from \$83.3 million in 2001. After the write-down, the 2002 loss was \$161.9 million.

POWERTEL LIMITED RESULTS FOR THE YEAR TO 31 DECEMBER	2002 \$M	2001 \$M	CHANGE
Revenue	102.5	49.8	106% up
EBITDA loss	2.4	42.8	94.4% down
Borrowing costs	8.9	4.7	89.4% up
Depreciation & amortisation	41.5	35.8	15.9% up
<b>Operating loss before write-down</b>	<b>52.8</b>	<b>83.3</b>	<b>36.6% down</b>
Asset write-down	106.9	--	
Diminution in investments, restructure costs	2.2	2.9	
Total loss including non-cash write-down	161.9	86.2	87.8% up

The graphs below show PowerTel's revenue and EBITDA for each half of 2002 and 2001:



### **Strong sales growth to corporates, government and service providers**

PowerTel CEO Stephen Butler said: "PowerTel passed a major turning point in June 2002 when it became EBITDA positive. Substantial increases in voice and data traffic have lifted network utilisation significantly in 2002 and lifted our market share in voice, data and internet. This has been helped by strong revenue growth from our strategic alliance with Macquarie Corporate.

"New contracts with corporate, government and service provider customers have continued to increase each quarter. Contracts signed during the year reached an annualised total of more than \$39 million, and this momentum has continued with new sales of \$3 million of annualised sales per month in the first two months of 2003."

**Extended access into new markets**

“Many customers have joined PowerTel because they want direct access to an alternative network. In view of the demand, PowerTel is now extending its network reach by establishing its own DSL infrastructure. For an initial outlay of less than \$2 million we will reach three times as many corporate customers and government organisations – up from an addressable market of 3,000 large customers to 9,000. It also propels PowerTel into an entirely new market, selling to the small to medium business sector.

“Using this infrastructure, PowerTel recently launched its AccessAdvantage product which links local phone lines directly to the PowerTel network to provide combined voice and internet broadband services to its customers. Initial sales to the small to medium enterprise market in 2003 are already encouraging,” Mr Butler said.

In 2002, PowerTel continued to receive recognition of its excellent customer service and also received an award for the “*Best Corporate/Wholesale Broadband Initiative*”.

**Financial Position**

The company currently has a \$10 million cash balance and a \$100 million syndicated bank loan facility drawn to \$78.5 million.

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

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