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Major Broadband Acquisition

14 July 2006

EFTel Limited (**ASX: EFT**) today announced the acquisition of the **aaNet** group, one of Australia's fastest growing broadband communications providers. This acquisition will almost double EFTel's broadband customer base to around 40,000, growing the company to 140,000 active accounts overall.

With turnover approaching \$10 million p.a., aaNet is EFTel's largest ever acquisition in terms of both revenue and broadband customers.

EFTel CEO Simon Ehrenfeld said today, "This is a very exciting deal, and advances EFTel's ambition to become one of the largest broadband providers in Australia. EFTel is well-placed to take advantage of consolidation within the industry, having the resources and the processes to ensure secure and profitable acquisition activity."

"The aaNet business is a large and rapidly expanding broadband ISP, and will provide an additional growth engine to the company as well as new economies of scale. VoIP and other voice products will also be offered to aaNet customers to drive additional revenue and margin."

"EFTel has worked closely with Telstra to manage the process which has made this acquisition possible. Until early this week it appeared that there was no viable process, but last-minute negotiations proved fruitful. We now have a path forward for other large acquisitions in the broadband space".

Enquiries:
Chief Executive Officer
(08)9420 9999

About EFTel

EFTel is an Australian Top 10 Internet Service Provider (ISP), now with 140,000 active accounts. Its wholesale division services a quarter of Australia's retail ISPs.