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**People Telecom – Australia’s first Service Provider
of Telstra ADSL2+ Broadband**

Sydney – 8 August 2008 – People Telecom (ASX/NZX:PEO) has become the first service provider in Australia to offer ADSL2+ broadband services on the Telstra network, under a ground-breaking agreement announced today.

People Telecom will roll out the premium ADSL2+ services in all major states and regional areas in coming weeks, leveraging Telstra’s unrivalled reach of 900 ADSL2+-enabled exchanges across Australia.

The agreement, signed in Sydney by People Telecom CEO, John Stanton and Telstra Wholesale Group Managing Director, Kate McKenzie, complements the \$200 million agreement covering fixed wire, broadband and data services, executed by People Telecom and Telstra in February this year.

Mr Stanton said the latest deal with Telstra Wholesale will significantly expand the scope and flexibility of People Telecom’s current broadband offerings, and give People Telecom customers the opportunity to benefit from the network strength and service quality of the ADSL2+ offering.

People Telecom is already one of the nation’s largest ISPs, offering consumer and business grade broadband products to retail and wholesale customers across Australia.

Mr Stanton said that rolling out the new ADSL2+ services on the Telstra network would provide an opportunity to debunk some of the myths around broadband technology.

“There tends to be a consumer perception that all ADSL2 services are higher speed and higher quality compared to standard ADSL services. That’s not always the case, because many ADSL2+ offerings in the marketplace are highly-contended, low cost products that actually offer slower speeds than, for example, a high quality 8mbps ADSL service.

“The great thing about being able to offer ADSL2+ on the Telstra network is that we have worked with Telstra to engineer a product that is high quality and supported by a premium network configuration – so it actually delivers on the

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benefits of superior technology and gives users a high-speed, hassle-free experience," Mr Stanton said

Mr Stanton welcomed the latest collaboration with Telstra Wholesale.

"Our new arrangements with Telstra Wholesale, combined with improved internal efficiencies, are already underpinning improved operating margins for the People Telecom business", Mr Stanton said.

Group Managing Director, Telstra Wholesale, Kate McKenzie, said she was pleased People Telecom had chosen to expand its long-standing commercial relationship through the provision of ADSL2+ services.

"Telstra Wholesale is a unique full service provider able to give customers reliable and robust network solutions, high levels of end-to-end service and unmatched technical support for the products that we offer.

"We are proud to be recognised by People Telecom as adding value to their business model," Ms McKenzie said

About People Telecom

People Telecom is a leading supplier of a broad range of telecommunications products and services, providing a convergence of Voice, Mobile, Data and Hosting. In both the business and consumer segments we follow a simple philosophy: 'listen to our customers and bring them the best in class products and services available in the market' - our customers always come first.

People Telecom, through its **peoplenet 4** web-based customer portal, continues to lead the industry with its on-line billing and service management solutions, allowing customers to take full control of their billing and communications.

For more information visit: www.peopletelecom.com.au

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