

**AUSTRALIAN STOCK EXCHANGE / MEDIA RELEASE**

**FRESHTEL RESTRUCTURES BOARD AND MANAGEMENT FOR ONGOING GROWTH**

*Melbourne, Australia, Monday the 29<sup>th</sup> of January 2007:*

Australia's global internet telephone technology company, Freshtel Holdings, today announced changes to the top management and board to facilitate the company's next exciting phase of development and operations.

Mr John Butkiewicz, who has more than 30 years experience in the global telecommunications industry, has been appointed as Chief Executive Officer of Freshtel. His appointment will allow Mr Michael Carew, Freshtel's founder, to focus on the development and delivery of new wholesale partnering agreements both in Australia and overseas in his new role as Director of Global Business Development.

Experienced company director and former MD of Telecom Australia International businesses, Mr Ken Loughnan AO has been appointed Chairman replacing Mr Les Taylor who will remain on the board as a non-executive Director.

Mr Loughnan joined the Freshtel board in June 2006 and brings a depth of experience in international telecommunications as well as a director and chairman of publicly listed companies. He is currently Chairman of Australia's leading staffing services company, the Skilled Group Ltd (ASX:SKE).

"I am delighted to have been appointed Chairman of Freshtel. I have enjoyed working with the company in the last six months, and am excited by the opportunities ahead of us.

"On behalf of the Board, I would like to thank Les for the leadership and guidance he has provided during his tenure as Chairman, and look forward to his ongoing contribution," said Mr Loughnan.

In addition to the above change and in recognition of Freshtel's significant presence in the UK internet telephony market, particularly through its unique relationship with the Tesco group, one of the worlds leading retailers, Freshtel has already announced that Mr Andy Dewhurst, chief executive officer of Tesco Telecoms in the UK has been appointed to its Board. Mr Dewhurst brings valuable experience in the establishment and growth of Tesco new commercial ventures in the UK and European markets and further bolsters the relationship between Freshtel and Tesco.

Mr Dewhurst said "I am delighted to be working with Freshtel and look forward to working with the business to bring exciting new products and services to market. The partnership between Freshtel and Tesco has been hugely beneficial so far and we look forward to continued success and many new opportunities."

Mr Loughnan added the changes to Freshtel's top management team are designed to leverage the global market opportunities in this exciting new high growth technology area.

"Now that the business foundation is securely in place, the next phase is to deliver on the strategic growth plan. Focusing on securing contracts with additional white label partners will be integral to our growth. Mr Carew was the architect of the ground breaking, white label agreement with Tesco and managing Freshtel's wholesale prospects in addition to fulfilling the CEO role. His transition to focusing on these prospects full time will accelerate this primary aspect of the business."

Mr Carew said, "It is very satisfying to reflect over the last three years and the progress Freshtel has made: we have established a terrific team, a firm strategic direction and relationships with world class partners. I am now pleased to shift all of my focus to growing the business through new wholesale, white label agreements."

Mr Butkiewicz brings extensive senior management experience in the telecommunications sector to Freshtel. His most recent role was as the Chief Technology Officer at Hauwei Technologies, a global leader in next generation telecommunication networks. He has also worked for Alcatel, Ericsson, Link Telecoms and Telstra in a range of senior roles spanning technology and innovation, sales, service, marketing and operations.

"John has an impressive record of achievement throughout his career. His skill set and experience gained at the forefront of global telecommunications development will be invaluable to Freshtel, as it affirms its position as a global leader in internet telephony. John is well placed to lead Freshtel into a successful future" said Mr Loughnan.

The appointments are effectively immediately. The details of Mr Butkiewicz's remuneration package including the key terms and conditions and a brief biography are attached.

#### **About Freshtel Holdings**

Freshtel Holdings Limited (ASX:FRE) is an Australian internet telephone technology company that develops and markets VoIP telephony products and services. Freshtel Holdings Limited offers end-to-end white label VoIP solutions to wholesale customers globally through its wholly owned subsidiaries, Voicedot Networks and Virbiage and has a direct-to-market retail channel through [www.freshtel.net](http://www.freshtel.net)

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### **Key Terms of the CEO's Employment Agreement**

Freshtel and John Butkiewicz entered into an Executive Employment Agreement. Mr Butkiewicz has been appointed Chief Executive Officer and will report to the Freshtel Board.

In this position Mr Butkiewicz will receive an initial base salary is \$250,000, plus superannuation in accordance with the Superannuation Guarantee Levy requirements and his remuneration is subject to review at the discretion of the Board. He is eligible to earn an annual bonus in each financial year, the amount of which is to be determined by the Board.

In accordance with the listing rules, the CEO is eligible to participate in the Employee Share Option Scheme. The Board proposes to release details of these benefits once they have been finalised.

**Bio: John Butkiewicz  
Chief Executive Officer  
Freshtel Holdings**

With over 30 years' experience in the global telecommunications industry, John Butkiewicz has held several senior positions in both operator and vendor environments. His previous roles cover the full value chain from engineering technology, right through to business development, marketing and direct sales.

John has worked at the senior executive level in some of the world's leading blue chip companies. His most recent appointment was at Huawei Technologies; before this he held positions with Alcatel, Ericsson, Link Telecoms and Telstra.

At Huawei Technologies, the fastest growing and global leader Telecoms vendor, John's prime role was as Chief Technology Officer where he was responsible for driving technology innovation into the Australian market across Mobiles, Broadband, and the full range of next generation IP based networks and services.

At Alcatel John held the position of Director, International and Services, leading a range of sales opportunities into Telstra, TelstraClear in New Zealand, and Reach and CSL in Hong Kong. The International area focused on the full range of Alcatel products, whilst Services covered installation services for broadband and post-implementation support services.

During his time at Ericsson, John established and ran the Bid Management group, headed up the Services Marketing team and acted in the Director, Mobiles Marketing role. This was a unique opportunity to work across the full range of Ericsson Product and Services and engage the Australian telecoms market in developing business opportunities.

Prior to Ericsson John was head of Operations at Link Telecoms, a service based company. He was responsible for managing more than 700 staff across all States in Australia, as well as the associated voice and paging network infrastructure. Delivering best practice customer service levels and cost structures were key to his success in this position.

John began his career with Telstra where he spent over twenty years working across a broad range of areas including engineering, project/program management, product management, commercial, operations and business planning and strategy.

His extensive record of achievement includes revenue accountabilities over \$100M, exceeding sales budgets by 40%, successful management of development programs, operations management for more than 700 people, and extensive market contact network. John is well placed to lead Freshtel into a successful future.

On a personal level, John is married with three children, lives in Williamstown Victoria, is a life member of the Williamstown Lacrosse club, and was inducted into the Australian Sports Hall of Fame in 1990 for his achievements in Lacrosse.