

**AUSTRALIAN STOCK EXCHANGE RELEASE**

**FRESHTEL BECOMES THE PREFERRED INTERNET TELEPHONE PROVIDER FOR THE NARTA GROUP**

*Melbourne, Australia, Tuesday 15<sup>th</sup> August 2006:*

Freshtel is pleased to announce that the company has been appointed as the preferred provider of internet telephony products for the Narta Group. The Narta Group is one of the largest electrical buying groups in Australia with group sales in excess of \$2 billion. Members include Clive Peeters, David Jones, JB HI-FI, Clive Anthonys, Radio Rentals, Bing Lee and Downtown Duty Free.

Freshtel will supply internet telephony hardware, all of which will be pre-configured with Freshtel Retail as the service provider.

As a result of this agreement, the Freshtel products are now available in Clive Peeters NSW stores and with initial confirmed orders from David Jones. Freshtel remains in final negotiations with several other Narta members.



Freshtel CEO, Michael Carew said; "Consumer demand has dictated that we supply our product to the retail market in Australia, although our core business remains white labeling our service to wholesale customers. Freshtel's strategy revolves around partnering with the right companies globally, enabling Freshtel to gain mass market penetration. By aligning ourselves with the Narta Group, and the high quality retail members that it represents, Freshtel can grow its domestic retail business without the need to invest in infrastructure to service a wide range of retailers. The strong demand that has been shown for our products and services is a fantastic indication of the quality, simplicity and ease of use that consumers want from an internet telephone solution. We are confident that the Narta Group is the perfect partner to meet this demand".

As in the UK market, it is Freshtel's intention that the retail business will complement the launch of a service in conjunction with an Australian wholesale white label partner. All users will utilise the Voicedot network, ensuring compatibility across the services and generating critical mass for the network.

Ms Leanne Tieu, the Narta National Category Manager for the IT and Communication category, explained; "Working with Freshtel allows us to extend the value offering to our consumers in the IT and Communications space. We reviewed many solution providers and we found that the Freshtel positioning was more closely aligned with the Narta strategy."

Mr Carew concluded; "Freshtel will continue to focus on global white label opportunities but will, where appropriate, enter into complementary agreements to generate additional revenue and increase the number of users on our network globally".

### **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)

### **About Narta Group**

Narta is one of the largest buying groups in Australia retailing consumer electrical appliances. The group represents 29 members across Australia, and represents approximately 21% of the market. Narta has representation in all states through its membership, and covers all categories in the AV, Whitegoods and Cooking appliance categories.

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