

FRESHTEL HOLDINGS

Michael Carew, CEO

August 2006

voicedot™
NETWORKS

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2006 has been a big year

- We signed our first multinational partners
 - Tesco
 - Binatone
- We expanded our distribution platform
- We expanded our internet telephony network
- We have momentum with subscriber growth
- We invested in our future

**Validating our unique global
business model**

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We signed our first multinational partners

TESCO

- UK white label agreement
 - Launched in March quarter
- Subscriber growth:
 - Phased store roll out
 - Product rollout
 - Mass media campaigns



We signed our first multinational partners

Binatone

- Relationship delivering on:
 1. Manufacturing
 2. Co-development of product
 3. Distribution
 - Existing network of retailers
 - Freshtel UK launched
 - Binatone customers retail hardware
 - Hardware pre configured to Freshtel Retail Network
 - Argos launched



We further developed our distribution platform

UK – dual distribution channels

1. Core white label
2. Freshtel Retail - recognition of value
 - Complementary to white label
 - Builds network growth
 - Market saturation
 - Leveraging partners' brand and customer base
 - Operational model



Australia - replicate UK model

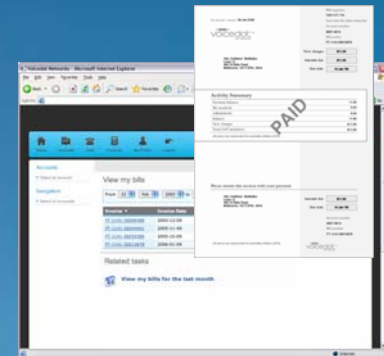
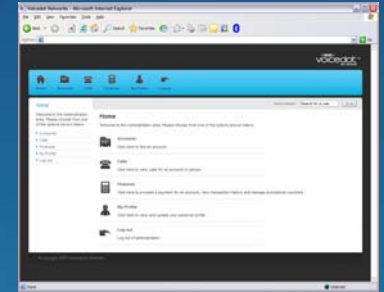
- Retail distribution partner signed – NARTA
- Over 200 retail outlets



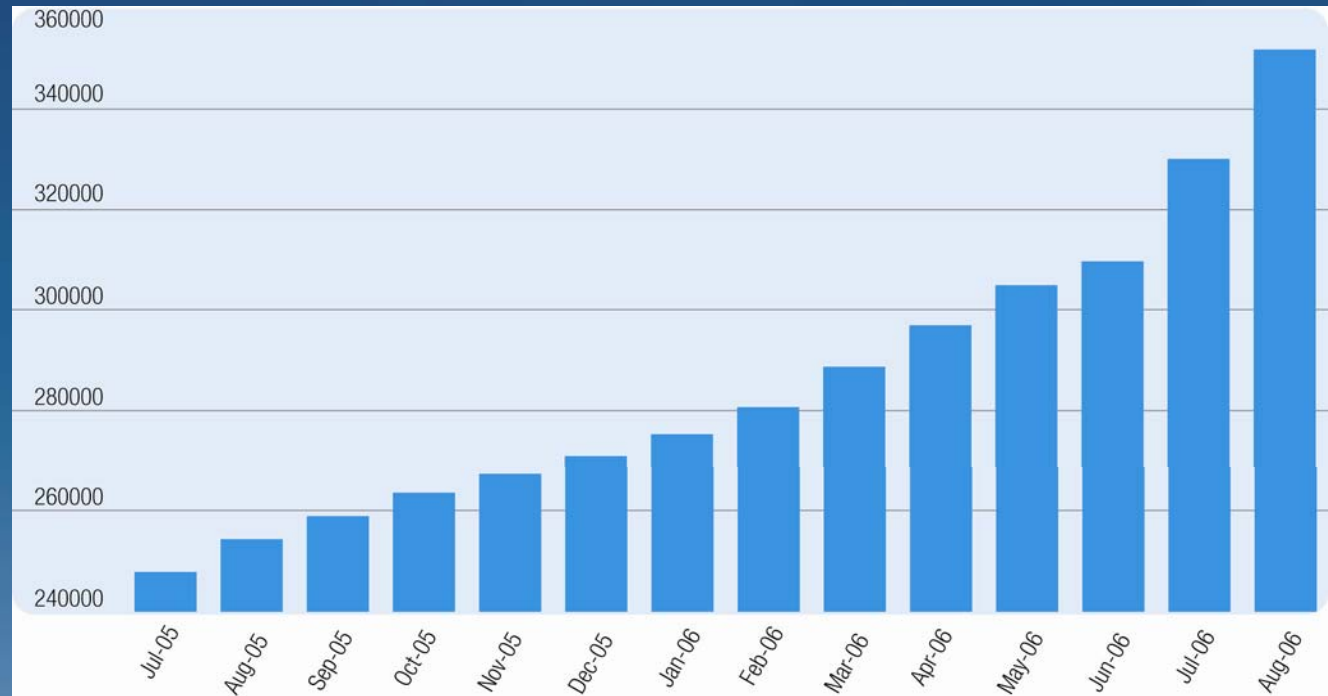
We further expanded our internet telephone network

All customers (wholesale & retail) sit on Voicedot Networks

- Build global community
 - Cross promotion (eg UK/Australia)
 - Economies of scale
 - Potential to shape industry
- Customers understand the creation of network benefits
 - Benefit of Freshtel Retail
 - Benefit of working together
- Robust network with substantial capacity for growth



We are seeing momentum in subscriber growth



- The Voicedot network has grown by over 15% in the last 3 months
- ~88% of new users added to the Voicedot network over this 3 month period are revenue generating



We are seeing momentum in subscriber growth

	Subscriber Increase during 2Q 2006*	Total Subscribers 2Q 2006*	Growth during period
Vonage	256,000	1,853,000	16.0%
Time Warner	270,000	1,640,000	19.5%
Cablevision Systems Corp	122,234	987,542	14.0%
Voicedot*	46,999	351,848	15.5%

*Data for Voicedot networks is for the rolling 3 months to 30th August 2006. Information sorted directly from individual company websites and financial reporting.

- The subscriber growth highlights the benefits of Freshtel's unique path to market
- Growth rates comparable with the leading VoIP providers globally
- This growth is achieved through Freshtel's low cost customer acquisition model



We invested in our future growth

1. Establishment of partnerships

2. Ongoing R&D

- Network deployment capabilities
- Product innovation
- Major new industry development
- Teragen capabilities now in-house

3. Building the corporate platform

- Improvement in internal systems, processes and procedures
 - Ability to deal with multinational customers and partners
 - Ability to manage growth

4. Building partner relationship capabilities



Which positions us well for future growth

- **Existing services**
 - Momentum building in the UK
 - Freshtel Retail UK roll out
 - Freshtel Retail Australia roll out
 - NARTA signed July 2006
 - Initial orders from Clive Peeters, David Jones, Officeworks
- **New products and features**
 - Cordless products
 - Computer off products
- **New partners in existing territories**
 - Australia
- **New territories**
 - Europe

Financial Summary

	2006	2005	
	\$'000	\$'000	% Change
Operating revenue	1,288	98	1214%
Interest revenue	669	60	
Revenue	1,957	158	
COGS	-1,030	-45	
Operating expenses	-6,078	-800	660%
Depreciation and amortisation	-839	-72	
EBITDA	-5,990	-759	
Finance costs	-509	-1	
Profit/(loss) before tax	-6,499	-760	
Tax	345	34	
Profit/(loss) after tax	-6,154	-726	

Cash on hand at end of period = \$11.361 m

