

## ASX Announcement

### FRESHTEL TO PROVIDE WHITE LABEL VoIP SERVICE TO TESCO

**Melbourne, Australia, 29<sup>th</sup> December, 2005.** Freshtel has signed an agreement to provide a white label voice over Internet protocol (“VoIP”) telephony service to UK retailer, Tesco.

In June 2005, Freshtel announced it had signed a letter of intent with a major UK retailer for technical and commercial testing of its product suite. Since that time Freshtel and Tesco have been working together to finalise a commercial agreement.

The own brand service will launch in the UK next year and be marketed and distributed through Tesco’s existing retail channels. Freshtel will provide the network, associated infrastructure and billing information as part of this agreement.

The primary revenue streams to Freshtel will be per user licence fees and margin on all calls to a landline or mobile rather than VoIP calls. In addition, Tesco will pay maintenance fees and Freshtel will also earn royalties on all hardware purchased by Tesco from Freshtel’s manufacturing partners.

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#### **About Freshtel Holdings**

Freshtel Holdings Limited is an Australian Voice Over IP (VoIP) technology company that develops and markets VoIP telephony products and services.