

AUSTRALIAN STOCK EXCHANGE RELEASE

**TESCO LAUNCHES TALK WIFI MOBILE INTERNET TELEPHONY SERVICE TO UK CUSTOMERS**

*Melbourne, Australia, Tuesday 2<sup>nd</sup> September 2008:* Freshtel Holdings' (ASX: FRE) UK associate Tesco Telecoms has today launched its new internet telephony service, Tesco TalkWifi, that allows customers to use a wireless internet connection – or WiFi network - with their existing compatible mobile phone and number.

This is the first customer rollout, globally, of Freshtel's converged mobile technology, and follows a successful trial with UK customers.

Tesco Telecoms, which has paid Freshtel a licence fee to fund the final stages of product development and customer trials, has made the Tesco TalkWifi application available for download on its website. Compatible mobile handsets will be available on [www.tesco.com](http://www.tesco.com). Tesco TalkWifi will also be rolled out to Tesco Telecoms centres in the future.

Tesco Telecoms will be supporting the launch with a public relations campaign and will promote the product on their website and through direct marketing channels.

Rhonda O'Donnell CEO of Freshtel said this product was an exciting first for the UK market.

"This is a ground-breaking solution that offers customers the benefit of substantially cheaper calls with the convenience of using their existing mobile phone and number. Based on the feedback we've received in customer trials, we are confident that Tesco TalkWifi will resonate with customers."

Ms O'Donnell said Freshtel will earn ongoing call revenue from the product.

"We expect this product to yield a higher Average Revenue per User (ARPU) than traditional internet telephony products given that the customer trial experience showed that users are more likely to use the converged mobile solution as their primary method of calling when at home or at work."

Calls and texts made using Tesco TalkWifi are free to other Talk Wifi customers and calls to other mobiles, landlines and international numbers can be substantially cheaper.

The new application takes just minutes to download<sup>1</sup> onto a WiFi enabled mobile handset. The user simply sends one text to receive a link that they click on to download the application. When completed, the product automatically routes calls over the selected WiFi network, as this is the cheapest route for the call.

This means customers with broadband WiFi networks in homes and offices could be able to save money on their mobile calls. Customers can also use some public WiFi areas<sup>2</sup>, as long as they have the necessary access rights. The mobile phone will automatically revert to the mobile network if the caller is outside a WiFi area.

Sean Wilkins, Financial and Commercial Director at Tesco Telecoms said:

“TalkWifi gets the best from the latest technology. We’re doing this to bring more price savings to customers in a simple way – they can now harness the power of the Internet to get cheap or free calls on their mobile phones.”

The product is currently compatible with Nokia WiFi enabled handsets the N95, N81, E65 and E51, with further handsets to be added to the range before the end of the year.

**Call costs:**

Plans	Monthly cost	Daytime calls	Evening and weekend calls	Calls to UK mobiles
PAYG	£0.00	2p per min	2p per min	10p per min
Off Peak UK	£1.95 per month	2p per min	Included*	10p per min
Anytime UK	£2.95 per month	Included**	Included*	10p per min
Anytime world	£5.95 per month	Included***	Included*	10p per min

<sup>1</sup> The handset must be set up with the service in a suitable wifi location.

<sup>2</sup> Customers need to have access to the public WiFi network. Subscriptions, charges and conditions of use may apply.

'Daytime' means 6am - 6pm Monday to Friday.

'Evening' means 6pm - 6am Monday to Friday.

'Weekend' means midnight Friday to midnight Sunday.

Calls to the 3 mobile network are 25p a minute.

\*Includes evening and weekend calls to standard UK landlines for the first 70 minutes of each call, then 2p per minute thereafter.

\*\* Includes all calls to standard UK landlines for the first 70 minutes of each call, then charged at 2p per minute thereafter.

\*\*\* Includes all calls to 30 different international destinations (at any time) for the first 70 minutes of each call, then charged at 2p per minute thereafter.

-ENDS-

### **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 Freshtel's retail site.

Freshtel Holdings: [www.freshtelholdings.com](http://www.freshtelholdings.com)

Voicedot Networks: [www.voicedot.com](http://www.voicedot.com)

Freshtel retail: [www.freshtel.net](http://www.freshtel.net)

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