

AUSTRALIAN STOCK EXCHANGE RELEASE

**TESCO INTERNET PHONE LAUNCHES 'TESCO SCHOOLS CONNECT'  
SCHEME**

*Melbourne, Australia, 14th December 2006:*

Every comprehensive secondary school in the UK will be given free Tesco internet phone technology, powered by Freshtel's Voicedot network, as part of a new program launched by Tesco Telecoms in a scheme designed to help stop Britain's teenagers from turning into a generation with poor verbal skills.

Tesco Telecoms will inject £750,000 into British schools, via the Tesco Schools Connect scheme which will enable secondary schools to work on collaborative projects and practice verbal communications skills using the Tesco Internet Phones.

Tesco Telecoms is launching the scheme on the back of new research revealing a current generation of school children in the UK who have poor communication skills, holding them back in their study and in their careers. The research conducted by Professor McEnery, Head of Linguistics at Lancaster University, talks of the phenomena as *technology isolation syndrome*.

The research reveals that similar to the Little Britain character Vicky Pollard, the top ten most frequently used words by teenagers include 'yeah', 'no', 'like' and 'but' and that the typical British teenager's vocabulary contains just over half as many words as the average 25-34 year old.

Andy Dewhurst, chief executive officer of Tesco Telecoms said "When we discovered the extent of the problem, we were keen to offer a credible solution to schools that will get kids around the country talking and learning. We're confident that this new scheme will really appeal to children, teachers and parents. We're very excited about the great potential of this fantastic project and are inviting all comprehensive secondary schools to sign up and take part."

Michael Carew, CEO of Freshtel said "We are delighted through our association with the Tesco internet phone to be involved in this great initiative, which allows school communities to learn and benefit from the many advantages that internet telephony offers. As we grow our distribution in Australia, we'd like to be in a position where we might be able to provide a similar scheme for Australian schools," he said.

Further information about scheme can be found at the following web address:  
<http://www.tescoschoolsconnect.com/>

**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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