

Telco infrastructure provider set to list on ASX today

Australian wireless infrastructure management company **Total Communications Infrastructure** will list on the ASX today with a market capitalisation at offer price of \$109.6 million. The listing follows a \$60.3 million issue, underwritten by **Blackwood Capital**, which features heavy institutional interest.

The niche vendor was established in 1996 by **Personal Broadband Australia** chief executive Jim Cooney and Samantha Grant. Both executives are putting a portion of the proceeds of the TCI float into PBBA, which will give Cooney and Grant a post-listing holding of 45% of TCI. Cooney, who was also a foundation investor in PBBA, invested an additional \$12 million in the wireless carrier in January when he came on board as its newly installed CEO. He remains a majority owner of PBBA.

TCI services 60% of the Australian telecommunications infrastructure development market and was established to provide turnkey project management and contracting solutions to Australia's wireless operators. TCI acquires sites for telecommunications infrastructure facilities, obtains planning approvals and designs, builds and maintains the facilities. Its customers include **Optus, Vodafone, Hutchison, Nokia** and **Ericsson**.

Most recently, TCI was contracted to roll out PBBA's network, whilst Vodafone awarded it a five-year contract for the rollout and deployment of 3G services in Australia. TCI is also currently in discussions with a number of vendors, canvassing opportunities to pick up work on **Telstra's** 3G infrastructure rollout.

TCI chief executive Rod Stanton said there were good opportunities available for the company both locally and in New Zealand. He added that TCI would also support PBBA in its future offshore expansion activities, centred around Southeast Asia. TCI's revenue in 2004 was \$66.2 million, with earnings before interest and tax (EBIT) of \$9.9 million. Revenue for 2005 is forecast to be \$90.8 million, with EBIT of \$16.1 million.

Natalie Apostolou

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Techex snaps up Veritel's DSL customers

Communications services company **Techex Communications**, a wholly owned division of **destra Corporation**, yesterday announced it had bought the DSL broadband customer base of **Veritel Australia**, comprising 350 business subscribers. The purchase was made using operating cashflow and would add \$500,000 a year to destra's bottom line, the company claimed, without disclosing the acquisition price. destra acquired Techex, which offers broadband, wireless, voice, managed services and VPN products to businesses, education and government nationally, in October this year.

destra said Techex would undergo a name change next year, along with its other divisions, prior to a major rebrand and the launch of new market initiatives. The Veritel acquisition had been designed to strengthen the destra customer base, as well as offer up-sell opportunities for destra business services including *"high-end Web hosting services for larger customers and comprehensive domain registration services"*, the company said.

Veritel managing director Ivan Hurwitz said the company had decided to focus primarily on its wireless services. *"We felt that our DSL customers would benefit from the services offered by a company which has successfully been providing and supporting the broadband needs of business customers. Techex is a well-respected, award winning communications service provider whom we have known for some time. The fit was perfect,"* he said.

Techex managing director Chris Collinge said the Veritel purchase represented the first of a number of acquisitions the company was planning over the coming months, without going into more specifics. He did say, however, that the integration of the Veritel DSL business into Techex's business environment had been totally seamless.

Alan Hartstein

Broadband Phone launches free VoIP service

VoIP specialist **Broadband Phone** has announced the launch of a free phone service, BBPGlobal, for its Australian and New Zealand subscribers. BBPGlobal provides each customer with an extension number they can be reached at via a normal PSTN network. Customers then use a standard headset and microphone on their computer in conjunction with free downloaded software to receive calls, the company said. If the receiver is on another call or is not at their computer, a voice mail/message system is activated so the call isn't missed.

Broadband Phone also said that, for someone calling from a public phone network, it would be as simple as calling one of BBPGlobal's local access numbers in Sydney, Melbourne, Brisbane, Adelaide, Perth or Auckland and then dialling the subscriber's unique extension. For the caller, the only cost is for the local access number, constituting the same cost as a local call in most cases, the company claimed. More local access locations are planned for the Broadband Phone network in the near future. Additionally, users could receive calls from almost all global fixed and mobile phone networks for free. Outgoing calls to global telephone networks start at 5 cents per minute. BBPGlobal also works on any broadband, ie ADSL, Cable, VPN, Unwired, iburst and any other fast Internet, the company said.

"BBPGlobal is part of our overall strategy to develop and deploy a full suite of VoIP solutions to broadband users in Australia and New Zealand so it's easy for them to add voice to their current broadband services," Broadband Phone director Miranda Wong said. *"With the increasing number of broadband users BBPGlobal reduces the hardware entry barrier for a subscriber who would like to try this new technology."*

Broadband Phone launched its residential and SME service following a seven-year development cycle in September. The VoIP service requiring ADSL or cable modem connectivity also utilises **Unwired Australia's** network, allowing existing customers to enable their wireless broadband service with voice capabilities. Broadband Phone also launched a \$249 Plug and Play handset in September.

Alan Hartstein

MCG completes fundraising for ntl acquisition

Macquarie Communications Infrastructure Group's shares spiked by over 10% yesterday on the announcement that it had successfully raised \$218.9 million from the placement of 40,528,139 new stapled securities at a price of \$5.40 per security, following the company's suspension of trading on December 2. In addition, MCG said it had successfully raised \$498.3million in the institutional component of the Rights Offer, involving the issue of 106,021,866 new stapled securities.

MCG said the retail component of the Rights Offer would open on 15 December and raise a further \$301.6million for the company, bringing MCG's total proceeds to \$1.18 billion. The proceeds will be used to fund the acquisition of a 54% interest in **ntl:Broadcast**, as part of a consortium that has acquired 100% of ntl:Broadcast in the UK, MCG said.

Commenting on the successful fundraising, MCG chief executive Scott Davies said, *"there has been a very positive response from institutional investors to MCG's equity placement and Rights Offer, confirming support for the ntl:Broadcast acquisition. As a result of the strong demand the clearing price for the bookbuild was \$5.40. This was the highest price at which the book was fully covered."*

Alan Hartstein

China backs new European satellite partnership

Officials behind China's main satellite interests have demonstrated more willingness to cooperate with their European counterparts, confirming this week a unique tie granting **Eutelsat** permission to provide two-way communications services between Italy and China.

Under the terms of the agreement, Eutelsat subsidiary **Skylogic** will work with state-owned **China Satcom** to provide satellite broadband connections for corporate customers in China and Italy, possibly as early as January. The services will be provided using satellite infrastructure from both China Satcom and Eutelsat, as well as Skylogic's IP teleport in Northern Italy.

According to a statement released yesterday, the initial partnership will target the more than 1000 Italian businesses with offices, joint ventures and production units in China, as well as Chinese companies operating in Europe, *"thereby facilitating relations and interchanges between the two continents."*

China Satcom is one of the six basic telecommunications operators in China, mainly providing satellite services for the communications and broadcasting sectors. Facing strong competition, however, it has stated it will move further into new business areas, including the provision of integrated telecom services and information

services. Skylogic provides a range of broadband satellite services, including VoIP, IP videostreaming, content distribution and teleconferencing.

The official sanctioning of China Satcom's relationship with Eutelsat is the latest in a series of moves aimed at fostering a closer relationship between the Chinese and European satellite sectors. China has recently been helping to develop the **European Space Agency's** Galileo satellite navigation system, designed to provide a non-military alternative to the US GPS and Russian GLONASS systems.

Tim Marshall

Telecom New Zealand expands summer 027 coverage

In a seasonal initiative, **Telecom New Zealand** has expanded its nationwide 027 coverage at a cost of \$NZ2 million. Temporary mobile coverage sites have been added at 28 key holiday spots, including Whangamata and Waihi Beach on the Coromandel Peninsula, and Alexandra and Cromwell in the Queenstown area.

There are two methods of expanding coverage, either through wheeling in a temporary tower or by increasing capacity through the addition of extra data cards at base stations. Spokesperson Sarah Berry said the additional sites had been designed to further enhance coverage where an influx of holiday makers places extra demands on its 027 network. Covering the Christmas and New Year period, the sites will be removed in late January and early February.

The extra sites are additional to \$NZ14 million Telecom NZ is investing in a permanent 027 coverage expansion project for the current financial year. The carrier has approximately 850 cell-sites that carry 027 calls.

Campbell Gardiner

BRIEFLY

- **WOOLWORTHS TO OFFER VODAFONE RED SIM PACKS:** **Vodafone Australia** has teamed with **Woolworths** in a point of sale distribution strategy. Customers will be able to purchase a Vodafone red SIM connection pack in any one of the 1400 Woolworths retail outlets for an RRP of \$2.00. Vodafone claims that red SIM is its primary customer switching tool and has removed price as a barrier for customers to churn to Vodafone. *"During the highly competitive Christmas period, we usually sell more red SIM connection packs than handsets, so with this mass distribution partnership we're making it even easier for customers to connect and establish the mobile SIM card as a real commodity product,"* Vodafone chief executive Grahame Maher said.
- **BUSINESS VOIP UPTAKE ON THE RISE IN THE US:** More than 10% of US businesses are now using VoIP, according to new research from **In-Stat/MDR**. The group said companies using the technology grew from 3% in 2003 to 12% in 2004. It forecasts that middle market VoIP penetration will be at 34% by year's end, and at 43% in the large business segment.
- **NEW SECURITY FROM INFONET:** Global managed services provider **Infonet** has added new components to its managed security services portfolio, including four new firewall options and a number of new layered security services. The company said its new managed firewall security controls had been designed to address a *"new generation of threats caused by employee use of the Internet"*. They include instant message control, URL filtering and blocking, advanced reporting and dynamic access, virus scanning and other firewall services.
- **AT&T WINS MASSIVE US GOVT CONTRACT:** **AT&T** has contracted to build a massive civilian agency network for the US Treasury Department, giving tens of thousands of users at more than 1000 locations access to voice, video and data services. AT&T said the three-year contract could be worth up to \$US1 billion if seven one-year extensions are taken up.
- **NOKIA FORMS \$US100M VC FUND:** **Nokia** has formed a \$US100 million venture capital fund targeted at supporting small companies with technology already on the market. Nokia said it will establish a third fund next year to focus on early stage companies.

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