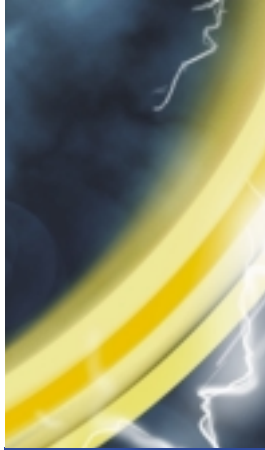




# CORPORATE PROFILE

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Principal  
Registered  
Office

## Westel Group Limited

ACN 062 879 583

Level 13, 15 Blue Street  
North Sydney NSW 2000  
Telephone (02) 9492 6161  
Facsimile (02) 9492 6162

Company  
Secretary

Peter A. Farrah

Share  
Registry

Security Transfer Registrars Pty Ltd  
Level 1, 168 Adelaide Terrace  
Perth WA 6000

Stock  
Exchange

Australian Stock Exchange Limited  
2 The Esplanade  
Perth WA 6000  
Shares code WSG

Auditors

Deloitte Touche Tohmatsu  
Level 16, Central Park  
152 St Georges Terrace  
Perth WA 6000

Solicitors

Steinepreis Paganin  
Level 4, 37 St George Terrace  
Perth WA 6000

Bankers

National Australia Bank  
West Perth Branch  
1238 Hay Street  
West Perth WA 6005

## Executive Summary

The Westel Group Limited develops and offers a range of high value services to telecommunications carriers, both in Australia and around the world.

In Australia, Westel is focused on establishing a sustainable position in the carrier service market. This market generates A\$20 billion in annual revenue, and spends around A\$10 billion each year in capital investment.

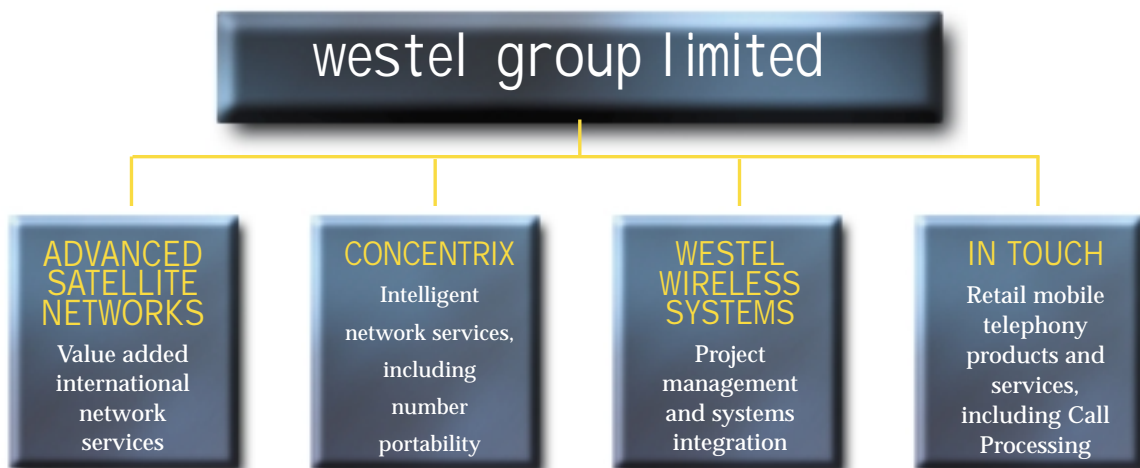
With deregulation, the number of telecommunications carriers has expanded from one to approximately thirty. As they expand their operations, the large majority of these carriers need access to services that enable them to:

- Offer customers competitive services at competitive prices,
- Satisfy regulatory obligations, and
- Remain competitive in an ever changing environment.

Since a restructure and capital raising in January 1999, Westel has been aggressively building a business based on acquisitions, joint ventures and licensing of strategic technologies and focussed on sustainable niche markets in diverse telecommunications areas. The results of each of these activities are now assuming greater value as Westel begins to deliver specialist telecommunications and information technology solutions to carriers, with a focus on three specific opportunities.

## Company Overview

Westel consists of separate enterprises, which are run as freestanding business units. Three of these are in the early stages of their development, while one is quite mature. The company is diverting the majority of its resources to the development of these new opportunities, which offer Westel and its shareholders tremendous growth opportunities.



In the new calendar year, it is expected that these new opportunities will gather momentum, bringing Westel substantial new streams of revenue which will place the company in a strong position to become a leading provider of telecommunications solutions. The five-year plan includes significant increases in staff levels, as well as strong performance in generating predictable and recurring revenue and gross profit.

Westel aspires to dominate each market niche in which it participates by applying unique intellectual property and further building upon its strong relationships with telecommunications carrier customers.

Each niche represents a substantial opportunity for the Westel Group.

## Outline of the Various Business Units

### **Concentrix**

Concentrix Pty Ltd is a joint venture company owned 51% by the Westel Group. The company has been established to provide telecommunications carriers with a range of intelligent network services, focusing initially on introducing telephone number portability to the Australian market.

Intelligent Network Services describes a set of services provided to a range of carrier customers over a common technology platform. In addition to telephone number portability these include:

- Caller Identification
- Call on hold
- Message bank services
- Card services
- Prepaid services
- Personal assistance
- Directory services
- Call forwarding
- Specialised billing.

It is estimated that the above value adding of intelligent network services has a commercial potential measured in the hundreds of millions of dollars per annum in the Australian market.

" Take your number anywhere "





## number portability

With number portability, everyday telephone users have the ability to keep the same telephone number when changing carrier or service provider. Businesses who wish to change their service provider are no longer penalised by having to duplicate the significant investment they have made in promoting their numbers. Customers have the freedom to choose their service provider based on considerations of pricing, service and features and a truly competitive telecommunications environment will become a reality in Australia.

The case for introducing number portability is compelling. A report by the Australian Competition and Consumer Commission (ACCC) in 1997 estimated the savings to users attributable to number portability to be \$2.1 billion per annum.

The Australian Competition and Consumer Commission (ACCC) has made directions on the implementation of telephone number portability. The result is that all carriers offering local, mobile and freephone & local rate services must provide portability for these numbers by particular dates.

The Australian Communications Authority (ACA) declared that full local number portability (LNP) would be available from January 2000, and that portability of freephone & local rate (1800/13/1300) and mobile numbers would follow.

Concentrix will be commencing initial deployment of telephone number portability in November 1999 with full scale commercial deployment in place by April 2000.

Concentrix's first to market advantages are supported by two key relationships:

- **Concentrix's relationship with the Australian Telecommunications User Group (ATUG)**

ATUG is the key user representative body of the telecommunications industry. ATUG acknowledges that that number portability is an essential element of a competitive telecommunications environment and is the vehicle that will deliver substantial benefits to its members.

Westel has an agreement with ATUG to jointly bring a number portability solution to the Australian market so that the whole subscriber base may realise better services and cheaper prices from open competition.

- **Concentrix's relationship with Transaction Network Services Inc. (TNSI)**

TNSI is the leading supplier of financial transaction services in the USA. Approximately 80% of all EFTPOS transactions and 40% of all telephone number portability transactions are captured and settled across the TNSI network. TNSI is a network operations company providing Concentrix with a low risk turnkey solution and ongoing operational support.

## Concentrix's competitive advantages

Concentrix will be first to market with telephone number portability services.

- Access to world's best technology and support.
- A unique, single technology platform that is able to deliver number portability for all three market sectors - local numbers, 13/1300/1800 (free and local rate numbers) and mobile numbers.
- An exclusive position with ATUG

## Westel Wireless systems

Westel Wireless is focused on the provision of unique telecommunications and information technology solutions to the world's public safety and emergency services communities. This is a high value niche market valued at \$30 billion per annum worldwide.

Westel Wireless offers its clients 'open systems' approach to building wireless telecommunications networks, with access to a wide range of technologies, including the latest digital radio technology APCO Project 25.

In developing its role as a systems integrator, Westel Wireless is capitalising on its established international network of in-country distributors, and relationships with telecommunications vendors and users in both government and private sectors. Through these, Westel Wireless is able to provide its customers with the best possible solution for their needs.

Westel Wireless is directing its resources towards developing opportunities in emerging international markets, and has recruited a team with tremendous depth of experience in the business development in countries such as China, India and the CIS.



## Advanced Satellite Networks

Advanced Satellite Networks provides international telecommunications carriers with innovative, value-add and cost-competitive services.

Westel is pursuing opportunities to develop a strategic delivery platform using satellite and Asynchronous Transfer Mode (ATM) technology to deliver applications to Internet Service Providers and traditional carriers.

This service will be launched only when the timing is appropriate and in a fashion that will not put undue stress on existing company resources.

## InTouch Communications

The Perth-based In Touch operation is a well-established chain of retail mobile phone outlets in the Perth metropolitan area and regional West Australia. This business has a successful track record of operating profitably in an industry renowned for its highly competitive nature.

In Touch also operates a call-processing facility, providing subscribers with detailed reporting on the use of telecommunications resources.



## Key Personnel

### **Scott Frayne - Managing Director**

Scott Frayne joined Westel as Managing Director and CEO in June 1999. His most recent role, prior to joining Westel, was as Managing Director of JNA Telecommunications Limited, a public listed Australian telecommunications company.

JNA Telecommunications developed products and solutions for the carrier market, as well as being wide area networking specialists for corporate and government customers. During Mr Frayne's tenure at JNA, the company's market capitalisation increased from A\$15 million in A\$114 million in less than three years.

In his last year at JNA, the company had a turnover of A\$80 million, employed 330 staff and serviced customers throughout Australia, Asia, Europe and the Middle East.

In September 1998, JNA was acquired by and integrated into Lucent Technologies, the world's largest telecommunications equipment company. Mr Frayne continued as Managing Director and a member of the Board of Lucent Asia Pacific, a business with annual revenues of approximately US\$3 billion.

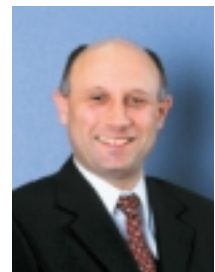


### **Nelvis Daniel Gonano - Chief Financial Officer.**

Nelvis Gonano joined Westel in October 1999 and brings to the company a wealth of telecommunications experience, having spent some twelve years in senior financial positions - most recently with Lucent Technologies and prior to that JNA Telecommunications Limited and OTC Australia, now a part of Telstra.

Overall, Nelvis has had close to twenty years experience in dealing with taxation, finance and administration matters for multinational and publicly listed entities, with a 'hands-on' proven track record in the areas of financial planning, analysis of business initiatives and the development of procedures and control. A significant part of Nelvis' background has involved his dealing with international markets particularly Asia and the Middle East.

Born in Sydney, Nelvis is a Certified Practising Accountant, has earned a Bachelor of Commerce from the University of New South Wales and is in the final phases of completing a Masters in Commerce from the same institution.



### **Steve Tucker - Chief Technical Officer**

Steve Tucker joined Westel in August 1999. He has twenty years experience in the telecommunications industry both within Australia and internationally and brings to the Westel Group considerable experience in a wide range of terrestrial and satellite telecommunications technologies.

In the mid 1980's, following six years in the development of military and civil mobile radio products he moved into the systems engineering of mobile switched voice and data systems. This was followed by four years providing system design and consultancy services to carriers, broadcasters and business organizations using satellite systems in the Asia-Pacific region.

In 1993 he was recruited to Stanilite Electronics to develop a telecommunications systems engineering capability and later, as Development Manager Technology was responsible for the development of cellular, wireless local loop and





mobile radio products. From 1996, following the acquisition of Stanilite by ADI Ltd he focussed on the development of digital mobile radio products and systems and as Engineering Manager Telecommunications he was, for 3 years, a representative to the Telecommunications Industry Association in the USA where he contributed to the development of the APCO Project 25 digital radio standard.

Steve is a member of the Institution of Engineers, Australia, the Institution of Electrical Engineers and the Institute of Electrical and Electronic Engineers. He holds patents in several countries in the field of radio and switching systems.

#### **Graham Bickley - Chief Executive Officer, Concentrix Pty Ltd**

Graham Bickley has over twenty-five years experience in the telecommunications and IT industries both within Australia and internationally. He joined Westel in May 1999 to develop and run Concentrix.

His most recent position was as Chief Operating Officer of Link Telecommunications in Melbourne. Link employed around 1000 people, operating national paging, messaging and call centre businesses, as well as being a service provider for one of Australia's leading carriers. With Link being majority-owned by Bakrie Communications (of Indonesia), Mr Bickley had constant exposure to telecommunications business activities in Asia.

Previously, he worked for NEC Australia, as General Manager of the Integrated Communications Products Group. In this position he was a member of the international marketing team, liaising frequently with other parts of NEC in Japan, the UK, Europe and USA.

As General Manager of Wang Computers in the 1980's, Graham Bickley also received a solid grounding in the IT industry. In conjunction with his telecommunications knowledge, this background equips Mr Bickley to manage the convergence occurring in these technologies.



#### **Gregory Klumov - General Manager, Westel Wireless Division**

Gregory Klumov joined the company in August 1999. He has a solid background in telecommunications, international marketing and business development. In the past 10 years he has held strategic positions in a number of Australian and international IT companies

Previously Gregory Klumov worked for ADI Limited as Regional Business Manager Europe. Gregory was responsible for the development of ADI's business in Europe, Eastern Europe and the Commonwealth of Independent States (CIS). He had constant exposure to the telecommunications business in Europe and Asia, and successfully built a network of distributors, technology partners and strategic alliances across Europe.

Previously, Mr Klumov was a Product Manager with Keycorp Limited, and has held senior positions in a number of merchant banks in the United Kingdom, Eastern Europe and the CIS.

Gregory Klumov brings Westel Group Limited a wealth of experience in international marketing and senior management necessary for the successful development of the company's Wireless Systems Division.



## Board of Directors



### **Lindsay Fisher - Chairman**

Lindsay Fisher has over 30 years wide-ranging experience in the management and development of high technology companies in the Australian and Asia Pacific region. He is currently Chairman and Chief Executive Officer of EPIC (a company established in 1985 to hold investments in satellite telecommunications) and is founding Chairman and Chief Executive Officer of Tri-Type (Hong Kong) Limited.

Mr Fisher has also been a director and board member of India Satcom since the company was formed in Bangalore, India in 1986. He was involved in the development of the original VSAT satellite systems and was responsible for their introduction into the Asian market. He has been involved in the sales and establishment of satellite telecommunications networks in Australia, China, Hong Kong, Thailand, India, Indonesia, Malaysia, Philippines, the USA and South America.

In the early years of his career, Mr Fisher worked for Philips Electrical Industries in Australia, where he was responsible for marketing technical products to both national distributor networks and government departments. He also worked for IBM Australia, marketing IBM products to government, banking and financial institutions.

Mr Fisher is an Australian citizen and resides in Sydney.

### **Don Sledge - Non Executive Director**

Don Sledge has over 30 years experience in line and staff management in the telecommunications industry, at the level of President and Chief Executive Officer for the last thirteen years. His background encompasses a wide range of business development roles in both the USA and international markets including planning, sales, marketing, finance and international telecommunications and operations.

Mr Sledge is currently President and Chief Executive Officer of West Coast Telecommunications (a US\$160 million long distance telecommunications company). His recent executive positions include:

- Head of Operations for a new telecommunications network (a Hong Kong based start-up company).
- Chairman and Chief Executive Officer of Telecom New Zealand International.
- Managing Director of Telecom New Zealand's largest local telephone carrier (over 500,000 lines), and founding President of Pacific Telesis International.

Until recently Mr Sledge has been Vice Chairman, President and Chief Executive Officer of Telehub Inc. He is currently the CEO and Managing Director of Ratexchange an innovative bandwidth arbitrage business based in San Francisco. He is also Chairman of the Board of United Digital Network, an Interexchange carrier operating primarily in Texas, Oklahoma, Arizona and California and listed on the Vancouver Exchange. He is a member of the Board of DataProse and member of the board of e'Globe, a NASDAQ listed company dealing in telephone calling card products both domestically and internationally. He also serves as adviser and Board member to several small technology-based start-up companies.

Mr Sledge holds a Bachelor of Business Administration (Industrial Management) and a Master of Business Administration from Texas Technological University. He is a citizen of the USA and of New Zealand and currently resides both in Lake Forrest, Illinois and Alamo, California.

### **Tony Healy - Non Executive Director**

Until his recent retirement Tony Healey was Managing Director of Trust Company of the West ("TCW"), a subsidiary of the TCW Group Inc., which has in excess of US\$50 billion of funds under management.

He was a Co-manager of the TCW/DW Global Telecommunications Fund, which has US\$130 million of funds under management and he was the sole Manager of the TCW Global Value Funds - a US\$30 million partnership.

Mr Healey is a director of the Dublin-listed Absolute Alpha Fund PCC Limited, which manages in excess of US\$150 million in three separate funds.

Prior to joining TCW in 1995, Tony Healey was a principal in his private financial services firm which specialised in consulting on international projects in energy, natural resources and emerging markets sectors. In this role he was responsible for a number of portfolios, including the United Funds of Kansas City, the Channing Growth Fund and the A.W. Jones hedge fund.

In addition, he has held a number of directorships, including E&B Canada Resources, Mascot Gold Mines, Sonora Gold and Drexel Trading-AIG Trading. He was a founding member of the Board of Directors of the Emerging Markets Country Investment Trust Plc., which is listed on the London Stock Exchange.

Mr Healey holds a B.S. in Commerce from the University of Virginia and is a graduate of the New York University Graduate Business School.

### **Peter Farrah - Company Secretary and General Manager, In Touch Communications and Westel Call Processing**

Prior to becoming involved in public companies, Peter Farrah held numerous corporate management positions covering a wide industry base with responsibilities principally in the areas of financial and administrative management.

In 1982, Mr Farrah joined a public group of companies active in investment, oil and gas exploration, mineral exploration and large-scale urban residential property development. He spent an extended period in the early 1980s based in New York negotiating and managing investments in the USA.

In 1989 Mr Farrah founded a consultancy practice specialising in corporate strategic planning and compliance matters. He held several public company board positions and contracted his management and administrative services to several public companies whilst advising others. In 1994 he became a founding shareholder and a director of the Westel Group.



**Westel Group Limited**

22 November 1999