



NEWS FOR RELEASE AT 10:00, TUESDAY 19th APRIL 2005

NEWTEL ACQUIRES GUERNSEY.NET

Newtel Solutions announced today that they have acquired 100% of the share capital of Guernsey.Net Ltd and its wholly owned subsidiary Interactive Online Ltd. Guernsey.Net is the number one independent Internet Service Provider (ISP) in Guernsey and Interactive Online, operating as Local Dial, is one of the first ISPs to be established in Jersey.

Peter Funk, Newtel's Chairman said:

"As a result of the acquisition Newtel has become the largest independent ISP in the Channel Islands. The combination of Newtel and Guernsey.Net is an excellent development for everyone, most importantly, our current and future customers. We now have a collective customer base of over 11,000 customers for our wide range of telecommunications services."

Newtel will combine the operations, facilities, personnel and other resources of Guernsey.Net with Newtel's operations in Guernsey and Jersey. Newtel will move its Guernsey facilities to Guernsey.Net's facilities at St George's Hall, St Peter Port. The recently renovated building comprises 6,750 square feet of offices and a state of the art data centre. The combination of the two companies will have a staff of 35 people, 10 from Guernsey.Net and 25 from Newtel.

Peter Funk further stated:

"The commercial and strategic logic behind Newtel's acquisition of Guernsey.Net is very strong. We will accelerate and improve our service offerings and quality of service to our customers as well as increase our engineering and skills base. We have strengthened our competitive edge for the benefit of our customers and the marketplace."

The acquisition was completed on 13 April 2005. The consideration for the transaction has not been announced.

Release Ends –

Press Conference:

Newtel Solutions will hold a press conference in Guernsey on Tuesday 19th April 2005 at 10:00am. The press conference is being held at the Café Victoria, Guernsey Museum (Candie Gardens Café), St Peter Port.

General information for Editors:

- Newtel Solutions is an alternative telecommunications carrier in Guernsey and Jersey.
- As a combined group Newtel and Guernsey.Net will offer a broad range of services including inter island and off island private circuits, voice, cable television, managed lease line Internet access, independent networks as well as broadband Internet access for the residential and small business market.
- Following the acquisition, Newtel Solutions will have a combined staff of 35 people, 10 from Guernsey.Net and 25 from Newtel.
- Newtel and Guernsey.Net will combine offices and facilities in Guernsey. Newtel will move from Town & Country to Guernsey.Net's building which contains some 6,750 square feet of space on three floors including a recently completed state of the art data centre.
- Newtel Solutions has been in operation since 1988 and was awarded a Public Telecommunications Operators licence in Guernsey in November 2002 and in Jersey in January 2003.



- Newtel Solutions provides services between the Islands, France, the United Kingdom and beyond via telecommunications capacity contained within the Channel Islands Electricity Grid.
- Newtel Solutions provides services on Island via its owned and operated fixed and wireless networks as well as facilities leased from the incumbent providers.

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