



BSX ANNOUNCEMENT

LOCAL TELCO ANNOUNCES MAJOR ACQUISITION PLANS

17 October 2006

The directors of Bendigo Community Telco (BCT) have today announced plans to purchase the business assets of Bendigo Communications Pty Ltd, one of central Victoria's highest profile and most respected telecommunications businesses.

The directors said the acquisition was expected to generate substantial benefits for Bendigo Community Telco shareholders and the wider community, bringing together two local businesses who shared a passion for regional Australia and who were committed to the communities they serve.

Bendigo Communications was created by principals Neville and Jayne Boyle in Boort 25 years ago. The firm operates from premises on High Street at Kangaroo Flat and has 17 employees.

Bendigo Community Telco chairman Rob Hunt said there was potential to boost the company's turnover by as much as 50 per cent under the deal, which is BCT's first major acquisition.

"There are many wonderful and positive synergies surrounding this exciting announcement for Bendigo – in one sense it's a union of the old and the new, while in another it's all about two organisations absolutely committed to Bendigo and the wider region coming into the one fold in order to work together on future opportunities in business and in the community."

"We believe it's a win-win situation for customers, for business, for shareholders and for the community."

Mr Hunt said staff of both organisations had been informed of the proposed acquisition and that all positions would be maintained as part of the commitment to growing the business and continuing to provide the excellent customer service and support that would underwrite all future endeavours.

Mr Hunt said that the principals of Bendigo Communications Pty Ltd had recognised and appreciated the commitment of BCT to ensure that wealth generated in the local region remained in the local community, and the support the community has given them in the past 25 years had helped create and

maintain a strong and sustainable business that would now help build the region's capacity even more.

"That's why Neville and Jayne are keen to stay on in the new business and work as part of the expanded Bendigo Community Telco team once the sale processes have been finalised," he said.

The announcement caps a spectacular 13 months for Bendigo Community Telco, since it became the first local company to list on the Bendigo Stock Exchange for 50 years when it made its debut on September 30, 2005.

In the past 12 months, BCT recorded growth in sales in excess of 18 per cent and returned fully franked dividends worth 8.5 cents a share to its shareholders.

Bendigo Community Telco is a publicly listed company providing local calls and line rental, long distance calls, mobile phone services, dial up and broadband internet and many other telecommunication services for the local market. The company enjoys strong customer loyalty and support based on this positioning and the associated customer service it provides.

BCT works with both business and households, and its recent advertising campaign starring nationally acclaimed actor, Bud Tingwell, has attracted great interest in its unique proposition of a locally owned company that keeps Bendigo dollars in Bendigo.

ENDS

Inquiries

BCT chief operating officer
John Warmbrunn
Phone 5454 5000