



Release to Australian Stock Exchange

Interactive Telephony Update

13 December 2006

On 7 September 2004 the Company announced to the ASX that a dispute had arisen under a commercialisation transaction entered into in June 2000, the Interactive Telephony Partnership (ITP). The dispute related to the appropriate Exit Price payable to the partners on winding up the transaction. The nature of the dispute and the disputed amount of approximately \$5.2 million has been disclosed under Contingencies in the Company's annual reports for the last three years, most recently in Note 21 of the 2006 Annual Report.

At the time of the announcement the Board advised that it disputed the claim and would obtain legal and tax advice. Since then it has been assessing its position in conjunction with its advisers, Arnold Bloch Leibler.

As a result of the disallowance of tax deductions claimed by the partners the Company has also submitted a claim to the tax office for a compensating adjustment to reinstate the Company's tax losses corresponding to the disallowed tax deductions.

The Company now advises that it has received formal documentation by way of a writ from the ITP partners initiating formal legal action to recover the disputed amount (including interest and damages).

The Company's position remains that it disputes the claims by the ITP partners and will defend this action. In addition the Company intends joining other parties to the original transaction, including advisers, in this action.

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