

**Opening Talk by Alistair Grieve, Reach CEO, at the Reach Singapore launch
Singapore, 11th October, 2001**

Thank you David,

I am delighted to be in Singapore again. It's good to see so many of you here, and so many old friends.

In the eight months since the formation of Reach in February this year, the global telecommunications industry has experienced increasing turmoil. The bursting of the dotcom bubble last year captured a lot of attention because of the novelty of the consumer's new relationship with the internet, and because the making and losing of personal as well as corporate fortunes made for some interesting human stories which sold newspapers. But the more recent events in the less glamorous telecommunications infrastructure business have been of much greater and longer-term importance from a global financial perspective. Hundreds of billions of dollars of shareholder value have been obliterated, and debts of hundreds of billions more are in doubt as major bankruptcies have taken place on an almost weekly basis.

On the one hand, the excess capacity supply and falling prices may turn out to be a windfall for customers of these services, but on the other, customers have been forced to become more and more concerned about network quality and customer service levels that have not lived up to the promises of some service providers. Not to mention the worry about whether some service providers will even be in business at all in three months time... or even in a position to pay not just for the odd service break but for a complete cessation of service.

Against this background, there are four words I would like to emphasise which I believe describe Reach: stability, quality, service and value.

Stability, because Reach is built on a sound financial base and a long heritage. We do not have an impending financial crisis; nor do we have umpteen Terabits of capacity lying idle on our balance sheet. Reach and our antecedents go back to the first submarine cables in Asia in the 1870s; and there is absolutely nothing to stop us being around for at least another century. In our advertising campaign you will hear us talk about our heritage because we are proud of it. Don't equate that to Reach being old-fashioned, for our technology is a match for anyone. Reach is the modern product of generations of hard work, investment, innovation, experience, team-building and of serving customers well. That provides a stable foundation.

Quality, because our network is engineered to the highest standards. Don't be fooled by waffle about "legacy networks", where anything that is more than two years old, using anything other than Internet Protocol, or capable of carrying anything less than a Terabit is, according to some, a thoroughly bad thing to be avoided at all costs. Of course our network includes the very newest and high capacity systems, but the so-called "legacy" of diverse routes ensures the highest levels of availability. Let me give you an example. Right now, the China-US cable is broken in two places and SeaMeWe-3 is broken in one place in the Taiwan Strait. This is a very, very unusual event and is one of the worst cable fault incidents in recent times, but our diverse network has ensured total continuity of service for our customers. That is our guarantee, and we will have even more confidence in our network as new systems such as Japan-US, APCN-2, and Australia-Japan come into service over the next few months.

Service, because while we are investing a lot in customer relationship management systems, we know that the human element remains of paramount importance in building excellent relationships with our customers. This is especially true for a company such as Reach where our customers are relatively few in number but of very high value. Most of our staff have many years of experience in this industry and every one of them is fully aware that providing first-class service and good customer relationships is the key to the long-term success of any business. We know that it is in our interest as much as it is in the interests of you, our customers, to provide you with the very best service, to listen to what you have to say to us and respond accordingly

Value, because Reach is the largest international carrier in Asia, and whichever way you measure it, among the very largest in the world. That means we have economies of scale and low actual unit costs. Not just low theoretical unit costs of idle capacity, but low actual unit costs in a network with a high utilisation factor. That ensures that our customers can always be assured of a good value proposition from Reach, while ensuring also that Reach can continue to operate its business profitably and sustainably, thus bringing us right back to the first point about stability – our stability and reassurance to you that we will be around to serve you long after many other service providers have ceased to exist

This is an important occasion for Reach. We are primarily an Asian international carrier – in fact as I said the biggest - with operations in Japan, Korea, Hong Kong, Thailand, Malaysia, the Philippines, Australia, Indonesia, and India. Through associated companies our Reach extends to China and Taiwan and we have a presence in Europe and North America. But Singapore, which has always been a major hub for telecommunications in Asia, is of special importance as one of Reach's largest business units.

Let me finish up by saying Reach is serious about Singapore and building solid relationships with our customers here. We are here to serve you, our customers and our friends, and tonight we'd like to show you how. Please roll the tape.

(Roll tape on corporate video)

(End of tape, lights up)

Thank you for joining us. If you have any questions our sales team, David, or myself, will be glad to answer them.