

## **REACH agrees new loan terms with its lenders and announces redesign of its organisational structure**

**Hong Kong, April 14, 2003** – REACH announced today that agreement in principle has been achieved with its lenders for the amendment of the REACH group's US\$1.5 billion syndicated term loan facility. Details of the in-principle agreement with REACH's lenders are contained in the stock exchange announcements issued today by PCCW and Telstra in their respective markets<sup>1</sup>.

Dick Simpson, REACH Chief Executive Officer, said the proposed amendments provide REACH with greater financial flexibility and the appropriate capital structure to compete effectively in today's market. He also explained that other initiatives were underway to ensure REACH retains its market leadership.

"We have witnessed a paradigm shift in the business environment in which REACH operates, so we have redesigned the company's organisational structure accordingly," he said.

"The new structure is strongly customer-focused and also seeks to minimise costs and maximise revenues. Inevitably, this will lead to redundancies, and we've already initiated a voluntary staff separation program.

"Simultaneously, we have embarked on a major campaign to minimise other fixed and variable costs across the entire organisation.

"With these amendments to REACH's loan facility and the company restructuring, REACH is well positioned to maintain its leadership position in the Asian wholesale sector."

### **About REACH**

REACH is a 50-50 joint venture between Hong Kong-based PCCW Limited and Australia's Telstra Corporation Limited. It is Asia's largest international carrier of combined voice, private line and IP data services. It is also one of the world's top ten carriers of international voice traffic. REACH's products and services include an extensive portfolio of voice, data, IP and satellite connectivity. The company has interests in more than 50 submarine cable and satellite systems (including Asia's largest teleport), and operating licences and landing rights in most major markets including Hong Kong, Japan, Korea, Taiwan, Singapore, Australia, North America and Europe. REACH is headquartered in Hong Kong, with a significant presence in Australia and substantial businesses across Asia, North America and Europe. The company posted annualised revenue for fiscal 2001 of US\$1.396 billion and EBITDA US\$434 million. For further information, please visit [www.reach.com](http://www.reach.com)

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<sup>1</sup> Copies of the Telstra ASX announcement and the PCCW HKSX announcement are available on [www.telstra.com](http://www.telstra.com) and [www.pccw.com](http://www.pccw.com) respectively.

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