BUSINESS CONNECTIONS

aap Communications Services

SUMMER 1996

AAPCS stars in four Galaxy Pay TV Projects

Four contracts worth $2.4 million to install major MDS transmitters for Galaxy has placed AAP Communications Services (AAPCS) in a strong position to bid for future business in the booming pay television industry.

The first transmitting site - on a 100 metre communications tower at Horsley Park in Sydney's west - was successfully commissioned by the Radio Systems unit on August 21 and the other three - at north Adelaide, Geelong and Dandenong were completed in January, 1996.

"This was our first venture into the Pay TV business as a supplier and installer of transmission equipment," said Adam Gajda, Manager, Engineering Projects. It put us in a good position to bid for the whole range of regional MDS licences which went to tender late in 1995.

"There will be some 30 transmission sites in total, and we will be very competitive."

Galaxy is owned by Australis Media Ltd, which bought up most of the capital city MDS licences auctioned by the Federal Government in 1994 to get a jump on its Pay TV rivals. Galaxy commenced services in January last year, followed by Optus Vision in September and Foxtel in October.

The Horsley Park transmitter extends their coverage of the western and some southern suburbs of Sydney and the Geelong and Dandenong sites as well as the North Adelaide site will substantially extend their signal reach around Melbourne and Adelaide.

Galaxy staff had also visited the United States to inspect the factory of EMCEE Broadcast Products at White Haven in Pennsylvania and EMCEE had responded by making sure all of their equipment was here on time.

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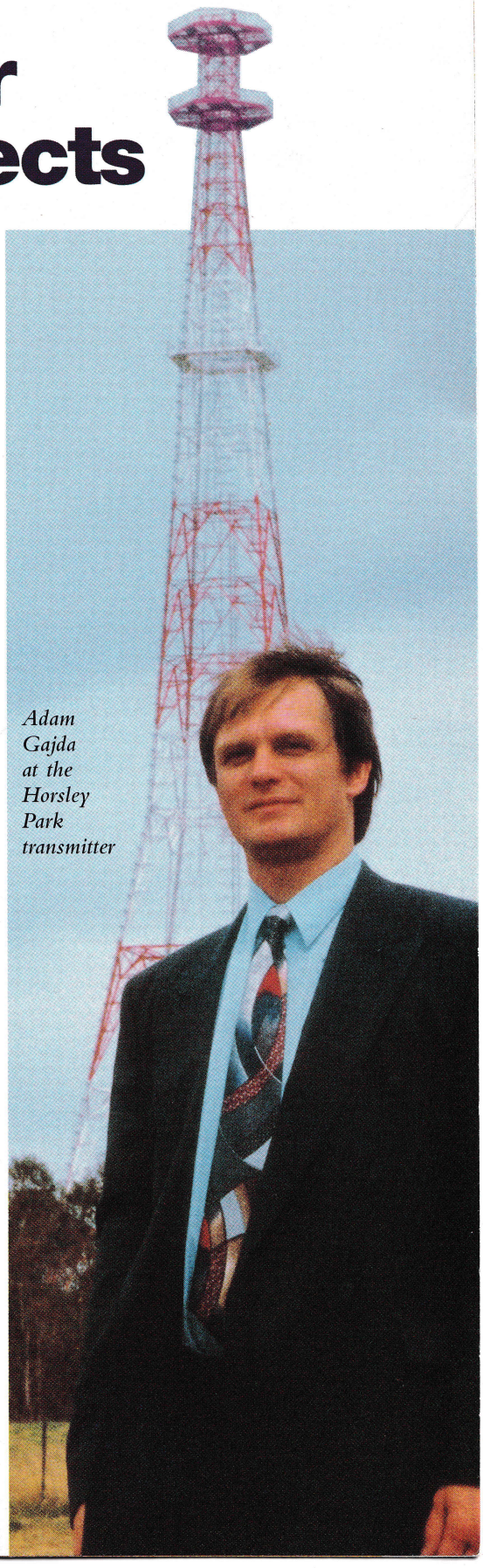

Adam Gajda at the Horsley Park transmitter

From left: Ian Evans, MDS Planning Co-ordinator Galaxy Media, Adam Gajda, Manager Engineering Projects AAPCS, Bill Ayoub, assistant RF Engineer and Simon Fong, Transmission Engineer, Galaxy Media.

AAP Companies work together to provide Client Solutions

AAP Communications Services (AAPCS) and its sister company, AAP Telecommunications (AAPT), are combining more frequently to provide an integrated solution for clients.

In an exciting new project, AAPCS and AAPT are partnering to supply voice and fax mail services to all Queensland Government departments under a three-year contract with SunNET, a subsidiary of Pacific Star.

Bill Cowper, State Manager Queensland for AAP Telecommunications, said, "We see this service as one of many ways that we can help corporate and government enterprises in Queensland, and we look forward to its rapid growth."

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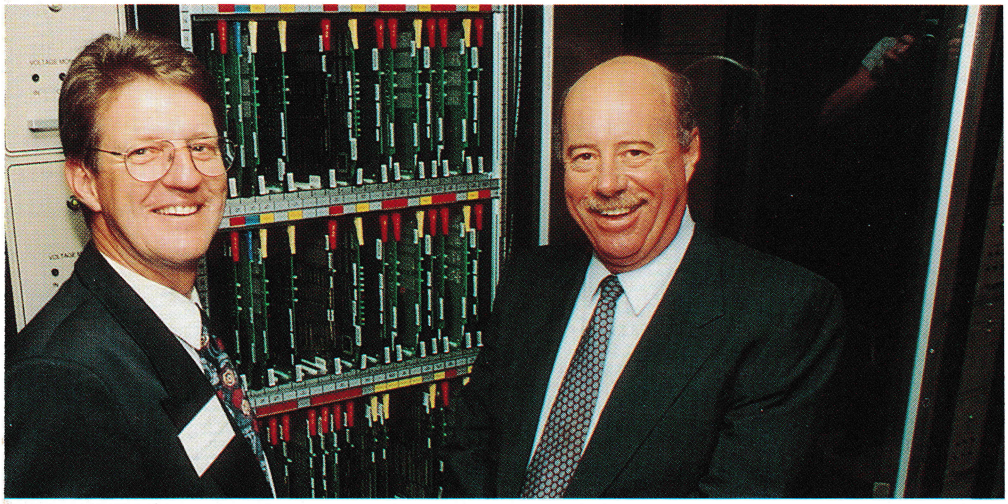

From left
Bill Cowper, Queensland State Manager, AAPT and Glen Milliner, Minister for Administrative Services

FROM THE CHIEF EXECUTIVE'S DESK

AAP Communications Services (AAPCS) has some considerable achievements to celebrate, and I want to share with you the highlights of our fiscal year ended 31st December.

Year on year revenue growth exceeded 100 per cent for the second consecutive year with profitability increasing by 135 per cent in 1995.

Our market positioning has changed dramatically from, dare I say, a bit player in a number of market segments to a substantial player in all of them. We are now recognised as a formidable competitor in the market with a reputation for the ability to deliver complex solutions.

The secret of our success - I'm happy to share with you - is people.

As technology solutions become more complex, we as a company are increasingly reliant on people to provide the skills needed to address the critical requirements of our customers.

Staff working for our customers are required to possess a similar skill level to be able to specify solution requirements and assess vendor responses.

Simply put, it still remains a people to people business, wherein we all rely upon the ability of our staff to be able to absorb the constant flow of new technology releases and to convert this information into competitive advantage for vendor and customer alike.

But of course human beings are not machines. They are not driven by software, chips or megabytes, zeros or ones. We, luckily, are driven or motivated by a different set of criteria, emotional, physical, monetary, social and educational, all of which continue to change as we ourselves travel down our own highways of life.

There are the simple basics of life - common courtesy, good manners, graciousness, professionalism, customer satisfaction and service with a capital "S".

We still live in a world that relies on people for its survival and its character, and this is true of any business. It is the people who make it a success or failure: the technology only affects the efficiency or speed of operation - it doesn't change the end result.

So as we all ride down this futuristic road to glory, this global information superhighway, let us not forget who we travel with and for whom. People!

Let us not forget that both our staff and our customers and suppliers are still people who require encouragement, counsel, direction and purpose, but most importantly, personal interaction and recognition for effort expended.

Technology is a tool, not a replacement for human endeavour, or the human interface.

At this point, may I offer a simple thank you for your support and your own personal interaction, and may I wish you, from all at AAPCS, a happy healthy and successful New Year.

Terence I. Nickolls
Chief Executive Officer

AAPCS wins new satellite contract

A $3.75 million contract has been won by AAP Communications Services (AAPCS)to supply a satellite communications and data monitoring network along the new 1,380 kilometre natural gas pipeline through Western Australia's remote mining regions.

The pipeline, which runs from Yarraloola near the Dampier offshore gas fields to Kambalda just south of Kalgoorlie has been described as one of Australia's most important resources projects.

It will give the goldfield townships and other major mining operations along its route, which presently use diesel to run their operations, the option to switch to natural gas and achieve considerable savings.

The pipeline is being built by Goldfields Gas Transmissions Ltd, a subsidiary of three of Australia's major mining houses BHP, Western Mining and Normandy at a cost of $480 million.

"Satellite's potential has not been fully utilised in Australia"

The AAPCS contract is for 20 Personal Earth Stations to carry monitoring services at key points along the route networked back to pipeline control centres in Perth and Kalgoorlie via the AAPCS Metropolitan Earth Stations in Perth and Sydney.

Earth stations will be set up at Yarraloola, Wyloo West, Paraburdoo, Turee Creek, Newman, Newman Terminal, Ilgarari, Three Rivers, Ned's Creek, Wiluna, Mt Keith, Mt Keith Terminal, Leinster, Leinster Terminal, Leonora, Jeedamya, Kalgoorlie North, Kalgoorlie North Terminal, Kalgoorlie West and Kalgoorlie South. The project is split into two stages with six of the earth stations having to be operational by February 1, 1996, and the remaining 14 by June 1, 1996. Using the Hughes Network Systems LAN networking platform via satellite, AAPCS will carry a management and communications system for the gas pipeline company, enabling it to remotely monitor and control gas flows, pressure, temperatures and obtain meter readings at the offtake points.

Bill Haughton, Sales Executive - Radio, who has spent most of his first six month at AAPCS in tendering negotiations, said the contract was won against very tough competition from six other satellite systems providers. "Satellite's potential has not been fully utilised in Australia," Bill said, "largley due to the Federal Government protection of the Optus space segment monopoly. However, with deregulation looming, Optus will be required to offer more competitive pricing.

"Hughes for example has over 80,000 PES installations worldwide, with more than 25,000 of them using the LAN platform.

"Once we have this network in place, we will be in a strong position to bid for further business from the major mining companies which are working in those remote areas of Western Australia to use our satellite links for their own communications purposes.

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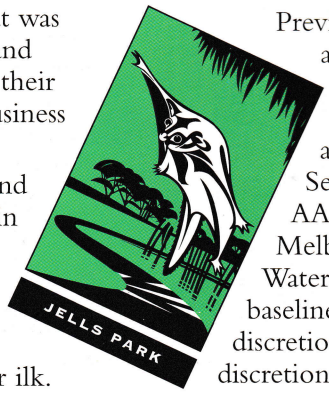
The route of the new gas pipeline

Life in the fast lane with Melbourne Parks and Waterways

When the newly-corporatised Melbourne Parks and Waterways wanted a service provider with the same exacting quality standards that it sets for itself, it chose AAP Communications Services (AAPCS).

"We worked very hard at finding a company that was attuned to our needs and which was a leader in their field," Joe Stanecki, Business Systems Manager said.

"Melbourne Parks and Waterways is a leader in the field of recreation management and we wished to form alliances with organisations of similar ilk. AAPCS fits in very well with us and we have formed a very strong partnership."



AAPCS has effectively become the information technology arm of Melbourne Parks and Waterways which already has plans for a series of IT projects expected to be worth around $2 million over the next three years.

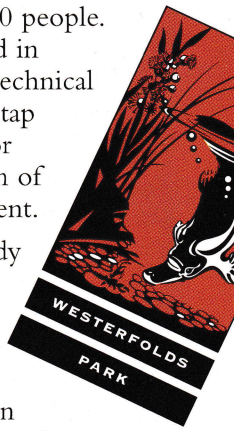
Under a two-year contract awarded on October 1, 1995, AAPCS is responsible for the support and maintenance of the critical backbone structure of the networks accessed by Melbourne Parks and Waterways 300 employees across Melbourne.

These range over 36 offices from the headquarters at Kew to their new centres at the Dandenong Ranges and Albert Park - home of the Australian Grand Prix from 1996 - to heritage buildings such as Werribee Park and mobile buggies servicing suburban parks, gardens and sporting facilities.

Previously Melbourne Parks and Waterways had been contracted to a single service provider. The awarding of the Support Service Contract to AAPCS has enabled Melbourne Parks and Waterways to differentiate baseline services from discretionary services. Within the discretionary services, several contracts have already been awarded to AAPCS with more in the pipeline.

Mr Stanecki said that Melbourne Parks and Waterways, formerly part of Melbourne Water, which became an autonomous corporation on July 1, 1994, was technology driven with none of its business infrastructure more than three years old.

"We are in a very strong growth phase. We've grown by 25 per cent over the past 12 months and will grow by a further 10 per cent next year and the following year." The Business Systems group has a staff of three, but through our AAPCS Account Manager Don Oakes, we have access to 200 people. We are not interested in having an in-house technical group when we can tap into that expertise for advice and evaluation of projects and equipment.



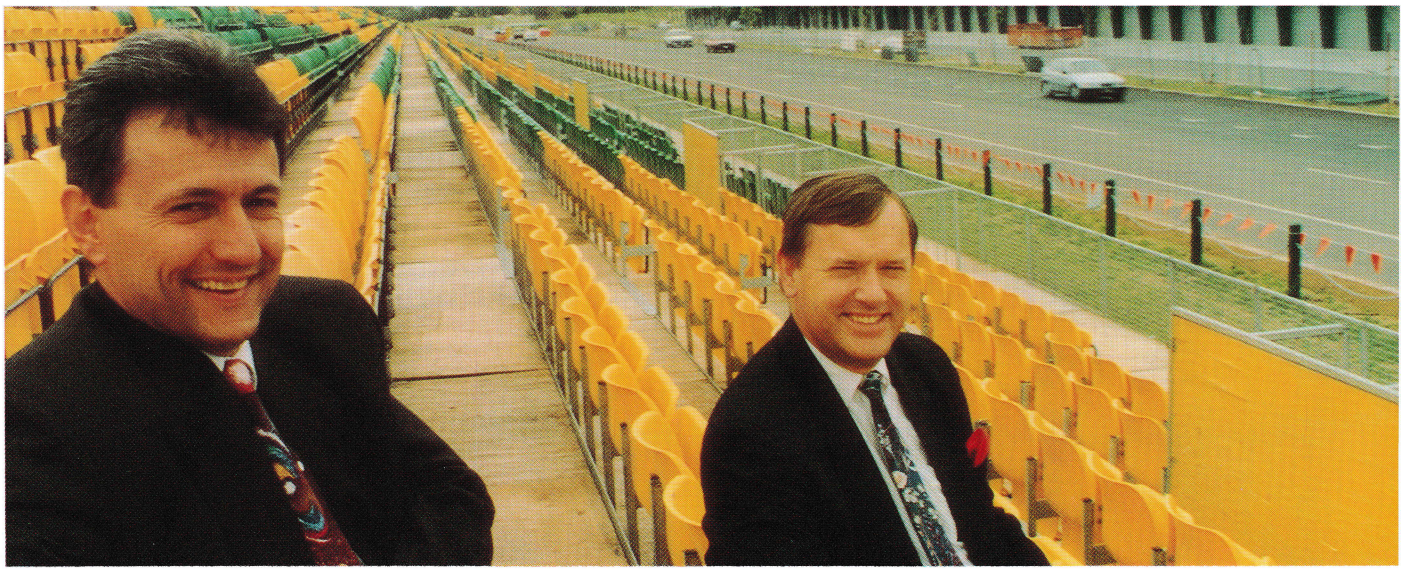
"AAPCS has already come up with novel innovative solutions to our technical requirements and they've carried out an extraordinary amount of investigation and analysis work in documenting what we have at the moment. We'll reap the rewards of that when our new Novell management system goes in very soon."

Mr Stanecki said Melbourne Parks and Waterways faced major challenges in changing from a geographically based to a resource based structure.

"We have a mobile workforce with officers likely to be working out of another site for anything from an hour up to three months on secondment. We needed to ensure we have instant communications with all sites and a robust system that can provide everyone with full operating functionality wherever they are working."

Melbourne Parks and Waterways

From left Joe Stanecki Business Systems Manager Melbourne Parks and Waterways and Don Oakes Account Manager AAPCS, pictured near the finish line of the new Grand Prix Track at Albert Park.



also contracts out all the maintenance work on the 5,855 hectares of parkland it owns and manages across Melbourne.

"Our role is the overall management of Melbourne's parks and waterways and making sure that we have facilities available where and when our customers demand them. Increasingly that means international and interstate visitors as well as local residents."

Current AAPCS projects include systems for selling tickets and recording ticket sales, booking ovals and sporting facilities and rostering staff.

Melbourne Parks and Waterways is also keen to extend its computer facilities to its mobility buggies - similar to golf carts - which it uses as mobile public information booths. Fitting these carts with computers will allow park rangers to sell tickets to the public, provide them with maps and other information and even send digital images back from remote sites.

Melbourne Parks and Waterways is also developing a Spatial Data System, allowing users to click on aerial photographs, to identify and access information on buildings, parks and even plants and to use touch screen technology to book venues.

AAPCS will be assisting in specifying the method of delivery of information to each user.

AAPCS has also acted as project manager for the relocation of Melbourne Parks and Waterways to their new centre on the lake at Albert Park in February, 1996 and is installing new LANs there and at Dandenong.

"We are responsible for the management of Albert Park and have a shared responsibility with the Australian Grand Prix Corporation to provide the infrastructure required for the event, which will take place in March each year," Mr Stanecki said. "That work is taking place as part of the master plan to rehabilitate the whole area as a high quality lakeside city park. Some 40 run down or derelict buildings are being removed and carefully sited new buildings will greatly expand the range of indoor sporting facilities, as well as the new rowing centre, soccer ground and upgraded yachting precinct."

Don Oakes said that in total, AAPCS was currently involved in 85 individual projects with Melbourne Parks and Waterways. "We will have an engineer permanently on site until January 30, after which all its networks will be remotely controlled from the Melbourne REACH* Centre," he said

The baseline contract is to bring all Melbourne Parks and Waterways systems up to a level that will meet their specified performance criteria. This so far has included reinstallation of their Novell 4.1 WAN, to improve performance and provide access for stand alone PC users to dial up and operate as if they were directly connected to the system.

* *REmote Administration and Control Hub*

AAPCS wins new satellite contract

CONTINUED FROM PAGE 3

"Given the difficulties associated with providing communications within such a vast continent, satellite offers a viable alternative to costly terrestrial solutions."

Bill said the pipeline project was a high profile undertaking in Western Australia which had had to contend with several sensitive environmental issues along its route, with any disturbances caused to undergo intensive rehabilitation.

"Companies along its route are switching all their diesel-powered equipment to gas. They must be guaranteed a constant supply. Any interruption to the gas flow would have serious consequences for their operations and the pipeline company needs to meter gas flow for charging purposes.

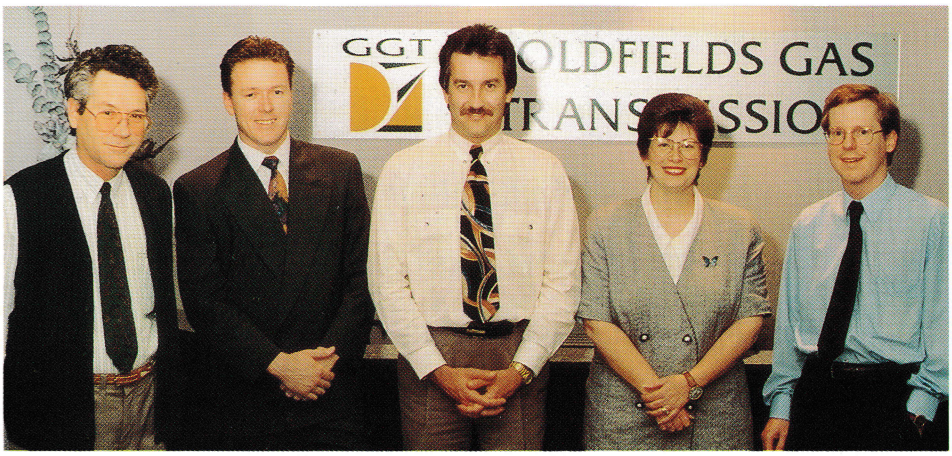
"The pipeline will be made of 350mm to 400mm diameter steel pipes, fully welded and coated to protect against corrosion and will be buried a metre underground.

"Our strong Western Australian presence was very important in helping win the contract.

"The contributions made by Garry Dawson and other members of his team were also vital to the success of our tender proposal."

The AAPCS agreement is with Goldfields Gas Transmissions Ltd, with the Perth office of the consultancy company CMPS&F acting as the project manager for GGT on the Goldfields Gas Management and Communications System.

Data from the pipeline will be monitored at GGT's Pipeline Control Centre in West Perth and at the Pipeline Back-up Control Centre in Kalgoorlie. The entire system will be facilities managed 24 hours a day by the AAP Customer Service Centre, tracking the performance of the system and reporting to GGT at regular intervals.



AAPC's Sales Executive-Radio Bill Haughton (second from left) pictured with CMPS&F representatives Ian Gooding, David Lynn, Annie Masterton and Roger Pyne

AAPCS stars in four Galaxy Pay TV Projects CONTINUED FROM PAGE 1

"The Horsley Park site was like a test case for us. Everyone was watching how we would perform," Adam said. The $600,000 project was completed in record time and Australis Managing Director Neil Gamble thanked AAPCS for its efforts at a special lunch at the site the day it was commissioned.

But Adam's most treasured approval is from Galaxy's Signal Distribution Manager Sam Watts, a highly respected figure in the broadcast industry, who expressed his thanks in a two paragraph letter.

The MDS Repeating Sites consist of a satellite earth station to downlink the compressed digital video signals and an associated CDV decoding system which brings the signal down to the baseband level. That signal is then scrambled so that only authorised users can see it. The signal then goes to TV modulators, MDS transmitters, channel combiners and finally to the antenna system, with redundancy or backup built in at every stage.

Adam said the RF signal produced must be extremely stable with a very fine error margin of less than 1 Hz. And because signals from more than one transmitting site overlap, the three Melbourne sites, for example, will have positive, negative and zero precision offsets to minimise interference.

Adam said that any remaining gaps in coverage could be filled in by "beam benders" or very low powered transmitters, which AAPCS also hopes to be chosen to supply.

He said the quality of MDS reception was very good using low-powered transmitters and ultra sensitive antennae.

AAP Companies work together to provide Client Solutions CONTINUED FROM PAGE 2

Voice and fax mail will be offered from early next year as a value-add to Telstra's Spectrum Service which is currently used by the Queensland Government. SunNET account managers will work across 18 state government departments and various public agencies to introduce the AAP service. " There are 26,000 government users of the Queensland Spectrum Service, and this is the first of some exciting enhancements which are being offered to those users at a relatively low cost," said Linda Wattie, Manager, SunNET Marketing. AAPCS is supplying the systems software and hardware upon which the service will be delivered and the specialist technical and support staff to facilitate implementation.

AAP Telecommunications is providing carriage and has overall responsibility for the service to SunNET. Two high-end Octel VMX voice/fax processing platforms will be used to support up to 20,000 mailboxes, 192 ports and 2,170 hours of voice storage. As the service expands the configuration will be expanded to meet requirements. The systems have advanced features such as LAN connectivity so that the contents of voice and fax mailboxes can be viewed and managed from the PC as an alternative interface to the telephone.

"This feature is of particular interest and benefit to people who spend most of their time in front of their PC as is the case with many people in government departments," said Kerry Scotland, AAPCS Product Manager Voice Processing. "Faxes can be viewed on screen. With a click of the mouse, the system will send voice and fax messages to people throughout government or call them at their extension for a live conversation."

The systems will also support automated voice information services to the general public. " This project is representative of the 'Solutions Synergy' available from AAP, where two companies within the Group have worked in tandem," said Jeffrey Roll, Director of Marketing for AAPCS.

DIRECTORS COMMENT

What makes AAP Communications Services (AAPCS) stand out from the plethora of companies purporting to be network integrators?

Several important factors.

AAPCS holds a unique position as part of the AAP Group, completing the triangle of capabilities, from AAPIS - Information Services, AAP Telecommunications - Carrier Services, with our Integration Services.

AAPCS is a truly independent integrator and maintains business relationships with most of the leading suppliers in the industry. We are building on our market reputation as a reliable implementor of network technologies. We achieve this by focusing on products and services to enhance the productivity of our customers' business.

Fundamental to the success of any service provider in today's market is the need to establish an efficient, fast and user friendly customer service interface which needs to have as its basis, the latest software systems available to enhance the human element.

The AAPCS Customer Service Centre is at the forefront of this transformation as the technical and remote service hub of the company.

The Centre is being redeveloped by Graeme Reynolds and his team with new service management systems, in-depth technical training and personal communications skills.

Our network management centres will become a business entity focused on delivery of remote network management services.

Customers will enjoy the benefits of single point of service contact and rapid remote response to their service requirements from an expert and closely-managed support group.

AAPCS is focused on services that present genuine value to our customers.

Mal Chandler
Director of Services

Voice expands into New Zealand

The AAPCS New Zealand team (from left): Elaine Pram, Gavin Jones, Roy Cullum, Michael Green and David Davies

AAP Communications Services (AAPCS) is expanding its New Zealand operations with the appointment of a National Sales Manager, a second sales executive and a facilities support manager.

"The extension of AAPCS' Distributor Agreement for all Octel voice messaging products to include New Zealand from January 30, 1996, meant we needed more staff to effectively cover the territory," Director of Marketing Jeffrey Roll said.

"Stuart Clarke, the top salesperson in his field in New Zealand, is the National Sales Manager and David Davies, who also has excellent credentials, is the new sales executive."

A third person is to be added in facilities management, providing training for customers.

AAPCS currently distributes Octel's Aspen range of products in both Australia and New Zealand and its new Overture and VMX products only in Australia.

"This is an exciting addition to our territory," Kerry Scotland, Product Manager, Voice Processing, said. "The voice processing market continues to be buoyant with a wealth of opportunities as computers and telephony hardware begin to converge.

"The New Zealand voice processing market is particularly dynamic. New Zealand's business sector is very innovative and voice processing has been embraced by all industry segments and organisation sizes."

AAPCS has installed some 200 Octel systems in Australia and New Zealand. Most of these are more than 8 ports ranging to a 144 port networked system solution.

New Zealand Country Manager Roy Cullum said, "To many Australians, New Zealand is a place for holidays, but it's also the land of a very successful economic experiment that has brought boom times for business."

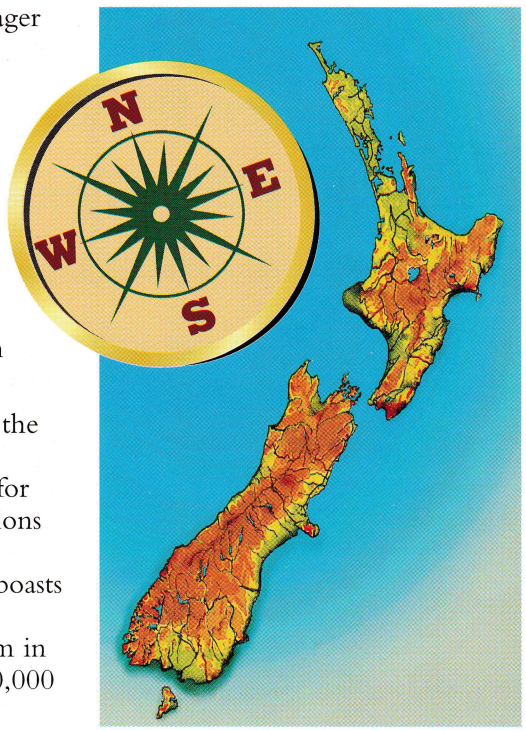
AAPCS was established in Wellington in 1987 and its six staff members are split between there and Auckland.

Its primary activities include the installation and support of the Octel voice processing system for Telecom Mobile Communications Limited, (TMC) a branch of Telecom New Zealand. TMC boasts the largest cellular voice information processing platform in Australasia with more than 100,000 active customers.

AAPCS provides 24 hour countrywide backup and support services for this platform.

It also provides maintenance and support for Telecom NZ's PictureTel videoconferencing installations and for other PictureTel customers.

Other members of the New Zealand staff are Elaine Pram, who is responsible for administration and finance, and the hands-on technical team of Gavin Jones and Michael Green.



Tanami Network Concept to Extend Across Australia

The Tanami Network, built by AAP Communications Services (AAPCS) in 1992 to link remote Aboriginal communities in the Northern Territory by satellite, is to be duplicated across northern and central Australia at a cost of more than $2 million.

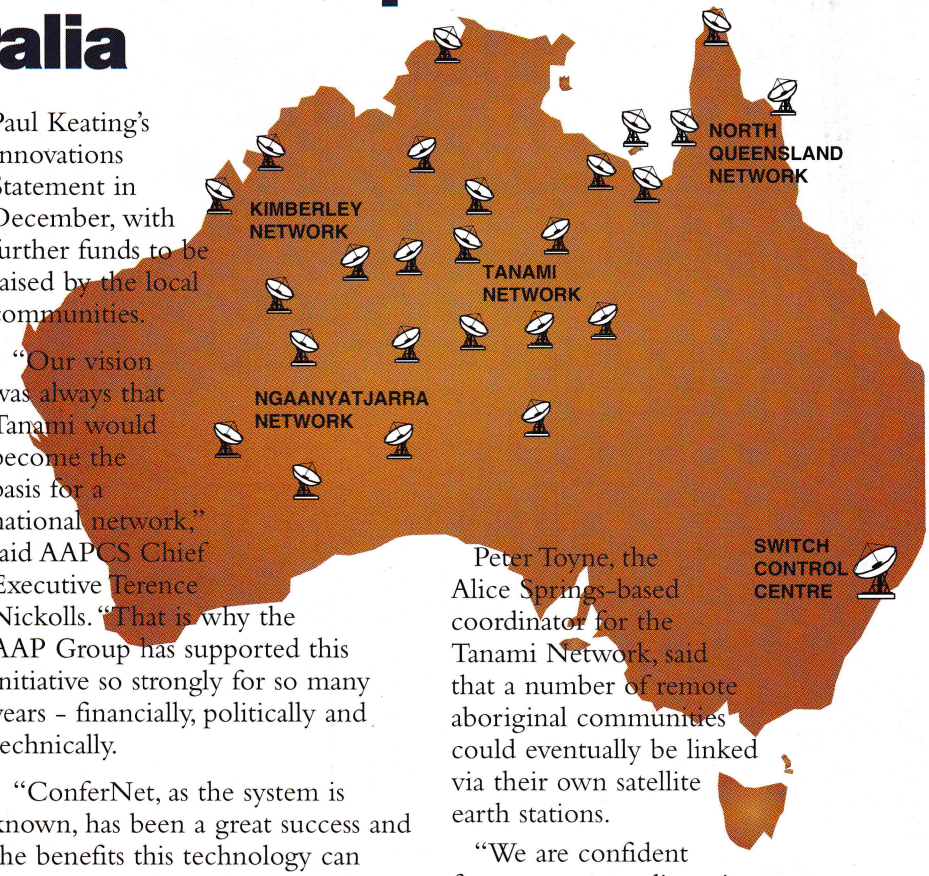
The new funding will make it possible to establish several similar networks, linking 20-25 outback settlements in far north Queensland, Western Australia and central Australia.

Tanami uses sophisticated video conferencing technology, via satellite, to provide a range of Government services as well as commercial and cultural links between Darwin and Alice Springs and the Aboriginal communities at Lajamanu, Willowra, Yuendumu and Kintore.

Funding for the new networks was announced in Prime Minister Paul Keating's Innovations Statement in December, with further funds to be raised by the local communities.

"Our vision was always that Tanami would become the basis for a national network," said AAPCS Chief Executive Terence Nickolls. "That is why the AAP Group has supported this initiative so strongly for so many years - financially, politically and technically.

"ConferNet, as the system is known, has been a great success and the benefits this technology can bring to people in those remote areas can only increase as the new networks are established."

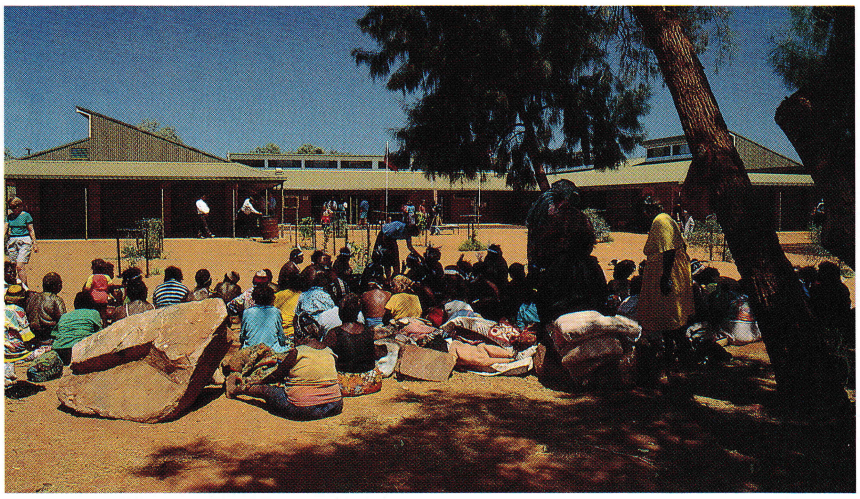


Peter Toyne, the Alice Springs-based coordinator for the Tanami Network, said that a number of remote aboriginal communities could eventually be linked via their own satellite earth stations.

"We are confident from our recent discussions that the Queensland Government will provide funding, and possibly Western Australia too", Mr Toyne said. "We're anxious to extend the functionality of the network and engineering solutions are now being worked out with AAPCS in Sydney.

"They understand the culture and environment of those remote areas, and their support for Tanami has been tremendous.

"The national indigenous radio network, which is to be established with funding from the Innovations Statement, could be blended into the same network since it also uses digital and satellite technology."



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