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MARKET ANNOUNCEMENT

5 November 2008

Zintel Group Ltd (NZAX: ZIN) today advised that the New Zealand 0800 business (Zintel Communications Ltd) has lost a significant revenue stream from its largest customer. Accordingly profitability of the Group will be affected to some degree in the second half of this financial year and to a greater degree in a full twelve month period. The lost revenue from this specific customer is expected to amount to around \$800k for the remainder of this financial year and is unlikely to be replaced by winning new customers in the ordinary course of business.

Zintel Group Chairman, Nick Gordon, says "This loss, whilst very disappointing, is no reflection of the high quality of our service offering, but due to this customer becoming a Toll free carrier and now managing much of its own 0800 call traffic. Zintel half year result to 30 September 2008 will not be affected by this loss and we are expecting to announce a sound half year result, albeit lower than the corresponding period last year which was a strong first half year."

The Company expects to announce the half year results on 21 November 2008, once the audit review is complete.

Zintel Group continues to pursue its strategy to acquire new businesses in the technology sector to complement the group's current activities, although no announcements are imminent. The acquisition of the Commspec business from Downer Engineering announced in June has now been fully integrated into Zintel's Enterprise business, which focuses on supplying telephony solutions based around Aastra Enterprise (formerly Ericsson), Alcatel-Lucent and Samsung telephony products.

The recruitment process for position of General Manager, Zintel Communications Ltd is also continuing and an announcement will be made in due course.

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Background of Zintel Group Limited

Zintel Group Limited (www.zintel.co.nz) comprises two businesses, Communications and Enterprise, which provide businesses with everything from Toll free services to complete state-of-the-art telephony and ICT solutions. Established in 1995 and listed on the NZAX in November 2003, Zintel now employs over 120 staff with offices in Auckland, Sydney, Wellington, Christchurch and Dunedin.

For further information:

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