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19 September 2006



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Dear Shareholder

FONE ZONE ANNUAL GENERAL MEETING 2006

On behalf of the Board of Directors, I invite you to attend Fone Zone's Annual General Meeting to be held in the Clayfield Room, **Brisbane Riverview Hotel**, Cnr Kingsford Smith Drive and Hunt St, Hamilton, Brisbane on Monday **23 October 2006**, commencing at 2.00pm.

The attached Notice of Meeting sets out the business to be dealt with at the AGM.

If you plan to attend the meeting, please bring the enclosed proxy form with you to speed your registration for entry to the AGM. If you are unable to attend the meeting, I encourage you to exercise your vote through a proxy.

A proxy form is enclosed, and instructions on how to appoint a proxy are on the back of the form. Proxy forms must be received by 2.00pm Brisbane time on Saturday 21 October 2006 to be valid for the meeting.

A Shareholders' Questions form is enclosed which may be completed and sent back to the Company before the meeting. Questions will be collated and during the meeting, I will endeavour to address as many of the more frequently asked questions as possible and, where appropriate, will give the representative of the auditor, Ernst & Young, the opportunity to answer questions submitted to the auditor. However, please note that there may not be sufficient time available at the meeting to address all questions.

As soon as practicable after the meeting, a summary of the questions and answers will be made available and posted on the Company's website under the Investor Relations section. Where it is not possible to address a question at the meeting, an individual response will be sent to the Shareholder who raised the question.

If you have not previously requested us to directly credit dividends to your bank, building society, or credit union account, a form for this purpose is enclosed. I encourage you to complete and return this form. Direct crediting of dividends helps us to reduce costs.

I hope to see you at the AGM.

Sincerely

T B Finn AO
Chairman





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Fone Zone Group Limited

ACN: 113 178 519

Mark this box with an 'X' if you have made any changes to your address details (see reverse)



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Proxy Form

All correspondence to:

Computershare Investor Services Pty Limited
GPO Box 523 Brisbane
QLD 4001 Australia
Enquiries (within Australia) 1300 552 270
(outside Australia) 61 3 9415 4000
Facsimile 61 7 3237 2152
www.computershare.com



Holder Identification Number (HIN)



Appointment of Proxy

I/We being a member/s of Fone Zone Group Limited and entitled to attend and vote hereby appoint



the Chairman
of the Meeting
(mark with an 'X')

OR

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Fone Zone Group Limited to be held at The Clayfield Room, Brisbane Riverview Hotel, Cnr Kingsford Smith Drive and Hunt Street, Hamilton Brisbane QLD on Monday, 23 October 2006 at 2:00 pm and at any adjournment of that meeting.

Voting directions to your proxy - please mark to indicate your directions

- 1. Re-election of Mr Greg Robertson
- 2. Re-election of Mr Peter Wilkinson
- 3. Adoption of Remuneration Report

	For	Against	Abstain*
1.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Appointing a second Proxy

I/We wish to appoint a second proxy



Mark with an 'X' if you wish to appoint a second proxy.

AND

 %

OR

State the percentage of your voting rights or the number of securities for this Proxy Form.

PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Individual/Sole Director and
Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

In addition to signing the Proxy form in the above box(es) please provide the information below in case we need to contact you.

Contact Name

Contact Daytime Telephone

Date

/ /



How to complete the Proxy Form

1 Your Address

This is your address as it appears on the company's share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker (in which case your reference number overleaf will commence with an 'x') should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) indicate that you wish to appoint a second proxy by marking the box.
- (b) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (c) return both forms together in the same envelope.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, all of the securityholders should sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry or at www.computershare.com.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 48 hours before the commencement of the meeting at 2:00 pm on Monday, 23 October 2006. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged using the reply paid envelope or:

- IN PERSON Registered Office - 67 Links Avenue North, EAGLE FARM QLD 4009 AUSTRALIA
Share Registry - Computershare Investor Services Pty Limited, Level 19, 307 Queen Street, Brisbane QLD 4000 Australia
- BY MAIL Registered Office - 67 Links Avenue North, EAGLE FARM QLD 4009 AUSTRALIA
Share Registry - Computershare Investor Services Pty Limited, GPO Box 523, Brisbane QLD 4001 Australia
- BY FAX 61 7 3237 2152
- BY WEB <http://www.computershare.com/au/proxy/fzn>
- BY EMAIL investor@fonezone.com.au

FONE ZONE GROUP LIMITED

ACN 113 178 519

Registered Office: 67 Links Avenue North,
Eagle Farm, Queensland, 4009

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Fone Zone Group Limited will be held on Monday 23 October 2006 in the Clayfield Room, Brisbane Riverview Hotel, Cnr Kingsford Smith Drive and Hunt St, Hamilton, Brisbane at 2.00pm.

BUSINESS

1. Financial Statements and Reports

To receive and consider the Financial Statements and the Reports of the Directors and the Auditor for the financial year ended 30 June 2006.

2. Re-election of Directors who retire by Rotation

Resolution 1 - Re-election of Mr Greg Robertson

To consider and, if thought fit, pass the following ordinary resolution:

That Mr Gregory J Robertson, a non-executive Director retiring by rotation in accordance with Clause 59 of the Company's Constitution, being eligible, be re-elected as a non-executive Director of the company.

Resolution 2 - Re-election of Mr Peter Wilkinson

To consider and, if thought fit, pass the following ordinary resolution:

That Mr L Peter Wilkinson, a non-executive Director retiring by rotation in accordance with Clause 59 of the Company's Constitution, being eligible, be re-elected as a non-executive Director of the company.

3. Remuneration Report

Resolution 3 - Adoption of Remuneration Report

To consider and, if thought fit, pass the following ordinary resolution:

That the Remuneration Report contained in the company's 2006 annual Report in respect of the financial year ended 30 June 2006, be adopted.

(This resolution is advisory only and does not bind the directors or the Company)

By order of the Board



W L te Kloot
Company Secretary

19 September 2006



FONE ZONE GROUP LIMITED

ACN 113 178 519

EXPLANATORY NOTES

1. Financial Statements and Reports

The Financial Statements and Reports are included in the Fone Zone Group Limited Annual Report for 2006 which has been made available to Shareholders and can be found on the company's website (www.fonezone.com.au) under *Investor Relations*. Shareholders will be given a reasonable opportunity at the meeting to ask questions and make comments on these reports and on the business, operations, financial position, management, and prospects of the Company. The Company's external auditor, Ernst & Young, will be in attendance to respond to questions in relation to the conduct of the audit and the preparation and content of the Auditor's Report.

There is no requirement for the Financial Statements and these Reports to be formally approved by Shareholders.

2. Re-election of Directors

Clause 59 of the Company's Constitution provides that at each AGM, at least one third of the total Directors of the company (excluding the Managing Director) must retire from office. The Directors to retire are those who have spent the longest time in office. Each retiring Director is eligible for re-election in accordance with ASX Listing Rules and the Company's Constitution.

At this AGM, Mr Greg Robertson and Mr Peter Wilkinson are retiring from office, and both are seeking re-election. Their details are:

Gregory J Robertson Non-Executive Director

Greg is a Director of Investec Wentworth Private Equity Limited. He became a Director of Fone Zone in February 2003, and of Fone Zone Group Limited in March 2005. He is a member of the Remuneration & Nomination Committee.

Prior to joining Investec, Greg spent 17 years with a global accounting firm with 8 of these as a partner, and was Chief Operating Officer of an electronic commerce services company for nearly two years.

Greg is currently a Director of AAV Limited (from October 2002), and an alternate Director of Australian Pharmaceutical Industries Limited (from October 2004).

L Peter Wilkinson Independent Non-Executive Director

Peter has held a number of general management positions in leading retail companies, including CEO of David Jones, where he managed the strategic development of their 35 department stores in Australia. He has also been Managing Director of Just Jeans and the Myer Stores Ltd, and Chief Operating Officer of Coles Myer Ltd where he repositioned and managed the growth and development of these companies. He also has widespread experience of corporate governance and investor relations as well as chairing government sponsored research and development programs in the food industry.

Peter joined the Fone Zone Board in March 2005, and is Chairman of the Audit, Compliance & Risk Committee.

The Directors (in each case excluding the relevant Director) recommend that Shareholders vote in favour of Resolutions 1 and 2.

FONE ZONE GROUP LIMITED

ACN 113 178 519

3. Remuneration Report

The Remuneration Report is included in the Company's Annual Report. It sets out the board's remuneration policies, and the remuneration of Directors and Key Managers for the financial year.

Shareholders will be given a reasonable opportunity at the meeting to ask questions and make comments on the report.

The resolution is advisory only and does not bind the Directors or the Company.

The Directors recommend that Shareholders vote in favour of Resolution 3.

ENTITLEMENT TO VOTE

For the purposes of the meeting, shares will be taken to be held by the persons who are registered as Shareholders as at 2.00pm Brisbane time on Saturday 21 October 2006.

PROXIES

If you are a Shareholder entitled to attend and vote, you are entitled to appoint one or two proxies. Where two proxies are appointed, you may specify the number or proportion of votes that each may exercise, failing which each may exercise half of the votes. A proxy need not be a Shareholder of the company.

If you want to appoint one proxy, you can use the form provided. If you want to appoint two proxies, please follow the instructions in point 4 on the reverse of the proxy form.

The company's constitution provides that, on a show of hands, every person present and qualified to vote shall have one vote. If you appoint one proxy, that proxy may vote on a show of hands, but if you appoint two proxies, neither proxy may vote on a show of hands.

If you appoint a proxy who is also a Shareholder or is also a proxy for another Shareholder, your directions may not be effective on a show of hands. Your directions will be effective if a poll is required and your proxy votes.

You may lodge a proxy online at Computershare's internet address below by following the instructions set out on the website. Shareholders who elected to receive their notice of meeting and proxy electronically will have received an e-mail with a link to the Computershare site. To be effective, the proxy form or electronic proxy appointment must be received by Computershare Investor Services Pty Limited at the address, facsimile number or internet address below, or by Fone Zone at its registered office, 67 Links Avenue North, Eagle Farm, Queensland, 4009 not later than 2.00 pm Brisbane time on Saturday 21 October 2006.



FONE ZONE GROUP LIMITED

ACN 113 178 519

WHERE TO LODGE A PROXY

Fone Zone Group Limited share registry:

Computershare Investor Services Pty Limited
Level 19, CPA Building
307 Queen Street, Brisbane, 4000
GPO Box 523, Brisbane Qld 4001
(Please use enclosed reply envelope)

Facsimile +61 7 3237 2152

Lodge proxy electronically at:
www.computershare.com/au/proxy/fzn

email: investor@fonezone.com.au

You can arrange to receive shareholder information electronically, or obtain a replacement or second proxy form, by contacting Computershare on 1300 552 270 (within Australia) or +61 3 9415 4000 (outside Australia) or go to www.computershare.com.au (Investor Centre).

ADMISSION TO MEETING

Shareholders who will be attending the Fone Zone annual general meeting and who will not be appointing a proxy, are asked to bring the proxy form (if they have one) to the meeting to help speed admission.

Shareholders who do not plan to attend the meeting are encouraged to complete and return a proxy form or lodge a proxy online, for each of their holdings of Fone Zone shares.

SHAREHOLDER QUESTIONS

Fone Zone is offering a facility for Shareholders to submit written questions in advance of the meeting. To submit a written question, please complete and return the accompanying form, or submit the question online, in accordance with the instructions on the form.

The question must be received by the company no later than Monday 16 October 2006 (five business days before the meeting). Questions should relate to matters that are relevant to the business of the meeting as outlined in the Notice of Meeting.

Questions will be collated and, during the meeting, the Chairman will endeavour to address as many of the more frequently asked questions as possible and, where appropriate, will give the representative of the auditor, Ernst & Young, the opportunity to answer written questions submitted to the auditor. However, there may not be sufficient time available at the meeting to address all questions.

As soon as practicable after the meeting, a summary of the questions and answers will be made available and posted on the Company's website under the Investor Relations section, and where it is not possible to address a question at the meeting, an individual response will be sent to the Shareholder who raised the question.



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Computershare

All correspondence to:
Computershare Investor Services Pty Limited
GPO Box 523 Brisbane
Queensland 4001 Australia
Enquiries (within Australia) 1300 552 270
(outside Australia) 61 3 9415 4000
Facsimile 61 7 3237 2152
web.queries@computershare.com.au
www.computershare.com



010

Holder Identification Number (HIN)



Direct Credit

Use a **black pen**.
Print in **CAPITAL** letters
inside the grey areas.

A	B	C
---	---	---

1	2	3
---	---	---

A Request for Direct Crediting of Payments

BSB number (eg. 063000)

Account number

Name in which account is held (eg. JOHN SMITH)

Name of Australian bank or financial institution

Name of branch or suburb or town

Type of account (eg. cheque, savings, etc.)

DO NOT USE YOUR CREDIT CARD NUMBER
If you are unsure of your BSB number or account number, please check with your bank, building society or credit union.

B Sign Here - This section must be signed for your instructions to be executed.

I/we authorise you to act in accordance with my/our instructions set out above. I/we acknowledge that these instructions supersede and have priority over all previous instructions relating to payments to which I/we am/are entitled to be paid in cash.

Individual or Securityholder 1

Director

Securityholder 2

Director/Company Secretary

Securityholder 3

Sole Director and Sole Company Secretary

Date - Day / Month / Year

Note: When signed under Power of Attorney, the attorney states that they have not received a notice of revocation. Computershare Investor Services Pty Limited needs to sight a certified copy of the Power of Attorney.

How to complete this form

A Request for Direct Crediting of Payments

Complete this section if you want your cash payments paid directly into your nominated Australian bank, credit union or building society account. Until you advise otherwise, all future cash payments will be paid into the nominated account.

IMPORTANT: DO NOT USE THE NUMBER QUOTED ON YOUR CREDIT CARD

If you do not complete this section or this form is incomplete, unsigned or invalid in any other way, you will continue to receive your payments by cheque.

Neither the company nor the registry will be responsible for any delays in crediting payments to your nominated account as a result of transaction procedures or errors by any financial institution.

This instruction only applies to the specific holding identified by the SRN/HIN and the name appearing on the front of this form.

B Signature(s)

If you have chosen to have your cash payments paid directly into your nominated Australian bank, credit union or building society account and you have completed Section A, you must sign this form as follows in the spaces provided:-

Joint Holding: where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

FP002

FZN

Please return the completed form to:

Computershare Investor Services Pty Limited
GPO Box 523
Brisbane Queensland 4001
Australia





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All correspondence to: Computershare
Investor Services Pty Limited
GPO Box 523
Brisbane QLD 4001



010

Holder Identification Number (HIN)



Questions from Shareholders

The Annual General Meeting (AGM) of Fone Zone Group Limited will be held on 23 October 2006 at 2.00pm. Shareholders are invited to register questions in advance of the AGM.

This form may also be used to submit a written question to the auditor if the question is relevant to the content of the auditor's report or the conduct of the audit of the financial report to be considered at the AGM.

During the AGM the chairman will endeavour to respond to as many of the more frequently asked questions as is practicable. Responses to the more frequently asked questions will be available on the Fone Zone website after the AGM, and where it is not possible to address a question at the meeting, an individual response will be sent to the shareholder who raised the question.

Shareholders questions must be received by Monday 16 October 2006. Please return the form to our Share Registry, Computershare Investor Services Pty Ltd, GPO Box 523, Brisbane Qld 4001 or by facsimile to +61 7 3237 2152. The envelope provided for the return of your proxy form may also be used for this purpose. Alternatively, you may email your questions to investor@fonezone.com.au. If emailing please include your name and securityholder reference number (SRN) or Holder Identification Number (HIN).

Please tick the box to indicate if the question is directed to the Auditor or to Chairman

Question/s	Chairman	Auditor
1	<input type="checkbox"/>	<input type="checkbox"/>
.....		
.....		
2	<input type="checkbox"/>	<input type="checkbox"/>
.....		
.....		
3	<input type="checkbox"/>	<input type="checkbox"/>
.....		
.....		
4	<input type="checkbox"/>	<input type="checkbox"/>
.....		
.....		