



Optus Consumer

JP Morgan –
Broadband in Australia
13th September 2007

Warren Hardy
MD Optus Consumer

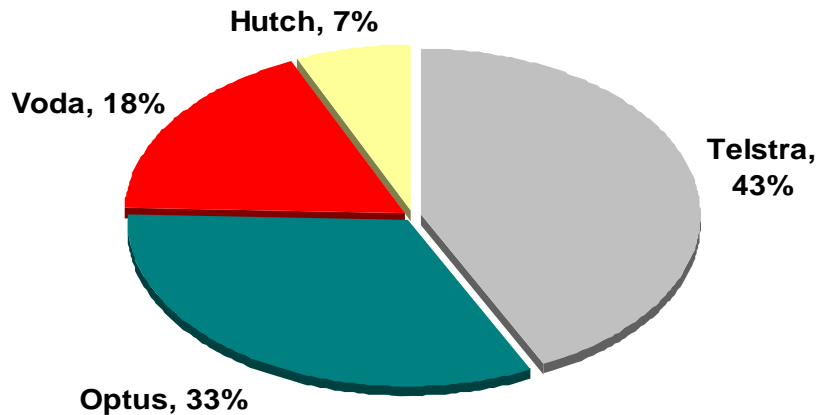
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Optus: investing for growth

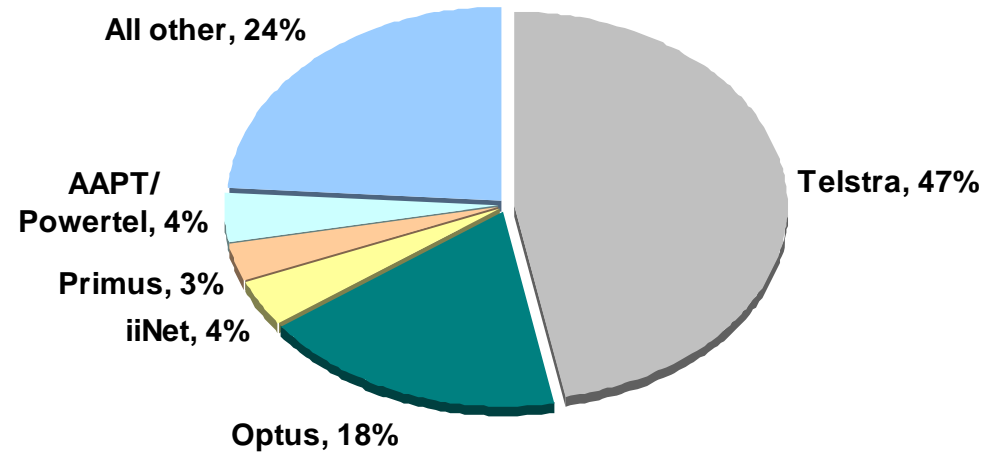
Mobile: build on & leverage mobile scale

Mobile subscriber marketshare¹



Fixed: attack incumbent's fixed profit pool

Broadband subscriber market share²



- ✓ grow network scale in regional Australia
- ✓ exploit the incumbent's dilemma with mobile caps

- ✓ on-net expansion to improve scale & profitability
- ✓ OPEL JV to cover regional & rural Australia

¹ JPMorgan Australian Mobile market report 10th Sep -07

² JPMorgan Australian Broadband market report 5 Sep -07



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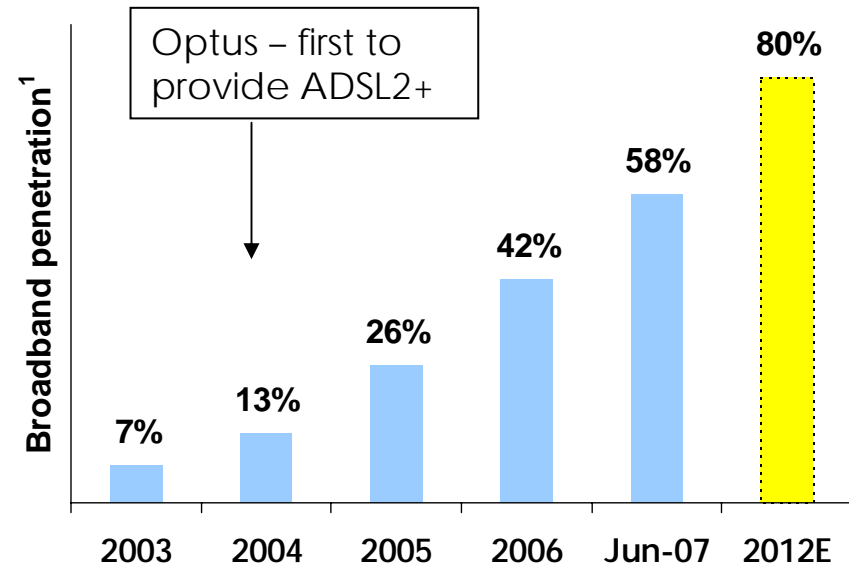


Convergence and broadband growth provides opportunities for a convergent player



Devices are becoming 'smarter' and service rich driven by:

- processing power
- storage capacity
- bandwidth/speed
- open operating system



¹ JPMorgan Australian Broadband market report 5 Sep -07





Broadband market provides Optus with growth opportunities

On net expansion to improve scale and profitability

Attacking the fixed profit pool

- Providing innovative offers
- Exploring and expanding alternative broadband delivery and distribution platforms
- Expanding retail execution into convergent theme

Expanding 3G/HSDPA Network

Partnering with Best of Breed Content Providers

Ensuring fair competitive outcome in Fibre-to-the-Node



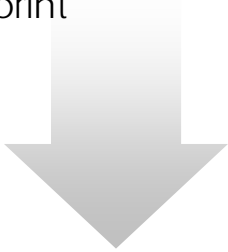


On-net expansion to improve scale and profitability

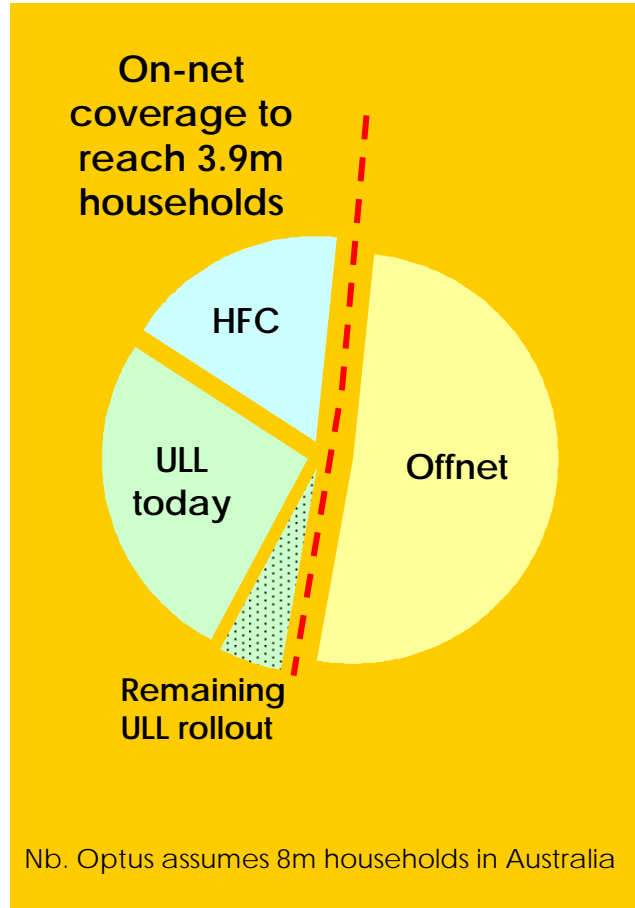
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On-net

- Complete extension of on-net footprint
- Grow share beyond current levels
- Migrate current resale customers who are/will be covered by the ULL footprint



- ✓ Improved economics
- ✓ Improved customer experience



Off-net

- Exit unprofitable resale business



- ✓ Cost savings
- ✓ Reduce out-payments to the incumbent

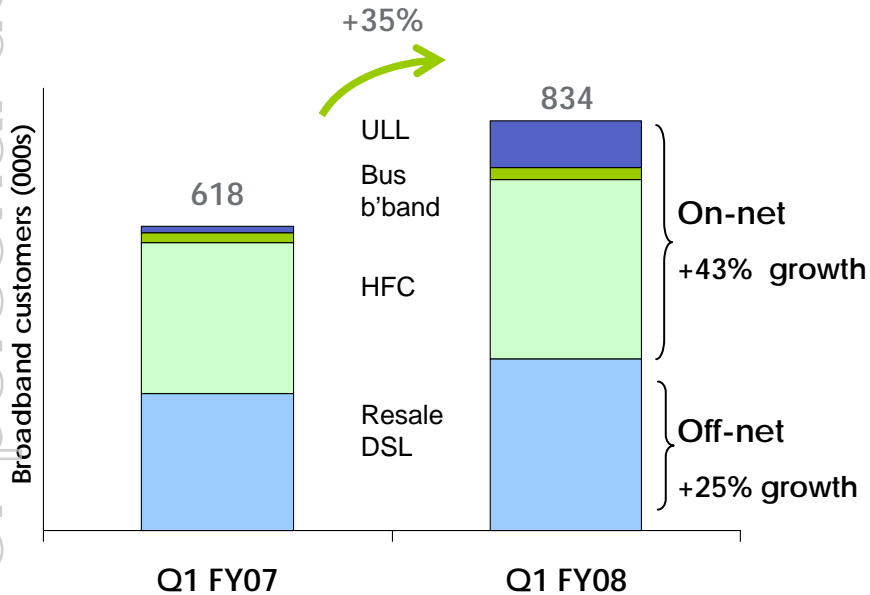




On-net expansion to improve scale and profitability

Expansion of broadband

- Q1 net adds 53k



Consumer on-net revenue

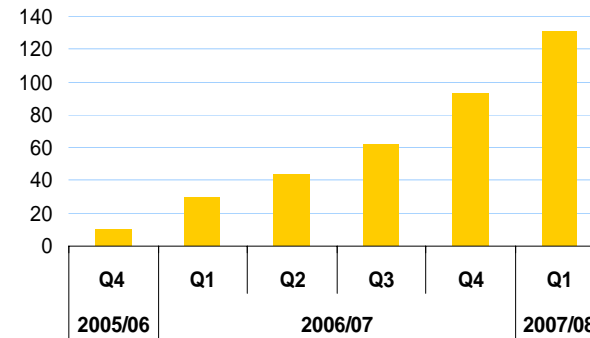
- overall revenue stable

13%

ULL subscribers end of June

- increase by 38k in the quarter

131k



Number of ULL exchanges

- homes covered > 2m
- end of financial year 366 exchanges covering 2.5m homes

280



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Disruptive innovative offers attacking fixed profit pool

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Home Phone + Broadband Cap



Australia's first home phone AND broadband cap.

Find out more.



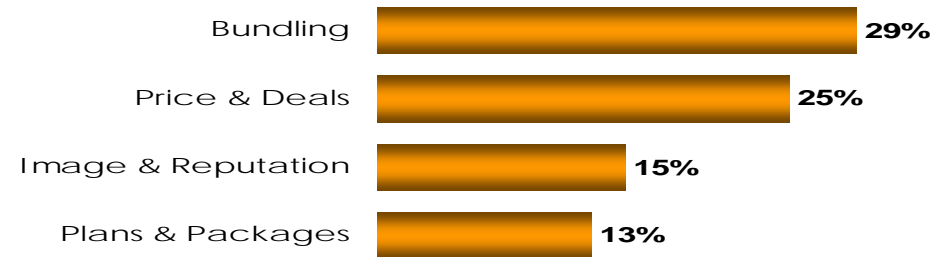
- Optus Fusion - home phone and broadband bundle
- Virgin Mobile Wireless Broadband





Optus leading the way with Australia's first integrated home phone and broadband cap

Top 4 reasons "why Customers come to Optus Broadband"

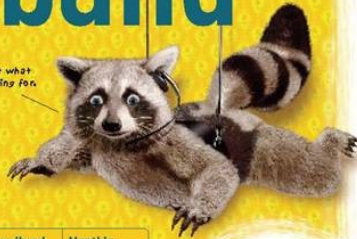


Enhance Customer Research March 2007

- **Customers receive:**
 - unlimited local and national calls;
 - unlimited calls to Optus mobiles;
 - fast broadband with no excess download charges; and
 - included line rental
- **Grow subscriber base whilst building on-network position**

Australia's first home phone & broadband cap.

We hear it's just what you've been waiting for.



Optus Fusion includes	Modem & Connection	Broadband	Monthly Price
Unlimited local and national calls Unlimited calls to Optus Mobiles* Line rental	\$0	2GB	\$69*



Call 135 YES • Click optus.com.au/fusion • Visit your Optus 'yes' Shop

Important information: *Requires 24-month connection. Minimum total cost is \$1,656. Available to residential Optus Broadband and Home Phone customers on the Optus Direct or Optus Cable networks. Optus Cable Broadband is only available to selected homes in Sydney, Melbourne and Brisbane. Optus services are not available to all homes in all areas, or in NT and TAS. Unlimited calls only for standard residential calls, excludes some call types, and cannot be used for commercial purposes. Optus Local and Long Distance Fair Use™ policy applies. *Excludes calls to CDMA & MobileSat. Cancellation fees apply. Information correct as at 25 June 2007. SingTel Optus Pty Limited ABN 90 052 933 208. urnauk

'yes'



Exploring and expanding alternative broadband delivery and distribution platforms

Exploring alternative platforms

- HSDPA via 3G network
- WiMax
- Satellite broadband
- Upgrading HFC to DOCSIS3?

Broadband Connect funding

- \$958m awarded to OPEL by Federal Govt – ADSL2+ and WiMax
- Optus and Elders to bring competition to regional Australia
- Target market of 3.7m rural and regional premises
- Leveraging existing infrastructure
- Clear benefits to Optus – such as:
 - expands 'on-net' market
 - expands regional backhaul
 - supports mobile network expansion

OPEL
 NETWORKS An Optus & Elders Company

'yes'



Convergence key theme in store design

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'yes' Optus Store Bathurst





Future Coverage – We've got you covered!



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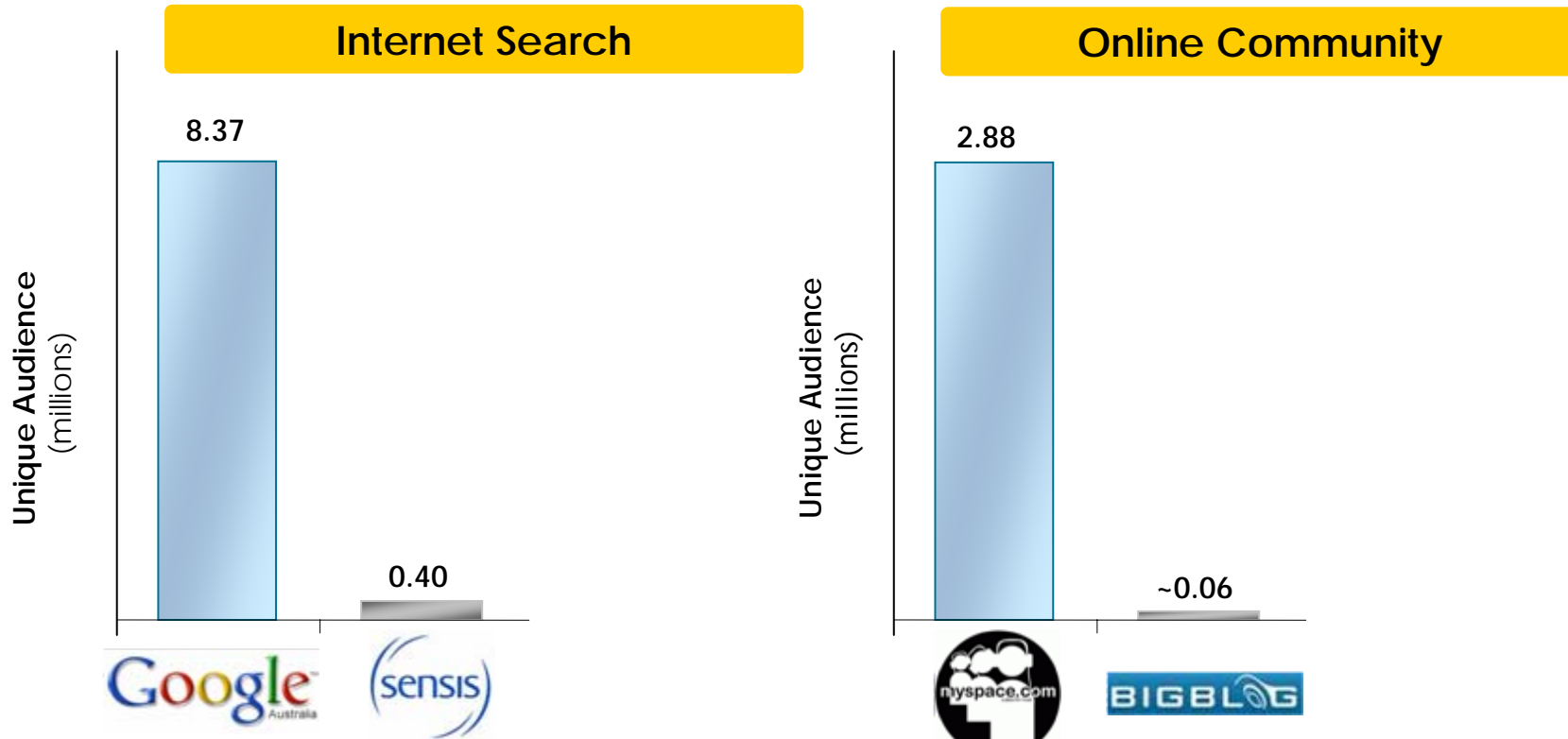




Optus Content Strategy

Customers are clearly choosing to use leading Internet brands - which in turn drives online loyalty and usage

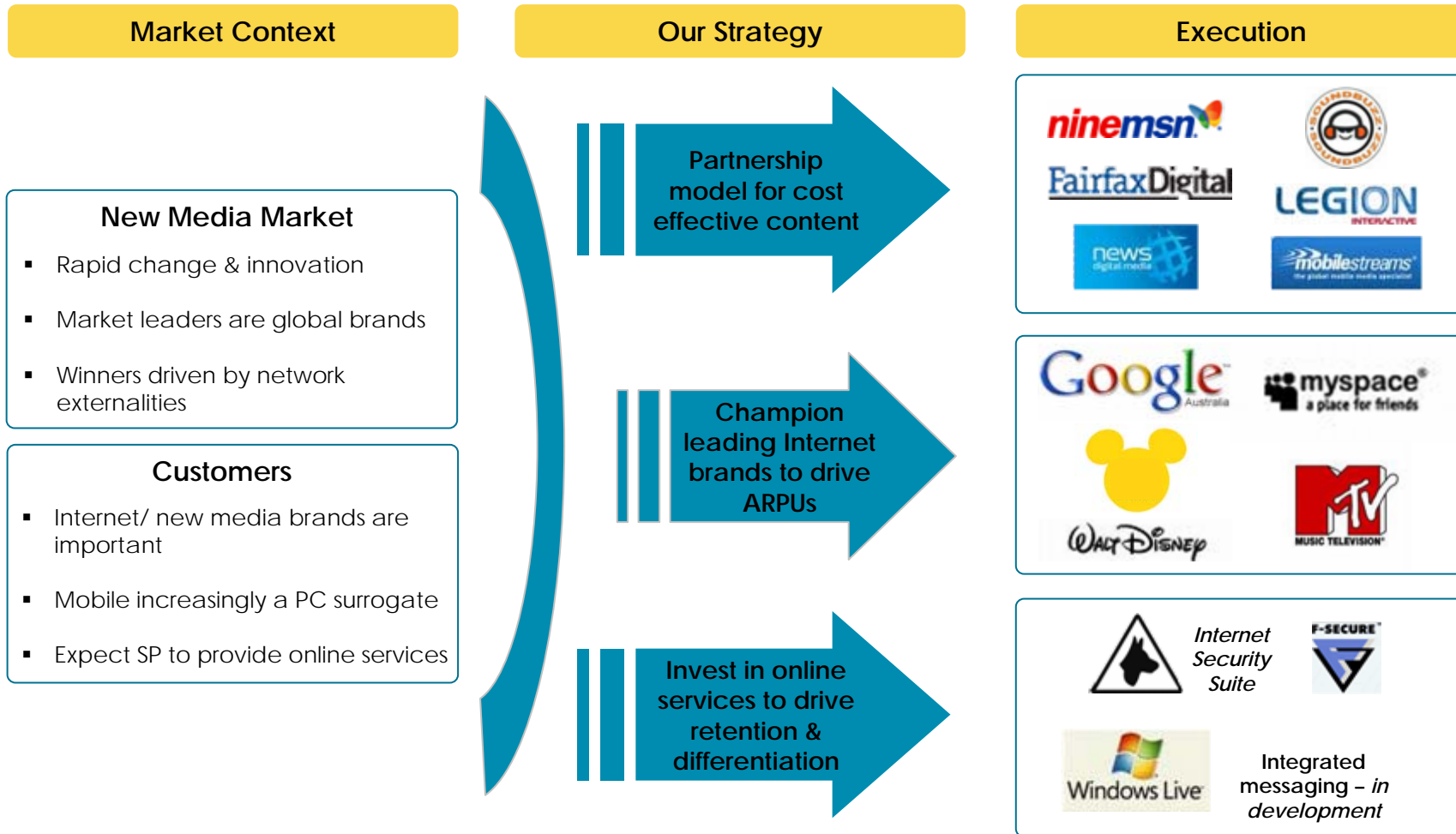
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Optus Content Strategy - a partnership model

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Advocating fair FTTN competition

✓ **Optus/G9 lodged its Special Access Undertaking on May 30**

✓ **Expert panel to ensure an open & transparent bidding process**



Optus/G9 ready to compete for the right to build a new metro high speed broadband network

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Optus remains uniquely positioned versus other challengers

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