

Optus expands 3G mobile network across wide national footprint

Investor/Media Briefing

30th January, 2007



Optus is triggering a new phase of competition in mobile 3G

Coverage

Optus extends 3G coverage across a wide national footprint – covering 96% of the population

Competition

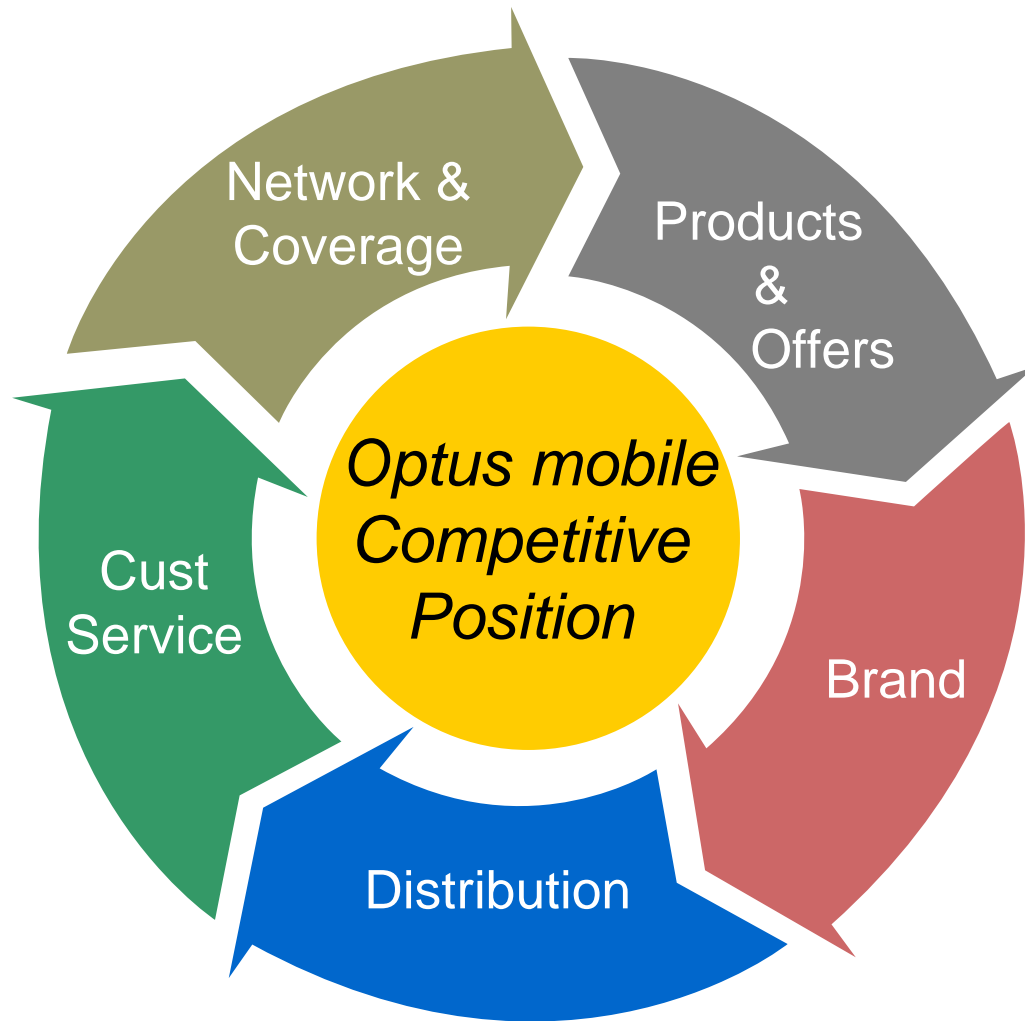
Brings 3G competition to the vast majority of Australians

Customers

Optus offers 3G choice to millions more customers



Over the last 10 years, Optus has continuously invested to build a strong market position in mobile



- 6.6M mobile subscribers¹
- \$1.5Bn EBITDA²
- Strong #2 mobile player, particularly in Metropolitan areas, with 33% national share

¹ As of September 2006

² FY0506



Today Optus announces further network investment to make a strong business stronger



Substantial expansion of our 3G network to reach 96% of Australians



This investment lets Optus challenge the incumbent across an expanded front

➤ Continues Optus' consistent strategy of expanding our network and coverage

Phase 1
2002 - 2005

Match GSM (2G) coverage of incumbent

Phase 2
2006 - 2007

Build Metro 3G network to 55% of population

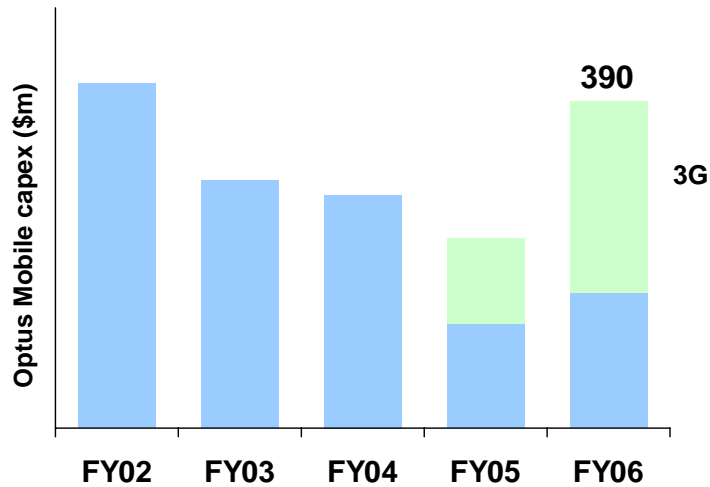
Phase 3
2007 - 2010

Build 3G network to 96% of population



Optus has been steadily increasing coverage and improving its competitive position

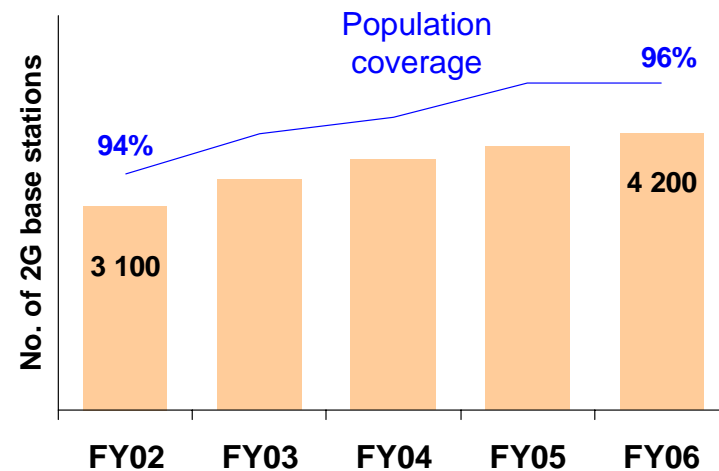
Optus Mobile capex



Cumulative Mobile capex since FY02 - \$1.6bn¹

1. Optus MD&A Mobile capex FY02-FY06

Optus 2G network

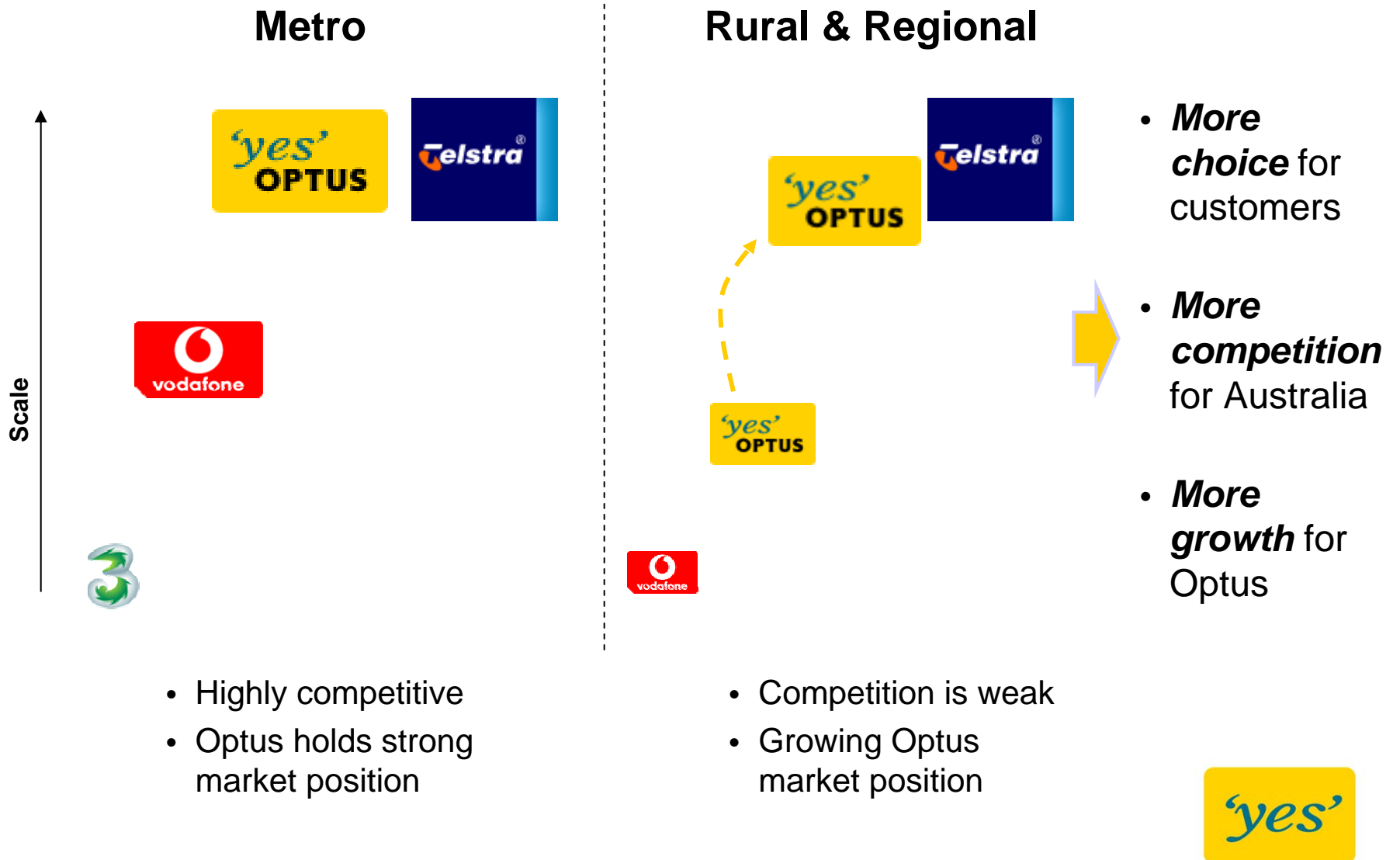


Mobile sub base increased - CAGR Mar 02 to Mar 06 12%²

2. Optus MD&A Number of mobile subscribers



This new investment focuses where competition is needed the most



Optus will expand its 3G mobile network across a wide national footprint

Current 3G network

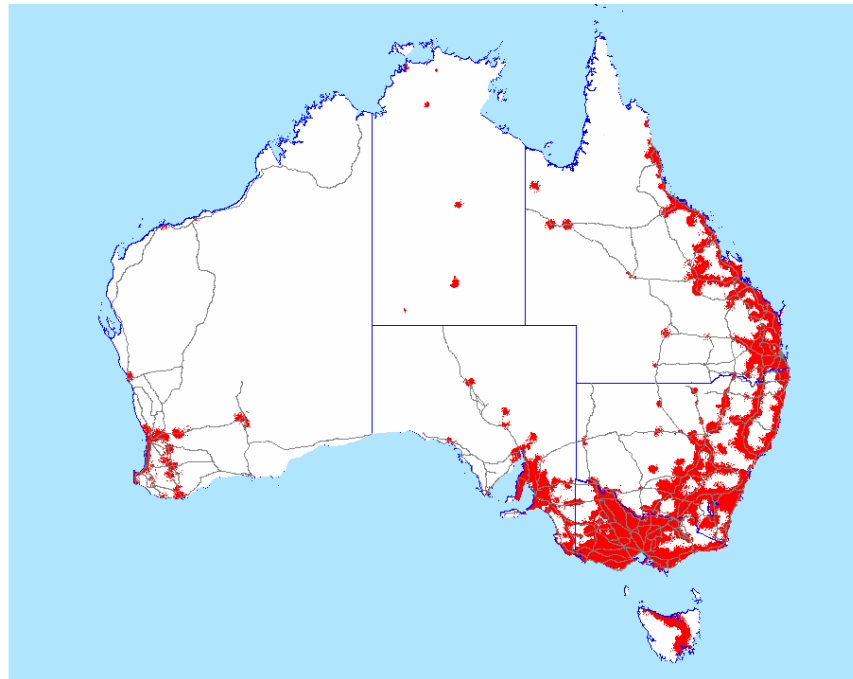
- ~55% population coverage

Future 3G network

- ~96% population coverage

Major Capitals:

- Greater Sydney
- Melbourne
- Brisbane
- Perth
- Adelaide
- Canberra



- Major regional centres
- Holiday destinations outside capitals
- Regional areas outside Major Towns



Optus is making a substantial investment to expand its 3G network

Highlights

3G geographic coverage	650,000 sq km	Up from 7,500 sq km today
3G technology	2100MHz (900MHz)	Currently conducting WCDMA900 trials
New 3G base stations	~ 2,000 to 2,500	Depends on final technology (frequency) choice & mix
Network completion	by 2010	Approx 3 years to finish build
Estimated capex	A\$500 to \$800m	Depends on final technology (frequency) choice & mix ➤ Mobile capex:revenue ¹ average for the three years 10-11%

¹ Total Mobile estimated capex during FY08-FY10; Total Mobile revenue based on annualised figures for six months to Sep06



This expansion protects Optus' scale position, expands our addressable market and creates new opportunities

Protects Optus scale position

- Preserves the superior economics of our larger customer base
- Widens the gap between Optus and smaller competitors

Expands our addressable market

- 3G services can be delivered to a larger addressable market

Creates new opportunities

- Such as 3G broadband in areas where fixed broadband is not available



Today's announcement delivers substantial benefits to customers

Substantially expands the '3G choice zone'

- The number of people who have a choice of 3G operator
- The geographic reach where there is a choice of 3G operator

Sharply increases competition in 3G mobile

- Removes the incumbent's quasi monopoly
- Optus 3G mobile services and applications available to those who cannot get them today



Millions more customers across Australia will be able to use Optus' advanced mobile broadband services

Content

- Leveraging major brands to give customers what they know; NineMSN, ABC, Google & MTV
- Personalisation to deliver content that Optus customers want with Optus Zoo, myZoo and myZooNow

Applications

- Enhancing the community services with Instant Messaging, Email and Blogging
- Search, locate and find, friends, directions or services with FindA

Services

- Enhancing communications through video calling to a Mobile and a PC
- Providing Mobile Broadband to underserved fixed broadband areas through Optus Wireless Connect

