GSMA MOBILE WORLD CONGRESS 2013

CONTENT OR TECHNOLOGY: WHAT ARE THE TRENDS DRIVING DATA DEMAND

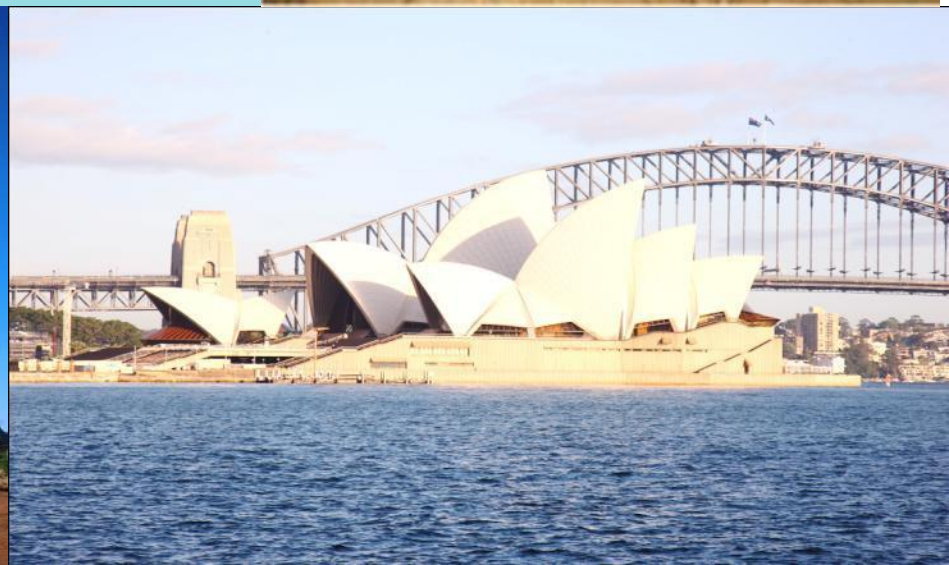
MIKE WRIGHT, EXECUTIVE DIRECTOR NETWORKS

IT'S HOW WE CONNECT

THE CHALLENGE

IT'S HOW WE CONNECT

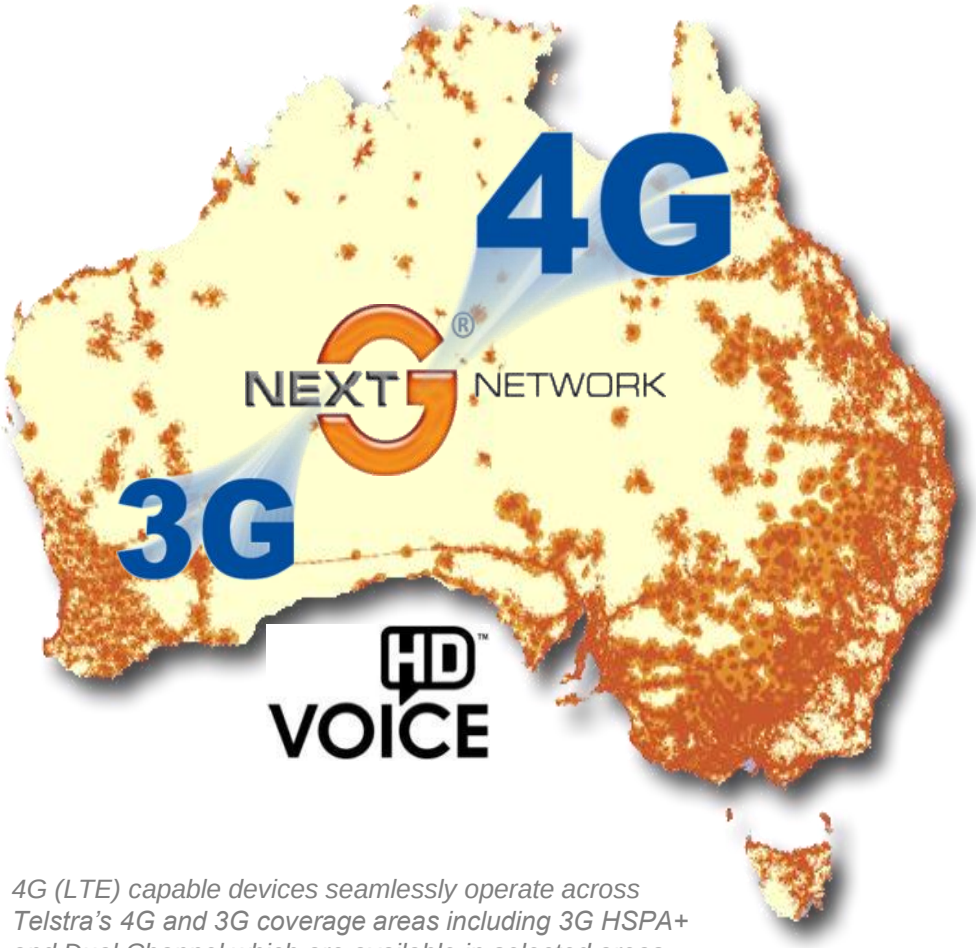
The World's
6th largest land mass
9th lowest population density



OUR NEXT G® NETWORK

A HYBRID HSPA+/LTE NETWORK

IT'S HOW WE CONNECT



4G (LTE) capable devices seamlessly operate across Telstra's 4G and 3G coverage areas including 3G HSPA+ and Dual Channel which are available in selected areas.

. http://www.telstra.com.au/mobile/networks/

** Network performance stats are based on Telstra's National Field Testing #9 conducted in July 2012*

2.3 Million km² Coverage

- ✓ Plus over 1 Million km² out to sea.

99% Population Coverage

- ✓ 99% Population coverage of HSPA+
- ✓ No requirement for 2G fall back
- ✓ 80% DC-HSPA, 40% LTE Pops covered expanding to 66% pops by June 2013^.

High performing Network

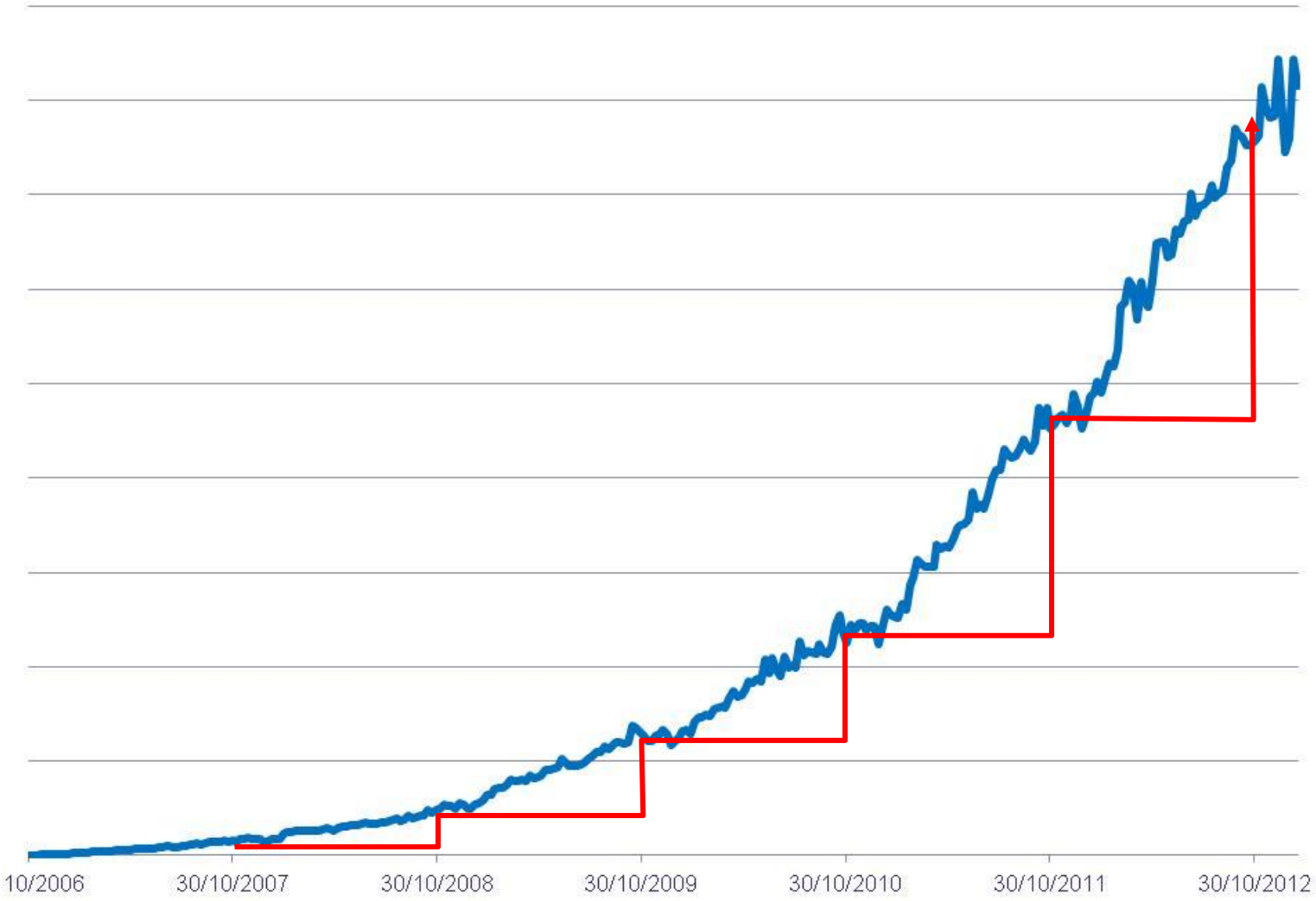
- ✓ Multi-Gigabit capable Ethernet fibre to sites covering >93% of pops.
- ✓ Well under 1% voice drop rate
- ✓ World's largest HD Voice footprint (circuit voice)
- ✓ Low band 850 MHz HSPA for wide and deep coverage

High performing business

- ✓ Low churn rate
- ✓ > 1.4M 4G services
- ✓ 13% PostP H/H ,17% MBB pen of LTE

BH TRAFFIC – EVERY YEAR GETS HARDER

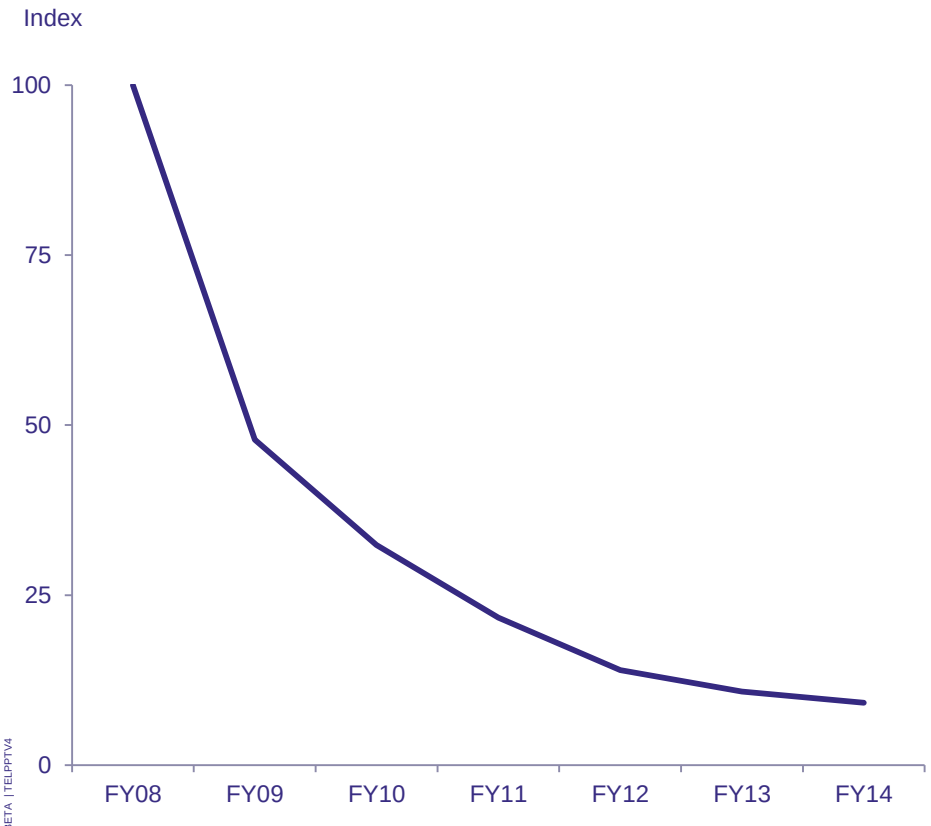
IT'S HOW WE CONNECT



EACH GENERATION OF NETWORK HAS DELIVERED COST OF CAPACITY IMPROVEMENTS

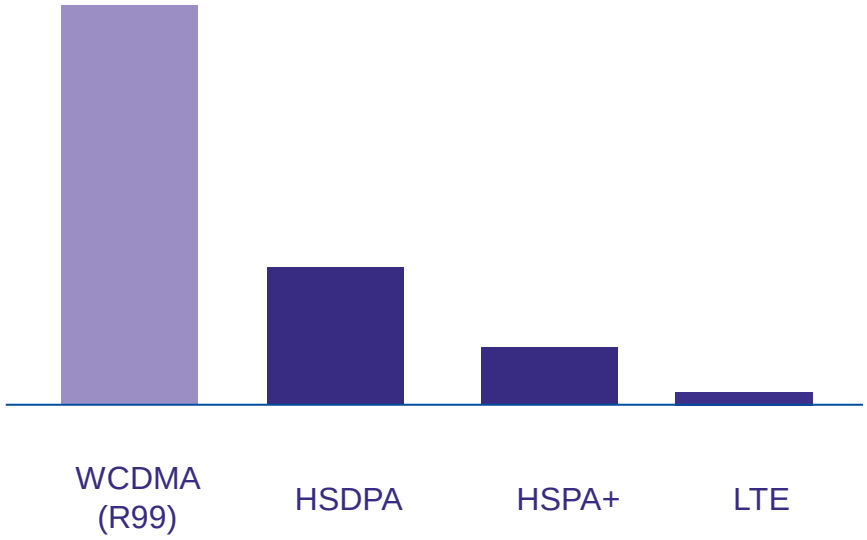
IT'S HOW WE CONNECT

Relative Cost: Hybrid HSPA+/LTE



* Index based on Telstra derived network unit costs per MB (excluding OSS/BSS)

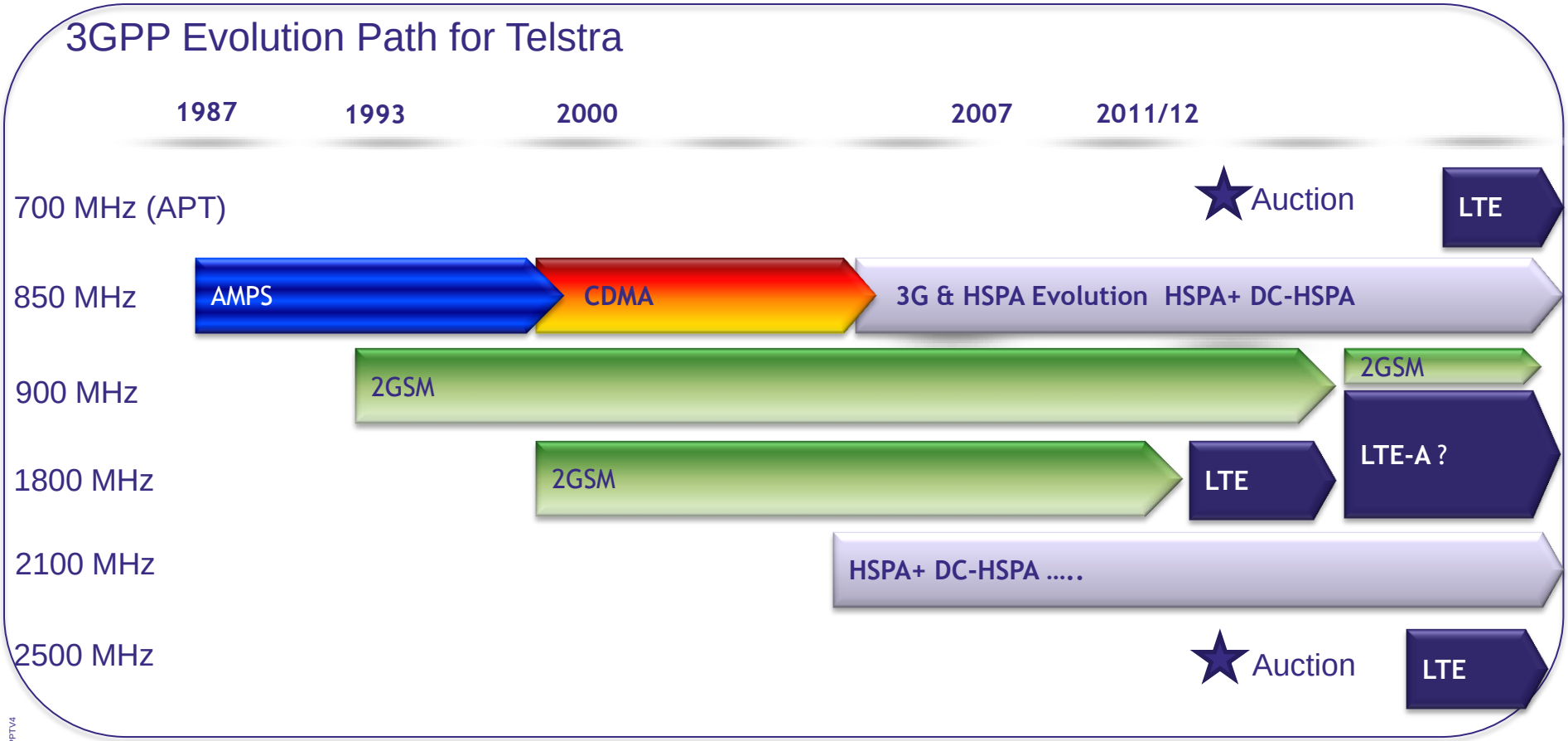
Relative Technology Cost



* Excludes trends from GPRS & EDGE as not carried on the Next G® network

TELSTRA HAS A LONG HISTORY OF REFARMING SPECTRUM

IT'S HOW WE CONNECT

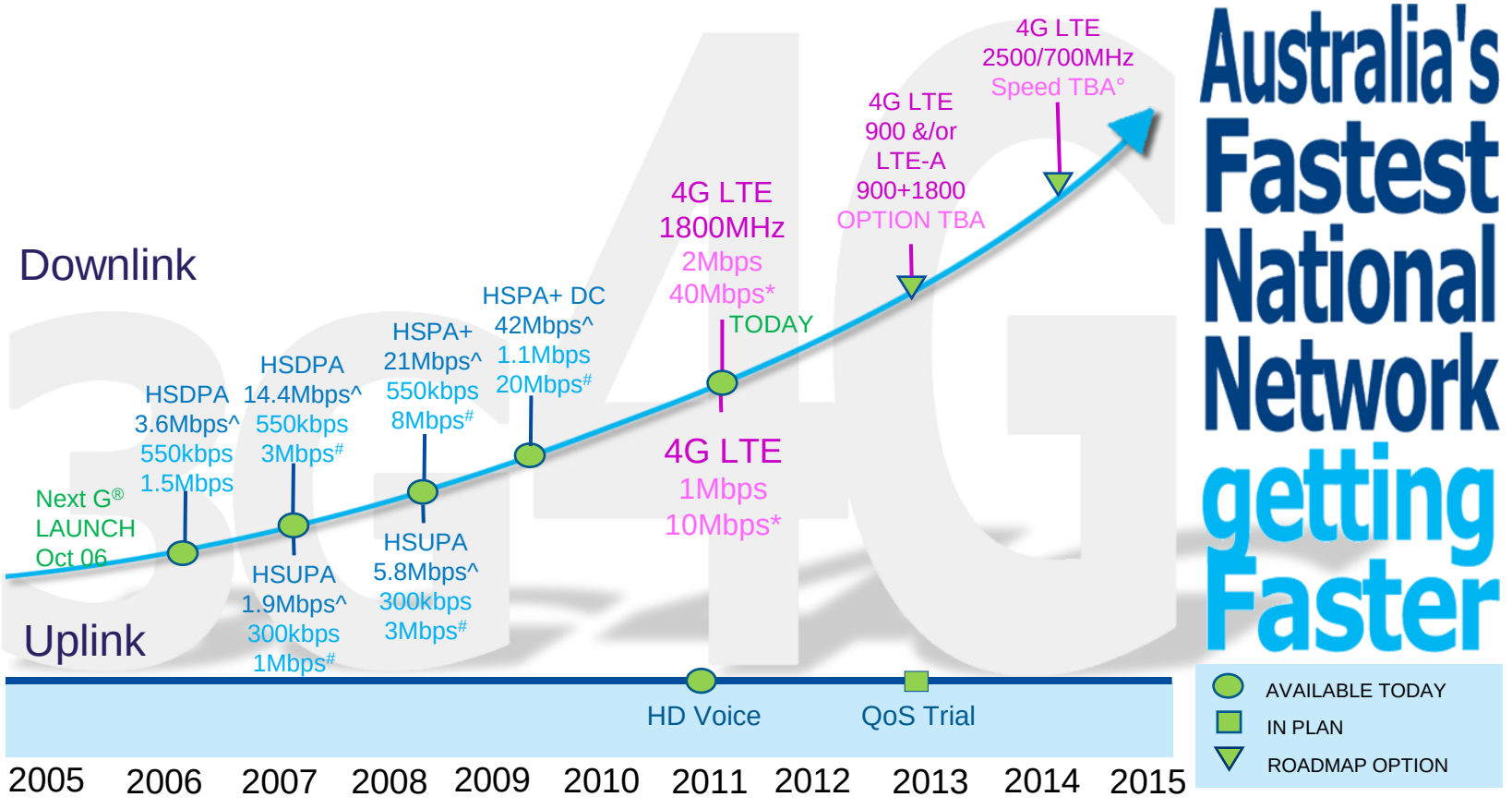


- Telstra has re-farmed spectrum and even closed networks to do so in the past
- Ongoing re-farming and evolution HSPA and LTE-A networks is a logical extension

OUR ROADMAP:

DELIVERING WORLD LEADING CAPACITY & PERFORMANCE

IT'S HOW WE CONNECT



Australia's Fastest National Network getting Faster

- AVAILABLE TODAY
- IN PLAN
- ROADMAP OPTION

VERSION 21: 01ST NOVEMBER 2012

^ 1.9, 3.6, 5.8, 14.4, 21, 42Mbps are technology rated peak downlink and uplink speeds. Typical customer speeds are lower as shown.

** 4G SPEEDS: With capable devices customers can experience typical download speeds of 2Mbps – 40Mbps, and typical upload speeds of 1Mbps – 10Mbps in all capital CBD's (meaning within 5km from the GPO) , associated airports and selected regional areas (meaning 3km of the regional town centre) covering more than 40% of the population. In other coverage areas, customers will automatically switch over to Telstra's fastest available 3G HSPA (High Speed Packet Access technology) enabled network speeds.*

 # 3G HSPA ENABLED SPEEDS: With capable devices customers can experience typical download speeds of 1.1Mbps – 20Mbps in all capital CBD's, airports, much of the associated metropolitan areas and many regional areas covering more than 80% of the population. Outside these areas, the remaining metropolitan areas and many other regional and rural locations typical download speeds are 550kbps to 8Mbps covering more than 97% of the population, and elsewhere 550kbps to 3Mbps.Typical customer upload speeds are 300kbps-3Mbps in all capital cities and major regional areas covering more than 93% of the population and elsewhere 300kbps-1Mbps.

°Subject to government auction process.

NOTE: Speeds may vary due to factors such as location, distance from the base station, local conditions, concurrent users, hardware and software configuration. For more details on speed & coverage areas visit: http://www.telstra.com.au/mobile/networks/coverage

4G LTE
LAUNCHED SEPTEMBER 2011

IT'S HOW WE CONNECT

4G NETWORK STRATEGY NOV 2010

- ✓ Advanced LTE in Australia by 3-4 years
- ✓ Re-farmed 2G 1800 MHz spectrum
- ✓ Work with GSMA & GSA to promote the 1800 LTE band,
- ✓ LTE1800 is now the **World's most popular LTE band** with over 40% of all deployments in 1800*

*GSA website Jan 2013

LTE/4G has been the fastest growing ecosystem to date

IT'S HOW WE CONNECT

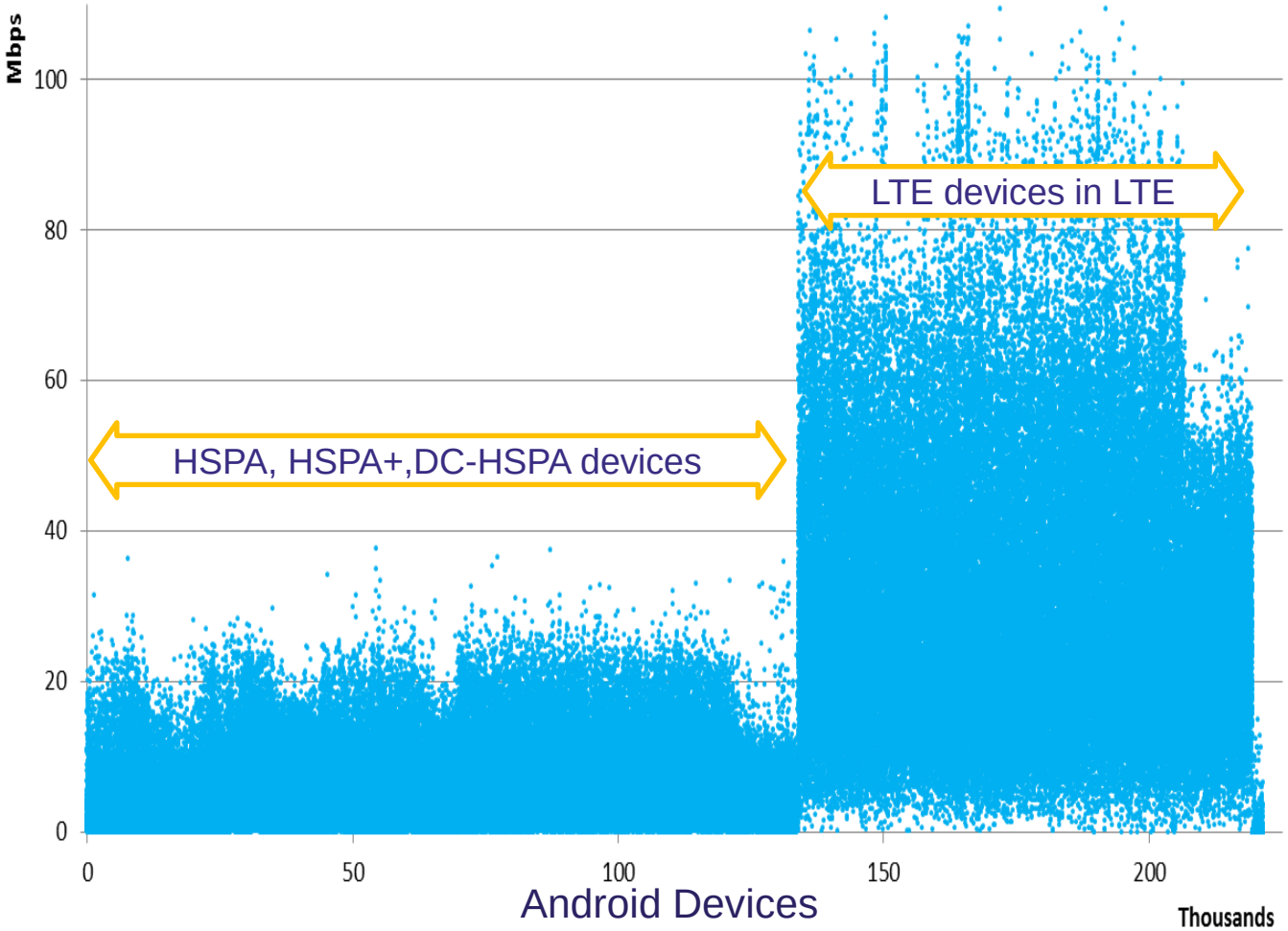
19 DIFFERENT 4G DEVICES AT DECEMBER 2012

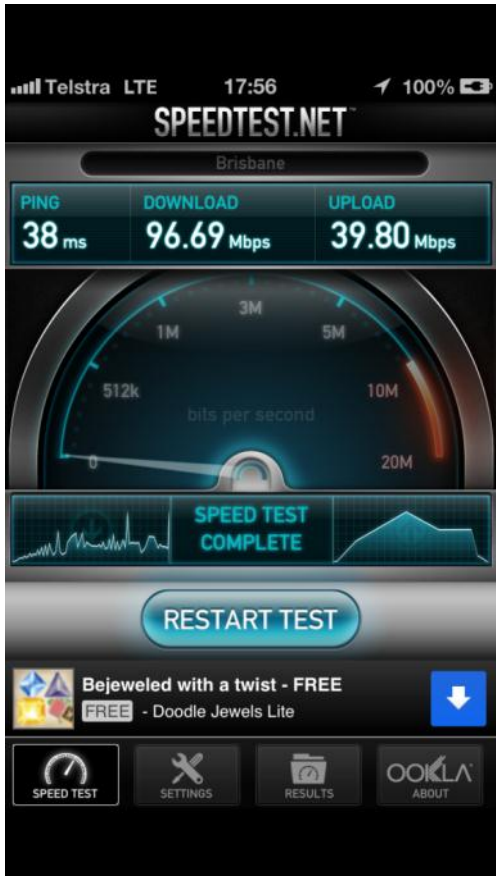
... and more coming...

Sep 2011 | Feb 2012 | Mar 2012 | May 2012 | Jun 2012 | Oct 12

SPEEDTEST.NET
WHAT SOME DEVICES ARE REPORTING

IT'S HOW WE CONNECT





Another Device
In ideal conditions

While online speed test sites are not always robust, these sample results do show an indicative range of reported HSPA/LTE test results.

Test Results for Android Devices 1th August 2012 to 12th February 2013

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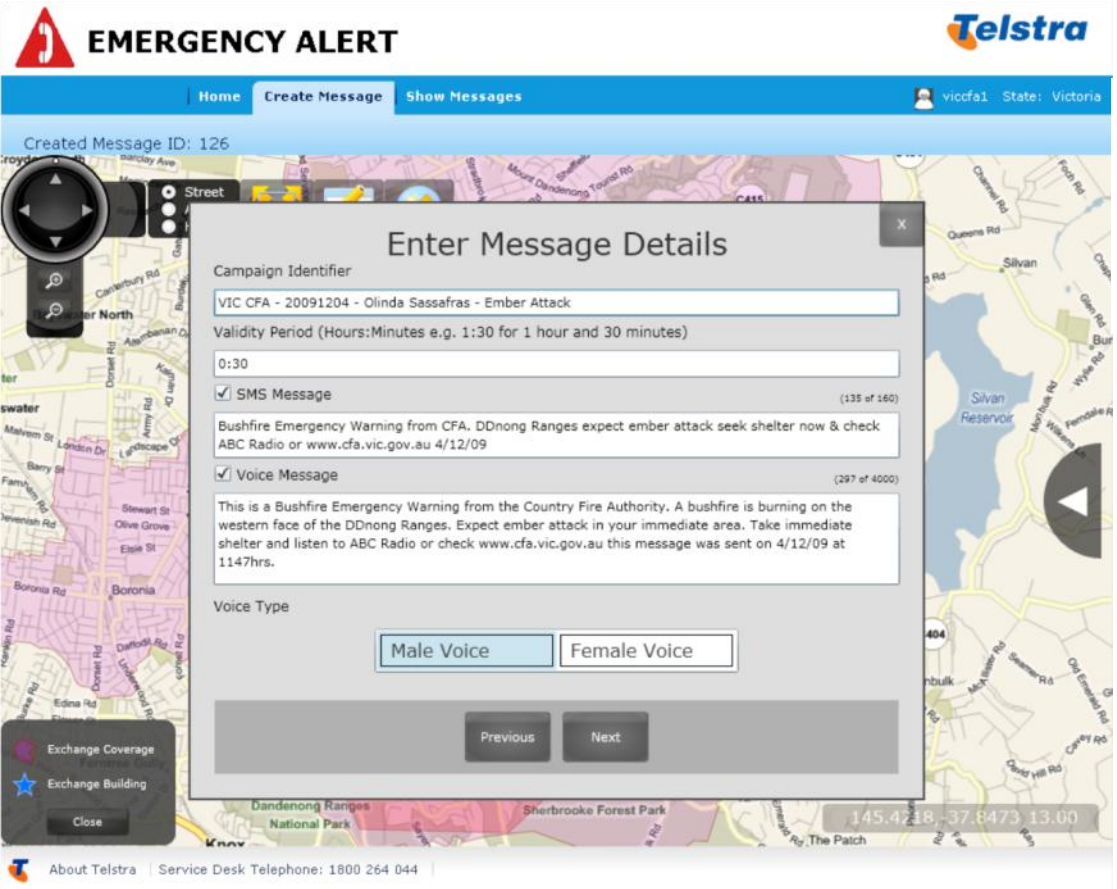
EARLY WARNING – SMS & PHONE ALERT

IT'S HOW WE CONNECT



EMERGENCY ALERT.

BE WARNED. BE INFORMED.

Since Launch 1 Dec 2009*

- Upgraded Dec 2012 with mobile location
- Storm, flood, tsunami, bushfire, storm surge, chemical incident and missing person emergencies

YOU MAY RECEIVE EMERGENCY WARNINGS ON YOUR PHONE

Emergency Alerts are sent by emergency services to landline telephones based on the location of the handset, and to mobile phones, based on the billing address. In the case of an emergency, you may receive a voice message on your landline or a text message on your mobile phone. If you receive an Emergency Alert and want more information, follow the instructions in the message or find your local emergency service on this website.

EMERGENCY COMMS & RESTORATION

IT'S HOW WE CONNECT

Wireless Broadband for Emergency Services

Wireless Broadband dongles, routers
Emergency communications kits

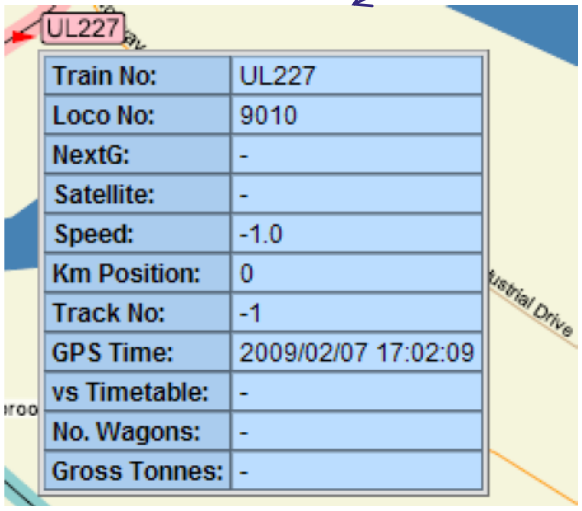
Satellite Cells
Emergency Communications & Restoration

Coverage operational within 90 mins

ARTC NATIONAL RAIL CONTROL OVER NEXTG

IT'S HOW WE CONNECT

Rationalisation of six separate radio Units per cabin



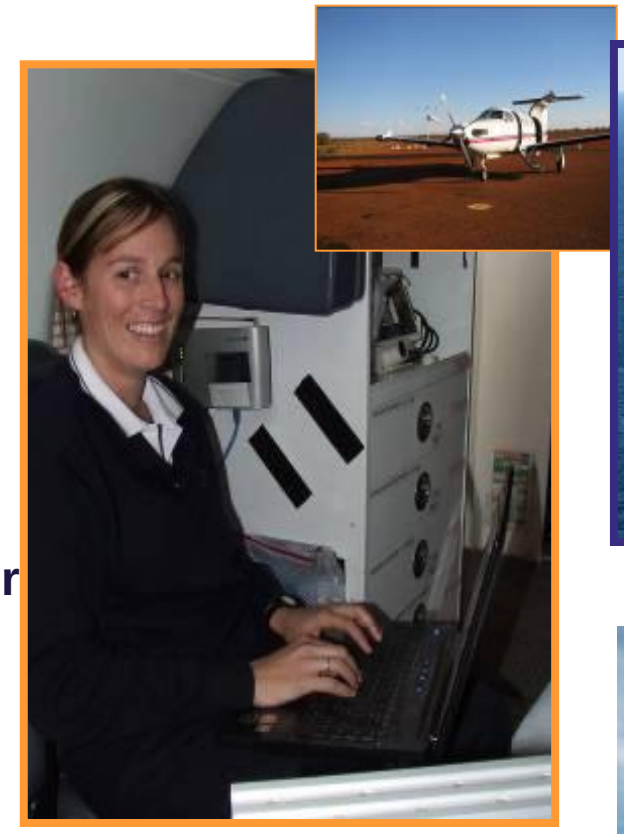
Australian Rail Track Network of communications and control over cellular.

Telstra built 62 macro and 16 tunnel systems to give required total footprint

WIRELESS BROADBAND APPLICATIONS

IT'S HOW WE CONNECT

Onboard service helicopter to Abrolhos Islands



Onboard Royal Flying Doctor Aircraft in Queensland

Oil Rig Bass Strait

Monitoring Wildlife

Health Solutions

EARLY M2M :MONITORING THE GREAT BARRIER REEF OVER HSPA

IT'S HOW WE CONNECT

Aust Institute of Marine Science – real time reef monitoring 100km to sea

RAPIDLY EMERGING M2M

IT'S HOW WE CONNECT

M2M HELPS BAKERS PROTECT THE QUALITY OF THEIR DOUGH

This machine-to-machine (M2M) solution provides remote access to real-time temperature data and includes the Telstra Wireless M2M Control Centre™ platform for managing wireless SIM connections.

M2M Monitoring of Environment for Bakers

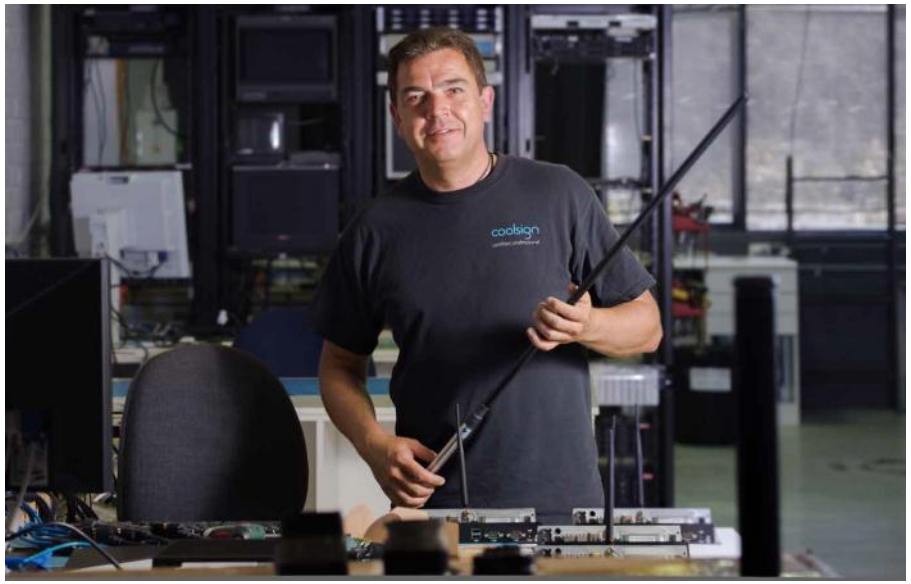
M2M PUTS FARMERS IN CONTROL

Observant placed monitoring units at Gilgai to capture water usage and remote cameras to capture images of their stock movement. The images and data are then transferred to Observant Global's management application over the Telstra Next G Network® through the Wireless M2M Control Centre, which the Harvey's can then access online 24/7 via a web browser on their iPad, smartphone or PC.

M2M Video Monitoring of Farming

RAPIDLY EMERGING M2M

IT'S HOW WE CONNECT



"If the screen is in the middle of a concourse you'd have to run cables all the way from the exchange," explains Coles.

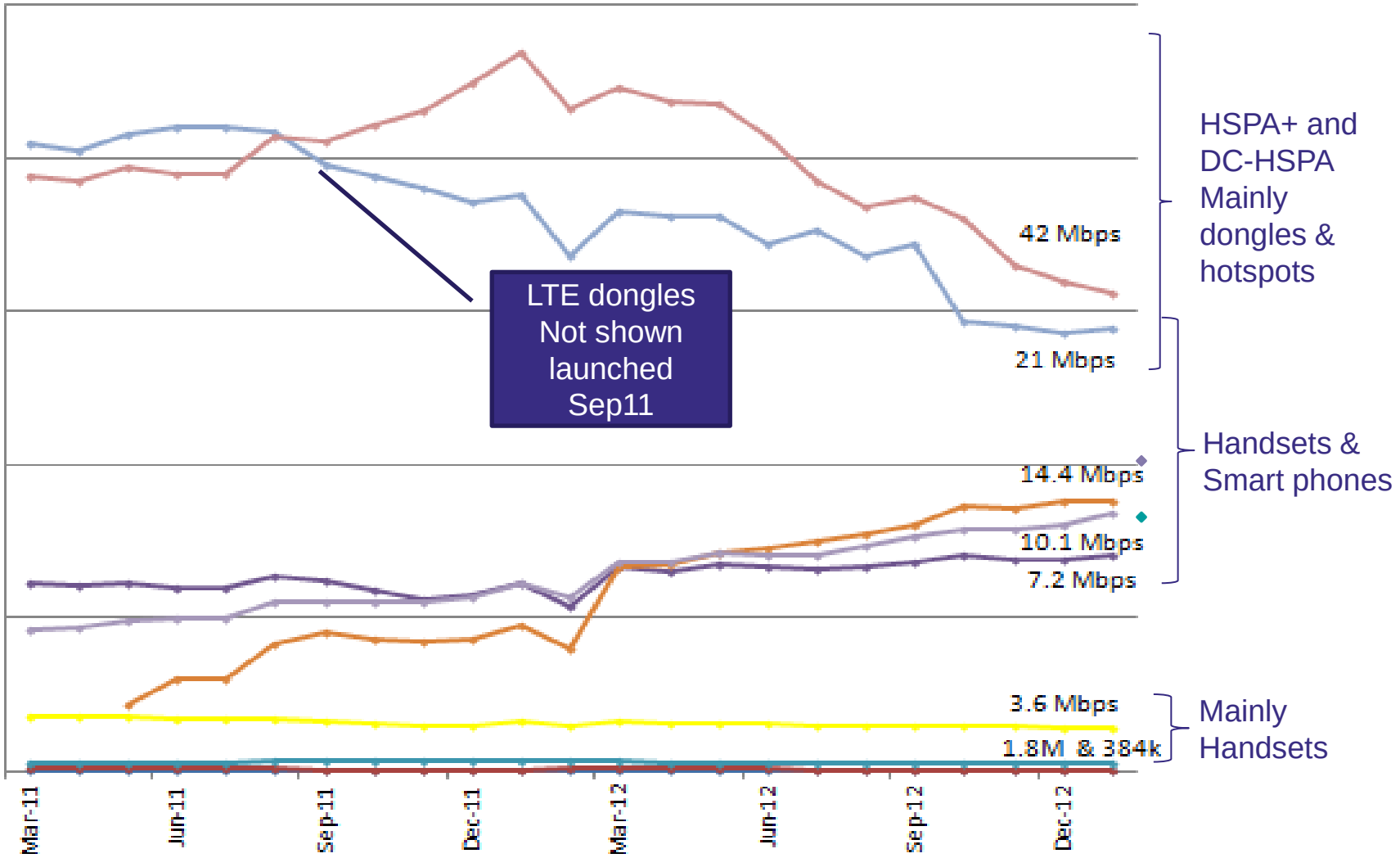
M2M delivery of Media To Shopping Centre Signage

M2M HELPS TRACK AND MANAGE TRAILER AND UTE HIRES ACROSS THE COUNTRY

M2M Monitoring of Hire Trailers

CONTENT OR TECHNOLOGY?
BOTH !

IT'S HOW WE CONNECT



Higher speed devices use more data in dongles and handsets
Use per device is rising – driven by applications/content