



AUSTAR: Regional Australia's Broadband Solution

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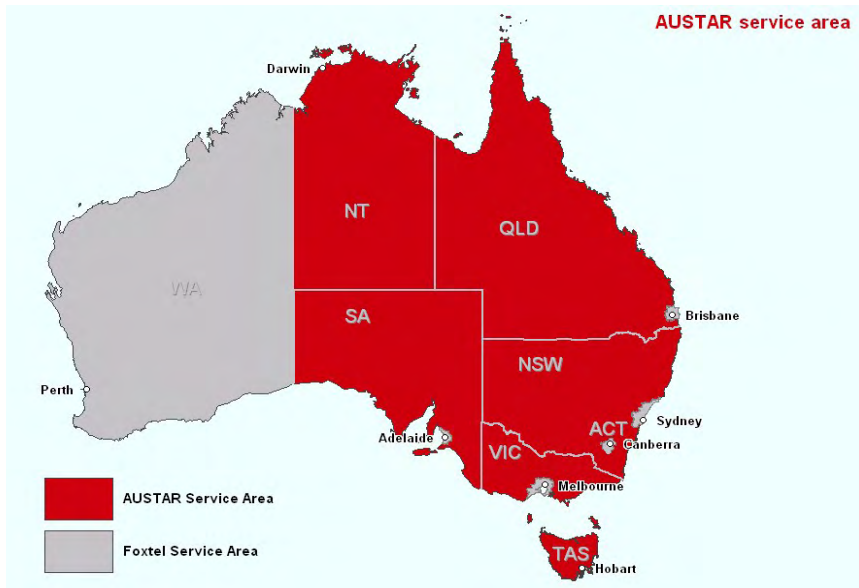
August 2006



AUSTAR: 10 years in regional Australia

Key markets: regional Australia

Leading subscription TV provider to regional and rural Australia



- ★ Potential customer reach 1/3 (2.4m) of all Australian homes
- ★ 100+ channels of TV content
 - Also deliver mobile phone and dial up internet services
- ★ Expertise in regional markets and strong brand recognition: regional Australia is our market of choice



AUSTAR Broadband: a new innovation for regional Australia

- ★ A\$50m commercial rollout



Launch 2 pilot locations in 2006, self install fixed wireless product
Upgrade path to voice/mobility with 802.16e WiMAX standard
2.3Ghz/3.5Ghz license holding = maximum flexibility / optionality

- ★ Total coverage footprint of 750,000 homes in 25 locations by end 2007
- ★ *AUSalliance* formed in May 2006 to jointly bid for Australian Government 'Connect Australia' program funding – a national alternative network

AUSTAR is well positioned to deliver

- ★ **Brand:** established, trusted
- ★ **Customer management experience:** over 570,000 subscribers and growing
- ★ **Scaleable infrastructure:** billing, technical support, dial up business
- ★ **Global Standards based product:** 'future proofs' technology & scale economies
- ★ **Experienced partners:** Unwired, Soul, Navini, TCI
- ★ **Financial stability:** global parent backing





Why WiMAX for AUSTAR Broadband?

Speed, Scale, Economics, Plug-n-play, Long Range, Mobile





Fixed Wireless:

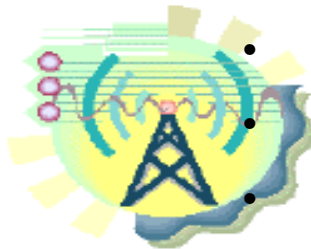
- Broadband data rates
- Long Range
- NOT plug n' play 
- No Mobility 





Wi-Fi

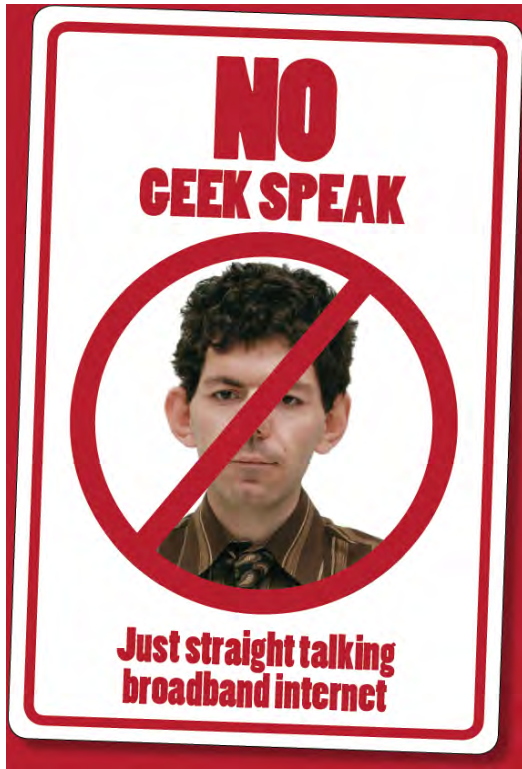
- Broadband Data Rates
- Plug n' Play
- Short Range 
- No Mobility 

Cellular, 3G:



- Narrowband built for voice 
- Low range for high data rates 
- Long range for voice
- Excellent Mobility

★ Wagga Wagga.....and the World



- ★ First market launched in Wagga Wagga in June
- ★ Meanwhile, significant developments continue to occur globally for WiMAX
 - Intel and Motorola US\$900m investment in Clearwire
 - Sprint Nextel will invest up to US\$3billion to deploy mobile WiMAX in 85 per cent of America's top 100 markets covering 100 million people.
 - Possible News Corp tie up with Clearwire?

Light
\$24.95

- Speed 256kbps/64kbps
- Download allowance 300MB
- No lock-in contract

Regular
\$49.95

- Speed 512kbps/128kbps
- Download allowance 2GB
- No lock-in contract

Serious
\$74.95

- Speed 1024kbps/256kbps
- Download allowance 2GB
- No lock-in contract



Broadband Connect funding would allow the extension of commercial plans of the *AUSalliance partners*



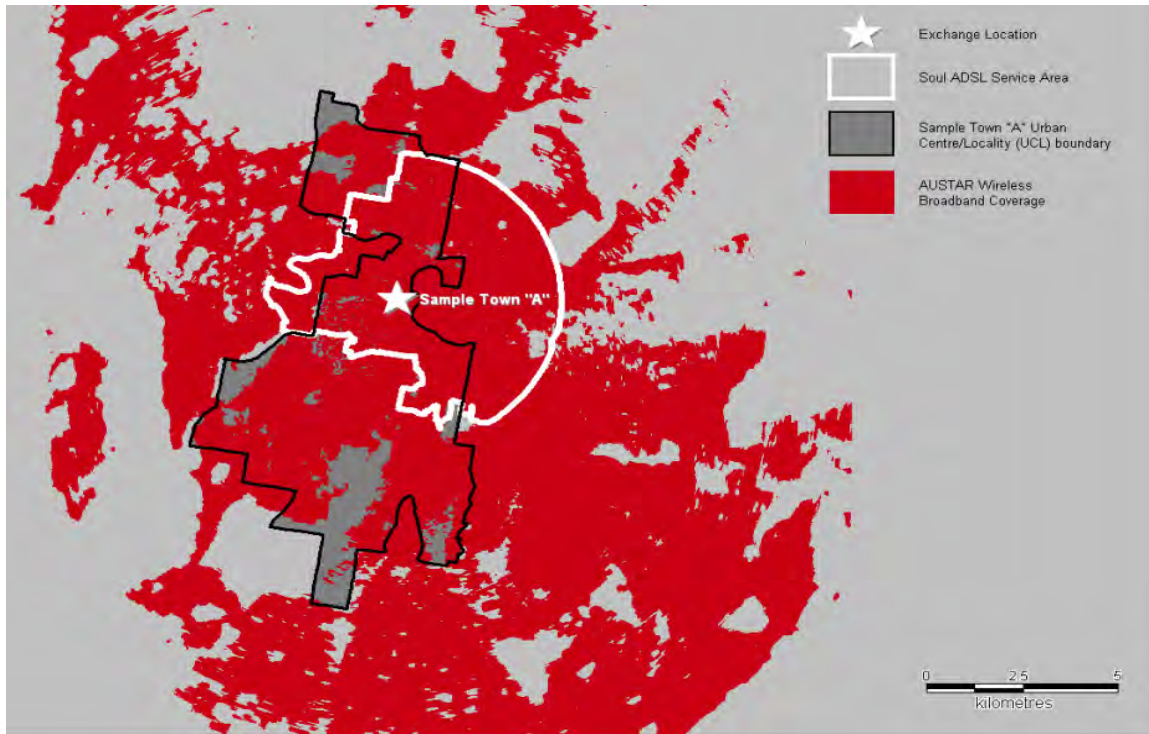
The AUSalliance is an AFFORDABLE opportunity to...

- Extend coverage footprint from the immediate commercial locations (covering 750,000 homes in 25 regional areas by end 2007) into surrounding, less viable regions
- Accelerate metropolitan build, including outer metropolitan black-spot regions
- Accelerate DSLAM rollout beyond immediate commercial plans
- Extend outer metropolitan coverage beyond 45%
- Supplement DSL delivery with fibre & satellite based solutions

....with a commitment to wholesale on reasonable terms



Together, Wireless and DSL offer the ultimate, **COMPLEMENTARY** solution



A powerful partnership

- ★ **Wireless:** delivers portable, mobile reach and cost advantage
- ★ **DSL2+:** delivers targeted high speed business & residential fixed services

Wireless represents an opportunity to address DSL blackspots PLUS offer a complementary service