

TELSTRA'S CITY TO COUNTRY 3G MOBILE PLAN – FREQUENTLY ASKED QUESTIONS

Q) What does this announcement mean for Telstra's mobile phone users?

A) Telstra's 3G city-to-country vision is a plan to deliver high-speed 3G to mobile users across its national network. It means faster speeds, bigger coverage, better and more mobile services for our retail customers.

Q) Why couldn't you continue to develop the three networks you have as they seem to meet the needs of different market segments in terms of coverage and service offerings?

A) This plan allows us to provide better coverage, faster data speeds and more services. It doesn't make sense to continue to maintain multiple network technologies all vying for the same investment dollars.

Our vision will allow us to take a much more focussed approach to investment which means maximising the benefits of any new technologies by making them available to more of our retail customers. This also lays the foundation for the provision of 4G services in the future.

Q) What are the timeframes you are talking about?

A) This is a three-year vision. Our plans would see work start early next year with the benefits of the new services starting to become available to customers in the second half of next year. However, we will be carrying out additional work and further upgrades to the network through to mid 2007. We will be working with customers over the next three years in relation to the gradual take up of new services as they become available. We will leave the CDMA network in place until the new network is providing the same or better coverage and services.

Q) Why did you select this technology?

We wanted to offer new services and better technology to more of our customers across Australia:

- Better coverage because we are combining the reach of our existing networks and extending coverage on highways;
- Deliver wireless broadband throughout a single network;
- Improved depth of coverage;
- Improved in-building coverage;
- A wider range of services such as video calling, music downloads and video clips;
- Access to a single superior technology path, setting the foundation for 4G.

Q) Why didn't you install GSM six years ago when the analogue network was forced to close?

A) Based on the technology available at the time, CDMA provided the best means of addressing coverage issues in rural and regional areas. However, recent development of 3G technology on the same frequency band as CDMA allows us to provide like-for-like coverage, but with the additional features available on 3G. The lower the frequency the further the signal can travel.

Q) What will happen to CDMA base stations?

A) Both GSM and CDMA base stations will have 3G added. We will operate 3G and CDMA services simultaneously during a transition period that will allow us to offer new services to our customers as they move to upgrade to new devices and handsets. Where there are both existing GSM services and CDMA services on the one tower, we will also need to add 3G services.

Q) The data speeds that are currently available over EVDO are better than 3G. Wouldn't it be better in terms of wireless broadband coverage to continue to upgrade EVDO, and its further evolutions?

A) Technologies are developing all the time, and there is a service that has been developed on the 3G platform that provides wireless broadband services (HSDPA – High Speed Downlink Packet Access) at higher speeds than EVDO. The next evolution of HSDPA service is expected to provide peak broadband speeds up to 14Mbps. We believe this is the superior technology path, but we will continue to support and expand EVDO until the new service is available.

Q) I have just brought a new Telstra Mobile Broadband service. Does this mean in 12 or 18 months I will no longer have a service?

A) Telstra is committed to pursuing growth in wireless broadband services. To demonstrate this commitment we will be expanding existing wireless broadband services until the new network becomes available. Once the new network is operating we will be upgrading the services of customers using the Telstra Mobile Broadband and Big Pond Wireless Broadband EVDO network and providing free replacement pc cards and modems.

Q) When CDMA was released there were limited numbers of handsets, and they were more expensive than GSM. Won't this happen again if we move to another new technology?

A) Cingular, the largest mobile operator in the US, with over 51 million customers, has been pioneering the development of 3GSM 850. There is also emerging interest from other companies around the world.

The handset range will increase progressively to cover a range of prices depending on features and functions. Also we will offer services on appropriate plans from basic mobile telephony and SMS to rich content and down-loadable services such as music and video clips, video calling and content services.

Q) I have spent quite a bit of money, not only on phones but car kits and antennas. Why should I pay for a new set?

A) As with most technologies an upgrade in equipment is required to take advantage of new and better services.

The average period of time before a customer upgrades a phone is about two years, and we will be offering attractive plans to encourage take up of the new service so customers can make full use of all the new services on offer.

Q) CDMA coverage has been improved with the development and use of specialist antennas and other approved equipment for cars and houses. Will there be the same equipment for GSM?

A) This equipment is being sourced. In addition, as 3GSM operates on the same frequency band as CDMA, equipment may be reusable.