

Optus Update



**SingTel Regional Mobile Investor Day
25 September 2009**

Mr Paul O'Sullivan, Chief Executive

**'yes'
OPTUS**

Forward looking statements - important note

The following presentation may contain forward looking statements by the management of SingTel Group relating to financial trends for future periods, compared to the results for previous periods.

Some of the statements contained in this presentation that are not historical facts are statements of future expectations with respect to the financial conditions, results of operations and businesses, and related plans and objectives. Forward looking information is based on management's current views and assumptions including, but not limited to, prevailing economic and market conditions. These statements involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those in the statements as originally made. Such statements are not, and should not be construed as a representation as to future performance of SingTel Group. In particular, such targets should not be regarded as a forecast or projection of future performance of SingTel Group. It should be noted that the actual performance of SingTel Group may vary significantly from such targets.

“S\$” means Singapore dollars and “A\$” means Australian dollars unless otherwise indicated.

INDUSTRY LANDSCAPE

The past year has been an eventful year...



- Consolidation of Vodafone and 3
- Scale competitor
- VHA's integration challenges



- Corporate customers showing decline in spending
- Consumer spending not substantially impacted to date



- FTTH Network proposed by the Government
- Regulatory Reform for the 21st Century
- Regional Backbone Blackspots Program

... with a few key forces reshaping
Australia's Telco Industry

It was also a busy year for Optus...

**Optus launched Naked Broadband
and Month to Month Plans**

Optus launches satellite

**Optus' monster caps set
to shake up mobile market**

**Deals for
new iPhone**

ABC SAYS 'YES'
Optus has renewed a contract
worth \$100 million

**New iPhone
to hit stores**

**SingTel
snaps up
\$500m
ANZ deal**

**Woolies joins with Optus
to offer prepaid mobiles**

Optus adds \$60m more to its books
deal with Brisbane City Council

Optus awarded managed network services
contract by Australian Taxation Office

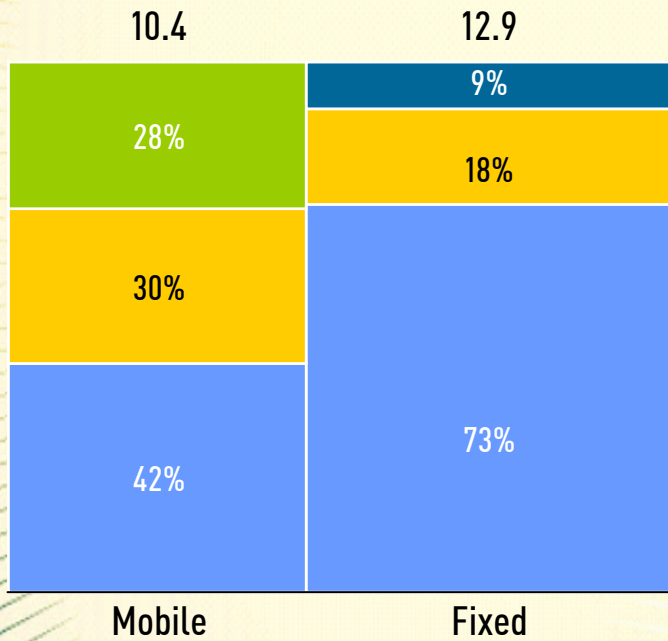
... with various achievements

**'yes'
OPTUS**

While mobile and fixed competitive frameworks show stark contrasts...

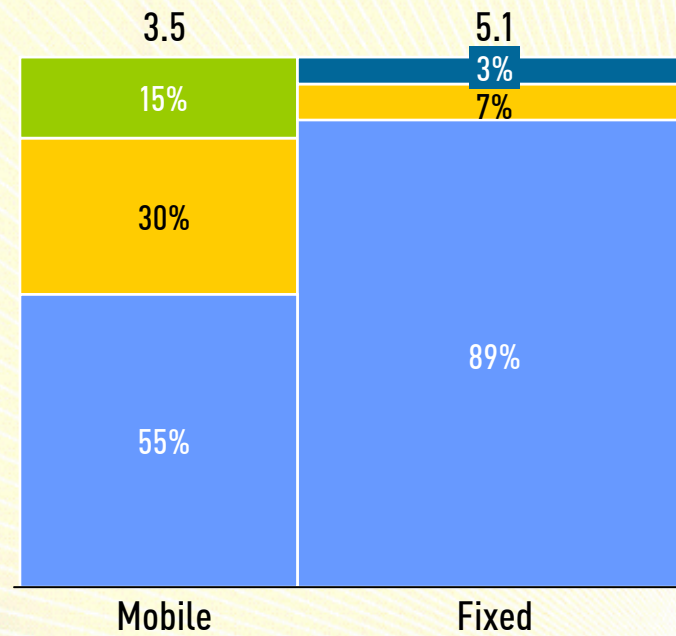
Revenue share*

Australian Market Revenue (US\$ billion)



EBITDA share*

Australian Market EBITDA (US\$ billion)



■ VHA ■ Optus
■ Other ■ Telstra

... Optus' overall market position is strong



* Optus estimates base on market available information

STRATEGY AND PERFORMANCE

Last year we presented 3 key goals that were core for our FY09 activities...

Aggressively
grow mobile core



- Accelerate our mobile momentum
- Step change in future value streams
- driving data and engaging customer through n-screens

Focus on
profitable fixed



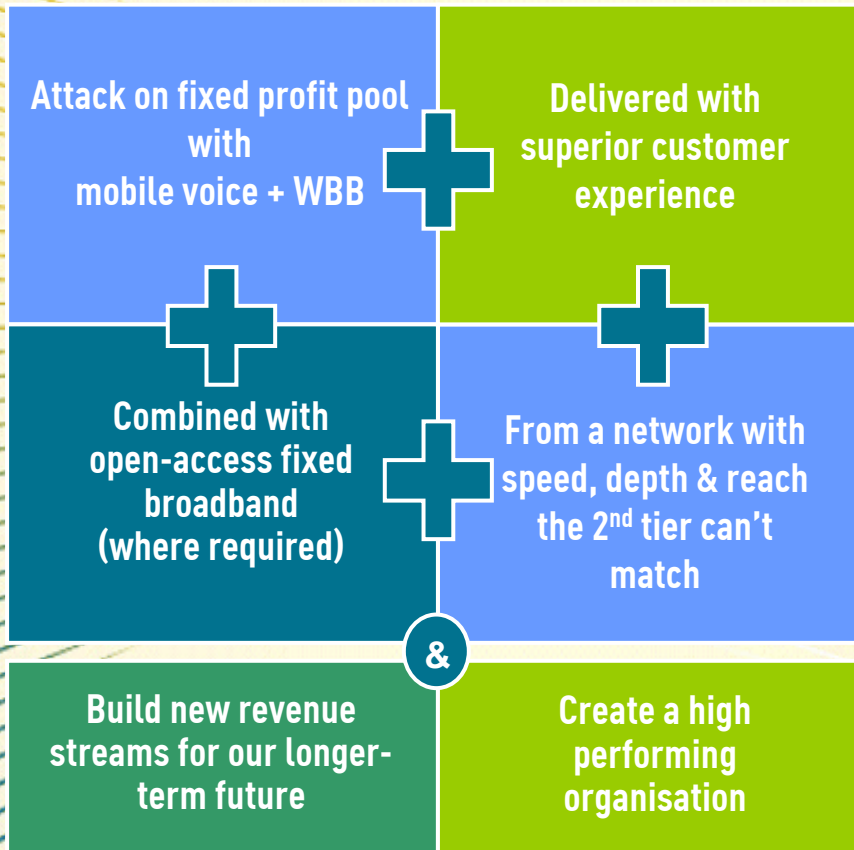
- Maintain focus on profitable fixed
- Prepare for NBN

Customer experience
transformation



- Continue to drive transformation
- Re-engineer to put customer first

... this year we have refined our integrated strategy to reflect changes that are happening within the industry



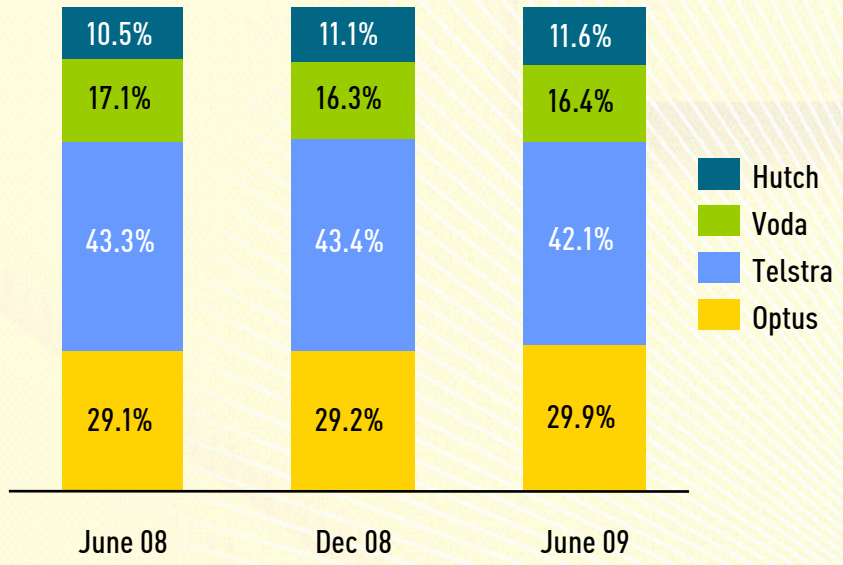
- 1 Accelerate our mobile momentum
- 2 Focus on profitable fixed while preparing for NBN
- 3 Re-engineer to put the customer first
- 4 Step change in future value streams – driving data and engaging customer through n-screens



Strong momentum with innovative plans and offers

1 Accelerate our mobile momentum

Revenue Market Share*



Prepaid WBB



Pink: Pre-Paid Recharge & Win



Turbo Cap



'yes' Timeless



HTC Dream



WBB



Monster Caps



iPhone

* Optus estimates base on market available information

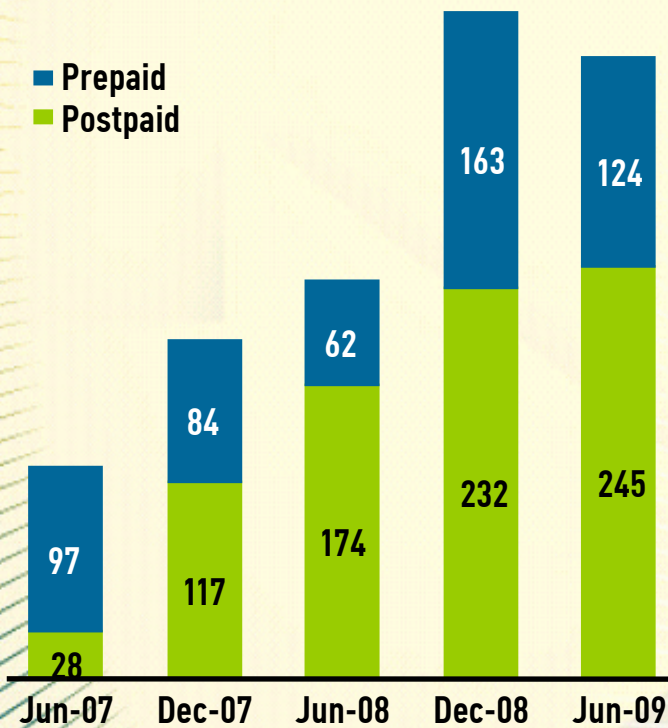
Steady growth in subscribers and revenue



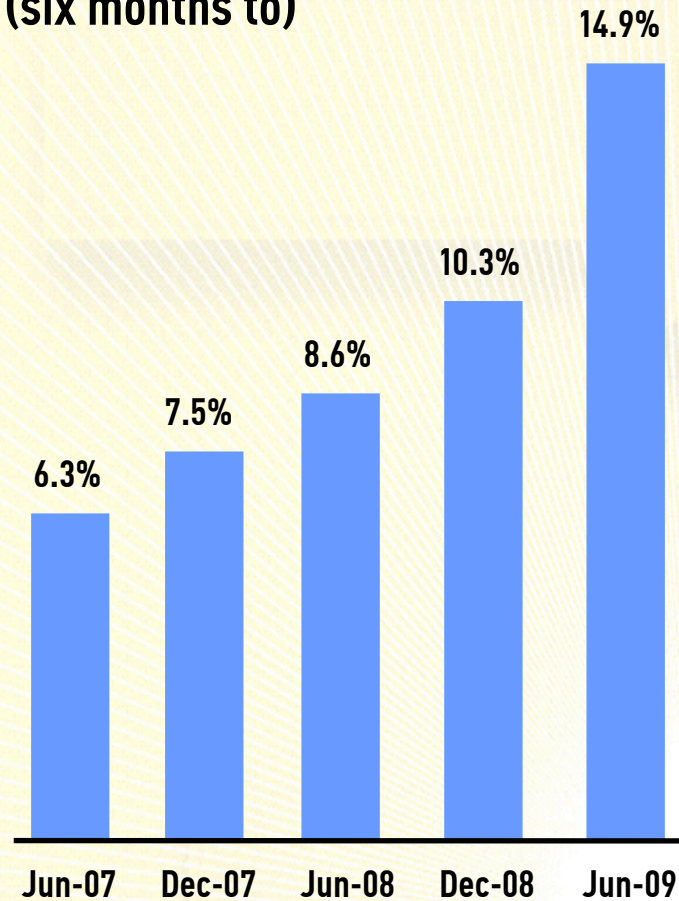
Accelerate our mobile momentum

Mobile net adds (000s)

■ Prepaid
■ Postpaid



Outgoing Service Revenue Growth (six months to)

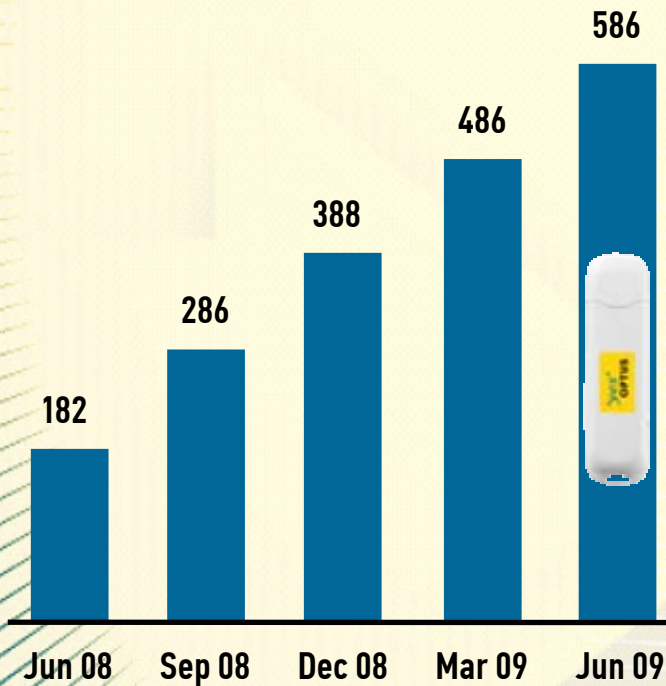


Driving 3G subs to deliver data revenue growth

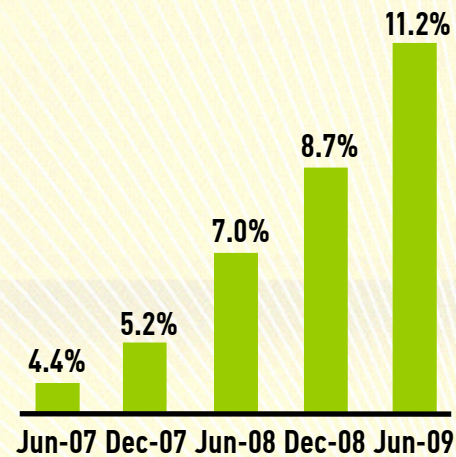
1 Accelerate our mobile momentum

Ramping WBB base

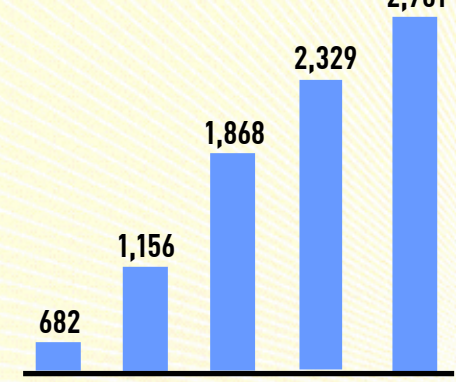
WBB Customers (000s)



% ARPU from non-SMS data



3G Subs (000s)



3G subs as % of total subs

10%	17%	26%	31%	35%
-----	-----	-----	-----	-----



3G expansion to capitalise on regional opportunities

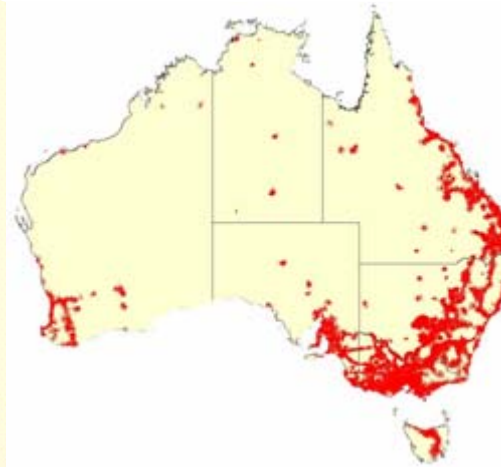


Accelerate our mobile momentum

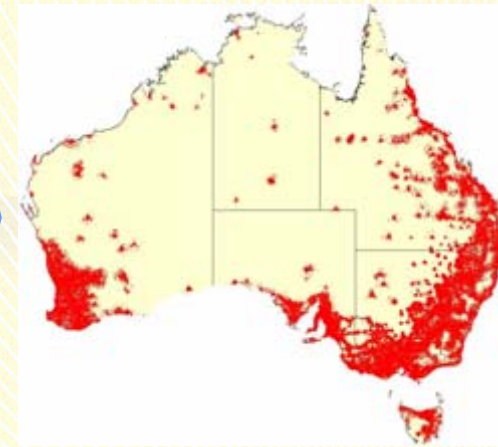
60% Dec 07



96% Dec 08



> 97% Mar 10



Optus continues to invest significantly in Australia:

- Transmission
- Backhaul capacity
- Additional mobile site coverage

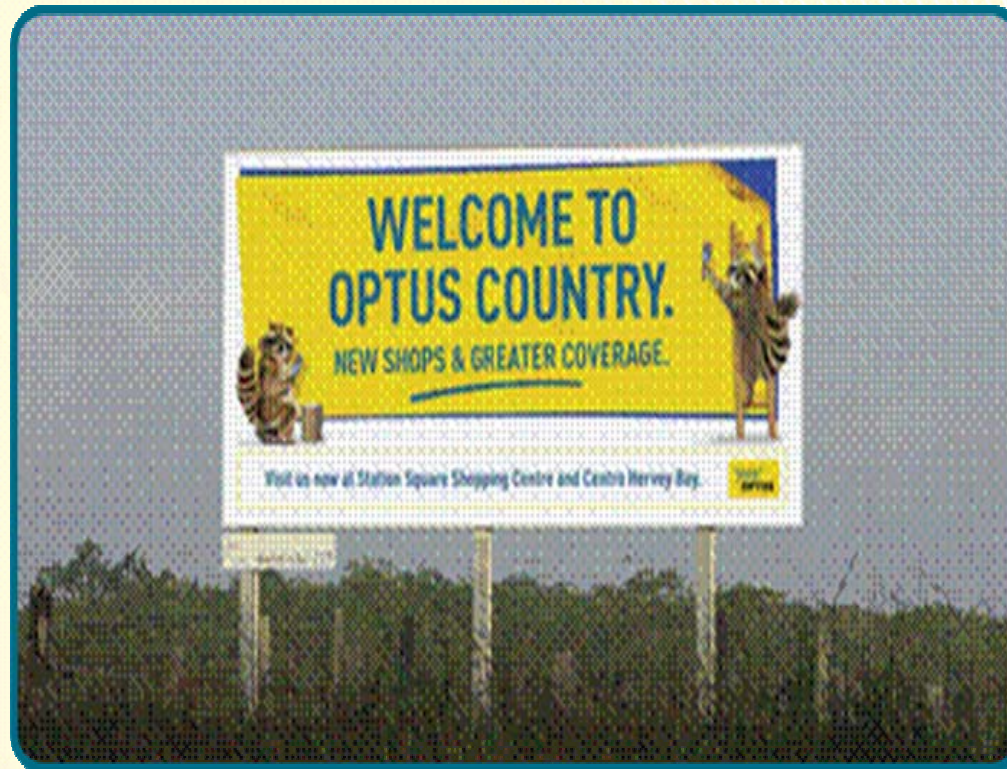
3G Mobile coverage expansion:

- 96% 3G coverage at December 2008
- Coverage to exceed 97% by 31 March 2010
- Further plans to reach 98% coverage are in place

Launched Optus Country to improve performance in regional areas



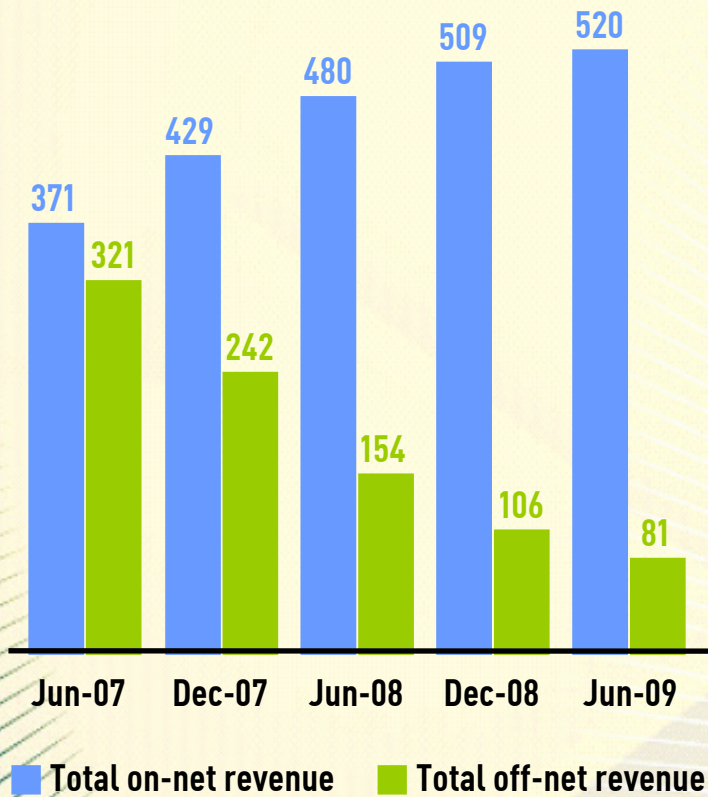
Accelerate our mobile momentum



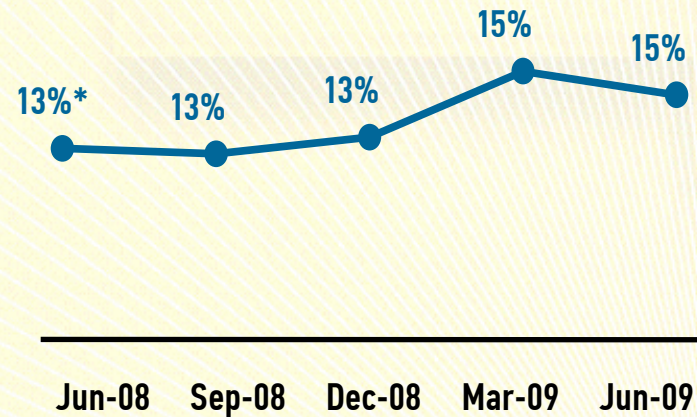
Profit from on-net scale opportunities and exit unprofitable off-net products

2 Focus on profitable fixed while preparing for NBN

Consumer Fixed Revenue – A\$m (six months to)



Consumer & SMB Fixed EBITDA Margin



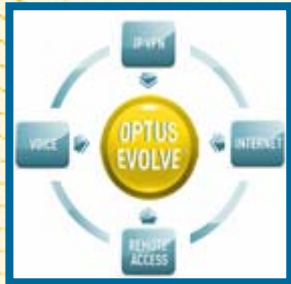
- ~980k homes on Optus fixed network
- Optus Fusion innovative bundled offer delivering on-net growth

* Excludes A\$14M benefit related to ACCC call diversion determination



Drive IP capabilities in Optus Business

2 Focus on profitable fixed while preparing for NBN



Optus Evolve

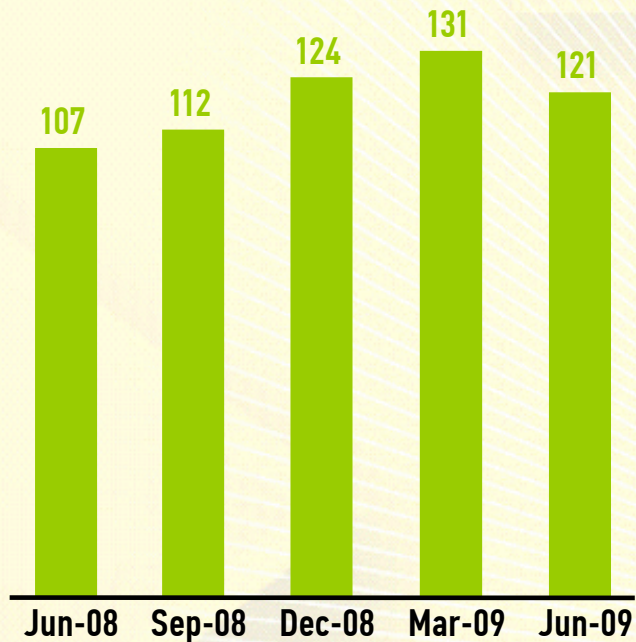


D3 successfully launched in August 2009

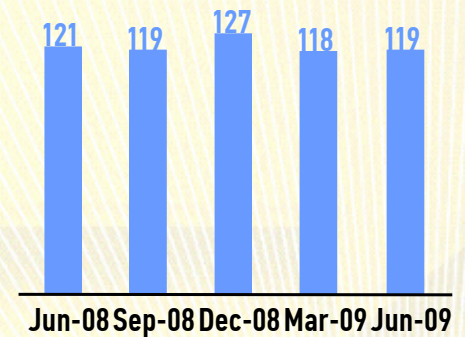


Recent corporate wins

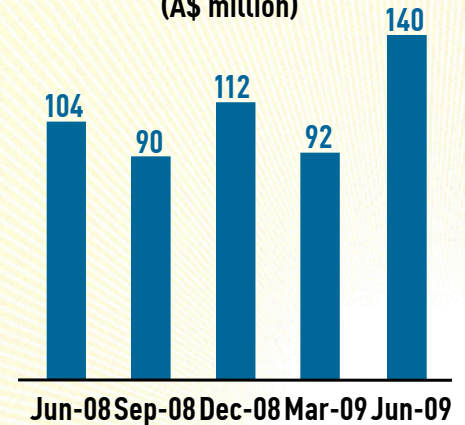
OB/OWS EBITDA (A\$ million)



OB - Data and IP Revenue (A\$ million)



OB - ICT and Managed Services (A\$ million)



Secure a pro-competitive NBN model

2 Focus on profitable fixed while preparing for NBN



- 1) Optus organised the industry (G9, Terra) to advocate for a fair NBN competition
- 2) Optus submitted response to the Federal Government's discussion paper 'Regulatory Reform for the 21st Century' and lodged a range of bids in response to the Government's RFT for the \$250 million Regional Backbone Blackspots Program
- 3) On 15th September, the Federal Government announced draft legislation that closely mirrors the model Optus has advocated for built around the four pillars:
 - Structural separation
 - Open access principles
 - Cost based pricing
 - ACCC oversight

We are demonstrating good progress



Re-engineer to put the customer first

Initiative

Outcomes

Reducing cost to serve

- Bill printing savings from online bills
- Increase in sales due to online capability with reduction in commissions
- Reduction in customer service calls due to online self service

Customer experience

- Churn reduction driven by enhanced customer experience
- Reduced customer queries
- Increased sales from improved product / channel experience

Developing new revenue streams

4 Step change in future value streams – data & content access

M-Advertising



N-Screens



Data Snacks



MVNOs*



* Mobile Virtual Network Operator

Optus is driving sustainable revenue and profitable growth

FY09 Outcomes

- Revenue – A\$8,321 million
- EBITDA – A\$2,067 million
- Capex – A\$1,041 million
- Free cash flow – A\$967 million

FY10 Guidance

- Revenue to grow at single-digit level
- EBITDA to grow at single-digit level
- Capex estimated to be ~A\$1 billion
- Free cash flow to be stable