

'yes' OPTUS

THE MARKET

The Australian telecommunications market continues to be a dynamic and fast paced industry and has never been more fiercely contested with consumers enjoying many benefits especially in mobile and broadband markets.

As the champion of competition Optus continues to deliver strong results in a challenging market, with innovative telecommunications packages and by creating a range of products for the home, business, corporate and government and wholesale sectors.

Optus continues to challenge and push for sustainable growth by leading the market in innovation: providing new ways to use technology coupled with better service and convenience.

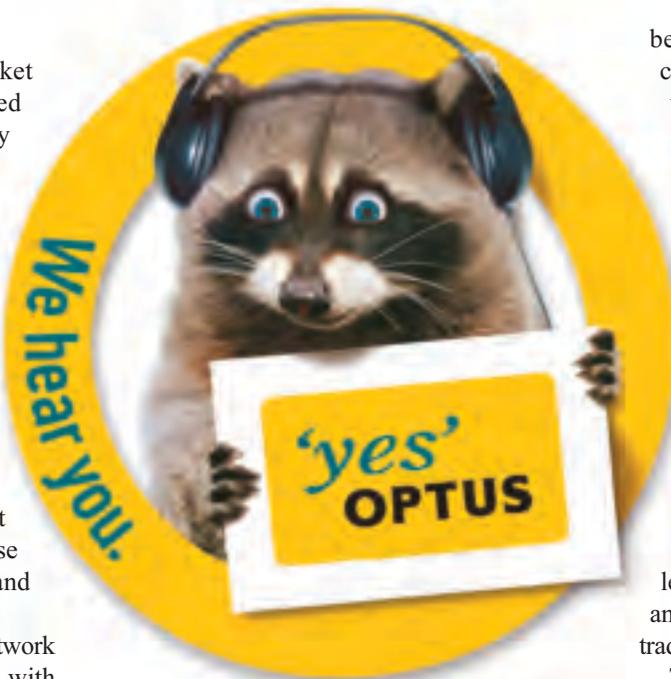
Optus has invested over A\$10 billion in network and infrastructure and has led innovation with breakthroughs such as the development of TV on your mobile, the Optus Zoo portal and Optus Wireless Connect card.

ACHIEVEMENTS

Mobile continues to be a focus within the company and the Optus mobile digital network continues to expand every year and now connects more than six million customers. However the growth of Optus goes beyond its 2G and 3G mobile network.

Over the past couple of years Optus has continued to invest in state-of-the-art infrastructure, including its Unbundled Local Loop network, D-series satellites, Internet Protocol ("IP") core, as well as its customer care systems to enhance the customer experience.

As convergence between broadband and mobile technology continues, Optus is ensuring consumer's needs are met by upgrading its mobile network to deliver data services using High Speed Downlink Packet Access (HSDPA). This investment ensures that Optus can offer more leading edge products and



services.

Optus continues to deliver high speed broadband internet services, telephony and subscription television from its own HFC network as well as rolling out its ADSL2+ exchanges via the Unbundled Local Loop (ULL) through the incumbent's copper network, across the country bringing competitive services to more customers.

Optus is Australia's only satellite owner and operator with over twenty years experience delivering satellite services across the length and breadth of Australia.

Optus expanded its fleet in October 2006 with the launch of the D1 satellite, the first of the latest generation Optus D-series satellites – providing fixed communication and direct television broadcast services to Australia and New Zealand.

Optus' D2 satellite is expected to be launched later this year and a third D-series satellite is set to be delivered in 2009.

HISTORY

Optus commenced operations in 1992, winning the second carrier licence to

become the first private sector company to challenge Telstra's monopoly on Australian telecommunications.

In 1998, Cable & Wireless PLC, who had been a significant shareholder ever since the company started, became the majority shareholder. On November 17 of that year, the company was listed on the Australian Stock Exchange as Cable & Wireless Optus Limited.

In 2000, Cable & Wireless PLC's long term strategy had shifted away from supplying broad based telecommunications products and CWO was therefore no longer a core business.

On September 2001, SingTel, the Singapore-based Asia Pacific regional communications leader, became the new owner of Optus and announced that the company would continue to trade in Australia under the Yes Optus banner.

Today, Optus continues to contribute as a significant member of Asia's leading communication company. SingTel and Optus now jointly provide the global reach and scale, excellent quality and range of services, reliability as well as stability for customers.



THE PRODUCT

Optus provides services to over six million Australian customers every day, providing telephony, mobile, high speed internet, data communications, subscription television and satellite services.

Optus continues to strongly challenge other mobile operators for market leadership. As mobile penetration approaches 100 per cent saturation Optus continues to defend its market position by increasing its mobile subscriber base to over six million. Mobile data continues to grow with the launch of 3G and text messages continue to be an area of growth especially with the youth market.

What's more, Optus is committed to the continuous improvement of coverage, call quality and data transmission. As mobile and data technology merge and the convergent revolution takes place, Optus is positioned to lead customer

experience through the launch of the 3G mobile network in 2005 and continual investment in the network. This includes upgrading the core IP network and exchanges around the country.

Up to A\$800 million will be invested to extend the coverage of Optus' 3G network. This move signals a new era of competition in 3G services nationally because people living anywhere in the extended footprint will be able to receive high-speed mobile data services delivered over the Optus 3G network - and have a choice of carriers for third generation mobile. Optus is the only wholesaler in Australia to offer 3G services.

In line with this move, Optus will be delivering data services to its mobile network using High Speed Downlink Packet Access ("HSDPA"). The enhancement is presently being carried out across all of Optus' 3G locations nationally. This progressive roll-out will enable Optus to provide the market with more leading-edge products and services, and to offer consumers greater choice.



Optus continues to pursue alliances with like-minded partners to offer consumers an array of exciting content, products and services such as Google search engine on your mobile and Disney Connection on the Optus broadband portal. Optus also continues to develop the information and entertainment portal Optus myZoo. This mobile data service was the first in Australia to offer live TV on compatible mobile handsets.

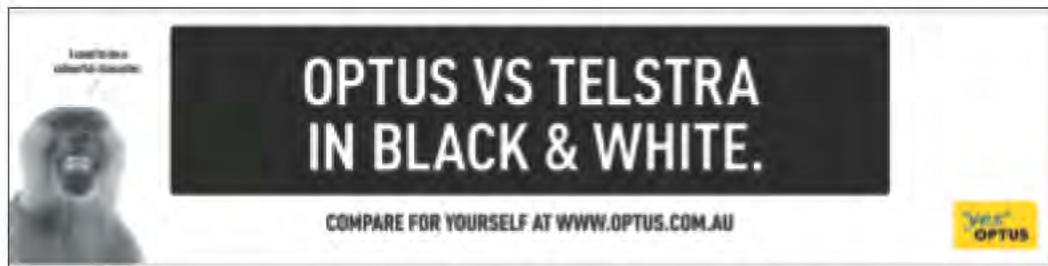
As part of an ongoing drive to meet the needs of the Small and Medium Business (SMB) market, Optus launched the high quality Voice over Internet Protocol (VoIP) Optus iPhone Premier service in May 2007. This is the first large scale rollout of this product in Australian allowing small business customers to experience all the benefits of VoIP, without compromising on the quality of standard fixed line services.

In the business market, including corporate and government, Optus offers innovative packaging of services to some of Australia's top one hundred companies and provides integrated voice, data, mobile, satellite and IP-business solutions.

RECENT DEVELOPMENTS

Optus announced in 2005 the realignment of its business structure to have a clear, single-minded focus on delivering a superior customer experience.

Optus now has four customer facing divisions: Optus Consumer; Optus Small and Medium Business (SMB); Optus Business; and Optus Wholesale & Satellite.



As part of the ongoing drive to meet the needs of the SMB market, Optus set up a customer facing unit in 2005 to provide a full telecommunication solution to serve the growing number of SMB businesses.

In 2006 Optus acquired 100 per cent of Virgin Mobile Australia. The company continues to hold a unique position in the mobile market as consumers identify with the passionate and fun approach. Its trendy products and friendly service, coupled with Optus' extensive network, guarantee a fantastic customer experience right across Australia.

purchasing pre-paid mobiles to tradesmen, company executives and large corporates, can all relate to the animals in the advertising and respond to the advertising on both a rational and an emotional level.

BRAND VALUES

Optus is a great company, founded on a great premise. To challenge the status quo. To make things better for all Australians. And to champion customers' interests. Optus delivers increased choice, service and value to all Australians through



Optus Business and Optus' wholly-owned subsidiaries, Alphawest and Uecomm, continue to build on their brand names and reputation by winning major contracts and re-contracting existing customers throughout the year.

In February 2007, Optus launched a new design for its premium consumer and small business retail channel, the newly-named Optus 'yes' Shops. Designed to optimise customer experience, the stores feature Optus' full product suite, including 2G and 3G mobile phones and plans, landline telephone deals, Internet and broadband services, Optus TV packages and digital media solutions. The new stores demonstrate Optus' products and services in real time.

PROMOTION

The success of Optus as a brand begins by developing accessible products that meet deep and genuine consumer needs. Through the use of animal imagery, Optus advertising then delivers information about these products through simple, engaging communications. Research shows that that the entire Optus customer base, from teenagers



competition. This goes back to what has been the core of the Optus brand since the beginning - the philosophy of 'yes'. It was all about the customer when it began and it's all about the customer now. These days Optus is even more aware of what it takes to build customer relationships. It's about demonstrating that the company cares and letting customers know that it looks out for them.

THINGS YOU DIDN'T KNOW ABOUT OPTUS

- Optus is Australia's only telco that wholesales 3G mobile services.
- Optus is the technology partner of Australia's only SMS Message Board in Federation Square, Melbourne and recently launched SMS FedTV.
- More than 6,000 Optus employees will be housed in Optus' new headquarters: an 84,000 square metre state-of-the-art corporate campus located at Macquarie Park in North West Sydney.
- 2006/2007 Optus was the presenting partner of Cirque du Soleil and its sponsorship helped bring the amazing 'Varekai' to Australian audiences.
- Optus, as part of its Team Tennis Australia sponsorship, is a keen supporter of Wheelchair Tennis. The 2007 Australian Open was the first time wheelchair tennis was included as part of a Grand Slam.
- Optus is Australia's premier satellite provider and operator with one of the youngest satellite fleets.