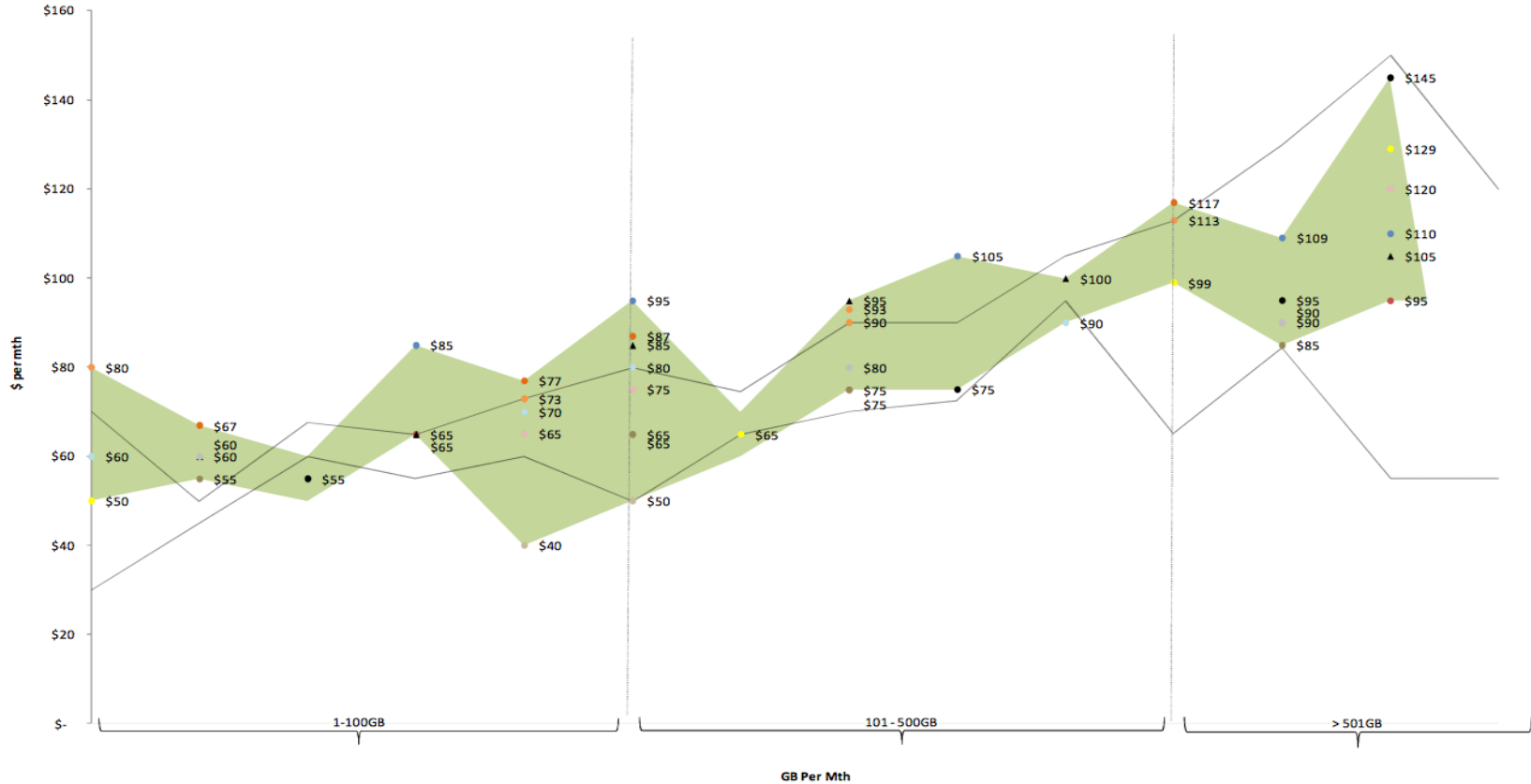


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Reflections on the NBN

Mike Quigley
2 December 2013

Exhibit 7-9: Comparative Bundled Pricing NBN Retail 25/5 Mbps – ADSL 2+



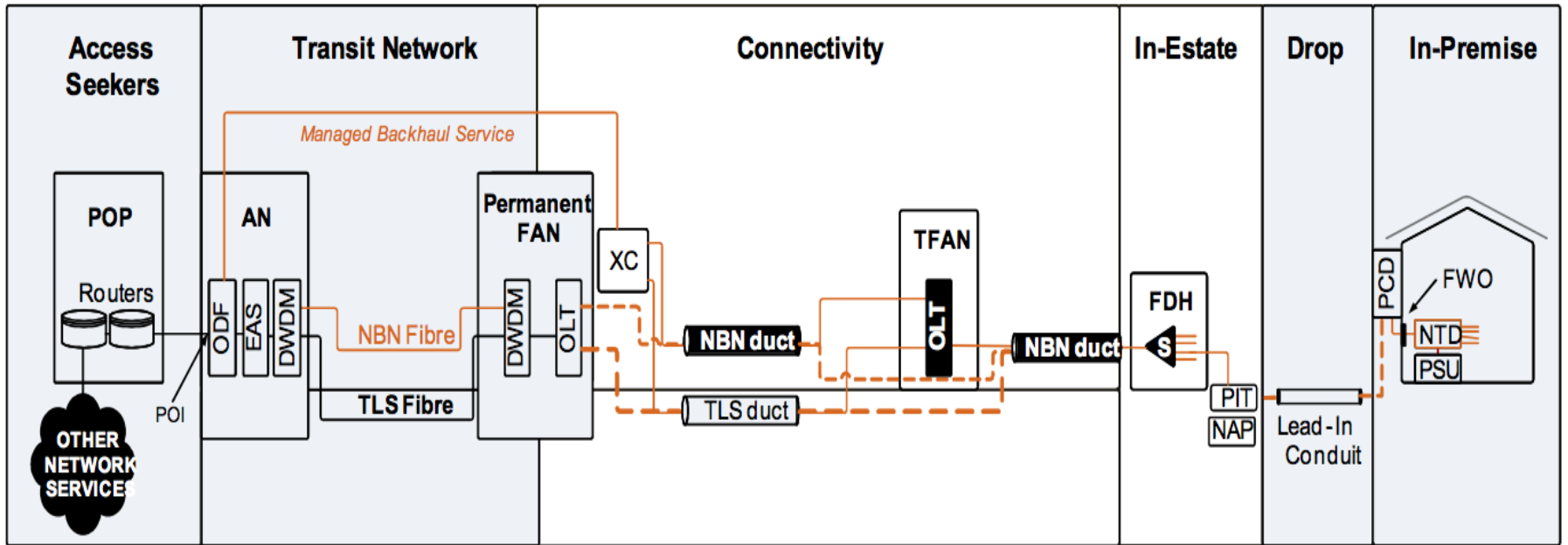
Source: NBN Co, Analysis based on RSPs published pricing as at June 2012, reflecting circa ~90% of market share.

Note: *The shaded Green area represents the range of bundled NBN plans in the market at the indicated speed tier.

**The range of bundled ADSL plan price points in the market are depicted by the area between the 2 solid lines on the chart.

1.3 Greenfields (New Developments & Infills)

Exhibit 1-7: Diagram of Transit and Fibre Access Network (Greenfields Single Dwelling Unit)



AN: Aggregation Node
 DWDM: Dense Wave Division Multiplexing
 EAS: Ethernet Aggregation Switch
 FAN: Fibre Access Node
 FDH: Fibre Distribution Hub

FWO: Fibre Wall Outlet
 NAP: Network Access Point
 NTD: Network Termination Device
 ODF: Optical Distribution Frame
 OLT: Optical Line Terminal

PCD: Premise Connection Device
 PIT: Network Access Point
 POP: Point of Presence
 PSU: Power Supply Unit
 S: Optical Splitter

TFAN: Temporary FAN
 TLS: Telstra
 XC: Cross Connect Point

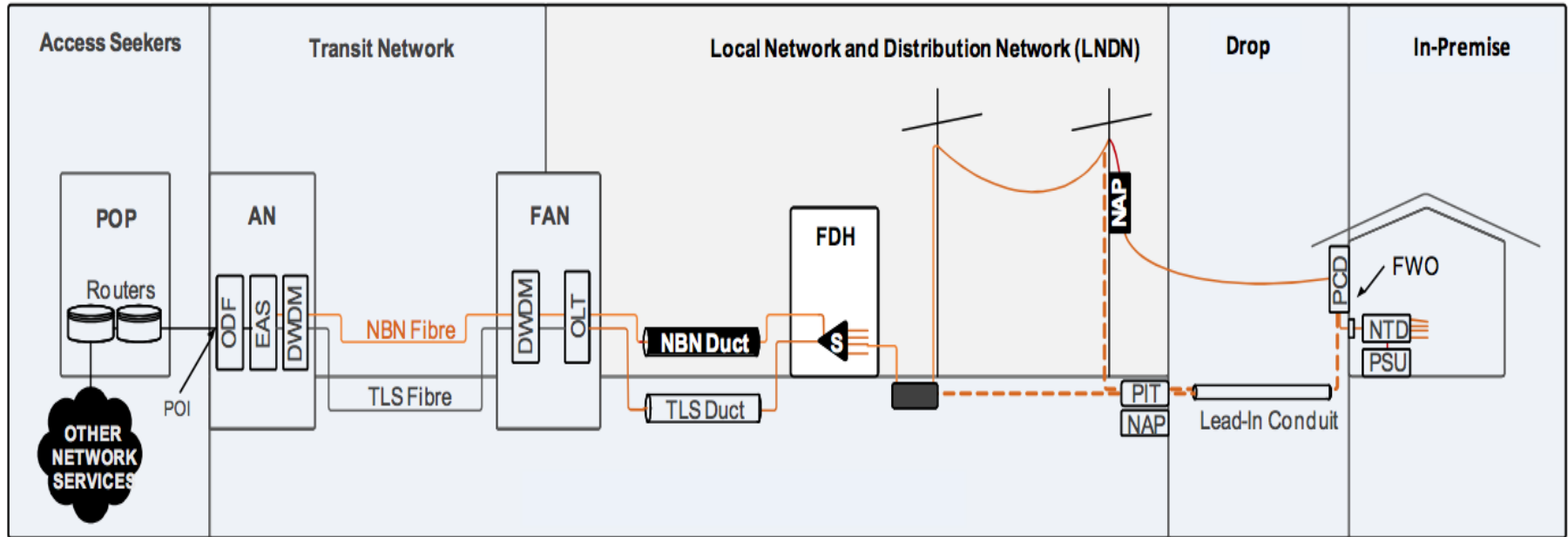
Connectivity

In-Estate

Demand Drop

1.2 FTTP Customer Connect

Exhibit 1-5: Diagram of Transit and Fibre Access Network (Brownfields Single Dwelling Unit)



Glossary

AN: Aggregation Node
 DWDM: Dense Wave Division Multiplexing
 EAS: Ethernet Aggregation Switch
 FAN: Fibre Access Node

FDH: Fibre Distribution Hub
 FWO: Fibre Wall Outlet
 NAP: Network Access Point
 NTD: Network Termination Device

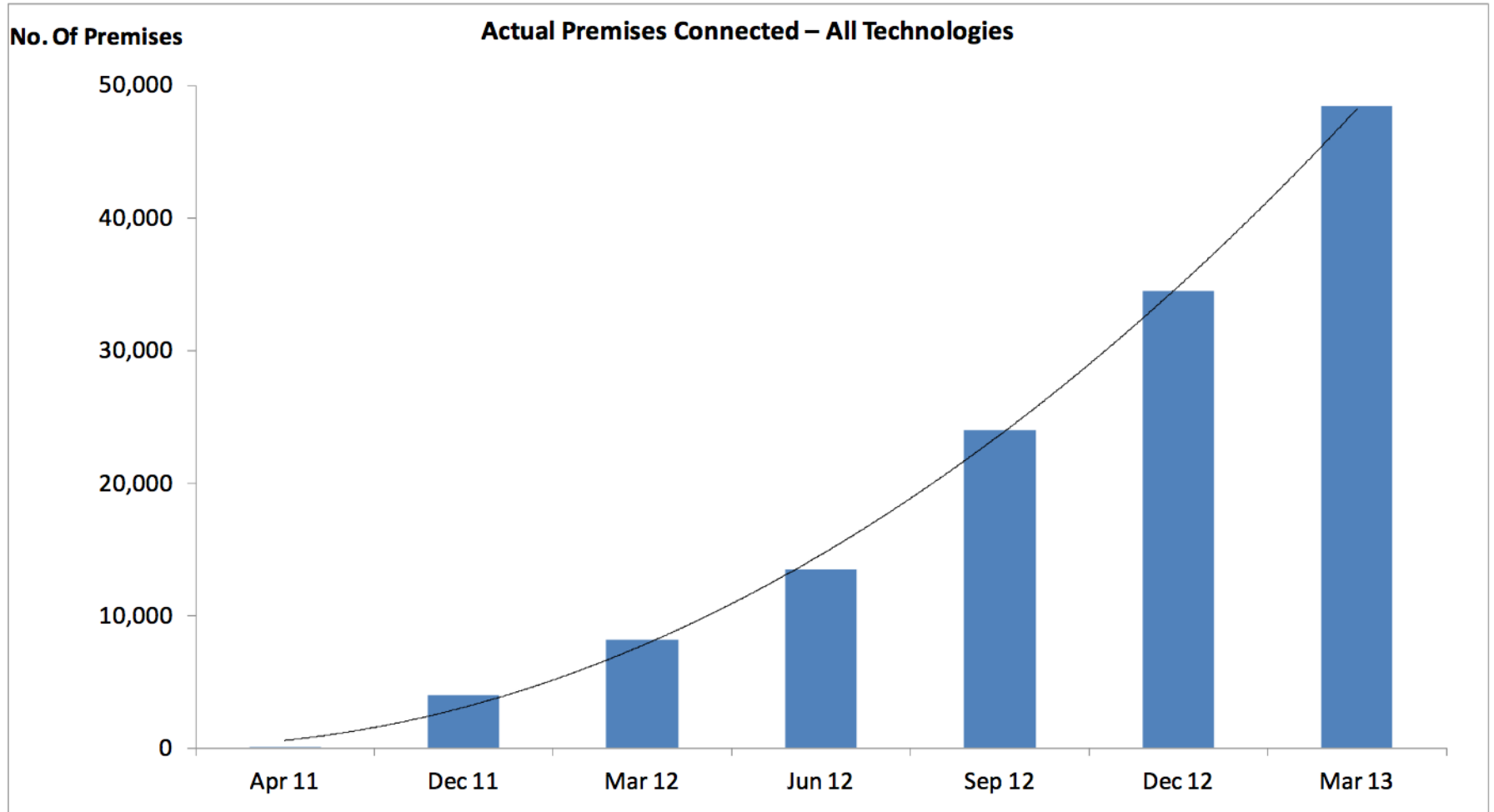
ODF: Optical Distribution Frame
 OLT: Optical Line Terminal
 PCD: Premise Connection Device
 POI: Point of Interconnect

POP: Point of Presence
 PSU: Power Supply Unit
 S: Optical Splitter
 TLS: Telstra

FTTP Customer Connect

4 Take-Up

Exhibit 4-1: Premises Connected – All Technologies

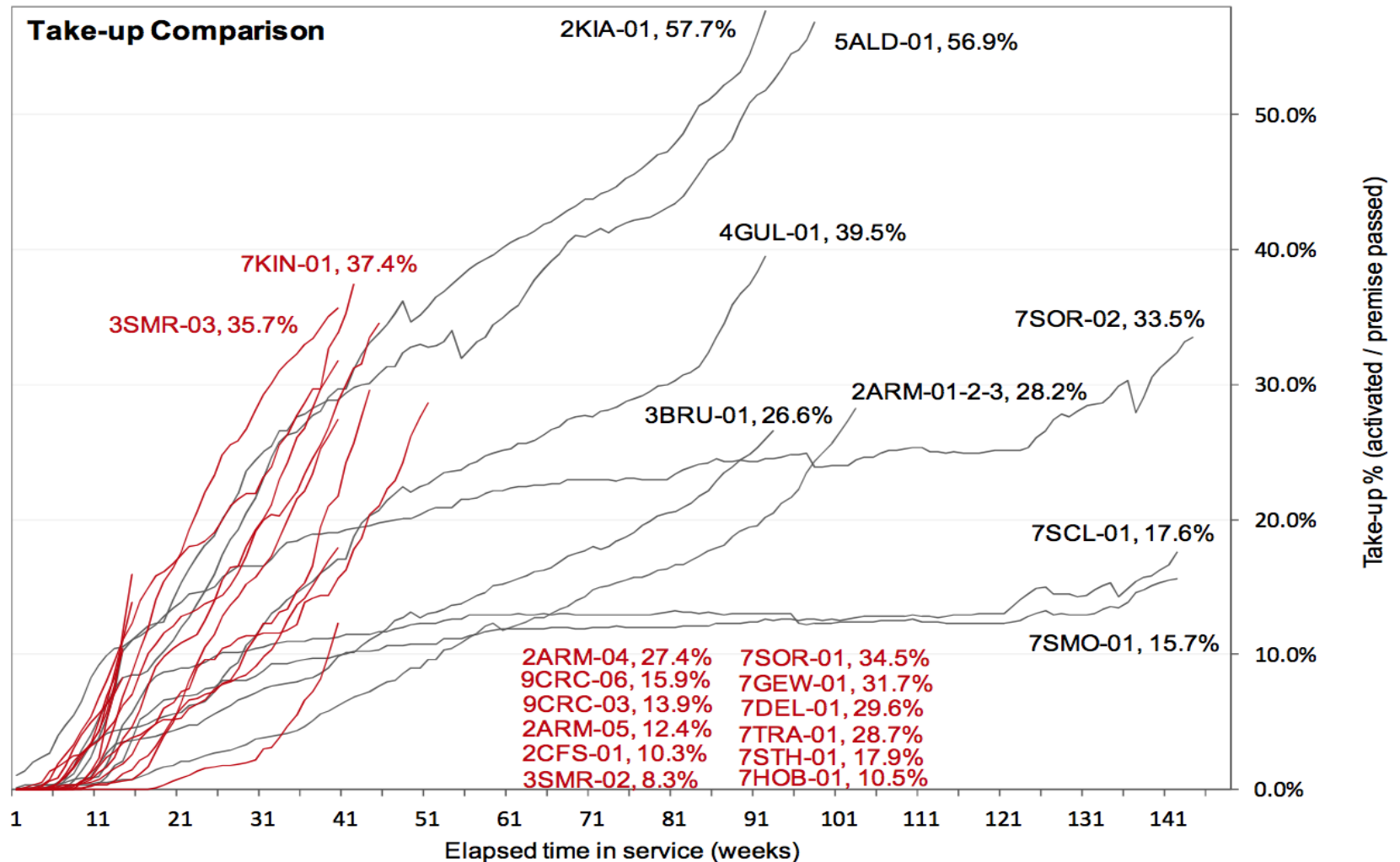


Source: NBN Co

Note: Actual information is based on information available at 31 March 2013.

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Exhibit 4-2: Take-Up Comparison – FTTP Brownfields

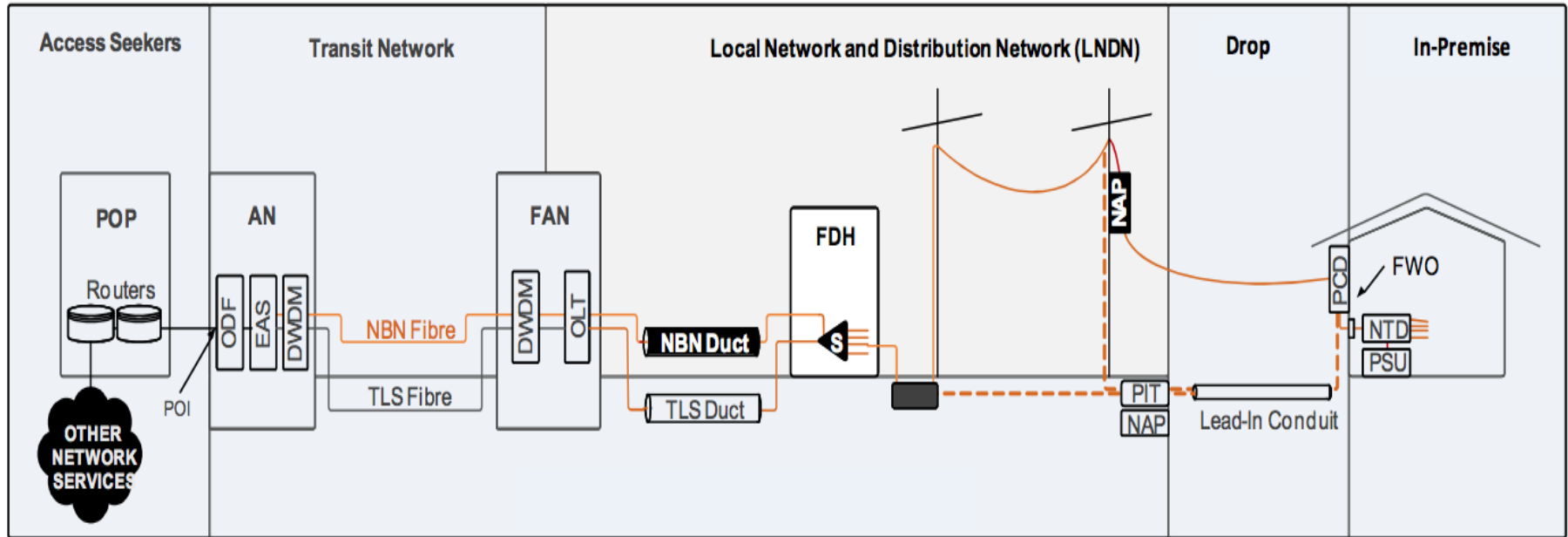


Source: NBN Co

Note: Actual information is based on information available at 31 March 2013.

1.2 FTTP Customer Connect

Exhibit 1-5: Diagram of Transit and Fibre Access Network (Brownfields Single Dwelling Unit)



Glossary

AN: Aggregation Node
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POP: Point of Presence
 PSU: Power Supply Unit
 S: Optical Splitter
 TLS: Telstra

FTTP Customer Connect

| | Dec 2010 | Aug 2012 | June 2013 |
|------------------------------------|-----------------|-----------------|------------------|
| End of Construction | Dec 2020 | Jun 2021 (1) | Jun 2021 (2) |
| Internal Rate of Return | 7.0% | 7.1% | 7.1% |
| Capex to End of Construction | \$35.9Bn | \$37.4Bn (3) | \$37.4Bn |
| Revenue to End of Construction | \$23.7Bn | \$23.1Bn | \$21.7Bn |
| Opex to End of Construction | \$23.2Bn | \$26.4Bn (3) | \$26.4Bn |
| Peak Equity | \$27.5Bn | \$30.4Bn | \$30.4Bn |
| Peak Debt | \$13.4Bn | \$13.7Bn | \$15.2Bn |
| Contingency (% of remaining Capex) | 10% | 10% | 10% |

(1) Telstra deal “Commencement Date” occurred 9 months later than planned

(2) Subsequent problems with LN/DN construction and asbestos delays

(3) Inclusion of Optus HFC agreement, Demand to Build Drops, 14 to 121 Pols

(4) Inclusion of Optus HFC agreement, Greenfields, Indirect costs

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Broadband Subscriber Growth

