STATEMENT OF ███████████████
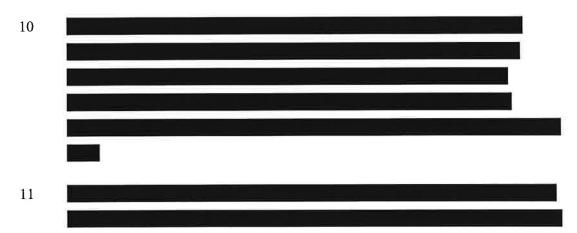
On 6 July 2007, I, ████████████████████ of ███████████████
████████████████████, state as follows:

Confidentiality

1   The information in this statement is confidential to Telstra Corporation Limited
       ("Telstra"). I have prepared this statement on the basis that the information in it
       will remain confidential and that the information will only be disclosed in
       accordance with the terms and conditions agreed with Telstra and the recipient of
       the information.

Background

2   ██
       ██
       ██
       ██████████████████████████████████████
       ██████████████████████████████

3   ██
       ██████████████████████████████████████
       ██
       ██████████████████████████████████████
       ██
       ██
       ████████

Churn data for fixed voice services

Churn data

4   ██
       ██
       ██

███
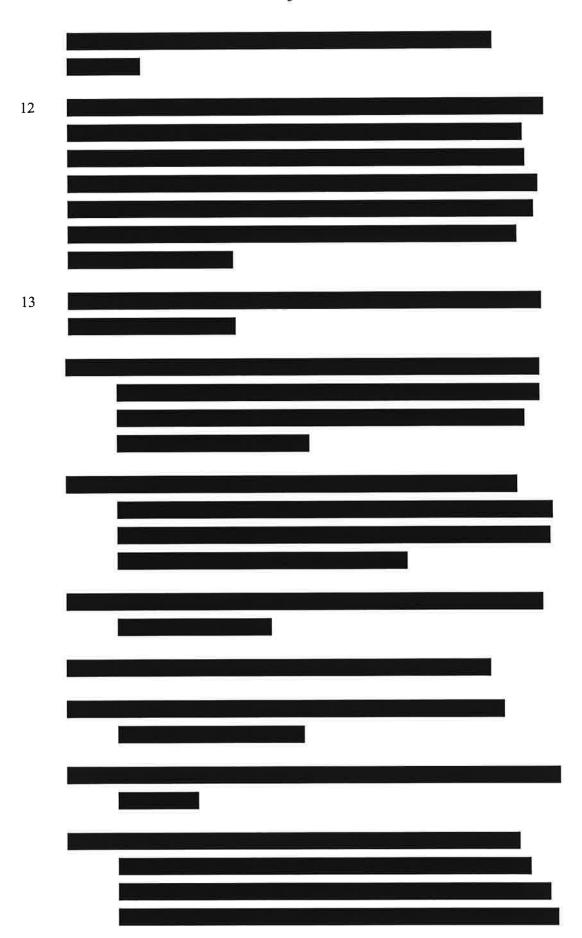
███████████████████████████████████████

5   "Churn-in" occurs when a customer shifts from WLR services with either a reseller using LCS/WLR services or an alternative service provider to Telstra's retail service. "Churn-out" occurs where a customer shifts from being a Telstra retail customer to being supplied by a reseller or an alternative service provider.

6   Churn data is a collation of records that carriers and carriage service providers are able to produce which track the transfer of customers' services to and from that carrier or carriage service provider. The information about the churn will vary depending on the churn type.

7   Generally speaking, a customer "account" holds a "service" or a "number of services" with a carriage service provider, which are billed at the end of each billing period. These are called Services in Operation (known as **"SIOs"**). A "service", in turn, can have a number of associated "products", such as local and long distance calls, directory entries, message bank, call return, and calling line identification.

8   Churn is processed at the service transaction level, meaning that a customer may transfer either all or some of the services from his account. Any products associated with services churned will also be transferred.

9   The transfer of these services is recorded by Telstra as churn data and enables Telstra to track the monthly "churn-in" and "churn-out" of WLR services offered by Telstra.

Churn data collection for the period July 2000 to April 2007

10   ██
          ██
          ██████████████████████████████████████
          ███████████████████████████████████████
          ██
          ████

11   ██
          ██

██

███████

12 ██

███████████████████████████████████████

██

██

███████████████████████████████████████

██

███████████████

13 ██

████████████████████

███

███████████████████████████████████████

███████████████████████████████████

██████████████████████

██

██

██

████████████████████████

██

████████████████

███

███

████████████████████████████

███

████████

██

██

███

███████████████████████████████████████

17

18

19

20

21

22 ██
██
███
████████████████████████████

23 ██
██████████████████

24 ██
███████████████████████████████████████
██
███████████████

25 ███████████████████████████████████████
███████████████████████████████████████
██

26 ███
██
██
██

27 ██
███████████████████

███
███████████████████

███
███████████████

██
██████████████████████

██
██████████

DATED: 6 July 2007

9021462_2