



Media Release

NBN Co acquires AUSTAR spectrum for rural and regional network

17 February, 2011

AUSTAR and NBN Co today announced they have entered into an agreement which sees NBN Co acquire AUSTAR's 2.3 GHz and 3.4 GHz spectrum holdings, enabling NBN Co to roll out a high-speed fixed-wireless service to rural and regional areas.

NBN Co is developing a wholesale high-speed broadband network which will be available to retail service providers on non-discriminatory terms, allowing RSPs to offer a range of plans and packages to consumers and businesses.

The first NBN Co fixed-wireless commercial services are scheduled for delivery in mid 2012. NBN Co has previously outlined plans to deliver next-generation wireless and satellite services to seven per cent of premises outside its fibre footprint.

Under the deal, NBN Co will acquire AUSTAR's 2.3 GHz and 3.4 GHz spectrum licences for \$120 million. The \$120 million payment comprises \$58 million for the subsidiary that holds the spectrum licences, with a further \$62 million for the assignment of this subsidiary's debt.

AUSTAR Chief Executive Officer Mr John Porter said: "This is a great result for NBN Co, AUSTAR and most importantly, regional Australians. There is no doubt that NBN Co will build broadband services in regional Australia very efficiently with consumers outside metropolitan markets finally gaining access to world-class broadband services."

Mr Porter noted that the NBN Co deal differed from AUSTAR's 2008 deal with Optus and OPEL, which included a combination of cash and various wholesale arrangements.

"NBN Co's wholesale model will provide a level playing field for all service providers. By retailing NBN Co services, AUSTAR will be able to offer consumers a broader range of products than we would have by building our own network."

NBN Co CEO Mike Quigley said: "Acquiring the AUSTAR spectrum will allow us to get on with the job of building services for rural and regional Australians. Our network will be based on a suite of technologies aimed at providing the most cost-effective rollout of services to meet the needs of Australians wherever they live or work, on a standardised, ubiquitous network."

NBN Co recently announced its pricing for wholesale broadband services starting at a download speed of 12/1 megabits per second (Mbps) for a uniform national wholesale access price of \$24 a month.

Deanne Weir, AUSTAR's Group Director Corporate Development said that AUSTAR would now concentrate on developing its content delivery platform beyond its current satellite delivered customer base of 30% of regional homes.

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“AUSTAR will focus not only on launching enhanced content services and transactional video offerings for our satellite customers, but we will also look to create relationships with regional Australian homes that we don’t currently service, via high-speed broadband and VOIP offerings,” Ms Weir said.

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About NBN Co:

NBN Co is a government business enterprise formed in July 2009 to design, build and operate the national broadband network (NBN). The NBN will enable high-speed broadband to be delivered to all Australian households, businesses and enterprises through a combination of fibre to the premise, wireless and satellite. To facilitate the development of a competitive telecommunication market, NBN Co is operating a wholesale-only, open-access network, and making its wholesale services available to retail service providers on non-discriminatory terms.

About AUSTAR:

Austar United Communications (AUSTAR) www.austarunited.com.au
AUSTAR (Australian Stock Exchange “AUN”) is a leading provider of subscription television services in regional and rural Australia, with more than 760,000 customers enjoying satellite digital television services. Internet and mobile telephony services complete AUSTAR’s product offering. AUSTAR is also a significant provider of programming in the Australian television market through its 50% owned joint venture, XYZnetworks, which owns and/or distributes Nickelodeon, Nick Jr, Discovery Channel, Channel [V], [V]Hits, MAX, Arena, The Lifestyle Channel, Lifestyle Food, LifeStyle You, Country Music Channel and The Weather Channel. Liberty Global, Inc., the largest international broadband cable operator in terms of subscribers, holds an indirect controlling stake in AUSTAR.