

Telstra increases choice & reduces costs of mobile devices to customers through Brightstar exclusive sourcing agreement

Melbourne – October 17, 2005 — Telstra Corporation today announced that it has awarded Brightstar, a leading distributor and provider to the wireless telecom industry, an exclusive sourcing agreement for all of Telstra’s wireless phones, devices and accessories to better support its customers.

Under the terms of the agreement, Telstra will leverage Brightstar’s relationships with major manufacturers as well as its global sourcing and procurement power to obtain mobile devices that increase Telstra’s product portfolio while reducing overall product costs.

“We are looking across all of our business to improve efficiencies and achieve more effective supply chain management,” Telstra Chief Operations Officer, Mr Greg Winn, said. “This partnership will drive device costs down due to Brightstar’s procurement power, which will make us more competitive and provide additional benefits to customers and shareholders.”

Group Managing Director of Telstra Consumer and Marketing, Mr David Moffatt, said Telstra customers would benefit directly from the Brightstar arrangements.

“We will be in a position to introduce the best range of handsets from global suppliers,” Mr Moffatt said. “This will ensure that our customers have the latest devices, tailored to our specifications, at more competitive prices.

“Telstra had discussions with Brightstar as early as December 2004. Since then we have been investigating ways to improve our speed to market and cut costs without reducing service levels or access to new technologies to our customers.”

The agreement between the two organizations, which is for one year with an option to renew in future years, designates Brightstar to procure more than two million wireless devices annually on behalf of Telstra.

Brightstar and Telstra will collaborate on defining product strategies and identifying portfolio requirements. Brightstar will then be tasked with working with global manufacturers to obtain the correct products, negotiate best pricing, purchase and deliver them to Telstra’s specifications.

Telstra Managing Director, Wireless and Mobility, Ms Holly Kramer said that: “Following an extensive evaluation process, we believe Brightstar is a perfect choice for Telstra because of its size, scale, global sourcing experience and relationships with manufacturers.”

Brightstar’s Chairman & CEO, Mr R. Marcelo Claire said: “We are extremely pleased to have been chosen to support Australia’s leading telecommunication’s company.

“Brightstar has implemented our proven model with many of the leading carriers around the world, including Verizon, America Movil and Telefonica, among others. Brightstar’s model focuses on cutting

time and costs out of the supply chain and introducing new products and technologies. We are encouraged by the opportunity to implement those same successes here in Australia.”

Brightstar, located in Melbourne with sales offices in Sydney, Brisbane and Perth, was incorporated in Australia in October 2004 and operates as a subsidiary of Brightstar Corp. the wireless industry’s leading value-added service providers for device distribution and logistics. Founded in 1997, Brightstar now operates 30 facilities in 22 countries and serves 160 network operators and more than 15,000 resellers, retailers and agents.

Brightstar will procure, sell and customize over 24 million devices in 2005 with an expected turn over in excess of \$2.5 billion.

About Brightstar

Brightstar Corp. is a leading distributor and provider of value added supply chain services to the wireless telecom industry, and also designs and manufacturers products under licensing agreements with leading manufacturers. Headquartered in Miami, FL, Brightstar has operations in Argentina, Australia, Barbados, Bolivia, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, India, Jamaica, Mexico, Paraguay, Peru, Puerto Rico, Trinidad & Tobago, Uruguay, the U.S. and Venezuela. The company serves over 160 network operators and 15,000 resellers, retailers and agents around the world and also represents many of the world’s leading wireless manufacturers. During the year ending 2004, Brightstar’s revenues exceeded \$1.7. For more information, visit www.brightstarcorp.com.au

About Telstra

Telstra Corporation Limited is Australia’s full service telecommunications and IP services provider and a leading carrier in the Asia Pacific region. Telstra offers an extensive portfolio of innovative solutions which include voice, mobile, broadband, IP, MPLS and managed services. Telstra’s network extends to more than 230 countries and territories with points of presence (POPs) and networks in all major Asian, European and American markets. Telstra has Net sales of over US\$15 billion, ranks in the top five of the largest carriers in the world in terms of overall financial and dividend performance, and has assets in excess of \$US20 billion. Telstra Corporation is traded on the Australian, New York and New Zealand stock exchanges under the TLS ticker symbol. For further information visit: www.telstra.com

Media contacts:

Telstra: Warwick Ponder, 02 9298 4619/0409 369 711

Brightstar: Sally Lange, 847.573.2616 sally.lange@us.brightstarcorp.com