

TELSTRA AND BRIGHTSTAR SIGN EXCLUSIVE END-TO-END RETAIL SUPPLY CHAIN AGREEMENT

Customers and shareholders to benefit from advanced retail services, cost savings

March 15, 2006 - Melbourne -- Telstra today announced an exclusive, three-year agreement with Brightstar Logistics Pty Ltd to improve the performance of its end-to-end retail supply chain and the overall experience for its customers.

Brightstar, a leading wireless distribution and supply chain solutions company, will manage operations of Telstra's handset supply chain, including the Retail Fulfilment Operation, and introduce a number of inventory management tools, driving costs out of the business and giving Telstra a long-term competitive advantage.

Group Managing Director, Product Management, Ms Holly Kramer said this end-to-end retail supply chain agreement follows the exclusive agreement with Brightstar in October last year to source and procure wireless devices from global suppliers, at more competitive prices.

"Telstra has a unique opportunity with Brightstar to achieve more cost effective and efficient systems that deliver real benefits to customers and shareholders," Ms Kramer said.

"We want our customers to have the affordable products they are looking for, when and where they want them."

Under this agreement, Brightstar's key service offerings, supported by its innovative, proprietary information technology capabilities will significantly elevate Telstra's retail supply chain performance over the next year. The services include:

- Managing Telstra's inventory to generate cost savings.
- Continuing the strategic sourcing agreement to drive the best price and increase performance relative to delivery commitments.
- Enabling global best-in-class supply chain processes, distribution and logistics management by managing the Retail Fulfilment Operation and improving service levels to all of our channel partners, dealers and stores.
- Introducing new services including channel inventory management tools such as a web-based product-ordering portal and automated point of sale replenishment systems.
- Advising on product lifecycles and ranges, stock movements, performance measurement tools and packaging and customisation capabilities.
- Implementing a new IT system to monitor and report real-time sales performance and product movement down to the store and products level, ensuring appropriate product placement and turnover.
- Introducing web-based returns and reverse logistics tools to reduce Telstra's handling and asset recovery costs.

Brightstar's end-to-end solutions will focus on enhancing collaboration between vendors and channel

partners, increasing data transparency throughout the supply chain.

Managing Director, Telstra Procurement, Mr Ian Wheatley said these performance improvements give Telstra the best opportunity yet to capture the tremendous potential and value of the handset supply chain. There will be significant cost savings and a better buying experience for both Telstra and its channel partners.

“We have established service level and key performance indicators with Brightstar highlighting how serious we are about winning in the market and reducing unnecessary costs in our business,” Mr Wheatley said.

Marcelo Claire, president and CEO of Brightstar said innovation and competitive intensity in the mobile phone industry continued to accelerate at levels unheard of in most industries.

“Specifically, mobile devices and carrier services are evolving at breathtaking speeds,” Mr Claire said.

“We are pleased to grow our partnership with Telstra to the next level and are dedicated to delivering global expertise and best-in-class supply chain processes, systems and methodologies to drive faster, better decision making and ensure Telstra remains a leader in the increasingly competitive wireless marketplace.”

About Brightstar

Brightstar Corp. is a leading wireless distributor and supply chain solutions provider for the global wireless telecom industry. Headquartered in Miami, FL, Brightstar has operations in Argentina, Australia, Barbados, Bolivia, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Hong Kong, India, Jamaica, Mexico, Paraguay, Peru, Puerto Rico, Trinidad & Tobago, Uruguay, the United Arab Emirates, the U.S. and Venezuela. The company serves over 160 network operators and 25,000 resellers, retailers and agents around the world and also represents many of the world's leading wireless manufacturers. The company exceeded \$2.25 billion in revenue in 2005. For more information, visit www.brightstarcorp.com.au.

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