

Media Statement

## CSL Maintains Leadership in Increasingly Valuable Radio Spectrum

Strategy to invest in network capacity in 2007 enables CSL to focus on customer experience

**Hong Kong, 3 March 2011 –** Following the Auction of Radio Spectrum held by the Office of the Telecommunications Authority, CSL Limited (CSL) has maintained its significant market leadership. The company now has 127.6 MHz of radio spectrum in Hong Kong, 28 percent more than any other mobile operator. Radio spectrum is a critical factor in network capacity and customer experience, at a time when mobile data usage is increasing at a dramatic rate every month.

CSL observed calls by its competitors to withdraw unlimited data plans in Hong Kong, following their failure to anticipate the need for additional radio spectrum to meet future customer demand. The impact on network quality and capacity, driven by unlimited data plans for smartphones, lead to the high prices paid by other operators for the small blocks of non-contiguous spectrum in the auction.

"The spectrum auction result validates CSL strategy initiated in 2007 to lead the Hong Kong market in building network capacity in advance of customer need, buying large blocks of contiguous spectrum, and being the first to deliver both an All-IP network and the an LTE network in Hong Kong," said Joseph O'Konek, CEO of CSL Limited. "Following today's result, CSL has 28 percent more radio spectrum than any other mobile operator in Hong Kong. Our focus is now on maximizing customer experience on the fastest mobile broadband network in Asia Pacific, while our competitors are facing the challenges of providing a return on their spectrum investments, complex network integrations and new technology rollouts -- challenges that are already behind us."

Additionally, with the rollout of the world's first commercial grade LTE/DC-HSPA+ network last year, CSL has already delivered a next generation 4G mobile broadband network to provide unprecedented high-speed data with full coverage across Hong Kong, through infrastructure that delivers greater network efficiency

CSL will continue to invest in its globally award-winning Next G network to maintain market leadership in Hong Kong and deliver world-class broadband performance to all its customers throughout the territory.



## About CSL

CSL is Hong Kong's first and leading mobile network operator. It is also the first mobile company in Hong Kong to employ a distinctive market segmentation strategy and it uses leading-edge technologies to provide customer-focused services through: <u>1010</u>, <u>one2free</u> and <u>New World Mobility</u>.

CSL operates the fastest mobile broadband network in Asia-Pacific<sup>1</sup> and is the only operator in Hong Kong to provide extensive 3G coverage through UMTS 900. CSL is also the leading roaming operator in Hong Kong providing unmatched international multimedia connectivity with over 530 mobile operators around the world. In 2010, CSL launched the world's first LTE/DC-HSPA+ network, the next generation of mobile broadband network with significantly increased capacity and speed. For more information, please visit <u>www.hkcsl.com</u>.

CSL is a subsidiary of Telstra Corporation Limited, Australia's leading telecommunications and information services company (<u>www.telstra.com</u>).

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<sup>&</sup>lt;sup>1</sup> According to independent US based company OOKLA's Net Metrics network speedtest platform, speedtest.net in February 2011.