

MALLESONS STEPHEN JAQUES

23 February 2004

Mr Tim Grimwade
General Manager -
Adjudication Branch
Australian Competition &
Consumer Commission
470 Northbourne Avenue
DICKSON ACT 2602

Copy to

Mr Ken Walliss
Director
Australian Competition &
Consumer Commission
Level 35
360 Elizabeth Street
MELBOURNE VIC 3000

Ms Elizabeth Carlile
Australian Competition &
Consumer Commission
470 Northbourne Avenue
DICKSON ACT 2602

Dear Mr Grimwade

Telstra Corporation Ltd ("Telstra") and Telstra Pay TV Pty Ltd ("Telstra Pay TV") - third line forcing notifications N31277 and N31278 ("notifications")

We are instructed that three changes have been made to the information provided to the Commission in the covering letter dated 11 February 2004 in support of the above notifications. We set out those changes below.

- 1 Launch date: AUSTAR's new subscription television and related services from Telstra Pay TV**
 - 1.1 We previously advised the Commission that Telstra and Telstra Pay TV were proposing to commence engaging in the conduct described in the notifications on or about [confidential].
 - 1.2 We are instructed that Telstra Pay TV proposes to commence offering AUSTAR's new subscription television and related services from [confidential] and will launch its offering on that date.
- 2 Launch date: FOXTEL's digital subscription television and related services from Telstra Pay TV**
 - 2.1 As previously advised, Telstra Pay TV proposes to launch its offering of FOXTEL's digital subscription television and related services on [confidential].

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2.2 However, Telstra Pay TV now proposes to offer from 25 February 2004 FOXTEL's digital subscription television and related services to customers who previously contacted Telstra and registered their interest in the services, or approach Telstra to request the services.

2.3 The customers contacted by or who approach Telstra between 25 February 2004 and [confidential] will not commence to receive the services until a technician has visited their place residence and installed the necessary equipment. At this stage, Telstra Pay TV expects the technicians to commence installing the necessary equipment for those customers on or about [confidential].

2.4 Accordingly, Telstra Pay TV will not commence re-supplying FOXTEL's digital subscription television and related services until on or about [confidential].

3 Additional package: FOXTEL's digital subscription television service

3.1 In addition to FOXTEL's digital subscription television packages set out in attachment 2 to our letter to you, dated 11 February 2004, Telstra Pay TV's offering of FOXTEL's digital subscription television service will include a [confidential] package.

3.2 The [confidential] package will comprise all of the channels in [confidential], as shown in the attached updated table.

3.3 Telstra Pay TV's proposed retail prices for the [confidential] package will be as follows:

FOXTEL's standard retail price/month	Price with Telstra's Rewards 5% discount/month	Price with Telstra's Rewards 10% discount/month
[confidential]	[confidential]	[confidential]

3.4 Telstra Pay TV's proposed installation prices for customers who take [confidential] will be as follows:

6 months contract	12 months contract	24 months contract
[confidential]	[confidential]	[confidential]

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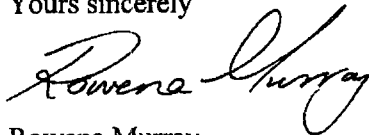
23 February 2004

This letter contains confidential information about Telstra Pay TV's future price and non-price terms and conditions, that is not publicly available. If the confidential information were to be made available to the public, Telstra Pay TV would suffer commercial detriment. Telstra Pay TV asks the Commission to exercise its discretion under sub-section 95(3) of the *Trade Practices Act 1974* to keep confidential those parts of this letter which have been replaced with "[confidential]" in the attached non-confidential version of this letter.

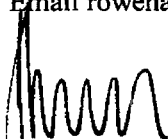
Thank you for your assistance.

Please contact us if you require further information.

Yours sincerely



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CONFIDENTIAL ATTACHMENT: FOXTTEL FROM TELSTRA - PAY TV DIGITAL PACKAGES