

13 December 2004

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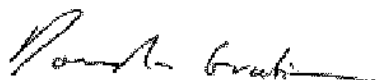
ELECTRONIC LODGEMENT

Dear Sir or Madam

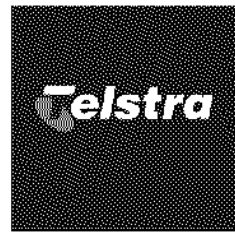
Accounting Separation – Limb 1 current cost accounts

In accordance with the listing rules, I attach an announcement for release to the market.

Yours sincerely



Douglas Gration
Company Secretary



13 December 2004

446/2004

Accounting separation proving its value

Telstra today reaffirmed its commitment to the Federal Government's Accounting Separation requirements, saying they provided useful information to the ACCC and the industry about the costs of providing network access.

Accounting separation was introduced in 2003 to increase transparency of Telstra's wholesale and retail costs, and to allow the ACCC and industry to more accurately assess the economic costs involved in the supply of the core wholesale access services.

The accounts released today are one element of the four reports required under the accounting separation regime. It is the first set of reports that fulfil a requirement for Telstra to prepare a set of regulatory accounts on a current cost accounting basis, replicating the historic cost reports which have been generated previously.

"These new current cost accounts indicate that the revenues Telstra receives from providing wholesale access to its copper network do not recover Telstra's costs," Mr John Stanhope, Telstra's Chief Financial Officer, said today.

"Telstra has long maintained in our discussions with the regulator that regulated access prices for PSTN originating and terminating access, local call resale and the unconditioned local loop service underestimate the cost of providing those services."

The new accounts include a profit and loss statement, fixed asset and capital employed statement, based on current cost accounting – the cost which would be incurred if the assets were to be replaced at today's prices.

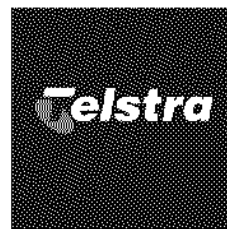
The fixed asset and capital employed statement represents the average usage by products over the reporting period and is used to calculate a Cost of Capital for each product.

Telstra has spent over two years and significant resources in implementing the requirements of the extensive accounting separation regime. The reports released today represent one quarter of this work.

Whilst there is further work to be undertaken in respect of today's accounts, Telstra will continue to work with the ACCC to refine and complete the complex task of finalising the full set of regulatory accounts.

"From the work done to date, these regulatory accounts should prove a useful tool in providing information to the ACCC, assisting them to more accurately assess and recommend regulatory access prices".

Media Release



For more information about these accounts and the other reports produced under accounting separation, see <http://www.telstra.com.au/communications/corp/accounting.cfm>

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CAPITAL ADJUSTED PROFIT STATEMENT - EXTERNAL WHOLESALE BUSINESS

CCA Reporting Period June 2004

values in \$m's	Unconditional Local Loop (Declared)			Domestic PSTN Origin/Term (Declared)			Local Carriage Services (Declared)		
	Jun-04-HCA	Jun-04-CCA	Change	Jun-04-HCA	Jun-04-CCA	Change	Jun-04-HCA	Jun-04-CCA	Change
<u>Wholesale Revenue</u>									
<i>Total Wholesale Revenue</i>	4.2	4.2	0.0	159.3	159.3	0.0	396.5	396.5	0.0
<u>Wholesale Costs</u>									
<i>Network Costs</i>	1.4	1.4	0.0	48.4	48.4	(0.0)	166.7	166.7	(0.0)
<i>Other Costs</i>	1.4	1.4	0.0	40.8	39.2	(1.5)	78.3	77.1	(1.2)
<i>Total External Wholesale Costs</i>	2.8	2.9	0.0	89.1	87.6	(1.5)	245.0	243.8	(1.2)
<i>Gross External Wholesale Profit/Loss</i>	1.3	1.3	(0.0)	70.2	71.7	1.5	151.5	152.7	1.2
<u>CCA Adjustments</u>									
4-4-01-1 HOLDING GAINS/LOSSES ON ASSET ADJUSTMENT	0.0	(0.8)	(0.8)	0.0	(0.5)	(0.5)	0.0	(51.1)	(51.1)
4-4-01-2 SUPPLEMENTARY DEPRECIATION ADJUSTME	0.0	0.5	0.5	0.0	(4.4)	(4.4)	0.0	22.8	22.8
4-4-01-3 BACKLOG DEPRECIATION ADJUSTMENT	0.0	0.3	0.3	0.0	(0.5)	(0.5)	0.0	18.1	18.1
4-4-01-4 INFLATION ADJUSTMENT	0.0	0.3	0.3	0.0	3.4	3.4	0.0	21.6	21.6
<i>Total CCA Adjustments</i>	0.0	0.2	0.2	0.0	(2.0)	(2.0)	0.0	11.4	11.4
<i>External Wholesale Profit/Loss after CCA Adjustments</i>	1.3	1.1	(0.2)	70.2	73.7	3.6	151.5	141.2	(10.3)
<i>External Wholesale Cost of Capital</i>	1.6	2.6	1.0	41.8	43.5	1.7	159.1	225.4	66.3
<i>External Wholesale Capital Adjusted Profit/Loss</i>	(0.2)	(1.5)	(1.2)	28.4	30.3	1.8	(7.6)	(84.2)	(76.6)
<i>Access Cost Adjustment</i>	0.0	0.0		106.8	142.9	36.1	0.0	0.0	
<i>Access Revenue Adjustment</i>	0.0	0.0		(86.1)	(86.1)	(0.0)	0.0	0.0	
<i>External Wholesale Access Adjusted Profit/Loss</i>	(0.2)	(1.5)	(1.2)	7.8	(26.5)	(34.2)	(7.6)	(84.2)	(76.6)

CAPITAL EMPLOYED STATEMENT - EXTERNAL WHOLESALE BUSINESS

CCA Reporting Period June 2004

values in \$m's	Unconditional Local Loop (Declared)			Domestic PSTN Origin/Term (Declared)			Local Carriage Services (Declared)		
	Jun-04-HCA	Jun-04-CCA	Change	Jun-04-HCA	Jun-04-CCA	Change	Jun-04-HCA	Jun-04-CCA	Change
Wholesale Assets									
2-1 Communications Plant & Equipment									
2-1-01 CAN DUCTS & PIPES - PRIMARY ASSET	7.4	17.8	10.4	22.8	113.3	90.4	521.7	1,327.9	806.1
2-1-02 CAN DUCTS & PIPES - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-05 CAN COPPER CABLES - PRIMARY ASSET	7.0	9.9	2.9	0.0	0.0	0.0	467.0	659.0	192.0
2-1-06 CAN COPPER CABLES - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-10 CAN OTHER CABLES - PRIMARY ASSET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-11 CAN OTHER CABLES - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-15 CAN PAIR GAIN SYSTEMS - PRIMARY ASSET	2.6	2.6	0.0	3.3	2.9	(0.4)	178.6	178.6	0.1
2-1-16 CAN PAIR GAIN SYSTEMS - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-20 CAN RADIO BEARER EQUIPMENT - PRIMARY ASSET	1.3	1.4	0.1	0.0	0.0	0.0	88.8	95.0	6.2
2-1-21 CAN RADIO BEARER EQUIPMENT - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-25 OTHER CAN - PRIMARY ASSET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-26 OTHER CAN - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-30 SWITCHING EQUIPMENT - LOCAL - PRIMARY ASSET	0.0	0.0	0.0	221.0	166.8	(54.2)	379.1	288.4	(90.7)
2-1-31 SWITCHING EQUIPMENT - LOCAL - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-35 SWITCHING EQUIPMENT - TRUNK - PRIMARY ASSET	0.0	0.0	0.0	6.7	6.7	0.0	2.7	2.7	0.0
2-1-36 SWITCHING EQUIPMENT - TRUNK - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-40 SWITCHING EQUIPMENT - OTHER - PRIMARY ASSET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-41 SWITCHING EQUIPMENT - OTHER - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-45 INTER-EXCHANGE CABLES - PRIMARY ASSET	1.1	1.1	0.0	85.7	89.0	3.3	148.9	154.5	5.7
2-1-46 INTER-EXCHANGE CABLES - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-50 TRANSMISSION EQUIPMENT - PRIMARY ASSET	0.1	0.1	(0.0)	97.3	84.1	(13.2)	133.4	115.3	(18.1)
2-1-51 TRANSMISSION EQUIPMENT - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-55 RADIO BEARER EQUIPMENT - PRIMARY ASSET	0.1	0.1	0.0	11.2	11.2	0.0	25.3	25.3	0.0
2-1-56 RADIO BEARER EQUIPMENT - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-60 DATA EQUIPMENT - PRIMARY ASSET	0.0	0.0	0.0	1.0	1.0	0.0	1.6	1.6	0.0
2-1-61 DATA EQUIPMENT - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-65 MOBILE NETWORK AND TERMINAL EQUIPMENT - PRIMARY ASSET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-66 MOBILE NETWORK AND TERMINAL EQUIPMENT - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-70 CUSTOMER EQUIPMENT - PRIMARY ASSET	0.0	0.0	0.0	0.1	0.1	0.0	0.3	0.3	0.0
2-1-71 CUSTOMER EQUIPMENT - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-75 SATELLITE EQUIPMENT - PRIMARY ASSET	0.0	0.0	0.0	0.3	0.3	0.0	1.0	1.0	0.0
2-1-76 SATELLITE EQUIPMENT - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-80 INTERNATIONAL NETWORK CABLES - PRIMARY ASSET	(0.0)	(0.0)	0.0	(0.0)	(0.0)	0.0	(0.0)	(0.0)	0.0
2-1-81 INTERNATIONAL NETWORK CABLES - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-85 INTERNATIONAL NETWORK - OTHER SYSTEMS - PRIMARY ASSET	0.0	0.0	0.0	0.1	0.1	0.0	0.4	0.4	0.0
2-1-86 INTERNATIONAL NETWORK - OTHER SYSTEMS - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-90 OTHER COMMUNICATIONS PLANT & EQUIPMENT - PRIMARY ASSET	0.2	0.2	0.0	4.5	4.5	(0.0)	17.4	17.4	(0.0)

CCA Reporting Period June 2004

values in \$m's	Unconditional Local Loop (Declared)			Domestic PSTN Origin/Term (Declared)			Local Carriage Services (Declared)		
	Jun-04-HCA	Jun-04-CCA	Change	Jun-04-HCA	Jun-04-CCA	Change	Jun-04-HCA	Jun-04-CCA	Change
2-1-91 OTHER COMMUNICATIONS PLANT & EQUIPMENT - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Communications Plant & Equipment	19.9	33.3	13.4	454.0	480.0	25.9	1,966.1	2,867.4	901.3
2-2 Non-Communications Plant & Equipment									
2-2-01-4 INFORMATION TECHNOLOGY	0.0	0.0	0.0	0.8	0.8	(0.0)	4.1	4.0	(0.0)
2-2-03-4 BUILDINGS AND IMPROVEMENTS	(0.0)	(0.0)	0.0	(0.5)	(0.5)	(0.0)	(1.7)	(1.7)	(0.0)
2-2-05-4 OTHER	0.0	0.0	0.0	0.6	0.6	(0.1)	3.6	3.6	(0.0)
Total Non-Communications Plant & Equipment	0.1	0.1	0.0	1.0	0.9	(0.1)	5.9	5.9	(0.1)
2-3 Other Non-Current Assets									
2-3-01-4 LONG TERM RECEIVABLES	0.2	0.2	0.0	7.0	7.0	0.0	17.2	17.2	0.0
2-3-05-4 LONG TERM INVESTMENT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-3-10-4 INTANGIBLES	0.1	0.1	0.0	2.4	2.1	(0.3)	9.3	9.1	(0.2)
2-3-20-4 LAND	0.0	0.0	0.0	1.7	1.6	(0.1)	4.3	4.2	(0.1)
2-3-25-4 OTHER	0.7	0.6	0.0	18.0	15.6	(2.3)	79.5	77.8	(1.7)
Total Other Non-Current Assets	1.1	1.1	0.0	29.1	26.4	(2.7)	110.2	108.2	(2.0)
1-1 Current Assets & Free Funds									
1-1-01 NET RECEIVABLES	0.2	0.2	0.0	81.7	81.7	(0.0)	80.0	80.0	(0.0)
1-1-10 OTHER CURRENT ASSETS AND RELATED RECEIVABLES	0.1	0.1	0.0	3.3	3.3	(0.0)	12.4	12.4	(0.0)
1-1-20 TRADE CREDITORS	(0.2)	(0.2)	(0.0)	(2.9)	(2.6)	0.1	(17.1)	(17.1)	0.0
1-1-30 PROVISIONS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total CA and Free Funds	0.1	0.1	(0.0)	82.1	82.1	0.0	75.2	75.3	0.0
Total Capital Employed	21.2	34.6	13.4	566.2	589.3	23.2	2,157.5	3,056.7	899.3
WACC	14.75%	14.75%	0	14.75%	14.75%	0	14.75%	14.75%	0
Cost of Capital	1.6	2.6	1.0	41.8	43.5	1.7	159.1	225.4	66.3

FIXED ASSET STATEMENT - EXTERNAL WHOLESALE BUSINESS

CCA Reporting Period June 2004

values in \$m's	Unconditional Local Loop (Declared)			Domestic PSTN Origin/Term (Declared)			Local Carriage Services (Declared)		
	Jun-04-HCA	Jun-04-CCA	Change	Jun-04-HCA	Jun-04-CCA	Change	Jun-04-HCA	Jun-04-CCA	Change
Wholesale Fixed Assets									
2-1 Communications Plant & Equipment									
2-1-01 CAN Ducts & Pipes - Primary Asset									
2-1-01-1 HISTORICAL/REVALUED VALUE	11.4	29.1	17.7	39.3	197.7	158.5	806.7	2,189.1	1,382.4
2-1-01-2 ACCUMULATED DEPRECIATION	(4.0)	(11.3)	(7.3)	(16.5)	(84.5)	(68.0)	(285.0)	(861.3)	(576.3)
2-1-02 CAN Ducts & Pipes - Other Assets									
2-1-02-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-02-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-05 CAN Copper Cables - Primary Asset									
2-1-05-1 HISTORICAL/REVALUED VALUE	13.3	19.9	6.7	0.0	0.0	0.0	878.2	1,321.3	443.1
2-1-05-2 ACCUMULATED DEPRECIATION	(6.2)	(10.0)	(3.8)	0.0	0.0	0.0	(411.2)	(662.2)	(251.0)
2-1-06 CAN Copper Cables - Other Assets									
2-1-06-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-06-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-10 CAN Other Cables - Primary Asset									
2-1-10-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-10-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-11 CAN Other Cables - Other Assets									
2-1-11-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-11-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-15 CAN Pair Gain Systems - Primary Asset									
2-1-15-1 HISTORICAL/REVALUED VALUE	4.8	5.0	0.2	7.9	8.4	0.4	330.6	343.0	12.5
2-1-15-2 ACCUMULATED DEPRECIATION	(2.2)	(2.4)	(0.2)	(4.7)	(5.5)	(0.8)	(152.0)	(164.4)	(12.4)
2-1-16 CAN Pair Gain Systems - Other Assets									
2-1-16-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-16-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-20 CAN Radio Bearer Equipment - Primary Asset									
2-1-20-1 HISTORICAL/REVALUED VALUE	2.6	3.2	0.6	0.0	0.0	0.0	170.4	212.1	41.7
2-1-20-2 ACCUMULATED DEPRECIATION	(1.2)	(1.8)	(0.5)	0.0	0.0	0.0	(81.6)	(117.1)	(35.5)
2-1-21 CAN Radio Bearer Equipment - Other Assets									
2-1-21-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-21-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-25 Other CAN - Primary Asset									
2-1-25-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-25-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-26 Other CAN - Other Assets									
2-1-26-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-26-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-30 Switching Equipment - Local - Primary Asset									
2-1-30-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	597.4	411.4	(186.0)	1,050.2	738.9	(311.2)
2-1-30-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	(378.4)	(244.6)	131.8	(671.1)	(450.5)	220.5

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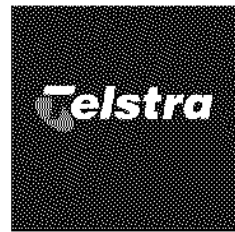
	Unconditional Local Loop (Declared)			Domestic PSTN Origin/Term (Declared)			Local Carriage Services (Declared)		
values in \$m's	Jun-04-HCA	Jun-04-CCA	Change	Jun-04-HCA	Jun-04-CCA	Change	Jun-04-HCA	Jun-04-CCA	Change
2-1-31 Switching Equipment - Local - Other Assets									
2-1-31-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-31-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-35 Switching Equipment - Trunk - Primary Asset									
2-1-35-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	17.7	17.7	0.0	6.2	6.2	0.0
2-1-35-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	(11.0)	(11.0)	0.0	(3.6)	(3.6)	0.0
2-1-36 Switching Equipment - Trunk - Other Assets									
2-1-36-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-36-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-40 Switching Equipment - Other - Primary Asset									
2-1-40-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0
2-1-40-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	(0.0)	(0.0)	0.0	0.0	0.0	0.0
2-1-41 Switching Equipment - Other - Other Assets									
2-1-41-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-41-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-45 Inter-exchange Cables - Primary Asset									
2-1-45-1 HISTORICAL/REVALUED VALUE	1.7	1.7	0.1	130.4	135.4	5.0	226.5	235.2	8.7
2-1-45-2 ACCUMULATED DEPRECIATION	(0.6)	(0.6)	(0.0)	(44.7)	(46.5)	(1.7)	(77.7)	(80.7)	(3.0)
2-1-46 Inter-exchange Cables - Other Assets									
2-1-46-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-46-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-50 Transmission Equipment - Primary Asset									
2-1-50-1 HISTORICAL/REVALUED VALUE	0.1	0.1	(0.0)	194.1	166.4	(25.7)	266.0	230.8	(35.2)
2-1-50-2 ACCUMULATED DEPRECIATION	(0.1)	(0.1)	0.0	(96.8)	(84.2)	12.5	(132.6)	(115.5)	17.2
2-1-51 Transmission Equipment - Other Assets									
2-1-51-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-51-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-55 Radio Bearer Equipment - Primary Asset									
2-1-55-1 HISTORICAL/REVALUED VALUE	0.3	0.3	0.0	23.0	23.0	0.0	52.0	52.0	0.0
2-1-55-2 ACCUMULATED DEPRECIATION	(0.1)	(0.1)	0.0	(11.8)	(11.8)	0.0	(26.7)	(26.7)	0.0
2-1-56 Radio Bearer Equipment - Other Assets									
2-1-56-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-56-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-60 Data Equipment - Primary Asset									
2-1-60-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	1.6	1.6	0.0	2.7	2.7	0.0
2-1-60-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	(0.7)	(0.7)	0.0	(1.1)	(1.1)	0.0
2-1-61 Data Equipment - Other Assets									
2-1-61-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-61-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-65 Mobile Network and Terminal Equipment - Primary Asset									
2-1-65-1 HISTORICAL/REVALUED VALUE	0.2	0.2	0.0	6.1	6.1	0.0	23.2	23.2	0.0
2-1-65-2 ACCUMULATED DEPRECIATION	(0.2)	(0.2)	0.0	(6.1)	(6.1)	0.0	(23.1)	(23.1)	0.0
2-1-66 Mobile Network and Terminal Equipment - Other Assets									
2-1-66-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-66-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CCA Reporting Period June 2004

values in \$m's	Unconditional Local Loop (Declared)			Domestic PSTN Origin/Term (Declared)			Local Carriage Services (Declared)		
	Jun-04-HCA	Jun-04-CCA	Change	Jun-04-HCA	Jun-04-CCA	Change	Jun-04-HCA	Jun-04-CCA	Change
2-1-70 Customer Equipment - Primary Asset									
2-1-70-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	1.3	1.3	0.0	5.0	5.0	0.0
2-1-70-2 ACCUMULATED DEPRECIATION	(0.0)	(0.0)	0.0	(1.2)	(1.2)	0.0	(4.7)	(4.7)	0.0
2-1-71 Customer Equipment - Other Assets									
2-1-71-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-71-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-75 Satellite Equipment - Primary Asset									
2-1-75-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	1.0	1.0	0.0	3.9	3.9	0.0
2-1-75-2 ACCUMULATED DEPRECIATION	(0.0)	(0.0)	0.0	(0.8)	(0.8)	0.0	(2.9)	(2.9)	0.0
2-1-76 Satellite Equipment - Other Assets									
2-1-76-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-76-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-80 International Network Cables - Primary Asset									
2-1-80-1 HISTORICAL/REVALUED VALUE	(0.0)	(0.0)	0.0	(0.0)	(0.0)	0.0	(0.0)	(0.0)	0.0
2-1-80-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-81 International Network Cables - Other Assets									
2-1-81-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-81-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-85 International Network - Other Systems - Primary Asset									
2-1-85-1 HISTORICAL/REVALUED VALUE	0.1	0.1	0.0	1.8	1.8	0.0	6.8	6.8	0.0
2-1-85-2 ACCUMULATED DEPRECIATION	(0.1)	(0.1)	0.0	(1.7)	(1.7)	0.0	(6.5)	(6.5)	0.0
2-1-86 International Network - Other Systems - Other Assets									
2-1-86-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-86-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-90 Other Communications Plant & Equipment - Primary Asset									
2-1-90-1 HISTORICAL/REVALUED VALUE	0.3	0.3	0.0	7.3	7.3	(0.0)	27.8	27.8	(0.0)
2-1-90-2 ACCUMULATED DEPRECIATION	(0.1)	(0.1)	0.0	(2.7)	(2.7)	0.0	(10.4)	(10.4)	0.0
2-1-91 Other Communications Plant & Equipment - Other Assets									
2-1-91-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-91-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Communications Plant & Equipment	19.9	33.3	13.4	454.0	480.0	25.9	1,966.1	2,867.4	901.3
2-2 Non-Communications Plant & Equipment									
2-2-01-4 INFORMATION TECHNOLOGY	0.0	0.0	0.0	0.8	0.8	(0.0)	4.1	4.0	(0.0)
2-2-03-4 BUILDINGS AND IMPROVEMENTS	(0.0)	(0.0)	0.0	(0.5)	(0.5)	(0.0)	(1.7)	(1.7)	(0.0)
2-2-05-4 OTHER	0.0	0.0	0.0	0.6	0.6	(0.1)	3.6	3.6	(0.0)
Total Non-Communications Plant & Equipment	0.1	0.1	0.0	1.0	0.9	(0.1)	5.9	5.9	(0.1)
2-3 Other Non-Current Assets									
2-3-01-4 LONG TERM RECEIVABLES	0.2	0.2	0.0	7.0	7.0	0.0	17.2	17.2	0.0
2-3-05-4 LONG TERM INVESTMENT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-3-10-4 INTANGIBLES	0.1	0.1	0.0	2.4	2.1	(0.3)	9.3	9.1	(0.2)
2-3-20-4 LAND	0.0	0.0	0.0	1.7	1.6	(0.1)	4.3	4.2	(0.1)
2-3-25-4 OTHER	0.7	0.8	0.0	18.0	15.6	(2.3)	79.5	77.8	(1.7)
Total Other Non-Current Assets	1.1	1.1	0.0	29.1	26.4	(2.7)	110.2	108.2	(2.0)
Total Fixed Assets	21.0	34.5	13.4	484.1	507.2	23.1	2,082.2	2,981.5	899.2

CCA Reporting Period June 2004

values in \$m's	Unconditional Local Loop (Declared)			Domestic PSTN Origin/Term (Declared)			Local Carriage Services (Declared)		
	Jun-04-HCA	Jun-04-CCA	Change	Jun-04-HCA	Jun-04-CCA	Change	Jun-04-HCA	Jun-04-CCA	Change



13 December 2004

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Accounting separation proving its value

Telstra today reaffirmed its commitment to the Federal Government's Accounting Separation requirements, saying they provided useful information to the ACCC and the industry about the costs of providing network access.

Accounting separation was introduced in 2003 to increase transparency of Telstra's wholesale and retail costs, and to allow the ACCC and industry to more accurately assess the economic costs involved in the supply of the core wholesale access services.

The accounts released today are one element of the four reports required under the accounting separation regime. It is the first set of reports that fulfil a requirement for Telstra to prepare a set of regulatory accounts on a current cost accounting basis, replicating the historic cost reports which have been generated previously.

"These new current cost accounts indicate that the revenues Telstra receives from providing wholesale access to its copper network do not recover Telstra's costs," Mr John Stanhope, Telstra's Chief Financial Officer, said today.

"Telstra has long maintained in our discussions with the regulator that regulated access prices for PSTN originating and terminating access, local call resale and the unconditioned local loop service underestimate the cost of providing those services."

The new accounts include a profit and loss statement, fixed asset and capital employed statement, based on current cost accounting – the cost which would be incurred if the assets were to be replaced at today's prices.

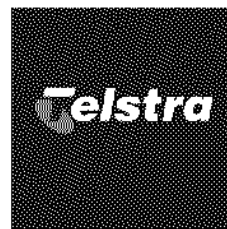
The fixed asset and capital employed statement represents the average usage by products over the reporting period and is used to calculate a Cost of Capital for each product.

Telstra has spent over two years and significant resources in implementing the requirements of the extensive accounting separation regime. The reports released today represent one quarter of this work.

Whilst there is further work to be undertaken in respect of today's accounts, Telstra will continue to work with the ACCC to refine and complete the complex task of finalising the full set of regulatory accounts.

"From the work done to date, these regulatory accounts should prove a useful tool in providing information to the ACCC, assisting them to more accurately assess and recommend regulatory access prices".

Media Release



For more information about these accounts and the other reports produced under accounting separation, see <http://www.telstra.com.au/communications/corp/accounting.cfm>

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CAPITAL ADJUSTED PROFIT STATEMENT - EXTERNAL WHOLESALE BUSINESS

CCA Reporting Period June 2004

values in \$m's	Unconditional Local Loop (Declared)			Domestic PSTN Origin/Term (Declared)			Local Carriage Services (Declared)		
	Jun-04-HCA	Jun-04-CCA	Change	Jun-04-HCA	Jun-04-CCA	Change	Jun-04-HCA	Jun-04-CCA	Change
<u>Wholesale Revenue</u>									
<i>Total Wholesale Revenue</i>	4.2	4.2	0.0	159.3	159.3	0.0	396.5	396.5	0.0
<u>Wholesale Costs</u>									
<i>Network Costs</i>	1.4	1.4	0.0	48.4	48.4	(0.0)	166.7	166.7	(0.0)
<i>Other Costs</i>	1.4	1.4	0.0	40.8	39.2	(1.5)	78.3	77.1	(1.2)
<i>Total External Wholesale Costs</i>	2.8	2.9	0.0	89.1	87.6	(1.5)	245.0	243.8	(1.2)
<i>Gross External Wholesale Profit/Loss</i>	1.3	1.3	(0.0)	70.2	71.7	1.5	151.5	152.7	1.2
<u>CCA Adjustments</u>									
4-4-01-1 HOLDING GAINS/LOSSES ON ASSET ADJUSTMENT	0.0	(0.8)	(0.8)	0.0	(0.5)	(0.5)	0.0	(51.1)	(51.1)
4-4-01-2 SUPPLEMENTARY DEPRECIATION ADJUSTME	0.0	0.5	0.5	0.0	(4.4)	(4.4)	0.0	22.8	22.8
4-4-01-3 BACKLOG DEPRECIATION ADJUSTMENT	0.0	0.3	0.3	0.0	(0.5)	(0.5)	0.0	18.1	18.1
4-4-01-4 INFLATION ADJUSTMENT	0.0	0.3	0.3	0.0	3.4	3.4	0.0	21.6	21.6
<i>Total CCA Adjustments</i>	0.0	0.2	0.2	0.0	(2.0)	(2.0)	0.0	11.4	11.4
<i>External Wholesale Profit/Loss after CCA Adjustments</i>	1.3	1.1	(0.2)	70.2	73.7	3.6	151.5	141.2	(10.3)
<i>External Wholesale Cost of Capital</i>	1.6	2.6	1.0	41.8	43.5	1.7	159.1	225.4	66.3
<i>External Wholesale Capital Adjusted Profit/Loss</i>	(0.2)	(1.5)	(1.2)	28.4	30.3	1.8	(7.6)	(84.2)	(76.6)
<i>Access Cost Adjustment</i>	0.0	0.0		106.8	142.9	36.1	0.0	0.0	
<i>Access Revenue Adjustment</i>	0.0	0.0		(86.1)	(86.1)	(0.0)	0.0	0.0	
<i>External Wholesale Access Adjusted Profit/Loss</i>	(0.2)	(1.5)	(1.2)	7.8	(26.5)	(34.2)	(7.6)	(84.2)	(76.6)

CAPITAL EMPLOYED STATEMENT - EXTERNAL WHOLESALE BUSINESS

CCA Reporting Period June 2004

values in \$m's	Unconditional Local Loop (Declared)			Domestic PSTN Origin/Term (Declared)			Local Carriage Services (Declared)		
	Jun-04-HCA	Jun-04-CCA	Change	Jun-04-HCA	Jun-04-CCA	Change	Jun-04-HCA	Jun-04-CCA	Change
Wholesale Assets									
2-1 Communications Plant & Equipment									
2-1-01 CAN DUCTS & PIPES - PRIMARY ASSET	7.4	17.8	10.4	22.8	113.3	90.4	521.7	1,327.9	806.1
2-1-02 CAN DUCTS & PIPES - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-05 CAN COPPER CABLES - PRIMARY ASSET	7.0	9.9	2.9	0.0	0.0	0.0	467.0	659.0	192.0
2-1-06 CAN COPPER CABLES - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-10 CAN OTHER CABLES - PRIMARY ASSET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-11 CAN OTHER CABLES - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-15 CAN PAIR GAIN SYSTEMS - PRIMARY ASSET	2.6	2.6	0.0	3.3	2.9	(0.4)	178.6	178.6	0.1
2-1-16 CAN PAIR GAIN SYSTEMS - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-20 CAN RADIO BEARER EQUIPMENT - PRIMARY ASSET	1.3	1.4	0.1	0.0	0.0	0.0	88.8	95.0	6.2
2-1-21 CAN RADIO BEARER EQUIPMENT - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-25 OTHER CAN - PRIMARY ASSET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-26 OTHER CAN - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-30 SWITCHING EQUIPMENT - LOCAL - PRIMARY ASSET	0.0	0.0	0.0	221.0	166.8	(54.2)	379.1	288.4	(90.7)
2-1-31 SWITCHING EQUIPMENT - LOCAL - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-35 SWITCHING EQUIPMENT - TRUNK - PRIMARY ASSET	0.0	0.0	0.0	6.7	6.7	0.0	2.7	2.7	0.0
2-1-36 SWITCHING EQUIPMENT - TRUNK - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-40 SWITCHING EQUIPMENT - OTHER - PRIMARY ASSET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-41 SWITCHING EQUIPMENT - OTHER - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-45 INTER-EXCHANGE CABLES - PRIMARY ASSET	1.1	1.1	0.0	85.7	89.0	3.3	148.9	154.5	5.7
2-1-46 INTER-EXCHANGE CABLES - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-50 TRANSMISSION EQUIPMENT - PRIMARY ASSET	0.1	0.1	(0.0)	97.3	84.1	(13.2)	133.4	115.3	(18.1)
2-1-51 TRANSMISSION EQUIPMENT - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-55 RADIO BEARER EQUIPMENT - PRIMARY ASSET	0.1	0.1	0.0	11.2	11.2	0.0	25.3	25.3	0.0
2-1-56 RADIO BEARER EQUIPMENT - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-60 DATA EQUIPMENT - PRIMARY ASSET	0.0	0.0	0.0	1.0	1.0	0.0	1.6	1.6	0.0
2-1-61 DATA EQUIPMENT - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-65 MOBILE NETWORK AND TERMINAL EQUIPMENT - PRIMARY ASSET	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-66 MOBILE NETWORK AND TERMINAL EQUIPMENT - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-70 CUSTOMER EQUIPMENT - PRIMARY ASSET	0.0	0.0	0.0	0.1	0.1	0.0	0.3	0.3	0.0
2-1-71 CUSTOMER EQUIPMENT - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-75 SATELLITE EQUIPMENT - PRIMARY ASSET	0.0	0.0	0.0	0.3	0.3	0.0	1.0	1.0	0.0
2-1-76 SATELLITE EQUIPMENT - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-80 INTERNATIONAL NETWORK CABLES - PRIMARY ASSET	(0.0)	(0.0)	0.0	(0.0)	(0.0)	0.0	(0.0)	(0.0)	0.0
2-1-81 INTERNATIONAL NETWORK CABLES - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-85 INTERNATIONAL NETWORK - OTHER SYSTEMS - PRIMARY ASSET	0.0	0.0	0.0	0.1	0.1	0.0	0.4	0.4	0.0
2-1-86 INTERNATIONAL NETWORK - OTHER SYSTEMS - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-90 OTHER COMMUNICATIONS PLANT & EQUIPMENT - PRIMARY ASSET	0.2	0.2	0.0	4.5	4.5	(0.0)	17.4	17.4	(0.0)

CCA Reporting Period June 2004

values in \$m's	Unconditional Local Loop (Declared)			Domestic PSTN Origin/Term (Declared)			Local Carriage Services (Declared)		
	Jun-04-HCA	Jun-04-CCA	Change	Jun-04-HCA	Jun-04-CCA	Change	Jun-04-HCA	Jun-04-CCA	Change
2-1-91 OTHER COMMUNICATIONS PLANT & EQUIPMENT - OTHER ASSETS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Communications Plant & Equipment	19.9	33.3	13.4	454.0	480.0	25.9	1,966.1	2,867.4	901.3
2-2 Non-Communications Plant & Equipment									
2-2-01-4 INFORMATION TECHNOLOGY	0.0	0.0	0.0	0.8	0.8	(0.0)	4.1	4.0	(0.0)
2-2-03-4 BUILDINGS AND IMPROVEMENTS	(0.0)	(0.0)	0.0	(0.5)	(0.5)	(0.0)	(1.7)	(1.7)	(0.0)
2-2-05-4 OTHER	0.0	0.0	0.0	0.6	0.6	(0.1)	3.6	3.6	(0.0)
Total Non-Communications Plant & Equipment	0.1	0.1	0.0	1.0	0.9	(0.1)	5.9	5.9	(0.1)
2-3 Other Non-Current Assets									
2-3-01-4 LONG TERM RECEIVABLES	0.2	0.2	0.0	7.0	7.0	0.0	17.2	17.2	0.0
2-3-05-4 LONG TERM INVESTMENT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-3-10-4 INTANGIBLES	0.1	0.1	0.0	2.4	2.1	(0.3)	9.3	9.1	(0.2)
2-3-20-4 LAND	0.0	0.0	0.0	1.7	1.6	(0.1)	4.3	4.2	(0.1)
2-3-25-4 OTHER	0.7	0.6	0.0	18.0	15.6	(2.3)	79.5	77.8	(1.7)
Total Other Non-Current Assets	1.1	1.1	0.0	29.1	26.4	(2.7)	110.2	108.2	(2.0)
1-1 Current Assets & Free Funds									
1-1-01 NET RECEIVABLES	0.2	0.2	0.0	81.7	81.7	(0.0)	80.0	80.0	(0.0)
1-1-10 OTHER CURRENT ASSETS AND RELATED RECEIVABLES	0.1	0.1	0.0	3.3	3.3	(0.0)	12.4	12.4	(0.0)
1-1-20 TRADE CREDITORS	(0.2)	(0.2)	(0.0)	(2.9)	(2.6)	0.1	(17.1)	(17.1)	0.0
1-1-30 PROVISIONS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total CA and Free Funds	0.1	0.1	(0.0)	82.1	82.1	0.0	75.2	75.3	0.0
Total Capital Employed	21.2	34.6	13.4	566.2	589.3	23.2	2,157.5	3,056.7	899.3
WACC	14.75%	14.75%	0	14.75%	14.75%	0	14.75%	14.75%	0
Cost of Capital	1.6	2.6	1.0	41.8	43.5	1.7	159.1	225.4	66.3

FIXED ASSET STATEMENT - EXTERNAL WHOLESALE BUSINESS

CCA Reporting Period June 2004

values in \$m's	Unconditional Local Loop (Declared)			Domestic PSTN Origin/Term (Declared)			Local Carriage Services (Declared)		
	Jun-04-HCA	Jun-04-CCA	Change	Jun-04-HCA	Jun-04-CCA	Change	Jun-04-HCA	Jun-04-CCA	Change
Wholesale Fixed Assets									
2-1 Communications Plant & Equipment									
2-1-01 CAN Ducts & Pipes - Primary Asset									
2-1-01-1 HISTORICAL/REVALUED VALUE	11.4	29.1	17.7	39.3	197.7	158.5	806.7	2,189.1	1,382.4
2-1-01-2 ACCUMULATED DEPRECIATION	(4.0)	(11.3)	(7.3)	(16.5)	(84.5)	(68.0)	(285.0)	(861.3)	(576.3)
2-1-02 CAN Ducts & Pipes - Other Assets									
2-1-02-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-02-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-05 CAN Copper Cables - Primary Asset									
2-1-05-1 HISTORICAL/REVALUED VALUE	13.3	19.9	6.7	0.0	0.0	0.0	878.2	1,321.3	443.1
2-1-05-2 ACCUMULATED DEPRECIATION	(6.2)	(10.0)	(3.8)	0.0	0.0	0.0	(411.2)	(662.2)	(251.0)
2-1-06 CAN Copper Cables - Other Assets									
2-1-06-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-06-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-10 CAN Other Cables - Primary Asset									
2-1-10-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-10-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-11 CAN Other Cables - Other Assets									
2-1-11-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-11-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-15 CAN Pair Gain Systems - Primary Asset									
2-1-15-1 HISTORICAL/REVALUED VALUE	4.8	5.0	0.2	7.9	8.4	0.4	330.6	343.0	12.5
2-1-15-2 ACCUMULATED DEPRECIATION	(2.2)	(2.4)	(0.2)	(4.7)	(5.5)	(0.8)	(152.0)	(164.4)	(12.4)
2-1-16 CAN Pair Gain Systems - Other Assets									
2-1-16-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-16-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-20 CAN Radio Bearer Equipment - Primary Asset									
2-1-20-1 HISTORICAL/REVALUED VALUE	2.6	3.2	0.6	0.0	0.0	0.0	170.4	212.1	41.7
2-1-20-2 ACCUMULATED DEPRECIATION	(1.2)	(1.8)	(0.5)	0.0	0.0	0.0	(81.6)	(117.1)	(35.5)
2-1-21 CAN Radio Bearer Equipment - Other Assets									
2-1-21-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-21-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-25 Other CAN - Primary Asset									
2-1-25-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-25-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-26 Other CAN - Other Assets									
2-1-26-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-26-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-30 Switching Equipment - Local - Primary Asset									
2-1-30-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	597.4	411.4	(186.0)	1,050.2	738.9	(311.2)
2-1-30-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	(378.4)	(244.6)	131.8	(671.1)	(450.5)	220.5

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	Unconditional Local Loop (Declared)			Domestic PSTN Origin/Term (Declared)			Local Carriage Services (Declared)		
values in \$m's	Jun-04-HCA	Jun-04-CCA	Change	Jun-04-HCA	Jun-04-CCA	Change	Jun-04-HCA	Jun-04-CCA	Change
2-1-31 Switching Equipment - Local - Other Assets									
2-1-31-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-31-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-35 Switching Equipment - Trunk - Primary Asset									
2-1-35-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	17.7	17.7	0.0	6.2	6.2	0.0
2-1-35-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	(11.0)	(11.0)	0.0	(3.6)	(3.6)	0.0
2-1-36 Switching Equipment - Trunk - Other Assets									
2-1-36-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-36-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-40 Switching Equipment - Other - Primary Asset									
2-1-40-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0
2-1-40-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	(0.0)	(0.0)	0.0	0.0	0.0	0.0
2-1-41 Switching Equipment - Other - Other Assets									
2-1-41-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-41-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-45 Inter-exchange Cables - Primary Asset									
2-1-45-1 HISTORICAL/REVALUED VALUE	1.7	1.7	0.1	130.4	135.4	5.0	226.5	235.2	8.7
2-1-45-2 ACCUMULATED DEPRECIATION	(0.6)	(0.6)	(0.0)	(44.7)	(46.5)	(1.7)	(77.7)	(80.7)	(3.0)
2-1-46 Inter-exchange Cables - Other Assets									
2-1-46-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-46-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-50 Transmission Equipment - Primary Asset									
2-1-50-1 HISTORICAL/REVALUED VALUE	0.1	0.1	(0.0)	194.1	168.4	(25.7)	266.0	230.8	(35.2)
2-1-50-2 ACCUMULATED DEPRECIATION	(0.1)	(0.1)	0.0	(96.8)	(84.2)	12.5	(132.6)	(115.5)	17.2
2-1-51 Transmission Equipment - Other Assets									
2-1-51-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-51-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-55 Radio Bearer Equipment - Primary Asset									
2-1-55-1 HISTORICAL/REVALUED VALUE	0.3	0.3	0.0	23.0	23.0	0.0	52.0	52.0	0.0
2-1-55-2 ACCUMULATED DEPRECIATION	(0.1)	(0.1)	0.0	(11.8)	(11.8)	0.0	(26.7)	(26.7)	0.0
2-1-56 Radio Bearer Equipment - Other Assets									
2-1-56-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-56-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-60 Data Equipment - Primary Asset									
2-1-60-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	1.8	1.6	0.0	2.7	2.7	0.0
2-1-60-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	(0.7)	(0.7)	0.0	(1.1)	(1.1)	0.0
2-1-61 Data Equipment - Other Assets									
2-1-61-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-61-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-65 Mobile Network and Terminal Equipment - Primary Asset									
2-1-65-1 HISTORICAL/REVALUED VALUE	0.2	0.2	0.0	6.1	6.1	0.0	23.2	23.2	0.0
2-1-65-2 ACCUMULATED DEPRECIATION	(0.2)	(0.2)	0.0	(6.1)	(6.1)	0.0	(23.1)	(23.1)	0.0
2-1-66 Mobile Network and Terminal Equipment - Other Assets									
2-1-66-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-66-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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values in \$m's	Unconditional Local Loop (Declared)			Domestic PSTN Origin/Term (Declared)			Local Carriage Services (Declared)		
	Jun-04-HCA	Jun-04-CCA	Change	Jun-04-HCA	Jun-04-CCA	Change	Jun-04-HCA	Jun-04-CCA	Change
2-1-70 Customer Equipment - Primary Asset									
2-1-70-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	1.3	1.3	0.0	5.0	5.0	0.0
2-1-70-2 ACCUMULATED DEPRECIATION	(0.0)	(0.0)	0.0	(1.2)	(1.2)	0.0	(4.7)	(4.7)	0.0
2-1-71 Customer Equipment - Other Assets									
2-1-71-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-71-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-75 Satellite Equipment - Primary Asset									
2-1-75-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	1.0	1.0	0.0	3.9	3.9	0.0
2-1-75-2 ACCUMULATED DEPRECIATION	(0.0)	(0.0)	0.0	(0.8)	(0.8)	0.0	(2.9)	(2.9)	0.0
2-1-76 Satellite Equipment - Other Assets									
2-1-76-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-76-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-80 International Network Cables - Primary Asset									
2-1-80-1 HISTORICAL/REVALUED VALUE	(0.0)	(0.0)	0.0	(0.0)	(0.0)	0.0	(0.0)	(0.0)	0.0
2-1-80-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-81 International Network Cables - Other Assets									
2-1-81-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-81-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-85 International Network - Other Systems - Primary Asset									
2-1-85-1 HISTORICAL/REVALUED VALUE	0.1	0.1	0.0	1.8	1.8	0.0	6.8	6.8	0.0
2-1-85-2 ACCUMULATED DEPRECIATION	(0.1)	(0.1)	0.0	(1.7)	(1.7)	0.0	(6.5)	(6.5)	0.0
2-1-86 International Network - Other Systems - Other Assets									
2-1-86-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-86-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-90 Other Communications Plant & Equipment - Primary Asset									
2-1-90-1 HISTORICAL/REVALUED VALUE	0.3	0.3	0.0	7.3	7.3	(0.0)	27.8	27.8	(0.0)
2-1-90-2 ACCUMULATED DEPRECIATION	(0.1)	(0.1)	0.0	(2.7)	(2.7)	0.0	(10.4)	(10.4)	0.0
2-1-91 Other Communications Plant & Equipment - Other Assets									
2-1-91-1 HISTORICAL/REVALUED VALUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-1-91-2 ACCUMULATED DEPRECIATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Communications Plant & Equipment	19.9	33.3	13.4	454.0	480.0	25.9	1,966.1	2,867.4	901.3
2-2 Non-Communications Plant & Equipment									
2-2-01-4 INFORMATION TECHNOLOGY	0.0	0.0	0.0	0.8	0.8	(0.0)	4.1	4.0	(0.0)
2-2-03-4 BUILDINGS AND IMPROVEMENTS	(0.0)	(0.0)	0.0	(0.5)	(0.5)	(0.0)	(1.7)	(1.7)	(0.0)
2-2-05-4 OTHER	0.0	0.0	0.0	0.6	0.6	(0.1)	3.6	3.6	(0.0)
Total Non-Communications Plant & Equipment	0.1	0.1	0.0	1.0	0.9	(0.1)	5.9	5.9	(0.1)
2-3 Other Non-Current Assets									
2-3-01-4 LONG TERM RECEIVABLES	0.2	0.2	0.0	7.0	7.0	0.0	17.2	17.2	0.0
2-3-05-4 LONG TERM INVESTMENT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2-3-10-4 INTANGIBLES	0.1	0.1	0.0	2.4	2.1	(0.3)	9.3	9.1	(0.2)
2-3-20-4 LAND	0.0	0.0	0.0	1.7	1.6	(0.1)	4.3	4.2	(0.1)
2-3-25-4 OTHER	0.7	0.8	0.0	18.0	15.6	(2.3)	79.5	77.8	(1.7)
Total Other Non-Current Assets	1.1	1.1	0.0	29.1	26.4	(2.7)	110.2	108.2	(2.0)
Total Fixed Assets	21.0	34.5	13.4	484.1	507.2	23.1	2,082.2	2,981.5	899.2

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values in \$m's	Unconditional Local Loop (Declared)			Domestic PSTN Origin/Term (Declared)			Local Carriage Services (Declared)		
	Jun-04-HCA	Jun-04-CCA	Change	Jun-04-HCA	Jun-04-CCA	Change	Jun-04-HCA	Jun-04-CCA	Change