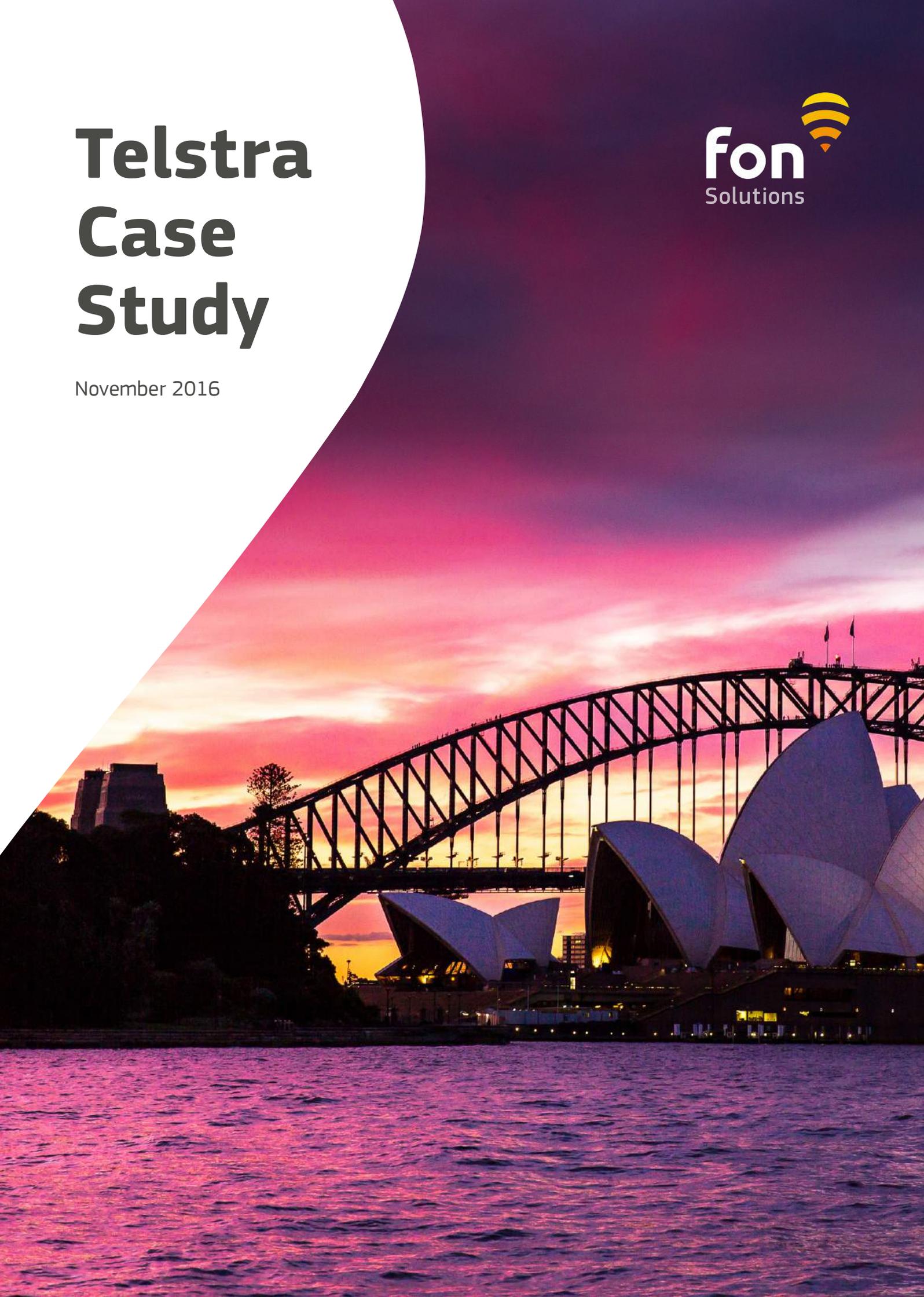


Telstra Case Study

November 2016



Fon Solutions helps Telstra build Australia's largest WiFi network: Telstra Air

Introduction

Telstra is Australia's leading telecommunications and information services company. As the incumbent convergent operator, it offers a full range of communication services providing 3.4 million retail fixed broadband lines and 17.2 million mobile services.

In May 2014, Telstra announced its ambition to create Australia's largest WiFi network. Telstra's vision was to provide the best WiFi connectivity experience and to create a better connected future for Australia.

"Our aim is to offer Australians – irrespective of whether they are Telstra customers or not – access to two million WiFi hotspots across the nation within five years."

David Thodey, Former Telstra CEO

This vision was part of \$100 million-plus strategy to give Australians more ways to connect, encompassing the following goals:

- To make WiFi a complement to mobile networks, broadening the choice of connectivity when out and about for customers who already enjoy one of the world's leading 4G networks.
- To offer fixed broadband customers the unique option to use their home broadband allowance in more places, no longer constrained to only using it at home.
- To be able to meet current data needs and deliver future capacity for the explosion of traffic expected
- As a result, the Telstra Air Network® was set to differentiate Telstra's value proposition in an increasingly competitive environment.

The Project

Following the first announcement Telstra deployed the WiFi network in a phased approach.

The first phase was to deliver a trial network that could be used by all Australians. By Christmas 2014, Telstra had about 1000 payphone sites acting as WiFi hotspots that provided 30 minutes of free WiFi. Users connecting to the Telstra WiFi SSID saw a captive portal informing about the service, and they could provide contact details to be kept informed of updates.



The second phase was the launch of Telstra Air. Telstra continued with its ambition to grow its WiFi network, partnering with Fon for this purpose. Telstra Air was launched in June 2015 incorporating the payphone network along with the Fon residential hotspot network.

Fon and Telstra: Get a lot when you share a little

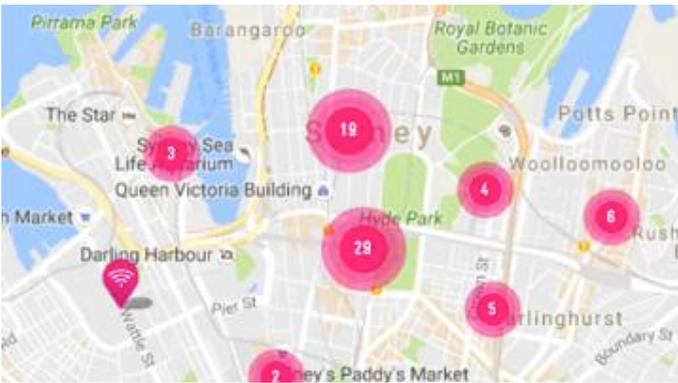
This residential hotspot network was built by home broadband customers (including Telstra's ADSL and HFC networks as well as the nbn network). With Fon's technology, customers with compatible gateways were eligible to become Telstra Air members, and on joining, their gateway broadcast two separate WiFi signals: one for home private use, and the other as part of Telstra Air. Hence a portion of the home broadband bandwidth was securely shared with other Telstra Air members.

In exchange for sharing their bandwidth, users could use their home data allowance at Telstra hotspots across the nation, including Telstra payphones, selected stores, and the home hotspots of other Telstra Air members. Connection to hotspots was provided using the Telstra Air App, or through captive portal registration.

Connectivity was not limited to Australia. Thanks to the exclusive partnership with Fon, Telstra Air members could also enjoy WiFi connectivity abroad. Over 19 million Fon Spots overseas became available in more than 15 countries including, Japan, Brazil South Africa and some of the top European destinations such as the UK, France, Germany, or Spain.

Scan to learn more about Telstra Air Launch





In line with Telstra’s ambition to provide the best connectivity to all Australians, service was not limited to fixed broadband customers: a few months after launch, Telstra personal mobile customers could also enjoy free and unlimited WiFi data at Telstra Air hotspots and overseas at Fon Spots.

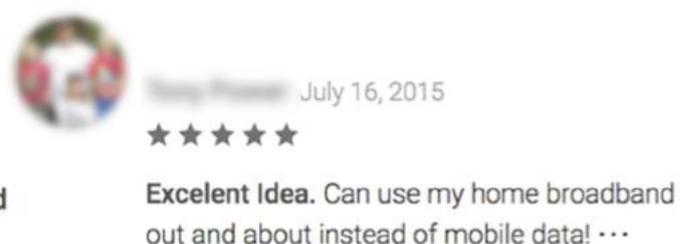
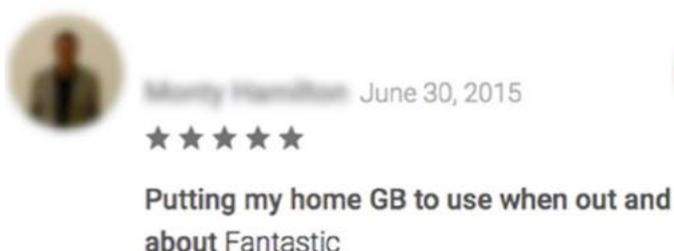
Telstra Air for non-subscribers

Telstra Air was also made available for non-Telstra subscribers on a paid pass basis. This enabled Telstra to target occasional users to generate additional revenues, and to generate new leads.



Key achievements

- ✓ Reduced churn among customer base
- ✓ Increased customer acquisition
- ✓ Enhanced Customer experience
- ✓ More than 650,000 Telstra Air hotspots across Australia
- ✓ +1.3M Telstra Air customers Fixed and mobile
- ✓ +9k passes sold monthly
- ✓ ACOMMS Innovation Award (Large Company)
- ✓ IDC Telecom Innovation Awards Most Innovative Consumer Award



Next steps

Australians to enter a new era of connectivity with 2 million hotspots expected nationwide

Pursuing its goal of making Australia a connected country, Telstra is working in partnership with local councils and enterprises to grow the Telstra Air Network into more places. Telstra will also invest in building thousands of WiFi hotspots across the country in places like popular tourist spots, theatres and entertainment venues, transport hubs, hotels, cafes and shopping strips.



Why Fon

- *Fon is a trusted WiFi Solutions provider for telecommunication operators, with the scalable technology to deploy WiFi based services to a large customer base*
- *Fon is a Global WiFi leader with over 20 million hotspots worldwide and was able to provide an enhanced WiFi connectivity overseas for Telstra customers*

"Fon offers our customers the unique option to use their home broadband allowance inside and outside the home".

David Thodey, Former CEO and Executive Director,
Telstra



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