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PROPOSED USAGE OF LOCAL-RATE NUMBERS FOR SMS RESPONSE

An industry first for Australia

Sydney, April 3, 2007 -- An industry pilot allowing consumers to send SMS messages to a limited number of corporate local-rate (13/1300) numbers is about to commence under the auspices of Communications Alliance.

This is believed to make Australia the first country globally to offer SMS usage of its local-rate number range.

By enabling SMS response to corporate marketing programs via local-rate numbers, the initiative has potential to foster rapid growth of the mobile marketing industry in Australia.

Currently the 13/1300 range is restricted to voice traffic while the 191 to 199 range can be used for SMS by some, but not all, mobile customers.

Communications Alliance, the Australian Communications and Media Authority (ACMA), Industry Number Management Services (INMS), mobile operators, existing local-rate service providers, European SMS response specialists TXT4 and mobile aggregator Sybase 365 have been working together over the past few months on offering corporates the ability to have local-rate numbers SMS-enabled.

Initially the service will be piloted by a handful of major Australian advertisers and government departments. Consumers will be charged at their standard operator rate and messages will be routed through the existing local-rate service provider to the end corporate user. Should consumers send an SMS to numbers not enabled, they will receive an operator generated fail message.

Australia is one of the world's biggest users of SMS/Text messaging. Enabling texts to local-rate numbers will let the mobile marketing industry, currently flourishing in Europe, to offer new services, to promote and develop the industry, and to offer more than competitions and handset related features.

A recent Frost and Sullivan report indicated that 85% of Australians aged under-35 quoted SMS as their preferred communication channel. This means there is an unmet consumer demand for corporates to communicate with



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their customers via SMS and that demand can be addressed by enabling SMS to local-rate numbers.

Evidence from Europe, confirmed by Jupiter Research, is that SMS response marketing - consumers responding by SMS initiated by broadcast advertising – is the first step in a permission-based mobile marketing roadmap.

“The SMS response initiates a range of possibilities, from a simple brochure mail-out, through consultant/call centre call-back time booking and, most significantly, access to relevant mobile content or commerce sites through clicking into the relevant WAP-site from WAP enabled services,” explained TXT4 regional director, Antony North.

“Most automotive companies and many financial services, consumer electronics and recruitment firms, as well as government departments are already substantial users of this type of service in Europe.”

It is believed that the ability to use both SMS response and voice on a company's own single local-rate number, around which they have probably already created significant awareness, will provide an additional dimension to the service's take-up in Australia.

If the initial pilot program is successful, it is planned that further local rate numbers will be enabled in June 2007.

Communications Alliance CEO, Anne Hurley, said the SMS to local-rate initiative was a textbook example of how the industry could develop innovative new services for its customers by working cooperatively on a solution.

“This project demonstrates that our industry, while highly competitive, can still manage to collaborate and deliver innovative outcomes that have not been achieved anywhere else in the world”, Ms Hurley said.

About Communications Alliance

The Communications Alliance was formed in 2006 to provide a unified voice for the Australian communications industry and to lead it into the next generation of converging networks, technologies and services.

Although the Communications Alliance has its genesis in the merger of the Australian Communications Industry Forum (ACIF) and the Service Providers



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Association Inc (SPAN), it is a new organisation created specifically to drive the industry into the future with confidence, vitality and strength of purpose.

In pursuing its goals, the Communications Alliance offers a forum for the industry to make coherent and constructive contributions to policy development and debate.

By providing leadership on new trends and directions, the Communications Alliance fulfils a vital unifying role on behalf of the industry and its members, particularly in areas of competition, innovation and industry development.

The prime mission of the Communications Alliance is to promote the growth of the Australian communications industry and the protection of consumer interests by fostering the highest standards of business ethics and behaviour through industry self-governance.

For further information see www.commsalliance.com.au

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