



10 January 2008

The Manager

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**ELECTRONIC LODGEMENT**

Dear Sir or Madam

**Telstra presentation to the Citigroup Entertainment, Media and Telecommunications Conference, Phoenix Arizona**

In accordance with the listing rules, I attach a copy of a presentation by Sol Trujillo, Chief Executive Officer, to the Citigroup Entertainment, Media and Telecommunications Conference, Phoenix Arizona, for release to the market.

Yours sincerely

A handwritten signature in black ink, appearing to read "Claire Elliott".

**Claire Elliott**  
Acting Company Secretary



Telstra Corporation Limited

**Sol Trujillo**  
Chief Executive Officer

**Citigroup Entertainment, Media and Telecommunications Conference**

Phoenix Arizona, January 2008

## Disclaimer

- These presentations include certain forward-looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Telstra, which may cause actual results to differ materially from those expressed in the statements contained in these presentations. For example, the factors that are likely to affect the results of Telstra include general economic conditions in Australia; exchange rates; competition in the markets in which Telstra will operate; the inherent regulatory risks in the businesses of Telstra; the substantial technological changes taking place in the telecommunications industry; and the continuing growth in the data, internet, mobile and other telecommunications markets where Telstra will operate. A number of these factors are described in Telstra's 2007 Annual Report.
- All forward-looking figures in this presentation are unaudited and based on A-IFRS. Certain figures may be subject to rounding differences. All market share information in this presentation is based on management estimates based on internally available information unless otherwise indicated.
- All amounts are in Australian Dollars unless otherwise stated



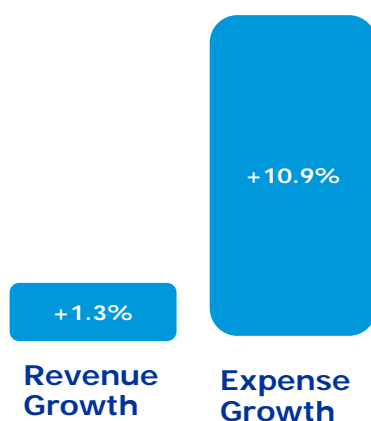
## The world leading mediacomms company

- 3G postpaid ARPU uplift of \$20
- 60% of consumer postpaid base now on 3G
- 7.2Mbps data-card users generate 25% higher ARPU than users on lower speeds
- Since launch of ad-driven mobile portal, users up 26%
- Retail PSTN lines continue to grow
- New wave revenues now 19% of total revenues



## The journey so far

### Retail Performance in FY05



...but we have scale

Revenues \$24b

EBITDA: \$10b

FCF: \$3bn

FCF forecast to more than double in 3 yrs

...and unique assets in Australia

#1 in mobile, fixed, broadband, pay TV, directories

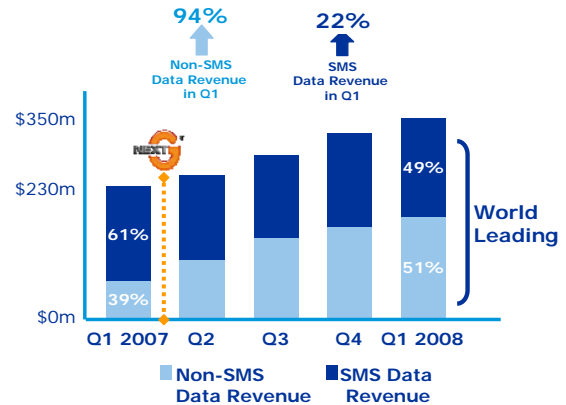
...and China



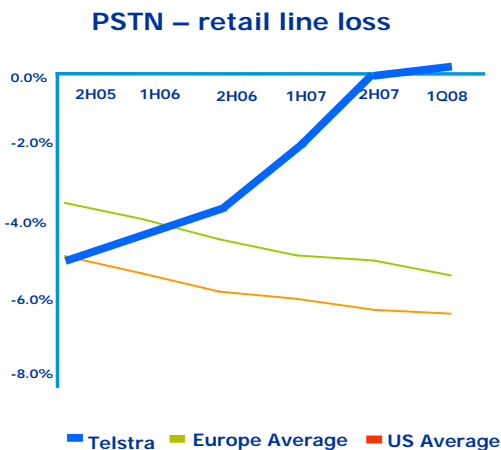
## World Class Performance in Wireless Data

*"The most dramatic recent success story among major carriers is Australia's Telstra, which has seen a sharp acceleration in overall wireless revenue growth, driven by its "Next G" HSPA services."*

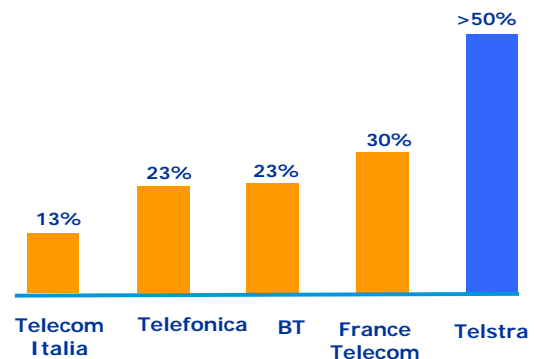
Merrill Lynch Global Wireless Research, November 2007



## World class PSTN and broadband performance



### Retail Broadband Revenue Growth: 1Q08



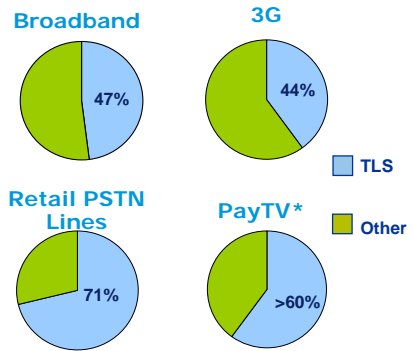
# Financial pivot point passed

A\$ billions (except margins & DPS)

	FY07	%
Sales Revenue	23.7	↑ 4.2
Operating Expenses	14.1	↑ 4.4
EBITDA	9.9	↑ 3.0
EBITDA Margin (%)	41.7	↓ 0.5pp
EBIT	5.8	↑ 5.1
PAT <sup>1</sup>	3.3	↑ 2.9
Cash Operating Capex	5.7	↓ 32.8
Free Cash Flow	2.9	↓ 36.7
Ordinary DPS (cents) <sup>2</sup>	28.0	-

(1) Before minority interests  
 (2) FY06 excludes 6 cent per share special dividend

## Gaining market share

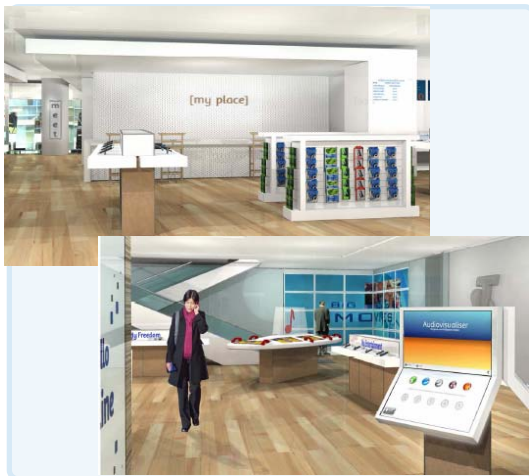


\*for Foxtel (Telstra interest is 50%)



# Where next?

## T[life]<sup>TM</sup>



## Experience Centre



## November 07: FY08 guidance increased

		Previous FY08 Guidance	Updated FY08 Guidance*
Total Revenue Growth	→	2.0% to 3.0% pa	No change
EBITDA growth	→	2.0% to 3.0% pa	↑ 3.0% to 4.0%
EBIT Growth	→	3.0% to 5.0% pa	↑ 5.0% to 7.0%

\* Includes \$100m Foxtel Distribution



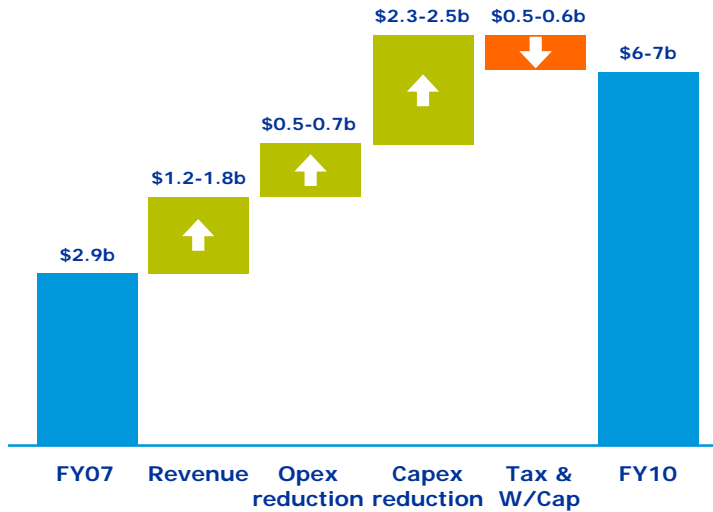
## November 07: Long term objectives raised

		Previous Long Term Management Objectives*	Updated Long Term Management Objectives*
Revenue Growth	→	2.0% to 2.5% pa to FY10	↑ 2.5% to 3.0% pa to FY10
Cost growth	→	2.0% to 3.0% pa to FY10	No change
EBITDA growth	→	2.0% to 2.5% pa to FY10	↑ 2.5% to 3.0% pa to FY10
EBITDA margin	→	46% to 48% pa by FY10	No change
Workforce	→	Down 12,000 by FY10	No change
Capex	→	10% to 12% of revenue by FY10	No change
Free cash flow	→	\$6b to \$7b by FY10	No change

\* Based off FY05 results



## Long Term Objectives: \$6-7b Free Cash Flow



*" Our longstanding scepticism on Telstra's ability to deliver 46% EBITDA margins has been laid to rest, with management providing the first clear insight into where real cost reductions will be achieved."*

Citigroup, 2 November 2007