



26 February 2009

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ELECTRONIC LODGEMENT

Dear Sir or Madam

Analyst Briefing – Half year results presentation pack

In accordance with the listing rules, I attach a copy of a presentation to be made today, for release to the market.

This Announcement has been released simultaneously to the New Zealand Stock Exchange.

Yours sincerely

A handwritten signature in black ink, appearing to read "Carmel Mulhern".

Carmel Mulhern
Company Secretary



First Half 2009 Financial Results

Sol Trujillo, CEO

26 February 2009

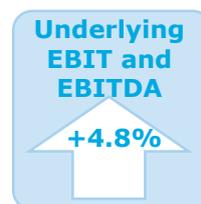
Disclaimer

- 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 2008 Annual Debt Issuance Prospectus lodged with the ASX.
- The Chinese online business results are from unaudited management accounts converted from local currency into Australian Dollars.
- 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.



Financial Results

\$ billions (except margins & DPS)	1H08	1H09	%
Sales Revenue	12.3	12.6	▲ +3.2
Total Revenue	12.4	12.7	▲ +2.7
Operating Expenses	7.3	7.4	▲ +1.7
EBITDA - reported	5.2	5.3	▲ +3.1
EBITDA Margin (%)	42.2	42.2	-
EBIT - reported	3.1	3.1	▼ -1.3
PAT (post minorities)	1.9	1.9	▼ -0.5
Accrued Capex	2.3	2.1	▼ -10.6
Free Cash Flow	1.3	1.9	▲ +44.3
Ordinary DPS (cents)	14.0	14.0	-



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Guidance updated*

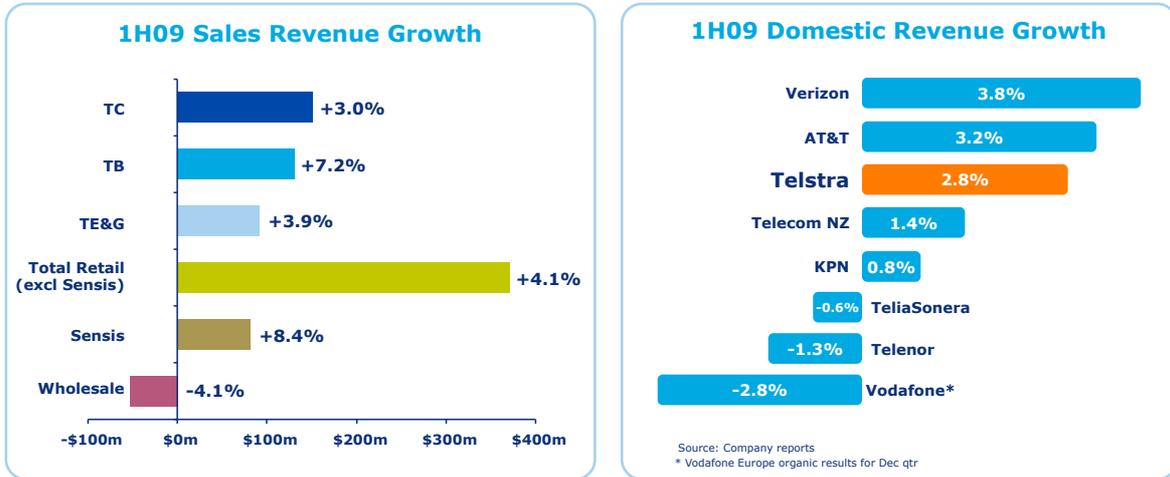
Measure	FY10 Long-term Management Objectives
Revenue Growth	3-4% CAGR from FY05
EBITDA Margin	46-48%
Capex/Sales	Around 14%
Free Cash Flow	\$6-\$7bn

Measure	2009 Guidance
Total Revenue Growth	3-4%
EBITDA Growth	5-6%
EBIT Growth	3-5%
Accrued Capex	\$4.3-\$4.6bn

* Off reported numbers, excludes any potential NBN investments

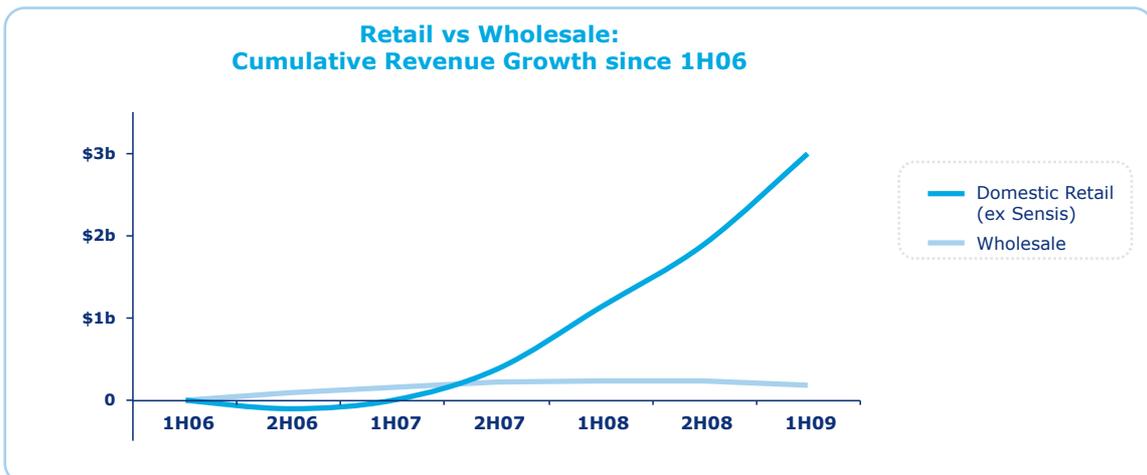
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Continued Strength from Domestic Retail Business



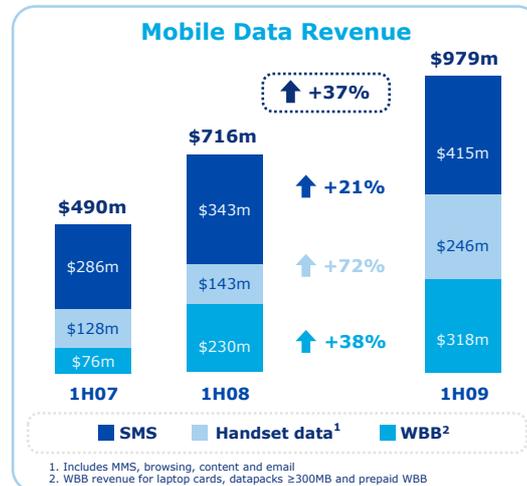
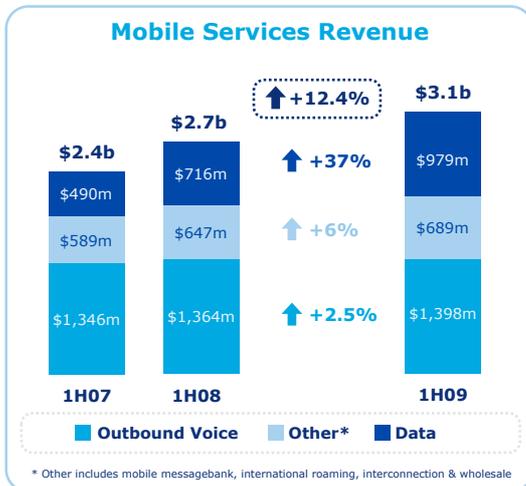
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Strong Domestic Retail Revenue Growth

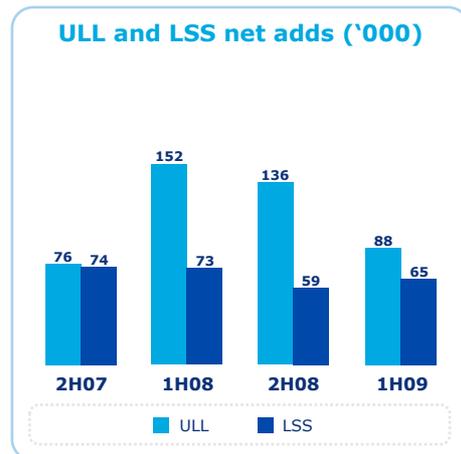
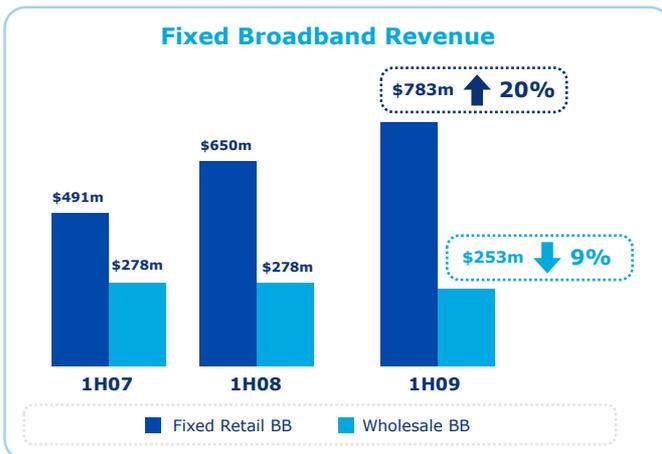


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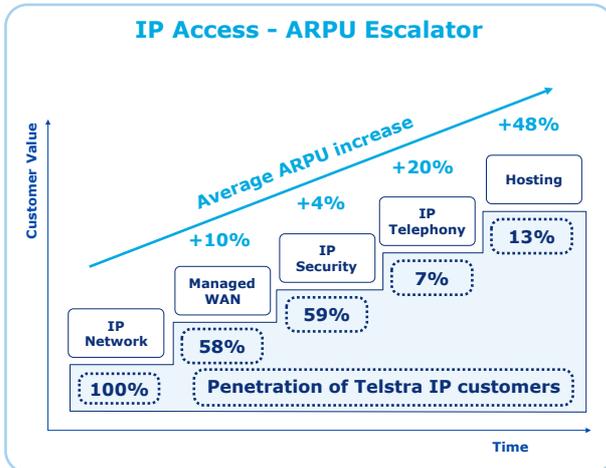
Next G Stimulating Mobile Growth



Fixed Broadband growth continues



Next IP Driving Best Ever IP & Data Growth



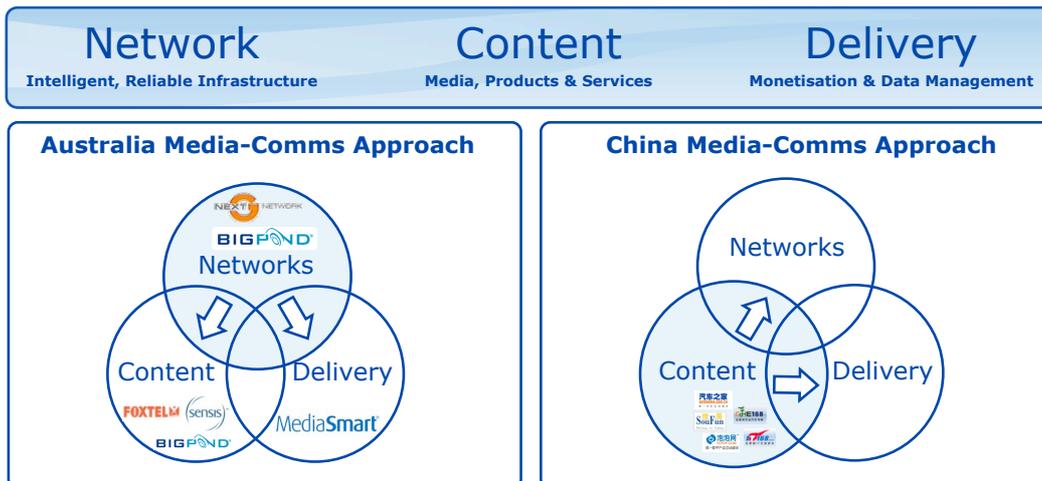
IP Access Revenue +28%

TE&G IP Access ARPU +40% since FY07

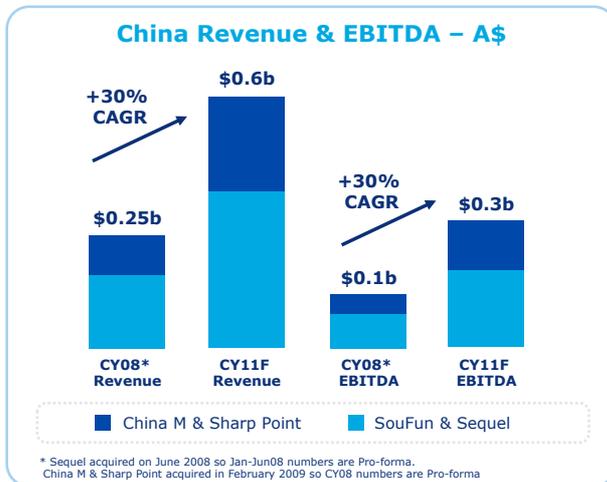
Continued migration of entry level IP customers to IP VAS and Applications



Media-Comms growth strategy



China: Emerging Growth Engine



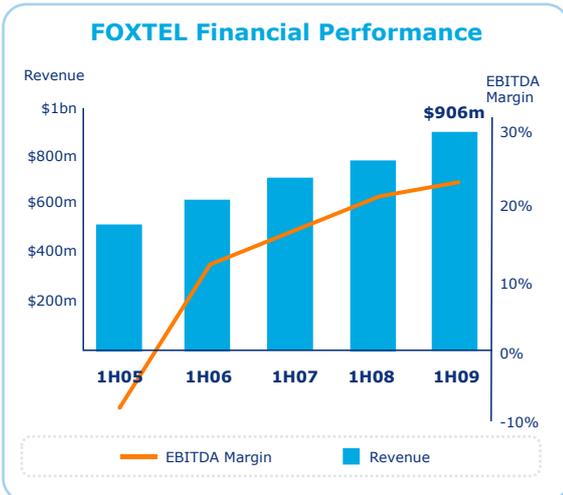
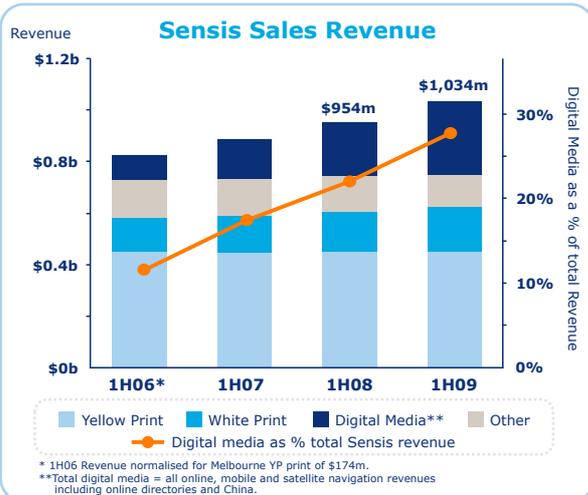
Target of \$1 billion Revenue & 30-40% EBITDA margins in 2013

Strong SouFun & Sequel organic growth with Sequel integration on track

China M and Sharp Point acquired at less than 7x CY 2009 EBITDA

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Sensis & Foxtel growth continues



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Managing Change

IT Transformation Achievements

New system deployed to 1900 sites

Key customer service metrics improving

Decommissioning of systems continuing

Environmental Social & Governance

\$34m Arnhem Land fibre Optic Cable Project

Community Safety Messages during South Australian heat wave delivered via SMS

GPS reducing fuel consumption by 6%

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\$6-7 billion FCF

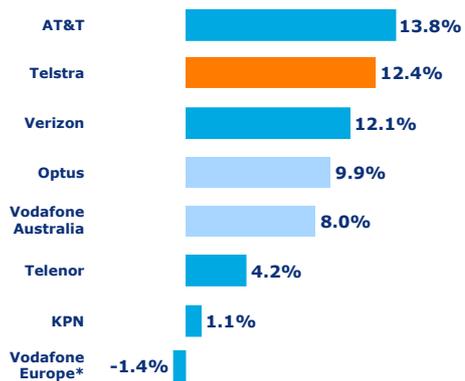
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Appendix

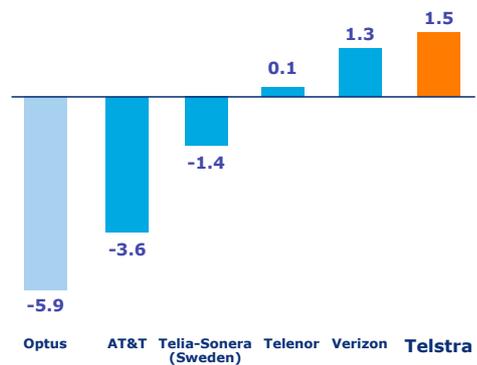
Global mobile performance comparison

1H09 Mobile Services Revenue Growth



Source: Company reports
* Vodafone Europe organic result for Dec qtr

1H09 Mobile EBITDA Margin Movement (pp)





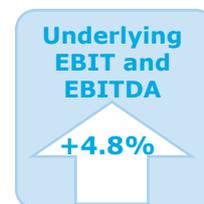
First Half 2009 Financial Results

John Stanhope, CFO

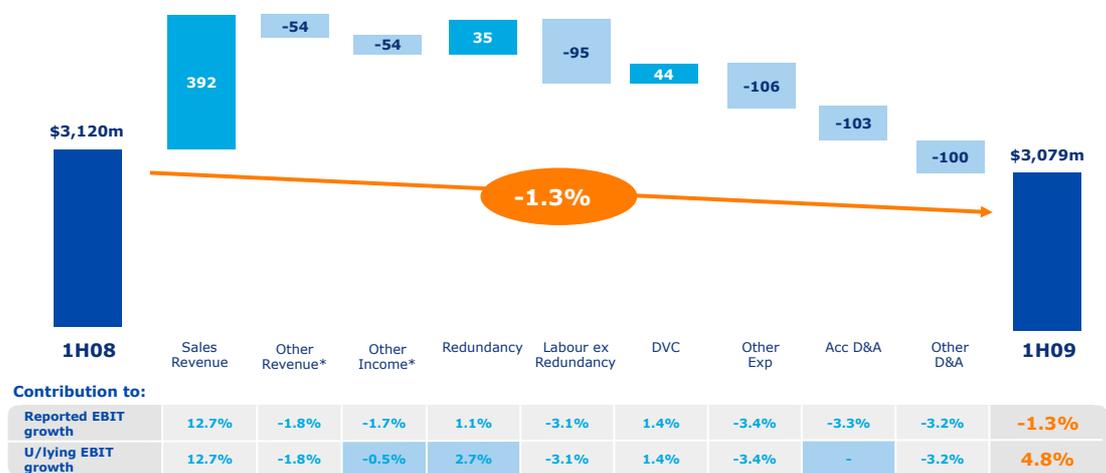
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EBIT Reconciliation



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Guidance Updated*

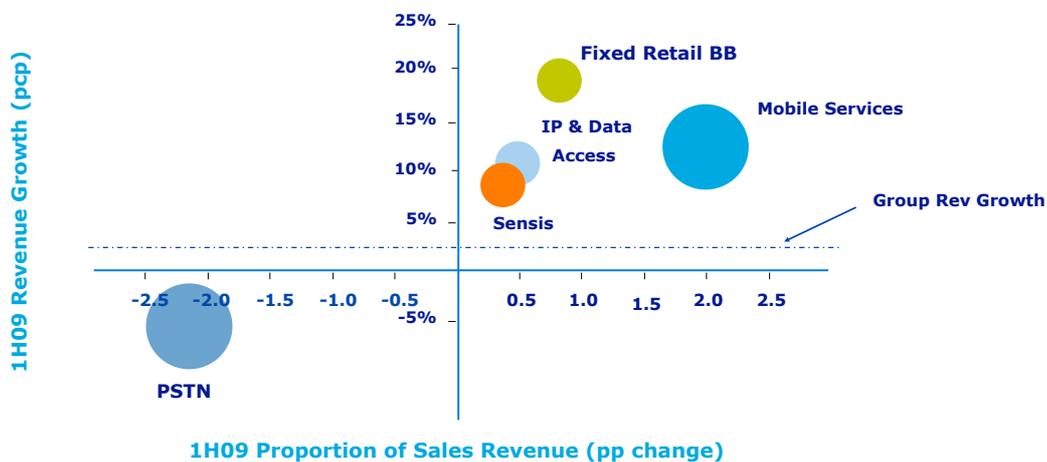
Measure	FY10 Long-term Management Objectives
Revenue Growth	3-4% CAGR from FY05
Operating Expense Growth	4-5% CAGR from FY05
EBITDA growth	3-3.5% CAGR from FY05
EBITDA Margin	46-48%
Capex/Sales	Around 14%
Workforce	Down 10,000 – 12,000
Free Cash Flow	\$6-\$7bn

Measure	2009 Guidance
Total Revenue Growth	3-4%
EBITDA Growth	5-6%
EBIT Growth	3-5%
Depreciation & Amortisation	Around \$4.5bn
Accrued Capex	\$4.3-\$4.6bn

* Off reported numbers, excludes any potential NBN investments

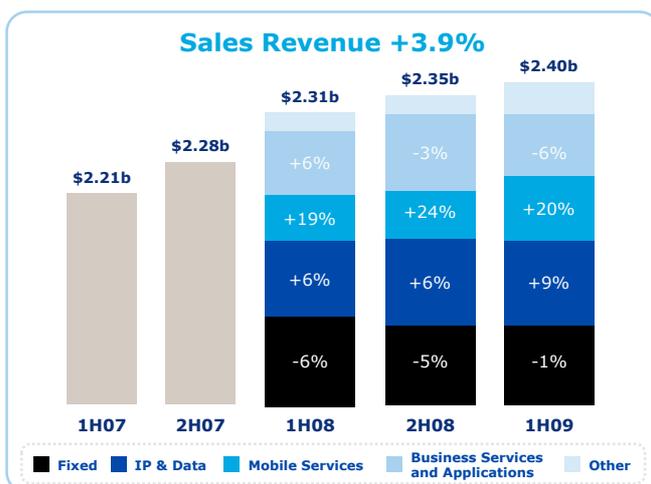
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Growth drivers and product mix change



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Telstra Enterprise and Government



Best ever IP & Data

- Access revenue growth +9.3%

Mobiles growth maintained

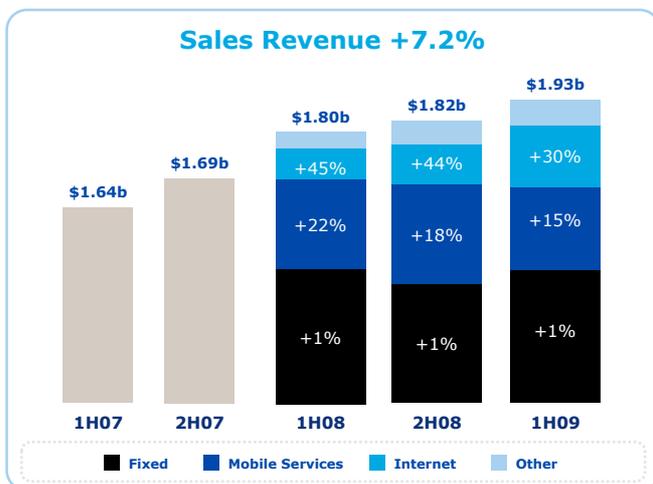
- Mobile Data revenue +47%

Profitability ratios improving

- Operating Contribution growth +5.4%

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Telstra Business



Mobiles momentum maintained

- 3G SIOs now 72% of base, up 8pp from June 08

High growth from dedicated business data access offerings

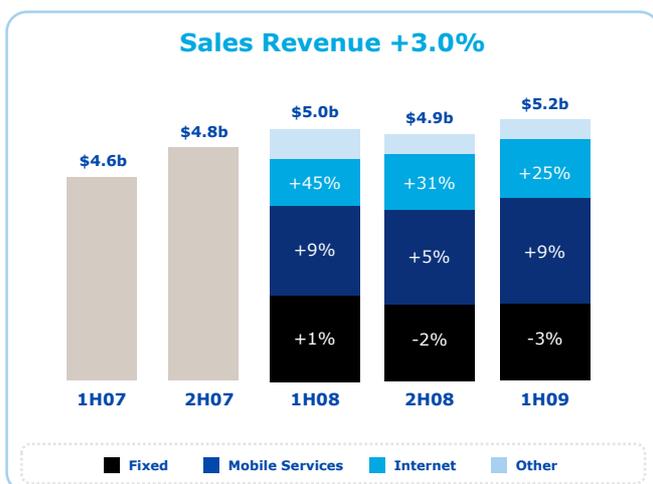
- Business Broadband +44%
- IP Access +54%

Operating leverage emerging

- Expenses +5.8%, down 5pp from FY08

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Telstra Consumer



T[life]TM invigorating the customer experience

- 35 stores now open

Strong momentum in mobile

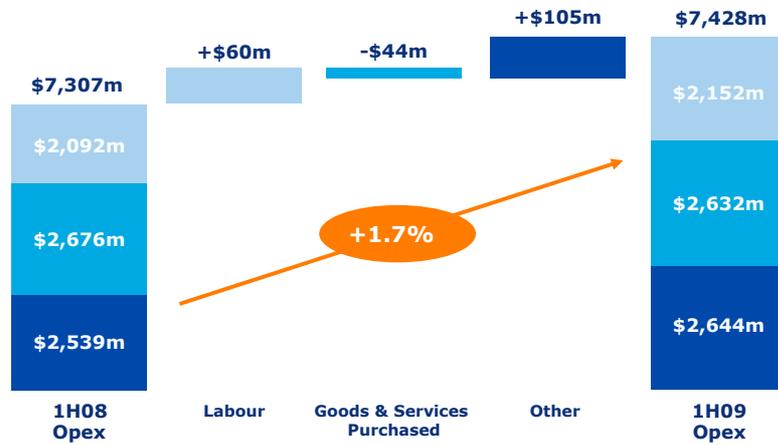
- ARPU growth 12.7%
- Prepaid revenue growth 10.9%

Low expense growth of 1.2%

- MBM continuing to drive 18% SARC reduction

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Operating Expenses



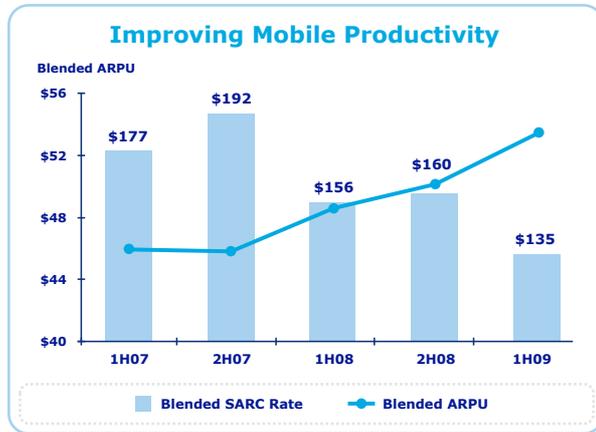
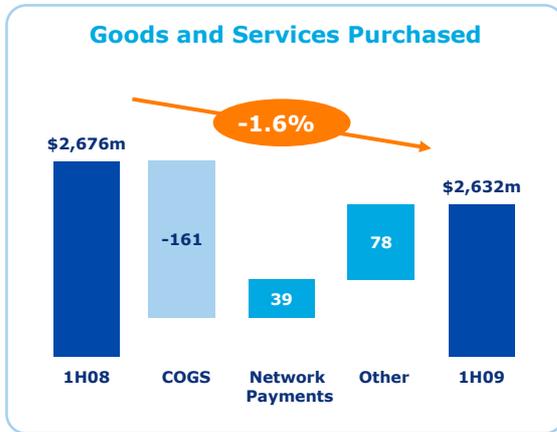
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Labour



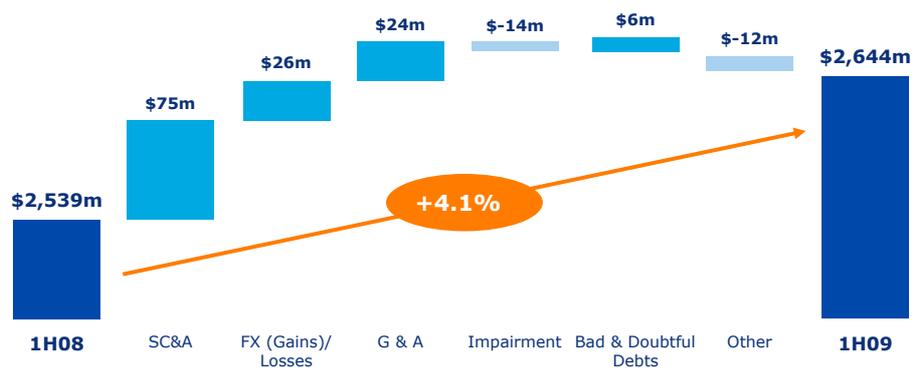
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Directly Variable Costs



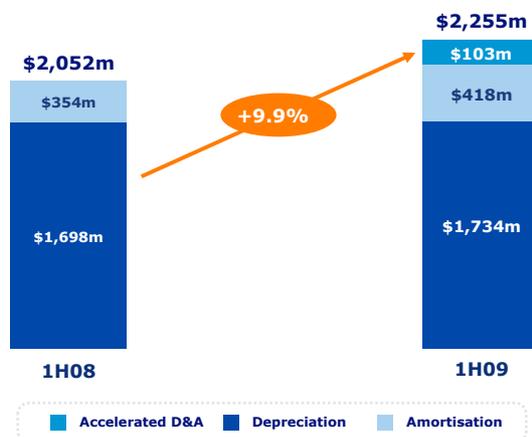
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Other Expenses



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Depreciation & Amortisation



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Net Finance Costs

	End Dec 07	End Dec 08	\$ Change	% Change
Net interest expense	\$577m	\$632m	\$55m	9.5%
Other (incl IFRS adj)*	-\$77m	-\$229m	-\$152m	197%
Total Finance Costs	\$500m	\$403m	-\$97m	-19.4%
Avg. Borrowing costs	7.14%	7.46%		32 bps

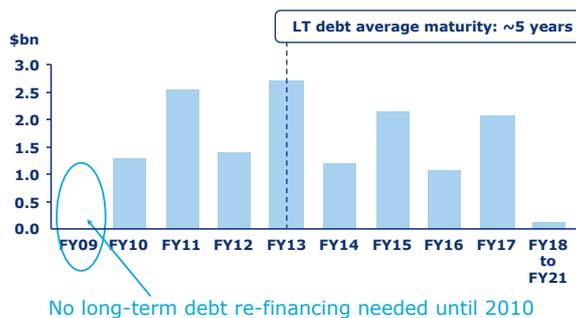
* These unrealised gains will progressively unwind

	End June 08	End Dec 08	\$ Change	% Change
Net debt	\$15,242m	\$16,388m	\$1,146m	7.5%

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Debt position and Financial Parameters

Long-term Debt Maturity Profile



Financial Parameters

	Target	1H09
Debt Servicing	1.7 - 2.1	1.5
Gearing - Net Debt	55%-75%	58.3%
Interest Cover	> 7 times	8.4 times

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Superannuation

STATEMENT OF FINANCIAL POSITION

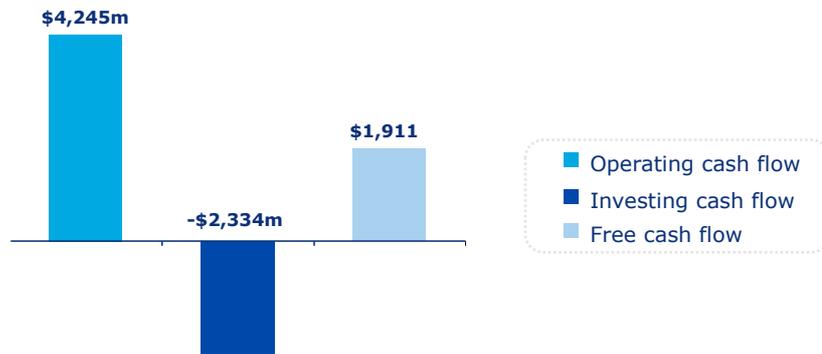
	30 June 08	31 Dec 08
Defined Benefit Asset	\$182m	-
Defined Benefit Liability	-	\$1,169m
Movement		\$1,351m

SEPT Qtr

	SEPT Qtr	DEC Qtr
Defined Benefit Contribution	\$110m	\$115m

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Free Cash Flow



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Focused on shareholder returns

Investing in growth & innovation

\$6bn-\$7bn FCF in FY10

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Appendix

International

Foreign Exchange Impact

	Revenue	Expense	Net EBIT Impact
CSL New World	\$55m	\$58m	-\$3m
TelstraClear	\$11m	\$11m	-
China	\$4m	\$2m	+\$2m
Other International (inc Reach)	\$1m	\$15m	-\$14m



Retail performance

	1H08 pcp	2H08 pcp	1H09 pcp
Sales Revenue growth	7.6	4.3	4.1
- Mobile Services	13.0	10.0	11.3
- Fixed	-0.6	-1.7	-1.5
- Internet	44.3	34.2	28.1
- Data & IP	7.6	7.9	10.9
Operating contribution growth	8.9	7.8	5.3
Operating contribution margin*	64.6%	65.2%	65.4%
- change (yoy)			0.8pp

* Operating contribution margin based on sales revenue



Telstra Enterprise & Government

	1H08 pcp	2H08 pcp	1H09 pcp
Sales Revenue growth	4.5	2.7	3.9
- Mobile Services	19.3	23.6	20.1
- Fixed	-5.8	-5.2	-1.4
- Internet	39.1	39.2	44.2
- Data & IP	6.5	6.4	9.3
Operating contribution growth	10.8	9.4	5.4
Operating contribution margin (%)	66.9	66.3	67.8
- change (yoy)			0.9pp

SIO net adds ('000)			
- PSTN	-2	3	-9
- Postpaid mobile	95	102	103



Telstra Business

	1H08 pcp	2H08 pcp	1H09 pcp
Sales Revenue growth	9.5	8.1	7.2
- Mobile Services	21.9	17.5	14.5
- Fixed	0.9	0.9	0.7
- Internet	44.9	43.7	30.3
- Data & IP	18.6	23.9	27.1
Operating contribution growth	7.6	8.9	7.8
Operating contribution margin (%)	71.4	71.6	71.8
- change (yoy)			0.4pp
SIO net adds ('000)			
- PSTN	18	12	-3
- Postpaid mobile	89	78	83



Telstra Consumer

	1H08 pcp	2H08 pcp	1H09 pcp
Sales Revenue growth	8.4	3.7	3.0
- Mobile Services	9.0	5.0	8.5
- Fixed	0.5	-1.8	-2.6
- Internet	44.9	31.2	25.3
- Data & IP	34.0	13.1	22.3
Operating contribution growth	8.2	6.1	4.1
Operating contribution margin (%)	61.1	62.3	61.9
- change (yoy)			0.8pp
SIO net adds ('000)			
- PSTN	32	24	-24
- Postpaid mobile	132	77	97



Market Share*

REVENUE	2H07	1H08	2H08	1H09
Mobile	43%	43%	43%	43%
Fixed	72%	73%	74%	75%

SIO	2H07	1H08	2H08	1H09
Mobile	43%	43%	41%	41%
Retail Broadband - Total	47%	47%	48%**	47%
Fixed	46%	46%	48%	47%
Wireless	53%	53%	49%	47%
Fixed	74%	74%	75%	75%

* Telstra Management estimates

** Restated from 49% to 48% following additional competitor disclosures on Wireless Broadband



ULL Trends

ULL and LSS net adds ('000)

