

14 October 2014

Office of the Company Secretary

The Manager

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ELECTRONIC LODGEMENT

Dear Sir or Madam

Chairman and Chief Executive Officer - Annual General Meeting presentations

In accordance with Listing Rule 3.13.3, I enclose the presentations of the Chairman and Chief Executive Officer, which will be delivered today at the Telstra Corporation Limited 2014 Annual General Meeting.

Yours faithfully



Damien Coleman
Company Secretary

TELSTRA ANNUAL GENERAL MEETING 14 OCTOBER 2014

CHAIRMAN'S SPEECH

Good morning ladies and gentlemen.

My name is Catherine Livingstone and I am Chairman of your company.

On behalf of my fellow directors, I am pleased to welcome you to Telstra's 2014 Annual General Meeting and to extend a very warm welcome to the many shareholders joining us today online.

I would also like to acknowledge the traditional custodians of this land and pay my respects to their Elders, past and present.

We have a quorum and I declare the meeting open.

A Notice of Meeting has been distributed and will be taken as read.

Process

There are five items of business on today's agenda:

- Presentations by myself and your CEO David Thodey;
- Discussion of our 2014 financial statements and reports;
- Consideration of the election and re-election of directors;
- Consideration of the proposed grant of Performance Rights to the CEO; and finally
- Consideration of the Remuneration Report.

Voting on items three to five will be conducted by a poll and that poll is now open.

If, for some reason, you need to leave the meeting early, you can vote by completing your voting card, and placing it in one of the ballot boxes near the exits.

I would now like to introduce Telstra's auditors. Joining us today, from EY, is Steve Ferguson who is available to answer any questions on the conduct of the audit, and the auditor's report.

Joining me on stage are:

David Thodey, your Chief Executive Officer;
Damien Coleman, your Company Secretary;
Andrew Penn, your Chief Financial Officer;
And your Board.

I will now invite your Directors to introduce themselves individually.

[Directors introduce themselves.]

I would like to take this opportunity to thank my fellow Directors for their contribution and support during the past year.

I would also like to particularly welcome our newest director, Peter Hearl, who, as you have heard, brings valuable experience in building multinational brands, and in doing business in Asia.

Shareholders, today marks the first time Telstra has held its Annual General Meeting in Queensland. Queensland is such an important part of our business. We have more than 9,000

people here, approximately 45,000 kms of optic fibre cable and more than 1,700 Telstra mobile towers which provide coverage to nearly 99% of Queensland's population.

Telstra also pays \$31 million each year in local and state taxes.

Many of you would be aware that Brisbane will next month host the G20 Heads of Government Summit.

Telstra has built the new Queensland Government Wireless Network that uses state-of-the-art communication technologies to connect law enforcement and emergency response teams.

Beyond the G20, the network will be expanded to the remainder of Southeast QLD and will provide ongoing emergency communications during critical events like cyclones and bushfires.

Performance

I would now like to make some comments about Telstra's financial results for the year. 2014 was a year of continuing momentum for your company, a year in which we saw growth in revenue, profit and customer numbers, in line with our commitments.

These results demonstrate the value being created by our strategic focus on improving customer advocacy, while continuing to invest in our core, and growth businesses.

Our Net Profit After Tax this year was \$4.3 billion, up 14.6 per cent on the previous year.

We also increased our total dividend for the 2014 Financial Year, to 29.5 cents per share fully franked, distributing \$3.7 billion back to shareholders.

As part of our capital management strategy we have also successfully completed a \$1 billion off-market buy-back of Telstra shares. Under the buy-back, which was announced on 14 August 2014, Telstra bought back around 217.4 million shares or 1.75% of issued capital. The buy-back price was \$4.60 per share, which represents a discount to the market price of 14%. Payment for shares bought under the buy-back will commence from today.

We undertook this buy-back because we had excess capital as a result of our strong operating performance, together with cash from key divestments completed during the year.

We believe the buy-back is of benefit to all Telstra shareholders.

For those shareholders who did not participate, the buy-back is expected to improve the earnings per share ratio, because the number of shares on issue has been reduced.

NBN

Turning now to the NBN.

The new Federal Government, elected last year, determined that the design of the NBN would be modified to use a range of technologies, instead of the previous government's predominantly fibre to the premises approach.

As a result, we are currently engaged in renegotiations with the Government, and NBN Co, on aspects of our 2011 Definitive Agreements.

The renegotiations are progressing well, and the parties are working constructively toward a common goal.

Through all of this we are committed to acting in the best interests of you, our shareholders. We are focussed on maintaining the value of current agreements, achieving certainty of outcome as soon as possible, and minimising any additional regulatory risk.

Strategy

I would now like to comment on our longer term strategy.

During the year we refined our strategy and made some changes to better align our efforts with growth opportunities, both in Australia and overseas.

Our strategy focuses the business on three key priorities:

- Improving customer advocacy;
- Driving value from the core; and,
- Building new growth businesses.

I would like to discuss each element in turn.

Improving customer advocacy

On improving customer advocacy, we continue to regard this as our highest priority.

Every day, and right across the business, we are striving to earn the advocacy of our customers by having a positive impact on their lives, with our products and services.

Feedback through our Net Promoter System indicates that we did make progress this year. Nonetheless we still have much work to do to ensure we consistently provide our customers with an outstanding experience, on every occasion.

Driving value from the core

Our strategy also includes an ongoing focus on driving value from the core of our business.

Telstra's remarkable network, upon which so much of our reputation and core advantage is built, is a key part of our future and is something in which we continue to invest.

In this context, this year we started design work on a new \$100 million, five year project, to create what will be Australia's largest national public Wi-Fi access network.

Our range of products and services also continues to change, as new technologies emerge, and customer demand for connectivity and mobility grows.

Only five years ago much of our revenue was driven by voice over fixed and mobile phones. The focus then shifted to data over devices, and now, increasingly, we provide solutions over networks.

Building new growth businesses

Moving to our third strategic priority, building new growth businesses.

In this, much of our focus is in Asia where we are looking to capitalise on our Asian and Global network capabilities, and opportunities in fast growing markets across the region.

Some people may not be aware that Telstra's networks offer customers more than 2000 points of

presence around the world. We also operate an extensive submarine cable network. These are key facilities which we will continue to leverage as we pursue growth.

An important part of this growth strategy is being able to build partnerships across the region. We were pleased recently to sign a joint venture agreement with Telkom Indonesia to provide network applications and services to businesses in the Indonesian market.

Another long term focus for growth is the development of our Telstra Health business.

Here, we are working to help build a health system that is more connected, and improves opportunities for services like in-home monitoring of ill, elderly or remote Australians.

Portfolio management

Turning now to our management of our portfolio of businesses.

Recently, we added to our capabilities by acquiring software-based online video and analytics company, Ooyala.

During the year we also undertook a range of other portfolio management activities.

This included the sale of our stake in the Hong Kong mobile business CSL, taking advantage of an opportunity for us to maximise our return on this asset.

We also announced the sale of a 70 per cent stake in our Sensis directories business, establishing a partnership with Platinum Equity to maximise the value of the Sensis asset for Telstra.

Shareholders, you would also be aware that part of our presence in China is through our 62.9 per cent stake in Autohome, that country's leading online destination for car buyers. During the year we moved to evolve the capital structure of that business by listing it on the New York Stock Exchange, and today that investment is worth approximately A\$3 billion to Telstra.

Through all of this activity, our approach to managing our portfolio continues to be active and disciplined, and always with the intent of maximising value to shareholders.

Technology

Let me return briefly to the subject of accelerating technological change.

Many of the technologies that drove our results this year were barely conceived five years ago.

But the growing demand for smart wearable devices, smart networks, solutions in-the-cloud, and the establishment of our own software development team, all point to the fact that Telstra is, today, a very different company, from what it was when many of you first became shareholders.

We are constantly seeking to nurture the innovation mindset and culture inside the company.

This includes the creation of our own innovation incubator, muru-D, and our online collaboration tool, the Innovation Hub, which is a wide-ranging online community that facilitates problem-solving, and innovative thinking across the business.

All of this contributes to our determination to find new ways of having a positive impact on the lives and businesses of our customers, through our products and services.

Organisation

In this environment of ongoing change, this year, we clarified our organisational purpose, which we now describe as being: to create a brilliant connected future, for everyone.

Five key values underpin this. They centre on:

- caring;
- collaboration;
- trust;
- simplicity; and,
- courage.

These values define our commitment to good corporate governance, responsible business practice, our customers, our workforce, the environment, and the communities in which we operate.

Sustainability

Telstra is committed to playing a positive and active role in building better communities.

We want all Australians, regardless of their age, income, ability or location, to be able to enjoy the many benefits which modern communication technologies bring.

To that end, this year, we have continued to focus on ensuring that everyone has the opportunity to build the skills and confidence to participate safely in our increasingly digitised world.

Through our *Everyone Connected* digital inclusion programs, we provided digital literacy training to 143,000 older Australians.

Our *Access for Everyone* program also provided \$145 million in benefits, including home phone rental concessions to more than 1 million households, including those on low incomes.

Through the Telstra Foundation we are also supporting a wide range of social innovation programs, including our partnership with Code Club Australia, which aims to give every Australian child the chance to learn computer code, a critical skill in the digital age.

Conclusion

In closing, I would like to take this opportunity to thank David Thodey, and his senior executive team, for their efforts during the year. Telstra is fortunate to have such a highly talented, and high performing, team of leaders.

I would also like to thank the entire Telstra team for their work in delivering the many achievements I have described this morning.

As we look forward, we continue to focus on improving customer advocacy, while investing in our core and growth businesses.

Shareholders, your company has delivered on the commitments we made for 2014, and we are again committed to building on this momentum in the year ahead.

I will now hand over to your Chief Executive Officer, David Thodey, to present our operations for the year in more detail.

TELSTRA ANNUAL GENERAL MEETING 14 OCTOBER 2014

CHIEF EXECUTIVE OFFICER'S SPEECH

INTRODUCTION

Slide 1: David Thodey – Telstra Chief Executive Officer

Thank you Chairman.

Good morning. Thank you for making the time to be here this morning. Welcome also to those people joining us online.

It is a pleasure to be here in Brisbane – I went to primary school here at Ascot Primary School so I always enjoy returning to the Sunshine State.

As the Chairman has said, 2014 was a strong year for Telstra, a year in which we delivered consistent earnings growth, increased shareholder returns and continued to build momentum for future growth.

It was also a year in which more of our customers became advocates for your company.

Our continuing focus is on finding ways to make a real and positive contribution to the lives of our customers, the communities where we operate, and the productivity of our nation, through our products and services....to create a brilliantly connected future for everyone.

We have had many highlights during the year:

- We welcomed nearly 1 million new domestic retail mobile customers and now have 16 million retail mobile services in Australia. In fact over the last three years we have added almost 4 million new retail mobile services.
- We announced a \$100 million commitment to create one of the world's largest Wi-Fi networks here in Australia and linked internationally. Telstra Wi-Fi aims to offer all Australians –whether you are a Telstra customer or not – access to two million Wi-Fi hotspots across the nation within five years. We will have the first 1000 hotspots operating by Christmas including approximately 350 here in Queensland.
- We established new businesses in e-Health, software, and security solutions.
- We also announced a major international partnership to deliver Network Applications and Services in Indonesia with Telkom Indonesia.
- And importantly, we also conducted 11 million customer surveys - an average of 30,000 every day - and used that feedback to improve the service we provide.

Today I will cover our financial results, give you more information on our strategy, comment on the NBN and our reaffirm our Outlook.

Let me firstly review our financial performance this year:

Slide 2: Financial Highlights

- Our Total income increased to \$26.3 billion – up 6.1% on the previous year;
- EBITDA was up 9.5% to \$11.1 billion; and,

- Net profit after tax increased 14.6% to \$4.3 billion.

These results were underpinned by our commitment to provide our customers with the best connectivity on Australia's leading network.

We are seeing continued growth in data usage and an ever-increasing demand for connectivity across Australia, across Asia and across the world.

That is why we continue to invest in our networks, the customer experience, and innovating in the products and services we offer.

Let me now turn to our growth strategy.

As the Chairman mentioned, our strategy centres around three key pillars:

- Improving customer advocacy;
- Driving value from our core business; and,
- Building new growth businesses.

Slide 3: Three Strategy Pillars

Firstly customer advocacy. This is our highest priority and we see it as not just serving our customers better, but providing such great service that they are willing to be advocates for Telstra!

We are committed to building Telstra into a business that has the customer at the centre of every decision, every action, every opportunity, every day.

As part of this thinking, we have moved during the year to further personalise the service we offer. Let me give you a few practical examples of what I mean:

1. In our contact centres, our operators now give the customers that call them their name and contact details at the end of each call. It is a simple but very powerful act that means that if you need to get back in touch with us you can contact the person you last spoke to, the person that knows your issues, your story.
2. Another example is in our stores, where new post-paid mobile customers now get a phone call from the consultant that served them within 48 hours of making a purchase to make sure everything is working as it should.
3. And in the field, our field technicians now leave their calling card after they've installed new, or repaired existing services. Again this means that if there is a problem or concern, the follow up can be made directly with the technician that did the job.

We think these small but significant changes will make a real difference.

Other initiatives we have introduced during the year include:

- reducing excess data charges, cutting international roaming prices and introducing text message usage alerts.
- We have introduced new tools like the Telstra Broadband Assistant for our Telstra Home Broadband ADSL customers with a Windows operating system. The tool proactively detects, troubleshoots and helps to resolve Wi-Fi and connection issues.

- We launched Telstra Platinum, a one-stop-shop for technical support that provides access to technical experts whenever customers need help. Since launch in November 2013 we have helped over 220,000 customers set up their home networks or provided support with their phones, internet connection, WiFi network, tablets, IP-TV or computers.
- And we now offer Telstra Stay Connected, a service that replaces or repairs mobile devices if they are lost or damaged. Stay Connected has helped 360,000 customers since it was launched in September 2013, including replacing almost 27,000 customer devices the next day.

More and more customers are now choosing to connect with us online.

Slide 4 – Improve Customer Advocacy

In fact every day we have over 1.5 million page views on Telstra.com.

Each month more than six million unique visits are recorded on our website, we engage in 200,000 online chat sessions and 1.7 million customers use our Telstra 24x7 app to manage their accounts and services online.

There is no doubt this trend toward online services will continue to grow and we will continue to invest in our digital capabilities.

However, we will always give our customers the choice of how they wish to interact with us – in person, on the phone or online.

Before I move on, I want to take a moment to address the questions some shareholders have raised about our contact centres.

Two issues have been raised:

- Telstra's international call centre operations; and secondly,
- the quality of the service offered.

Firstly, on international call centres. As I have just described, more and more of our customers want to interact with us online.

As a business we have a responsibility to consider the economies of scale offered by global providers along with the flexibility that gives us in managing fluctuating call volumes at different times of the year.

This means that our contact centre work here in Australia is declining and will continue to do so. Ultimately however our aim is to keep creating new jobs that are sustainable in an increasingly digital, mobile and global world. We are also serving more international customers.

The second issue raised has been the quality of service. I would point out all of our centres, regardless of where they are, are held to the same high standards of customer service, communication skills, privacy and security information.

We have implemented many initiatives to improve the service we offer our customers – though we still have much to do.

I want to stress we do want to know when we fail. This is so we can do two things:

- firstly fix the immediate issue; and,
- put in place a longer term solutions so the issue doesn't happen again.

The second core pillar of our growth strategy is Driving value from the core of our business.

Slide 5 – Drive Value from the Core

The focus here is on customer and revenue growth, network leadership and driving productivity by simplifying our business. Let me briefly update you on each of those elements.

We continue to invest in our 4G network , which covers 87% of the Australian population, and we now have more than 5.2 million 4G devices on our network.

The quality, reach and popularity of our network continues to grow because we continue to invest in it. In fact we have invested more than \$5.5 billion in our mobile network since 2006, including \$1.1 billion in the last financial year.

Just last month we also paid \$1.3 billion to secure an important holding of additional spectrum in Australia. This will effectively double the spectrum used to run our 4G services and provide our customers with even faster network speeds and better coverage.

Simplifying the business also remains a critical part of our strategy.

This year we continued to transform our internal business processes to streamline how we work, and to remove internal barriers that impede productivity, collaboration, innovation and better customer service. The total value of benefits from our FY14 productivity program, which includes \$550 million of expense benefits as well as revenue, capital expenditure and avoided costs, is \$1 billion. We have reinvested these benefits in the business.

We continue to rebalance the business as new technologies and innovations change the marketplace where we operate. This means we are increasing our resources in some areas, and reducing them in others.

One effect of that work was that we added more than 400 roles here in Australia during the year as well as hundreds of roles internationally as we continued to build our capabilities in global markets.

This rebalancing work also resulted in around 1600 redundancies during the year but nevertheless our total headcount globally was flat, even after the sale of our CSL and Sensis businesses.

Let me turn now to our third strategic priority - Building new growth businesses.

Slide 6 – Build New Growth Businesses

The focus here is on realising new and emerging opportunities that leverage Telstra's many strengths. These are the things that will underpin our growth in the future and include our Network Applications and Services capabilities, expansion into Asia and other new opportunities like Telstra Health and Telstra Media.

Our work in Asia is about offering a range of services and platforms including managed network services, international data, voice and satellite solutions, and leveraging our extensive submarine cable network.

As the Chairman said, we also continue to build our capabilities in the eHealth area and our vision there is to develop a truly connected healthcare system for all Australians. Since its inception in April last year we have secured acquisitions, made strategic investments and entered into licensing arrangements or joint ventures with 11 companies as we build a strong and capable foundation for this exciting new opportunity for our business.

Some people may not be aware that Telstra is also Australia's largest Internet Protocol television service provider, through our T-Box and close partnership with Foxtel.

We added to this media capability during the year, acquiring Silicon Valley based company Ooyala, a leader in video streaming and analytics.

Ooyala provides a software platform that delivers personalized video and TV experiences across multiple screens and is a leader in online video management, publishing, analytics and monetisation. As the viewing habits of Australians continue to change, this type of technology positions us well for the future.

Turning to the National Broadband Network, the Chairman has already provided an updated on our progress with finalising revised agreements with the Government.

Slide 7 – NBN

I would reiterate that we are committed to acting in the best interests of you, our shareholders, and to maintaining the value of the current agreements. We will keep you informed of the renegotiation process.

Meanwhile, as the NBN rolls out to more communities around the country we continue to be focussed on bringing more customers the benefits of Telstra services on the NBN.

If you would like to learn more I encourage you to visit the information booths in the venue foyer after the meeting.

CONCLUSION

In conclusion I would like to personally thank all of Telstra's staff for their dedication and hard work. We are fortunate to have such a great team right across the business.

I would also like to thank the very capable senior management team, who have been fantastic in their determination to continually improve the business, create and try new things that make life better for our customers, and to build a culture where people feel valued when they come to work.

I would also like to thank the Chairman and the Board for their support and guidance. They provide excellent governance and leadership for the company.

Looking ahead, in 2015 Telstra expects continued low single-digit income and EBITDA growth to offset the absence of CSL 2014 operating revenue and EBITDA.

As a result, after excluding the \$561 million profit on the sale of CSL in 2014, Telstra's income and EBITDA guidance for 2015 is broadly flat.

Telstra expects 2015 free cashflow of between \$4.6 billion and \$5.1 billion and capital expenditure to be around 14 per cent of sales.

In summary, in 2014, Telstra delivered consistent earnings growth, increased returns to our shareholders and generated strong operating momentum as we moved into 2015.

Our focus remains on improving how we interact with our customers, and to have a genuine and positive impact on their lives with our products and services. We believe that focus is positioning us well for long term growth.

This is an exciting time for Telstra and we see a great future for your company as we work to create a brilliantly connect future for everyone.

Thank you again for your time this morning.

I will now hand back to the Chairman.

ANNUAL GENERAL MEETING 2014



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 Annual Report dated 14 August 2014 and 2013 Debt Offering Circular lodged with the ASX and available on Telstra's Investor Centre website www.telstra.com/investor.
- 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.
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DAVID THODEY

CHIEF EXECUTIVE OFFICER



GROUP RESULTS

	FY13 ¹	FY14	GROWTH (reported basis)	GROWTH (guidance basis ²)
Total Income ³	\$24.8b	\$26.3b	6.1%	3.5%
EBITDA	\$10.2b	\$11.1b	9.5%	4.7%
Net Profit After Tax ⁴	\$3.8b	\$4.3b	14.6%	



1. Comparatives have been restated due to the retrospective adoption of AASB119: Employee Entitlements.

2. Income and EBITDA growth rates on a guidance basis have been adjusted for FY14 M&A impacts and calculations exclude Sensis from both FY13 and FY14.

3. Total income excludes finance income.

4. NPAT and Basic Earnings per Share from continuing and discontinued operations.

STRATEGIC PRIORITIES



IMPROVE CUSTOMER ADVOCACY



DRIVE VALUE FROM THE CORE

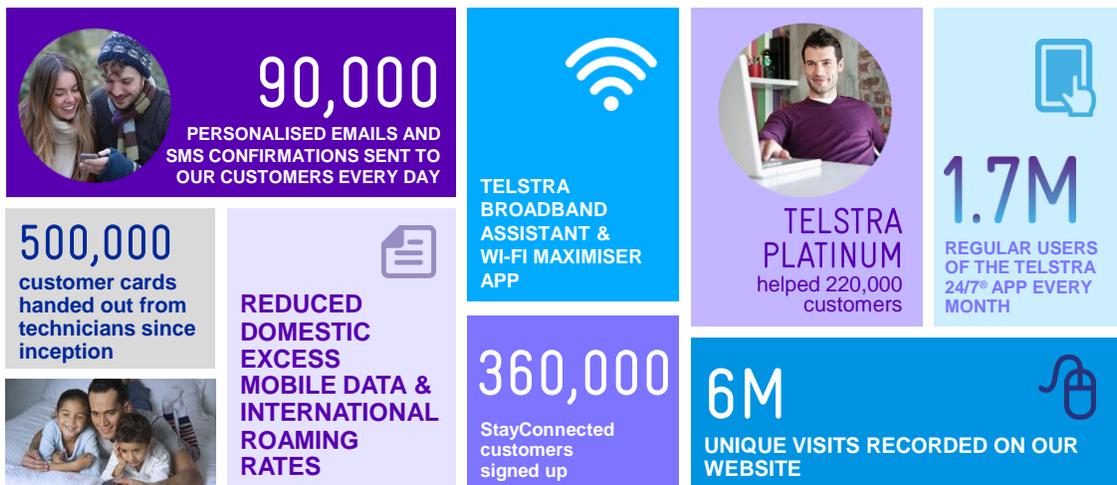


BUILD NEW GROWTH BUSINESSES



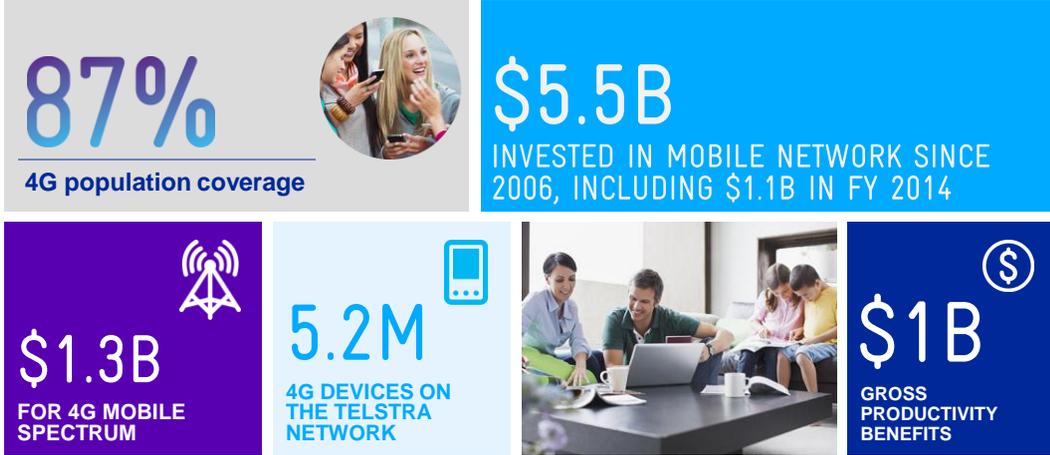
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IMPROVE CUSTOMER ADVOCACY



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DRIVE VALUE FROM THE CORE



BUILD NEW GROWTH BUSINESSES

NETWORK APPLICATIONS AND SERVICES

ASIA

EMERGING OPPORTUNITIES



NATIONAL BROADBAND NETWORK



CONCLUSION

