23 October 2014

The Manager
Company Announcements Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

ELECTRONIC LODGEMENT

Dear Sir or Madam

Investor Day – Presentations and Q1 Trading Update

In accordance with the Listing Rules, I attach the presentations and the CEO’s speech to be delivered at Telstra’s Investor Day, for release to the market. The CEO’s presentation includes a trading update for the first quarter of FY15.

Yours faithfully

Damien Coleman
Company Secretary
Good morning and welcome to Telstra’s Investor Day. Welcome also to those who are viewing the webcast on line. The theme for today is growth through innovation. I would like to start today by talking about the digital world and share with you some observations about how digital is at the forefront of change in all of our businesses, in all of our lives, across the globe.

It has been a busy week for Telstra. We opened our new Discovery store here at 400 George St. I would encourage all of you to go and have a look today.

We know our customers like to touch and experience things in a store and they also like the choice, speed and convenience of digital channels. This store delivers all of that, in an environment where the physical and digital worlds come together and customers can move seamlessly between them.

For example, you can see:

- Interactive device labs where customers can compare handsets by placing them on a digital display to access information including price, camera, battery, speed and reviews.
- We have a Connected Life space where customers can explore how technology can enhance their day-to-day life, and consider what a Connected Life will look like in the future; and
• We also have a dedicated space for business customers to learn more about Telstra’s business offerings, either by speaking directly with a business expert, or by exploring an interactive screen in their own time.

The Discovery Store is a major step in our retail evolution with some of the technologies and concepts on show being rolled out across the country over the next 12 months. I encourage you to go and visit on your way out.

We also launched Telstra Health this week. Gordon will talk about this later. We hosted the annual Australian Digital Summit. A real theme at the Summit was the need to keep on innovating. Successful businesses are ones that will anticipate change and adapt to this before change is thrust upon them. Consumers are more and more seeking to transact with businesses through digital channels, so organisations must move to a Digital First culture.

**SLIDE 4: THE DIGITAL WORLD**

So we are seeing that increasingly everything and everyone is connected, whenever and wherever they want to be. Digitisation is causing fundamental shifts in business models and workforces.

I have no doubt there will be winners and losers. Winners will be the companies that can adapt to these changes and provide an excellent customer experience.

Customers now have more choice than ever – most of you who travelled here today booked your flights online, booked your accommodation online and will probably eat at a restaurant tonight that you have booked online, after checking the reviews out on the web. Try Dimmi!
This digital story is playing out across the world in every industry - and effective digital channels are now a characteristic of successful organisations:

- In the US more than 85 per cent of retail banking transactions are now digital;
- In its second quarter results, Starbucks reported that its app accounted for 15 per cent of its transactions, that’s an average of 6 million transactions per week; and
- Facebook has over 1 billion monthly active users, out of 1.28 billion in all.

New digital technologies means the cost of entry has plummeted. You no longer need scale to compete globally. Geographic and economic barriers are coming down.

The smartphone is revolutionising how we live our lives. Powerful computers in smartphones and cloud solutions means providers can deliver new capabilities to just about anyone at prices the average user can afford.
SLIDE 5: INDUSTRY LANDSCAPE

So how does this play out in our industry – telecommunications?

We see four significant trends shaping our industry landscape and which have also shaped our strategy.

Firstly, networks are critical and are the foundation of the digital world. Growing value from the core is highly dependent on maintaining our mobile network advantage and creating a superior fixed network experience.

We are also seeing device and platform convergence. Seamless transition from our mobile network to home and business Wi-Fi networks, and accessibility of content across multiple screens and devices will become important to boosting customer advocacy.

Our customer’s expectations are also increasing. With this change in the industry landscape, the power has shifted from companies to individuals. As customers become more reliant on our networks, their expectations of an integrated and high quality experience is increasing. Customers also want easy to use solutions.

And we are seeing a rapid growth in data volumes. There is no shortage of demand for mobility and connectivity. Ten years ago, SMS was the only wireless data driven traffic. Throughout the years, this has evolved to emails, MMS and now we are seeing that most of the data is driven by video.

Last year data on our mobile network grew by around 50 per cent off a base that was many, many times larger than the base a decade ago. And we expect this trend to continue.

Check against delivery
We are responding to these trends with a clear strategy which captures the enormous opportunities presented by a digital world. If we can continually innovate we will maximise these opportunities.

**SLIDE 6: OUR PURPOSE, VALUES AND STRATEGY**

Our purpose is to achieve a brilliant connected future for everyone – which includes our customers, staff, suppliers, partners and the community. We aspire to be a great Australian company. Five key values underpin this. They centre on:

- Caring – show you care;
- Collaboration – better together;
- Trust – trust each other to deliver;
- Simplicity – make the complex simple; and,
- Courage – find your courage.

The culture we create will be key to whether we succeed. These values come from an understanding of our history, our people, our capabilities and our ambitions for the future. These values also define our commitment to good corporate governance, responsible business practice, our customers, our workforce, the environment, and, the communities in which we operate.

We are investing for growth across the business, investing for now and investing for the future.

We aim to drive value from the core through a focus on customer growth, simplification, innovation, network leadership and customer advocacy.

We aim to build strong adjacent businesses that will drive usage on our core networks in areas such as digital media and network applications and services.

Check against delivery
We also aim to create new businesses such as e-health, software and expanding our presence in Asia.

Our strategy is unchanged:

- Improve customer advocacy;
- Drive value from our core business; and
- Build new growth businesses.

**SLIDE 7: INNOVATION ENABLES DIFFERENTIATION AND GROWTH**

The theme of today is “Growth through Innovation”. To drive long term growth we need to be truly innovative across the entire business.

A focus on innovation enables us to deliver product and service differentiation which will drive customer growth. For example:

- Within the consumer segment, we will significantly improve our product value proposition through the roll-out of Australia’s largest Wi-Fi network where customers will be able to use their fixed broadband allocation at any of the Telstra hotspots in Australia and at more than 12 million hotspots overseas. We will also provide simple and practical self-service tools and productivity solutions such as the Telstra 24/7® App, StayConnected and Telstra Platinum.
- Telstra Business is becoming increasingly more integrated into small to medium enterprises as it seeks to transform business productivity. We are becoming a diversified provider of services, differentiated by the breadth of our solutions.
• In GES, we will focus on delivering tailored, end-to-end industry-specific solutions. Our focus is also on defining new markets for mobile within Connected Tablets and machine-to-machine technology.

Innovation enables us to maintain our network leadership and simplify the business with leading edge developments in wireless, IP and Wi-Fi, and to capture emerging opportunities and enter new markets. In mobiles, our recent investment in the new 700MHz spectrum will be critical to maintaining and enhancing our network advantage and point of differentiation.

Whilst being innovative will help enable us to maximise the longer term opportunities presented by a digital world, to be successful today and tomorrow also requires a relentless focus on winning in the market and executing on our strategy.

Improving customer advocacy remains at the heart of our strategy.
We are very focused on the execution of our strategy and have a clear set of objectives under each strategic pillar that we need to achieve.

These highlight our commitment to improving customer advocacy, a focus on continuing to drive value and growth from our core business and preparedness to invest in growth.

On improving customer advocacy we are shifting our focus from a culture of customer service to a culture of advocacy and customer care. Our intention is to make Telstra easier to deal with and exceed customer expectations. We need to:

- Get service right the first time;
- Be more responsive to our customers; and
- Continue to innovate our pricing and billing.

From a core perspective we need to continue to be the market maker in wireless. The mobiles business is a significant driver of our financial performance and we need to ensure continued growth in this area, and new markets such as machine to machine.

We must also win in broadband by ensuring we create a seamless NBN migration for our customers. At the same time, we must continue to drive further productivity improvements and accelerate growth from our domestic business segment.

As we invest more in growth we focus on four key areas:

- Continuing to grow NAS top and bottom lines;
- Investing in Asia which Andy will talk more about shortly;
• Building a successful media and IPTV business and using bundles to differentiate our fixed broadband offering; and
• Building new growth revenue and profit streams such as software opportunities like Ooyala / Videoplaza and our e-Health business.

Our preparedness to invest more in growth does not change our number one strategic imperative which is to improve customer advocacy.

**SLIDE 9: IMPROVING CUSTOMER ADVOCACY DELIVERS ECONOMIC BENEFITS**

Being a company that puts our customers at the centre of everything we do makes good business sense.

Before we embarked on this journey five years ago, we were:

• Losing market share and losing customers;
• Revenue growth was slowing;
• We had high churn; and
• Complaints and service levels were poor.

We invested – in people, in culture change, in processes and systems, products, network leadership and simplification.

Our results five years later are much improved – lower churn, more customers and sustained revenue and earnings growth. And…customer advocacy is improving.

I am pleased to report that the positive business momentum we reported for last year has continued into the first quarter of this financial year.

The iPhone 6 launch was pleasing for us and our postpaid handheld ARPU's are continuing to improve.
Overall, in mobiles, market customer growth continues to moderate. We are also seeing some de-activations in our prepaid subscriber base. However, our strong mobile revenue trends have continued.

Our fixed portfolio performance is consistent with last year, with continued growth in fixed data customers and the rate of decline in voice revenue.

Our NAS pipeline continues to be healthy and NAS revenue growth remains strong.

As I said at the AGM last week, there is no change to the FY15 guidance that we provided at our results announcement in August.

**SLIDE 10: GROWTH THROUGH INNOVATION: AGENDA**

Before I conclude, let me provide you with a quick outline of what you will hear today.

Andy Penn will talk to our growth opportunities in Asia as growing our International business is core to our strategy.

Our networks underpin the growth in our core business and Kate McKenzie will present on our network leadership.

In October last year, we created the new Global Enterprise and Services (GES) business. This has enabled us to place greater focus on executing on our growth objective and Brendon Riley will discuss Enterprise growth through innovation. This includes Telstra Software.

Finally, Gordon Ballantyne will look at growth through innovation through the Retail lens. He will also talk about Telstra Health.
SLIDE 11: CONCLUSION

In summary:

- Our strategy is unchanged and positions us well to capture the opportunities presented by a digital world.

- We will continue to invest in innovation as this delivers differentiation and long term growth for the business.

- Finally improving customer advocacy delivers economic benefits for our shareholders.

Thank you for your time this morning. I hope the morning is useful and we will provide opportunities for Q&A. I would like to hand over to Andy who will talk to you about growth in Asia.
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

TELSTRA DISCOVERY STORE - SYDNEY
INDUSTRY PARTICIPANTS NEED TO CONTINUALLY INNOVATE
WE HAVE A CLEAR STRATEGY TO CAPTURE THESE OPPORTUNITIES
OUR PURPOSE, VALUES AND STRATEGY

Our Purpose
TO CREATE A BRILLIANT CONNECTED FUTURE FOR EVERYONE

Our Values
SHOW YOU CARE
BETTER TOGETHER
TRUST EACH OTHER TO DELIVER
MAKE THE COMPLEX SIMPLE
FIND YOUR COURAGE

Our Strategy
IMPROVE CUSTOMER ADVOCACY
DRIVE VALUE FROM THE CORE
BUILD NEW GROWTH BUSINESSES

INNOVATION ENABLES DIFFERENTIATION AND GROWTH

Strategy

Enabler
INNOVATION

Outcome
PRODUCT AND SERVICE DIFFERENTIATION
MAINTAIN NETWORK LEADERSHIP & SIMPLIFY OUR BUSINESS MODEL
CAPTURE EMERGING OPPORTUNITIES AND ENTER NEW MARKETS
WE ARE FOCUSED ON EXECUTION

Strategy

FY15 Objectives

- RIGHT FIRST TIME
- RESPONSIVENESS
- INNOVATIVE PRICING AND BILLING

- BE THE MARKET MAKER IN WIRELESS
- WINNING IN BROADBAND
- DRIVE PRODUCTIVITY
- ACCELERATE GROWTH IN BUSINESS SEGMENT

- CONTINUING TO GROW NAS
- INVESTING IN ASIA
- GROWING IPTV AND BUNDLES
- EXECUTING AGAINST GROWTH INITIATIVES

IMPROVING CUSTOMER ADVOCACY DELIVERS ECONOMIC BENEFITS

<table>
<thead>
<tr>
<th>REVENUE MARKET SHARE</th>
<th>RETAIL CUSTOMER GROWTH</th>
<th>REVENUE &amp; PROFIT GROWTH</th>
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<tbody>
<tr>
<td>FY10</td>
<td>FY14</td>
<td>FY10</td>
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<tr>
<td>10.6M</td>
<td>16.0M</td>
<td>2.3M</td>
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Mobile
Fixed BB
Mobile
Fixed Data
Revenue
NPAT
GROWTH THROUGH INNOVATION: AGENDA

<table>
<thead>
<tr>
<th>Presenter</th>
<th>Session</th>
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<tbody>
<tr>
<td>Andrew Penn</td>
<td>Growth opportunities in Asia</td>
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<tr>
<td></td>
<td>Q&amp;A with David Thodey and Andrew Penn followed by a short break</td>
</tr>
<tr>
<td>Kate McKenzie</td>
<td>Network leadership</td>
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<tr>
<td>Brendon Riley</td>
<td>Enterprise growth through innovation</td>
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<tr>
<td>Gordon Ballantyne</td>
<td>Retail growth through innovation</td>
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<tr>
<td></td>
<td>Q&amp;A with Kate McKenzie, Brendon Riley and Gordon Ballantyne</td>
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SUMMARY

STRATEGY IS UNCHANGED – POSITIONED WELL FOR THE OPPORTUNITIES OF A DIGITAL WORLD

INNOVATION DELIVERS DIFFERENTIATION AND GROWTH

IMPROVING CUSTOMER ADVOCACY DELIVERS ECONOMIC BENEFITS
Our Purpose
To create a brilliant connected future for everyone

Our Strategy
IMPROVE CUSTOMER ADVOCACY
DRIVE VALUE FROM THE CORE
BUILD NEW GROWTH BUSINESSES

Global Services
Asia

Longer term investments
Health, Telstra Software Group (TSG), Telstra Ventures, Digital Media
OUR STRATEGY FOR ASIA HAS THREE PILLARS

GES

Become a leading provider of enterprise services to MNCs and large enterprises in Asia

Connectivity / Mobility

Leverage Telstra’s core capabilities in network excellence to drive value from connectivity opportunities in the region

Longer term

Leverage our longer term investments such as software into Asia and invest in similar opportunities in the region

WHY ASIA? ASIA WILL SEE SIGNIFICANT GROWTH AND GIVE US OPPORTUNITIES TO UNLOCK DATA ACCESS CHALLENGES AND TAP INTO THE NASCENT NAS MARKET

1) Opportunity to free up data access

Many emerging Asian countries still rely predominantly on 2G mobile networks and inadequate fixed broadband networks …

2) Opportunity to tap into the nascent NAS market

Most Asian countries are at the early stage of NAS adoption, with the exception of Hong Kong and Singapore

... while data consumption growth will be exponential

<table>
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<tr>
<th>Mobile penetration</th>
<th>Fixed Broadband penetration</th>
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<tbody>
<tr>
<td>Asia (ex Singapore &amp; Hong Kong)</td>
<td>2G</td>
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</tbody>
</table>

NATIONAL SATISFACTION TO GDP RATIO

GDP per Capita

Emerging Markets

Developed Markets

23/10/14
WHY TELSTRA?
WE HAVE CORE CAPABILITIES TO LEVERAGE INTO ASIA

We have proven capabilities in developing (network design and planning), managing and operating data efficient networks

We have market-leading NAS know-how and more sophisticated service capabilities than many incumbents in the Asia Pacific region

We own and operate one of the most extensive international connectivity networks in Asia Pacific

We offer a fully integrated range of solutions globally enabled by our Data and IP networks:
- Networks (4G, fixed, IP)
- Managed Network Services
- Security
- Cloud Services
- Unified Comms
- Industry Solutions
- Integrated Service management

OUR ASIAN ASSETS AND INFRASTRUCTURE

19 LICENCES WORLDWIDE
ACCESS TO 230 COUNTRIES AND TERRITORIES
MORE THAN 2,000 POPS WORLDWIDE
GLOBAL DELIVERY CENTRE
MORE THAN 1,400 INTERNATIONAL STAFF

INTEREST IN MORE THAN 20 CABLE SYSTEMS

More than 150,000 sqft of colo ready data centre space

2.5 TBPS CAPACITY
TO BE ADDED IN THE NEXT 12 MONTHS

18 OFFSHORE DATA CENTRES
GES’ INTERNATIONAL EXPANSION AIMS TO ESTABLISH TELSTRA AS LEADING SERVICE PROVIDER FOR MNCS OPERATING IN THE ASIA-PACIFIC REGION

STRATEGIC INTENT
BUILD A LEADING INTERNATIONAL SERVICES BUSINESS IN ASIA

Recent Customer wins include
• Ramsay Health Care
• Thomson Reuters
• TIAA Henderson
• Advanced 365
• and JV announced with Telkom Indonesia

OUR MOBILITY STRATEGY WILL FOCUS ON HARNESSING LONG-TERM GROWTH BUSINESS BY LEVERAGING OUT CORE CAPABILITIES

STRATEGIC INTENT
TO BUILD LONG TERM GROWTH BUSINESSES IN MOBILE BY LEVERAGING OUR CORE CAPABILITIES

Opportunity to free up data access

100% 2G
3G/4G
Mobile penetration
Fixed broadband penetration
Asia (ex Singapore & Hong Kong)

We have proven capabilities in networks

We have made significant investment in network construction and mobiles throughout Asia since 1980s

China
Australia
Hong Kong
Singapore
Vietnam
Indonesia
UAE
Malaysia
Thailand
Sri Lanka
Philippines

IT’S HOW WE CONNECT
IN THE LONGER TERM, LEVERAGE OUR INVESTMENTS SUCH AS SOFTWARE INTO ASIA AND INVEST IN SIMILAR OPPORTUNITIES IN THE REGION

STRATEGIC INTENT
CREATE A PIPELINE OF Viable OPTIONS AT OUR ADJACENCIES TO MAINTAIN GROWTH, HEDGE AGAINST POTENTIAL DISRUPTIONS, AND DEVELOP NEW CAPABILITIES

Autohome
IPO generated US$133 million through the sale of 7.8 million ADSs at US$17 per ADS

Telstra did not sell any of its shares in the IPO, however, Telstra’s shareholding in Autohome decreased from 71.5% to 62.9% due to dilution from the IPO.

Exploring Smart City opportunities in China

- Core connectivity
- NAS/Cloud/Security
- Apps and interactive video

SUMMARY

ASIA IS AN IMPORTANT PART OF OUR STRATEGY

ASIA OFFERS STRONG GROWTH OPPORTUNITIES THROUGH DATA CONNECTIVITY AND NAS

WE HAVE CORE CAPABILITIES TO LEVERAGE INTO ASIA
KATE MCKENZIE
CHIEF OPERATIONS OFFICER

WE DRIVE NETWORK LEADERSHIP AT ALL LEVELS AND IT MATTERS TO OUR CUSTOMERS

WHY NETWORK LEADERSHIP MATTERS

NETWORK LEADERSHIP MEANS WE STAY AHEAD OF OUR COMPETITORS, MEET OUR CUSTOMERS NEEDS AND DRIVE CUSTOMER AND REVENUE GROWTH

WE do this through:

- SOLUTIONS OVER NETWORKS
- SPECTRUM
- INNOVATING TO STAY AHEAD OF THE COMPETITION
OUR MOBILE NETWORK IS UNMATCHED BY ANY OTHER MOBILE NETWORK ACROSS AUSTRALIA

LARGEST COVERAGE

- Over 1M km² more coverage than other networks*
- Largest 4G coverage area covering 87% pop.
- Plus another 1M km² of additional coverage out-to-sea

MORE RELIABLE SPEEDS

- 4x2 MIMO
- 30% increase in performance
- WORLD FIRST: Live network 450Mbps data call
- WORLD FIRST: Live network 300Mbps call
- WORLD FIRST: Live network 150Mbps^ 450Mbps^ 150Mbps
- 700MHz: The network of the future
- More Capacity, Broader Coverage

FEWER DEAD SPOTS

- Over $5.5b invested since FY06
- >8,000 coverage sites

FEWER DROP OUTS

- Works better in more buildings
- Australia’s lowest mobile drop out rate even better with Call Reconnect feature

WE CONTINUE TO MAINTAIN OUR MOBILE NETWORK ADVANTAGE THROUGH INNOVATION AND WORLD CLASS WIRELESS ENGINEERING

700MHz: The network of the future
More Capacity, Broader Coverage
- We have been focused on this ecosystem for over 3 years
- Live networks of 4G on 700MHz already operating in 4 major CBDs and 11 towns
- Full spectrum access on 1 January 2015

LTE-Advanced Carrier Aggregation
Will underpin network capacity and performance
- Cat 6 (up to 300Mbps*) is already available where we have deployed LTE700
- Cat 9 (up to 450Mbps*) enabled via new 2600MHz spectrum

LTE Advanced Network for Emergency & Enterprise Services (LANES)
Our vision for Public Safety Mobile Broadband
- Over 3 years in the making
- Successfully trialled and demonstrated in late 2013
- Deployed into live network for use by Emergency Services at the G20

LTE Broadcast (eMBMS)
A media efficient platform for video & media over LTE
- World first trial in January 2014 at the MCG
- Live demonstration in October 2014 at Etihad Stadium
- Will be showcased at the Spring Carnival in November 2014

* Peak technology speeds. Actual speeds will be lower and are dependent on device capability.

^ Peak technology speeds. Actual speeds will be lower and are dependent on device capability.
WE ARE STRENGTHENING THE NEXT IP NETWORK DIFFERENTIATORS THAT UNDERPIN OUR ENTIRE NETWORK

Core Data Network: Delivers our IP and data solutions to our customers

Nation-wide Backbone: Largest IP based Network in Australia for over 10 years Is the foundational strength of the Telstra Network

Worldwide Coverage: A total of 2,215 PoPs worldwide

Convergence: Seamless integration of IP Network into Mobile and Cloud

EXTENDING NETWORK INTELLIGENCE AND REACH

• AAN provides inbuilt network intelligence and dynamic bandwidth to support application performance
• Business to Business Video bridging across different vendor technologies in the network
• Extension of complex network management capability to partner networks globally

CONSOLIDATING THE NETWORK INTO ONE DYNAMIC PLATFORM

• Consolidation of Telstra’s network infrastructure into a single Ethernet aggregation platform
• Massive scale to support converged networking via Cisco NCS 6000 routers
• SDN-enabled high bandwidth (100Gb) services through next generation flexible optical network capabilities

WE ARE LEADING THE WAY IN CONNECTING AUSTRALIANS WHERE THEY NEED IT MOST

CONNECTED STADIUM

TELSTRA WI-FI™ NETWORK

ACCESS YOUR HOME DATA ALLOWANCE WHEN YOU ARE ON THE GO
WE CONTINUALLY LEVERAGE NEW TECHNOLOGIES TO MEET FUTURE CUSTOMER DEMAND

WE ARE INVESTING AND INNOVATING TO PROVIDE OUR CUSTOMERS WITH THE BEST EXPERIENCE AND TO STAY AHEAD OF THE COMPETITION

SMALL CELL TECHNOLOGY (‘HETNETS’):
We are trialling new “small cell” technology for targeted coverage improvements and capacity solutions

VOICE OVER LTE (VOLTE):
Delivers voice and video calls over an LTE data connection enabling further integration of the multimedia experience

SKINET™ TRIALS:
A novel and world leading concept to provide high speed broadband connectivity to a range of aircraft-based applications

SOFTWARE DEFINED NETWORKING (SDN) & NETWORK FUNCTIONS VIRTUALISATION (NFV):
We are pushing the exploration of new virtualisation technology that will lead to rapid deployment and cost savings

SUMMARY

NETWORK LEADERSHIP MATTERS TO OUR CUSTOMERS

WE ARE MAINTAINING OUR MOBILE NETWORK ADVANTAGE THROUGH SPECTRUM HOLDINGS AND INNOVATION

WE ARE INVESTING TO DIFFERENTIATE FURTHER OUR NEXT IP NETWORK

WE ARE CREATING ONE OF THE WORLD’S LARGEST WI-FI NETWORKS
BRENDON RILEY
GROUP EXECUTIVE GLOBAL ENTERPRISE AND SERVICES

OUR CUSTOMERS

MNCs
- Australian MNCs out
- Global MNCs in
- Asian MNCs out

Australian domestic customers
- Tier 1
- Tiers 2 + 3
- SMB

International wholesale customers
- OTTs
- Carriers

Disruptive Technology
"We need to adapt quickly to changing technologies and customer needs"

The Asian Century
"We will need to drive growth in new Asian markets to be successful"

Rise of the Global Enterprise
"We need to operate globally optimising key functions in the most suitable geography"
DELIVERING RESULTS

GES FY13-FY14 performance (A$B)

- 5.1 (FY13) to 5.3 (FY14) GES Revenue
  - +4% YoY growth

Growth in NAS and Int'l (FY14 YoY %)

- NAS: 28%
- International: 19%

Highlights

- Contract wins
- Innovation with customers
- Acquisitions and Telkom JV
- NPS↑

OUR STRATEGIC PRIORITIES

- MARKET LEADING CAPABILITY
- STRATEGIC PARTNERSHIPS
- GLOBAL EXPANSION
- INTEGRATED SOLUTIONS
- ENTERPRISE MOBILITY
- CO-CREATED INDUSTRY SOLUTIONS
GROWTH THROUGH INNOVATION

CO-CREATING WITH CUSTOMERS

DELIVERING INNOVATION IN OUR PRODUCTS, SERVICES AND SOLUTIONS

EXPANDING INTO ASIA FOR SUSTAINED GROWTH

GORDON BALLANTYNE
GROUP EXECUTIVE RETAIL
TELSTRA RETAIL – INNOVATING TO GROW

**CUSTOMER ADVOCACY**

**CORE GROWTH**
CONTINUED SOLID GROWTH

**ACCELERATION**
EXTEND THE CORE AND ADDRESS NEW AND EMERGING PROFIT POOLS

**ADJACENCIES**
REIMAGINE HOW AND WHO WE SERVE, COMPLEMENTING THE CORE

Online interactions with our customers every day. That equates to more than 260 million every year.

**RETAIL ADVOCACY**

120,000 CALLS A DAY

500,000 customer cards handed out from technicians since inception

WE’RE MAKING IT PERSONAL

70\% REDUCED DOMESTIC EXCESS MOBILE DATA RATES

80\% REDUCTION IN GLOBAL ROAMING DATA RATE

700,000 Online interactions with our customers every day. That equates to more than 260 million every year.

1.7M REGULAR USERS OF THE TELSTRA 24X7 APP EVERY MONTH

2.2M TICKETS PURCHASED

**REGULAR USERS**

OF THE TELSTRA 24X7® APP EVERY MONTH

1.7M

**POSTPAID MOBILE CHURN DOWN 6.5ppt FROM FY13**

10.3\%

**PERSONALISED EMAILS AND SMS CONFIRMATIONS SENT TO OUR CUSTOMERS EVERY DAY**

90,000

**CUSTOMER SURVEYS EVERY DAY (INC. 7,000 VERBATIM)**

21,000

**STORE VISITS DAILY**

110,000

**IT'S HOW WE CONNECT**

Based on Optus website Nov 13
RURAL GP SERVICES VS NATIONAL AVERAGE OF PATIENTS OVER 65 RE-HOSPITALISED WITHIN A MONTH OF LEAVING

INCREASE IN HEALTH SPEND BETWEEN 2010 AND 2020

1 IN 5 MEDICAL ERRORS DUE TO INCOMPLETE PATIENT INFORMATION

1.4M AUSTRALIANS HOSPITALISED FOR ACUTE CARE EVERY YEAR

200M PHARMACEUTICAL SCRIPTS WRITTEN FOR PATHOLOGY & RADIOLOGY

1 IN 6 HOSPITAL ADMISSIONS RUN DUPLICATE TESTS

BRILLIANT CONNECTED HEALTHCARE SERVICES FOR EVERYONE

ADMISSIONS  INTEGRATION

PHARMACY  EFFICIENCY

CONNECTIVITY  CONSUMER CONTROL

$100M OF INVESTMENT

10 INNOVATIVE eHEALTH COMPANIES

READYCARE – TELSTRA HEALTH JV

IT'S HOW WE CONNECT

RETAIL GROWTH THROUGH INNOVATION

CUSTOMER ADVOCACY IS AT THE HEART OF OUR STRATEGY TO INNOVATE FOR GROWTH

WE CONTINUE TO DELIVER STRONG GROWTH FROM THE CORE

WE ARE ACCELERATING INTO NEW PROFIT POOLS IN TELSTRA BUSINESS

WE ARE STRUCTURING TO ENTER NEW ADJACENCY MARKETS SUCH AS TELSTRA HEALTH

IT'S HOW WE CONNECT
## GROWTH THROUGH INNOVATION: SUMMARY

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<th>Presenter</th>
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| David Thodey         | Industry overview and investing in customer advocacy | • Our strategy is unchanged and positions us well for the opportunities presented by a digital world  
                          |                                               |   • Innovation enables differentiation and growth  
                          |                                               |   • Improving customer advocacy delivers economic benefits                                                  |
| Andy Penn            | Growth opportunities in Asia                | • Asia is an important part of our strategy  
                          |                                               |   • Asia offers strong growth opportunities through data connectivity and NAS  
                          |                                               |   • We have core capabilities to leverage into Asia                                                              |
| Kate McKenzie        | Network leadership                          | • Network leadership matters to our customers  
                          |                                               |   • We are maintaining our mobile network advantage through spectrum holdings and innovation  
                          |                                               |   • We are investing to differentiate further our Next IP network  
                          |                                               |   • We are creating one of the world’s largest national Wi-Fi networks                                            |
| Brendon Riley        | Enterprise growth through innovation         | • Our strategy is to differentiate through co-creation with customers, delivering valuable services and innovative solutions, expanding our capabilities in Asia  
                          |                                               |   • We are making strong progress with acquisitions and investments, customer contracts, product launches and delivery underpinning customer advocacy |
| Gordon Ballantyne    | Retail growth through innovation             | • Customer advocacy is at the heart of our strategy to innovate for growth  
                          |                                               |   • We continue to deliver strong growth from the core  
                          |                                               |   • We are accelerating into new profit pools in Telstra Business  
                          |                                               |   • We are structuring to enter new adjacency markets such as Telstra Health                                      |