



Telstra Corporation Limited and controlled entities

Appendix 4D

Half-year report

For the half-year ended 31 December 2006

Appendix 4D
Half-year report
31 December 2006
Telstra Corporation Limited
ABN 33 051 775 556

Results for announcement to the market

	Telstra Group			
	Half-year ended 31 December			
	2006	2005	Movement	Movement
	\$m	\$m	\$m	%
Extract from the income statement				
Revenue	11,645	11,415	230	2.0
Other income (including finance income)	181	170	11	6.5
Profit for the period	1,712	2,142	(430)	(20.1)
Profit for the period available to Telstra Entity shareholders	1,704	2,143	(439)	(20.5)

During the half-years ended 31 December 2006 and 31 December 2005, there were no individual transactions that had a sufficiently significant impact on our income statement that require specific disclosure, except for:

	Telstra Group	
	Half-year ended 31 December	
	2006	2005
	\$m	\$m
Depreciation and amortisation		
- accelerated amortisation of intangibles	14	-
- accelerated depreciation of property, plant and equipment	134	-
	148	-
Income tax benefit	(44)	-
Net items after income tax benefit	104	-

As part of our transformation a decision was made last financial year to shut down certain networks, platforms and applications. This has resulted in the accelerated depreciation and amortisation of certain assets that, while currently in use, will be decommissioned.

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Telstra Corporation Limited

Results for announcement to the market (continued)**Dividends declared per ordinary share**

	Half-year ended 31 December	
	2006	2005
	¢	¢
Dividends declared per ordinary share		
Interim dividend	14.0	14.0
Special dividend to be paid with the interim dividend	-	6.0
Total interim dividend	<u>14.0</u>	<u>20.0</u>
Final dividends for the financial year ended 30 June provided for and paid during the interim period		
Final dividend	14.0	14.0
Special dividend paid with the final dividend	-	6.0
Total final dividend provided for and paid during the interim period.	<u>14.0</u>	<u>20.0</u>

Our interim and final ordinary dividends are fully franked at a tax rate of 30%.

Our interim ordinary dividend in respect of the half-year ended 31 December 2006 will have a record date of 2 March 2007 with payment to be made on 30 March 2007. Shares will trade excluding entitlement to the dividend on 26 February 2007.

Our final ordinary dividend in respect of the financial year ended 30 June 2006 was provided for and paid during the interim period. The final ordinary dividend had a record date of 25 August 2006 and payment was made on 22 September 2006.

Appendix 4D**Half-year ended 31 December 2006****Telstra Corporation Limited and controlled entities**

Australian Business Number (ABN): 33 051 775 556

Contents and reference page

Appendix 4D Requirements	Reference
1. Reporting period and the previous corresponding period.	Refer to the 31 December 2006 half-year financial report lodged with this document.
2. Results for announcement to the market.	Refer page 2 for "Results for announcement to the market".
3. Net tangible assets per security.	Refer item 1 on page 5 of this report.
4. Details of entities where control has been gained or lost during the period.	Refer item 2 on page 5 of this report.
5. Details of individual and total dividends or distributions and dividend or distribution payments.	Refer to the "Results for announcement to the market" on page 3 of this report. Also refer to note 4: Dividends and note 8: Events after balance date in the 31 December 2006 half-year financial report lodged with this document for additional information.
6. Details of dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in an dividend or distribution reinvestment plan.	Refer item 3 on page 5 of this report.
7. Details of our joint venture and associated entities.	Refer item 4 on page 6 of this document for details on our jointly controlled and associated entities.
8. Accounting standards used in compiling reports by foreign entities (e.g. International Accounting Standards).	Not applicable.
9. If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification.	Refer item 5 on page 6 of this report.

Appendix 4D**Half-year ended 31 December 2006****1. Net tangible assets per security**

	Telstra Group	
	Half-year ended 31 December	
	2006	2005
	¢	¢
Net tangible assets per security	53.0	59.3

2. Details of entities where control has been gained or lost during the period**Entities where control has been gained during the period**

- On 31 August 2006, we acquired a 55% shareholding (on an undiluted basis) in SouFun Holdings Limited (SouFun) for a total consideration of \$337 million including acquisition costs.

Entities where control has been lost during the period

- On 31 August 2006, our controlled entity Kaz Group Pty Limited sold its 100% shareholdings in controlled entities Australian Administration Services Pty Ltd, AAS Superannuation Services Pty Ltd and Atune Financial Solutions Pty Ltd for a total cash consideration of \$212 million (net of cash balances of the disposed entities).
- On 28 November 2006, our controlled entity Sensis Pty Ltd sold its 61% shareholdings in our controlled entity Platefood Limited for a total consideration of \$10 million.

Refer to note 6 in the 31 December 2006 half-year financial report lodged with this document for further information.

3. Details of dividend or distribution reinvestment plans in operation

During the half-years ended 31 December 2006 and 31 December 2005, we had no dividend or distribution reinvestment plans in operation.

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Half-year ended 31 December 2006

4. Details of investments in joint ventures and associated entities

Our investments in jointly controlled and associated entities are listed below:

Name entity	Principal activities	Telstra Group	
		Ownership interest	
		As at	
		31 December 2006	30 June 2006
		%	%
Jointly controlled entities			
FOXTEL Partnerships #	Pay television	50.0	50.0
Customer Services Pty Ltd	Customer service	50.0	50.0
FOXTEL Management Pty Ltd	Management services	50.0	50.0
FOXTEL Cable Television Pty Ltd	Pay television	80.0	80.0
Reach Ltd (incorporated in Bermuda) (a)	International connectivity services	50.0	50.0
TNAS Limited (incorporated in New Zealand) (b)	Toll free number portability in New Zealand	33.3	33.3
Money Solutions Pty Ltd	Financial advice and education services	-	50.0
Enhanced Processing Technologies Pty Ltd	Business process outsourcing	60.0	60.0
3GIS Pty Ltd (a)	Management services	50.0	50.0
3GIS Partnership (a)	3G network services	50.0	50.0
Bridge Mobile Pte Ltd (incorporated in Singapore)	Regional roaming provider	12.5	12.5
m.Net Corporation Limited	Mobile phone content provider	26.3	26.4
Associated entities			
Australian-Japan Cable Holdings Limited (incorporated in Bermuda) (a)	Network cable provider	46.9	46.9
Telstra Super Pty Ltd	Superannuation trustee	100.0	100.0
Keycorp Limited	Electronic transactions solutions	47.6	47.6
Telstra Foundation Limited	Charitable trustee organisation	100.0	100.0
LinkMe Pty Ltd	Internet recruitment provider	40.7	40.0

Unless noted, all investments have a balance date of 30 June and are incorporated in Australia.

This includes both the FOXTEL partnership and the FOXTEL television partnership.

(a) Balance date is 31 December.

(b) Balance date is 31 March.

5. Statement about the audit status

Our half-year report is based on the financial report of Telstra Corporation Limited and its controlled entities for the half-year ended 31 December 2006, which has been reviewed by Ernst & Young. Our half-year financial report is not subject to audit dispute or qualification. Refer to the 31 December 2006 half-year financial report for the independent review report provided to the members of Telstra Corporation Limited.