

21 April 2004

Office of the Company Secretary

The Manager

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ELECTRONIC LODGEMENT

Dear Sir or Madam

Telstra Corporation Limited 03/04 Third Quarter Market Update

In accordance with the listing rules, I attach an announcement for release to the market.

The CEO and CFO have pre-recorded their comments on the 3rd Quarter revenue performance. This commentary will be available on Telstra's Corporate Communications Centre and can be access via the following URL - <http://www.telstra.com.au/communications/calendar/calendarevent.cfm?ObjectID=443>.

Yours sincerely



Douglas Gratton
Company Secretary

Telstra Corporation Limited '03/04 Third Quarter Market Update

Mobiles and Internet drive domestic growth

Overview

Quarter ended 31 March 2004: reported total revenue, which includes asset sales, increased \$108 million or 2.1%¹ to \$5,130 million. Reported sales revenue increased 1.0% to \$5,014 million.

Underlying² total revenue increased \$49 million or 1.0% to \$5,061 million. Underlying² sales revenue increased by \$41 million or 0.8% to \$5,006 million. Growth occurred in mobiles, internet and directory services, offset by a reduction in Hong Kong CSL primarily due to foreign exchange translation.

Excluding revenue from external construction activity and the cable recovery and recycling project, **underlying² domestic³ sales revenue increased \$133 million or 3.0% to \$4,635 million.**

Nine months ended 31 March 2004: Total reported revenue of \$15,956 million decreased 2.7%, due mainly to the impact of revenue from the sale of commercial properties in the prior year. Reported sales revenue increased 0.3% to \$15,470 million.

Total underlying² revenue increased 0.1% to \$15,611 million. Underlying² sales revenue increased 0.2% to \$15,462 million.

Excluding revenue from external construction activity and the cable recovery and recycling project, **underlying² domestic³ sales revenue increased \$309 million or 2.2% to \$14,337 million.**

The following details the Telstra group revenue result for the quarter and nine months ended 31 March 2004.

Mobiles

Total Mobile revenues grew by 5.7% or \$50 million for the quarter and 6.1% or \$165 million for the nine months ended 31 March 2004.

- Mobile services revenue has increased 9.7% or \$75 million for the quarter and 7.3% or \$176 million, for the nine months, due to a range of factors including:
 - Increases in mobile services in operation of 13.1% to 7.2 million attributable to the 23.1% growth in prepaid services. Revenue growth from prepaid and postpaid subscriber increases, including the addition of 184,000 since December 2003.
 - Revenue growth from increases in mobile services in operation is partially offset by a \$34 million increase in loyalty bonuses provided to customers in the quarter.
 - Revenues from short message service (SMS) increased 22.8% to \$106 million in the quarter as a result of increases in the number of messages by 28.7% to 489 million. There were 1,399 million SMS messages sent over the nine month period, which represents an increase of 38.2% over the previous corresponding period.
 - Increase in Mobile voice minutes for the third quarter of 20.6% including increases of 17.4% in postpaid voice minutes and a 65.1% increase in prepaid voice minutes.
 - International roaming revenues increased 16% for the quarter with the recovery in International travel after the SARS outbreak and other world events.

- Mobile handset revenue has decreased 24.0% or \$25 million for the quarter, while the reduction for the nine month period was 4.0% or \$11 million primarily due to the move to lower value prepaid handsets and higher volumes of subsidised handsets.

Adjusted Mobiles services revenue growth, after allowing for loyalty bonuses and including mobiles terminating revenue, was 10.0% for the quarter and 9.3% for the nine month period.

Internet and IP

Internet and IP increased \$54 million or 27.6% in the quarter and \$126 million or 21.5% in the nine month period.

This was achieved through the continued strong growth in consumer broadband subscribers of 113% to 617,000, and narrowband subscribers of 5.6% to 1,197,000. The accelerating growth in this product is attributable to increased internet usage, self install kits and successful broadband marketing campaigns. Growth on the nine month period has been impacted by rebates given to customers due to the e-mail outage in October 2003.

Telstra's IP solutions, including managed metropolitan and wide area network IP services, have also performed strongly growing \$8 million or 26.7% in the quarter and \$23 million or 26.7% in the nine month period. IP technology is becoming mainstream for corporate and government customers in Australia and this growth has been achieved in an extremely competitive market.

PSTN Products

PSTN products increased by 1.0% to \$6,015 million for the nine months, and was flat at \$1,698 million in the quarter ended 31 March 2004. Rebalancing initiatives across the PSTN product groups have increased access revenues, partly offset by reductions in calling revenues.

- Basic access revenues grew 2.2% for the quarter reflecting the impact of rebalancing. Basic access lines in service remain steady, lower by 30,000 to 10.43 million in the first nine months. Basic access revenues grew 3.0% or \$71 million to \$2,405 million over the nine month period.
- Local call revenue decreased 3.6% for the quarter mainly due to a 3% reduction in the number of calls due to product substitution to mobiles, fixed to mobiles and the internet and call price reductions as a result of the rebalancing initiatives. Local call revenue decreased 2.7% in the nine month period.
- PSTN value added services reduced 12.7% for the quarter, partially due to the migration of fixed line MessageBank[®] and Call Return (*10#)[™] customers to the free offering Telstra Home Messages 101[™] and 1# Feature Assistant[™]. PSTN value added services reduced \$16 million or 7.5% to \$196 million in the nine month period.
- National long distance revenue decreased 3.5% for the quarter due to the 6.6% reduction in volumes as a result of product substitution to mobiles, fixed to mobiles and the internet. National long distance decreased 1.6% for the nine month period.
- Fixed to mobile revenue grew \$23 million or 6.1% for the quarter with volumes increasing 8.1% due to continued growth in the number of mobile services in the Australian market and substitution from fixed to fixed services. Fixed to mobile revenue continues to grow strongly with growth of \$78 million or 6.9% for the nine month period.
- International direct revenue has reduced 11.0% for the quarter attributable to the 10.7% decline in the number of call minutes due to customers migrating to other products such as e-mail, calling cards and mobiles. International direct revenue has reduced \$30 million or 12.8% for the nine month period.

Traditional Data

Traditional Data revenue decreased 3.1% and 3.2% for the quarter and nine month period respectively, due to product substitution to technologically advanced IP and DSL based product options. This decrease has been offset by growth in Frame Relay due to a tariff restructure which has stimulated the migration from the ISDN data product.

ISDN

ISDN remained flat for the quarter with a 4.2% increase in ISDN access lines due to the penetration into the SME and consumer markets. Growth in access fee and ISDN voice revenue is offset by reduction in ISDN data revenue as corporate customers have been migrating to more technologically advanced products such as Frame Relay and IP products. ISDN revenue decreased for the nine month period by 3.5% or \$25 million.

Advertising & Directories

Reported advertising and directories revenues, including revenue generated by Trading Post, increased 14.5% and 7.4% for the quarter and nine month period respectively. The Trading Post Group was acquired by Sensis Pty Ltd in March 2004. Trading Post revenues of \$8 million are excluded from the underlying² results.

Underlying² advertising and directories revenues increased \$23 million or 10.7% for the quarter and \$62 million or 6.6% for the nine months ended 31 March 2004. The higher revenue was attributable to strong growth in Yellow Pages[®] print and Yellow Pages[®] online including location and navigation online products.

Intercarrier Services

Intercarrier services revenue remained flat for the quarter and decreased 0.9% for the nine month period ended 31 March 2004, as a result of reduced volumes and lower PSTN terminating rates, which are consistent with the industry trend. In addition, a reduction for the quarter in wholesale transmission product revenue was due to competitive pricing pressures arising from excess supply. These reductions are offset by increased SMS interconnect revenues for the quarter due to higher volumes.

Inbound calling products

Inbound calling products revenue declined 2.5% for the quarter and 4.0% for the nine month period ended 31 March 2004 due to the impact of inbound number portability. These products have been adversely affected by competition in the past, but performance is being maintained as Telstra adopts a customer solution approach to retain and win back customers.

Solutions Management

Solutions Management revenues increased 3.5% for the quarter ended 31 March 2004, primarily due to increased revenue from new major contracts and growth in the managed wide area networks and hosting revenues. This growth is offset by the completion of major contracts during the first half of 2003 resulting in a decrease for the nine month period of 0.6%.

Hong Kong CSL

In local currency (HK\$), revenue reduced 8.9% for the quarter ended 31 March 2004, reflecting continuing strong price competition. For the nine month period revenues reduced 6.8%, representing the recent aggressive price competition with reductions in mobile services revenue,

the number of mobile services and average revenue per user. In Australian dollars, revenues reduced 31.3% or \$76 million in the quarter, with the impact of the exchange rates contributing approximately \$44 million to the revenue reduction. For the nine month period the exchange rate impact contributed approximately \$133 million to this year on year reduction while \$49 million of the reduction was due to aggressive competition and market conditions.

Telstra Clear

In local currency (NZ\$), revenue increased 7.3% for the quarter and 4.5% for the nine months ended 31 March 2004. Revenue growth has been achieved from solid retail growth offset by rate reductions in the wholesale international market. In Australian dollars, revenue increased 2.1% to \$144 million in the quarter and 3.1% to \$427 million for the nine month period.

Other Controlled Entities

Other controlled entities revenue increased \$4 million or 7.8% for the quarter ended 31 March 2004. For the nine month period other controlled entities revenue declined by 19.8%, primarily due to the prior year revenues from the customer sales and service centre, now being operated directly by Foxtel and the sale of Mobitel in the previous year.

Other Sales and Service

Revenue from other sales and service declined 2.7% for the quarter due to reductions in revenue from external construction and the cable recovery and recycling project, card services and information calls offset by increased Foxtel bundling revenue. For the nine month period, other sales and service revenue declined by 14.6%, which includes a prior period accounting adjustment in the first half of 2003.

Other Revenue

Other revenue grew 17.0% for the quarter driven by increased government receipts. Other revenue for the nine month period decreased 5.7% to \$149 million which includes a reduction in lease rent received for properties and vehicles.

Service

Telstra continues to provide high service levels across Australia as evident in the recent Australian Communications Authority report for the December 2003 quarter.

Outlook

- The company continues to focus on increasing margins with targeted cost growth below any revenue growth and absolute costs below those for the previous year. There is no change to previous guidance relating to cost reduction targets
- Core domestic operating capital expenditure is tracking below the levels for the same period last year, with guidance on expenditure remaining around \$2.9 billion.
- The company continues to generate strong free cash flow from capital expenditure and cost management programs.

Strategic Direction

Our objective remains to pursue balanced domestic growth driven by accelerating uptake of broadband products and improving mobiles share. We see customer ownership and excellent customer service as key to a continuing strong market share position and fundamental to protecting PSTN products and our strong cashflow.

Management remains committed to improving margins from a focus on our \$800 million cost reduction program, and combined with tight capital expenditure management, growing free cashflow.

Recent domestic acquisitions have met both our strategic fit and investment criteria. The strategy of managing cashflow growth and investing in acquisitions that meet our investment criteria, while remaining committed to our capital management program, is directed at improving overall returns to our shareholders.

For enquires on this announcement contact:

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Footnotes:

- (1) All percentages relate to growth on prior corresponding period (PCP)
- (2) Underlying numbers exclude revenues from the acquisition of Trading Post and asset sales.
- (3) Domestic revenues exclude all offshore revenues.
- (4) Statistical data is represented in millions unless otherwise stated, and represents management's best estimates.

Market Update

for three months ending 31 March 2004

\$millions	Q3 2004 Reported	Q3 2004 Underlying ²	Q3 2003 Reported	Q3 2003 Underlying ²	Reported Growth %	Underlying ² Growth %	Underlying ² M/ment
Mobiles							
Mobile services	850	850	775	775	9.7%	9.7%	75
Mobile handsets	79	79	104	104	(24.0%)	(24.0%)	(25)
Total Mobiles	929	929	879	879	5.7%	5.7%	50
Internet and IP solutions	250	250	196	196	27.6%	27.6%	54
PSTN products							
Basic access	795	795	778	778	2.2%	2.2%	17
Local calls	370	370	384	384	(3.6%)	(3.6%)	(14)
PSTN value added services	62	62	71	71	(12.7%)	(12.7%)	(9)
National long distance calls	278	278	288	288	(3.5%)	(3.5%)	(10)
Fixed to mobile	398	398	375	375	6.1%	6.1%	23
International direct	65	65	73	73	(11.0%)	(11.0%)	(8)
Total PSTN products	1,968	1,968	1,969	1,969	0.0%	0.0%	(1)
Traditional Data	253	253	261	261	(3.1%)	(3.1%)	(8)
ISDN (Access and Calls)	227	227	227	227	0.0%	0.0%	0
Advertising and Directories	245	237	214	214	14.5%	10.7%	23
Intercarrier services	280	280	280	280	0.0%	0.0%	0
Inbound calling products	119	119	122	122	(2.5%)	(2.5%)	(3)
Solutions management	117	117	113	113	3.5%	3.5%	4
Various Controlled Entities (excluding HK CSL & TClear)	55	55	51	51	7.8%	7.8%	4
HK CSL	167	167	243	243	(31.3%)	(31.3%)	(76)
Telstra Clear	144	144	141	141	2.1%	2.1%	3
Customer premises equipment	47	47	49	49	(4.1%)	(4.1%)	(2)
Payphones	36	36	38	38	(5.3%)	(5.3%)	(2)
Other sales & service	177	177	182	182	(2.7%)	(2.7%)	(5)
Sales revenue	5,014	5,006	4,965	4,965	1.0%	0.8%	41
Other revenue	116	55	61	47	90.2%	17.0%	8
Total revenue	5,130	5,061	5,024	5,012	2.1%	1.0%	49

Domestic³ Sales Revenue							
Total Sales Revenue	5,014	5,006	4,965	4,965	1.0%	0.8%	41
Less Offshore Sales Revenue	353	353	412	412			
Domestic³ Sales Revenue	4,661	4,653	4,553	4,553	2.4%	2.2%	100
Less							
NDC & Cable Recovery Revenues	18	18	51	51	(65.7%)	(65.7%)	(33)
Domestic³ Sales Revenue (excl NDC/Cable Recovery)	4,643	4,635	4,502	4,502	3.1%	3.0%	133

Selected statistical data⁴

Mobile voice telephone minutes
Local calls (number of calls)
National long distance minutes
Fixed to mobile minutes
International direct minutes

1,554

2,324

2,128

1,070

161

1,289

2,395

2,278

990

180

20.6%

(3.0%)

(6.6%)

8.1%

(10.7%)

Market Update

for nine months ending 31 March 2004

\$ millions	March 2004 Reported	March 2004 Underlying ²	March 2003 Reported	March 2003 Underlying ²	Reported Growth %	Underlying ² Growth %	Underlying ² M/ment
Mobiles							
Mobile services	2,583	2,583	2,407	2,407	7.3%	7.3%	176
Mobile handsets	265	265	276	276	(4.0%)	(4.0%)	(11)
Total Mobiles	2,848	2,848	2,683	2,683	6.1%	6.1%	165
Internet and IP solutions	713	713	587	587	21.5%	21.5%	126
PSTN							
Basic access	2,405	2,405	2,334	2,334	3.0%	3.0%	71
Local calls	1,148	1,148	1,180	1,180	(2.7%)	(2.7%)	(32)
PSTN value added services	196	196	212	212	(7.5%)	(7.5%)	(16)
National long distance calls	856	856	870	870	(1.6%)	(1.6%)	(14)
Fixed to mobile	1,206	1,206	1,128	1,128	6.9%	6.9%	78
International direct	204	204	234	234	(12.8%)	(12.8%)	(30)
Total PSTN	6,015	6,015	5,958	5,958	1.0%	1.0%	57
Traditional Data	762	762	787	787	(3.2%)	(3.2%)	(25)
ISDN (Access and Calls)	698	698	723	723	(3.5%)	(3.5%)	(25)
Advertising and Directories	1,014	1,006	944	944	7.4%	6.6%	62
Intercarrier services	863	863	871	871	(0.9%)	(0.9%)	(8)
Inbound calling products	357	357	372	372	(4.0%)	(4.0%)	(15)
Solutions management	350	350	352	352	(0.6%)	(0.6%)	(2)
Various Controlled Entities (excluding HK CSL & TClear)	134	134	167	167	(19.8%)	(19.8%)	(33)
HK CSL	544	544	727	727	(25.2%)	(25.2%)	(183)
Telstra Clear	427	427	414	414	3.1%	3.1%	13
Customer premises equipment	138	138	149	149	(7.4%)	(7.4%)	(11)
Payphones	108	108	113	113	(4.4%)	(4.4%)	(5)
Other sales & service	499	499	584	584	(14.6%)	(14.6%)	(85)
Sales revenue	15,470	15,462	15,431	15,431	0.3%	0.2%	31
Other revenue	486	149	960	158	(49.4%)	(5.7%)	(9)
Total revenue	15,956	15,611	16,391	15,589	(2.7%)	0.1%	22

Domestic³ Sales Revenue							
Total Sales Revenue	15,470	15,462	16,391	15,431	0.3%	0.2%	31
Less Offshore Sales Revenue	1071	1071	1228	1228			
Domestic³ Sales Revenue	14,399	14,391	14,203	14,203	1.4%	1.3%	188
Less							
NDC & Cable Recovery Revenues	54	54	175	175	(69.4%)	(69.4%)	(121)
Domestic³ Sales Revenue (excl NDC/Cable Recovery)	14,345	14,337	14,028	14,028	2.3%	2.2%	309

Selected statistical data⁴

Mobile voice telephone minutes	4,565	3,883	17.6%
Short Message Service (SMS) (number of messages)	1,399	1,012	38.2%
Mobile services in operation (thousands)	7,169	6,338	13.1%
Broadband subscribers (thousands)	617	290	112.8%
Narrowband subscribers (thousands)	1,197	1,134	5.6%
Total On-line subscribers (thousands)	1,814	1,424	27.4%
Basic access lines in service	10.43	10.48	(0.5%)
Local calls (number of calls)	7,155	7,414	(3.5%)
National long distance minutes	6,471	6,934	(6.7%)
Fixed to mobile minutes	3,169	2,945	7.6%
International direct minutes	499	567	(12.0%)
ISDN access (basic lines equivalents) (thousands)	1,250	1,199	4.2%
Foxtel SIOs (thousands)	867	816	6.3%

Telstra Corporation Limited (ABN 033 051 775 556)

Normalisation Schedule
Nine months ended 31 March 2004

This schedule details the adjustments made to the reported results for the fiscal of years 31 March 2004 and 2003 to arrive at the underlying business performance.

\$m	March 2004 Reported	Asset / Investment Sales		Trading Post		Total Adjust.	March 2004 Underlying ²	March 2003 Reported	Asset / Investment Sales		Total Adjust.	March 2003 Underlying ²	Reported Growth %	Underlying ² Growth %
Mobiles														
Mobile services	2,583	0	0	0	0	0	2,583	2,407	0	0	0	2,407	7.3%	7.3%
Mobile handsets	265	0	0	0	0	0	265	276	0	0	0	276	(4.0%)	(4.0%)
Total Mobiles	2,848	0	0	0	0	0	2,848	2,683	0	0	0	2,683	6.1%	6.1%
Internet and IP solutions	713	0	0	0	0	0	713	587	0	0	0	587	21.5%	21.5%
PSTN														
Basic access	2,405	0	0	0	0	0	2,405	2,334	0	0	0	2,334	3.0%	3.0%
Local calls	1,148	0	0	0	0	0	1,148	1,180	0	0	0	1,180	(2.7%)	(2.7%)
PSTN value added services	196	0	0	0	0	0	196	212	0	0	0	212	(7.5%)	(7.5%)
National long distance calls	856	0	0	0	0	0	856	870	0	0	0	870	(1.6%)	(1.6%)
Fixed to mobile	1,206	0	0	0	0	0	1,206	1,128	0	0	0	1,128	6.9%	6.9%
International direct	204	0	0	0	0	0	204	234	0	0	0	234	(12.8%)	(12.8%)
Total PSTN	6,015	0	0	0	0	0	6,015	5,958	0	0	0	5,958	1.0%	1.0%
Traditional Data	762	0	0	0	0	0	762	787	0	0	0	787	(3.2%)	(3.2%)
ISDN (Access and Calls)	698	0	0	0	0	0	698	723	0	0	0	723	(3.5%)	(3.5%)
Advertising and Directories	1,014	(8)	(8)	(8)	(8)	(8)	1,006	944	0	0	0	944	7.4%	6.6%
Intercarrier services	863	0	0	0	0	0	863	871	0	0	0	871	(0.9%)	(0.9%)
Inbound calling products	357	0	0	0	0	0	357	372	0	0	0	372	(4.0%)	(4.0%)
Solutions management	350	0	0	0	0	0	350	352	0	0	0	352	(0.6%)	(0.6%)
Various Controlled Entities (excluding HK CSL & TClear)	134	0	0	0	0	0	134	167	0	0	0	167	(19.8%)	(19.8%)
HK CSL	544	0	0	0	0	0	544	727	0	0	0	727	(25.2%)	(25.2%)
Telstra Clear	427	0	0	0	0	0	427	414	0	0	0	414	3.1%	3.1%
Customer premises equipment	138	0	0	0	0	0	138	149	0	0	0	149	(7.4%)	(7.4%)
Payphones	108	0	0	0	0	0	108	113	0	0	0	113	(4.4%)	(4.4%)
Other sales & service	499	0	0	0	0	0	499	584	0	0	0	584	(14.6%)	(14.6%)
Sales revenue	15,470	0	(8)	(8)	(8)	(8)	15,462	15,431	0	0	0	15,431	0.3%	0.2%
Other revenue	486	(337)	0	(337)	(337)	(337)	149	960	(802)	(802)	(802)	158	(49.4%)	(5.7%)
Total revenue	15,956	(337)	(8)	(337)	(345)	(345)	15,611	16,391	(802)	(802)	(802)	15,589	(2.7%)	0.1%

Telstra Corporation Limited (ABN 033 051 775 556)
Quarter Ended 31 March 2004

Revenue	Q1 Sep-02	QTR PCP ¹ Sep-02	Q2 Dec-02	QTR PCP ¹ Dec-02	Half 1 Dec-02	YTD Dec-02	Q3 YTD Mar-03	YTD Mar-03	Q4 Jun-03	QTR PCP ¹ Jun-03	Full Year Jun-03	YTD PCP ¹ Jun-03	Q1 Sep-03	QTR PCP ¹ Sep-03	Q2 Dec-03	QTR PCP ¹ Dec-03	Half 1 Dec-03	YTD PCP ¹ Dec-03	Q3 Mar-04	QTR PCP ¹ Mar-04	Q3 YTD Mar-04	QTR PCP ¹ Mar-04	
Revenue																							
Mobiles																							
Mobile services	817	2.9%	815	9.4%	1,632	0.1%	2,407	(0.4%)	820	(0.6%)	3,227	(0.5%)	845	3.4%	889	9.1%	1,733	6.2%	850	9.7%	2,583	7.3%	
Mobile handsets	69	56.8%	102	(37.8%)	172	45.8%	276	64.3%	110	89.7%	386	70.8%	97	40.6%	97	(12.7%)	186	8.1%	78	(24.0%)	265	(4.0%)	
Mobiles	886	5.7%	917	0.7%	1,804	3.1%	2,683	3.8%	930	5.3%	3,613	4.2%	942	6.3%	988	6.7%	1,919	6.4%	929	5.7%	2,848	6.1%	
Internet and IP solutions	190	46.2%	201	37.7%	391	42.7%	587	37.8%	227	24.7%	814	34.3%	235	23.7%	228	13.4%	463	18.4%	250	27.6%	713	21.5%	
IPSTN products																							
Basic access	765	10.3%	791	9.4%	1,556	9.8%	2,334	9.3%	748	0.7%	3,083	7.1%	791	3.4%	819	3.5%	1,610	3.5%	795	2.2%	2,405	3.0%	
Local calls	397	(11.0%)	399	(6.3%)	796	(8.7%)	1,160	(6.1%)	387	0.3%	1,567	(4.6%)	394	(0.8%)	384	(3.8%)	778	(2.3%)	370	(3.6%)	1,148	(2.7%)	
IPSTN value added services	68	3.0%	74	12.1%	141	6.8%	212	7.6%	68	6.3%	280	6.9%	68	(0.8%)	66	(10.8%)	134	(5.0%)	62	(12.7%)	196	(7.5%)	
National long distance calls	285	(6.3%)	288	(2.9%)	582	(4.7%)	870	(5.2%)	292	(2.0%)	1,162	(4.4%)	292	2.5%	286	(4.0%)	578	(0.7%)	278	(3.5%)	856	(1.6%)	
Fixed to mobile	371	7.5%	382	5.5%	753	6.5%	1,128	6.3%	389	8.7%	1,517	6.9%	402	8.4%	407	6.5%	808	7.3%	398	6.1%	1,206	6.9%	
International direct	80	(9.1%)	80	(7.0%)	161	(6.5%)	234	(2.3%)	71	(12.3%)	307	(8.6%)	68	(15.0%)	71	(12.3%)	139	(13.7%)	65	(11.0%)	204	(12.8%)	
Total PSTN products	1,966	1.3%	2,024	2.7%	3,989	2.0%	5,958	2.3%	1,955	1.3%	7,916	2.1%	2,015	2.5%	2,033	0.4%	4,047	1.5%	1,968	0.0%	6,015	1.0%	
Traditional Data	264	(4.3%)	262	(2.2%)	526	(3.5%)	787	0.0%	267	1.5%	1,053	0.2%	260	(1.5%)	249	(5.0%)	509	(3.2%)	253	(3.1%)	762	(3.2%)	
SDN (Access and Calls)	255	(7.9%)	241	(7.7%)	496	(8.6%)	723	(8.6%)	227	(7.7%)	951	(8.3%)	237	(7.1%)	233	(3.3%)	471	(5.0%)	227	0.0%	698	(3.5%)	
Advertising and Directories	169	13.4%	562	2.4%	731	4.7%	944	7.5%	273	5.8%	1,217	7.2%	185	9.5%	584	3.9%	769	5.2%	237	10.7%	1,006	6.6%	
Inter-carrier services	300	7.9%	282	0.7%	591	4.0%	871	3.6%	286	1.1%	1,157	2.9%	287	(4.3%)	295	1.0%	583	(1.4%)	280	0.0%	863	(0.9%)	
Inbound calling products	126	(17.1%)	124	(15.6%)	250	(16.4%)	372	(15.3%)	122	0.0%	494	(12.1%)	119	(5.6%)	119	(4.0%)	238	(4.8%)	119	(2.5%)	357	(4.0%)	
Solutions management	114	2.7%	125	13.6%	239	8.1%	352	7.3%	135	(9.4%)	487	2.1%	126	10.5%	107	(14.4%)	233	(2.5%)	117	3.5%	350	(0.6%)	
Other controlled entities (excl HK CSL & TClear)	63	(41.1%)	53	(51.8%)	117	(46.1%)	167	(47.3%)	55	(32.9%)	221	(44.6%)	31	(50.8%)	48	(9.4%)	79	(32.5%)	55	7.8%	134	(19.8%)	
Hong Kong CSL	244	(17.0%)	240	(14.9%)	484	(16.1%)	727	(13.2%)	181	(25.2%)	908	(15.9%)	191	(21.7%)	186	(22.5%)	377	(21.1%)	167	(31.3%)	544	(25.2%)	
TelstraClear	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	142	2.9%	140	3.7%	282	3.3%	144	2.1%	427	3.1%	
Customer premises equipment	49	(3.9%)	51	(3.8%)	100	(3.8%)	149	0.7%	45	(21.1%)	194	(4.9%)	46	(6.1%)	46	(9.8%)	92	(8.0%)	47	(4.1%)	138	(7.4%)	
Payphones	37	(2.6%)	38	(2.6%)	75	(3.8%)	113	(2.6%)	35	(5.4%)	148	(3.9%)	36	(2.7%)	37	(2.6%)	72	(4.0%)	36	(5.3%)	108	(4.4%)	
Other sales & service	205	19.6%	197	(21.2%)	402	(4.3%)	584	0.2%	190	(11.6%)	774	(2.9%)	180	(12.2%)	141	(28.4%)	322	(19.9%)	177	(2.7%)	499	(14.6%)	
Sales revenue	4,868	1.1%	5,327	(1.1%)	10,195	(0.1%)	15,017	0.8%	4,928	(0.4%)	19,947	(0.4%)	5,032	0.5%	5,424	(0.7%)	10,456	(0.1%)	5,006	0.8%	15,462	0.2%	
Other revenue	54	(46.0%)	57	5.6%	111	(27.9%)	158	(22.9%)	104	20.9%	262	(10.0%)	52	(3.7%)	42	(26.3%)	94	(15.3%)	55	17.0%	149	(5.7%)	
Total revenue	4,922	0.1%	5,384	(1.0%)	10,306	(0.5%)	15,175	0.5%	5,032	(0.1%)	20,209	0.3%	5,084	0.5%	5,466	(1.0%)	10,550	(0.3%)	5,061	1.0%	15,611	0.1%	

Selected statistical data ^a	Q1 Sep-02	QTR PCP ¹ Sep-02	Q2 Dec-02	QTR PCP ¹ Dec-02	Half 1 Dec-02	YTD Dec-02	Q3 YTD Mar-03	YTD Mar-03	Q4 Jun-03	QTR PCP ¹ Jun-03	Full Year Jun-03	YTD PCP ¹ Jun-03	Q1 Sep-03	QTR PCP ¹ Sep-03	Q2 Dec-03	QTR PCP ¹ Dec-03	Half 1 Dec-03	YTD PCP ¹ Dec-03	Q3 Mar-04	QTR PCP ¹ Mar-04	Q3 YTD Mar-04	QTR PCP ¹ Mar-04
Mobile voice telephone minutes	1,270	7.1%	1,323	5.5%	2,594	6.3%	3,883	(10.2%)	1,372	12.7%	5,255	8.3%	1,473	15.9%	1,538	16.2%	3,011	16.1%	1,554	20.6%	4,565	17.6%
Short Message Service (SMS) (number of messages) ^b	290	26.5%	342	35.0%	632	31.0%	1,012	34.9%	401	53.9%	1,413	39.8%	432	49.0%	478	39.8%	910	44.0%	489	28.6%	1,399	38.2%
Mobile services in operation (thousands) ^c	5,884	8.7%	6,098	8.2%	6,098	8.2%	6,338	9.5%	6,569	10.6%	6,569	10.6%	6,720	14.2%	6,985	14.5%	6,985	14.5%	7,169	13.1%	7,169	13.1%
Broadband subscribers (thousands)	206	120.1%	244	121.7%	244	121.7%	290	125.8%	361	113.6%	361	113.6%	439	113.1%	507	107.8%	507	107.8%	617	112.8%	617	112.8%
Narrowband subscribers (thousands)	1,084	15.4%	1,103	7.1%	1,103	7.1%	1,134	6.7%	1,158	9.6%	1,158	9.6%	1,180	8.9%	1,178	6.8%	1,178	6.8%	1,197	5.6%	1,197	5.6%
Total On-line subscribers (thousands)	1,290	24.4%	1,347	18.2%	1,347	18.2%	1,424	19.5%	1,519	24.0%	1,519	24.0%	1,619	25.5%	1,685	25.1%	1,685	25.1%	1,814	27.4%	1,814	27.4%
Basic access lines in service ^d	10,53	(0.4%)	10,48	(0.5%)	10,48	(0.5%)	10,48	(0.8%)	10,46	(0.8%)	10,46	(0.8%)	10,45	(0.8%)	10,44	(0.4%)	10,44	(0.4%)	10,43	(0.5%)	10,43	(0.5%)
Local calls (number of calls)	2,527	(3.9%)	2,491	(4.8%)	5,019	(4.3%)	7,414	(4.3%)	2,380	(5.6%)	9,794	(4.6%)	2,435	(3.7%)	2,396	(3.8%)	4,831	(3.7%)	2,324	(3.0%)	7,155	(3.5%)
National long distance minutes	2,346	3.4%	2,310	0.1%	4,656	1.7%	6,934	1.0%	2,227	(3.5%)	9,161	(0.1%)	2,193	(6.5%)	2,150	(6.9%)	4,343	(6.7%)	2,128	(6.8%)	6,471	(6.7%)
Fixed to mobile minutes	970	8.1%	985	5.3%	1,955	6.7%	2,945	7.0%	999	6.4%	3,944	6.9%	1,041	7.3%	1,058	7.5%	2,099	7.4%	1,070	8.1%	3,169	7.6%
International direct minutes	191	(2.7%)	196	(3.7%)	387	(2.9%)	567	(3.9%)	173	(9.5%)	740	(5.2%)	165	(13.4%)	173	(11.9%)	338	(12.7%)	161	(10.7%)	499	(12.0%)
SDN access (basic lines equivalents) (thousands)	1,225	(1.3%)	1,190	(4.5%)	1,190	(4.5%)	1,199	(2.4%)	1,213	(4.4%)	1,213	(4.4%)	1,210	(1.2%)	1,224	2.9%	1,224	2.8%	1,250	4.2%	1,250	4.2%
Fixed line (thousands)	805	15.6%	809	4.5%	809	4.5%	816	2.8%	836	4.5%	836	4.5%	849	5.6%	862	6.6%	862	6.6%	867	6.3%	867	6.3%

Footnotes:

(i) Fiscal 2003/2004 and its comparative year exclude Trading Post and asset sales from the revenue underlying base. Fiscal 2002/2003 and its comparative year exclude TelstraClear, Keycorp and asset sales from the underlying revenue base.

(ii) All percentages relate to growth on prior corresponding period.

(iii) Mobile Services in Operation (SIOs) are net of deactivated prepaid customers who were outside the recharge only period.

(iv) Statistical data is represented in millions unless otherwise stated.

(v) Basic access line in service prior periods have been adjusted to correct an error in the accumulation process. Prior periods have been increased by between 130,000 and 170,000 services.