

31 March 2006

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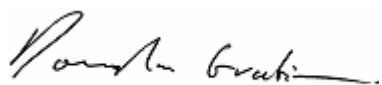
ELECTRONIC LODGEMENT

Dear Sir or Madam

Telstra presentation to Credit Suisse Investment Conference, Hong Kong

In accordance with the listing rules, I attach a copy of a presentation by Sol Trujillo, CEO Telstra at the Credit Suisse Investment Conference, for release to the market.

Yours sincerely

A handwritten signature in black ink, appearing to read "Douglas Gratton".

Douglas Gratton
Company Secretary

Telstra Corporation Limited Credit Suisse Investment Conference Hong Kong – March 2006

Sol Trujillo
Chief Executive Officer



Disclaimer

These presentations include certain forward-looking statements that 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 and Form 20-F.

All forward-looking figures in this presentation are unaudited and based on AGAAP. 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.



Telstra – the leading player with scale



Telstra is well positioned to take advantage of truly converged communications...

- Telstra offers a full suite of communications services
 - ⇒ Wireline – unparalleled reach to customers across Australia
 - ⇒ Wireless – already rolling out one of the world’s most advanced networks
 - ⇒ Strong advertising & search capability via Sensis
 - ⇒ BigPond – Australia’s largest broadband provider
- The strongest brand name in the industry in Australia
- The highest market share in Australia while proactively managing offshore opportunities
- Ability to drive economies of scale
- Strong balance sheet & cash flows allow us to fund growth opportunities



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We are on the move



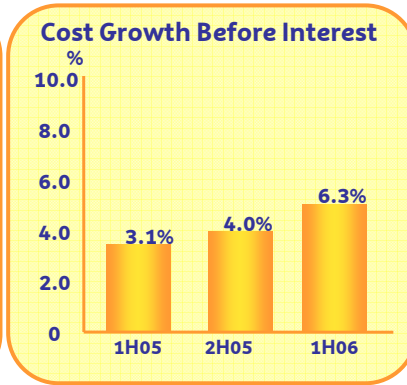
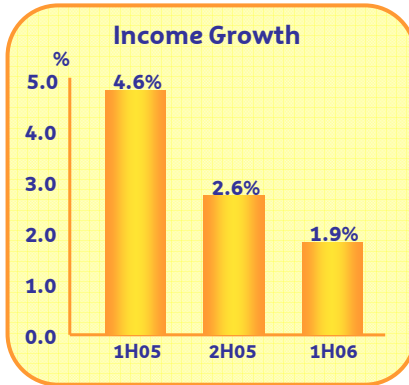
To know our customers and meet their needs better than anyone else

- We are on the move:
 - ⇒ Driving a new customer experience
 - ⇒ Driving new revenue sources
 - ⇒ Driving reduced complexity in the business
 - ⇒ Driving costs down
 - ⇒ Driving a new competitive culture
 - ⇒ Driving a new regulatory agenda



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And here's the reason why....



- Revenue mix shifting to currently lower margin products
- Intense pricing pressure in a competitive market

- We have too many of everything
- Regulation is increasing costs and hampering growth

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1H 2006 Result was on Plan



Results tracking with plan

- Total Income +1.9% to \$11,578m
- Costs +6.3% to \$8,089m
- EBIT -7% to \$3,489m

PSTN, Mobiles

- PSTN Revenue -7.6%
- Volume & Price erosion in PSTN
- Mobiles +4.6%

Sensis

- Sensis Revenue +5.3%
- Strong on-line growth
- On track for 6-7% revenue growth in FY06

Strong broadband performance

- +593k broadband customers in 1H to 2.3 million
- Retail SIO's growing faster than wholesale
- Retail broadband revenue +63%

Dividends consistent with guidance

- Fully Franked Interim Ordinary Dividend 14cps
- Fully Franked Special Dividend 6cps

Tracking to full year guidance

- Underlying EBIT -7 to -10% before strategic overlay
- EBIT -15 to -20% before redundancy provision
- EBIT -21 to -26% with redundancy provision

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Our Strategic Priorities



We are taking the tough medicine to create long term customer value and shareholder value by...

- Implementing market based management to know the customer like never before
- Investing:
 - ⇒ in new services & applications to differentiate ourselves & grow revenues
 - ⇒ to take out complexity and cost – one factory
 - ⇒ to reduce workforce by 10-12k over next five years
- Accelerating opportunities at Sensis
- Targeting investment to where we can create value
- Not investing in services that are below cost or will destroy shareholder value



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Strategic Outcomes - Progress to Feb 06



It's early days, but there is progress in the transformation's strategic goals...

- Cost reduction programs commenced
- 1H06 Capex saving of \$300m identified, redirected to transformational projects
- 1000 workforce reduction since 30 June 05 (incl contractors)
- Market Based Management - 22,000 interviews completed. We've identified:
 - ⇒ 7 Needs-Based Segments
 - ⇒ 18 Product Segments
 - ⇒ 126 Micro-Segments
- NGN vendors signed
 - ⇒ Ericsson - 3G 850 network to over 5,000 sites
 - ⇒ Cisco - IP core
 - ⇒ Tellabs - Multi-Service Edge/SDN replacement
 - ⇒ Alcatel – IP DSLAMS and soft switches



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CSL/New World merger



- First mover advantage in consolidation of HK mobile market
- The merged entity will be No. 1 operator in HK mobile market
- At least A\$400m of cost savings to the merged entity
- The merged entity will enjoy strong brand recognition across all market segments
- No gain or loss on effective disposal of CSL stake and CSL carrying value
- The transaction meets Telstra's strict acquisition criteria
- The merger enhances Telstra's strategic options with CSL



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Regulation



ULL

- Issue – structure and level of pricing
- Our position - \$30 averaged undertaking lodged
- Next steps – Government decision expected early April. ACCC assessment of price level undertaking expected shortly after

Safeguards

- Issue – lack of regulatory certainty of commercial return on new investments
- Our position – FTTN on hold as we seek new investments to be regulated like all other industries
- Next steps – discussions with ACCC and Government continuing

Operational Separation

- Issue - legislation requires plans effecting transparency and equivalence re key wholesale services
- Our position- ensure application of the principles do not impede our ability to fairly compete in the market
- Next steps – Minister response due end of June to our amended plan



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Telstra's transformation will deliver...



→ Customer

- ⇒ Needs based solutions
- ⇒ 1 click, 1 touch, 1 screen, 1 button, 1 step
- ⇒ Simplified and integrated customer experience

→ Network

- ⇒ Leading wireless network
 - Biggest network in Aust
 - Fastest speeds
 - Best in-building coverage
- ⇒ Australia's largest IP network
 - Simpler environment
 - Common standards & platforms
 - Faster development and deployment of services
- ⇒ Lower costs

→ Bigpond

- ⇒ Australia's leading ISP and services entity
- ⇒ Targeting 55% market share by FY08

→ Sensis

- ⇒ Australia's leading information resource
- ⇒ 50 years of experience managing Australia's leading local business

→ Financial Targets*

- ⇒ Revenue growth
 - 2.0-2.5%pa to FY10
 - 20-30% from new services by FY08
- ⇒ FY10 costs at same level as annualised 1H06
- ⇒ EBITDA margin 50-52% by FY10
- ⇒ EBITDA 3-5% growth to FY10
- ⇒ CAPEX 12% of sales by FY10
- ⇒ FCF - \$6-7bn by FY10
- ⇒ Dividend 28cps to FY08

* Subject to a reasonable regulatory outcome

