21 February 2008

Company Announcements Office
Australian Stock Exchange
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

ELECTRONIC LODGEMENT

Dear Sir or Madam

Analyst Briefing – Half year results presentation pack

In accordance with the listing rules, I attach a copy of a presentation to be made today, for release to the market.

This Announcement has been released simultaneously to the New Zealand Stock Exchange.

Claire Elliott
Acting Company Secretary

Telstra Corporation Limited
ACN 051 775 556
ABN 33 051 775 556
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 2007 Annual Report.

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- SouFun revenues and expenses are unaudited management accounts converted from local currency to $US based on US GAAP and then translated to A-IFRS. Reported SouFun expenses include certain expenses incurred by Sensis to manage the investment in SouFun together with other expenses recognised on consolidation.
6.2% EBIT Growth
Exceeded Consensus
Increased Guidance

Financial Results (Reported)

<table>
<thead>
<tr>
<th></th>
<th>1H08</th>
<th>1H07</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Revenue</td>
<td>12.3</td>
<td>11.6</td>
<td>▲5.3</td>
</tr>
<tr>
<td>EBITDA</td>
<td>5.2</td>
<td>4.9</td>
<td>▲5.2</td>
</tr>
<tr>
<td>EBITDA Margin (%)</td>
<td>42.2</td>
<td>42.3</td>
<td>▼0.1pp</td>
</tr>
<tr>
<td>EBIT (post minorities)</td>
<td>3.1</td>
<td>2.9</td>
<td>▲6.2</td>
</tr>
<tr>
<td>PAT (post minorities)</td>
<td>1.9</td>
<td>1.7</td>
<td>▲13.0</td>
</tr>
<tr>
<td>Accrued Capex</td>
<td>2.3</td>
<td>2.0</td>
<td>▲17.5</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>1.3</td>
<td>0.9</td>
<td>▲53.6</td>
</tr>
<tr>
<td>Ordinary DPS (cents)</td>
<td>14.0</td>
<td>14.0</td>
<td>-</td>
</tr>
</tbody>
</table>

* Adjusted for one-offs and normalised for transformation costs.
Strength across the board in products....

<table>
<thead>
<tr>
<th>World Class Domestic Revenue Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telstra</td>
</tr>
<tr>
<td>Verizon</td>
</tr>
<tr>
<td>Telefonica*</td>
</tr>
<tr>
<td>China Telecom*</td>
</tr>
<tr>
<td>AT&amp;T</td>
</tr>
<tr>
<td>France Telecom</td>
</tr>
<tr>
<td>BT</td>
</tr>
<tr>
<td>Telecom New Zealand</td>
</tr>
<tr>
<td>Telecom Italia*</td>
</tr>
<tr>
<td>Deutsche Telekom*</td>
</tr>
</tbody>
</table>

Source: Company reports
* Q3 for operators yet to report

Mobile Services
- PSTN: -2.1%
- Sensis: +7.8%
- IP and data access: +8.3%
- Retail Broadband: +65.2%

...and retail segments

<table>
<thead>
<tr>
<th>1H08 Absolute Sales Revenue Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>TC&amp;C</td>
</tr>
<tr>
<td>TB</td>
</tr>
<tr>
<td>TE&amp;G</td>
</tr>
<tr>
<td>Total Retail (excl Sensis)</td>
</tr>
<tr>
<td>Sensis</td>
</tr>
<tr>
<td>Wholesale</td>
</tr>
</tbody>
</table>

Source: Telstra
New channel strategy

T[life™]

Experience Centre

Telstra

3 Tab portal changing the game

Telstra
Strength across all retail segments

1H08 Absolute Sales Revenue Growth

- TC&C: +8.5%
- TB: +9.3%
- TE&G: +4.5%
- Total Retail (excl Sensis): +7.6%
- Sensis: +7.8%
- Wholesale: -4.6%

Assessing the impact of unbundling

Retail BB, Wholesale DSL and unbundled SIOs

ULL and LSS pricing

<table>
<thead>
<tr>
<th>Country</th>
<th>ULL</th>
<th>LSS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>14.30</td>
<td>2.50</td>
</tr>
<tr>
<td>Belgium</td>
<td>18.86</td>
<td>2.67</td>
</tr>
<tr>
<td>UK</td>
<td>16.07</td>
<td>3.14</td>
</tr>
<tr>
<td>Italy</td>
<td>14.19</td>
<td>3.32</td>
</tr>
<tr>
<td>Germany</td>
<td>17.52</td>
<td>3.86</td>
</tr>
<tr>
<td>France</td>
<td>15.52</td>
<td>4.84</td>
</tr>
<tr>
<td>Spain</td>
<td>16.22</td>
<td>5.01</td>
</tr>
</tbody>
</table>

Source: Credit Suisse
Growing retail broadband in a tough market

BigPond market share increasing despite:
- 400+ ISP competitors
- Continued price-driven competition
- Bundled plans heavily marketed by largest competitors
- ULL and LSS priced below cost

Telstra Retail Broadband Market Share

- Source: Q3 Merrill Lynch European Broadband Matrix

Revenue inflection passed

Broadband Revenue growth offsetting PSTN decline

- $105m
- $160m
- $88m
- $72m
- $207m
- $312m

... and delivering benefits across the Telstra group

- Cornerstone of Integration
- Reducing PSTN Churn
- Forefront of Innovation & Content Strategy

High Value customers
"The most dramatic recent success story among major carriers is Australia’s Telstra, which has seen a sharp acceleration in overall wireless revenue growth, driven by its “Next G” HSPA services."

Merrill Lynch Global Wireless Research, November 2007

**Mobiles – Winning the 3G ‘value game’**

**Mobile Services Revenue by Technology ($m)**

<table>
<thead>
<tr>
<th>Technology</th>
<th>1H07</th>
<th>3GSM</th>
<th>2GSM</th>
<th>CDMA</th>
<th>Termination &amp; Wholesale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telstra</td>
<td>2,425</td>
<td>890</td>
<td>-351</td>
<td>-234</td>
<td>2,727</td>
</tr>
</tbody>
</table>

**3G as % of subs base**

- 60-70% in 2010

Source: Company reports Merrill Lynch

1) Q3 for European operators yet to report
Voice and data driving revenue growth

Postpaid voice elasticity

Voice elasticity of 0.8

MOU (per postpaid SIO\(^1\) per month)

Voice yield per minute ($)

MOU (per postpaid SIO\(^1\) per month)

Mobile Data Revenue

1H07
2H07
1H08

$490m
$294m
$120m
$76m

$582m
$321m
$103m
$158m

$716m
$356m
$130m
$230m

1H07
2H07
1H08

SMS
Other
WBB\(^2\)

Revenue decline slowed in PSTN

PSTN Revenue Growth (pcp)

1H04
1H05
1H06
1H07
1H08

-2.1%

PSTN SIO trends

Index

1H05
1H06
1H07
1H08

95
90
85
80

Telstra Total Lines
Telstra Retail
European lines
US lines

Europe lines: DT, FT, KPN, TEF, TI
US Lines: AT&T, VZ

1 Excluding data-only WBB SIOs
2 WBB revenue for laptop cards and datapacks: $219

$130m
$230m

-48k
-203k

1H04
1H05
1H06
1H07
1H08

-10.0%
-8.0%
-6.0%
-4.0%
-2.0%
0.0%

-2.0%
Sensis delivering strong growth and profitability

- Yellow Print returned to growth
- Total Print growth of 2.5%
- Emerging business growth 27%
- Sensis Transformation on track

Revenue* as % of Sensis Revenue and Print Revenue trend from 1H04 to 1H08.

*Revenue normalised for Melb Yellow

Continued strong momentum at FOXTEL

- FOXTEL Financial Performance
- Revenue and EBITDA Margin from 1H04 to 1H08
- Revenue trend: $200m to $805m
- EBITDA Margin trend: -10% to 30%

EBITDA Margin and Revenue trends from 1H04 to 1H08.
Transformation remains on track

**TR1 Update:**
On track to complete customer migration by the end of June 2008.

**TR2 Update:**
On track to go into production by the end of calendar 08.

**Next G™ network**
Continued development... Now covers 99% of population. Plans to upgrade to 21Mbps this year, 42Mbps in 2009.

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Conclusion – driving shareholder value

- Network & IT Transformation
- Transform GTM & Channels
- Cultural Transformation
- Revenue growth
- Operating leverage
- Improving Shareholder Value
First Half 2008 Financial Results

John Stanhope, CFO
21 February 2008

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<td>1.7</td>
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<td>2.0</td>
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<td>14.0</td>
<td>-</td>
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</tbody>
</table>

### Update of FY08 Reported Performance*

<table>
<thead>
<tr>
<th>Total Revenue Growth</th>
<th>Previous FY08 Guidance</th>
<th>Updated FY08 Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.0% to 3.0%</td>
<td>3.0% to 4.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EBITDA growth</th>
<th>3.0% to 4.0%</th>
<th>4.0% to 5.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT Growth</td>
<td>5.0% to 7.0%</td>
<td>6.0% to 8.0%</td>
</tr>
</tbody>
</table>

| Accrued Capex        | $4.6bn to $4.9bn       | No change             |

* includes Foxtel distributions
Strong EBIT profile

-40%  -20%  -10%  0%  10%  20%  30%  40%

1H06  2H06  1H07  2H07  1H08

-5.1%  -10.2%  -16.6%  +3.5%  +8.5%

Underlying  Reported

Sales Revenue Drivers

<table>
<thead>
<tr>
<th>Category</th>
<th>1H08 Growth %</th>
<th>1H08 Movement $m</th>
<th>1H08 Actual $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Mobiles</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Mobile Services</td>
<td>14.5</td>
<td>404</td>
<td>3,186</td>
</tr>
<tr>
<td>• Mobile Handsets</td>
<td>12.5</td>
<td>302</td>
<td>2,727</td>
</tr>
<tr>
<td>Retail broadband</td>
<td>28.6</td>
<td>102</td>
<td>459</td>
</tr>
<tr>
<td>IP access</td>
<td>65.2</td>
<td>333</td>
<td>844</td>
</tr>
<tr>
<td>Sensis</td>
<td>40.0</td>
<td>72</td>
<td>252</td>
</tr>
<tr>
<td>Specialised data</td>
<td>7.8</td>
<td>69</td>
<td>954</td>
</tr>
<tr>
<td>PSTN products</td>
<td>(7.2)</td>
<td>(27)</td>
<td>350</td>
</tr>
<tr>
<td></td>
<td>(2.1)</td>
<td>(72)</td>
<td>3,391</td>
</tr>
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</table>
+7.6%
Retail Sales Revenue Growth

Retail Unit Performance Summary

<table>
<thead>
<tr>
<th></th>
<th>Consumer</th>
<th>TB</th>
<th>TE&amp;G</th>
<th>GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Revenue growth</td>
<td>8.5%</td>
<td>9.3%</td>
<td>4.5%</td>
<td>5.3%</td>
</tr>
<tr>
<td>- Total Mobile</td>
<td>11.4%</td>
<td>23.3%</td>
<td>24.2%</td>
<td>14.5%</td>
</tr>
<tr>
<td>- Fixed</td>
<td>0.5%</td>
<td>0.8%</td>
<td>-4.3%</td>
<td>-1.4%</td>
</tr>
<tr>
<td>- Internet</td>
<td>45.6%</td>
<td>46.0%</td>
<td>73.7%</td>
<td>35.5%</td>
</tr>
<tr>
<td>- Data and IP</td>
<td>n/a</td>
<td>21.5%</td>
<td>6.3%</td>
<td>8.3%</td>
</tr>
<tr>
<td>Operating contribution growth</td>
<td>8.9%</td>
<td>7.3%</td>
<td>8.5%</td>
<td>n/a</td>
</tr>
<tr>
<td>Operating contribution margin</td>
<td>63.2%</td>
<td>71.5%</td>
<td>59.1%</td>
<td>n/a</td>
</tr>
<tr>
<td>- change (yoy)</td>
<td>0.9pp</td>
<td>-1.4pp</td>
<td>2.3pp</td>
<td>n/a</td>
</tr>
<tr>
<td>H1 SIO net adds ('000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- PSTN</td>
<td>32</td>
<td>19</td>
<td>-2</td>
<td>-203</td>
</tr>
<tr>
<td>- Postpaid mobile</td>
<td>132</td>
<td>89</td>
<td>95</td>
<td>315</td>
</tr>
</tbody>
</table>
Telstra Consumer and Channels +8.5%

Revenue growth

- 1H06: $4.5b
- 2H06: $4.4b
- 1H07: $4.6b
- 2H07: $4.8b
- 1H08: $5.0b

- 8 consecutive months of positive PSTN growth
- H108 average SARC down 20.4%
- 3+ MPH customers +6%, 4+ MPH customers +12%
- 2m+ 3G SIOs with ARPU >$70

Telstra Business +9.3%

Revenue growth

- 2H06: $1.57b
- 1H07: $1.65b
- 2H07: $1.70b
- 1H08: $1.83b

- Strong Mobile growth +23.3%
- Gaining mobile market share – profitably
- Access lines growing +19k PSTN SIOs added in half

SARC falling

- Access lines growing +19k PSTN SIOs added in half

Mobiles

Fixed

Internet
Telstra Enterprise and Government +4.5%

Revenue growth

- Strong core carriage growth: Driven by Next G™ and Next IP™
- Strong sales growth: ~$1.3b of business signed in 1H08
- Customer service: Customer satisfaction at all time highs & beating nearest competitor

Sensis +7.8%

Revenue

- $853m to $954m, +7.8%
- $885m to $954m, +7.4%
- $885m to $954m, +10.3%
- $885m to $954m, +3.2%

EBITDA Margin

- 1H07: 50.4%
- 1H08: 48.4%
Total Expenses +5.6%

<table>
<thead>
<tr>
<th>Provisions (m)</th>
<th>Raised FY06</th>
<th>Balance FY07</th>
<th>Balance 1H08</th>
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</thead>
<tbody>
<tr>
<td>Redundancy Provision</td>
<td>186</td>
<td>39</td>
<td>22</td>
</tr>
<tr>
<td>Restructuring Provision</td>
<td>241</td>
<td>193</td>
<td>149</td>
</tr>
<tr>
<td>R&amp;A Provision</td>
<td>427</td>
<td>232</td>
<td>171</td>
</tr>
</tbody>
</table>

1H07: $8,859m +4.8%

1H08: $9,359m +5.6%

Labour Expense +4.8%

<table>
<thead>
<tr>
<th></th>
<th>1H07</th>
<th>1H08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour (excluding redundancy)</td>
<td>$1,996m</td>
<td>$2,092m</td>
</tr>
<tr>
<td>Redundancy</td>
<td>$1,945m</td>
<td>$1,926m</td>
</tr>
</tbody>
</table>

Headcount reduction * 1H08

- Workforce reduction FY07 (cumulative) 6,107
- 1H08 workforce reduction 1,768
- Total 7,875

- Headcount reduction on track
- Redundancies taken early – will be add backs for new skill requirements

* Excludes acquisitions and divestments
Directly Variable Costs +4.3%

Sales growth/DVC growth

- FY05: 3.4x
- FY06: 4.7x
- FY07: 2.3x
- 1H08: 0.8x

SARC Trend (blended)

- 1H07: $175
- 2H07: $193
- 1H08: $150

Other expenses +9.5%

- 1H07: $2,318m
  - P&A: $12m
  - Impairment: $66m
  - G&A: $54m
  - SCA: $48m
  - Other: $46m
  - IT leasing: -$5m
- 1H08: $2,539m
  - IT Prof Services: $61m
  - Other: $1,047m
  - 1H08: $1,095m
Accrued Capex: $2.3bn

FY08 guidance: $4.6b – $4.9b

Major Drivers
- IT +$328m
- Transmission +$108m
- Wireless Access -$39m
- Network Core -$36m
- Fixed Access -$12m

Cash Flow and Financial Parameters

Free Cash Flow*

Financial Parameters | Target | Current 1H08
--- | --- | ---
Debt Servicing | 1.7 – 2.1 | 1.5
Gearing | 55% - 75% | 54.8%
Interest cover | >7 times | 10.3 times

* FCF = operating cash less investments available to pay financing costs and dividends
Stable Financial Profile

- Total Net Debt $15b
- Approx 60% fixed
- CP program approx $2b
- Average maturity of debt portfolio around 5 years

Long Term Management Objectives*

<table>
<thead>
<tr>
<th>Objective</th>
<th>FY05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Growth</td>
<td>2.5% to 3.0% pa to FY10</td>
</tr>
<tr>
<td>Cost growth</td>
<td>2.0% to 3.0% pa to FY10</td>
</tr>
<tr>
<td>EBITDA growth</td>
<td>2.5% to 2.0% pa to FY10</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>46% to 48% pa by FY10</td>
</tr>
<tr>
<td>Workforce</td>
<td>Down 12,000 by FY10</td>
</tr>
<tr>
<td>Capex</td>
<td>10% to 12% of revenue by FY10</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>$6b to $7b by FY10</td>
</tr>
</tbody>
</table>

* Based off FY05 results