

Full year results and operations review

Summary financial results	FY20	FY19	Change
	\$m	\$m	%
Revenue (excluding finance income)	23,710	25,259	(6.1)
Total income (excluding finance income)	26,161	27,807	(5.9)
Operating expenses	16,951	19,835	(14.5)
Share of net profit/(loss) from equity accounted entities	(305)	12	n/m
EBITDA	8,905	7,984	11.5
Depreciation and amortisation	5,338	4,282	24.7
EBIT	3,567	3,702	(3.6)
Net finance costs	771	630	22.4
Income tax expense	957	923	3.7
Profit for the period	1,839	2,149	(14.4)
Profit attributable to equity holders of Telstra Entity	1,819	2,154	(15.6)
Capex ¹	3,233	4,140	(21.9)
Free cashflow	4,034	3,068	31.5
Earnings per share (cents)	15.3	18.1	(15.5)

1. Capex is defined as additions to property, plant and equipment and intangible assets including capital lease additions, excluding expenditure on spectrum, measured on an accrued basis. Capex excludes externally funded capex.

Reported results

Telstra delivered FY20 results in line with guidance as we continued to deliver for customers, supported our people and the community, while generating long-term shareholder value through a challenging period.

On a reported basis, total income declined 5.9 per cent and NPAT declined 14.4 per cent. Underlying EBITDA declined 9.7 per cent on a guidance basis while underlying EBITDA excluding the in-year nbn headwind increased by approximately \$40 million. The underlying EBITDA decline included an estimated net negative impact from COVID-19 of approximately \$200 million across international roaming, financial support for customers, delays in NAS professional services contracts, and additional bad debt provisions.

We have made good progress on our T22 strategy with nearly three quarters of the measures used to monitor progress against now either completed or on track for delivery. Digital engagement grew with over 71 per cent of our service transactions occurring via digital channels by the end of FY20, a new Telstra InfraCo organisational structure and operating model was implemented, and we continued to make progress on our \$2 billion asset monetisation target to strengthen our balance sheet. We are now past the halfway point in delivering T22 and while we expect to see challenging conditions continue in FY21, our strategy means we are well positioned to respond to whatever lies ahead.

Progress on T22, including our focus to rapidly simplify and digitise, remove customer pain points, and remove legacy systems and processes, helped reduce underlying fixed costs by \$615 million or 9.2 per cent. This brought the total underlying fixed cost reductions to \$1.8 billion since FY16 and we remain on track to achieve our FY22 target of \$2.5 billion.

Our multi-brand strategy continued to deliver growth, particularly in mobile where we added 240,000 retail postpaid handheld mobile services including 154,000 from Belong, 171,000 retail prepaid handheld unique users, and 347,000 Wholesale services. We continued our clear leadership in 5G with more than 10 million people now living, working or passing through the 53 cities and towns in our 5G footprint every day, and approximately one third of the population is covered with 5G. Telstra has always been a leader in telecommunications technology and we are the clear leader in Australia in 5G, as well as being at the forefront globally.

The Telstra Board resolved to pay a fully franked final dividend of 8 cents per share, comprising a final ordinary dividend of 5 cents and a final special dividend of 3 cents. The total dividend for FY20 is 16 cents per share, fully franked. Telstra also provided financial guidance including assumptions on a range of metrics for FY21, giving the market clarity on its expectations for the year ahead.

Other information

The new accounting standard AASB16 Leases ("AASB16") was adopted from 1 July 2019.

Consistent with information presented for internal management reporting purposes, the result of each segment is measured based on its EBITDA contribution which differs from our EBITDA. Refer to note 2.1.1 in the Financial Report for further detail.

Commentary reflects statutory and management accounts reporting.

Results on a guidance basis ¹	FY20	FY20 Guidance ²
Total income ³	\$26.1b	\$25.3b to \$27.3b
Underlying EBITDA ⁴	\$7.4b	\$7.4b to \$7.9b
Net one-off nbn DA receipts less nbn net cost to connect	\$1.5b	\$1.3b to \$1.7b
Restructuring costs	\$0.2b	~\$0.3b
Capex	\$3.2b	\$2.9b to \$3.3b
Free cashflow after operating lease payments	\$3.4b	\$3.3b to \$3.8b

Guidance versus reported results ¹	FY20	FY20	FY20	FY19
	Reported results \$m	Adjustments \$m	Guidance basis \$m	Guidance basis \$m
Total income	26,161	(20)	26,141	27,804
Underlying EBITDA ⁴	8,905	(1,496)	7,409	8,203
Free cashflow ⁵	4,034	(619)	3,415	3,186

1. This guidance assumed wholesale product price stability and no impairments in and to investments or property, plant and equipment and intangible assets, and excluded any proceeds on the sale of businesses, mergers and acquisitions and purchase of spectrum. The guidance also assumed the nbn rollout and migration in FY20 was broadly in accordance with the nbn Corporate Plan 2020. Guidance was provided on the basis of AASB16 Leases and assumed impacts consistent with management estimates. Capex was measured on an accrued basis and excluded expenditure on spectrum and externally funded capex and capitalised leases under AASB16 Leases. Refer to the *Guidance versus reported results* schedule. The adjustments within the tables in this schedule have been reviewed by our auditors.

2. FY20 guidance revised on 2 September 2019 after nbn co released the nbn Corporate Plan 2020.

3. Total income excludes finance income.

4. Underlying EBITDA excluded net one-off nbn DA receipts less nbn net cost to connect, guidance adjustments including one-off restructuring costs, but included depreciation of mobile lease right-of-use assets.

5. FY20 free cashflow defined as operating cash flows less investing cash flows less operating leases (reported in financing cash flow under AASB16 Leases).

On 13 August 2020, the Directors of Telstra Corporation Limited resolved to pay a final fully franked dividend of 8 cents per ordinary share, comprising a final ordinary dividend of 5 cents per share and a final special dividend of 3 cents per share. Shares will trade excluding entitlement to the final dividend from 26 August 2020 with payment to be made on 24 September 2020.

The total dividend for FY20 is 16 cents per share, fully franked, including 10 cents ordinary and 6 cents special. The ordinary dividend represents a 99 per cent payout ratio on FY20 underlying earnings¹ while the special dividend represents a 66 per cent payout ratio of FY20 net one-off nbn receipts². The FY20 ordinary dividend is higher than the range indicated in our capital management framework to pay a fully franked ordinary dividend of 70 to 90 per cent of underlying earnings. In determining the FY20 final ordinary dividend, the Board has taken into account a number of factors including the objectives and principles of the capital management framework, the impacts we have estimated resulting from COVID-19, and our free cashflow which is higher than accounting earnings due to lower in-year capex. Our FY20 underlying earnings were \$1,224 million while net one-off nbn receipts were \$1,075 million compared with underlying earnings of \$1,970 million and net one-off nbn receipts of \$1,129 million in FY19.

1. "underlying earnings" is defined as net profit after tax from continuing operations excluding net one-off nbn receipts (as defined in footnote 2) and guidance adjustments (as defined in footnote 3).

2. "net one-off nbn receipts" is defined as net nbn one off Definitive Agreement receipts (consisting of PSAA, Infrastructure Ownership and Retraining) less nbn net cost to connect less tax.

3. Guidance adjustments include one-off restructuring costs, impairments in and to investments or property, plant and equipment and intangible assets, proceeds on the sale of businesses, mergers and acquisitions and purchase of spectrum.

Segment performance

We report segment information on the same basis as our internal management reporting structure as at reporting date. Segment comparatives reflect organisational changes that have occurred since the prior reporting period to present a like-for-like view.

Income related to recurring nbn Infrastructure Services Agreement (ISA) amounts and nbn commercial works are included in Telstra InfraCo. One-off nbn Definitive Agreement (nbn DA) and ISA amounts are included in All Other, and non-nbn commercial works are included in Telstra Enterprise.

Segment total income



Total external income	FY20	FY19	Change
	\$m	\$m	%
Telstra Consumer and Small Business	13,326	14,281	(6.7)
Telstra Enterprise	7,970	8,243	(3.3)
Networks and IT	87	70	24.3
All Other	2,045	2,156	(5.1)
Telstra InfraCo including internal access charges	4,423	4,948	(10.6)
Internal access charges	(1,690)	(1,891)	10.6
Total	26,161	27,807	(5.9)

Telstra Consumer and Small Business

Telstra Consumer and Small Business provides telecommunication products, services and solutions across mobiles, fixed and mobile broadband, telephony and Pay TV/IPTV and digital content to consumer and small business customers in Australia.

Income in this segment decreased by 6.7 per cent to \$13,326 million, impacted by an 8.4 per cent decline across fixed products including ongoing standalone fixed voice and a 5.2 per cent decline in mobile services revenue as declining Average Revenue Per User (ARPU) more than offset customer net additions. Network Applications and Services (NAS) revenue in Small Business continued to grow, increasing by 13.8 per cent primarily due to growth in unified communications.

Telstra Enterprise

Telstra Enterprise is responsible for sales and contract management for medium and large business and government customers in Australia and globally. It also provides product management for advanced technology solutions and services, including Data & IP networks and NAS products such as managed network, unified communications, cloud, industry solutions and integrated services.

Income for Telstra Enterprise decreased by 3.3 per cent to \$7,970 million as growth in international was more than offset by a decline in domestic. Telstra Enterprise domestic income decreased by 5.5 per cent largely due to declines in Data & IP legacy calling and legacy fixed products. However, NAS and mobility revenues were broadly stable. Telstra Enterprise international income grew by 3.6 per cent mainly due to growth in higher margin Data & IP, increased traffic from Australia and targeted one-off transactions.

Networks and IT

Networks and IT is responsible for the overall planning, design, engineering architecture and construction of Telstra networks, technology and information technology solutions. It primarily supports the revenue generating activities of other segments. Networks and IT income increased by 24.3 per cent to \$87 million.

Telstra InfraCo

Telstra InfraCo is a standalone infrastructure business unit within Telstra. It is responsible for key network assets including data centres and exchanges, most of our fibre network, the copper and hybrid fibre coaxial networks, international subsea cables, poles, ducts and pipes. From 1 July 2020, Telstra InfraCo's asset accountabilities will also include our whole fibre network (including mobile backhaul) and mobile towers, but exclude PSTN and legacy fixed, and satellite related assets.

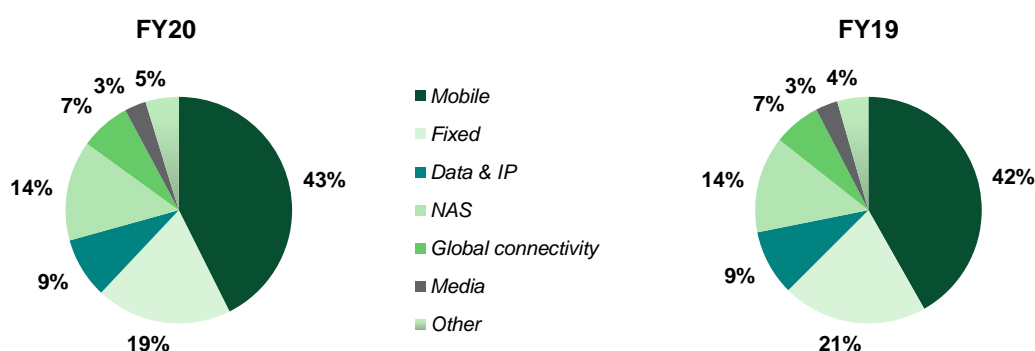
Telstra InfraCo income excluding internal access charges decreased by 10.6 per cent to \$2,733 million due to expected declines from Telstra Wholesale legacy fixed products and commercial works for nbn co. This was partly offset by increased recurring nbn DA receipts in line with the progress of the nbn™ network rollout and receipts for access to passive infrastructure, and an increase in wholesale mobility. Including internal access charges, income decreased by 10.6 per cent to \$4,423 million.

All Other

Certain items of income and expense relating to multiple reportable segments are recorded by our corporate areas and included in the All Other category. This category also includes Product and Technology Group, Global Business Services (GBS) and New Business (including Telstra Health). Income decreased by 5.1 per cent mainly due to declines in ISA ownership receipts and nbn commercial works (sales of assets component), partly offset by an increase in Per Subscriber Address Amount (PSAA) receipts in line with the progress of the nbn™ network rollout.

Product performance

Product revenue breakdown



Key product revenue	FY20	FY19	Change
	\$m	\$m	%
Mobile	10,084	10,545	(4.4)
Fixed	4,591	5,223	(12.1)
Data & IP	2,052	2,358	(13.0)
NAS	3,379	3,477	(2.8)
Global connectivity	1,706	1,700	0.4

EBITDA contribution margins ¹	FY20 %	2H20 %	1H20 %	FY19 %
Mobile	34.7	33.7	35.6	35.6
Retail Fixed (including nbn cost to connect)	1.8	(1.9)	5.2	18.1
Data & IP	62.2	63.7	60.8	65.6
NAS	17.5	19.2	15.7	10.4
Global connectivity	26.6	25.8	27.3	21.4

1. The data in this table includes minor adjustments to historic numbers to reflect changes in product hierarchy.

On a reported basis, total income (excluding finance income) declined by 5.9 per cent to \$26,161 million. On a guidance basis, total income (excluding finance income) was \$26,141 million, in line with guidance. Competitive pressure, legacy product and service declines, and the nbn™ network rollout continued to negatively impact income. Remediation and customer initiatives in response to bushfires, floods and COVID-19 were also reflected by a decline in performance. The decline has been partly offset by improving profitability in NAS and global connectivity, and positive signs in mobile with continued growth in customer services and an increase in postpaid Transacting Minimum Monthly Commitment (TMMC). More detail on each of the products are outlined below on a reported basis unless otherwise stated.

Mobile

Mobile revenue declined by 4.4 per cent to \$10,084 million largely due to declines in postpaid and prepaid ARPU and lower hardware volumes. Retail customer services increased by 437,000 bringing the total to 18.8 million. We now have 8.5 million postpaid handheld retail customer services, an increase of 240,000 including 154,000 from Belong and a strong contribution from Enterprise as customers adapt their operations.

Postpaid handheld revenue decreased by 4.6 per cent to \$5,048 million as net adds were offset by an 8.2 per cent ARPU decline from \$54.77 to \$50.29. Excluding the international roaming decline, ARPU decreased by 6.8 per cent due to impacts of FY19 price competition washing through the base, lower out of bundle revenue, modest dilution from an increase in Belong customer mix, and accounting for new plans which allocate more revenue to hardware. However, there was a positive contribution from plans sold in FY20 with TMMC around \$2 higher in FY20 compared with FY19.

Prepaid handheld revenue declined by 6.8 per cent to \$773 million as a 171,000 increase in unique users was more than offset by lower ARPU. Revenue stabilised in 2H20 as the average voucher size increased.

Mobile broadband revenue decreased by 4.9 per cent to \$640 million as an increase in ARPU was offset by a 469,000 reduction in customer services, which included the deactivation of 365,000 \$0 services in 1H20. Revenue showed signs of stabilising in 2H20, with demand increasing as more people began working and studying from home, however ultimately declined as lower prepaid customer services offset gains in postpaid.

Internet of Things (IoT) revenue grew by 3.0 per cent to \$209 million while increasing customer services by 652,000. We launched our consumer Telstra Locator Cat-M1 Tag which uses our LTE network, launched further solutions in areas of Track and Monitor, Smart Metering and Connected Building, and won recognition for our Telstra Locator and water management solutions.

Wholesale services revenue increased 10.0 per cent to \$221 million. Wholesale customer services including IoT increased by 347,000 bringing the total to 1.6 million as plans offered by Mobile Virtual Network Operators (MVNO) on the Telstra mobile network continued to rise in popularity.

Mobile hardware revenue decreased by 3.3 per cent to \$3,002 million largely due to lower handset sales.

Mobile EBITDA contribution margin declined by 0.9 percentage point to 34.7 per cent largely due to lower services revenue, partly offset by lower costs and improved hardware margin.

Fixed

Fixed revenue declined by 12.1 per cent to \$4,591 million impacted by nbn migration alongside ongoing voice and legacy decline.

Retail bundles and standalone data revenue declined by 1.9 per cent to \$3,226 million due to a 4.4 per cent ARPU decline from \$75.07 to \$71.75 caused by migration to in-market plans and a higher Belong mix. There were 80,000 retail bundles and standalone data net subscriber additions including 79,000 additions from Belong bringing total bundles and standalone data customers to 3.8 million.

Retail standalone voice revenue decreased by 31.1 per cent to \$607 million with lower customer services driven by standalone voice line abandonment and migration to nbn and bundles. ARPU decreased by 2.2 per cent from \$43.62 to \$42.64. There were 452,000 retail standalone voice net subscriber losses taking total standalone voice customers to 960,000.

We continue to lead the nbn market with a total of 3.2 million nbn connections, an increase of 620,000. Our nbn market share is now 46 per cent (excluding satellite). The Telstra Smart Modem is now being utilised by 71 per cent of our fixed data consumer base, providing a better experience on the nbn with strong Wi-Fi connectivity and enhanced back up speeds.

Other retail fixed revenue, which includes hardware, once off revenue (activation fees), Platinum, and fixed interconnect, decreased by 18.6 per cent to \$201 million.

Retail Fixed (including net one-off nbn cost to connect) EBITDA contribution margin declined by 16.3 percentage points to 1.8 per cent due to high margin revenue reduction, growing network payments to nbn co, legacy decline and nbn migration costs, partly offset by fixed cost reduction.

Data & IP

Data & IP revenue decreased by 13.0 per cent to \$2,052 million reflecting declines in legacy volumes associated with the nbn™ network rollout, and competitive pricing pressures in data access and connectivity.

To provide greater visibility of our ongoing and legacy products, we have split Data & IP into four areas – data access and connectivity, legacy calling, connectivity services, and wholesale products.

Data access and connectivity revenue, which includes private networks and internet connections on Telstra fibre, nbn, legacy copper and other fixed technologies, optical and legacy data, declined 5.5 per cent to \$1,151 million due to legacy copper terminations partly offset by growth in fibre and nbn customer services. ARPU declined due to price competition and an ongoing technology shift enabling alternate and lower cost solutions.

Legacy calling revenue, which includes ISDN, declined 30.3 per cent to \$431 million due to the termination of ISDN customer services in line with the planned exit of this product by 2022, and migration of associated voice services to NAS.

Connectivity services revenue, which includes professional media solutions, security solutions and the Telstra Programmable Network (TPN), decreased by 9.6 per cent to \$103 million due to a decline in monitored security solutions. This was partly offset by growth in TPN which enables real time on-demand connectivity to clouds, data centres and a partner ecosystem through one portal.

Wholesale products revenue declined 10.0 per cent to \$367 million due to ethernet pricing pressures and a decline in transmission.

Data & IP EBITDA contribution margin declined by 3.4 percentage points to 62.2 per cent reflecting declining revenue on high margin legacy products with a moderate decline in cost.

Network Applications and Services (NAS)

NAS revenue declined by 2.8 per cent to \$3,379 million reflecting a continued focus on profitable revenue growth, lower nbn commercial works and a decline in discretionary spending on professional services observed during COVID-19. Excluding low margin hardware sales and nbn commercial works, revenue increased by 3.8 per cent.

Managed network services revenue decreased by 4.0 per cent to \$622 million due to lower professional services revenue as many businesses went into hibernation or scaled back discretionary projects in 2H20, and a shift to lower priced cloud based managed data network technologies, partly offset by managed security growth.

Unified communications revenue increased by 5.7 per cent to \$1,067 million reflecting new collaboration and calling service growth, and migration from legacy calling services.

Cloud services revenue increased by 0.9 per cent to \$434 million as growth in public cloud annuity products was broadly offset by lower spend by customers on professional services.

Industry solutions revenue decreased by 11.6 per cent to \$1,047 million largely due to an expected decline in revenue from contracts outside of the nbn DAs in line with the maturity of the nbn™ network rollout. Excluding nbn commercial works, revenue declined by 8.7 per cent.

Integrated services revenue increased by 1.5 per cent to \$209 million mainly from a rise in consulting and project management and other service management, partly offset by a decline in managed IT services.

NAS EBITDA contribution margin increased by 7.1 percentage points to 17.5 per cent due to a focus on profitable revenue growth, growth in unified communications and significant cost reduction.

Global connectivity

Global connectivity represents the international business of Telstra Enterprise. Revenue increased by 0.4 per cent on a reported basis and decreased by 4.6 per cent in constant currency (CC) terms with growth in more profitable Data & IP products offset by declining fixed legacy voice revenues.

Fixed legacy voice revenue decreased by 24.1 per cent (CC) due to continued market decline and strategic focus on profitable revenue. Data & IP revenue grew by 1.7 per cent (CC) from existing and new capacity due to investment in cable, and one-off benefits from targeted early customer contract terminations. NAS and other revenue decreased by 4.6 per cent (CC) but with improved profitability due to reduction in lower margin equipment sales.

Global connectivity EBITDA contribution margin (CC) increased by 5.2 percentage points to 26.6 per cent reflecting continued focus on higher profit revenue, productivity and one-off benefits.

Media

Media revenue excluding cable decreased by 8.9 per cent to \$726 million mainly due to the performance of Foxtel from Telstra and decline in mobility from lower digital subscriptions. Foxtel from Telstra revenue declined by 5.9 per cent to \$625 million and had 98,000 subscriber exits reflecting a broader industry transition from Broadcast to IPTV. There are now 1.7 million Telstra TV devices in the market, an increase of 114,000. Sports Live Pass users increased by 370,000 to 3.4 million across AFL, NRL, Netball and FFA with most users receiving the service as part of their mobile subscription.

Other

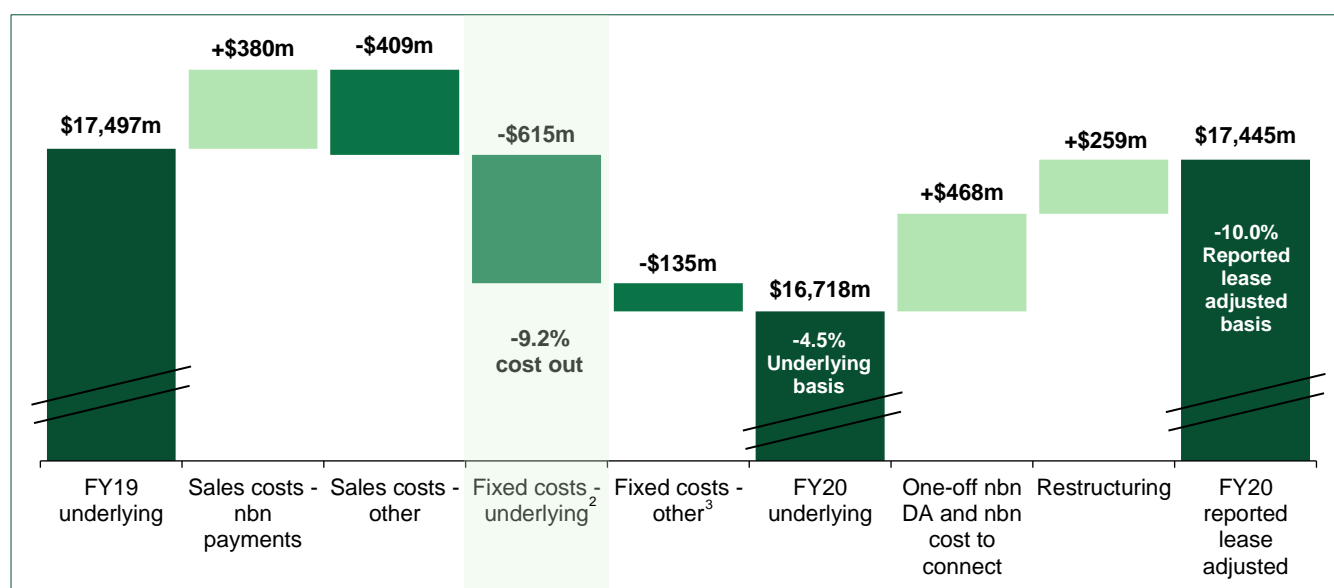
Other revenue includes recurring revenue related to nbn co access to our infrastructure (nbn DA), late payment fees and revenue from Telstra Health.

Other income includes gains and losses on asset and investment sales (including assets transferred under the nbn DAs), income from government grants under the Telstra Universal Service Obligation Performance Agreement (TUSOPA), income from nbn™ network disconnection fees (PSAA), subsidies and other miscellaneous items. The decrease in other income of 3.8 per cent is largely due to a 45.8 per cent decline in ISA income to \$210 million in line with the progress of the nbn™ network rollout, partly offset by PSAA receipts which grew by 6.9 per cent to \$1,721 million reflecting nbn migrations in the period.

Expense performance

Underlying fixed costs declined by 9.2 per cent or \$615 million. In June 2018, we announced we would target a \$2.5 billion annual reduction in underlying fixed costs by FY22 compared with restated underlying fixed costs of ~\$7.9 billion in base year FY16. We have now achieved \$1.8 billion of annual cost out since FY16 and remain on track to achieve our FY22 target.

Operating expenses ¹	FY20 \$m	FY19 \$m	Change	
			\$m	%
Sales costs	8,802	8,831	(29)	(0.3)
- nbn payments	1,731	1,351	380	28.1
- other	7,071	7,480	(409)	(5.5)
Fixed costs	7,916	8,666	(750)	(8.7)
- underlying ²	6,083	6,698	(615)	(9.2)
- other ³	1,833	1,968	(135)	(6.9)
Underlying	16,718	17,497	(779)	(4.5)
One-off nbn DA and nbn cost to connect	468	503	(35)	(7.0)
Restructuring	259	801	(542)	(67.7)
Other guidance adjustments ⁴	-	584	(584)	n/m
Reported lease adjusted ⁵	17,445	19,385	(1,940)	(10.0)
Lease adjustments ⁶	(494)	450	(944)	n/m
Reported	16,951	19,835	(2,884)	(14.5)



1. Sales and fixed costs exclude costs associated with one-off nbn DA and nbn cost to connect.

2. Fixed costs - underlying was ~\$7.9b in FY16 on a restated basis and targeted to decline by our net cost productivity target of \$2.5b by FY22. Underlying fixed costs are costs excluding other fixed costs (as defined in footnote 3).

3. Fixed costs - other includes items supporting revenue growth including relevant NAS costs, mobile handset lease, and product impairment.

4. Other guidance adjustments in FY19 include \$493 million asset impairment and \$91 million M&A expenses.

5. 'Reported lease adjusted' includes all mobile handset leases as operating expenses, and all rent/other leases below EBITDA.

6. Refer to note 4 of the *Guidance versus reported results* schedule.

Total operating expenses declined by 14.5 per cent to \$16,951 million on a reported basis and declined by 10.0 per cent to \$17,445 million on a reported lease adjusted basis largely due to the \$615 million reduction in underlying fixed costs from our productivity program, a \$542 million decrease in restructuring costs associated with T22 initiatives, and guidance adjustments of \$584 million in FY19 including a \$493 million impairment of our legacy IT assets. Sales costs, which are direct costs associated with revenue and customer growth, decreased by 0.3 per cent to \$8,802 million due to a \$409 million decline in other sales costs as a result of lower hardware costs, partly offset by a \$380 million increase in nbn access payments. Other fixed costs decreased by 6.9 per cent while one-off nbn DA and nbn cost to connect declined 7.0 per cent in line with the progress of the nbn™ network rollout. On an underlying basis, total operating expenses declined by 4.5 per cent as underlying fixed cost reduction exceeded increased nbn access payments.

Our progress on achieving our productivity target is reported through the above operating expenses table. The detail below provides commentary on the operating expenses as disclosed in our statutory accounts.

Operating expenses on a reported basis	FY20	FY19	Change
	\$m	\$m	%
Labour	4,058	5,279	(23.1)
Goods and services purchased	9,107	9,138	(0.3)
Net impairment losses on financial assets	202	184	9.8
Other expenses	3,584	5,234	(31.5)
Total	16,951	19,835	(14.5)

Labour

Total labour expenses decreased by 23.1 per cent or \$1,221 million to \$4,058 million. Salary and associated costs declined by \$457 million due to lower headcount, redundancy costs decreased by \$485 million due to the level of redundancies in FY19, and labour substitution costs declined by \$232 million from a reduction in labour outsourcing.

Total full time staff equivalents (FTE) decreased by 2.7 per cent or 810 to 28,959 including the additional FTE recruited to assist with customer service in response to COVID-19.

Goods and services purchased

Total goods and services purchased decreased by 0.3 per cent or \$31 million to \$9,107 million.

Cost of goods sold, which includes mobile handsets and accessories, tablets, cellular Wi-Fi, broadband modems and other fixed hardware decreased by 7.5 per cent or \$281 million to \$3,490 million mainly due to lower handset and NAS equipment sales in 2H20 from slower trading activity.

Network payments increased by 13.0 per cent or \$364 million to \$3,155 million, including a \$380 million increase in nbn access payments as customers migrate across to nbn services. Offshore network payments were \$33 million lower mainly due to improved network optimisation which resulted in network cost savings.

Other goods and services purchased declined by 4.4 per cent or \$114 million to \$2,462 million mainly due to a reduction in Foxtel service fees as a result of a decline in Foxtel from Telstra subscribers.

Net impairment losses on financial assets

Total net impairment losses on financial assets increased by 9.8 per cent or \$18 million to \$202 million including an additional \$36 million allowance for doubtful debts to reflect risks and uncertainties brought about by COVID-19.

Other expenses

Total other expenses decreased by 31.5 per cent or \$1,650 million to \$3,584 million.

Service contracts and other agreements expenses declined by 7.4 per cent or \$117 million due to productivity and cost reduction programs. Other impairment expenses declined by 78.8 per cent or \$479 million to \$129 million largely due to a \$493 million impairment of our legacy IT assets in FY19. Other expenses decreased by 34.7 per cent or \$1,054 million primarily due to a \$1,093 million decline in leasing costs following the adoption of AASB16.

Share of net profit/(loss) from equity accounted entities

Our investment in NXE Australia Pty Limited was impaired and a loss of \$308 million was recognised in our share of net loss from joint ventures and associated entities. The impairment reflected the challenges of disruption in the industry and the impact of COVID-19 as global sports were put on hold, pubs temporarily closed, and advertisers forced to carefully reconsider their investments.

Depreciation and amortisation

Depreciation and amortisation increased by 24.7 per cent or \$1,056 million to \$5,338 million largely due to a \$1,017 million increase in depreciation of right-of-use assets following the adoption of AASB16. Excluding depreciation of right-of-use assets, depreciation and amortisation increased by 0.9 per cent or \$39 million. Review of asset service lives during FY20 resulted in a \$37 million decrease in depreciation expense and an \$87 million decrease in amortisation expense.

Foreign currency impacts

For the purposes of reporting our consolidated results, the translation of foreign operations denominated in foreign currency to Australian dollar (AUD) increased our expenses by \$93 million across labour, goods and services purchased, and other expenses. This foreign exchange impact was offset by a \$102 million sales revenue increase resulting in a favourable EBITDA contribution of \$9 million.

Net finance costs

Net finance costs increased by 22.4 per cent or \$141 million to \$771 million. Interest on borrowings decreased by \$93 million due to

a reduction in our average gross borrowing cost from 4.9 per cent to 4.6 per cent and lower debt on issue. The increase in net finance costs came from a combination of the adoption of AASB16 which required interest costs to be recognised for leases previously classified as operating leases, a reduction in interest capitalised due to a decrease in capital expenditure, and other non-cash financing items largely relating to contracts with customers as set out in note 4.3.2(b).

Financial position

Summary statement of cash flows	FY20	FY19	Change
	\$m	\$m	%
Net cash provided by operating activities	7,010	6,683	4.9
Net cash used in investing activities	(2,976)	(3,615)	17.7
- Capital expenditure (before investments)	(3,442)	(4,370)	21.2
- Other investing cash flows	466	755	(38.3)
Free cashflow	4,034	3,068	31.5
Net cash used in financing activities	(4,138)	(3,088)	(34.0)
Net increase/(decrease) in cash and cash equivalents	(104)	(20)	n/m
Cash and cash equivalents at the beginning of the period	604	620	(2.6)
Effects of exchange rate changes on cash and cash equivalents	(1)	4	n/m
Cash and cash equivalents at the end of the period	499	604	(17.4)

Capital expenditure and cash flow

Free cashflow generated from operating and investing activities was \$4,034 million representing an increase of \$966 million or 31.5 per cent, positively impacted by a \$928 million decline in capital expenditure (including spectrum payments) and a \$1,015 million benefit from operating leases being reclassified as financing cashflow following the adoption of AASB16. This was partly offset by a \$657 million increase in working capital investment largely due to increases in handset receivables from the exit of mobile lease plans and introduction of longer repayment options, and restructuring.

Net cash provided by operating activities increased by 4.9 per cent or \$327 million to \$7,010 million mainly due to an \$853 million decrease in payments to suppliers and employees, a \$202 million reduction in income taxes paid, and from operating leases being reclassified as a financing cashflow. This was partly offset by a decline in group revenue, an increase in working capital investment largely due to increases in handset receivables and restructuring, and a decrease in one-off nbn receipts in line with the progress of the nbn™ network rollout.

Net cash used in investing activities decreased by 17.7 per cent or \$639 million to \$2,976 million primarily reflecting lower capital expenditure for the period.

Net cash used in financing activities increased by 34.0 per cent or \$1,050 million to \$4,138 million. This was largely due to a \$1,925 million increase in repayment of borrowings and a \$993 million increase in payments for the principal portion of lease liabilities following the adoption of AASB16, partly offset by an \$807 million increase in proceeds from borrowings, a \$698 million increase in proceeds from the sale of exchanges in a controlled trust, and a \$356 million decline in dividends paid.

Our accrued capital expenditure for the year on a guidance basis was \$3,233 million or 14.2 per cent of sales revenue.

On a guidance basis free cashflow after operating lease payments was \$3,415 million, in line with guidance. Performance against guidance has been adjusted for free cashflow associated with M&A (-\$39 million), operating lease payments (-\$1,015 million) and spectrum (\$435 million).

Debt issuance	\$m
10 year Euro bond	856
3 year bilateral loan facility	150
Short term commercial paper and revolving bank facilities (net)	515
Other loans	174
Total	1,695

Debt repayments	\$m
10 year Euro bond	(1,499)
Bilateral loan facility	(800)
1 year AUD floating rate note	(300)
AUD private placements	(60)
Other loans	(122)
Total	(2,781)

Debt position

Our gross debt position was \$17,343 million comprising borrowings of \$15,829 million, lease liabilities of \$3,298 million less net derivative assets of \$1,784 million. Gross debt increased by 13.1 per cent or \$2,012 million due to the adoption of AASB16 which

resulted in our leases previously classified as operating leases (Telstra as a lessee) being included in gross debt. Gross debt excluding lease liabilities decreased by \$995 million reflecting a cash reduction of \$1,086 million partly offset by a non-cash increase of \$91 million. The cash reduction comprised debt issuance of \$1,695 million less debt repayments of \$2,781 million.

The net increase in debt from lease liabilities was \$3,007 million comprising \$3,644 million on transition to AASB16 and non-cash additions of \$356 million offset by \$993 million in lease payments shown as a financing cash outflow. The lease liability includes the reclassification of \$291 million previously included within borrowings under previous lease accounting requirements.

Net debt increased by 14.4 per cent or \$2,117 million to \$16,844 million, comprising the increase in gross debt and a \$105 million decrease in cash balances.

Financial settings	FY20 Actual	FY20 Comfort zone
Debt servicing ¹	1.9x	1.5x to 2.0x
Gearing ²	52.7%	50% to 70%
Interest cover ³	11.7x	>7x

1. Debt servicing ratio is calculated as net debt/EBITDA (comfort zone recalibrated in FY20 to reflect adoption of AASB16).

2. Gearing ratio is calculated as net debt/total net debt plus equity.

3. Interest cover is calculated as EBITDA/net interest on borrowings.

Financial settings for FY20 reflect the adoption of AASB16 (FY19 settings have not been restated). The comfort zone for debt servicing has been recalibrated to reflect the capitalisation of operating leases onto the statement of financial position and the increase in EBITDA under this new reporting framework. We remain within our comfort zones for our credit metrics on a post AASB16 basis. Our debt servicing is 1.9 times (30 June 2019: 1.8 times), gearing ratio is at 52.7 per cent (30 June 2019: 50.3 per cent) and interest cover is 11.7 times (30 June 2019: 10.5 times).

Summary statement of financial position	30 Jun 2020	30 Jun 2019	Change
	\$m	\$m	%
Current assets	6,534	7,303	(10.5)
Non-current assets	37,869	35,286	7.3
Total assets	44,403	42,589	4.3
Current liabilities	10,094	9,553	5.7
Non-current liabilities	19,162	18,506	3.5
Total liabilities	29,256	28,059	4.3
Net assets	15,147	14,530	4.2
Total equity	15,147	14,530	4.2
Return on average assets (%)	8.0	8.8	(0.8)pp
Return on average equity (%)	12.5	14.8	(2.3)pp

Statement of financial position

Our balance sheet remains in a strong position with net assets of \$15,147 million.

Current assets decreased by 10.5 per cent to \$6,534 million. Trade and other receivables and contract assets declined by \$271 million while prepayments declined by \$192 million, of which \$161 million was due to the adoption of AASB16. Assets classified held for sale decreased by \$121 million which reflects assets held for sale in FY19, including three data centres within the Telstra Enterprise segment. We subsequently sold one of the data centres but did not receive the consents required for sale of the remaining two (see note 3.10).

Non-current assets increased by 7.3 per cent to \$37,869 million. Right-of-use assets increased by \$3,030 million due to the adoption of AASB16 while trade and other receivables and contract assets increased by \$648 million largely due to the exit of mobile lease plans and introduction of longer repayment options. This was partly offset by a \$401 million decline in investments accounted for using the equity method including a \$308 million impairment of our investment in NXE Australia Pty Limited, a \$337 million decrease in property, plant and equipment due to lower capital expenditure, and a \$294 million decline in intangible assets mainly due to lower software additions.

Current liabilities increased by 5.7 per cent to \$10,094 million. Lease liabilities increased by \$611 million due to the adoption of AASB16 which resulted in the recognition of operating leases onto the statement of financial position while borrowings increased by \$541 million primarily from an increase in commercial paper and drawn bank facilities. This was partly offset by a \$548 million decline in trade and other payables mainly due to volume and timing of handset orders with large suppliers.

Non-current liabilities increased by 3.5 per cent to \$19,162 million. Lease liabilities increased by \$2,687 million due to the adoption of AASB16 partly offset by a \$1,965 million decline in borrowings. The decline in borrowings was largely from reclassification to current liabilities of debt maturing within the next 12 months, reclassification of lease liabilities under previous lease accounting and early repayment of bilateral loan facilities partly offset by debt issuance during the year, foreign currency and other valuation impacts.

Guidance versus reported results

This schedule details adjustments made to the reported results for the current and comparative periods to reflect the performance of the business on the basis on which we provided guidance to the market, which is EBITDA on an underlying basis and assuming wholesale product price stability and no impairments in and to investments or property, plant and equipment and intangible assets, and excluded any proceeds on the sale of businesses, mergers and acquisitions and purchase of spectrum. The guidance also assumed the nbn rollout and migration in FY20 was broadly in accordance with the nbn Corporate Plan 2020. Underlying EBITDA excluded net one-off nbn DA receipts less nbn net C2C, guidance adjustments including one-off restructuring costs, but included depreciation of mobile lease right-of-use assets. The following adjustments provide a detailed reconciliation from reported to guidance results for each guidance measure:

	Total Income			Underlying EBITDA			Free Cashflow	
	FY19	FY20		FY19	FY20		FY19	FY20
	\$m	\$m		\$m	\$m		\$m	\$m
Reported¹ Total Income	27,807	26,161	Reported¹ EBITDA	7,984	8,905	Reported¹ Free Cashflow	3,068	4,034
<i>Adjustments</i>								
M&A ²	(3)	(20)	M&A ²	88	(20)	M&A ²	89	(39)
Impairment ³	n/a	n/a	Impairment ³	493	308	Impairment ³	n/a	n/a
Lease ⁴	n/a	n/a	Lease ⁴	450	(494)	Lease ⁴	n/a	(1,015)
Restructuring costs ⁵	n/a	n/a	Restructuring costs ⁵	801	246	Restructuring costs ⁵	n/a	n/a
Net one-off NBN receipts ⁶	n/a	n/a	Net one-off NBN receipts ⁶	(1,613)	(1,536)	Net one-off NBN receipts ⁶	n/a	n/a
Spectrum payments ⁷	n/a	n/a	Spectrum payments ⁷	n/a	n/a	Spectrum payments ⁷	29	435
Guidance Total Income	27,804	26,141	Guidance Underlying EBITDA	8,203	7,409	Guidance Free Cashflow	3,186	3,415

The adjustments set out in the above tables have been reviewed by our auditor for consistency with the guidance basis as set out on this page.

Note:

- From 1 July 2019 we have adopted AASB16: 'Leases' on a prospective basis, i.e. no restatement of the comparative period. As a result, Reported EBITDA and Reported Free Cashflow for FY20 exclude impact of leases classified as operating leases in FY19 where Telstra was a lessee. The operating lease expense recognised in 'other expenses' (part of EBITDA) and the operating lease payments included in cash outflows from operating activities for FY19 have been 'replaced' by depreciation of right-of-use assets (below EBITDA) and payments of lease liabilities in cash outflows from financing activities for FY20 respectively.
- Adjustments relating to acquisition and disposals of controlled entities, joint ventures, associates and other investments and any associated net gains or losses and contingent consideration. During FY20 we disposed of our investment in Chief Entertainment Pty Ltd, Snap Inc and PharmX Pty Ltd, a data centre held by Telstra Singapore Pte Ltd, and executed a warrant we held in Ooyala Inc. We also made additional investments in our interest in the Telstra Ventures Fund II, L.P and Southern Cross Cable Holdings Limited. FY19 included additional investments in our interest in Telstra Ventures Fund II, L.P., the disposal of our investment in Ooyala Inc, Ooyala AB and their controlled entities and Orion Health Group Ltd, deferred consideration we received from our disposal of 1300 Australia Pty Ltd and from the sell down of our interest in the Telstra Ventures Fund II L.P.
- Adjustments relating to the impairment and write downs of IT legacy assets and WIP in FY19 and the impairment of our investment in NXE Australia Pty Ltd (Foxtel) in FY20.
- Given different accounting treatment of leases in FY20 compared to FY19 (refer footnote 1) 'Lease' provides a like-for-like view of our mobile handset leases (Telstra as a lessee) which for management reporting purposes continue to be treated as part of operating performance results. In particular FY20 has been adjusted to include the reported depreciation of mobile handsets right-of-use assets in EBITDA and for illustrative purposes FY19 has been adjusted to exclude proforma operating lease expense of all but mobile handset leases from EBITDA. FY20 Free Cashflow has been adjusted to include total payments (principal and interest) for leases previously accounted for as operating leases, which are reported as financing cashflows in FY20 under AASB16.
- Adjustments for the strategic focus (T22 program) to improve customer experience, simplify structure and cut costs, in addition to our normal business as usual redundancies for the period.
- Adjustments for net one-off nbn receipts which is defined as net nbn one off Definitive Agreement receipts (consisting of PSAA, Infrastructure Ownership and Retraining) less nbn net cost to connect.
- Adjustment relating to the impact on free cashflow associated with our spectrum purchases and renewals for the period including:
 - \$28m for renewal of spectrum licences in the 900 MHz band
 - \$386m for acquisition of spectrum licences in the 3.6GHz band
 - payments for spectrum and apparatus licences in various spectrum bands

n/a Adjustment is not relevant to the respective guidance measure

Results of operations

	Year ended 30 June				Lease adjustments (i)		Reported lease adjusted (i)			
	2020	2019	Change	Change	2020	2019	2020	2019	Change	Change
	\$M	\$M	\$M	%	\$M	\$M	\$M	\$M	\$M	%
Revenue (excluding finance income)	23,710	25,259	(1,549)	(6.1)	-	-	23,710	25,259	(1,549)	(6.1)
Other income (ii)	2,451	2,548	(97)	(3.8)	-	-	2,451	2,548	(97)	(3.8)
Total income (excluding finance income)	26,161	27,807	(1,646)	(5.9)	-	-	26,161	27,807	(1,646)	(5.9)
Labour	4,058	5,279	(1,221)	(23.1)	-	-	4,058	5,279	(1,221)	(23.1)
Goods and services purchased	9,107	9,138	(31)	(0.3)	-	-	9,107	9,138	(31)	(0.3)
Net impairment losses on financial assets	202	184	18	9.8	-	-	202	184	18	9.8
Other expenses	3,584	5,234	(1,650)	(31.5)	494	(450)	4,078	4,784	(706)	(14.8)
Operating expenses	16,951	19,835	(2,884)	(14.5)	494	(450)	17,445	19,385	(1,940)	(10.0)
Share of net (loss)/profit from joint ventures and associated entities	(305)	12	(317)	n/m	-	-	(305)	12	(317)	n/m
	17,256	19,823	(2,567)	(12.9)	494	(450)	17,750	19,373	(1,623)	(8.4)
Earnings before interest, income tax expense, depreciation and amortisation (EBITDA)	8,905	7,984	921	11.5	(494)	450	8,411	8,434	(23)	(0.3)
Depreciation and amortisation	5,338	4,282	1,056	24.7	(494)	450	4,844	4,732	112	2.4
Earnings before interest and income tax expense (EBIT)	3,567	3,702	(135)	(3.6)	-	-	3,567	3,702	(135)	(3.6)
Finance income	274	238	36	15.1	-	-	274	238	36	15.1
Finance costs	1,045	868	177	20.4	-	64	1,045	932	113	12.1
Net finance costs	771	630	141	22.4	-	64	771	694	77	11.1
Profit before income tax expense	2,796	3,072	(276)	(9.0)	-	(64)	2,796	3,008	(212)	(7.0)
Income tax expense	957	923	34	3.7	-	(20)	957	903	54	6.0
Profit for the period	1,839	2,149	(310)	(14.4)	-	(44)	1,839	2,105	(266)	(12.6)
Attributable to:										
Equity holders of Telstra Entity	1,819	2,154	(335)	(15.6)						
Non-controlling interests	20	(5)	25	n/m						
	1,839	2,149	(310)	(14.4)						
Effective tax rate on operations	34.2%	30.0%		4.2 pp						
EBITDA margin on revenue	37.6%	31.6%		6.0 pp						
EBIT margin on revenue	15.0%	14.7%		0.3 pp						
	cents	cents	Change cents	Change %						
Earnings per share (cents per share)										
Basic (iii)	15.3	18.1	(2.8)	(15.5)						
Diluted (iii)	15.3	18.1	(2.8)	(15.5)						

(i) From 1 July 2019 we have adopted AASB 16: 'Leases' on a prospective basis, i.e. no restatement of the comparative period. As a result, Reported FY20 excludes impact of leases classified as operating leases in FY19 where Telstra was a lessee. The operating lease expense recognised in 'other expenses' (part of EBITDA) for FY19 have been 'replaced' by depreciation of right-of-use assets (below EBITDA). Refer to note 1.5.1 to the full-year financial statements for further details regarding AASB 16 adoption impacts.

Given different accounting treatment of leases in FY20 compared to FY19, 'Reported Lease adjusted' provides a like-for-like view of our mobile handset leases (Telstra as a lessee) which for management reporting purposes continue to be treated as part of operating performance results. In particular FY20 has been adjusted to include the reported depreciation of mobile handsets right-of-use assets in EBITDA, and for illustrative purposes FY19 has been adjusted to exclude proforma operating lease expense and implied interest in the capitalised lease liability of all but mobile handset leases from operating expenses, D&A, finance costs and income tax expense.

(ii) Other income includes gains and losses on asset and investment sales (including assets transferred under the nbn Definitive Agreements), income from government grants under the Telstra Universal Service Obligation Performance Agreement, Mobile Blackspot Government program and other individually immaterial contracts, income from nbnTM network disconnection fees, subsidies and other miscellaneous items.

(iii) Basic and diluted earnings per share are impacted by the effect of shares held in trust by Telstra Growthshare Trust (Growthshare) and by the Telstra Employee Share Ownership Plan Trust II (TESOP99).

n/m = not meaningful

Total income

	Year ended 30 June			
	2020 \$M	2019 \$M	Change \$M	Change %
Fixed products				
Retail bundles and standalone data	3,226	3,290	(64)	(1.9)
Retail standalone voice	607	881	(274)	(31.1)
Telstra Plus loyalty	(25)	-	n/m	n/m
Other retail fixed (i)	201	247	(46)	(18.6)
Total retail fixed revenue	4,009	4,418	(409)	(9.3)
Wholesale fixed	582	805	(223)	(27.7)
Total fixed revenue	4,591	5,223	(632)	(12.1)
Mobiles				
Postpaid handheld	5,048	5,294	(246)	(4.6)
Prepaid handheld	773	829	(56)	(6.8)
Mobile broadband	640	673	(33)	(4.9)
Internet of Things (IoT)	209	203	6	3.0
Satellite and other	(8)	15	(23)	(153.3)
Mobile interconnection	257	224	33	14.7
Mobile services revenue - wholesale resale	221	201	20	10.0
Total mobile services revenue	7,140	7,439	(299)	(4.0)
Mobiles hardware	3,002	3,106	(104)	(3.3)
Telstra Plus loyalty	(58)	-	n/m	n/m
Total mobile revenue	10,084	10,545	(461)	(4.4)
Data & IP				
Data access & connectivity	1,151	1,218	(67)	(5.5)
Legacy calling (inc ISDN)	431	618	(187)	(30.3)
Connectivity services	103	114	(11)	(9.6)
Wholesale	367	408	(41)	(10.0)
Total data & IP revenue	2,052	2,358	(306)	(13.0)
Network applications and services				
Managed network services	622	648	(26)	(4.0)
Unified communications	1,067	1,009	58	5.7
Cloud services	434	430	4	0.9
Industry solutions	1,047	1,184	(137)	(11.6)
Integrated services	209	206	3	1.5
Total network applications & services revenue	3,379	3,477	(98)	(2.8)
Media				
Foxtel from Telstra	625	664	(39)	(5.9)
IPTV	52	49	3	6.1
Mobility and other	49	84	(35)	(41.7)
Cable	48	35	13	37.1
Total media revenue	774	832	(58)	(7.0)
Global connectivity revenue	1,706	1,700	6	0.4
Other products and services				
Recurring nbn DA	874	784	90	11.5
Other products (iv)	250	340	(90)	(26.5)
Total other products and services	1,124	1,124	0	0.0
Total external revenue	23,710	25,259	(1,549)	(6.1)
Other income (v)	2,451	2,548	(97)	(3.8)
Total income (excluding finance income)	26,161	27,807	(1,646)	(5.9)

(i) Other retail fixed revenue includes platinum, once off revenue (hardware and professional installation fees), payphones, directory assistance, fixed interconnect.

(ii) IP based Virtual Private Network (IPVPN) includes IPMAN/Ethernet MAN, IPWAN, and nbn.

(iii) Other data and calling products includes wholesale, inbound calling (1300/1800), internet, media solutions, and legacy data (e.g. frame relay).

(iv) Other products and services revenue relates to nbn co accessing our infrastructure and miscellaneous revenue. It also includes revenue from Telstra Health business unit.

(v) Other income includes gains and losses on asset and investment sales (including assets transferred under the nbn Definitive Agreements), income from government grants under the Telstra Universal Service Obligation Performance Agreement, Mobile Blackspot Government program and other individually immaterial contracts, income from nbnTM network disconnection fees, subsidies and other miscellaneous items.

n/m = not meaningful

Total expenses

	Year ended 30 June			
	2020	2019	Change	Change
	\$M	\$M	\$M	%
Salary and associated costs	3,087	3,544	(457)	(12.9)
Other labour expenses	216	263	(47)	(17.9)
Labour substitution	598	830	(232)	(28.0)
Employee redundancy	157	642	(485)	(75.5)
Total labour	4,058	5,279	(1,221)	(23.1)
Cost of goods sold	3,490	3,771	(281)	(7.5)
Network payments	3,155	2,791	364	13.0
Other	2,462	2,576	(114)	(4.4)
Total goods and services purchased	9,107	9,138	(31)	(0.3)
Net impairment losses on financial assets	202	184	18	9.8
Service contracts and other agreements	1,473	1,590	(117)	(7.4)
Impairment losses (excluding net losses on financial assets)	129	608	(479)	(78.8)
Other	1,982	3,036	(1,054)	(34.7)
Total other expenses	3,584	5,234	(1,650)	(31.5)
Total operating expenses	16,951	19,835	(2,884)	(14.5)
Property Plant & Equipment	2,757	2,742	15	0.5
Right of Use assets	1,017	-	n/m	n/m
Depreciation	3,774	2,742	1,032	37.6
Amortisation of intangible assets	1,564	1,540	24	1.6
Total depreciation and amortisation	5,338	4,282	1,056	24.7

Statement of Cash Flows

	Year ended 30 June			
	2020	2019	Change	Change
	\$M	\$M	\$M	%
Cash flows from operating activities				
Receipts from customers (inclusive of goods and services tax (GST))	29,506	30,231	(725)	(2.4)
Payments to suppliers and employees (inclusive of GST)	(21,895)	(22,748)	853	3.7
Government grants received	153	156	(3)	(1.9)
Net cash generated by operations	7,764	7,639	125	1.6
Income taxes paid	(754)	(956)	202	21.1
Net cash provided by operating activities	7,010	6,683	327	4.9
Cash flows from investing activities				
Payments for property, plant and equipment	(2,341)	(3,207)	866	27.0
Payments for intangible assets	(1,101)	(1,163)	62	5.3
Capital expenditure (before investments)	(3,442)	(4,370)	928	21.2
Payments for shares in controlled entities (net of cash acquired)	-	(115)	n/m	n/m
Payments for equity accounted investments	(33)	(21)	(12)	(57.1)
Payments for other investments	(122)	(26)	(96)	n/m
Total capital expenditure (including investments)	(3,597)	(4,532)	935	20.6
Proceeds from sale of property, plant and equipment	276	646	(370)	(57.3)
Proceeds from sale of businesses and shares in controlled entities (net of cash disposed)	58	42	16	38.1
Proceeds from sale of equity accounted and other investments	15	6	9	n/m
Distributions received from equity accounted investments	83	33	50	n/m
Receipts for the principal portion of finance lease receivables	135	104	31	29.8
Government grants received	28	53	(25)	(47.2)
Interest received	26	33	(7)	(21.2)
Net cash used in investing activities	(2,976)	(3,615)	639	17.7
Operating cash flows less investing cash flows	4,034	3,068	966	31.5
Cash flows from financing activities				
Proceeds from borrowings	5,476	4,669	807	17.3
Repayment of borrowings	(6,562)	(4,637)	(1,925)	(41.5)
Payments for the principal portion of lease liabilities	(993)	-	n/m	n/m
Payments for the principal portion of finance lease liabilities	-	(79)	n/m	n/m
Purchase of shares for employee share plans	(22)	-	n/m	n/m
Finance costs paid	(812)	(781)	(31)	(4.0)
Dividends paid to non-controlling interests	(23)	(2)	(21)	n/m
Dividends paid to equity holders of Telstra Entity	(1,903)	(2,259)	356	15.8
Proceeds from the sale of units in a controlled trust	698	-	n/m	n/m
Other	3	1	2	n/m
Net cash used in financing activities	(4,138)	(3,088)	(1,050)	(34.0)
Net increase/(decrease) in cash and cash equivalents	(104)	(20)	(84)	n/m
Cash and cash equivalents at the beginning of the year	604	620	(16)	(2.6)
Effects of exchange rate changes on cash and cash equivalents	(1)	4	(5)	n/m
Cash and cash equivalents at the end of the year	499	604	(105)	(17.4)

n/m = not meaningful

Statement of Financial Position

	30 Jun 20	As at 30 Jun 19	Change	Change
	\$M	\$M	\$M	%
Current assets				
Cash and cash equivalents	499	604	(105)	(17.4)
Trade and other receivables and contract assets	5,121	5,392	(271)	(5.0)
Deferred contract costs	82	95	(13)	(13.7)
Inventories	418	448	(30)	(6.7)
Derivative financial assets	147	179	(32)	(17.9)
Current tax receivables	2	7	(5)	(71.4)
Prepayments	265	457	(192)	(42.0)
Assets classified as held for sale	-	121	n/m	n/m
Total current assets	6,534	7,303	(769)	(10.5)
Non-current assets				
Trade and other receivables and contract assets	1,428	780	648	83.1
Deferred contract costs	1,354	1,232	122	9.9
Inventories	28	35	(7)	(20.0)
Investments - accounted for using the equity method	897	1,298	(401)	(30.9)
Investments - other	21	25	(4)	(16.0)
Property, plant and equipment	21,499	21,836	(337)	(1.5)
Right-of-use assets	3,030	-	n/m	n/m
Intangible assets	7,412	7,706	(294)	(3.8)
Derivative financial assets	2,011	2,083	(72)	(3.5)
Deferred tax assets	66	59	7	11.9
Defined benefit asset	123	232	(109)	(47.0)
Total non-current assets	37,869	35,286	2,583	7.3
Total assets	44,403	42,589	1,814	4.3
Current liabilities				
Trade and other payables	3,980	4,528	(548)	(12.1)
Employee benefits	727	804	(77)	(9.6)
Other provisions	124	103	21	20.4
Lease liabilities	611	-	n/m	n/m
Borrowings	2,763	2,222	541	24.3
Derivative financial liabilities	54	57	(3)	(5.3)
Current tax payables	224	103	121	n/m
Contract liabilities and other revenue received in advance	1,611	1,657	(46)	(2.8)
Liabilities classified as held for sale	-	79	n/m	n/m
Total current liabilities	10,094	9,553	541	5.7
Non-current liabilities				
Other payables	4	68	(64)	(94.1)
Employee benefits	127	158	(31)	(19.6)
Other provisions	143	158	(15)	(9.5)
Lease liabilities	2,687	-	n/m	n/m
Borrowings	13,066	15,031	(1,965)	(13.1)
Derivative financial liabilities	320	283	37	13.1
Deferred tax liabilities	1,605	1,529	76	5.0
Defined benefit liabilities	8	8	0	0.0
Contract liabilities and other revenue received in advance	1,202	1,271	(69)	(5.4)
Total non-current liabilities	19,162	18,506	656	3.5
Total liabilities	29,256	28,059	1,197	4.3
Net assets	15,147	14,530	617	4.2
Equity				
Share capital	4,451	4,447	4	0.1
Reserves	5	(58)	63	108.6
Retained profits	10,017	10,160	(143)	(1.4)
Equity available to Telstra Entity shareholders	14,473	14,549	(76)	(0.5)
Non-controlling interests	674	(19)	693	n/m
Total equity	15,147	14,530	617	4.2
Gross debt	17,343	15,331	2,012	13.1
Net debt	16,844	14,727	2,117	14.4
EBITDA interest cover (times) (i)	11.7	10.5	1.2	11.4
Net debt to EBITDA	1.9	1.8	0.1	5.6
ROA - Return on average assets	8.0%	8.8%		(0.8) pp
ROE - Return on average equity	12.5%	14.8%		(2.3) pp
ROI - Return on average investment	11.0%	12.6%		(1.6) pp
ROIC - Return on invested capital	7.6%	8.8%		(1.2) pp
Gearing ratio (net debt to capitalisation)	52.7%	50.3%		2.4 pp

(i) EBITDA interest cover equals EBITDA to net interest.

n/m = not meaningful

Segment information from operations

	Total income Year ended 30 June			EBITDA contribution Year ended 30 June		
	2020 \$M	2019 \$M	Change %	2020 \$M	2019 \$M	Change %
Telstra Consumer and Small Business	13,326	14,281	(6.7)	4,738	5,645	(16.1)
Telstra Enterprise	7,970	8,243	(3.3)	3,418	3,502	(2.4)
Networks and IT	87	70	24.3	(1,761)	(1,722)	(2.3)
All Other	2,045	2,156	(5.1)	(80)	(1,330)	94.0
Telstra excluding Telstra InfraCo	23,428	24,750	(5.3)	6,315	6,095	3.6
Telstra InfraCo	4,423	4,948	(10.6)	2,833	3,210	(11.7)
Internal access charges	(1,690)	(1,891)	10.6	(737)	(871)	15.4
Total Telstra segments	26,161	27,807	(5.9)	8,411	8,434	(0.3)
Operating lease expenses for all but mobile handset leases				-	(450)	n/m
Depreciation of mobile handsets right-of-use assets				494	-	n/m
Telstra Group EBITDA				8,905	7,984	11.5

n/m = not meaningful

Revenue by business segment

	Year ended 30 June		
	2020 \$M	2019 \$M	Change %
Telstra Consumer and Small Business			
Fixed	3,794	4,144	(8.4)
Mobile services revenue	5,529	5,834	(5.2)
Network applications and services (NAS)	354	311	13.8
Telstra Enterprise Australia			
Mobile services revenue	1,403	1,415	(0.8)
Data & IP	1,555	1,757	(11.5)
Network applications and services (NAS)	2,526	2,565	(1.5)

Product profitability - EBITDA margins %

	Year ended 30 June	
	June 2020	June 2019
Mobile	35%	36%
Retail Fixed	2%	18%
Data & IP	62%	66%
Network applications and services (NAS)	18%	10%
Global Connectivity	27%	21%

Note: Product margins represent management's best estimates and are based on lease adjusted figures

Product profitability - EBITDA (\$M)

	Year ended 30 June	
	June 2020	June 2019
Mobile	3,500	3,752
Retail Fixed	71	798
Data & IP	1,276	1,546
Network applications and services (NAS)	593	360
Global Connectivity	454	364

Note: Product margins represent management's best estimates and are based on lease adjusted figures

Average Revenue per Unit (ARPU) (\$)							
	Half-year ended			Jun 20 vs Jun 19		Jun 20 vs Dec 19	
	Jun 2020	Dec 2019	Jun 2019	Change	Change	Change	Change
	\$	\$	\$	\$	%	\$	%
Fixed retail bundles and standalone data	71.05	72.72	74.05	(3.00)	(4.1)	(1.67)	(2.3)
Fixed retail standalone voice	41.66	44.26	43.48	(1.82)	(4.2)	(2.60)	(5.9)
Postpaid handheld	48.99	51.52	53.60	(4.61)	(8.6)	(2.53)	(4.9)
Prepaid handheld	19.05	19.20	19.38	(0.33)	(1.7)	(0.15)	(0.8)
Mobile broadband	16.58	16.81	14.65	1.93	13.2	(0.23)	(1.4)

Services in operation (000s)							
	Half-year ended			Jun 20 vs Jun 19		Jun 20 vs Dec 19	
	Jun 2020	Dec 2019	Jun 2019	Change	Change	Change	Change
	000s	000s	000s	000s	%	000s	%
Fixed services in operation (SIOs)							
Retail bundles and standalone data (i)	3,786	3,733	3,706	80	2.2	53	1.4
Retail standalone voice	960	1,161	1,412	(452)	(32.0)	(201)	(17.3)
Wholesale basic access (ii)	253	369	502	(249)	(49.6)	(116)	(31.4)
Wholesale data (iii)	186	240	310	(124)	(40.0)	(54)	(22.5)
ISDN access (basic line equivalents)	462	614	736	(274)	(37.2)	(152)	(24.8)
Unconditioned local loop (ULL)	302	521	756	(454)	(60.1)	(219)	(42.0)
Wholesale Line spectrum sharing services (LSS)	63	110	167	(104)	(62.3)	(47)	(42.7)
Mobiles services in operation (SIOs)							
Postpaid handheld retail (iv)	8,484	8,381	8,244	240	2.9	103	1.2
Prepaid handheld retail	3,319	3,426	3,303	16	0.5	(107)	(3.1)
Mobile broadband (data cards)	3,158	3,180	3,627	(469)	(12.9)	(22)	(0.7)
Internet of Things (IoT)	3,784	3,482	3,132	652	20.8	302	8.7
Satellite	30	28	32	(2)	(6.3)	2	7.1
Total retail mobile	18,775	18,497	18,338	437	2.4	278	1.5
Total wholesale mobile	1,550	1,376	1,203	347	28.8	174	12.6
Prepaid handheld retail unique users (v)	2,416	2,380	2,245	171	7.6	36	1.5
Foxtel from Telstra (SIOs)	632	678	730	(98)	(13.4)	(46)	(6.8)

(i) Includes Belong fixed data SIOs.

(ii) Excludes nbn SIOs.

(iii) Includes nbn SIOs.

(iv) Includes Belong mobile SIOs.

(v) Prepaid unique users defined as the three month rolling average of monthly active prepaid users.

Note: Statistical data represents management's best estimates.

Workforce							
	Half-year ended			Jun 20 vs Jun 19		Jun 20 vs Dec 19	
	Jun 2020	Dec 2019	Jun 2019	Change	Change	Change	Change
					%		%
Employee data							
Full time staff equivalents incl. contractor/agency labour	28,959	28,270	29,769	(810)	(2.7)	689	2.4

Note: Statistical data represents management's best estimates.

Telstra Corporation Limited

Half-year comparison - Reported lease adjusted (i)

Year ended 30 June 2020

Summary management reported half-yearly data

(\$ Millions)

Total income

Fixed products

Retail bundles and standalone data

Retail standalone voice

Telstra Plus loyalty

Other retail fixed (ii)

Total retail fixed revenue

Wholesale fixed

Total fixed revenue

Mobiles

Postpaid handheld

Prepaid handheld

Mobile broadband

Internet of Things (IoT)

Satellite and other

Mobile interconnection

Mobile services revenue - wholesale resale

Total mobile services revenue

Mobiles hardware

Telstra Plus loyalty

Total mobile revenue

Data & IP

Data access & connectivity (iii)

Legacy calling (inc ISDN)

Connectivity services (iv)

Wholesale

Total data & IP revenue

Network applications and services revenue

Managed network services

Unified communications

Cloud services

Industry solutions

Integrated services

Total network applications and services revenue

Media

Foxtel from Telstra

IPTV

Mobility and other

Cable

Total media revenue

Global connectivity

Global connectivity - fixed

Global connectivity - data & IP

Global connectivity - other

Total global connectivity revenue

Other products and services

Recurring nbn DA (v)

Other products (v)

Total other products and services revenue

Total external revenue

Other income (vi)

Total income (excluding finance income)

Total expenses

Labour

Goods and services purchased

Net impairment losses on financial assets

Other expenses

Operating expenses

Share of net profit/(loss) from equity accounted entities

Earnings before interest, income tax expense, depreciation and amortisation (EBITDA)

Depreciation and amortisation

Earnings before interest and income tax expense (EBIT)

Net finance costs

Profit before income tax expense

Income tax expense

Profit for the period

	Half 1 Dec-17	Half 2 Jun-18	Full year Jun-18	Half 1 Dec-18	PCP Growth	Half 2 Jun-19	PCP Growth	Full year Jun-19	PCP Growth	Half 1 Dec-19	PCP Growth	Half 2 Jun-20	PCP Growth	Full year Jun-20	PCP Growth
	1,660	1,640	3,300	1,653	(0.4%)	1,637	(0.2%)	3,290	(0.3%)	1,623	(1.8%)	1,603	(2.1%)	3,226	(1.9%)
	633	553	1,186	477	(24.6%)	404	(26.9%)	881	(25.7%)	342	(28.3%)	265	(34.4%)	607	(31.1%)
	-	-	-	-	n/m	-	n/m	-	n/m	(9)	n/m	(16)	n/m	(25)	n/m
	136	133	269	124	(8.8%)	123	(7.5%)	247	(8.2%)	115	(7.3%)	86	(30.1%)	201	(18.6%)
	2,429	2,326	4,755	2,254	(7.2%)	2,164	(7.0%)	4,418	(7.1%)	2,071	(8.1%)	1,938	(10.4%)	4,009	(9.3%)
	528	482	1,010	427	(19.1%)	378	(21.6%)	805	(20.3%)	317	(25.8%)	265	(29.9%)	582	(27.7%)
	2,957	2,808	5,765	2,681	(9.3%)	2,542	(9.5%)	5,223	(9.4%)	2,388	(10.9%)	2,203	(13.3%)	4,591	(12.1%)
	2,609	2,624	5,233	2,665	2.1%	2,629	0.2%	5,294	1.2%	2,569	(3.6%)	2,479	(5.7%)	5,048	(4.6%)
	493	465	958	448	(9.1%)	381	(18.1%)	829	(13.5%)	388	(13.4%)	385	1.0%	773	(6.8%)
	416	367	783	350	(15.9%)	323	(12.0%)	673	(14.0%)	325	(7.1%)	315	(2.5%)	640	(4.9%)
	73	97	170	99	35.6%	104	7.2%	203	19.4%	102	3.0%	107	2.9%	209	3.0%
	6	6	12	7	16.7%	8	33.3%	15	25.0%	8	14.3%	(16)	n/m	(8)	(153.3%)
	106	106	212	112	5.7%	112	5.7%	224	5.7%	120	7.1%	137	22.3%	257	14.7%
	90	99	189	99	10.0%	102	3.0%	201	6.3%	104	5.1%	117	14.7%	221	10.0%
	3,793	3,764	7,557	3,780	(0.3%)	3,659	(2.8%)	7,439	(1.6%)	3,616	(4.3%)	3,524	(3.7%)	7,140	(4.0%)
	1,376	1,447	2,823	1,511	9.8%	1,595	10.2%	3,106	10.0%	1,713	13.4%	1,289	(19.2%)	3,002	(3.3%)
	-	-	-	-	n/m	-	n/m	-	n/m	(21)	n/m	(37)	n/m	(58)	n/m
	5,169	5,211	10,380	5,291	2.4%	5,254	0.8%	10,545	1.6%	5,308	0.3%	4,776	(9.1%)	10,084	(4.4%)
	650	634	1,284	627	(3.5%)	591	(6.8%)	1,218	(5.1%)	585	(6.7%)	566	(4.2%)	1,151	(5.5%)
	381	352	733	326	(14.4%)	292	(17.0%)	618	(15.7%)	237	(27.3%)	194	(33.6%)	431	(30.3%)
	61	59	120	60	(1.6%)	54	(8.5%)	114	(5.0%)	54	(10.0%)	49	(9.3%)	103	(9.6%)
	206	213	419	204	(1.0%)	204	(4.2%)	408	(2.6%)	188	(7.8%)	179	(12.3%)	367	(10.0%)
	1,298	1,258	2,556	1,217	(6.2%)	1,141	(9.3%)	2,358	(7.7%)	1,064	(12.6%)	988	(13.4%)	2,052	(13.0%)
	306	369	675	291	(4.9%)	357	(3.3%)	648	(4.0%)	271	(6.9%)	351	(1.7%)	622	(4.0%)
	403	482	885	442	9.7%	567	17.6%	1,009	14.0%	501	13.3%	566	(0.2%)	1,067	5.7%
	180	248	428	202	12.2%	228	(8.1%)	430	0.5%	217	7.4%	217	(4.8%)	434	0.9%
	681	693	1,374	573	(15.9%)	611	(11.8%)	1,184	(13.8%)	508	(11.3%)	539	(11.8%)	1,047	(11.6%)
	94	171	265	88	(6.4%)	118	(31.0%)	206	(22.3%)	83	(5.7%)	126	6.8%	209	1.5%
	1,664	1,963	3,627	1,596	(4.1%)	1,881	(4.2%)	3,477	(4.1%)	1,580	(1.0%)	1,799	(4.4%)	3,379	(2.8%)
	357	345	702	340	(4.8%)	324	(6.1%)	664	(5.4%)	323	(5.0%)	302	(6.8%)	625	(5.9%)
	31	31	62	26	(16.1%)	23	(25.8%)	49	(21.0%)	26	0.0%	26	13.0%	52	6.1%
	50	45	95	45	(10.0%)	39	(13.3%)	84	(11.6%)	33	(26.7%)	16	(59.0%)	49	(41.7%)
	30	30	60	30	0.0%	5	(83.3%)	35	(41.7%)	24	(20.0%)	24	n/m	48	37.1%
	468	451	919	441	(5.8%)	391	(13.3%)	832	(9.5%)	406	(7.9%)	368	(5.9%)	774	(7.0%)
	151	167	318	144	(4.6%)	202	21.0%	346	8.8%	140	(2.8%)	139	(31.2%)	279	(19.4%)
	452	471	923	491	8.6%	512	8.7%	1,003	8.7%	532	8.4%	543	6.1%	1,075	7.2%
	161	167	328	166	3.1%	185	10.8%	351	7.0%	170	2.4%	182	(1.6%)	352	0.3%
	764	805	1,569	801	4.8%	899	11.7%	1,700	8.3%	842	5.1%	864	(3.9%)	1,706	0.4%
	304	338	642	374	23.0%	410	21.3%	784	22.1%	432	15.5%	442	7.8%	874	11.5%
	185	205	390	185	0.0%	155	(24.4%)	340	(12.8%)	144	(22.2%)	106	(31.6%)	250	(26.5%)
	489	543	1,032	559	14.3%	565	4.1%	1,124	8.9%	576	3.0%	548	(3.0%)	1,124	0.0%
	12,809	13,039	25,848	12,586	(1.7%)	12,673	(2.8%)	25,259	(2.3%)	12,164	(3.4%)	11,546	(8.9%)	23,710	(6.1%)
	1,582	1,411	2,993	1,212	(23.4%)	1,336	(5.3%)	2,548	(14.9%)	1,249	3.1%	1,202	(10.0%)	2,451	(3.8%)
	14,391	14,450	28,841	13,798	(4.1%)	14,009	(3.1%)	27,807	(3.6%)	13,413	(2.8%)	12,748	(9.0%)	26,161	(5.9%)
	2,699	2,508	5,207	2,722	0.9%	2,557	2.0%	5,279	1.4%	2,170	(20.3%)	1,888	(26.2%)	4,058	(23.1%)
	3,989	4,349	8,338	4,382	9.9%	4,756	9.4%	9,138	9.6%	4,622	5.5%	4,485	(5.7%)	9,107	(0.3%)
	103	87	190	88	(14.6%)	96	10.3%	184	(3.2%)	80	(9.1%)	122	27.1%	202	9.8%
	2,473	2,414	4,887	2,124	(14.1%)	2,660	10.2%	4,784	(2.1%)	2,060	(3.0%)	2,018	(24.1%)	4,078	(14.8%)
	9,264	9,358	18,622	9,316	0.6%	10,069	7.6%	19,385	4.1%	8,932	(4.1%)	8,513	(15.5%)	17,445	(10.0%)
	(31)	9	(22)	1	103.2%	11	22.2%	12	154.5%	(2)	n/m	(303)	n/m	(305)	n/m
	5,096	5,101	10,197	4,483	(12.0%)	3,951	(22.5%)	8,434	(17.3%)	4,479	(0.1%)	3,932	(0.5%)	8,411	(0.3%)
	2,219	2,251	4,470	2,366	6.6%	2,366	5.1%	4,732	5.9%	2,428	2.6%	2,416	2.1%	4,844	2.4%
	2,877	2,850	5,727	2,117	(26.4%)	1,585	(44.4%)	3,702	(35.4%)	2,051	(3.1%)	1,516	(4.4%)	3,567	(3.6%)
	296	292	588	352	18.9%	342	17.1%	694	18.0%	375	6.5%	396	15.8%	771	11.1%
	2,581	2,558	5,139	1,765	(31.6%)	1,243	(51.4%)	3,008	(41.5%)	1,676	(5.0%)	1,120	(9.9%)	2,796	(7.0%)
	889	693	1,582	559	(37.1%)	344	(50.4%)	903	(42.9%)	526	(5.9%)	431	25.3%	957	6.0%
	1,692	1,865	3,557	1,206	(28.7%)	899	(51.8%)	2,105	(40.8%)	1,150	(4.6%)	689	(23.4%)	1,839	(12.6%)

(i) From 1 July 2019 we have adopted AASB 16: 'Leases' on a prospective basis, i.e. no restatement of the comparative period. As a result, Reported FY20 excludes impact of leases

classified as operating leases in FY19 where Telstra was a lessee. The operating lease expense recognised in 'other expenses' (part of EBITDA) for FY19 have been 'replaced' by

depreciation of right-of-use assets (below EBITDA). Refer to note 1.5.1 to the full-year financial statements for further details regarding AASB 16 adoption impacts.

Given different accounting treatment of leases in FY20 compared to FY19, 'Reported Lease adjusted' provides a like-for-like view of our mobile handset leases (Telstra as

a lessee) which for management reporting purposes continue to be treated as part of operating performance results. In particular FY20 has been adjusted to include the reported

depreciation of mobile handsets right-of-use assets in EBITDA, and for illustrative purposes FY19 has been adjusted to exclude proforma operating lease expense and implied interest

in the capitalised lease liability of all but mobile handset leases from operating expenses, D&A, finance costs and income tax expense. FY18 has not been adjusted.

(ii) Other retail fixed revenue includes platinum, once off revenue (hardware and professional installation fees), payphones, directory assistance, fixed interconnect.

(iii) Data access & connectivity revenue includes private networks and internet connections on Telstra Fibre, nbn, legacy copper and other fixed technologies, optical and legacy data.

(iv) Connectivity revenue includes professional media solutions, security solutions and Telstra Programmable Network.

(v) Other products and services revenue relates to nbn co accessing our infrastructure and miscellaneous revenue. It also includes revenue from Telstra Health business unit.

(vi) Other income includes gains and losses on asset and investment sales (including assets transferred under the nbn Definitive Agreements), income from government.

grants under the Telstra Universal Service Obligation Performance Agreement, Mobile Blackspot Government program and other individually immaterial contracts, income from nbnTM.

network disconnection fees, subsidies and other miscellaneous items.

n/m = not meaningful

Telstra Corporation Limited

Half-year comparison

Year ended 30 June 2020

Summary reported half-yearly data

Selected statistical data

Fixed

Retail bundles and standalone data SIOs (thousands) (i)	3,532	1.8%	3,599	2.5%	3,599	2.5%	3,663	3.7%	3,706	3.0%	3,706	3.0%	3,733	1.9%	3,786	2.2%	3,786	2.2%
Retail standalone voice SIOs (thousands)	2,230	(20.4%)	1,954	(22.6%)	1,954	(22.6%)	1,685	(24.4%)	1,412	(27.7%)	1,412	(27.7%)	1,161	(31.1%)	960	(32.0%)	960	(32.0%)
Wholesale basic access lines in service (thousands) (ii)	955	(23.7%)	805	(28.4%)	805	(28.4%)	662	(30.7%)	502	(37.6%)	502	(37.6%)	369	(44.3%)	253	(49.6%)	253	(49.6%)
Wholesale data SIOs (thousands) (iii)	579	(26.3%)	486	(29.8%)	486	(29.8%)	400	(30.9%)	310	(36.2%)	310	(36.2%)	240	(40.0%)	186	(40.0%)	186	(40.0%)
Unconditioned local loop (ULL) SIOs (thousands)	1,234	(17.5%)	1,118	(19.6%)	1,118	(19.6%)	987	(20.0%)	756	(32.4%)	756	(32.4%)	521	(47.2%)	302	(60.1%)	302	(60.1%)
Wholesale line spectrum site sharing (LSS) SIOs (thousands)	326	(25.4%)	277	(27.9%)	277	(27.9%)	229	(29.8%)	167	(39.7%)	167	(39.7%)	110	(52.0%)	63	(62.3%)	63	(62.3%)
Average retail bundle and standalone data revenue per user per month (\$)	78.56	n/m	76.69	n/m	77.37	n/m	75.90	(3.4%)	74.05	(3.4%)	75.07	(3.0%)	72.72	(4.2%)	71.05	(4.1%)	71.75	(4.4%)
Average retail standalone fixed voice revenue per user per month (\$)	44.40	n/m	44.07	n/m	44.16	n/m	43.70	(1.6%)	43.48	(1.3%)	43.62	(1.2%)	44.26	1.3%	41.66	(4.2%)	42.64	(2.2%)
Belong fixed data SIOs (thousands)	180	46.3%	203	31.0%	203	31.0%	225	25.0%	254	25.1%	254	25.1%	298	32.4%	333	31.1%	333	31.1%

nbnTM premise connections

Bundle connections (thousands)	1,304	105.0%	1,573	65.2%	1,573	65.2%	1,844	41.4%	2,149	36.6%	2,149	36.6%	2,452	33.0%	2,710	26.1%	2,710	26.1%
Belong (thousands)	92	76.9%	110	48.6%	110	48.6%	132	43.5%	176	60.0%	176	60.0%	240	81.8%	298	69.3%	298	69.3%
Voice only connections (thousands)	234	120.8%	263	73.5%	263	73.5%	278	18.8%	280	6.5%	280	6.5%	272	(2.2%)	216	(22.9%)	216	(22.9%)
Total nbnTM premise connections	1,630	105.3%	1,946	65.5%	1,946	65.5%	2,254	38.3%	2,605	33.9%	2,605	33.9%	2,964	31.5%	3,225	23.8%	3,225	23.8%

Data & IP

ISDN access SIOs (thousands)	173	(10.4%)	164	(11.4%)	164	(11.4%)	148	(14.5%)	122	(25.6%)	122	(25.6%)	105	(29.1%)	62	(49.2%)	62	(49.2%)
Connectivity SIOs (thousands) (iv)	-	n/m	-	n/m	-	n/m	130	n/m	128	n/m	128	n/m	127	(2.3%)	125	(2.3%)	125	(2.3%)

Mobiles

Total retail mobile SIOs (thousands)	17,609	1.1%	17,716	2.0%	17,716	2.0%	17,956	2.0%	18,338	3.5%	18,338	3.5%	18,497	3.0%	18,775	2.4%	18,775	2.4%
Postpaid handheld mobile SIOs (thousands)	7,692	2.8%	7,866	4.0%	7,866	4.0%	8,105	5.4%	8,244	4.8%	8,244	4.8%	8,381	3.4%	8,484	2.9%	8,484	2.9%
Belong postpaid handheld mobile SIOs (thousands) (v)	21	n/m	67	n/m	67	n/m	182	n/m	248	n/m	248	n/m	339	86.3%	402	62.1%	402	62.1%
Mobile broadband (data cards) SIOs (thousands)	3,964	(0.3%)	3,893	(0.9%)	3,893	(0.9%)	3,723	(6.1%)	3,627	(6.8%)	3,627	(6.8%)	3,180	(14.6%)	3,158	(12.9%)	3,158	(12.9%)
Prepaid mobile handheld unique users (thousands) (vi)	2,432	(7.0%)	2,294	(8.2%)	2,294	(8.2%)	2,234	(8.1%)	2,245	(2.1%)	2,245	(2.1%)	2,380	6.5%	2,416	7.6%	2,416	7.6%
Internet of Things (IoT) SIOs (thousands)	2,346	14.3%	2,571	17.5%	2,571	17.5%	2,832	20.7%	3,132	21.8%	3,132	21.8%	3,482	23.0%	3,784	20.8%	3,784	20.8%
Satellite SIOs (thousands)	32	3.2%	32	0.0%	32	0.0%	32	0.0%	32	0.0%	32	0.0%	28	(12.5%)	30	(6.3%)	30	(6.3%)
Total wholesale mobile SIOs (thousands)	862	35.3%	973	30.8%	973	30.8%	1,098	27.4%	1,203	23.6%	1,203	23.6%	1,376	25.3%	1,550	28.8%	1,550	28.8%
Average postpaid handheld revenue per user per month (\$)	57.00	n/m	56.22	n/m	56.53	n/m	55.62	(2.4%)	53.60	(4.7%)	54.77	(3.1%)	51.52	(7.4%)	48.99	(8.6%)	50.29	(8.2%)
Average prepaid handheld revenue per user per month (\$)	22.70	n/m	22.36	n/m	22.75	n/m	22.54	(0.7%)	19.38	(13.3%)	20.76	(8.7%)	19.20	(14.8%)	19.05	(1.7%)	19.46	(6.3%)
Average mobile broadband revenue per user per month (\$)	17.58	n/m	15.58	n/m	16.69	n/m	15.32	(12.9%)	14.65	(6.0%)	14.92	(10.6%)	16.81	9.7%	16.58	13.2%	16.62	11.4%

Premium pay TV

Foxtel from Telstra (thousands)	799	6.8%	790	(2.2%)	790	(2.2%)	772	(3.4%)	730	(7.6%)	730	(7.6%)	678	(12.2%)	632	(13.4%)	632	(13.4%)
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Labour

Telstra FTEs incl contractor/agency	34,115	(6.4%)	34,624	(1.7%)	34,624	(1.7%)	31,419	(7.9%)	29,769	(14.0%)	29,769	(14.0%)	28,270	(10.0%)	28,959	(2.7%)	28,959	(2.7%)
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(i) Includes Belong fixed data SIOs.

(ii) Excludes nbn SIOs.

(iii) Includes nbn SIOs.

(iv) Data & IP Connectivity SIOs includes IPVPN and Internet SIOs on Telstra Fibre, NBN and legacy copper.

(v) Belong mobile SIOs are included in postpaid handheld mobile SIOs.

(vi) Prepaid unique users defined as the three month rolling average of monthly active prepaid users.

n/m = not meaningful