

27 August 2004

Office of the Company Secretary

The Manager

Company Announcements Office
Australian Stock Exchange
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Level 41
242 Exhibition Street
MELBOURNE VIC 3000
AUSTRALIA

Telephone 03 9634 6400
Facsimile 03 9632 3215

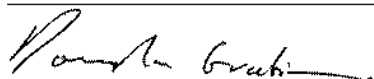
ELECTRONIC LODGEMENT

Dear Sir or Madam

Mr David Moffatt's presentation to the Citigroup Smith Barney Wireless Conference

In accordance with the listing rules, attached is a copy of a presentation pack for release to the market.

Yours sincerely

A handwritten signature in black ink, appearing to read "Douglas Gration", written over a horizontal line.

Douglas Gration
Company Secretary

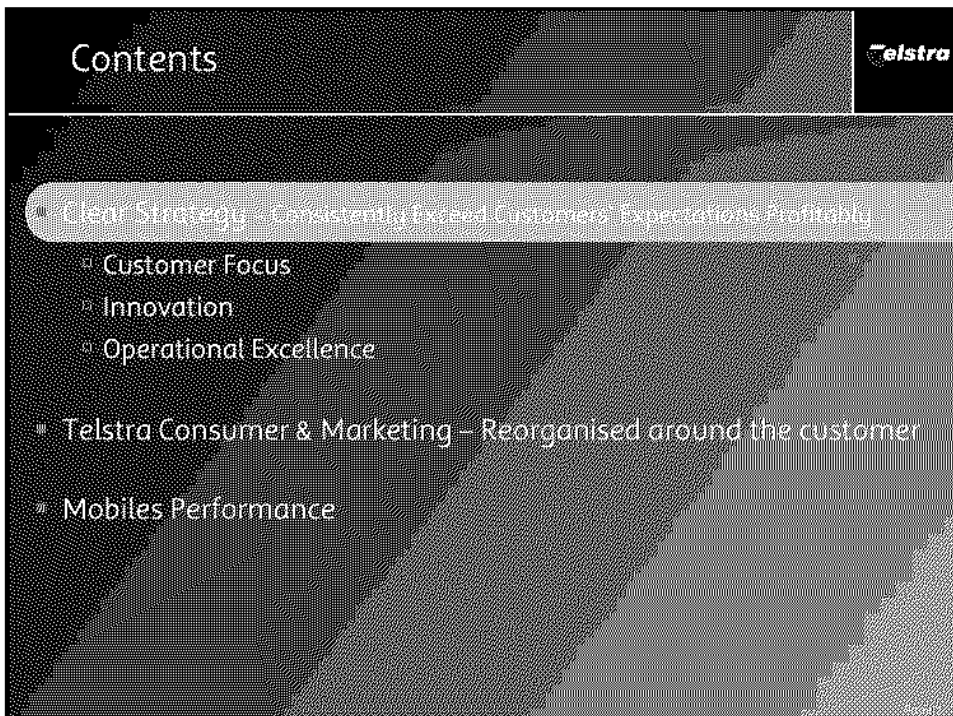


Flexible
Clear Strategy
Customer Focused

Telstra Mobiles

David Moffatt
Group Managing Director
Telstra Consumer & Marketing

telstra



Contents

telstra

- Clear Strategy – Consistently Exceed Customers' Expectations Profitably
 - Customer Focus
 - Innovation
 - Operational Excellence
- Telstra Consumer & Marketing – Reorganised around the customer
- Mobiles Performance

Recent Comments made about Telstra & Mobiles



Strengths:

- Strong brand
- Extensive distribution capability
- High quality SIO base with low churn

Opportunities to improve:

- Slow to react to competitive threats
- Perceptions of poor value
- Behind in pre-paid
- Lack of focus in the Youth market
- Unclear data strategy

We are addressing all the issues

Clear Strategy



Total Customer Focus

- Value every customer
- Maximise profitable growth and revenue market share

Innovation

- Deliver innovative products and services that customers want

Operational Excellence

- Drive operational effectiveness
- Strengthen Telstra's brand positioning and reputation

Consistently exceed customers' expectations profitably

Renewed customer focus:

- Youth
 - Eg: New student SMS offers
- Consumer
 - Eg: New bundled offers
- Small Business
 - Eg: New capped calling plans



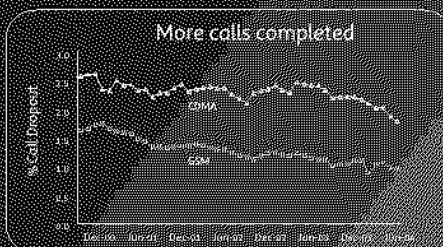
Compelling Offers =

Satisfied customers =

Satisfied shareholders

From Product-push to customer-pull

- Investment in:
 - Customer Service
 - FOH & In Store
 - Coverage
 - Retail & Distribution



- Premium quality of service and greater reach of network

Improved service

Satisfied customers =

Delivering a better customer experience

Local contacts in the community

- Area General Managers:
 - High local visibility
 - Broad product and service experience



Someone to turn to

2003-2004 Telstra Community Award Winner



At Telstra, we're committed to being a good neighbour. We're proud to be part of the community and to support the people who live and work around us. We're committed to being a good neighbour and to supporting the people who live and work around us.

Listening More =
Satisfied customers =
Satisfied shareholders

Just say 'lemon help'



Listening to our community

Opportunity to grow
share of wallet

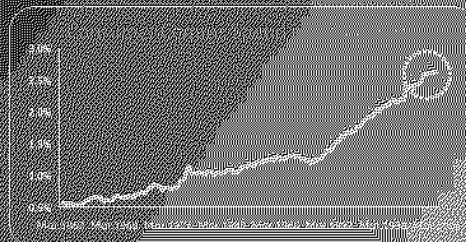
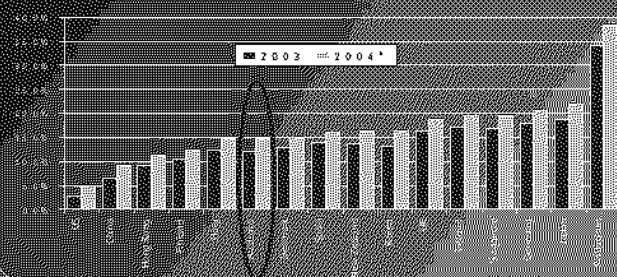
Our strategy:

- Greater customer relevance
- Broader content
- More delivery platforms

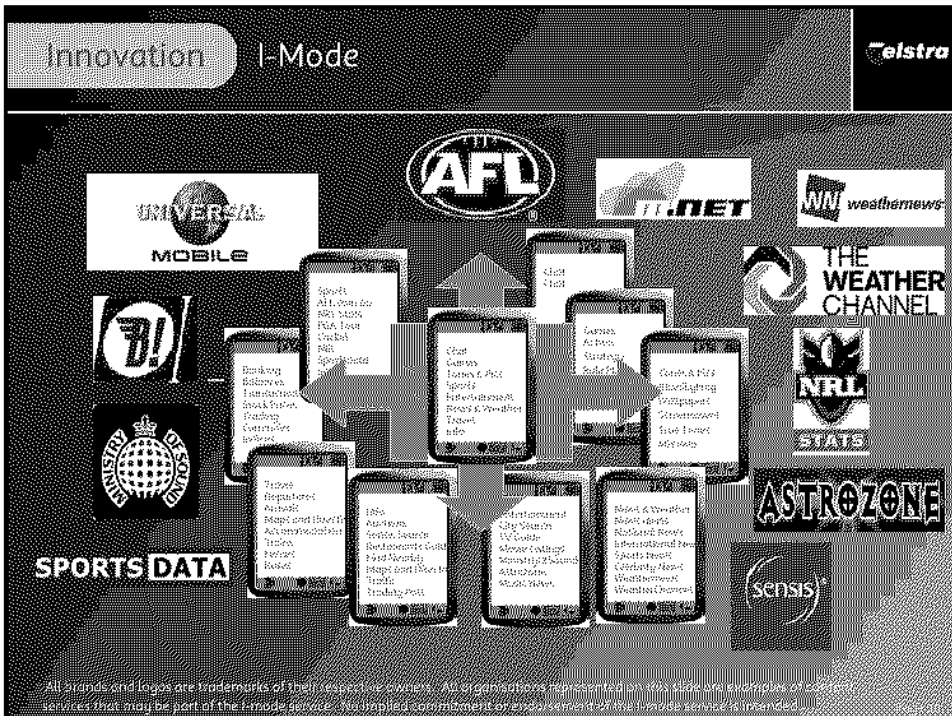
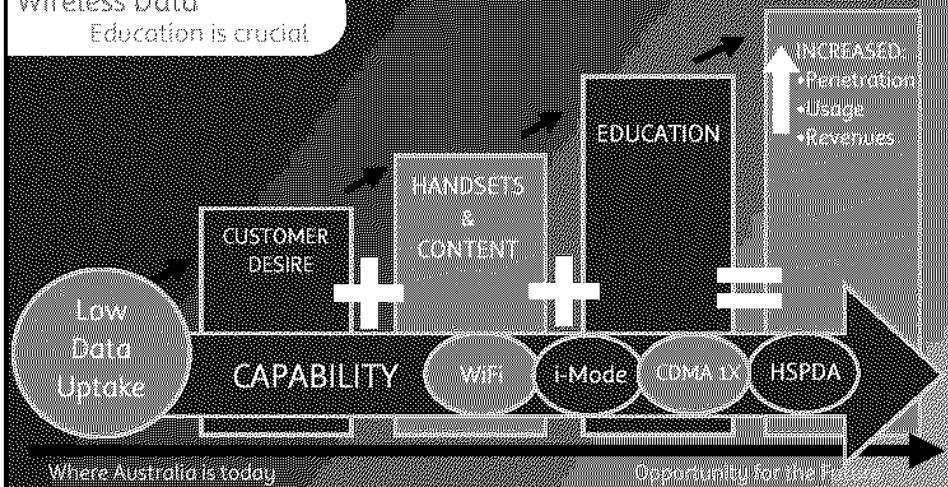
Opportunity to grow

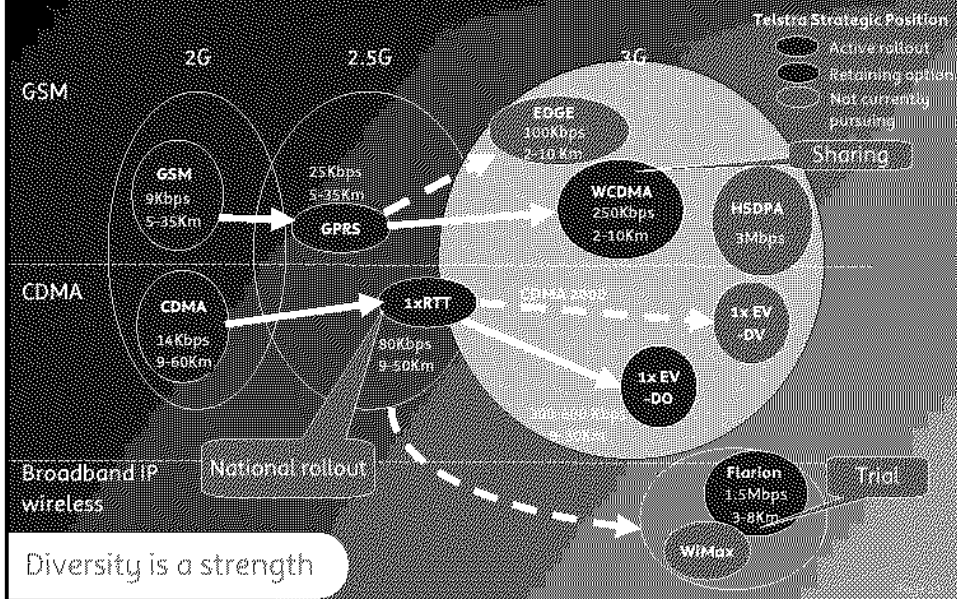
Data as a proportion of revenue

Source: BROADBAND CENTRE FOR INNOVATION



Wireless Data
Education is crucial





Sales Excellence:

- Repeatable sales processes
- Aligning staff remuneration
- More coaching and training time

Channels:

- New Remuneration Framework
- More sales support
- Supply chain management



Within five days of competitive announcements in Queensland:



Monday & Tuesday

- Developed compelling pre-paid offers

Wednesday & Thursday

- Briefed 39 stores & over 500 POP's

Friday

- Sent targeted retention messages to Queensland customers
- Advertising in press and on TV
- In-store point of sale material sent
- Commenced local area marketing

Speed to Market

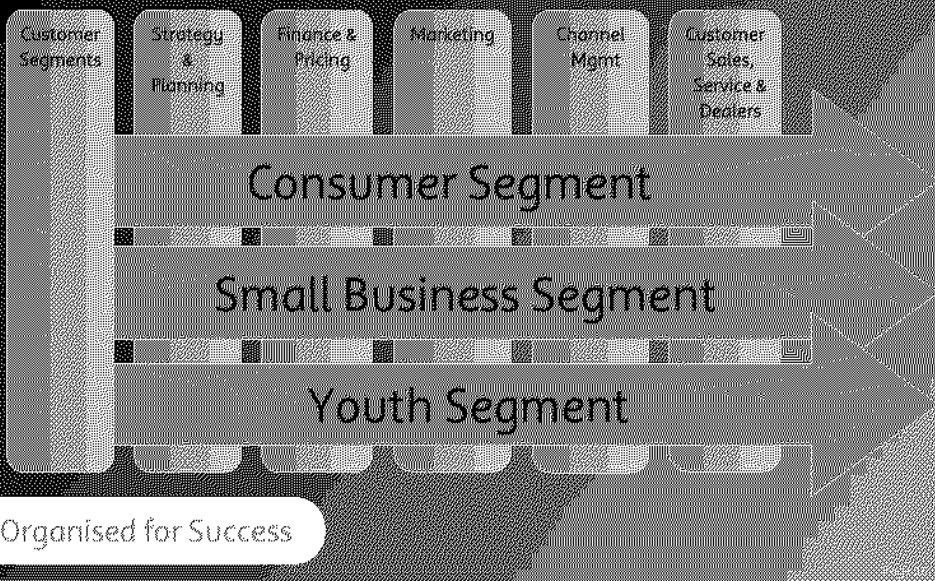
Campaign executed successfully

Contents

- Clear Strategy
 - Customer Focus
 - Innovation
 - Operational Excellence
- Telstra Consumer & Marketing – Reorganised around the customer
- Mobiles Performance

Customer Segmented Operating Model

Telstra



Consumer

Listening to Customers

Telstra

- Let me communicate anytime, anywhere & on any device
- Tell me when and why I should use new technology



- Show me value and that I am important
- Reward me with real money-savers

Relevant Segmented Offers

- Don't ever put my business at risk
- Know me & fix my problems quickly



- Help me manage my business costs
- I need a reliable partner that is easy to deal with

Relevant Segmented Offers

- Help me keep in touch with my mates
- I only want to be with a provider I can trust
- Help me find the best deal for my mobile



Relevant Segmented Offers

- Our business needs to be more cost efficient and productive
- We need help to make sure access to our corporate information is secure



Relevant Segmented Offers

- We need wide availability and affordable pricing for PDA's and "smart phones"
- Our employees expect to have a suitable mobile device to do their job

Contents

- Clear Strategy
 - Customer Focus
 - Innovation
 - Operational Excellence
- Telstra Consumer & Marketing – Reorganised around the customer
- Mobiles Performance

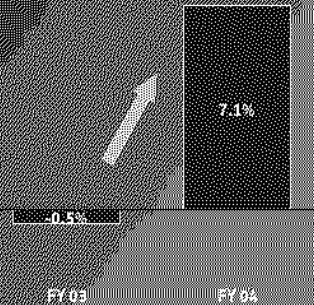
Services Growth



Turnaround driven by:

- Clear strategy
- Aligned organisation
- Greater customer focus
- Relevant new offers
- Reinvigorated Channels

YoY mobile services revenue growth

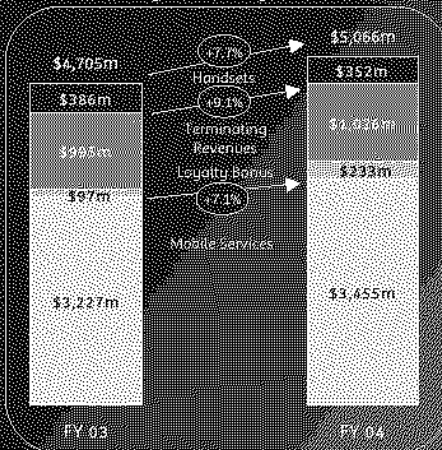


Fighting Back

Revenue Growth



Including Terminating Revenues



SIO and data growth driving revenues

- Strong growth in CDMA
- Increased Prepaid focus
- Managing margins

Solid performance in increasingly competitive market

Subscriber Base Growing



Prepaid

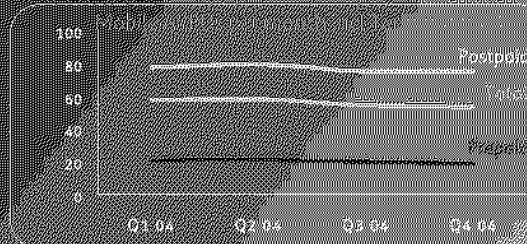
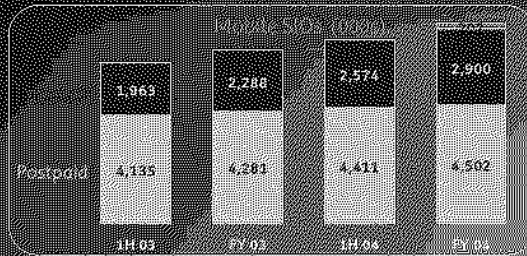
- Gross activations +50%
- New recharge policy

Postpaid

- CDMA growth
- Improving market share
- Q4 steady ARPUs

Data

- Mobile Data ARPU +18%



Good Q4 performance

Mobiles Data Continues to grow

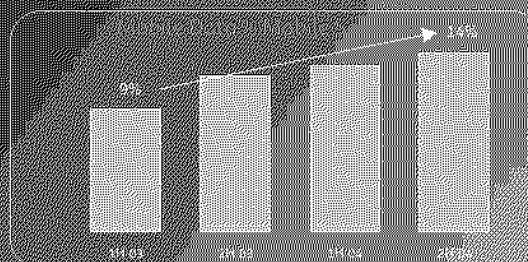
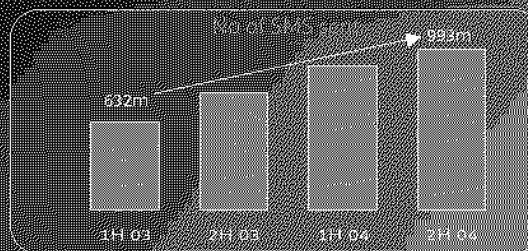


■ SMS volumes continue to grow due to:

- Increased penetration
- SMS Competitions
- Events
- Australian Idol

■ Gaining traction in non SMS Data

- e.g. WAP browsing, ring tones, Blackberrys,



Further opportunities

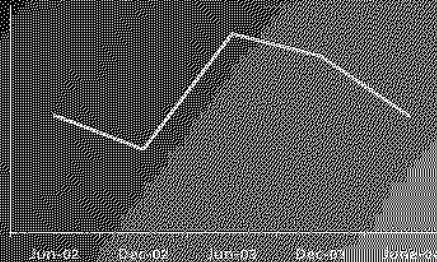
Acquisition Costs



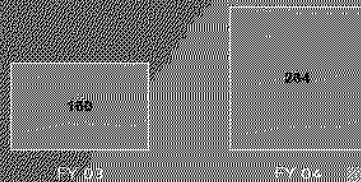
- Improving cost per contact
- Half on Half costs mix dependent
- While subsidy amortisation to grow in 05, focus is on cash margin

Focus on whole of business profitability

Postpaid Subscriber acquisition costs



Outpost subsidy cost



Summary



Customer Focussed Strategy

Relevant targeted offers

Organised for Success

Share of wallet opportunity

Clear Data Strategy

Improving Customer Service

Consistently exceed customers' expectations profitably



Flexible
Clear Strategy
Customer Focused

Telstra Mobiles

 telstra