01 October 2004

The Manager

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ELECTRONIC LODGEMENT

Dear Sir or Madam

2004 International Roadshow presentation - Merrill Lynch conference New York

This presentation is provided for information only and does not contain price sensitive information not previously released to the market.

Yours sincerely

Douglas Gration
Company Secretary

Telstra

Telstra Corporation Limited

2004 International Investor Roadshow

"A Progressive Incumbent Telco"

Ziggy Switkowski

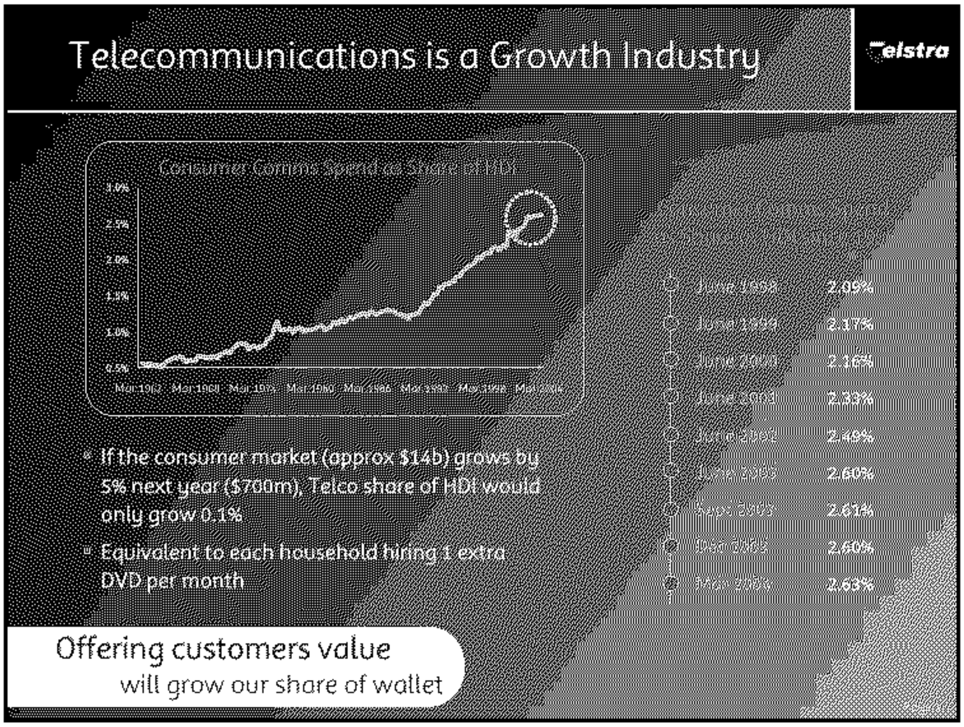
Chief Executive Officer

Highlights of 2003/04

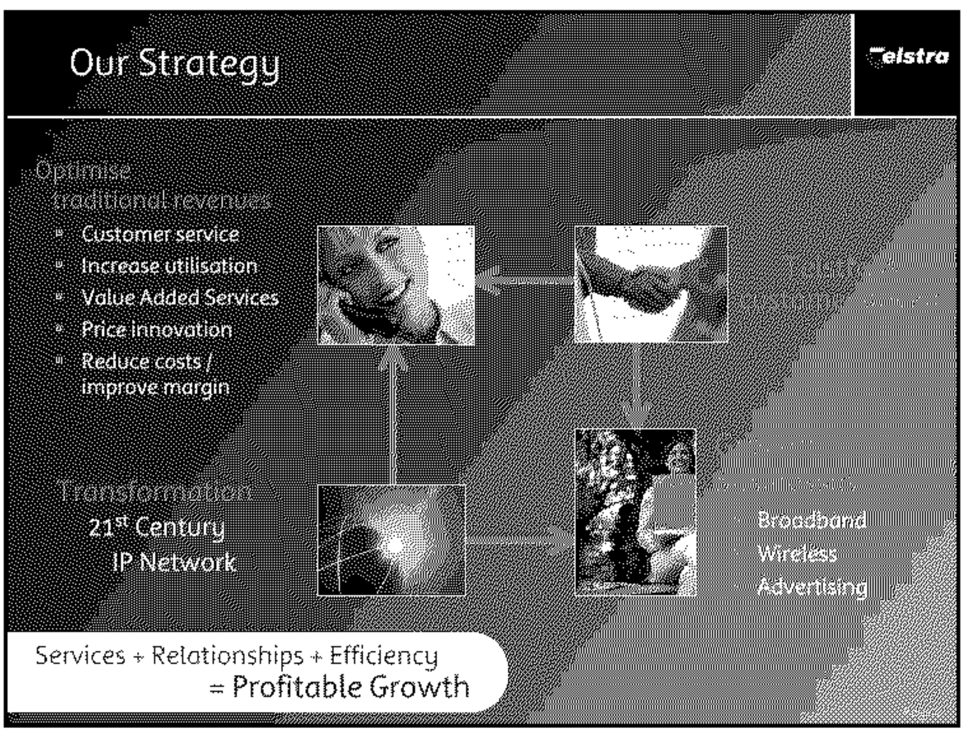
Telstra

Record Profit & Strong Free Cashflow	- NPAT $4.1b (+2%) - FCF (excluding asset sales / acquisitions) $4.8b (+20%)
Capital Management Initiatives	- New financial parameters - Increased Ordinary Dividend (13cps final, +8.3%) - 3 year $1.5b p.a. program announced
Improved Domestic Revenue Growth	- Stronger 2nd Half momentum +3%
Recent Acquisitions on Track	- Trading Post integration proceeding smoothly - KAZ Group performing to expectations - Damovo and PSINet acquisitions recently announced
REACH financial re-structure	- REACH on a stronger footing going forward

Telstra's
fundamentals are strong



Telecommunications is a Growth Industry
Telstra
3.0%
2.5%
2.0%
1.5%
1.0%
0.5%
June 1998 2.09%
June 1999 2.17%
2.16%
2.33%
2.49%
2.60%
2.61%
2.60%
2.63%
If the consumer market (approx $14b) grows by 5% next year ($700m), Telco share of HDI would only grow 0.1%
Equivalent to each household hiring 1 extra DVD per month
Offering customers value
will grow our share of wallet



Our Strategy
Telstra
Optimise
traditional revenues
Customer service
Increase utilisation
Value Added Services
Price innovation
Reduce costs /
improve margin
Transformation
21st Century
IP Network
Broadband
Wireless
Advertising
Services + Relationships + Efficiency
= Profitable Growth

A *Progressive* Incumbent Telco

Telstra

So far in 2004:

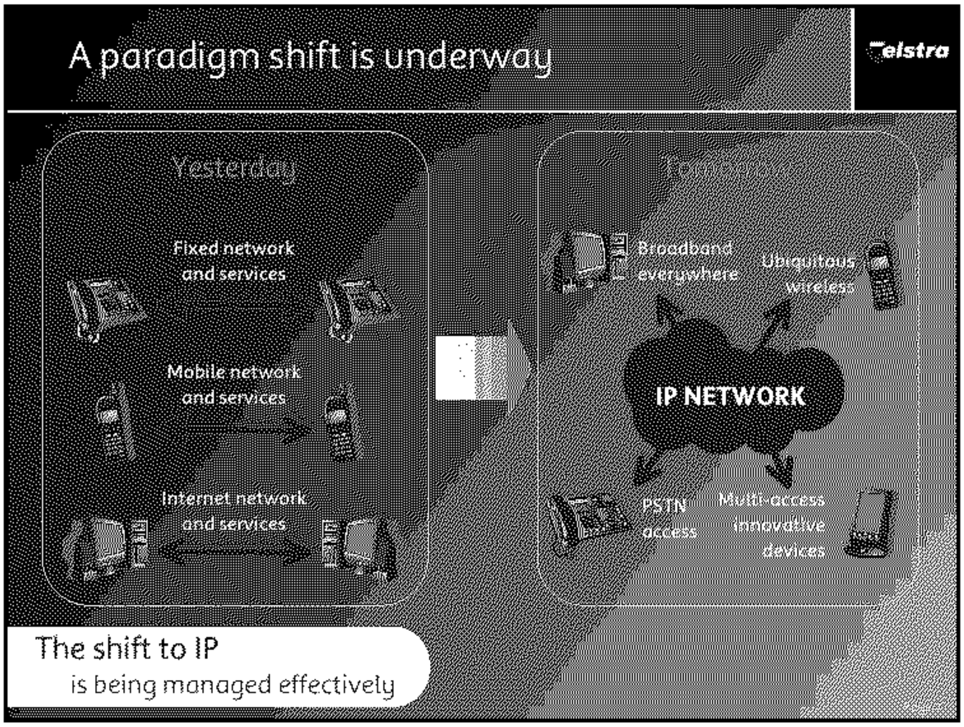
- Broadband Penetration – Telstra is forging ahead
- Sensis – Telstra directories evolving into advertising
- 3G Infrastructure sharing – Telstra is leading the industry
- Managed services – Telstra is adding value through KAZ acquisition
- VoIP deployment – Telstra leads the Australian market

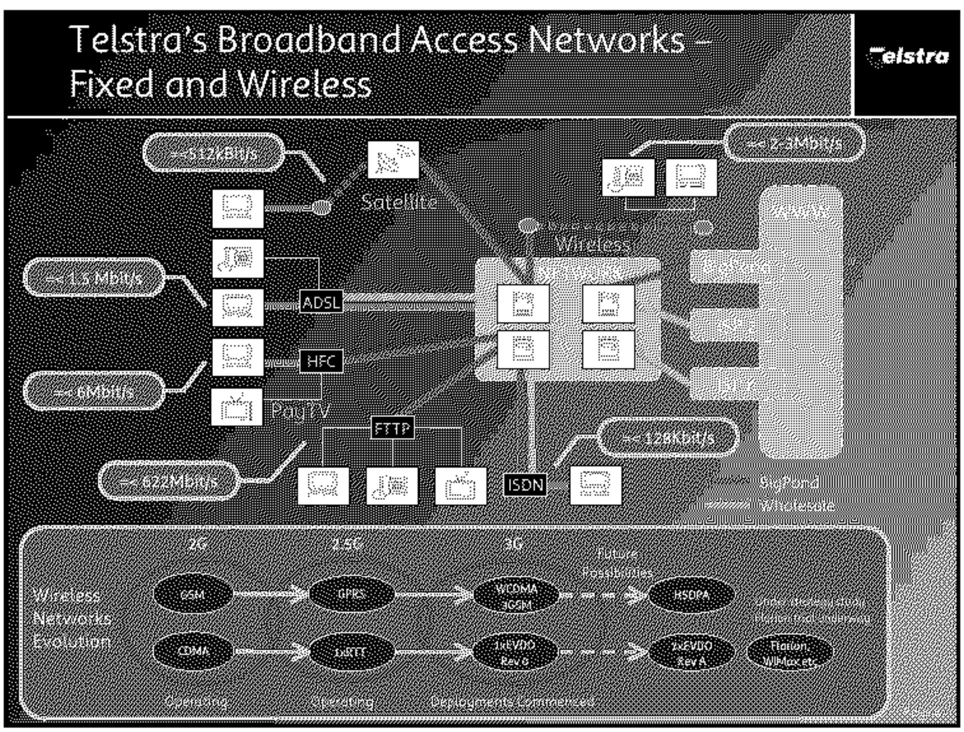
Telstra is pro-active,
not reactive

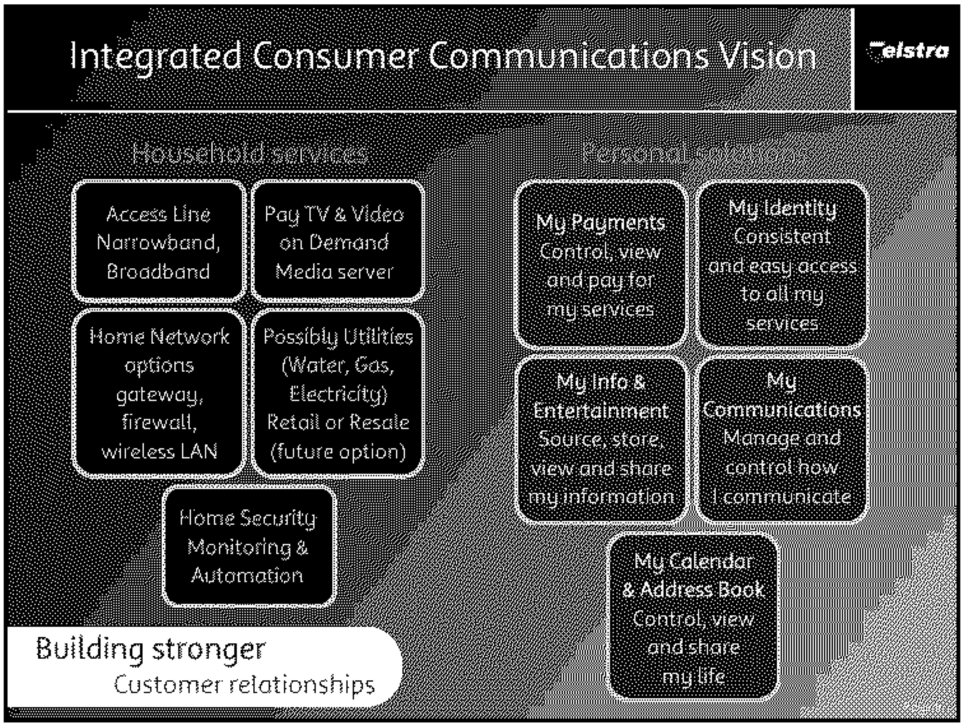
Broadband Taking Off

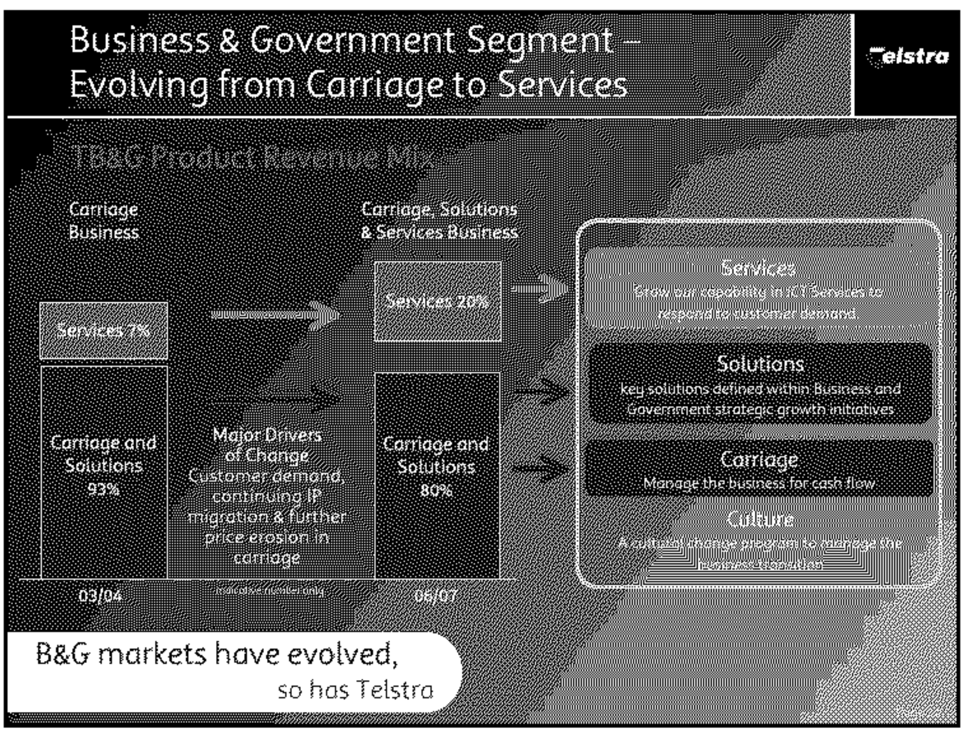
Telstra

On target to reach
1 million SIO's ahead of page plan

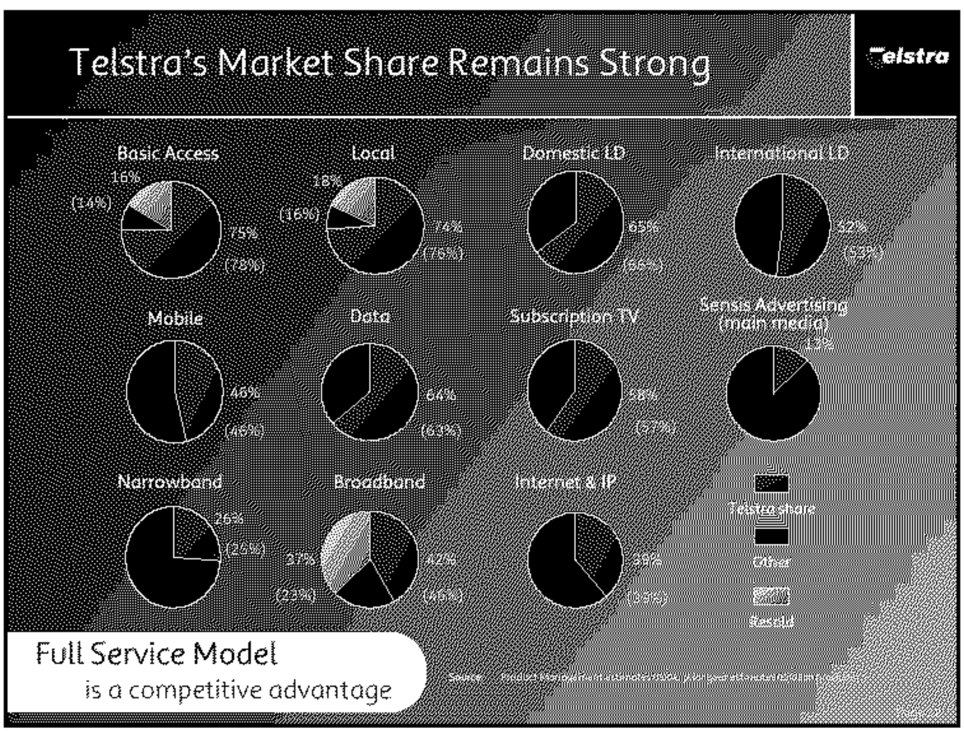

A paradigm shift is underway
Telstra
Yesterday
Fixed network
and services
Mobile network
and services
Internet network
and services
Broadband
everywhere
Ubiquitous
wireless
IP NETWORK
PSTN
access
Multi-access
innovative
devices
The shift to IP
is being managed effectively


Telstra's Broadband Access Networks –
Fixed and Wireless
Telstra
=< 512kBit/s
Satellite
=< 2-3Mbit/s
Wireless
=< 1.5 Mbit/s
ADSL
HFC
=< 6Mbit/s
PayTV
FTTP
=< 128Kbit/s
=< 622Mbit/s
ISDN
BigPond
Wholesale
2G
2.5G
3G
Future
Possibilities
Wireless
Networks
Evolution
GSM
GPRS
WCDMA
3GSM
HSDPA
CDMA
1xRTT
1xEVDO
Rev 0
1xEVDO
Rev A
Flarion,
WiMax etc
Operating
Operating
Deployments Commenced


Integrated Consumer Communications Vision
Telstra
Household services
Access Line Narrowband, Broadband
Pay TV & Video on Demand Media server
Home Network options gateway, firewall, wireless LAN
Possibly Utilities (Water, Gas, Electricity) Retail or Resale (future option)
Home Security Monitoring & Automation
Personal solutions
My Payments Control, view and pay for my services
My Identity Consistent and easy access to all my services
My Info & Entertainment Source, store, view and share my information
My Communications Manage and control how I communicate
My Calendar & Address Book Control, view and share my life
Building stronger
Customer relationships


Business & Government Segment – Evolving from Carriage to Services
Telstra
TB&G Product Revenue Mix
Carriage Business
Carriage, Solutions & Services Business
Services 7%
Carriage and Solutions 93%
Major Drivers of Change Customer demand, continuing IP migration & further price erosion in carriage
Services 20%
Carriage and Solutions 80%
03/04
06/07
Services
Grow our capability in ICT Services to respond to customer demand.
Solutions
key solutions defined within Business and Government strategic growth initiatives
Carriage
Manage the business for cash flow
Culture
A cultural change program to manage the business transition
B&G markets have evolved,
so has Telstra


Improving Customer Satisfaction
Telstra
Activation - Performance Levels
Assurance - Performance Levels
% Within Target (Customer Service Guarantee)
Trend
Dropout Rate - CDMA & GSM Mobile
% Call Dropout
CDMA
GSM
Improved customer service
is our top commercial priority


Telstra's Market Share Remains Strong
Telstra
Basic Access
16%
(14%)
75%
(78%)
Local
18%
(16%)
74%
(76%)
Domestic LD
65%
(66%)
International LD
52%
(53%)
Mobile
46%
(46%)
Data
64%
(63%)
Subscription TV
58%
(57%)
Sensis Advertising (main media)
13%
Narrowband
26%
(25%)
Broadband
37%
(23%)
42%
(46%)
Internet & IP
Telstra share
Other
Resold
Full Service Model
is a competitive advantage

Regulatory Issues

Telstra

September 2004

Federal Election October 9th

Broadband Competition Notice

Mobile Termination Pricing

Final decision on access undertakings

Price Caps Review

USO Costing

December 2004

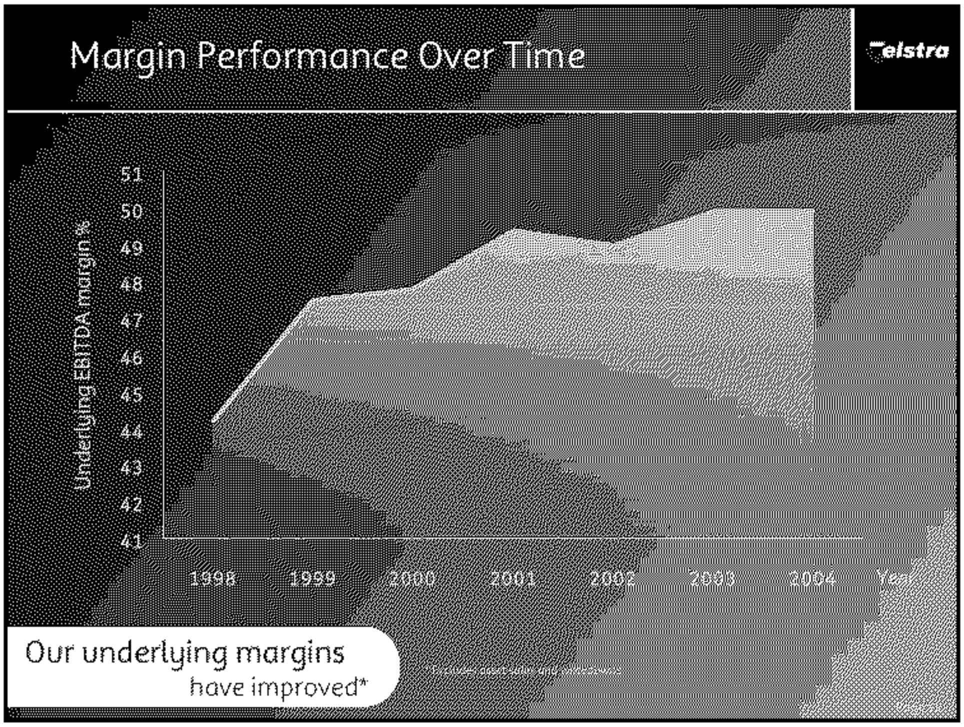
Regulatory issues
being proactively managed

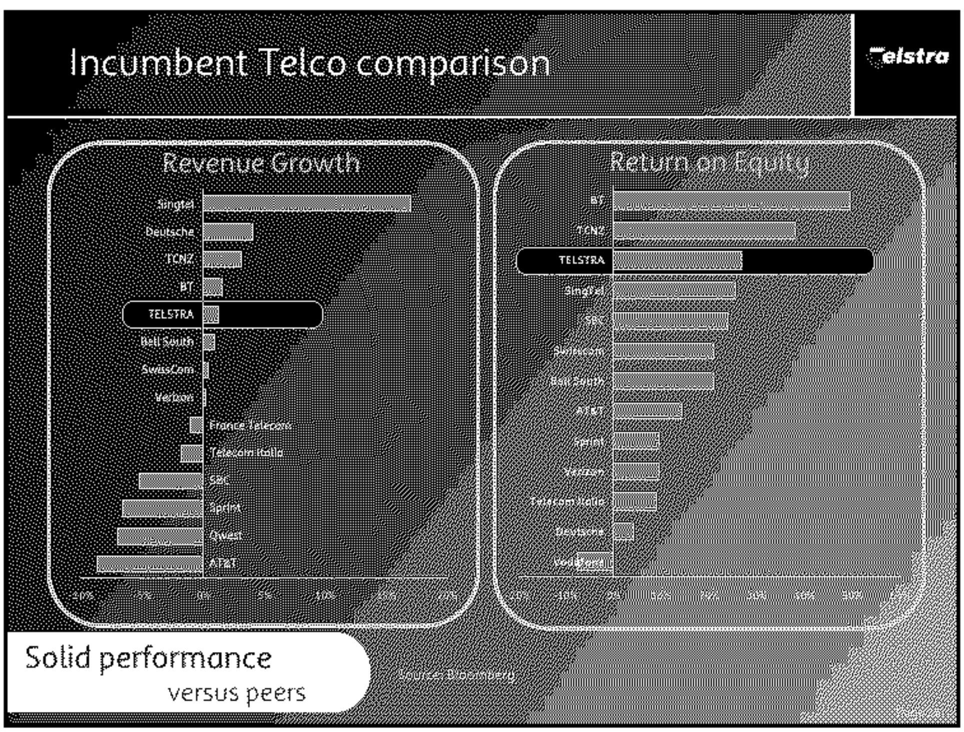
Underlying Results

Telstra

($ billions except EBITDA Margin)	FY 03	[illegible]	% Δ
Sales Revenue	20.5	20.7	1.0
Underlying Domestic Sales Revenue	18.7	19.2	2.4
Operating Expenses	10.8	10.6	(1.4)
EBITDA	10.0	10.3	3.0
EBIT	6.6	6.7	2.1
NPAT	4.1	4.2	2.0
EBITDA Margin (%)	48.8	49.8	1.0
Domestic Operating Capex	3.2	2.9	(8.9)
Free Cash Flow	4.0	4.8	20.2

Steady improvement
across key financial metrics


Margin Performance Over Time
Telstra
Underlying EBITDA margin %
51
50
49
48
47
46
45
44
43
42
41
1998
1999
2000
2001
2002
2003
2004
Year
Our underlying margins
have improved*


Incumbent Telco comparison
Telstra
Revenue Growth
Singtel
Deutsche
TCNZ
BT
TELSTRA
Bell South
SwissCom
Verizon
France Telecom
Telecom Italia
SBC
Sprint
Qwest
AT&T
Return on Equity
BT
TCNZ
TELSTRA
SingTel
SBC
Swisscom
Bell South
AT&T
Sprint
Verizon
Telecom Italia
Deutsche
Vodafone
Solid performance
versus peers
Source: Bloomberg

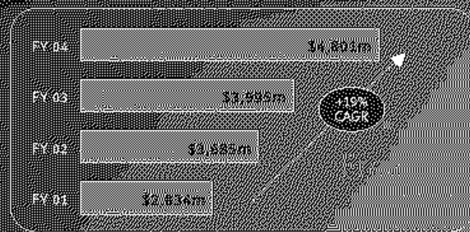
Effective Capital Management

Telstra

- EPS improvement to 32.4cps (+2.2%)
- ROE improvement to 27% (+3%)
- Net Gearing 42%

Credit ratings

	LT	Outlook
S&P	A+	Stable
Moody's	A1	Stable
Fitch	A+	Stable



Significant cash returns
for shareholders

Outlook

Telstra

- Priority is domestic operations and customer service improvement
- Positive revenue growth towards industry growth rates in 2006
- Underlying operating margins maintained
- Domestic capex will be around $3.0 billion (excluding 3G)
- Bolt-on acquisitions must meet strict financial criteria
- Emphasis on free cash flow and capital returns to shareholders

Company financial focus:
profitable revenue, margin & cash flow

Telstra

Supplementary Information

Financial Highlights

Telstra

Business Growth

- Domestic Sales Revenue ↑ 2.4% - H2 improvement
- Internet & IP Revenue ↑ 24%, Broadband SIOs ↑ 122%
- Mobile Services Revenue ↑ 7%, SIOs ↑ 16%
- Sensis Revenue (ex Trading Post Group) ↑ 7%

Cost Management

- Underlying Operating Expenses ↓ 1.4%
- Margin Growth: Underlying EBITDA margin 49.8%
- Investment in service and growth

Capital Management

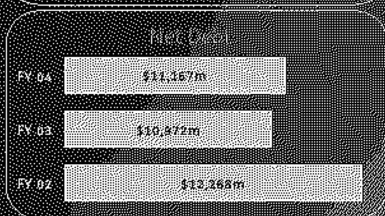
- Free Cash Flow ↑ 20% to $4.8b
- Domestic Operating Capex $2.9b
- Final Ordinary Dividend ↑ 8% to 13cps
- 3 Yr $1.5b p.a. Capital Management Program

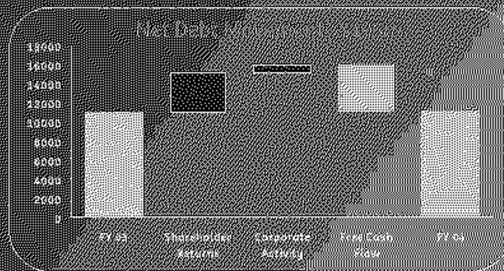
Strong free cash flows
supporting capital management program

Underpinned by Strong Free Cash Flows

Telstra

Free Cash Flow funding operations with modest movement in Net Debt





$1.1b reduction in net debt over 2 years

Free cash flow generation provides flexibility

Reported Results

Telstra

($ billions except EPS & DPS)	FY 03	FY 04	% Δ
Sales Revenue	20.5	20.7	1.2
EBIT	5.7	6.6	14.6
NPAT	3.4	4.1	20.1
EPS (cents)	26.6	32.4	21.8
Ordinary DPS (cents)	24	26	8.3

Record profits and dividends

Underlying Sales

Telstra

Growth in Revenue from	A$M Actual	Growth %	Movement A$M
Mobile Services	3,455	7.1	228
Internet & IP solutions	1,010	23.6	193
Sensis (Advertising/Directories)	1,307	7.4	90
PSTN	7,984	0.9	68
ISDN	927	(2.5)	-24
Specialised Data	1,018	(3.3)	-35

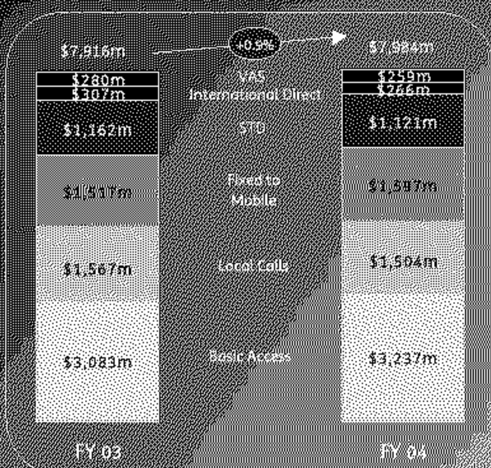
Growth in key products

PSTN Rebalanced Products

Telstra

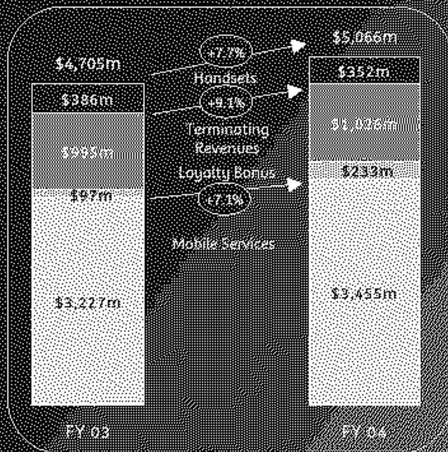
Continuing to grow PSTN revenues in an evolutionary environment

- Rebalancing
- Bundling
- Feature penetration
- Call completion



Optimising returns from fixed network

Mobile Revenues (includes termination)



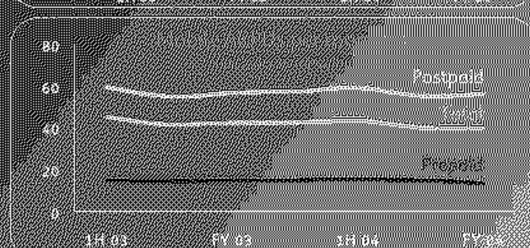
SIO and data growth driving revenues

- Strong growth in CDMA
- Increased Prepaid focus

Solid performance in
increasingly competitive market

Mobiles Subscriber Base Changing

- Increasing portion of prepaid base
- Lower blended ARPUs
- Alignment of deactivation criteria, additional 202,000 SIOs included in Prepaid
- Mobile Data ARPU +18%



Mix changing from penetrating
lower end of market

3G Infrastructure Sharing with Hutchison

Telstra

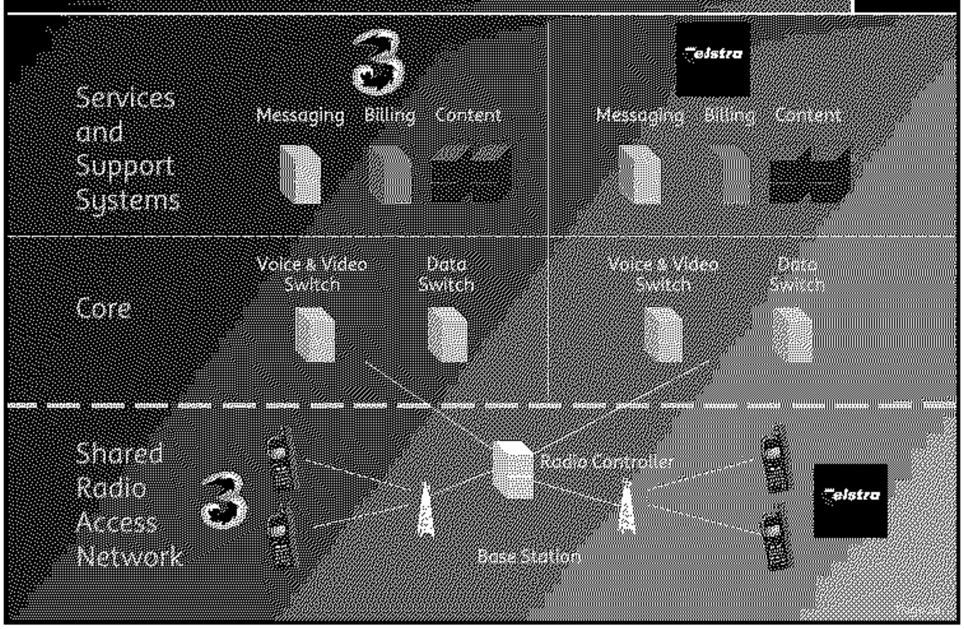
- Signed Heads of Agreement 4 August
- Cost A$450m over 3 years for 50% share of Radio Access Network
  - Additional approx A$200m for Core network & RAN expansion
- Access to Hutchison Whampoa's global handset sourcing
- Separate consumer branded 3G offerings

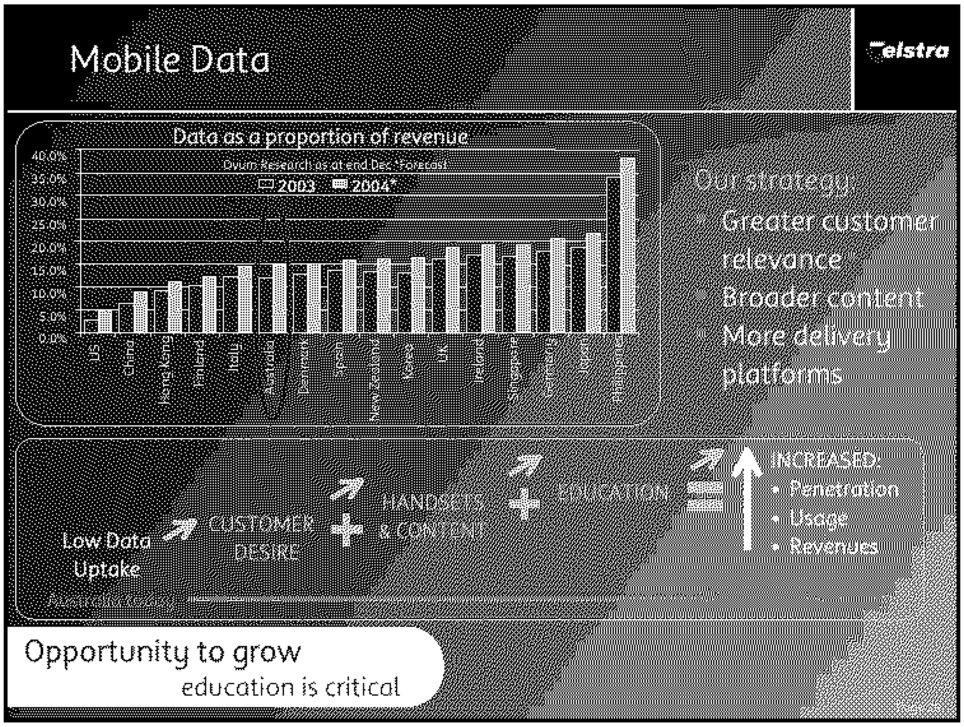
- Deal Subject to:
  - ACCC informal clearance
  - Signing of long form agreements
    - expected November 2004

Strategic alliance
is capital efficient

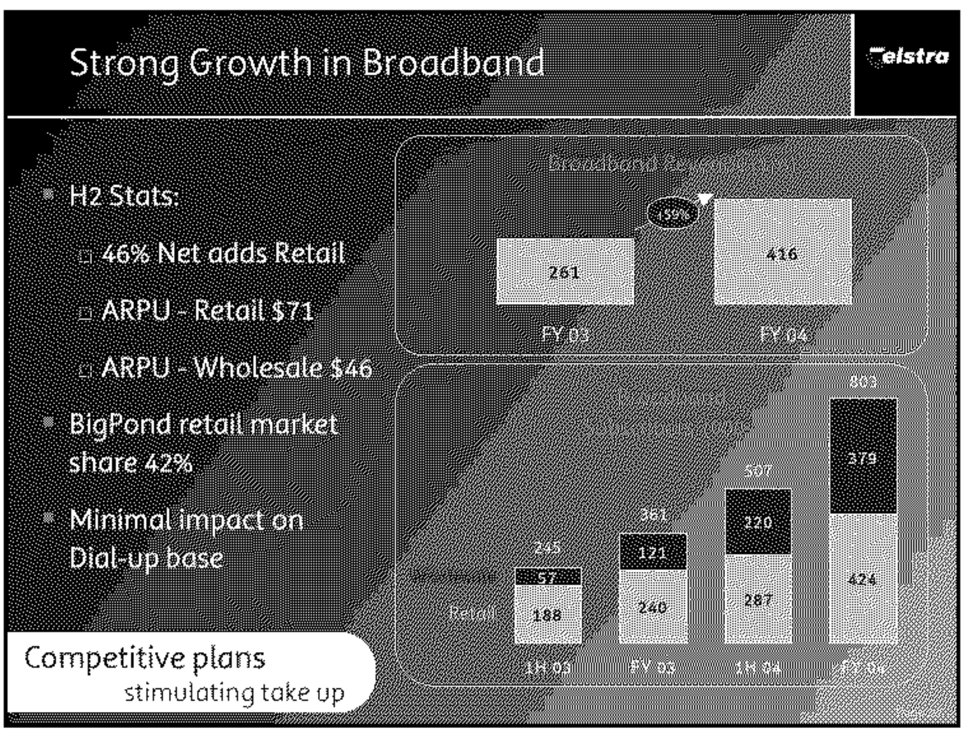
3G Network Share – How it Works

Telstra

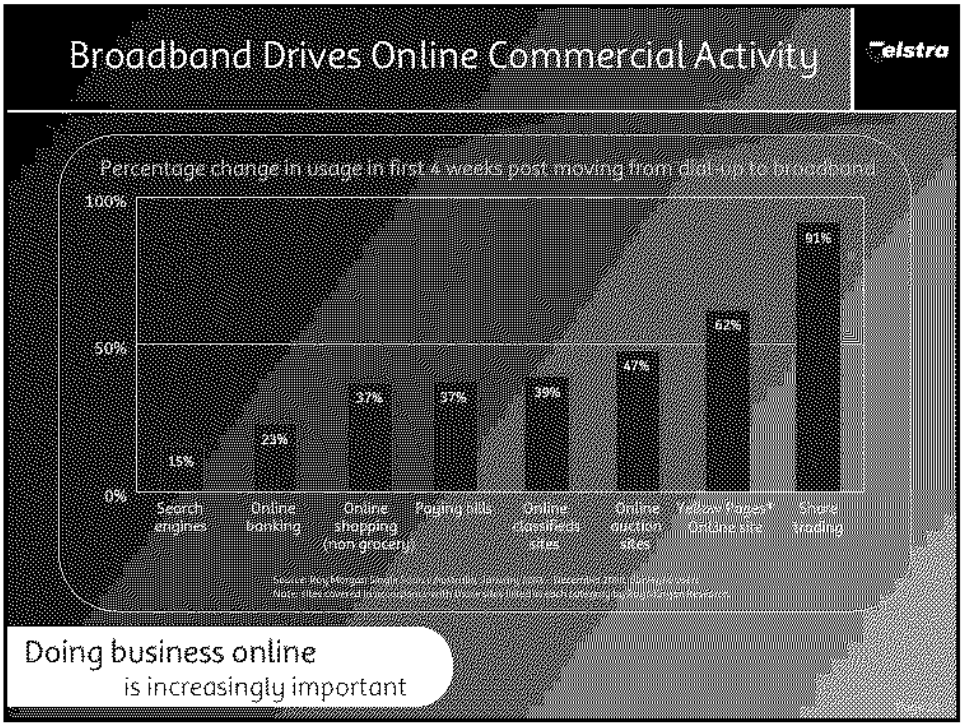


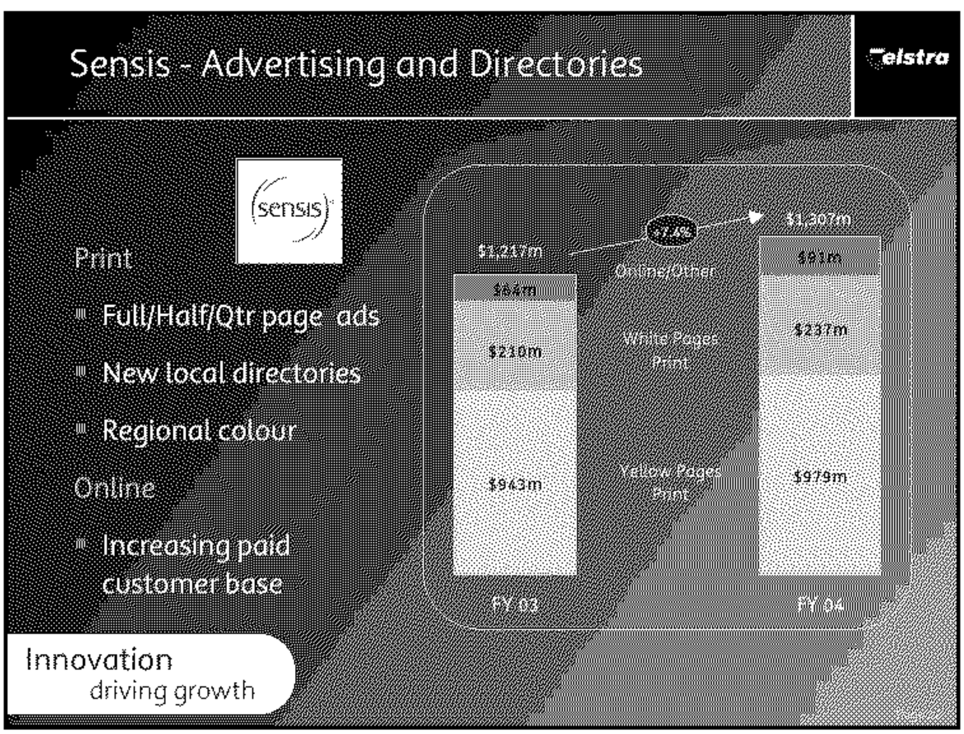


Mobile Data
Telstra
Data as a proportion of revenue
Ovum Research as at end Dec *Forecast
2003
2004*
40.0%
35.0%
30.0%
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
US
China
Hong Kong
Finland
Italy
Australia
Denmark
Spain
New Zealand
Korea
UK
Ireland
Singapore
Germany
Japan
Philippines
Our strategy:
Greater customer relevance
Broader content
More delivery platforms
Low Data Uptake
CUSTOMER DESIRE
HANDSETS & CONTENT
EDUCATION
INCREASED:
• Penetration
• Usage
• Revenues
Opportunity to grow
education is critical



Strong Growth in Broadband
Telstra
H2 Stats:
46% Net adds Retail
ARPU - Retail $71
ARPU - Wholesale $46
BigPond retail market share 42%
Minimal impact on Dial-up base
261
416
FY 03
FY 04
803
379
507
361
220
245
121
57
Retail
188
240
287
424
1H 03
FY 03
1H 04
FY 04
Competitive plans
stimulating take up

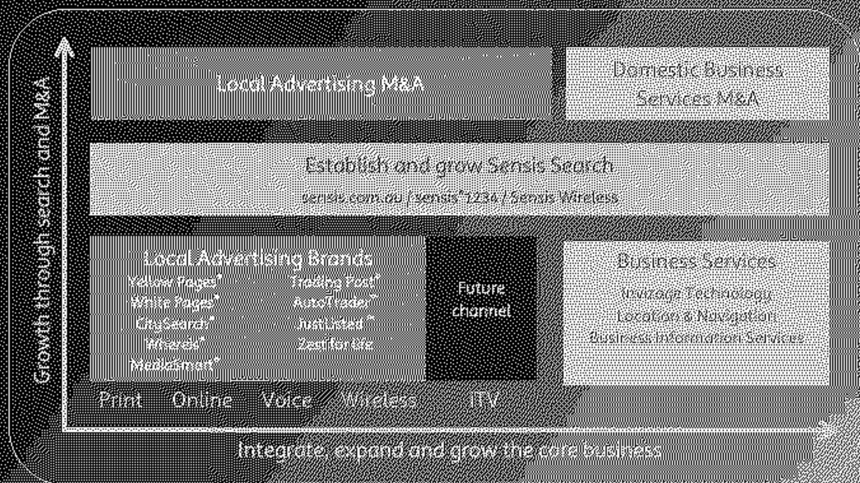

Broadband Drives Online Commercial Activity
Telstra
Percentage change in usage in first 4 weeks post moving from dial-up to broadband
100%
50%
0%
15%
23%
37%
37%
39%
47%
62%
91%
Search engines
Online banking
Online shopping (non grocery)
Paying bills
Online classifieds sites
Online auction sites
Yellow Pages® Online site
Share trading
Doing business online
is increasingly important


Sensis - Advertising and Directories
Telstra
sensis
Print
Full/Half/Qtr page ads
New local directories
Regional colour
Online
Increasing paid customer base
$1,217m
+7.4%
$1,307m
$64m
$91m
Online/Other
$210m
$237m
White Pages Print
$943m
$979m
Yellow Pages Print
FY 03
FY 04
Innovation
driving growth

Sensis business structure and strategy

Telstra

Implementing and evolving a clear strategy for growth



Sensis – Trading Post Acquisition

Telstra

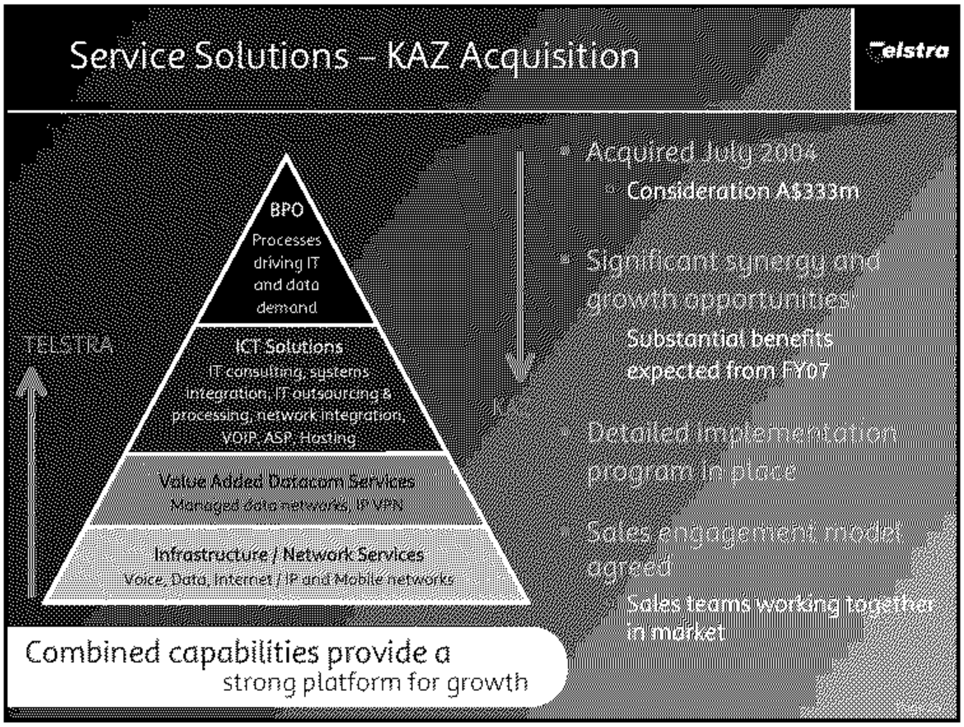
The Business

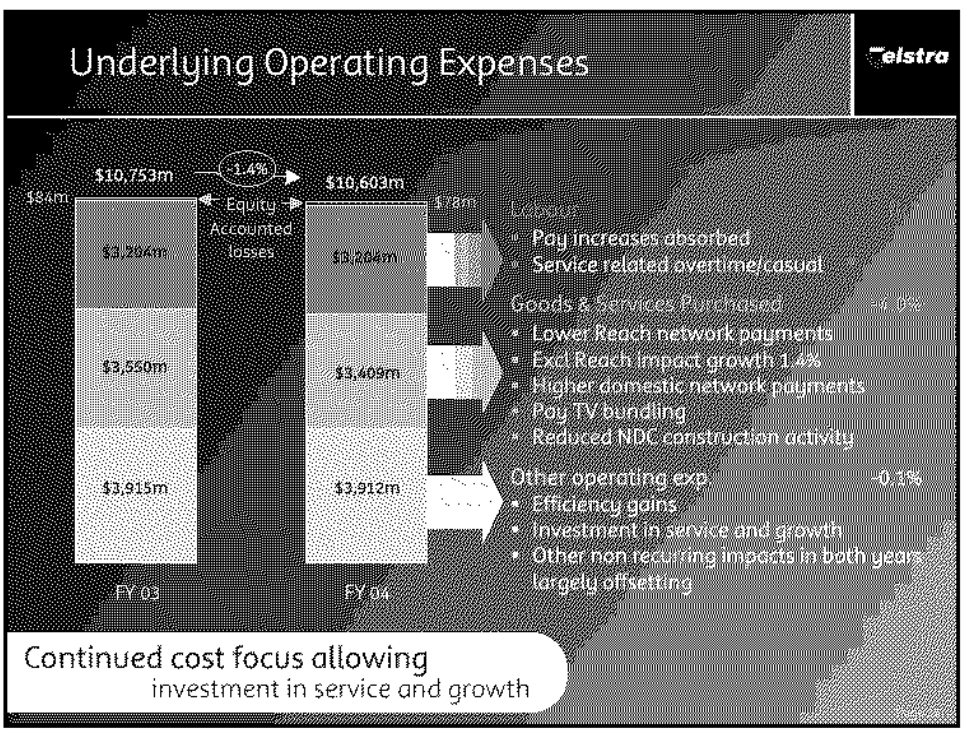
- An icon in Australian classifieds
  - Print and online general, automotive and collectibles
- Acquired March 2004
  - Consideration A$636m
- A high performance business
- Significant synergy and growth opportunities:
  - Expected A$64m EBITDA FY 2005

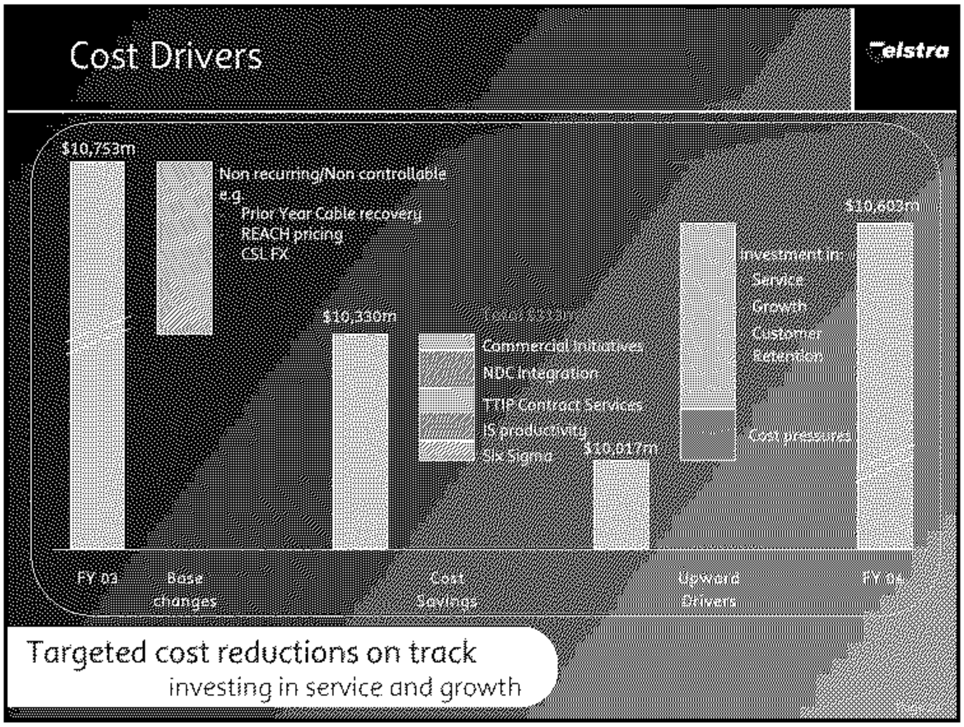
Progress to date

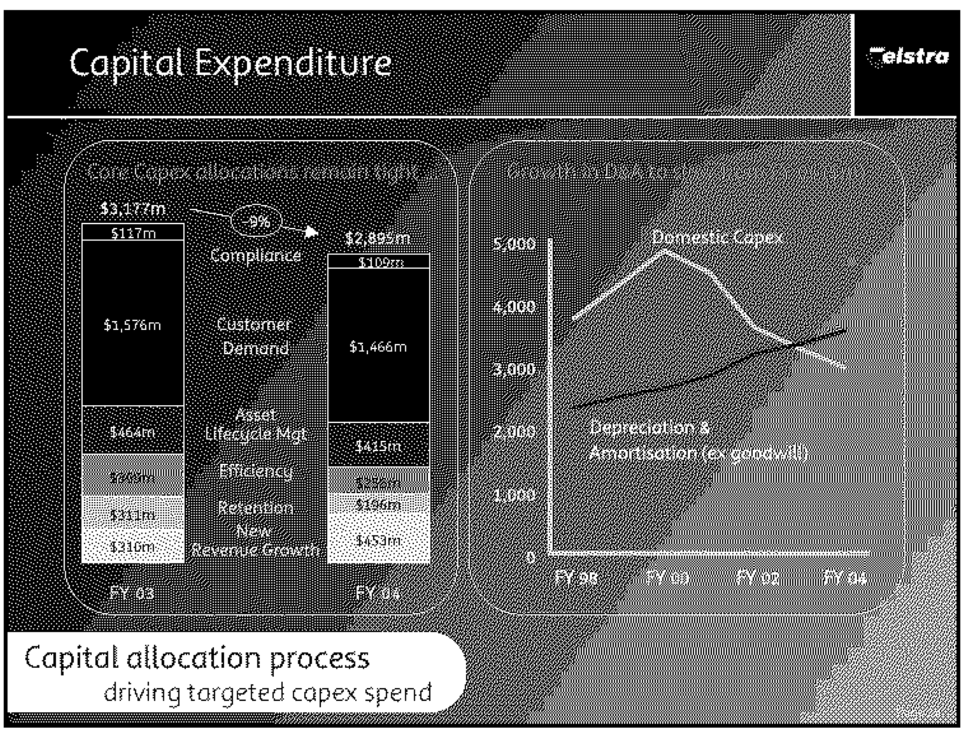
- Business intimately understood
  - FY 04 financial target delivered
- Cross selling and product bundling in place
- Sensis Classifieds formed
  - National structure
  - Local sales and production
- Sales resources and technology enhanced

Growth synergies expected to deliver continued double digit performance


Service Solutions – KAZ Acquisition
Telstra
TELSTRA
BPO
Processes driving IT and data demand
ICT Solutions
IT consulting, systems integration, IT outsourcing & processing, network integration, VOIP, ASP, Hosting
Value Added Datacom Services
Managed data networks, IP VPN
Infrastructure / Network Services
Voice, Data, Internet / IP and Mobile networks
Acquired July 2004
Consideration A$333m
Significant synergy and growth opportunities
Substantial benefits expected from FY07
Detailed implementation program in place
Sales engagement model agreed
Sales teams working together in market
Combined capabilities provide a strong platform for growth


Underlying Operating Expenses
Telstra
$10,753m
-1.4%
$10,603m
$84m
Equity Accounted losses
$78m
$3,204m
$3,550m
$3,915m
$3,204m
$3,409m
$3,912m
FY 03
FY 04
Labour
Pay increases absorbed
Service related overtime/casual
Goods & Services Purchased -4.0%
Lower Reach network payments
Excl Reach impact growth 1.4%
Higher domestic network payments
Pay TV bundling
Reduced NDC construction activity
Other operating exp. -0.1%
Efficiency gains
Investment in service and growth
Other non recurring impacts in both years largely offsetting
Continued cost focus allowing investment in service and growth


Cost Drivers
$10,753m
Non recurring/Non controllable
e.g.
Prior Year Cable recovery
REACH pricing
CSL FX
$10,330m
Commercial Initiatives
NDC Integration
TTIP Contract Services
IS productivity
Six Sigma
$10,017m
Investment in:
Service
Growth
Customer
Retention
Cost pressures
$10,602m
FY 03
Base changes
Cost Savings
Upward Drivers
FY 04
Targeted cost reductions on track
investing in service and growth


Capital Expenditure
$3,177m
-9%
$2,895m
$117m
$1,576m
$464m
$311m
$310m
Compliance
Customer Demand
Asset Lifecycle Mgt
Efficiency
Retention
New Revenue Growth
$109m
$1,466m
$415m
$196m
$453m
FY 03
FY 04
Domestic Capex
Depreciation & Amortisation (ex goodwill)
5,000
4,000
3,000
2,000
1,000
0
FY 98
FY 00
FY 02
FY 04
Capital allocation process
driving targeted capex spend

Key International Operations

Telstra

HK$m Excludes intercompany FY 03	HK$m FY 04	Key Financials	NZ$m Excludes intercompany FY 03	NZ$m FY 04	FY 04 standalone
4,224	4,022	Total revenue	615	652	692
1,614	1,293	EBITDA	91	119	154
770	477	EBIT	(70)	(33)	2

- Increasingly competitive market
- One-offs impacting FY 03 EBITDA HK$234m

- Corporate customer wins
- Leadership in IP

Hong Kong's most profitable mobile business

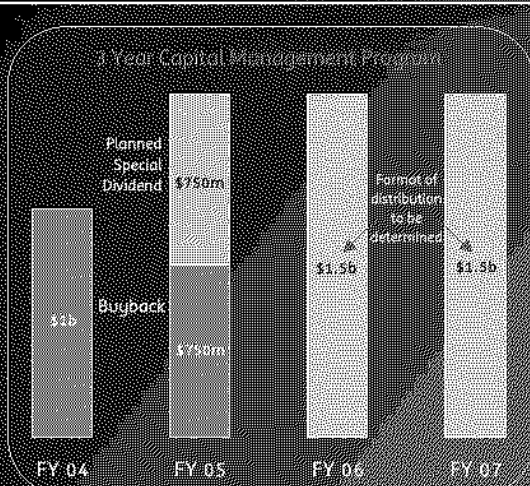
EBIT positive on standalone basis

REACH

- Shareholders buy bank debt of US$1.2b for US$311m
- Fully provided for US$155.5m loan to REACH
- A stronger footing – but environment remains difficult

Capital Management Program

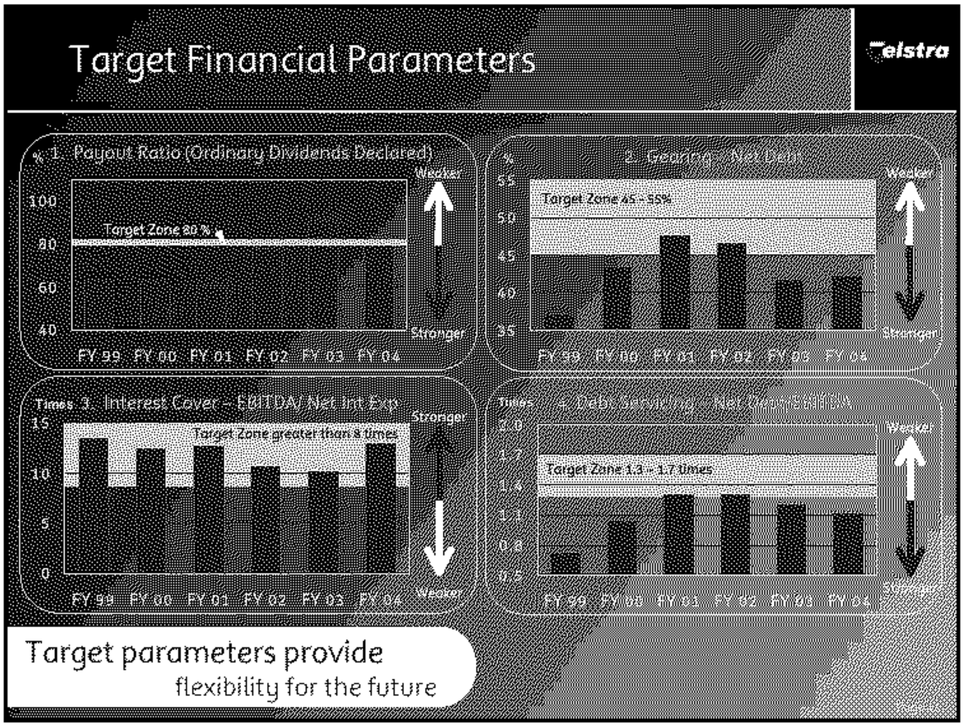
Telstra

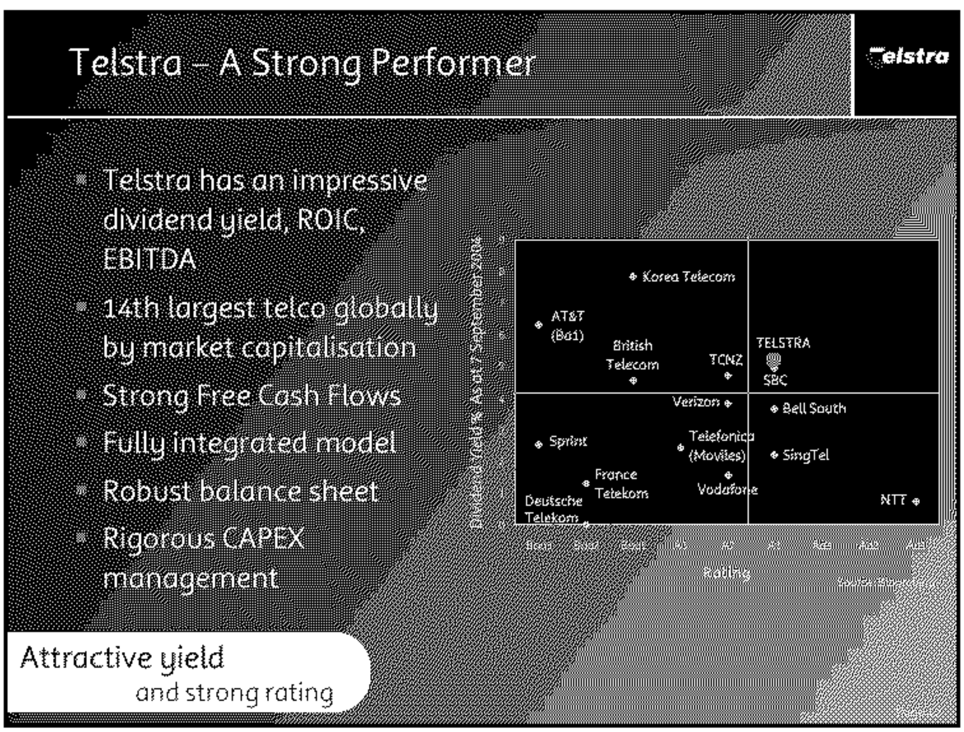


$1.5b Distribution FY05

- $750m buyback
  - Timing subject to approvals, expected completion Dec 04
- Planned $750m Special Dividend
  - 6 cps Fully Franked
  - Paid with 04/05 Interim Dividend

Sustainable medium term program in place


Target Financial Parameters
Telstra
% 1. Payout Ratio (Ordinary Dividends Declared)
Weaker
100
80
60
40
Target Zone 80 %
Stronger
FY 99 FY 00 FY 01 FY 02 FY 03 FY 04
%
2. Gearing - Net Debt
55
50
45
40
35
Target Zone 45 - 55%
Weaker
Stronger
FY 99 FY 00 FY 01 FY 02 FY 03 FY 04
Times 3. Interest Cover - EBITDA/ Net Int Exp
15
10
5
0
Target Zone greater than 8 times
Stronger
Weaker
FY 99 FY 00 FY 01 FY 02 FY 03 FY 04
Times
2.0
1.7
1.4
1.1
0.8
0.5
Target Zone 1.3 - 1.7 times
Weaker
FY 99 FY 00 FY 01 FY 02 FY 03 FY 04
Target parameters provide
flexibility for the future


Telstra – A Strong Performer
Telstra
Telstra has an impressive dividend yield, ROIC, EBITDA
14th largest telco globally by market capitalisation
Strong Free Cash Flows
Fully integrated model
Robust balance sheet
Rigorous CAPEX management
Dividend Yield % As at 7 September 2004
Korea Telecom
AT&T (Ba1)
British Telecom
TCNZ
TELSTRA
SBC
Verizon
Bell South
Sprint
Telefonica (Moviles)
SingTel
France Telekom
Vodafone
NTT
Deutsche Telekom
Rating
Attractive yield
and strong rating