10/02/2005

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ELECTRONIC LODGEMENT

Dear Sir or Madam

Re: Analyst Briefing – Half year results presentation pack

In accordance with the listing rules, I enclose an announcement for release to the market.

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

Douglas Gration
Company Secretary

Telstra Corporation Limited
ACN 051 775 556
ABN 33 051 775 556

Telstra

Telstra Corporation Limited

1H 2005 Results

Dr Ziggy Switkowski

Chief Executive Officer

"Building Momentum"

Highlights of 1H 2004/05

Telstra

Strong Profit & Free Cashflow	- Underlying NPAT $2.3b (+9%), EPS +11% - FCF (excluding asset sales / acquisitions) $2.2b (+20%)
Capital Management Program	- Fully Franked Interim Ordinary Dividend 14cps (+8%) - Fully Franked Special Dividend 6cps - $750m Buy-Back successfully completed
Improved Domestic Revenue Growth	- Second quarter growth of 5% at top end of 4-5% target band - 4 consecutive quarters of 3%+ underlying growth - Now approaching forecast industry growth
Broadband Lift Off	- 1.2m subscribers (+142%) - Service levels improving
3G/4G Preparedness	- 3G : GSM JV in place, with vendor contract concluded - 3G : CDMA (ie EVDO) being deployed - 4G WiFi hotspot population increasing

Telstra's
fundamentals are strong

Previous Guidance and Outcomes in 1H 04/05

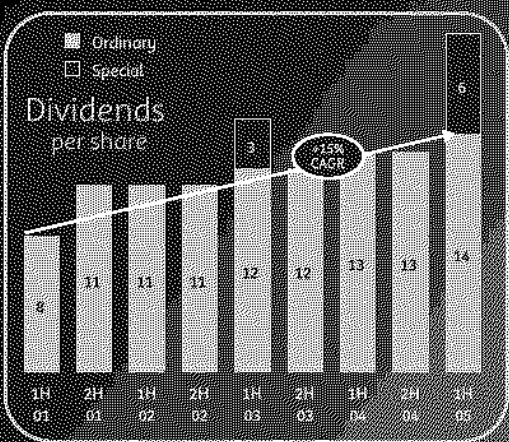
Telstra

- Domestic revenue growth tracking towards industry levels ✓
- Steady underlying margins ✓
- Strong growth in free cash flows and capital return to shareholders ✓
- Improved customer service levels ✓
- 1m Broadband SIOs ✓
- Improved Mobiles performance ✓
- Steady PSTN total revenues ✗

Delivering
on guidance

Effective Capital Management

Telstra

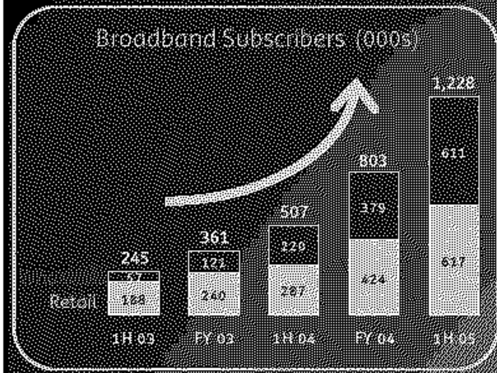


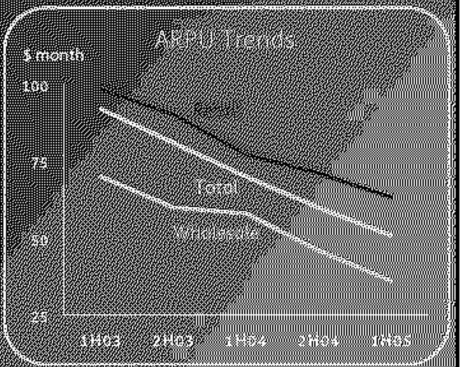
- $750m Buy-back completed
- Underlying EPS growth 11.4%
- ROE improvement to 30.5% (+0.4%)
- $4.9b cash to be returned to shareholders – 12 months to June '05

Increasing cash returns
for shareholders

Broadband Lift Off

Telstra



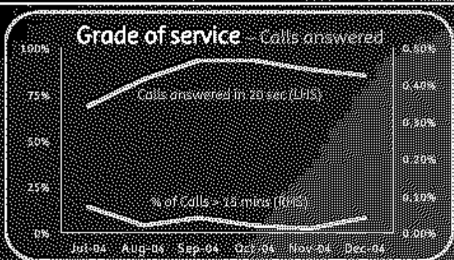


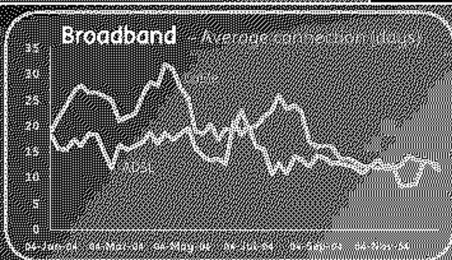
- ARPU declines due to price changes
- Improved service metrics
- Migrating to higher speed/capacity plans
- Content expansion

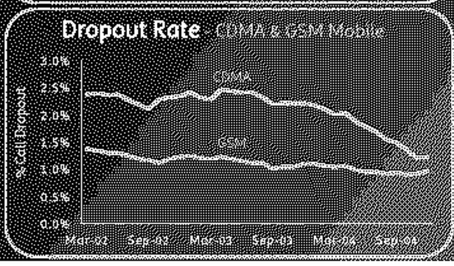
Continued strong growth
in sector

Improving Customer Satisfaction

Telstra







Improved outcomes:

- responses times to FOH
- cycles times for Broadband
- completion of CDMA 1X rollout

Improved customer service
is our top commercial priority

Telstra

Telstra Corporation Limited

1H 2005 Results

John Stanhope

Chief Financial Officer

"Building Momentum"

1H Financial Highlights

Telstra

Business Growth

- Underlying Sales Revenue ↑ 4.8%, Q2 ↑ 5.3%
- Internet & IP Revenue ↑ 33%, Broadband SIO's 1.23m
- Mobile Services Revenue ↑ 9%, SIOs ↑ 14%
- Sensis Revenue ↑ 8.3% (incl voice, ex TPG), EBIT ↑ 7.3%

Cost Performance

- Underlying Operating Expenses ↑ 3.8%
- Underlying EBITDA margin 50.1% (↓ 0.2%)
- Underlying EBIT margin 33.4% (↑ 0.3%)
- Re-investment driving improved top line performance

Capital Management

- Free Cash Flow (excluding acquisitions) ↑ 20% to $2.2b
- Domestic Operating Capex ↑ 33% to $1.8b
- Interim Ordinary Dividend ↑ 8% to 14cps
- Special Dividend declared 6cps

Strong result
and ongoing capital management

Reported Results

($ billions except EPS & DPS)	1H 04	1H 05	% Δ
Sales Revenue	10.46	11.28	7.8
EBIT	3.52	3.69	4.7
NPAT	2.29	2.34	1.9
EPS (cents)	17.9	18.6	3.9
Ordinary DPS (cents)	13.0	14.0	7.7

Growth in EPS & DPS

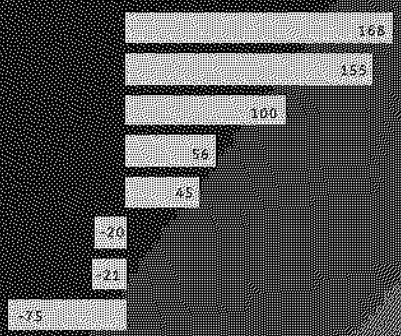
Underlying Results

($ billions except margins & EPS)	1H04	1H05	% Δ
Sales Revenue	10.46	10.95	4.8
Underlying Domestic Sales Revenue	9.74	10.18	4.5
Operating Expenses	5.35	5.55	3.8
EBITDA	5.26	5.49	4.3
EBIT	3.46	3.66	5.9
NPAT	2.13	2.32	8.8
Underlying EPS	16.6	18.5	11.4
EBITDA Margin (%)	50.3%	50.1 %	(0.2)
EBIT Margin (%)	33.1%	33.4%	0.3
Domestic Operating Capex (incl 3G)	1.33	1.8	33
Free Cash Flow	1.83	2.18	20

Delivering
on improved business performance

Underlying Sales Drivers

Telstra



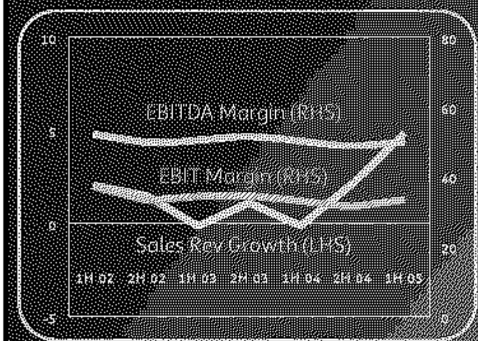
Drivers of Revenue Growth	A$M Actual	Growth %
Total mobiles	2,094	8.7
Internet & IP solutions	624	33
Other Sales & Service	376	36.2
Pay TV	121	86.2
Advertising & Directories	814	5.9
ISDN	453	(4.2)
Specialised Data	495	(4.1)
PSTN	3,972	(1.9)

Strong Growth in Mobiles, Internet & IP
as PSTN voice declines

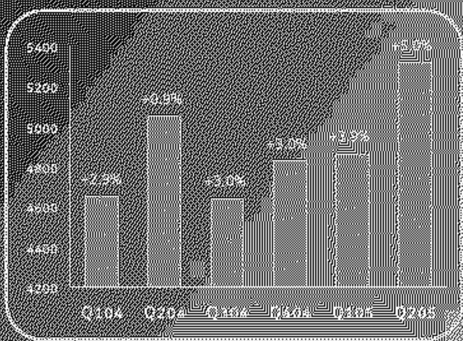
Revenue and Margin Performance

Telstra

Underlying Sales Revenue & Margin



Domestic Underlying Sales Revenue



Maintaining margins
as revenue growth improves

PSTN Voice Products

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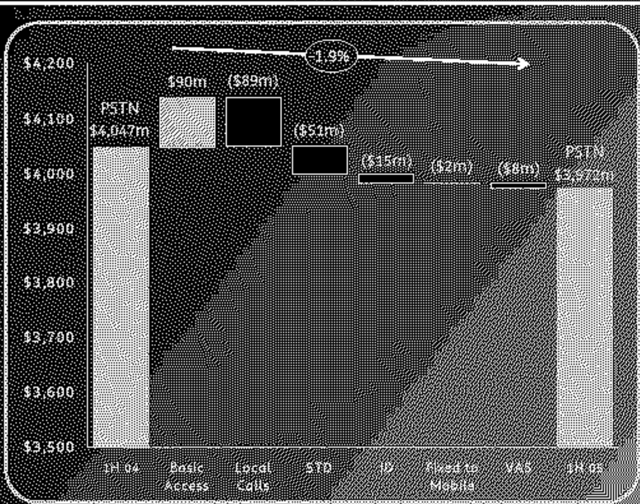


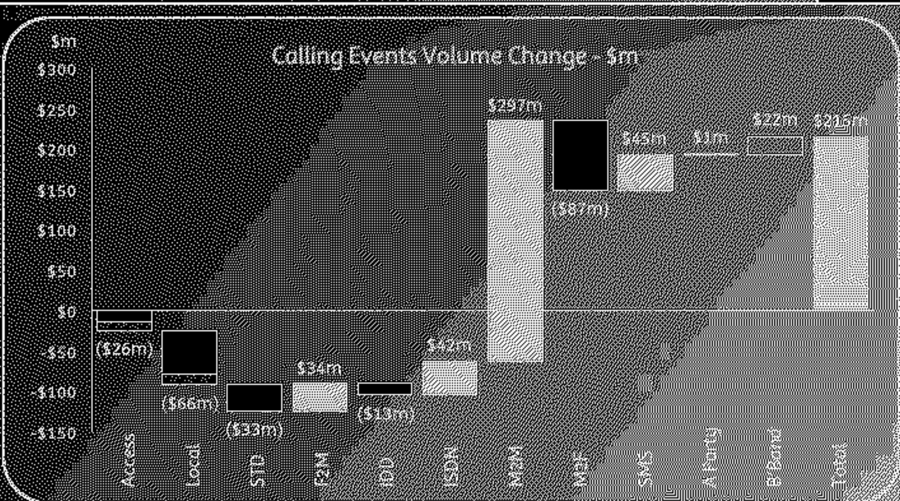
Maximising PSTN voice through:

- Bundling
- Rebalancing
- Feature penetration
- Call completion

Optimising cash flow
from fixed network

Volume Migration Impact

Telstra



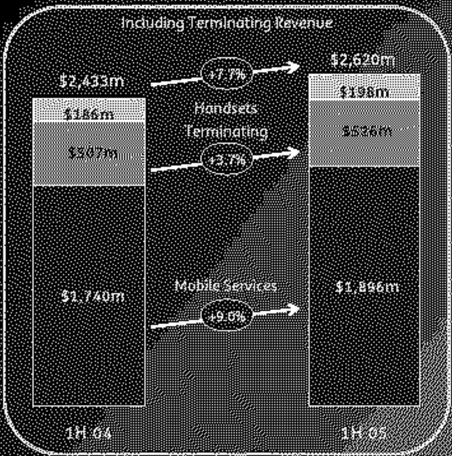
Represents estimate of $m decline due to:

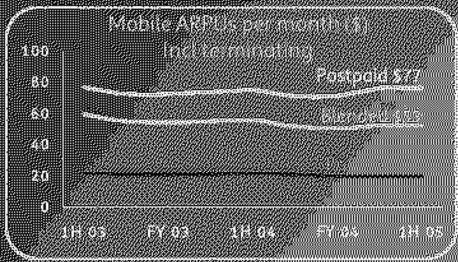
- Reduction in access charges due to 2nd line cancellations ($11-12m)
- Reduction in local calls due to 2nd line cancellations and reduced local ISP calls due to ADSL takeup ($12-14m)

Represents estimate of $m gain due to take up of Broadband, 2nd line cancellations are assumed to migrate based on market share of 38% @ ARPU of $43

Mobiles – continuing to deliver

Telstra





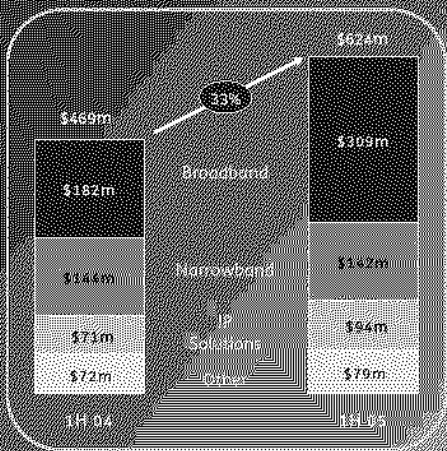
- SIO growth 14%
- Pre paid SIO growth 32%, post paid 4%
- Mobile data growth 24%

Solid performance in
increasingly competitive market

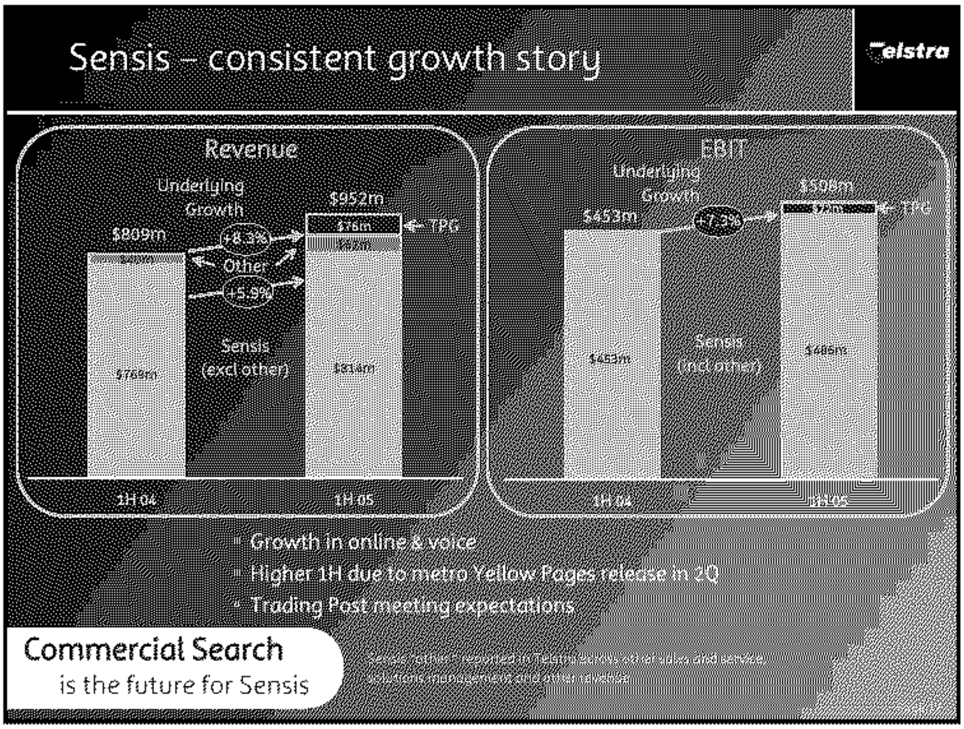
Strong Growth in Internet & IP

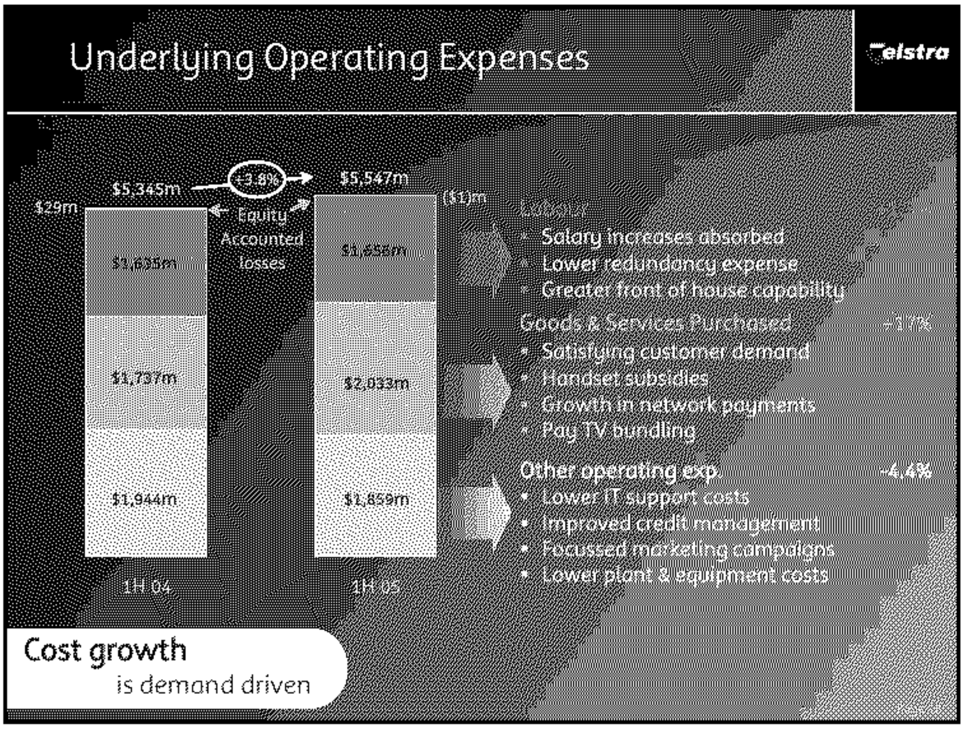
Telstra

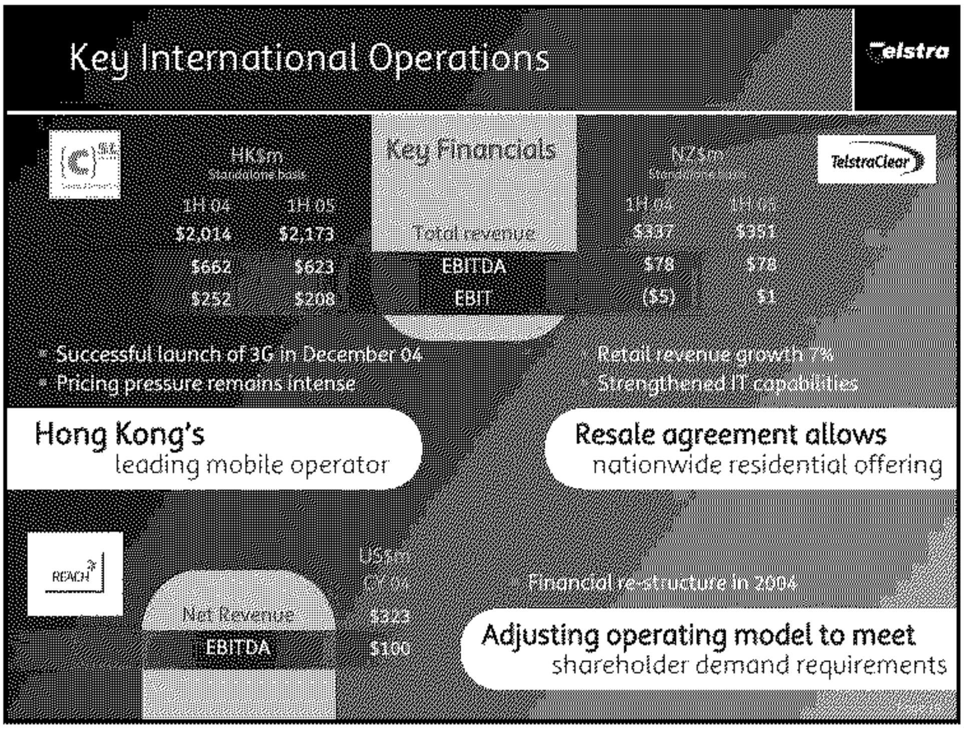
- H1 Broadband Stats:
  - 45% of Telstra Net adds Retail
  - ARPU - Retail $63
  - ARPU - Wholesale $36
- BigPond retail market share estimated 38%
- Minimal impact on Dial-up base



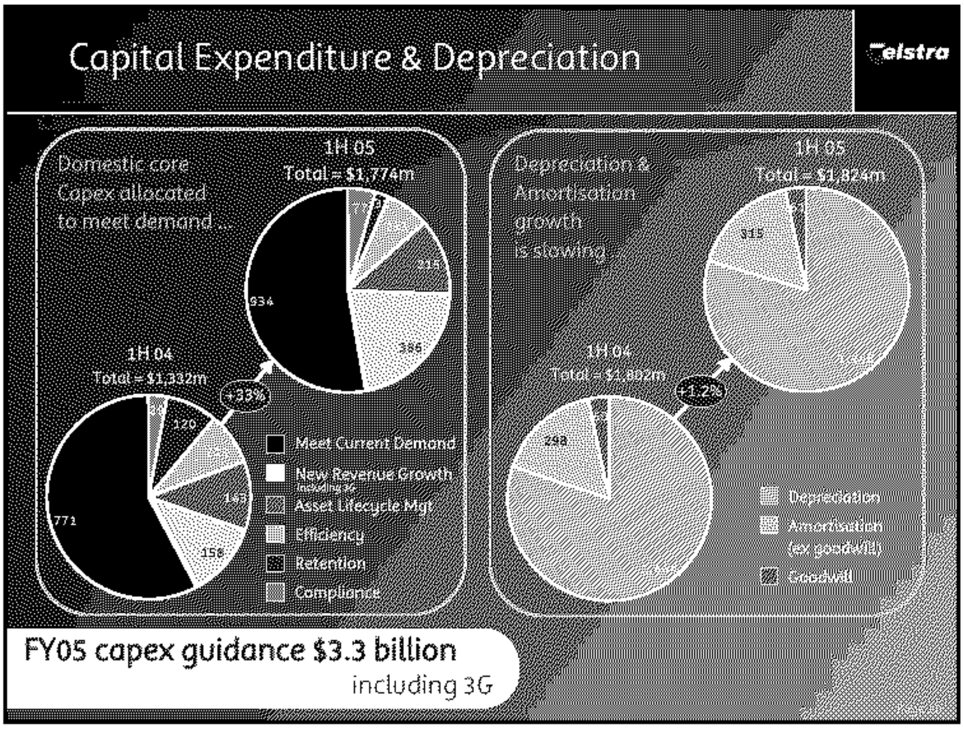
Broadband
a new growth engine


Sensis – consistent growth story
Telstra
Revenue
Underlying Growth
$952m
$809m
+8.3%
$76m
TPG
Other
+5.9%
Sensis (excl other)
$769m
$814m
1H 04
1H 05
EBIT
Underlying Growth
$508m
$453m
+7.3%
TPG
Sensis (incl other)
$453m
$486m
1H 04
1H 05
Growth in online & voice
Higher 1H due to metro Yellow Pages release in 2Q
Trading Post meeting expectations
Commercial Search
is the future for Sensis


Underlying Operating Expenses
Telstra
$5,345m
+3.8%
$5,547m
$29m
($1)m
Equity Accounted losses
$1,656m
$1,737m
$2,033m
$1,944m
$1,859m
1H 04
1H 05
Salary increases absorbed
Lower redundancy expense
Greater front of house capability
Goods & Services Purchased
Satisfying customer demand
Handset subsidies
Growth in network payments
Pay TV bundling
Other operating exp.
-4.4%
Lower IT support costs
Improved credit management
Focussed marketing campaigns
Lower plant & equipment costs
Cost growth
is demand driven



Key International Operations
Telstra
Key Financials
HK$m
Standalone basis
1H 04
1H 05
$2,014
$2,173
Total revenue
$662
$623
EBITDA
$252
$208
EBIT
NZ$m
1H 04
1H 05
$337
$351
$78
$78
($5)
$1
TelstraClear
Successful launch of 3G in December 04
Pricing pressure remains intense
Retail revenue growth 7%
Strengthened IT capabilities
Hong Kong's
leading mobile operator
Resale agreement allows
nationwide residential offering
REACH
US$m
CY 04
Net Revenue
$323
EBITDA
$100
Financial re-structure in 2004
Adjusting operating model to meet
shareholder demand requirements

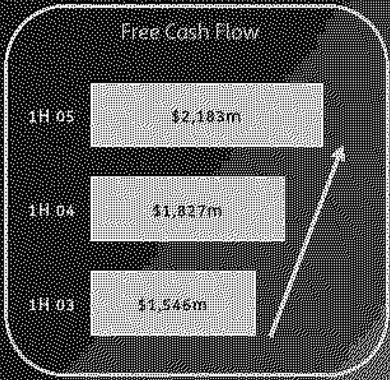


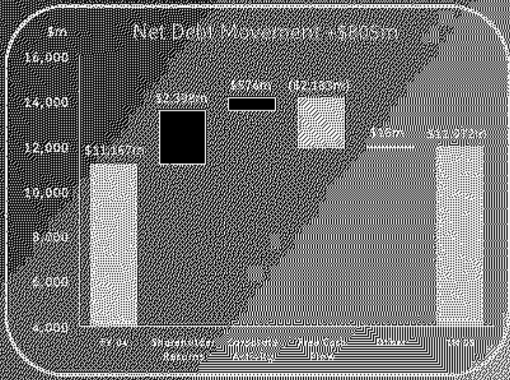
Capital Expenditure & Depreciation
Telstra
Domestic core
Capex allocated
to meet demand ...
1H 05
Total = $1,774m
934
215
386
1H 04
Total = $1,332m
+33%
120
143
158
771
Meet Current Demand
New Revenue Growth
including 3G
Asset Lifecycle Mgt
Efficiency
Retention
Compliance
Depreciation &
Amortisation
growth
is slowing
1H 05
Total = $1,824m
315
1H 04
Total = $1,802m
+1.2%
298
Depreciation
Amortisation
(ex goodwill)
Goodwill
FY05 capex guidance $3.3 billion
including 3G

Underpinned by Strong Free Cash Flows

Telstra

Free Cash Flow funding operations with modest movement in Net Debt

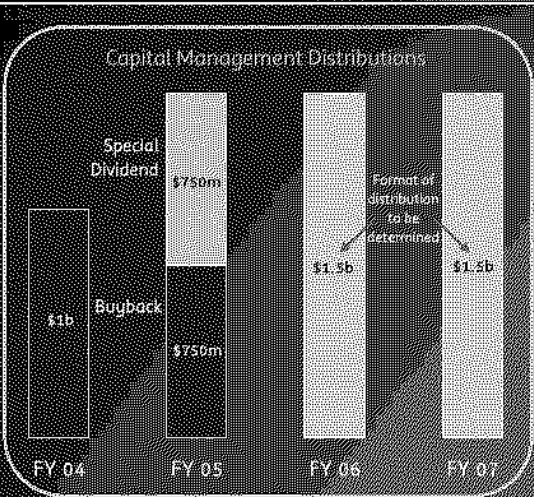




Free cash flow generation
continues to grow

Capital Management Program

Telstra



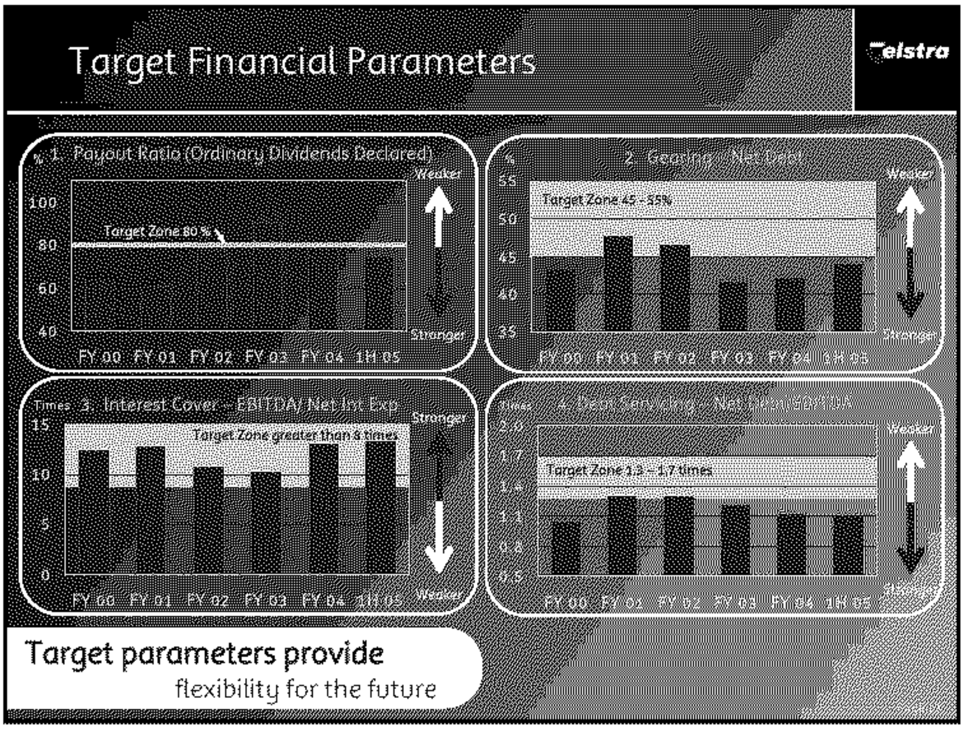
$1.5b Distribution p.a. + ordinary dividends

- **$750m buyback completed in 1H05**
- **$750m Special Dividend**
  - **6 cps Fully Franked**
  - **Paid with 04/05 Interim**

Divestment of non core assets

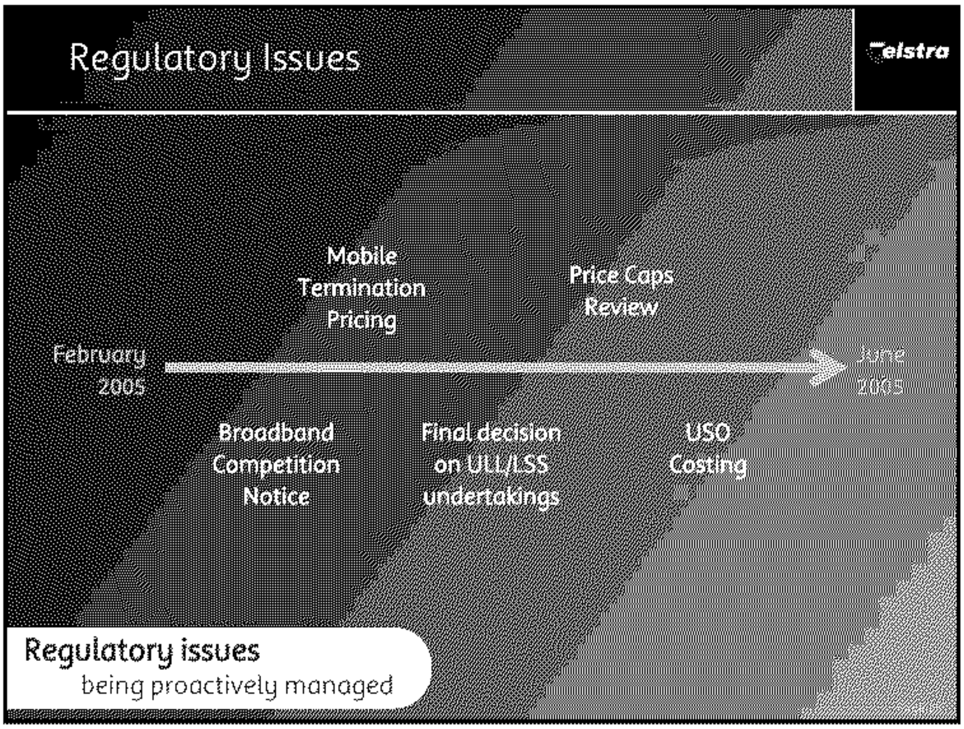
- **Nearly $1bn proceeds since July 2002**

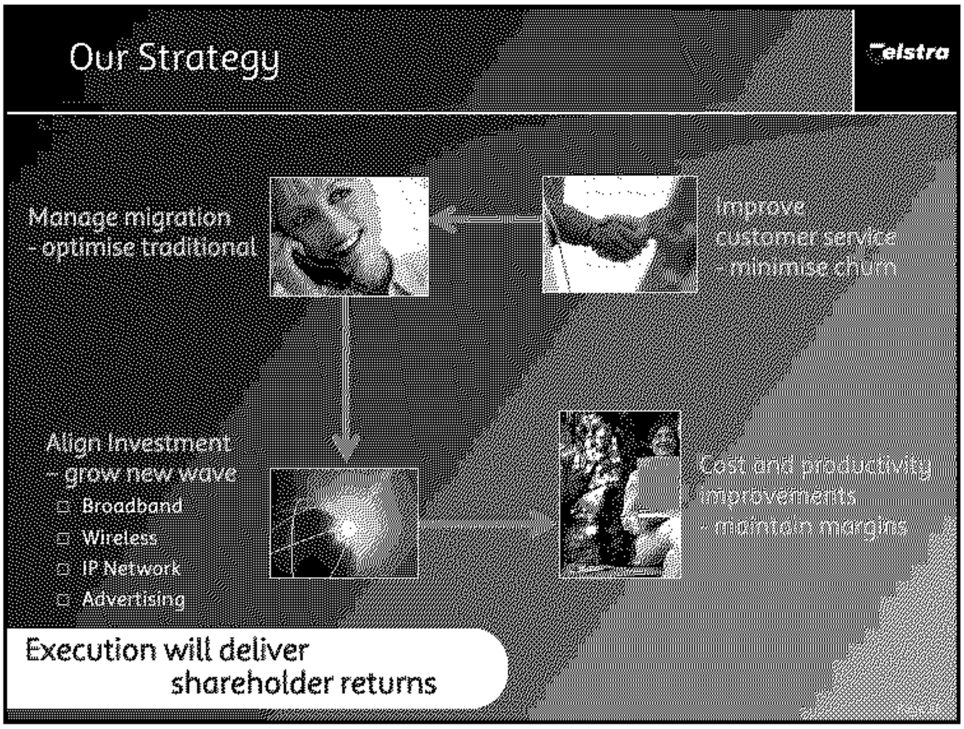
Delivering improved cash returns
to shareholders



Target Financial Parameters
Telstra
% 1. Payout Ratio (Ordinary Dividends Declared)
Weaker
Stronger
100
80
60
40
Target Zone 80 %
FY 00 FY 01 FY 02 FY 03 FY 04 1H 05
% 2. Gearing - Net Debt
Weaker
Stronger
55
50
45
40
35
Target Zone 45 - 55%
FY 00 FY 01 FY 02 FY 03 FY 04 1H 05
Times 3. Interest Cover - EBITDA/ Net Int Exp
Stronger
Weaker
15
10
5
0
Target Zone greater than 8 times
FY 00 FY 01 FY 02 FY 03 FY 04 1H 05
Times 4. Debt Servicing - Net Debt/EBITDA
Weaker
Stronger
2.0
1.7
1.4
1.1
0.8
0.5
Target Zone 1.3 – 1.7 times
FY 00 FY 01 FY 02 FY 03 FY 04 1H 05
Target parameters provide
flexibility for the future

Telstra
Telstra Corporation Limited
1H 2005 Results
Dr Ziggy Switkowski
Chief Executive Officer
"Building Momentum"


Regulatory Issues
Telstra
Mobile Termination Pricing
Price Caps Review
February 2005
June 2005
Broadband Competition Notice
Final decision on ULL/LSS undertakings
USO Costing
Regulatory issues
being proactively managed


Our Strategy
Telstra
Manage migration
- optimise traditional
Improve
customer service
- minimise churn
Align Investment
- grow new wave
Broadband
Wireless
IP Network
Advertising
Cost and productivity
improvements
- maintain margins
Execution will deliver
shareholder returns

Outlook

Telstra

- Focus on domestic operations and customer service improvement
- Domestic revenue growth trending towards industry levels
- Steady underlying operating margins
- Domestic capex will be around $3.3 billion (including 3G)
- Emphasis on free cash flow and capital returns to shareholders

Company financial focus:
profitable revenue, margin & cash flow

Telstra

Telstra Corporation Limited

1H 2005 Results

"Building Momentum"