9 August 2007

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ELECTRONIC LODGEMENT

Dear Sir or Madam

Full Year 2007 Results – CEO/CFO Analyst briefing presentation

In accordance with the listing rules, I enclose a presentation for release to the market.

Douglas Gration
Company Secretary

Disclaimer

- These presentations include certain forward-looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Telstra, which may cause actual results to differ materially from those expressed in the statements contained in these presentations. For example, the factors that are likely to affect the results of Telstra include general economic conditions in Australia; exchange rates; competition in the markets in which Telstra will operate; the inherent regulatory risks in the businesses of Telstra; the substantial technological changes taking place in the telecommunications industry; and the continuing growth in the data, internet, mobile and other telecommunications markets where Telstra will operate. A number of these factors are described in Telstra's 2006 20-F.

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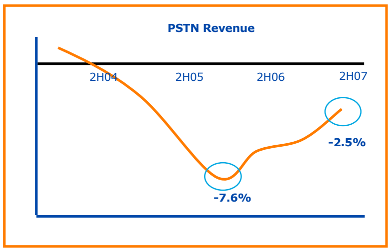
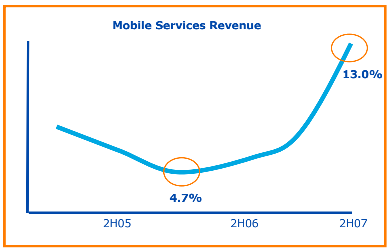
Delivering on the promise…

Mobiles	• Mobile service revenue growth at 9.8% YoY • 2 million 3GSM customer milestone passed (1m Next G™) • Next G™ speed and coverage setting global benchmarks
Broadband	• Broadband momentum continues – revenue growth exceeds cost growth • 2H - ARPU +7.7%, market share +2pp, SIOs +27% • Innovation – Second Life, BigPond TV, I-Pond, BigBlog
PSTN	• Residential SIO performance +54k yoy • Revenue decline slowed further in H2 to -2.5% • MBM segmentation reducing churn
Media-comms	• Sensis: World class revenue and margin performance • Foxtel: SIOs +13%, ARPU +3%, EBITDA +40% • Telstra online network ranked 3rd in Australia by visitors • SouFun: Expanding into new markets
Transformation	• Next G™ and Next IP™ delivered and ahead of schedule • First IT drop on schedule by end calendar 2007 • FY07 peak spend year – margins to improve





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…continuing to pressure the competition

FY2007 Financial Results (Reported)

$ billions (except margins & DPS)

	FY06	FY07	%	Guidance
Sales Revenue	22.7	23.7	4.2	+2.5 to +3.0%
Operating Expenses	13.5	14.1	4.4	
EBITDA	9.6	9.9	3.0	
EBITDA Margin (%)	42.2	41.7	0.5pp	
EBIT	5.5	5.8	5.1	+3.0% to 5.0%
PAT [1]	3.2	3.3	2.9	
Cash Operating Capex	4.3	5.7	32.8	$5.4 to $5.7bn
Free Cash Flow	4.6	2.9	-36.7	
Ordinary DPS (cents) [2]	28.0	28.0	-	28 cps

On or ahead of guidance

+7.1%
Underlying EBIT [3]

(1) Before minority interests
(2) FY06 excludes 6 cent per share special dividend
(3) Excluding Trading Post write-down

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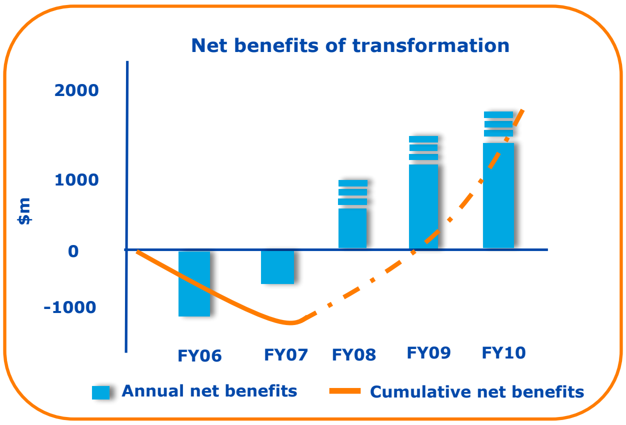
Building track record of delivery

Transformation Impact



- We expect cumulative transformation benefits to turn positive from FY09

Driven by…

- World class networks
- Headcount reduction
- Reduced complexity

Leveraging transformation investment into long-term benefits

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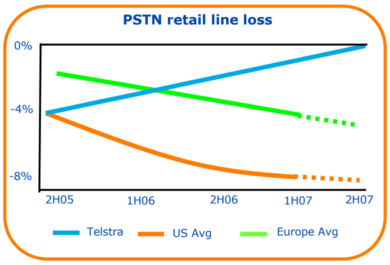
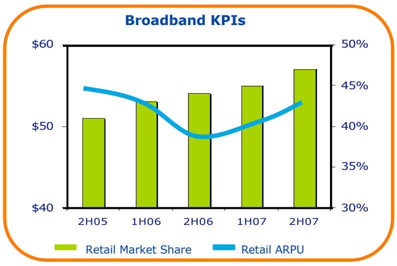
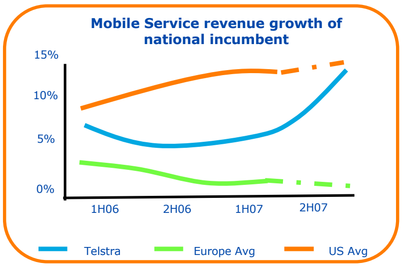
World Class Performance



- Positive retail revenue growth May-June
- Positive retail churn since October



- World class combination – growing market share and ARPUs
- Superior mobile broadband offering – ARPU $100+
- Improved usability through personalisation
- World best practice churn 15%



- Leveraging Next G™ competitive advantage
- Closing the gap on US incumbents

Defying global trends

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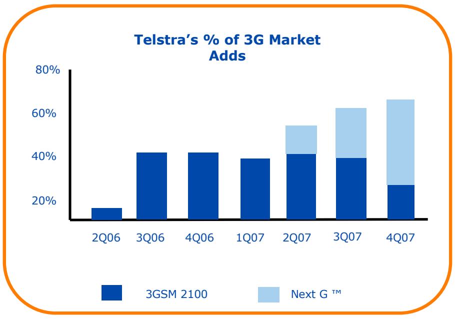
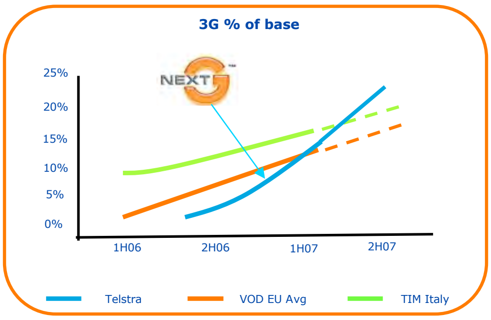
Accelerating trends - mobiles





- Continue to take 60% of 3G net adds*

- World class performance
- Increasing 3G % of base
  - 4% at launch of Next G™
  - 22% at June 07

*management estimates

Next G™ delivering world class performance

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Accelerating trends - mobiles

H2 Stats

- My Place visitors +90%
- Over 1 million video calls

Sensis

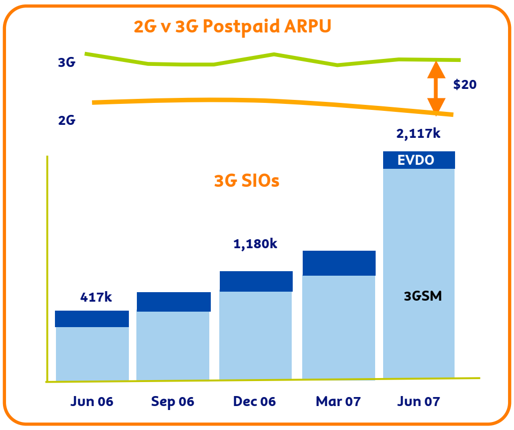
- Active visitors to Sensis Search by Mobile +39%

FOXTEL

- Monthly minutes of use per SIO +53%

BIGPOND

- +50% BigPond Mobile Active Users
- Almost 400k music downloads
- Over 300k game downloads



Changing the game in customer behaviour…leading the market

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BigPond initiatives in New Media

New

BigPond is the most visited real world site

Launched: 9 March 2007

Paid Content
Available online and on Next G™

Launched: 2 July 2007

BIGPOND

New

I-Pond

User-generated internet experience

GAMEARENA

Members have grown by 40% yoy

BIGBLOG

More than 7k unique visitors per week

New

BIGPOND TV

60k unique visitors since launch

Launched: 19 July 2007

Free Content
Available online and on Next G™

Establishing a customer-centric world class Web 2.0 platform

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Sensis – World Class Performance

Emerging businesses revenue growth +34%
- Triple digit sat nav unit sales
- MediaSmart revenues +93%

World class revenue/margin mix
- Yellow online revenue +29%, usage +13%

Simplified pricing stimulating volumes, revenue +14%

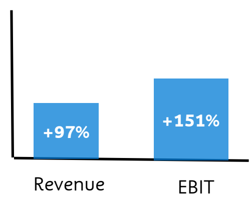
Challenging competitive environment
- $110m write down

SouFun

New initiatives to leverage SouFun's platform and customer base

- **Mortgages**
  - Opportunities in second hand housing market
- **Insurance**
  - Leveraging customer base to cross-sell

SouFun Financial Performance



A cornerstone of media-comms strategy

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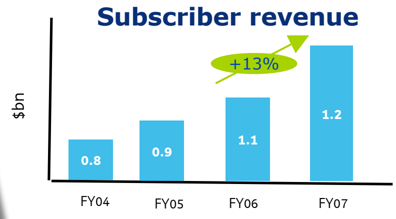
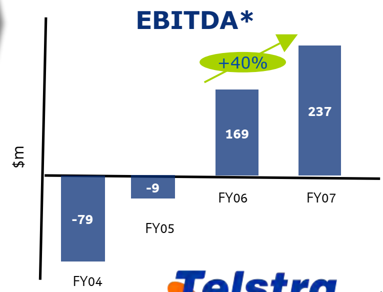
Accelerating trends - FOXTEL

- Direct SIOs +13% to 1.3m
- Market leading ARPU +3%
- World class churn below 12%
- iQ penetration +6pp to 16%

- 12 + 4 bonus channels
- 50k FOXTEL by Mobile SIOs +18%
- Complementary to BigPond TV





*Foxtel equity accounted – no P&L benefit due to accumulated losses

Australia's leading pay-TV platform

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Transformation progress - Networks

Progress to date

Access
- Rolled out ADSL2+, now with 55% coverage
- HFC upgrade: 30Mbps to 1.7M homes by end of CY07
- Next G™ upgrade to 7.2Mbps data cards coming

Core
- Next IP™ launched
- TID migration completed; RDN migration underway
- Increased capacity and scalability; core is 99.999% reliable

Platform
- 124 caps and exits completed
- FY07 savings: Approximately $55M

Building world class capability

Telstra

Transformation progress – IT

Targets & Timing

Target: Reduce and simplify systems
- ✓ 80% 'out of box' requirements
- ✓ Aiming to deliver significantly improved customer experience
- ✓ Increase cost savings and efficiencies

Timing: On Track:
- ✓ 1st release at the end of calendar 2007
- ✓ 2nd release in late calendar 2008

Achievements

Decommissioning:
- ✓ Exited 213 systems since Nov 2005 - 132 in FY07
- ✓ On track to achieve 80% reduction by FY10

Capabilities Delivered:
- Service Delivery Platform (TSDP) delivered to support Next G launch
- Integrated Desktop - single login to multiple Front of House systems for some contact centres
- Campaign management tool - Sales strike rates doubled
- Enterprise Program Management (EPM) - a global, off the shelf database product for project and program management
- Introduced 'out of the box' OnePlan Access application for Telstra's planners
- Added 4,500 sq metres of additional data processing and storage space
- Installed 100 Sun Fire E25K servers to handle mission critical work

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IT transformation: On track, on budget, on time.

Transformation progress – MBM/channels

Outbound sales

Segmented lists
- Needs-based product set
- Words that work
- Time for day
- Preferred medium
- Test & learn

Contact Volumes:	6m
Strike rates:	doubled to 16%
New services:	400k
Incremental revenue:	$200m

Channel Initiatives
- Points of Presence
- Improved management
- Dealer measures

1. Channel remuneration -$48M over 2 yrs
2. 65 new branded retail locations, including first Telstra Business Centre
3. Owned and licensed shops sales +25%

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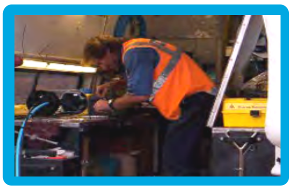
Delivering tangible benefits…….more to come

Transformation progress –productivity/culture



Fieldforce

- Technician productivity +17%
- Revisits down 36%
- FOH clearance +12% through new metrics & improved management

Call centre integrated desktop

- Log in time down 60%
- Transaction key-in time down 22%
- Reduced error rate
- Real-time sales reporting enabled

Learning Academy

- 12,000 people trained in first 11 months
- 5,500 instructor-led training days to be delivered in 2008
- Purpose-built centres in Sydney and Melbourne: 9,300 students per year

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Building on early gains

Maintaining competitive advantage

	Telstra	Competitors
Wireless	✓ 14.4Mbps network speed to 98.8% of population – **world class**; Superior depth at 850MHz	✗ 3.6Mbps to only 55% of population; Inferior depth at 2100MHz
HFC	✓ 30Mbps to 1.7m homes in CY07; 17Mbps to a further 1m homes	✗ 9.9Mbps to 1.4m homes
Content	✓ Integrated content across media-comms assets (FOXTEL, BIGPOND, WhereiS, Yellow)	✗ 3rd party content only and limited integration
Customers	✓ Leading market share across all products and services	✗ Lacking scale in key products and services
Distribution	✓ 300 shops	✗ 150 shops

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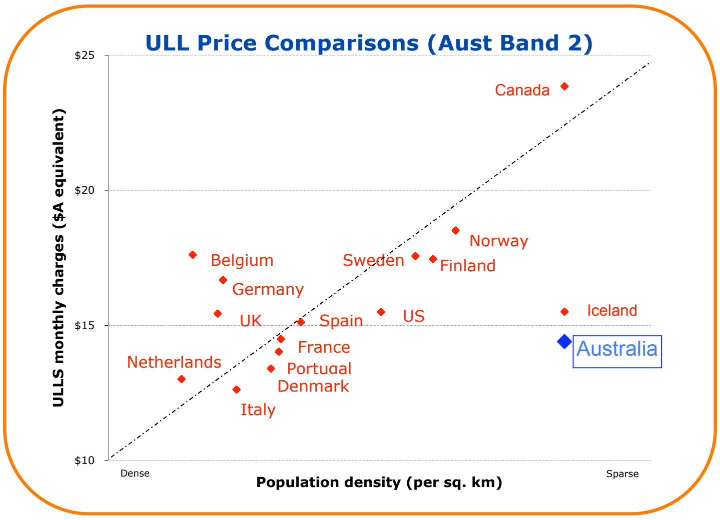
Leveraging our truly unique asset portfolio

Unlevel playing field



- Canada – Similar population density to Australia but ULL price 66% higher
- Iceland – LSS price more than twice Australia's

Beating the competition despite regulatory "free kicks"

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Summary

Transformation

World-class performance
- Mobile growth
- Broadband ARPU
- PSTN lines

Media-comms/integration
- BigPond
- Foxtel
- Sensis
- NextG™/NextIP™ integration

TODAY TOMORROW

Shareholder value

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On or ahead of guidance

3.5%

Domestic Sales Revenue

(1) Before minority interests
(2) FY06 excludes 6 cent per share special dividend

Earnings inflection point crossed

Telstra

Sales Revenue Drivers: $23.7b 4.2% +$961m

Drivers of Revenue Growth	1H07 Movement (%)	2H07 Movement (%)	FY07 Growth %	FY07 Movement ($m)	FY07 Actual ($m)
Total Mobiles	12%	16%	13.9	695	5,701
• Mobiles Services	7%	13%	9.8	444	4,983
• Mobiles Handsets	70%	41%	53.7	251	718
Retail broadband	50%	80%	66.2	483	1,213
Sensis [1]	+7%	+10%	7.8	142	1,968
IP access	21%	36%	29.5	101	443
Wholesale broadband	34%	11%	21.1	99	568
Specialised data	-11%	-9%	(10.0)	(88)	796
PSTN products	-5.6%	-2.5%	(4.1)	(309)	7,190

= 1H07 movement = 2H07 movement (1) Adjusted for the deferral of the Melbourne Yellow Book from 1H to 2H

Continued growth in key markets…strong second half momentum

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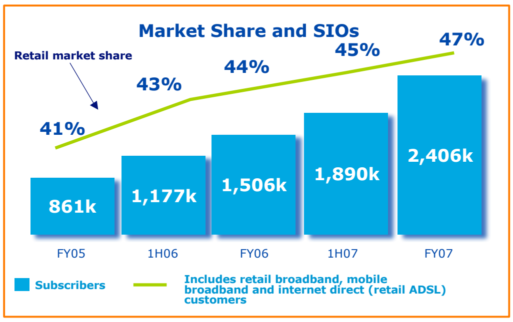
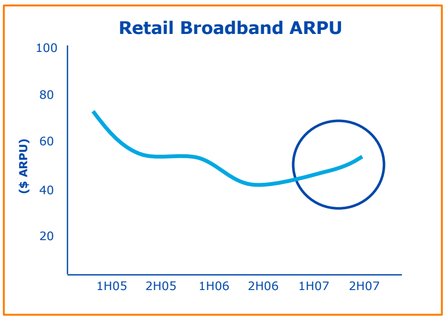
Retail Broadband : $1.2b 66.2% +$483m





- Revenue outgrowing costs
- World's best practice churn of 15%
- 24% of broadband customers on plans greater than 1.5Mbps

Market share and ARPU growth

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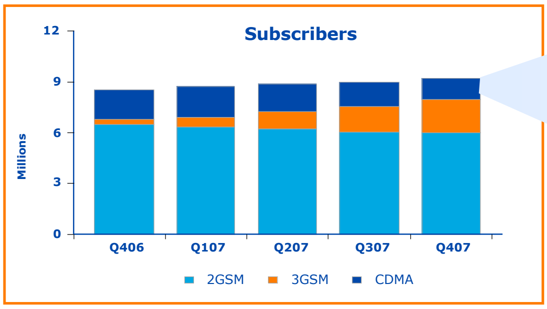
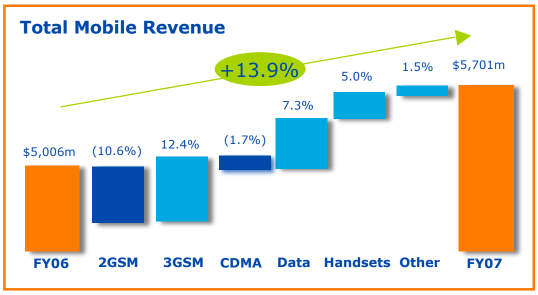
Mobiles: $5.7b 13.9% +$695m



CDMA SIOs at June 07**	1,126k
Handsets	('000s)
Prepaid	468
Postpaid	544
EVDO	114



- Mobile services revenue up 9.8% (13.0% in 2H)
- Data as a % of mobile services revenue up 6pp to 25%
- 3GSM SIOs exceed 2 million (1m Next G™)
- ~60% share of 3G net adds from ~30% prior to Next G™*

* Management estimates

** does not include the 136k CDMA prepaid customers who have been suspended from operation but not yet removed as a subscriber because of system limitations

3G market leader....strong data growth

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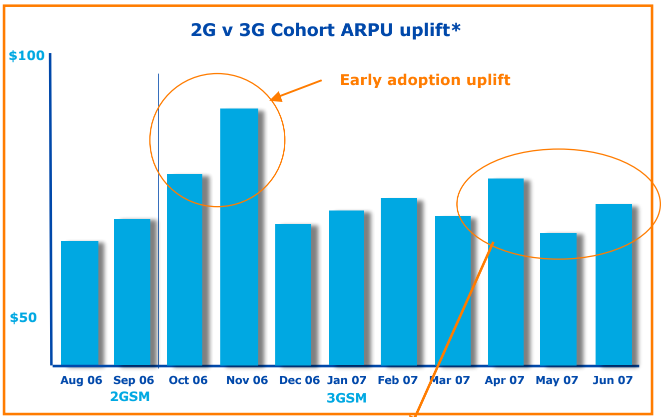
Mobile Data: $1.1b 50.1% +$367m



- ✓Sustained ARPU uplift
- ✓Voice MOU 16%
- ✓SMS ARPU 22%
- ✓Non SMS ARPU 41%

SMS revenue +30%
- ✓SMS messages +62%
- ✓Revenue per active user up
- ✓Active SMS users up

Non SMS revenue +92%
- ✓Active data users +28% since Oct
- ✓Foxtel by Mobile streamed minutes up
- ✓Video call MOU up

$100+

Data Card ARPU (per month)

3G driving sustained uplift in ARPU v 2G

* 2G customers migrating to Next G™ in October 2006

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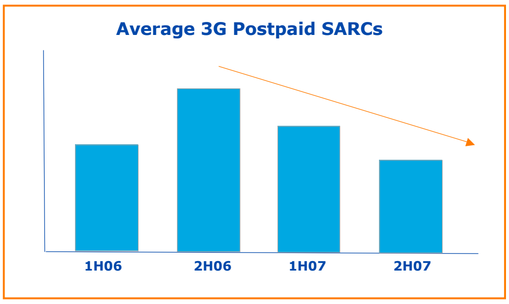
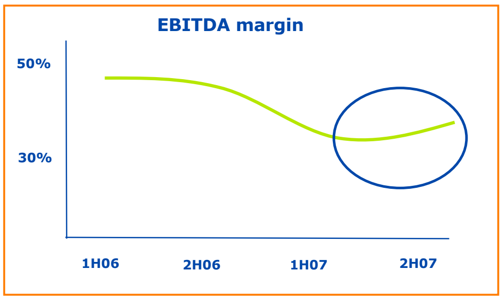
Mobiles Margin





- EBITDA margin up around 4pp from 1H07

3G growth driving margin improvement

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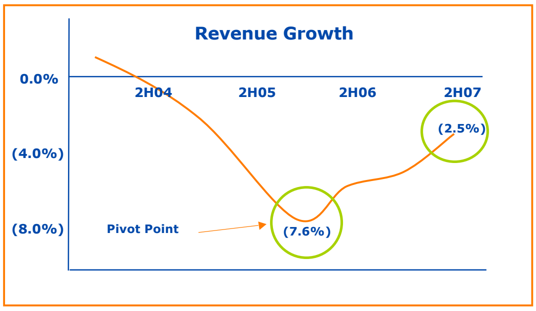
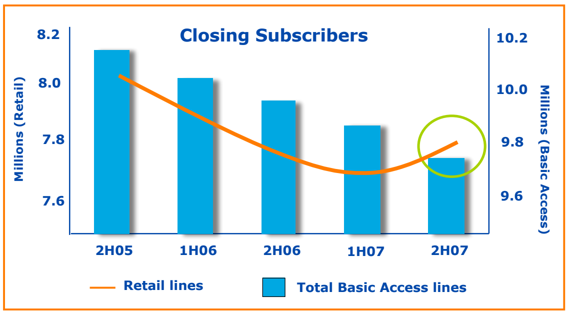
PSTN: $7.2b 4.1% -$309m

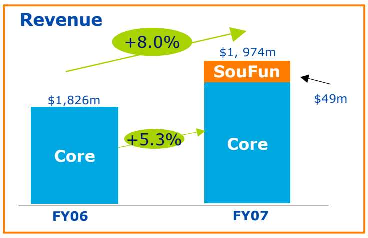




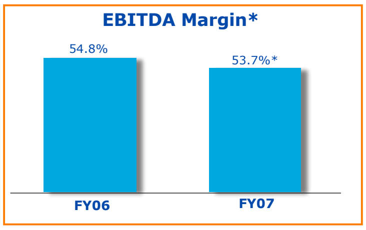
- Added 38k retail lines in 2H07 - first time since 2001
- In 18 months, slowed revenue decline by 5pp from -7.6% to -2.5%
- MBM driving much of the improved PSTN performance
- 356k consumers on subscription pricing plans
- 3+ product customers grew 23% YoY to just over 1 million

World class performance....positive churn since October

Sensis: $2.0b 8.0% +$147m



- Directories +4% to $1.5 billion
  - Yellow™ online growth of 29%
  - White Pages® +9.6%
- Emerging business +34%



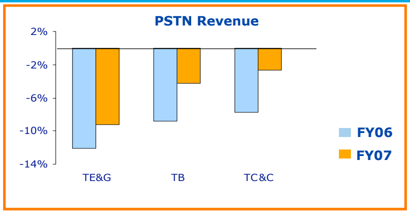
* Normalised for Trading Post write-down

Investing in the future

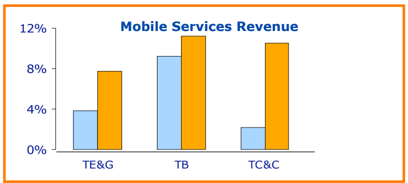
- Customer focused investment
- Innovations – Yellow™ on mobile
- Online usage +15%
- Trading Post write down
- System & process transformation

Targeting mid single digit organic revenue growth CAGR to FY10

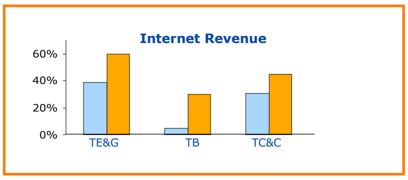
Segment Highlights



- **TCW:** Positive revenue growth in Brisbane, Adelaide & Perth (+4.8%)
- **TB:** Positive churn, SIO growth in Q407
- **TC&C:** Positive churn, SIO growth in FY07
- **TE&G:** SIO churn at a record low of less than 1.4%



- **TE&G:** Mobile data revenue +51% with 100,000 Next G™ SIOs added
- **TC&C:** 1.6 million 3G SIOs
- **TB:** 3G SIOs - 32% of mobile base, driving mobile data ARPU +70%



- **TCW:** Growth of +44%, driven by strong take up of ADSL and wireless broadband
- **TC&C:** Wireless broadband driving growth
- **TE&G:** Next IP™ network driving strong IP Access revenue growth

Growth across all key markets

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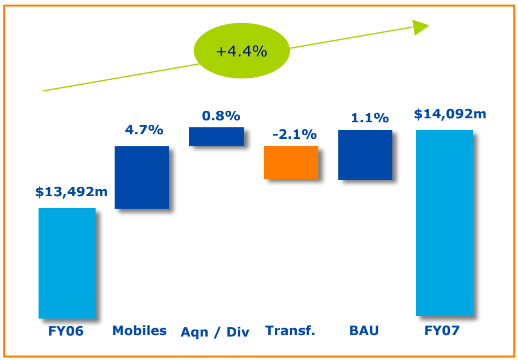
Operating Expenses: $14.1b 4.4% +$600m



Provisions ($ millions)	Raised FY06	Balance
Redundancy Provision	186	39
Restructuring Provision	241	193
R&R Provision	427	232

- Blended SARCs +34% YoY – investing in subscriber growth
- Full year of acquisitions
- Trading Post write down

Cost growth focused on high revenue growth areas

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Labour: $4.0b 8.0% -$347m

$4,364m | $534m | -72% | $4,017m | $149m | Redundancy -$385m

1H -47.4% 2H -77.4%

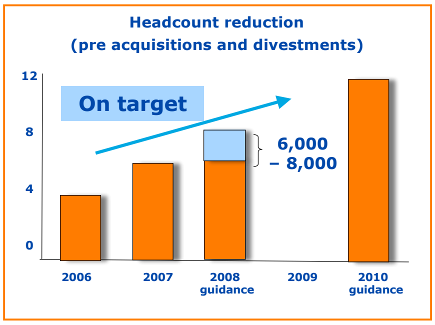
- $148m of redundancy provision utilised, driving down redundancy

$3,407m | 0.3% | $3,418m | Salary & Associated Costs +$11m

1H -0.6% 2H 1.3%

- Lower total workforce – down 1,887 in FY07

FY06 FY07



On track to achieve headcount reduction targets

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Goods and Services: $5.2b 9.6% +$450m

$4,701m | $504m | 58% | $5,151m | $798m | Handset Subsidies +$294m

1H +97.6% 2H +30.1%

- Increased volume with launch of Next G™
- Higher SARCs

$917m | 35% | $1,238m | COGS +$321m

1H +50.4% 2H +22.7%

- Higher BigPond volumes
- Higher handset sales

$2,002m | -10% | $1,799m | Network Payments -$203m

1H -11.8% 2H -8.4%

- Lower REACH payments
- Lower mobile terminating rates set by ACCC, partially offset by higher offnet traffic

FY06 FY07

Investment in customer growth....3G market leader

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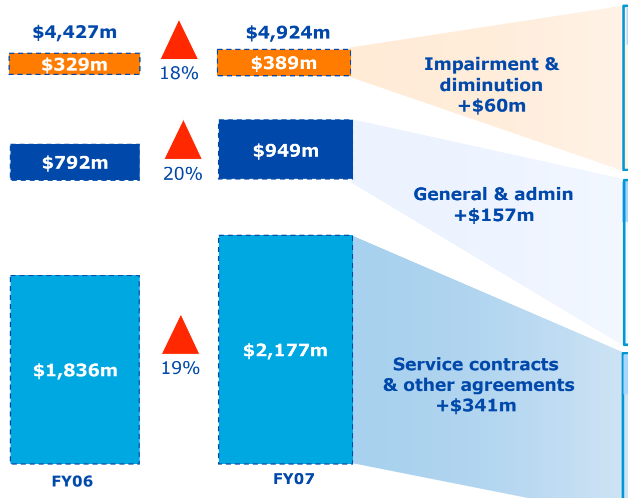
Other Expenses: $4.9b 11.2% +$497m



1H +19.1% 2H +18.2%
- Bad and doubtful debts
- Write-down, including Trading Post

1H +14.5% 2H -37.2%
- Operation of multiple mobile networks
- Training
- P & A

1H +17.5% 2H +19.6%
- Transformation costs
- Higher call centre and billing volumes

Transformation benefits to drive future savings

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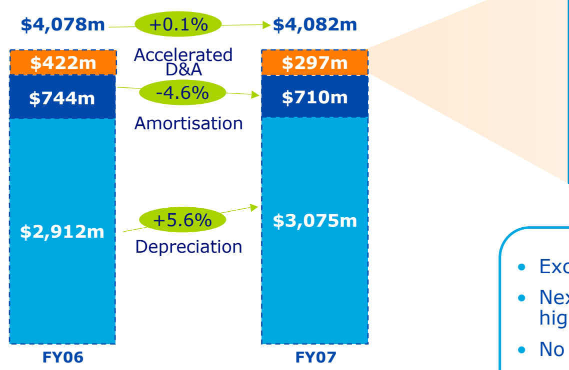
Depreciation & Amortisation: $4.1b 0.1% +$4m



Accelerated depreciation and amortisation (D & A)	FY07 ($m)
Strategic review service life changes	
- Network related	28
- Software	269
Total accelerated D & A	297

- Excluding accelerated D&A: +3.5%
- Next G™ & Next IP™ driving asset base higher along with acquisition activity
- No accelerated D&A in FY08

FY08 guidance around $4 billion

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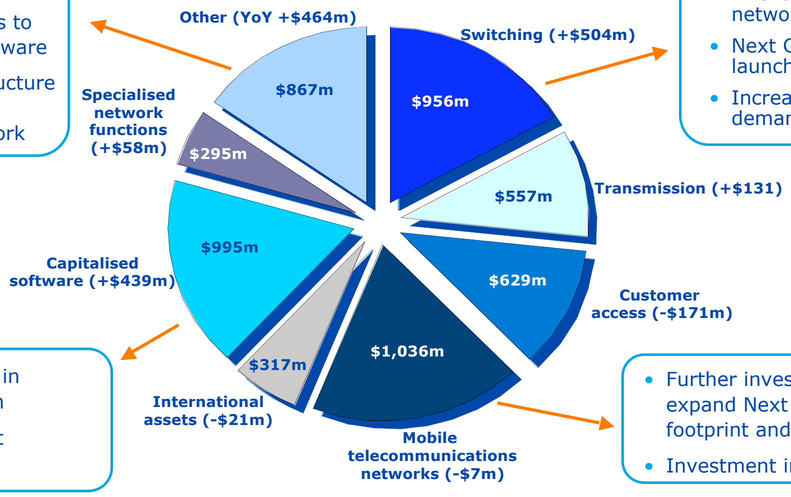
Cash Capital Expenditure: $5.7b ↑32.8% +$1.4b

- IT infrastructure
- Move from leases to purchase of hardware
- Network infrastructure to support next generation network



- IP enablement of network
- Next G™ & Next IP™ launch
- Increased broadband demand

- IT investment in transformation
- Sensis product development

- Further investment to expand Next G™ footprint and capacity
- Investment in Hutch JV

Peak capex spend year behind us – benefits to flow in coming years…

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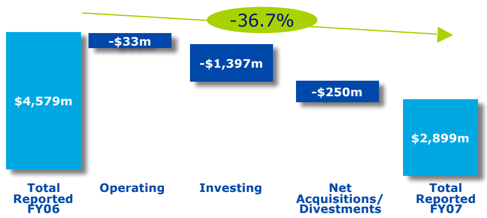
Cash Flow and Financial Parameters

Free Cash Flow



- FY07 peak spend year
- FCF down $1.7 billion driven by launch of Next G™ and Next IP™ networks

Financial Parameters	Target	Current FY07
Debt Servicing	1.7 – 2.1	1.5
Gearing – net debt	55% - 75%	53.7%
Interest cover	>7 times	9.1 times

	FY07 $m	FY06 $m
Net Debt	14,586	13,022
Total Assets	37,875	36,224

Financial ratios remain strong…need to retain flexibility

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International

CSL New World

HK$	FY07	FY06	% Δ
Income	**6,151**	**4,831**	**27.3**
EBITDA	1,765	1,390	27.0
EBIT	**770**	**686**	**12.2**

- #1 mobile player in HK market in market share and revenue share
- Strong data growth
- Meeting integration plan milestones

TelstraClear

NZ$	FY07	FY06	% Δ
Income	**657**	**693**	**(5.2)**
EBITDA	82	124	(33.9)
EBIT	**(60)**	**(20)**	**(200)**

- Regulatory uncertainty continues
- Cost reduction programme for 2008
- Solid E&G client base and strong Consumer InHome business

SouFun

US$	FY07	% Δ*
Income	**41**	**97**
EBITDA	16	145
EBIT	**16**	**151**

* annualised

- Resale & rental revenue +183%, home furnishing revenue +193%
- Opportunities for expansion into related products
- Launched World.SouFun.com

Opportunities and challenges across international portfolio

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FY08 Guidance

Guidance on Reported Numbers*

Revenue	In the range of 2.0% to 3.0%
EBITDA	In the range of 2.0% to 3.0%
EBIT	In the range of 3.0% to 5.0%
Depreciation & Amortisation	Around $4bn
Accrued capex	Range $4.6bn to $4.9bn
Dividend	Subject to normal board considerations

* Assumes organic growth, no FTTN and no provisions

First half EBITDA to decline slightly due to:

1. Transformation spend profile
2. FY07 MTA adjustment
3. FY07 AAS sale

Prudent guidance given regulator-driven wholesale price changes and government subsidisation of competition

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Long Term Management Objectives*

Revenue Growth	2.0% to 2.5% pa to FY10
New product revenue	In excess of 30% sales revenue FY10
Cost growth	2.0% to 3.0%pa to FY10
EBITDA ($)	2.0% to 2.5%pa growth to FY10
EBITDA margin	46% to 48%pa by FY10
Workforce	Down 12,000 by FY10
Capex	10% to 12% of revenue by FY10
Free cash flow	$6b to $7b by FY10

* Based off FY05 results

Long term management objectives remain unchanged

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