



1 November 2007

The Manager

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ELECTRONIC LODGEMENT

Dear Sir or Madam

Investor Day – Part 2 of slide presentations by Telstra Senior Executives

In accordance with the listing rules, I attach a copy of this afternoon's presentations to be delivered at Telstra's Investor Day for release to the market.

Regards

A handwritten signature in black ink, appearing to read 'C. Elliott'.

Claire Elliott
Acting Company Secretary



Winning in the Market

Bill Stewart



Winning in the market



Driving significant results



Future of Marketing at Telstra



Business Unit Performance



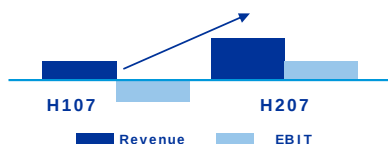
Thank You



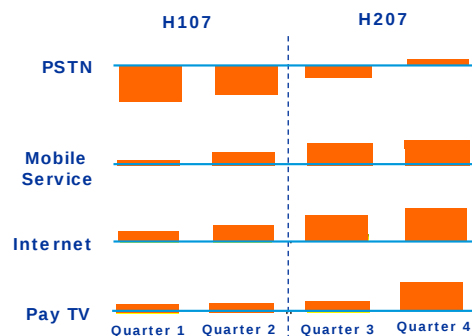
Investor Day

David Moffatt

Telstra Consumer FY07 performance



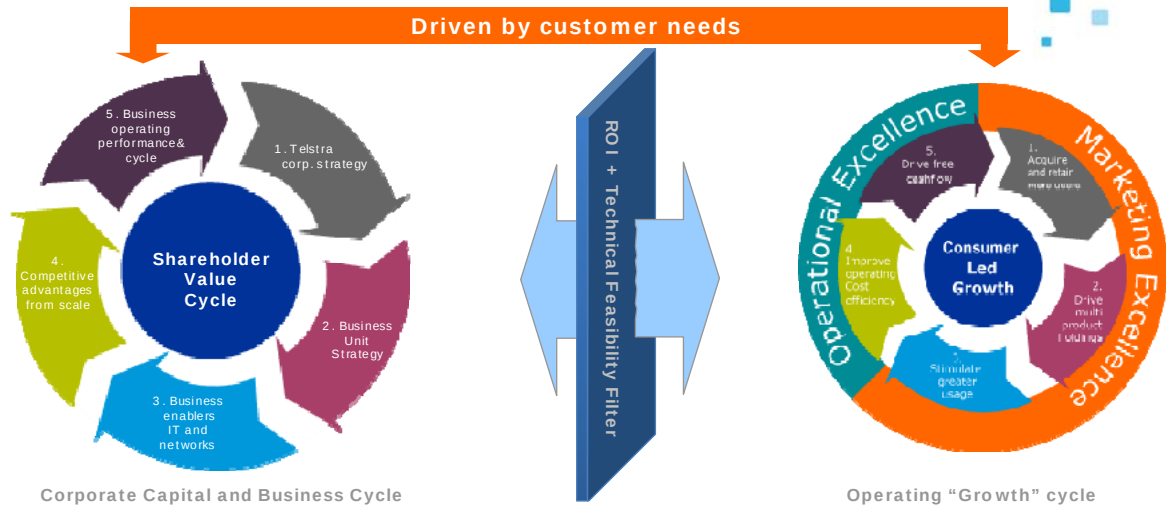
- Strong Sales Momentum- All products
- Market Leader – All products
- Market Leader – New Products
- World Leading Performance - Mature Products



A world class performance



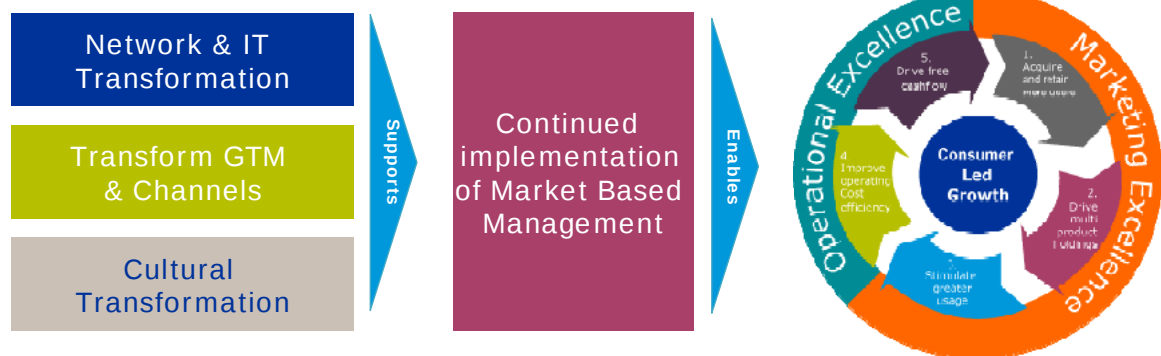
Our sustainable value creation strategy



Accelerating The Generation of Free Cash Flow



In FY08... marketing transformation accelerates



Speeding up the cycle...Customer Idea to Cash Flow



The big customer experience initiatives for '08



Retail and Call centre Transformation...



We will enhance the customer experience



Market Based Management



IT Transformation



Cultural Transformation



Channel Transformation



Marketing Transformation



....Investing to Sustain our Competitive Advantage



How we acquire and retain more users...



Increased Targeting - MBM



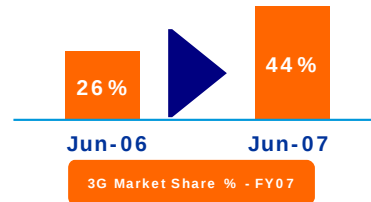
Multi- Channel Distribution Strategy



Training and Leadership Development



Detailed focus on Performance Metrics



Best Customer Retention Rates in the Industry



How we drive multi-product holdings



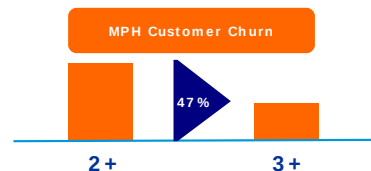
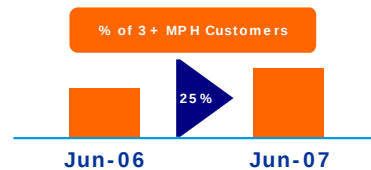
Think total lifetime customer value



Think "integrated" Needs based Offers



Think "integrated" Contact Strategies



...True Integration drives Product Depth



How we increase usage....

- Market Based Management
- Propensity Based Usage Modelling
- Segmented, Usage Based Offers
- Unique, Integrated Products & Services



Sales per contact



Customer usage
of non-SMS data

Demonstrating the Value of Integration



How we drive lower operating costs....

- Optimised Go-to-Market processes
- Reduced Time-to-Market
- Strategic partnerships
- Reduced Subscriber Acquisition Costs



Log-in times



Transaction times



Brightstar cost
savings

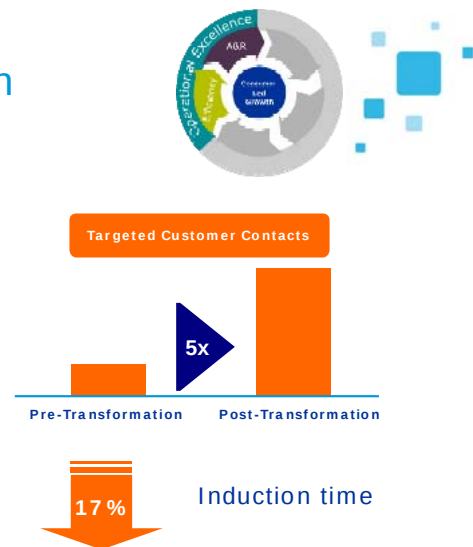


"Locking -in" sustainable productivity improvements...



More to come post transformation

- 7 to 37M targeted contacts
- Reduced process times
- Enhanced training cycles



Toward “world-class” in every aspect of Operations...



Our consumer value creation strategy...



A sustainable, Revenue and Profit Growth Engine



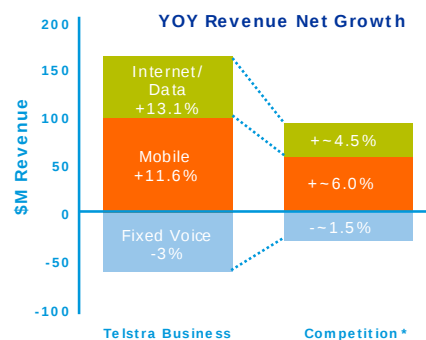
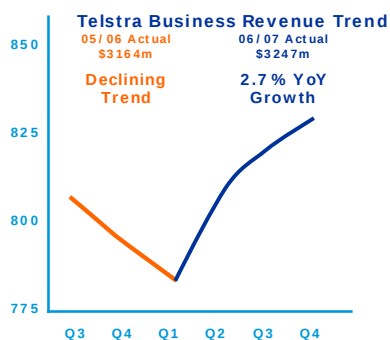


Telstra Business

Deena Shiff

Group Managing Director

“Open for Business”...



TB is growing its revenue and leading the market in mobile and internet

* Management estimates



Strategic Focus...



1. Offering communications solutions over Next G and Next IP that are business **relevant**
2. Enabling channels to **capture** business opportunities
3. Offering a service **experience** matched to segment preferences

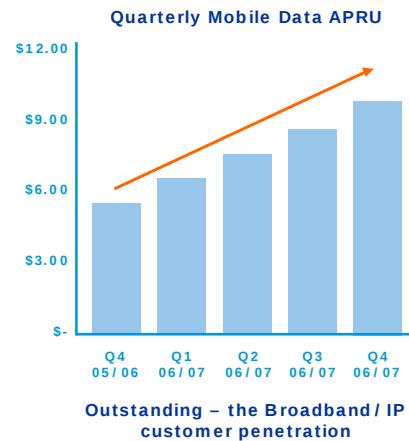


The Customer Story



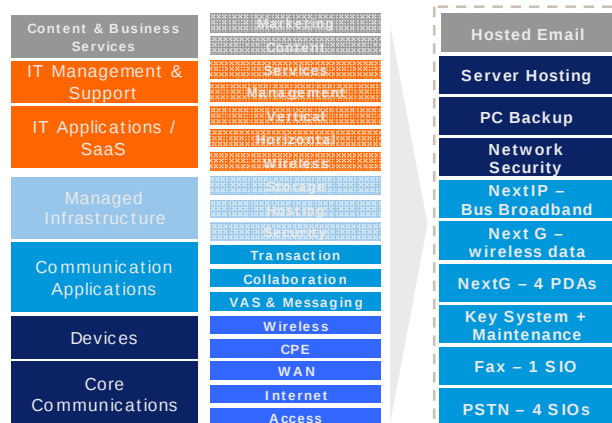
1. Relevant Business Communications Solutions

- We are at the early stages of a wireless data adoption curve
- Customers appetite for data and IP relative to PSTN values varies significantly by segment
- Modular solutions have been created to serve individual segment needs
- To data customer ARPU has increased even as PSTN declines



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Customer ARPU

7.4 % *

* 06/07FY



2. Enabling Channels to Capture Business Opportunities

- Direct Marketing
- Contact Centres
- Direct Sales
- Industry Channels



2. Enabling Channels to Capture Business Opportunities

- Direct Marketing
- **Contact Centres**
- Direct Sales
- Industry Channels



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- Direct Marketing
- Contact Centres
- **Direct Sales**
- Industry Channels



2. Enabling Channels to Capture Business Opportunities

- Direct Marketing
- Contact Centres
- Direct Sales
- Industry Channels



3. Offering a Service Experience Matched to Segment Preferences

- Start / move / expand my business
- Learn about business services
- Order and provision a new service
- Use new services and applications
- Resolve problems



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Tracking Our Progress...

Reverse Revenue Decline

- Slow PSTN rate of decline by 40% compared to 05/06
- Grow Mobile and Broadband above SME market rate
- Grow Multi-Product customers from 40%-70% by June 2009

Build Platform for Growth

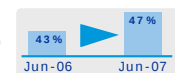
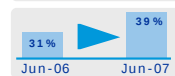
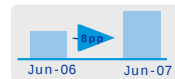
- Grow 3G proportion of Mobile subscribers to > 60% in 08/09
- Grow Broadband & IP customer penetration to > 50% in 08/09

Rebalance Revenue from Old to New

- Grow proportion of non-Fixed Voice revenue to > 60% by 2008/09

Exceeded

Exceeded





Enterprise & Government

David Thodey

E&G Market Segmentation: Deep customer understanding



1,500 Enterprise & Government Customers

Key
Customer
Needs

'Reliable' 'Fast' 'Simple' 'Secure' 'Scaleable' 'Control'

Segments



Government



Industry



MNCs



Integrated

Specific
Customer
Needs

- Effective policy delivery & performance

- Improved business performance

- Global coverage

- Outsourced end to end solutions and services

Telstra's differentiated offerings fulfil our customers needs



We are on track to meeting our nine commitments

Milestones to meet by 2010

Progress made in FY'07

➔	Grow revenue faster than addressable market of >1%	✓	• Normalised revenue growth of 2%
➔	New wave revenue mix >45%	✓	• New wave revenue now accounts for 41% of the total revenue base
➔	New wave revenue growth 15%	✓	• New wave revenue growth of 14%
➔	Slower decline in core carriage	✓	• Slowed our decline to -2%
➔	Longer term contracts	✓	• Average contract length has risen by 8 months
➔	Strong EBITDA from applications	✓	• Some early success, but still more to do
➔	Lower cost support due to NGN	✓	• NGN is driving lower access costs and delivers multiple services over our Next IP™ and Next G™ networks
➔	10% productivity improvement	✓	• We continue to make good progress and are on track to meeting the 10% productivity improvement
➔	Lower Capex intensity & strong cash flow	✓	• Strong cash flow results



Value Based Management: Transformation is the enabler

Customer

- A deeper understanding of E&G customer satisfaction
- Thought leadership programs by industry
- Differentiated levels of service

Marketing

- Sophisticated market analysis & research – needs based segmentation
- Greater alignment of priorities against segments
- Innovative solution bundles

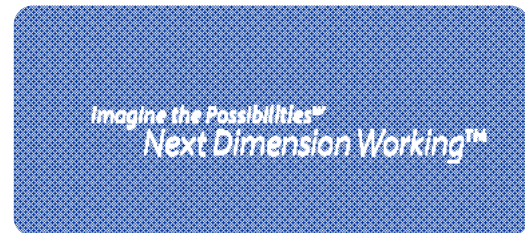
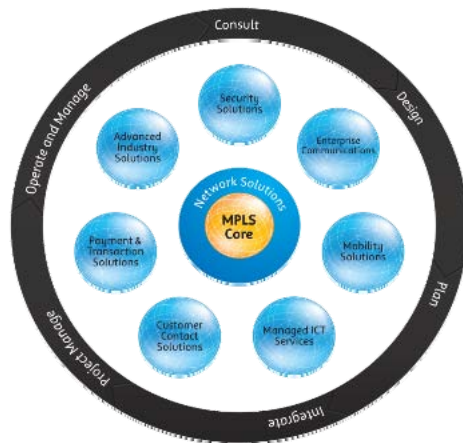
Sales

- IP consultative selling
- Value based selling incentives
- Extending offerings through strategic partnerships
- The Telstra Difference

Creating and delivering value through more targeted marketing, selling and delivery of our differentiated enterprise services and solutions



Next Dimension Working – a unique & differentiated product portfolio



Next Dimension Working™ offers our enterprise & government customers new ways to generate revenues, productivity improvements and efficiencies through changing the way they do business



Telstra Next G™ Network coverage and speed driving value to Enterprise customers

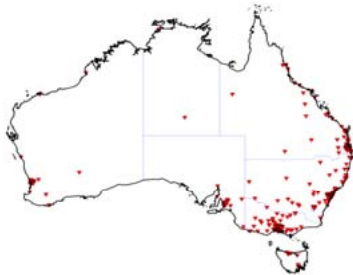


- Over 100 times bigger than our nearest competitor
- Speeds of up to 7.2Mbps
- Telstra Next G™ Network value proposition driving win-back opportunities
- Mobile IP – providing true mobile desktop
- Over 150,000 Telstra Next G™ Network SIO's
- Over 80,000 mobile broadband devices
- 59% Mobile Data growth



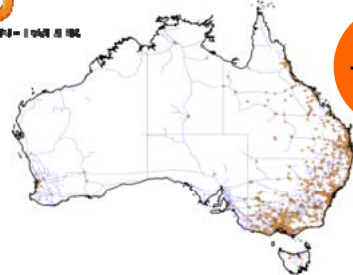
Telstra Next IP™ Network is the fastest network in Australia scalable up to 92 terabytes and 600% more coverage than our nearest competitor

Nearest Competitor



Our nearest competitor has **2,221** locations nationally

Telstra



+ 600 %

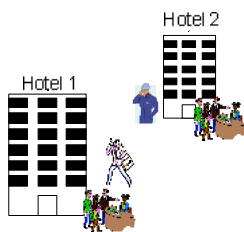
The Telstra Next IP™ Network has **15,804** locations nationally



Note: Shows points of presence lit by fibre. Based on public available information

Next Dimension Working:

Old Solution



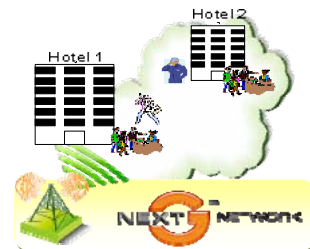
- Travelling sales and field staff had disparate coverage in metro and regional areas

The Challenge



“...improve customer experience across all 120 metro and regional hotels...”

New Solution

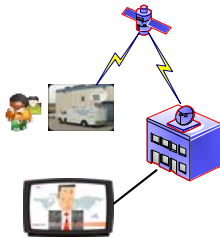


- Communicate and organise field staff anytime and anywhere they need it
- Coverage in hard to reach places



Next Dimension Working:

Old Solution



- Satellite content transmission from a stationary truck
- Labour and time intensive
- Expensive infrastructure

The Challenge



“...getting content to the newsroom... fast and cost effective...”

New Solution

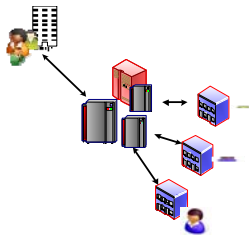


- Speed and coverage, everywhere they need it
- Flexible, able to use it on the move
- Communicate real time



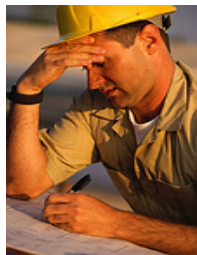
Next Dimension Working:

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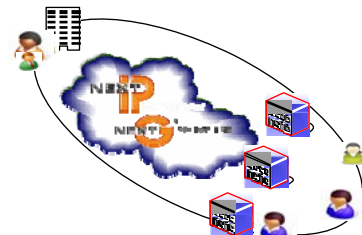
- Separate Voice, Data and Mobile networks
- Main frames and PC's connected with dedicated ISDN lines
- Manual, paper based processes

The Challenge



“...providing great customer service and finding rental equipment ...”

New Solution



- One integrated network
- All 200 branches and field staff connected to core network
- Online automated processes



We will deliver sustainable profitable growth and strong cash flows by focusing on....



Customer Value

- Creating & delivering value
- Telstra only differentiation
- Responsive & simple to do business with

Value Based Management

- Understanding & meeting customer needs
- Thought leadership & innovative bundles
- Value based selling

Services & Solutions

- Telstra Next G™ & Next IP™ Networks
- World class Telstra-only solutions & services
- Differentiated levels of service

Transformation

- Continuous Service Improvement
- Delivering multiple services over one network
- Developing strategic partnerships
- Operational excellence

Our vision: To be the leading provider of network services and solutions to enterprise and government customers in Australia and New Zealand



We have made good progress executing our strategy and are focused on delivering our commitments



- Core Carriage growth
- Next G driving wireless growth
- Continued growth in solutions
- Enhanced Network Services
- Customer Service and Satisfaction
- Improved productivity

.... and we are focused on execution

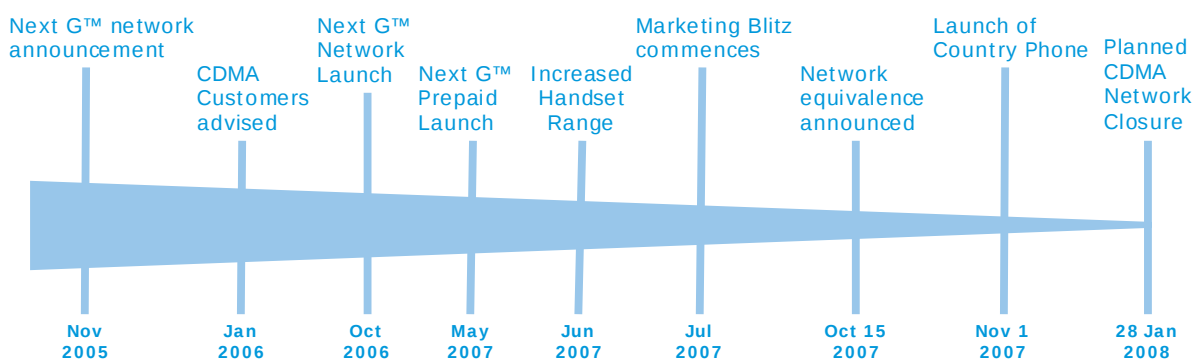




Geoff Booth

CDMA Migration
Investor Community Update

CDMA migration : Journey so far



Journey so far

- Network equivalence/Superiority
- Increased handset range
- Handsets specifically designed for Regional coverage
- Business, Enterprise & Government customers' plans in place



The road ahead

- Marketing in full swing
 - SMS, direct mail and outbound telemarketing campaigns to all CDMA customers
 - Retail shops and Dealer programs are in place
 - 784 local customer events planned



Countdown to closure

- Systems and processes in place
- Our stores are ready
- We have the stock
- Our Next G™ network and services meet the Carrier Licence Conditions*



**The time is right for customers
to make the move to** 

* Government review is underway





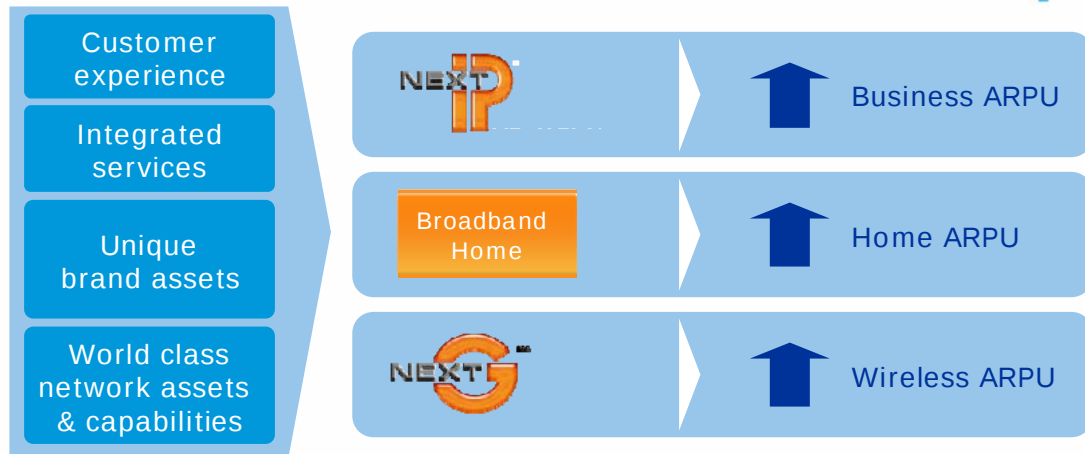
Sustainable Growth through Product Differentiation and Innovation

Holly Kramer

Only with Telstra



Differentiation delivering ARPU growth



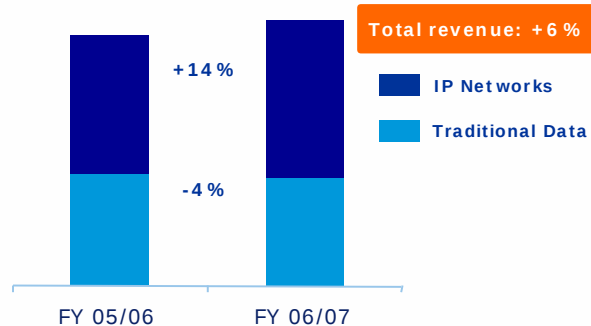
A reality today. Sustainable tomorrow



Next IP™ today

Telstra IP Networks & Traditional Data revenues: FY06/07 vs pcp

IP revenue *growth*
offsetting traditional
data decline



Customer experience

Integrated services

Unique brand assets

World class network



Next IP™ today

Customers using more services, driving ARPU

Before
IP

After
migration

Medium enterprise customer

- Basic carriage (Frame, ISDN)
- IP access
- IP MAN
- Managed network services
- Security & co-location

ARPU + 25 %

Large enterprise customer

- Basic carriage (Frame, ISDN)
- IP MAN & IP WAN
- Multiple business units
- Increased bandwidth for apps
- Managed network services

ARPU + 13 %
(IP solutions + 120 %)

Customer experience

Integrated services

Unique brand assets

World class network



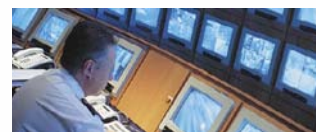
Next IP™ today

Australia's *best* IP provider across network *and* services

Telstra 'Best IP Provider'
Gartner, Australian MPLS Providers 2007

Provider	Network	SLA	Additional Services	Reporting	Service Reliability
Telstra	✓	✓	✓	✓	✓
Optus	✓	✓	✓	✓	✓
Transnet	✓	✓	✓	✓	✓
Comcast	✓	✓	✓	✓	✓
Other	✓	✓	✓	✓	✓
Unicom	✓	✓	✓	✓	✓
SAIT	✓	✓	✓	✓	✓
Overall	✓	✓	✓	✓	✓

Managed network services:
10 % churn reduction



IP solution bundles: +35 % YoY

Connect IP = router + access + WAN port + SLA + security + IP Telephony Q2 07/08

Customer experience

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World class network



Sustaining growth tomorrow

New wave IP services
continue to drive
growth

IP Video Collaboration



Education Solutions



Software as a Service



IP Contact Centres



Customer
experience

Integrated
services

Unique brand
assets

World class
network

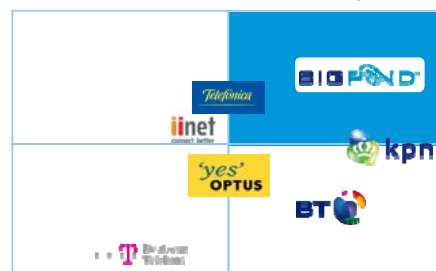


Broadband Home today

BigPond is growing
ARPU *and* market
share

ARPU & Market Share change of Broadband Providers
H1 CY2007, domestic business only

ARPU change



Market share change

Customer
experience

Integrated
services

Unique brand
assets

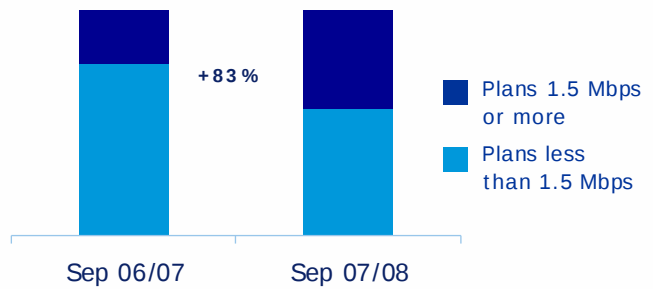
World class
network



Broadband Home today

Customers demanding
more speed

BigPond access plan mix (%)



Customer
experience

Integrated
services

Unique brand
assets

World class
network

Telstra

Broadband Home today

BigPond home gateway
More devices
More bandwidth
More usage

From PC access



To home networking



Customer
experience

Integrated
services

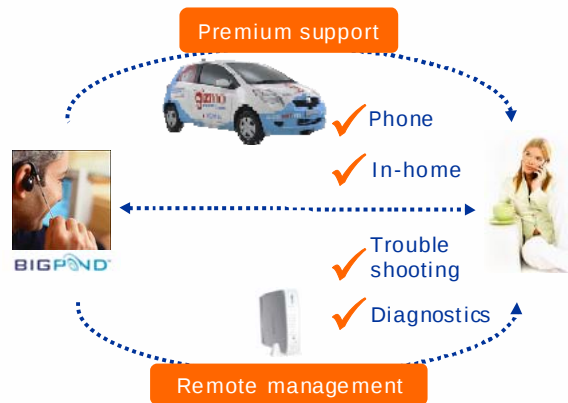
Unique brand
assets

World class
network

Telstra

Broadband Home today

Transforming customer support *and* reducing costs



Customer experience

Integrated services

Unique brand assets

World class network

Telstra

Sustaining growth tomorrow

The *next generation* of consumer communication!



Customer experience

Integrated services

Unique brand assets

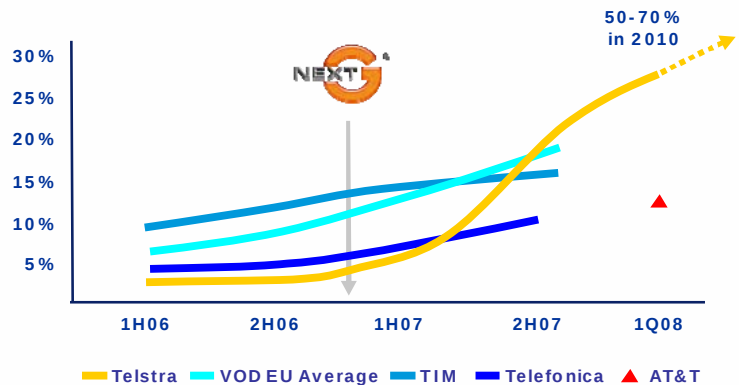
World class network

Telstra

Next G™ today

Next G™ leading
Australia up the charts!
- 3G SIOs

3G SIOs as % of base: Leading global peers
Company reports



Customer
experience

Integrated
services

Unique brand
assets

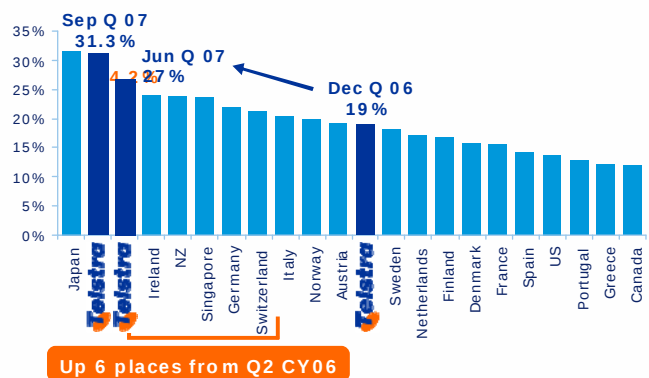
World class
network



Next G™ today

Next G™ leading
Australia up the charts!
- Data % of ARPU

Data as % of ARPU: Developed countries Q2 CY2007
Merrill Lynch Global Wireless Matrix 2Q07



Customer
experience

Integrated
services

Unique brand
assets

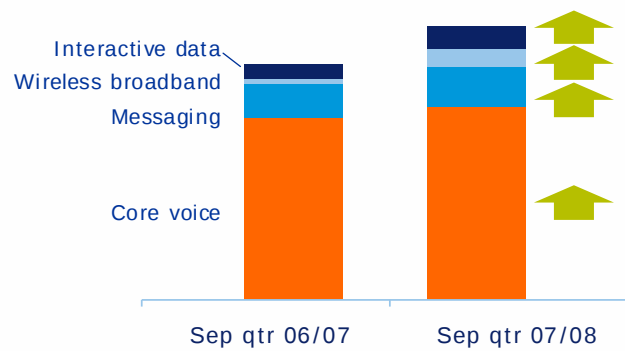
World class
network



Next G™ today

We are growing *across all categories*

Telstra retail mobile revenue: Sep qtr 07/08 vs pcp



Customer experience

Integrated services

Unique brand assets

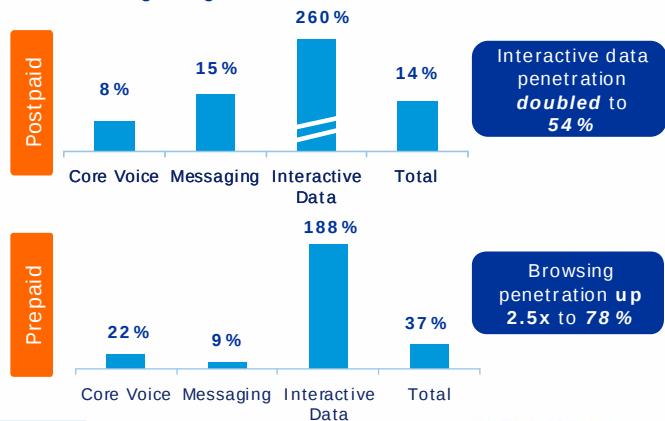
World class network



Next G™ today

Consumers using more data on Next G™

% ARPU growth of consumer customer cohorts migrating from 2G to 3G



Customer experience

Integrated services

Unique brand assets

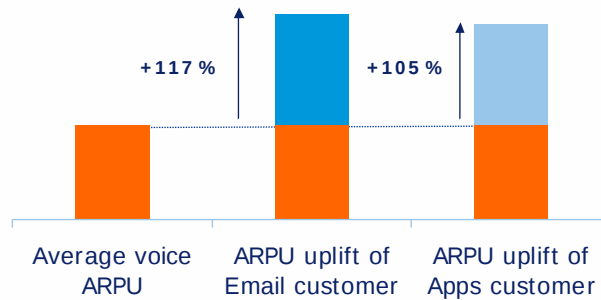
World class network



Next G™ today

Applications stimulating
business ARPU

ARPU uplift of Email and Apps business
customers: Sep qtr 07/08



Customer
experience

Integrated
services

Unique brand
assets

World class
network

Telstra

Next G™ today

Full range of 23
devices!



Prepaid range



Leading edge
innovation



Multi vendor
support



PDAs



Mobile
broadband

Customer
experience

Integrated
services

Unique brand
assets

World class
network

Telstra

Next G™ today

Realising the 1-click principle



100 % Next G devices

Customised keys



Usability lab



Customer experience

Integrated services

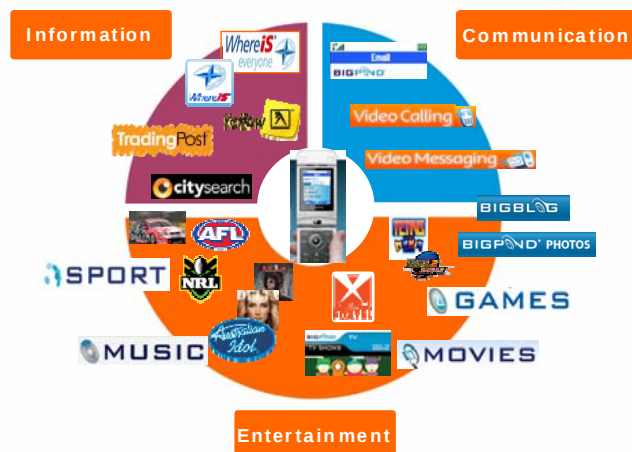
Unique brand assets

World class network

Telstra

Next G™ today

Compelling services and brands for consumers...



Customer experience

Integrated services

Unique brand assets

World class network

Telstra

Next G™ today

...and the leading suite of apps for business



Customer experience

Integrated services

Unique brand assets

World class network

Telstra

Sustaining growth tomorrow

EasyTouch: The next evolution of 1-click



Customer experience

Integrated services

Unique brand assets

World class network

Telstra

Sustaining growth tomorrow

Introducing...
Mobile FOXTEL
from Telstra!



EPG

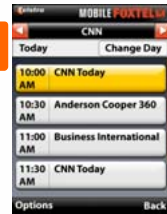
Featured
devices



Foxtel iQ
remote record



Rich media
client*



* On featured devices

Customer
experience

Integrated
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Telstra

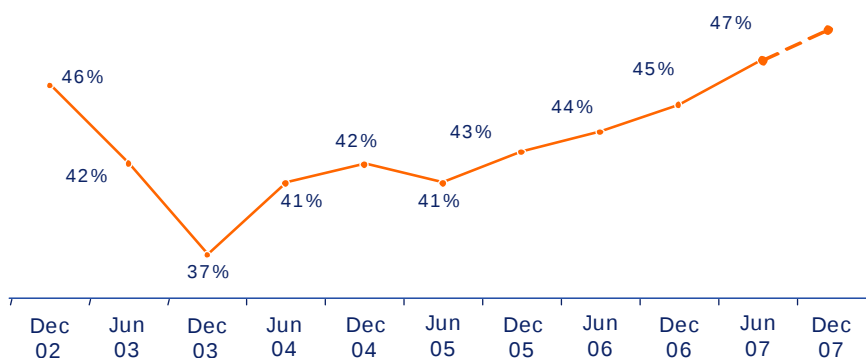


Investor Day

Justin Milne, BigPond

Telstra is increasing its market leadership position in broadband . . .

Telstra Retail Broadband Market Share



...due to continued innovation in access



Whether you're downloading movies, games, music or software, you can now fly through it all faster than before with BigPond's lightning fast broadband connection offering speeds of up to 30Mbps in Sydney and Melbourne. As with BigPond Broadband Cable Extreme you can fly more into everyday. Visit bigpond.com.au/call/332240

MORE SPEED. MORE PLACES. **BIGPOND**

Australia's fastest fixed broadband in Sydney and Melbourne

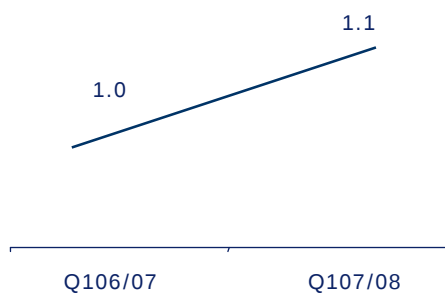
BigPond Access Awards

- Best International Wireless, 2007 Broadband World Forum Europe Awards
- Best Wireless Broadband, 2007 Australian Personal Computer Internet Technology Awards
- Best Broadband Supplier, 2007 Australian Telecoms Awards
- Internet Technology of the Year, 2007 Australian Personal Computer Internet Technology Awards



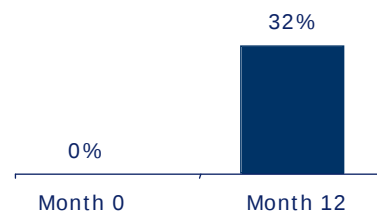
"BigPond's ARPU: International best practice, and increasing"

Retail Broadband ARPU Growth¹



The 'ARPU escalator' at work

Proportion of \$29.95 volumetric cohort who upgrade to cap plans



1) Includes ADSL, Cable, Wireless and Satellite including hardware sales



Home Networking is an exciting new initiative which will continue to drive ARPU to the next level...



Home Networking Campaign

Launched in October with very promising results

- Over 20% take up by customers since launch
- 7% greater spend on access
- 50% less churn



....by stimulating usage

1 Home Network modem sold



- Customer selects plan

2 Customer chooses higher value plan



- Additional household members connect
- Requirement for more usage and higher speed

3 Customer migrates to higher speed

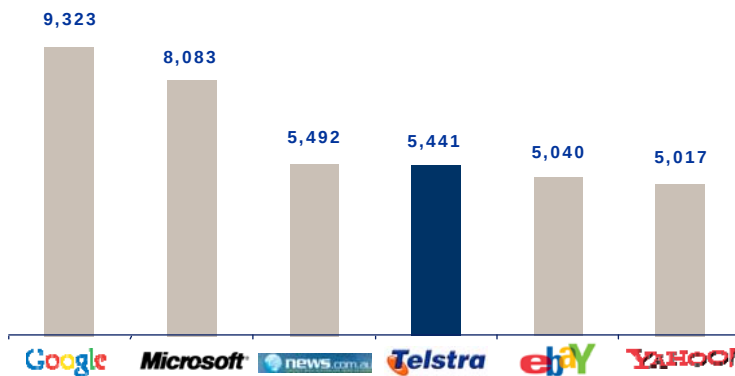


- Increase use of content
- Higher retention
- More ARPU



Telstra's online network is the 4th largest publisher in Australia

Unique Audience¹ – Sept 07 (000's)



Key media businesses

BIGPOND

(sensis)

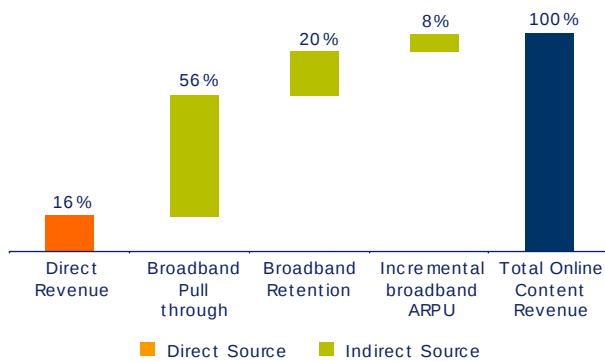
Telstra

1) Nielsen//NetRatings NetView, September 2007

Telstra

Content value includes direct acquisition, retention and cross product revenue

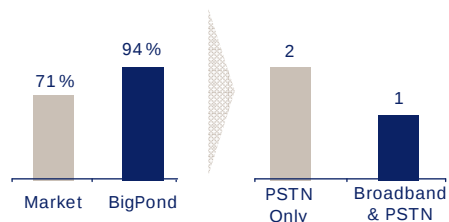
Cumulative Total Revenue Attributable to Online Content FY06 – FY10



How Broadband drives PSTN retention

High PSTN market share¹ in BigPond...

...which is reducing PSTN churn

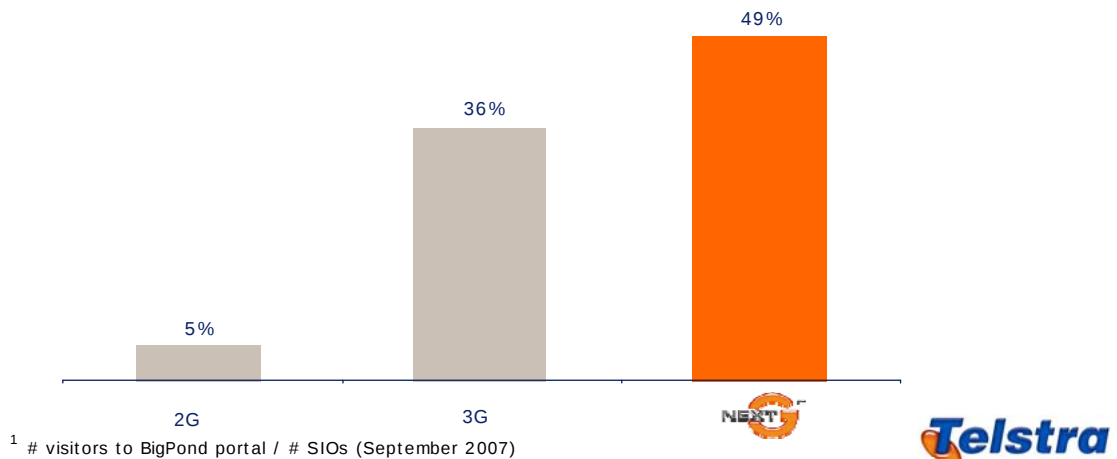


1) Roy Morgan Single Source

Telstra

Next G™ is stimulating take-up of mobile content

Proportion of BigPond Mobile handset users that use the mobile portal¹



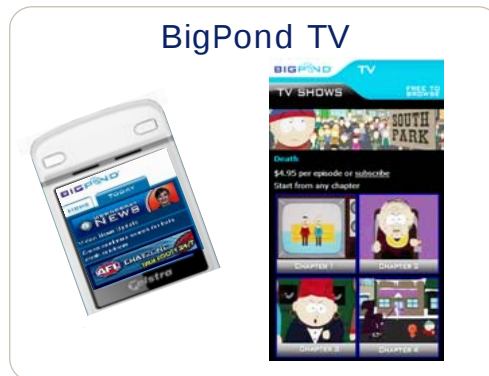
Telstra's mobile TV offering is the best in market

Mobile FOXTEL



33 Mobile FOXTEL Channels

BigPond TV



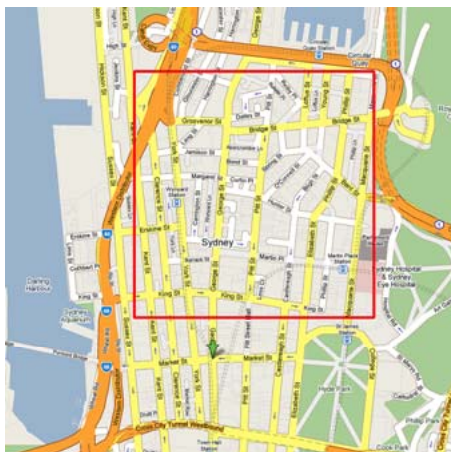
Over 450 videos on demand on BigPond TV

Telstra

We are continuing to innovate with Web 2.0 applications: document editing and sharing with BigPond Office



3D Sydney in Second Life



Hype Reel to follow



Only Telstra can provide this integrated access, content, and cross platform advertising value proposition





Sensis

Bruce Akhurst, CEO

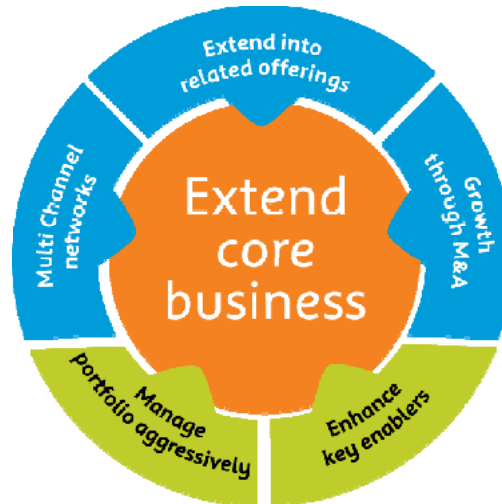


Sensis update

- Yellow™ print returns to positive growth
- White Pages® delivering world class results
- Trading Post® on track to deliver improved earnings
- Systems & processes transformation on track & budget



We continue to execute our strategy to drive profits from the core



Global leader delivering world class growth in a highly attractive industry



Favourable industry and market dynamics	8% five year CAGR media market driven by high consumer spend¹ - Strong online market: 60% CY06 growth almost double US market² - Sensis global top 3 for directory share of advertising market³
Dominant competitive position	13% share of main media market / >95 of directories market⁴ - Global #1 (of top 10) for directory share of GDP and revenue per capita, directories title, distributed copy and sales representative⁵
Well-penetrated, diversified customer base	- Almost 600,000 customers; over 150,000 online - Top ten directories customers account for <1% of directories revenue - Diversified customers: SME / corporate advertisers and consumers
Attractive operating model	- Strong cashflows >50% EBITDA margin - Low capital intensity
Significant opportunities for future growth	- Strong print portfolio, although print now <70% of total revenue - Fully integrated print/online/mobile/sat nav/voice ad sales (Yellow™) 37% of revenue growing at >9%/an, 20% growing at >25%/an

Directories revenue growth of 4%: global benchmark of 3%⁵
EBITDA margins compare well with global benchmarks around 50%⁶



1: CEASA Main Media Report, Dec 2006; 2: PWC Online Advertising Expenditure Report, December 2006; IAB Internet Advertising Revenue Report, 2006; 3: The Kelsey Group, Global Yellow Pages™ 2007; 4: Sensis analysis utilising CEASA, PWC, company reports and related data; 5: The Kelsey Group, Global Yellow Pages™ 2007; 6: Sensis analysis, company reports

Customer and capability investments are driving sustainable growth



A business model for driving sustainable growth



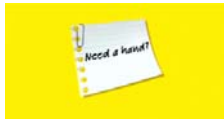
Our investments and customer focus are already paying off



- Yellow™ is performing strongly
- White Pages® continues world's best growth
- Online continues to do well, but there's more we can do
- Voice best in world
- Sat nav and mobiles gaining traction



Print: We're investing in usage growth



Promotion

Increase consideration
Focus on life events
Also impacts advertiser decisions

Circulation

250K increase
Circulation managers
"You can't use the directory
if you don't have it"

Circulation to high return locations: apartments, offices, hotels



Info-rich ads: helping advertisers provide the experience buyers are seeking



From this
(2006)

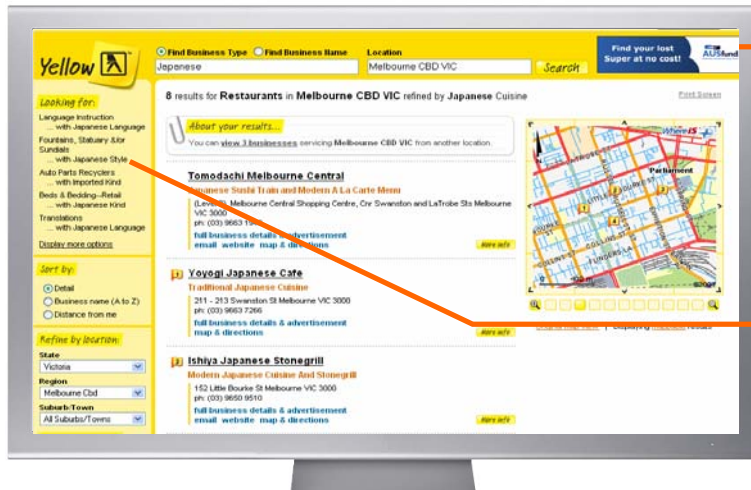
To this
(2007)

Info-rich ads are the number one driver of usage *



* CRM Associates

Online: Improving the search experience



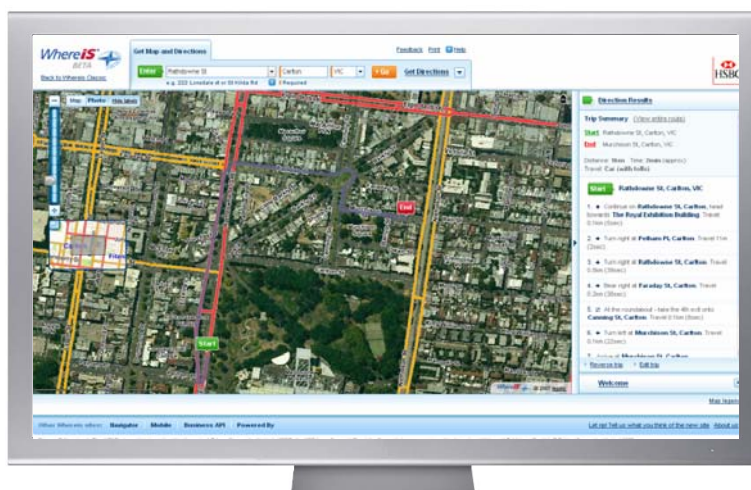
60% of people typing
'Japanese' are looking for
a Japanese Restaurant

Now straight through to
'one-click' results page
with enhanced refinement
tools

One click results, enhanced search refinements



New media: Powerful new services for Whereis users



Whereis.com.au: 150% usage growth in just two years*

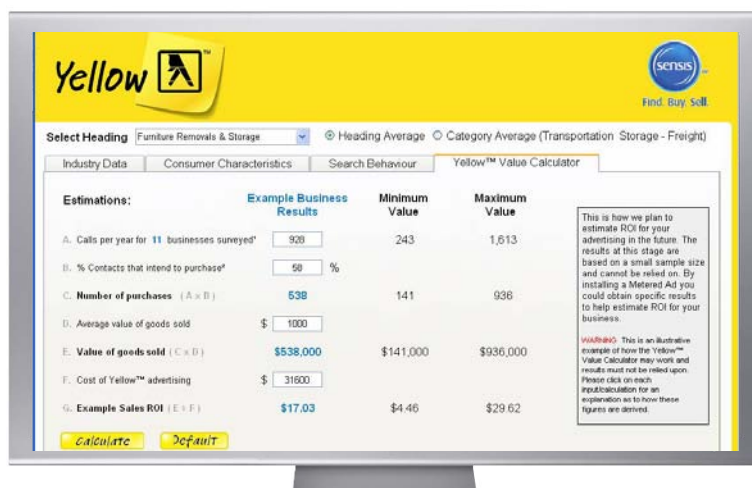


* Nielsen/NetRatings Site Census; based on average monthly unique browsers over comparative 12 month periods

Improving usage through integration



We're improving and demonstrating the value of print and our multi-channel offering

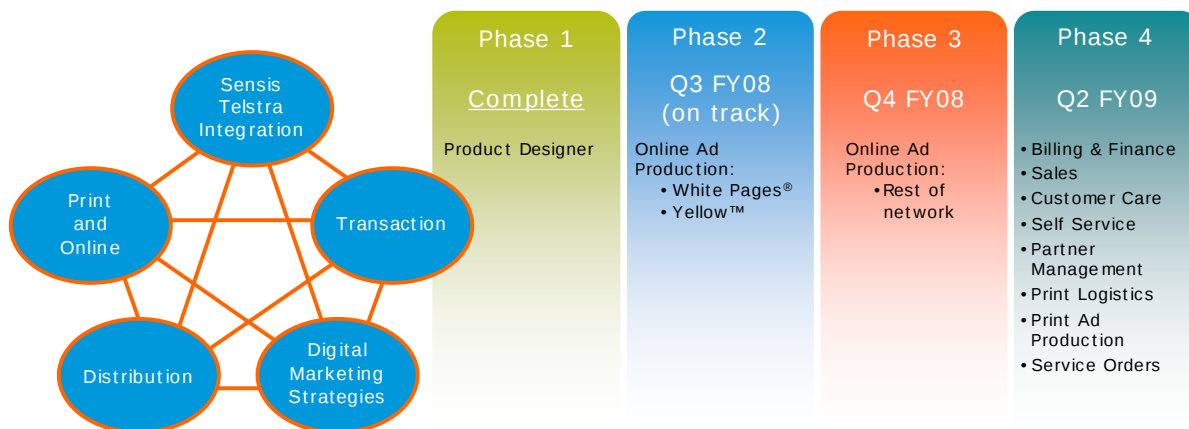


- Info-rich ads
- Metered ads
- ROI monitoring
- Sales training
- Streamlined processes

Several thousand metered ads to measure and report on ROI



Directories: Transformation will deliver speed, efficiency and new integration opportunities



Decommissioning 106 systems and eliminating 120 processes



Trading Post®: Driving efficiency and investing in new media growth



- Data and service reliability and stability
- Simplified buyer and seller experience
- New online products
- Further enhancements to transaction capabilities

Online usage doubles in three years*



Substantial new product pipeline slated for FY08 launch



* Nielsen//NetRatings Site Census; based on average monthly unique browsers over comparative 12 month periods

Soufun: An exciting growth business. On track for 100 cities plan.



New Home

- New property listing
- Advertising by developers
- Promotional events
- Total web solution (TWS)

Home Furnishing

- Advertising by suppliers and stores
- Promotional events

Research

- National/local property price index
- Database and research reports
- Ranking of projects
- Ranking of developers

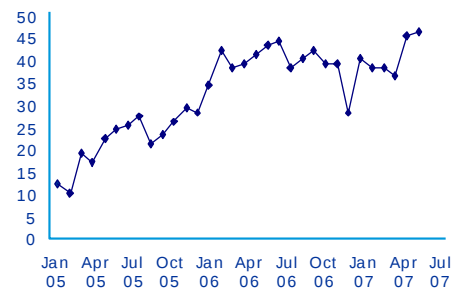
Resale & Rental

- Listing by individuals and brokers
- Advertising by brokers

Online Communities

- Myhome space
- Life search
- Classified online

UV (Monthly)*



World's largest real estate site: 46 million monthly users



* Alexa

Summary



- Yellow™ print returns to growth
- White Pages® delivering world class results
- Trading Post® on track to deliver improved earnings
- Systems & processes transformation on track & budget



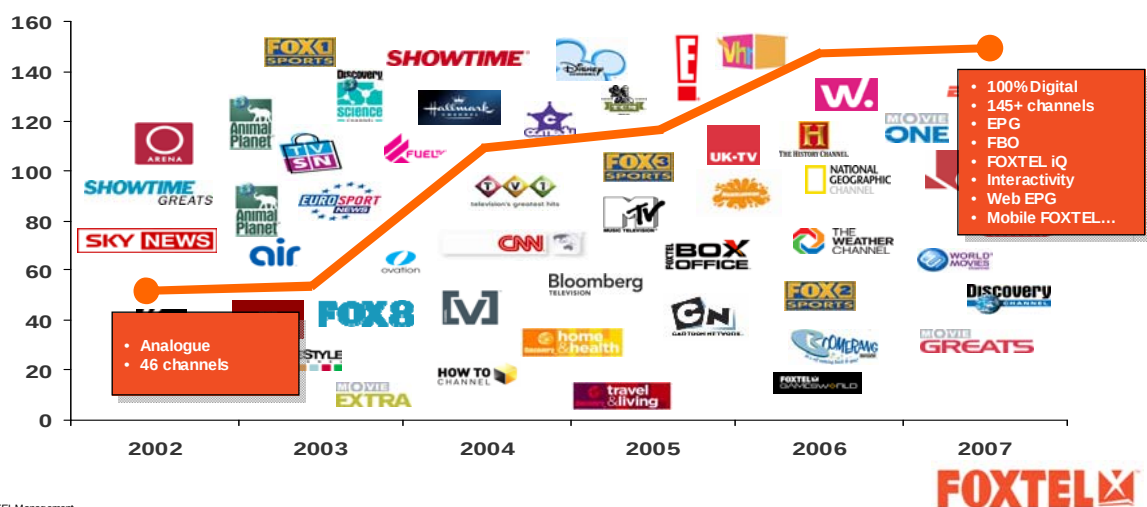
TELSTRA INVESTOR DAY SUSTAINABLE GROWTH

Kim Williams AM
CEO
FOXTEL



SIGNIFICANT SERVICE EXPANSION

Number Of Channels On The FOXTEL Platform
(#)



STRENGTHENED FINANCIAL POSITION

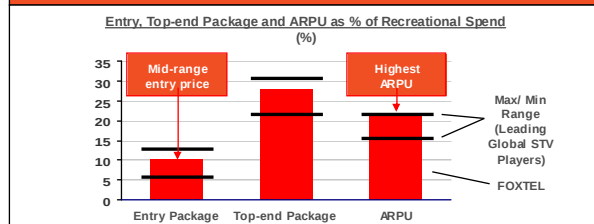
\$m	2001/02	2003/04	2005/06	2006/07
Total Subscribers ⁽¹⁾ (k)	799	1,099	1,271	1,416
Total Revenue	632	938	1,268	1,421
EBITDA	(47)	(79)	169	237
EBIT	(94)	(149)	39	101
Operating Profit	(93)	(156)	4	76

(1) Includes Wholesale; excludes sales queue
Source: FOXTEL Management

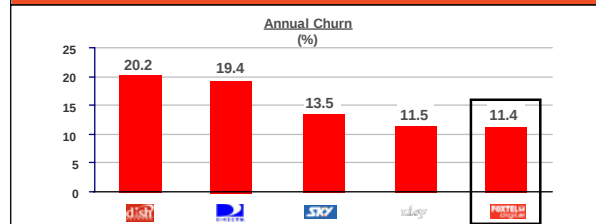


CONSTANT PERFORMANCE IMPROVEMENT

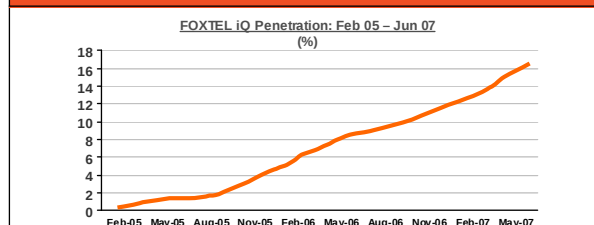
FOXTEL Has World-leading ARPU – And Is Still Very Affordable



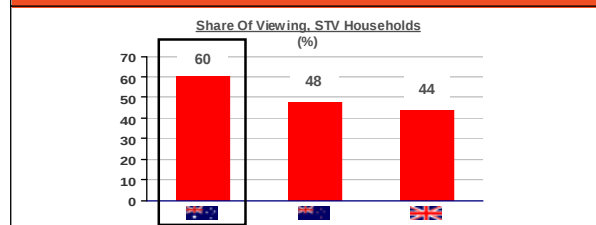
FOXTEL Has World-leading Churn



FOXTEL's iQ Shows Rapid Growth



FOXTEL Has Strong Viewership

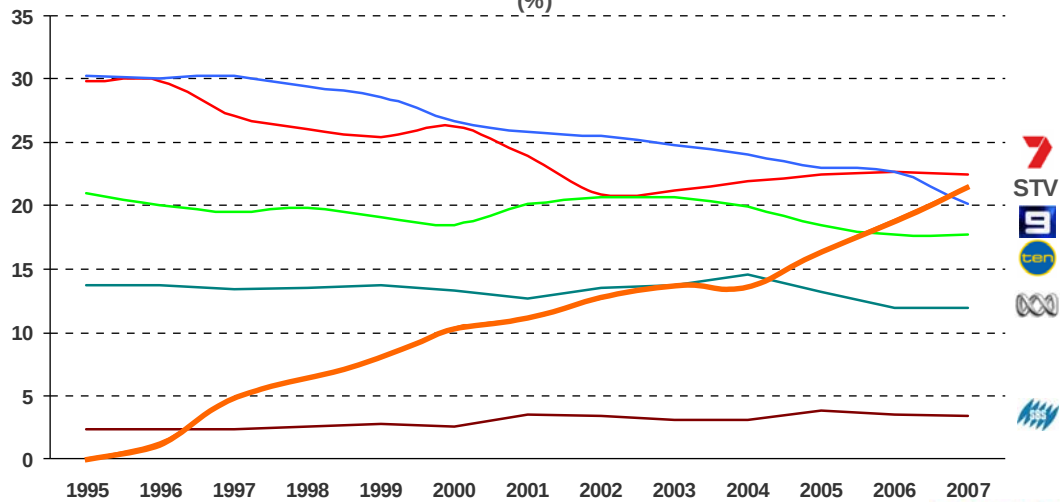


Source: STV company annual reports, SEC filings; ACNidsen & OzTAM; ASTRA; FOXTEL



INCREASING VIEWING SHARE

Share Of Viewing, Australian Households (%)



Source: OzTAM. All Metro Homes Data. 5 City Metro. 0600-2400. Weeks 1-52, 1995-2006 & Weeks 1-40, 2007

FOXTEL

CONTINUING PRODUCT INNOVATION



FOXTEL

NEW AND EXCLUSIVE CONTENT



FOXTEL

FOXTEL NEXT GENERATION

'On Demand':
Simple Navigation
And Search With
Recommendation

**New iQ PVRs: For
Everyone!**

Optimisation:
Better TV, Not More
TV



Transferability:
Pay Once But Use
Many: Watch Me, Rent
Me, Buy Me

True High Definition:
A Key Differentiator

Content:
Carefully Targeted,
Commissioned And
Acquired

FOXTEL

The logo features the word "FOXTEL" in a bold, white, sans-serif font. To the right of the text is a white square icon containing a stylized red 'X' shape. A small "TM" trademark symbol is located at the top right of the icon. The entire logo is set against a red background that is part of a larger, slightly irregular red shape.

FOXTEL  TM



People & Culture

Andrea Grant
Group Managing Director
Human Resources

Our strategy



Two key areas of focus:

Talent

Build a world class talent base with quality leaders at all levels

Culture & Capability

Create a high performing customer intense culture and organisation



Talent

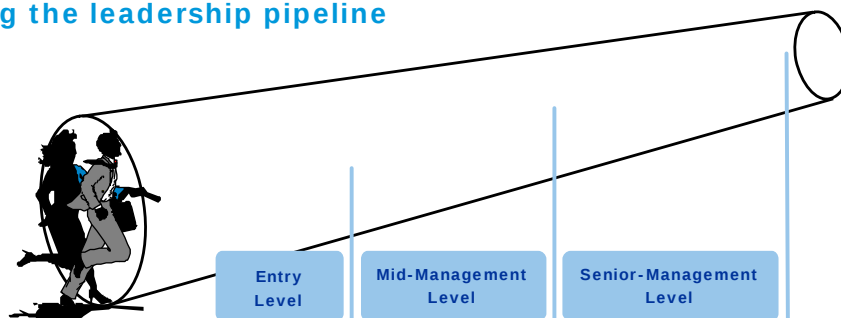
Building a world class talent base



Talent

Talent management

Placing top talent in every position along the leadership pipeline



Telstra

Diversity



Telstra

Culture & Capability

Setting the foundations for a high performance culture



Telstra

Aligning our people with our strategy



2007 Engagement Highlights

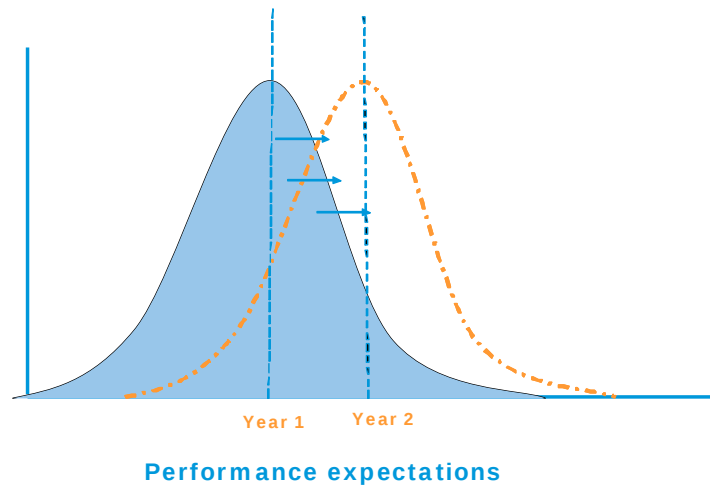


- Average 4% point improvement across all categories
- More employees understand future business direction
 - 77% have clear understanding, highest score in a decade and a 9% point increase
- More employees confident in management
 - 62% believe Telstra is well-run, highest score in a decade and a 9% point increase
- More employees embrace Telstra's goals and objectives
 - 84% believe strongly in Telstra's goals and objectives, up 4% points



Culture &
Capability

Raising the Performance Bar



High performance is what world class companies do

- Telstra is changing
- We are evolving into a media-comms company
- Our customers are expecting more
- We are building a world class workforce
- Performance and development are the name of the game
- Our employees are responding





The Pathway to the FY10 Long Term Management Objectives

John Stanhope CFO

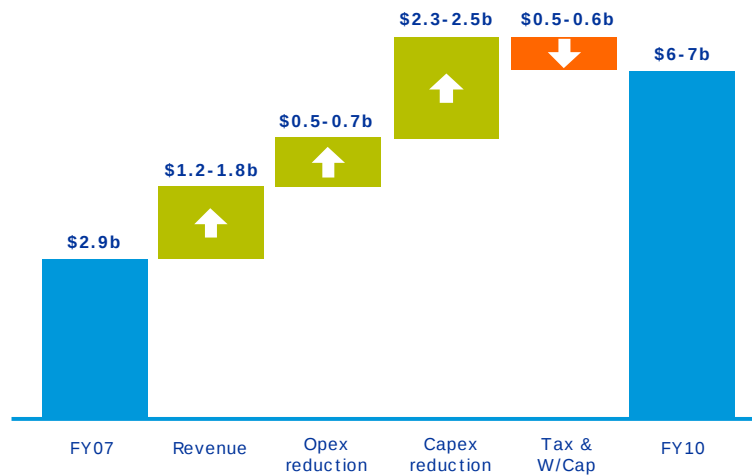


\$6b-\$7b

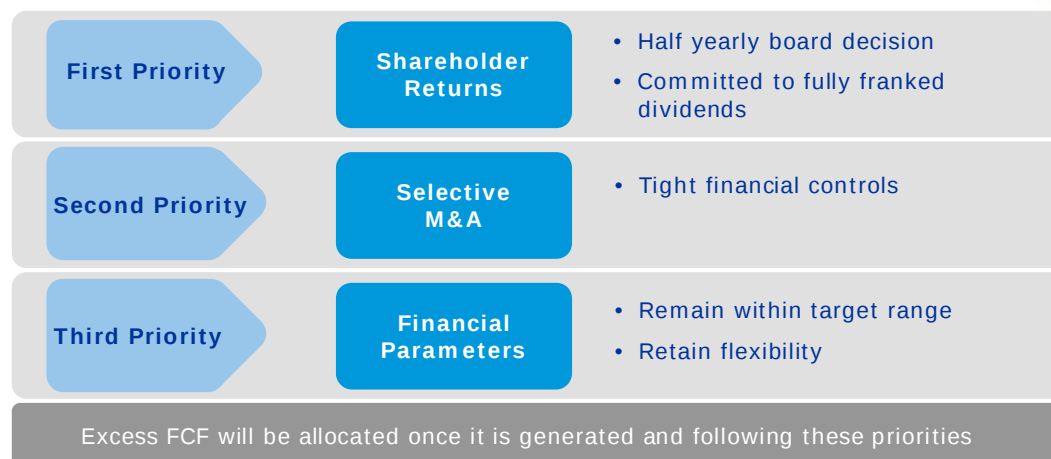
Free Cash Flow FY10



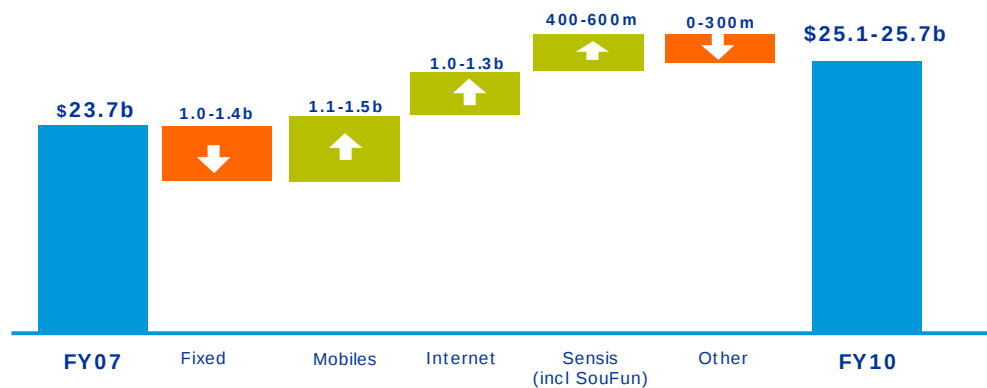
Free Cash Flow Drivers



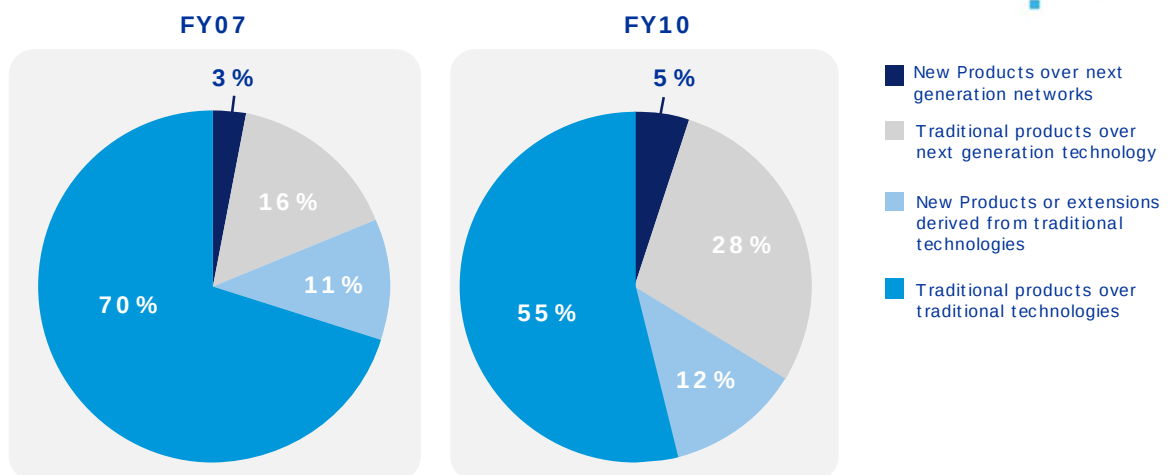
A disciplined use of FCF with clear priorities



Sales Revenue Movements



Revenue Mix – Traditional versus New



New Wave increases from 19 % to 33 %



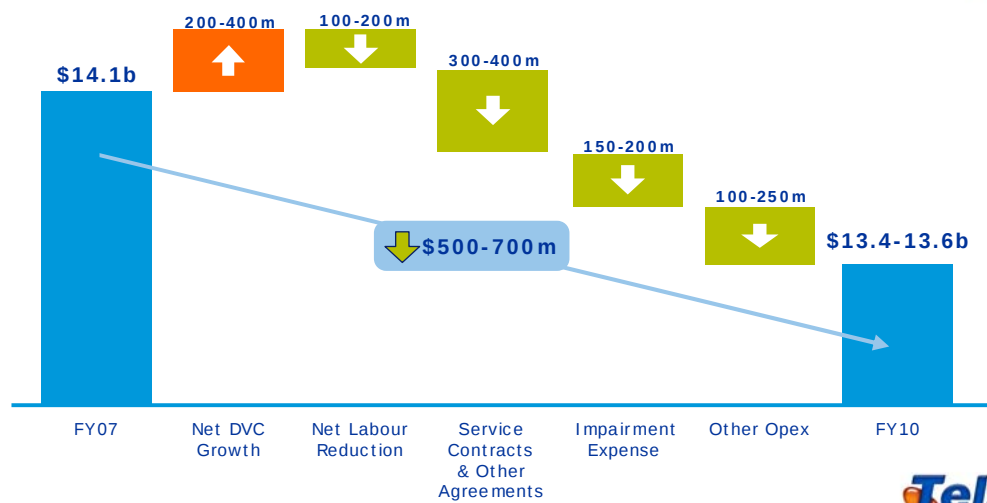


\$500m-\$700m

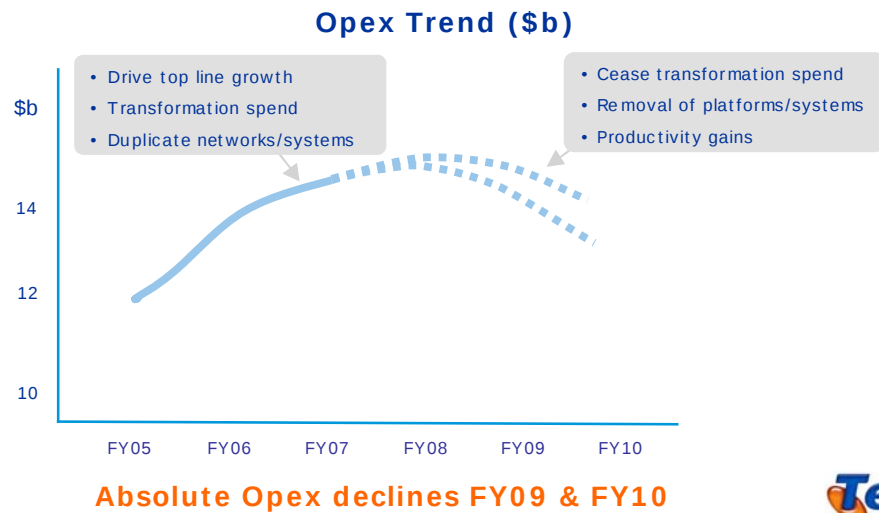
Opex reduction by FY10



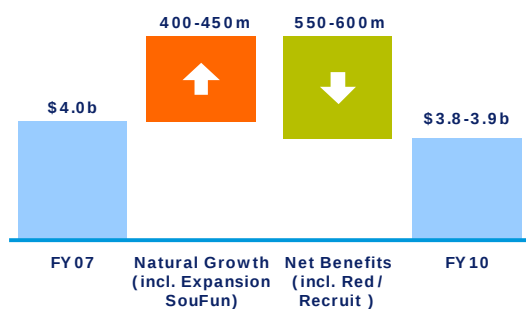
Opex Drivers



Opex Profile



Opex Drivers - Labour



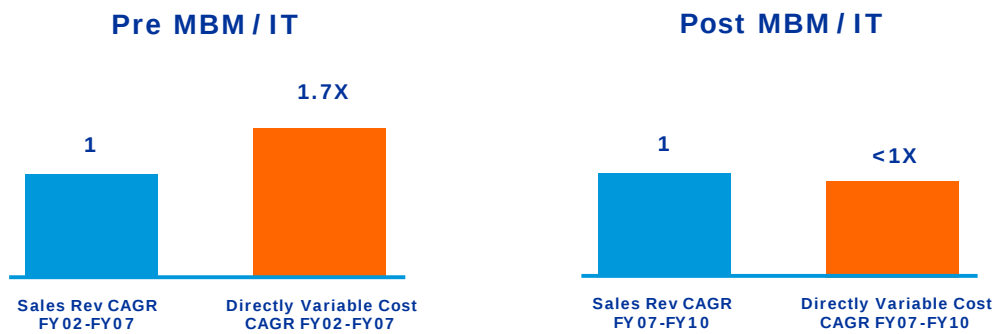
On track to achieve:

- 1) 6-8k reduction by FY08
- 2) 12k reduction FY10

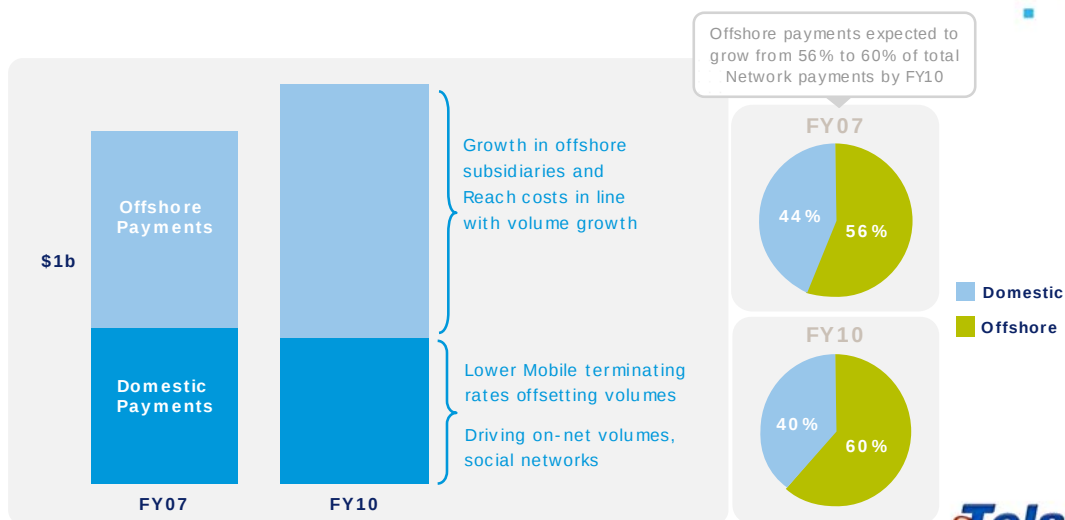
- Transformation and workforce management
- High attrition rates in the customer facing units at more than 2X the company average, will assist with managing future exits.



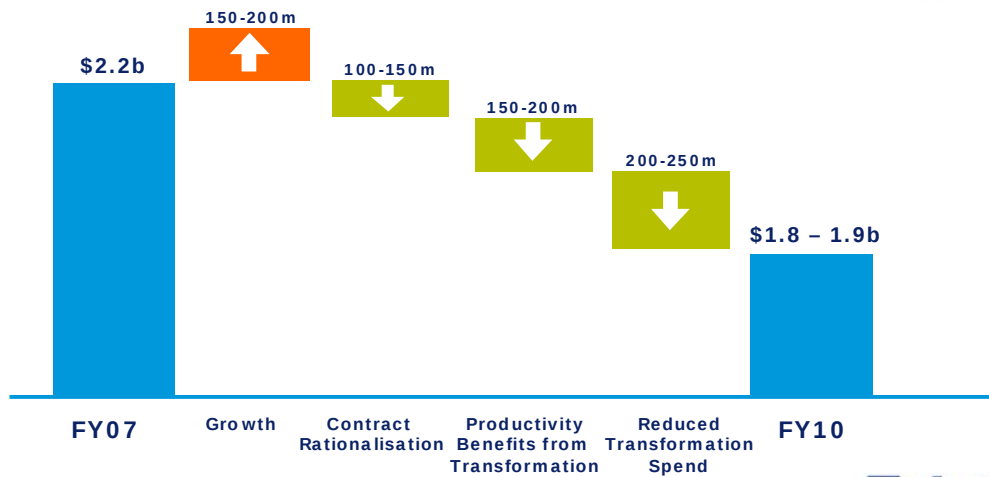
Opex Drivers – Directly Variable Costs



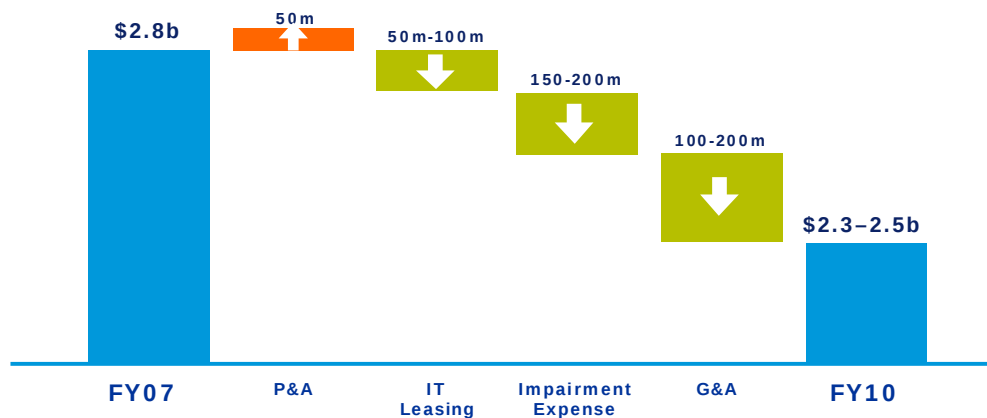
Opex Drivers – Network Payments



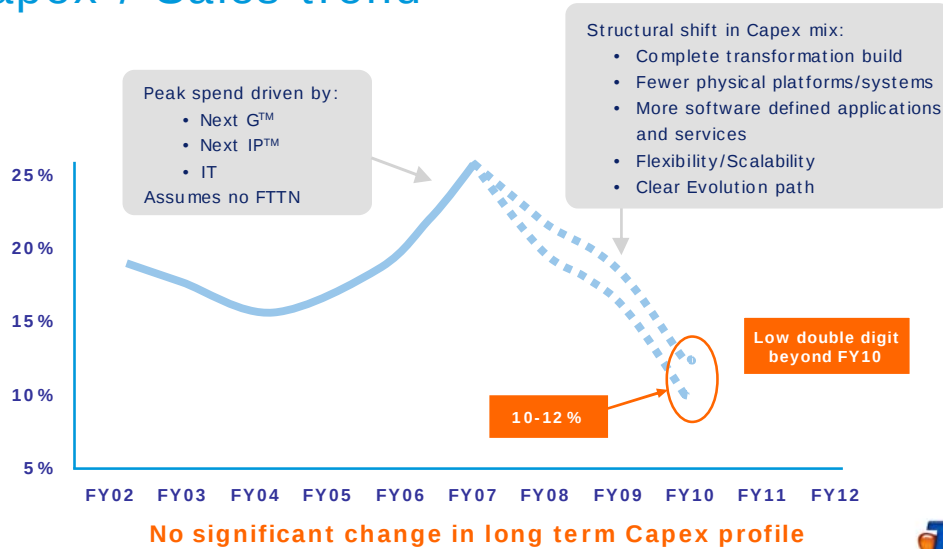
Opex Drivers – Service Contracts & Other Agreements



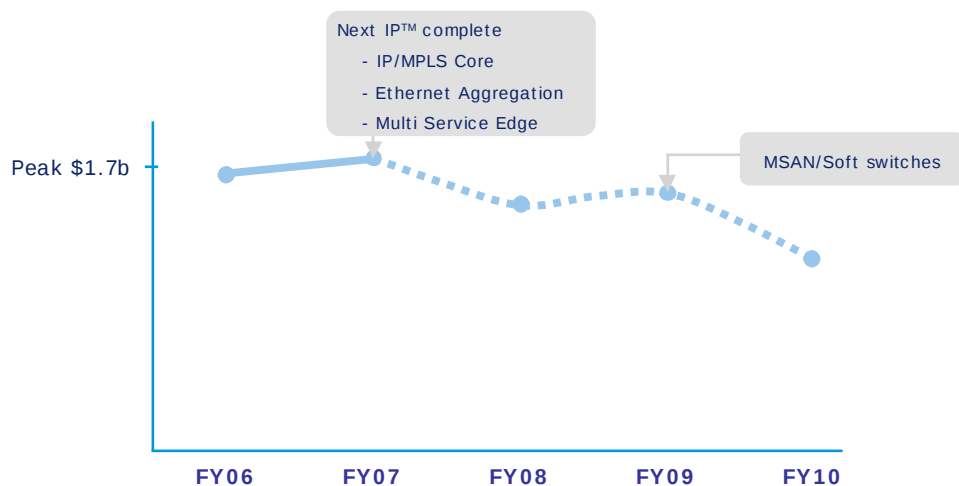
Opex Drivers – Other Opex



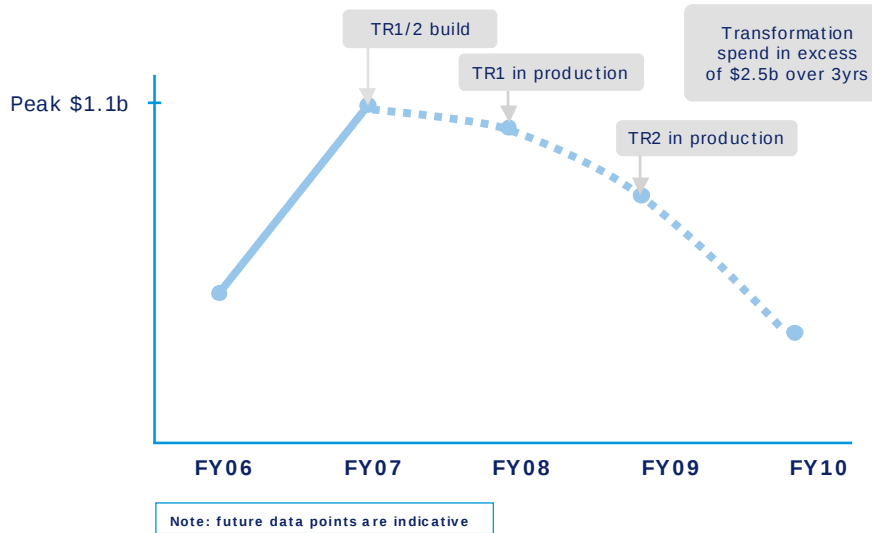
Capex / Sales trend



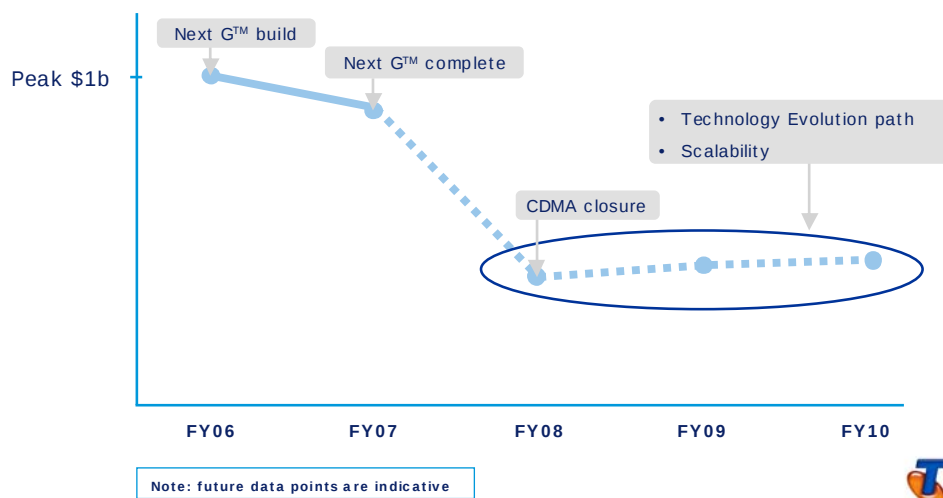
Capex Driver- Fixed Access/Network Core



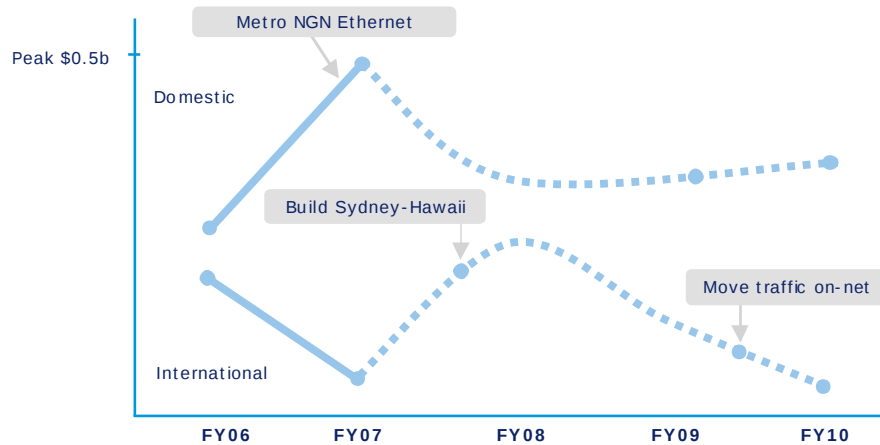
Capex Driver - IT



Capex Driver - Wireless

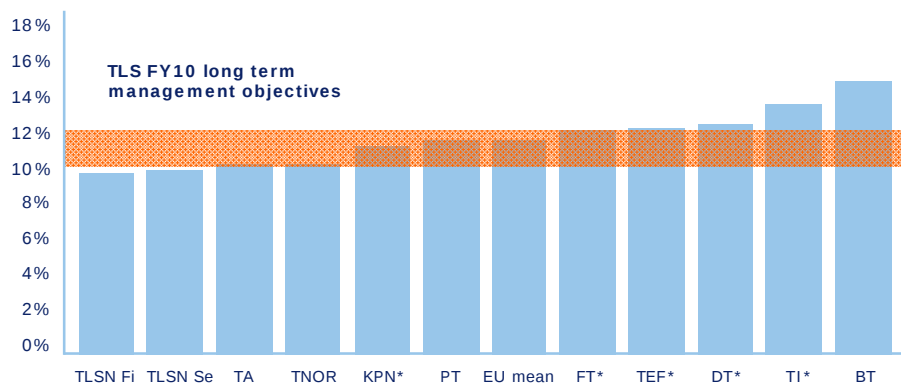


Capex Driver - Transmission



Global Capex Benchmarks

CY09E capex/sales for domestic business



Source: Credit Suisse, Telstra guidance for FY10
*includes a fibre build



Long Term Management Objectives



	Previous Long Term Management Objectives*	Updated Long Term Management Objectives*	FY05
Revenue Growth →	2.0% to 2.5% pa to FY10	2.5% to 3.0% pa to FY10	\$22.2b
Cost growth →	2.0% to 3.0% pa to FY10	No change	\$12.0b
EBITDA growth →	2.0% to 2.5% pa to FY10	2.5% to 3.0% pa to FY10	\$10.5b
EBITDA margin →	46% to 48% pa by FY10	No change	47.2%
Workforce →	Down 12,000 by FY10	No change	52k
Capex →	10% to 12% of revenue by FY10	No change	16%
Free cash flow →	\$6b to \$7b by FY10	No change	\$5.2b

* Based off FY05 results

