2 April 2008

The Manager

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ELECTRONIC LODGEMENT

Dear Sir or Madam

Telstra announces € 500 million benchmark bond issue

I attach the following documents for release to the market:

• media release; and

• Fixed Income Investor Briefing presentation pack.

Regards

Claire Elliott
Acting Company Secretary

Media Release

2 April 2008 086/2008

Telstra announces €500 million benchmark bond issue

Telstra accessed the Eurobond market overnight with a €500 million five year benchmark bond issue having a 6 per cent annual coupon and a maturity of 8 April 2013.

Telstra Chief Financial Officer, Mr John Stanhope, said the borrowing, conducted under Telstra's Global Debt Program, built on Telstra's long standing presence in the Eurobond market, in which it has been a regular issuer.

"The offering took advantage of the improving market sentiment in recent days and closed strongly oversubscribed, with pricing at the tight end of guidance. We are buoyed by the significant investor support for the Telstra name and feel it reflects our sound position as Australia's largest telecommunications provider, our strong half-year results announced in February and our continued progress with our transformation," Mr Stanhope said.

The issue was widely distributed to over 100 investors through Europe and Asia, with particularly strong interest from French and German investors. Investors included asset managers, insurers and banks.

The pricing for the bond was equivalent to a margin of 190 basis points over the Euro five year mid-swap level. After swapping into Australian dollars it will provide Telstra with approximately A$860 million of long term funding that will lengthen the average debt maturity of the portfolio.

The proceeds of the borrowing will be used for general corporate funding requirements, with a significant proportion directed to refinancing of maturing debt.

Telstra appointed BNP Paribas and JPMorgan to act as Joint Lead Managers for the issue.

Telstra is Australia's leading telecommunications service provider with long term ratings of A (negative outlook) by Standard & Poor's, A2 (negative outlook) by Moody's and A (stable outlook) by Fitch.

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Telstra's national media inquiry line is 1300 769 780 and the Telstra Media Centre is located at:
www.telstra.com.au/abouttelstra/media

For news, views and discussion on telecommunications in Australia see
www.nowwearetalking.com.au

Telstra Corporation Limited
ABN 33 051 775 556

Telstra

Fixed Income Investor Briefing

April 2008

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 2007 Annual Report.
- All forward-looking figures in this presentation are unaudited and based on A-IFRS. Certain figures may be subject to rounding differences. All market share information in this presentation is based on management estimates based on internally available information unless otherwise indicated.
- All amounts are in Australian Dollars unless otherwise stated.
- SouFun revenues and expenses are unaudited management accounts converted from local currency to $US based on US GAAP and then translated to A-IFRS. Reported SouFun expenses include certain expenses incurred by Sensis to manage the investment in SouFun together with other expenses recognised on consolidation.

Contents

Business Overview

Key Facts

- Australia's leading telecommunications and information services company
- 12th largest listed Telco globally (based on market cap, Feb 08)
- Australian customers (including Wholesale):
  - Fixed Access ≈ 9.6m lines
  - Mobiles ≈ 9.3m services
  - Broadband ≈ 4.6m subscribers
  - Pay TV (FOXTEL) ≈ 1.5m subscribers (50% owned by Telstra)
- International: Operations in NZ, Hong Kong SAR and leading Chinese real estate website
- Fully privatised following T3 sale by Government in November 2006

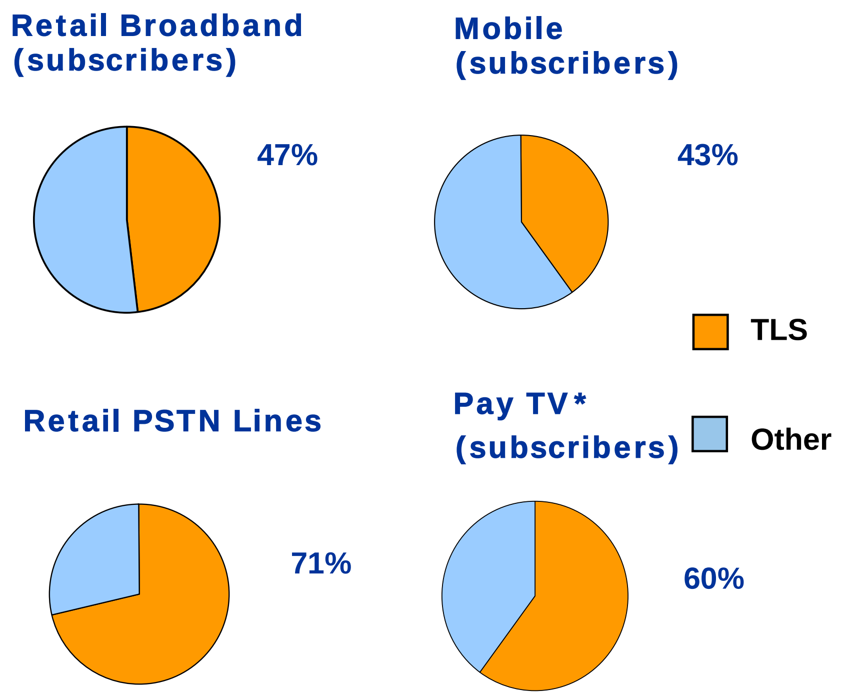
Telstra

Telstra Snapshot

1H08 Financial Results (Reported)

A$ billions (except margins & DPS)	1H08	1H07	%
Sales Revenue	12.3	11.6	▲ 5.3
EBITDA	5.2	4.9	▲ 5.2
EBITDA Margin (%)	42.2	42.3	▼ 0.1pp
EBIT	3.1	2.9	▲ 6.2
PAT (post minorities)	1.9	1.7	▲ 13.0
Accrued Capex	2.3	2.0	▲ 17.5
Free Cash Flow	1.3	0.9	▲ 53.6
Ordinary DPS (cents)	14.0	14.0	-

Strong market share
(as at 30 June 07)

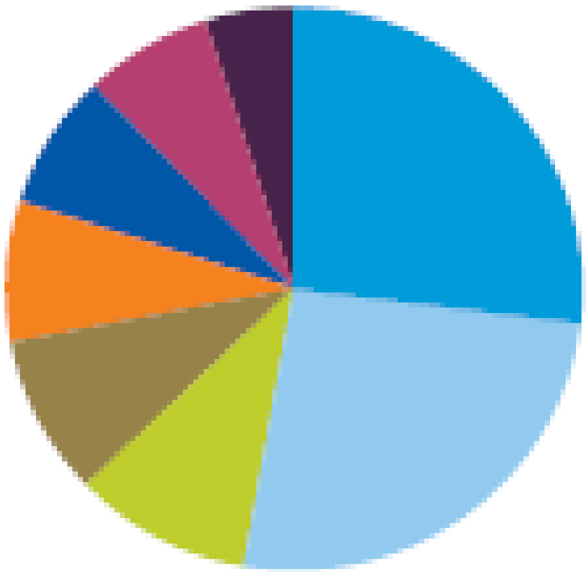


*Foxtel: Telstra interest is 50%

Diverse revenue streams

Sales Revenue by Product

- Half Year ended 31 December 2007



	Sales Revenue	% of Total Sales Revenue
Fixed telephony (PSTN)	$3,391m	28%
Mobiles	$3,186m	26%
Internet (incl. broadband)	$1,190m	10%
Fixed telephony (non-PSTN)	$1,145m	9%
Sensis	$954m	8%
International	$946m	8%
IP & Data Access	$857m	7%
Other	$583m	4%

Integrated Company, Integrated Services

NEXT IP NETWORK

NEXT G

BigPond Cable Extreme®

Telstra

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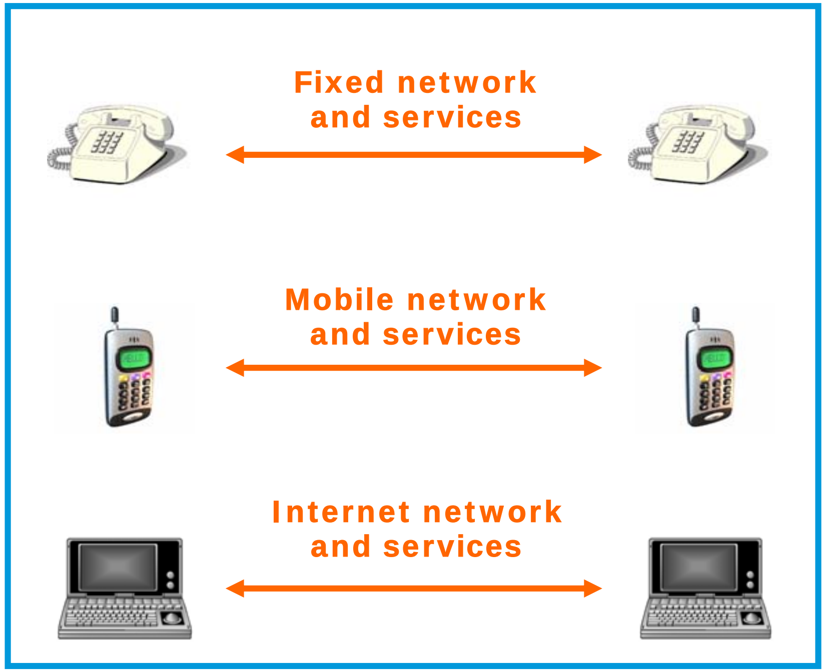
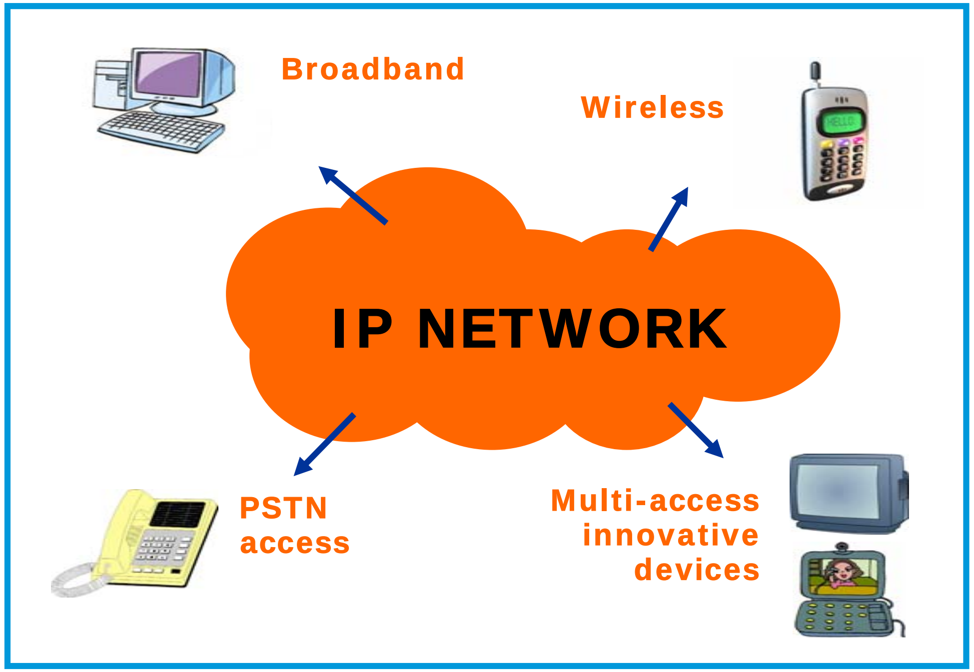
Transformation Overview

Paradigm shift is underway

Yesterday



Tomorrow



Transformation strategy

Best delivery networks

- Superior 3G network
- Robust IP/MPLS core
- Broadest fixed line reach and QoS
- Differentiated multi-platform capability

Superior content and services

- Foxtel, Sensis, BigPond, Trading Post, SouFun
- Unique ability to access, build, acquire and monetise

Deepest customer understanding

- Richest needs-based customer segmentation
- Largest customer base
- Broadest channels
- Highest brand awareness
- Competitive culture

Integrated company that will deliver a '1-click, 1-touch' user experience

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Transformation remains on track

TR1 Update:

On track to complete customer migration by the end of June 2008.

TR2 Update:

On track to go into production by the end of calendar 08.

Next G™ network

Continued development… Now covers 99% of population. Plans to upgrade to 21Mbps this year, 42Mbps in 2009.

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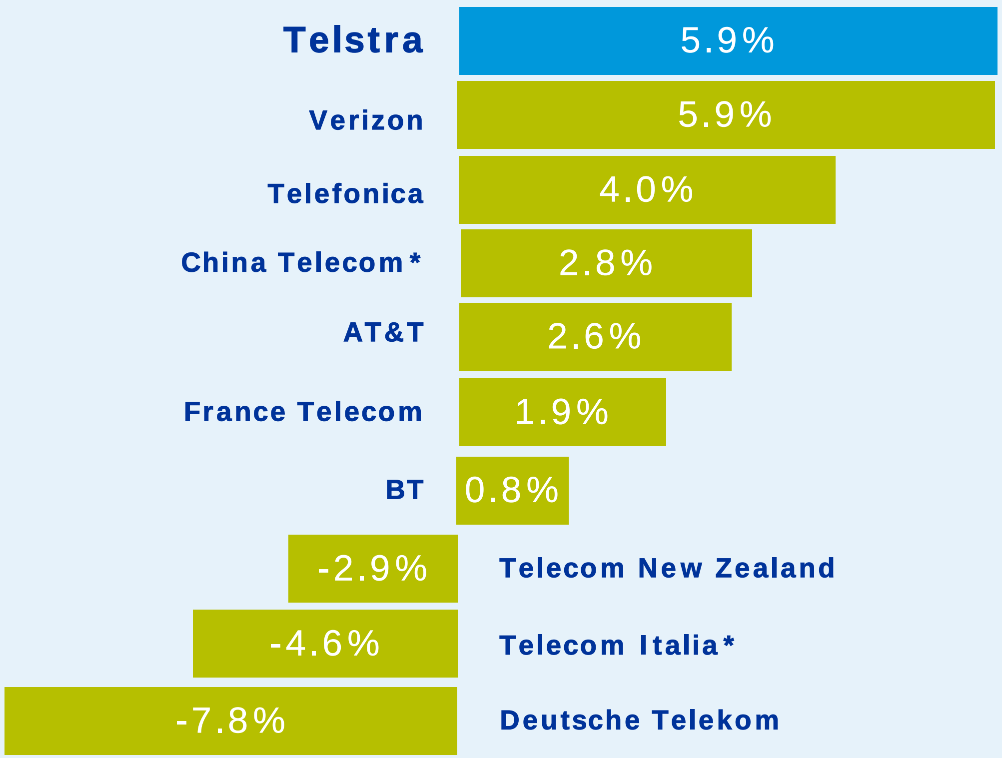
Financials – 1H08 Results

Strength across the board in products....

World Class Domestic Revenue Growth



Source: Company reports
* Q3 for operators yet to report

Mobile Services	+12.5%
PSTN	-2.1%
Sensis	+7.8%
IP and data access	+8.3%
Retail Broadband	+65.2%

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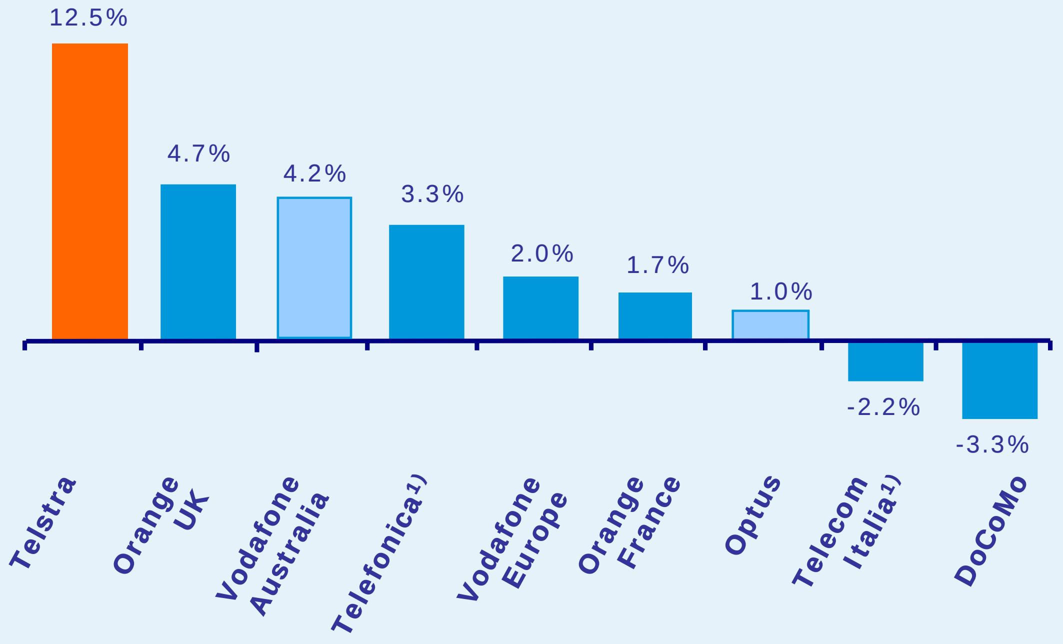
World class mobile performance

"The most dramatic recent success story among major carriers is Australia's Telstra, which has seen a sharp acceleration in overall wireless revenue growth, driven by its "Next G" HSPA services."

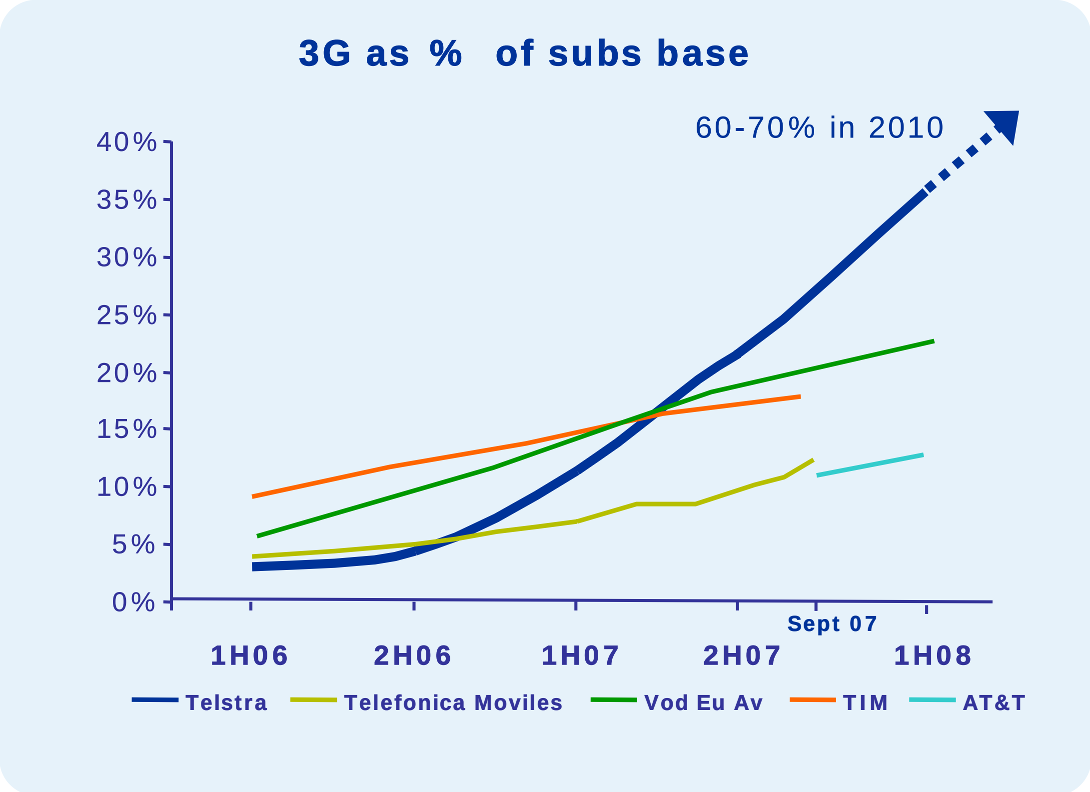
Merrill Lynch Global Wireless Research, November 2007

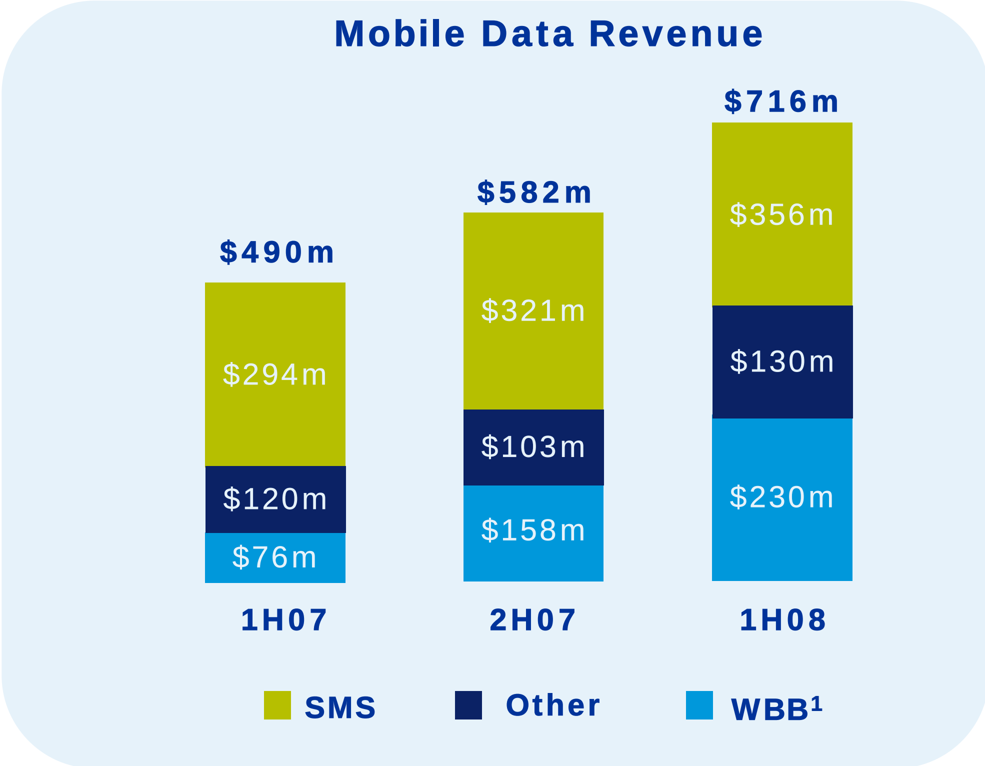
Mobile Services Revenue Growth



Source: Company reports Merrill Lynch
[1] Q3 for European operators yet to report

Mobiles – Winning the 3G 'value game'





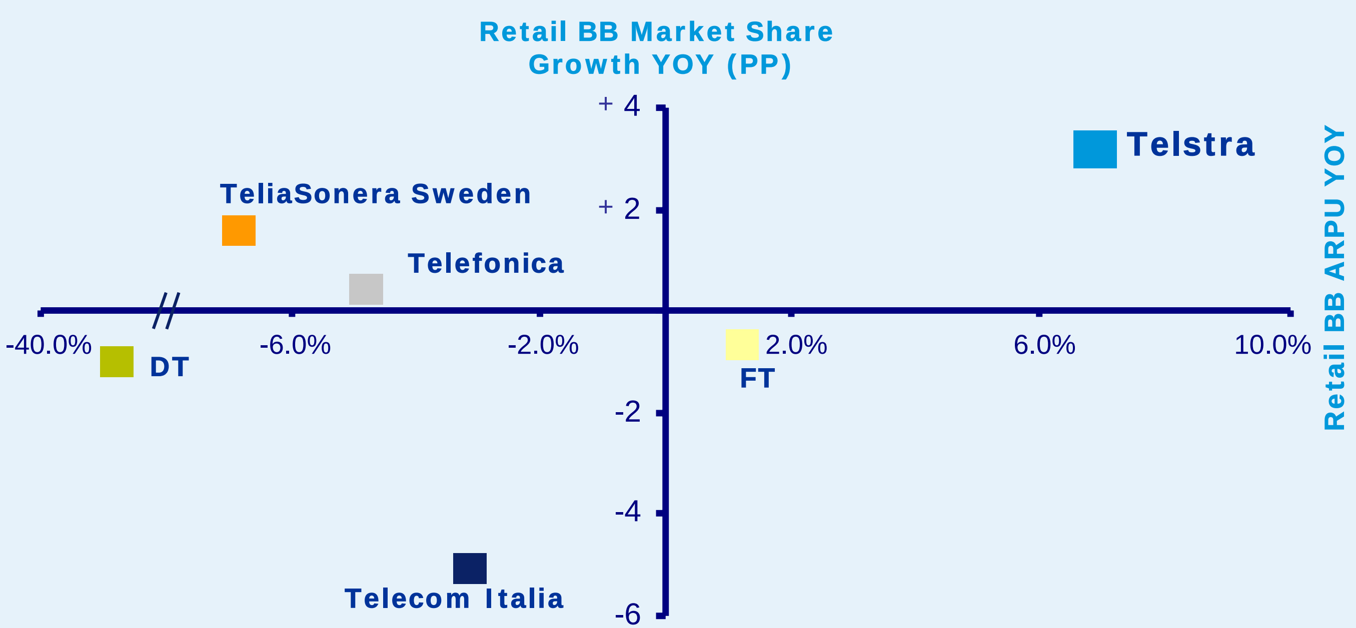
1 Wireless Broadband revenue for laptop cards and data packs ≥$29

Growing retail broadband in a tough market

BigPond market share increasing despite:

- 400+ ISP competitors
- Continued price-driven competition
- Bundled plans heavily marketed by largest competitors
- ULL and LSS priced below cost

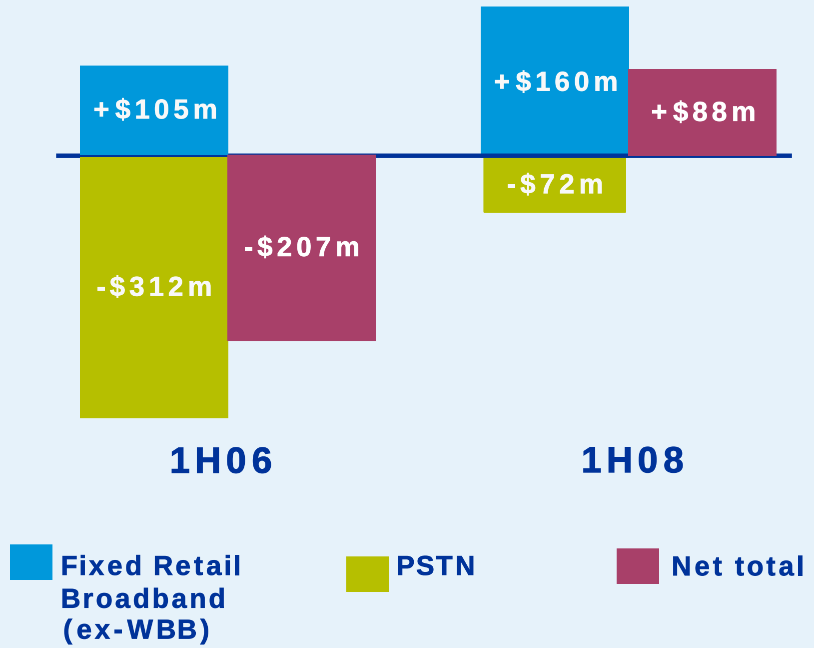
Telstra Retail Broadband Market Share



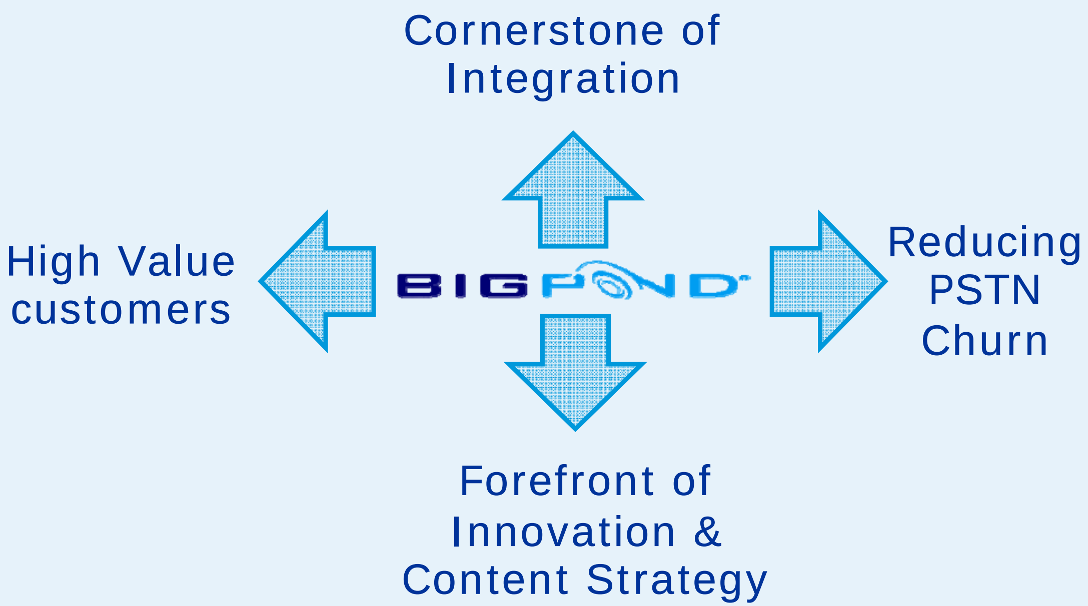
Source: Q3 Merrill Lynch European Broadband Matrix

Revenue inflection passed

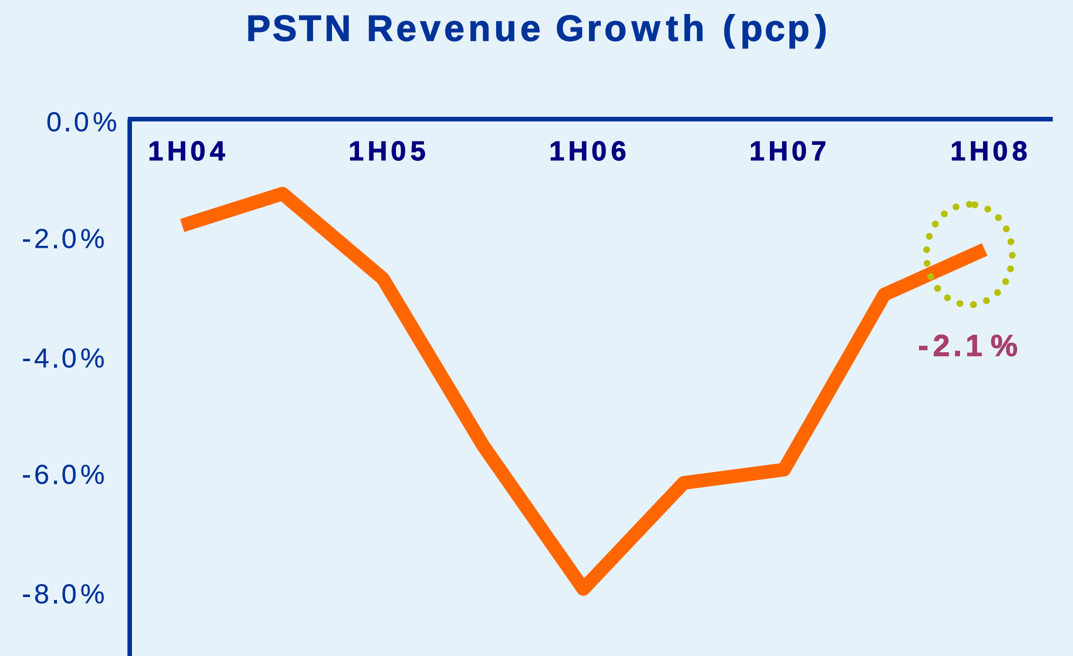
Broadband Revenue growth offsetting PSTN decline



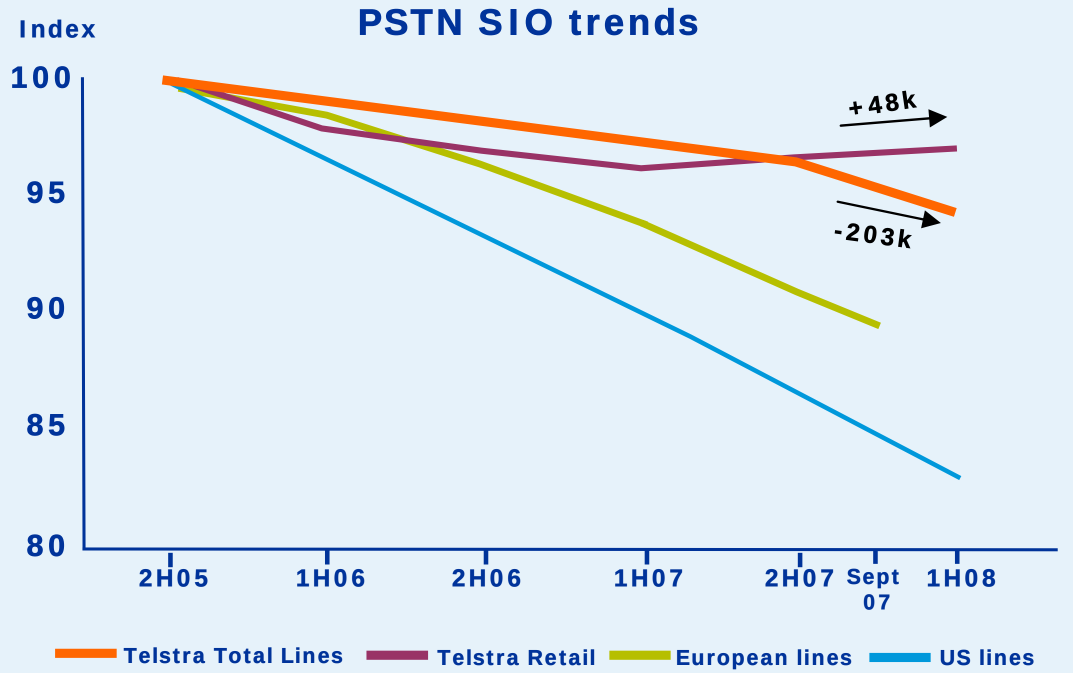
... and delivering benefits across the Telstra group



Revenue decline slowed in PSTN

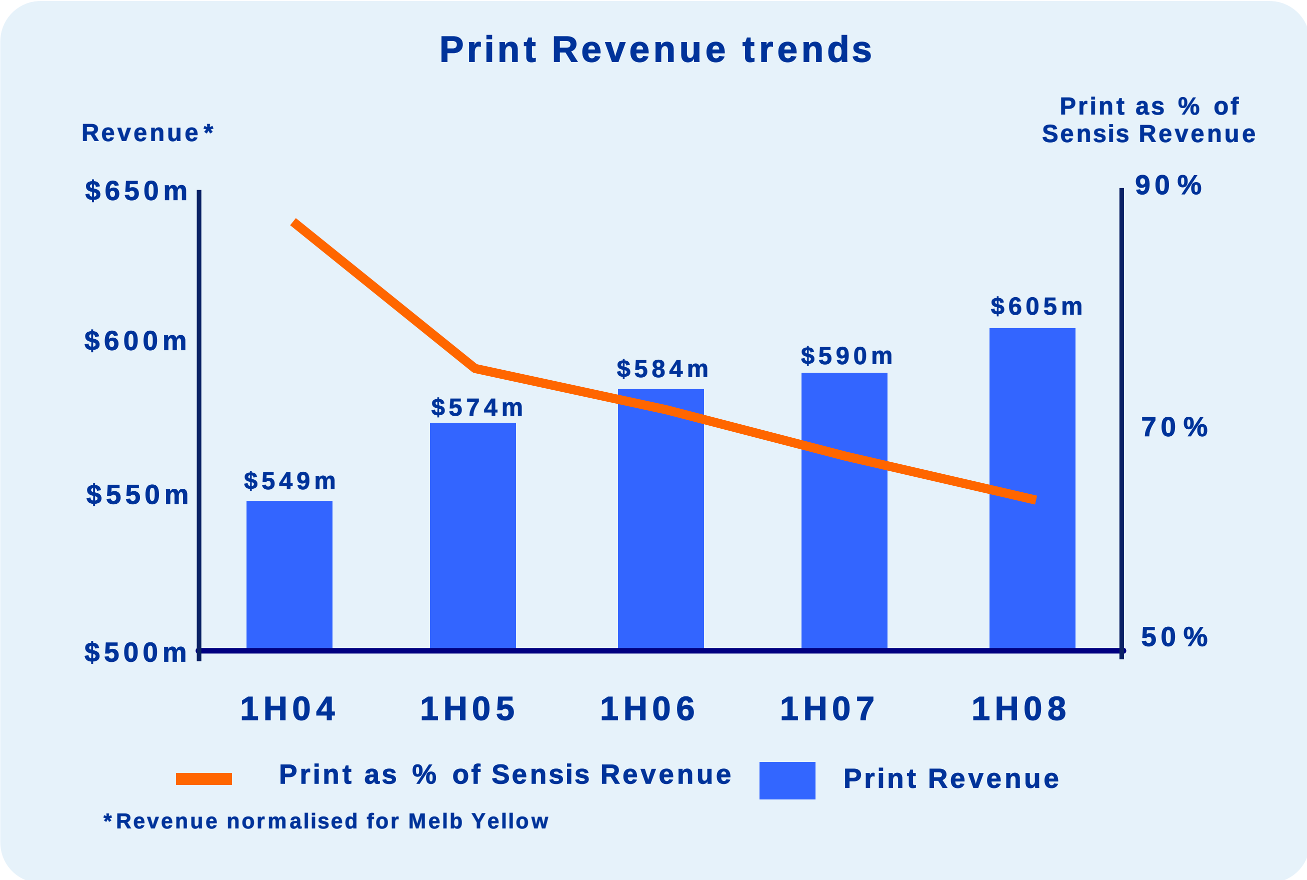


Reflects impact of market based management and subscription based pricing strategy



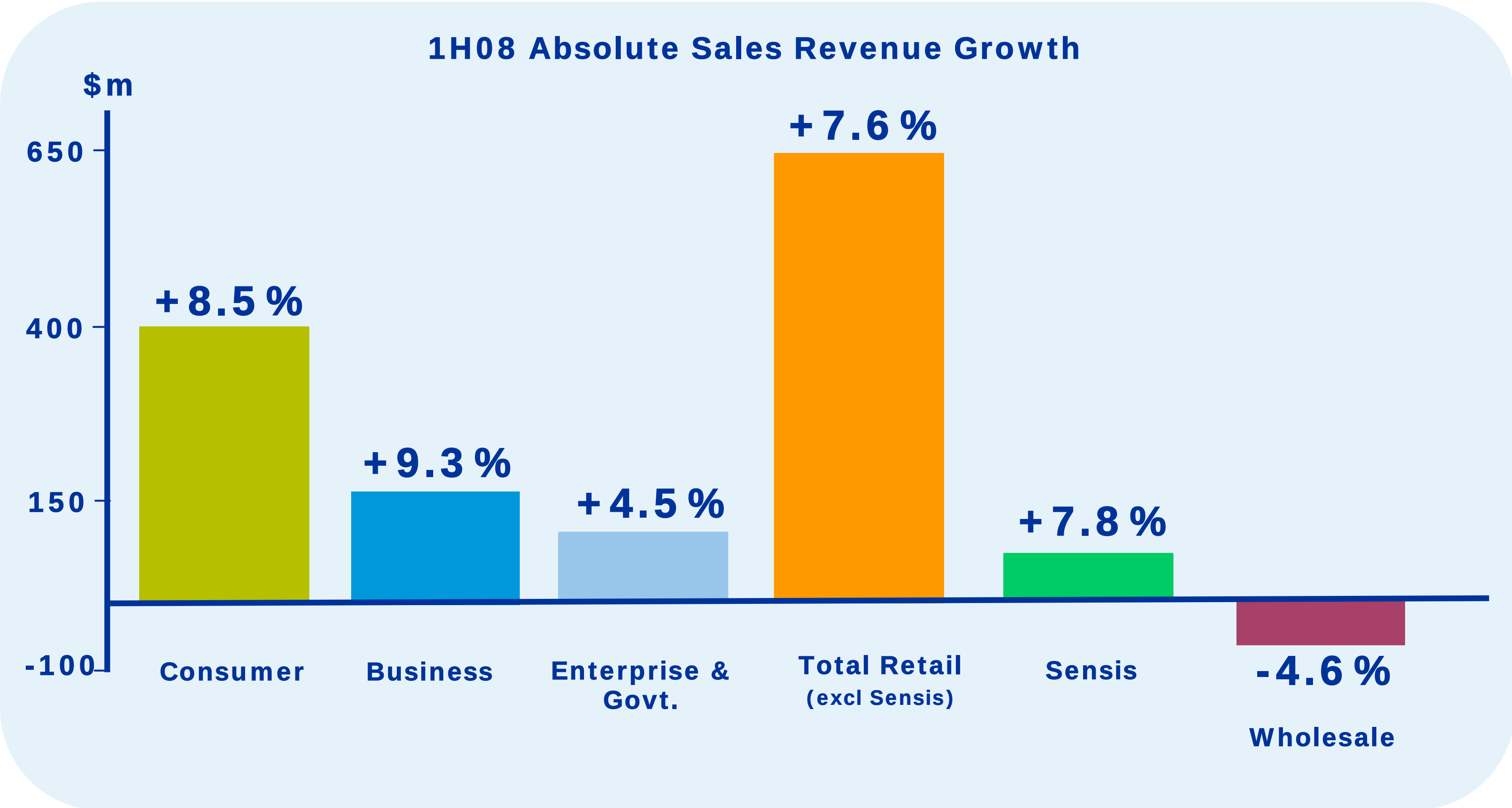
European Lines: DT, FT, KPN, TEF, TI   US Lines: AT&T, VZ

Sensis delivering strong growth and profitability



- ✓ **Yellow Print returned to growth**
- ✓ **Total Print growth of 2.5%**
- ✓ **Emerging business growth 27%**
- ✓ **Sensis Transformation on track**

Strength across all retail segments



Long Term Management Objectives*

		At FY05 Announcement
Revenue Growth	2.5% to 3.0% pa to FY10	$22.2b
Cost growth	2.0% to 3.0%pa to FY10	$12.0b
EBITDA growth	2.5% to 3.0% pa to FY10	$10.5b
EBITDA margin	46% to 48%pa by FY10	47.2%
Workforce	Down 12,000 by FY10	52k
Capex	10% to 12% of revenue by FY10	16%
Free cash flow	$6b to $7b by FY10	$5.2b

* Based off FY05 results

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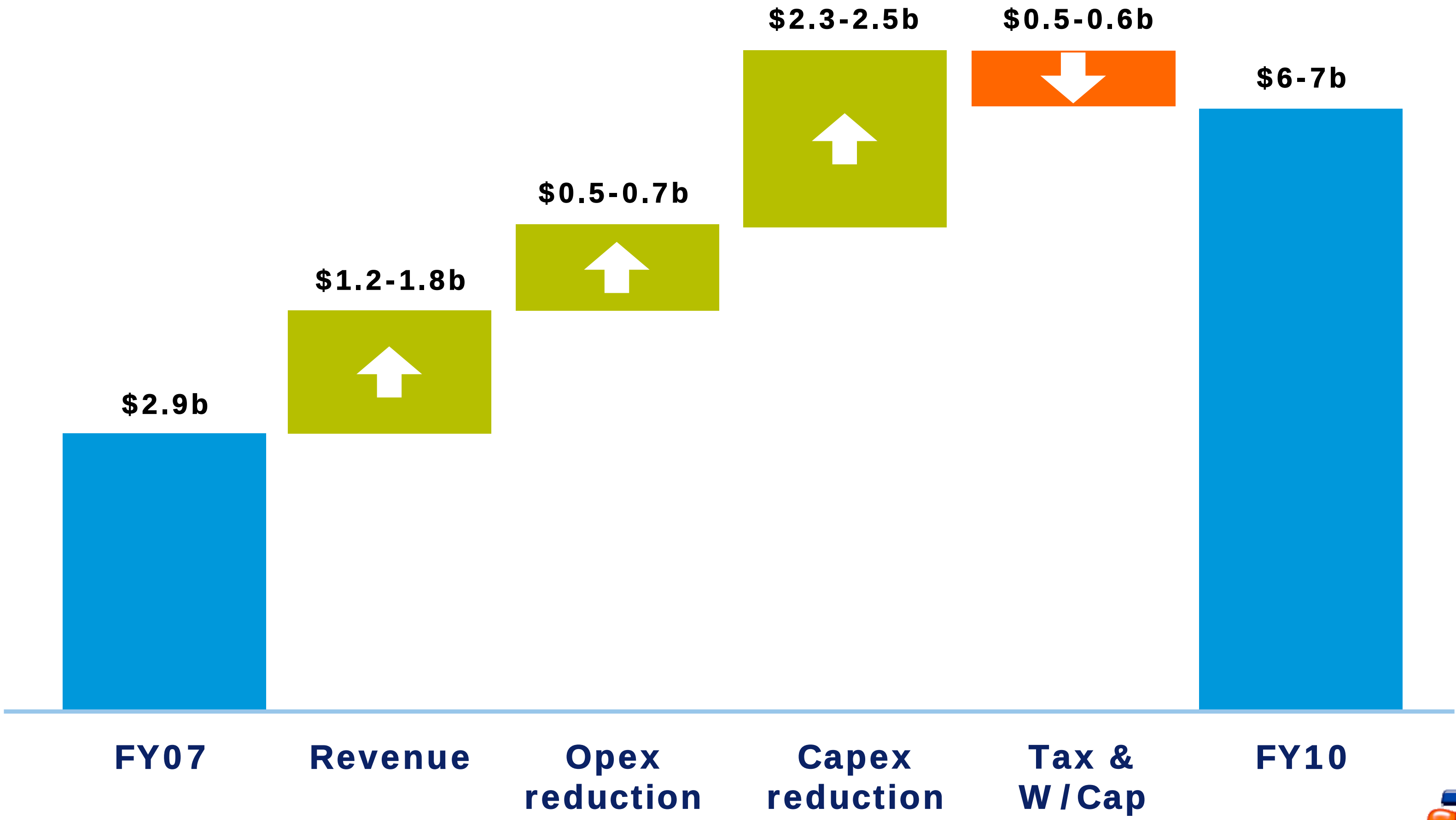
Long Term Management Objectives: $6-7b Free Cash Flow



* FCF = operating cash less investments available to pay financing costs and dividends

Financials: FY07 & 5 Year Summary

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

3.5%

Domestic Sales Revenue

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

5 year financial summary

A$b	2003[1]	2004[1]	2005	2006	2007
	Year ended 30 June				
Total income[2]	21.7	21.3	22.5	23.1	24.0
EBITDA	9.2	10.2	10.5	9.6	9.9
EBIT	5.7	6.6	6.9	5.5	5.8
Profit after tax & minorities	3.4	4.1	4.3	3.2	3.3
Shareholders' equity	15.4	15.4	13.7	12.8	12.6
Operating cashflow	7.1	7.4	9.0	8.6	8.5
Return on average equity (%)	23.6	27.1	30.6	24.3	26.1
Free cashflow (after capex)	4.6	4.2	5.2	4.6	2.9
Operating capex	3.3	3.1	3.5	4.2	5.7

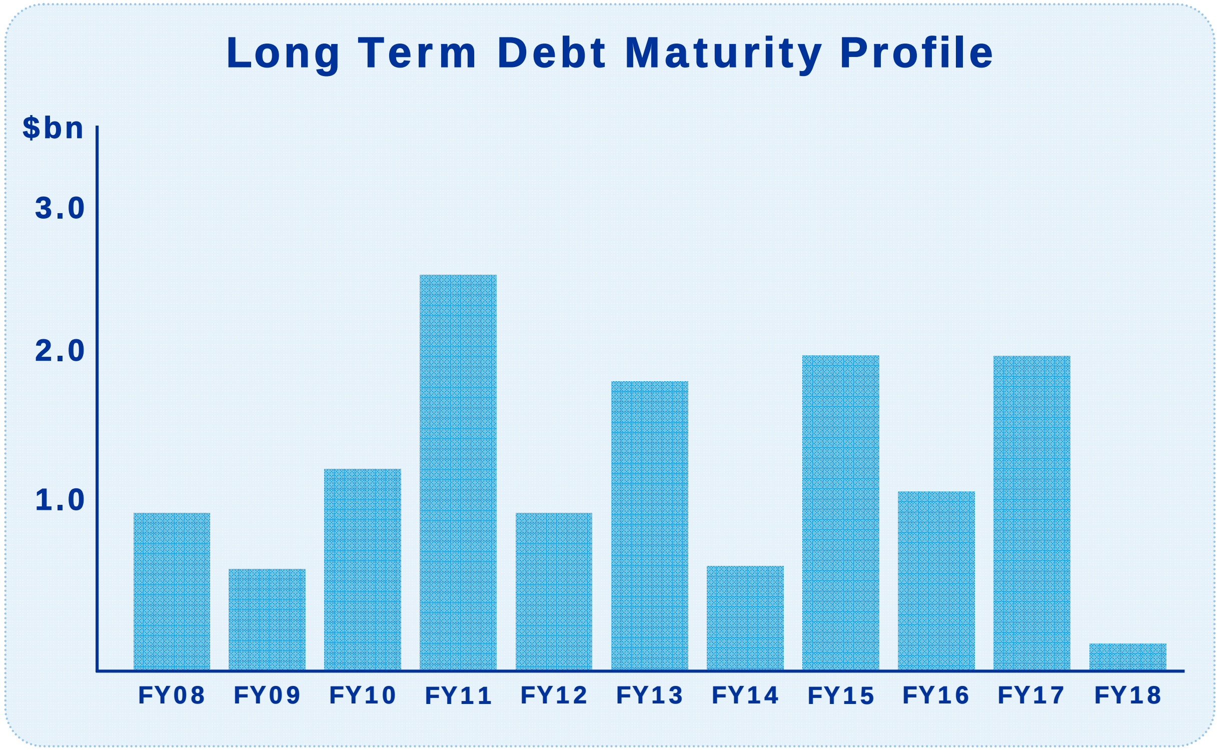
1. Audited annual financial statements as per AGAAP. A-IFRS adopted from 2005
2. Total income includes finance income

Debt

Key borrowing objectives

- Capability to access multiple markets
- Diversity of sources
  (active and strong presence domestic and offshore)
- Long term mindset (investor satisfaction, market awareness, “win-win” outcomes)
- Strong visibility and market presence

Stable Financial Profile



As at 31 December 2007:

- Total Net Debt $15b
- Approx 60% fixed
- CP program approx $2b
- Average maturity of debt portfolio around 5 years

07/08 funding overview

Funding Requirements	A$ b
• Maturing long term debt	-1.4
• New long term debt	-1.2
Total	-2.6
Funding Sources	
• Bank loan (completed Aug. 07)	1.0
• Public markets	1.2
• Private Placements	0.4
Total	2.6

Note:
Approximate only. Program adjusted continually over year to reflect market opportunities, relative pricing, cash flows, capital investments, sales, etc. which are dynamic

Debt market access (Mar. 08)

	Market	Size	Type / Facility
Long:	Euro	Uncapped	Global Debt Program (excludes US)
	US	Uncapped	144A (Telstra deregistered in US- Sept 07)
	Japan	JPY 150b	Samurai Shelf
	Aust.	$A 0.5b	Global Debt Program - domestic notes
	PPs/Banks	Uncapped	Reg. D, Global Debt Program and syn. loans
Short:	Aust.	A$ 1-2b (approx. effective)	Domestic CP Program
	U.S	US$ 4b (approx. effective)	US “ “
	Euro	€ 2b (approx. effective)	Euro “ “
	N.Z	NZ$ 0.2b (approx. effective)	NZ “ “
Overdraft:	up to A$1b		Substantial committed o/d
Standbys:	A$ 0.8b		Committed standby lines

Key debt parameters

Parameters reset following $A 3.0b capital restructure when re-rated to "A" from AA-

Parameters	Previous Comfort Zone	04/05	05/06[4]	**Current Comfort Zone (set Nov 05)**	06/07	1H08
Interest Cover[1]	> 8 times	11.9	[10.3]	**> 7 times**	9.1	10.3
Gearing (%)[2]	45-55%	45.9	50.4	**55-75%**	53.7	54.8
Debt Coverage[3]	1.3-1.7	1.1	1.4	**1.7-2.1**	1.5	1.5

(1) Net interest cover based on EBITDA
(2) Net Debt/(Net Debt + SHF)
(3) Net Debt/EBITDA

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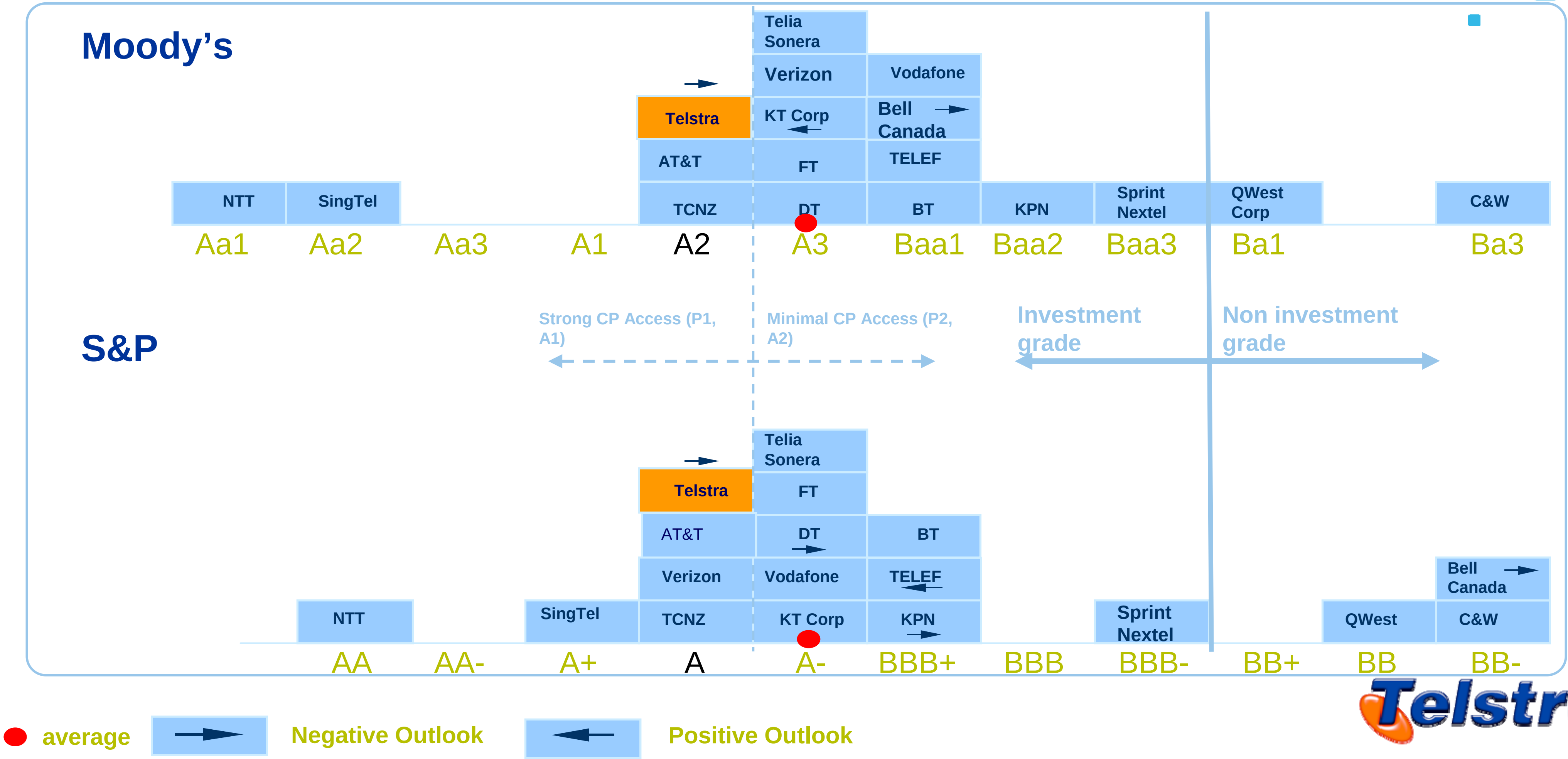
Telstra credit ratings

Agency	Long	Short	Outlook
Standard & Poor’s	A	A1	Negative
Moody’s	A2	P1	Negative
Fitch	A	F1	Stable

Telco credit ratings (Mar. 08)



Summary

Investment highlights

Australia's leading telecommunications and information services company

- **Full service, fully integrated Telco:** Strong position with diversified products & services
- **Diversification:** with a leading Australian corporate
- **Strong Market Share:** No. 1 position in key domestic product markets
- **Proven track record:** Delivering in highly competitive environment
- **Cash flows:** Strong
- **Transformation Plan:** Progressing well and on-track

Telstra Treasury Website

www.telstra.com.au/abouttelstra/investor/treasury/index.cfm