29 September 2010

The Manager

Company Announcements Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

Office of the Company Secretary

Level 41
242 Exhibition Street
MELBOURNE VIC 3000
AUSTRALIA

General Enquiries 08 8308 1721
Facsimile 03 9632 3215

ELECTRONIC LODGEMENT

Dear Sir or Madam

Investor Day – slide presentations

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

Regards

Carmel Mulhern
Company Secretary

2010 INVESTOR DAY

David Thodey, CEO

29 September 2010

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 Financial Report dated 13 August 2009 and 2010 Annual Debt Issuance Prospectus lodged with the ASX.
- 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.

AGENDA

Strategy	D Thodey
Financial	J Stanhope
NBN	D Thodey
Q&A	D Thodey / J Stanhope
Project New	R Nason
Product and Marketing	K McKenzie
Consumer	G Ballantyne
Growth	D Thodey
Q&A	All

OUR INDUSTRY IS IN TRANSITION

CHANGING DYNAMICS

- Fixed to mobile migration for both voice and data
- Higher expectation of customers as they use more complex products and services
- Higher demand for speed and data and difficult to monetise
- Product mix shift to lower margin products and higher COGS
- Increasing competition due to wholesale price reduction and increased price-based competition
- Regulatory change due to NBN and CCS Bills

IMPLICATIONS

- New revenue streams are necessary
- Lower margins

Telstra must become a sales and marketing-led company…

WE MUST BECOME A STRONG SALES AND MARKETING-LED COMPANY

LEADING COMMUNICATIONS AND MEDIA COMPANY

Current Core Advantages

- Extraordinary customer access and interaction
- Unmatched portfolio of products and brands
- Clear scale advantage
- Deep engineering and design capability
- Sales and marketing capability

Strategy

- Drive value from our core (TRANSITION)
- Build new businesses (GROWTH)

5

STRATEGY - FOUR MAJOR INITIATIVES

TRANSITION

1. IMPROVING CUSTOMER SERVICE
2. RETAIN AND GROW CUSTOMERS
3. SIMPLIFYING THE BUSINESS

GROWTH

4. NEW GROWTH BUSINESSES

6

1. IMPROVING CUSTOMER SATISFACTION

Customer Satisfaction

- **Brand 25%**
  - Reinforcing our Brand Essence
  - Positive Positioning
  - Managing Regulatory Reviews
  - Continued reduction of TIO Complaints
- **Product 25%**
  - New Offerings
  - Product enhancements
  - Digital Business
- **Service 30%**
  - Service Initiatives and training
  - Systems enhancement
  - E2E process improvement
  - Channel Development
- **Value 20%**
  - Greater value offerings
  - Simplification of plans
  - Increase control and certainty
  - Removal of nuisance charges

2. RETAINING AND GROWING CUSTOMERS THROUGH TRANSITION

Product	Fiscal 2010 SIO growth	July-Aug 2010 SIO additions
Bundles	325k	165k
T-Box and T-Hub	24k	64k
Prepaid handheld unique users	-62k	13k
Postpaid mobile handheld	91k	73k
Retail Fixed Broadband	-19k	32k
Wireless broadband	608k	176k

3. SIMPLIFY AND RESTRUCTURE THE BUSINESS – PROJECT NEW

New Lean Operating Model

End-to-End Customer Process Improvement

Sales & Service Channel Enhancements

Pricing Simplification

A New Customer Focused Culture

Third Party Spend & Productivity Improvement Program

...Simplify to Save to Serve

4. NEW GROWTH BUSINESSES

Network Applications and Services (NAS)

Media

Asia

KEY LEAD INDICATORS FOR OUR STRATEGY

A. Customer satisfaction

Measure		Target
1)	Improve customer satisfaction	6% improvement year-on-year
2)	Reduce TIO complaints	30% reduction year-on-year
3)	First contact resolution	75% by 2013

B. Simplification

Measure		Target
4)	Improving productivity	Retail productivity to increase 10% by 2013
5)	Lower transaction costs	35% of transactions online by 2013

C. Customer growth

Measure		Target
6)	Fixed broadband share	Maintain over 3 years
7)	Wireless subscriber share	Grow over 3 years

D. Growing the business

Measure		Target
8)	Percentage of revenue from NAS, media and Asia	More than 20% by 2013

11

WE MUST BECOME A STRONG SALES AND MARKETING-LED COMPANY

LEADING COMMUNICATIONS AND MEDIA COMPANY

Core Advantages

- Extraordinary customer access and interaction
- Unmatched portfolio of products and brands
- Clear scale advantage
- Deep engineering and design capability
- Sales and marketing capability

Strategy

- Drive value from our core (TRANSITION)
- Build new businesses (GROWTH)

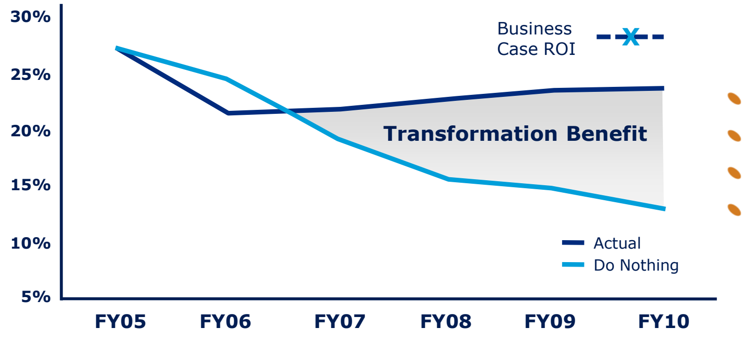
12

FINANCIAL UPDATE

John Stanhope, CFO

TRANSFORMATION WAS ABOUT INFRASTRUCTURE RENEWAL TO DRIVE DIFFERENTIATION…

Return On Investment (ROI)

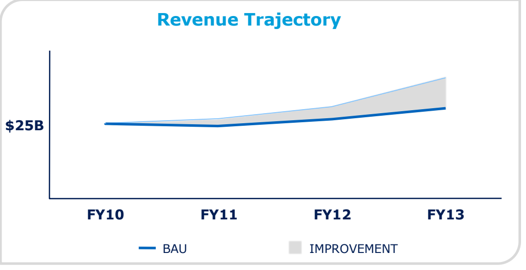


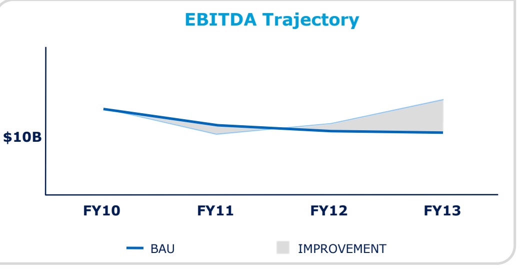
Transformation Successes

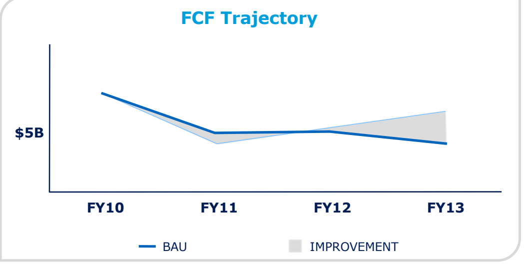
- Wireless broadband 3 yr CAGR +109%
- 3G penetration 77%
- IP Access 3 yr CAGR+26%
- Next IP upgrade to 40 Gigabits per second Syd to Melb

…it was successful however the industry is now at an inflection point

2011 TRANSITION INVESTMENT IS NOT OPTIONAL ...







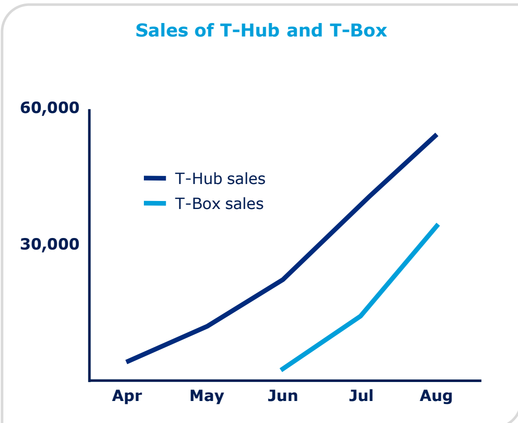
- Competing aggressively to meet industry conditions
- We will simplify, serve and save to help offset PSTN losses
- Improvement in Revenues, EBITDA and Free Cash Flow over BAU in FY12 and FY13 represents the impact of our FY11 investment

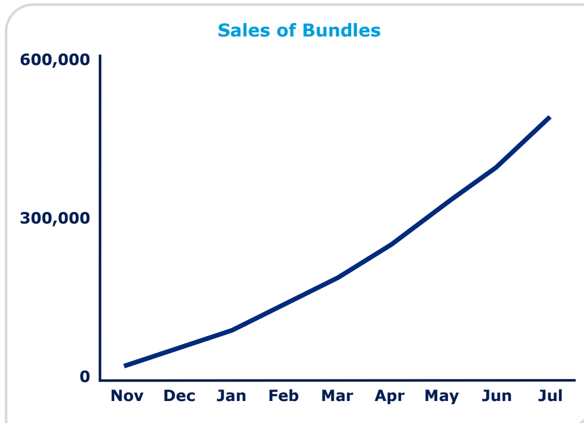
STRATEGIC OPEX INVESTMENTS ~$1B IN FY11…

- **DVC / COGS:** maintain share, grow share — ~$450m
  - Mobiles (~$240m subsidy, ~$160m COGS), Network Payments
- **New Products Growth** — ~$230m
  - T-Box, T-Hub, NAS, new product development, P&A
- **Labour ex-redundancy** — ~$230m
  - Rate increase, STI
- **Project New** — ~$40m
  - Redundancy, Customer satisfaction, Process Simplification
- **Other** — ~$50m
  - Accommodation and NBN impacts

…retain and grow market share, simplify the business, serve customers and improve customer satisfaction

UPDATE – FIRST TWO MONTHS HAVE SEEN GOOD SALES VOLUMES

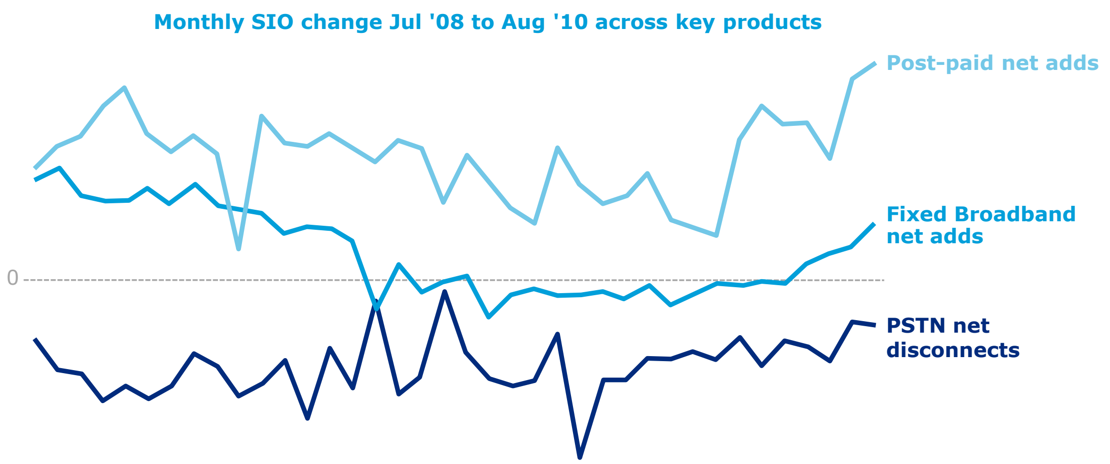




…product differentiation and innovation is critical to our success

5

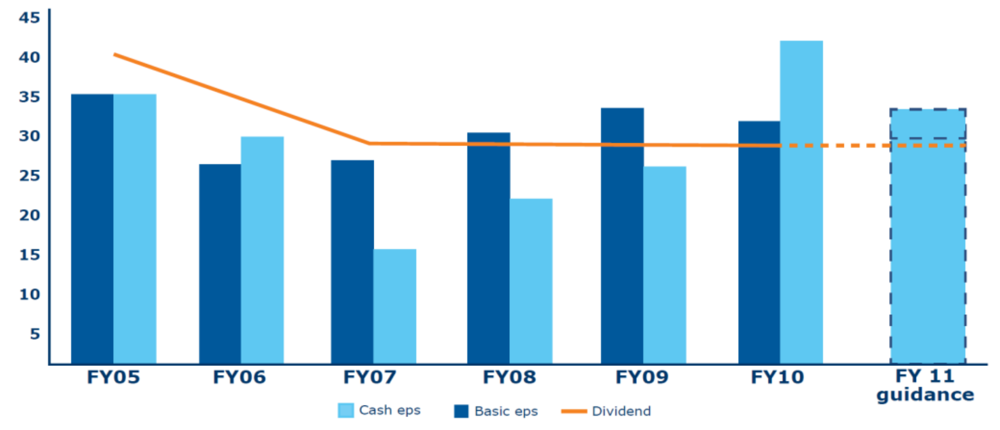
UPDATE – IMPROVING TRAJECTORY ON KEY PRODUCTS



…bundles are starting to make a difference

6

DIVIDEND AND FREE CASH FLOW SUSTAINABILITY



GUIDANCE, H1 PROFILE AND IMPACT OF SOUFUN

Full Year Guidance*

Measure	FY11 Guidance
Sales Revenue	Flattish
EBITDA	High single digit percentage decline
Capex	14% of sales
Free cashflow	$4.5 - $5.0 billion

H1 v H2 factors

- Revenue growth in H1 is weaker due mainly to recognition of Yellow Pages Sydney book moving into H2 for the first time
- EBITDA percentage decline in H1 expected to be low double digit

Impact of SouFun sale

Measure	A$ impact
Accounting gain on sale pre-tax	~$75m
Cash cost of acquisition	~$337m
Cash received from sale	~$490m
Cash return from sale	~$153m
Free cashflow impact after deconsolidation of cash	~$350m

*** Guidance assumes wholesale product price stability, no additional impairments to investments and excludes proceeds from the sale of businesses**

NBN UPDATE

David Thodey, CEO

STRUCTURE OF THE DEAL

	CONDITIONS PRECEDENT	Passage of legislation with necessary amendments to implement the agreement Tax considerations Regulatory stability
FHoA	FAIR CONSIDERATION	Decommissioning of copper and cable broadband Cooperation with NBN Co
FHoA	INFRASTRUCTURE	Agreement on terms and conditions
	CONDITIONS SUBSEQUENT	ACCC and shareholder approval

CONDITIONS PRECEDENT/SUBSEQUENT

- Legislation passed - CCS Bill/NBN Co Bills
- Regulatory stability
- Ministerial waivers, exemptions & determinations
- ATO tax rulings
- USO Co agreement
- Retraining Agreement
- ACCC accepts SSU and migration plan
- Shareholder approval

3

NON-BINDING FINANCIAL HEADS OF AGREEMENT

FAIR CONSIDERATION

- Progressive decommissioning of copper and cable broadband service
- Cooperation with NBN Co
- Progressive 18 month transition from copper to fibre
- Use of conduit
- 50-60% of consideration from NBN Co

INFRASTRUCTURE

- 30 or more year volume and price commitments to use and make available passive infrastructure, including:
  - Ducts
  - Pits
  - Exchange space
  - Managed transmission
  - Dark fibre
- 40-50% of consideration from NBN Co

$9 billion

GOVERNMENT

- Establishment of USO Co as per policy statements
- NBN Co to assume responsibility for new developments
- Retraining fund
- Migration costs
- Other measures

$2 billion

4

NBN WORK STREAMS

1. Operational, technical, commercial components
Finalise the Definitive Agreements, including network decommissioning, infrastructure, rollout and access agreements.

2. Due diligence
Provide due diligence to test and validate the assumptions, calculations and the information upon which the FHOA was agreed.

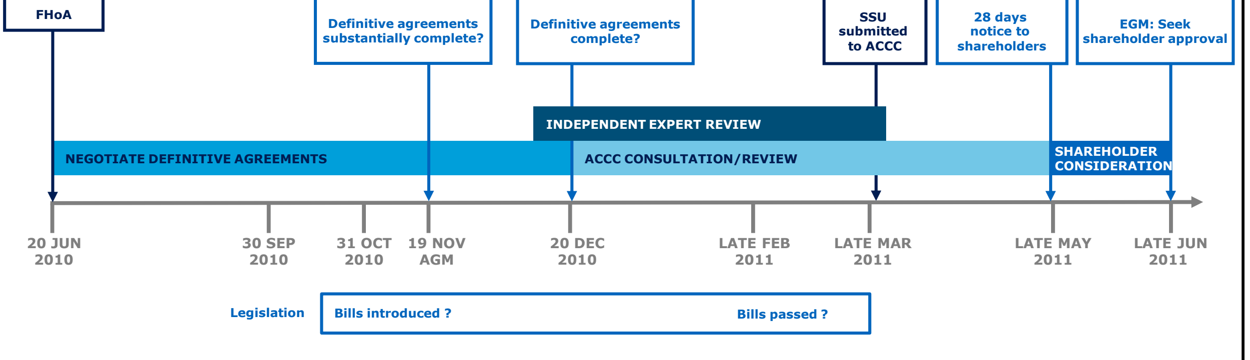
3. Tax
Confirm tax treatment for both parties aligns with expected outcomes

4. Regulatory components of the deal
Secure the conditions precedent in order to enable execution of the Definitive Agreements and the shareholder vote.

5. Independent expert report
Independent Expert will provide assurance on whether the transaction is in the best interests of shareholders (before the shareholder vote).

6. Commercial opportunities
Respond to commercial opportunities for Telstra that are additional to the non-binding Financial Heads of Agreement.

POTENTIAL NBN TIMELINES



PROJECT NEW

Robert Nason

GMD Corporate Strategy & Customer Experience

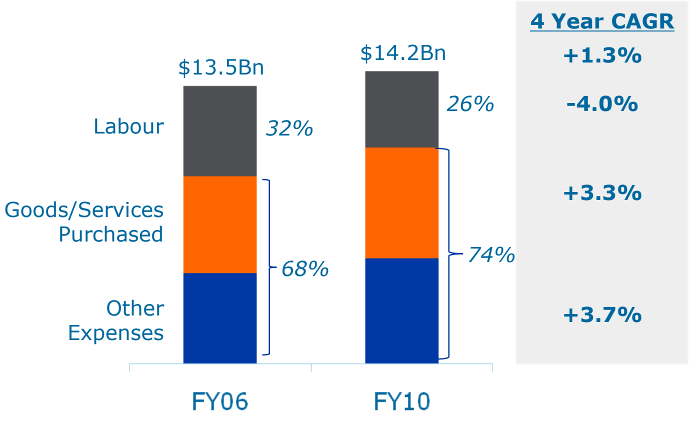
Agenda

- Thinking behind Project New
- Project New – what is it and what will it achieve?
- What is different about this program?

Cost Structure

… OUR COST PROFILE HAS CHANGED

Change in Operating Cost Categories



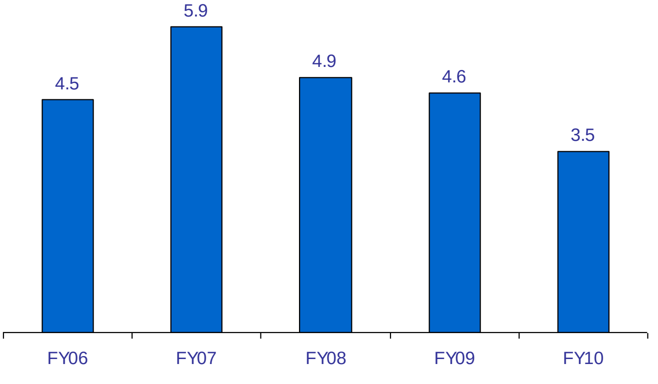
- Total +1.3% versus inflation of +8% and labour +16%
- Change in product and customer mix
- Higher levels of contractors and outsourcing
- Higher levels of bad debts in 09/10

3

Cost Structure

WE HAVE INVESTED HEAVILY IN IT AND NETWORKS AND MUST LEVERAGE THE CAPABILITIES

Capital Spend $billion



Major Investments

- IT Transformation ($3.8B)
- 3G Network Rollout ($1.2B)
- Intern'l Transmission ($0.7B)
- New Estates ($0.6B)
- Country Transmission ($0.6B)
- Wideband Retail Orders ($0.6B)

4

Cost Structure

MANY INITIATIVE HAVE DELIVERED PRODUCTIVITY INCREASES IN SPECIFIC AREAS…

Examples

- Network Payments Review
- General Administration Overhead Cost Review
- Telstra Consumer Working Smarter
- Marketing Simplification
- Telstra Operations Workforce/Performance Excellence
- Accommodation Consolidation

…**but a comprehensive, across the company exercise has not been conducted for many years**

Cost Structure

FOCUS ON IMPROVING PRODUCTIVTY

Drivers of Future Productivity

Eliminating 'bad volumes' of work and duplicated activity	Simplifying our operating model and structures	Increasing online and self serve customer transactions	Leveraging external partner and vendor capabilities
Today's environment			
Millions of unnecessary customer calls and thousands of workarounds steps and activity	*Opportunity for post Transformation simplification of our business model*	*Less than 10% of sales and service volumes through online and self serve channels*	*More than 8000 suppliers, not fully optimised to drive value and differentiation for Telstra*

Cost Structure

SIGNIFICANT OPPORTUNITY IF WE REDUCE "BAD VOLUME"

Buy and Connect
Too many order require remediation

Pay
Many customer bills still require error resolution

Get Help
A large number of fixed assurances requires more than one call

Customer End-to-End Process

Explore → Buy → Connect → Use → Pay → Get Help → Move/ Change → Renew/ Terminate

Voice
Too many activations occur after 7 days

Data
Remediation required for too many consumer broadband orders

Mobile
Drives largest volume of service related calls after connection

7

Cost Structure

OUR OPERATING MODEL CAN BE SIMPLIFIED

Accountabilities and Structures
- Overly complex and difficult to quickly execute actions
- Overly internal orientation; "doing business with ourselves"

Corporate Processes
- Complex planning and capital allocation processes
- Post Transformation process simplification

Operational Processes
- Lack of speed to market with new and innovative products
- Complex customer propositions

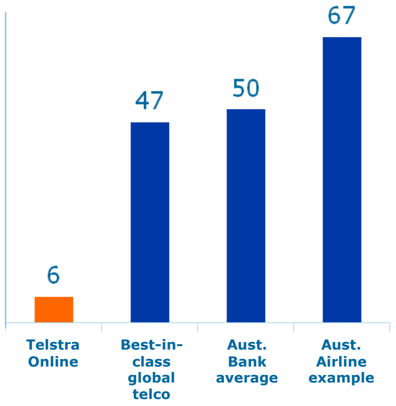
Management Layers
- Sizeable growth in management numbers
- Insufficient functional competence to match competitive intensity

8

Cost Structure

OUR ONLINE CHANNEL HAS SIGNIFICANT UPSIDE

Active users of online (% customer base)



Opportunity

- Convenience and choice for our customers
- Cost differential in servicing routine transactions
- Higher level of online sales

9

Cost Structure

WE CAN BETTER LEVERAGE OUR SUPPLIERS

Categories

- Information Technology
- Network Equipment
- Handsets
- Network Payments
- Accommodation
- Other

~$13 billion in external spend from +8,000 suppliers

Areas we have identified to improve…

- Better alignment of our requirements / needs to services provided
- Outcomes to assist Telstra be more competitive and win in the market
- Stronger compliance to policies and procedures
- More value at lower unit prices

10

Service History

OUR CUSTOMER SERVICE PERFORMANCE HAS NOT MATCHED OUR NETWORK SUPERIORITY

1 **IT Transformation**
- Inability to adjust prices while migrating customers
- Level of complexity under estimated

2 **Service offerings and bundles**
- Explosion in the number of service offerings and pricing plans
- The market has moved in a significant way to bundled offers
....however our processes and systems have not been sufficiently flexible to respond to these changes

3 **Contact centre migration**
- Complexity underestimated

4 **Focus**
- Engineering superiority over customer experience

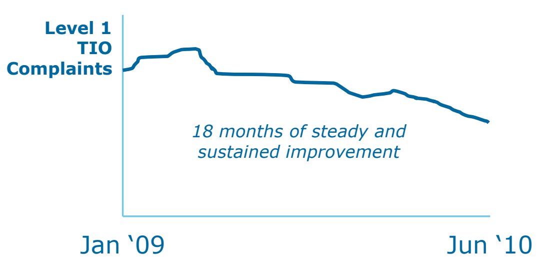
11

Service History

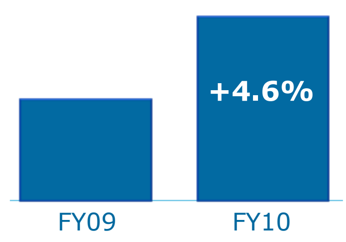
INITIAL ACTIONS TAKEN DURING 2009/10 HAVE DRIVEN SOME IMPROVEMENT IN SERVICE PERFORMANCE

TIO Complaints – FY10

Overall ↓ 32%



Customer Satisfaction Survey Results



12

Service History

AND SOME RECENT ANNOUNCEMENTS DEMONSTRATE THE STRATEGY WE ARE DEPLOYING

More convenience

- Weekend appointments
- 24/7 sales and service

Better value

- New products and pricing plans (e.g. T-box and T-hub)
- Service & support calls free of charge
- Removal of $2.20 administration fee
- BigPond email portability

Improved quality

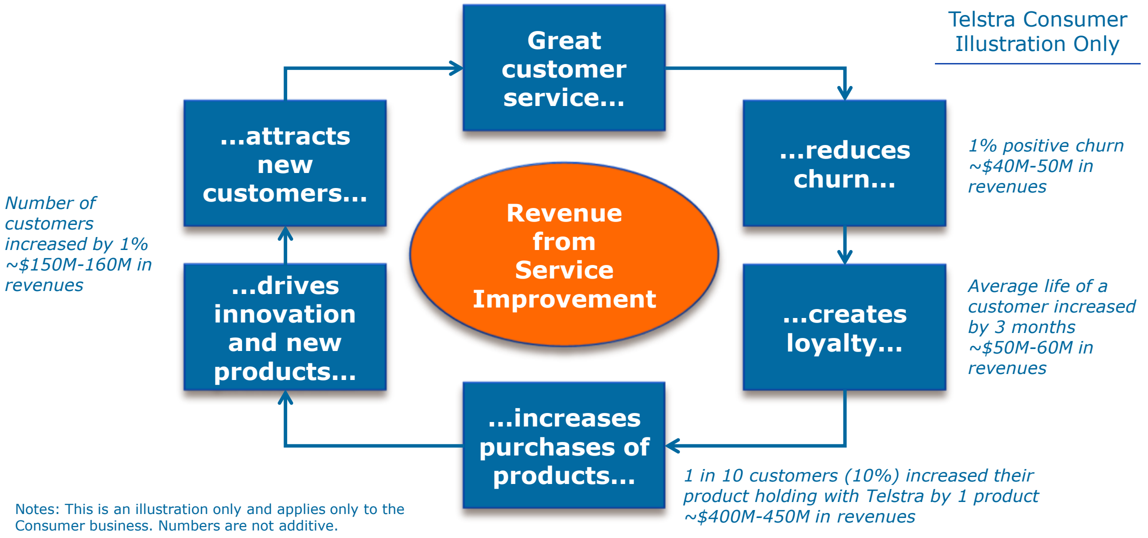
- Dedicated team when moving house

13

Service History

SERVICE IMPROVEMENT WILL DRIVE BOTH PRODUCTIVITY AND FUTURE REVENUE

Telstra Consumer Illustration Only



Notes: This is an illustration only and applies only to the Consumer business. Numbers are not additive.

14

Project NEW

WE ARE CLEAR ON WHAT WE NEED TO DO

Theme	Objectives
Simplify	• Fast, lean and competitive operating model and culture • Value propositions clear and simple to communicate • Processes streamlined to reduce time-to-market by 30%
Serve	• Best customer satisfaction rating compared to rest of market • Channel mix transitioned to 35% online / self help transactions • Further sustained reduction of TIO complaints
Save	• Significant cost benefits will emerge

Project NEW

WE HAVE KEY INITIATIVES IN PROGRESS

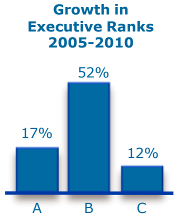
- New Lean Operating Model
- End-to-End Customer Process Improvement
- Sales & Service Channel Enhancements
- Pricing Simplification
- A New Customer Focused Culture
- Third Party Spend & Productivity Improvement Program

Project NEW

NEW LEAN OPERATING MODEL

Program of Work

Have commenced a program of work to:
- Remove duplication in accountabilities and structure
- Redesign key corporate processes
- Redesign operational processes
- Have the right people in the right roles



This occurred at a time when staff numbers declined

Early Actions

- Announced 345 management positions are redundant
- Integrated Telstra CountryWide into Telstra Consumer
- Overhauled our Capital Management planning processes, removing redundancy and getting decision making closer to the customer
- Increasing average spans of control

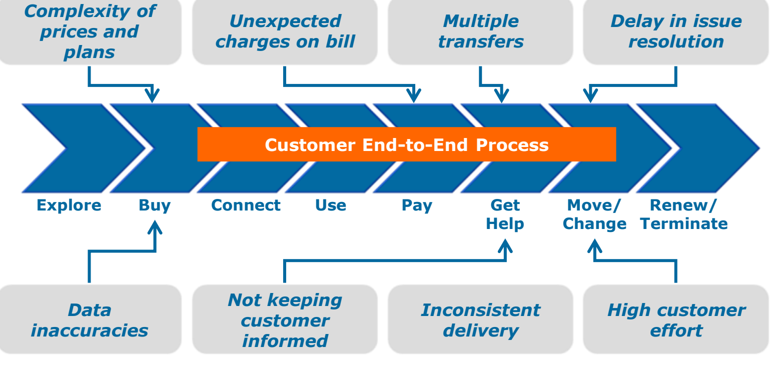
Project NEW

END-TO-END CUSTOMER PROCESS IMPROVEMENT

Program of Work

- Commenced program in Consumer, Business and Enterprise & Government to:
  - Address root causes of customer problems and issues
  - Define solution that will drive customer satisfaction and competitive differentiation

Focus on Root Causes

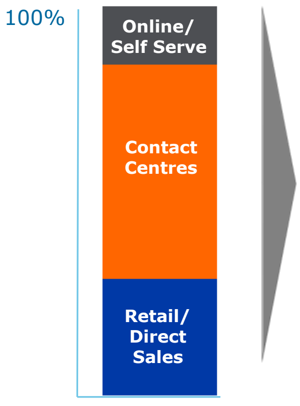


Project NEW

SALES AND SERVICE CHANNEL ENHANCEMENTS

Estimates

Channel Mix of Customer Interactions



Online/ Self Serve

- 6 million unique visitors a week to the online portals Telstra.com and BigPond.com
- Significant growth opportunity for us; customers want to interact with us online
- Commenced a program to rebuild online capability

Contact Centres

- We take more than 500,000 calls each day
- Assessing enhancements to IVR, speech analytics, technology and tools to support agents, and other initiatives to improve customer experience

Retail/ Direct Sales

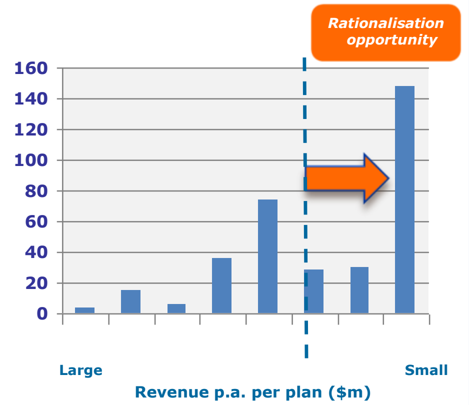
- Over 80,000 customers visit our stores every day
- Assessing options to improve in-store customer interactions and our store layout/footprint for optimal competitive positioning

19

Project NEW

PRICING SIMPLIFICATION

Distribution of Plans By Revenue



Actions

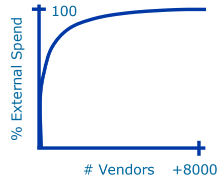
- Commenced program to rationalise and simplify pricing plans to reduce cost, customer confusion, and complexity
- Other short term initiatives:
  - Reduced bundles from 19 to 10
  - Removed nuisance charges (e.g. charging $1.00 for an extra email account)
  - Introduced free customer service calls (removal of charges $0.25 Mobile / $0.30 Fixed) against top 10 frequently called numbers

20

Project NEW

THIRD PARTY SPEND & PRODUCTIVITY IMPROVEMENT PROGRAM (1)

Procurement



- *+$13 billion in external spend*
- *Seeking more value, with differentiated capability*

- Commenced Strategic sourcing
- Tightened demand management policies
- Relationships with top 100 suppliers
- Reviewed Network design principles
- New operating model for Procurement

Bad Debts

- *Increase in bad debts from changes in economic conditions and product/ customer mix*

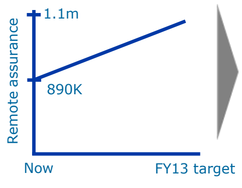
- Enhanced customer acquisition process
- Designing credit solutions that meet customer needs
- Bringing forward testing of new credit collection system

21

Project NEW

THIRD PARTY SPEND & PRODUCTIVITY IMPROVEMENT PROGRAM (2)

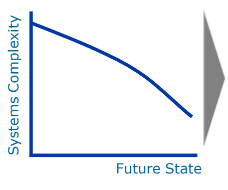
Field Service



- *Reduce repair time, improve customer experience and increase revenue thru greater usage*

- Increase auto activation and remote assurance (i.e. reduce field visits and time to repair)
- Increase in service reliability by 'fixing it first time'
- Serve our customers at their convenience by reducing Telstra initiated reschedules by 50%

Information Technology



- *Higher IT spend than necessary due to volume of change, complexity of environment and lack of company wide prioritisation*

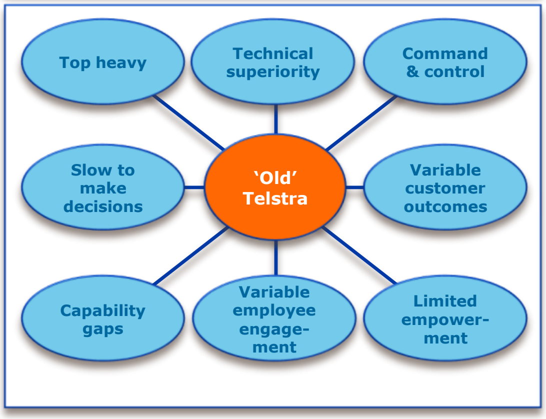
- Clear alignment of IT projects to business value and priority
- Use of agile delivery methodology improved collaboration and automated product delivery
- Release packaging and prioritisation strictly applied

22

Project NEW

A CUSTOMER FOCUSED CULTURE

We've recognised a need to move to a collaborative customer centric Telstra



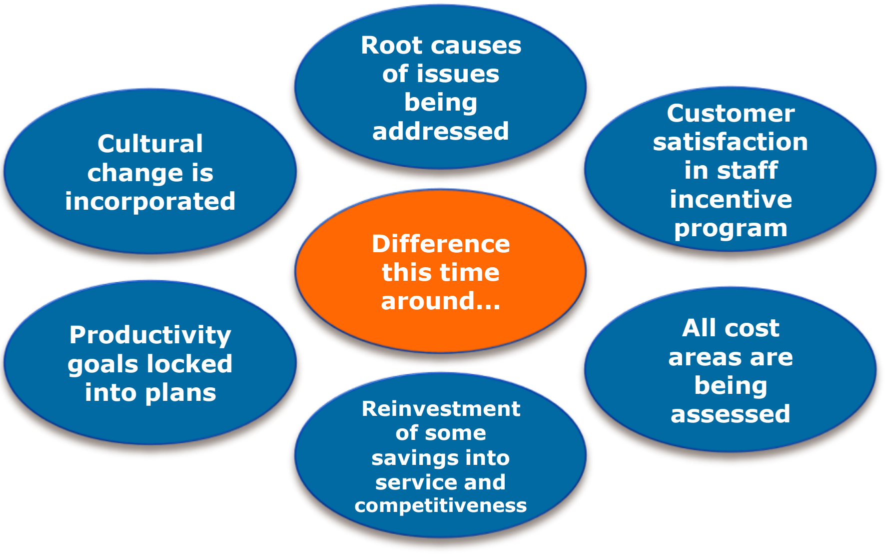
Early Actions

- Holistic culture change plan developed
- Developed shared goals linked to customer satisfaction, financial & productivity outcomes
- Introduced Customer Satisfaction incentive bonus plan for employees
- Commenced the designs and development of culture change programs – implementation commencing Nov 2010
- Design & implementation of a culture change measure – implementation Oct 2010

23

What is Different?

THIS CHANGE IS TOUCHING ALL PARTS OF TELSTRA



24

MARKETING AND PRODUCTS

Kate McKenzie, Chief Marketing Officer

New Sales and Marketing focus

Position Telstra as the brand that connects more Australians than any other telco

Richer Marketing Interactions
- Collaborative market engagement
- Customer Experience Panel
- Targeted customer communications

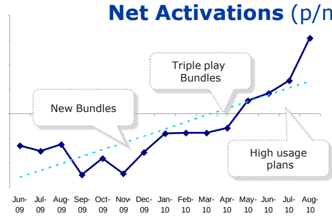
Customer Driven innovation
- Customer discovery based innovation
- User centric design
- Iterative product testing

Relentless Business execution
- Value based pricing
- Accelerated offer creation
- Agile development processes
- Predictive offers and bundles

2

Fixed Voice & Broadband momentum

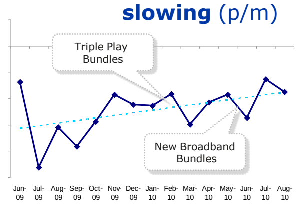
Fixed Broadband Growth
Net Activations (p/m)



10%pts *Increase in activation*

27%pts *Reduction in churn*

PSTN SIO Losses
slowing (p/m)



19%pts *Reduction in churn*

New Bundles; changing momentum

Premium Entertainment

Connected & Entertained Family

Organisation

3

100,000+ T-Box and T-Hub sales

T-BOX

- **Subscription TV**
- **Catch-up TV**
- **Facebook**

T-HUB

- **More Content**
- **More Applications**
- **Personalisation**

Premium Services

- **High Customer Satisfaction**
- **Strong Customer Demand**
- **High % of Remote fixes**

4

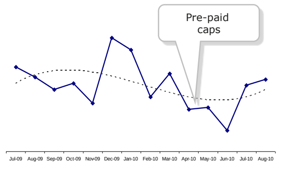
Regaining momentum in Mobles

Post Paid SIO growth Net adds (p/m)

New Activations
↑ 18%pts YoY

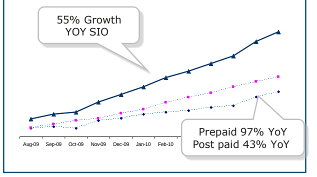
Deactivation
↓ 19% pts Yoy

Pre-paid SIO growth Net Adds (p/m)



Fighting back

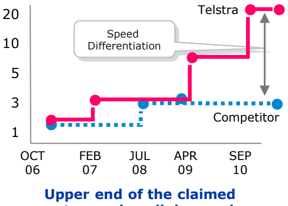
Wireless broadband SIO growth (YoY)



"Telstra outpaced its competitors and has reinforced its position as one of the world's premier mobile broadband networks"
Source: IDC June 2010

World's fastest national mobile broadband

Our network delivers superior performance

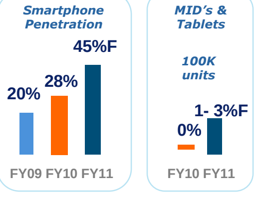


Upper end of the claimed customer downlink speeds

Smarter WBB

ENTERPRISE MOBILE BROADBAND PLUS
Connecting securely to your enterprise network

Innovative Devices



Applications & Services

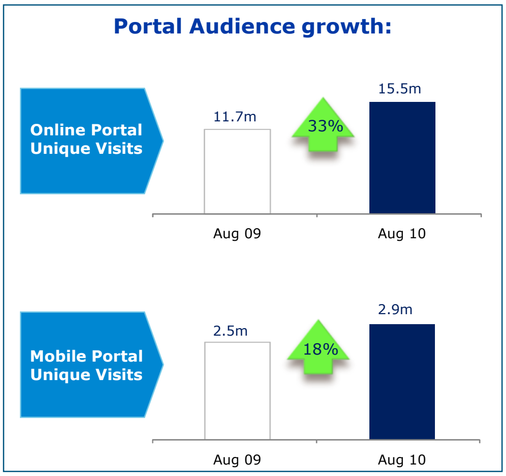
Machine 2 Machine
Connected Device Ecosystem
$1.3Bn market by 2015

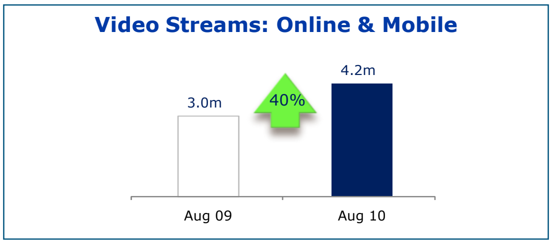
Smartphone Email & Device

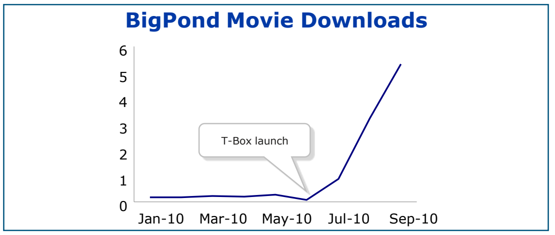
Social Networking

Telstra One Experience

Content strategy is making a difference





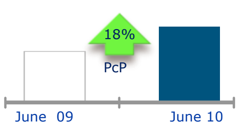


Interactive TV through the web

Growth in IP & data

IP Networking Growth – YoY SIOs

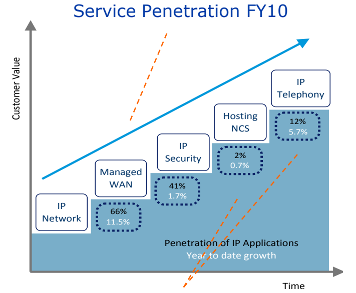
Managed IP Services Growth - $



* Business Broadband

Drive IP VPN Attach rates

~12% growth in Managed Network Service Penetration FY10



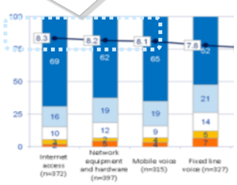
Network Computing & Unified Communications penetration the focus for FY11

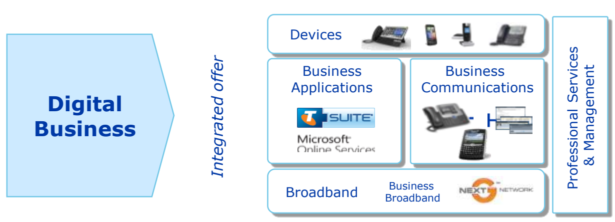
Encouraging results with T-Suite

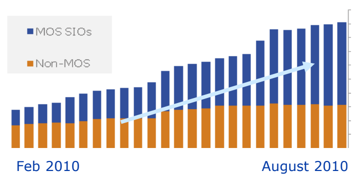
TARGET AUDIENCE

"I would welcome someone who could explain how my smaller size business can benefit and guide me through the right solutions"

Internet networks & Mobiles are most important to Business customers

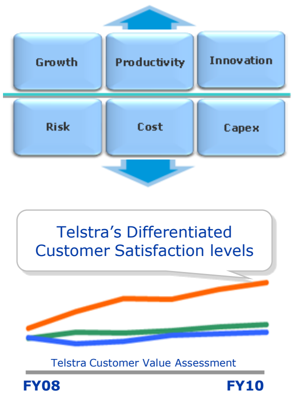






Cloud comes to life

Enterprise Customer Drivers



Unified Comms

34% YoY

Managed UC

Hosted UC

IP Video Collaboration

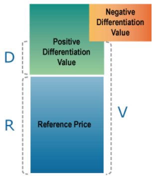
Cloud Computing (IaaS)

Infrastructure as a Service

Net Customer activations

Value based pricing

Customer Research & Differentiation



- Research to determine price relevance
- Create differentiation from competitors
- Targeted and precise offers

Value Based Pricing Approach

- Careful management of ARPU and Yield
- Balancing Market share vs Profit
- COGs management

Pricing Simplification

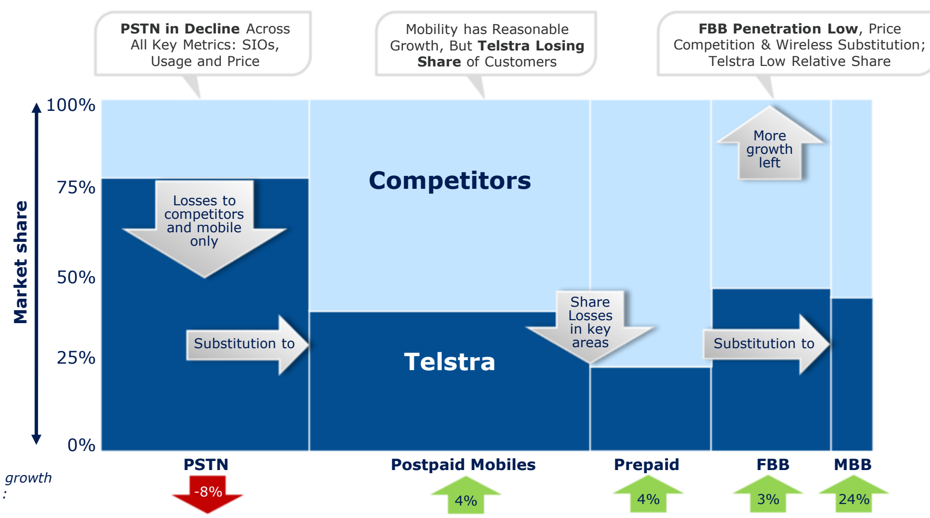
- Simplified offer constructs
- Flexible bundling options
- Clearer communications

Redefining our brand

TELSTRA CONSUMER AND COUNTRYWIDE

Gordon Ballantyne, GMD

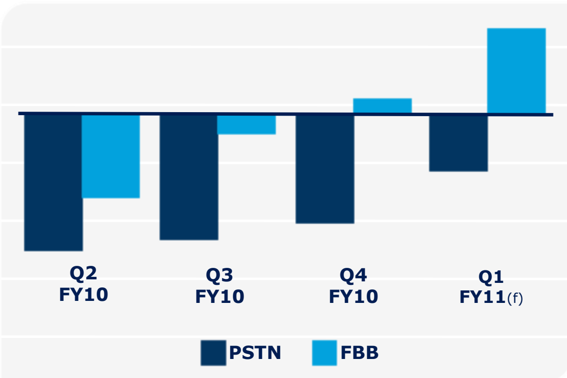
MARKET — COMPETING IN A CHANGING MARKETPLACE



SOURCE Internal Management estimates

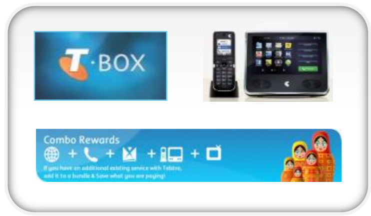
FIXED — FIGHTBACK IN PSTN & FIXED BROADBAND

PSTN & FBB Net Subscriber Growth (SIO)



Leveraging our assets to drive Fixed

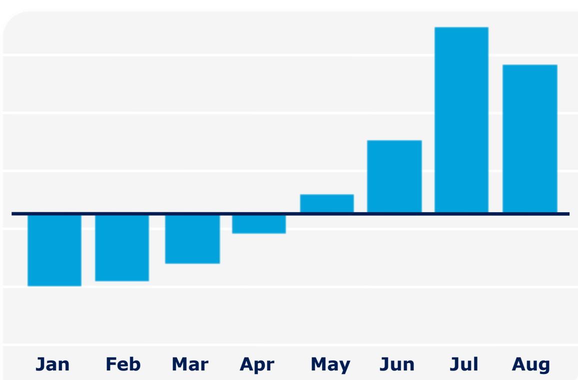
- Fixed Broadband plans (from Nov 2009)
- Value in bundle offers (from Dec 2009)
- T-Hub® (from April 2010)
- T-Box® (from June 2010)



3

POSTPAID — TAKE SHARE IN POSTPAID MOBILE

Postpaid Mobile (excl WBB) Net Subscriber Growth



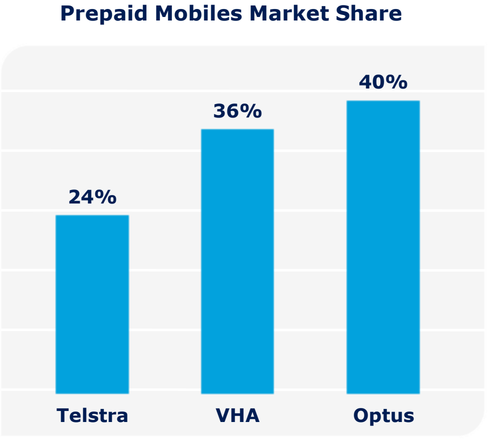
Improving our Postpaid Value

- More competitive offers
- Improving our cap plans
- Competitive iPhone 4 offers
- Exclusive premium handsets
- Network superiority enabling a great Smartphone experience

4

PREPAID

THE CHALLENGER IN PREPAID



- Low market share, especially in metro
- New offers, competitive pricing
- Prepaid cap offers
- New creative and overhaul of marketing
- Exclusive devices
- Improved distribution

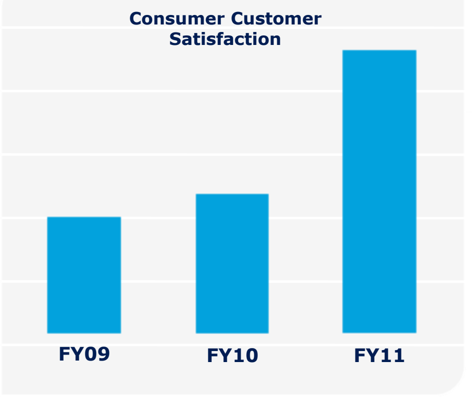
SOURCE Internal Management estimates

5

SERVICE

SERVICE AT THE CORE

DRIVING SATISFACTION



CUSTOMER CENTRICITY

- ✓ **24/7 contact centres**
- ✓ **Free calls to Telstra**
- ✓ **Improved Online capability**
- ✓ **All staff remunerated on customer satisfaction**
- ✓ **BigPond improvements**
- ✓ **Telstra Plus premium service**
- ✓ **Customer satisfaction metrics driving our business**

6

DISTRIBUTION GIVING CUSTOMERS CHOICE

ONE TELSTRA Efficiently deliver a consistent experience across all channels regardless of where our customers choose to interact with us

VISIT

CALL

CLICK

RETAIL
- Premium branded store experience
- Strong partner network

CONTACT CENTRES
- Primary focus on service and building customer lifetime value
- Contact centre excellence

ONLINE
- Investment in capability and usage
- Innovative experiences to buy online, collect in-store

Channel optimisation will drive productivity improvements for future investment

7

OUR GOALS IT'S ALL ABOUT THE CUSTOMER

Delivering on the Brand Promise

SERVICE

… blown away by amazing service … this is a far cry from the usual feelings of rage & frustration ….

SERVICE

… has renewed my faith in Telstra and retained me as a satisfied customer!

EXPLORE

Consultant didn't rush me … explained everything in detail … rare to have a positive experience with a phone company!!!

CHANGE

I tweeted Telstra to upgrade my data…. didn't think it could be that simple … done straight away … very impressed.

8

GROWTH OPPORTUNITIES

David Thodey, CEO

NEW GROWTH OPPORTUNITIES

NAS	**Network based applications and services**
Media	**Digital media, content and advertising portfolio**
Asia	**Growing shareholder value from our Asia assets**

These opportunities create value for shareholders

2

NAS AND CLOUD SERVICE OPPORTUNITIES

	Managed Networks	Unified Comms	Network Computing (Cloud)	Integrated Service Management	Business Applications and SaaS
Enterprise	✓	✓	✓	✓	✓
SMB	✓	✓	✓	✓	✓
Consumer			✓	✓	✓

Investing in capability that satisfies customer needs protects and creates shareholder value

DIGITAL MEDIA, CONTENT AND ADVERTISING OPPORTUNITY

FOXTEL and IPTV

Sensis

BigPond

Digital Advertising

T-Box

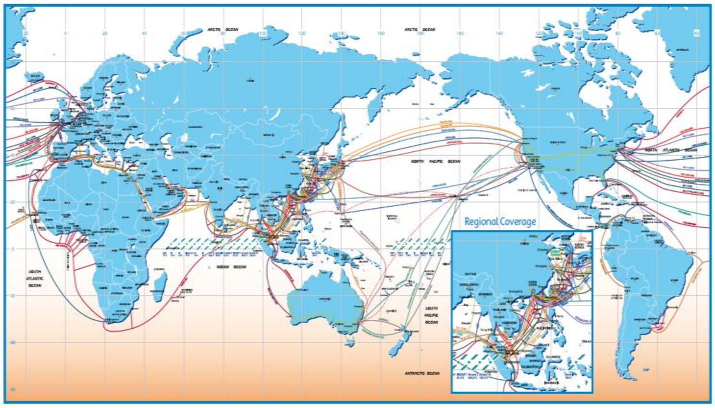
On-line

Mobile

Leveraging opportunities adjacent to our core creates shareholder value

GROW SHAREHOLDER VALUE FROM OUR ASIA ASSETS

1. **Managed Services & International Connectivity**
2. **New Media in China**
3. **Wireless**



Opportunities to grow shareholder value in adjacent sectors and markets

NEW GROWTH OPPORTUNITIES

NAS	**Network based applications and services**
Media	**Digital media, content and advertising portfolio**
Asia	**Growing shareholder value from our Asia assets**

IN SUMMARY

LEADING COMMUNICATIONS AND MEDIA COMPANY

Core Advantages

- Extraordinary customer access and interaction
- Unmatched portfolio of products and brands
- Clear scale advantage
- Deep engineering and design capability
- Sales and marketing capability

Strategy

- Drive value from our core (TRANSITION)
- Build new businesses (GROWTH)

7