

TELSTRA SHAREHOLDER UPDATE 2012

IT'S HOW
WE CONNECT



OUR STRATEGIC PRIORITIES ARE DELIVERING

Telstra has continued to invest in the strategic priorities of improving customer satisfaction, profitably growing customer numbers, simplifying the business and finding new growth opportunities. Our strategy continued to deliver benefits for customers and shareholders, with an increased focus on customer service leading to higher customer retention and acquisition in the 12 months to 30 June 2012.

REPORTED FINANCIAL RESULTS

	Full-year Ended 30 Jun 2012 \$m	YoY change
Total revenue	25,368	1.1%
EBITDA	10,234	0.8%
Net Profit After Tax	3,424	5.4%
Accrued capital expenditure	3,591	5.3%
Free cashflow	5,197	-5.1%
Dividend per share (cents)	28.0	-
Earnings per share (cents)	27.5	5.4%

FINANCIAL RESULTS

On a reported basis total revenue increased by 1.1% to \$25.4 billion and EBITDA grew by 0.8% to \$10.2 billion. On a guidance basis (before impairments, Government NBN Definitive Agreement receipts and wholesale price changes), total revenue grew by 1.3% and EBITDA increased by 2.1%.

Telstra also confirmed a fully franked final dividend of 14 cents per share bringing the total dividend to 28 cents per share for the 2012 fiscal year, returning \$3.4 billion to shareholders. Shares will trade excluding entitlement to the dividend on 20 August 2012 with payment on 21 September 2012.

RESULTS ON GUIDANCE BASIS¹

	Fiscal 2012 Guidance	Outcome
Total revenue	Low single digit growth	+1.3%
EBITDA	Low single digit growth	+2.1%
Capex/Sales	Around 14%	14.2%
Free cashflow	\$4.5 - 5.0 billion	\$5.3 billion

¹ Adjusted for impairments, Government NBN Definitive Agreement receipts and regulated wholesale price changes. The guidance basis has been reviewed by our auditors.

28 CENTS

DIVIDEND PER SHARE

POSITIVE MOMENTUM TO CONTINUE

Telstra expects growth to continue in fiscal year 2013 and forecasts low single digit total income and EBITDA growth, with free cashflow between \$4.75 and \$5.25 billion. Telstra expects capital expenditure to be around 15% of sales over the next two years as we plan to invest in our mobile network and in the delivery of infrastructure to NBN Co to bring forward benefits from the NBN agreements.²

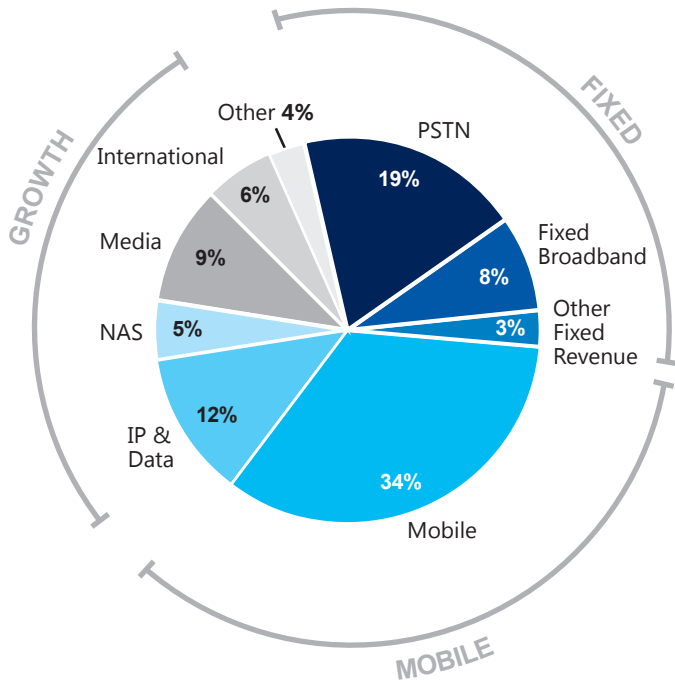
As announced in October 2011, it is the company's intention to maintain a 28 cent fully franked dividend for fiscal 2013. This is subject to the Board's normal approval process for dividend declaration and there being no unexpected material events.

KEY PRODUCT REVENUE

	FY 2012 \$m	YoY change
Mobile	8,668	8.5%
Fixed	7,488	-6.1%
Data and IP	3,122	-0.8%
Network Applications & Services (NAS)	1,263	10.5%
Media	2,377	-9.6%

² Guidance assumes wholesale product price stability, no impairments to investments and excludes any proceeds on the sale of businesses and the cost of spectrum purchases. The foreign exchange impairment on TelstraClear expected on completion is also excluded.

FY12 PRODUCT SALES REVENUE BREAKDOWN



We recorded one of our best ever years in mobile with 1.6 million domestic mobile customers added and revenue growing by 8.5% to \$8.7 billion.

Over the past two years, we have acquired over three million mobile customers by providing better value plans, improving our customer service, focusing our brand and product marketing and continuing to invest in network superiority.

We now have 13.8 million domestic mobile customers, including 6.6 million postpaid handheld and 3.1 million mobile broadband customers.

>3 MILLION

NEW MOBILE CUSTOMERS
IN PAST 2 YEARS

Fixed line revenue declined by 6.1% to \$7,488 million. Within the fixed portfolio, fixed retail broadband revenue grew by 8.5% to \$1,608 million as a result of the popularity of our competitive and broad range of bundled offers. The increased availability of content over the T-Box® and T-Hub® devices saw sales of these products more than double in fiscal 2012 with many customers taking up these products as part of our bundled plans.

The decline of PSTN continues to be a challenge that is being faced across the telecommunications sector. In fiscal year 2012 we experienced a 10% decline in PSTN revenue, which now comprises less than 20% of total revenue.

1.4 MILLION

CUSTOMERS ON A
BUNDLED PLAN

10.5%

NAS REVENUE GROWTH

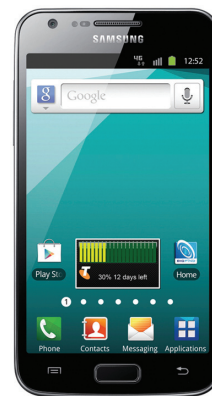
NAS revenue increased by 10.5% to \$1,263 million with several important long-term contracts won during the year.

Focusing on Asia, Telstra International revenue grew by 7.0% to \$1,496 million. This portfolio comprises the Hong Kong mobile services (CSL) business, the Telstra Global business and a number of digital media businesses in China.

In Media, Foxtel's acquisition of Austar was an important milestone. Sensis revenue declined 17.7% as the move to online accelerated. Digital media revenue, excluding the Sensis and advertising products, increased by 4.7% to \$864 million. This was the result of revenue growth across TV, content and cable products.

375,000

4G DEVICES SOLD



INNOVATION

In September 2011, Telstra was the first Australian company to launch a commercial 4G LTE mobile network. Customers have activated more than 375,000 4G devices since launch and the 4G network now covers approximately 40% of Australia's population.

Telstra recently launched the new T-Hub 2, a unique combination of home phone and tablet that will keep the family connected, organised and entertained.

T-Hub 2 caters to what modern households need in a home phone, offering a smarter way to make calls, manage contacts and access handy internet services like live weather updates and social networking sites.

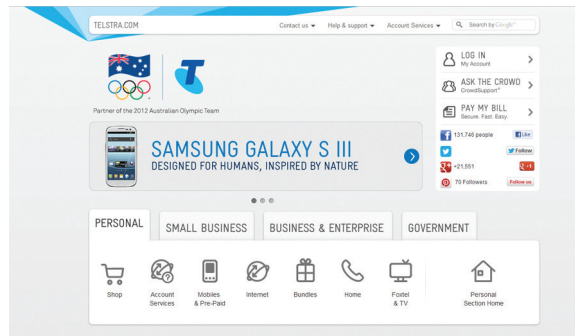


THIS YEAR WE'VE LAUNCHED ONLINE SERVICES AVAILABLE TO CUSTOMERS 24 HOURS A DAY, SEVEN DAYS A WEEK

24x7™

WEBSITE REDESIGN

Our online environment has been upgraded and redesigned to provide a far better experience. Based on customer feedback, the enhancements cover our online shop, consumer and business customers, as well as the account management portal 'My Account'. This is an ongoing process to ensure we remain ahead of the game in the digital arena.



FACEBOOK

We have collaborated with Facebook to build an industry leading presence on the social media network's platform. Customers can now interact with our online support team by posting on the Facebook wall where we aim to respond to all posts within the hour, or by initiating a Live Chat session. Customers can also securely access their Telstra account details via a Facebook application directly from their Facebook account.

www.facebook.com/Telstra24x7



APPS

We have developed a Telstra 24x7 App that allows our customers to manage their Telstra accounts and services via their mobile devices. Available on iPhone®, iPad®, Android smartphones and Facebook, the app lets customers track their call and data usage, pay their bills, recharge pre-paid services and customise account settings on the go, day and night. Previously this was a service only available through a desktop computer.

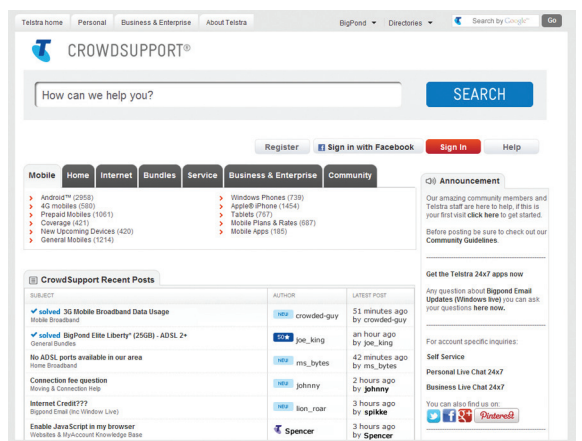
www.telstra.com/apps



CROWD SUPPORT

We have launched CrowdSupport – an online community forum aimed at extending our range of customer service options. Accessible from telstra.com, it's a place where consumer and business customers can assist each other with information about Telstra's products and services, share tips and experiences, or discuss new and upcoming releases. The site has gained in popularity since launch with close to 200,000 hits per month.

<http://crowdsupport.telstra.com.au>



TELSTRA RETAIL SHAREHOLDER INFORMATION MEETINGS

WITH THE CEO AND CFO

MON 17 SEP > 2PM - HILTON HOTEL, 488 GEORGE STREET, **SYDNEY**

WED 19 SEP > 9.30AM - CROWNE PLAZA HOTEL, 32 MITCHELL STREET, **DARWIN**
10AM - HYATT REGENCY HOTEL, 99 ADELAIDE TERRACE, **PERTH**

THU 20 SEP > 10AM - CROWNE PLAZA HOTEL, 16 HINDMARSH SQUARE, **ADELAIDE**

FRI 21 SEP > 10AM - HOTEL SOFITEL, 25 COLLINS STREET, **MELBOURNE**

WED 26 SEP > 10.30AM - HILTON HOTEL, 190 ELIZABETH STREET, **BRISBANE**

Please register at your location:

Dial 1800 131 011 and follow the prompts or

Email: shareholder.meetings@team.telstra.com

Visit our website: www.telstra.com.au/shareholdermeetings

This is strictly a retail shareholder information session and an opportunity for shareholders to ask questions of management. It is not open to the media. We expect the sessions to last approximately two hours.

Indicative Financial Calendar*

Ex-dividend share trading commences	Mon 20 Aug 2012
Final dividend paid	Fri 21 Sep 2012
Annual General Meeting	Tue 16 Oct 2012
Half Year Results announcement	Thu 7 Feb 2013
Ex-dividend share trading commences	Mon 18 Feb 2013
Interim dividend paid	Fri 22 Mar 2013
Annual Results announcement	Thu 8 Aug 2013
Ex-dividend share trading commences	Mon 19 Aug 2013
Final dividend paid	Fri 20 Sep 2013
Annual General Meeting	Tue 15 Oct 2013

Contact Details

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Telstra Corporation Limited

ABN 33 051 775 556
Incorporated in the Australian Capital Territory
Telstra is listed on securities exchanges in Australia
and in New Zealand (Wellington)

Website

Telstra's investor relations home page:
www.telstra.com.au/investor

* Timing of events may be subject to change. Any change will be notified to the Australian Securities Exchange (ASX).