13 February 2014

Office of the Company Secretary

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The Manager

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

ELECTRONIC LODGEMENT

Dear Sir or Madam

Financial Results for the Half-Year ended 31 December 2013 – Analyst Briefing Presentation

In accordance with the Listing Rules, I enclose:

a) a presentation;

b) CEO and CFO speeches;

c) the Half-Year Results and Operations Review (including financial and statistical tables)

for release to the market.

This Announcement has been released simultaneously to the New Zealand Stock Exchange.

Yours faithfully

Damien Coleman
Company Secretary

TELSTRA HALF-YEAR RESULTS ANNOUNCEMENT 2014

IT'S HOW WE CONNECT

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 Annual Report dated 8 August 2013 and 2013 Debt Offering Circular lodged with the ASX and available on Telstra's Investor Centre website www.telstra.com/investor.
- 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.
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IT'S HOW WE CONNECT

TELSTRA HALF-YEAR RESULTS ANNOUNCEMENT 2014

DAVID THODEY, CHIEF EXECUTIVE OFFICER

IT'S HOW WE CONNECT

HIGHLIGHTS[1]

KEY FINANCIALS		
TOTAL INCOME	↑	4.1%
EBITDA	↑	7.0%
NPAT	↑	9.7%
EPS	↑	8.7%
DPS	↑	3.6%

PRODUCT REVENUE		
MOBILES	↑	6.4%
FIXED VOICE	↓	-7.3%
FIXED DATA	↑	6.0%
NAS	↑	29.3%
INTERNATIONAL	↑	28.3%

CUSTOMER GROWTH

- 739,000 NEW DOMESTIC RETAIL MOBILE CUSTOMER SERVICES
- 75,000 NEW RETAIL FIXED DATA CUSTOMERS
- 117,000 NEW CUSTOMERS ON A FIXED BUNDLE

WE ARE ON TRACK TO MEET FY14 GUIDANCE

IT'S HOW WE CONNECT

1. Total income excludes discontinued operations. The Sensis Group was disclosed as a discontinued operation. The carrying value of assets and liabilities of the Sensis Group, with the exception of the cash balances which were excluded from the sale agreement, were classified as held for sale as at 31 December 2013, and measured at the lower of carrying amount and fair value less costs to sell.

TELSTRA HALF-YEAR RESULTS ANNOUNCEMENT 2014

ANDREW PENN, CHIEF FINANCIAL OFFICER

IT'S HOW WE CONNECT

AGENDA

1. GROUP RESULTS
2. PRODUCT AND BUSINESS LINE PERFORMANCE
3. PRODUCTIVITY
4. CAPITAL MANAGEMENT
5. GUIDANCE

IT'S HOW WE CONNECT

GROUP RESULTS – INCOME STATEMENT

	1H13[1]	1H14	GROWTH (reported basis)	GROWTH (guidance basis[2])
Sales Revenue	$12.1b	$12.6b	3.6%	
Total Income	**$12.3b**	**$12.8b**	**4.1%**	**3.3%**
Operating Expenses	$7.4b	$7.5b	2.1%	
EBITDA	**$4.9b**	**$5.3b**	**7.0%**	**6.6%**
Depreciation and amortisation	$2.1b	$2.0b	-2.7%	
EBIT	**$2.9b**	**$3.3b**	**14.0%**	
Net finance costs	$0.5b	$0.5b	2.7%	
Income tax expense	$0.8b	$0.8b	8.8%	
NPAT from continuing operations	**$1.6b**	**$2.0b**	**19.6%**	
Loss from discontinued operations	**$0.1b**	**$0.2b**	**nm**	
NPAT[3]	**$1.6b**	**$1.7b**	**9.7%**	

IT'S HOW WE CONNECT

1. Comparatives have been restated due to the retrospective adoption of AASB119: Employee Entitlements. Restatements have also been made in relation to the Sensis Group being classified as a discontinued operation. See note 9 of the half-year financial report for further information.
2. Income and EBITDA growth rates on a guidance basis have been adjusted for FY14 M&A impacts
3. NPAT from continuing and discontinued operations

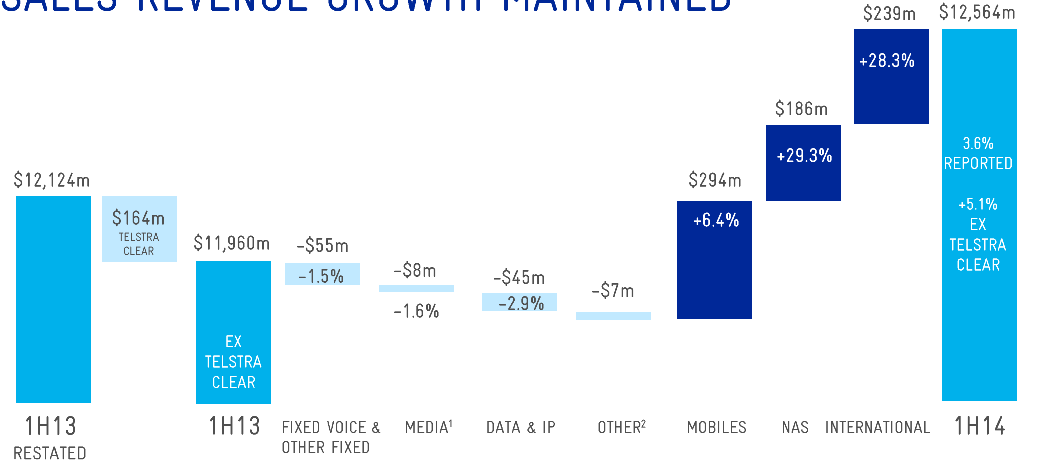
GROUP RESULTS – FINANCIAL MEASURES

	1H13	1H14	GROWTH (reported basis)
Accrued Capex[1]	$1.9b	**$1.8b**	-2.1%
Capex to Sales	15.3%	**14.4%**	-0.9pp
Free Cashflow[2]	$2.2b	**$1.7b**	-23.4%
Earnings per Share (cents)[3]	12.6	**13.7**	8.7%
Ordinary DPS (cents)	14.0	**14.5**	3.6%
Ratios			
ROE	27.0%	**26.8%**	-0.2pp
ROIC[4]	13.5%	**15.2%**	+1.7pp
Gearing	53.4%	**51.4%**	-2.0pp

IT'S HOW WE CONNECT

1. Accrued capex is defined as additions to property, equipment and intangible assets, including capital lease additions measured on an accrued basis.
2. Cashflows from continuing and discontinued operations. Free cashflow in 1H13 includes $671m proceeds for the sale of Telstra Clear. Excluding these proceeds, the 1H13 free cashflow was $1.4b and 1H14 growth is 11.2%
3. Comparatives have been restated due to the retrospective adoption of AASB119: Employee Entitlements. Restatements have also been made in relation to the Sensis Group being classified as a discontinued operation. See note 9 of the half-year financial report for further information.
4. ROIC is calculated as annualised NPAT as a percentage of total capital (average net equity + average net debt) after adjusting to recognise Sensis as a discontinued business

PRODUCT PERFORMANCE
SALES REVENUE GROWTH MAINTAINED



IT'S HOW WE CONNECT

1. Excludes Sensis discontinued operations
2. Other includes NBN Residual Deed, recoverable damages and miscellaneous sales revenue.

PRODUCT PERFORMANCE: FIXED
REDUCED RATE OF DECLINE IN FIXED

FIXED	1H13	1H14	GROWTH
Revenue	$3,681m	**$3,626m**	-1.5%
- Fixed Voice[1]	$2,220m	**$2,059m**	-7.3%
- Fixed Data[2]	$1,028m	**$1,090m**	6.0%
- Other Fixed[3]	$433m	**$477m**	10.2%
EBITDA Margin – Fixed Voice[4]	62%	**61%**	-1pp
EBITDA Margin – Fixed Data[4]	41%	**42%**	1pp
Fixed Voice Customers – retail	6.7m	**6.4m**	-4.6%
Fixed Data Customers – retail	2.7m	**2.8m**	6.1%

- Retail fixed voice customer decline (155,000 to 6.4m)
- Retail fixed data customers up 75,000 to 2.8m; revenue up 7.8%, ARPU up 1.0% to $54.86
- Bundled customers up 117,000 to 1.7m, 61% of our fixed data customer base
- Fixed voice margins reduced 1pp driven by the expected PSTN revenue decline
- Fixed data margin improved due to retail revenue growth and relatively flat retail costs to serve

IT'S HOW WE CONNECT

1. Fixed voice includes PSTN and voice revenue
2. Fixed data includes fixed broadband and data revenue
3. Other fixed includes customer premises equipment; inter-carrier access services including ULL, payphones and $107m revenue from NBN Infrastructure Services Agreement
4. Fixed voice and fixed data margins exclude NBN voice and data revenue

PRODUCT PERFORMANCE: MOBILES
CONTINUED REVENUE, EBITDA AND CUSTOMER GROWTH

MOBILES	1H13	1H14	GROWTH
Revenue	$4,567m	**$4,861m**	6.4%
- Postpaid Handheld	$2,377m	**$2,495m**	5.0%
- Prepaid Handheld	$351m	**$419m**	19.4%
- Mobile Broadband	$576m	**$643m**	11.6%
- Machine to Machine	$44m	**$47m**	6.8%
- Hardware	$767m	**$784m**	2.2%
- Other[1]	$452m	**$473m**	4.6%
EBITDA Margin	37%	**39%**	+2pp
Customers	14.4m	**15.8m**	9.6%
Postpaid Handheld ARPU ex. MRO	$65	**$66**	2.1%
Postpaid Handheld ARPU inc. MRO	$59	**$59**	-0.1%
Postpaid Handheld Churn	10.3%	**10.6%**	+0.3pp

- Mobile services revenue up 7.3% following strong SIO growth
- Domestic mobile retail customer services up 739,000 to 15.8 million with strong growth in prepaid
- Prepaid handheld revenue up 19.4% driven by 11.7% increase in unique users and 6.2% increase in ARPU
- Postpaid handheld ARPU up 2.1% to $66.09 (excluding MRO impacts) driven by data demand
- 4.1m mobile devices on 4G including 2.9m handsets and 1.2m wireless devices
- EBITDA margin improved 2pp due to handheld ARPU and reduced handset subsidies

IT'S HOW WE CONNECT

1. Other includes satellite, wholesale and interconnect

PRODUCT PERFORMANCE: DATA & IP
CONTINUED TRANSITION FROM LEGACY DATA PRODUCTS TO IP

DATA & IP	1H13	1H14	GROWTH
Revenue	$1,543m	**$1,498m**	-2.9%
- IP Access	$559m	**$581m**	3.9%
- Other Data & Calling Products[1]	$586m	**$554m**	-5.5%
- ISDN	$398m	**$363m**	-8.8%
EBITDA Margin	65%	**65%**	0pp
IP MAN SIOs	28k	**32k**	14.3%
IP WAN SIOs	106k	**110k**	3.8%

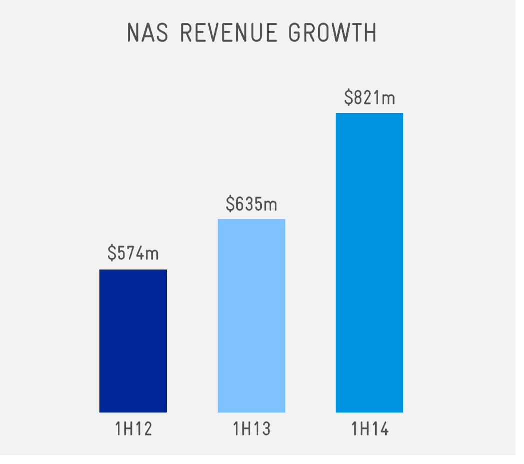
- IP access and data revenue increased due to strong volume growth and bandwidth upgrades
- Customers are showing continued appetite for scalable fibre services, with IP MAN SIOs growing 14%
- IP market has become very price competitive
- ISDN decline has accelerated to 8.8% driven by calling substitution to mobiles, migration to IP based voice alternatives and yield decline attributable to market pricing

IT'S HOW WE CONNECT

1. Includes specialised data, wholesale data and inbound products (13, 1300 and 1800)

PRODUCT PERFORMANCE: NAS[1]

STRONG GROWTH IN NAS – UP 29.3%



- Revenue growth has accelerated due to our backlog of large contracts (including the Department of Defence), in period sales and acquisitions
- During the half we completed the acquisition of North Shore Communications adding $17m of revenue in 1H14
- Revenue growth across all major product categories:
  - Cloud +28.6%
  - Unified Comms +27.6%
  - Managed Network Services +64.8%
- To support the growth, NAS costs increased due to the on-boarding of major new contracts and as we scale for further growth in NAS
- We have more work to do on cost efficiency in NAS

IT'S HOW WE CONNECT

1. Network Applications and Services

BUSINESS UNIT RESULTS

INCOME

BUSINESS UNIT	1H13	1H14	GROWTH
Telstra Retail	$7.7b	**$8.0b**	3.9%
Consumer	$5.3b	**$5.6b**	5.0%
Business	$2.4b	**$2.4b**	0.9%
Global Enterprise and Services	$2.5b	**$2.5b**	3.2%
Enterprise and Government	$2.1b	**$2.1b**	1.2%
Telstra Global[1]	$0.4b	**$0.4b**	14.8%[2]
Telstra Wholesale	$1.1b	**$1.2b**	9.8%

- Consumer growth underpinned by growth in mobile services and ARPU as well as fixed data revenue +7.8%
- Business growth underpinned by fixed data +6.9% offset by lower fixed voice and mobile services revenues
- Enterprise & Government growth underpinned by NAS revenue partially offset by weaker mobile service revenue
- Wholesale revenue up as a result of NBN Infrastructure Service Agreement revenue and growing prepaid 3G mobile business

IT'S HOW WE CONNECT

1. Includes intercompany revenue of $83m in 1H14 & $64m in 1H13
2. 9.5% on a constant currency basis

PRODUCT PERFORMANCE: MEDIA – SENSIS
PRINT DECLINE OUTPACES DIGITAL GROWTH

MEDIA MARKETING SERVICES

SENSIS	1H13	1H14	GROWTH
Revenue	$462m	**$402m**	-13.0%
- Print	$202m	**$138m**	-31.7%
- Digital	$201m	**$216m**	7.5%
- Other	$59m	**$48m**	-18.6%
Sensis EBITDA Margin	23%	**-5%**	-28pp
Sensis EBITDA Margin (excluding impairment)	23%	**20%**	-3pp

- Print revenues impacted in part by timing of Adelaide books which has moved from H1 to H2 in FY14 : White Pages -$25m; Yellow Pages -$39m
- Digital revenue has increased by 7.5% driven by growth in Yellow Pages Online, White Pages Digital and SiteSmart
- Decline in other revenue due to lower call volumes across all voice products
- 1H14 Sensis EBITDA includes $100m impairment

IT'S HOW WE CONNECT

PRODUCT PERFORMANCE: MEDIA – FOXTEL
AUSTAR INTEGRATION DELIVERING BENEFITS IN FOXTEL

FOXTEL (All $ amounts in $AUD under Australian IFRS)	1H13[1]	1H14	GROWTH
Revenue	$1,569m	**$1,579m**	0.6%
EBITDA *(% of revenue)*	$441m *(28.1%)*	**$468m** ***(29.6%)***	6.1%
EBIT *(% of revenue)*	$221m *(15.3%)*	**$273m** ***(17.3%)***	23.5%
Total subscribers[2]	2,423k	**2,549k**	5.2%
Churn	14.2%	**12.4%**	-1.8pp
Receipts in Telstra's books			
Distribution received	$55m	**$50m**	-9.1%
Cable Access Revenue	$61m	**$60m**	-1.6%

- Customer growth underpinned by reduced churn and Foxtel on T-Box growth
- EBITDA growth driven by cost synergies post Austar acquisition and Olympics cost in prior year
- Continued focus on growing Foxtel Play and Foxtel Go
- Plans progressing for roll out of Presto, iQ3 and Triple Play offerings

IT'S HOW WE CONNECT

1. 1H13 results restated to present on an underlying like for like basis and excludes one off adjustment of $22m for Deferred Installation revenue resulting from accounting policy change
2. Commercial subscribers reported on a residential equivalent subscriber basis

PRODUCT PERFORMANCE: MEDIA – OTHER MEDIA ASSETS
PAY TV GROWTH DRIVEN BY PAYLITE

MEDIA ENTERTAINMENT SERVICES AND CONTENT	1H13	1H14	GROWTH
Revenue	$369m	**$379m**	2.7%
- PayTV	$333m	**$348m**	4.5%
- Premium[1]	$302m	**$297m**	-1.7%
- Paylite[2]	$31m	**$51m**	64.5%
- Digital Content Services[3]	$36m	**$31m**	-13.9%

- The success of Entertainer bundles has driven significant growth in Paylite revenue
- 124,000 T-Boxes were sold
- Downloads up 12% as monthly movies streamed exceeded 300,000
- Digital Content Service revenue declined in 1H14 as growth in subscription revenue from the NRL, AFL and MOG products were offset by a decline in feature phone services

IT'S HOW WE CONNECT

1. Premium Pay TV revenue comprises Foxtel from Telstra sales
2. Paylite revenue comprises sales from T-Box, Foxtel on T-Box and BigPond Movies services
3. Digital Content Services revenue excludes Advertising and Classified

PRODUCT PERFORMANCE: INTERNATIONAL
28.3% REVENUE GROWTH

INTERNATIONAL ($AUD)	1H13	1H14	GROWTH	GROWTH IN LOCAL CURRENCY
Revenue	$844m	**$1,083m**	28.3%	15.5%
- Hong Kong (CSL)	$494m	**$630m**	27.5%	13.2%
- China digital media	$73m	**$130m**	78.1%	53.8%
- Global connectivity & NAS[1]	$277m	**$323m**	16.6%	9.7%

- Favourable currency movement contributed $108m to International revenue
- CSL added 227,000 new customers and continues to lead the market in LTE with strong network performance
- Autohome continues to have strong customer acquisition with advertising revenue growing 49% and dealer subscription growing 123% through 3Q13
- Global Connectivity and NAS added over 50 new customer contracts during 1H14
- During the half we launched new cloud platforms in Hong Kong, London and Singapore

IT'S HOW WE CONNECT

1. Includes various local currencies therefore calculated on weighted average growth for the significant contributing entities

NBN
NBN REVENUES ADDED $294M

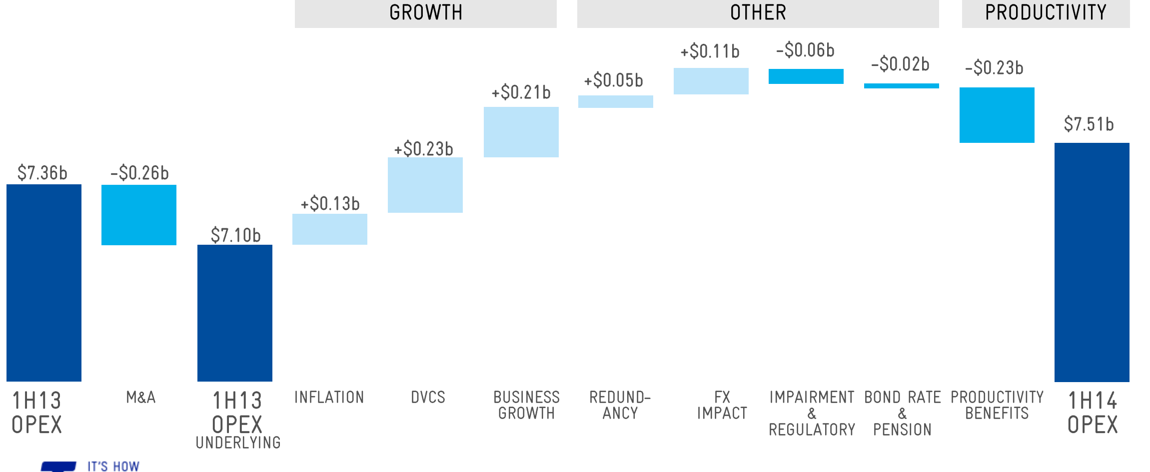
NBN	1H13	1H14	GROWTH
Revenue	**$176m**	**$294m**	**67.0%**
Commonwealth agreements and other Govt. policy commitments	**$150m**	**$136m**	**-9.3%**
- Retraining[1]	$4m	$7m	75.0%
- Information Campaign and Migration Deed[2]	$90m	$52m	-42.2%
- TUSMA[3]	$56m	$77m	37.5%
Infrastructure Services Agreement[4]	**$26m**	**$139m**	**434.6%**
PSAA[5]	**-**	**$19m**	**nm**

- Recognition of Retraining Deed and Information Campaign and Migration Deed continued in H1. Residual payment received in FY12 will be fully recognised in H2 FY14
- TUSMA net revenue increased in line with expectations
- Income received under Infrastructure Services Agreement from ducts, racks, fibre and sale of lead-in conduits increased in H1 with NBN Co's rollout
- Transit network build on target for completion in H2 FY14
- PSAA income commenced in H2 FY13. H1 FY14 has grown with NBN Co's rollout

IT'S HOW WE CONNECT

1. Retraining booked as other income
2. Information and Migration Deed booked as other sales revenue.
3. TUSMA booked as other income, recognised in income statement in fiscal year before receipts and payments flow through.
4. Infrastructure Services Agreement in fixed revenue ($107m) and other income ($32m)
5. PSAA (Per Subscriber Address Amount) booked as other income

PRODUCTIVITY
$0.23B IN PRODUCTIVITY BENEFITS DELIVERED



IT'S HOW WE CONNECT

CAPITAL MANAGEMENT
STRATEGIC FRAMEWORK

FISCAL DISCIPLINE

OBJECTIVES

1. MAXIMISING RETURNS FOR SHAREHOLDERS
2. MAINTAINING FINANCIAL STRENGTH
3. RETAIN FINANCIAL FLEXIBILITY

PRINCIPLES

1. Maintain balance sheet settings consistent with a single-A credit rating
2. Ensure dividend remains fully-franked and seek to increase it over time.[1]
3. Target medium-term capex/sales ratio ~14% subject to NBN roll-out, excluding spectrum payments
4. Over a full year we will not borrow to pay the dividend or fund capital returns
5. Maintain flexibility for portfolio management and to make strategic investments

Cumulative Excess Free Cashflow: $1.8b as at 31 December 2013

IT'S HOW WE CONNECT

1. Any dividend is subject to the Board's normal approval process for dividend declaration and there being no unexpected material events

CAPITAL MANAGEMENT
CLOSE MANAGEMENT OF CAPITAL POSITION

	1H13	1H14	GROWTH
Accrued Capex	$1.9b	**$1.8b**	-2.1%
Free Cashflow	$2.2b	**$1.7b**	-23.4%
Gross Debt[1]	$16.2b	**$16.3b**	0.6%
Liquidity	$2.6b	**$2.5b**	-3.8%
Net Debt	$13.6b	**$13.9b**	2.2%
Avg Borrowing Costs[2]	6.4%	**6.1%**	-3.1%
Avg Debt Maturity (years)	4.9	**5.0**	-

FINANCIAL PARAMETERS	COMFORT ZONES	ACTUAL
Debt Servicing	1.5 – 1.9x	1.3x
Gearing	50% to 70%	51.4%
Interest Cover	>7x	12.7 x

- Accrued capex includes $650m for mobiles infrastructure with 4G coverage now extended to 85% of the Australian population
- Excluding Telstra Clear sale proceeds ($671m) in 2013, free cashflow grew by 11.2%
- Borrowing margins continue to reduce with favourable refinancing rates compared to the existing debt portfolio
- Financial parameters are firmly within our target ranges. An A/A2 rating confirmed by all three major ratings agencies: Moodys, S&P and Fitch

IT'S HOW WE CONNECT

1. Represents position after hedging based on the accounting carrying values. Gross debt comprises borrowings and derivatives.
2. Represents net interest cost on our net interest bearing liabilities

PORTFOLIO MANAGEMENT
$226M OF INVESTMENTS IN 1H14

ACQUISITIONS AND INVESTMENTS	Description	Economic Interest	Accounting Impact
Ooyala	Digital Marketing	**Not disclosed**	Investment - At cost
NSC Group	NAS – Unified Comms	**100%**	Consolidated
DCA Health	Health	**100%**	Consolidated
Fred IT	Health	**50%**	Consolidated
Box	Ventures / Cloud	**0.5%**	Investment - At cost
O2 Networks[1]	NAS	**100%**	Consolidated
LISTING			
Autohome[2]	Internet	**65.4%**	Consolidated

IT'S HOW WE CONNECT

1. Agreed on 31 December 2013, but announcement delayed into January 2014
2. Autohome related transactions (selective buyback, Telstra acquisition and Initial public offer) are treated as financing activities in the cash flow

PORTFOLIO MANAGEMENT
SUMMARY OF DIVESTMENTS

DIVESTMENTS	Deal Specifics	FY14 EBITDA multiple	Accounting
CSL	• Sale of CSL to HKT for US$2.425bn • Telstra shareholding 76.4% • Subject to regulatory and purchasing shareholder approval	9.5x	• Reported as held for sale until sale completion • Net profit on sale approx. $600m
Sensis	• Sale of 70% to Platinum Equity for $454m • Implied valuation is $649m • Retention of Voice business • Sensis to incur payments for telco services and shared services costs • Subject to financing and FIRB approval	2.4x	• Reported as held for sale until sale completion • Reported as discontinued operation (excluding the Voice business)

IT'S HOW WE CONNECT

2014 GUIDANCE[1]

MEASURE	FY13 RESTATED[2]	FY13 BASE FOR GUIDANCE	FY14 GUIDANCE
Total Income	$24.8b	$26.0b	Low single digit growth
EBITDA	$10.2b	$10.6b	Low single digit growth
Capex	15.6%	14.9%	~15% of sales
Free Cashflow	$5.0b	$5.0b	$4.6 – $5.1b

IT'S HOW WE CONNECT

1. Guidance assumes wholesale product price stability, no impairments to investments, excludes any proceeds on the sale of businesses, M&A and purchase of spectrum
2. The FY13 restated results includes an adjustment for AASB119 in relation to defined benefits superannuation and also the recognition of discontinued operations in relation to the Sensis transaction

TELSTRA HALF-YEAR RESULTS ANNOUNCEMENT 2014

DAVID THODEY, CHIEF EXECUTIVE OFFICER

IT'S HOW WE CONNECT

STRATEGIC PRIORITIES

IMPROVE CUSTOMER ADVOCACY

DRIVE VALUE FROM THE CORE

BUILD NEW GROWTH BUSINESSES

IT'S HOW WE CONNECT

IMPROVE CUSTOMER ADVOCACY

OUR CUSTOMERS ARE OUR NUMBER ONE PRIORITY

NPS	NPS EMBEDDED INTO OUR BUSINESS
PRODUCT DIFFERENTIATION	TELSTRA STAYCONNECTED™ MOBILE SWAP, REPLACEMENT AND RESTORATION SERVICE INTRODUCTION OF TELSTRA PLATINUM TECHNICAL SUPPORT INTRODUCTION OF EXCESS DATA AND VOICE CAPS REDUCED INTERNATIONAL ROAMING CHARGES
PROCESS FOCUS	OUR DIGITAL TRANSFORMATION CONTINUES
UNIQUE CUSTOMER SERVICE EXPERIENCE	TELSTRA THANKS™ HAS HAD OVER ONE MILLION REDEMPTIONS

IT'S HOW WE CONNECT

DRIVE VALUE FROM THE CORE

SOLID FOUNDATION FOR CONTINUED GROWTH

CUSTOMER AND REVENUE GROWTH	› 4.1M 4G DEVICES; WIRELESS ARPU GROWTH FROM DATA USAGE › 75,000 NEW FIXED DATA SERVICES › 1.7M CUSTOMERS ON A BUNDLED PLAN
NETWORK LEADERSHIP	› CONTINUED INVESTMENT IN MOBILE AND FIXED DATA NETWORKS – 85% AUSTRALIAN POPULATION COVERAGE FOR 4G
DRIVE PRODUCTIVITY THROUGH SIMPLIFYING THE BUSINESS	› PROCESS AND SERVICE IMPROVEMENTS HAVE LED TO A 9% REDUCTION IN DECEMBER QUARTER CALL VOLUMES

IT'S HOW WE CONNECT

BUILD NEW GROWTH BUSINESSES

DRIVING INNOVATION AND INVESTING IN EMERGING BUSINESSES

NAS	› CONTINUE TO BUILD MOMENTUM IN NAS
ASIA	› ASIA GROWTH STRATEGY - GLOBAL ENTERPRISE SERVICES - MOBILES - LONGER TERM GROWTH OPPORTUNITIES
EMERGING OPPORTUNTIES	› STRATEGIC INVESTMENTS IN HEALTH, VENTURES, GLOBAL APPLICATIONS AND PLATFORMS

muru™ O2 NETWORKS FRED OOYALA box NSC GROUP DCA eHealth Solutions

IT'S HOW WE CONNECT

NATIONAL BROADBAND NETWORK

IT'S HOW WE CONNECT

SUMMARY

- WE HAVE DELIVERED REVENUE, PROFIT AND CUSTOMER GROWTH
- WE HAVE INCREASED THE DIVIDEND FOR THE FIRST TIME IN EIGHT YEARS
- CONTINUED INVESTMENT IN OUR CORE BUSINESS
- CONTINUED FOCUS ON NEW GROWTH INITIATIVES
- WE ARE ON TRACK TO MEET FULL YEAR GUIDANCE

IT'S HOW WE CONNECT

TELSTRA HALF-YEAR RESULTS ANNOUNCEMENT 2014

IT'S HOW
WE CONNECT

CEO SPEECH NOTES

TELSTRA HALF YEAR RESULTS

13 FEBRUARY 2014

PART ONE

SLIDE 1: OPENING SLIDE

Good morning and welcome to Telstra's financial results for the first six months of fiscal year 2014.

Consistent with previous results briefings, the format will be:

- I will talk briefly about some of our highlights.
- Andy Penn, our Chief Financial Officer, will take you through the numbers in more detail.
- I will then update you on progress against our strategic priorities.
- Andy and I will take your questions.

SLIDE 2: HIGHLIGHTS IN H1

Today's results reflect our dedicated focus on our refreshed strategy of:

- improving customer advocacy;
- driving value from our core business; and
- building new growth businesses.

Our customers remain our number one priority. We are committed to improving the way we serve our customers; and to providing them with access to the best networks in Australia. We are pleased that more Australians continue to choose Telstra.

During the half, we added:

- 739,000 new domestic retail mobile customers;
- 75,000 new retail fixed data customers;
- 117,000 new customers on a fixed bundle; and
- 2,189 new IP services in the enterprise and business markets.

Over the last six months our business has continued to grow. On a reported basis:

- Total income increased by 4.1% to $12.8 billion;
- EBITDA grew by 7.0% to $5.3 billion; and
- Net profit after tax increased by 9.7% to $1.7 billion.

I am also pleased to announce that the Board has increased Telstra's interim dividend to 14.5 cents per share.

Importantly, we are on track to meet our full-year guidance.

Revenue in key products continues to grow.

- Revenue in our mobiles business grew by 6.4%;
- Revenue in fixed data was up by 6.0%;

- Revenue in Network Applications and Services (NAS) grew by 29.3%; and
- Revenue from our International businesses was up by 28.3%.

We are committed to maintaining our technology and product leadership. During the half, we invested $1.8 billion to maintain that leadership. This investment is delivering tangible outcomes for our customers.

By Christmas we reached a significant milestone:

- Our 4G network now covers 85% of the Australian population.
- Over the past six months we upgraded 1,500 base stations to 4G.
- A total of 3,500 4G mobile base stations have now been switched on, giving us four times the 4G coverage area of any other company.

We also invested in new business initiatives as we rebalance our portfolio and drive innovation. These investments, such as our acquisition of North Shore Communications and O2 networks, have enhanced our NAS capabilities. We also acquired 50% of FredIT in our new health business.

Operating expenses increased by 2.1% in the first half, largely driven by costs supporting revenue growth such as the transition of the Department of Defence contract and expenditure on customer service initiatives.

Revenue growth has translated into growth at the bottom line. This half, earnings per share grew by 8.7%. These are a solid set of results and we see good opportunity going forward.

I will now hand over to Andy who will take you through the numbers in more detail.

PART TWO

SLIDE 3: RESULTS TITLE SLIDE

SLIDE 4: OUR STRATEGIC PRIORITIES

As I mentioned previously, our strategy centres around three priorities:

- Improving customer advocacy;
- Driving value for our core business; and
- Building new growth businesses.

I would like to update you on each of these priorities in the context of today's results.

SLIDE 5: IMPROVING CUSTOMER ADVOCACY

Customers are our number one priority. We are focused on sustainably improving the service we provide our customers.

We continue to use NPS to measure every customer interaction; every episode; every product; every process. We also measure customer perceptions of everything we do, asking our customers will they be an advocate for Telstra. Every person who works at Telstra has a customer NPS target. This is not just a measure — it's the way we run our business.

Over the past six months, we have introduced a range of new products to drive differentiation and improve customer service. For example:

- We launched our mobile device swap, replacement and restoration service called Telstra StayConnected to help customers get back online fast if anything happens to their mobile device. Since its launch in mid-September, 175,000 customers have taken up this service, an attachment rate of around one third.

- Our new Telstra Platinum service is a premium service that offers customers end-to-end technical support across access, devices and applications. The early signs on this offer are very encouraging.

- We continue to enhance products for our customers, introducing an Excess Data Usage Cap and reduced international roaming charges to help reduce bill shock.

Customers want simplicity so getting our processes right is critical. Process improvement is fundamental to improving NPS. Every process in Telstra has an owner and we have set important targets. For example, in the online space:

- 44% of our service transactions, across all segments, are now done digitally.

- More than a third of our customers have chosen a paperless bill and we recently introduced paperless contracts in our stores.

- We are online 24x7, through our 24x7 app, Live Chat, FaceBook and Twitter.

We want to provide our customers with a unique service experience. Since launching in March 2013, our Telstra Thanks loyalty program has helped customers enjoy a number of unique experiences, including events with Brad Pitt, Michael Bublé and Jessica Mauboy. Over one million customers have taken up our movie, sports and music offers, and we will continue to improve our loyalty program so we truly recognise our customers.

Telstra is well recognised for its network and product leadership. We are just as committed to being known for first class customer service. If we can deliver on both fronts, we will drive value for our customers and our shareholders.

<u>SLIDE 6: DRIVING VALUE FROM THE CORE</u>

Our second priority is to drive greater value from the core. Our core refers to our key domestic products, services and costs that make up the bulk of our business today.

Driving value from the core centres around three areas:

- customer and revenue growth,
- network leadership; and
- driving productivity through simplifying the business.

Firstly, customer and revenue growth... Over the past six months growth has been solid across mobiles and fixed data, including bundles.

- Our mobile revenue and customer numbers grew despite the fact the overall market went backwards in the September quarter.
  - Telstra has seen one of the fastest take-ups of a 4G mobile network anywhere in the world. We now have 4.1 million 4G mobile devices on the network.
  - I am confident we can continue to grow our mobile business. We are seeing strong usage growth and we are successfully monetising data – post paid handset ARPU excluding MRO was up by 2.1% this half. And, churn remains near record lows (10.6%).
- We also added 75,000 new fixed data services.
  - We continue to invest in improving the customer experience on fixed data, for example, through ADSL and cable upgrades.
  - Over the past six months we completed ADSL network upgrades at 1,000 exchange service areas across 4,400 suburbs.
  - We upgraded the cable network at 49 cable nodes, or 134 suburbs.
- Our bundled offers have also proven to be very popular. We now have a total of 1.7 million customers on a bundled plan. The success of our bundled offers has helped steady the decline in our voice business.

Secondly, as I said earlier, we are committed to maintaining our network leadership and we continue to invest in our business to achieve this. The success of 4G helps us to reduce the load on our 3G network which, in turn, helps to provide a better customer experience across all networks, as well as more efficient capital allocation.

Our productivity program remains on track. For the half, our simplification programme delivered benefits of $225 million. Productivity affords us the right to invest in new growth opportunities and customer service initiatives. There are many initiatives under way. Process and service improvements led to a nine per cent reduction in December quarter call volumes for our consumer business.

Driving value from the core is critical given the scale of our core business. And, I believe the potential to grow this business remains significant.

SLIDE 7: BUILDING NEW GROWTH BUSINESSES

Turning now to our new growth businesses and in particular the immediate opportunities in NAS and Asia. We have a clear strategy in place designed to realise the opportunities that exist in these portfolios.

First to NAS...

We continue to build momentum in the NAS portfolio. As I mentioned earlier, we now have significant capability in this business, including the two acquisitions we made in North Shore Communications and O2 Networks.

The changing nature of our business means there is a changing mix in our expense base to support these new areas of growth.

Over the last six months we have successfully transitioned two of our largest managed services contracts in the history of Telstra — the Department of Health Services and the Department of Defence. This includes the upfront supply of equipment and additional professional services to complete the transition phase.

Turning now to Asia...

Our Asian growth strategy is centred on three core pillars:

- expanding our global enterprise and services business in the region;
- Looking for opportunities to leverage our core capabilities and optimise value in mobiles; and
- Investing in longer term growth opportunities.

Telstra has significant scale and scope across Asia and we continue to expand our business operations in the region. In the last 18 months:

- We opened fifteen new points of presence internationally. Telstra now provides customers access to over 1,900 points of presence in 230 countries and territories.

- We invested in two new submarine cables, bringing the total number of cables in which Telstra has an interest to more than 20.
- We opened a new data centre in Singapore. We now a total of seven data centres directly operated by Telstra Global. We have partnership arrangements in relation to a further 11 data centres, bring the total number of data centres we have around the globe to 18.

These assets position us well as we look to grow the NAS business beyond Australia and expand our global footprint.

We recently entered into a Memorandum of Understanding (MOU) with Telkom Indonesia to form a new joint venture to provide network applications and services in Indonesia. Under the terms of the MoU, the proposed joint venture will be the exclusive provider of Network Applications and Services in Indonesia for Telstra and Telkom Indonesia, giving both companies the opportunity to build market share in the fast growing NAS market in the region.

Last year, we increased our stake in Autohome, the leading online marketplace for cars in China, which was listed on the New York Stock Exchange last December. Telstra has a 65.4% stake in Autohome which has a market capitalisation of around USD$3.25B, based on the current share price.

Our strategy in mobiles is to optimise value. Our decision to sell CSL is consistent with this strategy. In our view, the nature of the Hong Kong market is such that consolidation is important for long term economic reasons.

I want to mention briefly the opportunities we have identified in e-health; Ventures; Global Applications and Platforms; and Digital Media. Over the past six months we have undertaken a significant amount of work in these areas.

Our decision to take a 50% interest in Fred IT Group is a good example. The company offers e-health solutions to the community, GPs and pharmacists and is helping to overcome some of the issues that result from the fragmentation in the health industry by connecting more than 15,000 doctors and 3,900 pharmacies through its script exchange service.

Applications will continue to be an important focus area for us. Over the last six months:

- We increased our equity stake in Ooyala;
- We launched our start-up accelerator program muru-D; and
- We continue to look for new opportunities in Australia and globally.

The Digital Media multi-screen experience is a strategic focus for us as well. Over the past six months:

- 54,000 new customers took up our new Entertainer bundles.

- Over 360,000 households registered for Foxtel Go — a 15% increase for the half.

We strongly support Foxtel's commitment to bring SVOD to market. We have a team working on new platform capability which will be available soon. The technology is built on a leading edge software platform with Ooyala at its core.

Building new growth businesses is an on-going priority for us.

SLIDE 8: NBN

Before concluding, I want to touch on the NBN. Let me outline where things currently stand:

- We have commenced negotiations with NBN Co and the Government. We will report on progress as significant milestones occur.

- We are ready to assist the Government in achieving its objectives to move to a multi-technology NBN rollout, while achieving our priorities of:

    1. Acting in the best interests of our shareholders;

    2. Maintaining the value of the current agreements;

    3. Driving to achieve certainty of outcomes as soon as reasonably possible; and

    4. Enhancing regulatory certainty.

- As for any additional role Telstra could play in the NBN build (for example, design and construction), Telstra is happy to consider any opportunities should they become available and prove commercially attractive.

- NBN Co and the Government continue to work through their process:
    - NBN Co has completed its Strategic Review, the results of which were released last December. NBN Co and Government are now considering the review, and will use it to draft a new corporate plan.
    - NBN Co has also gained acceptance of its Special Access Undertaking (SAU) by the ACCC.
- On our side:
    - We have signed a two year Wholesale Broadband Agreement with NBN Co; and
    - We continue to focus on the transit network build, which will be completed mid-year.

<u>SLIDE 9: SUMMARY</u>

In conclusion, let me summarise today's results:

- We have delivered revenue, profit and customer growth.
- We have increased the dividend for the first time in eight years.
- We continue to invest in our core business, driving productivity and network leadership.

- We continue to focus on new growth initiatives — having made several strategic investments in the first half of the fiscal year.
- We are on track to meet our full year guidance.

Thank you for your time this morning. Andy and I would be pleased to answer your questions.

[END]

SLIDE 1

Thank you, David, and good morning.

SLIDE 2

In my presentation this morning I will firstly take you through the overall results and comment on how we tracked against guidance.

Secondly, I will take you through our product and business line performance.

Thirdly, I will comment on our expenses and productivity programme.

Fourthly, I will provide you an update in relation to our key balance sheet movements and capital position, and

Finally, I will conclude with some comments on guidance for the balance of 2014.

Before I take you through the results and following the execution of agreements for the sale of both Sensis and CSL I would like to clarify how we are required to account for these transactions.

We are required to report both businesses as “Held for Sale”. In the case of Sensis we expect to book a loss on the sale of approximately $150m. $100m of this has been booked at the half year.

In the case of CSL we expect to book a profit on the sale of approximately $600m. This will be accounted for in the second half of the year when we anticipate the transaction will consummate.

In the case of Sensis we are also required to treat this business as a discontinued operation. The effect of this is that it has been deconsolidated for the current period and also the prior comparative period.

The net profit after tax and depreciation and amortisation of Sensis is recorded as a ‘Discontinued Operation’ after the net profit after tax line in the accounts of Telstra.

CSL is not treated as a ‘Discontinued Operation’ because unlike Sensis where we are exiting the print advertising business, mobiles continues to be a core business for us.

With those clarifying points made I will now move to the results.

SLIDE 3

Sales revenue for the half year was up 3.6% to $12.6b.

Total income was up 4.1% to $12.8b and EBITDA was up 7% to $5.3b.

On a guidance basis, excluding the impacts of M&A, total income and EBITDA were up 3.3% and 6.6% respectively.

There was a small decrease in depreciation and amortisation of 2.7% reflecting some minor changes to service lives.

EBIT was up 14% to $3.3b. After accounting for the loss from the Sensis discontinued operations, including the impairment, net profit after tax was up 9.7% to $1.7b.

SLIDE 4

Commenting further on some of our key financial measures, accrued capex decreased slightly down 2.1%. The capex to sales ratio was 14.4%.

Free cash flow declined 23.4% to $1.7b however, the first half of 2013 included the proceeds from the sale of TelstraClear. Excluding these, free cash flow was up 11.2%.

Earnings per share increased 8.7% to 13.7 cents per share and as David mentioned, the Board has declared a fully franked interim dividend of 14.5 cents per share.

Return on equity was broadly flat as the increase in profit was matched by equity gains from the superannuation fund returning it to surplus.

Return on invested capital was up 1.7 percentage points to 15.2% reflecting the strong returns from our investments in the Mobiles business.

SLIDE 5

Turning to Sales.

In the first half of 2014 we saw continued growth in sales revenue. Sales revenue was up 3.6% to $12.6b.

We saw small declines in Fixed, Media, Data and IP which I will cover in a moment. However, these were more than offset by strong growth in Mobiles, NAS and International, up 6.4%, 29.3% and 28.3% respectively.

SLIDE 6

I will now walk through our product and business line performance.

Fixed revenues were down 1.5%, an improved performance on previous periods. This was due to slower declines in PSTN, growth in Fixed Broadband and revenue from the NBN Infrastructure Services Agreement.

Fixed Voice was down 7.3% with the number of Retail lines down 155,000 to 6.4 million.

Fixed Data revenue was up 6% and Retail Fixed Data revenue was up 7.8%. A further 75,000 new Retail Fixed Data customers were added in the period while ARPU increased 1% to just under $55.

We continue to see strong performance in bundles, up 117,000 due, in part, to the success of the Entertainer bundle.

EBITDA margins trended in line with expectations with Fixed Voice declining 1 percentage point as the portfolio declined and Fixed Broadband (excluding the early NBN connections) increasing 1 percentage point as we continue to expand the scale of this business.

SLIDE 7

The Mobiles business continued to perform strongly.

Overall revenues were up 6.4% with Mobile Services revenues up 7.3%. This follows the strong growth we have experienced in SIOs over recent periods.

During the period we added 739,000 retail Australian Mobile customer services to take our total number of services to 15.8 million. This included particularly strong growth in Pre-Paid, while net adds in Post-Paid were lower than in the first half of 2013 reflecting the slowdown in the market overall. Notwithstanding this we estimate we still took market share in Post-Paid as well.

Revenues were up 5% in Post-Paid Handheld and up 19.4% in Pre-Paid Handheld.

The Pre-Paid performance was driven by an 11.7% increase in unique users and a 6.2% increase in ARPU.

In Post-Paid handheld, ARPU, excluding MRO impacts, was up 2.1% to just over $66.

With more than 4 million mobile customer services now on the 4G network we are seeing increased data demand. This is driving ARPU and assisting with the further improvements in the EBITDA margin for Mobiles which expanded 2 percentage points to 39%.

We have invested a further $650m in the half and having achieved 85% coverage of Australia with LTE, we remain committed to continue to invest in Australia's best mobile network.

In the second half of the year we will be further deepening our LTE coverage, investing in additional capacity and a number of other innovative trials and preparations for the digital dividend spectrum which will become available in 2015.

Overall another very strong performance for our Mobiles business.

SLIDE 8

In Data and IP, IP access revenues did not fully offset the declines in ISDN, calling and data products. We have seen strong customer growth with IP MAN SIOs growing 14%, increases in volumes, bandwidth upgrades and IP access revenues up 3.9% to $581m.

This has been offset by intensified competition on large contract renewals and ISDN revenues declining 8.8% driven by calling substitution and movements from legacy to new IP based products.

SLIDE 9

In NAS we saw another very strong period of growth with revenues up 29.3% to $821m.

Revenue growth accelerated due to the number of large contracts we have signed in recent times, including with the Department of Defence. Performance was also assisted by the acquisitions of O2 and North Shore Communications. The latter added $17m of revenue in the first half.

As with previous periods, we saw strong revenue growth across all major product categories with Cloud up 28.6%, Unified Communications up 27.6% and Managed Network Services up 64.8%.

To support the very strong growth in NAS we have increased our operating costs and increased headcount by more than 700 for the onboarding of the major new contracts we have signed and also as we scale up for further growth in the future.

Notwithstanding these drivers of cost we have more work to do to improve the efficiency of our NAS business and improve margins.

SLIDE 10

Looking at the results from a channel perspective Telstra Retail income for the first half was up 3.9%. This includes Consumer and Business.

Consumer was up 5% underpinned by growth in Mobile Services revenue and ARPU, as well as Fixed Data revenue which was up 7.8%.

Business was up 0.9% underpinned by Fixed Data, up 6.9%, offset by lower Fixed Voice and Mobile services revenue.

In November we announced the creation of our Global Enterprise and Services business unit consolidating Enterprise & Government, the Telstra Global Submarine Cable business and NAS.

Global Enterprise and Services was up 3.2%, underpinned by the strong growth in NAS and partly offset by weaker Mobile Services revenue.

Wholesale revenue was up 9.8%, driven mainly by the NBN Infrastructure Services Agreement revenues and a growing Pre-Paid 3G Wholesale Mobile business.

SLIDE 11

Turning now to Media and firstly Sensis.

I will make a couple of comments on the operational performance of Sensis in the first half, and then speak later about the transaction.

Overall sales revenue for the half was down 13% with Print revenues declining 31.7% and Digital revenues up 7.5%.

Part of the decline in Print revenues was due to the Adelaide books where the revenue recognition will move to the second half of 2014 due to the timing of book deliveries.

The Sensis EBITDA margin for the half year held up well at 20%, although the seasonality of this business is that most earnings are recorded in the second half.

SLIDE 12

FOXTEL's revenue was up 0.6% for the half year and EBITDA was up 6.1%.

The EBITDA performance was partly driven by the continued flow through of the cost synergies from the AUSTAR acquisition.

EBIT was up 23.5% to $273m.

Whilst revenue was up only 0.6%, customer numbers were up 5.2% underpinned by strong sales of FOXTEL on TBox and reduced churn, down 1.8 percentage points to 12.4%.

In Telstra's books the interim dividend received from FOXTEL was down slightly to $50m and Cable revenues were down 1.6%.

There is considerable product development at FOXTEL to stimulate further customer growth. FOXTEL Play and FOXTEL Go have already been launched with Presto, the new SVOD platform, due to be launched soon. The team are also working on plans for the launch of a new set top box IQ3 and a Triple Play offering.

SLIDE 13

In our other Media businesses revenue was up 2.7% to $379m.

PayTV was up 4.5% to $348m with a very strong contribution from Paylite, up 64.5% to $51m.

The success of the Entertainer bundles has driven significant growth in Paylite revenue. In the first half we sold 124,000 TBoxes. In addition, we saw a 12% increase in movie downloads with more than 100,000 users streaming on average 3 movies per month.

Digital Content Services revenue declined notwithstanding growth in subscription revenue from NRL, AFL and MOG as they were offset by the continued decline in feature phone services.

SLIDE 14

Turning finally to our International portfolio.

Overall revenues were up 28.3%, or 15.5% on a local currency basis.

CSL revenues were up 27.5%, or 13.2% in local currency, as we added a further 227,000 new customers.

Revenue from our China Digital Media businesses was up 53.8% in local currency with very strong performance from Autohome.

Finally, Global Connectivity and NAS were up 9.7% to $323m as we added over 50 new customers. In conjunction with our strategy to further expand Global Enterprise Services into Asia we also launched new Cloud platforms in Hong Kong, London and Singapore.

SLIDE 15

Before making a couple of comments on Productivity I will take you through the key elements of income for the half year relating to NBN.

Total NBN revenue in the period was $294m. This included $136m from the Commonwealth agreements and other Government policy commitments, $139m from the Infrastructure Services Agreement and $19m in PSAA payments.

We continue to amortise the revenue previously received for the Retraining Deed and Information Campaign and Migration Deed. In relation to the latter, the amortisation will conclude in the second half of the year.

TUSMA net revenue increased in line with expectations.

Income received under the Infrastructure Services Agreement relates to the transit network which we expect to complete the transit build in the second half of the calendar year and access payments which will increase over time in conjunction with the roll out of NBN.

SLIDE 16

Let me now turn to our Expenses.

Total costs grew 2% to $7.51b. Excluding TelstraClear and the impact of foreign exchange, expenses were up 4%.

In the period our additional investments in DVC's and business growth were $230m and $210m respectively. FX impacts added a further $110m to our costs.

As mentioned earlier, one of the key drivers of costs in the first half have been those to support NAS, although we clearly have more to do to improve the efficiency of NAS and improve margins.

Against these increases our Productivity and Simplification Programme delivered $230m in net benefits to our expense position for the half year.

SLIDE 17

Turning now to Capital Management.

I refer to the Strategic Framework for Capital Management which we presented to the market 2 years ago which remains the key benchmark against which we make all capital decisions.

This framework has the joint objectives of maximising returns for shareholders, maintaining our financial strength and retaining financial flexibility.

In this regard we continue to manage the balance sheet consistent with a Single A credit rating whilst as we have just announced, the Board has declared a 0.5 cent increase to the interim dividend to 14.5 cents per share on a fully franked basis.

As mentioned previously, our capex to sales ratio in the first half was 14.4% as we applied the additional investments to rolling out the LTE network.

We ended the half year with cumulative excess free cashflow of $1.8b.

SLIDE 18

In relation to some of the more detailed capital movements.

Our total accrued capex decreased 2.1% to $1.8b. This included the $650m investment into the Mobile network for the first half.

Our net debt position increased slightly to $13.9b following our successful A$500m debt issue in October. We have reduced our average borrowing costs from 6.4% to 6.1%.

SLIDE 19

During the half we were particularly active in portfolio management. We announced investments totalling $226m.

These included increasing our investment in Ooyala, the acquisitions of NSC and O2 Networks to further enhance our NAS capabilities, DCA and FredIT in the eHealth space and into Box, a US cloud based file storage provider through Telstra Ventures.

We also slightly increased our investment in Autohome before successfully listing this business in December on the New York Stock Exchange.

Finally, subsequent to the year-end we announced the signing of a Memorandum of Understanding to develop a joint NAS business with Telekom Indonesia.

SLIDE 20

We also made two significant announcements in relation to the sale of our 76.4% interest in CSL and the sale of 70% of our interest in Sensis. I have mentioned in my introduction how these are treated in the results.

Conditions precedent that need to be satisfied in relation to both transactions are progressing. For CSL, this is subject to regulatory and purchasing shareholder approval. OFCA, the relevant regulator in Hong Kong, has been through a public inquiry process and is now reviewing submissions pending a decision on this matter which we anticipate before the end of March.

On Sensis, the financing and FIRB approval conditions precedent are progressing as expected.

SLIDE 21

Before handing back to David let me make a couple of comments on guidance.

Our guidance for 2014 remains low single digit growth for both total income and EBITDA and a capex to sales ratio of around 15%.

We expect free cashflow to be in the range of $4.6b to $5.1b, excluding the impact of the M&A activities we have announced.

Thank you and I will now hand back to David.

HALF-YEAR RESULTS AND OPERATIONS REVIEW

31 DECEMBER 2013

SUMMARY FINANCIAL RESULTS

	H1 2014 $m	Restated[i] H1 2013 $m	Change %
Sales revenue	**12,564**	12,124	**3.6**
Total income	**12,803**	12,301	**4.1**
Operating expenses	**7,514**	7,359	**2.1**
EBITDA	**5,289**	4,942	**7.0**
Depreciation and amortisation	**2,013**	2,068	**(2.7)**
EBIT	**3,276**	2,874	**14.0**
Net finance costs	**490**	477	**2.7**
Tax	**825**	758	**8.8**
Profit for the period	**1,961**	1,639	**19.6**
Loss for the period from discontinued operations	**(221)**	(53)	**317.0**
Profit for the period from continuing and discontinued operations	**1,740**	1,586	**9.7**
Profit attributable to equity holders of Telstra	**1,704**	1,560	**9.2**

	H1 2014 $m	H1 2013 $m	Change %
Accrued capex[ii]	**1,814**	1,852	**(2.1)**
Free cashflow[iii]	**1,650**	2,155	**(23.4)**
Earnings per share (cents)[i]	**15.5**	13.0	**19.2**
Earnings per share from continuing and discontinued operations (cents)[i]	**13.7**	12.6	**8.7**

(i) Comparatives have been restated due to the retrospective adoption of AASB 119: Employee Entitlements. For further information refer to Note 2.1(e) of the half-year financial report. Restatements have also been made in relation to the Sensis Group being classified as a discontinued operation.

(ii) Accrued capital expenditure is defined as additions to property, equipment and intangible assets, including capital lease additions, measured on an accrued basis.

(iii) Cash flows from continuing and discontinued operations

CEO MESSAGE

Telstra today confirmed it was on track to meet its full year guidance and announced an increased interim dividend of 14.5 cents, distributing $1.8 billion to shareholders.

Chief Executive Officer David Thodey said Telstra had continued to deliver revenue, profit and customer growth in the first half of financial year 2014, demonstrating that Telstra's ongoing investment in core and growth businesses was creating value for shareholders.

"Our customers remain our highest priority and our focus during the past six months has been to continue to improve the way we interact with them every day as well as provide them with access to the best networks in Australia to help them connect no matter where they work and live. More Australians are choosing to connect and stay with Telstra every day," said Mr Thodey.

"Our customer focus has led to continued mobile growth with the addition of 739,000 new retail mobile customer services and an increase in mobile services revenue of 7.3 per cent. We continued to invest in maintaining our network leadership, highlighted by our $650 million capital investment in mobiles infrastructure in the half.

"Telstra has one of the fastest take-ups of the 4G network anywhere in the world. We now have 15.8 million domestic mobile customer services, including 4.1 million 4G mobile devices on our network, and we expect to see continued growth in this area."

Mr Thodey said Telstra was continuing to build on the company's solid foundations, including rebalancing the portfolio to reflect the changing nature of the business as well as driving innovation through investments in emerging businesses.

"We announced a refreshed strategy in the half and realigned our structure to provide increased focus and resources to growth areas such as Asia and Network Application and Services (NAS)," said Mr Thodey.

"Our NAS business recorded revenue growth of 29 per cent to $821 million. We continued to invest in NAS by building our capabilities and acquiring companies such as North Shore Communications (NSC) and O2 Networks.

"Group operating expenses increased by 2.1 per cent in the first half, largely driven by costs supporting revenue growth. For example, we have incurred upfront costs to support the implementation of our largest contract, Department of Defence, as well as expenditure on programs to improve customer service. More broadly we are working to improve the efficiency of our NAS business."

Mr Thodey said Telstra continued to be active and disciplined in its approach to portfolio management with the announcements this year of the sale of the Hong Kong mobile business CSL New World Mobility Limited and a 70 per cent interest in Sensis. He said the anticipated proceeds from the sales were incremental to Telstra's guidance for free cash flow of $4.6 to $5.1 billion for fiscal year 2014.

"We expect these transactions to complete in the second half of the fiscal year, subject to approvals, and we will deal with these proceeds in accordance with the principles outlined in our capital management framework.

"Our portfolio management also included selecting the right capital structure for parts of the business, with the NYSE listing of Autohome, in which we hold a 65 per cent stake. While being disciplined in our approach to portfolio management, we also need to be innovative in our investments for the future and explore new opportunities. This is reflected in some of the investments we have made in new growth areas of the business as well as our recently announced joint venture with Telkom Indonesia," Mr. Thodey said.

Telstra's new Health division acquired DCA Health and a 50 per cent stake in FRED IT.

In Global Applications and Platforms Telstra launched muru-D, an initiative to help Australia retain its unique entrepreneurial talent and help drive technology based economic development, and we increased our stake in Ooyala through our Ventures Group.

KEY FINANCIAL RESULTS

The reported results for the six months ending December 2013 are:

- Total income increased 4.1 per cent or $502 million to $12.8 billion
- EBITDA increased 7.0 per cent or $347 million to $5.3 billion
- Net profit after tax increased 9.7 per cent or $154 million to $1.7 billion
- Earnings per share increased 8.7 per cent to 13.7 cents
- Accrued capital expenditure decreased by 2.1 per cent to $1,814 million, in line with a 15 per cent capex to sales ratio
- Free cashflow decreased by 23.4 per cent or $505 million to $1.65 billion. Excluding $671 million of proceeds from the sale of TelstraClear in 2012, free cashflow increased by 11.2 per cent

KEY OUTCOMES AGAINST STRATEGIC PRIORITIES

Improving Customer Advocacy

Mr Thodey said Telstra was committed to improving the service and experience provided to customers.

"Offering Australia's largest and most reliable mobile network is central to helping our customers stay connected in more locations across Australia. We have also introduced a range of other initiatives to help make their lives easier, including the launch of a product called StayConnected, which gives customers who lose or break their phone, a new handset the next day to ensure continued access to their data.

"We have introduced initiatives to improve cost certainty and control for customers using their mobiles overseas; and we continue to reward our customers for their loyalty with one million of our movie, sports and music offers taken up as part of our Thanks program.

"These are just a few examples of the changes we are making to improve our service for customers. We will be introducing further initiatives in the coming months to ensure our customers benefit from an experience supported by some of the most innovative tools, smart systems and advanced applications available." he said.

Driving value from the core

Mr Thodey said Telstra was committed to maintaining its network leadership and would continue to invest to deliver value from its core businesses.

"At Christmas we achieved a significant milestone, with our 4G network reaching 85 per cent coverage of the Australian population, including the upgrade of 1,500 mobile base stations to 4G in the past six months. We now have 3,500 4G mobile base stations across the country, giving us four times the 4G coverage area of any other company," he said.

"There has been continued growth in fixed bundled plans, such as our popular Entertainer bundles, with the addition of 117,000 customers bringing the total number of customers on a bundle to 1.7 million," he said.

On productivity, Telstra reported benefits of $225 million in the half, to help offset expense growth.

Building new growth businesses

Network Applications and Services (NAS) recorded double digit revenue growth across most categories including Cloud, up 29 per cent, Unified Communications, up 28 per cent and Managed Network Services, up 65 per cent.

International businesses grew revenue by 28 per cent to $1.08 billion, driven by growth in CSL which recorded a 28 per cent increase in revenue, to $630 million and a 78 per cent increase in revenue from China digital media due to Autohome. Excluding foreign exchange impacts, international businesses grew revenue by 15.5 per cent.

NBN

Mr Thodey said Telstra had commenced negotiations with the NBN Co and Government on potential changes to the current agreements that may result from the Government's intent to move to a multi-technology NBN rollout.

"We are committed to acting in the best interests of our shareholders, and are focused on maintaining the value of the current agreements, achieving certainty of outcome as soon as reasonably possible and minimising any additional regulatory risk," he said.

During the period Telstra recommenced pit remediation works following the implementation of additional safeguards in relation to asbestos handling, including training and supervision of employees and contractors. Consistent with previous advice, there has not been a material financial impact on our operating results.

OUTLOOK

Telstra confirmed fiscal 2014 guidance of low single digit total income and EBITDA growth, with free cashflow between $4.6 billion and $5.1 billion. Telstra expects accrued capital expenditure to be around 15 per cent of sales.

This guidance assumes wholesale product price stability, no impairments to investments, and excludes any proceeds on the sale of businesses (including proceeds and adjustments in relation to Sensis and CSL), the cost of acquisitions and spectrum purchases.

Telstra has confirmed a fully franked interim dividend of 14.5 cents per share. Shares will trade excluding entitlement to the dividend on 24 February 2014 with payment on 28 March 2014.

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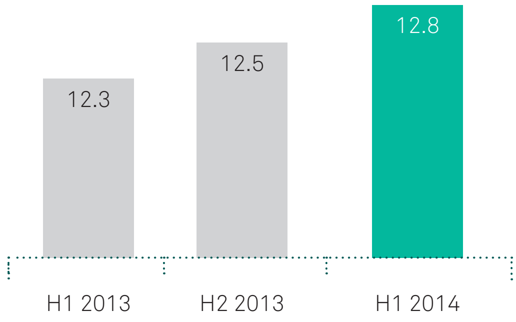
RESULTS ON A GUIDANCE BASIS*

	H1 2014	FY14 guidance
Total income	3.3%	Low single digit growth
EBITDA	6.6%	Low single digit growth

* Income and EBITDA growth rates on a guidance basis have been adjusted for FY14 M&A impacts.

Please refer to the guidance versus reported results reconciliation on page 10. This reconciliation forms part of the Half-Year Results and Operations Review, and has been reviewed by our auditors.

TOTAL INCOME ($M)



REPORTED RESULTS

The numbers and commentary in the results and operations review have been prepared on a continuing operations basis unless otherwise noted.

In the first half of financial year 2014 sales revenue increased by 3.6 per cent or $440 million to $12,564 million and total income increased by 4.1 per cent or $502 million to $12,803 million.

Operating expenses (before depreciation and amortisation) increased by 2.1 per cent or $155 million to $7,514 million.

Labour expenses increased by 5.4 per cent to $2,367 million driven by the combination of increased staff numbers to support strategic growth and customer service initiatives, timing of redundancy activity, and salary and wage increases. Redundancy expenses were higher due to our continued restructuring and rationalisation activities.

Our directly variable costs (DVCs) or goods and services purchased increased by 5.1 per cent to $3,295 million due to costs associated with the commencement of large NAS contracts.

Other expenses decreased by 6.4 per cent to $1,852 million driven by the loss recognised on the sale of TelstraClear in the prior corresponding period combined with an overall decrease in impairment expenses. This was offset by a slight increase in service contract expense.

Earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 7.0 per cent to $5,289 million. Earnings before interest and tax (EBIT) increased by 14.0 per cent to $3,276 million.

Net finance costs increased by 2.7 per cent to $490 million predominantly due to the prior corresponding period including interest income of $61 million on a tax refund. This was partly offset by a reduction in our net average interest cost which reduced to 6.1 per cent in the current half-year from 6.4 per cent in the prior corresponding period.

Profit for the period increased by 19.6 per cent to $1,961 million and basic earnings per share (EPS) increased 19.2 per cent from 13.0 cents to 15.5 cents.

Net profit after tax from continuing and discontinued operations increased by 9.7 per cent to $1,740 million. Basic EPS from continuing and discontinued operations increased by 8.7 per cent from 12.6 cents to 13.7 cents.

Accrued capital expenditure was $1,814 million or 14.4 per cent of sales. Free cashflow of $1,650 million was generated in the current period from continuing and discontinued operations.

On 13 January 2014, we entered into an agreement to sell a 70 per cent stake in Sensis. The sale terms exclude the voice services business and include economic benefits to Telstra from services it will continue to provide to Sensis Group. In accordance with accounting standards, the Sensis Group is disclosed as a discontinued operation and the carrying value of assets and liabilities of the Sensis Group, with the exception of the cash balances which were excluded from the sale agreement, were classified as Held for Sale as at 31 December 2013.

On 20 December 2013, we entered into an agreement to sell our 76.4 per cent shareholding in the Hong Kong based mobiles business, CSL New World Mobility Limited (CSL). In accordance with accounting standards, the carrying value of the assets and liabilities of CSL, with the exception of cash balances which will be recovered via the completion adjustments, were classified as Held for Sale as at 31 December 2013. Unlike the Sensis Group, CSL does not meet the criteria to be classified as a discontinued operation.

On 13 February 2014, the Directors of Telstra resolved to pay a fully franked final dividend of 14.5 cents per share, an increase of 3.6 per cent. Shares will trade excluding entitlement to the dividend on 24 February 2014 with payment on 28 March 2014.

PRODUCT PERFORMANCE

Fixed

Telstra's fixed portfolio comprises fixed voice, fixed data and other fixed revenue which primarily includes intercarrier services, payphones, customer premises equipment and infrastructure access revenue from the NBN agreements. Our key priorities in the fixed portfolio are to grow our fixed data business, manage the decline in our voice business and successfully transition customers to the NBN.

HALF-YEAR RESULTS
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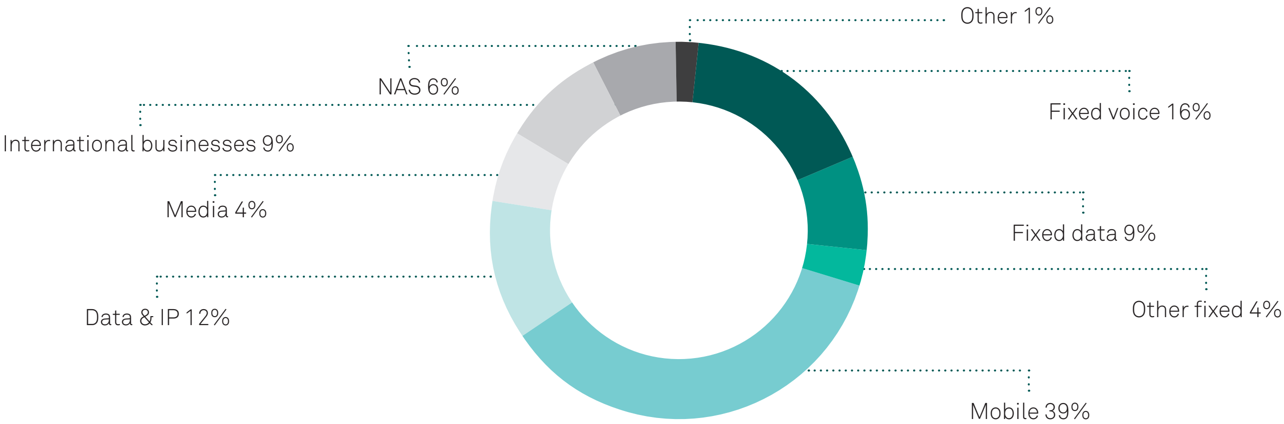
PRODUCT SALES REVENUE BREAKDOWN



KEY PRODUCT REVENUE

	H1 2014 $m	H1 2013 $m	**Change %**
Fixed	**3,626**	3,681	**(1.5)**
Mobile	**4,861**	4,567	**6.4**
Data & IP	**1,498**	1.543	**(2.9)**
NAS	**821**	635	**29.3**
International businesses	**1,083**	844	**28.3**
Media	**492**	500	**(1.6)**

PRODUCT PROFITABILITY EBITDA MARGINS*

	H1 2014	**FY 2013**	**H2 2013**	**H1 2013**
Fixed voice**	**61%**	62%	63%	62%
Fixed data**	**42%**	41%	43%	41%
Mobile	**39%**	38%	39%	37%
Data & IP	**65%**	65%	65%	65%

* The data in this table includes minor adjustments to historic numbers to reflect changes in product hierarchy

** Margins exclude NBN voice/data products

Trends in our fixed business have continued although there was a lower rate of decline in voice revenue when compared to prior periods, falling by 7.3 per cent to $2,059 million. This has been driven by the introduction of new plans and bundles. We again saw strong growth in retail fixed data with revenue increasing by 7.8 per cent to $928 million. Total fixed data revenue increased by 6.0 per cent to $1,090 million. The growth in fixed data and increased infrastructure access revenue from the NBN agreements slowed the rate of decline in the fixed revenue portfolio, which declined by 1.5 per cent to $3,626 million.

Our fixed voice business continued to decline with the loss of 117,000 customers in the half. Retail customer numbers declined by 155,000 and wholesale customers increased by 38,000. There are now 7.7 million fixed voice services.

There has been continued growth in bundled plans, such as our popular Entertainer bundles, which include Foxtel through T-Box®, with the addition of 117,000 customers in the half bringing the total number of customers on a bundle to 1.7 million. Retail fixed data services growth remained strong with the addition of 75,000 customers. In addition to this growth, retail fixed data average revenue per user (ARPU) increased by 1.0 per cent to $55.04.

Fixed voice EBITDA margins decreased to 61 per cent driven by revenue decline, while fixed data increased to 42 per cent due to revenue growth.

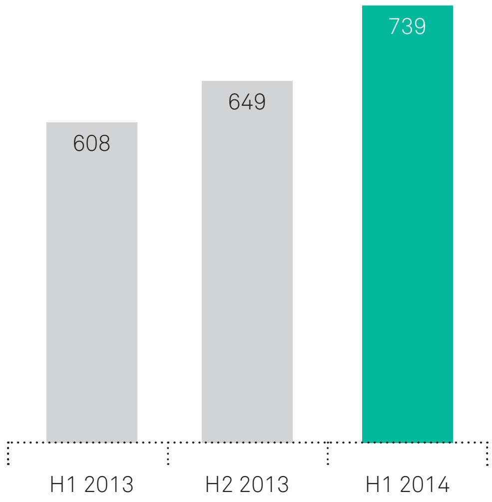
Mobile

Our strong performance in mobiles continued with the addition of 739,000 domestic retail customer services in the half, taking our domestic retail mobile customer base to 15.8 million. Growth was strong across all mobile categories with total mobile revenue growing by 6.4 per cent or $294 million to $4,861 million.

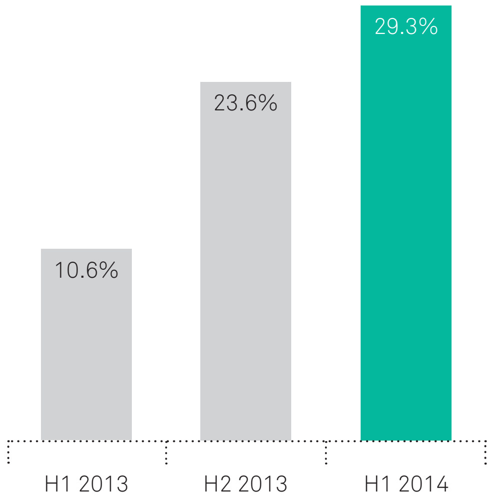
We continue to invest in our 4G network which now covers 85 per cent of the population. Extended 4G coverage has helped us grow penetration of 4G devices and we have now sold over 4.1 million 4G devices, comprising 2.9 million handsets, and over 400,000 each of dongles, wi-fi hotspots and tablets. 26 per cent of our handheld customers are now on 4G.

Postpaid handheld revenue grew 5.0 per cent to $2,495 million. ARPU, excluding the impact of mobile repayment options (MRO), increased 2.1 per cent due to increased data usage. Including the impact of MRO, ARPU was down 0.1 per cent at $58.81. There was strong growth in prepaid handheld revenue, increasing

DOMESTIC RETAIL MOBILE CUSTOMER ADDS ('000s)



NAS REVENUE GROWTH



19.4 per cent to $419 million with an increase of 150,000 unique prepaid handheld users in the half. This was driven by the continuing popularity of our Cap Encore plans, accounting for approximately 69 per cent of prepaid activations during the year, as well as increased data usage by prepaid customers.

Growth was also strong in the mobile broadband category with the addition of 102,000 customers in the half. Revenue grew by 11.6 per cent to $643 million as our customers continue to experience the benefits of wireless internet access. ARPU declined by 0.5 per cent to $29.60.

Machine to machine (M2M) services surpassed the one million mark during the half. M2M is a technology that enables the transmission of data from one machine to another machine. Revenue in this product category grew by 6.8 per cent to $47 million.

Churn continues to be well managed at 10.6 per cent.

EBITDA margins remained steady at 39 per cent.

Data and IP
Data and IP revenue declined by 2.9 per cent or $45 million to $1,498 million. IP Access revenue grew by 3.9 per cent to $581 million, however this was not enough to offset the decline in ISDN and other legacy data products. IP MAN services growth continued with a 3.2 per cent increase in the half bringing the total number of services to 32,000. Data and IP EBITDA margins remained steady at 65 per cent.

Network Applications and Services (NAS)
We continue to build momentum in the NAS portfolio. NAS provides enterprise and business customers with managed network services including cloud, security and communications services. We have made some acquisitions to enhance our capability in this area. For example, our acquisition of the NSC Group has made us a leading provider of unified communications solutions in Australia and has strengthened our contact centre technology services.

There was strong revenue growth of 29.3 per cent to $821 million. This growth was driven by revenue from contracts signed in previous years such as the six year Department of Defence contract signed in financial year 2013.

Major NAS categories had strong revenue growth with unified communications increasing by 27.6 per cent and cloud services increasing by 28.6 per cent.

International Businesses
Our International businesses grew revenue by 28.3 per cent or $239 million to $1,083 million. This portfolio comprises the Hong Kong mobile services business (CSL), the Telstra Global business and our China digital media businesses including Autohome.

CSL revenue grew by 27.5 per cent to $630 million driven by strong customer growth as well as foreign exchange impacts. In HK$ terms CSL revenue grew by 13.3 per cent to HK$4,506 million. On 20 December 2013 we announced that we had entered into an agreement to sell our 76.4 per cent stake in CSL to HKT Limited. The sale, which is subject to regulatory approval in Hong Kong and HKT and PCCW Limited security holder approval, would equate to proceeds of approximately $2 billion, subject to impacts of foreign currency and completion adjustments, for our 76.4 per cent interest.

Global Connectivity and NAS revenue grew by 16.6 per cent to $323 million, and in our China digital media portfolio, revenue increased by 78.1 per cent. This includes Autohome which has established a strong position in digital marketing in the rapidly growing Chinese auto market. On 11 December 2013, Autohome was listed on the New York Stock Exchange. Our ownership interest in Autohome is 65.4 per cent.

Media
Media product portfolio revenue declined by 1.6 per cent or $8 million to $492 million. This portfolio includes our domestic media services and Sensis voice services. On 13 January 2014, we entered into an agreement to sell a 70 per cent stake in Sensis. Voice services including

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SEGMENT INCOME

FROM CONTINUING AND DISCONTINUED OPERATIONS

	Total income		
	H1 2014 $m	H1 2013 $m	**Change %**
Telstra Retail	**7,975**	7,675	**3.9**
Global Enterprise and Services	**2,541**	2,463	**3.2**
Telstra Wholesale	**1,155**	1,052	**9.8**
Telstra Operations	**69**	56	**23.2**
Telstra Media Group (i)	**522**	597	**(12.6)**
Telstra International Group (i)	**762**	562	**35.6**
Other	**137**	306	**(55.2)**
Total Telstra segments	**13,161**	12,711	**3.5**

(i) Telstra International Group and Telstra Media Group do not align to the revenue statement for International businesses and Media due to differences in our internal management reporting.

SEGMENT EBITDA CONTRIBUTION

FROM CONTINUING AND DISCONTINUED OPERATIONS

	H1 2014 $m	Restated(iii) H1 2013 $m	**Change %**
Telstra Retail	**4,551**	4,320	**5.3**
Global Enterprise and Services	**1,286**	1,460	**(11.9)**
Telstra Wholesale	**1,043**	967	**7.9**
Telstra Operations	**(1,576)**	(1,644)	**4.1**
Telstra Media Group(ii)	**2**	133	**(98.5)**
Telstra International Group	**208**	143	**45.5**
Other	**(340)**	(434)	**21.7**
Total Telstra segments	**5,174**	4,945	**4.6**

(ii) Includes the results of the Sensis disposal group classified as held for sale, including a $100 million impairment on the remeasurement of the assets of the group.

(iii) Restated figures also reflect organisational changes that have occurred during the period

the 1234 and 12456 services are part of Telstra's core telecom offering and will continue to be operated by Telstra. There was a decline of 17.3 per cent or $9 million in the Sensis voice business compared to the prior corresponding period.

TV revenue, which includes Premium Pay TV and IPTV, increased by 4.5 per cent to $348 million. The growth in IPTV, namely T-Box sales and Foxtel on T-Box offerings, was partially offset by a slight decline in the number of customers on the premium service. Content services declined by 13.9 per cent to $31 million due to the decline of traditional content products such as ringtones.

SEGMENT PERFORMANCE

We report our segment information on the same basis as our internal management reporting structure as at reporting date. Segment comparatives reflect organisational changes that have occurred since the prior reporting period to present a like-for-like view. Commentary on the performance of our business segments follows. Commentary is provided based on continuing and discontinued operations.

Telstra Retail

Telstra Retail brings together our key retail-facing businesses including Telstra Consumer, Telstra Business and Telstra Health, and is responsible for providing the full range of telecommunications products, services and solutions to consumer customers and to Australia's small to medium enterprises. Telstra Retail income grew by 3.9 per cent to $7,975 million and EBITDA increased by 5.3 per cent to $4,551 million. Income in our Consumer business unit grew by 5.0 per cent with strong performances in both the mobile postpaid and prepaid categories, driven particularly by increased data usage, as well as a 7.8 per cent increase in fixed data revenue. Telstra Business income grew by 0.9 per cent, with continued strong growth in the NAS portfolio which grew by 40.2 per cent, and 6.9 per cent growth in fixed data. Telstra Health contributed income of $13 million in its first half year.

Global Enterprise and Services

Global Enterprise and Services (GES) supports business and government customers in Australia and globally. It also provides industry, product, technical support and contract management for the advanced technology solutions sold to these customers. It brings together Telstra Enterprise and Government (TEG), Network Application Services (including costs associated with the Telstra Retail business), and Telstra Global. GES income growth of 3.2 per cent was underpinned by NAS revenue growth of 26.9 per cent within TEG which was partially offset by weaker mobile and IP& Data TEG revenues. EBITDA decreased by 11.9 per cent to $1,286 million due to the decline in mobile and IP & data revenues as well as investment in NAS on the skills, processes and tools to support the NAS base business growth, the on-boarding and management of major new clients, as well as acquisition integration costs.

Telstra Wholesale

Our Wholesale income grew by 9.8 per cent to $1,155 million. This was largely driven by NBN Infrastructure and intercarrier services revenue which was offset in part by the impact of lower fixed usage and mobile roaming. We saw continued carrier migration from Line Spectrum Sharing (LSS) to Unconditioned Local Loop (ULL) services (LSS services declined by 17,000 while ULL services grew by 78,000 for the half). External expenses increased by 33.3 per cent largely due to an increase in our doubtful debt provision and increased network outpayments to Telstra International. EBITDA contribution increased by 7.9 per cent to $1,043 million.

Telstra Media Group

The Telstra Media Group (TMG) includes the Sensis domestic directories business of Yellow Pages® and White Pages® print and digital, Whereis®, location and navigation services, TrueLocal, the Foxtel

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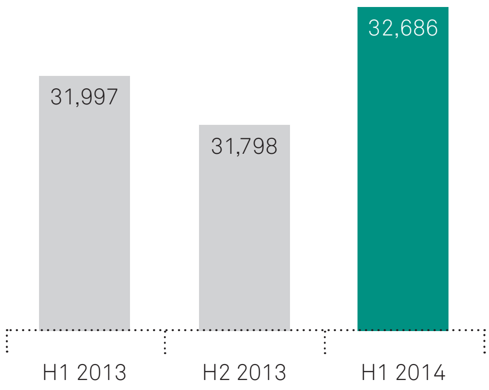
OPERATING EXPENSES

	H1 2014 $m	Restated H1 2013 $m	Change %
Labour	**2,367**	2,246	**5.4**
Goods and services purchased	**3,295**	3,135	**5.1**
Other expenses	**1,852**	1,978	**(6.4)**
Total operating expenses	**7,514**	7,359	**2.1**

FTE* NUMBERS



(*) FTE - full time staff and equivalents

reseller products including premium Pay TV, Foxtel on T-Box® and Foxtel on Mobile, the supply of HFC cable services to Foxtel, and Digital Content Services including AFL, NRL, and the MOG music service. EBITDA declined 98.5 per cent compared to the prior period. Excluding a $100 million impairment expense related to the sale of a 70 per cent stake in Sensis, the decline in EBITDA of 23.3 per cent was largely due to the decline in Sensis EBITDA as traditional print customers continue to migrate to digital offerings.

Telstra International Group

The Telstra International Group (TIG) segment experienced income growth of 35.6 per cent to $762 million while EBITDA contribution grew by 45.5 per cent to $208 million. This segment comprises CSL and our China digital media portfolio. As previously noted we have entered into an agreement to sell CSL. Further commentary on the performance of these businesses is provided within the International product performance section on page 4.

Other

Our Other category includes the costs of our corporate centre functions as well as payments received under certain NBN agreements, impairments, adjustments to our employee provisions for bond rate movements and short term incentives, and redundancy expenses for the parent entity. The results of our New Zealand subsidiary TelstraClear, which was sold in October 2012, are also included in the Other category comparatives. The loss resulting from the sale of TelstraClear represents the major movement in the Other segment compared with the prior period.

EXPENSE PERFORMANCE

Labour

Total labour expenses increased by 5.4 per cent or $121 million to $2,367 million.

Our total full time staff and equivalents increased from the prior period by 689 to 32,686. This increase was mainly to support growth in our NAS portfolio and NBN related activity. Offsetting this was an acceleration of our restructuring programs across Telstra Operations.

Our salary and associated costs increased by 3.8 per cent or $62 million to $1,706 million. This includes the impact of an increased headcount, and salary and wage increases which also incorporated the change in the statutory superannuation contribution. This was partially offset by favourable bond rate movements impacting our long service leave and worker's compensation provisions.

Redundancy expenses increased by 65.8 per cent or $50 million to $126 million as a result of continued restructuring to support a changing product and service mix, and simplification of our business.

Goods and services purchased

Goods and services purchased increased by 5.1 per cent or $160 million to $3,295 million. An increase in cost of goods sold and other goods and services purchased was offset by a small decrease in network payments.

Cost of goods sold (COGS) (which includes mobile handsets, tablets, dongles, fixed and digital products) increased by 5.7 per cent or $81 million to $1,500 million. The main driver of this increase was hardware purchased to support NAS business growth. Domestic postpaid mobile COGS were lower, offset by Hong Kong mobile COGS which were impacted by higher smartphone unit rates. Prepaid COGS were higher, driven by handset and tablet volumes.

Other goods and services purchased increased by 10.4 per cent or $86 million to $913 million to support growth in some of our large NAS contracts.

Network payments decreased slightly by 0.8 percent or $7 million to $882 million. The reduction was mainly attributable to our exit of the 3GIS Joint Venture in fiscal 2013 and continued lower payments to overseas carriers. A reduction in the mobile terminating access (MTA) rate (from 6.0 cents to 4.8 cents per minute in January 2013) resulted in continued savings, however this was offset by an increase in the volume of SMS/MMS traffic.

SUMMARY STATEMENT OF CASH FLOWS *

	H1 2014 $m	H1 2013 $m	Change %
Net cash provided by operating activities	**3,754**	3,281	**14.4**
Net cash used in investing activities	**(2,104)**	(1,126)	**86.9**
Free cashflow	**1,650**	2,155	**(23.4)**
Net cash used in financing activities	**(1,695)**	(3,511)	**(51.7)**
Net increase in cash and cash equivalents	**(45)**	(1,356)	**(96.7)**

* Relates to cash flows for continuing and discontinued operations. Refer to Statement of Cash Flows for cash flows in relation to our discontinued operation.

Other expenses
Total other expenses decreased by 6.4 per cent or $126 million to $1,852 million. This decrease was driven by lower other operating expenses and impairment but offset slightly by service contracts and agreements.

Other operating expenses decreased by 9.1 per cent or $104 million to $1,044 million, mainly due to the completion of our sale of TelstraClear on 31 October 2012 which resulted in a loss on sale of $127 million. This was offset by an increase in our light and power costs driven by our 4G roll out and higher property rental costs due to additional CSL sites in Hong Kong.

Impairment and diminution expenses decreased by 14.5 per cent or $25 million to $148 million.

Service contracts and agreements increased slightly by 0.5 per cent or $3 million to $660 million, as we continue to grow our cloud services capability to accommodate our dedicated hosting services and utilise additional external expertise to support our contract with the Department of Defence.

Finance costs
Net finance costs increased by 2.7 per cent or $13 million due to a $61 million decrease in finance income (the prior period included $61 million interest on tax refunds) and a $26 million reduction in capitalised interest; offset by a $44 million decrease in hedging finance costs and a $24 million reduction in net borrowing costs.

The reduction in net borrowing costs is predominantly due to a reduction in the net average interest rate. The average net interest rate during the six months to 31 December 2013 was 6.1 per cent compared to 6.4 per cent in the prior half year period. This reduction arose through a combination of a reduction in market base rates, resulting in lower costs on the floating rate debt component of our debt portfolio, and from re-financing at lower rates.

FINANCIAL POSITION

Capital expenditure and cash flow
Our accrued capital expenditure decreased by 2.1 per cent to $1,814 million. This continues to be in line with our capex to sales guidance of around 15 per cent for the full year. This investment has enabled us to meet ongoing customer demand from the growth in our customer base, continuing investment in growth areas such as Network Access Services and cloud services, support the accelerated rollout of mobile 4G, as well as internet and content delivery infrastructure platforms and meet ongoing delivery of NBN commitments. We continued to invest in expanding our 4G coverage footprint to cover 85 per cent of the Australian population. We added 1,500 sites to our 4G footprint, bringing the cumulative total to 3,500 4G sites.

We expect to invest approximately $1.2 billion in mobiles capital expenditure this financial year which is consistent with investment in the prior year.

In addition to the $1,814 million of accrued capital expenditure, we invested $226 million acquiring capability to support strategic growth businesses. These acquisitions were made across the NAS, Telstra Health and Global Applications and Platforms (GAP) portfolios.

Payment for acquisition of mobile spectrum licences in the 700MHz and 2.5GHz bands is to be made in September 2014.

Free cashflow generated from operating and investing activities was $1,650 million representing a decline of 23.4 per cent. The prior period included cash proceeds from the sale of Telstra Clear of $671 million while acquisitions this year have resulted in cash outflows of $170 million. Excluding TelstraClear sale proceeds, free cashflow has increased by 11.2 per cent. Cash from operating activities has increased predominantly due to higher mobility receipts and lower tax payments, partly offset by higher cash capital expenditure and lower interest received included within cash from investing activities.

Debt position
Our gross debt position at 31 December 2013 was $16,328 million, an increase of $700 million from 30 June 2013. The increase reflects net borrowings of $494

FINANCIAL SETTINGS

	H1 2014 Actual	FY14 Target Zone
Debt servicing[(i)]	1.3x	1.5 – 1.9x
Gearing[(ii)]	51.4%	50% to 70%
Interest cover[(iii)]	12.7x	>7x

(i) Debt servicing ratio equals net debt to EBITDA
(ii) Gearing ratio equals net debt to net debt plus total equity
(iii) Interest cover equals EBITDA to net interest

SUMMARY STATEMENT OF FINANCIAL POSITION

	31 Dec 13 $m	30 Jun 13 $m	Change %
Current assets	10,580	7,903	33.9
Non current assets	29,181	30,624	(4.7)
Total assets	39,761	38,527	3.2
Current liabilities	9,294	7,522	23.6
Non current liabilities	17,350	18,130	(4.3)
Total liabilities	26,644	25,652	3.9
Net assets	13,117	12,875	1.9
Total equity	13,117	12,875	1.9

million, non-cash revaluation impacts of $136 million and finance lease additions of $70 million.

During the half year we made repayments of $606 million comprising long term debt maturities of $564 million and finance lease repayments of $42 million. Debt issuances included a domestic bond issue with net proceeds of $498 million and net issuance of short term debt of $602 million. The domestic bond issue was used to re-finance maturing domestic debt.

Net debt at the end of the half was $13,873 million, an increase of $724 million from the prior year. This movement reflects the increase in gross debt of $700 million and a reduction in cash and cash equivalents of $24 million. Our net debt gearing ratio (net debt to capitalisation) at 31 December 2013 of 51.4 per cent was comparable to the gearing ratio at 30 June 2013 of 50.5 per cent and is within our target range for net debt gearing.

Statement of Financial Position
Our balance sheet remains in a strong position with net assets of $13,117 million.

Current assets increased by 33.9 per cent to $10,580 million predominantly due to the reclassification of Sensis and CSL accounts to Held for Sale. The decline in trade and other receivables can also largely be attributed to this reclassification. Tax receivables decreased due to the receipt of tax amendment refunds. Prepayments increased due to payments to major IT vendors for software support and maintenance.

Non current assets decreased by 4.7 per cent to $29,181 million. Property, plant and equipment declined as ongoing depreciation and retirements exceeded the level of additions. Intangible assets decreased largely due to the transfer of goodwill balances in Sensis and CSL to Assets Held for Sale account and a portion of Sensis goodwill now recognised as an impairment loss. Derivative assets increased mainly due to net foreign currency and other valuation impacts arising from measuring to fair value. Our defined benefit assets increase was driven by actuarial gains in Telstra Super and employer contributions paid.

Current liabilities increased by 23.6 per cent to $9,294 million. Trade and other payables decreased primarily as a result of lower capital and labour accruals, and decline in trade creditors driven by a lower value of invoices awaiting payment. The increase in current borrowings and derivative liabilities reflects borrowings that will mature within the next 12 months, net foreign currency movements and other valuation impacts arising from measuring to fair value. Liabilities classified as held for sale increased due to the reclassification of Sensis and CSL.

Non current liabilities decreased by 4.3 per cent to $17,350 million. Non current borrowings increased due to a domestic bond issue during the period, foreign currency movements and valuation impacts partly offset by reclassification to current borrowings. The decrease in derivative liabilities was due to reclassification to current for maturities within the next 12 months, and also includes foreign currency and other valuation impacts arising from measuring to fair value. Deferred tax liability increased due to recognition of the Telstra Super defined benefit surplus asset offset by the reclassification of deferred tax liabilities relating to CSL and Sensis as Held for Sale liabilities.

Telstra Corporation Limited

Half Year ended 31 December 2013

This schedule details the adjustments made to the reported results for the current year to reflect the performance of the business on the basis which we provided guidance to the market.
This guidance assumes wholesale product price stability, no impairments to investments, and excludes any proceeds on the sale of businesses
(including proceeds and adjustments in relation to Sensis and CSL), the cost of acquisitions and spectrum purchases.

	REPORTED			ADJUSTMENTS				GUIDANCE BASIS		
				FY14			FY13			
	H1 FY14 $m	H1 restated FY13 $m	H1 Growth %	M&A (i) $m	Spectrum (ii) $m	Sensis (iii) $m	Sensis (iii) $m	H1 FY14 $m	H1 FY13 $m	H1 Growth %
Sales revenue	**12,564**	12,124	**3.6%**	(33)		358	410	**12,889**	12,534	**2.8%**
Total revenue	**12,626**	12,191	**3.6%**	(33)		358	410	**12,951**	12,601	**2.8%**
Total income (excl. finance income)	**12,803**	12,301	**4.1%**	(33)		358	410	**13,128**	12,711	**3.3%**
Labour	**2,367**	2,246	**5.4%**	(22)		168	189	**2,513**	2,435	**3.2%**
Goods and services purchased	**3,295**	3,135	**5.1%**	(4)		48	47	**3,339**	3,182	**4.9%**
Other expenses	**1,852**	1,978	**(6.4%)**	(7)		157	171	**2,002**	2,149	**(6.8%)**
Operating expenses	**7,514**	7,359	**2.1%**	(33)	0	373	407	**7,854**	7,766	**1.1%**
EBITDA	**5,289**	4,942	**7.0%**	0	0	(15)	3	**5,274**	4,945	**6.6%**
Depreciation and amortisation	**2,013**	2,068	**(2.7%)**	(2)		92	78	**2,103**	2,146	**(2.0%)**
EBIT	**3,276**	2,874	**14.0%**	2	0	(107)	(75)	**3,171**	2,799	**13.3%**
Net finance costs	**490**	477	**2.7%**			0	0	**490**	477	**2.7%**
Profit before income tax expense	**2,786**	2,397	**16.2%**	2	0	(107)	(75)	**2,681**	2,322	**15.5%**
Income tax expense	**825**	758	**8.8%**	1	0	14	(22)	**840**	736	**14.1%**
(Loss) for the period from discontinued operation	**(221)**	(53)	**317.0%**			221	53	**0**	0	
Profit for the period	**1,740**	1,586	**9.7%**	1	0	100	0	**1,841**	1,586	**16.1%**
Attributable to:										
Equity holders of the Telstra Entity	**1,704**	1,560	**9.2%**	1	0	100	0	**1,805**	1,560	**15.7%**
Non controlling interests	**36**	26	**38.5%**			0	0	**36**	26	**38.5%**
Free cashflow	**1,650**	2,155	**(23.4%)**	170	32			**1,852**	2,155	**(14.1%)**

This table has been subject to review by our auditors.

Note:

There are a number of factors that have impacted our results this year. In the table above, we have adjusted the results for:

(i) Mergers & Acquisitions:

Adjustments relating to mergers and acquisition activities. This includes DCA eHealth Solutions Pty Ltd, Fred IT Group Pty Ltd, NSC Group Pty Ltd, Box Inc and Ooyala Inc.

(ii) Spectrum purchases:

Adjustments relating to the impact of Free Cashflow associated with our Spectrum renewals for the half year.

(iii) Sensis adjustments for Sensis disposal group. Sensis is classified as held for sale and discontinued operation:

Adjustments for Sensis disposal group results excluded from Telstra Group Income Statement. The carrying value of Sensis Group goodwill was impaired by $100m which was recognised in the loss for the period from discontinued operations for the half year ended 31 December 2013. This has been excluded from the adjusted results.

(iv) AASB119

We adopted AASB 119: "Employee Entitlements" retrospectively from 1 July 2013 in accordance with the transitional provisions set out in this revised standard. Comparatives have been restated accordingly.
Some of the key changes that impact Telstra include the following:
(i) Defined Benefit

- the interest cost and expected return on plan assets used under the previous version of AASB 119 have been replaced with a net interest amount, which is calculated by applying the blended Commonwealth and State discount rate to the net defined benefit liability or asset at the start of each annual reporting period, and
- the defined benefit expense has been disaggregated into two components: service costs which will be presented as part of labour expenses and net interest amount which will be presented as part of finance costs.

This change in accounting policy has increased the defined benefit expense recognised in income statement and correspondingly increased the actuarial gain recognised in other comprehensive income by $53 million (before tax) respectively, for the reporting period ending 31 December 2012.

TELSTRA INDICATIVE FINANCIAL CALENDAR 2014*

In line with the proposed changes to the ASX Timetables, which are due to apply from 14 April 2014, the Ex-Date for the final dividend has been revised down from five business days to three business days.

EVENT	**Indicative ASX dates**
Half-year results announcement	Thursday 13 February 2014
Ex-dividend share trading commences	Monday 24 February 2014
Record date for interim dividend	Friday 28 February 2014
Interim dividend paid	Friday 28 March 2014
Annual Results announcement	Thursday 14 August 2014
Ex-dividend share trading commences	Wednesday 27 August 2014**
Record date for final dividend	Friday 29 August 2014
Final dividend paid	Friday 26 September 2014
Annual General Meeting	Tuesday 14 October 2014

* Time of events may be subject to change. Any change will be notified to the Australian Securities Commission
** Revised to reflect proposed changes to the ASX timetables, due to apply from 14 April 2014.

	Half-year ended 31 December			
	2013	Restated 2012 (iv)	Change	**Change**
	$m	$m	$m	**%**
Sales revenue	**12,564**	12,124	440	**3.6**
Other revenue (i)	**62**	67	(5)	**(7.5)**
Total revenue	**12,626**	12,191	435	**3.6**
Other income (ii)	**177**	110	67	**60.9**
Total income (excl. finance income)	**12,803**	12,301	502	**4.1**
Labour	**2,367**	2,246	121	**5.4**
Goods and services purchased	**3,295**	3,135	160	**5.1**
Other expenses	**1,852**	1,978	(126)	**(6.4)**
Operating expenses	**7,514**	7,359	155	**2.1**
Earnings before interest, income tax expense, depreciation and amortisation (EBITDA)	**5,289**	4,942	347	**7.0**
Depreciation and amortisation	**2,013**	2,068	(55)	**(2.7)**
Earnings before interest and income tax expense (EBIT)	**3,276**	2,874	402	**14.0**
Net finance costs	**490**	477	13	**2.7**
Profit before income tax expense	**2,786**	2,397	389	**16.2**
Income tax expense	**825**	758	67	**8.8**
Profit for the period from continuing operations	**1,961**	1,639	322	**19.6**
(Loss) for the period from discontinued operation	**(221)**	(53)	(168)	**317.0**
Profit for the period	**1,740**	1,586	154	**9.7**
Attributable to:				
Equity holders of the Telstra Entity	**1,704**	1,560	144	**9.2**
Non-controlling interests	**36**	26	10	**38.5**
	1,740	1,586	154	**9.7**
Effective tax rate	**29.6%**	31.6%		**(2.0) pp**
EBITDA margin on sales revenue	**42.1%**	40.8%		**1.3 pp**
EBIT margin on sales revenue	**26.1%**	23.7%		**2.4 pp**
			Change	**Change**
	cents	cents	cents	**%**
Basic earnings per share from continuing operations (iii)	**15.5**	13.0	2.5	**19.2%**
Diluted earnings per share from continuing operations (iii)	**15.5**	13.0	2.5	**19.2%**
Basic earnings per share (iii)	**13.7**	12.6	1.1	**8.7%**
Diluted earnings per share (iii)	**13.7**	12.5	1.2	**9.6%**
Interim dividend	**14.5**	14.0		

(i) Other revenue primarily consists of distributions received from Foxtel (31 Dec 2013: $50m; 31 Dec 2012: $55m) and rental income.

(ii) Other income includes gains and losses on asset and investment sales, USO levy receipts, TUSMA payment receipts, subsidies and other miscellaneous items.

(iii) Basic and diluted earnings per share are impacted by the effect of shares held in trust for employee share plans and instruments held under executive remuneration plans.

(iv) Restated for the retrospective adoption of AASB:119 "Employee Entitlements" and the Sensis group being reclassified as a discontinued operation.

Statement of financial position

	As at			
	31 Dec 13	30 Jun 13	Change	**Change**
	$m	$m	$m	**%**
Current assets				
Cash and cash equivalents	**2,455**	2,479	(24)	**(1.0)**
Trade and other receivables	**4,263**	4,557	(294)	**(6.5)**
Inventories	**434**	431	3	**0.7**
Derivative financial assets	**92**	43	49	**114.0**
Current tax receivables	**2**	79	(77)	**(97.5)**
Prepayments	**427**	314	113	**36.0**
Assets classified as held for sale	**2,907**	-	2,907	**n/m**
Total current assets	**10,580**	7,903	2,677	**33.9**
Non current assets				
Trade and other receivables	**945**	943	2	**0.2**
Inventories	**30**	27	3	**11.1**
Investments - accounted for using the equity method	**16**	18	(2)	**(11.1)**
Investments - other	**93**	38	55	**144.7**
Property, plant and equipment	**19,963**	20,326	(363)	**(1.8)**
Intangible assets	**6,420**	8,202	(1,782)	**(21.7)**
Derivative financial assets	**1,478**	1,062	416	**39.2**
Deferred tax assets	**8**	5	3	**60.0**
Defined benefit assets	**228**	3	225	**n/m**
Total non current assets	**29,181**	30,624	(1,443)	**(4.7)**
Total assets	**39,761**	38,527	1,234	**3.2**
Current liabilities				
Trade and other payables	**3,442**	4,241	(799)	**(18.8)**
Provisions	**862**	918	(56)	**(6.1)**
Borrowings	**2,225**	751	1,474	**196.3**
Derivative financial liabilities	**403**	44	359	**815.9**
Current tax payables	**437**	444	(7)	**(1.6)**
Revenue received in advance	**934**	1,124	(190)	**(16.9)**
Liabilities classified as held for sale	**991**	-	991	**n/m**
Total current liabilities	**9,294**	7,522	1,772	**23.6**
Non current liabilities				
Other payables	**68**	163	(95)	**(58.3)**
Provisions	**256**	276	(20)	**(7.2)**
Borrowings	**14,470**	14,313	157	**1.1**
Derivative financial liabilities	**800**	1,625	(825)	**(50.8)**
Deferred tax liabilities	**1,365**	1,330	35	**2.6**
Defined benefit liability	**-**	42	(42)	**n/m**
Revenue received in advance	**391**	381	10	**2.6**
Total non current liabilities	**17,350**	18,130	(780)	**(4.3)**
Total liabilities	**26,644**	25,652	992	**3.9**
Net assets	**13,117**	12,875	242	**1.9**
Equity				
Equity available to Telstra Entity shareholders	**12,816**	12,611	205	**1.6**
Non-controlling interests	**301**	264	37	**14.0**
Total equity	**13,117**	12,875	242	**1.9**
Gross debt	**16,328**	15,628	700	**4.5**
Net debt	**13,873**	13,149	724	**5.5**
EBITDA interest cover (times)	**12.7**	11.8	0.9	**7.6**
Net debt to EBITDA	**1.3**	1.3	0.0	**n/m**
Return on average assets (i)	**18.7%**	17.9%		0.8 pp
Return on average equity	**26.8%**	31.0%		(4.2) pp
Return on average investment (i)	**25.4%**	24.8%		0.6 pp
Gearing ratio (net debt to capitalisation)	**51.4%**	50.5%		0.9 pp

(i) Ratio has been measured on a continuing operations basis

n/m = not meaningful

Statement of cash flows

	Half-year ended 31 December			
	2013	2012	Change	**Change**
	$m	$m	$m	**%**
Cash flows from operating activities				
Receipts from customers (inclusive of goods and services tax (GST))	**14,446**	14,088	358	**2.5**
Payments to suppliers and to employees (inclusive of GST)	**(10,099)**	(9,977)	(122)	**1.2**
Government grants received	**138**	65	73	**112.3**
Net cash generated by operations	**4,485**	4,176	309	**7.4**
Income taxes paid	**(731)**	(895)	164	**(18.3)**
Net cash provided by operating activities	**3,754**	3,281	473	**14.4**
Cash flows from investing activities				
Payments for:				
- property, plant and equipment	**(1,613)**	(1,517)	(96)	**6.3**
- intangible assets	**(456)**	(483)	27	**(5.6)**
Capital expenditure (before investments)	**(2,069)**	(2,000)	(69)	**3.5**
- shares in controlled entities (net of cash acquired)	**(113)**	(5)	(108)	**2160.0**
- payments for other investments	**(55)**	(4)	(51)	**1275.0**
Total capital expenditure	**(2,237)**	(2,009)	(228)	**11.3**
Proceeds from:				
- sale of property, plant and equipment	**22**	30	(8)	**(26.7)**
- sale of shares in controlled entities (net of cash disposed)	**-**	671	(671)	**n/m**
Proceeds from finance lease principal amounts	**46**	31	15	**48.4**
Loans to jointly controlled and associated entities	**-**	(1)	1	**n/m**
Interest received	**42**	103	(61)	**(59.2)**
Settlement of hedges of net investments	**(24)**	(7)	(17)	**242.9**
Investments in financial instruments	**(4)**	-	(4)	**n/m**
Dividends received	**1**	1	0	**n/m**
Distributions received from Foxtel Partnership	**50**	55	(5)	**(9.1)**
Net cash used in investing activities	**(2,104)**	(1,126)	(978)	**86.9**
Operating cash flows less investing cash flows	**1,650**	2,155	(505)	**(23.4)**
Cash flows from financing activities				
Proceeds from borrowings	**1,100**	806	294	**36.5**
Repayment of borrowings	**(564)**	(2,004)	1,440	**(71.9)**
Repayment of finance lease principal amounts	**(42)**	(79)	37	**(46.8)**
Proceeds from sale and finance lease back transactions	**-**	52	(52)	**n/m**
Staff repayments of share loans	**1**	2	(1)	**(50.0)**
Proceeds received from exercise of equity instruments	**26**	-	26	**n/m**
Purchase of shares for employee share plans	**(61)**	-	(61)	**n/m**
Finance costs paid	**(479)**	(534)	55	**(10.3)**
Issue of equity by controlled entities	**160**	-	160	**n/m**
Payment for share buy-back of non-controlling interests	**(72)**	-	(72)	**n/m**
Dividends paid to equity holders of Telstra Entity	**(1,742)**	(1,739)	(3)	**0.2**
Dividends paid to non-controlling interests	**(22)**	(15)	(7)	**46.7**
Net cash used in financing activities	**(1,695)**	(3,511)	1,816	**(51.7)**
Net increase in cash and cash equivalents	**(45)**	(1,356)	1,311	**(96.7)**
Cash and cash equivalents at the beginning of the year	**2,479**	3,945	(1,466)	**(37.2)**
Effects of exchange rate changes on cash and cash equivalents	**21**	(4)	25	**625.0**
Cash and cash equivalents at the end of the year	**2,455**	2,585	(130)	**(5.0)**
Cash flows from discontinued operations				
Net cash provided by operating activites	**272**	337	(65)	**(19.3)**
Net cash (used in) investing activities	**(37)**	(37)	-	**n/m**
Net cash provided by/(used in) financing activities	**-**	-	-	**n/m**
Net increase in cash and cash equivalents	**235**	300	(65)	**(21.7)**

n/m = not meaningful

Revenue

	Half-year ended 31 December			
	2013	Restated 2012 (v)	Change	**Change**
	$m	$m	$m	**%**
Fixed products				
Fixed voice	**2,059**	2,220	(161)	**(7.3)**
Fixed data	**1,090**	1,028	62	**6.0**
Other fixed revenue (i)	**477**	433	44	**10.2**
Total fixed revenue	**3,626**	3,681	(55)	**(1.5)**
Mobiles				
Postpaid handheld	**2,495**	2,377	118	**5.0**
Prepaid handheld	**419**	351	68	**19.4**
Mobile broadband	**643**	576	67	**11.6**
Machine to Machine (M2M)	**47**	44	3	**6.8**
Satellite	**7**	7	-	**0.0**
Mobiles interconnection	**405**	398	7	**1.8**
Mobile services revenue - wholesale resale	**61**	47	14	**29.8**
Total mobile services revenue	**4,077**	3,800	277	**7.3**
Mobile hardware	**784**	767	17	**2.2**
Total mobile revenue	**4,861**	4,567	294	**6.4**
Data & IP				
ISDN products	**363**	398	(35)	**(8.8)**
IP Access	**581**	559	22	**3.9**
Other data and calling products	**554**	586	(32)	**(5.5)**
Total Data & IP	**1,498**	1,543	(45)	**(2.9)**
Network applications and services	**821**	635	186	**29.3**
Media				
TV	**348**	333	15	**4.5**
Content	**31**	36	(5)	**(13.9)**
Sensis voice and advertising	**53**	70	(17)	**(24.3)**
Cable	**60**	61	(1)	**(1.6)**
Total media	**492**	500	(8)	**(1.6)**
International businesses				
CSL New World	**630**	494	136	**27.5**
China digital media	**130**	73	57	**78.1**
Global connectivity and NAS	**323**	277	46	**16.6**
Total International businesses	**1,083**	844	239	**28.3**
TelstraClear	**-**	164	(164)	**(100.0)**
Other sales revenue (ii)	**183**	190	(7)	**(3.7)**
Sales revenue	**12,564**	12,124	440	**3.6**
Other revenue (iii)	**62**	67	(5)	**(7.5)**
Total revenue	**12,626**	12,191	435	**3.6**
Other income (iv)	**177**	110	67	**60.9**
Total income	**12,803**	12,301	502	**4.1**

(i) Other fixed revenue primarily includes intercarrier services, payphones, customer premises equipment and narrowband.

(ii) Other sales revenue includes revenue for the build of NBN infrastructure and late payment and miscellaneous fee revenue.

(iii) Other revenue primarily consists of distributions received from Foxtel and rental income.

(iv) Other income includes gains and losses on asset and investment sales, USO levy receipts, TUSMA payment receipts, subsidies and other miscellaneous items.

(v) Restated for the the Sensis group being reclassified as a discontinued operation.

Expenses

	Half-year ended 31 December			
	2013	Restated 2012 (i)	Change	**Change**
	$m	$m	$m	**%**
Salary and associated costs	**1,706**	1,644	62	**3.8**
Other labour expenses	**151**	157	(6)	**(3.8)**
Labour substitution	**384**	369	15	**4.1**
Redundancy	**126**	76	50	**65.8**
Total labour	**2,367**	2,246	121	**5.4**
Cost of goods sold	**1,500**	1,419	81	**5.7**
Network payments	**882**	889	(7)	**(0.8)**
Other	**913**	827	86	**10.4**
Total goods and services purchased	**3,295**	3,135	160	**5.1**
Service contracts and other agreements	**660**	657	3	**0.5**
Impairment and diminution expenses	**148**	173	(25)	**(14.5)**
Other operating expenses	**1,044**	1,148	(104)	**(9.1)**
Total other expenses	**1,852**	1,978	(126)	**(6.4)**
Total operating expenses	**7,514**	7,359	155	**2.1**
Depreciation	**1,458**	1,554	(96)	**(6.2)**
Amortisation	**555**	514	41	**8.0**
Total depreciation and amortisation	**2,013**	2,068	(55)	**(2.7)**

Net Finance Costs

	Half-year ended 31 December			
	2013	Restated 2012	Change	**Change**
	$m	$m	$m	**%**
Borrowing costs	**475**	520	(45)	**(8.7)**
Finance leases	**10**	5	5	**100.0**
Interest on cash, loans and finance lease receivables	**(68)**	(84)	16	**(19.0)**
Net borrowing costs	**417**	441	(24)	**(5.4)**
Other	**73**	36	37	**102.8**
Net Finance Costs	**490**	477	13	**2.7**

(i) Restated for the retrospective adoption of AASB:119 "Employee Entitlements" and the Sensis group being reclassified as a discontinued operation.

Segment Information from continuing and discontinued operations

	Total external income			EBITDA contribution		
	Half-year ended 31 December			Half-year ended 31 December		
	2013	2012	**Change**	**2013**	2012	**Change**
	$m	$m	**%**	**$m**	$m	**%**
Telstra Retail	**7,975**	7,675	**3.9**	**4,551**	4,320	**5.3**
Global Enterprise and Services	**2,541**	2,463	**3.2**	**1,286**	1,460	**(11.9)**
Telstra Wholesale	**1,155**	1,052	**9.8**	**1,043**	967	**7.9**
Telstra Media Group (i)	**522**	597	**(12.6)**	**2**	133	**(98.5)**
Telstra International Group (i)	**762**	562	**35.6**	**208**	143	**45.5**
Telstra Operations	**69**	56	**23.2**	**(1,576)**	(1,644)	**4.1**
Other	**137**	306	**(55.2)**	**(340)**	(434)	**21.7**
Total Telstra segments	**13,161**	12,711	**3.5**	**5,174**	4,945	**4.6**

(i)Telstra International Group and Telstra Media Group do not align to the revenue statement for International businesses and Digital Media due to differences in our internal management reporting.

CSL New World financial summary

	Half-year ended 31 December			Half-year ended 31 December		
	2013	2012	**Change**	**2013**	2012	**Change**
	A$m	A$m	**%**	**HK$m**	HK$m	**%**
Sales revenue	**630**	494	**27.5**	**4,506**	3,978	**13.3**
Total income	**630**	494	**27.5**	**4,506**	3,978	**13.3**
Operating expenses (excl. depreciation & amortisation)	**476**	373	**27.6**	**3,403**	3,004	**13.3**
EBITDA contribution	**154**	121	**27.3**	**1,103**	974	**13.2**
Depreciation and amortisation	**54**	39	**38.5**	**364**	292	**24.7**
EBIT contribution	**100**	82	**22.0**	**739**	682	**8.4**
Capital expenditure	**60**	57	**5.3**	**425**	459	**(7.4)**
EBITDA margin on sales revenue	**24.4%**	24.5%	**(0.1) pp**	**24.5%**	24.5%	**0.0 pp**
Mobile SIOs ('000)	**4,120**	3,789	**8.7**	**4,120**	3,789	**8.7**

Amounts presented in HK$ have been prepared in accordance with IFRS.
Amounts presented in A$ represent amounts included in Telstra's consolidated result including additional depreciation and amortisation arising from the consolidation of fair value adjustments.

Note: Statistical data represents management's best estimates.

ARPU ($)

	Half year ended			Dec 13 vs Dec 12		Dec 13 vs Jun13	
	Dec 2013 ($)	Jun 2013 ($)	Dec 2012 ($)	Change ($)	Change %	Change ($)	Change %
Fixed voice	**44.43**	45.44	46.35	(1.92)	(4.1)	(1.01)	(2.2)
Fixed data	**50.71**	50.53	50.29	0.42	0.8	0.18	0.4
Mobile Services Retail (incl. Interconnect and MRO)	**43.35**	43.47	44.29	(0.94)	(2.1)	(0.12)	(0.3)
Postpaid handheld (incl. MRO)	**58.81**	58.29	58.88	(0.07)	(0.1)	0.52	0.9
Postpaid handheld (excl. MRO)	**66.09**	65.39	64.75	1.34	2.1	0.70	1.1
Prepaid handheld	**18.90**	18.44	17.79	1.11	6.2	0.46	2.5
Mobile broadband	**29.60**	29.93	29.75	(0.15)	(0.5)	(0.33)	(1.1)
M2M	**7.69**	8.30	8.66	(0.97)	(11.2)	(0.61)	(7.3)
Satellite	**40.43**	39.46	43.47	(3.04)	(7.0)	0.97	2.5

Services in operation

	Half year ended			Dec 13 vs Dec 12		Dec 13 vs Jun13	
	Dec 2013 ('000)	Jun 2013 ('000)	Dec 2012 ('000)	Change ('000)	Change **%**	Change ('000)	Change **%**
Fixed products ('000)							
Basic access lines in service							
Retail (i)	**6,388**	6,543	6,699	(311)	(4.6)	(155)	(2.4)
Wholesale	**1,277**	1,239	1,207	70	5.8	38	3.1
Total fixed voice lines in service	**7,665**	7,782	7,906	(241)	(3.0)	(117)	(1.5)
Fixed data SIOs - retail (ii)	**2,847**	2,772	2,684	163	6.1	75	2.7
Fixed broadband SIOs - wholesale	**777**	769	761	16	2.1	8	1.0
Fixed data	**3,624**	3,541	3,445	179	5.2	83	2.3
ISDN access (basic line equivalents)	**1,265**	1,285	1,282	(17)	(1.3)	(20)	(1.6)
T-Box® Sales SIOs	**124**	107	68	56	82.4	17	15.9
Unconditioned local loop (ULL) SIOs	**1,400**	1,322	1,245	155	12.4	78	5.9
Line Spectrum sharing services (LSS) (iii)	**614**	631	658	(44)	(6.7)	(17)	(2.7)
Mobiles SIOs ('000)							
Postpaid handheld retail mobile	**7,122**	7,019	6,861	261	3.8	103	1.5
Prepaid handheld retail mobile	**3,903**	3,486	3,312	591	17.8	417	12.0
Total mobile broadband (data card)	**3,672**	3,570	3,336	336	10.1	102	2.9
M2M	**1,086**	970	888	198	22.3	116	12.0
Satellite	**28**	27	26	2	7.7	1	3.7
Total retail mobile	**15,811**	15,072	14,423	1,388	9.6	739	4.9
Total wholesale mobile	**348**	241	67	281	419.4	107	44.4
Prepaid handheld unique users (iv)	**2,347**	2,197	2,102	245	11.7	150	6.8
Total pay TV bundling SIOs ('000)	**500**	500	507	(7)	(1.4)	0	0.0

(i) Total includes NBN voice SIO's.

(ii) Total includes NBN data SIO's.

(iii) Excluded from wholesale broadband SIOs.

(iv) Prepaid unique users defined as the three month rolling average of monthly active prepaid users.

Note: Statistical data represents management's best estimates.

Workforce

	Half year ended			Dec 13 vs Dec 12		Dec 13 vs Jun13	
	Dec 2013	Restated Jun 2013	Restated Dec 2012	Change	Change %	Change	Change %
Employee data							
Full time staff and equivalents	32,686	31,798	31,997	689	2.2	888	2.8

Note: Statistical data represents management's best estimates.

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Telstra Corporation Limited
Revenue by Product Restatement
Half-year ended 31 December 2013

Old product hierarchy (as reported Dec 2012)	H1 13 Revenue $m	New product hierarchy (as reported Dec 2013)	Restated H1 13 Revenue $m	Movement $m		Description of movement
Fixed products		**Fixed products**				
Fixed Voice	2,220	Fixed Voice	2,220	-		
Fixed Data	1,028	Fixed Data	1,028	-		
Other fixed revenue	432	Other fixed revenue	433	1	$1m	The change relates to Colocation which sits under NAS/DIPNAS to be moved to Facilities Access which sits under Intercarrier Services / Fixed Products.
Fixed products - total	3,680	Fixed products - total	3,681	1	$1m	The change relates to Colocation which sits under NAS/DIPNAS to be moved to Facilities Access which sits under Intercarrier Services / Fixed Products.
Mobiles		**Mobiles**				
Postpaid handheld	2,377	Postpaid handheld	2,377	-		
Prepaid handheld	351	Prepaid handheld	351	-		
Mobile broadband	576	Mobile broadband	576	-		
Machine to Machine (M2M)	44	Machine to Machine (M2M)	44	-		
Satellite	7	Satellite	7			
Mobile services - retail	3,355	Mobile services - retail	3,355	-		
Mobile services - interconnection and wholesale	445	Mobile services - interconnection and wholesale	445	-		
Total mobile services	3,800	Total mobile services	3,800	-		
Mobile hardware	767	Mobile hardware	767	-		
Total mobiles	4,567	Total mobiles	4,567	-		
Data and IP		**Data and IP**				
ISDN	398	ISDN	398	-		
IP access	555	IP access	559	4	$4m	Satellite Products from Other Data Fixed Telephony($4m)
Other data and calling products	590	Other data and calling products	586	(4)	($4m)	Satellite Products from Other Data Fixed Telephony($4m)
Data and IP	1,543	Data and IP	1,543	-		
Network applications and services	636	**Network applications and services**	635	(1)	($1m)	The change relates to Colocation which sits under NAS/DIPNAS to be moved to Facilities Access which sits under Intercarrier Services / Fixed Products.
Media		**Media**				
TV	333	TV	333	-		
Content	36	Content	36	-		
Sensis and Advertising	480	Sensis and Advertising	70	(410)	($410m)	Sensis Sale ($410m)
Cable	61	Cable	61	-		
Total Media	910	Total Media	500	(410)	*($410m)*	Sensis Sale ($410m)
International		**International**				
Hong Kong mobile services (CSL)	494	Hong Kong mobile services (CSL)	494	-		
China digital media	73	China digital media	73	-		
Global Connectivity and NAS	277	Global Connectivity and NAS	277	-		
International	844	International	844	-		
Other		**Other**				
TelstraClear	164	TelstraClear	164	-		
Other sales revenue	190	Other sales revenue	190	-		
Total Other	354	Total Other	354	-		
Sales revenue	12,534	**Sales revenue**	12,124	(410)	($410m)	Sensis Sale ($410m)

Summary Reported Half-Yearly Data ($ millions)	Half 1 Dec-08	PCP Growth	Half 2 Jun-09	PCP Growth	Full year Jun-09	PCP Growth	Half 1 Dec-09	PCP Growth	Half 2 Jun-10	PCP Growth	Full year Jun-10	PCP Growth	Half 1 Dec-10	PCP Growth	Half 2 Jun-11	PCP Growth	Full year Jun-11	PCP Growth	Half 1 Dec-11	PCP Growth	Half 2 Jun-12	PCP Growth	Full year Jun-12	PCP Growth	Restated Half 1 (iii) Dec-12	PCP Growth	Restated Half 2 (iii) Jun-13	PCP Growth	Full year (iii) Jun-13	PCP Growth	Half 1 Dec-13	PCP Growth
Revenue																																
Fixed products																																
Fixed voice products																																
Basic access	1,592	(3.9%)	1,565	(3.5%)	3,157	(3.7%)	1,508	(5.3%)	1,470	(6.1%)	2,978	(5.7%)	1,434	(4.9%)	1,409	(4.1%)	2,843	(4.5%)	1,366	(4.7%)	1,317	(6.5%)	2,683	(5.6%)	1,295	(5.2%)	1,293	(1.8%)	2,588	(3.5%)	1,270	(1.9%)
Usage Revenue	1,519	(5.9%)	1,451	(6.0%)	2,970	(6.0%)	1,392	(8.4%)	1,276	(12.1%)	2,668	(10.2%)	1,216	(12.6%)	1,133	(11.2%)	2,349	(12.0%)	1,051	(13.6%)	954	(15.8%)	2,005	(14.6%)	867	(17.5%)	794	(16.8%)	1,661	(17.2%)	739	(14.8%)
Fixed interconnection	109	(9.2%)	101	(9.0%)	210	(9.1%)	98	(10.1%)	88	(12.9%)	186	(11.4%)	86	(12.2%)	78	(11.4%)	164	(11.8%)	72	(16.3%)	58	(25.6%)	130	(20.7%)	58	(19.4%)	52	(10.3%)	110	(15.4%)	50	(13.8%)
Fixed voice (iv)	3,218	(5.1%)	3,118	(4.8%)	6,336	(5.0%)	2,996	(6.9%)	2,836	(9.0%)	5,832	(8.0%)	2,736	(8.7%)	2,620	(7.6%)	5,356	(8.2%)	2,489	(9.0%)	2,329	(11.1%)	4,818	(10.0%)	2,220	(10.8%)	2,139	(8.2%)	4,359	(9.5%)	2,059	(7.3%)
Fixed Data																																
Fixed data retail and hardware	716	23.2%	731	14.6%	1,447	18.7%	741	3.5%	737	0.8%	1,478	2.1%	737	(0.5%)	744	0.9%	1,482	0.3%	785	6.5%	823	10.6%	1,608	8.5%	861	9.7%	896	8.9%	1,757	9.3%	928	7.8%
Wholesale broadband	238	(12.5%)	231	(10.5%)	469	(11.5%)	227	(4.6%)	222	(3.9%)	449	(4.3%)	208	(8.4%)	197	(11.3%)	405	(9.8%)	185	(11.1%)	167	(15.2%)	352	(13.1%)	153	(17.3%)	149	(10.8%)	302	(14.2%)	149	(2.6%)
Internet VAS	13	44.4%	22	100.0%	35	75.0%	26	100.0%	23	4.5%	49	40.0%	22	(15.4%)	18	(21.7%)	40	(18.4%)	14	(36.4%)	13	(27.8%)	27	(32.5%)	14	0.0%	14	7.7%	28	3.7%	13	(7.1%)
Total Fixed Data (iv)	968	12.3%	982	8.3%	1,950	10.2%	993	2.6%	982	0.0%	1,975	1.3%	967	(2.6%)	960	(2.2%)	1,927	(2.4%)	985	1.9%	1,002	4.4%	1,987	3.1%	1,028	4.4%	1,059	5.7%	2,087	5.0%	1,090	6.0%
Other fixed revenue (i)	164	(20.0%)	138	(16.9%)	304	(17.8%)	119	(27.4%)	111	(19.6%)	230	(24.3%)	122	2.5%	101	(9.0%)	224	(2.6%)	96	(21.3%)	91	(9.9%)	187	(16.5%)	100	4.2%	90	(1.1%)	190	1.6%	83	(17.0%)
Intercarrier access services (includes ULL)	188	59.3%	200	20.5%	388	36.6%	215	14.4%	228	14.0%	444	14.4%	241	12.1%	243	6.6%	483	8.8%	254	5.4%	264	8.6%	518	7.2%	333	31.1%	337	27.7%	670	29.3%	394	18.3%
Total fixed products (iv)	4,536	(0.9%)	4,438	(1.7%)	8,974	(1.3%)	4,323	(4.7%)	4,156	(6.4%)	8,479	(5.5%)	4,065	(6.0%)	3,923	(5.6%)	7,988	(5.8%)	3,824	(5.9%)	3,686	(6.0%)	7,510	(6.0%)	3,681	(3.7%)	3,624	(1.7%)	7,305	(2.7%)	3,626	(1.5%)
Mobiles																																
Postpaid handheld	2,131	n/a	2,054	n/a	4,185	n/a	2,116	(0.7%)	2,138	4.1%	4,254	1.6%	2,169	2.5%	2,240	4.8%	4,409	3.6%	2,370	9.3%	2,302	2.8%	4,672	6.0%	2,377	0.3%	2,427	5.4%	4,804	2.8%	2,495	5.0%
Prepaid handheld	285	n/a	302	n/a	587	n/a	310	8.8%	290	(4.0%)	600	2.2%	331	6.8%	306	5.5%	637	6.2%	326	(1.5%)	328	7.2%	654	2.7%	351	7.7%	376	14.6%	727	11.2%	419	19.4%
Total handheld	2,416	n/a	2,356	n/a	4,772	n/a	2,426	0.4%	2,428	3.1%	4,854	1.7%	2,500	3.1%	2,546	4.9%	5,046	4.0%	2,696	7.8%	2,630	3.3%	5,326	5.5%	2,728	1.2%	2,803	6.6%	5,531	3.8%	2,914	6.8%
Mobile broadband	288	n/a	319	n/a	607	n/a	372	29.2%	423	32.6%	795	31.0%	452	21.5%	467	10.4%	919	15.6%	493	9.1%	525	12.4%	1,018	10.8%	576	16.8%	620	18.1%	1,196	17.5%	643	11.6%
Machine to Machine (M2M)	0	n/m	0	n/m	0	n/m	31	n/m	31	n/m	62	n/m	32	3.2%	37	19.4%	69	11.3%	40	25.0%	40	8.1%	80	15.9%	44	10.0%	46	15.0%	90	12.5%	47	6.8%
Satellite (ii)	6	20.0%	4	(33.3%)	10	(9.1%)	6	0.0%	5	25.0%	11	10.0%	6	0.0%	6	20.0%	12	9.1%	7	16.7%	5	(16.7%)	12	0.0%	7	0.0%	6	20.0%	13	8.3%	7	0.0%
Mobile services revenue - retail	2,710	13.0%	2,679	7.5%	5,389	10.2%	2,835	4.6%	2,887	7.8%	5,722	6.2%	2,990	5.5%	3,056	5.9%	6,046	5.7%	3,236	8.2%	3,200	4.7%	6,436	6.5%	3,355	3.7%	3,475	8.6%	6,830	6.1%	3,611	7.6%
Mobile interconnection	245	11.4%	246	10.8%	491	11.1%	263	7.3%	270	9.8%	533	8.6%	306	16.3%	344	27.4%	650	22.0%	407	33.0%	362	5.2%	769	18.3%	398	(2.2%)	370	2.2%	768	(0.1%)	405	1.8%
Mobile services - wholesale resale	89	(9.2%)	86	(6.5%)	175	(7.9%)	90	1.1%	69	(19.8%)	159	(9.1%)	73	(18.9%)	72	4.3%	145	(8.8%)	69	(5.5%)	68	(5.6%)	137	(5.5%)	47	(31.9%)	58	(14.7%)	105	(23.4%)	61	29.8%
Total mobile services	3,044	12.0%	3,011	7.3%	6,055	9.7%	3,188	4.7%	3,226	7.1%	6,414	5.9%	3,369	5.7%	3,472	7.6%	6,841	6.7%	3,712	10.2%	3,630	4.6%	7,342	7.3%	3,800	2.4%	3,903	7.5%	7,703	4.9%	4,077	7.3%
Mobile hardware	396	(17.0%)	381	(0.8%)	777	(9.8%)	413	4.3%	443	16.3%	856	10.2%	566	37.0%	594	34.1%	1,160	35.5%	655	15.7%	683	15.0%	1,338	15.3%	767	17.1%	730	6.9%	1,497	11.9%	784	2.2%
Total mobiles (ii)	3,440	7.7%	3,392	6.4%	6,832	7.0%	3,601	4.7%	3,669	8.2%	7,270	6.4%	3,935	9.3%	4,066	10.8%	8,001	10.1%	4,367	11.0%	4,313	6.1%	8,680	8.5%	4,567	4.6%	4,633	7.4%	9,200	6.0%	4,861	6.4%
Data & IP																																
ISDN products	483	(2.4%)	459	(5.0%)	942	(3.7%)	463	(4.1%)	442	(3.7%)	905	(3.9%)	447	(3.5%)	430	(2.7%)	877	(3.1%)	420	(6.0%)	406	(5.6%)	826	(5.8%)	398	(5.2%)	379	(6.7%)	777	(5.9%)	363	(8.8%)
IP access (ii)	330	31.0%	356	26.2%	686	28.5%	398	20.6%	446	25.3%	844	23.0%	475	19.3%	500	12.1%	975	15.5%	517	8.8%	545	9.0%	1,062	8.9%	559	8.1%	570	4.6%	1,129	6.3%	581	3.9%
Other data and calling products (ii)	823	(2.1%)	776	(6.6%)	1,598	(4.5%)	747	(9.2%)	681	(12.2%)	1,427	(10.7%)	662	(11.4%)	616	(9.5%)	1,278	(10.4%)	606	(8.5%)	614	(0.3%)	1,220	(4.5%)	586	(3.3%)	549	(10.6%)	1,136	(6.9%)	554	(5.5%)
Data & IP Total	1,636	3.0%	1,591	(0.3%)	3,226	1.3%	1,608	(1.7%)	1,569	(1.4%)	3,176	(1.5%)	1,584	(1.5%)	1,546	(1.5%)	3,130	(1.4%)	1,543	(2.6%)	1,565	1.2%	3,108	(0.7%)	1,543	0.0%	1,498	(4.3%)	3,041	(2.2%)	1,498	(2.9%)
Network applications and services (i)	590	(3.4%)	609	(2.7%)	1,199	(3.1%)	479	(18.8%)	552	(9.4%)	1,031	(14.0%)	484	1.0%	657	19.0%	1,140	10.6%	574	18.6%	687	4.6%	1,261	10.6%	635	10.6%	849	23.6%	1,484	17.7%	821	29.3%
Media																																
Pay TV bundling	233	14.2%	234	5.4%	467	9.6%	247	6.0%	264	12.8%	511	9.4%	286	15.8%	298	12.9%	584	14.3%	302	5.6%	301	1.0%	603	3.3%	302	0.0%	293	(2.7%)	595	(1.3%)	297	(1.7%)
T-Box	0	n/m	0	n/m	0	n/m	0	n/m	1	n/m	1	n/m	22	n/m	18	1700.0%	40	3900.0%	20	(9.1%)	23	27.8%	43	7.5%	19	(5.0%)	27	17.4%	46	7.0%	26	36.8%
IPTV	4	0.0%	5	25.0%	9	12.5%	4	0.0%	5	0.0%	9	0.0%	8	100.0%	11	120.0%	19	111.1%	8	0.0%	12	9.1%	20	5.3%	12	50.0%	13	8.3%	25	25.0%	25	108.3%
Content	34	88.9%	33	26.9%	67	52.3%	37	8.8%	37	12.1%	74	10.4%	41	10.8%	39	5.4%	80	8.1%	41	0.0%	39	0.0%	80	0.0%	36	(12.2%)	33	(15.4%)	69	(13.8%)	31	(13.9%)
Sensis voice and advertising	933	2.8%	1,134	0.4%	2,067	1.5%	869	(6.9%)	1,078	(4.9%)	1,947	(5.8%)	705	(18.9%)	1,099	1.9%	1,804	(7.3%)	548	(22.3%)	965	(12.2%)	1,513	(16.1%)	70	(87.2%)	63	(93.5%)	132	(91.3%)	53	(24.3%)
Cable	31	(8.8%)	45	4.7%	76	(1.3%)	35	12.9%	50	11.1%	85	11.8%	38	8.6%	64	28.0%	102	20.0%	58	52.6%	60	(6.3%)	118	15.7%	61	5.2%	59	(1.7%)	120	1.7%	60	(1.6%)
Media - Total	1,235	5.7%	1,452	2.0%	2,687	3.7%	1,193	(3.4%)	1,433	(1.3%)	2,626	(2.3%)	1,100	(7.8%)	1,529	6.7%	2,629	0.1%	977	(11.2%)	1,400	(8.4%)	2,377	(9.6%)	500	(48.8%)	487	(65.2%)	987	(58.5%)	492	(1.6%)
International																																
CSL New World	495	2.1%	494	14.4%	989	7.9%	374	(24.4%)	396	(19.8%)	770	(22.1%)	424	13.4%	390	(1.5%)	814	5.7%	436	2.8%	424	8.7%	860	5.7%	494	13.3%	517	21.9%	1,011	17.6%	630	27.5%
China digital media	101	134.9%	150	233.3%	251	185.2%	191	89.1%	161	7.3%	352	40.2%	133	(30.4%)	43	(73.3%)	176	(50.0%)	74	(44.4%)	54	25.6%	128	(27.3%)	73	(1.4%)	89	64.8%	162	26.6%	130	78.1%
Global connectivity and NAS	258	16.7%	264	16.3%	522	16.5%	215	(16.7%)	199	(24.6%)	414	(20.7%)	187	(13.0%)	221	11.1%	408	(1.4%)	252	34.8%	256	15.8%	508	24.5%	277	9.9%	289	12.9%	566	11.4%	323	16.6%
International - Total	854	13.9%	908	29.2%	1,762	21.3%	780	(8.7%)	756	(16.7%)	1,536	(12.8%)	744	(4.6%)	654	(13.5%)	1,398	(9.0%)	762	2.4%	734	12.2%	1,496	7.0%	844	10.8%	895	21.9%	1,739	16.2%	1,083	28.3%
TelstraClear	275	(4.2%)	272	(1.1%)	547	(2.7%)	269	(2.2%)	260	(4.4%)	529	(3.3%)	265	(1.5%)	251	(3.5%)	516	(2.5%)	255	(3.8%)	246	(2.0%)	501	(2.9%)	164	(35.7%)	0	(100.0%)	164	(67.3%)	0	(100.0%)
Other sales revenue	78	0.0%	65	(14.5%)	144	(6.5%)	71	(9.0%)	95	46.2%	166	15.3%	87	22.5%	94	(1.1%)	181	9.0%	103	18.4%	196	108.5%	299	65.2%	190	84.5%	185	(5.6%)	377	26.1%	183	(3.7%)
Total sales revenue	12,644	3.2%	12,727	2.6%	25,371	2.9%	12,323	(2.5%)	12,490	(1.9%)	24,813	(2.2%)	12,263	(0.5%)	12,720	1.8%	24,983	0.7%	12,405	1.2%	12,827	0.8%	25,232	1.0%	12,124	(2.3%)	12,174	(5.1%)	24,298	(3.7%)	12,564	3.6%
Other revenue	66	(45.0%)	70	37.3%	136	(20.5%)	19	(71.2%)	85	21.4%	104	(23.5%)	20	5.3%	90	5.9%	110	5.8%	14	(30.0%)	122	35.6%	136	23.6%	67	378.6%	109	(10.7%)	176	29.4%	62	(7.5%)
Total revenue	12,710	2.7%	12,797	2.7%	25,507	2.7%	12,342	(2.9%)	12,575	(1.7%)	24,917	(2.3%)	12,283	(0.5%)	12,810	1.9%	25,093	0.7%	12,419	1.1%	12,949	1.1%	25,368	1.1%	12,191	(1.8%)	12,283	(5.1%)	24,474	(3.5%)	12,626	3.6%
Other income	53	(50.5%)	54	(19.4%)	106	(39.1%)	47	(11.3%)	65	20.4%	112	5.7%	125	166.0%	86	32.3%	211	88.4%	82	(34.4%)	53	(38.4%)	135	(36.0%)	110	34.1%	192	262.3%	302	123.7%	177	60.9%
Total income	12,763	2.3%	12,851	2.6%	25,614	2.4%	12,389	(2.9%)	12,640	(1.6%)	25,029	(2.3%)	12,408	0.2%	12,896	2.0%	25,304	1.1%	12,501	0.7%	13,002	0.8%	25,503	0.8%	12,301	(1.6%)	12,475	(4.1%)	24,776	(2.9%)	12,803	4.1%
Expenses																																
Labour (iii)	2,680	3.4%	2,480	(5.4%)	5,160	(1.0%)	2,438	(9.0%)	2,202	(11.2%)	4,640	(10.1%)	2,520	3.4%	2,434	10.5%	4,954	6.8%	2,549	1.2%	2,419	(0.6%)	4,968	0.3%	2,246	(11.9%)	2,281	(5.7%)	4,527	(8.9%)	2,367	5.4%
Goods and services purchased	2,632	(1.6%)	2,681	7.0%	5,313	2.5%	2,615	(0.6%)	2,745	2.4%	5,360	0.9%	3,148	20.4%	3,035	10.6%	6,183	15.4%	3,161	0.4%	3,018	(0.6%)	6,179	(0.1%)	3,135	(0.8%)	3,112	3.1%	6,247	1.1%	3,295	5.1%
Other expenses (iii)	2,116	3.7%	2,079	(3.3%)	4,195	0.1%	2,019	(4.6%)	2,165	4.1%	4,184	(0.3%)	2,161	7.0%	1,856	(14.3%)	4,017	(4.0%)	2,041	(5.6%)	2,081	12.1%	4,122	2.6%	1,978	(3.1%)	1,856	(10.8%)	3,834	(7.0%)	1,852	(6.4%)
Operating expense (before interest)	7,428	1.7%	7,241	(0.5%)	14,669	0.6%	7,072	(4.8%)	7,112	(1.8%)	14,184	(3.3%)	7,829	10.7%	7,325	3.0%	15,154	6.8%	7,751	(1.0%)	7,518	2.6%	15,269	0.8%	7,359	(5.1%)	7,249	(3.6%)	14,608	(4.3%)	7,514	2.1%
Share of net (profit)/loss from jointly controlled and associated entities	1	n/m	-4	(500.0%)	-3	(400.0%)	0	(100.0%)	-2	(50.0%)	-2	(33.3%)	-1	n/m	0	(100.0%)	-1	(50.0%)	0	(100.0%)	0	n/m	0	(100.0%)	0	n/m	1	n/m	1	n/m	0	n/m
EBITDA	5,334	3.1%	5,614	7.1%	10,948	5.1%	5,317	(0.3%)	5,530	(1.5%)	10,847	(0.9%)	4,580	(13.9%)	5,571	0.7%	10,151	(6.4%)	4,750	3.7%	5,484	(1.6%)	10,234	0.8%	4,942	4.0%	5,226	(4.7%)	10,168	(0.6%)	5,289	7.0%
Depreciation and amortisation	2,255	9.9%	2,135	(0.1%)	4,390	4.8%	2,185	(3.1%)	2,161	1.2%	4,346	(1.0%)	2,204	0.9%	2,255	4.3%	4,459	2.6%	2,186	(0.8%)	2,226	(1.3%)	4,412	(1.1%)	2,068	(5.4%)	2,010	(9.7%)	4,078	(7.6%)	2,013	(2.7%)
EBIT	3,079	(1.3%)	3,479	12.0%	6,558	5.3%	3,132	1.7%	3,369	(3.2%)	6,501	(0.9%)	2,376	(24.1%)	3,316	(1.6%)	5,692	(12.4%)	2,564	7.9%	3,258	(1.7%)	5,822	2.3%	2,874	12.1%	3,216	(1.3%)	6,090	4.6%	3,276	14.0%
Net finance costs	403	(19.4%)	498	(15.0%)	901	(17.0%)	520	29.0%	443	(11.0%)	963	6.9%	571	9.8%	564	27.3%	1,135	17.9%	396	(30.6%)	492	(12.8%)	888	(21.8%)	477	20.5%	456	(7.3%)	933	5.1%	490	2.7%
Profit before income tax expense	2,676	2.1%	2,982	18.3%	5,658	10.1%	2,612	(2.4%)	2,926	(1.9%)	5,538	(2.1%)	1,805	(30.9%)	2,752	(5.9%)	4,557	(17.7%)	2,168	20.1%	2,766	0.5%	4,934	8.3%	2,397	10.6%	2,760	(0.2%)	5,157	4.5%	2,786	16.2%
Income tax expense	755	11.4%	827	10.1%	1,582	10.7%	726	(3.8%)	872	5.4%	1,598	1.0%	598	(17.6%)	709	(18.7%)	1,307	(18.2%)	689	15.2%	821	15.8%	1,510	15.5%	758	10.0%	759	(7.6%)	1,517	0.5%	825	8.8%
Profit for the period from continuing operations	1,921	(1.1%)	2,155	21.8%	4,076	9.8%	1,886	(1.8%)	2,054	(4.7%)	3,940	(3.3%)	1,207	(36.0%)	2,043	(0.5%)	3,250	(17.5%)	1,479	22.5%	1,945	(4.8%)	3,424	5.4%	1,639	10.8%	2,001	2.9%	3,640	6.3%	1,961	19.6%
(Loss) for the period from discontinued operation																									(53)	n/m	204	n/m	151	n/m	(221)	317.0%
Profit for the period	1,921	(1.1%)	2,155	21.8%	4,076	9.8%	1,886	(1.8%)	2,054	(4.7%)	3,940	(3.3%)	1,207	(36.0%)	2,043	(0.5%)	3,250	(17.5%)	1,479	22.5%	1,945	(4.8%)	3,424	5.4%	1,586	7.2%	2,205	13.4%	3,791	10.7%	1,740	9.7%

(i) Colocation was moved out of NAS and into Other Fixed Products
(ii) Satellite Products from Other Data Fixed Telephony to IP Access
(iii) Restated for the retrospective adoption of AASB:119 "Employee Entitlements" and the Sensis group being reclassified as a discontinued operation.
(iv) Includes NBN

Summary Reported Half-Yearly Data	Half 1 Dec-08	PCP Growth	Half 2 Jun-09	PCP Growth	Full year Jun-09	PCP Growth	Half 1 Dec-09	PCP Growth	Half 2 Jun-10	PCP Growth	Full year Jun-10	PCP Growth	Half 1 Dec-10	PCP Growth	Half 2 Jun-11	PCP Growth	Full year Jun-11	PCP Growth	Half 1 Dec-11	PCP Growth	Half 2 Jun-12	PCP Growth	Full year Jun-12	PCP Growth	Half 1 Dec-12	PCP Growth	Half 2 Jun-13	PCP Growth	Full year Jun-13	PCP Growth	Half 1 Dec-13	PCP Growth
Selected statistical data																																
Fixed Voice																																
Retail basic access lines in service (thousands)	7,829	0.0%	7,733	(1.7%)	7,733	(1.7%)	7,545	(3.6%)	7,407	(4.2%)	7,407	(4.2%)	7,298	(3.3%)	7,158	(3.4%)	7,158	(3.4%)	7,034	(3.6%)	6,877	(3.9%)	6,877	(3.9%)	6,699	(4.8%)	6,543	(4.9%)	6,543	(4.9%)	6,388	(4.6%)
Wholesale basic access lines in service (thousands)	1,341	(22.5%)	1,285	(14.1%)	1,285	(14.1%)	1,263	(5.8%)	1,253	(2.5%)	1,253	(2.5%)	1,235	(2.2%)	1,212	(3.3%)	1,212	(3.3%)	1,200	(2.8%)	1,180	(2.6%)	1,180	(2.6%)	1,207	0.6%	1,239	5.0%	1,239	5.0%	1,277	5.8%
Fixed voice lines in service (thousands) [(i)]	**9,170**	**(4.0%)**	**9,018**	**(3.7%)**	**9,018**	**(3.7%)**	**8,808**	**(3.9%)**	**8,660**	**(4.0%)**	**8,660**	**(4.0%)**	**8,533**	**(3.1%)**	**8,370**	**(3.3%)**	**8,370**	**(3.3%)**	**8,234**	**(3.5%)**	**8,057**	**(3.7%)**	**8,057**	**(3.7%)**	**7,906**	**(4.0%)**	**7,782**	**(3.4%)**	**7,782**	**(3.4%)**	**7,665**	**(3.0%)**
Unconditioned local loop (ULL) services in operation (thousands)	615	57.3%	698	32.4%	698	32.4%	770	25.2%	831	19.1%	831	19.1%	914	18.7%	1,001	20.5%	1,001	20.5%	1,061	16.1%	1,160	15.9%	1,160	15.9%	1,245	17.3%	1,322	14.0%	1,322	14.0%	1,400	12.4%
Number of local calls (millions)	2,501	(16.4%)	2,343	(12.9%)	4,844	(14.7%)	2,176	(13.0%)	1,958	(16.4%)	4,134	(14.7%)	1,872	(14.0%)	1,698	(13.3%)	3,570	(13.6%)	1,576	(15.8%)	1,418	(16.5%)	2,994	(16.1%)	1,292	(18.0%)	1,143	(19.4%)	2,435	(18.7%)	1,053	(18.5%)
National long distance minutes (millions)	3,278	(7.1%)	3,277	(4.1%)	6,555	(5.6%)	3,053	(6.9%)	2,862	(12.7%)	5,915	(9.8%)	2,770	(9.3%)	2,638	(7.8%)	5,408	(8.6%)	2,420	(12.6%)	2,271	(13.9%)	4,691	(13.3%)	2,066	(14.6%)	1,868	(17.7%)	3,934	(16.1%)	1,706	(17.4%)
Fixed to mobile minutes (millions)	1,675	(2.3%)	1,657	(2.3%)	3,332	(2.3%)	1,611	(3.8%)	1,522	(8.1%)	3,133	(6.0%)	1,562	(3.0%)	1,560	2.5%	3,122	(0.4%)	1,503	(3.8%)	1,450	(7.1%)	2,953	(5.4%)	1,371	(8.8%)	1,287	(11.2%)	2,658	(10.0%)	1,241	(9.5%)
International direct minutes (millions)	278	1.8%	282	2.5%	560	2.2%	280	0.7%	261	(7.4%)	541	(3.4%)	260	(7.1%)	250	(4.2%)	510	(5.7%)	241	(7.3%)	228	(8.8%)	469	(8.0%)	222	(7.9%)	241	5.7%	463	(1.3%)	273	23.0%
Average fixed voice revenue per user per month ($'s)	57.89	(1.1%)	57.14	(1.0%)	57.46	(1.1%)	56.03	(3.2%)	54.12	(5.3%)	54.99	(4.3%)	53.04	(5.3%)	51.66	(4.5%)	52.41	(4.7%)	49.97	(5.8%)	47.65	(7.8%)	48.88	(6.7%)	46.35	(7.2%)	45.44	(4.6%)	45.86	(6.2%)	44.43	(4.1%)
Fixed data																																
Fixed data SIOs - Retail (thousands)	2,297	9.2%	2,274	0.9%	2,274	0.9%	2,222	(3.3%)	2,234	(1.8%)	2,234	(1.8%)	2,376	6.9%	2,396	7.3%	2,396	7.3%	2,504	5.4%	2,599	8.5%	2,599	8.5%	2,684	7.2%	2,772	6.7%	2,772	6.7%	2,847	6.1%
Broadband wholesale SIOs (thousands)	1,179	(14.3%)	1,110	(12.7%)	1,110	(12.7%)	1,053	(10.7%)	1,003	(9.6%)	1,003	(9.6%)	919	(12.7%)	869	(13.4%)	869	(13.4%)	815	(11.3%)	767	(11.7%)	767	(11.7%)	761	(6.6%)	769	0.3%	769	0.3%	777	2.1%
Fixed data SIOs (thousands) [(i)]	**3,476**	**(0.1%)**	**3,384**	**(4.0%)**	**3,384**	**(4.0%)**	**3,275**	**(5.8%)**	**3,237**	**(4.3%)**	**3,237**	**(4.3%)**	**3,295**	**0.6%**	**3,265**	**0.9%**	**3,265**	**0.9%**	**3,319**	**0.7%**	**3,366**	**3.1%**	**3,366**	**3.1%**	**3,445**	**3.8%**	**3,541**	**5.2%**	**3,541**	**5.2%**	**3,624**	**5.2%**
Wholesale line spectrum site sharing (LSS) SIOs (thousands)	501	32.9%	580	33.1%	580	33.0%	672	34.1%	735	26.7%	735	26.7%	741	10.3%	725	(1.4%)	725	(1.4%)	717	(3.2%)	696	(4.0%)	696	(4.0%)	658	(8.2%)	631	(9.3%)	631	(9.3%)	614	(6.7%)
Average retail fixed data revenue per user per month ($'s)	57.32	6.1%	57.24	6.4%	57.70	6.5%	55.87	(2.5%)	55.11	(3.7%)	55.54	(3.7%)	53.26	(4.7%)	52.05	(5.6%)	53.34	(4.0%)	53.41	0.3%	53.72	3.2%	53.64	0.6%	54.29	1.7%	54.79	2.0%	54.53	1.7%	55.04	1.0%
Average fixed data revenue per user per month ($'s)	57.32	6.1%	57.24	6.4%	57.70	6.5%	55.87	(2.5%)	55.11	(3.7%)	55.54	(3.7%)	49.34	(11.7%)	48.79	(11.5%)	49.39	(11.1%)	49.83	1.0%	49.96	2.4%	49.92	1.1%	50.29	0.9%	50.53	1.1%	50.35	0.9%	50.71	0.8%
ISDN																																
ISDN access (basic access line equivalents) (thousands)	1,284	(0.3%)	1,291	(0.5%)	1,291	(0.5%)	1,305	1.6%	1,308	1.3%	1,308	1.3%	1,312	0.5%	1,308	0.0%	1,308	0.0%	1,304	(0.6%)	1,297	(0.8%)	1,297	(0.8%)	1,282	(1.7%)	1,285	(0.9%)	1,285	(0.9%)	1,265	(1.3%)
ISDN average revenue per user per month ($'s)	62.39	(6.9%)	59.37	(4.4%)	60.64	(8.1%)	59.46	(4.7%)	56.40	(5.0%)	58.05	(4.3%)	56.88	(4.3%)	54.67	(3.1%)	55.87	(3.8%)	53.56	(5.8%)	52.10	(4.7%)	52.86	(5.4%)	51.47	(3.9%)	49.25	(5.5%)	50.19	(5.1%)	47.41	(7.9%)
Mobiles																																
Total retail mobile SIOs (thousands)	9,706	4.2%	10,191	9.2%	10,191	9.2%	10,386	7.0%	10,555	3.6%	10,555	3.6%	11,482	10.6%	12,223	15.8%	12,223	15.8%	13,205	15.0%	13,815	13.0%	13,815	13.0%	14,423	9.2%	15,072	9.1%	15,072	9.1%	15,811	9.6%
Postpaid handheld mobile SIOs (in thousands)	5,673	4.3%	5,727	3.0%	5,727	3.0%	5,394	(4.9%)	5,427	(5.2%)	5,427	(5.2%)	5,728	6.2%	6,062	11.7%	6,062	11.7%	6,400	11.7%	6,596	8.8%	6,596	8.8%	6,861	7.2%	7,019	6.4%	7,019	6.4%	7,122	3.8%
Mobile broadband (data cards) SIOs (in thousands)	765	95.2%	1,046	98.9%	1,046	98.9%	1,210	58.2%	1,498	43.2%	1,498	43.2%	1,970	62.8%	2,310	54.2%	2,310	54.2%	2,746	39.4%	3,118	35.0%	3,118	35.0%	3,336	21.5%	3,570	14.5%	3,570	14.5%	3,672	10.1%
Prepaid mobile handheld unique users (thousands)	1,915	6.4%	1,951	8.3%	1,951	8.3%	1,921	0.3%	1,889	(3.2%)	1,889	(3.2%)	1,943	1.1%	1,921	1.7%	1,921	1.7%	1,988	2.3%	2,029	5.6%	2,029	5.6%	2,102	5.7%	2,197	8.3%	2,197	8.3%	2,347	11.7%
Machine to Machine (M2M) (thousands)	0	n/m	0	n/m	0	n/m	484	n/m	539	n/m	539	n/m	577	19.2%	658	22.1%	658	22.1%	744	28.9%	809	22.9%	809	22.9%	888	19.4%	970	19.9%	970	19.9%	1,086	22.3%
Satellite (thousands)	0	n/m	0	n/m	0	n/m	0	n/m	0	n/m	0	n/m	0	n/m	0	n/m	0	n/m	24	n/m	25	n/m	25	n/m	26	8.3%	27	8.0%	27	8.0%	28	7.7%
Total wholesale SIOs (thousands)	75	5.6%	72	(2.7%)	72	(2.7%)	76	1.3%	81	12.5%	81	12.5%	80	5.3%	74	(8.6%)	74	(8.6%)	65	(18.8%)	57	(23.0%)	57	(23.0%)	67	3.1%	241	322.8%	241	322.8%	348	419.4%
Mobile voice telephone minutes (millions)	5,570	13.2%	5,435	5.0%	11,005	9.0%	5,723	2.7%	5,801	6.7%	11,524	4.7%	6,416	12.1%	7,096	22.3%	13,512	17.3%	8,063	25.7%	8,863	24.9%	16,926	25.3%	9,906	22.9%	10,504	18.5%	20,410	20.6%	11,633	17.4%
Number of SMS sent (millions)	4,353	35.0%	4,590	22.4%	8,943	28.3%	4,783	9.9%	4,611	0.5%	9,394	5.0%	4,810	0.6%	5,095	10.5%	9,905	5.4%	5,882	22.3%	6,165	21.0%	12,047	21.6%	6,771	15.1%	6,992	13.4%	13,763	14.2%	7,475	10.4%
Blended average revenue per user (incl interconnection and MRO) ($'s)	52.11	10.2%	49.41	1.3%	50.58	5.0%	50.55	(3.0%)	50.18	1.6%	50.61	0.1%	49.77	(1.5%)	47.71	(4.9%)	48.90	(3.4%)	47.71	(4.1%)	43.94	(7.9%)	46.08	(5.8%)	44.29	(7.2%)	43.47	(1.1%)	43.84	(4.9%)	43.35	(2.1%)
Average postpaid handheld revenue per user (excl. MRO) ($'s)	0	n/m	0	n/m	0.00	n/m	0	n/m	0	n/m	0	n/m	65.59	n/m	65.33	n/m	65.36	n/m	66.48	1.4%	63.69	(2.5%)	65.42	0.1%	64.75	(2.6%)	65.39	2.7%	65.33	(0.1%)	66.09	2.1%
Average postpaid handheld revenue per user (incl. MRO) ($'s)	63.77	n/m	60.64	n/m	62.35	n/m	65.13	2.1%	65.85	8.6%	65.26	4.7%	64.81	(0.5%)	63.32	(3.8%)	63.95	(2.0%)	63.38	(2.2%)	59.04	(6.8%)	61.51	(3.8%)	58.88	(7.1%)	58.29	(1.3%)	58.80	(4.4%)	58.81	(0.1%)
Average prepaid handheld revenue per user ($'s)	15.04	n/m	15.53	n/m	15.14	n/m	15.38	2.3%	15.12	(2.6%)	15.36	1.5%	17.52	13.9%	15.94	5.4%	16.89	10.0%	16.76	(4.3%)	16.67	4.6%	16.87	(0.1%)	17.79	6.1%	18.44	10.6%	17.94	6.3%	18.90	6.2%
Average mobile broadband revenue per user per month ($'s)	74.48	n/m	58.50	n/m	64.29	n/m	58.82	(21.0%)	52.07	(11.0%)	55.30	(14.0%)	43.44	(26.1%)	36.37	(30.1%)	40.22	(27.3%)	32.50	(25.2%)	29.84	(18.0%)	31.26	(22.3%)	29.75	(8.5%)	29.93	0.3%	29.80	(4.7%)	29.60	(0.5%)
Average machine to machine revenue per user per month ($'s)	0.00	n/m	0.00	n/m	0.00	n/m	11.36	n/m	10.07	n/m	10.63	n/m	9.66	(15.0%)	9.76	(3.1%)	9.54	(10.3%)	9.60	(0.6%)	8.50	(12.9%)	9.09	(4.7%)	8.66	(9.8%)	8.30	(2.4%)	8.46	(6.9%)	7.69	(11.2%)
Average satellite revenue per user per month ($'s)	0.00	n/m	0.00	n/m	0.00	n/m	0.00	n/m	0.00	n/m	0.00	n/m	0.00	n/m	0.00	n/m	0.00	n/m	47.07	n/m	34.67	n/m	40.70	n/m	43.47	(7.6%)	39.46	13.8%	41.32	1.5%	40.43	(7.0%)
Pay TV bundling																																
Total pay TV bundling SIOs (thousands)	460	8.0%	450	0.0%	450	0.0%	479	4.1%	504	12.0%	504	12.0%	513	7.1%	508	0.8%	508	0.8%	504	(1.8%)	501	(1.4%)	501	(1.4%)	507	0.6%	500	(0.2%)	500	(0.2%)	500	(1.4%)
Labour																																
Full time staff and equivalents	41,540	(1.8%)	39,464	(7.8%)	39,464	(7.8%)	39,763	(4.3%)	41,690	5.6%	41,690	5.6%	35,729	(10.1%)	36,072	(13.5%)	36,072	(13.5%)	36,472	2.1%	36,039	(0.1%)	36,039	(0.1%)	31,997	(12.3%)	31,798	(11.8%)	31,798	(11.8%)	32,686	2.2%

(i) Includes NBN
Note: statistical data represents management's best estimates.