

Telstra Corporation Limited

04/05 Third Quarter

Market Update

Continuing solid revenue growth

Highlights for the third quarter and the nine-month period to 31 March 2005

- Reported sales revenue grew by 6.5% in the third quarter and 7.4% to \$16.6 billion year to date
- Underlying sales revenue grew by 3.3% in the third quarter and 4.3% to \$16.1 billion year to date
- Underlying domestic sales revenue growth of 2.8% in the third quarter and 4.0% to \$15 billion year to date
- Internet & IP Solutions revenue grew by 38% in the third quarter and 35% or \$251 million year to date
- Mobiles revenue grew by 7.6% in the third quarter and 8.3% or \$238 million year to date
- Underlying advertising and directories revenue grew by 15% in the third quarter and 8.3% or \$83 million year to date
- A total of 246,000 broadband subscribers (retail and wholesale) were added in the third quarter
- Total mobile subscribers reached 8.1 million, an increase of 76,000 in the third quarter

Telstra Corporation Limited

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Overview

Quarter ended 31 March 2005:

Reported total revenue increased by 7.6% or \$391 million to \$5,521 million, which included increased revenue of \$155 million generated by recently acquired entities and \$87 million from investment and property sales. **Reported sales revenue** increased by 6.5% or \$326 million to \$5,340 million.

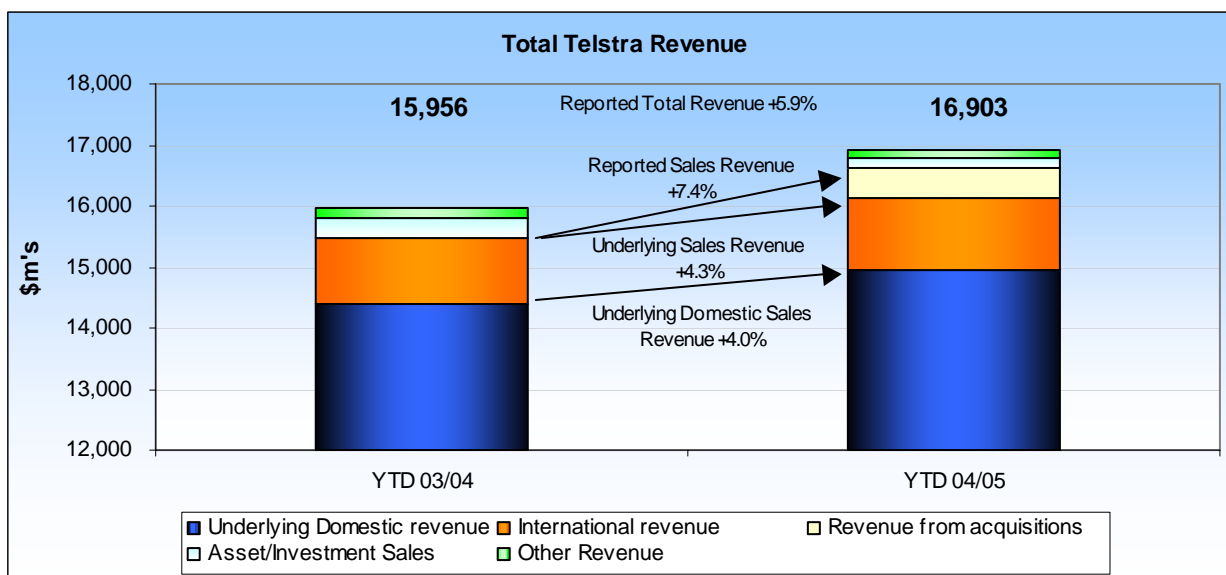
Underlying¹ total revenue increased by 2.8% or \$141 million to \$5,208 million. **Underlying¹ sales revenue** increased by 3.3% or \$163 million to \$5,169 million due to growth in broadband, mobiles, pay TV bundling, advertising and directories, and offshore business activities offset by a decline in PSTN calling products as migration to other products occurs. **Underlying¹ domestic sales revenue** increased by 2.8% or \$132 million to \$4,785 million.

The third quarter results include the impact of an early Easter in 2004/05 and a leap year in 2003/04 resulting in 3 less working days than the prior corresponding period.

Nine months ended 31 March 2005:

Reported total revenue increased by 5.9% or \$947 million to \$16,903 million which included increased revenue of \$485 million generated by recently acquired entities and a decline in revenue from investment and property sales of \$108 million. **Reported sales revenue** increased by 7.4% or \$1,145 million to \$16,615 million.

Underlying¹ total revenue increased by 3.6% or \$570 million to \$16,242 million. **Underlying¹ sales revenue** increased by 4.3% or \$660 million to \$16,122 million due to growth in broadband, mobiles, pay TV bundling, advertising and directories, offshore business activities and other sales & service offset by a decline in PSTN calling products as migration to other products occurs. **Underlying¹ domestic sales revenue** increased by 4.0% or \$569 million to \$14,961 million.



The following details the Telstra group revenue result for the quarter ended 31 March 2005.

Footnotes:

All percentages relate to growth on prior corresponding period (PCP)

All statistical data represents management's best estimates and excludes all Telstra internal usage statistics

(1) Underlying results are produced to allow like for like comparison by removing those items that are: not of a comparable nature owing to structural changes to the business such as acquisitions; significant and non recurring; or not part of the core operations of the business.

Underlying numbers exclude proceeds from property and investment sales and revenues from the acquisitions of Trading Post, KAZ Group, PSINet Group, Damovo and Universal Publishers



Mobiles

Total mobiles revenue, including wholesale mobiles, grew by 7.6% or \$71 million for the quarter, with growth of 8.3% or \$238 million for the nine months ended 31 March 2005.

Mobile services revenue increased by 7.6% or \$65 million for the quarter. Growth of 8.5% or \$220 million was achieved for the nine months. Increases for the quarter were comprised of access fees and call revenues of \$21 million, value added services of \$41 million and wholesale services of \$3 million.

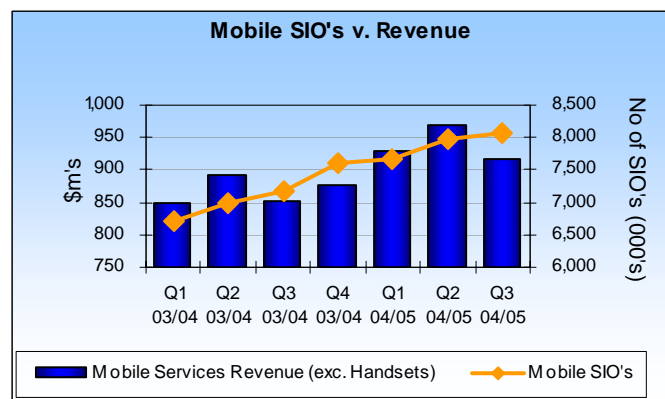
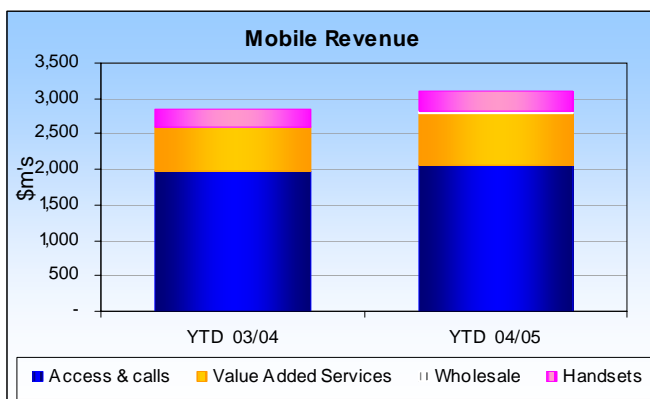
Access fees and call revenue growth of 3.3% or \$21 million for the quarter, due to the increase in mobile services in operation of 12% to 8.1 million and increases in mobile voice minutes of 5.6%. Yields have declined due to the impact of promotions such as FreeChat, FlatChat, Free24/7, 18 cents per 5 minutes and capped plans which is reflective of the competitive mobiles environment. These initiatives have impacted the yield for both prepaid and postpaid products. The increases for the quarter were attributable to:

- Growth in prepaid revenues of 2.9% or \$3 million reflecting a 27% increase in the prepaid services base and an increase in calling minutes of 12%. The reduction in yield is attributable to the increased usage of discounts, which are provided in the form of bonus options that are taken up by the customer on Telstra Prepaid Plus such as 1c per minute and double recharge. In addition, the third quarter saw lower than average additions to prepaid services from lower activations and higher deactivations as the variety of consumer offers increased and competition intensified.
- Growth in postpaid revenues of 3.2% or \$18 million due to the growth in postpaid services of 3.5% and postpaid calling minutes of 4.9% offset by yield reductions due to the above mentioned chat promotions.

Increase in value added services for the quarter was achieved by:

- Growth in mobile data revenue of 15% or \$17 million, attributable to:
 - Short Message Service (SMS) growth of 8.0% or \$8.3 million as the number of messages grew by 14% to 567 million. Yield reductions resulted from increased discounting initiatives such as Telstra Rewards and Bonus Options which provide free text and picture messages or 15c text messages;
 - Other mobile data growth of 79% or \$9.0 million due to growth in General Packet Radio Service (GPRS) usage including Telstra wireless access protocols (WAP). Data transmission volumes have increased as GPRS phones and hand held computers such as the Blackberry continue to grow momentum in the corporate segment.
- International roaming revenue growth of 53% or \$21 million for the quarter due to increase in inbound roaming pricing and increased inbound activity due to the continuing growth in international travel.
- Messagebank revenue increased by 6.7% or \$3 million.

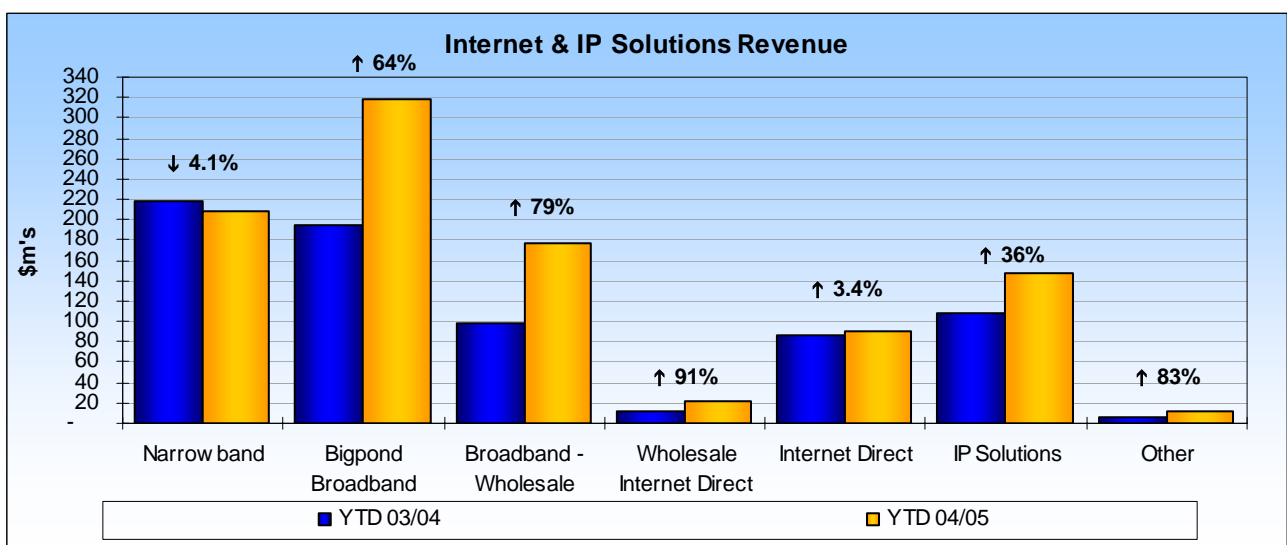
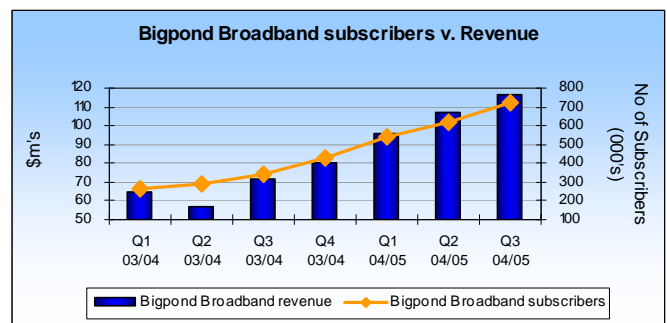
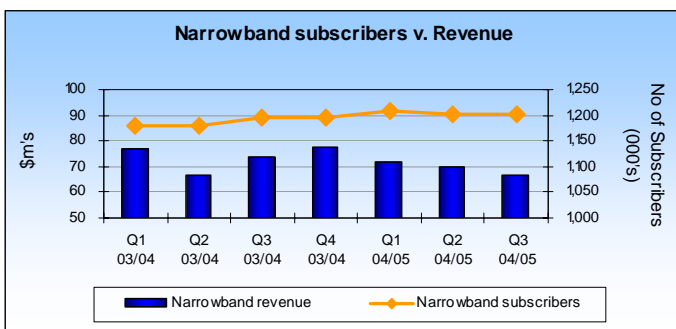
Mobile handset revenue achieved growth of 7.6% or \$6 million with 6.8% or \$18 million for the nine months ended 31 March 2005. Growth for the quarter was attributable to the increased sales of prepaid phones driven by the growth in the number of prepaid customers.



Internet and IP

Internet and IP solutions revenue grew by 38% for the quarter driven by a \$76 million increase in broadband revenue. For the nine months ended 31 March 2005 revenue grew by 35% or \$251 million.

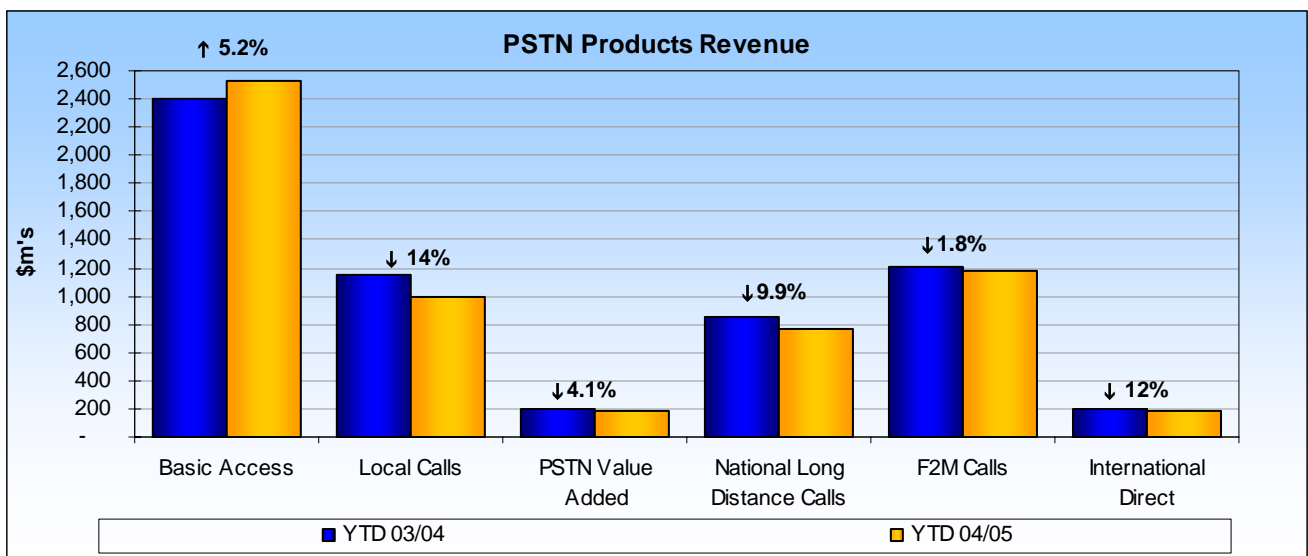
- BigPond™ broadband revenue grew by \$44 million for the quarter due to a 112% increase in subscribers across ADSL and cable. The growth of this product is attributable to increased internet usage, self install kits and successful broadband marketing campaigns which included new pricing plans. Business DSL has also contributed to the revenue growth with large contract wins and migration to the newer technology. For the nine month period revenue has increased by 64% or \$125 million.
- Wholesale broadband revenue increased by \$32 million for the quarter. Wholesale DSL Layer 2 revenue grew by \$39 million due to a 240% increase in SIOs offset by reduced yields resulting from competitive pricing pressures. Flexstream revenue declined due to decreased SIOs as customers migrate to other data products and significant yield reductions aimed at customer retention. Wholesale broadband revenue grew by 79% or \$78 million for the nine month period.
- Narrowband revenue, representing dial-up internet, has declined by \$7 million despite negligible movement in SIOs. This is due to significant price competition in the market and the migration of high yield users to broadband services. For the nine month period dial-up internet revenue has decreased by 4.1%.
- IP solutions revenue grew by \$16 million for the quarter due to increased IP MAN/Ethernet revenue from major contract wins and extension of coverage on existing services in the government sector. IP WAN revenue also improved due to major network expansions for large corporate contracts as customers migrate from older product technologies such as frame relay and ISDN. IP Solutions revenue has increased by 36% or \$39 million for the nine month period.



PSTN Products

PSTN products revenue has decreased by 4.8% to \$1,873 million for the quarter. For the nine months ended 31 March 2005 PSTN products revenue has decreased by 2.8% to \$5,845 million. The increase in basic access revenue from the continued impact of rebalancing initiatives has been offset by a decline in basic access lines and volume reductions across the calling products. Calling product volumes were impacted by the timing of the Easter holiday period.

- Basic access revenues grew by 4.5% to \$831 million for the quarter due to a price increase in June 2004 as part of the rebalancing initiatives offset by a decline in the number of basic access lines due to competition and migration to other products such as ISDN, broadband and mobiles. For the nine month period basic access revenues grew by 5.2% or \$126 million.
- Local call revenue has decreased by 18% for the quarter reflecting a 12% reduction in the number of calls due to product substitution to mobiles, fixed to mobiles, internet and ISDN products. Yield has declined by 7% due to competitive prices across all market segments and package discounts offered in the consumer market. Consumer churn to wholesale has also contributed to a lower yield. Local call revenue has declined by 14% for the nine months ended 31 March 2005.
- National long distance revenue decreased by 12% for the quarter attributable to an 11% reduction in call minutes due to shorter call durations and product substitution to mobiles, fixed to mobile, internet and ISDN. Yield has also declined due to increased capped calling rates and competitive pricing pressures offset by flagfall increases. For the nine month period national long distance revenue has reduced by 9.9%.
- Fixed to mobile revenue has declined by 5% for the quarter attributable to a lower yield resulting from increased competitive pricing pressures in the business sector offset by a higher yield in the consumer market due to flagfall increases. The minutes of use increased 0.5% for the quarter. Fixed to mobile revenue has declined by 1.8% for the nine month period.
- International direct[®] revenue has reduced by 14% for the quarter attributable to a 12% decline in the number of call minutes and a slight decline in yield. This reduction was due to the continued migration to aggressively priced prepaid calling cards and customers using other products such as e-mail and internet chat facilities. For the nine month period international direct revenue has decreased by 12%.
- PSTN value added services revenue was flat for the quarter. The decline in Messagebank[®] has slowed as the impact of customer migration to Telstra Home Message 101[™] was felt mainly in the prior year third quarter. Call Return (*10#) usage declined slightly after an increase in calling number display subscriptions and higher call completion rates although the decline has slowed considerable in the third quarter. PSTN value added services revenue has reduced by 4.1% for the nine months.

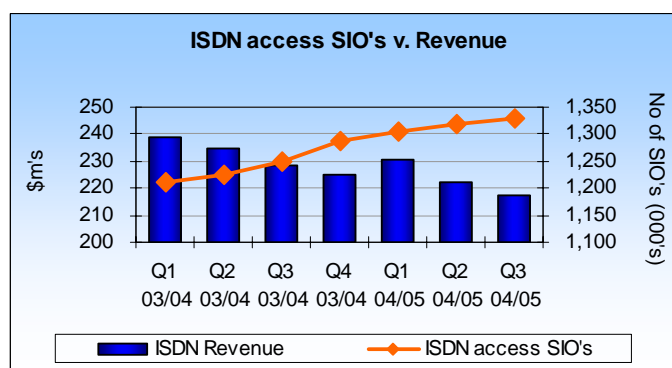
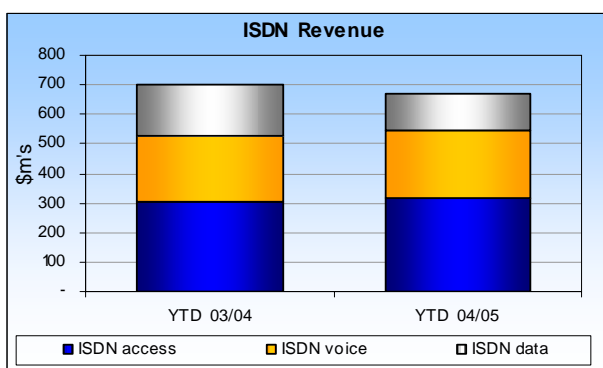


Specialised Data

Specialised data revenue decreased by 9.3% for the quarter and 5.8% for the nine-month period, reflecting a decline in mature products such as Leased Lines and DDS (Digital Data Services) where customers have migrated to newer technologies. Frame relay revenue declined, although SIOs have increased as more customers take up IP WAN for which frame relay is the premium access. ATM revenue has increased, despite being in the mature phase of its life cycle, due to increased SIOs and the reallocation of some revenue previously included in frame relay.

ISDN Products

ISDN revenue has declined by 4.8% or \$11 million for the quarter and 4.3% or \$30 million for the nine-month period. This includes a 27% or \$14 million decrease in ISDN data call revenue for the quarter as corporate customers continued to migrate to more technologically advanced products such as IP products. This is partly offset by growth in ISDN access revenue of 5% or \$5 million due to the penetration into the SME and consumer markets for ISDN. The number of services grew by 6.3%.



Advertising & Directories

Reported advertising and directories revenues, including revenue generated by Trading Post, increased by \$72 million for the quarter and \$196 million for the nine month period. After excluding Trading Post revenues, underlying advertising and directories revenue increased by 15% or \$35 million for the quarter and 8.3% or \$83 million for the nine month period.

For the quarter Yellow Pages revenue has increased by 8.6% or \$15 million attributable to the introduction of full-page advertising options into additional categories in regional books. White Pages revenue grew by 22% or \$10 million due to the continued success of additional colour listing options and higher customer yields in regional books. Other directory products grew by 50% mainly in the area of online advertising and location and navigation products from additional customers.

Intercarrier Services

Intercarrier services revenue grew by 2.3% for the quarter and 2.8% for the nine month period. SMS interconnect revenue and wholesale roaming revenue both increased due to higher volumes. Facilities access revenue increased due to higher demand for access to exchanges, equipment and mobile towers as other carriers seek to expand their infrastructure. These increases were offset by a decline in PSTN terminating revenues due to a yield reduction arising from price rebalancing initiatives and a decline in volumes. Mobiles terminating revenues declined for the quarter due to regulatory driven pricing changes, partly offset by higher volumes from increased mobile services.

Solutions Management

Reported solutions management revenue increased by 79% or \$95 million for the quarter. This includes revenue generated by the KAZ group of \$84 million and Damovo of \$3 million. Revenue for the nine-month period increased 87% or \$315 million including revenue generated by the KAZ group of \$272 million and Damovo of \$8 million. Telstra acquired the KAZ Group in July 2004 and Damovo in September 2004.

Telstra Corporation Limited and controlled entities

Without the benefit of these acquisitions, underlying solutions management revenues increased by 6.6% or \$8 million for the quarter and 9.6% or \$35 million for nine-month period. The growth is due to the commencement of significant new radio services construction contracts and an increase in managed wide area networks.

Hong Kong CSL

In local currency (HK\$), revenue increased by 8.9% for the quarter and for the nine month period revenue increased by 8.2%. This was achieved through continued strong growth in mobile handset sales due to the move into new market segments and the launch of new handset models with advanced features; along with strong growth in prepaid, international voice and data revenue through MMS handsets and innovative content applications. These increases have been partially offset by a continuing decline in local voice revenue as a result of the aggressive price competition.

In Australian dollars, revenues increased by 7.2% or \$12 million for the quarter, which also includes and adverse exchange rate impact of \$3 million. For the nine month period revenue increased by 2.8% or \$15 million with the exchange rate impact adversely affecting results by \$30 million.

TelstraClear

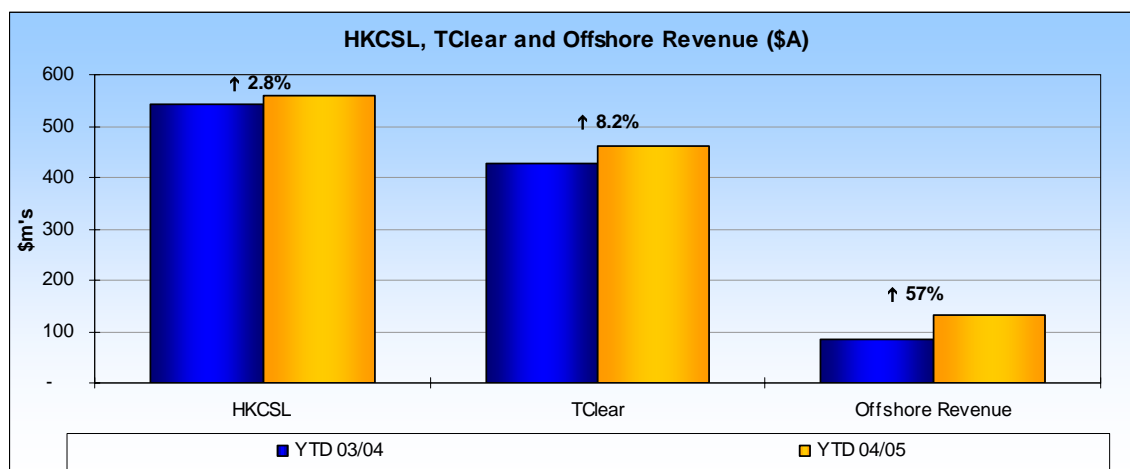
Total revenue growth of 3.0% or NZ\$5 million was achieved for the quarter and for the nine month period revenue increased by 3.3% or NZ\$16 million. On a stand-alone basis, including intercompany revenue, TelstraClear revenue increased by 3.0% for the quarter and 3.7% for the nine months. Revenue growth was achieved from continued strong retail revenue growth, particularly in the business and government sector and a strong consumer growth from increased PSTN on-net charges and homeplan. This was partially offset by a decrease in wholesale due to rate reductions with international carriers in the wholesale market.

In Australian dollars revenue increased by 9.7% or \$14 million for the quarter and for the nine month period increased by 8.2% or \$35 million, the exchange rate impact positively affected results by \$15 million.

Offshore Services Revenue

Reported offshore revenue has increased by 76% or \$28 million for the quarter and included revenue generated by PSINet of \$21 million. For the nine months reported revenue increased 117% or \$99 million and included PSINet revenue of \$51 million. Telstra acquired PSINet in August 2004.

Underlying offshore revenue grew by 19% or \$7 million for the quarter and for the nine month period increased by 57% or \$48 million. This is primarily due to Global Sales acquiring the customer & network bases from Powergen and Cable Telecom in the UK in October 2003 and February 2004 respectively.



Inbound calling products

Inbound calling products revenue declined by 8.3% for the quarter. For the nine month period revenue decreased by 4.5%. Competitive market pressures on prices have resulted in a decline in net yield and the customer base.

Pay TV Bundling

There has been continued rapid growth in Pay TV bundling with revenue increasing by 73% or \$30 million for the quarter and 81% or \$86 million for the nine-month period. Telstra's bundled Foxtel subscribers have increased by 25% to 273,000. Telstra now has 52,000 Austar bundled subscribers. The growth in services is due to the introduction of digital TV and a change to the packaging and bonus option introduced in June 2004.

Payphones

Payphone revenue has declined by 19% or \$7 million for the quarter and 15% or \$16 million for the nine-month period. This is from a combined effect of the loss of payphone provisioning contracts and lower usage because of product substitution to prepaid calling cards and mobile phones.

Customer Premises Equipment

Reported customer premises equipment revenue increased by 28% or \$13 million for the quarter and 21% or \$29 million for the nine-month period. This includes revenue generated from PABX equipment sales for Damovo, which was acquired in September 2004.

Underlying customer premises equipment revenue decreased by \$6 million for the quarter and \$10 million for the nine-month period. This is a combined effect of retail competition for fixed line handset sales and product substitution to mobiles.

Other Sales & Services

Reported other sales and services revenue grew by 24% or \$36 million for the quarter and included a reduction to revenue of \$1 million in the KAZ group, acquired by Telstra in July 2004. For the nine month period reported other sales and services revenue increased by 31% or \$135 million and included revenue of \$2 million generated by the KAZ group.

Underlying other sales and services revenue grew by 25% or \$37 million for the quarter. This included revenue growth from miscellaneous revenue with the introduction of payment processing fees on customer credit card payments \$6 million and increased overdue account fees \$7 million, commercial recoverable works \$8 million including Foxtel Pay TV digital conversion, and external construction revenue \$8 million due to increased focus on building and targeting network construction markets. For the nine month period underlying sales and services revenue grew 31% or \$133 million which also included a negative prior period accounting adjustment and growth in HFC Cable usage revenue from Foxtel reflecting increased product demand.

Other Revenue

Reported other revenue increased by 56% or \$65 million for the quarter, which included the sale of our interests in Intelsat, Ltd and Infonet Services Corporation. Underlying other revenue decreased by 36% or \$22 million for the quarter due to the reduction of government receipts from grants and other miscellaneous refunds.

Reported other revenue decreased 41% or \$198 million for the nine months ended 31 March 2005 due to the reduction of proceeds from investment sales of \$165 million, which included the prior year sale of IBMGSA for \$154 million. Underlying other revenue decreased by 43% or \$90 million for the nine months due to the sale of mid range servers in the prior year and lower other non-communications plant sales.

Service

Telstra continues to provide high service levels across Australia as evident in the recent Australian Communications Authority report for the December 2004 quarter. National Customer Service Guarantee (CSG) performance for connections was 92% and fault repairs 91%. CSG performance was above 90% in all categories, urban, rural and remote areas.

Outlook

The third quarter trading results are in line with our aspirations to lift revenues close to industry growth rates. In an environment of aggressive price competition and our changing revenue mix we continue to drive productivity improvements everywhere and contain costs to deliver EBITDA and EBIT growth.

For enquiries on this announcement please contact:

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Market Update

for three months ending 31 March 2005

	Q3 04/05 Reported	Q3 04/05 Underlying	Q3 03/04 Reported	Q3 03/04 Underlying	Reported Growth %	Underlying Growth %	Underlying Movement
\$ millions							
Mobiles							
Mobile services	918	918	853	853	7.6	7.6	65
Mobile handsets	85	85	79	79	7.6	7.6	6
Total Mobiles	1,003	1,003	932	932	7.6	7.6	71
Internet and IP solutions							
BigPond narrowband	67	67	74	74	(9.5)	(9.5)	(7)
BigPond broadband	116	116	72	72	61.1	61.1	44
Wholesale broadband	71	71	39	39	82.1	82.1	32
Wholesale internet direct and data	8	8	4	4	100.0	100.0	4
Internet direct	29	29	26	26	11.5	11.5	3
IP solutions	54	54	38	38	42.1	42.1	16
Other	6	6	2	2	200.0	200.0	4
Total Internet and IP solutions	351	351	255	255	37.6	37.6	96
PSTN Products							
Basic access	831	831	795	795	4.5	4.5	36
Local calls	302	302	370	370	(18.4)	(18.4)	(68)
PSTN value added services	62	62	62	62	0.0	0.0	0
National long distance calls	244	244	278	278	(12.2)	(12.2)	(34)
Fixed to mobile	378	378	398	398	(5.0)	(5.0)	(20)
International direct	56	56	65	65	(13.8)	(13.8)	(9)
Total PSTN	1,873	1,873	1,968	1,968	(4.8)	(4.8)	(95)
Specialised Data	234	234	258	258	(9.3)	(9.3)	(24)
ISDN Products	218	218	229	229	(4.8)	(4.8)	(11)
Advertising and Directories	314	269	242	234	29.8	15.0	35
Inter-carrier services	272	272	266	266	2.3	2.3	6
Solutions management	216	129	121	121	78.5	6.6	8
HK CSL	179	179	167	167	7.2	7.2	12
TelstraClear	158	158	144	144	9.7	9.7	14
Offshore Services Revenue	65	44	37	37	75.7	18.9	7
Inbound calling products	110	110	120	120	(8.3)	(8.3)	(10)
PayTV Bundling	71	71	41	41	73.2	73.2	30
Customer premises equipment	60	41	47	47	27.7	(12.8)	(6)
Payphones	29	29	36	36	(19.4)	(19.4)	(7)
Other sales & services							
Telstra Information & Connection Services	32	32	30	30	6.7	6.7	2
Card Services	13	13	14	14	(7.1)	(7.1)	(1)
Security products	13	13	13	13	0.0	0.0	0
Customnet & Spectrum	27	27	30	30	(10.0)	(10.0)	(3)
HFCable TV	15	15	13	13	15.4	15.4	2
Commercial & Recoverable Works	15	15	7	7	114.3	114.3	8
External Construction	21	21	13	13	61.5	61.5	8
Other	51	52	31	31	64.5	67.7	21
Total Other sales & services	187	188	151	151	23.8	24.5	37
Total Sales revenue	5,340	5,169	5,014	5,006	6.5	3.3	163
Other revenue	181	39	116	61	56.0	(36.1)	(22)
Total revenue	5,521	5,208	5,130	5,067	7.6	2.8	141
Domestic Sales Revenue	4,934	4,785	4,661	4,653	5.9	2.8	132

Selected Statistical Data							
Mobile voice telephone minutes		1,641		1,554		5.6	87
Short Message Service (SMS) (number of messages)		567		499		13.6	68
Mobile services in operation (thousands)		8,059		7,169		12.4	890
Broadband Retail subscribers		718		338		112.4	380
Broadband Wholesale subscribers		761		281		170.8	480
Total Broadband subscribers (thousands)		1,479		619		138.9	860
Narrowband subscribers (thousands)		1,202		1,197		0.4	5
Basic access lines in service		10.17		10.34		(1.6)	(0.17)
Local calls (number of calls)		2,045		2,324		(12.0)	(279)
National long distance minutes		1,890		2,128		(11.2)	(238)
Fixed to mobile minutes		1,075		1,070		0.5	5
International direct minutes		141		161		(12.4)	(20)
ISDN access (basic lines equivalents) (thousands)		1,329		1,250		6.3	79

Footnotes:

All percentages relate to growth on prior corresponding period (PCP)

Underlying excludes property and investment sales and the impact of Trading Post, KAZ Group, PSInet Group, Damovo and Universal Publishers acquisitions.

Statistical data is represented in millions unless otherwise stated, and represents management's best estimates.

Market Update

for nine months ending 31 March 2005

	Q3 04/05 Reported	Q3 04/05 Underlying	Q3 03/04 Reported	Q3 03/04 Underlying	Reported Growth %	Underlying Growth %	Underlying Movement
\$ millions							
Mobiles							
Mobile services	2,814	2,814	2,594	2,594	8.5	8.5	220
Mobile handsets	283	283	265	265	6.8	6.8	18
Total Mobiles	3,097	3,097	2,859	2,859	8.3	8.3	238
Internet and IP solutions							
BigPond narrowband	209	209	218	218	(4.1)	(4.1)	(9)
BigPond broadband	319	319	194	194	64.4	64.4	125
Wholesale broadband	177	177	99	99	78.8	78.8	78
Wholesale internet direct and data	21	21	11	11	90.9	90.9	10
Internet direct	90	90	87	87	3.4	3.4	3
IP solutions	148	148	109	109	35.8	35.8	39
Other	11	11	6	6	83.3	83.3	5
Total Internet and IP solutions	975	975	724	724	34.7	34.7	251
PSTN Products							
Basic access	2,531	2,531	2,405	2,405	5.2	5.2	126
Local calls	991	991	1,148	1,148	(13.7)	(13.7)	(157)
PSTN value added services	188	188	196	196	(4.1)	(4.1)	(8)
National long distance calls	771	771	856	856	(9.9)	(9.9)	(85)
Fixed to mobile	1,184	1,184	1,206	1,206	(1.8)	(1.8)	(22)
International direct	180	180	204	204	(11.8)	(11.8)	(24)
Total PSTN	5,845	5,845	6,015	6,015	(2.8)	(2.8)	(170)
Specialised Data	729	729	774	774	(5.8)	(5.8)	(45)
ISDN Products	671	671	701	701	(4.3)	(4.3)	(30)
Advertising and Directories	1,202	1,081	1,006	998	19.5	8.3	83
Inter-carrier services	852	852	829	829	2.8	2.8	23
Solutions management	679	399	364	364	86.5	9.6	35
HK CSL	559	559	544	544	2.8	2.8	15
TelstraClear	462	462	427	427	8.2	8.2	35
Offshore Services Revenue	184	133	85	85	116.5	56.5	48
Inbound calling products	341	341	357	357	(4.5)	(4.5)	(16)
PayTV Bundling	192	192	106	106	81.1	81.1	86
Customer premises equipment	167	128	138	138	21.0	(7.2)	(10)
Payphones	92	92	108	108	(14.8)	(14.8)	(16)
Other sales & services							
Telstra Information & Connection Services	102	102	93	93	9.7	9.7	9
Card Services	45	45	50	50	(10.0)	(10.0)	(5)
Security products	39	39	38	38	2.6	2.6	1
Customnet & Spectrum	84	84	84	84	0.0	0.0	0
HFCable TV	51	51	35	35	45.7	45.7	16
Commercial & Recoverable Works	44	44	22	22	100.0	100.0	22
External Construction	61	61	47	47	29.8	29.8	14
Other	142	140	64	64	121.9	118.8	76
Total Other sales & services	568	566	433	433	31.2	30.7	133
Total Sales revenue	16,615	16,122	15,470	15,462	7.4	4.3	660
Other revenue	288	120	486	210	(40.7)	(42.9)	(90)
Total revenue	16,903	16,242	15,956	15,672	5.9	3.6	570
Domestic Sales Revenue	15,401	14,961	14,400	14,392	7.0	4.0	569

Selected Statistical Data							
Mobile voice telephone minutes		5,045		4,565		10.5	480
Short Message Service (SMS) (number of messages)		1,709		1,427		19.8	282
Mobile services in operation (thousands)		8,059		7,169		12.4	890
Broadband Retail subscribers		718		338		112.4	380
Broadband Wholesale subscribers		761		281		170.8	480
Total Broadband subscribers (thousands)		1,479		619		138.9	860
Narrowband subscribers (thousands)		1,202		1,197		0.4	5
Basic access lines in service		10.17		10.34		(1.6)	(0.17)
Local calls (number of calls)		6,457		7,155		(9.8)	(698)
National long distance minutes		5,868		6,471		(9.3)	(603)
Fixed to mobile minutes		3,281		3,169		3.5	112
International direct minutes		445		499		(10.8)	(54)
ISDN access (basic lines equivalents) (thousands)		1,329		1,250		6.3	79

Footnotes:

All percentages relate to growth on prior corresponding period (PCP)

Underlying excludes property and investment sales and the impact of Trading Post, KAZ Group, PSInet Group, Damovo and Universal Publishers acquisitions.

Statistical data is represented in millions unless otherwise stated, and represents management's best estimates.

Refer to page 14 for product reconciliation details to align prior period comparative figures.



Telstra Corporation Limited (ABN 033 051 775 556)

Normalisation Schedule
Year Ended 31 March 2005

This schedule details the adjustments made to the reported results for the nine months ending 31 March 2005 and 2004 to arrive at the underlying business performance.

\$m	March 04/05							March 04/05 Underlying	March 03/04			March 03/04 Underlying	Reported Growth %	Underlying Growth %	Underlying M/ment	
	Reported	Asset / Investment Sales	Trading Post	KAZ	PSINet	Damovo	Universal Publishing		Total Adjst.	Reported	Asset / Investment Sales					Trading Post
Fixed to mobile																
Mobiles																
Mobile services	2,814							0	2,814	2,594		0	2,594	8.5%	8.5%	220
Mobile handsets	283							0	283	265		0	265	6.8%	6.8%	18
Total Mobiles	3,097							0	3,097	2,859		0	2,859	8.3%	8.3%	238
Internet and IP solutions	975							0	975	724		0	724	34.7%	34.7%	251
PSTN Products																
Basic access	2,531							0	2,531	2,405		0	2,405	5.2%	5.2%	126
Local calls	991							0	991	1,148		0	1,148	(13.7%)	(13.7%)	(157)
PSTN value added services	188							0	188	196		0	196	(4.1%)	(4.1%)	(8)
National long distance calls	771							0	771	856		0	856	(9.9%)	(9.9%)	(85)
Fixed to mobile	1,184							0	1,184	1,206		0	1,206	(1.8%)	(1.8%)	(22)
International direct	180							0	180	204		0	204	(11.8%)	(11.8%)	(24)
Total PSTN	5,845							0	5,845	6,015		0	6,015	(2.8%)	(2.8%)	(170)
Specialised Data	729							0	729	774		0	774	(5.8%)	(5.8%)	(45)
ISDN (Access and calls)	671							0	671	701		0	701	(4.3%)	(4.3%)	(30)
Advertising and Directories	1,202		(113)				(8)	(121)	1,081	1,006		(8)	998	19.5%	8.3%	83
Intercarrier services	852							0	852	829		0	829	2.8%	2.8%	23
Solutions management	679			(272)			(8)	(280)	399	364		0	364	86.5%	9.6%	35
HK CSL	559							0	559	544		0	544	2.8%	2.8%	15
Telstra Clear	462							0	462	427		0	427	8.2%	8.2%	35
Offshore Revenue	184				(51)			(51)	133	85		0	85	116.5%	56.5%	48
Inbound calling products	341							0	341	357		0	357	(4.5%)	(4.5%)	(16)
PayTV	192							0	192	106		0	106	81.1%	81.1%	86
Customer premises equipment	167							(39)	128	138		0	138	21.0%	(7.2%)	(10)
Payphones	92							0	92	108		0	108	(14.8%)	(14.8%)	(16)
Other sales & service	568			(2)	0	0		(2)	566	433		0	433	31.2%	30.7%	133
Sales revenue	16,615	0	(113)	(273)	(51)	(48)	(8)	(493)	16,122	15,470	0	(8)	15,462	7.4%	4.3%	660
Other revenue	288	(168)	0	0	0	0	0	(168)	120	486	(276)	0	(276)	(40.7%)	(42.9%)	(90)
Total revenue	16,903	(168)	(113)	(273)	(51)	(48)	(8)	(661)	16,242	15,956	(276)	(8)	(284)	5.9%	3.6%	570



Telstra Corporation Limited (ABN 033 051 775 556)

Product reconciliation to align comparative figures with the reported format

Nine Months Ended 31 March 2005

	Reported	Reported	Movement	Included	Amount	Excluded	Amount
	previously	New Hierarchy					
	released	Mar-04					
	\$m	\$m	\$m		\$m		\$m
Mobile services	2,583	2,594	11				
Mobile handsets	265	265	-				
Total Mobiles	2,848	2,859	11	CDMA Wholesale Domestic Resale	11		
Internet and IP solutions	713	724	11	Wholesale Access Other (incl HDSL)	10		
				Wholesale Internet and Data Other	1		
PSTN products							
Basic access	2,405	2,405	-				
Local calls	1,148	1,148	-				
PSTN value added services	196	196	-				
National long distance calls	856	856	-				
Fixed to mobile	1,206	1,206	-				
International direct	204	204	-				
Total PSTN products	6,015	6,015	-				
Specialised Data	762	774	12	Wholesale ATM	12		
ISDN Products	698	701	3			Microlink Rental Semi Permanent Circuits	(3)
Advertising and Directories	1,014	1,006	(8)			Yellow Pages Direct	8
Intercarrier services	863	829	(34)			Wholesale ATM	12
						CDMA Wholesale Domestic Resale	11
						Wholesale Access Other (incl HDSL)	10
						Wholesale Internet and Data Other	1
Solutions management	350	364	14	eBusiness Solutions	14		
Hong Kong CSL	544	544	-				
TelstraClear	427	427	-				
Various controlled entities (excluding HK CSL & TClear)	134	-	(134)			Offshore services revenue	85
						HFC Cable TV	35
						eBusiness Solutions	14
Offshore services revenue	-	85	85	Offshore services revenue	85		
Inbound calling products	357	357	-				
Pay TV bundling	-	106	106	Pay TV Bundling	106		
Customer premises equipment	138	138	-				
Payphones	108	108	-				
Other sales & service	499	433	(66)	Microlink Rental Semi Permanent Circuits	(3)	Pay TV Bundling	106
				HFC Cable TV	35		
				Yellow Pages Direct	8		
Sales revenue	15,470	15,470	-		279		279
Other revenue	486	486	(0)				
Total revenue	15,956	15,956	(0)		279		279