

11 August 2011

The Manager

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

Office of the Company Secretary

Level 41
242 Exhibition Street
MELBOURNE VIC 3000
AUSTRALIA

General Enquiries 08 8308 1721
Facsimile 03 9632 3215

ELECTRONIC LODGEMENT

Dear Sir or Madam

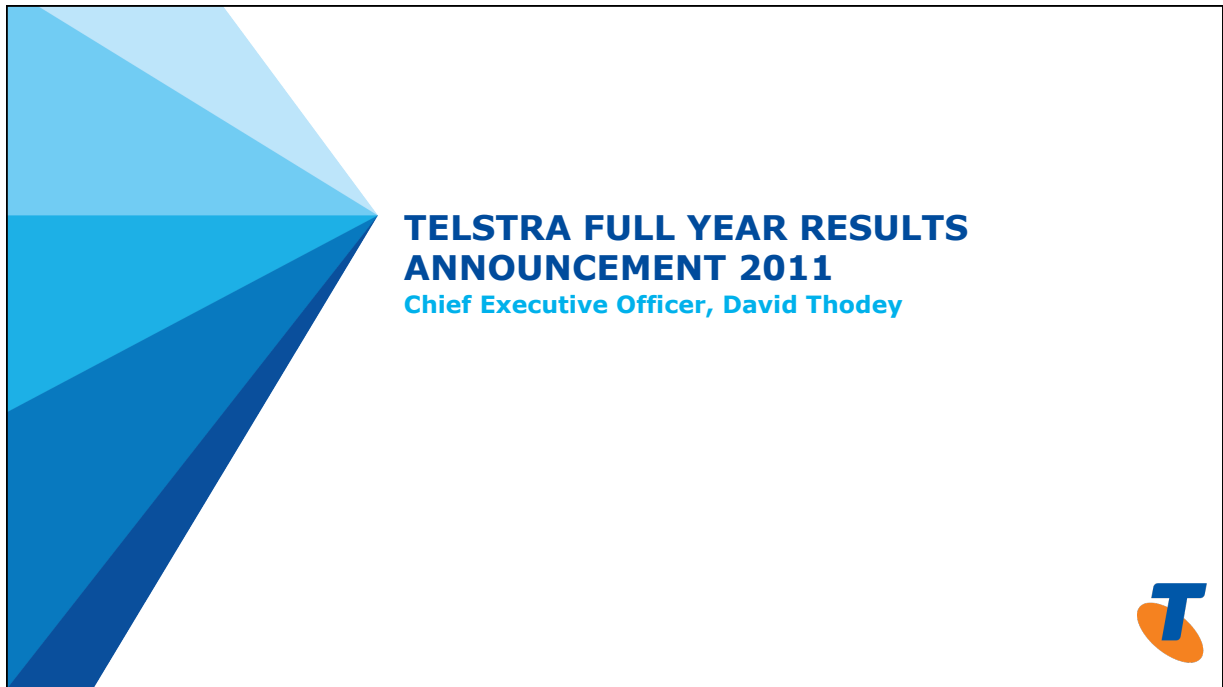
Full Year 2011 Financial Results – CEO/CFO Analyst briefing presentation

In accordance with the Listing Rules, I enclose a presentation for release to the market.


Regards

A handwritten signature in black ink, appearing to read "Carmel Mulhern". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Carmel Mulhern
Company Secretary



DISCLAIMER



- These presentations include certain forward-looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Telstra, which may cause actual results to differ materially from those expressed in the statements contained in these presentations. For example, the factors that are likely to affect the results of Telstra include general economic conditions in Australia; exchange rates; competition in the markets in which Telstra will operate; the inherent regulatory risks in the businesses of Telstra; the substantial technological changes taking place in the telecommunications industry; and the continuing growth in the data, internet, mobile and other telecommunications markets where Telstra will operate. A number of these factors are described in Telstra's Financial Report dated 11 August 2011 and 2010 Annual Debt Issuance Prospectus lodged with the ASX.
- All forward-looking figures in this presentation are unaudited and based on A-IFRS. Certain figures may be subject to rounding differences. All market share information in this presentation is based on management estimates based on internally available information unless otherwise indicated.
- All amounts are in Australian Dollars unless otherwise stated.

® TM Registered trademark and trademark of Telstra Corporation Ltd. Other trademarks are the property of their respective owners.

2

STRONG GROWTH IN SECOND HALF – EXCEEDED GUIDANCE



REPORTED RESULTS	1H11	2H11	FY11	RESULTS ON GUIDANCE BASIS	Guidance*	Outcome	
Sales Revenue growth	-0.5%	1.8%	0.7%	Sales Revenue	Flattish	1.0%	✓
Total Revenue growth	-0.5%	1.9%	0.7%	EBITDA	High single digit decline	-6.0%	✓
EBITDA growth	-13.9%	0.7%	-6.4%	Capex/Sales	14%	13.6%	✓
EBIT growth	-24.1%	-1.6%	-12.4%	Free Cash Flow (\$b)	4.5 – 5.0	5.2	✓
Attributable NPAT growth	-35.6%	0.3%	-16.8%	Ordinary DPS (cents)	28	28	✓
Free Cash Flow (\$b)	2.0	3.5	5.5				
Ordinary DPS (cents)	14	14	28				

* Guidance assumed wholesale product price stability, no fiscal 2011 impairments to investments and excludes any proceeds on the sale of businesses or any impact of network restoration work following natural disasters.

3

HIGHLIGHTS FOR THE YEAR



GREATER VALUE BUNDLES AND PRICING

>2M MOBILE CUSTOMERS ADDED IN AUST & HK

\$622 MILLION IN PRODUCTIVITY BENEFITS

CUSTOMER SERVICE INITIATIVES

NBN DEFINITIVE AGREEMENTS

4

OUR STRATEGIC PRIORITIES ARE WORKING



- 1. IMPROVE CUSTOMER SATISFACTION
- 2. RETAIN AND GROW CUSTOMERS
- 3. SIMPLIFYING THE BUSINESS
- 4. NEW GROWTH BUSINESSES

CUSTOMER SATISFACTION IS IMPROVING – WE HAVE MORE TO DO



SERVICE, PRICE, PRODUCT AND BRAND

- CREATION OF TELSTRA DIGITAL
- REDUCTION IN CALL CENTRE VOLUMES
- CALLS TO KEY SERVICE & SUPPORT NUMBERS FROM A TELSTRA SERVICE IN AUSTRALIA NOW FREE
- "MY OFFER" SUMMARY SO CUSTOMERS HAVE MORE CERTAINTY AND CONTROL OF THEIR BILL
- 80K WEEKEND TECHNICIAN APPOINTMENTS
- >5 MILLION CALLS SINCE GOING 24/7
- PERSONAL SHOPPING
- SIMPLIFIED PRICE POINTS
- APPOINTMENT OF CHIEF CUSTOMER OFFICER
- SHAPING ON MOBILE DATA USAGE
- >\$1 MILLION IN DONATIONS FOR DISASTER RELIEF
- TELSTRA CONNECTED SENIORS
- NO EXCESS USAGE CHARGES ON BIGPOND BROADBAND PLANS
- LAUNCH OF LTE
- FREEDOM CONNECT PLANS
- T.COM ENHANCEMENTS

RESULTS

ANNUALISED DEACTIVATION RATES

	FY10	FY11
Postpaid handheld	12.4%	8.8%
Retail Fixed Broadband	22.8%	17.3%
PSTN	22.6%	20.5%

CUSTOMER SATISFACTION SURVEY

- 3% improvement on prior year
- 2,500 consumers and 1,250 SME's sampled each month
- Incorporating Net Promoter Score next year

ANOTHER STRONG HALF FOR CUSTOMER GROWTH

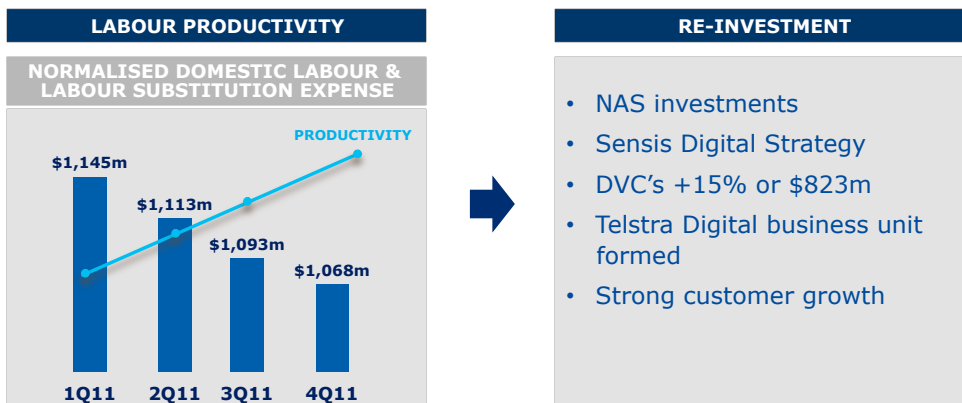


Product Net adds ('000)	FY10	1Q11	2Q11	3Q11	4Q11	FY11	TOTAL CUSTOMERS
Bundles	309	215	205	147	92	659	1,043
T-Box® and T-Hub® (sales)	21	94	119	65	86	365	385
Postpaid mobile handheld	83	116	181	197	151	645	6,455
Mobile broadband	616	251	254	206	203	914	2,576
Total mobile SIOs	371	364	555	364	378	1,661	12,223
Retail fixed broadband*	-19	59	80	47	-28	158	2,413

* 4Q11 fixed broadband adds include removal of 65k non-revenue generating services from the base. Excluding this, fixed broadband adds in the year were 223k.

7

OUR SIMPLIFICATION INITIATIVES ARE DELIVERING RESULTS



8

NETWORK APPLICATIONS AND SERVICES GROWTH OF 10.7%



OFFERINGS	HIGHLIGHTS
   	<ul style="list-style-type: none"> • Strong sales pipeline with record sales in Unified Comms & Conferencing • Investing more than \$800 million in cloud computing over the next 5 years • Acquisition of iVision to enhance video conference capabilities
<p>TELSTRA APPLICATIONS AND VENTURES GROUP ESTABLISHED</p>	

9

INTERNATIONAL – DRIVING VALUE FROM ASIA



INTERNATIONAL CARRIAGE	MOBILES	CHINA
<ul style="list-style-type: none"> • Reach restructure successfully completed • Focus in China on International Carriage & Managed Network Services • Access to new markets such as Malaysia & Korea 	<ul style="list-style-type: none"> • Local currency revenue growth of 19% • 352k mobile adds • Strong momentum into FY12 	<ul style="list-style-type: none"> • Successful exit of SouFun with \$69 million gain on sale • Impairment at Octave and LMobile • Portfolio under review

10

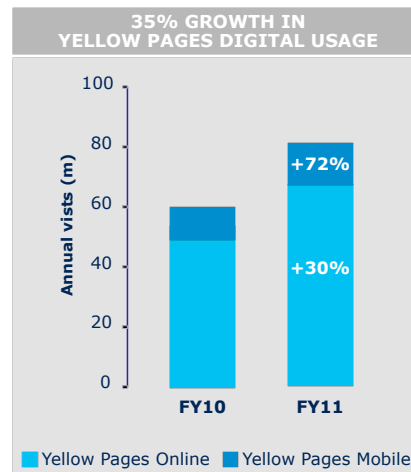
MEDIA – IPTV, FOXTEL AND BIGPOND



IPTV	FOXTEL	BIGPOND
<ul style="list-style-type: none"> • 190K T-Box sales • 25% of new broadband bundle customers take T-Box • 1.8 million movies downloaded • 30 Foxtel channels on T-Box 	<ul style="list-style-type: none"> • 6% revenue growth and 15% EBITDA growth as customers reach over 1.65 million. • Foxtel remains committed to Austar acquisition 	<ul style="list-style-type: none"> • Growing audience: unique visitors to BigPond on-line +13% & mobile sites +66% • BigPond Movies now available on over 40 different devices • AFL video streams more than doubled compared to 2010 AFL season

11

MEDIA - SENSIS



12

LEADING STRATEGIC PRIORITY SCORECARD



A. Customer satisfaction		Target	FY11	
1)	Improve customer satisfaction	6% improvement year-on-year	+3%	
2)	Reduce TIO complaints	30% reduction year-on-year	+6%	
3)	First contact resolution	75% by 2013	74%	
B. Customer growth				
4)	Fixed broadband share	Maintain over 3 years	+1pp	
5)	Wireless customer share	Grow over 3 years	+3pp	
C. Simplification				
6)	Improving productivity	Retail productivity to increase 10% by 2013	+1%	
7)	Lower transaction costs	35% of transactions online by 2013	23%	
D. Growing the business				
8)	Percentage of revenue from NAS, media and Asia	More than 20% by 2013	19%	

13

MOMENTUM TO CONTINUE IN 2012



Measure*	Fiscal 2012
Total Revenue	Low single-digit growth
EBITDA	Low single-digit growth
Capex	14% of sales
Free cashflow	\$4.5 - \$5.0 billion
Dividend**	28 cps fully franked

* Guidance assumes wholesale product price stability and excludes any further impairments to investments and proceeds on the sale of businesses
 ** Dividend subject to the Board's normal approval process for dividend declaration and no unexpected material events.

14

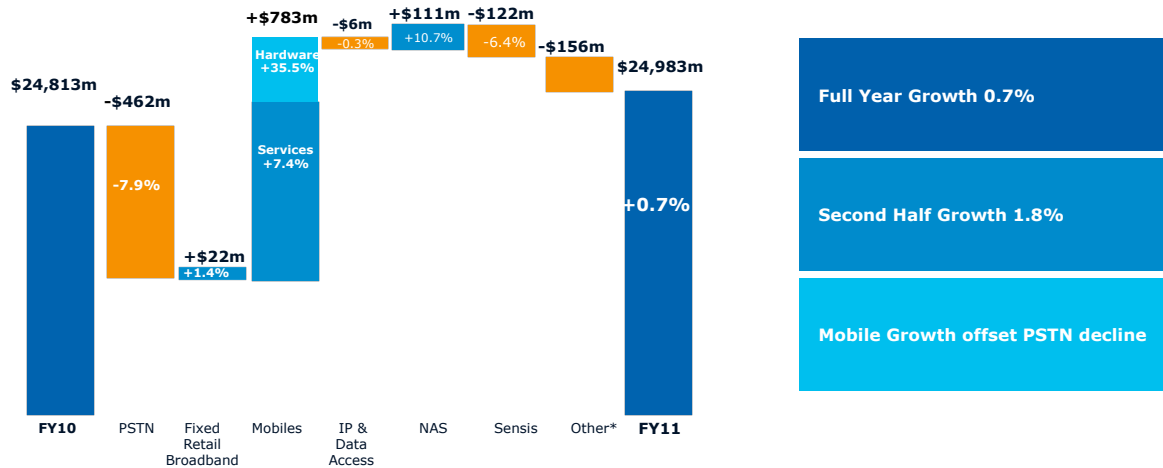


FINANCIAL RESULTS - REPORTED

\$ Billions	FY10	FY11	% Growth (Reported basis)	% Growth (Guidance basis*)	
Sales Revenue	24.8	25.0	0.7%	1.0%	✓
Total Revenue	24.9	25.1	0.7%		
EBITDA	10.8	10.2	-6.4%	-6.0%	✓
EBIT	6.5	5.7	-12.4%		
Attributable NPAT	3.9	3.2	-16.8%		
Accrued Capex	3.5	3.4	-1.8%		✓
Free Cash Flow	6.2	5.5	-12.0%	-17.2%	✓
Ordinary DPS (cents)	28	28	-		✓

* Guidance assumed wholesale product price stability, no fiscal 2011 impairments to investments and excludes any proceeds on the sale of businesses or any impact of network restoration work following natural disasters.

SALES REVENUE BY PRODUCT - MIX CHANGE CONTINUES



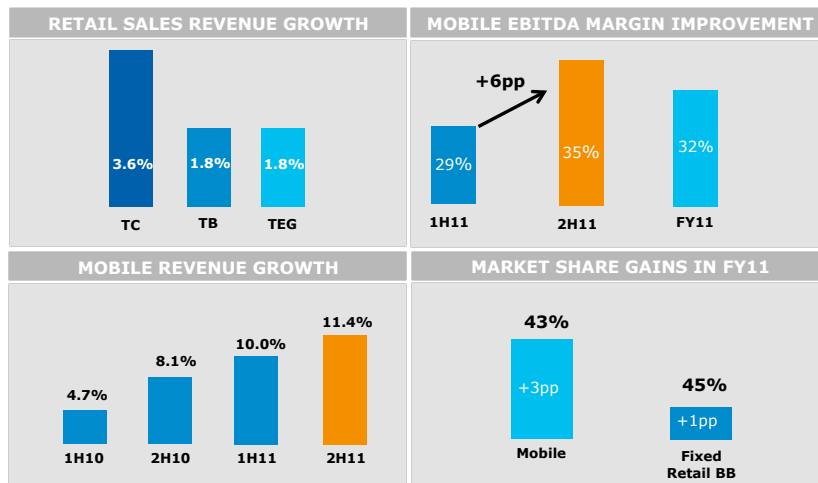
* Other includes ISDN (-\$28m), Other fixed internet (-\$75m), Other fixed (\$64m), Offshore content & online content (-\$59m), CSLNW (\$44m), TelstraClear (-\$13m), Other offshore services (\$6m), Pay TV (\$73m), Other advertising revenue (-\$131) and Other (-\$37m).

Full Year Growth 0.7%

Second Half Growth 1.8%

Mobile Growth offset PSTN decline

OUR STRATEGIC PRIORITIES ARE DELIVERING FINANCIAL OUTCOMES

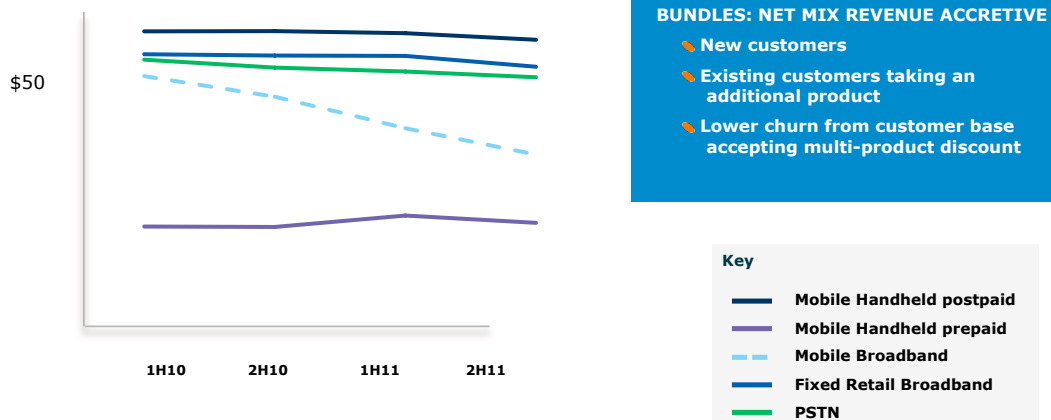


2011 STRATEGIC INVESTMENT HAS DELIVERED WITHIN GUIDANCE



	FY11 direction	FY11 outcome
OPEX		
Labour	~ \$250m	\$217m
Goods & Services Purchased	~ \$650m	\$823m
Other Expenses	~ \$200m	-\$70m
OPEX increase	~\$1bn	\$970m

ARPU TRENDS



PRODUCT PROFITABILITY*



EBITDA MARGIN	FY08	FY09	FY10	1H11	2H11	FY11
Mobiles	30%	34%	35%	29%	35%	32%
Fixed Internet	27%	35%	40%	34%***	32%	33%
PSTN	61%	59%	60%	59%	59%	59%
IP & Data	55%	57%	62%	61%	61%	61%
Sensis**	51%	53%	57%	41%	65%	56%
Total Telstra Group	42.2%	43.2%	43.7%	37.3%	43.8%	40.6%

* Based on Telstra management estimates

** From FY09, Sensis EBITDA margins exclude China online businesses.

*** 1H11 Fixed Internet restated from 33% due to minor adjustments to cost alignment and rounding

RETAIL SEGMENTS



CONSUMER AND COUNTRY WIDE

Sales Revenue

+3.6%

Strategic initiatives delivered strong growth in customer base

Mobile customers: +1.1m

Fixed Retail Broadband customers: +160k

BUSINESS

Sales Revenue

+1.8%

Launch of Digital Business

IP and NAS Revenue: \$300m

Mobile postpaid customers: +263k

ENTERPRISE & GOVERNMENT

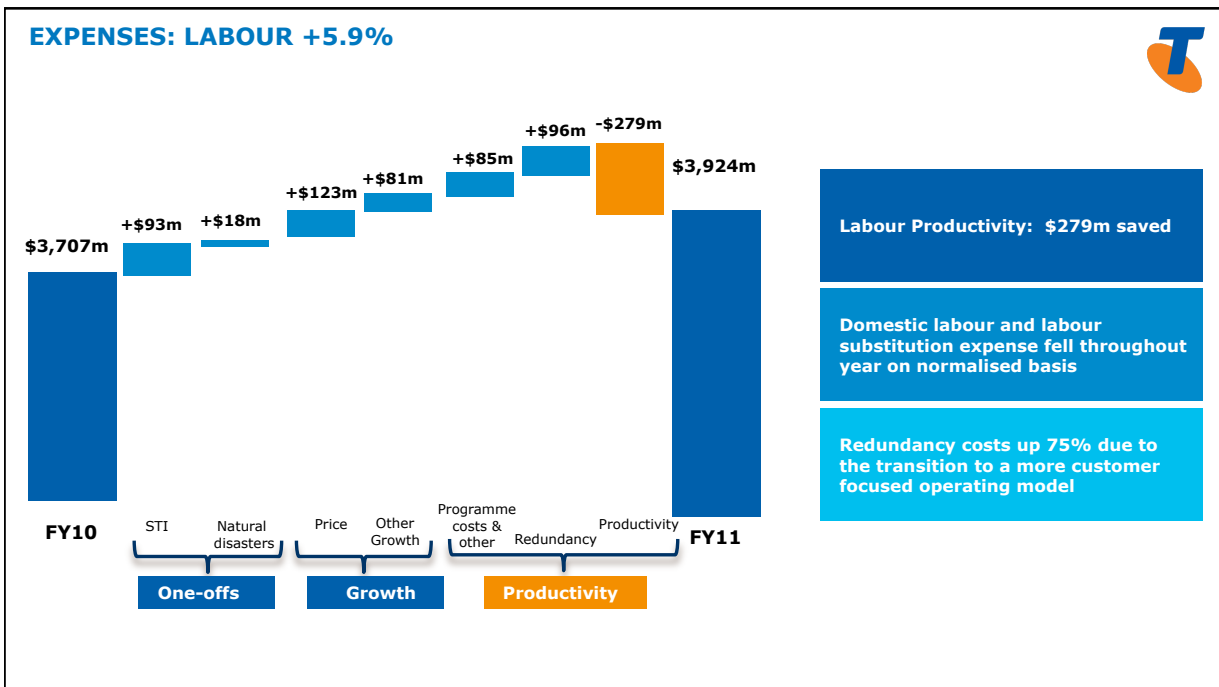
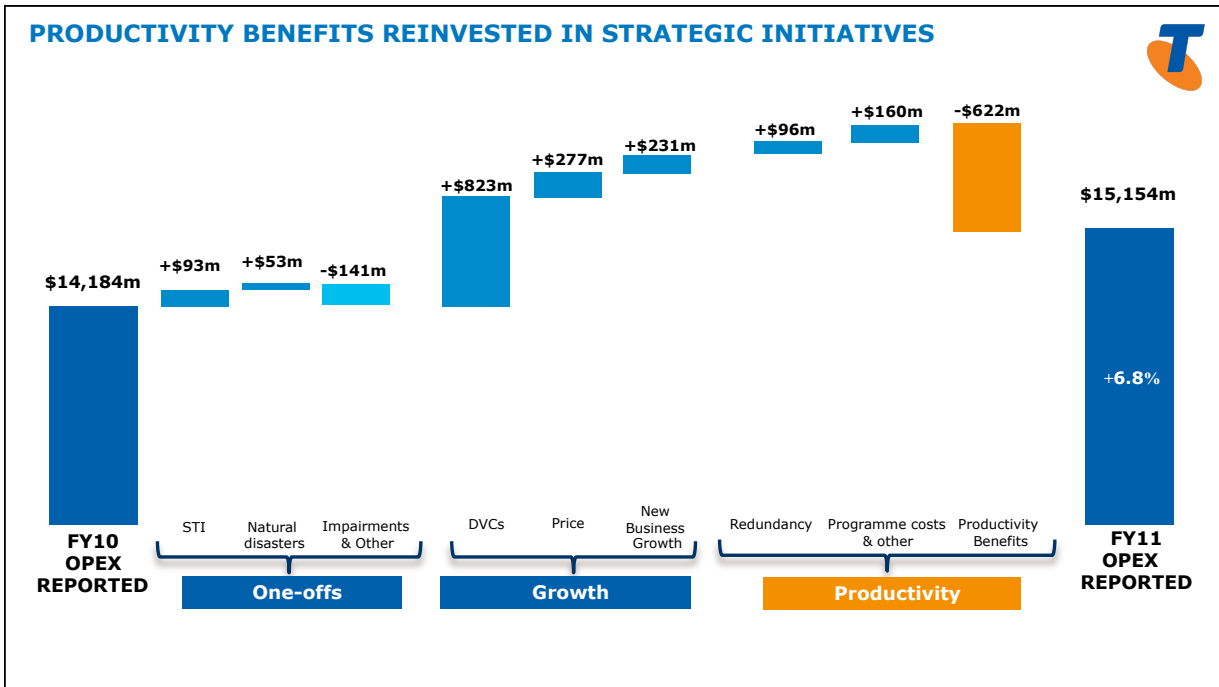
Sales Revenue

+1.8%

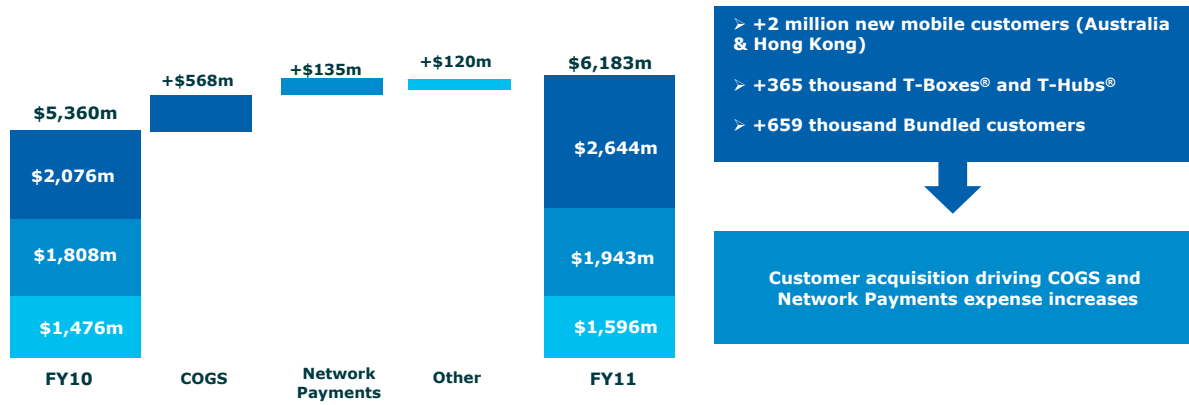
Mobile services revenue: +11.8%

Key investments in NAS and cloud computing

IP Access Revenue: +14.8%



EXPENSES: DVCs +15.4%

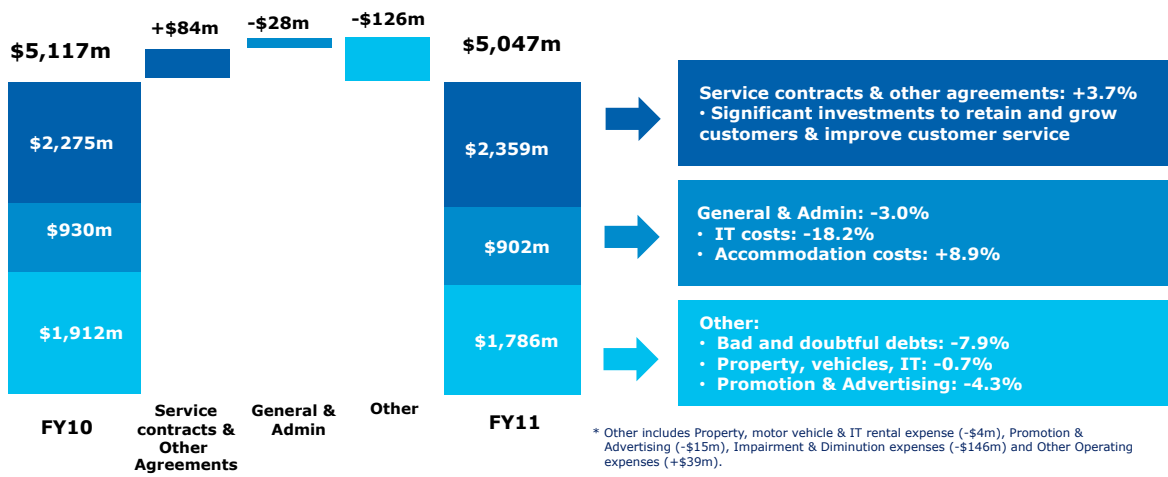


- > +2 million new mobile customers (Australia & Hong Kong)
- > +365 thousand T-Boxes® and T-Hubs®
- > +659 thousand Bundled customers

Customer acquisition driving COGS and Network Payments expense increases

* Other includes Usage commissions (-\$63m), Service Fees (\$98m), Managed Services (\$17m), Dealer performance commissions (-\$27m), Paper (-\$21m) and Other Goods & Services purchased (\$116m)

EXPENSES: OTHER EXPENSES -1.4%



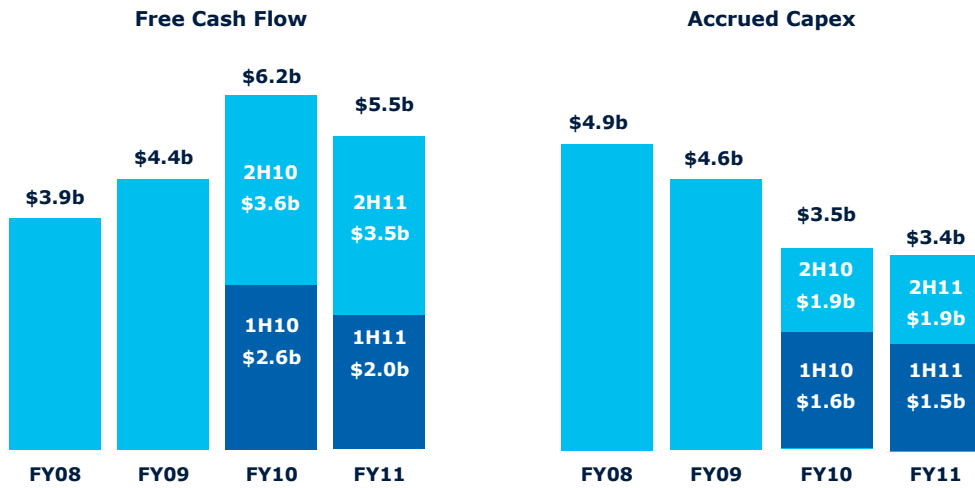
Service contracts & other agreements: +3.7%
 • Significant investments to retain and grow customers & improve customer service

General & Admin: -3.0%
 • IT costs: -18.2%
 • Accommodation costs: +8.9%

Other:
 • Bad and doubtful debts: -7.9%
 • Property, vehicles, IT: -0.7%
 • Promotion & Advertising: -4.3%

* Other includes Property, motor vehicle & IT rental expense (-\$4m), Promotion & Advertising (-\$15m), Impairment & Diminution expenses (-\$146m) and Other Operating expenses (+\$39m).

CASHFLOW AND CAPEX



P&L IMPACT OF NBN



GUIDANCE*

Measure	FY11 Reported	FY12 Guidance
Total Revenue	\$25.09bn	Low single-digit growth
EBITDA	\$10.15bn	Low single-digit growth
Capex		14% of sales
Free cashflow		\$4.5 - \$5.0 billion
Dividend**		28 cps fully franked

* Guidance assumes wholesale product price stability and excludes any further impairments to investments and proceeds on the sale of businesses


** Dividend subject to the Board's normal approval process for dividend declaration and no unexpected material events.



**TELSTRA FULL YEAR RESULTS
ANNOUNCEMENT 2011**
CHIEF EXECUTIVE OFFICER, DAVID THODEY



**NATIONAL BROADBAND NETWORK AGREEMENTS
KEY BENEFITS**



- SUSTAINABLE FREE CASHFLOW IN MEDIUM TERM**
- MORE STABLE REGULATORY ENVIRONMENT**
- GREATER STRATEGIC FLEXIBILITY**
- STRONG SHAREHOLDER PROTECTIONS**

STRATEGIC OPPORTUNITIES IN AN NBN WORLD



CONSUMER	BUSINESS
<ul style="list-style-type: none"> • High speed broadband into more channels • Customer-centric service differentiation • Product innovation and bundling 	<ul style="list-style-type: none"> • NBN-ready Digital Business suite of products • New products and capabilities in key verticals
ENTERPRISE & GOVERNMENT	WHOLESALE
<ul style="list-style-type: none"> • Existing fibre capabilities protect from impact of NBN • New opportunities to extend customer reach 	<ul style="list-style-type: none"> • New products in NBN world • Greater demand for transmission capabilities • Infrastructure access arrangements with NBN

KEY FEATURES OF STRUCTURAL SEPARATION UNDERTAKING



- NEW FAST TRACK DISPUTE PROCESS**
- COMMITMENT TO WHOLESALE ADSL AT A PREDICTABLE PRICE**
- EXTENDED SERVICE EQUIVALENCE COMMITMENTS**
- IMMEDIATE PAY AND FIX FOR NON-PERFORMANCE**
- NEW BSS EQUIVALENCE COMMITMENTS**
- LOWER ADMINISTRATIVE COSTS**
- STRENGTHENED ORGANISATIONAL BOUNDARIES**

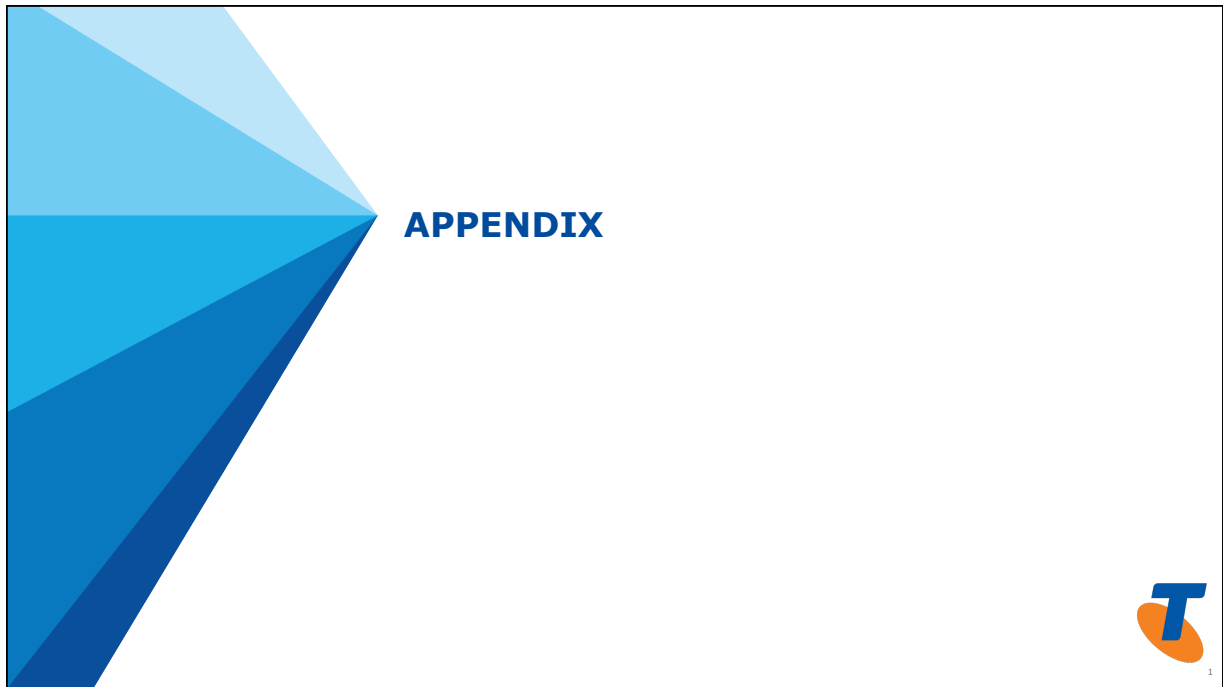
CONCLUSION



EXCEEDED GUIDANCE

RETURNED TO EBITDA GROWTH

MOMENTUM TO CONTINUE IN FY 2012



DOMESTIC RETAIL PERFORMANCE*

Revenue Growth (%)	1H10	2H10	1H11	2H11	FY11
Sales Revenue	-1.5	-0.3	1.9	3.6	2.7
Mobile services	4.8	7.4	6.9	8.0	7.4
Fixed (ex Internet)	-6.0	-8.4	-7.5	-5.6	-6.6
Fixed Internet	0.7	-1.4	-1.0	0.9	0.0
Operating Contribution Growth	-1.8	-1.8	-5.7	1.2	-2.3
Operating Contribution Margin (%)	66.6	65.9	61.7	64.3	63.0
Change (yoy)	-0.2pp	-1.0pp	-4.9pp	-1.5pp	-3.2pp
SIO net adds ('000)	1H10	2H10	1H11	2H11	FY11
PSTN	-188	-138	-109	-140	-249
Postpaid mobile	169	278	511	504	1,015
Retail Fixed broadband	-30	11	139	19	158

* Prior period growth rates have been restated due to movement of global business operations to Telstra International and the merging of Telstra Consumer and Telstra Country Wide.

TELSTRA CONSUMER AND COUNTRY WIDE*



Revenue Growth (%)	1H10	2H10	1H11	2H11	FY11
Sales Revenue	-0.5	-1.3	1.7	5.4	3.6
Mobile services	5.0	4.0	3.9	8.6	6.2
Fixed (ex Internet)	-6.4	-10.4	-8.9	-5.2	-7.1
Fixed Internet	0.7	-2.7	-3.4	2.9	-0.3
Operating Contribution Growth	-2.2	-5.8	-13.7	3.9	-5.2
Operating Contribution Margin (%)	59.3	56.9	50.3	56.1	53.2
Change (yoy)	-1.0pp	-2.7pp	-9.0pp	-0.8pp	-4.9pp
SIO net adds ('000)	1H10	2H10	1H11	2H11	FY11
PSTN	-149	-104	-64	-107	-171
Postpaid mobile	6	50	261	243	504
Retail Fixed broadband	-44	-1	114	46	160

* Prior period growth rates have been restated due to the merging of Telstra Consumer and Telstra Countrywide, and the movement of customers between Telstra Consumer and Country Wide and Telstra Business.

3

TELSTRA BUSINESS*



Revenue Growth (%)	1H10	2H10	1H11	2H11	FY11
Sales Revenue	0.4	3.1	2.7	1.0	1.8
Mobile services	4.2	12.3	11.1	4.5	7.7
Fixed (ex Internet)	-4.4	-5.5	-6.8	-6.6	-6.7
Fixed Internet	5.8	4.1	5.1	-6.7	-1.0
Operating Contribution Growth	-1.4	-0.1	1.5	-1.4	0.0
Operating Contribution Margin (%)	72.9	72.9	72.0	71.2	71.6
Change (yoy)	-1.3pp	-2.3pp	-0.9pp	-1.7pp	-1.3pp
SIO net adds ('000)	1H10	2H10	1H11	2H11	FY11
PSTN	-27	-28	-24	-28	-52
Postpaid mobile	99	107	120	143	263
Retail Fixed broadband	15	11	26	-26	0

* Prior period growth rates have been restated due to movement of customers between Telstra Consumer and Country Wide and Telstra Business.

4

TELSTRA ENTERPRISE & GOVERNMENT*



Revenue Growth (%)	1H10	2H10	1H11	2H11	FY11
Sales Revenue	-5.8	-1.4	1.3	2.2	1.8
Mobile services	5.1	11.7	10.8	12.8	11.8
Fixed (ex Internet)	-7.5	-6.7	-4.3	-5.3	-4.8
IP & Data	2.7	2.3	0.1	0.6	0.3
Operating Contribution Growth	-1.6	3.6	1.7	-0.7	0.5
Operating Contribution Margin (%)	77.3	78.7	77.6	76.5	77.0
Change (yoy)	3.3pp	3.8pp	0.3pp	-2.2pp	-1.0
SIO net adds ('000)	1H10	2H10	1H11	2H11	FY11
PSTN	-9	-6	-21	-5	-26
Postpaid mobile	63	120	130	118	248
IP WAN	12	1	4	2	5
IP MAN	1.5	1.8	1.7	0.9	2.6

* Prior period growth rates have been restated due to global business operations now being recorded in Telstra International.

5

OFFSHORE PERFORMANCE



% change	FY11 Reported	FY11 Local Currency
CSL New World		
• Total Income	5.8%	19.1%
• EBITDA contribution	-18.9%	-9.1%
TelstraClear		
• Total Income	-3.0%	0.6%
• EBITDA contribution	-20%	-18.8%
Chinese Online businesses (ex-SouFun)		
• Total Income	-34.2%	-28.9%
Other Offshore Controlled Entities		
• Services Revenue	-14.9%	
Total Offshore		
• Total Revenue (excluding SouFun)	4.0%	

* Chinese online business results are from unaudited management accounts converted from local currency into A\$.

6

MARKET SHARE*



Retail SIOs	1H09	2H09	1H10	2H10	1H11	2H11
Total Mobile	41%	41%	41%	39%	41%	43%
Fixed (ex Internet)	75%	75%	75%	74%	74%	73%
Fixed Retail Broadband	47%	45%	44%	44%	45%	45%
Revenue	1H09	2H09	1H10	2H10	1H11	2H11
Mobile	43%	42%	42%	42%	42%	43%
Fixed (ex Internet)	73%	73%	73%	72%	72%	72%
Fixed Retail Broadband**	52%	51%	49%	48%	47%	48%

*Based on Telstra management estimates, subject to competitor reporting.

** Some prior period restatements of Fixed Retail Broadband revenue due to changes in competitor reporting.

7

INTEREST & FINANCIAL PARAMETERS



	INTEREST				FINANCIAL PARAMETERS			
	FY10	FY11	Change	Change	Comfort Zones ^{**}	Actual (includes IFRS)	Actual (adjusted for IFRS & other) ¹³	
Net Borrowing Costs ¹¹	\$1,004m	\$1,059m	\$55m	5.5%	Debt Servicing	1.5 – 1.9x	1.34	1.37
Other (incl IFRS adj)	-\$41m	\$76m	\$117m		Gearing	50% to 70%	52.5%	53.9%
Net Finance Costs	\$963m	\$1,135m	\$172m	17.9%	Interest Cover ¹²	>7x	9.59	9.59
Avg. Borrowing Costs	6.4%	7.2%		+0.8pp				
Net Debt (30 June)	\$13,926m	\$13,595m	-\$331m	-2.4%				

Debt Servicing = Net Debt/EBITDA
Gearing = Net Debt/(Net Debt+Equity)
Interest Cover = EBITDA/Net Int. Exp.

¹¹ Net Borrowing Costs is Borrowing Costs less Interest Income

¹² Interest Cover - based on net interest costs and excludes impact of IFRS fair value adjustments, unwinding of discount on liabilities recognised at present value, interest capitalised and standby fees.

¹³ Actual (adjusted for IFRS) - adjusted figures representative of economic situation after removing fair value revaluations and other IFRS adjustments

¹⁴ Debt Servicing and Gearing comfort zones have been moderately tightened (Previously - Debt servicing 1.7 to 2.1; Gearing 55% to 75%).

8