



21 February 2008

Office of the Company Secretary

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ELECTRONIC LODGEMENT

Dear Sir or Madam

Analyst Briefing – Half year results presentation pack

In accordance with the listing rules, I attach a copy of a presentation to be made today, for release to the market.

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

A handwritten signature in black ink, appearing to read "C. Elliott".

Claire Elliott
Acting Company Secretary



First Half 2008 Financial Results

Sol Trujillo, CEO
21 February 2008

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 2007 Annual Report.
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6.2% EBIT Growth

Exceeded Consensus

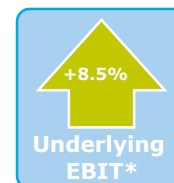
Increased Guidance



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Financial Results (Reported)

\$ billions (except margins & DPS)	1H08	1H07	%
Sales Revenue	12.3	11.6	▲ 5.3
EBITDA	5.2	4.9	▲ 5.2
EBITDA Margin (%)	42.2	42.3	▼ 0.1pp
EBIT	3.1	2.9	▲ 6.2
PAT (post minorities)	1.9	1.7	▲ 13.0
Accrued Capex	2.3	2.0	▲ 17.5
Free Cash Flow	1.3	0.9	▲ 53.6
Ordinary DPS (cents)	14.0	14.0	-

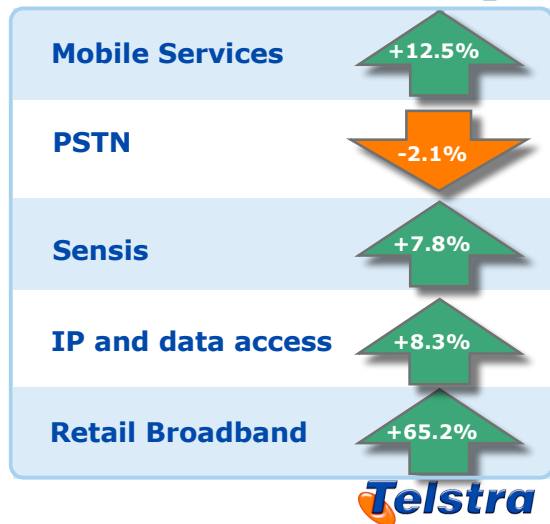
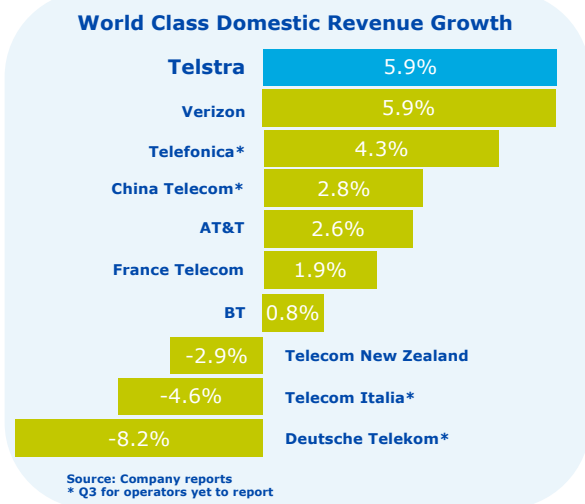


* Adjusted for one-offs and normalised for transformation costs

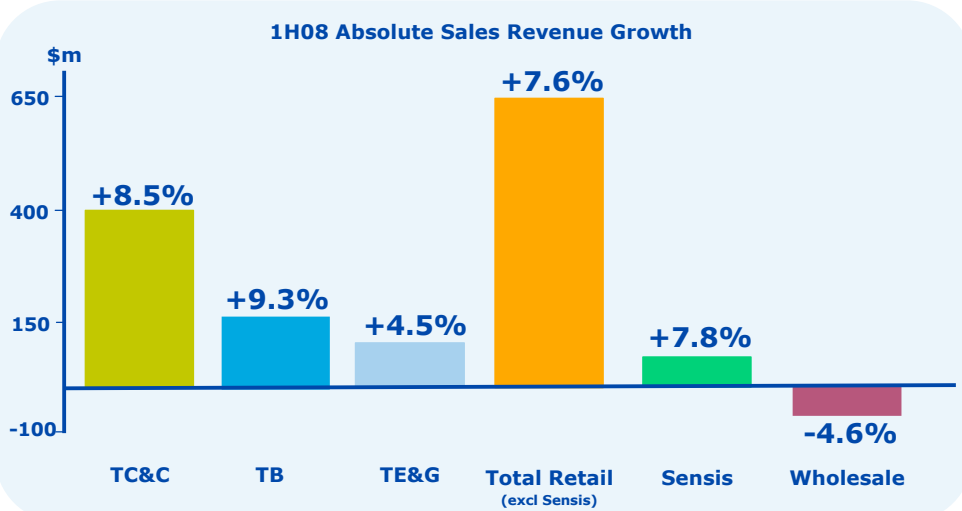


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Strength across the board in products....

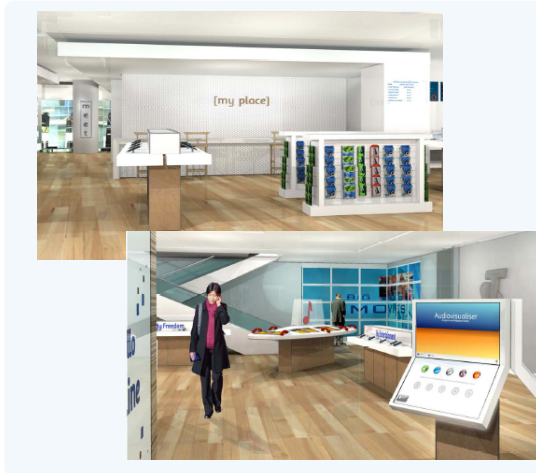


...and retail segments



New channel strategy

T[life]™



Experience Centre





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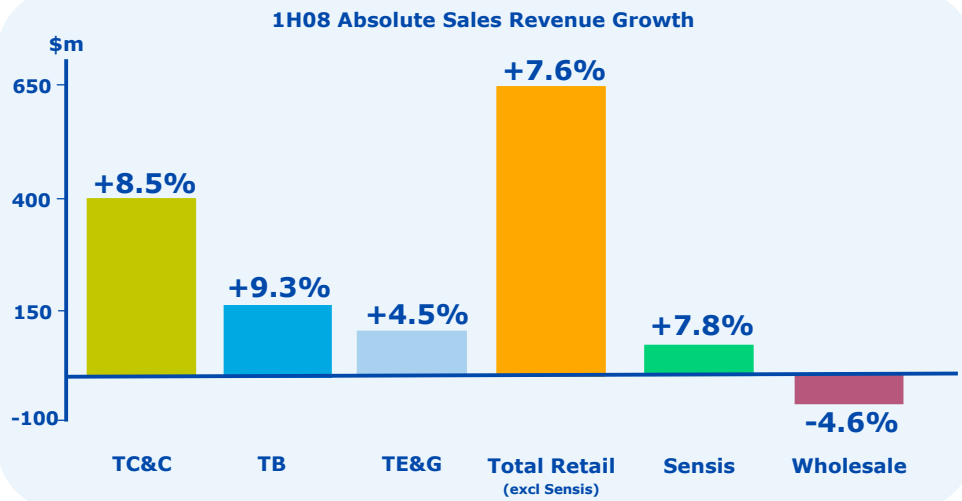
3 Tab portal changing the game





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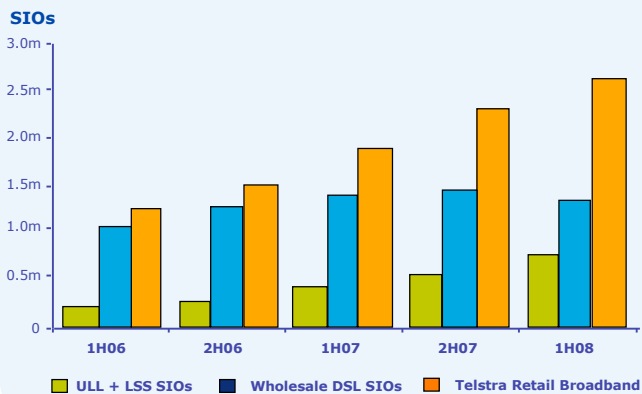
Strength across all retail segments



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Assessing the impact of unbundling

Retail BB, Wholesale DSL and unbundled SIOs



ULL and LSS pricing

A\$/mo	ULL	LSS
Australia	14.30	2.50
Belgium	18.86	2.67
UK	16.07	3.14
Italy	14.19	3.32
Germany	17.52	3.86
France	15.52	4.84
Spain	16.22	5.01

Source: Credit Suisse

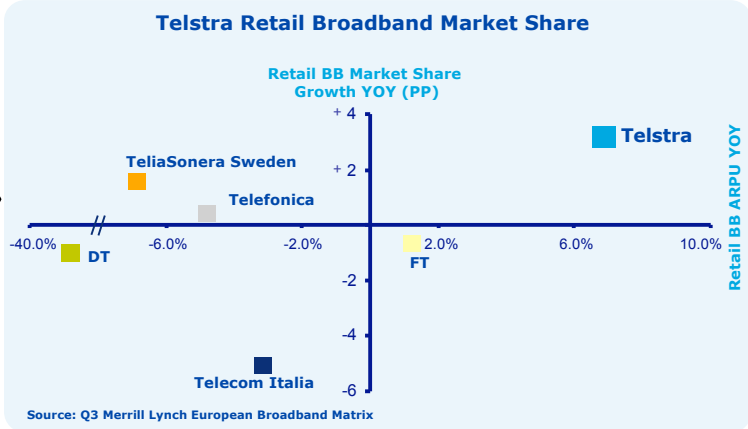


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Growing retail broadband in a tough market

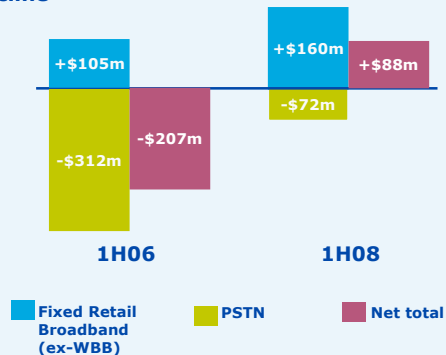
BigPond market share increasing despite:

- ✗ 400+ ISP competitors
- ✗ Continued price-driven competition
- ✗ Bundled plans heavily marketed by largest competitors
- ✗ ULL and LSS priced below cost

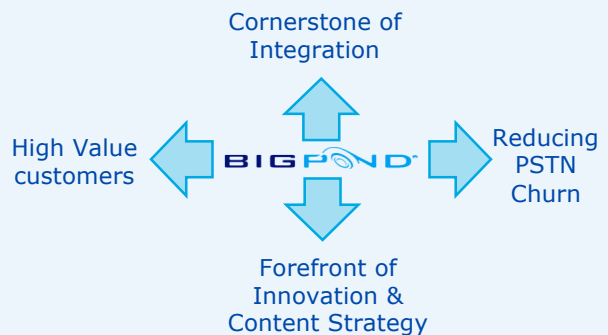


Revenue inflection passed

Broadband Revenue growth offsetting PSTN decline



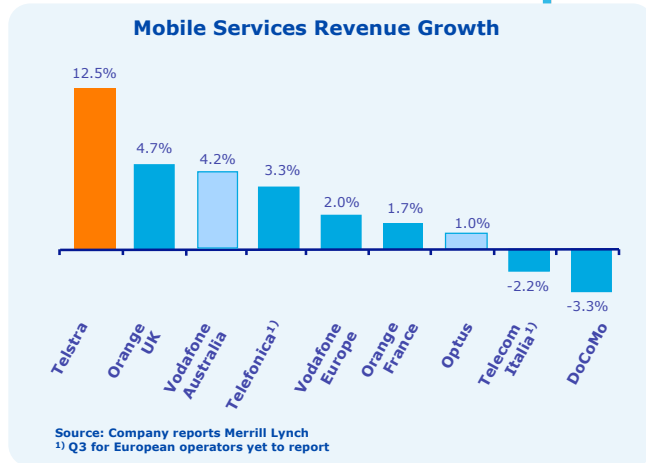
... and delivering benefits across the Telstra group



World class mobile performance

"The most dramatic recent success story among major carriers is Australia's Telstra, which has seen a sharp acceleration in overall wireless revenue growth, driven by its "Next G" HSPA services."

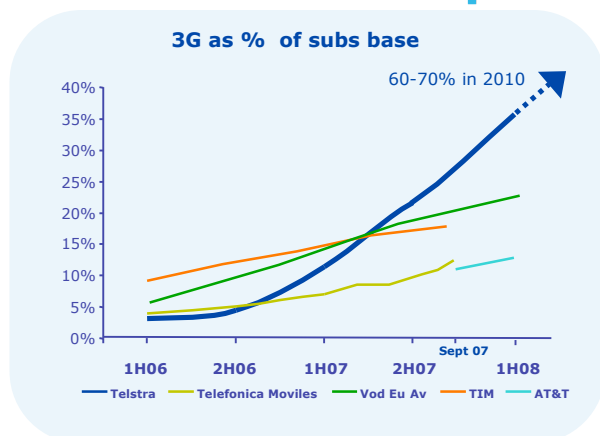
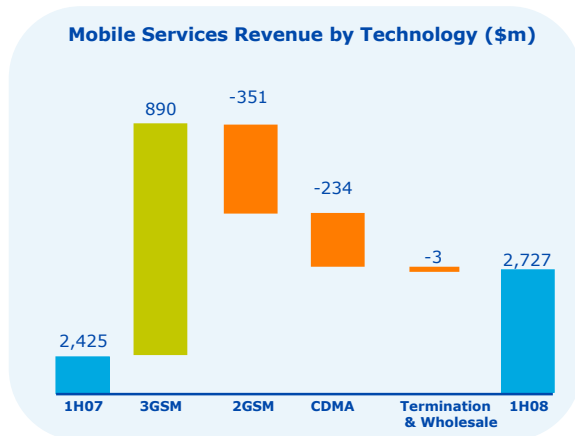
Merrill Lynch Global Wireless Research,
November 2007



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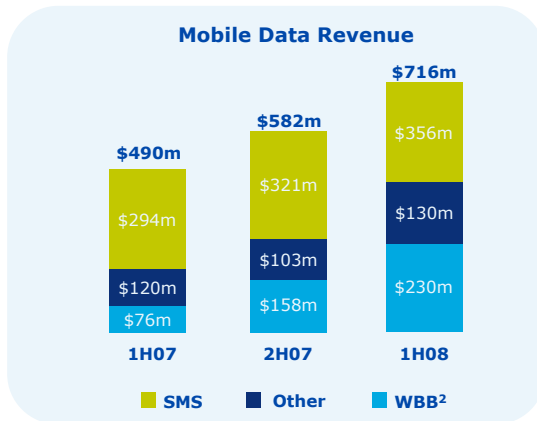
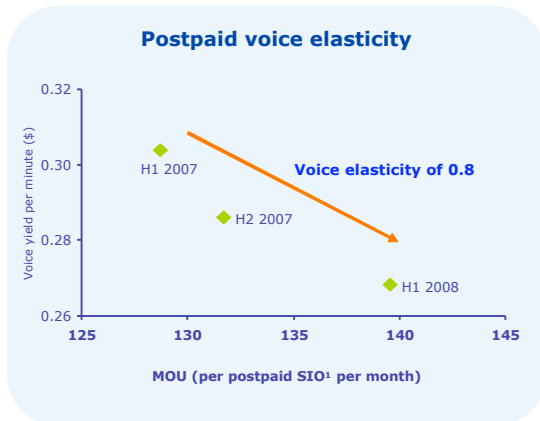
Mobiles – Winning the 3G 'value game'



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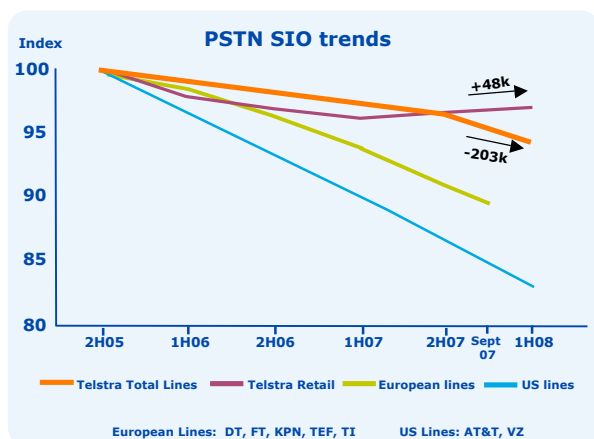
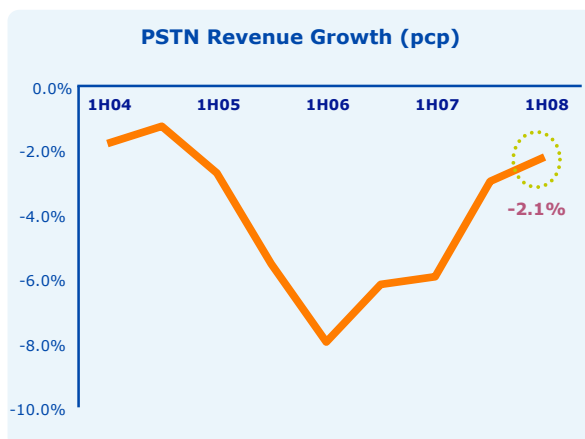
Voice and data driving revenue growth



1 Excluding data-only WBB SIOs
2 WBB revenue for laptop cards and datapacks ≥ \$29



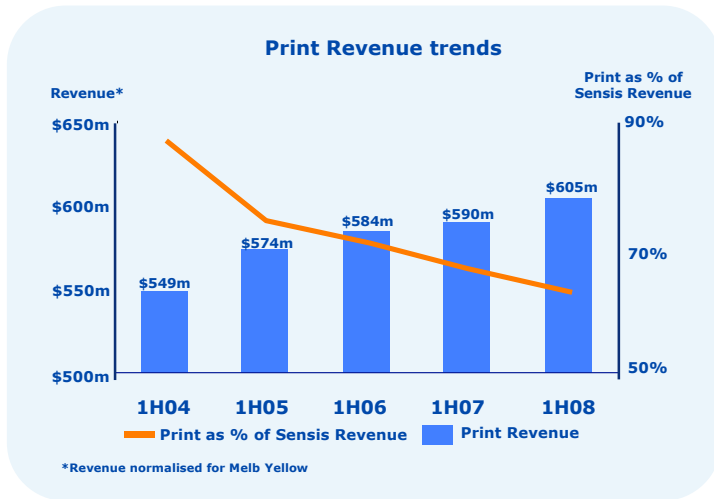
Revenue decline slowed in PSTN



European Lines: DT, FT, KPN, TEF, TI US Lines: AT&T, VZ

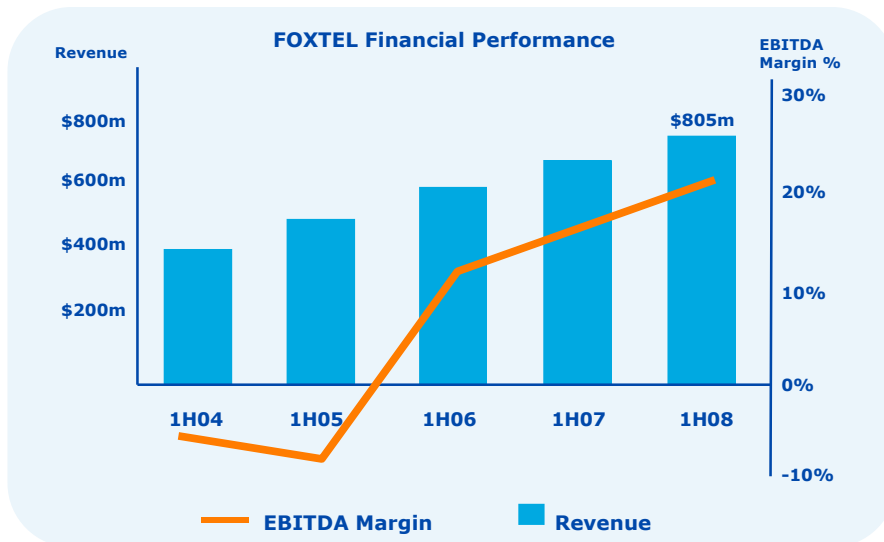


Sensis delivering strong growth and profitability



- ✓ **Yellow Print returned to growth**
- ✓ **Total Print growth of 2.5%**
- ✓ **Emerging business growth 27%**
- ✓ **Sensis Transformation on track**

Continued strong momentum at FOXTEL



Transformation remains on track



TR1 Update:

On track to complete customer migration by the end of June 2008.

TR2 Update:

On track to go into production by the end of calendar 08.

Next G™ network

Continued development... Now covers 99% of population. Plans to upgrade to 21Mbps this year, 42Mbps in 2009.

Conclusion – driving shareholder value





First Half 2008 Financial Results

John Stanhope, CFO
21 February 2008

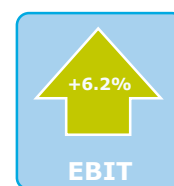
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Update of FY08 Reported Performance*

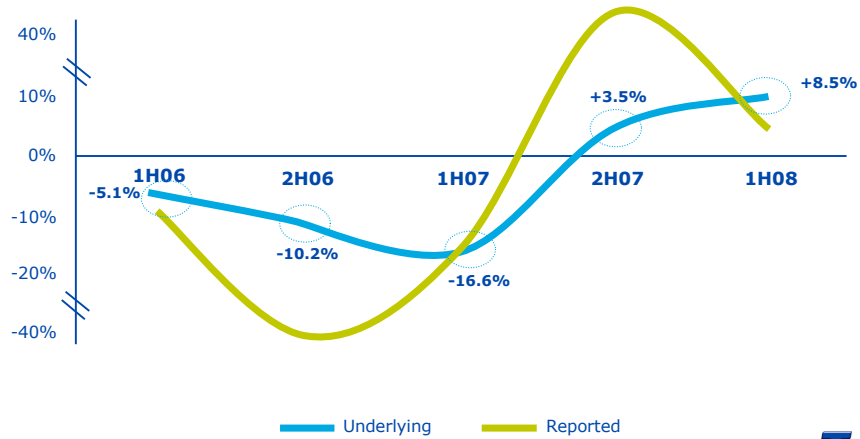
	Previous FY08 Guidance	Updated FY08 Guidance
Total Revenue Growth	2.0% to 3.0%	3.0% to 4.0%
EBITDA growth	3.0% to 4.0%	4.0% to 5.0%
EBIT Growth	5.0% to 7.0%	6.0% to 8.0%
Accrued Capex	\$4.6bn to \$4.9bn	No change

* includes Foxtel distributions

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Strong EBIT profile



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Sales Revenue Drivers

	1H08 Growth %	1H08 Movement \$m	1H08 Actual \$m
Total Mobiles	14.5	404	3,186
• Mobile Services	12.5	302	2,727
• Mobile Handsets	28.6	102	459
Retail broadband	65.2	333	844
IP access	40.0	72	252
Sensis	7.8	69	954
Specialised data	(7.2)	(27)	350
PSTN products	(2.1)	(72)	3,391

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+7.6%

Retail Sales Revenue Growth



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Retail Unit Performance Summary



	Consumer	TB	TE&G	GROUP
Sales Revenue growth	8.5%	9.3%	4.5%	5.3%
- Total Mobile	11.4%	23.3%	24.2%	14.5%
- Fixed	0.5%	0.8%	-4.3%	-1.4%
- Internet	45.6%	46.0%	73.7%	35.5%
- Data and IP	n/a	21.5%	6.3%	8.3%
Operating contribution growth	8.9%	7.3%	8.5%	n/a
Operating contribution margin	63.2%	71.5%	59.1%	n/a
- change (yoy)	0.9pp	-1.4pp	2.3pp	n/a
H1 SIO net adds ('000)				
- PSTN	32	19	-2	-203
- Postpaid mobile	132	89	95	315



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Telstra Consumer and Channels +8.5%



PSTN revenue growth
+1.2%



8 consecutive months of positive PSTN growth

SARC falling



H108 average SARC down 20.4%

MBM strategy driving growth



3+ MPH customers +6%, 4+ MPH customers +12%

3G ARPU maintained

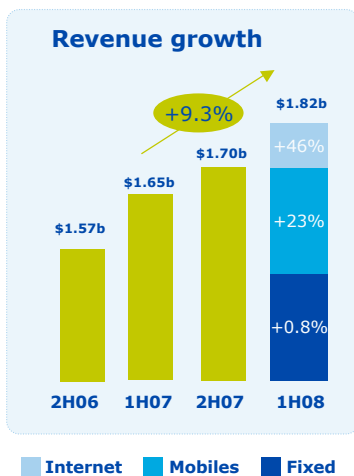


2m+ 3G SIOs with ARPU >\$70

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Telstra Business +9.3%



Strong Mobile growth



+23.3%

Gaining mobile market share – profitably



SARC trend in decline -5% from 2H07

Access lines growing



+19k PSTN SIOs added in half

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Telstra Enterprise and Government +4.5%



Strong core carriage growth



Driven by Next G™ and Next IP™

Strong sales growth



~\$1.3b of business signed in 1H08

Customer service

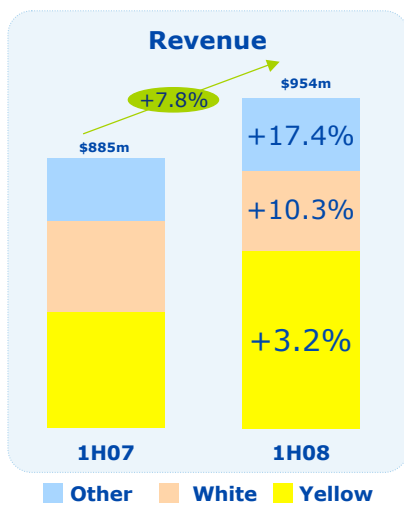


Customer satisfaction at all time highs & beating nearest competitor

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Sensis +7.8%



EBITDA Margin

50.4%

1H07



48.4%

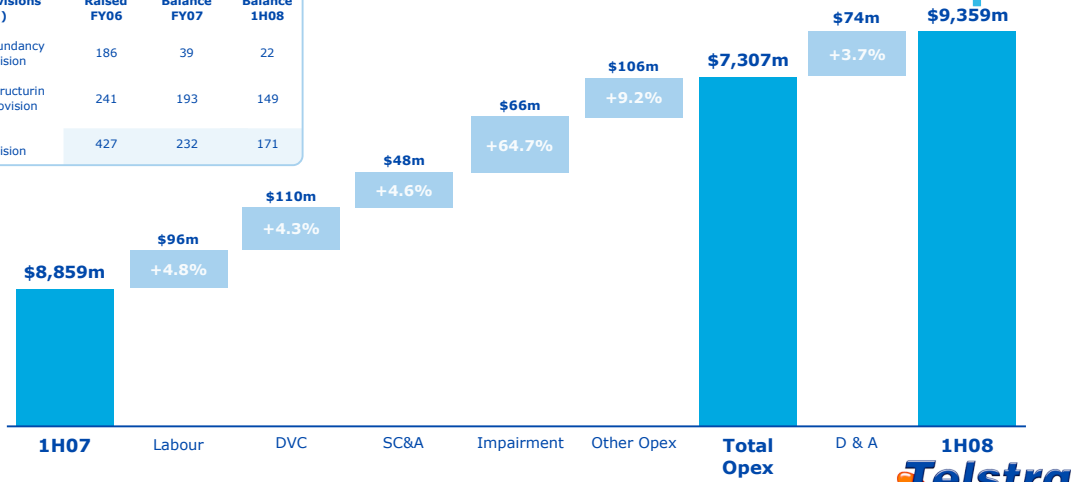
1H08

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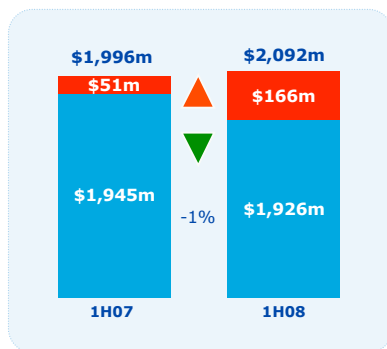
Total Expenses +5.6%

Provisions (\$m)	Raised FY06	Balance FY07	Balance 1H08
Redundancy Provision	186	39	22
Restructuring Provision	241	193	149
R&R Provision	427	232	171



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Labour Expense +4.8%



■ Labour (excluding redundancy)
■ Redundancy

Headcount reduction *	1H08
Workforce reduction FY07 (cumulative)	6,107
1H08 workforce reduction	1,768
Total	7,875

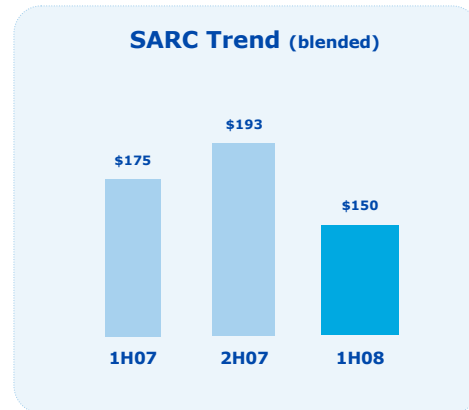
- Headcount reduction on track
- Redundancies taken early – will be add backs for new skill requirements

* Excludes acquisitions and divestments



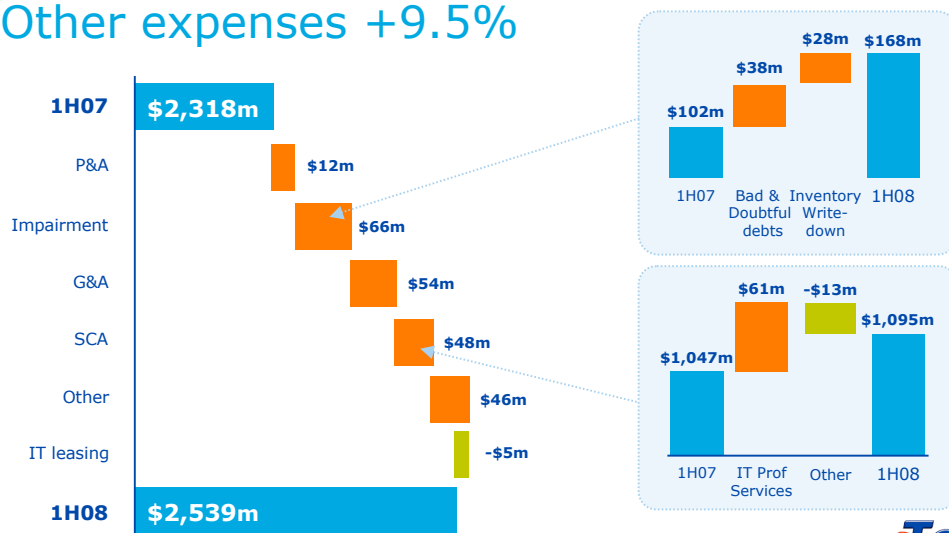
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Directly Variable Costs +4.3%



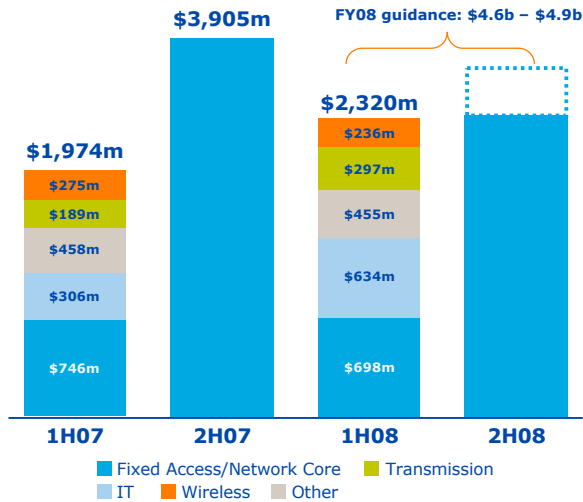
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Other expenses +9.5%



16

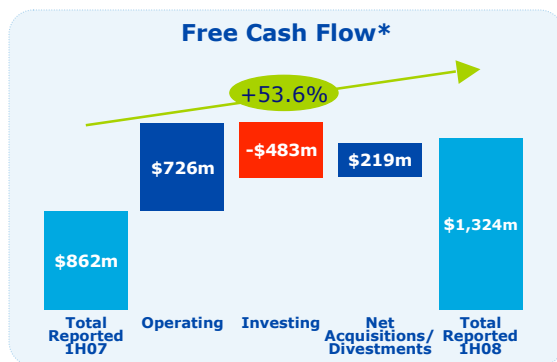
Accrued Capex: \$2.3bn



Major Drivers

- ▲ IT +\$328m
- ▲ Transmission +\$108m
- ▼ Wireless Access -\$39m
- ▼ Network Core -\$36m
- ▼ Fixed Access -\$12m

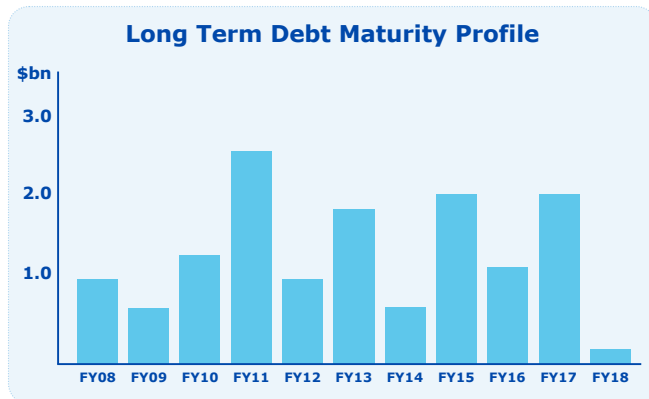
Cash Flow and Financial Parameters



Financial Parameters	Target	Current 1H08
Debt Servicing	1.7 - 2.1	1.5
Gearing - net debt	55% - 75%	54.8%
Interest cover	>7 times	10.3 times

* FCF = operating cash less investments available to pay financing costs and dividends

Stable Financial Profile



- Total Net Debt \$15b
- Approx 60% fixed
- CP program approx \$2b
- Average maturity of debt portfolio around 5 years



Long Term Management Objectives*



		FY05
Revenue Growth	2.5% to 3.0% pa to FY10	\$22.2b
Cost growth	2.0% to 3.0%pa to FY10	\$12.0b
EBITDA growth	2.5% to 2.0% pa to FY10	\$10.5b
EBITDA margin	46% to 48%pa by FY10	47.2%
Workforce	Down 12,000 by FY10	52k
Capex	10% to 12% of revenue by FY10	16%
Free cash flow	\$6b to \$7b by FY10	\$5.2b

* Based off FY05 results

