

23 February 2015

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ELECTRONIC LODGEMENT

Dear Sir Madam

Telstra Corporation Limited - Transcript from Briefing

I attach a copy of the transcript from the analyst briefing held on Friday 20 February 2015, for release to the market.

Yours faithfully



Damien Coleman
Company Secretary

Telstra Media Announcement, 20 February 2015 - Transcript

MR J. LAIRD: Good morning, everybody. Welcome to the Telstra corporate announcement. The statement to the ASX has obviously already been released, so I will simply introduce our chairman, Catherine Livingstone.

MS C. LIVINGSTONE: Thank you, Jason, and good morning everyone here in Melbourne and also via webcast and Conferlink. So as you're all now aware, David Thodey has advised, and we have reluctantly accepted, that he will retire as Telstra's Chief Executive Officer. I'm delighted that the Board has been able to select an internal candidate, Andy Penn, to succeed David on Friday, 1 May, thereby enabling a smooth handover and transition. We were able to manage the search within the organisation, benchmarking a number of very strong internal candidates against external possibilities. And notwithstanding having a number of options, the Board felt that Andy was the most qualified and best experienced to make the transition to chief executive.

As everyone knows, Andy has more than 30 years experience in Australia, New Zealand, Europe and across Asia-Pacific, in roles including chief executive, finance and strategy and, of course, more recently, just before he joined Telstra, he was group CEO for AXA Asia Pacific. Andy has made a considerable contribution to our direction in his current role, firstly as CFO from 2012 and then subsequently adding his international responsibilities in May 2014. Andy has done this in a collaborative manner, being a positive cultural force in the evolving nature of Telstra's leadership group and, in particular, the Board has seen a major evolution in how we approach our international activities, and that has been a real group effort in which, of course, Andy has played a leading role.

As CEO, Andy will continue to lead Telstra's strategic ambitions to increase customer advocacy, increase the value from our core business and capitalise on new growth opportunities. Andy will work with David leading up to the handover date – as I said, 1 May – and David will then remain focused on the business until the end of the financial year and be available to Telstra until late August. It's a real testament to David that we were able to identify candidates and select a new chief executive from within the business, ensuring our direction can be maintained and enhanced. We're privileged to have had a world-class CEO leading our organisation and one for whom the focus on customers has been so unrelenting.

Since David became CEO – and many will remember they were very difficult times – the value of the company has more than doubled, from \$40 billion to \$80 billion, and we have given shareholders greater certainty with the completion of the National Broadband Network agreements, not once, but twice. David's passion for customer service and instigating true cultural change have had enormously positive effects on our company, and David has also had a significant leadership role in the Australian business community and most recently with his involvement on the B20 committee last year. So I would like to invite David to say a few words then ask Andy to do the same, and after that we will have questions. Thank you. David.

MR D. THODEY: Well, thank you, Catherine, and good morning to everyone. I really only want to take a few minutes this morning, because this is really about looking forward with Andy Penn as the new CEO of Telstra. I've been thinking about retirement for a while now and, now that I've made the decision, I'm really delighted that Andy has been chosen as the next CEO of Telstra. I think he's an outstanding candidate and will do exceptionally well. But before I go on, I do want to just pay tribute to Catherine. Catherine has been a wonderful chairman of Telstra, and has really led – helped lead the company as we've worked through the role of management and the role of the Board, and the Board has been incredibly inspirational in all the decisions we've had to make, holding us to account as well as being supportive at the right times.

So Catherine, thank you very much for all the support you've given us. It has been a wonderful five years, and I really appreciate the opportunity to work with you. But as Catherine says, I can still remember when I first became CEO. One of the first requirements was – they said to me, "David, you must build that management team so we have a number of great potential successors," and that is what we've done, because Telstra has a wonderful leadership team, and then to be able to choose Andy as a wonderful internal candidate to lead this company, I think, is just tremendous. So Andy, congratulations. It's a very exciting time.

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As you know, as the CEO you're an observer of the selection process. So as that process took place, which has been in plan for a number of months, it was just great to see the way Andy has really shone. And Andy first came to us in 2012, so it has been three years that Andy has been with us, and he has made a significant contribution to our business, both from his wonderful international experience, his knowledge of being a CEO here in Australia, and his growing and, I think, outstanding grasp of technology, which is not easy in a company like ours. But he has shown an amazing aptitude both in using his iPad but also in understanding all the intricacies of what it is to run a technology company. So it is just wonderful, Andy, and I think you're going to do really well, and also it has been a real pleasure to see the planning that has gone into the succession here at Telstra.

As you know, when I became CEO, it was little bit rushed, but now we've been able to quietly plan for the succession, and I think that puts the company in a tremendously strong position as we go forward. But I do want to say I'm the CEO until 1 May, and then I will be delighted to work through the transition with Andy and then I will be moving on at the end of the financial year. So let me just take a few moments – not many – just to reflect on the last five and a bit years. It really has been a wonderful time for me. It has been such a pleasure to work with such a great leadership team with such wonderful people at Telstra, and to see the company respond so well in aspiration to create a wonderful customer experience and to reenergise the company.

But the really defining moment for me personally was when the company was chosen by our peers as the most respected company in Australia. Now, that was a significant event for Telstra, because it was recognition of the incredible hard work our field technicians, our people in call centres and the shops, do every day, as well as our strategy. And it was probably the seminal moment for me in seeing Telstra really recognised for what it does so well every day, and to see that energy and that appreciation was just wonderful for me. I mean we have been on a journey around customer service, and we've tried to put the customer at the centre of everything we do, but that's difficult. But to see the way people have responded and to see the way our customers have responded and then to see that reflected by the market has truly been gratifying and has kept me energised every morning as I've come to work.

So what of my future? Well, I look forward to contributing maybe in a non-executive role going forward. I've been in operational executive roles now for something like 37 years, and 15 years as an executive, and so I hope to be able to contribute in some way both nationally and internationally, but I'm going to take a break at the end of the year, go and spend some time maybe overseas, and then come back and look at what the options are. But I do want to finish by saying I think the company is in excellent hands. I think Andy will be an outstanding CEO. I think there's a great leadership team at Telstra and I look forward to watching the great progress that they will make. So let me now pass over to Andy Penn.

MR A. PENN: Well, thank you very much, Catherine, and thank you, David, for those very kind words. I'm humbled but also very excited by this opportunity. It has been an amazing three years since I joined Telstra. I've learned much from David during that period of time, which has been one of the highlights of my time at Telstra. But also it's about working with a very successful senior and inspiring leadership team, and I do truly believe that the Telstra team that David has put together is one of the best performing in Australia.

But also, finally, the culture of the company: it truly is an inspirational place to work, from the Board down to all people within the organisation, the sense of loyalty and pride that they feel towards Telstra and the company and, most importantly, their passion to ultimately serve the customer and put the customer at the heart of everything that we do is something that's palpable within Telstra, and it's something that I've very much enjoyed. When I joined Telstra more than – about three years ago, I had previously spent 20 years in my previous company, including the last five as the CEO, and I really wanted to do something different and I wanted to challenge myself, and this has been a wonderful opportunity to do that.

And I'm very grateful to you, David, for having the faith in me and giving me that opportunity and to Catherine and the Board for this next opportunity. And I do realise, of course, that the job of the Board would have been a very difficult one in choosing a successor to David, because of the strength of the team.

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Telstra has been on an amazing journey over the last five or six years, a transformation which I think will go down as one of the most significant in Australia. Under Catherine and David's leadership, we've more than doubled the value of the company. We've restored relationships with key stakeholders, including our customers. We've increased our share in most of the markets in which we're operating and, most importantly, we've created a wonderful platform for growth in the future. And as David mentioned, the fact that we were recognised as the most respected company in Australia last year, I think, in many ways was a reflection of all of those achievements that came before. I don't mind admitting, therefore, I'm a little daunted by the challenge ahead and the legacy and following David's legacy, but I'm very excited and I will approach it with great enthusiasm, because I accept my new responsibilities very seriously on behalf of more than 1.4 million shareholders with enthusiasm, to ensure that the path that we have set with David and the team is one that I will continue. Over the last three years we've developed a very clear strategy and I've been part of that, as a part of the team, and therefore you should expect no substantial change to our direction.

In particular, we must continue the journey to put the customer at the heart of everything we do. It really is our single most important part of our vision, and also to take advantages of the technologies – the opportunities that technologies create for us. And of course, as we look to expand into the future, the international arena will be an important area of growth for us, and you know that I have a particular passion for the opportunities that exist within Asia. But it's not just Asia. It's beyond Asia and, as you have seen in the last 12 months, we've made a number of investments in Silicon Valley, which will really lay the foundations for how we take Telstra forward into the future.

There's a very well laid-out plan for transition up until 1 May and I very much look forward to working with David through that period of time, and also with Telstra's senior leadership team as we're committed to meet the expectations of our customers in the future, and meet the expectations of our shareholders. So thank you very much for your time this morning. I'm very much looking forward to the future with great excitement, and I thank David and Catherine for their support and faith in me. So thank you very much, and I will hand back to Jason.

MR LAIRD: Thanks Catherine, David, Andy. What we will do now is firstly take questions here in the room in Melbourne from media, then calls on the phone, and then my colleague Peter Kopanidis will take analyst and investor calls from the room and on the phone. So firstly here in the room in Melbourne. If you could just identify yourself the microphone and indicate where you're from.

MR MCGRATH: Sure. Pat McGrath from the ABC. First of all, David Thodey, you mentioned that you have been thinking about this for a while. Why now, during the period of change, not only for the company, but also the industry, why not see those changes through?

MR THODEY: Well, I think that for me it has been more about my desire to look at other options in terms of the future. It just happened that the company had a wonderful last half results which is a great tribute to the team. And we have been talking about it with the Board for a number of months because good succession planning is about a good and that's why we have been doing it. So the timing has got nothing to do with where the company is at. We think we're well placed, and a good future ahead of us, and we now transition to a new CEO.

MS LIVINGSTONE: I think just to add to that, I mean, change is constant at Telstra. I can't think of a time when we haven't been confronted a change of business of circumstances or technology. So there's never a point at which it's all done. I think that's really clear.

MR MCGRATH: And from the perspective of the Board, why was there a focus – this option of a succession planning model taken? Why wasn't there an external hunt? Was it because there's been some bad experiences in the past with appointing externally?

MS LIVINGSTONE: No, I think we – as David said, one of his first responsibilities was to develop a team which gave the Board options for an internal successor, and we had many options, as you know. We did do external due diligence, and we also used an independent external advisor through the process. And again, we know the people in the industry globally because of all of the interaction on a business front. But we were very confident that we had the next chief executive from within the team at Telstra.

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MR MCGRATH: Andy can I ask, David referred to Telstra as a technology company. A few years ago – even six years ago, it may have been referred to as a telecommunications company. What do you think you will be calling it in six years from now?

MR PENN: Well, I think the point is that the technology is having a profound impact on the telecommunications industry, and it creates some great opportunities for us such as the investments we have most recently made in software. And I just think it's a great platform for us to invest in for growth in the future. So I think that Telstra is going to become increasingly global; it's going to become increasingly technology, but it will always be, fundamentally at heart, a company which is connecting people with the things that they love and the people that they love, and that's fundamentally what we're about.

MR MCGRATH: And you mentioned the more international expansion on the horizon. Are you able to go into detail on that? Where you're looking and what kind of investments you're looking at?

MR PENN: Well, look, I think the sorts of things that we have been doing over the last six months are very reflective of where our ambitions are. As you have seen, we have made investments in technology companies, in software companies, in intelligent video, as well as we have built a great platform in Asia with the acquisition of Pacnet. And of course in really interesting areas such as electronic health. So they're the sorts of things that I think you can expect going forward.

MR MCGRATH: And government relations, there's been obviously an issue of quite a lot of attention for Telstra in the past. What's going to characterise your approach to your relationship with the government?

MR PENN: Look, I think there's lots of stakeholders that we need to be – have very important relationships with, and I'm a very authentic and open and straightforward sort of guy, and that's I will approach all of our relationships.

MR LAIRD: Other questions from the room, from media?

MR FROST: Hi, Harry Frost from Sky News Business. David, what has been the biggest challenge during your time as the CEO?

MR THODEY: Besides working through the NBN contract, I think it's been really about how we as a company unite together around customers. And with a company the size of Telstra, getting every part of the company aligned and a part of that journey has been both challenging, but incredibly satisfying. So I think that would have been – we obviously always work through all the technology shifts that we have to make big decisions on between the Board and the wonderful network engineering team; we have done that very well. But I think that would be the biggest thing that we have had to do. NBN re-negotiations and then the change and the alignment around being a really customer-centred company.

MR FROST: Do you have any regrets about your time as the CEO? perhaps the large number of job cuts that were made at Telstra?

MR THODEY: We have had to continue to restructure the company as we have invested in a number of new initiatives that Andy has already mentioned: international, eHealth, software. But the nature of our industry is in constant flux, and we have had to restructure things which is always very, very difficult to do, and always difficult for people. But we have got to do that to create new opportunities going forward. But as I reflect back over the time, there's nothing I regret. Are there things that I would have liked to have done more of? Yes. And I would have always loved to have maybe seen customer service even improve further, and a greater gender balance, greater equity, those sorts of things. But I think we have laid the foundations for that as we go forward. So overall, I think I feel pretty satisfied.

MR FROST: You're probably going to have a little bit more free time now. What will you be doing with that free time?

MR THODEY: Well, firstly I'm going to take a break with my wife, and – but I'm very keen to contribute back into the business community in maybe non-executive roles both internationally and

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nationally. I enjoy policy development, and if I can find some opportunities to contribute in that way I would be delighted, but let's see what comes up and I will make those decisions sort of maybe early next year.

MR LAIRD: Richard.

MR GLUYAS: Andy. Richard Gluyas from The Australian. Unfortunately, I'm old enough to have known you from your previous executive career. So I'm just wondering – two things strike me, that you have kind of re-invented yourself in an executive sense by going from one industry to a completely different industry. I would just like you to comment on how difficult that is. And also during your time at AXA, I mean, there were – there was a kind of dark period which I'm sure you will recall with the issues surrounding APRA, which of course you completely cleared. How important is resilience in a role like you're taking on now?

MR PENN: Well, the first comment I would make, Richard, is that I'm really excited by the opportunity at Telstra. It is a wonderful industry, and importantly we have access to some great technology minds both within the company, particularly in network engineering which is a critically important area for us, as well as outside of the company. And one of the benefits of having had a very long career is you have lots of experiences along the way, and they all teach you, and they're things you can draw on as you take on new challenges and new opportunities in the future. So I just mark them down all as learning experiences. And that has always been a strong feature of my life. I love to continue to challenge myself. I love to continue to learn. And this is a fantastic opportunity for me to fulfil that aspiration and make a stronger contribution here at Telstra.

MR LAIRD: Right. We will go now to the phones. Malcolm Maiden.

MR MAIDEN: Congratulations on your appointment, Andy. Andy, if I hear you right, you're saying you're going to be doing the same thing. David did really good things, the share price is much higher, the company is travelling much better. But is that right? Are you basically saying that in a strategic sense you're not going to change any of the settings at all?

MR PENN: Hi Malcolm. Good morning, and thanks very much for your kind comments. Look, Malcolm, my point is, is that I have been intimately involved in the development of the strategy with David and the senior team over – and the Board over the last three years. I think we have a very clear path ahead. My job will be to look how I can build on the great foundation that David has left, and accelerate our progress. And in that context growth will be – continue to be a really important element as we look to grow not only at core businesses; as you saw we just grew our mobile revenue here in Australia just under ten per cent, but also as we look to grow internationally. So I think that there's tremendous opportunities ahead, and the strategy won't change substantially, but I will certainly be looking to increase our aspirations around the settings that we challenge ourselves with.

MR MAIDEN: And if I can just have one more quick one, Catherine, you said that the succession process was so good and the internal candidates were so strong that you were highly confident that that's where you were going to find the next CEO from. And you said that you looked, but it sounds like you didn't look comprehensive – or you didn't run interviews on overseas candidates. That's a bit of a departure from the governance norm, even given your confidence. How can you be sure without a full investigation of overseas candidates that you have got the best person?

MS LIVINGSTONE: Thanks Malcolm. Well, I would say, actually the best governance if you are confident in terms of your strategy and your direction, the best governance is actually to find an internal candidate and that's what we've been focused on, and, as I said, we are very familiar with potential other external candidates, so we did do due diligence in terms of assessing that, and we did have an independent advisor who helped us work through that, but, in terms of the calibre of the people we have, and if you look at the statistics in terms of the success of appointing external versus internal, it's significantly biased in favour of internal when you don't need a major restructuring of the organisation, and we certainly don't. The Board is very confident in our strategic direction. As Andy said, it will evolve but directionally we are confident in the setting, but we're also confident that in the CEO, Andy Penn, the new CEO, we absolutely have the best person.

MR MAIDEN: All right. Thanks.

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MR LAIRD: The next question is from John Durie at the Australian.

MR J. DURIE: Yes. Hi there. If I could have one question to everyone, please. Firstly, to Catherine. If you could tell us the name of the independent advisor you used on that search.

MS LIVINGSTONE: No. I don't think so. I mean, I think that's confidential to our process, but I can assure you it's someone who has significant international experience.

MR DURIE: Okay. David, you said the most challenging thing you had to do was – or one of them – was the NBN negotiation. From the outside, it looks like it was a walk in the park and you're \$98 billion richer. Could you take us through the difficulties there and the process?

MR THODEY: Yes, John. It's a big question. Well, I mean, as you know, John, and I will keep it pretty brief, when I became CEO, the whole scenario was difficult. The government had decided to proceed with a – build an NBN. We had to go through a number of negotiations and understand how that would work in terms of their build that transition, and the relationships were not open and transparent at that time, and there was little trust, I think, between the company and the government at that time, and also, I think, with regulators and other people in the industry. So it took time to go through building that trust but also the complexities of a rebuilding of a national bit of infrastructure that had been privatised and there were so many regulatory considerations, legal considerations, commercial considerations that it was just very complex and it took us, what, two and a half years.

MS LIVINGSTONE: Two and a half years.

MR THODEY: Two and a half years. So it was taxing, trying, satisfying, but I think we got through that and we came out with something that both parties could live with, and, of course, my responsibility was to shareholders and was always to shareholders, and I think between the Board and myself that was what we were focused on, but I think that's probably enough for now, John.

MR DURIE: Great. Thank you. And, just finally, Andy, David is on record as saying that he wanted within the next few years to get 20 per cent of earnings from Asia. Would you stick to that goal?

MR PENN: I think what David really said, John, was that he could imagine a period of time in the future beyond 2020 when we would have a much more significant amount of our business coming from overseas and from Asia. Look, we don't have a target for the proportion of business coming from Asian or international, and neither do we propose to set one. What's important is that we grow and we maximise the opportunity of every part of our business to its maximum potential, and I think, of course, over time if we do that successfully, we will see an increasing amount of business coming from our international operations, but we have not set a target, and David didn't set a target. He was more reflecting on what might the world might look like in the longer term.

MR DURIE: Thank you.

MR LAIRD: The next question is from Tony Boyd at the Financial Review.

MR T. BOYD: The question is for David. I think Australia is one of only two OECD countries that doesn't have an innovation plan set at the highest level of government. What do you think of that and do you think something should be done?

MR THODEY: Well, Tony, I think there's just tremendous opportunity for Australia to capitalise upon the great innovation that all Australians have, and have exhibited over the years, and I do think as a nation we need to continue that focus and encourage both government and policy makers and the business community to really stare into the opportunities that we have, so I think that for the future for Australia we need to do that, and it will be often from areas where we're already very strong, like mining, agriculture and those some pharmaceutical areas and with that innovation and especially with the technology disruption and new business models, I think we can have a bright future, but we need to more work in that area.

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MR BOYD: And would you yourself be willing to participate in that if the government asked you? I know you were on the B20. Would you be willing to be a sort of like an innovation ambassador, or something, for whoever the next Prime Minister of Australia is or?

MR THODEY: Tony, look, I am looking forward to contributing in any way that I can after I've had a break, but I need to consider what the options are, but, yes, I hope to be active in the business community and in policy making should opportunities arise going forward, but I can't really be specific because I'm not sure what opportunities there are.

MR BOYD: And just one quick one for you, Andy, I'm sorry, just final. David was quite involved in these external activities and will you yourself be just totally focused on the CEO job at Telstra or will you offer yourself up as a director of other companies and be involved in government bodies or?

MR PENN: I think – Tony, look, this is a pretty big job and you can feel rest assured that I will be very, very focused on Telstra. That is where I will be investing by far the majority of my time.

MR BOYD: Thank you.

MR LAIRD: We have time for two more media questions and we will need to go across to the analyst community. So David Ramli.

MR D. RAMLI: Congratulations on a pretty smooth transition from the looks of it so far. In terms of the next CFO, is there a decision made on how that process will be done and who that person will be?

MR PENN: David, it's Andy. Good morning. That's obviously something that I will be giving some thought to over the coming period, but, as you heard from David, David is the CEO until 1 May, and I am very clearly in my role as the CFO until that time as well.

MR RAMLI: Okay. And just another quick question, one last quick question, Ms Livingstone, if I could just ask, you recently got re-elected for a three year stint. Will you re-commit to staying for the entire three year term?

MS LIVINGSTONE: David, look, my focus at the moment is, as it should be, on ensuring that there's a very smooth transition from one CEO to another and that doesn't just happen on the day of handover. It's a much longer period than that. So that's the focus, and I think you would know that in Telstra we haven't handled that change as smoothly as we could have in the past. So we're absolutely intent on a much smoother process this time and giving it the time it takes.

MR RAMLI: Okay. Thank you very much. So that's a yes, I'm guessing?

MR LAIRD: I think that was the answer, David. Jeff Whalley from the Herald Sun.

MR J. WHALLEY: David and Andy. Just one about the difficulty in the journey you were saying about customer experience, David. Why is it so hard, so many companies to get it right and how far down the track do you think you've got with fixing that customer experience? So is it a sense of getting half-way there or is it just the end of the beginning? I was just interested in some colour about that.

MR THODEY: Okay. I will have first go at that one, Jeff. Well, the complexity in a company like Telstra is that you are interacting with customers at so many different levels on a truly national scale. Remember that we run infrastructure nearly in every town throughout this country, and there is enormous dependence on our services. So we're under an infrastructure level. We also interact with customers in terms of their plans and so that's the type of plans, and then there's when people have got a fault, then there's very high tech like our mobile phones and the growing dependence on technology in all our lives, be it business or individually means that the expectations on our service continue to rise every day and every week, and when you're working at scale, even if you've got one per cent or half a per cent failure, you still impact a large number of customers when we're taking, what, nearly a half a million calls a day.

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We visit nearly 70,000 – well, 70,000 people come to our shops. About 30 / 35,000 home visits and more businesses that we would visit. So to get failure out of the system is difficult but attitude and culture can help you address a lot of that, but you also need to address the processes that have been in place in some cases for 60 or 70 years. So you're dealing with legacy and all that together just makes it difficult. You ask how far are we along the journey, well, it's the never-ending journey, because you've always got more to do, but I think we've made a good start. I think we're probably though into the first lap of maybe 10 or 12, but we're doing well. I don't know Andy, do you want to comment at all?

MR PENN: Well, I think just to build on what David said, if you look at how our customers use the technology and the services that we provide today it's changing dramatically. And of course that tests our systems and processes in how we adapt to make sure that they get a great experience and – as they do so. And as David mentioned, we have 16 million mobile customers in Australia, six million fixed-line customers and three million broadband customers. So it's a – it is a very big scale business but you shouldn't take away from that any interpretation about our lack of commitment to get this right.

MR PENN: It's – it is absolutely central to everything that we do and it drives the organisation. So we're passionate about getting it right for the customer and continuing to adapt how we do business so that we can meet the expectations as customers, as I say, use our technology in very many different ways.

MR WHALLEY: And Richard made the point before, you've run AXA for so long and you've been in Telco for just over three years. I was interested how you see this contributing to the way you run the company. Is it a limiting factor or is it a good thing given technology is now moving so fast so you think leaner?

MR PENN: Well, I think, firstly, as I mentioned earlier, I've been in business a long time and that affords you the wonderful opportunity to have many experiences over time from which you can draw. And Telstra has access to some of the best technology minds in the world – whether that be some great technologists internally as well as access to – via our partners in – both domestically and also in Silicon Valley and around the world. So to me what is the really exciting thing is how do we use technology to enhance customer experiences and I think we're very well positioned to do that. And we've got a great team and I've really enjoyed immersing myself in the technology world in the last three years as well.

MR WHALLEY: Do you see yourself as more of a lay person than, say, David who worked his life within Telco?

MR PENN: Well, as I say, I think we've got a great team around us and I've immersed myself in the technology world over the last three years. As you say, it's a world that's moving very, very fast – even in the last three years. And so I'm committed to stay very much in front of that and with the whole of Telstra so that we can use it to provide great experiences for our customers.

MR WHALLEY: Fantastic. Thanks very much.

MR LAIRD: Thanks, Jeff. I will now pass to my colleague Peter for the analyst portion of the briefing.

PETER: Thanks very much. Thanks very much. The first question is from Sameer Chopra of Merrill Lynch.

MR CHOPRA: I have two questions. One is investors value the strength in the level 2 and level 3 management teams and Andy, I was wondering how do you focus on retaining key management persons during this period? And the second one is if you could also talk about near term. What would feature in your 100 day plan?

MR PENN: Thanks very much, Sameer. And good morning. Look, the priority for me will be ensuring a smooth transition. The company is really in a very good position and that's thanks to the leadership of David and Catherine and the Board and the senior management team that have been intimately involved in that. As I mentioned earlier, I am a passionate believer that very successful companies are led by highly performing successful teams. And I believe that's what we have at

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Telstra. So the team is important to me and obviously I will be spending time with the team to see how we work together to continue that – continue to deliver for our stakeholders into the future. In terms of a 100 day plan, well, I signed my contract a little bit earlier this morning. So maybe we will talk a bit more about that in a couple of months time but David is the CEO until 1 May and I'm very much firmly in my role as the CFO until then.

MR CHOPRA: Thank you.

MR KOPANIDIS: There are no more questions from the investor analyst community at this point.

MS LIVINGSTONE: All right. Good.

MR KOPANIDIS: Thank you.

MS LIVINGSTONE: All right. Thank you very much.

MR THODEY: Thanks for joining us.

MS LIVINGSTONE: Thank you everyone for coming.

BRIEFING CONCLUDED

[10.06 am]