

21 September 2015

Singapore Exchange Securities Trading Limited
2 Shenton Way
#02-00 SGX Centre 1
Singapore 068804

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

Telstra Retail Shareholder Information Meetings

In accordance with the Listing Rules, I attach the presentation to be made at the Telstra Retail Shareholder Information meetings, for release to the market. The meetings are being held at the following locations:

Location	Date
Brisbane	21 September 2015
Perth	22 September 2015
Adelaide	28 September 2015
Sydney	29 September 2015

Yours faithfully


Damien Coleman
Company Secretary



TELSTRA RETAIL SHAREHOLDER INFORMATION MEETING 2015

ANDREW PENN
CHIEF EXECUTIVE OFFICER

WARWICK BRAY
CHIEF FINANCIAL OFFICER



DISCLAIMER

- These presentations include certain forward-looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Telstra, which may cause actual results to differ materially from those expressed in the statements contained in these presentations. For example, the factors that are likely to affect the results of Telstra include general economic conditions in Australia; exchange rates; competition in the markets in which Telstra will operate; the inherent regulatory risks in the businesses of Telstra; the substantial technological changes taking place in the telecommunications industry; and the continuing growth in the data, internet, mobile and other telecommunications markets where Telstra will operate. A number of these factors are described in Telstra's Annual Report dated 13 August 2015 lodged with the ASX and available on Telstra's Investor Centre website www.telstra.com/investor.
- These presentations are not intended to (nor do they) constitute an offer or invitation by or on behalf of Telstra, its subsidiaries, or any other person to subscribe for, purchase or otherwise deal in any debt instrument or other securities, nor are they intended to be used for the purpose of or in connection with offers or invitations to subscribe for, purchase or otherwise deal in any debt instruments or other securities.
- 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 Limited (ACN 051 775 556) and its subsidiaries. Other trademarks are the property of their respective owners.



ANDREW PENN

CHIEF EXECUTIVE OFFICER



FY15 HIGHLIGHTS

<i>Reported basis¹</i> Total income ↑ \$26.6b, +1.2%	<i>Reported basis¹</i> EBITDA ↓ \$10.7b, -3.5%	<i>Reported basis¹</i> Net profit after tax ↓ \$4.3b, -5.8%
<i>Guidance basis²</i> Total income ↑ \$26.3b, +2.3%	<i>Guidance basis²</i> EBITDA ↑ \$10.8b, +2.0%	<i>Guidance adjustments³</i> Net profit after tax ↑ \$4.4b, +9.8%
<i>Guidance basis and excluding CSL⁴</i> Total income ↑ \$26.3b, +6.6%	<i>Guidance basis and excluding CSL⁴</i> EBITDA ↑ \$10.8b, +4.5%	

1. Reported income and profit numbers are impacted on a comparative basis by the sale of CSL Hong Kong in May 2014
2. Guidance basis assumed wholesale product price stability, no impairments to investments, excluded any proceeds on the sale of businesses, mergers and acquisitions and purchase of spectrum. The FY15 guidance excluded the FY14 CSL profit on sale of \$561m from FY14 Income and EBITDA.
3. Guidance adjustments have been used to calculate NPAT
4. On a guidance basis and excluding CSL operating income and EBITDA from FY14



FY15 HIGHLIGHTS

↑ Earnings per share 34.5c, +0.3%	↑ Final dividend of 15.5 cents per share, +3.3%	↑ \$4.7b in dividends and buy-back proceeds returned to our shareholders
↑ Overall NPS score improved by 5 points	↑ Net addition of 664,000 retail mobile customer services	↑ Net addition of 189,000 retail fixed broadband customers



OUR PURPOSE, OUR VISION, OUR STRATEGY

Purpose:	To create a brilliant connected future for everyone			
Vision:	To be a world class technology company that empowers people to connect			
	Customer service	Technology	Networks	Delivery
Strategy:	Improve customer advocacy ☺	Drive value from the core 📶💻	Build new growth businesses 📈	



DELIVERING ON OUR STRATEGY



FY15 KEY MEASURES GETTING SERVICE RIGHT THE FIRST TIME



FOCUS ON FIRST CALL RESOLUTION

Consumer and small business contact centres first call resolution rates now ~84%

% First Call Resolutions

Fiscal Year	% First Call Resolutions
FY12	73%
FY13	77%
FY14	81%
FY15	84%

“YOU HAVE MY NAME”

Customers receive the contact details of the customer service agent they spoke with

GETTING SERVICE RIGHT THE FIRST TIME IS AN IMPORTANT DETERMINANT OF CUSTOMER ADVOCACY

FY15 KEY MEASURES
BE MORE RESPONSIVE TO OUR CUSTOMERS



WE RE-ENGINEERED THE SPEED AND QUALITY OF OUR RESPONSE TO CONSUMER AND SMALL BUSINESS CUSTOMERS
Improvement in complaint resolution & contact centre response times

WORKING TOGETHER TO CREATE SOLUTIONS FOR OUR ENTERPRISE AND GOVERNMENT CUSTOMERS



RESPONSIVENESS BUILDS CUSTOMER ADVOCATES



FY15 KEY MEASURES
CONTINUING TO INNOVATE PRICING AND BILLING



REAL TIME DATA ALERTS FOR OUR POSTPAID MOBILE CUSTOMERS

EXTRA DATA TOP UPS MADE AVAILABLE TO OUR CONSUMER MOBILE CUSTOMERS

CUSTOMERS VALUE PEACE OF MIND – SIGNIFICANTLY REDUCES THE CHANCE CUSTOMERS RECEIVE UNEXPECTEDLY HIGH BILLS



FY15 KEY MEASURES WINNING IN BROADBAND



TELSTRA Air



WE HAVE CREATED AUSTRALIA'S LARGEST WI-FI NETWORK

- Over 3,600 public Wi-Fi hotspots
- Over 140,000 Telstra Air members

FREE DATA TOP UPS TO OUR CONSUMER FIXED BROADBAND CUSTOMERS

More generous data allowances are being bestowed across the entire base

NETWORK ENHANCEMENTS

Upgrades to backhaul capacity and improvements to ADSL line stability

WE ARE OFFERING IMPORTANT POINTS OF DIFFERENTIATION TO OUR FIXED BROADBAND CUSTOMERS - THIS IS INCREASINGLY IMPORTANT IN AN NBN WORLD

IT'S HOW
WE CONNECT



FY15 KEY MEASURES GROWING IPTV AND BUNDLES



PARTNERSHIPS WITH MAJOR VIDEO STREAMING PROVIDERS

Allows Telstra to be the content aggregator of choice – Telstra TV available from October 2015



NRL AND AFL APPS

Growth in weekly and annual subscribers – 51% increase in NRL subscribers, 14% increase in AFL subscribers during FY 2015

CONTENT IS AN IMPORTANT DRIVER OF GROWTH AS DEMONSTRATED BY THE CONTINUED TAKE-UP OF IPTV, PAY TV AND BUNDLES

IT'S HOW
WE CONNECT



WARWICK BRAY

CHIEF FINANCIAL OFFICER



GROUP RESULTS – INCOME STATEMENT

	FY14	FY15	GROWTH (reported basis)	GROWTH (guidance basis ¹)	GROWTH (guidance & ex-CSL basis ²)
Sales revenue	\$25.1b	\$25.8b	2.9%	1.9%	6.3%
Total income ³	\$26.3b	\$26.6b	1.2%	2.3%	6.6%
Earnings Before Interest Tax Depreciation & Amortisation (EBITDA)	\$11.1b	\$10.7b	-3.5%	2.0%	4.5%
Net Profit After Tax ⁴	\$4.3b	\$4.3b	-0.9%		
Basic earnings per share ⁴ (cents)	34.4	34.5	0.3%		

1. Guidance basis assumed wholesale product price stability, no impairments to investments, excluded any proceeds on the sale of businesses, mergers and acquisitions and purchase of spectrum. The FY15 guidance baseline excluded the FY14 CSL profit on sale of \$561m from FY14 income and EBITDA.

2. Guidance and ex-CSL is on a guidance basis and excluding FY14 sales revenue from CSL operating of \$1,045m, profit on sale of \$561m and net EBITDA of \$822m (including profit on sale of \$561m and operating EBITDA of \$261m). CSL was divested in May 2014.

3. Total income excludes finance income.

4. NPAT and basic earnings per share from continuing and discontinued operations.



GROUP RESULTS – FINANCIAL MEASURES

	FY14	FY15	GROWTH (reported basis)	FY15 (guidance basis ³)
Capital expenditure (capex) ¹	\$3.7b	\$3.6b	-2.0%	
Free cashflow ²	\$7.5b	\$2.6b	-65.0%	\$5.0b
Ordinary dividends per share (cents)	29.5	30.5	3.4%	
Ratios				
Capex to sales	14.6%	13.9%	-0.7pp	
Payout ratio	86%	88%	+2pp	
Gearing	43.0%	48.3%	+5.3pp	

1. Capex is defined as additions to property, equipment and intangible assets including capital lease additions, excluding expenditure on spectrum, measured on an accrued basis. Capex excludes externally funded spend.
2. Continuing and discontinued operations.
3. Guidance basis assumed wholesale product price stability, no impairments to investments, excluded any proceeds on the sale of businesses, mergers and acquisitions and purchase of spectrum. The FY15 guidance baseline excluded the FY14 CSL profit on sale of \$561m from FY14 income and EBITDA.

IT'S HOW
WE CONNECT



BUSINESS UNIT RESULTS INCOME GROWTH ACROSS ALL SEGMENTS

BUSINESS UNIT	FY14	FY15	GROWTH
Telstra Retail¹	\$16.4b	\$17.3b	5.3%
- Consumer	\$11.3b	\$12.0b	6.5%
- Business	\$4.8b	\$4.9b	2.9%
Global Enterprise and Services²	\$5.3b	\$5.7b	7.9%
- GES domestic	\$4.4b	\$4.6b	3.3%
- GES global	\$0.9b	\$1.1b	24.2%
Telstra Wholesale	\$2.3b	\$2.6b	11.1%

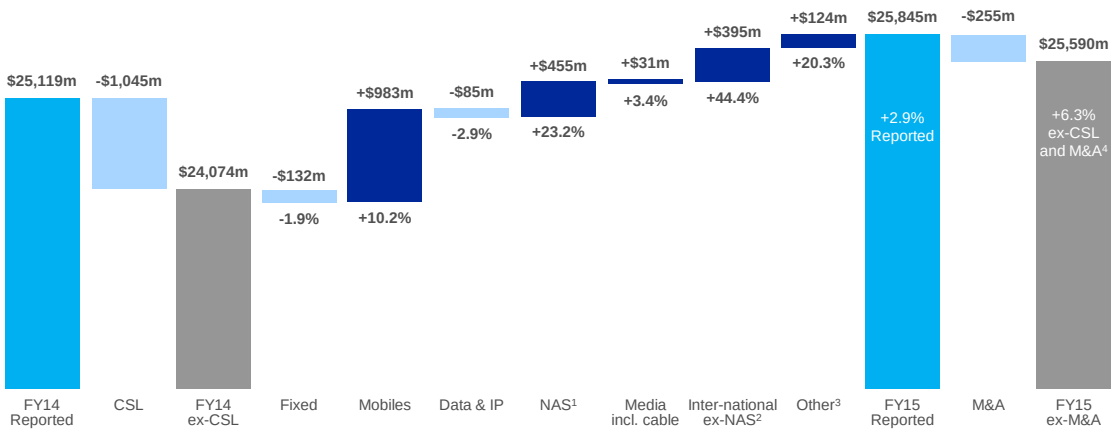
1. Telstra Retail segment includes Telstra Consumer, Telstra Business, Telstra Media Group and Telstra Health. Telstra Media Group and Telstra Health contributed income of \$341m (FY14 \$346m). Telstra Media Group income includes the Foxtel dividend, cable access revenue and classified and advertising revenue. Other media entertainment, services and content income is allocated to Telstra Consumer and Business segments.
2. Global Enterprise and Services (GES) includes \$187m (FY14 \$168m) of inter-segment revenue treated as external expense in Telstra Retail and Telstra Wholesale. GES includes GES domestic, GES global and other GES, including the recently formed Telstra Software Group and its acquisitions.

IT'S HOW
WE CONNECT



PRODUCT PERFORMANCE

SALES REVENUE GROWTH MAINTAINED



1. Network Applications and Services (NAS) includes domestic and international NAS.
2. International includes China Digital Media (Autohome) and global connectivity. Excludes CSL and international NAS. CSL was divested in May 2014.
3. Other includes NBN Infrastructure Services Agreement, Health, Software and miscellaneous product revenue. Prior period includes NBN Information Campaign and Migration Deed.
4. Underlying sales revenue growth is calculated from a FY14 baseline which excludes operating revenue from CSL.



CAPITAL AND PORTFOLIO MANAGEMENT

STRATEGIC FRAMEWORK

FISCAL DISCIPLINE			
Objectives	1. MAXIMISING RETURNS FOR SHAREHOLDERS	2. MAINTAINING FINANCIAL STRENGTH	3. RETAIN FINANCIAL FLEXIBILITY
Principles	1. Maintain balance sheet settings consistent with a single-A credit rating 2. Ensure dividend remains fully-franked and seek to increase it over time¹ 3. Target medium-term capex/sales ratio ~14% subject to NBN roll-out, excluding spectrum payments 4. Over a full year we will not borrow to pay the dividend or fund capital returns 5. Maintain flexibility for portfolio management and to make strategic investments		
Cumulative Excess Free Cashflow: \$2.8b as at 30 June 2015			

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



2016 GUIDANCE¹

MEASURE	FY15 BASELINE	FY16 GUIDANCE
Total income	\$26.6b	Mid-single digit growth
EBITDA	\$10.7b	Low-single digit growth
Capex to sales	13.9%	~15%
Free cashflow	\$5.0b	\$4.6b - \$5.1b

1. This guidance assumes wholesale product price stability and no impairments to investments, and excludes any proceeds on the sale of businesses, mergers and acquisitions and purchase of spectrum. Capex to sales guidance excludes externally funded capex. The Australian Competition and Consumer Commission is consulting on new Access Determinations including a draft determination on Fixed Line Services. While Telstra disagrees with the draft decision on fixed line services, the EBITDA reduction in FY16 would be up to \$90m if implemented from October.



ANDREW PENN
CHIEF EXECUTIVE OFFICER



SUMMARY

OUR VISION IS TO BE A WORLD CLASS TECHNOLOGY COMPANY THAT EMPOWERS PEOPLE TO CONNECT

OUR STRATEGY HAS CONTINUED TO DELIVER

WE HAVE ADDED SHAREHOLDER VALUE THROUGH EFFECTIVE CAPITAL AND PORTFOLIO MANAGEMENT

WE EXPECT TO DELIVER MID-SINGLE DIGIT INCOME GROWTH AND LOW-SINGLE DIGIT EBITDA GROWTH IN FY16¹

1. This guidance assumes wholesale product price stability and no impairments to investments, and excludes any proceeds on the sale of businesses, mergers and acquisitions and purchase of spectrum. Capex to sales guidance excludes externally funded capex. The Australian Competition and Consumer Commission is consulting on new Access Determinations including a draft determination on Fixed Line Services. While Telstra disagrees with the draft decision on fixed line services, the EBITDA reduction in FY16 would be up to \$90m if implemented from October.



QUESTION & ANSWER SESSION



CONTACT US

 investor.relations@team.telstra.com

 1800 880 679

 www.telstra.com/investor

 242 Exhibition Street, Melbourne VIC 3000

