13 October 2020

The Manager

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ELECTRONIC LODGEMENT

Dear Sir or Madam

Annual General Meeting presentations

In accordance with the Listing Rules, I enclose the presentations of the Chairman and Chief Executive Officer, which will be delivered today at the Telstra Corporation Limited 2020 Annual General Meeting.

Authorised for lodgement by:

Sue Laver
Company Secretary

TELSTRA ANNUAL GENERAL MEETING – 13 OCTOBER 2020
CHAIRMAN'S SPEECH

SLIDE: JOHN MULLEN – TELSTRA CHAIRMAN

Welcome and introduction

Good morning ladies and gentlemen.

My name is John Mullen and it is my pleasure to welcome you this morning to Telstra's 2020 Annual General Meeting.

Today's meeting is an historic moment we are all sharing – Telstra's first ever virtual AGM.

We would have preferred to meet in person, but with travel for many of you and for our directors impossible, we think this format is the best solution at a time when few things are normal.

With a quorum present I would like to formally declare the meeting open.

A Notice of Meeting was distributed earlier which set out the business and resolutions to be considered today.

I propose to take that Notice as read.

There are a number of items of business on today's agenda, all of which are shown on the screen now.

SLIDE: ITEMS OF BUSINESS

Voting on items 3 to 6 will be conducted by poll and that poll is now open.

While we are lacking the personal interaction we usually enjoy at a normal AGM there is still the opportunity today for a digital dialogue and I look forward to your comments and questions as outlined by Ross earlier.

I would now like to introduce my colleagues with me here in Sydney and by video or audio from other locations.

With me in Sydney are:

- Craig Dunn – Craig is Chairman of the Audit & Risk Committee and will chair the part of the meeting dealing with my re-election, and
- Vicki Brady – Chief Financial Officer

Joining us from Melbourne we have:

- Andrew Penn our Chief Executive Officer; and
- Sue Laver, Company Secretary.

Joining us from various locations across Australia and around the world are the rest of my fellow Board members.

Can I welcome in particular two outstanding new directors, Elana Rubin and Bridget Loudon who both joined the Board this year. You will hear from them both shortly.

Also with me here in Sydney is Andrew Price from our auditors Ernst and Young. Andrew can answer any questions you may have on the conduct of the audit, or on the auditor's report itself.

SLIDE: DELIVERING ON OUR T22 STRATEGY

It would be an understatement to say this has been a tumultuous year.

From the bushfires that devastated so much of the country last summer to the COVID-19 pandemic that has crippled the world's economy and impacted so many aspects of our lives, our world has been turned upside down.

It is a special privilege to be healthy and to live in a country that is relatively safe, notwithstanding the fact that COVID is affecting us all in some way, but I want to acknowledge what we are all going through, investors, customers and employees, particularly those in Melbourne where many tough restrictions remain in place, and to wish you and your families all good health.

Through all of this Telstra has tried to set an example for our people, our customers and our country. We have tried to set an example by maintaining our operations and business performance through these difficult times, and we have tried to set an example by supporting government, society and individuals as we all navigate through the pandemic.

Despite these extraordinary events, however, this has been a strong year for Telstra and it says a lot about the strength and resilience of our business and strategy that through all of this unprecedented disruption we were able to perform close to expectations, maintain the dividend and provide clear guidance for the year ahead.

So what of our progress this year?

When we launched T22 in 2018 we said it was about disrupting ourselves before we were disrupted.

That approach has helped us through COVID and it will help us capitalise on new and different growth opportunities in the future.

Andy will talk in more detail shortly, but I want to call out just three of the fundamentals from our progress on T22 so far.

Firstly, simplifying and digitising the business.

This has ranged from reducing 1800 mass market consumer plans to 20 plans in-market; introducing new technology stacks that streamline the customer experience and join the dots in the systems and processes behind the scenes for our people; rapidly introducing messaging during COVID as our call centres in The Philippines and India were disrupted; to setting a new aspiration that all calls from our consumer and small business customers will be answered in Australia by the time T22 is complete.

Today we are already answering more than 50% of calls in Australia and we want to take that to 100%.

Irrespective of where we answer these calls, however, improved service and increased digitisation will lead to fewer calls full stop. It is pleasing to see, therefore, that since the beginning of our T22 programme inbound calls have reduced by almost 50% from 36m to 21m per annum and we project that this will reduce by almost half again by the end of T22.

Secondly 5G and our ongoing mobile leadership.

Telstra 5G now covers over 40% of the Australian population, an area that more than 12 million Australians live in, work in or pass through every day.

We already have 5G in selected areas of 53 cities and towns and have accelerated the rollout so that coverage will reach to around 75 per cent of the Australian population by June 2021.

As with the roll-out of 3G and 4G previously, Telstra is the clear market leader in 5G already and this reinforces that Telstra has, and will retain, by far the best network in Australia.

Lastly, the establishment of Telstra InfraCo where we have made excellent progress with the establishment of our internal InfraCo structure.

This means that we will now be able to provide transparency over the different asset classes in our infrastructure business, and from the end of this financial year be ready to consider monetizing some or all of these assets if this creates appropriate value for shareholders. In the event of any eventual privatisation of the nbn this may include the opportunity for Telstra to work with government on solutions for the nbn that might provide increased value for Telstra shareholders, the government and the community.

SLIDE: SUPPORTING OUR CUSTOMERS, OUR PEOPLE AND THE COMMUNITY

Our responsibility

I want to turn now to the broader issue of the role and responsibilities businesses have in our society and the idea that business will only being successful for their shareholders if their customers, employees and communities are also successful.

Telstra has tried to play a leading role in achieving a balance between delivering profits to shareholders with social responsibility in assisting those less fortunate in society.

Telstra can be very proud of its record in this regard.

As well as being at the cutting edge of technology innovation we also continue to play an important role in connecting and supporting communities in every corner of the nation including in regional and remote areas, and in serving the needs of our customers in vulnerable circumstances.

As digital technologies continue to play an increasingly central role in our world there remains a significant gap between those who are connected and those who are not.

We're doing a lot in this area and in the last year alone provided assistance to around 900,000 vulnerable customers and enabled 23,000 people to receive digital capabilities training through our Everyone Connected programs.

During the bushfires last summer, we provided vital infrastructure for emergency services and community evacuation centres, paid the mobile phone bills for around 10,000 fire fighters and SES volunteers, and provided free access to our payphone network and Telstra Air Wi-Fi hotspots.

And again during COVID we introduced new global epidemic and pandemic leave policy for our employees, paid leave for our casual employees, we brought forward $500m in capex investments to accelerate our 5G build and inject money into the economy, created relief programs for small business and consumer customers, provided temporary unlimited data allowances for home broadband customers and offered additional data to mobile customers.

We also put all further T22 productivity job reductions for permanent employees on hold until February next year to give our people certainty during this difficult and uncertain time.

While I acknowledge there are differing shareholder views on the role and responsibilities of business, we believe being part of the fabric of our community also means taking action on important issues.

Not on every issue, but on those that are relevant to our business and that impact our customers and our people.

Climate change is an example of where we believe that businesses, including Telstra, should take meaningful action.

The business sector is a material contributor to greenhouse emissions and rapid climate change is creating risks that impact our economy, our business, our environment, and each of us individually.

Telstra is one of the largest consumers of energy in the country and last year our operations resulted in nearly 1.2 million tonnes of greenhouse gas emissions.

Compounding that is a rise in demand as businesses, governments and communities increasingly adopt new digital technologies.

To give that scale, traffic on our network grew by 28 per cent this year and is expected to more than triple from June 2020 to June 2025.

While Telstra has long focused on ensuring our networks are energy efficient, we also believe we can and should do more.

This year Telstra received formal carbon neutral certification from Climate Active through emissions reductions, renewable energy investment and purchasing credits from carbon offset projects. Going forward, we have then committed to enabling renewable energy generation equivalent to 100 per cent of our consumption by 2025 and reducing our absolute emissions by at least 50 per cent by 2030.

No other telecommunications company, and in fact very few other businesses, can match Telstra for its involvement in, or its positive impact on, the communities in which we operate.

It is an ongoing source of great organisational pride for us all.

But I recognise that there's a balance between social responsibility – generally and more recently in response to COVID - and its potential economic impacts on corporations.

My commitment is that as we tackle these issues, our purpose and values will continue to guide us, that we will be open and transparent about what we are doing, and most of all we will endeavour to find the right balance for our shareholders, our people, our customers and the communities in which we operate.

SLIDE: REMUNERATION REPORT

I want to turn now to the often-vexed issue of executive remuneration.

It was very pleasing this year to see broad support from proxy advisers and others for our approach to executive remuneration which, as I have said many times, is a responsibility the Telstra Board takes incredibly seriously.

We spend a huge amount of time trying to get the balance right between protecting shareholders' interests and not over-paying executives, while at the same time motivating, incentivising and retaining the best management talent that we can.

Unfortunately, there is nothing simple or easy about this process and I still believe that it is overly complex and confusing.

I do wonder if it is time to consider a simpler model going forward. I am old enough to remember when I just got paid a salary and if I did a bad job I was fired. I sometimes wonder whether we should not go back to those days and just give senior executives a fixed salary, the majority of which would be paid in shares so that if the company's shares perform well then the executive would earn more and if they perform badly the executive would earn less.

This is a discussion for another day but it would greatly simplify the whole executive remuneration debate, eliminate the need for most of the ever more complex remuneration reports everyone produces, save countless hours of debate at Remuneration Committees and eliminate hundreds of thousands of dollars spent on remuneration consultants and the entire industry that has grown up around the issue.

Leaving this aside for now, however, we believe that Telstra is a market leader in disclosure in that we provide full transparency over the remuneration targets given to management, both retrospectively for the year just gone as well as prospectively for the year ahead.

Unless there is a good reason, the board prefers to let the scheme run without adjustment, making sure that shareholders can see exactly what management are being rewarded to deliver.

In line with the above, this year the board gave detailed consideration to the impact of COVID-19 on the company's performance. Overall the pandemic had a negative impact upon executive remuneration in two main areas:

- A combination of reduced revenues and deliberate decisions to defer redundancies, introduce assistance packages for disadvantaged customers, and other social measures led to a negative impact of around $200m on underlying EBITDA. This led to management missing their underlying EBITDA incentive target.

- Secondly, the pandemic caused huge challenges with Telstra's customer service capabilities with some 16,000 call centre operators becoming unable to go to their place of work almost overnight. This led to a fall in customer experience and therefore the company's episode NPS score, resulting in management also missing their NPS targets and forfeiting all incentive outcomes for this measure.

Without this impact from COVID, management would likely have achieved both their underlying EBITDA and NPS thresholds and been remunerated accordingly.

However, some metrics such as digital engagement were positively impacted by the pandemic so on balance the board decided not to exercise any discretion to compensate for the COVID impact, and management received a zero payout on both the Underlying EBITDA and Episode NPS measures.

However, there is one key area this year where the Board did exercise its discretion and three executives including Andy had a 10% reduction in their individual outcomes, reducing payments to these executives collectively by $758,000 as a result of an issue relating to sales practices in a small number of our partner stores.

To his great credit, this is an issue that Andy has spoken about publicly and at length over the past year.

In summary, some years ago we became aware of an issue where a small number of our partner stores, those operated by third parties under a licence agreement, sold mobile devices and plans to a number of Indigenous customers that ultimately they could not afford or may not have been appropriate for their needs.

When we investigated, we found that there had been some cases of serious misconduct. To provide context, however, this represented some 100 customers out of nearly 10 million, and 100 or so devices out of the approximately 2 million that we sell each year.

Furthermore, all resultant debts have since been waived or refunded, or are in the process of being waived or refunded, and in almost all cases the individuals kept the equipment, but even one example of bad practice is too many and we acknowledge and accept full responsibility for these failures.

We have been progressively implementing a comprehensive program to ensure that such an issue does not occur again, and we are also cooperating with the Australian Competition and Consumer Commission investigation into the issue.

Our view in these matters is that the responsibility ultimately stops with the company's leadership and the Board's decision on remuneration outcomes for Andy and two of his executive team reflected that while there was no specific adverse conduct by them personally, they were ultimately accountable.

SLIDE: LEADERSHIP RENEWAL

Executive and board renewal

Turning now to the changes this year in Telstra leadership.

Andy will talk about his management team shortly but on the Board we continue to inject fresh thinking, expertise and experience.

Shortly you will hear from two fantastic new Directors standing for election - Bridget Loudon and Elana Rubin.

Bridget is an entrepreneur and business leader who founded Australia's number one skilled talent platform, Expert360. Bridget adds a unique perspective to the Board.

Firstly, Bridget brings a strong track record of entrepreneurial success from building businesses steeped in the application of modern digital solutions to old world problems.

Secondly, she brings the perspective of youth as it is youth that is driving so much of the explosive change in telecommunications, technology, data and social media usage today. While I and my fellow directors understand and appreciate technology, we were not born digital natives and it is important to have such a voice permanently on our board.

I am absolutely delighted that Bridget has agreed to join us.

Elana brings more than 20 years' board experience across the financial service sector, including superannuation and funds management as well as the property, infrastructure and government sectors.

While I and management spend a lot of time interacting with shareholders and I thoroughly enjoy that responsibility, this is not the same as having someone permanently on our board who speaks for the investor and who pushes the board on our social responsibilities and obligations.

I am absolutely delighted that Elana has also agreed to join us.

Both Bridget and Elana are outstanding additions to the Telstra Board and I ask you to vote in favour of their election.

Two current Directors are also standing for re-election – Peter Hearl and myself – and we will also address the meeting shortly.

SLIDE: LOOKING AHEAD

Let me now make a couple of comments about the future.

As we move further into FY21, Telstra is now at a point where we are much closer to the finish of our T22 strategy than the start.

We are closer to the point where we will have completed what is the greatest transformation that this company has ever undertaken and almost certainly one of the most ambitious and radical transformations undertaken by a telecommunications company anywhere in the world.

The T22 programme is comprised of over 100 metrics that are monitored by management and the board and pleasingly while obviously not every objective will be realised, the majority of targets are being achieved and overall the programme is going to be very successful.

Notable successes include progress against the $2.5b cost takeout target where management has done and is doing an excellent job in reducing cost to support our ambition to move from the bottom quartile of cost efficiency amongst global legacy telco's to the top quartile.

An equally significant success is in digital interactions which I alluded to earlier.

Disappointingly, however, one of the targets that will not be met within the original T22 timeframe is the ROIC target of >10% by end FY22.

I want to take a moment to explain the revised ROIC target, which is to achieve ROIC of greater than 7% by FY23.

Firstly, completely independently of performance, recent accounting standards changes have reduced the way ROIC is reported by about 1%. This reduces the original target of >10% to around 9%. Then we have also said that to maintain the dividend we need to achieve underlying EBITDA in the order of $7.5-$8.5b post the nbn, which we are absolutely aspiring to achieve.

A result towards the bottom end of this range would equate to an estimated ROIC of close to 8%, and if we are successful in achieving that, the change in our ROIC from the original target would be slightly more than 1%.

While the impacts of competition and COVID mean that we will not achieve our original goal in our original timeframe, our level of aspiration should therefore not be interpreted as being capped at ROIC of 7% and over time, we will continue to pursue opportunities to achieve a higher ROIC closer to our original target.

Secondly, we can now see the point where the nbn migration will be fully complete and its impact finally washed through our financials. Come FY23 the negative EBITDA impact of the nbn will have been fully absorbed and all the one off payments for nbn disconnections will have been received.

That will be an historic moment but shareholders would be aware the net cost to Telstra of this has been huge – around $3.5 billion in recurring EBITDA when it is complete.

This is a good moment for me to reinforce that the board of Telstra is acutely aware that the level of earnings being delivered by Telstra, the dividend and the share price are a disappointment to many investors, as indeed they are to us as well.

It is easy to just say management has to do better, but for the board to objectively judge the performance of the management team we need to look at why earnings and the dividend are where they are, management's performance against the objectives that have been set, the performance of industry peers around the world, and performance against our competition in Australia.

The reality is that Telstra has lost over $6 billion of profit in the last decade or so, predominantly from the impact of the nbn but also the loss of voice revenues, sms revenues, global roaming and other pressures, and this has had an inevitable impact on earnings, dividends and our share price.

There are few precedents in corporate Australia for an impact or a challenge of this magnitude.

Telstra reacted to this challenge by introducing its T22 programme which is acknowledged as the most ambitious transformation of any global Telco today. The cost out and digital transformation elements of T22 are unprecedented in ambition and timeframe.

Against its domestic and global peers, although tough for everyone, Telstra's performance stands up well across most metrics including earnings, ROIC, margins and revenue per user.

It is worth noting that this week the GSMA released its Global Mobile Connectivity Index and Australia was ranked first in the world for mobile network performance. This is fantastic for our industry and for our country and as Telstra's mobile network is the best in Australia, I think that we can rightfully be very proud of what has been achieved.

There is no silver bullet but there is every reason to be very positive about the future. The nbn is finally almost behind us, our underlying EBITDA excluding the nbn headwind has started to grow again, and new opportunities are opening up every day.

The dramatic acceleration during COVID in areas like telehealth, online learning, remote working and e-commerce are running in parallel with other new opportunities in new areas like cloud computing, machine learning, artificial intelligence, IoT in key sectors like mining, agriculture and transport, autonomous vehicles, big data, drones, gaming, satellite technology.

Telstra Health, as just one example, is creating an eco-system of services that can help with everything from a simple consultation with a GP to delivering paperless prescriptions, and to creating new integrated capabilities in healthcare and aged care at a national level.

Telstra Health is still small but it is really exciting and is growing fast. It is my personal view not a company projection and it will be after my time, but I will stick my neck out and state that I believe that one day Telstra Health will be a real success story and a very significant contributor to the size and success of Telstra overall.

That is just one opportunity for Telstra, one among many.

Lastly, let me comment on the dividend.

The board is acutely aware of the importance of the dividend to shareholders, and we understand the nervousness from some that COVID and other pressures may force Telstra to again cut its dividend.

Andy has previously said that to maintain the dividend at 16c within our Capital Management framework post the nbn, we need to achieve Underlying EBITDA in the order of $7.5-$8.5b, and I want to assure you that we are absolutely aspiring to achieve this.

The board clearly understands the importance of the dividend and if necessary is prepared to temporarily exceed our capital management framework principle of paying an ordinary dividend of 70-90% of underlying earnings to maintain a 16c dividend, and would consider the following factors in determining whether to do so:

1. whether an underlying EBITDA of $7.5b to $8.5b post the rollout of the nbn is achievable.

2. whether the free cash flow dividend payout ratio remains supportive and we retain a strong financial position.

3. whether there are other factors that would make the payment of the dividend at that level imprudent.

This does not represent a guarantee of any level of dividend into the future as the board will need to consider all relevant circumstances before declaring each dividend, but hopefully this clearly demonstrates the board’s commitment to doing all that it can responsibly do to maintain the current dividend and eventually increase it again over time.

Thank you

I will close here by again saying that this has been an extraordinary year, the like of which I do not think any of us have seen before.

Despite this, Telstra has not just survived but is stronger, more efficient and more capable than ever before. It has played a leading role in supporting the community through the pandemic crisis, and despite this is still financially strong and ever better positioned for the future. Whatever 2021 brings us, this will continue and Telstra’s strength will endure.

Finally, before I invite Andy to address you, let me sincerely thank you, our shareholders, for your patience and support during the year.

Let me also thank our customers because without them there would be no Telstra.

And finally, again thanks to every Telstra staff member.

The Board greatly appreciates all that you do and I believe so too do our shareholders.

Thank you for listening and now let me introduce our Chief Executive Officer Andy Penn and invite him to address the meeting.

TELSTRA ANNUAL GENERAL MEETING - 13 OCTOBER 2020
CHIEF EXECUTIVE OFFICER SPEECH

Slide – Andrew Penn Chief Executive Officer

Thank you Chairman. Good morning everybody.

Thank you for joining us today. I would like to echo the Chairman in trusting that you and your families are in good health and remaining safe during the current COVID crises.

While our AGM forum is in a very different format this year, we nonetheless appreciate your participation and value the opportunity to connect with our shareholders albeit virtually. We also look forward to hearing your comments and to answering any questions you may have.

Slide 2 – Agenda

In my presentation this morning I would like to cover four things:

Firstly, I will comment briefly on the financial and operating results from the last financial year.

Secondly, I will provide an update in relation to the progress that we are making in the delivery of our T22 strategy the importance of which has only been reinforced during this COVID period

Thirdly, I will comment on our strategic outlook for the future in the context of the current environment. In particular, the role Telstra plays in supporting the Government's aspiration for Australia to be a leading digital economy by 2030 and the opportunities this presents and how we are preparing for them.

And finally, I will provide an overview of our priorities and guidance for the current financial year.

Slide - Financial results

Let me start with our financial results and operating highlights for the year just ended.

Our results were in line with guidance. This is notwithstanding the impact of the bushfires and the negative financial impact from COVID on Underlying EBITDA which is estimated to be around $200 million.

On a reported basis, Total Income for the year decreased 5.9 per cent to $26.2 billion and NPAT decreased 14.4 per cent to $1.8 billion.

Reported EBITDA was $8.9 billion. After adjusting for lease accounting on a like-for-like basis, EBITDA decreased 0.3 per cent to $8.4 billion.

Underlying EBITDA on a guidance basis declined 9.7 per cent to $7.4 billion.

As you know the negative economic impact of the NBN on Telstra happens progressively as the NBN is rolled out. Therefore, excluding the in-year nbn headwind is the best way to get the clearest view of the underlying business performance.

On this basis underlying EBITDA for the year grew by approximately $40 million, with growth in the first half offset by declines predominantly associated with COVID in the second half.

The Board resolved to pay a fully-franked final dividend of 8 cents per share comprising a final ordinary dividend of 5 cents per share and a final special dividend of 3 cents per share

This brings the total dividend for FY20 to 16 cents per share which saw $1.9 billion returned to shareholders.

Slide 4 - Operating highlights

Turning to our operating highlights I am pleased to say we continued to grow the number of services to our customers.

In our mobiles business we added 240,000 net retail postpaid mobile services including 86,000 branded and 154,000 from Belong.

We also added 171,000 mobile prepaid unique users.

One of the features of the year was increased activity in the price sensitive end of the market as demonstrated through the continued strong performance in Belong and Wholesale.

In wholesale we added 347,000 services while we added a further 652,000 IOT services.

In fixed, we added 80,000 net new retail bundle and data services, including 79,000 from Belong.

Belong now has more than 730,000 services in its own right making it one of the largest operators in Australia with more than 400,000 mobile services and 330,000 fixed.

On costs, underlying fixed costs were down $615 million or 9.2 per cent.

Slide 5 - T22 results

Let me now turn to the progress we have been making in our T22 strategy.

The Chairman has already taken you through this at a high-level but I wanted to share some of the detail and why the strategy is so important to our future.

The COVID-19 period has highlighted that connectivity has never been more important. As many of us have been forced to work and study from home we have witnessed a huge acceleration in the digital economy. Telecommunications and connectivity underpin this.

When we launched T22 two years ago we did so very clearly to radically simplify and digitise our business, to remove customer pain points, to remove legacy systems and processes, to introduce new agile ways of working and to further extend our network leadership including leading in 5G.

In other words, we did so to better prepare the business for the acceleration in the digital economy.

The good news is this year we passed the midway point of our T22 strategy and we are extremely well progressed. We have delivered or we are on track to deliver more than three quarters of our strategic objectives.

And the progress is visible right the way across the business.

Consumer and Small Business in-market plans have been cut from 1800 to 20 and we now have more than 4.8 million services on those plans.

Our new loyalty program Telstra Plus has almost two and a half million members. Reward redemption rates increased more than fourfold between the first half of the 2020 financial year and the second half.

Our work to digitise the company means a new set of technologies are rolling out to greatly simplify our in-store processes and are enabling us to retire many of the complex and cumbersome legacy systems that have caused delay and frustration in the past.

It is also enabling digital engagement with our customers. By the end of FY20, more than 71% of Telstra consumer and small business service transactions were via digital channels, up from 53% just 12 months before.

The new My Telstra app - which replaced the Telstra 24/7 app - was downloaded 3.7 million times within the space of just a few weeks.

Notwithstanding this progress however, one of the impacts of COVID was on our workforce capacity due to extensive lockdowns in overseas locations such as India and the Philippines and this had an impact on customer experience.

While we have moved a large amount of this work online and to Australia, I am conscious of the delays that some customers have experienced during this period and I wanted to apologise for those.

These workforce capacity challenges offshore and the acceleration to digital channels have however provoked our thinking on our customer service model for the future. As a consequence, by the end of our T22 program, we now plan to answer all in-bound calls from our consumer and small business customers in Australia.

This in turn will enable our teams offshore to focus on supporting our customers' digital experiences.

As part of our T22 program we have also rolled out Agile at scale inside Telstra and continued to embed this cross-functional, customer-centric way of working across the organisation.

More than 10,000 Telstra employees are now working in Agile teams and this has been helpful in helping us adapt to the new working conditions over recent months.

In networks we continue our leadership. We were number one in the major mobile network surveys during the year and we have continued our clear leadership in 5G.

Indeed as the Chairman mentioned earlier, Telstra 5G now covers more than 40% of the Australian population and last month we launched a fixed wireless product which offers customers home broadband connectivity using 5G with connection speeds of between 50 and 300 Mbps.

Because this service runs over the mobile network no technician appointment is required – you simply plug in the modem and turn it on. This product is an exciting alternative for customers who are getting a poor experience from nbn.

Telstra InfraCo has now also become fully operational. It is a standalone infrastructure business unit controlling assets with a book value of around $11 billion.

We will provide a further update on our planned next steps for Telstra InfraCo at our Investor Day in November. This will include a deep dive into the opportunities for increased operational efficiency and increased value generation as well as the next steps towards potential monetisation.

Finally, our productivity program is also on track and we have delivered $1.8 billion of savings so far and remain committed to reach our target of reducing annual underlying fixed costs by $2.5 billion by FY22.

This target includes the impact of our decision to delay any T22 productivity job reduction announcements for permanent employees until February next year. There will be some role reductions prior to this, where projects end, or work is no longer required such as the completion of the roll out of the NBN. However, this has been important in providing security to our people during this difficult period.

Notwithstanding the significant progress with our T22 program, we were disappointed to acknowledge that we will not achieve our return on invested capital target inside our original timeframe. As you heard from the chairman we are very focussed on the importance of our FY23 EBITDA being in the range of $7.5-8.5bn to support a 16 cents dividend.

Towards the bottom end of this range equates to a ROIC of close to 8%. We also remain committed to pulling all the levers in our control to achieve a higher ROIC over time.

In summary then, 2020 was a year of significant progress for your company.

A year where we continued to deliver for our customers, support our people and our community, while generating long-term shareholder value.

A year where we continued to transform Telstra as a much simpler and a more customer focussed organisation through our T22 strategy.

And importantly, a year where we also continued to build a company able to play a central role as the digital revolution gathers pace and new opportunities for far-reaching reform emerge in the wake of the COVID-19 pandemic.

Let me turn to this now.

Slide - Moving forward into the 2020's

Last November the Prime Minister gave a seminal speech at the National Press Club setting out his vision for Australia to become a leading digital economy by 2030.

Across Australia and around the world COVID has been a once in a generation shock, a profound disruption that has forced reassessment, adaption and transformation of our economies, our social institutions, our ways of working, learning and living.

These moments of historic and profound disruption also bring opportunities to be bold, to re-think conventional wisdom, and to seek out new economic and social opportunities to help build a stronger future for everyone.

COVID has proven that change can be made and embraced quickly. It has also proven that digitisation of the economy is central to the recovery.

We have seen more progress in digital adoption in the last few months than we have in years including activities like tele-health, online learning, remote working and e-commerce.

What is important now is that we continue to build on that momentum by removing barriers, incentivising investment and encouraging reform.

We welcome the Federal Government's recent announcements to support the digital economy.

However, it is important to point out that a digital economy-led recovery will only be successful if our nation's telecommunications infrastructure has the right policy and regulatory settings in place to enable its success.

To put it simply, consumers and businesses can only do business online if we have a successful telecommunications sector providing outstanding fixed and mobile connectivity.

With the completion of the nbn rollout, there is now an opportunity for Australia to develop a future vision for Australia's digital economy and the telecommunications industry for the next decade – a vision that is technology agnostic and provides an environment that is pro-investment and pro-innovation.

A vision that not only considers the nbn but the success of the whole telecommunication sector.

Also, with so much at stake, robust and effective cyber security has never been more important.

Our economy, our society and our future depends on Australia's cyber defences being strong, adaptive and built around a strategic framework that is coordinated, integrated and capable.

The Federal Government's 2020 Cyber Security Strategy provides that framework and I was pleased to be involved through leading the Government's advisory panel for the strategy.

If these important policy issues can be addressed there is significant potential to accelerate the digital economy and meet the Prime Ministers vision.

It also creates significant opportunities for your company for which we are well prepared given the progress we have made on our T22 strategy.

Opportunities to meet the demand for increased speeds and capacity in connectivity through our leading networks including 5G. Opportunities to support new applications such as the internet of things, virtual and augmented reality and gaming

Opportunities to help customers protect themselves on-line through our cyber security services and our cleaner pipes initiatives. Opportunities to help businesses migrate their computer workloads to the cloud

And opportunities in tele health and telemedicine through Telstra Health.

Slide – FY21 priorities and guidance

It is against this background and before finishing I would like to comment on the immediate priorities and guidance for the year ahead.

First and foremost, we must stay committed to delivering the balance of our T22 program. This is crucial to setting us up successfully for the new digital post COVID era.

This means staying committed to simplification; Completing our Digitisation program; It means transforming our Enterprise business with initiatives such as Adaptive Networks enabling Australian companies to respond to the changing dynamics;

It means further maturing our ways of working and embedding our new operating model; It means extending our leadership in 5G and realising the value from our strategic investment in networks including delivering coverage to 75% of the Australian population by the end of the financial year.

It means ensuring InfraCo is investor ready and driving increased value from passive assets; and finally it means continuing to deliver against our $2.5 billion productivity target including $400m in FY21.

Slide – FY21 guidance

Our financial guidance for FY21 is for Total Income to be in the range of $23.2 to $25.1 billion, underlying EBITDA to be in the range of $6.5 to $7.0 billion and net one-off nbn DA receipts - less nbn net cost to connect - to be in the range of $0.7 to $1.0 billion.

Capital expenditure is expected to be in the range of $2.8 to $3.2 billion, and free cashflow after operating lease payments to be in the range of $2.8 to $3.3 billion.

Underlying EBITDA guidance for FY21 assumes an estimated negative impact from COVID-19 of approximately $400 million.

The in-year nbn headwind for FY21 is expected to have a negative impact on underlying EBITDA of approximately $700 million.

To achieve growth excluding the in-year nbn headwind in FY21, underlying EBITDA will need to be around the mid-point of guidance.

The other assumptions and conditions upon which we have provided FY21 guidance are shown on the slide.

Slide – Summary

Before I close, I would like to thank the many dedicated employees who make Telstra the great company it is.

Despite the disruptions and impacts on them personally during COVID, every day they remain focussed on serving our customers and keeping them connected and for that I want to sincerely thank them.

I would like to also thank the Telstra management team for their dedication, hard work and willingness to step up to the challenge this year.

I am very proud to work with such a talented and committed group of professionals.

The Chairman has already covered renewal at the Board level, but we also had two important additions to the management team this year.

Kim Krogh Andersen has joined us from the Scandinavian telco Telenor to lead Product & Technology and we also welcomed Lyndall Stoyles from Caltex as Group General Counsel and Group Executive, Sustainability, External Affairs and Legal.

Both are first class executives that join a strong and diverse team.

Let me summarise then before I hand back to the Chairman.

2020 was a uniquely challenging year but also one that under-scored the importance of connectivity in society.

It was a year that saw a huge acceleration in the digital economy, now so important to our future and where Telstra has a key role to play.

It was a year where we saw the real value of our T22 investments to transform Telstra for the future as a simpler, more digital and more agile business built around its purpose and values and a commitment to responsible business.

We still have a lot of work to do to truly transform Telstra, but with the progress we have made we look at the year ahead with growing confidence in our ability to deliver our strategic ambitions.

Thank you and with that I will hand back to the Chairman.

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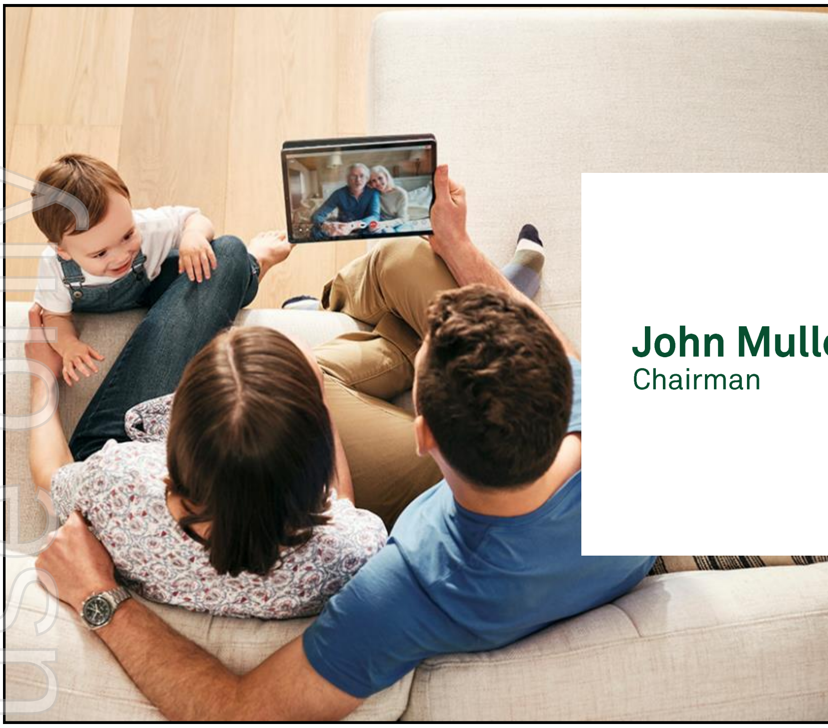

John Mullen
Chairman

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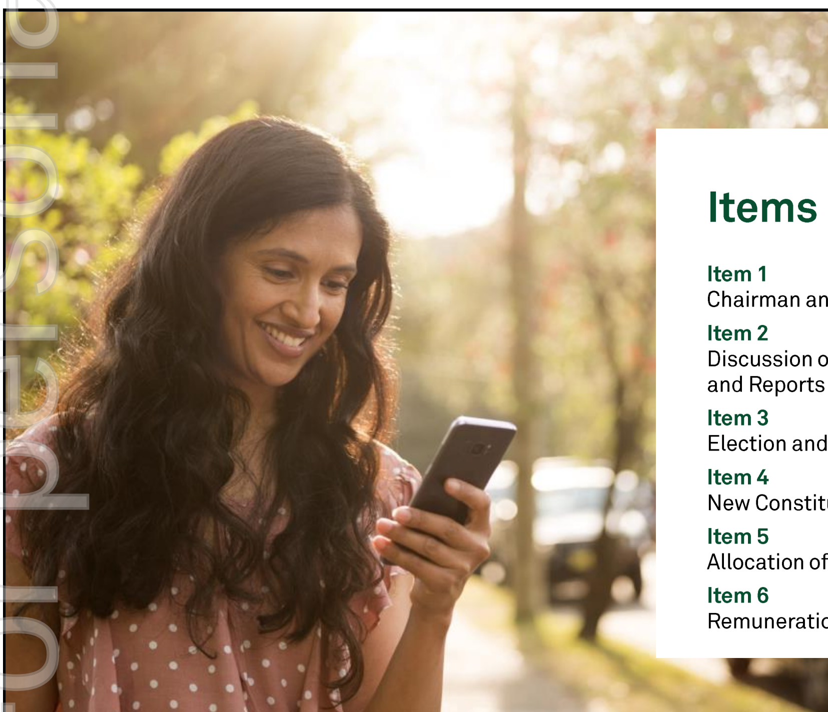


Items of business

Item 1
Chairman and CEO Presentations

Item 2
Discussion of Financial Statements and Reports

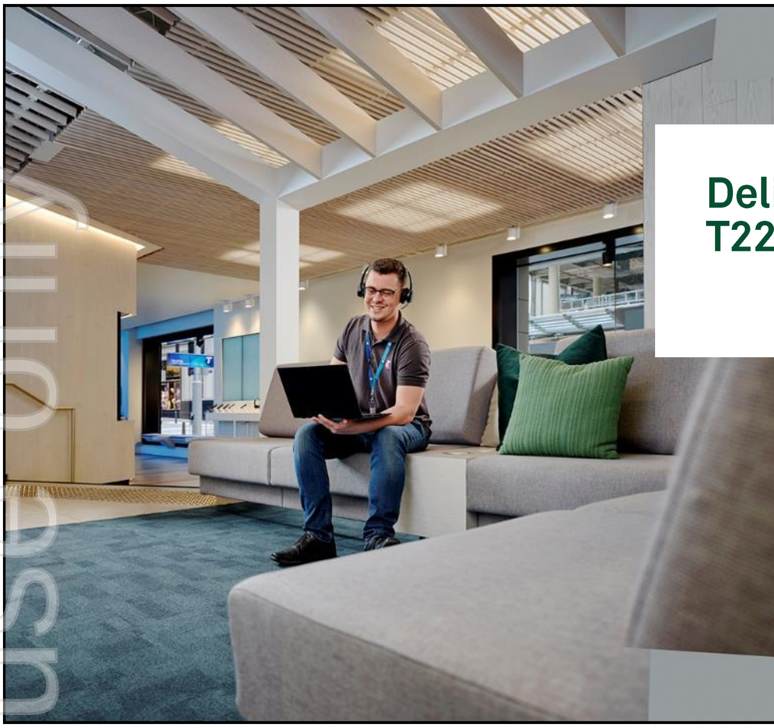
Item 3
Election and Re-election of Directors

Item 4
New Constitution

Item 5
Allocation of Equity to the CEO

Item 6
Remuneration Report

2



Delivering on our T22 strategy

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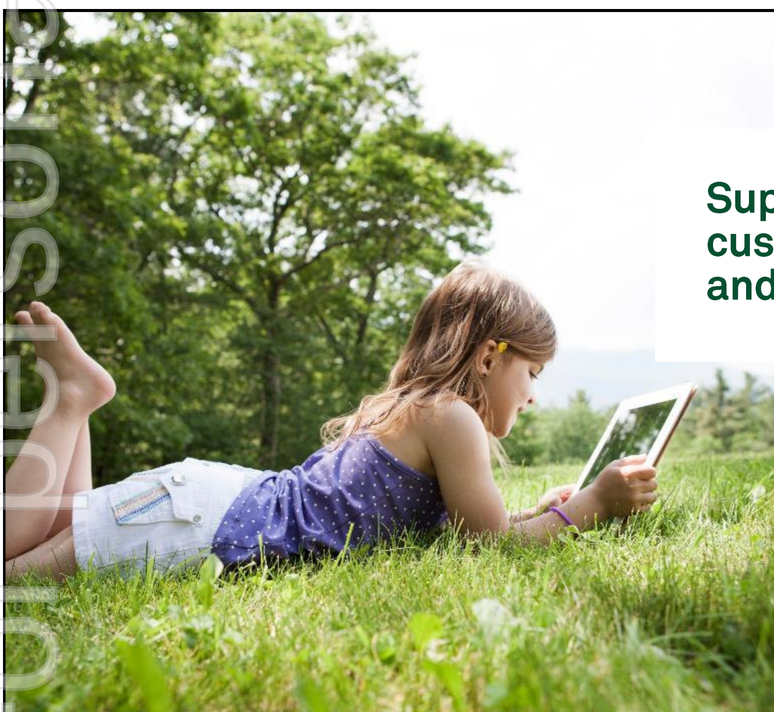

Supporting our customers, our people and the community

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Remuneration Report

5

Leadership renewal

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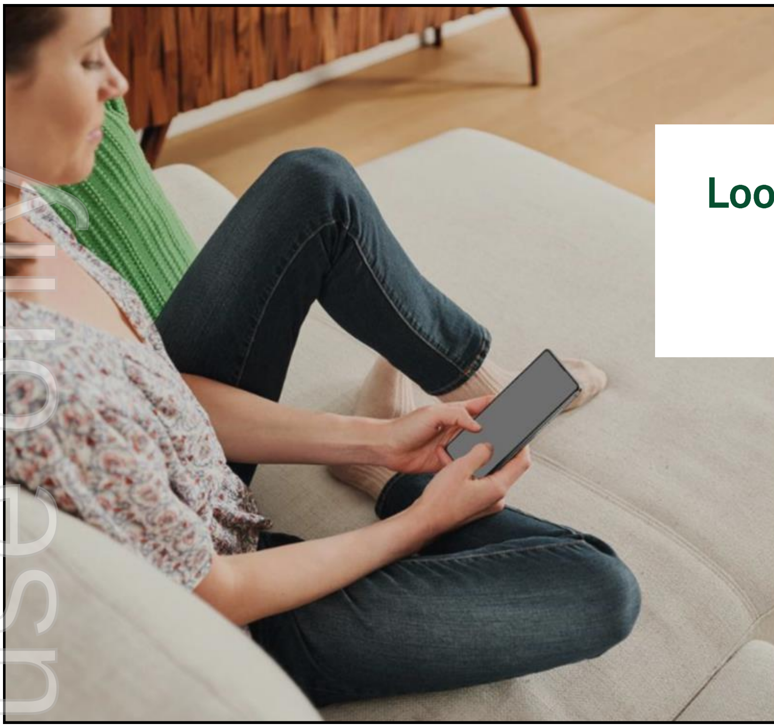

Looking ahead

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Andrew Penn
Chief Executive Officer

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Agenda

Financial results and operating highlights

T22 results

Moving forward into the 2020's

FY21 priorities and guidance

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Financial results

Total income[1] **$26.2 billion**, -5.9%	Net Profit After Tax **$1.8 billion**, -14.4%	Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) **$8.9 billion**, +11.5%	Underlying EBITDA on a guidance basis[2] **$7.4 billion**, -9.7%
Underlying EBITDA growth ex in-year nbn headwind[3] **~$40 million**	Total dividends **16 cents per share** fully franked	**$1.9 billion** returned to shareholders	Maintained **A-band** credit ratings

1. Total income excluding finance income.
2. FY20 guidance assumed wholesale product price stability and no impairments in and to investments or property, plant and equipment and intangible assets, and excluded any proceeds on the sale of businesses, mergers and acquisitions and purchase of spectrum. The guidance also assumed the nbn rollout and migration in FY20 was broadly in accordance with the nbn Corporate Plan 2020. Guidance was provided on the basis of AASB16 Leases and assumed impacts consistent with management estimates. Underlying EBITDA excludes net one-off nbn Definitive Agreement (DA) receipts less nbn net cost to connect (C2C), one-off restructuring costs and guidance adjustments but includes depreciation of mobile lease right-of-use assets.
3. In-year nbn headwind defined as the net negative recurring EBITDA impact of the nbn on our business for the reporting period.

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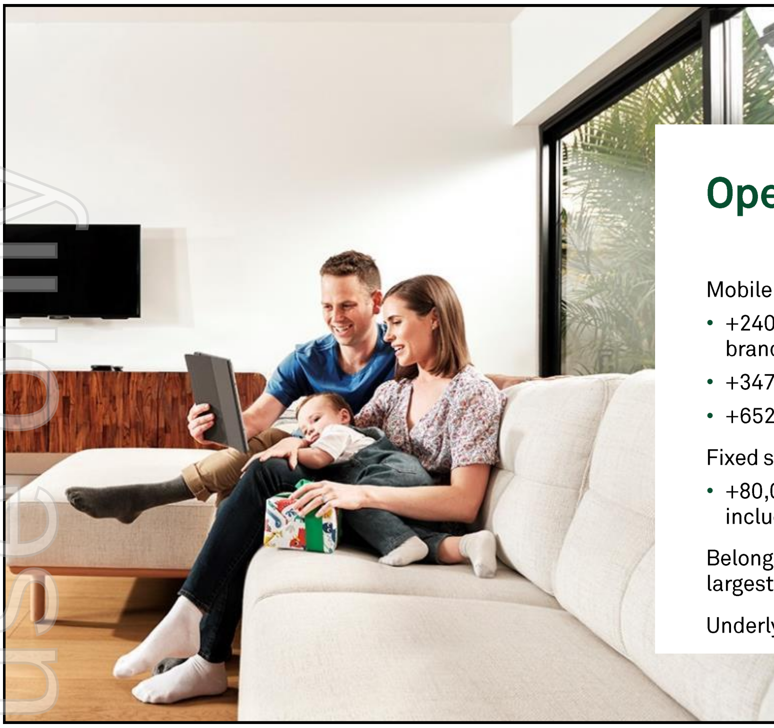

Operating highlights

Mobile service net adds:

- +240,000 retail postpaid including +86,000 branded and +154,000 Belong
- +347,000 wholesale
- +652,000 retail Internet of Things (IOT)

Fixed service net adds:

- +80,000 retail bundle and data services including +79,000 Belong

Belong has >730,000 services – one of Australia's largest operators

Underlying fixed costs down $615 million or 9.2%

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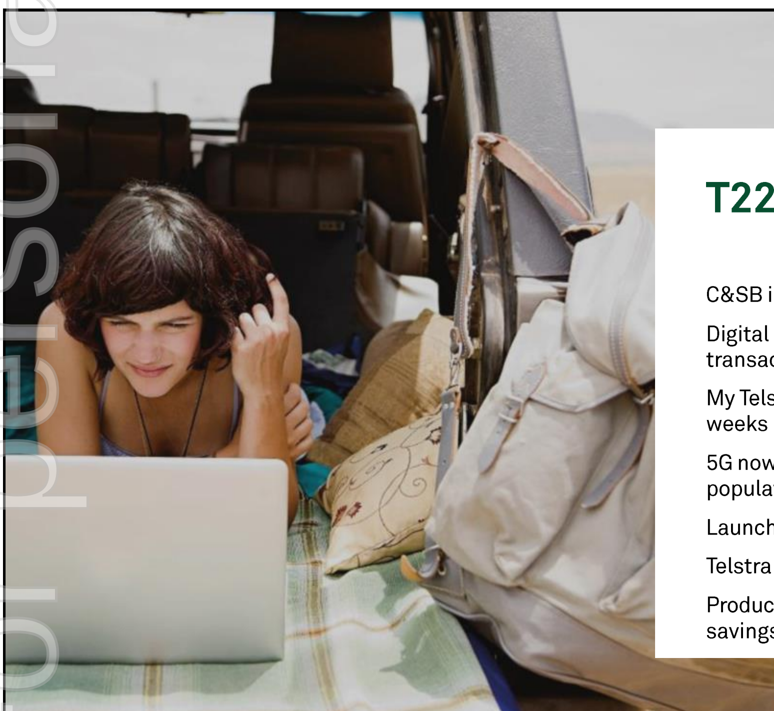

T22 results

C&SB in market plans ~1800 cut to 20

Digital engagement – 71% of C&SB service transactions now via digital channels

My Telstra downloaded 3.7 million times in a few weeks

5G now covers more than 40% of the Australian population

Launched 5G fixed wireless for select customers

Telstra InfraCo operational

Productivity program has delivered $1.8 billion of savings – on track to $2.5 billion by FY22

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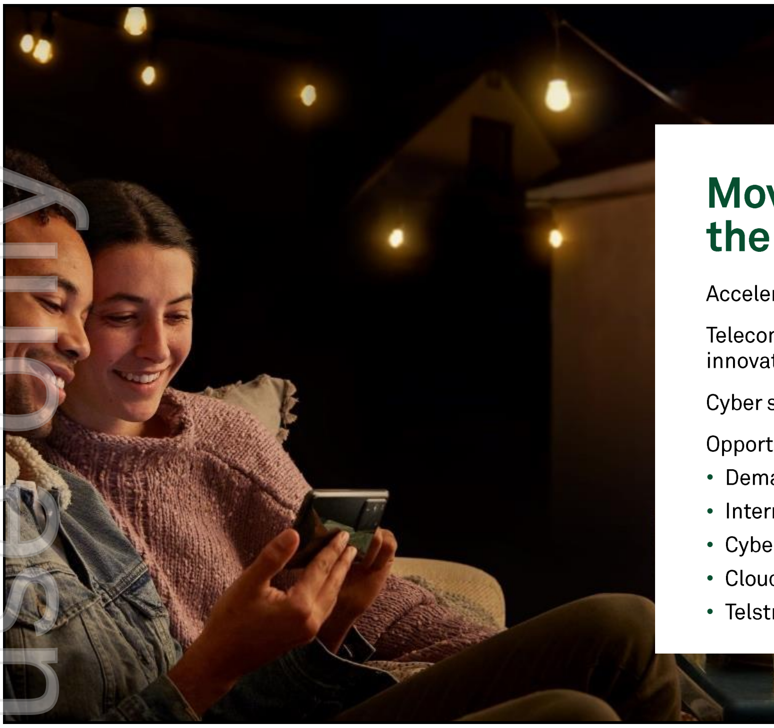

Moving forward into the 2020's

Accelerating Australia's digital economy

Telecommunications policy needs to be pro-innovation, pro-investment, technology agnostic

Cyber security – never more important

Opportunities for Telstra:

- Demand for increased speeds and capacity
- Internet of Things, VR/AR, gaming
- Cyber security services, cleaner pipes
- Cloud
- Telstra Health

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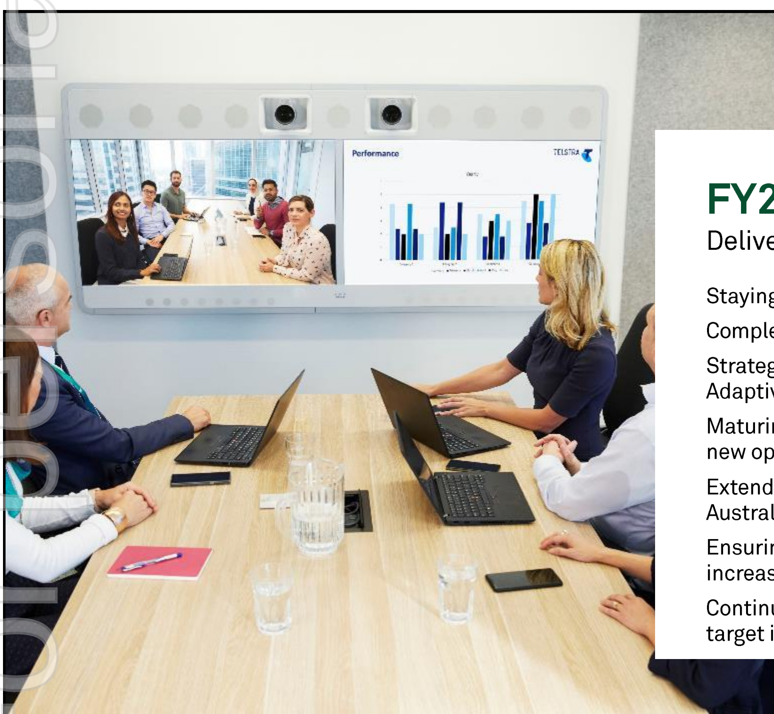

FY21 priorities

Delivering T22

Staying committed to simplification

Completing our digitisation program

Strategic shift in Telstra Enterprise with our Adaptive Networks

Maturing our ways of working and embedding our new operating model

Extending our leadership in 5G – including 75% Australian population coverage

Ensuring InfraCo investor ready and driving increased value from passive assets

Continuing to deliver our $2.5 billion productivity target including $400 million in FY21

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FY21 guidance

Measures	FY21 guidance[1]
Total income	$23.2b to $25.1b
Underlying EBITDA[2,3] Included in-year nbn headwind[4]	**$6.5b to $7.0b** ~$0.7b
Net one-off nbn DA receipts less nbn net C2C	$0.7b to $1.0b
Capex[5]	**$2.8b to $3.2b**
Free cashflow after operating lease payments[6]	**$2.8b to $3.3b**

1. This guidance assumes no impairments in and to investments or non-current tangible and intangible assets, and excludes any proceeds on the sale of businesses, mergers and acquisitions and purchase of spectrum. The guidance is based on management best estimates of nbn impacts including input from the nbn Corporate Plan currently published at time of issue of this guidance.
2. Underlying EBITDA excludes net one-off nbn DA receipts less nbn net C2C, one-off restructuring costs and guidance adjustments but includes depreciation of mobile lease right-of-use assets.
3. Guidance for FY21 underlying EBITDA assumes an estimated negative impact from the COVID-19 pandemic in FY21 of approximately $400 million. This estimate is approximately $200 million greater than the estimated negative impact from the COVID-19 pandemic for FY20 underlying EBITDA.
4. In-year nbn headwind defined as the net negative recurring EBITDA impact on our business.
5. Capex is measured on an accrued basis and excludes spectrum and guidance adjustments, externally funded capex, and capitalised leases.
6. Free cashflow defined as 'operating cash flows' less 'investing cash flows' less 'payments for operating lease liabilities', and excludes spectrum and guidance adjustments.

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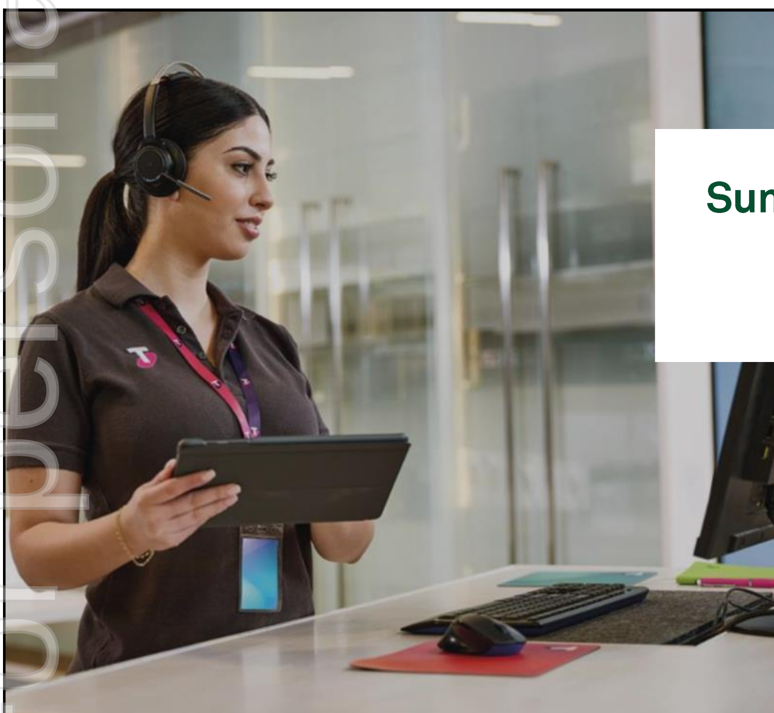

Summary

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Disclaimer

These presentations include certain forward-looking statements. The forward-looking statements are based on certain assumptions and information known by Telstra as at the date of these presentations.

The 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 Telstra's actual results, performance and achievements to differ materially from those expressed in, or implied by, the forward-looking statementsincluding 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; the ongoing impacts of the COVID-19 pandemic; and the continuing growth in the data, internet, mobile and other telecommunications markets where Telstra will operate. A number of these risks, uncertainties and other factors are described in the "Chairman & CEO Message", "Our material risks" and "Outlook" sections of our Operating and Financial Review (OFR). The OFR is set out in Telstra's financial results for the year ended 30 June 2020 which were lodged with the ASX on 13 August 2020 and are available on Telstra's Investor Centre website www.telstra.com/investor.

In addition, there are particular risks and uncertainties in connection with the implementation of Telstra2022, including the response of customers to changes in products; the risks of disruption from changes to the organisation structure; that detailed business plans have not been developed for the entirety of the strategy and the full scope and cost of Telstra2022 may vary as plans are developed and third parties engaged; Telstra's ability to execute and manage Telstra2022 in a sequenced, controlled and effective manner and in accordance with the relevant project and business plan (once developed); and Telstra's ability to execute productivity initiatives and realise operational synergies, cost savings and revenue benefits in accordance with the plan.

Investors should not place undue reliance on the forward-looking statements. To the maximum extent permitted by law, Telstra gives no representation, warranty or other assurance in connection with, and disclaims all responsibility for, the accuracy and completeness of the forward-looking statements, whether as a result of new information, future events or otherwise.

The assumptions underlying and the basis upon which we have provided our FY21 earnings guidance is set out on slide "FY21 guidance". Defined terms are set out on the slide "Glossary".

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We have adopted AASB16 on a prospective basis and prior year comparatives on a reported basis have not been restated.

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