

06 July 2011

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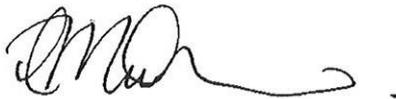
ELECTRONIC LODGEMENT

Dear Sir or Madam

Telstra structure geared to customers, growth

I attach a copy of an announcement for release to the market.

Regards



Carmel Mulhern
Company Secretary

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Telstra structure geared to customers, growth

6 July 2011 – Telstra Chief Executive Officer David Thodey today announced a series of appointments and major initiatives that sharpen the company’s focus on customers and position Telstra for industry changes including the National Broadband Network.

“These appointments and initiatives are consistent with our long-term strategy to improve service, win customers, simplify processes and build new growth businesses,” Mr Thodey said.

“They create a single retail sales and service team designed to free-up customer-facing teams to focus on their primary role of serving and winning customers, and capitalise on the opportunity to grow new revenue streams.”

Chief Customer Officer

Telstra’s entire sales and retail customer service workforce will be unified in a single business unit from 1 August 2011.

Telstra Customer Sales & Service, to be headed by Gordon Ballantyne, will be responsible for sales and service to all segments including consumer, business, enterprise and government customers.

“We are investing in a single retail customer-facing workforce that will now be unified in a single team, enabling us to work as one team to serve our customers better, win in the market and become more efficient as we prepare for the National Broadband Network,” Mr Thodey said.

Mr Ballantyne’s title will be Chief Customer Officer, reflecting the new group’s focus on customer sales, service and satisfaction. The heads of Telstra’s business, enterprise and government segments will report to Mr Ballantyne and will be members of the extended CEO leadership team.

Additionally, Telstra will centralise key internal business support functions that do not directly serve customers, clarifying accountabilities and freeing-up customer-facing teams to provide outstanding customer service.

In support of the Telstra Customer Sales & Service unit, the company’s marketing functions will be centralised under the leadership of Chief Marketing Officer Mark Buckman.

Telstra Wholesale

Telstra veteran Stuart Lee has been appointed as Group Managing Director, Telstra Wholesale.

“Stuart will be an outstanding head of our wholesale business as the industry transitions to an NBN environment,” Mr Thodey said.

“With enormous experience gained over more than 40 years since he joined the organisation as a cadet engineer, Stuart will ensure our wholesale business continues to be strong, successful and focused on providing our wholesale customers with outstanding products and customer service.”

NBN Co will become Telstra's largest wholesale customer by virtue of its agreement to lease Telstra infrastructure including dark fibre, exchange space and ducts for at least 35 years. Telstra Wholesale will continue to comply with separation undertakings.

Mr Thodey thanked Glenn Osborne for capably leading Telstra Wholesale on an acting basis since early this year.

Applications & Ventures Group

Recognising the importance of content and value-added services in the post NBN environment, Telstra will form an Applications & Ventures Group (AVG) to spearhead its investment in new and emerging high-speed broadband businesses.

"As faster broadband becomes available to more Australians, we expect an explosion in innovation and the development of new locally developed media-rich applications," Mr Thodey said.

"Telstra's Applications & Ventures Group will invest and partner with other companies and government agencies at the forefront of innovation to provide a new range of digital services for business and consumers, including in health and education."

Mr Thodey announced that Deena Shiff will lead the Applications & Ventures Group from 1 August 2011, relinquishing her role as Group Managing Director, Telstra Business.

"Deena has led our highly successful business segment since it was established in 2006, and I have no doubt she will bring the same drive and talent to this new venture," Mr Thodey said.

Mr Thodey said Will Irving, formerly Group General Counsel, will succeed Ms Shiff as head of Telstra Business and, under the structure unveiled today, will report to Gordon Ballantyne. A successor to Mr Irving will be announced in coming weeks.

Total commitment to customers

In addition to new executive appointments, Mr Thodey today also announced a series of new lines of business and proposed internal structural changes to support the company's long-term strategy.

- Telstra will establish specialised teams to support the company's growth opportunities in Cloud Computing and Media.
- Telstra's international business unit, headed by Tarek Robbiati, will gain day-to-day responsibility for managing the network assets it uses to serve international enterprise and carrier customers.
- Telstra's Operations business unit will be accountable for providing all back-of-house services for consumer customers, making it easier to manage processes from a customer's point of view, and simpler to track and report the company's operational performance.



- Telstra will centralise key internal business support functions with improved accountabilities, eliminating duplication.

Strategy unchanged, continued focus on execution

Mr Thodey said that today's initiatives were part of his long-term strategy to build a stronger sales- and marketing-led culture.

Over the past two years the company has already taken a number of steps to achieve that objective, having empowered local managers, unified two retail businesses into one unit, launched a digital business to improve online customer service, implemented 24/7 call centres, introduced weekend customer appointments, and made it free for customers to call Telstra.

"We have made considerable progress over the past two years, especially in the nine months to March 2011 when more than one million Australians returned to Telstra," Mr Thodey said.

"Today's initiatives are further evidence that Telstra is changing by putting our customers first, building new growth businesses, and simplifying the way we get things done," he concluded.

ENDS

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www.telstra.com.au/abouttelstra/media-centre/

Reference: 186/2011

Note to editors – information and high-res pictures of Telstra's senior executives are available at the following website, which will be updated in coming days to reflect today's announcements:
<http://www.telstra.com.au/abouttelstra/company-overview/executives-directors/>.



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