



20 February 2025

Market Announcements Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

Office of the Company Secretary
Level 41, 242 Exhibition Street
MELBOURNE VIC 3000
AUSTRALIA

ELECTRONIC LODGEMENT

- Telstra Group Limited (ACN 650 620 303) – ASX: TLS
- Telstra Corporation Limited (ACN 051 775 556) - ASX: TL1

Telstra Group Limited - Financial results for the half-year ended 31 December 2024

In accordance with the Listing Rules, attached are the following materials for release to the market by Telstra Group Limited:

1. Appendix 4D – Half-Year Report;
2. Directors' Report;
3. Half-Year Results and Operations Review; and
4. Half-Year Financial Report

The materials are also provided for the information of Telstra Corporation Limited noteholders.

The enclosed documents comprise the information required by Listing Rule 4.2A and should be read in conjunction with Telstra's Annual Financial Report for the financial year ended 30 June 2024 and any public disclosures made by Telstra in accordance with the continuous disclosure requirements of the Listing Rules and the Corporations Act 2001.

Telstra will conduct an analyst and media briefing on its 2025 Half-Year results from 9:15am AEDT. The briefings will be webcast live at <https://www.telstra.com.au/aboutus/investors/financial-results>.

A transcript of the analyst briefing will be lodged with the ASX when available.

Release of announcement authorised by:

The Telstra Group Limited Board

APPENDIX 4D (ASX LISTING RULE 4.2A.3)

HALF-YEAR REPORT

31 December 2024

Telstra Group Limited ABN 56 650 620 303

1. Results for announcement to the market

Telstra Group	Half-year ended 31 Dec			
	2024	2023	Movement	
	\$m	\$m	\$m	%
Revenue (excluding finance income) from ordinary activities	11,602	11,425	177	1.5
Other income	221	295	(74)	(25.1)
Total income	11,823	11,720	103	0.9
Finance income	53	54	(1)	(1.9)
Profit for the period	1,115	1,041	74	7.1
Profit for the period attributable to equity holders of Telstra Entity	1,027	964	63	6.5
Profit from ordinary activities after tax attributable to equity holders of Telstra Entity	1,027	964	63	6.5

2. Dividend information

Telstra Entity	Amount per share	Franked amount per share
	cents	cents
Interim dividend per share	9.5	9.5
Interim dividend dates		
Record date	27 February 2025	
Payment date	28 March 2025	

Refer to note 4.1 to the half-year financial statements and the half-year Directors' Report for other dividend-related disclosures.

3. Net tangible assets per security information

Telstra Group	As at 31 Dec	
	2024	2023
	cents	cents
Net tangible assets per security	21.8	30.5

Net tangible assets are defined as the net assets of the Telstra Group less intangible assets and non-controlling interests. The net assets include both right-of-use assets and corresponding lease liabilities.

The number of Telstra Group Limited shares on issue as at 31 December 2024 was 11,554,427,353 shares (2023: 11,554,427,353).

The decrease in net tangible assets per security from 31 December 2023 was mainly driven by the acquisition of software assets purchased throughout the period, and acquisition of spectrum licences in the second half of the financial year 2024.

APPENDIX 4D (ASX LISTING RULE 4.2A.3)

HALF-YEAR REPORT

31 December 2024

Telstra Group Limited ABN 56 650 620 303

4. Details of entities where control has been gained or lost during the period

Telstra Group			% of equity held by ultimate parent	
			As at	
			31 Dec 2024	30 Jun 2024
Name of entity	Country of incorporation	Date of control obtained or lost	%	%
Control gained				
Boost Tel Pty Limited ¹	Australia	2 December 2024	100.0	-
Belong Corporation Pty Ltd ¹	Australia	2 December 2024	100.0	-
Cell Phones Direct Pty Ltd ¹	Australia	2 December 2024	100.0	-
Digital Turbine Pty Ltd ¹	Australia	2 December 2024	100.0	-
Sound Surgeon Pty Limited ¹	Australia	2 December 2024	100.0	-
A.C.N. 683 225 738 Pty Ltd ²	Australia	19 December 2024	100.0	-
Control lost				
PowerHealth Solutions Limited ³	United Kingdom	2 July 2024	-	70.0
Pacnet Global Communications (India) Private Limited ³	India	13 August 2024	-	100.0
Fred Health Pty Ltd ³	Australia	21 August 2024	-	100.0
Fred Retail Pty Ltd ³	Australia	21 August 2024	-	100.0
Pharmacy Research Network Pty. Ltd. ³	Australia	21 August 2024	-	100.0
Site & Towers (PNG) Limited ⁴	Papua New Guinea	30 September 2024	-	100.0
Sapio Pty Ltd ⁵	Australia	21 October 2024	-	51.0

¹ During the period, these entities were acquired.

² During the period, this entity was incorporated.

³ During the period, these entities were deregistered.

⁴ During the period, this entity was amalgamated into Digicel (PNG) Limited, of which we own 100 per cent.

⁵ During the period, this entity was disposed.

A complete list of our controlled entities as at 30 June 2024 is available online in the Consolidated Entity Disclosure Statement in our 2024 Annual Report at www.telstra.com/aboutus/investors/financial-information/financial-results.

APPENDIX 4D (ASX LISTING RULE 4.2A.3)

HALF-YEAR REPORT

31 December 2024

Telstra Group Limited ABN 56 650 620 303

5. Details of investments in joint ventures

Telstra Group			Ownership interest	
			As at	
			31 Dec 2024	30 Jun 2024
Name of entity	Principal activities	Principal place of business / country of incorporation	%	%
3GIS Pty Limited	Management of former 3GIS Partnership (non-operating)	Australia	50.0	50.0
Reach Ltd. ¹	International connectivity services	Bermuda	50.0	50.0
Titanium Ventures Fund II, L.P. (formerly known as Telstra Ventures Fund II, L.P.) ^{2,3}	Venture capital	Guernsey	-	62.5

¹ Balance date is 31 December.

² During the period, the investment was disposed.

³ Name changed on 12 July 2024.

6. Details of investments in associated entities

Telstra Group			Ownership interest	
			As at	
			31 Dec 2024	30 Jun 2024
Name of entity	Principal activities	Principal place of business / country of incorporation	%	%
Asia Netcom Philippines Corporation ¹	Ownership of physical property	Philippines	40.0	40.0
Australia-Japan Cable Holdings Limited ¹	Network cable provider	Bermuda	46.9	46.9
Dacom Crossing Corporation ¹	Network cable provider	Korea	49.0	49.0
NXE Australia Pty Limited ⁴	Pay television	Australia	35.0	35.0
Pacific Carriage Holdings Limited Inc. ¹	Network cable provider	United States	25.0	25.0
Pivotal Labs Sydney Pty Ltd ²	Software development	Australia	20.0	20.0
Samoa Submarine Cable Company Limited ³	Network cable provider	Samoa	16.7	16.7
Southern Cross Cables Holdings Limited ¹	Network cable provider	Bermuda	25.0	25.0
Telstra Converge, Inc. ¹	Telecommunication services	Philippines	48.0	48.0
Telstra Super Pty Ltd	Superannuation trustee	Australia	100.0	100.0
Titanium Ventures Fund III, L.P. (formerly known as Telstra Ventures Fund III, L.P.) ⁵	Venture capital	Guernsey	50.0	50.0
Tianjin TenLink Electronic Technology Co., Ltd. ¹	Control system of industrial internet supplier	China	4.8	4.8
Tonga Cable Limited ³	Network cable provider	Tonga	16.6	16.6

¹ Balance date is 31 December.

² Balance date is 31 January.

³ Balance date is 31 March.

⁴ During the period, the investment was reclassified to assets held for sale. Refer to note 5.2.2 of the half-year financial statements for details.

⁵ Name changed on 12 July 2024.

7. Dividend Reinvestment Plan

The Dividend Reinvestment Plan (DRP) will operate for the interim dividend in the financial year 2025. The election date for participation in the DRP is 28 February 2025.

For personal use only

Additional required Appendix 4D disclosure can be found in the notes to our half-year financial report, the half-year Directors' Report and the Half-year results and operations review lodged with this document.

Directors' Report

In accordance with a resolution of the Board of Directors (the Board), the Directors present their report on the consolidated entity (Telstra Group) consisting of Telstra Group Limited (Telstra Entity) and the entities it controlled at the end of or during the half-year ended 31 December 2024. Financial comparisons used in this report are of results for the half-year ended 31 December 2024 compared with the half-year ended 31 December 2023 for income statement analysis, and 31 December 2024 compared with 30 June 2024 for statement of financial position analysis.

Review and results of operations

Information on the operations and the results of those operations for the Telstra Group during the half-year ended 31 December 2024 is set out on pages 1 to 13 of the Half year results and operations review accompanying this Directors' Report.

Dividend

Since the end of the half-year, the Directors resolved to pay a fully franked interim dividend for the financial year 2025 of 9.5 cents per ordinary share. The interim dividend will be fully franked at a tax rate of 30 per cent. The record date for the interim dividend will be 27 February 2025, with payment being made on 28 March 2025. From 26 February 2025, shares will trade excluding entitlement to the dividend.

Our final dividend for the financial year ended 30 June 2024 of 9.0 cents per ordinary share (\$1,040 million), was paid by Telstra Group Limited during the half-year ended 31 December 2024. This dividend was fully franked at a tax rate of 30 per cent. The final dividend had a record date of 29 August 2024 and payment was made on 26 September 2024.

The Dividend Reinvestment Plan (DRP) will operate for the interim dividend in the financial year 2025. The election date for participation in the DRP is 28 February 2025.

On-market share buy-back

On 20 February 2025, we announced an on-market share buy-back of up to \$750 million.

Directors

Directors who held office during the half-year ended 31 December 2024 and until the date of this report were:

Director	Period of directorships
Craig W Dunn	Chair since 2023, Director since 2016
Vicki Brady	Chief Executive Officer and Managing Director since 2022
Eelco Blok	Director since 2019
Maxine Brenner	Director since 2023
Roy H Chestnutt	Director since 2018
David Lamont	Director since 3 December 2024
Ming Long AM	Director since 2023
Bridget Loudon	Director since 2020
Elana Rubin AM	Director since 2020
Niek Jan van Damme	Director from 2018 to 15 October 2024

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration is on page 2 and forms part of this report.

Rounding of amounts

The Telstra Entity is a company of the kind referred to in the Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, as amended from time to time, and issued pursuant to section 341(1) of the *Corporations Act 2001*. As a result, amounts in this report and the accompanying financial report have been rounded to the nearest million dollars (\$m), except where otherwise indicated.

This report is made on 20 February 2025 in accordance with a resolution of the Directors.



Craig W Dunn
Chair
20 February 2025



Vicki Brady
Chief Executive Officer and Managing Director
20 February 2025

20 February 2025

The Board of Directors
Telstra Group Limited
Level 41, 242 Exhibition Street
Melbourne, VIC 3000

Dear Directors,

Auditor's Independence Declaration to Telstra Group Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Directors of Telstra Group Limited.

As lead audit partner for the review of the half year financial report of Telstra Group Limited for the half year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- Any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Matt Sheerin
Partner
Chartered Accountants

For personal use only

Half-year results and operations review



Half-year results and operations review

Financial results

Summary reported results	1H25	1H24	Change
	\$m	\$m	%
Revenue (excluding finance income)	11,602	11,425	1.5
Total income (excluding finance income)	11,823	11,720	0.9
Operating expenses	7,561	7,698	(1.8)
Share of net loss from joint ventures and associated entities	(14)	(15)	6.7
EBITDA	4,248	4,007	6.0
Depreciation and amortisation	2,402	2,233	7.6
EBIT	1,846	1,774	4.1
Net finance costs	316	317	(0.3)
Income tax expense	415	416	(0.2)
Profit for the period	1,115	1,041	7.1
Profit attributable to equity holders of Telstra Entity	1,027	964	6.5
Earnings per share (cents) - basic	8.9	8.4	6.0
Free cashflow	1,288	836	54.1

Underlying versus reported results ¹	1H25 Reported results	1H25 Guidance adjustments	1H25 Underlying results	1H24 Underlying results
	\$m	\$m	\$m	\$m
EBITDA ²	4,248	-	4,248	4,016
Free cashflow after lease payments (FCFaL) ³ before strategic investment ⁴	1,288	(206)	1,082	1,006

These are a strong set of results, delivering a fourth consecutive year of first half underlying growth, reflecting momentum across our business, strong cost control and disciplined capital management.

Financial performance in 1H25 on the prior corresponding period included:

- EBITDA up 6.0 per cent to \$4.2 billion
- Profit for the period up 7.1 per cent to \$1.1 billion
- Earnings per share (EPS) – basic up 6.0 per cent to 8.9 cents

¹ This table details adjustments made to the reported results for the current period to reflect the underlying performance of the business on the basis on which we provided guidance to the market. Guidance adjustments include material one-offs, such as mergers and acquisitions, disposals, impairments, spectrum, restructuring costs and such other items as determined by the Board and management. A detailed reconciliation of our reported results to underlying results can be found in the “Guidance versus reported results” schedule. This schedule has been reviewed by our auditors.

² Underlying EBITDA excludes guidance adjustments.

³ Free cashflow after lease payments (FCFaL) defined as ‘operating cash flows’ less ‘investing cash flows’ less ‘payments for lease liabilities’, and excludes spectrum and guidance adjustments. FY25 FCFaL includes around \$300m cash outflow related to FY24 restructuring costs.

⁴ Strategic investment capex is measured on an accrued basis and relates to the intercity fibre network and Viasat projects.

- ROIC⁵ up 0.2 percentage points to 8.0 per cent

Our FY25 guidance remains unchanged. We are committed to increasing earnings, capital discipline and portfolio management, with the aim to further improve ROIC.

On the back of earnings growth, the Board resolved to pay a fully franked interim dividend of 9.5 cents per share, representing a 5.6 per cent increase on the prior corresponding period. This outcome is consistent with our capital management framework principle to maximise the fully franked dividend and seek to grow it over time.

We also announced an on-market share buy-back of up to \$750 million, which has been enabled by our fiscal discipline and the strength of our balance sheet. The buy-back supports earnings and dividend per share growth, and along with the increased interim dividend, demonstrates Board and management confidence in our financial strength and outlook.

We grew underlying EBITDA across our mobiles, InfraCo Fixed, Fixed – C&SB, Fixed – Enterprise and International businesses. Our mobiles business has continued to perform strongly, with EBITDA growth of \$92 million. This growth was driven by more people choosing our network with 119,000 net new mobile handheld customers in the half and ARPU growth. Mobile services revenue grew by 3.1 per cent.

Our InfraCo Fixed EBITDA grew by \$58 million, reflecting ongoing demand for our assets. Our Fixed – C&SB business continued to grow, with EBITDA growth of \$78 million, reflecting ongoing cost discipline and ARPU growth.

Our Fixed – Enterprise business EBITDA grew by \$25 million, reflecting the decisive actions we have taken so far to reset this business, resulting in cost reductions. These actions include the progress we have made towards reducing our product portfolio by two-thirds, and reorganising our teams to deliver better for customers and operate more efficiently. We continue to focus on the overall reset of this business.

Our International business EBITDA grew by \$29 million due to strong growth in Wholesale and Enterprise from improved product mix and cost discipline. Our Digicel Pacific business continued to operate in a challenging environment.

On costs, we reduced operating expenses through role reductions and productivity gains, partly offset by cost inflation (labour and non-labour). Core fixed costs decreased by 4.8 per cent or \$161 million. Cumulatively, we have reduced our core fixed costs by \$283 million since FY22 and we are on track to achieve our \$350 million ambition by the end of FY25.

Overall, our T25 strategy is on track, including our growth ambitions in underlying EBITDA, EPS and ROIC. Significant progress on T25 in the half included:

- Our Episode NPS is on track to meet our T25 target
- We expanded our mobile coverage to more than 3 million km² with 99.7 per cent Australian population coverage
- We achieved 91 per cent of 5G population coverage, with 60 per cent of our mobile traffic on 5G in December 2024
- We continued extending our intercity fibre network across Australia, with seven fibre routes between Australia's major capital cities under construction and more than 3,000km of fibre in the ground as at February 2025

Underlying results versus guidance ⁶	1H25	FY25 Guidance
	\$b	\$b
Underlying EBITDA ⁷	4.2	8.5 to 8.7
Business-as-usual capex ⁸	1.6	3.2 to 3.4
Strategic investment ⁹	0.1	0.3 to 0.5
Free cashflow after lease payments (FCFaL) ¹⁰ before strategic investment ⁹	1.1	3.0 to 3.4

Dividend

On 20 February 2025, the Directors of Telstra Group Limited resolved to pay a fully franked interim dividend of 9.5 cents per share representing a 5.6 per cent increase on the prior corresponding period. The interim dividend represents a 107 per cent payout ratio on EPS. Shares will trade excluding entitlement to the interim dividend from 26 February 2025 with payment to be made on 28 March 2025.

⁵ Return On Invested Capital (ROIC) calculated as Net Operating Profit After Tax (NOPAT) as a percentage of total capital.

⁶ Underlying results - refer to footnote 1.

⁷ Underlying EBITDA excludes guidance adjustments.

⁸ BAU capex is measured on an accrued basis and excludes spectrum, guidance adjustments, strategic investment, externally funded capex and capitalised leases.

⁹ Strategic investment - refer to footnote 4.

¹⁰ Free cashflow after lease payments (FCFaL) before strategic investment - refer to footnotes 3 and 4.

Other information

We use non-IFRS financial information (being “Underlying EBITDA” and “FCFaL before strategic investment”) as measures to show how the business performed on the same basis as the guidance we provided to the market, and to better reflect what we consider to be our underlying performance. This non-IFRS financial information is consistent with how management reviews financial performance with the Board and the investment community. We include these measures in this report to help readers better compare our underlying financial performance with that of previous periods and with our guidance.

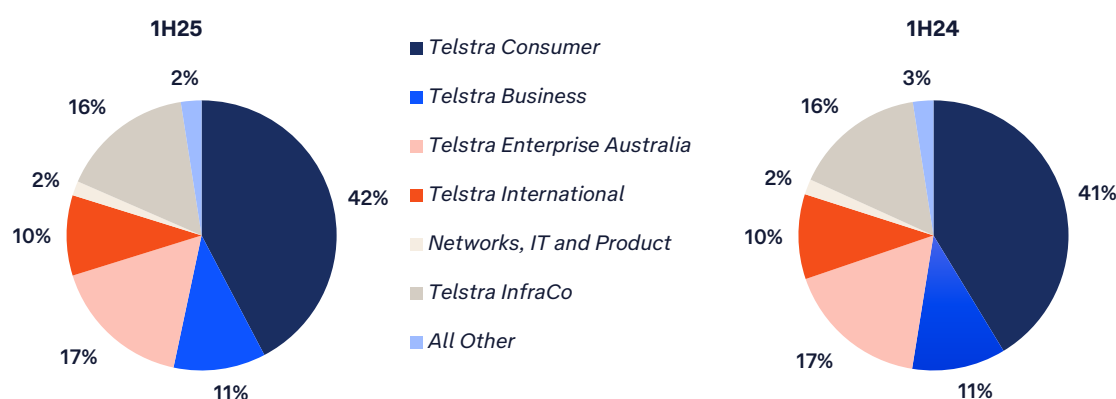
Underlying earnings before interest, taxes, depreciation and amortisation (EBITDA) is used to assess our operational profitability. Free cashflow after lease payments (FCFaL) before strategic investment is used to assess our underlying cash generation and reflects operating cash flows, less investing cashflows, less payments for lease liabilities and less strategic investment. Underlying EBITDA and FCFaL before strategic investment exclude material one-offs such as mergers and acquisitions, disposals, impairments, spectrum, restructuring costs and such other items as determined by the Board and management. An explanation of each adjustment and a reconciliation to our reported IFRS financial information is set out in the “Guidance versus reported results” schedule. This schedule has been reviewed by our auditors.

The following commentary is provided for statutory and management financial results. Comments are versus the prior corresponding period unless otherwise stated. Consistent with information presented for internal management reporting purposes, the result of each segment is measured based on its EBITDA contribution, and the result of each product is measured based on its underlying EBITDA contribution.

Segment performance

We report segment information on the same basis as our internal management reporting structure as at the reporting date. Segment comparatives reflect any organisational changes that have occurred since the end of the prior financial year to present a like-for-like view. Refer to Note 2.1.1 in the Financial Report for further detail.

Segment total income breakdown (including internal income)



Total income	1H25	1H24 ¹¹	Change
	\$m	\$m	%
Telstra Consumer ¹²	5,528	5,361	3.1
Telstra Business	1,442	1,456	(1.0)
Telstra Enterprise Australia ¹²	2,203	2,237	(1.5)
Telstra International ¹²	1,257	1,320	(4.8)
Networks, IT and Product ¹²	226	239	(5.4)
Telstra InfraCo ¹²	2,089	2,045	2.2
All Other ¹²	323	319	1.3
Total management reported income	13,068	12,977	0.7
Transactions between segments	(1,245)	(1,257)	1.0
Total income (excluding finance income)	11,823	11,720	0.9

¹¹ Refer to Note 2.1.2 in the Financial Report for further detail.

¹² Includes internal income.

Total income (excluding finance income) increased by 0.9 per cent to \$11,823 million including growth across Mobile, InfraCo Fixed and Amplitel. Income growth was partly offset by declines across Fixed – C&SB, Fixed – Enterprise and Fixed – Active Wholesale and International.

Total management reported income includes internal income between segments eliminated from total income. Internal income decreased by 1.0 per cent to \$1,245 million (1H24 \$1,257 million) including intercompany agreements post our corporate restructure related to internal charges for infrastructure, power, international capacity and other services. Internal income comprised \$2 million in Telstra Consumer (1H24 \$2 million), \$16 million in Telstra Enterprise Australia (1H24 \$21 million), \$111 million in Telstra International (1H24 \$114 million), \$209 million in Networks, IT and Product (1H24 \$219 million), \$783 million in Telstra InfraCo (FY23 \$759 million) and \$124 million in 'All Other' (1H24 \$142 million).

Telstra Consumer

Telstra Consumer provides telecommunications and technology products and services to consumer customers in Australia using mobile and fixed network technologies. It also operates contact centres, retail stores, a retail distribution network, digital channels, distribution systems and the Telstra Plus customer loyalty program in Australia.

Income increased by 3.1 per cent to \$5,528 million including 5.2 per cent growth in Mobile income partly offset by 1.4 per cent decline in Fixed - C&SB income. Refer to product performance section for more details.

Telstra Business

Telstra Business provides telecommunications and technology products and services to small and medium businesses in Australia. It also operates Telstra Business Technology Centres and digital channel partner network servicing small and medium business customers.

Income decreased by 1.0 per cent to \$1,442 million including 1.4 per cent growth in Mobile income, offset by 3.1 per cent decline in Fixed - C&SB income from small business customers and 9.4 per cent decline in Fixed - Enterprise income from medium business customers across DAC and NAS. Refer to product performance section for more details.

Telstra Enterprise Australia

Telstra Enterprise Australia provides telecommunication services, advanced technology solutions and network capacity and management to government and large enterprise and business customers in Australia. It provides advanced technology solutions through Data and Connectivity (DAC) and Network Applications and Services (NAS) products such as unified communications, cloud, security, industry solutions, and integrated and monitoring services.

Income decreased by 1.5 per cent to \$2,203 million including 0.9 per cent decline in Mobile income and 1.4 per cent decline in Fixed - Enterprise income across DAC and NAS. Refer to product performance section for more details.

Telstra International

Telstra International provides a full suite of telecommunications services, including satellite, advanced technology solutions and network capacity and management, cloud, security, industry solutions, integrated and monitoring services to government and enterprise and business customers outside of Australia. It provides wholesale services outside of Australia, including voice and data, and manages Telstra's networks outside of Australia, including international subsea cables, in conjunction with Networks, IT and Product and Telstra InfraCo segments. It provides telecommunication, media and technology products and services to consumer, business and government customers in the South Pacific through Digicel Pacific Limited and its controlled entities (Digicel Pacific) business.

International income decreased by 4.8 per cent to \$1,257 million in Australian dollars (AUD) including 3.1 per cent decline in international Wholesale and Enterprise income to \$920 million, and 9.2 per cent decline in Digicel Pacific income to \$337 million. Refer to product performance section for more details.

Networks, IT and Product

Networks, IT and Product consists of two operating segments: Global Networks and Technology (GN&T), and Product and Technology (P&T). GN&T supports the other segments and their respective revenue generating activities by maintaining high level of reliability and security of our global network platforms and cloud infrastructure, maintains our networks, and is accountable for our network intelligence and automation. P&T works with other functions to create and deliver products and solutions for customers across all segments. It has accountability for product strategy, life cycle, as well as technology and innovation where products are incubated and brought to scale. It is also accountable for Telstra's IT and Data & AI functions and our digital platforms underpinning our customer digital experience.

Income decreased by 5.4 per cent to \$226 million including 4.6 per cent reduction in internal income to \$209 million.

Telstra InfraCo

Telstra InfraCo operates in Australia and provides telecommunication products and services delivered over Telstra networks to other carriers, carriage service providers and internet service providers. It provides other Telstra functions and wholesale customers with access to network infrastructure within Telstra InfraCo's asset accountabilities. It operates the fixed passive network infrastructure including data centres, exchanges, poles, ducts, pits and pipes, and fibre network. It designs and constructs fibre, exchanges and other infrastructure. It provides nbn co with long-term access to certain components of our infrastructure under the Infrastructure Services Agreement, and operates the passive and physical mobile tower assets owned or operated by the Amplitel business.

Income increased by 2.2 per cent to \$2,089 million due to growth in recurring nbn Definitive Agreements (nbn DAs) receipts in line with CPI, increased Telstra InfraCo and Amplitel internal access charges, increased Telstra InfraCo commercial and recoverable works, and growth in wholesale mobility. Revenue from Fixed – Active Wholesale legacy products declined. Refer to product performance section for more details.

All Other

Certain items of income and expense relating to multiple functions are recorded by our corporate areas and included in the 'All Other' category. This category also includes Telstra Health.

Income increased by 1.3 per cent to \$323 million. Telstra Health income increased by \$26 million to \$181 million.

Product performance

Product income breakdown (including internal income)



Product income	1H25	1H24	Change
	\$m	\$m	%
Mobile	5,567	5,325	4.5
Fixed – C&SB	2,174	2,211	(1.7)
Fixed – Enterprise	1,690	1,728	(2.2)
Fixed – Active Wholesale	179	188	(4.8)
International	1,257	1,320	(4.8)
InfraCo Fixed	1,376	1,326	3.8
Amplitel	235	229	2.6
Other	590	650	(9.2)
Total management reported income	13,068	12,977	0.7
Eliminations	(1,245)	(1,257)	1.0
Total income (excluding finance income)	11,823	11,720	0.9

Product underlying EBITDA	1H25	2H24	1H24	FY24
	\$m	\$m	\$m	\$m
Mobile	2,602	2,516	2,510	5,026
Fixed – C&SB	183	149	105	254
Fixed – Enterprise	96	65	71	136
Fixed – Active Wholesale	46	42	52	94
International	373	430	344	774
InfraCo Fixed	892	925	834	1,759
Amplitel	187	182	187	369
Other	(131)	(82)	(87)	(169)
Underlying EBITDA¹³	4,248	4,227	4,016	8,243
Guidance adjustments	-	(706)	(9)	(715)
Total EBITDA	4,248	3,521	4,007	7,528

Mobile

Mobile income increased by 4.5 per cent to \$5,567 million including 3.1 per cent services revenue growth. Growth in services revenue was achieved across postpaid handheld, prepaid handheld, Internet of Things (IoT) and wholesale. Retail mobile Services in Operation (SIOs) increased by 1.2 million (including 420,000 in the half) to 24.6 million, including 9.0 million postpaid handheld retail SIOs.

Postpaid handheld services revenue increased by 2.1 per cent to \$2,884 million with a 101,000 increase in SIOs (including 48,000 in the half) and 0.8 per cent Average Revenue Per User (ARPU) increase to \$53.62 including consumer and business price rises. Postpaid handheld SIOs and churn were impacted by 3G closure in the half.

Prepaid handheld revenue increased by 8.4 per cent to \$630 million with a 17,000 increase in unique users (including 8,000 decrease in the half) and 6.5 per cent ARPU increase driven by price rises. Prepaid handheld unique users growth was impacted by 3G closure in the half.

Mobile broadband revenue decreased by 7.9 per cent to \$304 million due to 3.8 per cent decline in SIOs and 4.2 per cent decline in ARPU to \$18.20. IoT revenue increased by 2.1 per cent to \$145 million with SIOs increasing by 1.2 million (including 532,000 in the half) to 9.1 million.

Wholesale revenue increased by 20.1 per cent to \$251 million driven by 231,000 increase in unique users (including 79,000 in the half) and Wholesale ARPU growth. Wholesale unique users include postpaid SIOs and prepaid unique users. Wholesale unique users increased to 2.5 million from the continued popularity of Mobile Virtual Network Operator's (MVNO) plans on the Telstra Wholesale mobile network.

Hardware revenue increased by 10.9 per cent to \$1,268 million due to growth in sales of mobile handsets, accessories and wearables.

Mobile EBITDA increased by 3.7 per cent to \$2,602 million due to high margin services revenue growth.

Fixed – Consumer and Small Business (C&SB)

Fixed – C&SB income decreased by 1.7 per cent to \$2,174 million. Core connectivity revenue increased by 1.4 per cent to \$1,871 million including revenue from services for which we are a reseller (including nbn) and revenue from services on the Telstra network. C&SB bundles and standalone data ARPU increased by 6.0 per cent to \$86.61 driven by price rises, and SIOs declined by 110,000 (including 56,000 in the half) to 3.2 million. C&SB standalone voice SIOs declined by 42,000 (including 22,000 in the half). 5G fixed wireless SIOs grew by 37,000 to 105,000 (including 20,000 in the half).

Consumer content and services revenue decreased by 20.1 per cent to \$227 million including a 10.8 per cent decline in Foxtel from Telstra SIOs. Business applications and services revenue decreased by 6.2 per cent to \$76 million.

Fixed – C&SB EBITDA increased by 74.3 per cent to \$183 million due to cost-out, C&SB bundles and standalone data ARPU growth, and growing contribution from fixed wireless, partly offset by SIO declines across C&SB bundles and standalone data, C&SB standalone voice and Foxtel from Telstra.

¹³ Underlying EBITDA excludes guidance adjustments.

Fixed – Enterprise

Fixed – Enterprise income declined by 2.2 per cent to \$1,690 million due mostly to DAC declines. DAC income declined by 8.4 per cent to \$348 million driven by ARPU compression from competition, renewals and technology change. DAC SIOs reduced by 4.6 per cent or 7,000 (including 4,000 in the half) mostly in legacy.

NAS income decreased by 0.4 per cent to \$1,342 million due to declines across calling applications and equipment sales, partly offset by growth in managed services, professional services and cloud. NAS income includes \$70 million in the current period related to Versent Pty Ltd and its controlled entities (Versent) (1H24 \$15 million). NAS calling applications revenue decreased by 5.7 per cent to \$198 million due to ongoing market shift from traditional voice to integrated video and digital solutions. NAS equipment sales revenue decreased by 22.4 per cent to \$128 million due to reduced focus on sales, and absence of large contract sales that were present in the prior period. NAS managed services and maintenance revenue increased by 5.7 per cent to \$406 million including Versent. NAS professional services revenue increased by 5.2 per cent to \$245 million including Versent partly offset by slower trading environment. NAS cloud applications revenue increased by 4.4 per cent to \$189 million due to growth in demand for partner cloud products including Amazon Web Services and Microsoft Azure.

Fixed – Enterprise EBITDA increased by 35.2 per cent to \$96 million due to NAS EBITDA growth partly offset by DAC EBITDA decline. DAC EBITDA declined by \$12 million to \$42 million due to revenue reduction partly offset by lower costs. NAS EBITDA increased by \$37 million to \$54 million largely due to cost-out.

Fixed – Active Wholesale

Fixed – Active Wholesale income declined by 4.8 per cent to \$179 million largely due to legacy product decline. Data and Connectivity revenue held at \$130 million reflecting growth in wavelength services offset by decline in wideband ethernet access product revenue. Legacy calling and fixed revenue declined by 15.5 per cent to \$49 million due to decline in wholesale nbn resale and legacy copper access.

Fixed – Active Wholesale EBITDA decreased by 11.5 per cent to \$46 million due to continued legacy and wholesale nbn resale revenue decline, partly offset by cost-out.

International

International income decreased by 4.8 per cent to \$1,257 million. Digicel Pacific income decreased by 9.2 per cent to \$337 million including devaluation of Papua New Guinean Kina. On a constant currency basis, Digicel Pacific revenue decreased by 3 per cent due to reduction in Papua New Guinea (PNG) ARPU, partly offset by overall SIO growth of 2 per cent and ARPU growth in markets outside PNG.

Excluding Digicel Pacific, International income decreased by 3.1 per cent to \$920 million. International Wholesale and Enterprise external income decreased by 3.1 per cent to \$809 million including negative foreign exchange impacts. On a constant currency basis, International Wholesale and Enterprise external income decreased by 1 per cent due to ongoing legacy voice decline, partly offset by growth in DAC income. International internal income decreased by 2.6 per cent to \$111 million.

International EBITDA increased by 8.4 per cent to \$373 million including 7.8 per cent growth from Digicel Pacific, and 9.0 per cent growth from International Wholesale and Enterprise. In constant currency and normalised for earnout adjustments, Digicel Pacific EBITDA decreased by 3 per cent due to revenue decline associated with challenging operating environment, partly offset by reduced costs. Wholesale and Enterprise EBITDA increased by 9 per cent in constant currency due to growth in DAC income and reduced costs, partly offset by legacy voice decline.

InfraCo Fixed

InfraCo Fixed income increased by 3.8 per cent to \$1,376 million. Recurring nbn DAs income increased by 6.2 per cent to \$547 million reflecting CPI linked price increases. Recurring nbn DAs income includes infrastructure services across ducts, racks and fibre provided to nbn co. Internal infrastructure access revenue increased by 3.0 per cent to \$577 million. Commercial and recoverable works revenue increased by 3.4 per cent to \$120 million. Legacy asset disposals revenue decreased by 13.3 per cent to \$52 million due to reduction in copper sales, and other external revenue increased by 6.7 per cent to \$80 million including growth in dark fibre and non-nbn duct access revenue.

InfraCo Fixed income grew 4.7 per cent excluding legacy network disposals, and commercial and recoverable works.

InfraCo Fixed EBITDA increased by 7.0 per cent to \$892 million reflecting growth in recurring nbn DAs and cost-out. InfraCo Fixed EBITDA after leases (EBITDAaL) increased by 7.0 per cent to \$854 million. Excluding legacy network disposals and commercial and recoverable works, InfraCo Fixed EBITDAaL increased by 8.3 per cent.

Amplitel

Amplitel income grew by 2.6 per cent to \$235 million. Amplitel external revenue held at \$51 million including contracted growth, new tower builds and continued demand, offset by gains from customer contracts of \$8 million in the prior corresponding period not repeating this half. Amplitel internal revenue grew by 3.4 per cent or \$6 million to \$184 million.

Amplitel EBITDA held at \$187 million with contracted growth, new tower builds and continued demand offset by gains from customer contracts in the prior corresponding period. Amplitel EBITDAaL held at \$151 million. Excluding gains from customer contracts in the prior corresponding period, Amplitel EBITDAaL increased by 5.6 per cent.

Other

Other income decreased by 9.2 per cent to \$590 million including internal and external income. 'Other' internal income decreased by \$36 million to \$360 million. 'Other' external income decreased by \$24 million to \$230 million including due to gains in the prior corresponding period of \$47 million related to tower access agreements not repeating this half. Telstra Health income increased by \$26 million to \$181 million.

Other EBITDA loss increased to \$131 million including ongoing costs not allocated to product. The \$44 million increase in the loss was due to gains in the prior corresponding period of \$47 million related to tower access agreements, and increased costs related to foreign exchange, partly offset by decreased costs associated with corporate adjustments.

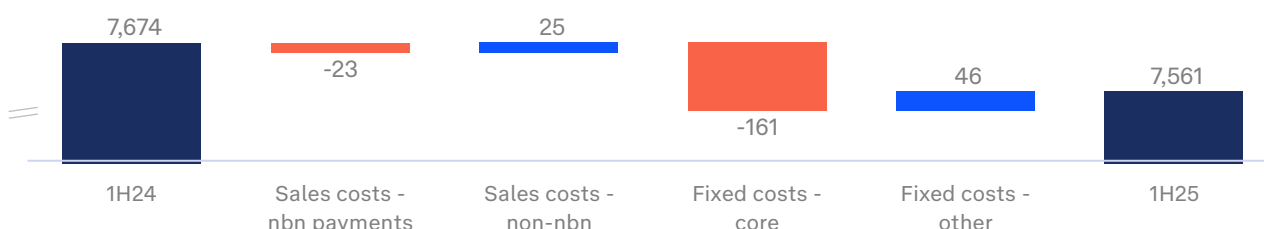
Eliminations

Eliminations for internal income increased to \$1,245 million comprising \$577 million in InfraCo Fixed, \$184 million in Amplitel, \$111 million in International, \$13 million in Fixed – Enterprise NAS and \$360 million in Other.

Expense performance

Operating expenses	1H25	1H24	Change	
	\$m	\$m	\$m	%
nbn payments	989	1,012	(23)	(2.3)
Non-nbn	2,960	2,935	25	0.9
Sales costs	3,949	3,947	2	0.1
Core ¹⁴	3,182	3,343	(161)	(4.8)
Other ¹⁵	430	384	46	12.0
Fixed costs	3,612	3,727	(115)	(3.1)
Underlying	7,561	7,674	(113)	(1.5)
Guidance adjustments ¹⁶	-	24	(24)	(100.0)
Total	7,561	7,698	(137)	(1.8)

Underlying operating expenses \$m^{14, 15}



Underlying operating expenses decreased by \$113 million or 1.5 per cent largely due to lower core fixed costs. Total operating expenses decreased by \$137 million to \$7,561 million.

Sales costs, which are direct costs associated with revenue and customer growth, increased by 0.1 per cent to \$3,949 million. Payments to nbn reduced by \$23 million due to decline in C&SB nbn SIOs. Non-nbn sales costs increased by \$25 million due to increased sales volumes of mobile hardware, NAS cloud applications and managed security resale, partly offset by lower NAS equipment sales, and consumer content and services costs.

Core fixed costs decreased by 4.8 per cent or \$161 million including reduction in full time equivalents (FTE) related to productivity gains, and the organisational changes and action on cost announced in May 2024, partly offset by cost inflation (labour and non-labour). Productivity gains included process simplification and improvement across back of house and support functions. Business-as-usual redundancy expenses reduced by \$49 million mostly in core fixed costs.

¹⁴ Fixed costs - core includes commissions.

¹⁵ Fixed costs - other includes Telstra Health, corporate adjustments and acquisitions in prior years including Digicel Pacific, Versent and Telstra Business Technology Centres.

¹⁶ Guidance adjustments - refer to footnote 1.

Other fixed costs increased by \$46 million due to inclusion of prior year acquisitions, including Versent and Telstra Business Technology Centres, and increased Telstra Health costs.

Operating expenses on a statutory reported basis

Our progress on achieving our productivity target is reported through the above operating expenses table. The detail below provides commentary on operating expenses as disclosed in our statutory accounts.

Operating expenses on a statutory reported basis	1H25	1H24	Change
	\$m	\$m	%
Labour	2,026	2,054	(1.4)
Goods and services purchased	4,180	4,209	(0.7)
Net impairment losses on financial assets	60	53	13.2
Other expenses	1,295	1,382	(6.3)
Total	7,561	7,698	(1.8)

Labour

Total labour expenses decreased by 1.4 per cent or \$28 million to \$2,026 million due to reduced direct and indirect FTE and \$49 million decrease in redundancy expenses, partly offset by increased wages as agreed in our Enterprise Agreements. Total direct FTE decreased by 2.2 per cent or 703 (including 1,885 in the half) to 31,876 including redundancies associated with the organisational changes and action on cost announced in May 2024 (including reset of our Enterprise business).

Goods and services purchased

Total goods and services purchased decreased by 0.7 per cent or \$29 million to \$4,180 million. Commissions decreased by 10.5 per cent or \$27 million. Network payments and other goods and services purchased decreased by 1.7 per cent or \$43 million due to decline in nbn and other network payments, and lower consumer content and services costs, partly offset by increased sales of NAS cloud applications and managed security resale. Cost of goods sold, which includes mobile handsets and accessories, tablets, mobile broadband hardware, IoT hardware, modems, and other fixed hardware, increased by 2.9 per cent or \$41 million due to increased sales volumes of mobile hardware partly offset by lower NAS equipment sales.

Other expenses

Total other expenses decreased by 6.3 per cent or \$87 million to \$1,295 million. Impairment losses (excluding net losses on financial assets) increased by \$3 million to \$46 million. Excluding impairments, other expenses decreased by \$90 million including due to cost reduction initiatives, partly offset by inclusion of prior year acquisitions, including Versent and Telstra Business Technology Centres, and increased Telstra Health costs.

Depreciation and amortisation

Depreciation and amortisation increased by 7.6 per cent or \$169 million to \$2,402 million. Amortisation of intangible assets increased by \$196 million to \$905 million including amortisation related to FY24 spectrum purchases and increased capex on shorter life IT assets. Depreciation of property plant and equipment decreased by \$6 million to \$1,215 million. Depreciation of right-of-use assets decreased by \$21 million to \$282 million due to property exits including from office buildings. This half included a \$2 million decrease in depreciation of property plant and equipment and a \$15 million decrease in amortisation of intangible assets associated with assessment of useful lives.

Net finance costs

Net finance costs decreased by 0.3 per cent or \$1 million to \$316 million. Interest on borrowings increased by \$43 million to \$363 million due to higher average gross debt. Our average gross borrowing rate held at 5.0 per cent. Other net financing cost items (as set out in note 4.2.4 in the Financial Report) decreased by \$45 million to \$6 million, including \$32 million increase in net gain on financial instruments included in measurements. Finance income decreased by \$1 million to \$53 million.

Cash flows

Summary statement of cash flows	1H25	1H24	Change
	\$m	\$m	%
Net cash provided by operating activities	3,172	3,033	4.6
Net cash used in investing activities	(1,884)	(2,197)	14.2
– Capital expenditure (before investments)	(1,972)	(1,968)	(0.2)
– Other cash from/(used in) investing activities	88	(229)	n/m
Free cashflow	1,288	836	54.1
Net cash used in financing activities	(1,347)	(744)	(81.0)
Net (decrease)/increase in cash and cash equivalents	(59)	92	n/m
Cash and cash equivalents at the beginning of the period	1,046	932	12.2
Effects of exchange rate changes on cash and cash equivalents	38	(8)	n/m
Cash and cash equivalents at the end of the period	1,025	1,016	0.9

Free cashflow provided by operating and investing activities was \$1,288 million representing an increase of \$452 million due to increase in net cash provided by operating activities and decrease in net cash used in investing activities. The decrease in net investing activities was driven by a reduction in mergers and acquisitions (M&A) investment and increase in proceeds from the sale of equity accounted investments.

M&A investment in this period included Boost Tel Pty Limited and its controlled entities (Boost Mobile), and Versent in the prior period. Refer to Note 5.1.2 in the Financial Report for further detail on Boost Mobile. Disposals of equity accounted investments in this period included Titanium Ventures Fund II (Ventures II). Refer to Note 5.2.1 in the Financial Report for further detail on Ventures II.

Net cash provided by operating activities increased by \$139 million to \$3,172 million including \$117 million reduction in cash generated from operations offset by \$256 million reduction in income taxes paid due to timing. The decrease in net cash provided by operating activities included higher reported EBITDA offset by negative working capital including around \$300 million cash outflow related to FY24 restructuring costs.

Net cash used in investing activities decreased by \$313 million to \$1,884 million. Capital expenditure (before investments) increased by \$4 million to \$1,972 million. Payments for shares in controlled entities (net of cash acquired) decreased by \$244 million due to the acquisition of Boost Mobile in this period, offset by the acquisition of Versent and payment of Digicel Pacific earnout in the prior period. Payments for other financial assets held as investments increased by \$105 million due to a term deposit. Proceeds from the sale of equity accounted investments and other financial assets held as investments increased by \$155 million including the disposal of our investment in Ventures II.

Accrued business-as-usual capital expenditure on a guidance basis was \$1,631 million or 14.3 per cent of sales revenue. This excluded \$102 million of strategic investment for the intercity fibre and Viasat infrastructure projects.

Net cash used in financing activities increased by \$603 million to \$1,347 million. This included a decrease in proceeds from borrowings of \$1,007 million offset by decrease in repayments of borrowings of \$593 million. Finance costs paid increased by \$80 million due to higher average gross debt. Dividends paid to equity holders of Telstra Entity increased by \$58 million.

FCFaL before strategic investment¹⁷ was \$1,082 million. FCFaL before strategic investment excludes net proceeds from M&A (\$9 million including Boost Mobile acquisition offset by Ventures II disposal), spectrum payments (\$56 million) and strategic investment (\$102 million), and includes lease payments (\$355 million).

¹⁷ Free cashflow after lease payments (FCFaL) before strategic investment - refer to footnotes 3 and 4.

Debt position

Debt issuance	1H25	Debt repayments	1H25
	\$m		\$m
Euro bond	1,147	Revolving bank facilities (net)	512
AUD bond	448	Commercial paper (net)	464
Other borrowings (net)	10	JPY private placement	62
		Non-recourse borrowing facilities (net)	3
Total	1,605	Total	1,041

Our gross debt position was \$17,319 million comprising borrowings of \$14,958 million, lease liabilities of \$3,037 million, partly offset by \$676 million in net derivative assets. Gross debt increased by 3.1 per cent or \$521 million reflecting debt issuance of \$1,605 million and non-cash decrease of \$258 million, partly offset by debt repayments of \$1,041 million and \$301 million in lease liability payments.

Net debt increased by 3.4 per cent or \$542 million to \$16,294 million reflecting the increase in gross debt and \$21 million decrease in cash holdings.

Financial settings	1H25	Comfort zone
Debt servicing ¹⁸	1.9x	1.5x to 2.0x
Gearing ¹⁹	49%	50% to 70%
Interest cover ²⁰	11.3x	>7x

We remain within our comfort zones, or better, for our credit metrics. Debt servicing¹⁸ was 1.9 times, gearing¹⁹ was 49 per cent and interest cover²⁰ was 11.3 times.

Financial position

Summary statement of financial position	1H25	FY24	Change
	\$m	\$m	%
Current assets	6,949	6,107	13.8
Non-current assets	38,656	39,443	(2.0)
Total assets	45,605	45,550	0.1
Current liabilities	10,195	11,526	(11.5)
Non-current liabilities	18,166	16,672	9.0
Total liabilities	28,361	28,198	0.6
Net assets	17,244	17,352	(0.6)
Total equity	17,244	17,352	(0.6)
Return on invested capital (%)	8.0	6.8	1.2pp
Return on invested capital (%) - underlying²¹	8.0	8.3	(0.3pp)
Return on average equity (%)	13.8	10.7	3.1pp

¹⁸ Debt servicing is calculated as net debt/EBITDA.

¹⁹ Gearing ratio is calculated as net debt/total net debt plus equity.

²⁰ Interest cover is calculated as EBITDA/net interest on debt (excluding capitalised interest and non-cash accounting impacts within net finance costs). Underlying interest is calculated as underlying EBITDA/net interest on debt.

²¹ Underlying ROIC calculated as NOPAT as a percentage of total capital, excluding guidance adjustments (refer to footnote 1) less tax.

Our balance sheet is in a strong position with net assets of \$17,244 million. Current assets increased by 13.8 per cent to \$6,949 million. Assets classified as held for sale increased by \$379 million mostly due to the share sale and purchase agreement with DAZN Group Limited (DAZN) on 23 December 2024 to exchange our 35 per cent interest in NXE Group for an approximately 3 per cent equity interest in DAZN (subject to completion adjustments). Refer to Note 5.2.2 in the Financial Report for further detail on investment in NXE Group held for sale.

Current trade and other receivables and contract assets increased by \$145 million including \$126 million reclassification of amounts owed by joint ventures and associates from non-current to current due to the share sale and purchase agreement with DAZN, \$52 million increase in trade receivables from contracts with customers and \$60 million increase in other receivables, partly offset by \$73 million reduction in accrued revenue and \$13 million reduction in contract assets. Current derivative financial assets increased by \$177 million due to fair value gains. Current inventories increased by \$133 million due mostly to increased mobility stock. Cash and cash equivalents decreased by \$21 million.

Non-current assets decreased by 2.0 per cent to \$38,656 million. Investments accounted for using the equity method decreased by \$415 million mostly due to the reclassification for the share sale and purchase agreement with DAZN (refer to current asset section for detail), and disposal of Ventures II. Trade and other receivables and contract assets decreased by \$170 million including \$139 million decrease in amounts owed by joint ventures and associates (refer to current asset section for detail) and \$22 million decrease in finance lease receivables.

Property, plant and equipment decreased by \$180 million due to depreciation expenses exceeding additions, impairments and other movements. Intangible assets decreased by \$120 million due to amortisation expense exceeding additions (mostly software assets), decrease associated with unrealised foreign translation net loss including the impacts from the amendment of currency denomination for the purchase price allocation relating to the Digicel Pacific acquisition in July 2022 (refer to Note 3.1.1 in the Financial Report for further detail), partly offset by increase related to the Boost Mobile acquisition. Non-current derivative financial assets increased by \$205 million due to fair value gains.

Current liabilities decreased by 11.5 per cent to \$10,195 million. Trade and other payables decreased by \$746 million mostly due to \$425 million reduction in trade payables and \$323 million reduction in accrued expenses and capital expenditure. Current borrowings decreased by \$360 million mostly due to reduction in commercial paper and maturity of Japanese Yen private placement, partly offset by increase in foreign currency denominated unsecured notes due to foreign currency translation effect. Current other provisions reduced by \$210 million due mostly to decrease in redundancy provision.

Non-current liabilities increased by 9.0 per cent to \$18,166 million. Non-current borrowings increased by \$1,458 million mostly due to issuance of Euro and AUD bonds, increase in other unsecured notes due to foreign exchange and fair value adjustments, increase in non-recourse borrowing facilities due to foreign currency translation effect, partly offset by repayment of revolving bank facilities.

Financial report

for the half-year ended 31 December 2024



About this report

This is the half-year financial report for Telstra Group Limited (referred to as the Company or Telstra Entity) and its controlled entities (together referred to as we, us, Telstra, the Telstra Group or the Group).

Telstra Group Limited is a 'for profit' company limited by shares and incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange (ASX).

Our half-year financial report does not include all of the information required for the annual financial report. It should be read in conjunction with the 2024 Annual Report and together with any public announcements made by Telstra Group Limited in accordance with the continuous disclosure obligations arising under the ASX listing rules and the *Corporations Act 2001*, up to the date of the Directors' Declaration.

Reading the financials

Section introduction

Introduction at the start of each section outlines the focus of the section and explains the purpose and content of that section.

Note and topic summary

A summary at the start of certain notes explains the objectives and content of that note, or at the start of certain specific topics clarifies complex concepts, which users may not be familiar with.

Narrative table

Some narrative disclosures are presented in a tabular format to provide readers with a clearer understanding of the information being presented.

Information panel

The information panel describes our key accounting estimates and judgements applied in the preparation of the financial report, which are relevant to that section or note.

Contents

Half-Year Financial Statements

Income Statement	2
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Cash Flows	6
Statement of Changes in Equity	7

Notes to the Half-Year Financial Statements

Section 1: Basis of preparation

1.1 Basis of preparation of the half-year financial report	8
1.2 Terminology used in our income statement	8
1.3 Key accounting estimates and judgements	8
1.4 Other accounting policies	8

Section 2: Our performance

2.1 Segment information	9
2.2 Income	14
2.3 Income taxes	19
2.4 Notes to the statement of cash flows	19

Section 3: Our core assets, lease arrangements and working capital

3.1 Property, plant and equipment and intangible assets	20
3.2 Trade and other receivables and contract assets	22

Section 4: Our capital and risk management

4.1 Dividend	23
4.2 Capital management and financial instruments	23

Section 5: Our investments

5.1 Changes in the group structure	29
5.2 Investments in joint ventures and associated entities	30

Section 6: Other information

6.1 Commitments and contingencies	31
6.2 Events after reporting date	31

Directors' Declaration	32
------------------------	----

Independent Auditor's Report	33
------------------------------	----

Income Statement

For the half-year ended 31 December 2024

Telstra Group	Note	Half-year ended 31 Dec	
		2024	2023
		\$m	\$m
Income			
Revenue (excluding finance income)	2.2	11,602	11,425
Other income	2.2	221	295
		11,823	11,720
Expenses			
Labour		2,026	2,054
Goods and services purchased		4,180	4,209
Net impairment losses on financial assets		60	53
Other expenses		1,295	1,382
		7,561	7,698
Share of net loss from joint ventures and associated entities		(14)	(15)
		7,575	7,713
Earnings before interest, income tax expense, depreciation and amortisation (EBITDA)		4,248	4,007
Depreciation and amortisation		2,402	2,233
Earnings before interest and income tax expense (EBIT)		1,846	1,774
Finance income	2.2	53	54
Finance costs		369	371
Net finance costs	4.2	316	317
Profit before income tax expense		1,530	1,457
Income tax expense		415	416
Profit for the period		1,115	1,041
Profit for the period attributable to:			
Equity holders of Telstra Entity		1,027	964
Non-controlling interests		88	77
		1,115	1,041
Earnings per share (cents per share)		cents	cents
Basic		8.9	8.4
Diluted		8.9	8.3

The notes following the financial statements form part of the half-year financial report.

Statement of Comprehensive Income

Telstra Half-Year Financial Report

For the half-year ended 31 December 2024

Telstra Group	Half-year ended 31 Dec	
	2024	2023
	\$m	\$m
Profit for the period attributable to:		
Equity holders of Telstra Entity	1,027	964
Non-controlling interests	88	77
	1,115	1,041
Items that will not be reclassified to the income statement		
Retained profits		
Actuarial gain/(loss) on defined benefit plans attributable to equity holders of Telstra Entity	12	(32)
Income tax on actuarial gain/(loss) on defined benefit plans	(4)	10
Cumulative gain from investments in equity instruments designated at fair value through other comprehensive income transferred to retained earnings on disposal	99	-
Fair value of equity instruments reserve		
Share of other comprehensive income of equity accounted investments	70	(19)
Cumulative gain from investments in equity instruments designated at fair value through other comprehensive income transferred to retained earnings on disposal	(99)	-
Foreign currency translation reserve		
Translation differences of foreign operations attributable to non-controlling interests	2	(1)
	80	(42)
Items that may be subsequently reclassified to the income statement		
Foreign currency translation reserve		
Translation differences of foreign operations attributable to equity holders of Telstra Entity	(186)	(69)
Cash flow hedging reserve		
Changes in cash flow hedging reserve	75	60
Share of other comprehensive income of equity accounted investments	(2)	(2)
Income tax on movements in the cash flow hedging reserve	(22)	(19)
Foreign currency basis spread reserve		
Changes in the value of the foreign currency basis spread	(33)	(23)
Income tax on movements in the foreign currency basis spread reserve	10	7
	(158)	(46)
Total other comprehensive income	(78)	(88)
Total comprehensive income for the period	1,037	953
Total comprehensive income for the period attributable to:		
Equity holders of Telstra Entity	947	877
Non-controlling interests	90	76

The notes following the financial statements form part of the half-year financial report.

Statement of Financial Position

As at 31 December 2024

Telstra Group	Note	As at	
		31 Dec 2024	30 Jun 2024
		\$m	\$m
Current assets			
Cash and cash equivalents		1,025	1,046
Trade and other receivables and contract assets	3.2	3,973	3,828
Deferred contract costs		179	140
Inventories		651	518
Derivative financial assets	4.2	409	232
Current tax receivables		-	35
Prepayments		333	308
Assets classified as held for sale	5.2	379	-
Total current assets		6,949	6,107
Non-current assets			
Trade and other receivables and contract assets	3.2	1,172	1,342
Deferred contract costs		796	794
Inventories		117	162
Investments – accounted for using the equity method		221	636
Investments – other		33	33
Property, plant and equipment		20,687	20,867
Intangible assets		12,301	12,421
Right-of-use assets		2,610	2,666
Derivative financial assets	4.2	416	211
Deferred tax assets		65	74
Defined benefit asset		238	237
Total non-current assets		38,656	39,443
Total assets		45,605	45,550
Current liabilities			
Trade and other payables		3,880	4,626
Employee benefits		701	721
Other provisions		139	349
Lease liabilities		484	530
Borrowings	4.2	3,338	3,698
Derivative financial liabilities	4.2	41	97
Current tax payables		72	28
Contract liabilities and other revenue received in advance		1,540	1,477
Total current liabilities		10,195	11,526
Non-current liabilities			
Other payables		9	10
Employee benefits		131	130
Other provisions		212	196
Lease liabilities		2,553	2,578
Borrowings	4.2	11,620	10,162
Derivative financial liabilities	4.2	108	176
Deferred tax liabilities		1,868	1,783
Defined benefit liabilities		27	14
Contract liabilities and other revenue received in advance		1,638	1,623
Total non-current liabilities		18,166	16,672
Total liabilities		28,361	28,198
Net assets		17,244	17,352

Statement of Financial Position (continued)

Telstra Half-Year Financial Report

As at 31 December 2024

Telstra Group	Note	As at	
		31 Dec 2024	30 Jun 2024
		\$m	\$m
Equity			
Share capital		3,086	3,095
Reserves		1,954	2,135
Retained profits		9,775	9,692
Equity available to Telstra Entity shareholders		14,815	14,922
Non-controlling interests		2,429	2,430
Total equity		17,244	17,352

The notes following the financial statements form part of the half-year financial report.

Statement of Cash Flows

For the half-year ended 31 December 2024

Telstra Group	Note	Half-year ended 31 Dec	
		2024	2023
		\$m	\$m
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax (GST))		12,886	12,489
Payments to suppliers and employees (inclusive of GST)		(9,643)	(9,117)
Government grants received for operating activities		197	185
Net cash generated from operations		3,440	3,557
Income taxes paid		(268)	(524)
Net cash provided by operating activities		3,172	3,033
Cash flows from investing activities			
Payments for property, plant and equipment		(1,207)	(1,155)
Payments for intangible assets		(765)	(813)
Capital expenditure (before investments)		(1,972)	(1,968)
Payments for shares in controlled entities (net of cash acquired)		(125)	(369)
Payments for equity accounted investments		(43)	(41)
Payments for other financial assets held as investments		(105)	-
Total capital expenditure (including investments)		(2,245)	(2,378)
Proceeds from sale of property, plant and equipment		66	73
Proceeds from sale of equity accounted investments		134	-
Proceeds from sale of other financial assets held as investments		21	-
Distributions received from equity accounted investments		15	28
Receipts of the principal portion of finance lease receivables		29	40
Government grants received for investing activities		35	17
Interest received		33	30
Repayment of loans by associated entity		22	-
Other		6	(7)
Net cash used in investing activities		(1,884)	(2,197)
Operating cash flows less investing cash flows		1,288	836
Cash flows from financing activities			
Proceeds from borrowings		3,837	4,844
Repayment of borrowings		(3,273)	(3,866)
Payment of principal portion of lease liabilities		(301)	(303)
Purchase of shares for employee share plans		(18)	(19)
Finance costs paid		(438)	(358)
Dividends/distributions paid to non-controlling interests		(82)	(85)
Dividends paid to equity holders of Telstra Entity	4.1	(1,040)	(982)
Purchase of shares from non-controlling interests		(34)	-
Other		2	25
Net cash used in financing activities		(1,347)	(744)
Net (decrease)/increase in cash and cash equivalents		(59)	92
Cash and cash equivalents at the beginning of the period		1,046	932
Effects of exchange rate changes on cash and cash equivalents		38	(8)
Cash and cash equivalents at the end of the period	2.4	1,025	1,016

The notes following the financial statements form part of the half-year financial report.

Statement of Changes in Equity

Telstra Half-Year Financial Report

For the half-year ended 31 December 2024

Telstra Group		Share capital	Reserves	Retained profits	Total	Non-controlling interests	Total equity
	Note	\$m	\$m	\$m	\$m	\$m	\$m
Balance at 30 June 2024		3,095	2,135	9,692	14,922	2,430	17,352
Profit for the period		-	-	1,027	1,027	88	1,115
Other comprehensive income		-	(187)	107	(80)	2	(78)
Total comprehensive income for the period		-	(187)	1,134	947	90	1,037
Dividend	4.1	-	-	(1,040)	(1,040)	-	(1,040)
Transactions with non-controlling interests		-	(5)	-	(5)	(91)	(96)
Other transfers		-	11	(11)	-	-	-
Additional shares purchased		(18)	-	-	(18)	-	(18)
Share-based payments		9	-	-	9	-	9
Balance at 31 December 2024		3,086	1,954	9,775	14,815	2,429	17,244
Balance as at 30 June 2023		3,095	2,196	10,116	15,407	2,409	17,816
Profit for the period		-	-	964	964	77	1,041
Other comprehensive income		-	(65)	(22)	(87)	(1)	(88)
Total comprehensive income for the period		-	(65)	942	877	76	953
Dividend	4.1	-	-	(982)	(982)	-	(982)
Transactions with non-controlling interests		-	-	-	-	(58)	(58)
Additional shares purchased		(19)	-	-	(19)	-	(19)
Share-based payments		9	-	-	9	-	9
Balance at 31 December 2023		3,085	2,131	10,076	15,292	2,427	17,719

The notes following the financial statements form part of the half-year financial report.

Section 1. Basis of preparation

This section explains the basis of preparation of our financial report, describes changes in our accounting policies and provides a summary of our key accounting estimates and judgements.



1.1 Basis of preparation of the half-year financial report

Our half-year financial report is a condensed general purpose financial report, prepared by a 'for-profit' entity in accordance with the *Corporations Act 2001* and AASB 134: '*Interim Financial Reporting*' issued by the Australian Accounting Standards Board (AASB).

The financial report is presented in Australian dollars and, unless otherwise stated, all values have been rounded to the nearest million dollars (\$m) under the option available to us under the Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191 as amended from time to time.

The financial report is prepared in accordance with historical cost, except for some categories of financial instruments which are recorded at fair value.

The same accounting policies, including the principles of consolidation, have been applied by each entity in the consolidated group and are consistent with those adopted and disclosed in our 2024 Annual Report.

For the purpose of preparing this report, each half-year has been treated as a discrete reporting period.

1.2 Terminology used in our income statement

EBITDA reflects earnings before interest, income tax, depreciation and amortisation. EBIT is a similar measure to EBITDA, but takes into account depreciation and amortisation.

We believe EBITDA is useful as a widely recognised measure of operating performance.

1.3 Key accounting estimates and judgements

Preparing the financial report requires management to make estimates and judgements. In preparing this report, the key sources of estimation uncertainty were consistent with those applied in the 2024 Annual Report with the exception of those arising from new arrangements executed in the current reporting period.

1.3.1 Summary of key management judgements

The key judgements and estimates used by management in applying the Group's accounting policies for the half-year ended 31 December 2024 have been updated to reflect the latest information available. They can be located in the following notes:

Key accounting estimates and judgements	Note	Page
Determining CGUs and their recoverable amount for impairment assessment of goodwill	3.1	20
Impairment assessment of our ubiquitous telecommunications network	3.1	21
Useful lives and residual values of tangible and intangible assets	3.1	22
Estimating expected credit losses	3.2	22

1.4 Other accounting policies

Relevant accounting policies are included in the respective notes to the financial statements. Changes in the accounting policies and impacts from the accounting standards to be applied in future reporting periods, as well as other accounting policies not disclosed elsewhere in the financial report are detailed below.

1.4.1 Changes in accounting policies

A number of new or amended accounting standards became effective in the current reporting period but none of those had a material impact on our accounting policies.

1.4.2 Transactions and balances in foreign currency

Foreign currency transactions are translated into the relevant functional currency at the spot exchange rate at the transaction date. At the reporting date, amounts receivable or payable denominated in foreign currencies are translated into the relevant functional currency at market exchange rates as at the reporting date. Any currency translation gains and losses that arise are included in our income statement.

Non-monetary items denominated in foreign currency that are measured at fair value (i.e. certain equity instruments not held for trading) are translated using the exchange rates at the date when the fair value was determined. Differences arising from the translation are reported as part of the fair value gain or loss in line with the recognition of the changes in the fair value of the non-monetary item.

Section 2. Our performance

This section explains our results, performance of our segments, which are reported on the same basis as our internal management structure, and our earnings per share for the period. It also provides disaggregated revenue, details of selected income and expense items, information about taxation and a reconciliation of our profit to net cash generated from operating activities.



2.1 Segment information

Segment information is based on the information that management uses to make decisions about operating matters and allows users to review operations of the Group through the eyes of management.

Our operating segments represent the functions which offer our main products and services in the market. However, only some of our operating segments meet the disclosure criteria for reportable segments.

2.1.1 Operating segments

We report segment information on the same basis as our internal management reporting structure at the reporting date. Segment comparatives reflect any organisational changes that have occurred since the prior reporting period to present a like-for-like view.

During the half-year ended 31 December 2024, there were no changes to our operating segments.

Our 'Networks, IT and Product' segment consists of two operating segments, being Global Networks and Technology and Product and Technology, which have been combined for reporting purposes as they have similar economic characteristics and provide support functions underpinning operations of the other segments.

In our segment results, the 'All Other' category includes functions that do not qualify as operating segments as well as the operating segments which are not material to be reported individually.

Section 2. Our performance (continued)

2.1 Segment information (continued)

2.1.1 Operating segments (continued)

We have six reportable segments as follows:

Segment	Operation
Telstra Consumer (TC)	<ul style="list-style-type: none"> provides telecommunication and technology products and services to consumer customers in Australia using mobile and fixed network technologies operates contact centres, retail stores, a retail distribution network, digital channels, distribution systems and the Telstra Plus customer loyalty program in Australia
Telstra Business (TB)	<ul style="list-style-type: none"> provides telecommunication and technology products and services to small and medium businesses in Australia operates Telstra Business Technology Centres and digital channel partner network servicing small and medium business customers
Telstra Enterprise Australia (TEA)	<ul style="list-style-type: none"> provides telecommunication services, advanced technology solutions, network capacity and management, unified communications, cloud, security, industry solutions, integrated and monitoring services to government and large enterprise and business customers in Australia
Telstra International (TI)	<ul style="list-style-type: none"> provides telecommunication, media and technology products and services to consumer, business and government customers in the South Pacific through Digicel Pacific business provides a full suite of telecommunications services, including satellite, advanced technology solutions, network capacity and management, cloud, security, industry solutions, integrated and monitoring services to government and enterprise and business customers outside of Australia provides wholesale services outside of Australia, including voice and data manages Telstra's networks outside of Australia, including international subsea cables, in conjunction with Networks, IT and Product and Telstra InfraCo segments
Networks, IT and Product (NIT&P)	<ul style="list-style-type: none"> Global Networks and Technology supports the other segments and their respective revenue generating activities by maintaining high level of reliability and security of our global network platforms and cloud infrastructure. It maintains our networks and is accountable for our network intelligence and automation. Product and Technology works with other functions to create and deliver products and solutions for customers across all segments. It has accountability for product strategy, life cycle, as well as technology and innovation where products are incubated and brought to scale. It is also accountable for Telstra's IT and Data & AI functions and our digital platforms underpinning our customer digital experience.
Telstra InfraCo	<ul style="list-style-type: none"> operates in Australia and provides telecommunication products and services delivered over Telstra networks to other carriers, carriage service providers and internet service providers provides other Telstra functions and wholesale customers with access to network infrastructure within Telstra InfraCo's asset accountabilities operates the fixed passive network infrastructure including data centres, exchanges, poles, ducts, pits and pipes and fibre network designs and constructs fibre, exchanges and other infrastructure provides nbn co with long-term access to certain components of our infrastructure under the Infrastructure Services Agreement operates the passive and physical mobile tower assets owned or operated by the Amptel business

Section 2. Our performance (continued)

2.1 Segment information (continued)

2.1.1 Operating segments (continued)

Consistent with information presented for internal management reporting, the result of each segment is measured based on its EBITDA contribution, which differs from our reported EBITDA.

The table below further details how we determine segment income and EBITDA contribution of each segment.

Nature of transaction	Description	Measurement basis	Impact on segment results
Transactions with external parties	Any transactions between any of the Telstra Group entities with: <ul style="list-style-type: none"> an external counterparty, e.g. supplier or customer any related party which is not controlled by the Telstra Group, i.e. it is not eliminated on consolidation. 	Accounted for in accordance with the Australian Accounting Standards.	The effects of all transactions with external parties are included in the segment results.
Transactions with other segments	Any transactions between segments arising from inter-company legal agreements between entities controlled by the Telstra Group.	<p>Different measurement bases apply to our transactions between segments depending on their nature:</p> <ul style="list-style-type: none"> transactions arising from agreements entered into as a result of the Telstra Group restructure completed on 1 January 2023, including charges for use of our infrastructure assets and other services, are measured based on a 'management view', i.e. all charges earned/incurred are recognised when incurred as either income or expenses. Such recognition may differ from the requirements of the Australian Accounting Standards in a number of areas, for example lease accounting. any transactions other than those described above are accounted for in accordance with the Australian Accounting Standards. <p>Transactions within the same segment are eliminated within that segment's results except for the transactions detailed under table A.</p> <p>Any transactions other than those arising from the agreements entered into as a result of the Telstra Group restructure are excluded from the segment's results.</p> <p>Any transactions with other segments are eliminated on consolidation, therefore the total Telstra Group reported income and total reported EBITDA reconcile to the statutory financial statements.</p>	The effects of the transactions with other segments are included in the segment results and, depending on the nature of the transaction, either measured based on the management view or as accounted under the Australian Accounting Standards.
Some transactions which are managed centrally or by one segment	Certain items and transactions are managed centrally or by one of the segments even if they relate to results of multiple segments.	Accounted for in accordance with the Australian Accounting Standards.	The effects of these transactions are included in the segment results as detailed below.

Section 2. Our performance (continued)

2.1 Segment information (continued)

2.1.1 Operating segments (continued)

The following transactions are managed centrally rather than being allocated to each segment, or by one segment even if they relate to results of multiple segments:

- network service delivery expenses other than those supporting passive infrastructure and related to customers serviced by TC, TB, TEA, TI and Telstra InfraCo segments are included in NIT&P segment
- revenue associated with mobile handsets (and the corresponding cost of goods sold) sold via dealers and TC channels to the customers of TB segment is included in TC segment
- Telstra Limited's promotion and advertising expenses related to TB and TEA segments are included in TC segment
- call centres and retail stores costs associated with TB segment are reported in TC segment
- commissions related to acquisition of TB customer contracts are included in TC segment
- Telstra Limited's redundancy and restructuring expenses are included in the 'All Other' category rather than being allocated to TC, TB, TEA, NIT&P and Telstra InfraCo segments

2.1.2 Segment results

Table A details our segment results and a reconciliation of EBITDA contribution to the Telstra Group's EBITDA, EBIT and profit before income tax expense.

Table A Telstra Group	TC	TB	TEA	TI	NIT&P	Telstra InfraCo	All Other	Sub- total	Elimina- tions	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
	Half-year ended 31 Dec 2024									
Mobility	3,718	918	650	-	-	281	-	5,567	-	5,567
Fixed - Consumer and Small Business (C&SB)	1,801	373	-	-	-	-	-	2,174	-	2,174
Fixed - Enterprise	-	154	1,536	-	-	-	-	1,690	(13)	1,677
InfraCo Fixed	-	-	-	-	-	1,376	-	1,376	(577)	799
Amplitel	-	-	-	-	-	235	-	235	(184)	51
Fixed - Active Wholesale	-	-	-	-	-	179	-	179	-	179
International	-	-	-	1,257	-	-	-	1,257	(111)	1,146
Other	9	(3)	17	-	226	18	323	590	(360)	230
Total management reported income	5,528	1,442	2,203	1,257	226	2,089	323	13,068	(1,245)	11,823
Transactions between segments	(2)	-	(16)	(111)	(209)	(783)	(124)	(1,245)	1,245	-
Total external income	5,526	1,442	2,187	1,146	17	1,306	199	11,823	-	11,823
Share of net loss from equity accounted entities	-	-	-	-	(3)	-	(11)	(14)	-	(14)
EBITDA contribution	2,406	968	795	373	(1,378)	1,472	(388)	4,248	-	4,248
Depreciation and amortisation										(2,402)
Telstra Group EBIT										1,846
Net finance costs										(316)
Telstra Group profit before income tax expense										1,530

Section 2. Our performance (continued)

2.1 Segment information (continued)

2.1.2 Segment results (continued)

Table A (continued) Telstra Group	TC	TB	TEA	TI	NIT&P	Telstra InfraCo	All Other	Sub- total	Elimina- tions	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
	Half-year ended 31 Dec 2023									
Mobility	3,533	905	656	-	-	231	-	5,325	-	5,325
Fixed - C&SB	1,826	385	-	-	-	-	-	2,211	-	2,211
Fixed - Enterprise	-	170	1,558	-	-	-	-	1,728	(9)	1,719
InfraCo Fixed	-	-	-	-	-	1,326	-	1,326	(560)	766
Amplitel	-	-	-	-	-	229	-	229	(178)	51
Fixed - Active Wholesale	-	-	-	-	-	188	-	188	-	188
International	-	-	-	1,320	-	-	-	1,320	(114)	1,206
Other	2	(4)	23	-	239	71	319	650	(396)	254
Total management reported income	5,361	1,456	2,237	1,320	239	2,045	319	12,977	(1,257)	11,720
Transactions between segments	(2)	-	(21)	(114)	(219)	(759)	(142)	(1,257)	1,257	-
Total external income	5,359	1,456	2,216	1,206	20	1,286	177	11,720	-	11,720
Share of net loss from equity accounted entities	-	-	-	(3)	(8)	-	(4)	(15)	-	(15)
EBITDA contribution	2,204	1,012	838	335	(1,359)	1,432	(455)	4,007	-	4,007
Depreciation and amortisation										(2,233)
Telstra Group EBIT										1,774
Net finance costs										(317)
Telstra Group profit before income tax expense										1,457

Certain intra-segment transactions within the Telstra InfraCo segment have not been eliminated within that segment, i.e. \$24 million (2023: \$21 million) internal income and internal expenses have been presented on a gross basis.

Negative revenue amounts in the tables related to certain corporate level adjustments.

Section 2. Our performance (continued)

2.2 Income

Table A Telstra Group	Half-year ended 31 Dec	
	2024	2023
	\$m	\$m
Revenue from contracts with customers	11,412	11,210
Revenue from other sources	190	215
Total revenue (excluding finance income)	11,602	11,425
Other income		
Net gain on disposal of property, plant and equipment and intangible assets	66	66
Net gain on disposal of businesses and investments	3	5
Net gain related to lease arrangements	2	61
Net foreign currency translation gain	-	9
Government grants	120	119
Net gain on derivative financial instruments not related to financing	2	9
Other miscellaneous income	28	26
	221	295
Total income (excluding finance income)	11,823	11,720
Finance income		
Finance income (excluding income from finance leases)	44	45
Finance income from finance leases (Telstra as a lessor)	9	9
	53	54
Total income	11,876	11,774

Revenue from other sources includes income from:

- customer contributions to extend, relocate or amend our network assets, where the customer does not purchase any ongoing services under the same (or linked) contract(s)
- late payment fees
- our lease arrangements, including finance leases where Telstra is a dealer-lessor and operating leases.

Net gain on disposal of property, plant and equipment and intangible assets includes a \$55 million (2023: \$60 million) net gain on sale of our legacy copper assets we continue to recover.

Government grants include income under the Telstra Universal Service Obligation Performance Agreement, the Federal Government's Mobile Black Spot Program and other individually immaterial government grants. There are no unfulfilled conditions or other contingencies attached to these grants.

Section 2. Our performance (continued)

2.2 Income (continued)

2.2.1 Disaggregated revenue

Table B presents the disaggregated revenue from contracts with customers based on the nature and the timing of transfer of goods and services.

We recognise revenue from contracts with customers when the control of goods or services has been transferred to the customer. Revenue from sale of services is recognised over time, whereas revenue from sale of goods is recognised at a point in time.

Other revenue from contracts with customers includes licensing revenue (recognised either at a point in time or over time) and agency revenue (recognised over time).

Table B Telstra Group	TC	TB	TEA	TI	NIT&P	Telstra InfraCo	All Other	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
	Half-year ended 31 December 2024							
Sale of services	4,286	1,338	1,899	1,116	-	1,127	157	9,923
Sale of goods	1,077	91	243	25	-	-	13	1,449
Other revenue from contracts with customers	13	2	16	-	-	-	9	40
	5,376	1,431	2,158	1,141	-	1,127	179	11,412
	Half-year ended 31 December 2023							
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
	Half-year ended 31 December 2023							
Sale of services	4,203	1,352	1,900	1,155	-	1,024	158	9,792
Sale of goods	991	87	255	42	-	2	2	1,379
Other revenue from contracts with customers	10	2	26	-	-	-	1	39
	5,204	1,441	2,181	1,197	-	1,026	161	11,210

Section 2. Our performance (continued)

2.2 Income (continued)

2.2.1 Disaggregated revenue (continued)

Table C presents total revenue from external customers disaggregated by major products.

Table C Telstra Group	TC	TB	TEA	TI	NIT&P	Telstra InfraCo	All Other	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
	Half-year ended 31 December 2024							
Mobile	3,718	918	650	-	-	281	-	5,567
Revenue from contracts with customers	3,706	912	650	-	-	281	-	5,549
Revenue from other sources	12	6	-	-	-	-	-	18
Fixed - C&SB	1,699	373	-	-	-	-	-	2,072
Revenue from contracts with customers	1,663	369	-	-	-	-	-	2,032
Revenue from other sources	36	4	-	-	-	-	-	40
Fixed - Enterprise	-	154	1,522	-	-	-	-	1,676
Revenue from contracts with customers	-	154	1,511	-	-	-	-	1,665
Revenue from other sources	-	-	11	-	-	-	-	11
InfraCo Fixed	-	-	-	-	-	735	-	735
Revenue from contracts with customers	-	-	-	-	-	622	-	622
Revenue from other sources	-	-	-	-	-	113	-	113
Amplitel	-	-	-	-	-	51	-	51
Revenue from contracts with customers	-	-	-	-	-	51	-	51
Fixed - Active Wholesale	-	-	-	-	-	179	-	179
Revenue from contracts with customers	-	-	-	-	-	179	-	179
International	-	-	-	1,146	-	-	-	1,146
Revenue from contracts with customers	-	-	-	1,141	-	-	-	1,141
Revenue from other sources	-	-	-	5	-	-	-	5
Other products and services	7	(3)	(3)	-	-	(5)	180	176
Revenue from contracts with customers	7	(4)	(3)	-	-	(6)	179	173
Revenue from other sources	-	1	-	-	-	1	1	3
Total revenue from contracts with customers	5,376	1,431	2,158	1,141	-	1,127	179	11,412
Total revenue from other sources	48	11	11	5	-	114	1	190
	5,424	1,442	2,169	1,146	-	1,241	180	11,602
Other income	102	-	18	-	17	65	19	221
	5,526	1,442	2,187	1,146	17	1,306	199	11,823

Section 2. Our performance (continued)

2.2 Income (continued)

2.2.1 Disaggregated revenue (continued)

Table C (continued) Telstra Group	TC	TB	TEA	TI	NIT&P	Telstra InfraCo	All Other	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
	Half-year ended 31 December 2023							
Mobile	3,533	905	656	-	-	231	-	5,325
Revenue from contracts with customers	3,514	897	656	-	-	231	-	5,298
Revenue from other sources	19	8	-	-	-	-	-	27
Fixed - C&SB	1,726	384	-	-	-	-	-	2,110
Revenue from contracts with customers	1,692	379	-	-	-	-	-	2,071
Revenue from other sources	34	5	-	-	-	-	-	39
Fixed - Enterprise	-	171	1,549	-	-	-	-	1,720
Revenue from contracts with customers	-	170	1,529	-	-	-	-	1,699
Revenue from other sources	-	1	20	-	-	-	-	21
InfraCo Fixed	-	-	-	-	-	686	-	686
Revenue from contracts with customers	-	-	-	-	-	579	-	579
Revenue from other sources	-	-	-	-	-	107	-	107
Amplitel	-	-	-	-	-	43	-	43
Revenue from contracts with customers	-	-	-	-	-	30	-	30
Revenue from other sources	-	-	-	-	-	13	-	13
Fixed - Active Wholesale	-	-	-	-	-	188	-	188
Revenue from contracts with customers	-	-	-	-	-	188	-	188
International	-	-	-	1,200	-	-	-	1,200
Revenue from contracts with customers	-	-	-	1,197	-	-	-	1,197
Revenue from other sources	-	-	-	3	-	-	-	3
Other products and services	(1)	(4)	(4)	-	-	(2)	164	153
Revenue from contracts with customers	(2)	(5)	(4)	-	-	(2)	161	148
Revenue from other sources	1	1	-	-	-	-	3	5
Total revenue from contracts with customers	5,204	1,441	2,181	1,197	-	1,026	161	11,210
Total revenue from other sources	54	15	20	3	-	120	3	215
	5,258	1,456	2,201	1,200	-	1,146	164	11,425
Other income	101	-	15	6	20	140	13	295
	5,359	1,456	2,216	1,206	20	1,286	177	11,720

Revenue from other products and services includes revenue generated by Telstra Health and miscellaneous income.

Negative revenue amounts disclosed in the tables above related to certain corporate level adjustments and consolidation eliminations.

Section 2. Our performance (continued)

2.2 Income (continued)

2.2.1 Disaggregated revenue (continued)

Table D presents total revenue from external customers disaggregated by geographical markets.

Our geographical operations are split between our Australian and offshore operations. No individual foreign country within our offshore operations has material revenue.

Table D Telstra Group	TC	TB	TEA	TI	NIT&P	Telstra InfraCo	All Other	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
	Half-year ended 31 December 2024							
Australian customers	5,424	1,442	2,169	97	-	1,241	177	10,550
Revenue from contracts with customers	5,376	1,431	2,158	97	-	1,127	176	10,365
Revenue from other sources	48	11	11	-	-	114	1	185
Offshore customers	-	-	-	1,049	-	-	3	1,052
Revenue from contracts with customers	-	-	-	1,044	-	-	3	1,047
Revenue from other sources	-	-	-	5	-	-	-	5
Total revenue from contracts with customers	5,376	1,431	2,158	1,141	-	1,127	179	11,412
Total revenue from other sources	48	11	11	5	-	114	1	190
	5,424	1,442	2,169	1,146	-	1,241	180	11,602
Other income	102	-	18	-	17	65	19	221
	5,526	1,442	2,187	1,146	17	1,306	199	11,823
	Half-year ended 31 December 2023							
Australian customers	5,258	1,456	2,201	114	-	1,146	161	10,336
Revenue from contracts with customers	5,204	1,441	2,181	113	-	1,026	158	10,123
Revenue from other sources	54	15	20	1	-	120	3	213
Offshore customers	-	-	-	1,086	-	-	3	1,089
Revenue from contracts with customers	-	-	-	1,084	-	-	3	1,087
Revenue from other sources	-	-	-	2	-	-	-	2
Total revenue from contracts with customers	5,204	1,441	2,181	1,197	-	1,026	161	11,210
Total revenue from other sources	54	15	20	3	-	120	3	215
	5,258	1,456	2,201	1,200	-	1,146	164	11,425
Other income	101	-	15	6	20	140	13	295
	5,359	1,456	2,216	1,206	20	1,286	177	11,720

2.2.2 Our contracts with customers

We continued to generate revenue from customer contracts described in note 2.2 to the financial statements in the 2024 Annual Report.

Section 2. Our performance (continued)

2.3 Income taxes

2.3.1 International Tax Reform - Pillar Two income taxes

On 10 December 2024, the Australian Government enacted primary legislation to implement Pillar Two income taxes. The legislative instrument to enact the subordinate legislation was registered on 23 December 2024 and therefore the Pillar Two rules are considered substantively enacted in Australia. These rules applied to Telstra from 1 July 2024.

Under the legislation, the Telstra Entity is broadly required to pay, in Australia, top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15 per cent.

Telstra's exposure to Pillar Two income tax primarily relates to Bermuda, where the transitional safe harbour rules were not satisfied and the headline corporate tax rate is currently nil. The related tax impact for the half-year ended 31 December 2024 does not have a material impact on our financial results.

We continue to closely monitor Pillar Two legislative developments globally to evaluate their potential impact on our future financial results.

2.4 Notes to the statement of cash flows

2.4.1 Cash and cash equivalents

Telstra Group	As at 31 Dec	
	2024	2023
	\$m	\$m
Cash at bank and on hand	558	514
Bank deposits and negotiable certificates of deposit	467	502
Cash and cash equivalents in the statement of cash flows	1,025	1,016

Cash and cash equivalents in the table above include \$119 million (2023: \$99 million) held by our controlled entities in China, Papua New Guinea, India and Indonesia. These amounts are subject to regulatory controls and as a result, our ability to utilise these funds for general operating activities by the other entities within the Telstra Group may be constrained.

Section 3. Our core assets, lease arrangements and working capital

This section describes our core long-term tangible (owned and leased) and intangible assets underpinning the Group's performance and provides a summary of our asset impairment assessment. This section also describes our short-term assets and liabilities, i.e. our working capital supporting the operating liquidity of our business.



3.1 Property, plant and equipment and intangible assets

This note provides details of our tangible and intangible assets, including goodwill, and their impairment assessment.

Our impairment assessment compares the carrying value of our cash generating units (CGUs) with their recoverable amounts determined using a 'value in use' calculation. The value in use calculations use key assumptions such as cash flow forecasts, discount rates and terminal growth rates.

3.1.1 Translation of Digicel Pacific acquisition accounted assets

We acquired Digicel Pacific in July 2022 and denominated the purchase price allocation in US dollars. Following the continued devaluation of the PNG Kina from its historic alignment with US dollar as a result of foreign exchange market reforms, we have amended the denomination of these allocations to PNG Kina to better align with the main underlying operating currency. Consequently, in the period ended 31 December 2024, we have adjusted the carrying amounts of the goodwill and the related fair value adjustments to intangible assets and property, plant and equipment arising from the acquisition to reflect the foreign currency translation from PNG Kina to Australian Dollars. The impacts of this reassessment are reduction of goodwill of \$231 million, other intangible assets of \$145 million, property plant and equipment of \$18 million, deferred tax liabilities of \$47 million and a corresponding adjustment of \$347 million to the foreign currency translation reserve.

3.1.2 Impairment assessment

Goodwill and intangible assets with indefinite useful lives are not subject to amortisation and are assessed for impairment at least annually, or whenever an indicator of impairment exists. All other non-current tangible and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

For impairment testing, we identify CGUs, i.e. the smallest groups of assets that generate cash inflows that are largely independent of cash inflows from other assets or groups of assets.

(a) Goodwill

During the half-year ended 31 December 2024, there were no changes to our CGUs with allocated goodwill, with the exception of a new CGU arising from the acquisition of Boost Tel Pty Limited and its controlled entities (Boost Mobile). Refer to note 5.1.2 for further details about the goodwill recognised on the Boost Mobile acquisition.

Refer to note 3.1.1 for details on translation of Digicel Pacific acquisition accounted assets which contributed to the reduction of the carrying amount of Digicel Pacific goodwill from \$1,611 million at 30 June 2024 to \$1,484 million at 31 December 2024.

Determining CGUs and their recoverable amount for impairment assessment of goodwill

We apply judgement to identify our CGUs and determine their recoverable amounts using a value in use calculation. These judgements include cash flow forecasts, as well as the selection of growth rates, terminal growth rates and discount rates based on experience and our expectations for the future.

Our cash flow projections are based on five-year management approved forecasts unless a different period is justified. The forecasts use management estimates to determine income, expenses, capital expenditure and cash flows for each asset and CGU. The value in use calculation also includes terminal value based on our view of a longer-term growth profile.

We have concluded that the discounted cash flows generated continue to support the carrying values of our CGUs, thus no impairment has been identified.

Section 3. Our core assets, lease arrangements and working capital (continued)

3.1 Property, plant and equipment and intangible assets (continued)

3.1.2 Impairment assessment (continued)

(b) Telstra Entity ubiquitous telecommunications network

An impairment assessment is performed at the level of our Telstra Entity ubiquitous telecommunications network CGU.

Impairment assessment of our ubiquitous telecommunications network

We have determined that assets which form part of the Telstra Entity ubiquitous telecommunications network, comprising the customer access network and the core network, are working together to generate independent cash inflows. No one item of telecommunications equipment is of any value without the other assets to which it is connected to deliver our products and services.

Indicators of impairment may include changes in our operating and economic assumptions or possible impacts from risks such as changing economic and market conditions and climate change. We apply judgement in determining whether certain trends with an adverse impact on our cash flows are considered impairment indicators.

We continue to operate in uncertain economic environments with persistent inflation and other economic pressures. However, given the long-lived nature of the majority of our assets and the nature of the services we provide, the expected return on the assets is not significantly impacted. As a result, we did not consider the uncertain economic environment as an impairment indicator of our ubiquitous telecommunications network.

We continue to assess the potential impacts of climate change, including physical climate risks on our assets associated with bushfires, tropical cyclones, coastal erosion and inundation, intense rainfall events, riverine flooding and increasing temperatures, as well as the impact of extreme weather events on our operations and service delivery.

While we have already incorporated in our management forecasts some financial impacts related to our short-medium term environmental goals associated with both reducing our absolute scope 1 and 2 greenhouse gas emissions by 70 per cent by 2030 (from the financial year 2019 baseline) and enabling renewable energy generation equivalent to 100 per cent of our consumption by 2025, work is ongoing to incorporate the potential long-term financial impacts of climate change and our relevant adaptation strategies in our forward plans.

Based on our experience with extreme weather events, and considering the diverse location and nature of our assets as well as our continued focus on network resiliency and business continuity programs, we do not consider the potential impacts of climate change and the transition to a lower carbon economy to be an impairment indicator at this stage. In addition, based on the sensitivity analysis performed, the range of financial impacts identified and quantified to date for possible climate scenarios, namely the service disruption payments and asset loss/replacement costs, is not significant compared to the excess of the recoverable amount over the carrying value of our ubiquitous telecommunications network.

As we continue to assess climate impacts to our business, we will incorporate any identified financial impacts into our impairment assessment. Should we identify material adverse effects of climate change or transition to a lower carbon economy on our cash flows, we may deem it an impairment indicator in the future.

Management forecasts require significant judgements and assumptions and are subject to risk and uncertainty that may be beyond our control. Hence, there is a possibility that changes in circumstances will materially alter projections, which may impact our assessment of impairment indicators and the recoverable amount of assets at each reporting date.

Section 3. Our core assets, lease arrangements and working capital (continued)

3.1 Property, plant and equipment and intangible assets (continued)

3.1.3 Depreciation and amortisation

Useful lives and residual values of tangible and intangible assets

We apply judgement to estimate useful lives and residual values of our assets and review them each year. If useful lives or residual values need to be modified, the depreciation and amortisation expense changes from the date of reassessment until the end of the revised useful life for both the current and future years.

Assessment of useful lives and residual values includes a comparison with international trends for telecommunication companies and, in relation to communication assets, a determination of when the asset may be superseded technologically or made obsolete. For intangible assets, specifically business software, useful lives are adjusted to align with expected retirement dates of the relevant applications under the current corporate strategies.

For the half-year ended 31 December 2024, the net effect of the assessment of useful lives was \$2 million (2023: \$32 million) and \$15 million (2023: \$19 million) decrease in depreciation and amortisation expenses, respectively.

3.2 Trade and other receivables and contract assets

Table A summarises trade and other receivables and contract assets. Where relevant, the amounts are presented net of impairment allowances.

Table A Telstra Group	As at	
	31 Dec 2024	30 Jun 2024
	\$m	\$m
Current		
Trade receivables from contracts with customers	2,783	2,731
Finance lease receivables	65	72
Accrued revenue	154	227
Amounts owed by joint ventures and associated entities	126	-
Other receivables	310	250
	3,438	3,280
Contract assets	535	548
	3,973	3,828
Non-current		
Trade receivables from contracts with customers	680	659
Finance lease receivables	191	213
Amounts owed by joint ventures and associated entities	-	139
Other receivables	39	51
	910	1,062
Contract assets	262	280
	1,172	1,342

Trade receivables from contracts with customers are measured at amortised cost.

Refer to note 5.2.3 for further details on amounts owed by joint ventures and associated entities.

3.2.1 Impairment of trade and other receivables and contract assets

Estimating expected credit losses

We apply judgement to estimate the expected credit losses for our trade and other receivables measured at amortised cost and for contract assets.

For trade receivables and contract assets arising from our Telstra Consumer, Telstra Business and Telstra Enterprise Australia customers, we have implemented a scenario-based approach incorporating base, good and bad economic scenarios. The overall expected credit loss was calculated as a weighted average of the three scenarios.

Our analysis has shown that generally overall macroeconomic factors, such as unemployment rates, interest rates or gross domestic product have no strong correlation with our bad debt losses unless certain thresholds are exceeded. As at 31 December 2024, those macroeconomic factors were within the relevant thresholds.

Section 4. Our capital and risk management

This section provides information on our approach to capital management and our capital structure. Our total capital is defined as equity and net debt. Also outlined in this section are the financial risks that we are exposed to and how we manage these financial risks.



4.1 Dividend

This note includes the previous year final dividend paid and the current year interim dividend to be paid.

As the current year interim dividend resolution was passed on 20 February 2025, no provision had been raised as at 31 December 2024.

We currently pay dividends to equity holders of the Telstra Entity twice a year, an interim and a final dividend. The table below provides details about the previous year final dividend paid during the half-year.

Table A Telstra Entity	Half-year ended 31 Dec			
	2024	2023	2024	2023
	\$m	\$m	cents	cents
Previous year final dividend paid	1,040	982	9.0	8.5

On 20 February 2025, the Directors of Telstra Group Limited resolved to pay a fully franked interim dividend for the financial year 2025 of 9.5 cents per ordinary share. The interim dividend will be fully franked at a tax rate of 30 per cent. The record date for the interim dividend will be 27 February 2025, with payment to be made on 28 March 2025. From 26 February 2025, shares will trade excluding entitlement to the dividend.

The Dividend Reinvestment Plan (DRP) will operate for the interim dividend in the financial year 2025. The election date for participation in the DRP is 28 February 2025.

As at 31 December 2024, the interim dividend for the financial year 2025 was not determined or publicly recommended by the Board. Therefore, no provision for the dividend had been raised in the statement of financial position. A \$1,097 million provision for the interim dividend payable has been raised as at the date of the resolution.

There are no income tax consequences for the Telstra Group resulting from the resolution and payment of the interim dividend, except for \$470 million of franking debits arising from the payment of this interim dividend that will be adjusted in our franking account balance.

Our franking account balance as at 31 December 2024 was a \$275 million deficit. We believe that our current balance in the franking account, combined with the franking credits that will arise on our expected tax instalments, will be sufficient to fully frank our interim dividend for the financial year 2025.

4.2 Capital management and financial instruments

Capital management is undertaken in accordance with the financial parameters regularly reviewed and approved by the Board.

We manage our capital structure with the aim to provide returns for shareholders and benefits for other stakeholders, while:

- safeguarding our ability to continue as a going concern
- maintaining an optimal capital structure and cost of capital that provides flexibility for strategic investments.

In order to maintain or adjust our capital structure, we may issue or repay debt, adjust the amount of dividends paid to shareholders or return capital to shareholders.

Our dividend policy together with dividends paid during the half-year ended 31 December 2024 have been detailed in note 4.1.

4.2.1 Net debt

As part of our capital management we monitor net debt. Net debt equals total lease liabilities, borrowings and derivative financial instruments, less cash and cash equivalents.

Table A lists the carrying value of our net debt components (both current and non-current balances).

Table A Telstra Group	As at	
	31 Dec 2024	30 Jun 2024
	\$m	\$m
Lease liabilities	(3,037)	(3,108)
Borrowings	(14,958)	(13,860)
Net derivative financial instruments	676	170
Gross debt	(17,319)	(16,798)
Cash and cash equivalents	1,025	1,046
Net debt	(16,294)	(15,752)

Section 4. Our capital and risk management (continued)

4.2 Capital management and financial instruments (continued)

4.2.1 Net debt (continued)

No components of net debt include financial covenants other than a subset of the non-recourse facilities entered into by Telstra PM Pty Ltd with Export Finance Australia. We were compliant with these covenants as at 31 December 2024.

All amounts owing under or in relation to the borrowing facilities with Export Finance Australia in respect of the Digicel Pacific acquisition (referred to as 'non-recourse borrowing facilities' in Table B) are secured by:

- substantially all of the assets (including any shares) and undertakings of substantially all of the acquired entities, comprising Digicel Pacific Limited and each of its wholly-owned subsidiaries
- the assets (including any shares) and undertakings of Telstra PM Pty Ltd and BidCo (S) Pte. Ltd
- the shares in Telstra PM Pty Ltd held by Telstra PM Holdings Pty Ltd.

During the half-year ended 31 December 2024, we did not have any defaults or breaches under any of our agreements with our lenders.

Table B summarises the key movements in net debt during the period and provides our gearing ratio. Our gearing ratio equals net debt divided by total capital, where total capital equals equity, as shown in the statement of financial position, plus net debt.

Table B Telstra Group	Half-year ended 31 Dec	
	2024	2023
	\$m	\$m
Opening net debt at 1 July	(15,752)	(14,418)
Non-recourse borrowing facilities (net)	3	(46)
Debt issuance	(1,595)	-
Commercial paper (net)	464	(1,174)
Revolving bank facilities (net)	512	(1,189)
Debt repayments	62	1,416
Other borrowings (net)	(10)	15
Lease liability payments	301	303
Net cash inflow	(263)	(675)
Fair value (loss)/gain impacting:		
Equity	19	57
Other income	(77)	34
Finance costs	5	1
Other non-cash movements		
Lease liability (Telstra as a lessee)	(230)	(232)
Other loans and derivatives	25	12
Total non-cash movements	(258)	(128)
Total increase in gross debt	(521)	(803)
Net (decrease)/increase in cash and cash equivalents (includes effects of foreign exchange differences)	(21)	84
Total increase in net debt	(542)	(719)
Closing net debt at 31 December	(16,294)	(15,137)
Total equity	(17,244)	(17,719)
Total capital	(33,538)	(32,856)
	%	%
Gearing ratio	48.6	46.1

During the half-year ended 31 December 2024, we repaid ¥5,000 million JPY (\$62 million Australian dollar equivalent) private placement.

During the half-year ended 31 December 2024, we issued debt of \$1,595 million (Australian dollar equivalent), comprised of:

- 12-year €700 million Euro bond (\$1,147 million Australian dollar equivalent)
- 7-year \$448 million Australian bond.

Section 4. Our capital and risk management (continued)

4.2 Capital management and financial instruments (continued)

4.2.2 Bank facilities

Table C presents our total and undrawn committed bank facilities at balance dates. As at 31 December 2024, we had total available facilities of \$4,022 million, the majority of which were held by the Telstra Entity.

Our committed facilities mature on a staggered basis over the next four years with \$3,871 million maturing beyond 12 months.

Table C Telstra Group	As at	
	31 Dec 2024	30 Jun 2024
	\$m	\$m
Facilities available	4,022	4,029
Facilities used	(1,041)	(1,553)
Facilities unused	2,981	2,476

4.2.3 Borrowings

Table D details the carrying and fair values of borrowings included in the statement of financial position.

Table D Telstra Group	As at 31 Dec 2024		As at 30 Jun 2024	
	Carrying value	Fair value	Carrying value	Fair value
	\$m	\$m	\$m	\$m
Current borrowings				
Unsecured notes	1,608	1,600	1,556	1,533
Bank and other loans - unsecured	490	490	511	514
Commercial paper - unsecured	1,232	1,232	1,623	1,623
Non-recourse borrowing facilities	7	7	7	7
Other financial liabilities	1	1	1	1
	3,338	3,330	3,698	3,678
Non-current borrowings				
Unsecured notes	8,670	8,646	6,808	6,888
Bank and other loans - unsecured	1,266	1,266	1,745	1,751
Non-recourse borrowing facilities	1,269	1,265	1,195	1,204
Other financial liabilities	415	320	414	300
	11,620	11,497	10,162	10,143
Total borrowings	14,958	14,827	13,860	13,821

Unsecured notes comprise bonds and private placements.

Our commercial paper is used principally to support working capital and short-term liquidity and continues to be supported by a combination of liquid financial assets, and access to committed bank facilities.

Other financial liabilities represent amounts arising from sale and leaseback transactions accounted for as financial liabilities under the accounting standards.

Section 4. Our capital and risk management (continued)

4.2 Capital management and financial instruments (continued)

4.2.4 Finance costs

Table E presents our net finance costs. Interest expense on borrowings are net amounts after offsetting interest income and interest expense on associated derivative instruments.

Table E Telstra Group	Half-year ended 31 Dec	
	2024	2023
	\$m	\$m
Interest income	33	29
Finance income from finance leases (Telstra as a lessor)	9	9
Finance income from contracts with customers	5	9
Net interest income on defined benefit plan	6	7
Total finance income	53	54
Interest expense on borrowings	(363)	(320)
Interest expense on lease liabilities	(54)	(55)
Gross interest on debt	(417)	(375)
Finance costs from contracts with customers	(21)	(24)
Net gains/(losses) on financial instruments included in remeasurements	27	(5)
	6	(29)
Interest capitalised	42	33
Total finance costs	(369)	(371)
Net finance costs	(316)	(317)

Net gains/(losses) on derivative financial instruments included in remeasurements within net finance costs comprise unrealised valuation impacts on our derivatives. These include net unrealised gains or losses which arise from changes in the fair value of derivative financial instruments to the extent that hedge accounting is not achieved or is not effective. These fair values increase or decrease because of changes in financial indices and prices over which we have no control.

4.2.5 Fair value measurement

The financial instruments included in the statement of financial position are measured either at fair value or their carrying value approximates fair value, with the exception of borrowings.

To determine fair value, we use both observable and unobservable inputs. We classify the inputs used in the valuation of our financial instruments according to a three-level hierarchy as shown below. The classification is based on the lowest level input that is significant to the fair value measurement as a whole.

During the half-year ended 31 December 2024, there were no changes in valuation techniques for recurring fair value measurements of our financial instruments. There were also no transfers between fair value hierarchy levels.

Section 4. Our capital and risk management (continued)

4.2 Capital management and financial instruments (continued)

4.2.5 Fair value measurement (continued)

The table below summarises the methods used to estimate the fair value of our financial instruments. As at 31 December 2024, there were no financial instruments measured using level 1 inputs.

Level	Financial instrument	Fair value
Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities	Listed investments in equity instruments	Quoted prices in active markets.
Level 2: the lowest level input that is significant to the fair value measurement is directly (as prices) or indirectly (derived from prices) observable	Cross currency and interest rate swaps	Valuation techniques maximising the use of observable market data. Present value of the estimated future cash flows using appropriate market-based yield curves, foreign exchange rates and current basis spreads, which are independently derived. The yield curves and currency basis are sourced from readily available market data quoted for all major currencies.
	Forward contracts	Quoted forward rates independently obtained are applied to the valuation of forward contracts.
Level 3: one or more key inputs for the instrument are not based on observable market data (unobservable inputs)	Unlisted investments in equity instruments, power purchase agreements accounted for as derivatives	Valuation techniques (where one or more of the significant inputs is not based on observable market data) include reference to discounted cash flows and fair values of recent orderly sell transactions between market participants involving instruments that are substantially the same.
	Contingent consideration	Initial recognition: expectations of future performance of the business. Subsequent measurement: present value of the future expected cash flows.

Table F categorises our financial instruments which are measured at fair value, according to the valuation methodology applied.

Table F Telstra Group	As at 31 Dec 2024			As at 30 Jun 2024		
	Level 2	Level 3	Total	Level 2	Level 3	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Assets						
Derivative financial instruments	715	110	825	362	81	443
Investments in unlisted securities	-	33	33	-	33	33
	715	143	858	362	114	476
Liabilities						
Derivative financial instruments	(149)	-	(149)	(273)	-	(273)
Contingent consideration	-	(1)	(1)	-	(67)	(67)
	(149)	(1)	(150)	(273)	(67)	(340)
Total	566	142	708	89	47	136

Fair value of borrowings presented in table D in note 4.2.3 was measured using level 2 inputs.

Section 4. Our capital and risk management (continued)

4.2 Capital management and financial instruments (continued)

4.2.5 Fair value measurement (continued)

As at 31 December 2024, we held some interest rate derivative instruments hedging term debt issuances and bank facilities which have a reference to a benchmark rate. The fair values of these derivative financial instruments were measured using level 2 inputs.

Table G details movements in contingent consideration measured using level 3 inputs.

Table G Telstra Group	Half-year ended 31 Dec	
	2024	2023
	\$m	\$m
Opening balance at 1 July	67	251
Cash settlements made during the period	(30)	(92)
Remeasurements recognised in the income statement	(38)	(7)
Interest recognised in the income statement	-	3
Translation impacts recognised in foreign currency translation reserve	2	(5)
Closing balance at 31 December	1	150

4.2.6 Financial risk factors

Our underlying business activities result in exposure to operational risks and a number of financial risks including interest rate risk, foreign currency risk, credit risk and liquidity risk. Our overall risk management program seeks to mitigate these risks in order to reduce volatility in our financial performance and to support the delivery of our financial targets. Financial risk management is carried out centrally by our treasury department under policies approved by the Board. Our financial risk management strategies ensure that we can withstand market disruptions for extended periods.

The half-year financial report does not include all financial risk management information and disclosures required for the annual financial statements. For further details on our financial risk management refer to note 4.5 to the financial statements in the 2024 Annual Report. There have been no material changes to our risk management policies since 30 June 2024.

Section 5. Our investments

This section outlines our group structure and includes information about our controlled entities, joint ventures and associated entities. It provides details of changes to these investments and their effect on our financial position and performance during the financial year. It also includes the results of our material joint ventures and associated entities.



5.1 Changes in the group structure

During the half-year ended 31 December 2024, there have been some changes to our group structure, arising from the acquisition and disposal of entities and investment. Details of the significant acquisitions and disposals of entities and investments have been disclosed below.

5.1.1 Acquisition of the remaining interest in Power Health

On 9 November 2021, we acquired 70 per cent of shares in Power Health, however, we applied judgement to determine that we controlled 100 per cent on the acquisition date. This was because we had a contractual obligation to purchase the remaining 30 per cent interest from the founding shareholder by 2026. Therefore, the non-controlling interest is deemed to have been acquired at the acquisition date. We accounted for our obligation to purchase the remaining interest as a financial liability.

On 2 July 2024, we completed the acquisition of the remaining 30 per cent of the shares in Power Solutions Holdings Pty Ltd, the parent entity of Power Health, for a total cash consideration of \$28 million, taking our legal ownership interest to 100 per cent.

On acquisition, we derecognised the \$28 million financial liability associated with our contractual obligation to purchase this remaining 30 per cent interest from the founding shareholder by 2026.

5.1.2 Acquisition of Boost Mobile

On 2 December 2024, we completed the acquisition of 100 per cent of the shares in Boost Tel Pty Limited and its controlled entities (Boost Mobile) for a total consideration of \$129 million (subject to completion adjustments).

Boost Mobile licenses the Boost brand to Telstra and provides marketing for the pre-paid mobile services that Telstra sells under that brand.

The provisional accounting for this acquisition gave rise to \$63 million goodwill reflecting expected opportunities to increase prepaid mobile revenue via the Boost Mobile marketing strategies. Goodwill is not deductible for income tax purposes.

Table A summarises the effects of the provisional accounting for this acquisition.

Table A Boost Mobile	Half-year ended
	31 Dec 2024
	\$m
Consideration for acquisition	
Cash consideration	132
Settlement of pre-existing liability in Telstra Group	(3)
Total purchase consideration	129
Cash balances acquired	(4)
Outflow of cash on acquisition	125
	Fair value
Assets/(liabilities) at acquisition date	
Cash and cash equivalents	4
Right-of-use assets	1
Intangible assets	91
Trade and other payables	(3)
Deferred tax liabilities	(27)
Net assets	66
Goodwill on acquisition	63
Total purchase consideration	129
Contributions to the Group's performance from acquisition date to 31 December 2024	
Loss before income tax expense	(3)

We have not incurred significant acquisition costs for this acquisition, nor earned any significant income from it since the date of its acquisition.

If the acquisition of Boost Mobile had occurred on 1 July 2024, our adjusted consolidated income (excluding finance income) and consolidated profit before income tax expense for the half-year would have been \$11,825 million and \$1,520 million, respectively.

Section 5. Our investments (continued)

5.2 Investments in joint ventures and associated entities

5.2.1 Disposal of our investment in Titanium Ventures Fund II, L.P.

We applied judgement to determine that we had joint control of our investment in Titanium Ventures Fund II, L.P. (formerly known as Telstra Ventures Fund II, L.P.). While we held 62.5 per cent of the partnership interest on a fully committed basis, key decisions for the entity required the unanimous approval of the Advisory Committee, on which we held one of the two seats, or a majority of at least 75.0 per cent of the fully committed capital.

On 15 December 2024, we completed the disposal of all of our investment in Titanium Ventures Fund II, L.P. for a total consideration of \$137 million. As a result, we have transferred \$166 million of cumulative gains held in fair value of equity instruments reserve to retained profits.

5.2.2 Investment in NXE Group held for sale

As at 30 June 2024, our 35 per cent interest in NXE Australia Pty Limited and its controlled entities (NXE Group) was accounted for using the equity method. On 23 December 2024, we entered into a share sale and purchase agreement with DAZN Group Limited (DAZN) to exchange our 35 per cent interest in NXE Group for an approximately 3 per cent equity interest in DAZN (subject to completion adjustments). The transaction is subject to regulatory approvals, including from the Foreign Investment Review Board, with completion expected in the second half of the financial year.

As a result, as at 31 December 2024 we have classified our investment in NXE Group as held for sale and measured it at \$364 million being the lower of its carrying amount and fair value less costs to sell, with no impairment recognised.

5.2.3 Transactions with NXE Group

In February 2020, we entered into a subordinated shareholder loan agreement with NXE Australia Pty Limited under which we made available to NXE Australia Pty Limited a loan facility of up to \$170 million at commercial rates of interest. The facility was scheduled to mature on 22 December 2027 but contains the ability to prepay the outstanding amount.

Under the share sale and purchase agreement regarding the disposal of the NXE Group (refer to note 5.2.2 for details), NXE Australia Pty Limited agreed to repay any outstanding loan amounts under the facility immediately prior to completion of the disposal of our investment in NXE Group. Accordingly, as at 31 December 2024 we have classified as current the outstanding loan balance of \$126 million (June 2024: \$139 million) drawn under this facility, as the settlement of those amounts is expected within the 12 months after the balance date.

Section 6. Other information

This section provides information and disclosures not included in the other sections, for example our external auditor's remuneration, commitments and contingencies, parent entity disclosures and significant events occurring after reporting date.



6.1 Commitments and contingencies

6.1.1 Capital expenditure commitments

During the half-year ended 31 December 2024, there were no significant changes in our total capital commitments for purchases of property, plant and equipment and intangible assets.

6.1.2 Contingent liabilities and contingent assets

(a) Indemnities, performance guarantees and financial guarantees

Since 30 June 2024, there have been no significant changes to indemnities, performance and financial guarantees.

(b) Investigations by regulators

The Telstra Group is subject to a range of laws and regulations in Australia and overseas, including in the areas of telecommunications, corporate law, consumer and competition law and occupational health and safety. In Australia, the principal regulators who enforce these laws and regulations and who Telstra Group interacts with are the Australian Competition and Consumer Commission (ACCC), the Australian Communications and Media Authority (ACMA), the Office of the Australian Information Commissioner (OAIC), the Australian Securities and Investments Commission (ASIC), the Australian Securities Exchange (ASX), and Comcare.

The Telstra Group is subject to investigations and reviews from time to time by regulators, including certain current investigations into whether the Telstra Group has complied with relevant laws and regulations. These are taking place in an environment of heightened scrutiny and regulator expectation and where the Telstra Group has self-reported issues where it has not complied with relevant laws and regulations. In the ordinary course of our business, we identify, and may continue to identify, issues that have the potential to impact our customers and reputation, which do not meet relevant laws or regulations, or which do not meet our standards. Where we identify these issues, we make disclosures as required by accounting standards or other legal obligations, or make specific provisions where appropriate.

Regulatory investigations and reviews may result in enforcement action, litigation (including class action proceedings), and penalties (both civil and in limited circumstances, criminal).

(c) Other contingent liabilities

Since 30 June 2024, there have been no significant changes to contingent liabilities arising from common law claims.

(d) Contingent assets

We had no significant contingent assets as at 31 December 2024.

6.2 Events after reporting date

We are not aware of any matter or circumstance that has occurred since 31 December 2024 that, in our opinion, has significantly affected or may significantly affect in future periods:

- our operations
- the results of those operations, or
- the state of our affairs

other than the following:

6.2.1 Interim dividend

The details of our interim dividend for the half-year ended 31 December 2024 are disclosed in note 4.1.

6.2.2 On-market share buy-back

On 20 February 2025, we announced an on-market share buy-back of up to \$750 million.

Directors' Declaration

This Directors' Declaration is required by the *Corporations Act 2001*. The Directors of Telstra Group Limited have made a resolution that declared:

- (a) in the Directors' opinion, there are reasonable grounds to believe that Telstra Group Limited will be able to pay its debts as and when they become due and payable
- (b) in the Directors' opinion, the financial statements and notes of the Telstra Group for the half-year ended 31 December 2024 as set out on pages 1 to 31 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134: 'Interim Financial Reporting' and the Corporations Regulations 2001
 - (ii) giving a true and fair view of the financial position of the Telstra Group as at 31 December 2024 and of the performance of the Telstra Group, for the half-year ended 31 December 2024.

For and on behalf of the board



Craig W Dunn
Chair



Vicki Brady
Chief Executive Officer and
Managing Director

20 February 2025

Independent Auditor's Review Report to the Members of Telstra Group Limited

Conclusion

We have reviewed the half-year financial report of Telstra Group Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2024, and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration as set out on pages 1 to 32.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

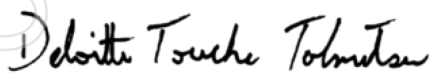
Directors' Responsibilities for the Half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



DELOITTE TOUCHE TOHMATSU



Matt Sheerin
Partner
Chartered Accountants
Melbourne, 20 February 2025