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ELECTRONIC LODGEMENT

Dear Sir Madam

Telstra to acquire leading video platform company Ooyala

In accordance with the Listing Rules, I attach a copy of a media release, for release to the market.

Yours faithfully



Damien Coleman
Company Secretary

Telstra to acquire leading video platform company Ooyala

SYDNEY, AUSTRALIA, 12 August 2014 – Telstra today announced it will acquire Silicon Valley-based company Ooyala, a leader in video streaming and analytics.

The US\$270 million investment increases Telstra's ownership in Ooyala from 23 per cent (fully diluted) to 98 per cent and is in addition to the US\$61 million previously invested in Ooyala over the past two years. This transaction is subject to customary closing conditions including the receipt of US regulatory approvals and is expected to be completed in the next 60 days.

Telstra Chief Executive Officer, Mr David Thodey, said Telstra's investment and controlling stake in Ooyala would help build it into a world leading personalised video platform company.

"Ooyala enables broadcasters, operators and media organisations to deliver digital TV and video content, across any device to mass audiences, using analytics to provide recommendations, personalised content and advertising to the end user," Mr Thodey said.

This is the first investment for the Global Applications & Platforms group. Global Applications & Platforms strategy is to create long-term global growth in markets that are adjacent to Telstra's core business, where software disrupts traditional business models.

"Ooyala is one of the industry's fastest-growing personalised video platform companies. The company provides solutions for customers such as broadcasters, pay-TV operators and online media sites globally," Mr Thodey said.

"Ooyala delivers a personalised video platform as an end-to-end cloud solution service, which saves customers high upfront investments in online video infrastructure and helps increase the return on their content. Our investment allows Ooyala to take their solution to the next level and thereby further accelerate its growth," Mr Thodey said.

Telstra, one of the world's largest telecommunications companies, has deep expertise in the digital media space, the company can provide the necessary and ongoing investments and business relationships to build on Ooyala's leadership in personalised video.

As TV and video consumption continues to increase across multiple devices, the systems and platforms for managing, distributing and monetising these services will continue to evolve.

"This provides an opportunity for Telstra and Ooyala to establish a consolidated leading global company to deliver platforms and services on which the next generation of TV and video will be built," Mr Thodey said.

"Telstra's global customer relationships, our established presence in Asia and proven integration capabilities, combined with our expertise in online video and investment in Foxtel provide us a unique opportunity to succeed in this growth market."

Ooyala Chief Executive, Jay Fulcher will continue in his current role and Ooyala will become a subsidiary of Telstra and operate as an independent business, retaining its brand, structure and management under the Global Applications and Platforms group.

Mr Fulcher said Ooyala has worked closely with Telstra for two years and we shared a vision of what is necessary to deliver the next generation of personalized cloud TV and video. Telstra's acquisition validates both the scale of the global market opportunity and our data-centric strategy for helping our customers win as the industry transforms.

"Their investment will help us accelerate our growth and cement our lead as the most innovative and forward-thinking cloud TV and video platform company in the world," Mr Fulcher said.

Ooyala was founded in 2007 and is forecasting revenue of US\$65m for CY2014. The company has more than 330 employees worldwide and a global footprint of 135 million unique users in nearly 240 countries.

Ooyala has some of the largest companies in the world currently using its platform including Telstra, ESPN, Univision, Telegraph Media Group, Dell, Sephora, Foxtel, NBC Universal, Comedy Central, News Corp and The Washington Post.

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