

3 October 2014

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ELECTRONIC LODGEMENT

Dear Sir Madam

Telstra off-market share buy-back – Market Price

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 off-market share buy-back – Market Price

3 October 2014

On 14 August 2014, Telstra announced it would return up to \$1 billion to shareholders through an off-market share buy-back tender process (the **Buy-Back**).

Shareholders were invited to tender some or all of their shares, at discounts of between 6% and 14% (inclusive) to the Market Price¹ or as a Final Price Tender, by 7.00pm (AEST) today.

The Market Price¹ for the Buy-Back has been determined to be \$5.3418. On this basis, for the range of tender discounts set out in the Buy-Back Booklet, the equivalent indicative Buy-Back Prices are as follows:

Tender Discount	Equivalent indicative Buy-Back Price
14%	\$4.59
13%	\$4.65
12%	\$4.70
11%	\$4.75
10%	\$4.81
9%	\$4.86
8%	\$4.91
7%	\$4.97
6%	\$5.02

The results of the Buy-Back, including the actual Buy-Back Discount, Buy-Back Price and any scale back, are expected to be announced on Monday, 6 October 2014.

For further information regarding the Buy-Back process, shareholders should consult the Buy-Back Booklet, available from www.telstra.com/buyback or contact the Telstra information line on 1300 88 66 77 within Australia, 0800 835 787 within New Zealand or +61 1300 88 66 77 if you are calling from outside Australia and New Zealand.

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Email: media@team.telstra.com

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

Reference: 193/2014

Important Notices

Capitalised terms in this announcement have the same meaning as contained within the Buy-Back Booklet.

Not for distribution or release in or into or to any person located or resident in the United States.

This media release does not constitute, or form part of, any offer or invitation to sell, or any solicitation of any offer to purchase securities in any jurisdiction, nor shall it or the fact of its distribution be relied on in connection with any contract thereof. No indications of interest in the Buy-Back are sought by this media release.

The Buy-Back is not being made, and will not be made, directly or indirectly in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of or by use of any facilities of a national securities exchange of, the United States. Shares may not be tendered in the Buy-Back by any use, means, instrumentality or facility from or within the United States or by any: (i) person who is located or resident in the United States; (ii) U.S. person (as defined in Regulation S under the U.S. Securities Act of 1933,

¹ Market Price means the volume weighted average price of Telstra ordinary shares on the ASX over the five trading days leading up to and including the Closing Date, calculated to four decimal places as determined by Telstra on Friday 3 October 2014.

as amended); (iii) agent, fiduciary or other intermediary acting on a nondiscretionary basis for a principal giving instructions from within the United States. American Depositary Receipts representing Shares of Telstra may not be tendered in the Buy-Back.

Buy-Back documents, including the booklet describing the terms and conditions of the Buy-Back and tender forms and any other documents or materials relating to the Buy-Back are not being, and must not be, directly or indirectly mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to any persons located or resident in the United States. Any purported Tender of Shares in the Buy-Back resulting directly or indirectly from a violation of these restrictions will be invalid.

For the purposes of this announcement, "United States" means the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the District of Columbia.

Forward looking statements

This media release contains forward looking statements, including statements regarding the implementation of the Buy-Back and its effects on our business and securities. The results and effects of the Buy-Back may differ materially from those expressed in, or implied by, these forward looking statements. Factors that could cause or contribute to such differences include the number of Shares bought back, the final Buy-Back Price and the general trading and economic conditions affecting our business. We do not undertake any obligation to revise these forward looking statements to reflect any future events or circumstances.

