

2 May 2016

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ELECTRONIC LODGEMENT

Dear Sir or Madam

Telstra announces a capital management program of at least \$1.5 billion

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

Yours faithfully



Carmel Mulhern
Group General Counsel

Telstra announces a capital management program of at least \$1.5 billion

2 May 2016 – Telstra today announced a capital management program of at least \$1.5 billion to commence in the first half of the 2017 financial year.

The capital management program will be in addition to the ordinary dividend, with specific details to be made available at Telstra's full year results presentation on 11 August 2016.

Telstra is currently examining various ways to return capital to shareholders with the exact nature, amount and timing dependent upon market conditions and all necessary regulatory approvals.

It is intended that the proceeds from the recently announced sale of Autohome shares will be used to fund the capital management program.

CEO Andrew Penn said that this was another example of Telstra's balanced approach towards capital management.

"I am pleased that we are able to confirm such a significant capital management program as the result of active management of our investment portfolio. Given our recent announcement of the sale of Autohome shares, we believed it was important to provide the market with further information about how we intend to use those funds," Mr Penn said.

"While specific details of the nature of the capital management program are yet to be confirmed, creating this type of shareholder value is in accordance with our capital management framework.

"Importantly, we also maintain sufficient capacity to invest in our growth plans for the future."

Investor Day Presentation material is available at
<https://www.telstra.com.au/aboutus/investors/financial-information/investor-presentations>

ENDS

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Ref number: 56/2016