

6 October 2014

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Office of the Company Secretary

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AUSTRALIA

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ELECTRONIC LODGEMENT

Dear Sir Madam

Telstra successfully completes \$1 billion off-market share buy-back

In accordance with the Listing Rules, I attach a copy of an announcement and Appendix 3F, for release to the market.

Yours faithfully



Damien Coleman
Company Secretary

Telstra successfully completes \$1 billion off-market share buy-back

6 October 2014 – Telstra today announced the successful completion of its off-market share Buy-Back.

Under the Buy-Back, which was announced on 14 August 2014, Telstra bought back around 217.4m shares or 1.75% of Telstra's issued shares. The Buy-Back Price was \$4.60 per share, which represents a discount to the Market Price of 14%.

Telstra CEO David Thodey said there had been very strong demand for the Buy-Back, resulting in an over-subscription and need for a scale back to be applied.

"We are very pleased with the demand and the result, which has enabled us to return surplus capital to shareholders in an efficient way that we expect will have a positive impact on earnings per share".

Due to the strong demand for the Buy-Back, a 69.79% scale back of tenders was required. Subject to exclusions, shareholders who tendered their shares at a 14% tender discount to the Market Price and/or as a Final Price Tender will have a Priority Allocation of 925 shares bought back before the scale back is applied.

Successful shareholders who tendered all of their shares at a 14% tender discount to the Market Price and/or as a Final Price Tender and who would be left with 370 shares or less as a result of the Priority Allocation and scale back, will have all of their shares bought back in full.

Shares tendered at discounts less than or equal to 13% and tenders conditional upon a minimum price above the Buy-Back Price were not bought back.

Further details of the outcome of the Buy-Back are set out in the attached Appendix.

Payment via direct credit for shares bought under the Buy-Back will commence from Tuesday, 14 October 2014. Shares that have been tendered into the Buy-Back but not bought back are expected to be released to shareholders during Monday, 6 October 2014.

Shareholders who have any enquiries in relation to their tenders may 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, or visit our website www.telstra.com/buyback.

Media contact: Jon Court, 0408 423 516

Email: media@team.telstra.com

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

Reference: 194/2014

APPENDIX

RESULTS OF OFF-MARKET SHARE BUY-BACK

The key results of the Buy-Back are as follows:

Size	\$1,000,125,197
Market Price	\$5.3418
Buy-Back Discount (rounded)	14%
Buy-Back Price	\$4.60
Capital component	\$2.33
Fully franked dividend component	\$2.27
CGT Value ¹	\$5.04
Shares bought back	217,418,521
Percentage of issued ordinary shares	1.75%
Scale back	69.79%

Due to the strong demand for the Buy-Back, a 69.79% scale back of tenders was required. Subject to exclusions, shareholders who tendered their shares at a 14% tender discount to the Market Price and/or as a Final Price Tender will have a Priority Allocation of 925 shares bought back before the scale back is applied. As a result of the 69.79% scale back, successful shareholders will have 30.21% of their shares tendered in excess of the Priority Allocation bought back.

The Buy-Back has been structured so that successful shareholders who tendered all of their shares at a 14% tender discount to the Market Price and/or as a Final Price Tender and who would be left with 370 shares or less as a result of the Priority Allocation and scale back, will have all of their shares bought back in full.

Shares tendered at discounts less than or equal to 13% and tenders conditional upon a minimum price above the Buy-Back Price were not bought back.

For shareholders who successfully tendered their shares, \$2.27 of the Buy-Back Price is treated as a fully franked dividend for Australian taxation purposes. For Australian capital gains tax purposes, the deemed capital proceeds are \$2.77, being the \$2.33 capital component plus \$0.44, which is the amount by which the CGT Value exceeds the Buy-Back Price. It is expected that both the amount taken to be a dividend component and the amount of the deemed capital proceeds will be confirmed by the ATO in its class ruling. The ATO has advised that they will be issuing their class ruling in relation to the Buy-Back by the end of October 2014.

Payment via direct credit for shares bought under the Buy-Back will commence from Tuesday, 14 October 2014. Shares that have been tendered into the Buy-Back but not bought back are expected to be released to shareholders during Monday, 6 October 2014.

Shareholders who have any enquiries in relation to their tenders may 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, or visit our website www.telstra.com/buyback.

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, which relates to the Telstra capital management plan.

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)

¹ CGT Value means the market value of Telstra ordinary shares for capital gains tax purposes as determined in accordance with the Commissioner of Taxation's views set out and expressed in TD2004/22 and PSLA 2007/9.

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, 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.

Follow Telstra online:

Appendix 3F

Final share buy-back notice (except minimum holding buy-back)

Introduced 1/9/99. Origin: Appendices 7D and 7E. Amended 30/9/2001, 11/01/10

Information and documents given to ASX become ASX's property and may be made public.

Name of entity	ABN/ARSN
Telstra Corporation Limited	33 051 775 556

We (the entity) give ASX the following information.

Description of buy-back

1	Type of buy-back	Selective buy-back on equal access buy-back conditions (as modified by ASIC)
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Details of all shares/units bought back

2	Number of shares/units bought back	217,418,521
3	Total consideration paid or payable for the shares/units	\$1,000,125,196.60
4	If buy-back is an on-market buy-back - highest and lowest price paid	highest price: N/A date: lowest price: N/A date:

+ See chapter 19 for defined terms.

Compliance statement

1. The company is in compliance with all Corporations Act requirements relevant to this buy-back.

or, for trusts only:

1. The trust is in compliance with all requirements of the Corporations Act as modified by Class Order 07/422, and of the trust's constitution, relevant to this buy-back.
2. There is no information that the listing rules require to be disclosed that has not already been disclosed, or is not contained in, or attached to, this form.



Sign here:
(Director/Company secretary)

Date: 6 October 2014

Print name:
Damien Coleman

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