



8 May 2020

The Manager

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ELECTRONIC LODGEMENT

Dear Sir or Madam

Telstra announces Foxtel impairment following News Corp write down

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

Authorised for lodgement by:

Sue Laver
Company Secretary

Telstra announces Foxtel impairment following News Corp write down

Friday 8 May 2020– Telstra today announced it expects to make a non-cash impairment and write down of the carrying value of its 35 percent stake in Foxtel. This follows the write down in value of Foxtel by News Corp this morning.

Telstra expects to recognise an impairment charge of approximately A\$300 million against this investment in its FY20 results. This is expected to write down the value of Telstra's share in Foxtel from A\$750 million to approximately A\$450 million. The final outcome of the impairment is subject to Board review and approval of the FY20 results.

Telstra CEO Andrew Penn said access to great entertainment at home had never been more important to Australians and Foxtel continued to offer world-class content.

“Foxtel has been facing industry disruption for several years and the COVID pandemic is obviously having an impact as global sports are put on hold, pubs are temporarily closed, and advertisers are forced to carefully reconsider their investments.

“Following News Corp's decision to reassess the carrying value of Foxtel, Telstra is likely to make a non-cash adjustment consistent with this valuation at our annual results announcement in August,” Mr Penn said.

“We know that sport will return, and through premium content such as the multi-year deal just signed with WarnerMedia including exclusive HBO and Warner Bros. content, Foxtel's offerings will continue to be highly attractive entertainment options.”

This expected non-cash impairment charge will not affect Telstra's FY20 results on a guidance basis.

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