



6 March 2018

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ELECTRONIC LODGEMENT

Dear Sir or Madam

Telstra accounting treatments for Foxtel, FOX SPORTS Australia combination

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

Yours faithfully

Sue Laver
Company Secretary



MARKET RELEASE

Telstra accounting treatment for Foxtel, FOX SPORTS Australia combination

6 March 2018 – Following an announcement by News Corp and Telstra today in relation to the combination of Foxtel and FOX SPORTS Australia into a new company, Telstra is providing the following update of the accounting treatment of the transaction.

Telstra's investment in the new company will be equity accounted on an ongoing basis.

Telstra expects to record a one off accounting gain as a result of the fair value of the combined business compared with the book value.

The current estimate of this gain is A\$263 million. This is subject to changes arising from the timing of completion and finalisation of adjustments on completion.

There are no changes to Telstra's previously stated guidance for financial year 2018 as a result of the completion of this transaction.

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Ref number: 32/2018