



20 March 2020

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ELECTRONIC LODGEMENT

Dear Sir or Madam

“COVID-19” update

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

Authorised for lodgement by the Board:

Sue Laver
Company Secretary

Telstra puts job reductions on hold, brings forward 5G investment and provides FY20 outlook update

Friday 20 March 2020 — Telstra today announced a number of important measures as part of its contribution to the national economic stimulus response to COVID-19.

CEO Andrew Penn said it was in the nation's interest for every company, organisation and individual to play a part in ensuring Australia comes through this challenging time as strongly as possible.

"We are looking at every aspect of our business to see what we can do for our employees, customers, suppliers and the economy more broadly, while we maintain a focus on long term value creation," Mr Penn said.

"The most important thing is that as many businesses as possible are still here when we get through this crisis.

"While it is critical we maintain a strong position we also believe there are a range of additional initiatives we can undertake now to help support the broader economy."

The measures Telstra has announced today are:

- Putting on hold any further job reductions. While Telstra will continue to focus on its productivity program to reduce underlying fixed costs by \$2.5 billion annually by the end of FY22, it will not announce any further job reductions over the next six months.
- Recruitment of an additional 1,000 temporary contractors in Australia to help manage call centre volumes.
- Bringing forward \$500 million of capex from the second half of FY21 into calendar year 2020. This capital will be deployed to increase capacity in our network, including further accelerating the roll out of 5G and injecting much needed investment into the economy at this time.
- Providing relief to small business and consumer customers unable to pay their bills by suspending late payment fees and disconnections until at least the end of April, at which point we will review further.
- Extending any sponsorships expiring this year for another 12 months, providing more certainty to partners and the many causes Telstra supports.

These measures are in addition to others already announced, including the provision of unlimited data allowances on fixed broadband and extra mobile data for Telstra's consumer and small business customers, and extra paid leave for Telstra employees and casuals.

Telstra also noted that it will pay its interim dividend next week, distributing \$951 million to shareholders.

Mr Penn said telecommunications played a critical role in all aspects of people's lives and the economy, and never had this been more clearly demonstrated than in the current environment as a result of the restrictions arising from COVID-19.

"COVID-19 is having a profound impact on business across the country. At Telstra we already have more than 25,000 people successfully working from home, and we are supporting many of our customers as they grapple with shifting to working and studying from home," Mr Penn said.

"It is at times like these that big business can show leadership and make a contribution to the national response and that is what we at Telstra are doing."

FY20 Outlook update

Mr Penn said the ultimate impact from COVID-19 on Telstra was difficult to assess at this time.

"Like many businesses it is expected to be material and will depend on how the situation and its impact on the economy and our customers evolves," Mr Penn said.

MARKET RELEASE



Based on the information available today, including the financial impact of the measures above, Telstra's current outlook remains within the range of its FY20 guidance, as set out in its Half Year Results Market Release dated 13 February 2020. However, that outlook is:

- at the bottom end of the range for both Free Cash Flow and underlying EBITDA;
- at the bottom end of the range of \$0-500 million for growth in underlying EBITDA (excluding the in year NBN headwind) and,
- at the top end of the range for capex.

"We know there will likely be more impacts for us from a financial perspective through this unprecedented period. It is a rapidly evolving situation and therefore, notwithstanding our outlook update today, we will continue to monitor the effect of COVID-19 on our business and make further updates if necessary.

"In the meantime it is in all of our interests to do whatever we can to collectively come through this unprecedented national challenge as well as we can," Mr Penn said.

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