



11 February 2021

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ELECTRONIC LODGEMENT

Dear Sir or Madam

Telstra announces changes to retail store network

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

This announcement has been released simultaneously to the New Zealand Stock Exchange.

Authorised for lodgement by:

Sue Laver
Company Secretary



Telstra announces changes to retail store network

Thursday 11 February – Telstra today announced its intention to transition to full Telstra ownership for its bricks and mortar branded retail stores across Australia.

Telstra has 67 Telstra owned and operated stores, with another 166 branded stores run by independent licensees and a further 104 stores operated by Vita Group Limited.

The proposal was included in Telstra's FY21 Half Year results announced today at which CEO Andy Penn provided an update on the company's T22 strategy.

Group Executive for Consumer and Small Business Michael Ackland said the move was required to keep pace with the growing digital economy and give Telstra more flexibility to respond to customer needs.

"This was not an easy decision given that we have enjoyed a long-term partnership with many of our licensees," Mr Ackland said.

"As more customers interact with businesses online resulting in changes to the broader retail industry, we think now is the right time to bring back full ownership to further develop a consistent and integrated customer experience across our online channels and store network.

"At the height of the COVID-19 pandemic we were able to redeploy frontline staff from Telstra-owned stores to assist customers through our digital channels or via the phone.

"It's this flexibility in how we serve our customers that we'll be able to unlock with more retail branded stores under Telstra ownership."

Mr Ackland said the move was also designed to further embed responsible business practices through direct employment relationships with store staff, and to have more customer service issues resolved in store.

"Ultimately, we want locals to be getting what they need by visiting their nearest store or speaking with a familiar voice over the phone," he said.

"We also want our store employees to continue to maintain the high standard of service that as a company we expect of them through our responsible business approach."

Negotiations with independent licensees about an agreed transition to Telstra ownership will begin shortly and that process, which includes plans to offer roles to current store staff in the majority of cases as part of agreed transitions, is expected to continue over the next 12 to 18 months.

For Vita Group, conversations will begin today about next steps.

Telstra expects to maintain a large retail presence across Australia while also expanding the availability to purchase and access services via its digital channels.

"We know that in many regional and rural towns, the local Telstra store is a valued part of the community providing support to a range of businesses and residents," Mr Ackland said.

MARKET RELEASE



“Our regional and rural stores will continue to do this under Telstra ownership as well as providing an excellent level of service to local customers.”

Telstra Business Technology Centres or T-Partner operators are not affected by this change.

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