

23 June 2016

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ELECTRONIC LODGEMENT

Dear Sir or Madam

Telstra completes sale of Autohome stake

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

Yours faithfully


Damien Coleman
Company Secretary

Telstra completes sale of Autohome stake

23 June 2016 – Telstra today announced the completion of its sale of 47.4 percent¹ of the total issued shares in Chinese online business Autohome to Ping An Insurance Group for US\$1.6 billion (A\$2.1 billion).

Telstra CEO, Andrew Penn, said Telstra would book an accounting gain of A\$1.8 billion on the sale, the final amount being subject to a number of completion adjustments including foreign exchange rates.

“As previously announced, most of the proceeds from this sale will be used to fund a capital management program of at least A\$1.5 billion to commence in the first half of the 2017 financial year. We will provide more detail on the capital management program at our full year results in August,” said Mr Penn.

“Autohome has been an excellent investment for Telstra and we are pleased to have realised significant value for Telstra shareholders through this sale.

“Ping An will be an important strategic partner for Autohome. Its nationwide footprint in China and experience and expertise in auto financing, insurance and e-commerce mean Ping An is well placed to help Autohome develop outside of its traditional focus on online advertising.”

President of Ping An Trust, Leng Peidong, said that with nearly 300 million online users, 150 million financial customers, longstanding relationships with car manufacturers and distributors, and a nationwide offline service network, Ping An would play an important role in the transformation of Autohome into a full auto transaction service platform.

With the transaction now complete, Telstra retains a 6.5 per cent interest in Autohome. The number of Telstra nominee directors on the Board of Autohome has decreased from six to one.

There is residual litigation in the Cayman Islands relating to Autohome and this transaction which Telstra is contesting.

ENDS

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About Telstra

Telstra is a leading telecommunications and technology company offering a wide range of services globally, with a focus on the Asia-Pacific region. We offer a full range of services and compete in all telecommunications markets in Australia, including operating the country's largest mobile and Wi-Fi networks. Telstra has operated globally for more than 70 years and today we own and operate one of the largest subsea cable networks in the Asia-Pacific. We provide end-to-end solutions including managed network services, global connectivity, cloud, voice, co-location and satellite solutions.

¹ Since Telstra first announced the transaction with Ping An for 47.7% of shares in Autohome, the company's total number of issued shares has increased due to new shares being granted as part of Autohome's employee incentive plans.

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