

**UBS AG, Australia Branch**

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FOR IMMEDIATE RELEASE TO THE MARKET

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Participating Organisation of the
Australian Stock Exchange

Telstra Corporation Limited Instalments – Loan Amount Adjustments in respect of Telstra Corporation Limited Special Dividend

UBS AG Australia Branch ("UBS") is the issuer of the below series of instalment warrants (collectively known as "TLS Instalments" in this announcement) over fully paid ordinary shares of Telstra Corporation Limited ("TLS"). Each TLS Instalment has been offered under the corresponding Product Disclosure Statements ("PDS") listed in the table below.

Series	Date of PDS / Master PDS	Date of SPDS / Term Sheet
TLSISH	16-Feb-11	27-Mar-18
TLSISU	17-Oct-14	01-Nov-17
TLSISV	17-Oct-14	27-Mar-18
TLSISW	17-Oct-14	16-May-18
TLSISX	17-Oct-14	08-Jun-18
TLSSSF	16-Oct-15	16-May-18
TLSSSG	16-Oct-15	12-Jun-18
TLSSSK	23-May-11	29-May-18
TLSSSU	02-Feb-09	06-Jun-13

TLS announced on 16 August 2018 a Special Dividend (fully franked) of 3.5 cents with an ex-date of 29 August 2018 and record date of 30 August 2018. Correspondingly, the TLS Instalments will commence trading on an ex-special distribution basis from 29 August 2018, and will have a record date of 30 August 2018.

TLS also announced a 100% franked final Ordinary Dividend payment of 7.5 cents per fully paid ordinary share with the same ex-dividend and record date as the Special Dividend outlined in this announcement. The implications of this 7.5 cent 100% franked final Ordinary Dividend on TLS Instalments will be in accordance with the relevant PDS and notified in a separate dividend announcement to the ASX which is expected to be released on 28 August 2018. As such, we note that the below Old Completion Payment and Loan Amounts are provided following the adjustment (if any and where applicable) for the 7.5 cent final Ordinary Dividend.

Details of the Special Dividend are set out in the announcement by TLS dated 16 August 2018 (which can be found at www.asx.com.au).

Pursuant to Clause 7.1 to 7.5 of the Instalment Trust Deed, UBS intends to adjust the terms of the TLS Instalments as follows:

- the value of the Special Dividend will be applied to reduce the Loan Amount of the Instalments and an Interest Refund based on the reduction of the Loan Amount for the period until the earlier of the Maturity Date or the next Annual Interest Date (as applicable). The Capped Level will be adjusted accordingly (where applicable).

Subject to the separate Ordinary Dividend announcement made in relation to each corresponding TLS Instalment, UBS wishes to advise that the Loan Amount, Completion Payment and Capped Level (where applicable) of the TLS Instalments will be reduced as follows:

Warrant Code	Old Completion Payment *	Old Loan Amount *	Special Dividend Value	Interest Refund	New Loan Amount #	New Completion Payment #	New Capped Level
TLSISH	\$3.2000	\$3.2000	\$0.0350	\$0.0006	\$3.1644	\$3.1644	\$3.8150
TLSISU	\$3.4644	\$3.4644	\$0.0350	\$0.0001	\$3.4293	\$3.4293	N/A
TLSISV	\$3.0000	\$3.0000	\$0.0350	\$0.0006	\$2.9644	\$2.9644	N/A
TLSISW	\$1.7500	\$1.7500	\$0.0350	\$0.0008	\$1.7142	\$1.7142	N/A
TLSISX	\$2.8000	\$2.8000	\$0.0350	\$0.0006	\$2.7644	\$2.7644	N/A
TLSSSF	\$1.9750	\$1.9750	\$0.0350	\$0.0008	\$1.9392	\$1.9392	N/A
TLSSSG	\$1.6250	\$1.6250	\$0.0350	\$0.0008	\$1.5892	\$1.5892	N/A
TLSSSK	\$2.7228	\$2.7228	\$0.0350	\$0.0009	\$2.6869	\$2.6869	\$3.2150
TLSSSU	\$1.5025	\$1.5025	\$0.0350	\$0.0008	\$1.4667	\$1.4667	N/A

* Old Completion Payment and Old Loan Amount following the adjustment (if any) for the 7.5 cent final Ordinary Dividend.

New Completion Payment and New Loan Amount following the adjustment for the 3.5 cent Special Dividend and the adjustment (if any) for the 7.5 cent final Ordinary Dividend.

The adjustment to the Loan Amounts will become effective from commencement of trading on the ex-dividend date (29 August 2018).

If you have any questions regarding this matter please contact your financial adviser or call the UBS Warrant Sales Desk on 1800 633 100.

Unless otherwise stated, all terms used in this letter have the same meaning as in the PDS.

Yours sincerely,

UBS AG, Australia Branch



UBS Investments Australia Pty Ltd
Andrew Lockhart
Director



UBS Investments Australia Pty Ltd
Scott Hanlon
Executive Director