



27 November 2017

The Manager

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ELECTRONIC LODGEMENT

Dear Sir or Madam

Telstra response to nbn co announcement on HFC rollout changes

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

Yours faithfully

Damien Coleman
Company Secretary



Telstra response to nbn co announcement on HFC rollout changes

Monday 27 November 2017 – Telstra noted an announcement from nbn co today that it would cease sales on hybrid fibre co-axial (HFC) technology for six to nine months from 11 December 2017.

Telstra's FY18 guidance to the market included an assumption that the nbn rollout would be broadly in accordance with the nbn Corporate Plan 2017. nbn co subsequently issued its Corporate Plan 2018 on 31 August 2017.

Telstra will assess the effect of today's announcement in conjunction with the nbn co Corporate Plan 2018 on its outlook for FY18 and advise the market once that assessment is complete. The delay in the nbn rollout will delay a proportion of the payments to Telstra from nbn into future periods.

Telstra acknowledges nbn co.'s core priority to protect the customer experience and will continue to work with nbn co on this goal. nbn co has stated that it remains confident that its long term corporate plan can be met to connect eight million homes by 2020, including three million through HFC services.

Telstra will keep impacted customers informed and discuss disconnection obligations with nbn co and the Australian Consumer and Competition Commission to minimise customer impact during this period.

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