

14 March 2016

Office of the Company Secretary

The Manager

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ELECTRONIC LODGEMENT

Dear Sir or Madam

Negotiations ended on Philippines wireless joint venture

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

Yours faithfully



Damien Coleman
Company Secretary

Negotiations ended on Philippines wireless joint venture

14 March 2016 – Telstra and San Miguel Corporation have been unable to reach commercial arrangements on a possible equity investment in a wireless joint venture in the Philippines and negotiations have therefore ceased.

Telstra Chief Executive Officer Andrew Penn today said the organisations had agreed at the weekend to bring negotiations to an end.

“Despite an enormous amount of effort and goodwill on all sides, we were simply unable to come to commercial arrangements that would have enabled us all to proceed,” Mr Penn said.

“While this opportunity is strategically attractive, and we have great respect for San Miguel Corporation and its President Mr Ang, it was obviously crucial that the commercial arrangements achieved the right risk-reward balance for all involved.”

Telstra has offered to continue technical network design and construction consultancy support to San Miguel Corporation, should those services be required.

“We continue to pursue growth opportunities in Asia consistent with our strategy. Following our April 2015 acquisition of Pacnet, Telstra is now one of the largest connectivity providers in Asia,” Mr Penn said.

“Our investment decisions will be guided by our capital management framework. Investments remain an important part of our future to ensure sustainable growth in earnings and shareholder returns over time.”

Telstra last year confirmed it had been negotiating a possible joint venture with San Miguel Corporation and envisaged investing up to USD\$1 billion should the joint venture proceed.

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