



3 October 2016

Office of the Company Secretary

The Manager

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ELECTRONIC LODGEMENT

Dear Sir or Madam

Telstra successfully completes \$1.25 billion off-market share buy-back

In accordance with the Listing Rules, I attach a copy of an announcement and Appendix 3F, for release to the market.

Yours faithfully

A handwritten signature in black ink, appearing to read 'D. Coleman'.

Damien Coleman
Company Secretary



Telstra successfully completes \$1.25 billion off-market share buy-back

3 October 2016 – Telstra today announced the successful completion of its off-market share buy-back (“Buy-Back Tender”), returning approximately \$1.25 billion to participating shareholders.

Under the Buy-Back Tender, which was announced on 11 August 2016, Telstra bought back 282,167,516 shares or 2.31% of Telstra’s issued capital. The Buy-Back Tender Price was \$4.43 per share, which represents a discount to the Market Price¹ of 14%.

Telstra CEO Andrew Penn said there had been very strong demand for the buy-back, which will be funded by surplus cash and continued strong free cashflow generation, including from the sale of Autohome shares earlier in the year.

“We are pleased with the result and to be able to return funds to shareholders in this manner. The buy-back was the best way at this time to achieve the objectives of our capital management framework, it puts funds back in the hands of our shareholders, and shareholders who did not participate are also expected to benefit through improved earnings per share,” Mr Penn said.

Due to the strong demand for the Buy-Back Tender, an 84.16% scale back of tenders was required. Subject to exclusions, shareholders who tendered their shares at a 14% tender discount to the Market Price and/or as a Final Price Tender will have a Priority Allocation of 880 shares bought back before the scale back is applied.

Successful shareholders who tendered all of their shares at a 14% tender discount to the Market Price and/or as a Final Price Tender and who would be left with 350 shares or less as a result of the Priority Allocation and scale back, will have all of their shares bought back in full.

Shares tendered at discounts less than or equal to 13% and tenders conditional upon a minimum price above the Buy-Back Tender Price were not bought back.

Further details of the outcome of the Buy-Back Tender are set out in the attached Appendix.

Payment via direct credit for shares bought under the Buy-Back Tender will commence from Tuesday 11 October 2016. Shares that have been tendered into the Buy-Back Tender but not bought back are expected to be released to shareholders during Monday 3 October 2016 and shareholders will be able to trade from that time.

Shareholders who have any enquiries in relation to their tenders may contact the Telstra Share Registry information line on +61 1300 88 66 77 (or 0800 835 787 within New Zealand), or visit our website www.telstra.com/buyback.

Media contact: Jon Court, +61 (0) 408 423 516

Email: media@team.telstra.com

www.telstra.com.au/abouttelstra/media-centre/

Investor contact: Peter Kopanidis, +61 (0) 412 171673

Email: investor.relations@team.telstra.com

Reference: 133/2016

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OR ANY JURISDICTION IN WHICH SUCH DISTRIBUTION WOULD BE UNLAWFUL

¹ Market Price means the volume weighted average price of Telstra ordinary shares on the ASX over the five trading days leading up to and including the Closing Date, calculated to four decimal places as determined by Telstra on Friday 30 September 2016.

APPENDIX

RESULTS OF OFF-MARKET SHARE BUY-BACK ("BUY-BACK TENDER")

The key results of the Buy-Back Tender are as follows:

Size	\$1,250,002,096
Market Price (please refer to footnote 1 on previous page)	\$5.1482
Buy-Back Tender Discount (rounded)	14.0%
Buy-Back Tender Price	\$4.43
Capital component	\$1.78
Fully franked dividend component (for Australian taxation purposes)	\$2.65
CGT Value ²	\$5.35
Shares bought back	282,167,516
Percentage of issued ordinary capital	2.31%
Scale back (rounded)	84.16%

Due to the strong demand for the Buy-Back Tender, an 85.16% scale back of tenders was required. Subject to exclusions, shareholders who tendered their shares at a 14% tender discount to the Market Price and/or as a Final Price Tender will have a Priority Allocation of 880 shares bought back before the scale back is applied.

The Buy-Back Tender has been structured so that successful shareholders who tendered all of their shares at a 14% tender discount to the Market Price and/or as a Final Price Tender and who would be left with 350 shares or less as a result of the Priority Allocation and scale back, will have all of their shares bought back in full.

As a result of the 84.16% scale back, successful shareholders will have 15.84% of their shares tendered in excess of the Priority Allocation bought back.

Shares tendered at discounts less than or equal to 13% and tenders conditional upon a minimum price above the Buy-Back Tender Price were not bought back.

For shareholders who successfully tendered their shares, \$2.65 of the Buy-Back Tender Price is treated as a fully franked dividend for Australian taxation purposes. For Australian capital gains tax purposes, the deemed capital proceeds are \$2.70, being the \$1.78 capital component plus \$0.92, which is the amount by which the CGT Value² exceeds the Buy-Back Tender Price. It is expected that both the amount taken to be a dividend component and the amount of the deemed capital proceeds will be confirmed by the ATO in its class ruling. The ATO has advised that they will be issuing their class ruling in relation to the Buy-Back Tender by the end of October 2016.

Payment via direct credit for shares bought under the Buy-Back Tender will commence from Tuesday, 11 October 2016. Shares that have been tendered into the Buy-Back Tender but not bought back are expected to be released to shareholders during Monday, 3 October 2016 and shareholders will be able to trade from that time.

Shareholders who have any enquiries in relation to their tenders may contact the Telstra Share Registry information line on +61 1300 88 66 77 (or 0800 835 787 within New Zealand), or visit our website www.telstra.com/buyback.

Important Notices

Capitalised terms in this announcement have the same meaning as will be contained within the Buy-Back Tender Booklet.

Not for distribution or release in or into, or to any person located or resident in, the United States.

This media release does not constitute, or form part of, any offer or invitation to sell, or any solicitation of any offer to

² CGT Value means the market value of Telstra ordinary shares for capital gains tax purposes as determined in accordance with the Commissioner of Taxation's views set out and expressed in TD2004/22 and PSLA 2007/9.

purchase securities in any jurisdiction, nor shall it or the fact of its distribution be relied on in connection with any contract thereof. No indications of interest in the Buy-Back Tender are sought by this media release.

Neither the Buy-Back Tender nor the subsequent on-market share buy-back is being made, or will be made, directly or indirectly in or into the United States, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or by use of any facilities of a national securities exchange of, the United States. Shares may not be tendered in the Buy-Back Tender or the subsequent on-market share buy-back by any use, means, instrumentality or facility from or within the United States or by any: (i) person who is located or resident in the United States; (ii) U.S. person (as defined in Regulation S under the U.S. Securities Act of 1933, as amended); (iii) agent, fiduciary or other intermediary acting on a nondiscretionary basis for a principal giving instructions from within the United States, or (iv) person who has a registered address in Canada. American Depositary Receipts representing Shares of Telstra may not be tendered in the Buy-Back Tender and will not be subject to the subsequent on-market share buy back.

Buy-Back Tender documents, including the booklet describing the terms and conditions of the Buy-Back Tender and tender forms, when issued, and any other documents or materials relating to the Buy-Back Tender or the subsequent on-market share buy-back are not being, and must not be, directly or indirectly mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to any persons located or resident in the United States. Any purported tender of Shares in the Buy-Back Tender or subsequent on-market share buy-back resulting directly or indirectly from a violation of these restrictions will be invalid.

For the purposes of this announcement, "United States" means the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the District of Columbia.

Forward looking statements

This media release contains forward looking statements, including statements regarding the implementation of the Buy-Back Tender and its effects on our business and securities. The results and effects of the Buy-Back Tender may differ materially from those expressed in, or implied by, these forward looking statements. Factors that could cause or contribute to such differences include the number of Shares bought back, the final Buy-Back Tender Price and the general trading and economic conditions affecting our business. We do not undertake any obligation to revise these forward looking statements to reflect any future events or circumstances.

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Appendix 3F

Final share buy-back notice (except minimum holding buy-back)

Introduced 1/9/99. Origin: Appendices 7D and 7E. Amended 30/9/2001, 11/01/10

Information and documents given to ASX become ASX's property and may be made public.

Name of entity	ABN/ARSN
Telstra Corporation Limited	33 051 775 556

We (the entity) give ASX the following information.

Description of buy-back

1	Type of buy-back	Selective buy-back on equal access buy-back conditions (as modified by ASIC)
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Details of all shares/units bought back

2	Number of shares/units bought back	282,167,516
3	Total consideration paid or payable for the shares/units	\$1,250,002,095.88
4	If buy-back is an on-market buy-back - highest and lowest price paid	highest price: N/A date: lowest price: N/A date:

+ See chapter 19 for defined terms.

Compliance statement

1. The company is in compliance with all Corporations Act requirements relevant to this buy-back.

or, for trusts only:

1. The trust is in compliance with all requirements of the Corporations Act as modified by Class Order 07/422, and of the trust's constitution, relevant to this buy-back.
2. There is no information that the listing rules require to be disclosed that has not already been disclosed, or is not contained in, or attached to, this form.

Sign here:


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(~~Director~~/Company secretary)

Date: 3/10/2016

Print name: Damien Coleman

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