



16 March 2009

The Manager

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ELECTRONIC LODGEMENT

Dear Sir or Madam

Telstra announces successful €1 billion benchmark bond issue

In accordance with the listing rules, I attach a copy of a media announcement for release to the market.

Regards

A handwritten signature in black ink, appearing to be "C. Mulhern", with a long horizontal flourish extending to the right.

Carmel Mulhern
Company Secretary

Telstra announces successful €1 billion benchmark bond issue

16 March 2010 - Telstra today announced the completion overnight of a 10-year benchmark €1 billion Eurobond issue, with a 4.25 per cent annual coupon and a maturity of 23 March 2020.

Telstra Chief Financial Officer Mr John Stanhope said the borrowing, conducted under Telstra's Global Debt Program, reinforces Telstra's long-standing presence in the Eurobond market in which it has been a regular issuer.

Mr Stanhope said the bond was around six times oversubscribed with an order book comprising almost 300 individual orders from a wide range of high quality fixed income investors, including fund managers, insurance companies and banks.

"The Eurobond issue represents Telstra's successful return to the debt capital markets after a period of absence following the global financial crisis. It demonstrates the investor interest in Telstra's solid credit and business fundamentals as Australia's largest telecommunications service provider. The offering achieved pricing at the tight end of market guidance and reflects the improving market sentiment and investor demand in the Euro market, and the excellent work by the joint lead managers," Mr Stanhope said.

Mr Stanhope said the successful bond issue, which will be fully swapped into A\$ through to maturity, would provide Telstra with around A\$1.5 billion of cost effective long-term funding and help to lengthen the average maturity of Telstra's debt portfolio.

Issue proceeds will be used mainly for retiring shorter term bank debt and for general working capital purposes.

The bond issue was jointly led by BNP Paribas, Deutsche Bank and JP Morgan.

Telstra has a long-term rating of A (negative outlook) by S&P, A2 (review for possible downgrade) by Moody's and A (negative outlook) by Fitch.

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