

21 December 2015

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ELECTRONIC LODGEMENT

Dear Sir or Madam

Telstra and NBN announce additional agreements

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

Yours faithfully



Damien Coleman
Company Secretary

MEDIA RELEASE

Telstra and NBN announce additional agreements

21 December 2015 –Telstra and NBN have announced they have signed a Memorandum of Understanding (**MoU**) to negotiate a significant contract for Telstra to support the NBN network build in areas currently covered by Telstra's HFC footprint as well as additional work for Telstra under NBN's maintenance contracts.

Under the MoU, Telstra and NBN will negotiate to finalise a contract covering the design, engineering, procurement and construction management of the NBN network in the HFC footprint covered by the existing Telstra HFC network. This contract is expected to be completed early in 2016.

Today's announcement also includes an agreement for Telstra to undertake some early works to support the build of the NBN network in the HFC footprint while the contract is negotiated. This will include preparing Telstra NBN exchange locations and HFC planning and design work.

Telstra has also been awarded work under two new contracts as one of the network operations and maintenance services providers to NBN with work anticipated to start in early 2016.

These two contracts have an estimated combined first year revenue of approximately \$80m subject to the volume of work. The first contract over 3 years involves fixing faults on the copper network and undertaking a small number of new connections for services that are yet to transfer to the NBN. This revenue is expected to decrease in alignment with the NBN network build. The second over 4 years relates to fixing faults and connecting new services on the NBN for the Fibre to the Node (FTTN), Fibre to the Premises (FTTP), Fibre to the Basement (FTTB) and HFC technologies in select areas once a customer has migrated to the NBN. This revenue is expected to grow in subsequent years in alignment with the NBN network build, subject to volume of work. Both contracts have the option for NBN to extend.

Telstra Chief Executive Officer Andrew Penn said today's announcement was the result of the strong working relationship between Telstra and NBN.

"I am delighted that we have an opportunity to support NBN by leveraging Telstra's knowledge and experience in network design and construction management, as well as continued maintenance. We have said all along that we are committed to providing whatever commercial services NBN needs to meet its business objectives," said Mr Penn.

"We have already engaged in work with NBN such as the successful 1000-node trial including FTTN node design and construction and further design work under NBN Planning and Design Services Agreement.

"We look forward to working with NBN to finalise the MOU and help bring the NBN network to millions of HFC customers."

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