



24 August 2016

Office of the Company Secretary

The Manager

Level 41
242 Exhibition Street
MELBOURNE VIC 3000
AUSTRALIA

Market Announcements Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

General Enquiries 08 8308 1721
Facsimile 03 9632 3215

ELECTRONIC LODGEMENT

Dear Sir or Madam

Telstra Off-Market Share Buy-Back

In accordance with Listing Rule 3.17, I enclose for release to the market a copy of the Buy-Back Tender Booklet and Buy-Back Tender Forms being distributed to Telstra's eligible shareholders in respect of the off-market share buy-back announced to the ASX on 11 August 2016.

Yours faithfully

Damien Coleman
Company Secretary

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

Telstra 2016 Share Buy-Back Tender Booklet

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

This is an important document. If you are in any doubt as to the action you should take, please consult your financial, taxation or other professional adviser immediately.

Neither this Buy-Back Tender Invitation nor the subsequent on-market buy-back (referenced in this Booklet) is, or will be, made in the United States or to: (i) any person who is located or resident in the United States; (ii) any US Person; (iii) any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States; or (iv) any person who has a registered address in Canada.

Telstra Corporation Limited ABN 33 051 775 556



Important dates

August 2016	
Announcement of the Buy-Back Tender	Thursday, 11 August
Last day that Shares can be acquired to be eligible to participate in the Buy-Back Tender and as a consequence may be eligible for Buy-Back Tender franking entitlements	Wednesday, 17 August
Buy-Back Tender Ex-entitlement Date: the date that Shares commence trading on ASX on an ex-Buy-Back Tender basis	Thursday, 18 August
Buy-Back Tender Record Date: determination of Eligible Shareholders entitled to participate in the Buy-Back Tender	Friday, 19 August
Dividend Ex-entitlement Date: the date that Shares commence trading on an ex-entitlement basis for the FY2016 final dividend	Wednesday, 24 August
Dividend record date: determination of shareholders entitled to receive the FY2016 final dividend	Thursday, 25 August
Dividend Reinvestment Plan (DRP) election date: last date shareholders can elect for some or all of their shares to participate in the DRP	Friday, 26 August
September 2016	
Distribution of Buy-Back Tender Documents to shareholders is expected to be completed	Friday, 2 September
Tender Period opens	Monday, 5 September
Payment date for FY2016 final dividend	Friday, 23 September
Tender Period closes: Tenders must be received by the Registry no later than 7.00pm (Australian Eastern Standard Time) Victorian Shareholders, Shareholders with Victorian brokers and controlling CHES participants are reminded that Friday, 30 September 2016 is a public holiday in Victoria.	Friday, 30 September
October 2016	
Buy-Back Tender Date: Buy-Back Tender Price and scale back (if any) determined and Buy-Back Tender Contracts entered into	Monday, 3 October
Buy-Back Tender proceeds paid to successful shareholders and updated holding statements to be dispatched	Commencing Tuesday, 11 October

While Telstra does not anticipate any changes to these dates and times, it reserves the right to vary them without notification. Any change in date or time will take effect from the time it is authorised by Telstra and will be publicly announced as soon as practicable following that authorisation. Any such change will be taken to amend this Booklet (and the other Buy-Back Tender Documents) accordingly. Telstra may in its absolute discretion also decide not to proceed with the Buy-Back Tender and may vary the size of the Buy-Back Tender (either increasing or decreasing) depending on a number of factors including shareholder demand, market conditions and forecast future capital requirements.

This document is dated 11 August 2016 and is current as at that date (except where otherwise indicated).

Eligibility to participate

Subject to the following, you are eligible to participate in the Buy-Back Tender if the Shares are registered in your name on the Buy-Back Tender Record Date (Friday, 19 August 2016) and, in accordance with the ASX Settlement Rules, the Shares confer an entitlement to receive this Buy-Back Tender Invitation and you are not an Ineligible Foreign Shareholder. You will be an Ineligible Foreign Shareholder if you reside in a jurisdiction other than Australia or New Zealand.

In particular: (i) any person who is located or resident in the United States; (ii) any US Person; (iii) any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States; or (iv) any person who has a registered address in Canada, is not entitled to participate, directly or indirectly, in the Buy-Back Tender. Copies of the Buy-Back Tender Documents are not being mailed or otherwise distributed or sent into the United States or Canada.

Any person receiving any of the Buy-Back Tender Documents must not distribute or send them into the United States, or make them available to any US Person (including to any legal or beneficial owner of Telstra shares that is a US Person) or any person who is located or resident in the United States. ADRs may not be tendered into the Buy-Back Tender.

The distribution of this Booklet in some jurisdictions outside Australia and New Zealand might be restricted by law and does not constitute an invitation to participate in any place where, or to any person to whom, it would be unlawful to do so. Persons who come into possession of this Booklet should seek advice on and observe any restrictions on distributing it.



For more information see our dedicated Buy-Back Tender website telstra.com/buyback

Chairman's letter

Dear Shareholder

On behalf of the Board of Telstra, I am pleased to invite you to consider participating in an off-market buy-back of up to approximately \$1.25 billion worth of Telstra ordinary shares ("**Buy-Back Tender**").

Your Board has decided to undertake the Buy-Back Tender because we have surplus capital as a result of continued strong free cashflow generation and from the proceeds of Telstra's recent sale of its investment in Autohome. In accordance with our Capital Management Framework and the announcement of our \$1.5 billion capital management program on 2 May 2016, the Board has determined to return this surplus capital to our shareholders through the Buy-Back Tender of \$1.25 billion, together with an on-market buy-back of \$250 million to be conducted after the completion of the Buy-Back Tender.

This booklet relates only to your decision whether or not to participate in the Buy-Back Tender. The proposed on-market buy-back is a totally separate process to the Buy-Back Tender and involves you selling your Shares on-market in the ordinary course of trading on the ASX (see sections 1.9 and 1.10 of this Booklet). The on-market buy-back will commence after the completion of the Buy-Back Tender.

We believe that the Buy-Back Tender will benefit all Telstra shareholders, whether or not you decide to participate. Shareholders who choose not to participate in the Buy-Back Tender and retain their Telstra shares are expected to benefit from improved earnings per share because the number of shares on issue will be reduced as a result of the Buy-Back Tender.

For those shareholders who successfully participate in the Buy-Back Tender, the ATO has indicated to Telstra that for Australian tax purposes the Capital Component of the price that you are paid for each Share bought back will be \$1.78 and the remainder of that price will be a fully franked dividend. We do not expect that the potential franking debits arising from the Buy-Back Tender will adversely impact our ability to continue to fully frank future ordinary dividends.

The Buy-Back Tender will be conducted through a tender process. The final Buy-Back Tender Price will be determined as the lowest price at which we can buy back the targeted amount of capital, based on the tenders received from all participating shareholders. You may choose to tender Shares at specified discounts to the Market Price, up to a maximum of 14%, or you may elect to simply submit a Final Price Tender, which is the easiest way for you to participate and means you would accept the final Buy-Back Tender Price.

Participating in the Buy-Back Tender will result in you selling Shares at a price which is lower than the Market Price, but if you are an Australian tax resident you may still be better off by selling your Shares through the Buy-Back Tender because of the tax treatment of the proceeds you would receive from the Buy-Back Tender. Whether or not you can benefit from this tax treatment will depend on a number of factors specific to your personal circumstances, including your marginal tax rate.

This Booklet contains important information about the Buy-Back Tender to assist your consideration of whether or not to participate in it, and I encourage you to read it carefully. The decision to participate in the Buy-Back Tender is entirely voluntary. In deciding whether or not to participate in the Buy-Back Tender, you should also discuss your circumstances with financial, taxation and/or other professional advisers.

If, after reading this Booklet, you have any queries on how the Buy-Back Tender operates or how you can participate, please either access our dedicated Buy-Back Tender website at telstra.com/buyback or contact the Telstra Share Registry information line on +61 1300 88 66 77 (or 0800 835 787 within New Zealand). If you do not wish to participate in the Buy-Back Tender, you do not need to take any action.

If you wish to participate in the Buy-Back Tender, please ensure your Tender is received by no later than 7.00pm (Australian Eastern Standard Time) on Friday, 30 September 2016. We encourage you to lodge your Tender online at telstra.com/buyback as this is the most efficient way of ensuring your Tender is received by the Closing Date.

On behalf of the Board, thank you for being a Telstra shareholder and supporting Telstra.

Yours sincerely,



A handwritten signature in black ink, which appears to read "John Mullen". The signature is written in a cursive style with a horizontal line underneath.

John Mullen
Chairman

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Definitions

Some words in this Booklet and the Buy-Back Tender Documents have defined meanings. Section 7 "Definitions and Interpretation" defines certain words that are capitalised in this Booklet and the Buy-Back Tender Documents.

Important Notice

This is an important document.

It does not provide financial product advice and has been prepared without taking into account your particular objectives, financial situation or needs. You should consider the appropriateness of the Buy-Back Tender having regard to your objectives, financial situation and needs. If you are in any doubt as to the action you should take, you should consult your financial, taxation and/or other professional advisers immediately.

Features of the Buy-Back Tender

At a glance

If you are an Eligible Shareholder you can offer to sell some or all of your Shares to Telstra:

- at between a 6% to 14% discount (inclusive) to the Market Price, OR
- at the final Buy-Back Tender Price (as a Final Price Tender).

You can also select a Minimum Price below which none of your Shares will be bought back.

To participate you must offer to sell at least 880 Shares or, if you own less than that, you must offer to sell them all. You can make that offer during the Tender Period (Monday, 5 September 2016 to Friday, 30 September 2016) by following the instructions set out in section 3. You can also withdraw or amend your offer before the Tender Period closes.

This Booklet relates only to your decision whether or not to participate in the Buy-Back Tender. The proposed on-market buy-back is a completely separate process and involves you selling your shares on-market in the ordinary course of trading on the ASX. It will commence after completion of the Buy-Back Tender.

Buy-Back Tender	Telstra is buying back Shares by way of an off-market tender which provides you with an opportunity to sell some or all of your Shares to Telstra.
Target size	Telstra is seeking to buy back up to approximately \$1.25 billion worth of its Shares under the Buy-Back Tender. However, Telstra may vary the size of the Buy-Back Tender depending on a number of factors including shareholder demand, market conditions and forecast future capital requirements. In particular, Telstra may buy back significantly less than the announced target of approximately \$1.25 billion, or no Shares at all.
Eligible Shareholders	You are eligible to participate in the Buy-Back Tender if Shares are registered in your name on the Buy-Back Tender Record Date (Friday, 19 August 2016) and you are not an Ineligible Foreign Shareholder, including US Persons. You will be an Ineligible Foreign Shareholder if you reside in a jurisdiction other than Australia or New Zealand.
Participation in the Buy-Back Tender	<ul style="list-style-type: none"> • If you are an Eligible Shareholder, you can offer to sell any or all of the Shares registered in your name on Friday, 19 August 2016 (the Buy-Back Tender Record Date). This means that Shares you acquire on the ASX on or after Thursday, 18 August 2016 (the Buy-Back Tender Ex-entitlement Date), cannot be offered for sale by you under the Buy-Back Tender. • Participation is voluntary. You do not need to take any action if you decide not to participate. • If you do decide to participate you can offer to sell any or all of your Shares. You must offer to sell at least 880 Shares unless you hold less than 880 Shares, in which case you need to tender all of them. • If you participate in the DRP with respect to the FY2016 final dividend, shares will be allocated to you under the DRP on Friday, 23 September 2016. Such shares cannot be offered for sale under the Buy-Back Tender (unless if eligible as a Small Holding Tender – see section 2.6 for details).
Setting the price you are willing to sell your Shares	<ul style="list-style-type: none"> • If you are an Eligible Shareholder and decide to participate, you will also need to indicate at what price you are willing to sell your Shares to Telstra. • You do this by indicating a Tender Discount at which you are willing to sell your Shares. The Tender Discount is the discount to the Market Price you are willing to accept. The Market Price is calculated as the volume weighted average price (VWAP) of Telstra Shares on the ASX over the five trading days up to and including the Closing Date. You can select a Tender Discount in the range of 6% to 14% inclusive (at 1% intervals). • As an alternative to selecting a Tender Discount, you can just submit a Final Price Tender, which is an offer to sell Shares at the Buy-Back Tender Price determined by Telstra after the close of the Tender Period. Final Price Tenders are designed to make it easier for retail shareholders to successfully participate in the Buy-Back Tender. Submitting a Final Price Tender will increase the likelihood that some or all of your Shares will be bought back. • Given how it is calculated, the Market Price will not be known until shortly after 4.00pm on the day that the Tender Period closes (see section 2.17). So if there is a price below which you do not want to sell your Shares to Telstra, you can select a Minimum Price (being one of four prices specified on the Tender Form) in conjunction with your Tender Discount(s) and/or Final Price Tender. That means that if the final Buy-Back Tender Price is lower than the Minimum Price you specified, none of your Shares will be bought back, even if you submitted a Final Price Tender or the Buy-Back Tender Price reflects a discount which is equal to or greater than the Tender Discount you selected. • If you are an Eligible Shareholder, and are tendering more than 880 Shares, you may tender different parcels of Shares at different Tender Discounts and/or as a Final Price Tender. • If you are an Eligible Shareholder and own 880 Shares or less, you can only tender all of your Shares at one Tender Discount, or as a Final Price Tender (with or without specifying a minimum price).
Buy-Back Tender Price	<ul style="list-style-type: none"> • The Buy-Back Tender Price is the price determined by Telstra at which it will buy back Shares from its shareholders. • The final Buy-Back Tender Price will be determined as the lowest price at which Telstra can buy back the targeted amount of capital, based on the Tenders received from all participating shareholders. • The Buy-Back Tender Price will be calculated by applying the Buy-Back Tender Discount to the Market Price determined by Telstra under the tender process.

Capital Component of the Buy-Back Tender Price¹	\$1.78
Dividend component of the Buy-Back Tender Price²	The Buy-Back Tender Price less the \$1.78 Capital Component.
Withdrawal or amendment of Tender	Prior to the Closing Date, you may withdraw or amend your Tender by following the procedures set out in section 3.2.
Closing Date	7.00pm (Australian Eastern Standard Time) on Friday, 30 September 2016. Victorian Shareholders, Shareholders with Victorian brokers and controlling CHES participants are reminded that Friday, 30 September 2016 is a public holiday in Victoria. ³
Buy-Back Tender Contract entered into	Monday, 3 October 2016

How to participate

Below is a summary of the steps you need to follow if you are an Eligible Shareholder and wish to participate in the Buy-Back Tender. There is more detail in this Booklet, which you should read carefully to ensure that you understand the Buy-Back Tender and how it will affect you. If you are in any doubt, you should seek independent professional advice.

Participation	Decide whether or not you wish to participate in the Buy-Back Tender. If you decide not to participate, no further action is required.
Number of Shares, Tender Discount(s) and Minimum Price	To participate, you need to decide: <ul style="list-style-type: none"> • the number of Shares you wish to tender; • the Tender Discount(s) at which you tender those Shares and/or whether you elect to tender Shares as a Final Price Tender; and • whether you wish to specify a Minimum Price. <p>If you hold 880 Shares or less and want to participate, you must tender all of your Shares in one parcel at either the Tender Discount to the Market Price you specify, or as a Final Price Tender. The final Buy-Back Tender Price will be determined as the lowest price at which Telstra can buy back the targeted amount of capital, based on the Tenders received from all participating shareholders. If you hold more than 880 Shares, you must tender at least 880 Shares (in aggregate) and you can tender different parcels of Shares at different Tender Discounts and/or as a Final Price Tender.</p>
Lodging your Tender	We encourage shareholders to lodge their Tender online at telstra.com/buyback . This is the most efficient way of ensuring your Tender is received by the Closing Date. Alternatively you can complete and sign the relevant Tender Form that accompanies this Booklet if you received a hardcopy and lodge it in accordance with the instructions below. For further details, please see section 3.
Lodgement deadline	Your completed Tender Form must be received by the Telstra Share Registry by 7.00pm (Australian Eastern Standard Time) on Friday, 30 September 2016. This is the deadline whether your Tender Form is mailed, delivered, submitted online or processed by controlling CHES participants. You should allow sufficient time for this to occur if you are sending your Tender Form by mail. Victorian Shareholders, Shareholders with Victorian brokers and controlling CHES participants are reminded that Friday, 30 September 2016 is a public holiday in Victoria.⁴
All shareholders on the New Zealand register	If you hold Shares on the New Zealand register you must submit your completed and signed white Tender Form by mail to Telstra Corporation Limited, C/-Link Market Services Limited, PO Box 91976, Auckland 1142, so that it is received no later than 9.00pm (New Zealand Standard Time) (which is 7.00pm (Australian Eastern Standard Time)) on Friday, 30 September 2016.

1. The ATO has indicated to Telstra that the Capital Component of the Buy-Back Tender Price will be \$1.78, but this remains subject to the Class Ruling (see section 4).
2. For Australian tax purposes only (see section 4).
3. If you are located in Victoria or have a Victorian broker or controlling CHES participant, you may need to make arrangements to ensure that your Tender is received by the Closing Date – see section 3 for further details.
4. If you are located in Victoria or have a Victorian broker or controlling CHES participant, you may need to make arrangements to ensure that your Tender is received by the Closing Date – see section 3 for further details.

1. About the Buy-Back Tender

1.1. Why is Telstra buying back shares?

Telstra has generated surplus cash as a result of continued strong free cashflow generation and from the proceeds of its recent sale of its investment in Autohome. As a result, Telstra's current level of capital is more than is needed in the short to medium term. Accordingly, Telstra proposes to buy back shares as part of a capital management program which provides for the distribution of this surplus capital whilst preserving an appropriate capacity for future investment in the business. Whilst Telstra's primary focus continues to be on strong operational performance, the return of surplus capital to shareholders is considered to be appropriate at this time.

1.2. How will Telstra buy back its shares?

Telstra proposes to buy back shares by:

- undertaking the Buy-Back Tender to buy back up to approximately \$1.25 billion worth of its Shares; and
- undertaking an on-market buy-back of approximately \$250 million worth of its shares over the course of the period from no earlier than Monday, 3 October 2016, and ending no later than Friday, 11 August 2017.

However, Telstra may vary the size of the Buy-Back Tender (and/or on-market buy-back), depending on a number of factors including shareholder demand, market conditions and forecast future capital requirements. In particular, Telstra may buy back significantly less than the announced targets of approximately \$1.25 billion for the Buy-Back Tender and \$250 million for the on-market buy-back, or no Shares at all.

1.3. Did Telstra consider other ways of returning capital?

In the past, Telstra has undertaken distributions to its shareholders by way of off-market buy-backs and increases in ordinary dividends. Telstra has a Capital Management Framework outlining how the company manages its capital. In considering alternative ways to deploy a portion of surplus capital and operating profits, Telstra determined that the best way to achieve the objectives of its Capital Management Framework at this time is to undertake the Buy-Back Tender, together with the on-market buy-back. Telstra also had regard to the increase in the ordinary dividend in August 2015, which has been maintained in February and August 2016.

1.4. What is an off-market buy-back tender?

An off-market buy-back tender involves a company inviting its shareholders to offer to sell some or all of their shares to the company by way of a tender process. The shares bought back are subsequently cancelled by the company, reducing the total number of shares the company has on issue.

Under this Buy-Back Tender, Shares may be tendered by Eligible Shareholders to Telstra at discounts from 6% to 14% inclusive (at 1% intervals) to the Market Price or as a Final Price Tender.

1.5. What are the advantages of a tender process?

Both participating and non-participating shareholders (including Ineligible Foreign Shareholders) are expected to benefit from the Buy-Back Tender as:

- for some shareholders, depending on their particular circumstances, the after-tax return from participating in the Buy-Back Tender may be greater than if they had sold their Shares on-market; and
- the Buy-Back Tender is expected to improve earnings per share for shareholders who continue to hold shares in Telstra by reducing the number of shares on issue (as shown in section 5.7).

Telstra is conducting the Buy-Back Tender by way of a tender process. The advantages of the tender process include the following:

- The Buy-Back Tender allows Telstra to buy back Shares at a discount of between 6% and 14% (inclusive) to the Market Price. This allows Telstra to buy back a greater number of Shares than under an on-market buy-back for the same cash consideration.
- Participation in the Buy-Back Tender is optional and Eligible Shareholders may tailor their participation to suit their own circumstances. As an Eligible Shareholder you are able to:
 - choose whether or not to tender your Shares in the Buy-Back Tender;
 - choose how many (if any) Shares to tender (subject to the minimum participation requirements); and
 - choose the basis upon which you tender your Shares (for example, at what Tender Discount(s) or a Final Price Tender, with the option of making your Tender conditional on a Minimum Price).
- All Eligible Shareholders have an equal opportunity to participate in the Buy-Back Tender.
- Telstra is able to determine the most appropriate number of Shares to buy back.
- Telstra shareholders with small holdings are able to sell all of their Shares so as not to be left with a small parcel of Shares after successfully participating in the Buy-Back Tender.
- Telstra shareholders will not have to pay any brokerage to sell their Shares into the Buy-Back Tender.

1.6. Are foreign shareholders being invited to participate in the Buy-Back Tender?

The Buy-Back Tender Invitation is not being made to Ineligible Foreign Shareholders (see definition in section 7).

However, the Buy-Back Tender will benefit Ineligible Foreign Shareholders, in the same manner as shareholders who do not participate in the Buy-Back Tender, due to the expected improvement in earnings per share via the reduction in the number of Shares on issue following the Buy-Back Tender.

1.7. How do I participate in the Buy-Back Tender?

This Booklet contains important information about the Buy-Back Tender. To assist you in understanding if you are eligible to participate in the Buy-Back Tender, deciding whether or not to participate in the Buy-Back Tender, and understanding how to participate in the Buy-Back Tender (should you decide to do so), we encourage you to read this Booklet carefully. You should also discuss your circumstances with financial, taxation and/or other professional advisers.

If, after reading this Booklet, you have any queries on how the Buy-Back Tender operates or how you can participate, please either access our dedicated Buy-Back Tender website at telstra.com/buyback or contact the Telstra Share Registry information line on +61 1300 88 66 77 (or 0800 835 787 within New Zealand). If you do not wish to participate in the Buy-Back Tender, you do not need to take any action.

1.8. What does the Buy-Back Tender mean for me if I do not participate?

If you choose not to participate (or you are an Ineligible Foreign Shareholder or your Tender is unsuccessful), the number of Shares you hold will not change as a result of the Buy-Back Tender. After the Buy-Back Tender is completed, you will hold a slightly larger percentage of the total Shares in Telstra as there will be fewer shares on issue (as shown in section 5.7).

1.9. How does the Buy-Back Tender relate to the on-market buy-back?

As previously stated, Telstra intends, after the completion of the Buy-Back Tender, to conduct an on-market buy-back of approximately \$250 million.

An on-market buy-back involves Telstra (through an appointed broker) purchasing its shares on the ASX in the ordinary course of trading. Any shares so bought back by Telstra will be bought at the then prevailing market price on the ASX.

The exact amount and timing of the on-market buy-back (both in aggregate and on a daily basis) will be dependent on the prevailing share price as well as business and market conditions.

The on-market buy-back is a totally separate process to the Buy-Back Tender. The on-market buy-back will be conducted during a period that will commence after the completion of the Buy-Back Tender.

Further, shares acquired by Telstra as part of the on-market buy-back will be acquired in the ordinary course of trading on the ASX. Accordingly, from a Telstra shareholder’s perspective, having shares acquired by Telstra as part of the on-market buy-back program will be the same as having your shares acquired as part of any other on-market trade (for instance, you will need to instruct a broker and will need to pay brokerage). In particular, when making a trade on the ASX, Telstra shareholders will not know whether the counterparty to the trade is Telstra (and accordingly that their shares are being bought back and cancelled under the on-market buy-back program) or some other purchaser in the ordinary course.

Section 1.10 below provides further information comparing participation in the Buy-Back Tender to selling your Shares on the stock market.

1.10. How does the Buy-Back Tender compare to selling my Shares on the stock market?

To execute a share sale on the ASX, you will need to appoint a broker and may have to pay brokerage, whereas you will not need to appoint a broker or pay brokerage if you sell your Shares into the Buy-Back Tender.

It is likely that you will be able to sell your Shares on the ASX for a price that is higher than the Buy-Back Tender Price. This is because the prices at which Eligible Shareholders can tender Shares into the Buy-Back Tender are at discounts of between 6% and 14% inclusive to the Market Price. Therefore, it is likely that the Telstra share price on the ASX will be higher than the Buy-Back Tender Price during and possibly immediately after the Tender Period.

However, depending on your circumstances, as a consequence of the tax treatment of the buy back of the Shares, selling Shares into the

Buy-Back Tender may be more appealing for some shareholders than selling on the ASX. General information on the Australian tax consequences for Tender participants is provided in section 4 of this Booklet.

To provide Eligible Shareholders with an indication of the possible after-tax proceeds from selling their Shares into the Buy-Back Tender compared to selling their Shares on the ASX, Telstra will provide access to a tax calculator through its website telstra.com/buyback during the Tender Period.

By issuing the invitation constituted by the Buy-Back Tender Documents to participate in the Buy-Back Tender, and setting the range of Tender Discounts, Telstra is not making any recommendations or giving any advice on the value of your Shares or whether (or how) you should sell your Shares.

Before deciding whether to participate in the Buy-Back Tender, Telstra strongly recommends that you seek your own professional advice.

1.11. How have Telstra shares performed over recent times?

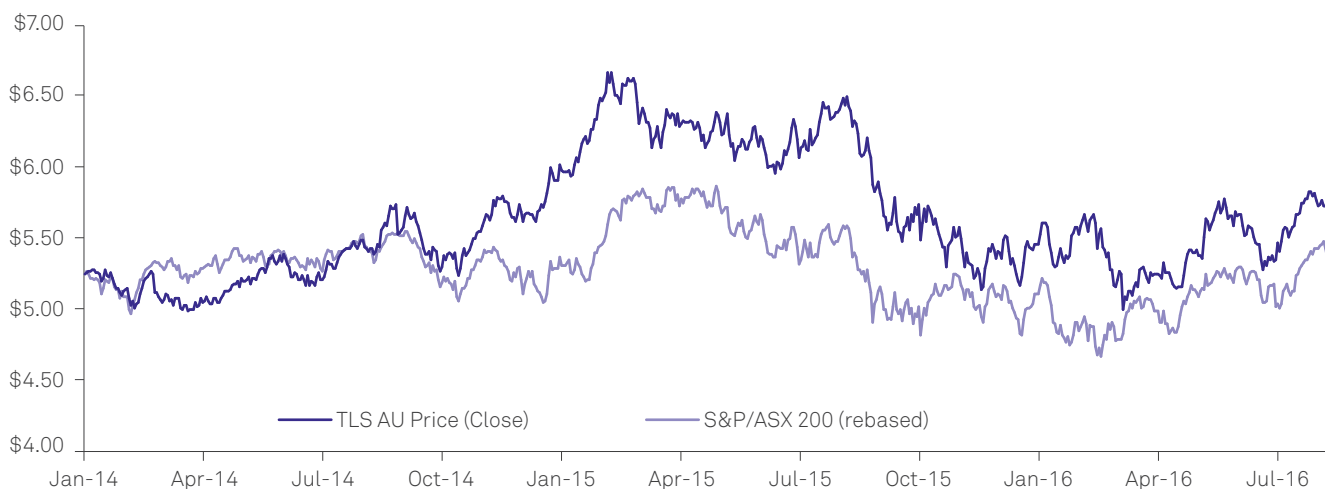
The closing price of Telstra shares on the ASX on Wednesday, 10 August 2016, being the last trading day before the Buy-Back Tender announcement date, was \$5.60.

Telstra’s highest and lowest market closing prices during each of the preceding six months were as follows:

Month	High	Low	VWAP ⁵
March 2016	\$5.33	\$5.00	\$5.18
April 2016	\$5.42	\$5.15	\$5.30
May 2016	\$5.78	\$5.51	\$5.64
June 2016	\$5.59	\$5.28	\$5.43
July 2016	\$5.83	\$5.51	\$5.70
August 2016 ⁶	\$5.73	\$5.60	\$5.68

Source: IRESS

A graph indicating the share price performance of Telstra over the period from 1 January 2014 to 10 August 2016 is set out below:



Source: IRESS

5. Per the definition of VWAP in section 7
 6. Figures for August 2016 represent month to date figures as at Wednesday, 10 August 2016

2. Details of the Buy-Back Tender and tender process

This section provides you with further information about:

- the process of tendering your Shares to participate in the Buy-Back Tender; and
- the determination of the outcome of the tender process.

You should read this section and the entire Booklet carefully. It will assist you in making a decision whether or not to participate in the Buy-Back Tender. You should also consider other information previously made available to you about Telstra, such as Telstra's full year results for FY2016 and any announcements made on or after the date of this Booklet, which can be found on Telstra's website at telstra.com/investor.

The invitation to apply to participate in the Buy-Back Tender constituted by this document does not give rise to a legally binding offer capable of your acceptance. If you are an Eligible Shareholder and wish to tender your Shares in the Buy-Back Tender, you make a formal offer to Telstra to sell those Shares on the terms and conditions set out in the Buy-Back Tender Documents. If Telstra accepts your Tender, a Buy-Back Tender Contract is then formed and your tendered Shares will be sold to Telstra on those terms and conditions.

Overview of the Buy-Back Tender

The Buy-Back Tender involves Telstra inviting Eligible Shareholders to offer to sell some or all of their Shares to Telstra by way of a tender process. Your offer to Telstra to sell your Shares is made by lodging your Tender either electronically, by returning your completed Tender Form or by contacting your controlling CHESS participant (normally your broker).

Your offer will be:

- for the number of Shares you specify in your completed Tender. You may specify all or part of your shareholding, but must tender a minimum of 880 Shares in aggregate (unless your shareholding is 880 Shares or less, in which case you must tender all of your Shares); and
- to sell the Shares you specify to Telstra at the discount to the Market Price you choose by selecting a Tender Discount on your Tender. That is, the price you receive for any Shares tendered and which are bought back by Telstra, will be the Market Price (which is the volume weighted average price (see the definition of VWAP in section 7) of Telstra Shares on the ASX over the five days up to and including the Closing Date, so at this point is not known) less the Buy-Back Tender Discount (which is the discount which Telstra determines but will be in the range of 6% to 14% (inclusive)). Rather than specifying a Tender Discount, you may submit a Final Price Tender, which effectively means you are offering to sell to Telstra your specified Shares at whatever the final Buy-Back Tender Price determined by Telstra is. You may also, but do not have to, indicate in your Tender a Minimum Price which is a price below which you are not willing to sell your Shares to Telstra.

You should note that submitting your Tender does not mean that your Shares will be bought back by Telstra. It is only an offer by you to sell Shares to Telstra on the specified terms, which may or may not be accepted by Telstra in its sole discretion.

At the completion of the Tender Period, Telstra will assess all the Tenders submitted by shareholders and determine both the Buy-Back Tender Price and which Shares they will purchase from shareholders. The Shares that you offered may be bought back in whole, in part, or not at all. This will depend on many factors, including the Tender Discount you specified and the Buy-Back Tender Discount determined by Telstra, and whether or not the total number of Shares tendered by all shareholders at and above the Buy-Back Tender Discount (or as Final Price Tenders) is more than the total number of Shares that Telstra has determined to buy back

(in which case a scale back will be applied). In these circumstances, there are also special rules that will be applied in respect of Priority Allocations (under which a minimum number of Shares will be bought back from each shareholder whose offer constituted by their Tender was accepted by Telstra) and Small Holding Tenders.

Any Shares bought back are cancelled by Telstra, reducing the number of Shares it has on issue.

The tendering process

2.1. Am I entitled to tender my Shares in the Buy-Back Tender?

You will be eligible to participate in the Buy-Back Tender if:

- you have Shares registered in your name on the Buy-Back Tender Record Date (Friday, 19 August 2016); and
- you are not an Ineligible Foreign Shareholder.

If you own Shares under a relevant Telstra employee share scheme, the arrangements you have agreed to under the relevant scheme may prevent you from tendering your Shares in the Buy-Back Tender. If you hold Shares under TESOP 99, you may participate in the Buy-Back Tender in a different manner, and you should refer to section 6.3 for further details.

The Buy-Back Tender Invitation is not being made to Ineligible Foreign Shareholders. You will be an Ineligible Foreign Shareholder if you reside in a jurisdiction other than Australia or New Zealand.

In particular: (i) any person who is located or resident in the United States; (ii) any US Person; (iii) any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States; or (iv) any person who has a registered address in Canada is not entitled to participate, directly or indirectly, in the Buy-Back Tender. Further, ADRs may not be tendered into the Buy-Back Tender.

2.2. At what discount(s) can I tender my Shares?

You can select a Tender Discount in the range of 6% to 14% inclusive (at 1% intervals).

If you hold 880 Shares or less, and you wish to participate in the Buy-Back Tender, you must tender all of your Shares at the same Tender Discount or as a Final Price Tender.

If you hold more than 880 Shares, you may tender your Shares at different Tender Discounts to the Market Price, and/or as a Final

Price Tender. However, you must tender a minimum of 880 Shares in aggregate.

The final Buy-Back Tender Price will be determined as the lowest price at which Telstra can buy back the targeted amount of capital, based on the Tenders received from all participating shareholders.

2.3. What Shares and how many can I tender into the Buy-Back Tender?

If you are eligible to participate, you are entitled to tender Shares that are registered in your name on the Buy-Back Tender Record Date (Friday, 19 August 2016) and which, in accordance with the ASX Settlement Rules, confer an entitlement to participate in the Buy-Back Tender. Shares acquired on the ASX on, or after, the Buy-Back Tender Ex-entitlement Date (Thursday, 18 August 2016) generally will not be registered in your name by the Buy-Back Tender Record Date and therefore will not carry an entitlement to participate in the Buy-Back Tender.

The maximum number of Shares you are entitled to tender in the Buy-Back Tender is set out on the personalised Tender Form enclosed with this Booklet and is also specified in the online tendering process.

If you hold 880 Shares or less and you wish to participate you must tender all of your Shares. Otherwise, you may tender any or all of your Shares (subject to a minimum number of 880 Shares in aggregate).

Shares which you acquire on the ASX on or after the Buy-Back Tender Ex-entitlement Date (Thursday, 18 August 2016) are not able to be tendered into the Buy-Back Tender (other than if eligible as a Small Holding Tender – see section 2.6 for details).

2.4. What is a Final Price Tender?

A Final Price Tender is an offer to sell your Shares to Telstra at whatever price is ultimately determined by Telstra to be the Buy-Back Tender Price. The Buy-Back Tender Price could be as low as a 14% discount to the Market Price or as high as a 6% discount to the Market Price.

Final Price Tenders are designed to make it easier for retail shareholders to successfully participate in the Buy-Back Tender. Submitting a Final Price Tender will increase the likelihood that some or all of your Shares will be bought back.

You should understand that submitting a Final Price Tender means, provided the Buy-Back Tender Price is higher than any Minimum Price you may specify and Telstra proceeds with the Buy-Back Tender, you will definitely sell some or all of your Shares at a price per Share that could be anywhere in the range of a 6% to a 14% discount (inclusive) to the Market Price. If a large number of Final Price Tenders are submitted, it is more likely that the Buy-Back Tender Price will be at a larger discount to the Market Price, subject to the 14% maximum. Final Price Tenders will only be scaled back (see section 2.21) if the Buy-Back Tender Price is set at a 14% discount to the Market Price and the total number of Shares tendered is more than Telstra determines to buy back.

2.5. What is the Priority Allocation?

Each shareholder who successfully tenders under the Buy-Back Tender is guaranteed that a certain number of Shares will be bought back and will not be subject to any scale back (see section 2.21). This is designed to ensure that small Eligible Shareholders are not disadvantaged by any such scale back. This guaranteed number of Shares to be bought back is the Priority Allocation.

The number of Shares guaranteed to be bought back will depend ultimately on the number of shareholders who successfully elect to participate in the Buy-Back Tender and the level of that participation. Accordingly, the Priority Allocation will be 880 Shares, unless the level of Tenders is such that buying back 880 Shares from each successfully participating shareholder (and including Small Holding Tenders) would result in the total amount of capital bought back to be greater than that determined by Telstra. In this case the number of Shares constituting the Priority Allocation will be reduced accordingly.

If you successfully tender less than the Priority Allocation, then all of your tendered Shares will be bought back.

You should note that if you elect to participate in the DRP with respect to the FY2016 final dividend, you will be allocated shares on Friday, 23 September 2016. As you will receive such shares after the Buy-Back Tender Record Date, those shares will not carry an entitlement to participate in the Buy-Back Tender and therefore cannot be tendered in the Buy-Back Tender. Accordingly, those shares will not be bought back pursuant to the Priority Allocation. However, those shares may be bought back if eligible as a Small Holding Tender (see section 2.6 for details).

2.6. What is a Small Holding Tender?

A Small Holding Tender is a Tender submitted by a Telstra shareholder who tenders all of their Shares:

- (a) at one or more Tender Discounts equal to or greater than the Buy-Back Tender Discount; and/or
- (b) as a Final Price Tender,

and who would otherwise be left with 350 fully paid ordinary shares in Telstra or less as at the Closing Date as a result of Telstra's acquisition of the Priority Allocation and any scale back.

Where a Small Holding Tender arises, it will be accepted in full by Telstra.

Please note that in determining whether or not you have a small holding as at the Closing Date, Telstra will consider all of the fully paid ordinary shares in Telstra for which you are the registered holder as at the Closing Date, regardless of when those shares were acquired or issued.

This would include any shares that you acquire on or after the Buy-Back Tender Ex-entitlement Date, including shares that you receive as a result of electing to participate in the DRP with respect to the FY2016 final dividend or which you otherwise acquire on the ASX.

Accordingly, it is possible that shares which you receive under the DRP with respect to the FY2016 final dividend or acquire on the ASX on or after the Buy-Back Tender Ex-entitlement Date may be acquired under the Buy-Back Tender as part of a Small Holding Tender, despite those shares not otherwise carrying an entitlement to participate in the Tender Buy-Back or be included in your Tender.

2.7. Can I select a Minimum Price for the sale of my Shares?

You are entitled, although not required, to select a Minimum Price below which you are not prepared to sell your Shares. This is not an alternative to specifying a Tender Discount and/or Final Price Tender, but is used in conjunction with the Tender Discount(s) and/or Final Price Tender you specify. Selecting a Minimum Price may alleviate any concerns you have in respect of movements in the Market Price after you lodge your Tender.

By selecting a Minimum Price, your Tender may not be successful as the Buy-Back Tender Price may be below the Minimum Price. In these circumstances, your Tender will be rejected and your Shares will not be bought back.

If you choose to make your Tender conditional on the Buy-Back Tender Price being no less than one of the specified Minimum Prices, you must do this in addition to nominating a Tender Discount and/or a Final Price Tender. If you make your Tender conditional only on a specified Minimum Price, your Tender will be invalid and will not be accepted by Telstra.

2.8. What if I have more than one holding of Shares?

For the purposes of administering the Buy-Back Tender, each separate registered holding of Shares you may have will be treated separately (for example, if you hold some Shares in your name and some Shares jointly with another person, you will receive two Tender Forms or electronic invitations).

You may tender Shares in the Buy-Back Tender from any or all of your separate registered holdings provided that you make separate online lodgements or complete the Tender Form(s) and follow the instructions on each Tender Form for each holding you wish to tender.

Any scale back that applies to Shares tendered from more than one of your registered holdings of Shares will be applied to each of those registered holdings as if they were held by different persons.

Similarly, when determining if the Priority Allocation applies, each of your registered holdings of Shares will be assessed separately as if they were held by different persons.

2.9. Can I trade my Shares after submitting a Tender?

Once you have tendered Shares into the Buy-Back Tender, you should not:

- sell or offer to sell those Shares;
- convert those Shares from an Issuer Sponsored Holding to a CHES Holding or vice versa; or
- move them between CHES Holdings (for instance, if you change your controlling CHES participant).

However, any Shares which you have not tendered into the Buy-Back Tender may be sold or otherwise dealt with in the ordinary manner.

Once you have submitted a Tender, you will not be able to deal with those Shares before the end of the Tender Period unless you first withdraw your Tender in respect of the relevant Shares, in accordance with the procedures set out in section 3.2.

Once you have submitted a Tender, the number of Shares you have tendered will be placed in a “sub-position” in Telstra’s share register. You will not be able to deal with those Shares unless those Shares have been released from the sub-position. For the Shares to be released from that sub-position before the end of the Tender Period, you must withdraw or amend your Tender in accordance with the procedures set out in section 3.2 of this Booklet.

Withdrawals or amendments made in accordance with these procedures may not take immediate effect. You should take this into consideration if you wish to sell any of the Shares which you have tendered. If, at the Buy-Back Date, you do not hold at least the number of Shares you successfully tendered, Telstra may, in its absolute discretion, reject your Tender(s) or treat the Tender(s) as if you had tendered the number of Shares held by you at the Closing Date (see sections 6.11 and 6.13 for further details).

2.10. If I purchase other Shares during the Tender Period, will my tendered Shares be affected?

In principle, the ATO accepts that shares acquired on or after the Buy-Back Tender Ex-entitlement Date will be excluded from the last-in-first-out rule (see section 4.2). This means that any Shares an Eligible Shareholder acquires on the ASX on or after Thursday, 18 August 2016 should not be treated as being disposed of under the Buy-Back Tender for the purposes of the 45 day rule (see section 4.2). General information on the Australian tax implications for Eligible Shareholders participating in the Buy-Back Tender is included in section 4.

2.11. If I purchase other Shares on the ASX during the Tender Period, can I tender those Shares into the Buy-Back Tender?

No. You may only tender Shares that are registered in your name on the Buy-Back Tender Record Date (Friday, 19 August 2016). This means that any Shares that you acquire on the ASX on or after the Buy-Back Tender Ex-entitlement Date (Thursday, 18 August 2016) will not carry an entitlement to participate in the Buy-Back Tender and therefore cannot be tendered in the Buy-Back Tender (other than if eligible as a Small Holding Tender – see section 2.6 for details).

2.12. Will I still receive the FY 2016 final dividend if my Shares are bought back?

Yes. The dividend record date is on Thursday, 25 August 2016, which is prior to the Buy-Back Tender Date. Accordingly, all shareholders with an entitled registered holding on the record date for the dividend will receive the 15.5 cents fully franked dividend per Share, whether or not they participate in the Buy-Back Tender.

2.13. Can I tender my shares issued under the DRP with respect to the FY2016 final dividend into the Buy-Back Tender?

No. You may only tender Shares that are registered in your name on the Buy-Back Tender Record Date (Friday, 19 August 2016). As shares provided under the DRP with respect to the FY2016 final dividend will not be allocated to shareholders until Friday, 23 September 2016 (and therefore after the Buy-Back Tender Record Date), they will not carry an entitlement to participate in the Buy-Back Tender and therefore cannot be tendered in the Buy-Back Tender (other than if eligible as a Small Holding Tender – see section 2.6 for details).

2.14. Can I still vote at the Annual General Meeting if I tender my Shares to Telstra?

Holders of Shares are entitled to vote at any meeting of Telstra that is held before the end of the Tender Period. There is no general meeting currently scheduled before the close of the Tender Period.

However, the Annual General Meeting is to be held on Tuesday, 11 October 2016, which is after the scheduled close of the Tender Period. On this basis, shareholders who successfully tender their Shares to Telstra will no longer hold those Shares and will not be entitled to vote at the Annual General Meeting in respect of those Shares.

Tender outcomes

2.15. How will Telstra determine successful Tenders?

If Telstra proceeds with the Buy-Back Tender and your Tender Discount is equal to or greater than the Buy-Back Tender Discount, or you lodged a Final Price Tender, your Tender will be successful and some, or all, of your Shares will be bought back (subject to any scale back and, if applicable, any Minimum Price condition).

If your Tender Discount is lower than the Buy-Back Tender Discount, your Tender will be rejected and your Shares will not be bought back.

If you have chosen a Minimum Price and the Buy-Back Tender Price is below that price, your Tender will be rejected and your Shares will not be bought back.

2.16. What price will Telstra pay to buy back my Tender?

Telstra will pay the Buy-Back Tender Price for each Share bought back. The Buy-Back Tender Price will be determined as the lowest price at which Telstra can buy back the targeted amount of capital, based on the Tenders received from all participating shareholders.

Telstra will pay you the Buy-Back Tender Price for each of your Shares accepted under the Buy-Back Tender, even if your Tender Discount is greater than the Buy-Back Tender Discount adopted to determine the Buy-Back Tender Price.

For each Share purchased from you under the Buy-Back Tender, you will receive a cash amount determined in accordance with the following formula:

$$A = B \times (1 - C)$$

Where:

A is the Buy-Back Tender Price (rounded to the nearest cent (and for the avoidance of doubt, rounded up in the case of a half a cent) or rounded up, if rounding to the nearest cent would involve a discount of greater than 14% to the Market Price);
B is the Market Price; and
C is the Buy-Back Tender Discount

For example, if the relevant Market Price is \$5.60 and the Buy-Back Tender Discount is 14%, the Buy-Back Tender Price would be \$4.82 (i.e. $\$5.60 \times (1 - 0.14)$).⁷

The Buy-Back Tender Price will not exceed the CGT Value (see section 4).

7. \$4.82 is an example only and assumes a Buy-Back Tender Discount of 14% discount to an assumed share price of \$5.60. You should not rely on this price as being the Buy-Back Tender Price.

2.17. How will I know what the Market Price is?

The Market Price is calculated as the VWAP (see section 7 for definitions of VWAP and Market Price) of Shares on the ASX over the five trading days up to and including the Closing Date, excluding certain trades.

To provide an indication of the Market Price, Telstra will calculate and make available to shareholders the running VWAP during this five trading day period. The running VWAP will be available through telstra.com/buyback and will be updated each day.

The actual Market Price, representing the VWAP for the full five trading day period up to and including the Closing Date, will be available as soon as possible after 4.00pm (Australian Eastern Standard Time) on the Closing Date and will be announced to the ASX. It will be able to be obtained by accessing telstra.com/buyback or by calling the Telstra Share Registry information line on +61 1300 88 66 77 (or 0800 835 787 within New Zealand). Telstra intends to announce the Market Price to the ASX as soon as possible after 4.00pm (Australian Eastern Standard Time) on the Closing Date.

2.18. How will I know what the Buy-Back Tender Price is?

Telstra intends to announce the Buy-Back Tender Price to the ASX as soon as possible after the Tender Period closes. The proposed date of announcement is Monday, 3 October 2016. You can access the announcement from telstra.com/buyback or from the ASX website asx.com.au.

2.19. Will all the Shares I tender be bought back?

The success of your Tender will depend on the Tender Discount you select, the size and Tender Discounts of Tenders lodged by other shareholders and the total number of Tenders that Telstra accepts. There is no guarantee that all or even some of your tendered Shares will be accepted.

The final size of the Buy-Back Tender will depend on Tenders lodged by shareholders and market conditions.

In particular, Telstra may buy back significantly less than the announced target of approximately \$1.25 billion, or no Shares at all.

In addition, a scale back may apply if the total number of Shares tendered by Eligible Shareholders at a Tender Discount which is equal to or greater than the Buy-Back Tender Discount, or as Final Price Tenders (after taking into account the Priority Allocations and Small Tender Holdings), is more than the total number of Shares that Telstra determines to buy back (see section 2.21).

2.20. How will I know how many of my Shares have been bought back?

Commencing Tuesday, 11 October 2016 Telstra will send all Eligible Shareholders who have tendered their Shares into the Buy-Back Tender a statement notifying them of the number of their Shares (if any) that have been bought back and the price paid for them. Shareholders may also enquire online at telstra.com/buyback after Monday, 3 October 2016. To access your account you will need your Holder Identification Number (HIN) or Securityholder Reference Number (SRN). Shareholders may also access this information after Monday, 3 October 2016 by calling the Telstra Share Registry information line on +61 1300 88 66 77 (or 0800 835 787 within New Zealand).

2.21. How will any scale back work?

If the total number of Shares tendered at or above the Buy-Back Tender Discount and as Final Price Tenders is more than the total number of Shares Telstra determines to buy back, there may be a need for a scale back so that not all the Shares tendered by shareholders will be bought back.

As explained in section 2.5, the guaranteed number of Shares to be bought back as the Priority Allocation will not be subject to any scale back. However, the exact number of Shares guaranteed to be bought back will depend ultimately on the number of shareholders who successfully elect to participate in the Buy-Back Tender and the level of that participation.

Any scale back required will be implemented in the manner described below.

If the Buy-Back Tender Discount is between 6% and 13% inclusive, successful Tenders will be determined as follows:

- Tenders at a Tender Discount greater than the Buy-Back Tender Discount will be accepted in full;
- Final Price Tenders will be accepted in full;
- the Priority Allocation (see section 2.5) will be bought back from each shareholder who tendered Shares at the Buy-Back Tender Discount. If the shareholder tendered Shares equal to or less than the Priority Allocation at the Buy-Back Tender Discount, then all of those Shares will be bought back;
- Small Holding Tenders (see section 2.6) will be accepted in full;
- Tenders at the Buy-Back Tender Discount (other than Final Price Tenders, Priority Allocations and Small Holding Tenders) will be scaled back on a pro rata basis;
- Tenders at a Tender Discount smaller than the Buy-Back Tender Discount will be rejected in full; and
- notwithstanding any of the above, Tenders conditional on a Minimum Price that is higher than the Buy-Back Tender Price will be rejected.

If the Buy-Back Tender Discount is 14%, successful Tenders will be determined as follows:

- Tenders at a 14% Tender Discount and Final Price Tenders will be accepted, but will be scaled back on a pro rata basis (other than Priority Allocations and Small Holding Tenders);
- the Priority Allocation will be bought back from each shareholder who tendered Shares at a 14% Tender Discount and/or as a Final Price Tender. If the shareholder tendered Shares equal to or less than the Priority Allocation at a 14% Tender Discount or as a Final Price Tender, then all of those Shares will be bought back;
- Small Holding Tenders will be accepted in full;
- Shares tendered at a Tender Discount smaller than 14% will be rejected in full; and
- notwithstanding any of the above, Tenders conditional on a Minimum Price that is higher than the Buy-Back Tender Price will be rejected.

When the scale back is calculated, all fractions will be rounded down to the nearest Share. If you want to reduce the likelihood of any scale back applying to your Tender, you should consider submitting a Final Price Tender (see section 2.4 for further details). This is because in the event that a scale back applies, Shares tendered as a Final Price Tender will only be scaled back if the Buy-Back Tender Price is based on a 14% Tender Discount (and assuming the Buy-Back Tender Price is not lower than any specified Minimum Price).

2.22 How would a scale back affect my Tender?

The details of any scale back will be announced as soon as possible after the Closing Date. Telstra expects to make this announcement on Monday, 3 October 2016. To assist you in understanding how a scale back may affect your Tender, the following scenarios have been provided.⁸

Scenario 1: Buy-Back Tender Discount of 14% (assumed \$4.82 Buy-Back Tender Price) and 50% scale back (illustrative example only)

In scenario 1, we assume the Market Price is \$5.60 and the Buy-Back Tender Discount is 14% resulting in the Buy-Back Tender Price of \$4.82. It is also assumed in this example that the Priority Allocation is 880 Shares and that there is a 50% scale back which applies after the Priority Allocation of 880 Shares. Please be aware that this is an example only. You should not rely on \$5.60 being the Market Price, nor \$4.82 being the Buy-Back Tender Price.

The outcome of each Tender would be as follows:

	Total holding	Shares tendered	Tender Discount (%)	Price represented by Tender Discount (\$)	Outcome
Anna	20,000	5,000	9%	\$5.10	Not successful, no Shares bought back
		3,000	10%	\$5.04	Not successful, no Shares bought back
Ben	8,000	1,000	10%	\$5.04	Not successful, no Shares bought back
		7,000	14%	\$4.82	Successful, 3,940 Shares bought back
Chris	3,000	3,000	6%	\$5.26	Not successful, no Shares bought back
Diane	1,000	1,000	-	Final Price Tender	Successful, all 1,000 Shares bought back
Emma	2,000	2,000	-	Final Price Tender	Successful, 1,440 Shares bought back

The outcome of each Tender is explained below, including how the scale back was applied.

Anna tendered both parcels of Shares at Tender Discounts lower than the Buy-Back Tender Discount so no Shares would be bought back.

Ben tendered a total of 8,000 Shares at two Tender Discounts: 1,000 Shares at a 10% Tender Discount and 7,000 Shares at a 14% Tender Discount. The Tender submitted at 10% would not be successful as the Tender Discount is lower than the Buy-Back Tender Discount. The Tender submitted at a 14% Tender Discount would be successful but only 3,940 of the 7,000 Shares tendered would be bought back as a result of the 50% scale back (see the Scale Back Table below). This is not a Small Holding Tender as Ben did not tender all of his Shares above or at the Buy-Back Tender Discount.

Chris tendered a total of 3,000 Shares at a 6% Tender Discount. The Tender would not be successful as the Tender Discount is lower than the Buy-Back Tender Discount.

Diane tendered a total of 1,000 Shares as a Final Price Tender. The Tender would be successful and all 1,000 Shares would be bought back as it is a Small Holdings Tender (see the Scale Back Table below).

Emma tendered a total of 2,000 Shares as a Final Price Tender. As a result of the 50% scale back, Emma would have 1,440 Shares bought back. This is not a Small Holding Tender as, following the Priority Allocation and Scale Back, Emma would be left with more than 350 shares (see the scale back table below).

Scenario 1: Scale Back Table (illustrative example only)

	Shares tendered at 14% and Final Price Tenders	Shares subject to scale back ⁹	Scale back ¹⁰	Tender post scale back and priority allocation ^{9 11}	Shares remaining ¹²	Small Holding Tender	Shares that are bought back
Anna	0					Scale back not applicable	
Ben	7,000	6,120	50%	3,940	3,060	NO	3,940
Chris	0					Scale back not applicable	
Diane	1,000	120	50%	940	60	YES	1,000
Emma	2,000	1,120	50%	1,440	560	NO	1,440

8. For the purposes of these examples we have assumed that the Priority Allocation is 880 Shares and has not been reduced to a lesser number (which would occur in the circumstances explained in section 2.5).

9. The Priority Allocation, being 880 Shares will be bought back from each shareholder who tenders Shares at or above the Buy-Back Tender Discount (including as a Final Price Tender under this scenario), before the scale back applies. For example, Ben has 6,120 Shares that are subject to scale back (7,000 – 880 = 6,120).

10. A scale back of 50% means 50% (i.e. 100% – 50%) of the Shares subject to scale back would be bought back (excluding Small Holding Tenders).

11. When the scale back is calculated, all fractions are rounded down to the next Share.

12. Diane and Emma both tendered all of their Shares as a Final Price Tender. As a result of the scale back and Priority Allocation, Diane would be left with less than 350 Shares (i.e. 60 Shares), so her Tender is a Small Holding Tender. Emma would be left with more than 350 Shares (i.e. 560) so her Tender is not a Small Holding Tender.

Scenario 2: Buy-Back Tender Discount of 10% (assumed \$5.04 Buy-Back Tender Price) and 25% scale back (illustrative example only)

In scenario 2, we assume the Market Price is \$5.60 and the Buy-Back Tender Discount is 10% resulting in the Buy-Back Tender Price of \$5.04. It is also assumed in this example that the Priority Allocation is 880 Shares and that there is a 25% scale back which applies after the Priority Allocation of 880 Shares. Please be aware that this is an example only. You should not rely on \$5.60 being the Market Price, nor \$5.04 being the Buy-Back Tender Price.

The outcome of each Tender would be as follows:

	Total holding	Shares tendered	Tender Discount (%)	Price represented by Tender Discount (\$)	Outcome
Anna	20,000	5,000	9%	\$5.10	Not successful, no Shares bought back
		3,000	10%	\$5.04	Successful, 2,470 Shares bought back
Ben	8,000	1,000	10%	\$5.04	Successful, all 1,000 Shares bought back
		7,000	14%	\$4.82	Successful, all 7,000 Shares bought back
Chris	3,000	3,000	6%	\$5.26	Not successful, no Shares bought back
Diane	1,000	1,000	–	Final Price Tender	Successful, all 1,000 Shares bought back
Emma	2,000	2,000	–	Final Price Tender	Successful, all 2,000 Shares bought back

The outcome of each Tender is explained below, including how the scale back was applied.

Anna tendered a total of 8,000 Shares at two Tender Discounts: 5,000 Shares at a 9% Tender Discount and 3,000 Shares at a 10% Tender Discount. The Tender submitted at a 9% Tender Discount would not be successful as the Tender Discount is lower than the Buy-Back Tender Discount. The Tender submitted at a 10% Tender Discount would be successful but only 2,470 of the 3,000 Shares tendered would be bought back as a result of the 25% scale back (see the Scale Back Table below). This is not a Small Holding Tender as Anna did not tender all of her Shares above or at the Buy-Back Tender Discount.

Ben tendered a total of 8,000 Shares at two different Tender Discounts: 1,000 Shares at a 10% Tender Discount and 7,000 Shares at a 14% Tender Discount. The Tender submitted at 10% would be successful and all 1,000 Shares would be bought back as it is a Small Holding Tender (see the Scale Back Table below). This is a Small Holding Tender as following the Priority Allocation and scale back, Ben would be left with less than 350 Shares (see the Scale Back Table below). The Tender submitted at a 14% Tender Discount would be successful as the Tender Discount is above the Buy-Back Tender Discount and all 7,000 Shares would be bought back at a 10% Tender Discount.

Chris tendered a total of 3,000 Shares at a 6% Tender Discount. The Tender would not be successful as the Tender Discount is lower than the Buy-Back Tender Discount.

Diane tendered a total of 1,000 Shares as a Final Price Tender. The Tender would be successful and all 1,000 Shares would be bought back at a 10% Tender Discount. Final Price Tenders are not subject to scale back where the Buy-Back Tender Discount is less than 14%.

Emma tendered a total of 2,000 Shares as a Final Price Tender. The Tender would be successful and all 2,000 Shares would be bought back at 10% Tender Discount. Final Price Tenders are not subject to scale back where the Buy-Back Tender Discount is less than 14%.

Scenario 2: Scale Back Table (illustrative example only)

	Shares tendered at 10% ¹³	Shares subject to scale back ¹⁴	Scale back ¹⁵	Tender post scale back and priority allocation ^{14 16}	Shares remaining ¹⁷	Small Holding Tender	Shares that are bought back
Anna	3,000	2,120	25%	2,470	530	NO	2,470
Ben	1,000	120	25%	970	30	YES	1,000
Chris	0						Scale back not applicable
Diane	0						Scale back not applicable
Emma	0						Scale back not applicable

13. Does not include Final Price Tenders, because the Buy-Back Tender Discount is lower than 14%.

14. The Priority Allocation, being 880 Shares will be bought back from each shareholder who tenders Shares at the Buy-Back Tender Discount, before the scale back applies.

15. A scale back of 25% means 75% of the Shares subject to scale back would be bought back (excluding Small Holding Tenders).

16. When the scale back is calculated, all fractions are rounded down to the next Share.

17. Ben was left with less than 350 Shares so his Tender is a Small Holding Tender and all 1,000 Shares are bought back. Anna's Tender is not a Small Holding Tender because not all her Shares were tendered at or below the Buy-Back Tender Price and she was not left with less than 350 Shares.

3. Details for participating in the Buy-Back Tender

3.1. How do I participate in the Buy-Back Tender?

You can participate in the Buy-Back Tender by either:

Going Online

- You can participate in the Buy-Back Tender by tendering online at telstra.com/buyback. This is the most effective way of ensuring that your Tender is received by the Closing Date **Friday, 30 September 2016** at 7.00pm (Australian Eastern Standard Time).
- You will be required to provide your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) to lodge online. You can find these numbers in the top right hand corner of your personalised Tender Form (or any shareholder forms previously sent to you).

OR

Using a Tender Form

- If you received a hardcopy of this Booklet, you will have also received a personalised Tender Form.

If you tender by completing your personalised Tender Form you need to tender in accordance with the instructions in **Step 4 Submitting your Tenders**.

- If you would like a Tender Form, please contact the Telstra Share Registry information line on +61 1300 88 66 77 (or 0800 835 787 within New Zealand).

Step 1	Decide how many Shares you wish to sell
	<p>To participate in the Buy-Back Tender, you first need to decide how many Shares you wish to sell, if any.</p> <p>If you are lodging your Tender online you should log in to telstra.com/buyback and follow the prompts.</p> <p>If you have chosen to tender by completing the personalised Tender Form, then:</p> <p>Box A of your personalised Tender Form enclosed with this Booklet sets out the maximum number of Shares you may tender into the Buy-Back Tender. However, if you hold 880 Shares or less, to participate you must tender all of your Shares and if you hold more than 880 Shares, you must tender a minimum of 880 Shares in aggregate.</p> <p>You should not, before the Buy-Back Tender Date, sell or offer to sell to others the Shares you have tendered into the Buy-Back Tender until you first withdraw or amend your Tender (see section 3.2).</p>
Step 2	Decide your Tender Discount(s)
	<p>If you are lodging your Tender online you should log in to telstra.com/buyback and follow the prompts.</p> <p>If you have chosen to tender by completing the personalised Tender Form, then:</p> <p>Once you have determined the number of Shares you wish to tender into the Buy-Back Tender, you need to specify in Box B the discount(s) to the Market Price at which you are willing to tender these Shares.</p> <p>You may tender your Shares at discounts of between 6% and 14% inclusive (at 1% intervals) to the Market Price as set out on the Tender Form or as a Final Price Tender.</p> <p>If you hold 880 Shares or less, to participate you must tender all of your Shares at the same Tender Discount or as a Final Price Tender (which is an election to receive the Buy-Back Tender Price, whatever Telstra determines it to be).</p> <p>If you hold more than 880 Shares, you may tender different parcels of the Shares you wish to sell at different Tender Discounts. For example, you may tender one third of the Shares you wish to sell at a 6% Tender Discount, one third at 14% Discount and one third as a Final Price Tender. However, you may not tender the same Shares at different Tender Discounts (or at both a specified Tender Discount and as a Final Price Tender). Each parcel of Shares tendered at a different Tender Discount or as a Final Price Tender is a separate Tender (but entered on the one form). Calculate the total number of Shares tendered and insert that number in Box C. The total number of Shares that you tender into the Buy-Back Tender (as inserted in Box C) must not exceed the number of Shares you hold as set out on your personalised Tender Form (Box A).</p>
Step 3	Optional – choose your Minimum Price
	<p>If you are lodging your Tender online you should log in to telstra.com/buyback and follow the prompts.</p> <p>If you have chosen to tender by completing the personalised Tender Form, then:</p> <p>In addition to choosing to tender your Shares at the specified Tender Discounts and/or as a Final Price Tender, you may also elect to impose a Minimum Price condition on your Tender (see section 2.7). This is optional.</p> <p>If you wish to nominate a Minimum Price, place a “✓” next to your chosen Minimum Price in:</p> <ul style="list-style-type: none"> Box C if you hold 880 shares or less (applicable to the blue form for an Issuer Sponsored Holding, or grey form for a CHES holding, or a white form if your holding is on the New Zealand register); or Box D if you hold more than 880 shares (applicable to the yellow form for an Issuer Sponsored Holding, or orange form for a CHES holding, or a white form if your holding is on the New Zealand register). <p>See examples of completed Tender Forms in section 8 of this Booklet.</p>

Step 4 – Submit your Tender(s)

To submit your Tender Form correctly, follow the detailed instructions below:

All shareholders on the Australian register

How you submit your Tender(s) will depend on the type of holding you have.

Tenders	Online	Use the Tender Form	Return to
Issuer Sponsored Holdings (Blue or Yellow Tender Forms)	<p>If you wish to submit your Tender electronically, please visit the Telstra website at telstra.com/buyback and follow the instructions.</p> <p>You will require your Securityholder Reference Number (SRN) located in the top right hand corner of your personalised Tender Form (or any shareholder forms previously sent to you). Select the "Tender" option, and submit your Tender. You will receive a confirmation of submission of your Tender.</p>	<p>If you wish to submit your Tender by using your personalised Tender Form you should:</p> <p>Complete your Tender Form as per the instructions in steps 1 to 3 above and sign your personalised Tender Form (see examples in section 8 of this Booklet).</p>	<p>Telstra Corporation Limited C/-Link Market Services Limited PO Box 1509 Sydney South NSW 1234</p> <p>A self-addressed envelope is enclosed for use within Australia.</p> <p>Please be aware that mail delivery times have recently changed. You should allow sufficient time for your Tender Form to arrive prior to the Closing Date. If you have any doubts that your Tender Form will arrive in time, we encourage you to submit your Tender online at telstra.com/buyback.</p>

Your completed Tender Form must be received by the Telstra Share Registry by 7.00pm (Australian Eastern Standard Time) on **Friday, 30 September 2016**.

Australia Post has recently changed its delivery timetable. You should consider this when mailing your Tender Form as it may not be accepted by Telstra unless it is actually received at the above address by 7.00pm (Australian Eastern Standard Time) on **Friday, 30 September 2016**. You should allow sufficient time for mail collection and delivery when you are sending your Tender Form by mail. Victorian Shareholders, Shareholders with Victorian brokers and controlling CHES participants are reminded that Friday, 30 September 2016 is a public holiday in Victoria. If you are in doubt, you should submit your Tender online at telstra.com/buyback.

Tenders	Online	Contact your controlling CHES participant	Return to
CHES Holdings (Grey or Orange Tender Forms)	<p>If you wish to submit your Tender electronically, please visit the Telstra website at telstra.com/buyback and follow the instructions.</p> <p>You will require your Holder Identification Number (HIN) located in the top right hand corner of your personalised Tender Form (or any shareholder forms previously sent to you). Select the "Tender" option and submit your Tender. You will receive a confirmation of submission of your Tender.</p> <p>We encourage you submit your Tender online by no later than 5.00pm (Australian Eastern Standard Time) on Thursday, 29 September 2016. Telstra's Share Registry will need to confirm with your controlling CHES participant any online submission of your Tender before it can be taken as validly submitted and there may not be sufficient time to do so for any online Tenders submitted by CHES Holders after 5.00pm on the Closing Date.</p>	<p>You need to instruct your controlling CHES participant (normally your broker) in sufficient time for them to process your Tender no later than 7.00pm (Australian Eastern Standard Time) on Friday, 30 September 2016.</p> <p>The name of the controlling CHES participant who manages your CHES Holding as at the Buy-Back Tender Record Date is printed on your Tender Form (see examples in section 8 of this Booklet).</p>	<p>Your controlling CHES participant may request that you complete and send your Tender Form to them.</p>

You should not return your Tender Form to the Telstra Share Registry.

If you do return your completed Tender Form to the Telstra Share Registry instead of your controlling CHES participant, the Telstra Share Registry will endeavour to contact your controlling CHES participant on your behalf and relay your Tender instructions. It is your controlling CHES participant's responsibility to acknowledge and accept this Tender instruction so please ensure you allow sufficient time for the Telstra Share Registry to contact your controlling CHES participant and for your controlling CHES participant to process your Tender no later than 7.00pm (Australian Eastern Standard Time) on **Friday, 30 September 2016**. Neither Telstra nor the Telstra Share Registry will be responsible should your controlling CHES participant not acknowledge and accept your Tender. Victorian Shareholders, Shareholders with Victorian brokers and controlling CHES participants are reminded that Friday, 30 September 2016 is a public holiday in Victoria. If you are in doubt, you should submit your Tender online at telstra.com/buyback.

If you are a sponsored CHES Holder, you will receive written confirmation from CHES of the Tenders made on your holding or Tenders withdrawn by your controlling participant. You should be aware that irrespective of its wording, this confirmation is not an acceptance by Telstra of any Tender.

All shareholders on the New Zealand register (white Tender Forms)

If you hold shares on the New Zealand register you should:

Use the white Tender Form	Return to
Complete your personalised white Tender Form as per the instructions in steps 1 to 3 on page 13 and sign your personalised Tender Form.	Telstra Corporation Limited C/-Link Market Services Limited PO Box 91976, Auckland 1142 A self-addressed envelope is enclosed for use within New Zealand.

Your completed Tender Form must be received by the Telstra Share Registry by 7.00pm (Australian Eastern Standard Time) on **Friday, 30 September 2016**.

Your Tender Form may not be accepted by Telstra unless it is actually received at the above address by 9.00pm (New Zealand Standard Time) (which is 7.00pm (Australian Eastern Standard Time)) on **Friday, 30 September 2016**. You should allow sufficient time for mail collection and delivery if you are sending your Tender Form by mail.

3.2. Can I withdraw or amend my Tender?

Prior to the Closing Date, you may withdraw or amend your Tender by following the procedures set out below.

The effect of amending your Tenders by submitting a Withdrawal/Amendment Form will be to withdraw all of your previous Tenders and (where applicable) replace them with the Tenders detailed on the Withdrawal/Amendment Form.

All shareholders on the Australian register

How you submit your Withdrawal/Amendment Form will depend on the type of holding you have.

Tenders	Online	Request a Withdrawal / Amendment Form	Return to
Issuer Sponsored Holdings (Blue or Yellow Tender Forms)	<p>If you wish to submit your withdrawal or amendment electronically, please visit the Telstra website at telstra.com/buyback and follow the instructions. Select the "Withdrawal/Amendment" option, either withdraw or amend your Tender and submit. You will receive a confirmation of submission of your withdrawal/amendment.</p> <p>You may submit a withdrawal or amendment electronically irrespective of how you lodged your original Tender.</p> <p>You will require your Securityholder Reference Number (SRN) located in the top right hand corner of your personalised Tender Form (or any shareholder forms previously sent to you).</p>	<p>If you do not wish to submit your withdrawal or amendment electronically you can obtain a Withdrawal/Amendment Form by contacting the Telstra Share Registry information line on +61 1300 88 66 77.</p> <p>Complete and send the Withdrawal/Amendment Form as per the instructions below:</p> <p>Withdrawal of Tenders -To withdraw all of your Tender(s) you must tick the 'Withdrawal' box on the Withdrawal/Amendment Form, sign the form and send it to the Telstra Share Registry.</p> <p>Amendment of Tenders – If you wish to change the terms of all or some of your Tenders or you wish to withdraw some (but not all) of your Tenders, you must tick the 'Amendment' box on the Withdrawal/ Amendment Form, complete the details of all of your Tenders on that form in accordance with the instructions shown on it, sign the form and send it to Telstra Share Registry.</p>	<p>Telstra Corporation Limited C/-Link Market Services Limited PO Box 1509 Sydney South NSW 1234</p> <p>A self-addressed envelope is enclosed for use within Australia.</p> <p>Please be aware that mail delivery times have recently changed. You should allow sufficient time for your Tender Form to arrive prior to the Closing Date. If you have any doubts that your Tender Form will arrive in time, we encourage you to submit your Tender online at telstra.com/buyback.</p>

To be effective, your Withdrawal/Amendment Form must be received by 7.00pm (Australian Eastern Standard Time) on **Friday, 30 September 2016**.

Tenders	Online	Contact your controlling CHES participant	Return to
CHES Holdings (Grey or Orange Tender Forms)	<p>If you wish to submit your withdrawal or amendment electronically, please visit the Telstra website at telstra.com/buyback and follow the instructions. Select the "Withdrawal/Amendment" option, either withdraw or amend your Tender and submit. You will receive a confirmation of submission of your withdrawal/amendment.</p> <p>You may submit a withdrawal or amendment electronically irrespective of how you lodged your original Tender.</p> <p>You will require your Holder Identification Number (HIN) located in the top right hand corner of your personalised Tender Form (or any shareholder forms previously sent to you).</p>	<p>You need to instruct your controlling CHES participant (normally your broker) in sufficient time for them to process your withdrawal or amendment by no later than 7.00pm (Australian Eastern Standard Time) on Friday, 30 September 2016.</p> <p>The name of the controlling CHES participant who manages your CHES Holding as at the Buy-Back Tender Record Date is printed on your Tender Form.</p>	Not applicable

If you withdraw/amend your Tender online:

If you withdraw/amend your Tender online, the Telstra Share Registry will endeavour to contact your controlling CHES participant on your behalf and relay your withdrawal/amendment instructions. It is your controlling CHES participant's responsibility to acknowledge and accept the withdrawal/amendment so please ensure you allow sufficient time for the Telstra Share Registry to contact your controlling CHES participant and for your controlling CHES participant to process your Tender no later than 7.00pm (Australian Eastern Standard Time) on **Friday, 30 September 2016**. Neither Telstra nor the Telstra Share Registry will be responsible should your controlling CHES participant not acknowledge and accept your withdrawal/amendment Tender. Victorian Shareholders, Shareholders with Victorian brokers and controlling CHES participants are reminded that **Friday, 30 September 2016** is a public holiday in Victoria. If you are in doubt, you should withdraw/amend your Tender online at telstra.com/buyback.

The effect of your controlling CHES participant withdrawing or amending one or more of your Tenders will be to withdraw those Tenders, and in the case of an amendment to replace the amended Tenders with new Tenders.

If you are a CHES Holder, you will be sent written confirmation from CHES of the withdrawals/amendments made in relation to your holding by your controlling CHES participant. You should be aware that irrespective of its wording, this confirmation is not an acceptance by Telstra of your withdrawal or amendment of any Tender.

All shareholders on the New Zealand register

If you hold shares on the New Zealand register you should:

Use the white Tender Form	Return to
<p>Contact the Telstra Share Registry information line on 0800 835 787 within New Zealand.</p> <p>Complete the Withdrawal/Amendment Form as per the instructions below:</p> <p>Withdrawal of Tenders – To withdraw all of your Tender(s) you must tick the 'Withdrawal' box on the Withdrawal/Amendment Form, sign the Form and send it to the Telstra Share Registry.</p> <p>Amendment of Tenders – If you wish to change the terms of all or some of your Tenders or you wish to withdraw some (but not all) of your Tenders, you must tick the 'Amendment' box on the Withdrawal/Amendment Form, complete the details of all of your Tenders on that form in accordance with the instructions shown on it, sign the form and send it to Telstra Share Registry.</p>	<p>Telstra Corporation Limited C/-Link Market Services Limited PO Box 91976, Auckland 1142</p> <p>A self-addressed envelope is enclosed for use within Australia.</p>

Your completed Withdrawal/Amendment Form must be received by the Telstra Share Registry by 9.00pm (New Zealand Standard Time) (which is 7.00pm (Australian Eastern Standard Time)) on **Friday, 30 September 2016**.

Your Withdrawal/Amendment Form may not be accepted by Telstra unless it is actually received at the above address by 9.00pm (New Zealand Standard Time) (which is 7.00pm (Australian Eastern Standard Time)) on **Friday, 30 September 2016**. You should allow sufficient time for mail collection and delivery if you are sending your Tender Form by mail.

3.3. How will I be paid for Shares bought back?

Payment for Shares bought under the Buy-Back Tender will commence from Tuesday, 11 October 2016. The payment method will be direct credit based on your dividend payment instructions as at Friday, 30 September 2016. Proceeds paid by direct credit to shareholders with nominated banking instructions for New Zealand financial institutions will be paid in New Zealand dollars converted at a rate determined by Telstra on or around the Buy-Back Tender Date.

Direct credit advices will be sent to you commencing Tuesday, 11 October 2016. If you have not already provided your direct credit payment instructions you can update your details online at linkmarketservices.com.au/telstra or by calling the Telstra Share Registry information line on +61 1300 88 66 77 (or 0800 835 787 within New Zealand) by Friday, 30 September 2016.

4. Australian tax implications for shareholders

If you decide to participate in the Buy-Back Tender your actual tax consequences will depend on your own circumstances.

This section of the Booklet is intended only as a general summary of the Australian income tax implications of participating in the Buy-Back Tender. **It is important that you seek professional tax advice to take into account your particular circumstances.**

Unless otherwise specified, this discussion is based on income tax legislation and administrative practice as at the date of this Booklet. These laws, the interpretation of them by the courts and administrative practice may change at any time, possibly with retrospective effect. Some words in this section 4 have defined meanings. Section 7 defines certain words that are capitalised in this section 4.

Telstra has had the benefit of reviewing a draft class ruling from the ATO for certain shareholders who participate in the Buy-Back Tender. That draft class ruling was provided on a preliminary and non-binding basis but it indicates that the ATO has a consistent view with a number of the statements set out in the summary below. Nevertheless, whilst it is not expected to be the case, as the draft class ruling is preliminary and non-binding, it is possible that the class ruling that is issued by the ATO may differ from the summary set out below. If that occurs, the Australian income tax implications of your participation in the Buy-Back Tender may differ from the summary set out in this section of the Booklet. A final class ruling in a form that is binding on the Commissioner of Taxation is expected to be issued by the ATO after completion of the Buy-Back Tender. Once issued, the final class ruling will be available on the ATO website.

This general summary may not be relevant for all shareholders. In particular, this general summary may not be relevant to shareholders who:

- carry on a business in dealing with shares and are assessed on their dealings in shares other than under the Capital Gains Tax (“CGT”) provisions; or
- have made an election under the taxation of financial arrangements.

This general summary does not comment on the New Zealand tax implications of participation in the Buy-Back Tender, which will be relevant to New Zealand tax resident shareholders. It is possible that some or all of the proceeds of the Buy-Back Tender would be treated as a taxable dividend for New Zealand income tax purposes for New Zealand tax resident shareholders who participate in the Buy-Back Tender. New Zealand tax resident shareholders should seek their own professional tax advice in relation to the New Zealand tax implications of participation in the Buy-Back Tender.

4.1. Overview

(a) The anticipated components of the Buy-Back Tender Price

The Buy-Back Tender will constitute an ‘off-market’ buy-back for Australian income tax purposes.

The ATO has indicated to Telstra that the Capital Component of the Buy-Back Tender Price will be \$1.78. Accordingly, the Dividend Component will be the amount by which the Buy-Back Tender Price exceeds the Capital Component.

The Dividend Component will be a frankable distribution. Telstra will fully frank the Dividend Component.

Illustrative examples of how each of these components impact the potential income tax and CGT consequences for Australian resident individuals and Australian complying superannuation funds from participating in the Buy-Back Tender are set out below at section 4.6.

(b) What will be the capital proceeds for CGT purposes?

To determine the CGT consequences of participating in the Buy-Back Tender, you must first determine the “capital proceeds” you are taken to receive if you sell your Shares in the Buy-Back Tender. Your capital proceeds are the Deemed Capital Proceeds. The Deemed Capital Proceeds are the sum of the Capital Component and the amount (if any) by which the CGT Value exceeds the Buy-Back Tender Price.

4.2. Australian resident shareholders – Treatment of franked Dividend Component

(a) Generally

An Australian resident shareholder participating in the Buy-Back Tender will be deemed to have received a franked distribution equal to the difference between the Capital Component (which the ATO has indicated to Telstra will be \$1.78) and the Buy-Back Tender Price.

The shareholder will be required to include in their assessable income the amount of the franked distribution together with the franking credit on the franked distribution.

The shareholder should be entitled to a tax offset equal to the franking credit. This tax offset may reduce the total tax payable by the shareholder on their taxable income. If the tax offset exceeds the total tax payable by the shareholder on their taxable income, the shareholder, other than a corporate shareholder, may be entitled to a refund of that excess. The tax offset may not be available in certain circumstances.

(b) Limits on availability of franking credits and tax offsets

(i) Overview

There are a number of rules which may deny shareholders participating in the Buy-Back Tender from claiming the benefit of tax offsets arising from the franked distribution component of the Buy-Back Tender Price.

These rules are designed to, amongst other things, discourage trading in franking credits. These rules may deny the benefit of tax offsets and franking credits to shareholders generally, or because of their particular circumstances. Where the rules apply, a shareholder may be denied the benefit of tax offsets and franking credits on the franked distribution deemed to have been received under the Buy-Back Tender.

Telstra is seeking confirmation from the ATO in the Class Ruling that the ATO will not make a determination to deny shareholders generally the benefit of tax offsets on the franked distribution under the Buy-Back Tender.

(ii) Holding Period – 45 day rule

Generally, resident shareholders should have regard to the operation of the 45 day rule in relation to their participation in the Buy-Back Tender.

Shareholders who are individuals and whose total franking credit entitlement for the income year does not exceed \$5,000 may not be subject to the 45 day rule.

The 45 day rule is complex. However, to put it in simple terms, the 45 day rule requires a resident shareholder in certain circumstances to have held their Shares ‘at risk’ and free of related payment obligations for a specified period in order to ‘qualify’ for the franking credit on the franked distribution, including the franked Dividend Component.

The 45 day rule operates on a last-in-first-out basis. This means that for the purposes of the Buy-Back Tender, a shareholder will be deemed to have disposed of their most recently acquired Shares for the purpose of applying the 45 day rule. Generally, the ATO accepts that Shares acquired on or after the Ex-entitlement date will be excluded from the last-in-first-out rule. This means that Shares you acquire on the ASX on or after Thursday, 18 August 2016 should not be treated as being disposed of under the Buy-Back Tender for the purposes of the 45 day rule.

In addition, where the shareholder is under an obligation to make related payments in respect of the franked distribution arising on the Buy-Back Tender Price, the shareholder may not qualify for the tax offset or franking credit. An example of a related payment would be a dividend swap arrangement.

(c) Dividend Component – impact for corporate shareholders

The above summary of the tax consequences for the Dividend Component received by a shareholder applies equally to individuals, trusts and corporate shareholders. However, where a shareholder is a corporate entity:

- that shareholder will not be entitled to a refund of tax in relation to franking credits attached to the Dividend Component where the tax offset arising in respect of those credits exceeds the tax payable by the shareholder;
- a franking credit (equal to the franking credit on the franked distribution) will arise in their franking account; and
- any capital loss realised from participating in the Buy-Back Tender will be reduced if the shareholder is taken to receive a franked Dividend Component.

4.3. Australian resident shareholders – CGT treatment of Shares bought back**(a) Generally**

An Australian resident shareholder participating in the Buy-Back Tender will be deemed, for CGT purposes, to have disposed of each Share for the Deemed Capital Proceeds.

Generally, the CGT cost base for a Share will be the amount the shareholder paid to acquire the Share together with certain incidental costs of acquisition, for example stamp duty and brokerage, and certain incidental costs of disposal.

A shareholder participating in the Buy-Back Tender should be taken, for CGT purposes, to have disposed of their Shares when Telstra accepts the Tender. This is expected to be no later than Monday, 3 October 2016.

(b) Capital gain or capital loss? – Australian resident shareholder other than a corporate resident shareholder

A shareholder will make a capital gain if the Deemed Capital Proceeds exceeds the CGT cost base of the Share. Where such a capital gain arises to an individual, a trust or a complying superannuation fund, they may be entitled to the CGT discount if they have held the Share for at least 12 months before the Buy-Back Tender Date. Where the CGT discount applies, the capital gain will be reduced by 50% for an individual or a trust, or 33.3% for a complying superannuation fund.

A capital loss for a Share disposed of under the Buy-Back Tender will be the excess of the CGT cost base of the Share over the Deemed Capital Proceeds. No allowance for indexation is made in determining the cost base of the Share for this purpose.

A capital loss that arises from the Buy-Back Tender can only be used to offset capital gains made by the resident shareholder. Capital losses not used in an income year may be carried forward to be used in a later income year.

(c) Capital gain or capital loss? – A corporate resident shareholder

A corporate resident shareholder will make a capital gain if the Deemed Capital Proceeds exceeds the CGT cost base of the Share.

A capital loss for a corporate resident shareholder is determined by reducing the amount by which the CGT cost base of the Share exceeds the Deemed Capital Proceeds (with no allowance for indexation) by the lesser of:

- the fully franked Dividend Component; and
- the amount of the excess.

4.4. Non-resident shareholders – treatment of franked Dividend Component

A non-resident shareholder will not be liable to Australian withholding tax on any part of the Buy-Back Tender Price.

4.5. Non-resident shareholders – CGT treatment of Shares bought back

An Australian CGT liability should not arise for a non-resident participating in the Buy-Back Tender unless the non-resident together with its 'associates' holds, or at any time during a 12 month period in the preceding two years held, 10% or more of the issued shares of Telstra.

4.6. Tax table

The table below provides illustrative examples of the potential tax consequences for Australian resident individuals (see columns marked 'Individual'), and Australian complying superannuation funds (see column marked 'Superfund'), from participating in the Buy-Back Tender.

The table also provides a comparison of the potential after-tax proceeds of participating in the Buy-Back Tender and a sale of the Shares on the ASX. In addition to the table set out below, Telstra has provided a tax calculator to assist shareholders consider the potential Australian tax consequences for them – please go to: telstra.com/buyback if you wish to use this.

The determination of the after-tax proceeds from participation in the Buy-Back Tender includes an amount in relation to the value of the capital loss which may arise as a result of participation in the Buy-Back Tender. The value of the capital loss is dependent on the particular circumstances of the shareholder, in particular whether the loss will be able to be used by that shareholder to reduce a realised capital gain.

The table assumes that the shareholder will be able to take advantage of the capital loss in the income year in which it arises.

It is important to understand that the table is an example only and is based on a number of assumptions including:

- a Buy-Back Tender Price which may not be the actual Buy-Back Tender Price. The actual Buy-Back Tender Price and the amount of the franked distribution will not be known until after the Buy-Back Tender closes; and
- Deemed Capital Proceeds, which may change (see section 4.1(b)). The actual Deemed Capital Proceeds will not be known until after the Buy-Back Tender closes.

It is also based on a number of assumptions as to the proceeds of the sale of the Shares on the ASX. In particular, the figures in the table assume that the Shares will trade on the ASX for an amount that is equal to the CGT Value of the Shares.

In any event, the tax consequences for an individual or complying superannuation fund participating in the Buy-Back Tender or selling the Shares on the ASX may be different from the example because of their particular circumstances.

The amounts calculated under the table will not necessarily reflect the actual tax consequences for you if you choose to participate in the Buy-Back Tender or if you sell your shares on the ASX.

Example: Income tax and CGT consequences per Share from participating in the Buy-Back Tender (based on an illustrative Buy-Back Tender Price of \$4.82, an illustrative CGT Value of \$5.60, an illustrative CGT cost base of \$4.00 and assuming that the proceeds received from an on market sale are the same as the illustrative CGT Value).

Per Share A\$	Methodology	Australian resident individuals ¹					
		Super fund 15.00% tax rate	\$0 - \$18,200 0.00% tax rate	\$18,201 - \$37,000 21.00% tax rate	\$37,001 - \$80,000 ² 34.50% tax rate	\$80,001 - \$180,000 39.00% tax rate	\$180,001 and over 49.00% tax rate
Australian tax implications of sale of shares in the Buy-Back							
Income tax consequences (deemed dividend)							
Illustrative Buy-Back Price ³	A	4.82	4.82	4.82	4.82	4.82	4.82
Less: Capital Component	B	1.78	1.78	1.78	1.78	1.78	1.78
Assumed Dividend Component	C = A - B	3.04	3.04	3.04	3.04	3.04	3.04
Add: Gross-up for franking credits ⁴	D = C x 30/70	1.30	1.30	1.30	1.30	1.30	1.30
Assessable income	E = C + D	4.34	4.34	4.34	4.34	4.34	4.34
Less: Tax on that assessable income	F = E x tax rate	0.65	0.00	0.91	1.50	1.69	2.13
Add: Tax offset for franking credits ⁴	G = D	1.30	1.30	1.30	1.30	1.30	1.30
After tax dividend proceeds	H = C - F + G	3.69	4.34	3.43	2.84	2.65	2.21
CGT consequences							
Capital Component	B	1.78	1.78	1.78	1.78	1.78	1.78
Excess of CGT Value ⁵	I	0.78	0.78	0.78	0.78	0.78	0.78
Deemed Capital Proceeds	J = B + I	2.56	2.56	2.56	2.56	2.56	2.56
Less: Illustrative cost base	K	4.00	4.00	4.00	4.00	4.00	4.00
Nominal capital (loss)/gain	L = J - K	(1.44)	(1.44)	(1.44)	(1.44)	(1.44)	(1.44)
Discounted capital (loss)/gain ⁶	M = L x (1 - discount factor)	(0.96)	(0.72)	(0.72)	(0.72)	(0.72)	(0.72)
Tax impact of capital loss/(gain) ⁶	N = -M x tax rate	0.14	0.00	0.15	0.25	0.28	0.35
Add: Capital Component	B	1.78	1.78	1.78	1.78	1.78	1.78
After tax capital proceeds	O = N + B	1.92	1.78	1.93	2.03	2.06	2.13
Total after tax proceeds⁹	P = H + O	5.61	6.12	5.36	4.87	4.71	4.34
Australian tax implications of sale of shares on ASX							
Sale consideration ⁷	Q	5.60	5.60	5.60	5.60	5.60	5.60
Less: Illustrative cost base	K	4.00	4.00	4.00	4.00	4.00	4.00
Nominal capital (loss)/gain	R = Q - K	1.60	1.60	1.60	1.60	1.60	1.60
Discount capital (loss)/gain ⁶	S = R x (1 - discount factor)	1.07	0.80	0.80	0.80	0.80	0.80
Tax on capital loss/(gain) ⁶	T = -S x tax rate	(0.16)	0.00	(0.17)	(0.28)	(0.31)	(0.39)
Total after tax proceeds⁸	U = Q + T	5.44	5.60	5.43	5.32	5.29	5.21

- The tax rates for Australian resident individuals include the Medicare Levy of 2%. The Medicare Levy depends on the individual's own circumstances. The tax rate for Australian resident individuals with a taxable income over \$180,000 also includes the 2% Temporary Budget Repair Levy.
- As part of the 2016-17 Federal Budget, the Commonwealth Government announced that from 1 July 2016, the 34.5% (including Medicare Levy) personal income tax threshold will increase from \$80,000 to \$87,000. As at the date of this Booklet, however, legislation implementing this increase has not been passed. The ATO has indicated that it will not "administratively" deliver the increase until such time as the measure is legislated. It is assumed that the personal income tax threshold measure will not be legislated by the time that the Buy-Back Tender is undertaken. Once the increase is passed, Australian resident shareholders should read the references to "\$80,000" and "80,001" in the table to "\$87,000" and "\$87,001" (respectively) instead.
- This is for illustrative purposes only. You should not rely on this price as being the actual Buy-Back Tender Price. The procedure to determine the Buy-Back Tender Price is explained in section 2.16.
- Assuming that the shareholder receives the full tax offset arising from the franking credits.
- The amount (if any) by which the CGT Value exceeds the Buy-Back Tender Price, as outlined in section 4.3.
- The value is illustrative only. The value of a loss ultimately depends on the taxpayer's own circumstances. This assumes that the loss arising on the sale of the Shares can be utilised to reduce a discounted capital gain arising in the same income year. For a discussion on the CGT discount, see section 4.3(b).
- This value is illustrative only. It has assumed that the sale consideration on the ASX is the same as the deemed market value for CGT purposes.
- It is assumed that no brokerage is paid.
- The Total after tax proceeds assumes that the shareholder is eligible to utilise the whole of the capital loss that arises from participating in the Buy-Back Tender in the same income year. This is a critical assumption, if you are a shareholder and are unable to utilise all of the capital loss, please refer to the tax calculator at telstra.com/buyback.

5. Effect of the Buy-Back Tender on Telstra

5.1. Summary of full year results and outlook

On Thursday, 11 August 2016, Telstra announced its full year results for the 12 month period ended 30 June 2016. Those announced results included:

- On a reported basis from continuing operations, total income¹ increased 3.6 per cent to \$27.1 billion and EBITDA decreased 0.6 per cent to \$10.5 billion.
- On a guidance basis², total income increased 6.3 per cent to \$28.3 billion, EBITDA increased 2.6 per cent to \$11.0 billion and free cash flow was \$4.8 billion.
- Net profit after tax (from continued and discontinued operations) increased 35.9 per cent to \$5.8 billion, including \$1.8 billion from the sale of Autohome shares. Earnings per share increased 37.4 per cent to 47.4 cents.
- Telstra delivered on its guidance for FY2016.
- Telstra announced a fully franked final dividend of 15.5 cents per share, bringing the total dividend for the financial year to 31.0 cents per share, up 1.6 per cent on the prior year, distributing \$3.8 billion to shareholders.
- Telstra announced it would return \$1.5 billion to shareholders through share buy-backs in addition to the final dividend.
- Telstra announced it was committing to invest up to an extra \$3 billion over the next three years on networks of the future and digitisation to drive improvements in customer experiences.
- Telstra added new customers across key products, including 560,000 domestic retail mobile customer services and 235,000 domestic retail fixed broadband customers.
- Telstra delivered a productivity program and reduced fixed costs on a year on year basis. Adjusting for significant transactions and events, fixed costs were down 0.6 per cent for the year.

Telstra delivered another solid result for shareholders, growing revenue and EBITDA on a guidance basis, adding new customers and again provided consistent shareholder returns. However, the FY2016 financial results have been influenced by increasing competition, the changing product mix of earnings and acceleration in the rollout of the **nbn**TM network.

There is no doubt that competitive intensity has increased across Telstra's segments and products. The rollout of **nbn**TM network has progressed and the pace of technology innovation has continued to accelerate. This highlights the importance of Telstra's vision to become a world class technology company and continued efforts to improve customer advocacy, drive value and growth from the core businesses and build new growth businesses.

Telstra announced on 11 August 2016 that it will invest up to an extra \$3 billion over the next three years on new investments in networks and business investments designed to help continue to maintain Telstra's strategic advantage in a competitive environment. The new investments will go towards transforming the next generation of networks, with a focus on the next stage of mobile network innovation including preparation for 5G, as well as strategic investments in fixed network services. Telstra's digitisation program will include investing in simplifying and automating our business to enhance customer experience. This new wave of investment will position Telstra to deliver significant customer benefits and reinforce market differentiation over the longer-term, as well as deliver business benefits such as capital efficiency, reduced operating costs and increased revenue.

As a result of this investment, Telstra's capex to sales ratio³ in each of the next three financial years will increase to approximately 18 per cent, the highest since 2008–09 as Telstra was building up its 3G network. Details of the investment program would be progressively confirmed during FY2017 to FY2019, and will continue to be aligned with Telstra's capital management framework and target returns in excess of its return on invested capital (ROIC), consistent with investment guidelines for organic investments.

In FY2017, Telstra expects to deliver mid to high-single digit income growth and low to mid-single digit EBITDA growth. Free cashflow is expected to be between \$3.5 billion and \$4.0 billion and capital expenditure to be approximately 18 per cent of sales. This guidance assumes wholesale product price stability and no impairments to

1. Excluding finance income.
2. This guidance assumed wholesale product price stability from the beginning of the year and no impairments to investments, and excluded any proceeds on the sale of businesses, mergers and acquisitions and purchase of spectrum.
3. This assumes wholesale product price stability and excludes mergers and acquisitions and purchase of spectrum. The capex to sales ratio also assumes the **nbn**TM rollout is in accordance with the **nbn** Corporate Plan 2016 and excludes externally funded capex.

investments, and excludes any proceeds on the sale of businesses, mergers and acquisitions and purchase of spectrum. The guidance also assumes the **nbn**TM rollout is in accordance with the **nbn** Corporate Plan 2016. Capex to sales guidance excludes externally funded capex. Guidance excludes the Ooyala impairment in FY2016 and restructuring costs in FY2017 of \$300 million to \$500 million.

Electronic copies of Telstra's 2016 Annual Report (which includes the financial report for the year ended 30 June 2016 on pages 76 to 158) and its full-year results presentation are available on the Telstra website at telstra.com/investor. In conjunction with the release of its 2016 full year results, Telstra made a separate announcement that it would invest up to an extra \$3 billion over three years on next generation network leadership, digitisation and customer experiences. This information, and other announcements made by Telstra on or after the date of this Booklet, may be of interest to shareholders. The Annual Report and any such announcements can be found on Telstra's website at telstra.com/investor.

5.2. Corporate activity

Shareholders should be aware that Telstra may be involved in exploratory discussions with third parties from time to time regarding potential corporate transactions and other strategic initiatives. In the event that a significant corporate transaction develops as a result of these discussions, and it is not appropriate to immediately disclose the transaction, it may become necessary for Telstra to terminate or extend the Buy-Back Tender to ensure that the Buy-Back Tender only proceeds in circumstances where shareholders are fully informed of all material information. Any decision to terminate or extend the Buy-Back Tender will only be made after due consideration of the best interests of Telstra's shareholders.

5.3. How will the Buy-Back Tender be funded?

The Buy-Back Tender (and the subsequent intended on-market buy-back) is expected to be funded from Telstra's cash reserves reflected in Telstra's surplus cash and accumulated retained profits (including from the recent Autohome divestiture). Given the strength of Telstra's financial position, it will remain strongly capitalised after completion of the Buy-Back Tender (and the subsequent intended on-market buy-back) and maintain balance sheet settings consistent with a single 'A' credit rating. The Buy-Back Tender (and the subsequent intended on-market buy-back) is not expected to compromise Telstra's ability to invest in growth.

5.4. Impact of the Buy-Back Tender on key financial indicators

The precise impact of the Buy-Back Tender cannot be determined until the Buy-Back Tender Price and the size of the Buy-Back Tender are finalised. However, the Buy-Back Tender is expected to improve Telstra's earnings per share, cash flow per share and return on equity. The more Shares that are purchased, the greater the expected enhancement of these metrics. As the Buy-Back Tender is expected to be funded from Telstra's cash reserves, the net gearing, and therefore the net interest expense of Telstra is expected to increase, but this is not expected to compromise its balance sheet settings being consistent with a single 'A' credit rating.

For completeness, you should also note that Telstra intends to buy back a further \$250 million of its shares after the completion of the Buy-Back Tender through an on-market buy-back. The on-market buy-back is also not expected to compromise Telstra's balance sheet settings with reference to the credit rating above.

5.5. Impact of the Buy-Back Tender on Telstra's franking account

The amount of franking credits that will be utilised under the Buy-Back Tender will depend on the outcomes of the Buy-Back Tender process and, in particular, will not be known until the Buy-Back Tender Price and the total size of the Buy-Back Tender are determined. By way of illustration only, if it is assumed that \$1.25 billion worth of Shares are bought back under the Buy-Back Tender at a 14% discount to a Market Price of \$5.60, approximately \$375 million of franking credits would be utilised (please be aware that this is an example only). However, Telstra has estimated the potential impacts of the Buy-Back Tender on its franking credit balance, and on the basis of those

estimates, those impacts are not expected to be adverse to Telstra's ability to continue to fully frank future ordinary dividends in accordance with Telstra's Capital Management Framework.

For completeness, the \$250 million on-market buy-back intended to be conducted by Telstra after the completion of the Buy-Back Tender will not have any impact on Telstra's franking account.

5.6. Impact of the Buy-Back Tender on Telstra's balance sheet

The table shown below sets out Telstra's summarised balance sheet and a pro-forma summarised balance sheet as at 30 June 2016

assuming \$1.25 billion of Shares are bought back under the Buy-Back Tender at a Buy-Back Tender Price of \$4.82 at a Buy-Back Tender Discount of a 14% discount to an assumed share price of \$5.60 (please be aware that this is an example only and you should not rely on this price as being the Buy-Back Tender Price). The value of Shares actually bought back will be determined by Telstra.

The table also shows the combined impact of the Buy-Back Tender and the on-market buy-back of \$250 million intended to be conducted by Telstra after completion of the Buy-Back Tender.

	Reported as at 30 June 2016	Adjustment for Buy-Back Tender	Pro-forma balances as at 30 June 2016	Adjustment for on-market buy-back	Pro-forma balances as at 30 June 2016
	\$m	\$m	\$m	\$m	\$m
Current assets					
Cash and cash equivalents	3,550	(1,250)	2,300	(250)	2,050
Trade and other receivables	4,737		4,737		4,737
Inventories	557		557		557
Derivative financial assets	62		62		62
Current tax receivables	8		8		8
Prepayments	426		426		426
Total current assets	9,340	(1,250)	8,090	(250)	7,840
Non-current assets					
Trade and other receivables	1,293		1,293		1,293
Inventories	29		29		29
Investments – accounted for using the equity method	171		171		171
Investments – other	394		394		394
Property, plant and equipment	20,581		20,581		20,581
Intangible assets	9,229		9,229		9,229
Derivative financial assets	2,180		2,180		2,180
Deferred tax assets	54		54		54
Defined benefit assets	15		15		15
Total non-current assets	33,946	0	33,946	0	33,946
Total assets	43,286	(1,250)	42,036	(250)	41,786
Current liabilities					
Trade and other payables	3,948		3,948		3,948
Employee benefits	913		913		913
Other provisions	92		92		92
Borrowings	2,655		2,655		2,655
Derivative financial liabilities	286		286		286
Current tax payables	176		176		176
Revenue received in advance	1,118		1,118		1,118
Total current liabilities	9,188	0	9,188	0	9,188
Non-current liabilities					
Other payables	66		66		66
Employee benefits	169		169		169
Other provisions	127		127		127
Borrowings	14,647		14,647		14,647
Derivative financial liabilities	663		663		663
Deferred tax liabilities	1,493		1,493		1,493
Defined benefit liability	4		4		4
Revenue received in advance	1,022		1,022		1,022
Total non-current liabilities	18,191	0	18,191	0	18,191
Total liabilities	27,379	0	27,379	0	27,379
Net assets	15,907	(1,250)	14,657	(250)	14,407
Equity					
Share capital	5,167	(462)	4,705	(250)	4,455
Reserves	62		62		62
Retained profits	10,642	(788)	9,854		9,854
Equity available to Telstra Entity shareholders	15,871	(1,250)	14,621	(250)	14,371
Non-controlling interests	36		36		36
Total equity	15,907	(1,250)	14,657	(250)	14,407

5.7 Impact of the Buy-Back Tender on Telstra's issued shares

As at Wednesday, 10 August 2016, Telstra had on issue 12,225,655,836 ordinary Shares. The number of Shares to be bought back under the Buy-Back Tender will depend on what the Market Price, the Tender Discount and the size of the Buy-Back Tender are ultimately determined to be.

The table below sets out the number of Shares and the percentage of total issued Shares which would be bought back at different Buy-Back Tender Prices assuming a Market Price of \$5.60 and that a total of \$1.25 billion worth of Shares are bought back under the Buy-Back Tender. All Shares that Telstra buys back will be cancelled.

Tender Discount	Buy-Back Tender Price assuming a Market Price of \$5.60	Number of Shares bought back	Percentage of total issued shares
14%	\$4.82	259.3m	2.12%
13%	\$4.87	256.7m	2.10%
12%	\$4.93	253.5m	2.07%
11%	\$4.98	251.0m	2.05%
10%	\$5.04	248.0m	2.03%
9%	\$5.10	245.1m	2.00%
8%	\$5.15	242.7m	1.99%
7%	\$5.21	239.9m	1.96%
6%	\$5.26	237.6m	1.94%

The on-market buy-back of \$250 million intended to be conducted by Telstra after completion of the Buy-Back Tender will further reduce the total number of Shares. The number of Shares to be

bought back under the on-market buy-back will depend on the various prices at which Shares are bought on-market during the relevant period. However, by way of example only, if \$250 million of Shares were bought back on market during the relevant period at an average of \$5.60, the on-market buy-back would result in a further 44,642,857 Shares being bought back, representing a further 0.37% of the current total issued shares of Telstra.

5.8 What effect will the Buy-Back Tender have on the control of Telstra?

Given the percentage of issued Shares Telstra expects to buy back under the Buy-Back Tender and the diversity of the Telstra share register, there will be no change of control implications for Telstra from either the Buy-Back Tender or the subsequent proposed on-market buy-back.

5.9 Forward looking statements

Certain statements contained in this Booklet, including statements in sections 5.1 and 5.6 above, and statements regarding the implementation of the Buy-Back Tender and its effect on Telstra's business and securities, may constitute "forward-looking statements". Forward-looking statements also include those containing such words as "anticipate", "estimates", "should", "will", "expects", "plans" or similar expressions. Forward-looking statements involve risks and uncertainties that may cause actual outcomes to be different from the forward-looking statements (such as those previously released to the market or set out in this document). Telstra undertakes no obligation to revise the forward-looking statements included in this Booklet to reflect any future events or circumstances.

Telstra's actual results, performance or achievements could differ materially from the results 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 pursuant to the Buy-Back Tender Invitation, the Buy-Back Tender Price and general trading and economic conditions affecting Telstra.

Further information about Telstra, its business and factors affecting its operations is contained in Telstra's 2016 Annual Report and other reports, which can be accessed at telstra.com/investor.

6. Additional information on the Buy-Back Tender

This section sets out further details of the Buy-Back Tender including important information for joint shareholders, trustees and nominees.

6.1 Size of the Buy-Back Tender

ASIC has granted Telstra an exemption under subsection 257D(4) of the Corporations Act to permit Telstra to conduct the Buy-Back Tender as an equal access scheme. Further details of the exemption granted by ASIC are set out in section 6.15.

Under the Corporations Act, Telstra may, without shareholder approval, buy back any number of Shares under an equal access scheme, provided that the number of voting shares bought back in the Buy-Back Tender and in any other buy-back conducted in the last 12 months, does not exceed 10 per cent of the smallest number, at any time during the 12 months preceding the Buy-Back Tender, of votes attaching to Telstra's voting shares. Telstra does not intend to buy back more than approximately \$1.25 billion worth of Shares under this Buy-Back Tender, and retains the discretion to buy back any lesser number of Shares or no Shares at all. Telstra also retains the discretion to increase the size of the Buy-Back Tender, however, any increase in the size of the Buy-Back Tender will not result in Telstra

exceeding the 10 per cent in 12 months limit.

If, at the end of the Tender Period, Telstra has determined the number of Shares to be bought back (if any), but has received Tenders to sell at or below the Buy-Back Tender Price (including Final Price Tenders) that in aggregate amount to, or to less than, that number so determined, then all Shares tendered at a Tender Discount lower than the Buy-Back Tender Discount will be rejected and all Shares tendered at the Buy-Back Tender Discount, at a Tender Discount greater than the Buy-Back Tender Discount and as Final Price Tenders will be bought back in full.

6.2 Ineligible Foreign Shareholders and ADRs

This Buy-Back Tender Invitation is not being made to any Ineligible Foreign Shareholders.

In addition, holders of ADRs are not eligible to participate in the Buy-Back Tender in their capacity as a holder of an ADR.

Specifically, any person who is (or who is acting on behalf of or for the account of a person who is) in the United States or who is a US Person is not entitled to participate, directly or indirectly, in the Buy-Back Tender. The Buy-Back Tender Invitation will also not be sent to any

shareholder who has a registered address in Canada. Copies of the Buy-Back Tender Documents are not being mailed to or otherwise distributed or sent into the United States or Canada.

Any person receiving any of the Buy-Back Tender Documents must not, directly or indirectly, distribute or send them into the United States or make them available to any US Person (including to any legal or beneficial owner of Telstra shares that is a US Person) or any person who is located in the United States.

Telstra will not accept Tender Forms:

- from any person who does not represent that they are not (and they are not acting on behalf of or for the account of a person who is) located or resident in the United States or a US Person or otherwise an Ineligible Foreign Shareholder; or
- that have been postmarked in the United States or that otherwise appear to Telstra or its agents to have been sent from the United States.

By submitting a Tender Form, you warrant that you are not an Ineligible Foreign Shareholder.

6.3. Telstra employee share schemes

If you hold Shares as part of a Telstra employee share scheme, the terms of that scheme may restrict your ability to participate in the Buy-Back Tender. Set out below is a brief description of the potential restrictions arising from the terms of the relevant schemes. You should read these carefully and if you have any further questions, contact the Telstra Employee Equity Plans Registry information line on +61 1300 303 199.

Telstra Employee Share Ownership Plan II (TESOP 99)

Under TESOP 99, employees were able to fund the acquisition of certain Shares with an interest free non-recourse loan from Telstra. Under the terms of the plan, the relevant Shares are held by the TESOP Trustee on behalf of the participating employee and cannot be dealt with by the participating employee unless the TESOP 99 Loan has been repaid.

Current Telstra employee participants in TESOP 99 can at any time elect to:

- repay the TESOP 99 Loan and have the relevant Shares transferred to them; or
- arrange through the TESOP Trustee the sale of the relevant Shares where the proceeds of sale (less costs of sale) are sufficient to repay the TESOP 99 Loan.

If you hold Shares under TESOP 99, you may participate in the Buy-Back Tender in respect of the Shares held by the TESOP Trustee by:

- repaying your outstanding TESOP 99 Loan in respect of the relevant Shares by the TESOP Loan Pay-Out Date and becoming the registered owner and submit a Tender Form prior to the close of the Tender Period on Friday, 30 September 2016; or
- arranging for the TESOP Trustee to tender the relevant Shares into the Buy-Back Tender on your behalf (provided the proceeds of sale (less costs of sale) are sufficient to repay the TESOP 99 Loan).

As a result of the taxation treatment of the amount received for Shares bought back from the TESOP Trustee by Telstra under the Buy-Back Tender, arranging for the TESOP Trustee to tender the relevant Shares may not be the preferable means of participation for you. You should also note that you currently have the benefit of the interest free TESOP 99 Loan, which will need to be repaid if you participate in the Buy-Back Tender.

Employees participating in TESOP 99 should refer to the separate email sent to you by the TESOP Trustee for further information on participation in the Buy-Back Tender. If you have not yet received the email and you are interested in participating in the Buy-Back Tender, or if you have any other queries about tendering your TESOP Shares, please contact the Telstra Employee Equity Plans Registry information line on +61 1300 303 199.

Other employee share schemes

Telstra operates (or previously operated) the following share ownership plans for executives and employees.

(i) Short term incentive restricted shares for executives and restricted shares for certain executives

Shares are held in trust for the executives until the first business day after the end of a specified restriction period that they or “designated persons” under Telstra’s Securities Trading Policy are able to deal in the Shares under that policy (“**First Trading Window Date**”). This restriction period may be shortened in certain limited circumstances. During this period, executives have agreed that they cannot deal in the Shares.

Under this scheme, where the First Trading Window Date has not occurred on or before the Buy-Back Tender Record Date, the relevant executive will not be able to participate in the Buy-Back Tender (and even though the registered holder of the relevant Shares (i.e. the Growthshare Trustee) will receive an invitation to participate).

If the relevant First Trading Window Date has occurred on or before the Buy-Back Tender Record Date, the executive may participate in the Buy-Back Tender in respect of the relevant Shares.

(ii) Long term incentive performance rights for executives

Performance rights entitle an executive to Shares at the end of a performance period, subject to the satisfaction of specified performance measures. If, at the completion of the performance period the performance measures have in whole or in part been met, the performance rights may vest as Shares. However, these Shares are held in trust for the executives until the First Trading Window Date. During this period, executives have agreed that they cannot deal in the Shares. Under this scheme, where:

- the performance rights have not yet vested; or
- the performance rights have vested but the First Trading Window Date in respect of the relevant Shares has not occurred on or before the Buy-Back Tender Record Date,

the relevant employee will not be able to participate in the Buy-Back Tender in respect of the performance rights or in respect of the vested Shares (and even though the registered holder of the relevant Shares (i.e. the Growthshare Trustee) will receive an invitation to participate in respect of any vested Shares).

If the performance rights have vested into Shares, and the relevant First Trading Window Date has occurred on or before the Buy-Back Tender Record Date, the employee may participate in the Buy-Back Tender in respect of the relevant Shares.

(iii) Australian and International employee share plans

Shares are held in trust for employees until the end of a 3 year restriction period (which may be shortened in certain limited circumstances). During this restriction period, participating employees have agreed that they cannot deal in the Shares. For participants in the Australian employee share plan, the restriction period ends earlier (and the Shares are transferred to the employee) if an employee ceases employment with the company that employed them at the time the Shares were allocated or another Telstra group company. Participants in the International employee share plan lose their Shares if they cease employment with the Telstra group during the 3 year restriction period for reasons other than death or total and permanent disablement.

Under these schemes, where the restriction period has not expired before the Buy-Back Tender Record Date, the relevant employee will not be able to participate in the Buy-Back Tender (and even though the registered holder of the relevant Shares (i.e. the Growthshare Trustee) will receive an invitation to participate).

If the relevant restriction period has expired, the employee may be eligible to participate in the Buy-Back Tender in respect of the relevant Shares.

6.4. Restrictions on Tender acceptances

Telstra will not accept any Tender it may not lawfully accept or which, if accepted, would give rise to an illegal or unenforceable Buy-Back Tender Contract or a Buy-Back Tender Contract which Telstra cannot otherwise lawfully perform.

Section 8BH of the Telstra Corporation Act prohibits an ‘unacceptable foreign ownership situation in relation to Telstra. In general, such a situation would arise if a group of foreign persons held (in total) more

than 35% of Telstra's Shares or any one foreign person held more than 5% of Telstra's Shares (see section 8BG of the Telstra Corporation Act). To the extent necessary, Telstra will not accept any Tender or apply the scale back mechanism if acceptances of the application of the scale back mechanism would cause a contravention of the Telstra Corporation Act.

Without limiting the rights that Telstra otherwise has in relation to Tenders, a Tender submitted by an Ineligible Foreign Shareholder or an ADR holder will not be accepted by Telstra.

This Buy-Back Tender Invitation is not made to persons to whom the Buy-Back Tender Invitation may not lawfully be made, or to persons whose participation in the Buy-Back Tender is not permitted under the laws of the jurisdiction in which they are resident. Without limiting the rights that Telstra otherwise has in relation to holders of ADRs to Tenders, a Tender submitted by such a person will not be accepted by Telstra.

6.5. Shares held by trustees and nominees

Trustees and nominees who hold Shares should inform the beneficial owners of the Shares about the Buy-Back Tender, subject to any legal restrictions in the countries where such beneficial owners are resident and provided such persons are not Ineligible Foreign Shareholders, and then aggregate all Tenders received from beneficial owners. It is the responsibility of the trustee or nominee to complete one aggregate Tender Form on behalf of all beneficial owners.

In particular, trustees or nominees who hold Shares on behalf, or for the account, of each of the following persons or entities must not inform any such person or entity of the Buy-Back Tender: (i) a person located or resident in the United States; (ii) a US Person; (iii) an agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States; or (iv) a person who has a registered address in Canada. It is the responsibility of the trustee or nominee to ensure that, when completing an aggregated Tender Form, it does not include any Tender on behalf of such persons.

Further, any scale back that applies to Shares tendered by trustees or nominees will be performed on a registered shareholder basis.

6.6. Joint shareholders

If you hold your Shares jointly with another person (for example, your spouse) you must complete and return the Tender Form in accordance with the instructions for joint holdings on the Tender Form.

Please note that you will receive a personalised Tender Form for each separate registered holding of Shares (for example, if you hold some Shares in your name and some Shares jointly with another person, you will receive two Tender Forms). You may tender Shares in the Buy-Back Tender from any or all of your separate registered holdings provided that you complete the Tender Form(s) and follow the instructions on each Tender Form for each holding you wish to tender. Any scale back that applies to Shares tendered from more than one of your registered holdings of Shares will be applied to each of those registered holdings as if they were held by different persons.

6.7. Margin lending and other arrangements

If you hold your Shares under margin lending arrangements or if they are held as security for a loan or as ASX Clear Pty Limited collateral, you should ensure that your participation in the Buy-Back Tender is permitted by those margin lending arrangements or the relevant loan and security documentation or by ASX Clear Pty Limited.

6.8. Restriction on the payment of Buy-Back Tender proceeds

Telstra will pay Telstra shareholders the Buy-Back Tender Price for each of their Shares that are bought back, unless it is prohibited by law or the terms of the Buy-Back Tender as set out in this booklet.

6.9. Rights under this Buy-Back Tender Invitation cannot be transferred

This Buy-Back Tender Invitation is personal to you. You cannot transfer your rights under this Buy-Back Tender Invitation.

6.10. The effect of submitting a Tender

A Tender constitutes an offer to sell the tendered Shares to Telstra on the terms and conditions set out in the Buy-Back Tender Documents.

A Tender does not, of itself, constitute a binding contract for the sale of the tendered Shares and cannot be enforced against Telstra.

Telstra retains the discretion to accept or reject any Tender, and may choose to reject all Tenders. If Telstra accepts your Tender, a binding Buy-Back Tender Contract is formed between you and Telstra, and you must sell the tendered Shares back to Telstra on the terms and conditions set out in the Buy-Back Tender Documents including the terms and conditions set out below.

By submitting a Tender, you:

- agree to the terms and conditions set out in the Buy-Back Tender Documents;
- offer to sell to Telstra on the Buy-Back Tender Date the number of Shares nominated for sale in your Tender or on your Tender Form (adjusted in accordance with the terms and conditions set out in the Buy-Back Tender Documents) at your nominated Tender Discount(s) and/or Final Price Tender (subject to any Minimum Price you have chosen);
- agree to any scale back announced by Telstra;
- agree that Telstra's announcement to the ASX on the Buy-Back Tender Date in relation to the Buy-Back Tender Price and other details is:
 - effective notice or communication of Telstra's acceptance of your Tenders that are submitted either:
 - at a Tender Discount equal to or greater than the Buy-Back Tender Discount; or
 - as a Final Price Tender (adjusted in accordance with the terms and conditions set out in the Buy-Back Tender Documents),
 and which are:
 - submitted in accordance with the Buy-Back Tender Documents; and
 - submitted at a price which is no less than your Minimum Price (if you have chosen one) and which is not rejected by Telstra; and
 - effective notice of Telstra's rejection of any of your Tenders submitted at a Tender Discount less than the Buy-Back Tender Discount or where your Minimum Price (if you have chosen one) is greater than the Buy-Back Tender Price;
- agree that a Buy-Back Tender Contract is formed for the purchase of the relevant Shares upon Telstra accepting your Tender in accordance with the terms and conditions of this Buy-Back Tender and posting an announcement on its website, and that the purchase of the relevant Shares is taken to occur at that time;
- waive any requirement to receive further notice or communication from Telstra of its acceptance or rejection of any Tender submitted by you;
- warrant to Telstra that:
 - at all times after you tender your Shares for sale into the Buy-Back Tender, and on the Buy-Back Tender Date, you are the registered holder of the Shares that you have tendered and that they are fully paid, free from any mortgage, charge, lien, or other encumbrances (whether legal or equitable) and from any third party rights and otherwise able to be sold freely by you;
 - you are a person to whom the Buy-Back Tender Invitation may lawfully be made, can receive the proceeds of the sale of your Shares, and whose participation in the Buy-Back Tender is permitted under the laws of the jurisdiction in which you are a resident, and that you are not an Ineligible Foreign Shareholder;
 - you are not (nor are you acting on behalf of or for the account of) a US Person, a resident of Canada, a person located or resident in the United States or a person who is otherwise an Ineligible Foreign Shareholder;
 - you have not distributed or sent any Buy-Back Tender Documents or other document referring to the Buy-Back Tender in or into the United States or Canada or to any US Person, ADR holder, resident of Canada or a person who is otherwise an Ineligible Foreign Shareholder;

- you have not utilised in connection with the Buy-Back Tender, directly or indirectly, mail or any means or instrumentality (including without limitation, facsimile transmission, telephone and internet) of interstate or foreign commerce of, or any facility of a national securities exchange of, the United States; and
- you are not tendering Shares represented by American depository shares that are evidenced by ADRs;
- authorise Telstra (and its officers, agents or contractors) to correct any error in or omission from your Tender Form and/or Withdrawal/Amendment Form, and to insert any missing details;
- undertake not to sell or offer to sell Shares to any other person if, as a result, you will at any time after you submit your Tender until the Buy-Back Tender Date hold fewer Shares than the number of Shares you have tendered;
- acknowledge that neither Telstra nor any other party involved in the Buy-Back Tender has provided you with financial product advice, or any securities recommendation, or has any obligation to provide this advice or recommendation, concerning your decision to participate in the Buy-Back Tender or the manner of any such participation;
- authorise Telstra to make payment by direct credit to your nominated bank account where your dividend payments are currently made and recorded on the Telstra share register at 7.00pm (Australian Eastern Standard Time) on the Closing Date and acknowledge that payments to this account will satisfy Telstra's obligations to pay you for any Shares bought back;
- undertake that if you breach any of these covenants, undertakings, agreements or warranties you will indemnify Telstra for all of its costs arising from the breach; and
- agree that damages are not an adequate remedy for breach of these covenants, undertakings, agreements, representations or warranties.

You will be taken to have submitted a Tender when the Telstra Share Registry receives a validly lodged Tender either electronically or via a Tender Form or, if you have a CHESS Holding, your Tender from your controlling CHESS participant through CHESS.

6.11. Telstra's right to accept or reject Tenders and Tender Forms

At any time, Telstra may (at its sole discretion):

- accept or reject any Tender or Tender Form; and
- accept or reject a Tender not made on the terms and conditions set out in the Buy-Back Tender Documents, or a Tender Form not submitted in accordance with the procedures set out in the Buy-Back Tender Documents.

Telstra will not accept any Tender or Tender Form that has been postmarked in the United States or otherwise appears to Telstra or its agents to have been sent from the United States or by an Ineligible Foreign Shareholder.

Telstra may do each of these things in relation to all or some of the Tenders or the Tender Forms it receives, in its absolute discretion.

6.12. Telstra's right to vary dates and times

While Telstra does not anticipate changing any of the dates and times set out in the Buy-Back Tender Documents (including, without limitation, the Closing Date and the Buy-Back Tender Date), it reserves the right to do so by announcement to the ASX and without any other notice. Without limitation, this may include extending the Closing Date. Such an announcement will be taken to amend this Booklet (and the other Buy-Back Tender Documents) accordingly.

Without limitation, Telstra reserves the right to terminate this Buy-Back Tender at any time prior to the date on which Telstra enters into Buy-Back Tender Contracts by making an announcement to the ASX to that effect.

6.13. Telstra's right to adjust Tenders

Telstra may, in its absolute discretion and at any time, deem any Tender it receives to be a valid Tender, disregard any Tender it believes should be disregarded and may waive any or all of the requirements

for making, amending or withdrawing a Tender. It may do each of these things in relation to some, all or any number of Tenders it receives.

If you are an Eligible Shareholder, you are entitled to sell in the Buy-Back Tender the lesser of:

- the number of Shares registered in your name on **Friday, 19 August 2016** (and, in accordance with the ASX Settlement Rules conferring an entitlement to participate in the Buy-Back Tender); and
- the number of Shares you hold as of the Closing Date, (your 'Entitled Shares').

If you submit one Tender for more than your Entitled Shares and Telstra accepts your Tender, Telstra will buy back only the number of your Entitled Shares.

If you submit more than one Tender and, in aggregate, you have tendered more than your Entitled Shares, Telstra will buy back only the number of your Entitled Shares in the following order of priority:

- Telstra will first buy back that number of Entitled Shares from the Tender you submitted with the highest Tender Discount which is equal to or greater than the Buy-Back Tender Discount or submitted as a Final Price Tender (and, if you have chosen one, where your Minimum Price condition is satisfied); and
- if, after the application of the above, you have Entitled Shares remaining, Telstra will next buy back your Entitled Shares from the Tender you submitted with the second highest Tender Discount which is equal to or greater than the Buy-Back Tender Discount (and, if you have chosen one, where your Minimum Price condition is satisfied) and will repeat this process until all of your Entitled Shares successfully tendered are bought back.

If you select more than one Minimum Price, your Tender will be deemed conditional on the highest Minimum Price you have specified.

6.14. Directors' entitlements

Directors are entitled to participate in the Buy-Back Tender, but the Telstra Board has determined that all Directors and certain members of management involved in the implementation of the Buy-Back Tender will not participate in the Buy-Back Tender in respect of Shares held beneficially by them or their closely related parties.

6.15. ASIC and ASX relief

ASIC relief

ASIC has granted Telstra an exemption under subsection 257D(4) of the Corporations Act. This exemption permits Telstra:

- to conduct the Buy-Back Tender in substantially the same manner as an equal access Buy-Back Tender, in accordance with Division 2 of Part 2J.1 of the Corporations Act;
- to use the scale back mechanism described in section 2.21;
- to invite all Telstra shareholders (other than Ineligible Foreign Shareholders and ADR holders) to offer for sale Shares in accordance with the terms and conditions of the Buy-Back Tender Invitation;
- to invite Exiting TESOP Participants to submit a Tender capable of acceptance by Telstra, notwithstanding that they are not Shareholders as at the Buy-Back Tender Record Date;
- to invite Telstra shareholders with 880 Shares or less to offer to sell Shares only if they submit one Tender for all their Shares at the same Tender Discount or as a Final Price Tender;
- to allow shares acquired on or after the Buy-Back Tender Ex-entitlement Date (whether under the DRP or on the ASX) to be acquired under the Buy-Back Tender if eligible as a Small Holding Tender, notwithstanding that those shares do not otherwise carry an entitlement to participate in the Buy-Back Tender; and
- not to accept any Tender received from an Ineligible Foreign Shareholder or ADR holder,

provided certain conditions are met, including that the Buy-Back Tender Price is calculated by applying the Tender Discount selected by Telstra following the end of the Tender Period to the Market Price and that Eligible Shareholders are permitted to lodge a Tender conditional on a Minimum Price.

ASX relief

The ASX has granted Telstra the following:

- a waiver from ASX Listing Rule 7.40 to permit Telstra to dispatch the Buy-Back Tender Documents to Telstra shareholders within ten business days after the Buy-Back Tender Record Date;
- a waiver from ASX Listing Rule 7.40 to allow Exiting TESOP Participants to participate in the Buy-Back Tender; and
- a waiver from ASX Listing Rule 3.8A to permit Telstra to lodge an Appendix 3F on the second business day after the Closing Date.

The ASX has also confirmed that it will treat the Buy-Back Tender as an equal access buy-back and will not require daily buy-back notifications (under Appendix 3E) to ASX during the Tender Period.

6.16. Privacy

Telstra is carrying out the Buy-Back Tender in accordance with the Corporations Act. This involves the collection of personal information contained in Tenders and Tender Forms to enable Telstra to process

your Tender. If you do not provide this information, Telstra may be hindered in, or prevented from, processing your Tender.

The personal information collected by Telstra will only be disclosed to Link Market Services Limited in its capacity as share registrar of Telstra, to a print and mail service provider, to Telstra's advisers in relation to the Buy-Back Tender and to financial institutions in respect of payments to you in connection with the Buy-Back Tender or as required or authorised by law.

If you wish to access the personal information collected by Telstra in relation to you shareholding, please write to Telstra, care of Link Market Services Limited at the mailing address set out in the Tender Form.

6.17. Applicable law

The Buy-Back Tender Invitation, your Tender and any Buy-Back Tender Contract generally are governed by the laws of Victoria, Australia.

7. Definitions and Interpretation

7.1. Definitions

ADR means an American Depositary Receipt evidencing an American Depositary Share, which currently represents five ordinary shares of Telstra.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691).

ASX Operating Rules means the operating rules of the ASX for the purposes of the Corporations Act as at the date of this instrument.

ASX Settlement means ASX Settlement Pty Limited (ABN 49 008 504 532).

ASX Settlement Rules means the operating rules of ASX Settlement.

ATO means the Australian Taxation Office.

Board or Telstra Board means the Board of Directors of Telstra.

Booklet means this buy-back booklet dated 11 August 2016.

Buy-Back Tender means the buy back of Shares by way of a tender process as set out in the Buy-Back Tender Documents.

Buy-Back Tender Contract means the contract formed on the Buy-Back Tender Date between you and Telstra if Telstra accepts your Tender.

Buy-Back Tender Date means the date and time Telstra announces to the ASX the Buy-Back Tender Price, the total number of Shares to be bought back and the details of any scale back.

Buy-Back Tender Discount means the discount to be selected by Telstra, being the largest discount within the range of 6% to 14% inclusive (at 1% intervals), which enables Telstra to buy back the number of Shares that it determines to buy back.

Buy-Back Tender Documents means this Booklet, the Tender Form and the Withdrawal/Amendment Form.

Buy-Back Tender Ex-entitlement Date means Thursday, 18 August 2016, being the date that Shares commence trading on the ASX on an ex-Buy-Back Tender basis. Shares acquired on or after this date will not confer an entitlement to participate in the Buy-Back Tender.

Buy-Back Tender Invitation means the invitation by Telstra to Eligible Shareholders to offer to sell Shares to Telstra as set out in the Buy-Back Tender Documents.

Buy-Back Tender Price means the price at which Telstra will buy back Shares from Tenders it accepts in the Buy-Back Tender, rounded:

- to the nearest cent (and for the avoidance of doubt, rounded up in the case of a half a cent); or
- up, if rounding to the nearest cent would involve a discount of greater than 14% to the Market Price.

This price is determined by applying the Buy-Back Tender Discount selected by Telstra to the Market Price.

Buy-Back Tender Record Date means Friday, 19 August 2016 being the date of determination of Telstra shareholders entitled to participate in, and the number of Telstra ordinary shares entitled to be tendered into, the Buy-Back Tender.

Capital Component means the capital component of the Buy-Back Tender Price (the amount per Share bought back which will be debited to Telstra's share capital account).

Capital Management Framework means the framework outlining how Telstra manages its capital announced by Telstra and available at telstra.com/investor

CGT means capital gains tax.

CGT Value means the value of the Shares determined in accordance with the following formula:

$$A \times \frac{B}{C}$$

where:

A = VWAP of the Shares traded on the ASX over the last five trading days before the first announcement of the Buy-Back Tender (i.e. Thursday, 11 August 2016), adjusted (in accordance with PSLA 2007/9) to take account of the FY2016 full-year fully franked ordinary dividend that Telstra will pay during the Buy-Back Tender period;

B = Closing level of S&P/ASX200 Index on the Closing Date (expected to be Friday, 30 September 2016); and

C = Opening level of S&P/ASX200 Index on Thursday, 11 August 2016.

CHESS means the Clearing House Electronic Subregister System.

CHESS Holder means a holder of Shares in the CHESS subregister of Telstra.

CHESS Holding means a holding of Shares on the CHESS subregister of Telstra.

Class Ruling means the class ruling to be issued by, and which will be binding upon, the ATO that Telstra has applied for on behalf of shareholders who participate in the Buy-Back Tender.

Closing Date means Friday, 30 September 2016, unless Telstra announces a later date (in which case it is that later date).

Corporations Act means the Corporations Act 2001 (Cth) as modified by the relief described in section 6.15.

Deemed Capital Proceeds means the Capital Component together with the amount (if any) by which the CGT Value exceeds the Buy-Back Tender Price.

Dividend Component means the dividend component of the Buy-Back Tender Price (being the Buy-Back Tender Price less the Capital Component).

Dividend Ex-entitlement Date means Wednesday, 24 August 2016, being the date that Shares commence trading on the ASX on an ex-dividend entitlement basis. Shares acquired on or after this date will not confer an entitlement to receive the FY2016 final dividend.

DRP means the Telstra Dividend Reinvestment Plan.

Eligible Shareholder means a member of Telstra recorded in the register of members of Telstra at the Buy-Back Tender Record Date, other than an Ineligible Foreign Shareholder.

Entitled Shares means the lesser of:

- the number of Shares registered in your name on Friday, 19 August 2016 (and, if relevant, in accordance with the ASX Settlement Rules conferring an entitlement to participate in the Buy-Back Tender); and
- the number of Shares you hold as of the Closing Date.

Exiting TESOP Participant means any person submitting a Tender who:

- acquired an interest in Shares pursuant to a TESOP 99 Loan;
- is the beneficial holder of TESOP 99 Loan Shares on the Buy-Back Tender Record Date; and
- sends Telstra payment for the amount outstanding on a TESOP 99 Loan on or before the TESOP Loan Pay-Out Date.

Final Price Tender means a Tender in which the shareholder elects to receive the Buy-Back Tender Price, whatever Telstra determines it to be.

IFRS means the International Financial Reporting Standards.

Ineligible Foreign Shareholder means any person holding Shares:

- to whom Telstra would be prohibited from paying money pursuant to the:
 - Banking (Foreign Exchange) Regulations 1959 (Cth);
 - regulations made under the Charter of the United Nations Act 1945 (Cth) imposing financial sanctions including the Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth); or
 - any other law act, rule or regulation prohibiting Telstra from making payments to foreign persons,
- who resides in a jurisdiction where it would be illegal under the laws of Australia or that jurisdiction to make any invitation to the holder to participate in the Buy-Back Tender;
- whose participation in the Buy-Back Tender is not permitted under the laws of Australia or the jurisdiction in which they are resident; or
- who resides in a jurisdiction outside Australia and New Zealand and it would be unreasonable to make an invitation to the holder having regard to each of the following:
 - the number of holders in that jurisdiction;
 - the number and value of the Shares held by holders in that jurisdiction; and

- the cost of complying with legal requirements and the requirements of any relevant regulatory authority application to making the invitation in that jurisdiction.

For the avoidance of doubt, Ineligible Foreign Shareholder includes: (i) any person who is located or resident in the United States; (ii) any US Person; (iii) any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from the United States; or (iv) any person who has a registered address in Canada. In addition, holders of ADRs are not eligible to participate in the Buy-Back Tender in their capacity as a holder of an ADR..

Further, having regard to the factors set out above, Telstra has determined that it would be unreasonable to make invitations to holders in jurisdictions other than Australia and New Zealand.

Issuer Sponsored Holder means a holder of Shares on the issuer sponsored subregister of Telstra.

Issuer Sponsored Holding means a holding of Shares on the issuer sponsored subregister of Telstra.

Listing Rules means the official Listing Rules of the ASX, as amended and waived by relief described in section 6.15.

Market Price means the VWAP of Telstra ordinary shares on the ASX over the five trading days up to and including the date the Tender Period closes, calculated to four decimal places, as determined by Telstra.

Minimum Price means one of the specified minimum prices on the Tender Form, which a shareholder may select in order for their Tender to be conditional upon the Buy-Back Tender Price being equal to or greater than that amount.

Priority Allocation means 880 Shares or such lesser number of Shares as is required to ensure that Telstra is able to buy back only the number of Shares it determines to buy back.

Securities Trading Policy means the policy outlining requirements in relation to the buying, selling or dealing in Telstra shares or securities in other companies and available at telstra.com/governance.

Share means a fully paid ordinary share in the capital of Telstra on issue as at the Buy-Back Tender Record Date.

Small Holding Tender means a Tender submitted by a Telstra shareholder who tenders all of their Shares at one or more Tender Discounts equal to or greater than the Buy-Back Tender Discount and/or as a Final Price Tender and who would have had a holding of 350 or less fully paid ordinary shares in the capital of Telstra after Telstra's acquisition of the Priority Allocation and any scale back.

Telstra means Telstra Corporation Limited (ABN 33 051 775 556).

Telstra Corporation Act means Telstra Corporation Act 1991 (Cth).

Telstra Share Registry means the share registry of Telstra maintained by Link Market Services Limited (ABN 54 083 214 537).

Tender means a shareholder's offer to sell nominated Shares back to Telstra at a Tender Discount and on the terms and conditions set out in the Buy-Back Tender Documents as amended in accordance with the procedures set out in this Booklet.

Tender Discount means one of the specified discounts to the Market Price (from 6% to 14% inclusive, at 1% intervals) as set out on the Tender Form.

Tender Discount Range means the range of Tender Discounts at which shareholders can submit Tenders, being 6% to 14% inclusive, at 1% intervals.

Tender Form means the form of offer by a shareholder to sell nominated Shares to Telstra which is enclosed with this Booklet and includes a Tender Form amended in accordance with the procedures set out in the Buy-Back Tender Documents.

Tender Period means the period within which shareholders may lodge, withdraw or amend a Tender in accordance with the Buy-Back Tender Documents.

TESOP 99 means the Telstra Employee Share Ownership Plan 1999.

TESOP 99 Loan means a loan made or facilitated by Telstra under TESOP 99.

TESOP Loan Pay-Out Date means Friday, 23 September 2016 or such other date nominated by Telstra, not being less than 5 business days or more than 10 business days before the Tender Period closes.

TESOP Trustee means Telstra ESOP Trustee Pty Limited (ACN 080 180 285).

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 or the District of Columbia.

US Person has the same meaning given by Regulation S under the United States Securities Act of 1933, as amended.

VWAP for a share over a period means the volume weighted average price including all trades on ASX's trading platform including the closing single price auction, but excluding all off-market trades including but not limited to transactions defined in the ASX Operating Rules as special crossings, crossings prior to the commencement of the open session state, crossings during overnight trading, overseas trades, trades pursuant to the exercise of options over Shares, and any other trades that Telstra determines to exclude on the basis that the trades are not fairly reflective of supply and demand.

Withdrawal/Amendment Form means the form entitled 'Tender Withdrawal/Amendment Form', available on request from the Telstra Share Registry that is used to withdraw or amend a Tender.

you or **shareholder** means a holder of Shares in Telstra.

7.2. Interpretation

In the Buy-Back Tender Documents, unless the context otherwise requires:

- words and phrases have the same meaning (if any) given to them in the Corporations Act;
- words importing the singular include the plural and vice versa;
- an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- a reference to a section, attachment and schedule is a reference to a section of and an attachment and schedule to this Booklet as relevant;
- a reference to any statute, regulation, proclamation, ordinance or law includes all statutes, regulations, proclamations, ordinances, or laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- headings and bold type are for convenience only and do not affect the interpretation of this Booklet;
- a reference to time is a reference to Australian Eastern Standard Time (AEST);
- a reference to writing includes facsimile transmissions; and
- a reference to dollars, \$, A\$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

8. Examples of completed Tender Forms

EXAMPLE ONLY

Step 1: Box A

This is the number of Shares you can tender.

Step 2: Box B

As the number of Shares you own is less than 880, all your Shares must be tendered:

- as a Final Price Tender; or
- at one Tender Discount selected by you.

In this example, a Final Price Tender has been selected.


Step 3: Box C

Selecting a Minimum Price is optional. In this example no Minimum Price has been selected.

Step 4: Box D

Sign your Tender Form here and include your contact details.

The completed and signed Tender Form should then be mailed/delivered to the Telstra Share Registry.



Telstra Corporation Limited
ABN 33 051 775 556

TENDER FORM
 – Issuer Sponsored Holders
(880 Shares or less)

THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND IT YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.
Please refer to the instructions on the back of this form.

Securityholder Reference Number (SRN):

As you hold 880 Shares or less, you must tender **all** your Shares if you wish to participate in the Buy-Back Tender.

Shares you can tender as at 19 August 2016:

A

I/We offer to sell **ALL** my/our Shares to Telstra Corporation Limited at the Tender Discount specified or as a Final Price Tender and on the terms and conditions set out in the Buy-Back Tender Documents:

B All my/our Shares as a **FINAL PRICE TENDER**

If you wish to tender **all** your Shares as a Final Price Tender, please indicate with a tick.

OR

All my/our Shares at a **TENDER DISCOUNT**

If you wish to tender **all** your Shares at one of the specified Tender Discounts, please tick only **one** of the Tender Discounts.

<input type="checkbox"/> at a 6% Tender Discount	<input type="checkbox"/> at a 11% Tender Discount
<input type="checkbox"/> at a 7% Tender Discount	<input type="checkbox"/> at a 12% Tender Discount
<input type="checkbox"/> at a 8% Tender Discount	<input type="checkbox"/> at a 13% Tender Discount
<input type="checkbox"/> at a 9% Tender Discount	<input type="checkbox"/> at a 14% Tender Discount
<input type="checkbox"/> at a 10% Tender Discount	

C **THIS PART C IS OPTIONAL – EITHER LEAVE IT BLANK OR TICK ONE (AND ONLY ONE) MINIMUM PRICE – IF YOU COMPLETE PART C YOU MUST ALSO COMPLETE PART B:** You should only select a Minimum Price if you wish to make your Tender conditional on the Buy-Back Tender Price being no less than one of the following prices you select. You will not receive less than the Minimum Price you select for your Shares. However, your Shares will not be bought back if the Minimum Price you select is higher than the Buy-Back Tender Price.

<input type="checkbox"/> \$4.40	<input type="checkbox"/> \$4.60	<input type="checkbox"/> \$4.80	<input type="checkbox"/> \$5.00
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D **IMPORTANT INFORMATION: YOU MUST READ THE REVERSE OF THIS FORM BEFORE YOU SIGN AND RETURN THE FORM**
Please sign within the boxes below in accordance with instructions.

<i>John Smith</i>		
Individual OR Sole Director and Sole Company Secretary	Joint Shareholder 2 OR Director/Company Secretary	Joint Shareholder 3 OR Director
Telephone Number – Business Hours	Telephone Number – After Hours	Contact Name (PRINT)
(03) 9999 9999	(03) 3333 3333	JOHN SMITH

TENDER FORMS MUST BE RECEIVED BY THE REGISTRY BY NO LATER THAN 7:00PM (AUSTRALIAN EASTERN STANDARD TIME) ON FRIDAY, 30 SEPTEMBER 2016

TLS BBT001

This is an example only. Please note the Issuer Sponsored Holder Tender Form (880 Shares or less) is blue in colour.

TELSTRA Buy-Back Tender Booklet
telstra.com/buyback

29

EXAMPLE ONLY

Step 1: Box A

This is the number of Shares you can tender.

TENDER FORM
– Issuer Sponsored Holders
(more than 880 Shares)

THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND IT YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.

Securityholder Reference Number (SRN):

Shares you can tender as at 19 August 2016:

A

I/We offer to sell the following Shares to Telstra Corporation Limited at the Tender Discount(s) specified and/or as a Final Price Tender and on the terms and conditions set out in the Buy-Back Tender Documents:

Step 2: Box B

As the number of Shares you own is more than 880, you may tender some, or all, of your Shares:

- as a Final Price Tender; and/or
- at one, or more, Tender Discounts selected by you.

In this example, 2,000 Shares were tendered as a Final Price Tender, 1,000 Shares were tendered at a 7% Tender Discount and 1,500 Shares were tendered at a 12% Tender Discount.

B Insert the **number** of Shares (if any) you wish to tender as a Final Price Tender.

as a **FINAL PRICE TENDER**

AND/OR

Insert the **number** of Shares (if any) you wish to tender next to the Tender Discount(s) at which you wish to tender those Shares. **You should refer to the special instructions overleaf before completing this Tender Form.**

<input type="text" value="1000"/>	at a 6% Tender Discount	<input type="text" value="1500"/>	at a 11% Tender Discount
<input type="text" value="1000"/>	at a 7% Tender Discount	<input type="text" value="1500"/>	at a 12% Tender Discount
<input type="text" value=""/>	at a 8% Tender Discount	<input type="text" value=""/>	at a 13% Tender Discount
<input type="text" value=""/>	at a 9% Tender Discount	<input type="text" value=""/>	at a 14% Tender Discount
<input type="text" value=""/>	at a 10% Tender Discount		

Step 3: Box C

The total number of Shares tendered must be at least 880. In this example 4,500 Shares were tendered (2,000+1,000+1,500).

C **TOTAL NUMBER OF SHARES TENDERED** (Add up rows in Part B)

The number of Shares in Part C must not be more than the number in Part A, but must be greater than or equal to 880 Shares.

Step 4: Box D

Selecting a Minimum Price is optional. In this example a Minimum Price of \$4.60 has been selected.

D **THIS PART D IS OPTIONAL – EITHER LEAVE IT BLANK OR TICK ONE (AND ONLY ONE) MINIMUM PRICE – IF YOU COMPLETE PART D YOU MUST ALSO COMPLETE PARTS B AND C:** You should only select a Minimum Price if you wish to make your Tender(s) conditional on the Buy-Back Tender Price being no less than one of the following Minimum Prices you select. You will not receive less than the Minimum Price you select for your Shares. However, your Shares will not be bought back if the Minimum Price you select is higher than the Buy-Back Tender Price.

\$4.40 \$4.60 \$4.80 \$5.00

Step 5: Box E

Sign your Tender Form here and include your contact details.

The completed and signed Tender Form should then be mailed/delivered to the Telstra Share Registry.

E **IMPORTANT INFORMATION: YOU MUST READ THE REVERSE OF THIS FORM BEFORE YOU SIGN AND RETURN THE FORM**
Please sign within the boxes below in accordance with instructions.

Individual OR Sole Director and Sole Company Secretary Joint Shareholder 2 OR Director/Company Secretary Joint Shareholder 3 OR Director

Telephone Number – Business Hours Telephone Number – After Hours Contact Name (PRINT)

TENDER FORMS MUST BE RECEIVED BY THE REGISTRY BY NO LATER THAN 7:00PM (AUSTRALIAN EASTERN STANDARD TIME) ON FRIDAY, 30 SEPTEMBER 2016

TLS BBT002

This is an example only. Please note the Issuer Sponsored Holder Tender Form (more than 880 Shares) is yellow in colour.

EXAMPLE ONLY

Step 1: Box A

This is the number of Shares you can tender.

Step 2: Box B

As the number of Shares you own is less than 880, all your Shares must be tendered:

- as a Final Price Tender; or
- at one Tender Discount selected by you.

In this example, all of the Shares were tendered at a 11% Tender Discount.

Step 3: Box C


Selecting a Minimum Price is optional. In this example, a Minimum Price of \$4.80 has been selected.

Step 4: Box D

Sign your Tender Form here and include your contact details.

Communicate your instructions to your controlling participant (normally your broker).

DO NOT SEND YOUR COMPLETED TENDER FORM TO THE TELSTRA SHARE REGISTRY



Telstra Corporation Limited
ABN 33 051 775 556

TENDER FORM
– CHESs Sponsored Holders
(880 Shares or less)

THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND IT YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.
Do NOT send your Tender Form to Telstra Share Registry. Send this form to your controlling CHESs participant (usually your stock broker).

Please refer to the instructions on the back of this form.
Controlling CHESs Participant as at 19 August 2016:

Holder Identification Number (HIN):

As you hold 880 Shares or less, you must tender **all** your Shares if you wish to participate in the Buy-Back Tender.

I/We offer to sell **ALL** my/our Shares to Telstra Corporation Limited at the Tender Discount specified or as a Final Price Tender and on the terms and conditions set out in the Buy-Back Tender Documents:

B All my/our Shares as a **FINAL PRICE TENDER**
 If you wish to tender **all** your Shares as a Final Price Tender, please indicate with a tick.


OR
 All my/our Shares at a **TENDER DISCOUNT**
 If you wish to tender **all** your Shares at one of the specified Tender Discounts, please tick **only one** of the Tender Discounts.

<input type="checkbox"/> at a 6% Tender Discount	<input checked="" type="checkbox"/> at a 11% Tender Discount
<input type="checkbox"/> at a 7% Tender Discount	<input type="checkbox"/> at a 12% Tender Discount
<input type="checkbox"/> at a 8% Tender Discount	<input type="checkbox"/> at a 13% Tender Discount
<input type="checkbox"/> at a 9% Tender Discount	<input type="checkbox"/> at a 14% Tender Discount
<input type="checkbox"/> at a 10% Tender Discount	

C **THIS PART C IS OPTIONAL – EITHER LEAVE IT BLANK OR TICK ONE (AND ONLY ONE) MINIMUM PRICE – IF YOU COMPLETE PART C YOU MUST ALSO COMPLETE PART B:** You should only select a Minimum Price if you wish to make your Tender conditional on the Buy-Back Tender Price being no less than one of the following prices you select. You will not receive less than the Minimum Price you select for your Shares. However, your Shares will not be bought back if the Minimum Price you select is higher than the Buy-Back Tender Price.

<input type="checkbox"/> \$4.40	<input type="checkbox"/> \$4.60	<input checked="" type="checkbox"/> \$4.80	<input type="checkbox"/> \$5.00
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D **IMPORTANT INFORMATION: YOU MUST READ THE REVERSE OF THIS FORM BEFORE YOU SIGN AND RETURN THE FORM**
Please sign within the boxes below in accordance with instructions.


 Individual OR Sole Director and Sole Company Secretary Telephone Number – Business Hours (02) 7777 7777	Joint Shareholder 2 OR Director/Company Secretary Telephone Number – After Hours (02) 4444 4444	Joint Shareholder 3 OR Director Contact Name (PRINT) JOHN CITIZEN
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TENDER FORMS MUST BE RECEIVED BY YOUR CONTROLLING CHESs PARTICIPANT SO THAT YOUR CONTROLLING CHESs PARTICIPANT CAN PROCESS YOUR TENDER BY NO LATER THAN 7:00PM (AUSTRALIAN EASTERN STANDARD TIME) ON FRIDAY, 30 SEPTEMBER 2016 (see top right of this form for your Controlling CHESs Participant).

Shares you can tender as at 19 August 2016:


A **874**

TLs BBT003



This is an example only. Please note the CHESs Sponsored Holder Tender Form (880 Shares or less) is grey in colour.

EXAMPLE ONLY



Telstra Corporation Limited
ABN 33 051 775 556

TENDER FORM
– CHESS Sponsored Holders
(more than 880 Shares)

THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND IT YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.
Do not send your Tender Form to the Registry. Send this form to your controlling CHESS participant (usually your stock broker).
Controlling CHESS Participant as at 19 August 2016:

Holder Identification Number (HIN):

Step 1: Box A
This is the number of Shares you can tender.

Shares you can tender as at 19 August 2016:

A
4000

I/We offer to sell the following Shares to Telstra Corporation Limited at the Tender Discount(s) specified and/or as a Final Price Tender and on the terms and conditions set out in the Buy-Back Tender Documents:

Step 2: Box B
As the number of Shares you own is more than 880, you may tender some, or all, of your Shares:

- as a Final Price Tender; and/or
- at one, or more, Tender Discounts selected by you.

In this example, 2,000 Shares were tendered at a 10% Tender Discount and 2,000 Shares were tendered at a 14% Tender Discount.

B Insert the **number** of Shares (if any) you wish to tender as a Final Price Tender.

B

as a FINAL PRICE TENDER

AND/OR

Insert the **number** of Shares (if any) you wish to tender next to the Tender Discount(s) at which you wish to tender those Shares. **You should refer to the special instructions overleaf before completing this Tender Form.**

	at a 6% Tender Discount		at a 11% Tender Discount
	at a 7% Tender Discount		at a 12% Tender Discount
	at a 8% Tender Discount		at a 13% Tender Discount
	at a 9% Tender Discount		at a 14% Tender Discount
2 0 0 0	at a 10% Tender Discount	2 0 0 0	

Step 3: Box C
The total number of Shares tendered must be at least 880. In this example 4,000 Shares were tendered (2,000+2,000).

C **TOTAL NUMBER OF SHARES TENDERED** (Add up rows in Part B)

C
4 0 0 0

The number of Shares in Part C must not be more than the number in Part A, but must be greater than or equal to 880 Shares.

Step 4: Box D
Selecting a Minimum Price is optional. In this example no Minimum Price has been selected.

D **THIS PART D IS OPTIONAL – EITHER LEAVE IT BLANK OR TICK ONE (AND ONLY ONE) MINIMUM PRICE – IF YOU COMPLETE PART D YOU MUST ALSO COMPLETE PARTS B AND C:** You should only select a Minimum Price if you wish to make your Tender(s) conditional on the Buy-Back Tender Price being no less than one of the following Minimum Prices you select. You will not receive less than the Minimum Price you select for your Shares. However, your Shares will not be bought back if the Minimum Price you select is higher than the Buy-Back Tender Price.

\$4.40
 \$4.60
 \$4.80
 \$5.00

Step 5: Box E
Sign your Tender Form here and include your contact details.


Communicate your instructions to your controlling participant (normally your broker).

E **IMPORTANT INFORMATION: YOU MUST READ THE REVERSE OF THIS FORM BEFORE YOU SIGN AND RETURN THE FORM**
Please sign within the boxes below in accordance with instructions.

Mary Jones		
Individual OR Sole Director and Sole Company Secretary	Joint Shareholder 2 OR Director/Company Secretary	Joint Shareholder 3 OR Director
Telephone Number – Business Hours	Telephone Number – After Hours	Contact Name (PRINT)
(02) 6666 6666	(02) 5555 5555	MARY JONES

TENDER FORMS MUST BE RECEIVED BY YOUR CONTROLLING CHESS PARTICIPANT SO THAT YOUR CONTROLLING CHESS PARTICIPANT CAN PROCESS YOUR TENDER BY NO LATER THAN 7:00PM (AUSTRALIAN EASTERN STANDARD TIME) ON FRIDAY, 30 SEPTEMBER 2016 (see top right of this form for your Controlling CHESS Participant).

TLS BBT004



This is an example only. Please note the CHESS Sponsored Holder Tender Form (more than 880 Shares) is orange in colour.

Contacts

If you have any questions in relation to the Buy-Back Tender, please call the Telstra Share Registry information line on +61 1300 88 66 77 (or 0800 835 787 within New Zealand).

Advisers

Financial Advisor

Deutsche Bank AG, Sydney Branch

Level 16, Deutsche Bank Place
Corner Hunter & Phillip Streets
Sydney NSW 2000

Legal Advisor

Gilbert + Tobin

Level 22
101 Collins Street
Melbourne VIC 3000

Taxation Advisor

King & Wood Mallesons

Level 61, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000





Telstra Corporation Limited
 ABN 33 051 775 556

TENDER FORM
 – Issuer Sponsored Holders
(880 Shares or less)

THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND IT YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.

Please refer to the instructions on the back of this form.

Securityholder Reference Number (SRN):

Shares you can tender as at 19 August 2016:

As you hold 880 Shares or less, you must tender **all** your Shares if you wish to participate in the Buy-Back Tender. → **A**

I/We offer to sell **ALL** my/our Shares to Telstra Corporation Limited at the Tender Discount specified or as a Final Price Tender and on the terms and conditions set out in the Buy-Back Tender Documents:

B All my/our Shares as a **FINAL PRICE TENDER**

If you wish to tender **all** your Shares as a Final Price Tender, please indicate with a tick.

OR

All my/our Shares at a **TENDER DISCOUNT**
 If you wish to tender **all** your Shares at one of the specified Tender Discounts, please tick only **one** of the Tender Discounts.

<input type="checkbox"/> at a 6% Tender Discount	<input type="checkbox"/> at a 11% Tender Discount
<input type="checkbox"/> at a 7% Tender Discount	<input type="checkbox"/> at a 12% Tender Discount
<input type="checkbox"/> at a 8% Tender Discount	<input type="checkbox"/> at a 13% Tender Discount
<input type="checkbox"/> at a 9% Tender Discount	<input type="checkbox"/> at a 14% Tender Discount
<input type="checkbox"/> at a 10% Tender Discount	

C **THIS PART C IS OPTIONAL – EITHER LEAVE IT BLANK OR TICK ONE (AND ONLY ONE) MINIMUM PRICE – IF YOU COMPLETE PART C YOU MUST ALSO COMPLETE PART B:** You should only select a Minimum Price if you wish to make your Tender conditional on the Buy-Back Tender Price being no less than one of the following prices you select. You will not receive less than the Minimum Price you select for your Shares. However, your Shares will not be bought back if the Minimum Price you select is higher than the Buy-Back Tender Price.

\$4.40 \$4.60 \$4.80 \$5.00

D **IMPORTANT INFORMATION: YOU MUST READ THE REVERSE OF THIS FORM BEFORE YOU SIGN AND RETURN THE FORM**
 Please sign within the boxes below in accordance with instructions.

<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
Individual OR Sole Director and Sole Company Secretary	Joint Shareholder 2 OR Director/Company Secretary	Joint Shareholder 3 OR Director
Telephone Number – Business Hours	Telephone Number – After Hours	Contact Name (PRINT)
<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>

TENDER FORMS MUST BE RECEIVED BY THE REGISTRY BY NO LATER THAN 7:00PM (AUSTRALIAN EASTERN STANDARD TIME) ON FRIDAY, 30 SEPTEMBER 2016

TLS BBT001



Tender Form Instructions – Issuer Sponsored Holders

(880 Shares or less)

How to complete this Tender Form

The instructions below are cross-referenced to each section of the Tender Form. Please complete the form in black ink.

A This is the number of Shares you can tender into the Buy-Back Tender. As you hold 880 Shares or less, if you wish to participate in the Buy-Back Tender, you must tender all your Shares.

B Part B allows you to choose whether you Tender your Shares as a Final Price Tender OR at one of the specified Tender Discounts. As you hold 880 Shares or less you cannot split your holding and tender different parcels of Shares at different Tender Discounts. You must only select one Tender Discount.

C Part C is optional, and allows you to specify a Minimum Price. You should tick one (and only one) of the Minimum Price options if you wish to make your Tender conditional on the Buy-Back Tender Price being no less than the Minimum Price you select. You will not be paid less than the Minimum Price you select for your Shares. However, if the Minimum Price you select is higher than the Buy-Back Tender Price, none of your Shares will be bought back. If you specify a Minimum Price you must also complete Part B. **You must not tick more than one box – if you choose more than one Minimum Price, your Tender will be deemed to be conditional on the lowest Minimum Price that you have chosen.**

D Sign and date the Tender Form at Part D. By signing and returning this Tender Form you acknowledge that you have read and understood the Buy-Back Tender Documents and the Tender specified on this Tender Form and agree to, and make an offer to sell the tendered Shares to Telstra Corporation Limited at the Tender Discount specified or as a Final Price Tender and on the terms and conditions set out in the Buy-Back Tender Documents (including the warranties, authorisations and undertakings set out in section 6.10 of the Buy-Back Tender Booklet).

Joint Shareholders – all holders must sign.

Under power of attorney – where this form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power or the death of the donor of the power. If not already noted by the Registry, an originally certified copy of the power of attorney must be sent to the Registry.

Deceased estate – all executors should sign. If not already noted by the Registry, send an originally certified copy of probate or letters or administration to the Registry.

Company – this form must be signed by 2 directors, a director and company secretary or, in the case of a company with a sole director who is also the sole company secretary, the sole director.

Please Note: Providing your phone number is optional and may only be used by Link Market Services to contact you where necessary, or if circumstances permit, to clarify information provided on this Tender Form. Your phone number will not be included in Telstra's public share register or used, collected or disclosed for any other purpose.

Submitting your Tender Form

You can also submit your tender online at www.telstra.com/buyback

If you require further information on how to complete this Tender Form please contact the Buy-Back Tender Information Line on +61 1300 88 66 77.

Use the enclosed envelope to send or deliver your completed and signed Tender Form to the following address so that it is received no later than 7:00pm (Australian Eastern Standard Time) on Friday, 30 September 2016.

Mailing Address

Telstra Corporation Limited
C/- Link Market Services Limited
PO Box 1509
SYDNEY SOUTH NSW 1234

Delivery Address

Telstra Corporation Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
RHODES NSW 2138

THE REGISTRY WILL NOT ACCEPT TENDER FORMS FROM ANY PERSONS LOCATED OR RESIDENT IN THE UNITED STATES.

Shareholders are reminded that 30 September is a Victorian Public Holiday.

THIS TENDER FORM RELATES TO THE TELSTRA CORPORATION LIMITED BUY-BACK TENDER BOOKLET DATED 11 AUGUST 2016 AND SHOULD BE READ IN CONJUNCTION WITH THAT DOCUMENT.

THE TERMS AND CONDITIONS OF THE BUY-BACK TENDER, AND THE EFFECT OF SUBMITTING A TENDER, ARE SET OUT IN THE BUY-BACK TENDER BOOKLET.

NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES, 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 OR THE DISTRICT OF COLUMBIA (THE "UNITED STATES").

This is an important document. If you are in any doubt as to the action you should take, please consult your financial, taxation or other professional adviser immediately.

The Buy-Back Tender Invitation is not being made to Ineligible Foreign Shareholders, which includes 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 non-discretionary basis for a principal giving instructions from within the United States; and (iv) person who has a registered address in Canada.

As a Telstra shareholder, Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you (including your name, address and details of the shares you hold) to be included in Telstra's public share register. This information must continue to be included in the public share register even if you cease to be a Telstra shareholder. These statutory obligations are not altered by the *Privacy Act 1988* (Cth). Your information is collected by Link Market Services Limited ("Link") on behalf of Telstra. It is collected to administer your shareholding and to improve your shareholding experience. Your personal information may be disclosed to certain people or organisations outside Telstra, including Telstra's contractors (such as Link), brokers, printing companies, market researchers, government agencies (including the Australian Tax Office, Centrelink and law enforcement), and where required under applicable law, regulation or court order. Neither Telstra or Link disclose Telstra shareholder personal information to third parties outside Australia. All reasonable steps are taken to ensure that your personal information is accurate, complete and up-to-date. If some or all of your personal information is not collected, it might not be possible to administer your shareholding. See the privacy policy at www.linkmarketservices.com.au for information about how you can access and correct your personal information and raise privacy concerns.



TENDER FORM
– Issuer Sponsored Holders
(more than 880 Shares)

THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND IT YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.

Securityholder Reference Number (SRN):

Shares you can tender as at 19 August 2016:

A

I/We offer to sell the following Shares to Telstra Corporation Limited at the Tender Discount(s) specified and/or as a Final Price Tender and on the terms and conditions set out in the Buy-Back Tender Documents:

B Insert the **number** of Shares (if any) you wish to tender as a Final Price Tender.

as a **FINAL PRICE TENDER**

AND/OR

Insert the **number** of Shares (if any) you wish to tender next to the Tender Discount(s) at which you wish to tender those Shares. **You should refer to the special instructions overleaf before completing this Tender Form.**

at a 6%
Tender Discount

at a 11%
Tender Discount

at a 7%
Tender Discount

at a 12%
Tender Discount

at a 8%
Tender Discount

at a 13%
Tender Discount

at a 9%
Tender Discount

at a 14%
Tender Discount

at a 10%
Tender Discount

=

C **TOTAL NUMBER OF SHARES TENDERED** (Add up rows in Part B)

The number of Shares in Part C must not be more than the number in Part A, but must be greater than or equal to 880 Shares.

D **THIS PART D IS OPTIONAL – EITHER LEAVE IT BLANK OR TICK ONE (AND ONLY ONE) MINIMUM PRICE – IF YOU COMPLETE PART D YOU MUST ALSO COMPLETE PARTS B AND C:** You should only select a Minimum Price if you wish to make your Tender(s) conditional on the Buy-Back Tender Price being no less than one of the following Minimum Prices you select. You will not receive less than the Minimum Price you select for your Shares. However, your Shares will not be bought back if the Minimum Price you select is higher than the Buy-Back Tender Price.

\$4.40

\$4.60

\$4.80

\$5.00

E **IMPORTANT INFORMATION: YOU MUST READ THE REVERSE OF THIS FORM BEFORE YOU SIGN AND RETURN THE FORM**
 Please sign within the boxes below in accordance with instructions.

Individual OR Sole Director
and Sole Company Secretary

Telephone Number – Business Hours

Joint Shareholder 2 OR
Director/Company Secretary

Telephone Number – After Hours

Joint Shareholder 3 OR
Director

Contact Name (PRINT)



Tender Form Instructions – Issuer Sponsored Holders

(more than 880 Shares)

How to complete this Tender Form

The instructions below are cross-referenced to each section of the Tender Form. Please complete the form in black ink.

- A** This is the maximum number of Shares you can tender in the Buy-Back Tender. You must tender at least 880 Shares if you wish to participate in the Buy-Back Tender.
- B** Part B allows you to choose whether you Tender your Shares as a Final Price Tender **OR** at one of the specified Tender Discounts. For example, you may tender some Shares shown in Part A as a Final Price Tender, some Shares at the specified Tender Discount of say, 9%, and some Shares at the specified Tender Discount of say, 10%. Each parcel of Shares tendered at a different Tender Discount is a separate Tender.
- C** You must add up the number of Shares inserted in Part B and write the total number in Part C. **This total number must not exceed the number of Shares shown in Part A, but must be greater than or equal to 880 Shares.** If the number of Shares in Part C is more than the number of Shares in Part A, you will be deemed to have offered only the number of Shares shown in Part A and, if you have selected more than one Tender Discount and/or a Final Price Tender, your Tender will be adjusted in the manner set out in section 6.13 of the Buy-Back Tender Booklet.
- D** Part D is **optional**, and allows you to specify a Minimum Price. You should tick one (and only one) of the Minimum Price options if you wish to make your Tender(s) conditional on the Buy-Back Tender Price being no less than the Minimum Price you select. You will not be paid less than the Minimum Price you select for your Shares. However, if the Minimum Price you select is higher than the Buy-Back Tender Price, none of your Shares will be bought back. If you specify a Minimum Price you must also complete Parts B and C. **You must not tick more than one box – if you choose more than one Minimum Price, your Tender(s) will be deemed to be conditional on the lowest Minimum Price that you have chosen.**
- E** Sign and date the Tender Form at Part E. By signing and returning this Tender Form you acknowledge that you have read and understood the Buy-Back Tender Documents and the Tender(s) specified on this Tender Form and agree to, and make an offer to sell the tendered Shares to Telstra Corporation Limited at the Tender Discount(s) specified and/or as a Final Price Tender and on the terms and conditions set out in the Buy-Back Tender Documents (including the warranties, authorisations and undertakings set out in section 6.10 of the Buy-Back Tender Booklet).
- Joint Shareholders** – all holders must sign.
- Under power of attorney** – where this Tender Form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power or the death of the donor of the power. If not already noted by the Registry, an originally certified copy of the power of attorney must be sent to the Registry.
- Deceased estate** – all executors should sign. If not already noted by the Registry, send an originally certified copy of probate or letters or administration to the Registry.
- Company** – this Tender Form must be signed by 2 directors, a director and company secretary or, in the case of a company with a sole director who is also the sole company secretary, the sole director.
- Please Note:** Providing your phone number is optional and may only be used by Link Market Services to contact you where necessary, or if circumstances permit, to clarify information provided on this Tender Form. Your phone number will not be included in Telstra's public share register or used, collected or disclosed for any other purpose.

Submitting your Tender Form

You can also submit your tender online at www.telstra.com/buyback

If you require further information on how to complete this Tender Form please contact the Buy-Back Tender Information Line on +61 1300 88 66 77.

Use the enclosed envelope to send or deliver your completed and signed Tender Form to the following address so that it is received by no later than 7:00pm (Australian Eastern Standard Time) on Friday, 30 September 2016.

Mailing Address
Telstra Corporation Limited
C/- Link Market Services Limited
PO Box 1509
SYDNEY SOUTH NSW 1234

Delivery Address
Telstra Corporation Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
RHODES NSW 2138

THE REGISTRY WILL NOT ACCEPT TENDER FORMS FROM ANY PERSONS LOCATED OR RESIDENT IN THE UNITED STATES.

Shareholders are reminded that 30 September is a Victorian Public Holiday.

THIS TENDER FORM RELATES TO THE TELSTRA CORPORATION LIMITED BUY-BACK TENDER BOOKLET DATED 11 AUGUST 2016 AND SHOULD BE READ IN CONJUNCTION WITH THAT DOCUMENT.

THE TERMS AND CONDITIONS OF THE BUY-BACK TENDER, AND THE EFFECT OF SUBMITTING A TENDER, ARE SET OUT IN THE BUY-BACK TENDER BOOKLET.

NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES, 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 OR THE DISTRICT OF COLUMBIA (THE "UNITED STATES").

This is an important document. If you are in any doubt as to the action you should take, please consult your financial, taxation or other professional adviser immediately.

The Buy-Back Tender Invitation is not being made to Ineligible Foreign Shareholders, which includes 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 non-discretionary basis for a principal giving instructions from within the United States; and (iv) person who has a registered address in Canada.

As a Telstra shareholder, Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you (including your name, address and details of the shares you hold) to be included in Telstra's public share register. This information must continue to be included in the public share register even if you cease to be a Telstra shareholder. These statutory obligations are not altered by the *Privacy Act 1988* (Cth). Your information is collected by Link Market Services Limited ("Link") on behalf of Telstra. It is collected to administer your shareholding and to improve your shareholding experience. Your personal information may be disclosed to certain people or organisations outside Telstra, including Telstra's contractors (such as Link), brokers, printing companies, market researchers, government agencies (including the Australian Tax Office, Centrelink and law enforcement), and where required under applicable law, regulation or court order. Neither Telstra or Link disclose Telstra shareholder personal information to third parties outside Australia. All reasonable steps are taken to ensure that your personal information is accurate, complete and up-to-date. If some or all of your personal information is not collected, it might not be possible to administer your shareholding. See the privacy policy at www.linkmarketservices.com.au for information about how you can access and correct your personal information and raise privacy concerns.



Telstra Corporation Limited
 ABN 33 051 775 556

TENDER FORM
– CHESSE Sponsored Holders
(880 Shares or less)

THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND IT YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.

Do NOT send your Tender Form to Telstra Share Registry. Send this form to your controlling CHESSE participant (usually your stock broker).

Please refer to the instructions on the back of this form.
 Controlling CHESSE Participant as at 19 August 2016:

Holder Identification Number (HIN):

Shares you can tender as at 19 August 2016:

As you hold 880 Shares or less, you must tender **all** your Shares if you wish to participate in the Buy-Back Tender.

A

I/We offer to sell **ALL** my/our Shares to Telstra Corporation Limited at the Tender Discount specified or as a Final Price Tender and on the terms and conditions set out in the Buy-Back Tender Documents:

B All my/our Shares as a **FINAL PRICE TENDER**

If you wish to tender **all** your Shares as a Final Price Tender, please indicate with a tick.

OR

All my/our Shares at a **TENDER DISCOUNT**

If you wish to tender **all** your Shares at one of the specified Tender Discounts, please tick only **one** of the Tender Discounts.

at a 6% Tender Discount

at a 11% Tender Discount

at a 7% Tender Discount

at a 12% Tender Discount

at a 8% Tender Discount

at a 13% Tender Discount

at a 9% Tender Discount

at a 14% Tender Discount

at a 10% Tender Discount

C THIS PART C IS OPTIONAL – EITHER LEAVE IT BLANK OR TICK ONE (AND ONLY ONE) MINIMUM PRICE – IF YOU COMPLETE PART C YOU MUST ALSO COMPLETE PART B: You should only select a Minimum Price if you wish to make your Tender conditional on the Buy-Back Tender Price being no less than one of the following prices you select. You will not receive less than the Minimum Price you select for your Shares. However, your Shares will not be bought back if the Minimum Price you select is higher than the Buy-Back Tender Price.

\$4.40

\$4.60

\$4.80

\$5.00

D IMPORTANT INFORMATION: YOU MUST READ THE REVERSE OF THIS FORM BEFORE YOU SIGN AND RETURN THE FORM
 Please sign within the boxes below in accordance with instructions.

Individual OR Sole Director and Sole Company Secretary

Joint Shareholder 2 OR Director/Company Secretary

Joint Shareholder 3 OR Director

Telephone Number – Business Hours

()

Telephone Number – After Hours

()

Contact Name (PRINT)

TENDER FORMS MUST BE RECEIVED BY YOUR CONTROLLING CHESSE PARTICIPANT SO THAT YOUR CONTROLLING CHESSE PARTICIPANT CAN PROCESS YOUR TENDER BY NO LATER THAN 7:00PM (AUSTRALIAN EASTERN STANDARD TIME) ON FRIDAY, 30 SEPTEMBER 2016 (see top right of this form for your Controlling CHESSE Participant).



Tender Form Instructions – CHESS Sponsored Holders (880 Shares or less)

How to complete this Tender Form

The instructions below are cross-referenced to each section of the Tender Form. Please complete the form in black ink.

- A** This is the number of Shares you can tender into the Buy-Back Tender. As you hold 880 Shares or less, if you wish to participate in the Buy-Back Tender, you must tender all your Shares.
- B** Part B allows you to choose whether you Tender your Shares as a Final Price Tender OR at one of the specified Tender Discounts. As you hold 880 Shares or less you cannot split your holding and tender different parcels of Shares at different Tender Discounts. You must only select one Tender Discount.
- C** Part C is optional, and allows you to specify a Minimum Price. You should tick one (and only one) of the Minimum Price options if you wish to make your Tender conditional on the Buy-Back Tender Price being no less than the Minimum Price you select. You will not be paid less than the Minimum Price you select for your Shares. However, if the Minimum Price you select is higher than the Buy-Back Tender Price, none of your Shares will be bought back. If you specify a Minimum Price you must also complete Part B. **You must not tick more than one box – if you choose more than one Minimum Price, your Tender will be deemed to be conditional on the lowest Minimum Price that you have chosen.**
- D** Sign and date the Tender Form at Part D. By signing and returning this Tender Form you acknowledge that you have read and understood the Buy-Back Tender Documents and the Tender specified on this Tender Form and agree to, and make an offer to sell the tendered Shares to Telstra Corporation Limited at the Tender Discount specified or as a Final Price Tender and on the terms and conditions set out in the Buy-Back Tender Documents (including the warranties, authorisations and undertakings set out in section 6.10 of the Buy-Back Tender Booklet).
- Joint Shareholders** – all holders must sign.
- Under power of attorney** – where this form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power or the death of the donor of the power. Contact your Controlling CHESS Participant for any additional documentation required by them.
- Deceased estate** – all executors should sign. Contact your Controlling CHESS Participant for any additional documentation required by them.
- Company** – this form must be signed by 2 directors, a director and company secretary or, in the case of a company with a sole director who is also the sole company secretary, the sole director.
- Please Note:** Providing your phone number is optional and may only be used by Link Market Services to contact you where necessary, or if circumstances permit, to clarify information provided on this Tender Form. Your phone number will not be included in Telstra's public share register or used, collected or disclosed for any other purpose.

Submitting your Tender Form

You can also submit your tender online at www.telstra.com/buyback

Do not send your Tender Form to the Telstra Share Registry.

You need to ensure that your Controlling CHESS Participant (normally your stockbroker) receives your Tender instructions in sufficient time for them to process your Tender by no later than 7:00pm (Australian Eastern Standard Time) on Friday, 30 September 2016. The name of the Controlling CHESS Participant who manages your CHESS holding as at 19 August 2016 is pre-printed on the front of this Tender Form. If you return your completed Tender Form to the Telstra Share Registry instead of your Controlling CHESS Participant, the Telstra Share Registry will endeavour to contact your Controlling CHESS Participant on your behalf and relay your Tender instructions. Neither Telstra nor the Telstra Share Registry will be responsible should your Controlling CHESS Participant not acknowledge and accept your Tender.

If you require further information on how to complete this form please contact the Buy-Back Tender Information Line on +61 1300 88 66 77.

THE REGISTRY WILL NOT ACCEPT TENDER FORMS FROM ANY PERSONS LOCATED OR RESIDENT IN THE UNITED STATES.

Shareholders are reminded that 30 September is a Victorian Public Holiday.

THIS TENDER FORM RELATES TO THE TELSTRA CORPORATION LIMITED BUY-BACK TENDER BOOKLET DATED 11 AUGUST 2016 AND SHOULD BE READ IN CONJUNCTION WITH THAT DOCUMENT.

THE TERMS AND CONDITIONS OF THE BUY-BACK TENDER, AND THE EFFECT OF SUBMITTING A TENDER, ARE SET OUT IN THE BUY-BACK TENDER BOOKLET.

NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES, 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 OR THE DISTRICT OF COLUMBIA (THE "UNITED STATES").

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As a Telstra shareholder, Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you (including your name, address and details of the shares you hold) to be included in Telstra's public share register. This information must continue to be included in the public share register even if you cease to be a Telstra shareholder. These statutory obligations are not altered by the *Privacy Act 1988* (Cth). Your information is collected by Link Market Services Limited ("Link") on behalf of Telstra. It is collected to administer your shareholding and to improve your shareholding experience. Your personal information may be disclosed to certain people or organisations outside Telstra, including Telstra's contractors (such as Link), brokers, printing companies, market researchers, government agencies (including the Australian Tax Office, Centrelink and law enforcement), and where required under applicable law, regulation or court order. Neither Telstra or Link disclose Telstra shareholder personal information to third parties outside Australia. All reasonable steps are taken to ensure that your personal information is accurate, complete and up-to-date. If some or all of your personal information is not collected, it might not be possible to administer your shareholding. See the privacy policy at www.linkmarketservices.com.au for information about how you can access and correct your personal information and raise privacy concerns.



TENDER FORM
– CHESSE Sponsored Holders
(more than 880 Shares)

THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND IT YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.
Do not send your Tender Form to the Registry. Send this form to your controlling CHESSE participant (usually your stock broker).
 Controlling CHESSE Participant as at 19 August 2016:

Holder Identification Number (HIN):

Shares you can tender as at 19 August 2016:

A

I/We offer to sell the following Shares to Telstra Corporation Limited at the Tender Discount(s) specified and/or as a Final Price Tender and on the terms and conditions set out in the Buy-Back Tender Documents:

B Insert the **number** of Shares (if any) you wish to tender as a Final Price Tender.

as a **FINAL PRICE TENDER**

AND/OR

Insert the **number** of Shares (if any) you wish to tender next to the Tender Discount(s) at which you wish to tender those Shares. **You should refer to the special instructions overleaf before completing this Tender Form.**

<input style="width: 200px; height: 25px;" type="text"/> at a 6% Tender Discount <input style="width: 200px; height: 25px;" type="text"/> at a 7% Tender Discount <input style="width: 200px; height: 25px;" type="text"/> at a 8% Tender Discount <input style="width: 200px; height: 25px;" type="text"/> at a 9% Tender Discount <input style="width: 200px; height: 25px;" type="text"/> at a 10% Tender Discount	<input style="width: 200px; height: 25px;" type="text"/> at a 11% Tender Discount <input style="width: 200px; height: 25px;" type="text"/> at a 12% Tender Discount <input style="width: 200px; height: 25px;" type="text"/> at a 13% Tender Discount <input style="width: 200px; height: 25px;" type="text"/> at a 14% Tender Discount
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C **TOTAL NUMBER OF SHARES TENDERED** (Add up rows in Part B)

=

The number of Shares in Part C must not be more than the number in Part A, but must be greater than or equal to 880 Shares.

D **THIS PART D IS OPTIONAL – EITHER LEAVE IT BLANK OR TICK ONE (AND ONLY ONE) MINIMUM PRICE – IF YOU COMPLETE PART D YOU MUST ALSO COMPLETE PARTS B AND C:** You should only select a Minimum Price if you wish to make your Tender(s) conditional on the Buy-Back Tender Price being no less than one of the following Minimum Prices you select. You will not receive less than the Minimum Price you select for your Shares. However, your Shares will not be bought back if the Minimum Price you select is higher than the Buy-Back Tender Price.

\$4.40
 \$4.60
 \$4.80
 \$5.00

E **IMPORTANT INFORMATION: YOU MUST READ THE REVERSE OF THIS FORM BEFORE YOU SIGN AND RETURN THE FORM**
 Please sign within the boxes below in accordance with instructions.

<input style="width: 200px; height: 30px;" type="text"/> Individual OR Sole Director and Sole Company Secretary Telephone Number – Business Hours <input style="width: 200px; height: 25px;" type="text"/> ()	<input style="width: 200px; height: 30px;" type="text"/> Joint Shareholder 2 OR Director/Company Secretary Telephone Number – After Hours <input style="width: 200px; height: 25px;" type="text"/> ()	<input style="width: 200px; height: 30px;" type="text"/> Joint Shareholder 3 OR Director Contact Name (PRINT) <input style="width: 200px; height: 25px;" type="text"/>
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TENDER FORMS MUST BE RECEIVED BY YOUR CONTROLLING CHESSE PARTICIPANT SO THAT YOUR CONTROLLING CHESSE PARTICIPANT CAN PROCESS YOUR TENDER BY NO LATER THAN 7:00PM (AUSTRALIAN EASTERN STANDARD TIME) ON FRIDAY, 30 SEPTEMBER 2016 (see top right of this form for your Controlling CHESSE Participant).



Tender Form Instructions – CHESS Sponsored Holders (more than 880 Shares)

How to complete this Tender Form

The instructions below are cross-referenced to each section of the Tender Form. Please complete the form in black ink.

- A** This is the maximum number of Shares you can tender in the Buy-Back Tender. You must tender at least 880 Shares if you wish to participate in the Buy-Back Tender.
- B** Part B allows you to choose whether you Tender your Shares as a Final Price Tender OR at one of the specified Tender Discounts. For example, you may tender some Shares shown in Part A as a Final Price Tender, some Shares at the specified Tender Discount of say, 9%, and some Shares at the specified Tender Discount of say, 10%. Each parcel of Shares tendered at a different Tender Discount is a separate Tender.
- C** You must add up the number of Shares inserted in Part B and write the total number in Part C. **This total number must not exceed the number of Shares shown in Part A, but must be greater than or equal to 880 Shares.** If the number of Shares in Part C is more than the number of Shares in Part A, you will be deemed to have offered only the number of Shares shown in Part A and, if you have selected more than one Tender Discount and/or a Final Price Tender, your Tender will be adjusted in the manner set out in section 6.13 of the Buy-Back Tender Booklet.
- D** Part D is **optional**, and allows you to specify a Minimum Price. You should tick one (and only one) of the Minimum Price options if you wish to make your Tender(s) conditional on the Buy-Back Tender Price being no less than the Minimum Price you select. You will not be paid less than the Minimum Price you select for your Shares. However, if the Minimum Price you select is higher than the Buy-Back Tender Price, none of your Shares will be bought back. If you specify a Minimum Price you must also complete Parts B and C. **You must not tick more than one box – if you choose more than one Minimum Price, your Tender(s) will be deemed to be conditional on the lowest Minimum Price that you have chosen.**
- E** Sign and date the Tender Form at Part E. By signing and returning this Tender Form you acknowledge that you have read and understood the Buy-Back Tender Documents and the Tender(s) specified on this Tender Form and agree to, and make an offer to sell the tendered Shares to Telstra Corporation Limited at the Tender Discount(s) specified and/or as a Final Price Tender and on the terms and conditions set out in the Buy-Back Tender Documents (including the warranties, authorisations and undertakings set out in section 6.10 of the Buy-Back Tender Booklet).
- Joint Shareholders – all holders must sign.
- Under power of attorney – where this Tender Form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power or the death of the donor of the power. Contact your Controlling CHESS Participant for any additional documentation required by them.
- Deceased estate – all executors should sign. Contact your Controlling CHESS Participant for any additional documentation required by them.
- Company – this Tender Form must be signed by 2 directors, a director and company secretary or, in the case of a company with a sole director who is also the sole company secretary, the sole director.
- Please Note: Providing your phone number is optional and may only be used by Link Market Services to contact you where necessary, or if circumstances permit, to clarify information provided on this Tender Form. Your phone number will not be included in Telstra's public share register or used, collected or disclosed for any other purpose.

Submitting your Tender Form

You can also submit your tender online at www.telstra.com/buyback

Do not send your Tender Form to the Telstra Share Registry.

You need to ensure that your Controlling CHESS Participant (normally your stockbroker) receives your Tender instructions in sufficient time for them to process your Tender by no later than 7:00pm (Australian Eastern Standard Time) on Friday, 30 September 2016. The name of the Controlling CHESS Participant who manages your CHESS holding as at 19 August 2016 is pre-printed on the front of this Tender Form. If you return your completed Tender Form to the Telstra Share Registry instead of your Controlling CHESS Participant, the Telstra Share Registry will endeavour to contact your Controlling CHESS Participant on your behalf and relay your Tender instructions. Neither Telstra nor the Telstra Share Registry will be responsible should your Controlling CHESS Participant not acknowledge and accept your Tender.

If you require further information on how to complete this Tender Form please contact the Buy-Back Tender Information Line on +61 1300 88 66 77.

THE REGISTRY WILL NOT ACCEPT TENDER FORMS FROM ANY PERSONS LOCATED OR RESIDENT IN THE UNITED STATES.

Shareholders are reminded that 30 September is a Victorian Public Holiday.

THIS TENDER FORM RELATES TO THE TELSTRA CORPORATION LIMITED BUY-BACK TENDER BOOKLET DATED 11 AUGUST 2016 AND SHOULD BE READ IN CONJUNCTION WITH THAT DOCUMENT.

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NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES, 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 OR THE DISTRICT OF COLUMBIA (THE "UNITED STATES").

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The Buy-Back Tender Invitation is not being made to Ineligible Foreign Shareholders, which includes 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 non-discretionary basis for a principal giving instructions from within the United States; and (iv) person who has a registered address in Canada.

As a Telstra shareholder, Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you (including your name, address and details of the shares you hold) to be included in Telstra's public share register. This information must continue to be included in the public share register even if you cease to be a Telstra shareholder. These statutory obligations are not altered by the *Privacy Act 1988* (Cth). Your information is collected by Link Market Services Limited ("Link") on behalf of Telstra. It is collected to administer your shareholding and to improve your shareholding experience. Your personal information may be disclosed to certain people or organisations outside Telstra, including Telstra's contractors (such as Link), brokers, printing companies, market researchers, government agencies (including the Australian Tax Office, Centrelink and law enforcement), and where required under applicable law, regulation or court order. Neither Telstra or Link disclose Telstra shareholder personal information to third parties outside Australia. All reasonable steps are taken to ensure that your personal information is accurate, complete and up-to-date. If some or all of your personal information is not collected, it might not be possible to administer your shareholding. See the privacy policy at www.linkmarketservices.com.au for information about how you can access and correct your personal information and raise privacy concerns.



Telstra Corporation Limited
 ABN 33 051 775 556

TENDER FORM
– New Zealand Register
(880 Shares or less)

THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND IT YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.

Please refer to the instructions on the back of this form.

CSN/Holder Number:

Shares you can tender as at 19 August 2016:

As you hold 880 Shares or less, you must tender **all** your Shares if you wish to participate in the Buy-Back Tender. → **A**

I/We offer to sell **ALL** my/our Shares to Telstra Corporation Limited at the Tender Discount specified or as a Final Price Tender and on the terms and conditions set out in the Buy-Back Tender Documents:

B All my/our Shares as a **FINAL PRICE TENDER**

If you wish to tender **all** your Shares as a Final Price Tender, please indicate with a tick.

OR

All my/our Shares at a **TENDER DISCOUNT**

If you wish to tender **all** your Shares at one of the specified Tender Discounts, please tick only **one** of the Tender Discounts.

<input type="checkbox"/> at a 6% Tender Discount	<input type="checkbox"/> at a 11% Tender Discount
<input type="checkbox"/> at a 7% Tender Discount	<input type="checkbox"/> at a 12% Tender Discount
<input type="checkbox"/> at a 8% Tender Discount	<input type="checkbox"/> at a 13% Tender Discount
<input type="checkbox"/> at a 9% Tender Discount	<input type="checkbox"/> at a 14% Tender Discount
<input type="checkbox"/> at a 10% Tender Discount	

C THIS PART C IS OPTIONAL – EITHER LEAVE IT BLANK OR TICK ONE (AND ONLY ONE) MINIMUM PRICE – IF YOU COMPLETE PART C YOU MUST ALSO COMPLETE PART B: You should only select a Minimum Price if you wish to make your Tender conditional on the Buy-Back Tender Price being no less than one of the following prices you select. You will not receive less than the Minimum Price you select for your Shares. However, your Shares will not be bought back if the Minimum Price you select is higher than the Buy-Back Tender Price.

A\$4.40 A\$4.60 A\$4.80 A\$5.00

D IMPORTANT INFORMATION: YOU MUST READ THE REVERSE OF THIS FORM BEFORE YOU SIGN AND RETURN THE FORM

Please sign within the boxes below in accordance with instructions.

<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
Individual OR Sole Director and Sole Company Secretary	Joint Shareholder 2 OR Director/Company Secretary	Joint Shareholder 3 OR Director
Telephone Number – Business Hours	Telephone Number – After Hours	Contact Name (PRINT)
<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>

TENDER FORMS MUST BE RECEIVED BY THE REGISTRY BY NO LATER THAN 9:00PM (NEW ZEALAND STANDARD TIME) (WHICH IS 7:00PM (AUSTRALIAN EASTERN STANDARD TIME)) ON FRIDAY, 30 SEPTEMBER 2016

TLS BBT005



Tender Form Instructions – New Zealand Register

(880 Shares or less)

How to complete this Tender Form

The instructions below are cross-referenced to each section of the Tender Form. Please complete the form in black ink.

A This is the number of Shares you can tender into the Buy-Back Tender. As you hold 880 Shares or less, if you wish to participate in the Buy-Back Tender, you must tender all your Shares.

B Part B allows you to choose whether you Tender your Shares as a Final Price Tender OR at one of the specified Tender Discounts. As you hold 880 Shares or less you cannot split your holding and tender different parcels of Shares at different Tender Discounts. You must only select one Tender Discount.

C Part C is optional, and allows you to specify a Minimum Price. You should tick one (and only one) of the Minimum Price options if you wish to make your Tender conditional on the Buy-Back Tender Price being no less than the Minimum Price you select. You will not be paid less than the Minimum Price you select for your Shares. However, if the Minimum Price you select is higher than the Buy-Back Tender Price, none of your Shares will be bought back. If you specify a Minimum Price you must also complete Part B. **You must not tick more than one box – if you choose more than one Minimum Price, your Tender will be deemed to be conditional on the lowest Minimum Price that you have chosen.**

D Sign and date the Tender Form at Part D. By signing and returning this Tender Form you acknowledge that you have read and understood the Buy-Back Tender Documents and the Tender specified on this Tender Form and agree to, and make an offer to sell the tendered Shares to Telstra Corporation Limited at the Tender Discount specified or as a Final Price Tender and on the terms and conditions set out in the Buy-Back Tender Documents (including the warranties, authorisations and undertakings set out in section 6.10 of the Buy-Back Tender Booklet).

Joint Shareholders – all holders must sign.

Under power of attorney – where this form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power or the death of the donor of the power. If not already noted by the Registry, an originally certified copy of the power of attorney must be sent to the Registry.

Deceased estate – all executors should sign. If not already noted by the Registry, send an originally certified copy of probate or letters of administration to the Registry.

Company – this form must be signed by 2 directors, a director and company secretary or, in the case of a company with a sole director who is also the sole company secretary, the sole director.

Please Note: Providing your phone number is optional and may only be used by Link Market Services to contact you where necessary, or if circumstances permit, to clarify information provided on this Tender Form. Your phone number will not be included in Telstra's public share register or used, collected or disclosed for any other purpose.

Submitting your Tender Form

If you require further information on how to complete this Tender Form please contact the Buy-Back Tender Information Line on 0800 835 787 (within New Zealand) or +64 9 375 5998 (from outside New Zealand).

Use the enclosed envelope to send or deliver your completed and signed Tender Form to the following address so that it is received no later than 9:00pm (New Zealand Standard Time) (which is 7:00pm (Australian Eastern Standard Time)) on Friday, 30 September 2016.

Mailing Address

Telstra Corporation Limited
C/-Link Market Services Limited
PO Box 91976
AUCKLAND 1142

Delivery Address

Telstra Corporation Limited
C/-Link Market Services Limited
Level 11, Deloitte House
80, Queen Street
AUCKLAND

THE REGISTRY WILL NOT ACCEPT TENDER FORMS FROM ANY PERSONS LOCATED OR RESIDENT IN THE UNITED STATES.

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Telstra Corporation Limited
 ABN 33 051 775 556

TENDER FORM
– New Zealand Register
(more than 880 Shares)

THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND IT YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.

CSN/Holder Number:

Shares you can tender as at 19 August 2016:

A

I/We offer to sell the following Shares to Telstra Corporation Limited at the Tender Discount(s) specified and/or as a Final Price Tender and on the terms and conditions set out in the Buy-Back Tender Documents:

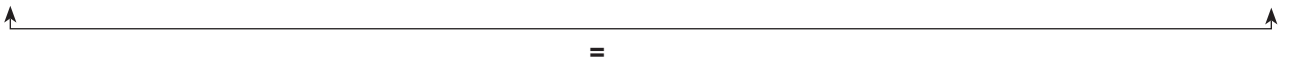
B Insert the **number** of Shares (if any) you wish to tender as a Final Price Tender.

as a **FINAL PRICE TENDER**

AND/OR

Insert the **number** of Shares (if any) you wish to tender next to the Tender Discount(s) at which you wish to tender those Shares. **You should refer to the special instructions overleaf before completing this Tender Form.**

<input type="text"/>	at a 6% Tender Discount	<input type="text"/>	at a 11% Tender Discount
<input type="text"/>	at a 7% Tender Discount	<input type="text"/>	at a 12% Tender Discount
<input type="text"/>	at a 8% Tender Discount	<input type="text"/>	at a 13% Tender Discount
<input type="text"/>	at a 9% Tender Discount	<input type="text"/>	at a 14% Tender Discount
<input type="text"/>	at a 10% Tender Discount		



C **TOTAL NUMBER OF SHARES TENDERED** (Add up rows in Part B)

The number of Shares in Part C must not be more than the number in Part A, but must be greater than or equal to 880 Shares.

D **THIS PART D IS OPTIONAL – EITHER LEAVE IT BLANK OR TICK ONE (AND ONLY ONE) MINIMUM PRICE – IF YOU COMPLETE PART D YOU MUST ALSO COMPLETE PARTS B AND C:** You should only select a Minimum Price if you wish to make your Tender(s) conditional on the Buy-Back Tender Price being no less than one of the following Minimum Prices you select. You will not receive less than the Minimum Price you select for your Shares. However, your Shares will not be bought back if the Minimum Price you select is higher than the Buy-Back Tender Price.

A\$4.40 A\$4.60 A\$4.80 A\$5.00

E **IMPORTANT INFORMATION: YOU MUST READ THE REVERSE OF THIS FORM BEFORE YOU SIGN AND RETURN THE FORM**
 Please sign within the boxes below in accordance with instructions.

<input type="text"/>	<input type="text"/>	<input type="text"/>
Individual OR Sole Director and Sole Company Secretary	Joint Shareholder 2 OR Director/Company Secretary	Joint Shareholder 3 OR Director
Telephone Number – Business Hours	Telephone Number – After Hours	Contact Name (PRINT)
<input type="text"/>	<input type="text"/>	<input type="text"/>

TENDER FORMS MUST BE RECEIVED BY THE REGISTRY BY NO LATER THAN 9:00PM (NEW ZEALAND STANDARD TIME) (WHICH IS 7:00PM (AUSTRALIAN EASTERN STANDARD TIME)) ON FRIDAY, 30 SEPTEMBER 2016

TLS BBT006



Tender Form Instructions – New Zealand Register

(more than 880 Shares)

How to complete this Tender Form

The instructions below are cross-referenced to each section of the Tender Form. Please complete the form in black ink.

- A** This is the maximum number of Shares you can tender in the Buy-Back Tender. You must tender at least 880 Shares if you wish to participate in the Buy-Back Tender.
- B** Part B allows you to choose whether you Tender your Shares as a Final Price Tender **OR** at one of the specified Tender Discounts. For example, you may tender some Shares shown in Part A as a Final Price Tender, some Shares at the specified Tender Discount of say, 9%, and some Shares at the specified Tender Discount of say, 10%. Each parcel of Shares tendered at a different Tender Discount is a separate Tender.
- C** You must add up the number of Shares inserted in Part B and write the total number in Part C. **This total number must not exceed the number of Shares shown in Part A, but must be greater than or equal to 880 Shares.** If the number of Shares in Part C is more than the number of Shares in Part A, you will be deemed to have offered only the number of Shares shown in Part A and, if you have selected more than one Tender Discount and/or a Final Price Tender, your Tender will be adjusted in the manner set out in section 6.13 of the Buy-Back Tender Booklet.
- D** Part D is **optional**, and allows you to specify a Minimum Price. You should tick one (and only one) of the Minimum Price options if you wish to make your Tender(s) conditional on the Buy-Back Tender Price being no less than the Minimum Price you select. You will not be paid less than the Minimum Price you select for your Shares. However, if the Minimum Price you select is higher than the Buy-Back Tender Price, none of your Shares will be bought back. If you specify a Minimum Price you must also complete Parts B and C. **You must not tick more than one box – if you choose more than one Minimum Price, your Tender(s) will be deemed to be conditional on the lowest Minimum Price that you have chosen.**
- E** Sign and date the Tender Form at Part E. By signing and returning this Tender Form you acknowledge that you have read and understood the Buy-Back Tender Documents and the Tender(s) specified on this Tender Form and agree to, and make an offer to sell the tendered Shares to Telstra Corporation Limited at the Tender Discount(s) specified and/or as a Final Price Tender and on the terms and conditions set out in the Buy-Back Tender Documents (including the warranties, authorisations and undertakings set out in section 6.10 of the Buy-Back Tender Booklet).
- Joint Shareholders** – all holders must sign.
- Under power of attorney** – where this Tender Form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power or the death of the donor of the power. If not already noted by the Registry, an originally certified copy of the power of attorney must be sent to the Registry.
- Deceased estate** – all executors should sign. If not already noted by the Registry, send an originally certified copy of probate or letters of administration to the Registry.
- Company** – this Tender Form must be signed by 2 directors, a director and company secretary or, in the case of a company with a sole director who is also the sole company secretary, the sole director.
- Please Note: Providing your phone number is optional and may only be used by Link Market Services to contact you where necessary, or if circumstances permit, to clarify information provided on this Tender Form. Your phone number will not be included in Telstra's public share register or used, collected or disclosed for any other purpose.**

Submitting your Tender Form

If you require further information on how to complete this Tender Form please contact the Buy-Back Tender Information Line on 0800 835 787 (within New Zealand) or +64 9 375 5998 (from outside New Zealand).

Use the enclosed envelope to send or deliver your completed and signed Tender Form to the following address so that it is received by no later than 9:00pm (New Zealand Standard Time) (which is 7:00pm (Australian Eastern Standard Time)) on Friday, 30 September 2016.

Mailing Address

Telstra Corporation Limited
C/-Link Market Services Limited
PO Box 91976
AUCKLAND 1142

Delivery Address

Telstra Corporation Limited
C/-Link Market Services Limited
Level 11, Deloitte House
80, Queen Street
AUCKLAND

THE REGISTRY WILL NOT ACCEPT TENDER FORMS FROM ANY PERSONS LOCATED OR RESIDENT IN THE UNITED STATES.

THIS TENDER FORM RELATES TO THE TELSTRA CORPORATION LIMITED BUY-BACK TENDER BOOKLET DATED 11 AUGUST 2016 AND SHOULD BE READ IN CONJUNCTION WITH THAT DOCUMENT.

THE TERMS AND CONDITIONS OF THE BUY-BACK TENDER, AND THE EFFECT OF SUBMITTING A TENDER, ARE SET OUT IN THE BUY-BACK TENDER BOOKLET.

NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES, 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 OR THE DISTRICT OF COLUMBIA (THE "UNITED STATES").

This is an important document. If you are in any doubt as to the action you should take, please consult your financial, taxation or other professional adviser immediately.

The Buy-Back Tender Invitation is not being made to Ineligible Foreign Shareholders, which includes 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 non-discretionary basis for a principal giving instructions from within the United States; and (iv) person who has a registered address in Canada.

As a Telstra shareholder, Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you (including your name, address and details of the shares you hold) to be included in Telstra's public share register. This information must continue to be included in the public share register even if you cease to be a Telstra shareholder. These statutory obligations are not altered by the *Privacy Act 1988* (Cth). Your information is collected by Link Market Services Limited ("Link") on behalf of Telstra. It is collected to administer your shareholding and to improve your shareholding experience. Your personal information may be disclosed to certain people or organisations outside Telstra, including Telstra's contractors (such as Link), brokers, printing companies, market researchers, government agencies (including the Australian Tax Office, Centrelink and law enforcement), and where required under applicable law, regulation or court order. Neither Telstra or Link disclose Telstra shareholder personal information to third parties outside Australia. All reasonable steps are taken to ensure that your personal information is accurate, complete and up-to-date. If some or all of your personal information is not collected, it might not be possible to administer your shareholding. See the privacy policy at www.linkmarketservices.com.au for information about how you can access and correct your personal information and raise privacy concerns.



**Withdrawal/Amendment Form
 – Issuer Sponsored Holders**
(880 Shares or less)

THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND IT YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.

Please refer to the instructions on the back of this form.

Securityholder Reference Number (SRN):

Please place a tick in the appropriate box:

Withdrawal: I/We wish to withdraw my/our previous Tender. (Complete Part D only.)

OR

Amendment: I/We wish to withdraw my/our previous Tender in full and wish to submit a replacement Tender as set out below. (Complete Part B, C and D.)

Shares you can tender as at 19 August 2016:

As you hold 880 Shares or less, you must tender **all** your Shares if you wish to participate in the Buy-Back Tender.

I/We offer to sell **ALL** my/our Shares to Telstra Corporation Limited at the Tender Discount specified or as a Final Price Tender and on the terms and conditions set out in the Buy-Back Tender Documents:

B

All my/our Shares as a **FINAL PRICE TENDER**

If you wish to tender **all** your Shares as a Final Price Tender, please indicate with a tick.

OR

All my/our Shares at a **TENDER DISCOUNT**

If you wish to tender **all** your Shares at one of the specified Tender Discounts, please tick only **one** of the Tender Discounts.

at a 6% Tender Discount

at a 11% Tender Discount

at a 7% Tender Discount

at a 12% Tender Discount

at a 8% Tender Discount

at a 13% Tender Discount

at a 9% Tender Discount

at a 14% Tender Discount

at a 10% Tender Discount

C

THIS PART C IS OPTIONAL – EITHER LEAVE IT BLANK OR TICK ONE (AND ONLY ONE) MINIMUM PRICE – IF YOU COMPLETE PART C YOU MUST ALSO COMPLETE PART B: You should only select a Minimum Price if you wish to make your Tender conditional on the Buy-Back Tender Price being no less than one of the following prices you select. You will not receive less than the Minimum Price you select for your Shares. However, your Shares will not be bought back if the Minimum Price you select is higher than the Buy-Back Tender Price.

\$4.40

\$4.60

\$4.80

\$5.00

D

IMPORTANT INFORMATION: YOU MUST READ THE REVERSE OF THIS FORM BEFORE YOU SIGN AND RETURN THE FORM

Please sign within the boxes below in accordance with instructions.

Individual OR Sole Director and Sole Company Secretary

Telephone Number – Business Hours

Joint Shareholder 2 OR Director/Company Secretary

Telephone Number – After Hours

Joint Shareholder 3 OR Director

Contact Name (PRINT)



Withdrawal/Amendment Form Instructions – Issuer Sponsored Holders (880 Shares or less)

Withdrawing or amending your Tender

The instructions below are cross-referenced to each section of the Withdrawal/Amendment Form. Please complete this Withdrawal/Amendment Form using black or dark blue ink only.

Place a tick in either the “Withdrawal” Box or the “Amendment” Box but not both.

Place a tick in the “Withdrawal” Box if you wish to withdraw your previous Tender in full (and not replace it).

Place a tick in the “Amendment” Box if you wish to withdraw your previous Tender in full and replace it with a new Tender.

How to complete this Withdrawal/Amendment Form

The instructions below are cross-referenced to each section of the Withdrawal/Amendment Form. Please complete the form in black ink.

A This is the number of Shares you can tender into the Buy-Back Tender. As you hold 880 Shares or less, if you wish to participate in the Buy-Back Tender, you must tender all your Shares.

B Part B allows you to choose whether you Tender your Shares as a Final Price Tender OR at one of the specified Tender Discounts. As you hold 880 Shares or less you cannot split your holding and tender different parcels of Shares at different Tender Discounts. You must only select one Tender Discount.

C Part C is optional, and allows you to specify a Minimum Price. You should tick one (and only one) of the Minimum Price options if you wish to make your Tender conditional on the Buy-Back Tender Price being no less than the Minimum Price you select. You will not be paid less than the Minimum Price you select for your Shares. However, if the Minimum Price you select is higher than the Buy-Back Tender Price, none of your Shares will be bought back. If you specify a Minimum Price you must also complete Part B. **You must not tick more than one box – if you choose more than one Minimum Price, your Tender will be deemed to be conditional on the lowest Minimum Price that you have chosen.**

D Sign and date the Withdrawal/Amendment Form at Part D. By signing and returning this Withdrawal/Amendment Form you acknowledge that you have read and understood the Buy-Back Tender Documents and the Tender specified on this Withdrawal/Amendment Form and agree to, and make an offer to sell the tendered Shares to Telstra Corporation Limited at the Tender Discount specified or as a Final Price Tender and on the terms and conditions set out in the Buy-Back Tender Documents (including the warranties, authorisations and undertakings set out in section 6.10 of the Buy-Back Tender Booklet).

Joint Shareholders – all holders must sign.

Under power of attorney – where this form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power or the death of the donor of the power. If not already noted by the Registry, an originally certified copy of the power of attorney must be sent to the Registry.

Deceased estate – all executors should sign. If not already noted by the Registry, send an originally certified copy of probate or letters of administration to the Registry.

Company – this form must be signed by 2 directors, a director and company secretary or, in the case of a company with a sole director who is also the sole company secretary, the sole director.

Please Note: Providing your phone number is optional and may only be used by Link Market Services to contact you where necessary, or if circumstances permit, to clarify information provided on this Tender Form. Your phone number will not be included in Telstra’s public share register or used, collected or disclosed for any other purpose.

Submitting your Withdrawal/Amendment Form

If you require further information on how to complete this Withdrawal/Amendment Form please contact the Buy-Back Tender Information Line on +61 1300 88 66 77.

Use the enclosed envelope to send or deliver your completed and signed Withdrawal/Amendment Form to the following address so that it is received no later than 7:00pm (Australian Eastern Standard Time) on Friday, 30 September 2016. Any Withdrawal/Amendment Form received after that time will not be effective.

Mailing Address

Telstra Corporation Limited
C/- Link Market Services Limited
PO Box 1509
SYDNEY SOUTH NSW 1234

Delivery Address

Telstra Corporation Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
RHODES NSW 2138

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THE TERMS AND CONDITIONS OF THE BUY-BACK TENDER, AND THE EFFECT OF SUBMITTING A TENDER, ARE SET OUT IN THE BUY-BACK TENDER BOOKLET.

NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES, 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 OR THE DISTRICT OF COLUMBIA (THE “UNITED STATES”).

This is an important document. If you are in any doubt as to the action you should take, please consult your financial, taxation or other professional adviser immediately.

The Buy-Back Tender Invitation is not being made to Ineligible Foreign Shareholders, which includes 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 non-discretionary basis for a principal giving instructions from within the United States; and (iv) person who has a registered address in Canada.

As a Telstra shareholder, Chapter 2C of the Corporations Act 2001 (Cth) requires information about you (including your name, address and details of the shares you hold) to be included in Telstra’s public share register. This information must continue to be included in the public share register even if you cease to be a Telstra shareholder. These statutory obligations are not altered by the Privacy Act 1988 (Cth). Your information is collected by Link Market Services Limited (“Link”) on behalf of Telstra. It is collected to administer your shareholding and to improve your shareholding experience. Your personal information may be disclosed to certain people or organisations outside Telstra, including Telstra’s contractors (such as Link), brokers, printing companies, market researchers, government agencies (including the Australian Tax Office, Centrelink and law enforcement), and where required under applicable law, regulation or court order. Neither Telstra or Link disclose Telstra shareholder personal information to third parties outside Australia. All reasonable steps are taken to ensure that your personal information is accurate, complete and up-to-date. If some or all of your personal information is not collected, it might not be possible to administer your shareholding. See the privacy policy at www.linkmarketservices.com.au for information about how you can access and correct your personal information and raise privacy concerns.



**Withdrawal/Amendment Form
 – Issuer Sponsored Holders**
(more than 880 Shares)

THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND IT YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.

Securityholder Reference Number (SRN):

Please place a tick in the appropriate box:

Withdrawal: I/We wish to withdraw my/our previous Tender(s). (Complete Part E only.)

OR

Amendment: I/We wish to withdraw my/our previous Tender(s) in full and wish to submit a replacement Tender as set out below. (Complete Parts B, C, D and E.)

Shares you can tender as at 19 August 2016:

A

I/We offer to sell the following Shares to Telstra Corporation Limited at the Tender Discount(s) specified and/or as a Final Price Tender and on the terms and conditions set out in the Buy-Back Tender Documents:

B Insert the **number** of Shares (if any) you wish to tender as a Final Price Tender.

as a **FINAL PRICE TENDER**

AND/OR

Insert the **number** of Shares (if any) you wish to tender next to the Tender Discount(s) at which you wish to tender those Shares. **You should refer to the special instructions overleaf before completing this Withdrawal/Amendment Form.**

<input style="width: 100%; height: 20px;" type="text"/>	at a 6% Tender Discount	<input style="width: 100%; height: 20px;" type="text"/>	at a 11% Tender Discount
<input style="width: 100%; height: 20px;" type="text"/>	at a 7% Tender Discount	<input style="width: 100%; height: 20px;" type="text"/>	at a 12% Tender Discount
<input style="width: 100%; height: 20px;" type="text"/>	at a 8% Tender Discount	<input style="width: 100%; height: 20px;" type="text"/>	at a 13% Tender Discount
<input style="width: 100%; height: 20px;" type="text"/>	at a 9% Tender Discount	<input style="width: 100%; height: 20px;" type="text"/>	at a 14% Tender Discount
<input style="width: 100%; height: 20px;" type="text"/>	at a 10% Tender Discount		

C **TOTAL NUMBER OF SHARES TENDERED** (Add up rows in Part B)

The number of Shares in Part C must not be more than the number in Part A, but must be greater than or equal to 880 Shares.

D **THIS PART D IS OPTIONAL – EITHER LEAVE IT BLANK OR TICK ONE (AND ONLY ONE) MINIMUM PRICE – IF YOU COMPLETE PART D YOU MUST ALSO COMPLETE PARTS B AND C:** You should only select a Minimum Price if you wish to make your Tender(s) conditional on the Buy-Back Tender Price being no less than one of the following Minimum Prices you select. You will not receive less than the Minimum Price you select for your Shares. However, your Shares will not be bought back if the Minimum Price you select is higher than the Buy-Back Tender Price.

\$4.40 \$4.60 \$4.80 \$5.00

E **IMPORTANT INFORMATION: YOU MUST READ THE REVERSE OF THIS FORM BEFORE YOU SIGN AND RETURN THE FORM**
 Please sign within the boxes below in accordance with instructions.

<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>
Individual OR Sole Director and Sole Company Secretary Telephone Number – Business Hours	Joint Shareholder 2 OR Director/Company Secretary Telephone Number – After Hours	Joint Shareholder 3 OR Director Contact Name (PRINT)
<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 100%; height: 20px;" type="text"/>



Withdrawal/Amendment Form Instructions – Issuer Sponsored Holders (more than 880 Shares)

How to complete this Withdrawal/Amendment Form

The instructions below are cross-referenced to each section of the Withdrawal/Amendment Form. Please complete this Withdrawal/Amendment Form using black ink.

Place a tick in either the “Withdrawal” Box or the “Amendment” Box but not both.

Place a tick in the “Withdrawal” Box if you wish to withdraw your previous Tender in full (and not replace it).

Place a tick in the “Amendment” Box if you wish to withdraw your previous Tender in full and replace it with a new Tender.

- A** This is the maximum number of Shares you can tender in the Buy-Back Tender. You must tender at least 880 Shares if you wish to participate in the Buy-Back Tender.
- B** Part B allows you to choose whether you Tender your Shares as a Final Price Tender OR at one of the specified Tender Discounts. For example, you may tender some Shares shown in Part A as a Final Price Tender, some Shares at the specified Tender Discount of say, 9%, and some Shares at the specified Tender Discount of say, 10%. Each parcel of Shares tendered at a different Tender Discount is a separate Tender. You must only select one Tender Discount.
- C** You must add up the number of Shares inserted in Part B and write the total number in Part C. **This total number must not exceed the number of Shares shown in Part A.** If the number of Shares in Part C is more than the number of Shares in Part A, you will be deemed to have offered only the number of Shares shown in Part A and, if you have selected more than one Tender Discount and/or a Final Price Tender, your Tender will be adjusted in the manner set out in section 6.13 of the Buy-Back Tender Booklet.
- D** Part D is optional, and allows you to specify a Minimum Price. You should tick one (and only one) of the Minimum Price options if you wish to make your Tender(s) conditional on the Buy-Back Tender Price being no less than the Minimum Price you select. You will not be paid less than the Minimum Price you select for your Shares. However, if the Minimum Price you select is higher than the Buy-Back Tender Price, none of your Shares will be bought back. If you specify a Minimum Price you must also complete Parts B and C. **You must not tick more than one box – if you choose more than one Minimum Price, your Tender(s) will be deemed to be conditional on the lowest Minimum Price that you have chosen.**
- E** Sign and date the Withdrawal/Amendment Form at Part E. By signing and returning this Withdrawal/Amendment Form you acknowledge that you have read and understood the Buy-Back Tender Documents and the Tender(s) specified on this Withdrawal/Amendment Form and agree to, and make an offer to sell the tendered Shares to Telstra Corporation Limited at the Tender Discount(s) specified and/or as a Final Price Tender and on the terms and conditions set out in the Buy-Back Tender Documents (including the warranties, authorisations and undertakings set out in section 6.10 of the Buy-Back Tender Booklet).

Joint Shareholders – all holders must sign.

Under power of attorney – where this Withdrawal/Amendment Form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power or the death of the donor of the power. If not already noted by the Registry, an originally certified copy of the power of attorney must be sent to the Registry.

Deceased estate – all executors should sign. If not already noted by the Registry, send an originally certified copy of probate or letters of administration to the Registry.

Company – this Withdrawal/Amendment Form must be signed by 2 directors, a director and company secretary or, in the case of a company with a sole director who is also the sole company secretary, the sole director.

Please Note: Providing your phone number is optional and may only be used by Link Market Services to contact you where necessary, or if circumstances permit, to clarify information provided on this Tender Form. Your phone number will not be included in Telstra’s public share register or used, collected or disclosed for any other purpose.

Submitting your Withdrawal/Amendment Form

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Use the enclosed envelope to send or deliver your completed and signed Withdrawal/Amendment Form to the following address so that it is received by no later than 7:00pm (Australian Eastern Standard Time) on Friday, 30 September 2016. Any Withdrawal/Amendment Form received after that time will not be effective.

Mailing Address

Telstra Corporation Limited
C/- Link Market Services Limited
PO Box 1509
SYDNEY SOUTH NSW 1234

Delivery Address

Telstra Corporation Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
RHODES NSW 2138

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This is an important document. If you are in any doubt as to the action you should take, please consult your financial, taxation or other professional adviser immediately. The Buy-Back Tender Invitation is not being made to Ineligible Foreign Shareholders, which includes 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 non-discretionary basis for a principal giving instructions from within the United States; and (iv) person who has a registered address in Canada.

As a Telstra shareholder, Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you (including your name, address and details of the shares you hold) to be included in Telstra’s public share register. This information must continue to be included in the public share register even if you cease to be a Telstra shareholder. These statutory obligations are not altered by the *Privacy Act 1988* (Cth). Your information is collected by Link Market Services Limited (“Link”) on behalf of Telstra. It is collected to administer your shareholding and to improve your shareholding experience. Your personal information may be disclosed to certain people or organisations outside Telstra, including Telstra’s contractors (such as Link), brokers, printing companies, market researchers, government agencies (including the Australian Tax Office, Centrelink and law enforcement), and where required under applicable law, regulation or court order. Neither Telstra or Link disclose Telstra shareholder personal information to third parties outside Australia. All reasonable steps are taken to ensure that your personal information is accurate, complete and up-to-date. If some or all of your personal information is not collected, it might not be possible to administer your shareholding. See the privacy policy at www.linkmarketservices.com.au for information about how you can access and correct your personal information and raise privacy concerns.



Telstra Corporation Limited
 ABN 33 051 775 556

**Withdrawal/Amendment Form
 – CHES Sponsor Holders**
(880 Shares or less)

THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND IT YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.

Do NOT send your Withdrawal/Amendment Form to the Registry. Send this form to your controlling CHES participant (usually your stock broker).

Please refer to the instructions on the back of this form.

Controlling CHES Participant as at 19 August 2016:

Holder Identification Number (HIN):

Please place a tick in the appropriate box:

Withdrawal: I/We wish to withdraw my/our previous Tender. (Complete Part D only.)

OR

Amendment: I/We wish to withdraw my/our previous Tender in full and wish to submit a replacement Tender as set out below. (Complete Part B, C and D.)

Shares you can tender as at 19 August 2016:

As you hold 880 Shares or less, you must tender **all** your Shares if you wish to participate in the Buy-Back Tender.

A

I/We offer to sell **ALL** my/our Shares to Telstra Corporation Limited at the Tender Discount specified or as a Final Price Tender and on the terms and conditions set out in the Buy-Back Tender Documents:

B

All my/our Shares as a **FINAL PRICE TENDER**

If you wish to tender **all** your Shares as a Final Price Tender, please indicate with a tick.

OR

All my/our Shares at a **TENDER DISCOUNT**

If you wish to tender **ALL** your Shares at one of the specified Tender Discounts, please tick only **one** of the Tender Discounts.

at a 6% Tender Discount

at a 11% Tender Discount

at a 7% Tender Discount

at a 12% Tender Discount

at a 8% Tender Discount

at a 13% Tender Discount

at a 9% Tender Discount

at a 14% Tender Discount

at a 10% Tender Discount

C

THIS PART C IS OPTIONAL – EITHER LEAVE IT BLANK OR TICK ONE (AND ONLY ONE) MINIMUM PRICE – IF YOU COMPLETE PART C YOU MUST ALSO COMPLETE PART B: You should only select a Minimum Price if you wish to make your Tender conditional on the Buy-Back Tender Price being no less than one of the following prices you select. You will not receive less than the Minimum Price you select for your Shares. However, your Shares will not be bought back if the Minimum Price you select is higher than the Buy-Back Tender Price.

\$4.40

\$4.60

\$4.80

\$5.00

D

IMPORTANT INFORMATION: YOU MUST READ THE REVERSE OF THIS FORM BEFORE YOU SIGN AND RETURN THE FORM

Please sign within the boxes below in accordance with instructions.

Individual OR Sole Director and Sole Company Secretary

Telephone Number – Business Hours

()

Joint Shareholder 2 OR Director/Company Secretary

Telephone Number – After Hours

()

Joint Shareholder 3 OR Director

Contact Name (PRINT)

WITHDRAWAL/AMENDMENT FORMS MUST BE RECEIVED BY YOUR CONTROLLING CHES PARTICIPANT SO THAT YOUR CONTROLLING CHES PARTICIPANT CAN PROCESS YOUR TENDER BY NO LATER THAN 7:00PM (AUSTRALIAN EASTERN STANDARD TIME) ON FRIDAY, 30 SEPTEMBER 2016 (see top right of this form for your Controlling CHES Participant).

TLS WAF003



Withdrawal/Amendment Form Instructions – CHESS Sponsored Holders (880 Shares or less)

Withdrawing or amending your Tender

The instructions below are cross-referenced to each section of the Withdrawal/Amendment Form. Please complete this Withdrawal/Amendment Form using black or dark blue ink only.

Place a tick in either the “Withdrawal” Box or the “Amendment” Box but not both.

Place a tick in the “Withdrawal” Box if you wish to withdraw your previous Tender in full (and not replace it).

Place a tick in the “Amendment” Box if you wish to withdraw your previous Tender in full and replace it with a new Tender.

How to complete this Withdrawal/Amendment Form

The instructions below are cross-referenced to each section of the Withdrawal/Amendment Form. Please complete the form in black ink.

A This is the number of Shares you can tender into the Buy-Back Tender. As you hold 880 Shares or less, if you wish to participate in the Buy-Back Tender, you must tender all your Shares.

B Part B allows you to choose whether you Tender your Shares as a Final Price Tender OR at one of the specified Tender Discounts. As you hold 880 Shares or less you cannot split your holding and tender different parcels of Shares at different Tender Discounts. You must only select one Tender Discount.

C Part C is optional, and allows you to specify a Minimum Price. You should tick one (and only one) of the Minimum Price options if you wish to make your Tender conditional on the Buy-Back Tender Price being no less than the Minimum Price you select. You will not be paid less than the Minimum Price you select for your Shares. However, if the Minimum Price you select is higher than the Buy-Back Tender Price, none of your Shares will be bought back. If you specify a Minimum Price you must also complete Part B. **You must not tick more than one box – if you choose more than one Minimum Price, your Tender will be deemed to be conditional on the lowest Minimum Price that you have chosen.**

D Sign and date the Withdrawal/Amendment Form at Part D. By signing and returning this Withdrawal/Amendment Form you acknowledge that you have read and understood the Buy-Back Tender Documents and the Tender specified on this Withdrawal/Amendment Form and agree to, and make an offer to sell the tendered Shares to Telstra Corporation Limited at the Tender Discount specified or as a Final Price Tender and on the terms and conditions set out in the Buy-Back Tender Documents (including the warranties, authorisations and undertakings set out in section 6.10 of the Buy-Back Tender Booklet).

Joint Shareholders – all holders must sign.

Under power of attorney – where this form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power or the death of the donor of the power. Contact your Controlling CHESS Participant for any additional documentation required by them.

Deceased estate – all executors should sign. Contact your Controlling CHESS Participant for any additional documentation required by them.

Company – this form must be signed by 2 directors, a director and company secretary or, in the case of a company with a sole director who is also the sole company secretary, the sole director.

Please Note: Providing your phone number is optional and may only be used by Link Market Services to contact you where necessary, or if circumstances permit, to clarify information provided on this Tender Form. Your phone number will not be included in Telstra’s public share register or used, collected or disclosed for any other purpose.

Submitting your Withdrawal/Amendment Form

Do not send your Withdrawal/Amendment Form to the Telstra Share Registry.

You need to ensure that your Controlling CHESS Participant (normally your stockbroker) receives your withdrawal/amendment instructions in sufficient time for them to process your withdrawal/amendment no later than 7:00pm (Australian Eastern Standard Time) on Friday, 30 September 2016. Any Withdrawal/Amendment Form received after that time will not be effective. The name of the Controlling CHESS Participant who manages your CHESS holding as at 19 August 2016 is pre-printed on the front of this Withdrawal/Amendment Form. If you return your completed Withdrawal/Amendment Form to the Telstra Share Registry instead of your Controlling CHESS Participant, the Telstra Share Registry will endeavour to contact your Controlling CHESS Participant on your behalf and relay your withdrawal/amendment instructions. Neither Telstra nor the Telstra Share Registry will be responsible should your Controlling CHESS Participant not acknowledge and accept your withdrawal/amendment Tender.

If you require further information on how to complete this form please contact the Buy-Back Tender Information Line on +61 1300 88 66 77.

THE REGISTRY WILL NOT ACCEPT TENDER FORMS FROM ANY PERSONS LOCATED OR RESIDENT IN THE UNITED STATES.

THIS WITHDRAWAL/AMENDMENT FORM RELATES TO THE TELSTRA CORPORATION LIMITED BUY-BACK TENDER BOOKLET DATED 11 AUGUST 2016 AND SHOULD BE READ IN CONJUNCTION WITH THAT DOCUMENT.

THE TERMS AND CONDITIONS OF THE BUY-BACK TENDER, AND THE EFFECT OF SUBMITTING A TENDER, ARE SET OUT IN THE BUY-BACK TENDER BOOKLET.

NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES, 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 OR THE DISTRICT OF COLUMBIA (THE “UNITED STATES”).

This is an important document. If you are in any doubt as to the action you should take, please consult your financial, taxation or other professional adviser immediately.

The Buy-Back Tender Invitation is not being made to Ineligible Foreign Shareholders, which includes 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 non-discretionary basis for a principal giving instructions from within the United States; and (iv) person who has a registered address in Canada.

As a Telstra shareholder, Chapter 2C of the Corporations Act 2001 (Cth) requires information about you (including your name, address and details of the shares you hold) to be included in Telstra’s public share register. This information must continue to be included in the public share register even if you cease to be a Telstra shareholder. These statutory obligations are not altered by the Privacy Act 1988 (Cth). Your information is collected by Link Market Services Limited (“Link”) on behalf of Telstra. It is collected to administer your shareholding and to improve your shareholding experience. Your personal information may be disclosed to certain people or organisations outside Telstra, including Telstra’s contractors (such as Link), brokers, printing companies, market researchers, government agencies (including the Australian Tax Office, Centrelink and law enforcement), and where required under applicable law, regulation or court order. Neither Telstra or Link disclose Telstra shareholder personal information to third parties outside Australia. All reasonable steps are taken to ensure that your personal information is accurate, complete and up-to-date. If some or all of your personal information is not collected, it might not be possible to administer your shareholding. See the privacy policy at www.linkmarketservices.com.au for information about how you can access and correct your personal information and raise privacy concerns.



**Withdrawal/Amendment Form
 – CHES Sponsor Holders**
(more than 880 Shares)

THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND IT YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.
Do NOT send your Withdrawal/Amendment Form to the Registry. Send this form to your controlling CHES participant (usually your stock broker).

Controlling CHES Participant as at 19 August 2016:

Holder Identification Number (HIN):

Please place a tick in the appropriate box:

Withdrawal: I/We wish to withdraw my/our previous Tender(s). (Complete Part E only.)

OR

Amendment: I/We wish to withdraw my/our previous Tender(s) in full and wish to submit a replacement Tender as set out below. (Complete Parts B, C, D and E.)

Shares you can tender as at 19 August 2016:

A

I/We offer to sell the following Shares to Telstra Corporation Limited at the Tender Discount(s) specified and/or as a Final Price Tender and on the terms and conditions set out in the Buy-Back Tender Documents:

B Insert the **number** of Shares (if any) you wish to tender as a Final Price Tender.

as a **FINAL PRICE TENDER**

AND/OR

Insert the **number** of Shares (if any) you wish to tender next to the Tender Discount(s) at which you wish to tender those Shares. **You should refer to the special instructions overleaf before completing this Withdrawal/Amendment Form.**

at a 6% Tender Discount

at a 11% Tender Discount

at a 7% Tender Discount

at a 12% Tender Discount

at a 8% Tender Discount

at a 13% Tender Discount

at a 9% Tender Discount

at a 14% Tender Discount

at a 10% Tender Discount

C **TOTAL NUMBER OF SHARES TENDERED** (Add up rows in Part B)

=

The number of Shares in Part C must not be more than the number in Part A, but must be greater than or equal to 880 Shares.

D **THIS PART D IS OPTIONAL – EITHER LEAVE IT BLANK OR TICK ONE (AND ONLY ONE) MINIMUM PRICE – IF YOU COMPLETE PART D YOU MUST ALSO COMPLETE PARTS B AND C:** You should only select a Minimum Price if you wish to make your Tender(s) conditional on the Buy-Back Tender Price being no less than one of the following Minimum Prices you select. You will not receive less than the Minimum Price you select for your Shares. However, your Shares will not be bought back if the Minimum Price you select is higher than the Buy-Back Tender Price.

\$4.40

\$4.60

\$4.80

\$5.00

E **IMPORTANT INFORMATION: YOU MUST READ THE REVERSE OF THIS FORM BEFORE YOU SIGN AND RETURN THE FORM**
 Please sign within the boxes below in accordance with instructions.

Individual OR Sole Director and Sole Company Secretary

Telephone Number – Business Hours

Joint Shareholder 2 OR Director/Company Secretary

Telephone Number – After Hours

Joint Shareholder 3 OR Director

Contact Name (PRINT)



Withdrawal/Amendment Form Instructions – CHESSE Sponsored Holders (more than 880 Shares)

How to complete this Withdrawal/Amendment Form

The instructions below are cross-referenced to each section of the Withdrawal/Amendment Form. Please complete this Withdrawal/Amendment Form using black ink.

Place a tick in either the “Withdrawal” Box or the “Amendment” Box but not both.

Place a tick in the “Withdrawal” Box if you wish to withdraw your previous Tender in full (and not replace it).

Place a tick in the “Amendment” Box if you wish to withdraw your previous Tender in full and replace it with a new Tender.

- A** This is the maximum number of Shares you can tender in the Buy-Back Tender. You must tender at least 880 Shares if you wish to participate in the Buy-Back Tender.
- B** Part B allows you to choose whether you Tender your Shares as a Final Price Tender OR at one of the specified Tender Discounts. For example, you may tender some Shares shown in Part A as a Final Price Tender, some Shares at the specified Tender Discount of say, 9%, and some Shares at the specified Tender Discount of say, 10%. Each parcel of Shares tendered at a different Tender Discount is a separate Tender. You must only select one Tender Discount.
- C** You must add up the number of Shares inserted in Part B and write the total number in Part C. This total number must not exceed the number of Shares shown in Part A. If the number of Shares in Part C is more than the number of Shares in Part A, you will be deemed to have offered only the number of Shares shown in Part A and, if you have selected more than one Tender Discount and/or a Final Price Tender, your Tender will be adjusted in the manner set out in section 6.13 of the Buy-Back Tender Booklet.
- D** Part D is optional, and allows you to specify a Minimum Price. You should tick one (and only one) of the Minimum Price options if you wish to make your Tender(s) conditional on the Buy-Back Tender Price being no less than the Minimum Price you select. You will not be paid less than the Minimum Price you select for your Shares. However, if the Minimum Price you select is higher than the Buy-Back Tender Price, none of your Shares will be bought back. If you specify a Minimum Price you must also complete Parts B and C. You must not tick more than one box – if you choose more than one Minimum Price, your Tender(s) will be deemed to be conditional on the lowest Minimum Price that you have chosen.
- E** Sign and date the Withdrawal/Amendment Form at Part E. By signing and returning this Withdrawal/Amendment Form you acknowledge that you have read and understood the Buy-Back Tender Documents and the Tender(s) specified on this Withdrawal/Amendment Form and agree to, and make an offer to sell the tendered Shares to Telstra Corporation Limited at the Tender Discount(s) specified and/or as a Final Price Tender and on the terms and conditions set out in the Buy-Back Tender Documents (including the warranties, authorisations and undertakings set out in section 6.10 of the Buy-Back Tender Booklet).

Joint Shareholders – all holders must sign.

Under power of attorney – where this Withdrawal/Amendment Form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power or the death of the donor of the power. Contact your Controlling CHESSE Participant for any additional documentation required by them.

Deceased estate – all executors should sign. Contact your Controlling CHESSE Participant for any additional documentation required by them.

Company – this Withdrawal/Amendment Form must be signed by 2 directors, a director and company secretary or, in the case of a company with a sole director who is also the sole company secretary, the sole director.

Please Note: Providing your phone number is optional and may only be used by Link Market Services to contact you where necessary, or if circumstances permit, to clarify information provided on this Tender Form. Your phone number will not be included in Telstra's public share register or used, collected or disclosed for any other purpose.

Submitting your Withdrawal/Amendment Form

Do not send your Withdrawal/Amendment Form to the Telstra Share Registry.

You need to ensure that your Controlling CHESSE Participant (normally your stockbroker) receives your withdrawal/amendment instructions in sufficient time for them to process your withdrawal/amendment by no later than 7:00pm (Australian Eastern Standard Time) on Friday, 30 September 2016. Any Withdrawal/Amendment Form received after that time will not be effective. The name of the Controlling CHESSE Participant who manages your CHESSE holding as at 19 August 2016 is pre-printed on the front of this Withdrawal/Amendment Form. If you return your completed Withdrawal/Amendment Form to the Telstra Share Registry instead of your Controlling CHESSE Participant, the Telstra Share Registry will endeavour to contact your Controlling CHESSE Participant on your behalf and relay your withdrawal/amendment instructions. Neither Telstra nor the Telstra Share Registry will be responsible should your Controlling CHESSE Participant not acknowledge and accept your withdrawal/amendment Tender.

If you require further information on how to complete this Withdrawal/Amendment Form please contact the Buy-Back Tender Information Line on +61 1300 88 66 77.

THE REGISTRY WILL NOT ACCEPT TENDER FORMS FROM ANY PERSONS LOCATED OR RESIDENT IN THE UNITED STATES.

THIS WITHDRAWAL/AMENDMENT FORM RELATES TO THE TELSTRA CORPORATION LIMITED BUY-BACK TENDER BOOKLET DATED 11 AUGUST 2016 AND SHOULD BE READ IN CONJUNCTION WITH THAT DOCUMENT.

THE TERMS AND CONDITIONS OF THE BUY-BACK TENDER, AND THE EFFECT OF SUBMITTING A TENDER, ARE SET OUT IN THE BUY-BACK TENDER BOOKLET.

NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES, 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 OR THE DISTRICT OF COLUMBIA (THE “UNITED STATES”).

This is an important document. If you are in any doubt as to the action you should take, please consult your financial, taxation or other professional adviser immediately.

The Buy-Back Tender Invitation is not being made to Ineligible Foreign Shareholders, which includes 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 non-discretionary basis for a principal giving instructions from within the United States; and (iv) person who has a registered address in Canada.

As a Telstra shareholder, Chapter 2C of the Corporations Act 2001 (Cth) requires information about you (including your name, address and details of the shares you hold) to be included in Telstra's public share register. This information must continue to be included in the public share register even if you cease to be a Telstra shareholder. These statutory obligations are not altered by the Privacy Act 1988 (Cth). Your information is collected by Link Market Services Limited (“Link”) on behalf of Telstra. It is collected to administer your shareholding and to improve your shareholding experience. Your personal information may be disclosed to certain people or organisations outside Telstra, including Telstra's contractors (such as Link), brokers, printing companies, market researchers, government agencies (including the Australian Tax Office, Centrelink and law enforcement), and where required under applicable law, regulation or court order. Neither Telstra or Link disclose Telstra shareholder personal information to third parties outside Australia. All reasonable steps are taken to ensure that your personal information is accurate, complete and up-to-date. If some or all of your personal information is not collected, it might not be possible to administer your shareholding. See the privacy policy at www.linkmarketservices.com.au for information about how you can access and correct your personal information and raise privacy concerns.



Telstra Corporation Limited
 ABN 33 051 775 556

**Withdrawal/Amendment Form
 – New Zealand Register**
(880 Shares or less)

THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND IT YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.

Please refer to the instructions on the back of this form.

CSN/Holder Number:

Please place a tick in the appropriate box:

Withdrawal: I/We wish to withdraw my/our previous Tender. (Complete Part D only.)

OR

Amendment: I/We wish to withdraw my/our previous Tender in full and wish to submit a replacement Tender as set out below. (Complete Part B, C and D.)

Shares you can tender as at 19 August 2016:

As you hold 880 Shares or less, you must tender **all** your Shares if you wish to participate in the Buy-Back Tender.

 A

I/We offer to sell **ALL** my/our Shares to Telstra Corporation Limited at the Tender Discount specified or as a Final Price Tender and on the terms and conditions set out in the Buy-Back Tender Documents:

 B

All my/our Shares as a **FINAL PRICE TENDER**

If you wish to tender **all** your Shares as a Final Price Tender, please indicate with a tick.

OR

All my/our Shares at a **TENDER DISCOUNT**

If you wish to tender **all** your Shares at one of the specified Tender Discounts, please tick only **one** of the Tender Discounts.

at a 6% Tender Discount

at a 11% Tender Discount

at a 7% Tender Discount

at a 12% Tender Discount

at a 8% Tender Discount

at a 13% Tender Discount

at a 9% Tender Discount

at a 14% Tender Discount

at a 10% Tender Discount

 C

THIS PART C IS OPTIONAL – EITHER LEAVE IT BLANK OR TICK ONE (AND ONLY ONE) MINIMUM PRICE – IF YOU COMPLETE PART C YOU MUST ALSO COMPLETE PART B: You should only select a Minimum Price if you wish to make your Tender conditional on the Buy-Back Tender Price being no less than one of the following prices you select. You will not receive less than the Minimum Price you select for your Shares. However, your Shares will not be bought back if the Minimum Price you select is higher than the Buy-Back Tender Price.

A\$4.40

A\$4.60

A\$4.80

A\$5.00

 D

IMPORTANT INFORMATION: YOU MUST READ THE REVERSE OF THIS FORM BEFORE YOU SIGN AND RETURN THE FORM

Please sign within the boxes below in accordance with instructions.

Individual OR Sole Director
and Sole Company Secretary

Telephone Number – Business Hours

Joint Shareholder 2 OR
Director/Company Secretary

Telephone Number – After Hours

Joint Shareholder 3 OR
Director

Contact Name (PRINT)

WITHDRAWAL/AMENDMENT FORMS MUST BE RECEIVED BY THE REGISTRY BY NO LATER THAN 9:00PM (NEW ZEALAND STANDARD TIME)
 (WHICH IS 7:00PM (AUSTRALIAN EASTERN STANDARD TIME)) ON FRIDAY, 30 SEPTEMBER 2016

TLS WAF005



Withdrawal/Amendment Form Instructions – New Zealand Register (880 Shares or less)

Withdrawing or amending your Tender

The instructions below are cross-referenced to each section of the Withdrawal/Amendment Form. Please complete this Withdrawal/Amendment Form using black or dark blue ink only.

Place a tick in either the “Withdrawal” Box or the “Amendment” Box but not both.

Place a tick in the “Withdrawal” Box if you wish to withdraw your previous Tender in full (and not replace it).

Place a tick in the “Amendment” Box if you wish to withdraw your previous Tender in full and replace it with a new Tender.

How to complete this Withdrawal/Amendment Form

The instructions below are cross-referenced to each section of the Withdrawal/Amendment Form. Please complete the form in black ink.

A This is the number of Shares you can tender into the Buy-Back Tender. As you hold 880 Shares or less, if you wish to participate in the Buy-Back Tender, you must tender all your Shares.

B Part B allows you to choose whether you Tender your Shares as a Final Price Tender OR at one of the specified Tender Discounts. As you hold 880 Shares or less you cannot split your holding and tender different parcels of Shares at different Tender Discounts. You must only select one Tender Discount.

C Part C is optional, and allows you to specify a Minimum Price. You should tick one (and only one) of the Minimum Price options if you wish to make your Tender conditional on the Buy-Back Tender Price being no less than the Minimum Price you select. You will not be paid less than the Minimum Price you select for your Shares. However, if the Minimum Price you select is higher than the Buy-Back Tender Price, none of your Shares will be bought back. If you specify a Minimum Price you must also complete Part B. **You must not tick more than one box – if you choose more than one Minimum Price, your Tender will be deemed to be conditional on the lowest Minimum Price that you have chosen.**

D Sign and date the Withdrawal/Amendment Form at Part D. By signing and returning this Withdrawal/Amendment Form you acknowledge that you have read and understood the Buy-Back Tender Documents and the Tender specified on this Withdrawal/Amendment Form and agree to, and make an offer to sell the tendered Shares to Telstra Corporation Limited at the Tender Discount specified or as a Final Price Tender and on the terms and conditions set out in the Buy-Back Tender Documents (including the warranties, authorisations and undertakings set out in section 6.10 of the Buy-Back Tender Booklet).

Joint Shareholders – all holders must sign.

Under power of attorney – where this form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power or the death of the donor of the power. If not already noted by the Registry, an originally certified copy of the power of attorney must be sent to the Registry.

Deceased estate – all executors should sign. If not already noted by the Registry, send an originally certified copy of probate or letters of administration to the Registry.

Company – this form must be signed by 2 directors, a director and company secretary or, in the case of a company with a sole director who is also the sole company secretary, the sole director.

Please Note: Providing your phone number is optional and may only be used by Link Market Services to contact you where necessary, or if circumstances permit, to clarify information provided on this Tender Form. Your phone number will not be included in Telstra’s public share register or used, collected or disclosed for any other purpose.

Submitting your Withdrawal/Amendment Form

If you require further information on how to complete this Withdrawal/Amendment Form please contact the Buy-Back Tender Information Line on 0800 835 787 (within New Zealand) or +64 9 375 5998 (from outside New Zealand).

Use the enclosed envelope to send or deliver your completed and signed Withdrawal/Amendment Form to the following address so that it is received no later than 9:00pm (New Zealand Standard Time) (which is 7:00pm (Australian Eastern Standard Time)) on Friday, 30 September 2016. Any Withdrawal/Amendment Form received after that time will not be effective.

Mailing Address

Telstra Corporation Limited
C/-Link Market Services Limited
PO Box 91976
AUCKLAND 1142

Delivery Address

Telstra Corporation Limited
C/-Link Market Services Limited
Level 11, Deloitte House
80, Queen Street
AUCKLAND

THE REGISTRY WILL NOT ACCEPT TENDER FORMS FROM ANY PERSONS LOCATED OR RESIDENT IN THE UNITED STATES.

THIS WITHDRAWAL/AMENDMENT FORM RELATES TO THE TELSTRA CORPORATION LIMITED BUY-BACK TENDER BOOKLET DATED 11 AUGUST 2016 AND SHOULD BE READ IN CONJUNCTION WITH THAT DOCUMENT.

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This is an important document. If you are in any doubt as to the action you should take, please consult your financial, taxation or other professional adviser immediately.

The Buy-Back Tender Invitation is not being made to Ineligible Foreign Shareholders, which includes 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 non-discretionary basis for a principal giving instructions from within the United States; and (iv) person who has a registered address in Canada.

As a Telstra shareholder, Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you (including your name, address and details of the shares you hold) to be included in Telstra’s public share register. This information must continue to be included in the public share register even if you cease to be a Telstra shareholder. These statutory obligations are not altered by the *Privacy Act 1988* (Cth). Your information is collected by Link Market Services Limited (“Link”) on behalf of Telstra. It is collected to administer your shareholding and to improve your shareholding experience. Your personal information may be disclosed to certain people or organisations outside Telstra, including Telstra’s contractors (such as Link), brokers, printing companies, market researchers, government agencies (including the Australian Tax Office, Centrelink and law enforcement), and where required under applicable law, regulation or court order. Neither Telstra or Link disclose Telstra shareholder personal information to third parties outside Australia. All reasonable steps are taken to ensure that your personal information is accurate, complete and up-to-date. If some or all of your personal information is not collected, it might not be possible to administer your shareholding. See the privacy policy at www.linkmarketservices.com.au for information about how you can access and correct your personal information and raise privacy concerns.



Telstra Corporation Limited
 ABN 33 051 775 556

**Withdrawal/Amendment Form
 – New Zealand Register
 (more than 880 Shares)**

THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND IT YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.

CSN/Holder Number:

Please place a tick in the appropriate box:

Withdrawal: I/We wish to withdraw my/our previous Tender(s). (Complete Part E only.)

OR

Amendment: I/We wish to withdraw my/our previous Tender(s) in full and wish to submit a replacement Tender as set out below. (Complete Parts B, C, D and E.)

Shares you can tender as at 19 August 2016:

A

I/We offer to sell the following Shares to Telstra Corporation Limited at the Tender Discount(s) specified and/or as a Final Price Tender and on the terms and conditions set out in the Buy-Back Tender Documents:

B Insert the **number** of Shares (if any) you wish to tender as a Final Price Tender.

as a **FINAL PRICE TENDER**

AND/OR

Insert the **number** of Shares (if any) you wish to tender next to the Tender Discount(s) at which you wish to tender those Shares. You should refer to the special instructions overleaf before completing this Withdrawal/Amendment Form.

at a 6% Tender Discount

at a 11% Tender Discount

at a 7% Tender Discount

at a 12% Tender Discount

at a 8% Tender Discount

at a 13% Tender Discount

at a 9% Tender Discount

at a 14% Tender Discount

at a 10% Tender Discount

↑ _____ ↑

C **TOTAL NUMBER OF SHARES TENDERED** (Add up rows in Part B)

The number of Shares in Part C must not be more than the number in Part A, but must be greater than or equal to 880 Shares.

D **THIS PART D IS OPTIONAL – EITHER LEAVE IT BLANK OR TICK ONE (AND ONLY ONE) MINIMUM PRICE – IF YOU COMPLETE PART D YOU MUST ALSO COMPLETE PARTS B AND C:** You should only select a Minimum Price if you wish to make your Tender(s) conditional on the Buy-Back Tender Price being no less than one of the following Minimum Prices you select. You will not receive less than the Minimum Price you select for your Shares. However, your Shares will not be bought back if the Minimum Price you select is higher than the Buy-Back Tender Price.

A\$4.40

A\$4.60

A\$4.80

A\$5.00

E **IMPORTANT INFORMATION: YOU MUST READ THE REVERSE OF THIS FORM BEFORE YOU SIGN AND RETURN THE FORM**
 Please sign within the boxes below in accordance with instructions.

Individual OR Sole Director and Sole Company Secretary

Telephone Number – Business Hours

Joint Shareholder 2 OR Director/Company Secretary

Telephone Number – After Hours

Joint Shareholder 3 OR Director

Contact Name (PRINT)

WITHDRAWAL/AMENDMENT FORMS MUST BE RECEIVED BY THE REGISTRY BY NO LATER THAN 9:00PM (NEW ZEALAND STANDARD TIME) (WHICH IS 7:00PM (AUSTRALIAN EASTERN STANDARD TIME)) ON FRIDAY, 30 SEPTEMBER 2016

TLS WAF006



Withdrawal/Amendment Form Instructions – New Zealand Register

(more than 880 Shares)

How to complete this Withdrawal/Amendment Form

The instructions below are cross-referenced to each section of the Withdrawal/Amendment Form. Please complete this Withdrawal/Amendment Form using black ink.

Place a tick in either the “Withdrawal” Box or the “Amendment” Box but not both.

Place a tick in the “Withdrawal” Box if you wish to withdraw your previous Tender in full (and not replace it).

Place a tick in the “Amendment” Box if you wish to withdraw your previous Tender in full and replace it with a new Tender.

A This is the maximum number of Shares you can tender in the Buy-Back Tender. You must tender at least 880 Shares if you wish to participate in the Buy-Back Tender.

B Part B allows you to choose whether you Tender your Shares as a Final Price Tender OR at one of the specified Tender Discounts. For example, you may tender some Shares shown in Part A as a Final Price Tender, some Shares at the specified Tender Discount of say, 9%, and some Shares at the specified Tender Discount of say, 10%. Each parcel of Shares tendered at a different Tender Discount is a separate Tender. You must only select one Tender Discount.

C You must add up the number of Shares inserted in Part B and write the total number in Part C. **This total number must not exceed the number of Shares shown in Part A.** If the number of Shares in Part C is more than the number of Shares in Part A, you will be deemed to have offered only the number of Shares shown in Part A and, if you have selected more than one Tender Discount and/or a Final Price Tender, your Tender will be adjusted in the manner set out in section 6.13 of the Buy-Back Tender Booklet.

D Part D is optional, and allows you to specify a Minimum Price. You should tick one (and only one) of the Minimum Price options if you wish to make your Tender(s) conditional on the Buy-Back Tender Price being no less than the Minimum Price you select. You will not be paid less than the Minimum Price you select for your Shares. However, if the Minimum Price you select is higher than the Buy-Back Tender Price, none of your Shares will be bought back. If you specify a Minimum Price you must also complete Parts B and C. **You must not tick more than one box – if you choose more than one Minimum Price, your Tender(s) will be deemed to be conditional on the lowest Minimum Price that you have chosen.**

E Sign and date the Withdrawal/Amendment Form at Part E. By signing and returning this Withdrawal/Amendment Form you acknowledge that you have read and understood the Buy-Back Tender Documents and the Tender(s) specified on this Withdrawal/Amendment Form and agree to, and make an offer to sell the tendered Shares to Telstra Corporation Limited at the Tender Discount(s) specified and/or as a Final Price Tender and on the terms and conditions set out in the Buy-Back Tender Documents (including the warranties, authorisations and undertakings set out in section 6.10 of the Buy-Back Tender Booklet).

Joint Shareholders – all holders must sign.

Under power of attorney – where this Withdrawal/Amendment Form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power or the death of the donor of the power. If not already noted by the Registry, an originally certified copy of the power of attorney must be sent to the Registry.

Deceased estate – all executors should sign. If not already noted by the Registry, send an originally certified copy of probate or letters of administration to the Registry.

Company – this Withdrawal/Amendment Form must be signed by 2 directors, a director and company secretary or, in the case of a company with a sole director who is also the sole company secretary, the sole director.

Please Note: Providing your phone number is optional and may only be used by Link Market Services to contact you where necessary, or if circumstances permit, to clarify information provided on this Tender Form. Your phone number will not be included in Telstra’s public share register or used, collected or disclosed for any other purpose.

Submitting your Withdrawal/Amendment Form

If you require further information on how to complete this Withdrawal/Amendment Form please contact the Buy-Back Tender Information Line on 0800 835 787 (within New Zealand) or +64 9 375 5998 (from outside New Zealand).

Use the enclosed envelope to send or deliver your completed and signed Withdrawal/Amendment Form to the following address so that it is received by no later than 9:00pm (New Zealand Standard Time) (which is 7:00pm (Australian Eastern Standard Time)) on Friday, 30 September 2016. Any Withdrawal/Amendment Form received after that time will not be effective.

Mailing Address

Telstra Corporation Limited
C/-Link Market Services Limited
PO Box 91976
AUCKLAND 1142

Delivery Address

Telstra Corporation Limited
C/-Link Market Services Limited
Level 11, Deloitte House
80, Queen Street
AUCKLAND

THE REGISTRY WILL NOT ACCEPT TENDER FORMS FROM ANY PERSONS LOCATED OR RESIDENT IN THE UNITED STATES.

THIS WITHDRAWAL/AMENDMENT FORM RELATES TO THE TELSTRA CORPORATION LIMITED BUY-BACK TENDER BOOKLET DATED 11 AUGUST 2016 AND SHOULD BE READ IN CONJUNCTION WITH THAT DOCUMENT.

THE TERMS AND CONDITIONS OF THE BUY-BACK TENDER, AND THE EFFECT OF SUBMITTING A TENDER, ARE SET OUT IN THE BUY-BACK TENDER BOOKLET.

NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES, 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 OR THE DISTRICT OF COLUMBIA (THE “UNITED STATES”).

This is an important document. If you are in any doubt as to the action you should take, please consult your financial, taxation or other professional adviser immediately.

The Buy-Back Tender Invitation is not being made to Ineligible Foreign Shareholders, which includes 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 non-discretionary basis for a principal giving instructions from within the United States; and (iv) person who has a registered address in Canada.

As a Telstra shareholder, Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you (including your name, address and details of the shares you hold) to be included in Telstra’s public share register. This information must continue to be included in the public share register even if you cease to be a Telstra shareholder. These statutory obligations are not altered by the *Privacy Act 1988* (Cth). Your information is collected by Link Market Services Limited (“Link”) on behalf of Telstra. It is collected to administer your shareholding and to improve your shareholding experience. Your personal information may be disclosed to certain people or organisations outside Telstra, including Telstra’s contractors (such as Link), brokers, printing companies, market researchers, government agencies (including the Australian Tax Office, Centrelink and law enforcement), and where required under applicable law, regulation or court order. Neither Telstra or Link disclose Telstra shareholder personal information to third parties outside Australia. All reasonable steps are taken to ensure that your personal information is accurate, complete and up-to-date. If some or all of your personal information is not collected, it might not be possible to administer your shareholding. See the privacy policy at www.linkmarketservices.com.au for information about how you can access and correct your personal information and raise privacy concerns.