

9 July 2004

Office of the Company Secretary

The Manager

Company Announcements Office
Australian Stock Exchange
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Level 41
242 Exhibition Street
MELBOURNE VIC 3000
AUSTRALIA

Telephone 03 9634 6400
Facsimile 03 9632 3215

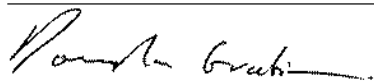
ELECTRONIC LODGEMENT

Dear Sir or Madam

KAZ acquisition formally approved

In accordance with the listing rules, I attach an announcement for release to the market.

Yours sincerely

A handwritten signature in black ink, appearing to read "Douglas Gration", written over a horizontal line.

Douglas Gration
Company Secretary

Media Release



Friday 9 July 2004

219/2004

KAZ acquisition formally approved

Telstra's offer to acquire 100 per cent of the shares of Australian ICT services and Business Process Outsourcing (BPO) company KAZ Group Limited for \$333 million has been formally approved.

The acquisition will be completed on 19 July 2004 following today's Federal Court approval of the Scheme of Arrangement and the approval of KAZ shareholders and option holders earlier this week. KAZ shareholders will receive 40 cents per share.

Telstra Services Solutions Managing Director, Mr Mike Foster, said Telstra was pleased with the strong support the acquisition offer had received from KAZ staff, customers and shareholders.

"We are very excited to gain the necessary approvals to acquire KAZ and look forward to completing the acquisition later this month," Mr Foster said.

"While KAZ will continue to be operated as a separate business entity, the acquisition will make available a broader range of ICT and BPO solutions to our business and government customers alongside Telstra's traditional telco services.

"The combination of KAZ and Telstra's current Services Solutions business will create a profitable business unit with initial revenues approaching \$1 billion per year."

Telstra Media Contact:

Warwick Ponder

02 9298 4619

0409 369 711

Telstra's national media inquiry line is 13 1639 and Media Centre is located at:

www.telstra.com.au/communications/media