26 October 2004

Office of the Company Secretary

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ELECTRONIC LODGEMENT

Dear Sir or Madam

Telstra to launch $NZ bond

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

Yours sincerely

Douglas Gration
Company Secretary

Telstra Corporation Limited
ACN 051 775 556
ABN 33 051 775 556

Media Release

26 October 2004 357 / 2004

Telstra to launch its first-ever $NZ bond

Telstra today announced plans for a possible seven to 10 year long-term $NZ bond, raising $NZ150-200 million, which will be marketed via investor roadshows in Auckland and Wellington on 9 November, 2004.

The roadshow presentations will target key institutional investors and will be conducted by Telstra's Chief Financial Officer and TelstraClear Director, Mr John Stanhope and Corporate Treasurer, Mr Cliff Davis.

The proposed borrowing complements Telstra's existing $NZ Commercial Paper Program which has operated successfully since 2002 with average amounts on issue of over $NZ 200 million.

Mr Stanhope said, "Telstra's entry into the market continues the process of diversifying Telstra's global funding sources with the New Zealand market able to provide pricing which is competitive with Euro, $US and $A.

"This bond issue reflects our long-term commitment to New Zealand and provides efficient funding in a currency for which we have a natural appetite due to our substantial investment in TelstraClear, a 100 per cent subsidiary and New Zealand's second largest full service carrier.

"It also demonstrates our confidence in the NZ bond market to provide efficient long-term funding," he said

The timing of the NZ roadshow follows Telstra's successful EUR 500 million 10 year bond issue in July and the recently announced plan for an $A 500 million bond to be completed in early November.

The bond proceeds will be principally used for the financing of TelstraClear and will largely replace derivatives-based $NZ debt that has been in place to date.

Telstra has appointed ANZ Investment Bank and Westpac Institutional Bank as Joint Lead Managers to arrange roadshows and manage the proposed issue.

Telstra is rated A+ (S&P), A1 (Moody's) and A+ (Fitch). All ratings have a stable outlook.

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Telstra's Media Centre is located at: www.telstra.com.au/communications/media

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