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ELECTRONIC LODGEMENT

Dear Sir or Madam

Telstra revises fiscal 2010 sales revenue guidance

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

Yours sincerely

Carmel Mulhern
Company Secretary

Telstra revises fiscal 2010 sales revenue guidance

Following the continuation of trends seen in the second half of fiscal 2009, Telstra now expects sales revenue in fiscal year 2010 to be flattish compared to fiscal year 2009. The major drivers of the lower-than-expected growth are:

- The strength of the Australian dollar;
- Tough operating conditions in Hong Kong;
- Strong domestic competition driven by ULL growth and very competitive mobile offers;
- An accelerated move to wireless-only homes which is impacting revenue in PSTN and fixed broadband products.

We expect negative sales revenues in the first half of the fiscal year for the reasons above. This forecast includes the impact of the sale of KAZ last year.

All other guidance measures remain unchanged - importantly the company remains confident of achieving its 2010 free cashflow target of $6 billion.

Revised 2010 guidance is as follows:

Measure	**2010 guidance on 2009 levels**
Sales revenue	Flattish (previously low single-digit growth)
EBITDA	Low single-digit growth
EBITDA margin	Maintained
EBIT	Low single-digit growth
Accrued capex to sales revenue	Around 14%
Free cashflow	$6 billion

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