

13 August 2010

The Manager

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ELECTRONIC LODGEMENT

Dear Sir or Madam

SouFun Holdings Limited IPO process

In accordance with the Listing Rules, I attach an announcement for release to the market.

Regards

A handwritten signature in black ink, appearing to be "C. Mulhern", followed by a period.

Carmel Mulhern
Company Secretary

SouFun Holdings Limited IPO process

Reference is made to the announcement made by Telstra on 1 December 2009.

Telstra advises that on 13 August 2010, two private equity firms (General Atlantic and Apax Partners) and two existing shareholders of SouFun Holdings Limited ("SouFun") agreed to purchase any remaining shares of SouFun held by Telstra that are not sold in an initial public offering at the initial public offering price up to an agreed maximum price.

Alternatively, in the event an initial public offering of SouFun is not completed within a specified period of time, the two private equity firms (Apax Partners and General Atlantic) and the two existing SouFun shareholders have also agreed to purchase Telstra's entire shareholding in SouFun at a price based on a valuation of 100% of SouFun at US\$810 million.

The transactions among Telstra, the private equity firms and the existing SouFun shareholders are subject to certain closing conditions.

Telstra purchased its stake in SouFun in 2006 for US\$254 million.

This announcement is not an offer of securities for sale in the United States or any other jurisdiction. The securities may not be offered or sold in the United States absent registration or an exemption from registration. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer, and any such offering may be registered with the U.S. Securities and Exchange Commission. Such prospectus will contain detailed information about the issuer and its management, as well as financial statements.

This announcement shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or other jurisdiction.