

7 May 2013

Office of the Company Secretary

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ELECTRONIC LODGEMENT

Dear Sir or Madam

Telstra secures spectrum licences in the 700 MHz and 2.5 GHz bands

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

Yours faithfully



Damien Coleman
Company Secretary

Telstra secures spectrum licences in the 700 MHz and 2.5 GHz bands

7 May 2013 – Telstra has successfully secured licences in the 700 MHz band and 2.5 GHz band in the spectrum auction held by the Australian Communications and Media Authority (ACMA).

The licences are for a contiguous 2x20 MHz block of spectrum in the 700 MHz band (40 MHz in total) and a contiguous 2x40 MHz block in the 2.5 GHz band (80 MHz in total).

Telstra CEO David Thodey said the auction result was a significant outcome for Telstra customers as it would help ensure the company remained at the forefront of mobile connectivity.

"This additional spectrum represents a major investment in the future of telecommunications in Australia and means we can continue to deliver a superior mobile experience for our customers," said Mr. Thodey.

"The spectrum will be used to enhance our network to help support extraordinary demand growth for mobile services and data. With the 700 MHz and 2.5 GHz spectrum we will be able to deliver faster speeds, more capacity and expansive wide area coverage of 4G LTE technology on our Next G[®] network.

"The low-frequency nature of 700MHz means the mobile signal can travel relatively longer distances, which is ideal for improving the services we can offer to customers in rural and regional areas. It also means better in-building coverage in metro and suburban areas.

"Together with ongoing investment in our wireless network, which will total \$1.2 billion in 2012-13 Financial Year, and the application of next generation LTE-Advanced 4G technology that we announced earlier this year, the additional spectrum will help ensure we continue to deliver Australia's leading mobile network for our customers."

In the auction Telstra's total package of spectrum was secured at close to the reserve prices and the total investment by the company will be \$1.302 billion.

As Telstra has stated previously, the spectrum allocations will be financed predominantly through debt. Telstra is required to pay the successful price in the third quarter of 2014. The spectrum licences have a term of 15 years.

The licence for the 2.5 GHz band is set to commence on 1 October 2014 (except in Perth metro and regional Western Australia which commences on 1 February 2016) and for the 700 MHz band on 1 January 2015.

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www.telstra.com.au/abouttelstra/media-centre/

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