

(Continued)

31. EVENTS AFTER REPORTING DATE

We are not aware of any matter or circumstance that has occurred since 30 June 2014 that, in our opinion, has significantly affected or may significantly affect in future years:

- our operations
- the results of those operations or
- the state of our affairs

other than the following:

Final dividend

On 14 August 2014, the Directors of Telstra Corporation Limited resolved to pay a fully franked final dividend of 15 cents per ordinary share. The record date for the final dividend will be 29 August 2014, with payment being made on 26 September 2014. Shares will trade excluding the entitlement to the dividend on 27 August 2014.

A provision for dividend payable amounting to \$1,866 million has been raised as at the date of resolution.

The final dividend will be fully franked at a tax rate of 30 per cent. The financial effect of the dividend resolution was not brought to account as at 30 June 2014.

There are no income tax consequences for the Telstra Group resulting from the resolution and payment of the final ordinary dividend, except for \$800 million of franking debits arising from the payment of this dividend that will be adjusted in our franking account balance.

The Dividend Reinvestment Plan continues to be suspended.

Acquisition of controlled entity

On 11 August 2014 Telstra entered into a legally binding agreement to acquire additional shares in Ooyala Inc., a provider of video streaming and analytics, for a total cash consideration of US\$270 million subject to any completion adjustments. As at 30 June 2014 we owned 27 per cent (undiluted) of equity in Ooyala Inc., which was accounted for as an available-for-sale investment because we did not meet the AASB 128: "Investments in Associates and Joint Ventures" criteria for equity accounting as an associate. This transaction will increase our equity ownership of Ooyala Inc. to 98 per cent on completion of the acquisition and, coupled with our existing investment of US\$61 million, the total cost of our investment will be US\$331 million. Completion is subject to conditions precedent, including regulatory approval and is expected in the next 60 days.

Capital management

On 14 August 2014, our Board resolved to undertake an off market share buy-back of up to approximately \$1 billion. The share buy-back will be available to eligible shareholders and implemented by way of a tender process and at a discount to market price. The shares bought back will be cancelled by the Company, reducing the number of shares the Company has on issue. The buy-back will be funded by accumulated cash surplus in the Company and will be made up of a capital and a dividend component. The dividend component will be fully franked and our estimate of the decrease in franking credits is \$243 million, based on the assumption of Telstra's ASX listed share price of \$5.30, buy-back discount of 10% and a non-resident shareholding of 21.8%.