Final Terms dated 20 March 2012

Telstra Corporation Limited

(ABN 33 051 775 556)

Issue of €1,000,000,000 3.500% Fixed Rate Notes due 21 September 2022 (the “Notes”) under the unlimited Debt Issuance Program

Part A - Contractual Terms

Terms used in this document are deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Prospectus dated 24 October 2011 and the supplemental Prospectuses dated 8 November 2011, 4 January 2012 and 29 February 2012, which together constitute a base prospectus for the purposes of Directive 2003/71/EC (together with any amendments thereto, including Directive 2010/73/EU to the extent implemented as at the date of these Final Terms, the “Prospectus Directive”). This document constitutes the Final Terms of the Notes described in it for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus dated 24 October 2011 as so supplemented. The Prospectus and the supplemental Prospectus are available for viewing on the Issuer’s website, www.telstra.com.au/about/telstra/investor/treasury/foreign-documentation/index.htm.

1 Issuer: Telstra Corporation Limited

2 (i) Series Number: 40
   (ii) Tranche Number: 1

3 Specified Currency or Currencies: Euro (€)

4 Aggregate Nominal Amount:
   (i) Series: €1,000,000,000
   (ii) Tranche: €1,000,000,000

5 Issue Price: 99.617 percent of the Aggregate Nominal Amount.

6 (i) Specified Denomination(s): €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Notes in definitive form will be issued with a denomination above €199,000.
   (ii) Calculation Amount: €1,000

7 (i) Issue Date: 21 March 2012
   (ii) Interest Commencement Date: The Issue Date

8 Maturity Date: 21 September 2022

9 Record Date: Not Applicable

10 Interest Basis: 3.500% Fixed Rate (with further particulars as specified below)

11 Redemption/Payment Basis: Redemption at par
12 Change of Interest or Redemption/Payment Basis: Not Applicable

13 Put/Call Options: Not Applicable

14 (i) Status of Notes: Senior
(ii) Date Board approval for issuance of Notes obtained: Board delegation of power dated 1 June 1999 and a long term borrowing authorisation of the Chief Executive Officer and Chief Financial Officer executed on 19 December 2011.

15 Method of distribution: Syndicated

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

16 **Fixed Rate Note Provisions** Applicable
(i) Interest Rate: 3.500 percent per annum payable annually in arrear.
(ii) Interest Payment Dates: 21 September in each year, commencing on 21 September 2012 and ending on the Maturity Date.
(iii) Fixed Coupon Amounts: €17.60 per Calculation Amount payable on the initial Interest Payment Date (21 September 2012).

€35.00 per Calculation Amount payable on each subsequent Interest Payment Date.
(iv) Broken Amount: €17.60 per Calculation Amount, payable on the Interest Payment Date falling on 21 September 2012
(v) Day Count Fraction: Actual/Actual (ICMA)
(vi) Business Day Convention: Following Business Day Convention (no adjustment)
(vii) Additional Business Centre(s): Sydney, Melbourne
(Nota these are in addition to the Principal Financial Centre(s) for the Specified Currency referred to in Condition 36.1)
(viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: Not Applicable
(ix) Calculation Agent: Not Applicable

17 **Floating Rate Note Provisions** Not Applicable

18 **Zero Coupon Note Provisions** Not Applicable

19 **Index Linked Interest Note Provisions** Not Applicable

20 **Dual Currency Note Provisions** Not Applicable

**PROVISIONS RELATING TO REDEMPTION**

21 Issuer Call Option Not Applicable
Investor Put Option: Not Applicable

Final Redemption Amount: €1,000 per Calculation Amount

Early Redemption Amount (Tax): Condition 17.2 ("Early Redemption for Taxation Reasons") is applicable. The Early Redemption Amount is €1,000 per Calculation Amount

Early Termination Amount: Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

Form of Notes: Temporary Global Note, which will be deposited with a common depositary for Euroclear and Clearstream Banking, Luxembourg, on or about the Issue Date and will be exchangeable for interests in a Permanent Global Note on or about the Exchange Date (a date not earlier than 40 days after the Issue Date) upon certification as to non-U.S. beneficial ownership which is exchangeable in whole, but not in part, for Definitive Notes in the limited circumstances specified in the Permanent Global Note.

Additional Financial Centre(s) or other special provisions relating to payment dates: TARGET, Sydney, Melbourne

Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): No

Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: Not Applicable

Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: Not Applicable

Notices: Condition 32 ("Notices to Noteholders") applies

Consolidation provisions: Not Applicable

Governing law: English law

Redenomination, renominalisation and reconventioning provisions: Not Applicable

Change of control: Not Applicable

Other final terms or special conditions: Not Applicable

DISTRIBUTION

(i) If syndicated, names of Managers: Joint Lead Managers:

Deutsche Bank AG, London Branch
The Hongkong and Shanghai Banking Corporation
Limited
J.P. Morgan Securities Ltd.

Co-Lead Manager:
Commonwealth Bank of Australia

(ii) Stabilising Manager (if any):
Deutsche Bank AG, London Branch

38 If non-syndicated, name and address of Dealer:
Not Applicable

39 U.S. Selling Restrictions
Regulation S Category 2; TEFRA D

40 Additional selling restrictions:
Not Applicable

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the London Stock Exchange’s regulated market and to admission to the Official List of the UK Listing Authority of the Notes described herein pursuant to the Debt Issuance Program of Telstra Corporation Limited.

RESPONSIBILITY

Telstra Corporation Limited (as Issuer) accepts responsibility for the information contained in these Final Terms.

Signed on behalf of Telstra Corporation Limited (as Issuer):

By: ...........................................
Duly authorised officer
PART B – OTHER INFORMATION

1. LISTING

(i) Listing:
Application has been made for the Notes to be admitted to the Official List of the UK Listing Authority.

(ii) Admission to trading:
Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the London Stock Exchange plc.

(iii) Estimate of total expenses related to admission trading:
Approximately €50,000

2. RATINGS

Ratings:
The Notes to be issued have been rated:
S&P: A

Moody’s: A2

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, cancellation, reduction or withdrawal at any time by the assigning rating agency. Each rating should be evaluated independently of any other rating.

Credit ratings are for distribution only to a person (a) who is not a “retail client” within the meaning of section 761G of the Corporations Act 2001 of Australia and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act 2001 of Australia, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive the Prospectus and anyone who receives the Prospectus must not distribute it to any person who is not entitled to receive it.

Standard & Poor’s (Australia) Pty Ltd and Moody’s Investors Service Pty Limited are not established in the European Union and have not applied for registration under Regulation (EC) No. 1060/2009.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in the Prospectus under “Sale and subscription”, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

4. YIELD (FIXED RATE NOTES ONLY)

Indication of yield: 3.546%

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5. OPERATIONAL INFORMATION

ISIN Code: XS0760187400
Common Code: 076018740
Any clearing system(s) other than Euroclear, Clearstream, Luxembourg, Austraclear or NZClear and the relevant identification number(s):

Delivery: Delivery against payment

Additional Agent(s) names and addresses (if any): Not Applicable

6. PUBLIC OFFER TEST COMPLIANT

The Notes are intended to be issued in a manner which satisfies the requirements of Section 128F of the Income Tax Assessment Act 1936 of Australia.