

Standing Committee on Finance and Public Administration

ANSWER TO QUESTION ON NOTICE

Supplementary Budget Estimates Hearing – October 2009

Future Fund Management Agency

Finance and Deregulation Portfolio

Outcome 1, Program 1.1

Topic: Telstra

Question reference number: F55

Type of Question: Hansard, F&PA 61, 20 October 2009

Date set by the committee for the return of answer: 4 December 2009

Number of Pages: 1

Senator Fielding asked:

What is the difference in the value compared to what it would have been if you had sold the Telstra shares immediately after the announcement?

Answer:

The Board conducted its sale of approximately 684 million shares in Telstra on 20 August at a price of \$3.47 (cum dividend).

Following the announcement of the government's proposed telecommunication regulation reforms on 15 September, the Telstra share price closed at \$3.11 (ex dividend of 14 cents per share) and then recovered to close each day at above \$3.24 (ex dividend) for the rest of the week.

It should be noted that Telstra shares traded ex-dividend from 28 August 2009.

It is not possible to calculate the volume of shares that could have been sold or the price at which they could have been sold by the Board on 15 September.