

SFE NOTICE NO. 121/05

Date of Issue: 05 September 2005

Effective Date: 26 September 2005

TELSTRA CORPORATION LIMITED SPECIAL DIVIDEND – ACTION IN RESPECT OF TELSTRA CORPORATION LIMITED CASH SETTLED AND DELIVERABLE INDIVIDUAL SHARE FUTURES CONTRACTS**1.0 Introduction**

- 1.1 On 11 August 2005, Telstra Corporation Limited (TLS) announced their intention to pay a special dividend, amounting to 6 cents per share fully franked. The ex-dividend date for the special dividend is Monday, 26 September 2005.
- 1.2 As a consequence of the special dividend, the Exchange will adjust all existing Telstra Corporation Limited cash settled Individual Share Futures (TLS ISFs) (commodity code TE) positions and all existing Telstra Corporation Limited deliverable Individual Share Futures (commodity code TA) positions. **The Effective Date for these adjustments will be Monday 26 September 2005. For the information of Participants and their customers, the expiry date for September 2005 TLS ISFs is Thursday 29 September 2005.**

2.0 Contract Adjustments

- 2.1 To reflect the payments made to holders of Telstra Corporation Limited shares, the Exchange will adopt a similar approach to the adjustment of TLS ISFs. This will occur as per the following formula:

$$\begin{aligned}\text{Debit/Credit per ISF open position} &= \frac{\text{Special Dividend} \times \text{number of Underlying Shares per}}{\text{TLS ISF}} \\ &= \$0.06 \times 1,000 \text{ shares} \\ &= \$60.00\end{aligned}$$

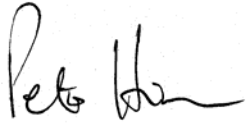
All holders of TLS ISF positions at the close of business on **Friday 23 September 2005** will therefore be affected in the following way;

- 2.1.1 Long position holders will be **credited** with the value of the special dividend consistent with the formula above;
- 2.1.2 Short position holders will be **debited** with the value of the special dividend consistent with the formula above;

3.0 Further Information

- 3.1 Participants seeking further information in relation to this Bulletin should contact:
- 3.1.1 Effie Tsiaousis in SFE Business Development (02 9256 0596) for issues relating to changes to contract specifications;

3.1.2 SFE Business Operations Helpdesk (02 9256 0677) for Trading & Clearing queries



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