



19 October 2010

**Future Fund rebalances portfolio, sells 113.6 million Telstra shares**

At a Senate Estimates hearing today the Future Fund Board of Guardians (“the Board”) advised that it had sold 113.6 million Telstra shares on-market as part of its long-stated objective of rebalancing the portfolio by reducing the holding in Telstra in an orderly manner over the medium term.

The sell-down was executed at an average price of \$2.66 between 29 September and 19 October.

The sell-down reduces the Board’s holding in Telstra from 10.9% of the company to 10%.

The Board notes the on-market sale was conducted smoothly and in an orderly manner to avoid untoward market impact. The Board’s selling activity has averaged less than 14% of the volume of Telstra shares traded over the period.

Proceeds from the sale will be integrated into the broader portfolio.

The Board continually assesses its overall portfolio and took the view that conditions were appropriate for it to reduce its overweight Telstra holding by selling on-market. Relevant considerations included the expiry in February 2010 of the Board’s self-imposed lock-up, equity market conditions and liquidity and the assessment of alternative investment opportunities.

The Board intends to continue rebalancing its portfolio in an orderly manner over the medium term.

Any further public disclosures will be made in line with the Board’s substantial shareholder notice obligations and through its regular quarterly portfolio updates.

ENDS

Will Hetheron

Future Fund

03 8656 6400

0439 016 678