



DIVISION OF  
MARKET REGULATION

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

October 5, 2006

William C.F. Kurz, Esq.  
Pillsbury Winthrop Shaw Pittman LLP  
1540 Broadway  
New York, NY 10036-4039

Re: Telstra Corporation Limited

Dear Mr. Kurz:

Based on the facts and representations set forth in your letter, dated October 5, 2006, the Commission finds that it is appropriate in the public interest and consistent with the protection of investors to grant, and hereby grants, to the U.S. Selling Agents (as defined in your letter) participating in the proposed international offering (the "Proposed Global Offering") by the Commonwealth of Australia ("Commonwealth") of the ordinary shares ("Shares") of Telstra Corporation Limited (the "Company") a limited exemption pursuant to Section 36(a) of the Securities Exchange Act of 1934 ("Exchange Act") from the prohibitions on arranging for the extension of credit contained in Section 11(d)(1) of the Exchange Act.<sup>1</sup>

This exemption is granted without necessarily agreeing or disagreeing with the analysis in your letter. It is based solely on the representations contained in your letter, particularly the following:

1. At the present time, the Commonwealth owns 51.8% of the issued ordinary shares of the Company and, as the expected final phase of the Commonwealth's privatization program with regard to its direct holding of the Shares, the Commonwealth intends to sell approximately 34% of its existing shareholding in the Company (which constitutes approximately 17.6% of the issued Shares).
2. It is anticipated that the gross proceeds of the Proposed Global Offering will be approximately A\$8 billion (approximately US\$5.95 billion using the A\$/US\$ exchange rate as of October 4, 2006);
3. No more than 20% of the total numbers of Shares being offered will be sold in the Proposed U.S. Offering (as defined in your letter), and the Proposed U.S. Offering will only be open to sophisticated U.S. investors that are QIBs within the meaning of Rule 144A under the Securities Act of 1933.

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<sup>1</sup> This limited exemption from the arranging prohibitions contained in Section 11(d)(1) applies solely to the installment-payment structure of the Proposed Global Offering, and not to any other extension or maintenance of credit, or any other arranging for the extension or maintenance of credit, on the Shares or the Installment Receipts (as defined in your letter) by a U.S. Selling Agent.

4. As in the initial sale by the Commonwealth of the Company's Shares in the initial public offering of the Company in 1997 and the subsequent further sell-down of part of the Commonwealth's shareholding in the Company in 1999, not less than 40% of the total purchase price will be payable on or before the date of the initial closing of the Proposed Global Offering, and the remainder will be paid in up to two additional installments with the last of such installments payable not more than 18 months after the initial closing of the Proposed Global Offering.
5. Australia will be by far the largest market for the Shares, and thus the Australian market will dictate the terms, and to a large extent the structure, of the Proposed Global Offering.
6. An offering-by-installment structure is a customary feature of large financings in Australia, and installment structures have been used in numerous other transactions in Australia in recent years, including in 2005.

The foregoing exemption from Exchange Act Section 11(d)(1) is strictly limited to the application of that section to transactions involving the Shares under the circumstances described above and in your letter. In the event that any material change occurs with respect to any of the facts you have presented or the representations you have made, such transactions should be discontinued, pending presentation of the facts for our consideration. We express no view with respect to any other questions the proposed transactions may raise, including, but not limited to, the applicability of other federal and state laws or rules of any self-regulatory organization to the Proposed Global Offering.

You request, under 17 C.F.R. Section 200.81(b), that your letter and this response be accorded confidential treatment until after the Proposed Global Offering is made public, or 60 days from the date of your letter, whichever first occurs. Because we believe that your request for confidential treatment is reasonable and appropriate, we grant it.

For the Commission,  
by the Division of Market Regulation,  
pursuant to delegated authority,<sup>2</sup>



Catherine McGuire  
Chief Counsel

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<sup>2</sup> 17 C.F.R. § 200.30-3(a)(62).



Pillsbury  
Winthrop  
Shaw  
Pittman<sup>LLP</sup>

October 5, 2006

CONFIDENTIAL

Catherine McGuire, Esq.  
Chief Counsel  
Division of Market Regulation  
Securities and Exchange Commission  
Station Place  
100 F Street, NE  
Washington, D.C. 20549

Re: Request for an Order of Exemption under Section 11(d)(1) of the Securities Exchange Act of 1934 pursuant to Section 36(a) of the Securities Exchange Act of 1934

Dear Ms. McGuire:

On behalf of ABN AMRO Rothschild, Goldman Sachs JBWere Pty Limited and UBS AG, Australia Branch (together, the "Joint Global Coordinators"), and the currently unidentified U.S. purchasers (the "U.S. Selling Agents") expected to participate in a proposed international offering (the "Proposed Global Offering") by the Commonwealth of Australia (the "Commonwealth") of ordinary shares (the "Shares") of Telstra Corporation Limited (the "Company"), we respectfully request that the Commission grant an order pursuant to Section 36(a) of the Securities Exchange Act of 1934 (the "Exchange Act") exempting the U.S. Selling Agents participating in the proposed U.S. offering, as described in this letter (the "Proposed U.S. Offering"), from the arranging provisions of Section 11(d)(1) of the Exchange Act (an "Order")<sup>1</sup>. In this regard, as discussed in more

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<sup>1</sup> This limited exemption from the arranging prohibitions contained in Section 11(d)(1) would apply solely to the installment-payment structure of the Proposed Global Offering, and not to any other extension or maintenance of credit, or any other arranging for the extension or maintenance of credit, on the Shares or the Installment Receipts (as defined below) by a U.S. Selling Agent.

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Division of Market Regulation  
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<sup>1</sup> This limited exemption from the arranging prohibitions contained in Section 11(d)(1) would apply solely to the installment-payment structure of the Proposed Global Offering, and not to any other extension or maintenance of credit, or any other arranging for the extension or maintenance of credit, on the Shares or the Installment Receipts (as defined below) by a U.S. Selling Agent.

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detail below, we note that the Order requested herein is in all material respects identical to that which was granted by the Commission in connection with the initial sale by the Commonwealth of the Company's ordinary shares in the initial public offering of the Company in 1997 ("T1") and the subsequent further sell-down of part of the Commonwealth's shareholding in the Company in 1999 ("T2").

As in T1 and T2, it is expected that the Proposed Global Offering, including the Proposed U.S. Offering, will be conducted on an installment payment basis in the form of installment receipts ("Installment Receipts"), with the purchase price to be payable in not more than three installments. The securities to be offered and sold in the Proposed U.S. Offering will not be registered pursuant to the U.S. Securities Act of 1933 (the "Securities Act"), as was the case in T1 and T2, but instead will be offered and sold to "qualified institutional buyers" ("QIBs"), as defined in Rule 144A under the Securities Act, in transactions exempt from the registration requirements of the Securities Act pursuant to Rule 144A thereunder. As a result, the Shares will be represented by Installment Receipts, and no interim American Depositary Shares will be issued (as was the case in T1 and T2). The Proposed Global Offering will otherwise be conducted in substantially the same manner as in T1 and T2.

The Proposed U.S. Offering of Installment Receipts in the manner described in this letter may be deemed to involve an extension of credit, and the activities of the U.S. Selling Agents participating in the Proposed U.S. Offering might, therefore, be deemed to be an arrangement of credit subject to Section 11(d)(1) of the Exchange Act. The Joint Global Coordinators and U.S. Selling Agents are therefore applying for an Order, which is in all material respects identical to the exemption granted by the Commission in T1 and T2. The Joint Global Coordinators and U.S. Selling Agents believe that, as in T1 and T2, such exemption would be necessary or appropriate in the public interest and consistent with the protection of investors.

### **Background**

The Company is the leading telecommunications and information services company in Australia, and one of the largest corporations in Australia. The Company provides a broad range of telecommunications and information services, including telephone exchange lines to most homes and businesses in Australia, mobile telecommunications services, broadband access, a comprehensive range of data and Internet services, management of business customers' IT and/or telecommunications services, wholesale services to other carriers, carriage service providers and internet service providers, and

advertising, search and information services. The Company also provides cable distribution services for FOXTEL, Australia's leading subscription television provider.

The Company's ordinary shares are listed on the Australian Stock Exchange Limited ("ASX") and the New Zealand Stock Exchange ("NZSE"). American Depositary Shares, each representing five ordinary shares, have been issued by The Bank of New York and are listed on the New York Stock Exchange. On October 4, 2006, the last reported sale price for the Shares on ASX was A\$3.74 per Share.<sup>2</sup>

At the present time, the Commonwealth owns 51.8% of the issued ordinary shares of the Company. The Proposed Global Offering is expected to constitute the final phase of the Commonwealth's privatization program with regard to its direct holding of the Company's ordinary shares, following its initial divestment of a 33.3% ownership interest in the Company's issued ordinary Shares in T1 and the subsequent sell-down of a further 16.6% interest in T2. In the Proposed Global Offering, the Commonwealth intends to sell approximately 34% of its existing shareholding in the Company (which constitutes approximately 17.6% of the issued ordinary shares of the Company). The shares comprising the remaining shareholding interest of the Commonwealth, which will not be offered for sale in the Proposed Global Offering, are expected to be transferred to the Future Fund, an investment fund established by the Commonwealth to manage a portfolio of assets in order to strengthen the Commonwealth's long-term financial position and make provision for unfunded superannuation liabilities.

### **Proposed Global Offering**

Similarly to the structure used by the Company in T1 and T2, by Telecom Corporation of New Zealand in its 1998 offering, in U.K. privatizations (*e.g.*, British Telecommunications plc and British Petroleum Company plc) and in Canadian privatizations (*e.g.*, Canadian National Railway and Cameco Corporation), the Commonwealth and the Joint Global Coordinators are considering conducting the Proposed Global Offering of the Shares through the issuance of Installment Receipts.

The exact size of the Proposed Global Offering will not be known until completion of the bookbuild to be conducted in connection with the Proposed Global Offering. However,

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<sup>2</sup> Over 55% of the ordinary shares of Australian companies that are listed on the ASX and comprise the ASX Top 200 Index trade at a market price of A\$5.00 per share or less.

assuming the Commonwealth sells all of its Shares offered for sale in the Proposed Global Offering, it is anticipated that the gross proceeds of the Proposed Global Offering will be approximately A\$8 billion (approximately US\$5.95 billion).<sup>3</sup> Because of the substantial size of the Proposed Global Offering, the Commonwealth's advisors have indicated that a sale-by-installments structure is advisable to ensure the success of the Proposed Global Offering and that simultaneous coordinated public offerings in Australia, New Zealand and Japan, together with institutional offerings in these and other markets, are required. As described in more detail below, the use of periodic payment offer structures is common in public offerings in Australia and New Zealand, and the Commission has previously granted exemptive orders similar to the one being sought in this letter in connection with several of these earlier transactions (including in T1 and T2).

The Proposed Global Offering is expected to consist of (i) a public offering to retail and institutional investors in Australia by means of a retail prospectus lodged with the Australian Securities and Investments Commission (the "Proposed Australian Offering"), (ii) a public offering to retail and institutional investors in New Zealand by means of an Investment Statement provided to the New Zealand Securities Commission (the "Proposed New Zealand Offering"), (iii) a public offering to retail investors in Japan by way of a public offering without listing (the "Proposed Japanese Offering"), (iv) the Proposed U.S. Offering to QIBs, in transactions exempt from the registration requirements of the Securities Act pursuant to Rule 144A thereunder, and (v) an institutional offering in the rest-of-the-world outside of the United States, Australia, New Zealand and Japan (the "Proposed ROW Offering"). The Proposed U.S. Offering would be conducted by the U.S. Selling Agents.

The Installment Receipts will be listed for trading only on the ASX and the NZSE. It is expected that Australia will be by far the largest market for the Shares, with the current expectation that at least 70%, and possibly as much as 80%, of the Proposed Global Offering will be sold in the Australian market. Indeed, since T1, Australia has been by far the largest trading market for the Shares. Pursuant to the Telstra Corporations Act 1991, as amended, non-Australian persons and their associates may not own, in total, more than 35% of the issued Shares of the Company not owned by the Commonwealth.

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<sup>3</sup> All dollar amounts in this letter are based on the rate of exchange of U.S. dollars to Australian dollars of US\$1.00 = A\$0.743, as of October 4, 2006.

Thus, the Australian market will dictate the terms, and to a large extent the structure, of the Proposed Global Offering.

An offering-by-installment structure is expressly authorized by the Australian Corporations Act. Such structure is a customary feature of large financings in both Australia and New Zealand (including transactions in which no offer or sale is made in the United States). Installment receipts and partly-paid structures have developed in Australia and New Zealand to make it possible to sell large dollar amounts of securities in these relatively small markets, which are characterized by a relatively limited number of institutional and retail investors. Indeed, the entire population of Australia is only approximately 20 million people, while the population of New Zealand is only approximately 4 million people. The Joint Global Coordinators also believe that the installment and partly paid sale structures have proven to be very effective means of increasing the accessibility of offerings to retail investors in these countries. Further, the Joint Global Coordinators feel that the proposed structure is necessary in order to successfully place an offering of this size while ensuring a broad retail distribution in Australia and New Zealand.

In addition to T1 and T2, examples of offerings completed through sale by installment and partly paid structures in Australia for which the Commission granted exemptive orders similar to the one sought herein in connection with the Proposed Global Offering include:

- the A\$1.6 billion initial public offering of Spark Infrastructure in December 2005;
- the A\$955 million initial public offering of Macquarie Media Group in November 2005;
- the A\$464 million sale of installment receipts by HIH Winterthur International Holdings Limited in 1998; and
- the A\$5.0 billion final sell-down by the Commonwealth of its shareholding in Commonwealth Bank of Australia ("CBA") in 1996.

New Zealand offerings of this type include the NZ\$800 million sale of partly paid shares by Westpac Banking Corporation in 1999 and the NZ\$4.3 billion sale of installment receipts by Telecom Corporation of New Zealand Limited in 1998.

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The Commission granted exemptive relief similar to the one being sought herein in connection with both of these transactions as well.

In addition to the foregoing transactions, in recent years installment structures have been used in numerous other transactions in Australia. These transactions, which are listed in Exhibit A to this letter, demonstrate that the use of installment receipt structures is common in recent public offerings in Australia.

As indicated above, the largest portion of the Proposed Global Offering is expected to be offered and sold in Australia. The Joint Global Coordinators and U.S. Selling Agents believe that if the Shares are to be offered on an installment basis to Australian purchasers in the Proposed Global Offering, it will be necessary, in order to assure a successful offering and liquid trading in the after-market, to offer purchasers in the Proposed U.S. Offering and the Proposed ROW Offering the right to purchase on the same basis. The installment payment feature would, therefore, be dictated by Australian practice.<sup>4</sup> The Joint Global Coordinators and the U.S. Selling Agents believe it is important that up to 20% of the aggregate amount of the Shares to be offered and sold in the Proposed Global Offering be available for offer and sale in the Proposed U.S. Offering to QIBs in reliance upon the Rule 144A exemption from registration under the Securities Act. As was the case in T1 and T2, under no circumstances would more than 20% of the total numbers of Shares being offered be sold in the Proposed U.S. Offering.

### **Proposed Installment Receipt Structure**

In the Proposed Global Offering, as in T1 and T2, not less than 40% of the total purchase price would be payable on or before the date of the initial closing of the Proposed Global Offering, and the remainder would be paid in up to two additional installments with the last of such installments payable not more than 18 months after the initial closing of the Proposed Global Offering. Consistent with the privatizations previously mentioned and the precedent transactions that included sales-by-installment, prior to payment in full the Shares will be represented by Installment Receipts, which will be issued pursuant to and governed by a trust deed (the "Trust Deed"). Registered holders of Installment Receipts will beneficially own the Shares represented thereby, subject to the provisions of the Trust Deed, and will have the right upon payment of the final installment to become

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<sup>4</sup> The installment payment feature is also permitted under the laws of various other jurisdictions in which the Proposed ROW Offering is expected to be conducted.

registered holders of such Shares. Registered holders of Installment Receipts at the record date for the payment of an installment will be legally obligated to make the payment associated therewith.

In order to ensure payment of an installment of the purchase price to the Commonwealth, if any Installment Receipt holder defaults in such payment, the Commonwealth will have to sell such number of Shares as are required to satisfy the installment obligations, and apply the proceeds of sale towards the satisfaction of the installment due by such holder, after deduction of any expenses incurred in making such sale, plus interest thereon and certain administrative charges. If the proceeds of sale are insufficient to pay the installment due by the defaulting holder, the Commonwealth will have the right to recover any deficiency from such holder. No Share will be distributed to an investor until payment in full of the final installment in respect of such Share.

Holders of Installment Receipts will have, as nearly as practicable, the same rights, privileges and limitations as are conferred or imposed on registered holders of Shares (other than the right to transfer the Shares represented by Installment Receipts). In particular, registered holders of Installment Receipts are entitled to: (i) distribution amounts equivalent to the full distribution per Share paid to the holders of the Shares; (ii) voting rights on Company resolutions, which will be exercisable either by the Installment Receipt holders as agent of the Trustee or by means of voting directions to the Trustee; (iii) rights to attend security holder meetings of the Company; and (iv) rights to receive annual reports and all other notices sent by the Company to its security holders.

### **Analysis**

The offer and sale of the Installment Receipts in the Proposed U.S. Offering raises potential issues under Section 11(d)(1) of the Exchange Act.<sup>5</sup> In general, Section 11(d)(1) prohibits any person that is both a broker and a dealer and participating as a member of a selling syndicate or group in a distribution of a "new issue" of securities from engaging in any transaction in which such person, directly or indirectly, extends or

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<sup>5</sup> Under Regulation T, a broker-dealer may arrange any third party credit to a customer if the credit does not violate the other margin regulations (Regulations U and X) adopted by the Board of Governors of the Federal Reserve. Because the Shares are not "margin stock" within the meaning of Regulation U, no issues are raised by the Proposed U.S. Offering of Installment Receipts under those Regulations. Accordingly, the Installment Receipts may be offered by U.S. broker-dealers for resale to U.S. investors pursuant to Rule 144A as a permissible arranging consistent with Regulation T.

maintains, or arranges for the extension or maintenance of, credit to or for a customer on any security that was part of the "new issue" for a period of 30 days after its participation in the distribution is completed. The U.S. Selling Agents of the Joint Global Coordinators are both "brokers" and "dealers". By participating in the Proposed U.S. Offering, the U.S. Selling Agents may be deemed to be arranging credit in the form of the Installment Receipts that they offer and sell to QIBs.

The Proposed U.S. Offering of Installment Receipts may be deemed to involve a "new issue" for purposes of Section 11(d)(1). As a result the Joint Global Coordinators and U.S. Selling Agents are seeking an Order from the Commission pursuant to Section 36(a) of the Exchange Act. The Joint Global Coordinators and U.S. Selling Agents believe that the requested exemption would be necessary or appropriate in the public interest and consistent with the protection of investors.

#### **Necessary or Appropriate in the Public Interest**

The granting of the requested exemption is necessary or appropriate in the public interest because the Joint Global Coordinators and U.S. Selling Agents would effectively be precluded from selling the Installment Receipts in the United States if Section 11(d)(1) of the Exchange Act were applicable to the Proposed U.S. Offering since any brokers or dealers participating in the Proposed U.S. Offering may be deemed to be arranging credit in the form of the Installment Receipts that they offer and sell to QIBs. In light of the size of the Proposed Global Offering and, in particular the Proposed U.S. Offering, the Joint Global Coordinators and U.S. Selling Agents believe it would be impracticable for the Proposed U.S. Offering to be successful absent the involvement of U.S. registered broker dealers. As indicated above, the Joint Global Coordinators and U.S. Selling Agents believe that if the Shares are to be offered on an installment basis to Australian and New Zealand purchasers in the Proposed Global Offering, it will be necessary, in order to assure a successful offering and liquid trading of the Installment Receipts in the after-market, to also offer purchasers in the Proposed U.S. Offering and Proposed ROW Offering the right to purchase on the same basis. The exclusion of the Proposed U.S. Offering would deny a valuable investment opportunity to sophisticated United States investors that meet the definition of QIBs.

Furthermore, the Commission has recognized that it is in the interest of the United States to make its capital markets as competitive as possible. The granting of the requested exemption would facilitate the domestic investment by U.S. sophisticated investors in a major foreign issuer thereby advancing the national goals of encouraging the opening of

the U.S. capital markets to foreign entities and the free flow of capital among nations. As the Commission has also recognized, the lines of demarcation between domestic and international capital markets are becoming more difficult to ascertain. In the current global marketplace, the issue is not whether U.S. investors will acquire foreign securities but rather where they will do so. The granting of the requested exemption would allow U.S. investors consisting of sophisticated institutional investors that are QIBs to acquire the Installment Receipts in the Proposed U.S. Offering, where the protections afforded by the U.S. securities laws will be available, rather than in overseas markets which do not afford the same protections. As indicated in the Commission's release adopting Rule 144A, one of the purposes of the Rule was to be the first step toward achieving a more liquid and efficient institutional resale market for unregistered securities. See Securities Act Release No. 33-6862 (April 23, 1990). The granting of the requested exemption would assist in achieving a more liquid and efficient institutional resale market in the United States for the Installment Receipts.

Finally, absent the requested exemption, the Commonwealth would be unable to access the QIB market in the U.S., which is expected to be very important to the success of the Proposed Global Offering in light of the size and depth of that market relative to the Australian capital markets. Due to the expected size of the Proposed Global Offering and the nature of the Australian market, which is characterized by a relatively limited number of institutional and retail investors, and the volume of other equity offerings expected in Australia over the next 6 to 12 months, the Joint Global Coordinators and U.S. Selling Agents believe that it will be critical for a successful offering to ensure substantial non-Australian participation in the Proposed Global Offering, particularly in the Proposed U.S. Offering due to the size and depth of the U.S. capital markets. Substantial non-Australian participation, through the generation of significant alternative demand, will greatly assist the Commonwealth in obtaining full value for its Shares by creating essential pricing tension among the various components of the Proposed Global Offering. As indicated above, the success of the Proposed Global Offering will also assist in encouraging the opening of the U.S. capital markets to foreign entities and the free flow of capital among nations.

For the foregoing reasons, the Joint Global Coordinators and U.S. Selling Agents believe that the granting of the requested exemption is necessary or appropriate in the public interest.

### **Consistency with the Protection of Investors**

The granting of the requested exemption is also consistent with the protection of investors for many of the same reasons enunciated under "Necessary or Appropriate in the Public Interest" above. The granting of the requested exemption would be consistent with the protection of investors since U.S. investors that acquire Installment Receipts in the Proposed U.S. Offering will be afforded the protections of the U.S. securities laws, including the anti-fraud protections thereof. In the absence of the requested exemption, U.S. investors that desire to invest in the Shares would be forced to do so outside of the United States. Moreover, as noted, and unlike in T2 which included a U.S. retail component, the Proposed U.S. Offering will only be open to sophisticated U.S. investors that are QIBs within the meaning of Rule 144A under the Securities Act. As those institutional investors are, by definition, very large, sophisticated institutions, the need for the protection afforded by Section 11(d)(1) of the Exchange Act is not as necessary in the case of the Proposed U.S. Offering as compared to offerings to investors who are not QIBs. The Joint Global Coordinators and the U.S. Selling Agents therefore believe that the Proposed U.S. Offering presents neither the risks nor the abuses that Section 11(d)(1) of the Exchange Act was meant to regulate.

For the foregoing reasons, the Joint Global Coordinators and U.S. Selling Agents believe that the granting of the requested exemption is consistent with the protection of investors.

### **Conclusion**

As described above, the requested exemption is necessary or appropriate in the public interest to make a valuable investment opportunity available to sophisticated United States investors that are QIBs within the meaning of Rule 144A under the Securities Act.

The Commission is authorized to issue an exemption when the two conditions of Section 36(a) of the Exchange Act described in this letter are met. The Joint Global Coordinators and U.S. Selling Agents believe such conditions have been satisfied in the case of the Proposed U.S. Offering, and we respectfully request on their behalf that the Commission grant the requested exemption, as it did in connection with T1 and T2 which each involved a similar offering structure.

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**FOIA/Confidential Treatment Request**

As of the date of this letter, the Proposed Global Offering has not been made public in the United States. Public availability of this request would have material adverse consequences for the Commonwealth, the Joint Global Coordinators and the Proposed Global Offering. Accordingly, a copy of this letter is also being sent to the Office of Freedom of Information and Privacy Act Operations of the Commission, and we respectfully request, in accordance with 17 C.F.R. § 200.83 of the Commission's Rules of Practice, that the Commission accord confidential treatment to this request pursuant to 17 C.F.R § 200.81 until after the Proposed Global Offering is made public, or 60 days from the date of this letter, whichever first occurs. We will notify you when the Proposed Global Offering is made public.

If you having any questions about this request, please contact the undersigned in New York (telephone 212-858-1242; email [wkurz@pillsburylaw.com](mailto:wkurz@pillsburylaw.com)) or Robert L. Meyers in Sydney (011-612-8214-2240; email [rmeyers@pillsburylaw.com](mailto:rmeyers@pillsburylaw.com)).

Very truly yours,



William C.F. Kurz

cc: Brian A. Bussey,  
Assistant Chief Counsel,  
Division of Market Regulation  
Norman Reed,  
Division of Market Regulation  
Suzanne E. Rothwell  
Robert H. Williams  
Skadden, Arps, Slate, Meagher & Flom  
Robert L. Meyers  
Pillsbury Winthrop Shaw Pittman LLP  
Office of Freedom of Information  
and Privacy Act Operations

EXHIBIT A

Recent Australian transactions using installment and partly paid structures:

- Reckson New York Property Trust offered 263.4 million partly paid securities through an installment receipt structure in September 2005. The initial installment was A\$0.65 per security, with the second installment of A\$0.35 per security payable in October 2006.
- Alinta Infrastructure Trust offered 231.5 million partly paid securities in August 2005. The initial installment was A\$2.00 per security, with the second installment of A\$1.20 per security payable in December 2006.
- Australian ASSETS Trust offered 2.75 million partly paid securities in August 2005. The initial installment on the securities was A\$65.00 per security, with the second installment of A\$35.00 payable in March 2006.
- Challenger Infrastructure Fund offered 90 million partly paid stapled units in August 2005. The initial installment on the units was A\$1.75 per stapled unit, with the second installment of A\$1.75 per stapled unit payable in August 2006.
- Stockland Direct Office Trust No. 2 offered 85.9 million units through an installment receipt structure in August 2005. The initial installment was A\$0.40 per security, with the second installment of A\$0.60 per security payable in June 2013.
- APN European Retail Trust offered 180.1 million partly paid units in July 2005. The initial installment was A\$0.70 per unit, with the second installment of A\$0.30 per unit payable in June 2006.
- Charter Hall Group offered 264.2 million partly paid stapled securities in June 2005. The initial installment on the stapled securities was A \$0.75 per stapled security, with the second installment of A \$0.25 per stapled security payable in June 2006.

- James Fielding Funds Management Limited offered 241 million partly paid units in JF US Industrial Trust in April 2005. The initial installment was A\$0.50 per unit, with the second installment of A\$0.50 per unit payable in February 2006.
- Hastings High Yield Fund offered 100 million partly paid units in April 2005. The initial installment was A\$2.00 per unit, with the second installment of A\$1.00 per unit payable in March 2006.
- Macquarie SHEDS offered 1.5 million partly paid securities in February 2005. The initial installment on the securities was A\$60 per security, with the second installment of A\$40 per security payable in September 2005.
- Babcock & Brown Capital Limited offered 200 million partly paid shares in December 2004. The initial installment on the shares was A\$2.50 per share, with the second installment of A\$2.30 per share payable in February 2006.
- Connecteast Group offered 10 million partly paid stapled securities in November 2004. The initial installment was A\$0.50 per security, with the second installment of A\$0.45 per security payable in November 2005.
- Multiplex Group offered 68.2 million partly paid securities in December 2003. The initial installment was A\$3.53 per security, with the second installment of A\$0.97 per security payable in December 2004.
- Westpac Office Trust offered 350 million units through an installment receipt structure in September 2003. The initial installment was A\$0.50 per security, with the second installment of A\$0.50 payable in November 2011.
- Prime Infrastructure Group issued 284.5 million partly paid stapled securities in June 2002. The initial installment on the stapled securities was A\$0.70 per security, with the second installment of A\$0.30 per security payable in July 2003.
- Macquarie Prologis issued approximately 354 million partly paid units in June 2002. The initial installment on the units was A\$0.75 per unit, with the second installment of A\$0.25 per unit payable in June 2003.

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- Macquarie Airports issued 500 million partly paid stapled securities in March 2002. The initial installment on the stapled securities was A\$1.00 per security, with the second installment of A\$1.00 per security payable in October 2002.
- Record Investments Limited issued 100 million partly paid shares in February 2001. The initial installment on the shares was A\$1.00 per share, with the second installment of A\$0.90 per share payable in May 2002.