

17 September 2010

The Manager

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**ELECTRONIC LODGEMENT**

Dear Sir or Madam

**SouFun Holdings Limited IPO process**

In accordance with the Listing Rules, I attach an announcement for release to the market.

Regards



**Carmel Mulhern**  
Company Secretary

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**SouFun Holdings Limited IPO process**

Reference is made to the announcements made by Telstra on 1 December 2009, 13 August 2010 and 2 September 2010.

Telstra advises that on 16 September 2010, East Coast U.S. time, it signed an underwriting agreement relating to the initial public offering of SouFun of 2,933,238 American depository shares ("ADSs"), each representing four Class A ordinary shares of SouFun. The price per ADS is US\$42.50. The ADSs will begin trading on the New York Stock Exchange on 17 September 2010 under the symbol "SFUN."

This price values 100% of SouFun at approximately US\$850 million, immediately prior to the IPO.

Telstra intends to sell down its 50.6% shareholding in SouFun as described in its announcement of 13 August 2010. Telstra purchased its stake in SouFun in 2006 for US\$254 million. Based on the price per ADS of US\$42.50, Telstra's gross proceeds from the sale of its SouFun stake will be approximately US\$433 million. Any profit or loss for Telstra on the sale of its SouFun stake will be impacted by the foreign exchange currency movements since its acquisition and Telstra's share of post-acquisition profits.

Deutsche Bank Securities Inc. and Goldman Sachs (Asia) L.L.C. acted as joint bookrunners and underwriters for SouFun's offering.

SouFun's registration statement relating to these securities has been declared effective by the United States Securities and Exchange Commission. This news release does not constitute an offer to sell or a solicitation of an offer to buy the securities described herein, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

The offering of the securities is made only by means of a prospectus forming a part of the effective registration statement. A copy of the prospectus relating to the offering may be obtained by contacting Deutsche Bank Securities, 60 Wall Street, New York, New York 10005, Attention: Prospectus Department (telephone: (800) 503-4611; e-mail: prospectus.cpdg@db.com) or Goldman, Sachs & Co., 200 West Street, New York, NY 10282, Attention: Prospectus Department (telephone: 212-902-1171; facsimile: 212-902-9316; e-mail: prospectus-ny@ny.email.gs.com).

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