

ASSIGNMENT 1 - ACCOUNTING

STRATEGIC CHANGES AND FIRM PERFORMANCE

Executive Summary

This report intends to provide an overview of Telstra Corporation Limited and conduct analysis of the several aspects of the financial statements of the company. This shall include various items from the cash flow statements, balance sheets and the profit and loss account for the last six years i.e. 2010 to 2015. The report intends to address the significant areas of performance by the company by conducting ratio analysis and itemized study of important items and thereby focusing on the areas to be improved by the company. External influences that do not cover the financial aspect but may affect the investor's decision have been also identified and discussed. These include the market rating given by various credit rating agencies and the study of the industry in which the company belongs because the company does not function as an independent entity and its success and failure depends on lots of factors.

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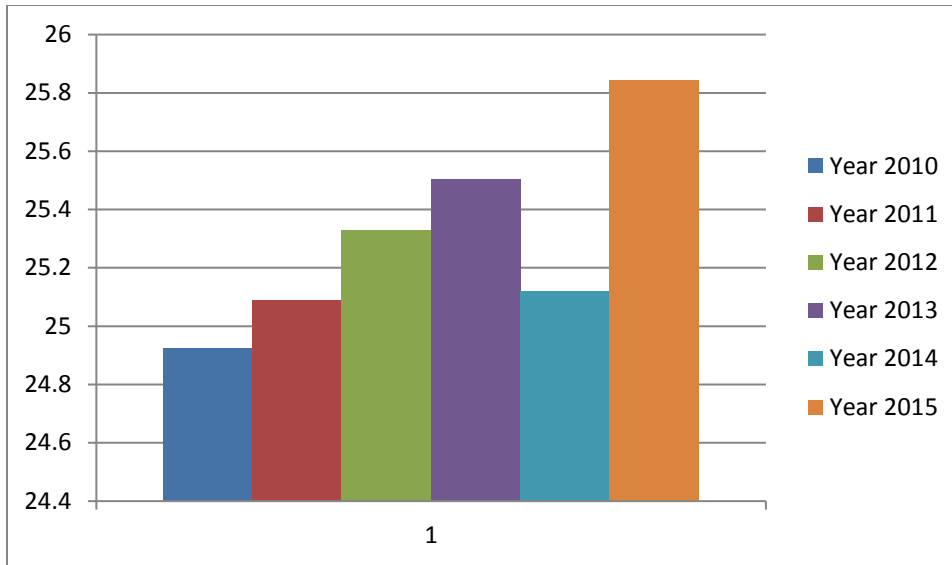
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Introduction

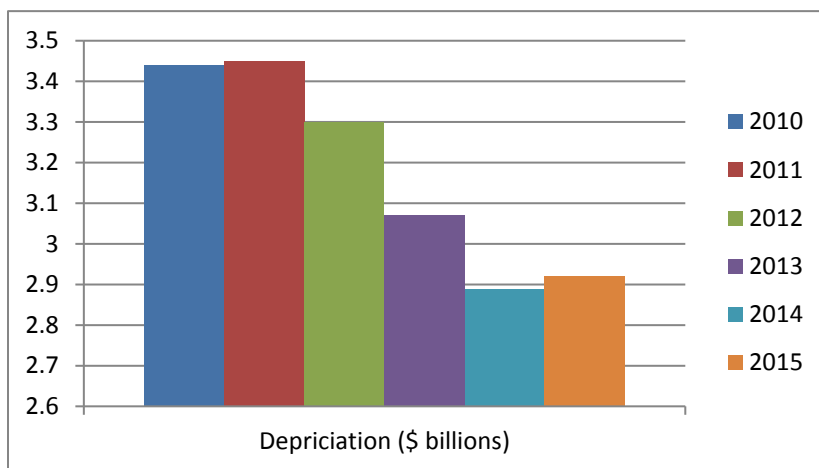
Telstra Corporation Limited is the biggest market player in mobile telecom in Australia (Telstra 2016). The company was founded in the year 1975. The company privatized in the years of 1997, 1999 and the year 2006 in three stages. The company originated from the Australia post as one of the government departments. It operates mobile towers, pay television, internet access etc. Currently, Andy Penn is the Chief Executive Officer of the company. Warwick Bray is the Chief Financial Officer of the company. As of 2015, the total revenue of the company stands at \$26.6 billion and the profit after tax stands at \$4.3 billion (Thomson Reuters 2016). Telstra has been voted as the most respected company in the year of 2014 by a leading Australian newspaper. Telstra in order to win back its market share has separately allocated a huge sum of money which it intends to spend for the said purpose.

Analysis of Income Statement

- **Operating revenue:** The operating revenue of the company has remained almost consistent over the past 6 years. Minimal growth is present in the revenue. Therefore, it can be stated that the company has tried to retain its customers in the given years but has not been able to attract new customers. This item was selected as the revenue is the main resource of the organization's survival (Telstra 2016). Following chart shows the revenue and its growth year wise:

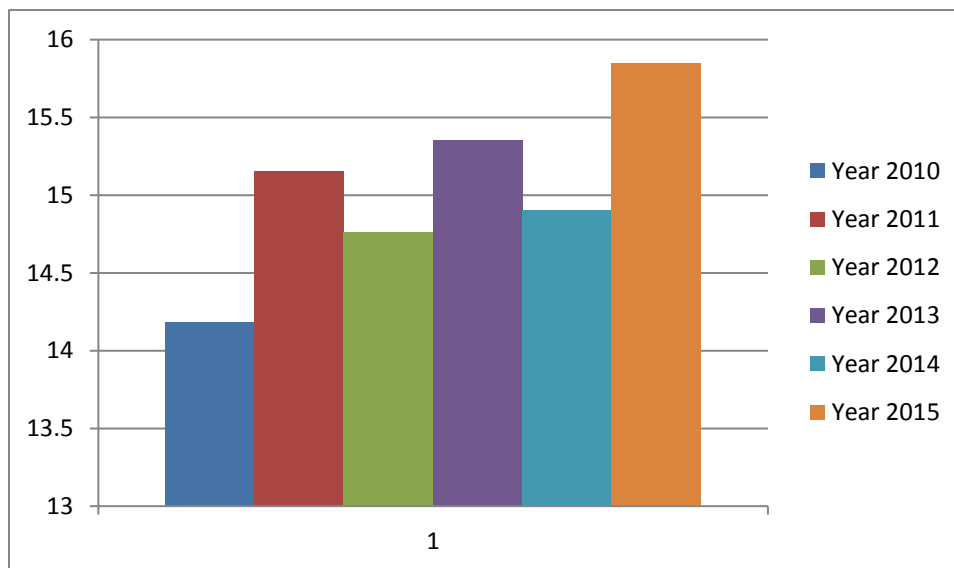


Depreciation charged to the profit and loss account has been on a reducing trend for the past 6 years which implies that the company has not invested any funds in the procurement of capital assets. This can be attributable to the nature of industry in which it is involved. However, it can also be commented that the company has not expanded its operations for these years and so, it did not require any further capital asset. We can study the following chart



- **Operating Expense:** We can observe that the operating expense has also remained almost consistent in the past 6 years. The main reason behind such consistency would be attributable to

the consistent operating revenue. This can also be seen as a positive factor because it would ensure that the operating margin has not reduced in the years. These expenses are directly attributable to operations therefore, it can be stated that the company is operating efficiently even with consistent revenue. We may look at the following chart:



Analysis of Balance Sheet

- **Current Investments:** The investments have significantly reduced over the period of 6 years. This shows that the company has relied less on current investments for the income. This also could be due to the fact that company has reduced the short-term borrowings to save on the interest cost. Current investments are important as the liquidity of the company can only be determined on the basis of short-term investments. They are strategically important to discharge the short term future liabilities.

- **Noncurrent investments:** This has increased significantly over the last 6 years depicting the fact that company has invested in good return investments due to which company is earning more which is overall good for the growth of the company. We can also notice that the other income of the company has also increased in the years. This term derives its importance as these are generally items of high value which will not be redeemed in near future. The rate of return on these items is also high.
- **Account payable:** This has increased marginally over the last 6 years by 4% which suggests that the company maintains a traditional account payable ratio towards its creditors which suggests a good financial capacity of the company to repay its creditors. Accounts payable is important as the short term liability needs to be paid off company's regular payments depicts its financial ability to pay off its liabilities.

Analysis of Cash Flow Statement

- **Investments:** There is a change of 95% in the last years in investments which is a part of investing activities. The company has actually been purchasing investments which are also reflected in the balance sheet. This could be due to a company getting the higher return on these long-term investments.
- **Investment cash inflow:** Company has the change of over 50% in the last 6 years in income from investments. From the above point, it is clear that the company is purchasing long-term investments and in return as is evident from the return on investment, the company is being paid quite well.

- **Payment to suppliers and employees:** This has increased to 17% in the last 6 years. This is attributable to the fact that sale of the company has increased due to which the production has gone up creating more suppliers and hence more liability which in turn creates more payments. These items seem to be in consonance natural business course of the company. This is a part of operating activities.

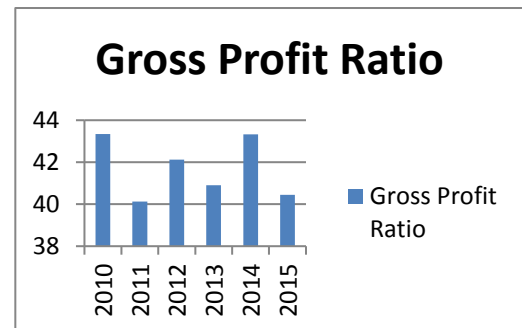
Analysis of Ratios

Ratio - Refer Appendix A-1 and A-2 at the end

Analysis

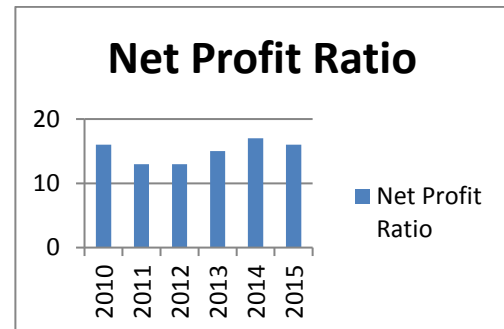
Gross profit ratio

The GP ratio has been fluctuating over the last 6 years which is not a good sign for the company's growth as the sales of the company have remained almost consistent and the falling GP suggests that the cost of goods sold of the company has increased.



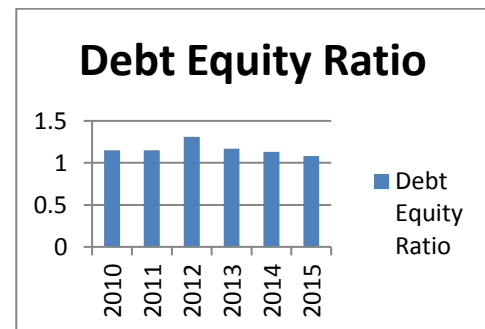
Net profit ratio

NP ratio, however, has increased in the last 3 years which implies that the company is operating efficiently. This suggests that company is able to hold its place in the market well.



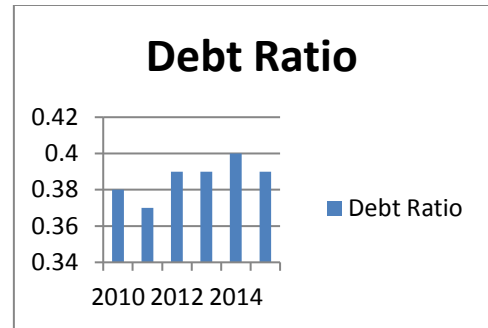
Debt equity ratio

Debt equity ratio is around 1 which suggests that company uses equity and outside debt almost equally to meet its financial needs. However, the ratio is always over 1 therefore, the debt financing has always remained higher and we can state that it is very important to have good earnings in order to meet the debt obligations.



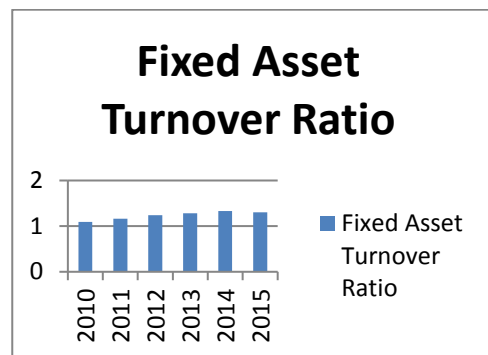
Debt Ratio

This is below 0.5 which suggests that company has enough assets to meet its debt obligations.



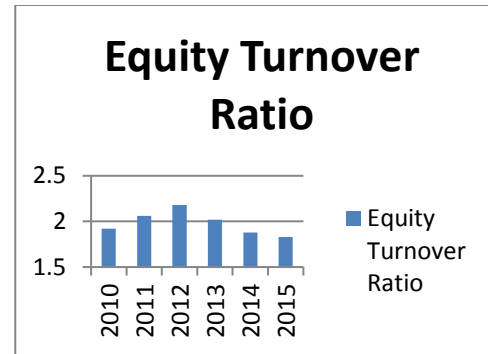
Fixed Asset turnover ratio

This has been increasing over the last 6 years suggesting that the company is able to generate more out of its fixed assets used in production.



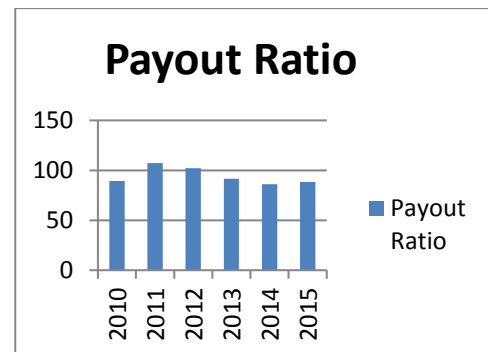
Equity turnover ratio

This has increased and then decreased again over the past 6 years indicating that the company uses how much equity to generate a particular level of sale. However, there is not much significant change as such. The performance of the company seems reasonable.



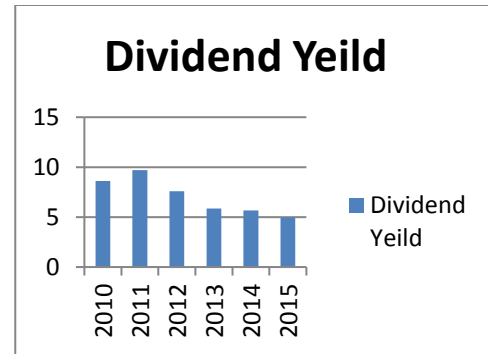
Payout ratio

This has increased considerably since 2010 and then decreased again. However, we must understand if the company pays the dividend, then the market value of the company decreases. So, overall the shareholders of the company do not gain or lose in case of a dividend.



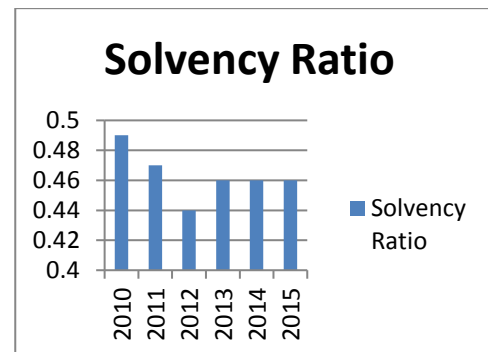
Dividend yield

This reflects the ratio between the market price per share and the dividend per share declared by the company. This has actually decreased too much which is due to the fact that the Market price per share has decreased considerably over the last 6 years. However, looking at the dividend individually, the dividend has increased despite fall in the market share instilling confidence among its shareholders.



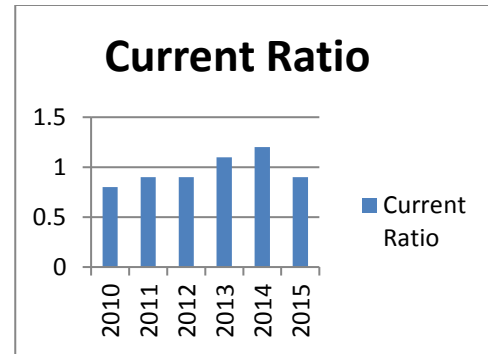
Solvency ratio

The solvency ratio of the company is the measure company being solvent. In the given case the solvency ratio of the company has been almost stagnant at 0.49 which seems a good sign. However, this should be compared with other competitors to get the better idea.



Current Ratio

The current ratio of the company was 0.8 in 2010 which improved above in 2014 to 1.2. However, it has declined to 0.9 which is still acceptable as the acceptable current ratio for any company is generally 1.



External Factors

Market rating/ credit rating

The credit ratings given by various credit rating agencies must be considered before making an investment decision in large companies. This is because these are professional agencies who take into account all the monetary and nonmonetary factors which ultimately may affect the growth of the company or the industry of the company have immense expertise in understanding the business environment and the financial position based on policies of the government, other external factors, thus ensuring the investors of a safe investment.

Business environment of the industry in which the company relates

If the company has the strong financial background and appears free from all the negative financial indications, then the investor might consider the industry also in which the company relates. For example, take a sugar industry. The company seems strong but a recent circulation by the government has allowed the import of sugar at low prices which would directly affect the company's profitability. Now, the investor might want to reconsider the decision of investing in that company even though as of now the company has strong financial base but soon the

company may be severally affected by the change in the policy of import by the government due to which the company may not be able to earn healthy profits or may altogether come in losses.

Conclusion

After studying the above points, it looks that the company has been able to maintain and sustain the business it manages in Australia. The company has sustained the revenue collection and the profit of the company seems overall well managed. However, the one thing which may bother the current and the prospective customers is that the company has not been able to grow at a pace that is expected from the company of such size and capacity. The revenue has increased marginally by just 4% in the last 6 years which does not seem that impressive. In terms of profit also, the company has not been able to grow at much pace. However, one good sign is that the company has reduced the other overhead cost as the Net profit ratio has increased more than the gross profit ratio. This suggests that company has been able to reduce the other indirect costs incurred by the company in processes other than the manufacturing processes which implies that the controlling steps must have been taken by the management (Edmunds, (n.d.))

Appendices

Appendix A-1 Ratio calculation

Appendix A 1						
	2010	2011	2012	2013	2014	2015
Profitability ratios						
Gross profit ratio -						
Gross profit/net sales	43.34	40.12	42.13	40.91	43.33	40.45
Gross profit	10,847,000,000	10,151,000,000	10,745,000,000	10,629,000,000	11,395,000,000	10,762,000,000
Sales	25,029,000,000	25,304,000,000	25,503,000,000	25,980,000,000	26,296,000,000	26,607,000,000
Net profit ratio- Net						
profit/net sales	16	13	13	15	17	16
Net Profit	3,940,000,000	3,250,000,000	3,424,000,000	3,865,000,000	4,345,000,000	4,305,000,000
Sales	25,029,000,000	25,304,000,000	25,503,000,000	25,980,000,000	26,296,000,000	26,607,000,000
Leverage						
Debt equity ratio -						
Debt/equity	1.15	1.15	1.31	1.17	1.13	1.08
Short term debt	2,540,000,000.00	1,990,000,000.00	3,306,000,000.00	751,000,000.00	2,277,000,000.00	1,496,000,000.00
long term debt	12,370,000,000.00	12,178,000,000.00	11,958,000,000.00	14,313,000,000.00	13,547,000,000.00	14,138,000,000.00
Total debt	14910000000.00	14168000000.00	15264000000.00	15064000000.00	15824000000.00	15634000000.00
Equity	13,008,000,000.00	12,292,000,000.00	11,689,000,000.00	12,875,000,000.00	13,960,000,000.00	14,510,000,000.00
Debt ratio (Total						
debts / total assets)	0.38	0.37	0.39	0.39	0.40	0.39
Short term debt	2,540,000,000.00	1,990,000,000.00	3,306,000,000.00	751,000,000.00	2,277,000,000.00	1,496,000,000.00
long term debt	12,370,000,000.00	12,178,000,000.00	11,958,000,000.00	14,313,000,000.00	13,547,000,000.00	14,138,000,000.00
Total debt	14,910,000,000.00	14,168,000,000.00	15,264,000,000.00	15,064,000,000.00	15,824,000,000.00	15,634,000,000.00
Total Assets	39,282,000,000.00	37,913,000,000.00	39,525,000,000.00	38,527,000,000.00	39,360,000,000.00	40,445,000,000.00

Appendix A-2 Ratio calculation

Appendix A 2						
Operational efficiency						
Fixed asset turnover ratio (total sales/closing fixed assets)	1.09	1.16	1.24	1.28	1.33	1.30
Fixed asset sales	22,894,000,000.00	21,790,000,000.00	20,504,000,000.00	20,326,000,000.00	19,842,000,000.00	20,450,000,000.00
	25,029,000,000	25,304,000,000	25,503,000,000	25,980,000,000	26,296,000,000	26,607,000,000
Equity turnover (Net sales/ avg. total equity)	1.92	2.06	2.18	2.02	1.88	1.83
Sales	25,029,000,000	25,304,000,000	25,503,000,000	25,980,000,000	26,296,000,000	26,607,000,000
Equity	13,008,000,000.00	12,292,000,000.00	11,689,000,000.00	12,875,000,000.00	13,960,000,000.00	14,510,000,000.00
Market ratios						
Payout ratio (Dividend per share/ Earning per share)	89.46	107.32	102.19	91.50	86.01	88.41
Total Div - Inc. Special	28.00	28.00	28.00	28.00	29.50	30.50
EPS After Abnormals (cents/share)	31	26	27	31	34	35
Dividend yield (Market price per share /Dividend per share)	8.62	9.69	7.59	5.87	5.66	4.97
Market price per share	241.36	271.32	212.52	164.36	166.97	151.585
Total Div - Inc. Special	28.00	28.00	28.00	28.00	29.50	30.50

Appendix B Profit and loss account

APPENDIX B						
Item	06/10	06/11	06/12	06/13	06/14	06/15
Operating Revenue	24,923,000,000	25,089,000,000	25,329,000,000	25,502,000,000	25,119,000,000	25,845,000,000
Other Revenue	106,000,000	215,000,000	174,000,000	478,000,000	1,177,000,000	762,000,000
Total Revenue Excluding Interest	25,029,000,000	25,304,000,000	25,503,000,000	25,980,000,000	26,296,000,000	26,607,000,000
Operating Expenses	(14,182,000,000)	(15,153,000,000)	(14,758,000,000)	(15,351,000,000)	(14,901,000,000)	(15,845,000,000)
EBITDA	10,847,000,000	10,151,000,000	10,745,000,000	10,629,000,000	11,395,000,000	10,762,000,000
Depreciation	(3,440,000,000)	(3,454,000,000)	(3,305,000,000)	(3,073,000,000)	(2,896,000,000)	(2,922,000,000)
Amortisation	(906,000,000)	(1,005,000,000)	(1,107,000,000)	(1,165,000,000)	(1,054,000,000)	(1,061,000,000)
Depreciation and Amortisation	(4,346,000,000)	(4,459,000,000)	(4,412,000,000)	(4,238,000,000)	(3,950,000,000)	(3,983,000,000)
EBIT	6,501,000,000	5,692,000,000	6,333,000,000	6,391,000,000	7,445,000,000	6,779,000,000
Interest Revenue	67,000,000	127,000,000	134,000,000	219,000,000	156,000,000	157,000,000
Interest Expense	(1,030,000,000)	(1,262,000,000)	(1,022,000,000)	(1,128,000,000)	(1,113,000,000)	(846,000,000)
Net Interest Expense	(963,000,000)	(1,135,000,000)	(888,000,000)	(909,000,000)	(957,000,000)	(689,000,000)
PreTax Profit	5,538,000,000	4,557,000,000	5,445,000,000	5,482,000,000	6,488,000,000	6,090,000,000
Tax Expense	(1,598,000,000)	(1,307,000,000)	(1,510,000,000)	(1,617,000,000)	(1,679,000,000)	(1,787,000,000)
Net Profit after Tax Before Abnormals	3,940,000,000	3,250,000,000	3,935,000,000	3,865,000,000	4,809,000,000	4,303,000,000
Abnormals	-	-	(511,000,000)	-	(260,000,000)	(17,000,000)
Abnormals Tax	-	-	-	-	-	-
Net Abnormals	-	-	(511,000,000)	-	(260,000,000)	(17,000,000)
Reported NPAT After Abnormals	3,940,000,000	3,250,000,000	3,424,000,000	3,865,000,000	4,345,000,000	4,305,000,000
Outside Equity Interests	(57,000,000)	(19,000,000)	(19,000,000)	(52,000,000)	(70,000,000)	(74,000,000)
Shares Outstanding at Period End	12,443,074,357	12,443,074,357	12,443,074,357	12,443,074,357	12,443,074,357	12,225,655,836
Weighted Average Number of Shares	12,373,000,000	12,382,000,000	12,398,000,000	12,406,000,000	12,418,000,000	12,264,000,000
EPS Adjusted (cents/share)	31	26	32	31	38	34
EPS After Abnormals (cents/share)	31	26	27	31	34	35

Appendix C Balance sheet

APPENDIX C						
Item	06/10	06/11	06/12	06/13	06/14	06/15
CA - Cash	1,936,000,000	2,630,000,000	3,945,000,000	2,479,000,000	5,527,000,000	1,396,000,000
CA - Receivables	3,981,000,000	4,137,000,000	4,346,000,000	4,557,000,000	4,172,000,000	4,721,000,000
CA - Prepaid Expenses	218,000,000	275,000,000	250,000,000	314,000,000	329,000,000	346,000,000
CA - Inventories	295,000,000	283,000,000	260,000,000	431,000,000	362,000,000	491,000,000
CA - Investments	173,000,000	83,000,000	32,000,000	43,000,000	23,000,000	7,000,000
CA - NCA Held Sale	579,000,000	41,000,000	754,000,000	-	23,000,000	-
CA - Other	3,000,000	4,000,000	363,000,000	79,000,000	2,000,000	9,000,000
Total Current Assets	7,185,000,000	7,453,000,000	9,950,000,000	7,903,000,000	10,438,000,000	6,970,000,000
NCA - Receivables	217,000,000	340,000,000	851,000,000	943,000,000	973,000,000	1,171,000,000
NCA - Inventories	17,000,000	22,000,000	24,000,000	27,000,000	29,000,000	32,000,000
NCA - Investments	610,000,000	288,000,000	689,000,000	1,118,000,000	1,645,000,000	2,128,000,000
NCA - PP&E	22,894,000,000	21,790,000,000	20,504,000,000	20,326,000,000	19,842,000,000	20,450,000,000
NCA - Intangibles(ExGW)	6,226,000,000	6,212,000,000	6,132,000,000	6,820,000,000	5,987,000,000	7,680,000,000
NCA - Goodwill	1,802,000,000	1,415,000,000	1,289,000,000	1,382,000,000	395,000,000	1,652,000,000
NCA - Future Tax Benefit	324,000,000	382,000,000	86,000,000	5,000,000	7,000,000	66,000,000
NCA - Other	7,000,000	11,000,000	-	3,000,000	44,000,000	296,000,000
Total NCA	32,097,000,000	30,460,000,000	29,575,000,000	30,624,000,000	28,922,000,000	33,475,000,000
Total Assets	39,282,000,000	37,913,000,000	39,525,000,000	38,527,000,000	39,360,000,000	40,445,000,000
CL - Account Payable	3,843,000,000	4,093,000,000	4,131,000,000	4,241,000,000	3,834,000,000	4,045,000,000
CL - Short-Term Debt	2,540,000,000	1,990,000,000	3,306,000,000	751,000,000	2,277,000,000	1,496,000,000
CL - Provisions	1,108,000,000	1,432,000,000	1,972,000,000	1,406,000,000	1,628,000,000	1,475,000,000
CL - NCL Held Sale	89,000,000	5,000,000	105,000,000	-	19,000,000	-
CL - Other	1,102,000,000	1,018,000,000	1,170,000,000	1,124,000,000	926,000,000	1,113,000,000
Total Curr. Liabilities	8,682,000,000	8,538,000,000	10,684,000,000	7,522,000,000	8,684,000,000	8,129,000,000
NCL - Account Payable	248,000,000	177,000,000	174,000,000	163,000,000	66,000,000	74,000,000
NCL - Long-Term Debt	12,370,000,000	12,178,000,000	11,958,000,000	14,313,000,000	13,547,000,000	14,138,000,000
NCL - Provisions	4,636,000,000	4,430,000,000	4,551,000,000	3,273,000,000	2,716,000,000	2,757,000,000
NCL - Other	338,000,000	298,000,000	469,000,000	381,000,000	387,000,000	837,000,000
Total NCL	17,592,000,000	17,083,000,000	17,152,000,000	18,130,000,000	16,716,000,000	17,806,000,000
Total Liabilities	26,274,000,000	25,621,000,000	27,836,000,000	25,652,000,000	25,400,000,000	25,935,000,000
Share Capital	5,590,000,000	5,610,000,000	5,635,000,000	5,711,000,000	5,719,000,000	5,198,000,000
Reserves	(312,000,000)	(843,000,000)	(867,000,000)	(619,000,000)	(228,000,000)	372,000,000
Retained Earnings	7,418,000,000	7,307,000,000	6,712,000,000	7,519,000,000	8,331,000,000	8,533,000,000
Other Equity	-	-	-	-	-	-
Convertible Equity	-	-	-	-	-	-
SE Held Sale	-	-	-	-	-	-
Outside Equity	312,000,000	218,000,000	209,000,000	264,000,000	138,000,000	407,000,000
Total Equity	13,008,000,000	12,292,000,000	11,689,000,000	12,875,000,000	13,960,000,000	14,510,000,000

Appendix D Cash flow statements

Item	APPENDIX D					
	06/10	06/11	06/12	06/13	06/14	06/15
Receipts from Customers	27,128,000,000	27,389,000,000	28,364,000,000	28,585,000,000	28,950,000,000	29,521,000,000
Payments to Suppliers and Employees	(16,218,000,000)	(17,860,000,000)	(17,491,000,000)	(18,803,000,000)	(18,710,000,000)	(19,621,000,000)
Dividends Received	-	-	-	-	-	-
Interest Received	-	-	-	-	-	-
Interest Paid	-	-	-	-	-	-
Tax Paid	(1,219,000,000)	(1,511,000,000)	(1,597,000,000)	(1,500,000,000)	(1,774,000,000)	(1,755,000,000)
Other Operating Cashflows	-	-	-	77,000,000	147,000,000	166,000,000
Net Operating Cashflows	9,691,000,000	8,018,000,000	9,276,000,000	8,359,000,000	8,613,000,000	8,311,000,000
Payment for Purchase of PPE	(3,595,000,000)	(3,251,000,000)	(3,948,000,000)	(4,509,000,000)	(3,762,000,000)	(5,102,000,000)
Proceeds From Sale of PPE	26,000,000	16,000,000	19,000,000	69,000,000	94,000,000	94,000,000
Investments Purchased	(6,000,000)	-	(18,000,000)	(27,000,000)	(91,000,000)	(120,000,000)
Proceeds From Sale of Investments	-	-	-	-	4,000,000	4,000,000
Payments for Purchase of Subsidiaries	(95,000,000)	(36,000,000)	(9,000,000)	(9,000,000)	(165,000,000)	(984,000,000)
Proceeds from Sale of Subsidiaries	12,000,000	325,000,000	(11,000,000)	697,000,000	2,397,000,000	4,000,000
Loans Granted	-	-	(443,000,000)	(1,000,000)	-	-
Loans Repaid	-	2,000,000	3,000,000	-	-	-
Other Investing Cashflows	192,000,000	403,000,000	328,000,000	445,000,000	393,000,000	412,000,000
Net Investing Cashflows	(3,466,000,000)	(2,541,000,000)	(4,079,000,000)	(3,335,000,000)	(1,130,000,000)	(5,692,000,000)
Proceeds from Issues	-	-	-	29,000,000	189,000,000	121,000,000
Proceeds from Borrowings	1,777,000,000	2,340,000,000	3,049,000,000	2,074,000,000	1,572,000,000	1,793,000,000
Repayment of Borrowings	(2,676,000,000)	(2,536,000,000)	(2,224,000,000)	(4,042,000,000)	(1,387,000,000)	(3,413,000,000)
Dividends Paid	(3,494,000,000)	(3,489,000,000)	(3,491,000,000)	(3,508,000,000)	(3,567,000,000)	(3,700,000,000)
Other Financing Cashflows	(1,088,000,000)	(1,188,000,000)	(1,240,000,000)	(1,079,000,000)	(1,237,000,000)	(1,683,000,000)
Net Financing Cashflows	(5,481,000,000)	(4,873,000,000)	(3,906,000,000)	(6,526,000,000)	(4,430,000,000)	(6,882,000,000)
Net Increase in Cash	744,000,000	604,000,000	1,291,000,000	(1,502,000,000)	3,053,000,000	(4,263,000,000)
Cash at Beginning of Period	1,381,000,000	2,105,000,000	2,637,000,000	3,945,000,000	2,479,000,000	5,527,000,000
Exchange Rate Adj	(20,000,000)	(72,000,000)	17,000,000	36,000,000	(5,000,000)	132,000,000
Other Cash Adjustments	-	-	-	-	-	-
Cash at End of Period	2,105,000,000	2,637,000,000	3,945,000,000	2,479,000,000	5,527,000,000	1,396,000,000

Appendix E – solvency ratio calculation

APPENDIX E						
Current Ratio (Current Assets/current liabilities)	0.8	0.9	0.9	1.1	1.2	0.9
Total Current Assets	7,185,000,000	7,453,000,000	9,950,000,000	7,903,000,000	10,438,000,000	6,970,000,000
Total Curr. Liabilities	8,682,000,000	8,538,000,000	10,684,000,000	7,522,000,000	8,684,000,000	8,129,000,000
Solvency ratio[(Net income + depreciation)/short term liabilities+ long term liabilities]	0.49	0.47	0.44	0.46	0.46	0.46
Net income (after tax)	3,940,000,000	3,250,000,000	3,424,000,000	3,865,000,000	4,345,000,000	4,305,000,000
Depreciation	3,440,000,000	3,454,000,000	3,305,000,000	3,073,000,000	2,896,000,000	2,922,000,000
TOTAL -A	7,380,000,000	6,704,000,000	6,729,000,000	6,938,000,000	7,241,000,000	7,227,000,000
CL - Short-Term Debt	2,540,000,000	1,990,000,000	3,306,000,000	751,000,000	2,277,000,000	1,496,000,000
NCL - Long-Term Debt	12,370,000,000	12,178,000,000	11,958,000,000	14,313,000,000	13,547,000,000	14,138,000,000
TOTAL - B	14,910,000,000	14,168,000,000	15,264,000,000	15,064,000,000	15,824,000,000	15,634,000,000

Appendix F Revenue expenses

Item	APPENDIX F					
	06/10	06/11	06/12	06/13	06/14	06/15
Shares Outstand. (EOP)	12,443,074,357.00	12,443,074,357.00	12,443,074,357.00	12,443,074,357.00	12,443,074,357.00	12,225,655,836.00
Weighted Avg. Shares	12,373,000,000.00	12,382,000,000.00	12,398,000,000.00	12,406,000,000.00	12,418,000,000.00	12,264,000,000.00
EPS Bef. Abs	31.97	26.93	28.50	31.51	34.89	35.02
EPS Aft. Abs.	31.30	26.10	27.40	30.60	34.30	34.50
Dilution Factor	--	--	--	--	--	--
Cumulative	1.00	1.00	1.00	1.00	1.00	1.00
Reportd EPS Bef. Abs.Adj	31.30	26.09	31.51	30.60	38.02	34.48
DPS - Adj Ex. Special	28.00	28.00	28.00	28.00	29.50	30.50
DPS - Adj.	28.00	28.00	28.00	28.00	29.50	30.50
Interim Div - Ordinary	14.00	14.00	14.00	14.00	14.50	15.00
Interim Franking - Ord (%)	100.00	100.00	100.00	100.00	100.00	100.00
Gross Interim Div - Ord	20.00	20.00	20.00	20.00	20.71	21.43
Final Dividend - Ordinary	14.00	14.00	14.00	14.00	15.00	15.50
Final Franking - Ordinary (%)	100.00	100.00	100.00	100.00	100.00	100.00
Gross Final Div - Ord	20.00	20.00	20.00	20.00	21.43	22.14
Special Dividend - Ord	0.00	0.00	0.00	0.00	0.00	0.00
Special Franking - Ord (%)	--	--	--	--	--	--
Gross Special Div - Ord	0.00	0.00	0.00	0.00	0.00	0.00
Total Div - Ex. Special	28.00	28.00	28.00	28.00	29.50	30.50
Total Div - Inc. Special	28.00	28.00	28.00	28.00	29.50	30.50
Total Franking - Ex. Spec	100.00	100.00	100.00	100.00	100.00	100.00
Total Franking - Inc. Spec (%)	100.00	100.00	100.00	100.00	100.00	100.00
Total Gross Div- Ex.Spec	40.00	40.00	40.00	40.00	42.14	43.57
Total Gross Div- Inc.Spec	40.00	40.00	40.00	40.00	42.14	43.57
Tax Rate (%)	28.86	28.68	27.73	29.50	25.88	29.34
Corporate Tax Rate (%)	30.00	30.00	30.00	30.00	30.00	30.00
Payout Ratio Ex. Special (%)	89.46	107.32	88.86	91.50	77.59	88.46
Payout Ratio (%)	89.46	107.32	88.86	91.50	77.59	88.46
Dividend Yield (%)	8.62	9.69	7.59	5.87	5.66	4.97
Dividend Yield Ex. Spec (%)	8.62	9.69	7.59	5.87	5.66	4.97
Dividend Cover (%)	111.79	93.18	112.54	109.29	128.88	113.05
Gross Div. Yield (%)	12.31	13.84	10.84	8.39	8.09	7.10
Gross Div. Yield Ex. Spec (%)	12.31	13.84	10.84	8.39	8.09	7.10

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