

Notes to the Financial Statements (continued)

12. Non current assets held for sale

On 12 July 2012, we signed an agreement to dispose of our 100% shareholding in TelstraClear Limited and its controlled entity (TelstraClear). In accordance with AASB 5: "Non-current Assets Held for Sale and Discontinued Operations" as at 30 June 2012 the carrying value of assets and liabilities of TelstraClear have been classified as held for sale, with the exception of cash balances which are excluded from the sale agreement, and measured at the lower of carrying amount and fair value less costs to sell.

Based on the sale price of \$658 million (NZ\$840 million), estimated completion adjustments and subject to final completion adjustments, the carrying value of the TelstraClear goodwill was impaired by \$130 million. Refer to note 21 for further details.

The conditions precedent to completion of the disposal include approval from the New Zealand Commerce Commission, Overseas Investment Office and Ministry of Business, Innovation and Employment.

If the conditions precedent are satisfied and the disposal of TelstraClear occurs, in fiscal 2013 the foreign currency translation reserve arising from our investment in TelstraClear will be reclassified to the Telstra Group income statement increasing our loss on disposal. The foreign currency translation reserve balance at 30 June 2012 was \$130 million. Refer to note 31 for further details.

TelstraClear's operating and investing cash flows were \$107 million inflow (2011: \$108 million) and an outflow of \$51 million (2011: \$57 million) respectively. The investing cash outflows exclude the related party transactions disclosed in note 29.

At 30 June 2011, we were committed to dispose of our 64.4% shareholding in Adstream (Aust) Pty Ltd (Adstream). The disposal was subsequently completed on 21 July 2011. Refer to note 20 for further details.

TelstraClear is included in the TelstraClear reportable segment and Adstream is included in the Telstra Media Group reportable segment in our segment information disclosures in note 5.

	Note	Telstra Group	
		As at 30 June	
		2012	2011
		\$m	\$m
Current assets			
Cash and cash equivalents	20	-	7
Trade and other receivables		73	3
Inventories		2	-
Prepayments		8	-
Total current assets		83	10
Non current assets			
Property, plant and equipment	13	516	1
Intangible assets	14	155	29
Deferred tax assets		-	1
Total non current assets		671	31
Total assets		754	41
Current liabilities			
Trade and other payables		70	2
Provisions		6	1
Revenue received in advance		26	1
Total current liabilities		102	4
Non current liabilities			
Provisions		3	-
Deferred tax liabilities		-	1
Total non current liabilities		3	1
Total liabilities		105	5
Net assets		649	36