

Notes to the Financial Statements (continued)

25. Investments in controlled entities (continued)

(d) Controlled entities in which our equity ownership is less than or equal to 50% (continued)

We have effective control over the following entities through economic dependency and contractual arrangements with the majority shareholders and have consolidated them into our group:

- Telstra (Thailand) Ltd;
- Incomgen Holdings Inc.; and
- Thai Cyber Web Co. Ltd.

We own 50% of the issued capital of Telecom Australia (Saudi) Company Limited. We can exercise control over the Board of Directors of this entity in perpetuity, and therefore we have consolidated the financial results, position and cash flows of this entity into our Telstra Group financial report. This entity is currently in voluntary liquidation.

(e) Controlled entities not individually audited by Ernst & Young

Companies not audited by Ernst & Young, our Australian statutory auditor.

(f) New incorporations and business combinations

A new controlled entity Telstra International PNG Limited was registered on 1 November 2011.

Autohome (Hong Kong) Limited was incorporated on 16 March 2012 and is 100% owned by Cheerbright International Holdings Limited.

The office of ITA Limited was registered on 10 May 2012. This entity is not controlled by Telstra as it was setup for Telstra's Structural Separation Undertaking for the Independent Telecommunications Adjudicator.

(g) Purchase of additional interest

On 12 March 2012, Telstra (Thailand) Ltd increased its ownership in Telstra Network (Thailand) Ltd to 68% for a minimal consideration.

On 17 May 2012, Telstra Holdings Pty Ltd acquired an additional 11% interest in Autohome Inc. for \$37 million to take our ownership interest to 66%.

(h) Sales and disposals

On 21 July 2011, we sold our 64.4% shareholding in Adstream (Aust) Pty Ltd for a total consideration of \$24 million.

On 21 October 2011, our controlled entity Octave Investments Holdings Limited sold its ChinaM business for a total consideration of \$5 million.

On 27 March 2012, our controlled entity Telstra Robin Holdings Ltd sold its 67% shareholding in Dotad Media Holdings Ltd (LMobile) for a total consideration of \$3 million.

(i) Non current assets held for sale

The carrying value of the assets and liabilities of TelstraClear Limited and its controlled entity CLEAR Communications Limited have been classified as held for sale at 30 June 2012. Please refer to note 12 and note 31 for further details.