

# STATEMENT OF CASH FLOWS

For the year ended 30 June 2014

		Telstra Group	
		Year ended 30 June	
	Note	2014 \$m	2013 \$m
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of goods and services tax (GST))		28,950	28,585
Payments to suppliers and to employees (inclusive of GST)		(18,710)	(18,803)
Government grants received		147	77
Net cash generated by operations		10,387	9,859
Income taxes paid		(1,774)	(1,500)
<b>Net cash provided by operating activities</b>	20(a)	<b>8,613</b>	<b>8,359</b>
<b>Cash flows from investing activities</b>			
Payments for:			
- property, plant and equipment		(2,868)	(2,818)
- intangible assets		(894)	(1,691)
Capital expenditure (before investments)		(3,762)	(4,509)
- shares in controlled entities (net of cash acquired)	20(c)	(165)	(9)
- payments for joint ventures and associated entities	26(f)	(3)	(8)
- payments for other investments		(88)	(19)
Total capital expenditure (including investments)		(4,018)	(4,545)
Proceeds from:			
- sale of property, plant and equipment		94	57
- sale of intangible assets		-	12
- sale of shares in controlled entities (net of cash disposed)	20(d)	2,397	693
- sale of businesses (net of cash disposed)		-	4
Proceeds from finance lease principal amounts		98	64
Loans to joint ventures and associated entities		-	(1)
Interest received		150	236
Settlement of hedges in net investments		(21)	(11)
Investments in financial instruments		4	-
Dividends received		1	1
Distributions received from Foxtel Partnership	6	165	155
<b>Net cash used in investing activities</b>		<b>(1,130)</b>	<b>(3,335)</b>
<b>Operating cash flows less investing cash flows</b>		<b>7,483</b>	<b>5,024</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		1,572	2,074
Repayment of borrowings		(1,387)	(4,042)
Repayment of finance lease principal amounts		(91)	(97)
Proceeds from sale and finance lease back transactions		-	52
Staff repayments of share loans		3	4
Purchase of shares for employee share plans		(61)	-
Proceeds received from exercise of equity instruments		29	29
Finance costs paid		(947)	(1,037)
Issue of equity by controlled entities	20(c)	160	-
Payment for share buy-back of non-controlling interests	20(c)	(149)	(1)
Proceeds from sale of controlled entity shares on behalf of non-controlling interests		8	-
Dividends paid to equity holders of Telstra Entity	4	(3,545)	(3,480)
Dividends paid to non-controlling interests		(22)	(28)
<b>Net cash used in financing activities</b>		<b>(4,430)</b>	<b>(6,526)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>3,053</b>	<b>(1,502)</b>
Cash and cash equivalents at the beginning of the year		2,479	3,945
Effects of exchange rate changes on cash and cash equivalents		(5)	36
<b>Cash and cash equivalents at the end of the year</b>	20(b)	<b>5,527</b>	<b>2,479</b>

The notes following the financial statements form part of the financial report.