

# NOTES TO THE FINANCIAL STATEMENTS

(Continued)

## 3. EARNINGS PER SHARE

	Telstra Group	
	Year ended 30 June	
	2014	Restated 2013
	cents	cents
<b>Earnings per share from continuing operations</b>		
Basic .....	36.1	28.9
Diluted .....	36.0	28.8
	\$m	\$m
<b>Earnings used in the calculation of basic and diluted earnings per share</b>		
Profit for the year from continuing operations attributable to equity holders of Telstra Entity.....	4,479	3,588
	cents	cents
Basic .....	34.4	30.1
Diluted .....	34.3	30.0
	\$m	\$m
<b>Earnings used in the calculation of basic and diluted earnings per share</b>		
Profit for the year attributable to equity holders of Telstra Entity.....	4,275	3,739
	Number of shares millions	
<b>Weighted average number of ordinary shares</b>		
Weighted average number of ordinary shares on issue.....	12,443	12,443
Effect of shares held by employee share plan trusts (a)(b) .....	(25)	(37)
Weighted average number of ordinary shares used in the calculation of basic earnings per share.....	12,418	12,406
Effect of dilutive employee share instruments (c) .....	27	38
Weighted average number of ordinary shares used in the calculation of diluted earnings per share .....	12,445	12,444

(a) In order to underpin the equity instruments issued under the Growthshare plan, the Telstra Growthshare Trust purchases Telstra shares already on issue. These shares are not considered to be outstanding for the purposes of calculating basic and diluted earnings per share.

(b) Share options issued under the Telstra Employee Share Ownership Plan Trust I (TESOP97) and II (TESOP99) are not considered outstanding for the purposes of calculating basic and diluted earnings per share.

(c) The following equity instruments are considered dilutive to earnings per share:

- certain restricted shares granted under the Growthshare short term incentive (STI) scheme
- certain performance rights and restricted shares granted under the Growthshare long term incentive (LTI) scheme
- share options issued under TESOP99.

Certain performance rights and restricted shares issued under the Growthshare STI and LTI schemes are not considered dilutive to earnings per share.

Refer to note 27 for details of equity instruments issued under the Growthshare and TESOP share plans.