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Telstra Corp Garry O'Neill , Morgans Financial SO far this summer Telstra has reached agreement to sell two assets it no longer considers core.

The CSL **sale** will realise A\$2.0 **billion** by 4th Quarter 2014. We think it is a well-timed **sale** with CSL performing well but with limited growth options in the **Hong Kong** market. Telstra has extracted about A\$1.1 **billion** in value from Sensis, including A\$0.45 **billion** from a **sale** of 70% of much of the operation. While it has realised some value from declining earnings the key effect is to remove a key source of earnings dilution.

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Depending on the use of funds from the two sales, we think Telstra is better placed to achieve modest earnings per share growth in the medium term than it was prior to the disposals. Telstra reports 1st Half 2014 results on 13 February. We think the market should use this result to consider the rebased level of underlying earnings and medium term growth prospects on the network platforms in Australia and globally.

We consider there is valuation upside from a well-considered, well-managed and modest **acquisition** program that adds to utilisation of Telstra's extensive network platforms both domestically and globally.

Downside risks include increased mobile competition and higher capital expenditure. We consider that Telstra could increase their dividend per share payment to 29 cents per share in the year end 30 June 2014.

Newcrest **Mining** Jason Fittler , Grow Your Wealth Newcrest **Mining** Limited (NCM) is a **gold** producer with its main **operations** in Australia, Indonesia, Papua New Guinea and Fiji. Newcrest has interests in six production provinces in four countries and a portfolio of brown and greenfield exploration projects. With recent **purchase** of Lihir and Cadia Valley mines the **company** has move into expansion by **acquisition** as opposed to exploration. These purchases has put a strain on the **company's** capital given that price paid was considered on the high side. Couple with the downgrade in longer term **gold** production the price has fallen quite considerably.

**Gold** price has also come off its high which makes the decision to invest in this **company** more complex, if the price falls further Newcrest will start to struggle. All of that said the **company** is currently trading at \$9.23 and has a fair value of \$22.00 making it a buy at these levels. This, however, is only for those who are able to deal with the risk levels. It is not a dividend stock as it has stopped dividend for the time being and even before this the dividend was not worth mentioning. This is a play on the **gold** price and the ability for Newcrest to get back on track with production and exploration. It has a massive **gold** reserve and if managed right should produce the results. The price recently bottomed at \$7.20 and recent good news on production has had a good move back up.

CO tcoma : Telstra Corporation Ltd | newmoh : Newcrest Mining Ltd | nworpl : CSL Limited

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