



HALF YEAR RESULTS

2014



25 MARCH 2014

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EBITDA of \$165.6m, 19% increase on 1H13 (excl one-off items*).

NPAT and EPS up 15% vs 1H13.

Consumer division EBITDA up 17% vs 1H13 (excl one-off items*), driven by organic broadband subscriber growth (36,000 increase) and higher contribution per sub.

Strong corporate division EBITDA growth of 25% vs 1H13 (excl one-off items*), driven by revenue growth and margin expansion.

Free cash flow of \$103.1m; \$nil debt at 31 Jan 14.

Interim dividend up 29% to 4.5 cents per share.

Acquisition of AAPT completed on 28 Feb 2014.

*Refer to notes on slide 9 for explanation of one-off items

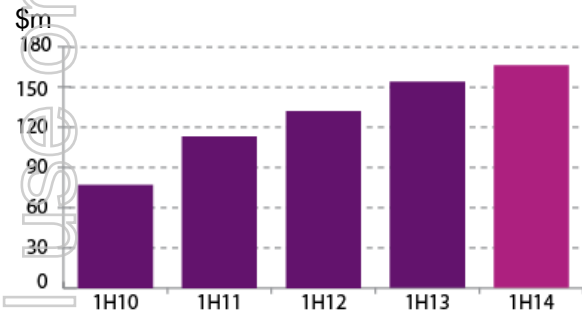
	\$m		
	1H14	1H13	Growth
Revenue	394.6	357.0	11%
EBITDA (Reported)	165.6	153.6	8%
EBITDA (Underlying ¹)	159.0	133.1	19%
NPAT	90.1	78.3	15%
EPS (cents)	11.4	9.9	15%
EPS (cents) excl intangible amortisation ²	12.2	11.0	11%

1 Refer to notes on slide 9 for explanation of differences between 'reported' and 'underlying'

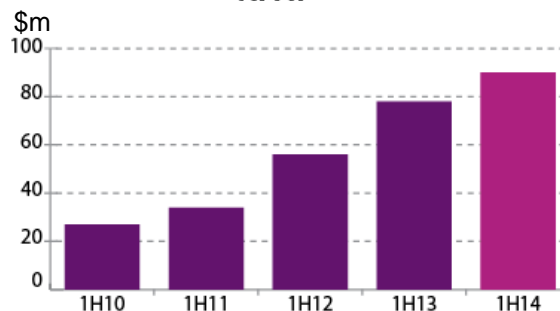
2 See Appendix for details

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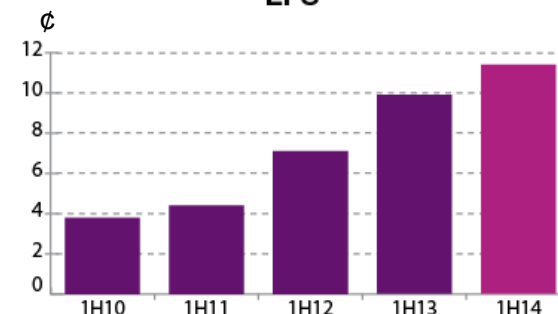
EBITDA



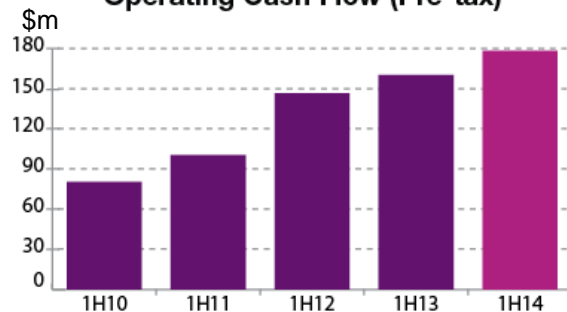
NPAT



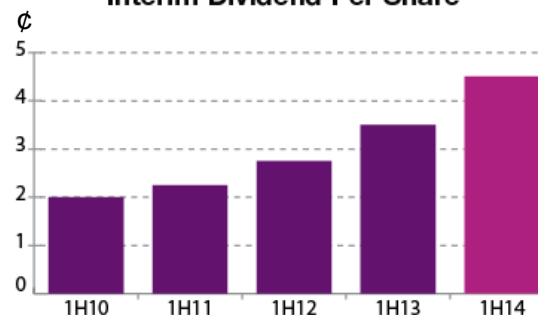
EPS



Operating Cash Flow (Pre-tax)



Interim Dividend Per Share

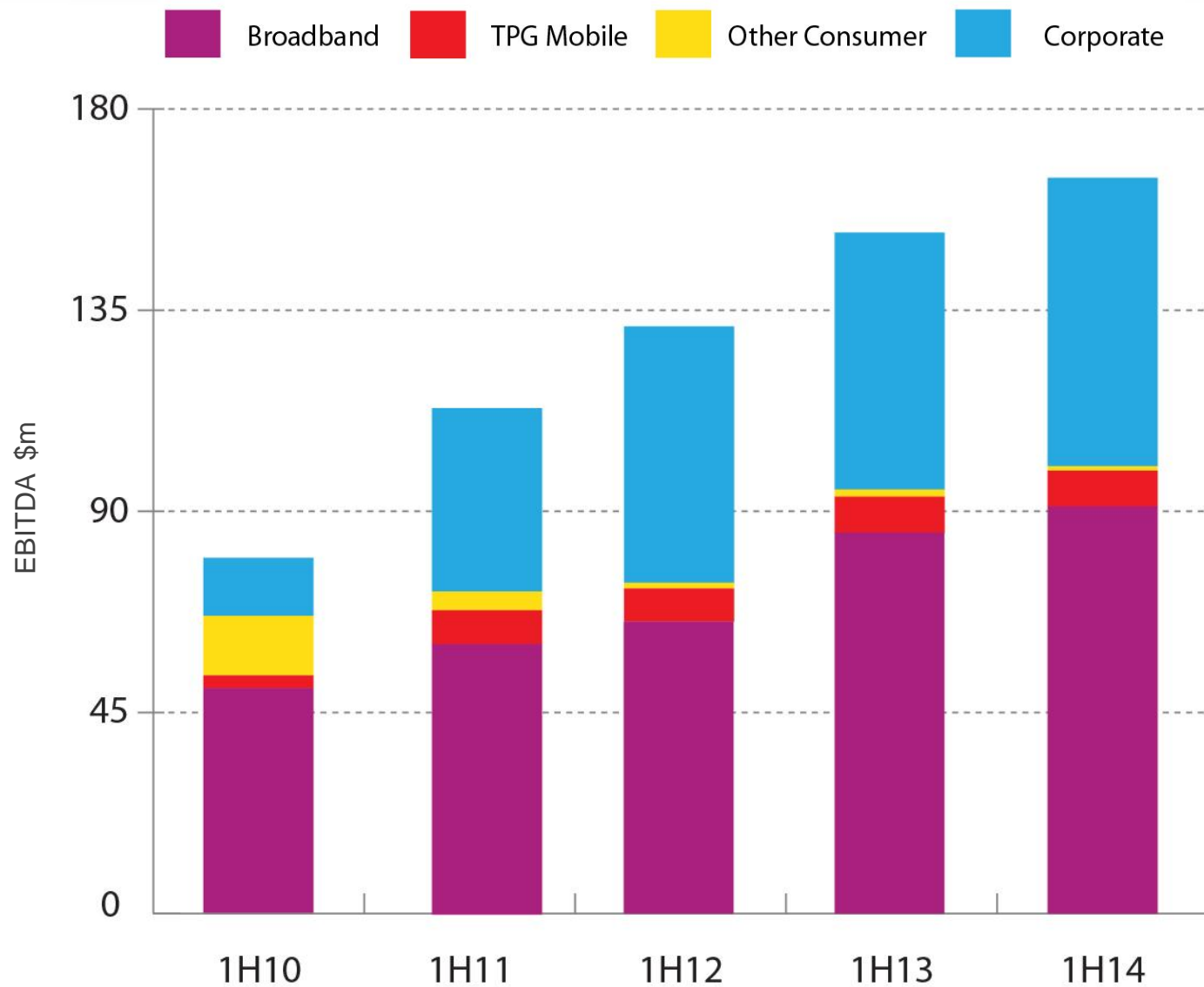


All charts show actual reported results

1H14 FINANCIALS: EBITDA GROWTH



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\$m

	1H14	1H13
Operating Cash Flow	178.2	160.0
Tax	(50.3)	(41.0)
Interest	(0.7)	(3.3)
Capex	(24.1)	(33.2)
Free Cash Flow	103.1	82.5

- Pre-tax operating cash flow exceeds EBITDA
- Capex lower due to VHA project in prior periods

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\$m

	1H14	1H13
Free Cash Flow	<u>103.1</u>	<u>82.5</u>
<i>Utilisation of cash:</i>		
Debt repayments	42.0	54.0
Investment in data security business	-	7.5
Dividend payments	31.8	21.8
Other	(1.5)	(3.2)
Increase in cash at hand	30.8	2.4
	<u>103.1</u>	<u>82.5</u>

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	\$m
Group debt balance at 31 July 2013	42.0
Repayments made during 1H14	(42.0)
Group debt balance at 31 Jan 2014	0.0

Debt facility revised in Feb 2014

- Term extended to Feb 2017
- \$490m facility
- Improved pricing
- No mandatory repayments until end of term

\$385m net debt at 28 Feb after funding AAPT acquisition

- debt to annualised EBITDA ratio of ~1.0x

1H14 FINANCIALS: SEGMENT & PRODUCT ANALYSIS



\$m

REVENUE	TPG Broadband	TPG Mobile	Other Consumer	Consumer Total	Corporate	Unalloc.	Total
1H13	193.1	31.6	5.9	230.6	126.4 ³	-	357.0
1H14	230.8	39.0	2.9	272.7	121.9 ⁴	-	394.6

EBITDA	TPG Broadband	TPG Mobile	Other Consumer	Consumer Total	Corporate	Unalloc.	Total
1H13	85.2 ¹	8.1	1.6	94.8	57.5 ³	1.3	153.6
1H14	91.1 ²	8.0	1.1	100.2	64.5 ⁴	1.0	165.6

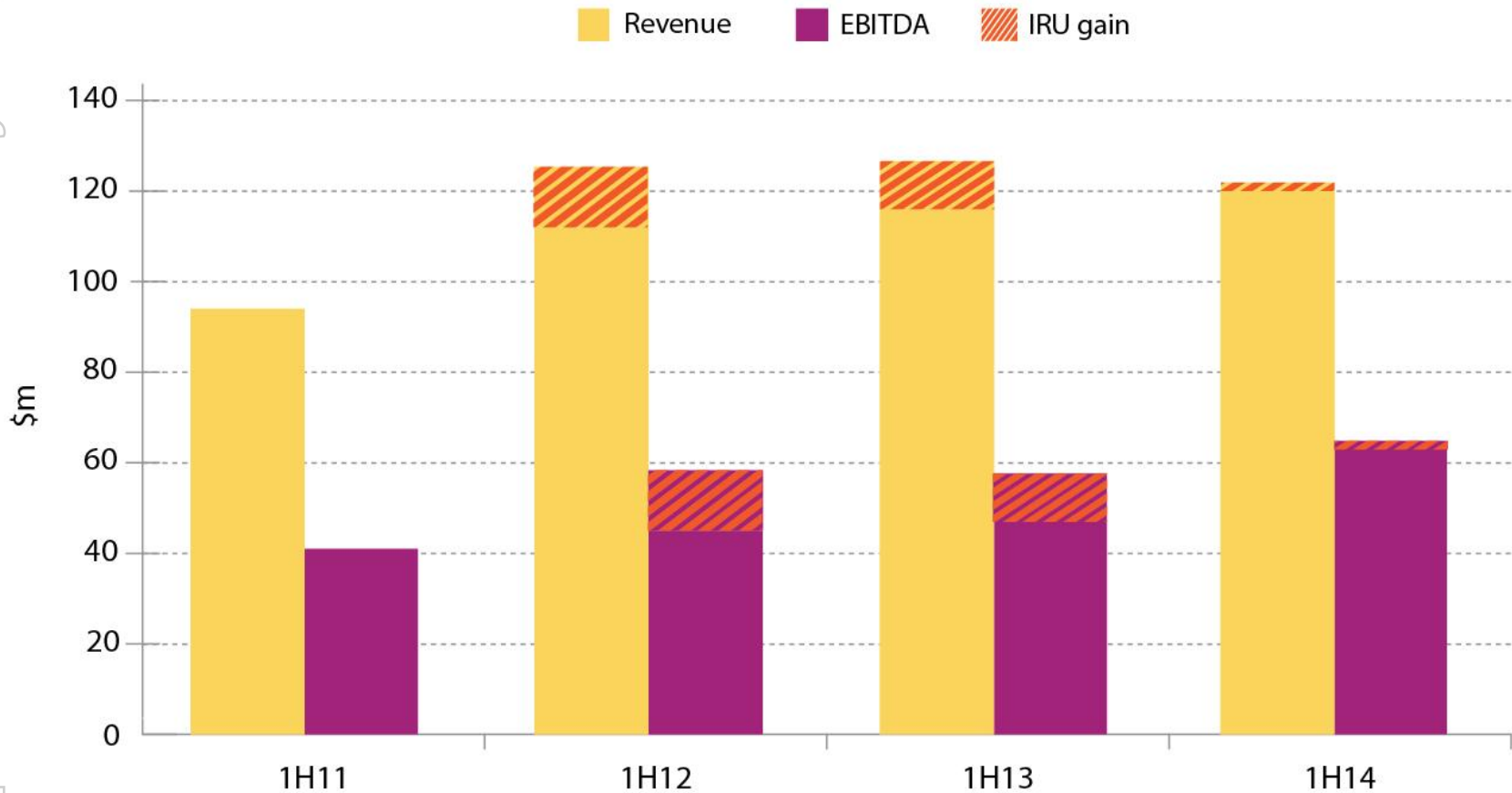
EBITDA MARGIN	TPG Broadband	TPG Mobile	Other Consumer	Consumer Total	Corporate	Unalloc.	Total
1H13	44% ¹	26%	27%	41%	45% ³	-	43%
1H14	39% ²	21%	38%	37%	53% ⁴	-	42%

¹ TPG Broadband 1H13 EBITDA included \$10.0m of one-off benefits. Underlying margin was therefore 39%.

² TPG Broadband 1H14 EBITDA includes \$1.0m of one-off benefits. Underlying margin 39%.

³ Corporate 1H13 revenue & EBITDA included a \$10.5m IRU gain. Underlying margin 41%.

⁴ Corporate 1H14 revenue & EBITDA includes a \$1.6m IRU gain, and EBITDA includes \$4.0m of other non-recurring benefits. Underlying margin 49%.



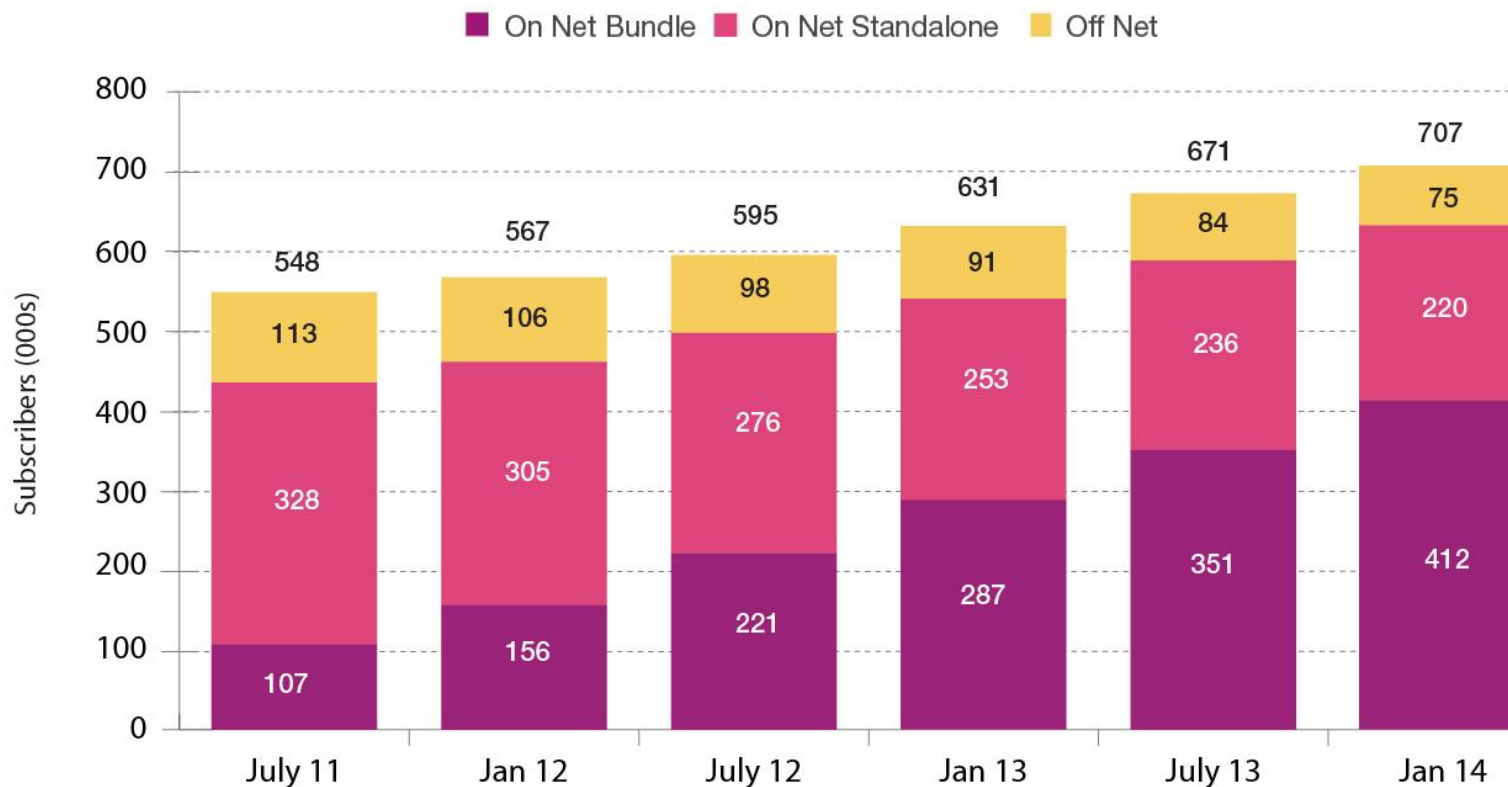
1H14 EBITDA in the chart above includes \$4.0m of non-recurring benefits (principally supplier credits relating to prior year charges). Excluding these and the IRU gains, 1H14 EBITDA is up by 25% on an underlying basis relative to 1H13.

The underlying EBITDA increase is driven by \$4.4m revenue growth and an improvement in underlying margin from 41% to 49% due to a reduction in ongoing backbone costs.

CONSUMER: BROADBAND SUBSCRIBERS



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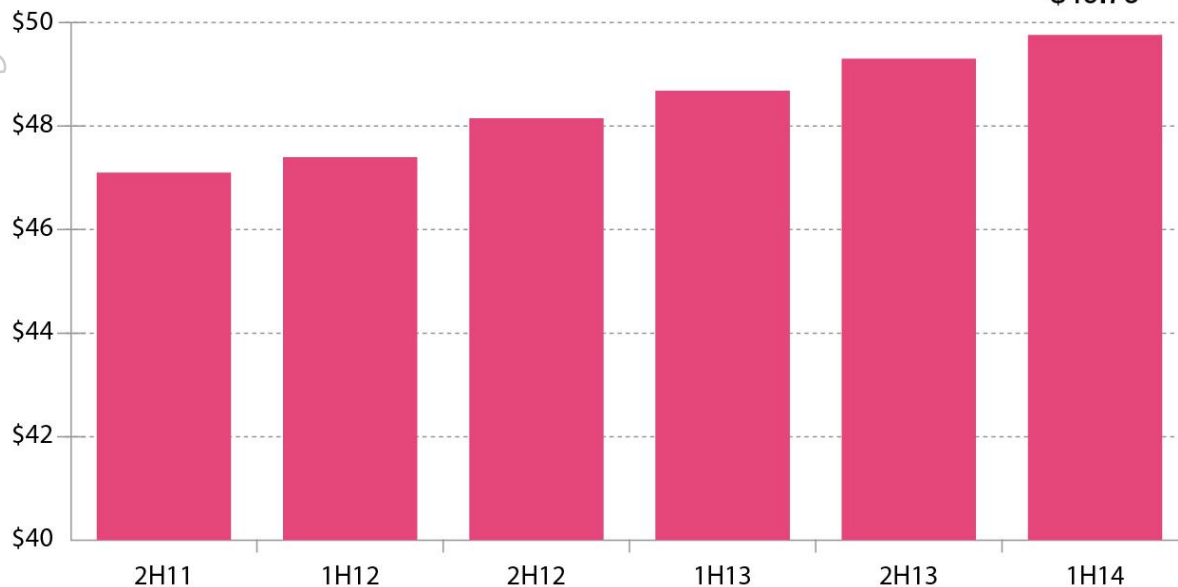
Overall growth of 36k in 1H14

Award Winning ADSL2+ with Home Phone: 61k growth in 1H14

Subscriber growth is 100% organic

On Net churn rate 1.4% in 1H14

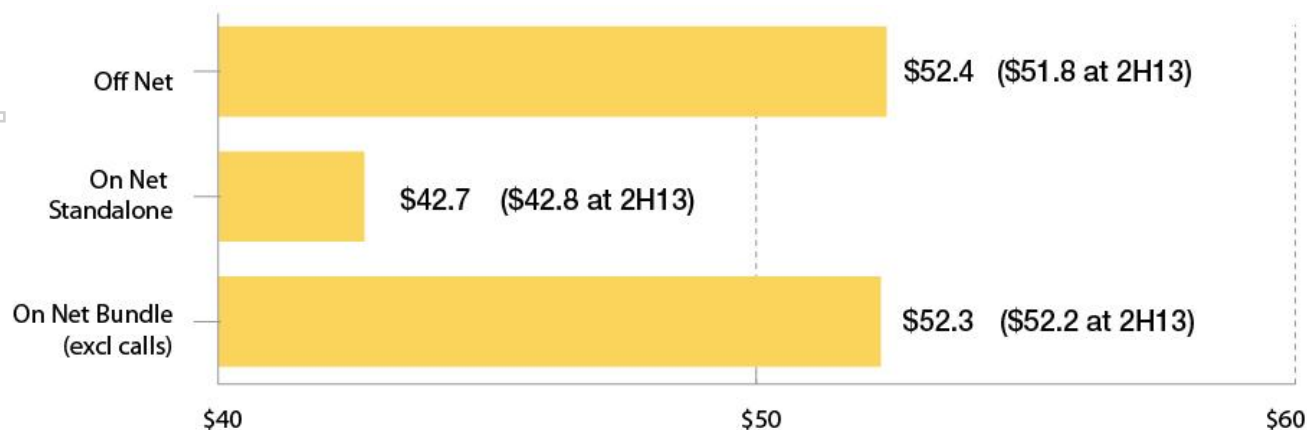
Overall Broadband ARPU Trend



Overall ARPU continuing to trend higher as bundle plans form a larger proportion of the customer base (up to 58% of the base at Jan 14).

The bundle also generates monthly voice revenue not included in these charts; now at \$7 per month per subscriber (up from \$6 in FY13).

1H14 Broadband ARPU composition



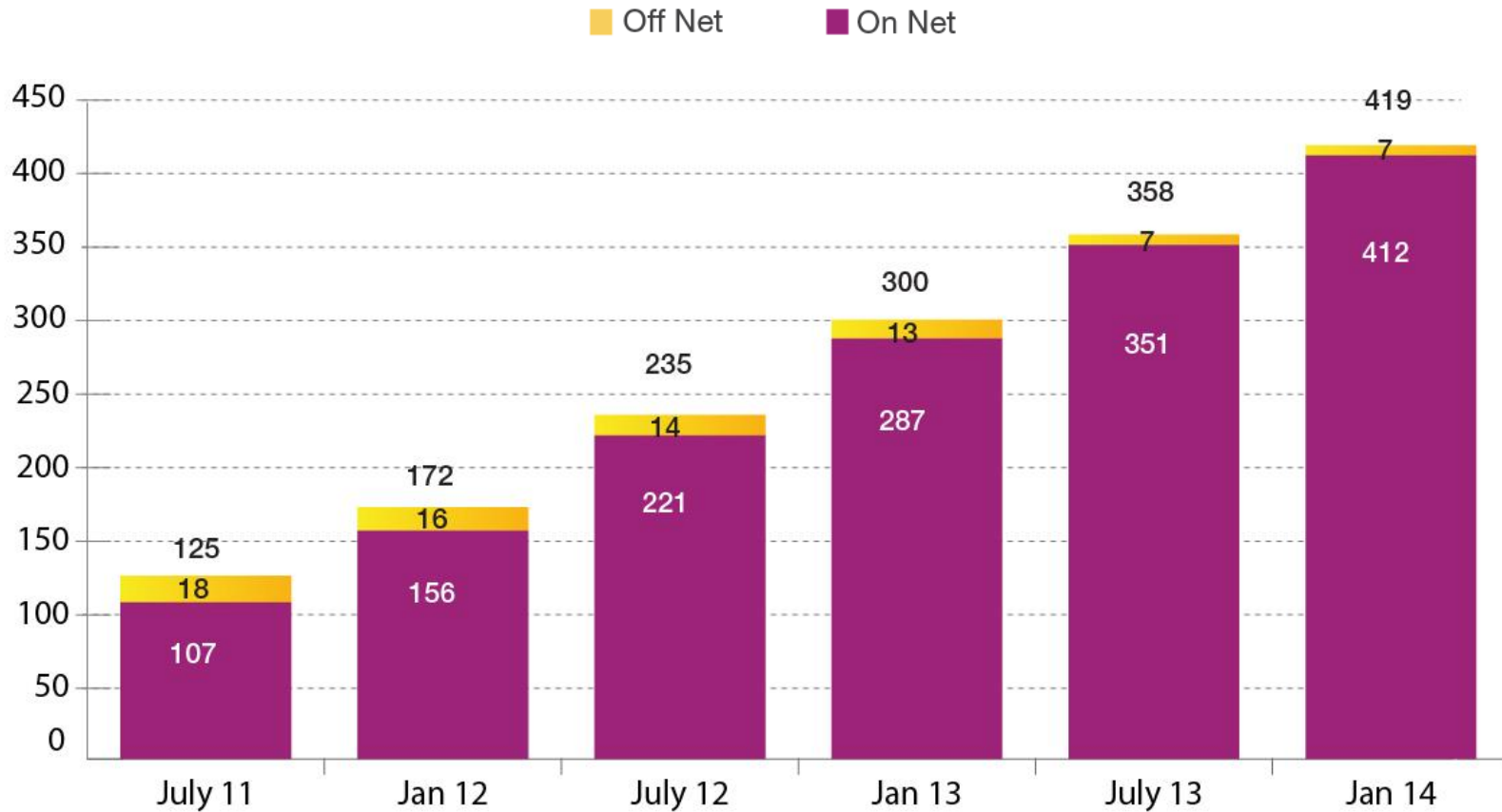
Note: ARPU excludes GST and any one-off charges e.g. installs and equipment sales.

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CONSUMER: HOME PHONE SUBSCRIBERS

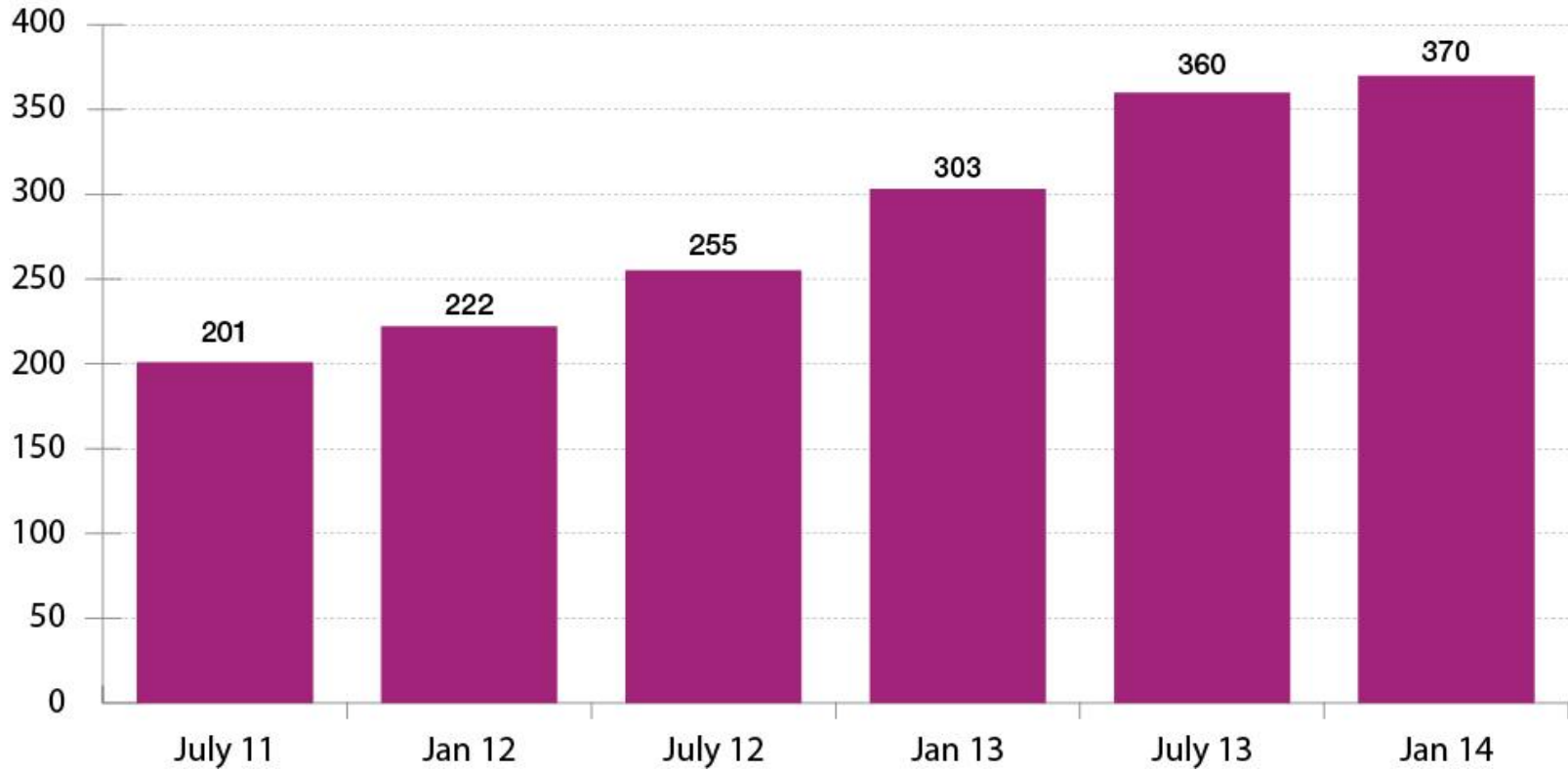


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Over 400,000 customers added since launch in mid 2010

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10,000 mobile subscriber growth in 1H14

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My Plan
↻

My Usage

ADSL2+
Home Phone

23 Aug 2013 - 22 Sep 2013

01 2345 6789 📞

Total Call Charge	\$8.76
Local Calls	\$6.25
National Calls	\$0.00
Mobile Calls	\$0.00
International Calls	\$1.91
Other	\$0.60

Rollover in 0 days 22 Sep

Last updated 12:13, 26 Sep 2013 Actual usage may take 48 hours to update.

Version 1.0.0

My Plan
↻

My Bill

Mobile

Current Period

0400 123 456 💰

Total Charge

\$
14.99

Plan Charge

\$
14.99

Excess Charge

\$
00.00

Current Prepayment Balance: \$19.99

Last updated 14:30, 13 Mar 2014 Actual usage may take 48 hours to update.

Version 1.0.0

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NBN - Standard Speed

NO LOCK-IN CONTRACT

UNLIMITED
DATA USAGE

WITH HOME PHONE LINE RENTAL

\$59⁹⁹
per month

MIN CHARGE IN 1ST MONTH \$189.94
Includes Upfront Fees

Min Charge includes \$20 Prepayment Outside Included Value + \$99.95 Setup + \$10 Delivery. Available in selected coverage areas.

Wi-Fi Modem Included

\$59⁹⁹
Per Month

Standard Bundle

No Lock-In Contract

UNLIMITED NBN Broadband

- Up to 12Mbps / 1Mbps Connection Speed[#]
- Wi-Fi Router Included

Home Phone Included

- Pay As You Go [View rates](#)

Min charge in 1st month \$189.94

\$69⁹⁹
Per Month

Extra Bundle

No Lock-In Contract

UNLIMITED NBN Broadband

- Up to 12Mbps / 1Mbps Connection Speed[#]
- Wi-Fi Router Included

Home Phone Included

- UNLIMITED Local Calls - Incl. 13/1300 Numbers
- UNLIMITED Standard National Calls to Landlines
- 100 International Minutes Per Month ^{^^}

Min charge in 1st month \$199.94

\$79⁹⁹
Per Month

Mega Bundle

No Lock-In Contract

UNLIMITED NBN Broadband

- Up to 12Mbps / 1Mbps Connection Speed[#]
- Wi-Fi Router Included

Home Phone Included

- UNLIMITED Local Calls - Incl. 13/1300 Numbers
- UNLIMITED Standard National Calls to Landlines
- UNLIMITED Calls to Standard Australian Mobiles
- UNLIMITED International Calls to:

Canada

China

France

Germany

Hong Kong

Malaysia

Singapore

Taiwan

U.K.

U.S.A.

Min charge in 1st month \$209.94

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NBN - High Speed

NO LOCK-IN CONTRACT

UNLIMITED DATA USAGE

WITH HOME PHONE LINE RENTAL

\$89⁹⁹ per month

MIN CHARGE IN 1ST MONTH \$219.94
Includes Upfront Fees

Min Charge includes \$20 Prepayment Outside Included Value + \$99.95 Setup + \$10 Delivery. Available in selected coverage areas.

Wi-Fi Modem Included

\$89⁹⁹
Per Month

Standard Bundle

No Lock-In Contract

UNLIMITED NBN Broadband

- Up to 100Mbps / 40Mbps Connection Speed[#]
- Wi-Fi Router Included

Home Phone Included

- Pay As You Go [View rates](#)

Min charge in 1st month \$219.94

\$99⁹⁹
Per Month

Extra Bundle

No Lock-In Contract

UNLIMITED NBN Broadband

- Up to 100Mbps / 40Mbps Connection Speed[#]
- Wi-Fi Router Included

Home Phone Included

- UNLIMITED Local Calls - Incl. 13/1300 Numbers
- UNLIMITED Standard National Calls to Landlines
- 100 International Minutes Per Month ^{^^}

Min charge in 1st month \$229.94

\$109⁹⁹
Per Month

Mega Bundle

No Lock-In Contract

UNLIMITED NBN Broadband

- Up to 100Mbps / 40Mbps Connection Speed[#]
- Wi-Fi Router Included

Home Phone Included

- UNLIMITED Local Calls - Incl. 13/1300 Numbers
- UNLIMITED Standard National Calls to Landlines
- UNLIMITED Calls to Standard Australian Mobiles
- UNLIMITED International Calls to:

Canada

China

France

Germany

Hong Kong

Malaysia

Singapore

Taiwan

U.K.

U.S.A.

Min charge in 1st month \$239.94

THE FUTURE

FIBRE TO THE BUILDING



- TPG FTTB rollout is progressing

- Construction phase in progress:

NSW- Pyrmont, Ultimo, Sydney CBD

VIC- Southbank, Docklands, Melbourne CBD

QLD- Fortitude Valley, Brisbane CBD

- Live trial customers



\$450m AAPT acquisition completed 28 Feb 2014

Working capital adjustment to purchase price in May

Current EBITDA run-rate of ~\$70m at EBITDA margin of ~18%

Focus on margin improvement through:

- Business process simplification
- Product set consolidation
- Cost reduction
- Business integration
- Network synergies

Estimated one-off costs in 2H14 of \$7-12m from stamp duty and integration effort

4.5 cents per share interim dividend

Payable	20 May 2014
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Record date	15 April 2014
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29% increase on prior year interim dividend

\$m

	TPG Group excl AAPT		AAPT	Merged Entity
	Previous FY14 Guidance	Updated FY14 Guidance	5 months FY14 Guidance	Updated FY14 Guidance
Regular EBITDA	290-300	318-323	27-32	345-355
Non-recurring benefits	-	7	-	7
Acquisition / integration one-off costs	-	-	7-12	7-12
Total EBITDA	290-300	325-330	15-25	340-355

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The Group's accounts currently include substantial intangible amortisation charges which predominantly arise from the accounting for the acquisitions of TPG and PIPE Networks. These are non-cash items. The table below shows the expected ongoing amortisation schedule.

Expected Amortisation Schedule

	FY13 (actual)	1H14 (actual)	2H14 (forecast)	FY15 (forecast)	FY16 (forecast)	FY17 (forecast)
Acquired customer bases	18.3	7.5	6.9	10.7	8.0	5.2
Other	5.6	2.5	2.7	4.9	4.9	4.9
TOTAL	23.9	10.0	9.6	15.6	12.9	10.1
Post tax expense included in Reported NPAT	16.7	7.0	6.7	10.9	9.0	7.1

The acquisition of AAPT will give rise to further intangible amortisation. This is not included in the table above.

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THANK YOU

Q&A

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Such information is based on estimates and assumptions that, whilst considered reasonable by the Company, are subject to risks and uncertainties. Actual results and achievements could be significantly different from those expressed in or implied by this information.