

4 December 2019

Market Announcements Office
Australian Securities Exchange
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

Re: Annual General Meeting Speech

TPG Telecom Limited (ASX: TPM) ('the Company') is this morning holding its 2019 Annual General Meeting.

In accordance with the Listing Rules, I enclose the speech which will be delivered at the meeting by the Executive Chairman and CEO of the Company, Mr David Teoh.

Yours faithfully



Stephen Banfield
Company Secretary

TPG Telecom Limited
2019 Annual General Meeting
Chairman's Address

FY19 was a difficult year for our Group with two major regulatory decisions adversely impacting our ability to deliver on our long-term strategies.

First, the Australian Government's decision to prohibit the use of Huawei equipment in 5G networks. A key feature of our innovative mobile network design that we had been rolling out in Australia was its simple upgrade path to 5G using Huawei equipment. With that upgrade path blocked and no suitable alternative technical solution available, it made no commercial sense to continue to invest shareholder funds in a network that could not be upgraded to 5G and we therefore abandoned our Australian mobile network rollout during the year.

Second, the decision by the ACCC to oppose our Group's planned merger with Vodafone Hutchison Australia. Given our firm belief that the proposed merger would greatly enhance competition in the Australian telecommunications industry, the merger parties launched proceedings in the Federal Court seeking orders that the proposed merger will not, and is not likely to, substantially lessen competition. The proceedings were heard in September and the Court expects to deliver its judgment by February 2020. We remain hopeful that the merger will be permitted to proceed.

It is important, of course, not to allow regulatory challenges to overshadow some significant achievements by the Group during FY19.

Regarding our financial performance, the Group's underlying FY19 EBITDA for its core business declined slightly, by \$4 million. But given that we faced profit headwinds of \$76 million in the year caused by the Government's NBN rollout, this was quite a respectable achievement in the circumstances and was driven by our continued focus on cost control, and profitable growth in our Corporate Division.

Our Corporate business has been continuing to grow quietly, especially in terms of product and service quality. Most people know the TPG brands in the consumer space, but our reputation for service quality is becoming increasingly well regarded in the large corporate and enterprise market, and some successes that we have had since the year-end reinforce our credentials in that space.

However, we do have concerns about NBN's increasing involvement in the business market in areas where there is already substantial existing fibre from numerous competitive carriers. We don't understand why taxpayer funds would be used to overbuild existing infrastructure in these areas.

In Singapore, the set-up of our mobile network has progressed well. Our outdoor service coverage is now well over 99% and we also have strong indoor coverage. We launched a free service trial during the year to which we now have over 350 thousand trial users onboarded. We are very much looking forward to launching commercial services in 2020.

Looking forward, the NBN rollout is expected to continue to create significant margin headwinds for the Group over the next couple of years. However, we expect to be well positioned for growth once the headwinds subside following the end of the NBN rollout, with our lean cost structure enabling us to continue to be an effective competitor in residential broadband, our quality of service and fibre infrastructure supporting ongoing Corporate Division growth and an exciting greenfield opportunity in Singapore.

All of this would, of course, be greatly supplemented by the opportunity in mobile that the planned merger would give us.

The enthusiasm for the merger is also widely shared by our wonderful group of employees. I would like to congratulate them on their achievements and thank them for all their efforts again in FY19 as well as for their patience during the extended merger approval process.

On behalf of the Board I would also like to thank all our shareholders for their continued support of the Company.

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