



2012

HALF YEAR RESULTS

20 MARCH 2012



1H12 EBITDA of \$131.9m, 17% growth on 1H11. 65% increase in NPAT.

EBITDA growth continues across both Consumer & Corporate.

Net organic broadband subscriber growth of 19k (26k On Net).

ADSL2+ with Home Phone bundle subscribers increased by 49k to 156k.

Net organic mobile subscriber growth for the half year of 21k.

417km (26%) expansion of own fibre network.

Refinanced debt facility and repaid a further \$26m.

Restructured into 2 segments:

- TPG (Consumer & Small Business)
- PIPE (Corporate, Wholesale & Government)

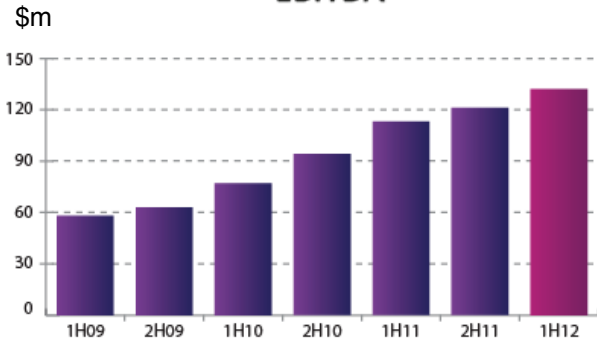
	\$m		
	1H12	1H11	Growth
Revenue	324.5	278.0	17%
EBITDA	131.9	113.0	17%
NPAT	55.7	33.8	65%
EPS (cents)	7.1	4.4	61%
EPS (cents) excl. intangible amortisation*	8.7	6.7	30%

* See Appendix for details

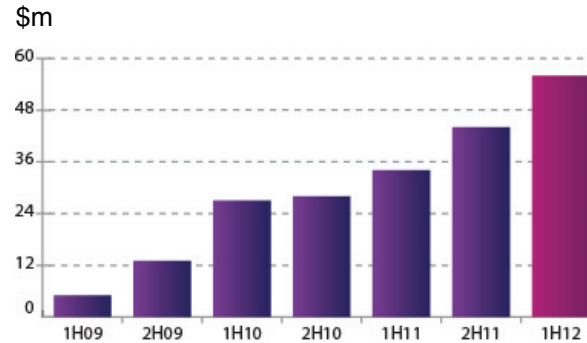
1H12 Financials: Consecutive Periods of Strong Growth



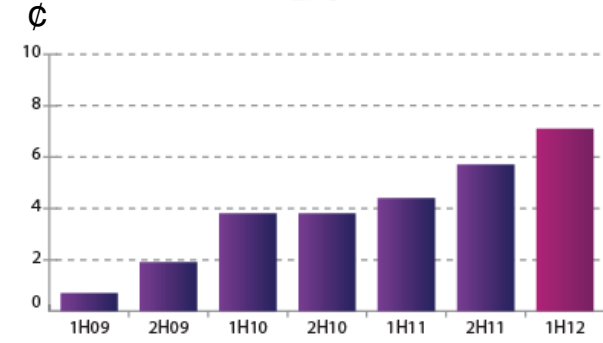
EBITDA



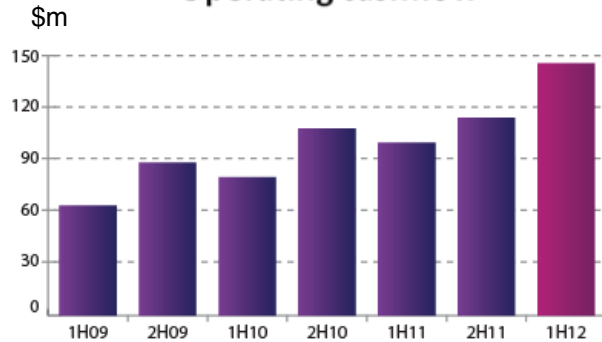
NPAT



EPS

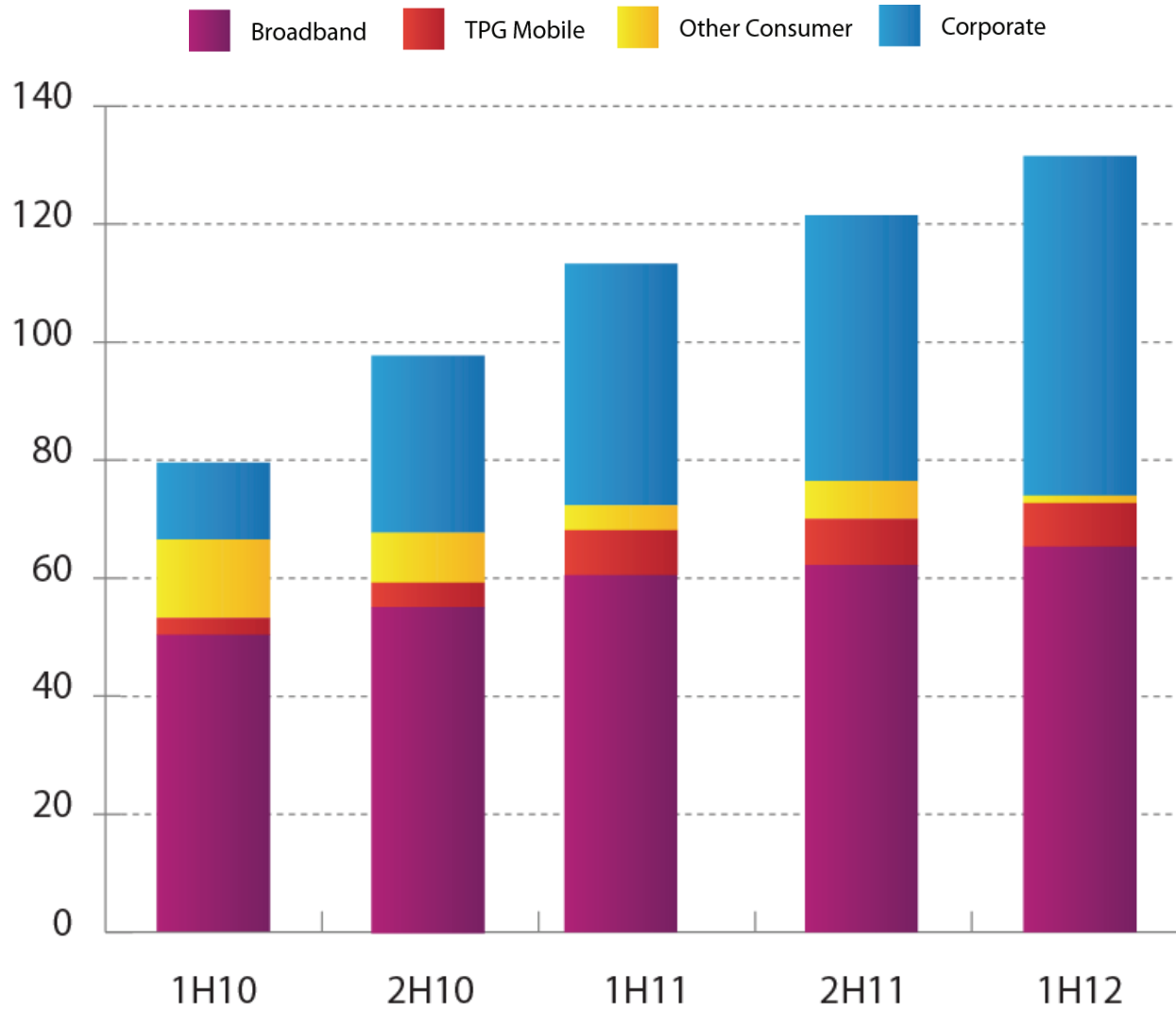


Operating cashflow



Dividend





Strong organic EBITDA growth continues

	\$m	
	1H12	1H11
Operating Cash Flow	146.6	100.3
Tax	(27.7)	(35.6)
Interest	(8.6)	(12.6)
Capex	(33.7)	(21.2)
Free Cash Flow	76.6	30.9

Excellent cash flow generation continues

\$76.6m free cash flow generated in 1H12

	\$m	
	1H12	1H11
Free Cash Flow	<u>76.6</u>	<u>30.9</u>
<i>Utilisation of cash:</i>		
Debt repayments	26.7	30.0
Acquisition of cloud business	11.4	-
Investment in equities	22.4	-
Dividend payments (net of DRP)	4.2	4.2
Other	1.1	0.1
Increase / (decrease) in cash at hand	<u>10.8</u>	<u>(3.4)</u>
	76.6	30.9

	\$m
Group debt balance at 31 July 2011	232.0
Bank debt acquired on acquisition	1.7
Repayments made during 1H12	(26.7)
Group debt balance at 31 Jan 2012	207.0

Debt to annualised EBITDA leverage ratio now < 0.8
 \$126m repaid in 18 months to Jan 12
 Further \$10m repaid in Feb 12

Debt facility refinanced in Dec 11

- term extended to March 2015
- improved pricing
- \$320m facility
- no compulsory repayments until end of term

1H12 Financials: Segment & Product Analysis



\$m

REVENUE	TPG Broadband	TPG Mobile	Other Consumer	Consumer Total	Corporate	Unalloc.	Total
1H11	141.8	25.1	17.1	184.0	94.0	-	278.0
1H12	162.5	25.0	8.2	195.7	128.8	-	324.5

EBITDA	TPG Broadband	TPG Mobile	Other Consumer	Consumer Total	Corporate	Unalloc.	Total
1H11	60.5	7.6 *	4.2	72.3	40.8 **	(0.1)	113.0
1H12	65.3	7.4	1.3	74.0	57.4 ***	0.5	131.9

EBITDA MARGIN	TPG Broadband	TPG Mobile	Other Consumer	Consumer Total	Corporate	Unalloc.	Total
1H11	43%	30%	24%	39%	43%	-	41%
1H12	40%	30%	16%	38%	45%	-	41%

*TPG Mobile 1H11 EBITDA included a \$2.0m one-off benefit

** Corporate 1H11 EBITDA included a \$1.75m one-off benefit

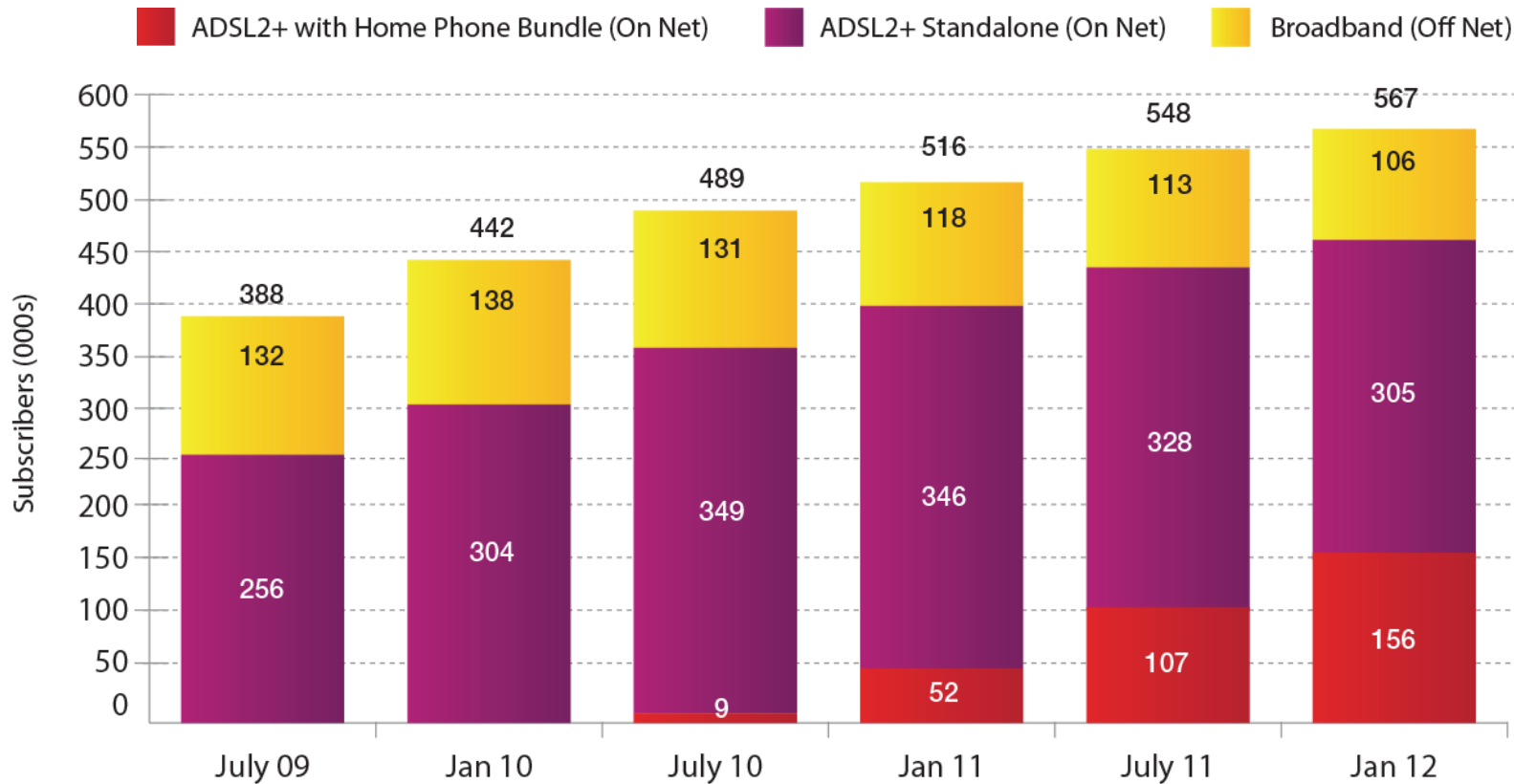
*** Corporate 1H12 EBITDA includes a \$12.4m net gain on sale of capacity under an IRU, and \$2.0m of other non-recurring benefits

2.75 cents per share interim dividend

Payable 22 May 2012

Record date 17 April 2012

22% increase on prior year interim dividend



- Overall growth of 19k in 1H12

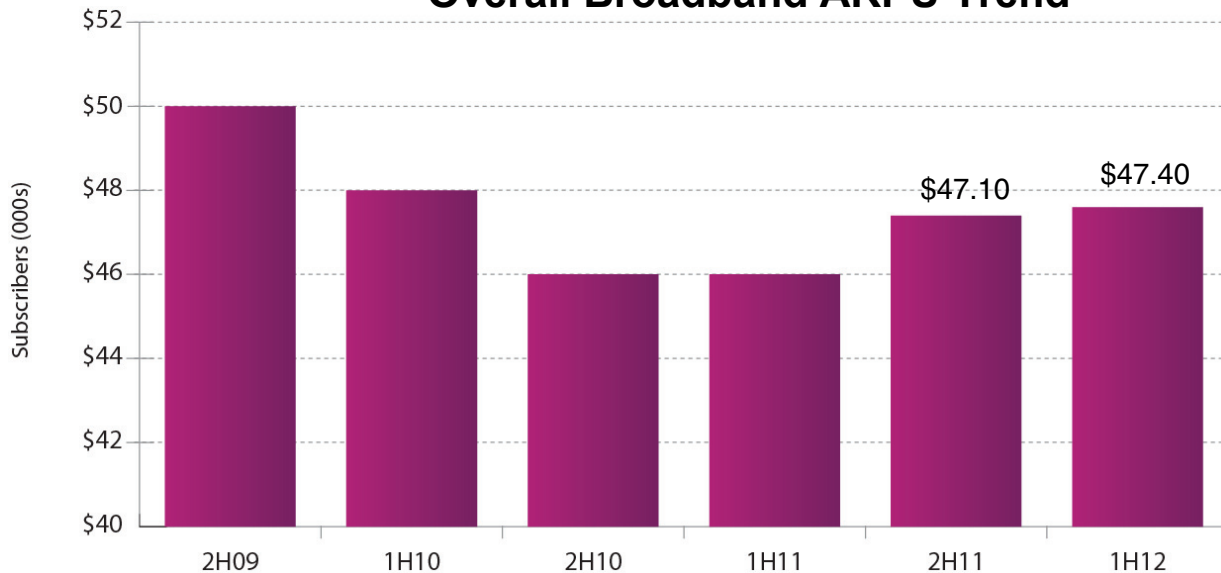
- Award Winning ADSL2+ with Home Phone - key driver with 49k growth

- Subscriber growth is 100% organic

- On Net churn rate 1.5%



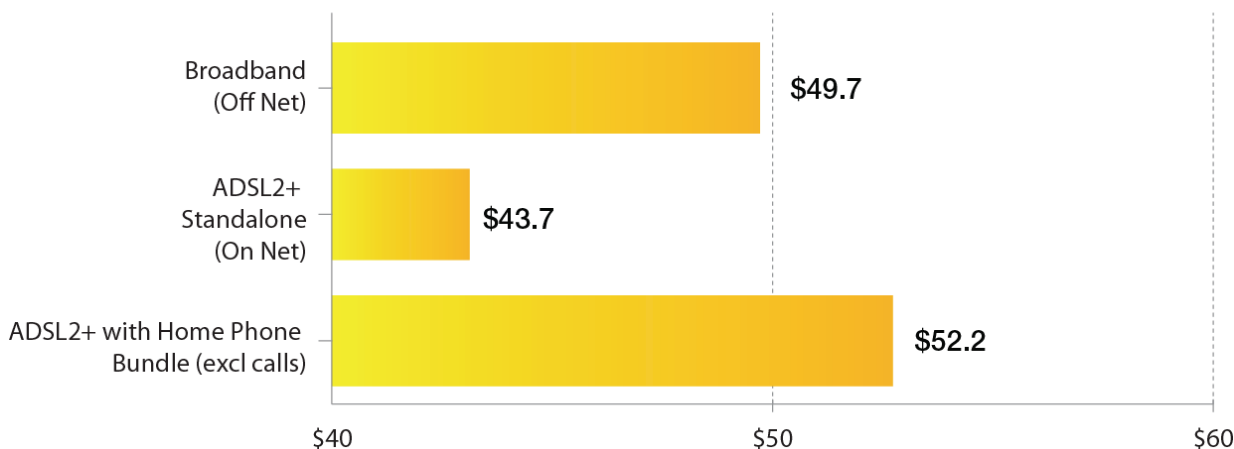
Overall Broadband ARPU Trend



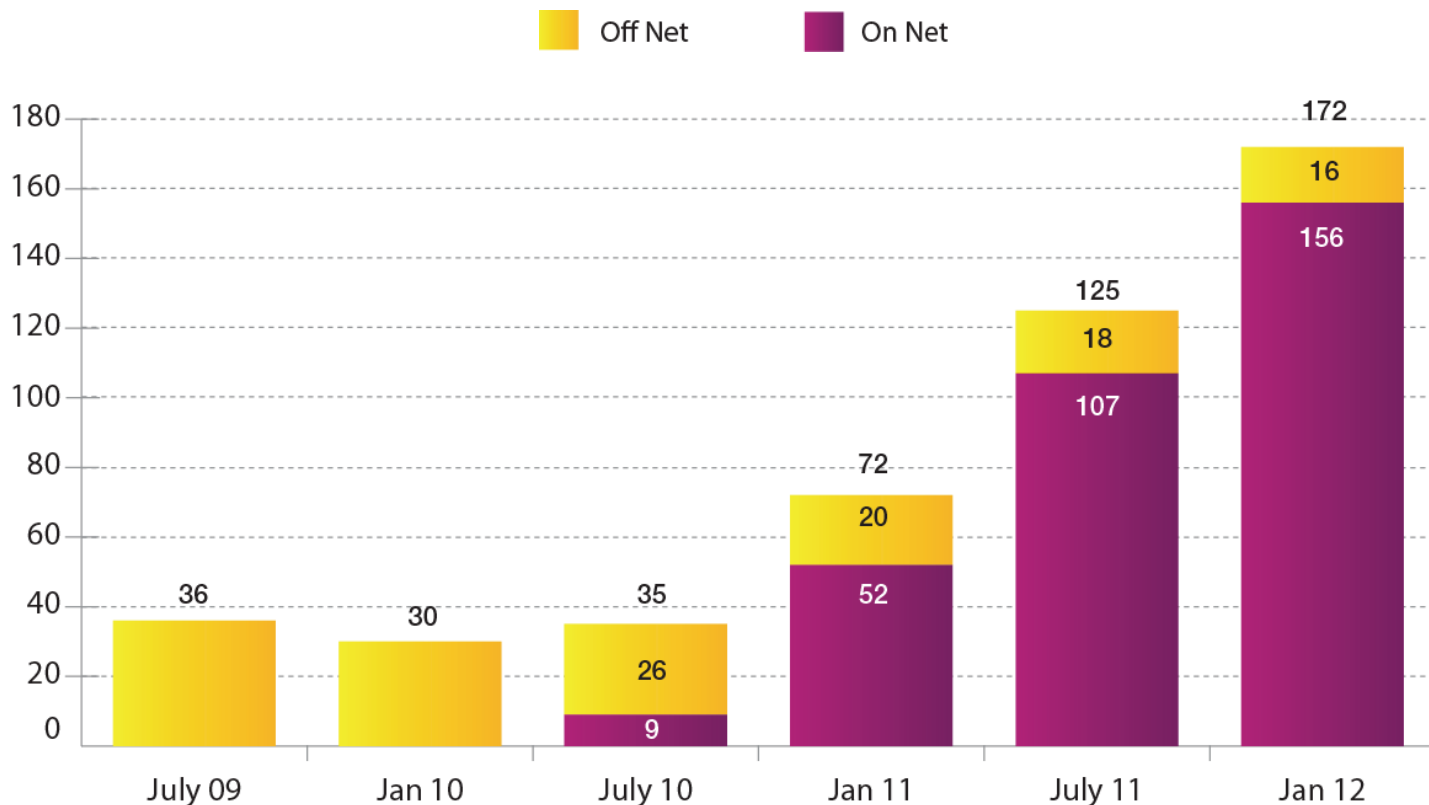
- ARPU has trended higher as the best selling bundled plan (\$54.50 excl. GST) forms a larger proportion of the customer base

- The bundle also generates monthly call charge revenue not included in these charts; currently approx \$6 (excl. GST)

1H12 Broadband ARPU composition

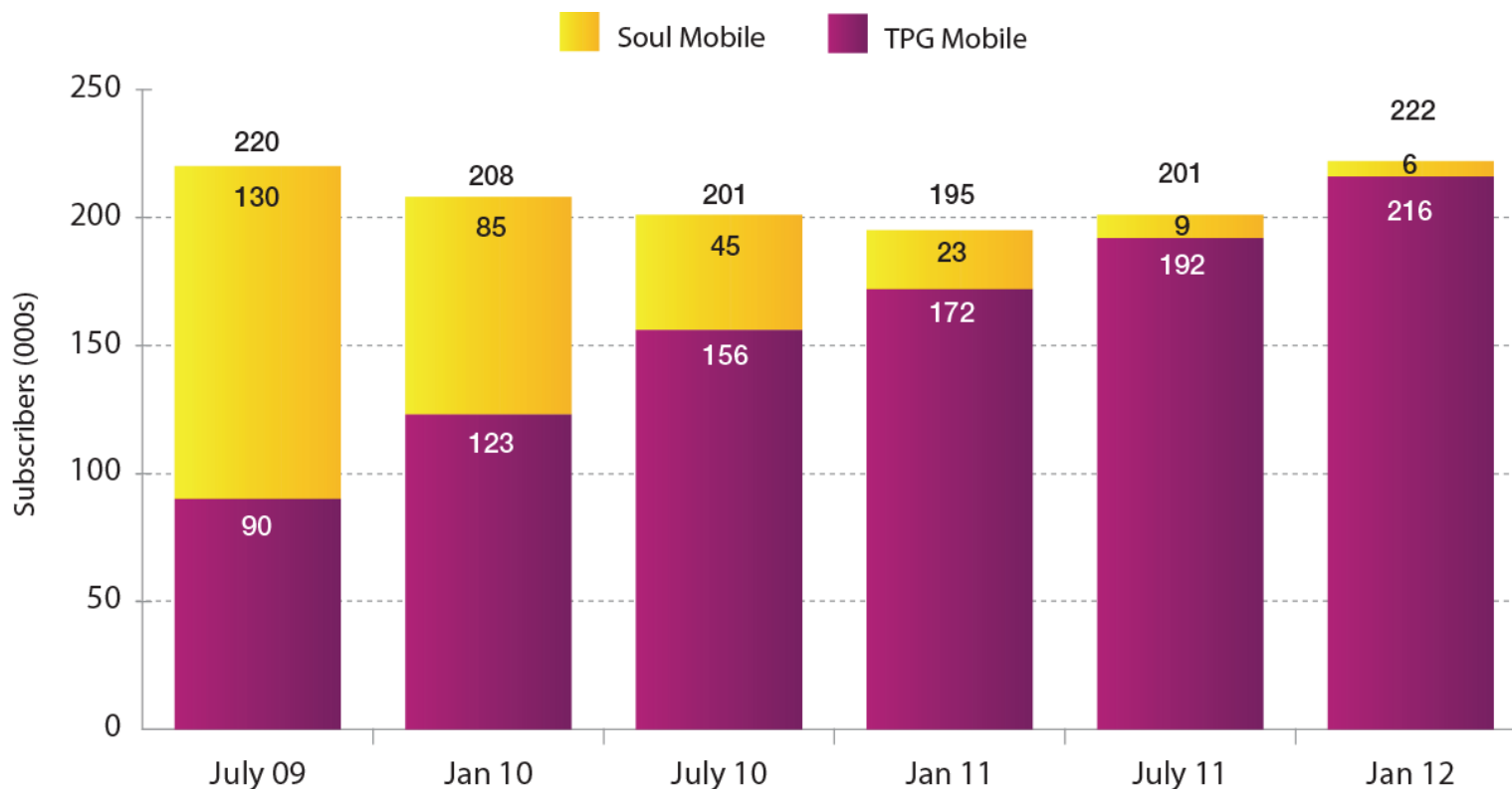


Note: ARPU excludes GST and any one-off charges e.g. installs and equipment sales



- ADSL2+ with Home Phone Bundles surpass 150k customers since 2010 launch
- Easier for average consumer to understand over Naked DSL - no VoIP equipment





- 21,000 mobile subscriber growth in 1H12

- Super Value Mobile Plans released in Sept 11 drive momentum

- Unlimited On-net calling and included international calls

- Wind-down of Soul mobile base is almost complete



The screenshot shows a web browser window displaying the TPG website. The browser's address bar shows 'http://www.tpg.com.au'. The website has a navigation menu with 'Home', 'Products', 'Support', and 'Contact'. Below the navigation is a search bar and a category menu with 'Personal' and 'Business' tabs. Under 'Personal', there are icons for Bundles, Internet, Mobile, and Phone. To the right is a login form with fields for 'User/ Cust. ID/ Mobile #' and 'Password', and a 'Forgot your password?' link. The main content area features a large purple banner for a 'BUNDLE DEAL' titled 'UNLIMITED ADSL2+' with a price of '\$69 PER MONTH' and a '24 MONTH PLAN'. The banner lists included services: Line Rental, Unlimited Local & Standard National Calls to Landlines, 100 International Minutes Per Month, and Wi-Fi Modem Internet Gateway. A vertical sidebar on the right lists 'Super Value Mobile', 'Business Ethernet', and 'Mobile Broadband'. The footer contains various links like 'About TPG', 'ADSL2+ Coverage', 'Service Status', 'Jobs', and 'Forum', along with a copyright notice for 2011 TPG Internet Pty Ltd.



COMING SOON



- Set Top Box
- WIFI
- Ethernet
- HDMI Interface
- Plug & Play

Channel Packs

- TPG Basic Pack
- Chinese Pack
- Indian Pack
- Arabic Pack
- TPG Entertainment
- TPG Premium Pack
- TPG Movies

Superfast

UNLIMITED

Business Ethernet

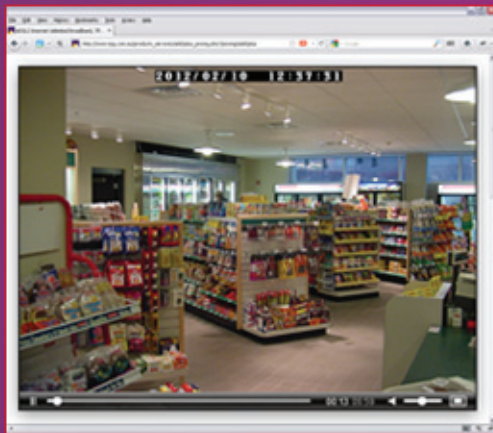
From
\$199 + **\$19.90**
GST
PER MONTH

MIN CHARGE = \$6462.50

Min Charge includes \$1209 Setup. 24 month plan. Available only in selected coverage areas.

COMING SOON

Video Surveillance - in the **Cloud**



Watch **Live** Events



Watch **Recorded** Events



24 Hours Storage



Watch Live Events



Replay Events

Included with all \$69+ Small Business Broadband plans

Once off Camera fee of \$149.99 applies

OPTIONAL ADD-ON:

30 Days Storage = \$10 per month

Business VoIP

PABX Functionality in the Cloud

COMING SOON

18 Month Contract



3 VoIP Services
with included Business Handsets



Unlimited Local Calls



**Unlimited Standard National
Calls to Landlines**

\$29⁹⁹
PER MONTH
= **MIN CHARGE \$689.77**
Includes upfront fees

Offer available to TPG On Net broadband customers only

Min charge includes \$60 Business VoIP Deposit + \$10 Delivery + \$79.95 Setup.

Data

Pipe Fibre already covers 2/3 of NBN Interconnect points

Use own on net fibre for backhaul or use our scale to acquire low cost backhaul

National Pipe Peering Fabric for Local Internet Termination

Own and Operate PPC1 for International Internet Termination

Voice

Full Number Porting capabilities

Full New Number allocation capabilities- Australia Wide

Feature Rich Voice Switches supporting 150k+ On-net voice customers

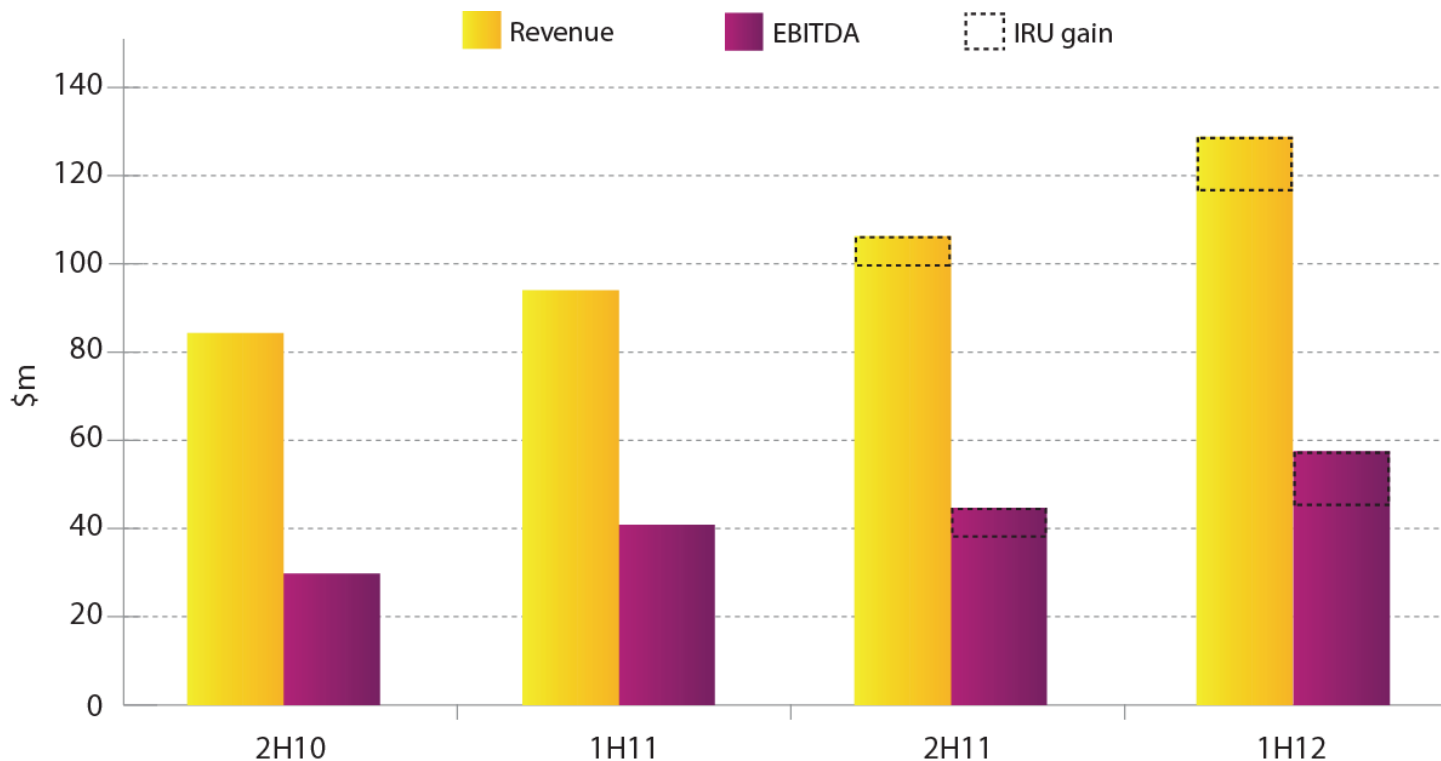
Direct Interconnects in all major call collection areas in place

Systems and Processes

High Levels of efficiency and automation with B2B systems

Group has experience selling and supporting Fibre services

Cloud and other value added services will be delivered over the top



Strong revenue and EBITDA growth

Corporate contributed 44% of the Group's 1H12 EBITDA

Combination of PIPE Networks, Soul Networks and TPG Corporate into one unified Corporate/Wholesale/Government brand

Dark Fibre – we offer Australia’s most extensive metropolitan DF network. 1,234 on-net buildings.

Ethernet – leverages off both DF network and also DSLAM based EFM technology. Also utilising extensive DSLAM network for G.PON services.

IP Services – includes domestic and international transit services and also peering via PIPEIX. Sourced from geographically diverse locations in Asia and US. Lowest latency to Asia.

Telehousing – major datacentre locations in Sydney, Melbourne, Brisbane, Perth, Adelaide and Tasmania.

Voice – service all 66 CCA’s. Efficiency of delivery via underlying owned infrastructure.

Trusted Cloud – incorporates infrastructure and expertise from the acquisition of Intrapower. Geographically diverse infrastructure. Products include hosted desktop, Software as a Service. New products under development – infrastructure as a service.

Integration focused on combining multiple Product, Sales, Service Delivery and Service Support teams and processes into a common business unit

Leverage strong brand awareness of PIPE Networks in the corporate, wholesale, and government sectors

Benefits of brand, process and service delivery integration:

- Revenue growth – wider product suite, larger sales-force
- Reduced cost – operational efficiencies, cross-skilled staff
- Customer benefits – integrated account management, wider product suite
- Increased bundling opportunities – secure greater customer spend.



2,264 fibre cable kms at Jan -12 (1,847 at Jul-11), utilisation 32% (33% at Jul-11)

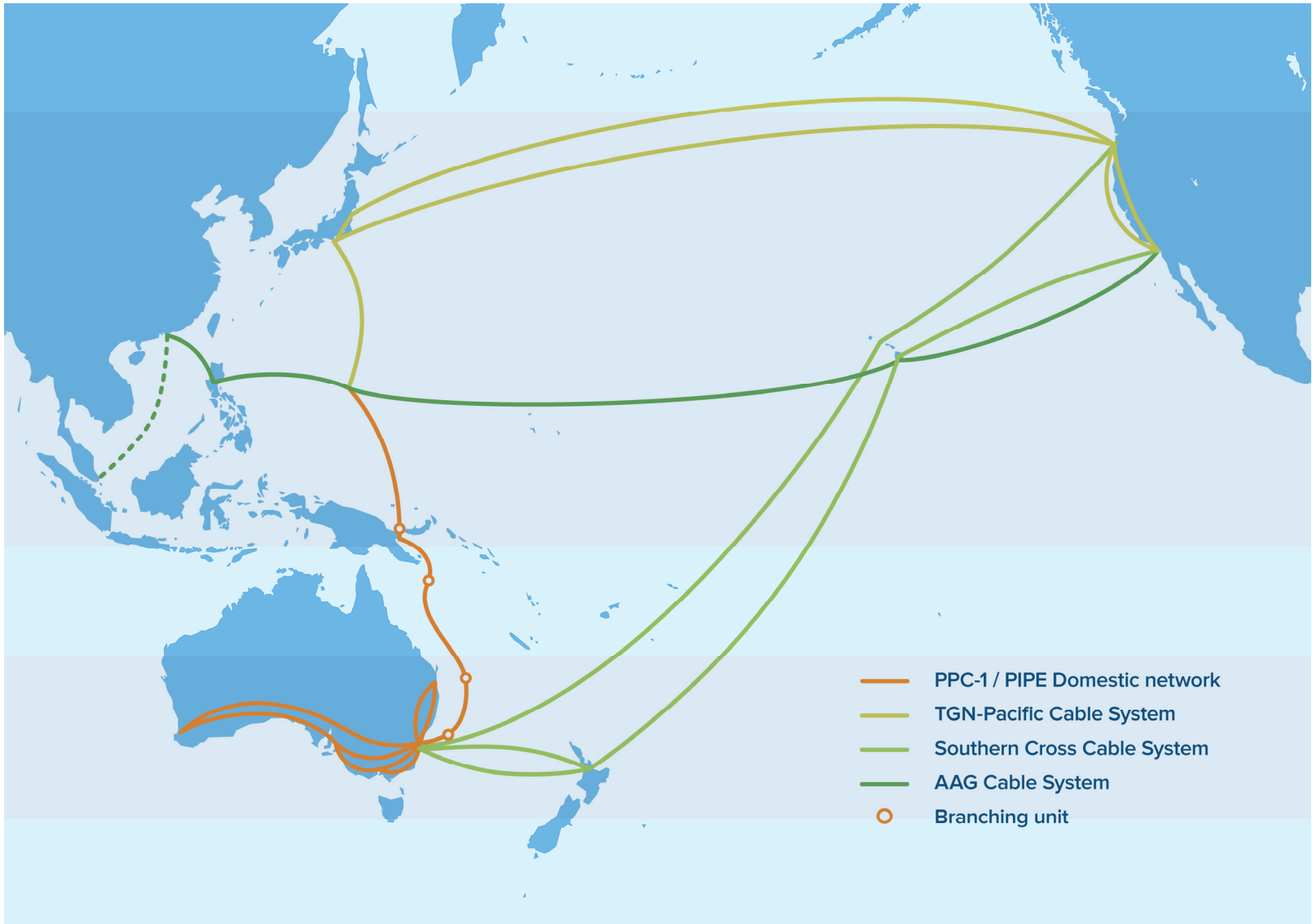
Brisbane network – 424 buildings On-Net

Sydney network – 484 buildings On-Net

Melbourne network – 298 buildings On-Net

Extensive growth of fibre network. Reach increased to include regional areas such as Gold Coast, Sunshine Coast, Blue Mountains, Gippsland.

Drivers of network growth – VHA network rollout, expansion to key new datacentres operated by global integrators, further growth into financial sector.



International POPs commissioned – Hong Kong, New Zealand. Japan augmented.

Additional South East Asian regions being evaluated.

Augmented International IP supply arrangements.

Current domestic landing opportunities in progress – utilises existing BUs.

Line trials commenced to augment system to 40/100G wavelengths.
Lower cost to deliver incremental 10G wavelengths.

PPC-1 cable system operational for greater than 24 months.

	Guidance
FY12 EBITDA	250 - 260

FY12 EBITDA guidance re-affirmed

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

	FY11 (actual)	1H12 (actual)	2H12 (forecast)	FY13 (forecast)	FY14 (forecast)	FY15 (forecast)
TPG acquired customer base	9.9	2.1	1.9	2.0	2.0	1.0
PIPE acquired customer base	30.5	11.7	10.3	15.0	11.0	9.0
Other	6.6	4.0	4.0	6.4	5.6	5.3
TOTAL	47.0	17.8	16.2	23.4	18.6	15.3
Post tax expense included in Reported NPAT	32.9	12.5	11.3	16.4	13.0	10.7

Thank you

Questions?

This presentation contains certain forward-looking and unaudited information. 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.