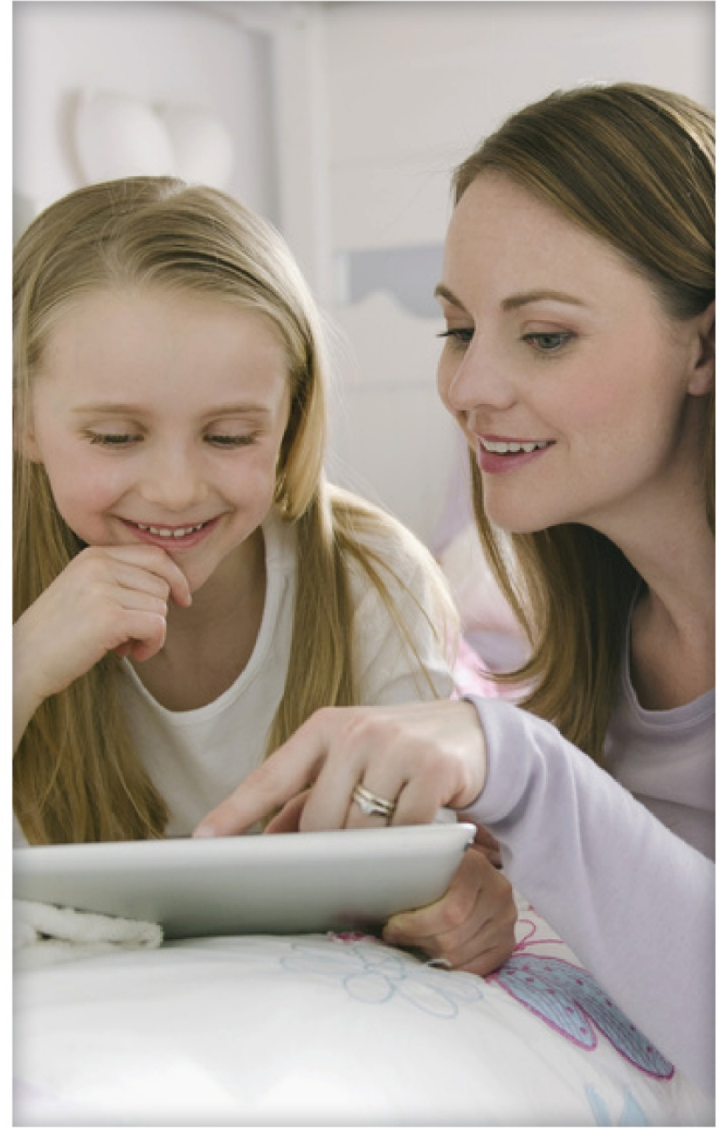


# 2013

## Half Year Results Presentation

19 MARCH 2013



EBITDA of \$153.6m, 16% increase on 1H12

NPAT up 41%, EPS up 39% vs 1H12

Strong consumer division EBITDA growth includes \$10m one-off benefits from rebates, but also driven by accelerated rates of organic subscriber growth:

- Broadband subscribers up 36k (43k On Net); bundle subscribers up by 66k
- Mobile subscribers up 48k

Underlying corporate division EBITDA up 9%\*

Free cashflow of \$86m; \$54m debt repaid

Interim dividend up 27% to 3.5 cents per share

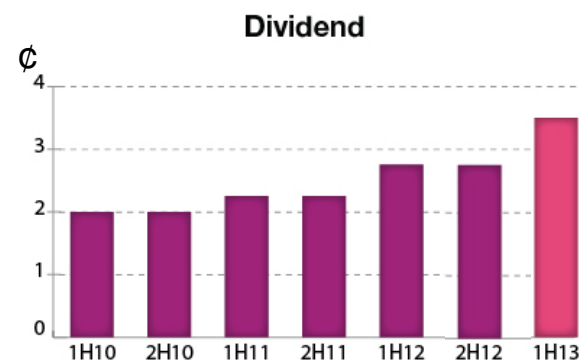
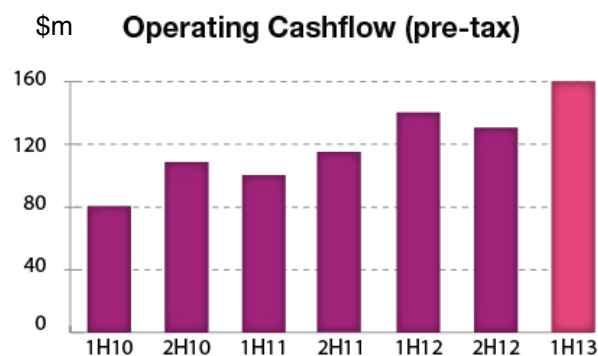
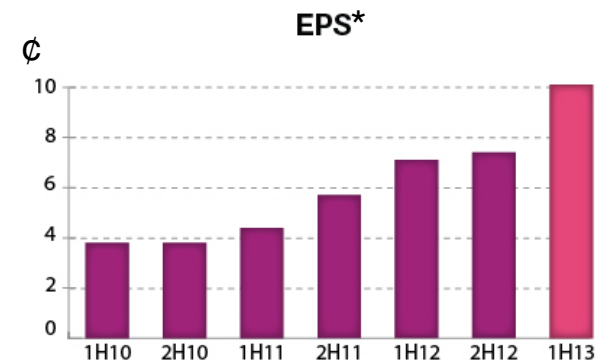
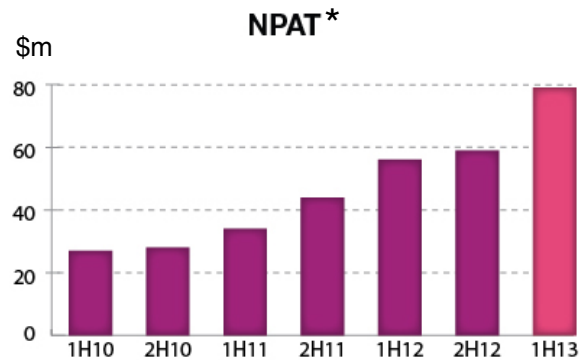
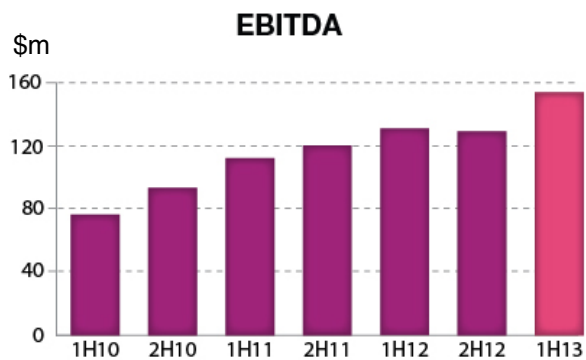
\* Refer to notes on slide 9 for reconciliation to 'underlying' basis

\$m

	1H13	1H12	Growth
<b>Revenue</b>	<b>357.0</b>	<b>324.5</b>	<b>10%</b>
<b>EBITDA</b>	<b>153.6</b>	<b>131.9</b>	<b>16%</b>
<b>NPAT</b>	<b>78.3</b>	<b>55.7</b>	<b>41%</b>
<b>EPS (cents)</b>	<b>9.9</b>	<b>7.1</b>	<b>39%</b>
<b>EPS (cents) excl. intangible amortisation*</b>	<b>11.0</b>	<b>8.7</b>	<b>26%</b>

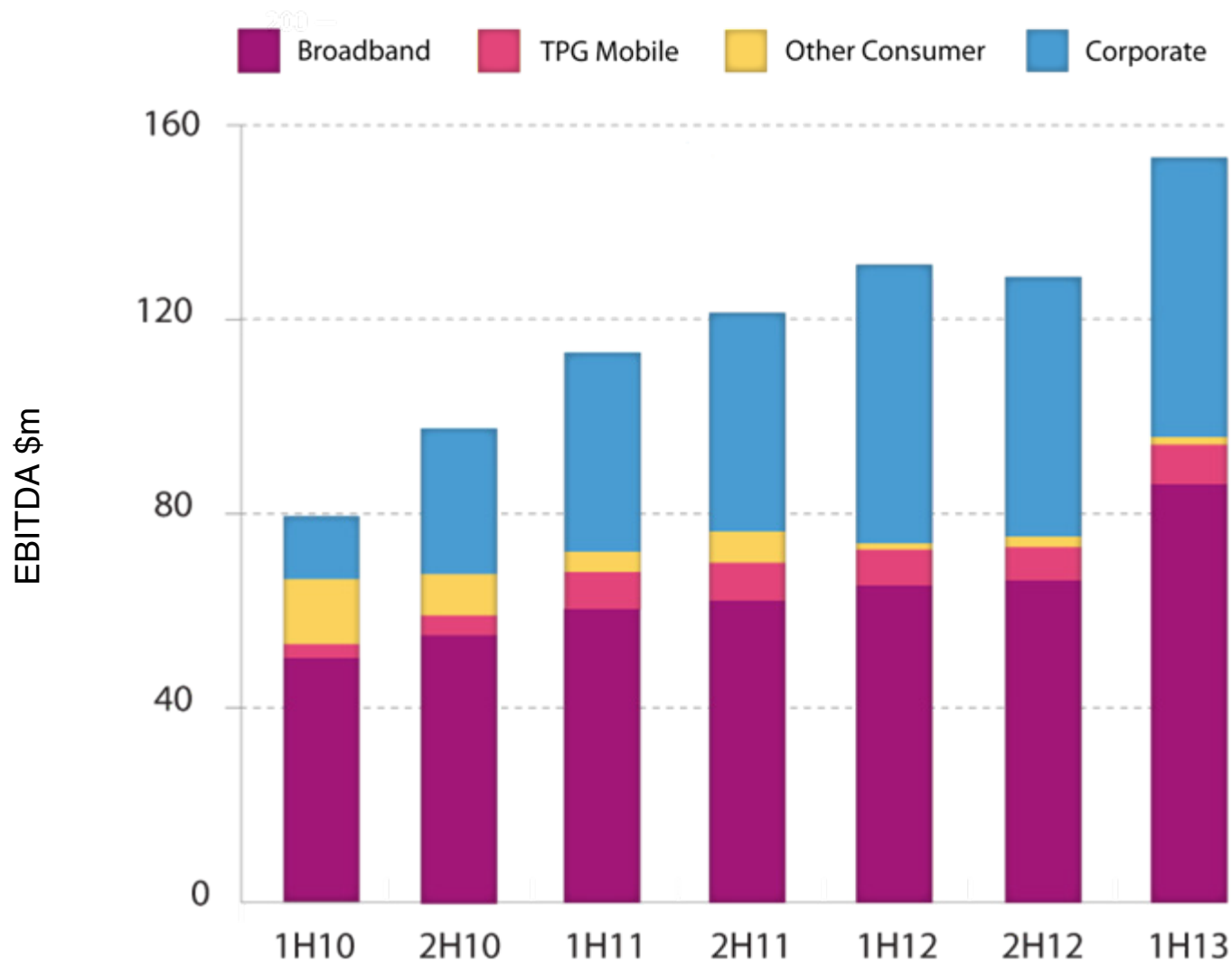
\* See Appendix for details

# 1H13 Financials: Continued Strong Growth



\* 2H12 NPAT and EPS exclude the one-off tax expense arising from the retrospective change in rights to future income tax legislation enacted during FY12.

# 1H13 Financials: EBITDA Growth



	\$m	
	1H13	1H12
<b>Operating Cash Flow</b>	160.0	146.6
<b>Tax</b>	(41.0)	(27.7)
<b>Interest</b>	(3.3)	(8.6)
<b>Capex</b>	(33.2)	(33.7)
<b>Other</b>	3.5	0.6
<b>Free Cash Flow</b>	86.0	77.2

Strong free cash flow generation continues

	\$m	
	1H13	1H12
<b>Free Cash Flow</b>	<u>86.0</u>	<u>77.2</u>
<i>Utilisation of cash:</i>		
<b>Debt repayments</b>	54.0	26.7
<b>Investment in data security business</b>	7.5 *	-
<b>Acquisition of cloud business</b>	-	11.4
<b>Investment in ASX listed equities</b>	-	22.4
<b>Dividend payments (net of DRP in 1H12)</b>	21.8	4.2
<b>Other</b>	0.3	1.7
<b>Increase / (decrease) in cash at hand</b>	<u>2.4</u>	<u>10.8</u>
	86.0	77.2

\* refer to slide 16

	\$m
<b>Group debt balance at 31 July 2012</b>	149.0
<b>Repayments made during 1H13</b>	(54.0)
<b>Group debt balance at 31 Jan 2013</b>	95.0

Debt to annualised EBITDA leverage ratio now < 0.4x  
Significant capacity for growth if required



# 1H13 Financials: Segment & Product Analysis



\$m

REVENUE	TPG Broadband	TPG Mobile	Other Consumer	Consumer Total	Corporate	Unalloc.	Total
1H12	167.0	25.0	8.2	200.2	124.3	-	324.5
1H13	193.1	31.6	5.9	230.6	126.4	-	357.0

EBITDA	TPG Broadband	TPG Mobile	Other Consumer	Consumer Total	Corporate	Unalloc.	Total
1H12	65.3	7.4	1.3	74.0	57.4 <sup>2</sup>	0.5	131.9
1H13	85.2 <sup>1</sup>	8.1	1.6	94.8	57.5 <sup>3</sup>	1.3	153.6

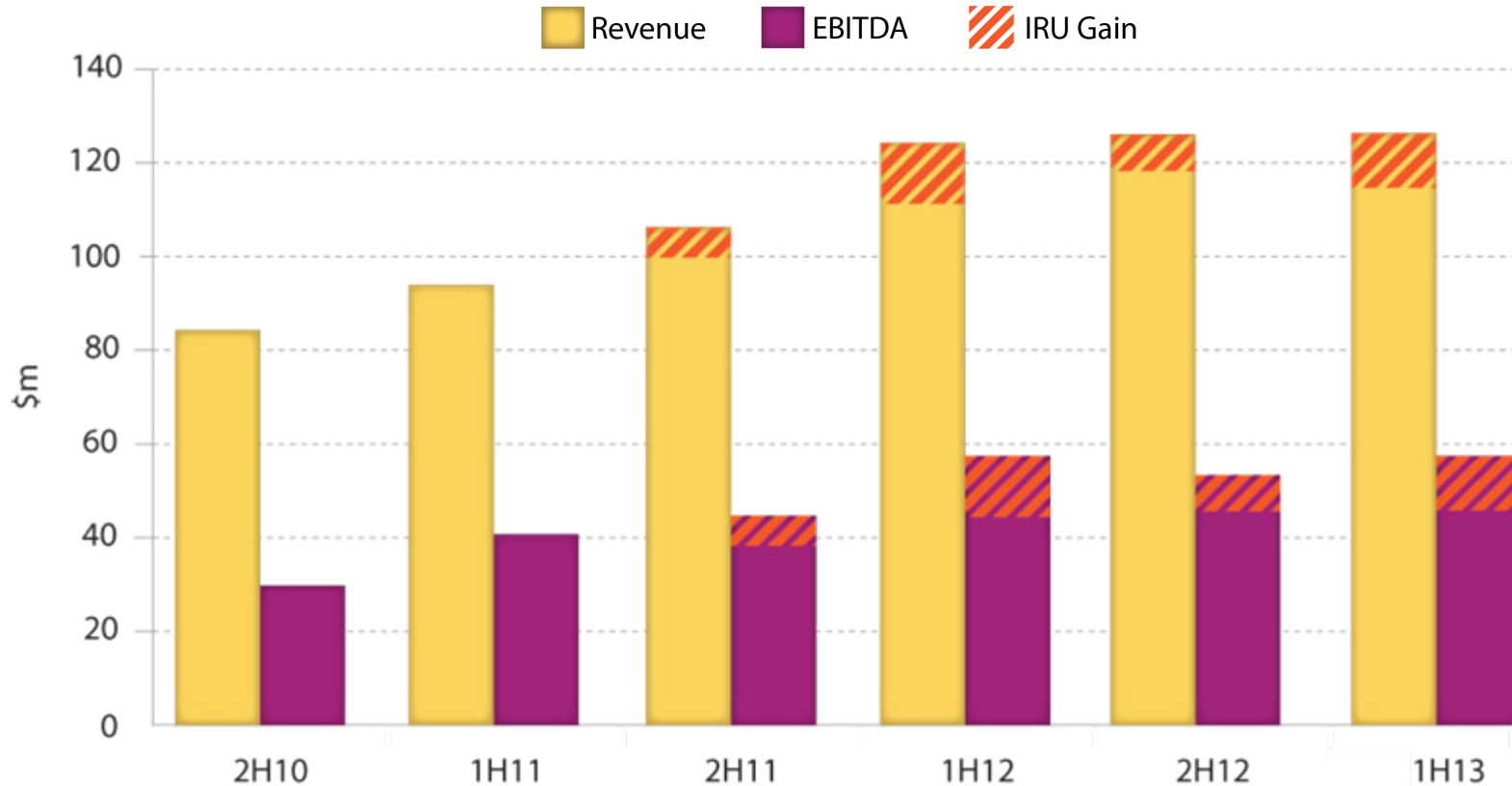
EBITDA MARGIN	TPG Broadband	TPG Mobile	Other Consumer	Consumer Total	Corporate	Unalloc.	Total
1H12	39%	30%	16%	37%	46% <sup>2</sup>	-	41%
1H13	44% <sup>1</sup>	26%	27%	41%	45% <sup>3</sup>	-	43%

<sup>1</sup>TPG Broadband 1H13 EBITDA includes \$10.0m of net one-off benefits (principally back-dated supplier rebates).

<sup>2</sup>Corporate 1H12 EBITDA included a \$12.4m net gain on sale of capacity under an IRU, and \$2.0m of other one-off benefits.

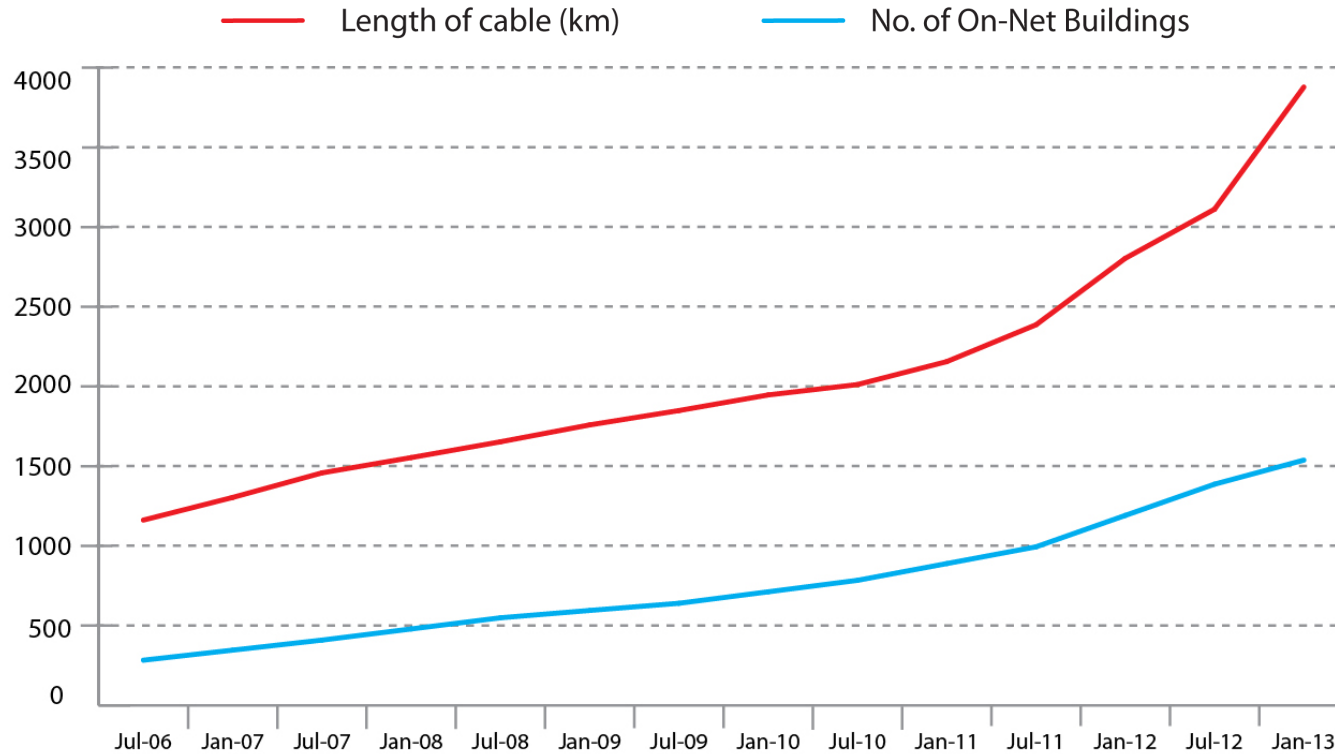
<sup>3</sup>Corporate 1H13 EBITDA includes a \$10.5m net gain on sale of capacity under an IRU.

<sup>4</sup>Corporate 1H13 EBITDA up by \$3.9m (9%) on an underlying basis (ie excluding the impact of 2 & 3 above).



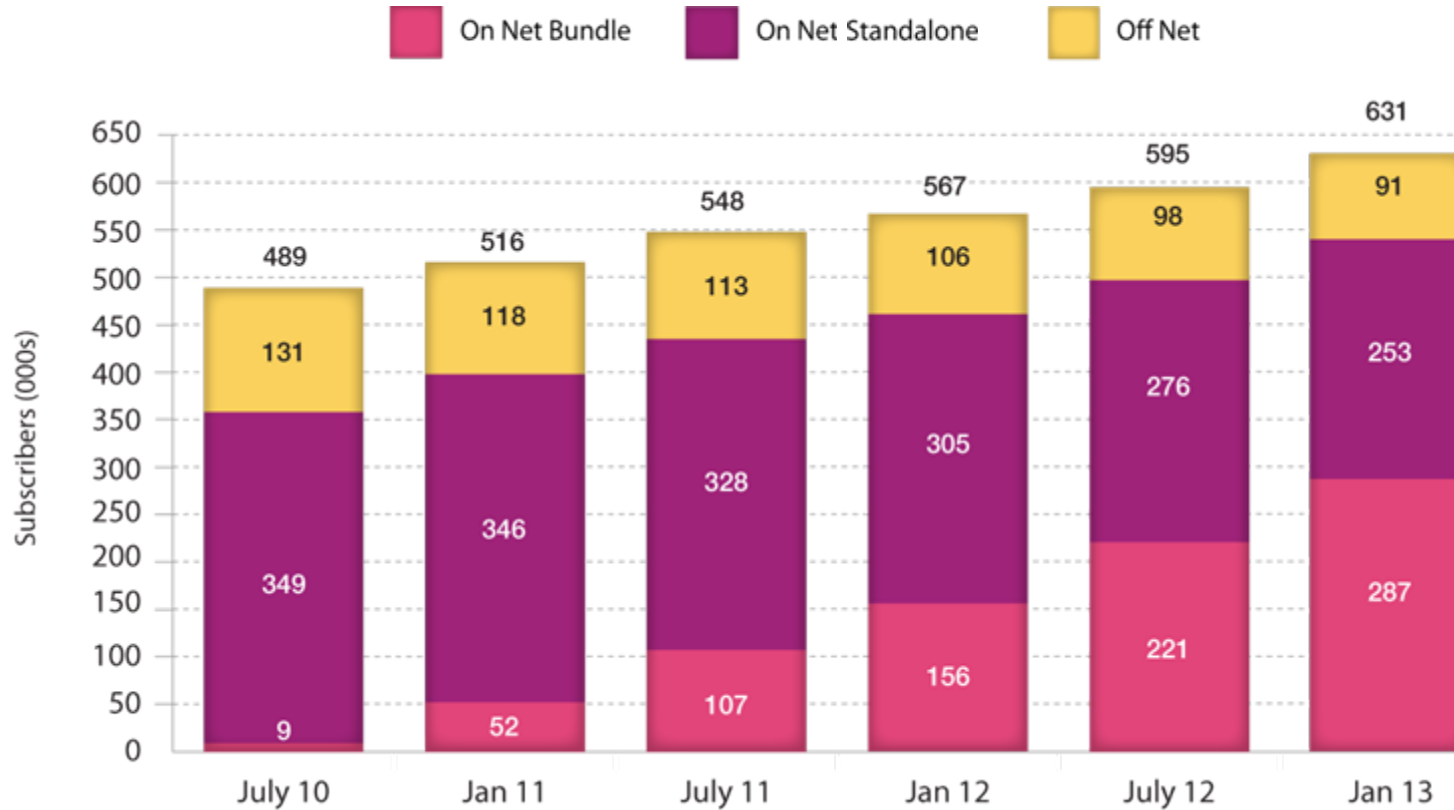
1H12 EBITDA included a \$2.0m one-off benefit. Excluding this and the IRU gain, EBITDA is up by 9% on an underlying basis relative to 1H12.

Underlying EBITDA margin % increased from 38.5% in 1H12 to 40.6% in 1H13.



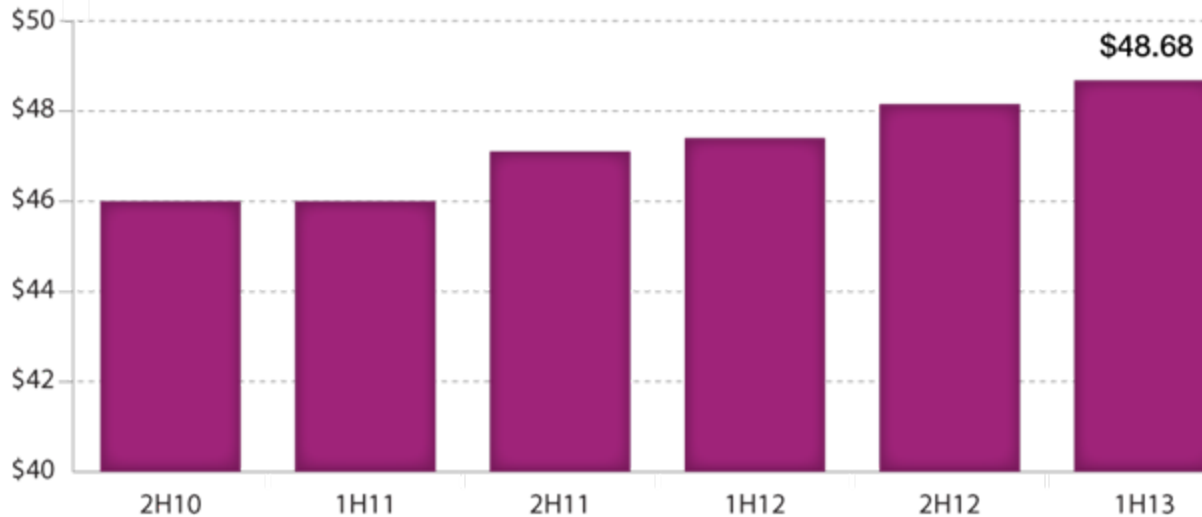
- A further 766km added to domestic fibre network in 1H13; footprint now over 3,800km\*.
- 151 additional buildings directly connected to the domestic fibre network; total On Net buildings now exceeds 1,500 (includes > 100 data centres).
- Utilisation down to 26% from 31% due to rapid expansion of network.
- VHA network rollout now complete.

\* Brought forward figure updated to include 540km of NSW "Soul" fibre



- Overall growth of 36k in 1H13, compared to 19k in 1H12 and 28k in 2H12
- Award Winning ADSL2+ with Home Phone: 66k growth in 1H13
- Subscriber growth is 100% organic
- On Net churn rate 1.4% in 1H13

## Overall Broadband ARPU Trend



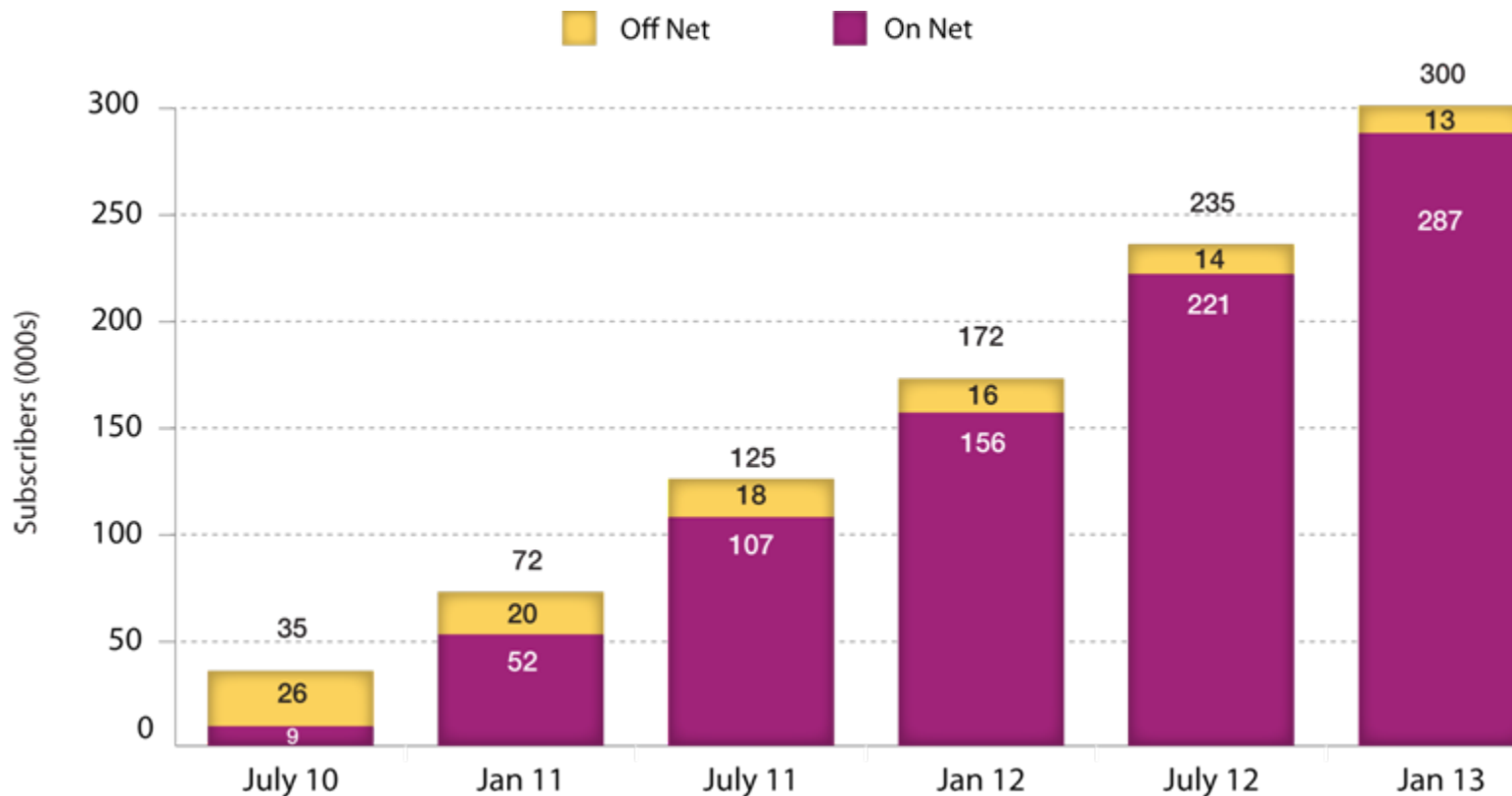
Overall ARPU continuing to trend higher as bundle plans form a larger proportion of the customer base (up to 45% of the base at Jan 13).

The bundle also generates monthly call charge revenue not included in these charts; current average steady at approx \$6 per month per subscriber.

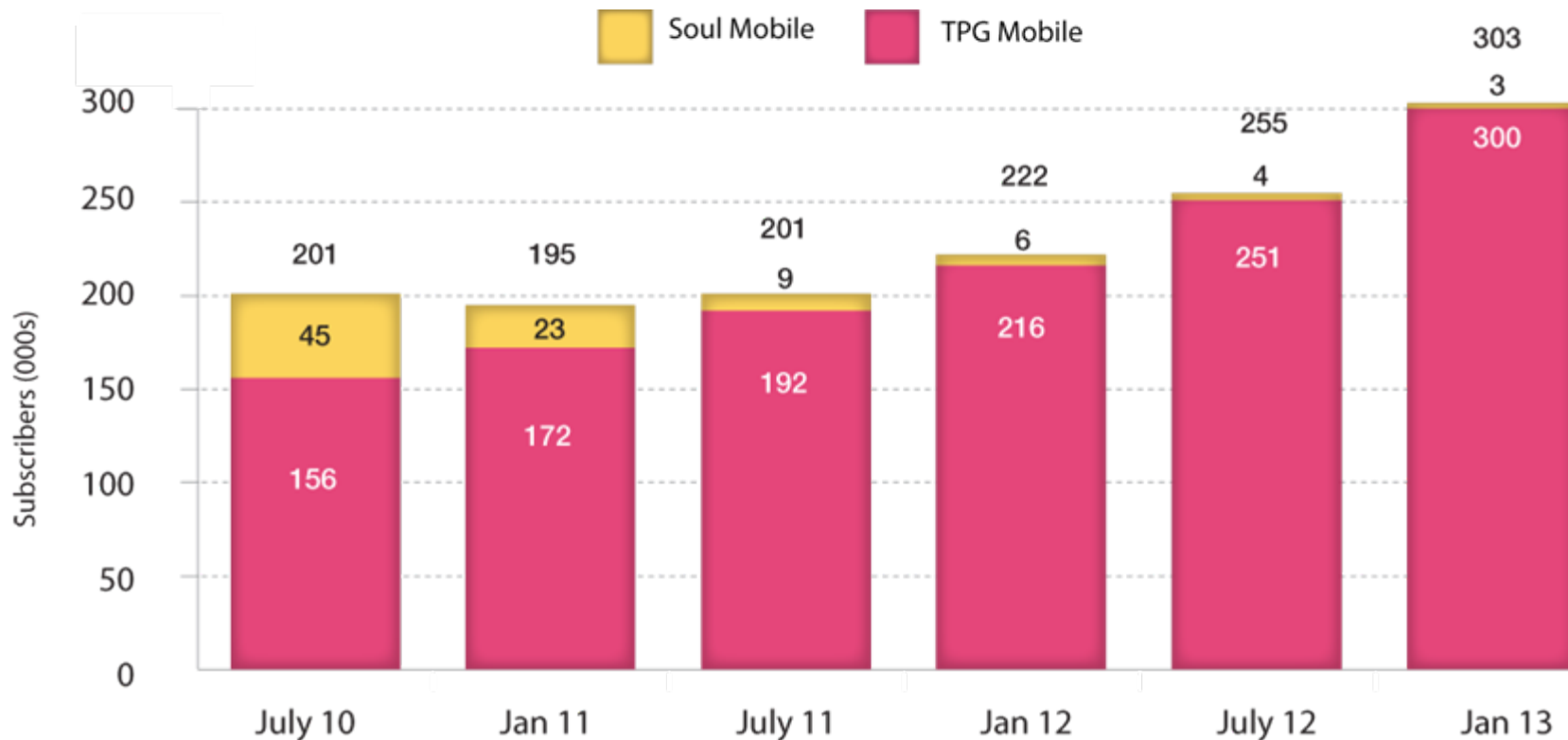
## 1H13 Broadband ARPU composition



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



- New \$79.99 deal with unlimited calls to mobile & 11 international locations launched
- \$69.99 deal still available and popular



- 48,000 mobile subscriber growth in 1H13; compared to 54,000 for the whole of FY12

- Mobile take up by Broadband customers – popular

- Financial Review – SMART Award



## Cocoon Data Holdings Limited



- \$10m cash investment (\$7.5m paid in 1H13) for ~15% equity interest in Cocoon Data Holdings Limited ('CDHL')
- Data security business operating in USA and Australian markets
- In addition to the equity investment, an agreement has been entered into establishing a partnership under which CDHL will develop products for TPG using its 'Military Grade' data security software
- Product development will be focused around Cloud based applications for consumer and business

### Certification

EAL 4+ by the Australian Defence Signals Directorate (DSD)

FIPS-197 Advanced Encryption Standard (AES) 256 compliant through the National Institute of Standards and Technology (NIST) in USA

DSD Cryptographic Evaluation (DCE) by the Australian Defence Signals Directorate

[www.cocoondata.com/](http://www.cocoondata.com/)



**3.5 cents per share interim dividend**

**Payable**

21 May 2013

**Record date**

16 April 2013

**27% increase on prior year interim dividend**

\$m

	<i>Previous FY13 Guidance</i>	<i>Updated FY13 Guidance</i>
Regular EBITDA	256 - 263	265 - 270
IRU gains	7 - 10	10
Consumer division non recurring items	-	10
Total EBITDA	263 - 273	285 - 290

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

	FY12 (actual)	1H13 (actual)	2H13 (forecast)	FY14 (forecast)	FY15 (forecast)	FY16 (forecast)
Acquired customer bases	27.7	9.7	8.6	14.0	10.7	7.5
Other	6.2	3.0	2.6	4.6	4.6	4.6
<b>TOTAL</b>	<b>33.9</b>	<b>12.7</b>	<b>11.2</b>	<b>18.6</b>	<b>15.3</b>	<b>12.1</b>
Post tax expense included in Reported NPAT	23.7	8.9	7.8	13.0	10.7	8.5

# 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.