



2016
FULL YEAR RESULTS PRESENTATION

20 SEPTEMBER 2016



		Reported			Underlying ¹		
		FY16	FY15	Growth	FY16	FY15	Growth
Revenue	\$m	2,387.8	1,270.6	88%	2,387.8	1,270.6	88%
EBITDA	\$m	849.4	484.5	75%	775.3	485.3	60%
NPAT	\$m	379.6	224.1	69%	361.0	247.0	46%
EPS	¢	45.3	28.2	61%	43.1	31.1	39%

1. Refer to slide 3 for reconciliation between reported and underlying results.

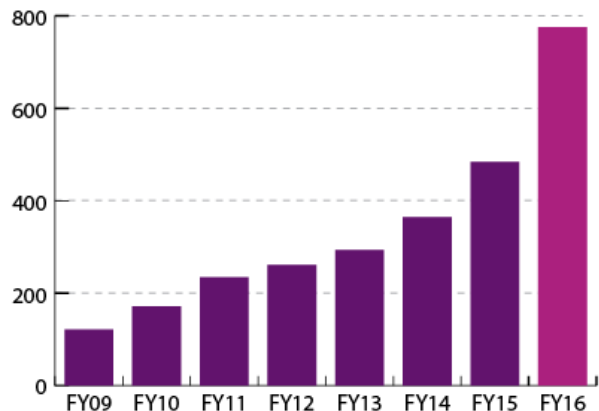
	FY16		FY15	
\$m	EBITDA	NPAT	EBITDA	NPAT
Reported	849.4	379.6	484.5	224.1
<i>Less: Gain on previously held interest in iiNet</i>	(73.1)	(73.1)	-	-
<i>Less: Profit on sale of shares</i>	(17.6)	(12.3)	-	-
<i>Add: One-off iiNet acquisition transaction costs</i>	10.3	10.3	0.8	0.8
<i>Add: Non-recurring iiNet re-organisation costs</i>	6.3	4.4	-	-
<i>Add: Acquired customer base intangible amortisation</i>	-	52.1	-	22.1
Underlying	775.3	361.0	485.3	247.0

	\$m
FY15 Group underlying EBITDA	484.5
iiNet EBITDA for 11.25 month post acquisition period	248.9
TPG Consumer Division EBITDA growth	16.0
TPG Corporate Division EBITDA growth	37.1
Adverse accounting impact on TPG Corporate Division from iiNet consolidation	(10.1)
Other	(1.1)
FY16 Group underlying EBITDA	775.3

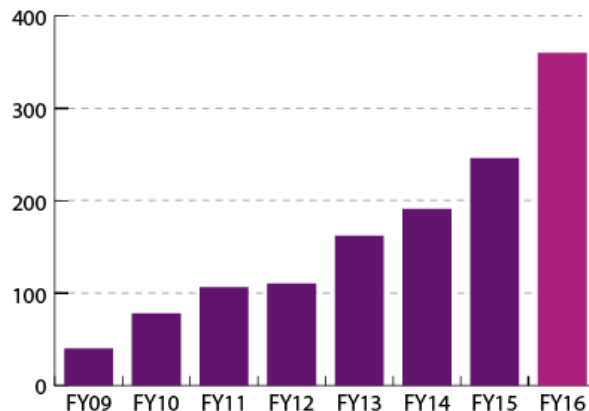
HISTORICAL GROWTH TRACK RECORD



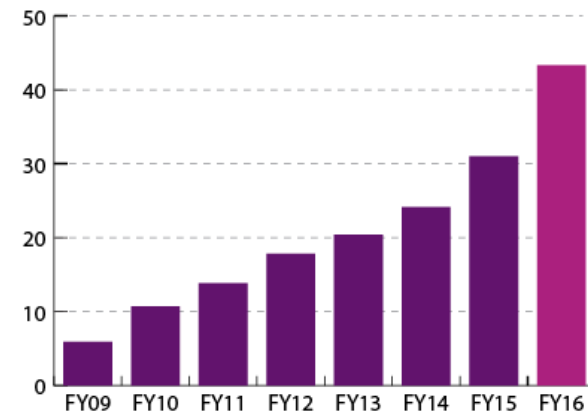
EBITDA (\$m)



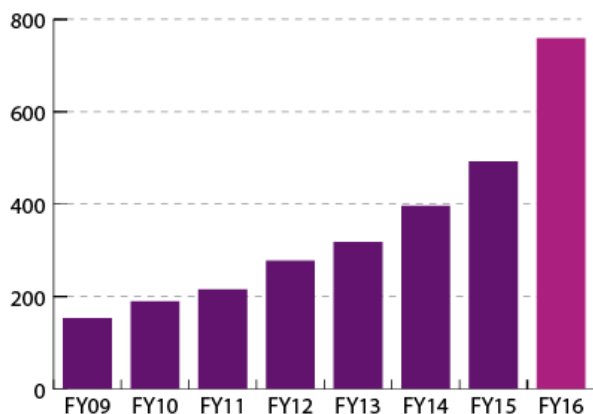
NPAT (\$m)



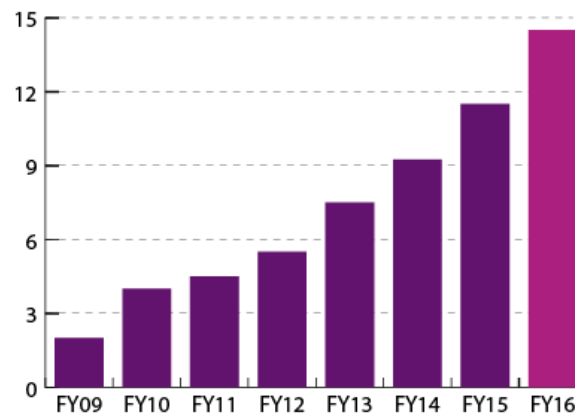
EPS (cents)



Operating Cash Flow (pre-tax) (\$m)

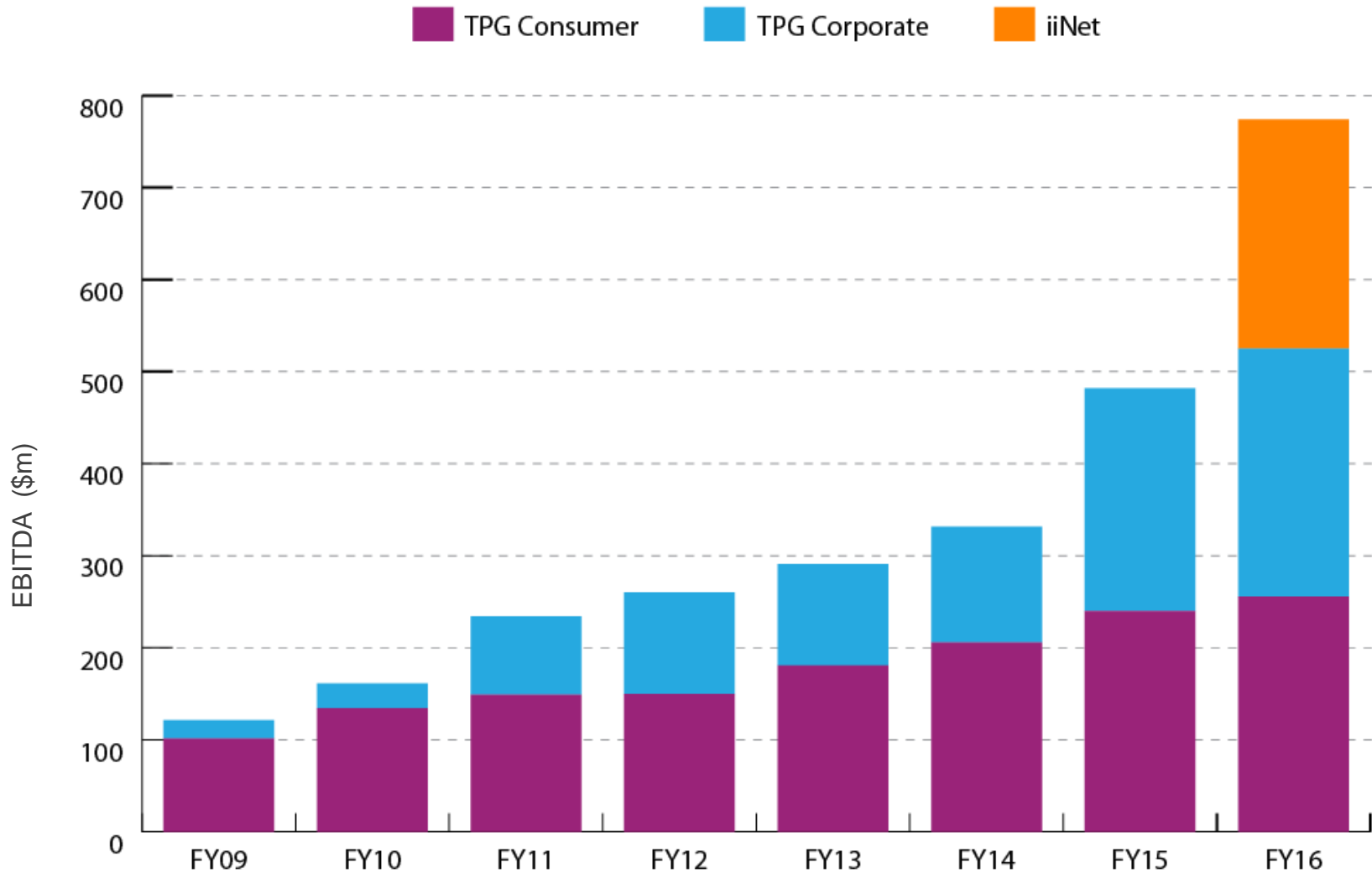


Dividends Per Share (cents)



In the above charts: FY16 EBITDA is the underlying EBITDA as per slide 3. For all other periods EBITDA is as reported. FY16 NPAT is the underlying NPAT as per slide 3. For all other periods NPAT is as reported except adjusted to exclude the impact of acquired customer base intangible amortisation. EPS is based on the NPAT figures used in the chart.

COMPOSITION OF EBITDA GROWTH



In the above charts FY16 EBITDA is the underlying EBITDA as per slide 3. For all other periods EBITDA is as reported.

\$m

	FY16	FY15
Operating Cash Flow	759.2	492.8
Tax	(138.8)	(110.9)
Capex	(281.0)	(153.8)
IRU payments	(21.4)	-
Free Cash Flow	318.0	228.1

Increase in FY16 capex driven by:

- \$27m one-off payment for acquisition of Glebe premises
- \$15m spectrum payment
- Fibre expansion

\$m

	FY16	FY15
Free Cash Flow	318.0	228.1
Disposal of / (investment in) equities	57.0	(115.6)
iiNet acquisition (inc transaction costs)	(1,317.6)	-
Net proceeds from capital raise	322.5	-
Net drawdown / (repayment) of debt	808.8	(21.0)
Interest payments	(66.5)	(14.3)
Dividend payments	(108.4)	(81.4)
Other	1.7	4.1
Increase/(decrease) in cash balance	15.5	(0.1)

	\$m
Group debt balance at 31 July 2015	329.0
iiNet acquisition and transaction fees	1,317.6
iiNet bank debt acquired	212.1
Repayments from capital raise proceeds	(322.5)
Other repayments made during FY16	(186.2)
Group debt balance as at 31 July 2016	1,350.0

Net debt to EBITDA leverage ratio at 31 July 2016 $\sim 1.8x$ ¹

1. Based on underlying FY16 EBITDA and including IRU debt within net debt.

REVENUE	TPG Consumer			TPG/AAPT Corporate	iiNet	Other	TOTAL
	\$m	Broadband	Mobile/Other				
FY15	544.4	83.7	628.1	642.5	-	-	1,270.6
FY16	605.0	69.3	674.3	654.6	1,058.9	-	2,387.8

EBITDA	TPG Consumer			TPG/AAPT Corporate	iiNet	Other	TOTAL
	\$m	Broadband	Mobile/Other				
FY15	222.5	17.2	239.7	242.3	-	3.3	485.3
FY16	242.0	13.7	255.7	269.3	248.9	1.4	775.3

EBITDA %	TPG Consumer			TPG/AAPT Corporate	iiNet	Other	TOTAL
		Broadband	Mobile/Other				
FY15	41%	21%	38%	38%	-	-	38%
FY16	40%	20%	38%	41%	24%	-	32%

EBITDA shown in the table is the underlying EBITDA as per slide 3

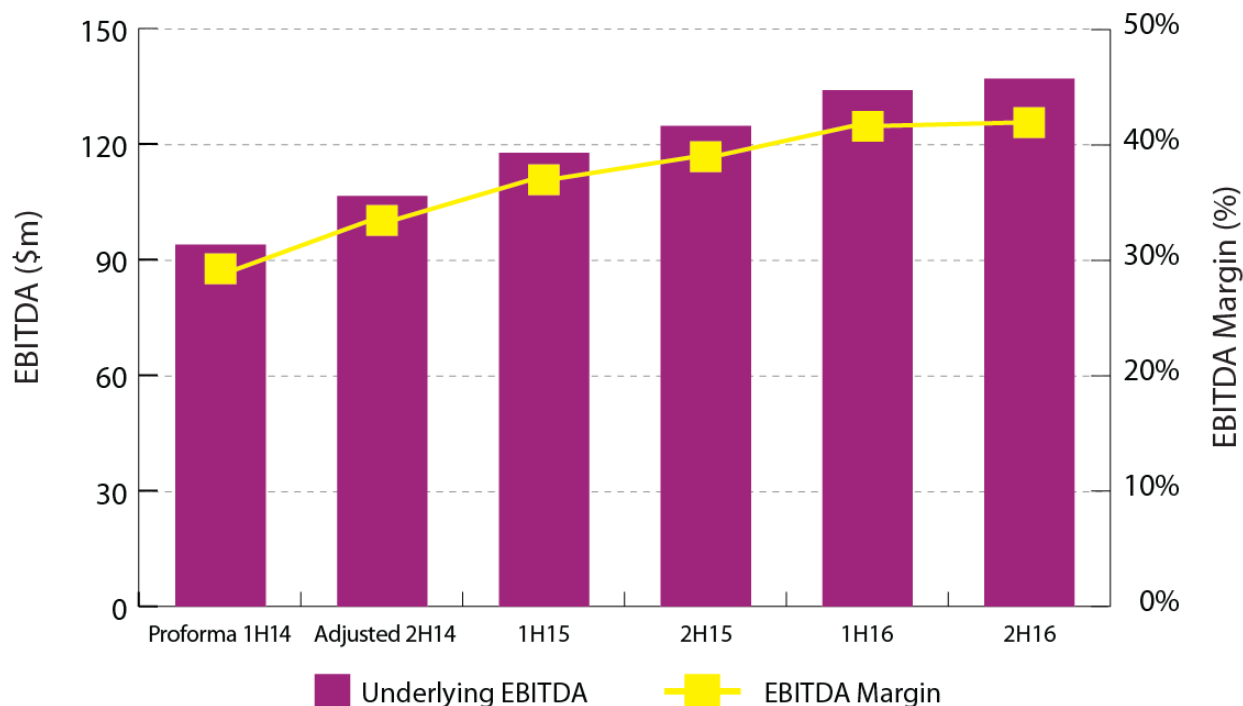
REVENUE \$m	iiNET GROUP				
	Broadband	Fixed Voice	Mobile	Other	TOTAL
FY16	704.5	204.1	54.6	95.7	1,058.9

EBITDA \$m	iiNET GROUP				
	Broadband	Fixed Voice	Mobile	Other	TOTAL
FY16	191.2	31.8	2.4	23.5	248.9

EBITDA %	iiNET GROUP				
	Broadband	Fixed Voice	Mobile	Other	TOTAL
FY16	27%	16%	4%	25%	24%

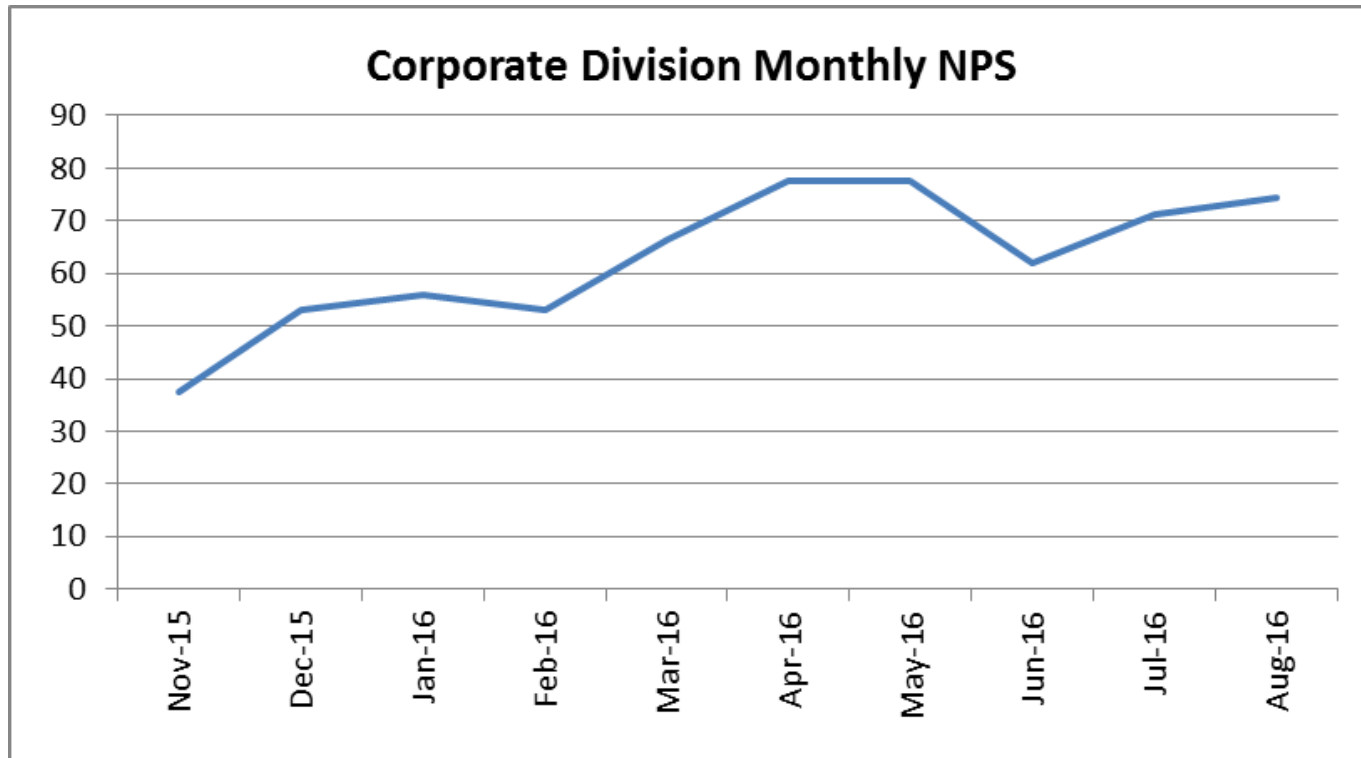
EBITDA shown in the table is the underlying EBITDA as per slide 3. Broadband includes VoIP.

Organic Corporate EBITDA growth since AAPT acquisition



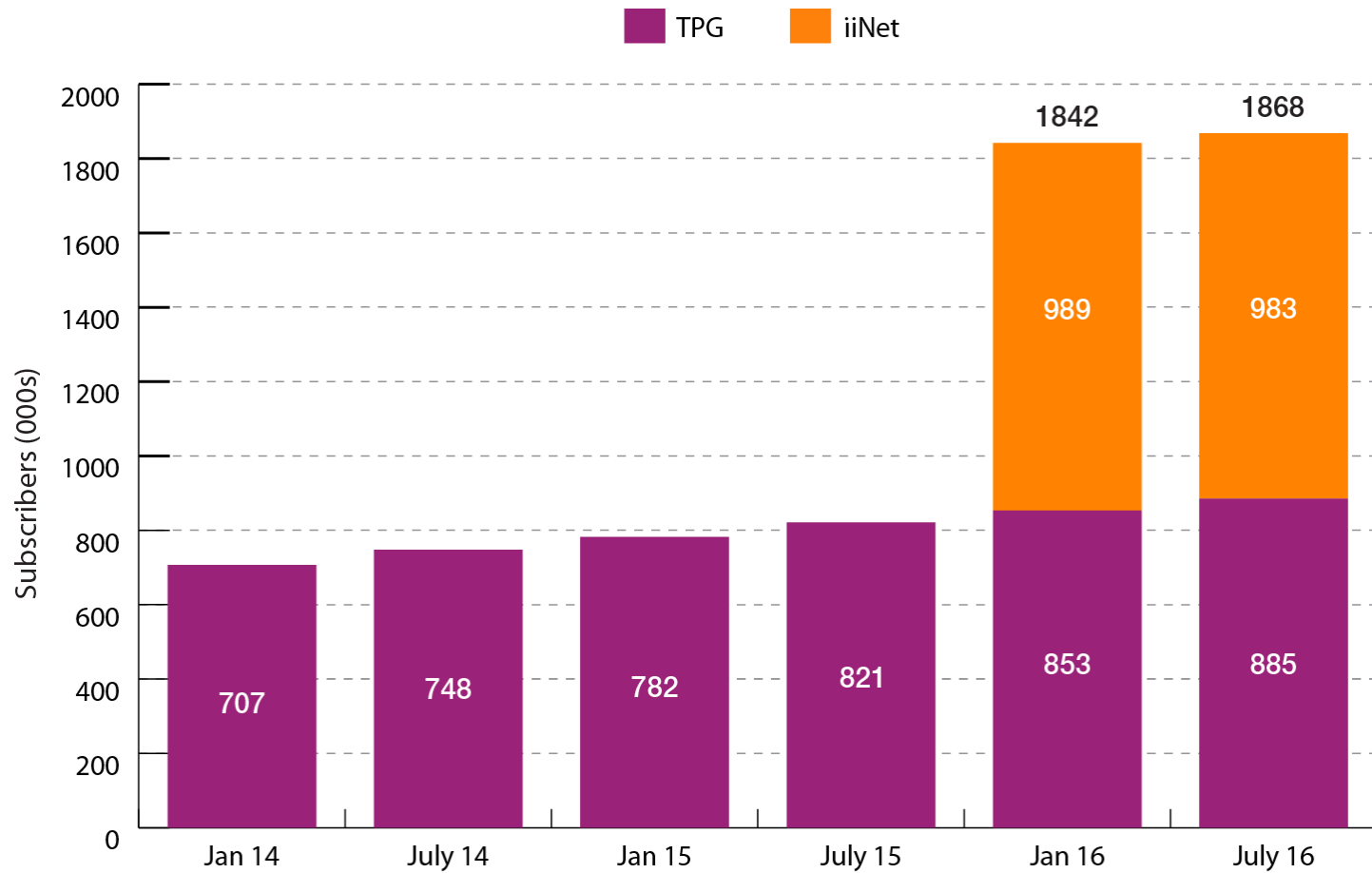
Continued organic Corporate Division EBITDA growth in FY16 driven by strong sales and continued margin expansion, and despite a \$10.1m adverse accounting impact arising from consolidating iiNet.

“**Proforma 1H14**” comprises the recurring corporate division results for 1H14 reported on page 9 of the 1H14 results presentation plus the annual run-rate reported for AAPT on page 4 of TPG’s 9/12/13 AAPT acquisition investor briefing converted to a half-yearly run-rate.
 “**Adjusted 2H14**” comprises the recurring EBITDA result reported for AAPT in 2H14 for the 5 months post acquisition period extrapolated to a full 6 months, plus the recurring EBITDA result reported for the TPG Corporate division for 2H14.



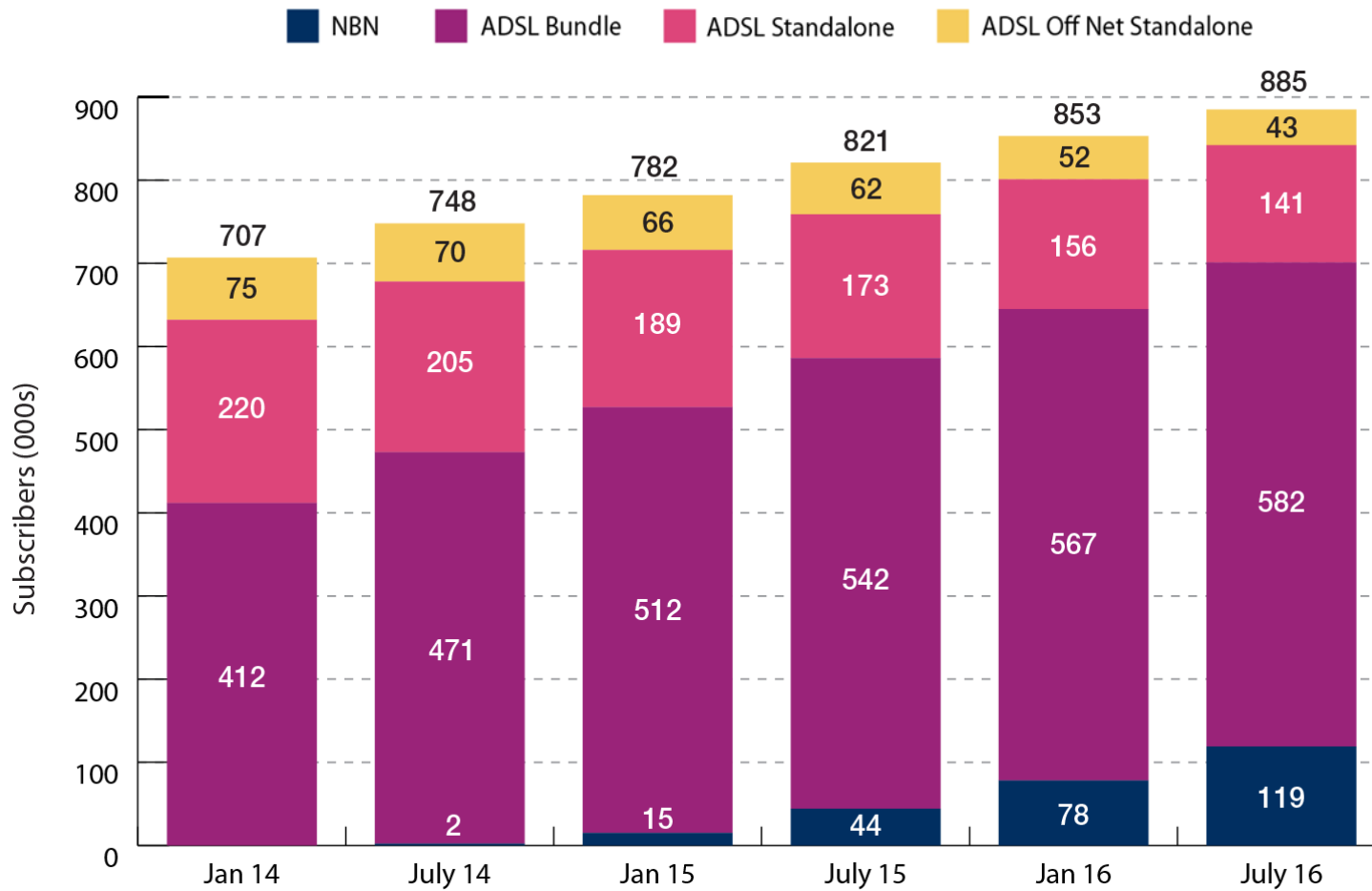
Focus on customer service has lifted Corporate Division NPS to over +70

GROUP BROADBAND SUBSCRIBERS



Group broadband subscribers increased to 1.87m at end of FY16

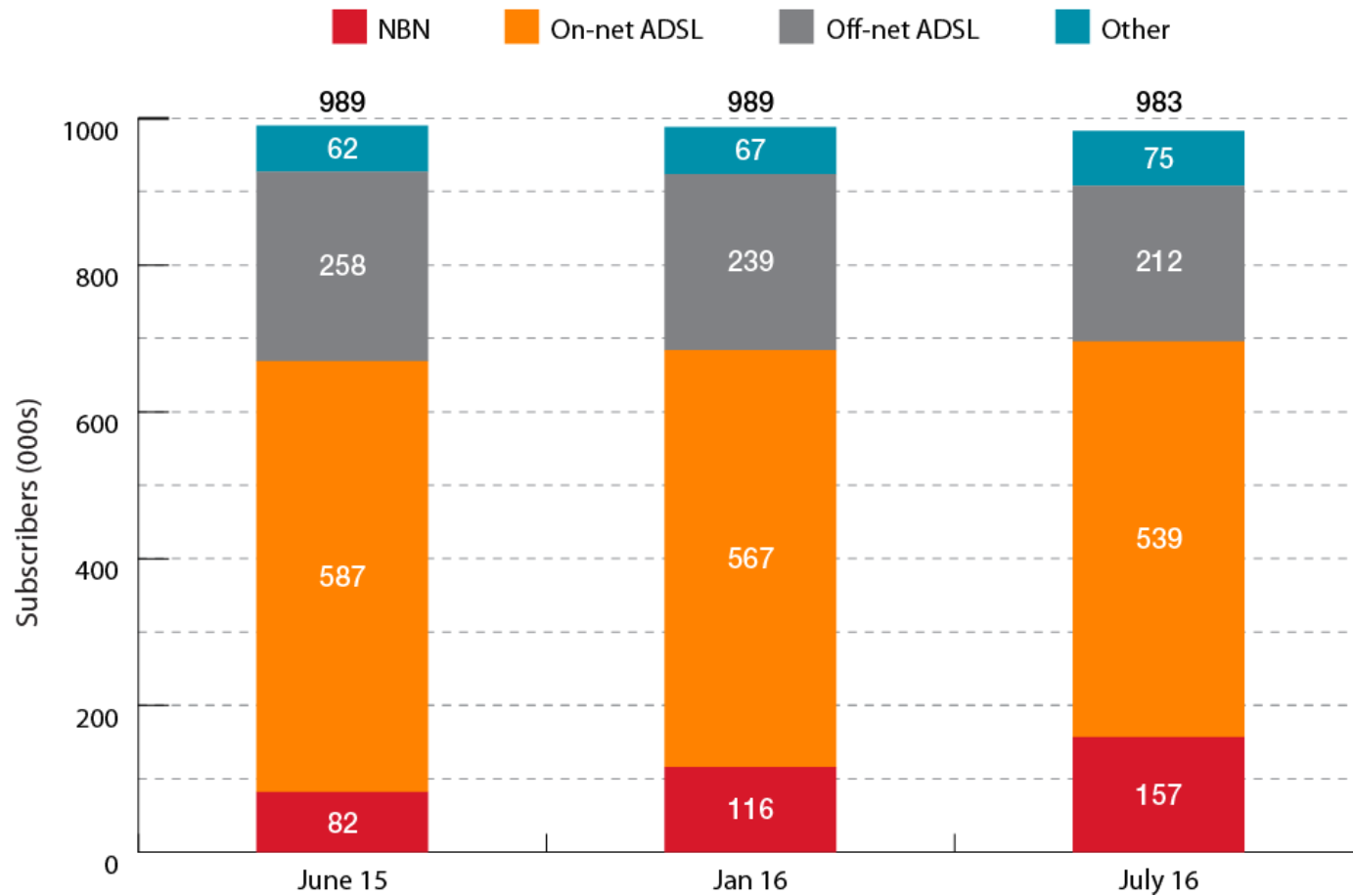
TPG CONSUMER BROADBAND SUBSCRIBERS



Overall growth of 64k in FY16

75k NBN growth in the year

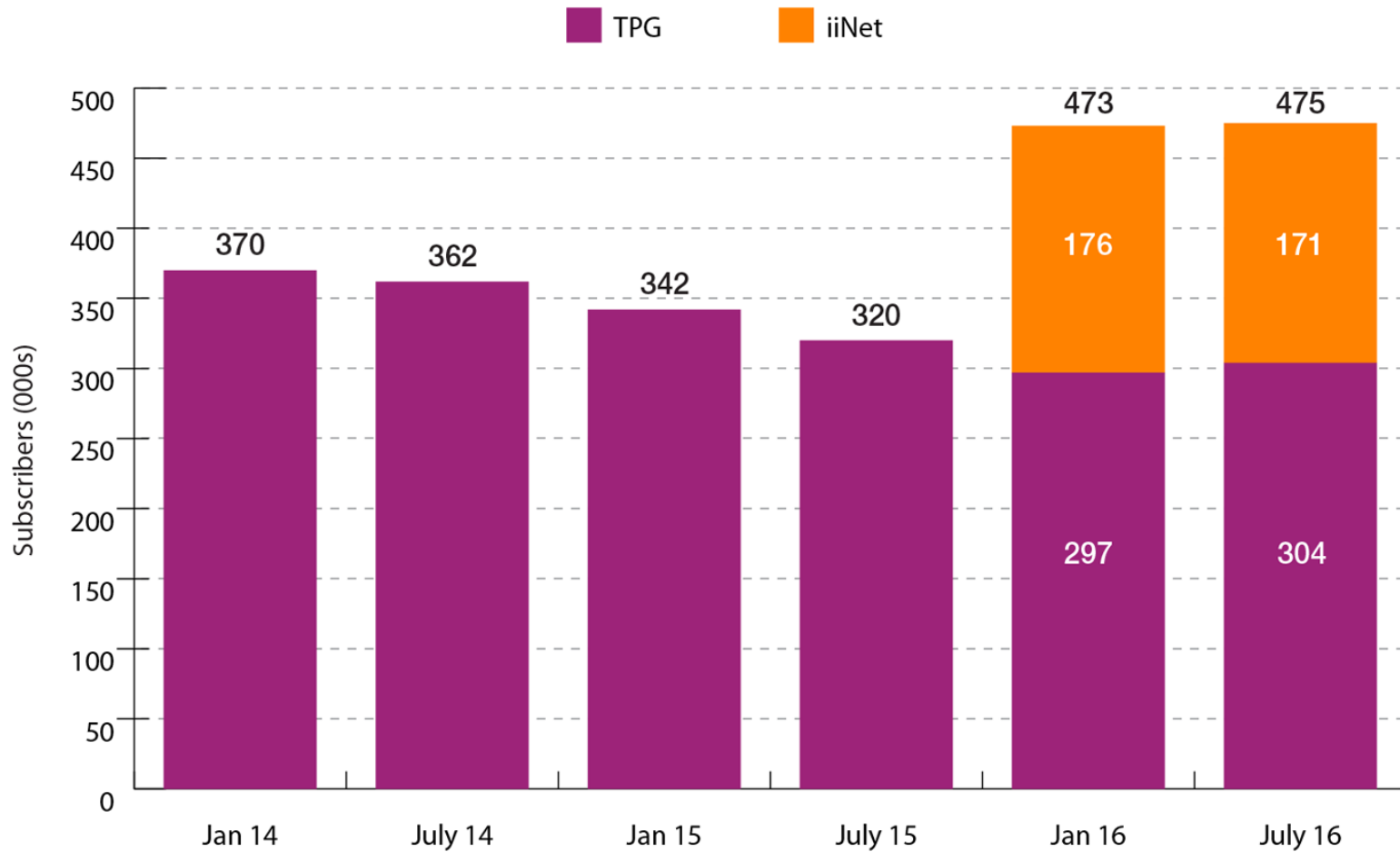
Overall churn rate 1.4%



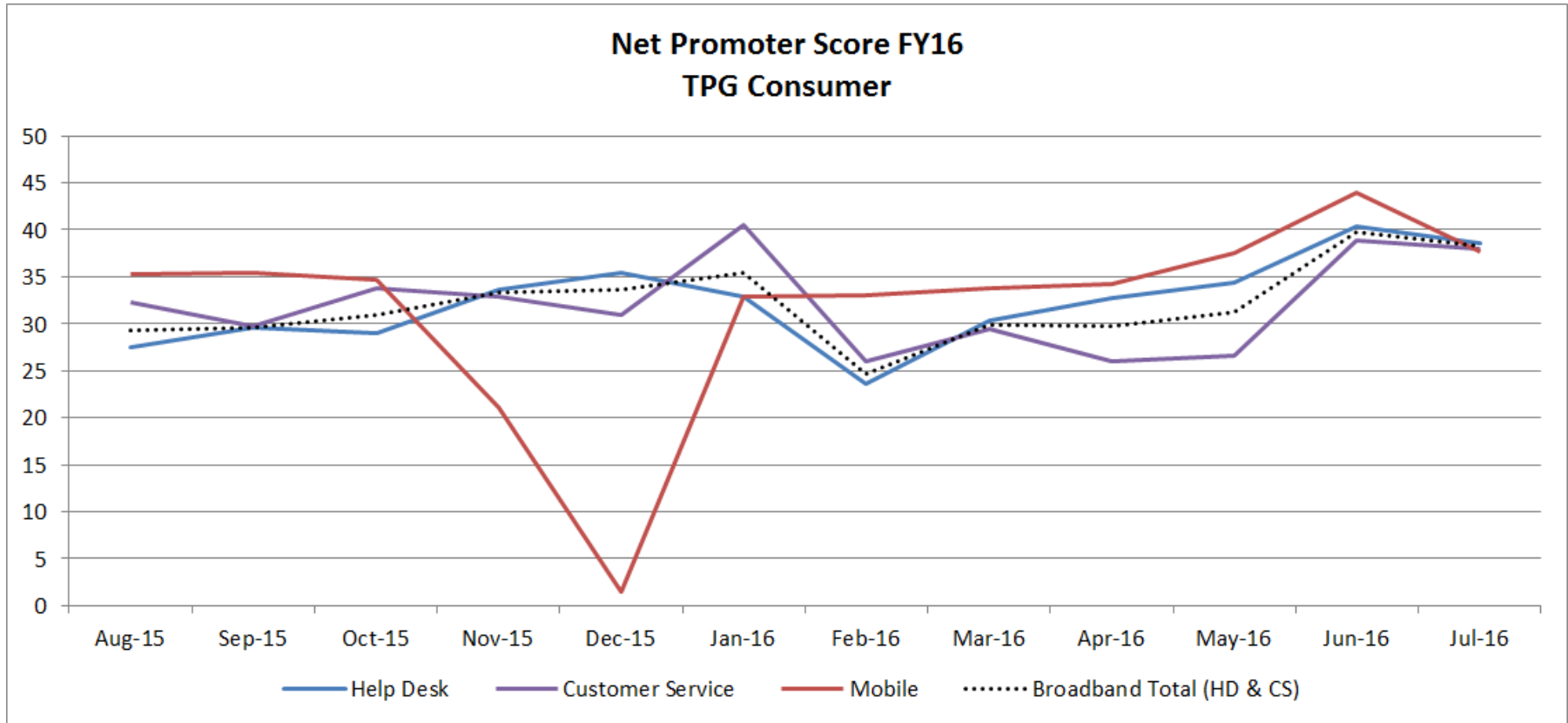
Improved overall trend post year-end. Net positive growth in Aug-16 following release of new plans

Overall churn rate 1.5%

GROUP MOBILE SUBSCRIBERS

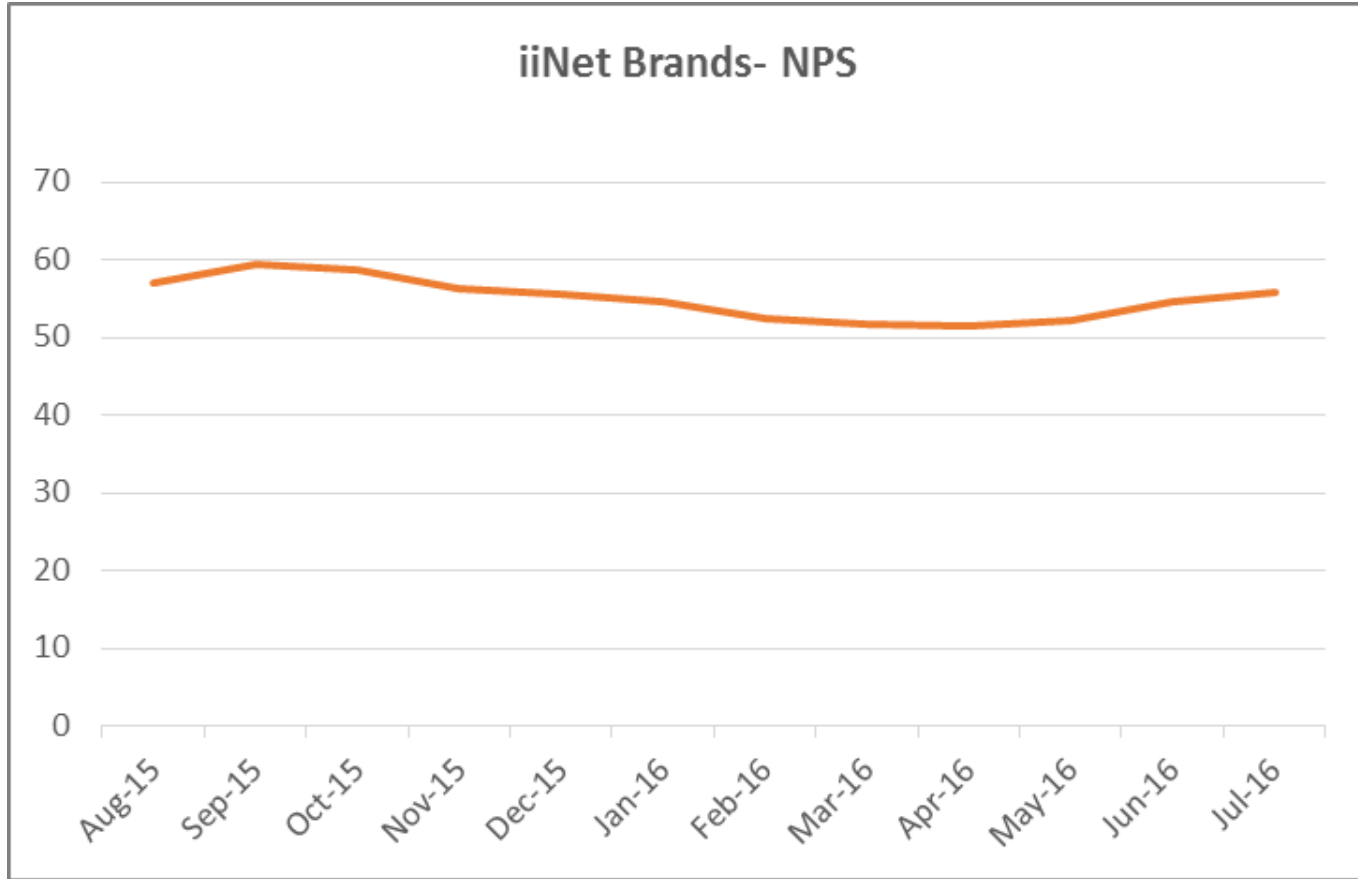


200k+ migrated to new MVNO arrangement



TPG Broadband ended the period with +38 NPS

Mobile NPS temporary drop caused by the MVNO migration exercise



Strong NPS focus continues throughout the iiNet business

7.5 cents per share final dividend

Payable	22 November 2016
Record date	18 October 2016

Total FY16 dividends = 14.5 cents per share

26% increase over prior year

- TPG Telecom Pte Ltd (Singapore) lodged Expression of Interest to bid for up to 75Mhz of spectrum.
- If successful, we will quickly move to establishing a substantial Singapore operation with strong local management and mobile expertise.
- The Singapore business will be funded from existing debt facilities and cash generated from Australian operations.
- Singapore Regulator (the IDA) has established policy settings to encourage competitive investment which will benefit both consumers and Singapore's status as a Smart Nation.
- For TPG, those policy settings and the competitive environment represent an exciting long term investment opportunity outside Australia.

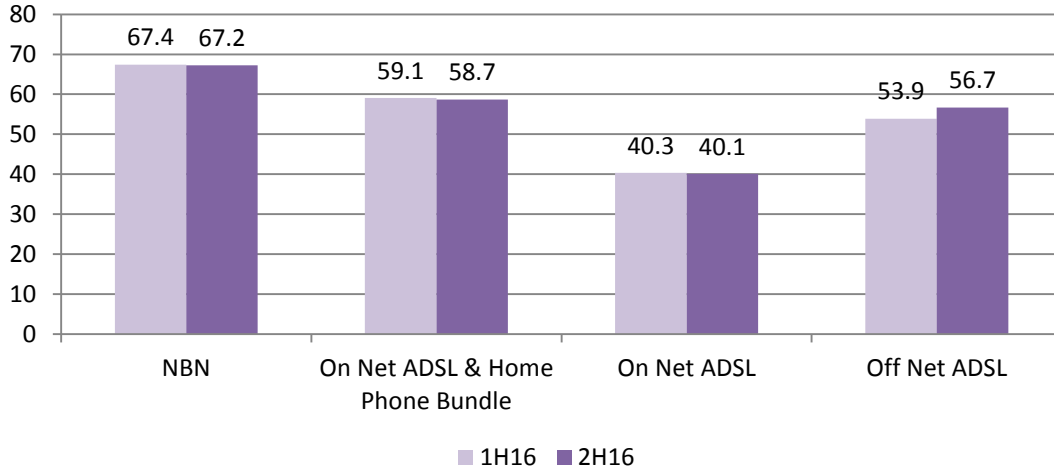
\$m	FY16 Actual	FY17 Guidance
Underlying EBITDA	775.3	820 - 830
Capital Expenditure	281.0	370 - 420

FY17 Underlying EBITDA guidance excludes any impact from potential operations in Singapore.

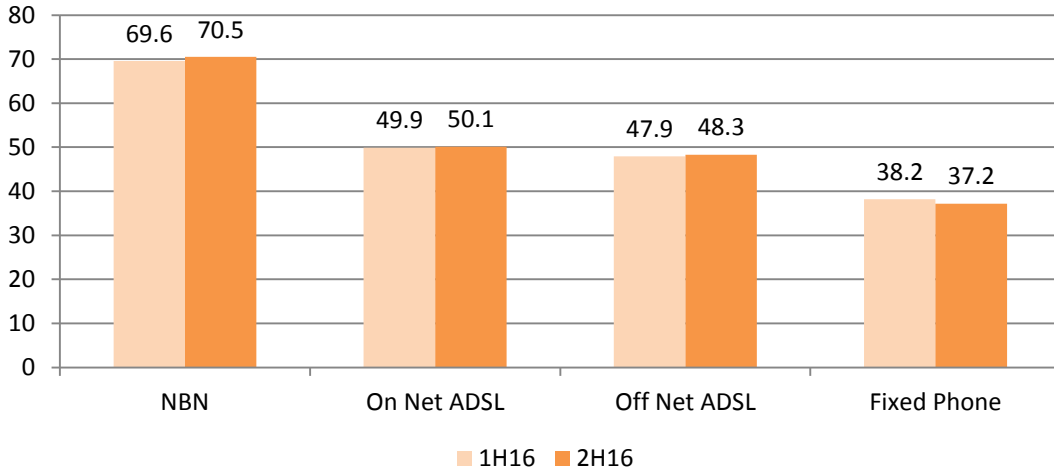
FY17 Capital Expenditure guidance includes \$72m for 1800 MHz spectrum, \$50m for committed international capacity purchases (SX & SEA-US) and substantial fibre rollout capex.

APPENDICES

TPG ARPU (\$/mth)



iiNet ARPU (\$/mth)



Notes:

ARPU for NBN and On Net ADSL include revenue from on-net home phone voice.

iiNet fixed phone ARPU represents revenue from PSTN line rental and calls (426k subscribers as at 31 July 2016).

iiNet 1H16 ARPUs have been slightly re-stated for consistent comparison.

Forecast intangible amortisation

\$m	FY16 Actual	FY17 F'cast	FY18 F'cast	FY19 F'cast	FY20 F'cast	FY21 F'cast	FY22-26 F'cast	FY27-31 F'cast
Acquired customer bases	74.5	62.4	51.0	43.5	31.7	20.8	48.6	13.1
Capacity IRUs	10.6	11.9	15.1	17.9	19.7	21.6	106.9	79.0
Other	30.0	27.2	24.0	23.6	21.6	15.1	72.3	69.6
Total	115.1	101.5	90.1	85.0	73.0	57.5	227.8	161.7

Notes:

There are no cashflows associated with the amortisation of acquired customer bases.

Cashflows associated with the amortisation of Capacity IRUs comprise (i) the IRU liability shown in the loans and borrowings note to the accounts and (ii) the IRU commitments included in the capital commitments note to the accounts.

'Other' comprises the amortisation of spectrum, subscriber acquisition costs, software and capitalised development costs. The associated committed cashflows for the purchase of spectrum are set out in the subsequent events note to the accounts.

THANK YOU

Q&A

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.