



2016
ANNUAL GENERAL MEETING PRESENTATION

7 DECEMBER 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	cps	45.3	28.2	61%	43.1	31.1	39%

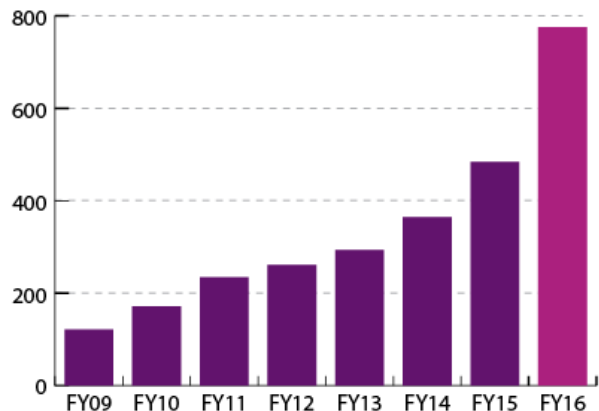
1. Refer to slide 3 for reconciliation between reported and underlying results.

	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 shares¹</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

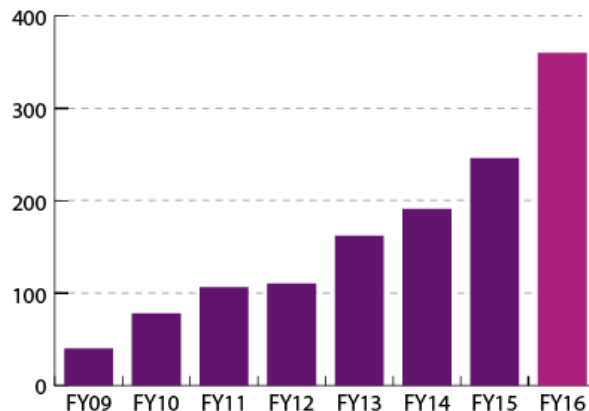
1. A further profit on sale of shares of ~\$48m (pre-tax) will be recognised in the Group's reported FY17 EBITDA following the sale of all remaining Vocus shares in August and September 2016 at an average sale price of \$8.00/share.

	\$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

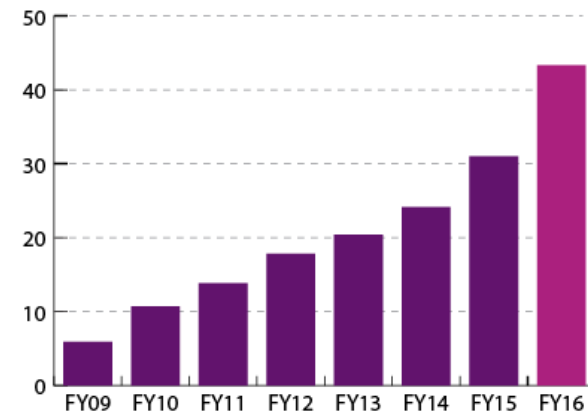
EBITDA (\$m)



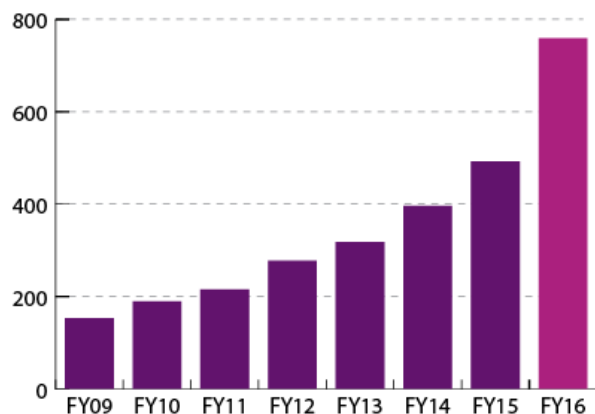
NPAT (\$m)



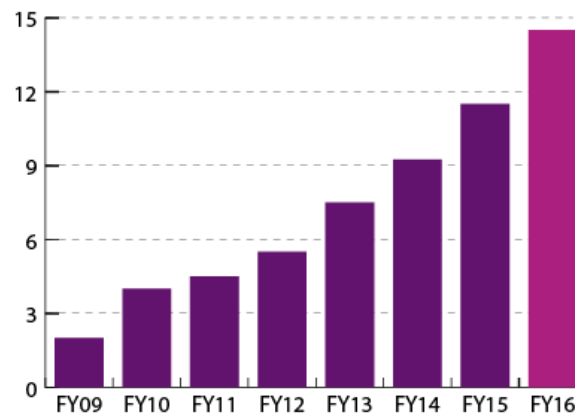
EPS (cents)



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

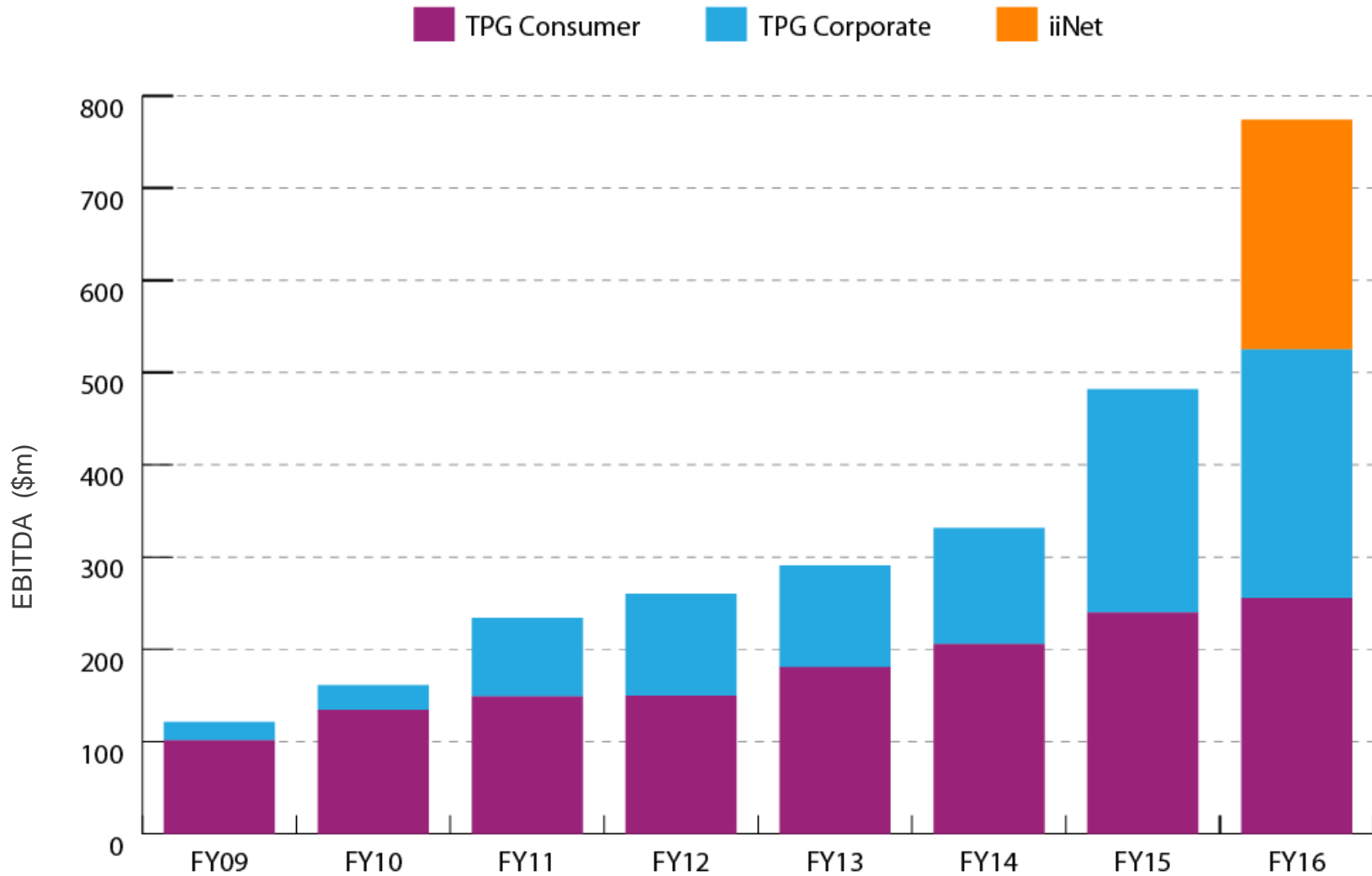


Dividends Per Share (cents)



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 (including build for Vodafone fibre contract).

\$m

	FY16	FY15
Free Cash Flow	318.0	228.1
Disposal of / (investment in) equities ¹	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)

1. The sale of shares in August and September 2016 generated a further ~\$125m of proceeds (pre-tax) which will be recognised in the Group's FY17 accounts.

	\$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 $\sim 1.8x^1$. Further reduced to $\sim 1.6x$ since FY16 results.

Amendment and extension of existing debt facility due to complete in December 2016 bringing improved pricing, terms and tenor.

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

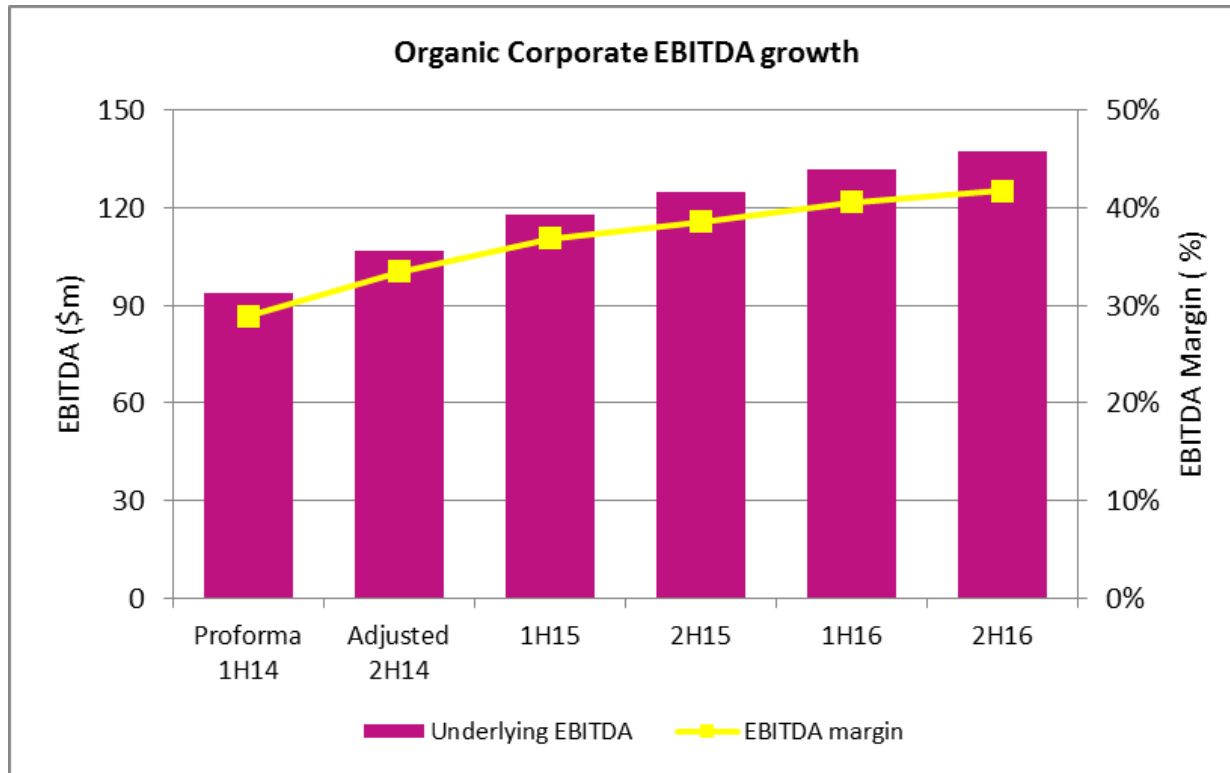
EBITDA \$m	iiNET GROUP				
	Broadband	Fixed Voice	Mobile	Other	TOTAL
FY16	191.2	31.8	2.4	23.5	248.9

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

iiNet FY15 (pre-acquisition) EBITDA margin was 18%. Increase to 24% in FY16 was due to FAD cost reductions and synergy realisation.

Efficiency gains and further synergy realisation have continued into FY17 and are expected to continue over several years.

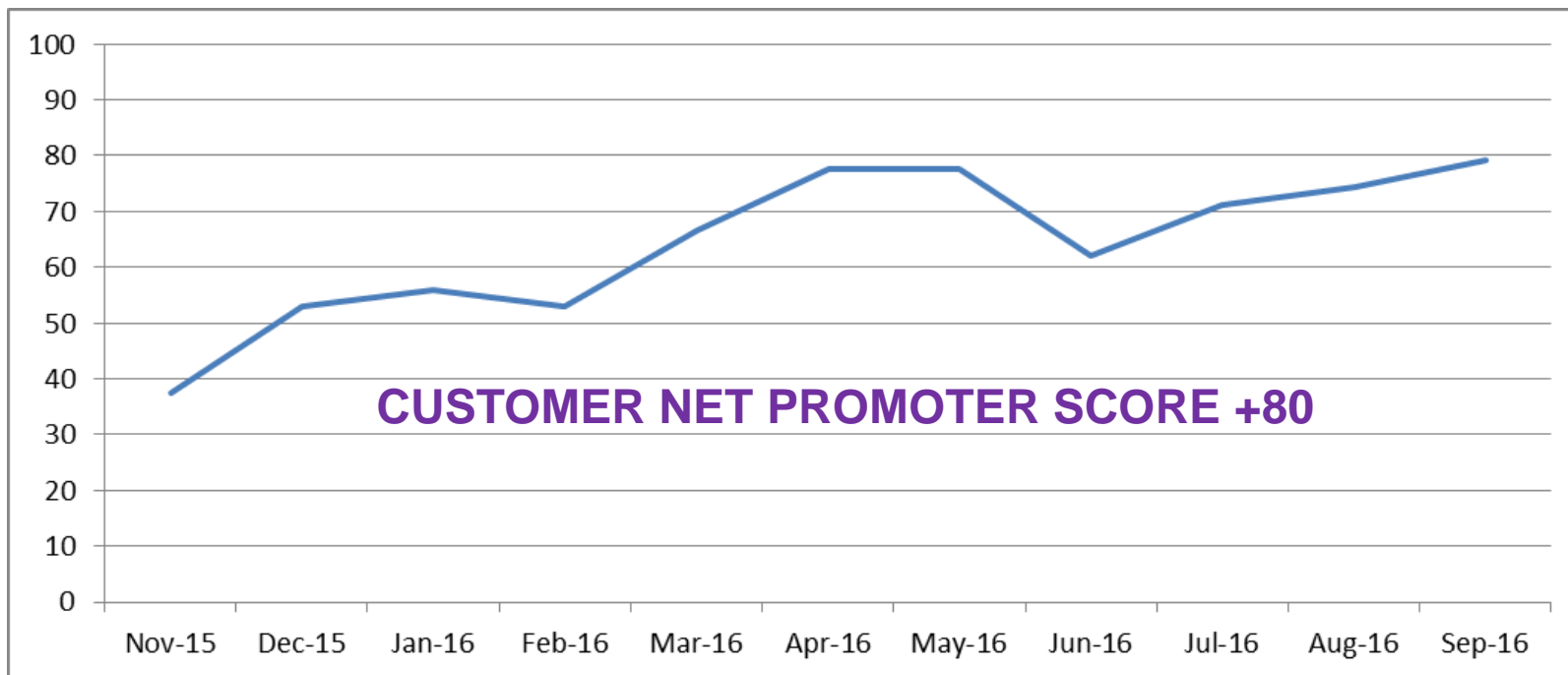
EBITDA shown in the table is the underlying EBITDA as per slide 3. Broadband includes VoIP.



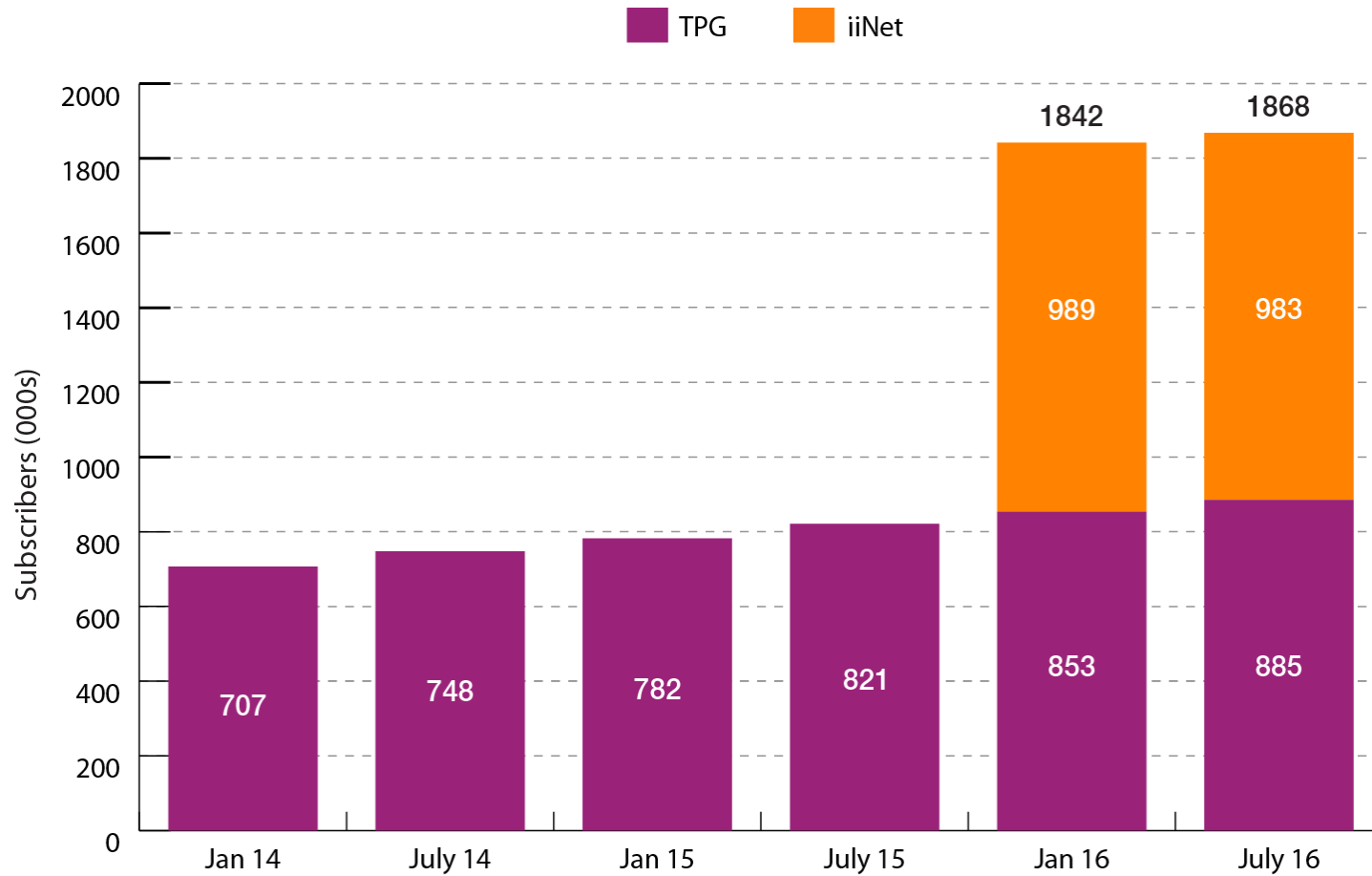
Continued organic Corporate Division EBITDA growth in FY16 driven by strong sales and continued margin expansion, and despite a \$10.1m adverse accounting impact arising from consolidating iiNet.



- Data and internet sales have continued strongly to-date in FY17.
- Prospects for ongoing growth are supported by continuing and accelerating expansion of the Group's fibre network footprint.
- Investment made in increasing corporate sales team headcount during FY17 to cover the opportunities presented by the growth in our footprint.
- With increased network, we are providing services in regions that have never previously had any alternative.



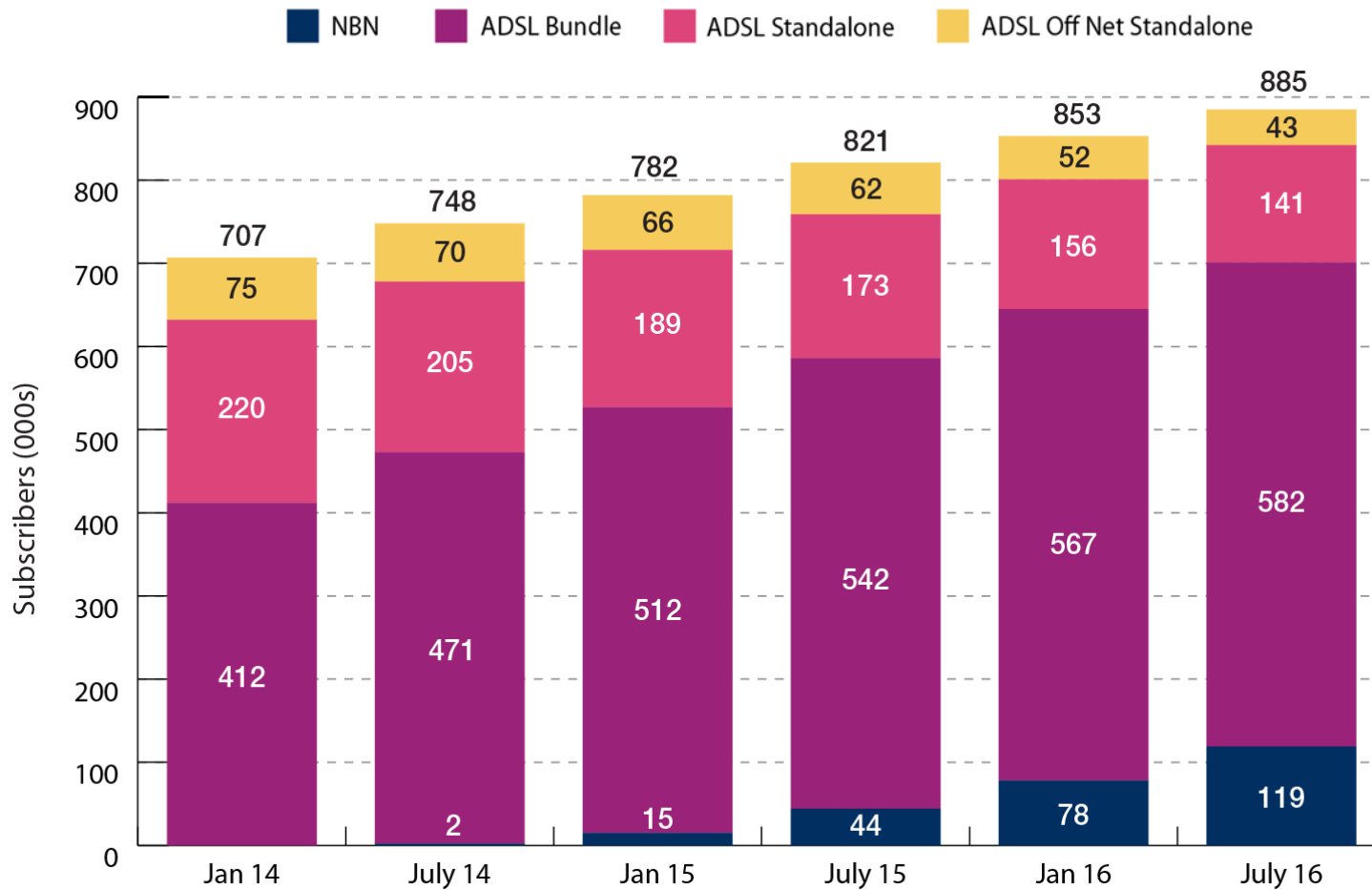
- Focus on customer service has lifted Corporate Division NPS to +80.
- Continued development of customer service systems is enabling a positive customer experience.
- Delivering high quality services on our own network provides full ownership of our customer interactions and reduces escalations.



Group broadband subscribers increased to 1.87m at end of FY16.

Net positive FY17 year-to-date growth in both TPG & iiNet.

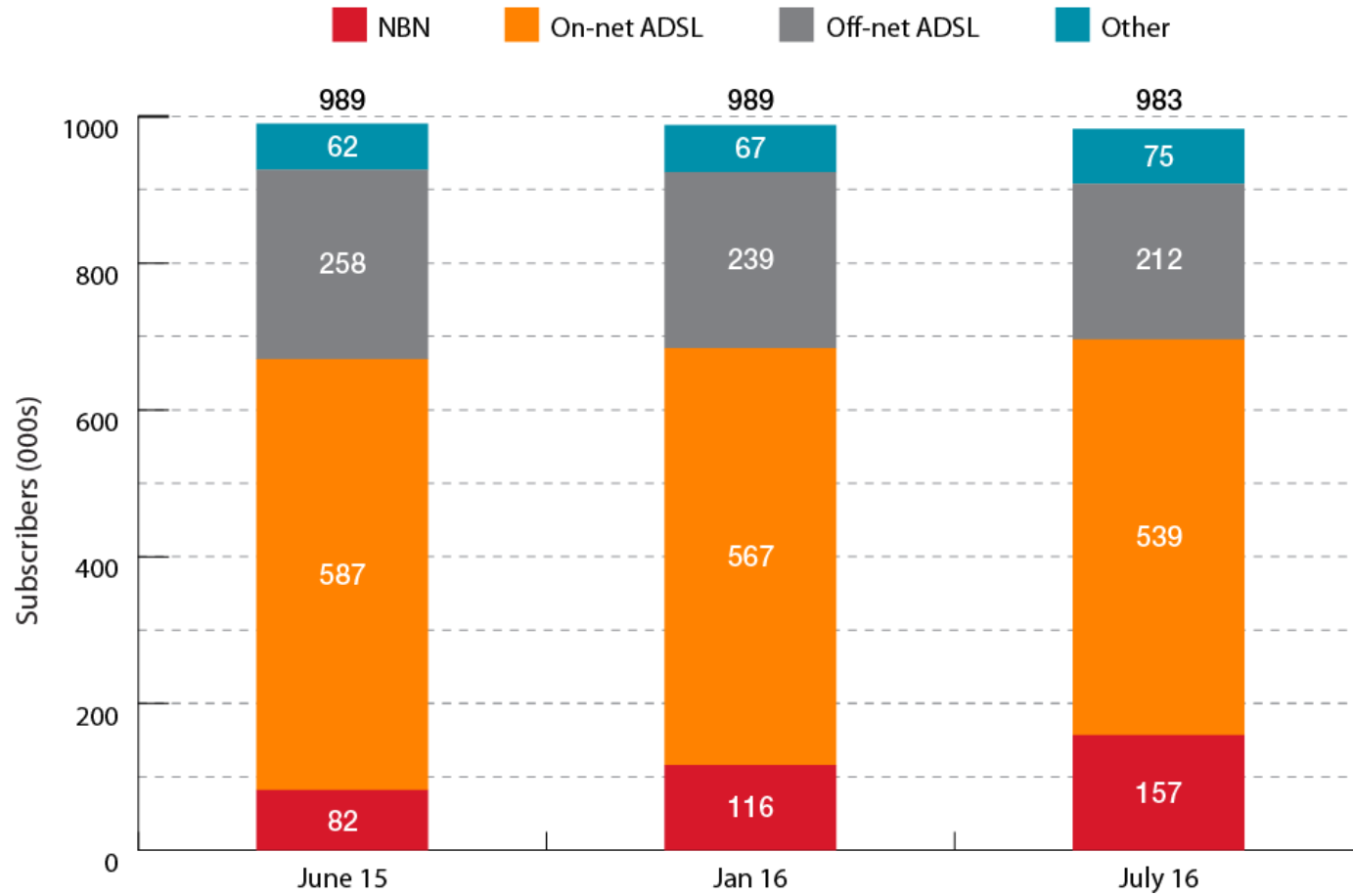
TPG CONSUMER BROADBAND SUBSCRIBERS



Overall growth of 64k in FY16.

75k NBN growth in the year.

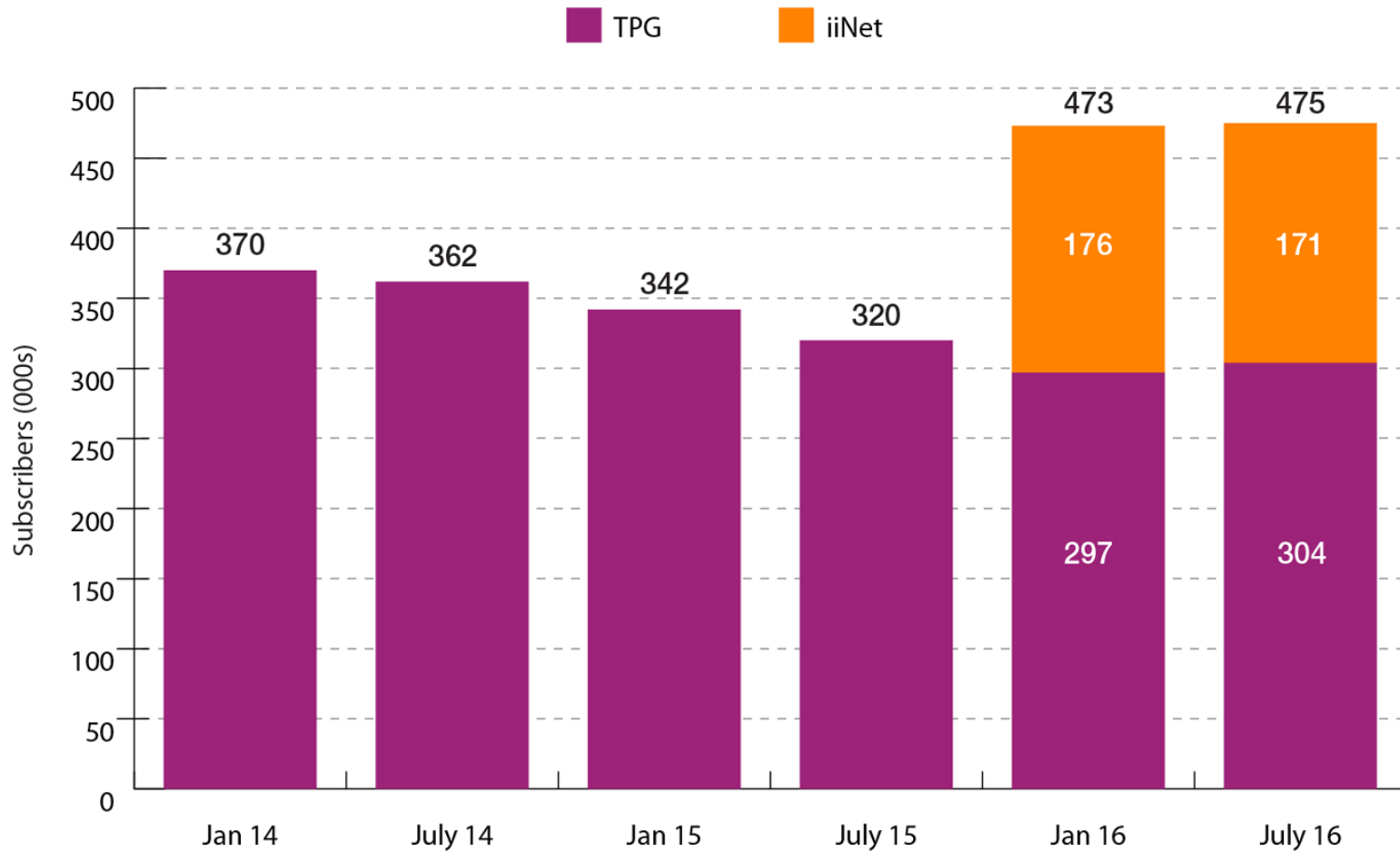
Overall churn rate 1.4%.



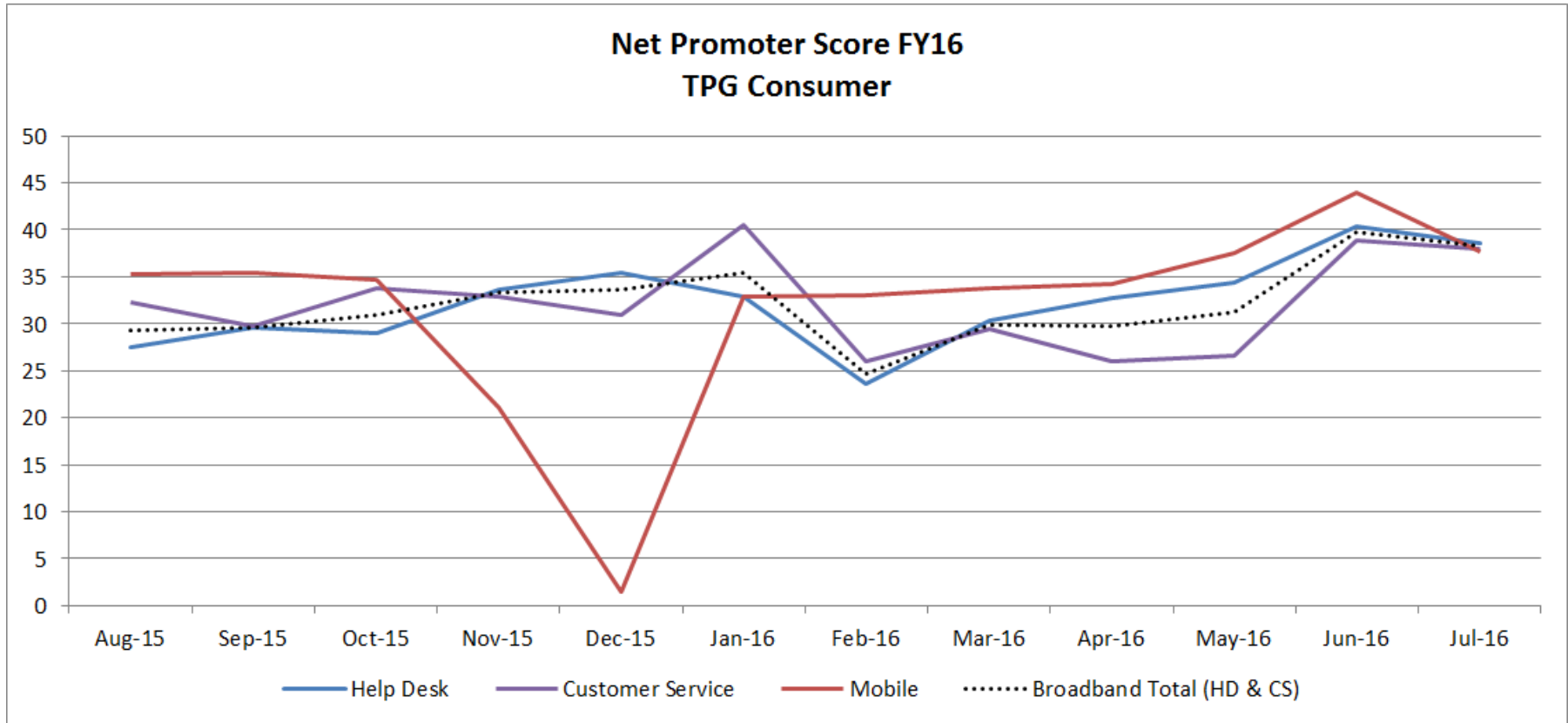
Improved overall trend post year-end following release of new plans. Net positive organic FY17 year-to-date growth.

Overall churn rate 1.5%.

GROUP MOBILE SUBSCRIBERS

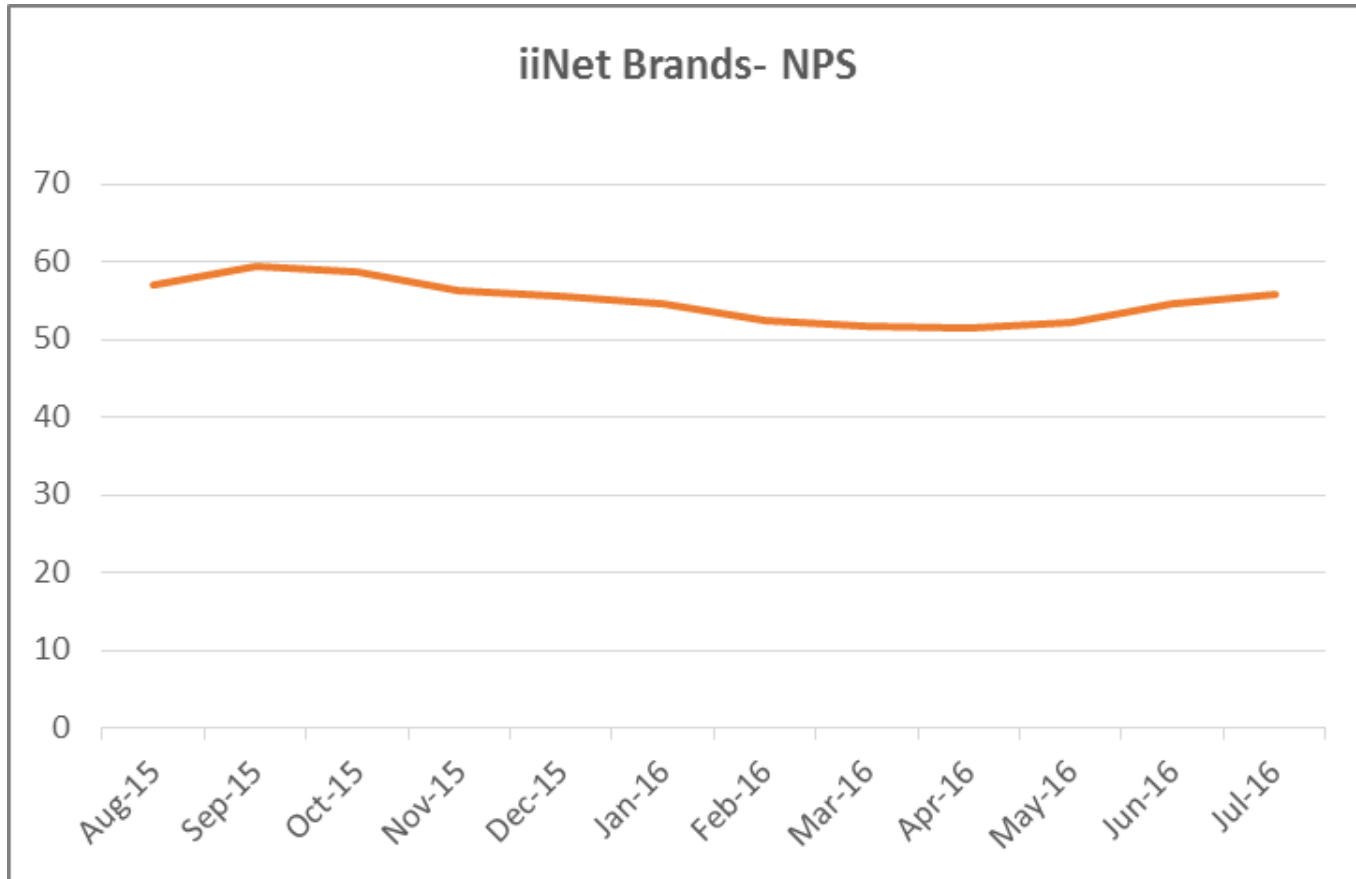


200k+ migrated to new MVNO arrangement.



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.

ADSL2+ Home Bundle

NBN READY

UNLIMITED DATA

+ HOME PHONE LINE RENTAL

\$ **59**⁹⁹ /mth

MIN CHARGE \$189.94
NO LOCK-IN CONTRACT

tpg.com.au

13 14 23

Min Charge includes \$20 Prepayment + \$99.95 Setup + \$10 Delivery (if applicable). Available in selected coverage areas. Visit website for T&Cs.



TPG continues to drive value with no lock-in contract.

Amazing home bundles also available in NBN areas.

NBN BUNDLE

NO LOCK-IN CONTRACT

UNLIMITED DATA BOOST SPEED

\$ **69**⁹⁹
/mth

MIN CHARGE \$199.94

tpg.com.au

13 31 60

Min Charge includes \$10 Delivery + \$20 Prepayment + \$99.95 Setup. Available in selected areas. Visit website for T&Cs.



Boost Speed 25/5 Mbps plan introduced.

Best NBN provider – for overall satisfaction, value for money and network performance.

FIBRE TO THE BUILDING

Wi-Fi Modem Included

UNLIMITED

From **50 to 100Mbps** Download Speed[#]



\$ **59**⁹⁹ /mth

MIN CHARGE \$189.94
No Lock-in Contract

Min charge includes \$10 Delivery + \$20 Prepayment + 99.95 Setup. [#]Actual throughput speeds may be slower and could vary due to various factors. Only available in selected buildings. Visit website for full T&Cs & to check availability at your address.

tpg.com.au

1300 403 211



TPG relaunched FTTB retail plans in Sept 16.

Simple product offer with no complexity.

iiinet

Liimitless

Broadband Data

From **\$69.99** /month

Min charge \$169.94

No lock-in contract

Min charge incl \$99.95 setup fee. Available in selected coverage areas.

Unlimited Broadband products – Liimitless.

NBN Ready - take advantage of the accelerated NBN rollout.

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

FY17 year-to-date results tracking well against guidance.

Notes:

FY17 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 (including build for Vodafone fibre contract).

- TPG Telecom Pte Ltd (Singapore) has been pre-qualified by the Singapore regulator (the IMDA) for the New Entrant Mobile Spectrum Auction in Singapore.
- Auction expected to take place in December 2016.
- Rare opportunity that would enable TPG to establish a long-term business in Singapore bringing tremendous value to Singapore consumers whilst generating excellent long-term returns for TPG shareholders.
- The Singapore business will be funded from existing debt facilities and cash generated from Australian operations.

- ✓ Year-to-date results tracking well against FY17 guidance.
- ✓ Relunched FTTB retail.
- ✓ Positive TPG & iiNet broadband subscriber growth for the year-to-date.
- ✓ Solid performance in NBN subscriber acquisition.
- ✓ Continued realisation of synergies from ongoing iiNet integration.
- ✓ Strong Corporate Division data and internet sales.
- ✓ Expanded Corporate Division sales team.
- ✓ Continued fibre network expansion.
- ✓ Amendment and extension of existing bank debt facility expected to complete in December with improved pricing, terms and tenor.
- ✓ Pre-qualified for Singapore new entrant mobile spectrum auction.

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.