



TPG Telecom Limited  
ABN 46 093 058 069  
and its controlled entities

ASX Appendix 4E and  
Preliminary Financial Report  
for the year ended 31 July 2017

Lodged with the ASX under Listing Rule 4.3A

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TPG Telecom Limited and its controlled entities  
ASX Appendix 4E

Financial Year ended 31 July 2017

(Previous corresponding period: Year ended 31 July 2016)

**Results for announcement to the market**

**Earnings**

				\$m
Revenue	up	4%	to	2,490.7
Earnings before interest, tax, depreciation and amortisation (EBITDA)	up	5%	to	890.8
Profit for the year	up	8%	to	415.7
Net profit for the year attributable to owners of the Company	up	9%	to	413.8
Earnings per share (basic and diluted)	up	6%	to	47.9 cents

**Dividends**

	Amount per security
<b>This period:</b>	
Interim dividend for FY17	8.0 cents
Final dividend for FY17 (payable 21 November 2017)	2.0 cents
<b>Previous corresponding period:</b>	
Interim dividend for FY16	7.0 cents
Final dividend for FY16	7.5 cents

All dividends declared or paid during the current and prior years were fully franked at the rate of 30%.

The record date for determining entitlement to the FY17 final dividend will be 17 October 2017. The Company's Dividend Reinvestment Plan (DRP) has been re-implemented for this dividend. The DRP allows shareholders to elect to receive all or part of their dividend in the form of TPG Telecom shares. The issue price of the shares will be the average of the daily volume weighted average market price for the Company's shares sold on the ASX on each of the 5 consecutive trading days commencing the second trading day after the record date. For the FY17 final dividend, a 1.5% discount to the price will apply. The DRP rules are available on the Company's website at [www.tpg.com.au/about/investorrelations](http://www.tpg.com.au/about/investorrelations). The deadline for receipt of election notices from shareholders wanting to commence, cease or vary their participation in the DRP for the FY17 final dividend is 5.00pm (AEST) on 17 October 2017.

**Commentary on results**

The Company has provided a commentary on the results in its Financial Results Commentary which accompanies this report.

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Consolidated income statement

	<i>Note</i>	<b>2017</b> \$m	<b>2016</b> \$m
Revenue	<b>4</b>	2,490.7	2,387.8
Other income	<b>5</b>	48.8	92.7
Network, carrier and hardware costs		(1,203.8)	(1,163.9)
Employee benefits expense		(256.7)	(273.6)
Other expenses		(188.2)	(193.6)
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>		<b>890.8</b>	<b>849.4</b>
Depreciation of plant and equipment		(141.1)	(136.9)
Amortisation of intangibles	<b>6</b>	(103.3)	(115.1)
<b>Results from operating activities</b>		<b>646.4</b>	<b>597.4</b>
Finance income		1.4	1.3
Finance expenses		(52.3)	(84.6)
<b>Net financing costs</b>		<b>(50.9)</b>	<b>(83.3)</b>
<b>Profit before income tax</b>		<b>595.5</b>	<b>514.1</b>
Income tax expense	<b>7</b>	(179.8)	(129.5)
<b>Profit for the year</b>		<b>415.7</b>	<b>384.6</b>
<b>Attributable to:</b>			
Owners of the Company		413.8	379.6
Non-controlling interest		1.9	5.0
		<b>415.7</b>	<b>384.6</b>
<b>Earnings per share:</b>			
Basic and diluted earnings per share (cents)	<b>13</b>	47.9	45.3

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Consolidated statement of comprehensive income

	2017 \$m	2016 \$m
<b>Profit for the year</b>	<b>415.7</b>	<b>384.6</b>
<b>Items that may subsequently be reclassified to profit or loss, net of tax:</b>		
Foreign exchange translation differences	(4.0)	(0.1)
Net loss on cash flow hedges taken to equity	(1.9)	(2.0)
Net change in fair value of available-for-sale financial assets	(19.6)	29.8
Available-for-sale financial assets reclassified to profit or loss	(34.3)	(62.4)
<b>Other comprehensive income, net of tax</b>	<b>(59.8)</b>	<b>(34.7)</b>
<b>Total comprehensive income for the year</b>	<b>355.9</b>	<b>349.9</b>
<b>Attributable to:</b>		
Owners of the Company	354.0	344.9
Non-controlling interest	1.9	5.0
	<b>355.9</b>	<b>349.9</b>

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Consolidated statement of financial position

	<i>Note</i>	31 July 2017 \$m	31 July 2016 \$m
<b>Assets</b>			
Cash and cash equivalents		46.3	39.2
Trade and other receivables	<b>8</b>	131.6	140.3
Inventories		6.4	12.0
Investments	<b>9</b>	-	139.1
Current tax assets		-	3.8
Derivative financial instruments		1.3	5.4
Prepayments and other assets		25.6	18.8
<b>Total Current Assets</b>		<b>211.2</b>	<b>358.6</b>
Investments	<b>9</b>	2.9	16.3
Derivative financial instruments		-	6.4
Property, plant and equipment		1,055.5	895.1
Intangible assets	<b>6</b>	2,632.5	2,485.2
Prepayments and other assets		8.9	9.4
<b>Total Non-Current Assets</b>		<b>3,699.8</b>	<b>3,412.4</b>
<b>Total Assets</b>		<b>3,911.0</b>	<b>3,771.0</b>
<b>Liabilities</b>			
Trade and other payables		289.4	298.0
Loans and borrowings	<b>10</b>	32.5	27.1
Current tax liabilities		54.4	-
Employee benefits		28.2	28.1
Provisions		11.7	16.6
Accrued interest		1.4	1.6
Deferred income and other liabilities		150.0	142.5
<b>Total Current Liabilities</b>		<b>567.6</b>	<b>513.9</b>
Loans and borrowings	<b>10</b>	872.4	1,350.4
Deferred tax liabilities		10.1	62.7
Employee benefits		2.4	2.4
Provisions		33.6	36.0
Derivative financial instruments		1.2	-
Deferred income and other liabilities		24.4	26.4
<b>Total Non-Current Liabilities</b>		<b>944.1</b>	<b>1,477.9</b>
<b>Total Liabilities</b>		<b>1,511.7</b>	<b>1,991.8</b>
<b>Net Assets</b>		<b>2,399.3</b>	<b>1,779.2</b>
<b>Equity</b>			
Share capital	<b>11</b>	1,449.4	1,051.9
Reserves		(18.1)	41.2
Retained earnings		963.3	681.0
<b>Equity attributable to owners of the Company</b>		<b>2,394.6</b>	<b>1,774.1</b>
Non-controlling interest		4.7	5.1
<b>Total Equity</b>		<b>2,399.3</b>	<b>1,779.2</b>

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Consolidated statement of changes in equity

Note	Attributable to owners of the Company									
	Share Capital	Foreign currency translation reserve	Share based payments reserve	Fair value reserve	Cash flow hedge reserve	Total reserves	Retained earnings	Total	Non-controlling interest	Total equity
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Balance as at 1 August 2015</b>	516.9	0.4	(3.4)	79.5	-	76.5	409.8	1,003.2	-	1,003.2
Profit for the year	-	-	-	-	-	-	379.6	379.6	5.0	384.6
Other comprehensive income	-	(0.1)	-	(32.6)	(2.0)	(34.7)	-	(34.7)	-	(34.7)
<b>Total comprehensive income for the year</b>	-	<b>(0.1)</b>	-	<b>(32.6)</b>	<b>(2.0)</b>	<b>(34.7)</b>	<b>379.6</b>	<b>344.9</b>	<b>5.0</b>	<b>349.9</b>
Issue of shares	538.1	-	-	-	-	-	-	538.1	-	538.1
Share issue costs	(3.1)	-	-	-	-	-	-	(3.1)	-	(3.1)
Share-based payment transactions	-	-	(0.6)	-	-	(0.6)	-	(0.6)	-	(0.6)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	0.1	0.1
Dividends paid to shareholders	-	-	-	-	-	-	(108.4)	(108.4)	-	(108.4)
<b>Balance as at 31 July 2016</b>	<b>1,051.9</b>	<b>0.3</b>	<b>(4.0)</b>	<b>46.9</b>	<b>(2.0)</b>	<b>41.2</b>	<b>681.0</b>	<b>1,774.1</b>	<b>5.1</b>	<b>1,779.2</b>
<b>Balance as at 1 August 2016</b>	1,051.9	0.3	(4.0)	46.9	(2.0)	41.2	681.0	1,774.1	5.1	1,779.2
Profit for the year	-	-	-	-	-	-	413.8	413.8	1.9	415.7
Other comprehensive income	-	(4.0)	-	(53.9)	(1.9)	(59.8)	-	(59.8)	-	(59.8)
<b>Total comprehensive income for the year</b>	-	<b>(4.0)</b>	-	<b>(53.9)</b>	<b>(1.9)</b>	<b>(59.8)</b>	<b>413.8</b>	<b>354.0</b>	<b>1.9</b>	<b>355.9</b>
Issue of shares	400.3	-	-	-	-	-	-	400.3	-	400.3
Share issue costs	(2.8)	-	-	-	-	-	-	(2.8)	-	(2.8)
Share-based payment transactions	-	-	0.5	-	-	0.5	-	0.5	-	0.5
Dividends paid to shareholders	-	-	-	-	-	-	(131.5)	(131.5)	(2.3)	(133.8)
<b>Balance as at 31 July 2017</b>	<b>1,449.4</b>	<b>(3.7)</b>	<b>(3.5)</b>	<b>(7.0)</b>	<b>(3.9)</b>	<b>(18.1)</b>	<b>963.3</b>	<b>2,394.6</b>	<b>4.7</b>	<b>2,399.3</b>

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Consolidated statement of cash flows

	<i>Note</i>	<b>2017</b> \$m	<b>2016</b> \$m
<b>Cash flows from operating activities</b>			
Cash receipts from customers		2,750.4	2,625.5
Cash paid to suppliers and employees		(1,880.7)	(1,866.3)
Cash generated from operations		869.7	759.2
Income taxes paid		(147.0)	(138.8)
<b>Net cash from operating activities</b>		<b>722.7</b>	<b>620.4</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(299.9)	(246.9)
Acquisition of intangible assets		(276.4)	(34.1)
Proceeds from disposal of investments	9	124.5	60.0
Acquisition of investments	9	-	(3.0)
Acquisition of subsidiaries, net of cash acquired		-	(1,151.3)
Special dividend paid under Scheme of Arrangement		-	(106.7)
Costs incurred on acquisition of subsidiaries		(1.5)	(8.6)
Payment of contingent consideration		(3.8)	-
Dividends received	5	-	2.0
<b>Net cash used in investing activities</b>		<b>(457.1)</b>	<b>(1,488.6)</b>
<b>Cash flows from financing activities</b>			
Payment of finance lease liabilities		(27.0)	(21.4)
Proceeds from borrowings		108.0	1,789.7
Repayment of borrowings		(558.0)	(980.9)
Transaction costs related to borrowings		(3.4)	(51.0)
Issue of shares		400.3	326.9
Share issue costs		(4.0)	(4.4)
Interest received		1.3	1.0
Interest paid		(42.0)	(67.5)
Dividends paid	12	(131.5)	(108.4)
Dividends paid to non-controlling interest		(2.3)	-
<b>Net cash (used in)/from financing activities</b>		<b>(258.6)</b>	<b>884.0</b>
Net increase in cash and cash equivalents		7.0	15.8
Cash and cash equivalents at beginning of the year		39.2	23.7
Effect of exchange rate fluctuations		0.1	(0.3)
<b>Cash and cash equivalents at end of the year</b>		<b>46.3</b>	<b>39.2</b>

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Condensed notes to the consolidated financial statements

**Note 1 Basis of preparation of financial report**

This preliminary financial report for the year ended 31 July 2017 has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board and the *Corporations Act 2001*.

The preliminary financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 July 2016 and any public announcements made by TPG Telecom Limited during the reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

**Note 2 Significant accounting policies**

Accounting policies applied by the Group in this preliminary financial report are the same as those applied by the Group in its consolidated annual financial report for the year ended 31 July 2016. In the current period, there are no new or revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are effective for the current reporting period and are relevant to the Group.

**Note 3 Segment reporting**

The Group identifies its operating segments based on the internal reports that are reviewed and used by the Executive Chairman (the chief operating decision maker) in assessing performance and in determining the allocation of resources.

The Group recognises the following segments:

**Consumer**

The Consumer segment provides telecommunications and technology services to residential and small business customers.

**Corporate**

The Corporate segment provides telecommunications services to corporate, government, and wholesale customers.

Following the acquisition of iiNet on 24 August 2015, the Group reported iiNet as a separate operating segment in its FY16 Annual Report. However, following the integration of iiNet's operations during the current reporting period, iiNet's results have now been integrated within the Consumer and Corporate segments based on customer segmentation. Prior year comparatives have been restated accordingly in this note.

Results for the year for each operating segment are set out in the table on the next page. In the table, expenses in the 'Unallocated' column in the current year comprise start-up expenses in relation to the Group's Singapore operations and other corporate costs. 'Unallocated' costs in the prior year also includes professional fees incurred in relation to the acquisition of iiNet.



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**Note 3 Segment reporting (continued)**

	Note	Consumer	Corporate	Unallocated	Total results
		\$m	\$m	\$m	\$m
For the year ended 31 July 2017					
Revenue		1,747.7	743.0	-	2,490.7
Other income	5	-	-	48.8	48.8
Network, carrier and hardware costs		(916.4)	(287.4)	-	(1,203.8)
Employee benefits expense		(147.8)	(108.8)	(0.1)	(256.7)
Other expenses		(153.1)	(34.0)	(1.1)	(188.2)
<b>Results from segment activities</b>		<b>530.4</b>	<b>312.8</b>	<b>47.6</b>	<b>890.8</b>

For the year ended 31 July 2016

Revenue		1,661.2	726.6	-	2,387.8
Other income	5	-	-	92.7	92.7
Network, carrier and hardware costs		(877.5)	(286.4)	-	(1,163.9)
Employee benefits expense		(168.9)	(104.7)	-	(273.6)
Other expenses		(147.4)	(35.3)	(10.9)	(193.6)
<b>Results from segment activities</b>		<b>467.4</b>	<b>300.2</b>	<b>81.8</b>	<b>849.4</b>

Reconciliation of segment results to the Group's profit before income tax is as follows:

	2017 \$m	2016 \$m
Total segment results	890.8	849.4
Depreciation of plant and equipment	(141.1)	(136.9)
Amortisation of intangibles	(103.3)	(115.1)
<b>Results from operating activities</b>	<b>646.4</b>	<b>597.4</b>
Net financing costs	(50.9)	(83.3)
<b>Profit before income tax</b>	<b>595.5</b>	<b>514.1</b>

**Geographic Information**

All of the Group's revenues are derived from Australian based entities, except for \$27.5m (2016: \$15.3m) derived from overseas customers. A geographic analysis of the Group's non-current assets is set out below:

Country	2017 \$m	2016 \$m
Australia	3,450.5	3,288.0
Singapore	122.1	-
Other	127.2	124.4
<b>Total</b>	<b>3,699.8</b>	<b>3,412.4</b>

'Other' predominantly relates to submarine cables located in international waters.

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**Note 4 Revenue**

	<b>2017 \$m</b>	<b>2016 \$m</b>
Rendering of services	2,455.7	2,360.9
Sale of goods	35.0	26.9
	<b>2,490.7</b>	<b>2,387.8</b>

**Note 5 Other income**

	<b>2017 \$m</b>	<b>2016 \$m</b>
Gain on previously held interest in iiNet	-	73.1
Profit on sale of investments	48.8	17.6
Dividend income	-	2.0
	<b>48.8</b>	<b>92.7</b>

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**Note 6 Intangible assets**

	Non-Amortising		Amortising				Total
	Goodwill \$m	Brands \$m	Acquired customer bases \$m	Indefeasible rights of use of capacity \$m	Spectrum licences \$m	Other intangibles \$m	\$m
<b>Cost</b>							
Balance 1 August 2015	546.1	20.1	163.7	106.4	13.5	9.6	859.4
Additions	-	-	-	20.2	15.4	12.4	48.0
Acquisitions through business combinations	1,364.9	70.5	316.8	52.3	-	62.2	1,866.7
<b>Balance 31 July 2016</b>	<b>1,911.0</b>	<b>90.6</b>	<b>480.5</b>	<b>178.9</b>	<b>28.9</b>	<b>84.2</b>	<b>2,774.1</b>
Balance 1 August 2016	1,911.0	90.6	480.5	178.9	28.9	84.2	2,774.1
Additions	-	-	-	36.9	199.9	18.4	255.2
Effect of movements in exchange rates	-	-	-	-	(4.6)	-	(4.6)
<b>Balance 31 July 2017</b>	<b>1,911.0</b>	<b>90.6</b>	<b>480.5</b>	<b>215.8</b>	<b>224.2</b>	<b>102.6</b>	<b>3,024.7</b>
<b>Amortisation and Impairment</b>							
Balance 1 August 2015	-	-	134.9	33.9	0.9	4.1	173.8
Amortisation for the year	-	-	74.5	10.6	1.3	28.7	115.1
<b>Balance 31 July 2016</b>	<b>-</b>	<b>-</b>	<b>209.4</b>	<b>44.5</b>	<b>2.2</b>	<b>32.8</b>	<b>288.9</b>
Balance 1 August 2016	-	-	209.4	44.5	2.2	32.8	288.9
Amortisation for the year	-	-	62.4	11.6	3.7	25.6	103.3
<b>Balance 31 July 2017</b>	<b>-</b>	<b>-</b>	<b>271.8</b>	<b>56.1</b>	<b>5.9</b>	<b>58.4</b>	<b>392.2</b>
<b>Carrying amounts</b>							
At 31 July 2016	1,911.0	90.6	271.1	134.4	26.7	51.4	2,485.2
At 31 July 2017	<b>1,911.0</b>	<b>90.6</b>	<b>208.7</b>	<b>159.7</b>	<b>218.3</b>	<b>44.2</b>	<b>2,632.5</b>

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**Note 7 Income tax**

	2017 \$m	2016 \$m
<b>Current tax expense</b>	<b>206.0</b>	<b>135.3</b>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(24.3)	(5.7)
Adjustments in respect of prior years	(1.9)	(0.1)
	<b>(26.2)</b>	<b>(5.8)</b>
<b>Income tax expense</b>	<b>179.8</b>	<b>129.5</b>

**Numerical reconciliation between tax expense and pre-tax accounting profit**

	2017 \$m	2016 \$m
Profit before income tax	595.5	514.1
Income tax using Australian tax rate of 30%	178.7	154.2
Non-deductible and non-assessable items	0.6	(25.0)
Adjustments in respect of prior years	0.5	0.3
<b>Income tax expense</b>	<b>179.8</b>	<b>129.5</b>

**Note 8 Trade and other receivables**

	2017 \$m	2016 \$m
<b>Current</b>		
Trade receivables	142.9	141.2
Accrued income and other receivables	29.9	32.4
Less: Provision for impairment losses and credit notes	(41.2)	(33.3)
	<b>131.6</b>	<b>140.3</b>

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Condensed notes to the consolidated financial statements

**Note 9 Investments**

	<b>2017</b>	<b>2016</b>
	<b>\$m</b>	<b>\$m</b>
<b>Available-for-sale financial assets</b>		
<b>Current</b>		
Carrying amount as at 1 August	139.1	151.6
Disposals	(124.5)	(60.0)
Change in fair value	(14.6)	47.5
<b>Carrying amount as at 31 July</b>	<b>-</b>	<b>139.1</b>
<b>Non-Current</b>		
Carrying amount as at 1 August	16.3	115.6
Acquisitions	-	3.0
Deemed disposal on acquisition of iiNet	-	(97.3)
Change in fair value	(13.4)	(5.0)
<b>Carrying amount as at 31 July</b>	<b>2.9</b>	<b>16.3</b>

The Group's investments comprise available-for-sale financial assets, being ASX listed securities. They are measured at fair value and are valued at quoted market prices.

**Note 10 Loans and borrowings**

	<b>2017</b>	<b>2016</b>
	<b>\$m</b>	<b>\$m</b>
<b>Current</b>		
Indefeasible right of use (IRU) lease liabilities	32.5	26.5
Other finance lease liabilities	-	0.6
	<b>32.5</b>	<b>27.1</b>
<b>Non-Current</b>		
Gross secured bank loans	900.0	1,350.0
Less: Unamortised borrowing costs	(27.6)	(34.2)
	872.4	1,315.8
IRU lease liabilities	-	34.5
Other finance lease liabilities	-	0.1
	<b>872.4</b>	<b>1,350.4</b>

As at 31 July 2017 the Group had debt facilities of \$1,635.0m of which \$900.0m was drawn down. The outstanding loan balance as at the reporting date is shown in the statement of financial position net of unamortised borrowing costs of \$27.6m.

In December 2016, the Group entered into agreements to amend and extend these facilities, securing improved pricing and terms and extending the tenor of the facilities by one year.

**Refinancing since the year-end**

Subsequent to the year-end, in order to finance its planned mobile network builds, the Group has entered into further new agreements to increase, amend and extend its debt facilities. The facilities have been increased by \$750m to \$2,385m and the tenor of the facilities has been extended such that the maturity profile of the facilities as at September 2017 is between 3 and 7 years, with a weighted average of 4.5 years.

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**Note 11 Share capital**

	Ordinary shares		\$m	
	2017	2016	2017	2016
Balance as at 1 August	848,473,118	793,808,141	1,051.9	516.9
Ordinary shares issued during the year				
- Consideration for acquisition of iiNet	-	23,212,554	-	211.2
- Institutional share placement	-	28,846,154	-	300.0
- Share purchase plan	-	2,606,269	-	26.9
- Institutional entitlement offer	15,242,739	-	80.0	-
- Retail entitlement offer	61,003,591	-	320.3	-
Share issue costs (net of tax)	-	-	(2.8)	(3.1)
<b>Balance as at 31 July</b>	<b>924,719,448</b>	<b>848,473,118</b>	<b>1,449.4</b>	<b>1,051.9</b>

**Note 12 Dividends**

Dividends recognised in the year were as follows:

	Cents per share	Total Amount \$m	Date of payment
<b>2017</b>			
Interim 2017 ordinary	8.0	67.9	23 May 2017
Final 2016 ordinary	7.5	63.6	22 Nov 2016
<b>Total amount</b>		<b>131.5</b>	
<b>2016</b>			
Interim 2016 ordinary	7.0	59.4	24 May 2016
Final 2015 ordinary	6.0	49.0	17 Nov 2015
<b>Total amount</b>		<b>108.4</b>	

All dividends declared or paid during the year were fully franked at the tax rate of 30%.

The directors have declared a fully franked final FY17 dividend of 2.0 cents per share. As the final dividend was not declared or resolved to be paid by the Board of directors as at 31 July 2017, the dividend has not been provided for in the consolidated statement of financial position. The dividend has a record date of 17 October 2017 and will be paid on 21 November 2017. The Company's Dividend Reinvestment Plan (DRP) has been re-implemented for this dividend. The DRP allows shareholders to elect to receive all or part of their dividend in the form of TPG Telecom shares. The issue price of the shares will be the average of the daily volume weighted average market price for the Company's shares sold on the ASX on each of the 5 consecutive trading days commencing the second trading day after the record date. For the FY17 final dividend, a 1.5% discount to the price will apply.

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**Note 13 Earnings per share**

	<b>2017 Cents</b>	<b>2016 Cents</b>
Basic and diluted earnings per share	47.9	45.3
	<b>2017 \$m</b>	<b>2016 \$m</b>
Profit attributable to owners of the Company used in calculating basic and diluted earnings per share	413.8	379.6
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	864,306,858	838,078,074

**Note 14 Net tangible assets**

	<b>2017 Cents</b>	<b>2016 Cents</b>
Net tangible asset backing per ordinary share	(27.0)	(84.2)

Net tangible assets are calculated by deducting the value of intangible assets from the net assets of the Group. It should be noted that valuable assets owned by the Group such as mobile spectrum licences and IRUs for bandwidth capacity are classified as intangible assets and are therefore excluded from the Group's net tangible assets.

**Note 15 Capital commitments**

	<b>2017 \$m</b>	<b>2016 \$m</b>
Contracted but not provided for in the financial statements	1,482.9	343.7

Capital commitments at 31 July 2017 are comprised mainly of commitments in respect of:

- IRU agreements for international capacity (US\$81.3m\*);
- spectrum licences purchased in FY17, payable in the following instalments: January 2018 (\$595m), January 2019 (\$352m) and January 2020 (\$352m); and
- domestic fibre construction projects.

\*Translated into AUD at the prevailing spot rate at 31 July 2017 of \$0.80.

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**Note 16 Subsequent events**

Subsequent to the year-end, the Group has entered into revised debt financing agreements (refer note 10).

Other than this, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

**Note 17 Unaudited financial information**

The information contained in this preliminary financial report is based on accounts which are in the process of being audited.