



2017

HALF YEAR RESULTS *PRESENTATION*

21 MARCH 2017



		Reported			Underlying ¹		
		1H17	1H16	Growth	1H17	1H16	Growth
Revenue	\$m	1,241.8	1,153.0	8%	1,234.8	1,153.0	7%
EBITDA	\$m	473.4	437.3	8%	417.6	368.8	13%
NPAT	\$m	224.0	202.5	11%	207.5	162.3	28%
EPS	cps	26.4	24.5	8%	24.5	19.6	25%

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

	1H17		1H16	
\$m	EBITDA	NPAT	EBITDA	NPAT
Reported	473.4	224.0	437.3	202.5
<i>Less: Profit on sale of equity investments</i>	(48.8)	(35.3)	(9.7)	(6.8)
<i>Less: Gain on previously held interest in iiNet</i>	-	-	(73.1)	(73.1)
<i>Less: One-off Consumer Division revenue</i>	(7.0)	(4.9)	-	-
<i>Add: One-off iiNet acquisition transaction costs</i>	-	-	10.3	10.3
<i>Add: Non-recurring iiNet re-organisation costs</i>	-	-	4.0	2.8
<i>Add: Acquired customer base intangible amortisation</i>	-	23.7	-	26.6
Underlying	417.6	207.5	368.8	162.3

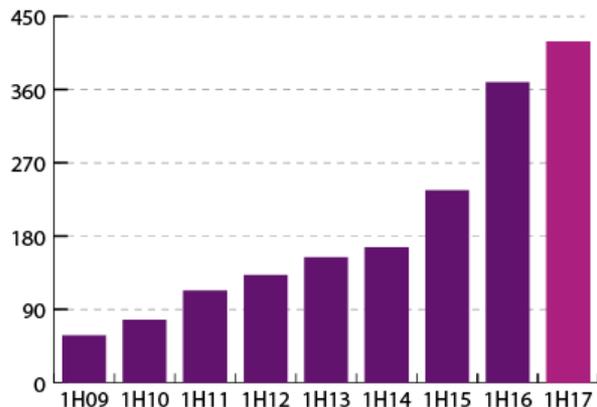
	\$m
1H16 Group underlying EBITDA	368.8
TPG Consumer Division EBITDA growth	9.6
TPG Corporate Division EBITDA growth	9.2
iiNet EBITDA growth arising from:	
- additional 3 weeks contribution ¹ in 1H17 vs 1H16	15.9
- organic growth	14.7
Other (principally decrease in dividend income resulting from disposal of investments)	(0.6)
1H17 Group underlying EBITDA	417.6

1. Based on a simple extrapolation of 1H16 underlying EBITDA.

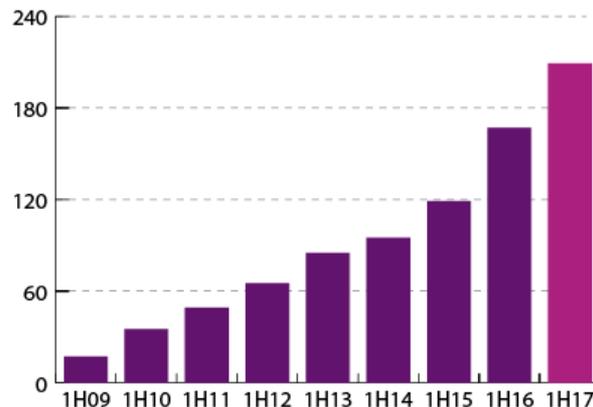
HISTORICAL GROWTH TRACK RECORD



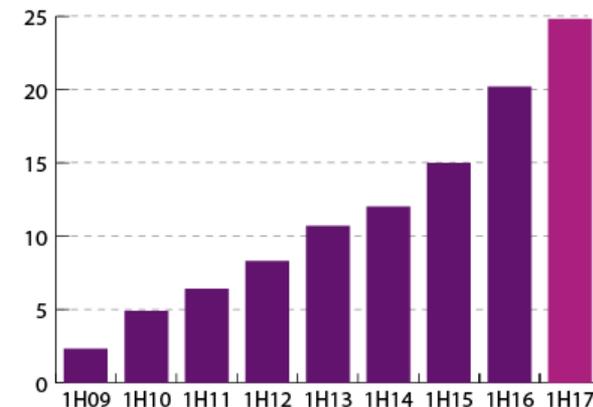
EBITDA (\$m)



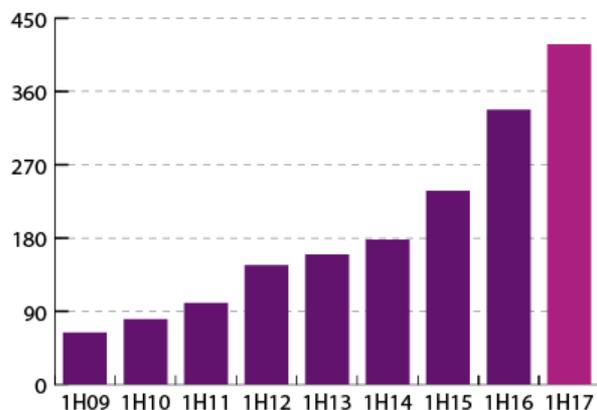
NPAT (\$m)



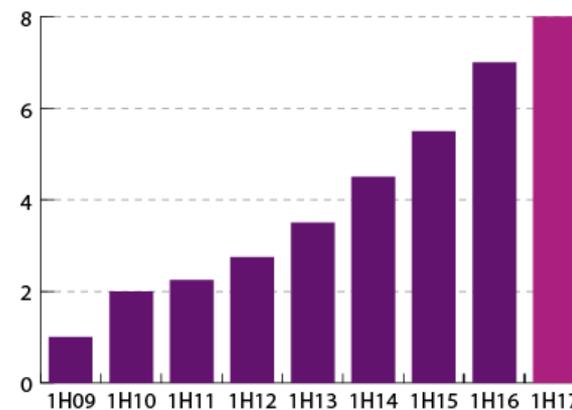
EPS (cents)



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

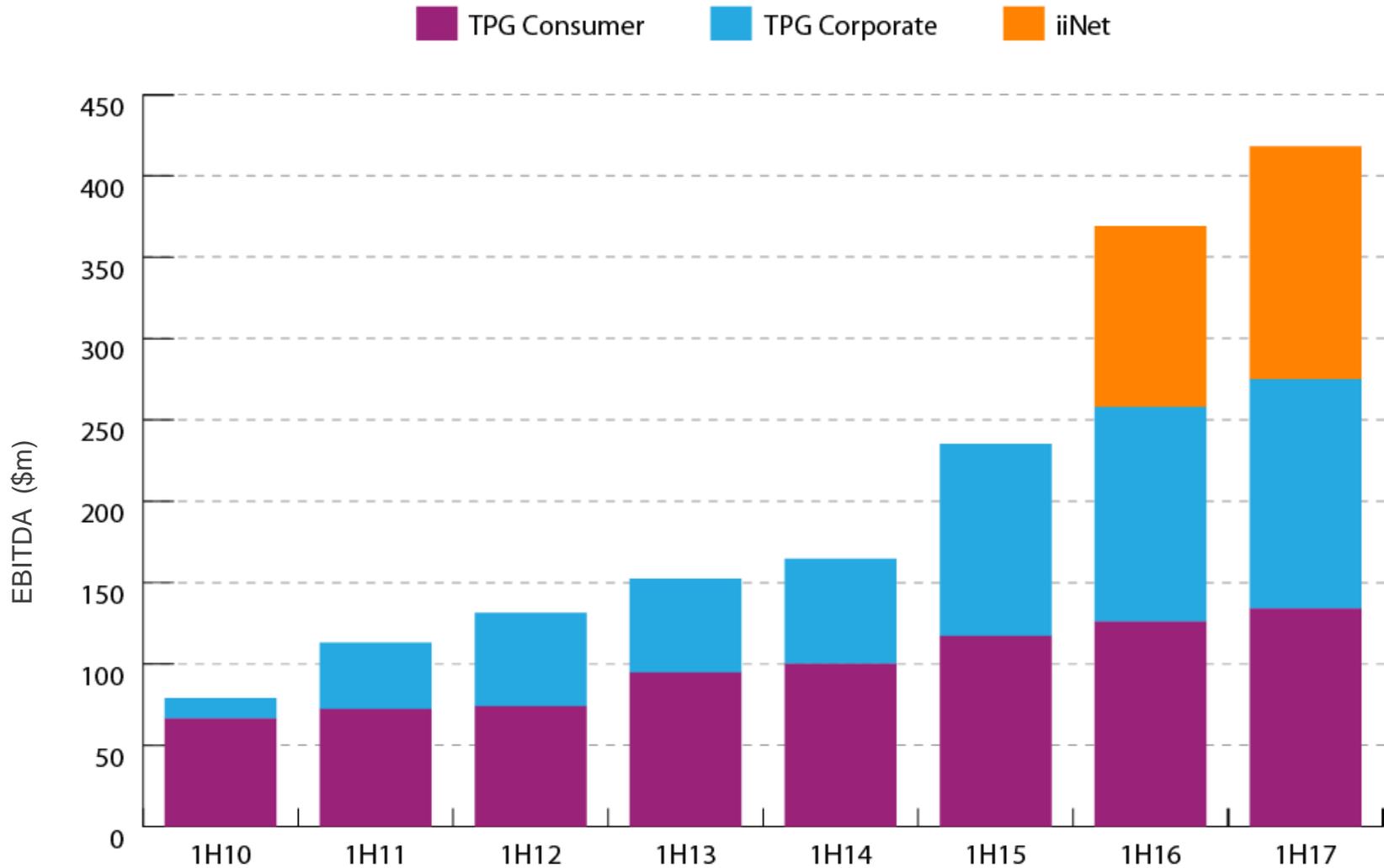


Interim Dividend Per Share (cents)



In the above charts: 1H16 & 1H17 EBITDA reflect the underlying EBITDA shown on slide 3. For all other periods EBITDA is as reported. 1H16 & 1H17 NPAT reflect the underlying NPAT 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 1H16 & 1H17 EBITDA reflect the underlying EBITDA shown on slide 3. For all other periods EBITDA is as reported.

\$m

	1H17	1H16
Operating Cash Flow	434.8	339.9
Tax	(74.7)	(66.2)
Capex – Singapore	(108.0)	-
– Australia	(222.2)	(133.4)
IRU payments	(13.5)	(9.4)
Free Cash Flow	16.4	130.9

Increase in capital expenditure driven by:

- fibre expansion (including build for Vodafone fibre contract); and
- international capacity acquisition.

	\$m	
	1H17	1H16
Free Cash Flow	16.4	130.9
Disposal of equity investments	124.5	45.7
iiNet acquisition (inc transaction costs)	(5.3)	(1,317.6)
Net proceeds from capital raise	-	322.5
Net (repayment) / drawdown of debt	(37.0)	918.8
Debt facility amendment & extension costs	(3.4)	-
Interest payments	(23.9)	(36.5)
Dividend payments	(63.6)	(49.0)
Other	(2.2)	0.3
Increase in cash balance	5.5	15.1

	\$m
Group debt balance at 31 July 2016	1,350.0
Net repayments made during 1H17	(37.0)
Group debt balance as at 31 January 2017	1,313.0

Net debt to EBITDA leverage ratio has reduced to $\sim 1.6x^1$ as at 31 January 2017.

In December 2016 the Group completed an amendment and extension of its bank debt facility bringing improved pricing, terms and tenor.

1. Based on annualised 1H17 underlying EBITDA and including IRU debt within net debt.

REVENUE	TPG Consumer			TPG/AAPT Corporate	iiNet	Other	TOTAL
	\$m	Broadband	Mobile/Other				
1H16	295.0	35.9	330.9	325.2	496.9	-	1,153.0
1H17	321.4	34.6	356.0	337.5	541.3	-	1,234.8

EBITDA	TPG Consumer			TPG/AAPT Corporate	iiNet	Other	TOTAL
	\$m	Broadband	Mobile/Other				
1H16	118.6	7.0	125.6	131.9	111.1	0.1	368.8
1H17	127.8	7.4	135.2	141.1	141.7	(0.4)	417.6

EBITDA %	TPG Consumer			TPG/AAPT Corporate	iiNet	Other	TOTAL
		Broadband	Mobile/Other				
1H16	40%	19%	38%	41%	22%	-	32%
1H17	40%	21%	38%	42%	26%	-	34%

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

REVENUE \$m	iiNET GROUP				
	Broadband	Fixed Voice	Mobile	Other	TOTAL
1H16	326.8	101.4	27.0	41.7	496.9
1H17	384.3	91.1	26.8	39.1	541.3

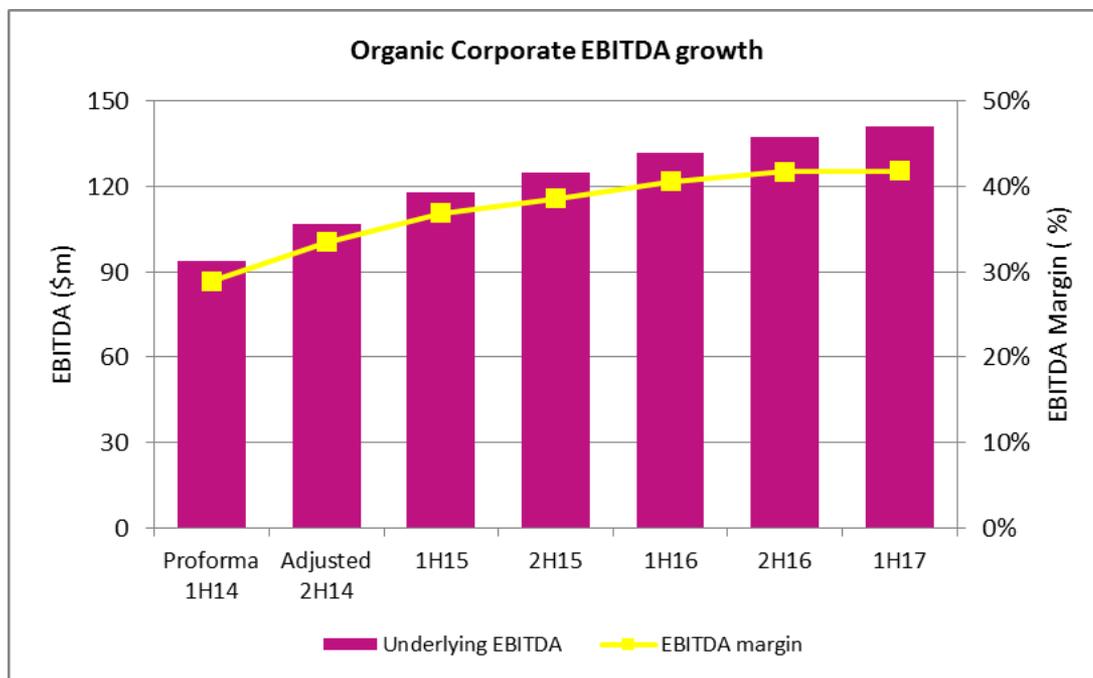
EBITDA \$m	iiNET GROUP				
	Broadband	Fixed Voice	Mobile	Other	TOTAL
1H16	85.4	15.2	0.5	9.9	111.1
1H17	112.6	15.9	3.0	10.2	141.7

EBITDA %	iiNET GROUP				
	Broadband	Fixed Voice	Mobile	Other	TOTAL
1H16	26%	15%	2%	24%	22%
1H17	29%	17%	11%	26%	26%

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

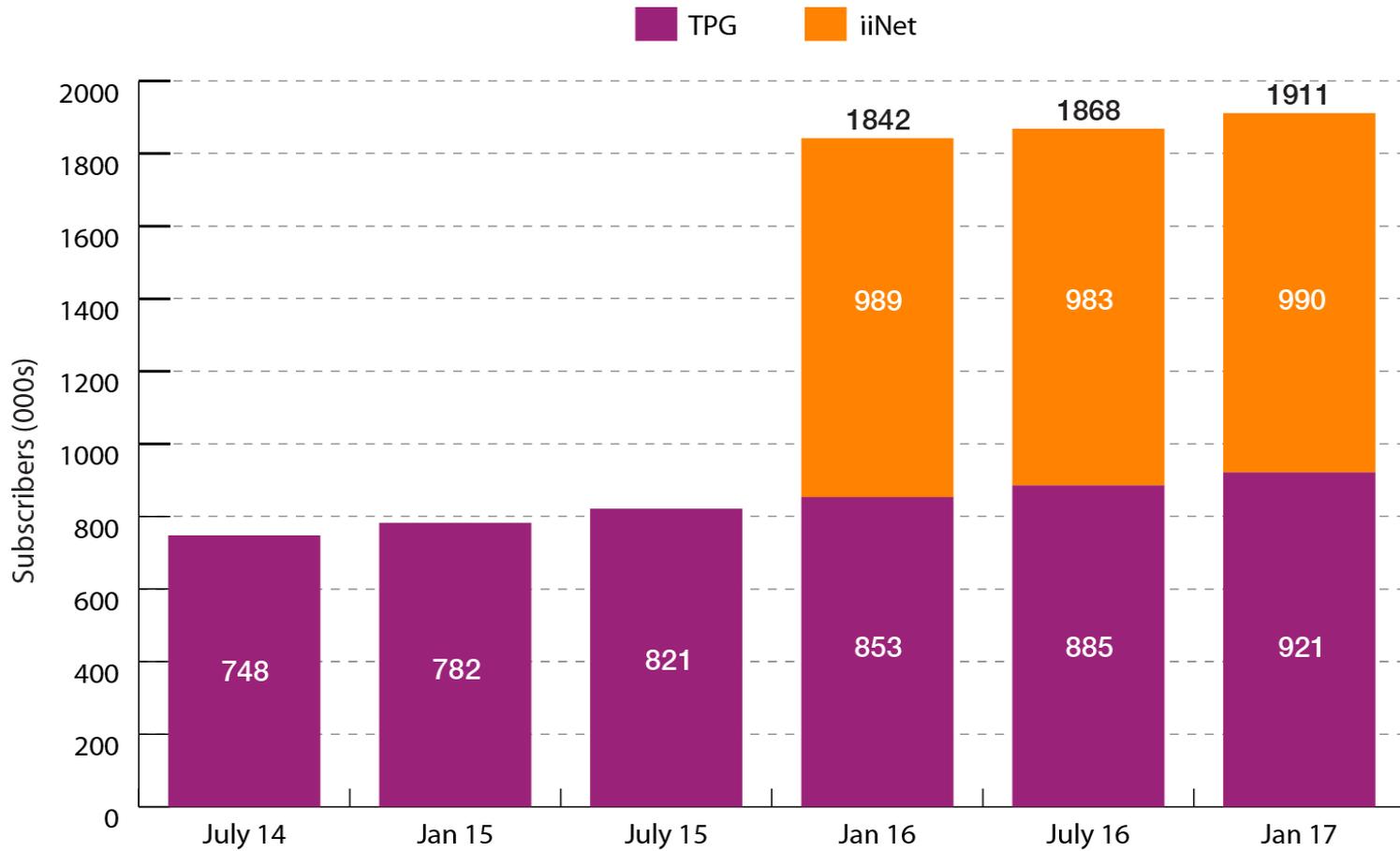
REVENUE \$m	Corporate		
	Data/Internet	Voice	Total
1H16	241.3	83.9	325.2
1H17	262.7	74.8	337.5
1H17 growth	+9%	-11%	+4%

Continued strong sales of high margin on-net data and internet services continue to drive growth.



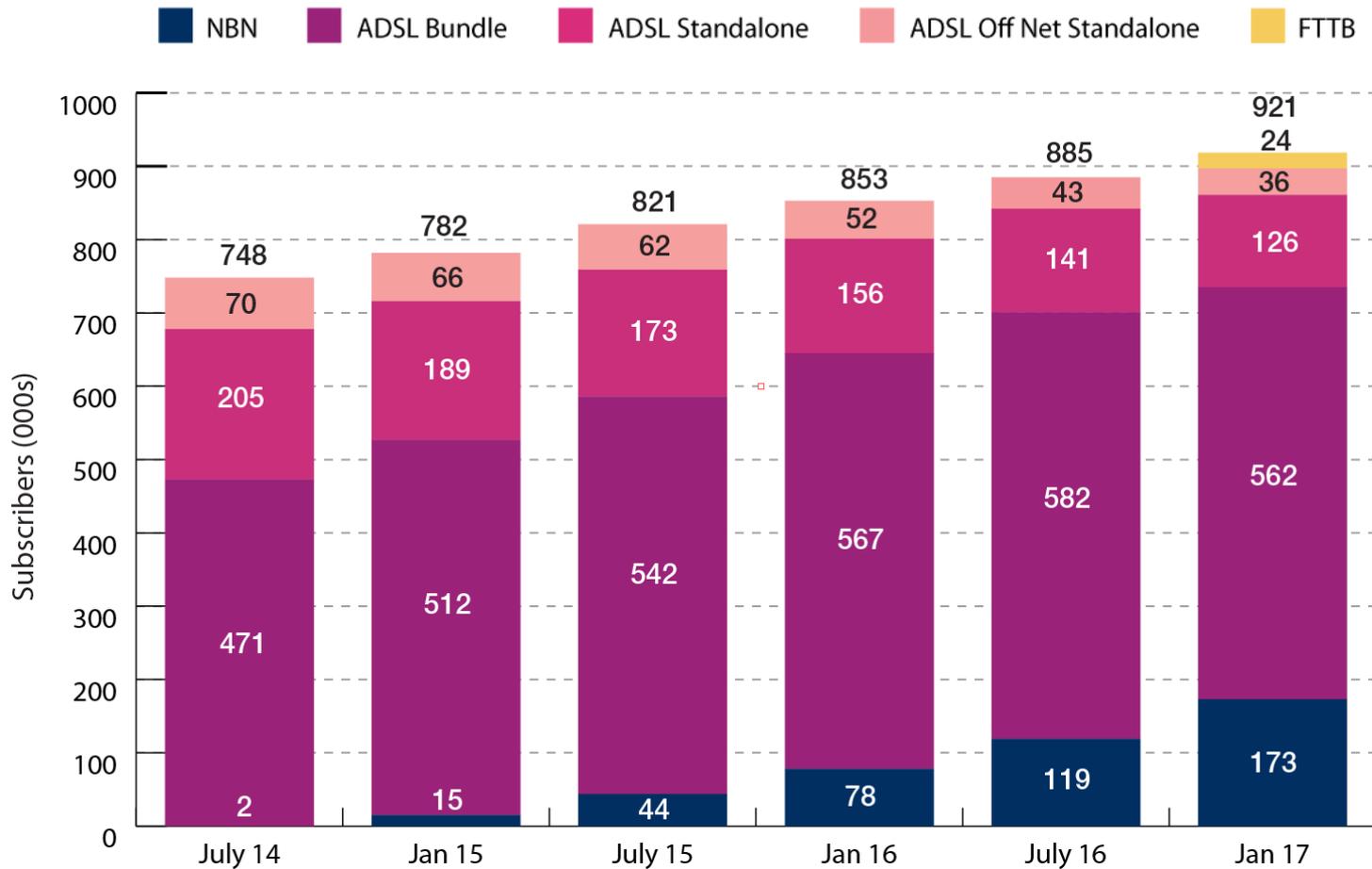
Investment made in growing sales team during 1H17 to cover opportunities presented by the expansion of the Group's fibre network footprint.

GROUP BROADBAND SUBSCRIBERS



Group broadband subscribers increased to 1.91m at end of 1H17

TPG CONSUMER BROADBAND SUBSCRIBERS

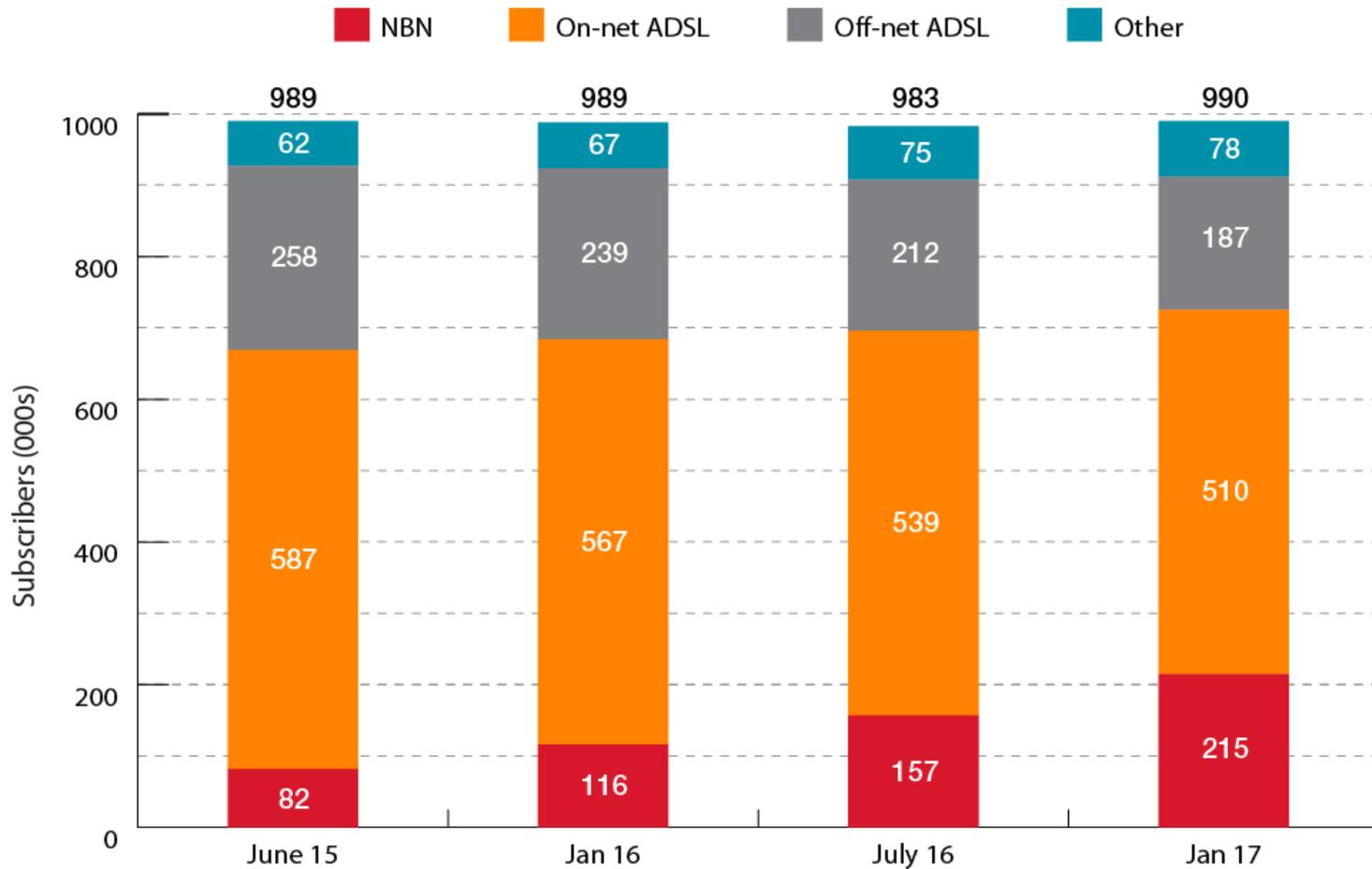


54k NBN growth in 1H17

24k FTTB subscribers as at 31 Jan 17 (includes once-off migrations)

Overall churn rate 1.4%

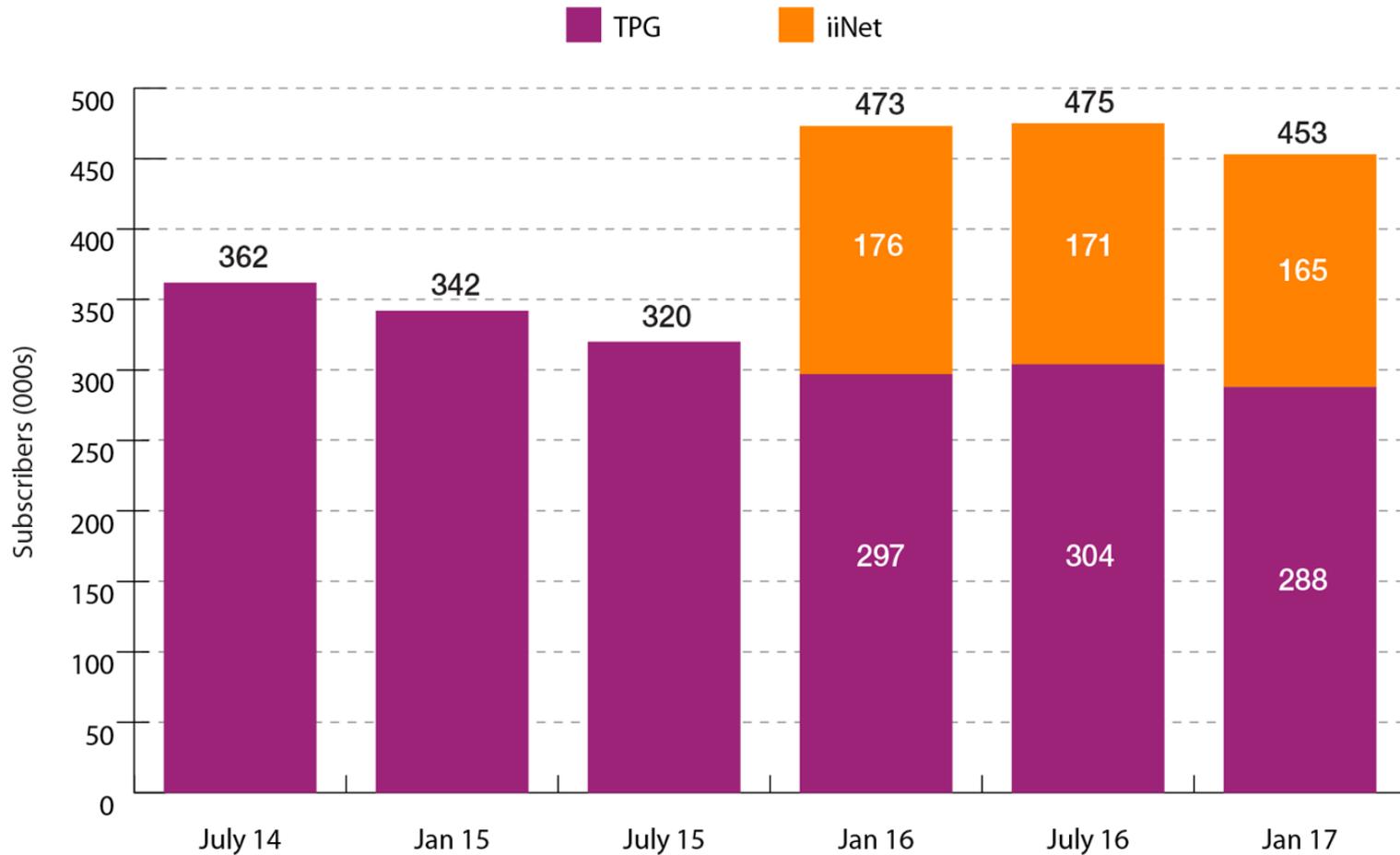
iiNET BROADBAND SUBSCRIBERS



58k NBN growth in 1H17

Overall churn rate 1.4%

GROUP MOBILE SUBSCRIBERS



Migration of TPG Mobile base complete with > 250k subscribers on Vodafone network

TPG Award Winning NBN coming soon to your area



Overall Satisfaction



Value for Money



Network Quality



PRE-ORDER NOW

tpg.com.au/nbn

1300 720 016



Ongoing investment to raise TPG profile as NBN market leader for satisfaction, value and network

Innovative NBN pre-order capability

NBN READY

iiNet

Liimitless Data
& Home Phone Bundle
+ fetch + Kids TV Pack

\$79.99 /mth
Min 24 month charge
\$2,059.70

TV not included

Disney Junior Disney Channel XD nickelodeon nick jr. CN + 4 more

Min charge includes \$79.95 broadband setup & \$59.99 Fetch TV setup on a 24 month contract. Available in selected coverage areas. iiNet will invite you to join the NBN when available. Fetch requires minimum speed of 3.3mbps. TV not included.

Other packs available:

+ Vibe pack + Variety TV pack + Knowledge TV pack

NET PROMOTER SCORE

TPG Consumer Broadband	+38.0
iiNet - All Brands	+50.5
TPG/AAPT Corporate	+77.5

NPS results represent the average for the half-year ended January 2017

TPG Consumer and iiNet impacted by seasonal and NBN volumes

Industry leading NPS within the Corporate Division

- TPG was the successful bidder in the New Entrant Spectrum Auction in December 2016.
- Spectrum acquired: 2 lots of 2x5MHz of 900MHz and 8 lots of 5MHz of 2.3GHz; total purchase price S\$105m.
- Recruitment and network planning activities progressing well.
- Anticipated network rollout capital expenditure: S\$200-300m.

8.0 cents per share interim dividend

Payable	23 May 2017
Record date	18 April 2017

14% increase on prior year interim dividend

\$m	FY17 Guidance
Underlying EBITDA	820 - 830
Australia Capital Expenditure	370 - 420
Singapore Capital Expenditure	120 - 160

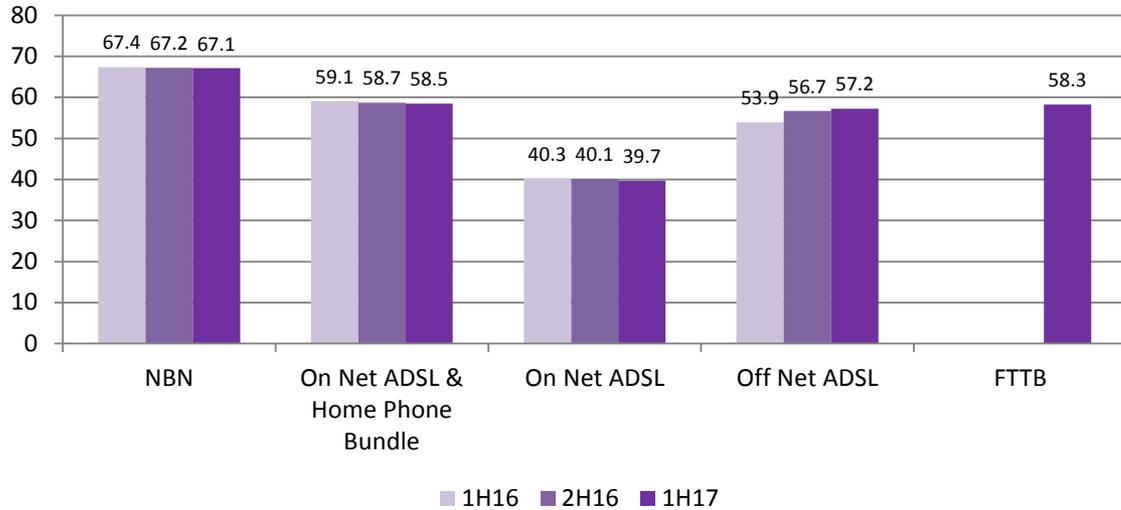
Guidance for FY17 underlying EBITDA and Australia Capital Expenditure originally provided in September 2016 now reaffirmed.

The Singapore Capital Expenditure guidance includes the acquisition of the spectrum acquired at the New Entrant Spectrum Auction in December 2016. The Australia Capital Expenditure guidance includes payment for the 1800MHz spectrum acquired at the February 2016 auction.

APPENDICES

APPENDIX 1 : BROADBAND ARPU

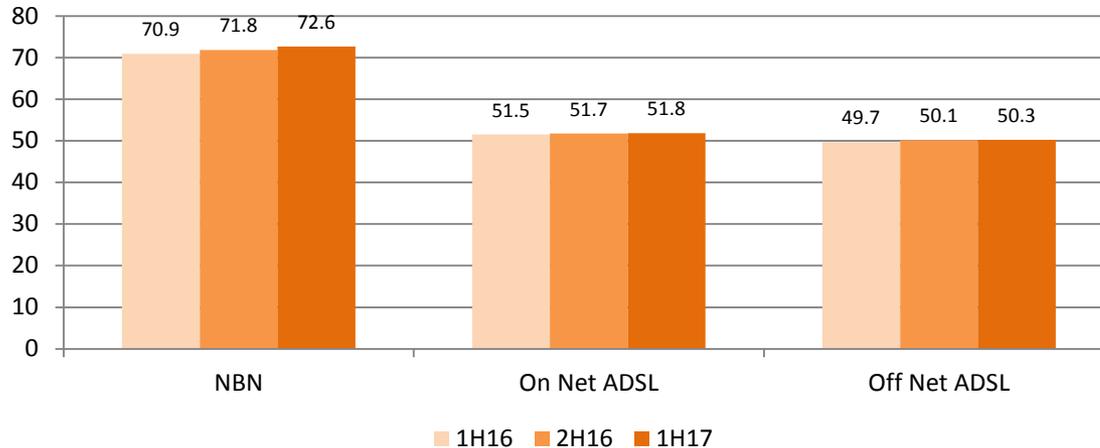
TPG ARPU (\$/mth)



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

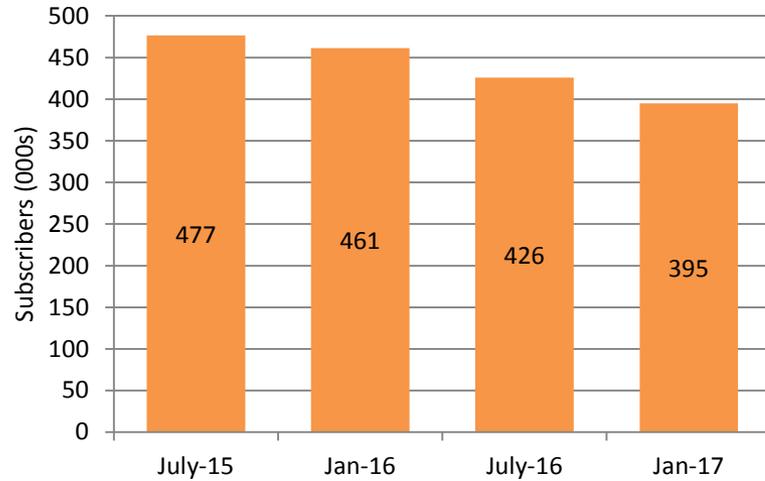
iiNet prior period figures have been slightly re-stated for improved comparison.

iiNet ARPU (\$/mth)

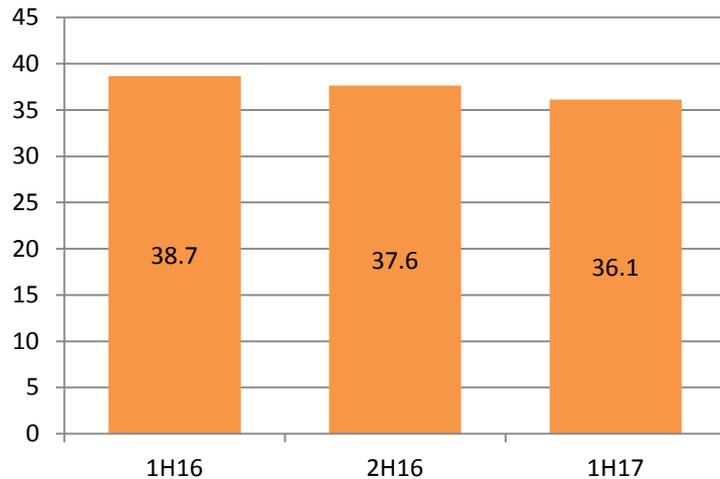


APPENDIX 2 : iiNET FIXED VOICE

iiNet Fixed Voice Subscribers



iiNet Fixed Voice ARPU (\$/mth)



iiNet fixed phone ARPU represents revenue from PSTN line rental and calls.

Prior period ARPU figures have been slightly restated for improved comparison.

APPENDIX 3 : INTANGIBLE AMORTISATION

Forecast intangible amortisation

\$m	1H17 Actual	2H17 F'cast	FY18 F'cast	FY19 F'cast	FY20 F'cast	FY21 F'cast	FY22 F'cast
Acquired customer bases	33.9	28.5	51.0	43.5	31.7	20.8	15.3
Capacity IRUs	5.8	5.7	14.1	16.8	18.7	20.7	22.2
Spectrum licences	1.0	3.1	14.9	14.9	14.9	14.9	14.9
Other	12.1	12.8	25.2	21.0	18.3	16.1	16.0
Total	52.8	50.1	105.2	96.2	83.6	72.5	68.4

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.

Spectrum licences comprise the Australian 2.5GHz and 1800MHz spectrum acquired in the 2013 and 2016 auctions respectively, plus the 900MHz and 2.3GHz spectrum acquired at the new entrant spectrum auction in Singapore in December 2016. The only remaining committed cashflow associated with these spectrum licences is the A\$72m payable in April 2017 for the 1800 MHz Australian spectrum.

'Other' comprises the amortisation of subscriber acquisition costs, software and capitalised development costs.

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.