

2018

ANNUAL GENERAL MEETING

PRESENTATION



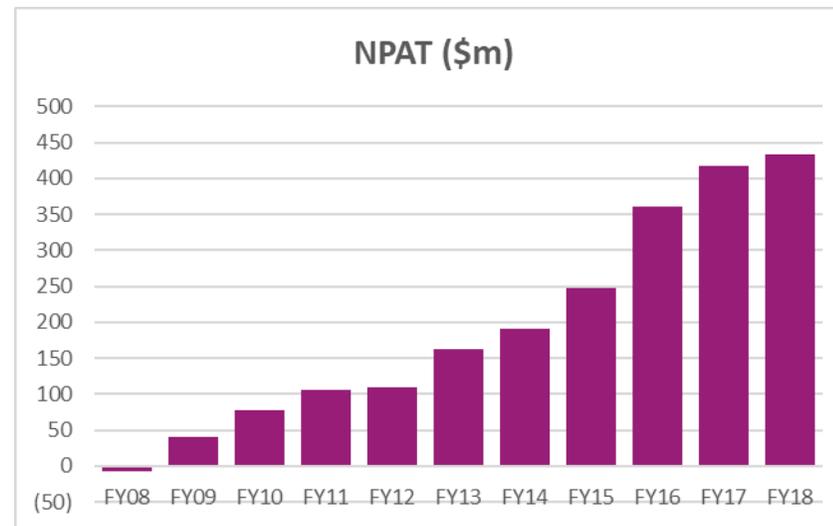
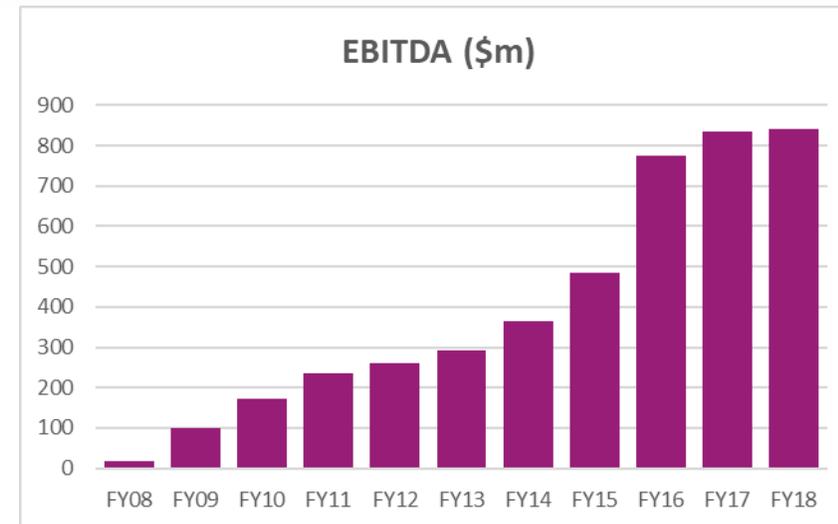
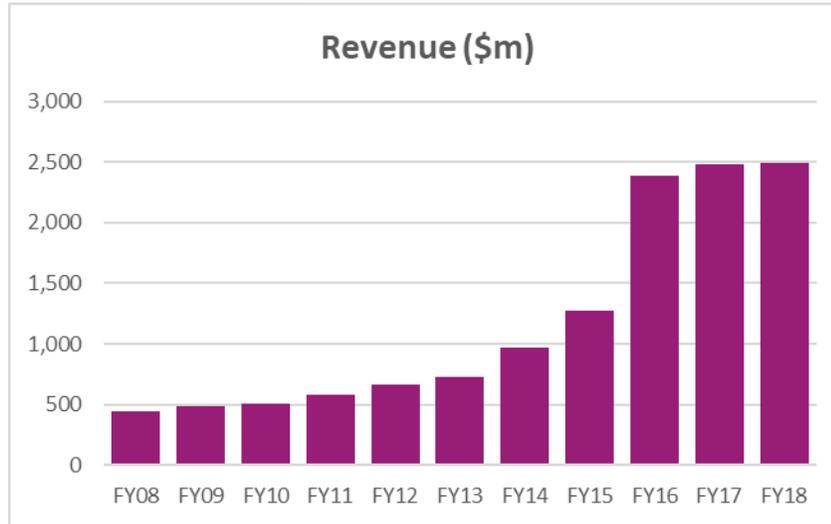
5 DECEMBER 2018



		Reported		Underlying ⁽¹⁾		
		FY18	FY17	FY18	FY17	Growth
Revenue	\$m	2,495.2	2,490.7	2,495.2	2,483.7	+0.5%
EBITDA	\$m	841.1	890.8	841.1	835.0	+0.7%
NPAT	\$m	396.9	413.8	432.6	417.3	+3.7%
EPS	cps	42.8	47.9	46.7	48.3	-3.3%

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

	FY18		FY17	
\$m	EBITDA	NPAT	EBITDA	NPAT
Reported	841.1	396.9	890.8	413.8
<i>Less: Profit on sale of equity investments</i>	-	-	(48.8)	(35.3)
<i>Less: One-off Consumer Segment revenue</i>	-	-	(7.0)	(4.9)
<i>Add: Acquired customer base intangible amortisation</i>	-	35.7	-	43.7
Underlying	841.1	432.6	835.0	417.3

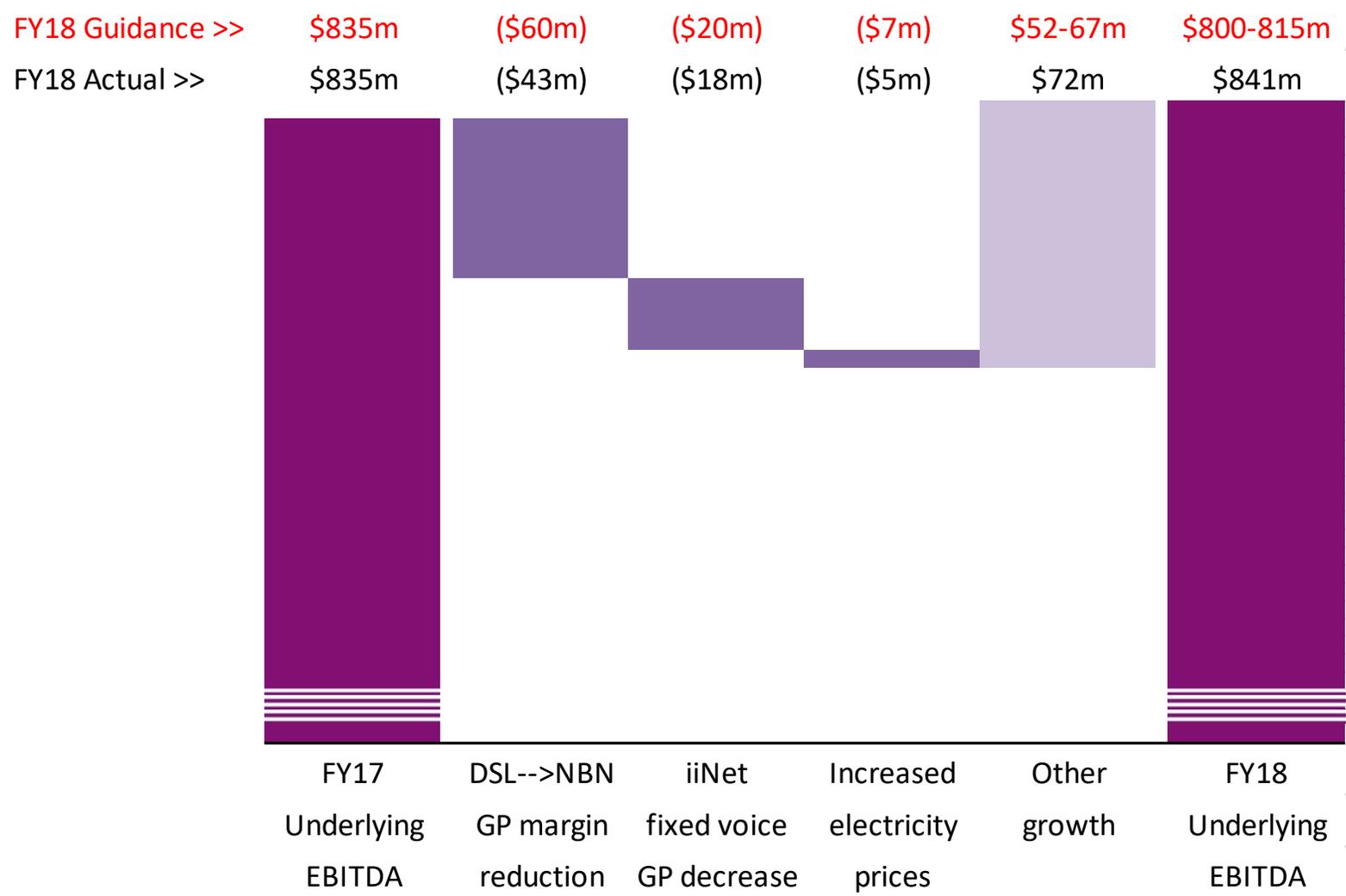


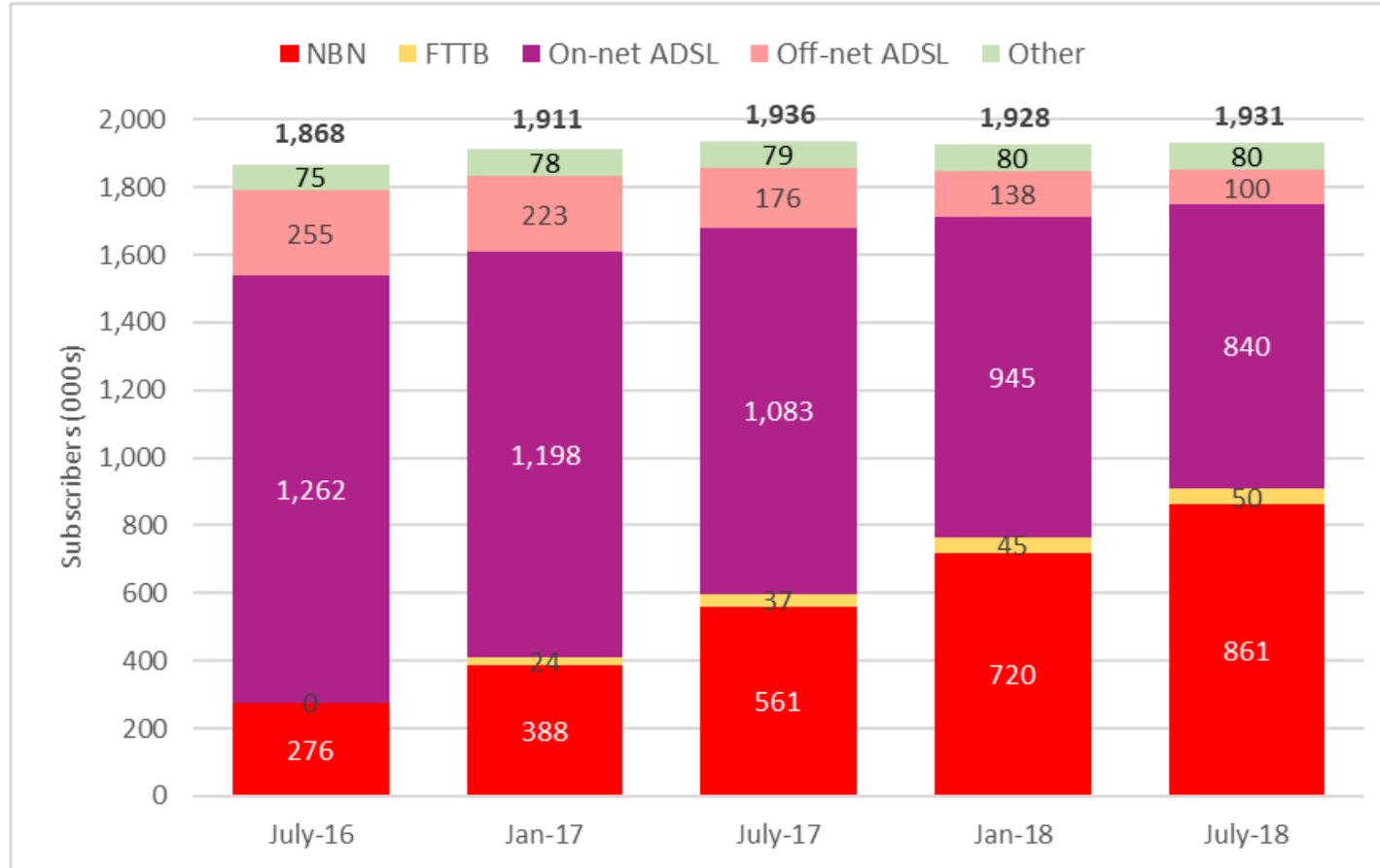
The charts are based on 'underlying' data as disclosed in reports to the market.

FY18 Guidance	Original Guidance (Sept-17)	Updated Guidance (Mar-18)	FY18 Actual (July-18)
Underlying EBITDA	800-815	825-830	841
BAU capex	270-310	270-310	258

'BAU capex' above excludes any expenditure in relation to mobile network builds and spectrum payments.

FY17 → FY18 UNDERLYING EBITDA BRIDGE





FY18 net adds include +300k NBN and +13k FTTB
 TPG brand net adds +15k in 2H18



TPG RATED #1

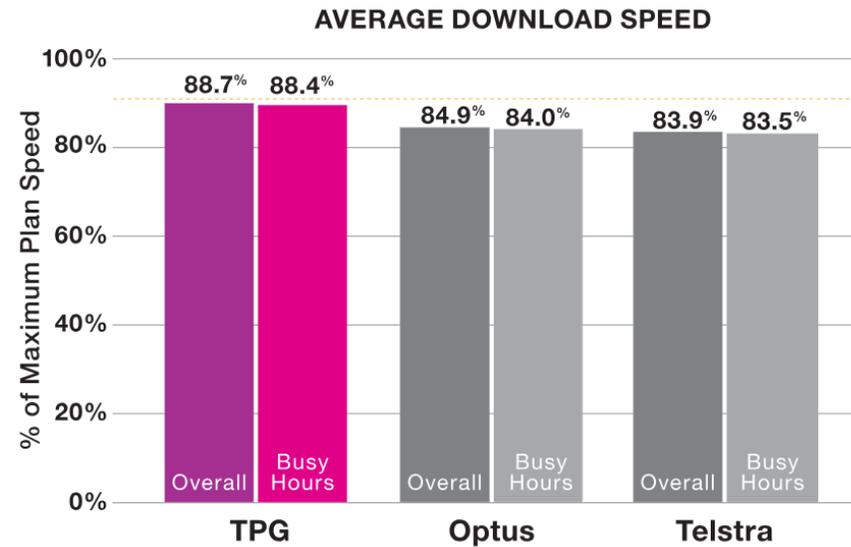
BY THE ACCC FOR NBN AVERAGE DOWNLOAD SPEED

TPG tops expanded ACCC broadband monitoring charts
Communications Day, 6 November 2018

TPG top of the pops in ACCC's third broadband speed test
ITWire, 5 November 2018

TPG takes out third NBN speed-monitoring report
ZDNet, 5 November 2018

ACCC Measuring Broadband Australia Report 3, Nov18





Contact Centre of the Year
>100seats



No.1 for Speed and Customer Satisfaction



MOST SATISFIED CUSTOMERS
SMALL BUSINESS BROADBAND 2014-2018



Home Broadband Provider of the Year



NBN Customer satisfaction



ADSL / Cable Customer Satisfaction



Home Bundle Customer Satisfaction



Best Mobile Prepaid Provider Large Plans

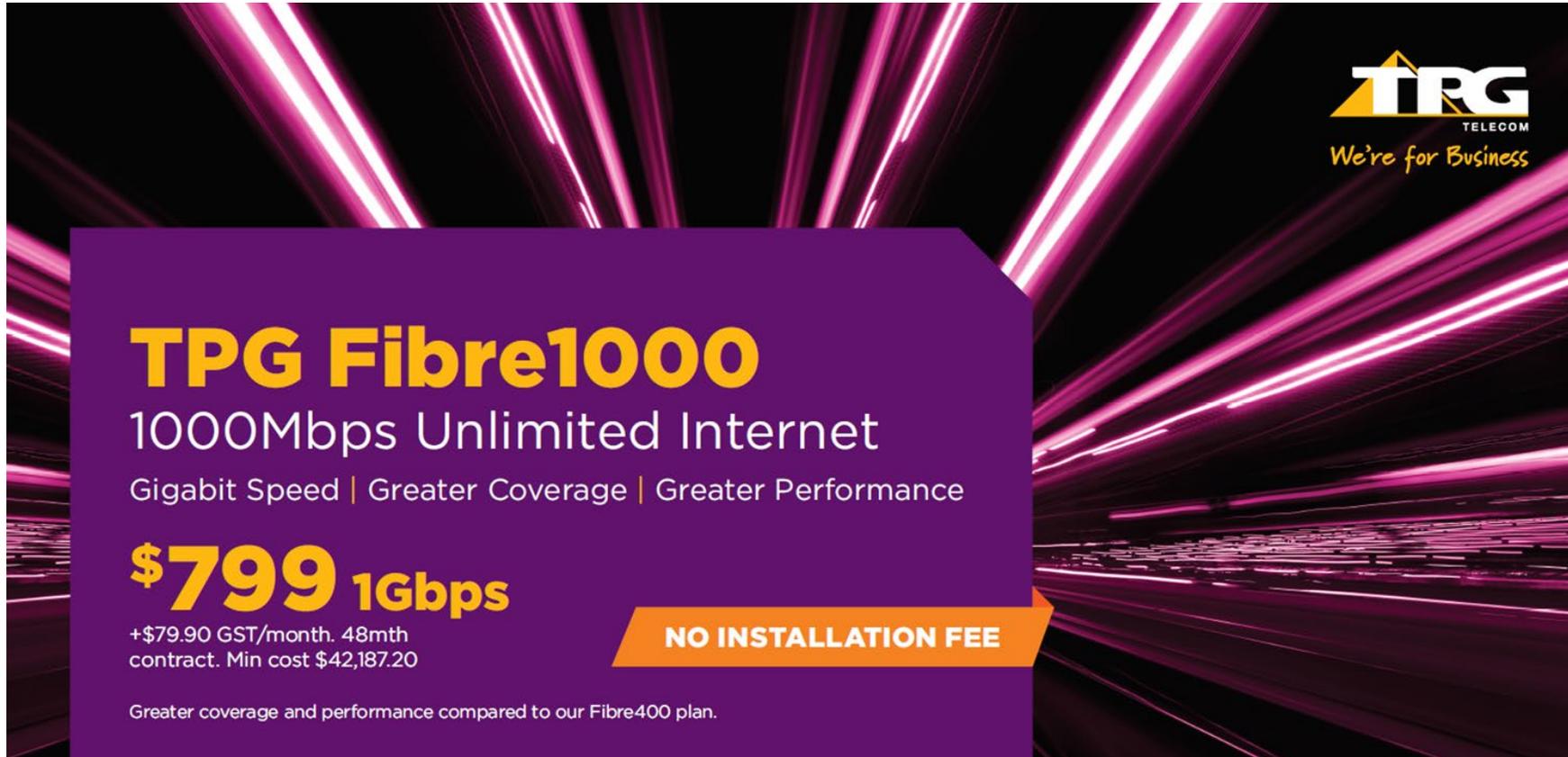


Best-Value Mobile Plan High Usage

	Corporate Segment Revenue			
\$m	Data/Internet	Voice	Legacy iiNet	Total
FY17 reported	526.1	147.1	69.8	743.0
Proforma adj*	(4.4)	-	-	(4.4)
FY17 proforma	521.7	147.1	69.8	738.6
FY18 reported	562.7	130.4	60.7	753.8
FY18 growth	41.0	(16.7)	(9.1)	15.2

\$m	Corporate Segment EBITDA
FY17 reported	312.8
Proforma adj*	(3.5)
FY17 proforma	309.3
FY18 reported	330.1
FY18 growth	20.8

* The proforma adjustment relates to the fact that Corporate Segment data/internet revenue and EBITDA were adversely impacted by the retail FTTB subscribers of a wholesale customer having been acquired by the Group's Consumer Segment during FY17 which had a negative impact on Corporate Segment revenue and EBITDA growth in FY18 with a corresponding benefit to the Consumer Segment results. For improved comparison purposes the FY17 proforma numbers re-state the Corporate Segment results excluding the FTTB contribution of the relevant wholesale customer.



TPG
TELECOM
We're for Business

TPG Fibre1000

1000Mbps Unlimited Internet

Gigabit Speed | Greater Coverage | Greater Performance

\$799 1Gbps

+\$79.90 GST/month. 48mth contract. Min cost \$42,187.20

NO INSTALLATION FEE

Greater coverage and performance compared to our Fibre400 plan.

	\$m	
	FY18	FY17
Operating Cash Flow	868.3	869.7
Tax	(194.5)	(147.0)
Capex – Australia – BAU	(258.0)	(362.5)
Capex – Australia – mobile spectrum	(597.3)	(83.1)
Capex – Singapore – mobile spectrum	-	(124.4)
Capex – Australia – mobile network	(38.7)	(1.9)
Capex – Singapore – mobile network	(62.3)	(4.4)
IRU/finance lease payments	(34.1)	(27.0)
Operating Cash Flow less Capex	(316.6)	119.4

'Capex' includes payments for property, plant and equipment plus intangible assets.

'BAU' capex includes builds for the Vodafone fibre contract and for the SEA-US cable.

	\$m
Net debt as at 31 July 2017	886.2
Net increase during 1H18	524.4
Net debt as at 31 January 2018	1,410.6
Net decrease during 2H18	(144.2)
Net debt as at 31 July 2018	1,266.4

Net debt to annualised EBITDA leverage ratio as at 31 July 2018 of ~1.5

For the purpose of the table above 'net debt' comprises bank debt and finance lease liabilities less cash, but excludes outstanding spectrum instalment liabilities.

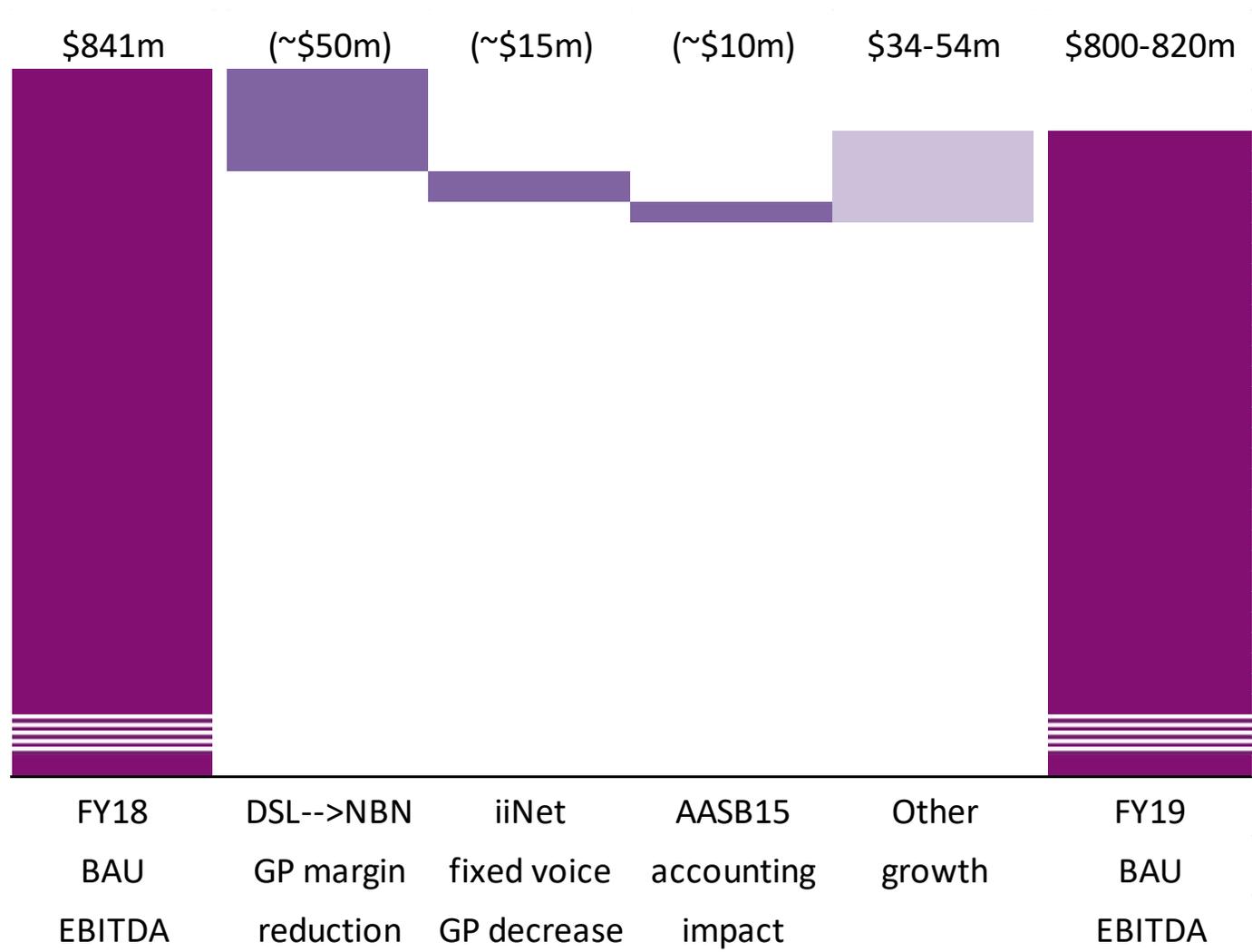
FY19 Guidance	\$m
BAU EBITDA	800-820
BAU capex	180-220

FY19 year-to-date results are tracking well to the above guidance that was provided in September 2018

'BAU EBITDA' relates to existing Consumer and Corporate Division operations and excludes any impact (revenue or expense) from mobile network operations in Australia or in Singapore.

'BAU capex' excludes any expenditure in relation to mobile network builds in Australia or in Singapore and excludes spectrum payments.

BAU EBITDA and capex guidance takes no account of any impact from the planned merger with VHA which could complete during FY19. Transaction costs relating to the planned merger are also excluded.



Australia

- Small cell site rollout is continuing.
- TPG's small cell network would be complementary to VHA's mobile network bringing greater strength to the combined Group in densely populated areas through increased coverage and capacity.
- Capital expenditure outlook still in line with initial forecasts.

Singapore

- Still on track to achieve milestone of outdoor service coverage in Singapore by the end of 2018.
- Production network already covering in excess of 90% of outdoor areas.
- Strong initial testing results.
- Capital expenditure outlook still in line with initial forecasts.

TPG and VHA have agreed to a merger of equals to create Australia's leading challenger full-service telecommunications provider

Overview

- TPG and Vodafone Hutchison Australia (“VHA”) have agreed to implement a merger of equals to create Australia's leading challenger full-service telecommunications provider (“Merged Group”)
- As part of the transaction, TPG Shareholders will receive one Merged Group share for each TPG share owned:
 - TPG Shareholders will own 49.9% of the Merged Group with VHA Shareholders owning the remaining 50.1%
- In addition, it is intended that TPG Shareholders will receive:
 - A fully franked Cash Special Dividend, which the Board intends to declare (subject to certain conditions);¹ and
 - Shares in TPG Singapore, following the intended separation and in-specie distribution of the TPG Singapore mobile business.
- The Merged Group's Net Debt is estimated to be ~\$4.0bn on completion, representing ~2.2x Net Debt / PF June 2018 EBITDA²
- TPG Directors unanimously recommend shareholders vote in favour of proposed Merger, in the absence of a superior proposal

Merger rationale

- ✓ Creating Australia's **leading challenger telecommunications operator** to deliver consumers faster services and competitive value, becoming a more formidable challenger to Telstra and Optus
- ✓ **Highly complementary owned network infrastructure** will improve consumer telecommunication services and experience
- ✓ **Comprehensive telecommunications product offering**, catering to a broad range of customers, with access to TPG's corporate distribution channels and VHA's consumer retail presence
- ✓ The Merged Group is expected to have **significant synergy potential** across infrastructure, network and transmission savings, consolidation of duplicated costs, economies of scale and potential cross selling opportunities in the consumer and enterprise segments
- ✓ The Merged Group will have **increased financial scale and a strengthened combined balance sheet** supported by strong free cash flow generation

Notes: (1) The quantum of any such special dividend will be calculated as the differential between TPG's actual net debt and the TPG Target Net Debt of \$1,672m, which is subject to working capital adjustments; (2) Leverage of ~2.2x includes TPG's target Net Debt of \$1,672m, VHA's target Net Debt of \$1,944m and January 2019 700MHz spectrum payments of \$352m and \$80m respectively. Leverage does not include the January 2020 spectrum payments of \$352m and \$80m for TPG and VHA's 700MHz spectrum respectively, nor any working capital adjustments. EBITDA based on 12 months pro forma EBITDA contribution of TPG and VHA as per unaudited accounts to 30 June 2018 of \$1,855m as disclosed on 30 August 2018.

Transaction implementation preparation is well progressed and targeting 1HCY19 completion

- Australian Competition and Consumer Commission (ACCC)
 - **October 2018:** Market inquires process completed
 - **13 Dec 2018:** Provisional date for announcement of ACCC's decision (either clearance or to extend the period for review)
- Applications have been submitted to all key regulators in relation to the Merger of TPG and VHA
- Financing process to establish Merged Group debt facilities commenced
- Independent Expert appointed to provide TPG shareholders with an opinion as to whether the transaction is in the best interests of TPG Shareholders
- Separately, Spectrum Joint Venture with VHA constituted and registered as a bidder for 5G Spectrum Auction

Resolution 2

Re-election of Director - Robert Millner

Votes For	Votes Against	Open	Abstain
649,481,028	114,129,930	1,916,755	84,640
84.8%	14.9%	0.3%	-

Resolution 3

Re-election of Director - Shane Teoh

Votes For	Votes Against	Open	Abstain
671,821,588	91,779,397	1,942,885	68,483
87.7%	12.0%	0.3%	-

Resolution 4

Adoption of FY18 Remuneration Report

Votes For	Votes Against	Open	Abstain
410,416,019	25,679,758	1,883,319	458,667
93.7%	5.9%	0.4%	-

Resolution 5

Conditional Spill Resolution

Votes For	Votes Against	Open	Abstain
7,013,019	426,128,411	4,091,231	1,205,102
1.6%	97.5%	0.9%	-

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.