5 March 2020

Market Announcements Office
Australian Securities Exchange
Level 4, 20 Bridge Street
Sydney, NSW, 2000

ELECTRONIC LODGEMENT

Dear Sir / Madam

TPG Telecom Limited (ASX: TPM) HY20 Financial Report

Please find attached TPG Telecom Limited's Financial Report for the half-year ended 31 January 2020.

Authorised for lodgement with the ASX by:

Stephen Banfield
Chief Financial Officer & Company Secretary

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TPG Telecom Limited

TPG Telecom Limited

ABN 46 093 058 069

and its controlled entities

ASX Appendix 4D and Half-Year Financial Report 31 January 2020

Lodged with the ASX under Listing Rule 4.2A

Contents

TPG Telecom Limited
ASX Appendix 4D

Half-Year ended 31 January 2020
(Previous corresponding period: Half-Year ended 31 January 2019)

Results for announcement to the market

Reported results

Revenue	up	0.9%	to	$1,246.5m
Profit for the period	up	205.5%	to	$144.7m
Profit for the period attributable to owners of the Company	up	206.6%	to	$143.6m
Earnings per share attributable to owners of the Company (basic and diluted)	up	206.6%	to	15.5 cents
Earnings before interest, tax, depreciation, amortisation and impairment	down	3.2%	to	$406.6m

Underlying results[1]

Underlying revenue	up	0.9%	to	$1,246.5m
Underlying profit for the period	down	29.5%	to	$159.1m
Underlying profit for the period attributable to owners of the Company	down	29.8%	to	$157.9m
Underlying earnings per share attributable to owners of the Company (basic and diluted)	down	29.8%	to	17.0 cents
Underlying earnings before interest, tax, depreciation and amortisation	down	6.0%	to	$399.1m

Dividends

	Amount per security	Franked Amount
This period:		
Final dividend for FY19	2.0 cents	100%
Interim dividend for FY20 (payable 19 May 2020)	3.0 cents	100%
Previous corresponding period:		
Final dividend for FY18	2.0 cents	100%
Interim dividend for FY19	2.0 cents	100%

For the FY20 interim dividend the record date for determining entitlement to the dividend will be 14 April 2020. The Dividend Reinvestment Plan (DRP) is currently suspended until further notice.

Net Tangible Assets[2]

	31 Jan 2020	31 Jan 2019
Net tangible assets per security	($0.67)	($1.04)

[1] Refer page 5 for reconciliation between reported and underlying results. The above table of underlying results comprises non-IFRS financial information that has not been subject to audit or review but is extracted or derived from the financial report for the period ended 31 January 2020 that has been reviewed by the Group's auditors, KPMG. The table of underlying results is provided because, in the opinion of the directors, it provides additional information about the underlying performance of the Group by excluding material non-recurring and/or non-cash items.

[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 indefeasible rights of use of bandwidth capacity are classified as intangible assets and are therefore excluded from the Group's net tangible assets.

TPG Telecom Limited and its controlled entities
Directors' report

For the half-year ended 31 January 2020

The directors present their report together with the condensed consolidated financial report of the Group, being TPG Telecom Limited ('the Company') and its controlled entities, for the half-year ended 31 January 2020 ('1H20').

Directors

The names of directors of the Company in office at any time during, or since the end of the half-year are set out below:

Name	**Period of directorship**
David Teoh *Executive Chairman* *Chief Executive Officer*	Director since 2008
Denis Ledbury *Non-Executive Director*	Director since 2000
Robert Millner *Non-Executive Director*	Director since 2000
Joseph Pang *Non-Executive Director*	Director since 2008
Shane Teoh *Non-Executive Director*	Director since 2012

Review of operations

Reported Results

Reported financial results for the TPG Telecom Limited Group for the half-year ended 31 January 2020 include the following highlights:
- Earnings before interest, tax, depreciation and amortisation ("EBITDA") for the period of $406.6m;
- Net Profit After Tax attributable to shareholders ("NPAT") for the period of $143.6m; and
- Earnings per share ("EPS") of 15.5 cents per share.

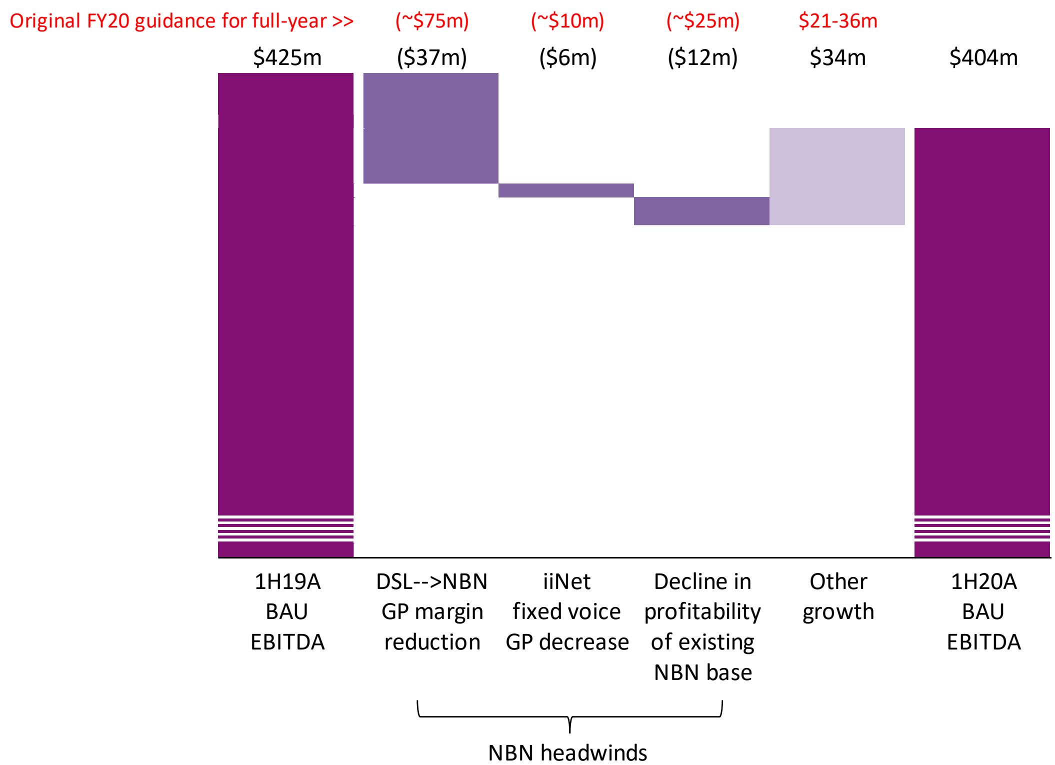
Reported net profit for 1H20 was up substantially (by 206%) compared to the previous corresponding period due to 1H19 having been adversely impacted by a $227.4m (pre-tax) impairment expense arising from the cessation of the Australian mobile network build.

Excluding the impairment, net profit for 1H20 was down by 30% compared to 1H19 because of $53.7m of Australian spectrum amortisation affecting 1H20 which wasn't in 1H19, and a $19.6m increase in net financing costs due primarily to the cessation of interest capitalisation associated with the Australian mobile network.

'Business as Usual' (BAU)[3] EBITDA

1H20 reported EBITDA included $6.0m of one-off transaction fees relating to the planned merger with Vodafone Hutchison Australia ("VHA") and a non-recurring benefit of $3.3m within the Corporate Division's results. Reported EBITDA for the period also benefitted by $10.2m from the implementation of AASB16 from the start of 1H20.

Excluding these items, as well as Singapore start-up losses of $1.8m and Australian mobile network operating costs of $3.3m, 'business as usual' (BAU) EBITDA (the same basis on which FY20 guidance of $735-750m was provided) was $404.2m for 1H20, 5% lower than the equivalent $425.2m for 1H19. The chart below sets out a bridge between 1H19 and 1H20 BAU EBITDA.



As shown in the chart, the combined NBN headwinds of $55m faced in the half-year were exactly half of the $110m combined NBN headwinds that were anticipated in the FY20 full-year guidance. However, the headwinds for the first half were approximately $7m less than we had forecast for the first half, predominantly due to NBN finally introducing some wholesale pricing relief for NBN12 services in October 2019.

Regarding other EBITDA growth, the Group's performance for 1H20 was stronger than forecast with $34m growth in the half almost at the top end of what was guided to for the whole year. The main contributors to the $34m growth in the first half came from a $10.5m increase in Corporate Division EBITDA, further Consumer Division (excl. Tech2) overhead savings of $11.1m, a $5.4m increase in EBITDA contribution from Tech2 and organic Consumer Division broadband (FTTB and NBN) subscriber growth.

[3] A reconciliation of reported to BAU results is set out on page 5.

Reconciliation of Reported to Underlying & BAU Results

	1H20		1H19	
$m	EBITDA	NPAT	EBITDA	NPAT
Reported	**406.6**	**143.6**	**192.6**	**46.9**
Add: Transaction costs re planned merger	6.0	4.2	4.4	3.1
Less: Corporate Division one-off benefit	(3.3)	(2.3)	-	-
Add: Impairment expense	-	-	227.4	159.2
Add: Acquired customer base intangible amortisation	-	11.9	-	16.0
(Less)/Add: AASB 16 impact	(10.2)	0.5	-	-
Underlying	**399.1**	**157.9**	**424.4**	**225.2**
Add: Singapore mobile start-up losses	1.8		0.8	
Add: Australian mobile network opex	3.3		-	
Business as Usual ('BAU')	**404.2**		**425.2**	

BAU Segment Results

$m		**Consumer**	**Corporate**	**Other**	**Total**
Revenue	1H20	872.4	373.0	-	1,245.4
	1H19	852.6	383.2	-	1,235.8
Gross profit	1H20	330.8	258.1	-	588.9
	1H19	370.6	251.5	-	622.1
Gross profit %	1H20	38%	69%	-	47%
	1H19	43%	66%	-	50%
EBITDA	1H20	211.4	193.0	(0.2)	404.2
	1H19	243.0	182.5	(0.3)	425.2
EBITDA %	1H20	24%	52%	-	32%
	1H19	29%	48%	-	34%

The Consumer Segment's EBITDA for 1H20 was $211.4m compared to $243.0m for 1H19. This movement comprised a $39.8m decrease in gross profit, partially offset by an $8.2m decrease in overhead costs. The gross profit decrease was driven by the NBN headwinds which overshadowed two positives within the result: an overall increase in broadband subscribers of 14k in the half compared to net negative movement of 9k in 1H19, and Tech2's gross profit being up by $7.9m compared to 1H19.

The Corporate Segment achieved EBITDA of $193.0m for 1H20, up by $10.5m from the $182.5m in 1H19, driven by continued strong improvement in margins. Gross profit was up by $6.6m at a gross profit margin that increased from 66% to 69% driven by the continued favourable change in revenue mix towards on-net fibre services. The gross profit growth in the period was complemented by efficiency savings that delivered a $3.9m decrease in overhead costs, resulting in an EBITDA margin increase from 48% to 52%.

Cashflow, Capital Expenditure and Gearing

The Group had another strong operating cashflow performance in the half with 1H20 operating cashflow after tax of $339.1m.

Total capital expenditure for the half-year of $546.0m included the final $352.4m instalment for the Australian 700MHz spectrum acquired at auction in 2017 and $68.9m for the Singapore mobile network build. The remaining 'business as usual' capital expenditure of $124.7m was within expectations but $26.3m higher than 1H19, reflecting a step-up in fibre builds for corporate customers supporting the margin expansion within that segment.

At the end of 1H20 the Group had net debt (including outstanding 3.6GHz spectrum commitment due in March 2020) of $1,869.1m which represents a leverage ratio of ~2.4x underlying last 12 months EBITDA.

Singapore Update

Preparations for the commercial launch of mobile services in Singapore on the Group's new mobile network have progressed well in the period. Over 400 thousand users have to-date been onboarded to the free trial service. Paid services are expected to be launched in the coming weeks.

The network has excellent outdoor and indoor coverage (outdoor coverage most recently measured at 99.89% in January 2020) and progress has continued to be made in covering tunnels and the MRT. In February 2020, the Company also submitted an application with the IMDA for a national 5G licence. The Company's network has been designed to be very quickly and simply upgradable to 5G.

VHA Merger Update

On 13 February 2020, the Federal Court ruled that the Company's planned merger with Vodafone Hutchison Australia (VHA) (which had first been announced on 30 August 2018) would not substantially lessen competition. If the ACCC wishes to appeal, it must do so by 12 March 2020. Absent an appeal, this decision clears one of the conditions precedent to completion of the merger. However, there do remain other regulatory conditions that must be met before the merger can proceed, including CFIUS and FIRB. We are currently targeting completion of the merger in mid-2020.

Dividend

The Board of Directors has declared an interim FY20 dividend of 3.0 cents per share (fully franked), payable on 19 May 2020 to shareholders on the register on 14 April 2020. The Dividend Reinvestment Plan remains suspended until further notice.

FY20 Guidance

In light of the first half performance, the directors have upgraded the guidance for BAU[4] EBITDA for the Group for the full-year FY20 to now be in the range of $775-785m, as shown in the table below.

	1H20 Actual $m	FY20 Guidance Original $m	FY20 Guidance Updated $m
BAU EBITDA	404.2	735-750	775-785
BAU Capex	124.7	200-240	200-240

Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 30 and forms part of the directors' report for the half-year ended 31 January 2020.

Rounding off

The Company is of a kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) instrument 2016/191 dated 24 March 2016 and, in accordance with that instrument, all financial information presented in the consolidated financial statements and directors' report has been rounded to the nearest hundred thousand dollars unless otherwise stated.

Dated at Sydney this 5th day of March 2020.

Signed in accordance with a resolution of the directors.

David Teoh
Chairman

[4] BAU relates to existing Consumer and Corporate Division operations. It excludes Singapore and Australian mobile and takes no account of any impact from the planned merger with VHA, including merger transaction costs. BAU EBITDA guidance is provided on an excluding AASB16 basis.

TPG Telecom Limited and its controlled entities
Consolidated interim income statement

For the half-year ended 31 January 2020

	Note	1H20 $m	1H19 $m
Revenue	*6*	1,246.5	1,235.8
Network, carrier and hardware costs*		(654.1)	(613.7)
Employee benefits expense		(108.3)	(109.3)
Other expenses*		(77.5)	(92.8)
Earnings before interest, tax, impairment, depreciation and amortisation		**406.6**	**420.0**
Impairment of spectrum and mobile assets		-	(227.4)
Depreciation	*7*	(75.6)	(66.5)
Amortisation of intangibles	*13*	(89.9)	(42.1)
Results from operating activities		**241.1**	**84.0**
Finance income		0.6	1.0
Finance expenses		(33.9)	(14.7)
Net financing costs	*8*	**(33.3)**	**(13.7)**
Profit before income tax		**207.8**	**70.3**
Income tax expense	*9*	(63.1)	(22.9)
Profit for the period		**144.7**	**47.4**
Attributable to:			
Owners of the Company		143.6	46.9
Non-controlling interest		1.1	0.5
		144.7	**47.4**
Earnings per share attributable to owners of the Company:			
Basic and diluted earnings per share (cents)	*17*	15.5	5.1

*Refer note 3(a) for impact of adoption of AASB 16 *Leases*.

TPG Telecom Limited and its controlled entities
Consolidated interim statement of comprehensive income

For the half-year ended 31 January 2020

	1H20 $m	1H19 $m
Profit for the period	**144.7**	**47.4**
Items that may subsequently be reclassified to the income statement, net of tax:		
Foreign exchange translation differences	5.0	3.7
Net loss on cash flow hedges taken to equity	(7.3)	(14.4)
Items that will not subsequently be reclassified to the income statement, net of tax:		
Net change in fair value of assets measured through other comprehensive income	(0.6)	(0.5)
Total other comprehensive income, net of tax	**(2.9)**	**(11.2)**
Total comprehensive income for the period	**141.8**	**36.2**
Attributable to:		
Owners of the Company	140.7	35.7
Non-controlling interest	1.1	0.5
	141.8	**36.2**

TPG Telecom Limited and its controlled entities
Consolidated interim statement of financial position

As at 31 January 2020

	Note	31 Jan 2020 $m	31 July 2019 $m
Assets			
Cash and cash equivalents		76.0	51.4
Trade and other receivables and contract assets		129.6	128.3
Deferred contract costs		5.9	8.1
Inventories		6.9	5.0
Prepayments and other assets		24.0	20.4
Total Current Assets		**242.4**	**213.2**
Investments	*10*	0.3	1.2
Deferred contract costs		6.5	5.4
Property, plant and equipment	*12*	1,461.5	1,355.1
Right of use assets	*3(a)*	84.6	-
Spectrum assets	*13*	1,280.8	1,334.6
Goodwill and other intangible assets	*13*	2,341.8	2,350.8
Deferred tax assets		45.1	45.4
Prepayments and other assets		6.5	7.1
Total Non-Current Assets		**5,227.1**	**5,099.6**
Total Assets		**5,469.5**	**5,312.8**
Liabilities			
Trade and other payables		301.4	319.4
Loans and borrowings and derivative financial liabilities	*14*	15.9	14.3
Lease liabilities	*3(a)*	25.5	-
Spectrum liability	*15*	-	344.2
Current tax liabilities		10.4	12.7
Deferred revenue		160.7	158.6
Employee benefits		27.9	29.7
Provisions		13.1	12.7
Accrued interest		5.3	4.0
Total Current Liabilities		**560.2**	**895.6**
Loans and borrowings and derivative financial liabilities	*14*	1,771.3	1,470.6
Lease liabilities	*3(a)*	76.5	-
Deferred revenue		26.4	26.3
Employee benefits		2.1	2.3
Provisions		29.1	30.7
Total Non-Current Liabilities		**1,905.4**	**1,529.9**
Total Liabilities		**2,465.6**	**2,425.5**
Net Assets		**3,003.9**	**2,887.3**
Equity			
Share capital	*16*	1,465.2	1,465.2
Reserves		(51.5)	(46.6)
Retained earnings		1,583.9	1,463.5
Equity attributable to owners of the Company		**2,997.6**	**2,882.1**
Non-controlling interest		6.3	5.2
Total Equity		**3,003.9**	**2,887.3**

The condensed notes on pages 13 to 26 are an integral part of these consolidated interim financial statements.

TPG Telecom Limited and its controlled entities
Consolidated interim statement of changes in equity

For the half-year ended 31 January 2020

	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
Balance as at 1 August 2018, as reported		**1,465.2**	**3.3**	**(0.9)**	**(7.7)**	**(2.9)**	**(8.2)**	**1,323.2**	**2,780.2**	**4.0**	**2,784.2**
Effect of AASB 15 implementation		-	-	-	-	-	-	5.2	5.2	-	5.2
Restated balance at 1 August 2018		**1,465.2**	**3.3**	**(0.9)**	**(7.7)**	**(2.9)**	**(8.2)**	**1,328.4**	**2,785.4**	**4.0**	**2,789.4**
Profit for the period		-	-	-	-	-	-	46.9	46.9	0.5	47.4
Other comprehensive income		-	3.7	-	(0.5)	(14.4)	(11.2)	-	(11.2)	-	(11.2)
Total comprehensive income for the period		**-**	**3.7**	**-**	**(0.5)**	**(14.4)**	**(11.2)**	**46.9**	**35.7**	**0.5**	**36.2**
Share-based payment transactions		-	-	(2.3)	-	-	(2.3)	-	(2.3)	-	(2.3)
Dividends paid to shareholders	*18*	-	-	-	-	-	-	(18.6)	(18.6)	-	(18.6)
Balance as at 31 January 2019		**1,465.2**	**7.0**	**(3.2)**	**(8.2)**	**(17.3)**	**(21.7)**	**1,356.7**	**2,800.2**	**4.5**	**2,804.7**
Balance as at 1 August 2019, as reported		**1,465.2**	**11.3**	**(2.2)**	**(8.2)**	**(47.5)**	**(46.6)**	**1,463.5**	**2,882.1**	**5.2**	**2,887.3**
Effect of AASB 16 implementation	*3(a)*	-	-	-	-	-	-	(4.6)	(4.6)	-	(4.6)
Restated balance at 1 August 2019		**1,465.2**	**11.3**	**(2.2)**	**(8.2)**	**(47.5)**	**(46.6)**	**1,458.9**	**2,877.5**	**5.2**	**2,882.7**
Profit for the period		-	-	-	-	-	-	143.6	143.6	1.1	144.7
Other comprehensive income		-	5.0	-	(0.6)	(7.3)	(2.9)	-	(2.9)	-	(2.9)
Total comprehensive income for the period		**-**	**5.0**	**-**	**(0.6)**	**(7.3)**	**(2.9)**	**143.6**	**140.7**	**1.1**	**141.8**
Share-based payment transactions		-	-	(2.0)	-	-	(2.0)	-	(2.0)	-	(2.0)
Dividends paid to shareholders	*18*	-	-	-	-	-	-	(18.6)	(18.6)	-	(18.6)
Balance as at 31 January 2020		**1,465.2**	**16.3**	**(4.2)**	**(8.8)**	**(54.8)**	**(51.5)**	**1,583.9**	**2,997.6**	**6.3**	**3,003.9**

The condensed notes on pages 13 to 26 are an integral part of these consolidated interim financial statements.

TPG Telecom Limited and its controlled entities
Consolidated interim statement of cash flows

For the half-year ended 31 January 2020

	Note	1H20 $m	1H19 $m
Cash flows from operating activities			
Cash receipts from customers		1,359.0	1,359.4
Cash paid to suppliers and employees		(959.5)	(948.7)
Cash generated from operations		399.5	410.7
Income taxes paid		(60.4)	(77.7)
Net cash from operating activities		**339.1**	**333.0**
Cash flows from investing activities			
Acquisition of property, plant and equipment		(168.2)	(162.5)
Acquisition of spectrum assets	*15*	(352.4)	(352.4)
Acquisition of other intangible assets		(25.4)	(41.8)
Transaction costs relating to planned business combination		(8.4)	(2.9)
Net cash used in investing activities		**(554.4)**	**(559.6)**
Cash flows from financing activities			
Repayment of lease liabilities		(12.5)	(2.4)
Proceeds from borrowings		332.0	292.8
Repayment of borrowings		(35.0)	(55.0)
Interest received		0.3	0.7
Finance costs paid		(26.5)	(29.4)
Dividends paid		(18.6)	(18.6)
Net cash from financing activities		**239.7**	**188.1**
Net increase/(decrease) in cash and cash equivalents		24.4	(38.5)
Cash and cash equivalents at beginning of the period		51.4	82.2
Effect of exchange rate fluctuations		0.2	0.3
Cash and cash equivalents at end of the period		**76.0**	**44.0**

1. Reporting entity

TPG Telecom Limited (the 'Company') is a company domiciled in Australia. The condensed consolidated interim financial report of the Company for the half-year ended 31 January 2020 ('1H20') comprises the accounts of the Company and its subsidiaries (together referred to as the 'Group').

2. Basis of preparation

The condensed consolidated interim financial report is a general-purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The condensed consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the Group's 2019 Annual Report, which is available on the Company's website at https://www.tpg.com.au/about/investorrelations.

Accounting policies applied by the Group in this condensed consolidated interim financial report are the same as those applied by the Group in its 2019 Annual Report, except for the adoption of new accounting standards applicable to the Group from 1 August 2019. The effect of initial application of AASB 16 *Leases* from 1 August 2019 is described in note 3(a) below.

The Group is of a kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) instrument 2016/191 dated 24 March 2016 and, in accordance with that instrument, all financial information has been rounded to the nearest hundred thousand dollars unless otherwise stated.

The condensed consolidated interim financial report was approved by the Board of Directors on 5 March 2020.

3. Adoption of new accounting standards

a. AASB 16 *Leases*

Introduction

AASB 16 is applicable to the Group from 1 August 2019. AASB 16 introduces a single, on-balance sheet, lease accounting model for lessees. Contracts that provide the Group with a right to control the use of an identified asset are accounted for in the consolidated statement of financial position. The right to use the asset is recognised as a Right of Use (ROU) asset and the contracted amounts payable over the lease term are accounted for as a Lease liability.

Identifying leases

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For contracts that contain a lease and non-lease component, the consideration in the contract is allocated to each component in proportion to the relative stand-alone prices of the lease and non-lease components.

The Group's leases predominantly relate to property contracts including office premises, data centres and buildings forming part of the Group's network and other contracts such as for vehicles, photocopiers, etc. The Group recognises ROU assets and lease liabilities for most leases. However, the Group has elected to adopt the

3. Adoption of new accounting standards (continued)

following practical expedients and will not apply the lease accounting model to:
- leases with a remaining term of less than twelve months as at the date of initial adoption;
- contracts with a lease term of twelve months or less; and
- low value assets such as photocopiers.

Measurement of ROU assets and lease liabilities
The Group recognises a ROU asset and lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not yet paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee or, as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The ROU asset is initially measured at cost comprising the lease liability amount measured on initial recognition, lease prepayments and any restoration-related costs as reduced by any lease incentives received. The ROU asset is subsequently measured at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

Significant judgements and estimates:
- The new standard requires an assessment of the likelihood of exercising renewal options on a lease-by-lease basis. The lease term would include the non-cancellable period plus extension terms for which the Group is reasonably certain to exercise options.
- The Group uses its weighted average cost of borrowing as an estimate of its incremental borrowing rate.

Initial adoption
The Group has adopted the 'Modified Retrospective method' for transition to the new standard. Accordingly, the comparative information has not been restated and transition adjustments were made through retained earnings as at 1 August 2019. Lease liabilities were measured at the present value of lease payments payable over the remaining lease term, discounted at the Group's incremental borrowing rate as at 1 August 2019. ROU assets were measured as if the new standard had been applicable on the lease commencement date.

The following practical expedients have been used in the initial measurement of lease liabilities and ROU assets:
- The Group relied on its previous assessment of whether leases were onerous under AASB 137 (Provisions, Contingent liabilities and Contingent assets) immediately before the date of initial application as an alternative to performing an impairment review under AASB 136 (Impairment of assets) on adoption.
- The Group used a single discount rate for a portfolio of similar leases.
- The Group has elected to exclude initial direct costs attributable to obtaining a lease from the measurement of its ROU assets at the date of initial application.
- The Group has elected to use hindsight in arriving at the ROU assets and has used its current assessment of the lease term.

3. Adoption of new accounting standards (continued)

Impact of initial adoption of AASB 16 on the financial statements as at 1 August 2019

	$m
Right of use assets	95.6
Deferred tax assets	1.9
Lease liabilities	(102.3)
Provisions	0.2
Retained earnings	4.6

Reconciliation of operating lease commitments to lease liabilities recognised at transition

	$m
Operating lease commitments at 31 July 2019, as reported	**140.2**
Contracts that do not qualify as a lease under AASB 16	(38.7)
Effect of discounting using incremental borrowing rate at 1 August 2019	(3.5)
Initial application exemption for leases with a term of less than twelve months at transition	(0.7)
Extension options reasonably certain to be exercised	19.1
Non-lease components not recognised	(13.9)
Lease liabilities recognised as at 1 August 2019	**102.3**

Impact for the period

The current period impacts on the Group's 1H20 financial statements arising from the application of AASB 16 were as follows:

- ROU assets of $84.6m and lease liabilities of $102.0m were recognised in the 31 January 2020 statement of financial position.
- Depreciation of ROU assets of $9.4m and interest expense on lease liabilities of $1.5m were recognised in the income statement.
- Network, carrier and hardware costs and other expenses were lower by $4.4m and $5.9m respectively than they would have been without the application of AASB 16.
- In the cash flow statement, lease payments have been separated into repayments of the principal component of leases of $12.5m and interest payments of $1.5m, both under financing activities.

b. IFRIC tentative decision relating to deferred taxes on Group's indefinite life intangibles

In December 2019, the IFRS Interpretations Committee (IFRIC) issued a tentative agenda decision 'Multiple Tax Consequences of Recovering an Asset (IAS 12)' which considers how an entity determines the tax base of an asset with two distinct tax consequences over its life (taxable economic benefits from use and capital gains on disposal or expiry). The tentative decision proposes that in these circumstances an entity identifies independent temporary differences (and deferred taxes) that reflect these distinct tax consequences. This tentative agenda decision does not align with the accounting policy currently applied by the Group.

3. Adoption of new accounting standards (continued)

Should this tentative agenda decision be finalised by IFRIC in its current form, a change will be made to the Group's accounting policies, retrospectively adjusting the deferred tax accounting for acquired indefinite life brand names. As at 31 January 2020, the estimated impact of this change in accounting policy would be to increase deferred tax liabilities and goodwill both by $27.2m..

4. Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those applied in the Group's 2019 Annual Report, except for new significant judgements and key sources of estimation uncertainty related to the application of AASB 16 as described in note 3(a).

5. Segment reporting

The Group determines and presents operating segments based on the information that is internally provided to the Executive Chairman and Chief Executive Officer, who is the Group's chief operating decision maker.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses. For all operating segments, discrete financial information is available and their operating results are regularly reviewed by the Group's Executive Chairman and Chief Executive Officer to make decisions about resources to be allocated to each segment and assess their performance.

The Group currently 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.

Unallocated
In 1H20, 'Unallocated' includes:
- Transaction costs for the planned merger with VHA of $6.0m (1H19: $4.4m);
- Operating costs for Australian mobile sites of $3.3m (1H19: nil);
- Start-up expenses of $2.5m (1H19: $0.8m) and incidental revenue of $1.1m (1H19: nil) in relation to the Group's Singapore operations; and
- Other corporate costs of $0.2m (1H19: $0.3m).

5. Segment reporting (continued)

	Consumer	Corporate	Unallocated	Total results
For the half-year ended 31 January 2020	$m	$m	$m	$m
Revenue	872.4	373.0	1.1	1,246.5
Network, carrier and hardware costs*	(540.6)	(109.9)	(3.6)	(654.1)
Employee benefits expense	(59.3)	(48.0)	(1.0)	(108.3)
Other expenses*	(56.4)	(13.7)	(7.4)	(77.5)
Results from segment activities	**216.1**	**201.4**	**(10.9)**	**406.6**
For the half-year ended 31 January 2019				
Revenue	852.6	383.2	-	1,235.8
Network, carrier and hardware costs	(482.0)	(131.7)	-	(613.7)
Employee benefits expense	(59.4)	(49.6)	(0.3)	(109.3)
Other expenses	(68.2)	(19.4)	(5.2)	(92.8)
Results from segment activities	**243.0**	**182.5**	**(5.5)**	**420.0**

*As a result of the application of AASB 16 for the half-year ended 31 January 2020, network, carrier and hardware costs decreased by $4.4m (Consumer: $1.1m, Corporate: $3.3m, Unallocated: nil), and other expenses decreased by $5.9m (Consumer: $3.7m, Corporate: $1.8m, Unallocated: $0.4m).

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

	1H20	1H19
	$m	$m
Total segment results	**406.6**	**420.0**
Impairment of spectrum and mobile assets	-	(227.4)
Depreciation	(75.6)	(66.5)
Amortisation of intangibles	(89.9)	(42.1)
Results from operating activities	**241.1**	**84.0**
Net financing costs	(33.3)	(13.7)
Profit before income tax	**207.8**	**70.3**

Geographic Information

All of the Group's revenues are derived from Australian based entities, except for $12.9m (2019: $16.5m) derived from overseas customers. A geographic analysis of the Group's non-current assets is set out below:

Country	**31 Jan 2020**	**31 July 2019**
	$m	**$m**
Australia	4,597.4	4,549.0
Singapore	377.1	307.8
Other	252.6	242.8
Total	**5,227.1**	**5,099.6**

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

6. Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a product or service to a customer.

The Group determines various performance obligations under a contract, allocates the total contract price amongst the performance obligations based on their standalone selling prices, and recognises revenue when the performance obligations are satisfied.

Performance obligations that arise from contracts with customers comprise:

- Rendering of telecommunications services including provision of data, internet, voice, telehousing, network capacity and other services. The Group recognises revenue as services are provided over time.
- Sale of equipment to customers. Revenue is recognised when the equipment is delivered to the customer.

a. Major product categories

The following table provides a breakdown of major product categories by segment.

	Consumer		Corporate		Unallocated		Total	
	1H20	**1H19**	**1H20**	**1H19**	**1H20**	**1H19**	**1H20**	**1H19**
	$m	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**
Data & Internet*	752.0	722.6	314.5	320.5	-	-	1,066.5	1,043.1
Voice	20.1	40.6	58.5	62.7	-	-	78.6	103.3
Mobile	51.1	54.6	-	-	-	-	51.1	54.6
Other	49.2	34.8	-	-	1.1	-	50.3	34.8
Total	**872.4**	**852.6**	**373.0**	**383.2**	**1.1**	**-**	**1,246.5**	**1,235.8**

* Includes, for the Consumer Division, revenue from bundled home phone voice.

b. Contract balances

The following table provides information about receivables, contract assets, and liabilities from contracts with customers.

	31 Jan 2020 $m	31 July 2019 $m
Included in 'Trade and other receivables and contract assets'		
- Trade receivables	110.6	106.0
- Contract assets	42.5	44.5
Deferred revenue liability	(187.1)	(184.9)

Contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the end of the current reporting period. These amounts are transferred to Trade receivables when the rights become unconditional.

Deferred revenue liability primarily relates to advance consideration received from customers for which revenue will be recognised on fulfilment of performance obligations under the customer contracts.

7. Depreciation

	1H20 $m	1H19 $m
Depreciation - property, plant and equipment	66.2	66.5
Depreciation - right of use assets	9.4	-
Total depreciation for the period	**75.6**	**66.5**

8. Finance income and expenses

	1H20 $m	1H19 $m
Interest income	0.6	1.0
Interest expense		
- Debt facility interest	(21.9)	(25.1)
- Interest re deferred spectrum instalments	(8.2)	(16.6)
- Unwinding of discounts on provisions	(0.3)	(0.3)
- Interest on leases	(1.5)	(0.1)
- Amounts capitalised*	6.5	36.1
	(25.4)	(6.0)
Borrowing costs	(8.5)	(8.7)
Net financing costs	**(33.3)**	**(13.7)**

* Finance expenses directly attributable to the construction of the Group's networks and acquisition of mobile spectrum licences are, in accordance with the Group's accounting policies, capitalised as part of the cost of the relevant assets. Following the cessation of the Australian mobile network rollout, interest capitalised in relation to the acquisition of Australian spectrum and mobile assets was written off in 1H19 and no further interest capitalisation has occurred in relation to this project from the date the rollout ceased at the end of January 2019.

9. Income tax expense

	1H20 $m	1H19 $m
Current tax expense	**59.6**	**64.3**
Deferred tax expense		
Origination and reversal of temporary differences	3.5	(41.4)
Income tax expense	**63.1**	**22.9**

Numerical reconciliation between tax expense and pre-tax accounting profit

	1H20 $m	1H19 $m
Profit before income tax	207.8	70.3
Income tax using Australian tax rate of 30%	62.3	21.1
Different tax rates in other jurisdictions	0.3	0.1
Non-deductible and non-assessable items	0.5	1.7
Income tax expense	**63.1**	**22.9**

10. Investments

	31 Jan 2020 $m	31 July 2019 $m
Investment in listed securities		
Measured at fair value through other comprehensive income		
Non-current		
Carrying amount at beginning of period	1.2	1.9
Change in fair value	(0.9)	(0.7)
Carrying amount at end of period	**0.3**	**1.2**

Joint venture with Vodafone Hutchison Australia (VHA)

In October 2018, the Company and VHA formed a 50:50 Joint Venture company, Mobile JV Pty Limited. The initial scope of the joint venture is to acquire, hold and licence 3.6GHz spectrum in Australia. The joint venture entity will be accounted using the equity method. It had no material balances to report as at 31 January 2020. Mobile JV successfully bid for twelve 5MHz lots in the 3.6GHz spectrum auction which concluded in December 2018. Mobile JV will pay $263.3m in March 2020 for the lots purchased. The Group's share of the purchase price is reflected in the capital commitments set out in note 19.

11. Hierarchy of financial instruments measured at fair value

There are three possible valuation methods (or 'levels') for financial instruments which are measured at fair value. Those different levels are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group's financial instruments which are measured at fair value are categorised as follows:

	31 Jan 2020			31 July 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	$m	$m	$m	$m	$m	$m
Financial assets						
Investments	0.3	-	-	1.2	-	-
Derivative financial assets						
Foreign currency forward contracts	-	0.9	-	-	1.4	-
Financial liabilities						
Derivative financial liabilities						
Interest rate swap contracts	-	(78.7)	-	-	(68.6)	-

The Group's investments, being ASX listed securities, are categorised as Level 1 as they are valued at quoted market prices.

Foreign currency forward contracts are categorised as Level 2 as they are measured based on observable spot exchange rates, the yield curves of the respective currencies as well as the currency basis spreads between the respective currencies.

Interest rate swap contracts are categorised as Level 2 as they are valued at the present value of the estimated future cash flows. Estimates of future floating rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty.

12. Property, plant and equipment

	Note	Network & IT infrastructure $m	Land & Buildings $m	Leasehold improvements $m	Total $m
Cost					
Balance at 1 August 2018		2,043.0	47.3	14.9	2,105.2
Additions		315.3	0.3	1.9	317.5
Transfers		4.8	-	-	4.8
Disposals		(0.2)	-	-	(0.2)
Effect of movements in exchange rates		5.0	-	-	5.0
Balance at 31 July 2019		**2,367.9**	**47.6**	**16.8**	**2,432.3**
Balance at 1 August 2019		**2,367.9**	**47.6**	**16.8**	**2,432.3**
Additions		161.2	-	1.2	162.4
Transfers		5.6	-	-	5.6
Effect of movements in exchange rates		4.9	-	-	4.9
Balance at 31 January 2020		**2,539.6**	**47.6**	**18.0**	**2,605.2**
Depreciation and impairment losses					
Balance at 1 August 2018		842.6	4.2	9.4	856.2
Depreciation charge for the period		129.3	1.1	2.8	133.2
Impairment*		86.8	-	-	86.8
Effect of movements in exchange rates		1.0	-	-	1.0
Balance at 31 July 2019		**1,059.7**	**5.3**	**12.2**	**1,077.2**
Balance at 1 August 2019		**1,059.7**	**5.3**	**12.2**	**1,077.2**
Depreciation charge for the period	*7*	64.3	0.5	1.4	66.2
Effect of movements in exchange rates		0.3	-	-	0.3
Balance at 31 January 2020		**1,124.3**	**5.8**	**13.6**	**1,143.7**
Carrying amounts					
At 31 July 2019		1,308.2	42.3	4.6	1,355.1
At 31 January 2020		**1,415.3**	**41.8**	**4.4**	**1,461.5**

*Impairment of assets following cessation of Australian mobile network build as detailed in FY19 Annual Report.

13. Intangible assets

	Goodwill~	Brands~	Acquired customer bases	Indefeasible rights of use of capacity	Other intangibles *	Sub - total	Spectrum licences	Total
	$m	$m	$m	$m	$m	$m	$m	$m
Costs								
Balance 1 August 2018	1,911.0	90.6	480.5	251.2	156.5	2,889.8	1,494.1	4,383.9
Additions	-	-	-	25.5	51.1	76.6	-	76.6
Transfers	-	-	-	-	(4.8)	(4.8)	-	(4.8)
Effect of movements in exchange rates	-	-	-	-	-	-	8.8	8.8
Balance 31 July 2019	**1,911.0**	**90.6**	**480.5**	**276.7**	**202.8**	**2,961.6**	**1,502.9**	**4,464.5**
Balance 1 August 2019	1,911.0	90.6	480.5	276.7	202.8	2,961.6	1,502.9	4,464.5
Additions	-	-	-	21.0	7.5	28.5	-	28.5
Transfers	-	-	-	-	(5.6)	(5.6)	-	(5.6)
Effect of movements in exchange rates	-	-	-	-	0.1	0.1	4.1	4.2
Balance 31 January 2020	**1,911.0**	**90.6**	**480.5**	**297.7**	**204.8**	**2,984.6**	**1,507.0**	**4,491.6**
Amortisation and Impairment								
Balance 1 August 2018	-	-	322.8	71.1	84.7	478.6	14.4	493.0
Amortisation for the period	-	-	43.5	17.1	13.4	74.0	62.1	136.1
Impairment &	-	-	-	-	58.2	58.2	91.8	150.0
Balance 31 July 2019	**-**	**-**	**366.3**	**88.2**	**156.3**	**610.8**	**168.3**	**779.1**
Balance 1 August 2019	-	-	366.3	88.2	156.3	610.8	168.3	779.1
Amortisation for the period	-	-	17.0	9.3	5.7	32.0	57.9	89.9
Balance 31 January 2020	**-**	**-**	**383.3**	**97.5**	**162.0**	**642.8**	**226.2**	**869.0**
Carrying amounts								
At 31 July 2019	1,911.0	90.6	114.2	188.5	46.5	2,350.8	1,334.6	3,685.4
At 31 January 2020	**1,911.0**	**90.6**	**97.2**	**200.2**	**42.8**	**2,341.8**	**1,280.8**	**3,622.6**

~ Goodwill and Brands are non-amortising intangible assets as they have indefinite useful lives.
* Other intangible assets include software, capitalised interest, development costs and other licences.
Amortising intangibles are removed from cost in the analysis in the year after they become fully amortised.
& Impairment of assets following cessation of Australian mobile network build as detailed in FY19 Annual Report.

14. Loans and borrowings and derivative financial liabilities

	31 Jan 2020 $m	31 July 2019 $m
Current		
Finance lease liabilities*	-	6.8
Derivative financial liabilities	15.9	7.5
	15.9	**14.3**
Non-current		
Gross secured bank loans	1,724.8	1,424.7
Less: Unamortised borrowing costs	(16.3)	(20.7)
	1,708.5	1,404.0
Finance lease liabilities*	-	5.5
Derivative financial liabilities	62.8	61.1
	1,771.3	**1,470.6**

As at 31 January 2020, the Group had debt facilities of $2,394.1m (including a Singapore dollar denominated facility of SGD100m which is translated to AUD using the 31 January 2020 spot rate) of which $1,724.8m was drawn down. As at 31 January 2020, the maturity profile of the facilities is now between 0.7 and 4.7 years, with a weighted average of 2.1 years. Although a $546m tranche of the facilities expires within one year (in September 2020), none of this tranche was drawn down as at 31 January 2020 and hence none of the debt is disclosed as a current liability.

The outstanding loans balance as at the reporting date is shown in the statement of financial position net of unamortised borrowing costs of $16.3m.

In January 2018, the Group entered into interest rate swap contracts to hedge the interest rate risk on $800m of its debt facilities. These contracts enable the Group to convert its borrowings from floating rates to fixed rates for 5 years starting from December 2019.

*Finance lease liabilities have been reclassified to lease liabilities following the adoption of AASB 16 *Leases*.

15. Spectrum liability

	31 Jan 2020 $m	31 July 2019 $m
Balance as at 1 August	344.2	671.8
Instalments paid	(352.4)	(352.4)
Interest accrued for the period	8.2	24.8
Balance at end of period	**-**	**344.2**

The Group acquired a licence for two lots of 10MHz of 700MHz spectrum in Australia at an auction in April 2017 for a purchase price of $1.260 billion, payable in three annual instalments of which the final instalment of $352.4m was paid on 31 January 2020. The total amount paid for the spectrum licence amounts to $1,309.6m and implies total interest expense for the deferred payment instalments of $49.6m. The licence period commenced from 1 April 2018.

16. Share capital

	Ordinary shares		$m	
	31 Jan 2020	**31 July 2019**	**31 Jan 2020**	**31 July 2019**
Balance at start and end of period	927,811,493	927,811,493	1,465.2	1,465.2

17. Earnings per share

	1H20 Cents	1H19 Cents
Basic and diluted earnings per share	15.5	5.1
	$m	**$m**
Profit attributable to owners of the Company used in calculating basic and diluted earnings per share	143.6	46.9
	Number	**Number**
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	927,811,493	927,811,493

18. Dividends

Dividends recognised in the current period were as follows:

	Cents per share	Total amount $m	Date of payment
2020			
Final FY19 ordinary	2.0	18.6	19 Nov 2019
2019			
Interim FY19 ordinary	2.0	18.6	21 May 2019
Final FY18 ordinary	2.0	18.6	20 Nov 2018

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

On 5 March 2020 the directors have declared a fully franked interim FY20 dividend of 3.0 cents per share. The dividend has a record date of 14 April 2020 and will be paid on 19 May 2020. As the interim dividend was not declared or resolved to be paid by the Board of directors as at 31 January 2020, the dividend has not been provided for in the consolidated interim statement of financial position. The Dividend Reinvestment Plan (DRP) is currently suspended until further notice.

19. Capital commitments

	31 Jan 2020 $m	31 July 2019 $m
Capital expenditure commitments contracted but not provided for in the financial statements	230.9	265.1

Capital commitments at 31 January 2020 include the following individually material items:
- 3.6GHz spectrum payments due in March 2020: $131.7m (refer note 10);
- IRU agreements for international capacity: US$21.3m*

*translated into AUD at the prevailing spot rate at 31 January 2020 of 1.487.

20. Proposed merger with Vodafone Hutchison Australia

On 13 February 2020, the Federal Court of Australia ruled that the Company's planned merger with Vodafone Hutchison Australia (VHA) (which had first been announced on 30 August 2018) would not substantially lessen competition. If the ACCC wishes to appeal, it must do so by 12 March 2020. Absent an appeal, this decision clears one of the conditions precedent to completion of the merger. However, there do remain other regulatory conditions that must be met before the merger can proceed, including CFIUS and FIRB. The Group is currently targeting completion of the merger in mid-2020.

21. Subsequent events

Other than as disclosed above, there has not arisen in the interval between the end of the half-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.

TPG Telecom Limited and its controlled entities
Directors’ declaration

For the half-year ended 31 January 2020

In the opinion of the directors of TPG Telecom Limited (“the Company”):

1. the financial statements and notes set out on pages 8 to 26, are in accordance with the *Corporations Act 2001* including:

   a. giving a true and fair view of the financial position of the Group as at 31 January 2020 and of its performance for the half-year ended on that date; and

   b. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Sydney this 5th day of March 2020.

Signed in accordance with a resolution of the directors.

David Teoh
Chairman

Independent Auditor's Review Report

To the shareholders of TPG Telecom Limited

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying ***Half-year Financial Report*** of TPG Telecom Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of TPG Telecom Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 January 2020 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Half-year Financial Report*** comprises:

- Consolidated interim statement of financial position as at 31 January 2020
- Consolidated interim income statement, consolidated interim statement of comprehensive income, Consolidated interim statement of changes in equity and Consolidated interim statement of cash flows for the Half-year ended on that date
- Notes 1 to 21 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The ***Group*** comprises TPG Telecom Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year Period.

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- for such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Half-year Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 January 2020 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of TPG Telecom Limited *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

KPMG

KPMG

Kenneth Reid

Partner

Sydney

5 March 2020

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of TPG Telecom Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 January 2020 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Kenneth Reid

Partner

Sydney

5 March 2020