



———— **2014** ————
ANNUAL GENERAL MEETING

3 DECEMBER 2014

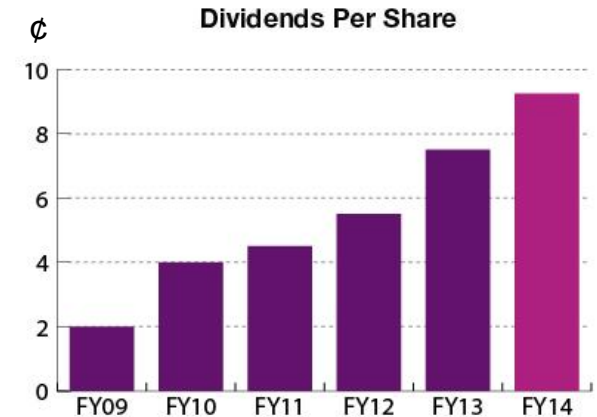
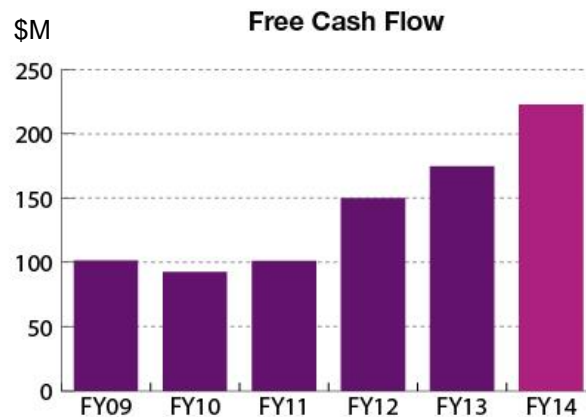
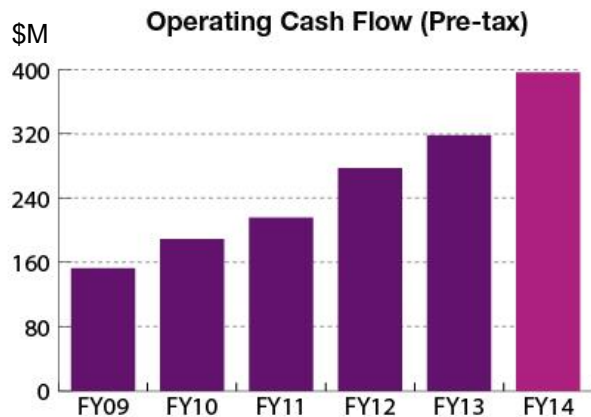
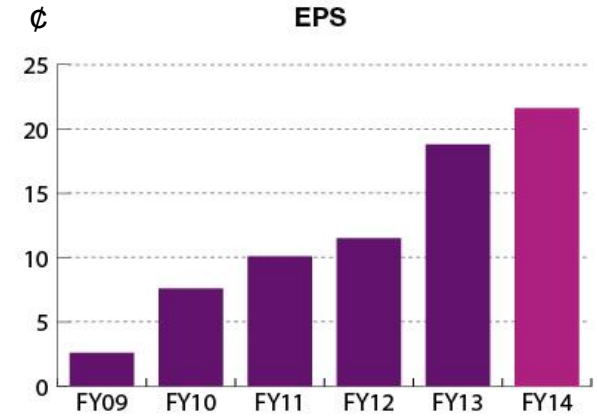
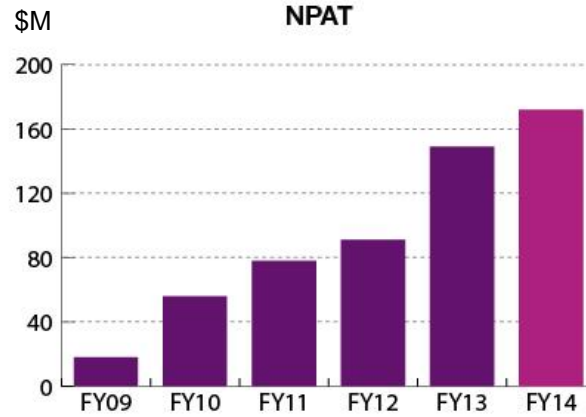
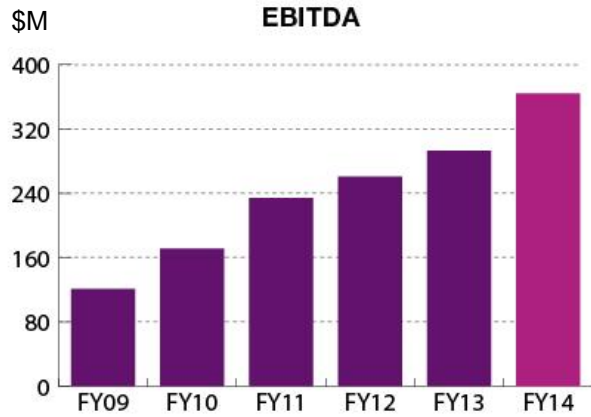


\$m

	FY14	FY13	Growth
Revenue	970.9	724.5	34%
EBITDA (Reported)	363.7	293.1	24%
EBITDA (Underlying ¹)	362.4	272.6	33%
NPAT	171.7	149.2	15%
EPS (cents)	21.6	18.8	15%
EPS (cents) excl intangible amortisation	24.7	20.9	18%

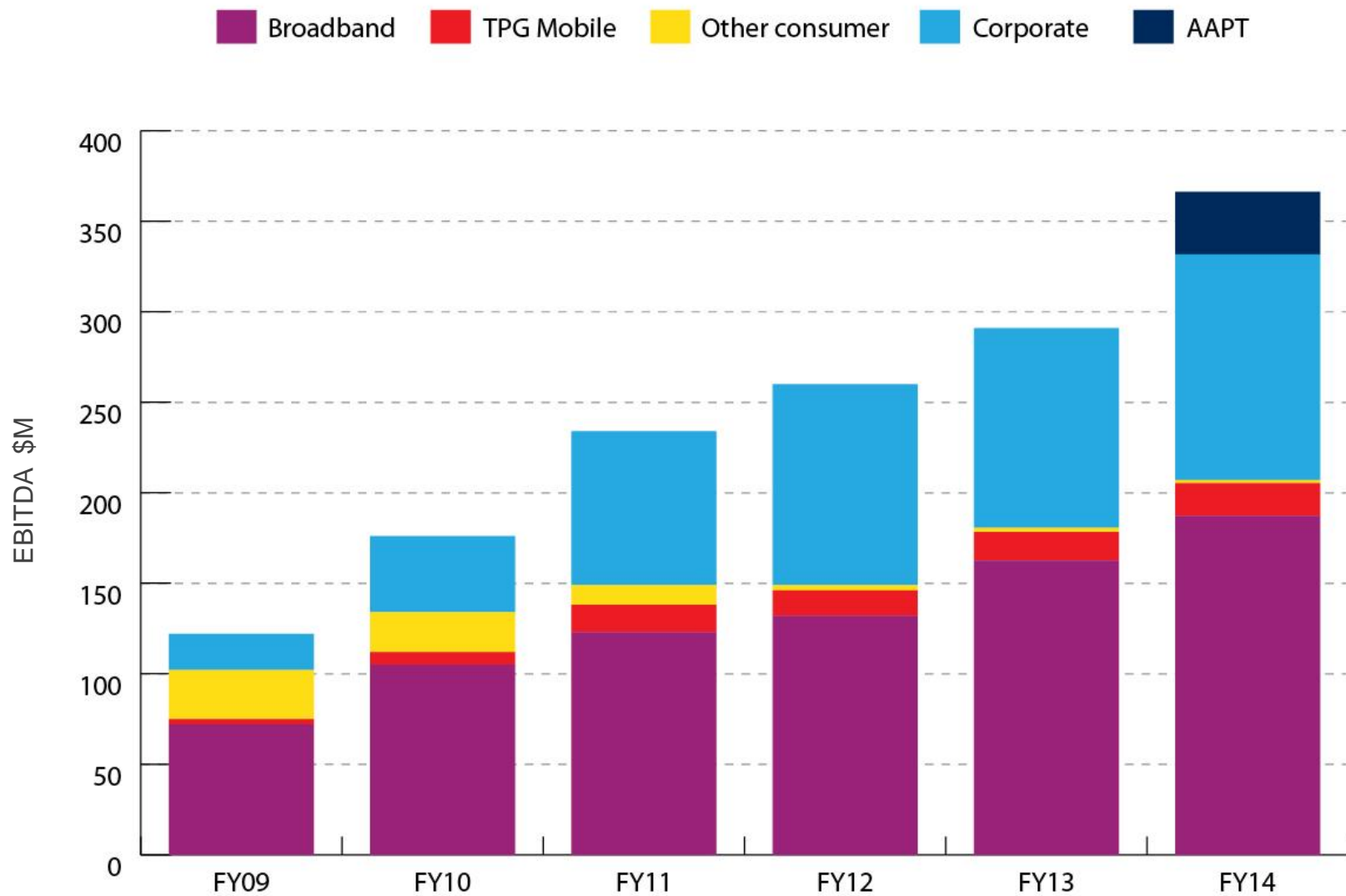
¹ Refer to notes on slide 8 for explanation of differences between 'reported' and 'underlying'

FY14 FINANCIALS: SIXTH CONSECUTIVE YEAR OF STRONG GROWTH



All charts show actual reported results.

FY14 FINANCIALS: EBITDA GROWTH



\$m

	FY14	FY13
Operating Cash Flow	396.6	318.0
Tax	(96.1)	(79.2)
Interest	(7.5)	(6.0)
Capex	(69.5)	(58.3)
Free Cash Flow	223.5	174.5

Continued strong operating and free cashflow performance.

\$m

	FY14	FY13
Free Cash Flow	<u>223.5</u>	<u>174.5</u>
<i>Utilisation:</i>		
AAPT acquisition (incl acquisition costs)	465.9	-
Debt drawdown (to fund AAPT acquisition)	(425.0)	-
Debt repayments	117.0	107.0
Dividend payments	67.5	49.6
Other	0.4	5.5
(Decrease)/Increase in cash at hand	(2.3)	12.4
	<u>223.5</u>	<u>174.5</u>

	\$m
Group debt balance at 31 July 2013	42.0
Repayments made during 1H14	(42.0)
Feb 14 drawdown (to fund AAPT acquisition)	425.0
Repayments made during 2H14	(75.0)
Group debt balance at 31 July 2014	350.0

Net debt at 31 July 2014: \$326.2m (net of \$23.8m cash)

No mandatory debt repayments until end of term (Feb-17)

Debt to annualised EBITDA ratio <0.9X

FY14 FINANCIALS: SEGMENT & PRODUCT ANALYSIS



\$m

REVENUE	Consumer				Corporate			Other	TOTAL
	Broadband	Mobile	Other	Total	TPG	AAPT	Total		
FY13	403.1	68.6	8.6	480.3	244.2 ³	-	244.2	-	724.5
FY14	478.4	79.1	5.7	563.2	242.9 ⁴	164.8 ⁵	407.7	-	970.9

EBITDA	Consumer				Corporate			Other	TOTAL
	Broadband	Mobile	Other	Total	TPG	AAPT	Total		
FY13	162.5 ¹	15.8	2.3	180.6	110.3 ³	-	110.3	2.2	293.1
FY14	187.1 ²	16.7	1.8	205.6	126.0 ⁴	33.1 ⁵	159.1	(1.0) ⁶	363.7

EBITDA %	Consumer				Corporate			Other	TOTAL
	Broadband	Mobile	Other	Total	TPG	AAPT	Total		
FY13	40% ¹	23%	27%	38%	45% ³	-	45%	-	40%
FY14	39% ²	21%	32%	37%	52% ⁴	20% ⁵	39%	-	37%

¹ Consumer broadband FY13 EBITDA included \$10.0m of one-off benefits. Underlying margin was therefore 38%.

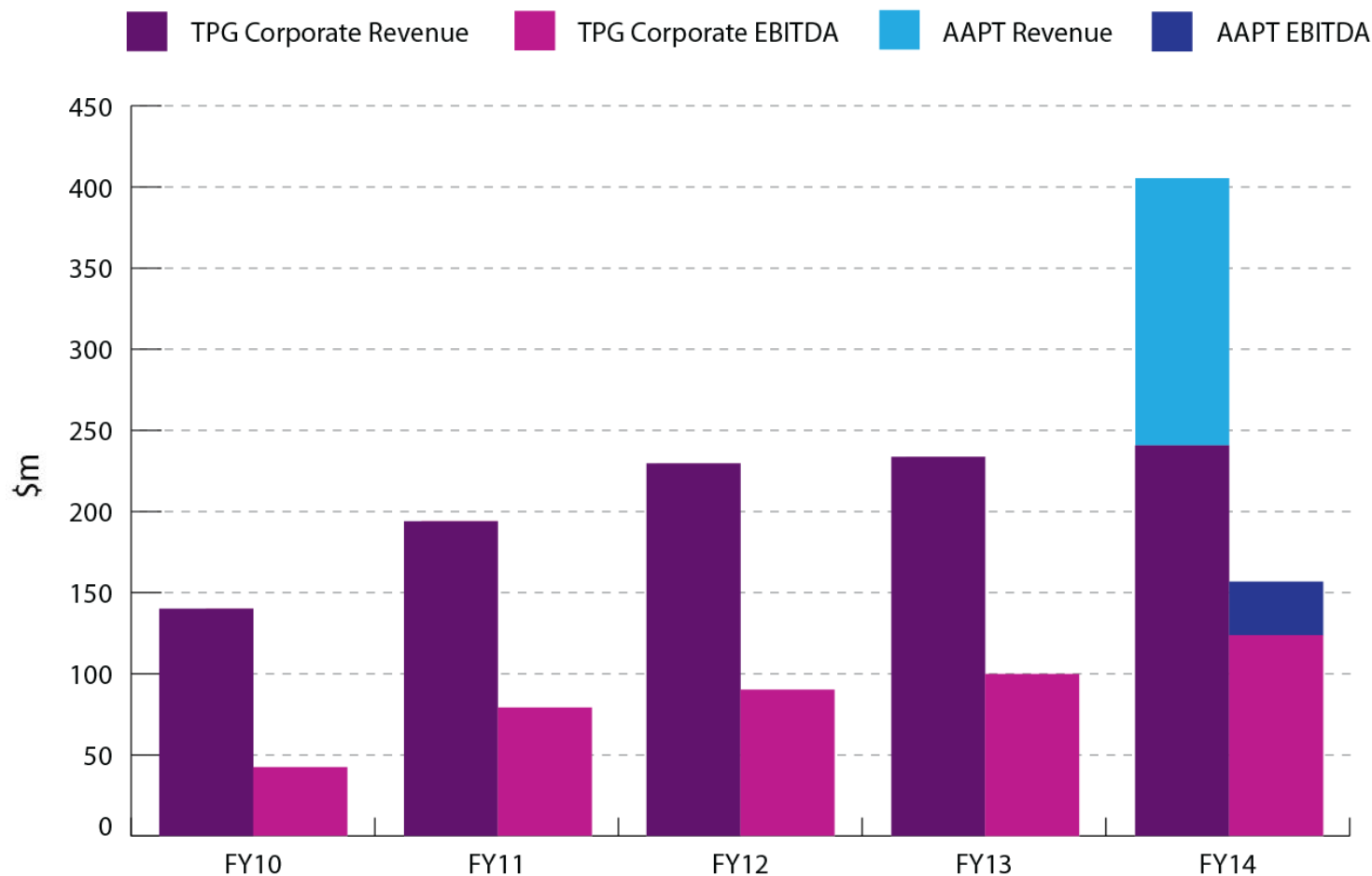
² Consumer broadband FY14 EBITDA includes \$3.3m of one-off benefits. Underlying margin 38%.

³ TPG Corporate FY13 rev & EBITDA included a \$10.5m IRU gain. Underlying margin 43%.

⁴ TPG Corporate FY14 rev & EBITDA include a \$2.3m IRU gain, and EBITDA includes \$4.0m of other non-recurring benefits. Underlying margin 50%.

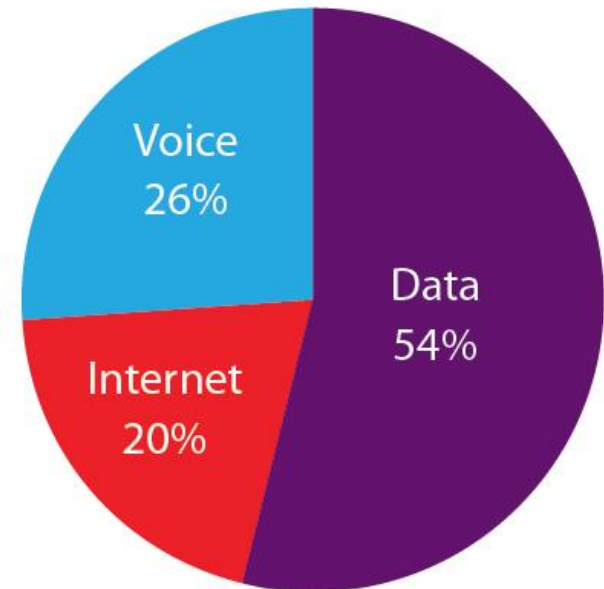
⁵ AAPT FY14 rev & EBITDA is for 5 months. EBITDA includes \$5.1m of restructuring costs. Underlying margin 23%.

⁶ Other EBITDA includes \$3.2m of one-off costs related to the acquisition of AAPT.

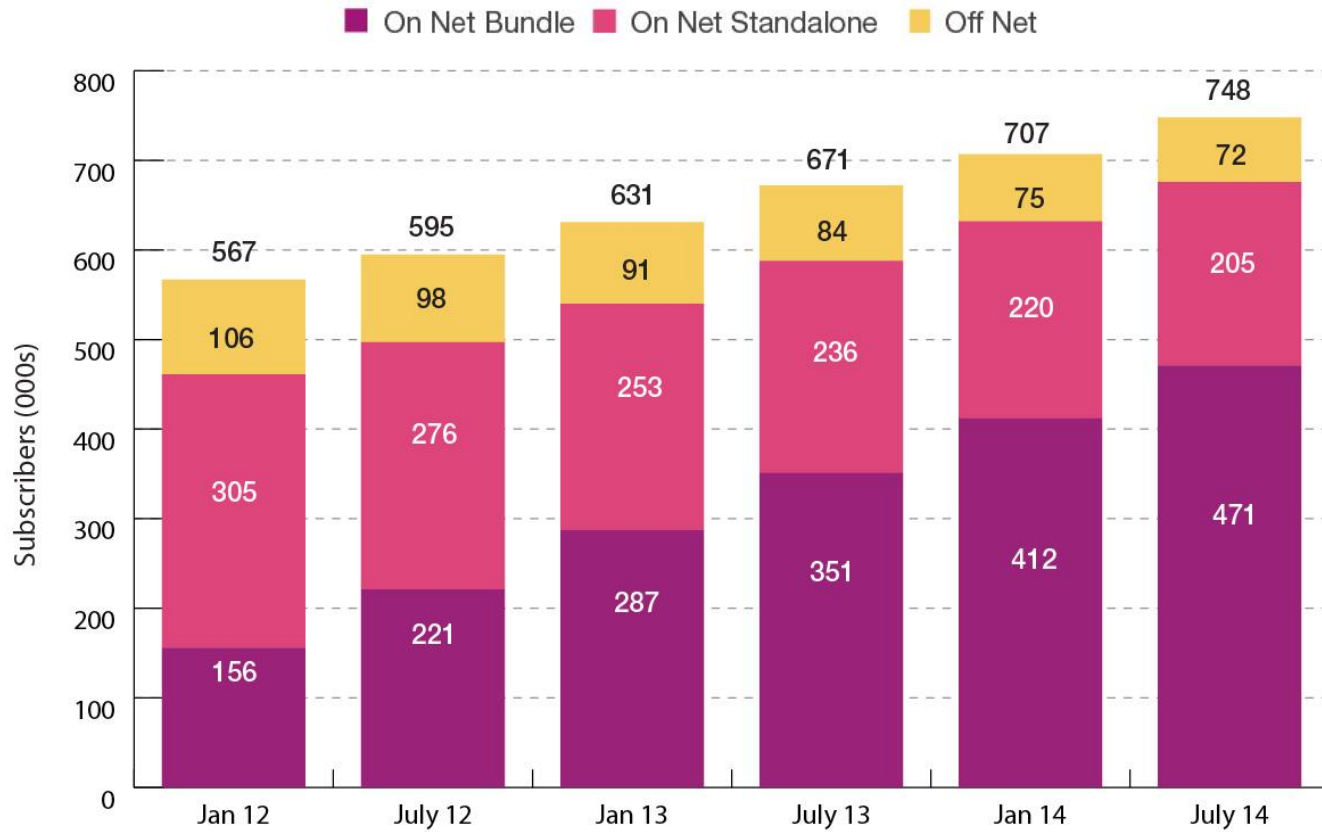


- Chart excludes one-off IRU earnings.
- TPG Corporate underlying EBITDA margin % up from 43% to 50% in FY14.
- AAPT earnings are for 5 months.

Annualised Corporate division (inc AAPT) revenues by customer and product category



Following AAPT acquisition, Corporate division now has annualised revenues of > \$600m

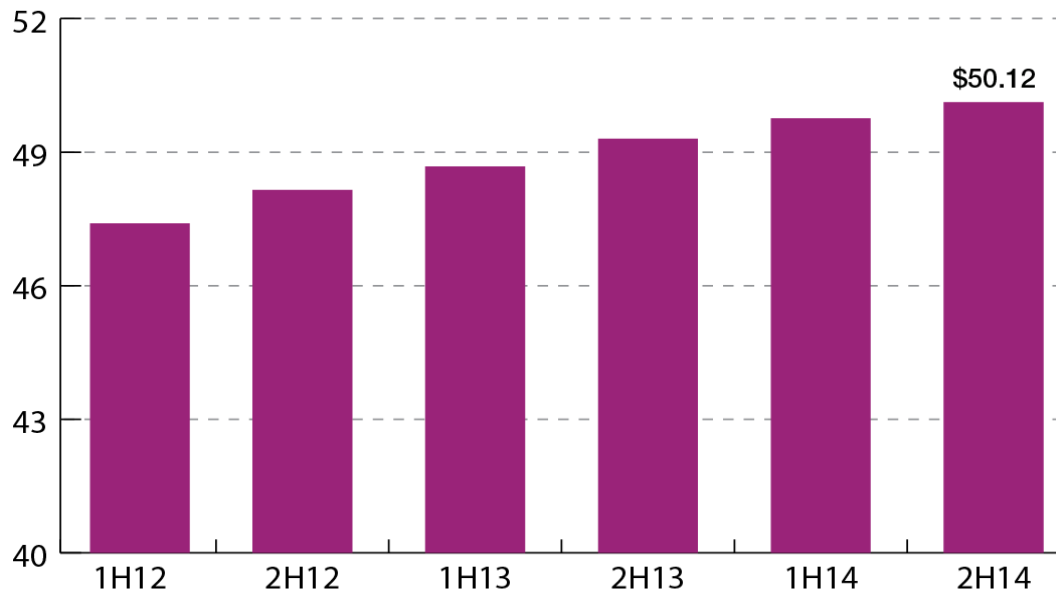


Overall growth of 77k in FY14 (120k growth in home phone bundle plans)

Subscriber growth is 100% organic

On Net churn rate down to 1.3% in 2H14

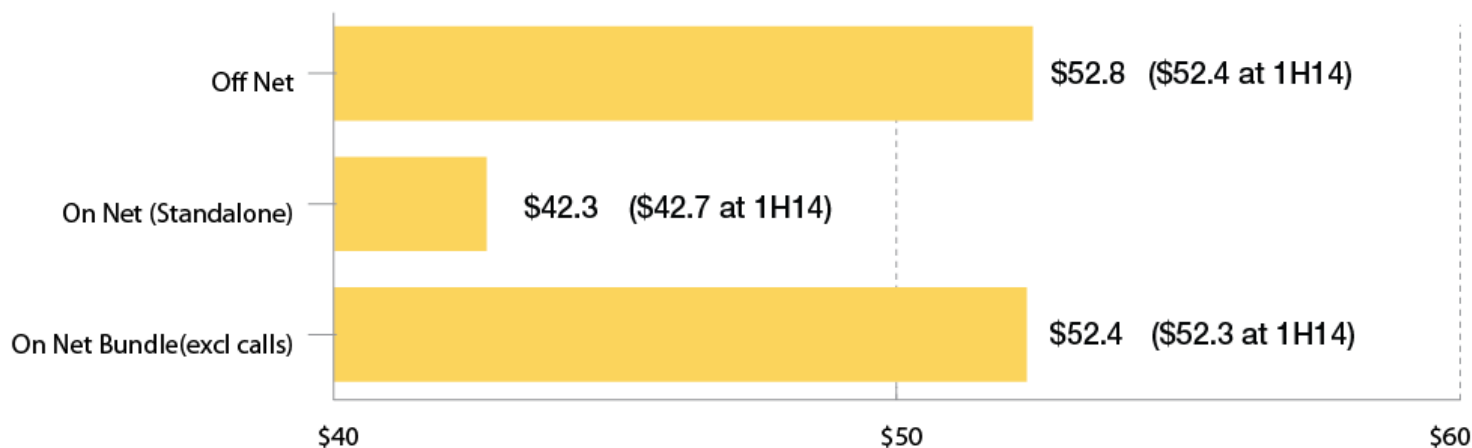
Overall Broadband ARPU Trend



Overall ARPU continuing to trend higher as bundle plans form a larger proportion of the customer base (up to 63% of the base at July 14).

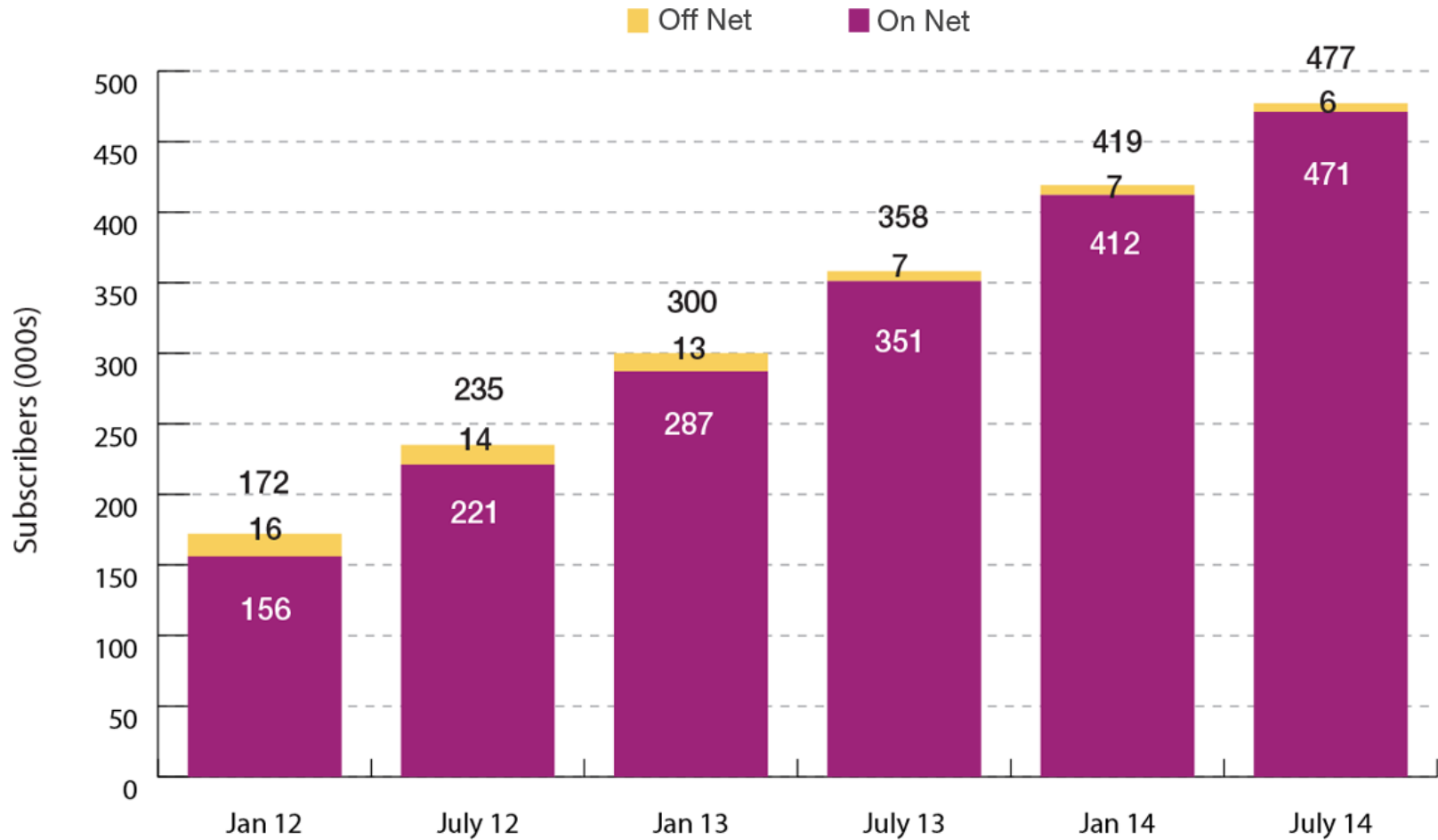
The bundle also generates monthly voice revenue not included in these charts; average of \$7 per month per subscriber in FY14 (up from \$6 in FY13).

2H14 Broadband ARPU composition

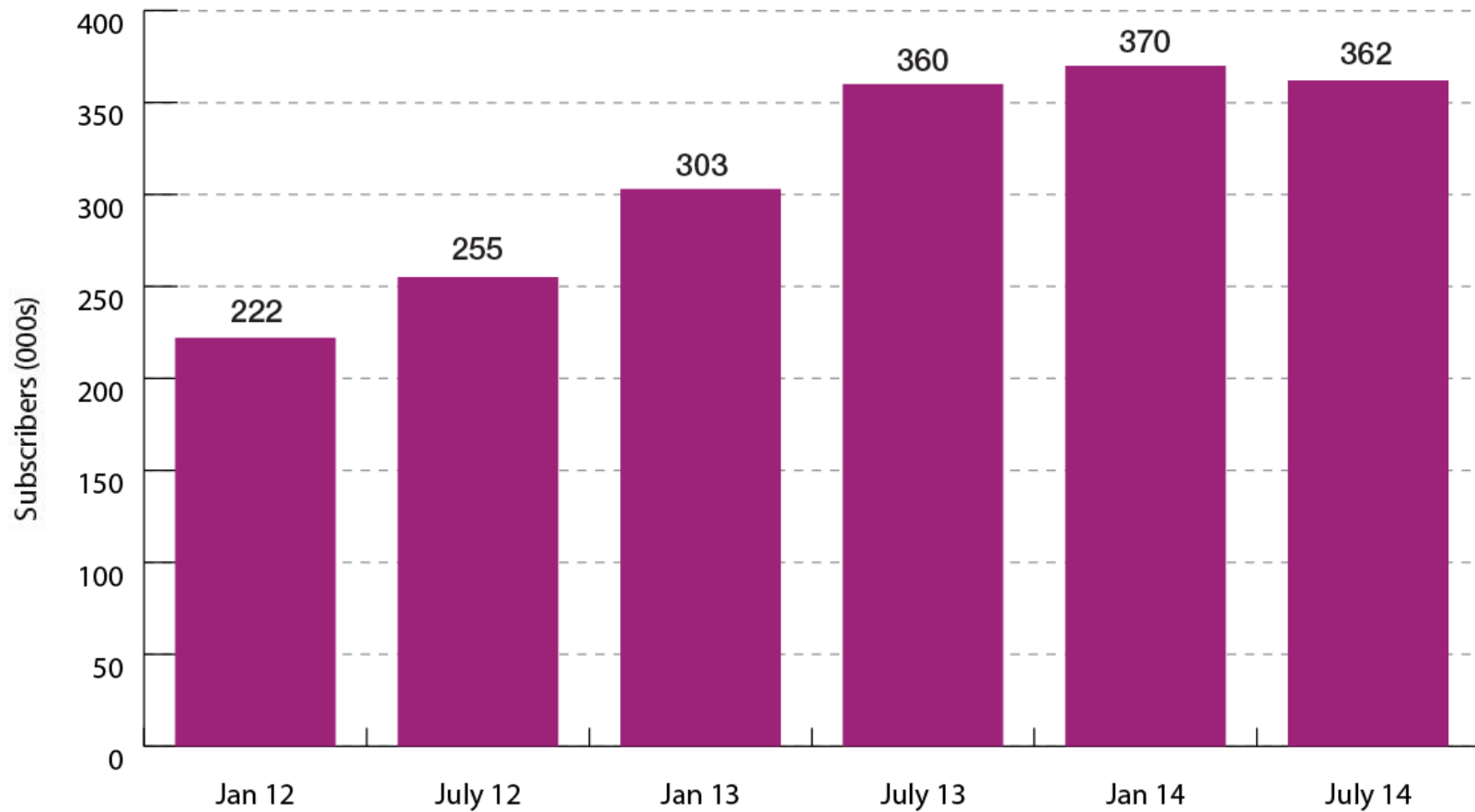


Note: ARPU excludes GST, voice call revenue and any one-off charges e.g. installs and equipment sales.

CONSUMER: HOME PHONE SUBSCRIBERS



Over 470k home phone subscribers added since launch in 2010



Mobile business relatively flat after new wholesale pricing.

\$m

	Guidance
FY15 EBITDA	455 - 460
FY15 Capex	100 - 120

FY15 year-to-date results tracking well to budget

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.