



———— 2014 ————

FULL YEAR RESULTS PRESENTATION

23 SEPTEMBER 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 ²	24.7	20.9	18%

1 Refer to notes on slide 9 for explanation of differences between 'reported' and 'underlying'

2 See Appendix for details

FY14 FINANCIALS: PERFORMANCE

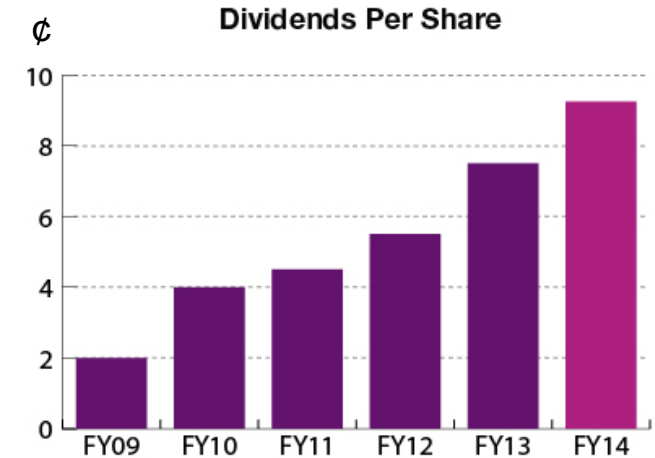
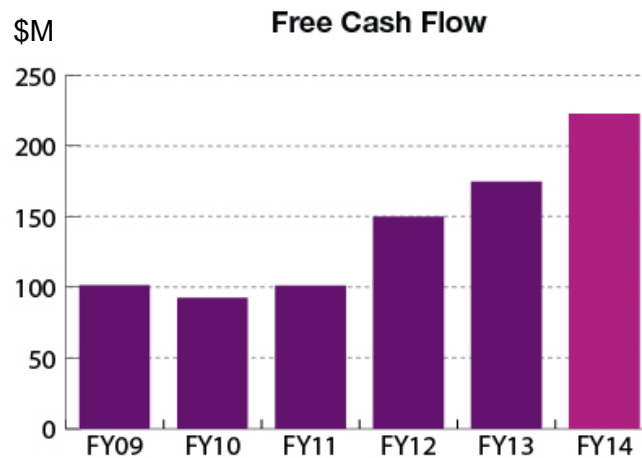
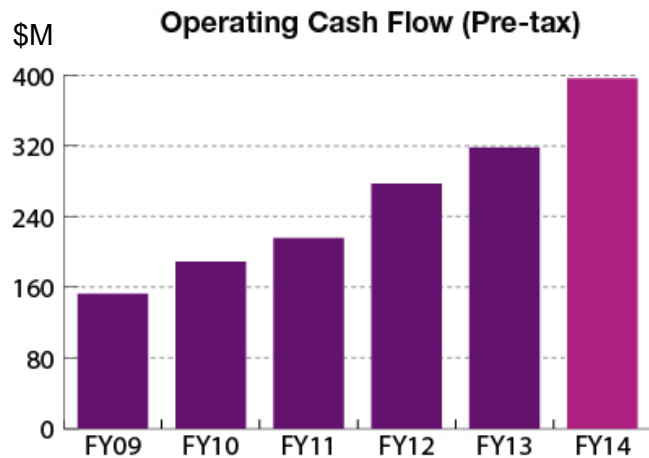
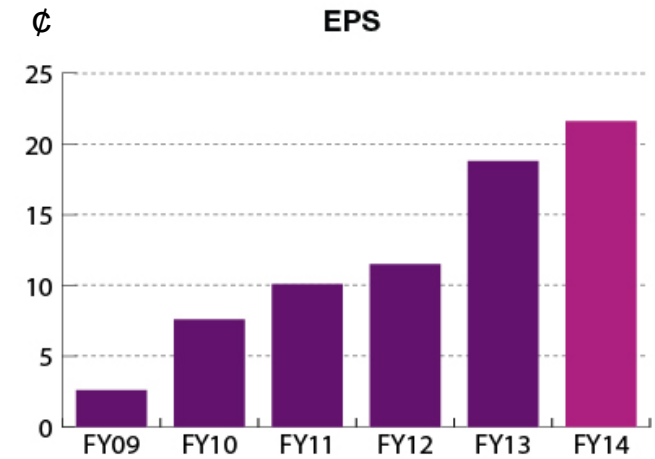
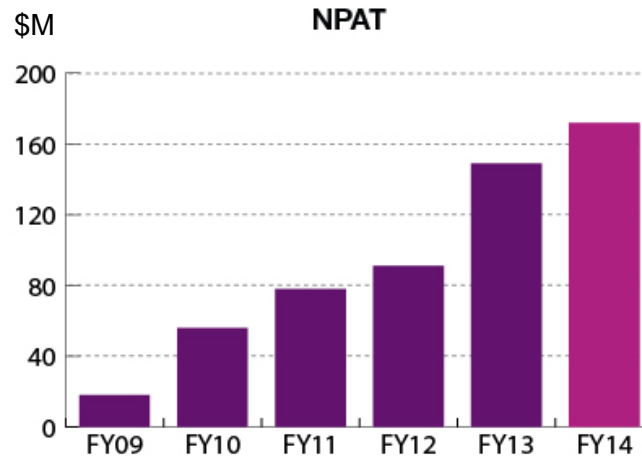
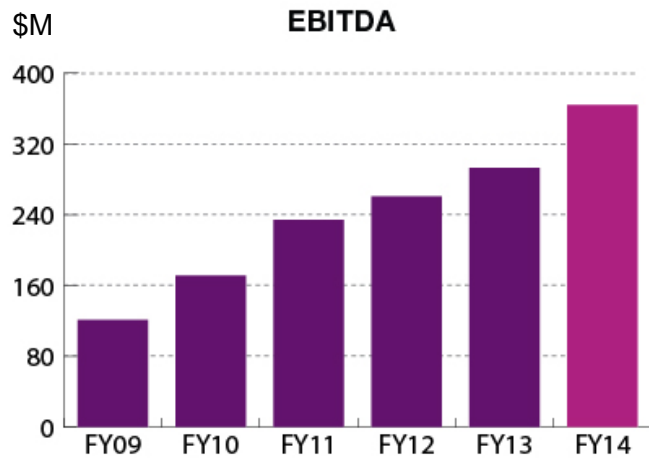


\$m

	TPG Group excl AAPT	AAPT	Total Group
Guidance	FY14	5 months FY14	FY14
Regular EBITDA	318-323	27-32	345-355
Non-recurring benefits	7	-	7
Acquisition / integration costs	-	7-12	7-12
Total EBITDA	325-330	15-25	340-355

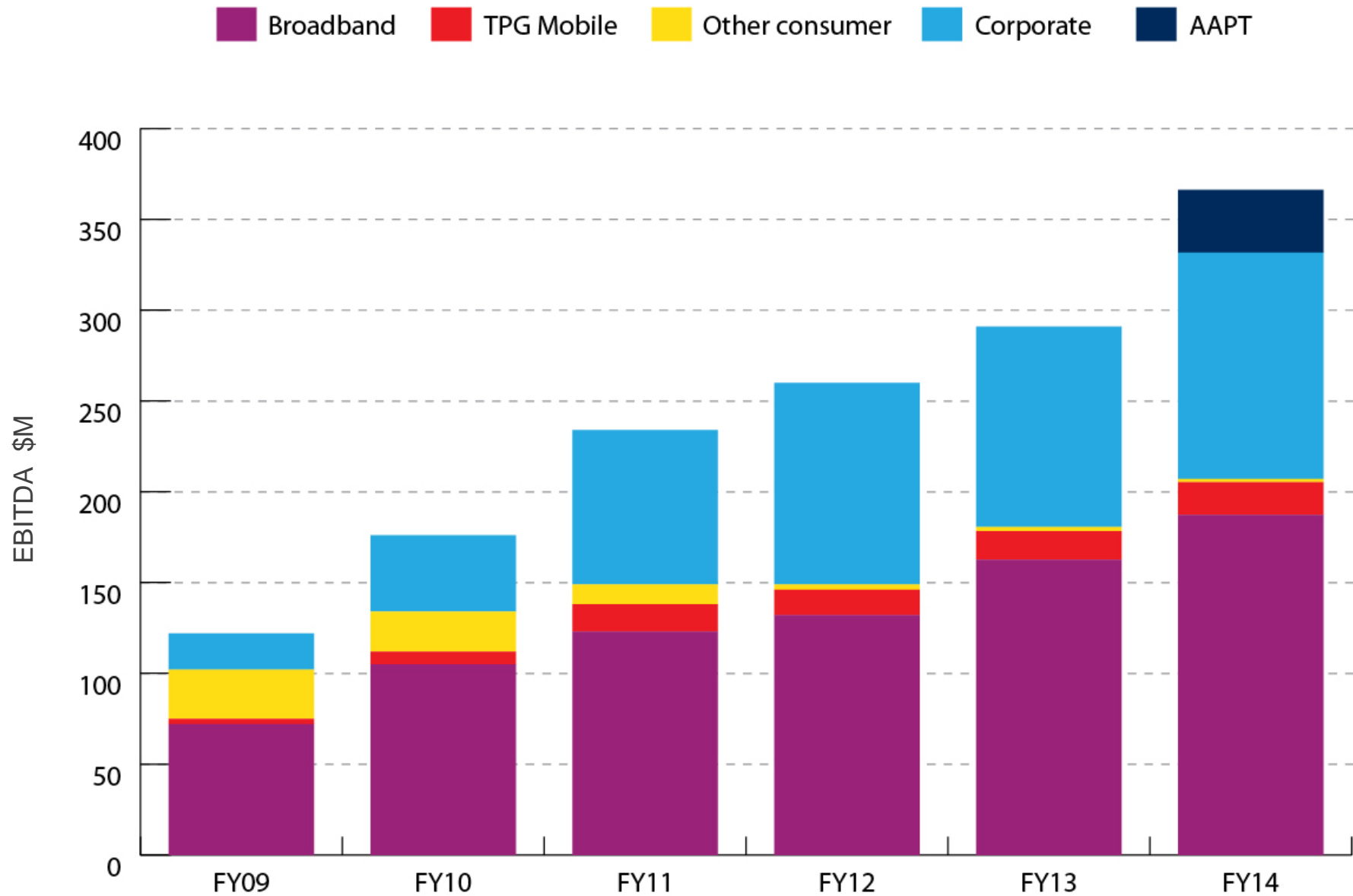
Actual	FY14	5 months FY14	FY14
Regular EBITDA	324.2	38.2	362.4
Non-recurring benefits	9.6	-	9.6
Acquisition / integration costs	-	8.3	8.3
Total EBITDA	333.8	29.9	363.7

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%.

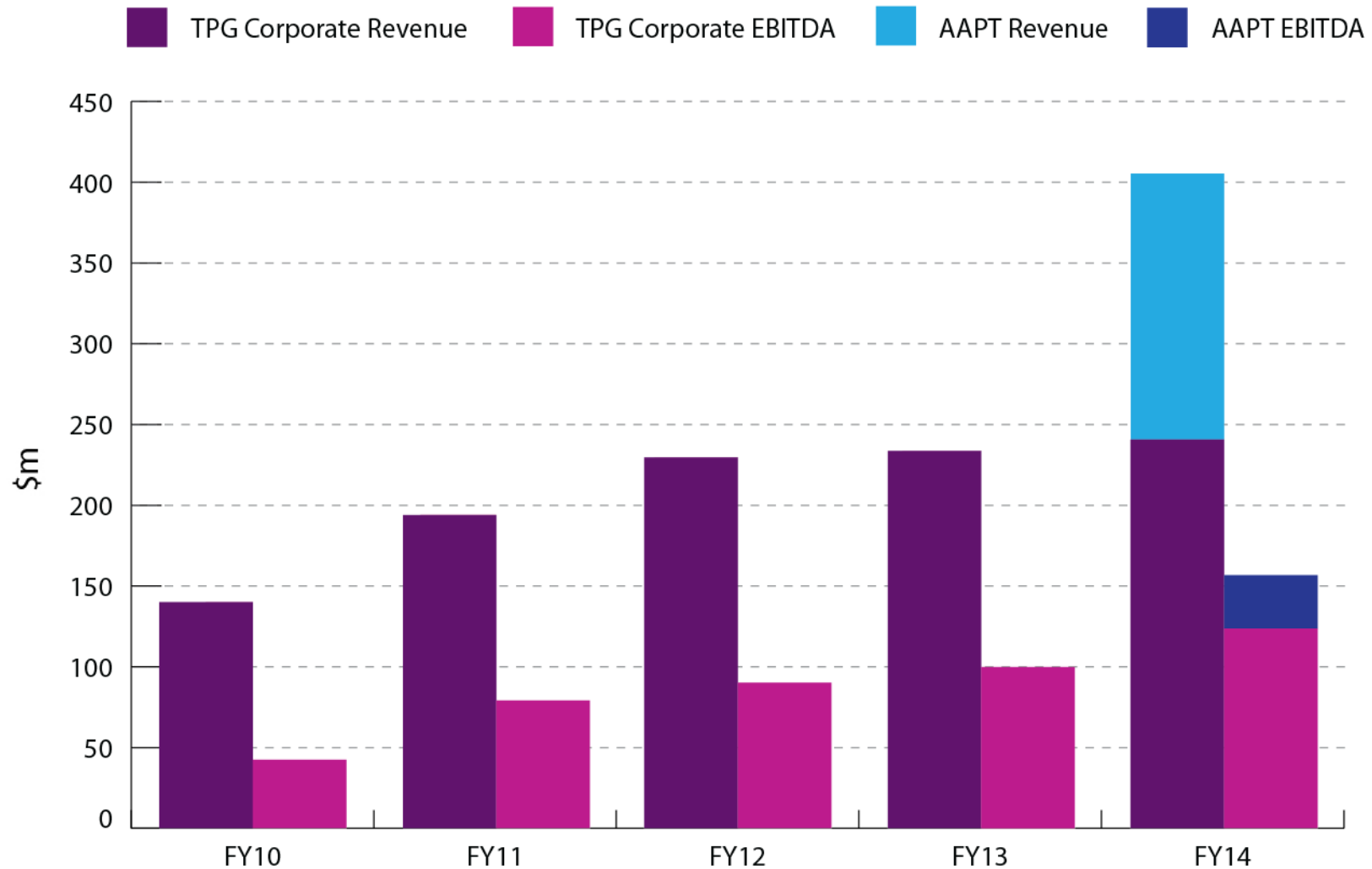
² Consumer broadband FY14 EBITDA includes \$3.3m of one-off benefits. Underlying margin 38%.

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%.

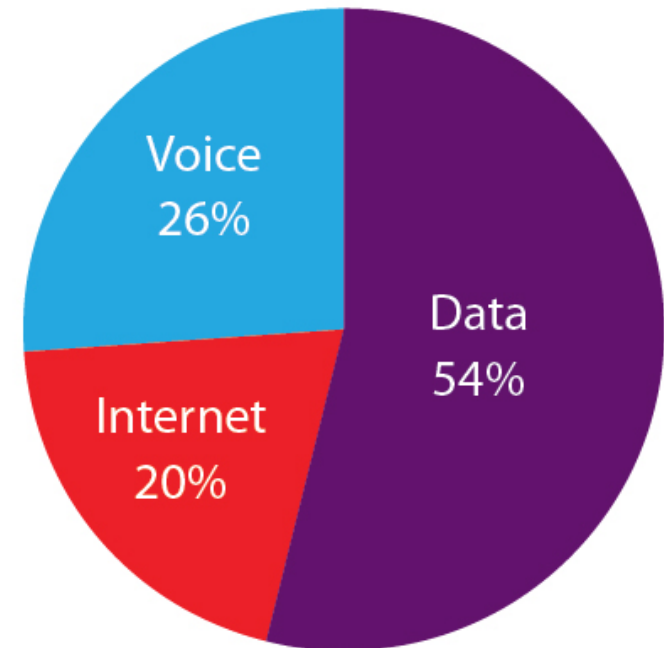
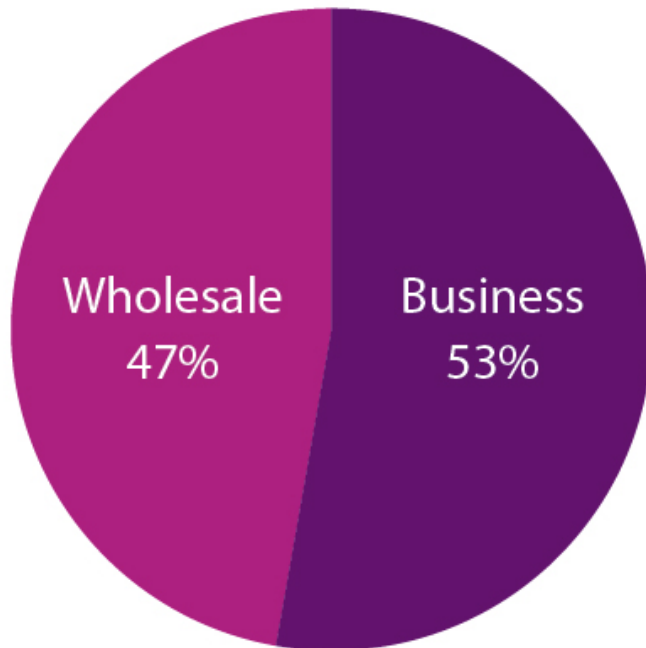
⁵ AAPT FY14 rev & EBITDA is for 5 months. EBITDA includes \$5.1m of restructuring costs. Underlying margin 23%.

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



Integration

Integration progressing.

- Management and staff integrated into functional teams and office locations.
- Accounting systems consolidated.
- Network and business systems rationalisation in progress.

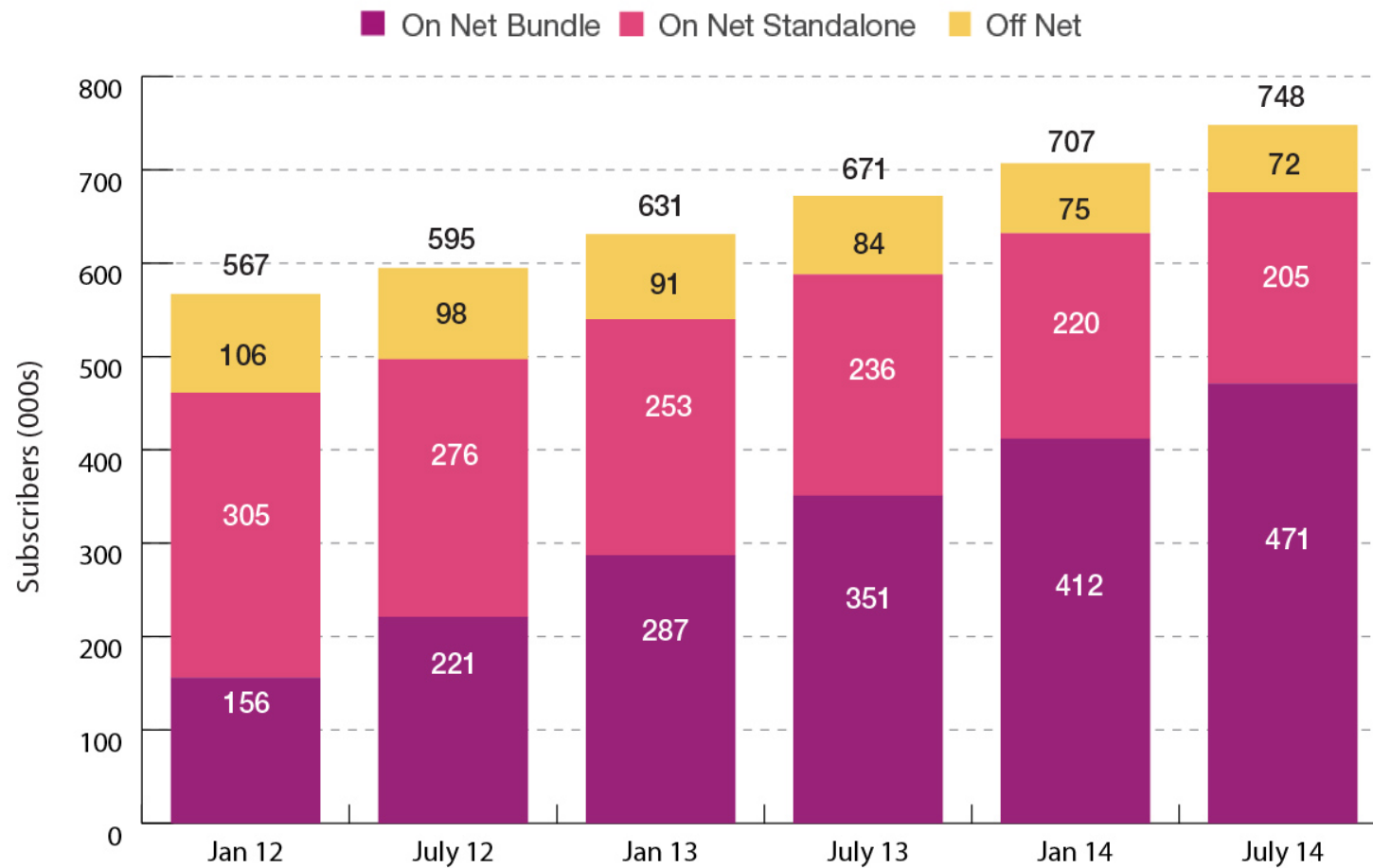
Financials

5 months contribution from AAPT of \$29.9m to Group FY14 EBITDA (inclusive of \$8.3m of acquisition / integration costs).

AAPT D&A for the 5 months of \$37.4m (dep \$21.5m, amort \$15.9m). Annualised D&A ~\$90m.

AAPT FY15 D&A expected to decrease to ~\$75m (dep ~\$50m, amort ~\$25m).

CONSUMER: BROADBAND SUBSCRIBERS

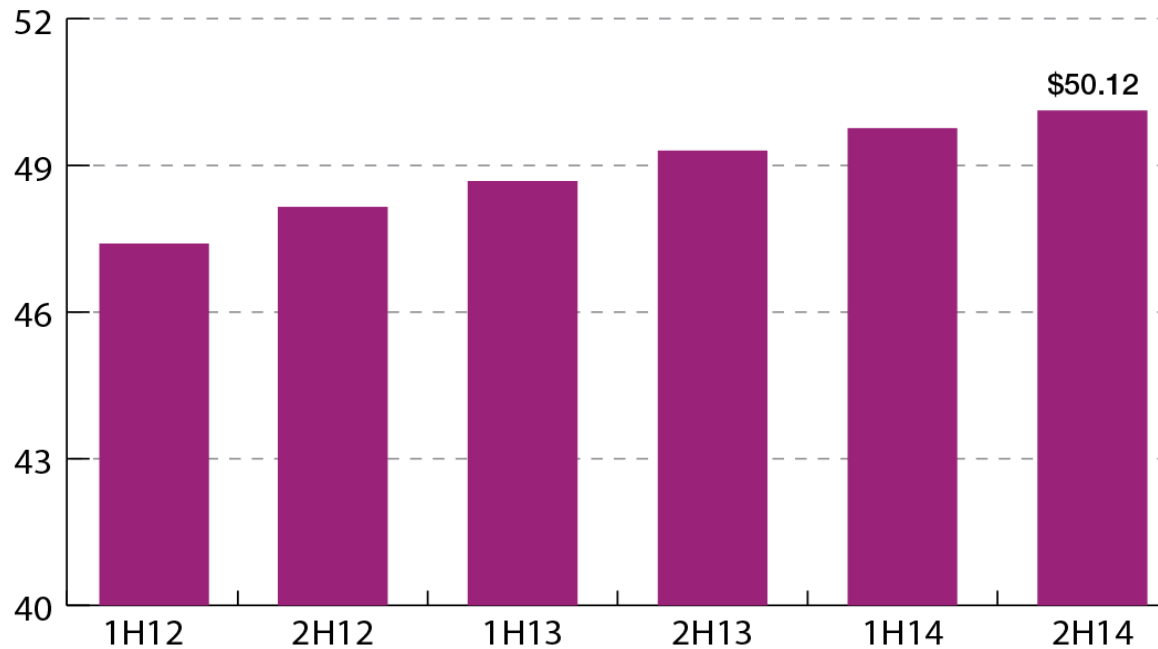


Overall growth of 77k in FY14 (120k growth in home phone bundle plans)

Subscriber growth is 100% organic

On Net churn rate down to 1.3% in 2H14

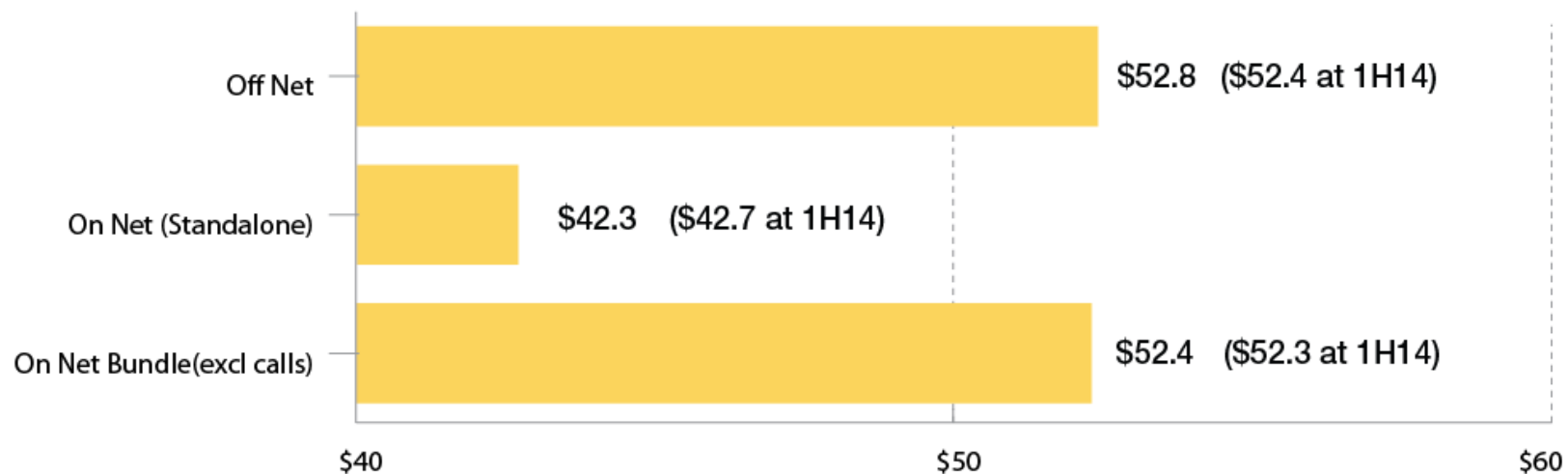
Overall Broadband ARPU Trend



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).

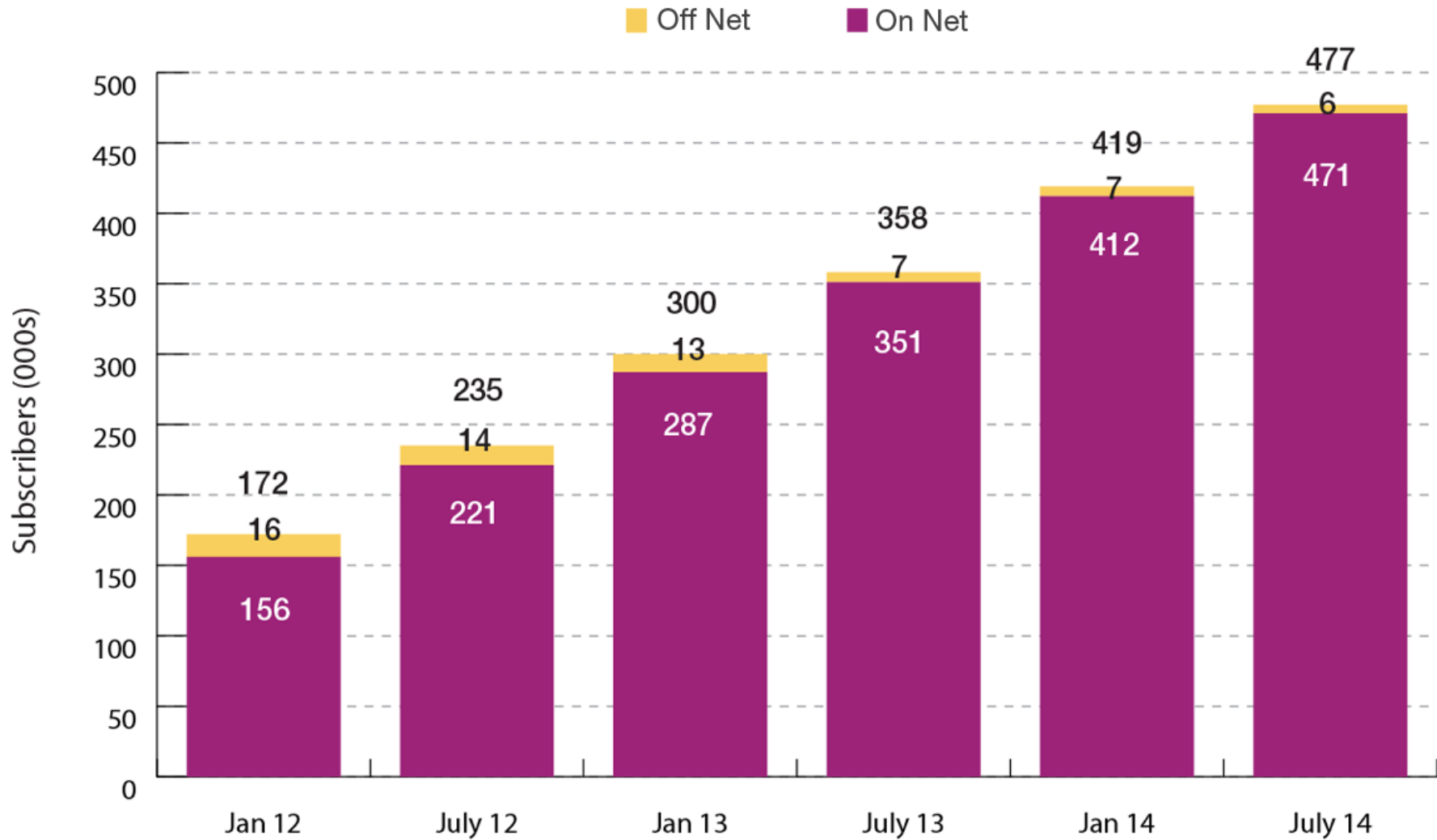
The bundle also generates monthly voice revenue not included in these charts; average of \$7 per month per subscriber in FY14 (up from \$6 in FY13).

2H14 Broadband ARPU composition

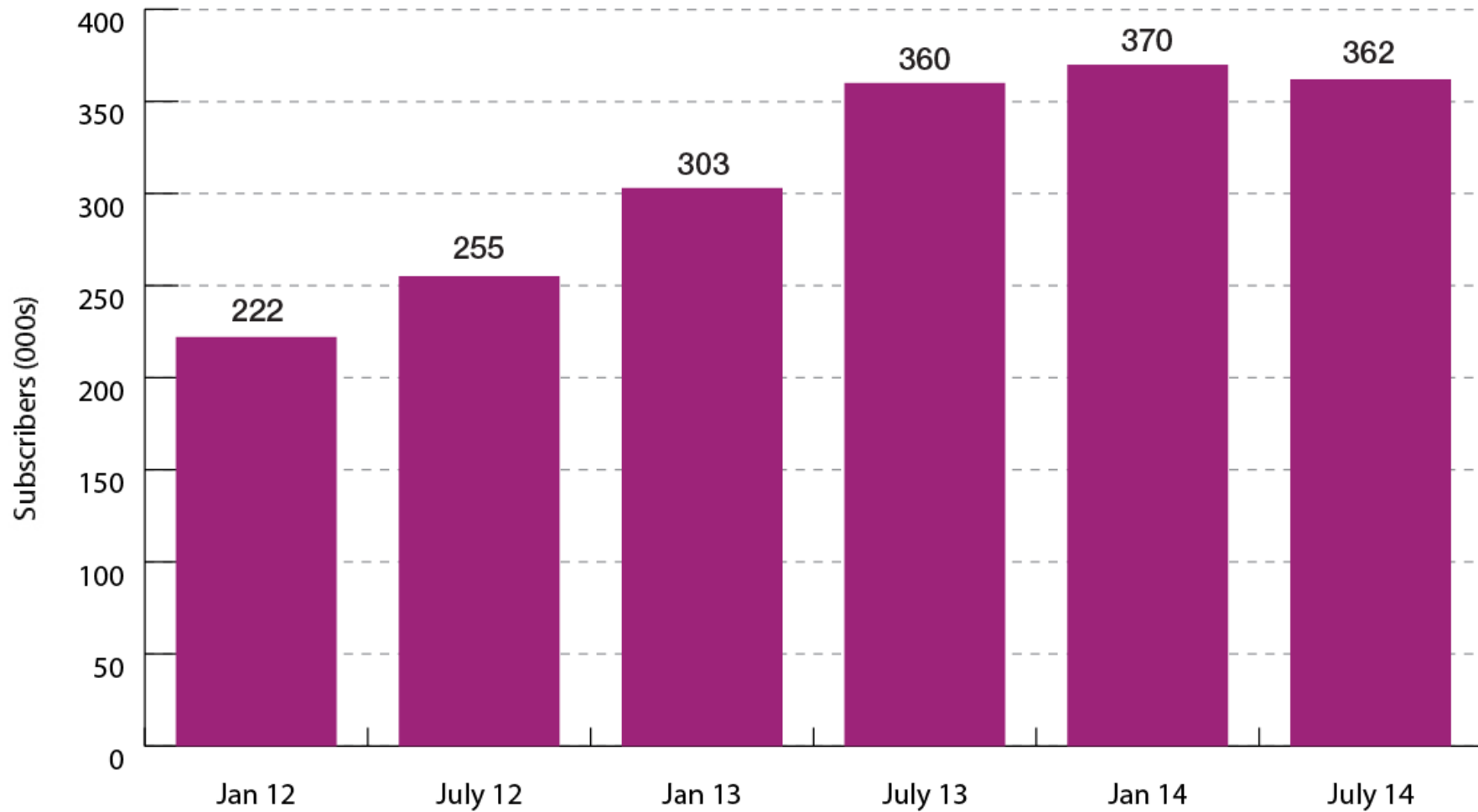


Note: ARPU excludes GST, voice call revenue and any one-off charges e.g. installs and equipment sales.

CONSUMER: HOME PHONE SUBSCRIBERS



Over 470k home phone subscribers added since launch in 2010



Mobile business relatively flat after new wholesale pricing.

FIBRE TO THE BUILDING

FTTB + HOME PHONE

\$0 SETUP

UNLIMITED

From **50Mbps** to **100Mbps** Download Connection Speed #

Wi-Fi Modem Included

\$ **59** ⁹⁹
per month

MIN CHARGE \$1,109⁸²
18 MONTH PLAN

Local Calls

Unlimited

STD National Calls

Unlimited

International

100 Minutes

Min Charge includes \$10 Delivery + \$20 Prepayment Outside Included Value + \$0 Setup. # Actual throughput speeds may be slower and could vary due to various factors. Only available in selected buildings. All calls charged at TPG's Home Phone rates displayed on website.

Product officially released mid Sep 2014

NBN + HOME PHONE

Standard Speed

NO LOCK-IN CONTRACT

UNLIMITED

DATA USAGE

\$ **69**⁹⁹
per month

MIN CHARGE IN 1ST MONTH \$199⁹⁴
Includes Upfront Fees



UNLIMITED LOCAL

& Standard National Calls to Landlines



100 INTERNATIONAL

Minutes Per Month



Wi-Fi MODEM

Internet Gateway

Min charge incl \$10 Delivery + \$20 Prepayment Outside Included Value + \$99.95 setup. Only available for residential customers in selected coverage areas and must not be used for commercial purposes. The plan has an access connection speed of up to 12Mbps download / 1Mbps upload. Actual throughput speeds may be slower and could vary due to various factors.

Soft launched in 4Q FY14

Current momentum = 500-600 net adds per week

4.75 cents per share final dividend

Payable

18 November 2014

Record date

14 October 2014

Total FY14 dividends = 9.25 cents per share

23% increase on prior year

	\$m
	Guidance
FY15 EBITDA	455 - 460
FY15 Capex*	100 - 120

* Includes \$13.5m spectrum purchase but excludes Hawaiki expenditure (refer 19/8/13 ASX release) and any other major new initiatives.

The Group's accounts currently include substantial intangible amortisation charges which predominantly arise from the accounting for the acquisitions of PIPE Networks and AAPT. These are non-cash items. The table below shows the expected ongoing amortisation schedule.

Expected Amortisation Schedule

	FY13 Actual	FY14 Actual	FY15 Forecast	FY16 Forecast	FY17 Forecast	FY18 Forecast
Acquired customer bases	18.1	27.5	31.4	15.8	6.5	2.5
Other	5.8	7.7	9.7	9.6	9.6	9.6
TOTAL	23.9	35.2	41.1	25.4	16.1	12.1
Post tax expense included in Reported NPAT	16.7	24.6	28.8	17.8	11.3	8.5

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.