

TPG TELECOM LIMITED

ACQUISITION OF AAPT

9 December 2013

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- Acquisition of Telecom New Zealand Australia Pty Ltd and its subsidiaries on a debt-free and cash-free basis
- Subsidiaries include AAPT and PowerTel businesses
- Acquisition price A\$450m
- All cash consideration funded by debt
- Scheduled for completion on 28 February 2014



Overview of AAPT

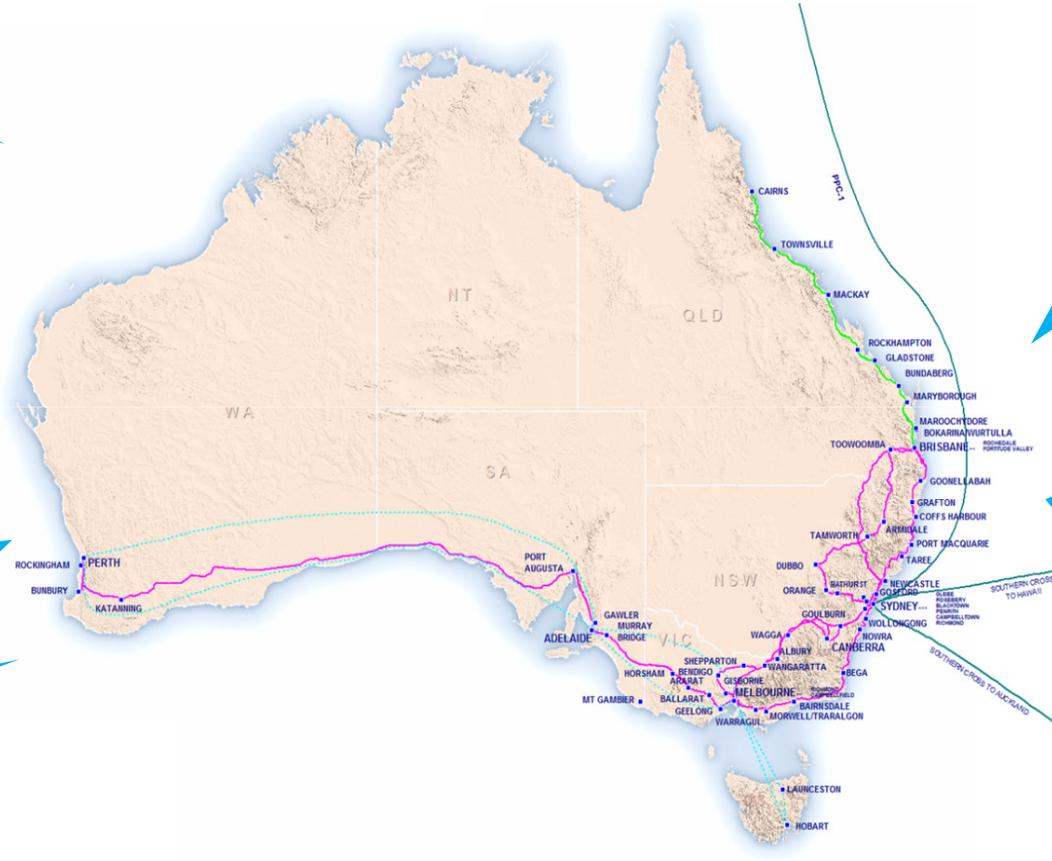


Fibre access to 1,500 premises

Coverage to over 950,000 businesses in metropolitan areas

Fibre access to greater than 70% of 3rd party data centres

Mid Band Ethernet in 254 exchanges



11,000km of fibre across six states and territories

Fibre access to greater than 50% of NBN Co's POIs

15 AAPT data centres across all major capital cities

More than 600 buildings with 10Gbps and 1Gbps Ethernet access

	FY13 A\$m	FY14 run-rate* A\$m
Revenue	410.3	~410
EBITDA	55.0**	~70
Capex	35	~40

Acquisition will be immediately free cashflow accretive for TPG

*Approximate annualised recurring run-rate based on the 5 months to 30 November 2013 (unaudited)

** FY13 EBITDA is 'Underlying'

- Augments and complements the TPG Network providing:
 - End to end network ownership and control
 - Easy access to increased bandwidth
 - The ability to more effectively compete in all markets
- Additional customer access network capability, including:
 - Additional building coverage
 - AAPT's mid-band ethernet product
- Additional data centre space
- Additional NBN POI coverage
- Significant increase to revenues and EBITDA
- Additional customers providing opportunity for cross-selling



- Acquisition funded by debt
- Existing strong banking relationships continued
- Existing debt facility revised
- No mandatory repayments until expiry
- New limit of the facility - up to \$550m
- Revised facility expiry date - March 2017
- Debt : EBITDA gearing ratio on completion expected to be ~1.2



Questions ?

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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.

