



TPG Telecom Limited
ABN 46 093 058 069
and its controlled entities

**ASX Appendix 4D and
Half Year Financial Report
31 January 2010**

Lodged with the ASX under Listing Rule 4.2A

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TPG Telecom Limited
ASX Appendix 4D

Half Year ended 31 January 2010

(Previous corresponding period: Half Year ended 31 January 2009)

Results for announcement to the market

Earnings

				\$A'000
Revenue	down	0.1%	to	241,541
Earnings before interest, tax, depreciation and amortisation (EBITDA)	up	34%	to	77,120
Net profit for the period attributable to members	up	443%	to	27,488
Earnings per share (basic)	up	443%	to	3.8 cents

Dividends

	Amount per security	Franked amount per security
Interim dividend for FY09 (paid 27 May 2009)	1 cent	1 cent
Final dividend for FY09 (paid 18 November 2009)	1 cent	1 cent
Interim dividend for FY10 (payable 27 May 2010)	2 cents	2 cents
For the FY10 interim dividend the record date for determining entitlement to the dividend will be 23 April 2010, and the DRP (Dividend Reinvestment Plan) discount will be 2.5%.		

Net Tangible Assets

	31 Jan 2010	31 Jan 2009
Net tangible assets per security	\$0.06	\$(0.07)

Commentary on Results

The Company has provided a commentary on the results in its Review of Operations which accompanies this report.

TPG Telecom Limited and its controlled entities

Half-year ended 31 January 2010

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Directors' report

The directors present their report together with the consolidated financial report for the half-year ended 31 January 2010.

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 Chairman Executive Director Chief Executive Officer	Director since 2008
Robert D Millner Non-Executive Director	Director since 2000
Denis Ledbury Non-Executive Director	Director since 2000
Alan J Latimer Executive Director	Director since 2008
Joseph Pang Non-Executive Director	Director since 2008

Review of Operations

Consolidated earnings before interest, tax, depreciation and amortisation (EBITDA) for the 6 months to 31 January 2010 were \$77.1m whilst net profit after tax (NPAT) was \$27.5m.

These results represent a 34% increase on the EBITDA of \$57.5m achieved in the corresponding period last year and a 443% increase on the \$5.1m NPAT achieved for the same period.

Earnings per share for the 6 months of 3.8 cents represent a 443% increase on the 0.7 cents for the 6 months to 31 January 2009.

Broadband subscriber growth has continued strongly, with net additions of 54,000 in the 6 months to 31 January 2010, 48,000 of which were on-net, and subscribers totalling 460,000 at March 2010.

Cash Flow

The group's strong cashflow generation has also continued with a net cash inflow from operations before interest, tax, capex and finance lease payments during the half year of \$80.4m.

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Directors' report (continued)

Review of Operations (continued)

At 31 January 2010 the group had accumulated cash reserves of \$47.2m, after paying \$17.6m in the half year to subscribe for 2.8 million shares in Pipe Networks Limited (Pipe).

These cash reserves will be used, together with the \$66.2m raised through the institutional placement and share purchase plan conducted in February, and the new debt facility signed in March, to fund the acquisition of 100% of the remaining shares in Pipe under the scheme of arrangement approved on 17 March and payable on 31 March 2010

Interim Dividend

Following the group's strong cash flow, the directors have also declared a fully franked interim dividend of 2.0 cents per share, payable on 27 May 2010 to shareholders on the register at 23 April 2010. For this dividend, the DRP (Dividend Reinvestment Plan) discount will be 2.5%.

Pipe Networks Limited (ASX: PWK)

The acquisition of Pipe Networks Limited through a Scheme of Arrangement became effective on 17 March 2010 after being unanimously supported by Pipe's board and by 94% of Pipe shareholders.

Pipe has a solid and unbroken 5 year history of growing revenue and profits through its main business of providing fibre connectivity in Australian East Coast capital cities and recently the provision of international bandwidth through its own cable system. In October 2009 Pipe completed its 6,900 km system (PPC1) linking Sydney to Guam with connection into Papua New Guinea and direct onward arrangements into the key international hubs of USA and Japan. This infrastructure uses the industry's most advanced subsea equipment and provides diversity to the few existing routes from Australia.

Guidance

The directors have upgraded TPG's FY10 EBITDA guidance from \$140-150m to \$152-\$158m. Revised guidance for the newly merged group that includes Pipe's contribution from date of acquisition and incorporates the impact of acquisition accounting and the new financing arrangements will be considered and advised in due course.

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Directors' report (continued)

Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 21 and forms part of the directors' report for the half-year ended 31 January 2010.

Rounding off

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Dated at Sydney this 23rd day of March, 2010.

Signed in accordance with a resolution of the directors:



David Teoh
Chairman

TPG Telecom Limited and its controlled entities
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Consolidated interim income statement

For the six months ended 31 January 2010

In thousands of AUD

	31 Jan 2010	31 Jan 2009
Revenue	241,541	241,826
Telecommunications expense	(128,601)	(135,597)
Employee benefits expense	(19,806)	(22,097)
Other expenses	(16,014)	(26,602)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	77,120	57,530
Depreciation of plant and equipment	(14,984)	(13,027)
Amortisation of intangibles	(18,561)	(31,886)
Results from operating activities	43,575	12,617
Finance income	580	902
Finance expense	(2,831)	(6,224)
Net finance expense	(2,251)	(5,322)
Profit before income tax	41,324	7,295
Income tax expense	(13,836)	(2,237)
Profit for the period	27,488	5,058
Profit attributable to:		
Equity holders of the Company	27,488	5,058
Minority interest	-	-
Profit for the period	27,488	5,058
Earnings per share:		
Basic earnings per share (cents)	3.8	0.7
Diluted earnings per share (cents)	3.8	0.7

The income statement is to be read in conjunction with the notes to the interim financial statements set out on pages 12 to 17.

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Half-year ended 31 January 2010

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Consolidated interim statement of comprehensive income

For the six months ended 31 January 2010

In thousands of AUD

	<i>Note</i>	31 Jan 2010	31 Jan 2009
Profit for the period		27,488	5,058
Other comprehensive income			
Foreign currency translation differences on retranslation of foreign operations		(3)	214
Revaluation of investments, net of tax	10	(274)	-
Other comprehensive income for the period, net of income tax		(277)	214
Total comprehensive income for the period		27,211	5,272
Total comprehensive income attributable to:			
Equity holders of the Company		27,211	5,272
Minority interest		-	-
Total comprehensive income for the period		27,211	5,272

The statement of recognised income and expense is to be read in conjunction with the notes to the interim financial statements set out on pages 12 to 17.

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Half-year ended 31 January 2010

Consolidated interim balance sheet

As at 31 January 2010

In thousands of AUD

	Note	31 Jan 2010	31 July 2009
Assets			
Cash and cash equivalents		47,245	17,179
Trade and other receivables		24,489	30,282
Inventories		446	705
Intangible assets	11	1,467	7,315
Current tax assets		55	55
Prepayments and other assets		5,292	6,983
Total current assets		78,994	62,519
Investments	10	17,248	-
Property, plant and equipment		137,653	135,408
Intangible assets	11	312,238	324,904
Prepayments and other assets		993	993
Total non-current assets		468,132	461,305
Total assets		547,126	523,824
Liabilities			
Trade and other payables		68,559	75,997
Loans and borrowings		2,245	8,535
Current tax liabilities		17,841	8,023
Employee benefits		2,916	3,066
Provisions		1,450	936
Deferred income and other liabilities		25,669	25,371
Total current liabilities		118,680	121,928
Loans and borrowings		58,503	58,429
Deferred tax liabilities		2,897	8,070
Employee benefits		474	537
Provisions		4,219	2,193
Deferred income and other liabilities		7,259	7,869
Total non-current liabilities		73,352	77,098
Total liabilities		192,032	199,026
Net assets		355,094	324,798
Equity			
Share capital		396,885	389,747
Reserves		(51,530)	(54,079)
Retained earnings/(Accumulated losses)		9,739	(10,870)
Total equity		355,094	324,798

The balance sheet is to be read in conjunction with the notes to the interim financial statements set out on pages 12 to 17.

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Consolidated interim statement of changes in equity

Consolidated	Attributable to equity holders of the parent								
	Share capital	Revaluation reserve	Share option reserve	Treasury share reserve	Minority interest acquisition reserve	Foreign currency translation reserve	Retained earnings	Total	Minority interest
<i>In thousands of AUD</i>									
Balance at 1 August 2008	384,693	915	-	(204)	(56,459)	(130)	(22,165)	306,650	-
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	5,058	5,058	-
Other comprehensive income									
Foreign currency translation differences on retranslation of foreign operations	-	-	-	-	-	214	-	214	-
Total other comprehensive income	-	-	-	-	-	214	-	214	-
Total comprehensive income for the period	-	-	-	-	-	214	5,058	5,272	-
Transactions with owners, recorded directly in equity									
Transfers between reserves	-	(238)	-	-	-	-	238	-	-
Movement in treasury share reserve	-	-	-	39	-	-	-	39	-
Minority interest on acquisition	-	-	-	-	22	-	-	22	-
Transaction costs	(6)	-	-	-	-	-	-	(6)	-
Total transactions with owners, recorded directly in equity	(6)	(238)	-	39	22	-	238	55	-
Balance at 31 January 2009	384,687	677	-	(165)	(56,437)	84	(16,869)	311,977	-

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Consolidated interim statement of changes in equity (continued)

Attributable to equity holders of the parent

Consolidated

In thousands of AUD

Balance at 1 August 2009

Total comprehensive income for the period

Profit for the period

Other comprehensive income

Foreign currency translation differences on retranslation
of foreign operations

Revaluation of investments, net of tax

Total other comprehensive income

Total comprehensive income for the period

Transactions with owners, recorded directly in equity

Transfers between reserves

Movement in share option reserve

Movement in treasury share reserve

Issue of ordinary shares

Transaction costs

Dividends to shareholders

Total transactions with owners, recorded directly in equity

Balance at 31 January 2010

	Share capital	Revaluation reserve	Share option reserve	Treasury share reserve	Minority interest acquisition reserve	Foreign currency translation reserve	Retained earnings	Total	Minority interest	Total equity
Balance at 1 August 2009	389,747	439	2,227	(385)	(56,437)	77	(10,870)	324,798	-	324,798
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	27,488	27,488	-	27,488
Other comprehensive income										
Foreign currency translation differences on retranslation of foreign operations	-	-	-	-	-	(3)	-	(3)	-	(3)
Revaluation of investments, net of tax	-	(274)	-	-	-	-	-	(274)	-	(274)
Total other comprehensive income	-	(274)	-	-	-	(3)	-	(277)	-	(277)
Total comprehensive income for the period	-	(274)	-	-	-	(3)	27,488	27,211	-	27,211
Transactions with owners, recorded directly in equity										
Transfers between reserves	-	(239)	-	-	-	-	239	-	-	-
Movement in share option reserve	-	-	2,855	-	-	-	-	2,855	-	2,855
Movement in treasury share reserve	-	-	-	210	-	-	-	210	-	210
Issue of ordinary shares	1,526	-	-	-	-	-	-	1,526	-	1,526
Transaction costs	(12)	-	-	-	-	-	-	(12)	-	(12)
Dividends to shareholders	5,624	-	-	-	-	-	(7,118)	(1,494)	-	(1,494)
Total transactions with owners, recorded directly in equity	7,138	(239)	2,855	210	-	-	(6,879)	3,085	-	3,085
Balance at 31 January 2010	396,885	(74)	5,082	(175)	(56,437)	74	9,739	355,094	-	355,094

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Consolidated interim statement of cash flows

For the six months ended 31 January 2010

In thousands of AUD

	31 Jan 2010	31 Jan 2009
Cash flows from operating activities		
Cash receipts from customers	283,660	282,418
Cash paid to suppliers and employees	(203,284)	(218,401)
Cash generated from operations	80,376	64,017
Interest received	382	521
Interest paid	(2,021)	(6,021)
Income taxes paid	(9,116)	(11,853)
Net cash from operating activities	69,621	46,664
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	56	18
Acquisition of property, plant and equipment	(15,352)	(14,436)
Acquisition of shares in listed company	(17,640)	-
Net cash used in investing activities	(32,936)	(14,418)
Cash flows from financing activities		
Repayment of borrowings	-	(23,000)
Restricted cash released	-	1
Payment of transaction costs on issue of share capital	(12)	(6)
Proceeds from exercise of share options	1,300	-
Payment of finance lease liabilities	(6,067)	(6,114)
Dividends paid	(1,494)	-
Net cash used in financing activities	(6,273)	(29,119)
Net increase in cash and cash equivalents	30,412	3,127
Cash and cash equivalents at 1 August	17,179	14,053
Effect of exchange rate fluctuations on cash held	(346)	1,221
Cash and cash equivalents at 31 January	47,245	18,401

The statement of cash flows is to be read in conjunction with the notes to the interim financial statements set out on pages 12 to 17.

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Condensed notes to the consolidated interim financial statements

1. Reporting entity

TPG Telecom Limited (the 'Company') is a company domiciled in Australia. The consolidated interim financial report of the Company for the six months ended 31 January 2010 comprises the Company and its subsidiaries (together referred to as the 'Consolidated Entity').

The consolidated annual financial report for the Consolidated Entity for the year ended 31 July 2009 is available on the Company's website www.tpg.com.au.

2. Statement of Compliance

The 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 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 consolidated annual financial report of the Consolidated Entity for the year ended 31 July 2009.

The consolidated interim financial report was approved by the directors on 23 March 2010.

The Consolidated Entity is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

3. Significant accounting policies

Except as described below, the accounting policies applied by the Consolidated Entity in this consolidated interim financial report are the same as those applied by the Consolidated Entity in its consolidated financial report for the year ended 31 July 2009.

Changes in accounting policies

(i) Accounting for business combinations

The revised AASB 3 *Business Combinations (2008)* has been applied as mandatory from 1 August 2009 and incorporates the following changes that are relevant to the Consolidated Entity's operations:

- The broadening of the definition of a business which potentially results in more acquisitions being treated as business combinations;
- Contingent consideration being measured at fair value with subsequent changes therein recognised in profit or loss;
- Transaction costs, other than share and debt issue costs, being expensed as incurred;
- Any pre-existing interests in the acquiree being measured at fair value with the gain or loss recognised in profit or loss;
- Any non-controlling (minority) interests being measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

The only impact of the implementation of the revised AASB 3 in the current reporting period is that transaction costs incurred by the Consolidated Entity in relation to the proposed acquisition of PIPE Networks Limited have been expensed as incurred (refer Note 14 Subsequent Events). The revised AASB 3 is applied prospectively and therefore has not impacted on prior periods in this consolidated interim financial report.

Condensed notes to the consolidated interim financial statements (continued)

3. Significant accounting policies (continued)

Changes in accounting policies (continued)

(ii) Determination and presentation of operating segments

As of 1 January 2009 the Consolidated Entity determines and presents operating segments based on the information that internally is provided to the chief operating decision maker, which for the Consolidated Entity is the Chief Executive Officer.

The change in accounting policy is due to the adoption of AASB 8 *Operating Segments*. Previously, operating segments were determined and presented in accordance with AASB 114 *Segment Reporting*. As a result, following the adoption of AASB 8, the identification of the Consolidated Entity's reportable segments has changed.

Comparative segment information has been re-presented in conformity with the transitional requirements of this standard. Since the change in accounting policy only impacts presentation and disclosure impacts, there is no impact on the financial results of the Consolidated Entity.

(iii) Presentation of financial statements

The revised AASB 101 *Presentation of Financial Statements (2007)* has been applied as mandatory from 1 August 2009. It has introduced the term 'total comprehensive income' which represents changes in equity during the period other than those changes resulting from transactions with owners in their capacity as owners.

The revised AASB 101 is only concerned with disclosures and therefore does not have an impact on the financial results of the Consolidated Entity.

(iv) Borrowing costs

The revised AASB 123 *Borrowing Costs* has been applied as mandatory from 1 August 2009. It has removed the option to expense borrowing costs and requires that the Consolidated Entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

The revised AASB 123 is applied prospectively and therefore has not impacted on prior periods in this consolidated interim financial report.

4. Basis of measurement

The accounts have been prepared on a going concern basis as there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable based on management's projected cashflows which have been approved by the Board, notwithstanding the fact that the classifications within the 31 January 2010 consolidated balance sheet show a net current liability position.

Condensed notes to the consolidated interim financial statements (continued)

5. Estimates

The preparation of interim financial reports 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 consolidated interim financial report, the significant judgements made by management in applying the Consolidated Entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 31 July 2009.

6. Income statement format and comparatives

The format of the income statement has been revised to provide, in the opinion of management, more relevant and reliable information. The comparative amounts have been reclassified to conform with the current period's presentation.

7. Financial risk management

The Consolidated Entity's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial report as at and for the year ended 31 July 2009.

8. Material items of expense

Results from operating activities include the following expenses within Other expenses:

<i>In thousands of AUD</i>	6 months to 31 Jan 2010	6 months to 31 Jan 2009
Foreign exchange (gain)/loss	(80)	6,796
Bad and doubtful debts expense	279	3,874

9. Operating segments

The Consolidated Entity has identified its operating segments based on the internal reports that are reviewed and used by the Chief Executive Officer (the chief operating decision maker) in assessing performance and in determining the allocation of resources.

The Consolidated Entity operates in two primary operating segments; Consumer and Corporate.

The Consumer segment provides retail telecommunications services to consumer customers.

The Corporate segment provides telecommunications services to corporate, government and wholesale customers.

In the following table, costs in the 'Unallocated' column comprise interest on the Consolidated Entity's core debt, amortisation of intangibles arising from acquisition accounting, plus the fees associated with the acquisition of PIPE Networks Limited and other listing expenses.

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Condensed notes to the consolidated interim financial statements (continued)

9. Operating segments (continued)

	<u>Information about reportable segments</u>						<u>Reconciliation to profit for the period</u>			
	Consumer		Corporate		Total results for reportable segments		Unallocated		Consolidated results for the period	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
<i>In thousands of AUD</i>										
Revenue	185,067	181,565	56,474	60,261	241,541	241,826	-	-	241,541	241,826
Telecommunications expense	(96,073)	(100,200)	(32,528)	(35,397)	(128,601)	(135,597)	-	-	(128,601)	(135,597)
Employee benefits expense	(11,297)	(11,903)	(8,509)	(10,194)	(19,806)	(22,097)	-	-	(19,806)	(22,097)
Other expenses	(11,254)	(22,512)	(2,820)	(3,812)	(14,074)	(26,324)	(1,940)	(278)	(16,014)	(26,602)
EBITDA	66,443	46,950	12,617	10,858	79,060	57,808	(1,940)	(278)	77,120	57,530
Depreciation of plant and equipment	(6,061)	(4,830)	(8,923)	(8,197)	(14,984)	(13,027)	-	-	(14,984)	(13,027)
Amortisation of intangibles	(7,177)	(14,455)	(47)	(47)	(7,224)	(14,502)	(11,337)	(17,384)	(18,561)	(31,886)
Results from operating activities	53,205	27,665	3,647	2,614	56,852	30,279	(13,277)	(17,662)	43,575	12,617
Net finance income/(expense)	371	(265)	(10)	53	361	(212)	(2,612)	(5,110)	(2,251)	(5,322)
Profit before income tax	53,576	27,400	3,637	2,667	57,213	30,067	(15,889)	(22,772)	41,324	7,295
Income tax (expense)/benefit	(16,976)	(8,290)	(1,104)	(778)	(18,080)	(9,068)	4,244	6,831	(13,836)	(2,237)
Profit for the period	36,600	19,110	2,533	1,889	39,133	20,999	(11,645)	(15,941)	27,488	5,058

Condensed notes to the consolidated interim financial statements (continued)

10. Investments

On 4 November 2009 the Consolidated Entity acquired 2.8 million shares in PIPE Networks Limited (PIPE) under a Share Subscription Agreement at \$6.30 per share. The total subscription price paid was \$17.64 million.

The investment in PIPE has been classified as an available for sale financial asset and remeasured at market value. The PIPE share price at 31 January 2010 was \$6.16 per share. As a result the investment has been revalued at 31 January 2010 to \$17.248 million. A loss on revaluation of the investment of \$392,000 (\$274,400 net of tax) has been reported in the consolidated interim statement of comprehensive income.

On 11 November 2009 the Consolidated Entity also acquired call options to acquire 8.95 million PIPE shares for \$6.30 per share in certain circumstances. At 31 January 2010 these options were deemed to have no material value.

11. Intangible assets

In thousands of AUD

Current

	31 January 2010	31 January 2009
Carrying amount at 1 August	7,315	24,720
Additions for the period	47	3,272
Amortisation for the period	(5,895)	(13,162)
Carrying amount at 31 January	1,467	14,830

Non-current

	31 January 2010	31 January 2009
Carrying amount at 1 August	324,904	361,089
Acquisitions through business combinations	-	(110)
Amortisation for the period	(12,666)	(18,724)
Carrying amount at 31 January	312,238	342,255
Analysed as: Goodwill	235,837	235,837
Other intangible assets	76,401	106,418
	312,238	342,255

Condensed notes to the consolidated interim financial statements (continued)

12. Dividends

Dividends recognised in the current period by the Consolidated Entity are:

<i>In thousands of AUD</i>	Cents per share	Total amount	Date of payment
2010			
Final 2009 ordinary	1.0	7,118	18 November 2009
2009			
Interim 2009 ordinary	1.0	6,842	27 May 2009
Final 2008 ordinary	Nil	Nil	N/A

All dividends recognised were fully franked at the tax rate of 30%.

On 23 March 2010 the directors have declared a fully franked interim 2010 dividend of 2 cents per share. The dividend has a record date of 23 April 2010 and will be paid on 27 May 2010. The DRP (Dividend Reinvestment Plan) discount for this dividend will be 2.5%.

13. Related parties

During the half-year ended 31 January 2010, following approval by the Company's shareholders at the Annual General Meeting of 25 November 2009, 1 million share options were granted as compensation to each of the two executive directors.

The options were immediately exercisable with an expiry date of 30 June 2010. The exercise price of each option was \$0.18 and the fair value of each option on date of grant was \$1.4271.

14. Subsequent events

On 4 February 2010 the Company completed an institutional placement to raise \$65 million through the issue of approximately 41 million new ordinary shares at \$1.585. Following this, the Company also offered to its shareholders the opportunity to acquire shares at \$1.585 under a Share Purchase Plan. This offer closed on 19 February 2010 and raised approximately \$1.2 million through the issue of approximately 747,000 new ordinary shares.

On 12 March 2010 the Company entered into a new \$360 million Syndicated Debt Facility Agreement, expiring on 12 March 2013, to refinance its existing debt and to provide debt financing for its acquisition of PIPE Networks Limited.

On 17 March 2010 the Scheme of Arrangement, announced on 9 November 2009 under which the Company was to purchase, for \$6.30 per share, 100% of the shares in PIPE Networks Limited that it did not already own, was approved by the Supreme Court of Queensland.

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Directors' declaration

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

1. the financial statements and notes set out on pages 6 to 17, are in accordance with the *Corporations Act 2001* including:
 - (a) giving a true and fair view of the financial position of the Consolidated Entity as at 31 January 2010 and of its performance, as represented by the results of its operations and cash flows 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 23rd day of March, 2010.

Signed in accordance with a resolution of the directors:



David Teoh
Chairman

Independent auditor's review report to the members of TPG Telecom Limited

We have reviewed the accompanying half-year financial report of TPG Telecom Limited, which comprises the consolidated balance sheet as at 31 January 2010, consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year period ended on that date, a statement of accounting policies and other explanatory notes 1 to 14 and the directors' declaration of the Consolidated Entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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 Interim and Other Financial Reports 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 Consolidated Entity's financial position as at 31 January 2010 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.

Independence

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

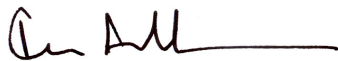
Conclusion

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:

- (a) giving a true and fair view of the Consolidated Entity's financial position as at 31 January 2010 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*.

A handwritten signature of the KPMG firm, written in black ink.

KPMG

A handwritten signature of Kevin Leighton, written in black ink.

Kevin Leighton
Partner

Sydney
23 March 2010



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 2010 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

KPMG

A handwritten signature in black ink, appearing to read 'Kevin Leighton', followed by a horizontal line.

Kevin Leighton
Partner

Sydney

23 March 2010