



TPG TELECOM LIMITED (ASX: TPM)

HALF YEAR ENDED 31 JANUARY 2010

TPG TELECOM INCREASES NET PROFIT AFTER TAX BY 443%

- **Broadband subscribers grow by 54,000 in 6 months**
- **Total Broadband subscribers 460,000 at March 2010**

The directors of TPG Telecom Limited today announced group earnings before interest, tax, depreciation and amortisation (EBITDA) of \$77.1m and a net profit after tax (NPAT) of \$27.5m for the half year ended 31 January 2010.

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 totaling 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.

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 today 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 are pleased to today upgrade 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.

David Teoh
Executive Chairman
23 March 2010

Results for Half Year	HY10 (\$million)	HY09 (\$million)	% change
Revenue	241.5	241.8	(0.1%)
EBITDA	77.1	57.5	34%
EBIT	43.6	12.6	246%
NPAT	27.5	5.1	443%
Basic Earnings per share (cents)	3.8	0.7	443%
Interim dividend - fully franked (cents)	2.0	1.0	100%
Operating cashflow	80.4	64.0	26%

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