

2012

ANNUAL GENERAL MEETING



5 December 2012



FY12 EBITDA of \$261.4m, 12% growth on prior year

Normalised NPAT up 46% (adjusted to exclude \$23.2m one-off tax expense)
Reported NPAT up 16%

Organic broadband subscriber growth for the year of 47k (62k On Net)
ADSL2+ with Home Phone bundle subscribers increased by 114k to 221k

Organic mobile subscriber growth for the year of 54k

Strong growth in Corporate EBITDA of 30% to \$110.8m

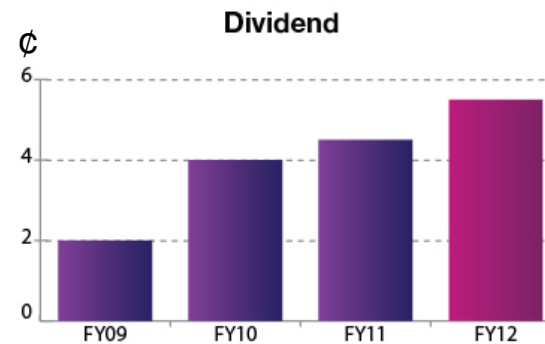
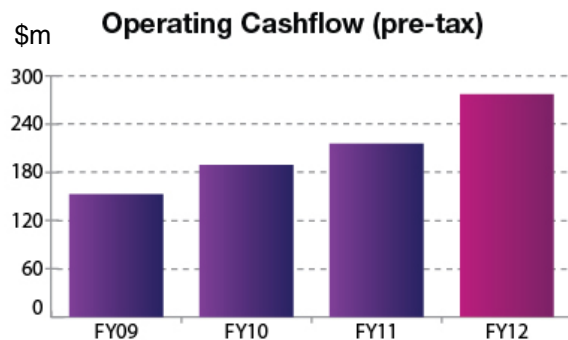
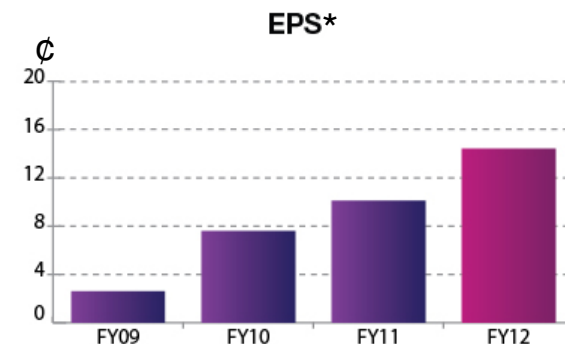
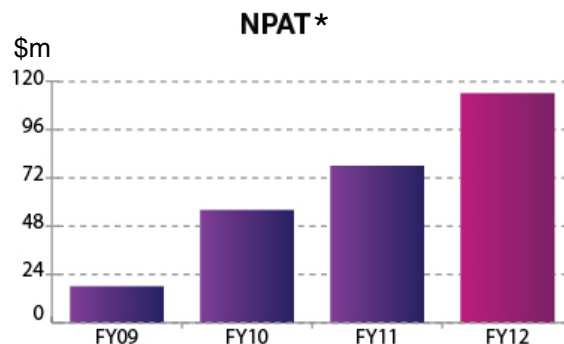
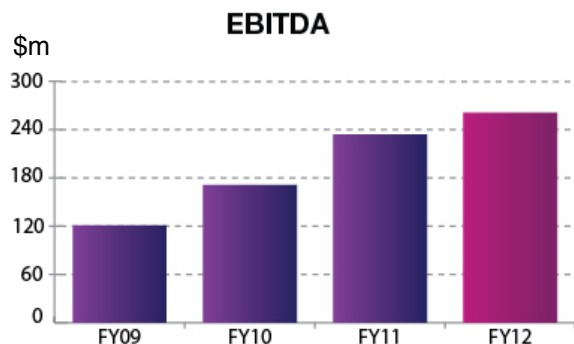
725km (39%) expansion of own fibre network

\$10m reduction in net financing costs in the year due to refinanced debt facility and significant debt reduction (\$185m repaid in past 2 years)

\$m

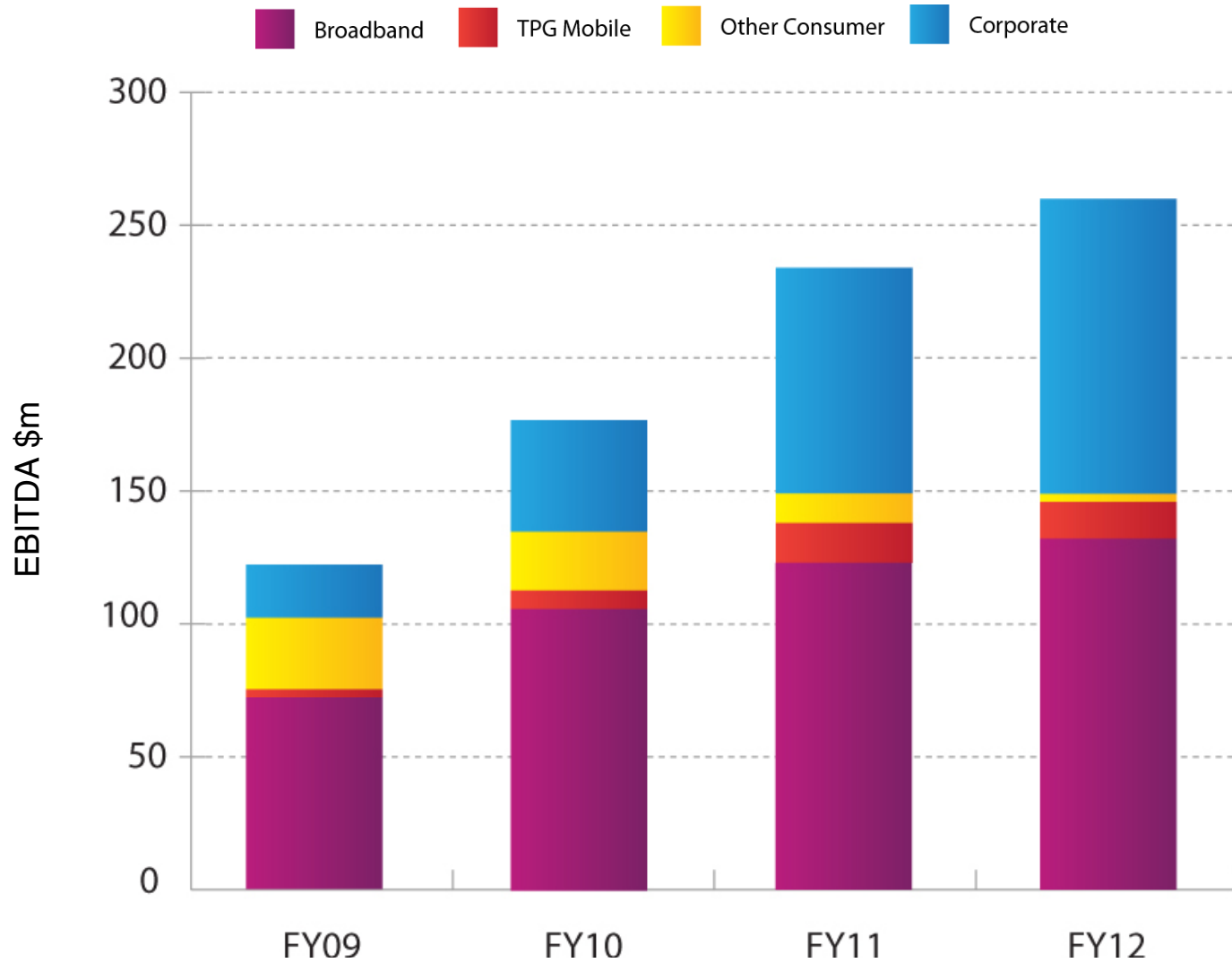
	FY12	FY11	Growth
Revenue	663.1	574.5	15%
EBITDA	261.4	234.0	12%
Reported NPAT	91.0	78.2	16%
Reported EPS (cents)	11.5	10.1	14%
<i>NPAT excluding one-off tax expense</i>	<i>114.2</i>	<i>78.2</i>	<i>46%</i>
<i>- adjusted EPS (cents)</i>	<i>14.4</i>	<i>10.1</i>	<i>43%</i>
<i>NPAT excluding amortisation & one-off tax</i>	<i>137.9</i>	<i>111.1</i>	<i>24%</i>
<i>- adjusted EPS (cents)</i>	<i>17.4</i>	<i>14.3</i>	<i>22%</i>

FY12 Financials: 4 Consecutive Years of Strong Growth



****Note FY12 NPAT and EPS exclude the one-off tax expense arising from the retrospective change in rights to future income tax legislation***

FY12 Financials: EBITDA Growth



Growth and diversification of EBITDA

	\$m	
	FY12	FY11
Operating Cash Flow	277.2	215.2
Tax	(47.7)	(47.5)
Interest	(14.9)	(23.4)
Capex	(64.6)	(43.3)
Free Cash Flow	150.0	101.0

\$150m free cash flow generated in FY12

Increase in FY12 capex attributable to roll-out of domestic fibre network for VHA contract

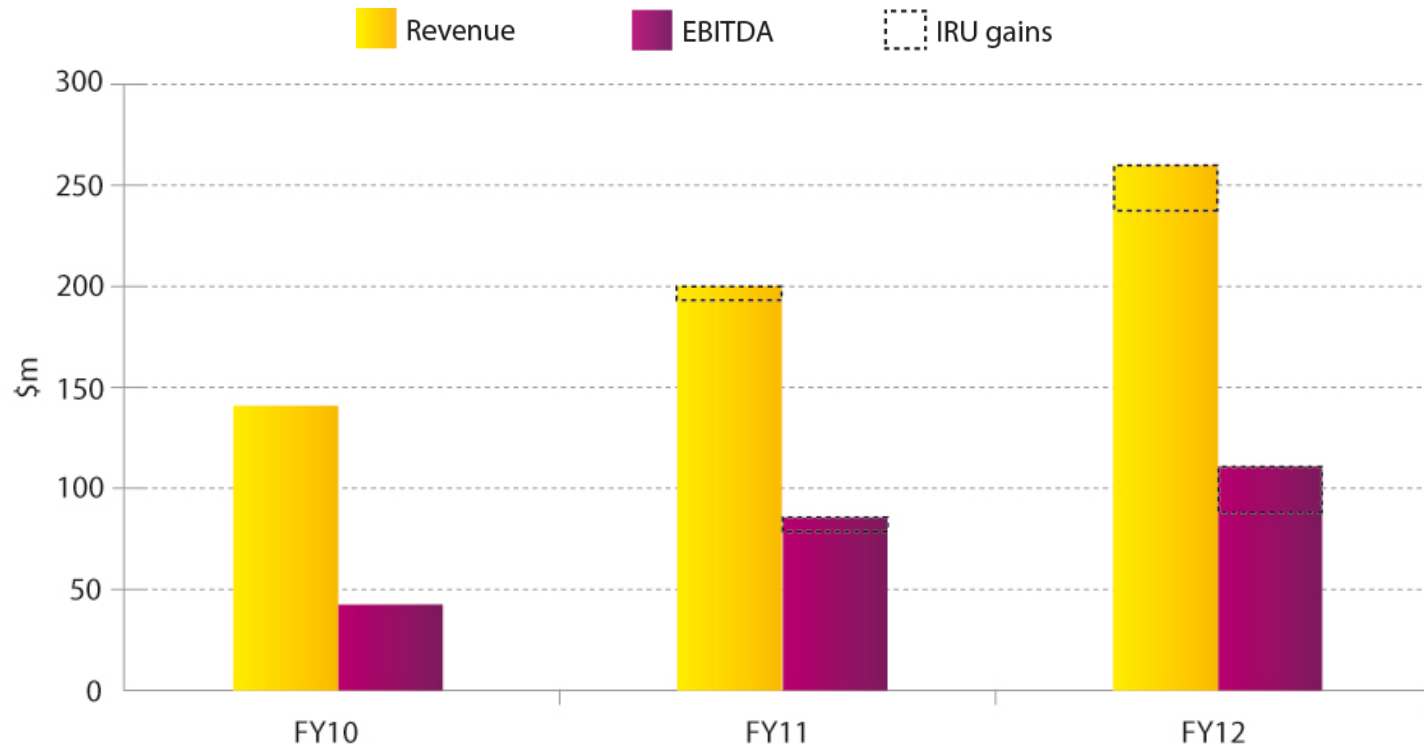
	\$m	
	FY12	FY11
Free Cash Flow	<u>150.0</u>	<u>101.0</u>
<i>Utilisation of cash:</i>		
Debt repayments	84.5	100.0
Acquisition of cloud business	11.4	-
Investment in equities	22.4	-
Dividend payments (net of DRP)	26.0	8.7
Other	0.8	(0.2)
Increase / (decrease) in cash at hand	<u>4.9</u>	<u>(7.5)</u>
	150.0	101.0

	\$m
Group debt balance at 31 July 2011	232.0
Bank debt acquired on acquisition	1.5
Repayments made during FY12	(84.5)
Group debt balance at 31 July 2012	149.0

Debt to annualised EBITDA leverage ratio < 0.6
 Significant capacity for growth if required

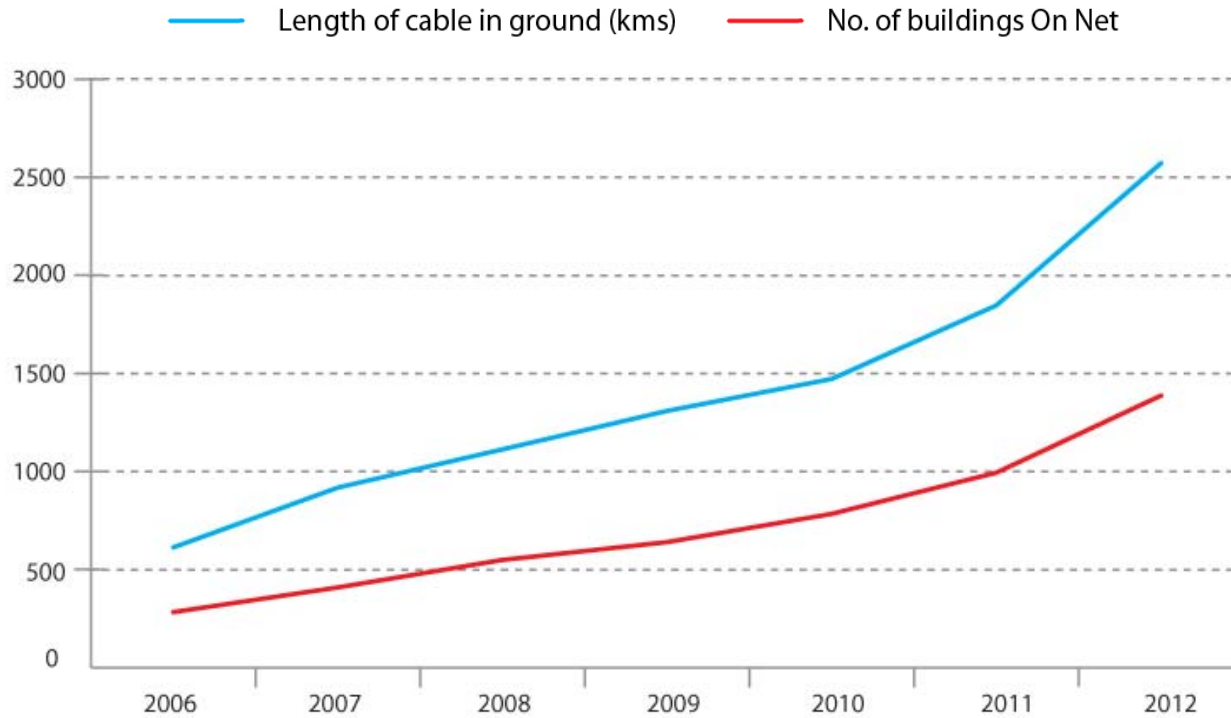
Debt facility refinanced in Dec 11

- term extended to March 2015
- improved pricing
- \$320m facility
- no compulsory repayments until end of term



Strong revenue and EBITDA growth driven by sales of capacity and services on the PIPE Networks domestic and international fibre network

Corporate contributed 43% of the Group's FY12 EBITDA



Coverage of domestic fibre network at 31 July 12 = 2,572km, 725km (39%) increase relative to 31 July 11.

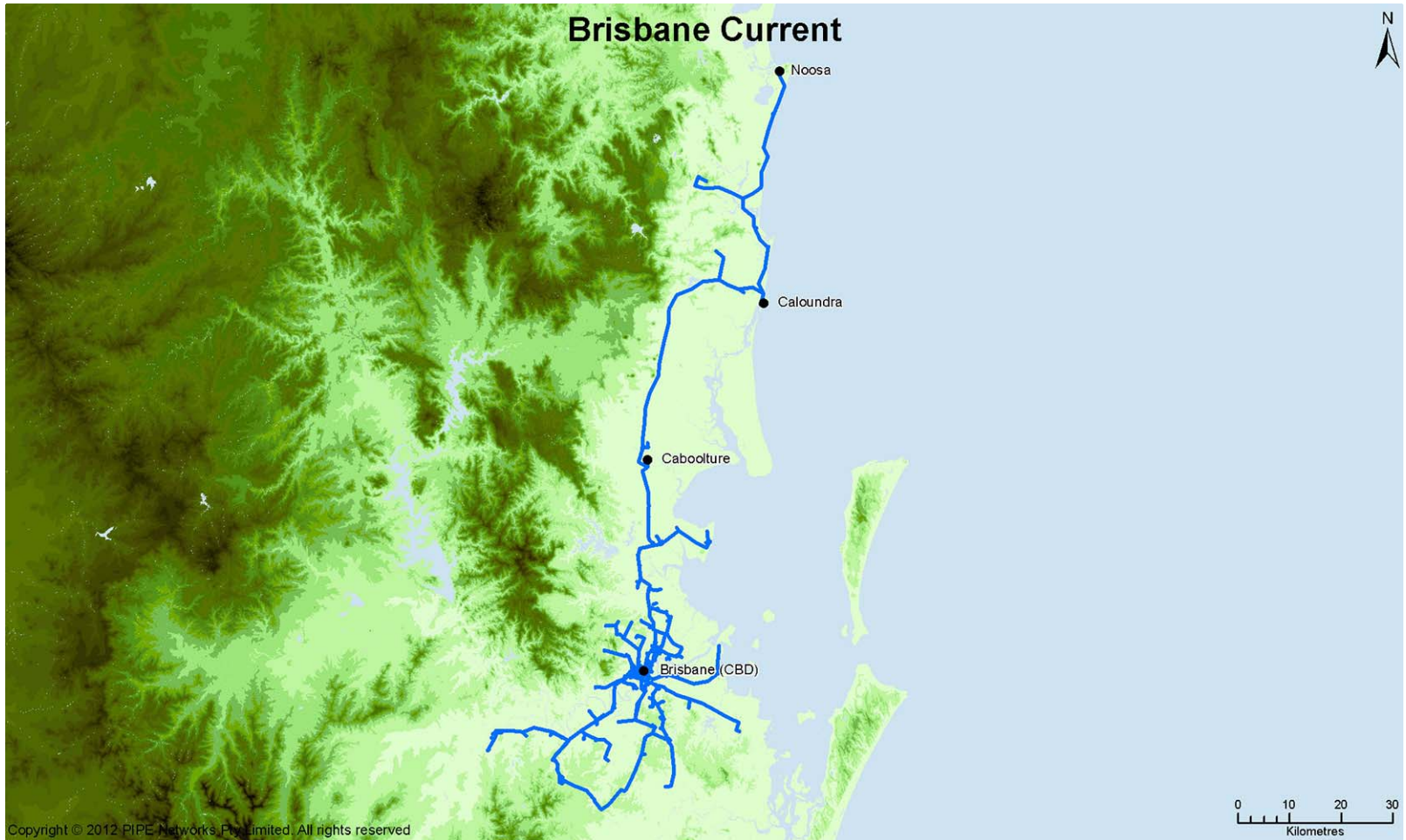
Number of buildings directly connected to the domestic fibre network increased by 350 in the year to over 1,400 buildings.

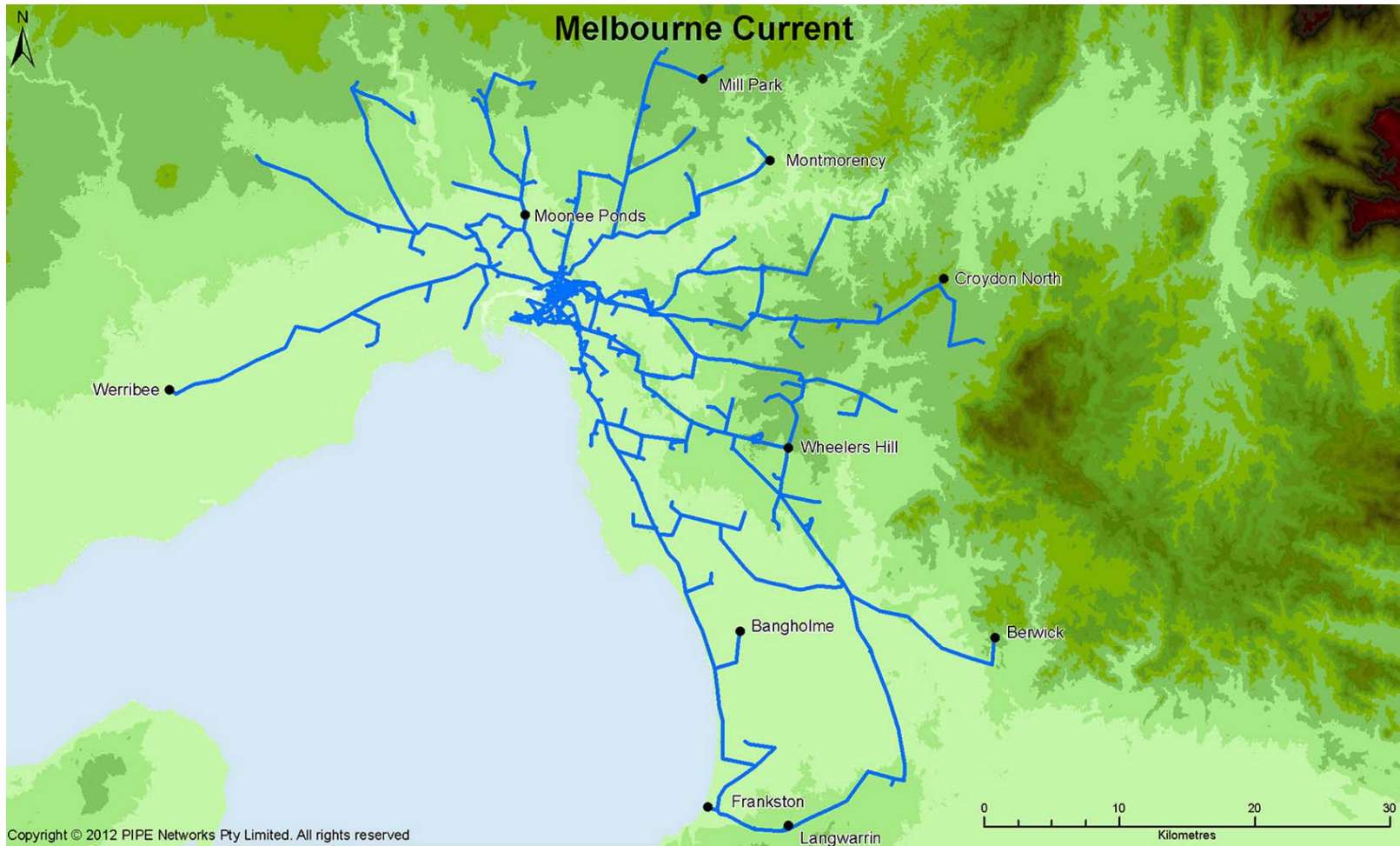
- Utilisation at July 12 31.4% (32.8% at July 11)

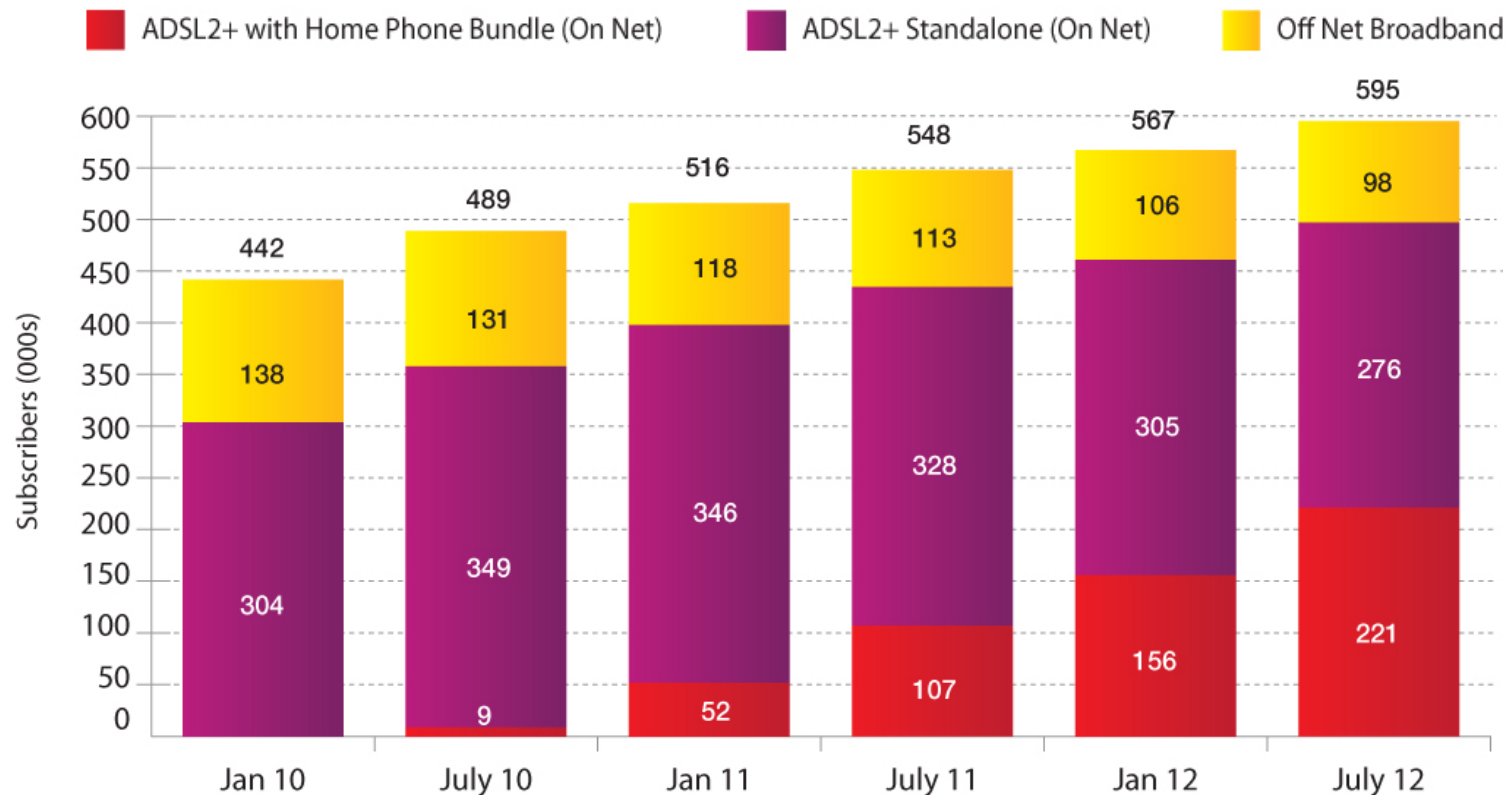
- Drivers of network growth – VHA network rollout, expansion to key new datacentres and further growth into financial sector

- International fibre: capacity of PPC-1 to be upgraded in 4Q 2012









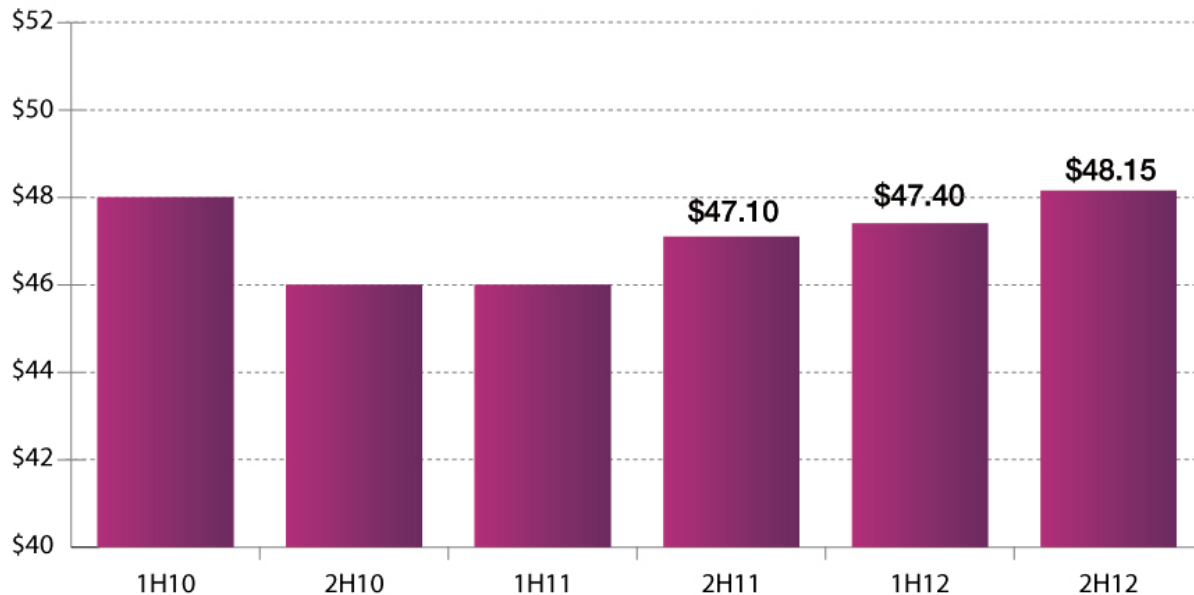
- Overall growth of 47k in FY12, of which 28k in 2H12

- Award Winning ADSL2+ with Home Phone - key driver with 114k growth in the year

- Subscriber growth is 100% organic

- On Net churn rate 1.5%

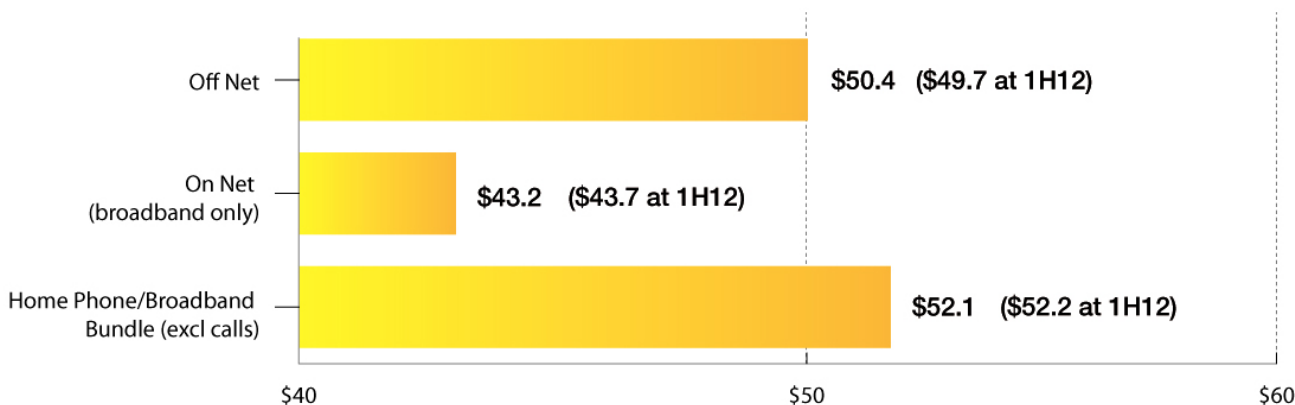
Overall Broadband ARPU Trend



Overall ARPU continuing to trend higher as bundle plans form a larger proportion of the customer base

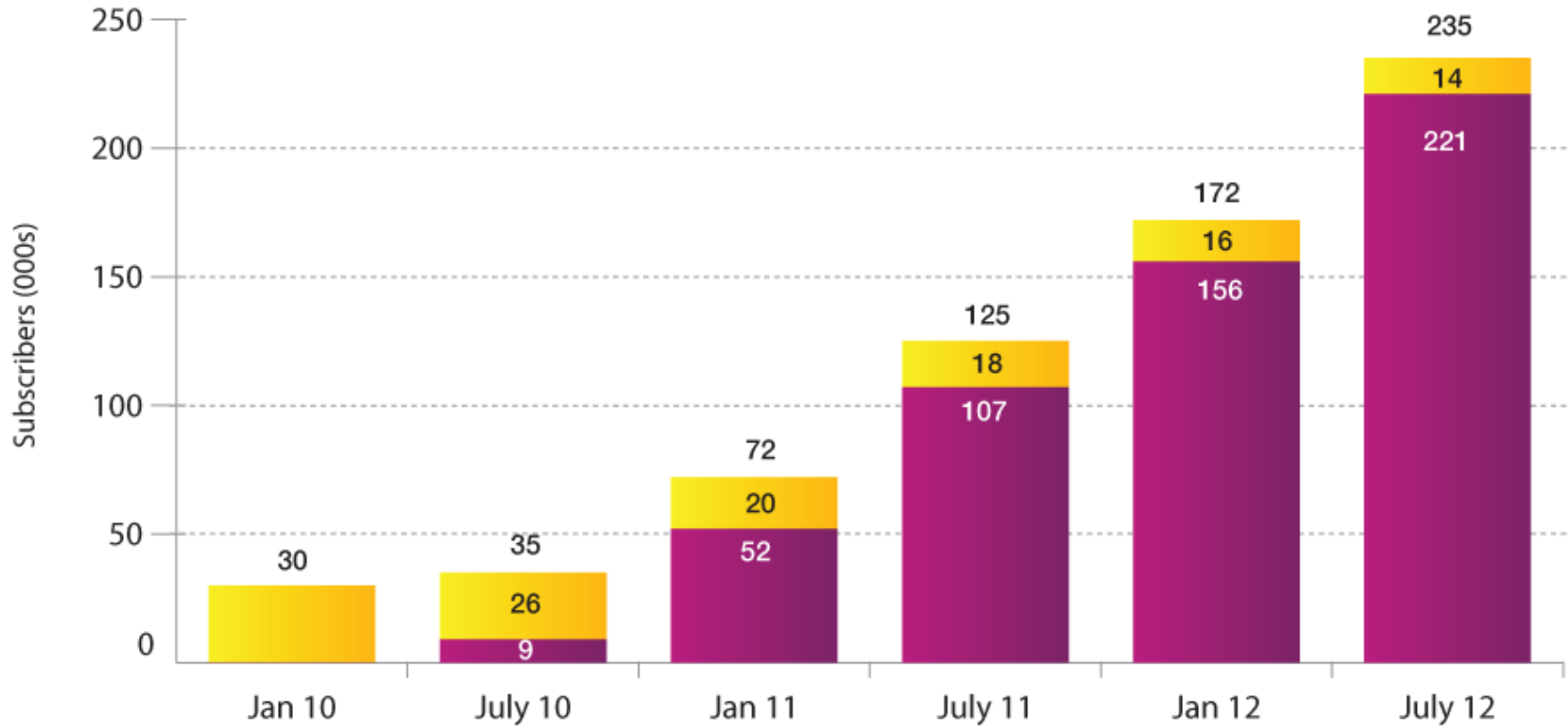
The bundle also generates monthly call charge revenue not included in these charts; currently approx \$6 (\$6 at 1H12)

2H12 Broadband ARPU composition



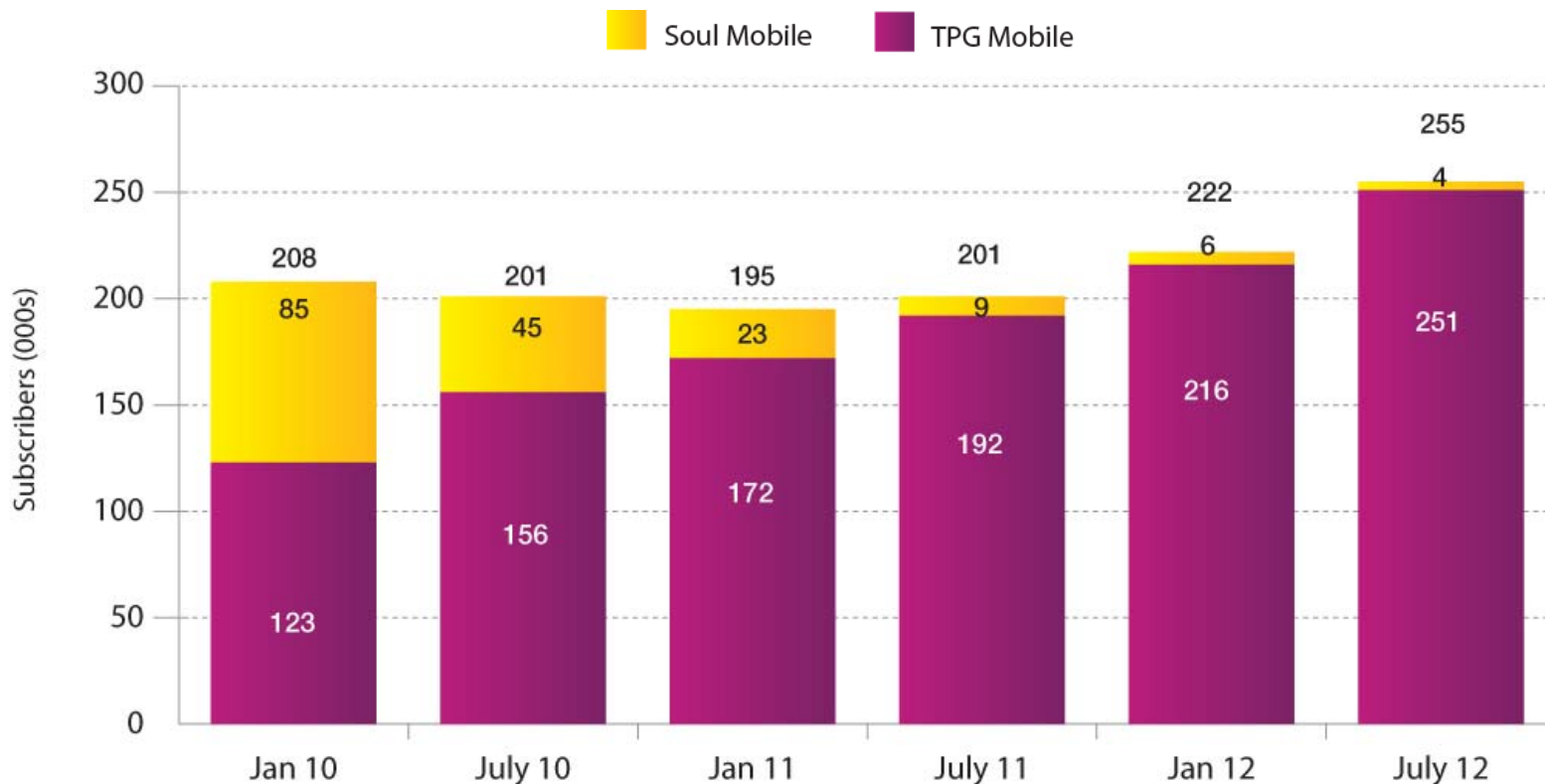
Note: ARPU excludes GST and any one-off charges e.g. installs and equipment sales

Off Net On Net



- ADSL2+ with Home Phone Bundles surpass 220k customers since 2010 launch

- Easier for average consumer to understand compared to Naked DSL - no VoIP equipment



- 54,000 mobile subscriber growth in FY12, of which 33,000 in 2H12
- Super Value Mobile Plans released in Sept 11 continue to drive momentum
- Unlimited On Net calling and included international calls
- Winner of Canstar Blue Customer Satisfaction award for Mobile Phone Carriers two years in a row

NEW

24 MONTH PLAN

UNLIMITED ADSL2+

\$ **79**⁹⁹
per month

 with **HOME PHONE LINE RENTAL**

MIN CHARGE \$2,029⁷¹
Includes upfront fees

UNLIMITED CALLS to:



Local & Standard
National Numbers



Australian
Mobile Numbers



Offer available to new customers only

 **Wi-Fi Modem Included**

Min Charge includes \$10 Delivery + \$20 Prepayment Deposit + \$79.95 Setup. Available in selected coverage areas. Service for new residential customers only & may not be used for commercial purposes.

18 Month Contract

PRIMARY RATE 30

ISDN = \$99⁹⁹
Per month

MIN CHARGE \$2,898.72
Includes upfront fees

All Prices are inclusive of GST. Min charge includes \$1098.90 setup. Available to new customers within a distance of up to 3km from eligible TPG enabled exchanges

Call Rates	
Australian Local Calls	8¢ per call
Australian Mobile Calls	8¢ per minute
National Long Distance Calls	8¢ per minute

12 Month Plan

NBN Standard*

UNLIMITED DATA USAGE

with

TPG HOME PHONE RENTAL

\$ 69⁹⁹
per month

MIN CHARGE \$939.⁸³

Includes upfront fees

INCLUDES:

UNLIMITED Local & Standard National Calls to Landlines

UNLIMITED International Calls to:



* NBN Standard plan has an access connection speed of up to 12Mbps download/1Mbps upload. Standard call charges apply for calls to all other services including mobile, premium rate services and other international destinations

Min Charge incl \$20 Deposit & \$79.95 Setup. New customers only. Available in selected coverage areas.

	\$m	
	FY12 Actual	FY13 Guidance
Regular EBITDA	240.7	256 - 263
IRU gains	20.7	7 - 10
Total EBITDA	261.4	263 - 273

FY13 results to-date tracking well to budget

Thank you

Questions?

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.