

Half Year Results Presentation

2011

22 March 2011



1H11 EBITDA of \$113m; 47% growth on previous corresponding period (1H10)

First full 6 months EBITDA contribution from PIPE Networks of \$26m

Strong organic EBITDA growth, including a 21% increase in EBITDA from core broadband business compared to 1H10

Organic broadband subscriber growth for the half year of 27k (40k On Net); growth acceleration since half year-end

On Net Broadband Home Phone Bundle growth from 9k to 52k subscribers in the period

PIPE Networks signed three top-tier customers (ASX, IRESS, VHA)

Repaid \$30m of debt

\$m

	1H11	1H10	Growth
Revenue	278.0	241.5	15%
EBITDA	113.0	77.1	47%
NPAT	33.8	27.5	23%
EPS (cents)	4.4	3.8	16%
EPS (cents) excl. intangible amortisation*	6.4	5.6	14%

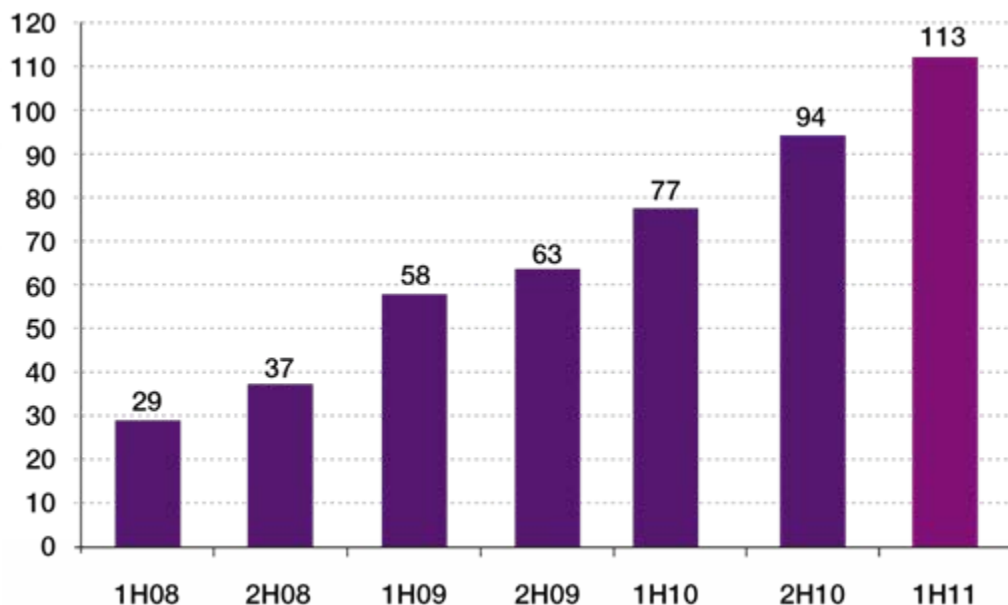
* See Appendix for details

\$m

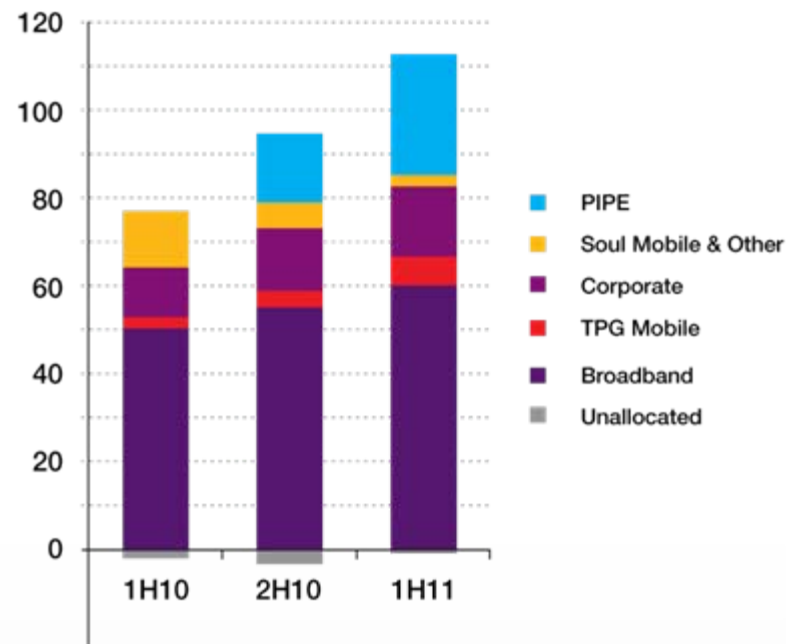
	1H09	2H09	1H10	2H10	1H11
Revenue	241.8	239.3	241.5	266.7	278.0
EBITDA	57.5	63.3	77.1	93.9	113.0
Margin	24%	26%	32%	35%	41%
Reported NPAT	5.1	12.6	27.5	28.2	33.8
Intangible amortisation (post tax)*	22.3	18.5	13.0	18.2	17.6
NPAT excl. intangible amortisation	27.4	31.1	40.5	46.4	51.4

* See Appendix for details

EBITDA Growth (\$m)



EBITDA Composition (\$m)



First full half-year contribution from PIPE \$26m

Strong organic EBITDA growth, including a 21% increase in EBITDA from core broadband business compared to 1H10

\$m

	1H11	1H10
Operating Cash Flow	100.3	80.4
Tax	(35.6)	(9.1)
Interest	(12.6)	(1.7)
Capex	(21.2)	(15.4)
Free Cash flow	30.9	54.2

\$13m delta between EBITDA and operating cashflow attributable to \$13m reduction in trade payables relative to 31 July 10

High final FY10 tax payment in 1H11 offsetting low instalments paid during FY10

1H11 capex comprises: \$10m PIPE, \$10m TPG, \$1m other

	\$m
Group debt balance at 31 July 2010	332
Quarterly repayments of \$20m	(40)
Part drawdown of available facility to fund Jan 11 final FY10 tax payment	10
Group debt balance at 31 January 2011	302

\$18m undrawn facility available

Quarterly repayments of \$20m ongoing

Debt to annual EBITDA leverage ratio: 1.4x at 31 Jan 11

Segment & Product Analysis



\$m

REVENUE	TPG Broadband	TPG Mobile	Soul Mobile	Other Consumer	Consumer Total	Corporate Total	PIPE	Unalloc.	Total
1H10	123.3	16.7	27.0	18.1	185.1	56.5	-	-	241.5
1H11	141.8	25.1	7.2	9.9	184.0	53.2	40.8	-	278.0

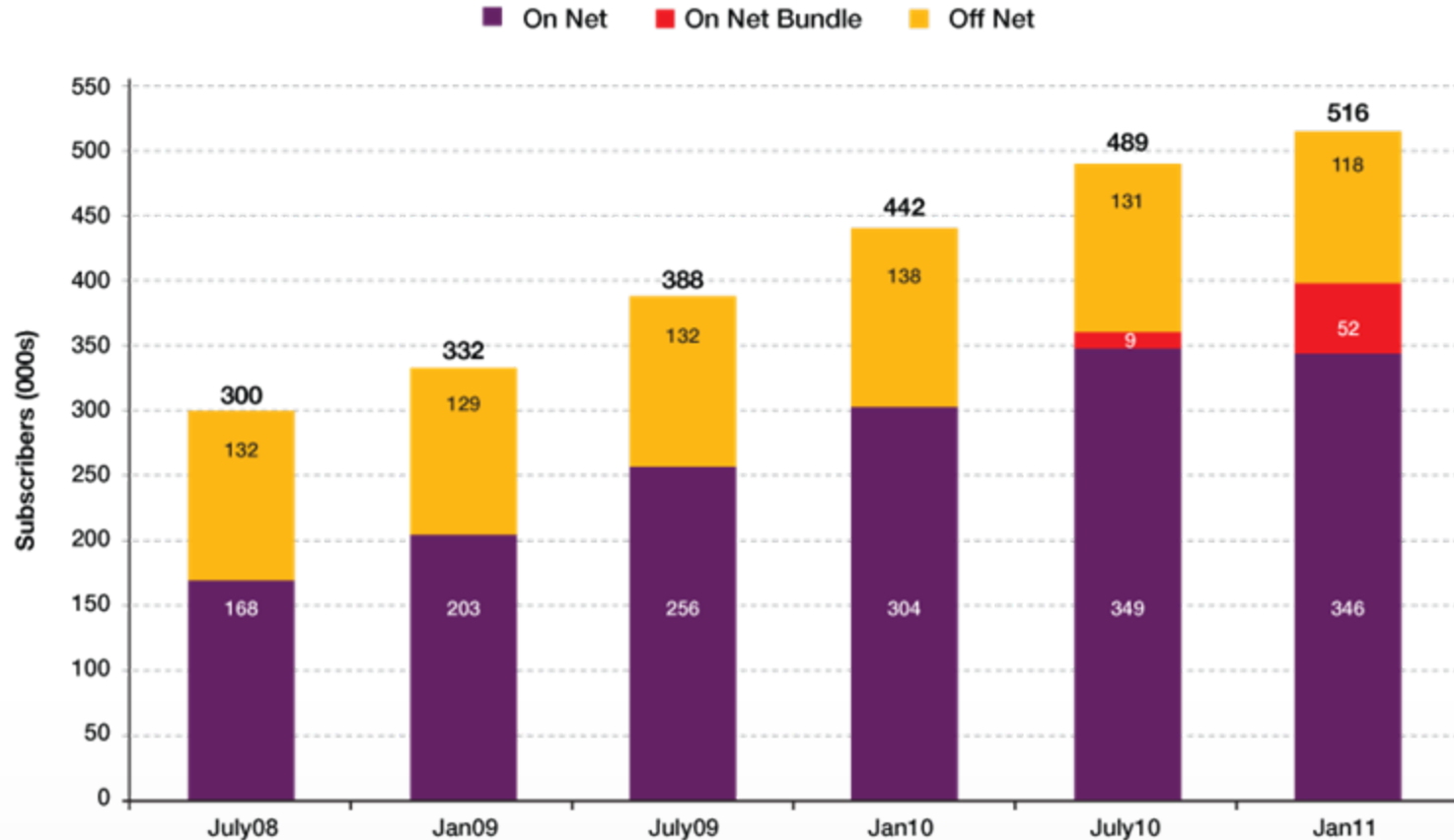
EBITDA	TPG Broadband	TPG Mobile	Soul Mobile	Other Consumer	Consumer Total	Corporate Total	PIPE	Unalloc.	Total
1H10	50.2	2.9	11.0	2.3	66.4	12.6	-	(1.9)	77.1
1H11	60.5	7.6	2.8	1.4	72.3	14.8	26.0	(0.1)	113.0

EBITDA Margin	TPG Broadband	TPG Mobile	Soul Mobile	Other Consumer	Consumer Total	Corporate Total	PIPE	Unalloc.	Total
1H10	41%	17%	41%	13%	36%	22%	-	-	32%
1H11	43%	30%*	39%	14%	39%	28%	64%**	-	41%

Margin improvement across all continuing operations through efficient use of our own infrastructure

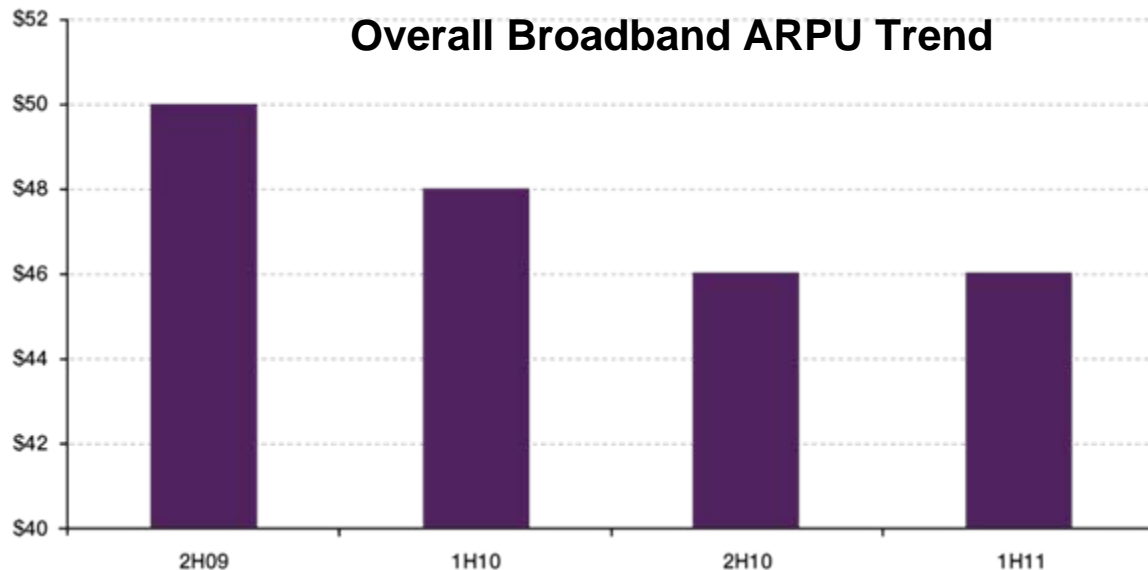
* TPG Mobile 1H11 EBITDA includes a \$2.0m one-off benefit

** PIPE 1H11 EBITDA includes a \$1.75m one-off benefit

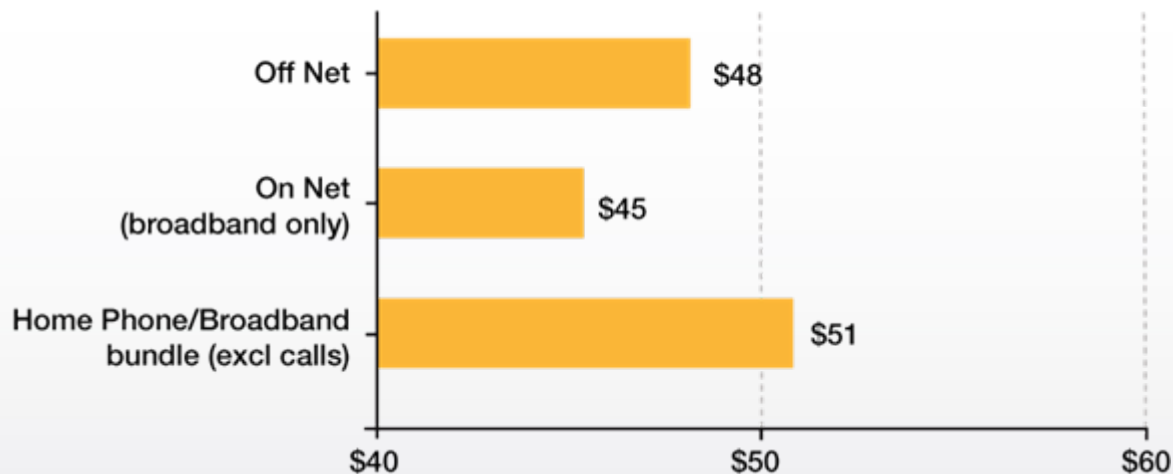


- All subscriber growth is organic
- Bundled product now the key driver of growth
- Overall On Net growth of 40k net additions in 6 months to Jan 11
- On Net churn rate 1.5%
- Subscriber growth has accelerated since the end of 1H11

Overall Broadband ARPU Trend



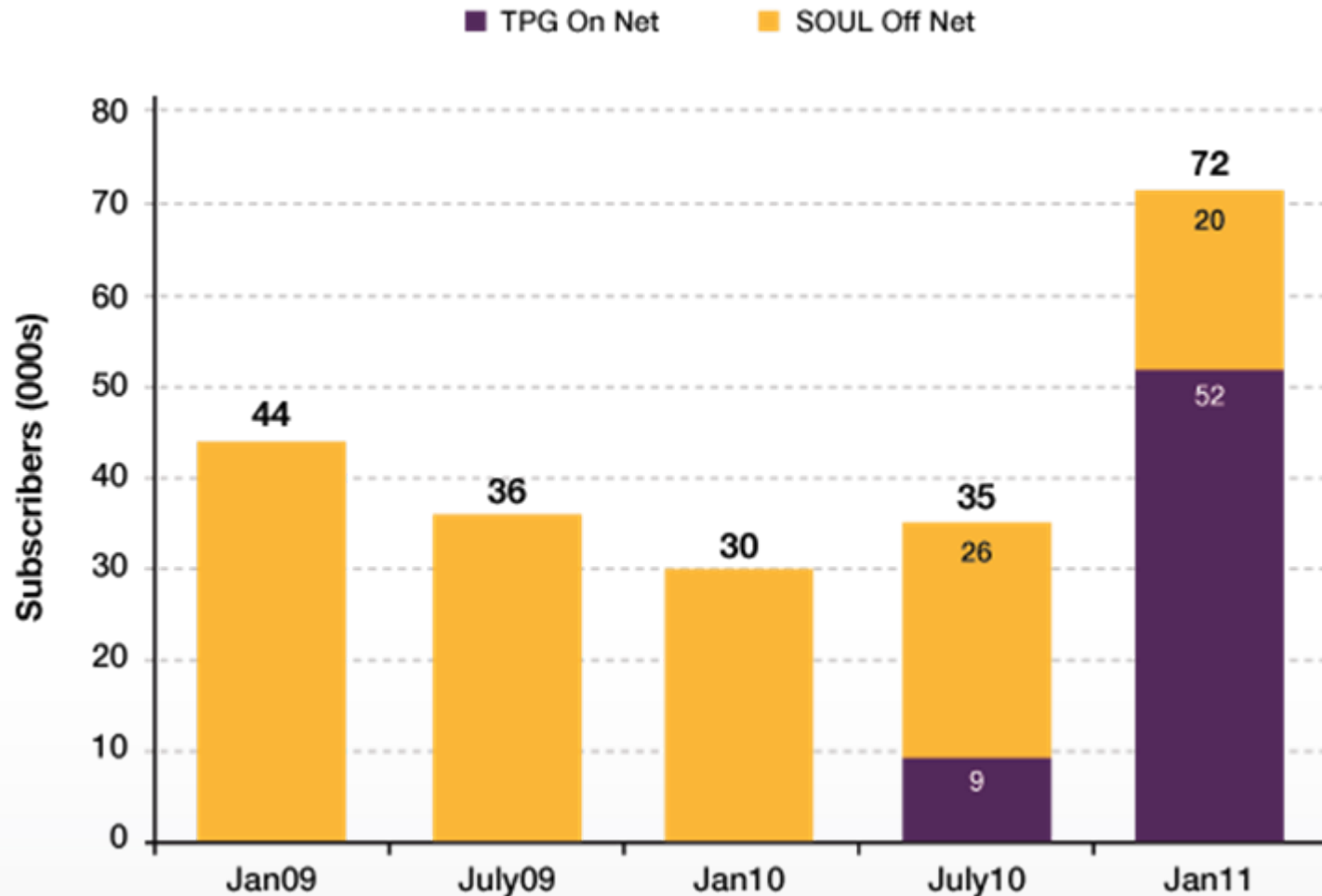
1H11 Broadband ARPU composition



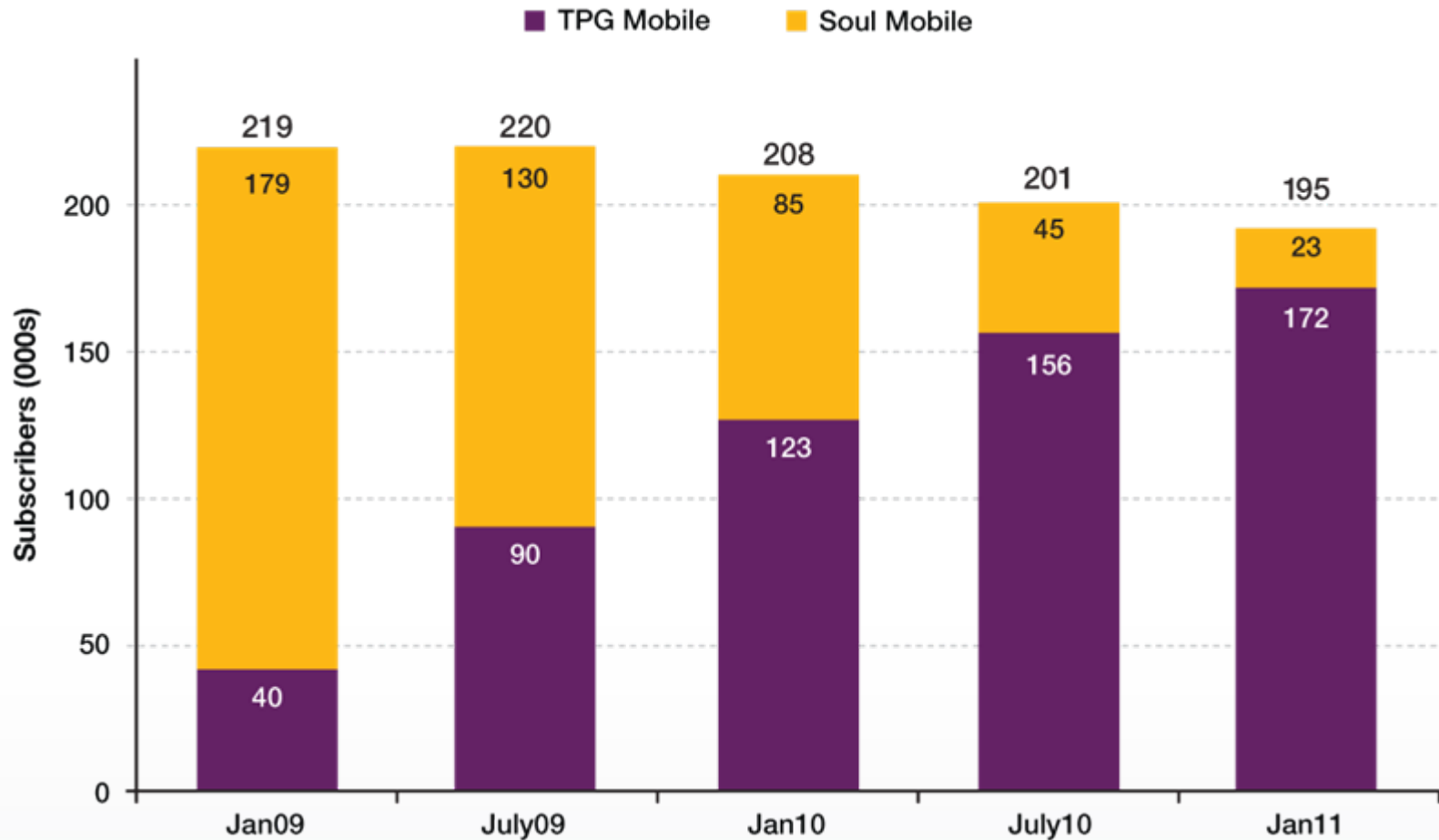
- ARPU now trending higher as the best selling bundled plan (\$59.99 incl. GST) forms a larger proportion of the customer base

- The bundle also generates monthly call charge revenue not included in these charts; currently approx \$10.0 (excl. GST) at a high margin

Note: ARPUs shown excl. GST and any one-off charges e.g. installs and equipment sales

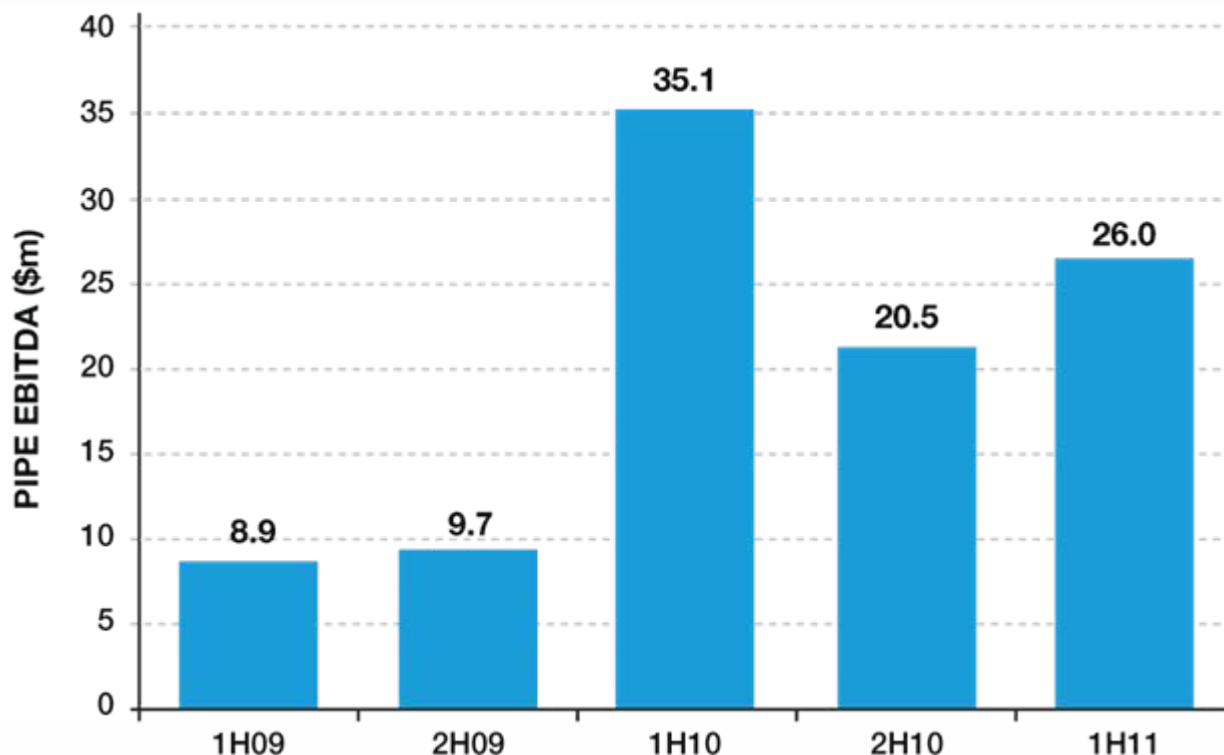


Strong growth driven by On Net broadband bundle



195,000 total mobile subscribers

16,000 TPG mobile subscriber growth in 1H11



Strong organic EBITDA growth

Major contracts signed in the period (ASX, IRESS and VHA), but minimal impact on earnings to date

FY10 international EBITDA (pre acquisition by TPG) incorporated one-off profits from IRU sales

Note:
 1H11 domestic EBITDA includes a one-off \$1.75m non-recurring benefit. PIPE's results only consolidated by TPG from April 2010. PIPE's full year FY10 results are unaudited and exclude one-off costs associated with its sale.

\$m

	New Upgraded Guidance	Previous Guidance
FY11 EBITDA	225 - 230	215 - 225

2.25 cents per share interim dividend

Payable	24 May 2011
Record date	19 April 2011
DRP discount	2.0%

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

Expected Amortisation Schedule

	FY10 (actual)	1H11 (actual)	2H11 (forecast)	FY12 (forecast)	FY13 (forecast)	FY14 (forecast)	FY15 (forecast)
Discontinued business*	6.9	0.4	-	-	-	-	-
TPG acquired customer base	20.5	5.2	4.8	4.0	2.0	2.0	1.0
PIPE acquired customer base	12.5	16.5	13.5	22.0	15.0	11.0	9.0
Other	4.6	3.1	3.1	6.2	5.1	4.6	4.6
TOTAL	44.5	25.2	21.4	32.2	22.1	17.6	14.6
Post tax expense included in Reported NPAT	31.2	17.6	15.0	22.5	15.5	12.3	10.2

* Relates to amortisation of deferred subscriber acquisitions costs from the Soul Communications postpaid mobile business, now discontinued

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.