

Statement in support of application for merger authorisation

**RE: TELSTRA CORPORATION LIMITED AND TPG TELECOM LIMITED ARRANGEMENT
FOR THE SHARING OF ACTIVE INFRASTRUCTURE AND SPECTRUM IN REGIONAL
AUSTRALIA (APPLICATION)**

Statement on behalf of TPG Telecom Limited

Statement of: Kieren Paul Cooney

Address: Level 1, 177 Pacific Highway, North Sydney, NSW 2060 Australia

Occupation: Group Executive, Consumer, TPG Telecom Limited

Date: 8 November 2022

PUBLIC VERSION

This document contains information confidential to TPG Telecom Limited and its related bodies corporate, which is marked in [REDACTED]

Index of exhibits

Tab No.	Document	Document ID	Publication restriction
Exhibit KC-1			
1.	[REDACTED]		Whole
2.	[REDACTED]	[REDACTED]	Whole
3.	[REDACTED]	[REDACTED]	Whole
4.	Marketing Spend Spreadsheet		Whole
5.	Telecommunications Retail Spreadsheet		Whole
6.	Mass Retail Spreadsheet		Whole
7.	Churn Spreadsheet		Whole

A. INTRODUCTION

1. I am the Group Executive, Consumer (**Group Executive**) of TPG Telecom Limited (**TPG**).
2. I am authorised to make this statement on TPG's behalf.
3. I am not authorised, nor do I intend to, waive legal professional privilege on behalf of TPG in relation to any subject referred to in this statement, and nothing in this statement ought to be construed as constituting a waiver of privilege.
4. On 21 February 2022, Telstra Corporation Limited (**Telstra**) and TPG entered into three commercial agreements:
 - a. MOCN Service Agreement dated 17 February 2022;
 - b. Spectrum Authorisation Agreement – MOCN Area dated 17 February 2022; and
 - c. Mobile Site Transition Agreement dated 17 February 2022,(together, the **Agreements**) (**Proposed Transaction**).
5. I have been briefed on the content of the confidential version of the application made by Telstra and TPG for merger authorisation under Part VII of the *Competition and Consumer Act 2010* (Cth) (**CCA**), for TPG's grant to Telstra for use of spectrum (under the Spectrum Authorisation), deemed pursuant to section 68A of the *Radiocommunications Act 1992* (Cth) (**Radiocommunications Act**) to be a merger within the meaning of section 50 of the CCA (**Application**). In addition, I have specifically reviewed the Executive Summary and paragraphs 25 – 37, 167 – 177, 187 – 193, 196 – 209, 226 – 236, 273 – 274 and 281 – 292 of the Application.
6. I have also been briefed on the content of the Applicants' response to Optus' interested party submission (Tranche 2) (**Applicant Response**), including Confidential Annexure E, which contains a confidential submission made by TPG in relation to its likely counterfactual (**Confidential Submission**). I have reviewed the Executive Summary and paragraphs 8 – 11, 17 – 22, 36 – 53 and 161 – 166 of the Applicant Response.
7. Exhibited to me at the time of signing this statement and marked 'Exhibit KC-1' is a bundle of documents. In this statement I refer to each document by reference to the relevant tab number in that exhibit. All documents in Exhibit KC-1 are confidential to TPG.
8. All capitalised terms in this statement which are not otherwise defined in this statement adopt the same meaning given to them in the Application.
9. As Group Executive, Consumer of TPG, I am responsible for leading the commercial strategy for the company's portfolio of consumer brands. These brands include Vodafone, TPG, iiNet, Kogan, Lebara and Felix. As part of my role, I am responsible for profit and loss, budgeting and target setting for these brands. I report directly to Mr Iñaki Berroeta, the Chief Executive Officer of TPG. I am also a member of the Executive Team at TPG.

10. Unless stated otherwise, the matters set out in this statement are based on my personal knowledge, including as a result of:
- a. my experience of TPG's business and operations;
 - b. my position as Group Executive, including my experience of setting budgets and reviewing profit and loss statements for each of TPG's brands, as well as managing the overall planning and implementation of consumer strategy to achieve those budgets, such as marketing, pricing, product management, sales and channel development;
 - c. participation in Executive Team meetings; and
 - d. my knowledge and experience gained from previous roles as an executive.

B. BACKGROUND

11. I hold a Bachelor of Science (BSc) obtained from the University of Auckland, New Zealand, in about 1994.
12. In March 2021, I commenced as Group Executive, Consumer for TPG.
13. Prior to my employment with TPG, I was Chief Customer, Marketing and Sales Officer at Foxtel Group from about October 2018. I was also previously Chief Marketing and Content Officer at REA Group from about March 2017 to October 2018. Before that I held Chief Executive Officer roles within Omnicom Group from about July 2014 to about March 2017 and Leading Edge between about 2006 and about 2010.
14. I have also held several positions in telecommunications companies, including:
- a. Chief Marketing Officer for nbn Co, between 2012 and 2014. During that period I was also a non-executive director of nbn Tasmania Limited and of the CSIRO's Australian Centre for Broadband Innovation;
 - b. Chief Marketing Officer for Telecom New Zealand (now known as Spark) between 2010 and 2012; and
 - c. General Manager at Vodafone New Zealand between 2002 and 2006.
15. In my current role, I am assisted by a Chief Marketing Officer and a team of five Group General Managers who report directly to me, and a broader team of about 1,080 staff underneath them (including about 800 retail staff).
16. In my current and previous roles, I have developed extensive commercial experience across the media, digital and telecommunications sectors in Australia and New Zealand.

C. PROJECT HANNIBAL MODELLING

17. As set out in paragraphs 160 to 177 of the Application, Australia has a national market for retail and wholesale mobile services. The national mobile markets cover voice, SMS, data and standalone mobile broadband. The MNOs and MVNOs compete on a national basis with national

pricing. TPG has sought to increase and improve its regional mobile coverage in order to gain additional SIOs.

18. In the course of 2021, TPG engaged [REDACTED] to provide an independent and objective perspective of the relevant considerations for potential deal constructs with other Australian MNOs that would allow TPG to improve its regional mobile service coverage. [REDACTED]
[REDACTED] A copy of a spreadsheet containing a regional coverage expansion integrated model developed [REDACTED] for TPG ([REDACTED] Model) is at **Tab 1** of Exhibit KC-1.
19. A number of members of my Consumer team worked with the consultants from [REDACTED] to assist with some of the inputs for the [REDACTED] Model and to ensure that the inputs being used were reasonable when taking into account known factors regarding TPG's business and customers. The [REDACTED] Model formed a critical part of [REDACTED]
[REDACTED] TPG's determination to pursue the Proposed Transaction with Telstra (i.e. Project Hannibal).
20. [REDACTED] also assisted with the preparation of a paper (in the form of a slide deck presentation) dated 18 February 2022 (**Full Compendium**). A copy of the Full Compendium is at **Tab 2** of Exhibit KC-1. The Full Compendium [REDACTED]
[REDACTED] It provides:
 - a. [REDACTED]
 - b. [REDACTED]
[REDACTED]
 - c. [REDACTED]
[REDACTED]
21. The [REDACTED] Model and Full Compendium were also summarised in a Board update paper dated 18 February 2022 (**Board Update**), which was copied to me at about the time it was provided to the Board of TPG. A copy of the Board Update is at **Tab 3** of Exhibit KC-1. The Board Update sets out the key reasons why it was considered that TPG would better achieve its regional network expansion objectives through the Proposed Transaction (i.e. Project Hannibal).
22. The [REDACTED] Model divided the Australian mobile networks into 'regions', which were based on population. These were:
 - a. Region 1, which encompasses 0-67% of the population (i.e. approximately 17 million people) and consists of capital cities and major metropolitan areas;
 - b. Region 2a, which encompasses 67-80% of the population (i.e. approximately 4.3 million people) and consists of larger regional centres such as Cairns and Ballarat and the metro outskirts;
 - c. Region 2b, which encompasses 80-96% of the population (i.e. approximately 3.2 million people) and consists of regional towns and areas such as Dubbo and Mildura; and

- d. Region 3, which encompasses 96%+ of the population (i.e. approximately 1.1 million people) and consists of remote Australia and inland outback areas.
23. The [REDACTED] Model demonstrated that the Proposed Transaction (i.e. Project Hannibal) could lead to TPG gaining an additional approximately [REDACTED] customers over 10 years across the Regions.
24. The [REDACTED] Model suggests that while under the Proposed Transaction, TPG will have access to Telstra's telecommunications infrastructure immediately, customer growth (or uplift) [REDACTED]
[REDACTED]. That is, customer growth [REDACTED]
[REDACTED]
[REDACTED].¹



25. I understand that the [REDACTED] Model (and the growth in customer numbers) included an assumption of population growth [REDACTED]. I also understand that the [REDACTED] Model assumed that although there would be increased network coverage under the Proposed Transaction [REDACTED].

D. TPG'S CURRENT MARKETING AND DISTRIBUTION

26. TPG's marketing message over the last year has been focused on the Vodafone network having global credentials, as *'the #1 global 5G network'*. TPG has also been focussed on providing value leadership to its existing, and potential new, customers including by sometimes offering lower cost plans and products than other MNOs and MVNOs. In addition, TPG has concentrated on cross selling its products to customers.
27. TPG engages in significant marketing for each of its brands. For the purpose of this statement, I have caused to be prepared, by staff of TPG, a spreadsheet which records details of TPG's

¹ See slide 25 of Full Compendium.

marketing spend for its Vodafone, Felix, TPG Mobile, iiNet Mobile (including Internode) and Lebara brands (**Marketing Spend Spreadsheet**). A copy of the Marketing Spend Spreadsheet is at **Tab 4** of Exhibit KC-1.

28. As can be seen from the Marketing Spend Spreadsheet, TPG engages in different marketing for each of its brands, over a variety of media, including television, print, radio, Facebook, YouTube, Influencers and TikTok. In 2021, TPG's marketing spend broken down by brand for its mobile brands was:
- a. Vodafone - [REDACTED]
 - b. Felix - [REDACTED]
 - c. TPG Mobile - [REDACTED]
 - d. iiNet Mobile and Internode - [REDACTED]; and
 - e. Lebara - [REDACTED].
29. There was [REDACTED] on the Westnet mobile brand.
30. Television, out of home and radio marketing by TPG for its mobile brands is generally targeted to [REDACTED]. TPG also engages in [REDACTED] for its digital marketing of its mobile brands.
31. TPG has four principal channels of distribution for its consumer mobile products:
- a. Telecommunications Retail – which consists of either Vodafone owned or independent dealer branded (i.e. Vodafone) or non-branded physical stores;
 - b. Mass Retail – which consists of non-TPG branded stores that sell TPG products, for example, Woolworths, Coles, Big W, Target and petrol stations;
 - c. Digital – which consists of websites where consumers buy TPG products only via an online platform; and
 - d. Call Centres – TPG has [REDACTED] call centres from which, among other roles, our operators sell mobile products from Vodafone, TPG, iiNet, Felix, Internode and Lebara brands.

Telecommunications Retail

32. Although TPG operates a number of mobile brands, the only brand for which it operates its own stores is the Vodafone brand.
33. For the purpose of this statement I have caused to be prepared, by staff of TPG, a spreadsheet which records details of the Vodafone, Telstra and Optus Telecommunications Retail stores, broken down by Region (**Telecommunications Retail Spreadsheet**), a copy of which is at Tab 5 of Exhibit KC-1. I am informed and believe that the spreadsheet was created as follows: (a) for Vodafone, TPG-owned Vodafone stores have been included but independent or dealer stores which mainly sell Vodafone products, have not; and (b) for Optus and Telstra stores, the store

numbers have been derived (in August 2022) from information on the Optus and Telstra websites. As the spreadsheet figures have not been independently verified by Telstra and Optus, the information in the spreadsheet may not be perfectly accurate but I believe that it provides a good indication of the relative numbers of Telstra, Optus and Vodafone-branded retail stores in Regions 1, 2 and 3.

34. For its internal purposes, TPG has simplified the Regions used by the [REDACTED] Model into three:
- Region 1, which encompasses 0-70% of the population and consists of capital cities and major metropolitan areas – Melbourne, Brisbane, Adelaide, Canberra, Geelong, Perth, Sunshine Coast, Newcastle, Gold Coast, Wollongong, Central Coast and Sydney. This equates to [REDACTED] region 1, and part of region 2a;
 - Region 2, which encompasses 70-80% of the population and consists of larger regional centres such as Cairns, Rockhampton, Ballarat, Townsville, Toowoomba, Bunbury, Bendigo, Albury/Wodonga, Mackay, Hobart and Darwin. This equates to the remainder of [REDACTED] region 2a;
 - Region 3, which encompasses 80%+ of the population and consists of Launceston, Wagga Wagga, Tamworth, Port Macquarie, Bundaberg and the remaining 97 SA3 mapped areas. This equates to [REDACTED] regions 2b and 3.
35. As can be seen from the Telecommunications Retail Spreadsheet, presently TPG has Vodafone branded retail stores [REDACTED]. It has the following presence:
- Region 1 – [REDACTED] stores. This is compared to Optus having 222 retail stores and Telstra having 199 stores.
 - Region 2 – [REDACTED] stores [REDACTED]. This is compared to Optus having 23 retail stores and Telstra having 27 stores.
36. There are also [REDACTED] independent stores (that is, not owned by TPG) which retail Vodafone postpaid mobile plans, [REDACTED]:
- [REDACTED] – [REDACTED] dealer;
 - [REDACTED] – [REDACTED] dealers; and
 - [REDACTED] – [REDACTED] dealers.
37. Currently, [REDACTED] in Region 3, while Optus has 57 retail stores and Telstra has 85 stores.

Mass Retail

38. For the purpose of this statement I have caused to be prepared by staff of TPG a spreadsheet that sets out the Mass Retail stores that have access to TPG products and for each store the Region in which the store is located (**Mass Retail Spreadsheet**). A copy of the Mass Retail Spreadsheet is at **Tab 6** of Exhibit KC-1.

39. TPG currently sells Vodafone and Lebara branded products via our Mass Retail distribution channels. As the Mass Retail Spreadsheet shows, there are a total of [REDACTED] Mass Retail Stores that can sell TPG products, as follows:

- a. Region 1 – [REDACTED] stores;
- b. Region 2 – [REDACTED] stores; and
- c. Region 3 – [REDACTED] stores.

40. While the Mass Retail Spreadsheet shows all stores that may have access to a range of TPG products, [REDACTED]

[REDACTED]

Digital

41. Currently, TPG has seven brands which sell mobile and/or fixed line products online via TPG's Digital channels (that is, websites and apps), namely Vodafone, TPG, iiNet, Internode, Westnet, Lebara and Felixmobile (app purchase only).

Call centres

42. As set out above, TPG has [REDACTED] call centres from which our operators, among other roles, sell products from the Vodafone, TPG, iiNet, Felix, Internode and Lebara brands. The call centres conduct both inbound and outbound sales calls, together with online sales by webchat for all brands.

E. ACHIEVING CUSTOMER GROWTH

43. Under the Agreement and with the benefit of the MOCN, TPG will have a network that will provide coverage for up to 98.8% of the Australia population. Once the MOCN starts operation it is this increased coverage which I anticipate will be the key feature of our marketing to our current customers and potential new customers across all of TPG's suite of brands and all distribution channels.

44. I anticipate that TPG will implement [REDACTED]
[REDACTED]. The [REDACTED] can be summarised as:

- a. [REDACTED]
- b. [REDACTED]
- c. [REDACTED]

45. The four principal customer categories that I anticipate TPG will focus on throughout each of the Phases are:

- a. the existing mobile or fixed line customer base to whom additional TPG products can be sold through cross-selling;
- b. existing mobile customers who [REDACTED]
[REDACTED]
[REDACTED];
- c. customers of other MNOs and MVNOs, who can be persuaded to move to TPG; and
- d. new customers entering the telecommunications market for the first time or those customers wanting additional services to those they already have.

46. I explain in more detail the [REDACTED] and the customer categories below.

F. [REDACTED]

47. In the [REDACTED], I anticipate that TPG's intention will be primarily to target customers [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

48. In my role at TPG, I have had access to the results of various customer surveys TPG has undertaken, as well as data in relation to customers. As a result of that information, and analysis of it by the Consumer team, I believe that [REDACTED] factors which result in mobile device users either not choosing to utilise TPG services, or terminating TPG services, [REDACTED]

a. [REDACTED]
[REDACTED]

b. [REDACTED]
[REDACTED]

49. Against that background I consider that the increased coverage for up to 98.8% of the population under the Agreement will be [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

50. I anticipate, based on customer analysis, that [REDACTED] the increase in network coverage under the Agreement is likely to be [REDACTED]
[REDACTED] This is because TPG already has a strong presence in the mobile market in

Region 1 through its well-known Vodafone and Lebara brands. While all TPG brands will leverage the benefit of a stronger and better network under the Agreement, [REDACTED] I anticipate that we will have our strongest focus on [REDACTED].

51. In particular, I consider that the Agreement will provide TPG with the immediate ability to compete more effectively for [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

52. To date, TPG has not been able effectively to engage this group of potential customers [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

53. As noted above, I anticipate that the increased network coverage will also enable TPG to [REDACTED]. I understand from our customer analysis that most of TPG's customers who leave TPG choose to move to Telstra or Optus, and do so [REDACTED]

[REDACTED]

I have caused to be prepared a spreadsheet of churn from TPG to either Telstra or Optus (**Churn Spreadsheet**). A copy of the Churn Spreadsheet is at **Tab 7** of Exhibit KC-1. The information in the Churn Spreadsheet has been obtained by TPG staff from our port out data and customer exit surveys. The Churn Spreadsheet demonstrates [REDACTED]

[REDACTED]
[REDACTED]

54. Once the Agreement comes into force and the MOCN is activated, TPG should be able to take steps to [REDACTED] with its existing customers, and to do so without making any other investments or commercial decisions.

55. Accordingly, in the [REDACTED], I anticipate that TPG's message to existing customers will be that

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

56. In respect of [REDACTED], I anticipate the focus for the [REDACTED] will be to [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

57. The Agreement solves that coverage issue. [REDACTED]
[REDACTED]
[REDACTED]

58. Consistent with the modelling by [REDACTED], it is my belief that the increase in customers and market share to TPG in Regions 2 and 3, but also in Region 1, will be taken [REDACTED]. The bases for that belief includes that:

a. [REDACTED]

b. as set out above, once the MOCN is activated TPG will be able to appeal to those consumers who value a regional network and feel that they had no other choice of MNO or MVNO [REDACTED]

c. once the MOCN is activated, TPG will be able to offer [REDACTED] [REDACTED] another viable option, which has different product features and pricing [REDACTED] [REDACTED]

d. I consider that TPG's message of a vastly improved regional network together with our existing value leadership will be attractive [REDACTED]
[REDACTED]
[REDACTED]

e. as noted in paragraph 53 above, to the extent that the MOCN has the effect of reducing churn in existing TPG customers to other MNOs [REDACTED]

G. PROPOSED MARKETING APPROACH

59. I am aware that on the basis of the customer analysis the Consumer team has undertaken to date, we have identified [REDACTED] [REDACTED] when determining their mobile service provider:

a.

Group	Bar 1 Length (%)	Bar 2 Length (%)	Bar 3 Length (%)
1	10	30	60
2	30	60	90
3	60	90	30

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

b. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

60. I consider that the above [REDACTED] are important to understanding and determining TPG's marketing approach and brand strategy. The team which reports to me is currently engaged in an analytical process to determine our future brand strategy and how this will align with our four principal distribution channels. Currently, TPG has four principal brands that engage with different sectors of the mobile market (as well as a number of smaller brands):

a. Vodafone, which is our 'key' brand and which is marketed as having a global network with products to match. [REDACTED]
[REDACTED];

b. Lebara, which is well-known to consumers outside of Australia. Accordingly, this is the brand which we market to new Australian consumers who are familiar with the brand from their past experience. It is also marketed as a value leadership prepaid product that also provides postpaid services. [REDACTED]
[REDACTED]
[REDACTED];

c. iiNet, which is predominately marketed as our fixed line broadband brand. iiNet also provides mobile services and so we also look to cross-sell these products to consumers. [REDACTED]
[REDACTED]; and

d. Felix, which is a brand launched in late 2020, as a low-cost alternative, operating digital only, and powered by 100 percent renewable electricity. [REDACTED]
[REDACTED]

61. At this stage, for the [REDACTED] I envision promoting [REDACTED] TPG brands to mobile customers, with a focus on achieving customer growth across the board:

a. [REDACTED]

b. [REDACTED]
[REDACTED]

c. [REDACTED]
[REDACTED]

62. Further, although TPG is not responsible for the marketing or promotion of the Kogan mobile brand, I anticipate that Kogan will also be promoted as having a greater network following the activation of the MOCN. Kogan is a 'value leadership' brand and I believe it will continue [REDACTED] and will add to TPG's customer base.

63. In the [REDACTED]
[REDACTED] Vodafone is the strongest brand within TPG with about [REDACTED] of TPG's mobile customers being Vodafone customers. I consider that Vodafone has strong brand recognition and provides TPG [REDACTED] Therefore, I anticipate that [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

64. However, I anticipate that [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

65. My team is also planning the introduction of [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

66. TPG products will also continue to be available through each of our Digital channels. I anticipate that particular TPG brands (e.g. Felix) may be the subject of an increased Digital distribution focus once the MOCN is operational, depending on the brand strategy that is ultimately determined.

H. [REDACTED]

67. I anticipate that the focus of the [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

68. I anticipate that TPG's Consumer team will identify and prioritise [REDACTED]
[REDACTED]
- a. [REDACTED]
 - b. [REDACTED]
 - c. [REDACTED]
 - d. [REDACTED]
69. I anticipate that we will engage [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
70. At this stage, I anticipate that [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
71. As part of my role, I have had access to information about the opening of about 100 Vodafone branded retail stores in 2014 and 2015. Some of the locations at which stores were opened at that time included:
- a. Elanora, Ipswich and Mackay in Queensland;
 - b. Baulkham Hills, Wollongong Central, Salamander Bay, Dapto and Lismore in New South Wales;
 - c. Ingle Farm and Mt Barker in South Australia;
 - d. Bendigo, and Traralgon in Victoria; and
 - e. Eaton Fair in Western Australia.
72. In that instance TPG (then known as Vodafone Hutchison Australia (**VHA**)) was able to very quickly, and relatively inexpensively, significantly expand its network of retail stores in regional areas. I understand that VHA had expected to improve its regional network coverage at around that time but because that did not occur the network quality and customer experience with Vodafone remained poor in regional Australia, and most of those stores ended up being closed. Nonetheless, this provides me with confidence that TPG has the knowledge and ability to roll out new stores in regional areas as soon as that will enable TPG to capitalise profitably on the network expansion presented by the MOCN.

73. I also expect that distribution of TPG products [REDACTED]
[REDACTED]
[REDACTED]

74. As with the [REDACTED], I anticipate that in the [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

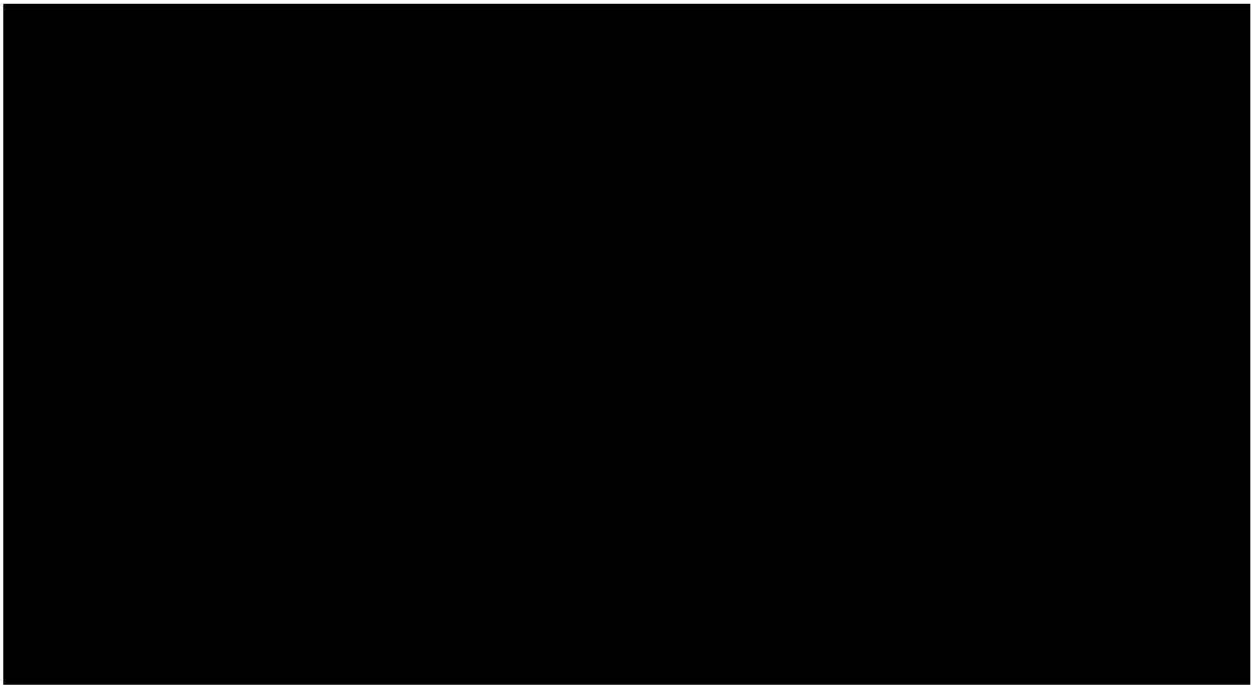
I. PRICING

75. As set out above, the [REDACTED] Model was premised on [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

76. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

77. As set out above, it is likely that TPG will need to give customers a reason for switching from their existing telecommunication provider to TPG. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

78. In this regard, I consider that TPG already has strong value leadership as can be seen in the following graphic, which I have caused to be prepared by staff at TPG from publically available information. The graphic compares Vodafone and Telstra's mobile voice plans (as at 17 October 2022):



79. As can be seen, the entry level pricing is significantly different with Vodafone starting at \$40 per month for 40GB of data and Telstra at \$58 per month for the same amount of data.

80. [REDACTED] In this respect, I understand from my position on the Executive Team, [REDACTED]
[REDACTED]
[REDACTED]

a. [REDACTED]
[REDACTED]

b. [REDACTED]
[REDACTED]

c. [REDACTED]
[REDACTED]
[REDACTED]

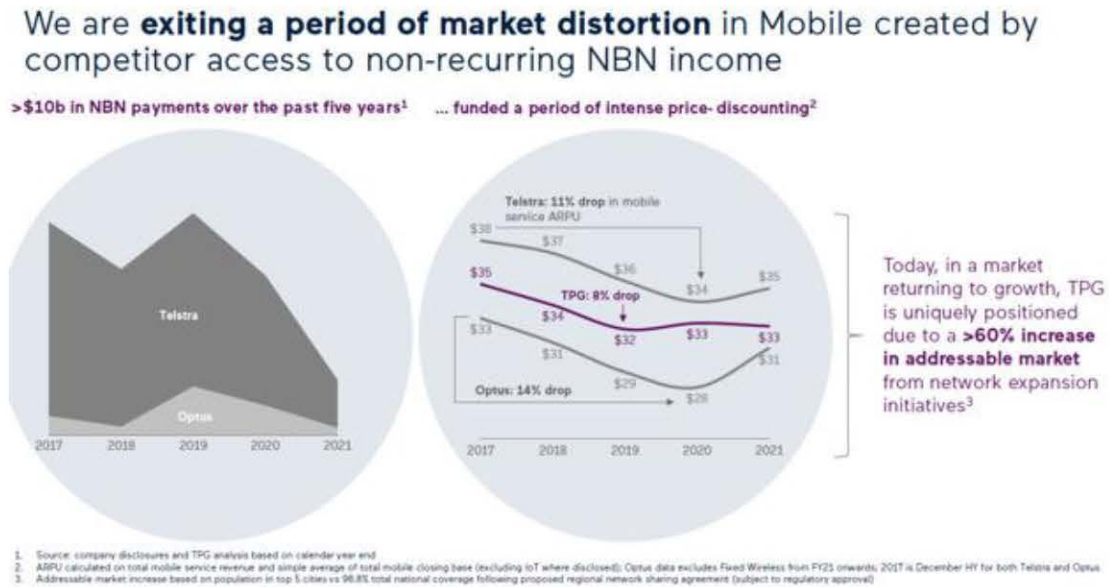
d. [REDACTED]

e. [REDACTED]
[REDACTED]

f. [REDACTED]
[REDACTED]

g.

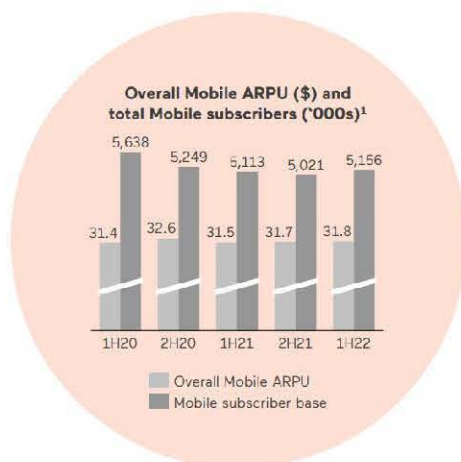
81. Additionally, it is relevant that the ARPU in the mobile sector in Australia declined from 2017 to 2020, and (at least for TPG) has remained largely flat since. This can be seen in the following slide from a presentation at TPG's Investor Day on 23 June 2022:²



82. It can also be seen in the following slide from TPG's Half-Year Results Presentation for 2022:³

² <https://www.tpglecom.com.au/sites/default/files/2022-06/20220623%20TPG%20Telecom%202022%20Investor%20day%20presentation%20FINAL-2.pdf> dated 23 June 2022 – see slide 10
³ https://www.tpglecom.com.au/sites/default/files/2022-08/3%20-%2020220819_HY22%20Results_Presentation_FINAL.pdf dated 19 August 2022 – see slide 6.

Net adds of 135,000 Mobile subscribers in 1H22 with modest increase in Postpaid ARPU



- **Capturing new customers and reducing churn** through targeted promotions, upgrades and retentions, 5G global network and cross-selling
- **Mobile business back to growth** adding 22,000 Postpaid and 120,000 Prepaid subscribers²
- **International brands (Vodafone and Lebara)** have capitalised from borders reopening
- **Postpaid Mobile ARPU of \$42**, up 2.2% vs 1H21 supported by recovery in roaming as international travel returned

¹ Overall Mobile ARPU and total subscriber base includes Postpaid, Prepaid and data sim customers
² Mobile subscribers net additions excluding data sims

6

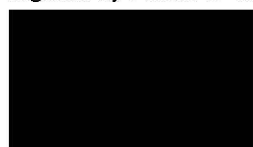
83.



84.



Signed by Kieren Paul Cooney



8 November 2022