



nbn Half Year Results 2017

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Agenda



Company highlights



Financial results



nbn operational progress



Questions

2020 goals



Strategic imperatives



A high-performing and reliable network



Effective and efficient processes and systems



United partnership with vendors, Delivery Partners and Retail Service Providers



Affordable products and services

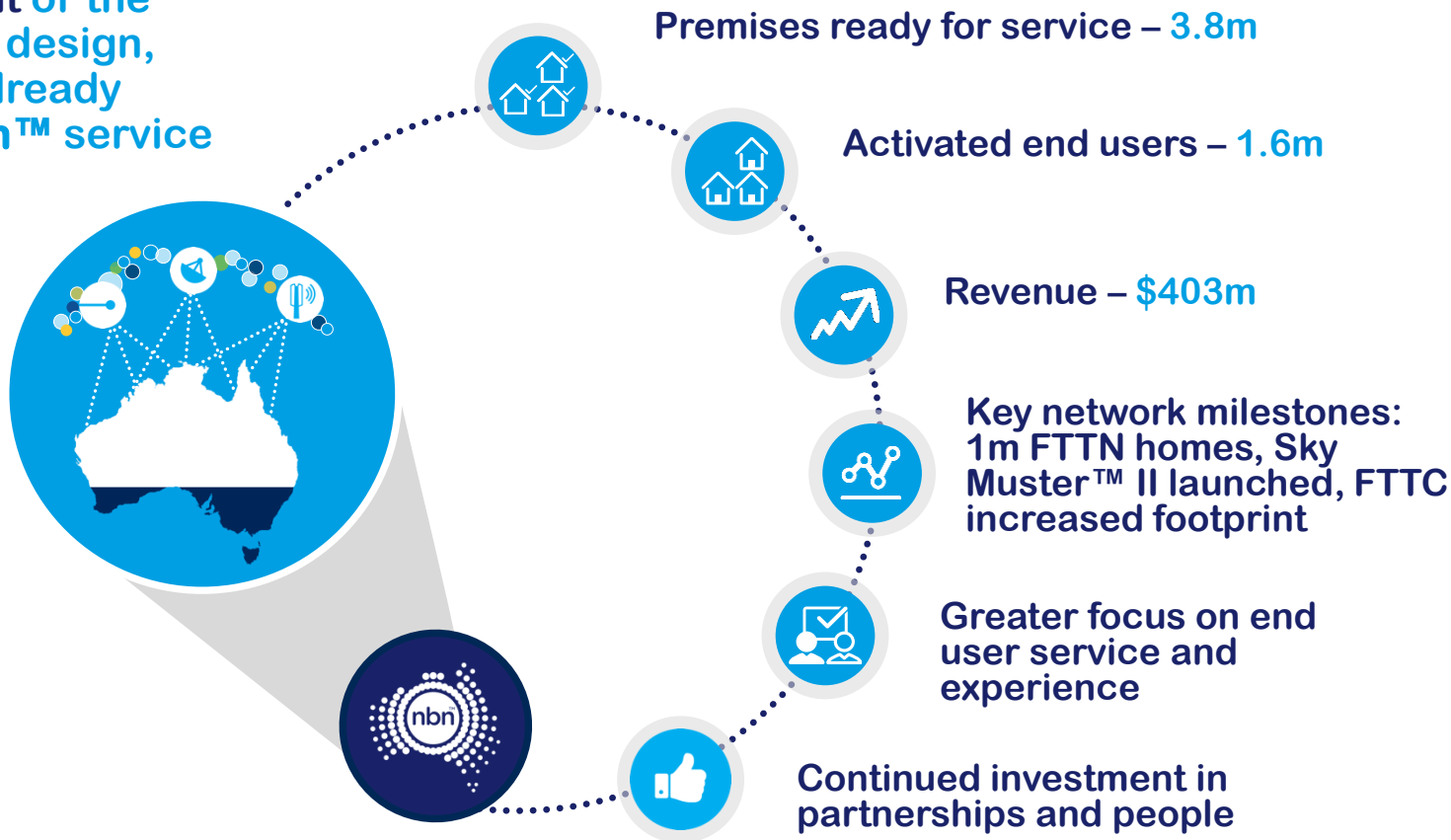


A great place to work

nbn 2017 half year highlights



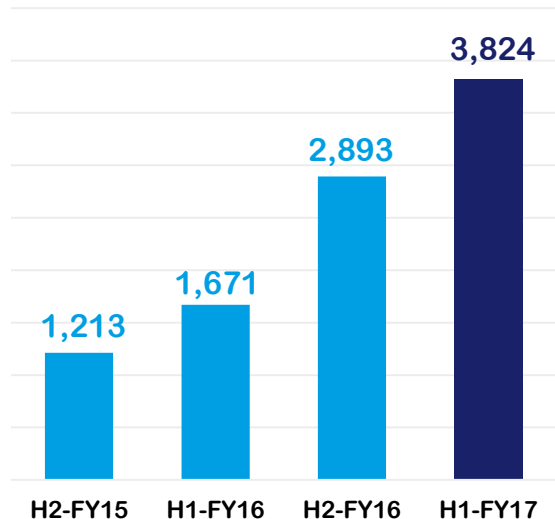
Today, 80 per cent of the nation is either in design, construction or already eligible for an nbn™ service



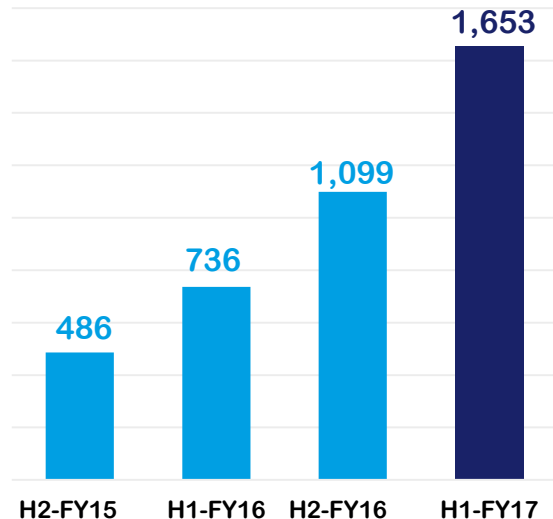
Strong growth across key metrics



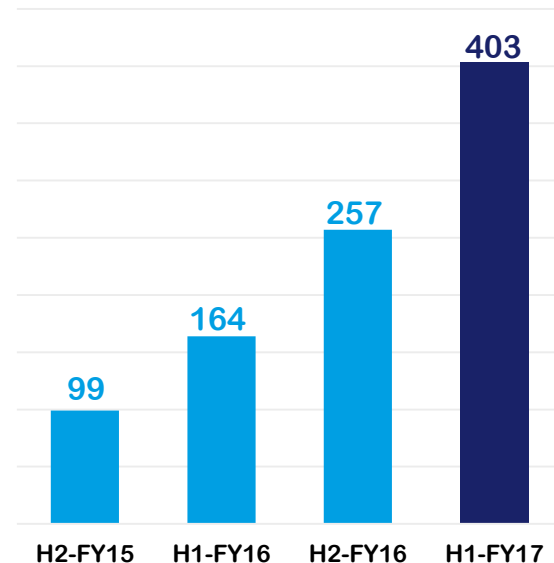
Cumulative premises ready for service ('000)



Cumulative premises activated ('000)



Revenue (\$m)





Stephen Rue
Chief Financial Officer

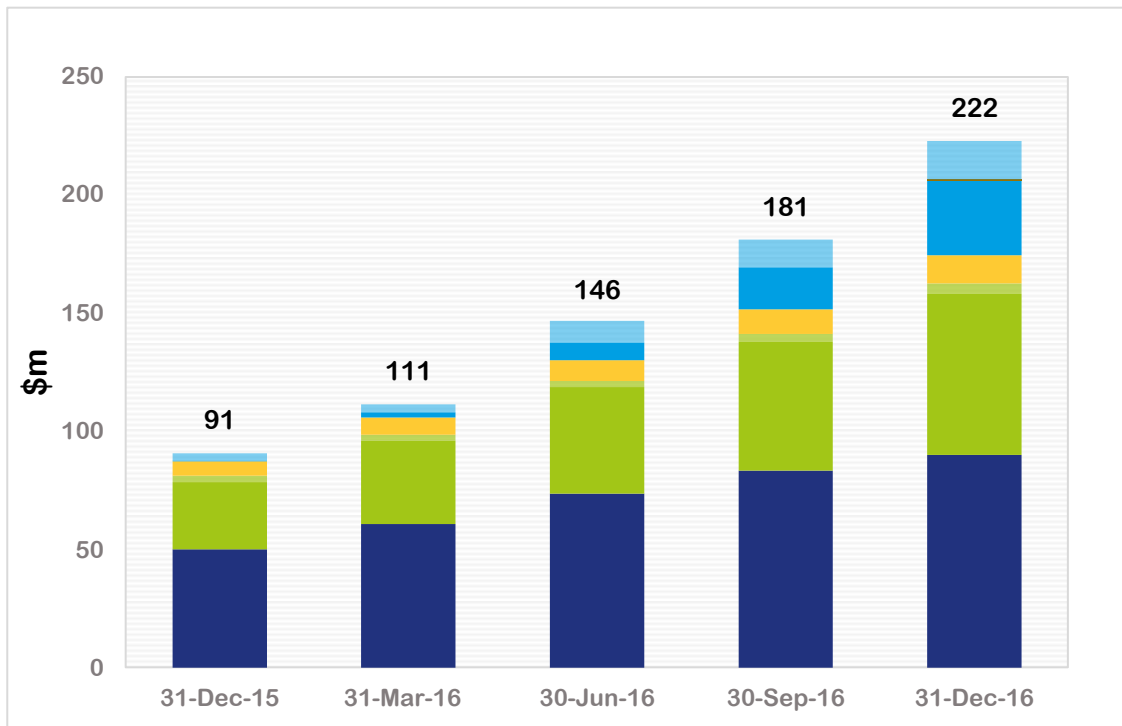


Headline results – HY2017



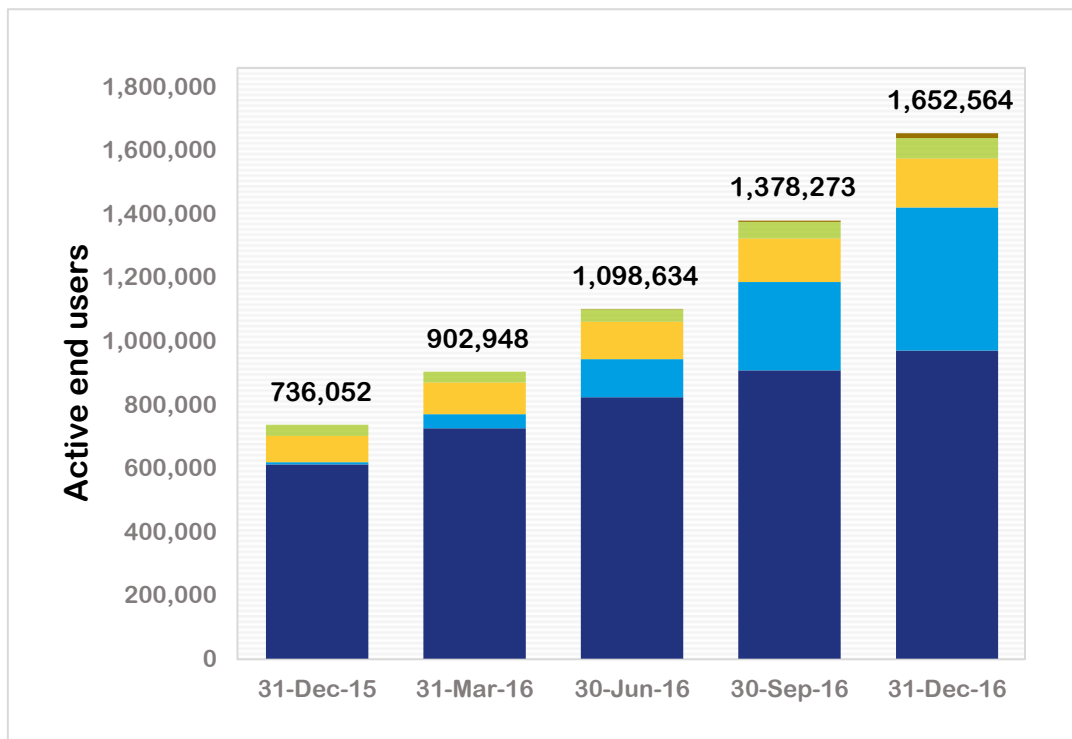
Total Revenue	Premises Activated	ARPU
\$403m HY2016: \$164m +146%	1,652,564 HY2016: 736,052 +125%	\$43 HY2016: \$43 +1%
Premises Ready for Service	Life-to-date Capex	Equity
3,824,465 HY2016: 1,670,972 +129%	\$16.4bn HY2016: \$11.1bn +49%	\$23.8bn HY2016: \$16.4bn +45%

Total revenue by quarter



\$m	6 months to	
	31-Dec-15	31-Dec-16
Other	5	28
HFC	-	1
FTTN	-	49
Fixed Wireless	12	22
Satellite	5	8
CVC/NNI	51	122
FTTP	91	173
Total	164	403

Cumulative active end users by quarter

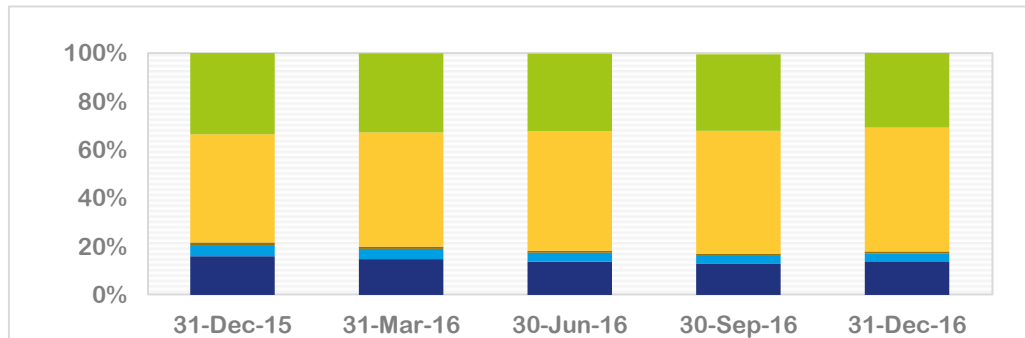


Cumulative active end users	As at		
	31-Dec-15	30-Jun-16	31-Dec-16
HFC	-	10	14,615
Satellite	36,003	38,764	64,943
Fixed Wireless	82,435	117,514	154,078
FTTN	6,636	119,694	449,258
FTTP	610,978	822,652	969,670
Total	736,052	1,098,634	1,652,564
ARPU	\$43	\$43	\$43

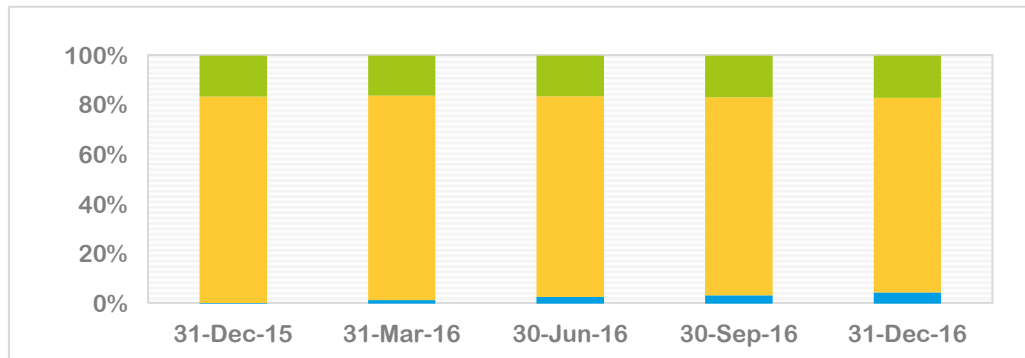
Wholesale speed tier mix



Fixed Line speed tier mix



Fixed Wireless speed tier mix

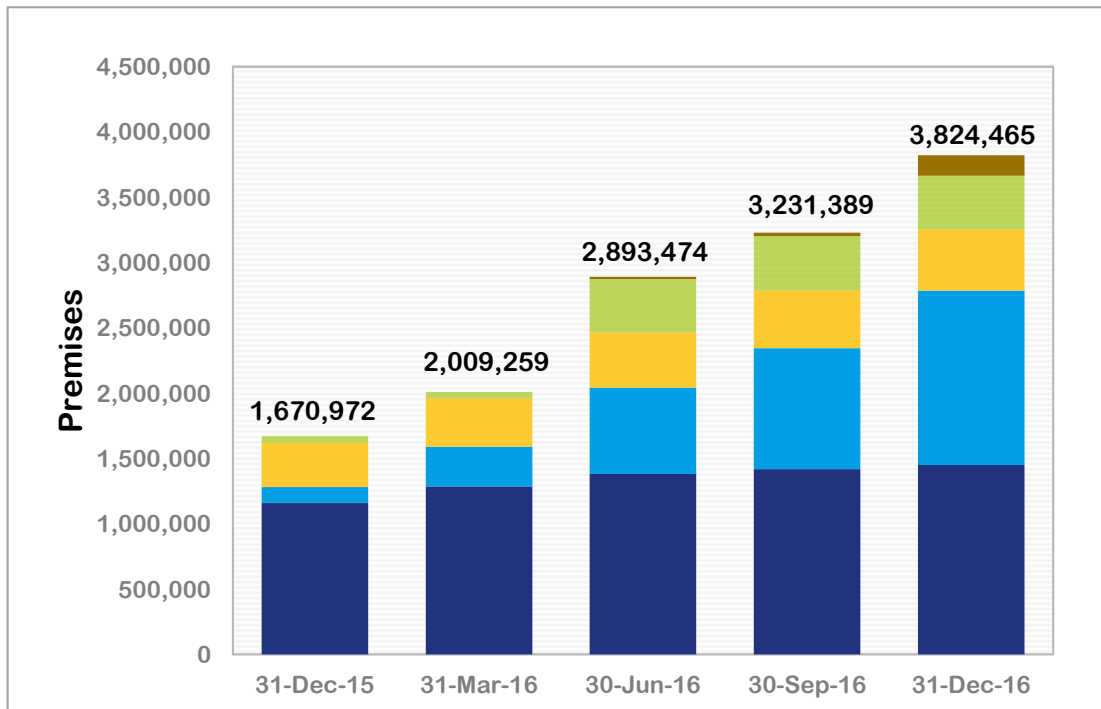


	As at		
	31-Dec-15	30-Jun-16	31-Dec-16
Fixed Line speed tier mix (Mbps)			
12/1	33%	32%	31%
25/5	45%	49%	51%
25/10	1%	1%	1%
50/20	5%	4%	4%
100/40	16%	14%	13%
Total	100%	100%	100%

Fixed Wireless speed tier mix (Mbps)			
12/1	17%	16%	17%
25/5	83%	81%	79%
50/20	-	3%	4%
Total	100%	100%	100%

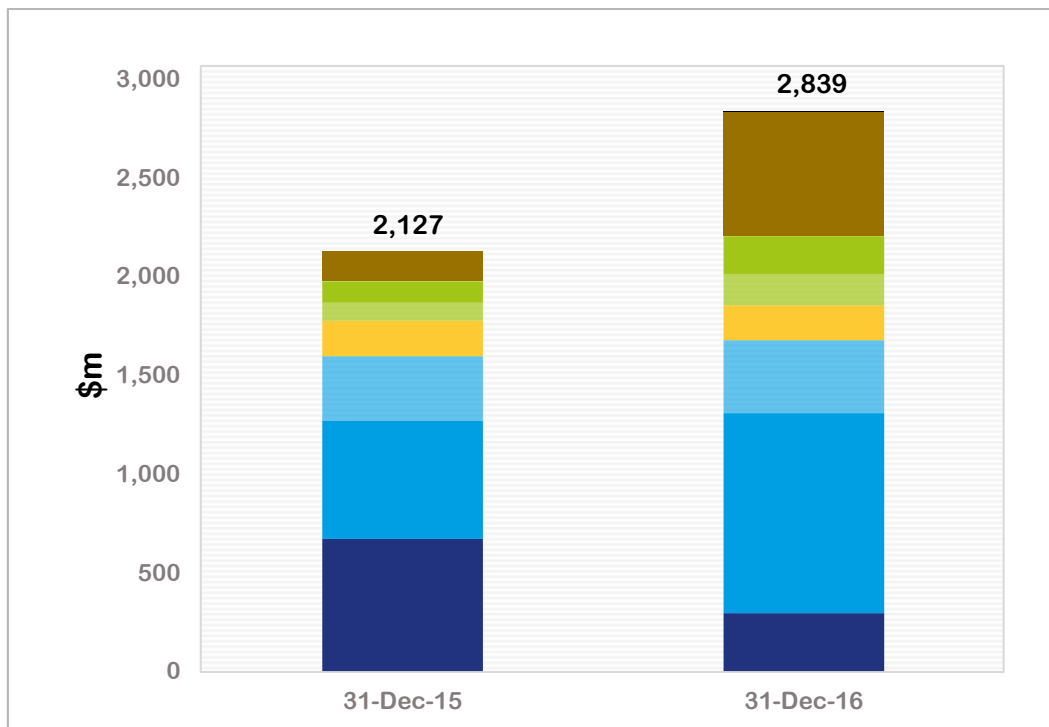
Sky Muster™ Satellite Service speed tier mix (Mbps)			
12/1	-	26%	33%
25/5	-	74%	67%
Total	-	100%	100%

Cumulative premises ready for service by quarter



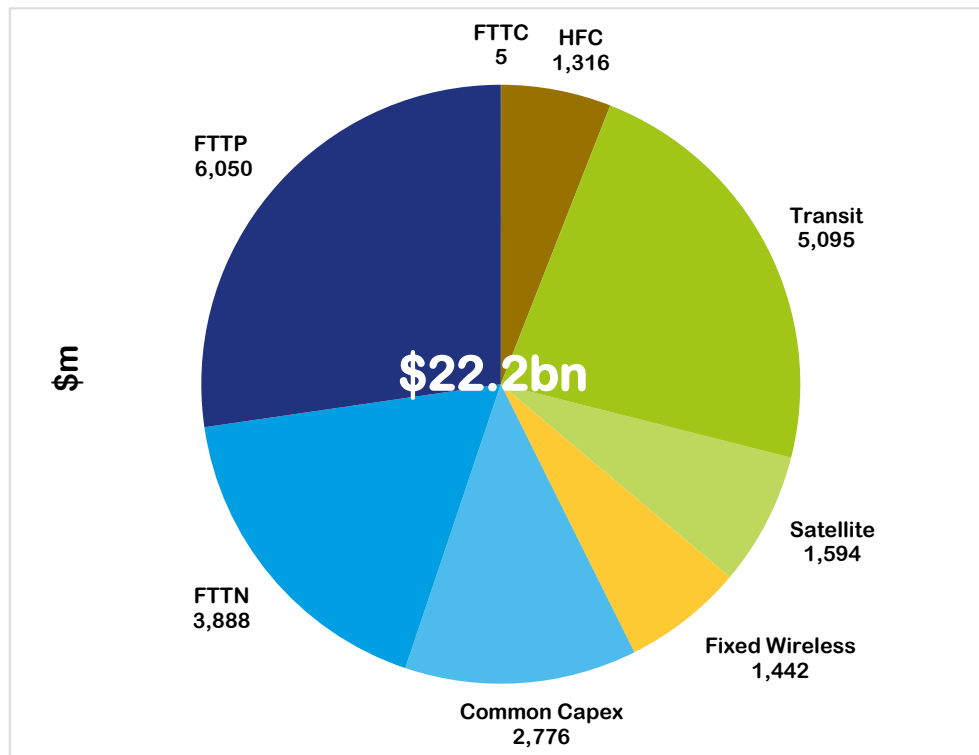
	As at		
	31-Dec-15	30-Jun-16	31-Dec-16
HFC	-	18,462	158,938
Satellite	48,000	409,959	409,377
Fixed Wireless	339,783	420,524	468,930
FTTN	123,574	662,729	1,334,824
FTTP	1,159,615	1,381,800	1,452,396
Total	1,670,972	2,893,474	3,824,465

Capital expenditure



	\$m	6 months to	
		31-Dec-15	31-Dec-16
FTTC		-	5
HFC		151	631
Transit		109	190
Satellite		91	158
Fixed Wireless		180	177
Common Capex		328	370
FTTN		599	1,014
FTTP		669	294
Total		2,127	2,839

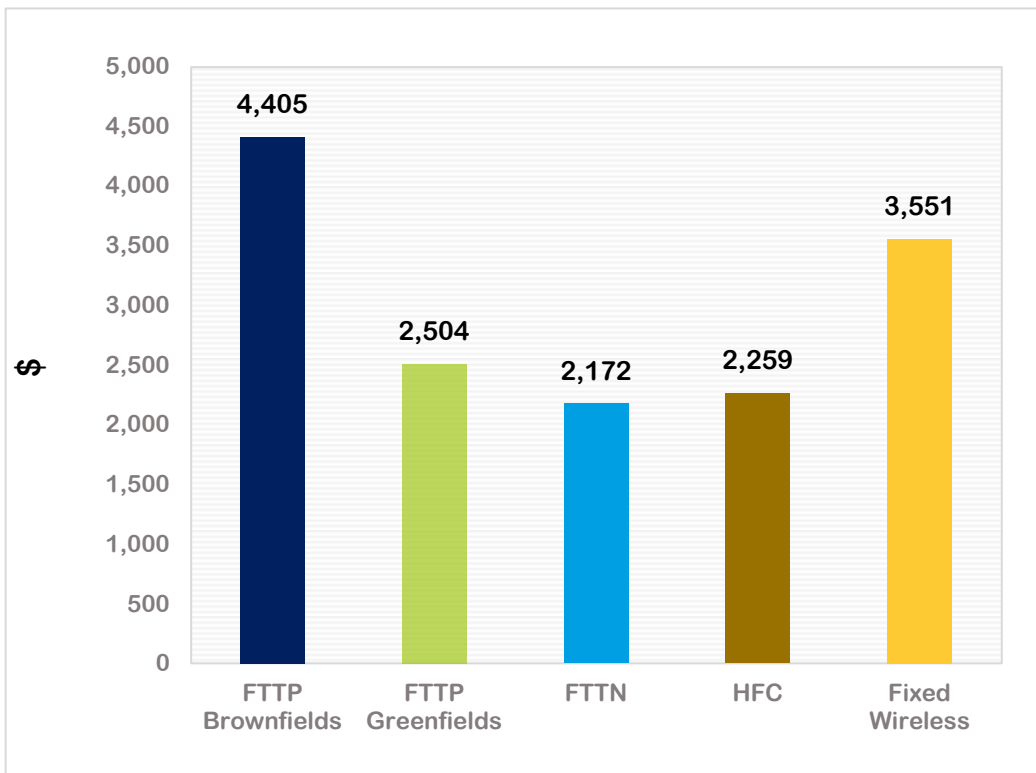
Life-to-date PP&E and Intangible Assets*



	\$m	As at	
		30-Jun-16	31-Dec-16
FTTC		-	5
HFC		607	1,316
Transit		4,906	5,095
Satellite		1,376	1,594
Fixed Wireless		1,256	1,442
Common Capex		2,386	2,776
FTTN		2,516	3,888
FTTP		5,751	6,050
Total		18,798	22,166

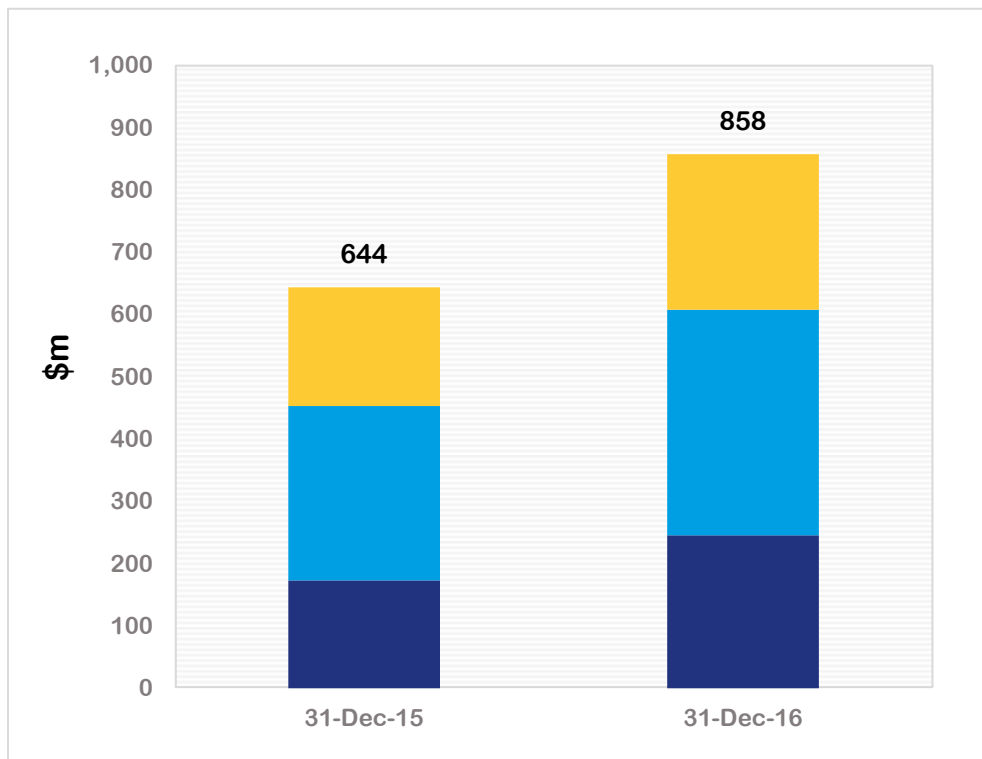
*Property, plant and equipment includes additions of leased assets, gifted assets and items of property, plant and equipment classified as inventories.

Cost per premises



	\$	Life-to-date	
		30-Jun-16	31-Dec-16
FTTP Brownfields		4,411	4,405
FTTP Greenfields		2,608	2,504
FTTN		2,257	2,172
HFC		-	2,259
Fixed Wireless		3,559	3,551

Operating expenses*



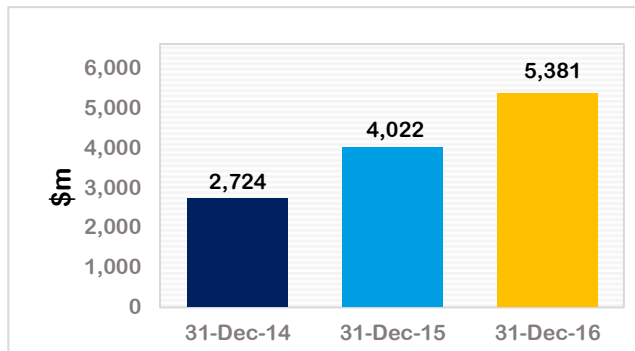
\$m	6 months to	
	31-Dec-15	31-Dec-16
Other expenses	191	250
Employee benefits expenses	280	362
Direct network costs	173	246
Operating expenses	644	858
Subscriber costs	208	549
Total expenses	852	1,407

*Comparative figures have been adjusted to conform to the presentation of the current financial period where applicable.

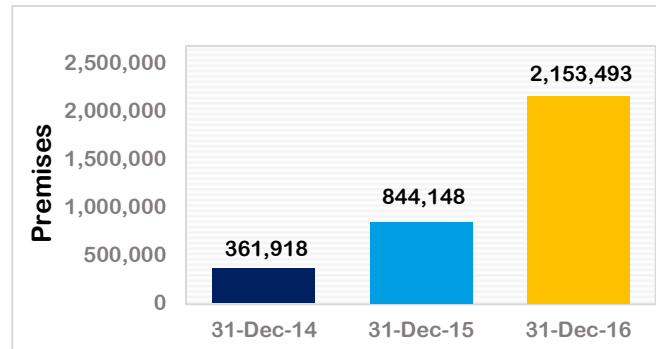
2016 calendar year*



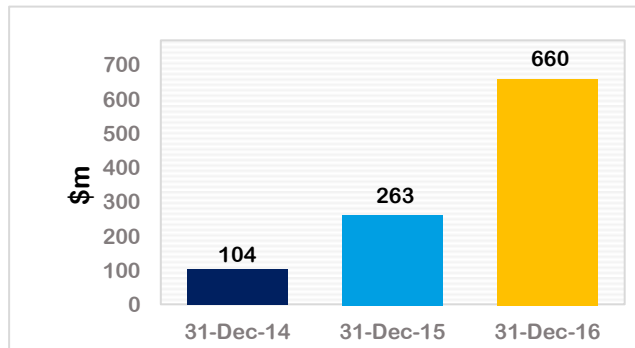
12-month incremental capex



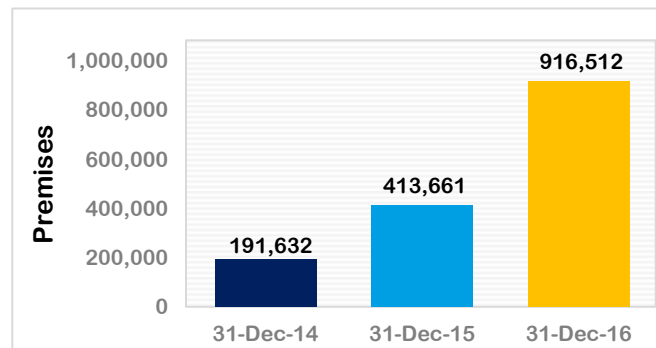
12-month incremental premises ready for service



12-month incremental total revenue



12-month incremental premises activated



*all metrics are for 12-month periods ended 31 December

Financial summary



\$m	For the 3 months to			For the 6 months to		
	31-Dec-15*	31-Dec-16	Change (%)	31-Dec-15*	31-Dec-16	Change (%)
Total Revenue	91	222	144%	164	403	146%
Total Operating Expenses	(443)	(725)	64%	(852)	(1,407)	65%
EBITDA	(352)	(503)	43%	(688)	(1,004)	46%
Less: Subscriber Costs	121	297	145%	208	549	164%
Adjusted EBITDA	(231)	(206)	(11%)	(480)	(455)	(5%)
EBIT	(559)	(837)	50%	(1,085)	(1,655)	53%

\$m	As at		
	31-Dec-15*	31-Dec-16	Change (%)
Total Assets	15,340	20,978	37%
Contributed Equity	16,385	23,805	45%

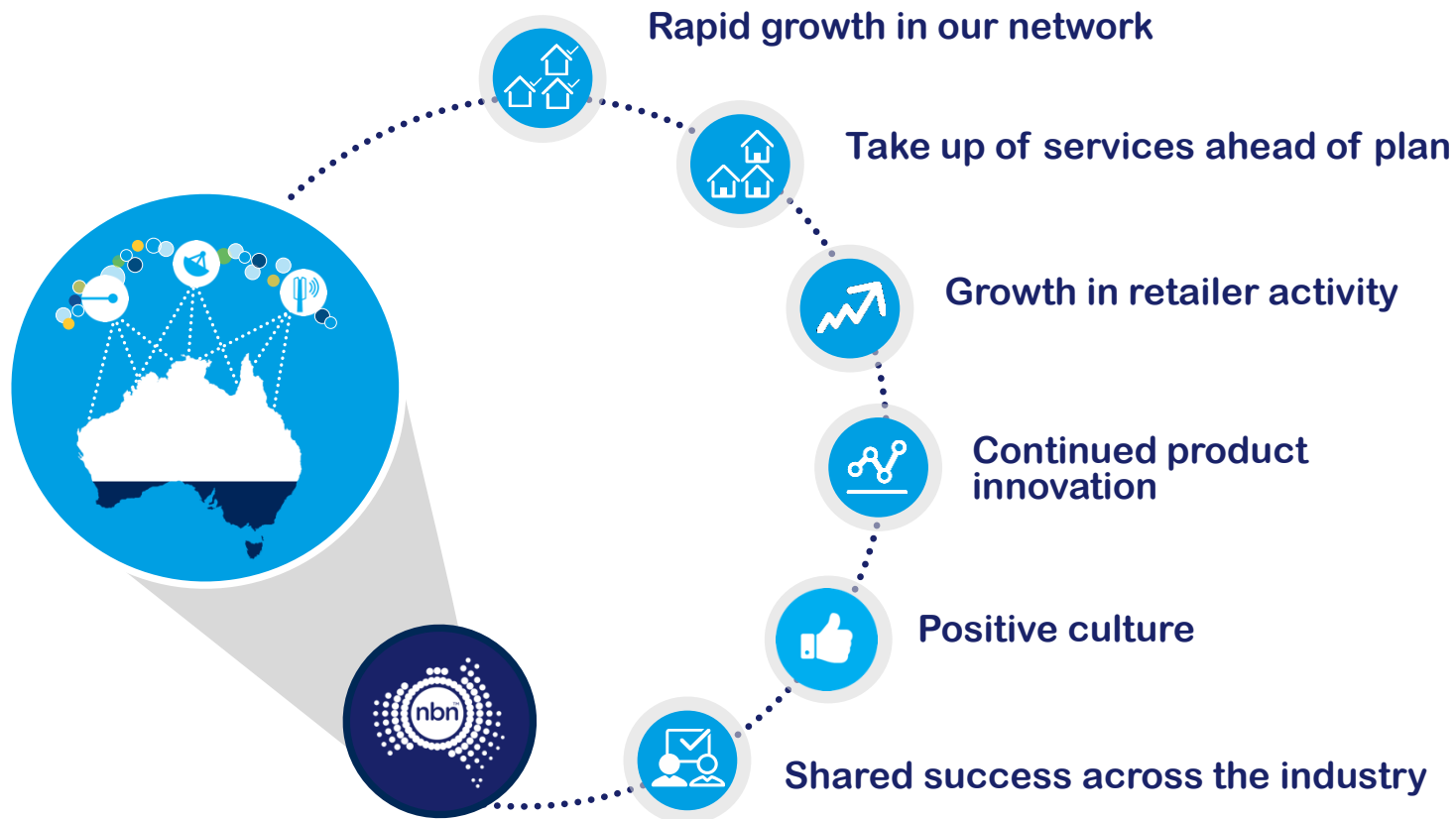
*Comparative figures have been adjusted to conform to the presentation of the current financial period where applicable.



Bill Morrow
Chief Executive Officer



nbn 2017: progress and momentum

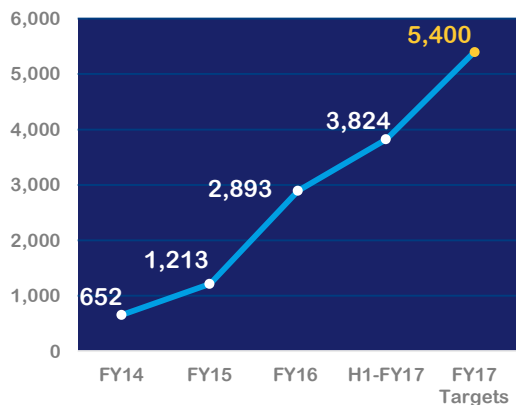


Progress towards 2017 targets



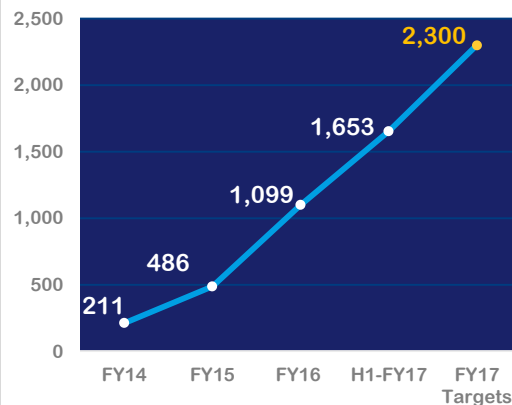
5.4 million

Premises RFS ('000s)



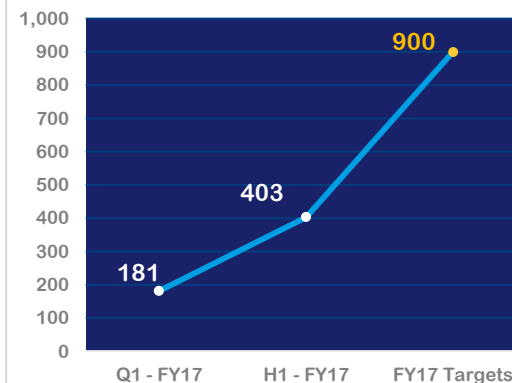
2.3 million

Active Connections ('000s)



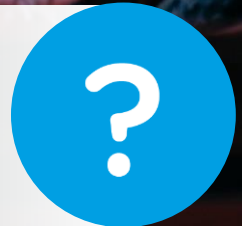
\$900 million

Total Revenue (\$m)





Questions



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