

Third Quarter Results 2018

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Chief Financial Officer

Thursday 10 May 2018

The nbn logo is a circular emblem with the letters 'nbn' in a white sans-serif font inside a dark blue circle. This central circle is surrounded by a larger, lighter blue circle composed of many small dots, creating a textured, sunburst-like effect.

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Headline Q3 results

Total revenue

\$1,412m

Mar 2017: \$665m

↑ 112%

Active premises

3,722,690

Mar 2017: 2,010,210

↑ 85%

ARPU

\$44

Mar 2017: \$43

↑ 2%

Premises ready for service

7,507,979

Mar 2017: 4,621,404

↑ 62%

Premises ready to connect

6,490,915

Mar 2017: 4,498,080

↑ 44%

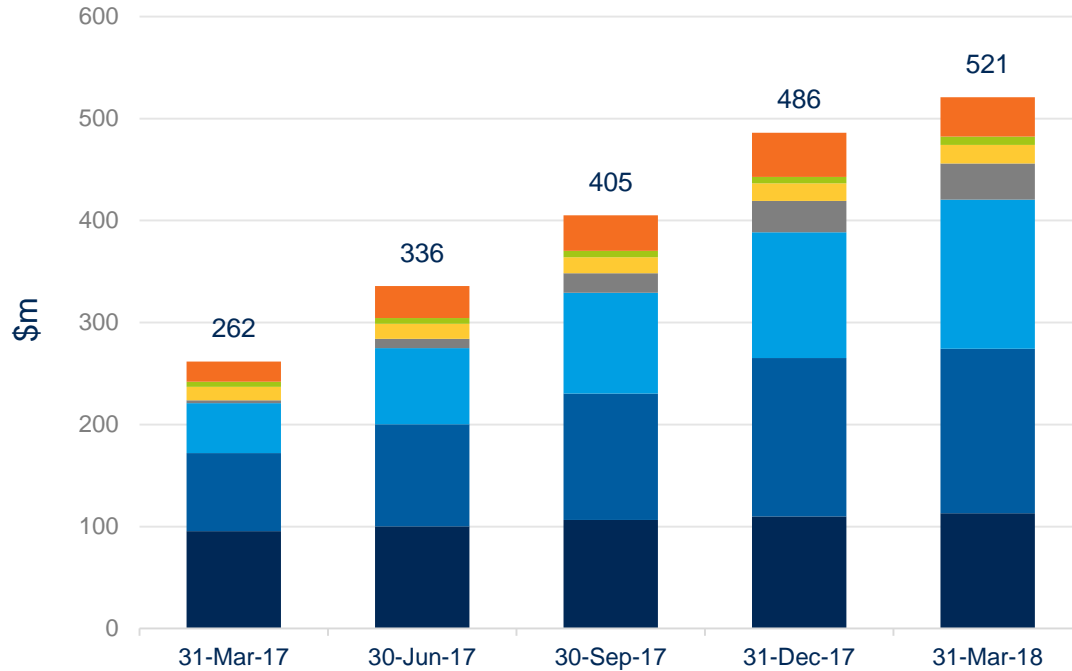
Cash funding

\$33.2bn

Mar 2017: \$25.5bn

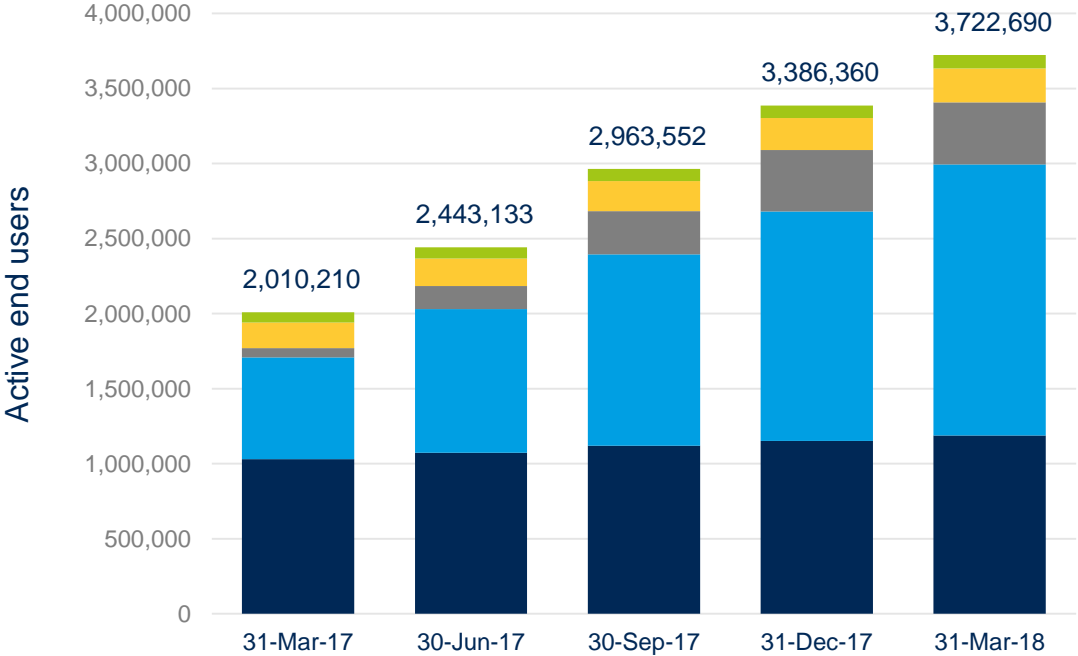
↑ 30%

Total revenue by quarter



\$m	9 months to	
	31-Mar-17	31-Mar-18
Other	48	117
Satellite	13	21
Fixed Wireless	35	51
HFC	3	85
FTTN	98	368
CVC/NNI	199	441
FTTP	269	329
Total	665	1,412

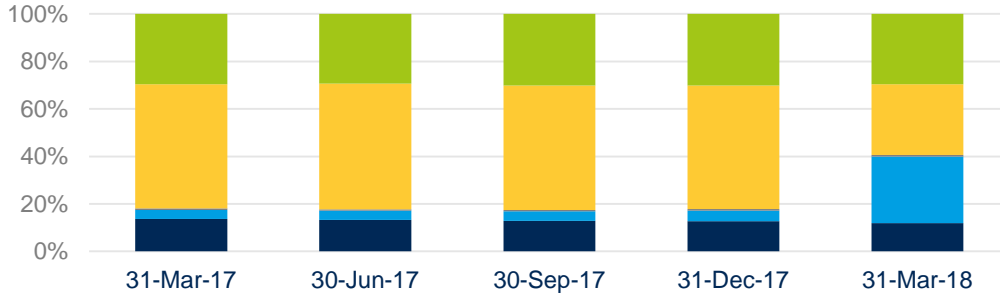
Cumulative active end users by quarter



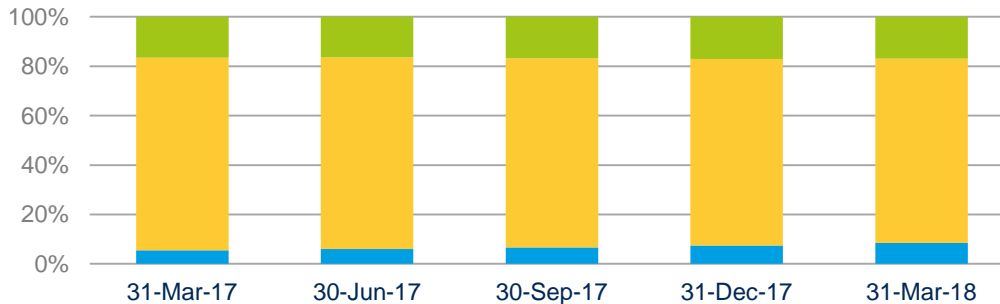
Cumulative active end users	As at		
	31-Mar-17	30-Jun-17	31-Mar-18
Satellite	68,735	74,931	87,478
Fixed Wireless	170,482	184,678	226,901
HFC	63,195	152,786	413,703
FTTN	676,233	957,919	1,806,984
FTTP	1,031,565	1,072,819	1,187,624
Total	2,010,210	2,443,133	3,722,690
ARPU	\$43	\$43	\$44

Wholesale speed tiers by quarter

Fixed Line wholesale speed tiers



Fixed Wireless wholesale speed tiers

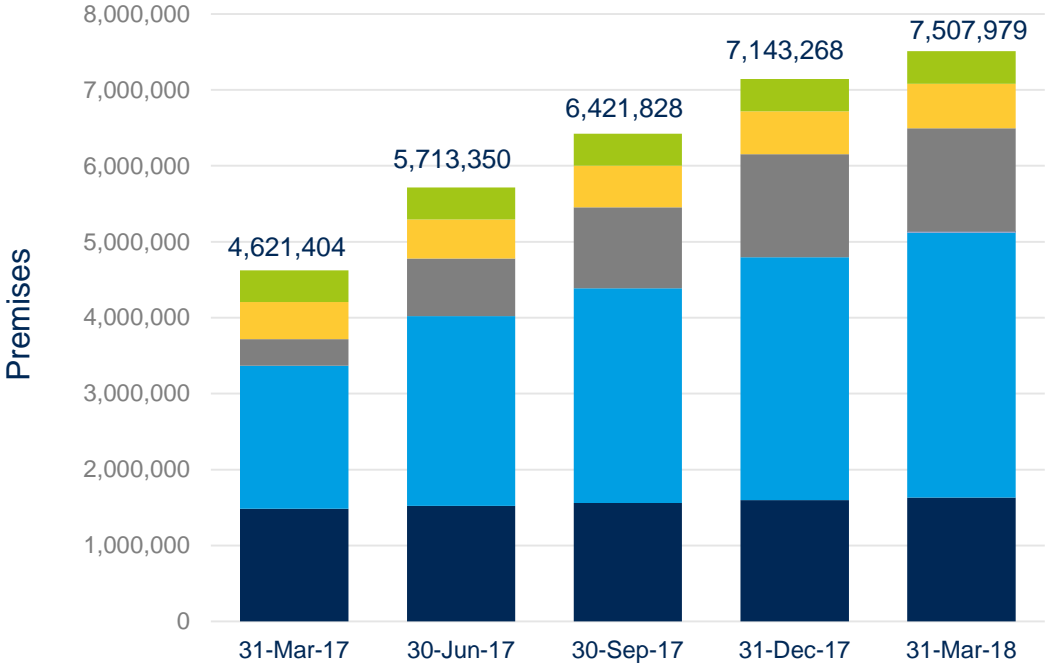


		As at		
		31-Mar-17	30-Jun-17	31-Mar-18
Fixed Line speed tiers (Mbps)				
	12/1	29%	29%	29%
	25/5	52%	53%	30%
	25/10	1%	1%	1%
	50/20	4%	4%	28%
	100/40	14%	13%	12%
	Total	100%	100%	100%

		Fixed Wireless speed tiers (Mbps)		
	12/1	17%	16%	17%
	25/5	78%	78%	75%
	50/20	5%	6%	8%
	Total	100%	100%	100%

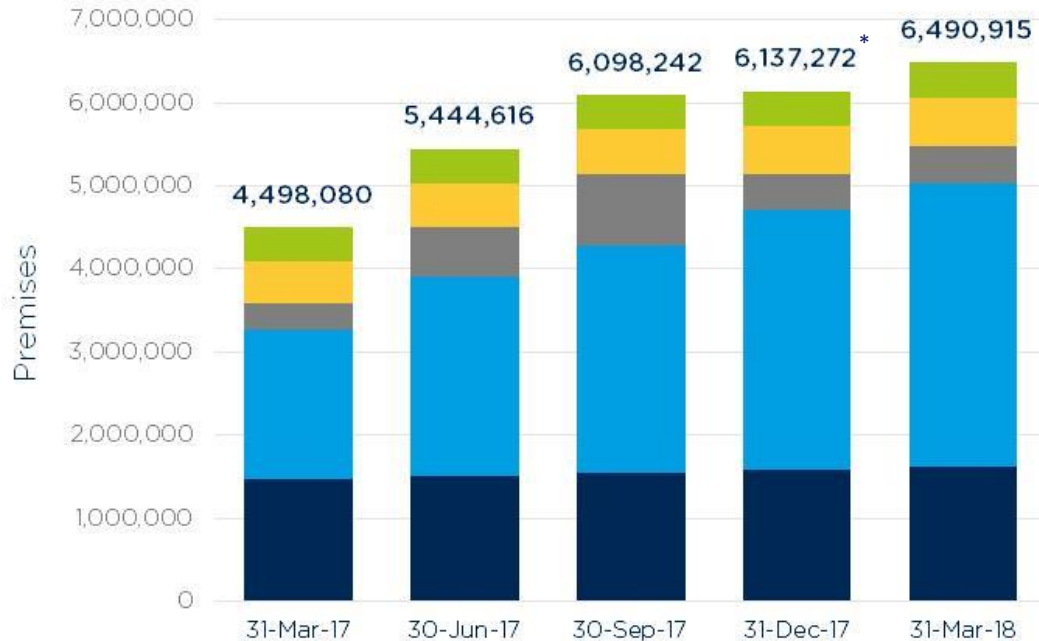
		Sky Muster™ Satellite Service speed tiers (Mbps)		
	12/1	34%	34%	33%
	25/5	66%	66%	67%
	Total	100%	100%	100%

Premises ready for service



Cumulative premises ready for service	As at		
	31-Mar-17	30-Jun-17	31-Mar-18
Satellite	413,601	418,135	427,871
Fixed Wireless	490,670	517,543	586,978
HFC	351,030	758,416	1,360,058
FTTC	-	-	18,500
FTTN	1,882,045	2,496,380	3,483,363
FTTP	1,484,058	1,522,876	1,631,209
Total	4,621,404	5,713,350	7,507,979

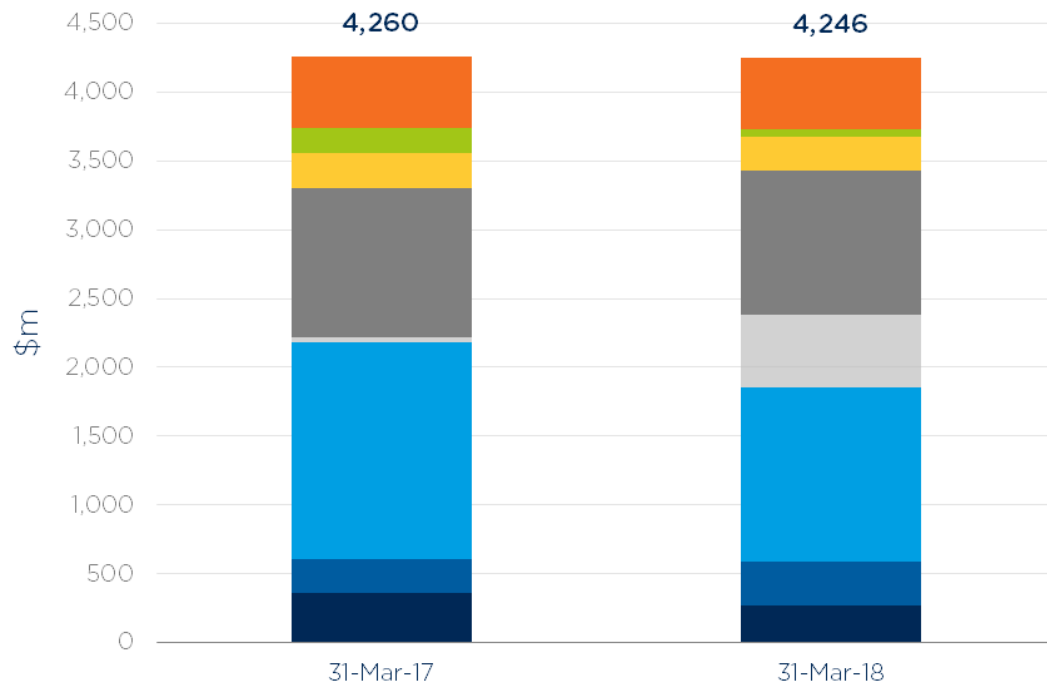
Premises ready to connect



	As at		
	Cumulative premises ready to connect	31-Mar-17	30-Jun-17
Satellite	413,601	418,135	427,871
Fixed Wireless	490,670	517,543	586,978
HFC	320,364	608,165	443,681
FTTC	-	-	1,047
FTTN	1,802,329	2,385,775	3,406,829
FTTP	1,471,116	1,514,998	1,624,509
Total	4,498,080	5,444,616	6,490,915

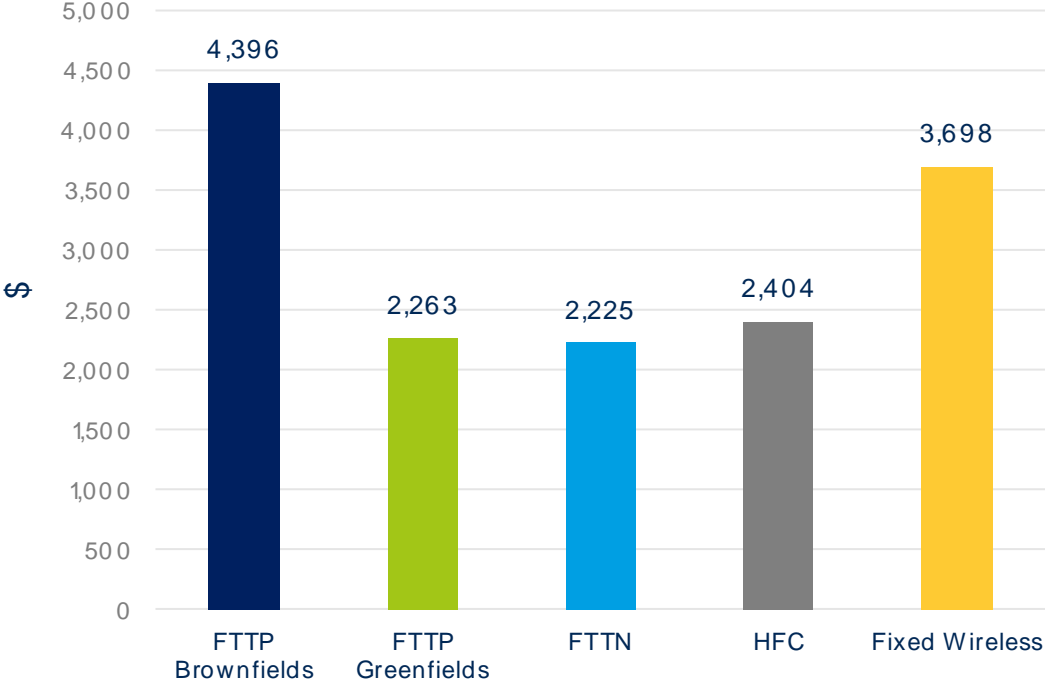
* On 27 November 2017, NBN Co paused all activations over its HFC access network to perform advanced network testing and remediation before declaring the HFC network ready to connect. This resulted in approximately 700,000 premises being rolled back from their ready to connect status during the quarter ended 31 December 2017.

Capital expenditure



\$m	9 months to	
	31-Mar-17	31-Mar-18
Common Capex	523	520
Satellite	183	54
Fixed Wireless	256	243
HFC	1,079	1,046
FTTC	34	533
FTTN	1,574	1,263
Transit	246	313
FTTP	365	274
Total	4,260	4,246

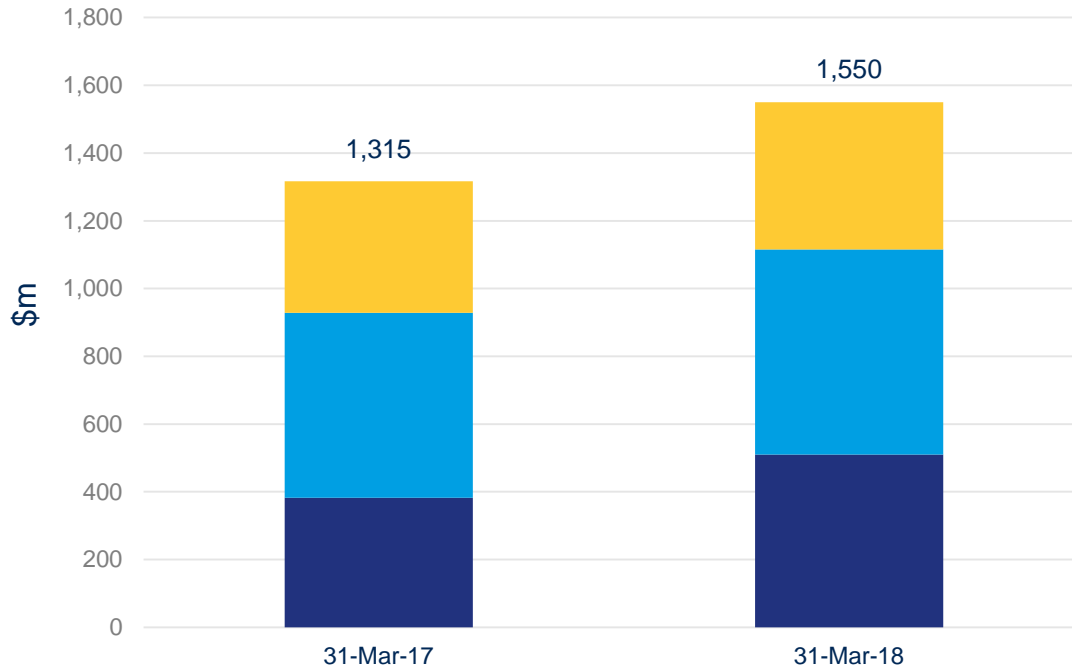
Cost per premises



	Life-to-date			
	\$	30-Jun-17	31-Dec-17	31-Mar-18
FTTP Brownfields		4,403	4,392	4,396
FTTP Greenfields		2,393	2,264	2,263
FTTN		2,174	2,222	2,225
HFC		2,258	2,403	2,404
Fixed Wireless		3,569	3,645	3,698

* The HFC CPP has increased in comparison to June 2017, primarily due to the impact of bringing forward capacity (node splits) and remediation work for completion before declaring an area ready to connect.

Operating expenses



\$m	9 months to	
	31-Mar-17	31-Mar-18
Direct network costs	382	510
Employee benefits expenses	546	606
Other expenses	387	434
Operating expenses	1,315	1,550
Subscriber costs	1,018	1,628
Total	2,333	3,178

Financial summary

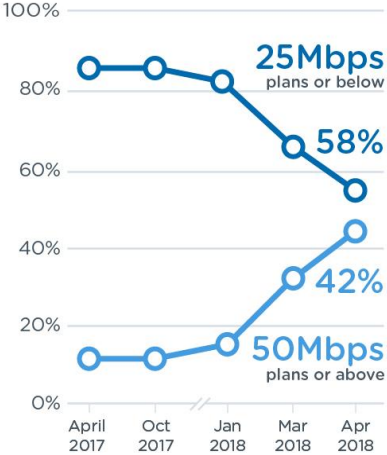
\$m	For the 3 months ended			For the 9 months ended		
	31-Mar-17	31-Mar-18	Change (%)	31-Mar-17	31-Mar-18	Change (%)
Total revenue	262	521	99%	665	1,412	112%
Operating expenses	(457)	(528)	16%	(1,315)	(1,550)	18%
EBITDA before subscriber costs	(195)	(7)	(96%)	(650)	(138)	(79%)
Subscriber costs	(469)	(382)	(19%)	(1,018)	(1,628)	60%
EBITDA	(664)	(389)	(41%)	(1,668)	(1,766)	6%
Depreciation and amortisation expense	(386)	(553)	43%	(1,044)	(1,581)	51%
Other income	4	5	25%	11	13	18%
EBIT	(1,046)	(937)	(10%)	(2,701)	(3,334)	23%

\$m	As at		
	31-Mar-17	31-Mar-18	Change (%)
Total assets	22,324	27,134	22%
Contributed equity	25,465	29,500	16%
Borrowings	-	3,710	n/m

n/m – not meaningful

Customer experience improvements

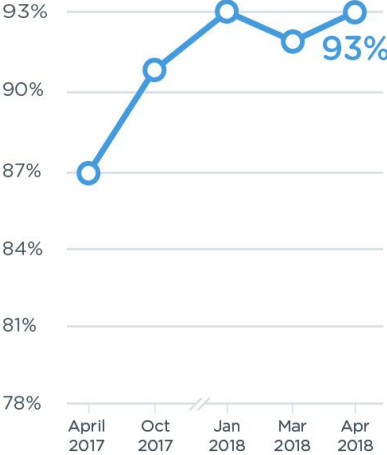
Uptake to higher wholesale plans



Installed right the first time



Meeting agreed installation times



Average network bandwidth congestion



Questions?



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