



Media Release

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NBN Co to acquire Optus cables to enable faster NBN rollout

Acquiring elements of the Optus hybrid fibre coaxial (HFC) cable network will hasten the rollout of the National Broadband Network, NBN Co CEO, Bill Morrow, said today.

Today's agreement will see NBN Co progressively take ownership of elements of Optus' coaxial access network in those parts of the country where it represents the fastest and most cost effective way to deliver fast broadband to families and businesses.

It follows the successful renegotiation of the original June 2011 deal between NBN Co and SingTel Optus. Previously, the parties had agreed to the progressive migration of Optus subscribers to the NBN and the eventual decommissioning of the Optus HFC network.

The progressive transfer of the HFC assets to NBN Co involves no additional overall cost to the taxpayer.

Welcoming the deal, NBN Co CEO, Bill Morrow, said:

"This deal will bring down the overall cost of building the NBN and enable us to complete the rollout much earlier than originally anticipated with less disruption to residents and communities.

"What's more, making use of technologies such as HFC – rather than decommissioning them – enables Australia to capitalise on the significant investments being made globally in broadband technology.

"In short, this transaction is an essential step to spur Australia's greater participation in the digital economy and help close the digital divide."

Planning for the multi-technology NBN, which will incorporate copper and HFC alongside fibre, fixed wireless and satellite technologies, is already underway.

Construction of the NBN is set to have commenced or be complete for around 3.3 million Australian homes and businesses by June 2016. More than 309,000 premises across Australia are connected to the NBN today.

It is NBN Co's goal to make all homes and businesses serviceable by 2020 with access to download data rates of at least 25 Megabits per second. The majority of premises in the fixed line footprint are planned to have access to download data rates of at least 50 Megabits per second.

The changes to the agreements announced today are subject to a number of conditions precedent, including approval by the ACCC and rulings by the Australian Taxation Office.

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Notes to Editors:

- NBN Co's objective is to ensure that by 2020:
 - all homes, businesses and communities across Australia can access high speed broadband;
 - 8 million premises are connected to the NBN;
 - the company generates more than \$4 billion of annual revenue;
 - less than the capped \$29.5bn of government equity funding is used.
- NBN Co and SingTel Optus commenced negotiations to amend the existing agreement and enter into ancillary transaction agreements following the Strategic Review of the NBN.
- NBN Co was supported throughout the negotiations by financial advisor Goldman Sachs and legal advisor Clayton Utz.