

Media Release

NBN Co and Optus Sign Binding Agreement

23 June 2011

- Optus agrees to migrate progressively HFC customers to the National Broadband Network as the NBN is rolled out
- Optus, Australia's second largest retail telecommunications provider, agrees to a fixed-line network preference in favour of NBN Co for residential and small business customers served by Optus' HFC network
- NBN Co agrees to make progressive payments to Optus based on the actual number of customers that migrate from its HFC network to the NBN
- Total payments over time are estimated by Optus to deliver a post-tax net present value of approximately \$800 million to Optus
- Agreement is financially beneficial to NBN Co resulting in an improvement in NBN Co's Internal Rate of Return when compared to the company's Corporate Plan of December 2010

Thursday, 23 June 2011 -- NBN Co Limited ("NBN Co" or "the company") announced today that it has signed a binding agreement with SingTel Optus Pty Ltd and other Optus entities ("Optus") to migrate Optus' subscribers to the National Broadband Network ("NBN"). The agreement is subject to ACCC approvals and confirmation of tax treatments.

"The agreement with Optus is expected to enhance the take-up rates on the National Broadband Network, thereby improving NBN Co's revenue plan," said NBN Co Chief Executive Officer Mike Quigley.

Key to the deal is the agreement by Optus to progressively migrate HFC customers to the National Broadband Network as it is rolled out.

At the same time, Optus has agreed to a fixed line network preference in favour of the NBN for residential and small business customers served by Optus' HFC network.

In turn, NBN Co has agreed to make progressive payments to Optus based on the actual number of customers that migrate from its HFC network to the NBN.

Optus estimates the total value of the agreement as approximately A\$800 million on a post tax net present value basis.

Once migration is completed, Optus will decommission the parts of the HFC network that do not provide ongoing support for mobile infrastructure and business customers.

The Definitive Agreement reached with Optus is financially beneficial to NBN Co resulting in an improvement in NBN Co's Internal Rate of Return when compared to the company's Corporate Plan of December 2010.

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