



Media Release

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Strong third quarter gives further confidence in full year targets

nbn has reported growth across all key metrics in the quarter to 31 March 2016, building out the nation's new broadband network and connecting a record number of end-users.

Key highlights for the quarter:

- The number of homes ready-for-service surpassed two million, reaching 2.01 million with a further 338,287 homes and businesses added to the **nbn**[™] network footprint over the three months.
- At 31 March 2016, there were 902,948 premises with an active **nbn**[™] service, with 166,896 new homes and businesses signed up to the network over the quarter.
- Total revenue earned during the quarter was \$111 million, an increase of more than 158 per cent versus the previous corresponding period in fiscal year 2015.
- Average Revenue per User (ARPU) was \$43, consistent with the second quarter of this fiscal year.
- **nbn** is on track to meet its FY16 Corporate Plan targets.

Delivering its eighth quarter in a row of meeting or exceeding all targets, **nbn** CEO, Bill Morrow, said the company was on track to meet its financial year plan: "The team's focus and determination has delivered another successful quarter, our eighth in a row".

"**nbn** is ahead of plan on activations, which is translating through to improved earnings. The experience and satisfaction of our end-users is positive and we are now connecting, on average, 14,000 new premises each week.

"We continue to demonstrate our ability to scale and deliver against increasingly challenging targets. This quarter saw the company make ready-for-service its two millionth premise. A huge achievement and a clear demonstration the team is hitting its stride.

"We are successfully integrating the final components of our technology mix in the **nbn**[™] network, with the Sky Muster[™] service now launched and the HFC product on track to launch in the coming months", said Mr Morrow.

Early HFC build works were also commenced under the Memorandum of Understanding signed with Telstra, with the agreement signed mid-April. Trials and construction continue in the first trial areas: Ocean Reef (WA); Unley (SA); and Redcliffe (QLD) ahead of **nbn**'s planned HFC commercial launch on 30 June 2016 as outlined in the company's product roadmap.

Together with continued momentum across construction and activations, the company progressed on a number of operational milestones. A new discount pricing structure for retailers on **nbn**'s Connectivity Virtual Circuit (CVC) charge was confirmed; the first step in a model that offer discounts based on the amount of capacity



provisioned per end-user. The model aims to encourage greater use of the **nbn**[™] network and an enhanced experience. **nbn** also recently launched the Sky Muster[™] satellite service to regional and rural Australians, covering 400,000 homes and businesses in the most remote areas of the country.

Mr Morrow praised the work of his team noting a significant change in workplace culture and engagement: "This momentum is only possible because the team is united behind a clear goal and we have the skills and experience to deliver.

"**nbn**'s continued success is testament to the hard work of our people, and I am particularly proud that our employee engagement survey taken in March has increased 17 points, year on year, to 68 per cent.

"We are building a network to meet the needs of Australians today and for the foreseeable future. We are building as fast as possible and providing an upgrade path to meet demand as it emerges, and there is a true sense of pride for all involved", said Mr Morrow.

nbn's data shows the impact of video streaming a year since a number of platforms launched in Australia. In March 2015, the average download per month on an **nbn**[™] service was 73 gigabytes, which has increased 56 per cent to 114 gigabytes per month in March 2016.

Users on the **nbn**[™] network consume approximately one third more data than the national average connection, with a figure of 112 gigabytes per month as at December 2015 compared to the ABS national average of 83 gigabytes per month at the same time period.

"The benefits of the **nbn**[™] network are being realised by more than 900,000 homes and businesses who have already connected", added Mr Morrow.

"How we can use the **nbn**[™] network for new applications in health, commerce, education and entertainment is now the conversation for a growing number of Australian homes and businesses".

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Resources

nbn Third Quarter 2016 Results Presentation www.nbn.com.au/financial