



NBNCo

Bringing broadband to life

NBN Co

Half Yearly Results

Toward a faster more affordable rollout

Dr. Ziggy Switkowski Executive Chairman

Robin Payne CFO

Greg Adcock COO

This document sets out NBN Co's proposals in respect of certain aspects of the National Broadband Network. The contents of this document represent NBN Co's current position on the subject matter of this document. The contents of this document should not be relied upon by our stakeholders (or any other persons) as representing NBN Co's final position on the subject matter of this document, except where stated otherwise. NBN Co's position on the subject matter of this document may also be impacted by legislative and regulatory developments in respect of the National Broadband Network. All prices shown in this document are exclusive of GST. The following slides give an overview of the NBN Co Limited Half-Year Report to 31 December 2013. For full details please refer to the Report. Some Balance sheet items and notes quoted as at 31st December 2012 have not been subject to review by our auditors under the accounting standards. The full year financial statements as at 30 June 2013 were however subject to audit.

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Dr. Ziggy
Switkowski
Executive Chairman



Today's agenda

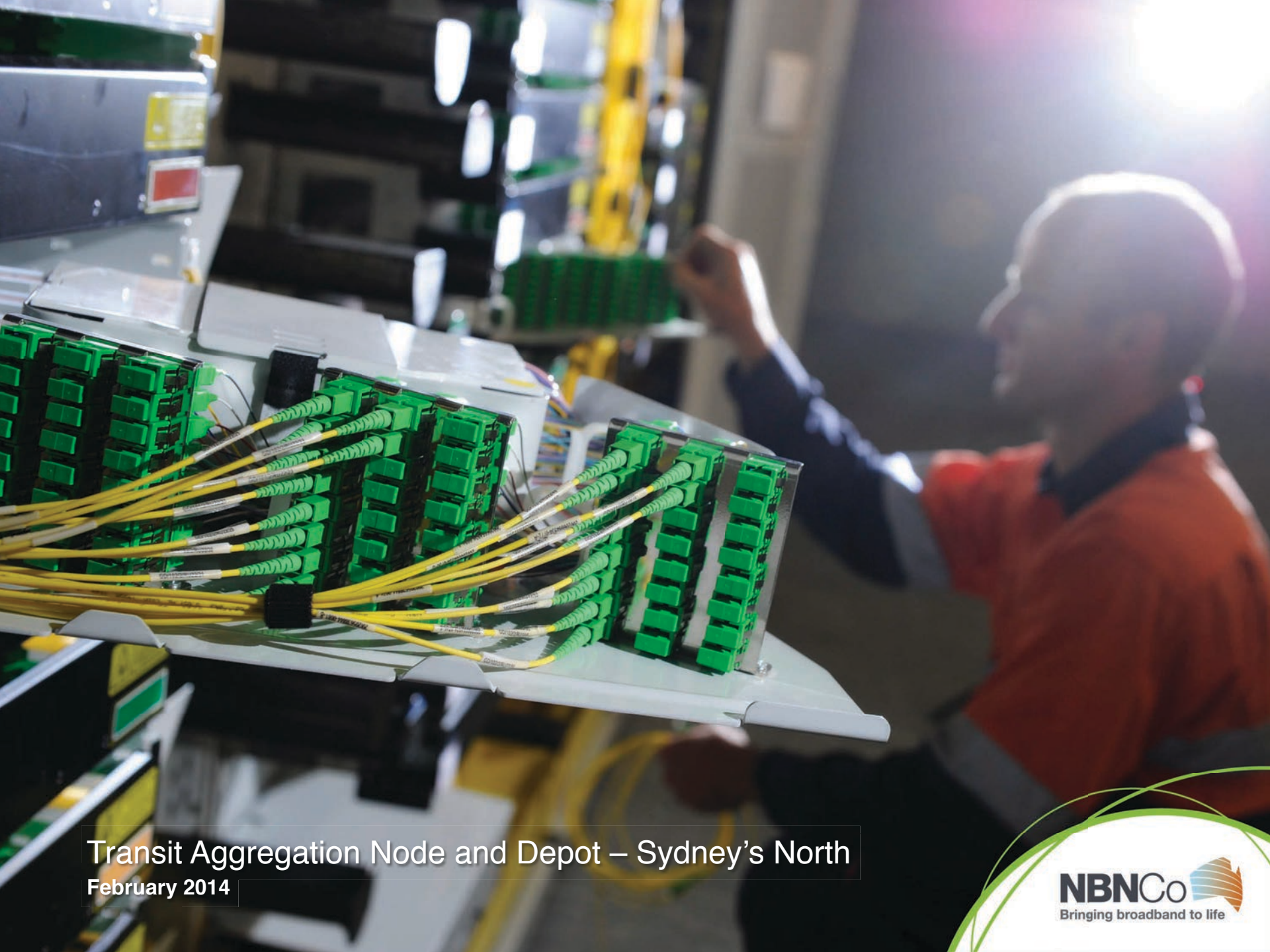
- CFO – Financial results to 31 December 2013
- COO – Progress with rollout, particularly our work with construction partners to stabilise the construction program
- Q&A – A chance to interact with the executive team



First six months

- Reconstituted board
- Key executive appointments
- Improving transparency
 - Quarterly reporting
 - Relevant rollout metrics and maps
 - Senate committee hearings
- Strategic Review
- Increased overseas benchmarking
- Contractor relationships
- Special Access Undertaking – Wholesale Broadband Agreement



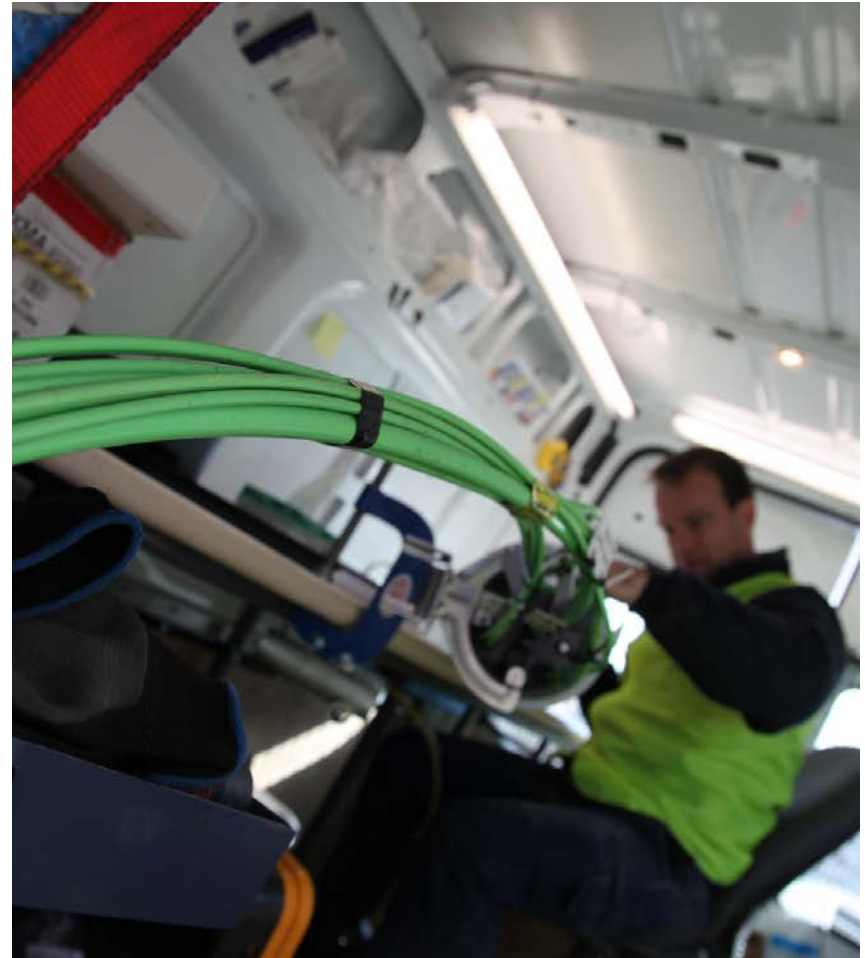


Transit Aggregation Node and Depot – Sydney's North
February 2014



Steps ahead

- New CEO
- Employee engagement – baseline survey
- Continued FTTP rollout
- Disconnections
- Transformation steps
 - Telstra/Optus negotiations
 - COO organisation review
 - FTTx pilots
- Engagement with construction partners and RSPs
- Review of satellite and fixed wireless strategy
- Cost Benefit Analysis findings in June
- Financial Plan 2014/15 and 2014/17 Corporate Plan



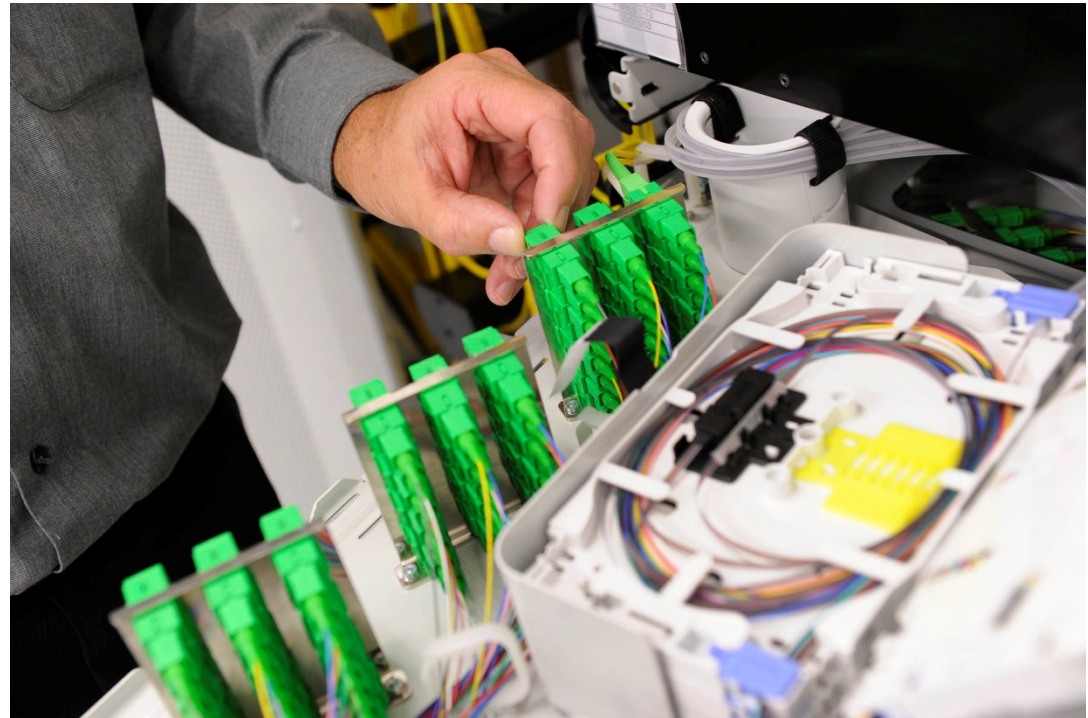
Robin Payne

Chief Financial Officer



Agenda

- Summary of Results
- Revenue and End User Experience
- Capital Expenditure
- Operating Expenses
- Life to Date Cash Flow

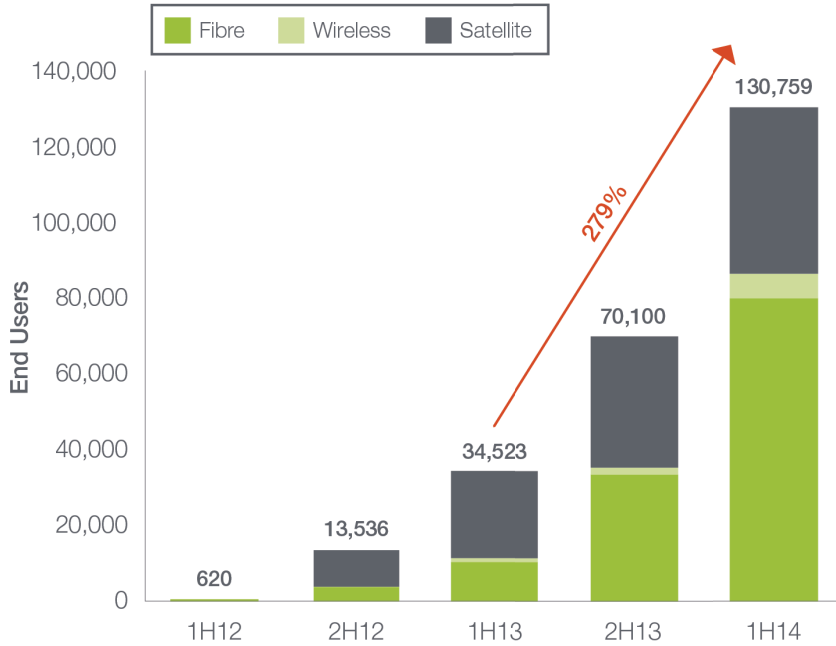


Summary Results

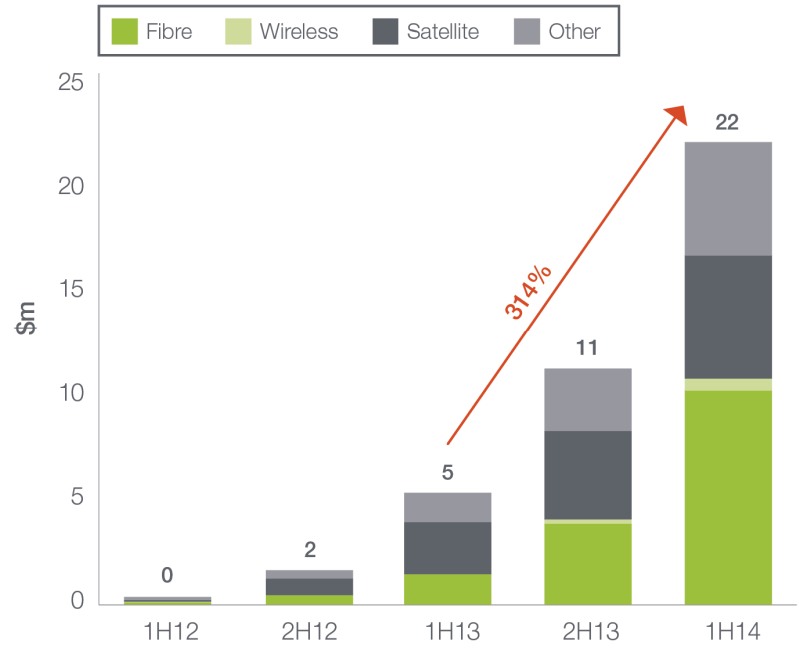
\$m 6 months ending	31 December 2012	30 June 2013	31 December 2013	Change % (Dec 12 – Dec 13)
Total Revenue	29	36	48	63%
<i>Telecommunications Revenue</i>	5	11	22	314%
<i>Interest Income</i>	24	25	26	7%
Operating Expenses	333	416	500	50%
EBITDA	(328)	(404)	(476)	45%
EBIT	(402)	(527)	(645)	60%
\$m As at	31 December 2012	30 June 2013	31 December 2013	Change % (Dec 12 – Dec 13)
Total Assets	3,523	5,519	7,674	118%
Lease Liabilities	654	1,337	2,697	313%
Contributed Equity	3,778	5,228	6,478	71%

Telecommunications Revenue

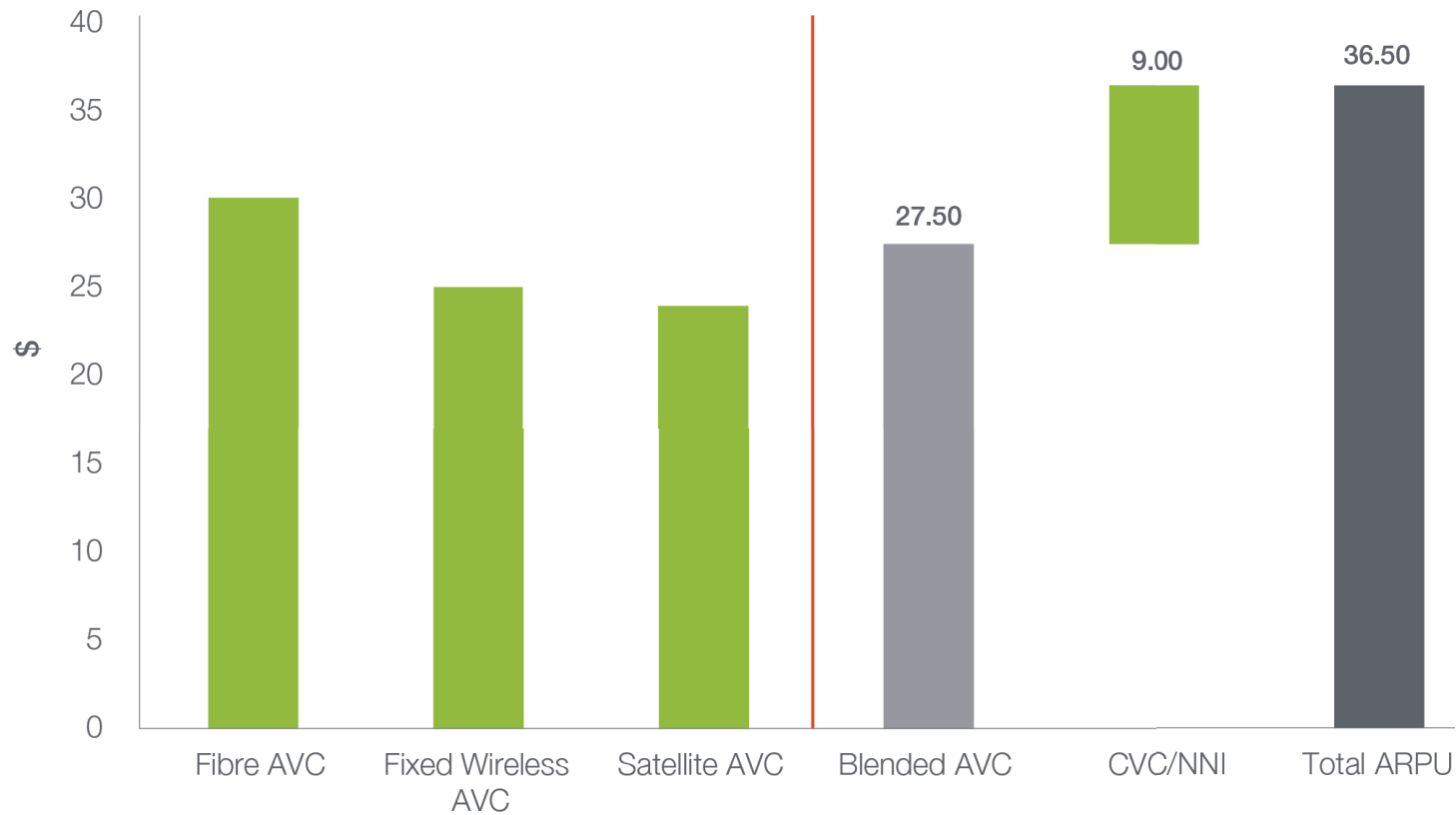
Active End Users



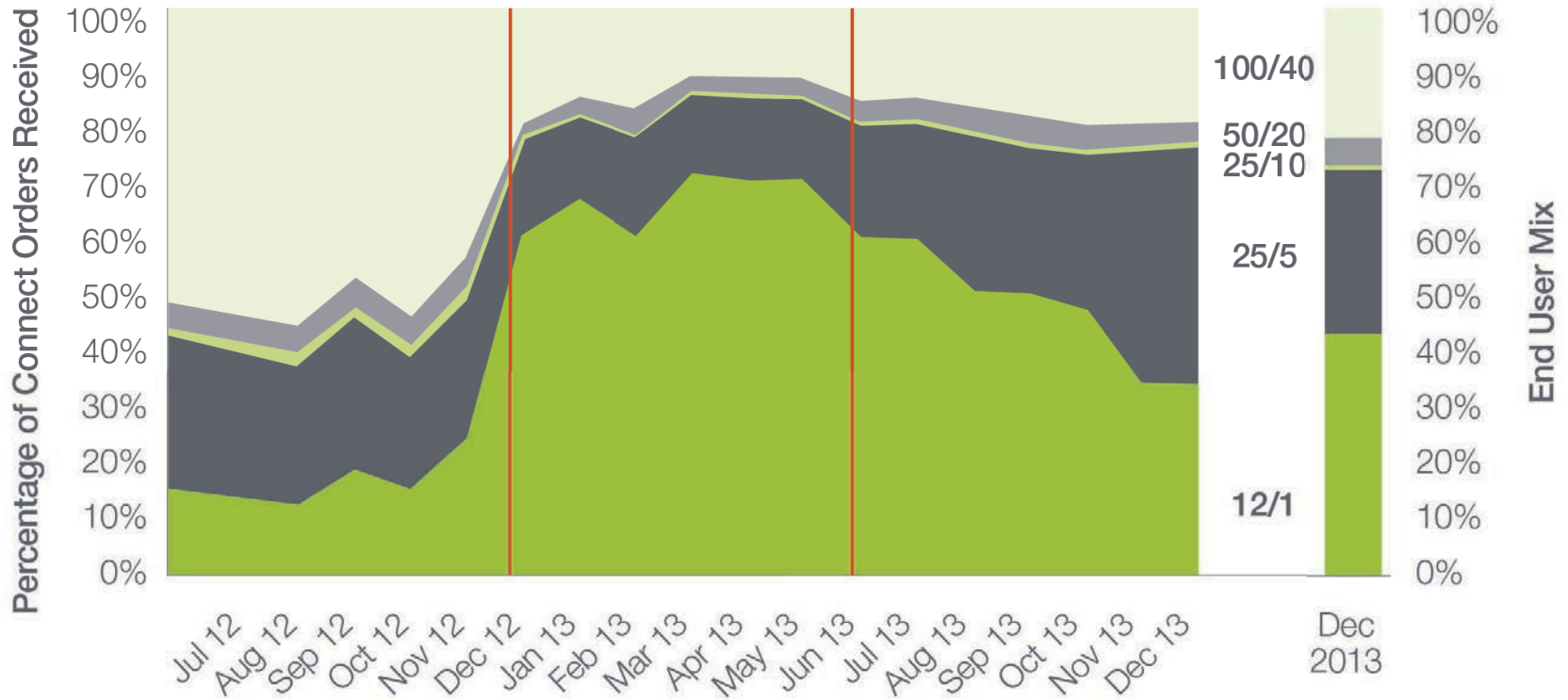
Telecommunications Revenue



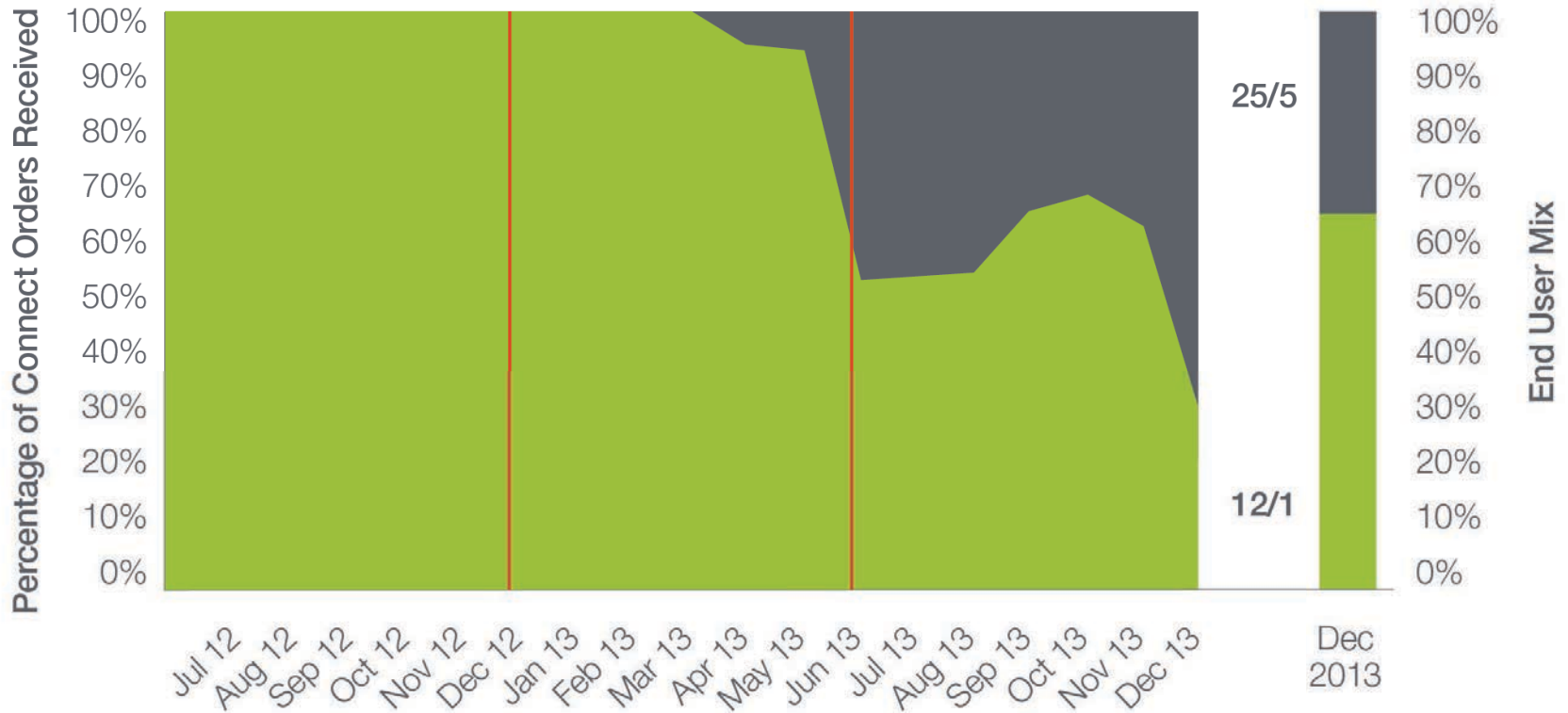
Monthly ARPU for 6 months to 31 December 2013



Incremental Fibre Connect Orders by Speed Tier

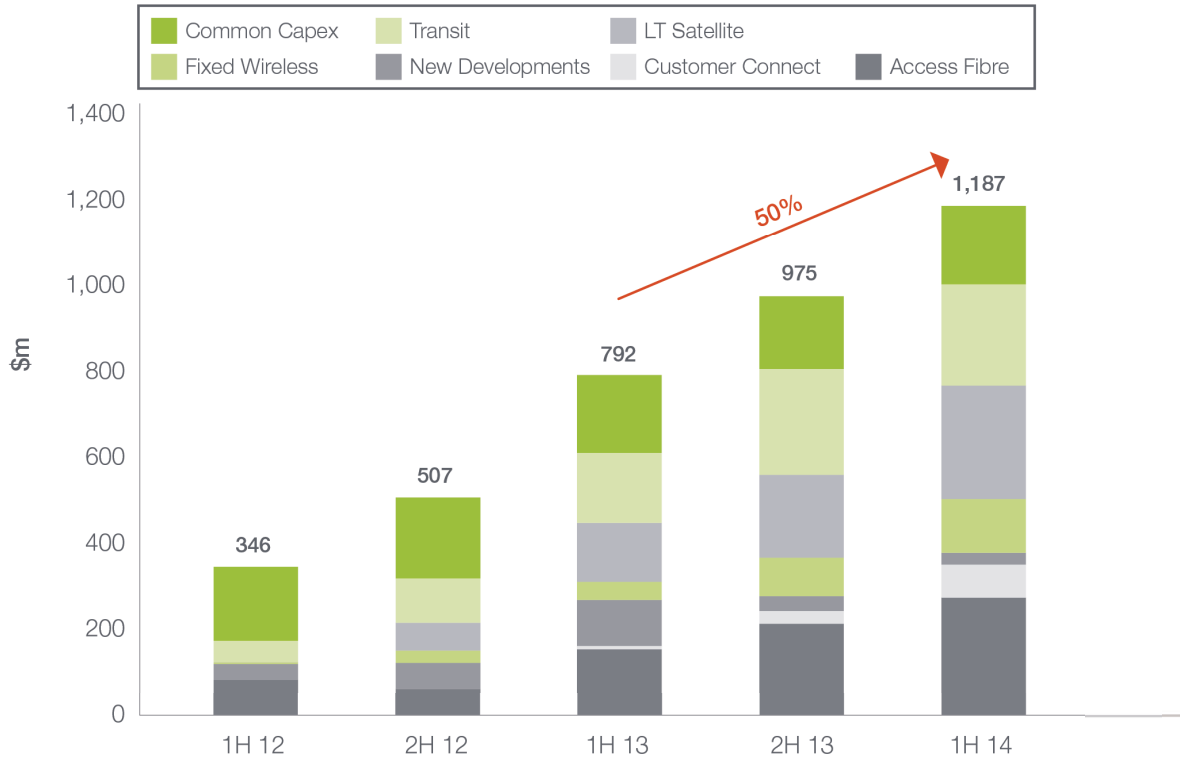


Incremental Fixed Wireless Connect Orders by Speed Tier



Capital Expenditure

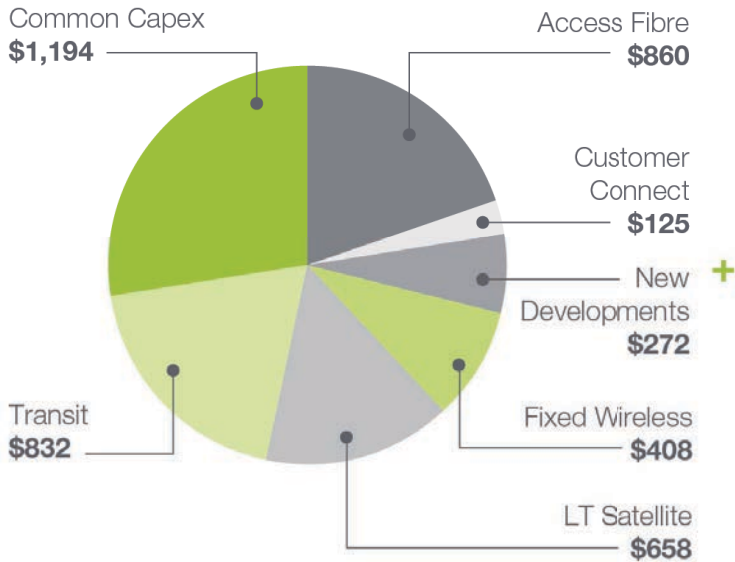
Incremental Capital Expenditure



	\$m	1H14
Common Capex		184
Transit		236
LT Satellite		264
Fixed Wireless		125
New Developments		28
Customer Connect		77
Access Fibre		274
Total		1,187

Capital Expenditure

LTD Capital Expenditure (\$m) = \$4.3bn

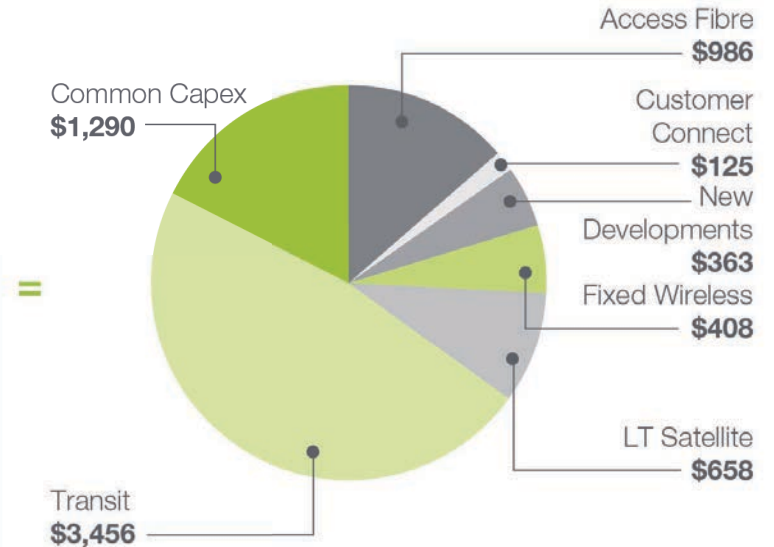


Assets under Finance Lease
+ \$2.7bn

Gifted Assets
+ \$0.2bn

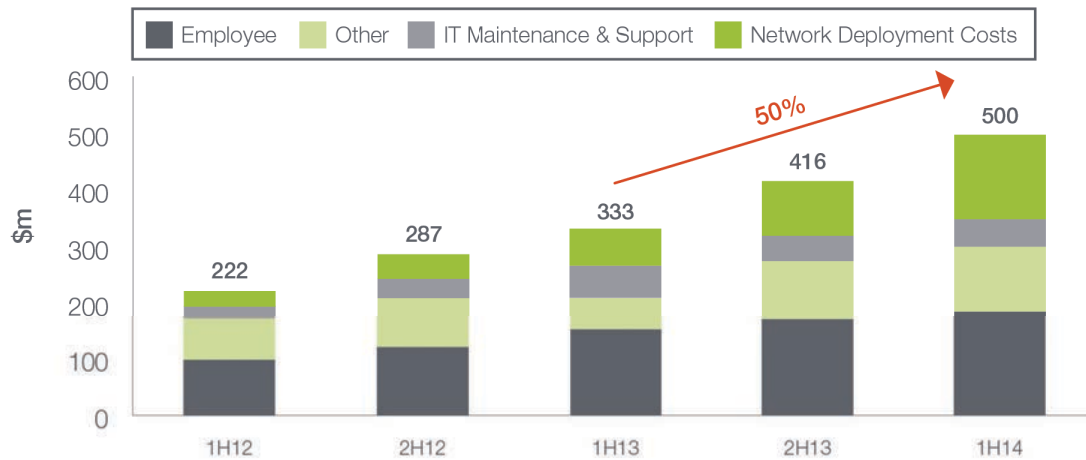
Other
+ \$0.1bn

LTD Cost of Property, Plant, Equipment and Intangibles (\$m) = \$7.3bn

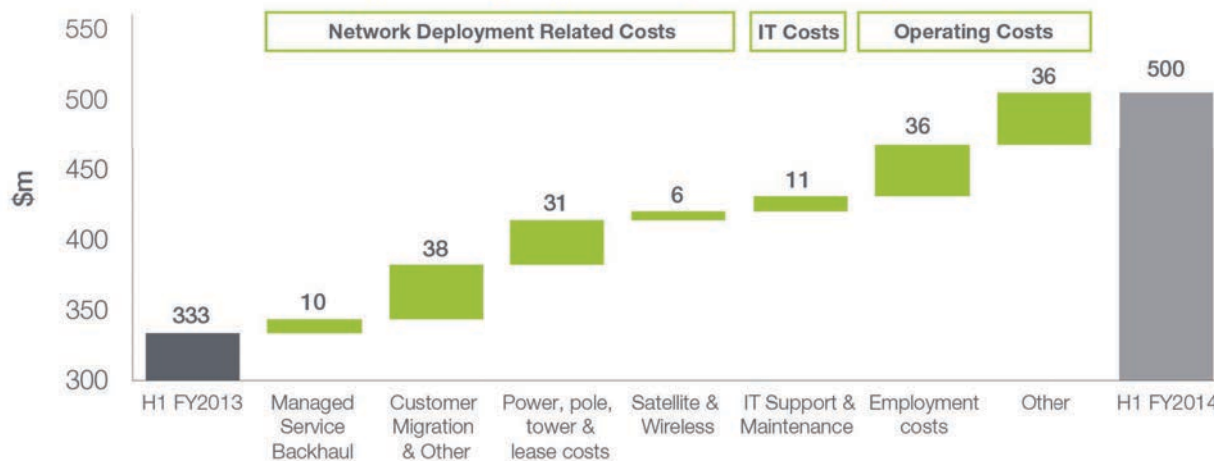


Operating Expenses

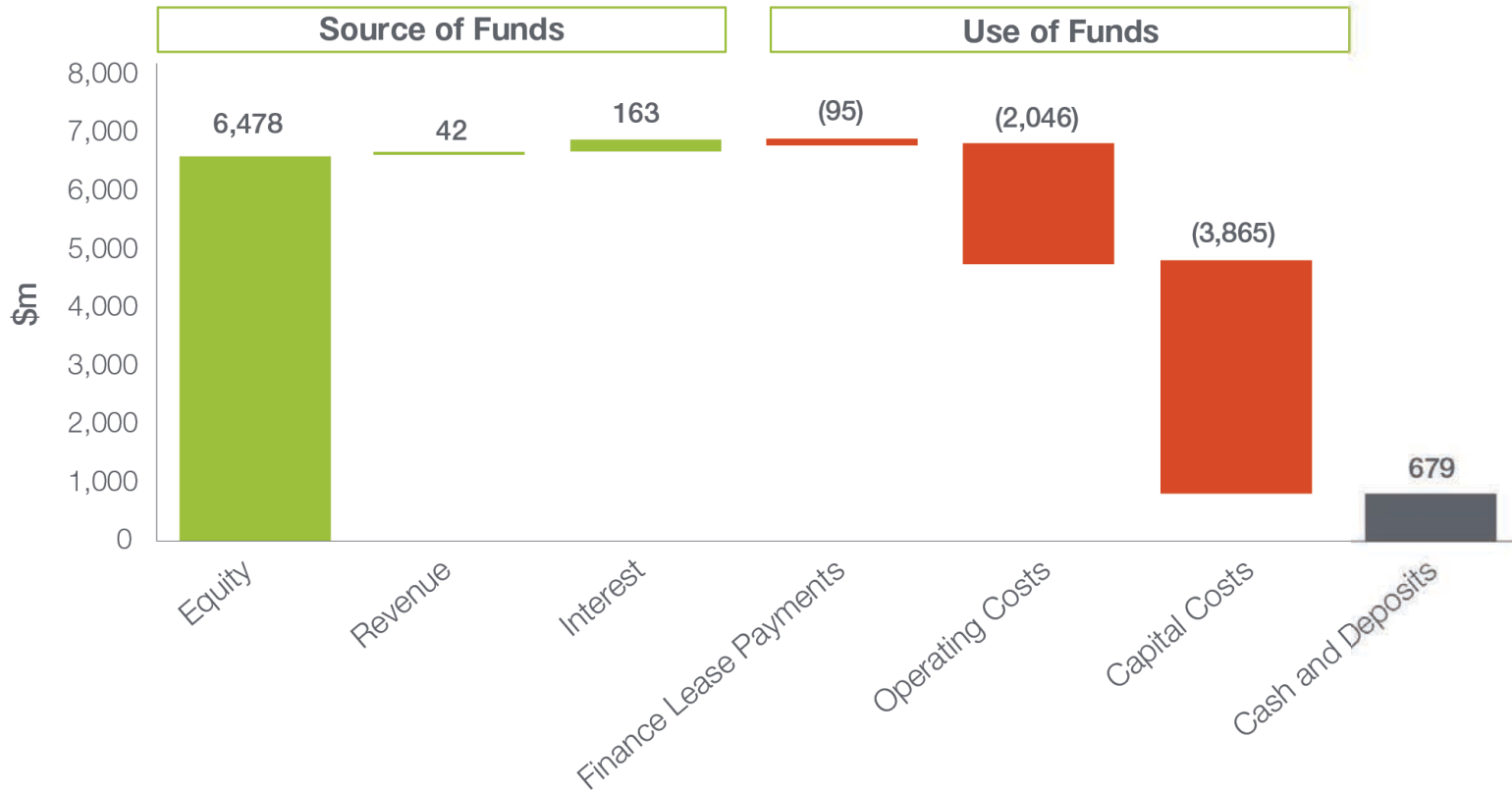
Incremental Operating Expenses



Incremental Operating Expenses (Half on Half)



Life to Date Cash Flow



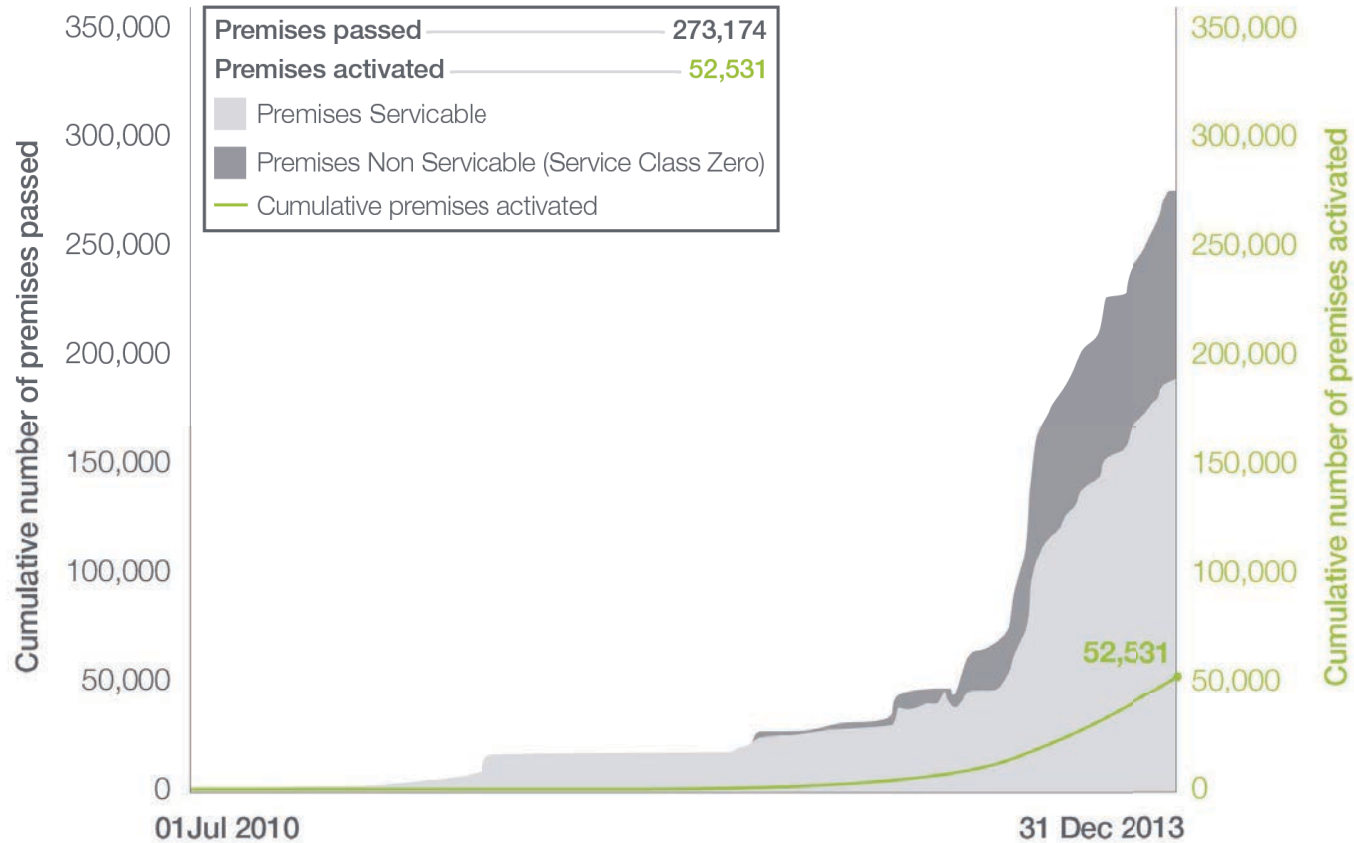
Greg Adcock

Chief Operating Officer



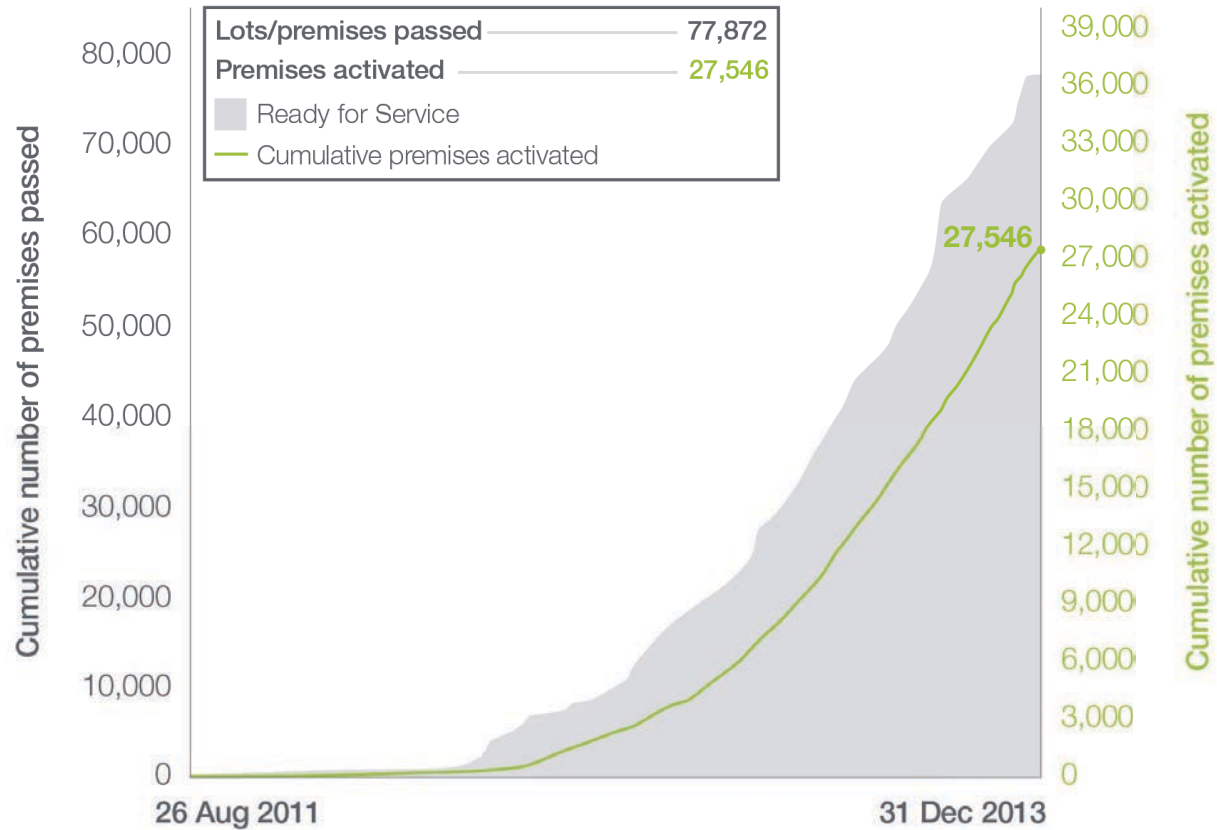
December 2013 – Key operational data

Brownfields



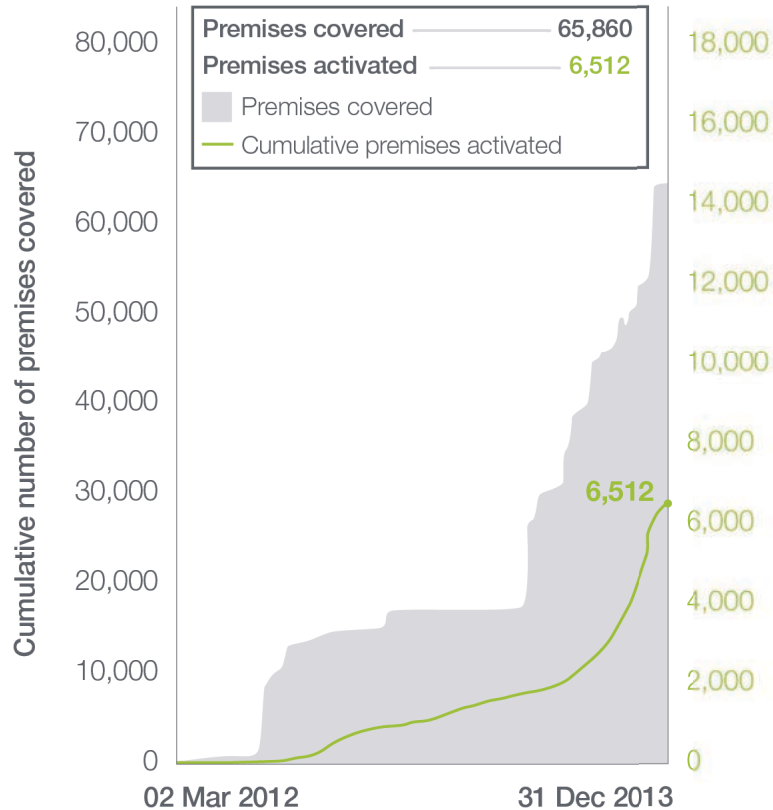
December 2013 – Key operational data

New Developments

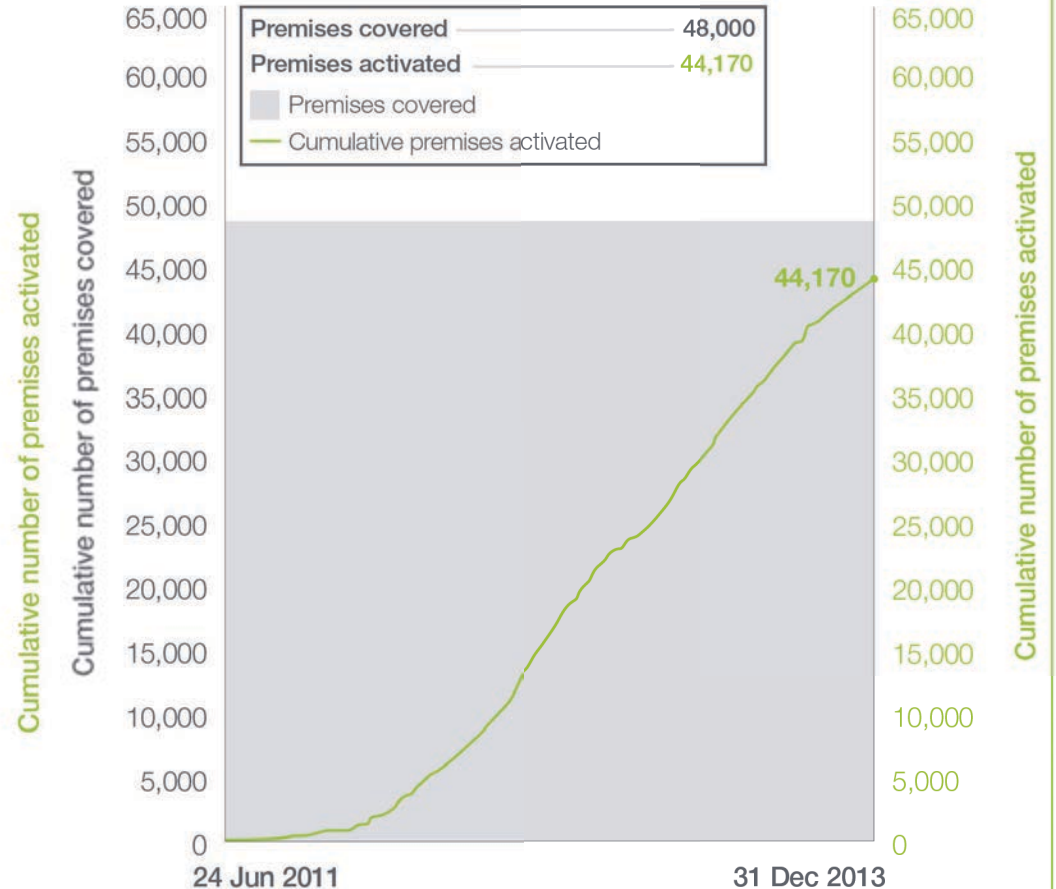


December 2013 – Key operational data

Fixed Wireless

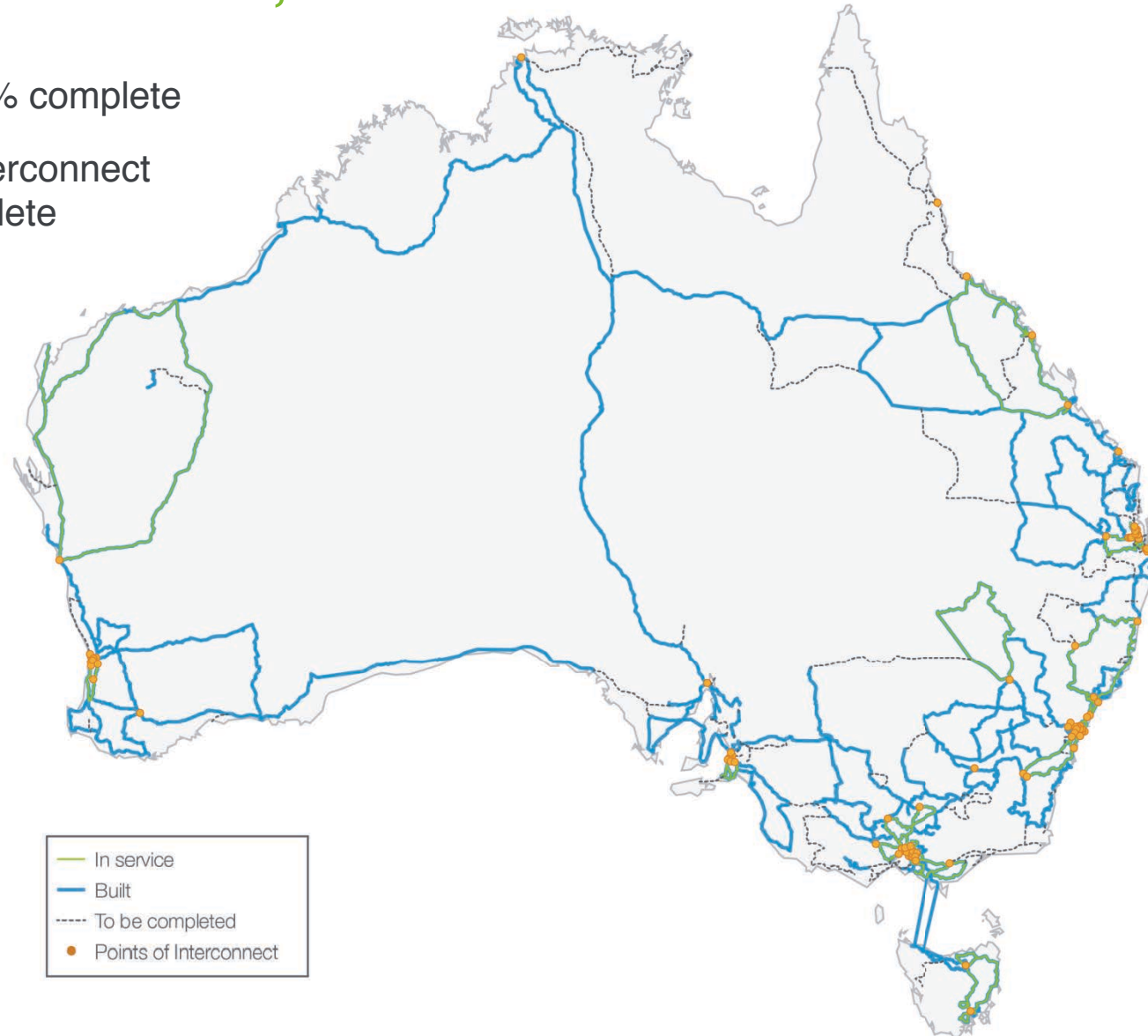


Satellite



Moving to the faster, more cost effective rollout

- Transit = 60% complete
- Points of Interconnect = 80% complete



Fixed Wireless communications upgrade

Nationally

- Total 273 base stations integrated
 - 152 in six months Dec 13
- Total 768 sites acquired
 - 286 sites acquired in six months to Dec 13
- 25/5 Mbps wholesale speeds





Satellite ground station – Bourke NSW
January 2014



Satellite NBN Co 1A –
January 2014

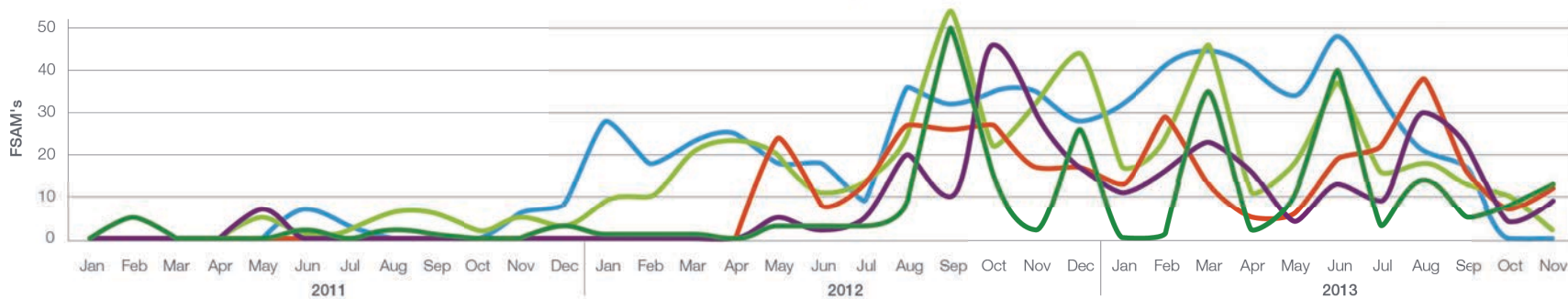




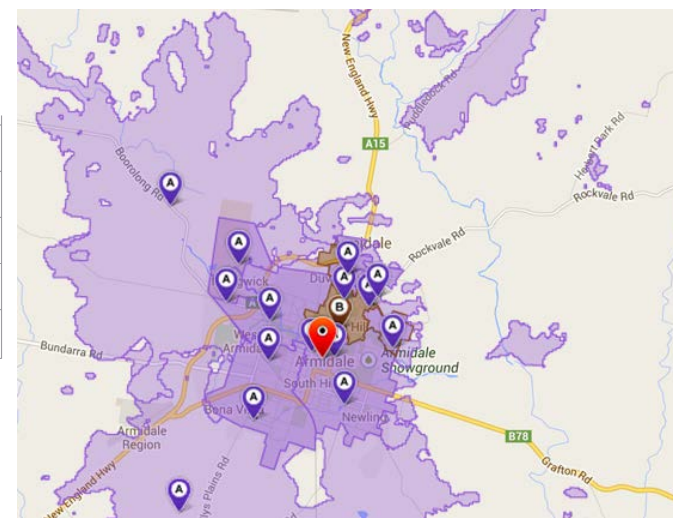
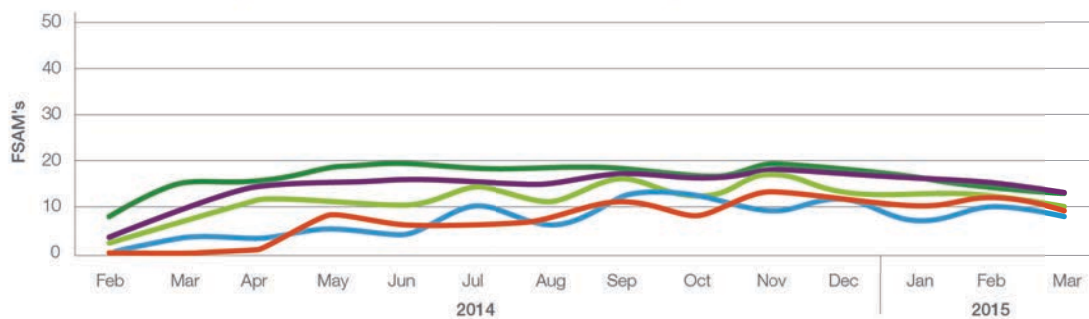
Transit Aggregation Nodes & Depots – Sydney's North and West

Achieving Stability

FSAM Lifecycle Status - Month by Month Incremental Activity



FSAM Lifecycle Status Forecast - Month by Month Incremental Activity



FTTB Pilot

- 10 Multi-Dwelling Units
- Carlton, Brunswick, Parkville
- Up to five RSPs participating
- Connecting VDSL2 equipment to existing lines in comms rooms



Pictured right – MDU in Parkville Vic – 78 premises

Above the FTTB rack and VDSL2 equipment adjacent to existing Main Distribution Frame

Our FY14 Objectives – What does success look like?

Where do we need to be by June 2014?

- It's not just the numbers
- We need to change the conversation



Measures that Matter

- Serviceable Premises/
Activations
- Our Customer Engagement
- Our People Engagement
- Industry Confidence
- Unit Cost
- Transformation

Questions & Answers?



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