

nbn™ Corporate Plan: 2017 - 2020



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2020 goals



**Connect
Australia**



**8 million
premises
connected
by 2020**



**Close
Digital
Divide**

Strategic imperatives



**Build a united
partnership**



**Build affordable
products and services**



**Build a high performance
and reliable network**



**Build processes
and systems**

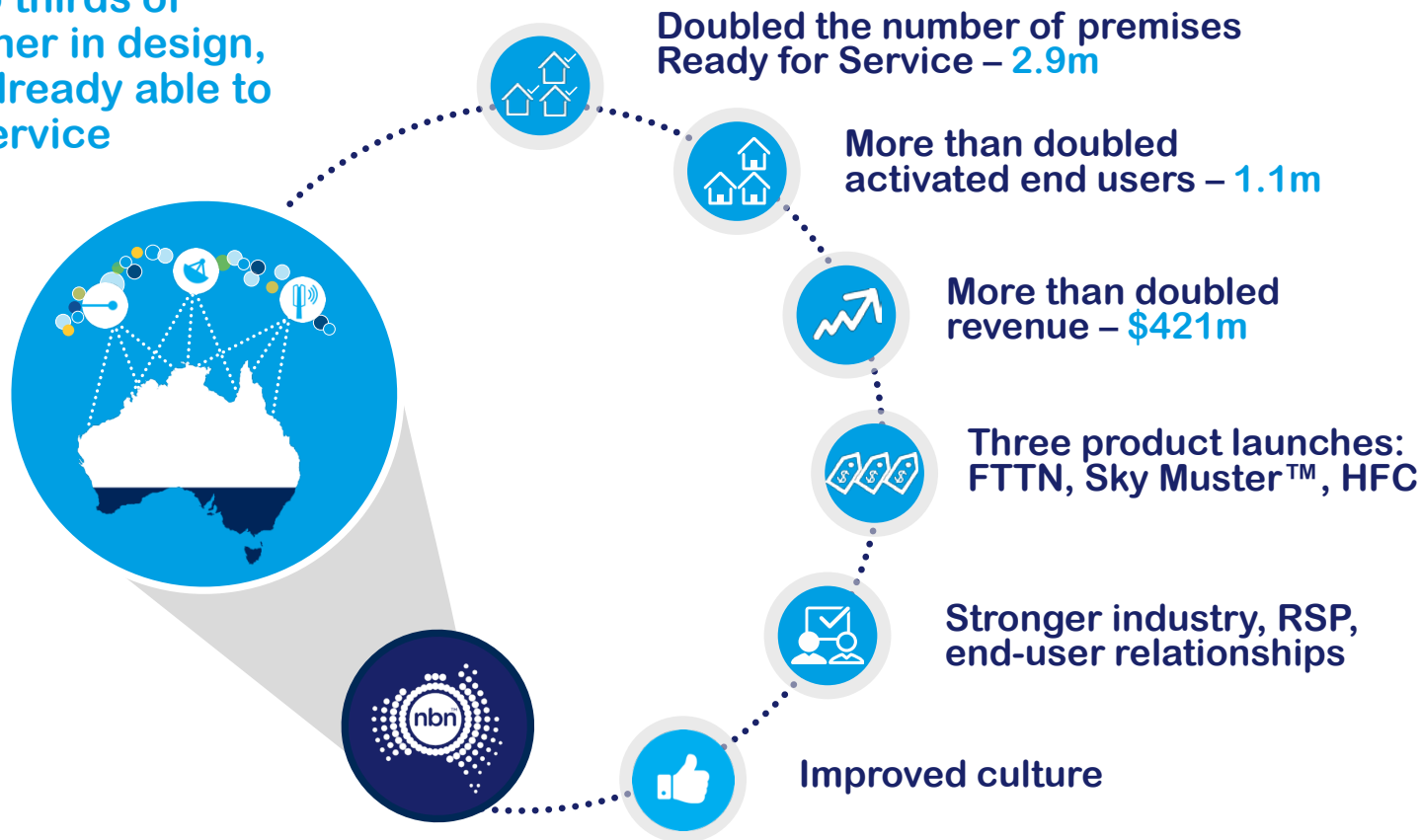


**Make nbn a great
place to work**

nbn FY2016 highlights



Today, nearly two thirds of the nation are either in design, construction or already able to order an nbn™ service



nbn Corporate Plan 2017 - 2020

Key targets of the plan

Remains on track to complete network build by 2020

Remains on track to connect 8 million active end users by 2020

Increased annual revenue for FY2020 to an estimated \$5 billion, with ARPU forecast to \$52

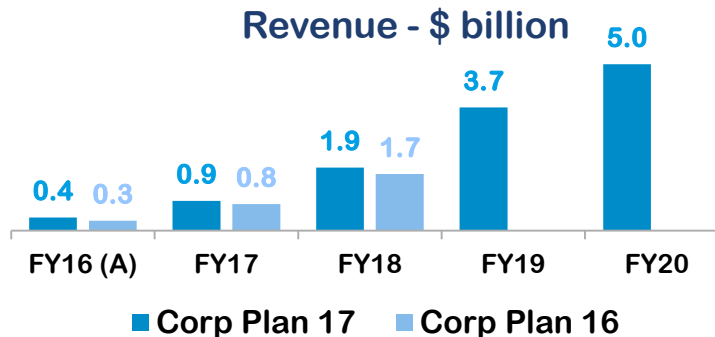
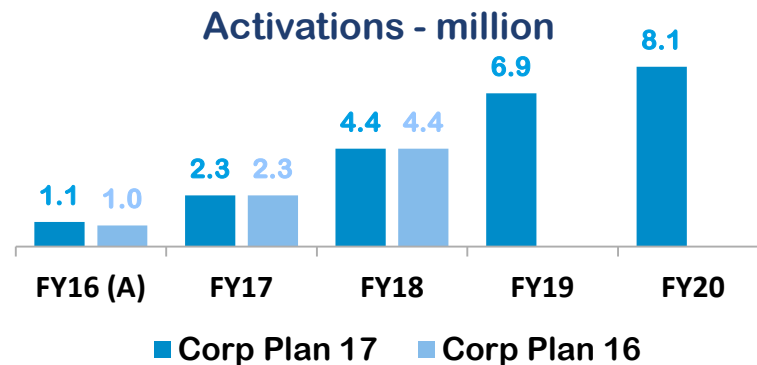
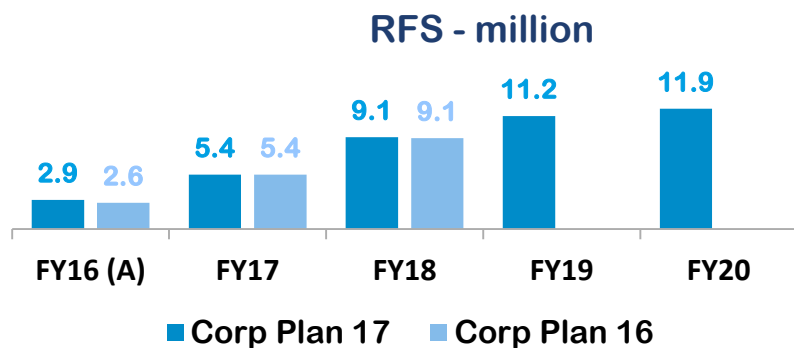
Remains on track to complete network build with peak funding of \$49 billion

Decreased top end of peak funding range by \$2 billion to \$46-54 billion

Increased IRR to 3.2 - 3.7 per cent

Greater experience, contracts signed, more accurate data

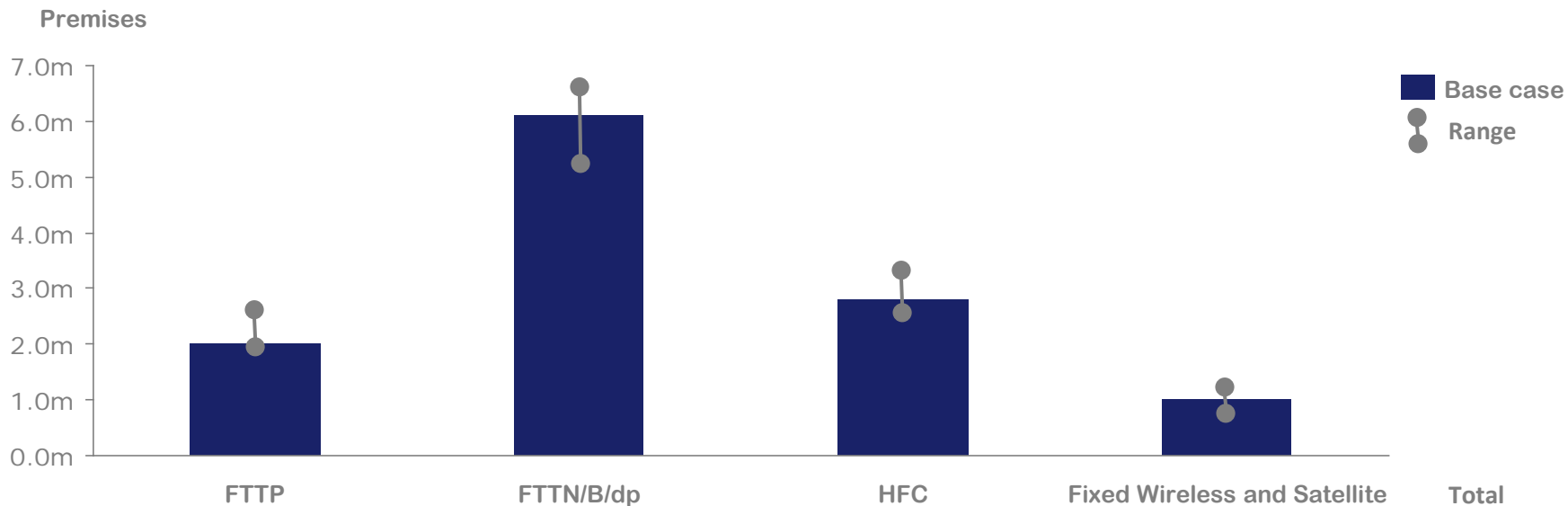
Complete the network and connect 8 million homes by 2020



Fully flexible MTM approach

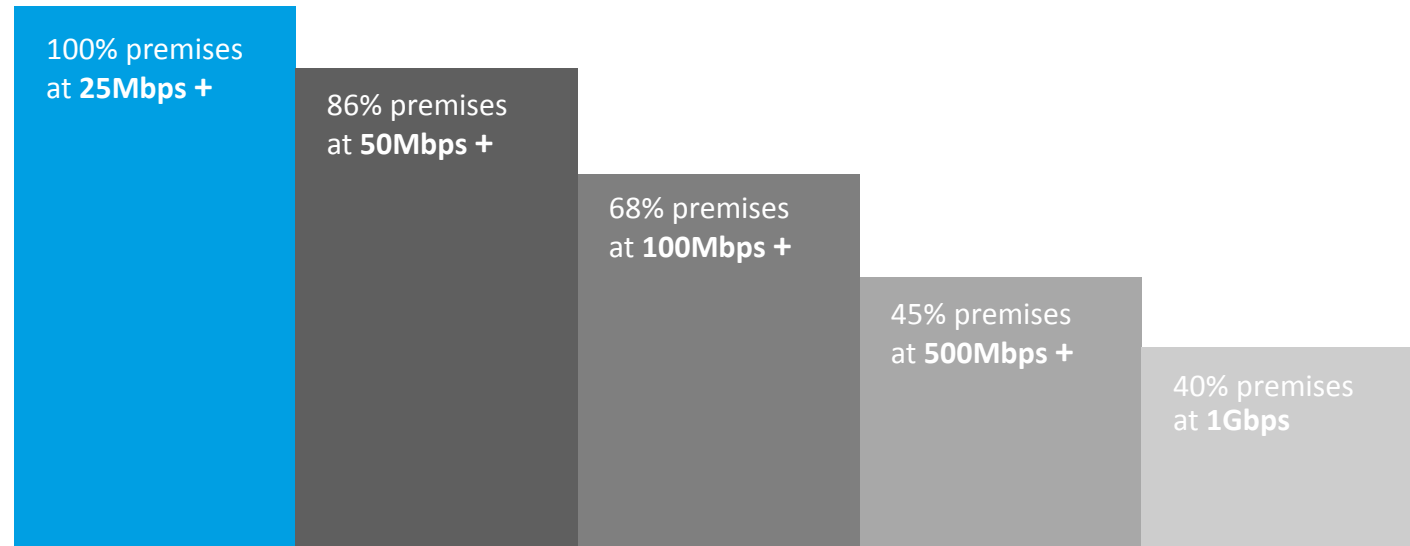


Forecast range by each technology type



	FTTP	FTTN/B/dp	HFC	Fixed Wireless and Satellite	Total
Corp Plan 17 (Premises)	2.0m – 2.5m	5.1m – 6.5m	2.5m – 3.2m	0.9m – 1.1m	11.9m
Corp Plan 16 (Premises)	2.4m	4.5m	4.0m	1.0m	11.9m

**40% of Australians will be able to access up to 1 Gbps speeds,
and nearly 70% will be able to access up to 100 Mbps***



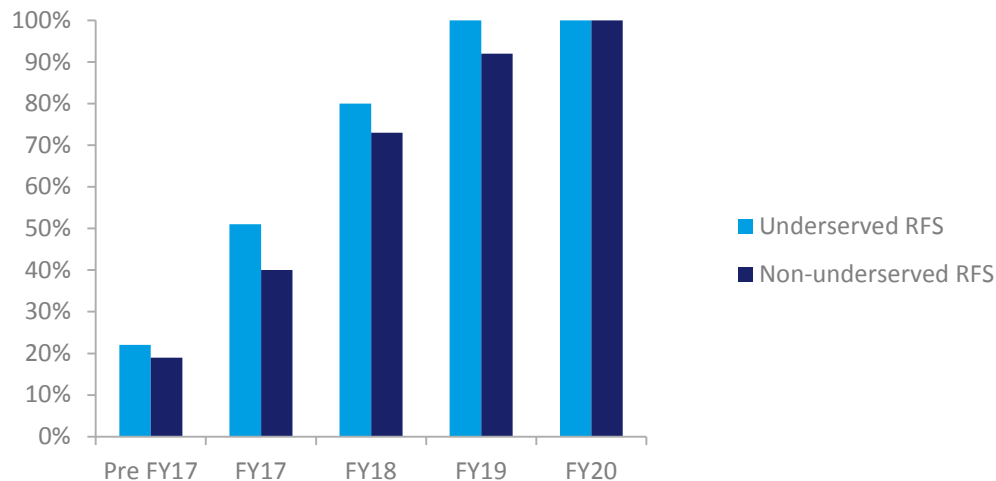
* Wholesale speeds

Bridging the digital divide

Prioritising underserved areas

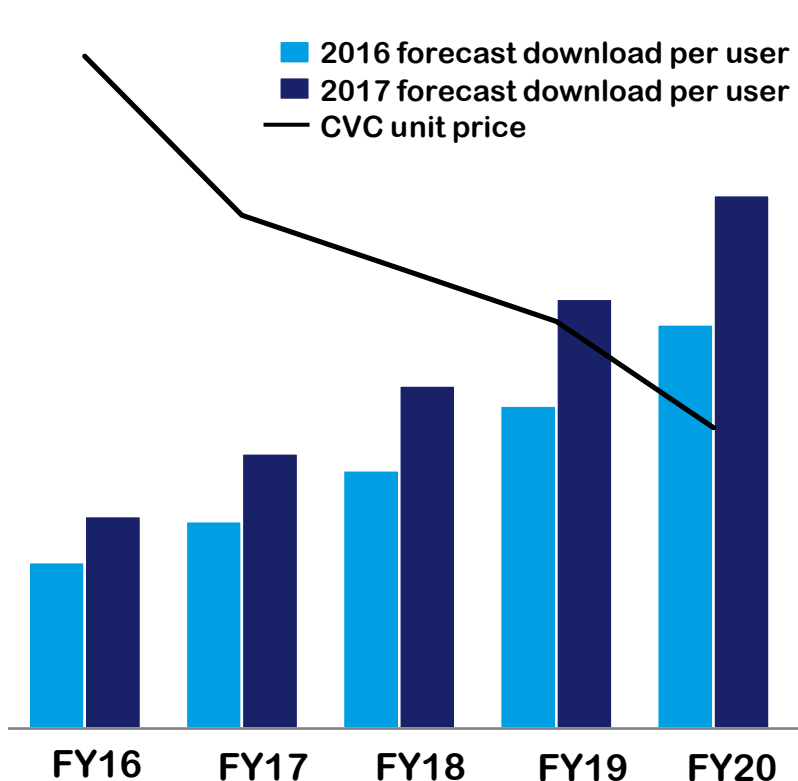
70 per cent of current premises RFS are in regional and non-metro Australia

Progressing underserved areas as priority



Revenue drivers

Data growth, speed tier mix and business segment to drive growth



Data growth per user expected at 30 per cent CAGR to FY2020



As usage increases, CVC discount increases, lowering unit cost



Positive speed tier mix growth to 2020

Revenue drivers

New business segment



Business end users expected to be 10 per cent of final footprint



Business segment ARPU significantly higher than residential

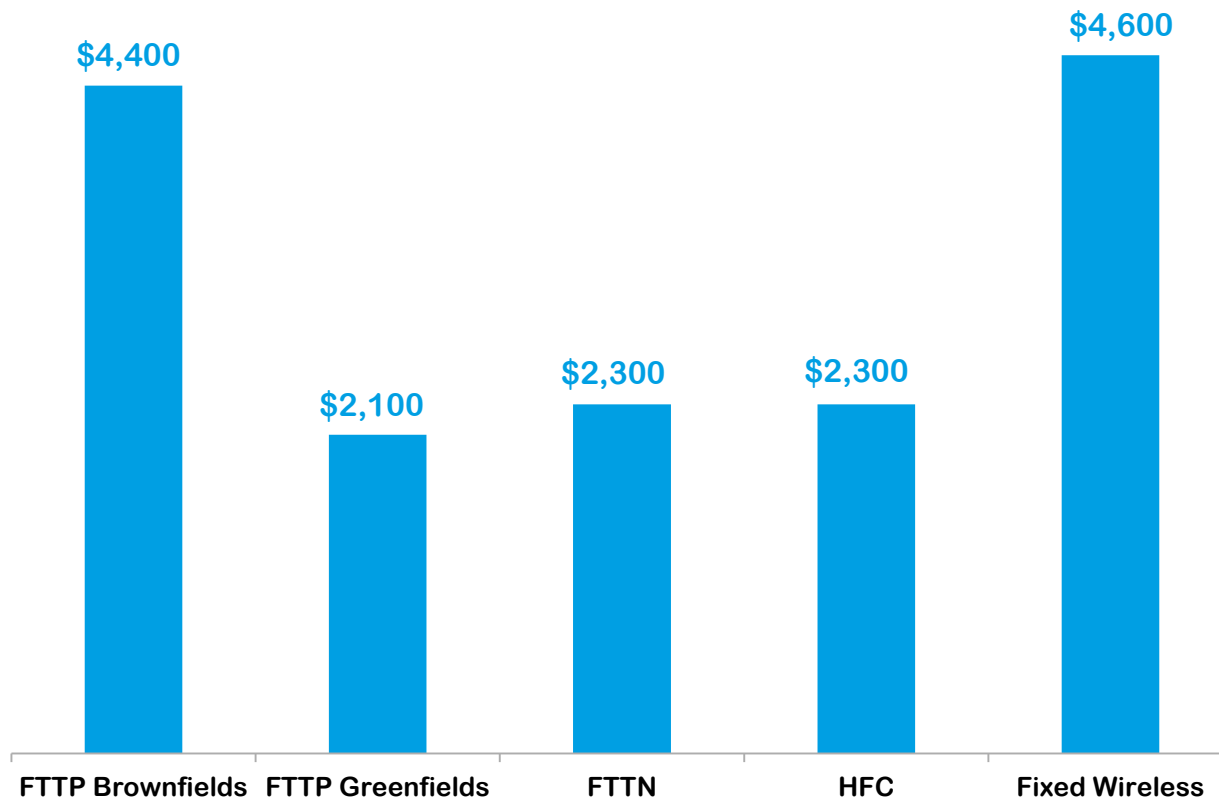


Ongoing evolution of business product portfolios



Cost Per Premises

Contracts now signed, greater experience



Corporate Plan 2017

Annual Forecast Figures					
\$ billions	FY16 (A)	FY17	FY18	FY19	FY20
Revenue	0.4	0.9	1.9	3.7	5.0
Operating Expenses	(1.7)	(2.1)	(2.3)	(2.6)	(2.8)
EBITDA before Subscriber Payments	(1.3)	(1.2)	(0.4)	1.1	2.2
EBITDA	(1.9)	(2.6)	(3.2)	(2.0)	0.7
Capital Expenditure	(4.7)	(6.1)	(5.9)	(3.3)	(1.9)
Cash Flow	(7.1)	(9.2)	(10.0)	(6.6)	(2.5)
Peak funding					
Equity funding	20.3	29.5	29.5	29.5	29.5
Debt funding	0.0	0.0	10.0	16.6	19.1
Totals:	20.3	29.5	39.5	46.1	48.6

A black and white photograph of three workers in high-visibility gear working on a telecommunications site. One worker is kneeling in the foreground, another is standing to the left, and a third is leaning over a piece of equipment in the center. The equipment appears to be a large, cylindrical fiber optic spool or similar infrastructure.

Long term funding

Confidence nbn will be fully funded

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Public equity at \$29.5 billion

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Base case peak funding remains at \$49 billion

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nbn fully funded for FY17

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nbn to explore sourcing external debt

Risks and challenges

Risks being managed and controlled



Meeting the scale challenge



Management of partnerships



Competition, revenue and regulatory considerations



Questions



Disclaimer

This presentation contains some information extracted from the audited Consolidated Financial Report of nbn co limited (nbn) for the year ended 30 June 2016. The audited Consolidated Financial Report is expected to be made available in September 2016. The Consolidated Financial Report consists of the Statement of profit or loss and other comprehensive income, Statement of financial position, Statement of changes in equity, Statement of cash flows and the Notes to the financial statements for the nbn Consolidated Group, comprising nbn co limited, nbn tasmania ltd and nbn co spectrum Pty Ltd. While every effort is made to provide accurate and complete information in this presentation, no representation or warranty is made as to the accuracy or completeness or reliability of that information.

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