

National
Broadband
Network

NBN Co Limited Unaudited Management Accounts

For the 3 months ended 30 September 2014
ABN 86 136 533 741



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NBN Co Limited,
Level 11, 100 Arthur Street
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Australia

Date

These unaudited management accounts are dated 30 September 2014.

Statement of Profit or Loss and Other Comprehensive Income

| For the three months ending | NBN Group | |
|---|-------------------|-------------------|
| | 30 September 2014 | 30 September 2013 |
| | \$'000 | \$'000 |
| Revenue | | |
| Telecommunication revenue | 27,998 | 9,166 |
| Other revenue | 706 | 71 |
| Total Revenue | 28,704 | 9,237 |
| Interest income | 5,452 | 15,610 |
| Other income | 1,495 | 1,062 |
| Expenses | | |
| Telecommunication and network costs | (115,580) | (69,460) |
| Employee benefits expenses | (93,428) | (94,500) |
| Advisory, corporate and outsourced services | (13,068) | (16,368) |
| Legal expenses | (10,647) | (3,668) |
| IT and software expenses | (28,274) | (28,714) |
| Occupancy expenses | (9,340) | (9,235) |
| Communication and public information | (2,835) | (2,815) |
| Depreciation and amortisation expense | (126,606) | (79,257) |
| Other expenses | (7,351) | (14,793) |
| Finance costs | (73,792) | (40,163) |
| Total Expenses | (480,921) | (358,973) |
| (Loss) before income tax | (445,270) | (333,064) |
| Income tax (expense)/benefit | 9,305 | (6,321) |
| (Loss) for the period | (435,965) | (339,385) |
| (Loss) attributable to the shareholders | (435,965) | (339,385) |
| Other comprehensive (loss)/income | | |
| <i>Items that may be reclassified to profit or loss</i> | | |
| Changes in the fair value of cash flow hedges | 31,015 | (21,069) |
| Income tax expense/(benefit) relating to components of other comprehensive income | (9,305) | 6,321 |
| Total other comprehensive (loss)/income for the period, net of tax | 21,710 | (14,748) |
| Total comprehensive (loss) for the period | (414,255) | (354,133) |
| Total comprehensive (loss) attributable to the shareholders | (414,255) | (354,133) |

Statement of Financial Position

| As at | NBN Group | |
|--------------------------------------|-------------------|------------------|
| | 30 September 2014 | 30 June 2014 |
| | \$'000 | \$'000 |
| Current assets | | |
| Cash and cash equivalents | 464,024 | 498,714 |
| Trade and other receivables | 85,452 | 101,369 |
| Inventories | 12,334 | 11,765 |
| Derivative financial assets | 33,049 | 10,037 |
| Held to maturity investment | 321,651 | 245,240 |
| Other current assets | 48,458 | 32,427 |
| Total current assets | 964,968 | 899,552 |
| Non-current assets | | |
| Trade and other receivables | 86 | 60 |
| Derivative financial assets | 4,301 | 1,980 |
| Property, plant & equipment | 8,519,835 | 7,790,866 |
| Intangible assets | 807,180 | 769,193 |
| Other non-current assets | 5,374 | 5,869 |
| Total non-current assets | 9,336,776 | 8,567,968 |
| Total assets | 10,301,744 | 9,467,520 |
| Current liabilities | | |
| Trade and other payables | 866,460 | 817,973 |
| Other liabilities | 6,268 | 5,816 |
| Other financial liabilities | 129,205 | 118,665 |
| Derivative financial liability | - | 3,229 |
| Provisions | 50,847 | 57,071 |
| Total current liabilities | 1,052,780 | 1,002,754 |
| Non-current liabilities | | |
| Trade and other payables | 1,871 | 1,925 |
| Other liabilities | 194,981 | 178,866 |
| Other financial liabilities | 3,526,950 | 3,342,456 |
| Derivative financial liability | - | 2,425 |
| Provisions | 18,441 | 15,118 |
| Total non-current liabilities | 3,742,243 | 3,540,790 |
| Total liabilities | 4,795,023 | 4,543,544 |
| Net assets | 5,506,721 | 4,923,976 |
| Equity | | |
| Contributed equity | 9,415,445 | 8,418,445 |
| Other reserves | 26,106 | 4,396 |
| (Accumulated losses) | (3,934,830) | (3,498,865) |
| Total equity | 5,506,721 | 4,923,976 |

Statement of Changes in Equity

| For the three months ending | NBN Group | | | Total equity \$'000 |
|--|---------------------------------|---------------------------------|-----------------------------|------------------------|
| | Accumulated losses \$'000 | Contributed equity \$'000 | Other reserves \$'000 | |
| Balance at 30 June 2013 | (1,855,065) | 5,228,445 | 44,277 | 3,417,657 |
| Loss for the year | (1,643,800) | - | - | (1,643,800) |
| Other comprehensive income | - | - | (39,881) | (39,881) |
| Total comprehensive income for the period | (1,643,800) | - | (39,881) | (1,683,681) |
| Transactions with owners in their capacity as owners: | | | | |
| Contributions of equity, net of transaction costs | - | 3,190,000 | - | 3,190,000 |
| Balance at 30 June 2014 | (3,498,865) | 8,418,445 | 4,396 | 4,923,976 |
| Loss for the year | (435,965) | - | - | (435,965) |
| Other comprehensive income | - | - | 21,710 | 21,710 |
| Total comprehensive income for the period | (435,965) | - | 21,710 | (414,255) |
| Transactions with owners in their capacity as owners: | | | | |
| Contributions of equity, net of transaction costs | - | 997,000 | - | 997,000 |
| Balance at 30 September 2014 | (3,934,830) | 9,415,445 | 26,106 | 5,506,721 |

Statement of Cash Flows

| For the three months ending | NBN Group | |
|---|-------------------|-------------------|
| | 30 September 2014 | 30 September 2013 |
| | \$'000 | \$'000 |
| Cash flows from operating activities | | |
| Receipts from customers | 28,045 | 8,532 |
| Payments to suppliers and employees | (277,157) | (165,041) |
| Interest received | 4,997 | 13,709 |
| Interest paid | (59) | (1) |
| Net cash (used in) operating activities | (244,174) | (142,801) |
| Cash flows from investing activities | | |
| Receipts from held to maturity investments | 110,122 | 368,312 |
| Payments for held to maturity investments | (186,532) | (509,407) |
| Payment for property, plant and equipment | (558,487) | (511,144) |
| Payment for intangibles | (82,942) | (50,949) |
| Net cash (used in) investing activities | (717,840) | (703,188) |
| Cash flows from financing activities | | |
| Payment for finance leases and right of use licences | (69,676) | (23,423) |
| Equity injection for ordinary shares by the Commonwealth of Australia | 997,000 | 1,250,000 |
| Net cash provided by financing activities | 927,324 | 1,226,577 |
| Net increase/(decrease) in cash and cash equivalents | (34,690) | 380,588 |
| Cash and cash equivalents at the beginning of the period | 498,714 | 103,472 |
| Effects of exchange rate changes on cash and cash equivalents | - | - |
| Cash and cash equivalents at the end of the period | 464,024 | 484,060 |