



Media Release

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Strong result continues nbn's momentum to full year targets

nbn releases financial results for the six months to 31 December 2015

nbn, the company building and operating Australia's new broadband network, has achieved growth across all key metrics, including end-user activations (up 128 per cent) and total revenue (up 152 per cent) to set the course for another full year of successfully meeting its targets.

Together with strong operational progress, the company expanded its industry partnerships and achieved pivotal milestones such as the successful launch of the first **nbn**[™] satellite, Sky Muster[™]. The Fibre-to-the-Node footprint is also now growing at pace with total activations for the **nbn**[™] network averaging 10,000 per week.

In the six months to 31 December 2015:

- The number of premises that can order an **nbn**[™] service reached nearly 1.7 million, adding 450,000 homes and business to the **nbn** footprint in the period;
- The number of homes and businesses with an active **nbn**[™] service increased to 736,000, with **nbn** breaking the 10,000 activations per week threshold in December 2015 (12-week rolling average) and will continue to climb;
- Total revenue earned in the half was \$164 million, an increase of 152 per cent compared to the prior corresponding period (six months to 31 December 2014), with an Average Revenue per User (ARPU) of \$43 per month;
- **nbn** Net Promoter Score (NPS) increased to +31, up from +27 as last reported, with advocacy above 70 per cent across Fibre-to-the-Premises (FTTP), Fibre-to-the-Node (FTTN) and Fixed Wireless; and
- **nbn** employee Pulse survey saw double digit growth off the back of the full employee engagement survey at 51 per cent (June 2015).

nbn CEO, Bill Morrow, said:

"Today's result solidifies 2015 as a year where we met or exceeded every target the Board set for the company, and is a clear signal we will reach our fiscal year goals.

"There is accelerated growth across all areas of the network, while important milestones are continually achieved with customers, industry partners and the **nbn** workforce.

"The organisation is focused on delivering our full year commitments and on bringing the benefits of fast broadband to more and more communities across Australia."

Multi-technology mix

The performance across the company was complemented by a number of milestones in the multi-technology mix, including the commercial launch of the FTTN product. More than 120,000 premises are now ready-for-service (RFS), with demand strong in initial launch areas such as Bundaberg, QLD and Belmont, NSW. More than 600,000 premises are currently under construction and a further 1,289,000 in design and preparation, with the company on track to meet the full year RFS footprint target of 500,000 FTTN premises.



The accelerated results for **nbn** in deploying FTTN is becoming evident, with approximately 34,000 premises being added to the footprint in January 2016, at a rate of 8,000 per week (12-week rolling average). This rate of growth was achieved four months after the product launch in late September 2015.

The first of two dedicated **nbn™** satellites, Sky Muster™, was launched on 1 October, with in-flight and on-ground testing advancing ahead of the planned launch of commercial services in the coming months.

Hybrid Fibre Co-axial (HFC) end-user and construction trials were conducted in multiple states, with successful speed outcomes and valuable experience gained for **nbn** construction partners. **nbn** also entered into an MoU with Telstra, whereby a way forward is being negotiated for the design and construction management of the **nbn™** HFC footprint currently passed by the existing Telstra HFC network.

Mr Morrow said:

“We are now seeing the early signs of the network being built at scale, with the construction of Fibre-to-the-Node rapidly extending the footprint to homes and businesses. We are also encouraged by the end-user demand in our initial launch areas.”

End-user and retail service provider experience

The positive experience of connected end-users continues to build advocacy for services over the **nbn™** network, with advocacy rates above 70 per cent for all products including the recently launched FTTN technology. Although it's early stages for the latest inclusion to the multi-technology mix, research to date shows the same high percentage of FTTN connected end-users are likely to recommend the **nbn™** network as those with an FTTP connections (both 70 per cent).

In the same initial research findings, the experience of FTTN connected homes and FTTP connected homes are the same high levels of satisfaction, with both groups scoring at 7.7 of out 10 for use of the technology. Fixed Wireless customers score their service even higher, at 8.1 out of 10.

nbn's Net Promoter Score is now +31, an increase of four points from +27 at 30 June 2015. At the same time, the experience of **nbn's** customers, the retail service providers, is improving, with customer engagement trending upwards at the most recent survey.

Mr Morrow concluded:

“While we build out the network, we are also focused on improving all touch-points our customers have with **nbn**. While it is early days for Fibre-to-the-Node, the positive experience is great progress as is the rate at which we can complete the build.

Enhanced processes, greater efficiency and strong relationships are priorities for the company as a whole.”

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Resources

- **nbn** Half-Year Presentation FY2016
- **nbn** Half-Year Report FY2016