

NBN Co

Third Quarter Results

Bill Morrow CEO

Robin Payne CFO

Greg Adcock COO

Disclaimer

Quarterly and year to date financial statements for the period ended 31 March 2014 consist of the unaudited statement of comprehensive income, balance sheet, statement of cash flows and schedule of commitments for the NBN Co Consolidated Group, comprising NBN Co Limited, NBN Tasmania Limited and NBN Co Spectrum Pty Ltd. While every effort is made to provide accurate and complete information, NBN Co does not warrant that the information in this presentation is free from errors or omissions or is suitable for its intended use. To the maximum extent permitted by law, NBN Co accepts no responsibility for any loss, damage, cost or expense (whether direct or indirect) incurred by you as a result of any error, omission or misrepresentation in information in this presentation. All information in this presentation is subject to change without notice. The material presented is in summary form and as such is not a complete picture of the Group's activities. It is current as at 16 April 2014.

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Other than as required by NBN Co's shareholder Ministers or by law, NBN Co and its officers have no obligation to update these forward looking statements based on circumstances, developments or events occurring after the date of this presentation.

Bill Morrow

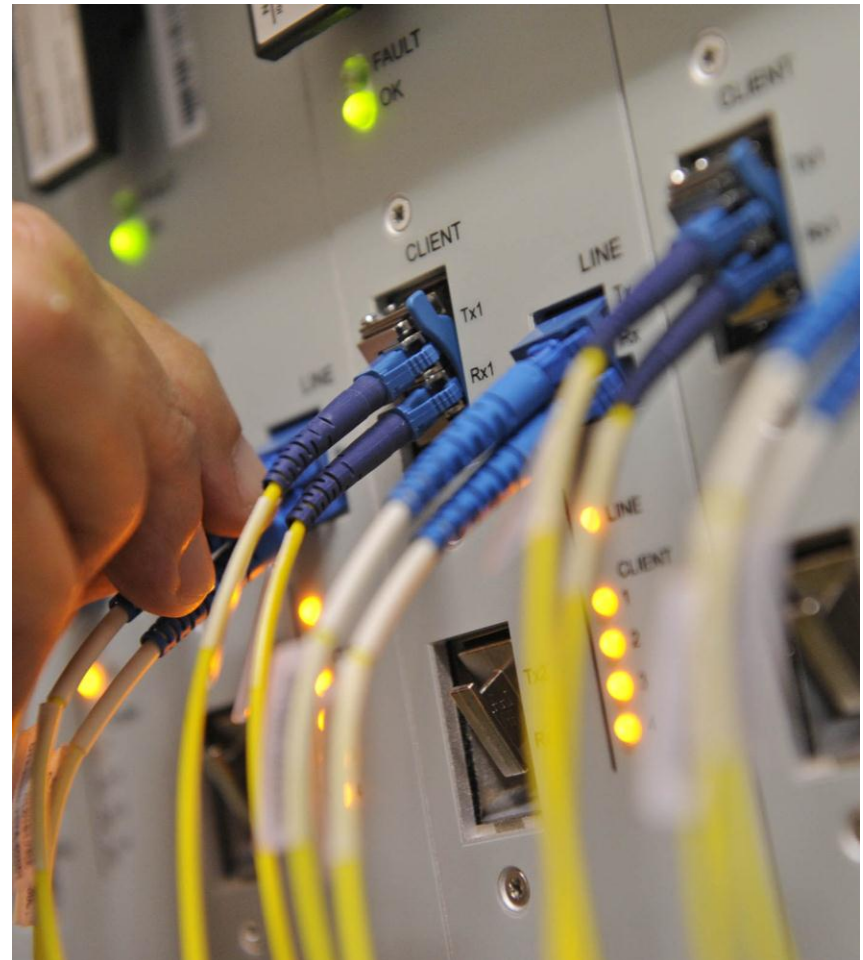
Chief Executive Officer



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Bringing broadband to life

Today's agenda

- CEO – Quarter highlights
- CFO – Financial results to 31 March 2014
- COO – Progress with rollout
- Questions



Robin Payne

Chief Financial Officer

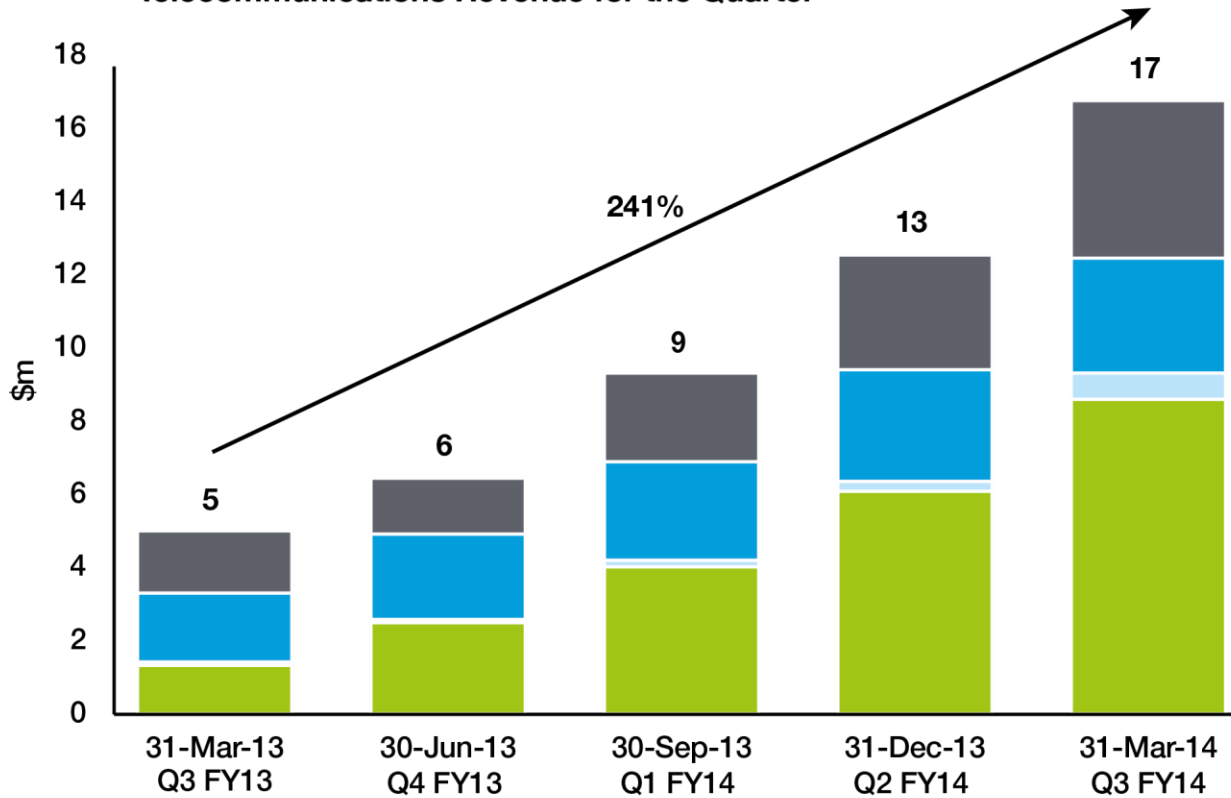


Summary Results

\$m For the 3 Months to	31-Mar-13 Q3 FY13	30-Jun-13 Q4 FY13	30-Sep-13 Q1 FY14	31-Dec-13 Q2 FY14	31-Mar-14 Q3 FY14	Change % Q2 - Q3 FY14
Total Revenue	18	19	25	23	22	(5%)
<i>Telecommunications revenue</i>	5	6	9	13	17	32%
<i>Interest income</i>	13	12	16	10	5	(52%)
Operating Expenses	188	228	240	261	247	(5%)
EBITDA	(183)	(221)	(229)	(247)	(229)	7%
EBIT	(231)	(296)	(309)	(337)	(336)	0%
\$m As at	31-Mar-13 Q3 FY13	30-Jun-13 Q4 FY13	30-Sep-13 Q1 FY14	31-Dec-13 Q2 FY14	31-Mar-14 Q3 FY14	Change % Q2 - Q3 FY14
Total Assets	4,579	5,519	7,408	7,674	8,400	9%
Lease Liabilities	1,084	1,337	2,146	2,697	2,954	10%
Contributed Equity	4,578	5,228	6,478	6,478	7,288	13%

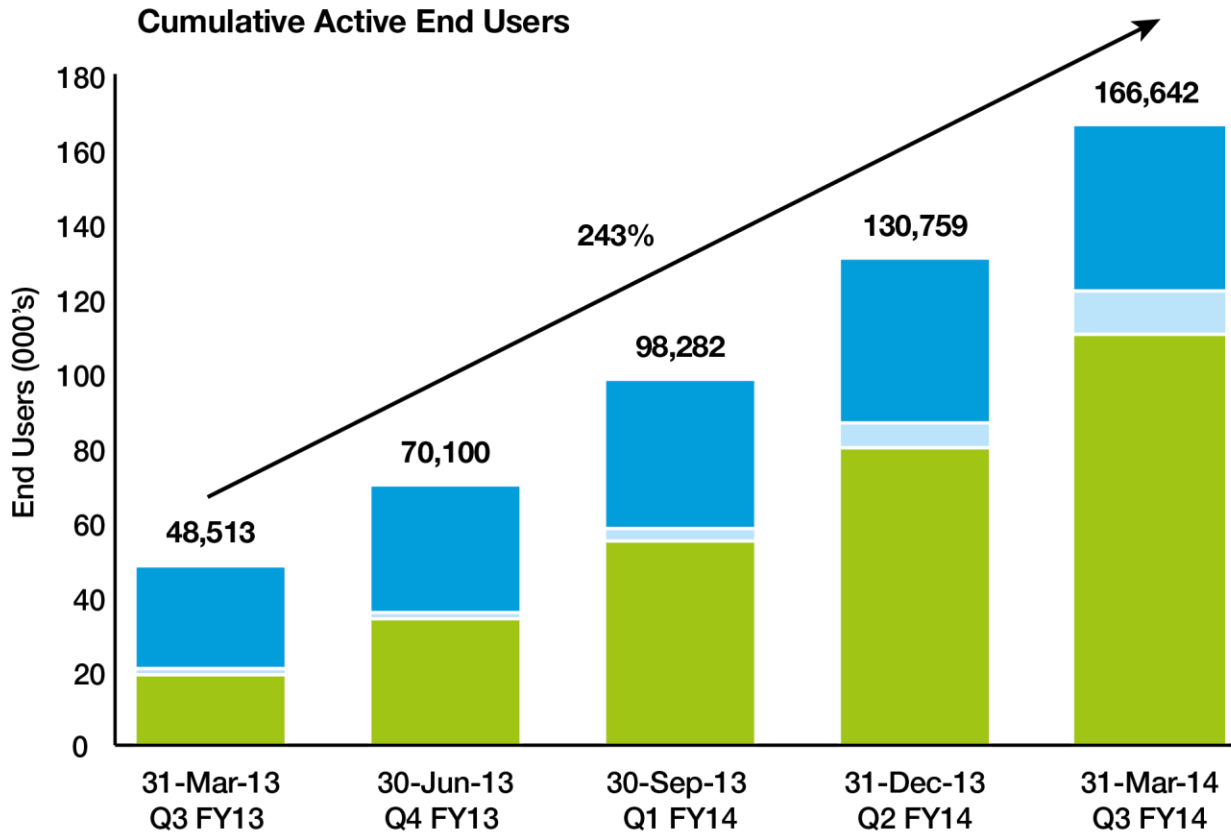
Telecommunications Revenue

Telecommunications Revenue for the Quarter



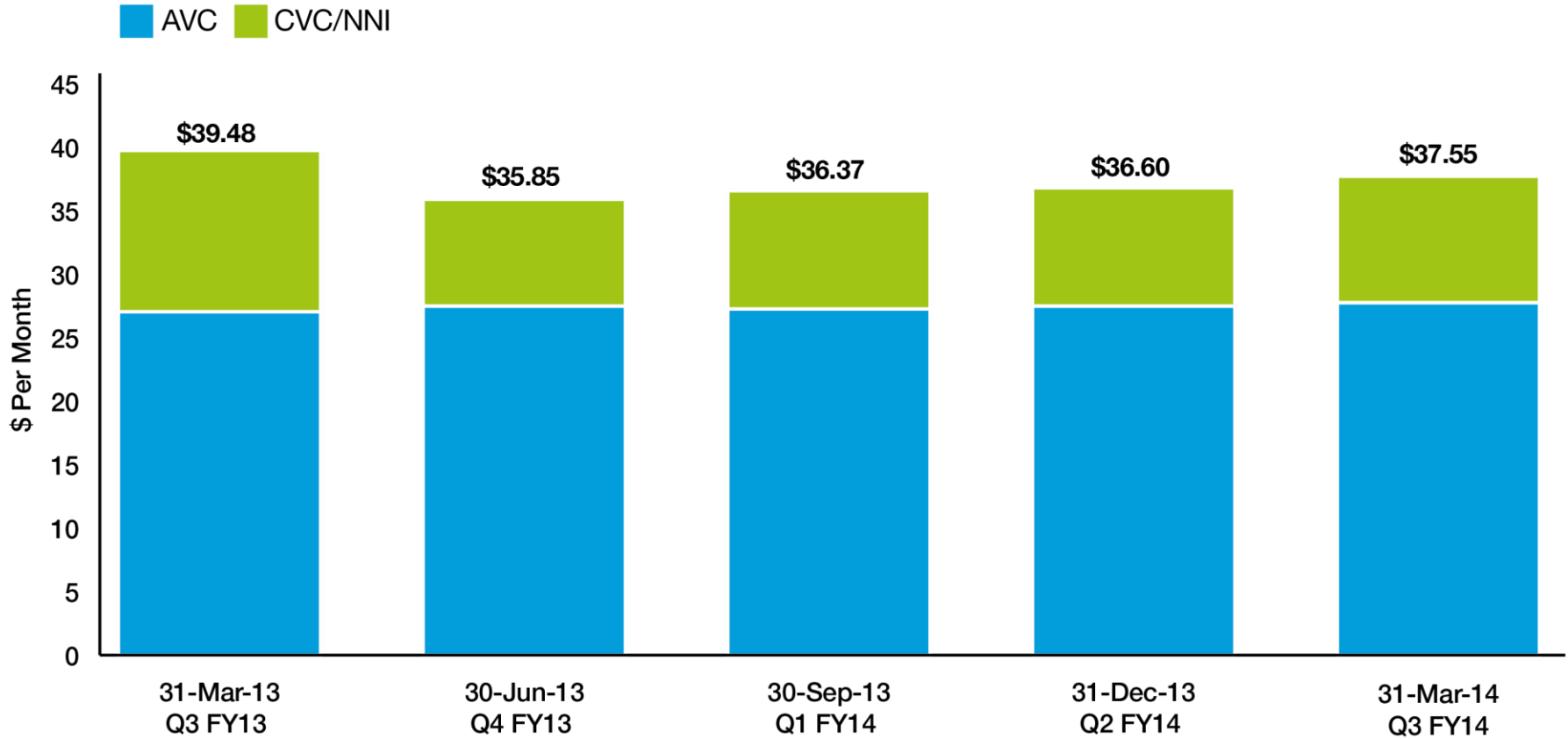
\$m	31 Dec 13 Q2 FY14	31 Mar 14 Q3 FY14
Other (CVC/NNI)	3.1	4.2
Satellite AVC	3.0	3.2
Wireless AVC	0.3	0.7
Fibre AVC	6.1	8.6
Total	12.5	16.7

Active End Users



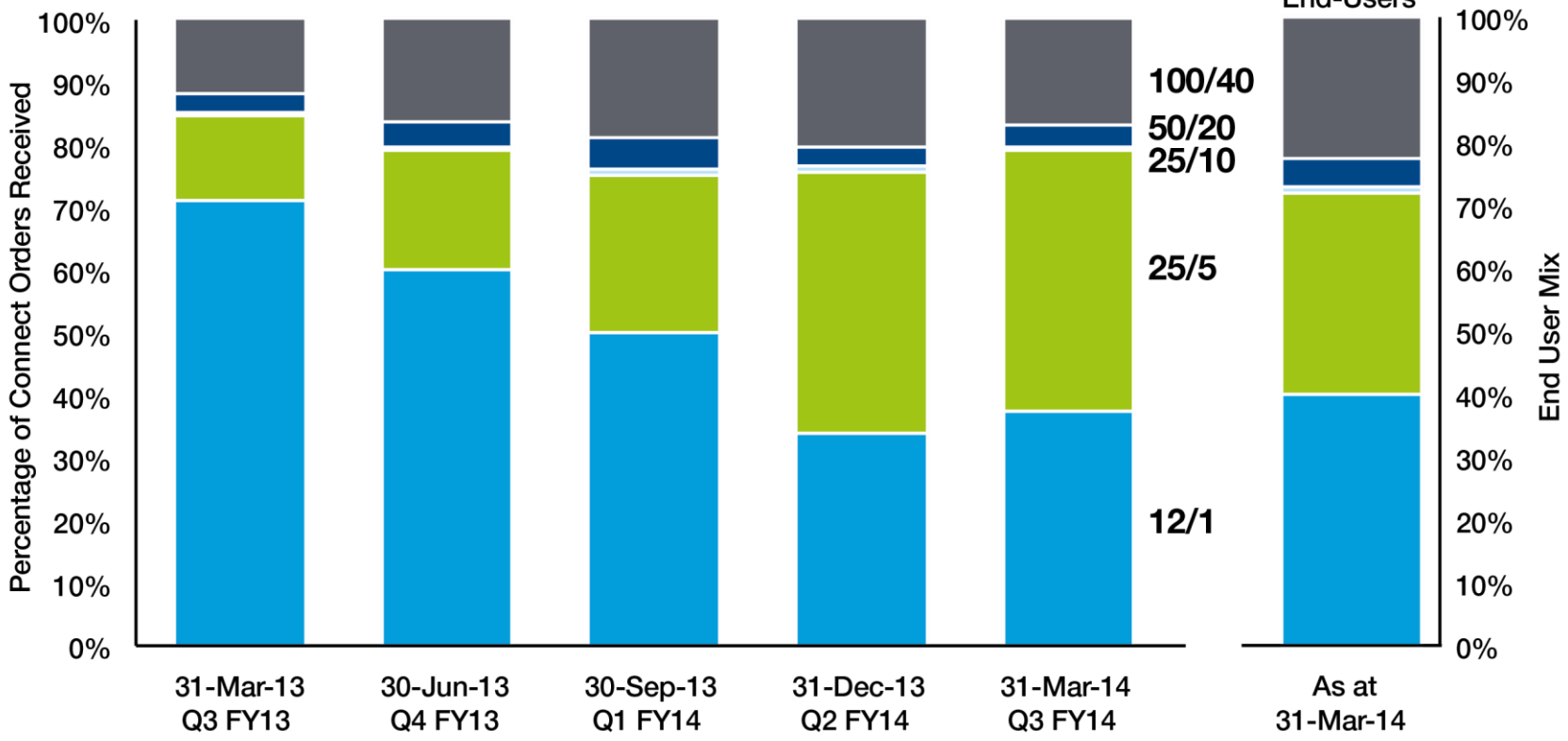
End Users	31 Dec 13 Q2 FY14	31 Mar 14 Q3 FY14
Satellite	44,170	43,934
Fixed Wireless	6,512	11,673
Fibre	80,077	111,035
Total	130,759	166,642

Weighted Average Monthly Revenue per End User by Quarter



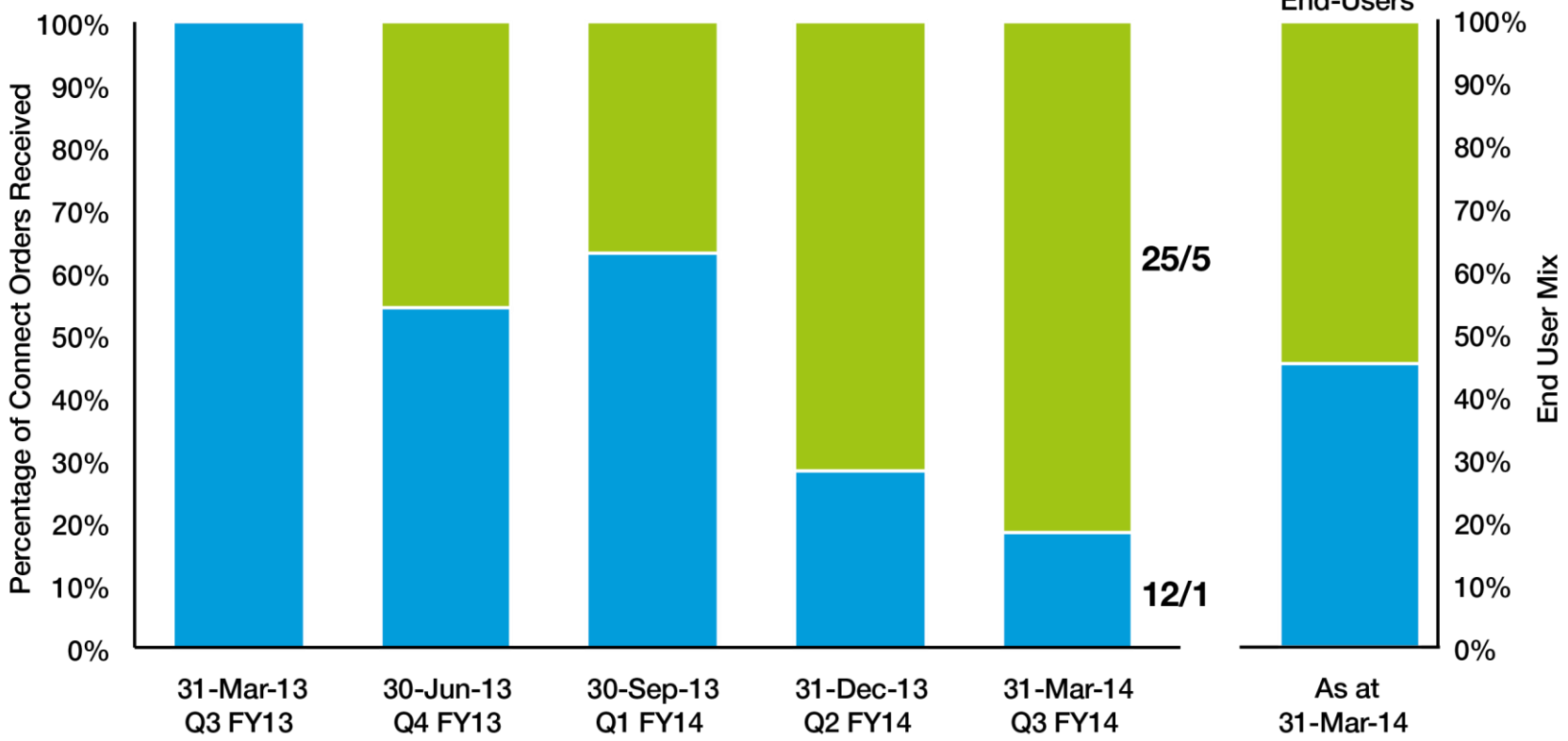
End-User Demand - Fibre

Incremental Fibre Connect Orders by Speed Tier



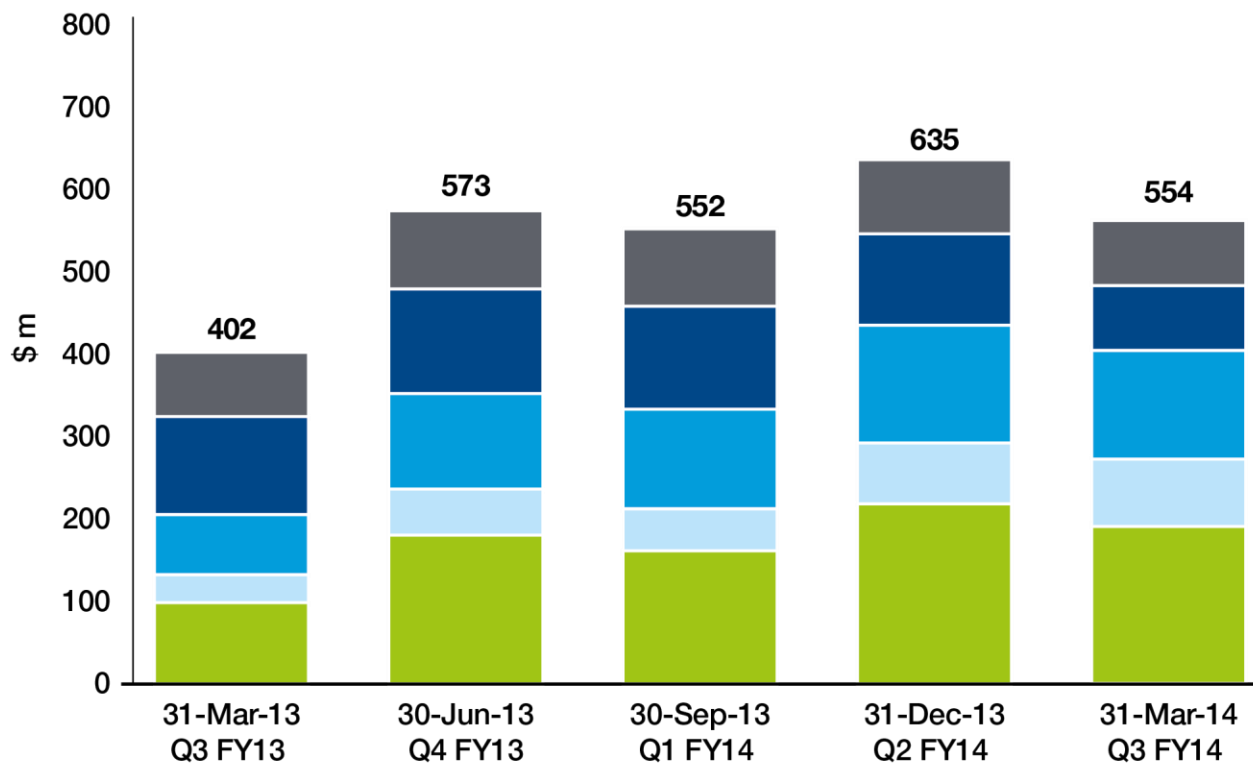
End-User Demand – Fixed Wireless

Incremental Fixed Wireless Connect Orders by Speed Tier



Capital Expenditure

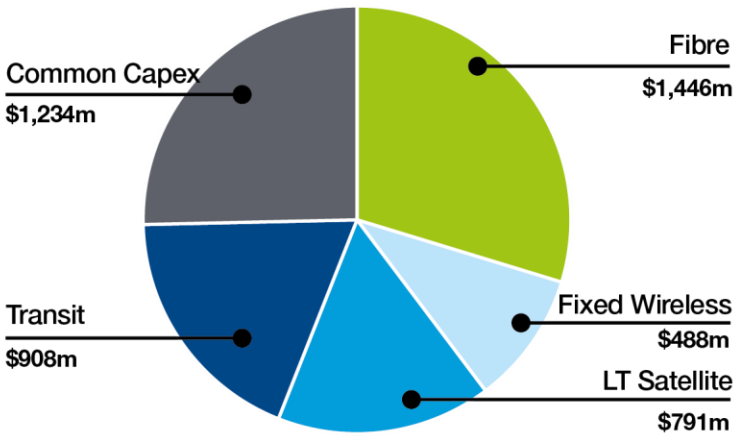
Incremental Capital Expenditure by Quarter



\$m	31 Dec 13 Q2 FY14	31 Mar 14 Q3 FY14
Common Capex	90	75
Transit	111	76
LT Satellite	143	133
Fixed Wireless	74	80
Fibre	218	190
Total	635	554

Capital Expenditure

Life to Date Capital Expenditure (\$m) – \$4.9bn

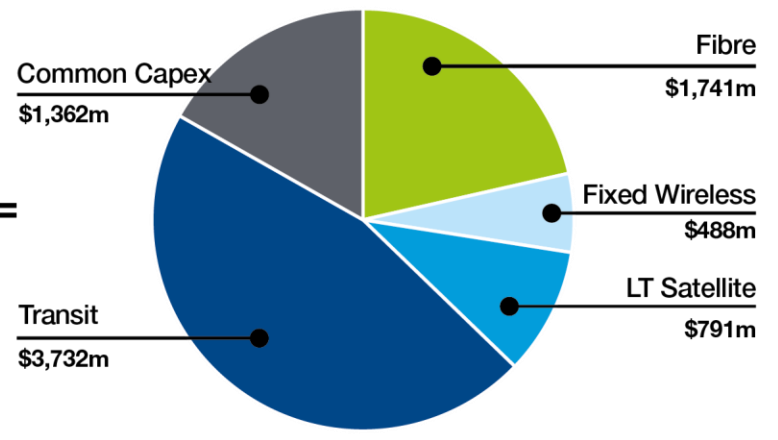


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Assets under Finance Lease + **\$2.9bn**
 Gifted Assets + **\$0.2bn**
 Other + **\$0.1bn**

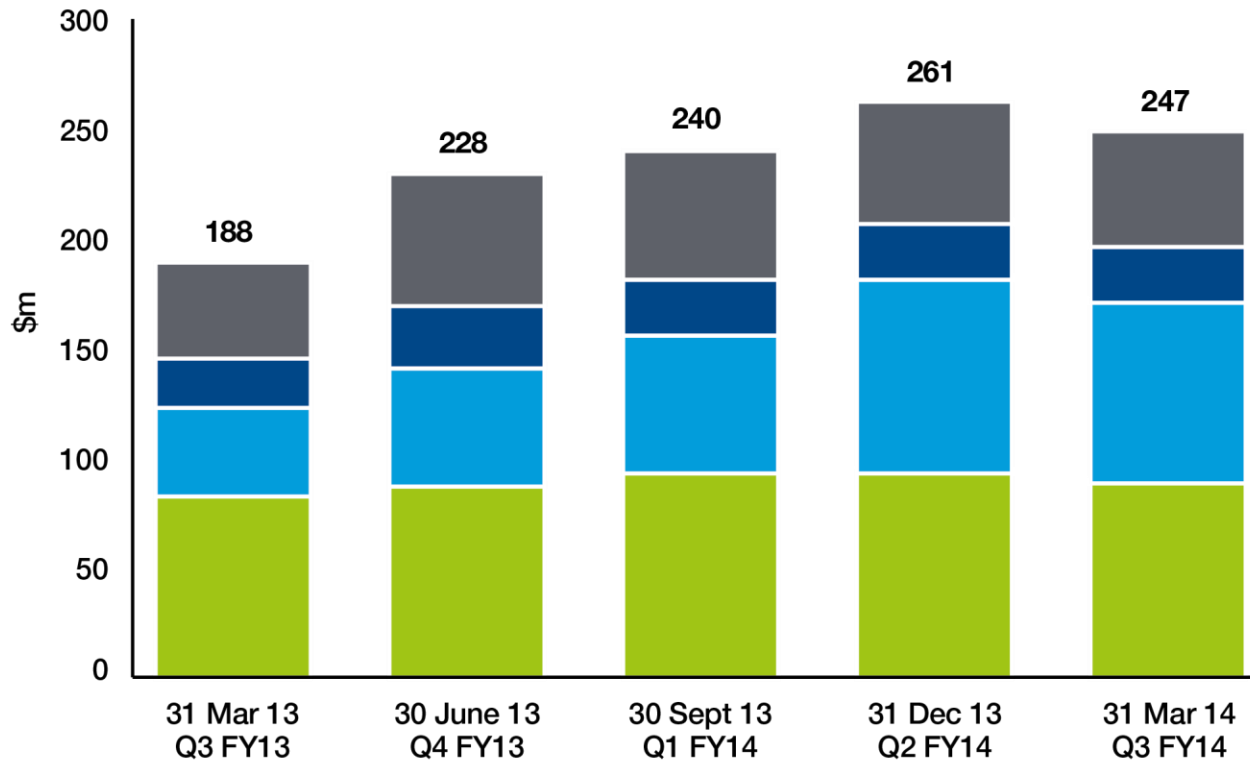
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Life to Date Incremental Cost of Property, Plant, Equipment & Intangibles (Including Leases) (\$m) – \$8.1bn



Operating Expenses

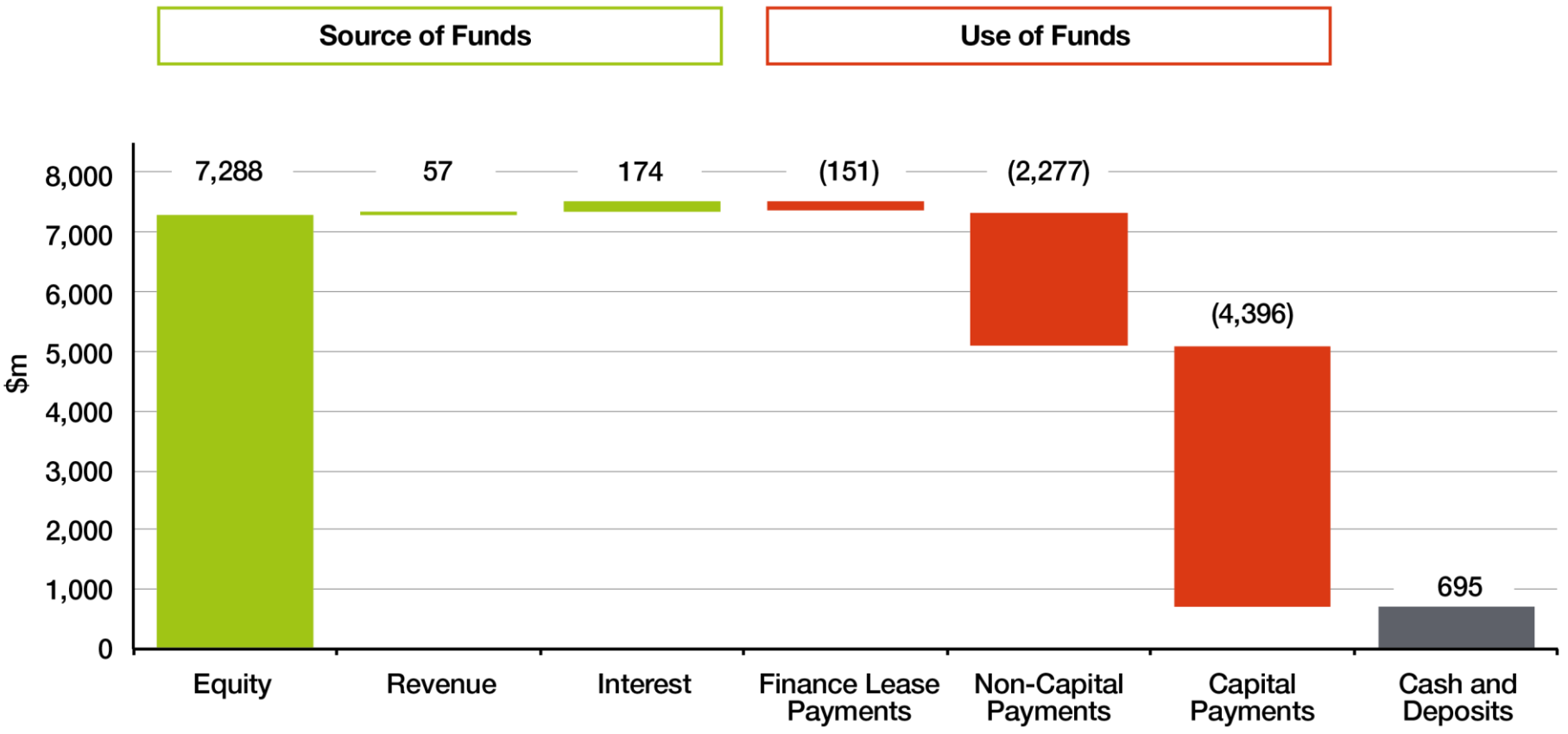
Incremental Operating Expenses by Quarter



\$m	31 Mar 14 Q3 FY14	LTD*
Other	50	713
IT Maintenance & Support	26	269
Network Deployment Costs	81	463
Employee Costs	90	981
Total	247	2,426

*LTD - Life to Date

Life to Date Cash Flow



Greg Adcock

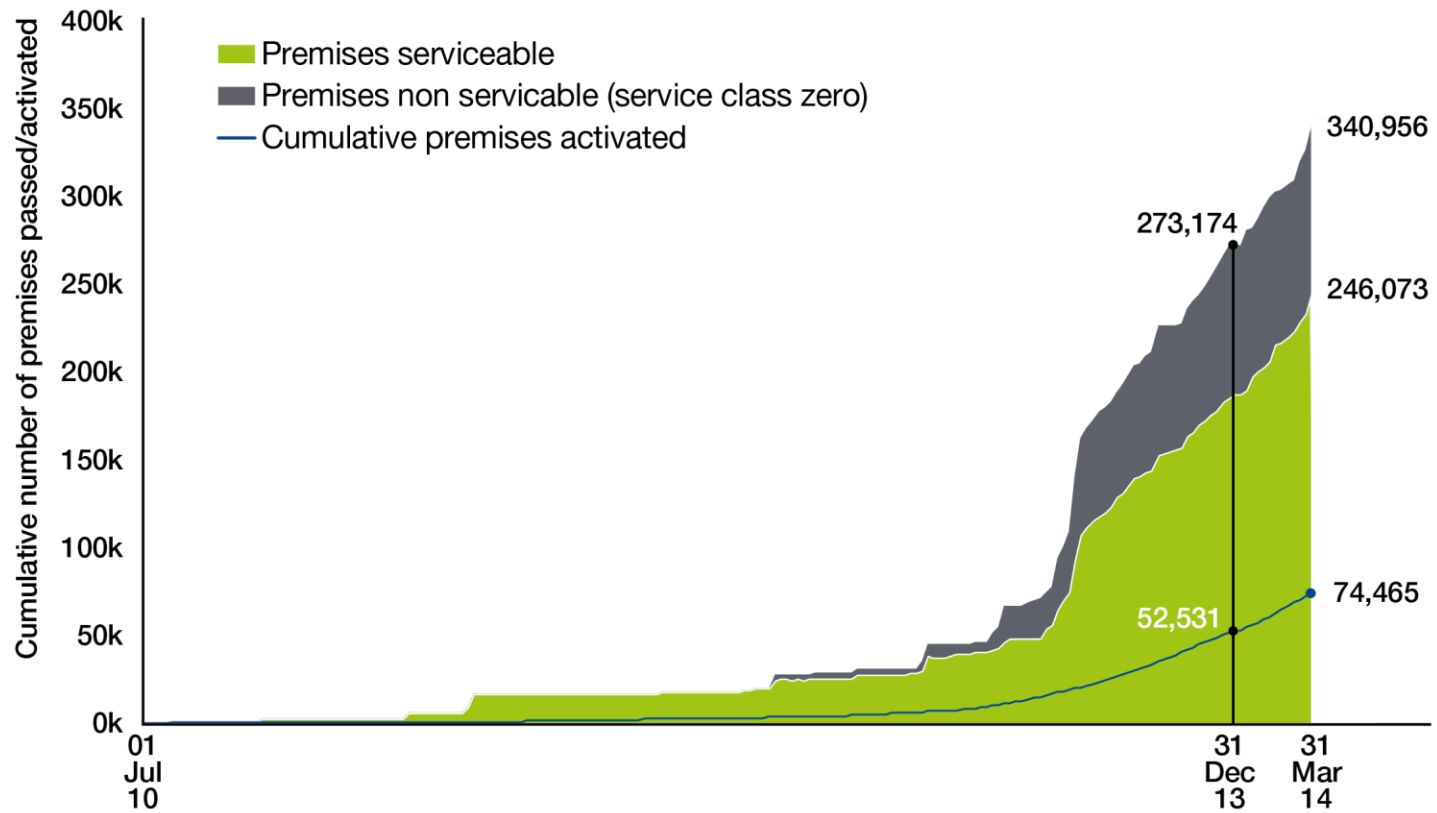
Chief Operating Officer



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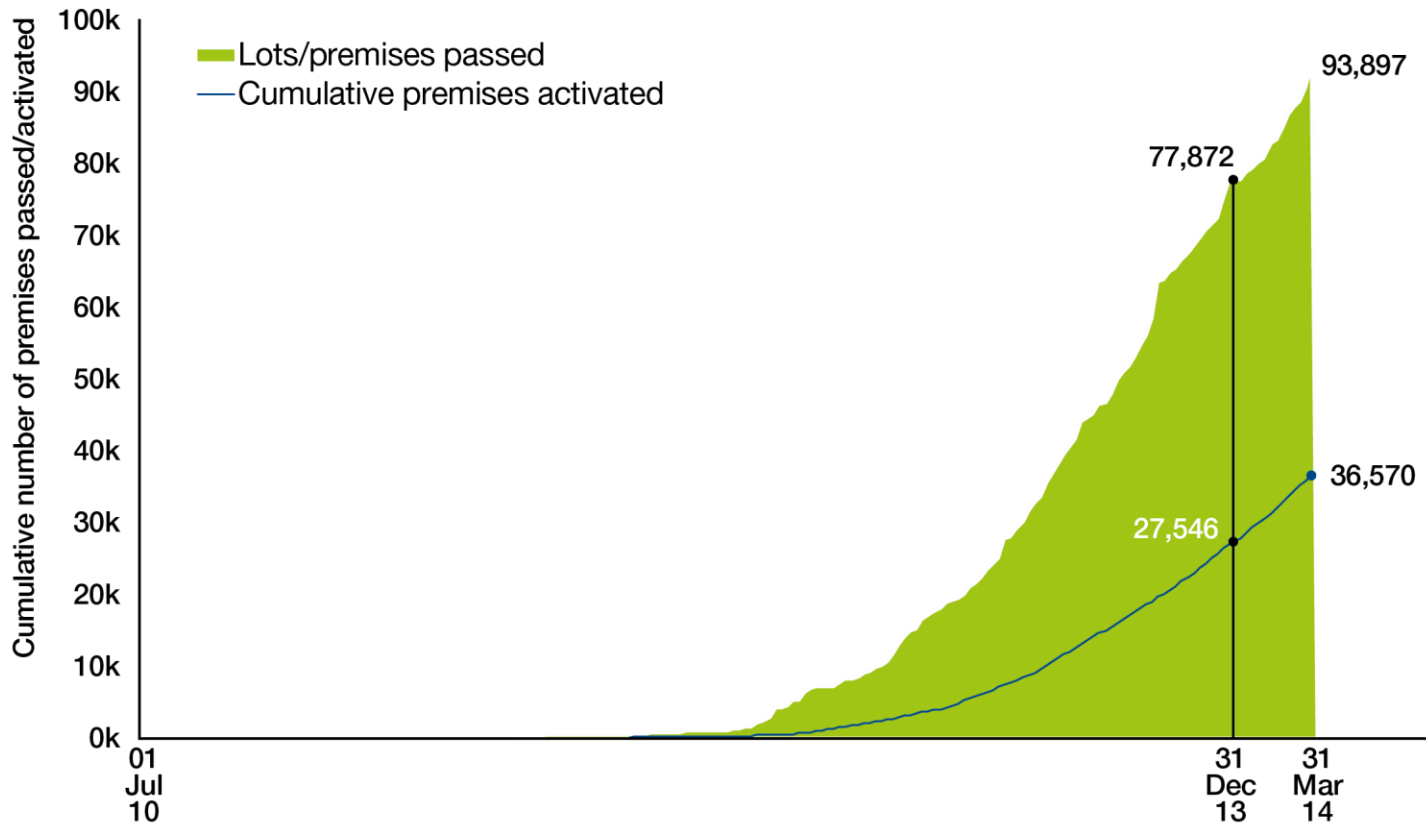
March 2014 – Key operational data

Brownfields



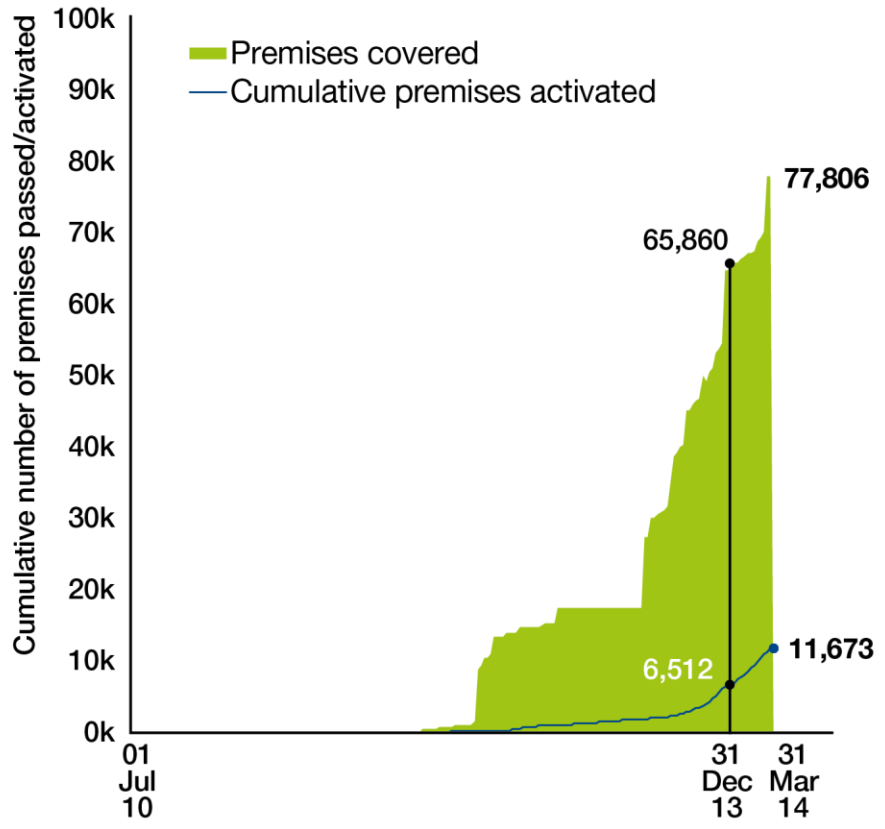
March 2014 – Key operational data

Greenfields

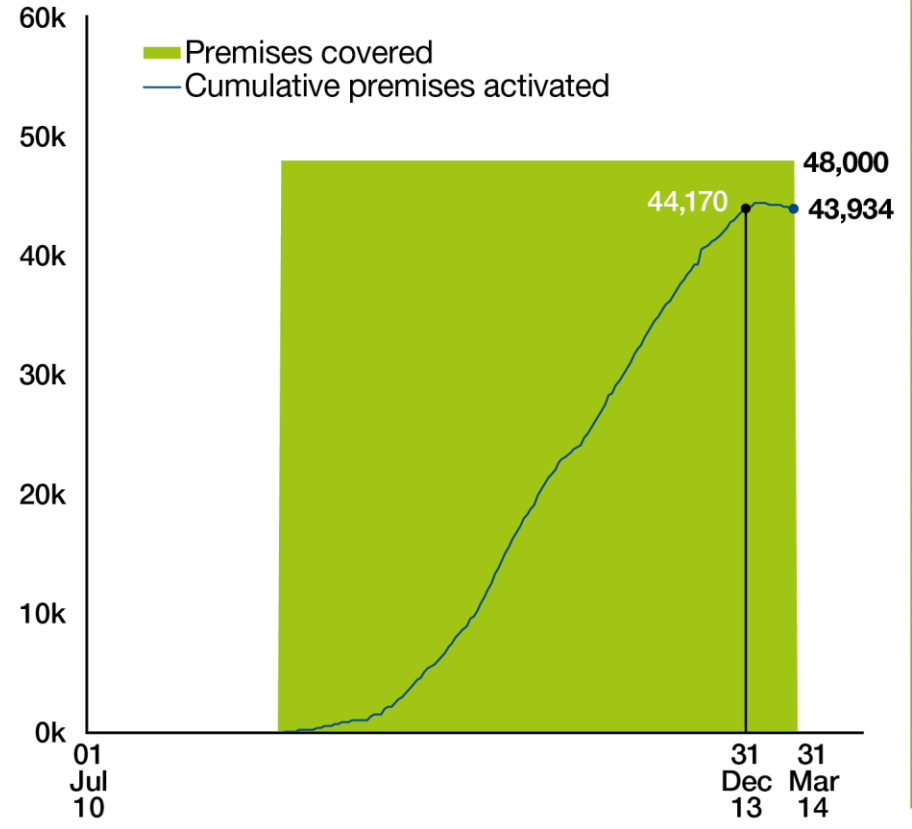


March 2014 – Key operational data

Fixed Wireless



Satellite



Fixed Wireless – Serving Communities

Fixed Wireless build

- Total 860 sites acquired as at 31 March 2014
 - 92 sites acquired during the quarter
- Total 316 sites integrated at 31 March 2014
 - 43 integrated during the quarter
- 200 base stations built ready to activate.



Above:

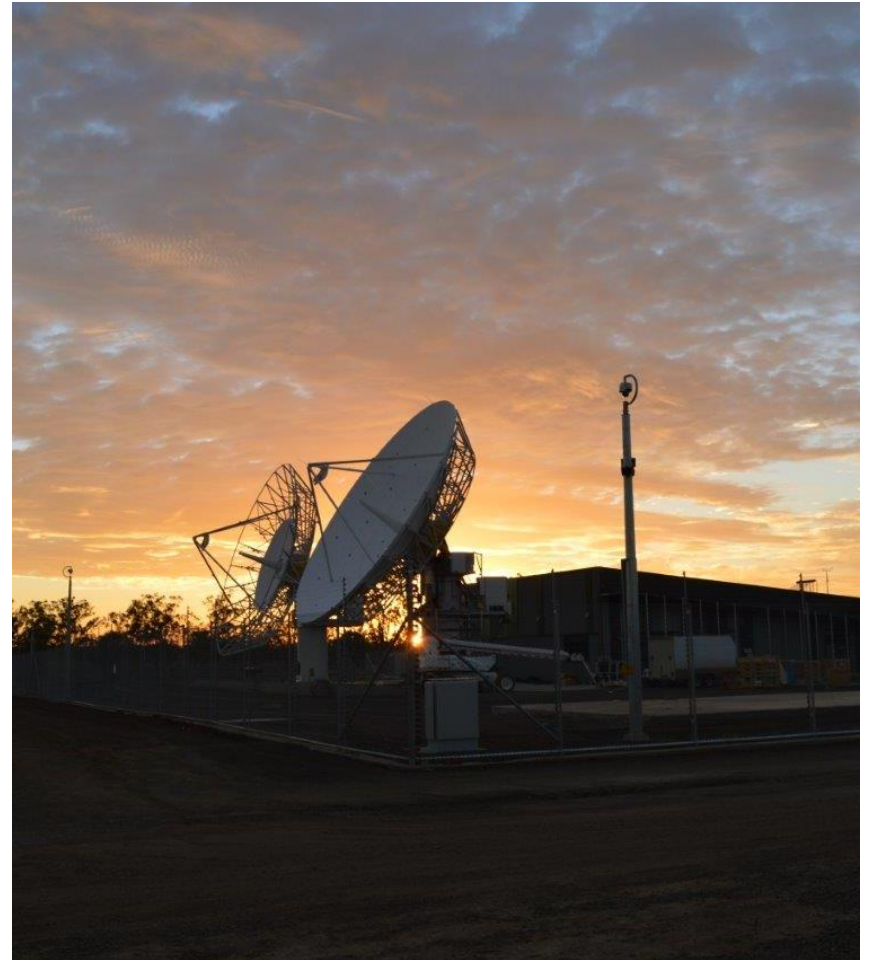
Dereel Victoria

Left:

Cardigan Village
(near Ballarat)

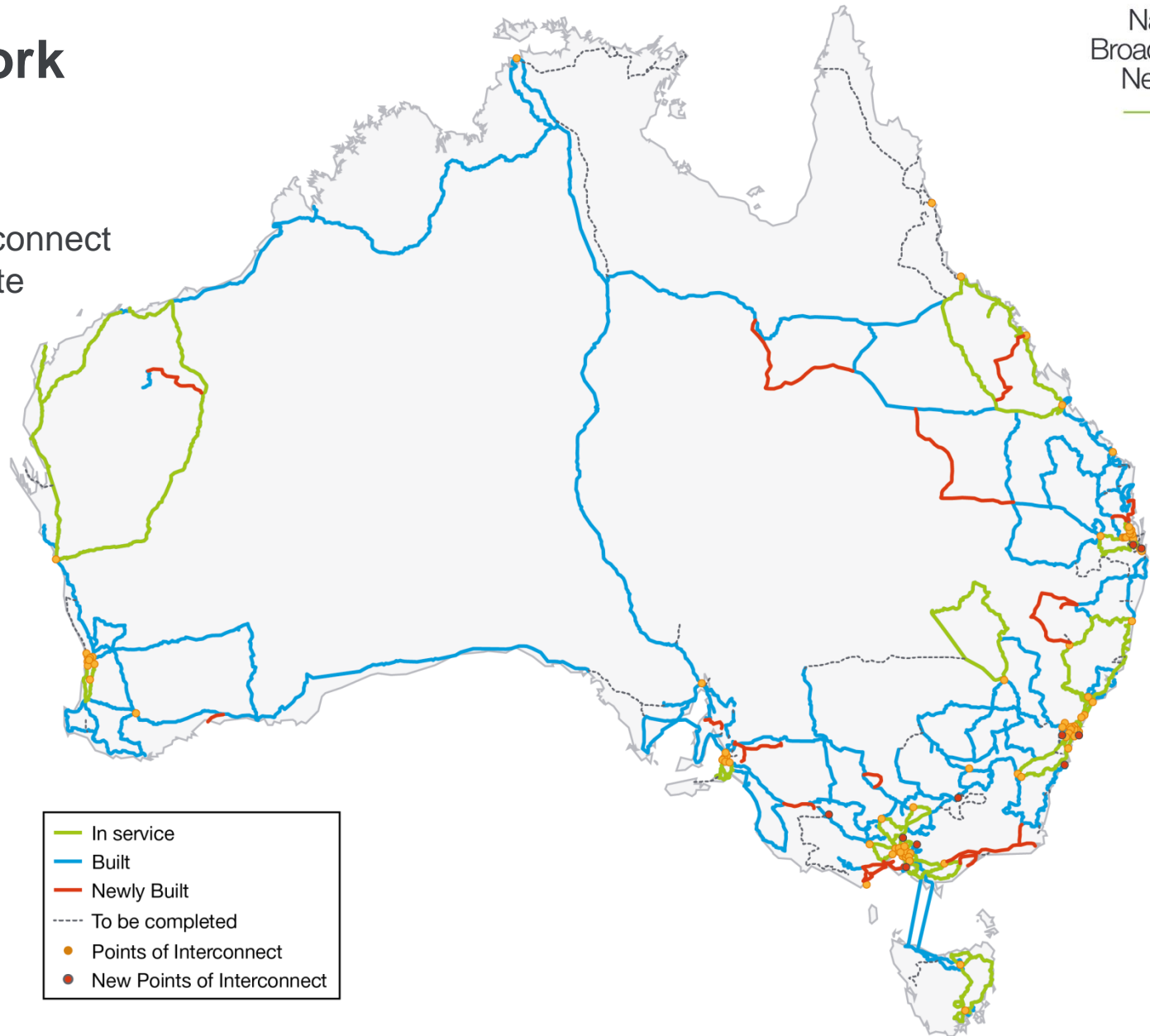
Satellite update

- Roma ground station completed during quarter (pictured)
- Alice Springs Tracking Telemetry and Control complete
- Building Management System commissioned
- Satellite 1A 70% complete
- Detailed IT systems development progressing well



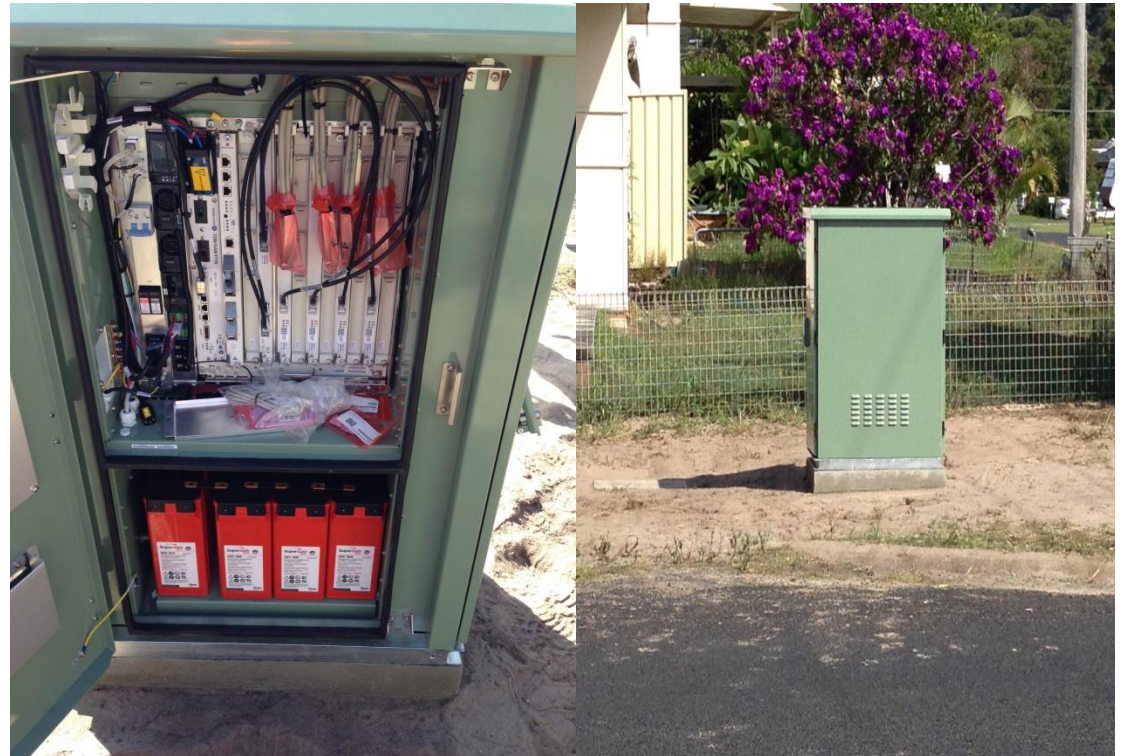
Core network

- Transit = 80%
- Points of Interconnect = 94% complete



Transition to multi-technology mix

- FTTB trial first orders accepted
- FTTN – first node installed at Umina (pictured)
- Test raw speeds of 105Mbps* download and 45Mbps upload
- Un-vectored



* We're deigning the NBN to provide these speeds to our wholesale customers, telephone and internet service providers. End user experience, including the speeds actually achieved over the NBN depend on some factors outside our control like equipment quality, software, broadband plans and how the end user's service provider designs its network

Questions & Answers?



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