

Optus delivers strong first quarter earnings

Australia – Optus today reported a strong first quarter of EBITDA and net profit growth, underpinned by the performance of its mobile operations. EBITDA grew 7% to A\$641 million. Net profit rose 20% year-on-year to A\$196 million. Free cash flow for the quarter was A\$41 million, reflecting higher mobile acquisitions and retentions, and higher take-up of device repayment plans.

Quarterly Performance

Operating revenue was up 11% to A\$2.30 billion. Optus mobile service revenue rose 5% to A\$1.21 billion, boosted by postpaid handset customer growth and take-up of My Plan Plus.

Blended ARPU (average revenue per user) increased 5% on the same quarter last year, fuelled by 4G customer growth and an increase in mobile data consumption.

During the quarter, Optus added 38,000 postpaid handset customers, bringing the total number of mobile subscribers to 9.38 million. Demand for 4G services remains strong, with 290,000 new 4G subscribers this quarter. At the end of the period, Optus had 3.82 million 4G Plus customers which accounts for 41% of its total mobile customer base.

In Mass Market Fixed, operating revenue grew 3%, driven by popular unlimited home broadband bundles, compelling entertainment offers and an increase in Optus' NBN broadband customer base. At the end of the quarter, Optus had 54,000 NBN broadband customers and a total of 1.04 million broadband customers.

Allen Lew, Chief Executive Officer, said, "This quarter's results underscore the strength of Optus' business fundamentals. We are well-positioned to capture future growth opportunities by bringing together our competitive advantage in customer experience with our renewed focus on driving innovations that entertain customers and enhance their lives."

Exceeding Customer Expectations

Optus is differentiating its brand by evolving its suite of mobile and fixed products to meet customers' growing data requirements.

Postpaid Family Sharing helps families to get the most out of their combined plans by pooling their mobile data allowances, while Data Rollover is the only prepaid plan offered by a major Australian carrier that lets customers roll over up to 10GB of un-used data when they recharge their service.

In the home, Optus is driving the take up of great value broadband plans which bundle together unlimited data with telephony and compelling entertainment offers.

Expanding Our Mobile Network

Optus continues to invest to enhance the depth and reach of its 4G Plus mobile network. Using 700MHz spectrum, Optus has extended 4G coverage to more than 300 regional towns and now reaches close to 90% population coverage.

"Since the beginning of 2015, we have switched on 700MHz spectrum at 2,400 metropolitan and regional sites. Over the coming year, Optus will continue this important investment program so that more Australians can have access to reliable, superfast 4G mobile services, in more places," Mr Lew said.

Financial Highlights

	Quarter		YoY Change %
	30 Jun		
	2015 A\$ m	2014 A\$ m	
Operating revenue	2,295	2,061	11.3
EBITDA	641	597	7.3
- <i>margin</i>	27.9%	29.0%	
EBIT	308	291	5.6
Underlying net profit	198	187	5.4
Net profit	196	164	19.5
Free Cash Flow	41	126	(67.2)

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