

## Optus delivers continued momentum with strong EBITDA and customer growth

**Australia** – Optus has delivered strong growth in EBITDA which is up 4.4 per cent to A\$661 million year-on-year.

This result is underpinned by continued postpaid customer growth of 75,000 subscribers reflecting Optus' ongoing mobile national network investment program and unique content offers, with outgoing mobile service revenue growing 2 per cent year-on-year.

Mass Market Fixed operating revenue grew 15 per cent with a record 72,000 new NBN customer activations and NBN migration payments. Optus now has 351,000 NBN broadband customers.

Optus delivered strong free cash flow of A\$267 million up 21 per cent from a year ago, despite higher capital investment in the network.

Net profit of A\$175 million was 4.4 per cent lower year on year reflecting higher depreciation and amortisation as a result of these extensive network investments.

Allen Lew, Optus Chief Executive said, "Optus' strong momentum in consumer and enterprise segments is supported by our mobile network investment program, compelling content and new technologies. To support our customer and digital focus we launched our first flagship experiential store in Sydney where customers can explore Optus' range of services across our 4.5G mobile network."

Optus operating revenue was stable year-on-year at A\$2,117 million with growth in mobile, mass market fixed and ICT & managed service revenues offset by lower equipment revenue. A decline in equipment sales reflects the timing of smartphone launches and growth in handset leasing plans.

ICT and managed services revenue was up a strong 15 per cent year-on-year due to key contract wins.

Total operating expenses were lower by 4 per cent year-on-year mainly from a decline in cost of sales, and selling and administrative expenses including a reduction in expenditure from the launch of Premier League and the Olympic Games in the year prior.

In addition to expanding network coverage across regional Australia, Optus is investing in new technologies to increase network capacity and improve customer data experience. During the quarter, Optus went live with the world's first three-carrier channel aggregation massive MIMO in Sydney, delivering speeds of over 800 Mbps to customers. This latest antenna technology will be rolled out to other capital cities in the next six months.

As at the end of September, Optus had over 6 million 4G mobile customers. The mobile network reaches 96.5 per cent of 4G population coverage and Optus is on track to deliver a further 500 mobile base stations in regional areas by the end of June 2018.

## Media release

Optus has also announced a ten year partnership with the Government of Western Australia to secure the naming rights for the new Perth Stadium, to be known as Optus Stadium. The partnership reflects a broader commitment to Western Australia and enables Optus to showcase technology to deliver innovative fan engagement at major events.

### Financial Highlights

	Quarter		YoY Chge %	Half Year		YoY Chge %
	30 Sep			30 Sep		
	2017 A\$ m	2016 A\$ m		2017 A\$ m	2016 A\$ m	
Operating revenue	2,117	2,112	0.2	4,213	4,112	2.5
EBITDA	661	633	4.4	1,323	1,278	3.5
<i>EBITDA margin</i>	<i>31.2%</i>	<i>30.0%</i>		<i>31.4%</i>	<i>31.1%</i>	
EBIT	298	295	1.3	612	608	0.7
Underlying net profit	175	184	-4.7	363	378	-4.0
Net profit	175	184	-4.4	347	356	-2.7
Free cash flow	267	221	20.8	387	320	21.0

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