

Revenue, EBITDA and Profit growth for the financial year

Optus delivers strong customer growth momentum in mobile and NBN

For the full year, Optus operating revenue rose 3.4% to A\$8,710 million and EBITDA grew 3.9% to A\$2,774 million, underpinned by the addition of 384,000 new mobile subscribers, 225,000 new NBN broadband customers and strong growth in ICT and Managed Services.

Net profit was A\$817 million, an increase of 2.8% while free cash flow grew strongly to A\$947 million.

For the quarter ended 31 March 2018, the momentum in customer growth continued across Optus' Consumer and Enterprise markets with 154,000 new mobile services added in postpaid handset, prepaid handset and mobile broadband segments.

Optus operating revenue grew 3.0% to A\$2,169 million despite the impact of the temporary suspension of connections onto the NBN HFC access network. Excluding the impact of NBN migration revenues, operating revenue was up a solid 5.5% led by strong customer growth, higher equipment sales and increased ICT & managed services revenue.

Reported Optus EBITDA and net profit declined to A\$712 million and A\$208 million respectively with lower NBN migration revenues. Excluding NBN migration revenues EBITDA and net profit increased 2.8% and 3.7% respectively.

Free cash flow for the quarter increased to A\$357 million.

Allen Lew, Optus Chief Executive said, "Optus has continued to execute against its plan and has delivered a very good set of results for the full year and the quarter. This financial year Optus reached the milestone of 10 million mobile customers who are attracted to our award winning national mobile network, unique content and competitive plans."

"We remain focused on executing our objective of delivering a premium mobile network with exclusive video content that engages Australian customers. As the exclusive domestic broadcaster for all 64 matches of the 2018 FIFA World Cup, and with our English Premier League broadcast rights extended for a further three seasons to 2022, Optus will continue to be the home of elite soccer in Australia."

Throughout the financial year Optus focused on expanding and building its mobile network nationally, spearheaded by a A\$1 billion investment in its regional network to deliver an additional 500 new mobile sites by mid-2018, of which 114 will be part of the Mobile Blackspots Program.

During the quarter, Optus Business designed and delivered the digital backbone to support the 2018 Gold Coast Commonwealth Games, including high speed telecommunications infrastructure to more than 37 Games venues, enabling connectivity for broadcasting, telephony, internet and cloud services.

Optus continues to lead in 5G technology, delivering a state-of-the-art 5G showcase during the 2018 Gold Coast Commonwealth Games and last year's world first three-channel carrier aggregation massive MIMO network in Sydney.

"We are demonstrating our 5G expertise and progress towards our 5G fixed wireless roll-out in early 2019," said Mr Lew.

Media release

Optus now has 6.33 million 4G mobile customers, an increase of 537,000 subscribers for the year and a 4G mobile network that reaches 96.9% of the Australian population.

Financial Highlights

	Quarter		YoY Chge %	Full Year		YoY Chge %
	31 Mar			31 Mar		
	2018 A\$ m	2017 A\$ m		2018 A\$ m	2017 A\$ m	
Operating revenue	2,169	2,106	3.0	8,710	8,425	3.4
EBITDA	712	741	-4.0	2,774	2,669	3.9
EBITDA margin	32.8%	35.2%		31.8%	31.7%	
EBIT	348	397	-12.3	1,338	1,312	2.0
Underlying net profit	211	250	-15.6	813	819	-0.8
Net profit	208	250	-16.7	817	794	2.8
Free cash flow	357	202	76.9	947	500	89.6

Media contact
Steve Batten
Optus Corporate Affairs
+61 2 8082 7850