

Optus Posts Strong First Half Growth

Australia – Optus today reported a strong first half, with EBITDA growing 8% to A\$1.35 billion, and net profit up 8% year-on-year to A\$426 million.

Quarterly Performance

For the quarter ended 30 September 2015, Optus delivered significant revenue and EBITDA growth, underpinned by the strong performance of its mobile operations. Quarterly EBITDA increased 8% to A\$706 million. Net Profit was stable at A\$230 million. Free cash flow for the quarter was A\$71 million, reflecting continued investment in customer acquisition and retention.

Operating revenue was up 7% to A\$2.31 billion. Optus mobile service revenue increased 3% to A\$1.22 billion, reflecting the popularity of My Plan Plus.

Optus registered strong postpaid customer growth with net additions of 57,000 this quarter. Consistent with previous quarters, demand for 4G is strong. Optus added 314,000 4G customers, and at the end of the period had 4.13 million 4G Plus customers on its network. 4G customers now account for 44% of Optus' total mobile customer base.

In Mass Market Fixed, operating revenue increased 4%, driven by the expanding national NBN footprint and highly sought-after entertainment bundles with unlimited data. Optus now has 72,000 NBN customers, up 33% on last quarter, and a total of 1.05 million broadband customers.

Allen Lew, Optus Chief Executive Officer, said, "These first half results reflect the underlying strength of Optus' operations. We have successfully captured consumers' growing demand for data through innovative plans and service, investments in our fixed and mobile networks, and compelling entertainment offers. Over the coming quarters, we will continue to take the steps necessary to profitably grow our business with products and services that engage our customers."

Enhanced Network Experience

During the quarter, Optus made significant progress towards building an even better network with investments designed to make our mobile network a leader in quality and performance. Optus 4G Plus is now available at 4,170 regional and metropolitan sites, and reaches more than 90% of the Australian population.

In October, Optus' mobile and fixed network performance was recognised through two independently conducted benchmark studies. The P3 CommsDay Annual Benchmark Survey ranked Optus as best overall mobile network for data performance on Australian highways, while the Monthly Netflix Internet Service Provider Index ranked Optus' fixed networks as the best for prime-time streaming.

"Network perception is core to Optus' relationship with our customers. The P3 and Netflix survey results reflect that our strategy to deliver an exceptional network experience for data-hungry customers at home and on the go, is on track," Mr Lew said.

Ongoing Improvements in Customer Experience

Optus' relentless focus on improving customer experience through products, services and innovation is having a positive impact on customers' trust in the Optus brand.

During the quarter, Optus achieved its best Market Net Promoter Score to date, with a rating of +11, while average monthly postpaid churn for Consumer Australia fell from 1.1% to 1.0%.

“In our drive to become a mobile-led multi-media company, we extended our partnership with Netflix, and announced two major multi-year partnerships with Cricket Australia and the Barclays Premier League. In the coming quarters, we will look to further enhance our content suite and leverage these assets to drive further customer growth,” Mr Lew said.

Financial Highlights

	Quarter		YoY Chge %	Half Year		YoY Chge %
	30 Sep			30 Sep		
	2015 A\$ m	2014 A\$ m	2015 A\$ m	2014 A\$ m		
Operating revenue	2,314	2,155	7.4	4,609	4,216	9.3
EBITDA	706	652	8.3	1,346	1,249	7.8
EBITDA margin	30.5%	30.3%		29.2%	29.6%	
EBIT	370	345	7.0	678	637	6.4
Underlying net profit	232	230	0.9	429	417	2.9
Net profit	230	230	0.3	426	394	8.3
Free cash flow	71	138	-49.0	112	265	-57.7

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