

teriorating macroeconomic environment is beginning to bite into both fixed and mobile voice usage, as people do manage down their usage more than we had expected. We now believe our current year revenue growth will be towards the low end of our guidance of 3-4%.”

“We still expect robust bottom-line growth for the full year, with EBITDA growing at 5-6% and EBIT growing at 3-5%; I know many would like to have numbers like that,” added Stanhope. “It is still very strong growth given the current climate, and certainly compared to what our global peers are predicting. We have built sustainable growth, and still expect free cash flow of \$6-7 billion in 2010.”

Petroc Wilton

Trujillo, McGauchie urge: move on from the NBN

Telstra remains adamant that its exclusion from the National Broadband Network process will not affect its guidance for 2009, and that it is still open to dialogue with the Federal Government on the subject. But fielding a barrage of enquiries on the subject at a press conference in Sydney Telstra chairman Don McGauchie and outgoing CEO Sol Trujillo also urged the industry to look beyond the NBN project.

“I think you guys have got to get over this obsession with this particular issue, frankly. We’ve dealt with that, we’ve moved on,” said McGauchie, stressing that Telstra was continuing its own network rollouts around the country. “We’re more than happy to talk to government on these issues... [but] it would be nice if this country got off the political kick and got onto the innovation-investment concept.”

Trujillo, meanwhile, hinted that the NBN could face severe challenges. “There are lots of examples of paper processes that never work out in reality,” he said. “The degree of difficulty of building, the degree of difficulty of financing, the degree of difficulty of operating... those are variables that on paper get way underestimated.”

Furthermore, added Trujillo, attempts to implement the NBN via a single technology were anachronistic. “You can’t dictate anything on a technology platform. When you talk about FTTN, that was a good conversation back in August of ’05, because we hadn’t built Next G, we hadn’t deployed ADSL2+ to all the places that we have,” he said. “So the better way to think about broadbanding Australia is on a technology-agnostic point of view, so you can mix and match – and Telstra has the best capability to do that, given the investments we already have.

Petroc Wilton

Competition closes in on Next G

While Telstra has continued to grow subscriber numbers on its Next G network, low-cost competitors are closing in. The mobile giant’s half year results indicate that even though it continues to tar-

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get the big mobile spenders, bolstered Optus, Voda and Hutch 3G networks are already nibbling away at Telstra's revenues.

Telstra's mobile services revenue growth remained steady in the half at 12.4% to \$3b. Of a total mobile base of 9.7m services in operation, 5.2m are now using 3G – which now accounts for 52.6% of consumer mobile subscribers, a 7.6% increase. In business, more than 72% of SIOs are on 3G, up from 64% at June 2008, while in enterprise and government, over 40% of mobile SIOs are on 3G and over 50% of revenues from 3G.

“The superior speed and coverage of our Next G WBB (wireless broadband) network combined with our strategy of focussing on high-value customers is delivering results,” Telstra said. “ARPU has however declined following the launch of prepaid WBB and aggressive price-based competition in the market. Due to Telstra being an early offerer of WBB, and other competitors now entering the market, our WBB revenue market share has consequently declined.”

Wireless broadband subscribers now number 828,000, and brought in \$318m in revenues during the half – gains which Telstra again attributed to “high end” customers.

Wireless market analyst Warren Chaisatien from Telsyte told CommsDay Telstra was unlikely to shift its focus to the fiercely competitive consumer market. “The 3G market has become a commodity product – it used to be a premium product a few years ago,” he said.

“I think Telstra will continue to position itself in the high end of the market. Telstra is a premium brand, it is reliable and suitable to business, and Government and Enterprise,” said Chaisatien. “Telstra will have to position itself stronger to compete in the entry-level market – but I doubt there's a lot of money there, it's highly competitive.”

Telstra's consumer mobile services revenues were up 8.5% to \$1.86b, a \$145m growth from \$1.71b in the first half of 2007. Business mobile service revenues were up 14.5% to \$711m, while enterprise and government mobile revenues were up 20% to \$400m.

Luke Coleman

Amcom shows growth across the board

Fibre network provider Amcom has achieved resounding growth across a number of metrics for the half year to the end of December, with revenue, EBITDA, EBIT and NPAT all up against the corresponding period in the previous year.

“Demand for our fibre networks has remained strong,” commented MD & CEO Clive Stein. “Regardless of the pace of the economy, having reliable connections to the internet and efficient, effective IT solutions remains essential for business. Together with an increasing customer awareness of the effectiveness of low cost fibre networks... [this] has seen the demand for our services remain very solid.”

Stein reaffirmed guidance of 25% growth in net profit after tax before associates and significant items for FY09, confident that sustained demand would see the firm through the economic downturn, and said that the firm would continue with expansion plans on the East Coast.

Amcom's revenue and EBIT climbed 15% and 49% respectively against the prior corresponding period to \$25 million and \$5.7 million, while NPAT edged up 3% to 4.6 million. However, the firm noted that before a significant item in the shape of \$1.5 million buy back and sell down costs (linked with the exit of former 50.1% shareholder Futuris), NPAT stood at \$6.1 million. Operating cash flow improved 49% to \$9.5 million, with the firm's net debt standing at \$15.6 million. Amcom also owns a 22% interest in iiNet, which recently reported its own substantial half-year gains in revenue, EBITDA and NPAT.

Petroc Wilton

M2 wary of economy as results improve

M2 Telecoms is remaining wary of the worsening economic outlook after reporting its half year results. The company will seek to mitigate risks as it grows its sub-1% share of the “telco pie” over the coming half, with the integration of People Telecom offering a range of opportunities in a new geographical market.

M2's revenues grew 114% from \$40.7m in the previous corresponding half to \$87.2m. EBITDA was up 78% from \$3.4m to \$6.1m, while net profits after tax grew 63% from \$1.95m to \$3.19m.

Managing Director and CEO Vaughan Bowen told CommsDay that despite economic condi-