



MARKET RELEASE

4 April 2017

Vodafone, Spark and 2degrees submit joint proposal to enhance broadband and mobile services for rural communities

Vodafone, Spark and 2degrees today announced a joint proposal to improve rural broadband and mobile infrastructure. The three telecommunications providers have made a submission to the Government for the delivery of high speed broadband and mobile infrastructure using the Rural Broadband Initiative Extension (RBI2) and Mobile Black Spot Fund. The joint media release is attached for further information.

- ENDS -

For media queries, please contact:

Richard Llewellyn

Head of Corporate Communications

+64 (0) 27 523 2362

For investor relations queries, please contact:

Dean Werder

General Manager Finance and Business Performance

+64 (0) 27 259 7176



MEDIA RELEASE

Tuesday 4 April, 2017

Vodafone, Spark and 2degrees submit joint proposal to enhance broadband and mobile services for rural communities.

Vodafone, Spark and 2degrees today announced a joint proposal to improve rural broadband and mobile infrastructure. The three telecommunications providers have made a submission to the Government for the delivery of high speed broadband and mobile infrastructure using the Rural Broadband Initiative Extension (RBI2) and Mobile Black Spot Fund.

If successful, the bid would see Vodafone, Spark and 2degrees invest hundreds of millions of dollars over the life of the project, including a capital contribution of \$75m to establish the infrastructure. The investment package also includes the contribution of spectrum, ongoing operating expenditure and other resources required to deliver and run this significant infrastructure deployment programme. This more than matches the Government's own contribution of \$150m, via the Telecommunications Development Levy (TDL).

Vodafone Chief Executive Russell Stanners said, "Rural New Zealand is a key driver of our country's economic growth and productivity and for these sectors to remain competitive they need fast broadband and mobile coverage – not just in offices, but on farms, in schools, and on the roads. The combination of the Government's RBI funding and this investment by the three mobile network operators presents a once in a generation opportunity to deliver both competitive ultra-fast broadband and world class 4G mobile infrastructure to areas of New Zealand that today have neither."

Spark Managing Director Simon Moutter said, "Fast broadband and mobile connectivity is the lifeblood of the economy so making sure we can find a way to extend it deep into rural New Zealand is a critical task. The reality is that Spark, Vodafone and 2degrees working together in this way provides the only economically viable way to deliver both quality mobile and wireless broadband infrastructure to the more challenging and remote rural areas of New Zealand."

2degrees Chief Executive Officer Stewart Sherriff said, "2degrees has a proud history of investment and innovation in New Zealand, we are therefore very happy to be part of this proposal to address the digital inequity between urban and rural communities. If successful this joint infrastructure investment bid will enable 2degrees to compete strongly to provide rural households and businesses – and domestic and international tourists – with the products and services they deserve".

Existing mobile networks cover well over 90% of the areas where New Zealanders live and work, however there are still remote land areas of the country without mobile coverage. The proposal

would see in the order of 500 new cell sites delivering a 25 per cent increase in land coverage across New Zealand. Thousands of rural households and businesses would gain access to fast broadband as well as quality mobile coverage, and more than 1,200 kilometres of additional mobile coverage along state highways. Extended coverage on state highways means the public will have better access to emergency services, and police, fire and ambulance officers will be better equipped to coordinate operations from isolated locations.

The tourism sector will also benefit, extending its ability to promote New Zealand to the world and allowing visitors to more easily share their experiences with family and friends.

ENDS

For more information, please contact:

Elissa Downey, External Communications Manager, Vodafone
021 866 146 or elissa.downey@vodafone.com

Richard Llewellyn, Head of Corporate Communications, Spark
027 523 2362 or richard.llewellyn@spark.co.nz

Lenska Papich, Head of Corporate Communications, 2degrees
021 410 496 or Lenska.papich@2degreesmobile.co.nz