



## **MEDIA RELEASE**

**February 17, 2011**

### ***CFH announces prioritised negotiations with Vector Limited***

Crown Fibre Holdings (CFH) today confirmed that an additional party has been selected for prioritised negotiations in the Ultra Fast Broadband (UFB) initiative. This party is Vector Limited, covering the Auckland Candidate Area.

“Crown Fibre Holdings has elected to negotiate with Vector. Its offer meets many of the Crown’s key criteria in areas such as access prices, funding, industry experience and financial backing,” said CFH Chairman Simon Allen.

Vector Limited joins four other parties with whom Crown Fibre Holdings has elected to hold prioritised negotiations. They are:

- Telecom Corporation of New Zealand Limited: covering 25 candidate areas;
- Enable Networks: covering Christchurch and Rangiora;
- Flute Joint Venture represented by Aurora Energy Limited: covering Dunedin; and
- Alpine Energy Ltd: covering Timaru.

Mr Allen pointed out the importance of the Auckland Candidate Area to the UFB initiative.

“Auckland is attractive for UFB investment in terms of its population and likely demand profile, with a preponderance of businesses, health premises and schools. It is great to have two parties, Telecom and Vector, actively seeking to become the Crown’s partner for this Candidate Area.”

The inaugural Board meetings of the first two Local Fibre Companies established are being held this week. They are the Whangarei Local Fibre Company and Ultrafast Broadband Limited in the central North Island. It is expected that the ramp up to full scale deployment will commence in the second quarter of this year.

“It will be exciting to see the innovations UFB will unleash in the near future,” said Mr Allen.

The remaining shortlisted parties will also continue in the partner selection process. “All shortlisted parties remain important contenders for future negotiations of binding agreements,” said Mr Allen.

-ENDS-

## **Status of negotiations for the ultra-fast broadband initiative**

### Approved Agreements:

- Ultra Fast Fibre Ltd, led by WEL Networks, covering Hamilton (including Cambridge and Te Awamutu), Tauranga, Tokoroa, New Plymouth, Hawera and Wanganui
- Northpower Limited covering Whangarei

### Selected for Prioritised Negotiations

- Enable Networks Limited covering Christchurch and Rangiora
- Flute Joint Venture. Represented by Aurora Energy Limited for Dunedin
- Telecom Corporation of New Zealand Limited, covering 25 Candidate Areas (all areas except those covered by the previously Selected Respondents; UltraFast Fibre Limited, Northpower and Alpine)
- Alpine Energy Limited covering Timaru
- Vector Limited, covering the Auckland Candidate Area

### Shortlisted:

- Central Fibre Consortium. This is a consortium between Counties Power Limited, Eastland Group Limited, Horizon Energy Distribution Limited, Unison Networks Limited and Central Lines Limited , covering Pukekohe, Waiuku, Rotorua, Taupo, Whakatane, Gisborne, Napier, Hastings, Palmerston North, Feilding and Masterton
- CityLink Limited, covering Wellington Region including the Hutt Valley and Porirua
- Electra Limited covering Levin and Kapiti
- Electricity Ashburton covering Ashburton
- Flute Joint Venture covering Queenstown and Invercargill
- Network Tasman Limited covering Nelson and Blenheim
- Network Waitaki Limited covering Oamaru
- Westpower Limited covering Greymouth

### **Background on Crown Fibre Holdings and the UFB initiative:**

- CFH has been established to manage the Crown's investment in ultra-fast broadband infrastructure over a ten year period.
- In October 2009, an Invitation to Participate was released.
- In January 2010, initial responses were received.
- In August 2010 refined proposals were received.
- In September 2010, CFH announced prioritised negotiations with three parties and shortlisted 11 other parties.
- In December 2010, the Government announced that it had accepted CFH's recommendations to form the first two Local Fibre Companies, in partnership with Northpower for Whangarei and UltraFast Fibre Ltd for the Central North Island.
- In December 2010 CFH elected to negotiate with three additional parties.

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