



MEDIA RELEASE

27th March, 2013

TELECOM LAUNCHES NEXT GENERATION BROADBAND Competitively priced plans for enhanced online experience

Telecom makes significant progress tomorrow towards providing homes, small business and schools with next generation broadband when it launches 'Ultra Fibre'.

Telecom has purposely tried to keep Ultra Fibre within reach of customers by creating simple, competitively priced plans based on a choice of two speeds, a range of generous data caps aligned with Telecom's existing broadband plans, and national pricing. Telecom CEO Retail Chris Quin says UFB is a national roll-out so it's appropriate to have national pricing.

"Our entry-level residential Ultra Fibre (Fibre 30 with 50GB) will be \$95 per month based on a 12 month contract. We're confident our pricing will appeal to customers given that they will enjoy the same amount of data, with all the added benefits of UFB, for not much more than their existing broadband plan."

The roll-out of UFB to 75% of New Zealanders by 2020 is a Government-led initiative with four UFB partners¹ currently installing fibre optical cabling across the country. Telecom has been working alongside each partner ahead of its launch tomorrow and will be the first major telecommunications company to offer UFB at scale for homes, small businesses and schools.

Telecom Ultra Fibre will be available to customers in the Chorus footprint initially due to the fact they're by far the largest UFB partner with nearly 70% of the UFB market. The existing Chorus footprint where Telecom Ultra Fibre will be available covers parts of Auckland as well as Blenheim, Dunedin, Hastings, Levin, Napier, Nelson, Palmerston North, Queenstown, Rotorua, Timaru and Wellington. Ashburton, Masterton, Taupo and Invercargill can expect Ultra Fibre within the next few months, with further regions in line with Chorus' roll-out plans. In the meantime, Telecom is continuing to trial products with the three other UFB partners to refine shared customer processes and determine go live dates with them.

Mr Quin says the roll-out of UFB is an exciting time for New Zealand given the advancements it offers Kiwis in terms of how they communicate and connect, personally and professionally.

"We're going through a major connectivity transformation and Telecom is here to assist customers navigate what is essentially an exciting new world with a data future. Over the past year, broadband data usage among our customers has increased by over 70%, placing greater demands on existing broadband and mobile technology and demonstrating the growing role data plays in our lives.

"UFB will provide even better and faster online experiences like smoother streaming for multiple users and enhanced business productivity through greater time efficiencies. It has the potential to transform learning – better supporting our next generation of digital natives – and future proofing us for technology we can't even imagine yet."

¹ UFB Partners: Enable, Chorus, North Power and Ultra Fast Fibre Limited.

Telecom has spent the past year developing and internally trialling UFB with staff in their homes. The company is now at the point it feels comfortable launching a commercial product, Ultra Fibre, but Mr Quin stresses refinement will continue over the coming years as more and more customers make the transition to UFB.

“We’re here to support them make the transition from ADSL broadband to Ultra Fibre. It’s an entirely new journey for New Zealand - we anticipate a few bumps along the way - but we’re committed to making the ride as smooth as possible for our customers and will be working hard to get it right for them.”

Feedback from Telecom trials showed that even with multiple users on one connection, the overall internet experience was significantly better thanks to fibre. They were able to enjoy enhanced streaming media and their upload experience was more stable on fibre.

Telecom will assist customers through the Ultra Fibre set-up and installation process with research showing many Kiwis are still unsure about what is involved. The company has an online calculator (<http://www.telecom.co.nz/packages/packages/plansandpricing/datacalculator>) to help people understand how much data they are currently using and which Ultra Fibre plan is best for them.

Once a customer has registered interest in Telecom Ultra Fibre, a pre-qualification process will be carried out to ensure the service can be provided. Homes, schools and small businesses will be eligible once fibre arrives in their street. For schools and most homes, installation is free but some homes (including those with overhead phone lines) may face an installation charge passed on from Chorus according to their specific circumstances.

Telecom recommends customers are on site during the installation process given work is required both inside and outside the premises. It also recommends customers allow up to a day for the installation team to carry out their work but adds it could take more or less time depending on the complexity of each installation.

For customers who take up Telecom Ultra Fibre, Telecom will retain their existing copper-based phone lines to service voice, monitored alarms, faxes, EFTPOS, SkyTV and medical alarms. Telecom is looking to introduce a voice over fibre product later this year with development well underway, which will open the opportunity to transition the other non-voice copper-based services to fibre.

Information on Telecom Ultra Fibre is available on Telecom’s website as well as at Telecom retail stores and business hubs.

A supporting marketing campaign is also underway to further raise customer understanding about Ultra Fibre and its benefits.

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Appendix 1:
Telecom Ultra Fibre Home, Small Business & School Plans
Effective 28th March 2013.

Residential Plans:

UltraFibre 30

From \$95 p/m on a 12 month contract (speeds of up to 30Mbps download/up to 10Mbps upload)

- | | |
|---------------|---------------|
| ➤ 50GB (\$95) | 150GB (\$109) |
| 500GB (\$129) | |

UltraFibre 100

From \$125 p/m on a 12 month contract (speeds of up to 100Mbps download/up to 50Mbps upload).

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|----------------|----------------|
| • 50GB (\$125) | 150GB* (\$139) |
| 500GB* (\$159) | |

12 month contracts for both plans include:

- Landline rental
- Free standard fibre installation (RRP \$299)
- Free Ultra Fibre modem (RRP \$129) or optional BYO modem
- Free fibre premise equipment
- McAfee Security Suite
- Flickr Pro

Early termination fees apply (\$299). For terms and conditions visit www.telecom.co.nz

**At launch (28th March, 2013), data caps won't apply; therefore customers who sign up for 150GB or 500GB plans will be credited back to the 50GB plan price until caps are applied.*

Small Business Plans:

Business Broadband Ultra Fibre 100

\$167.29 p/m plus GST for 200GB of data on a 24 month plan (speeds of up to 100Mbps download/up to 50Mbps upload).

24 month plan includes:

- Free business grade wireless gateway (RRP\$299).

Total Office (Landline and Ultra Fibre Broadband package)

Starting from \$207 p/m plus GST with 200GB of data (speeds of up to 100Mbps download/up to 50Mbps upload). Plus \$199 plus GST for standard installation costs.

24 month plan includes:

- Free landline
- Free business grade wireless gateway (RRP\$299).
- Normally additional data is \$1/GB however no data caps for a limited time.

For more terms and conditions visit www.telecom.co.nz/fibreforbusiness

School Plans:

Education Broadband Ultra Fibre 30 (speeds of up to 30Mbps download/up to 30Mbps upload).

\$129 plus GST p/m with uncapped data on a 12 month term.

Education Broadband Ultra Fibre 50 (speeds of up to 50Mbps download/up to 50Mbps upload). \$159 plus GST p/m with uncapped data on a 12 month term.

The plans include:

- Free installation.
- Free business grade wireless gateway (RRP \$299).
- Schools must be within Chorus UFB footprint and have fixed voice with Telecom.
- For terms and conditions visit www.telecom.co.nz/fibreforbusiness

Footnote:

Speeds are based on a theoretical maximum, and actual speeds will be affected by various factors including NZ and overseas networks, customer modems and computer technology, internal wiring and environmental factors.

www.telecom.co.nz