



MEDIA RELEASE

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TELECOM, VODAFONE AND TELSTRA INTEND TO CO-INVEST IN NEW AUCKLAND-SYDNEY TELECOMMUNICATIONS CABLE

- **CABLE WILL SIGNIFICANTLY IMPROVE NEW ZEALAND'S CONNECTIVITY WITH AUSTRALIA AND LINKING INTO INTERNATIONAL CABLE SYSTEMS**

Telecom, Vodafone and Telstra announced today they have signed a non-binding memorandum of understanding (MoU) to co-invest in the construction of a new submarine cable between Auckland and Sydney.

The new cable, tentatively titled the Tasman Global Access (TGA) Cable, will significantly improve New Zealand's international telecommunications connectivity as well as strengthen links into fast-growing Asian markets.

The total cost of the TGA cable is expected to be less than US\$60 million. The cable will incorporate three fibre pairs with a current design capacity of 30 terabits per second – approximately 300 times the current internet data demand out of New Zealand.

The TGA partners expect to finalise the design within the next few months, with a likely completion date of mid to late 2014.

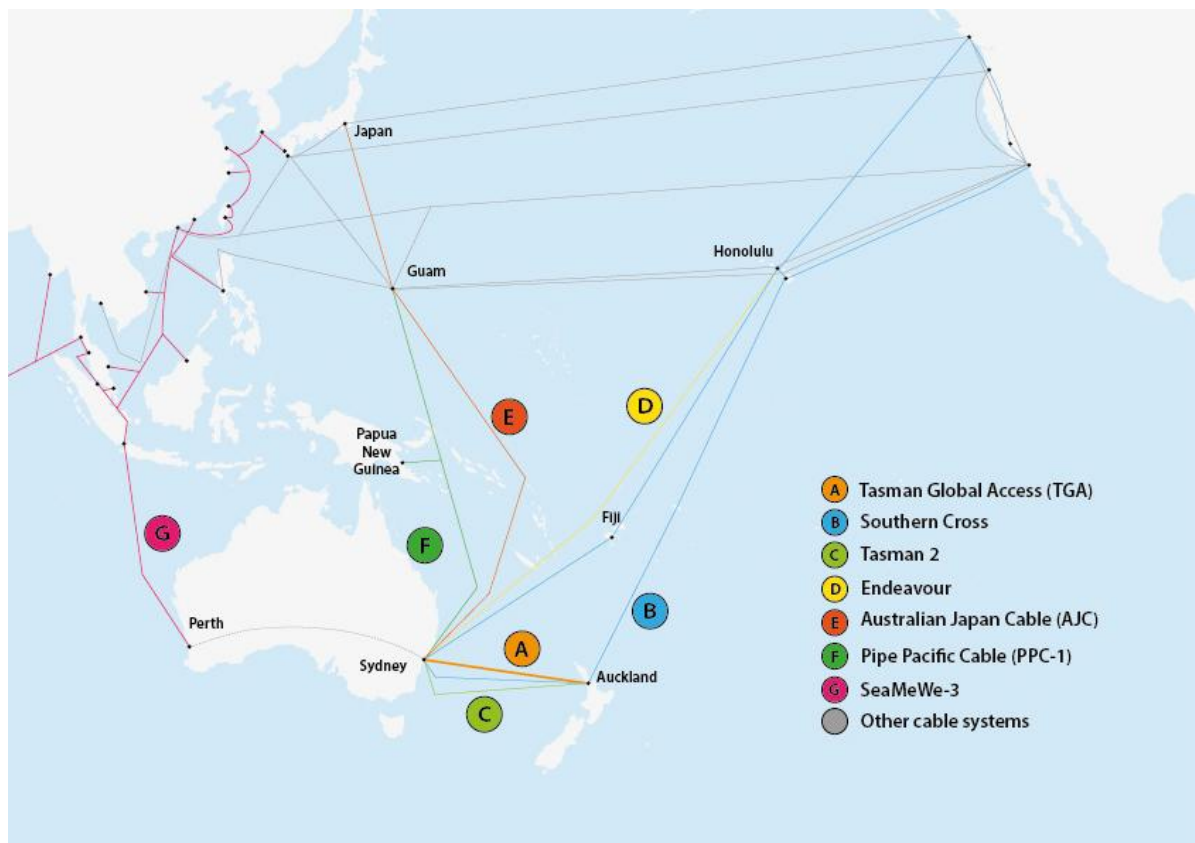
Telecom chief executive Simon Moutter and Vodafone New Zealand CEO Russell Stanners jointly commented: "The business case for a new cable between New Zealand and Australia is compelling, providing greater capacity and global redundancy capability. It also reflects the growing importance of trans-Tasman internet traffic: for example, around 40% of both Telecom and Vodafone's international internet traffic is now Australia to New Zealand, versus just 10% in 2000.

"We are seeing increased data content being provided from Australia-based servers by global companies and being accessed by New Zealand internet users. An additional cable connection with Australia will strengthen the business case for international data servers to be located in New Zealand.

"The Tasman Global Access cable will also enable New Zealand to better leverage the four additional international cable systems currently serving Australia (with several more proposed or in development), providing important redundancy for New Zealand. Australia also enjoys good connectivity with Asia, which is achieving strong internet traffic growth in line with global economic shifts."

Martijn Blanken, Managing Director, Telstra Global remarked, “The partnership is a great outcome for Telstra as the high capacity, low latency Tasman Global Access Cable will supply greater resilience and redundancies for carriers as well as enterprises that are located in Australia and looking for connectivity to New Zealand as well as stronger international connectivity. This cable will enable New Zealand to better leverage Australia’s much stronger internet connectivity. It will also achieve significant international connectivity benefits for New Zealand to link with Australia, and also onwards to the USA and into Asia.

The TGA cable will achieve significant international connectivity benefits for New Zealand at a fraction of the build cost of another, much longer trans-Pacific cable, the consortium partners said.



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