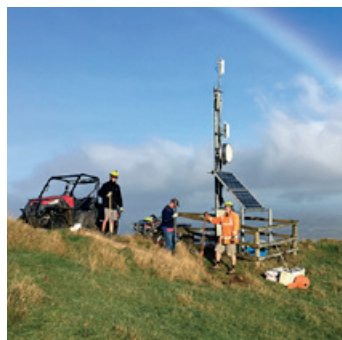


QUARTERLY CONNECTIVITY UPDATE

Q3: to 30 SEPTEMBER 2019



CONTENTS

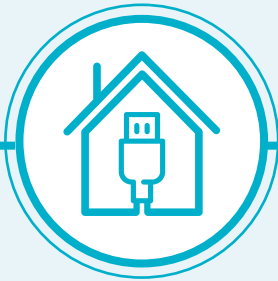
Q3 HIGHLIGHTS	3
OUR TARGETS	4
OVERALL PROGRESS	5
UFB SNAPSHOTS	6
SNAPSHOT FEATURE	7
UPDATE BY REGION	
NORTHLAND.....	8
AUCKLAND	10
WAIKATO	11
BAY OF PLENTY	12
GISBORNE	13
HAWKE'S BAY	14
TARANAKI	15
MANAWATŪ-WHANGANUI	16
WELLINGTON.....	17
TASMAN	18
NELSON	19
MARLBOROUGH.....	20
WEST COAST	21
CANTERBURY.....	22
OTAGO	23
SOUTHLAND.....	24



Okarito Lagoon - a tourism spot covered in the September quarter.

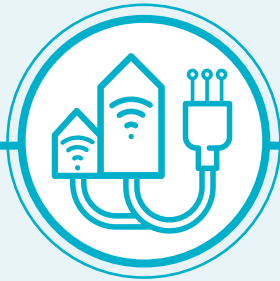
Q3 HIGHLIGHTS

JULY - SEPTEMBER 2019



24,168

UFB HOMES & BUSINESSES PASSED



58,912

UFB CONNECTIONS



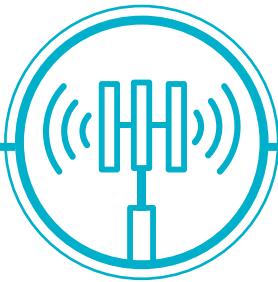
55%

UFB UPTAKE



16

UFB TOWNS AND CITIES COMPLETED



14

NEW MOBILE TOWERS COMPLETE



1,416

RURAL HOMES & BUSINESSES WITH ACCESS TO IMPROVED BROADBAND



70km

STATE HIGHWAY COVERED



3

NEW TOURISM SITES COVERED



17

MARAE CONNECTED THIS QUARTER



\$45m

INVESTED IN UFB THIS QUARTER

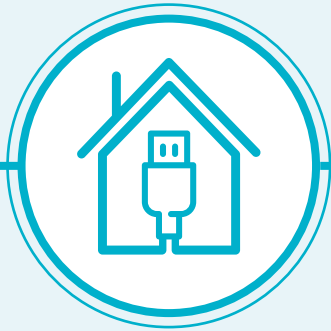


\$6m

INVESTED IN RBi2/MBSF* THIS QUARTER

OUR TARGETS

ULTRA-FAST BROADBAND (UFB) TARGETS



**OVER 1.8 MILLION
HOMES & BUSINESSES**

(87% of New Zealanders) will have access to UFB by the end of 2022



UFB will be rolled out to over **406 TOWNS & CITIES**



When the programme is complete, New Zealand should be in the **TOP FIVE COUNTRIES** in the OECD for fibre availability



OUR OVERALL TARGET

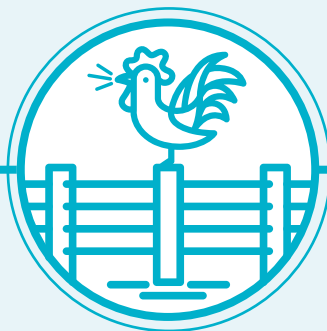
99.8%

of New Zealand's population will be able to access improved broadband by the end of 2023

RURAL BROADBAND INITIATIVE PHASE 2 (RBIZ) AND MOBILE BLACK SPOT FUND (MBSF) TARGETS



812 ELIGIBLE MARAE can connect to broadband on request



84,000 RURAL HOMES AND BUSINESSES will receive improved broadband by the end of 2023



ABOUT 1,400 KM of State Highway and over **168 TOURISM SITES** will receive mobile coverage

OVERALL PROGRESS

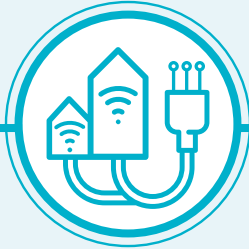
ULTRA-FAST BROADBAND (UFB) PROGRESS



126 UFB TOWNS AND CITIES
are now complete



The UFB build is
87% COMPLETE AND 1% AHEAD
of schedule



879,673 HOMES AND BUSINESSES
connected to UFB

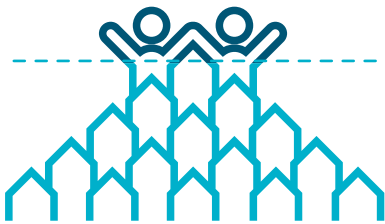


UPTAKE 55%



7% INCREASE
in connections versus
previous quarter

OUR OVERALL PROGRESS FOR UFB



79%
OF NEW ZEALANDERS
CAN NOW ACCESS UFB



27

MARAE ARE NOW CONNECTED



INVESTED
IN FY20

UFB: \$45m

RBI2/MBSF: \$6m

RURAL BROADBAND INITIATIVE PHASE 2 (RBI2) AND MOBILE BLACK SPOT FUND (MBSF) PROGRESS



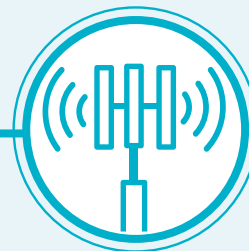
40,078 RURAL HOMES AND BUSINESSES
can access improved broadband
48% complete



29 TOURISM SITES
have mobile coverage
17% complete



308KM OF STATE HIGHWAY
have mobile coverage
22% complete



39 MOBILE TOWERS
are live
7% complete

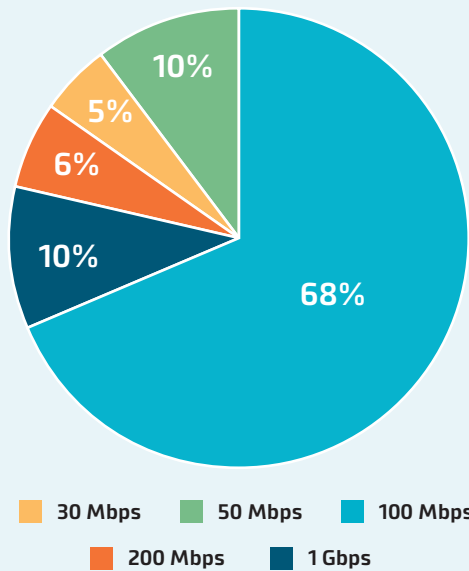
UFB SNAPSHOTS

TOP 10 CENTRES FOR UFB UPTAKE THIS QUARTER

RANK	TOWN	UPTAKE %	CHANGE IN RANK
1	Rolleston*	74%	-
2	Whatawhata	69%	+1
3	Lincoln*	67%	-
4	Waiuku	66%	-3
5	Horotiu	66%	+2
6	Nelson	65%	-1
7	Hamilton	64%	-5
8	Tauranga	63%	-4
9	Dunedin	62%	-1
10	Auckland	61%	-

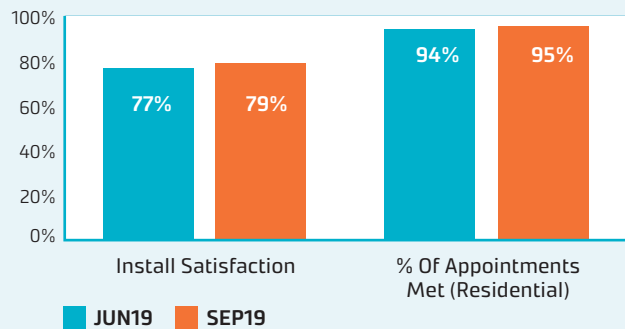
* Not previously broken out

UFB PRODUCT MIX AND INSTALLATION MEASURES

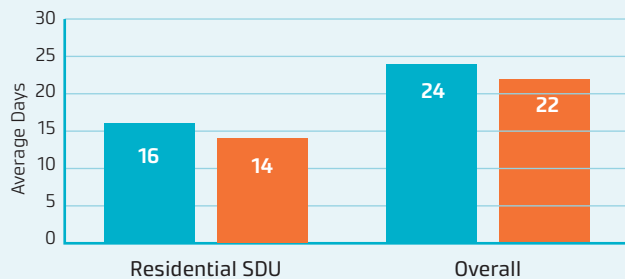


The average speed of UFB services is **189 Mbps**. Consumers are continuing to migrate to higher speed UFB plans, including the gigabit plan.

UFB INSTALL CUSTOMER MEASURES



UFB AVERAGE DAYS TO INSTALL



GIGABIT CONNECTIONS

89,121

Gigabit connections - end of September

14,508

Additional connections this quarter

SNAPSHOT FEATURE

GISBORNE.NET ROCKETING AHEAD WITH RBI2 BUILD

IT'S BEEN A BUSY COUPLE OF YEARS FOR GISBORNE.NET FOUNDER RONALD BRICE AND HIS TEAM SINCE THE COMPANY WAS AWARDED A CONTRACT TO EXTEND AND UPGRADE ITS 200-SITE NETWORK. THEY ARE PLANNING TO HAVE THEIR BUILD COMPLETE BY AROUND THE END OF 2020, WITH CUSTOMERS OLD AND NEW BENEFITING.

Gisborne.net is one of 17 WISPs (Wireless Internet Service Providers) awarded contracts for the phase two of the Rural Broadband Initiative (RBI2). Its turf includes the entire East Cape region, a large area south of Gisborne, and west towards the Waioeka Gorge.

The RBI2 contract has subsidised the company building about 80 extra towers and upgrading about half its old ones. The upgrades mostly involve replacing old wooden poles with steel ones, and low speed radios with much faster ones. That makes the system much more resilient and provides customers with Internet speeds equivalent to the main cities.

VIRTUAL VISIT

Those customers include the nine kids at one of the country's most remote schools - Mata School, inland from Tokomaru Bay. They're on a buzz after their visit to Antarctica - not a real visit but a virtual one online made possible by the high speeds now available across Gisborne.net's broadband.

Mata School Principal David Jane is enthusiastic about the difference the internet has made to his school and the learning. They are fortunate to have a digital device available to every student. "It's such a buzz for the kids, and to me as Principal its crucial," he says. "Education-wise its immensely exciting."

STARTING LOCAL

Gisborne.net founder Ronald Brice is very happy with the RBI2 process and outcomes. Its almost a quarter century since he and business partner Dave Parker started Gisborne.net. In 1995, as an installer of IT networks with a degree in computer science Ronald looked at the high price of phone services and saw an opportunity to bring the internet to his home-town of Gisborne. Starting with a 1 Megabit link around Gisborne city,

working with local wireless entrepreneur Laurie Colvin, and with the District Council as the first major client, Ronald and Dave just got on and did it.

These days it's a thriving internet business that provides urban-grade broadband, with unlimited data at highly affordable prices, to 3,500 customers. All this in one of the most challenging regions to build a WISP geographically, topographically and economically. In its understated way Gisborne.net has probably done as much to open up Poverty Bay to the 21st century world as the completion of Gisborne's rail link opened it to the 20th, 60 years before.

MEETING THE NEEDS OF A RANGE OF CUSTOMERS

The 3,500 customers make the company one of the New Zealand's biggest WISPs. Customers range across the economy. Dairy farmers, many of them formerly dependent on expensive and erratic satellite services, have embraced WISP wireless services on a large scale. Many pay for their farm staff connections as well as their own to offset the downside of isolation. Local iwi Ngati Porou has Gisborne.net connectivity in many marae. So do a number of the isolated Ngati Porou health clinics, supporting video consultations for nurses, doctors and patients. Other marae frequently take a temporary connection when there is a special event. Highly profitable manuka honey and forestry businesses are customers - as well as a commercial hemp operation.

And at the technological extreme, Rocket Lab uses Gisborne.net for its Internet services at the Mahia Peninsula launch site. When it has high demand for bandwidth during a launch other customers' traffic is diverted via Wairoa so that nobody's service gets downgraded.



The upgraded Mata Road site servicing Mata school.

HERE FOR THE LONG-HAUL

Resilience is key. The sites are made to last with solid engineering and high-spec materials. A typical site with solar panels re-charging the batteries can run for up to 5 years without a site visit, provided that the farmer tops up the battery water now and then when passing. Most do so happily.

The company was one of the first WISPs to contract with Crown Infrastructure Partners - it was one of a very few WISPs contracted for the earlier RBI1 version for which it connected thirteen schools. For RBI2, the commitment is much larger. Ronald notes that even with the government contribution, the private investment required is still substantial.

On a topical note Ronald notes that Gisborne.net customers largely had a trouble-free experience watching the Rugby World Cup online. "Our customers in the middle of nowhere had just as good a viewing experience as those in the centre of the big cities," he says.

UPDATE BY REGION





NORTHLAND



UFB

- There are **13** towns and cities with UFB available.
- **50%** of those with access to UFB have connected.
- There is a total of **18,120** premises connected.

RANK	TOWN	UPTAKE
1	Waipū	60%
2	Whangārei	60%
3	Hikurangi	59%
4	One Tree Point	46%
5	Ruakākā	38%



RB12/MBSF

- There are **5,184** households or businesses with RB12 access which is **56%** of target.
- There are **52** kilometres of mobile coverage on State Highways which is **45%** of target.
- There are **4** tourist sites with mobile coverage which is **27%** of target.
- There have been **10** mobile towers built which is **16%** of target.



MARAE

There are **5** Marae connected in Northland.





AUCKLAND



UFB

- There are **5** towns and cities with UFB available.
- **61%** of those with access to UFB have connected.
- There is a total of **338,004** premises connected.

RANK	TOWN	UPTAKE
1	Waiuku	66%
2	Auckland	61%
3	Pukekohe	58%
4	Waiheke Island	49%
5	Helensville	40%



RBI2/MBSF

- There are **3,453** households or businesses with RBI2 access which is **56%** of target.
- There are **10** kilometres of mobile coverage on State Highways which is **65%** of target.
- There have been **2** mobile towers built which is **8%** of target.





WAIKATO



UFB

- There are **23** towns and cities with UFB available.
- **56%** of those with access to UFB have connected.
- There is a total of **69,550** premises connected.

RANK	TOWN	UPTAKE
1	Whatawhata	69%
2	Hamilton	66%
3	Horotiu	66%
4	Cambridge	62%
5	Te Awamutu	53%



RB12/MBSF

- There are **4,270** households or businesses with RB12 access which is **42%** of target.
- There are **12** kilometres of mobile coverage on State Highways which is **12%** of target.
- There are **2** tourist sites with mobile coverage which is **15%** of target.



MARAE

There are **5** Marae connected in Waikato.





BAY OF PLENTY



UFB

- There are **8** towns and cities with UFB available.
- **58%** of those with access to UFB have connected.
- There is a total of **61,698** premises connected.

RANK	TOWN	UPTAKE
1	Tauranga	66%
2	Rotorua	56%
3	Whakātane	51%
4	Ōmokoroa	47%
5	Katikati	28%



RBI2/MBSF

- There are **2,335** households or businesses with RBI2 access which is **38%** of target.
- There are **10** kilometres of mobile coverage on State Highways which is **15%** of target.
- There are **3** tourist sites with mobile coverage which is **33%** of target.



MARAE

There are **2** Marae connected in the Bay of Plenty.





GISBORNE



UFB

- There are **3** towns and cities with UFB available.
- **45%** of those with access to UFB have connected.
- There is a total of **6,938** premises connected.

RANK	TOWN	UPTAKE
1	Gisborne	46%
2	Ruatoria	34%
3	Tolaga Bay	30%



RB12/MBSF

- There are **1,263** households or businesses with RB12 access which is **53%** of target.
- There are **29** kilometres of mobile coverage on State Highways which is **26%** of target.
- There has been **1** mobile tower built which is **6%** of target.



MARAE

There are **3** Marae connected in Gisborne.





HAWKE'S BAY



UFB

- There are **5** towns and cities with UFB available.
- **46%** of those with access to UFB have connected.
- There is a total of **25,024** premises connected.

RANK	TOWN	UPTAKE
1	Havelock North*	58%
2	Napier*	52%
3	Hastings*	38%
4	Wairoa	32%
5	Bay View	31%

*Not previously broken out



RB12/MBSF

- There are **1,230** households or businesses with RB12 access which is **29%** of target.
- There are **6** kilometres of mobile coverage on State Highways which is **6%** of target.
- There is **1** tourist site with mobile coverage which is **11%** of target.
- There has been **1** mobile tower built which is **2%** of target.



MARAE

There are **11** Marae connected in Hawke's Bay.





TARANAKI



UFB

- There are **10** towns and cities with UFB available.
- **56%** of those with access to UFB have connected.
- There is a total of **21,576** premises connected.

RANK	TOWN	UPTAKE
1	New Plymouth	60%
2	Hāwera	57%
3	Stratford	45%
4	Inglewood	31%
5	Ōpunake	30%



RBI2/MBSF

- There are **1,118** households or businesses with RBI2 access which is **46%** of target.
- There are **11** kilometres of mobile coverage on State Highways which is **14%** of target.
- There has been **1** mobile tower built which is **6%** of target.





MANAWATŪ-WHANGANUI



UFB

- There are **11** towns and cities with UFB available.
- **50%** of those with access to UFB have connected.
- There is a total of **37,859** premises connected.

RANK	TOWN	UPTAKE
1	Longburn	58%
2	Palmerston North	55%
3	Feilding	54%
4	Levin	51%
5	Whanganui	47%



RB12/MBSF

- There are **6,309** households or businesses with RB12 access which is **56%** of target.
- There are **47** kilometres of mobile coverage on State Highways which is **55%** of target.
- There are **2** tourist sites with mobile coverage which is **33%** of target.
- There has been **2** mobile tower built which is **5%** of target.



MARAE

There is **1** Marae connected in Manawatū-Whanganui.





WELLINGTON



UFB

- There are **6** towns and cities with UFB available.
- **43%** of those with access to UFB have connected.
- There is a total of **90,153** premises connected.

RANK	TOWN	UPTAKE
1	Masterton	54%
2	Wellington	44%
3	Otaki	41%
4	Kapiti	34%
5	Carterton	29%



RBI2/MBSF

- There are **1,680** households or businesses with RBI2 access which is **43%** of target.
- There is **1** tourist site with mobile coverage which is **20%** of target.





TASMAN



UFB

- There are **2** towns and cities with UFB available.
- **39%** of those with access to UFB have connected.
- There is a total of **1,734** premises connected.

RANK	TOWN	UPTAKE
1	Ruby Bay	58%
2	Motueka	34%



RBI2/MBSF

- There are **590** households or businesses with RBI2 access which is **24%** of target.
- There is **1** kilometre of mobile coverage on State Highways which is **2%** of target.



UFB

- There is **1** city with UFB available.
- **65%** of those with access to UFB have connected.
- There is a total of **17,522** premises connected.

RANK	TOWN	UPTAKE
1	Nelson	65%



RB12/MBSF

- There are **27** households or businesses with RB12 access which is **12%** of target.
- There is **1** kilometre of mobile coverage on State Highways which is **5%** of target.



MARLBOROUGH



UFB

- There are **3** towns and cities with UFB available.
- **48%** of those with access to UFB have connected.
- There is a total of **8,464** premises connected.

RANK	TOWN	UPTAKE
1	Blenheim	56%
2	Picton	28%
3	Renwick	3%



RB12/MBSF

- There are **801** households or businesses with RB12 access which is **34%** of target.
- There are **7** kilometres of mobile coverage on State Highways which is **15%** of target.



WEST COAST



UFB

- There are **6** towns and cities with UFB available.
- **49%** of those with access to UFB have connected.
- There is a total of **3,531** premises connected.

RANK	TOWN	UPTAKE
1	Hokitika	55%
2	Greymouth	53%
3	Runanga	40%
4	Reefton	22%
5	Ahaura	11%



RBI2/MBSF

- There are **1,043** households or businesses with RBI2 access which is **36%** of target.
- There are **54** kilometres of mobile coverage on State Highways which is **21%** of target.
- There are **11** tourist sites with mobile coverage which is **36%** of target.
- There have been **13** mobile towers built which is **26%** of target.





CANTERBURY



UFB

- There are **19** towns and cities with UFB available.
- **53%** of those with access to UFB have connected.
- There is a total of **120,707** premises connected.

RANK	TOWN	UPTAKE
1	Rolleston*	74%
2	Lincoln*	67%
3	Timaru	58%
4	Rangiora*	57%
5	Ashburton	57%

*Not previously broken out



RB12/MBSF

- There are **4,988** households or businesses with RB12 access which is **51%** of target.
- There are **23** kilometres of mobile coverage on State Highways which is **16%** of target.
- There is **1** tourist site with mobile coverage which is **4%** of target.
- There have been **2** mobile towers built which is **4%** of target.





OTAGO



UFB

- There are **7** towns and cities with UFB available.
- **55%** of those with access to UFB have connected.
- There is a total of **44,138** premises connected.

RANK	TOWN	UPTAKE
1	Dunedin	62%
2	Queenstown	51%
3	Ōamaru	49%
4	Cromwell	43%
5	Lake Hāwea	42%



RBI2/MBSF

- There are **2,454** households or businesses with RBI2 access which is **49%** of target.
- There are **42** kilometres of mobile coverage on State Highways which is **29%** of target.
- There are **2** tourist sites with mobile coverage which is **17%** of target.





SOUTHLAND



UFB

- There are **4** towns and cities with UFB available.
- **55%** of those with access to UFB have connected.
- There is a total of **14,655** premises connected.

RANK	TOWN	UPTAKE
1	Invercargill	56%
2	Otatara	45%
3	Mossburn	20%
4	Manapouri	13%



RBI2/MBSF

- There are **3,335** households or businesses with RBI2 access which is **57%** of target.
- There are **3** kilometres of mobile coverage on State Highways which is **8%** of target.
- There are **2** tourist sites with mobile coverage which is **13%** of target.
- There have been **7** mobile towers built which is **18%** of target.

