



## **MARKET RELEASE**

**21 June 2018**

### **Spark reaches crucial tipping point in ambition to upgrade New Zealand's broadband**

Spark has announced that more than 50% of its broadband customers have now voted with their feet and moved away from copper (ADSL and VDSL), onto new broadband technologies. Around 34% are now on fibre and 16% on wireless broadband (delivered over Spark's 4G and 4.5G mobile networks).

This milestone shows Spark is making solid progress towards its ambition of having at least 85% of its broadband customers upgraded to new, future-proofed broadband technologies by the end of June 2020. Two years ago, Spark had just 16% of customers on these new technologies and a year ago was tracking at 37% (at the end of June 2017).

Grant McBeath, Interim CEO of Spark Home, Mobile and Business said, "This marks a critical tipping point for New Zealand households, who are increasingly seeing the need for upgraded broadband as things like video streaming move into the mainstream. We are now in a world where households on copper are fast becoming the minority.

McBeath said customers who had made the move were enjoying the benefits of the new technologies, with satisfaction scores from those on fibre and wireless broadband higher than those on copper. The growth of content streaming, gaming and the need for a reliable, high quality connection were all big drivers of the shift – something McBeath expects to intensify over the coming year.

"With Spark set to stream the 2019 Rugby World Cup we expect even more New Zealanders will be thinking about how they can get match fit internet, ensuring their home is ready to go with the best possible streaming capability and experience."

According to MBIE, by March 2018 there were over 1.3 million users able to connect to UFB fibre, but only 550,000 (42%) had made the switch. Uptake is on the rise though, with 44,000 users connecting in the most recent quarter.<sup>1</sup>



“Obviously fibre is a fantastic technology for households who are using a lot of data, and where it is the right technology for them we’re trying to transition as many customers as possible over to a fibre connection. We’ve done a lot of work with Chorus, Enable, Ultrafast Fibre, Northpower and Unison to simplify and streamline the installation process. With the uptake of fibre accelerating as customers see the benefits and more addresses have fibre as an option, this work will continue,” McBeath explained.

“For customers who are not such big data users or who don’t have fibre available, wireless broadband is a great option.

“Spark has invested heavily in its mobile network to ensure the experience on wireless broadband is a good one. Over the past year the company switched on 39 new 4.5G sites across the country to bring wireless broadband to thousands more households, and introduced larger 240GB plans in some areas. With 5G on the horizon, Spark’s investment in wireless capabilities will only increase.

“There are still many households around New Zealand who could choose to upgrade from copper to either fibre or wireless broadband today – we’d encourage them to do it!”

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<sup>i</sup> <http://www.mbie.govt.nz/info-services/sectors-industries/technology-communications/fast-broadband/documents-image-library/03-mar-quarterly-broadband-update.pdf>