

10 October 2018

TeamTalk issues business update and guidance for year ending 30 June 2019.

[TeamTalk](#) Limited (NZX: TTK), the publicly listed telecommunications services provider today announced an update on its business along with guidance for the financial year ending 30 June 2019.

The company is pleased to advise that the roll-out of its new digital radio network continues according to plan. Following on from the roll-out of the pilot area in Canterbury, TeamTalk has now rolled out the network in Auckland and is currently rolling out in Northland, Waikato and Wellington.

By Christmas 2018, 50% of the network will have been completed including the additional regions of Tauranga, Napier, Otago, Dunedin and South Canterbury with completion of the nationwide network planned by June 2019. Upon completion, this will be the only nationwide digital radio network in New Zealand.

TeamTalk's Chief Executive Andrew Miller said: "This is a major infrastructure roll-out for any company and it is pleasing to see that we are on track. It is confirmation that TeamTalk has the skills and capability to carry out the detailed design, planning and delivery of major projects. The new digital radio network will reduce our network asset intensity over time, improve our coverage and substantially increase the number of services we can provide".

Sheik Ali, Managing Director of Pinnacle Freight who were a pilot customer said: "We have been very impressed by the improvement in both voice quality and the coverage we have experienced with TeamTalk's new digital network. We look forward to trialling further new services as they are introduced. Radio continues to be important for us at Pinnacle Freight because of the immediate communication it provides and the broad coverage for our transport business."

The planning and preparation is also on track for TeamTalk's subsidiary, CityLink to start undergrounding and improving its fibre network in the Wellington CBD later this year. The plan makes full use of the Powerco gas ducts which the company previously announced it has exclusive rights to on a 10 + 10-year licence.

TeamTalk's Chief Executive Andrew Miller said: "Gaining exclusivity to the Powerco ducts provides a huge advantage to CityLink in being able to secure a much cheaper and quicker option of undergrounding our network in the Wellington CBD. The architecture of the new network will ensure a more resilient and higher capacity service than our existing network. This investment secures the future of CityLink."

Outlook and Guidance

TeamTalk is forecasting Net Surplus after Tax for the year to 30 June 2019 to be broadly in line with last years result of \$4.4 million. This is despite an increase in operating costs associated with the investment in capability to complete the company's transformation and to position the business to grow in future years.

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