



PRESS RELEASE

Spark New Zealand and Optus, the two largest shareholders in the Southern Cross Cable Network, have jointly begun industry discussions about future international cable connectivity across the South Pacific.

The major shareholders in Southern Cross have agreed to work with the cable network's largest customers and other industry participants to explore options for ensuring the future stability of International sub-sea capacity supply between Australia, New Zealand, and across the South Pacific to North America.

Southern Cross CEO Anthony Briscoe said. "This is not about short term supply or capacity – that is more than accommodated by the current Southern Cross cable. Rather, it is about future-proofing the whole region well beyond 2030, and ensuring there is a reliable and resilient supply of international bandwidth for the region to keep us connected to the world."

Mr. Briscoe said advances in technology over the last decade means Southern Cross has already increased the capacity on the current cable many fold, and has already extended the life of its existing cable system to at least 2030.

"However given the lengthy lead times, and the importance of a strong business and investment case for such a long-dated asset, it's now time to start considering how we can ensure the connectivity needs of future generations will be met," Mr. Briscoe said.

Spark New Zealand Managing Director Simon Moutter said: "We have already taken the first steps towards ensuring that there is a long term supply strategy in place by partnering with Vodafone and Telstra on the Tasman Global Access (TGA) Cable. Spark envisages a cable to take over from the current Southern Cross cable will be the next step in ensuring that New Zealand and the Pacific region is well served by international capacity for the conceivable future."

Optus CEO Allen Lew said: "The investment case for any international cable is largely dependent on firm commitments from key customers well ahead of construction. So the best way forward is to engage with the international cable customers we already have strong relationships with."

Southern Cross will facilitate the discussions between shareholders and major customers.