COMMERCE ACT 1986

SECTION 66: NOTICE SEEKING CLEARANCE

Date: 9 October 2015

The Registrar
Market Structure Team
Commerce Commission
PO Box 2351
Wellington

Pursuant to section 66(1) of the Commerce Act 1986 notice is hereby given seeking clearance of a proposed business acquisition.

PUBLIC VERSION

Part A: Summary of Application

1. Executive Summary

1.1 Vocus Communications Limited (**Vocus**) and M2 Group Limited (**M2**) have announced a proposed merger (the **Proposed Transaction**). The merger will occur by way of Vocus acquiring 100% of the fully-diluted share capital in M2 by way of a scheme of arrangement under Australian law. Accordingly, Vocus, or an interconnected body corporate of Vocus, seeks clearance to acquire up to 100% of the shares and/or assets of M2 and/or any interconnected bodies corporate of M2.

1.2 Vocus and M2 are both active in the telecommunications industry in New Zealand and Australia. However, both firms have a different focus, with no overlapping network assets. In New Zealand:

(a) Vocus owns a national fibre backhaul network, carrying data between major exchanges around the country. Its focus is the provision of national and international backhaul, data networks, and value added services to large businesses and telecommunications providers; while

(b) M2 owns equipment in a number of Chorus exchanges that it uses to provide broadband services to residential and small to medium enterprise (**SME**) customers. It has several well-known residential and business broadband brands, including CallPlus, Orcon and Slingshot.

1.3 The Proposed Transaction results in only limited horizontal aggregation and will not substantially lessen competition in any market. In particular:

(a) Vocus has a minimal presence in residential broadband, with its ISPs Maxnet and FYX. The ISPs combined market share is well under [ ] and the Proposed Transaction therefore does not result in any meaningful aggregation in the residential broadband market (M2 estimates it holds just under 15% market share);

(b) while both parties provide business fixed-line services, they estimate their combined share of this market is likely to be under [ ] and within the Commerce Commission's (**Commission's**) concentration indicators. Spark and Vodafone are by far the largest competitors in this market and will each remain substantially larger than the merged entity. In addition, while Vocus' business is focussed primarily on large enterprises, M2 is focussed on small to medium enterprises and the parties are therefore only distant competitors in this area; and

(c) both parties provide packages of wholesale telecommunications services to small ISPs. However, Vocus is focussed on selling backhaul products, while M2's wholesale offering is primarily centred on its price-competitive voice termination offerings. The balance of the packages consists of commodity products that can be sourced from any number of parties.

1.4 In addition, in each of the above overlap areas, we expect a range of competitors to remain active after the Proposed Transaction. The Proposed Transaction will create a stronger third player to better compete against the market leaders, Spark and Vodafone, and to capitalise on the market opportunities offered by the Ultra-fast broadband (**UFB**) rollout.

1.5 Finally, because neither of the parties have market power in respect of any of the markets in which they compete, the Proposed Transaction will not result in any input or customer foreclosure.

Part B: The Parties

2. **The Applicant**

2.1 The party seeking clearance is Vocus Communications Limited (**Vocus**) or an interconnected body corporate.

2.2 Contact details for Vocus:

Address	Vocus House, Level 4, 25 Teed Street, Newmarket, Auckland 1023, New Zealand
Contact person	Katie Bhreatnach
Email Address	katie.bhreatnach@vocus.co.nz
Telephone	+64 9 974 9323 +64 21 503 971
Website	http://www.vocus.co.nz/

2.3 Please direct all correspondence and notices for Vocus to:

Address	Bell Gully Barristers and Solicitors PO Box 4199 Auckland 1140
Attention	Torrin Crowther and Glenn Shewan
Email Address	torrin.crowther@bellgully.com glenn.shewan@bellgully.com
Telephone	+64 9 916 8621 +64 9 916 8726

Overview

2.4 Vocus is a provider of integrated telecommunications focusing on internet, fibre, ethernet and data centre services. It specialises in building high performance data networks throughout Australia and New Zealand and into Asia and America. These networks also connect over 82 data centres, 22 of which are owned by Vocus.

2.5 In New Zealand Vocus owns and operates a national fibre network, with 4,200km of fibre throughout the country. Vocus also has an interest as a capacity reseller in the Southern Cross Cable between Australia, New Zealand and the US and the Sea-Me-We3 cable connecting Perth with Singapore. Vocus has data centres in Auckland and Christchurch.

2.6 Vocus is a public company which trades on the Australian Securities Exchange (ticker code VOC) and has a market capitalisation of around AU$1.5 billion. Vocus operates in New Zealand through its wholly owned subsidiary, Vocus (New Zealand) Limited t/a FX Networks (**FX Networks**) which it acquired in late 2014.

2.7 A corporate structure diagram of Vocus and its relevant related entities is attached as **Annexure 1**. Vocus' most recent audited financial statements are attached as **Annexure 7** and its most recent Annual Report can be found here: http://www.vocus.co.nz/sites/nz/files/vocus_annual_report_2014_2.pdf.

3. The Other Party

3.1 The other party to the Proposed Transaction is M2 Group Limited (**M2**).

3.2 Contact details for M2:

Address	CallPlus Business Centre Level 3, 110 Symonds St Auckland 1010
Contact person	Mark Callander
Email Address	Mark.Callander@m2group.co.nz
Telephone	+64 9 929 0407
Website	www.m2.com.au / www.callplus.co.nz

3.3 Please direct all correspondence and notices for M2 to:

Address	Chapman Tripp Barristers and Solicitors PO Box 2206 Auckland 1140
Attention	Matt Sumpter and Colin Fife
Email Address	matt.sumpter@chapmantripp.com colin.fife@chapmantripp.com
Telephone	+64 9 357 9075 +64 9 357 9699

Overview

3.4 M2 is a telecommunications service provider offering telecommunications products in Australia and New Zealand. Based in Melbourne, M2 is listed on the Australian Securities Exchange (ticker code MTU), with a market capitalisation of around AU$2 billion.

3.5 Earlier this year M2 completed its acquisition of the CallPlus group, materially increasing its presence in the New Zealand telecommunications market. Prior to this acquisition, M2's presence in New Zealand was limited to its 70% interest in M2 NZ Limited (which it has since increased to 100%).

3.6 The CallPlus acquisition makes M2 New Zealand's third largest fixed telecommunications provider. Under the Slingshot, Orcon, 2talk, Flip and CallPlus brands, M2 provides a range of services including business and residential internet and voice services, managed data services and mobile services (as a mobile virtual network operator on the Spark network).

3.7 A corporate structure diagram of M2 and its relevant related entities is attached as **Annexure 2**. M2's most recent Annual Report (including its audited financial statements) can be found here: http://www.asx.com.au/asxpdf/20150824/pdf/430qs2chk6k7g5.pdf

Part C: The Transaction

4. The Proposed Transaction

4.1 Vocus and M2 propose to merge their businesses. The merger will occur by way of Vocus acquiring 100% of the fully-diluted share capital in M2 by way of a scheme of arrangement. The Merger Implementation Agreement is attached at **Annexure 3**.

4.2 Specifically, clearance is sought for Vocus, or an interconnected body corporate of Vocus, to acquire up to 100% of the shares and/or assets of M2 and/or any interconnected bodies corporate of M2. The Proposed Transaction is conditional on obtaining formal clearance from the Commission and informal clearance from the ACCC (amongst other conditions).

5. Rationale

5.1 The Proposed Transaction will allow Vocus to expand its position in Australia and compete more effectively with the large incumbent operators. The merger will combine extensive infrastructure across New Zealand and Australia with well-known brands. This will create a full-service, vertically integrated trans-Tasman telecommunications company, well placed to compete against the market leaders and capitalise on the NBN in Australia and UFB in New Zealand.

5.2 In New Zealand, the transaction will bring together two complementary businesses that will have the breadth to better compete in the fixed telecommunications markets. It will bring together Vocus' national and international backhaul capability and large business focus with M2's well-known consumer and SME business brands.

6. Changes to control and structure

6.1 As a result of the Proposed Transaction, it is expected that Vocus will directly or indirectly own 100% of the shares in M2. The combined group will therefore have control over the M2 New Zealand entities in addition to the Vocus New Zealand entities.

7. International effects

7.1 The Proposed Transaction is primarily focussed on the Australian market and Vocus will seek informal clearance from the ACCC for the Proposed Transaction. No other competition filings are expected to be made.

Part D: The Relevant Markets

8. Overview of telecommunications services in New Zealand

8.1 The parties are both involved in the provision of fixed-line voice and data services (and in the case of M2, a resale mobile service) in New Zealand. Vocus' business in New Zealand is primarily focussed on the provision of national and international backhaul services to large organisations and other telecommunications providers, while M2 is primarily a retail internet service provider (**ISP**) to residential customers and small to medium-size businesses.

8.2 The sections below set out the key residential and business fixed-line services relevant to the Proposed Transaction, and the various aspects of the network over which these are provided.

8.3 Importantly, there is no horizontal overlap between the parties in respect of any aspect of the network. Vocus owns national fibre backhaul assets (carrying data between exchanges in New Zealand and between New Zealand and overseas), while M2 owns equipment inside a number of Chorus exchanges allowing it to provide broadband access to customers over Chorus' local loop.

8.4 There is also very little overlap in the services that each party provides. Vocus' presence in M2's core market of consumer broadband is limited to two very small ISPs with well under [ ] market share (with M2 having circa 15% share). While the parties overlap to a degree in relation to business data services, Vocus focuses primarily on large Corporate & Government (**C&G**) businesses while M2 focuses on SMEs.

8.5 The parties also provide packages of wholesale services to small ISPs. However, these packages are made up primarily of various commodity inputs (such as national and international backhaul products, and digital subscriber line (**DSL**) services) and additional services (e.g. a voice product in the case of M2). To the extent that the components of the packages that each party sells overlap, the overlap is minor and is primarily in the re-sold elements of the wholesale package, which are themselves available from a range of other players.

9. Overview of network

Local access network

9.1 In order to provide the fixed-line and broadband services, a service provider will need to access the copper local loop, owned by Chorus, or the UFB network if available. In rural areas wireless and satellite services are also used to provide broadband services. The local loop, also known as the "last mile" is the section of the network connecting an exchange (or a cabinet) to a residential address. An RSP can obtain access to the copper local loop via the following methods.

(a) **Unbundled bitstream access (UBA)**: UBA is wholesale access to Chorus' DSL service delivered over its copper network. The UBA service has a regulated price (under the provisions of the Telecommunications Act 2001).

(b) **Unbundled copper local loop (UCLL)**: UCLL is the term used to describe the situation where Chorus leases local loops to retail providers that have their own equipment (typically a **DSLAM**[1]) co-located in an existing exchange, to provide DSL broadband and often a PSTN voice service. The UCLL price payable to Chorus is also regulated (currently at a lower rate than for UBA).

9.2 Regarding fibre, Chorus, alongside other local fibre companies, is rolling out UFB local access fibre network that will by-pass the copper local loop. This provides an alternative access product that RSPs can use to provide broadband access services to customers.

[1] Digital Subscriber Line Access Multiplexer: a network device that receives signals from multiple customer DSL connections and puts the signals on to the backhaul line.

9.3 In metropolitan areas, there are alternative networks to Chorus' network located within and in-between central business districts (**CBD networks**). CBD networks are local loops (usually fibre), primarily used to connect businesses within a CBD, and between CBDs throughout New Zealand via a network owner's point of presence (**POP**). CBD networks are owned by regional lines companies in some centres (e.g. Vector in Auckland, Northpower in Whangarei) as well as few non lines companies (e.g. Enable in Christchurch and CityLink in Auckland and Wellington). Vodafone also has CBD networks in the key towns and cities throughout New Zealand.

Backhaul

9.4 The backhaul portion of the network comprises the national and international links between the core local access networks. Backhaul transmission is a generic term used to describe the transport of data between regional and national data aggregation points. Backhaul generally involves carriage of signals by fibre optic cables rather than by copper cables (but can also involve other media such as microwave links (for example by Kordia) or satellite).

9.5 Regional backhaul is the carriage of users' voice and data signals to and from aggregation points located in about 600 local exchanges throughout New Zealand to and from the 30 major exchanges and other aggregation points in the same region. National backhaul is the longer distance carriage of such signals between individual major exchanges and other aggregation points, and from these points to the two Auckland international gateways.

9.6 In order to provide fixed-line services, providers will need access to backhaul transmission. In New Zealand there are a number of different national backhaul networks owned by Chorus, Spark, Vocus, Kordia and Vodafone, which all wholesale access to their individual networks. International backhaul is achieved via the Southern Cross Cable which links Australia, New Zealand and the US.

9.7 Backhaul is also required by mobile network operators to carry their voice and data traffic from their cell phone towers to national mobile switches and from there onto the internet if necessary.

10. Overview of retail residential and business fixed-line services

10.1 The following are descriptions of typical retail consumer and/or business telecommunications services provided by either or both of the parties.

(a) **Residential broadband**: DSL is a technology that allows data (that is downloaded and uploaded material such as accessing websites, e-mails and voice over internet protocol (**VoIP**)) to be transmitted over a copper line while still allowing conventional analogue voice signals to be transmitted simultaneously. This is the usual technology used to deliver fixed-line broadband data services to residential and small business customers. Where UFB is available, customers can acquire various broadband services provided over fibre instead of copper.

(b) **Business data services**: Larger businesses typically have a need for dedicated data connections to, for example, connect and transmit data between computers in different physical locations (typically called a wide area network (**WAN**)), and to connect to the internet. Dedicated data connections are generally provided over fibre.

(c) **Analogue voice services**: Analogue voice services are provided via connection to the public switched on telephone network (**PSTN**) (or sometimes referred to as POTS – plain old telephone service). PSTN services in New Zealand are wholesaled to other providers by Spark and access is regulated under the Telecommunications Act. PSTN wholesale interconnection is negotiated between Spark's wholesale division and a RSP.

(d) **VoIP (Voice over Internet Protocol)**: Rather than being transmitted over a dedicated copper wire as an analogue signal, voice can be converted into digital form and transmitted as data. VoIP is used in conjunction with a broadband connection and can substitute for a traditional analogue voice access product.

10.2 Offerings to residential customers typically consist of DSL broadband sold either alone ("naked broadband") or bundled together with a PSTN voice service. Some broadband providers bundle a broadband service with a VoIP service allowing landline access over broadband.

10.3 The offerings to business customers will depend on their requirements. The sophistication and complexity of businesses' telecommunications requirements generally increases with the size of the business as the number and type of connections, security requirements and the volume of data to be managed increases. Accordingly, larger businesses generally have a greater need for customised fixed-line services and/or managed data services.

10.4 Typically larger businesses will require dedicated fibre connections linking different premises with WAN services, and often linking also to remote data storage or cloud services. Businesses' voice services are also generally provided over fibre with VoIP connections for intra-company calling and VoIP connections to the PSTN for calling externally.

11. **Relevant markets**

11.1 The Commission's most recent consideration of the relevant telecommunications markets in the merger context was in relation to Vodafone's acquisition of TelstraClear in 2012.[2] In that decision the Commission identified that the relevant markets in which to assess horizontal competition effects were the national retail markets for:

(a) residential fixed-line voice services;

(b) residential fixed-line broadband services;

(c) business fixed-line services, including voice (see further below); and

(d) mobile phone services (for residential and business customers).

11.2 In respect of business fixed-line services, the Commission stated in *Vodafone/Telstra Clear* that for the purposes of that application "*it [was] not necessary to form a conclusive view as to whether fixed-line services to small, medium and larger (corporate and government) enterprises are in separate markets, or whether they are segments within a larger differentiated market*" although it still undertook its competition analysis in relation to the SME segment and the C&G enterprise segment separately. The Commission also recognised that business fixed-line services encompass a range of services from the provision of basic connections to managed data services. While the parties provide more detail below on the services that fall within business fixed-line services, there is significant supply-side substitutability in respect of the relevant services and most providers do, or could with minimal investment, provide the full suite of services.

11.3 The Commission identified that for the purposes of assessing potential vertical competition effects there were additional relevant markets for:

(a) national backhaul transmission services; and

(b) wireless spectrum management rights suitable for mobile phone services.

11.4 The Commission also identified that there were potentially several wholesale local access markets, but did not consider these as there was no relevant overlap for that merger. There is similarly no overlap between the parties in this respect so these markets are not considered further in this application.

[2] Vodafone New Zealand Limited and TelstraClear Limited [2012] NZCC 33.

Limited competitive overlap

11.5 The parties' businesses in New Zealand are highly complementary, with limited competitive overlap. The table below sets out where each party is active in New Zealand. As the table below demonstrates, there is no overlap in respect of the network. Horizontal overlaps are limited to provision of the following services:

(a) business fixed-line services (although Vocus tends to focus on the large enterprise end of the market, whereas M2 focusses on SME). However, these services are available from a range of players (including heavyweights Spark and Vodafone, which together hold around [ ] share of the business market). While the Proposed Transaction will result in some aggregation in the business market, that overlap is within the Commission's concentration indicators; and

(b) consumer voice and broadband. However, such overlap is minimal and well within the Commission's concentration indicators. More specifically, the Commission's Annual Telecommunications Monitoring Report indicates that M2 has a broadband share by connections of 13%[3] (or around 181,000 connections of a total 1,390,000). Neither Maxnet nor FYX is mentioned in the Commission's report and they have only around [ ] customers giving them a share of around [ ] of connections. Absent the Proposed Transaction, Vocus [ ] Vocus is aware of no other factors that suggest a competition concern could be likely despite the low shares. Accordingly, it does not address this overlap further in this application.

11.6 Both parties also offer packages of wholesale telecommunications services to small ISPs. Vocus and M2, alongside a large number of other players (including Spark, Vodafone, Vibe, Vector, Voyager and Solarix) package a number of commodity telecommunications services which allow small ISPs to avoid the complexity of having to contract directly with a range of different providers. For example, Vocus offers ISPs a package including data tails (being local access connections on copper or fibre) and regional, national and international backhaul allowing ISPs to resell an internet service. M2's package to ISPs includes the above components, but primarily focusses on the resale of its voice product. It is also able to sell services provided through its own equipment (DSLAMs) in exchanges that it has unbundled.

11.7 However, in the parties' view there is no separate market for the sale of packages of resale products to ISPs. Because each product can be (and often is) sold separately, it is appropriate to view each product individually. In any event, any overlap in this space is minimal:

(a) Vocus concentrates on selling packages of backhaul products, primarily in competition with other backhaul providers. M2 has very limited resale activities in this area accounting for less than [ ] of revenue; and

(b) M2 concentrates on the sale of wholesale voice services, primarily in competition with Spark and Vodafone, [ ]. In addition to selling those voice services stand-alone, M2 also packages these services with other commodity (data tail and backhaul) products for the benefit of its ISP customers (who can then avoid dealing separately with the providers of those products). Vocus does not offer a wholesale voice service.

11.8 Given the minimal extent of the overlap in wholesale services offerings (which primarily relates to the resale of commodity telecommunications products to smaller ISPs), the parties do not address this overlap further in this application. [ ]

11.9 The following table provides further detail as to the products that the parties provide and the limited competitive overlap that arises from the Proposed Transaction.

[3] M2 estimates that its share has now grown to about 15%.

Table 1: Analysis of overlapping services

Market	Vocus (FX networks)	M2 (Orcon, CallPlus, Slingshot)
Residential fixed-line voice: ***Network***	None	UCLL exchanges nationwide through which M2 can provide voice services. M2 also offers a wholesale voice service.
Residential fixed-line voice: ***Services***	None	Offer VoIP service for broadband customers. Also resell a fixed-line voice (PSTN) service.
Residential fixed-line broadband: ***Network***	None	UCLL exchanges nationwide Acquires wholesale services from Vodafone unbundled exchanges
Residential fixed-line broadband: ***Services***	Minimal (see above in respect of Maxnet and resale of "tails" as part of a wholesale package).	Internet access and data (ADSL, VDSL, UFB)
Business fixed-line services (including voice): ***Network***	None (fibre backhaul network described below)	None (UCLL exchanges described above)
Business fixed-line services (including voice): ***Services***	Managed data services focused on C&G customers	Business broadband and data products focused on SME customers**.**
Mobile phone: ***Network***	None	None
Mobile phone: ***Services***	None	Full voice and mobile broadband (retail and business) via MVNO agreements with Spark and Vodafone[4]
National and international backhaul: ***Network***	Owns and operates national inter-city backhaul fibre optic network.	None
National and international backhaul: ***Services***	Wholesale backhaul transmission services (including wholesale internet access through Vocus' Asia-Pacific network). Owner of IRUs and reseller of international backhaul capacity on Southern Cross cable (NZ – AU) and Sea-Me-We cable (AU-Singapore).	Minimal (see above regarding small amount of resold services).
Network Construction	Joint venture with Spark (Connect 8) builds fibre and other telecommunication network assets for its shareholders and third parties.	None

11.10 The parties consider that their combined share of the business fixed-line broadband services market is likely to be small and is likely to fall within the Commission's concentration indicators.

[4] [ ]

However, given the absence of reliable market share data in this space, it provides below a brief competition assessment in relation to this market.

11.11 In relation to vertical integration, Vocus provides national and international backhaul transmission services (which are used as an input into residential and business fixed-line broadband services) to M2 and its competitors. It also sets out further details of this vertical integration in the competition assessment below.

12. Key competitors

12.1 The New Zealand telecommunications market is highly competitive. The two major, vertically integrated providers, Spark and Vodafone, compete hard against each other and against smaller competitors including Vocus, M2, 2degrees/Snap, Kordia, Voyager, Digital Island, Vibe, Solarix, Trustpower, Vector, My Republic and others for share of wholesale, business and residential spend.

12.2 In relation to national fibre backhaul, Vocus faces competition from Spark, Chorus, Vodafone and Kordia, each of whom have a competing network. In international backhaul, Vocus competes against a number of other resellers of capacity on the Southern Cross Cable including Spark, Telstra and TPG. Vocus has rights to around [ ] of the Southern Cross Cable's current capacity. In addition, Spark, Telstra and Vodafone have commenced work on a second trans-Tasman cable between Sydney and Raglan, further enhancing competition in this area.

12.3 Contact details for the above named competitors are attached as **Annexure 4**.

13. Industry trends

13.1 The telecommunications industry in New Zealand continues to evolve rapidly, both in respect of the introduction and update of new technology and merger and acquisition activity reshaping the markets.

13.2 Recent years have seen some consolidation in the telecommunications industry as providers seek further scale and scope to better compete (particularly against the large, vertically integrated providers Spark and Vodafone). This included the acquisition of Orcon by CallPlus (prior to CallPlus being acquired by M2) and the acquisition of Snap by 2degrees (giving all three mobile operators a fixed-line business).

14. Trade or industry associations

14.1 Vocus and M2 are members of the The New Zealand Telecommunications Forum (**TCF**). The TCF is a registered incorporated society. Its objective is to actively foster cooperation among the telecommunications industry's participants, to enable the efficient provision of regulated and non-regulated telecommunications services.

14.2 Vocus and M2 are members of the Telecommunications Users Association of New Zealand (**TUANZ**). M2 is also a member of the Asia Pacific Network Information Centre (**APNIC**), New Zealand Internet Task Force (**NZITF**) and New Zealand Telecommunications Forum (**TCF**) (which includes the Number Administration Deed (**NAD**), Toll Free Number Portability: TNAS Limited (**TNAS**), Local & Mobile Number Portability (**LMNP**) and Telecommunications Emergency Services Feed (**TESA**)).

14.3 Vocus is also a member of APNIC (although this membership is via the Australian business, Vocus NZ is not a separate member).

14.4 Contact details for the above named trade or industry associations are attached as **Annexure 5**.

15. Key customers and suppliers

15.1 A list of each party's top ten direct business customers and top ten wholesale customers is set out at **Annexure 6**.

Part E: Competition Assessment

16. **Introduction**

16.1 The Proposed Transaction will not have the effect or likely effect of substantially lessening competition in any market. In respect of horizontal competitive overlap:

(a) in business fixed-line data services, the parties' offerings are distant competitors, with Vocus focussing primarily on C&G customers (50+ employees) and M2 (largely through its CallPlus brand) focusing on the SME end of the market. In any event, there is strong competition across all business segments, in particular from Spark and Vodafone, who are estimated to have a combined share of greater than [ ]. The estimated combined market share of the parties is around [ ], well within the Commission's concentration indicators. Nevertheless, given the difficulties involved with accurately estimating market shares in this market, the parties provide further details below in relation to competitive conditions.

16.2 In respect of vertical integration:

(a) the Proposed Transaction will not provide Vocus with increased incentive or ability to foreclose retail or business broadband customers from accessing national or international backhaul fibre services. Vocus will continue as one of five competing national backhaul providers (including both vertically integrated and non-integrated operators) and as one of at least seven resellers of capacity on the Southern Cross Cable. Accordingly, it holds no market power in respect of either service and so any foreclosure attempt would be defeated by users' ability to switch; and

(b) regarding customer foreclosure, M2 already obtains the vast majority of its international and national backhaul services from Vocus. With only 15% of the downstream market, even if Vocus was to shift all of M2's remaining purchases to its own network after the Proposed Transaction, this would have only a minimal impact on other national or international backhaul providers.

16.3 Further detail is provided below on the lack of horizontal or vertical issues arising from the Proposed Transaction.

17. **Without the Proposed Transaction**

17.1 [ ]

18. **Business fixed-line services – competition analysis**

Not close competitors

18.1 While Vocus and M2 both offer fixed-line business services, these are focussed on different ends of the customer spectrum, as follows.

(a) **Vocus – business fixed-line broadband service offering:** Vocus' offering is squarely focussed on larger enterprises. It estimates that over [ ] of its fixed-line business services revenue is derived from businesses with more than 100 employees. These customers often require complex, bespoke solutions, which Vocus specialises in providing.

(b) **M2 - business fixed-line broadband service offering:** M2's offering is primarily aimed at the smaller end of the SME market, selling a range of standard "off the shelf" broadband and voice packages. The vast majority of M2's business customers have fewer than [ ] employees. Many of its products at the small enterprise end of the range are little different to consumer voice and broadband packages. M2 does offer some higher end services, such as managed WAN (connecting a business network across several premises) and SIP trunking (allowing provision of voice, video, streaming and other content across a business

network), which are suitable for larger businesses. However, these services are not typically bespoke and are still generally aimed at SME customers.

18.2 In addition, the level of overlap is not expected to increase substantially absent the Proposed Transaction. [ ]

18.3 [ ]

Competition driven by Spark and Vodafone

18.4 The two largest competitors in the business fixed broadband market (by a substantial margin) are Spark and Vodafone. Those players together are estimated to hold about [ ] of the market. In *Vodafone/TelstraClear,* the Commission determined that by combining Vodafone (which was strong in the SME end of the business market) and TelstraClear (which was strong in the medium enterprise and C&G segments) that merger would create a more efficient competitor better able to compete against Spark. In the parties' view, this is what has occurred and strong competition has continued between those players across the spectrum of business customers.

18.5 In addition, the Commission at that time found little evidence that smaller competitors drive competition in this market (in contrast to the residential broadband market). Vocus (FX Networks) was not mentioned in the Commission's decision at that time as a relevant competitive constraint in this market.

18.6 Just as the Vodafone/TelstraClear acquisition created a strong competitor to Spark, the Proposed Transaction will also create a stronger third competitor, able to offer a much broader range of telecommunications products to customers across the spectrum (although the absence of a strong mobile offering will continue to impose a competitive disadvantage against Spark and Vodafone, and rival 2degrees is currently using its mobile platform as a basis to expand its share of fixed-line services).

Strong competitive constraints across the array of services

18.7 Given the array of services that fall within the business fixed-line service segment (from basic access right through to complex network design and data management services and from small single person home offices right through to large C&G enterprises) it is difficult to produce meaningful market share estimates. However, the parties have endeavoured to estimate share based on number of connections to business premises, as independent data exists in respect of connection figures in this market. The connections data demonstrates that the merged entity will remain much smaller than Spark and Vodafone.

Table 2: Business fixed-line service market share estimates

Party	Estimated number of connections to business premises	Estimated market share
Vocus	[ ]	[ ]
M2	[ ]	[ ]
Merged Entity	[ ]	[ ]
Spark	[ ]	[ ]
Vodafone	[ ]	[ ]
Other	[ ]	[ ]
Total	[ ]	**100%**

Source: Chorus, parties' internal data, parties' estimate of third party provision. Single businesses may have more than one premise. (For example, Vocus connections figure relates to about [ ] businesses (the difference being driven by Vocus' focus on C&G customers). Total market size from: Chorus, "The Need for Speed: NZ's appetite for better broadband" Sept, 2014, p11, which estimates there to be 164,079 business premises in New Zealand and 206,000 home businesses. This publication is available at www.chorus.co.nz/file/54625/Need-for-Speed---Quarterly-Market-Update-September-2014-2.pdf.

18.8 By revenue, the parties expect their combined share to be similar to the estimates based on connection figures above. Vocus' sales to business customers are approximately NZ$[ ] while M2's are approximately NZ$[ ]. Estimating total market size at around NZ$[ ], those turnover numbers give each party approximately [ ]% share of the business fixed line market. By comparison, according to Spark's 2015 Annual Report, the revenue from Spark Digital (Spark's business IT services segment), excluding mobile, was reported to be NZ$1,015 million, an order of magnitude higher.

18.9 In any event, market shares aside, simply assessing the large number of providers who compete to supply each product within the fixed-line business services product set demonstrates that even where the parties' offerings overlap, no competition issues will arise. This information is set out in the following table.

Table 3: Overview of business fixed-line services market

		Products							
		Managed voice services	Broadband access (SOHO)	Broadband Access (medium enterprise)	Broadband Access (C&G)	Managed WAN	Cloud Services[5]	Data Centres	Mobile
Active Competitors	Vocus[6]	✓	×	✓	✓	✓	✓	✓	×
	M2 Group[7]	✓	✓	✓	✓	✓	✓	×	✓
	Vodafone	✓	✓	✓	✓	✓	✓	✓	✓
	Spark Digital	✓	✓	✓	✓	✓	✓	✓	✓
	Vector Communications	✓	×	✓	✓	✓	×	✓	×
	Voyager	✓	✓	✓	✓	✓	✓	×	×
	Kordia	✓	×	✓	✓	✓	✓	✓	×
	2degrees (incl. Snap)	✓	✓	✓	✓	✓	✓	✓	✓
	Digital Island	✓	✓	✓	✓	✓	✓	✓	✓
	TrustPower	✓	✓	✓	×	×	×	×	×
	Vibe	✓	✓	✓	✓	✓	✓	✓	×
	My Republic	✓	✓	✓	×	×	×	×	×
	Datacom*	✓	×	×	✓	✓	✓	✓	×
	IBM*	✓	×	×	✓	✓	✓	✓	×
	Dimension Data*	✓	×	×	✓	✓	✓	✓	✓

* Denotes system integrators. While these parties provide the services above, they generally act as resellers of network products supplied by the remaining telcos, with additional services provided over the top.

[5] Encompasses various cloud based voice and data services
[6] [ ]
[7] [ ]

18.10 As demonstrated in the table above, putting to one side the different customers which Vocus and M2 market their products to, there are at least ten other service providers including Spark and Vodafone (the first and second largest business fixed-line service providers respectively) providing each service where there is an overlap. Accordingly, the merged entity will continue to face strong competition in the business fixed-line services market from a number of existing players.

19. **Entry and expansion**

19.1 Entry barriers to the fixed-line business services market are low. All network inputs are commoditised and readily available from a range of providers (backhaul/and CBD fibre) or a regulated supplier (Chorus in respect of local access or other local fibre companies in respect of UFB). An entrant would simply need some (relatively basic) technology alongside a willingness to invest in brand. However, given the number of existing players in this market, the parties consider that barriers to entry are not relevant in this case.

20. **Countervailing power**

20.1 As business customers get larger, they become more sophisticated and exert substantial countervailing power. There are a range of alternatives to the parties in all service areas, meaning customers place significant pressure on their providers in respect of cost and quality.

20.2 In addition, in the New Zealand market, switching providers is straightforward. The TCF administered Customer Transfer Code, to which major providers are parties, allows for easy switching between providers including matters such as number portability.[8]

21. **National and international backhaul markets – assessment of vertical effects**

21.1 National fibre backhaul and international backhaul services are both inputs into the provision of business and residential broadband services (in addition to mobile services). However, as set out below, Vocus does not have market power in either market and would not be able to restrict access to, or increase costs of, these services to broadband competitors. In any event, the costs of national and international backhaul represent a small portion of broadband providers' costs, indicating that Vocus will not have any incentive to increase broadband rivals' costs (as any such cost increase would have limited effects on the competitiveness of broadband suppliers).

National fibre backhaul market

21.2 The national fibre backhaul market is highly competitive, with five competing national network providers. M2 does not have any backhaul fibre assets. The following table sets out the providers, alongside the approximate length of their fibre networks.

Table 4: National fibre backhaul providers

Supplier	Length of backhaul network
Chorus	>8,000km[9]
Spark	>8,000km
Vodafone	7,500km
Vocus	4,200km
Kordia	[ ][10]

Source: public announcements/parties' estimates

[8] See http://www.tcf.org.nz/content/2be38e66-1b2e-4e6f-a6e4-98f8d156f36e.html.
[9] Based on parties' best estimates – no public data available.
[10] Based on Vocus' best estimates [ ]. Does not include microwave backhaul which is likely to increase network length considerably.

21.3 Vocus is unable to provide an estimate of backhaul market shares as there is no reliable measure of capacity or amount of data carried. In its view, Chorus, Vodafone and Spark are likely to be the largest backhaul providers, with Spark and Vodafone having significant backhaul requirements associated with their other services (residential fixed-line services and mobile).

21.4 However, each of the competitors above also wholesales backhaul services to third parties. Again, Vocus has no data (and is not aware of any industry data that exists) on shares in the market for provision of third party backhaul services. However, in its view it is likely that each of the five providers would be of a similar size in this segment. In particular, Vocus is of the view that none of the parties has any degree of market power in this segment. Backhaul services in New Zealand are commodity products and the market is highly price competitive.

21.5 By way of example, Chorus has recently sought to aggressively expand backhaul share and has priced very aggressively to do so, prompting competitive reactions from other providers. For example, [ ].

21.6 Given the competitive nature of this market, if Vocus sought to raise costs to rival ISPs for access to its network after the Proposed Transaction, it would simply result in backhaul customers switching to competing suppliers, all of which would likely have spare capacity. Indeed, Vocus' experience is that customer demand and financial return have required that it continue to invest in new hardware and technology platforms that enable better use of existing fibre resources, resulting in continued excess capacity.[11]

21.7 Vocus expects that M2's two largest ISP rivals (Spark and Vodafone) would also have ample excess capacity on their own backhaul networks. Accordingly, seeking to raise rival ISP costs would not result in any competitive benefits in the residential or business broadband markets.

21.8 Even if regional markets or specific access markets were considered, Vocus could not be said to have market power in respect of any local area. As set out above, the networks of each of Vodafone, Chorus and Spark are each larger than that of Vocus. Even if Vocus did have a stronger market position with respect to any particular link, seeking to foreclose access to such a link would be met by equivalent foreclosure by rivals to their own unique links.

21.9 In any event, there tends to be substantial overlap on the networks, with backhaul providers often selling rights to newly built links to competitors and/or sharing construction costs. [ ]. Attached as **Annexure 9** is a network map showing the Vocus network. The parties do not have detailed map showing competitor networks, however see www.broadbandmap.govt.nz.

21.10 Finally, in relation to backhaul, Vocus is involved in Connect 8, a joint venture with Spark which was set up for the purpose of building fibre and other telecommunication network assets for its shareholders and third parties. [ ] Vocus does not expect its ownership or operation of Connect 8 to change in any way following the Proposed Transaction compared to the counterfactual.

International backhaul market

21.11 The International backhaul market is competitive, with a number of operators holding rights to resell capacity over the Southern Cross Cable. The cable is owned by Southern Cross Cables Limited (**Southern Cross**), a special purpose vehicle owned by Spark (50%), SingTel (40%) and Verizon (10%). Southern Cross sells capacity on the cable in various ways, from indefeasible rights of use (**IRUs**) to short term leases.[12] Importantly, capacity is continually coming free either through the expiry of lease terms or incremental capacity being made available by Southern Cross (through advances in technology).

21.12 Currently Vocus understands that it is one of seven resellers of capacity on the Southern Cross Cable. Spark, Telstra and TPG are also significant resellers of capacity, while additional resellers can gain capacity at any time by acquiring such capacity from Southern Cross. Based on its

[11] [ ]
[12] See http://www.southerncrosscables.com/home/services/purchase-options for more details on the purchase options.

share of operations and maintenance costs that it occurs annually on the Southern Cross Cable, Vocus estimates that it has rights to around [ ] of capacity on the Southern Cross Cable.

21.13 Accordingly, Vocus does not have market power in this market. If it sought to raise costs to rival ISPs for access to its resale capacity (upon expiry of any contracts), it would simply result in switching to rival resellers or the ISPs seeking capacity directly from Southern Cross. (While minimum volumes apply for access directly from Southern Cross, any excess capacity beyond the immediate requirements of an ISP can be resold to other users.)

21.14 In addition, Vocus expects the new TGA cable to be operational in 2016. Once this occurs, Spark, Telstra and Vodafone are all likely to compete to sell capacity on that cable.[13]

21.15 Capacity out of Australia to the rest of the world is highly competitive, with Vocus having only a minor interest in this market.

No vertical effects

21.16 As set out above, Vocus does not have market power in respect of either national or international backhaul markets. Accordingly, any attempt to foreclose access to broadband competitors would be defeated by switching to another competitor.

21.17 However, even if Vocus did have market power in respect of backhaul services (or any specific local areas) – which is denied - raising rivals' costs would have a negligible impact in the downstream broadband markets because national fibre backhaul represents only a small portion of a retailer's final price. In respect of residential broadband, the Commission has previously assessed the breakdown of costs for residential broadband retailers when assessing the impact of wholesale price changes on the downstream market.[14] The Commission found that national and international backhaul charges together represented around $5 of cost per connection per month, out of an assumed retail price of around $75. Accordingly, even a substantial increase in backhaul costs would have a very limited impact on the competitiveness of those RSPs.

21.18 Accordingly, the Proposed Transaction will not give Vocus the ability or incentive to foreclose access to national fibre backhaul services to downstream residential or business broadband customers as a result of the increased vertical integration.

21.19 Equally, the Proposed Transaction will not result in "customer foreclosure". M2 is already a significant national fibre backhaul customer of Vocus, obtaining around [ ] of its backhaul requirements from Vocus. Even if it was to move all of its requirements to Vocus, this would have a negligible effect on the other national backhaul fibre providers because:

(a) in the case of Vodafone and Spark, they are vertically integrated themselves into the resale of internet services so have captive demand for their own services; and

(b) at 15% of the national broadband market, the amount of incremental backhaul traffic that M2 could place on Vocus' network would have limited impact on other suppliers (bearing in mind that residential broadband is only one of a number of services provided over national backhaul networks, mobile backhaul being another key one).

22. **No coordinated effects**

22.1 None of the relevant markets set out above in section 11 show signs of coordinated conduct today. The Proposed Transaction does not remove any unique market feature that is preventing coordination today or would potentially lead to the emergence of a new market feature which might provide an incentive for coordination in the future.

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[13] See: https://www.sparknz.co.nz/news/tga/ for more information

[14] See: "Price trends in retail fixed-line broadband services, 2011 to 2014, and the impact of wholesale price changes" which can be found at http://www.comcom.govt.nz/dmsdocument/13293

22.2 Indeed, in all of the relevant markets there are a range of factors which indicate that they are not vulnerable to coordination, set out as follows.

(a) Market positions, size and cost structures are by no means symmetric or even approaching symmetric. In each relevant market, the two largest competitors are Spark and Vodafone, with a number of smaller, aggressive competitors. Spark and Vodafone are estimated to account for [ ] and [ ] of the business fixed-line market respectively. The remaining [ ] is made up of a long tail of smaller players of differing sizes and business focuses all competing aggressively to increase market share.

(b) Business fixed-line services are highly differentiated with respect to network speed and reliability, service levels, price etc. The requirements and complexity of a customer will increase with their size, and the ultimate product provided will usually be custom made to fit individual business' requirements.

(c) Firms are unable to readily observe each other's pricing to business customers. The service and ultimately price are generally negotiated directly with a customer and vary according to a customer's size and requirements.

(d) There is a lack of interrelationship or association between competitors.

22.3 Accordingly, none of the relevant markets are susceptible to coordinated effects and the Proposed Transaction will not change this.

Part F: Confidentiality

23. **Reasons for seeking confidentiality**

23.1 Confidentiality is sought in respect of the information in this application that is highlighted, in bold and contained within square brackets (the **Confidential Information**). All of the information in the Annexures is Confidential Information other than Annexures 1, 2, 3, 4, 5 and 9. Confidentiality is sought for the Confidential Information for the purposes of section 9(2)(b) of the Official Information Act 1982 on the following grounds.

(a) The Confidential Information is commercially sensitive and valuable information which is confidential to either, or both, the Parties.

(b) Disclosure of the Confidential Information would be likely to unreasonably prejudice the commercial position of the Parties.

23.2 Vocus requests that it is notified if the Commission receives any request under the Official Information Act 1982 for the release of any part of the Confidential Information. Vocus also requests that the Commission seek and consider its views as to whether the Confidential Information remains confidential and commercially sensitive before it responds to such requests.

Part G: Declaration

I, _____, have prepared, or supervised the preparation, of this notice seeking clearance.

To the best of my knowledge, I confirm that:

- all information specified by the Commission has been supplied;
- if information has not been supplied, reasons have been included as to why the information has not been supplied;
- all information known to me that is relevant to the consideration of this notice has been supplied; and
- all information supplied is correct as at the date of this notice.

I undertake to advise the Commission immediately of any material change in the circumstances relating to the notice.

I understand that it is an offence under the Commerce Act to attempt to deceive or knowingly mislead the Commission in respect of any matter before the Commission, including in these documents.

I am a director/officer of the company and am duly authorised to submit this notice.

Name and title of person authorised to sign:

_____

Sign:_____ **Date:**_____

Part H: Glossary

Abbreviation/ acronym	Definition	Description
Cabinet		Roadside cabinets which contain fixed line telecommunications equipment to serve a small number of premises. Typically digital subscriber line (DSL) modems and access multiplexers (DSLAMs) Traditionally this equipment was located at a local exchange, which services a larger number of users. Moving DSL equipment from the exchange to the cabinet shortens the circuit length between the equipment and the customer premise, enabling faster data transmission.
Cloud	Cloud computing services	Cloud computing is the delivery of computing services over remote networks, rather than as products typically installed at customer premises. Typical computing services include software (e.g., e-mail, customer relationship management software), platforms (e.g., databases, test environments), infrastructure (e.g., data storage, data processing).
Data Centre		A centralised repository, either physical or virtual, for the storage, management, and dissemination of data and information.
DSL / ADSL / VDSL	Digital Subscriber Line / Asymmetric Digital Subscriber Line / Very High Speed Digital Subscriber Line	Technology enabling high speed data transfer over copper access lines that were traditionally used for analogue voice signals only. Customers install a DSL modem at their premise, while DSL service providers install DSLAMs at a local exchange or cabinet. ADSL systems have different download and upload speeds, with maximum 24Mbit/s download and 3.3Mbit/s upload (ADSL2+). VDSL systems are capable of 55Mbit/s download speeds, with 3Mbit/s upload, but require shorter circuit lengths than ADSL technology.
DSLAM	Digital Subscriber Line Access Multiplexer	Service provider equipment located in either an exchange or a cabinet that enables the provision of DSL services over copper wires. DSLAMs aggregate data signals from multiple subscribers for transmission, via backhaul, to service providers' core networks.
Exchange / Local Exchange		An exchange is an aggregation point in a network where circuits connected to customer premises terminate. Exchanges house switching equipment, which enables data and voice signals to be directed to and from the appropriate customer premises.
HFC network	Hybrid Fibre-Coaxial	A network which combines transmission over fibre optic cables and coaxial copper cables. Coaxial cables are typically used for customer premises ('access') connections, while fibre optic cables are typically used to carry aggregated data to and from customers. HFC networks were typically deployed to carry both transmit television and provide internet data services.
IP	Internet Protocol	A standard enabling transmission of discrete 'packets' of data between devices that may be on different networks. IP provides standard addressing and routing
ISP	Internet Service Provider	Retailer of broadband access services. Usually refers to fixed line broadband service providers that also offer voice access.
LAN	Local Area Network	A LAN provides connectivity between computers within a single or closely connected area of buildings. Typically provided using customer owned circuits, with network switching equipment either owned by the customer, or owned/managed by a third party provider. The most common LANs are presently Ethernet networks, and wireless LAN networks.
MVNO	Mobile Virtual Network Operator	A mobile operator that does not own network infrastructure or spectrum licenses. Instead, MVNO's have business arrangements with traditional mobile network operators to buy minutes of use for sale to their own customers.
PBX	Private Branch Exchange	A managed voice product that connects telephone extensions to the PSTN and provides internal communication for a business.
PSTN / POTS	Public Switched Telephone Network / Plain Old	Traditional analogue voice telephony service. For broadband subscribers, this is typically provided over the same copper

	Telephone System	
RSP	Retail Service Provider	Retailers of broadband and fixed voice services.
SIP Trunking	Session Initiation Protocol Trunking	A service that enables companies to carry voice and video calls over traditional data networks (e.g., IP networks). This service is typically used to allow companies with compatible PBX equipment to carry voice traffic over data connections, reducing the requirement, and costs, for a traditional connection to the PSTN.
UBA	Unbundled Bit-stream Access	UBA is a wholesale bit stream data service, which delivers data from a customer broadband connection to a Retail Service Provider's (RSP's) core network. DSLAM equipment is typically operated by the UBA service provider. RSPs can therefore use UBA services to supply broadband services to a customer, without having to install DSLAM equipment in an exchange. Naked UBA is UBA sold as a standalone service, while clothed UBA is UBA sold together with a Plain Old Telephone System voice service.
UCLL, LLU or ULL	Local Loop Unbundled, or Unbundled Copper Local Loop	Local loop unbundling is the regulatory process of allowing multiple telecommunications operators to use connections from the telephone exchange to the customer's premises. The physical wire connection between the local exchange and the customer is known as a "local loop", and is owned by the incumbent local exchange carrier.
UFB	Ultra-Fast Broadband	Refers to the Ultra-Fast Broadband initiative, a Government funded initiative to deliver broadband availability at a minimum of 100 Mbps to 75% of New Zealanders by 2019. To achieve this fibre networks are being built by local fibre companies (LFCs), who must then sell open access to fibre networks to retail service providers (RSPs), without discrimination. Further information is available at www.crownfibre.govt.nz.
VDSL	Very High Speed Digital Subscriber Line	Digital Subscriber Line (DSL) technology capable of delivering broadband speeds over copper cables of up to 52 Mbps downstream and 16Mps Upstream. However, performance degrades significantly as loop lengths increase beyond 300m.
VoIP	Voice over IP	VoIP commonly refers to the communication protocols, technologies, methodologies, and transmission techniques involved in the delivery of voice communications and multimedia sessions over Internet Protocol (IP) networks, such as the Internet. Other terms commonly associated with VoIP are IP telephony, Internet telephony, voice over broadband (VoBB), broadband telephony, and broadband phone. VoIP services are typically deployed as a lower cost alternative to public switched telephone network (PSTN) based services.
WAN	Wide Area Network	Connectivity between two or more local-area networks, typically provided with circuits and switching equipment controlled by the service provider. Customers often use this service to connect computer networks between multiple office locations.
Wholesale backhaul		Wholesale backhaul is a service that access seekers can use to provide connectivity to transmit data from a network point close to end-users (e.g., a telephone exchange or mobile base station) to an interconnection point with their network.

Part I: Annexures

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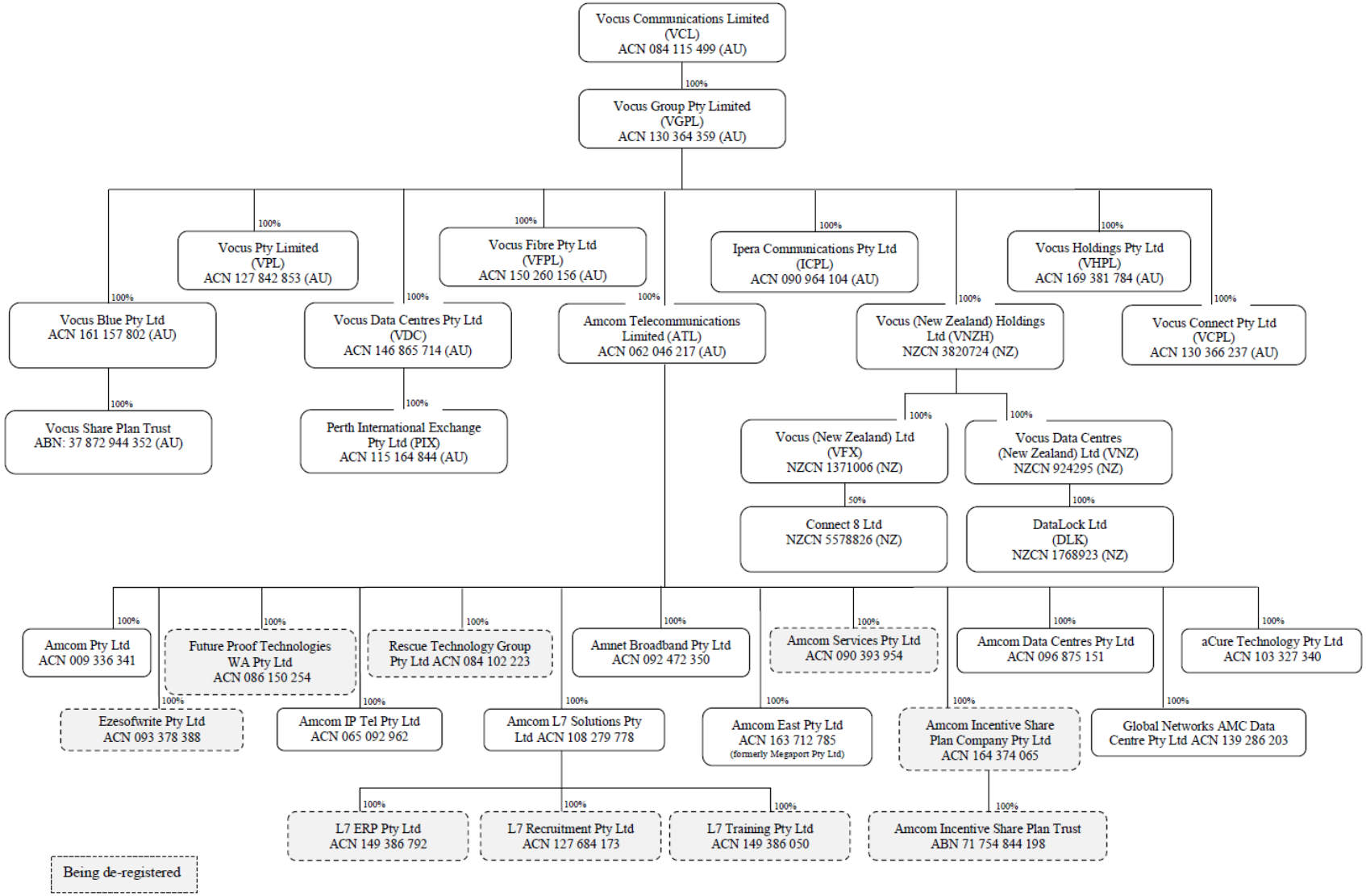
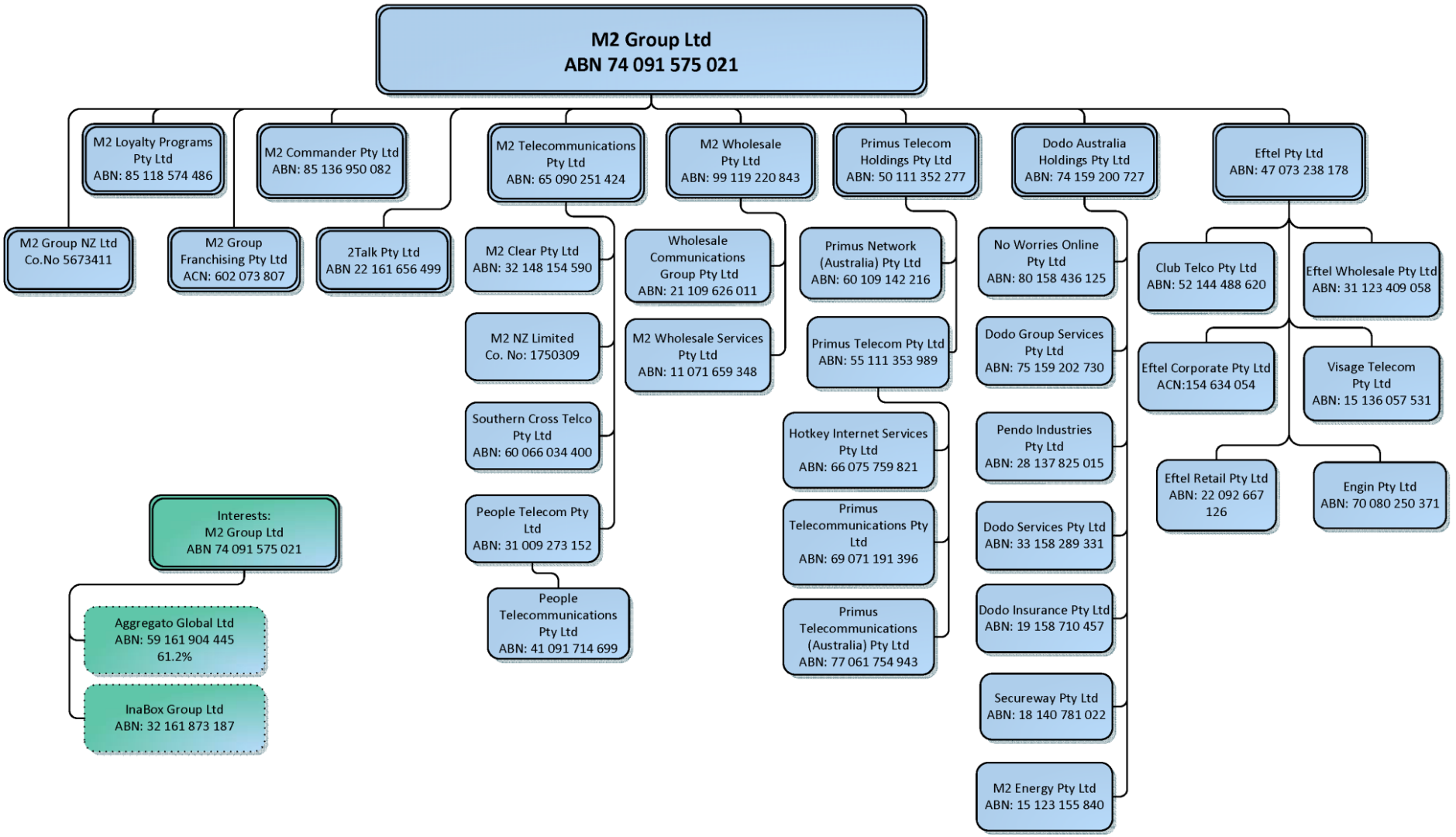
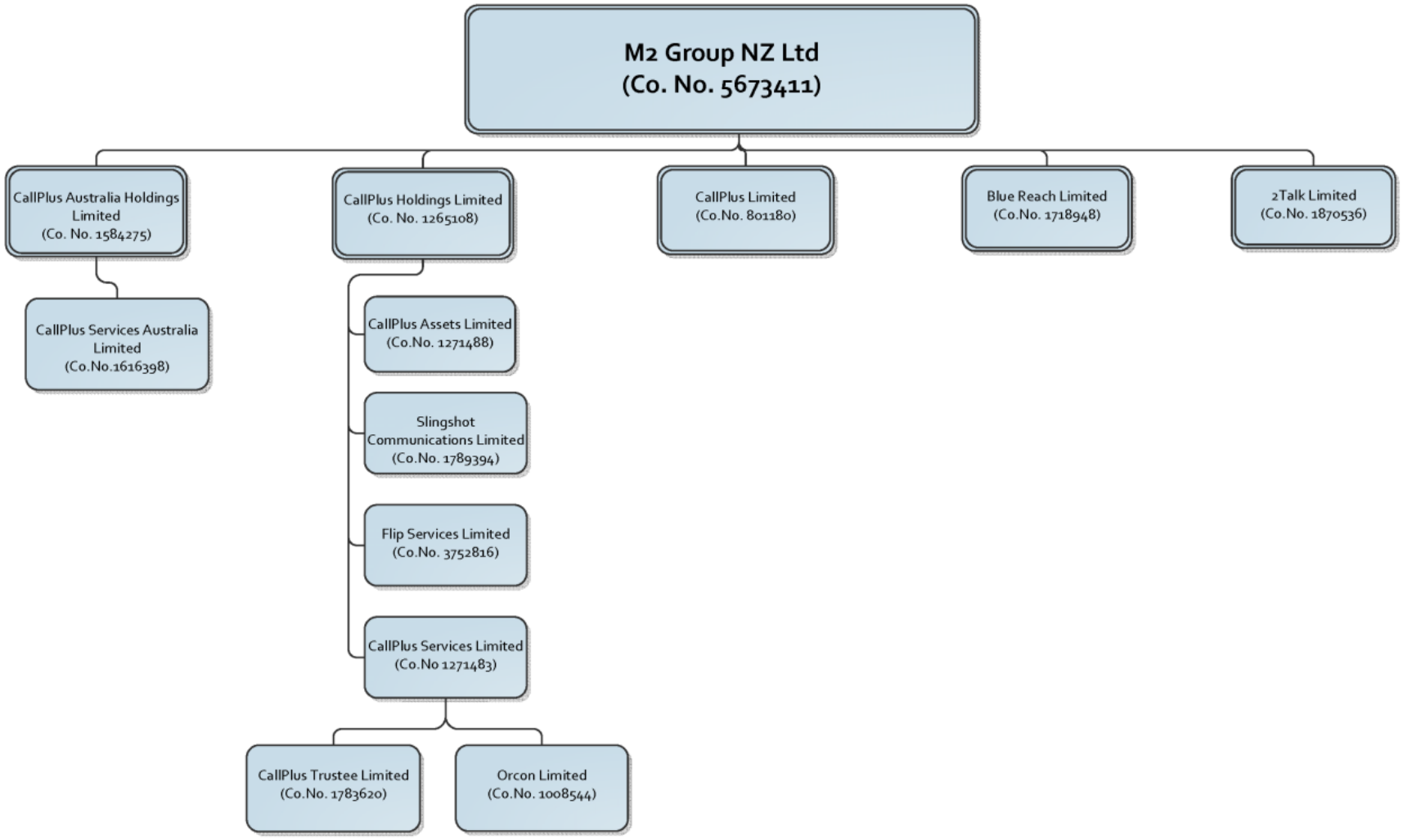
Annexure 1: Corporate Structure Diagram of Vocus



Annexure 2: Corporate Structure Diagram of M2




M2 Group NZ Ltd
(Co. No. 5673411)
CallPlus Australia Holdings Limited
(Co. No. 1584275)
CallPlus Services Australia Limited
(Co.No.1616398)
CallPlus Holdings Limited
(Co. No. 1265108)
CallPlus Assets Limited
(Co.No. 1271488)
Slingshot Communications Limited
(Co.No. 1789394)
Flip Services Limited
(Co.No. 3752816)
CallPlus Services Limited
(Co.No 1271483)
CallPlus Trustee Limited
(Co.No. 1783620)
Orcon Limited
(Co.No. 1008544)
CallPlus Limited
(Co.No. 801180)
Blue Reach Limited
(Co.No. 1718948)
2Talk Limited
(Co.No. 1870536)

Annexure 3: Merger Implementation Agreement

Attached

Annexure 4: Competitor Contact Details

The following contact details have been sourced from publically available information.

Party	Contact details
Vodafone	Name [ ] DDI [ ] Email [ ] Address Vodafone New Zealand Head Office 20 Viaduct Harbour Avenue Auckland 1010 Website www.vodafone.co.nz/
Spark Digital	Name [ ] DDI [ ] Email [ ] Address 167 Victoria St West Auckland Website www.sparkdigital.co.nz/
Vector Communications	Name [ ] DDI [ ] Email [ ] Address PO Box 90624 Victoria Street West Auckland 1142 Website www.vectorcomms.co.nz/
Voyager	Name [ ] DDI [ ] Email [ ] Address PO Box 137272 Parnell Auckland1151 Website www.voyager.nz
Kordia	Name [ ] DDI [ ] Email [ ] Address Kordia NZ Head Office Level 3 162 Victoria Street West Auckland P O Box 2495 Website www.kordia.co.nz/
2degrees (incl. Snap)	Name [ ] DDI [ ] Email [ ] Address 31 Khyber Pass Rd Grafton Auckland 1023 Website www.2degreesmobile.co.nz
Digital Island	Name [ ]

Party	Contact details
	DDI [ ] Email [ ] Address PO Box 8560 Symonds Street Auckland 1150 Website www.digitalisland.co.nz/
TrustPower	Name [ ] DDI [ ] Email [ ] Address Trustpower Limited Private Bag 12023 Tauranga Mail Centre Tauranga 3143 Website www.trustpower.co.nz
Vibe	Name [ ] DDI [ ] Email [ ] Address Vibe Communications Head Office Level 2 155 Karangahape Auckland Website www.vibecommunications.co.nz/
My Republic	Name [ ] DDI [ ] Email [ ] Address P.O. Box 37540 Auckland 1151 Website www.myrepublic.co.nz
Datacom	Name [ ] DDI [ ] Email [ ] Address 68 Jervois Quay Wellington 6011 Website www.datacom.co.nz/
IBM	Name [ ] DDI [ ] Email [ ] Address IBM Centre 82 Wyndham Street Auckland City 1010 Website www.ibm.com/nz/en/
Dimension Data	Name [ ] DDI [ ] Email [ ] Address Wellington (Head Office) Dimension Data House, Level 1 99-105 Customhouse Quay, Wellington, 6011 New Zealand Website www.dimensiondata.com
Telstra	Name [ ]

Party	Contact details
	DDI [ ] Email [ ] Name [ ] DDI [ ] Email [ ] Address Level 41/242 Exhibition Street Melbourne VIC 3000 Website www.telstra.com.au
TPG	Name [ ] DDI [ ] Email [ ] Address TPG Head Office 65 Waterloo Road North Ryde NSW 2113 Website www.tpg.com.au

Annexure 5: Trade or Industry Association Contact Details

The following contact details have been sourced from publically available information.

Trade or Industry Association	Contact details	
Telecommunications Users Association of New Zealand (**TUANZ**)	Name DDI Email Address Website	[ ] [ ] [ ] P O Box 302 469 North Harbour Auckland 0751 www.tuanz.org.nz/
New Zealand Telecommunications Forum (**TCF**)	Name DDI Address Website	TCF Administrator +64 9 475 0203 New Zealand Telecommunications Forum C4, 18 Triton Drive Albany Auckland PO Box 302469 North Harbour www.tcf.org.nz/
*Number Administration Deed (**NAD**) (part of TCF)*	Contact form: Email Website	www.nad.org.nz/contact/ www.nad.org.nz/contact/ www.nad.org.nz
*Toll Free Number Portability: TNAS Limited (**TNAS**) (part of TCF)*	DDI	+64 9 475 0201
*Local & Mobile Number Portability (**LMNP**) (part of TCF)*	DDI (c/o TCF administrator):	+64 9 475 0203
*Telecommunications Emergency Services Feed (**TESA**) (part of TCF)*	DDI (c/o TCF administrator):	+64 9 475 0203
New Zealand Internet Task Force (**NZITF**)	Email Address Website	info@nztf.org.nz PO Box 11-881 Thorndon Wellington 6142 New Zealand www.nzitf.org.nz/
Asia Pacific Network Information Centre (***APNIC***)	DDI	+61 7 3858 3100

Annexure 6: Key Customers

[ ]

Annexure 7: Vocus Audited Financial Statements

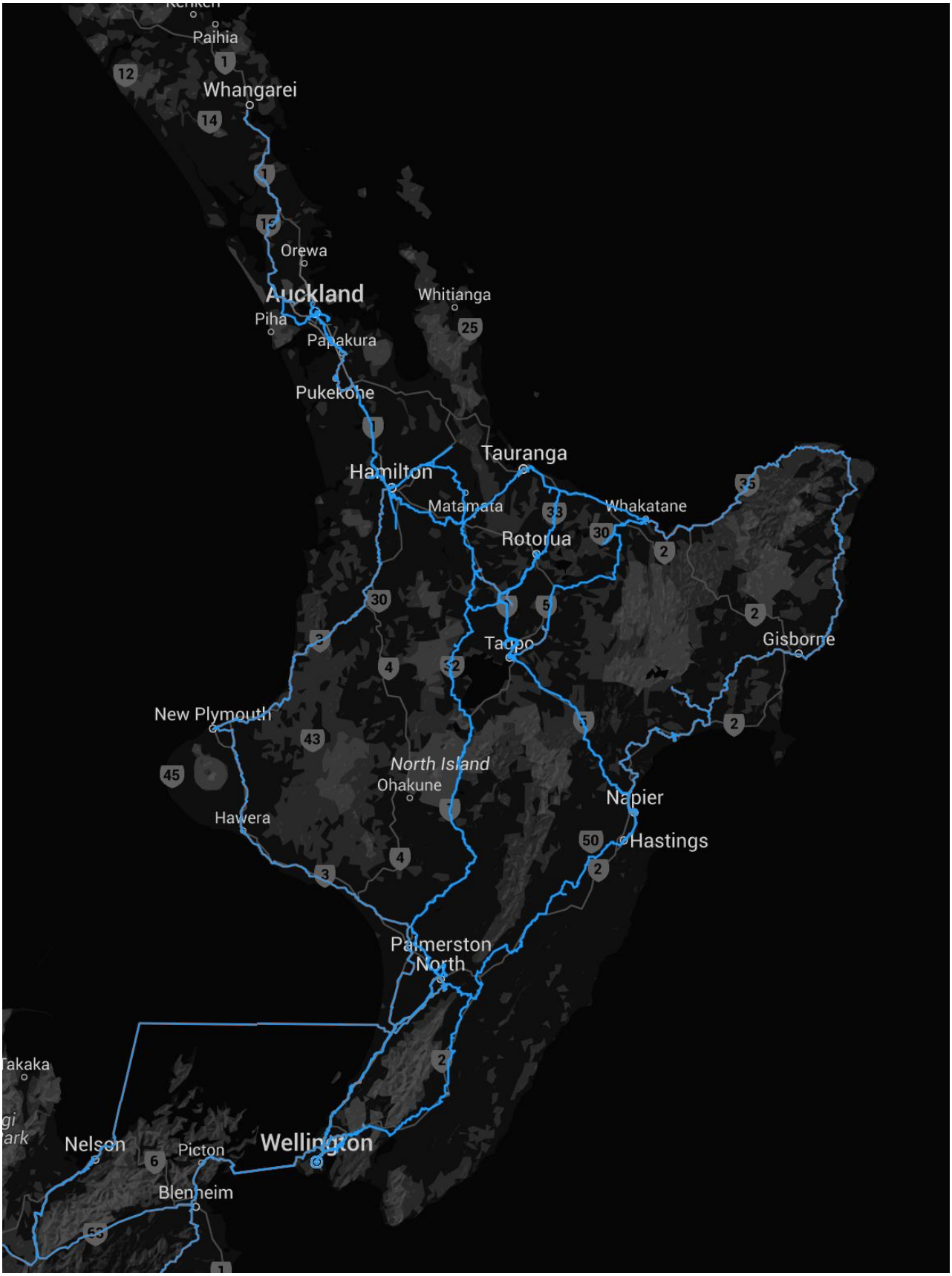
[ ]

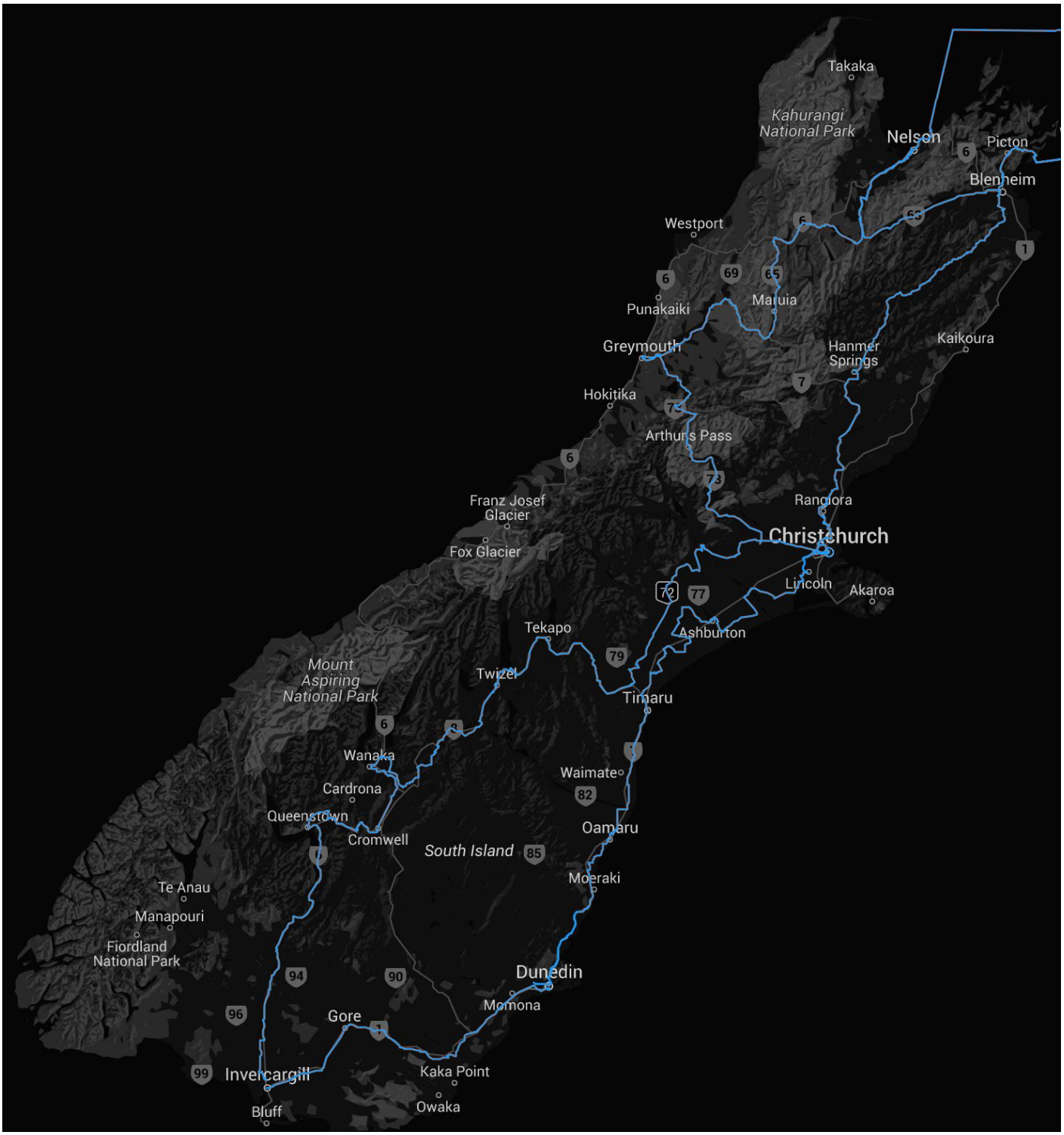
Annexure 8: Backhaul Pricing

[ ]

Annexure 9: Vocus Network Map

Note: The below map is indicative only.




Takaka
Kahurangi National Park
Nelson
Picton
Blenheim
Westport
Punakaiki
Maruia
Greymouth
Hanmer Springs
Kaikoura
Hokitika
Arthurs Pass
Franz Josef Glacier
Fox Glacier
Rangiora
Christchurch
Lincoln
Akaroa
Ashburton
Tekapo
Twizel
Mount Aspiring National Park
Timaru
Wanaka
Waimate
Cardrona
Queenstown
Cromwell
South Island
Oamaru
Moeraki
Te Anau
Manapouri
Fiordland National Park
Dunedin
Momona
Gore
Invercargill
Kaka Point
Owaka
Bluff