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Sky renews satellite deal with more flexibility

Sky has agreed a revised contract with Optus that delivers satellite capability for the next ten years, with the ability to flex the transponder capacity taken by Sky over the term of the arrangement with corresponding cost savings, and exciting new functionality.

Signature of this revised contract enables Optus to commit to build and launch the first of a new breed of software-defined Ku-band satellites that will deliver greater functionality compared to the existing D1 satellite. The game-changing 'Optus 11' satellite is fully configurable in space, meaning its coverage, bandwidth and capacity can be changed in orbit as customer demands evolve – where traditional satellites are limited by on-ground configurations that cannot be altered after launch.

Optus has today informed its investors that the Sky commitment allows it to proceed with the launch programme, with the new software-defined satellite scheduled to be ready for use in late 2023.

The new satellite, which will be deployed in the same geostationary orbital location as the D1 satellite, allows Sky and Freeview to continue to share the same satellite. This will maintain satellite distribution as a cost effective and reliable distribution platform for the whole of New Zealand.

Sky Chief Executive Martin Stewart says: "While Sky is embracing a streaming future, we remain committed to the hundreds of thousands of New Zealanders who currently rely on our satellite services to receive their sport and entertainment. The revised contract with Optus gives these customers comfort that we will be able to continue to deliver our great content to them without disruption and as we have done successfully for many years.

"Our goal is to deliver content to every New Zealander, in ways that work for them. The New Zealanders who do not have access to streaming-capable internet can rest assured that we have them covered.

"Many New Zealanders with broadband continue to enjoy the reliability and ease of the Sky satellite service. We encourage them to connect their Sky box to their home wi-fi and enjoy everything on offer on Sky on Demand. Our streaming services Sky Sport Now and the new Neon service (launching 7 July) also offer superb options for those who want to stream only."

The revised contract maintains the benefits of the existing arrangement including the ability to sub-licence capacity, particularly to free-to-air channels, and to access the D3 satellite to provide redundancy during the remainder of its service life.

"As investors may recall from our recent Capital Raise documentation and other announcements, the existing Optus contract was conditional on Optus taking sufficient steps to procure the successful

launch of a new satellite to replace the existing primary satellite. The revised contract provides additional commitments and assurances for Sky on the success of the replacement.

“The Optus satellite remains a cost-effective way to deliver Sky’s service to our DTH base, and satellite households continue to be our most valuable and loyal customers.

“It is therefore very pleasing to be able to confirm this revised contract with Optus which provides for increased flexibility as Sky and New Zealanders move towards a more IP-focused future.”

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