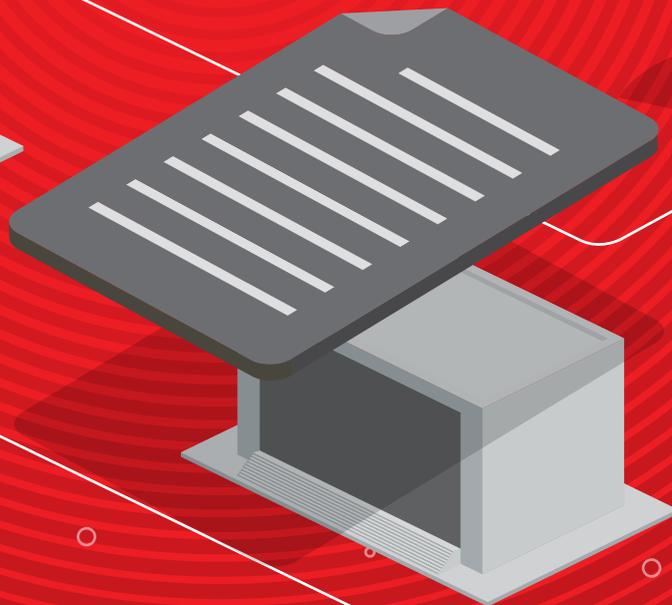
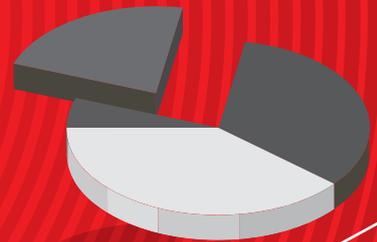


Vodafone: Leading the 4G Revolution for New Zealand

A year of 4G

Vodafone
Power to you



Only on the
SuperNet™

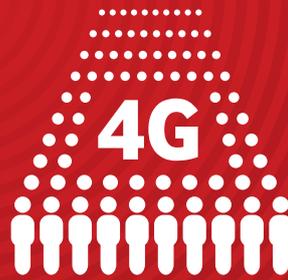
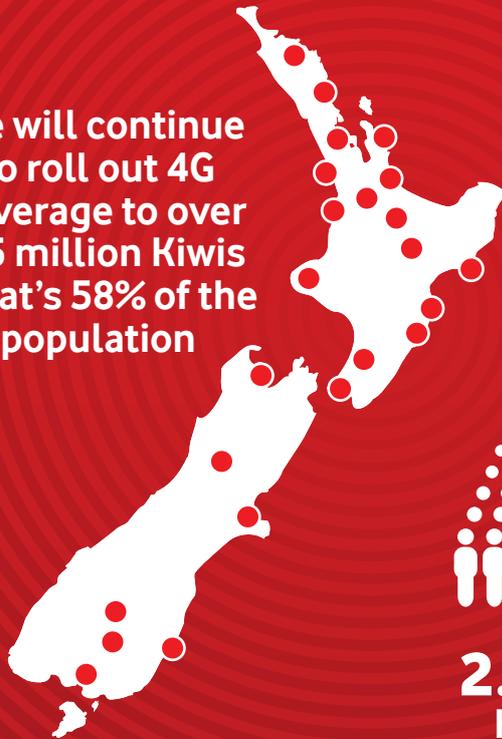


1st
to launch 4G in
New Zealand

Delivering
speeds up to

150
Mbps
with CAT4
devices

We will continue
to roll out 4G
coverage to over
2.5 million Kiwis
- that's 58% of the
population



2.2 Million
Kiwis in 4G
coverage areas

Over **25** 4G devices available





Introduction



Vodafone has always been a company that looks ahead. One that asks not why, but why not, when it comes to the role technology can play in our everyday lives. It's this type of forward thinking that has led us to introduce so many firsts to Kiwis, including texting, prepay, 3G, the iPhone, HD Voice and 4G.

In the 12 months that 4G has been live, we have seen a significant growth in 4G devices as we've extended coverage to over 1.5m Kiwis, in 36 places across New Zealand.

When we launched 4G we wanted to give Kiwis access to the world's best technology - technology that allowed them to do whatever they needed to do, wherever they needed to do it. Because with mobility comes the possibility of working and playing in ways that make our lives even more enjoyable, more productive and more convenient.

This is without doubt the new world standard for mobile networks - ten times faster than standard

3G and twice as fast as dual-carrier 3G. So how has 4G changed the way we use our mobiles? We've combed through our network statistics and talked to hundreds of Vodafone customers to bring you the findings in this report.

I hope you find these insights useful. The report is one of a number of reports to come outlining the changing behaviours of Kiwis living in a faster and better connected New Zealand, whether that's ultra fast broadband, mobile or TV.

Matt Williams
Consumer Director, Vodafone

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| 1. Profile of 4G users | 05 |
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Key points



88% of 4G users have used the portable hot spot feature on their handset



4G users are **87%** more likely to stream music than 3G users



4G users are **74%** more likely to stream video than 3G users



24% of 4G users access social media more than 20 times a week



4G users stream four times more content than 3G users



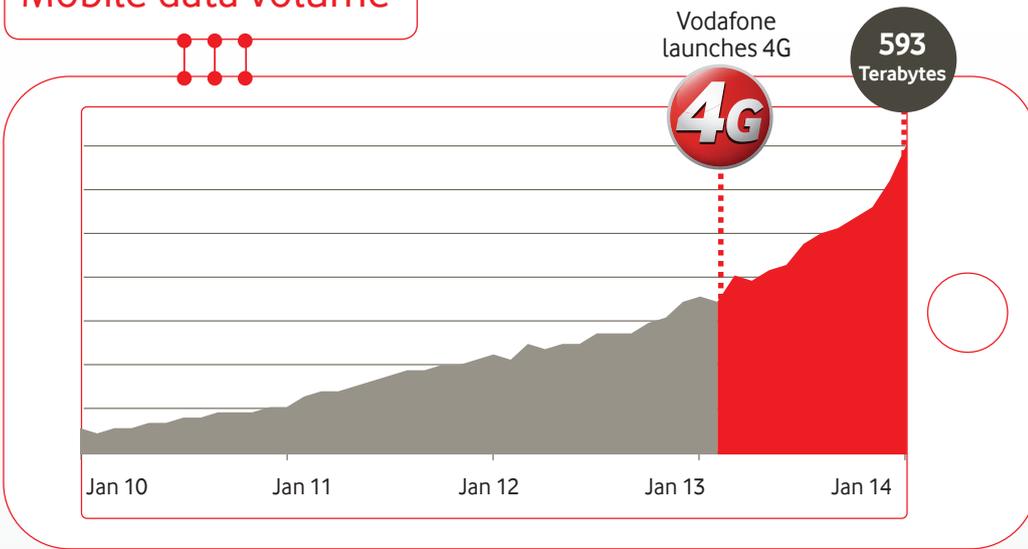
4G users are twice more likely to buy online than 3G users



Kiwis doing more every year on their smartphone

We're buying more 4G devices and becoming a mobile data generation.

Mobile data volume

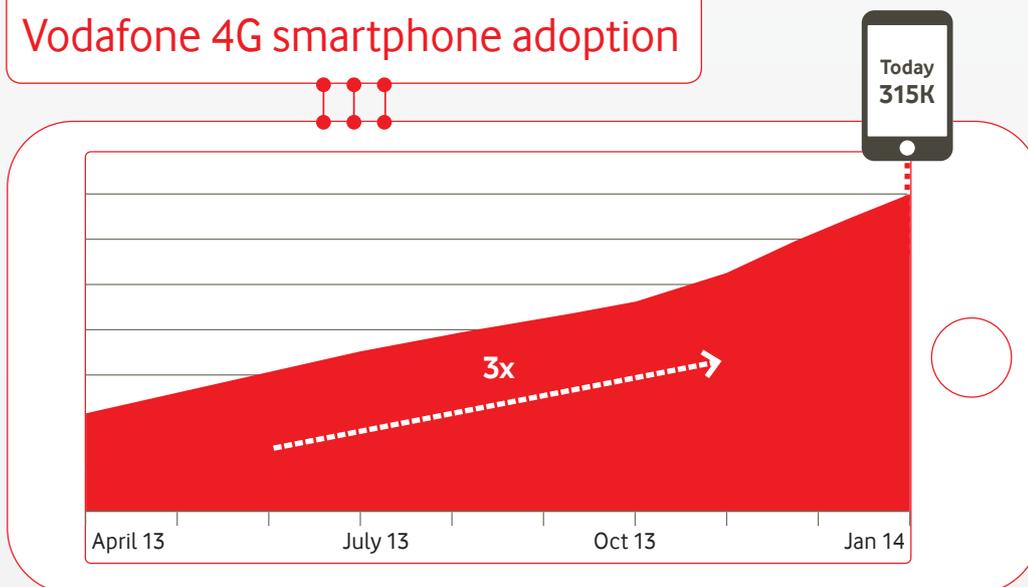


Total mobile data volumes are increasing year on year with more Kiwis choosing smartphones and the benefits these handsets offer. Consumers are able to access richer content through streaming, and businesses are accessing more applications and services via the cloud.

Smartphone growth set to continue

New Zealand is embracing 4G through the purchase of more advanced 4G capable smartphones.

Vodafone 4G smartphone adoption



4G smartphone adoption is increasing year on year with more consumers seeing the benefits of higher speeds and what this enables. Consumers are exploiting the growing features included in the latest smartphones such as mobile payment, hotspot and sophisticated mapping and GPS functionality.



1

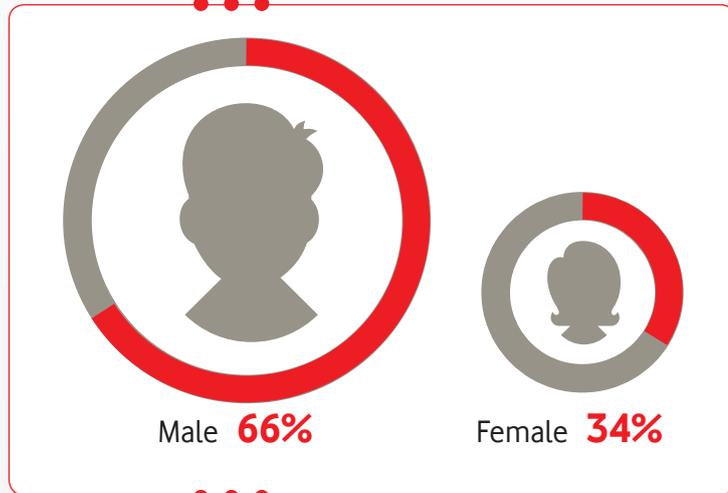
Now say hello to your typical 4G user

If you have 4G in New Zealand you're most likely to be aged between 25 and 34.

People in this group are, generally speaking, the most tech savvy and style conscious. They also often have higher disposable incomes than those in other age groups. They are usually first to purchase the latest smartphone and will almost certainly have a very active Facebook, uploading pictures to an Instagram account and be one of the first to use new applications, like Snapchat.

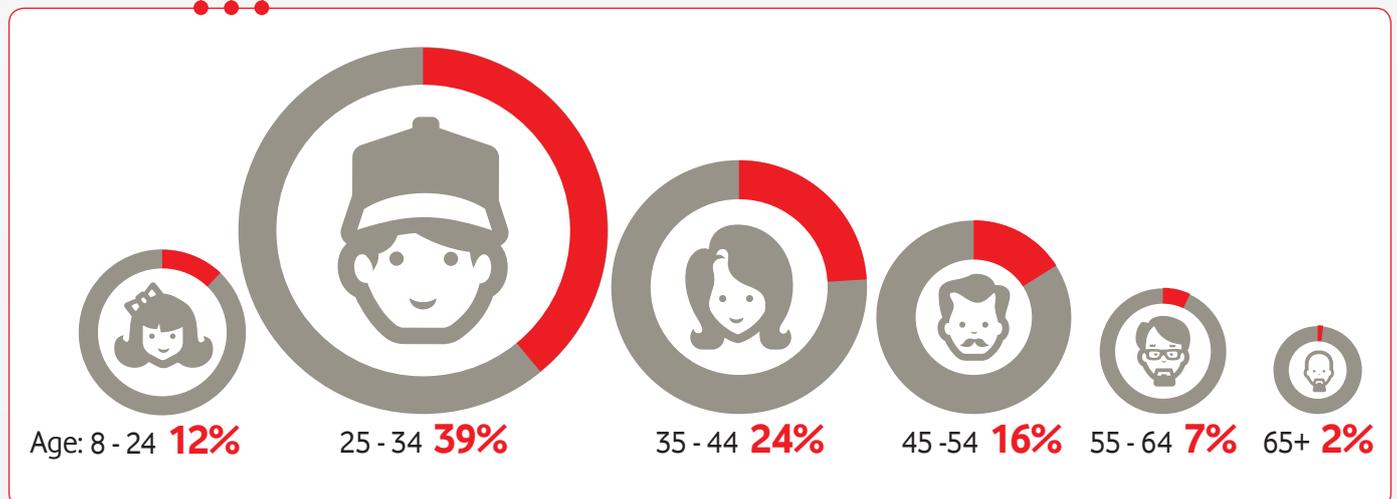
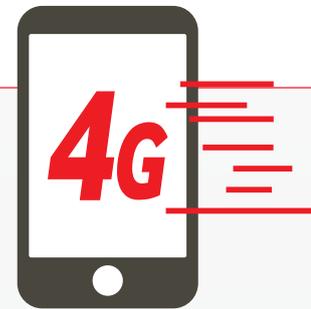


So who's using 4G?



What 4G Kiwis are saying

"The quality of streaming videos and music has greatly improved for me as well."



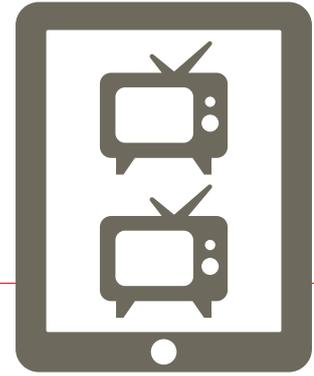


Oh, go on then, download another album, watch another video. You're all good!

Customers moving from 3G to 4G use more data because the experience is so much better. The video streaming experience is greatly enhanced with the ability to watch in HD without delays or the wait.

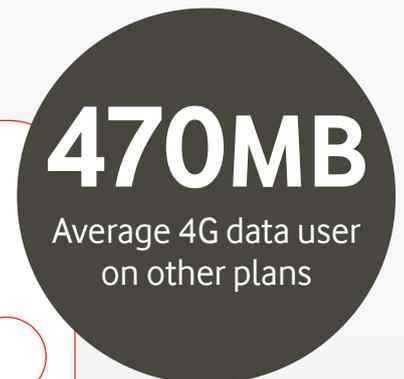
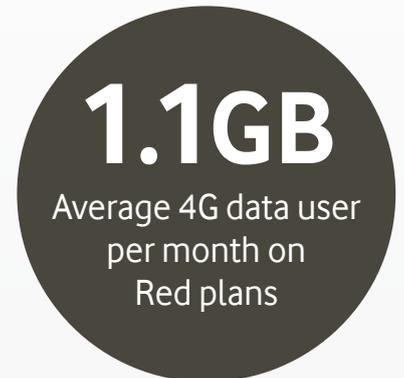
Early adopters of 4G have increased data usage as a result of living life at the speed of 4G. We followed a group of almost 20,000 customers through their 4G journey and saw that the majority of customers usage increased from just over 300MB on 3G to 1GB after living with 4G for 12 months.

Our Red customers use the most data with the average user using just over 1.1GB. Our other On Account users use less - with the average user streaming, downloading & browsing 470MB.

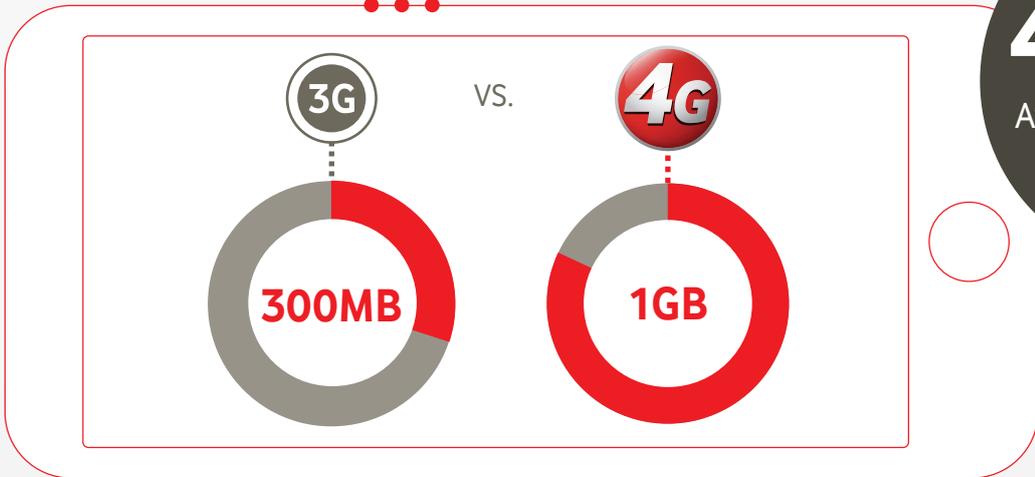


What 4G Kiwis are saying

"I'm addicted to TVNZ OnDemand, no delays and awesome on 4G."



4G customer data usage - Early adopters



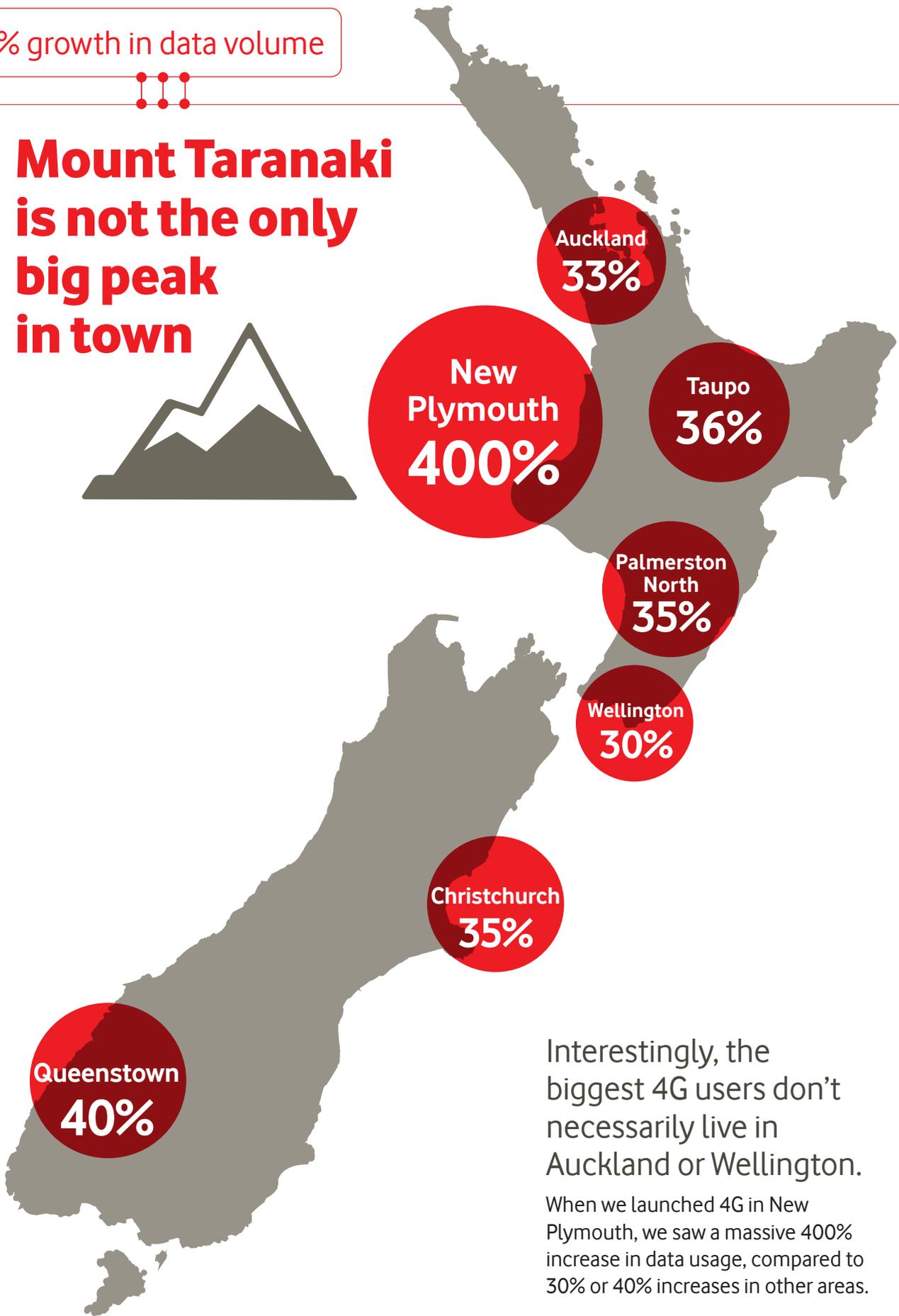
Customers are able to do more, be more productive and enjoy their smartphone more than ever, all while knowing they are safe to keep using with Flexi Data - meaning they can always get more data if they have used their monthly bundle allowance. Go on, download another album or two.



% growth in data volume



Mount Taranaki is not the only big peak in town



Interestingly, the biggest 4G users don't necessarily live in Auckland or Wellington.

When we launched 4G in New Plymouth, we saw a massive 400% increase in data usage, compared to 30% or 40% increases in other areas.

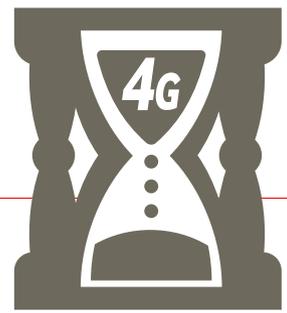


2

A day in a 4G life

4G users are early risers with usage increasing dramatically from 6am.

What are they doing at lunchtime? Catching up with friends? Going to the gym? Or surfing the web? 4G usage peaks when the clock strikes 12, with smaller spikes as kids finish school and commuters make their way home on public transport. A similar pattern emerges for tablets, with the exception that high usage continues until bedtime.

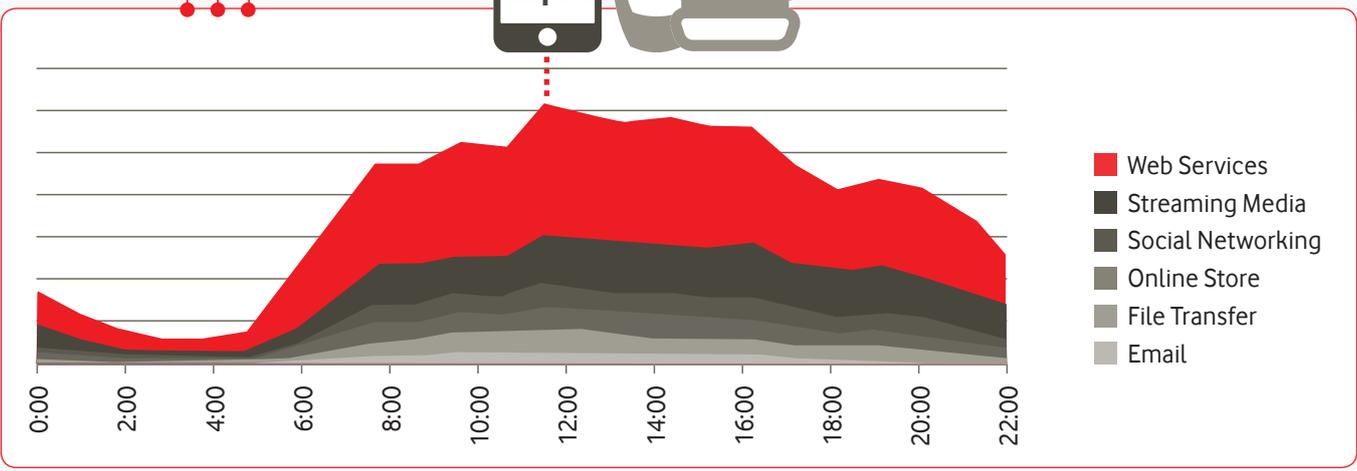


What 4G Kiwis are saying

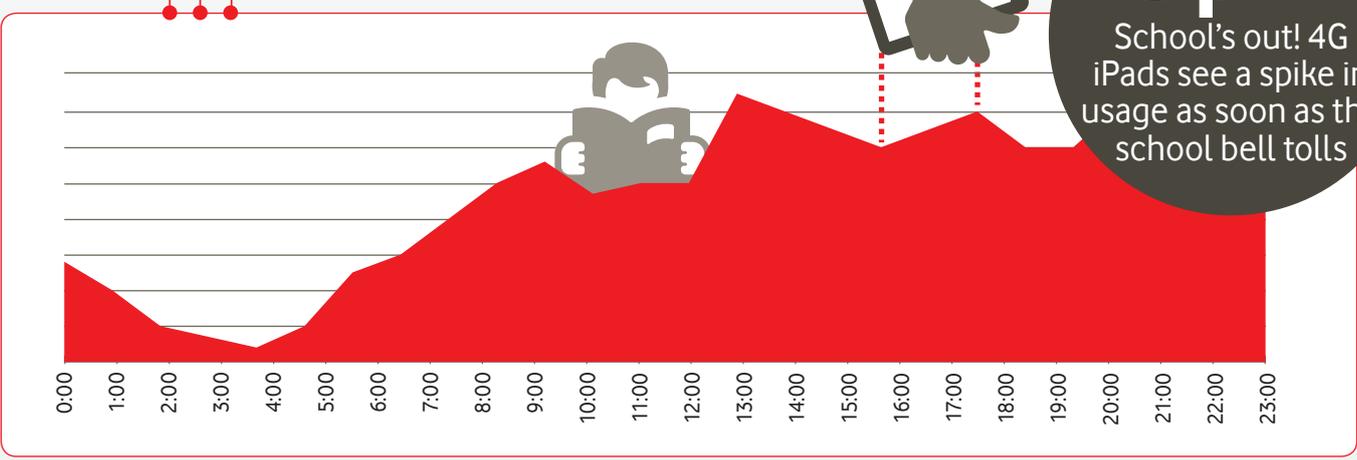
"Everything is just faster, and I like fast!"



Top 6 4G applications



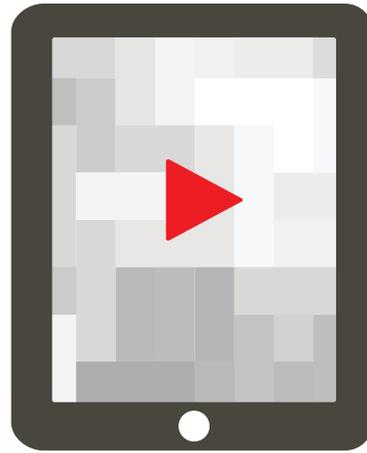
4G iPad Data Profile



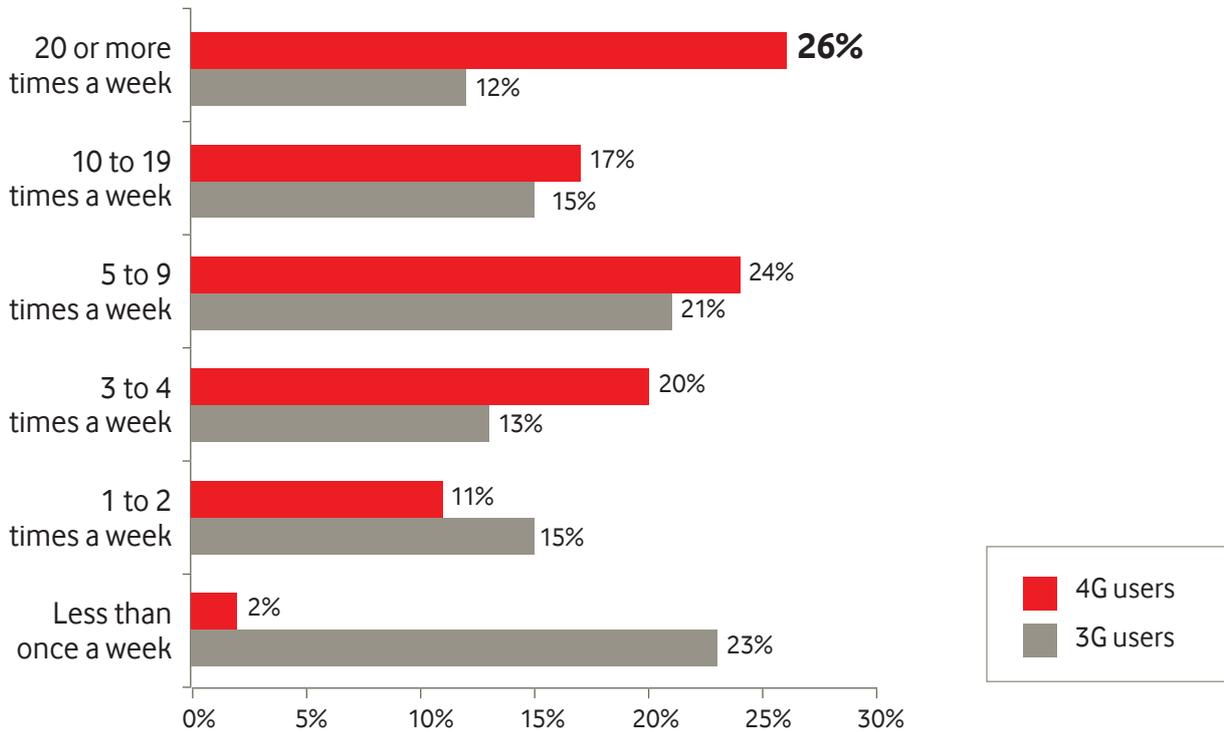
3pm
School's out! 4G iPads see a spike in usage as soon as the school bell tolls



More videos more streaming more fun



Use of video streaming websites



62% of Kiwis on 4G say they use video streaming websites more since upgrading from 3G, with 38% saying they use them a lot more.

In all, Kiwis stream four times more content on 4G than 3G, a figure that will continue to grow as more quality content, such as the multi-channel platform for the recent America's Cup becomes available.

What 4G Kiwis are saying

"For one, no more waiting/loading times whether I'm on YouTube or going through emails with attachments."





Kiwis love music as much as the world loves Lorde!

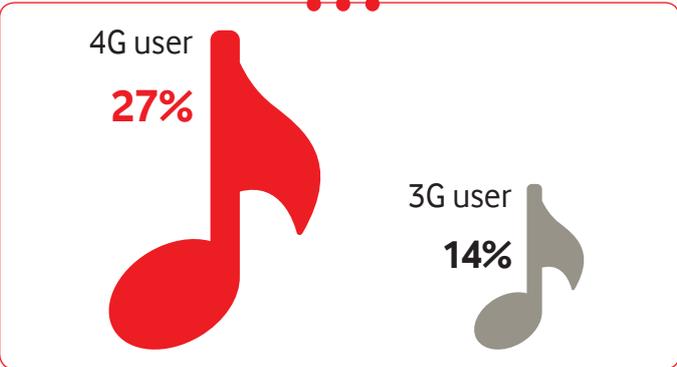
Compared to 3G users, those on 4G are nearly twice as likely to stream music from online services or online radio stations.

43% of 4G users said they used these services 'more often', and 18% said they used them 'a lot more' than when they had 3G.

87%
more likely to stream music than their 3G counterparts



Percentage of customers accessing music streaming services



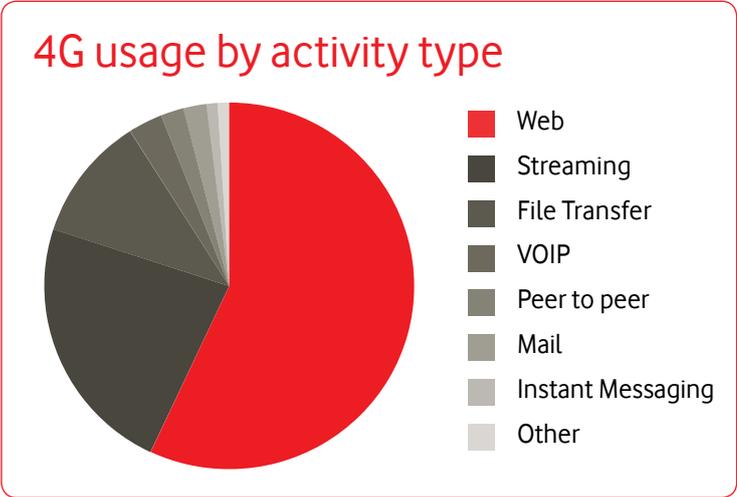
What 4G Kiwis are saying
"With 4G I can download whole albums from iTunes in less than a minute."



○○○

◀ ▶ <http://> **Web browsing is still number one.** ↻

Customers use 4G phones to surf the net more than twice as much as any other activity, but streaming and file transfers are catching up, particularly as more HD content becomes available.

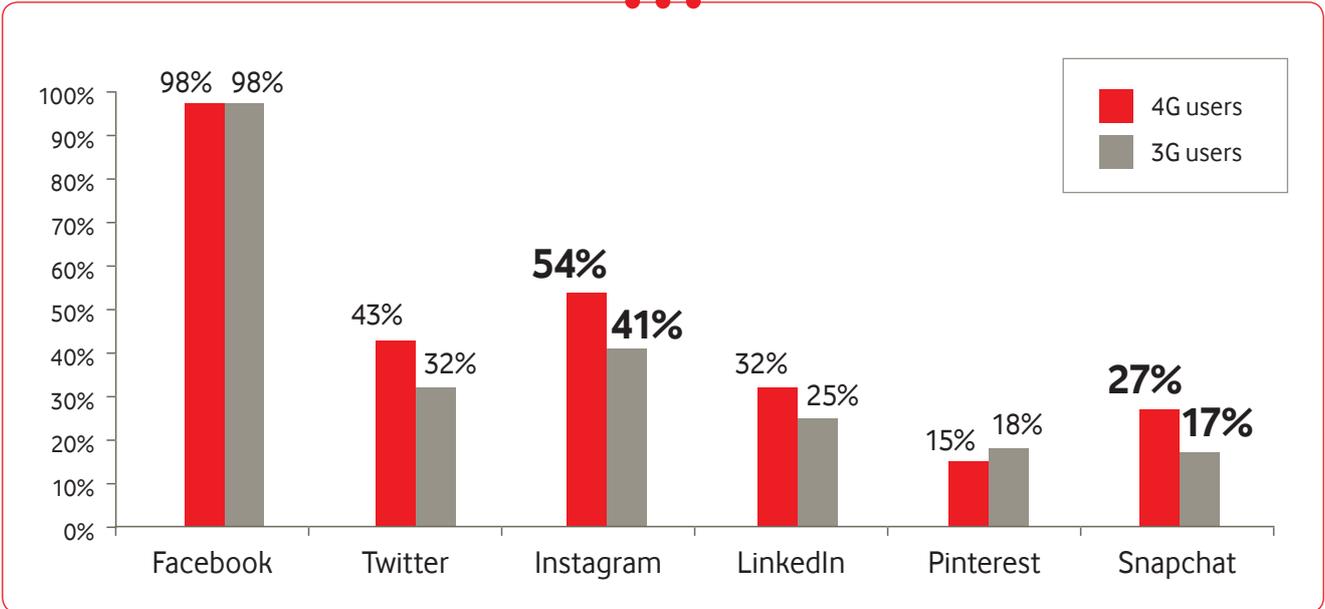




It's all about uploading our lives with friends and family



Percentage of customers using applications



Nearly a quarter of 4G users use social media more than 20 times a week.

That's more than twice the number of heavy social media users on 3G - and a sure sign of just how much we like keeping in touch and nosing into our friends' lives. Our data also reveals that 4G users are more likely to use picture-based services like Instagram and Snapchat - partly because they are more likely to be early adopters and partly because 4G facilitates faster upload (typically 30Mbps compared to 1-2Mbps on 3G).

24%
of 4G users access social media sites more than 20 times week



What 4G Kiwis are saying

"Uploading photos to my Instagram account is awesome and so quick, I never get the failure message and everyone can see what I'm doing in an instant."



We hear you like shopping.

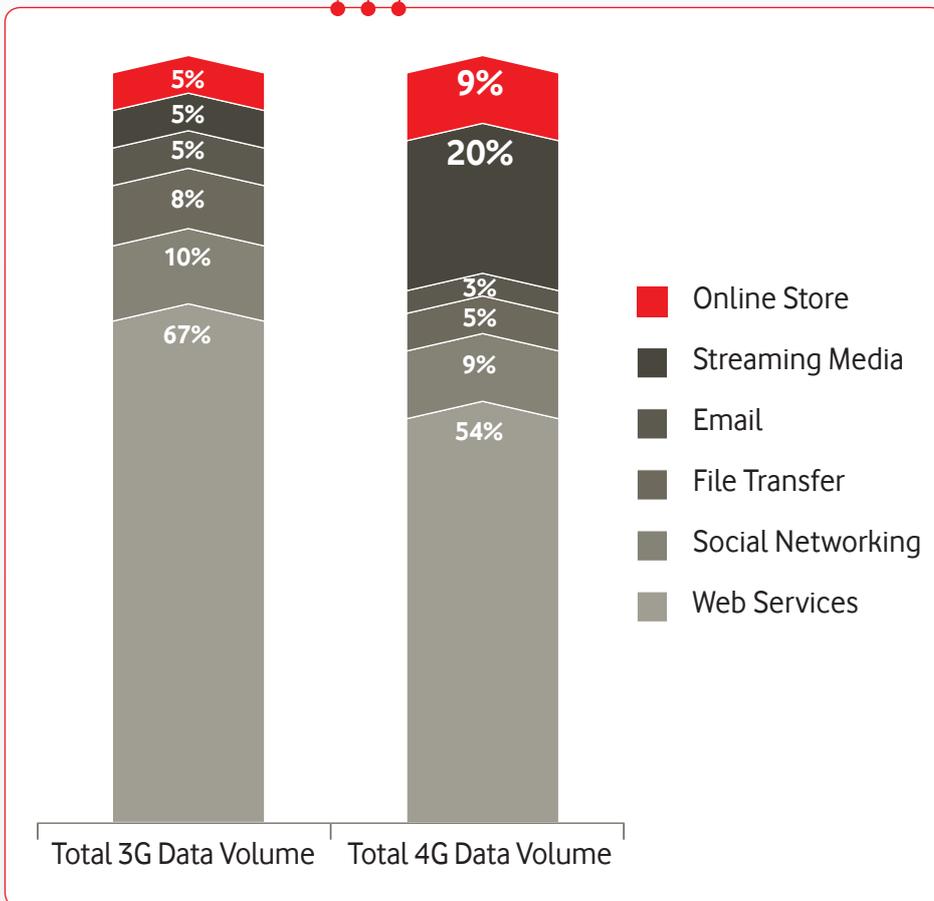
4G users shop online while others shop on foot.

Kiwis on 4G shop online nearly twice as much as those on 3G, in part due to the speed and consistency of their new connections delivering better all-round browsing experiences.

This increase mirrors the rising popularity of shopping while shopping (or 'showrooming'), in which bargain hunters check prices online as they wander around physical stores.



How customer behaviour is changing



2x
more likely
to online
purchase than
3G users

What 4G Kiwis are saying



"I can go online and pay for my pizza while I'm waiting in the queue. By the time I get to the front it's ready to pick up."





Hot spots are heating up

44% of 4G users use their mobiles as portable hot spots so they can access the internet on their tablets or laptops either frequently or very frequently, meaning they don't have to worry about public Wi-Fi or mobile broadband sticks when they are out and about.

As a clear sign of our increasing mobility thanks to new technology, 88% of 4G users have used this feature on their handset.

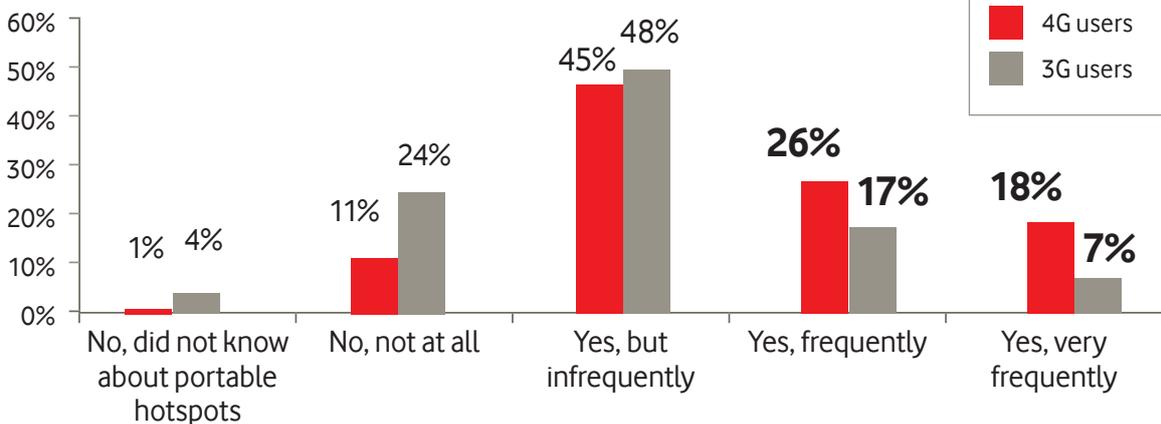
88%

4G users have used the portable hotspot feature on their handset

What 4G Kiwis are saying
"The 4G on my mobile is a great way of supercharging my tablet."

What 4G Kiwis are saying
"4G is not having to ask people at important meetings to wait while I reboot - these people don't have two minutes to spare!"

Hot spots heating up





Big events bring out our sharing side

4G traffic before and during big events proves just how much we love to share - especially photos of ourselves on social media.

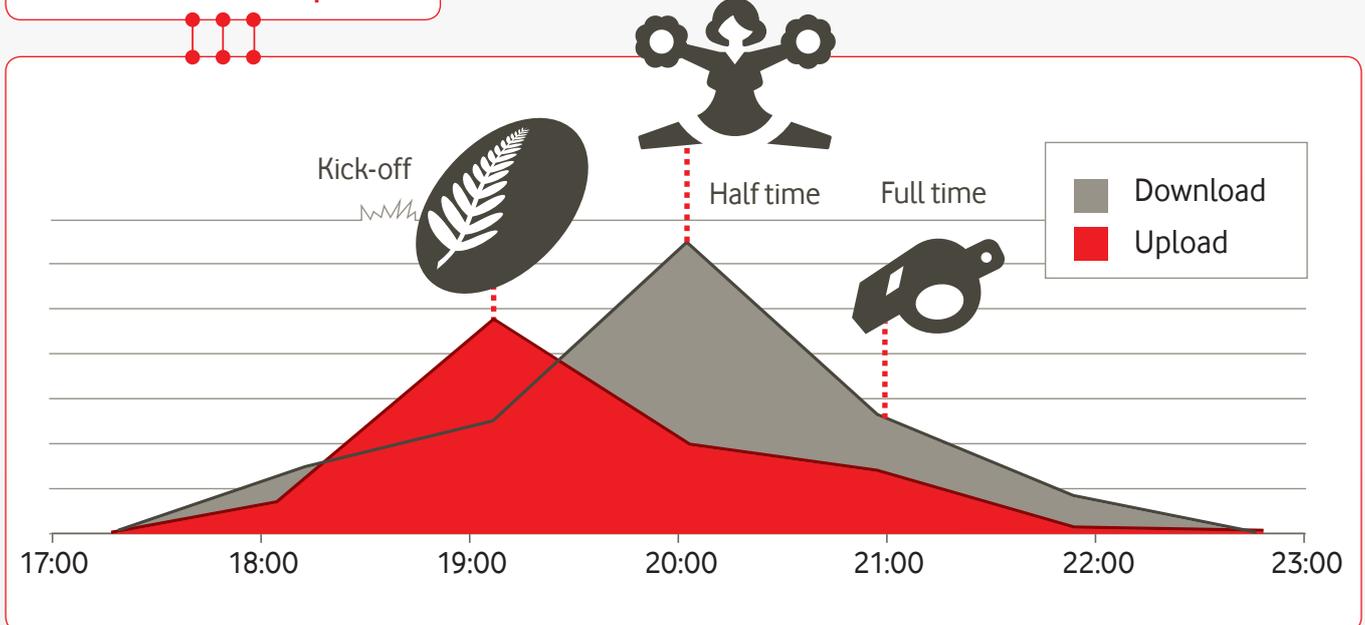
So much so that we actually **uploaded** more content than we downloaded just before kick-off in the All Blacks versus Wallabies test in Wellington on 24 August. Although download usage continued to rise throughout the first half, peaking at half time.



What 4G Kiwis are saying

“Apps that need a connection run a lot more smoothly. It was super-frustrating not being able to use an app until the signal was strong enough.”

4G data usage - download vs upload

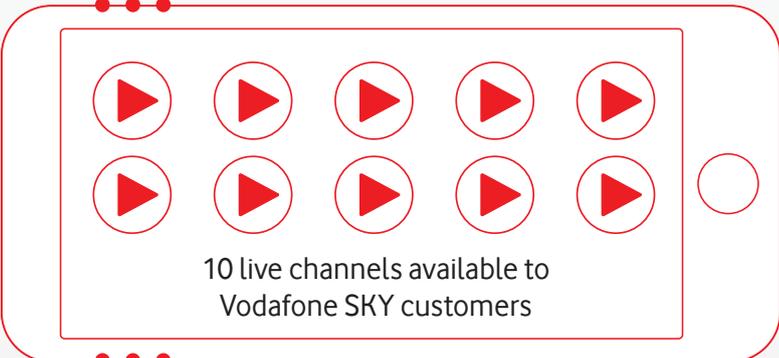
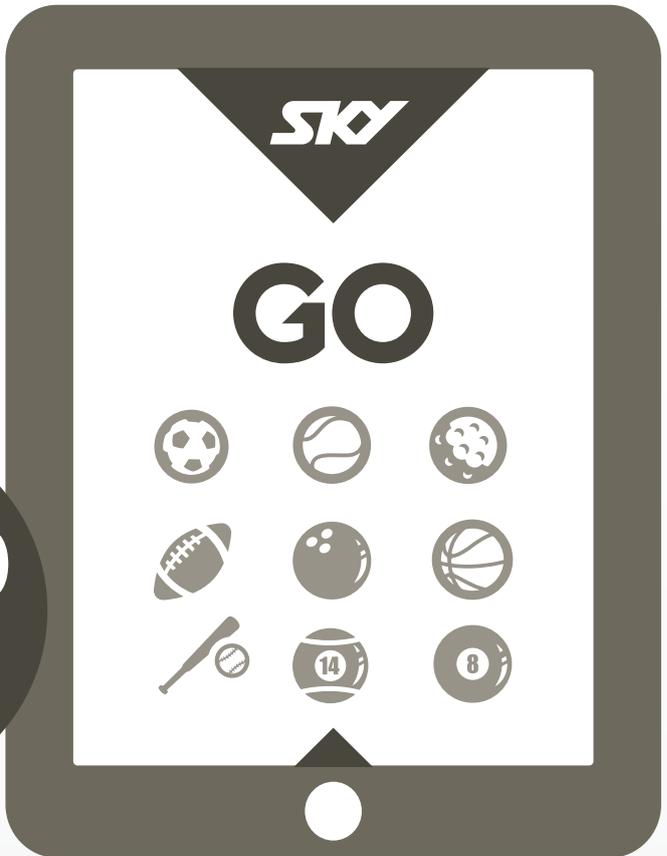




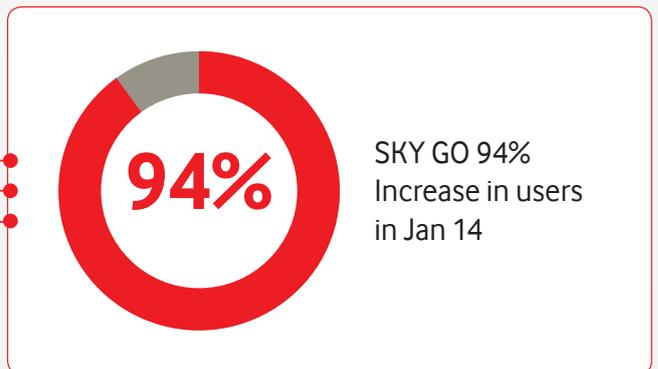
Live sport is all GO

Kiwis now have even more choice when it comes to watching television - and they are increasingly using mobile technology to enjoy live sporting fixtures when they are away from home.

80,000
downloads of
SKY GO app
since launch



SKY GO demonstrates the importance of a fast, reliable network. 4G offers customers the perfect experience for watching TV and specifically sport with real time action and scores. Strong partnerships with content providers such as SKY ensure that 4G users enjoy significant benefits that come with faster speeds and increased video quality.





3

Summer Trends

Slip, slap, tap!

As well as opening gifts, lighting the BBQ and enjoying a few drinks with the whanu, Kiwis this summer were enjoying 4G speeds across the country. The top 10 most connected holiday spots demonstrated that Kiwis packed their smartphones and tablets as well as their board shorts and surfboards.

1m
Megabytes 4G data downloaded on New Year's Eve



NZ's most connected holiday spots

- 1 Coromandel (including: Whangamata, Hahei, Whitianga and Matarangi)
- 2 Mangawhai
- 3 Waihi Beach
- 4 Tutukaka
- 5 Leigh
- 6 Wanaka
- 7 Ohope Beach
- 8 Taupo
- 9 Akaroa
- 10 Gisborne

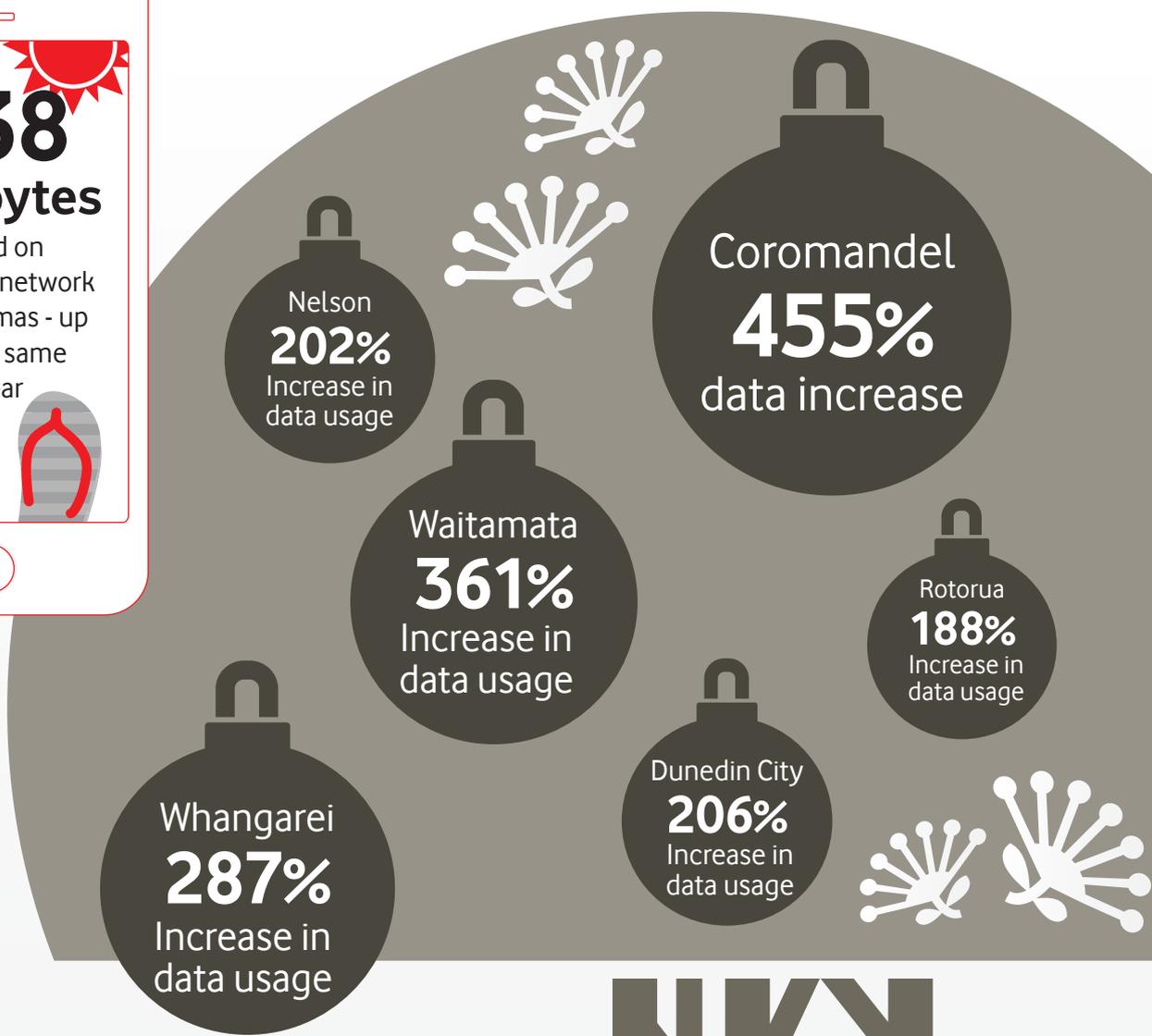
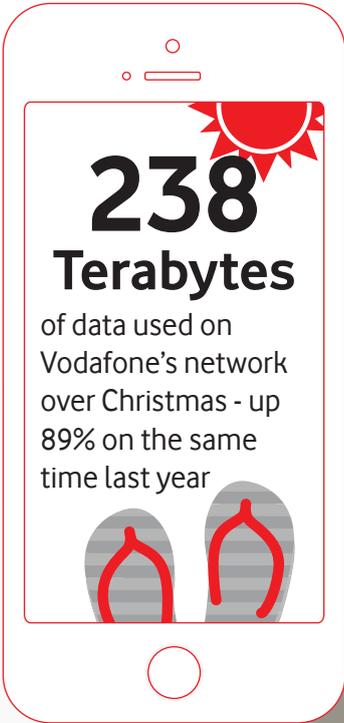
Whangamata
47,000MB
data downloaded on New Year's Eve



Whangamata proving to be a surfing paradise for even more reasons this summer! This surfing Mecca saw the largest amount of data downloaded of all 4G holiday destinations.



Jandals, check, sun hat, check, tablet, check



We're packing more than sun cream and sun hats during our summer break. Kiwi summer destinations saw big data increases from the same time last year. The Coromandel and Waitamata enjoying the biggest increases.



Only on the
SuperNet™



4G coming to more places soon
for broad national coverage.

To find out more visit
www.vodafone.co.nz/4G

Information provided by Vodafone Insights and Networks.

