



MEDIA RELEASE

7 February, 2011

Vodafone and Telecom in commercial negotiations for Rural Broadband Initiative

Telecom and Vodafone say they are pleased with today's announcement that their joint bid for the Government's Rural Broadband Initiative (RBI) has been selected for commercial negotiations.

The companies say their proposal, based on using their significant existing infrastructure, capability and experience, will deliver the quickest possible results. A fast start will come from building out from the investment both parties have already made in fibre, mobile and fixed line networks.

An open access approach is at the heart of the Telecom Vodafone bid, which will allow other operators to access the infrastructure on equal terms. This will provide strong retail competition from different technologies and service providers and a real choice of solutions and providers for rural New Zealanders.

The two companies will continue to compete fiercely for rural customers.

The Telecom Vodafone bid is based on working together at the infrastructure level to minimise unnecessary infrastructure duplication, and both companies will look to continue this collaborative approach with other parties.

Both Vodafone and Telecom look forward to working with the Government through this stage of the process.

- ENDS -

Contact:

Matt East Vodafone New Zealand 021 897 647

Katherine Murphy Telecom New Zealand 027 4222 709

Mark Watts Telecom New Zealand 0272 504 018