



Market Release

19 June 2014

Telecom very pleased with outcome of auction process for 700MHz Spectrum

The Government has announced today the completion of the assignment round of the 700 MHz radio spectrum auction process. This final round was to determine the location (frequency) within the spectrum band for the differing lots of spectrum purchased by Telecom, 2Degrees and Vodafone during earlier auction rounds.

Telecom bid \$9.1 million in this round, bringing the total amount bid over the auction process to \$158.1 million, for four lots of 700MHz spectrum and for its preferred location of those lots within the spectrum band. This is for an 18 year licence period.

Telecom Chief Executive Simon Moutter said, "We are very pleased with the outcome which secures Telecom a key strategic long-term asset and our preferred location within the spectrum band. Our location at the bottom end of the band provides us with alignment with the 700MHz spectrum that has been allocated in Australia and gives us additional confidence about the device ecosystem.

"We are also pleased to be the only mobile network operator with four lots of 700MHz spectrum. This will provide significant benefits to customers in terms of the potential speed and capacity of Telecom's 4G mobile network. We're now looking forward to getting on with our delivery of a very high-performance 700MHz 4G mobile network for New Zealand, subject to the availability of 700MHz capable mobile devices.

"This demonstrates Telecom's absolute commitment to being the leader in mobile and data network capability, and provides a strong foundation for Telecom to continue to deliver world class mobile and data services to New Zealanders across the country."

Telecom has already begun trialling its high speed 4G data network over 700 MHz spectrum, alongside partner Huawei Technologies. The non-commercial trial, involving selected customers, will inform the future network build.

"We've now got a leading data network integrating 3G, 4G, WiFi, ADSL, VDSL and Fibre, backed up by a nationwide optical transport network that is underpinning anytime, anywhere connectivity for customers. With the addition of this 700 MHz spectrum, we can accelerate our plans to help unleash New Zealand's data, mobility and digital services future."

The payment for the spectrum will be made in the first half of the FY15 financial year.

Background

The 700 MHz spectrum band, previously used for analogue broadcast services, is expected to allow mobile operators to provide 4G mobile broadband services – already being built in New Zealand's main cities – much more extensively in New Zealand, including in less densely populated areas.

Telecom launched 4G services, utilising existing spectrum in the 1800 MHz range, in Auckland, Wellington and Christchurch in November 2013 and has continued to rapidly extend its network into many other parts of New Zealand throughout 2014.

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