

## **MEDIA RELEASE - 2 Degrees Mobile, a unique opportunity for Māori**

Hautaki Trust, a wholly owned subsidiary of Te Huarahi Tika Trust is providing Māori with an exclusive investment opportunity, a chance to own a stake in 2Degrees Mobile. New Zealand's third mobile company, has exceeded its original targets, growing customer numbers and market share faster than peer operators in comparable markets. This has been achieved through its competitive challenge to the major operators resulting in a decline in prices in the telecommunications industry in Aotearoa New Zealand.

When asked about the company's performance, Mavis Mullins, Hautaki Chair says 2Degrees Mobile having grown its market share to 21% in just three years, continues to demonstrate the product innovation and value that will sustain the company's future growth. 2Degrees Mobile launched at the end of 2009 and while mobile operators are not expected to be profitable at this early stage, Hautaki is very satisfied with progress. The company reported 1 million customers as of August last year, well ahead of plan. 2Degrees Mobile is earning the cash flow needed to cover operating costs. Healthy leverage in the business plan provides for future investment in an industry requiring on-going capital injection to keep up with technological advances. Ms Mullins affirmed that the company is on track to meet its profitability targets within the next twelve months.

Hautaki is making preparations to offer a portion of its shares to a new group of Māori investors to complement the holdings of Tuaropaki Communications, Wairarapa Moana and Hautaki. The Chair for Te Huarahi Tika Trust, Daphne Luke says that these three investors protected the position for Māori by buying shares at a value that was attractive with a view to making them available to Māori when the time was right. Hautaki has made the decision that now is the time and discussions with some Māori investors will be advanced in coming months.

Ms Luke believes that the performance of the company is a reflection of the work and effort over the years of those such as Sir Graham Latimer of the New Zealand Māori Council; Bill Osborne; Mavis Mullins and others who took on the challenge to develop a regulatory framework and develop relationships with our investment partners. The fruits of these efforts are now becoming more evident with 2Degrees Mobile adding \$2.24 billion to the NZ economy – through capital invested, support of other businesses as the company has grown and savings to Māori and other New Zealanders through lower pricing. The company has created almost 600 new jobs in just over three years.

2Degrees Mobile has worked with Te Huarahi Tika Trust to develop Reo smartphone technologies and the Hei Rere Mai scholarships for Māori studying toward ICT qualifications at the University of Auckland; in partnership with Accelerating Aotearoa's Talent programme, employees in the 2Degrees Structured Careers Programme act as role models for Māori in the final years of secondary school encouraging them to progress into ICT training and employment.

Later this month, Te Huarahi Trust will welcome a new crop of trustees including Ian Taylor, Animation Research Limited; Mereana Selby, Te Wānanga o Raukawa; John Tamihere, Te Whānau o Waipareira; Toa Greening, IT engineering specialist based in Manukau and Karaitiana Taiuru, New Zealand Māori Internet Society who will join Ms Luke and Antony Royal on the Board. New appointments to Hautaki will support Mr Royal, Ms Mullins and Bill Osborne the current directors. These new appointments will strengthen the Trust's capacity to advance the interests of Māori in telecommunications including the Trust's involvement as a member of the Spectrum Claimant Coalition.

The Trust along with other Coalition members, Te Putahi Paoho, Ngā Kaiwhakapūmau, Graeme Everton (WAI776) and the New Zealand Māori Council has engaged in discussions with the Crown through Minister Amy Adams and Minister Pita Sharples over the past two years to secure the interests of Māori through spectrum allocation. The Coalition prepared a major paper for the Nation in November to be considered by Cabinet. Subsequently, Minister Adams provided Cabinet with her advice. We have yet to receive Cabinet's response to our statement of position. A cabinet paper prepared by Minister Adams' office is to be considered by Cabinet at a future date. The auction of the 700MHz band of spectrum is looming, the Coalition was mandated by Māori at a national hui held in November to return to the Waitangi Tribunal for a decision. Te Huarahi Tika will be part of that effort.

Ms Luke and Ms Mullins are both confident that the future for Māori participation in telecommunications is looking good. Ms Mullins said that those Māori looking to invest in a bright future should take a serious look at 2Degrees Mobile. Hautaki will have information available in coming weeks for those Māori organisations interested in investing in this growth industry.

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