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M2Z Partners with North Carolina Civic Leaders and One Economy Corporation to Kick Off its Nationwide, Multi-Million Dollar Broadband Challenge

Matching Funds Program will Bring Free Wireless Broadband to Underserved Communities

Raleigh, N.C. (June 6, 2007) – M2Z Networks and the not-for-profit One Economy Corporation joined today with Bertie County Commission Vice Chair Lewis (LC) Hoggard, Windsor Mayor Bob Spivey, Former Raleigh Mayor Tom Fetzer and other civic leaders to kick off the nationwide M2Z Broadband Challenge, an innovative program designed to bridge the digital divide and make free broadband access available across the country. M2Z Networks has made \$10 million in matching funds available nationwide to non-profit organizations for the purchase and distribution of the modems needed to access M2Z’s planned fast, free and family-friendly wireless broadband service. The first matching funds will be made available in North Carolina’s Bertie County.

“The Internet has become an integral part of daily life. Americans rely on it to learn, work, play and communicate on issues of importance to our communities,” said John Muleta, CEO of M2Z Networks. “M2Z strongly believes that everyone should have open access to broadband Internet service that is fast, free and family-friendly and we are determined to make that happen. The M2Z Broadband Challenge, which we are kicking off today here in North Carolina, confirms our commitment to eliminating barriers to getting free broadband to all Americans.” Over a year ago, M2Z Networks applied to the Federal Communications Commission (FCC) for permission to use a fallow spectrum band to deliver its much-needed service.

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The M2Z Broadband Challenge has attracted significant support from civic leaders in North Carolina, where the program is being launched. “North Carolinians in Bertie County and across the state must know that there are no barriers to their learning, empowering themselves and contributing to the economic growth of their communities. Broadband Internet access is essential to that goal and to Bertie County and North Carolina’s ability to compete in the increasingly global economy,” said Bertie County Commission Vice Chair Lewis (LC) Hoggard.

The M2Z Broadband Challenge is being conducted in partnership with non-profit organizations like One Economy that will help raise funds from the private and public sectors to distribute the modem devices to underserved schools, libraries, youth centers, lower income families and others. One Economy and M2Z Networks have pledged to dedicate a portion of the initial funds to Bertie County, where a significant number of families and institutions are without access to high-speed Internet today.

“Marketplace innovation can help connect America’s most isolated communities to the digital age. M2Z Networks is offering America a bold proposal. We are excited to be a part of the M2Z Broadband Challenge,” said One Economy Executive Vice President Alec Ross.

“The e-NC Authority encourages this program and all efforts that will help bridge the digital divide in North Carolina and ensure that all of our citizens are able to affordably connect to the great opportunities made possible by the broadband Internet,” said Jane Smith Paterson, executive director of The e-NC Authority, which was created by the North Carolina General Assembly in 2000 to link all North Carolinians – especially in rural areas – to the Internet.

The program’s sponsors chose to launch the Broadband Challenge in North Carolina because of the commitment by state and local officials to document the current availability of broadband and to increase adoption. For example:

- **M2Z estimates that North Carolina ranks 40th** nationally in broadband adoption based on FCC data
- **Only one in three** North Carolina residents has high-speed Internet service at home
- **In more than one of every four North Carolina counties** less than 70 percent of the population has access to high speed Internet connectivity

Nationwide, 58 percent of American homes – about 120 million adults – have either dial-up connections or no connection at all, while 56 percent of primarily Hispanic and 53 percent of primarily African American elementary and nursery school students lack Internet access.

Background

M2Z Networks currently has an application before the FCC to lease 20MHz of fallow spectrum to build a nationwide network to offer fast, free and family friendly broadband to 95 percent of the U.S. population within ten years. The service will be supported by locally targeted search results and will include a network-level filter to shield children using the service from indecent content. If licensed, M2Z would pay the U.S. Treasury 5 percent of annual gross revenues from its subscription services, which could total payments of up to \$1 billion over 15 years. The introduction of M2Z's broadband service would generate \$18 to \$32 billion in direct consumer benefits over the next 15 years according to two uncontested economic studies.

Hundreds of officials and organizations from all over the country (including city council members, state senators, U.S. senators and congressmen, associations, public safety groups, colleges and universities) have written letters to the FCC urging them to approve the M2Z application.

About M2Z Networks:

Founded in 2005 and headquartered in Menlo Park, Calif., M2Z Networks' goal is to transform the current state of the broadband marketplace by building a high-speed wireless network throughout the United States. In May 2006, the company submitted a license application to the FCC to construct and operate a nationwide broadband wireless network in the 2155-2175 MHz spectrum band. Approval of the application would guarantee delivery of free, fast and family-friendly wireless broadband service to at least 95 percent of Americans in a 10 year timeframe. M2Z is backed by Kleiner, Perkins, Caufield and Byers; Charles River Ventures; and Redpoint Ventures; three of the most successful venture capital firms in Silicon Valley with \$5 billion of capital under management. For more information, please visit www.M2Znetworks.com and www.freebroadbandnow.org.

About One Economy Corporation:

One Economy Corporation is a multi-national nonprofit founded in 2000 that uses technology-based strategies to help low-income people improve their lives and join the economic mainstream. One Economy's two-prong strategy brings broadband into the home along with online content through their bilingual consumer website the Beehive (www.beehive.org). Through its Bring IT Home campaign, One Economy has helped bring broadband into the homes of 200,000 low-income people. To date, nearly nine million individuals have used the Beehive. One Economy recently launched a campaign to expand these online offerings by creating the Public Internet Channel. For more information: www.one-economy.com.

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