

## Market Release

22 June 2016

# Spark New Zealand clinches No.1 in mobile market

Spark New Zealand is now the country's number one mobile company in terms of revenue earned from customers, as more Kiwis choose to join the Spark mobile network.

Documents relating to the proposed Sky TV / Vodafone merger published last week have shone light for the first time on Vodafone's mobile revenues in New Zealand, which have been hidden from scrutiny for many years.

The merger documents say Vodafone will earn \$1.065 billion mobile revenue (excluding wholesale customers) in the 12 months to 30 June 2016. Although full details from Spark won't be published until the annual results announcement in August, Spark New Zealand said today it expects its comparable mobile revenue in the same period to exceed \$1.1 billion.

Spark managing director Simon Moutter commented: "The company that Sky TV is merging with is only number two in mobile, not number one as quoted throughout their merger documents.

"We've rapidly closed the gap to Vodafone in terms of mobile customer numbers over the past few years. As a consequence, we've been confident we've been edging ahead in terms of mobile revenue market share. It's great we now have public information to confirm our number one market position on the most important measure of market share."

Spark's mobile business has been growing strongly, with mobile revenue up 11.7% over the second half of the 2015 calendar year. In the three years to 31 December 2015, Spark added almost half a million new mobile customers.

In contrast, Vodafone only added 44,000 mobile connections in the same three-year period. Its London-based parent is now planning to merge the company with Sky TV and reduce its exposure to the local market - withdrawing \$1.25 billion of cash out of New Zealand.

"Vodafone operates in many countries around the world and we think this is the first time that one of its operating companies has lost its market leadership position to a local competitor," Mr Moutter commented.

Mr Moutter concluded: "We're delighted hundreds of thousands more New Zealanders have decided Spark or Skinny mobile is right for them.

"They've been attracted by our committed, single-market focus on New Zealand; big improvements in customer service; great product offerings and value-added services like Spotify Premium music, free WiFi hotspots, and the Spark Thanks programme; a sharper marketing profile following the highly successful Spark rebrand two years ago, and the



massive investments we've made to improve the quality and reach of the Spark mobile network.

"We're working hard every day to reward their loyalty by being truly useful for our customers, as we help them unleash their potential through all the amazing technology that you can now access through your mobile device."

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