

**MARKET RELEASE**  
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## **LEADERSHIP AND STRATEGY EXECUTION CHANGES AT SPARK NEW ZEALAND**

**Simon Moutter**  
**Managing Director, Spark New Zealand**

Two years ago Spark New Zealand (Telecom at that time) embarked on a bold new strategy designed to transform the business from a traditional fixed and mobile infrastructure company to a future-oriented, competitive retailer of digital services delivered over our networks and the Cloud. At that time, we outlined a two-phase approach to strategy execution: a first phase where we would aim to stabilise revenue/margin and reduce costs; and, once this was completed, a second phase to move on to driving market revenue/margin growth with continuing improvement in unit costs.

We are firmly on track, having made excellent progress across all our key programmes. These have seen us:

- bring the company's focus back to New Zealand;
- develop a more customer inspired and competitive, multi-brand market approach;
- earn the right to, then successfully re-brand the company as Spark New Zealand;
- invest heavily in fixed and wireless data network leadership;
- advance our IT Re-engineering Programme past the halfway mark;
- implement an organisation-wide Turnaround Programme to improve productivity as well as operational efficiency and effectiveness;
- enter the Cloud IT Services and Internet TV markets;
- launch a range of digital businesses via our Ventures Division; and
- improve organisational health, people engagement and excitement about the future.

One of the Leadership Team who has been central to this progress, **Chris Quin**, CEO Spark Home, Mobile & Business, has decided to leave the company by mid-year to attain his next leadership opportunity. Chris has been with the company for over 20 years and has achieved all I could have asked of him over the last two years. By any measure, Chris has done a consistently terrific job in a range of executive roles at Spark New Zealand and Telecom/Gen-i before that. After a period as Acting Telecom CEO, Chris agreed when I re-joined the company in 2012 to move over to our Home, Mobile & Business Division with a brief to build a more customer inspired, competitive and successful core business. The results are very apparent. Our Home, Mobile & Business Division is growing market share, revenue and earnings for the first time in many years on the back of Chris' commitment to marketing and sales capability development, the Spark re-brand, digital service, people culture, cost reduction and product innovation. Chris and I have been talking for a while about his desire to progress, so we will part on great terms and he will leave with my full backing and genuine appreciation for a job well done. Chris will finish up at the end of June 2015.

Given our progress and this change in leadership, it's now time to prepare for the next phase of strategic execution in FY16 and beyond. As outlined above, our focus will shift from re-setting the foundation of the company to building upon this foundation in pursuit of growth. One important element of this process will be integrating the Turnaround Programme into the businesses so that the performance improvement mind-set becomes business-as-usual by June 2015. With the Turnaround Programme coming to its end, a new Strategic Programme - "Digital First" - will be set up over the next few months to centrally architect and steer the ongoing delivery of the digital transformation of our business. Our aim will be to create New Zealand's leading digital services platform and suite of digital applications intended to fuel market growth.

In support of these business changes, we will be making a few changes to the Spark New Zealand Leadership Team accountabilities and transitioning smoothly the succession of leadership in our largest trading Division.

**Jason Paris**, GM Spark Home, Mobile & Business, will be taking over the reins from Chris as CEO Spark Home, Mobile & Business from 1 July 2015. Jason has been with the company for over three years and has been instrumental in our improved performance. As a leader in the rebranding to Spark, and recognising his status as one of the country's best marketing executives, he is the right person to build the Spark brand from the successful launch last year and to position Spark at the heart of enabling the digital future for all New Zealanders.

**Rod Snodgrass**, CEO Spark Ventures, will take accountability for the new Digital First Programme in conjunction with his existing accountability for Spark Ventures. Rod is our leading thinker on digital business and the capability he has built in the Ventures Division will add real depth to the programme and its intended outcomes.

**Jolie Hodson**, Chief Financial Officer, will take on some operational business activities in conjunction with her existing CFO accountabilities, with the now more mature Skinny and Big Pipe businesses ready to move outside Spark Ventures and report directly into her with effect from 1 February 2015. This will maintain high level focus on our multi-brand market strategy at the same time as creating room for Rod to pick up the big Digital First Programme.

The roles of the remaining members of the Leadership Team remain unchanged.

It is an expression of confidence in our strategic execution and the development of our talent that we are able to signal these changes early and commence the preparation for FY16. I am very encouraged by what we have achieved to date, very appreciative of what my team has done to make it happen and very excited about what the future holds for Spark New Zealand in an increasingly digital world.

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