

23 March 2017

TeamTalk recommends shareholders reject Spark Offer of 80c - independent adviser valuation range is \$1.52 to \$2.11

The Directors of TeamTalk Limited (NZX: TTK), the publicly-listed telecommunications company and subject of a hostile takeover bid by Spark NZ, have unanimously recommended that TeamTalk's shareholders reject Spark's Offer of 80 cents per share.

TeamTalk's Target Company Statement and the report of the Independent Adviser, Grant Samuel & Associates Limited (Grant Samuel), were sent to the company's shareholders and lodged with the NZX earlier today. Grant Samuel were engaged as Independent Advisers, as required by the Takeovers Code, to report on the merits of Spark's Offer, including an assessment of the value of TeamTalk.

Grant Samuel's report to TeamTalk shareholders states, "the underlying value of TeamTalk's shares is in the range of \$1.52 to \$2.11 per share", and that "as the Spark Offer of 80 cents per share is below Grant Samuel's assessed value range for TeamTalk's shares there is no compelling reason to accept the Offer."

Roger Sowry, Chairman of TeamTalk said: "TeamTalk's Directors did not encourage or solicit Spark's Offer. From the outset, we saw Spark's Offer as a hostile and opportunistic attempt to exploit a low point in TeamTalk's recent trading history and before TeamTalk's shareholders benefited from the turnaround strategy underway.

The Grant Samuel report validates our earlier assessment that Spark's Offer is woefully inadequate. The Spark Offer fails to reflect the value of TeamTalk's new strategy, strong leadership and forecast growth as demonstrated in our recent results announcement, nor does it attribute any value to the significant synergies and strategic benefits that Spark would capture in the unlikely event their Offer were to succeed."

Andrew Miller, TeamTalk's Chief Executive said, "Spark's predatory Offer has been tactically made before the company and its shareholders could benefit from the turnaround strategy implemented late last year. It is an attempt to exploit the challenges the company faced during 2016. Those

challenges have now largely been addressed and TeamTalk is profitable again, as the half-yearly

results to 31 December 2016 have demonstrated.

Were Spark to succeed, TeamTalk's shareholders would be denied the long-term benefits of the

investment made in the company's turnaround. In return for a possible one-time 80 cents per share,

shareholders would forgo any future dividends and hand control to Spark at a huge discount. Spark's

Offer is \$1.02 below the mid-point range of the Grant Samuel value range.

Accordingly, we are firmly of the view that shareholders will be much better served by staying the

course and benefitting from the uplift in TeamTalk's performance than selling their shares for 90% to

164% less than the assessed fair value to Spark."

Roger Sowry said, "Spark's Offer is without merit and not in the interests of TeamTalk shareholders.

It is an attempt to gain control of TeamTalk's strategic assets for significantly less than the company's

fair value.

TeamTalk's Directors unanimously recommend that shareholders reject Spark's Offer in respect of all

their TeamTalk shares."

Ends

For further information, please contact:

Roger Sowry

M: +64 27 445 5753

Chairman, TeamTalk

Or

Andrew Miller

M: +64 27 458 4525

Chief Executive, TeamTalk

E: amiller@teamtalk.co.nz

Page | 2