

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

