



MARKET RELEASE

19 June 2017

Spark New Zealand planning to take on direct management of all stores

Moving away from a Dealer partner model to directly owned stores will allow Spark to showcase digital experiences to customers in an interactive retail environment

Spark New Zealand is in the process of moving 26 retail stores around New Zealand from management by dealer partners Leading Edge and Orb to direct management by Spark, with the intention of all mall and high street consumer stores being under Spark ownership from late 2017.

Grant McBeath, Spark GM of Customer Channels, explains why Spark owning stores directly is a key part of building seamless digital and real world experiences for its customers.

“A few years back, analysts were gloomily predicting the ‘death of the high street’. However, while e-commerce and online channels are becoming a fundamental way that businesses reach their customers, we’re seeing a resurgence in the importance of physical locations to complement the digital experiences that businesses provide.

“For instance, while many customers are choosing to buy online, the option to visit a physical location to ‘click and collect’, exchange or return items, or simply get the opportunity to touch and feel a new device prior to purchase is increasingly seen as an attractive choice. Even dominant online retailers such as Amazon are building and buying established high street stores that they use both as stock warehousing and as shopping destinations.

“We believe that stores are a key part of the community, especially in smaller towns around New Zealand. We know many of our customers love to visit our stores, to check out the latest deals, shop for a new device or simply have a chat about their Spark services.

“We are also passionate about giving both potential and existing customers the experience of what being with Spark is like. Stores give us that opportunity, from showcasing the experience of using the Spark App, to introducing Spotify music streaming, Lightbox and Netflix content, to giving customers access to our awesome Spark customer service.”

“While our dealer partners have done an awesome job for us, by bringing our stores back to direct Spark ownership, we can create consistent experiences for our



customers: they will have access to the same processes and options, no matter which store they visit, or whether they're trying to do something online or in person.

"Ultimately, we want to offer seamless experiences across all our channels, with the option to shift easily between digital and human interactions, no matter what you're trying to achieve."

ENDS

Notes to the editor:

- Spark already directly owns 36 stores. With the eventual addition of the 26 dealer stores, this will bring Spark's total owned stores to 62. There are no plans to close stores.
- Spark is working closely with the dealer business owners to work out the details to ensure a smooth transition.
- Business hubs and hybrid stores (that offer both consumer and business solutions) will continue to be run by Leading Edge and Orb under the current dealer model. Spark's experience is that local small business owners prefer to deal with a local business owner, so the hybrid stores and business hubs will continue to offer this.
- Dealer employees who work for the stores that are being bought back will be offered the opportunity to stay with the store and move to direct employment with Spark.

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