



MARKET RELEASE

6 November 2018

Spark New Zealand pleads guilty to Commerce Commission proceedings on two operational and billing issues

Further to its market release dated 9 July 2018, Spark New Zealand has today pleaded guilty to court proceedings brought by the New Zealand Commerce Commission under the Fair Trading Act 1986 in relation to two separate historical operational and billing issues:

- Incorrect implementation of a 'welcome credit' when joining Spark for some fibre broadband customers during 2016; and
- A billing implementation issue relating to a 30-day notice period when customers left Spark

A charge relating to a third issue (an equipment fault in 2015 that affected data billing for a small percentage of customers) has been withdrawn by the Commerce Commission.

These were all system-based errors caused by genuine mistakes with no malicious intent involved on the part of Spark. In respect of all these issues, Spark has already applied credits to the accounts of all impacted customers and has made extensive efforts to return all amounts owed to former customers.

Penalties for the charges to which Spark has pleaded guilty will be determined in due course. As previously notified, these proceedings are not expected to have a significant effect on the financial position or profitability of Spark and as such there is no change to Spark's existing FY19 guidance.

- ENDS -

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