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## **Proposed merger of SKY and Vodafone NZ – Special Meeting of Shareholders – Chairman's Address and Summary of Proxy Votes Received**

Attached is a copy of the Chairman's address for today's Special Meeting of Shareholders and a slide showing a summary of proxy votes received.

SKY will release the results of voting on the resolutions at the meeting today as soon as this information is available.

### **Chairman's address**

#### **Peter Macourt:**

Today shareholders, you have the opportunity to vote on resolutions to authorise SKY transforming itself to become a leading integrated telecommunications and media platform.

As you are all aware, our industry is at a crossroads. The internet has permanently changed the way people consume media and entertainment services. To stay ahead of the game, we must find new and innovative ways to deliver our content.

The acquisition of Vodafone NZ will allow the Combined Group of SKY and Vodafone NZ to deliver New Zealand's premium entertainment content over both fibre and mobile networks, and provide our customers with greater choice and a better entertainment experience.

Under the proposal, SKY will purchase Vodafone NZ from its parent company for \$3.44 billion, to be funded by payment of \$1.25 billion in cash and the issue of new SKY Shares at a price of \$5.40 per share. Vodafone will become a 51% majority shareholder in SKY.

SKY's Board believes that the Combined Group will generate significant benefits for customers and shareholders. The Board anticipates that the proposed transaction will create cost, capital expenditure and revenue synergies, with an estimated post-tax net present value of approximately \$850 million after integration costs.

Grant Samuel was appointed by SKY to provide an Independent Report on the merits of the proposed transaction. They have observed that, and I quote, "Sky TV shareholders will clearly be better off if the Proposed Transaction proceeds than if Sky

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TV continues as a standalone entity." They also noted that "for the purpose of the NZX Listing Rules that the price and terms of the Share Issue are fair".

The Board fully supports the proposed transaction and unanimously recommends that you vote in favour of the three resolutions to be put to you today.

Finally, I would like to take this opportunity to thank certain people for their tireless work to get us to this point - where we have such a transformational proposal to be put to you today. Firstly, John Fellet, Jason Hollingworth, Cherie Lawrence and others in SKY's senior management team who have put in huge efforts far beyond and in addition to their "day jobs" for the past 6 months. Thank you all.

I would also like to thank my fellow directors for their diligence, availability and dedication in connection with this project over many months. I would however like to single out John Waller for special mention. John chaired our due diligence committee for this very significant project for SKY. John led the committee through diverse and complex issues over many months with a steady hand, always showing a methodical and disciplined approach with careful judgement and enormous energy and drive. Thank you very much John.

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# PROXY VOTES

78.61% of Securities on Issue voted by Proxy

RESOLUTION	FOR	AGAINST	DISCRETIONARY
<b>1. APPROVAL OF ACQUISITION</b>	305,209,478	118,794	573,823
<b>2. APPROVAL OF INCURRENCE OF NEW DEBT</b>	305,245,766	115,008	603,040
<b>3. APPROVAL OF SHARE ISSUE</b>	305,176,980	125,016	623,745