

## MEDIA RELEASE

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### VODAFONE CHANGES ADVERTISING AHEAD OF HIGH COURT HEARING

#### TELECOM WITHDRAWS COURT ACTION AND REFERS MATTER TO THE COMMERCE COMMISSION

Vodafone has made a number of changes and amendments to its 'SuperNet' advertising after Telecom recently commenced High Court proceedings in respect of certain aspects of the campaign. The changes are sufficient for Telecom to determine that it no longer needs to proceed with formal court proceedings at this time.

In its formal response to the proceedings filed yesterday, Vodafone confirmed that several aspects of the campaign have ceased and that qualifying statements have been added to the advertising. Vodafone claimed the absence of these qualifiers was an "oversight", despite the fact it had refused to add them weeks earlier when this was pointed out by Telecom.

"In proceedings due to be heard next week, we were seeking an interim injunction requiring Vodafone to change certain aspects of the campaign on the basis they breached the Fair Trading Act 1986, as in our view they were misleading and likely to deceive consumers. Given the changes now made, we have achieved this immediate objective," Telecom Retail CEO Chris Quin commented.

"However, Vodafone's actions in this campaign raise serious concerns under the Fair Trading Act. We have lodged a complaint with the Commerce Commission and will continue to pursue that complaint with urgency.

"Technology is becoming increasingly complex and ever more important in the lives of New Zealand consumers. It's therefore crucial that major market players act responsibly in ensuring their advertising is clear, informative and doesn't mislead or deceive."

Recent changes made by Vodafone include:

- In its online/YouTube advertisement explaining the overall SuperNet concept, Vodafone has removed the word *"fastest"*, and has also included appropriately prominent disclaimers which note that *"4G is live in parts of New Zealand. A qualifying plan and capable device are required"* and *"Vodafone Ultra Fast Broadband is available on our cable network in parts of Wellington, Christchurch and Kapiti and coming to more places around NZ"*.
- Telecom is aware that Vodafone has taken steps to ensure that all executions as a part of its SuperNet campaign that rely on its cable network have been removed from areas outside its current cable network coverage.
- The television advertisements with which Telecom had most concern have ceased, and in relation to, for example, the *"Unleash your Mobile"* advertisement for the 4G service, suitably prominent qualifiers of *"4G is live in*

*parts of New Zealand" and "a qualifying plan and capable device are required"* have been added.

- Vodafone has confirmed that it no longer intends to use a 'long form' advertisement that was distributed in a range of New Zealand newspapers, and in respect of which Telecom had raised issues.
- Vodafone has confirmed that billboards concerning HD video and gaming on 4G are no longer being used.

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