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TVNZ WELCOMES TRANSFORMATION OPPORTUNITY FROM LAND SALE

TVNZ has taken the opportunity to refurbish its central Auckland facility in parallel with a two-year investment project to upgrade its online technology, following the Board's decision today to sell a second package of land and buildings to SKY City for \$10.6 million.

In response to rapid growth in TVNZ Ondemand and ONE News online video streams, TVNZ has decided to fast-track investment in technology to fully integrate systems that will support the automated delivery of video content to all its on-air and online platforms.

At the same time, SKY City's purchase of TVNZ land and buildings has triggered the opportunity to consolidate its Auckland staff into one building and redesign its central Auckland facility into an open, flexible workspace – transforming business culture in tandem with technology.

TVNZ reached agreement with shareholding Ministers to dividend relief, net of proceeds from the sale to Sky City, to cover the costs of refurbishing its main building at 100 Victoria St West.

The building transformation project will begin during the coming summer. During the natural break in television programme production over Christmas and New Year, up to 500 people will be moved into temporary leased accommodation in the Telecom building in Victoria St West – just 200 metres down the road from TVNZ.

CEO Kevin Kenrick says the one-off circumstance of a willing buyer of land and buildings plus vacant office space within walking distance of TVNZ's main building has created a unique opportunity too good to ignore.

“This is a great result for TVNZ. Right from the outset our Board made it clear that they would only consider the sale of land and buildings if it was in the best interests of the business. As it happens, the benefits will be significant.”

“We are currently in a pre-internet building with the limitations typical of office designs of that age, and we were facing the need for significant repair and maintenance work before very long. The decision to invest heavily in upgrading our online technology had already been made. So to have the opportunity to integrate the new technology into a purpose-designed new workspace will be a game-changer for us.”

Mr Kenrick said the redesign and refurbishment of TVNZ's primary building would create the extra space required to accommodate those people currently housed in the buildings now sold to Sky City.*

While the majority of staff will move to temporary accommodation for up to two years, TVNZ's News and Current affairs and core technology support staff will remain at their current base in the main building to ensure business continuity.

**Aerial view of TVNZ site available, showing buildings sold. 93 Hobson St sold early July 2013; and 85 - 91 Hobson St sold September 2013.*