



Gattung finds making a mint is easy

EXCLUSIVE
 A top-100 company board seat may be in the offing

DAMON KITNEY
 PROFILE

A CHANCE visit to the Perth mint four years ago helped turn Theresa Gattung into a multi-millionaire.

“That is when I first thought about gold, and how it had been a great store of value through the ages. I just saw it being beaten into the slabs. I thought, gosh, this was something I had never thought about before, like many people,” the former chief executive of Telecom New Zealand (TNZ) tells *The Weekend Australian*.

It was July 2007 and Gattung had just celebrated her final farewells from the telco after almost eight years in the job.

The debt-fuelled, pre-GFC sharemarket boom was in full

flight. But it didn't take long for Gattung's naturally bearish instincts to take hold.

By the end of the year, as the US sharemarket got the wobbles, she had sold all her TNZ shares — worth a cool \$1 million — and bought gold bullion.

“Most of my friends and business colleagues thought it was a strange thing to do at the time,” she says.

“I haven't traded. I have sold a little bit but basically sat on it. It's been able to help me sleep comfortably at night because it has been really steady.”

The gold price has risen 140 per cent, or over 25 per cent a year, over the past four years amid the market mayhem of the GFC and now the more recent return of wrenching volatility to international sharemarkets.

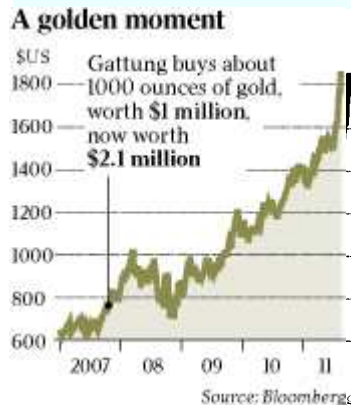
Yesterday, gold surged to another record high.

“It was basically a defensive strategy that has turned to gold,” Gattung says with a smile, although she is quick to add that there was nothing scientific about her investment strategy. Luck played its part.

“I am a conservative investor. I look to property, cash and precious metals. I've certainly missed the peaks of the market, but I've also missed the troughs.”

And it's not just gold bullion she likes. Today she's chosen to wear a pearl necklace for our meeting “because it matches the dress better”, but has a gold necklace in her handbag which she is proud to produce.

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Theresa Gattung says having a golden nest egg has allowed her to sleep easy



Gattung finds that making a mint is easy

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"This is solid gold. I love it. And I love jewellery," she says.

While her gold investment has kept the Wellington-based Gattung financially secure during four years out of the spotlight, the 49-year-old is now plotting a return to the sharemarket-listed company scene.

It is understood she is in advanced negotiations to join a top-100 board in Australia, although Gattung herself will not comment on the speculation.

She will only say: "I am in dialogue about various opportunities."

But certainly more than one board seat looks on the cards.

On one level she would seem a superb addition to a listed company board.

She took the reins at TNZ in 1999 — aged only 37 — and remained chief executive until June 2007, taking the company through a period of massive change in the telecommunications sector.

She earned a reputation in her early years as a cost cutter and showed a steely determination to get what she wanted.

But she was also viewed as a good delegator — she picked strong line managers and let them run their businesses.

"I ran a \$10 billion company for nearly eight years, managing that balance sheet and the executive team. That is invaluable. And most of the investors in that company were outside Australia and NZ," Gattung says.

She was named in *Fortune* magazine's list of the 50 most powerful women in international business several times while at TNZ.

She was also included in *Forbes'* list of the world's 50 most powerful women across any sphere in 2006.

But the TNZ years took a toll on her personal life. In 2005, she and John, her partner of 20 years, went their separate ways.

She also had to wear her share of criticism.

During TNZ's third-quarter financial results briefing in 2006, she was famously berated by Perpetual Investments' Charlie Lanchester for the poor performance of its Australian subsidiary, AAPT.

Her final years at TNZ were also marked by the New Zealand

government's shock move to break up the telco. She was criticised for failing to head off the changes.

The share price never recovered from the blow and in her final year, it wallowed well below the \$NZ9.50 it was trading at when she took over in 1999.

But TNZ did pay consistently strong dividends to shareholders during her tenure.

She and the board also riled the corporate governance experts after the man she replaced (and who championed her for the job), Roderick Deane, became chairman.

Gattung was viewed by some as too aggressive, although former Qantas chairman Margaret Jackson — who first met Gattung at an Australia-New Zealand leadership forum more than a decade ago — sees her assertiveness in a positive light.

"I think Theresa is a unique individual. She has high intellect, high energy and she is a very full-on individual, both physically and intellectually. I think people either really like Theresa or they aren't quite sure about her. I've always got on well with her," Jackson says.



Gattung is certainly loud and brash. She tends to talk at you rather than to you. She even has her own website, theresagattung.com, complete with a speaking calendar (which is out of date) and photo collection.

Those who have dealt with her over the years say she has a sizeable ego and she's never been shy about giving an opinion.

So could this count against her in the Australian non-executive director scene? The response is typical Gattung. "I am very comfortable in my own skin and I am not going to shrink myself back down for anybody," she says.

Former Telstra chief executive Ziggy Switkowski, who ran the Australian telco during the Gattung years at TNZ, believes her opinions would be welcome in any boardroom.

"Boards value directors who can cut through in a way that is respectful of management and the board and I think she can do that," Switkowski says.

"She is a person with clearly thought through opinions and is sufficiently assertive to make a difference to board discussions."

Jackson is not so sure. She says the chemistry of the board will be important.

"She is a certain style of person who is going to work well with some people, and with other people there is going to be a clash. If the chemistry of people works well, she would be a great addition," she says.

Gattung seems to agree.

"You don't want to force yourself into a situation that is not right," she says.

Gattung is certainly not afraid of the increased burdens and threats of liability that come with public company directorships.

And she is not one to let the

unexpected or unfortunate spook her.

"I once had a very bad fall from a horse. I smashed my wrist completely. I was doing dressage. You can never know in life where you are going to get tripped up, or what is going to happen," she says. It has not stopped her being a horse owner, breeder and rider.

Gattung will join the non-executive director scene at an interesting time.

The number of women on the boards of ASX 200 companies has risen significantly in the past 18 months, particularly among the country's largest companies.

Gattung says she can feel the winds of change.

"I spoke to the Australian company directors conference last year. And I could tell from the conversations around the table that the directors were going to do something this time. Partly because if they didn't, they would be forced to. And that is what has happened," she says.

Many companies have increased their efforts to recruit female directors since the introduction of compulsory "diversity" reporting in January.

Gattung, the oldest of four daughters, says she has enjoyed being out of executive and listed company life for the past four years. After leaving TNZ she took a year off, going horseriding in Argentina.

In July 2008, she became the inaugural chairman of Wool Partners International, a group established to reinvigorate the international market for New Zealand wool.

Nine months later, she joined the board of insurance group AIA Australia and became chairman in March last year, seven months before US insurance giant AIG

sold a 67 per cent stake in the company through a \$US20.4bn initial public offering in Hong Kong.

In between her board roles she wrote her business biography, *Bird on a Wire*, which was released early last year.

She still keeps an eye on telcos and retains her tough stance from April last year when she said: "I would not put my money in a telco at the moment" and claimed the industry was yet to reach the "bottom".

"When Ziggy left being CEO of Telstra, he said the next CEO of Telstra was going to have a tough gig but the one after that will have a better gig.

"I remember at the time thinking, 'absolutely spot on,'" Gattung says.

"I think Ziggy was quite prescient, if a little early. I think now (the timeline) is stretching out even a little further.

"I still think we are in that dip in terms of telcos. At some point, when the NBN is done and new uses that you and I haven't even dreamt of today have come up, it can have a second coming."

She still keeps fit by swimming laps, doesn't smoke or drink, and her favourite beverage is still peppermint tea. She was known to bring peppermint tea-bags to many meetings at TNZ.

"I have enjoyed the portfolio life of the last few years tremendously. I like the freedom, the flexibility, the fact that I can have more sleep, less stress," she says.

But the time has come to step things up again.

"I am up for reweighting the focus more commercially," she says.

"I miss the adrenalin buzz of a fantastic team focused on just one thing and all going for it."

'You can never know in life where you are going to get tripped up'

THERESA GATTUNG
FORMER TNZ CHIEF EXECUTIVE



JEREMY PIPER

Theresa Gattung earned a reputation as a cost cutter