STOCK EXCHANGE ANNOUNCEMENT

August 31, 2011

Telecom releases further demerger information

Telecom has today released certain key pieces of information relating to its demerger proposal.

This information is included in documents that are available to certain Telecom debt holders; however it has also been released widely today to ensure all market participants have access to the same information.

The documents are being released prior to the release of the shareholder information to ensure the completion of the debt process in a manner that supports the wider demerger timeframe.

The full shareholder information pack, known as the scheme booklet, is expected to be released by mid-September.

Subject to the necessary approvals, the demerger is expected to be completed around 30 November 2011.

As the shareholder information has not yet been released, Telecom remains subject to significant communication constraints. As a result, Telecom is not yet in a position to offer any additional commentary beyond the information that has been disclosed.

The documents that have been released today and are attached to this media release include:

- Summary of proposed demerger of Telecom
- Notice of meeting in relation to Telecom's GBP bondholder meeting
- Press release relating to Telecom's GBP bondholder meeting
- USD Prepayment Notice
- Notice of meeting in relation to Telecom's Swiss Franc bondholder meeting

- ends –

For media enquiries, please contact:
Ian Bonnar
Corporate Communications Manager
+64 (0)27 215 7564

For investor enquiries, please contact:
Mark Laing
GM Capital Markets
+64 (0)27 227 5890

Stefan Knight
Head of Investor Relations
+64 (0)27 252 9438