



MEDIA ADVISORY

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PAUL REYNOLDS TO LEAD TELECOM THROUGH DEMERGER, THE ESTABLISHMENT OF NEW TELECOM AND TRANSITION TO A NEW CEO IN FY 2012/13

Telecom has confirmed today that its chief executive officer, Dr Paul Reynolds, has committed to lead Telecom through the process of demerging Chorus and the successful establishment of New Telecom as an independent company. This announcement is being made now in order to make intentions clear as regards leadership tenure for the forthcoming period of stakeholder briefings, which lead up to the shareholder vote on the proposed demerger of Chorus.

It is expected that the board of New Telecom will begin a search process during 2012 to identify Paul Reynolds' replacement, who will lead the company during financial year 2012/13 and beyond.

Telecom chairman, Wayne Boyd, said: "I have already indicated my intention to step down as chairman, assuming shareholder agreement to the demerger of Chorus, which is scheduled by the end of 2011.

"I am particularly delighted Paul has agreed to stay on and provide continuity of leadership while the New Telecom business is established under a new chairman and, ultimately, a new CEO. Until then, Paul is fully committed and mandated to lead Telecom towards the completion of the demerger and New Telecom in its establishment as a separate business, building on the momentum we already have in our key markets," said Mr Boyd.

Paul Reynolds said: "I am excited by the challenge of completing the establishment of a new industry structure that is unprecedented in the telecommunications world, and leading Telecom into this new and important era.

"As that process draws to an end during 2012 it will bring to a natural conclusion the transformation programme the Board hired me to lead and, after five years in the role, it will be a good time to hand over to a new CEO.

"Meantime, I'm determined to ensure that New Zealand, Telecom's customers, our people and our shareholders benefit from the demerger and UFB.

“I’ve had no time yet to develop my plans for the next phase but I certainly aim to retain strong ties with New Zealand,” said Dr Reynolds.

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Contact:

Mark Watts,

Head of Communications,

Telecom New Zealand,

0272 504 018