



16 September 2011

Telecom announces early submission results in relation to its Swiss Franc (CHF) Euro medium term note (EMTN) consent solicitation

Under the terms of the Telecom EMTN trust deed, the demerger of Telecom may result in an event of default unless the event of default is waived via an extraordinary resolution of the holders of the CHF200m series of Telecom EMTN bonds maturing in 2012 (the '**CHF Notes**'). An extraordinary resolution requires the approval of 75 per cent of CHF Note holders present and voting, subject to quorum requirements.

On 31 August 2011, Telecom launched a consent solicitation inviting CHF Note holders to waive the potential event of default and approve a new condition requiring Telecom to redeem all of the CHF Notes at their early redemption amount if final court orders relating to the demerger are obtained. Telecom has received irrevocable instructions in excess of the required 75 percent of the outstanding amount of the CHF Notes in favour of the extraordinary resolution. The extraordinary resolution will be voted on at a CHF Note holder meeting to be held on 22 September 2011.

Telecom will continue to update the market on the outcome of the approvals process relating to Telecom's bond programmes to the extent material to the demerger.

The document published is a formal press release which will be distributed on the Swiss Stock exchange.

This announcement does not constitute an invitation to participate in the consent solicitation in or from any jurisdiction where such participation would be unlawful.

ENDS

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