23 September 2011

Telecom announces results in relation to its GBP Euro medium term note (EMTN) consent solicitation and exchange offer

On 31 August 2011, Telecom launched a consent solicitation and offer inviting existing holders of Telecom's GBP125m EMTN bonds maturing in 2018 (ISIN: XS0168222056) and Telecom's GBP150m EMTN bonds maturing in 2020 (ISIN:XS0216258177) to exchange their bonds for Chorus GBP EMTN bonds maturing in 2020 (conditional on the demerger being effected).

Under the terms of the Telecom EMTN trust deed, the demerger of Telecom may result in an event of default unless the prior approval of the holders of each of the two GBP series of EMTN bonds (in excess of three-fourths of bond holders present and voting, subject to quorum requirements) is obtained.

At the GBP EMTN bond holder meetings held on 22 September 2011, the holders of each of the existing 2018 GBP EMTN bonds and 2020 GBP EMTN bonds duly passed the extraordinary resolutions waiving any event of default which may arise as a result of the proposed demerger.

Additionally, Telecom received irrevocable instructions from holders of GBP102,581,000 worth of Telecom's 2018 GBP EMTN bonds and GBP132,242,000 worth of Telecom's 2020 GBP EMTN bonds electing to exchange their bonds for the new Chorus GBP EMTN bonds. As a result, and conditional on the demerger being effected, (i) GBP22,419,000 of the existing Telecom EMTN bonds maturing in 2018 and GBP17,758,000 of the existing Telecom EMTN Bonds maturing in 2020 will be left outstanding post-demerger; and (ii) GBP234,823,000 of Chorus GBP EMTN bonds maturing in 2020 will be issued post-demerger.

The document published is a formal press release which has been distributed on the Luxembourg Stock exchange.

This announcement and the offer memorandum does not constitute an invitation to participate in the exchange offers in or from any jurisdiction in or from which, or to or from any person to or from whom, it is unlawful to make such invitation under applicable securities laws. In particular, the offer memorandum is not for distribution in the United States or to any US Person (as defined in Regulation S under the United States Securities Act of 1933, as amended).

ENDS

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