

Disclosure of ceasing to have substantial holding

Section 25, Securities Markets Act 1988

To: NZX Limited

And: Chorus Limited

Date this disclosure made: 30 November 2011

Date last disclosure made: 23 November 2011

Substantial security holder(s) giving disclosure

Name(s): Telecom Corporation of New Zealand Limited

Contact details: Tristan Gilbertson (Group General Counsel & Company Secretary), phone: +64 9 358 6935, email: company.secretary@telecom.co.nz

Date on which substantial security holder(s) ceased to have substantial holding: 30 November 2011 (upon demerger of Chorus Limited ("Chorus") by Telecom Corporation of New Zealand Limited ("Telecom"))

Summary of previous substantial holding to which disclosure relates

Class of listed voting securities: ordinary shares

Summary for: Telecom Corporation of New Zealand Limited

For last disclosure,—

- (a) total number held in class: 100
- (b) total in class: 100
- (c) total percentage held in class: 100%

For current holding after ceasing to have substantial holding:

- (a) total number held in class: 0
- (b) total in class: 385,082,123
- (c) total percentage held in class: 0

Details of transactions and events giving rise to person ceasing to have substantial holding

Details of the transactions or other events requiring disclosure under the instructions to this form: Until the demerger of Chorus by Telecom on 30 November 2011, Telecom held legal and beneficial title to all of the ordinary shares in Chorus. Following the demerger, Telecom no longer holds a relevant interest in Chorus shares.

Additional information

Nature of connection between substantial security holders: Not applicable

Address(es) of substantial security holder(s): Level 2, Telecom Place, 167 Victoria Street West, Auckland, 1142, New Zealand

Name of any other person believed to have given, or believed to be required to give, a disclosure under the Act in relation to the securities to which this disclosure relates: Not applicable

Declaration

I, Tristan Gilbertson, declare that, to the best of my knowledge and belief, the information contained in this disclosure is correct and that I am duly authorised to make this disclosure by all persons for whom it is made.