



MEDIA RELEASE

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Telecom initiates review of its capital structure

Telecom has today announced that it is to commence a review of its capital structure, following the completion of the Chorus demerger.

“Telecom will be focused on its core business of delivering outstanding service to New Zealand mobile, broadband and ICT customers,” said Paul Reynolds, Telecom CEO. “Further, the new board has endorsed management’s commencement of a review to ensure Telecom’s capital structure is appropriate as we move into the new world.”

As noted in Telecom’s scheme booklet dated 13 September, Telecom intends to adopt a capital structure consistent with maintaining an “A band” credit rating.

“Post demerger, scope exists for some form of capital management, while still maintaining an “A band” rating,” he said.

Telecom expects to provide more information relating to its capital structure at its half year results in February 2012.

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For investor enquires, please contact:

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

For media enquiries, please contact:

Ian Bonnar
Corporate Communications Manager
+64 (0)27 215 7564