



STOCK EXCHANGE ANNOUNCEMENT

28 September 2012

Telecom to suspend issue of new ADRs

Telecom has today sent the attached letter to its American Depositary Receipt (ADR) holders informing them that it will suspend the issue of new ADRs from 28 September 2012.

- ends -

Contact:

For investor relations queries, please contact:
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28 September 2012

Dear Shareholder

Information only, no action required

Telecom New Zealand to suspend issue of new ADRs (NZTCY) from 28 September 2012

Telecom New Zealand has today announced that it will suspend the issue of new American Depositary Receipts (ADRs) from 28 September 2012. As part of ongoing efforts to reduce administration costs and complexity associated with SEC registration, this initiative is aimed at reducing the volume of ADRs traded in the United States, which is a requirement for deregistration.

Telecom intends to permanently deregister and terminate its reporting obligations under the Securities Exchange Act of 1934 in the event that it meets the criteria for deregistration.

As an existing ADR holder, your existing ADRs will not be impacted, and you may choose to continue to hold them, sell them via the "over the counter" market or cancel them with Bank of New York Mellon.

If you have any questions, or would like further information, please contact Telecom Investor Relations on (NZ) 0800 737 500 or (AUS) 1800 123 350, or Bank of New York Mellon on (USA) 212 815 2276.

Yours sincerely

Tristan Gilbertson
Group General Counsel & Company Secretary