Disclosure of movement of 1% or more in substantial holding or change in nature of relevant interest or both

Sections 23 and 24, Securities Markets Act 1988

Relevant event being disclosed: Increase in holdings from 7.23% to 8.25%

Date of relevant event: 18 December 2013

To: NZX

And: Telecom Corporation of New Zealand Limited (TEL)

Date this disclosure made: 19 December 2013

Date last disclosure made: 18 October 2013

Substantial security holder(s) giving disclosure

Name(s): The Bank of New York Mellon Corporation

Contact details: Nicholas R. Darrow

Email: nicholas.darrow@bnymellon.com

Telephone: 412-236-7733 Fax: 412-236-6715

Summary of substantial holding to which disclosure relates

A. Class of listed voting securities: Common shares ISIN NZTELE0001S4, and ADR's ISIN US8792782083

Summary for: The Bank of New York Mellon Corporation, parent holding company of:

Newton Investment Management Limited

Mellon Capital Management Corporation

The Bank of New York Mellon

BNY Mellon Service Kapitalanlage-Gesellschft mbH

Lockwood Advisors, Inc.

The Dreyfus Corporation

The Boston Company Asset Management LLC

B. The Bank of New York Mellon Corporation is comprised of a large number of operating and holding companies. The entities identified herein are subsidiaries of The Bank of New York Mellon Corporation [as ultimate parent] that have shareholdings in the issuer. All group companies have a relevant interest by virtue of the fact that they are related group companies, however, other than those listed herein, they have no actual shareholding in the issuer, nor do they participate in investment or voting decisions.

For **this** disclosure,—

(a) total number held in class: 150,507,420

(b) total in class: 1,824,093,017

(c) total percentage held in class: 8.25%

For **last** disclosure,—

(a) total number held in class: 131,736,766

(b) total in class: 1,821,573,181

(c) total percentage held in class: 7.23%

Details of transactions and events giving rise to relevant event

Details of the transactions or other events requiring disclosure under the instructions to this form:

There have been various purchases and sales of Common Shares and ADRs over multiple dates. A purchase of 2,410,792 Common Shares on 18 December 2013 caused us as an aggregated group to increase by more than 1% since our previous filing.

Details of relevant interests in substantial holding after relevant event

Details for: The Bank of New York Mellon Corporation

Nature of relevant interest(s): Beneficial owner of securities

For that relevant interest,—

(a) number held in class: 150,507,420

(b) percentage held in class: 8.25%

(c) current registered holder(s) of securities: Unknown

(d) registered holder(s) of securities once transfers registered: Unknown

Additional information

Nature of connection between substantial security holders:

The Bank of New York Mellon Corporation is the ultimate parent of the above named subsidiaries, and is submitting this disclosure on an aggregated basis.

Address(es) of substantial security holder(s):

One Wall Street, New York, New York 10286 USA

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: N/A

Declaration

I, Nicholas R. Darrow, 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.