



Market Announcement

19 September 2014

Spark New Zealand moves to one credit rating agency

Spark New Zealand Limited (Spark New Zealand) announced today that it intends to move to one credit rating agency. Accordingly, Spark New Zealand has advised Moody's Investors Service Pty Limited (Moody's) that it wishes to end its formal engagement and has requested that Moody's credit rating of Spark New Zealand be withdrawn by 30 November 2014.

Due to Spark New Zealand's reduced debt levels post-demerger and its debt requirements going forward, Spark New Zealand no longer believes it is necessary to maintain two credit ratings. Spark New Zealand will continue to be rated by Standard & Poor's.

Notification to domestic bondholders relating to amendments made to the Trust Deed to allow for one credit rating is attached.

-ENDS-

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18 September 2014

TRUST DEED AMENDMENTS

Dear Stockholder

Spark New Zealand Limited (formerly Telecom Corporation of New Zealand Limited) ("Spark New Zealand") and The New Zealand Guardian Trust Company Limited ("NZGT") have today agreed to amend the trust deed dated 25 October 1988 (as amended and restated) under which Stock (eg. domestic bonds and commercial paper) is issued (the "Trust Deed").

The amendments, which have been approved by NZX, are as follows.

Name Change

The Trust Deed has been updated to reflect that Telecom Corporation of New Zealand Limited has changed its name to Spark New Zealand Limited (with effect from 8 August 2014).

One Credit Rating Agency

The Trust Deed has been updated so that Spark New Zealand may be rated by only one credit rating agency. Due to Spark New Zealand's reduced debt levels post-demerger and its debt requirements going forward, Spark New Zealand no longer believes it is necessary to maintain two credit ratings. Accordingly, Spark New Zealand has advised Moody's Investors Service to terminate its agreement and withdraw its credit rating of Spark New Zealand. Spark New Zealand will continue to be rated by Standard and Poor's.

No Adverse Effects

Spark New Zealand and Spark Finance Limited (formerly TCNZ Finance Limited) are of the opinion, in which NZGT concurs, that the above amendments are appropriate and reasonable in all the circumstances relating to the Trust Deed and the Guaranteeing Group and, in NZGT's reasonable opinion, are not likely to have a materially adverse effect on the ability of the Guaranteeing Group to pay its liabilities due in the reasonably foreseeable future or to be or become materially prejudicial to the general interests of Stockholders.

This notice is for your information only and no further action is required on your part.

You can obtain a copy of the Trust Deed from Spark New Zealand by contacting the Company Secretary at company.secretary@spark.co.nz. You may also inspect the Trust Deed free of charge at Level 2, Spark City, 167 Victoria Street West, Auckland 1010. In each case you will be required to provide your contact name and postal address.

Electronic versions of the Trust Deed can be found at: investors.sparknz.co.nz.

Yours faithfully

Silvana Roest
Company Secretary