

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity TELECOM CORPORATION OF NEW ZEALAND
ABN 050 611 277

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Paul Joseph Reynolds
Date of last notice	27 December 2009

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Direct
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	
Date of change	15/9/2010
No. of securities held prior to change	1,998,149 (382,249 ordinary shares under the CEO Performance Incentive Scheme and 1,615,900 rights to acquire ordinary shares under the CEO Performance Rights Scheme)
Class	Ordinary Shares
Number acquired	108,878
Number disposed	
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	Achievement of pre-specified target levels of performance

+ See chapter 19 for defined terms.

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No. of securities held after change	2,107,027 (491,127 ordinary shares under the CEO Performance Incentive Scheme and 1,615,900 rights to acquire ordinary shares under the CEO Performance Rights Scheme)
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	Issue of ordinary shares subject to restrictive conditions pursuant to the CEO Performance Incentive Scheme.

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of “notifiable interest of a director” should be disclosed in this part.

Detail of contract	
Nature of interest	
Name of registered holder (if issued securities)	
Date of change	
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	
Interest acquired	
Interest disposed	
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	
Interest after change	

+ See chapter 19 for defined terms.