

Disclosure of ceasing to have substantial holding
Section 25, Securities Markets Act 1988

To: NZX

And: Telecom Corporation of New Zealand Limited

Date this disclosure made: 13 December 2010

Date last disclosure made: 6 December 2010

Substantial security holder(s) giving disclosure

Name(s): Lazard Asset Management Pacific Co and its related bodies corporate listed in Annexure A

Contact details: Name: Apnavi Saddington (Company Secretary) + 61 2 8274 1400
apnavi.saddington@lazard.com

Date on which substantial security holder(s) ceased to have substantial holding: 9 December 2010

Summary of previous substantial holding to which disclosure relates

Class of listed voting securities: Ordinary Shares in Telecom Corporation of New Zealand Limited

Summary for: Lazard Asset Management Pacific Co.

For last disclosure,—

- (a) total number held in class: 96,611,858
- (b) total in class: 1,924,581,727
- (c) total percentage held in class: 5.020%

For current holding after ceasing to have substantial holding:

- (a) total number held in class: 95,758,077
- (b) total in class: 1,924,581,727
- (c) total percentage held in class: 4.975%

Details of transactions and events giving rise to person ceasing to have substantial holding

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

Additional information

Nature of connection between substantial security holders: See Annexure A

Address(es) of substantial security holder(s): /o Lazard Asset Management Pacific Co Level 39, Gateway Building, 1 Macquarie Place, Sydney NSW 2000 Australia

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, Apnavi Saddington, Company Secretary, 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.

Annexure 'A'
to Disclosure of ceasing to have substantial holding
dated 13 December 2010
by Lazard Asset Management Pacific Co

Details of related bodies corporate. These related bodies corporate are deemed to have the same relevant interests as Lazard Asset Management Pacific Co.

Name of entity	Address
Lazard Asset Management LLC (US)	30 Rockefeller Plaza New York NY 10020 USA
Lazard Asset Management Limited, London	50 Stratton Street London W1J 8LL United Kingdom
Lazard Japan Asset Management KK	ATT Annex 7 th Floor, 2-11-7 Akasaka Minato-Ku Tokyo 107-00752 Japan
LAMP Administration Pty Ltd	Level 39, Gateway, 1 Macquarie Place Sydney NSW Australia
Lazard Pty Ltd	Level 44, Gateway, 1 Macquarie Place Sydney NSW Australia
LCW Private Equity Pty Ltd	Level 44, Gateway, 1 Macquarie Place Sydney NSW Australia
Lazard Korea Asset Management Co Ltd	10F Seoul Finance Center, Taepyeongno-1ga, Jung-gu, Seoul 100-768 Korea
Lazard Asset Management (Hong Kong) Ltd	Level 8, Two Exchange Square Central. HK Hong Kong
Lazard Asset Management (Deutschland) GmbH	z. Hd. Herrn Werner Krämer Alte Mainzer Gasse 37 D-60311 Frankfurt am Main Germany

Annexure 'B'
to Disclosure of ceasing to have substantial holding
dated 13 December 2010
by Lazard Asset Management Pacific Co

Transaction Date	Nature of Transaction.	Name of Substantial Security Holder	Consideration NZD	Number of Securities.
08/12/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	874,180.87	400,800
09/12/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	95,722.84	44,500
09/12/2010	Ceasing to have the power to vote or dispose of the securities	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	N/A	1,299,081