

Disclosure of beginning to have substantial holding
Section 22, Securities Markets Act 1988

To: NZX

And: Telecom Corporation of New Zealand Limited

Date this disclosure made: 15 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) began to have substantial holding: 13 December 2010

Summary of 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 this disclosure,—

(a) total number held in class: 97,123,781

(b) total in class: 1,924,611,559

(c) total percentage held in class: 5.046%

Details of relevant interests currently in substantial holding

Details for: Lazard Asset Management Pacific Co.

Nature of relevant interest(s):

Holder of relevant interest	Registered holder of securities	Class and number of securities	Percentage Held %
Lazard Asset Management Pacific Co	Bank of New York Mellon	Ordinary - 21,288,398	1.106
Lazard Asset Management Pacific Co	State Street Australia Ltd	Ordinary - 6,858,527	0.356
Lazard Asset Management Pacific Co	State Street Australia Ltd	Ordinary - 3,140,957	0.163
Lazard Asset Management Pacific Co	JP Morgan Chase Ltd	Ordinary - 2,536,942	0.132
Lazard Asset Management Pacific Co	State Street Australia Ltd	Ordinary - 1,554,334	0.081
Lazard Asset Management Pacific Co	Citibank Pty Ltd	Ordinary - 7,624,109	0.396
Lazard Asset Management Pacific Co A	JP Morgan Chase Ltd	Ordinary - 18,831,952	0.978
Lazard Asset Management Pacific Co	National Australia Bank Ltd	Ordinary - 15,351,263	0.798
Lazard Asset Management Pacific Co	National Australia Bank Ltd	Ordinary - 2,398,778	0.125
Lazard Asset Management Pacific Co	National Australia Bank Ltd	Ordinary - 3,211,410	0.167
Lazard Asset Management Pacific Co	National Australia Bank Ltd	Ordinary - 584,009	0.030
Lazard Asset Management Pacific Co	National Australia Bank Ltd	Ordinary - 631,950	0.033
Lazard Asset Management Pacific Co	HSBC Custody Nominees (Australia) Ltd	Ordinary - 2,848,025	0.148
Lazard Asset Management Pacific Co	RBC Dexia	Ordinary - 609,717	0.032

Lazard Asset Management Pacific Co	Marshall and Ils Bank	Ordinary – 283,609	0.015
Lazard Asset Management Pacific Co	State Street Master	Ordinary – 640,305	0.033
Lazard Asset Management Pacific Co	State Street	Ordinary – 314,330	0.016
Lazard Asset Management Pacific Co	RBC Dexia	Ordinary – 153,227	0.008
Lazard Asset Management Pacific Co	Brown Brothers Harriman	Ordinary – 880,471	0.046
Lazard Asset Management Pacific Co	BNP Paribas	Ordinary – 318,833	0.017
Lazard Asset Management Pacific Co	UBS	Ordinary – 107,530	0.006
Lazard Asset Management Pacific Co	State Street Boston	Ordinary – 1,221,623	0.063
Lazard Asset Management Pacific Co	State Street Boston	Ordinary – 404,278	0.021
Lazard Asset Management Pacific Co	State Street	Ordinary – 2,823,242	0.0147
Lazard Asset Management Pacific Co	State Street Australia Ltd	Ordinary – 1,599,102	0.083
Lazard Asset Management Pacific Co	State Street Master	Ordinary – 29,518	0.002
Lazard Asset Management Pacific Co	State Street Master	Ordinary – 310,606	0.016
Lazard Asset Management Pacific Co	Sumitomo Trust	Ordinary – 222,137	0.012
Lazard Asset Management Pacific Co	Unfon Bank	Ordinary – 252,717	0.013
Lazard Asset Management Pacific Co	JP Morgan Chase Ltd	Ordinary – 83,265	0.004
Lazard Asset Management Pacific Co	Lazard Freres & Co	Ordinary – 8,607	0.000

Details for: Related bodies corporate of Lazard Asset Management Pacific Co. See Annexure A

Nature of relevant interest(s): See Annexure A

Details of transactions and events giving rise to person beginning 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: Lazard Asset Management Pacific Co is the fund manager and has the power to acquire or dispose of, or to control the acquisition or disposition of, the security pursuant to investment management contracts.

Address(es) of substantial security holder(s): c/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 beginning to have a substantial holding
dated 15 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 beginning to have a substantial holding
dated 15 December 2010
by Lazard Asset Management Pacific Co

Transaction Date	Nature of Transaction. (all on market transactions)	Name of Substantial Security Holder	Consideration NZD	Number of Securities.
18/08/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	75,047.61	35,890.00
18/08/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	660,571.11	316,646.00
20/08/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	1,842,871.60	875,419.00
24/08/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	940,854.76	459,382.00
24/08/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	4,701.22	2,289.00
08/09/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	120,162.87	56,543.00
17/09/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	362,272.73	171,983.00
17/09/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	123,974.82	58,855.00
21/09/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	2,167,408.23	1,051,000.00
21/09/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	647,494.15	312,100.00
21/09/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	316,868.48	153,653.00
21/09/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	371,631.12	180,208.00
21/09/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	169,569.28	82,226.00
21/09/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	781,887.89	379,146.00
21/09/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	1,801,400.83	873,519.00
21/09/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	1,549,688.64	751,461.00
21/09/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	266,448.91	129,204.00
21/09/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	339,843.83	164,794.00
21/09/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	61,497.89	29,821.00
21/09/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	69,394.18	33,650.00
21/09/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	322,172.56	156,225.00
21/09/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	166,127.41	80,557.00
21/09/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	4,627,626.93	2,243,987.00
24/09/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	114,143.04	56,200.00
28/09/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	17,637.16	8,607.00
13/10/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	621,137.27	304,862.00
14/10/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	294,747.97	143,444.00
15/10/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	51,648.81	24,700.00
15/11/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	304,377.72	139,100.00
16/11/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	1,348,397.80	609,717.00
16/11/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	627,205.33	283,609.00
16/11/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	1,416,043.60	640,305.00
16/11/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	359,879.71	162,730.00
16/11/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	338,863.69	153,227.00

Transaction Date	Nature of Transaction. (all on market transactions)	Name of Substantial Security Holder	Consideration NZD	Number of Securities.
16/11/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	606,691.33	274,333.00
16/11/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	237,804.12	107,530.00
16/11/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	1,344,803.82	610,770.00
16/11/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	902,276.02	409,787.00
16/11/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	2,342,138.88	1,063,730.00
16/11/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	3,520,930.09	1,599,102.00
16/11/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	61,576.02	27,566.00
16/11/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	683,897.60	310,606.00
16/11/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	482,567.88	218,207.00
16/11/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	558,887.23	252,717.00
16/11/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	184,141.73	83,265.00
22/11/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	3,338.47	1,552.00
01/12/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	2,391,986.79	1,107,762.00
01/12/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	8,532.36	3,930.00
08/12/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	874,180.87	400,800.00
09/12/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	95,722.84	44,500.00
13/12/2010	Buy	Lazard Asset Management Pacific Co and its Associates Listed in Annexure A	2,892,324.61	1,365,704.00