



MEDIA RELEASE

3 May, 2011

Commerce Commission releases report on Telecom's Accounting Separation disclosures

The Commerce Commission today published its summary and analysis of Telecom's regulatory financial statements for the year ending 30 June 2010.

This report does not relate to Telecom's statutory accounts, and has no impact on Telecom's financial reporting, any regulated pricing or guidance.

The Telecommunications Act 2001 requires Telecom to publish regulatory financial statements and other information about its network, wholesale and retail business activities and services in a form determined by the Commission.

Telecom has noted the Commission's concerns relating to the valuation methodologies applied in certain areas of the regulatory accounts.

"The Commission amended their requirements for FY10 disclosures, and we have abided by them," said Tristan Gilbertson, Group General Counsel.

"Those requirements needed to be interpreted and for certain key areas there are many possible valid interpretations that can be taken. Valuation methodologies, for example, have an element of judgment and subjectivity. Different interpretations can produce quite different results.

“However, if the Commission provides us with any additional clarification then we will have regard to that in the production of the next set of regulatory accounts,” he said.

The Commission’s summary and analysis is available at
www.comcom.govt.nz/accounting-separation

ENDS

For media queries, please contact:

Ian Bonnar

+64 (0) 27 215 7564

Or

Katherine Murphy

+64 (0)27 4222 709