

TELECOM AUCKLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2 OPERATING EXPENSES

	Six months ended 30 September		Year ended 31 March
	1991	1990	1991
	\$000's	\$000's	\$000's
	243,761	250,767	494,302
Included in operating expenses are:			
- Depreciation	61,499	56,277	117,228
- Audit fees	100	95	190
- Intercompany management fee	11,363	13,433	25,440
- Foreign exchange gains	(8)	-	(52)
- Lease and rental costs	8,548	16,543	32,196

3 INVESTMENT INCOME/INTEREST EXPENSE

	Six months ended 30 September		Year ended 31 March
	1991	1990	1991
	\$000's	\$000's	\$000's
Interest income:			
- Intercompany	141	-	-
- Other	6	2	31
	147	2	31
Interest expense:			
- Intercompany (including finance lease charges)	28,565	28,659	59,452
- Other	20	4	4
	28,585	28,663	59,456
- Less interest capitalised	(163)	(307)	(529)
	28,422	28,356	58,927