

TELECOM WELLINGTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

11 SHAREHOLDERS' EQUITY

| | 1991 | 1990 |
|--|----------------|----------------|
| | \$000's | \$000's |
| Balance at beginning of period (Consisting of a premium of \$9,999 on 21,634 redeemable preference shares) | 216,318 | - |
| Movements during period | - | 216,318 |
| | 216,318 | 216,318 |

Dividends declared apply to redeemable preference shares as if they were ordinary shares. On winding up of the company preference shareholders rank in priority to ordinary shareholders in respect of outstanding dividends and the issue price of the redeemable preference shares. The redeemable preference shares are subject to redemption, at the issue price five days after written notice from the holder.

| | 1991 | 1990 |
|-------------------------------|--------------------|--------------------|
| | \$000's | \$000's |
| Balance at beginning of year | 19,155 | - |
| Net earnings | 40,671 | 58,778 |
| Dividends | 59,826 (13,592) | 58,778 (39,623) |
| Balance at end of year | 46,234 | 19,155 |

DIVIDENDS

Interim and final dividends declared from the retained earnings of the Company are as follows:

| | 1991 | 1990 |
|-------------------|---------------|---------------|
| | \$000's | \$000's |
| Interim dividends | 13,592 | 19,400 |
| Final dividend | - | 20,223 |
| | 13,592 | 39,623 |

12 COMMITMENTS**OPERATING LEASES**

Operating lease commitments are mainly in respect of leases of land and buildings. Minimum rental commitments as at 31 March 1991 for all non-cancellable operating leases are:

| | (in millions) |
|--------------------------|----------------|
| Payable within 1 year | 11.8 |
| Payable within 1-2 years | 11.3 |
| Payable within 2-3 years | 10.8 |
| Payable within 3-4 years | 10.6 |
| Payable within 4-5 years | 9.8 |
| Payable thereafter | 50.4 |
| | \$104.7 |