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MEDIA RELEASE RE TELECOM SPLIT DOCUMENTATION

The New Zealand Shareholders Association says the size of the documentation required to be distributed to Telecom shareholders informing them of the proposals to split the company in two is ridiculous.

Chairman John Hawkins described the 500 plus page booklet as an extreme example of disclosure gone mad. Hawkins said that he did not blame Telecom for the situation. This has been forced on them by regulatory requirements. The company has satisfied us that this was the minimum they were legally required to distribute. That just goes to prove the current law around this issue is an ass, he said.

The Association says that retail shareholders want clear and concise documents that highlight the basic issues. Hawkins said that the NZSA intended to prepare a short summary for the benefit of their members and others who would otherwise struggle to wade through the official document. We hope to have this up on our NZShareholders website in the next few days he said.

Hawkins said that fortunately there was light at the end of the tunnel. Upcoming changes to securities regulations would require concise brief documentation for shareholders and an internet based database for the more complex detail. Unfortunately this will not be law until sometime next year he said. The NZSA has been involved in the consultation process and is satisfied with the likely outcome.

In the meantime both shareholders and companies are stuck with huge documents that must be in hard copy. Since the sheer size would put most people off reading it, Hawkins described the huge booklet as an officially sanctioned waste of money and resources.

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ENDS