



Telecom installs New Zealand's first Webphone

The first of Telecom New Zealand's trial Webphones was installed and began operations on March 29th at the Silvia Park shopping centre in Auckland.

Please see attached media release issued by Telecom New Zealand.

Photos of the Webphone can be viewed at
www.pienetworks.com/products/telecomnzwebphone.htm

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About pieNETWORKS Ltd

pieNETWORKS develops and operates managed public internet access and VoIP telephony infrastructure. The company's customers include telcos, government and large and medium size businesses. pieNETWORKS is listed on the Australian Stock Exchange (ASX:PIE).

More information can be found at www.pienetworks.com

About Telecom

The Telecom Group provides telecommunications and ICT services in New Zealand and Australia. It is the principal supplier of telecommunications services in New Zealand.

Telecom provides services connected via fixed networks which use fibre optic, copper and wireless technologies. Telecom provides local, national and international telephone services and a range of other telecommunications and ICT services including leased circuits, Internet services, data communications, directories, e-commerce and mobile communications.

In New Zealand, Telecom operates the major national telephone network, with more than 95 percent of inter-city trunk routes on fibre optic.

Telecom is listed on the New Zealand, Australian and United States stock exchanges.



29 March 2007

MEDIA RELEASE

Telecom installs New Zealand's first Webphone at Sylvia Park

Telecom has today installed New Zealand's first Webphone at the Sylvia Park Shopping Centre in Auckland.

The Webphone allows users to make phone calls, receive and send emails, surf the Internet and send text messages, all from the same handy public location.

The Webphone is being installed in the same week as New Zealand's largest shopping complex is set to become even bigger with the opening of the next stage of development at Sylvia Park.

Telecom Payphone Manager Lisa Hope said the Webphone is the first of six Webphones that will be installed at different locations around New Zealand over the next few weeks.

"The Webphones will replace the existing payphones for the rest of this year and we will watch closely to see how customers find the new service," Mrs Hope said.

"Telecom will then use customer feedback to decide if we should roll out more Webphones across New Zealand."

Telecom operates more than 4,000 payphones in New Zealand and like payphone operators worldwide is seeking new ways to improve its payphone service.

The Webphone is a product of Australian company pieNETWORKS Ltd.

Other confirmed sites in Auckland include the Ferry Terminal at Pier 1 in Quay St and a site at the Britomart Transport Centre.

For further information and photos please contact:

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