

TELECOM SOUTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2 OPERATING EXPENSES

	1992	1991
	\$000's	\$000's
	330,065	328,719
Included in operating expenses are:		
- Depreciation	105,767	101,303
- Audit fees	200	190
- Intercompany management fee	17,148	15,431
- Lease and rental costs	4,316	5,849

3 INVESTMENT INCOME/INTEREST EXPENSE

	1992	1991
	\$000's	\$000's
Interest income:		
- Intercompany	1,097	174
- Other	460	-
	1,557	174
Interest expense:		
- Intercompany (including finance lease charges)	37,558	35,898
- Other	(14)	(10)
	37,544	35,888
- Less interest capitalised	(6,606)	(3,348)
	30,938	32,540