

Chorus Limited
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New Zealand

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CHORUS RETAIL BOND OFFER

5 November 2018

Chorus considers retail bond offer

Dear Chorus investor,

As an existing investor in Chorus Limited (**Chorus**), we're pleased to make you aware of a potential upcoming investment opportunity involving Chorus.

We've announced today that Chorus is considering a new bond offer to New Zealand institutional and retail investors, as well as certain overseas institutional investors.

This proposed offer reflects our ongoing intention to better align Chorus' funding sources with the long term nature of our infrastructure assets.

The offer is expected to be for up to NZ\$300 million, with the ability to accept oversubscriptions at Chorus' discretion, of ten year unsecured, unsubordinated, re-setting fixed rate bonds. The bonds will have an interest rate which will be initially set for a five year term and then re-set for a further period of five years.

The offer is expected to open the week of 12 November 2018 and full details will be available then.

You can register your interest in participating in the offer by contacting a Joint Lead Manager, as detailed below, or your financial adviser. Indications of interest will not constitute an obligation or commitment of any kind to acquire the bonds.

Joint Lead Managers



0800 269 476



0800 284 017

DeutscheCRAIGS

0800 226 263



0800 367 227



0800 742 737

No money is currently being sought and applications for the bonds cannot currently be made. If Chorus offers the bonds, the offer will be made in accordance with the Financial Markets Conduct Act 2013 as an offer of debt securities of the same class as existing quoted debt securities. The bonds are expected to be quoted on the NZX Debt Market.

As you may have seen from our recent quarterly connections update to the end of September, fibre demand continues to grow with uptake reaching 50% across the areas where we have completed our network rollout. This is substantially higher than our original contractual target of achieving 20% uptake by 2020. The strength of fibre demand, underpinned by New Zealanders' ever increasing demand for bandwidth and the widespread adoption of video streaming services, continues to reinforce our view that broadband has become the fourth utility.

We thank you for your continued support.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kate McKenzie', with a long horizontal flourish extending to the right.

Kate McKenzie (CEO)

For investor enquiries:

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