

Final Terms dated 30 November 2011

Chorus Limited
Issue of GBP 234,823,000
6.75 per cent, Notes due 2020

Guaranteed by Chorus New Zealand Limited
under the U.S.\$2,000,000,000

Euro Medium Term Note Programme

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "Conditions") set forth in the Base Prospectus dated 30 August 2011 which constitutes a base prospectus (the "Base Prospectus") for the purposes of the Prospectus Directive (Directive 2003/71/EC, as amended) (the "Prospectus Directive"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive. These Final Terms contain the final terms of the Notes and must be read in conjunction with such Base Prospectus.

Full information on the Issuer, the Original Guarantor and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at Citibank N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom and copies may be obtained from the registered office of the Issuer being Level 2, Telecom Place, 167 Victoria Street West, Auckland 1142, New Zealand. The Base Prospectus and, in the case of Notes admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms, will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

- | | | | |
|----|------|-----------------------------------|---|
| 1. | (i) | Issuer: | Chorus Limited |
| | (ii) | Guarantor: | Chorus New Zealand Limited |
| 2. | (i) | Series Number: | 1 |
| | (ii) | Tranche Number: | 1 |
| 3. | | Specified Currency or Currencies: | GBP, British Pounds Sterling |
| 4. | | Aggregate Nominal Amount: | GBP 234,823,000 |
| | (i) | Series: | GBP 234,823,000 |
| | (ii) | Tranche: | GBP 234,823,000 |
| 5. | | Issue Price: | N/A. The Notes have been issued by way of exchange for certain existing securities of TCNZ Finance Limited |
| 6. | (i) | Specified Denominations: | GBP 100,000 and integral multiples of GBP 1,000 in excess thereof up to and including GBP 199,000. No Notes in definitive form will be issued with a denomination above GBP 199,000 |
| | (ii) | Calculation Amount: | GBP 1,000 |
| 7. | (i) | Issue Date: | 30 November 2011 |
| | (ii) | Interest Commencement Date: | 30 November 2011 |
| 8. | | Maturity Date: | 6 April 2020 |

9. Interest Basis: 6.75 per cent. Fixed Rate (further particulars specified below)
10. Redemption/Payment Basis: Redemption at par
11. Change of Interest or Coupon Step-up for Minimum Volume and Coupon Redemption/Payment Basis: Step-up for Ratings Downgrade, see below
12. Put/Call Options: Issuer call (further particulars specified below)
13. (i) Status of the Notes: Senior
(ii) Status of the Guarantee: Senior
(iii) Date Board approval for issuance of Notes and Guarantee respectively obtained: Not applicable
14. Method of distribution: Non-syndicated: Exchange Offer

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** Applicable
- (i) Initial Rate of Interest: 6.75 per cent. per annum payable annually in arrear, subject to a short first coupon in respect of the period from, and including, the Issue Date to but, excluding, the first Interest Payment Date
- (ii) Interest Payment Date(s): 6 April in each year, not adjusted, commencing 6 April 2012
- (iii) Fixed Coupon Amount: GBP 67.50 per Calculation Amount (other than with respect to the first Interest Period)
- (iv) Fixed Coupon Amount with respect to the first (short) Interest Period: GBP 23.61 per Calculation Amount, payable on the Interest Payment Date falling in April 2012
- (v) Day Count Fraction: Actual/Actual ICMA
- (vi) Other terms relating to the method of calculating interest for Fixed Rate Notes: Not Applicable
- (vii) Ratings Downgrade / Coupon Step-up (Condition 7(e)) Applicable
- (viii) Ratings Downgrade Step-up Margin + 50 bps
- (ix) Minimum Volume / Coupon Step-up (Condition 7(f)) If on the date which is 185 calendar days after the Issue Date, the aggregate principal amount of Notes then outstanding is not equal to or greater than GBP 250,000,000 the Rate of Interest applicable to the Notes shall be increased by 25 basis points with effect on and from 6 April 2012.
16. **Floating Rate Note Provisions** Not Applicable
17. **Zero Coupon Note Provisions** Not Applicable

18. **Index-Linked Interest Note/other variable-linked interest Note Provisions** Not Applicable

19. **Dual Currency Note Provisions** Not Applicable

PROVISIONS RELATING TO REDEMPTION

20. Call Option Applicable

(i) Optional Redemption Date(s) (call): Any time, in whole or in part

(ii) Optional Redemption Amount(s) (call) of each Note and method, if any, of calculation of such amount(s): An amount equal to the greater of (i) par and (ii) the Gilt Yield Price, in each case, together with accrued interest (if any).

"Gilt Yield Price" means an amount equal to the sum of the present value of all remaining scheduled payments of principal and interest (not including any portion of payment of interest accrued as of the date of redemption) from the redemption date to the respective due dates for such payments until maturity of the Notes computed on an annual basis by discounting such payments (assuming a 365 day year) to the redemption date at the Gilt Yield plus 0.25 per cent.

"Gilt Yield" means, with respect to any redemption date, the mid market yield to maturity on the third business day ("Determination Date") preceding the redemption date, compounded annually which a non-callable Gilt would carry if issued, at 100 per cent. of its principal amount on such date with a term to maturity which most closely approximates the remaining term to maturity of the Notes from such redemption date as quoted by a dealer selected from time to time by the Issuer and notified to the Trustee at noon (London time) on such Determination Date.

(iii) If redeemable in part:

(a) Minimum Redemption Amount: Not applicable

(b) Maximum Redemption Amount: Not applicable

(iv) Notice period: Not less than 30 nor more than 60 days' notice, per Condition 11(c)

21. Put Option Not Applicable

22. Final Redemption Amount of each Note GBP 1,000 per Calculation Amount

23. Early Redemption Amount GBP 1,000 per Calculation Amount

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or

on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- | | | |
|-----|---|--|
| 24. | Form of Notes: | Bearer Notes:

Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note |
| 25. | New Global Note: | No |
| 26. | Additional Financial Centre(s) or other special provisions relating to payment dates: | Not Applicable |
| 27. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | No |
| 28. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable |
| 29. | Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: | Not Applicable |

DISTRIBUTION

- | | | |
|-----|--|----------------------------------|
| 30 | (i) If syndicated, names and addresses of Managers and underwriting commitments: | Not Applicable: Exchange Offer |
| | (ii) Date of Subscription Agreement: | Not Applicable |
| | (iii) Stabilising Manager(s) (if any): | Not Applicable |
| 31. | If non-syndicated, name of Dealer: | Citigroup Global Markets Limited |
| 32. | Total commission and concession: | Not Applicable |
| 33. | U.S. Selling Restrictions: | Reg. S, Category I |
| 34. | Additional selling restrictions: | Not Applicable |

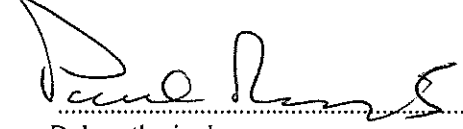
PURPOSE OF FINAL TERMS

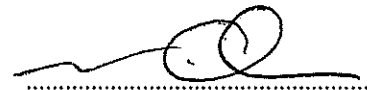
These Final Terms comprise the final terms required for issue and admission to trading on the regulated market of the Luxembourg Stock Exchange of the Notes described herein pursuant to the Euro Medium Term Note Programme of Chorus Limited.

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms.

Signed on behalf of Chorus Limited:

By: 
Duly authorised

By: 
Duly authorised

PART B - OTHER INFORMATION

35. **LISTING** Luxembourg
- (i) Listing Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from the Issue Date.
- (ii) Estimate of total expenses related to admission to trading Not Applicable

36. **RATINGS**

- Ratings: The Notes to be issued are expected to be rated Baa2 by Moody's Investor Service Limited ("Moody's") and BBB by Standard & Poor's (Australia) Pty. Ltd., a division of the McGraw-Hill Companies, Inc. ("Standard & Poor's").
- Moody's is established in the European Union and is registered under Regulation (EC) No. 1060/2009.
- Standard & Poor's is not established in the European Union and is not registered under Regulation (EC) No. 1060/2009. The European Securities and Markets Authority has however extended until 31 January 2012 the transitional period during which ratings issued by, amongst others, Standard & Poor's may be used in the EU.

37. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFER**

So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

38. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

- (i) Reasons for the offer Exchange Offer
- (ii) Estimated net proceeds: Not Applicable
- (iii) Estimated total expenses: Not Applicable

Fixed Rate Notes only -YIELD

Indication of yield: 6.75 per cent. per annum. The yield is calculated on the basis of the nominal value of the Notes, and is not an indication of future yield.

OPERATIONAL INFORMATION

ISIN Code:	XS0710033969
Common Code:	071003396
Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, societe anonyme and the relevant identification number(s):	Not Applicable
Delivery:	Exchange Offer
Names and addresses of initial Paying Agent(s):	Citibank N.A., London Branch Citigroup Centre, Canada Square Canary Wharf London E14 5LB United Kingdom
Names and addresses of additional Paying Agent(s) (if any):	Not applicable
Intended to be held in a manner which would allow Eurosystem eligibility:	No

