

Understanding Chorus

A FACT SHEET FOR INVESTORS

Chorus is New Zealand's largest fixed line communications infrastructure company. We wholesale access to our copper and fibre network to about 100 retail service providers. Chorus became a standalone company in 2011, listing on the NZX and ASX. Chorus shares also trade as American Depository Receipts (ADRs) in the United States.

CNU

NZX & ASX code

BBB

Credit rating from Standard & Poor's

400,799,739

Ordinary shares issued

CHRY

for ADR Programme

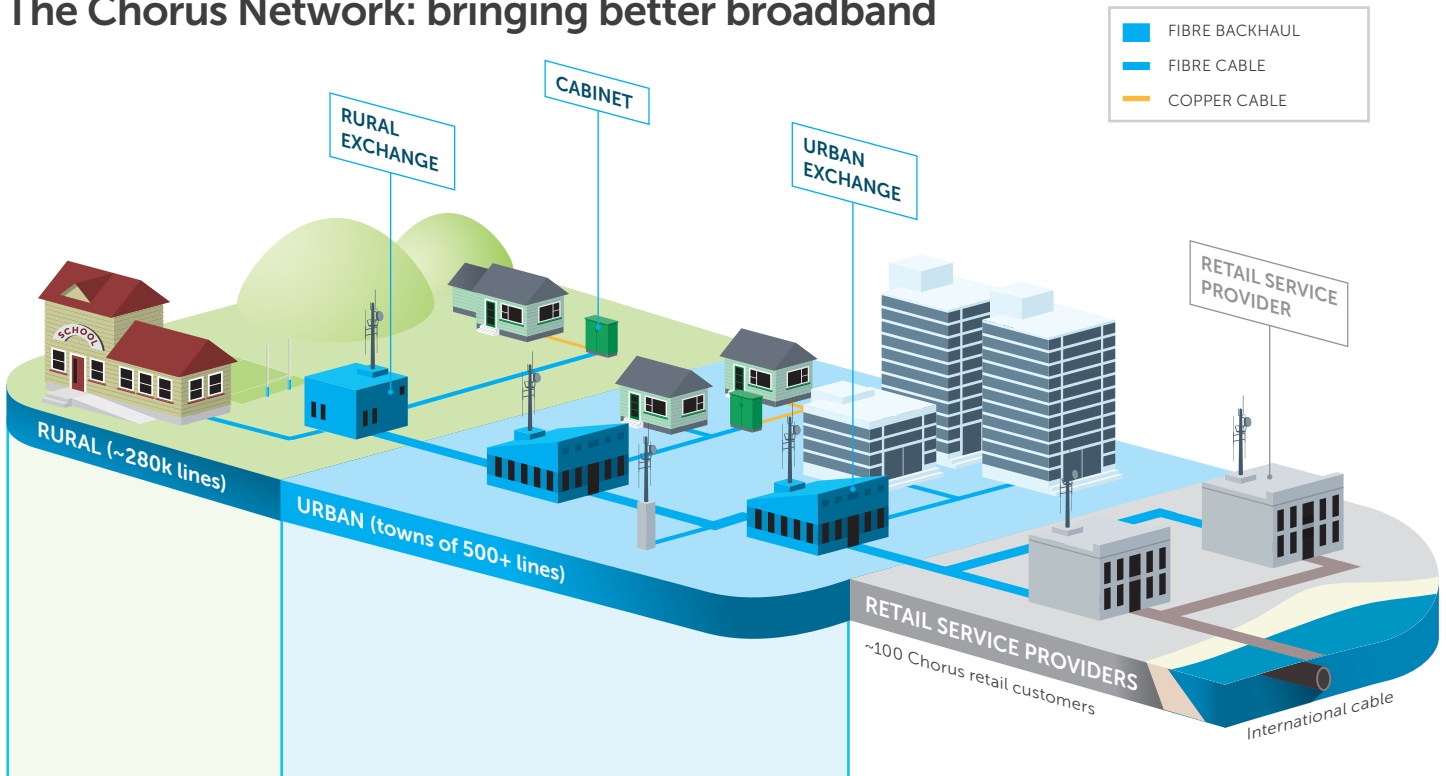
Baa2

Credit rating from Moody's

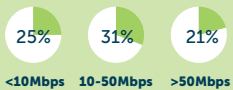
1.1m

Average shares traded daily on NZX in 2015

The Chorus Network: bringing better broadband



OUR RURAL COVERAGE



Rural fixed line broadband enhanced to urban quality

OUR URBAN COVERAGE

588,000

homes and businesses within reach of Chorus fibre at March 2016



of homes and businesses connected to fibre



of homes and businesses able to access \geq 50Mbps via fibre or VDSL

OUR NATIONAL COVERAGE – CHORUS WHOLESALE FIBRE ACCESS NETWORK

~1.74 MILLION

Fixed line connections nationally

~1.22 MILLION

Broadband connections



of homes and businesses are within reach of ADSL broadband



of homes and businesses are within reach of VDSL broadband

DEMAND FOR DATA IS GROWING RAPIDLY

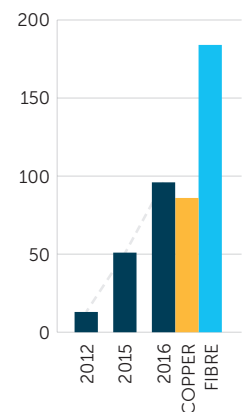


Broadband is fast emerging as the fourth utility after electricity, water and gas.

53%

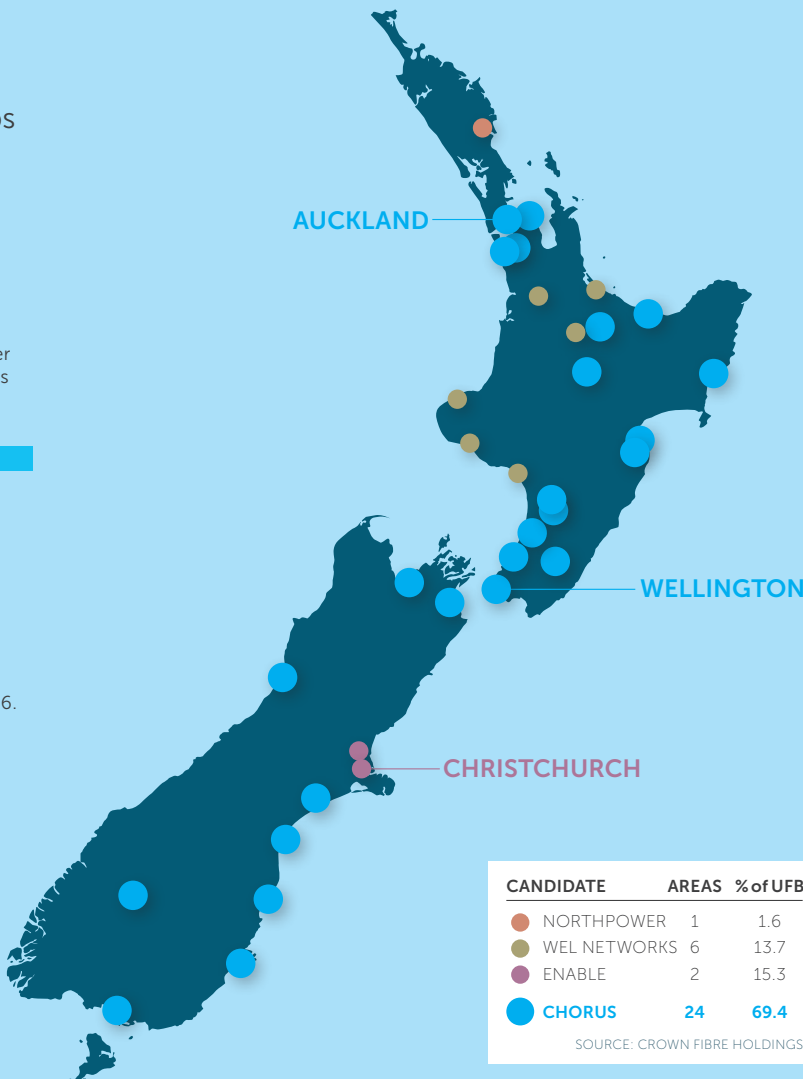
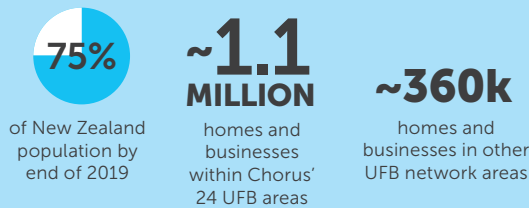
of online consumers streaming TV or movies (Nielsen, January 2016)

Monthly (January) average household bandwidth demand



Building a Fibre to the Premises Network

Ultra-fast broadband (UFB) partnerships with Crown cover 33 candidate areas.



CANDIDATE	AREAS	% of UFB
NORTHPOWER	1	1.6
WEL NETWORKS	6	13.7
ENABLE	2	15.3
CHORUS	24	69.4

SOURCE: CROWN FIBRE HOLDINGS

CHORUS UFB BUILD METRICS

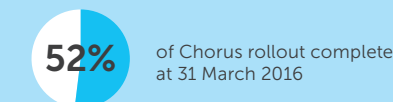
\$1.75b – \$1.8b
Estimated cost of Chorus communal network to pass

830,900
premises

\$929m
funding contribution from Crown equates to

\$1,118
per premises passed

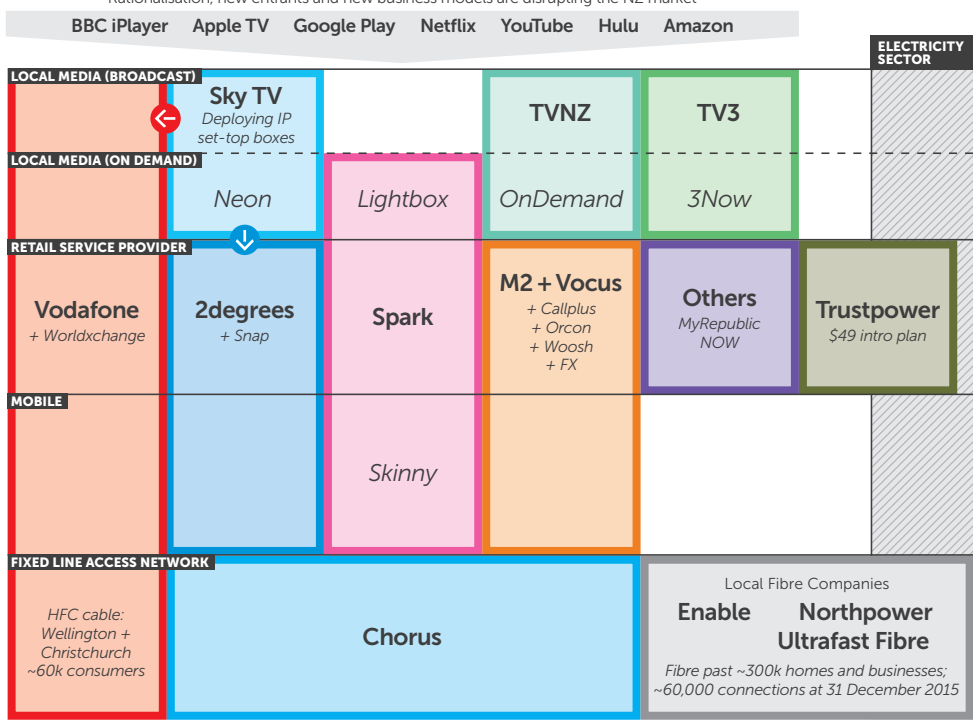
Chorus issues debt and equity securities to the Crown in return. Debt to be redeemed in tranches from 2025 to 2036. Increasing portion of Crown equity attracts dividend payments from 2025 onwards.



Connections from the street boundary to the premises are completed on demand. Estimated cost of **\$900 – \$1,100** (in 2011 dollars) average cost to connect standard residential premises.

The NZ Fixed Line Market

Rationalisation, new entrants and new business models are disrupting the NZ market



Financial Summary

FY15 revenue	\$1,006 MILLION	FY15 capital expenditure	\$597 MILLION
FY15 expenses	\$404 MILLION	Debt	~\$1.8 BILLION (\$677m Euro Medium Term Note, \$400m NZ Bond, ~\$700m bank facility)
FY15 EBITDA	\$602 MILLION	Market capitalisation	~\$1.6 BILLION

The Chorus Board intends to maintain capital management and financial policies consistent with 'BBB' or equivalent credit rating.

FY16 dividend guidance of 20 cents per share (8c interim dividend paid April 2016). During the UFB build programme to 2020, the Board expects to be able to provide shareholders with modest long term dividend growth from a base of 20cps per annum, subject to no material adverse changes in circumstances or outlook.