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STOCK EXCHANGE ANNOUNCEMENT

21 September 2017

Chorus FY17 dividend underwrite: connections update

Chorus has released the following connections update, ahead of the expected process to underwrite its final FY17 dividend payment on 10 October, as announced on 30 August 2017.

Connections trends since 30 June 2017 indicate a moderation in the monthly decline in total fixed lines compared to the prior three month period, while broadband connections have remained largely stable.

As at 31 August 2017, connections on Chorus' network comprised:

- Total fixed line connections: 1,588,000 (30 June 2017: 1,602,000)
- Total broadband connections: 1,184,000 (30 June 2017: 1,186,000)

Chorus will issue its Q1 connections update in early October.

The dividend reinvestment plan (DRP) is available to Australian and New Zealand resident shareholders with a discount rate of 3% for the 10 October 2017 dividend payment.

The DRP price is expected to be announced on 2 October 2017 following the five day DRP pricing period of 25-29 September.

Chorus intends to enter into an underwriting agreement, under which shares equivalent to the portion not taken up by Chorus shareholders under the DRP will be issued to the underwriter on the same terms as those offered to shareholders who choose to participate in the DRP by 5:00pm (NZ time) on 27 September 2017.

Shareholders can register for the DRP by logging into their Computershare profile at www.investorcentre.com/nz or downloading the Participation Notice at www.chorus.co.nz/dividends and returning it to Computershare by 5.00pm (NZ time) 27 September.

The full terms of the DRP can be read in the Offer Document dated February 2016 at www.chorus.co.nz/dividends, or a copy can be requested free of charge. Chorus' audited financial statements, and auditor's report, are included in its 2017 annual report.

ENDS

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