

STOCK EXCHANGE ANNOUNCEMENT

17 November 2020

Chorus launches fixed rate retail bond offer

Chorus announced today that it is offering up to NZ\$200,000,000 (with the ability to accept oversubscriptions at Chorus' discretion) of unsecured, unsubordinated, fixed rate bonds (**Bonds**) to New Zealand retail and institutional investors and certain overseas institutional investors.

The offer will be across two Series of Bonds. The two Series of Bonds are seven year Bonds with a maturity date of 2 December 2027 (**2027 Bonds**), and ten year Bonds with a maturity date of 2 December 2030 (**2030 Bonds**). The proceeds of the offer will be used to refinance Chorus' NZ\$400m bond maturing in May 2021 and for Chorus general corporate purposes.

The Interest Rate for each Series will be the sum of the Issue Margin plus the Base Rate for that Series on the Rate Set Date. The indicative Issue Margin ranges for the Bonds are:

- 2027 Bonds – 1.40% to 1.50% per annum; and
- 2030 Bonds – 1.70% to 1.80% per annum.

The actual Issue Margins may be above or below the indicative Issue Margin ranges. The Issue Margins and Interest Rates will be set following a book-build process on 20 November 2020 and will be announced by Chorus via NZX shortly thereafter.

Chorus has applied for the Bonds to be quoted on the NZX Debt Market. The Bonds are expected to be assigned a long-term credit rating of BBB and Baa2 by S&P Global Ratings and Moody's, respectively. The offer of Bonds is being made pursuant to the Financial Markets Conduct Act 2013 as an offer of debt securities of the same class as existing quoted debt securities.

The offer will close at 1pm on 20 November 2020, with the Bonds expected to be issued on 2 December 2020.

There is no public pool for the Bonds, which will be reserved for clients of the Joint Lead Managers, institutional investors and other primary market participants invited to participate in the bookbuild.

Full details of the offer are contained in the Indicative Terms Sheet attached.

Unless the context requires otherwise, capitalised terms used in this announcement have the meanings given to them in the Indicative Terms Sheet.

For further information please contact:

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