



Chorus Limited
Level 9 Datacom House
68-86 Jervois Quay
P O Box 632
Wellington
New Zealand

Email: company.secretary@chorus.co.nz

STOCK EXCHANGE ANNOUNCEMENT

17 April 2013

Chorus signs fibre contracts with service companies

Chorus (CNU:NZX) today announced the signing of new contracts with two service company partners – Visionstream and Downer - for the building of the Ultra-Fast Broadband (UFB) network.

The new contracts relate to the work required to lay fibre optic cables in the streets passing homes and businesses throughout Chorus' UFB deployment areas. Work that Chorus has estimated will cost \$1.7 to \$1.9 billion through to mid 2019.

Chorus GM Infrastructure Build Ed Beattie said the contracts are significant because they give Chorus and its service company partners new commercial constructs to drive cost efficiencies.

"This enables better planning for resources and materials, as well as giving the certainty that will encourage investment into processes and systems that will help get our roll out programme into a production line state," he said.

"One of the key changes is a shift to targeted cost incentives and shared risks that will introduce a sharper focus on financial management and increase coordination of deployment operations in the field.

"The contracts build upon our existing 10 year agreements with Downer and Visionstream for work on Chorus' existing network and will ensure we are all working towards continued efficiency," Beattie said.

The move to new service company contracts is in line with Chorus' half year result update on UFB initiatives and each contract is estimated to be worth approximately \$500m over the six year period. The contracts have immediate effect and will begin applying to the UFB deployment work Chorus has scheduled to commence in July. The new contracts also include additional amounts relating to Downer and Visionstream's work to deliver Chorus' part of the Rural Broadband Initiative (RBI) programme.

Chorus is continuing negotiations with Transfield Services which is responsible for construction in about 10% of Chorus' UFB deployment area.

Chorus had completed its construction work to take fibre past about 116,000 premises by the end of March. It aims to have built the network past 149,000 premises by July.

ENDS

For further information:

Melanie Marshall
Head of communications
Mobile: +64 (27) 452 6231
Email: melanie.marshall@chorus.co.nz

Brett Jackson
Investor Relations Manager
Mobile: +64 (27) 488 7808
Email: brett.jackson@chorus.co.nz