



STOCK EXCHANGE ANNOUNCEMENT

23 May 2012

Chorus issues capex guidance for FY12 and FY13

Chorus (CNU) today issues guidance for its capital expenditure programmes for FY12 and FY13. At a briefing to institutional investors this morning, Chorus CEO Mark Ratcliffe and other Chorus executives will outline the company's early progress towards achieving its business objectives.

"We're delivering on our short term goals, including the establishment of Chorus and we're on track to lay fibre past about 50,000 schools, homes and businesses by the end of July.

"Our focus now shifts to our longer term objectives. We are working closely with our customers to help them transition to a fibre world, while also building our fibre network and operating our copper network more efficiently," Ratcliffe said.

Chorus Chief Financial Officer Andrew Carroll will outline details on Chorus' capex investment for the Ultra Fast Broadband roll-out and the Rural Broadband Initiative.

"These are massive programmes of investment in New Zealand's network capability. We expect fibre related capex to account for about 80% of gross capex spend this year and next," Carroll said.

Chorus gross capex guidance:

FY12 (7 months) \$335m to \$355m

FY13 \$560m to \$610m

"Chorus' fibre investment alongside the Government is a real example of a public private partnership aligned to a common vision for New Zealand," says Ratcliffe. "The amount being invested underlines the need for certainty, so the industry can deliver compelling services to enable New Zealanders to benefit from fibre."

A copy of presentations to be delivered at the briefing are attached. The briefing will commence at 10:00am (NZ time) and can be viewed via the investor section of Chorus' website:

<http://investors.chorus.co.nz/phoenix.zhtml?c=248160&p=irol-irHome>

ENDS

For further information:

Robin Kelly

External Communications Manager

Mobile: +64 (27) 455 5139

Email: robin.kelly@chorus.co.nz

Brett Jackson

Investor Relations Manager

Mobile: +64 (27) 488 7808

Email: brett.jackson@chorus.co.nz