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MARKET ANNOUNCEMENT

18 January 2018

Chorus Q2 FY18 Connections Update

Line trends for the Q2 period to 31 December 2017 were largely consistent with Q1

- total fixed line connections declined by 23k to 1,559,000 (-20k in Q1)
- non-broadband copper lines declined by 20k, (-17k in Q1)
- total broadband connections declined by 3k to 1,181,000 (-2k in Q1)

Fibre uptake in UFB areas now 42%, up from 39% in September

- fibre connections grew by 34k, vs 36k in Q1
- 64% of mass market fibre connections on 100Mbps and 20,000 connections on gigabit service
- VDSL growth slowed to 26k from 50k in Q1, reflecting retailer migration activity
- 58% of broadband connections now on VDSL or fibre, up from 53% at 30 September

Adoption of video streaming continues to drive growth in data demand

- new peak of 1,328 gigabits per second network throughput at 9:25pm on 10 December
- 174GB monthly average household data usage in December, up from 162GB in September

ENDS

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Q2 FY18 Connections Update

18 January 2018

Q2 FY18 OVERVIEW

- > **Line trends for the Q2 period to 31 December 2017 were largely consistent with Q1**
 - total fixed line connections declined by 23k to 1,559,000 (-20k in Q1)
 - non-broadband copper lines declined by 20k, (-17k in Q1)
 - total broadband connections declined by 3k to 1,181,000 (-2k in Q1)

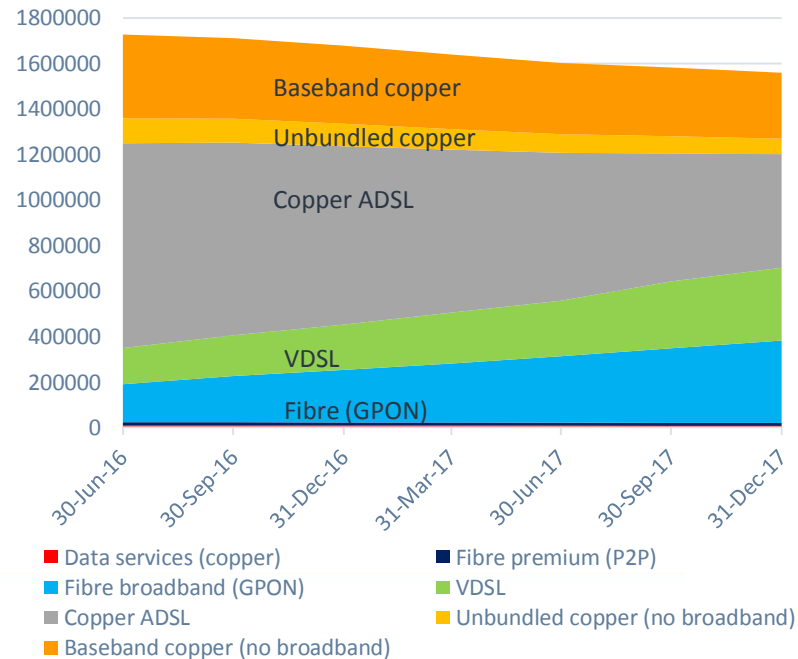
- > **Fibre uptake in UFB areas now 42%, up from 39% in September**
 - fibre connections grew by 34k, vs 36k in Q1
 - 64% of mass market fibre connections on 100Mbps and 20,000 connections on gigabit service
 - VDSL growth slowed to 26k from 50k in Q1, reflecting retailer migration activity
 - 58% of broadband connections now on VDSL or fibre, up from 53% at 30 September

- > **Adoption of video streaming continues to drive growth in data demand**
 - new peak of 1,328 gigabits per second network throughput at 9:25pm on 10 December
 - 174GB monthly average household data usage in December, up from 162GB in September

Q2 CONNECTION TRENDS

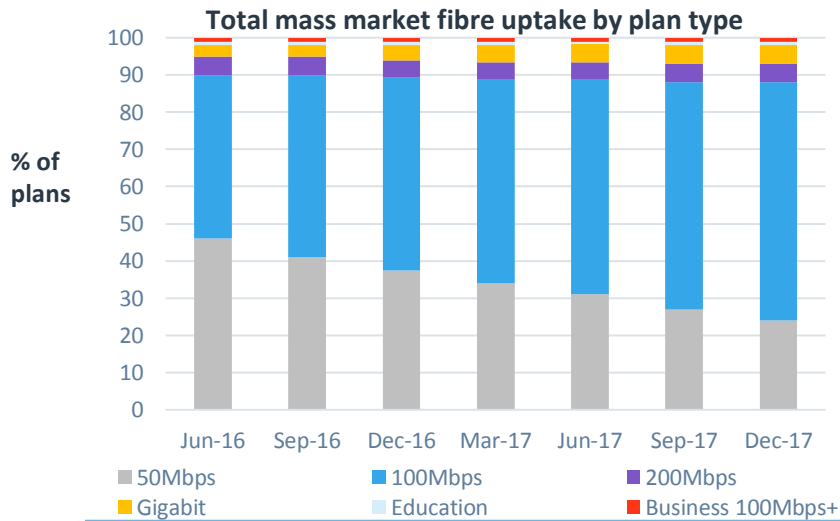
- > Total connections reduced by **23,000** to **1,559,000**
 - a reduction of **20,000** copper lines with no broadband (including unbundled connections)
 - a decrease of **3,000** total broadband connections to **1,181,000**

	30 Sept 2016	31 Dec 2016	31 March 2017	30 June 2017	30 Sept 2017	31 Dec 2017
Unbundled copper	105,000	99,000	90,000	82,000	76,000	68,000
Baseband copper (no broadband)	354,000	343,000	328,000	313,000	302,000	290,000
Fibre broadband (GPON)	203,000	231,000	259,000	292,000	328,000	362,000
VDSL (includes naked)	179,000	199,000	224,000	244,000	294,000	320,000
Copper ADSL (includes naked)	847,000	784,000	716,000	650,000	562,000	499,000
Data services (copper)	10,000	9,000	9,000	8,000	7,000	7,000
Fibre premium (P2P)	13,000	13,000	13,000	13,000	13,000	13,000
Total connections	1,711,000	1,678,000	1,639,000	1,602,000	1,582,000	1,559,000

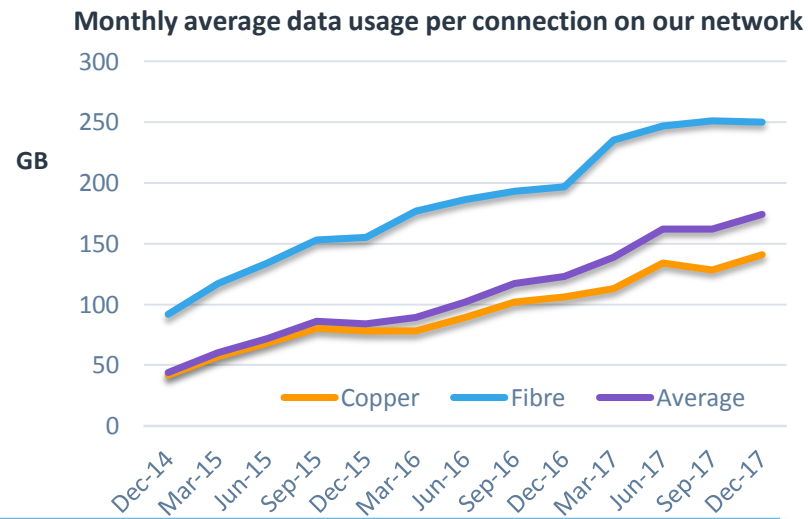


FIBRE UPTAKE & USAGE

- > **42% uptake** with **343,000** connections within UFB deployed footprint (Q1: 39% uptake and 309,000 connections)
 - 64% of mass market fibre connections on 100Mbps
 - less than ¼ of fibre connections on entry level 50Mbps
 - 20,000 connections on gigabit plans

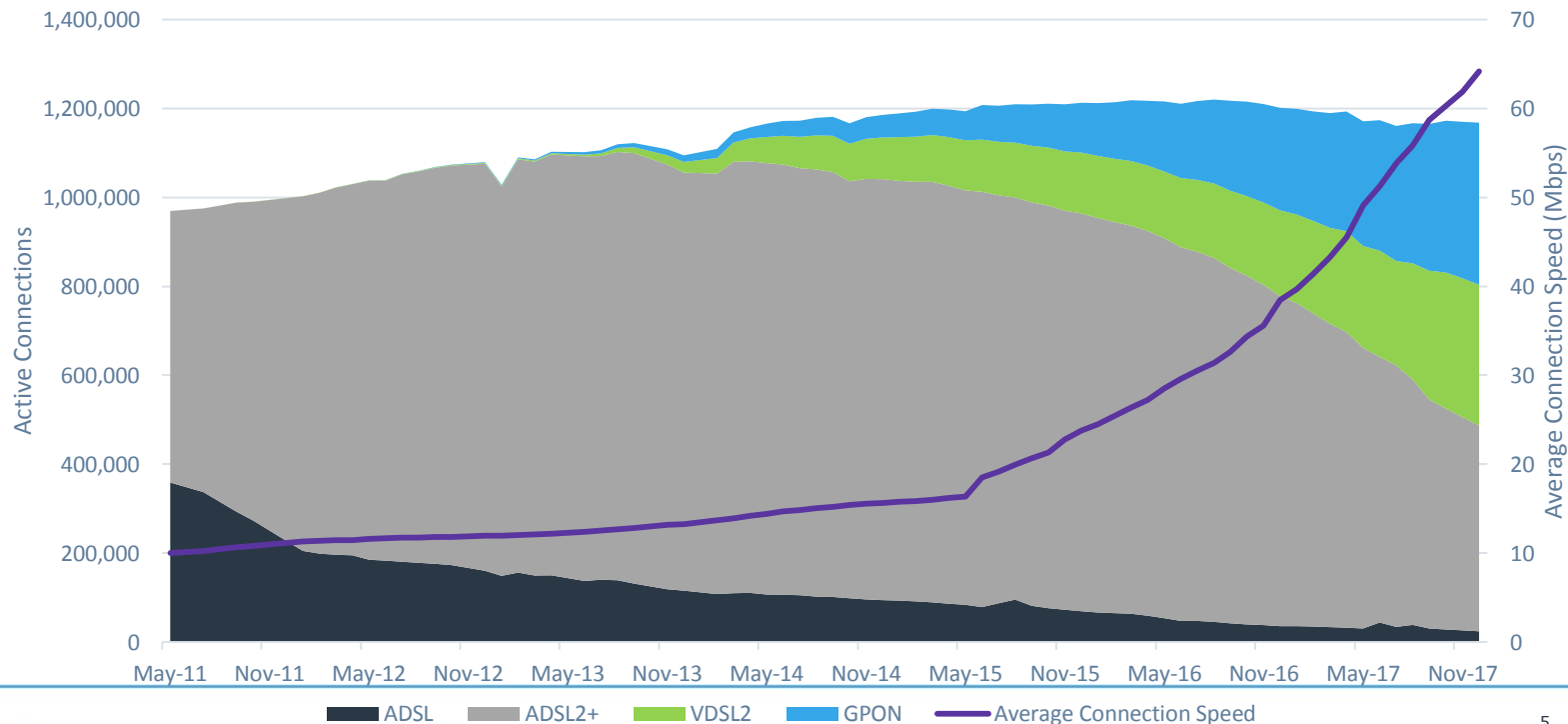


- > monthly average data usage per connection on our network grew to **174GB** from **162GB** in Sept 2017
 - 250GB on fibre (Sept: 251GB)
 - 141GB on copper (Sept:128GB)



CONNECTION SPEED

- > With 58% of broadband connections now on VDSL or fibre, average broadband speed has increased from 59Mbps in Sept 17 to **64Mbps** in Dec 17.



CONNECTION SPEED HISTOGRAM – 31 Dec 2017

