

STOCK EXCHANGE ANNOUNCEMENT

27 March 2020

Chorus updates FY20 capex guidance, holds EBITDA guidance

Chorus has suspended non-essential field activity to support the Government objective of eliminating the risks of spreading COVID-19.

This means certain planned capital expenditure will effectively be deferred for the duration of the month-long isolation period. On this basis, we are reducing our FY20 gross capital expenditure guidance from a prior range of \$660 million to \$700 million, to a new range of \$610 million to \$650 million. Guidance for individual capital expenditure categories is not being updated at this time.

FY20 EBITDA guidance remains unchanged.

Examples of planned activity that we are suspending include:

- UFB communal rollout
- subdivision build
- proactive pole replacement
- non-essential network relocation
- renewal and maintain service activity unless our network is at risk of immediate failure, and
- door-to-door fibre campaigns.

We are continuing to connect premises to copper and fibre where the customer has no existing fixed line broadband service, or they have essential business or educational requirements not met by an existing broadband service. Broadband provisioning work is also being undertaken where customers can upgrade from ADSL to VDSL without the need for a technician visit, or a fibre connection is already in place.

Network restoration activity is continuing as usual, unless that work is inconsistent with the principles of the isolation period.

We are working with the broader telecommunications industry to support their delivery of essential connectivity. Consistent with this approach, we have decided to delay the annual CPI increase of wholesale fibre products until at least 1 October 2020 and potentially longer.

Our fixed line network is in very good shape to support the significant increase in bandwidth demands as people now work and learn from home.

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ENDS

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