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STOCK EXCHANGE ANNOUNCEMENT

15 April 2021

Q3 FY21 overview

Total fixed line connections declined by 13k to 1,356,000*

Copper broadband and voice connections declined by 42k (Q2 FY21: -50k; Q3 FY20: -44k)
- fixed wireless providers are continuing inertia selling campaigns to their fixed line customers
- 2degrees has begun promoting fixed wireless
- Vodafone introduced new $40 4G fixed wireless plan with 60GB data

Total broadband connections declined by 2k to 1,181,000* (Q2 FY21: -10k; Q3 FY20: -4k)
- return of students from holidays helped restore some prior period disconnections
- COVID-19 impact on net migration and population growth continues to constrain broadband growth

Fibre broadband connections increased by 29k (Q2 FY21: +29k; Q3 FY20: +32k)
- 1Gbps consumer connections increased 7k
- fibre uptake across the completed UFB footprint grew from 63% to 64%, with Chorus' managed migrations programme adding another 7k activations
- average monthly data usage on fibre increased to 491GB, up from 460GB in Dec (including upstream traffic)
- Sky TV began promoting fibre broadband to its existing customer base towards the end of Q3

*totals exclude the 11,000 broadband connections Chorus is currently providing free to student households

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Q3 FY21 Connections Update

CHORUS

Q3 FY21 overview

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Connection changes by Zone (indicative)

> **Chorus UFB zone:** return to broadband growth reflects return of students and premises growth, while fixed wireless providers continued inertia selling campaigns targeting copper voice and broadband customers

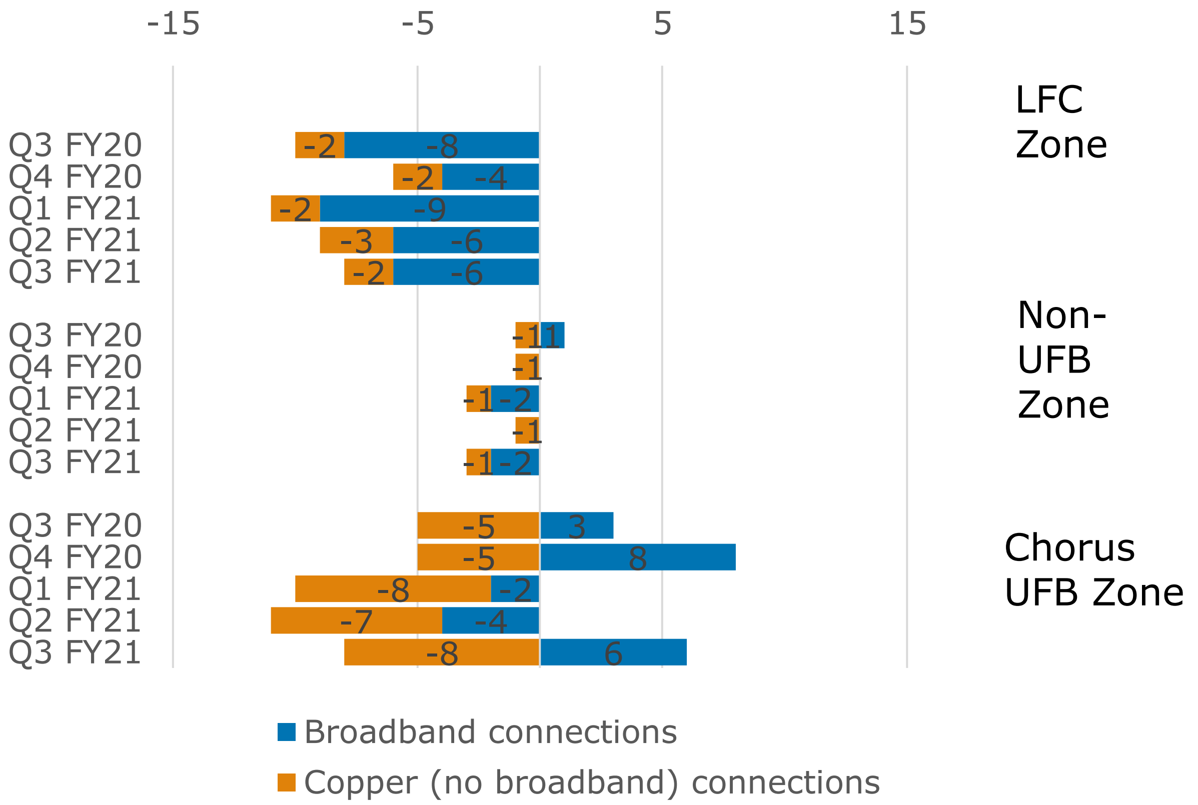
> **LFC zone**: disconnections continue at consistent rate reflecting Local Fibre Company and fixed wireless provider activity

> **Non-UFB zone**: increasing rural wireless competition as mobile providers expand wireless coverage and capacity

	Chorus UFB zone*	Non-UFB zone	Local Fibre Company UFB zone
Total connections at 31 March**	**1,074,000**	**188,000**	**80,000**
Broadband connections	980,000	151,000	50,000
Copper (no broadband) connections	94,000	37,000	30,000

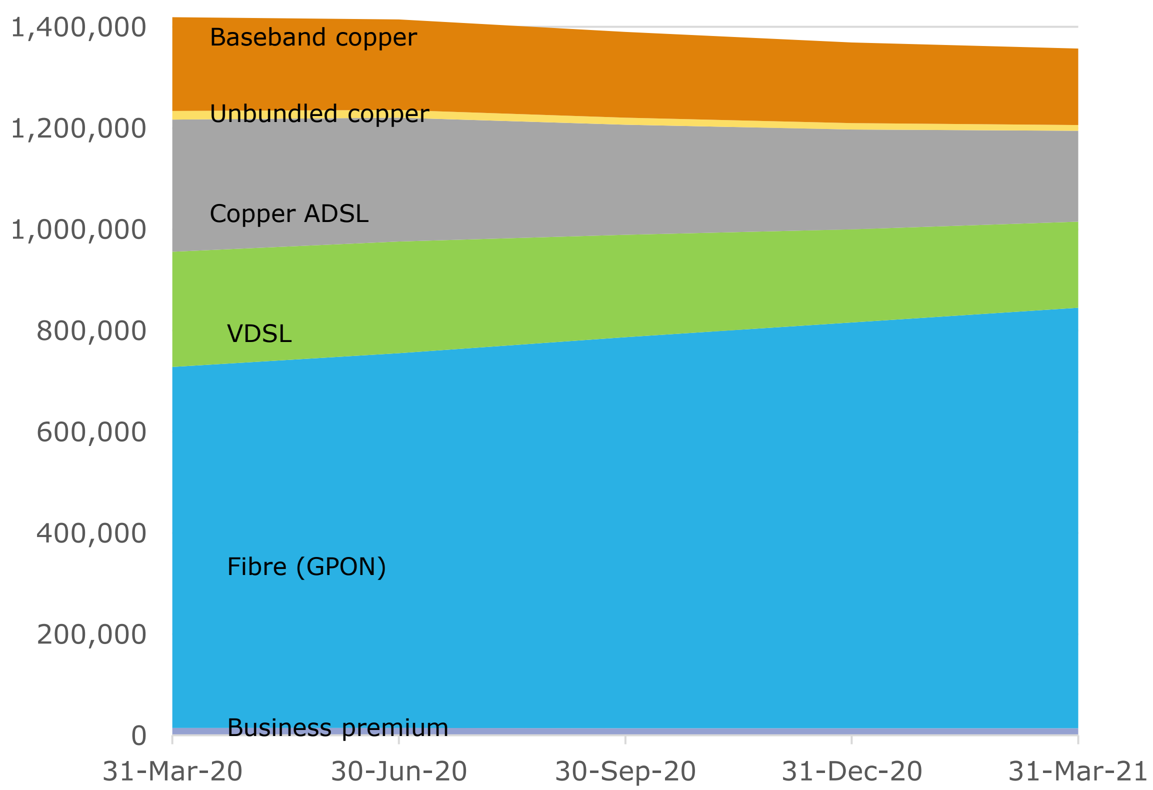
* Includes planned Chorus UFB1, 2 and 2+ coverage
**Excludes 14k fibre premium and data services (copper) connections

Change in connections (‘000s) by zone**



Fibre comprises 62% of Chorus connections

	31 March 2020	30 June 2020	30 Sept 2020	31 Dec 2020	31 March 2021
Unbundled copper (no broadband)	17,000	15,000	14,000	13,000	11,000
Baseband copper (no broadband)	185,000	179,000	169,000	159,000	150,000
Copper ADSL (includes naked)	261,000	245,000	218,000	197,000	180,000
VDSL (includes naked)	228,000	221,000	202,000	184,000	170,000
Fibre broadband (GPON)	713,000	740,000	773,000	802,000	831,000
Data services (copper)	4,000	4,000	3,000	3,000	3,000
Fibre premium (P2P)	11,000	11,000	11,000	11,000	11,000
Total connections	1,419,000	1,415,000	1,390,000	1,369,000	1,356,000

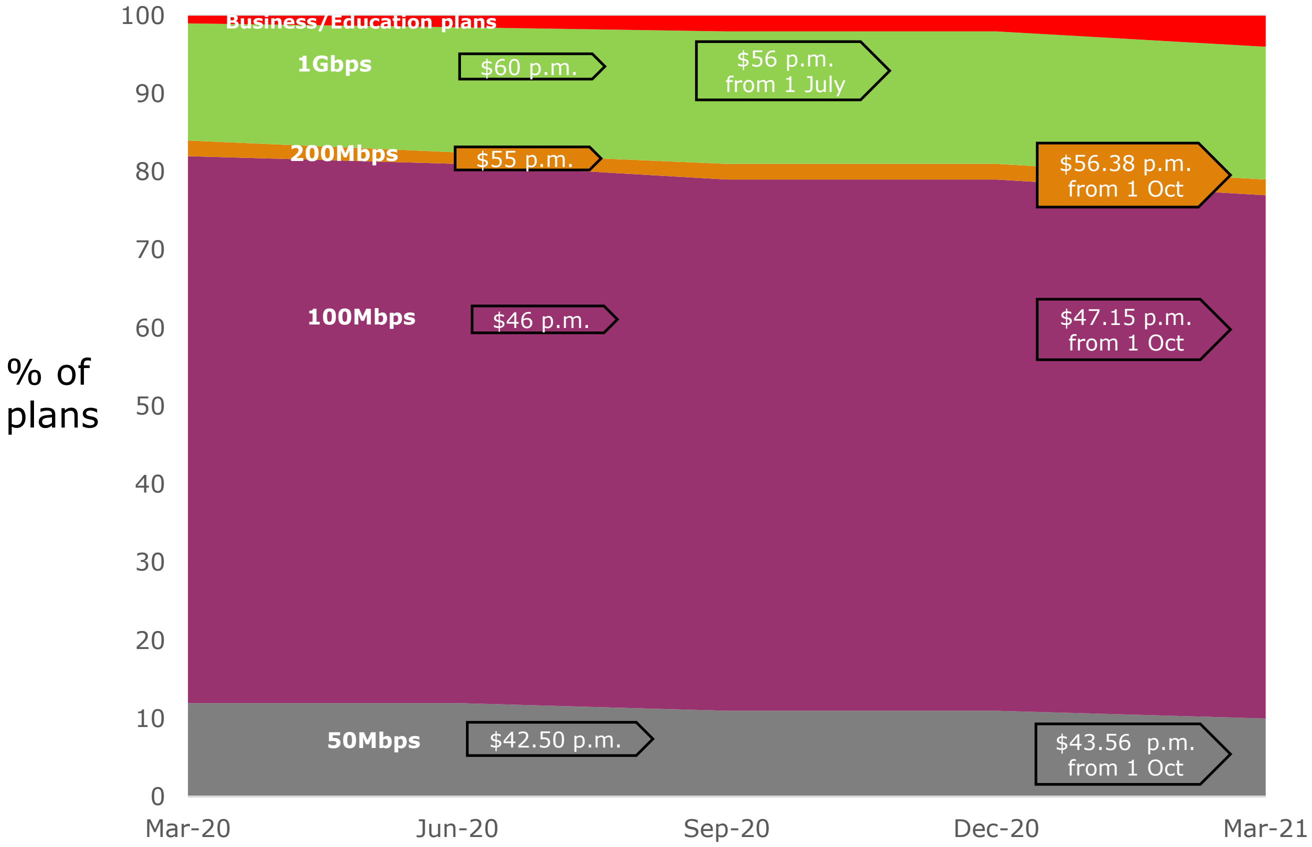


> **1,181,000 broadband connections comprises:**
- 831,000 fibre (GPON) connections
- 350,000 VDSL/ADSL (copper) connections

Note: 11,000 free education connections are excluded from this data

Consumer 1Gbps uptake grew by 7k connections

Total mass market fibre uptake by plan type



29,000 mass market fibre connections added

- Consumer 1Gbps connections grew from 136k to 143k and comprise 17% of GPON connections
- small business connections grew from 11k to 24k
- 50Mbps connections are declining and now comprise ~10% of GPON connections

UFB uptake reaches 64%

> **UFB uptake increased from 63% to 64% within completed footprint in Q3***

- uptake in UFB1 areas grew from 66% to **68%**
- uptake in UFB2 areas grew from 39% to **40%**
- **810,000** connections (Q2: 783,000) now within completed footprint, including business premium connections
- **1,268,000** customers able to connect (Q2: 1,246,000)
- **986,000** premises passed** (Q2: 966,000) out of 1,054,000 target = UFB rollout 94% complete

(note: data includes some UFB2 areas that have been partially built, but not yet submitted for Crown sign-off)

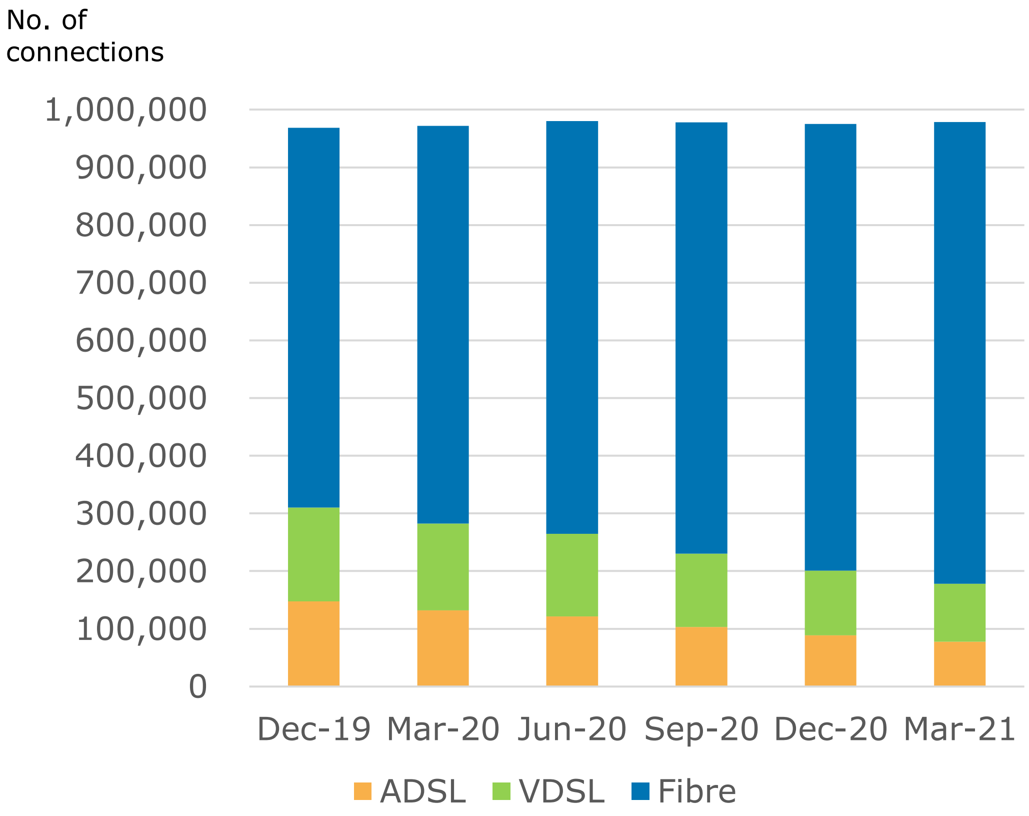
> **40,000 fibre installations completed in Q3 (Q2: 44k)**

- customer satisfaction steady at **8.2**
- WIP steady at ~15k
- field crews reduced from 689 to 657

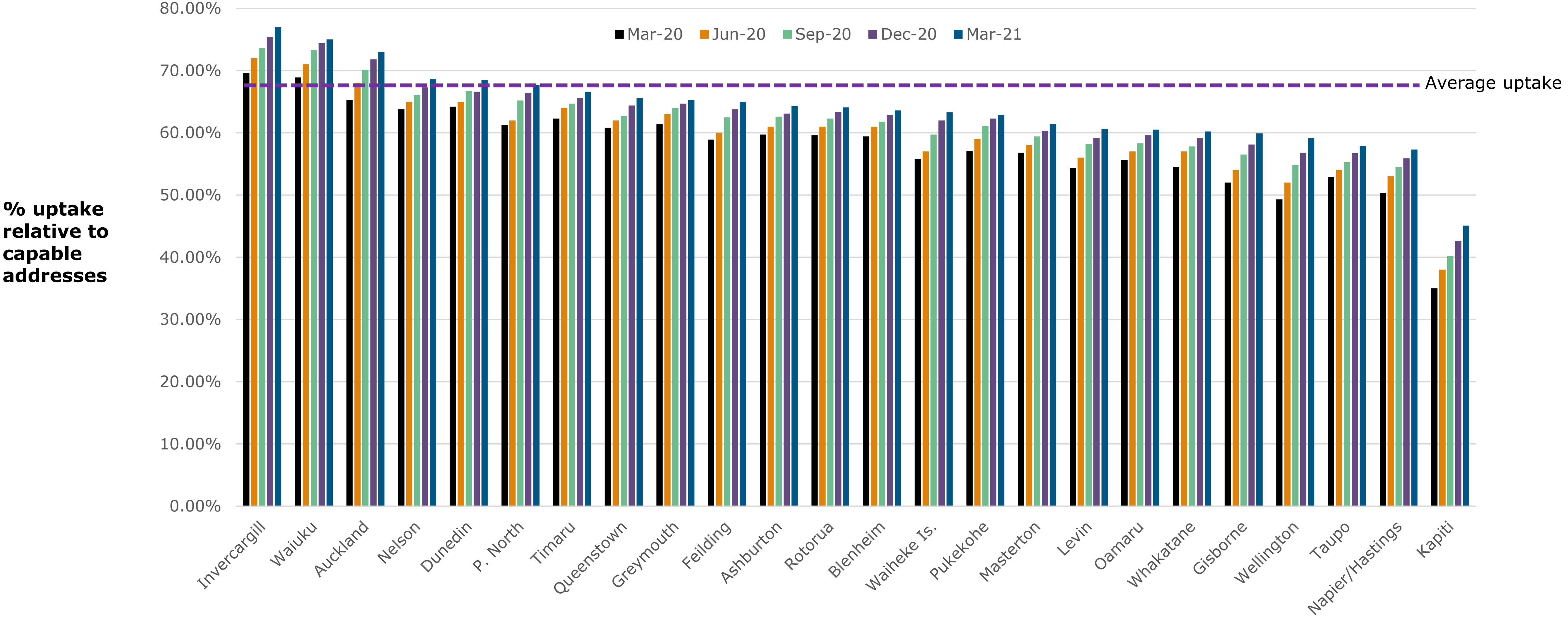
* includes ~3k free education connections

**under the UFB contract, a multi-dwelling unit or single office block is one premises

Fibre now 82% of Chorus broadband connections in planned UFB zone



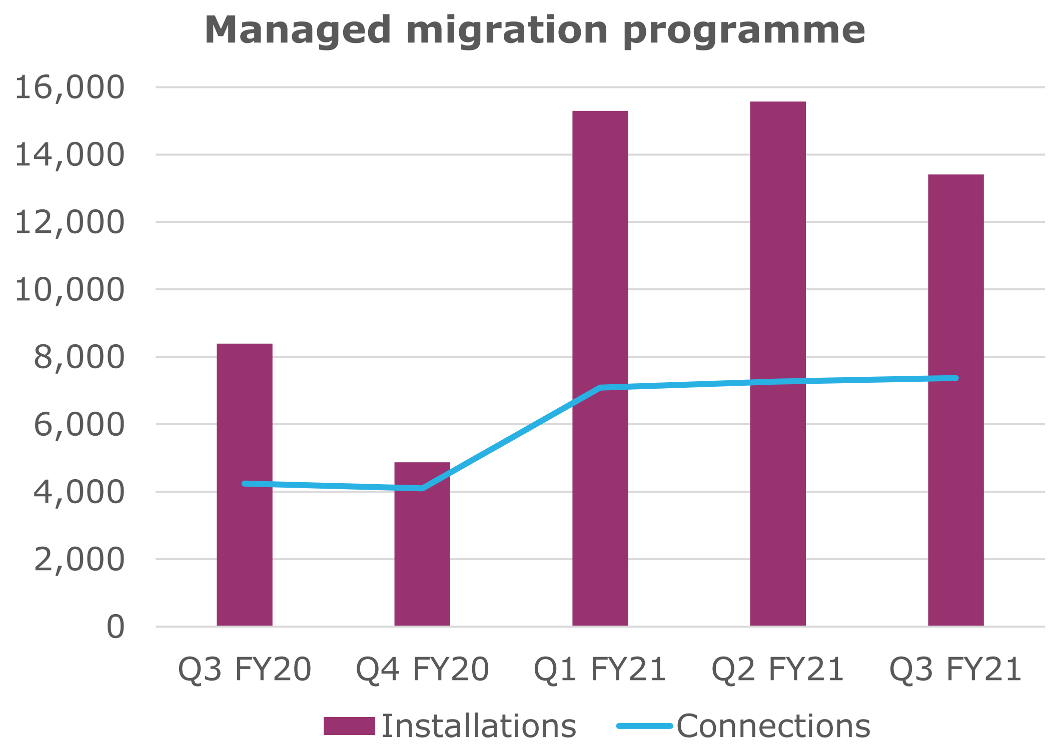
UFB1 uptake: 68%



Managed migration activity lifts fibre connections

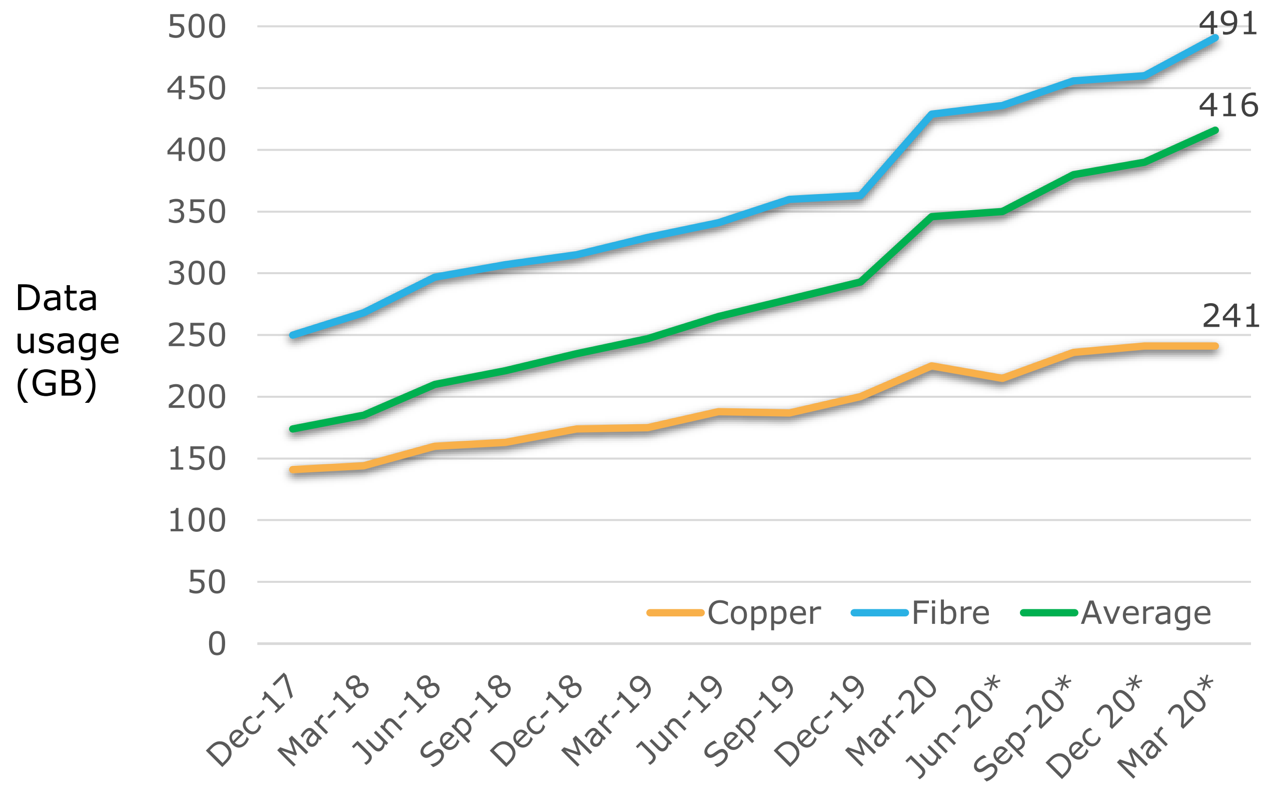
13k installations completed in Q3

- managed migration installations (i.e. ONT only without active service) reduced in Q3 due to summer holiday period
- 7k ONT activations
- 3k of activations were at offnet addresses



Monthly average data usage on fibre 491 gigabytes

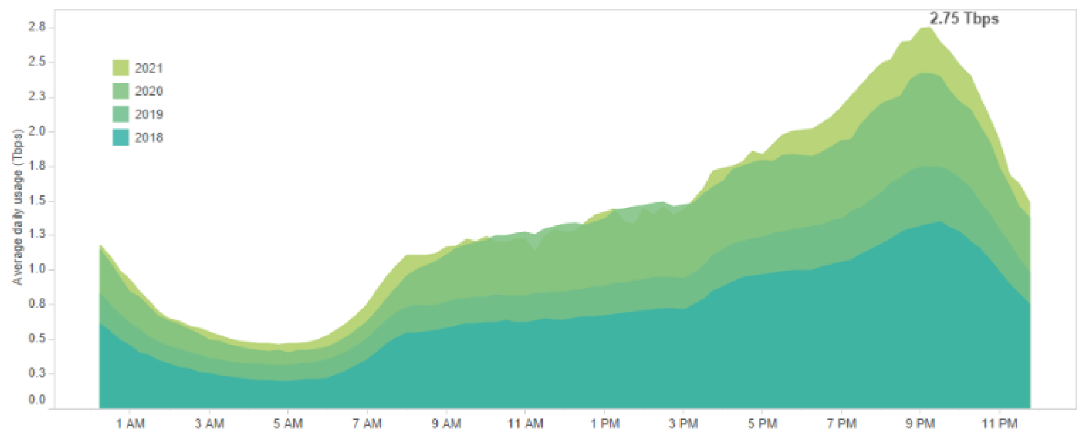
Monthly average data usage per connection on our network*



* includes upstream traffic from June 2020 onwards

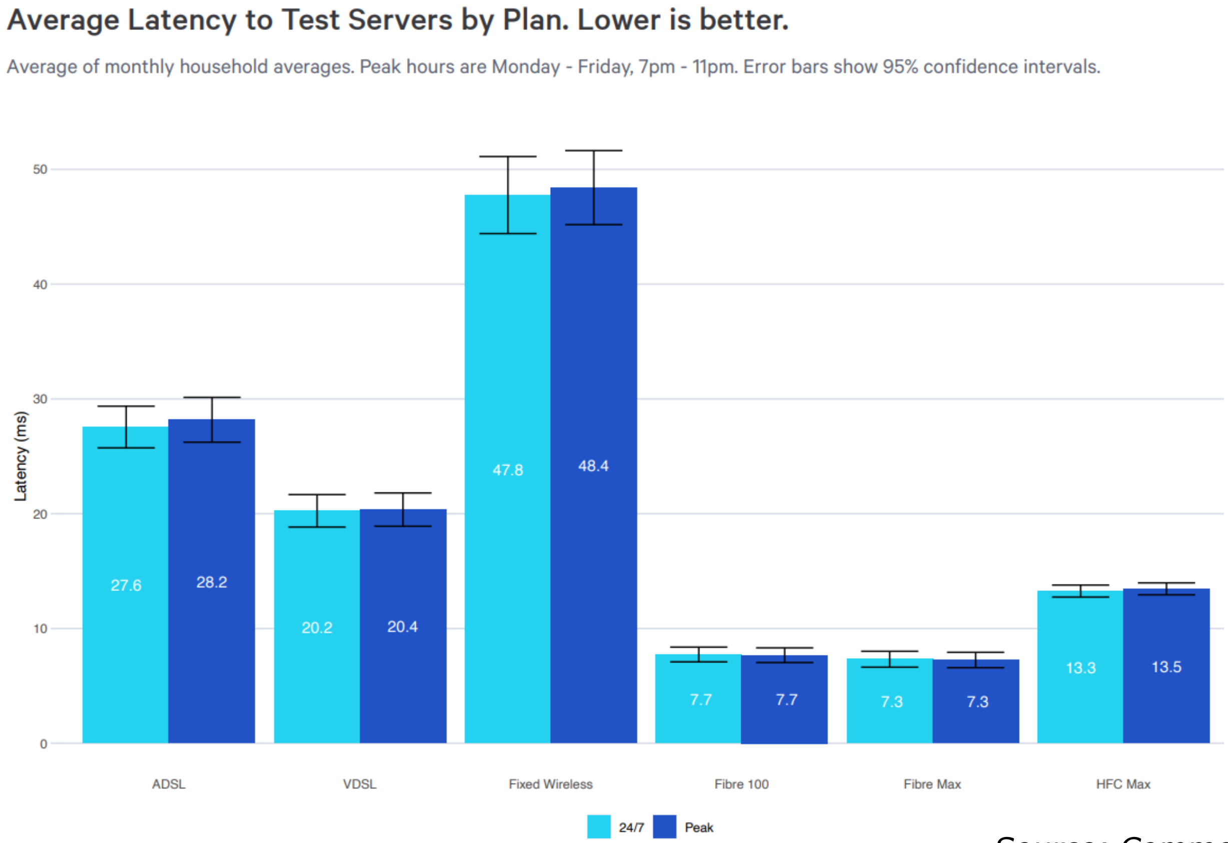
- monthly average data usage per connection on our network grew to **416GB** in March, up from 390GB (Dec)
  - **491GB** on fibre (Dec:460GB)
  - **241GB** on copper (Dec:241GB)
- Average peak throughput on our network at peak time (~9pm) was 2.75Tbps, up from 2.44Tbps in December

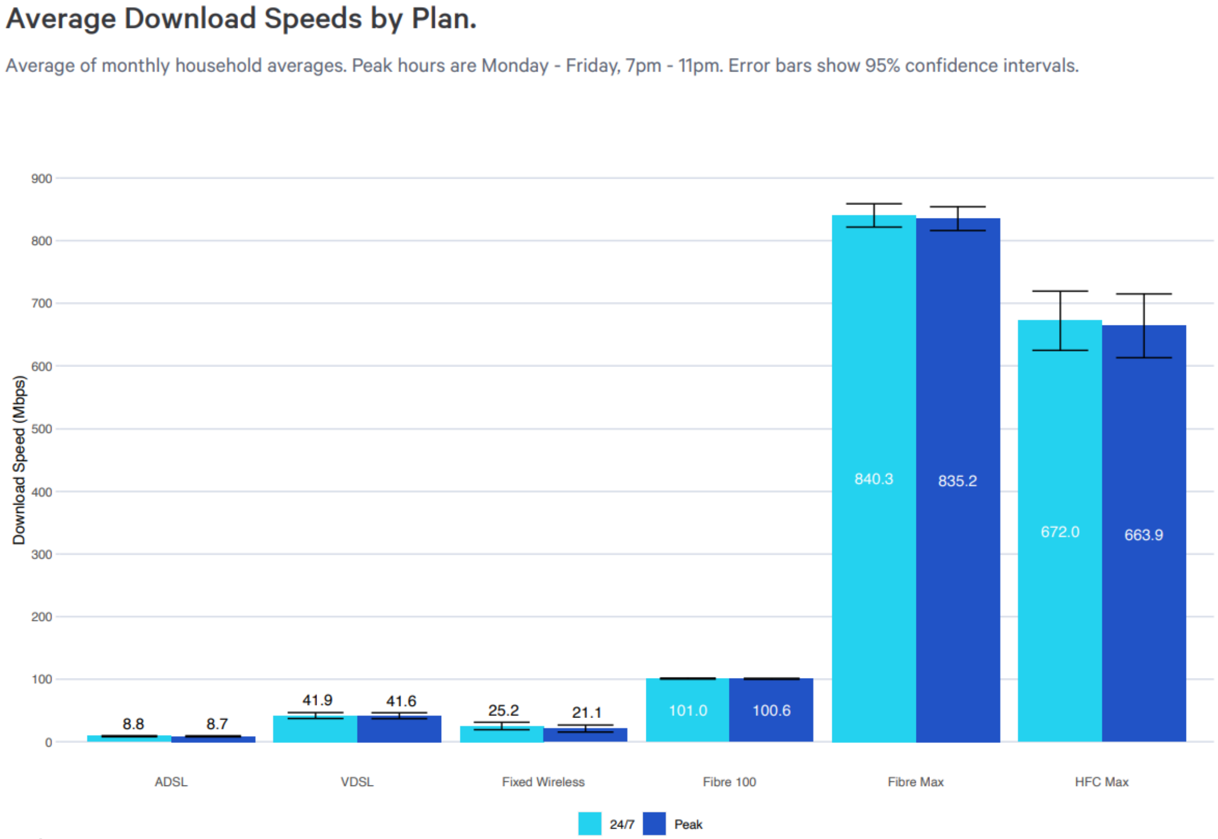
Average Peak Throughput 2.75 Tbps



Commission report: fibre leads for low latency

- The Commerce Commission's *Measuring Broadband New Zealand*, Summer Report (April 2021) shows fixed line services outperform fixed wireless significantly on key measures such as download speeds and latency





Source: Commerce Commission