

**STOCK EXCHANGE ANNOUNCEMENT****5 February 2024****Chorus announces plan to take fibre to 10,000 more premises**

Chorus has today submitted an update to the Commerce Commission regarding its proposed fibre network expansion investment for its second regulatory period, January 2025 to December 2028.

The company has confirmed its plans to extend fibre broadband to another 10,000 premises at a cost of about \$40 million, with approximately a third of this investment to occur in the next regulatory period. This cost excludes connecting fibre from the premises boundary to the building, which is subject to demand.

Chorus CEO JB Rousselot said the 10,000 premises are on the fringes of Chorus' existing fibre network and represent commercially feasible areas for fibre network deployment under current regulatory and policy settings. About 60% of the premises to be passed are not connected to Chorus' copper network today.

Chorus expects the fibre deployment to the 10,000 premises to be completed in FY25. The initial deployment areas will be announced in the next few weeks.

"Customers value fibre above other technologies as it offers fast, reliable, and resilient service," said Rousselot.

"The new areas we propose to build to include suburbs and communities just outside our existing fibre footprint and places like Milford Sound, where we've just completed a government-funded backhaul link into the township.

"We've revised our regulatory proposal to reflect the confirmation of the 10,000 premises and the reduced amount of investment that falls within the new regulatory period. This change leaves approximately \$200 million of investment that would be required to unlock significant socio-economic benefits for about another 30,000 premises. We'll continue to investigate ways that we can extend our fibre footprint further, but this discretionary investment remains contingent on pricing, market and regulatory developments.

"In the absence of current clarity on the conditions for that investment, we've removed approximately \$200m from our main proposal and would instead include it in a separate individual capital expenditure proposal if and when the conditions to support such investment are satisfied."

Chorus' total capital expenditure proposal for the 2025 to 2028 regulatory period is now approximately \$1.3 billion (nominal) as a result of this update, down from the previously proposed \$1.5 billion

Authorised by:

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**ENDS**

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