

STOCK EXCHANGE ANNOUNCEMENT

26 August 2019

Kate McKenzie to step down as Chorus CEO

Chorus has today announced that Kate McKenzie is to step down as CEO and Managing Director at the end of 2019.

Kate was named as Chorus CEO in December 2016. She does not anticipate taking any other executive roles.

“With the announcement of Chorus' full year results today, Kate has advised the Board of her intention to return home to Australia at the end of the year,” said Chorus Chair Patrick Strange. “The Board has been considering succession planning for some time, and the process to appoint a successor is underway. We will consider internal and external candidates for the role.

“The Board would like to thank Kate for the superb work she has done leading Chorus. We are well placed to take advantage of the opportunities ahead as we move from building the fibre network to operating it, thanks to her tenure and leadership. We are sorry to see her go but understand her desire to spend more time with her Sydney-based family. She will leave with our very best wishes and thanks for a job well done.

“Kate and the Board are committed to an orderly transition, as she remains focused on maintaining the progress made to date and leading the excellent leadership team that is in place, while her successor is selected.”

During Kate's leadership, Chorus has undertaken a major transformation, which has delivered material improvements in efficiency and customer experience.

For example, nearly three quarters of fibre installations are now completed in a single technician visit, which avoids the need for a separate scoping visit, and reduces the effort required from customers to get their fibre connected.

Overall customer satisfaction has increased significantly and Chorus technicians are consistently rated as the most positive component of the overall fibre ordering and installation experience.

Demand for fibre has continued to burgeon, with a record 33,000 orders in July 2019. The majority of Chorus' broadband connections are now on fibre, and Chorus has lifted the volume of fibre connections delivered from around 12,000 monthly in June 2016 to more than 26,000 in July 2019.

In addition, in FY19 Chorus completed its peak Ultra-fast Broadband communal build year on time and on budget. The initial Ultra-Fast Broadband programme will be completed by the end of 2019.

"The great progress with fibre has provided Chorus with an outstanding platform for sustainable success, and we are on track to deliver modestly increasing EBITDA in FY20," said Kate McKenzie.

"As we complete the once in a generation fibre network build and begin the process of decommissioning the copper network over the coming years, our capital expenditure commitments will reduce markedly and we will therefore see a commensurate improvement in cashflows."

"I am most proud of the culture change at Chorus. The company is now more innovative and customer focused, and it is well set up to thrive as it transitions into its next phase following the completion of the fibre network build. I am also extremely proud of the talented executive team we have built who I am certain will continue to take Chorus forward."

"It is now an ideal time to pass the reins to the next CEO who can lead Chorus through the next phase," she said.

ENDS

For further information:

Ian Bonnar
GM Corporate Relations
Phone: +64 9 358 6061
Mobile: +64 27 215 7564
Email: Ian.Bonnar@chorus.co.nz

Brett Jackson
Investor Relations Manager
Phone: +64 4 896 4039
Mobile: +64 27 488 7808
Email: Brett.Jackson@chorus.co.nz