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## **STOCK EXCHANGE ANNOUNCEMENT**

10 July 2020

### **Commerce Commission releases further steps in regulatory process**

The Commerce Commission has announced a change to timing for the next step in the input methodologies process. As part of its announcement the Commission has said it will release a consultation paper on 13 August, relating to changes they are considering making to their approach to valuing the financial loss asset and associated updates to the draft determination provisions.

The Commission says the changes they are considering in relation to the financial loss asset involve adopting a discounted cash flow approach to valuation, rather than the building blocks approach proposed in its November 2019 draft decisions, and a different treatment of investments that pre-date the UFB Initiative.

Chorus CEO JB Rousselot said it is disappointing that a potentially significant change of this nature is being considered this late in the Commission's process.

A reassessment of the current proposed approach to financial loss valuation could have a material impact on the initial value of the loss asset. Chorus awaits more detail from the Commission's consultation paper to better understand the implications of this approach and will be making submissions through the consultation rounds.

Authorised by:

JB Rousselot  
Chief Executive Officer

### **ENDS**

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