

**STOCK EXCHANGE ANNOUNCEMENT**

17 October 2023

**Q1 FY24 Connections Update**

Chorus today released its connections update for the Q1 period to 30 September. The results show steady growth in fibre connections, up 19,000 to 1,051,000.<sup>1</sup>

The entry level 50Mbps Home Fibre Starter service grew strongly, up 7,000 connections in the quarter following mainstream advertising campaigns by larger retailers. The 50Mbps service now comprises 2% of Chorus' residential fibre connections. Demand for 1Gbps and Hyperfibre services remains strong and made up 36% of net adds in the quarter.

Fibre growth more than offset ongoing reductions in copper broadband connections and total broadband connections increased by 1,000 to 1,191,000<sup>2</sup>. Copper voice lines reduced by 8,000 in the quarter and this drove an overall reduction in fixed line connections to 1,266,000<sup>3</sup>, down from 1,271,000 connections in June.

Chorus' copper withdrawal programme continues to gain momentum in those areas where fibre is available. Copper services have now ceased for about 29,000 notified connections, up 7,000 in the quarter, and more than 660 copper broadband cabinets have now been closed. Outside of fibre areas, the ongoing migration of consumers to alternative wireless and satellite networks saw copper connections reduce by 6,000 connections to 106,000.

**Fibre uptake – updated footprint**

Chorus has updated its fibre uptake reporting to better reflect new housing growth beyond the original UFB footprint and align it more closely with the regulatory regime for fibre services. Fibre uptake is now reported based on all current addresses, excluding those in other local fibre company (LFC) areas, that have been passed by Chorus fibre. Prior uptake reporting was linked to a smaller footprint defined by the ultra-fast broadband (UFB) rollout contract requirements with government and this rollout finished in December 2022.

Chorus' updated measurement means Chorus' wider fibre footprint, excluding LFC areas, was about 1,486,000 addresses as at 30 September. Fibre uptake grew by 0.8% to 70.2% in the quarter based on connections of 1,043,000. The number of addresses

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<sup>1</sup> This total now includes ~1,000 partly subsidised fibre connections for students.

<sup>2</sup> This total now includes ~1,000 partly subsidised fibre and ~1,000 partly subsidised copper broadband connections for students.

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connected to fibre in this footprint grew by about 18,000, while the number of addresses that had fibre available at the boundary grew by 9,000. There were 252,000 addresses passed by fibre that did not yet have fibre installed into the address.

Chorus has also updated its fibre uptake measure for cities to include all current addresses that have fibre available within the "urban area", as defined by Statistics NZ. This new measure better reflects housing growth and the expansion of Chorus' fibre network beyond the original UFB rollout area in major cities. The inclusion of recent address growth and the larger urban footprint saw fibre uptake in the Auckland area increase 0.4% to 76.3% in the quarter to 30 September. Uptake in Dunedin and Wellington was 76.1% and 70.5% respectively.

### **Broadband performance**

Monthly data usage on fibre was flat at 585 gigabytes (GB) in September compared to June. Consumers on 50Mbps plans averaged about 260GB of data in September, compared to 480GB for those on 300Mbps plans and 940GB for those on 1Gbps plans.

The Commerce Commission's recent Measuring Broadband New Zealand Winter Report continues to highlight the leading reliability and capability of fibre relative to alternative technologies such as satellite and fixed wireless. While some of these services can achieve broadband speeds on a par with lower-speed fibre plans, none are fibre-like when essential characteristics such as stability and latency are measured.

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### **ENDS**

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