

## **STOCK EXCHANGE ANNOUNCEMENT**

5 August 2019

### **Moody's update on Chorus**

Moody's Investors Service has released the attached update on Chorus.

The long term rating remains unchanged at Baa2 (outlook stable).

The update states that Moody's expects to revise Chorus' current financial leverage tolerance threshold in 2021, following the Commerce Commission's final determination on the fibre price path for Chorus. This reflects Moody's expectation of declining UFB capital spending, reducing cash outflows and execution risks to place Chorus' risk profile more in line with other regulated utilities.

Moody's consider Vector the most comparable rated peer for Chorus, but note that Chorus' greater competition and technology risk suggest a tighter leverage tolerance threshold.

### **ENDS**

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