



STOCK EXCHANGE ANNOUNCEMENT

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Chorus provides \$20m fund for free UFB residential installs

With more than 72,000 customers now within reach of Chorus' UFB network, the company today announced that it will provide a \$20 million investment for retail service providers to offer free installation to their residential customers.

Chorus already funds the first 15 metres of new trenching to connect a home, or up to 100 metres of fibre where there is an available duct, or a single overhead aerial span. The additional funding will be used to cover the cost of connecting residences that are beyond these, up to 200 metres.

"We want to give our customers as much support as possible in encouraging people to join the new network, particularly in the early stage of the UFB rollout," said GM Marketing and Sales Victoria Crone. "New Zealanders are still discovering the benefits of fibre and we want to help make it as easy as possible for our customers and *their* customers to make the switch to a fibre world."

"Our customers have asked for a solution on how to install fibre services to homes beyond what is considered a standard distance. This fund, agreed with Crown Fibre Holdings, goes some way to addressing customer needs, as we continue to work on a sustainable longer term solution," Crone said.

Chorus says the funding will help it gain more insights to develop its installation policies and experiences for end users.

"We've learnt that by clearly explaining the installation process and the time it takes, home owners are comfortable with the work getting underway, so we can connect them to ultra-fast broadband services," said Crone.

This offer does not affect the capital expenditure guidance Chorus has previously provided. Chorus expects to spend between \$450 and \$480 million on fibre capital expenditure this financial year. Chorus' cost of building the UFB fibre network along streets is expected to be between \$1.4 and \$1.6 billion. The Crown is providing debt and equity financing of up to \$929 million.

To date, Chorus has connected more than 700 homes and businesses to UFB services and laid 1,500km of new network as part of this massive programme of work. In all, Chorus will deploy some 17,000km of new fibre network to pass more than 830,000 urban homes, businesses, schools, hospitals and medical facilities throughout New Zealand by the end of 2019.

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