

STOCK EXCHANGE ANNOUNCEMENT

11 April 2023

Q3 FY23 overview**Total fibre connections increased by 15k to 1,012,000 (Q2 FY23: +17k)****UFB uptake increased from 71% to 72% across the completed footprint in Q3**

- 76% uptake (+0.5%) in UFB1 areas and 54% uptake (+2%) in UFB2 areas
- Auckland reached 81% uptake (+0.5%), while Wellington grew to 71% (+1%) and Dunedin rebounded to 74% (+2%) with the end of student holidays

Total broadband connections were steady at 1,188,000* (Q2 FY23: -2k)

- field workforce resources continued to constrain connection activity for much of Q3, with extreme weather events adding further challenges and resulting in some ongoing disconnections in areas where homes were damaged
- 6k broadband connections were added in Chorus UFB areas (Q2 FY23: +3k)
- 1Gbps and Hyperfibre connections were 46% of net mass market fibre adds in Q3 (Q2 FY23: 36%)
- Home Fibre Starter (50Mbps) connections grew 130% to 10k

Copper broadband and voice connections declined by 21k (Q2 FY23: -29k)

- voice only disconnections slowed to -5k (Q2 FY23: -10k)
- total fixed line connections declined by 6k to 1,279,000* (Q2 FY23: -12k)
- copper withdrawal: 330 copper broadband cabinets no longer have active customers (Q2 FY23: 268 cabinets)

Average monthly data usage reduced slightly to 502GB in March (Dec: 512GB)

- March data usage was notable for ongoing reductions in North Island areas affected by prior extreme weather events, while December usage stats included the school holiday period

*totals exclude 6,000 broadband connections Chorus is partly subsidising for student households

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Q3 FY23 Connections Update

Q3 FY23 overview

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Uptake grew to 72% within completed UFB zone

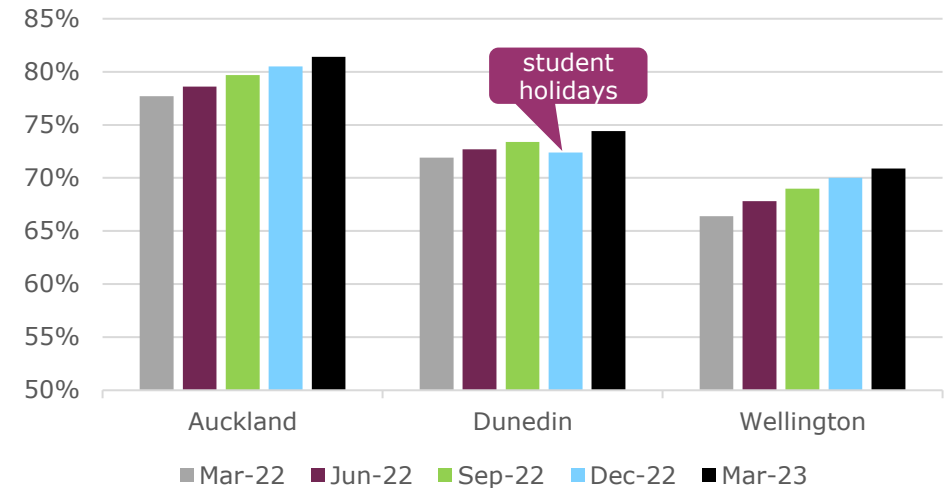
> Total uptake of 72% within completed UFB footprint in Q3 vs 71% in Q2

- uptake in UFB1 areas grew from 75.5% to **76%**
- uptake in UFB2 areas grew from 52% to **54%**
- **968,000** connections (Q2 FY23: 954,000) now within completed footprint (includes business premium and partly subsidised education connections)

> 19,000 fibre installations completed in Q3 (Q2 FY23: 22k)

- 8k installations in March
- WIP increased from 12k to 13k
- customer satisfaction reduced from 7.8 to 7.6

UFB uptake by quarter

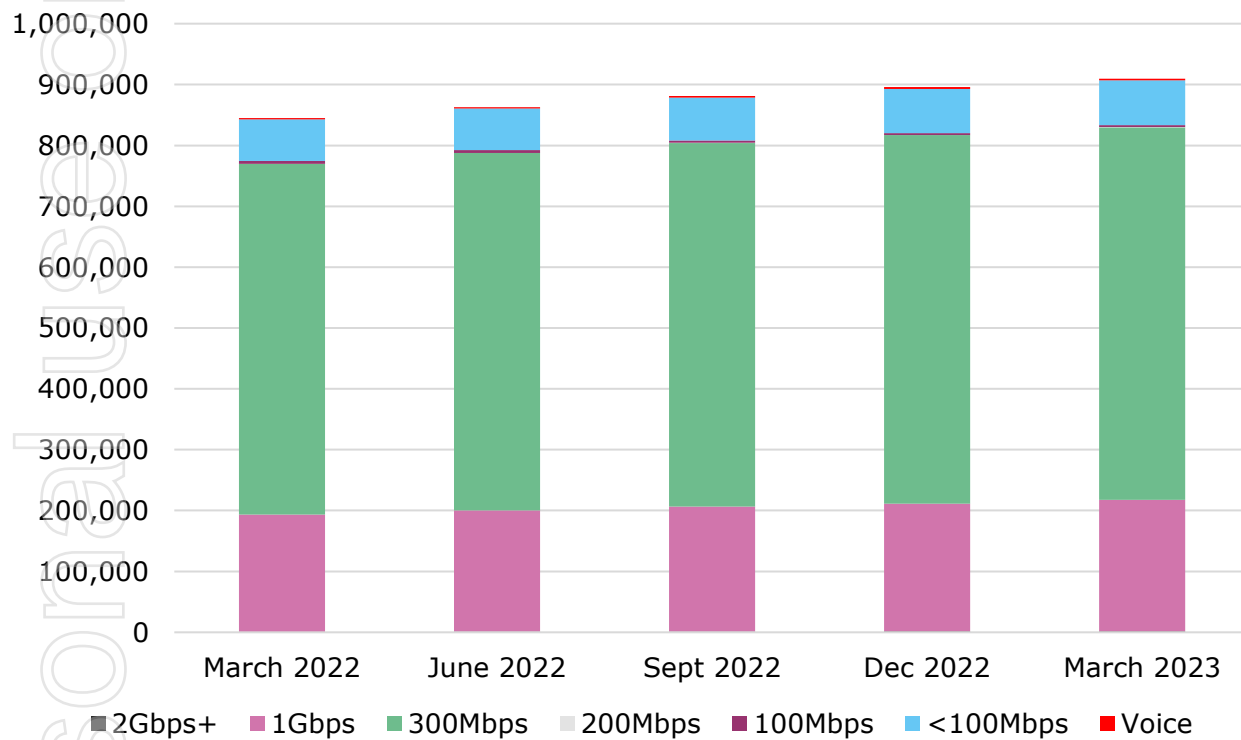


- Auckland, Wellington and Dunedin cover >70% of UFB1 homes and businesses able to connect
- 94% of Chorus' broadband connections in our UFB zone are now on fibre

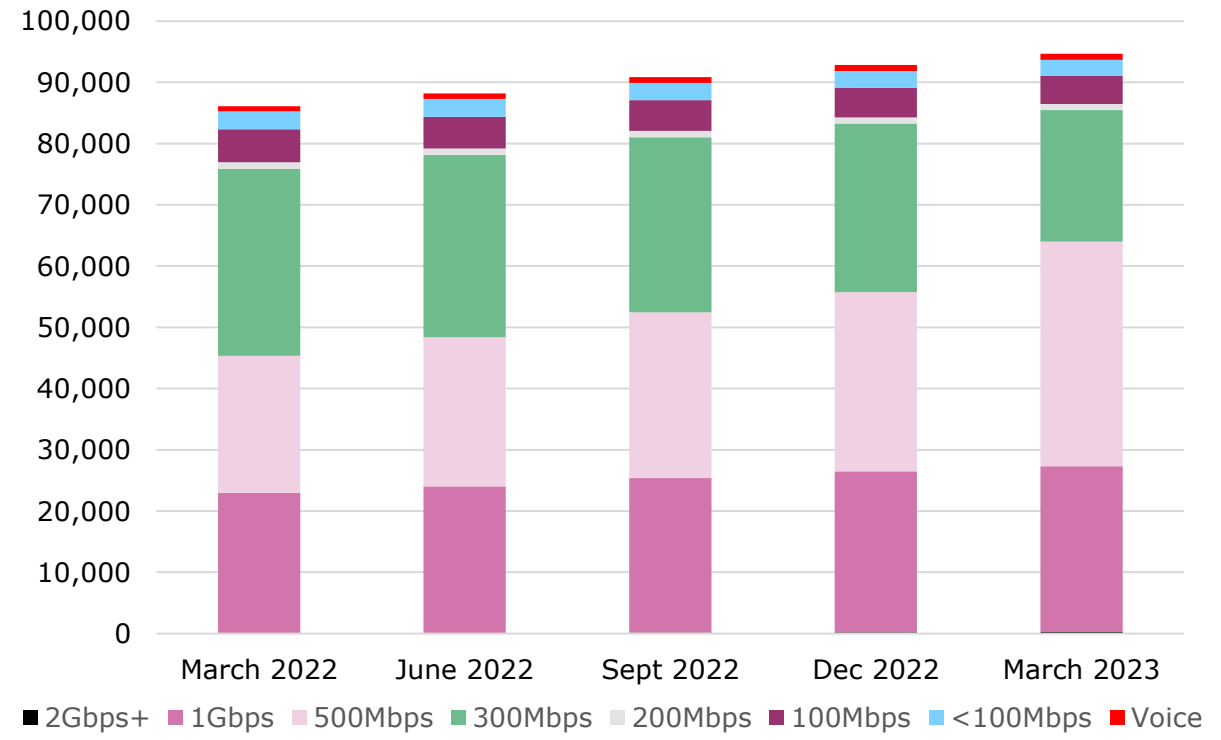
Mass market fibre connections grew 16k

- > Home Fibre Starter (50Mbps) connections grew 130% to 10k
- > 300Mbps plans account for 67% of residential connections and 1Gbps connections 24%
- > 1Gbps and Hyperfibre connections were 46% of net mass market fibre adds in Q3, up from 36% in Q2

Residential

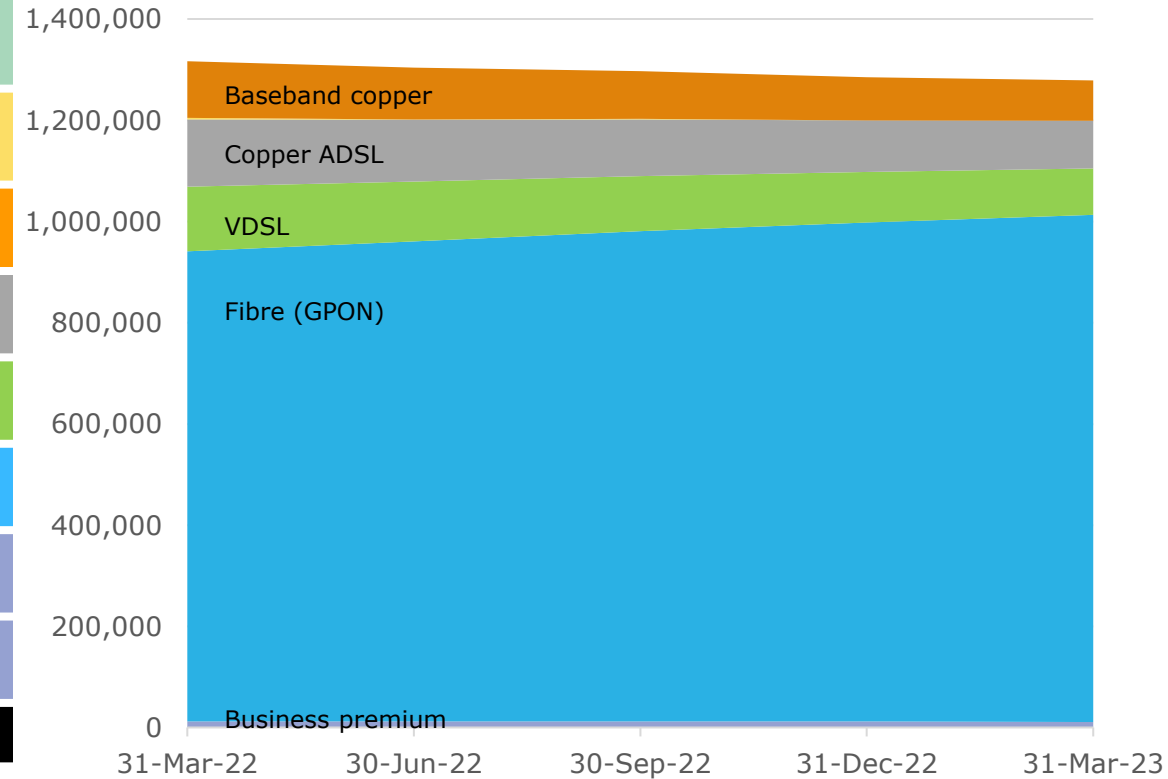


Business



Fibre comprises 79% of Chorus connections

	31 March 2022	30 June 2022	30 Sept 2022	31 Dec 2022	31 March 2023
Unbundled copper (no broadband)	3,000	1,000	1,000	not material	not material
Baseband copper (no broadband)	112,000	102,000	94,000	85,000	80,000
Copper ADSL (includes naked)	133,000	122,000	112,000	102,000	94,000
VDSL (includes naked)	128,000	118,000	109,000	100,000	92,000
Fibre broadband (GPON)	929,000	949,000	969,000	986,000	1,002,000
Data services (copper)	2,000	2,000	1,000	1,000	1,000
Fibre premium (P2P)	10,000	10,000	11,000	11,000	10,000
Total connections	1,317,000	1,304,000	1,297,000	1,285,000	1,279,000



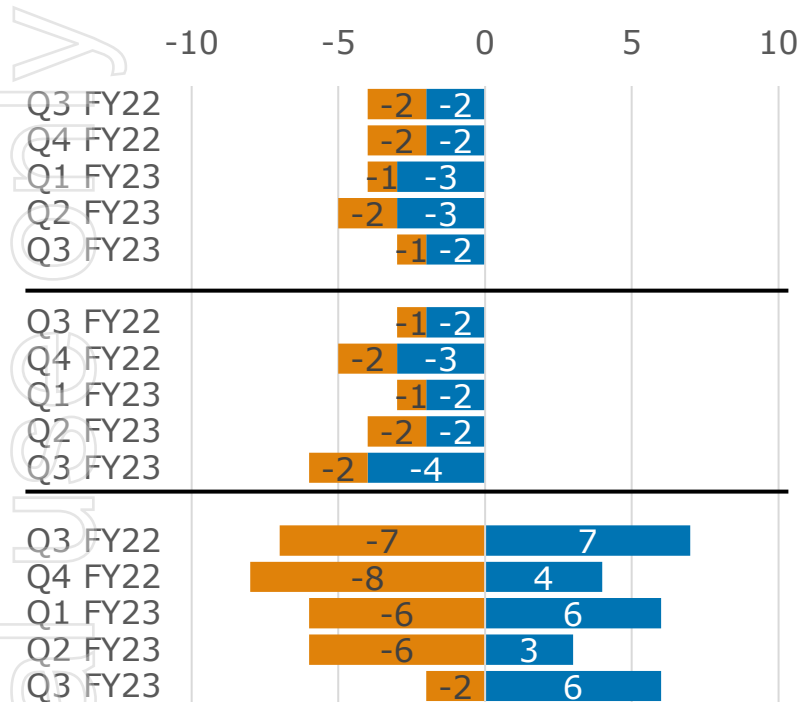
> 1,188,000 broadband connections comprises:

- 1,002,000 fibre (GPON) connections
- 186,000 VDSL/ADSL (copper) connections

Note: ~6,000 partly subsidised education connections are excluded from this data

Connection changes by Zone (indicative as at 31 March)

Quarterly change ('000s) by zone*



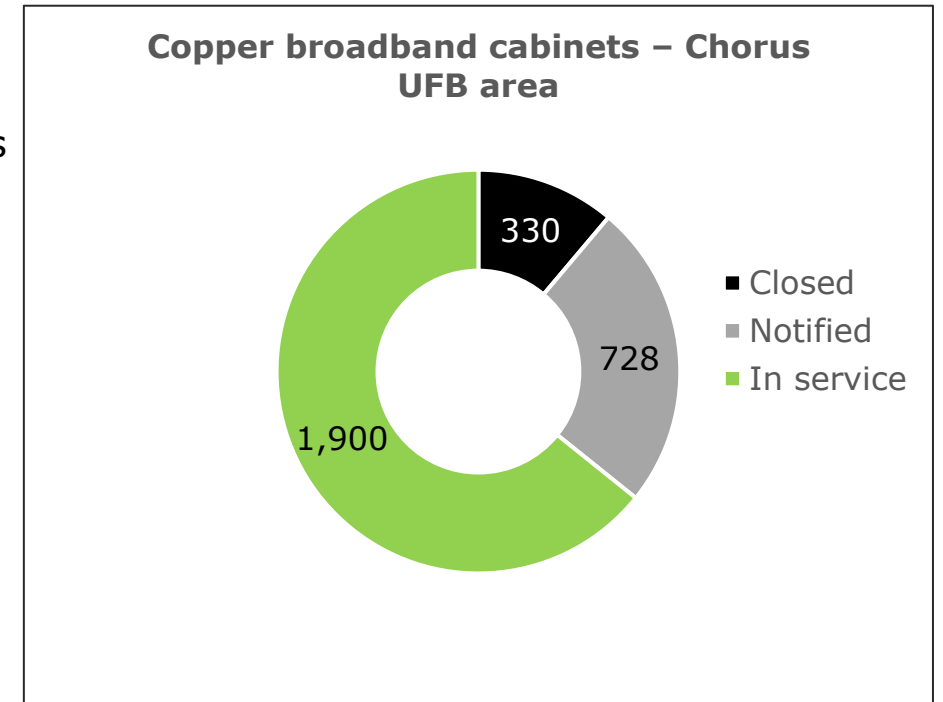
■ Broadband connections
 ■ Copper (no broadband) connections

Other fibre company (LFC) zone	Broadband connections	27,000	Local Fibre Company and fixed wireless provider activity is driving a gradual decline in copper connections.
	Copper line (no broadband)	15,000	
	TOTAL	42,000	
Non-UFB zone	Broadband connections	134,000	Cyclone impact on connections yet to be determined. Ongoing gradual decline in copper connections due to mobile/fixed wireless/satellite footprint expansion. Partly offset by fibre connections growth for greenfield developments.
	Copper line (no broadband)	24,000	
	TOTAL	158,000	
Chorus UFB zone	Broadband connections	1,027,000	Chorus copper withdrawal activity paused in response to recent extreme weather events.
	Copper line (no broadband)	41,000	
	TOTAL	1,068,000	

* Excludes ~6k partly subsidised education connections and 11k fibre premium and data services (copper) connections

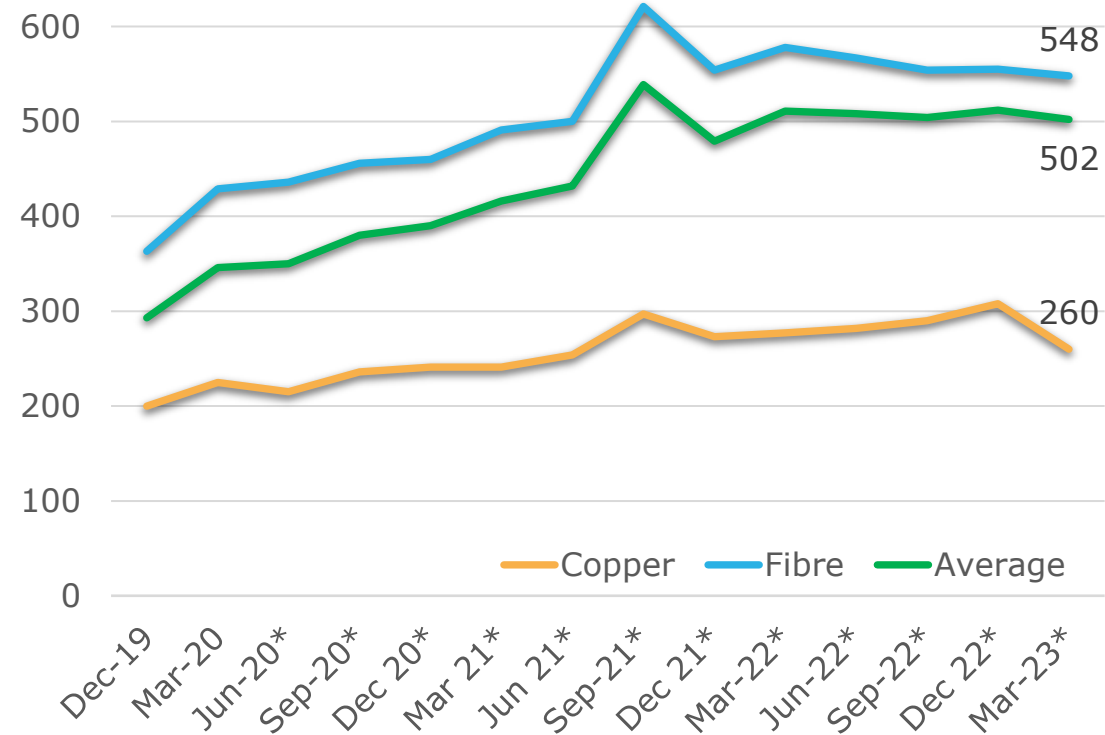
Copper withdrawal programme

- > **~22,000 initial withdrawal notifications issued**
 - copper service ceased for ~15,000 notified connections
 - 330 copper broadband cabinets now closed; withdrawal notices issued across another 728
 - broadband retention rate of 88% across closed cabinets
- > **managed migration initiatives: activation of installed fibre sockets (ONTs)**
 - ~7k sockets activated in Q3 (Q2 FY23: 10k)
 - 50% of activations were offnet addresses (Q2 FY23: 46%)



Monthly average data usage on fibre 548 gigabytes

Monthly average data usage per connection on our network*



* includes upstream traffic from June 2020 onwards

- > Monthly average data usage reduced slightly with the end of school holidays and notable reductions in North Island areas affected by recent weather events
 - **548GB** on fibre (Dec:555GB)
 - **260GB** on copper (Dec:308GB)
 - **502GB** average across all connections (Dec:512GB)
- > Average peak throughput on our network at peak time (~9pm) was consistent with December at 3.3Tbps
 - a single day peak of 3.76Tbps coincided with a *Fortnite* update on 10 March after 10pm