CHORUS

Q4 FY25 CONNECTIONS UPDATE

Q4 FY25 overview

> **Fibre connections (including non-address points and LFC areas) increased 8k (Q3 FY25: +9k) to 1,115,000**

- in Chorus fibre areas, an 8k increase in fibre broadband connections more than offset a 6k reduction in copper lines
- Chorus completed its Big Fibre Boost for retail partners in June, lifting home fibre 50/10Mbps plans to 100/20Mbps and 300/100Mbps plans to 500/100Mbps at no extra wholesale cost
- *Home Fibre Starter* (now 100/20Mbps) connections grew by net 11k connections with 67% of growth from new and offnet addresses
- residential connections of 1Gbps and above grew 1k with *Hyperfibre* connections reaching ~5k

> **Chorus' fibre footprint now covers 1,532,000 addresses (excluding LFC areas)**

- fibre passed another 7,000 addresses in Q4 (Q3: +5k), including fibre to ~2k existing homes in smaller communities
- uptake in UFB2 areas lifted from 61% to 62%
- overall fibre uptake grew 0.1% to 72.1% of passed addresses in Q4 (Q3: +0.3%)

> **Total fixed line connections* declined by 7k (Q3: -7k) and now total 1,207,000**

- copper broadband connections declined by 10k (Q3: -10k) and copper voice connections declined 5k (Q3: -5k)
- copper lines in non-fibre areas declined by 7k (Q3: -5k) with 68k remaining

> **Average monthly data usage on fibre grew to 671GB in June (March:642GB)**

- average fibre usage was consistently over 670GB in April, May and June
- the proportion of terabyte users (i.e. consuming 1,000GB+ a month) was ~19% in June (March: ~17%)
- record daily usage of 30 petabytes on 8 June coincided with a Fortnite gaming update

*includes ~2,000 broadband connections Chorus is subsidising for lower socio-economic households

Copper comprises less than 8% of Chorus connections

	31 March 2024	30 June 2024	30 Sept 2024	31 Dec 2024	31 March 2025	30 June 2025
Baseband copper (no broadband)	51,000	45,000	40,000	34,000	29,000	24,000
Copper ADSL (includes naked)	62,000	56,000	49,000	44,000	39,000	34,000
VDSL (includes naked)	62,000	55,000	49,000	44,000	39,000	34,000
Data services (copper)	1,000	1,000	1,000	1,000	NM	NM
Fibre broadband (GPON)	1,064,000	1,074,000	1,083,000	1,089,000	1,098,000	1,106,000
Fibre premium (P2P)	10,000	10,000	9,000	9,000	9,000	9,000
Total connections*	1,250,000	1,241,000	1,231,000	1,221,000	1,214,000	1,207,000

*includes ~2,000 broadband connections Chorus is subsidising for lower socio-economic households

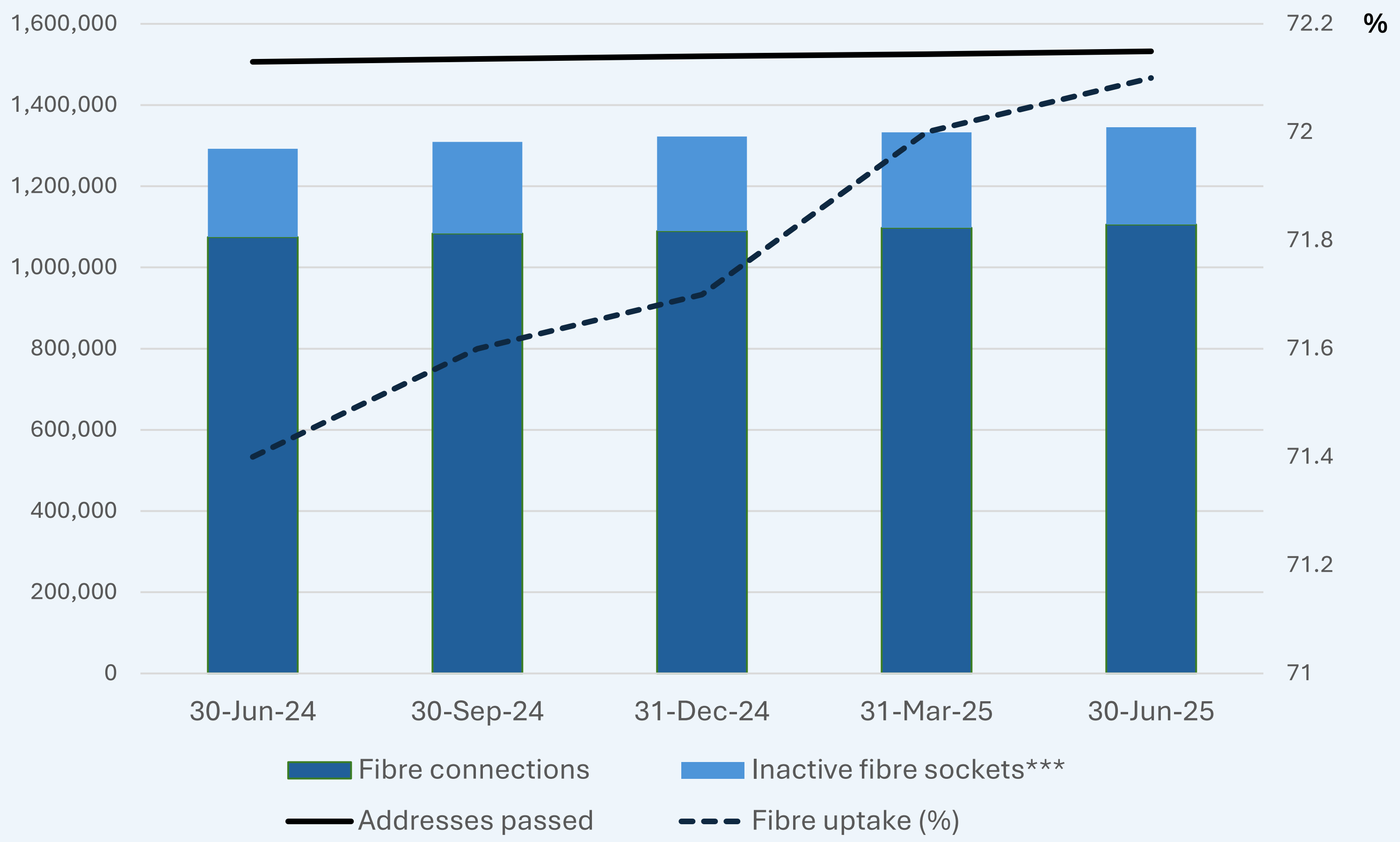
Copper connections declined 15k in Q4 and total 92k

Fibre connections grew 8k in Q4 and total 1,115k

Fibre uptake reaches 72.1%

72.1% fibre uptake across 1,532,000 passed addresses*

- uptake grew +0.1% in Q4
- +8k fibre connections to addresses**
- +7k addresses passed in Q4, including ~2k addresses as part of Chorus' fibre expansion programme to smaller communities
- 13k installations in Q4 (Q3:13k)
- 240k inactive fibre sockets (Q3: 235k)

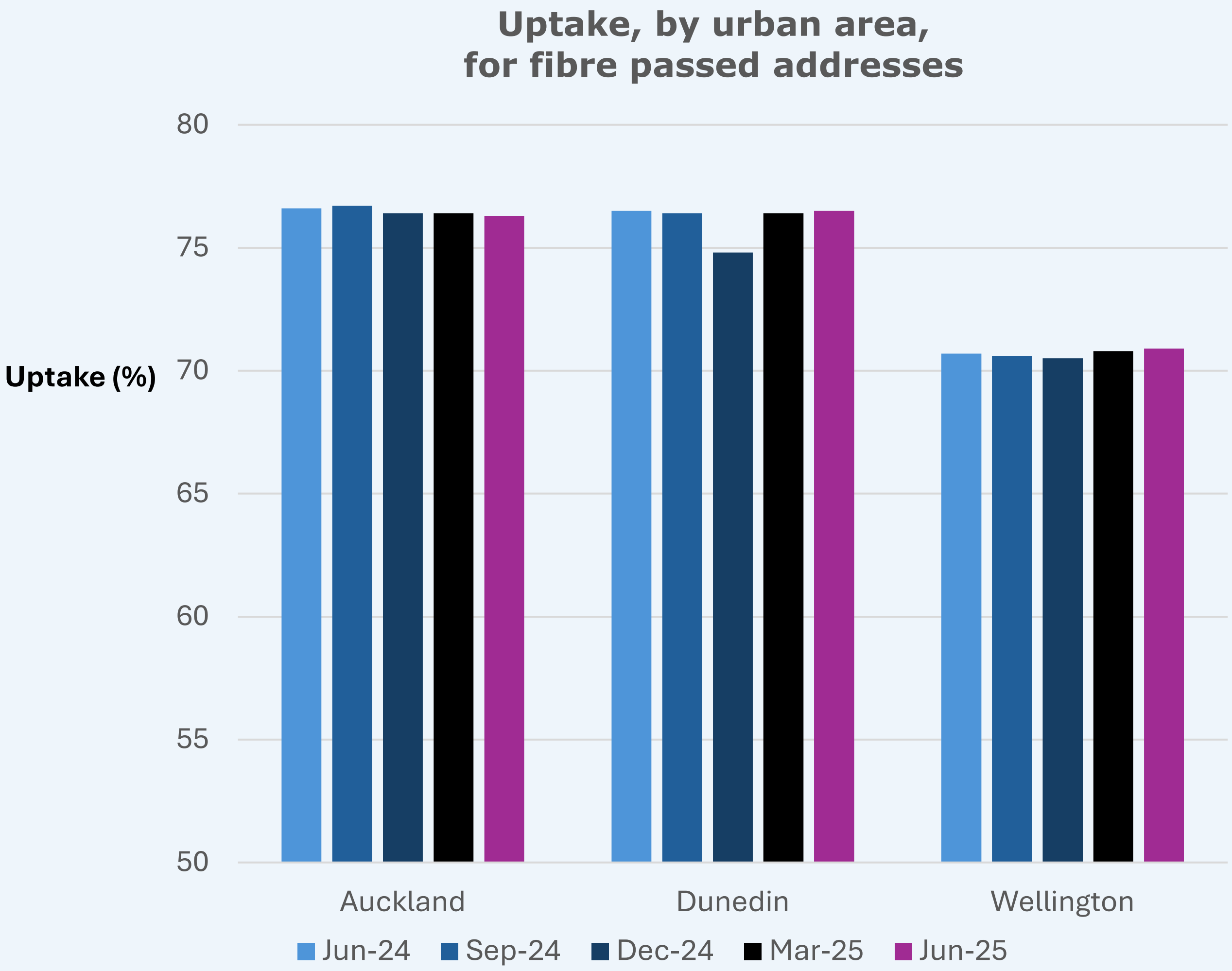


*based on independent address data and Chorus network data for addresses passed by fibre; excludes Chorus fibre in Local Fibre Company (LFC) areas
** includes ~7k fibre premium connections to addresses; excludes smart location (GPON) connections and connections in LFC areas
*** not active on 30 June 2025

Fibre uptake by city

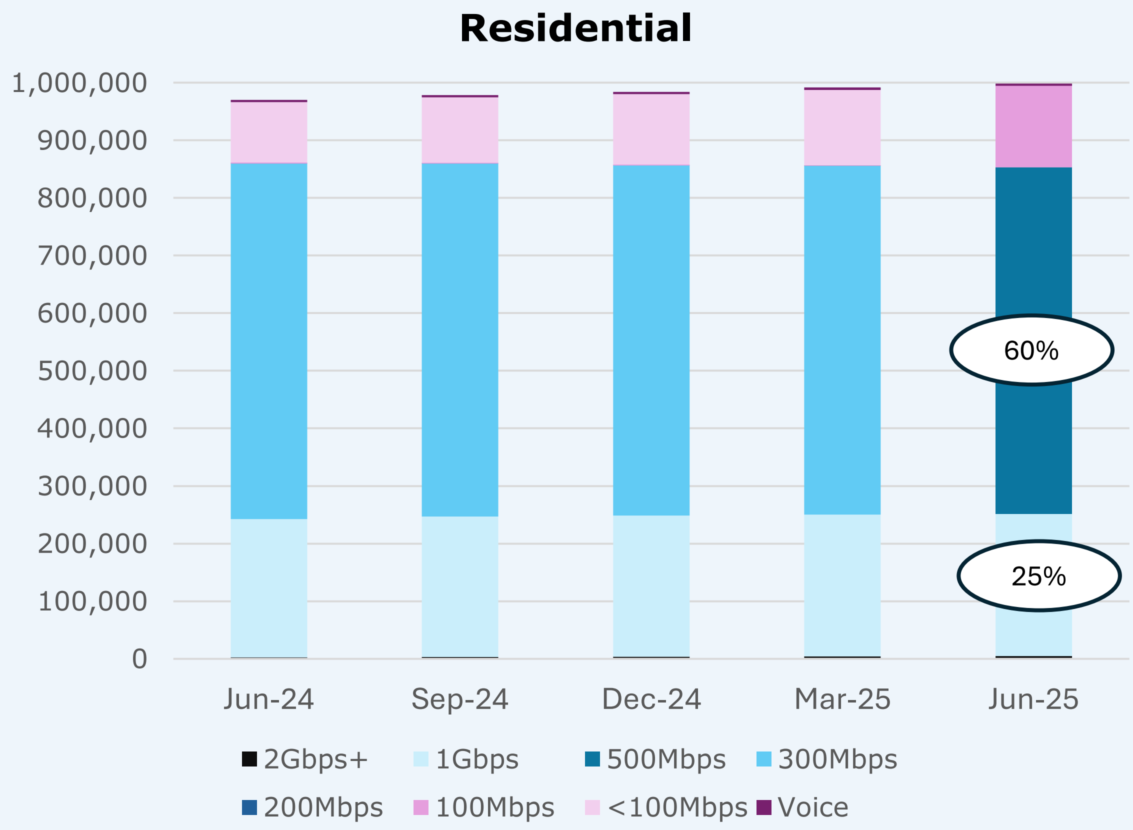
- **Auckland** uptake down 0.1% to 76.3% with address growth outpacing connection growth
- **Dunedin** uptake grew 0.1% to 76.5%
- **Wellington** uptake grew 0.1% to 70.9%

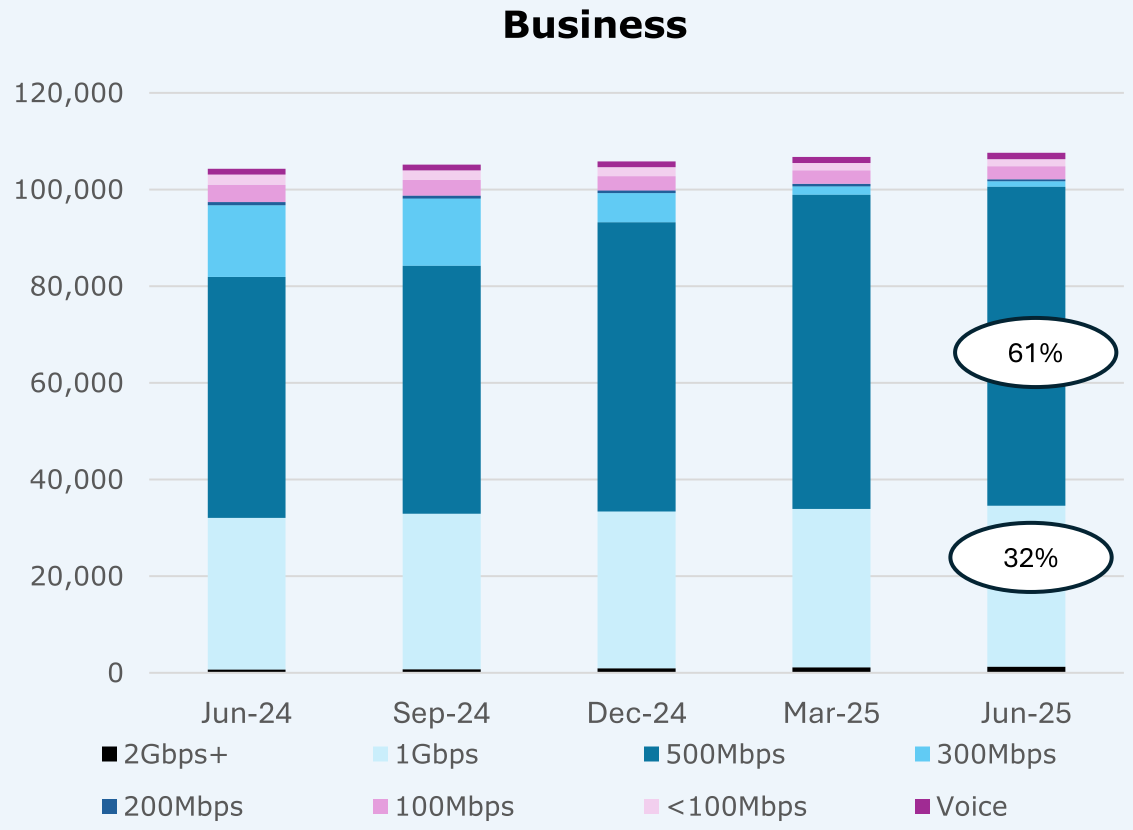
Note: uptake is measured across "urban areas" as defined by Statistics NZ, rather than the original UFB rollout areas



Fibre 'boost' completed for more than 700k homes

- *Home Fibre Starter* (now 100/20Mbps) connections grew by net 11k connections to 88k with 67% of gross adds from new fibre connections or offnet (up 1% from Q3), 26% from higher speed plans, and 6% from legacy low-speed plans
- residential connections of 1Gbps and above grew 1k with *Hyperfibre* connections reaching ~5k
- Chorus completed its Big Fibre Boost for retail partners in June, lifting home fibre 50/10Mbps plans to 100/20Mbps and 300/100Mbps plans to 500/100Mbps at no extra wholesale cost. Retailers are now enabling the upgrade for their customers.

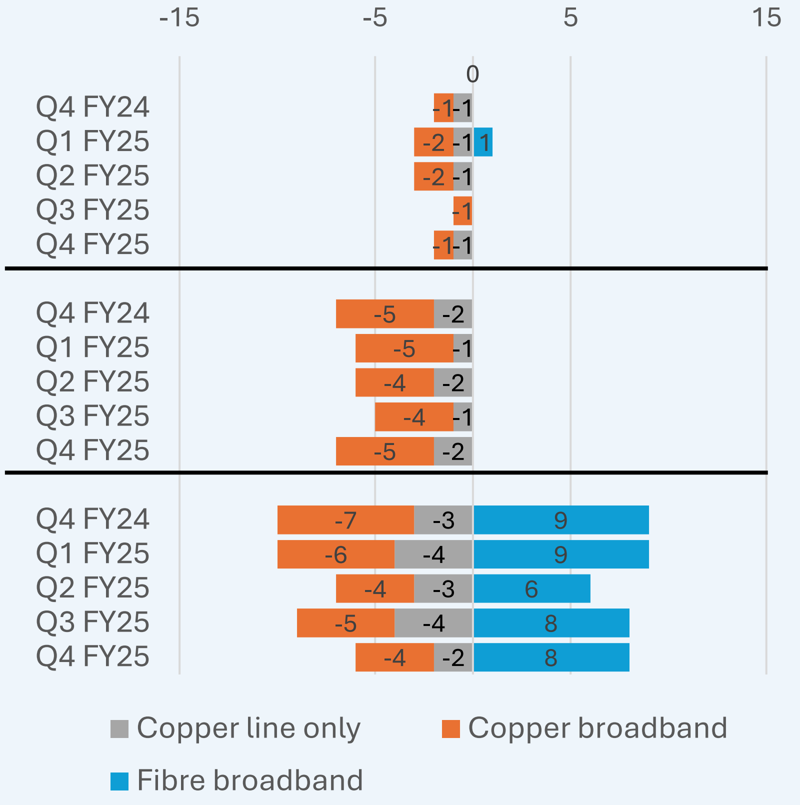




Connection changes by zone* (indicative as at 30 June)

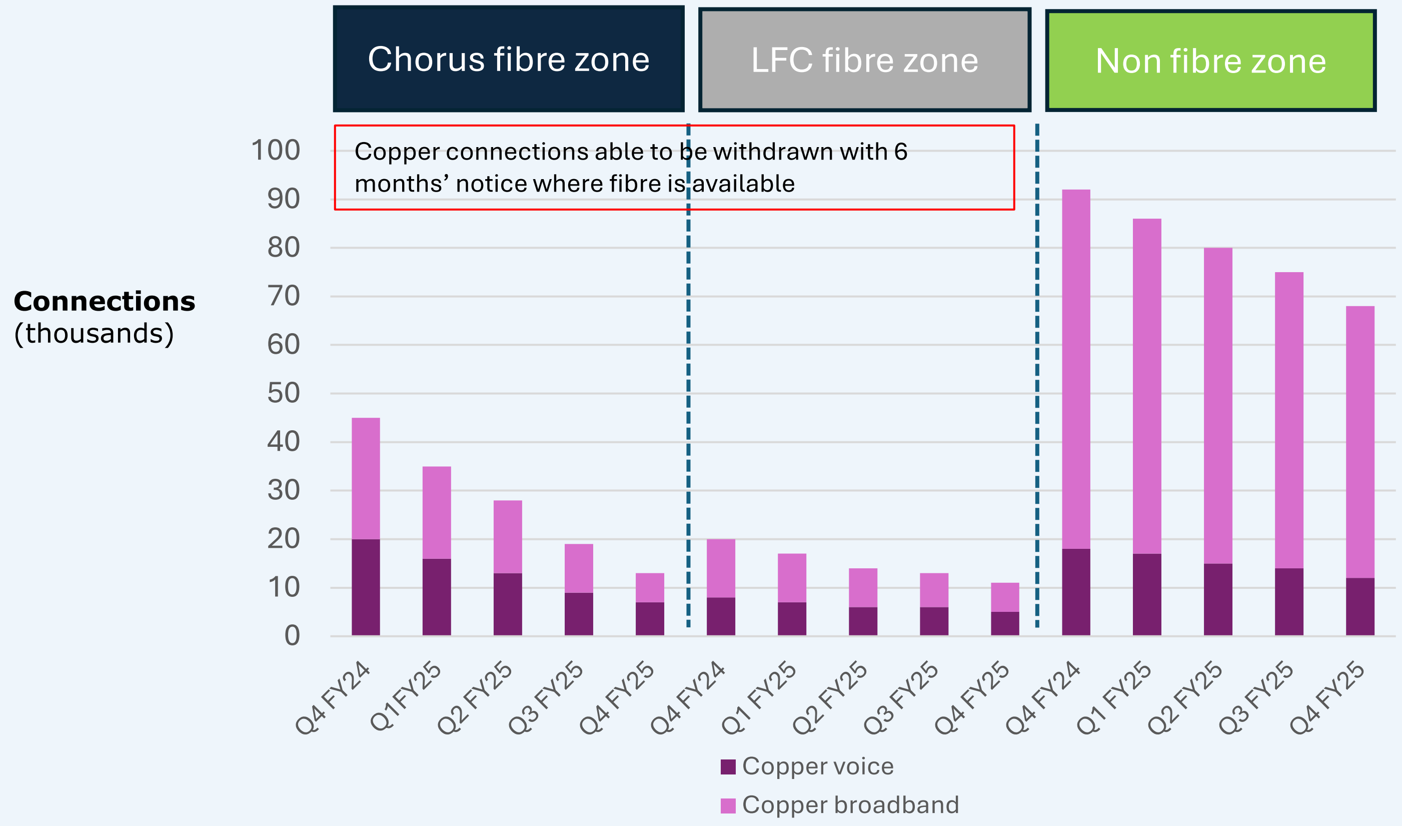
Other fibre company (LFC) zone	Copper lines (no broadband)	5,000	Copper connections are declining as Chorus retires its copper network and customers migrate to Local Fibre Company and fixed wireless networks.
	Copper broadband lines	6,000	
	Fibre broadband lines (GPON)	4,000	
	TOTAL	**15,000**	
Non-fibre addresses (i.e. Chorus fibre not available)	Copper lines (no broadband)	12,000	Ongoing decline in copper connections as customers migrate to alternative mobile/fixed wireless/satellite networks.
	Copper broadband lines	56,000	
	TOTAL	**68,000**	
Chorus fibre zone	Copper lines (no broadband)	7,000	Covers all addresses outside of LFC UFB rollout zone where Chorus fibre is available. Fibre footprint is growing as a result of network expansion and new property development. Copper connections are reducing as Chorus retires its copper network.
	Copper broadband lines	6,000	
	Fibre broadband lines (GPON)	1,099,000	
	TOTAL	**1,112,000**	

Quarterly change ('000s) by zone



* Excludes ~12k fibre premium and smart location connections

Just 92k copper lines remaining; 68k outside fibre footprint



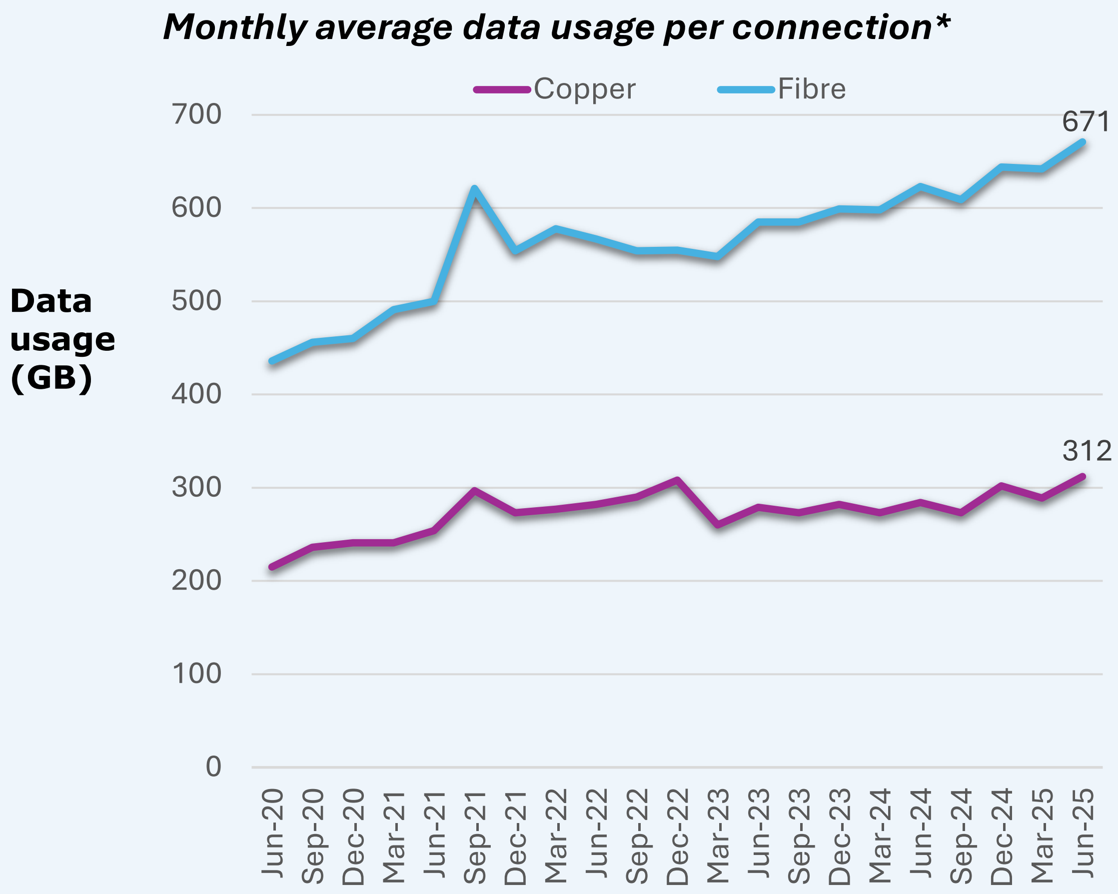
> **Chorus' fibre zone:**

- 13k copper lines in service, with full withdrawal expected by mid-2026

> **Non-fibre zones:**

- 68k copper lines remaining, down 26% in FY25
- Chorus' fibre extension rollout (~9k premises) is largely complete with 4.5k premises ready for service and 1.2k connected to date

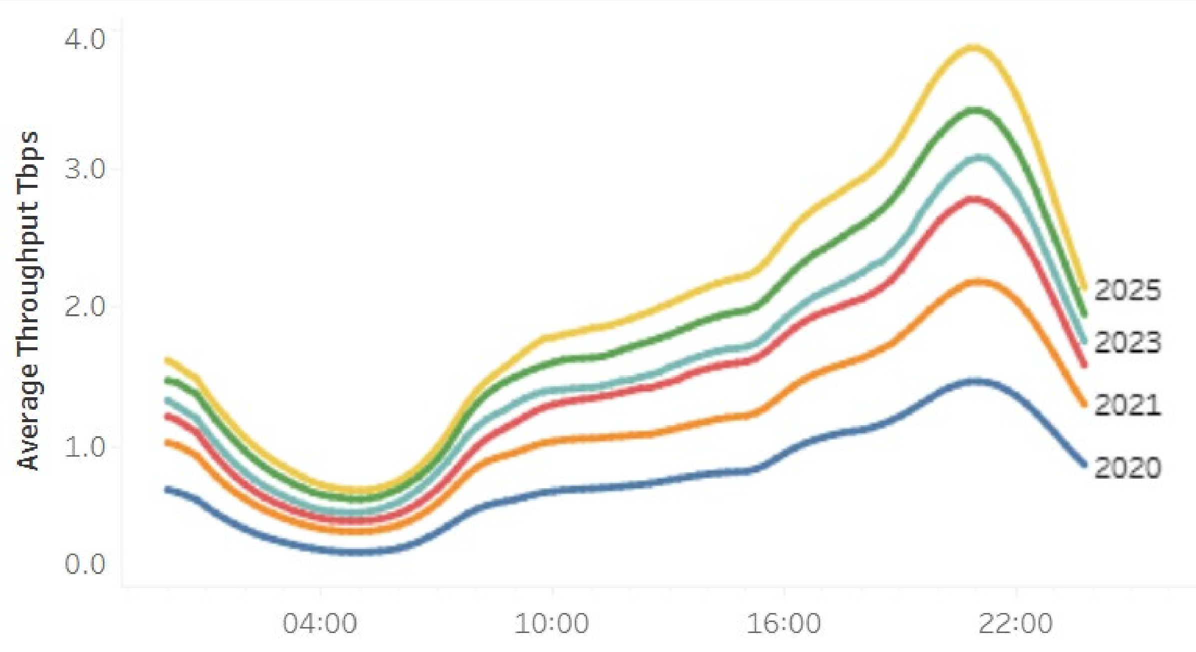
Monthly data usage on fibre consistently above 670GB in Q4



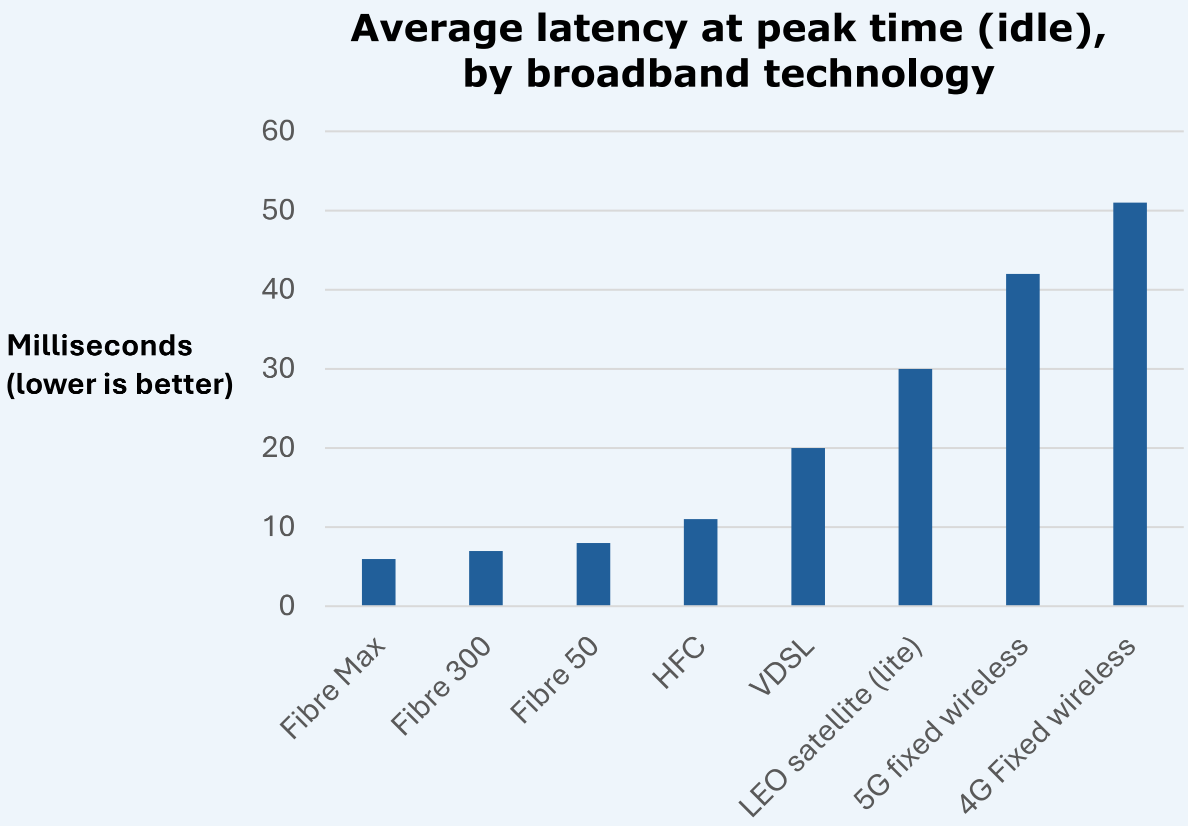
* includes upstream traffic

- monthly average data usage on fibre lifted to 671 gigabytes (GB) in June vs 642GB in March
- the proportion of fibre connections using more than 1 terabyte of data was ~19% vs ~17% in March
- copper usage was 312GB (March: 289GB)

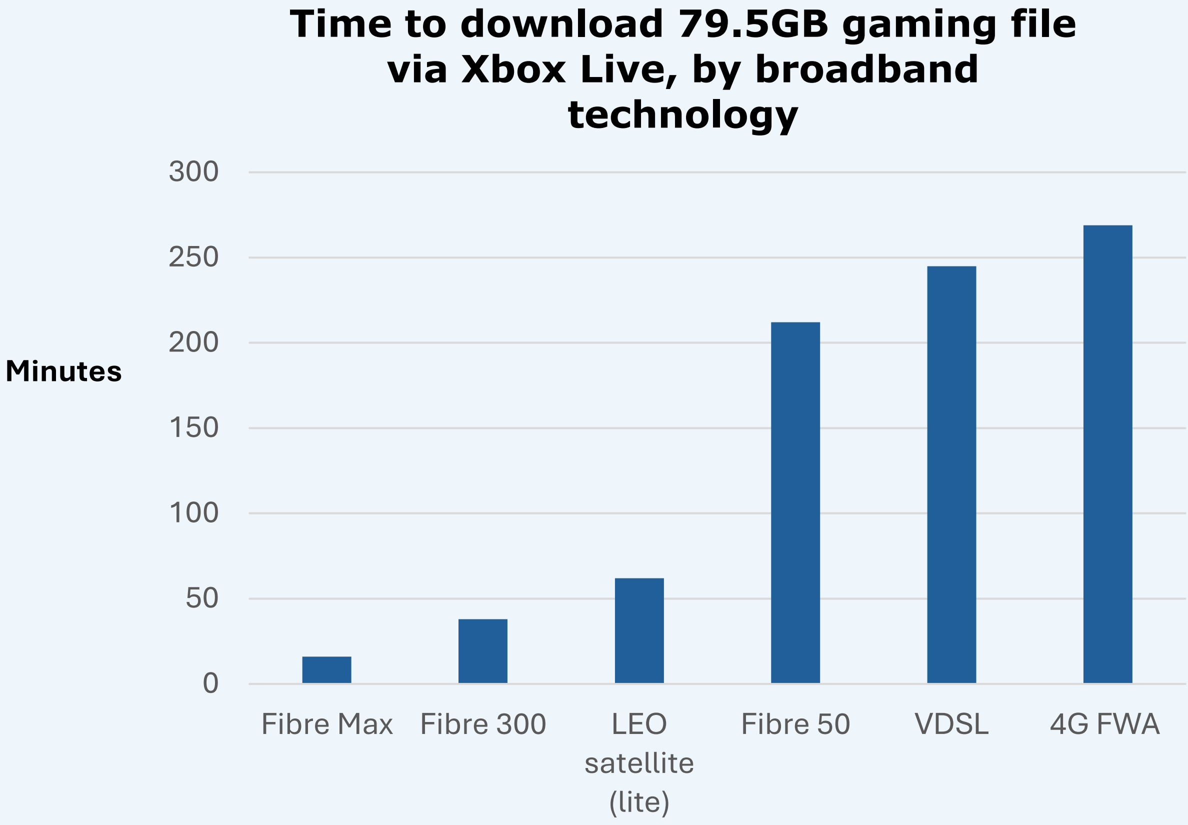
Average throughput in June (2020-2025), by time of day



Commerce Commission monitoring shows benefits of fibre



Source: Measuring Broadband NZ, Report 24, June 2025: Figure 15

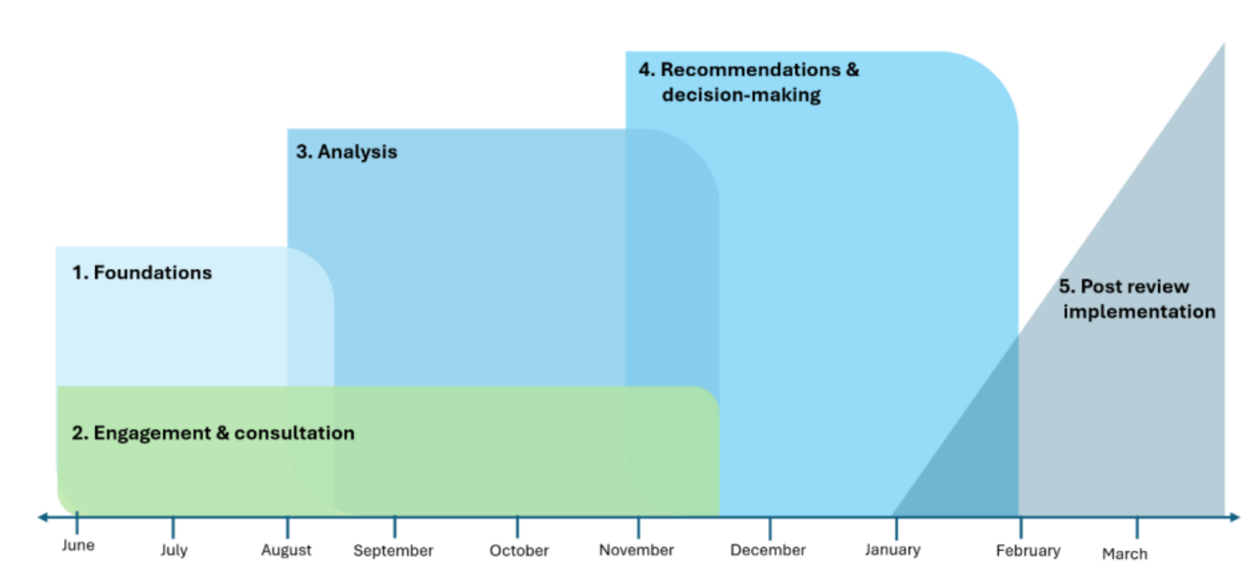


Source: Measuring Broadband NZ, Report 24, June 2025: Figure 22

Telco sector regulatory review announced in June

> **Ministry for Regulation review:**

- **Purpose**: to ensure that the current regulation remains fit for purpose in light of technology and market changes
- **In scope:**
  - shareholder cap and constitutional restrictions
  - consideration of telecommunications service obligations (TSO)
  - methodology for allocating the Telecommunications Development Levy (TDL) across telecommunications service providers and consumers
  - Retail Service Quality (RSQ) regulation (Part 7 of the Act)
  - Fibre Fixed Line Access (FFLA) services regulation (Part 6 of the Act)
  - Fibre service regulations (Part 4AA of the Act), noting that the vertical separation of wholesale and retail fibre services is out of scope.



Note: this review is separate from the Commerce Commission's copper services investigation (draft decision to deregulate) and the Input Methodologies review.