

STOCK EXCHANGE ANNOUNCEMENT

15 April 2026

Q3 FY26 Connections Update

Chorus today released its connections update for the Q3 FY26 period from 1 January 2026 to 31 March 2026.

Connections inflection point achieved, with total connections increasing QoQ

Quarterly growth in total connections was achieved for the first time since FY13 with fibre connections more than offsetting the decline in copper connections. This is a significant milestone given the switch off from copper connections continues at pace.

Total fibre connections were 1,142,000 at end March and increased by approximately 13,000 lines in the quarter. This growth more than offset a decline of approximately 2,000 copper lines in Chorus' fibre areas and a further 8,000 lines in non-fibre and other local fibre company areas. This resulted in Chorus' total fixed line connections increasing by 3,000 lines from Q2 FY26 to Q3 FY26.

Fibre uptake across Chorus' wider fibre network footprint, excluding other local fibre company areas, lifted by 0.7% to 73.1%. Fibre uptake in UFB2 rollout areas, completed between 2018 and the end of 2022, lifted slightly to 64% and in the earlier UFB1 rollout areas is now at 76%. The Q3 quarter saw the strongest fibre growth since Q1 FY24. During the quarter, another 3,000 addresses were passed by fibre.

Data demand remains strong

Fibre usage continued its upward trajectory, with March 2026 average fibre usage 696GB, up 8% year on year. The highest monthly average data usage was 722GB in January 2026. Meanwhile, business customer data usage grew 19% year on year.

Copper disconnections continue

A total of 10,000 copper lines disconnected in the quarter, leaving about 53,000 in service nationwide at the end of March. Just 1,000 of these lines remain in service in Chorus' fibre areas and only 3,000 are in services in other local fibre company zones.

In areas where fibre is not available, Chorus saw about 5,000 copper customers choose to migrate to alternative network options in the quarter. This leaves approximately 49,000 copper lines outside of the existing fibre footprint.

Chorus updates timeline for planned copper network retirement to 2028 as customer numbers continue to fall

Chorus has today announced a revised timeline for the planned retirement of its copper network, bringing the expected retirement date forward to 2028 from the previously signalled 2030 timeframe.

Chief Executive Mark Aue said the change reflects declining demand for copper services as customers and retail service providers continue to move to more modern broadband technologies.

"With demand continuing to fall, we are adjusting the timeline accordingly. Customers are choosing more modern and reliable technologies like fibre, fixed wireless or satellite and our plans need to reflect that," said Mr Aue.

Copper usage has continued its steady decline, with the number of active connections reducing by around half over the past year. In the current quarter, copper connections reduced by more than 14 per cent, from 63,000 to 53,000.

"Maintaining a nation-wide legacy network being used by 2.5 per cent of households when there are more cost-effective, modern alternatives is no longer efficient. Bringing forward the timeline provides retailers and customers certainty, including for those still using copper, so they can prepare in an orderly and structured way."

Over the next two years, Chorus intends to work closely with retail service providers on coordinated transition plans. This includes working with alternative service providers, supporting vulnerable users and ensuring that all affected customers have an alternative technology available.

"Chorus has already successfully supported hundreds of thousands of consumers onto new technologies, including in some of New Zealand's most remote areas," Mr Aue said. "Those transitions have proceeded smoothly, giving us confidence in an efficient and dependable nationwide process over the coming years."

"Our focus now is to ensure every remaining copper customer is transitioned in a planned and coordinated way, with support and information available for customers as they shift to modern telecommunications services."

Accompanying notes:

- The Commerce Commission undertook a two-year independent study to assess the necessity for continued regulation of copper services to promote competition.
- The Commission's recommendation was that regulation is no longer needed to promote competition due to widespread availability of alternative services.
- The Commission found that nearly 98% of premises were in the coverage of three alternative broadband technologies, and ~100% had at least one technology available.
- Chorus is prohibited from cross-subsidising copper with fibre revenues, meaning the ongoing decline in copper services reinforces the commercial imperative for a timely network retirement.

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ENDS

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