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STOCK EXCHANGE ANNOUNCEMENT

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Chorus introduces specialist provider for complex UFB connections

Chorus has today announced a new service agreement with Australian company Universal Communications Group (UCG) to connect UFB for multi-dwelling units, including terraced houses and low to high rise apartment blocks and offices, in Auckland and Wellington.

UCG is a specialist multi-dwelling unit design and construction provider with experience in delivering high volume, telecommunications deployments across a variety of technologies. The company has been engaged to manage this growing area of work for Chorus, as the UFB footprint expands.

Service companies in Auckland and Wellington have been delivering MDU work under an interim service agreement since the beginning of this year.

The change will allow those companies to focus resources on the increasing workloads on the rest of the UFB connection work said Ed Beattie, General Manager of Infrastructure at Chorus.

"Wiring multi-dwelling units requires specialist skills and expertise that don't necessarily go hand in hand with general provisioning and build services," said Mr Beattie.

"UCG has a very good reputation for delivery and cost in Australia and is generally regarded as the best performer and industry leader for connecting multi-dwelling units."

"We're bringing in the experts because it's imperative that we have the best people on the job in order to get the best outcomes for our customers," said Mr Beattie.

Subject to demand, UCG is projecting to recruit up to 150 local staff over the next three years across Auckland and Wellington and between 200 and 300 subcontractors.

"We are looking forward to bringing our experience and know-how to New Zealand and engaging a skilled local workforce to meet the highest standard of delivery for Chorus," said Ralf Luna, Chief Executive Officer at UCG.

The non-exclusive agreement between Chorus and UCG runs for a period of ten years. UCG will complete work under capped pricing, which is subject to review after six months or connection of 1,000 multi-dwelling units.

UCG will begin working with Chorus from 1 July with MDU work being transitioned progressively.

There are approximately 37,000 MDU and terraced premises in Auckland and Wellington, encompassing about 130,000 end users, that may be covered by UCG under the contract subject to UFB uptake.

ENDS

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