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## **STOCK EXCHANGE ANNOUNCEMENT**

28 January 2016

### **Chorus confirms that it will not initiate appeals on FPP**

Chorus has today confirmed that it will not initiate any legal appeals on the final FPP pricing of copper services.

The Commerce Commission announced its final determination of the pricing of copper services on 15 December 2015, and the deadline for any party to lodge an appeal will pass on 3 February 2016.

"After full consideration of all facets of the final determination, the Chorus Board has elected not to appeal the decision, despite disagreeing with some key elements such as the lack of backdating," said Chorus Chairman, Patrick Strange.

"While we are aware that some investors feel there may be merit in further testing aspects of the determination in court, it is the strong view of the Board and Management that the best long-term value for our shareholders and customers will be achieved through the industry focussing on bringing New Zealand better broadband.

"We do not believe this can be achieved in an environment of continued regulatory uncertainty and appeal. We hope all other industry participants also elect to put this difficult phase behind us, and focus on working together to deliver value to New Zealanders.

"If other parties file appeals of the Commission decision, Chorus is likely to cross-appeal.

"Our focus now is on the Government's regulatory review, with the aim of ensuring there is a more stable and predictable framework that sets the industry up for success, by aligning the interests of consumers and our investors. We must not repeat the major market distortions of the last four years.

"Long term predictability and certainty are essential if New Zealand is to continue to benefit from investment in world class networks," he said.

**ENDS**

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