



Chorus Limited  
Level 10, 1 Willis Street  
P O Box 632  
Wellington 6140  
New Zealand  
  
Email:  
company.secretary@chorus.co.nz

## **STOCK EXCHANGE ANNOUNCEMENT**

**7 October 2016**

### **Visionstream takes Downer fibre installs & guidance effect**

Chorus has today announced that its service company partner Visionstream will be taking over fibre installations in areas that are currently being serviced by Downer.

Visionstream, the telecommunications division of Ventia, is one of Australasia's largest infrastructure services companies.

The announcement follows Downer's decision not to re-tender for this work, which was announced at Chorus' annual results on 30 August 2016.

The transition will occur in the Hutt Valley, Masterton, Napier, Hastings and Gisborne in the North Island and Ashburton, Timaru, Oamaru, Queenstown, Invercargill, Dunedin in the South Island.

Downer has chosen to concentrate on other aspects of its relationship with Chorus, including the copper network and the communal UFB build.

Chorus expects that some Downer technicians will be affected by the change.

However, with demand for fibre increasing significantly, technicians may have opportunities either to move to Visionstream - which will be expanding its number of technicians to support the UFB installations - or remain with Downer and continue to work on the copper network.

"We've been open to the need to improve the experience we give our customers, as well as our need for more technicians, and how we want to retain skilled people in the industry," said Chorus' General Manager Customer Services, Nick Woodward.

"Visionstream's operating model has proven to be very effective in attracting new crews and in getting through the most jobs in a day.

"Visionstream has already successfully taken over in Wellington, Porirua and Manawatu, and we have seen significant improvements in performance in those areas.

"Chorus, Visionstream and Downer are all committed to a smooth transition with the minimum of disruption for our technicians," he said.

The change means Visionstream will now cover around 80% of the areas of UFB that Chorus is responsible for, with the balance being held by Broadspectrum, and multi-dwelling unit specialist UCG.

## **Guidance**

Fibre uptake is significantly ahead of expectations and given related mobilisation costs in a time of relatively full employment, Chorus expects to be able to hold average connection costs per unit flat in nominal terms across the term of this contract rather than secure further economies in connection costs. Given this, Chorus now expects to track at the top end of the total programme view for the average cost to connect standard residential premises of \$900 to \$1,100 in 2011 dollars.

Chorus is separately assessing future capitalisation policies in relation to NGA related provisioning costs that are currently expensed and were not in the scope of guidance at the time of demerger. Chorus may provide an update to guidance when this work is completed later in FY17.

## **ENDS**

For further information:

Nathan Beaumont  
Stakeholder Communications Manager  
Phone: +64 4 896 4352  
Mobile: +64 21 243 8412  
Email: [nathan.beaumont@chorus.co.nz](mailto:nathan.beaumont@chorus.co.nz)