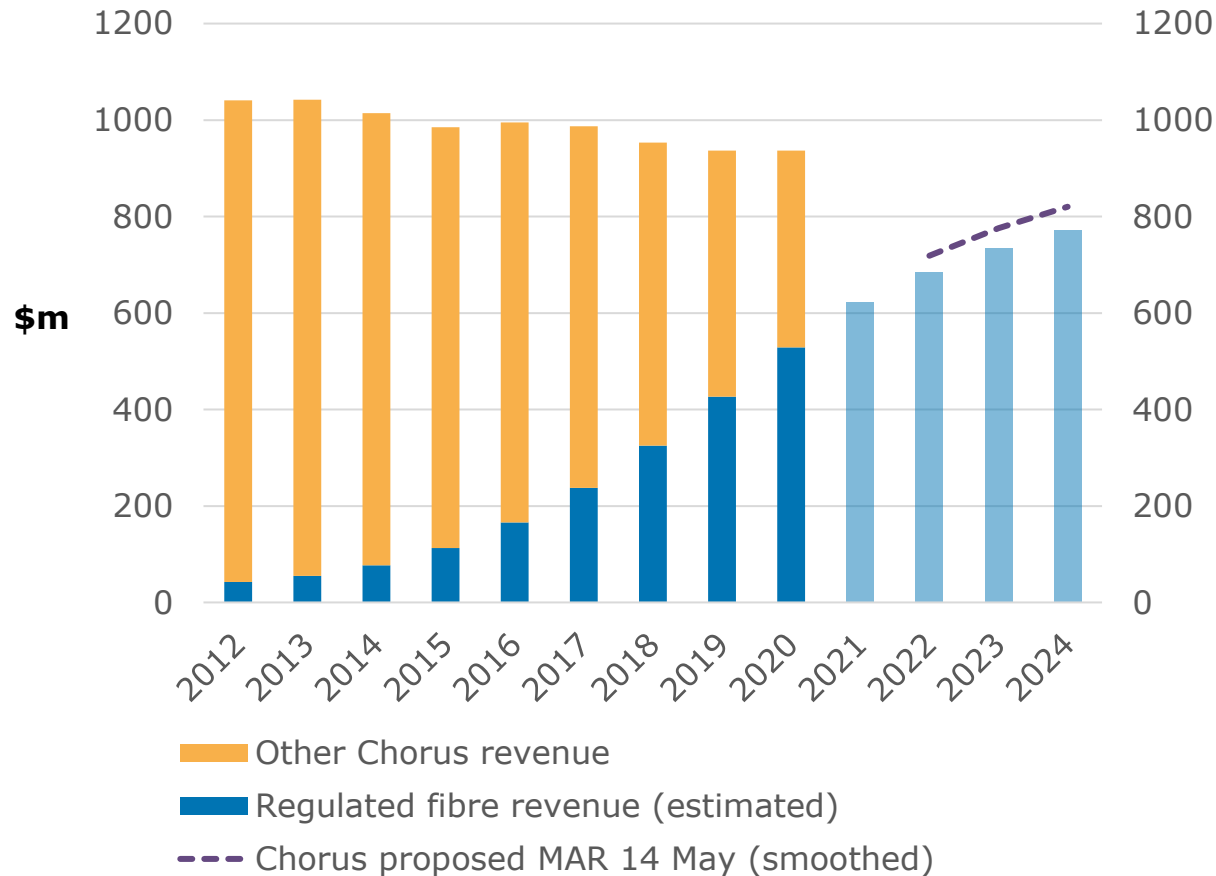


Chorus MAR range vs estimated regulated fibre revenues



- > **Smoothed MAR range of \$720m-\$820m per annum is based on conservative starting RAB of \$5.5 billion**
- Chorus has proposed that depreciation rates could be tilted either for specific asset categories, or for the financial loss asset, with a similar result
 - The Commerce Commission noted in its fibre Input Methodologies decision that it is common practice in utility regulation to smooth revenue caps to address potential annual price volatility within a regulated period
 - the unsmoothed MAR range is \$760m-\$780m per annum
 - without tilting or smoothing the MAR range would be consistent with the indicative MAR range of \$680m-\$710m advised to market on 6 April

Note: Chorus assessment of FFLAS revenue is based on final Input Methodologies. Subject to completion of Commerce Commission process.