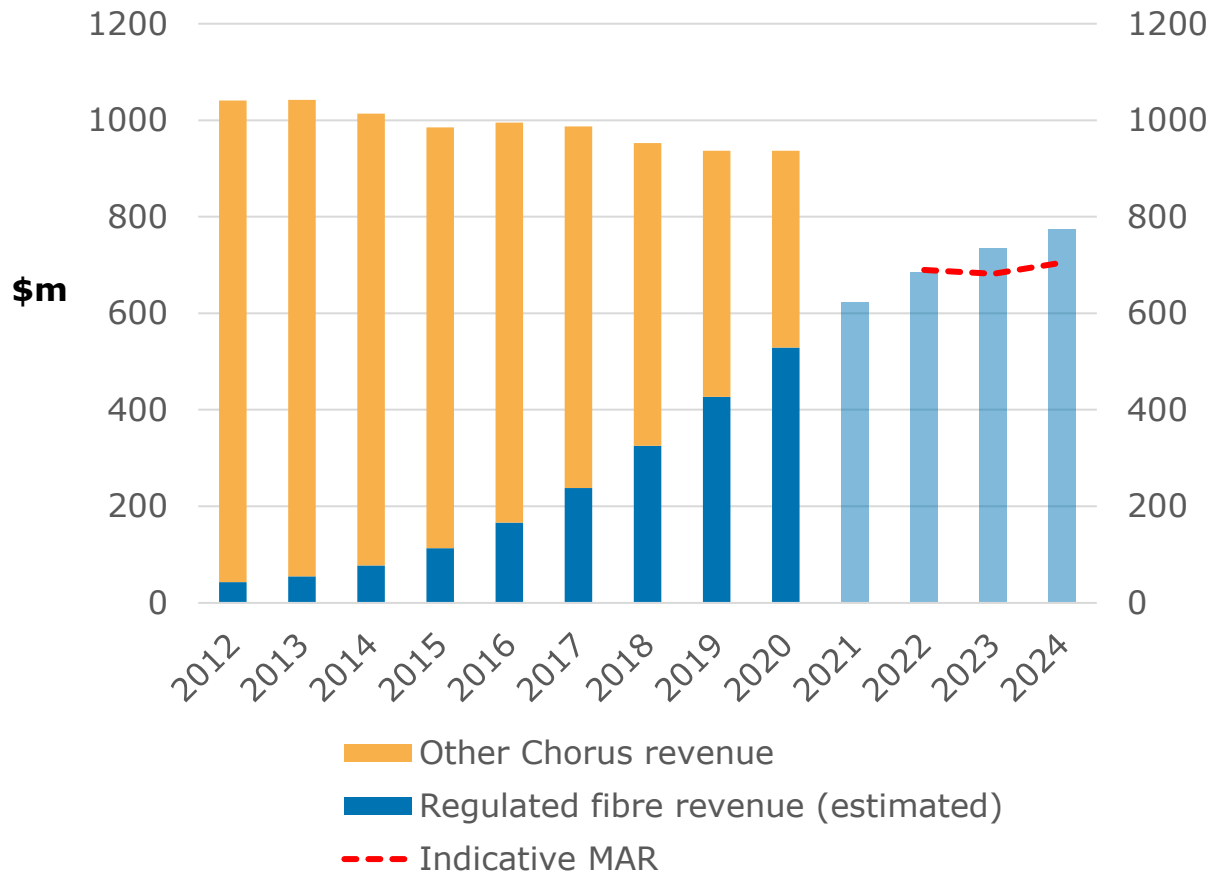


# UPDATED: Indicative MAR range vs estimated regulated fibre revenues



- > **Indicative MAR range of \$680m-\$710m per annum is based on conservative starting RAB of \$5.5 billion**
  - reflects estimated 3-year risk-free rate of 0.51% at 1 April: actual rate will be set based on 3-month average ending 31 May
  - constrained by carry forward tax losses in RP1 (resulting in zero tax building block) and treatment of Crown financing
  - MAR excludes capital contributions (e.g. greenfields, Rural Broadband Initiative) and FFLAS in LFC areas
  
- > **MAR in first regulatory period (RP1) should be above forecast revenues to:**
  - avoid constraining Chorus' natural expected rate of growth given uptake is only 63%
  - retain incentives for Chorus to continue investing in better consumer outcomes (e.g. fibre uptake, new and higher-speed products)
  - deliver on government policy goals of a smooth transition for consumers and investors

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