Broadband Potential in the Telecom Sector

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Interaction between fixed and mobile broadband markets varies wildly

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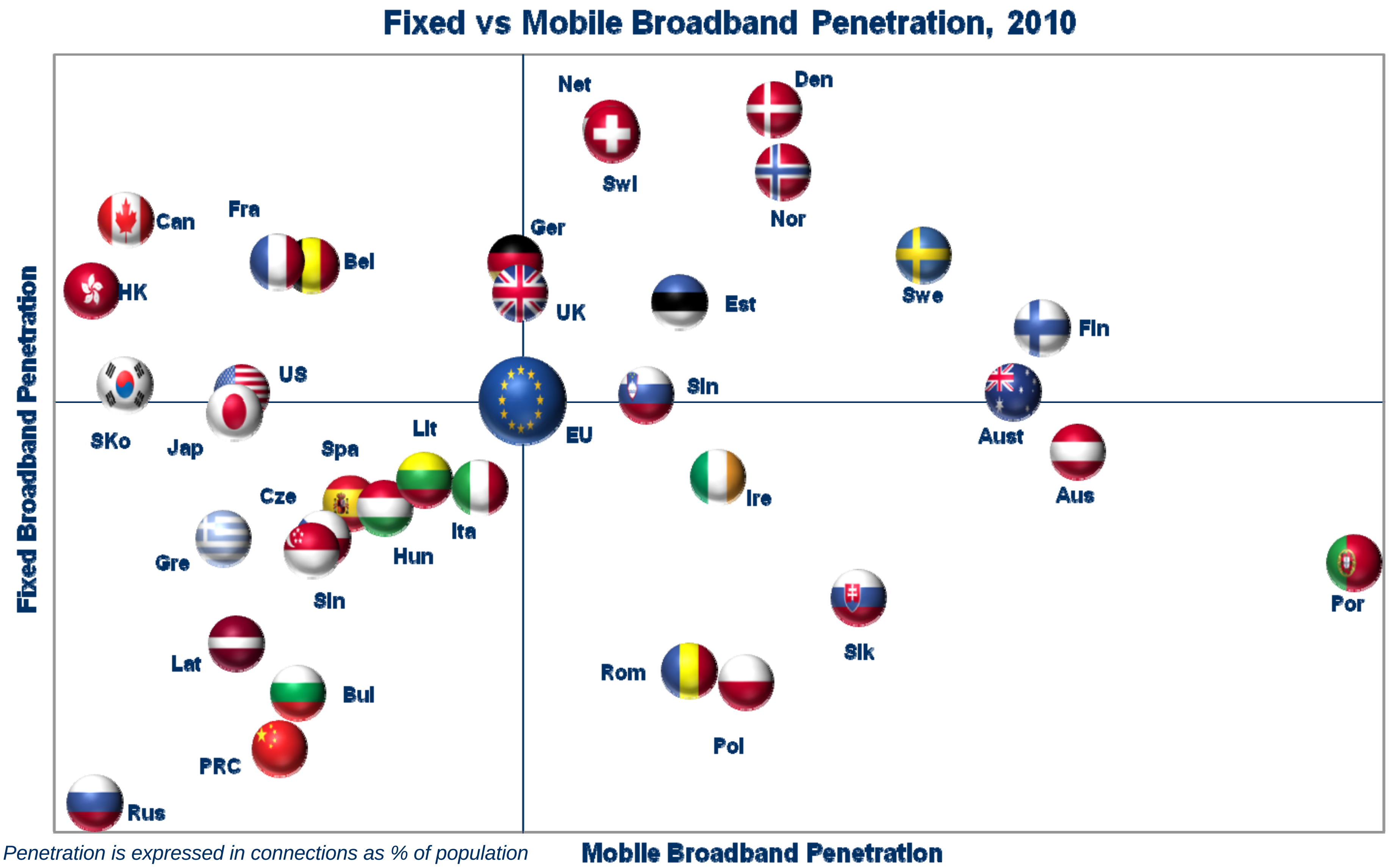
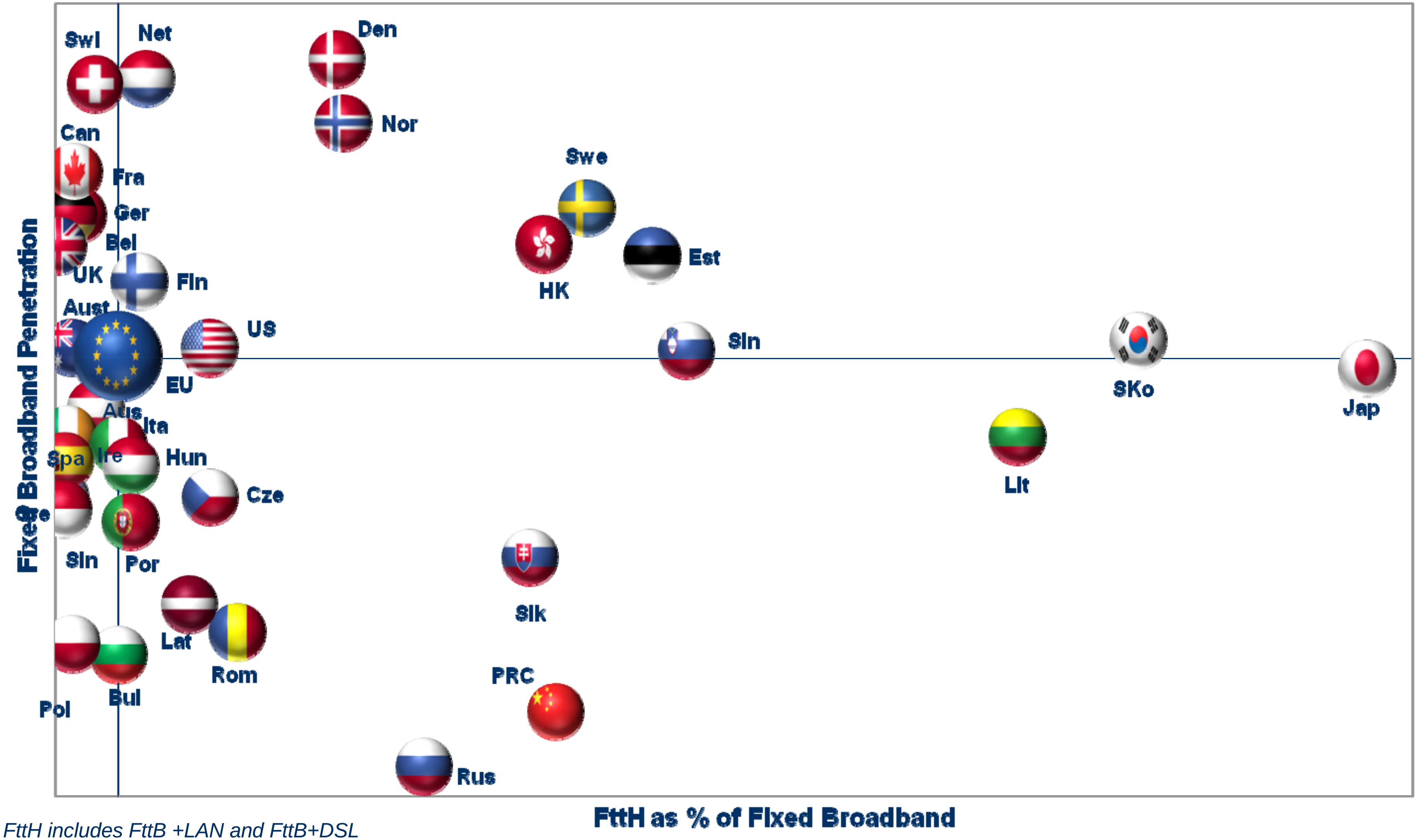


Penetration is expressed in connections as % of population

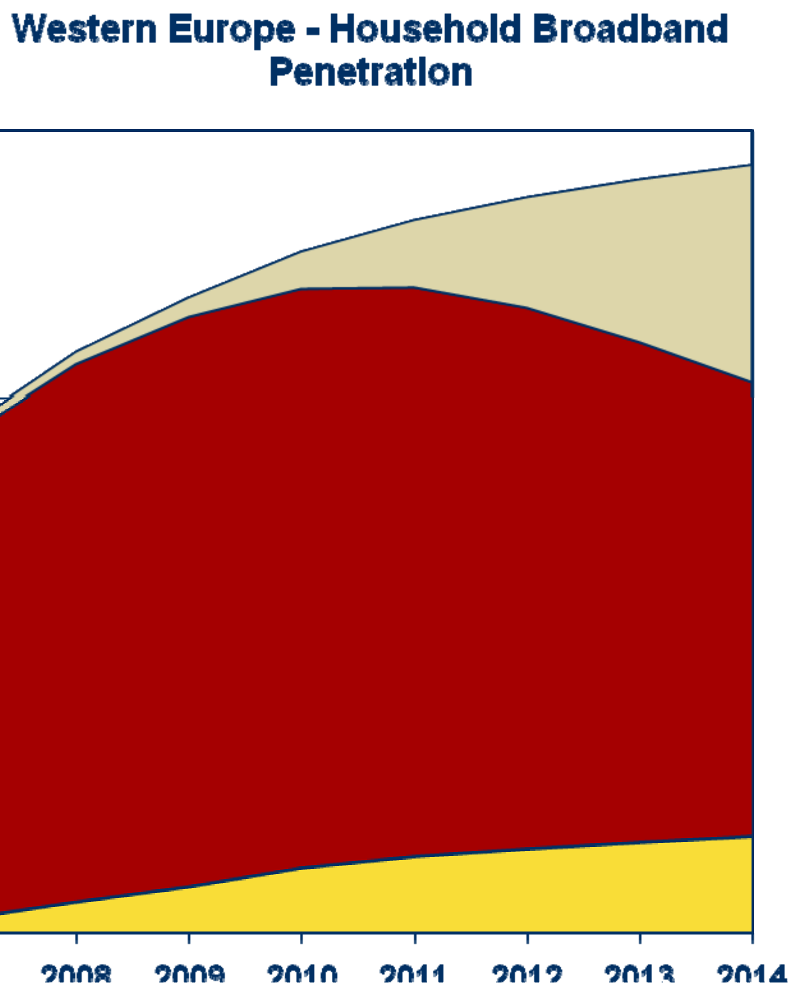
EU is behind leading nations when it comes to Fiber

Fixed Broadband Penetration and FttH Share, 2010



FttH includes FttB +LAN and FttB+DSL

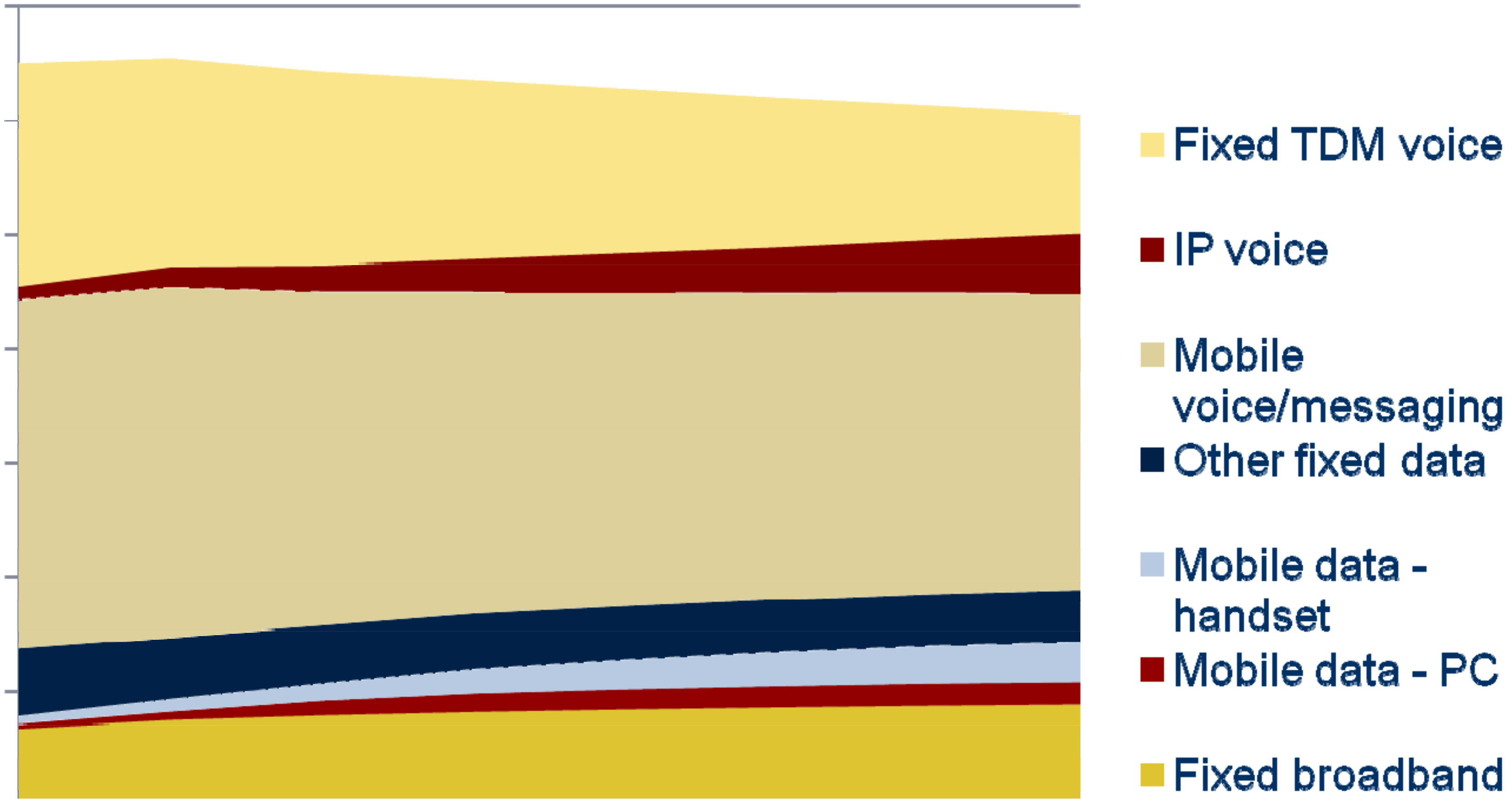
SL providers face "performance eeze"



- Acceleration in deployment of NG access
  - Regulatory approach is crystallizing
  - Competitive pressure
  - Limitations of current networks
- ADSL operators will encounter increasing pressure from 2 sides:
  - Next generation access services that offer superior bandwidth
  - Mobile broadband services that are catching up with ADSL(2+) in terms of performance

d-user spending is shifting

Western Europe – End-user Spending on Connectivity Services



look for broadband operators

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- perators need more bandwidth to stay competitive
- andwidth and coverage unlock new market segments
  - operators should leverage core strenghts
  - growing importance of upstream capacity
- GA networks can drive operational efficiency
- perators will increasingly partner:
  - Network deals with other operators
  - Adding value for other players

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