

VoIP Workshop

European issues

May 25, 2004

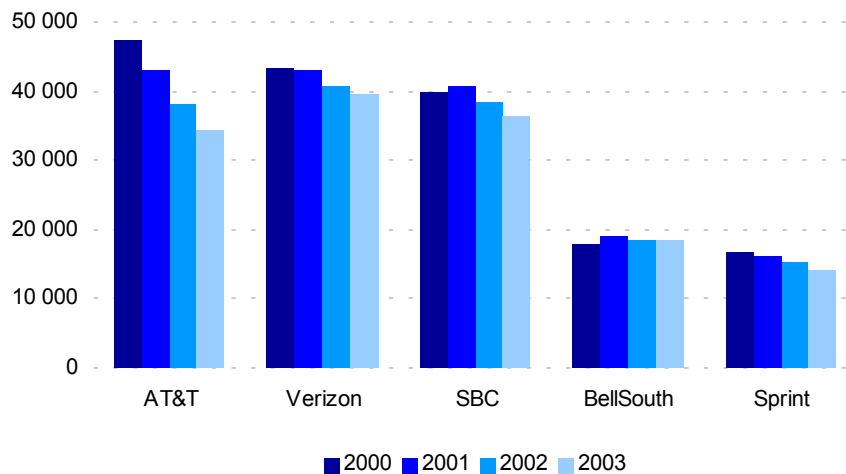


Decline in telcos' fixed telephony revenues

www.idate.org

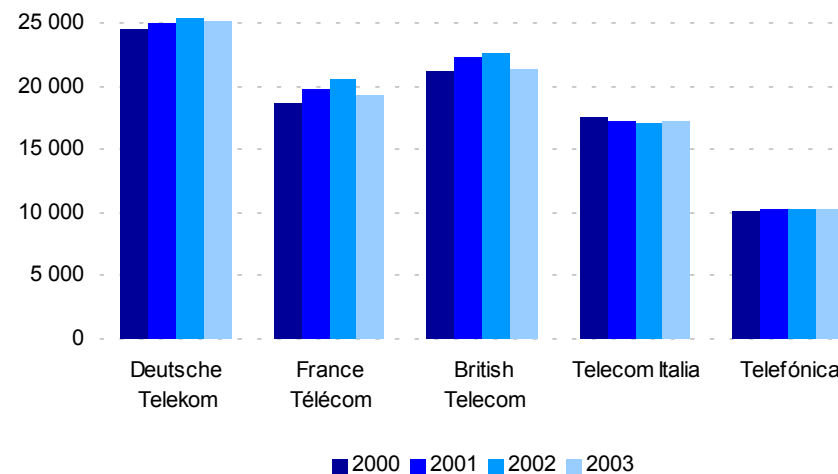
At first in the US...

Major US telcos' fixed telephony revenues
(in million USD)



... And now in Europe

Major European telcos' fixed telephony revenues
(in million EUR)

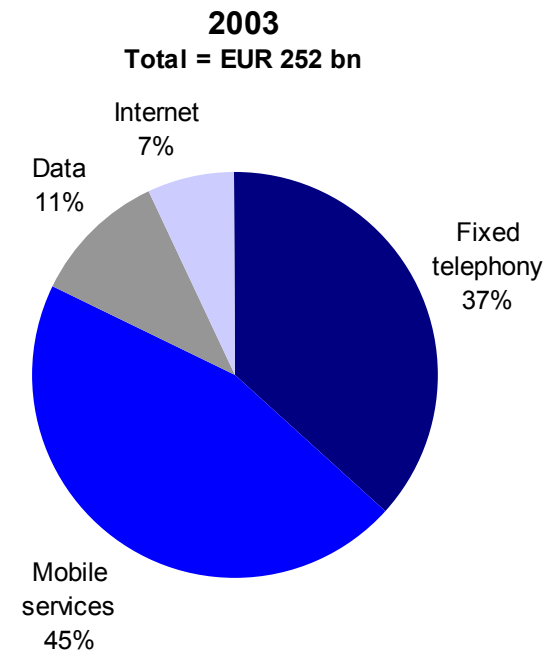
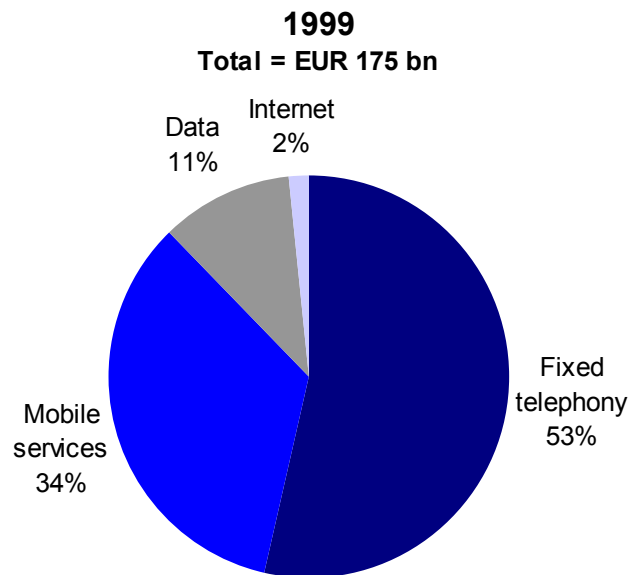


Source: IDATE

Fixed telephony revenues

Now second after mobile services

Breakdown of telecom service revenues by segment in Western Europe

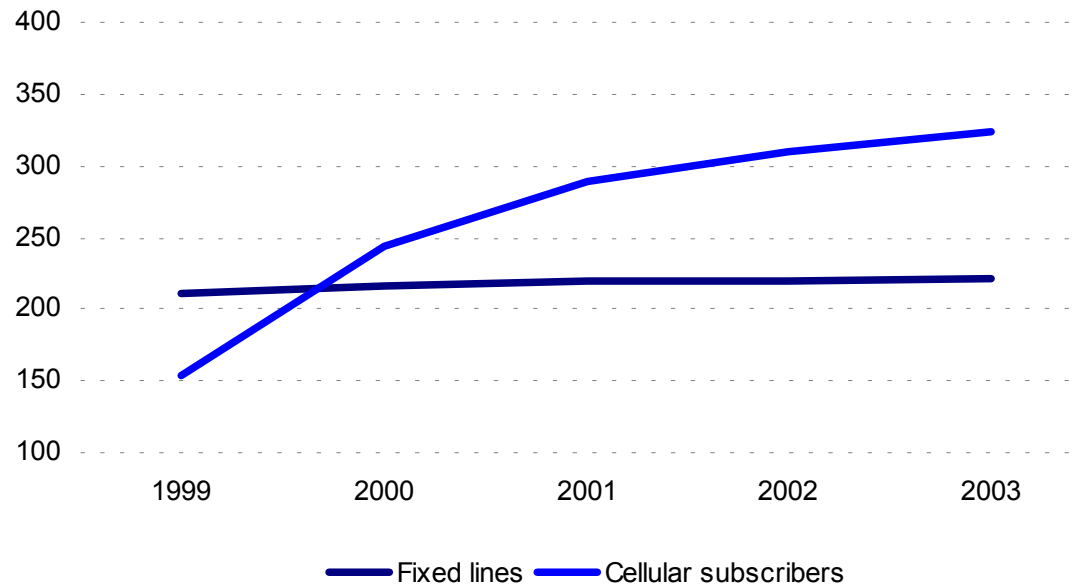


Source: IDATE

Fixed telephone lines

Now less than cellular subscribers

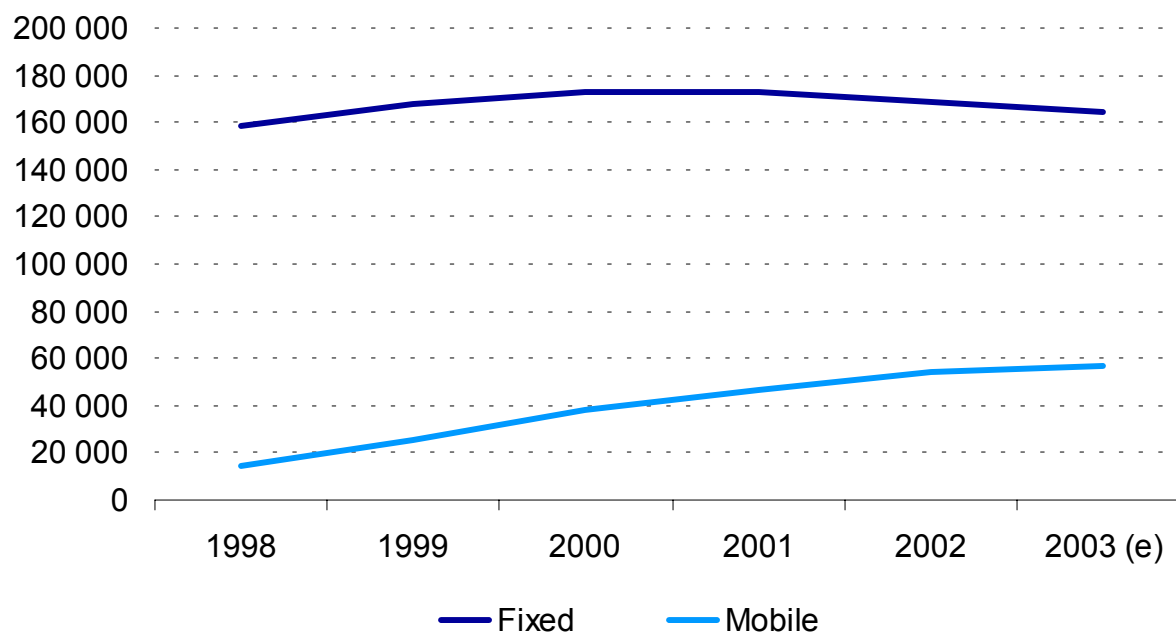
Recent trends in fixed lines and cellular subscribers in Western Europe (in millions)



Source: IDATE

Voice traffic (in UK)

(million minutes)

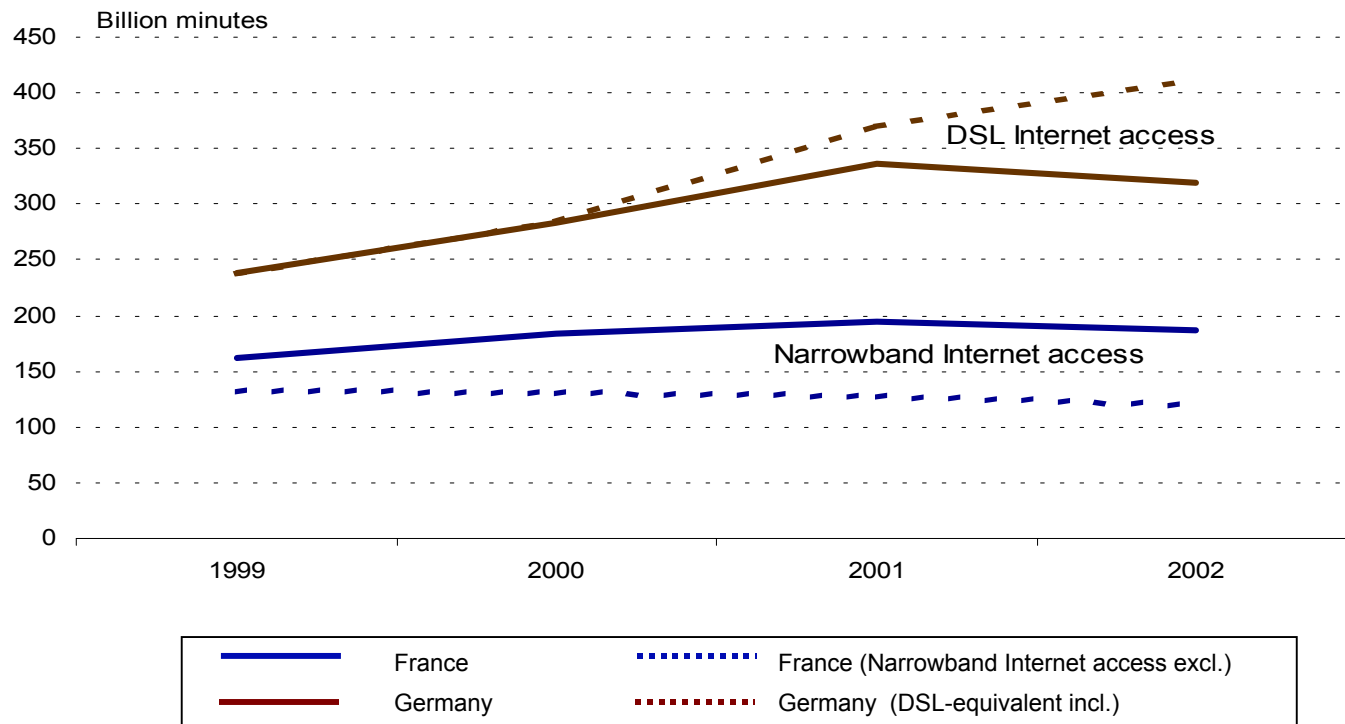


(e) Estimates - Source: IDATE

Fixed telephone traffic

Now declining in most European countries

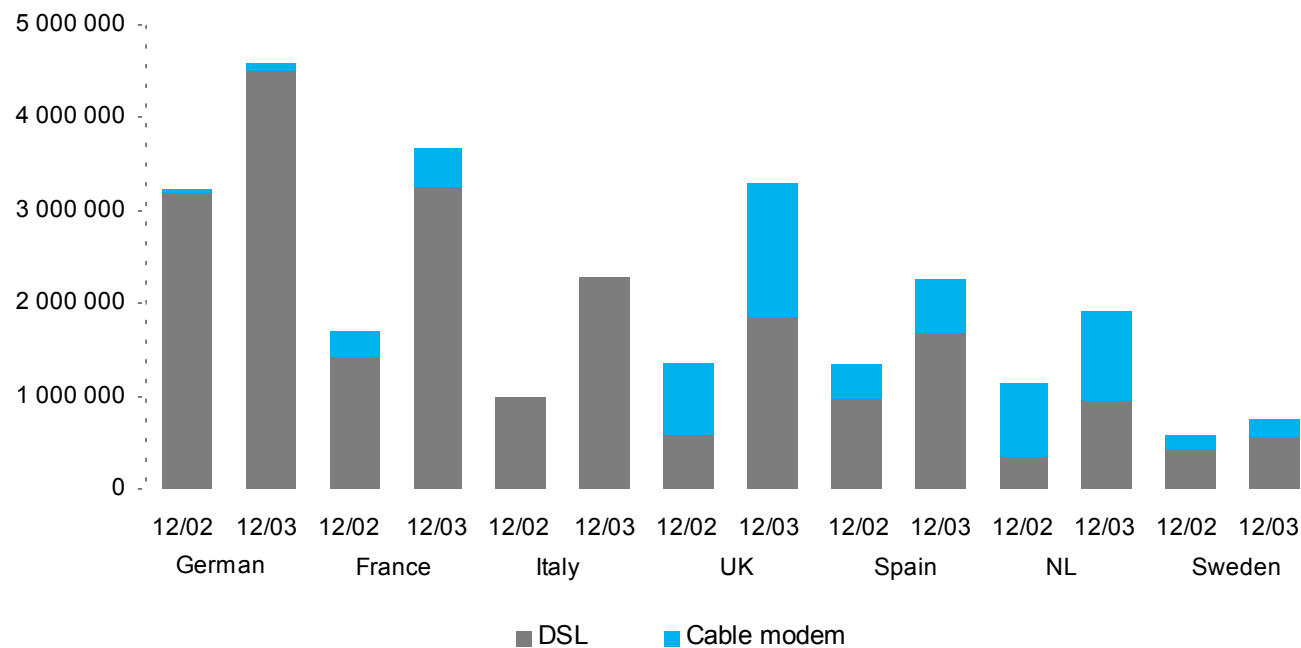
Recent trends in fixed telephone traffic in France and in Germany (billion MoU)



Source: IDATE

Rapid developments in high speed access

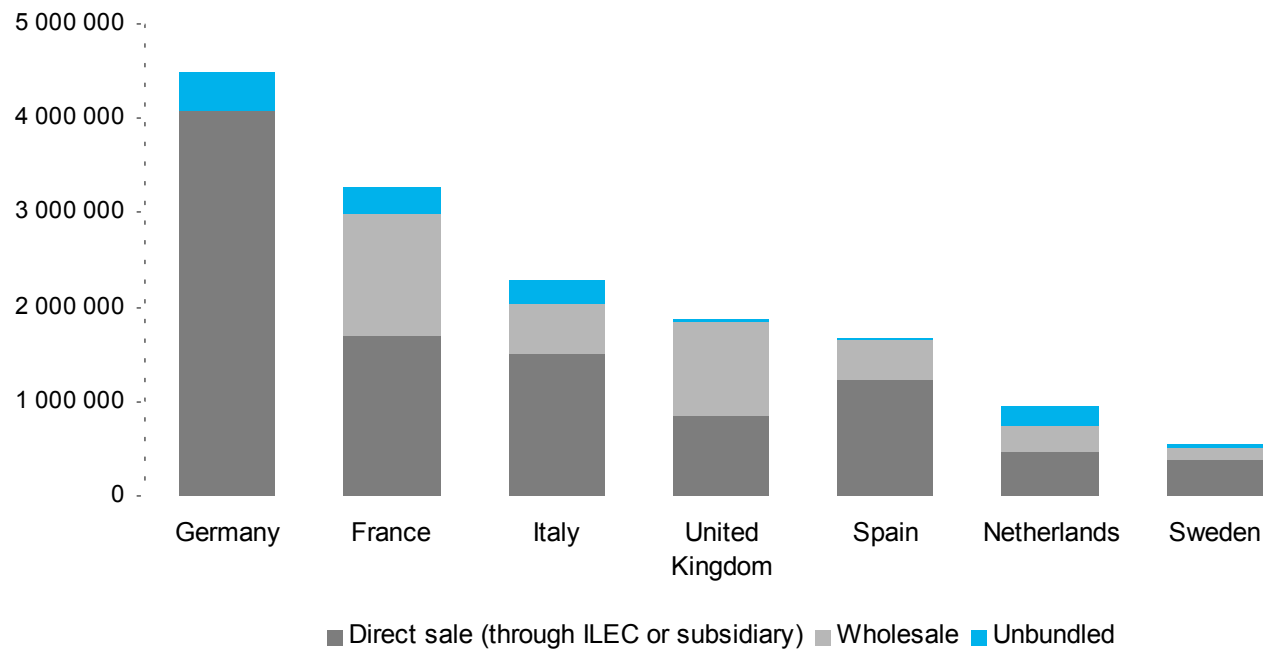
Recent trends in high speed connections in the major European countries



Source: IDATE

DSL status

Breakdown of DSL connections by origin in the major European countries at end 2003



Source: IDATE

Generating new revenues

▪ Incumbents : Finding new ways to ensure longer term growth

- Stimulating usage through innovative marketing (bundling)
- Developing new products and services – TV on DSL, Videophony, SMS on fixed lines, ...
- Ensuring new positioning on the value chain through partnerships with leading brands
- Launch of their own VoIP solutions
- What about external growth? Signs of a return to a more active external growth strategy, but caution still prevails.

The new DSL paradigm

- ❑ DSL bundles and ISP dynamics
 - DSL access + PSTN telephony (resale or pre-selection)
 - DSL access + shared access
 - VoIP
 - TV access
 - DSL access + full unbundling
 - Telephony over IP
 - TV programming
 - ...

- ❑ European Pioneers:
 - Telia-Sonera, B2 Breitband, FastWeb, Free, 9Telecom, BT, QSC, ...

- ❑ Other « dynamics »:
 - IPVPN, PBX-IP...
 - Wi-Fi telephony
 - IM telephony (telephony is no more a telecom service ... but an application based on a software product)
 - Fixed-mobile convergence