

# **Broadband economics**

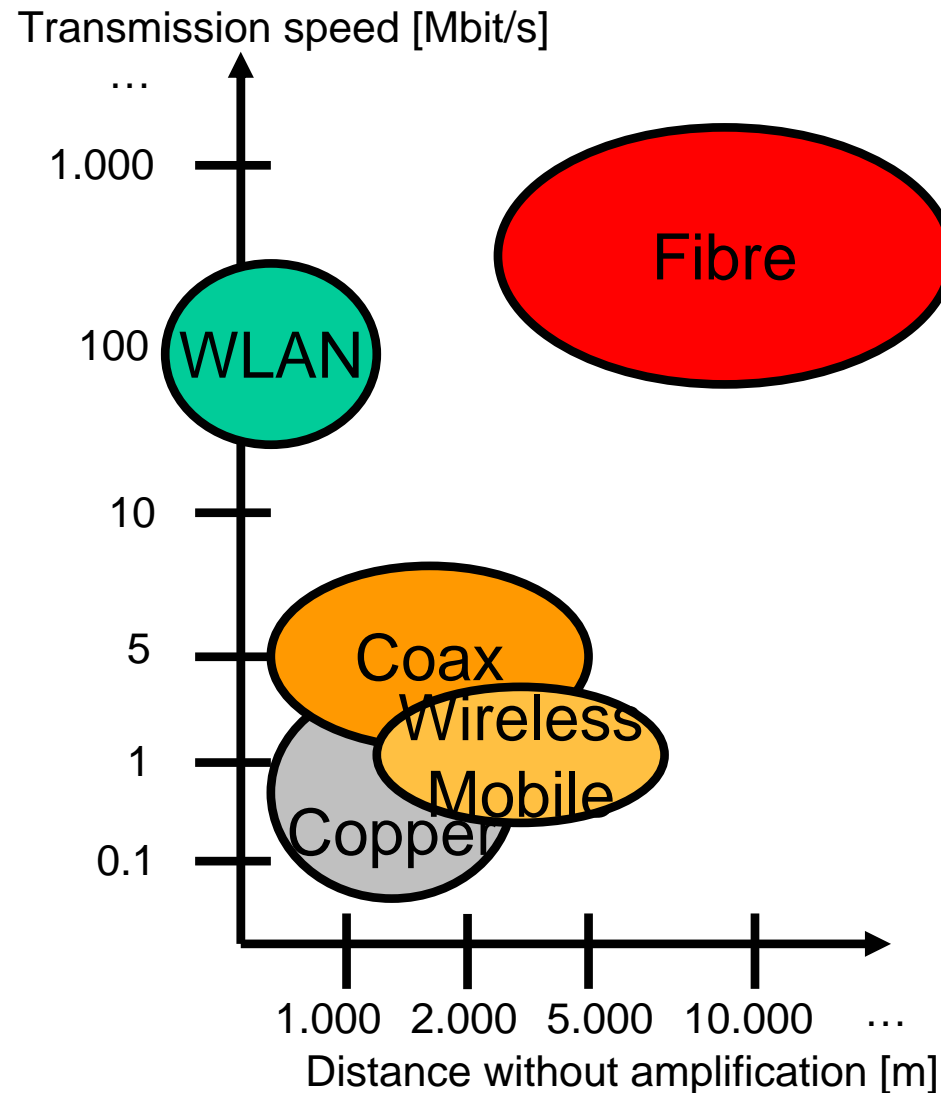
**important development factor for the information society**

## The need for broadband infrastructure

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- Peer to peer, gaming, streaming, software download and other Internet applications will be the main drivers for take up of broadband by individuals
- Easy to use VPN solutions, distributed business processes and organisations for the business sector
- Education, health care, security and emergency services are the main drivers for the public sector
- Europe is under pressure because of:
  - EU and National Broadband Initiatives require coordination
  - Large Government Fibre To The Home projects in Japan & South Korea
  - US Government pushes Fibre To The Home broadband

## Radio and Fibre are the next generation infrastructures (next 50 years)



- Wireless and fibre access have no long-term alternatives
- Access Prices have to be cheap
- Copper infrastructure restricted
  - Coverage
  - Maintenance
  - security
- Fibre enables consolidation of communication networks connecting buildings, Cable TV blocks, base stations, WLAN hotspots, server farms,...

## Services follow infrastructure

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- ISDN introduced better voice quality, more bandwidth and number identification
- GSM allowed global roaming, global SMS, MMS...
- Fibre to the building will allow the cost-effective introduction of new educational, entertainment and security applications based on video and other high-speed, broadband transmission of moving images in real time

## Financial Off-Balance Sheet Deal Structure of solid partners

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Separate ownership of physical infrastructure, provision of services and Capital Outsourcing of infrastructure

