



100% Broadband coverage The next challenge

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The European objective

- ✓ The European Commission aims to achieve 100 % high-speed internet coverage for all EU citizens by 2010 – 2013, as part of the European Economic Recovery Plan;
- ✓ In areas with a lack of infrastructure, such as less populated areas or remote and isolated rural areas, increased spending on new telecom infrastructure boosts the productivity and employment potential of the local economy;
- ✓ 30% of the EU rural population still has no access to high speed internet, as of December 2007¹;
- ✓ Only 10.52 % population's coverage in Romania².

¹ Idate study, DG INFSO, December 2008

² ANCOM's statistical data report on Romanian electronic communications market in 2008

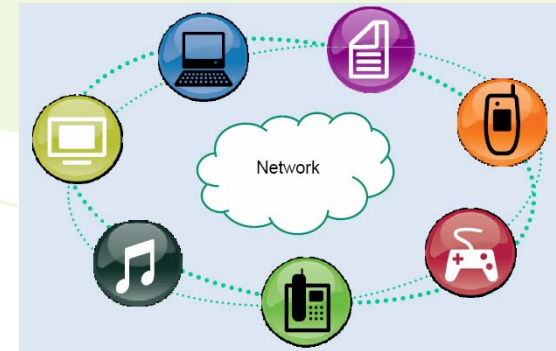
Measures at local level

- ✓ Ministry of Communications and Information Society (MCSI) issued the *“Governmental strategy for development of broadband electronic communications in Romania during 2009 – 2015”* , which aims to increase the broadband services coverage, specially in rural areas;
- ✓ The Romanian NRA (ANCOM) is currently consulting the public over the opportunity of allowing the supply of 3G services in 900/1800 MHz bands;
- ✓ Ministry of Communications and Information Society intends to implement a project through which 84M Euro will be invested in 11000 (white areas) localities for broadband infrastructure.

What are the users' needs?

Unrivaled attributes

- ✓ Individuality (customization)
- ✓ Mobility (whenever and wherever)
- ✓ Accessibility
- ✓ Innovation and Service Diversification



Forecast*

- 2010: globally, 87mn will use their mobile for ticketing
- 2011: Mobile advertising will be worth \$11.5 billions
- 2012: 950mn mobile users will access Social Networking Sites
- Almost 64% of the world's mobile traffic will be video by 2013 (73% in Western Europe)

*Source: European Commission, Analyses

The benefits of broadband communications for the communities

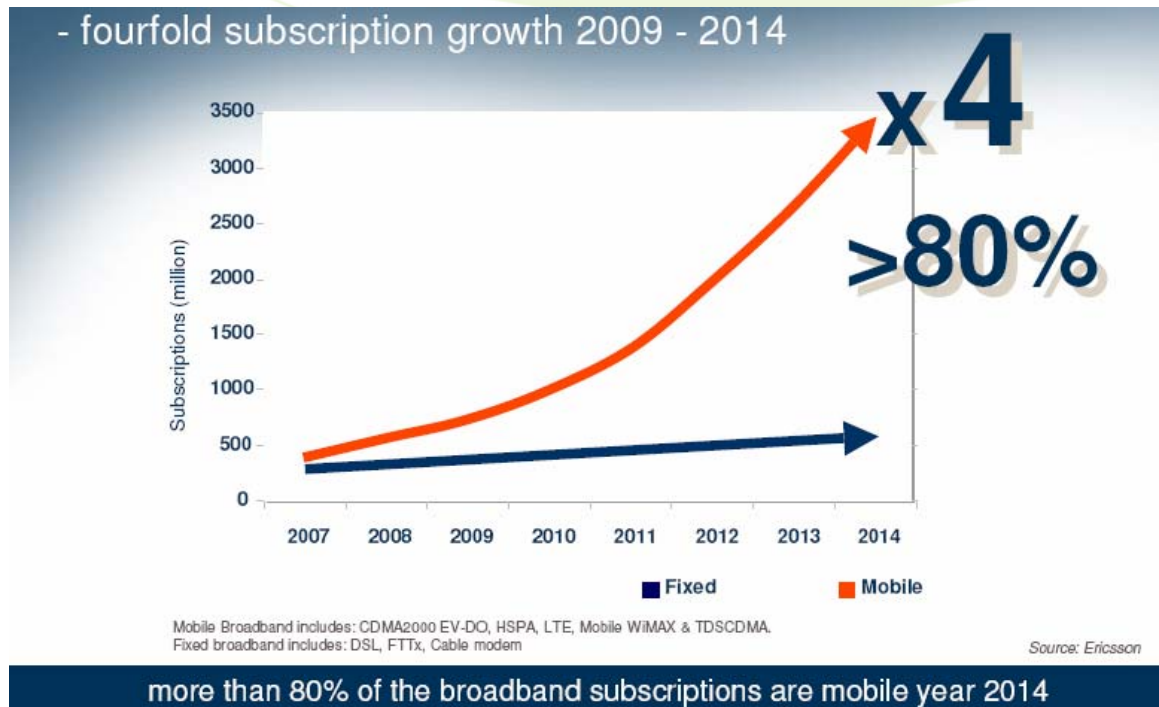
- Improved access to education (e-learning services for Human Resources development);
- Faster economic development (business growth);
- Access to larger resources of information;
- Increase of the working opportunities (more jobs);
- E – government services (administrations will supply more services to the citizens);
- Improved access to health care (e – health services).

Mobile uptake

Mobile Broadband: The Next Big Thing!

Mobile Broadband

- 2014: ~80% of BB connections will be mobile globally
- 2020: ~50 billion devices globally offering broadband connectivity



Source : European Mobile Observatory 2008, company data and analysts projections

Regulatory Challenges

High growth of mobile broadband predicted all over Europe

Future Mobile broadband applications

- Technology and spectrum-dependent
- CAPEX hungry

- Spectrum Limitations
- Base Station Licensing
- Public Policy

Continued uncertainty is a constraint to investment & innovation

Mobile Broadband: Regulatory challenges

Digital Dividend

❖ **Analysys Mason, DotEcon and Hogan & Hartson (9.9.2009):**

“The digital dividend presents a unique opportunity to realize economic and social benefits across the EU”

❖ **Romania:**

- Digital switchover: not specified yet;
- Cleared spectrum (DD): neither specified nor allocated.

“We estimate the economic and social value of the DD across the EU to be in the range of EUR 150-700

billion*” (Analysys Mason, Dot Econ and Hogan & Hartson – 9.9.2009)

* Net Present Value over 15 years

Thank you!

