

Creating a brighter future

Fibre to the Home: Taking your life to new horizons!

Hartwig Tauber, Director General
FTTH Council Europe

Press Conference - Milan, 13 January 2011

FTTH Council Europe

Photo by Nicolo Baravalle



Fibre to the Home
Council **Europe**

www.ftthcouncil.eu

FTTH Council Europe

Our Vision: A sustainable future enabled by Fibre to the Home

Our Mission

- To accelerate FTTH adoption through information and promotion in order to enhance the quality of life, contribute to a better environment and increased competitiveness

Organisation

- Founded in 2004, non-profit industry organisation
- More than 150 member companies

FTTH Conference 2011

9-10 February 2011, Milan, Italy

www.ftthconference.eu



Why FTTH?

Photo by Nicolo Baravalle



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FTTH for an enhanced experience



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Fibre to the Home is an enabler

FTTH allows access to enhanced content & services:

- Real speed

Download of 6.5 Gbyte DVD-film:

10 Mbit/s DSL: 1.44 hours



100 Mbit/s FTTH: 8.6 min

+

- Symmetry

Upload of 300 holiday-photos (700 Mbyte):

1 Mbit/s Upstream: 92 minutes

10 Mbit/s Upstream: 9 minutes

100 Mbit/s Upstream: 56 seconds

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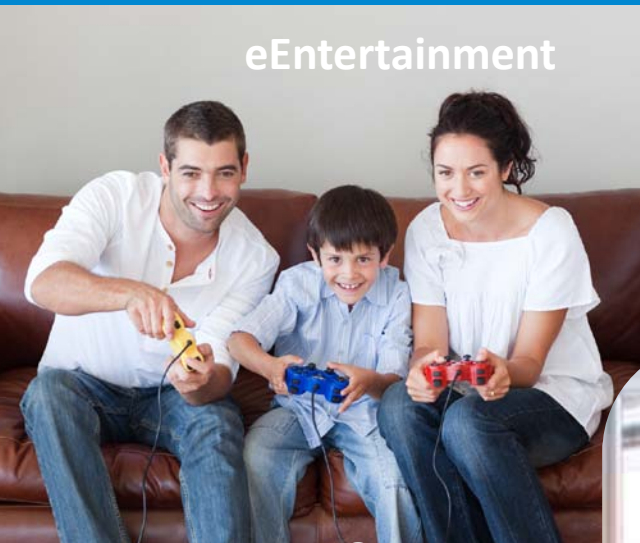
INTERACTIVITY

**FTTH improves the way
people live and work**



FTTH for a better quality of life

eEntertainment



eHealth



eLearning

Teleworking



eGovernment



Web 2.0



eHome



Societal
Environmental



FTTH for a better quality of life

Study by Ovum 2008 in Sweden for FTTH Council Europe

Study by Yankee Group 2009 in Bulgaria for FTTH Council Europe

- FTTH enables users to benefit from real broadband applications, content and services
- FTTH-users are ready to use new services for teleworking, eLearning, etc.
- FTTH-users are more satisfied
- Highest impact in rural areas

Study by PriceWaterhouseCoopers/Ecobilan 2008:

- Using FTTH and FTTH services can save up to CO² equivalent of driving a car for 4,600 km per year – for every household!



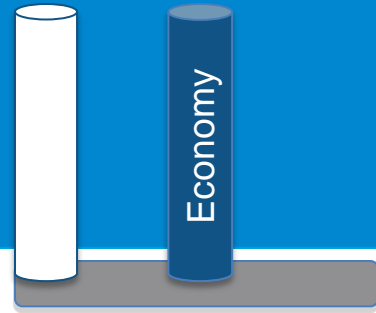
FTTH is a key economic driver



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FTTH is a key economic driver



FTTH is a critical driver for the knowledge economy

- Deployment of FTTH creates jobs
- New services create GDP growth, not only from ICT industry (entertainment industry etc.)

FTTH creates business opportunities & competitiveness

- Operators: increased ARPU (30%!), lower churn-rate, Opex savings
- Businesses: new ways of working, reduced travel & office rental costs, better time management, more innovation, better competitiveness
- Regions/Municipalities: retain and attract more businesses & investment, offer cost-efficient services to the community, increase local competitiveness

Conclusions

- FTTH improves the quality of life
- FTTH is a key economic driver
- FTTH contributes to a better environment
- **With FTTH, let's build a sustainable future!**

Europe in the slow lane?

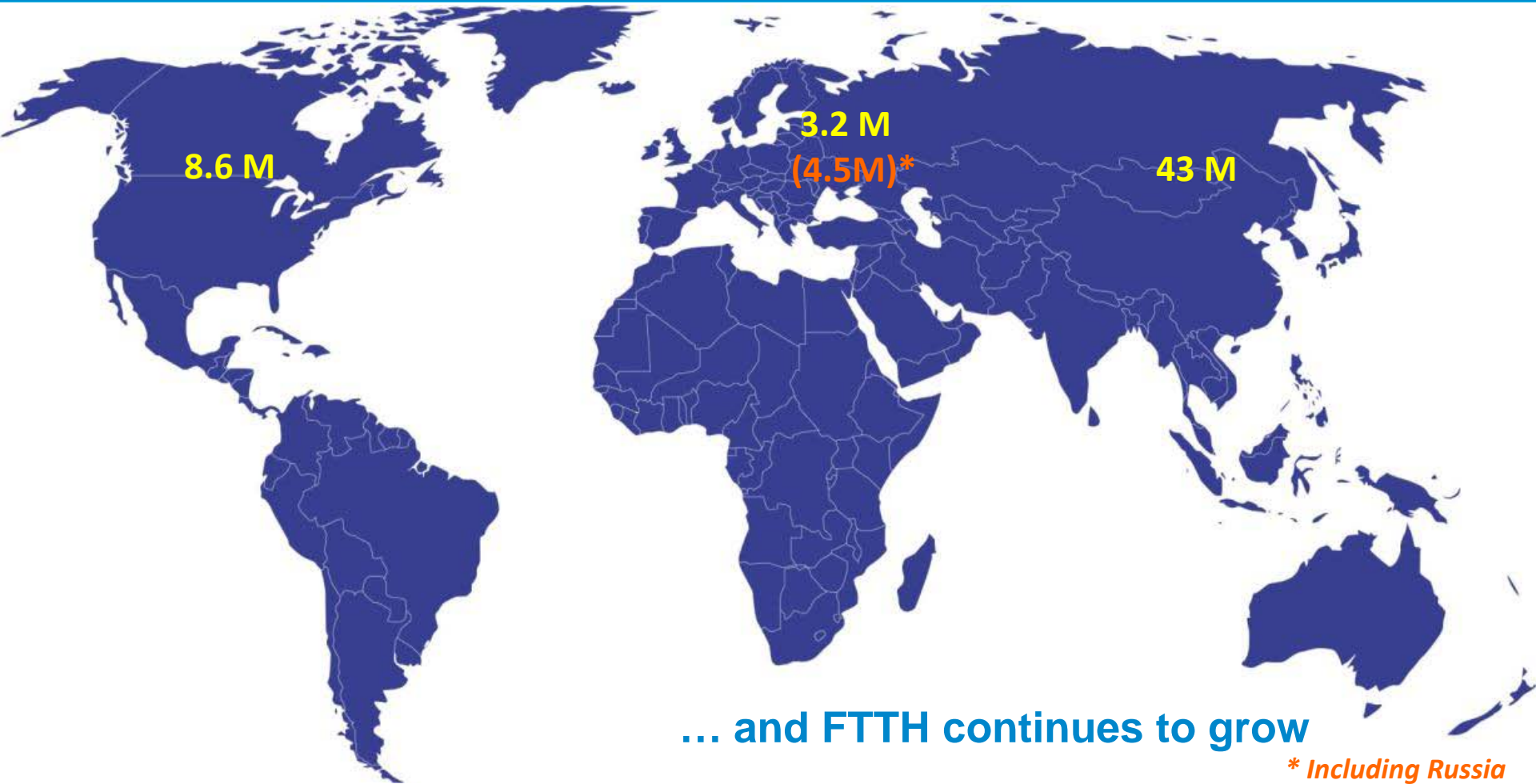
Photo by Nicolo Beavalle



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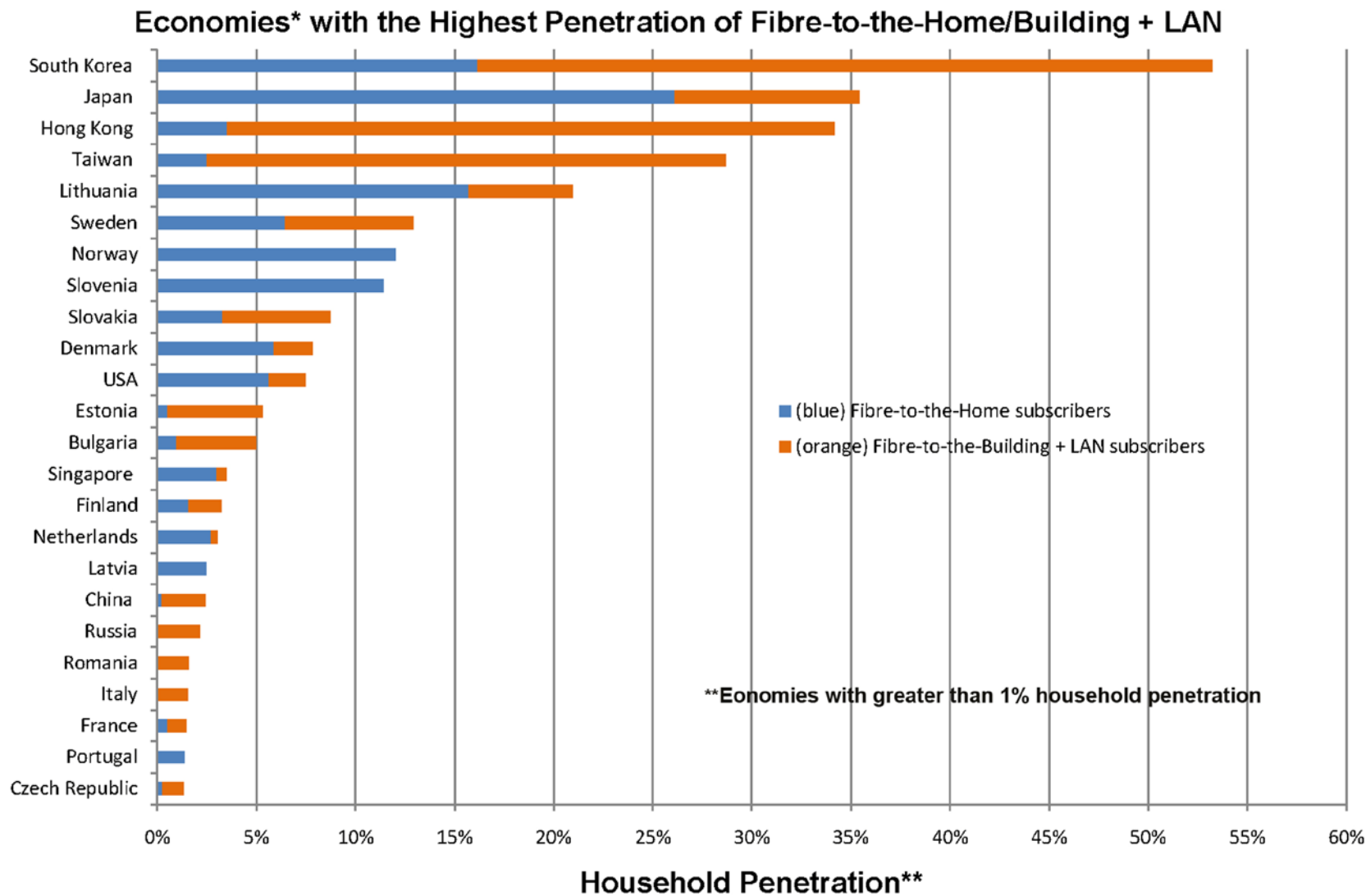
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FTTH Global panorama mid-2010 – Total subscribers



** Including Russia*

FTTH Global Ranking mid-2010



June 2010 Ranking

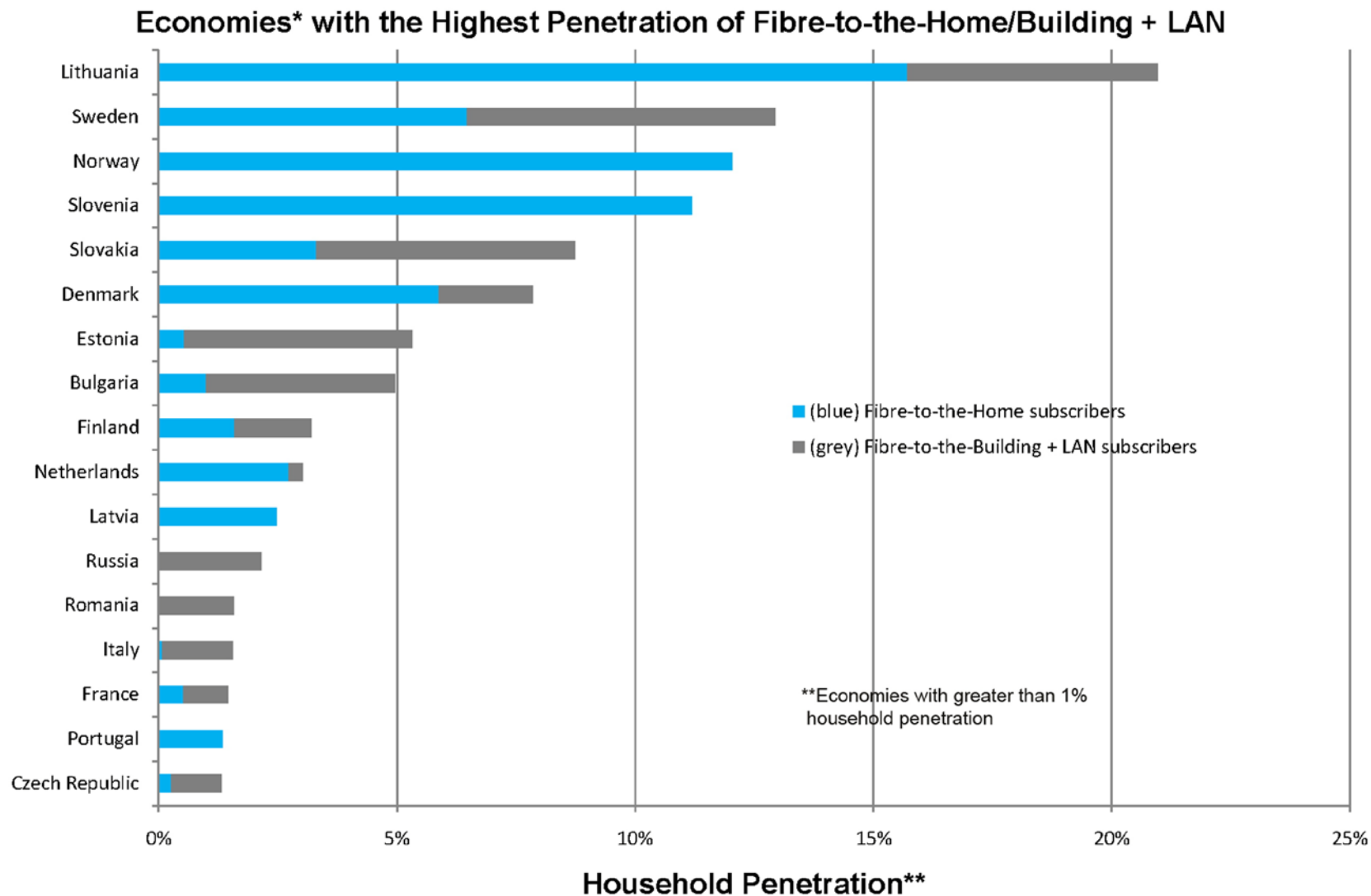
Source:

Fibre-to-the-Home Council

October 2010

*Economies with at least
200,000 households

FTTH European Ranking mid-2010



FTTH European Ranking – mid-2010

Countries	Households	FTTH/B subs June 2010	Penetration June 2010
Lithuania	1 357 000	284 400	20,96%
Sweden	4 400 000	569 000	12,93%
Norway	2 000 000	240 689	12,03%
Slovenia	670 000	75 000	11,19%
Slovakia	2 200 000	192 000	8,73%
Denmark	2 500 000	195 900	7,84%
Estonia	582 000	31 000	5,33%
Bulgaria	2 900 000	144 000	4,97%
Finland	2 476 500	79 390	3,21%
Netherlands	7 000 000	211 500	3,02%
Latvia	896 916	22 200	2,48%
Russia	55 869 494	1 200 000	2,15%
Romania	7 600 000	120 000	1,58%
Italy	22 300 000	347 000	1,56%
France	25 500 000	371 312	1,46%
Portugal	3 900 000	52 500	1,35%
Czech Republic	3 800 000	50 000	1,32%

Source: FTTH European Ranking, FTTH Council Europe & IDATE, September 2010

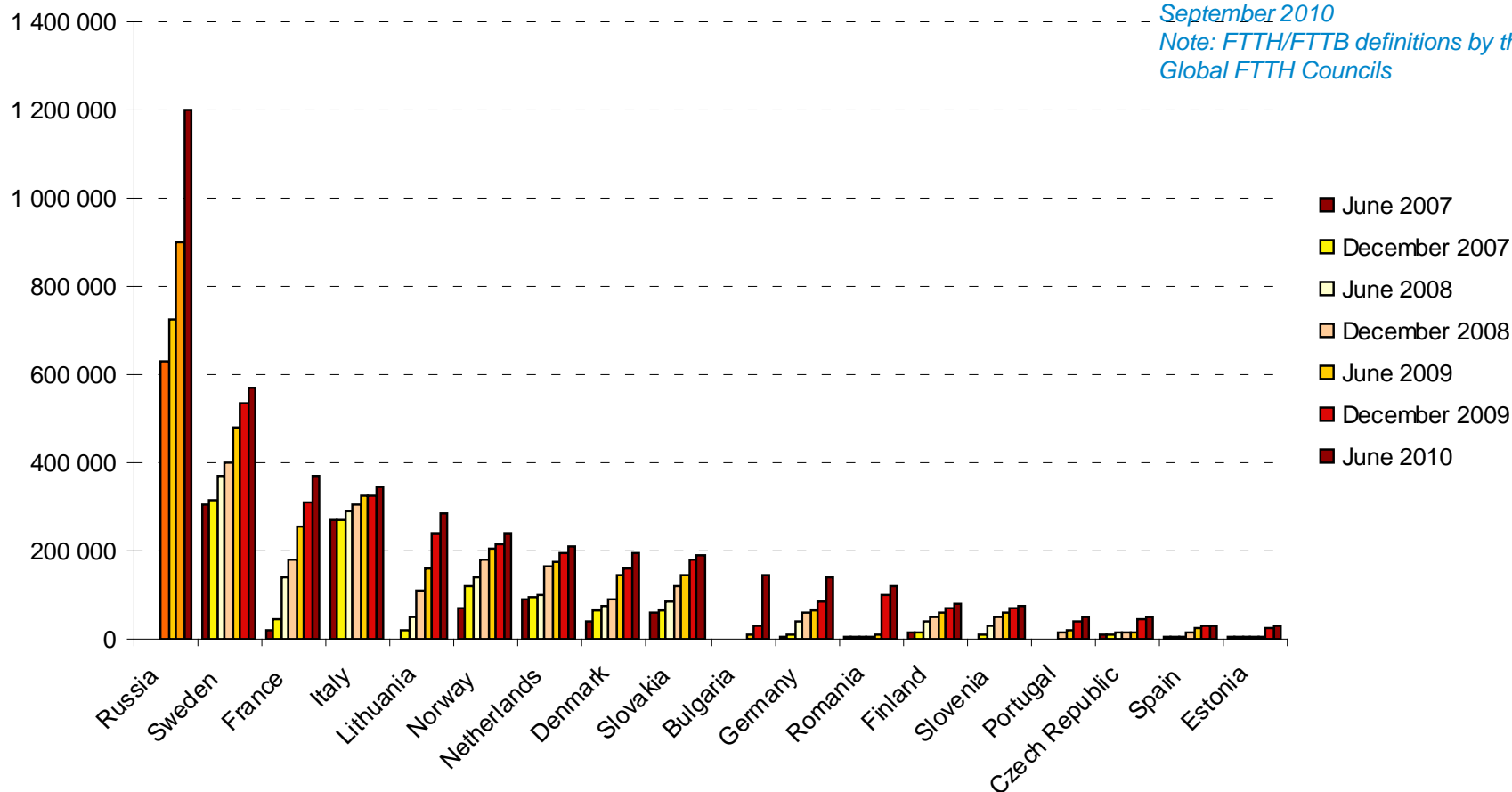
Note: The Ranking covers all countries with at least 200,000 households where FTTH/B penetration has reached 1% of the total number of homes.

Evolution of FTTH Subscribers in Europe - mid-2010

Evolution of FTTH/B (*) subscribers in Europe

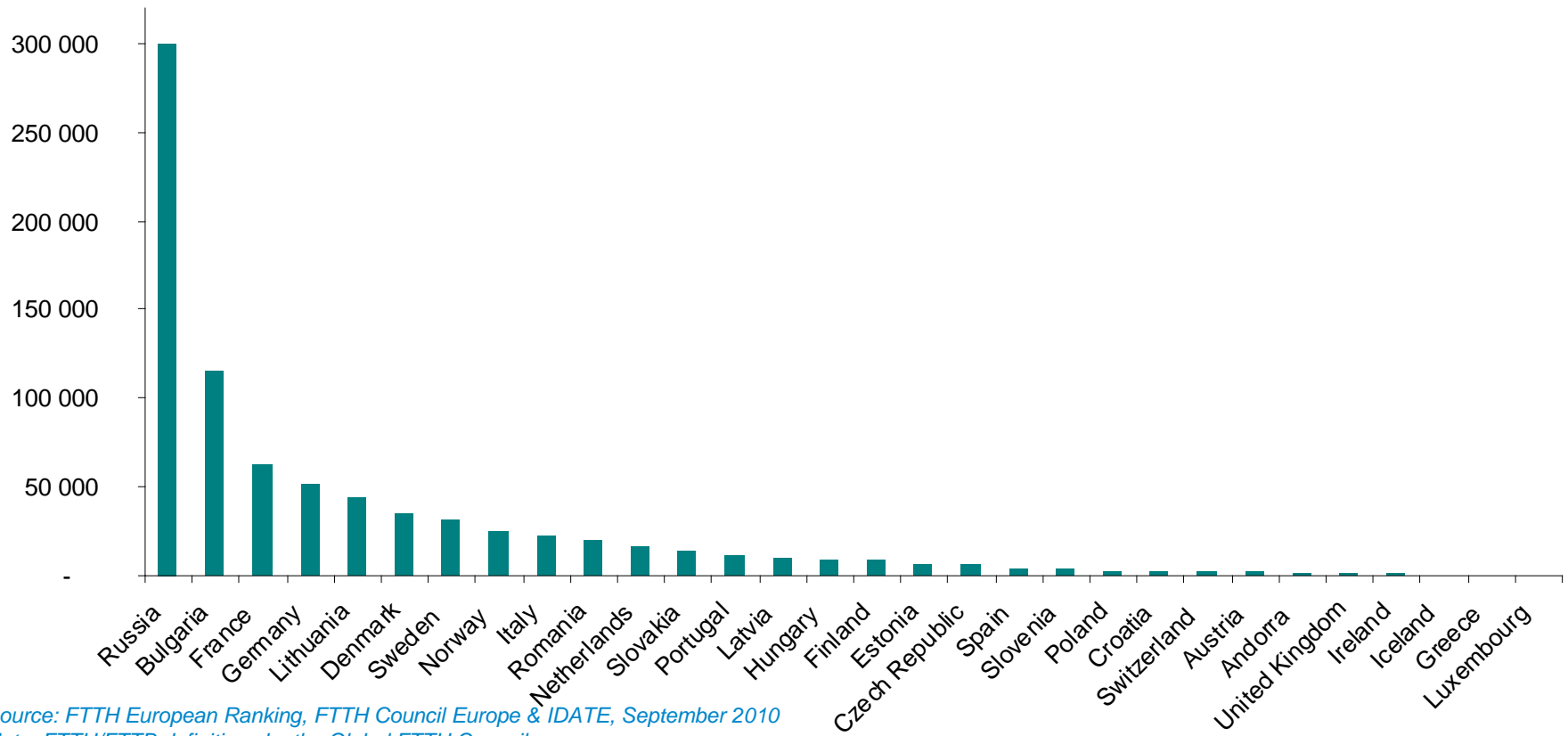
Source: FTTH Council Europe & IDATE,
September 2010

Note: FTTH/FTTB definitions by the
Global FTTH Councils



New subscribers per country in H1/2010

New FTTH/B subscribers between December 2009 and June 2010

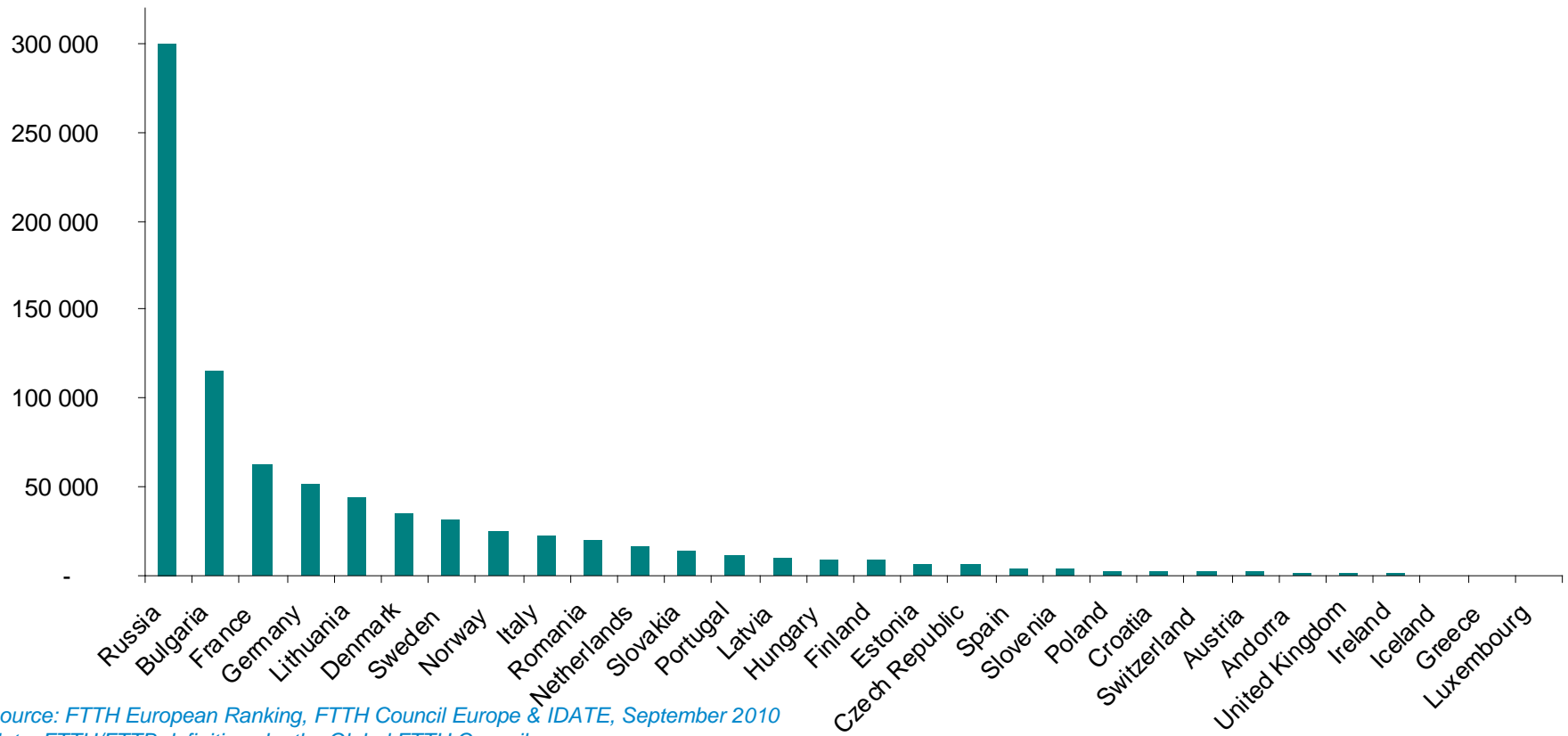


Source: FTTH European Ranking, FTTH Council Europe & IDATE, September 2010

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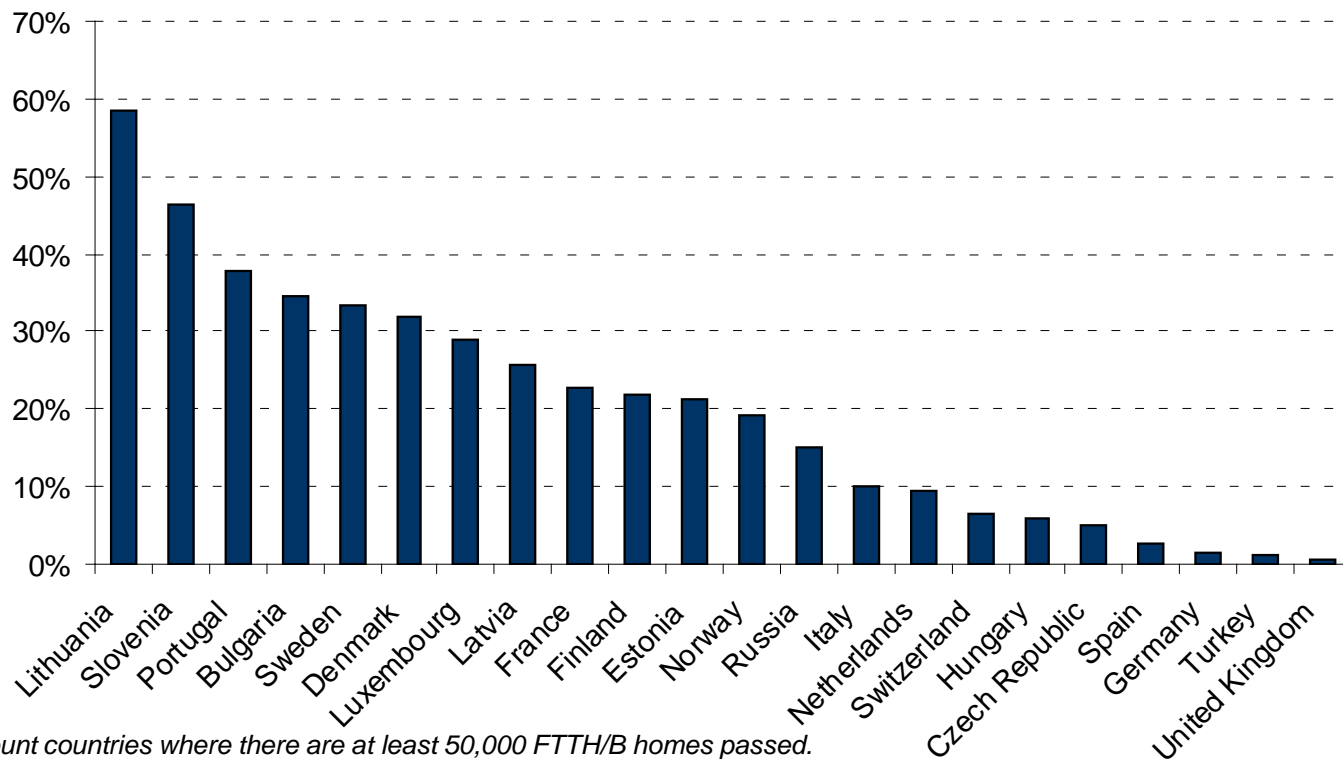


Source: FTTH European Ranking, FTTH Council Europe & IDATE, September 2010

Note: FTTH/FTTB definitions by the Global FTTH Councils

FTTH homes passed in Europe – mid-2010

% of FTTH/B HP in total Households (1)



1) Taking into account countries where there are at least 50,000 FTTH/B homes passed.

Source: FTTH European Ranking, FTTH Council Europe & IDATE, September 2010

Note: FTTH/FTTB definitions by the Global FTTH Councils

Sneak Preview - ITALY - December 2010 update

- Italy remains one of the largest FTTH players in Europe:
 - 2.5 million homes passed
 - 348,000 subscribers (13.7% of homes passed)
- But the penetration rate is not progressing
 - Falling in FTTH ranking (Number 21 in June 2010, number 13 in December 2007)
- “Fibre to Italy” + TI announcement could reverse the trend
 - 2011 could be a decisive year for the country

Conclusions – FTTH leaders

- **Strong growth of FTTH/B subscribers: > 50% in one year incl. Russia**
- **Growth of the FTTH/B market is led by Eastern European countries**
 - Bulgaria, Slovakia and Romania are showing their dynamics in terms of coverage and subscriptions
 - Lithuania is leading the EU Global Ranking with 21% penetration
- **However, most FTTH/B subscribers, in volume, are still concentrated in Western and Northern Europe (incl. mature markets in Sweden, Norway, France, Italy and Denmark)**
- **Efforts are to be made in order to increase penetration rates, which are still low**
 - This penetration rate can be high in small economies where FTTH/B deployment has been necessary to compensate lack of Broadband offers and where migration has been quite rapid

Conclusions – FTTH players

- There are still more Municipalities and Power utilities than any other kind of FTTH/B players at mid-2010

Players involved in FTTH/B
Segmentation

	June 2010		Dec 2009		June 2009		Dec 2008		June 2008	
Incumbents	28	11,0%	28	11,5%	26	10,8%	22	9,8%	22	9,5%
Municipalities / Power Utilities	134	52,8%	136	55,7%	135	56,0%	131	58,5%	136	58,9%
Alternative operators / ISPs	82	32,3%	70	28,7%	70	29,0%	61	27,2%	61	26,4%
Housing companies & Other	10	3,9%	10	4,1%	10	4,1%	10	4,5%	12	5,2%

Source: IDATE for FTTH Council Europe

- Alternative operators are still the most dynamic and represent at mid-2010, including Russia, 72% of total European FTTH/B Homes Passed
- Incumbents are getting more and more involved: they represent more than 17% of FTTH/B homes passed at June 2010 compared to 15% six months earlier

The background of the slide is a black canvas filled with numerous bright blue, glowing, wavy lines. These lines, which resemble light trails or fiber optic paths, flow across the frame in various directions, creating a sense of dynamic movement and energy. The lines vary in thickness and brightness, with some appearing as sharp, intense streaks and others as softer, more diffuse waves.

What next?

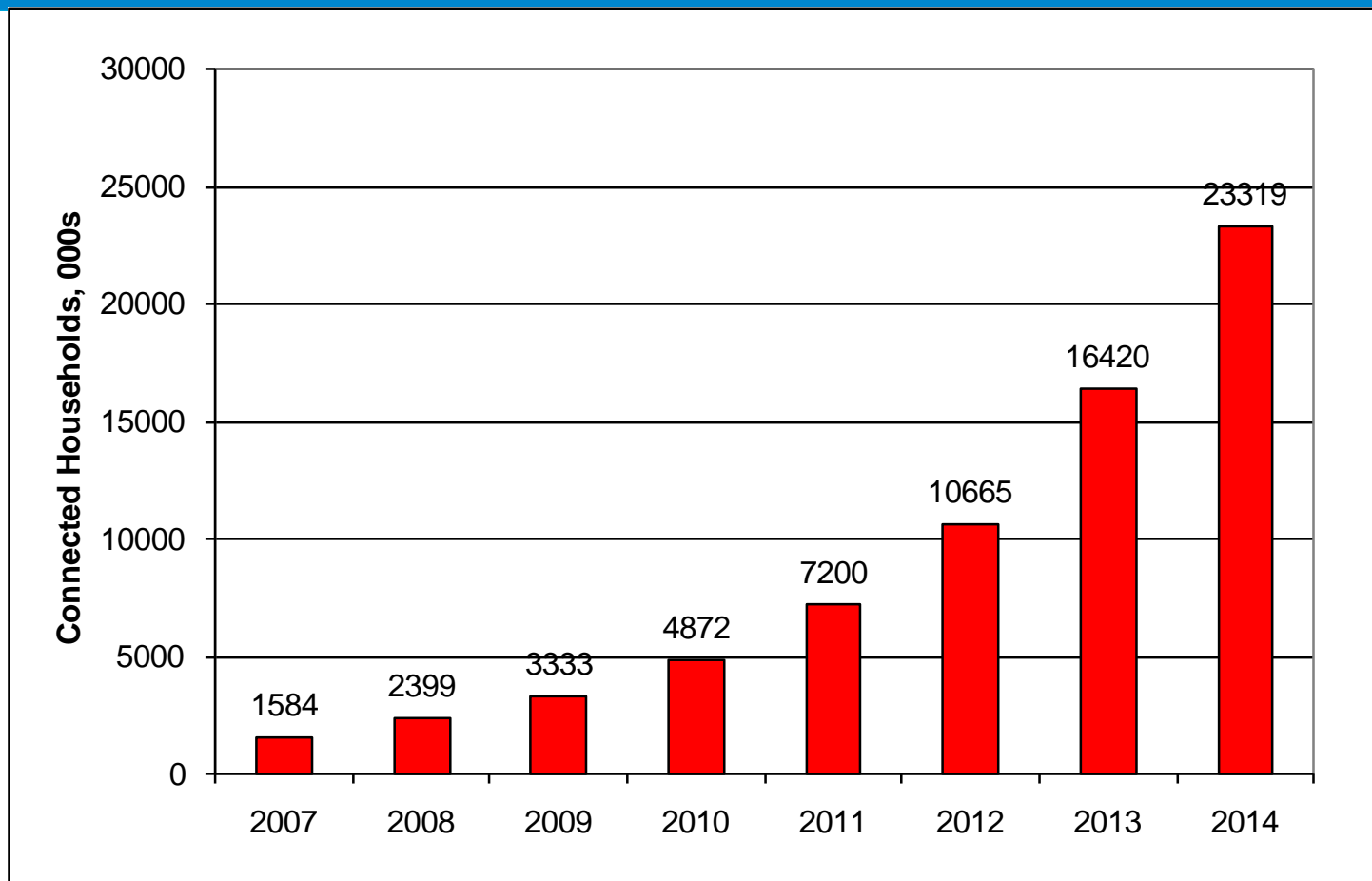
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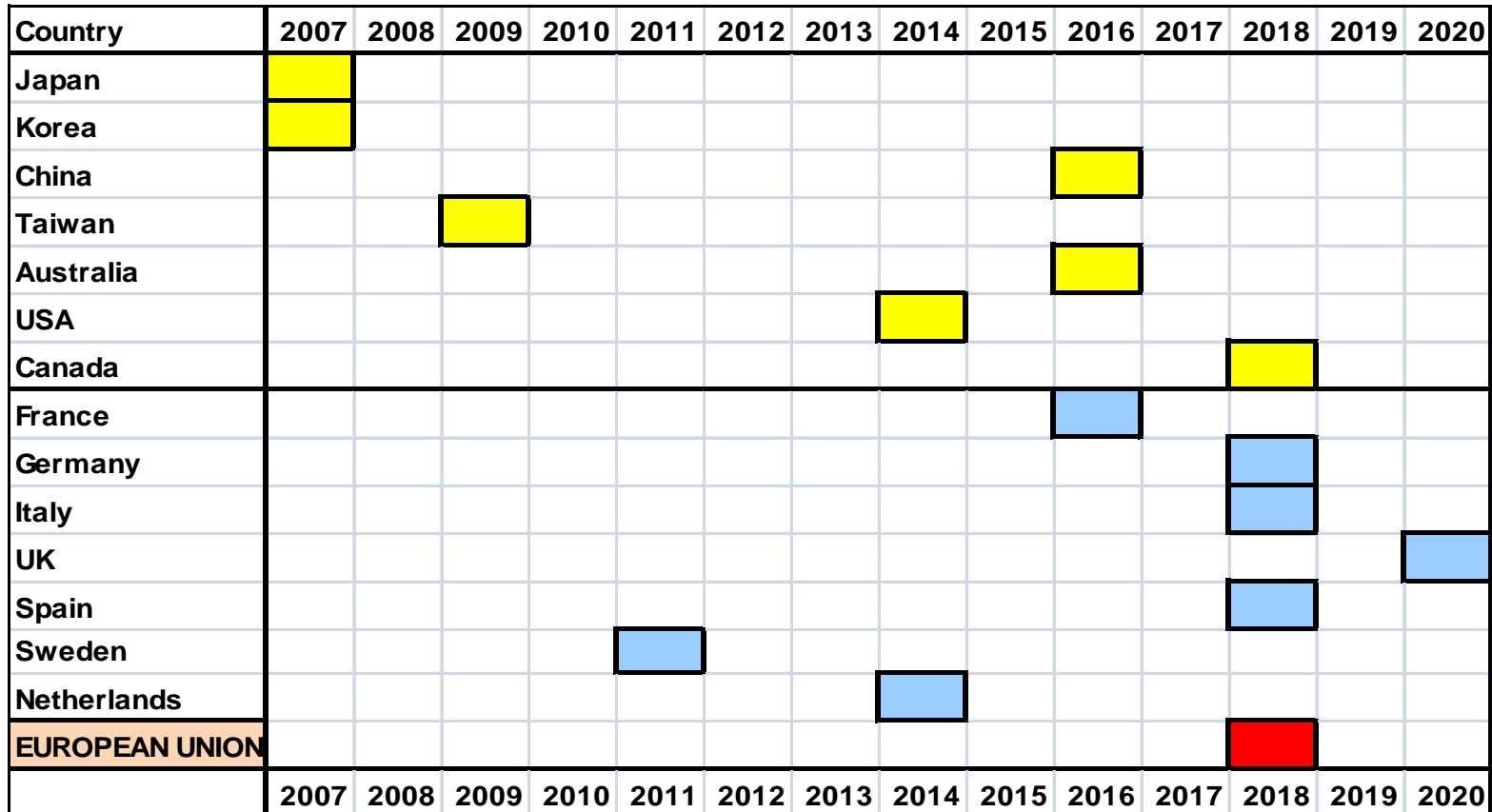
European Region FTTH Forecast



Source: Heavy Reading, December 2009

Note: Households connected directly to fibre (FTTH) and apartments connected via basement fibre termination (FTTB)

Europe in Context: the Race to Fibre Maturity



Source: Heavy Reading, December 2009

Summary

- Over 23 Mil households will be connected to FTTH or FTTB at the end of 2014 in the countries covered by this forecast– this is about 8% of all homes in the region
- In the EU only, the total will reach 16 Mil, or 8.3% of all homes
- Six of the 21 nations individually analysed should achieve “fibre maturity” (20% penetration) by 2014– Slovenia, Sweden, Denmark, Norway, Netherlands and Slovakia
- On current trends, seven of those nations will still be under 10% penetration at the end of 2014– UK, Belgium, Poland, Spain, Greece, Italy and Germany
- Unlike most other regions, incumbents are not currently the major providers of FTTH, and this will likely remain the case through the next five years
- The dominance of FTTB and municipal build-outs means that P2P Ethernet is the main technology in use, though the proportion of PON will gradually increase

European Commission Digital Agenda: 50% of European households connected to 100 Mbps by 2020

Thank you for your attention!

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