IDATE

Press Release
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The European way to think the Digital World

FTTH situation in Europe

FTTH subscribers growth is still slow in Europe and remains concentrated in a few countries

As it was the case in 2004, IDATE has been commissioned by the FTTH Council Europe to give an overview of the FTTH deployments in Europe (EU 25 + Norway & Iceland) at mid 2005. At this date, IDATE has identified **166 FTTx projects** in Europe of which **13 are new initiatives** since mid 2004

New FTTx initiatives

Countries	Players		Home/Building passed (end 2006)
Denmark	EnergiMidt	Power utility	10 000
Finland	Verkko-osuuskunta Kuuskaista	Municipalities	2 500
France	CiteFibre	Alternative operator	20 000
Iceland	Reykjavik Energy	Power utility	20 000
Ireland	Magnet Networks	Alternative operator	8 000
Ireland	Smart Network	Alternative operator	5 000

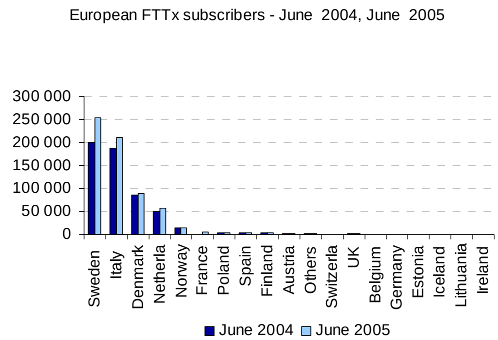
Source: IDATE

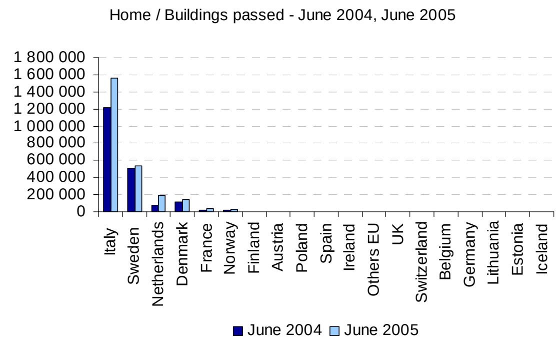
As it was the case in 2004, in June 2005 the majority of the projects (72%) were initiated by Municipalities or Power utilities.

By the end of June 2005, there were approximately **646 570 FTTx subscribers** in EU 18[1] and roughly **2.46 millions Homes/Building passed** showing a penetration rate of 26,2%. Compared to mid June 2004 this represents a growth of **18% for subscribers** and **26% for Homes/Building passed**. There are still no major deployments in the 10 new members and we should also notice that nearly **97% of these FTTx Subscribers** are concentrated in **5 countries** (Sweden, Italy, Denmark, the Netherlands and Norway).

[1] EU 15 + Norway + Iceland + Switzerland

Penetration subscribers/passed(June 2005)	
Sweden	47.40%
Italy	13.60%
Denmark	62.10%





In terms of Homes/Building passed, countries like the Netherlands or France are showing a growth of respectively 85% and 147% between June 2004 and June 2005; other countries like Norway, Italy or Denmark present a growth of around 30%. We must notice that there were **no more significant deployments** being announced since mid 2004 and pioneers such as Fastweb or B2 (the main contributors) are not deploying fiber now. In Sweden, a FTTx leader in Europe, growth in terms of Homes/Building passed was only 5%. Nevertheless, we can now notice a real interest concerning FTTx in France and the Netherlands particularly from Municipalities.

Concerning technical architectures, in European FTTx deployments **Ethernet still dominates** instead of PON. However we must notice some significant new deployments using PON technologies as EnergiMidt in Denmark, the Government of Asturias in Spain (GPON) and the recent trial announcement by France Telecom (a few thousand homes tested with GPON).

Even if the panorama on FTTx deployments in Europe at mid 2005 does not show a strong growth in terms of Homes passed and subscribers, during the last 6 months **the debate on Very High Broadband is more and more intensive**. Furthermore major announcements have been made in particular by Pubic players as the Amsterdam's project (more than 40 000 Homes passed by the end of 2006) or the regional Government of Asturias in Spain (30 000 Homes covered by 2006).

Finally **the recent announcements of major incumbents in Europe** will possibly accelerate the path to Very High Broadband and surely accelerate the debate concerning appropriate regulation for FTTx. Indeed, if Deutsche Telekom's choice concerning a FTTN+VDSL architecture is adapted to the current "copper" European regulation, the recent announcement by France Telecom to launch a pilot on a thousand homes using GPON architecture will fuel the debate for the future Review.

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About IDATE

IDATE is one of Europe's foremost study and consulting centres, specialised in analysis of the information and communication technologies industries, and offering the following services:

- **Consulting**: an operational consultancy: reports and expert missions.
- **DigiWorld**: Digital World Observatory. A singular tool for understanding and monitoring the telecom, internet and media sectors, the markets and the players' strategies: market reports, databases, strategic monitoring services.
- **Forum**: a prominent centre for debate: IDATE's annual International Conference, the COMMUNICATIONS & STRATEGIES review, the IDATE corporate Foundation, the ENCIP European research network…

Founded in 1977, IDATE is based in France (Montpellier).
Under the guidance of our President, Mr. Francis LORENTZ, and our General Manager, Mr. Yves GASSOT, our centre employees a staff of over 60 people specialised in telecommunications, networks, the internet and the audiovisual industry. For over 25 years now, IDATE's International Conference has been a benchmark event for industry professionals working in information and communications technologies. It is one of Europe's largest conferences devoted to analysis, debate and forecasting.