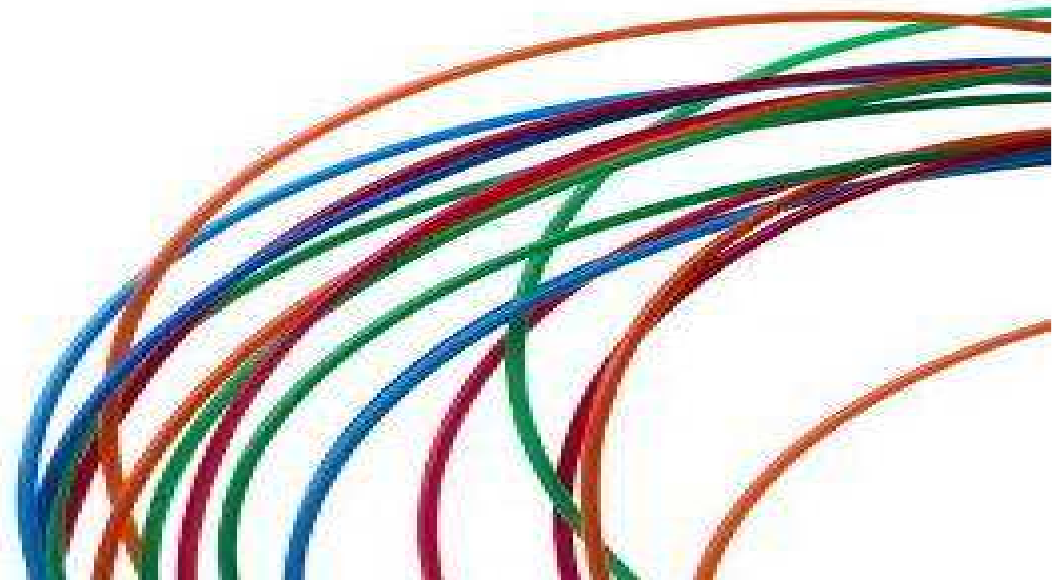


FEDERATION OF COMMUNICATION SERVICES

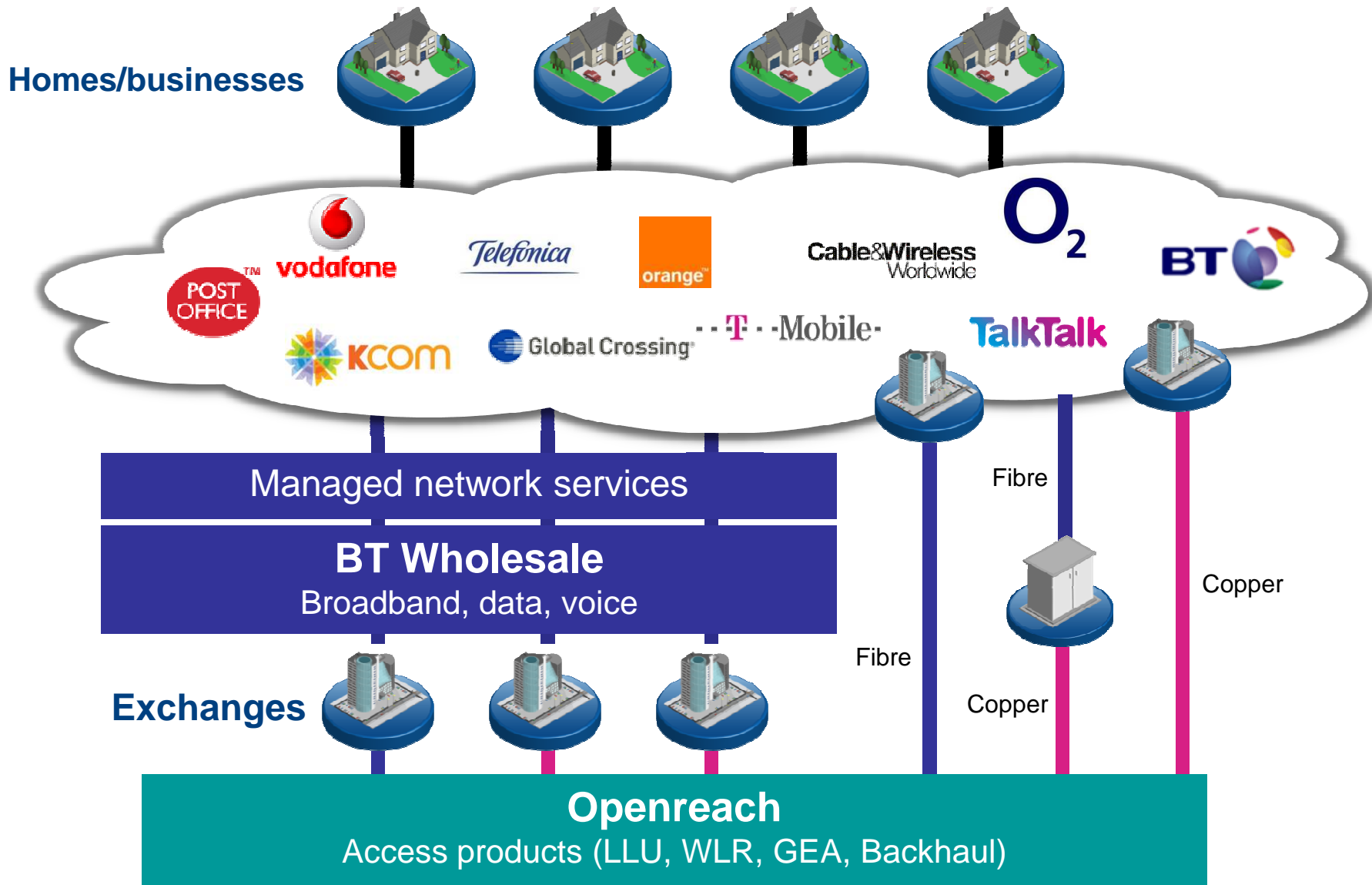
- Competition in a fibre world

BUSINESS BROADBAND'S COMING OF AGE

Sian Baldwin
Director, Broadband & Content Services
12 October 2010



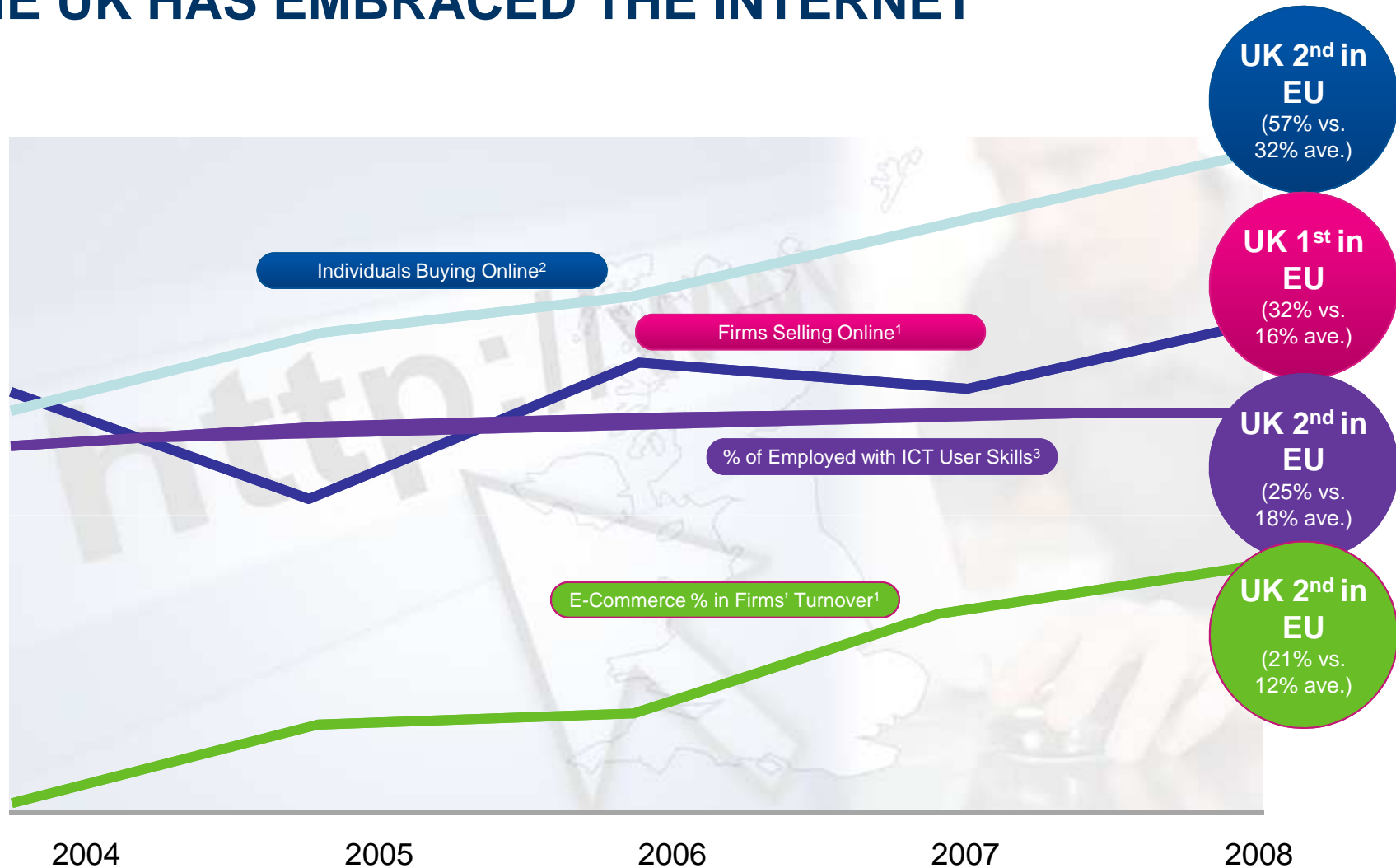
THE UK WHOLESALE MARKET



Current thinking. Subject to change.

BTwholesale

THE UK HAS EMBRACED THE INTERNET



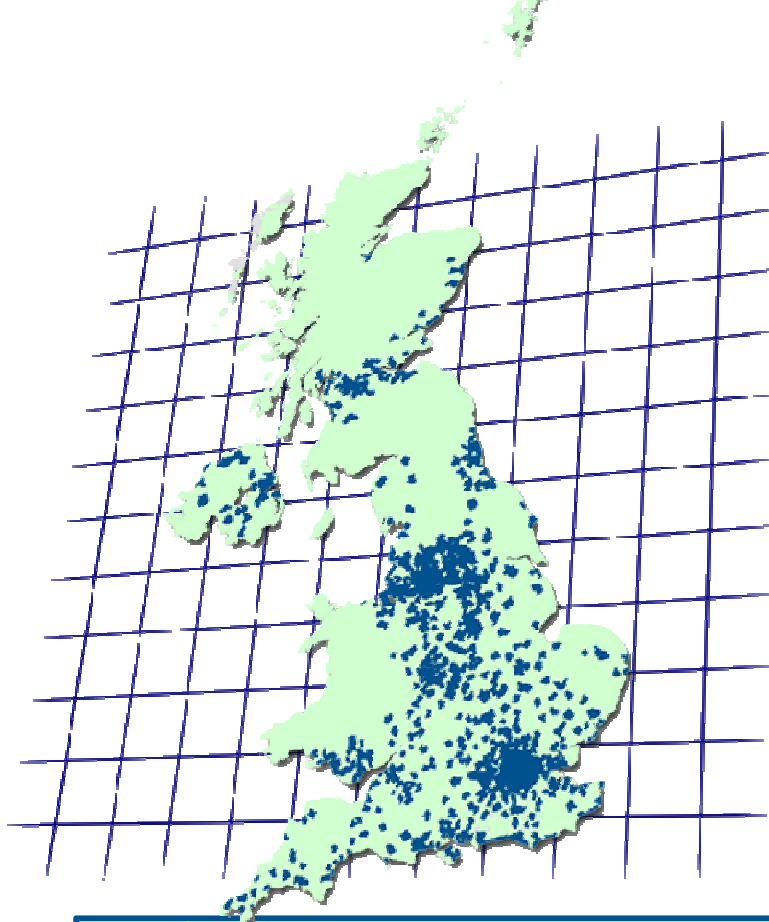
1. % of enterprises receiving orders/purchasing on the internet - Non financial enterprises. % of enterprises receiving orders/purchasing on the internet or via other external computer mediated network (in 2007). 10+ employees, excluding the financial sector. Source: Eurostat survey on ICT use by enterprises.

2. % of population using the internet to order goods & services in the last 3 months. Individuals aged 16-74. Source: Eurostat.

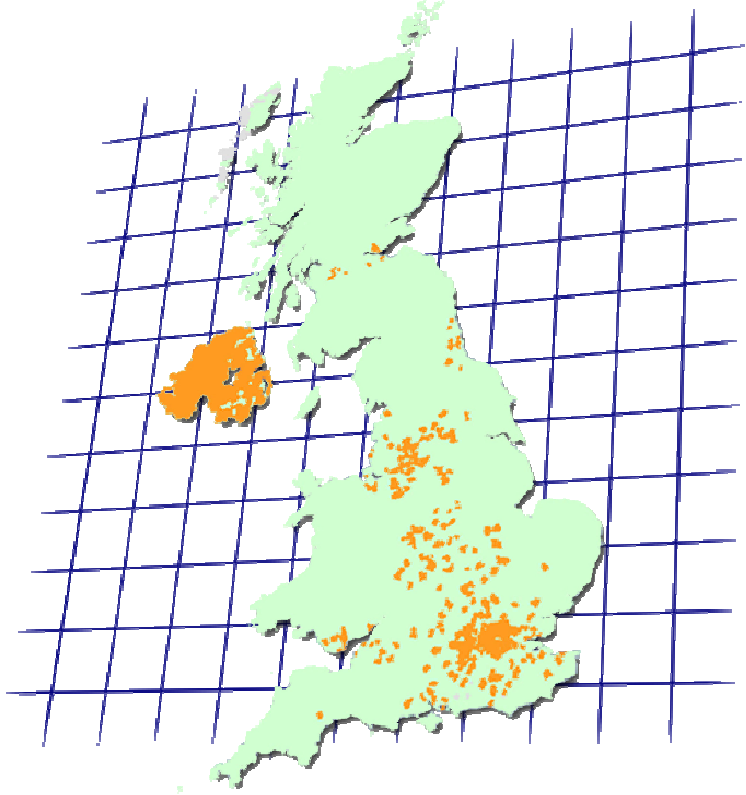
3. % of persons employed with ICT user skills - Based on the OECD definition of ICT user (basic + advanced) skills. Source: Eurostat Labour Force Survey.

HIGHER SPEED ROLLOUT CONTINUES APACE

- 8, 24, 40 & 100Mbit/s



Spring 2011
WBC, up to 24Mbit/s
to 75% UK
More exchanges tbc



Summer 2011
Fibre, up to 40Mbit/s &
up to 100Mbit/s
More exchanges tbc

PICK 'N MIX APPROACH

- Enables ISPs to create value in the end user marketplace

Pick n Mix enables SPs to create value in the EU marketplace

Service	Service Roadmap	Expedite, SFI 2			<ul style="list-style-type: none"> •One-off flexible upgrades & building blocks for prem support
	Service SLAs	Standard Care - Enhanced Care - Business Care			
Appl. Assurance	Real Time SLA	Throughput, Latency, Packet Loss, Jitter			<ul style="list-style-type: none"> •Guaranteed performance for apps at any time •Prioritising critical applications at quality eg voice, teleconf, gaming
	Assured Rate SLA	Throughput, Latency, Packet Loss, Jitter			
	Best Efforts KPI	Key Performance Indicators			
QoS	Real Time	Range of speeds: 220kp/s to 4.9Mb/s (in 300k increments)			<ul style="list-style-type: none"> •Increasing the thru'put in the busy hour for premium products •Higher line rates supporting concurrency across applications & users; access to new apps •Certainty for Business
	Assured	ADQ functionality & HQoS on Roadmap			
	Best Effort	Product Standard			
	Elevated thru'put (optional)	12Mb/s in 90% busy hr	16Mb/s in 90% busy hr	16Mb/s in 90% busy hr	
	Standard Throughput	8Mb/s in 90% busy hr	12Mb/s in 90% busy hr	12Mb/s in 90% busy hr	
EU Access	Upstream Line Rate	Std – up to 448kb/s Optional – Annex M	Std – up to 2Mb/s Optional – 10mb/s	Std – up to 2Mb/s Optional – 10/15mb/s	
	Downstream Line Rate	Up to 8Mb/s (transit) Up to 24Mb/s Optional BT I-plate	Up to 40Mb/s	Up to 40Mb/s Up to 100Mb/s	
	Min line rate	2Mb/s SLG Elevated	15Mb/s *	15Mb/s *	
Product Feature		WBC ADSL2+	WBC FTTC	WBC FTTP	Benefits

Enhanced features tailored to meet EU & market needs

Mixed economy product approach to support all applications

FIBRE VOICE ACCESS (FVA) – OUR POSITION

- **NGA isn't just fibre broadband**
- it's a fibre broadband & traditional voice 'bundle'
- **Supporting broadband/voice**
- by using Real-Time QoS
- **Broadband backhaul**
– currently investigating the re-use of WBC broadband backhaul where a CP subsequently purchases FVA
- **Wholesale voice services**
– no plans to use FVA to introduce new voice/data products but interested to hear CP requirements

Proposition	FVA	Ethernet backhaul	Call Server	WSC	IDA/CPS
1. Backhaul "Voice Data Path"	→				
2. WSC	→				
3. IDA on BTW	→				
4. CPS on BTW	→				

Current thinking. Subject to change.

CORNWALL & ISLES OF SCILLY BROADBAND BOOST

- £132million programme confirmed

- Landmark contract building on BT's plans to bring fibre to two-thirds of the UK by 2015
- Aim for 80-90 per cent of Cornish businesses to have access to fibre broadband by 2014
- Tens of thousands local businesses to benefit, creating 4k & protecting 2k jobs
- Half local businesses expected to receive 100Mbit/s fibre broadband
- Marketing, grants, advice & support available
- Rollout starts immediately, first customers connected in early 2011

INNOVATIVE APPROACH

- To bring fibre services to areas of the UK faster than commercially viable
- To avoid infrastructure duplication
- To ensure services are available on an open, wholesale basis

European Regional
Development Fund
Investing in your Future



WHOLESALE BROADBAND CONNECT

- Offering a flexible, versatile rich portfolio

'Mixed economy':

- Fibre & copper options
- Customer choice & flexibility
- Accelerating the speed of rollout by working with others

As much or as little as CPs want:

- Component & managed service options
- From BT Plusnet Partner to complete outsourcing

Ease of use:

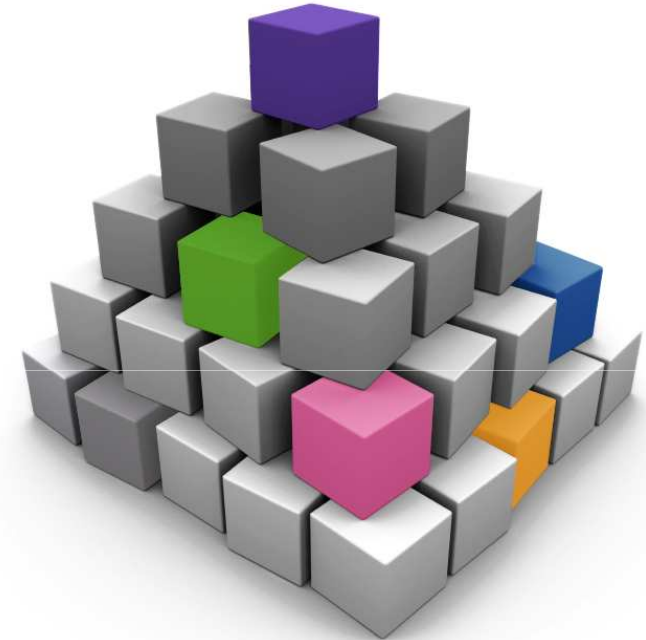
- Standardised systems & processes
- Streamlined service delivery
- Common backhaul option...

Enhancements:

- Annex M, Real-time QoS, business services...

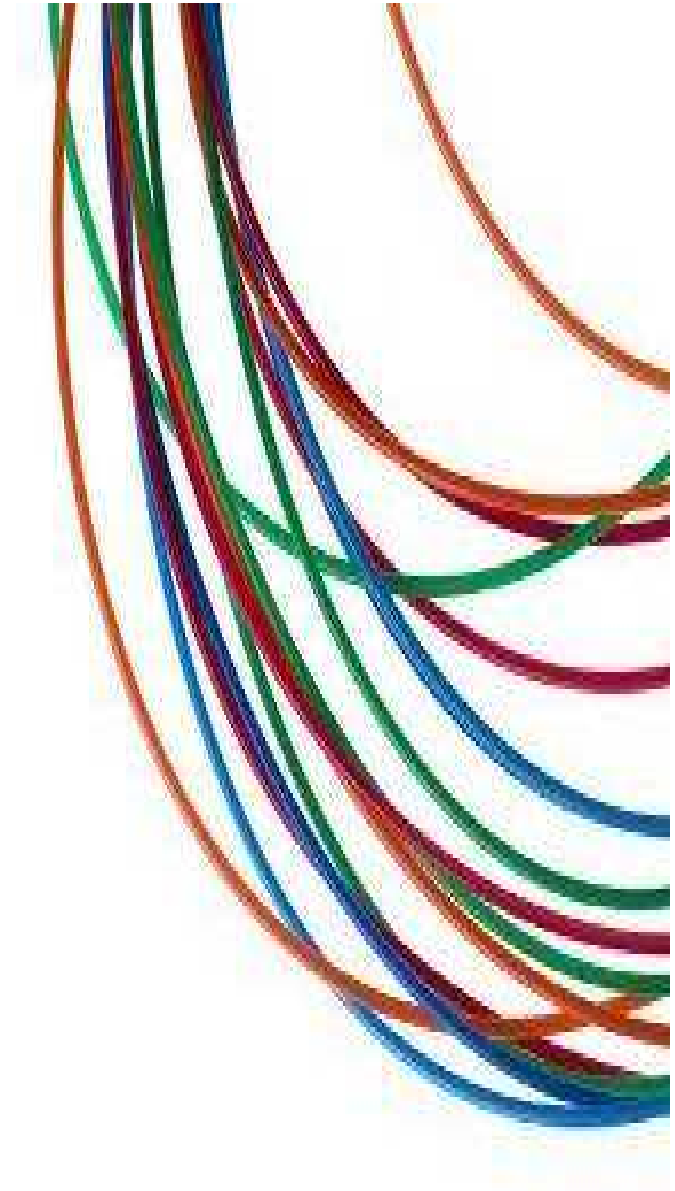
Pick 'n mix approach:

- Flexible enhancements enabling tailored services



...business broadband is truly coming of age

THANK YOU



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Current thinking .Subject to change

BTwholesale