

Analyst



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Next generation now

A new era in broadband is set to begin within a matter of weeks when BT Wholesale launches its Wholesale Broadband Connect family of services.

Made possible by BT's 21st Century Network, the Wholesale Broadband Connect portfolio will offer users a much richer broadband experience than ever before. It opens the door to greater control, choice, flexibility and differentiation and provides the ability to support multiple services in parallel.

Wholesale Broadband Connect enables communications providers (CPs) to respond to end-user demands for new, feature-rich multimedia and multi-play services. CPs – and in turn their customers – will benefit from Quality of Service (QoS) options, guaranteed service level agreements and the ability to trade speed for greater line stability. They will also enjoy improved line diagnostics and sophisticated line management.

The initial portfolio consists of the following products:

- Wholesale Broadband Connect – a component-based service available for CPs with their own networks.
- Wholesale Broadband Managed Connect – a managed wholesale product designed for CPs preferring a seamless end-to-end service.
- IPStream Connect – a new service for CPs that helps them bridge between today's network and 21CN.

In addition, in late 2008, BT Wholesale plans to launch an integrated voice and broadband service – Wholesale Broadband Connect Converged – which will allow CPs to offer advanced voice features and applications such as voice activated dialling and electronic diaries which automatically dial a user's phone when a conference call is about to start. Overtime the portfolio will be supplemented with a dedicated downstream product. Also an access fibre variation will be developed for BT's already announced Ebbsfleet Valley, Kent, fibre-to-the-home deployment designed for CPs to assess potential commercial models.

With Wholesale Broadband Connect, CPs will be able to tailor their services to meet different end-user applications using the QoS options. CPs can buy these options as an extra to the standard service to meet the specific needs of their target market. Those wanting to offer data and VoIP services could add Real-Time QoS. Those specialising in video transmission can opt for Assured Rate QoS, while the elevated standard QoS option may be better suited for SME needs.

The ADSL2+ exchange equipment that Wholesale Broadband Connect runs on supports speeds of up to 24Mbit/s and end users' lines will deliver the highest possible stable speeds they can support. However distance from the exchange, internal wiring, interference from electrical appliances and other factors will continue to affect an end user's broadband speed. Laboratory tests indicate that 50 per cent of end users will get between 6 and 9 Mbit/s using Wholesale Broadband Connect based service running over ADSL2+ exchange equipment.



Around ten per cent will get between 12 and 16 Mbit/s. Speeds are expected to rise above 17Mbit/s but testing and trialling by BT Wholesale continues.

At launch, next generation broadband will be available to around five per cent of UK end-customers with coverage extending to about 50 per cent within a year. Sally Davis, chief executive officer of BT Wholesale, said: "The Broadband Connect family of services is absolutely integral to BT Wholesale's forward looking business strategy and our future product portfolio. As a service, it's designed to meet tomorrow's broadband market and customer requirements including, for example, advanced voice services.

Continued Sally: "We have worked closely with the industry and with the regulator to ensure a progressive roll-out plan for Wholesale Broadband Connect."

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Welcome

Welcome to the March 2008 issue of BT's newsletter for analysts.

The launch of BT Wholesale's Broadband Connect (WBC) family of products – as featured on this page – represents a real landmark in the UK broadband story. The impact of WBC on users, on communications providers and the markets in which they operate will be significant. But the launch of these next generation broadband services is also a major milestone in the development of BT's world leading next generation network – 21CN. I think these are exciting times for the whole industry.

Also in this issue is an interview with BT Group's chief technology officer, Matt Bross, news of a new system of working for Openreach engineers plus a profile of team member Marlies Roest from BT Global Services.

I hope you will find the contents of this newsletter useful and don't forget to visit our website on www.bt.com/industryanalysts for presentations, podcasts and useful links.

Regards,

Joanna Gluzman, head of Analyst Relations, BT



