

Why is the European telecom sector under huge pressure?

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The impact of OTT on telcos

- Substitution

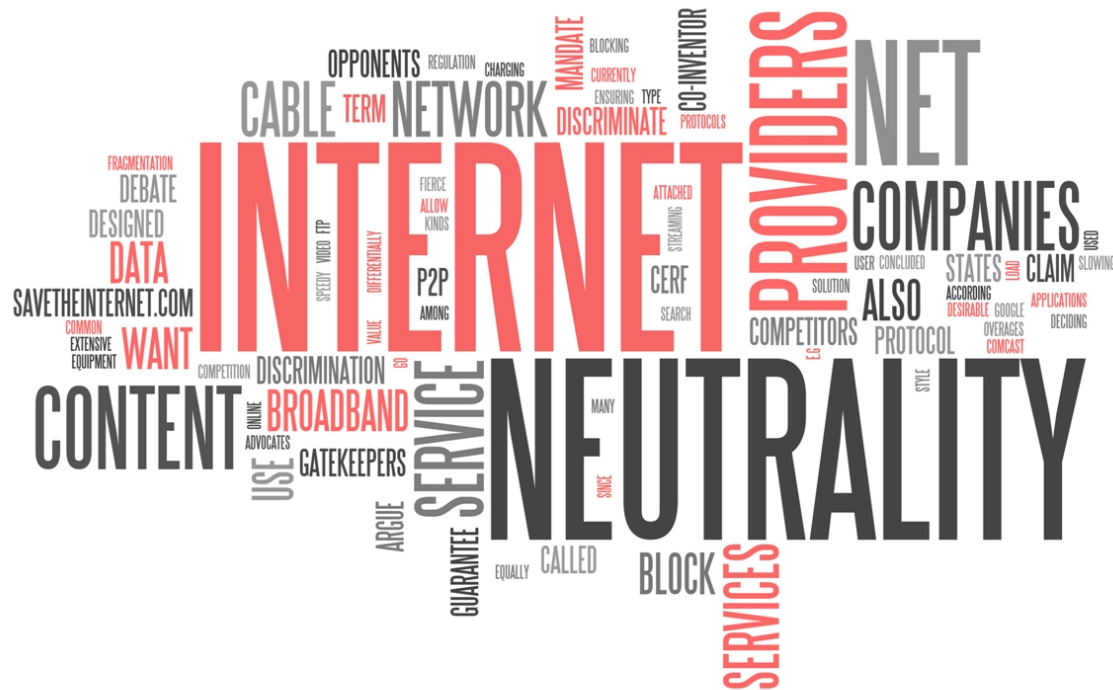


- Complementarity



Value sharing

- Current situation: net neutrality
- What if... we don't have net neutrality?



Concluding remarks

- Consolidation could help telecom operators reap a larger share of revenues:
 - Larger network effects
 - Pan-European services that compete more effectively with OTT services
 - Stronger position in the bargaining process
 - Larger economies of scale if vertical integration in content markets