Challenges for European telecoms operators imposed by the Internet

Comparing EU and US

Richard Feasey

Strong demand

Revenues down 10%

Investment FLAT

Indebted industry/weak economy

Prepay tradition

Strong demand

Revenues up 35%

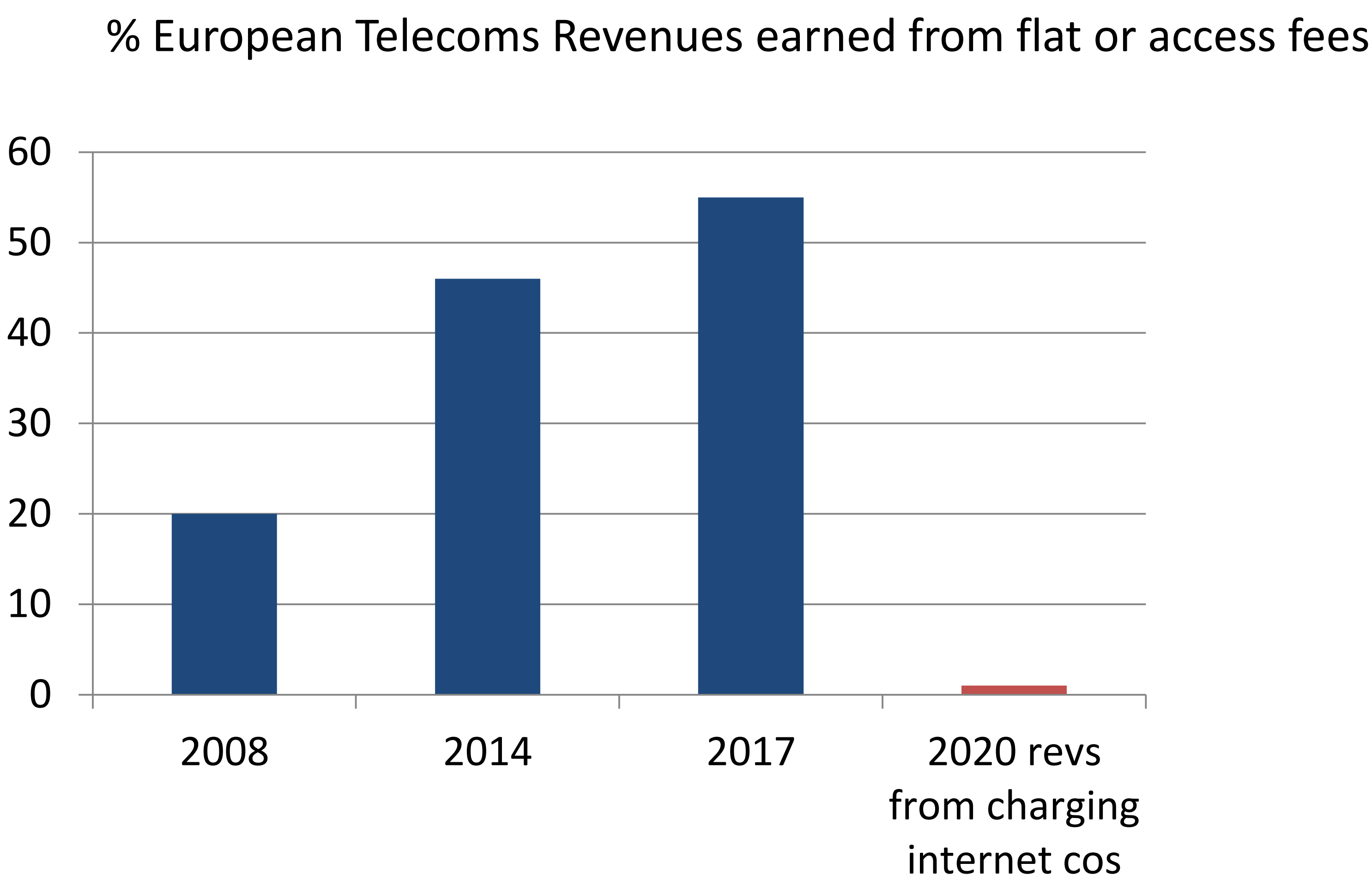
Mobile investment up 70%

Stronger industry/economy

Free calls tradition

Impact of internet

How you pay for telecoms has already changed….



Source of data: AT Kearney ‘A Future Policy Framework for Growth’

What can be done?

Further accelerate the rate of change in telecoms

US plans to end copper networks by 2020

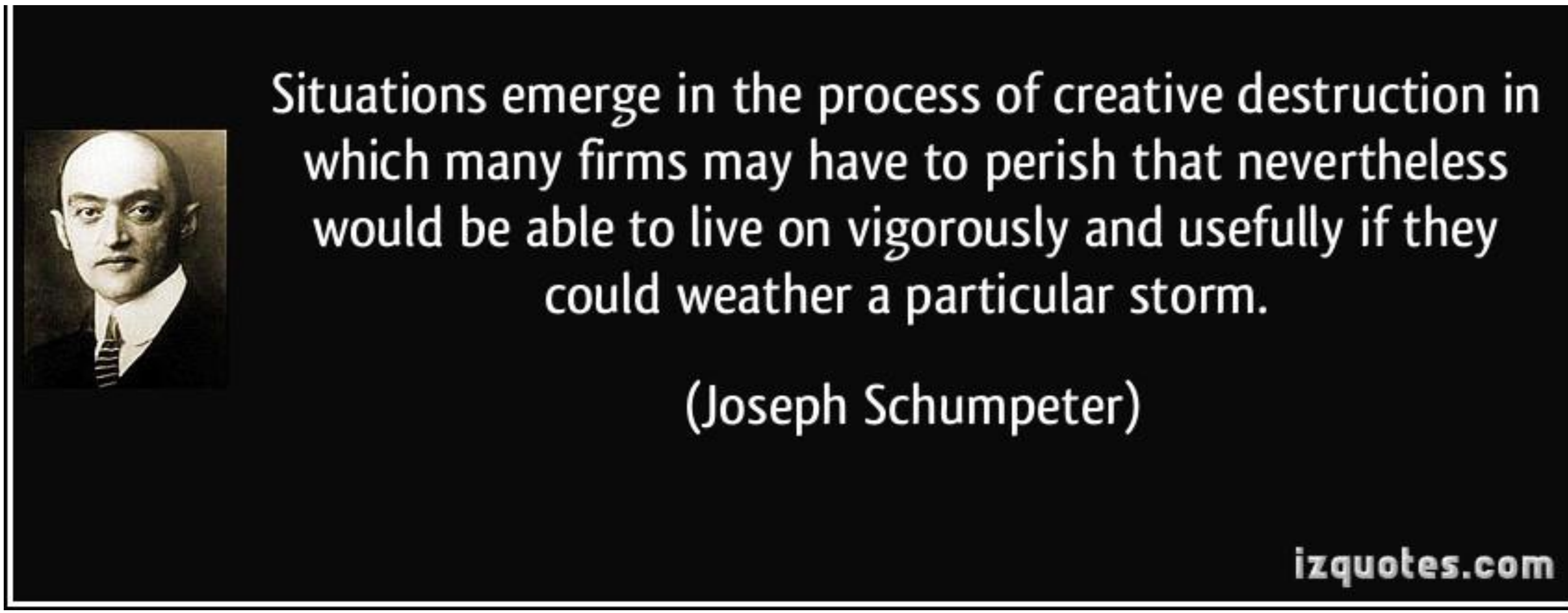
US could see end of Terrestrial TV before 2020

Europe could take 90 years at current rates

Europe sees no change until at least 2030

What more can be done?

Internet storm is unstoppable (and positive for Europe as a whole)



At a minimum, EU policy should **not hinder** the ability of telecom operators to weather the storm.