



# **European Marketplace** *Overview*

# European Marketplace

*8 million SME's in Europe generating \$81 billion in telecom revenue. .*

## European SME Average Communications Spend

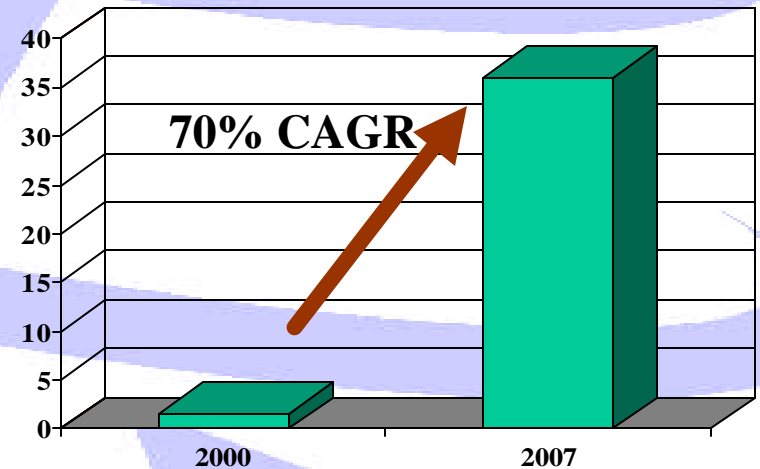
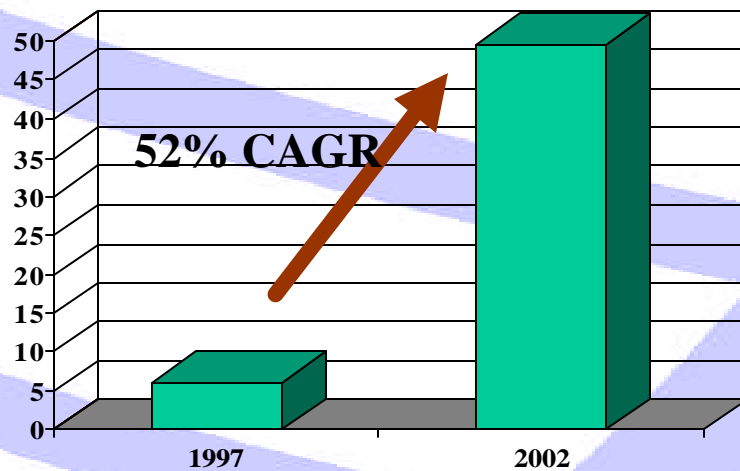
Number of Employees per SME	Enterprises (mm)	Total Telecom Spend (£ billion)	Avg. Spend per Enterprise
1 – 3	10.7	£ 6.0	£ 560
4 – 10	4.6	£ 8.0	£ 1,750
11 – 30	3.0	£18.0	£ 5,950
30 – 100	0.6	£16.0	£ 25,000
100 – 300	0.2	£13.0	£ 95,139
300 +	0.1	£19.0	£392,699
<b>Avg Target Market</b>	<b>8.2</b>	<b>£55.0</b>	<b>£6,707</b>

Notes: Based on Robertson Stephens analyst estimates

# European Marketplace

## *Significant growth of data traffic in Europe*

**Growth in access and data networking revenues (\$ billions)**      **Growth in European on-line subscribers (millions)**



# European Macroenvironment

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- *Pan-European political drivers*
  - *EU Directive for member states to review telecom regulatory policy*
  - *EU Directive for member states to introduce local loop unbundling*
- *National efforts to leverage the Internet*
  - *SME and Residential focus*
  - *E-commerce, education, remote government*
- *Realisation that there is inadequate local loop competition*
  - *E.g. OFTEL consultation documents*
- *Dual strategy to address the access bottleneck issue*
  - *Unbundled local loop*
  - *Fixed Wireless*

**Macroenvironment is perfect for BFWA**  
**Timing is ideal**

# European Broadband Access Market

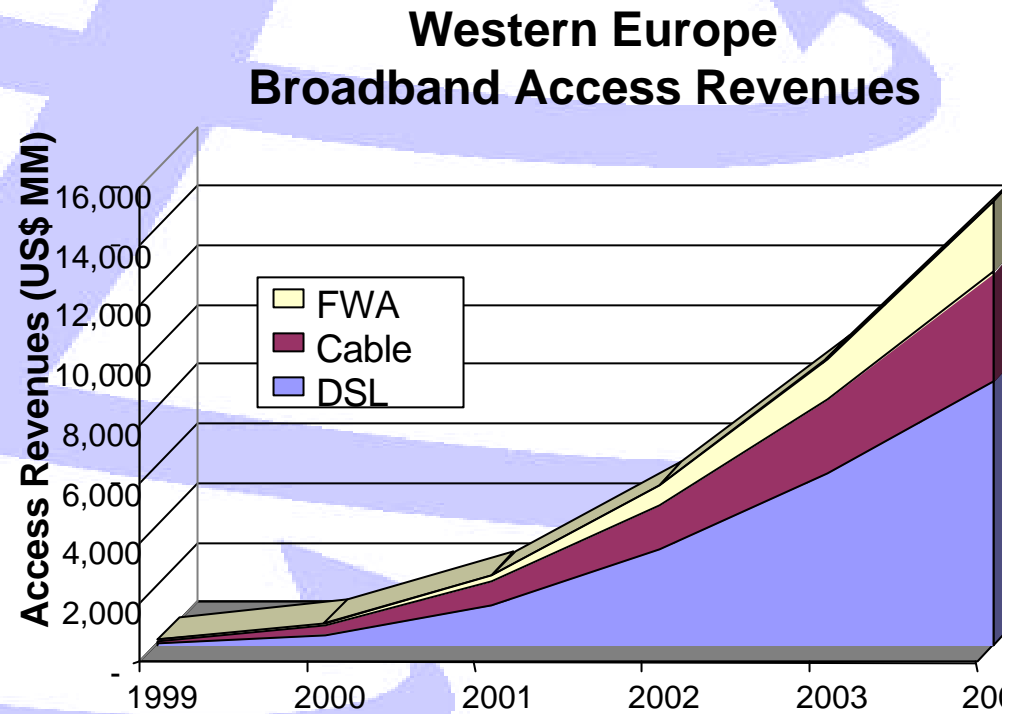
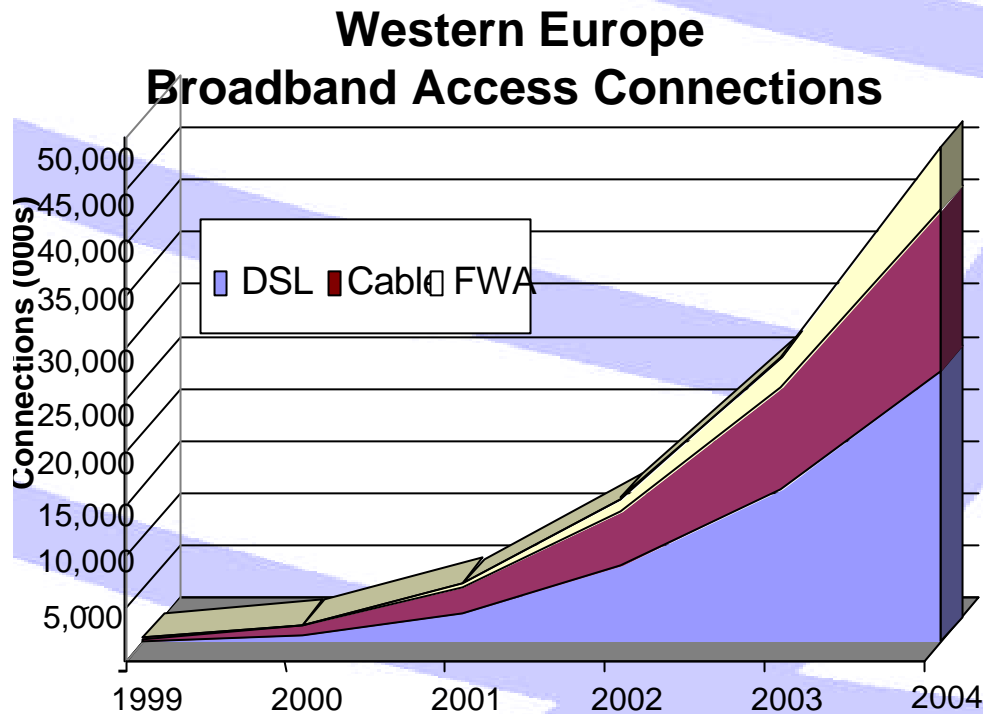
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- *Unbundling of local loop still to be resolved*
  - *Availability timetable is 12 – 24 months*
- *Low and variable cable penetration*
- *Limited DSL rollout*
  - *Depends on unbundling and also new entrants*
- *Fiber deployment more disruptive and expensive*
- *Licensed spectrum being made available now: 3.5GHz to 28GHz*

**European market is an ideal environment for BFWA**

# European Broadband Access Market

*\$16 billion in broadband access revenue forecast by 2004 in the top 8 European markets alone*



# European Licensing Overview

Country	3.5GHz	26GHz	Expected Issuance
Austria		X	First Qtr 2001
Belgium	X	X	End of 2000
Denmark		X	First Qtr 2001
Finland	X	X	Awarded
France	X	X	Awarded
Germany	X	X	Awarded
Ireland ( <i>Held pending litigation</i> )	X	X	Awarded
Italy		X	4 <sup>th</sup> Qtr 2000
Netherlands ( <i>reissued</i> )	X	X	First Qtr 2001
Norway	X	X	Awarded
Portugal	X	X	Awarded
Spain	X	X	Awarded
Sweden	X	X	
Switzerland	X	X	Awarded
UK	X		1 <sup>st</sup> Qtr 2001