

BROADBAND USAGE ESCALATING IN EU ACCESSION STATES AIDED BY LOW COST TARIFFS

Submitted by: BroadGroup

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London, May 24th 2004 – A new survey of EU Accession States by Quantum Web reveals that broadband usage is escalating almost 400k broadband users being added to the new EU total. More than 55% of broadband subscribers in the total 10 new EU member states reside in Hungary and Poland.

The survey, which includes detailed pricing analysis, benchmarks the European (EU and non-EU) average price* for a flat rate 512 kbps residential connection at EUR 52.83 (USD 63.00) as at the end of February 2004.

In comparison, the average broadband price for the same rate band in Accession States is only EUR 30.80 (USD 36.73).

Whereas the average price in the original 15 EU is EUR 46 (USD 55.00) for the same period (February 2004).

The findings of the survey suggest that of the total 10 new EU members, value-added broadband services are the key to generating revenues from fixed phone lines for incumbent and other operators. Companies such as Deutsche Telekom and TeliaSonera have already started to see new revenue streams from their subsidiaries and domestic partners in the region.

The survey noted that countries such as Estonia, Slovenia and Cyprus in particular, are experiencing higher than average broadband penetration that has been supported by cheaper tariffs.

For more information about the new 10 new members and other 53 key world broadband countries in the world, please contact ms@quantum-web.com

*Price includes, connection fee, set up fee, device cost where they were applied