

BROADBAND PRICES IN EUROPE FALL BY 23% SINCE JANUARY 2004

Submitted by: BroadGroup
Monday, 22 November 2004

London 22nd November 2004 - A new report reveals the positive inverse correlation between the number of available broadband packages and decrease of broadband prices in Europe. Overall, the report details the decrease of broadband prices in Europe – approximately 23% across the three main speeds - but draws attention to the diversity of emerging and mature broadband markets in terms of price of broadband packages stratified by speed.

The report - European Broadband Pricing Report – researched by Quantum Web and distributed by BroadGroup (www.broad-group.com) is based on extensive research conducted with 109 operators featured across 36 European countries and some 455 tariff packages, and presents the most far-reaching report yet to address broadband user pricing complemented by in depth country specific data and analysis.

Uniquely, the report provides a comparative cross-country analysis of third quarter tariffs in addition to a trend analysis for tariffs for first, second and third quarter of this year. Both time series and cross section analysis provide a glimpse of the pricing strategies of European service providers.

Since the beginning of 2004, the average monthly price for 512Kbps, 1Mbps and 2Mbps speeds have dropped by 23%, 23% and 24% respectively while the number of available packages market rose by 74%, 40% and 34% for those speeds bands.

The Higher Speed packages availability, 4Mbps and 8Mbps namely, showed the same growth trend but prices dropped less dramatically, leaving more room for price elasticity for content providers.

The report analyses 295, 350 and 455 price packages in Q1, Q2 and Q3 respectively.

"The Broadband Pricing in Europe report covers far more than just than monthly fees", commented Qmars Safikhani, founder of Quantum-Web and report author. "Cross-sectional analysis implies the inclusion of a series of variables taken into account such as initial costs (installation, connection and one-off cost), equipment, package value-added such as download allowances, anti-spam, filters, push technology, available space for e-mails, personal web space and gaming technology plus seasonal promotion. As broadband speed pricing and its adoption increasingly collide, it is critical to offer a perspective that reveals the entire broadband landscape".

By including alternative broadband access technologies available in the European market, the report provides benchmarks for similar speeds. As non-xDSL products have an approximate 20 percent share of the broadband market at the end of September 2004, failure to benchmark this category could have resulted in a biased comparative analysis.

BroadGroup practices include broadband, wireless, mobile and wholesale. European Broadband pricing is the most reliable source of broadband pricing data.

For further information visit: <http://www.broad-group.com/broadband/pricing.asp>

Contact BroadGroup:

Telephone + 44 (0) 20 7385 9218

Mobile + 44 (0) 7740 302 170