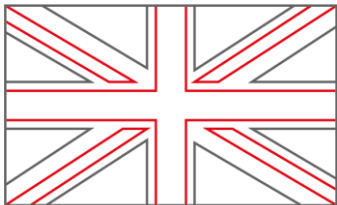


A DROP IN THE OCEAN



When combined, UK, Germany and Italy represent 60% of all the premises across Europe **without** a fibre connection!

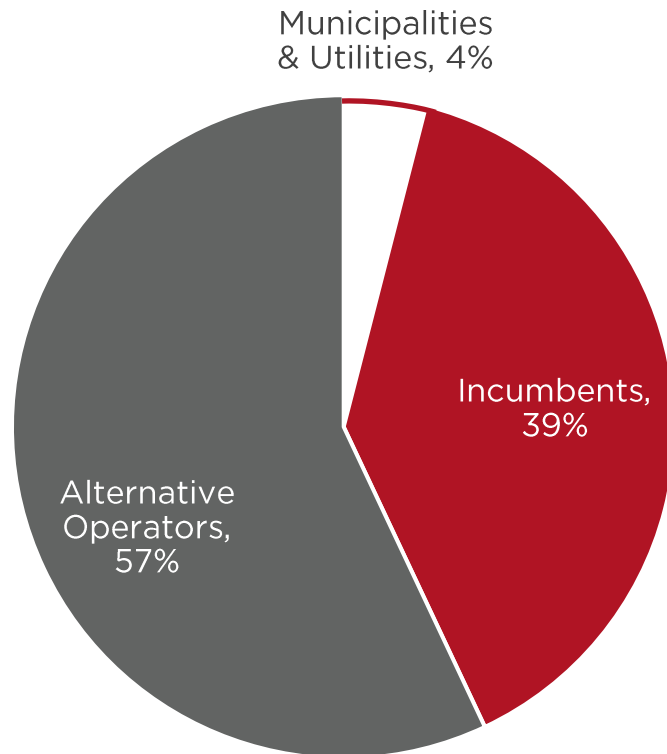


Who's Building?



WHO'S BUILDING?

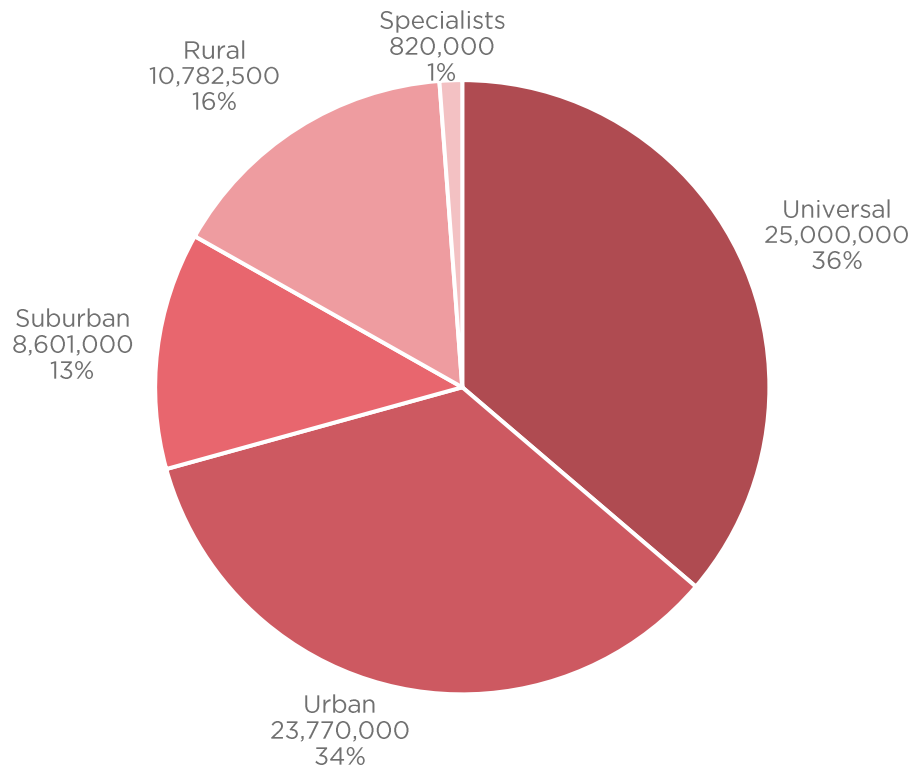
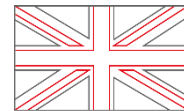
- With many new operators comes
 - More choice
 - Greater ability to build on more fronts
 - More diverse infrastructure
- It also creates increased pressure on scarce resources
 - Not least on specialised, experienced labour



WHO'S BUILDING IN THE UK

- Based on more than 70 operator announcements linked to investment
- 62% of this coverage is linked to Altnets
- On paper at least, we are looking at around 2½ times overbuild

**Almost 69 Million
Homes Passed Announced**
in a country with 28 Million premises



Source: DKT market analysis

AND THAT OVERBUILD...



Construction Partner

“Break/fix is becoming something of a cash cow”

Investor

“Is fibre really that reliable? That’s not my experience!”



WATCHING FIBRE

- PIA overbuild is likely to reduce as investors refocus from land-grab to take-up
- BUT Exchange & copper switch-off is likely to begin



“Break/fix is becoming something of a cash cow”

EXCHANGE CLOSURE

- BT plans to close around 4,600 Exchanges, leaving just 1,000 as “handover points”
 - PSTN & ADSL are slated to cease around 2025
 - 550 areas are already “digital only”
 - Copper between the exchange and PCPs will no longer be in use



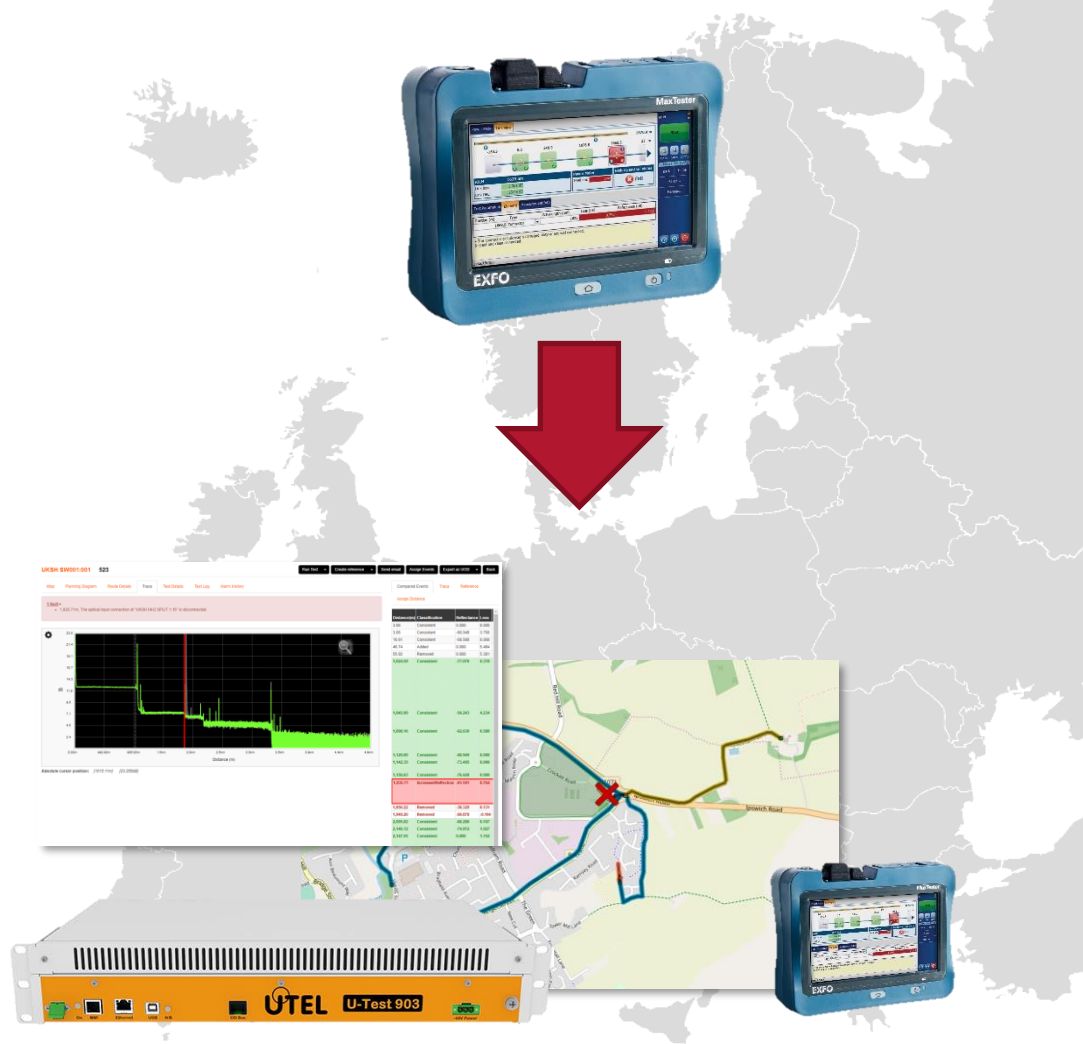
COPPER IS THE NEW GOLD

- Its too valuable to leave in the ground
 - Some level of copper recovery is inevitable
 - Overhead is probably the easy pickings
 - Well maintained, ducted areas could be too



CENTRALISING TESTING

- Optical testing today
 - Commission testing in the field
 - Customers as the alert system
- PIA overbuild and copper recovery mean rapid, accurate passive network monitoring as part of the NOC is becoming an essential



CENTRALISED PON TESTING

- Increase speed
 - Deployment, activation & repair
- Widen the talent pool
 - Simplifies installation without compromising build quality
 - Only a smartphone is needed in the field
- And in operation, ensure SLAs achieved
 - Reduces dispatch of wrong team
 - Visibility to network health
 - Proactive

