

EUROPE TELECOM

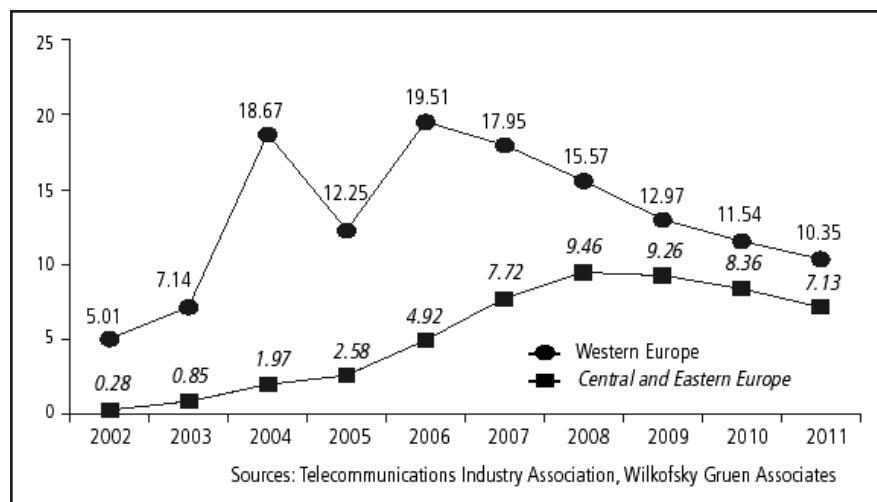
EAST & WEST

**MONTHLY
NEWSLETTER
COVERING TELECOM
DEVELOPMENTS IN
CENTRAL EASTERN &
WESTERN EUROPE
AND RUSSIA**

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Broadband Subscribers Added in Europe (millions)



ACROSS THE REGION

GÉANT2 gets upgrade

Researchers across Europe are now benefiting from faster collaboration, thanks to upgrades to the high bandwidth pan-European research network GEANT2. The upgrades were announced by DANTE, an international research and education network provider working alongside the National Research and Education Networks (NRENs). The upgrades will provide increased bandwidth to a number of countries, further highlighting GÉANT2 as the most advanced, innovative research network in the world.

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The planned upgrades are taking place on a number of connections between specific NRENs on the GÉANT2 backbone. Specific regions that will benefit from improved high-speed routes include mainly the Baltic States, south east Europe, and Iberia. Connectivity has been upgraded to 10Gbps to the NRENs in Estonia, Latvia, Lithuania, Romania, Bulgaria, Luxembourg, and Portugal. An additional 10Gbps link has been added to the NREN in Greece, increasing the connectivity to three 10Gbps links. Further upgrades include 2.5Gbps links to Turkey from Bulgaria and Romania and a 2.5Gbps link between Germany and Israel.

GÉANT2 provides an extensive, high-bandwidth connectivity backbone across Europe, with links to other world regional networks, to allow effective joint research and education collaboration between researchers on a global scale. By increasing the connectivity of links to these regions and improving the network further, it provides researchers with world-class resources that will benefit science and education research by bringing together the best minds and eliminating distance as a barrier to innovation.

DANTE, the international research and education network provider responsible for the operation of GÉANT2, is managing the planned upgrades and is working with a number of suppliers, including Lattelecom SIA, Baltic Optical Network (represented by Televorgu AS, Latvenergo AS, and Lietuvos energija AB), Pantel, Memorex Telex Communications (now part of Invitel), OTE Globe, Telefonica International Wholesale Services, Bezeq International, T-Systems Business Services GmbH, and Prime Telecom. The upgrades are currently in progress and will be completed later in 2008.

“High speed networking has revolutionised research across the globe and scientists, academics and students rely on advanced infrastructures effectively collaborate

without distance being a barrier” commented Dai Davies, general manager of DANTE. “With these upgrades to the GÉANT2 network providing even greater available bandwidth and faster connection speeds, we are able to provide a world-class service and infrastructure to Europe’s research and education community.”

EC updates on new rules

The Industry, Research and Energy Committee (ITRE) and the Internal Market and Consumer Protection Committee (IMCO) of the European Parliament recently voted on the European Commission’s proposals to reform the EU Telecom rules. Even though the final view of the European Parliament will only be known once the Plenary has voted on the Commission proposal — which is expected to take place on September 3, 2008 — the votes in ITRE and IMCO are important steps towards shaping the final legislative texts to be adopted by the European Parliament and the Council.

“I welcome the positive signal of progress that the European Parliament has given with its vote yesterday. The EU Telecoms Reform is of great importance for the strengthening of a Single Telecoms Market to the benefit of both operators and consumers,” said Viviane Reding, the EU telecoms commissioner. “I would like to thank the responsible rapporteurs in the ITRE Committee, Catherine Trautmann (France, PES) and Pilar del Castillo Vera (Spain, EPP-ED) and in the IMCO Committee, Malcolm Harbour (United Kingdom, EPP-ED), for their constructive work. Consensus on the Telecoms Package is needed to strengthen effective competition on the telecoms markets and the competitiveness of the EU as a whole. Yesterday evening’s endorsement of functional separation as a new tool for telecoms regulation is therefore good news as it will enable national regulators to address cases of persistent competition bottlenecks.

“On spectrum reform, some progress has been made, even though I would have wished

the Parliament Committees to be more ambitious. Radio spectrum is a very valuable economic and societal resource, and a more efficient and consistent management of spectrum would help us achieving a Europe with 'broadband for all'. I will therefore continue to work on this with the European Parliament and the Council in the coming weeks so that further progress can be made before September.

"Finally, many questions remain open as regards the new institutional structure that, in view of the Parliament Committees, should be responsible for EU Telecoms regulation from 2010 onwards. I welcome the good intentions behind the idea of creating a new Body of European Regulators for Telecommunications (BERT). However, businesses and consumers in Europe are interested in results, not in lengthy procedures. I have doubts whether BERT and the heavy Article 7-procedure now created will be able to deliver coherent regulatory responses to the regulatory obstacles still far too present in Europe's single telecoms market. Questions remain especially as regards the financing of the new Body as well as its capability to arrive swiftly and efficiently at common positions. Here, a lot of further work is indispensable."

AUSTRIA

Telekom Austria selects Alcatel-Lucent for boosting IPTV service

Telekom Austria has selected Alcatel-Lucent for improving its IPTV service, a move which will allow the operator to unveil time-shift video broadcasts as well as high-definition TV. Telekom Austria's users can now halt live television broadcasts and then recontinue to view the high-quality program transmission. According to Hannes Ametsreiter, chief marketing officer at Telekom Austria, this upgrade will allow its users to have a greater degree of choice and flexibility. The services have been launched ahead of the much-awaited European football championship — Euro 2008

— to be held in Switzerland and Austria in June. The operator is also intending to expand the coverage of aonTV into rural areas of Austria.

Telekom Austria selects Alcatel-Lucent to enrich IPTV offering

Alcatel-Lucent announced that it has been selected by Telekom Austria, Austria's major service provider, to enrich Telekom Austria's IPTV offering. The operator is launching two state-of-the-art features — time-shift TV and high-definition TV (HDTV) — enhancing the service experience of its aonTV subscribers. One week prior to the start of the European soccer championship (Euro 2008), aonTV customers will be able to stop live broadcasts, take a break, and then continue to watch the transmission of the program, thanks to Telekom Austria's time-shift TV capabilities. Additionally, the launch of Telekom Austria's HDTV service brings to the Austrian households the next level of visual quality and TV experience.

"From June on, we can offer the aonTV users the newest Time shift TV functionalities without additional investment. Our customers can now enjoy a higher degree of convenience and freedom to watch the programs they want," said Hannes Ametsreiter, chief marketing officer, Telekom Austria TA AG and chief officer marketing, sales & customer services, mobilkom Austria. "Alcatel-Lucent is our trusted partner for the delivery of IPTV middleware and the related integration services, enabling us to enrich our aonTV offering with a range of innovative applications."

Mobilkom Austria inks contract with Media Broadcast to provide DVB-H-based mobile TV

Mobilkom Austria has entered into a deal with broadcast network player Media Broadcast for marketing its mobile TV services based on the DVB-H standard; the new mobile TV service is supposed to be launched this summer. In

February 2008, Media Broadcast had bagged the tender for deploying a DVB-H network along with Austrian operators One and 3 Austria. Now that Mobilkom has become a part of this consortium, it will be able to provide its A1 Mobile TV services through UMTS and DVB-T, as well as DVB-H.

The operator is currently selling DVB-H-based mobile handsets in A1 shops. The details pertaining to the tariff rates of DVB-H mobile TV will be disclosed upon the fulfillment of several organizational and regulatory conditions.

BELGIUM

Belgacom offers EUR420 million for Interkabel

Belgacom has offered around \$650.81 million for acquiring cable network group Interkabel. This offer is nearly \$108.47 million more than what was offered by its rival Telenet to the owners of Interkabel.

This also includes 40 percent more than what Telenet agreed to shell out as the initial payment \$263.26 million. Interkabel covers the cable services Inter-media, Integan, PBE, and WVEM, with about 800,000 users, in addition to a joint digital television platform named iNDI. Belgacom is currently bidding for the analog as well as digital TV activities of the four cable television operators. It is also seeking nonexclusive rights to provide TV services on their networks.

Belgacom contemplating acquiring Tele2 Luxembourg

According to Belgian newspaper de Tijd, Belgacom is contemplating acquiring Tele2 Luxembourg.

The daily added that various other parties are also in the hunt for acquiring the second-biggest mobile service provider in Luxembourg, including KPN. Tele2 Luxembourg, which has 238,000 customers, provides fixed Internet and telephony services in the city. In 2007, Belgacom

had submitted its bid to acquire Luxembourg operator Voxmobile, but it was beaten by Mobistar.

Belgacom eyes acquisitions worth \$15.6 billion

According to Didier Bellens, the chief executive of telecoms group Belgacom SA, the group plans to make acquisitions valued at EUR10 billion euros in the high-speed fixed-line Internet or convergence segments. He also said that the company did not rule out the possibility of acquiring a mobile operator. Mr. Bellens pointed out that the group is not a suitable acquisition target of its contemporary, France Telecom SA, adding that he is keen to extend his contract with Bellens for an additional five years.

Belgacom buys Tele2 Luxembourg and Liechtenstein for \$325.24 million

Belgium-based Belgacom announced that it has bought Tele2 Luxembourg, which operates as Tango. Tele2 Luxembourg currently provides fixed-voice, cellular, and DSL services in Luxembourg. It has 26,000 landline users, 238,000 mobile customers, and 10,000 broadband subscribers.

Its EBITDA had reached \$48.71 million in 2007. Under the agreement, Belgacom would also take over Tele2's Liechtenstein mobile and landline operations. The firm has decided to buy 100 percent shares of Tele2 Luxembourg for around \$325.24 million. Owing to its strong presence in Luxembourg, Belgacom expects to get synergies of close to \$39.28 million. The deal awaits clearance from appropriate antitrust authorities.

BULGARIA

Bulgaria plans to auction its fourth mobile license in July

European Union (EU) newcomer Bulgaria is planning to auction its fourth GSM

mobile license on July 29. As many as 12 firms, which include Turkey's mobile service provider Turkcell, have expressed their interest in buying the 20-year license.

The Bulgarian telecom regulator said that the tender would have a base price of around 38 million leva (\$30.25 million). Interestingly, the existing three mobile firms in the country are yet to express their interest in this tender. The mobile penetration rate in the country, which has a population of 7.7 million, is more than 130 percent.

CZECH REPUBLIC

Optelian nabs contract award in Czech Republic

Czech-based services provider OptoNet Communication has selected Optelian's active CWDM and management system to provide services to Ceské Radiokomunikace, the second-largest telecom provider in the Czech Republic. OptoNet is using Optelian's LightGAIN RGN-3GSF CDWM system to provide STM-1 and STM-4 transport as well as Optelian's full network management suite to provide a complete overview of the network services it is providing to Ceské Radiokomunikace.

Ceské Radiokomunikace a.s. is the leading provider of broadcast services in the Czech Republic and was the first carrier to launch public digital television broadcasting in the Czech marketplace. Ceské Radiokomunikace is the largest alternative telecommunications provider and second-largest operator of landlines in the Czech Republic.

OptoNet is a wholly owned subsidiary of OPTOKON. Co. Ltd., a Czech company specializing in optical fiber, test and measurement equipment, and optical transport solutions.

The RGN-3GSF is Optelian's protocol-independent Quad SFP regenerator card that handles data rates from 10Mbps to 2.7Gbps.

FINLAND

Nokia Siemens secures optical network deal from Neterra

Telecommunications equipment vendor Nokia Siemens Networks said that it has secured a deal from Bulgarian telecom carrier Neterra for providing an optical backbone network to allow the carrier to provide broadband Internet to corporate users. The vendor did not reveal the financial detail of the deal, which is likely to be completed by July 2008. Nokia Siemens Networks is a 50-50 JV of Nokia and Siemens Networks.

Nokia to unveil WLAN service in Japan

Nokia said that it is planning to unveil a wireless LAN service in Japan this summer. This move reflects Nokia's intention to improve its position in a market dominated by local handset makers. According to a Reuters report, Nokia will initially offer WLAN services to Nokia users through Japan's third-biggest mobile operator, Softbank Mobile. Customers of Softbank subscribing to the bolt-on service would need to pay another \$7.78 per month. Currently, Nokia's market share in Japan is less than 1 percent.

Transfer of Nokia's Adaptation Software R&D entity to Sasken Communication Technologies completed

Nokia and Sasken Communication Technologies announced that the transfer of Nokia's Adaptation Software R&D operations in Bochum, Germany, has been completed. With this transfer, Sasken Communication Technologies assumes full ownership of the software R&D entity, effective May 31, 2008. The transaction will enable continuance of the employment for 35 employees of the software R&D entity in Bochum.

"Nokia and Sasken have been successfully cooperating over the recent years and with this new set up we are further widening

the long-term collaboration between Nokia and Sasken,” said Heikki Heinaro, vice president, Adaptation Software, Nokia.

Edwin Moses, senior vice president — Handset Solutions Group, Sasken, added, “We warmly welcome the new members to the Global Sasken Family. The Bochum team’s expertise forms a natural fit to Sasken’s existing competencies and will enable us to strengthen our offerings, especially in the areas of Series 40 software platform, local connectivity and core software for silicon and hardware access. This step is synergistic with Sasken’s growth strategy towards becoming a global supplier to Nokia.”

SGS and Nokia Siemens Networks conclude a business and asset transaction in Germany and Finland

Nokia Siemens Networks has concluded a business and asset transaction with SGS, an inspection, verification, testing, and certification company. Nokia Siemens Networks transfers assets and personnel previously working on testing activities of the Research and Technology Platform business in the locations in Munich (Centre of Quality Engineering, Germany), with around 60 employees, and Espoo (Finland), with around 10 employees. The transaction with SGS also includes assets related to the testing activities.

“The business and asset transaction is part of Nokia Siemens Networks’ strategy to focus further on our core competencies,” said Stephan Scholz, CTO at Nokia Siemens Networks. “Furthermore, we intend to establish a long term business partnership with SGS for testing activities.”

The transaction will support SGS in creating a strong technical center of excellence in Germany and significantly strengthen SGS in Finland. “With the transaction SGS intends to reinforce its testing network in Europe,” said Chris Kirk, CEO of SGS, “and allows us to position ourselves in the field of testing for telecommunication devices.”

Nokia Siemens Networks joins WWF Climate Savers program

Nokia Siemens Networks is the newest partner to the Climate Savers program, joining a group of leading corporations working with global conservation organization WWF to reduce their emission of greenhouse gases. Nokia Siemens Networks has committed to improve the energy efficiency of its base station products so that the equivalent total annual CO2 footprint will decrease by 28 percent by 2012 compared to 2007 best product performance and to decrease energy consumption of its buildings by 6 percent by 2012. Nokia Siemens Networks is also committed to increasing the use of renewable energy in production and office facilities by 50 percent by the end of 2010, according to Eugene or equivalent standards.

Nokia unveils two new Nokia E-series devices

Nokia introduced the Nokia E71 and Nokia E66, the latest email-optimized devices from the Nokia E-series product range. The Nokia E71 with full QWERTY keyboard and the slide-to-open Nokia E66 easily mobilize a broad range of personal or professional messaging needs, including Microsoft Exchange, the world’s most widely adopted corporate email solution. Both devices are expected to begin shipping in key markets in July. The Nokia E71 and the Nokia E66 are expected to retail at EUR350, before applicable taxes and subsidies.

“The Nokia E71 and Nokia E66 were designed for people who lead a mobile lifestyle and want quick and easy access to their personal and work email.

With both of these devices, we have responded to consumer feedback by making calendar and contacts available at the touch of a button,” said Søren Petersen, senior vice president, Devices, Nokia. “Equally important, people want well-crafted devices that are as beautiful to use as they are to behold. Stainless steel was chosen as the core material for these

devices, giving them additional strength and a touch of class.

Celcom expands 3G network coverage with Nokia Siemens Networks

Nokia Siemens Networks has won a contract to expand Celcom's 3G radio and packet core network in Malaysia, delivering to the operator a cost-effective, future-proof solution that will allow it to improve capacity, coverage, and customer services quickly and efficiently. Celcom's upgraded network will be based on Nokia Siemens Networks' ultrahigh broadband access network (with the advanced Nokia Siemens Networks HSPA technology). Using Nokia Siemens Networks' modular, lightweight, and future-proof Flexi base stations, Celcom will enjoy quick rollout times, which can significantly reduce power consumption and operational costs.

In addition, the operator will be able to offer new services to its customers quickly with Nokia Siemens Networks' unified Packet Core Solution.

NSN conducts field trials of LTE in Berlin

Nokia Siemens Networks is conducting trials of LTE (long-term evolution) and MIMO (multiple-input, multiple-output) technologies in Berlin. The company, which aims to achieve mobile Internet speeds of 173Mbps, is carrying out the trial in alliance with the Heinrich-Hertz Research Institute. NSN is using an LTE base station using 20MHz spectrum in the 2.6GHz band. Road vehicles powered by LTE terminals are driving within one kilometer radius in order to gauge the base station's throughput. In 2007, NSN had showcased LTE/MIMO mobile transmission at speeds of 160Mbps.

GIMV plans purchase of Nokia Siemens Networks' OTN (Open Transport Network) business

Nokia Siemens Networks, and GIMV, a Belgian investment company specializing in

private equity and venture capital, are planning to conclude an asset sale and transfer agreement pertaining to Nokia Siemens Networks' entire Open Transport Network (OTN) team during the second quarter of 2008. The planned transfer is subject to an information and consultation process with the works council according to local legal practice and final agreement by both companies. Upon the closing of the transaction, expected to take place in the second quarter of 2008, Nokia Siemens Networks and GIMV will transfer the OTN team of approximately 80 people into a newly formed company owned in majority by GIMV. OTN management and employees will be given the opportunity to participate in the to-be-established company. The planned transfer will include key functions in R&D, manufacturing, sales, technical support, finance, and product and program management.

Nokia simplifies mobile advertising with launch of Nokia Advertising Alliance

Nokia announced the launch of the Nokia Advertising Alliance, which will simplify mobile advertising for brand advertisers.

The program brings together leading mobile marketing solutions, including couponing, location-based targeting, image recognition, and other emerging technologies, to offer advertisers a simple way to increase consumer engagement. Now brands can work with Nokia to combine the reach of mobile advertising on the Nokia Media Network with the latest mobile technologies for more-effective campaigns.

"Mobile is maturing into an effective advertising medium, however, the fragmentation of certain technologies makes it hard for some programs to scale," said Brian Bos, senior vice president, convergence director at MindShare-Team Detroit. "We applaud Nokia's efforts to streamline this evolving market and make it easier to manage our clients' mobile advertising investment."

Embarq and Nokia Siemens Networks ink managed services agreement

Nokia Siemens Networks will assume ownership of Embarq Corporation's voice network operation center function to enable EMBARQ to reduce operational expenses for voice traffic monitoring and technical support of its network operations, and to capitalize on Nokia Siemens Networks' worldwide infrastructure and expertise. This deal marks the first significant managed network operations agreement of its kind for Nokia Siemens Networks in North America. Under terms of the seven-year agreement, Nokia Siemens Networks will perform network operations for EMBARQ's voice networks, ensuring high network quality and providing ongoing technical assistance. As part of the agreement, approximately 265 EMBARQ employees in the NOCs in New Century, Kansas; Johnson City, Tennessee; Leesburg, Florida; and Greenville, North Carolina, will become employees of Nokia Siemens Networks.

Nokia to acquire social-activity service provider Plazes

Nokia and Plazes announced an agreement for Nokia to acquire substantially all assets of Plazes, a privately owned startup company of 13 people with its principal operations in Berlin. Plazes provides a context-aware social-activity service that people can use to plan, record, and share their social activities, including why they are at a given location at a given time, whether in the past, present, or future. "This acquisition helps Nokia to accelerate its vision of bringing people and places closer together, in line with our broader services strategy," said Niklas Savander, head of Nokia Services & Software. "In addition to the key assets, through this acquisition Nokia will bring on a visionary team with an advanced understanding of social-activity services, as well as the technical ability to further develop this area."

FRANCE**Iliad to acquire Alice from Telecom Italia for EUR800 million**

Iliad is planning to acquire the France-based unit of broadband provider Alice from Telecom Italia SpA for around EUR800 million (\$1.26 billion). Iliad, which is the owner of alternative telecom operator Free, beat the bid of Neuf Cegetal, which is owned by Vivendi affiliate SFR. This acquisition will enable Free to get more than 900,000 broadband users.

Arcep launches consultation paper on issuance of its fourth 3G license

France's telecommunications regulator, Arcep, has unveiled a public consultation on the issuance of its fourth 3G (third-generation) license in the 2.1GHz band. Last year, the French government did not accept an offer from Internet service provider Free, owing to its low bid. It has now directed the regulator to explore other possibilities. In response, Arcep has offered three options; (1) splitting spectrum into multiple chunks, some of which would be reserved for new players; (2) awarding a single concession to a new market; and (3) selling several lots to any buyers. Interested parties are required to submit their comments by July 18.

Alcatel-Lucent cooperates with Tatung to roll out WiMAX in Taiwan

French telecom equipment vendor Alcatel-Lucent has announced its plans to join hands with Tatung Co. for rolling out a commercial WiMAX 802.16e-2005 (Revision-e) network in Penghu County, Taiwan. The new WiMAX network will enable users to access a diverse range of high-speed broadband wireless services. Under this deal, Alcatel-Lucent would be providing Tatung with WiMAX infrastructure solutions, which include a WiMAX 802.16e-2005 radio network as well as core network components. The vendor would also be responsible for providing maintenance,

installation, and project management expertise. Penghu County will become one of the first places in Taiwan to get WiMAX.

France Telecom to enter Algeria entry through a buyout or 3G license

France Telecom has said that it plans to enter Algeria in 2008 either by acquiring a private telecom operator or by winning a 3G license. The French telecom service provider has already shown its interest in buying the state-run Algerie Telecom. However, the Algerian government has constantly delayed the privatization of the company. In 2007, Egypt-based Orascom and Qatari telecom firm Qtel and approached France Telecom for selling their Algerian cell-phone divisions, Nedima and Diezzy. But these discussions, too, failed to materialize. France has said that it will enter the Algerian market only by tying up with a partner.

France Telecom keen to finalize deal with Teliasonera

According to La Tribune, France Telecom is keen to complete the deal for acquiring Swedish-Finnish group Teliasonera. The newspaper said that France Telecom is not very happy with the prevalent uncertainty surrounding its acquisition plans. The paper quoted an investment banker as saying that the suspense related to the deal must not last for too long. France Telecom had recently announced that it has commenced talks with TeliaSonera to explore the possibility of starting negotiations on its proposed \$41 billion bid. It had also said that it was open to increasing the cash part of its offer.

FT extends deadline for its takeover offer for Teliasonera

France Telecom (FT) has extended its bid deadline for its \$41.2 billion acquisition offer for Nordic telecom service provider TeliaSonera, in order to keep the latter interested. The France-based telecom operator had recently

stated that it would withdraw its bid if the Teliasonera board did not show any interest in the offer. But FT has been forced to change its stance as the Nordic telecom group has dismissed FT's offer as "too low." The French service provider hopes that the extension of the deadline would give a positive signal to TeliaSonera. The Nordic group has refused to comment on this development.

Motorola secures WiMAX deal from TDF

France's TDF, which provides network services to telecom operators as well as broadcasters, has selected Motorola for deploying 802.16e WiMAX networks in various parts of the country where HDRR, an affiliate of TDF, owns WiMAX licenses. The three-year frame deal has come after successful rollouts in Sarthe, Loiret, and Limousin regions. WiMAX enables the provision of high-speed broadband to the customers. The French firm and its allies provide wholesale broadband to retail Internet service providers, which then deliver broadband data and VoIP services to residential and business users. Motorola will provide WiMAX equipment in addition to integration, deployment, and support services to TDF. The equipment includes WiMAX access points and customer premises equipment (CPE), including the CPEi 200 series and CPE0 400 series.

France Telecom withdraws its acquisition offer for TeliaSonera

French telecom service provider France Telecom announced that it has withdrawn its proposed buyout offer for TeliaSonera. On June 5, the operator had presented its takeover offer, which was promptly rejected by Teliasonera. France Telecom has now said that its further negotiations with TeliaSonera board have failed to yield the desired results owing to disagreements over the offer price. The France-based company added that it did not attach great importance to this deal with the Nordic telecom operator.

Chunghwa Telecom renews four-year maintenance services contract with Alcatel-Lucent

Alcatel-Lucent announced the renewal of a major maintenance contract for a second four-year term with Chunghwa Telecom, the largest telecommunications service provider in Taiwan, to provide maintenance services on its network system. Alcatel said that this project reinforces its strategic partnership with Chunghwa Telecom and further demonstrates Alcatel-Lucent's leadership in providing quality services and its commitment to service providers around the world. Alcatel-Lucent will provide its maintenance services on the Alcatel-Lucent 5ESS and S12 switches that make up Chunghwa Telecom's time-division multiplexing (TDM) network, which serves some 12 million subscriber lines. The full suite of service support includes technical support, and troubleshooting, as well as repairs and return services. This maintenance contract will help Chunghwa Telecom better manage and maintain its 14 million ports in more than 700 switches distributed across the island. These switches have been in operation at Chunghwa Telecom's network for more than a decade, and this contract further illustrates the quality and reliability of Alcatel-Lucent's solution.

Orange, Cisco collaborate on a network upgrade initiative

Orange Business Services and Cisco have joined hands on an upgrade project for boosting Orange Business's international Internet Protocol virtual private network (IP-VPN) services. Via this project, Orange will be able to provide multinational organizations with advanced telecom services. It will also boost its portfolio of collaboration services (data, voice, and video) to cover Cisco Unified Communications and Cisco TelePresence. Orange Business Services and Cisco would be developing IP-VPN services powered by Cisco IP NGN architecture. The network upgrade/

development will also be instrumental in adding newer services like IPv6 over MPLS and multicast VPN at a later stage.

France's broadband user base increases to 16.225 million

According to French regulator Arcep, the country added nearly 675,000 new broadband users in the first quarter of 2008, increasing the total user base to 16.225 million by the end of March from 15.551 million in December 2007. This represents a 19 percent increase from 13.676 million a year back. The regulator said that nearly 15.475 million subscribers use ADSL, while the remaining people use fiber optics, cable, or satellite. Arcep also said that the total number of wholesale access lines rose by 338,000 in the first quarter to 7.825 million. Of these, nearly 5.521 million were accounted for by unbundled local loops.

Alcatel-Lucent evolves its Triple-play Service Delivery Architecture

Alcatel-Lucent announced several new enhancements to its Triple-play Service Delivery Architecture, which pave the way for new, sophisticated, and innovative multimedia services. Going beyond the initial, mass-market solution requirements for IPTV, voice, and Internet services, the new architecture enhancements now enable consumers and business partners to choose the quality of experience they want, for the content they care about and at a price they are prepared to pay. As service providers evolve their network architectures to support triple-play consumer broadband services, their focus is shifting to maximizing the return on investment. The new features being introduced— including new hardware and software enhancements for Alcatel-Lucent's Service Router portfolio — will enable service providers to offer their subscribers a high quality of experience for an expanded portfolio of broadband content and applications.

Alcatel-Lucent to conduct WiMAX trial with Thailand's True Corporation

Alcatel-Lucent announced plans to conduct a trial of wireless broadband services using WiMAX Rev-e technology with True, Thailand's only fully integrated telecommunications provider. For the trial, Alcatel-Lucent will provide True Corporation with a comprehensive WiMAX solution that operates in the 2.5GHz frequency band, including base stations, wireless access controller, operation, and maintenance center, customer premises equipment (CPE) — including WiMAX CPE and wireless cards for laptop computers — to deliver Internet broadband access when on the move. Alcatel-Lucent will also provide its WiMAX engineering expertise and integration services for the trial, which will take place in Phatumthanee province on the outskirts of Bangkok.

This trial has also been designed to test several applications that improve the overall welfare of the community by taking advantage of advances in telecommunications technology.

"Alcatel-Lucent is a clear leader in the market in WiMAX with 25 commercial contracts and more than 70 trials around the world," said Mr. Vincent Duda, managing director of Alcatel-Lucent's activities in Thailand.

"This leadership position gives us a unique ability to address the broadest set of customer requirements and the most extensive field experience to draw from. Being chosen by True for this important test is yet another testament to our growing reputation in this important market sector and an important statement about our role as a leading supplier for this customer."

China Telecom selects Alcatel-Lucent for IP metro area network expansion

China's biggest landline operator, China Telecom, has inked a multimillion-Euro contract with French vendor Alcatel-Lucent for expanding a countrywide IP metro area network. Alcatel-

Lucent bagged this contract via Alcatel Shanghai Bell, its flagship firm in China. Under the terms of the deal, Alcatel-lucent will be responsible for providing IP routing solution to China Telecom, which will allow the operator to deliver IP services to business and residential users. China Telecom would also be providing multiple IP-based services like IPTV, 3G broadband wireless, and virtual private network (VPN) services on one network infrastructure. Alcatel Lucent Shanghai Bell president Olivia Qiu said that the deal reflects the confidence shown by China Telecom in the vendor's service routing portfolio.

Numericable to launch ADSL services using the infrastructure of Completel

France-based cable operator Numericable will unveil its ADSL service on the network infrastructure of its sister company Completel, according to Telecompaper. The cable player's new 20Mbps broadband service will be available for EUR29.90 (US\$46.60) per month in unbundled regions.

It comes with free modem rental and enables users to make unlimited calls to other numbers in France and also to 45 international destinations. This broadband service would cost \$54.47 per month bundled and offers peak speeds of 10Mbps. Numericable's new ADSL service also provides 39 TV channels.

VeriSign deploys regional Internet resolution sites in Brussels and Paris

VeriSign has expanded its Internet infrastructure in Europe by opening new sites in Brussels and Paris.

The deployments of new Internet resolution sites in Brussels and Paris are in line with its "Project Titan" initiative. Under this project, VeriSign would hike its daily DNS query capacity to more than 4 trillion queries from 400 billion queries a day. It will also hike the network bandwidth of its primary resolution facilities to over 200Gbps from more than 20Gbps.

VeriSign, which will come up with new security upgrades to track and remove malicious Internet traffic, would also be increasing the number of Internet resolution sites to over 100 locations worldwide by 2010.

GERMANY

Deutsche Telekom gets approval from Greek parliament for its deal with Hellenic Telecom

Deutsche Telekom AG, the largest telephone firm in Greece, has obtained the permission of the Greek parliament for entering into a deal to acquire Hellenic Telecommunications Organization SA, which has over 16 million mobile users in countries like Romania, Greece, and Albania, among others. The agreement between Deutsche Telekom and the Greek government was cleared 151-144 in Athens. Deutsche Telekom, which is unable to progress well in the US owing to the country's highly competitive mobile-phone market, plans to expand its business via the mobile assets of Hellenic Telecom in Bulgaria, Romania, Albania, and Macedonia. The deal would see Deutsche Telekom paying around EUR442 million (\$686 million) for acquiring a 3 percent stake. On May 16, the German mobile operator had acquired a 20 percent holding in Hellenic Telecom for around EUR2.5 billion (\$3.87 billion). But Deutsche Telekom will acquire an additional 2 percent stake in the company, which implies that the price of stake acquisition in Hellenic Telecom stands at EUR3.2 billion (\$4.95 billion).

German-based fixed network operator Versatel buys AKF

German-based fixed-line service provider Versatel has bought cable network operators Datennetze (AKF) and AKF Telekabel TV. The supervisory board of Versatel has approved the deal, which still requires clearance from the German cartel office. Versatel would be making a payment of \$36.458 million to the

Deutsche Wohnen group for buying Frankfurt-based AKF. The transaction enables Versatel to directly access end customers, thereby taking advantage of its own network. It will also enable Versatel to reduce its reliance upon Deutsche Telekom in areas where AKF operates. Moreover, it will also get access to around 76,000 homes and enjoy stable customer relationships. AKF is a provider of TV/entertainment, Internet, and telephony services.

Germany's Internet subscriber base increases 42.2 million

According to the yearly (N)ONLINER Atlas 2008 study, the German Internet subscriber base has increased 5 percent to reach about 42.2 million. Around 3 million people have started to access Internet services since the previous year's edition.

The number of Germans without any access to the Internet has fallen to 29.9 percent. Berlin has the highest number of Internet users in Germany (70.3 percent), followed by Hamburg (69 percent), Schleswig-Holstein, Baden-Wuerttemberg, and Bavaria. However, the penetration rate remains low in former Eastern states and Saarland.

The study disclosed that the ratio between male/female Internet subscribers was 53.8:46.2, compared to 53.5:46.5 in 2007. Germany's broadband user base also grew 6 percent year-over-year to account for 65.4 percent of all Internet users. Currently, DSL is the most popular broadband technology in the county with 61.8 percent.

VATM accuses Deutsche Telekom of demanding 70 percent higher LLU fees

Germany-based federation of alternative telecom service providers VATM has criticized the proposal by Deutsche Telekom's relating to LLU (local loop unbundling) fees, which are around 70 percent higher than the existing rates. VATM director Juergen Gruetzne said that proposed LLU fees are way higher than the

costs borne by Deutsche Telekom for providing LLU services. He also requested that the country's telecommunications regulator reject the proposal and bring the LLU fees down to the real cost level, which is supposed to be less than the existing LLU fees.

T-Mobile Germany to launch a LTE pilot project by the end of 2009

According to teltarif.de, the technical director of T-Mobile Germany, Guenther Ottendorfer, has said that LTE (long-term evolution), an advanced level of mobile technology, would be offering speeds of 170/50Mbps. He also stated that the mobile service provider is contemplating upgrading its UMTS/EDGE/HSPA network to LTE, as the speeds supported by the new technology will enable it to provide advanced services including high-quality video. According to Ottendorfer, T-Mobile Germany will initiate a LTE pilot project by the end of 2009 or beginning of 2010.

Mobile 3.0 broadcasts to mobile with German television launch

Germany's Mobile 3.0 is offering high-quality broadcasts of television and radio channels to users on the move, having launched a test service based on a mobile television solution from Nokia Siemens Networks. The service, initially available in four German cities — Hamburg, Hanover, Frankfurt, and Munich — includes nine TV channels (ARD, ZDF, Deutschland 24, RTL, VOX, SAT 1, Pro 7, N-TV, and N24) and three radio stations (bigMUSIC, MyFun Radio, and 90elf). It will help gather information on actual demand, expected consumption patterns, coverage, and reception conditions in order to fine-tune the broadcasts and identify commercial services to be launched in the future, once Mobile 3.0 receives all the remaining licenses. During the test, Nokia Siemens Networks is fully hosting, operating, and integrating its mobile TV solution, which is based on the Digital Video Broadcasting for

Handheld (DVB-H) standard. The platform processes the content and provides the data stream to the broadcast network operator, while Nokia is supplying the end-user terminals.

GREECE

On Telecom unveils IPTV in Greece

Greek telecommunications operator On Telecom has unveiled its ON TV IPTV service in the country. This service includes a video-on-demand (VoD) service with over 1,200 titles each month, On Multiplex movies channel, pay-television packages including Discovery (comprising Discovery Science, Discovery World, and Discovery Travel and Living), National Geographic (NatGeo Wild, NatGeo Music), Baby TV, adult channel Dorcel TV, and On sports (NASN, EXPN Classic, Extreme Sports). Users would be able to play eight games via On TV Games using the remote control.

On Telecom will also provide all the channels of Greece-based satellite service provider NOVA. The pay-TV packages will cost between EUR2 (\$3.11) and EUR8 (\$12.47), whereas the entire On TV package is available for EUR15 (\$23.38) a month.

HUNGARY

Hungarian cellular service providers add 208,033 users in April

According to national watchdog NHH, Hungary-based cellular service providers Pannon, Vodafone, and T-Mobile added 208,033 users in April, increasing their total to 11.43 million. The market share of T-Mobile rose from 43.88 percent to 44.20 percent, while Pannon witnessed a decline in its market share to 35.03 percent from 35.29 percent. Vodafone's market share fell to 20.77 percent from 20.83 percent in March. Hungary's mobile penetration rate increased from 111.8 percent in March to 113.9 percent.

ITALY**Telecom Italia could participate in consolidation of Germany's telecom market**

Telecom Italia SpA has said that it is keen to play an important role in the consolidation of Germany's telecommunications markets, adding that it is not yet a part of a concrete project. According to a Telecom Italia spokeswoman, the company is holding talks with several players in Germany. The daily *Il Sole 24 Ore* had recently stated that Telecom Italia was contemplating merging its business with German operator Versatel AG. Telecom Italia currently controls broadband service provider Hansenet in the country.

Italia signs broadband network agreement with FastWeb

Italy-based phone groups FastWeb and Telecom Italia announced that they have entered into an agreement wherein they would work together to construct an advanced broadband network in the country. Despite owning two separate broadband networks, the two service providers have decided to share each other's networks to construct the new network at a brisk pace. FastWeb and Telecom Italia have also settled some legal claims against each other.

NORWAY**Norwegian telecom group Telenor to acquire Datamatrix for \$44 million**

Norwegian telecommunications giant Telenor said that it has signed an agreement for acquiring communications firm Datamatrix AS from technology company Ignis ASA group for around 26 million crowns (\$43.65 million). Datamatrix is a provider of IP (Internet Protocol)-based networks, communication, and datacenter systems, in addition to IP technology. The company's turnover reached \$77.53 million last year. Telenor said that the acquisition would enable it to improve its position in the advanced

IP communications solutions segment. The transaction will need clearance from the Norwegian Competition Authority.

POLAND**Netia buys Tele2 Poland for \$50 million**

Tele2 announced that it has sold its Poland-based operations to Netia for \$49.99 million. By the end of March, Tele2 Poland had around 15,000 fixed broadband and 716,000 fixed telephony subscribers. In 2007, the company's sales had reached \$158.7 million. The deal is likely to increase Netia's user base to more than 300,000 broadband customers and 1.2 million fixed-voice customers. Revenues are likely to grow more than 40 percent. Netia would also take advantage of synergies resulting from network rationalization, since 80 percent of Tele2's interconnection/transmission network overlaps with Netia's. This transaction values the Tele 2 operations at \$45.91 million.

TVP's board gives the go-ahead for a DTH platform

The board of Polish public broadcaster TVP has given its consent for the unveiling of a new DTH (direct-to-home) platform next year. According to local media reports, TVP would operate its DTH platform in association with SES Astra. Currently, there are three DTH platforms in Poland — Cyfra+, Cyfrowy, and Polsat — which have 3.5 million customers between them. The fourth DTH platform from incumbent telecom operator TPSA is scheduled to be launched in the third quarter of this year.

ROMANIA**Romania's ANRCTI to award license in the 410-425MHz frequency bands**

Romanian telecom regulator ANRCTI has released draft terms for awarding a license in the 410-415/420-425MHz bands. The license

winner will construct, own, and run a broadband network for launching broadband services in the country. The criteria for assessing the bid offers will be the company's commercial feasibility, financial position, and specialization with experience and technical feasibility, among others. The requirements for providing broadband Internet include the expansion of services to at least 55 percent of the county by the end of 2013. Moreover, the license winner will need to provide voice/data transmission at download speed of 128Kbps and also provide PAMR specific services like simultaneous voice and data services, push-to-talk, and dispatching services, among others. Optional services include location, data/IP packages, and virtual private network (VPN) services. The license winner, which will be announced by September 8, will pay EUR 1.077 million (\$1.68 million) as license fee, apart from an annual tariff for using the spectrum.

Romtelecom to conduct IPTV trial this year

Romanian incumbent telecom operator Romtelecom's TV business manager, Miroslaw Smyk, said that the firm has decided to conduct an IPTV trial this year. But he did not mention the place where the trial would be conducted. Romtelecom currently runs a DTH platform called Dolce, which has already attracted more than 500,000 subscribers. Despite the fact that IPTV has yet to take off in Romania, Smyk believes that the country offers great opportunities for the development of this service. Currently, there are small-scale IPTV operations in the country, including Ines.

RUSSIA

Russian consortium to build, place in orbit, and operate Angosat

The government of Angola has approved the project for developing an Angolan communications satellite, in addition to the clauses of the agreement to be entered into by

the Russia-based consortium backed by Rosobon Export and the Ministry of Postal Services and Telecommunication. Under the terms of the contract, the Russian consortium would undertake the responsibility for constructing and operating the satellite, named Angosat, which would be used for supporting and expanding broadband Internet services. Angosat will also provide transmission to telecom service providers and support TV and radio network services.

Fon signs deal with Comstar to expand into Russia

Open Wi-Fi player Fon announced that it has inked a contract to expand into the Russian market by partnering with landline service provider Comstar. This new deal would see Fon and Comstar jointly building a Wi-Fi Internet network in Russia and the CIS. Comstar has stated that it is keen to set up 30,000 Wi-Fi access points in the capital city of Russia in 2008-09. The Fon network comprises nearly 230,000 Wi-Fi hotspots globally. Its investors include Coral/Sistema, British Telecom, Google, Index Ventures, Skype, Excite Japan, and Sequoia Capital. The social routing business plan of Fon has been modeled on "Linus, Aliens, and Bills." Under the plan, Linus users will allow Fon users to access the Web through their Wi-Fi connection in lieu of free Internet access on any Fon hotspot worldwide. Bills charge Fon users for accessing the Internet on their hotspot and share revenues with the open Wi-Fi maverick. Aliens are roaming users who pay for accessing Fon hotspots.

Enforta expands its footprint into 22 cities in Russia

Russian telecom player Enforta has stated that it plans to extend its WiMAX footprint by an additional 22 cities to increase the service territory to 55 cities in the country. These 22 cities include Bratsk, Kemerovo, Angarsk, Rubtsovsk, Biysk, Tolyatti, Krasnodar, Taganrog,

Novocherkassk, Novomoskovsk, Rybinsk, Orsk, Magnitogorsk, and Shakhty, among others. Victor Ratnikov, general director of Enforta, said that this marks the most extensive expansion drive initiated by the company. He said that Enforta's footprint will now reach cities having an aggregate population of more than 55 million. The company is also set to expand its operations in an additional 10 cities by the fourth quarter of 2008. Enforta's market share of 20 percent-22 percent of the market is the largest in Russia's WBA (wireless broadband access) segment.

SLOVAKIA

Slovenia's T-2 to launch IPTV in Croatia

Slovenia's alternative telecom carrier, T-2, is contemplating entering the Croatian market to launch an IPTV services in that country. According to media reports, the carrier, which is owned by Zvon Ena Holding, has already invested around \$0.32 million for its Croatian operations, which are likely to commence this autumn. T-2 currently operates a triple-play service in Slovenia. Unlike Slovenia, Croatia has a well-structured IPTV market with T-HT's MAXtv being the No. 1 player.

SPAIN

Telefonica looking to buy 10 percent stake in China Unicom

The Financial Times reported on its Web site that Telefonica SA (TEF) is keen to acquire a 10 percent stake in China Unicom Ltd. after the revamping of the Chinese telecommunications industry.

The report stated that Telefonica currently owns a 5 percent stake in China Netcom Group Corp., which is also its strategic ally. Its stake in China Netcom is likely to rise to 7.2 percent. China Unicom is slated to buy China Netcom later on this year. Despite the fact that Telefonica's stake in the enlarged entity will be reduced to 3 percent, the Spanish company is

in a fairly good position to pursue a strategic alliance with China Unicom.

SWEDEN

Ericsson wins WCDMA/HSDPA contract from Irish operator

Sweden-based telecom equipment vendor Ericsson announced that it has secured a deal with Irish telecom operator Meteor Mobile Communications for providing a WCDMA/HSPA network which includes microwave transmission. The telecom equipment maker said that this deal will allow the Irish company to launch new services like music downloads, social networks, and video-based content. Ericsson added that the 3G coverage of Meteor is expected to increase from 10 percent to 33 percent by the end of September, reaching key cities like Cork and Dublin. However, the company did not disclose the terms of this agreement.

Ericsson Croatia secures major contract in Belarus and Moldova

Telecom equipment vendor Ericsson Nikola Tesla has won a major deal for supplying telecom equipment from Interdnyestrcom in Moldova and Belarus-based FE Velcom. The value of this deal is estimated to be \$935,340. Under the terms of the deal, Ericsson would be responsible for providing solutions related to fixed bandwidth networks. It would also expand and enhance the AXE system to effectively manage the mobile network in Moldova and Belarus.

Ericsson to enjoy capital gains of EUR75 million by selling its stake in Symbian to Nokia

Telecommunications equipment vendor Ericsson has stated that it would enjoy capital gains of around \$116.70 million through the sale of its holding in software company Symbian to Nokia, the biggest handset maker in the world.

According to Ericsson spokesman Tobias Gyhlenius, the company would get \$205.40 million for selling its 15.6 percent holding in Symbian, adding that Ericsson would book the capital gain in the third or fourth quarter of 2008. The deal awaits approval from relevant competition authorities.

SWITZERLAND

Orange Switzerland's HSDPA mobile users can watch Euro 2008 in HD quality

Orange Switzerland has come up with a new package under which it would provide unlimited access of Euro 2008 football matches to its mobile users. The mobile operator will allow its mobile users to access the "Orange World football section," which includes mobile television broadcasts, news, and match schedules, by paying \$7.67. Mobile users paying just \$3.83 would also be able to access the Orange World football section minus the live mobile TV service. Orange LiveTV service would be streamed live through UMTS/HSDPA. The owners of HSDPA phones would be able to enjoy the live matches in high-definition quality.

Swisscom using Nokia Siemens Networks infrastructure for live television transmission of UEFA EURO 2008

Swisscom Broadcast is transmitting the TV signals from the stadiums in Switzerland to UEFA's International Broadcast Centre, from where they will be sent around the world. To assure the smooth transmission of TV images, Swisscom is supported by Nokia Siemens Networks, which has installed and is maintaining a fiber-optic network between the Swiss stadium in Zurich, Bern, Geneva, and Basel and the two interconnection points with Telekom Austria at the Swiss/Austrian border. Telekom Austria is then transporting the signal over their fixed network to the IBC in Vienna.

"For this high exposure project we needed a very secure solution to build a special

network. We will be sending very high volumes of data at different times from different stadia to the broadcast center, thus flexibility and reliability are a must. The solution from Nokia Siemens Networks has fulfilled all the above criteria," said Guido Garrone, head of network and IT for Swisscom.

UNITED KINGDOM

Vodafone keen to acquire an additional 12.5 percent stake in Vodacom

UK-based telecom giant Vodafone is planning to acquire an additional 12.5 percent holding in mobile service provider Vodacom, which is owned by Vodafone and fixed-line giant Telkom, for nearly \$2.4 billion from South Africa-based Telkom, whereas the Mvelaphanda Group is likely to launch a bid for Telkom minus the Vodacom holding. According to the South African newspaper, the bid from Mvelaphanda Group would be worth \$11.6 billion. These developments reflect the strong consolidation in the South African telecom segment. Just recently, the biggest mobile operator in sub-Saharan Africa, MTN had announced that it was holding talks with India-based Reliance Communications for creating a \$66 billion telecom group. Vodafone said that it will bid only if Telkom spins off its remaining 37.5 percent stake in Vodacom to current stakeholders. Telkom is 38 percent owned by the South African government, while Public Investment Corporation and 15 percent the Elephant Consortium own 15 percent and 6 percent stakes, respectively.

BT chooses Alcatel-Lucent's IP router to expand its 21CN Ethernet presence

BT has chosen French telecom equipment vendor Alcatel-Lucent for providing an IP service router which will enable the UK-based company to expand its 21CN Ethernet presence in the country. The vendor's 7750 Service Router (SR) would expand BT's

Ethernet-based services by adding a few PoPs (points of presence). BT is intending to capitalize on the launch of the 21CN Ethernet/broadband services to expand its Ethernet footprint in the country. As per the terms of the deal, Alcatel-Lucent will be responsible for proving BT with professional services comprising automated programs, which will allow its users to shift to the new networks. This project is likely to be completed by April 2009.

Dundee set to become the first fibercity of Scotland

Dundee is gearing up to become the first fibercity in Scotland, which implies that fiber-optic cables would be placed into the sewers to provide ultrahigh-speed broadband connectivity into all households and businesses in the region. An optical fiber cable network capable of supporting speeds of 100Mbps would initially be connected to over 55,000 households in the city. Thereafter, all hospitals, businesses, and educational institutions would be covered by the network.

C&W to raise its offer for Thus by 27 million pounds

Telecommunications group Cable & Wireless is planning to increase its \$601.46 million offer for Scottish-based Thus Group by another \$53.77 million. Cable & Wireless is reportedly planning to hike its previous offer of \$3.28 per share to \$3.58 per share, thereby valuing the deal at \$655.23 million.

Ofcom introduces voluntary broadband speed code

UK's telecom regulator Ofcom has introduced a voluntary speed code of practice to regulate the advertisement of Internet service providers' (ISPs') broadband speeds. For instance, fixed-line ISPs would need to give an accurate representation of the speeds supported by their lines when selling the packages. If their estimates are accurate, the

ISPs would be able to solve any technical problems affecting broadband speeds and also provide customers with the option of migrating to a lower-speed package. The UK-based ISPs will also have to give precise information on usage limits. Although the regulations are not enforceable, as many as 32 ISPs have agreed to honor this agreement. According to Ed Richards, Ofcom's chief executive, the introduction of a voluntary code will provide broadband users with a lot of clarity with regard to the speeds they are receiving. Meanwhile the Internet Services Providers' Association (ISPA) UK has urged the regulator to include wireless cellular operators in the purview of this code.

Vodafone decides to invest \$50 million in LLU

Vodafone has said that it will invest \$50 million on local loop unbundling (LLU), become the biggest telecommunications operator to capitalize on LLU. The company is intending to launch a "red network" for providing high-speed broadband as well as landline phone services. This development comes after the New Zealand's government had unbundled Telecom's phone exchanges. Gaining access to these phone exchanges implies that Vodafone would now be able to deploy a national network. Currently, there are 19 exchanges that have been bundled, accounting for 53 percent of all Auckland lines. This figure is likely to increase to 88 percent by October 2008. But the access to high-speed broadband would be dependent upon the distance between Telecom's telephone exchanges and the customers.

BT to unveil converged fixed-wireless enterprise service in Asia

British Telecom said that it intends to launch its converged fixed-wireless enterprise service into the Asia market. "Corporate Fusion" enables seamless handoff between mobile and Wi-Fi networks and will reduce roaming bills for

corporationa. The service also enables automatic migration to corporate PBX networks. According to BT's general manager for portfolio and partnerships, Nathan Bell, the service is being tested within the firm's regional offices. He said that the reconfiguration of WLAN networks for handling voice was a huge technological challenge, adding that the company will launch the service via public Wi-Fi hotspots. This service is likely to be launched in the third quarter.

BT enters into wholesale voice agreement with B SkyB

BT has entered into an agreement to provide a wholesale voice service to pay-TV broadcaster B SkyB for supporting call service for its 1.1 million Sky Talk customers. Under this new agreement, Sky would benefit from BT's economies of scale and its nationwide reach. Sky Talk users and their calls would be shifted to the BT Wholesale platform in the next few months. Delia Bushell, director of broadband and telephony at B SkyB, stated that as many as 740,000 new users subscribed to Sky Talk in 2007, adding that the deal would go a long way in improving its quality of service.

MARKET INTELLIGENCE

Europeans are increasingly shunning landlines for mobile phones

According to a recent European Union survey, Europeans are steadily switching off their landline phones for mobile phones. The survey, which was conducted in November-December 2007, revealed that around 24 percent of European homes have shunned their landline connections for cell-phones, an increase of 2 percent. Finland, the Czech Republic, and Lithuania had the least number of fixed lines across the 27-member European Union. The survey also found out that around 22 percent of Europeans are using their PCs for phone chatting and phone calls through programs like Skype. Lithuania had highest number of homes with Internet phone services (61 percent). Latvia came next, followed by the Czech Republic and Poland. Around 50 percent of Europe-based homes have access to Internet connections, with 36 percent of households accessing high-speed broadband services.

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