CHAIRMAN’S LETTER
Dear Fellow DSL Forum Team Members,

As we launch our plans for 2007, it is time to acknowledge our achievements for 2006. Throughout the year, we strived to advance the deployment of broadband by committing the DSL Forum to be a preeminent industry leader.

More than ever, our efforts have increased from broadband connectivity to developing solutions for advanced services delivery. Continuing with our momentum to respond readily to membership demand, our building on the formalized expanded scope to address broadband beyond DSL has ensued. Twelve new Technical Reports (TR) and twelve Working Texts (WT) have progressed to resolve common Customer Premises Equipment (CPE) and architecture requirements for various types of access methods, which nest as end to end solutions -- branded under our BroadbandSuite™. Including fiber optics and alternative broadband access methods into our considerations has yielded a broadened reference of DSL Forum specifications.

Following our mission, the specifications have enabled technologies to convey IPTV (Internet Protocol TV) and Voice over Internet Protocol (VoIP), as well as data, our launch point. Moreover, it has become even more paramount that these services are arranged to be delivered over shared media such as DSL – our mainstay.

With the focus on fulfilling the desires of the diverse membership, we have continued improving the management of DSL Forum business with new bylaws and policies and procedures to ensure fairness for all members. With our strong membership base and prudent oversight, our financial statements are in good standing – year after year.

As my second term serving the members as Chairman and President of the DSL Forum sunsets, I encourage others to pursue this role for the upcoming fiscal year. With others that aspire to realize this delightful opportunity, the succession of leadership continues to brighten the longevity and success of the DSL Forum.

On behalf of the current Board of Directors and leadership team of the DSL Forum, I thank you for the accomplishments made in 2006. Through your efforts, the Forum continues to be a critical provider of the foundation for common specifications and interoperability, whereby members channel broadband advancements from technical requirements and their marketing management.

Honoring the rewards of collaboration, we recognize and celebrate with the industry as it approaches a new milestone of 200 million DSL subscribers worldwide. We look forward to a rewarding 2007, facing the challenges of the next phase of global communications transformation together.

Sincerely,

Michael Brusca
Chairman & President, DSL Forum
The work of the DSL Forum is performed under two main committees and under the steer of a special advisory committee.

**Technical Committee**
- Chair: Gavin Young, C & W Access
- Vice Chair: Frank Van der Putten, Alcatel-Lucent

**Marketing Committee**
- Chair: Vincenzo Gulla, Aethra S.p.A.
- Vice Chair and Acting Chair: Richard Cardone, TAZZ Networks

**Service Provider Action Council**
- Chair: Lynn Merrill, OPASTCO
- Vice Chair: Peter Adams, BT
DSL FORUM MEMBERSHIP AND OPERATIONS

The DSL Forum has been at the forefront of many of the changes and challenges happening in the broadband industry. Though our core membership has stayed strong, we have added new manufacturing members from the consumer electronics and fiber oriented industry. Our regional base has also changed, and is well aligned with the aggressively growing broadband markets such as Asia.

To help handle these operational enhancements and a real increase in liaison coordination, a new full time Chief Operations Officer, Robin Mersh, has been added to the staff. His focus is to ensure that the Forum membership base is solid; fiscal and operational management effective; and that he keeps the Forum's financial statements in good standing.

The focus for 2006 from an operational standing was to develop clearer processes for the day to day business of running the Forum as well as strengthen the policy to govern the reference and promotion of DSL Forum specifications. Increasingly, companies promoting their products' adherence to specific TRs and press coverage were at an all time high for member-company driven DSL Forum coverage. By year end, one hundred and sixteen of these member press announcements were tracked, which showed a clear endorsement of the Forum's work.

To help handle these operational enhancements and a real increase in liaison coordination, a new full time Chief Operations Officer, Robin Mersh, has been added to the staff. His focus is to ensure that the Forum membership base is solid; fiscal and operational management effective; and that he keeps the Forum's financial statements in good standing.

TECHNICAL COMMITTEE ACHIEVEMENTS

In 2006, we saw the global deployment of DSL surpass 164 million lines and it will reach 200 million lines very soon. Throughout the year, many more service providers announced plans for IPTV and entered the market with their initial IPTV deployments. Hence “Triple Play” is becoming a reality in a wider range of geographic markets. Some service providers are now thinking of how best to offer “Quad Play” by integrating cellular/mobile services into the bundle.

This bundling of services over a single converged IP network to both reduce costs and increase functionality presents a number of challenges to network providers. Bundling will increasingly highlight the quality of network engineering as a competitive differentiator due to its profound impact on service performance, functionality, cost and time-to-market for new products.

When the market moved from simple web and email access to double play (data and voice), it was still possible for some network providers to employ simple network engineering by just using some more capacity to transport the small incremental bandwidth required for voice services therefore, call quality was ‘good enough’ most of the time. However, as the broadband industry has moved towards triple play bundles, adding video into the service mix means that no short-cuts can be taken. Video has extremely onerous quality requirements and any network engineering deficiencies are immediately apparent to the customer.

Hence this will really differentiate network providers in terms of network architecture and implementation.

As video compression evolves and deployment of HDTV over broadband networks increases, the sensitivity of the customer’s Quality of Experience (QoE) to the network architecture, technology performance and its implementation will increase. Inadequacies in networks that result in detrimental jitter, packet loss and multicast channel change latency will be immediately apparent to the customer.

The work of the technical committee has been anticipating this service bundling trend with significant activity on “Next Generation DSL” capable of supporting multi-play service deployment. Key achievements in 2006 that support this industry direction have been:

- Next Generation architecture: TR-101 provides a standardized approach to an Ethernet-centric multi-service broadband architecture. It effectively provides a QoS and multicast blueprint including equipment functional requirements from Residential Gateway through to Broadband Network Gateway.
- Next Generation service requirements: TR-126 is a thorough compendium of requirements and issues that impact the customer’s Quality of Experience (QoE) for triple play services including IPTV and gaming.
Next Generation DSL technology: Significant work was undertaken on both the management and interoperability testing of ADSL2plus and VDSL2.

BroadbandHome support: Work covered extension of the remote WAN management protocol (the famous TR-069) to devices in the home beyond the gateway such as VoIP devices, Set-Top Boxes (STB) and Network Attached Storage (NAS).

The technical committees have been very active in interoperability activities with plugfest events covering ADSL2plus, VDSL2 and TR-069 residential gateway management. The Testing & Interoperability specification work has been heavily focused on the functional and performance specifications for ADSL2plus and this work will be complete by the first meeting in 2007.

Next Generation DSL networks are of limited value to service providers if they can not be managed effectively and efficiently. Hence the Operations and Network Management work has continued to produce standard approaches to DSL network operations, DSL object models and element management interfaces.

Apart from the business as usual work on progressing Technical Reports to help guide the industry, members of the Technical Committee have been active in a number of “extra curricular” activities. These have included speaking at conferences on technically focused topics as DSL Forum ambassadors and contributing to Birds of a Feather sessions.

A summary of the completed Technical Reports and new Working Texts produced in 2006 is below:

**2006 TECHNICAL REPORTS**

<table>
<thead>
<tr>
<th>Report Number</th>
<th>Title</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>TR-067 Issue 2</td>
<td>ADSL Interoperability Test Plan</td>
<td>Testing &amp; Interoperability</td>
</tr>
<tr>
<td>TR-068 Issue 3</td>
<td>Base Requirements for an ADSL Modem with Routing</td>
<td>DSLHome Technical</td>
</tr>
<tr>
<td>TR-069 Amendment 1</td>
<td>CPE WAN Management Protocol</td>
<td>DSLHome Technical</td>
</tr>
<tr>
<td>TR-098 Amendment 1</td>
<td>Internet Gateway Device Data Model for TR-069</td>
<td>DSLHome Technical</td>
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<tr>
<td>TR-101</td>
<td>Migration to Ethernet Based DSL Aggregation</td>
<td>Architecture &amp; Transport</td>
</tr>
<tr>
<td>TR-106 Amendment 1</td>
<td>Data Model Template for TR-069 Data Enabled Devices</td>
<td>DSLHome Technical</td>
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<tr>
<td>TR-122 Issue 1.01</td>
<td>Base Requirements for Consumer-Oriented Analog Terminal Adapter Functionality</td>
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<td>TR-124</td>
<td>Broadband Residential Gateway Devices</td>
<td>DSLHome Technical</td>
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<tr>
<td>TR-126</td>
<td>Functional Requirements for Broadband Residential Gateway Devices</td>
<td>Architecture &amp; Transport</td>
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<td>TR-128</td>
<td>Addendum to TR-090</td>
<td>Operations &amp; Network Management</td>
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<td>TR-130</td>
<td>xDSL EMS to NMS Interface Functional Requirements</td>
<td>Operations &amp; Network Management</td>
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**2006 WORKING TEXTS**

<table>
<thead>
<tr>
<th>Working Text Number</th>
<th>Title</th>
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<tbody>
<tr>
<td>WT-143</td>
<td>CPE Throughput Performance Test Mechanism</td>
<td>DSLHome Technical</td>
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<tr>
<td>WT-144</td>
<td>Multi-Service Architecture &amp; Framework Requirements</td>
<td>Architecture &amp; Transport</td>
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<tr>
<td>WT-145</td>
<td>High Level Technical Requirements – Low Order Symmetrical Ethernet / Mid-Band Ethernet</td>
<td>Architecture &amp; Transport</td>
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<td>WT-146</td>
<td>IP Sessions</td>
<td>Architecture &amp; Transport</td>
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<tr>
<td>WT-147</td>
<td>Layer 2 Mechanism for Broadband Multi-Service Architectures</td>
<td>Architecture &amp; Transport</td>
</tr>
<tr>
<td>WT-148</td>
<td>CWMP Object Instance Use Requirements</td>
<td>DSLHome Technical</td>
</tr>
<tr>
<td>WT-150</td>
<td>TR-068v3 – Base Requirements for an ADSL Modem with Routing Version 3</td>
<td>DSLHome Technical</td>
</tr>
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<td>WT-151</td>
<td>Amendment to TR-069</td>
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<td>WT-152</td>
<td>Amendment to TR-098</td>
<td>DSLHome Technical</td>
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<td>WT-153</td>
<td>Amendment to TR-106</td>
<td>DSLHome Technical</td>
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<tr>
<td>WT-155</td>
<td>Requirements for an Optical Residential Gateway</td>
<td>DSLHome Technical</td>
</tr>
<tr>
<td>WT-156</td>
<td>Using GPON Access in the Context of TR-101</td>
<td>Architecture &amp; Transport</td>
</tr>
</tbody>
</table>
TECHNICAL PLANS FOR 2007

As we look forward to progress in 2007, work will continue in a number of key areas: The next generation network architecture activities will look like IP-centric architectures that meet a new set of requirements. This work will encompass examination of aggregation network technologies, topology, resilience, authentication and a separate activity on “IP sessions” in addition to the scalability issues associated with pushing IP functionality deeper into the network.

Another key area is around a framework for policy-based networking. As the networking industry increasingly turns its attention to Fixed-Mobile Convergence (FMC) and the associated IMS (IP Multimedia Sub-System) architectures, it is important that operators understand the context of policy-based networking as broadband DSL networks evolve towards “Quad Play” capability (adding mobility to the triple play service bundle). The initial DSL Forum work in this area is targeted to go to letter ballot after the first 2007 quarterly meeting.

The Operations and Network Management work continues to ensure that the next generation architectures can be effectively operated, including newly initiated work on the support for bonded DSL which may gain in significance beyond just the business market as operators consider the challenges of providing HDTV over DSL.

The Testing and Interoperability work will continue to support the ITL program for a retail ADSL2plus/VDSL2 modem service model. The ADSL2plus performance test plan (will be TR-100) should be completed by the first 2007 meeting. Work on VDSL2 interoperability will be a significant focus in 2007.

The DSLHome technical work continues to ensure that DSL services don’t stop at the end of the access network but provide an effective platform to transport and manage broadband applications from the Residential Gateway at the end of the network to the ultimate destination in the home (e.g. PC, TV or games console).

The work of the DSL Forum has provided a solid basis for the industry to develop solutions for IPTV and triple play service bundles over broadband. Our work in this area has been very actively liaised to a number of standards bodies to help unify approaches to broadband and is being actively leveraged by ITU-T, IETF, ATIS, DVB and HGI. It is important to note that much of our work is agnostic to the access technology. In 2007, we will further emphasize that our work has applicability beyond DSL by ramping up work on extending TR-101 architecture and TR-069 remote management to GPON-based service delivery.

TECHNICAL COMMITTEE LEADERSHIP TEAM

<table>
<thead>
<tr>
<th>Technical Committee Chair:</th>
<th>Testing &amp; Interoperability Chair:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gavin Young</td>
<td>Les Brown</td>
</tr>
<tr>
<td>C &amp; W Access</td>
<td>Texas Instruments</td>
</tr>
<tr>
<td></td>
<td>Testing &amp; Interoperability</td>
</tr>
<tr>
<td>Technical Committee</td>
<td>Vice Chair:</td>
</tr>
<tr>
<td>Vice Chair:</td>
<td>Matt Langlois (US)</td>
</tr>
<tr>
<td>Frank Van der Putten</td>
<td>UNH InterOperability Laboratory</td>
</tr>
<tr>
<td>Alcatel-Lucent</td>
<td></td>
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<tr>
<td>Architecture &amp; Transport</td>
<td>Testing &amp; Interoperability</td>
</tr>
<tr>
<td>Co-Chair:</td>
<td>Vice Chair:</td>
</tr>
<tr>
<td>Dave Allan</td>
<td>Bernard Dugerdil</td>
</tr>
<tr>
<td>Nortel Networks</td>
<td>Frescale Semiconductor</td>
</tr>
<tr>
<td></td>
<td>Operations &amp; Network Management</td>
</tr>
<tr>
<td></td>
<td>Chair:</td>
</tr>
<tr>
<td></td>
<td>Peter Adams</td>
</tr>
<tr>
<td></td>
<td>BT</td>
</tr>
</tbody>
</table>

DSLHome Technical Co-Chair:
Greg Bathrick
PMC-Sierra

DSLHome Technical Co-Chair:
Heather Kirksey
Motive, Inc.

LIAISON OFFICERS

IETF
Greg Bathrick
PMC-Sierra

ATIS NIPP-NAI
Neal J. King
Infineon

ITU SG15 Q4
Tom Starr
AT&T

ETSI TM6
Greg Gough
Excelsus Technologies

UPnP
Jack Manbeck
Texas Instruments

DLNA
Phil Skeba
Intel

ATIS IIF
Rick Townsend
Alcatel-Lucent

CEA
Richard Brand
Nortel Networks
MARKETING COMMITTEE ACHIEVEMENTS

With the scope of work within the Forum expanding over the last few years from DSL access standards to include the home network and most recently the emerging control/management layer, the Forum needed a marketing vehicle to effectively communicate the power and potential of the end-to-end network architecture that is being defined within the Forum.

The Marketing Committee defined a program that enabled the Forum to effectively communicate its entire body of work; aligning the DSL Forum marketing efforts around solutions – not technology and by focusing on three key battlegrounds in the next generation network – the home, the access network, and the service control plane.

The result was the creation and launch of the BroadbandSuite™ (BBS). The BBS created a marketing and communications vehicle that enabled the Forum to focus its marketing efforts on the features and benefits of the complete solution, not the individual Technical Reports that were created by uniting these three domains.

The BBS is an end-to-end reference architecture that consists of three reference models:

- **BroadbandControl**: Network Management, Policy Control
- **BroadbandAccess**: Architecture, Transport, Access Interoperability
- **BroadbandHome**: WAN/LAN Management and Interoperability

With this new framework in place the Forum launched a highly effective and broad reaching marketing campaign that leveraged traditional Forum marketing vehicles such as press releases, press and analyst outreach programs and tradeshow events. The BBS launch also enabled the Forum to expand its marketing efforts to include new marketing vehicles such as Webinars, live press conferences and tutorial workshops.

As a result, the 2006 BBS program delivered the following results:

- BroadbandSuite Educational Programs exhibited at Broadband World Forum-Americas, Broadband World Forum- Europe
- Ambassador appearances at sixteen key conferences around the world
- Generated an enormous amount of press coverage; 500 Forum driven press references carried in 41 countries
- Excited the analyst community with sixteen briefings
- Established the foundation for the 2007 application focused marketing program

With the stage set by the creation and launch of the BBS, the Marketing Committee is focused on leveraging this marketing vehicle to expand the level of activity in the marketplace and to produce a series of solution oriented materials that will illustrate the power of the BBS in action.

Below are the highlights of 2006 for each of the Marketing Committee working groups.

**Summit and Best Practices**

The Summit and Best Practices working group is tasked with sourcing and securing engaging and informative keynotes, panels and birds of a feather sessions for the Forum’s quarterly meetings. The goal of these sessions is to provide valuable insight to key market, technology and regulatory trends that are driving requirements on a global and regional basis.

**Strategic Communications**

The Strategic Communications working group is responsible for defining the key messages and programs that deliver these messages.
2006, the Strategic Communications working group focused its efforts on the creation and launch of the BBS. As the main architect of the BBS program, this group defined the project, created and executed all associated deliverables and was a key participant in all launch activities.

In 2007, Strategic Communications intends to build on the BBS framework by creating a solution-oriented program that leverages the end-to-end capabilities of the BBS architecture.

The list of events that the Forum participated in as a result of the Ambassadors group efforts is provided below:

<table>
<thead>
<tr>
<th>EVENT</th>
<th>AMBASSADOR</th>
<th>TOPIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>TSB Director’s Consultation Meeting Geneva, Switzerland, April 5, 2006</td>
<td>Sven Ooghe and Christele Bouchat</td>
<td>“IPTV Standardization”</td>
</tr>
<tr>
<td>VoIP ossibilities Conference and Expo Nashville, TN, April 13, 2006</td>
<td>Alan White</td>
<td>“IP Devices and Service Convergence”</td>
</tr>
<tr>
<td>Cherokee Networking Day Mechelen, Belgium, May, 2006</td>
<td>Frank Van der Putten</td>
<td>“An Update on DSL Forum Activities”</td>
</tr>
<tr>
<td>2nd Annual IPTV &amp; Telco Triple Play Forum Amsterdam, Netherlands, May 9, 2006</td>
<td>David Greggains</td>
<td>“IPTV Standardization”</td>
</tr>
<tr>
<td>Broadband World Forum Asia Hong Kong, May 16, 2006</td>
<td>Yue Chen, Rich Cardone &amp; Amit Cohen</td>
<td>“Ethernet Aggregation Networks”</td>
</tr>
<tr>
<td>Carriers World CEE Budapest, Hungary, November 2006</td>
<td>Vincenzo Gulla</td>
<td>“An Update on DSL Forum Activities”</td>
</tr>
<tr>
<td>IIR’s Optimising DSL Conference Lisbon, Portugal, November 2006</td>
<td>David Greggains</td>
<td>“The Status of DSL Standards Today”</td>
</tr>
<tr>
<td>Broadband Week Europe 2006 Berlin, Germany, December 2006</td>
<td>Sven Ooghe</td>
<td>“The Importance of Standards for Broadband Access Networks”</td>
</tr>
</tbody>
</table>

Ambassadors

The Ambassadors working group is charged with placing Forum members in speaking opportunities that are aligned with the Forum’s work and focus. In 2006 the Ambassadors working group did an excellent job of ensuring that the Forum was represented in key industry events as well as engaging and educating other standards groups on the Forum’s work.
MARKETING COMMITTEE ACHIEVEMENTS - continued

Events
The Forum embarked on a new event strategy in 2006 designed to maximize exposure by coupling speaking opportunities with tradeshow exhibition. The concept coupled information booths with panels and workshop speaking engagements. The results were phenomenal - increasing awareness of the Forum’s work, membership growth, and increased liaison interest and activity.

Moreover, these events enhanced the Forum’s press and analyst outreach programs by enabling the Forum to schedule face to face interviews and press conferences with key industry media and analysts.

The 2006 event schedule is listed below:

<table>
<thead>
<tr>
<th>EVENT</th>
<th>LOCATION</th>
<th>SPEAKING SLOT</th>
</tr>
</thead>
</table>

Public Relations
The Forum continued its strong public relations outreach program in 2006, and with the launch of the BBS, the Forum was able to expand the scope of conversations with the media and engage the analyst community. The success of the BBS outreach program was based on leveraging the wealth of knowledge and strong vision of the leadership team within the Forum. The feedback from these sessions was simple… the media and analysts want more of them in 2007.

Below are the highlights of the Forum’s 2006 outreach program:

<table>
<thead>
<tr>
<th></th>
<th>Total 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency Placements</td>
<td>500</td>
</tr>
<tr>
<td>Bylines</td>
<td>11</td>
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<tr>
<td>Interviews</td>
<td>52</td>
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<tr>
<td>Press Releases</td>
<td>10</td>
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<tr>
<td>Member Press Reference</td>
<td>116</td>
</tr>
<tr>
<td>% Business publications</td>
<td>32%</td>
</tr>
<tr>
<td>% Trade publications</td>
<td>68%</td>
</tr>
<tr>
<td>Countries hit</td>
<td>41</td>
</tr>
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Looking Forward to 2007
As the Marketing Committee looks ahead to 2007, the main focus is on leveraging the BBS marketing vehicle to expand the level of activity in the marketplace; reach out to other standards defining organizations; and continue to increase the awareness of the Forum and solutions that the Forum is delivering.

With this as the focus, the Forum has planned an extremely active year that will continue to expand on the foundation set in 2006:

- Increase the number of tradeshow events
- Increase the number of informational Webinars
- Host its first broadband focused seminar
- Continue its industry press and analyst relations program

To accomplish this, the Marketing Committee will utilize an application or solution – based program that demonstrates how the BBS end-to-end architecture enhances a services provider’s ability to deliver next-generation services, while simplifying and reducing operational expenditures.

As we strive to be the architecture of choice for the next-generation service delivery environments, our goal is simple – provide the standards that create an end-to-end framework that accelerates the introduction of new services. The Forum will also continue to drive liaison activity to increase awareness, cooperation and mutual benefit among standards bodies in an effort to accelerate the adoption of next-generation network architectures.

To help fuel this process the Forum intends to expand its presence in geographies such as Asia, Middle East and South America through events, speaking opportunities and quarterly meetings. In concert with this outreach will be a focused marketing campaign designed to illustrate the power of the BBS end-to-end framework.

Finally, in 2007 the Marketing Committee will continue to provide its members with insightful industry perspectives at its quarterly meetings, which will be held in three continents. Success in 2007 for the Marketing Committee will be measured by how often our standards and solutions are leveraged by our members, service providers and other standards defining organizations. We are looking forward to yet another fun, challenging and action packed year.
MARKETING LEADERSHIP TEAM

Marketing Committee Chair:
Vincenzo Gulla
Aethra S.p.A

Marketing Committee Vice Chair and Acting Chair:
Richard Cardone
TAZZ Networks

Best Practices/Summit Chair:
Peter LeBlanc
Aware

Best Practices/Summit Vice Chair:
Lisa Garza
Cisco Systems

Ambassadors Chair:
Alan White
Samsung

Ambassadors Vice Chair:
Yue Chen
Juniper Networks

BroadbandHome-Marketing Chair:
Brian Powers
Westell

BroadbandHome-Marketing Vice Chair:
David Glazner
Verizon

European Market Focus Group Chair:
Vincenzo Gulla
Aethra S.p.A

European Market Focus Group Vice Chair:
Steve Plume
BT

Strategic Communications Chair:
Richard Cardone
TAZZ Networks

2006 FINANCIAL OVERVIEW

The DSL Forum is committed to creating a progressive environment with the highest standards of corporate governance, transparency and accountability. Guided by these principles, the Board of Directors oversees the performance of Working Groups and Board Management Committees, sets management policies and makes strategic decisions about how the business of the DSL Forum should be conducted.

In order to better fulfill the Board’s responsibilities, the Board took steps in 2006 to hire a Chief Operating Officer (COO) to manage the daily operations of the DSL Forum, to further the Forum’s scope of influence through targeted liaison activities, and to execute the strategies defined by the Board and its management sub-committees. This action expended capital funds from the 2006 working budget; however did not impose a negative impact upon the DSL Forum’s bottom line.

Membership dues were increased in 2007 to account for global cost of living adjustment increases over a five-year horizon and telecom industry consolidation. In response to the demand for increased work time, quarterly meeting schedules were expanded to 4 days; subsequently meeting fees were increased to cover the additional incurred costs.

In September 2006, the Board authorized the movement of our investment accounts from Union Bank of California (UBOC) to UBS Investments. As CDs in UBOC mature, they are transferred to the UBS account where the DSL Forum maintains “real-time”, on-line visibility of funds. Although market rates are highly unpredictable, we anticipate this move to allow us to manage our funds to a greater interest return for the members.

As a result of our commitment to shareholder value (Membership Equity), Unrestricted Equity grew $230,359 in 2006. The DSL Forum’s 2006 achievements, commitments, and sound financial performance resulted in year-end membership equity of $1,609,218 as opposed to $1,378,859 in 2005. We can conclude that we had a strong 2006 both operationally and financially and will continue our efforts to become a more efficient, global organization.

We enter 2007 well positioned to continue the momentum of the achievements of 2006.
## 2006 FINANCIAL REPORT

### ASSETS, LIABILITIES AND MEMBERSHIP EQUITY

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
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<tbody>
<tr>
<td><strong>Current Assets</strong></td>
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<tr>
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<tr>
<td>Unrestricted</td>
<td>$1,609,218</td>
<td>$1,378,859</td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Membership Equity</strong></td>
<td><strong>$2,099,957</strong></td>
<td><strong>$1,686,439</strong></td>
</tr>
</tbody>
</table>

### REVENUES AND EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership Dues</td>
<td>$1,026,125</td>
<td>$1,015,750</td>
</tr>
<tr>
<td>Meeting Fees</td>
<td>$306,307</td>
<td>$312,354</td>
</tr>
<tr>
<td>Sponsorship Fees</td>
<td>$106,500</td>
<td>$294,883</td>
</tr>
<tr>
<td>Investment Income</td>
<td>$67,840</td>
<td>$42,247</td>
</tr>
<tr>
<td>Other</td>
<td>$2,235</td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$1,506,772</strong></td>
<td><strong>$1,667,469</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meetings &amp; Tradeshows</td>
<td>$462,216</td>
<td>$700,781</td>
</tr>
<tr>
<td>Management Fees</td>
<td>$414,646</td>
<td>$364,600</td>
</tr>
<tr>
<td>Marketing &amp; Public Relations</td>
<td>$239,075</td>
<td>$245,143</td>
</tr>
<tr>
<td>General &amp; Administrative</td>
<td>$73,381</td>
<td>$115,230</td>
</tr>
<tr>
<td>Consulting &amp; Professional Fees</td>
<td>$87,095</td>
<td>$32,226</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$1,276,413</strong></td>
<td><strong>$1,457,980</strong></td>
</tr>
</tbody>
</table>

|                      |                 |                 |
| **Increase in Membership Equity** | **$230,359**  | **$209,489**    |

*As audited by Blanding, Boyer & Rockwell; Certified Public Accounts – January 2007*
2006 MEMBERSHIP LIST – 212 Total Members as of December 31, 2006

152 Principal Members

2Wire
3Com Corporation
42 Networks
4Home Media
Accenture
Actiontec Electronics
ADTRAN
Aethra S.p.A.
Actelis Networks
Agere Systems
Agilent Technologies
AIMS (INT) Ltd
Airvana
Alcatel-Lucent
Allied Telesis, Inc
Allot Communications
Alpha Networks Inc
Alpha Telecom, Inc
Amedia Networks, Inc.
Ashley Laurent Inc.
ASSIA Inc.
AT&T
Aware
Axiom GmbH
Belgacom
Bell Canada
BellSouth Telecommunications
BigBand Networks
Broadcom
BT
C & W Access
Calix Networks
Centillium Communications
CETECOM ICT Services
China Telecom
Chungwha Telecom Labs
Ciena
Cisco Systems
Comtest Networks
Comtrend
Conexant
Coppergate Communications
Corning Cable Systems
Covad Communications
Critical Telecom
Deutsche Telekom
Digital Fountain
Dimark Technologies, Inc.
D-Link
East by North
ECI Telecom
Elisa Communications
Ellacoya Networks
Embarq
Entrisphere
Entropic Communications
Ericsson
Excelsus Technologies
FastWeb S.p.A.
Fine Point Technologies
Flex-Light Networks
France Telecom
Fraunhofer-ESK
Freescale Semiconductor
Fujitsu
Hammerhead Systems
Hatteras Networks
Hellenic Telecommunications
Organization
Hitachi Telecom (USA), Inc.
Huawei Technologies
Ikanos Communications
Infineon Technologies
Intel
Intellon
Incognito Software
Janifast
JDSU
Jungo Software Technologies
Juniper Networks
Krymle
KT
Lattelekom SIA
L.E.A.
Magyar Telekom Ltd.
Marvell Semiconductor
Microsoft Corporation
Motorola
MT2 SAS
National Technical Systems
NEC
Net
Netgear
Netopia
Nokia
Nortel Networks
NTT
Occam Networks
Operax AB
Pannaway Technologies, Inc.
PHYlogy
Pirelli Broadband Solution SpA
PMC Sierra, Ltd.
Portugal Telecom Inovacao
Qwest Communications
Redback Networks
Realtek Semiconductors
Samsung
Sandvine Inc.
Schmid Telecommunication
Siemens Home and Office
Communication Devices, LLC
Sparnex
Spirent Communications
STMicroelectronics
Stollmann
Sumitomo Electric Industries
SupportSoft
Swisscom Fixnet A.G.
TAZZ Networks
TDC A/S
Télecordia Technologies
Telbyte, Inc.
Telecom Italia
Telecom New Zealand
Teledata Networks
Telefónica Investigación y Desarrollo
Telekom Austria
Telekomunikacija Polska S.A.
Telenor
Têlchemy Incorporated
TelisSonera AB
Tellabs
TELUS Communications Inc.
Teradyne Inc.
Texas Instruments
Thomson
TietoEnator
Tilgin
Tollgrade Communications
Tracspan Communications
TrendChip Technologies Corp.
UTStarcom
Verizon
Vierling Communications
Westell
Wilcom
Wintegra
WiPro Technologies
Zeugma Systems, Inc.
Zhongxing
ZTE Corporation

44 Auditing Members

3M
Arcadyan Technology Corp
Askey Computer
BroadHop, Inc.
Cincinnati Bell Telephone
CyberTAN Technology
DataStream Ltd.
EXFO
Espial Group Inc.
Foxconn
Freebox SA
Gemtek Technology
Intracom
Ikratel
Jazz Telecom SA
Kenati Technologies
KT Corporation
Linksys
MindSpeed Technologies
Nemko AS
OPT New Caledonia
Philips Consumer Electronics
QA Cafe
Rogers Telecom Inc.
Ruckus Wireless
SAGEM S.A.
Servcomm Inc.
SingTel
Silicone & Software Systems, Ltd.
Simpler Networks
Sphairon Access Systems GmbH
STROM Telecom, s.r.o
Sunrise Telecom Incorporated
Switchcore AB
Tektronix, Inc.
Telkom SA LTD

16 Associate Members

Communication Authority
Copper Development Association
eCommerce Innovation Centre
Forschungszentrum
Telekommunikation Wien

Ghent University
Instituto de Telecomunicacoes
International Engineering Consortium
ITRI

National Telecommunications
Cooperative Association
OPASTCO
Point Topic
Prairie View A&M University

RITT
Stanford University
Universidade Federal de Pernambuco
University of New Hampshire
2007 MEMBERSHIP LEVELS

The DSL Forum is an international non-profit industry association working cooperatively to promote DSL. We have forged a powerful alliance of service providers and companies from virtually every sector of communications, networking and computer industries around the world to focus on forging global agreement on technical specification, sharing deployment best practices, promoting the market for DSL and facilitating development of interoperable DSL-based network components.

Principal Members - $8,500 USD – 4 Quarters: January 1, 2007 to December 31, 2007

- Attendance to all annual, general and committee meetings of the Forum
- One vote each on all Forum issues, technical reports, and marketing reports
- Access to all working documents, contributions, technical reports, and meeting minutes
- Eligibility to run for Board of Director and Committee officer positions
- Eligibility to submit Technical Committee and Marketing Committee contributions
- Subscription to all DSL Forum email mailing lists

Small Company Principal Membership - $4,000 USD – 4 Quarters: January 1, 2007 to December 31, 2007

- All the privileges listed above for a Principal Member

Note: Small Company Principal Members must have had annual revenues under $10 million USD in the previous year and are required to submit a letter from their CEO stating this.

Auditing Membership - $3,000 USD – 4 Quarters: January 1, 2007 to December 31, 2007

- Attendance to all annual and general (i.e., Summit and Plenary) meetings of the Forum
- Access to all working documents, contributions, technical reports and meeting minutes
- Subscription to all DSL Forum email mailing lists
- Auditing members may NOT attend committee meetings (i.e., Technical and Marketing Working Group meetings) of the Forum and are NOT eligible to submit Technical Committee or Marketing Committee contributions or vote on Forum issues, technical reports or marketing reports

Associate Membership - $950 USD

- Attendance to all annual, general and committee meetings of the Forum (but not eligible to vote)
- Access to all working documents, contributions, technical reports and meeting minutes
- Subscription to all DSL Forum email mailing lists

Note: Associate Members must be not for profit or educational institutions. Institutions will be approved for membership annually by a majority vote of the Board of Directors.

CONTACT THE DSL FORUM

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