



**FORGING A TRUE GLOBAL CONNECTION -
BROADBAND PASSES 500 MILLION SUBSCRIBERS**

One in every five of the world's households now has broadband

20 September 2010, Hong Kong - Broadband has taken a significant step forward as the number of subscriber lines passed the 500 million mark in July 2010. The milestone was revealed as the Broadband Forum provided its global Broadband and IPTV Industry Update at its quarterly meeting in Hong Kong today. Research by industry analysts Point Topic (<http://point-topic.com>) pinpointed the actual date as being in the third week in July and the Broadband Forum will mark the occasion with a Milestone Celebration later this week.

Robin Mersh, Chief Executive Officer of the Broadband Forum, said: "This is an extremely significant milestone and it reflects the critical importance of broadband in our daily lives, both for business and leisure. The Forum is already looking ahead to the next half billion lines and the challenges and opportunities that such rapid global growth can present.

"Today is a day to celebrate, but we continue to work towards strategic broadband evolution goals and our work on IPv6 and helping service providers to support its integration is part of our role in anticipating and solving the issues before they arise. This is the one of the key initiatives that is paving the way for the next milestone to be achieved."

The new figures show that global broadband subscribers reached 498 million lines (497,768,162) by the end of June 2010, representing a 2.63% growth in the quarter and 11.99% in the last 12 months to end of Q2 2010.

Oliver Johnson, CEO of Point Topic, said: "It has only taken 11 years to get to half a billion fixed broadband lines. The internet and all that it brings has taken hold like no technology since the invention of fire. It has brought the world closer together, improved health and education standards and introduced an era of cooperation and information sharing that

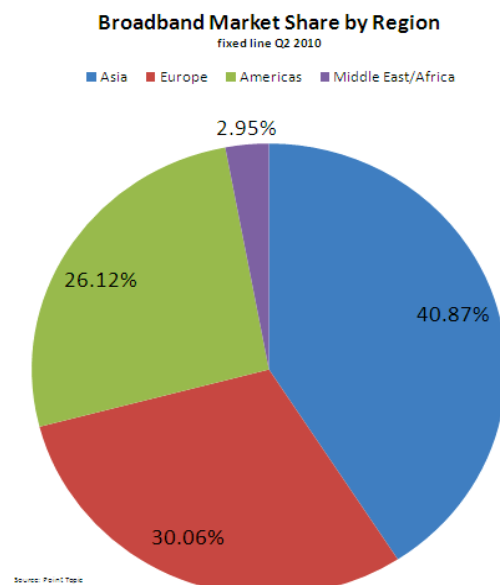
will hasten economic growth and improve standards of living for potentially billions around the world.”

Broadband growth continues in all regions

In a typically slow quarter with many markets, particularly in the Americas, reflecting the end of a number of central subsidies and stimulus packages there were still significant signs of some countries continuing their return to economic health:

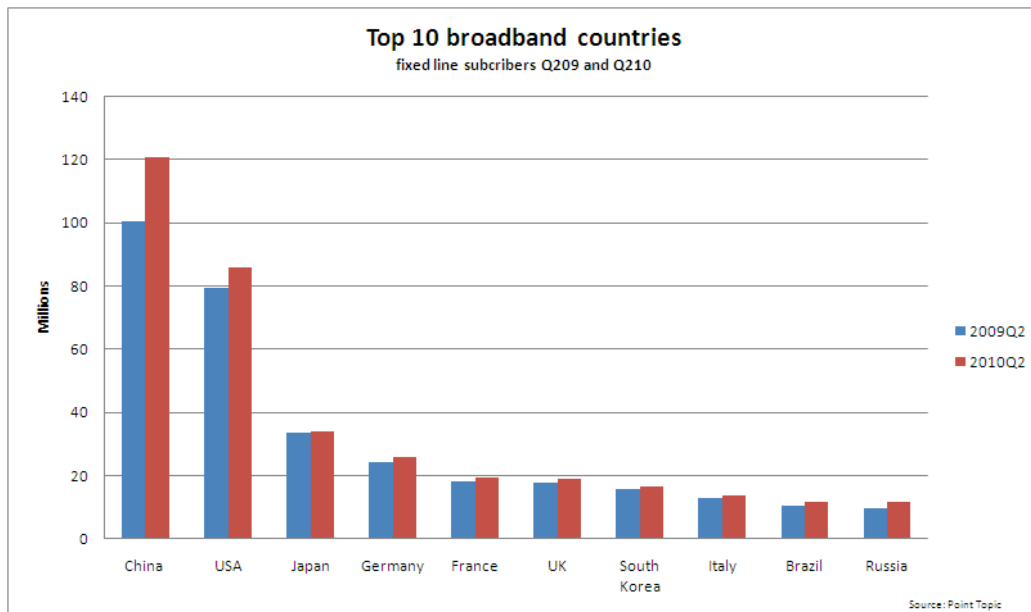
- China - the powerhouse of global broadband in the 21st century so far was responsible for 43% of all net broadband lines added in Q2 2010 and performed far better than the same quarter in 2009 ('China' includes Mainland China, Hong Kong & Macau)
- In Western Europe many markets did better than the equivalent 2009 quarter. Germany, the UK, Italy, Spain, the Netherlands, Poland and Turkey amongst others all reported strong numbers
- Central and South American markets have cooled to an extent but many are still reporting good quarterly growth (in the 5%-7% range)
- However North America, the USA and in particular Canada have significantly slowed and - in Canada's case - to levels not seen for a decade

“The end of housing stimulus packages in North America has badly affected growth in broadband. However all other regions performed better in the second quarter of 2010 than the same period in 2009,” said Oliver Johnson, CEO of Point Topic.



Source: Data provided by Point Topic (www.point-topic.com)

Continuing the trend from previous quarterly figures, Asia increased its share of the overall broadband market by a further 1.2% in the year Q209 to Q210 and by 0.41% in the last quarter alone. The region now accounts for almost 41% of the total, with Europe in second place with 30% and the Americas showing 26%. China is the biggest individual contributor to the Asian growth adding 5,470,888 lines bringing its total to 120,591,488, over 24% of the 500,000,000 lines achieved in the early part of Q3.



Source: Data provided for the Broadband Forum by Point Topic (www.point-topic.com)

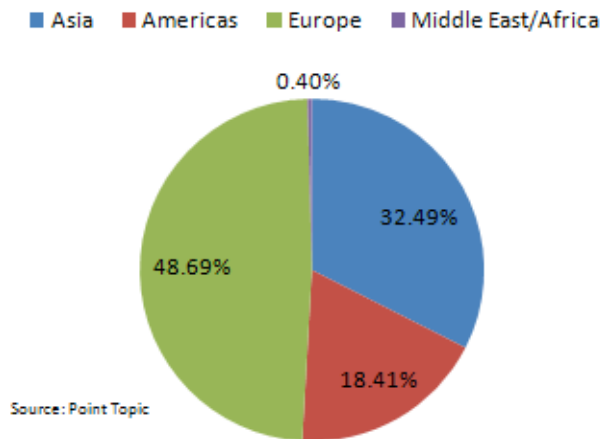
Elsewhere in the top 10 the real movement is from Russia and Brazil. Russia has a more consistent growth curve over the past few quarters compared to the stop/start nature of Brazil. As a result Russia is likely to overtake Brazil in the next three to six months to become the 9th largest broadband market.

IPTV taking root in more countries

The second quarter also highlighted a strong growth in IPTV subscribers with over 2.3 million new IPTV subscribers added to the total, making over 38.5 million people using IPTV world-wide by the end of Q2 2010. The growth is in line with broadband growth so the proportion of the world's broadband lines carrying IPTV remains the same as Q1 at 7.7%.

IPTV Market Share

by region Q2 2010



Europe still remains the most established region for IPTV with almost 19 million subscribers, of which almost half are in France. China (with Hong Kong and Macau) had the most net additions this quarter - 421,000 - ranking it second, with USA in third place with almost 6.5 million subscribers.

China dominates the Asian IPTV market with over 6.7 million IPTV subscribers, although there is enormous potential in countries such as India which are just at the start of IPTV deployment. Services are also developing in other areas as well. For example, Colombia reported over 100,000 subscribers for the first time in Q2 2010.

IPTV Top Ten Countries - Subscriber Lines

Country	2010Q1	2010Q2
France	9,018,305	9,400,750
China	6,071,898	6,758,000
USA	6,071,898	6,485,374
South Korea	2,576,663	2,909,136
Japan	1,861,127	1,960,743
Germany	1,520,400	1,633,200
Hong Kong	1,162,000	1,183,000
Belgium	814,000	868,000
Spain	824,520	835,300
Italy	825,000	824,514

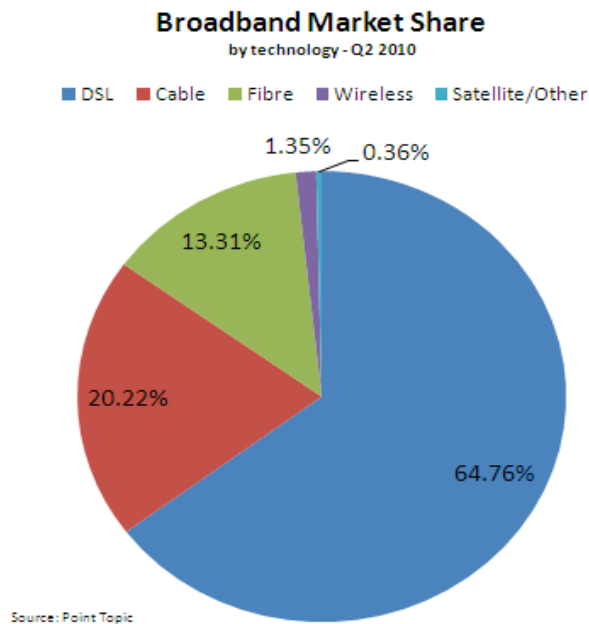
Source: Data provided for the Broadband Forum by Point Topic (www.point-topic.com)

“IPTV has seen a steady quarter this time. Most IPTV markets have not reached saturation, so there is plenty more room for growth. Although the second quarter of 2010 doesn’t quite match the same period last year there is reason for particular optimism in Asia and North America. As more and more consumers switch to fiber for their broadband we will see the numbers of IPTV subscribers climbing in those markets where FTTx deployment is powering ahead,” said Oliver Johnson, CEO of Point Topic.

Telcos continue aggressive FTTx deployments

In terms of access technologies the growth in FTTx take-up is outstripping both DSL and cable, and eroding cable's market share. FTTx has especially gained market share in the Americas over the last two years. This is the greatest success story in broadband - where overall broadband growth is slow, many consumers are switching to high speed lines as more services, such as IPTV, demand more bandwidth.

In Asia DSL continues to be the more popular choice and is increasing its market share, powered by emerging broadband nations such as India, Vietnam and China where major gains have outweighed the technology substitution in South Korea and Japan.



Source: Data provided for the Broadband Forum by Point Topic (www.point-topic.com)

How will we reach and serve the next 500 Million customers?

To successfully grow, both in terms of the number of lines and the speed of bandwidth, we need the most efficient network management possible, so that service providers can keep pace with opportunities such as fixed mobile convergence, the rise in business broadband, Smart Grid and the fully Connected Home. In all the excitement about new services, applications and higher bandwidth provision, it is the network that has to deliver and this is a key area of work at the Broadband Forum.

New work is also focused on defining the evolving end-to-end architecture, ensuring it can support multiple services with quality of service including multi cast. As part of our end-to-end approach, the Forum is defining MPLS core specifications as well as access aggregation and local loop solutions (DSL, fiber, etc.), and our Connected Home initiatives, built around TR-069, provide the de facto remote management standard for the industry which establishes the remote and automated provisioning, management and troubleshooting of devices in the home.

Another key area of work that must be addressed in order for us to reach those next 500 million potential subscribers is IPv6. With less than 8% of the world's IPv4 addresses still available, it is critical that we help the industry with a path to incorporating the new IP protocol version into their network and device management systems. IPv6 is not backwards compatible with IPv4, the current technology, so we are developing ways to support both versions at the same time until the day IPv4 devices phase out.

For further information about the Broadband Forum or to access free white papers and technical reports, visit www.broadband-forum.org. Special thanks go to Huawei for meeting sponsorship and to Intel for hosting the special Milestone Celebration.

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About the Broadband Forum

From the heart of the network to the connected user, the Broadband Forum is the Chief Architect of the Connected Lifestyle. Following its union with the IP/MPLS Forum, the Broadband Forum is now the central body for end-to-end multi-service architecture

development and network specifications. This organization, comprising around 200 members of the world's leading service providers, equipment manufacturers, chip vendors and other key organizations, defines next generation solutions for access, mobile backhaul, business services, IPTV, gaming and other applications, and is poised to address further developments as they arise. The Broadband Forum's formal Technical Reports and white papers are publicly available at www.broadband-forum.org.