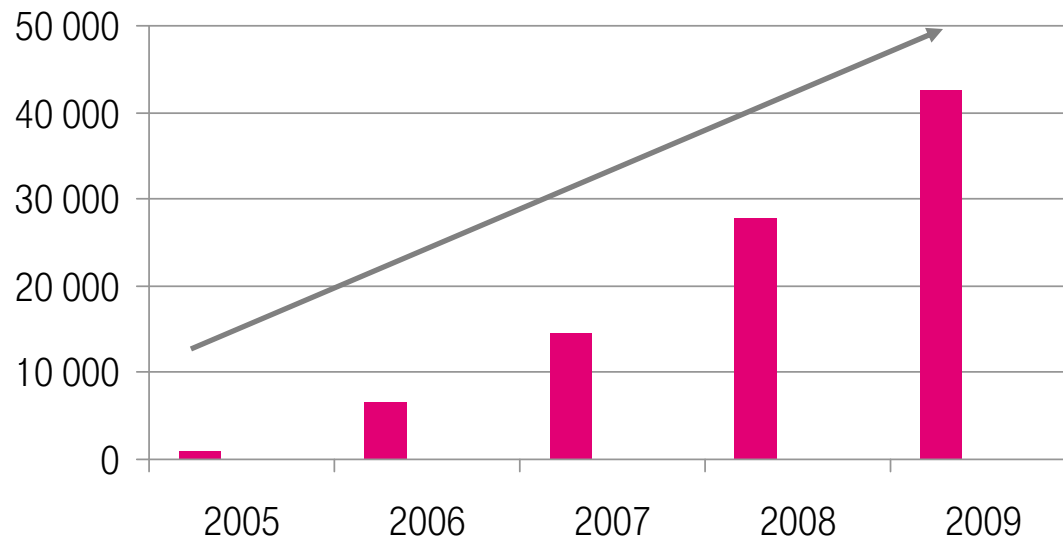


# Broadband infrastructure competition

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# Rapidly increasing ADSL penetration

ADSL users 2005 - 2009

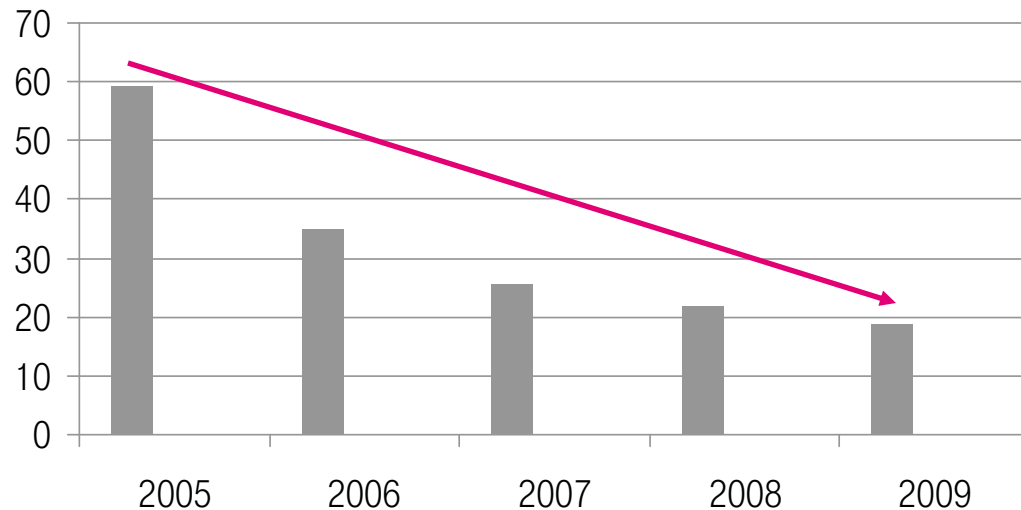


- 163 ADSL2+ locations
- 94% of PSTN customers covered
- Additional cca 16k Extra TV only subscribers



# Rapidly decreasing prices

ADSL ARPU 2005-2009



Competitive market

Competition: ADSL, mobile Internet, Wimax

Market share of actors is not known as no reporting process is in place



# Dial up numbers sharply declined in 2009

Month	Prepaid	Postpaid	Total No
Jan-09	8,771	8,353	17,124
Feb-09	7,860	7,942	15,802
Mar-09	7,164	6,329	13,493
Apr-09	6,448	6,495	12,943
May-09	5,726	5,352	11,078
Jun-09	5,349	5,312	10,661
Jul-09	5,048	4,886	9,934
Aug-09	4,581	4,914	9,495
Sep-09	4,261	4,655	8,916
Oct-09	3,727	4,564	8,291
Nov-09	3,255	3,558	6,813
Dec-09	2,800	2,384	5,184

- Average monthly revenue per dial up user in 2009 was around 2 EUR.



# Reference Interconnection Offer

- Approved April 2008
  - Interconnection
  - Collocation in ducts
  - Collocation in buildings
  - Collocation on masts and other network elements
  - September 2008 Extended with Reference Offer for Internet Service Providers
    - Global Internet Access
    - IP Numbers etc.



# Duct occupation review

- CT leases 12.749 m of ducts in total in 5 cities:
- Herceg Novi
- Tivat
- Kotor
- Podgorica
- Bijelo Polje
- Price of lease is 0.32 EUR/m/m for cable space within 32mm diameter pipe

Mkabl	NoviKDS	CATTV
5.667 m	4.848 m	2.234 m



# Obstacles to broadband service development

## 1. High local taxes

Taxes paid to municipalities 2005-2009

Year	Amount EUR
2005	1,915,943.65
2006	1,916,747.42
2007	1,082,971.76
2008	1,546,999.63
2009	1,832,789.39

Effect of amending the Law on Municipal Taxes not clear yet

→ Kolasin EUR 548k alone

Total 8,295,451.86

## 2. Blockage of infrastructure development in Podgorica

Since 2006 no permits received to develop infrastructure: Municipality insists on owning new ducts – agreement signed on cooperation, implementation pending



# Infrastructure competition can only be achieved if the infrastructure can be developed

## Recommendations

- Broadband development must be Government priority
- Broadband development in commercially not viable geographic areas must be funded or co - funded by Government – EU guidelines
- Implementation of EU regulatory framework must take into consideration market size and market power plus geographic specificities
- Municipalities must be incentivized to support and not to prevent infrastructure development and progress in general



Thank You!



# Joint activities with the Ministry for Information Society and Ministry of Education

## School web-sites

- CT provided:
  - Production of 122 school web-sites (elementary and high schools)
  - Financing of the road show
  - Financed trip to Disneyland for two wining schools
- Government support: skilled people facilitating road shows, all contacts of school representatives and school database

## Internet courses for pensioners

- CT provided:
  - Production of educational movie
  - Financing of the agency for internet courses for close to 300 people
  - Call Centre services
- Government provided media buying for broadcasting of educational movie



# Illegal occupation of CT ducts/Late payments

- The Inspection has identified 4 cases of illegal occupation of CT ducts in 3 different cities (Bijelo Polje, Podgorica, Herceg Novi).
- In 3 out of 4 cases the installed cables were property of M-kabl, and in Herceg Novi the cables were owned by NoviKDS.
- In all of these cases CT agreed to legalize the occupied ducts, although CT had contractual right to terminate the Agreement and request for penalties.
- During the Contract period with all of the Cable operators CT has tolerated the late payments of obligations, up to even 6 months, even it had the right to terminate the Agreement after the 30 days from the due date.
- Following the numerous warnings CT eventually terminated the Agreement with NoviKDS in september 2009.
- CT has not extracted the Novi KDS cables from ducts, which is a contractual right, and didnt ask for a penalty payments, since M-Kabl took over the NoviKDS and continued to provide service to its customers.



# Internet segment

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## Internet portfolio

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- **ADSL**

T-Com offers fast ADSL packages, which bring many benefits - unlimited bandwidth, increased download speeds, at lower prices:

Basic - 1 Mbps/ 1-2 GB

FI@t 1 - 1 Mbps/ Flat

FI@t 3 - 3 Mbps/ Flat

FI@t 6 - 6 Mbps/ Flat

- **ADSL Holiday and Vikendasi**

Offer for customers who want to have ADSL in their contry house for limited period of time.

- **Dupli Net**

Complete internet solution: ADSL and Mobile Internet.

- **Dial up**

Dialup services internet packages (prepaid and postpaid).

- **Additional Services**

Connection on HotSpot locations, post paid dial up, Antivirus/Anti spam protection, Web Hosting

# Broadcast segment

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## Broadcast portfolio

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- **Extra TV**

Next generation digital IPTV service, which brings over 60 TV channels, video on demand, TV guide and a host of interactive services.

- Two basic packages:

- Start package

- Mini package

- Additional packages:

- Plus

- HBO

- HBO Premium

- Arena Sport

- **Additional Services**

- Movies rental, stock exchange reports, whether forecast, games etc.



# Extra Trio



- **Extra TV Mini**
  - Basic package of 25 premium-quality IPTV broadcasting channels
- **ADSL Basic**
  - Download speed: max. 1 Mbit/s
  - Upload speed: max. 128 kbit/s
  - 1Gb limited bandwidth
  - 30 minutes on Hotspot locations
  - 1h post paid dial up-a per month
  - Antivirus/Antispam protection
  - 5 MB space on users.cg.yu
- **Phone Basic Package**
  - Traditional phone - 100 minutes in off-peak local calls
- **Installation fee: 30 EUR**
- **Monthly fee: 19.95 EUR**
- **Extra TV Start**
  - Basic package of 53 premium-quality IPTV broadcasting channels
- **ADSL FI@t1**
  - Download speed: max. 1 Mbit/s
  - Upload speed: max. 256 kbit/s
  - No limited bandwidth
  - 60 minuts on HotSpot locations
  - 2h post paid dial up-a per month
  - Antivirus/Antispam protection
  - 7 MB space on users.cg.yu
  - Attachments up to 15 MB
- **Phone Comfort Package**
  - Unlimited anytime Montenegro landline calls.
- **Installation fee: 30EUR**
- **Monthly fee: 37.95 EUR**

