



„Provision of Broadband: The rollout of WiMax networks in Central and Eastern Europe“

Brussels, June 15, 2006

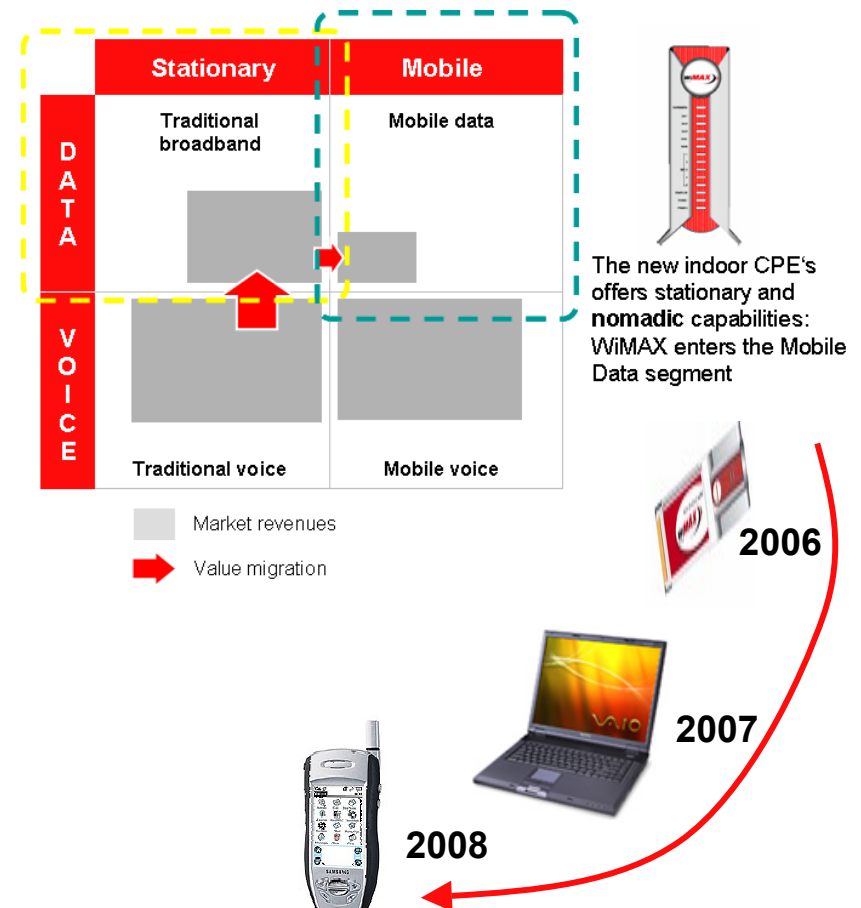
by

Marcin Marszałek

WiMAX Telecom is going to offer combined benefits of fixed network low cost telephony and predictable broadband service together with advantages of portability and mobility

The arguments of technology:

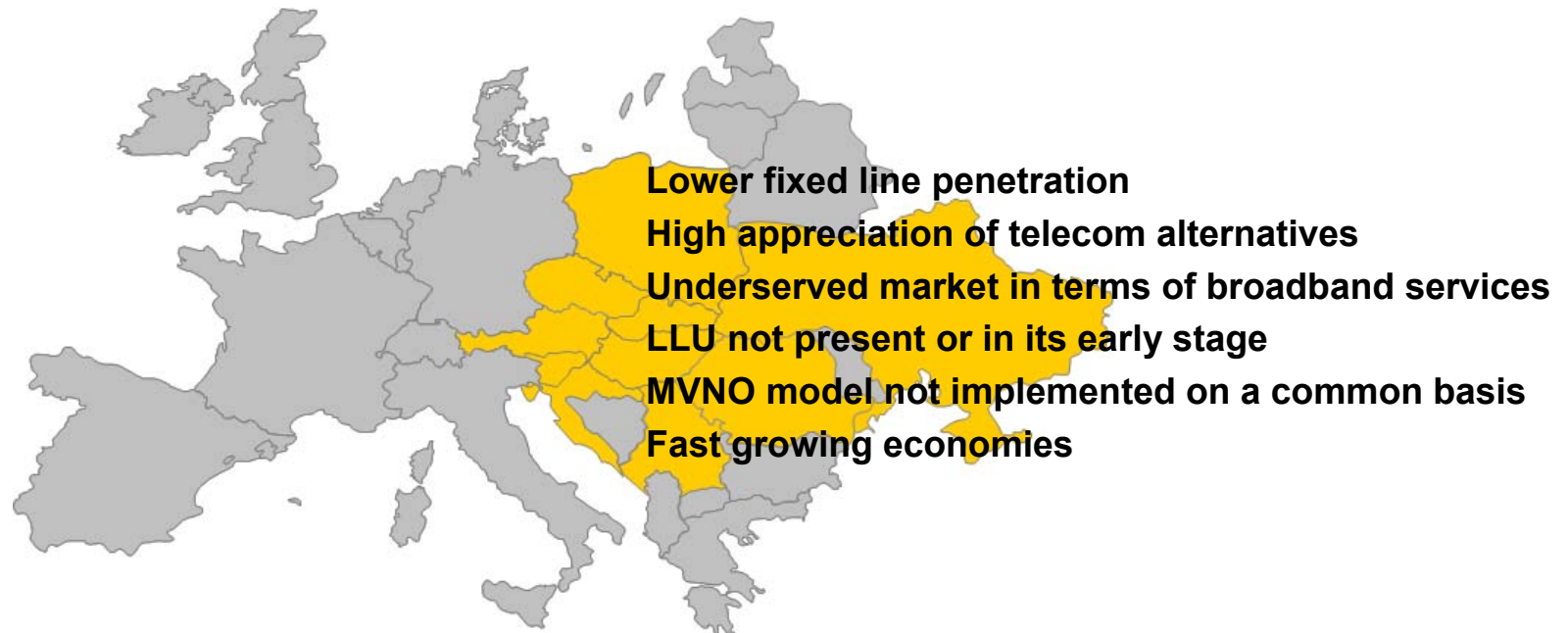
- Quick access to market
- Lower costs
- High quality and reliability of services
- Clear development path
- Standardized area (not proprietary)



Although interesting and hot WiMAX requires a solid market strategy. Why regional not local ?

The arguments of scale:

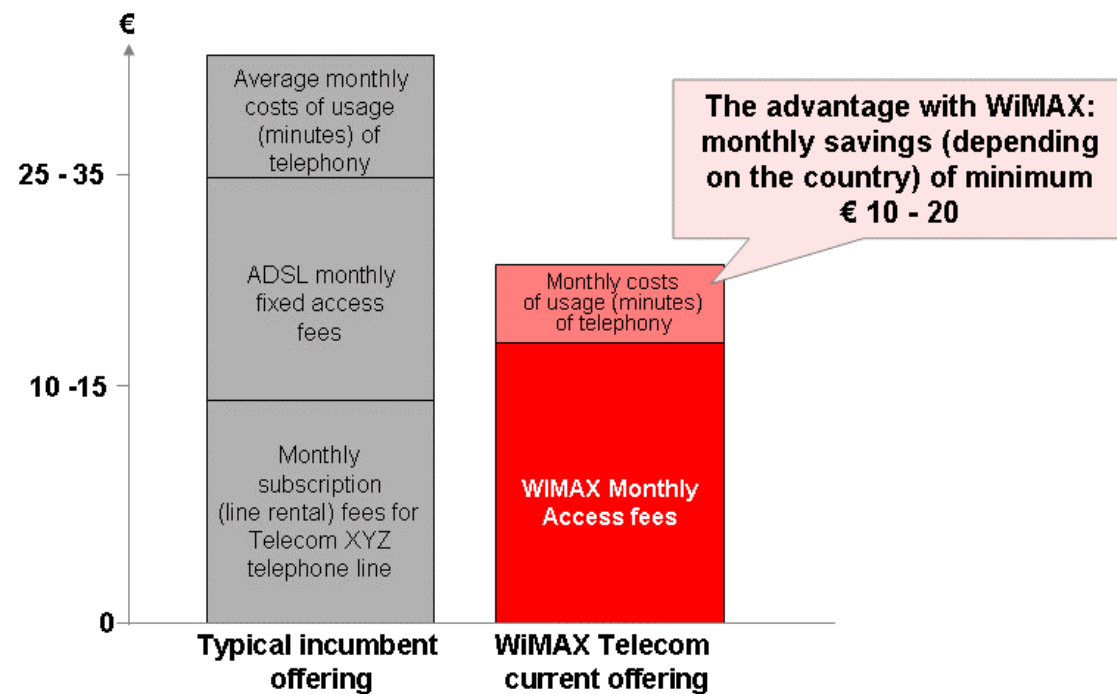
- Economy of scale effect
- Diffused risk of a single local market
- Enlarged value of the service package (one network)
- Reduced unit costs on side of OPEX and CAPEX



Due to low penetration of fixed networks (especially in sub-urban and rural areas) demand is out there. Market screening is key to find places where the incumbent is not or weakly present

The arguments for customers:

- Competitive pricing
- Low entrance barrier
- Easy-to-buy / Plug&play
- Number portability
- Ubiquitous connectivity



Challenges

- Incumbent operators allowed to participate in tenders for wireless broadband frequency allocation in some countries (low stimulation of competition)
- Some frequencies (Poland -> 3.6-3.8 GHz band) are planned to be allocated on a low-local basis (eg. 317 local tenders are planned)
- Unmanaged distribution of licenses for the 3.5 GHz spectrum in the past and uncertain verification mechanisms implemented by regulatory bodies (inefficiently used spectrum)
- Only narrow radio channels available in some countries

Expectations

- Availability of new frequencies for nomadic and mobile use of Wimax in 2006 and 2007 (eg. 2.2-2.4 GHz band)
- Access for Wimax network operators to the 2.5 GHz band as a technology neutral frequency
- Free use of TDD (time division duplex)
- Market and competition oriented verification of assigned and unused/improperly used frequency allocation in the 3.5 GHz band
- Legal implementation of nomadic/portable (2006) and mobile (2007) use of Wimax based services by the NRA's in Eastern Europe

- ❑ Founded in September 2004, after successfully bidding for a nationwide 3.5 GHz license in Austria (all 6 regions).
- ❑ Other winners are: Telecom Austria (5/6 regions), UPC (5/6) and Teleport (1/6).
- ❑ Availability of enough bandwidth of frequencies are key success factors. In the key economical region of Vienna and the surrounding areas we have 2 x 28 MHz.
- ❑ In August 2005 we have been selected among 4 winners out of 14 bidders for a nation wide 3.5 GHz license in Slovakia, winning against T-Com and Orange
- ❑ In late Q4 2005 and during 2006, we have been awarded 4 out of 5 regions in Croatia.
- ❑ Start of operation
 - Austria: October 1, 2005
 - Slovakia: November 1, 2005
 - Croatia: Q4 2006
- ❑ Total number of installed base stations: around 60
- ❑ Number of employees: around 50



The screenshot shows the WiMAX website homepage. At the top left is the WiMAX telecom logo. Below it is a banner image of a woman sitting at a desk with a laptop, with a mountain range in the background. A navigation menu below the banner includes 'Privat', 'Business', 'Support', and 'Kunden'. The main content area features a 'Newsticker' with a red headline: 'Kein Freischaltungsentgelt bei ECO mit 24-Monatsbindung!!!'. Below this is a 'Verfügbarkeit' section with a map of Austria and a 'GO' button. On the left side, there is a 'PRIVAT' sidebar with a menu containing 'Eco', 'Fon', 'Fun', and 'Bestellung', and a 'Newsletter' sign-up form with an email input field and a 'GO' button.

www.wimaxxed.at

Thank you very much

For questions and open issues
please contact:

Marcin Marszałek

marcin.marszalek@wimaxxed.at