

ANNEX 4

TELECOMMUNICATIONS MARKET ANALYSIS

SECTION 4.1

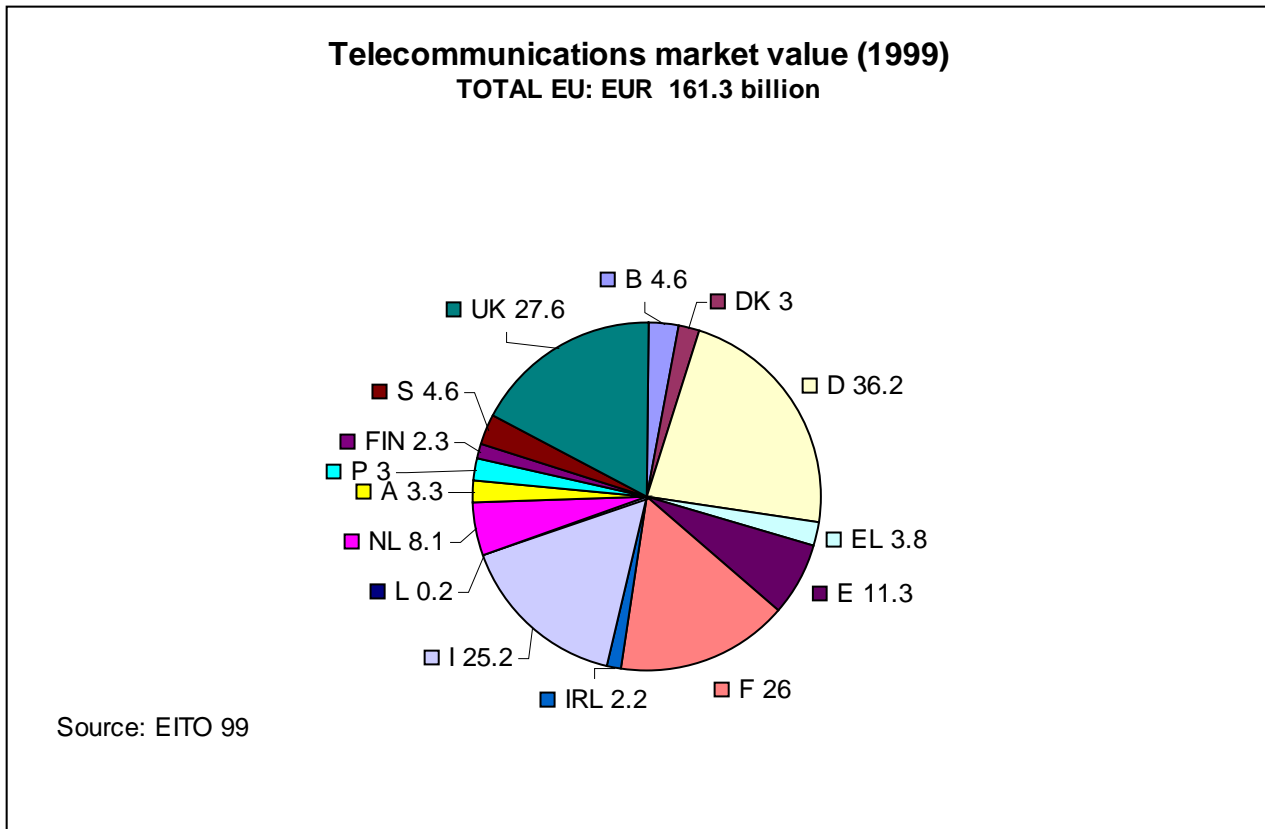
SIZE AND GROWTH OF EU TELECOMMUNICATIONS MARKET

This section considers developments in telecommunications and Internet markets.

Estimates of market value, growth and penetration rates are provided for voice telephony, mobile services and network services (switched data and leased line services).

Estimates of growth and penetration rates are provided for Internet services.

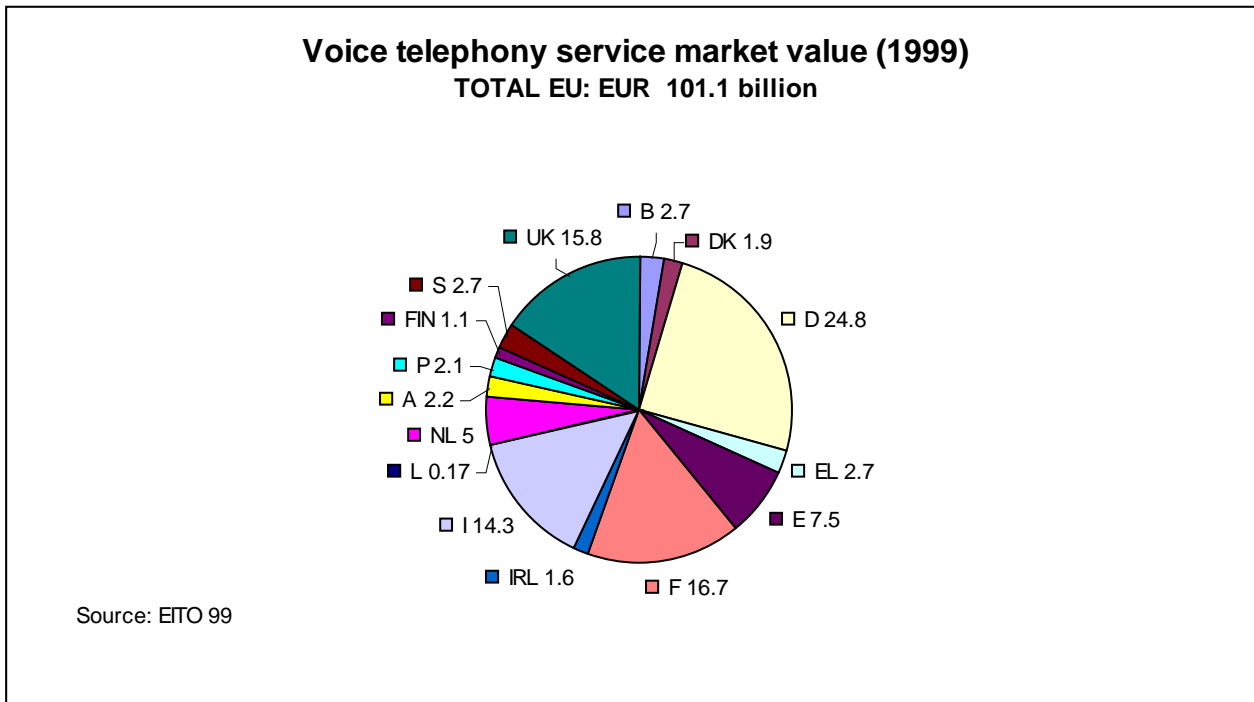
Chart 1



Estimates of 1999 revenues for public voice telephony, network (switched data and leased lines) and mobile telephone services.

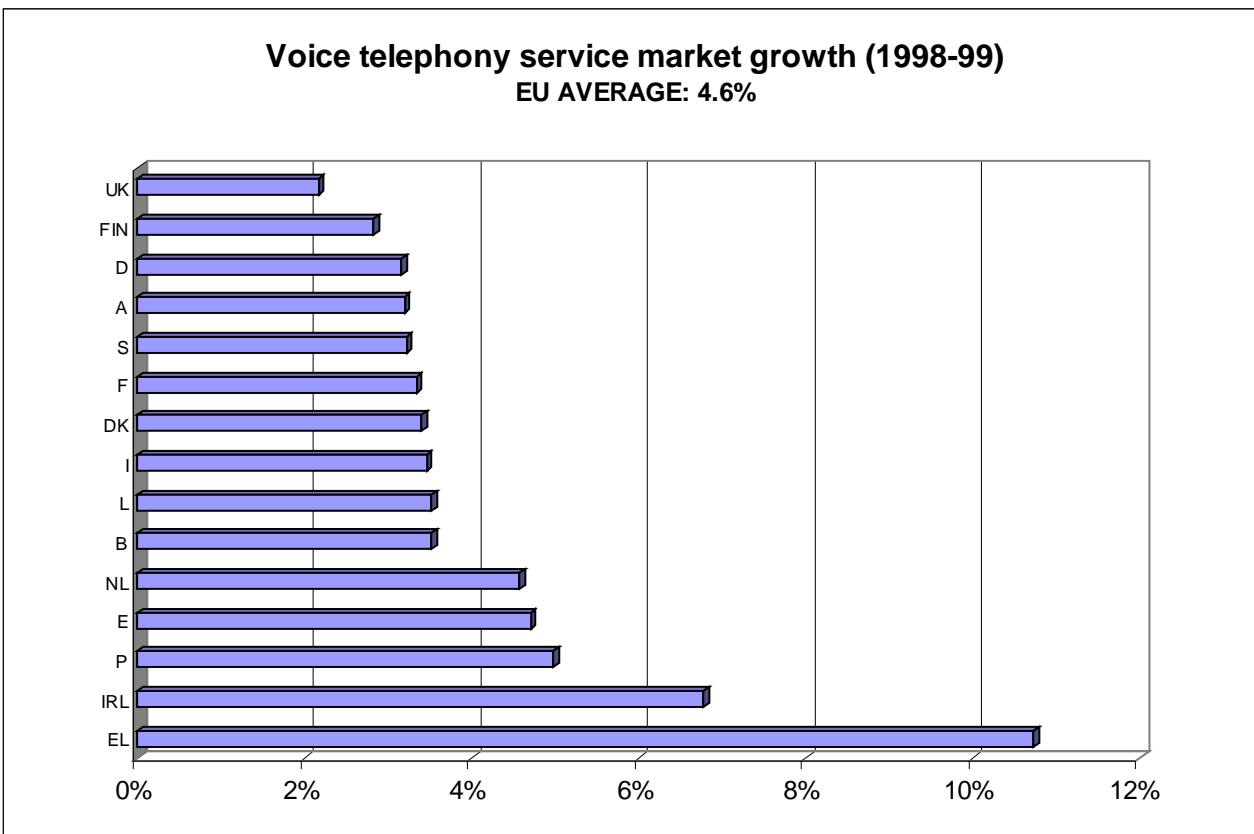
According to EITO 99 (European Information Technology Observatory 99) forecasts, the total value of the EU voice telephony, mobile and network services market will increase by more than 6.5 % in 1999 compared with 1998.

Chart 2



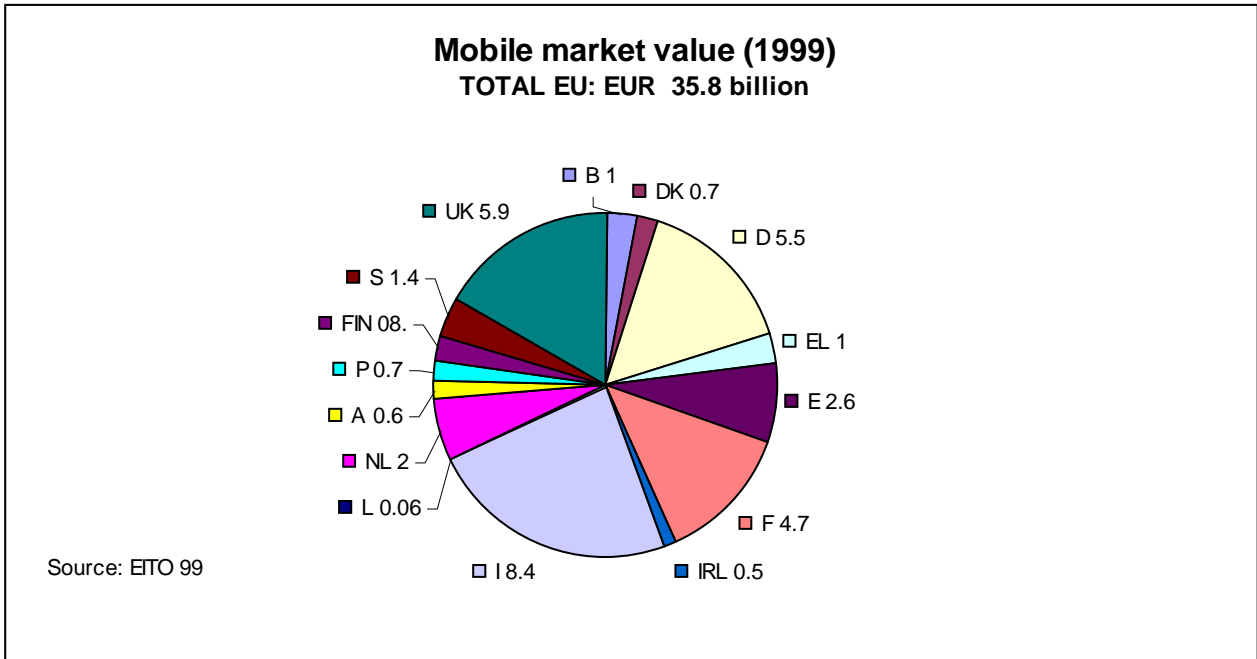
Estimates of 1999 revenues for public voice telephony (carrier service revenues for local, long-distance and international voice telephony services for residential and business users).

Chart 3



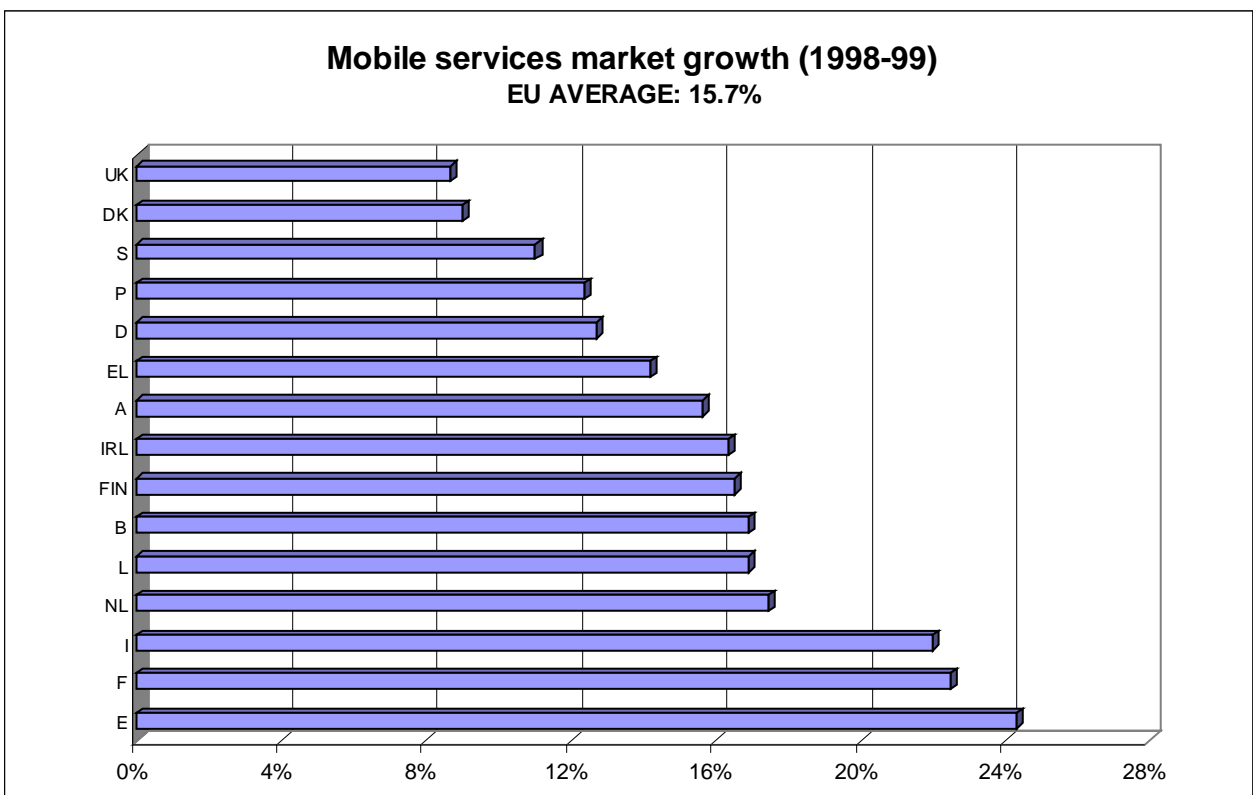
Individual countries' expected growth rates for public voice telephony revenues in 1999.

Chart 4



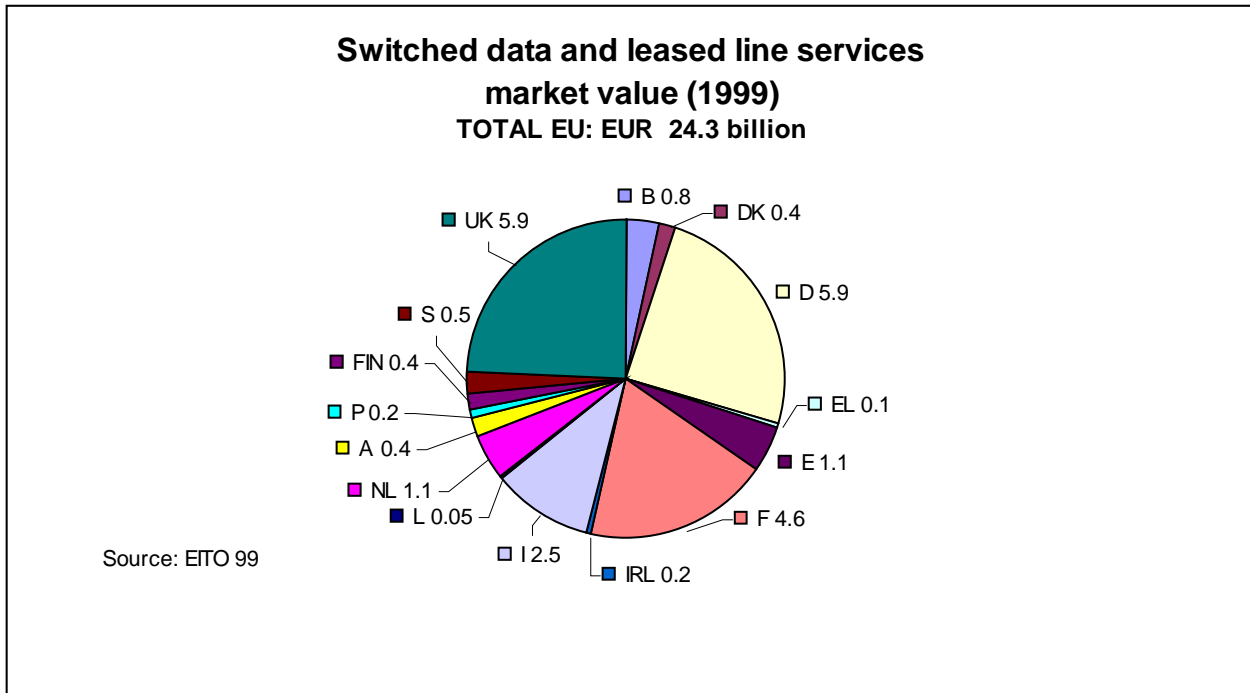
Estimates of 1999 revenues from analogue, digital and telepoint mobile networks.

Chart 5



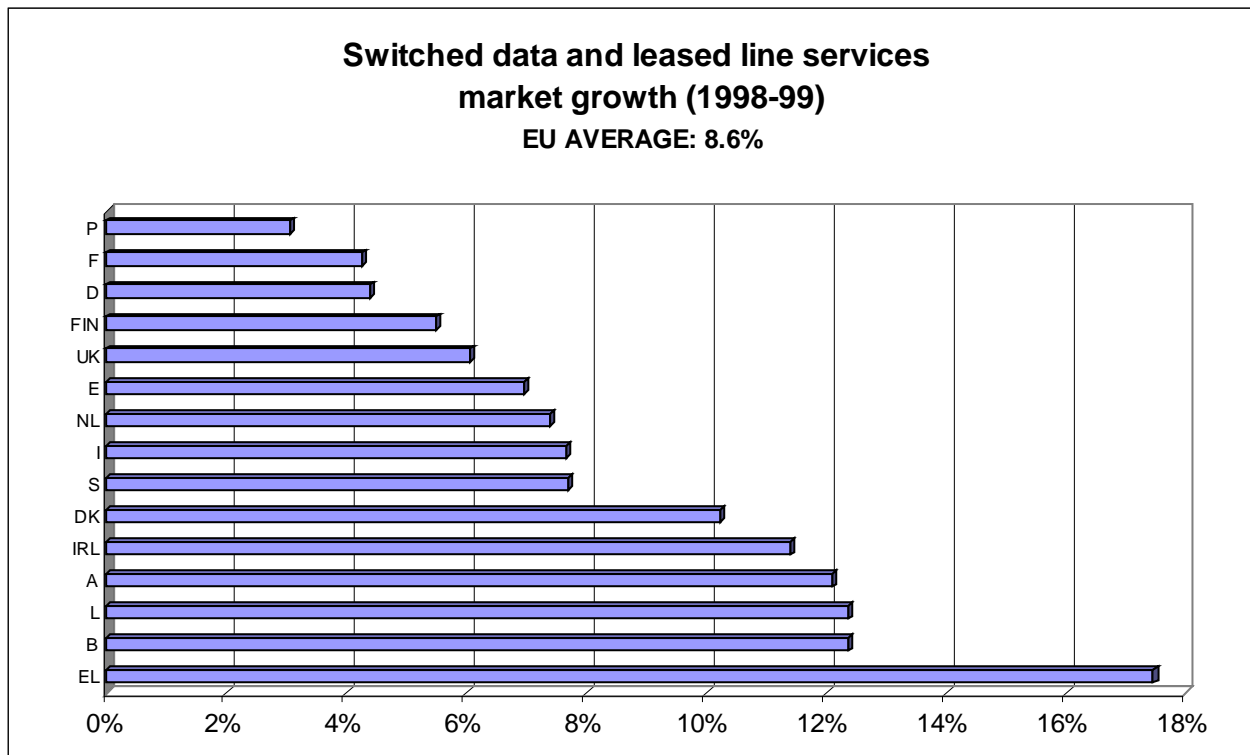
Individual countries' expected growth rates for mobile service revenues in 1999.

Chart 6



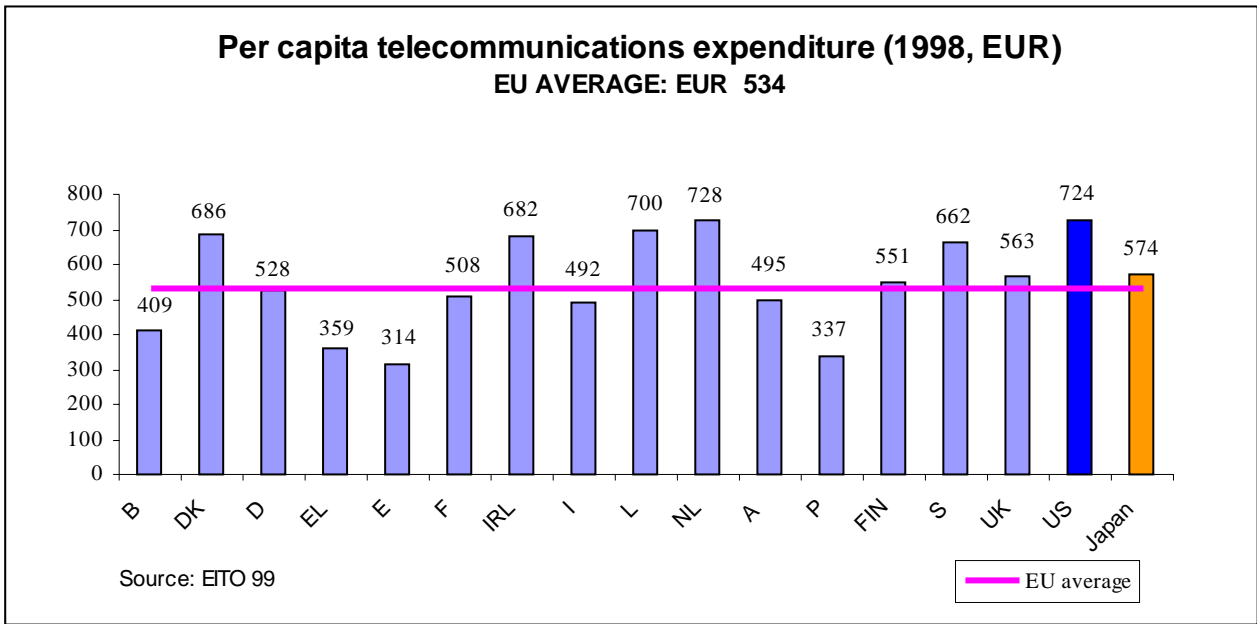
Estimates of 1999 revenues from public network services (switched data and leased lines).

Chart 7



Individual countries' expected growth rates for public network revenues in 1999.

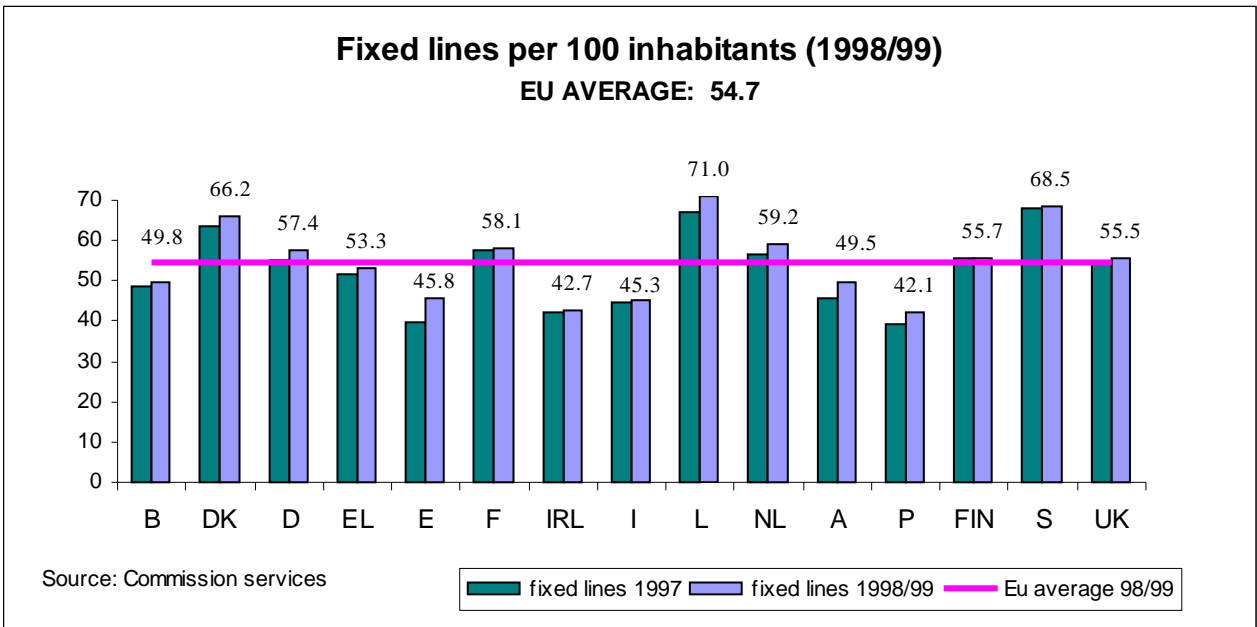
Chart 8



Per capita telecommunications expenditure in the EU in 1998.

The figures refer to expenditure on telecommunications network equipment, telecommunications terminals and telecommunications services (voice, mobile, data and cable TV), according to definitions provided by EITO 99.

Chart 9

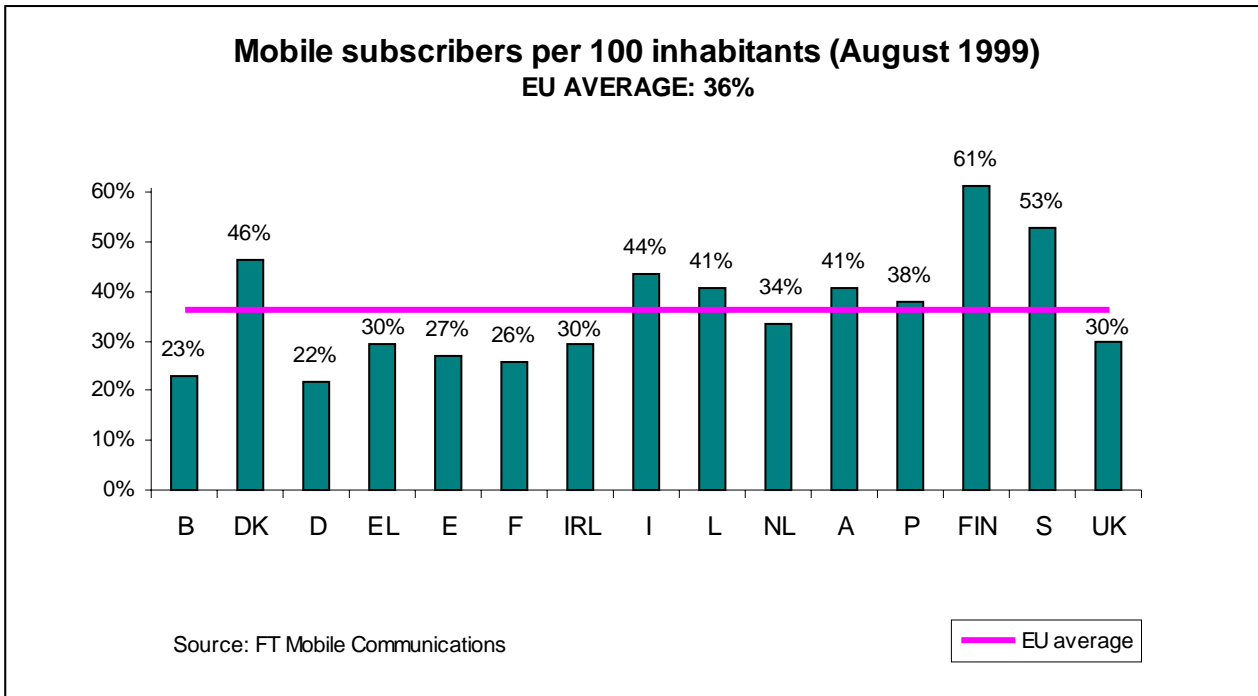


Penetration rate of fixed lines in the EU countries and comparison with 1997 levels.

The figures in chart 9 are based on data collected from non-standardised sources and should therefore be treated as purely indicative estimates.

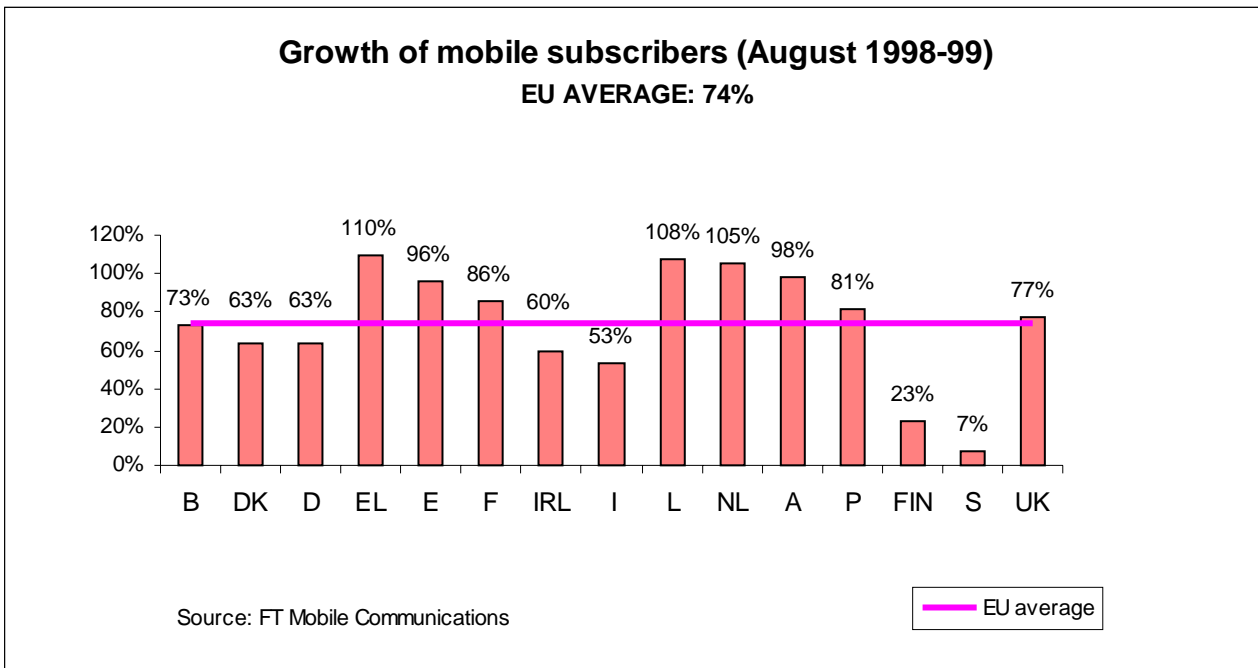
The data on fixed lines refer to the situation as of December 1998 for B, DK, F, L, NL, A, S and UK. The figures for remaining countries reflect the situation as of June/July 1999.

Chart 10



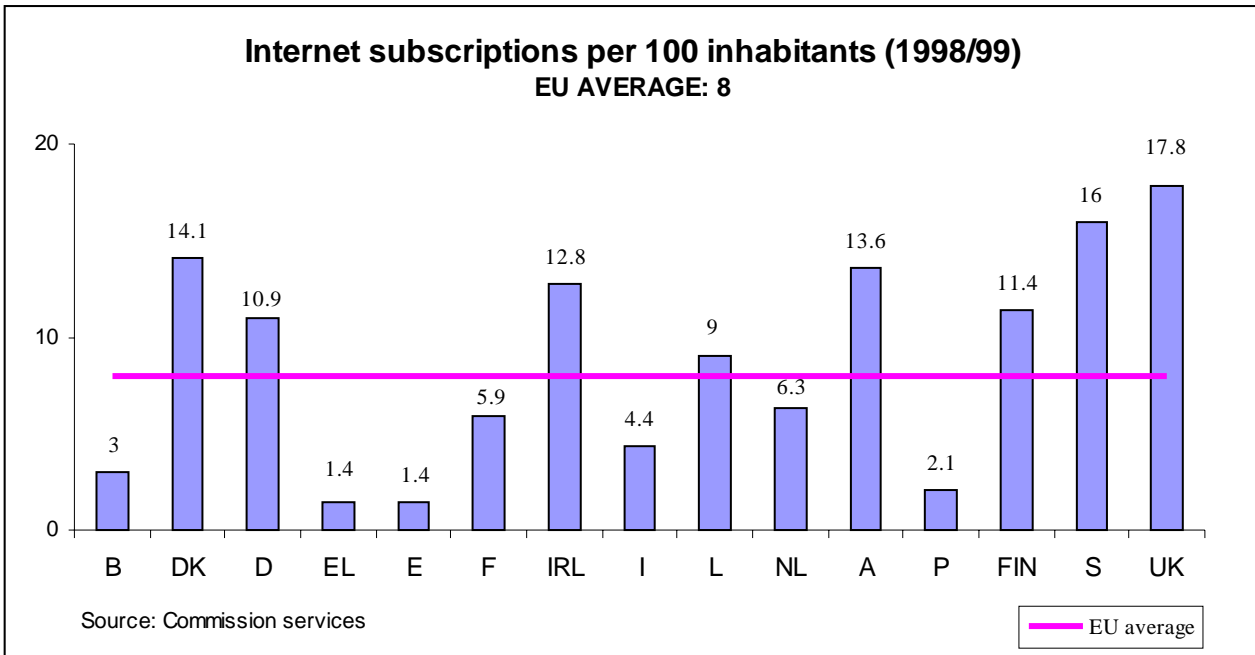
Number of mobile subscribers (analogue plus digital) per 100 inhabitants.

Chart 11



Growth of mobile markets in terms of subscribers.

Chart 12

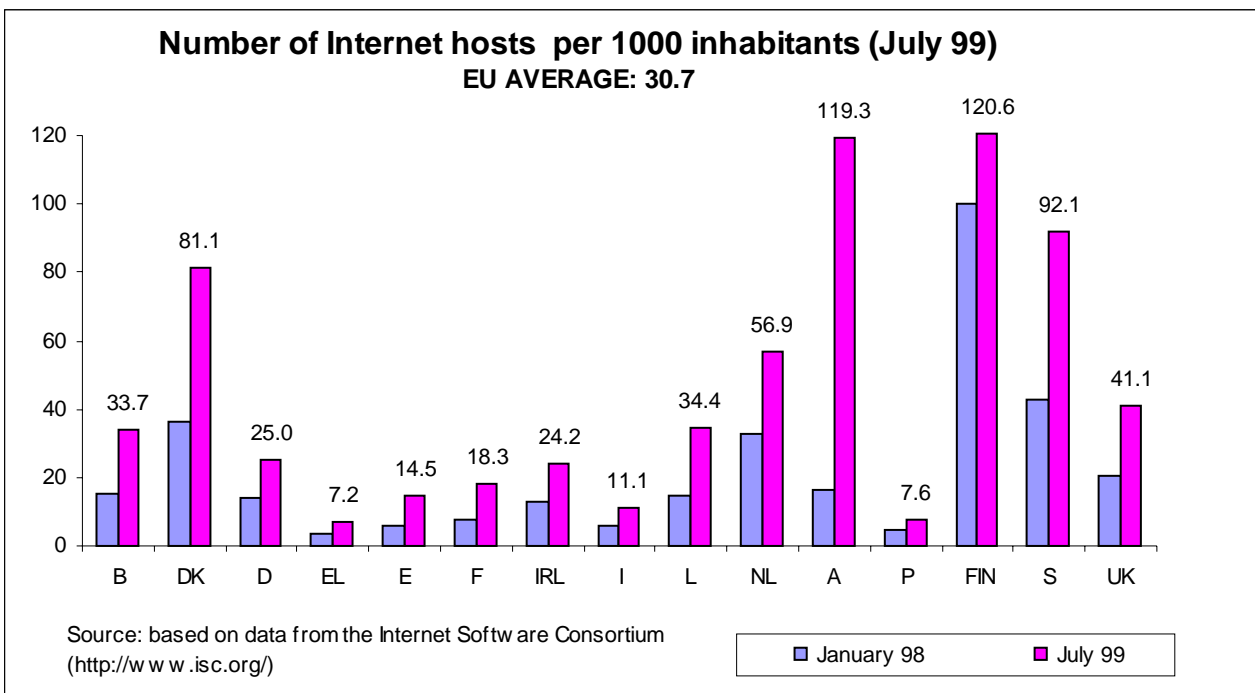


Penetration rate of Internet services in EU countries based on estimates of the number of subscribers per 100 inhabitants.

In the absence of official data on the number of Internet subscribers, the figures in chart 12 are based on data collected from non-standardised sources and should therefore be treated as purely indicative estimates.

The data refer to the situation as of June/July 1999 except for B (March 99), DK, E, F, L, NL and FIN (December 1998).

Chart 13 (PLEASE SEE CORRIGENDUM FOR AUSTRIA)

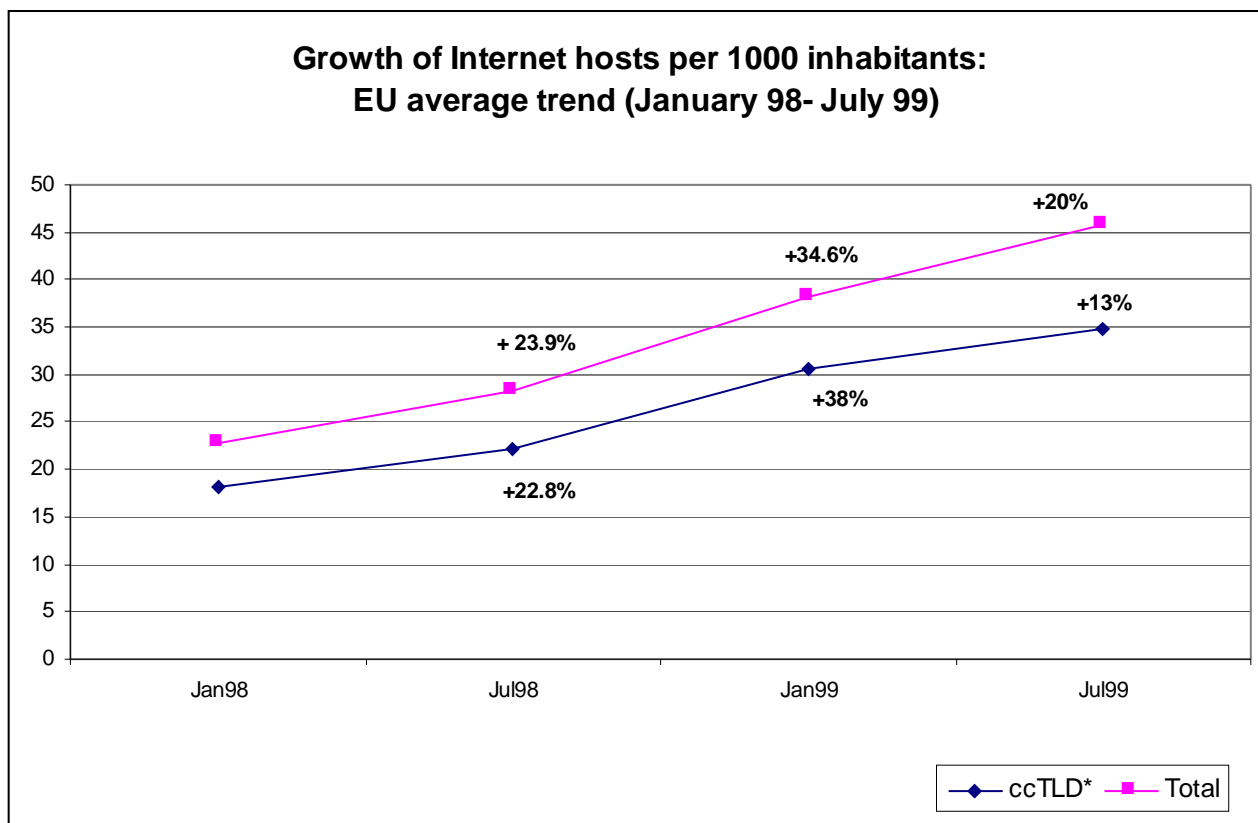


Penetration rate of Internet services in EU countries based on estimates of the number of Internet hosts per 1000 inhabitants.

An Internet host is defined as a domain name with an associated Internet Protocol address record. Internet hosts considered are those registered using either a country Top Level Domain name (ccTLD) such as “.be”, “.dk”, etc. or a generic Top Level Domain name (gTLD) such as “.com”, “.org” or “.net”.

The figures in charts 13 and 14 are subject to some limitations. The survey conducted by the Internet Software Consortium could not reach all the hosts on the web. Furthermore, hosts registered under gTLDs are estimated on the basis of the percentage of “.com”, “.net” and “.org” domain names allocated to EU countries. Figures should therefore be regarded as indicative estimates.

Chart 14



Source: based on data from the Internet Software Consortium (<http://www.isc.org/>).
 * country Top Level Domains (e.g. “.be”, “.dk”, etc.).

Growth in the number of hosts since the beginning of 1998. Each percentage refers to the growth rate over the previous six months.