APEK

Post and Electronic Communications
Agency of the Republic of Slovenia

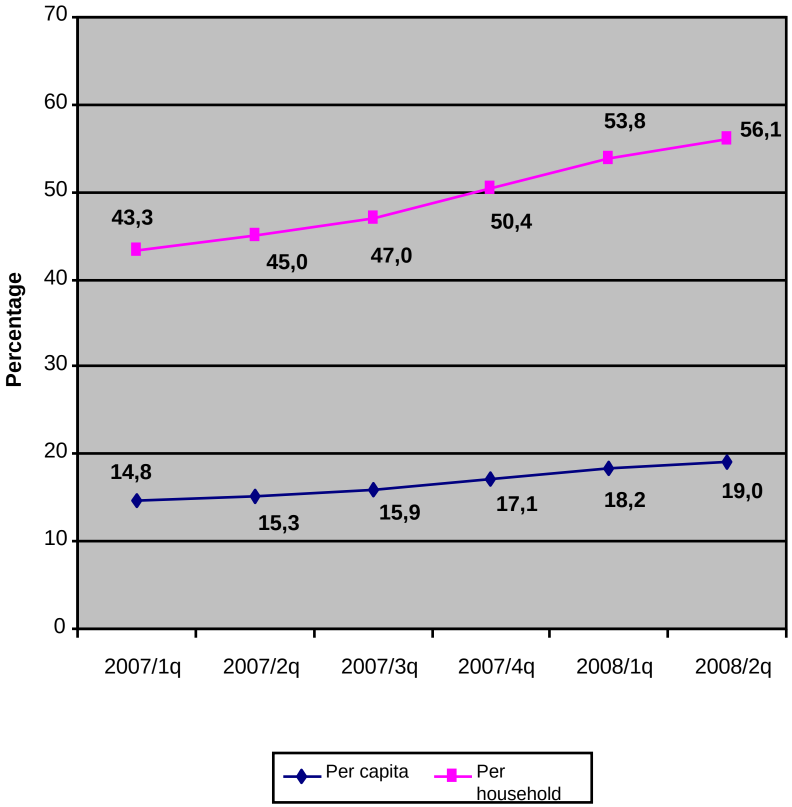
REGULATING NGA IN SLOVENIA

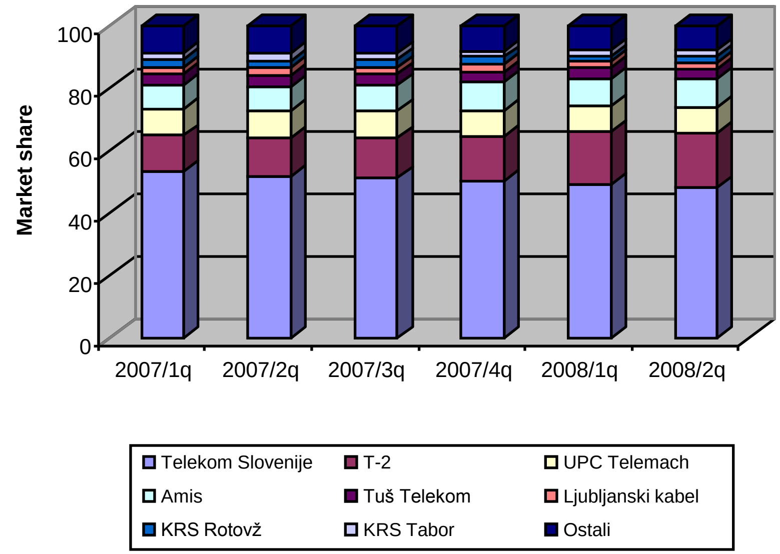
Bostjan Makarovic
Head of telecommunications division

APEK

Broadband – penetration and competition

Penetration



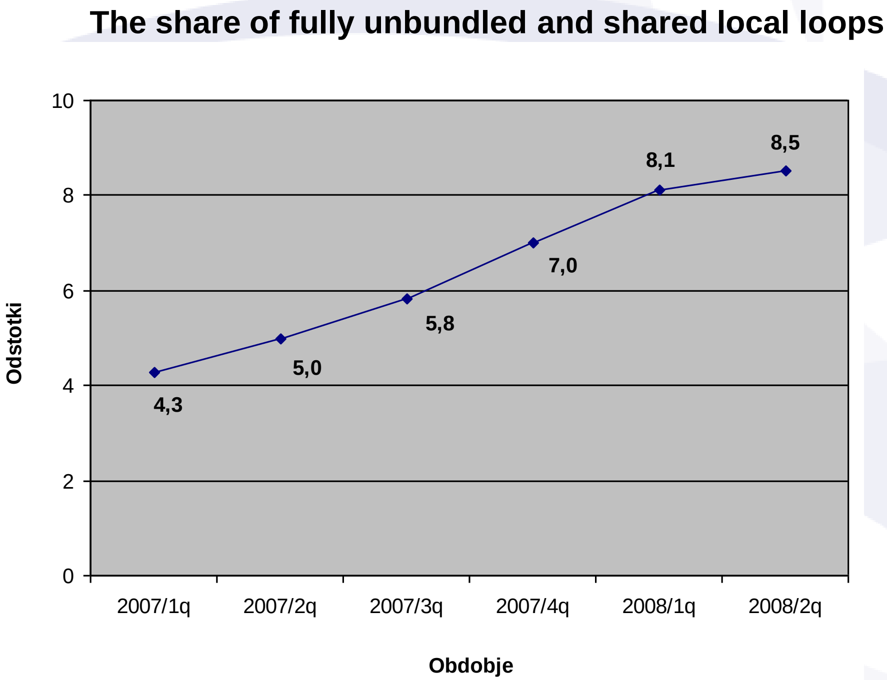


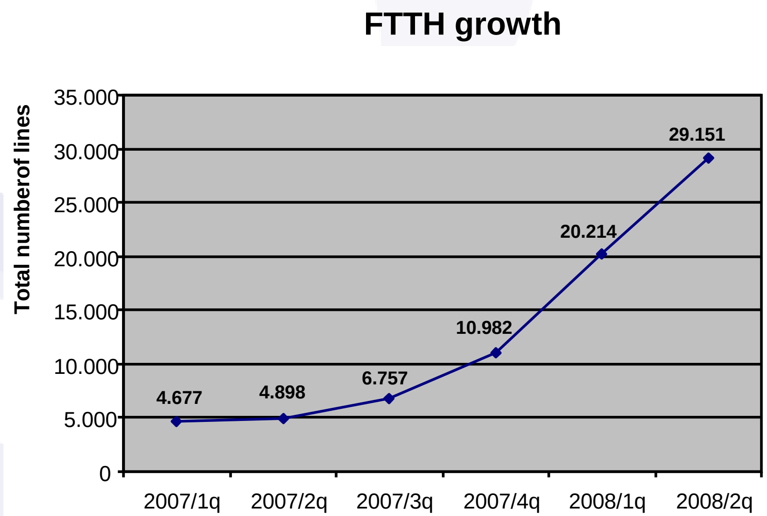
	2007/1q	2007/2q	2007/3q	2007/4q	2008/1q	2008/2q
Telekom Slovenije*	53,5	51,9	51,5	50,2	49,2	48,2
T-2	11,3	12,1	12,7	14,2	16,8	17,6
UPC Telemach	8,5	8,6	8,5	8,5	8,3	8,1
Amis	7,5	7,8	8,2	8,8	8,8	9,0
Tuš Telekom	3,5	3,6	3,5	3,3	3,2	3,2
Ljubljanski kabel	2,1	2,3	2,3	2,7	2,0	2,1
KRS Rotovž	2,4	2,4	2,3	2,1	2,0	1,9
KRS Tabor	2,3	2,3	2,1	2,0	1,8	1,9
Ostali	8,7	9,0	9,0	8,2	7,9	8,0

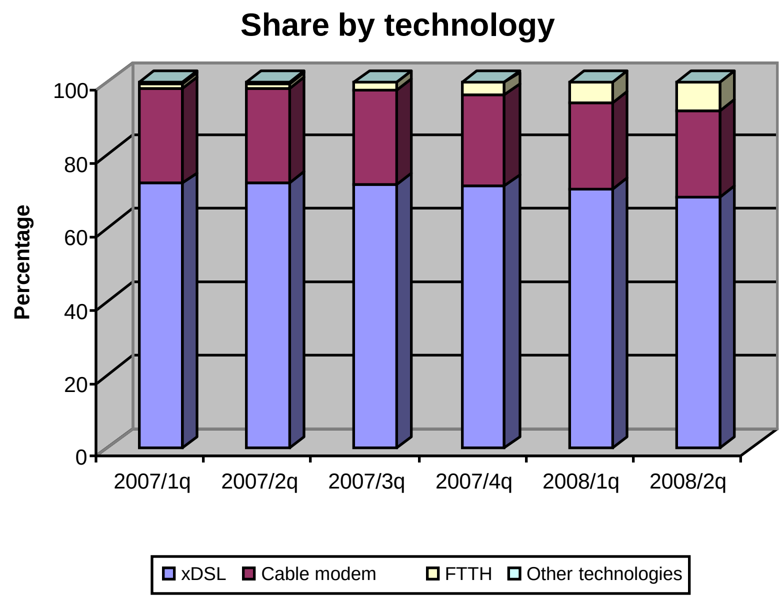
* Including resale by subsidiary Mobitel d.d.

Source: APEK, 2008

Broadband – access infrastructure





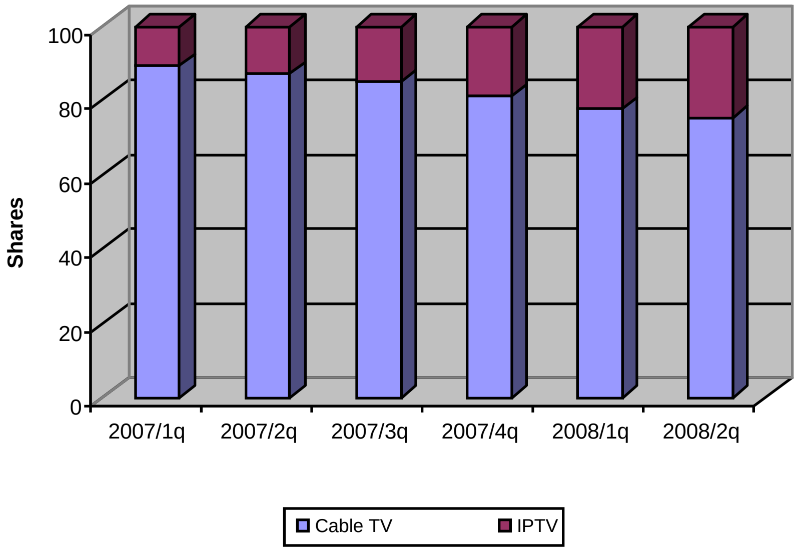


Source: APEK, 2008

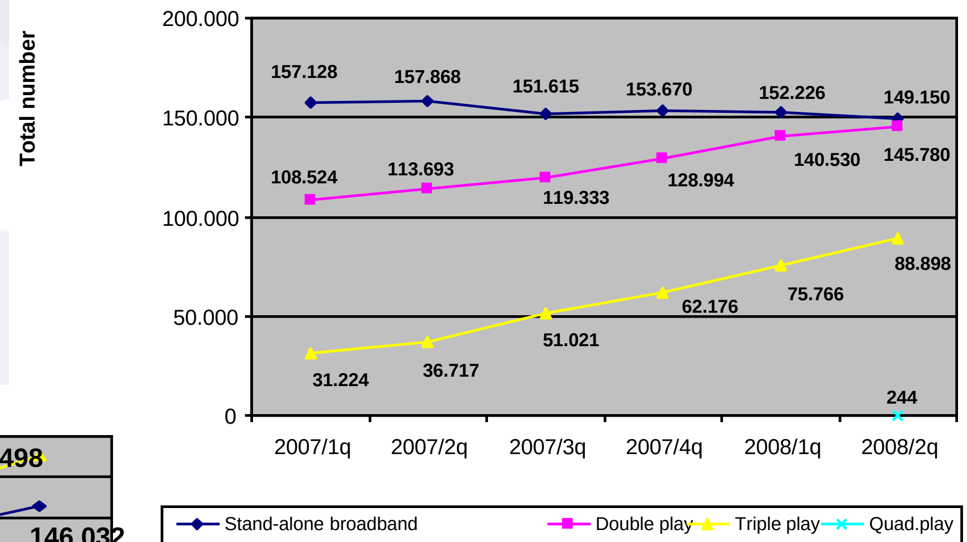
APEK

Convergent services

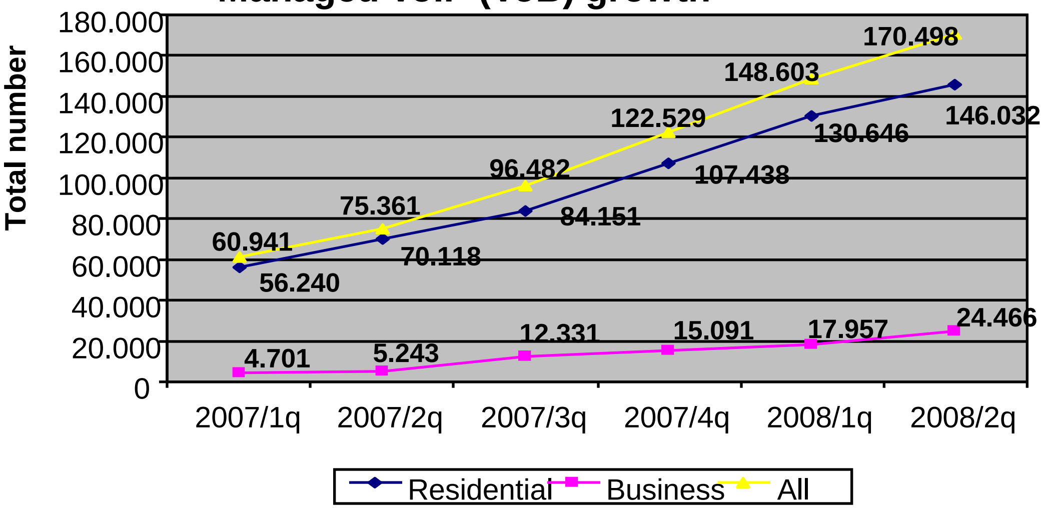
IPTV vs. Cable TV



Convergent broadband services growth



Managed VoIP (VoB) growth



Source: APEK, 2008

APEK

- Former market 11 (unbundled local loops): metallic loops only, at the time of the last analysis FTTH did not yet represent a significantly rolled-out platform
- Formet market 12 (wholesale broadband access): bitstream via DSL only, FTTH did not yet represent a significantly rolled-out platform, cable networks and providers scattered around the territory, preventing the development of a common product

Changes since the last analysis

- FTTH has become an ubiquitous platform in urban areas
- More and more broadband provided via fibre
- Mergers of cable operators – UPC Telemach now present across the whole territory of Slovenia

Challenges for the current anaylsis of markets 4 and 5 - definition

- Product market: inclusion of ducts, inclusion of fibre, inclusion of backhaul services, single market for copper and fibre?
- Geographic market: potential need for geographic segmentation based on urban/rural areas distinction, potentially higher entry barriers in rural areas

Challenges for the current anaylsis of markets 4 and 5 - remedies

- Access obligations: access to ducts as the primary instrument, access to dark fibre will be considered, access to backhaul services?
- Pricing obligations: LRIC currently seen as the best costing system for infrastructure such as ducts
- Risk premium should be properly calculated into WACC!

Conclusions

- Challenges as to market definition
- Challenges as to market analysis
- Challenges as to remedies
- QUESTIONS?
- bostjan.makarovic@apek.si