

Broadband Delivery

SuperConnected Business Conference

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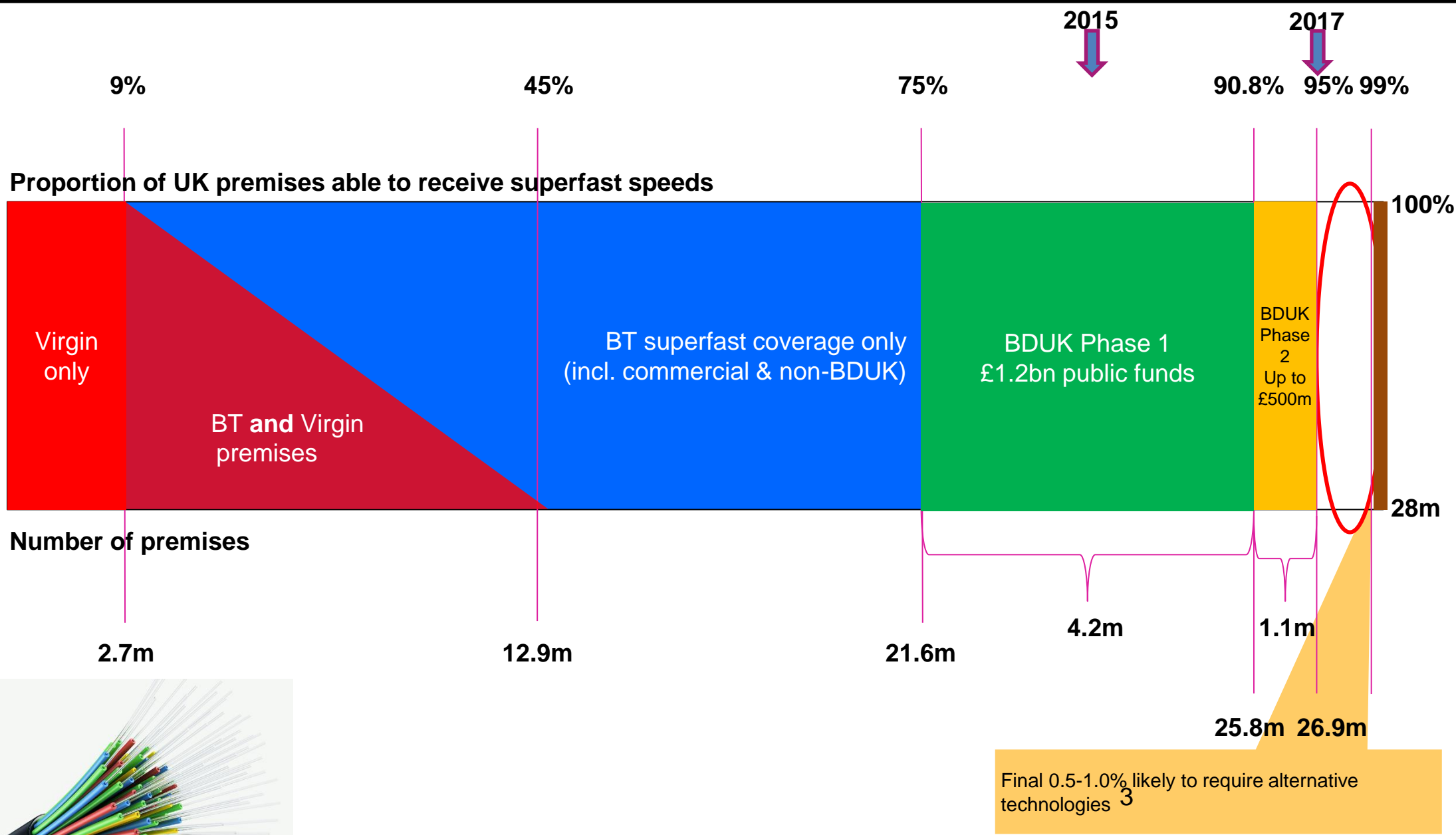


Delivering superfast broadband to the UK

1. Superfast broadband coverage is now available to 90% of UK
2. Launched universal 2Mbps standard broadband access
3. Seven Market Test Pilots have been fully deployed
4. Over 40,000 SMEs have improved connections as result of Vouchers
5. Superfast broadband target - 95% of UK by 2017



Extending coverage



Superfast delivery to date

- **90%** of homes and businesses across the UK now have access to superfast broadband. The BDUK programme has now provided superfast access to **3.84 million** additional premises as at the end of March 2016
- **Approximate 26.25 million** premises in UK now have superfast broadband access
- BT have announced **£258 million of gainshare** funding to be reinvested due to better than expected take-up of superfast broadband. £129 million is available now for reinvestment by Local Bodies
- BDUK achieved **£150 million of efficiency gains** for reinvestment by local bodies
- The programme is being delivered on time and under budget. Aiming to reach 95% superfast coverage by end of 2017



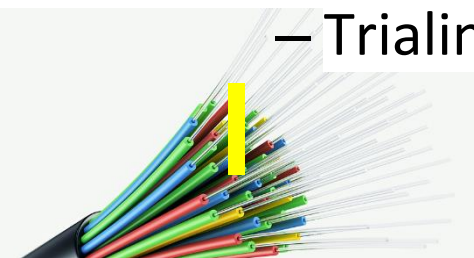
Procurement and State aid

- The European Commission have approved the 2016 National Broadband Scheme (NBS) May 2016
- Decision recognises the NBS scheme as being compliant with EU competition law. Opens up more opportunities to increase investment into superfast broadband
- National Competency Centre (BDUK) can now approve Superfast Broadband projects up to 2020
- Around 20 new contracts to be agreed, including Essex



Market Test Pilots

- Seven Market Test Pilots deployed across the UK
- Mixture of technologies including wireless, FTTP, satellite and hybrid
- Over 1,400 customer connections across the pilots. Surveys show that pilot customers are happy with the services they are receiving
- The Pilots may also help overcome some of the infrastructure challenges in the most sparsely populated areas. For example: Call-Flow Hampshire:
 - 96% coverage of lowest 2% premises density in the UK
 - Achieved this through a mix of FTTC, FTTP and FWA
 - Now delivering broadband in Berkshire as part of BDUK Phase 2.
 - Trialing with Openreach to make FTTC available to exchange only lines.



Market Test Pilots: A case study

- Near complete coverage of 3 entire rural exchange areas for ~£800 per premises
- A hybrid delivery model using FTTC, FTTP and wireless technologies, and a combination of leasing and ownership of infrastructure
- 92% will have fibre-based access, with a high % of FTTP



Making broadband accessible

Basic Broadband Scheme

- Access to broadband of speeds of at least 2Mbps is available to homes and businesses across the UK via Satellite and wireless.

Universal Service Obligation

- Ambition is that the minimum speed should be set initially at 10 Mbps,
- Speed will be kept under review to ensure it keeps pace with consumers' changing needs.
- Confirmed intention to press ahead with USO in May 2015 following initial consultation
- A further consultation on the detail of a broadband USO in early 2017



Future for broadband

Gigabit Britain

- Supporting industry investment into infrastructure capable of achieving higher speeds, capacity and reliability
- Could include a range of technologies including 5G networks, fast wireless and FTTP

- BT and Virgin Media programmes
 - G.fast and Project Lightning could improve speeds across the UK to potentially 500Mbps

