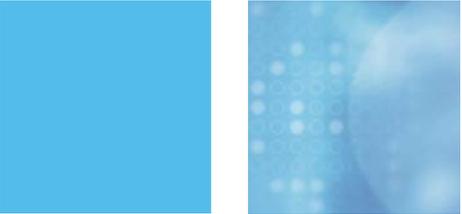




# Consulting



# Analysys Consulting

Insight and advice across telecommunications and digital media

*Our in-depth experience will help you deliver innovative results.*

With the increased convergence and consolidation in fixed and wireless telecommunications and digital media, organisations involved in these sectors need to make the right decisions more rapidly for regulation, strategy, planning, finance or technology infrastructure.

Under competitive pressures, organisations often do not have the expertise, time or resources to make these decisions alone, or are looking for independent opinion or validation, which is why they turn to Analysys Consulting.

Analysys Consulting is the leading international telecommunications and digital media consultancy. We combine unparalleled industry experience to deliver results that enable our clients to compete and expand in these markets, as well as exploit new opportunities.

For the last two decades, telecommunications has evolved from a monopoly structure in most countries to a diverse and highly competitive industry that now encompasses wireless and digital media. We've evolved and grown with this market and helped shape the competitive landscape.

Our experience, influence and unrivalled knowledge base are recognised globally - which is why we've been involved in some of the world's largest telecommunications projects and transactions worth billions of dollars. Projects that we completed in 2005 include:

- providing support to some of the largest financial transactions, including the privatisation of PTCL of Pakistan (as part of the financial advisory consortium), the privatisation of Turk Telecom (as advisor to the successful bidder, Oger Telecom - who we are now helping to plan and manage Turk Telecoms' operations). In addition, we were advisers to the consortium of funds comprising Providence Equity Partners and others on their purchase of stakes in ONO, and on the corresponding EUR2.25 billion acquisition of Auna TLC by ONO.

- acquiring a 3G licence for Smart Telecom in a competitive selection process against far larger incumbent fixed and GSM operators in Ireland. In addition, we have developed the strategy and business plan for Smart Mobile, and together with our sister company, Mason Communications, are managing the start-up phase
- successful marketing and auction of a 3G license for the Danish regulatory authority, in partnership with DotEcon, a specialist economics consultancy
- more than 20 projects on implementing the European regulatory framework in more than eight European markets, covering the regulation of interconnection, market reviews and spectrum management
- a number of high-profile assignments for Ofcom on the award of new spectrum bands, as well as a study on the potential liberalisation of GSM and 3G spectrum bands. In addition, a consortium led by Analysys has been appointed by Ofcom to work on its Digital Dividend Review, which will examine options for the release of UHF spectrum made available by the switch from analogue to digital TV broadcasting.

In addition to this extensive experience, our global outlook and intellectual property makes us unique. In 2005 we added a permanent office in Singapore, supporting the work that we undertake in Asia and extending our established office network in Europe and the USA.

In this brochure we outline some of our capabilities and successes. For more information please visit our Web site: [www.analysys.com](http://www.analysys.com).

**Andrew Wright**  
Managing Director  
Analysys Consulting

"We have appreciated Analysys's insight, the consistency of its work, the professionalism, efficiency and responsiveness of the team, and the commitment of its top management."

*Telecoms operator*

# Depth and breadth of knowledge and experience

At Analysys Consulting, we take pride in the level of trust placed in us by global telecommunications industry organisations. They recognise our experience, skills, impartiality and quality of information as fundamental to their strategies. We focus on telecommunications and digital media and, as a result, have developed unsurpassed industry knowledge, methodologies and data sources. This gives us - and our clients - a head start.

For more than 20 years, we have helped shape the telecommunications industry through our extensive work on policy, regulation and finance. We have worked with most of the sector's leading players, to help:

- determine strategy and develop business plans
- support a wide range of financial transactions including M&A, privatisation and debt financing
- identify and launch new business ventures
- develop new approaches to regulation of the industry
- optimise tariffing and positioning of new and existing services.

Organisations choose Analysys because of our renowned objectivity, efficiency and accuracy, and for our ability to clearly and effectively communicate implications to our clients.

“ Studies have been carried out with the utmost competence and reports have been delivered to meet our time, quality and cost requirements.”

*National regulatory authority*

## Key sectors of activity

Analysys offers consultancy in:

- fixed, broadband and next-generation networks (NGN)
- mobile telecommunications
- satellite communications
- digital media.

### **Fixed, broadband and next-generation networks (NGN)**

We enable fixed network operators and service providers to rationalise and optimise existing operations, as well as identifying growth opportunities. We monitor events that influence the telecoms industry, assess the key challenges and issues and bring our independence, expertise and quantitative skills to bear on each of our consulting assignments. Our rigorous and practical approach enables us to provide clients with clear routes forward.

Our services in the fixed telecoms market include: strategy development and auditing, market assessment and forecasting, business planning, investment appraisal, technology strategy for broadband and NGN.

Our unparalleled industry knowledge, techniques and data sources have enabled us to maintain a leading position in the development and emergence of broadband communications. Major players at the forefront of this technology have based their key strategic decisions on the advice and information that we have provided.

### **Mobile telecommunications**

Analysys has developed its mobile industry knowledge and expertise through cutting-edge consulting assignments in developed and emerging markets. We have a balanced strategic perspective across the entire industry value chain, including network infrastructure suppliers, operators, MVNOs, content providers, investors and regulators.

We assess market opportunities, provide an understanding of key technologies driving mobile data services, and can identify and select potential business and technology partners. We also advise on key regulatory issues, such as mobile termination, affecting existing and planned implementation.

### **Satellite communications**

Analysys has considerable expertise in satellite communications and is regularly asked to assist with market forecasting, business planning and fundraising.

We work for a variety of key satellite organisations (vendors, operators and investors), including Intelsat, Inmarsat and the European Space Agency. We have also advised on topics such as market sizing, market entry, business case assessment and investment.

### **Digital media**

As the worlds of telecoms and digital media converge, Analysys continues to apply its expertise across the digital marketplace and the associated technologies. We are helping clients to negotiate this continually-evolving market and to take advantage of the opportunities presented for innovation and growth.

We provide a range of consulting services within this segment, including market strategy, regulation and advising on financial transactions.



# Strategic areas of focus

Analysys Consulting focuses on three key strategic areas: finance, regulation and strategy.

Our service offerings include:

- financial transaction support
- pricing strategy
- spectrum management and pricing
- economic modelling and cost analysis
- regulation
- interconnect
- strategy and business planning
- scenario planning
- Analysys Strategic Telecoms Evaluation Model (STEM®) modelling software.

## Financial transaction support

Analysys has extensive experience of working with parties on all sides of transactions, including sellers, buyers, regulators and financiers.

We bring our expertise to all aspects of mergers and acquisitions, including due diligence, economic modelling, network assessment and regulation. In addition, we possess the strategic expertise required to advise on these complex transactions.

Our approach is based on a thorough understanding of the commercial, competitive and regulatory realities of the industry, gained through our business planning and strategy work worldwide, along with a structured methodology supported by rigorous research.

We have recently supported some very significant financial transactions, including the sale of telecoms operator PTCL in Pakistan, the acquisition of operators Turk Telecom and Retevisión in Turkey and Spain respectively, and with the sale and acquisition of UMTS licences in Denmark and Ireland.

Analysys has an established track record in undertaking due diligence assignments in many types of transaction, from acquisition to syndicated debt financing. We have worked on both the buy side and sell side of due diligence through business planning and bid book management.

Since 2002, Analysys has undertaken over 100 due diligence assignments in support of syndicated debt of up to USD6.55 billion. We have worked with top-tier investment banks as well as export credit agencies, developmental finance agencies, regulators, telcoms operators and vendors.

## Pricing strategy

Analysys is the partner of choice for many major fixed and mobile operators in pricing strategy and tariff design. We apply proven methodologies, sophisticated analytical tools and extensive practical experience to align tariffs with strategic goals.

Our pricing and benchmarking specialists have consistently helped clients to improve revenue by around 4-8%, delivering an improved market position and reduction in churn

## Spectrum management and pricing

Analysys has helped spectrum managers across the world rapidly resolve many complex and often controversial issues.

Our approach includes a rapid identification of the key issues, industry consultation and a robust technical and economic analysis. We then run quantitative models to support qualitative analysis and present clear recommendations.

Our unique combination of commercial, economic and technical expertise, along with our detailed understanding of the impact of regulatory decisions on spectrum users allows us to advise regulators on how to optimise the efficiency of spectrum usage, often by reviewing the mechanisms used to allocate spectrum to individual uses and assign licences to users.

We also advise operators and spectrum users on how to accurately forecast their needs and gain access to spectrum at optimal value.

## Economic modelling and cost analysis

Analysys has extensive experience in developing robust economic models to support our clients throughout the decision-making process. Our consultants have the necessary economic and technical expertise to ensure that all key factors are included in the model, relevant scenarios are accounted for and the resulting data is correctly interpreted.

Our cost models of telecoms services have been used extensively by operators to examine service profitability and to assist in the pricing of new services. They have also been used by regulators and operators alike in determining the appropriate level for cost based interconnect rates.

Analysys's structured approach offers flexibility, transparent inputs and assumptions, and visibility of the calculation flow. This gives our clients a better understanding of the model and our approach, and thus greater confidence in the results and recommendations.

## "STEM has saved us many years of time and effort"

*Incumbent national operator*

## Regulation

Analysys continues to play a pivotal role in the formulation of telecoms policy and regulation supporting governments, regulators and operators around the world. Stakeholders and policymakers seek our independent advice to develop and refine fair and equitable regulation.

Our regulatory work includes:

- mobile infrastructure sharing
- strategy and policy development
- price control and margin squeeze
- regulatory costing
- interconnect
- privatisation
- spectrum management
- licence awards
- dispute resolution and litigation support
- market opening policy
- accounting
- VoIP
- market assessment.

Some of our recent work in this sector includes the implementation of the EU's New Regulatory Framework and market analyses in Belgium, Cyprus, Czech Republic, Greece, Italy, Luxembourg, Netherlands, Sweden and the UK. In addition, we have worked on some far-reaching policy issues such as broadband strategy, and the future of GSM spectrum in the UK.

## Interconnect

Calculation of termination costs under regulatory principles requires a broad range of network, cost modelling and regulatory expertise.

Analysys possesses substantial experience across all of these areas, and is a world leader in the

application of long-run incremental costing (LRIC) and mobile service costing (mobile LRIC).

Since our initial work for Oftel (now Ofcom) in 1998, Analysys has been at the forefront of these developments. We have advised operators and regulators worldwide in areas ranging from training through to the implementation of LRIC models. We have recently implemented such cost models in Greece, Sweden and Tanzania.

## Strategy and business planning

Analysys advises organisations across a broad range of strategic issues.

We work collaboratively with clients to help develop and implement successful strategies based on a rigorous assessment of their specific trading environment. Our expert consultants advise senior management teams on the actions the organisation must follow to consistently take advantage of emerging opportunities, evolving technologies and find new sources of value - enabling them to outperform their competitors and deliver shareholder value.

Our strategy work is backed up by the development of detailed business plans that drawn on our understanding of the market, technology, industry dynamics and regulation. Our business plans are both implementable and "bankable" - drawing on our understanding of what the financial community require in order to finance a business plan.

## Scenario planning

We use advanced scenario planning techniques in our consulting work and training courses to gain a clear understanding of the dynamic forces driving change in the industry. This results in a better grasp of how the future may unfold for our clients.

It is a process that enables organisations to gain business advantage in the converging telecoms and digital media world.

## Analysys Strategic Telecoms Evaluation Model (STEM®) modelling software

Operators' strategies have shifted from a period of substantial growth to one of consolidation. By focusing on the right market drivers, they can markedly improve their shareholder returns.

Analysys provides integrated modules that can be individually harnessed to address specific needs, or combined to allow a single comprehensive approach to maximising enterprise value.

STEM is business-case planning software for networks. It is a tool used by network operators and equipment vendors worldwide to conduct their most complex and demanding business-case analysis relating to technologies, including NGN and 3G mobile telecoms.

Strategy, marketing and financial planners use STEM as an economic evaluation and presentation tool for networks. The tool provides a robust and efficient platform for creating business and investment plans that embrace alternative market, technical and economic futures.

STEM is designed specifically for the agile development of cost models that must be regularly adapted to match the evolving shape of an operator's business. STEM models can also be developed in outline form, and are readily adaptable by virtue of the careful separation of data from calculation structure, the majority of which is generated at run-time.



“ Unlike other consultancies, when Analysys come and talk to us it is clear that they have a deep understanding of all the forces: technology, regulation and the market.”

*Telecoms operator*

## Experience, knowledge, commitment

Analysys consultants offer a unique combination of business consulting skills and detailed sector expertise to deliver practical results with speed, objectivity and insight that has helped establish our reputation worldwide.

Analysys consultants are immersed in the telecoms industry from day one, which means they are recognised for their depth and breadth of knowledge alongside a track record of innovation.

As well as industry expertise, our consultants have extensive quantitative skills, which are essential in helping to determine market sizing and opportunities for our clients. The quantitative modelling we undertake has helped set the industry standard.

## Online resources

There is a wealth of information that can be accessed via our Web site [www.analysys.com](http://www.analysys.com).

### Research and resources

Reports, articles, market intelligence, company profiles, news and more can all be found on the Analysys Research Web site [www.analysys.com/research](http://www.analysys.com/research).

### Industry comment

Published every two months, Analysys News offers unique insight and opinion on market developments. A free subscription is available at [www.analysys.com/comment](http://www.analysys.com/comment).

### World Telecoms Marketplace

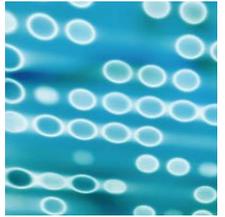
A free demonstration of our World Telecoms Marketplace service is available at [www.analysys.com/wtm](http://www.analysys.com/wtm).

### Free modelling resources

Visitors can create their own scenarios and decide on strategy using our costing and other models, found at [www.analysys.com/resources](http://www.analysys.com/resources).

### Telecoms Virtual Library

This is an index of telecommunications companies and currently holds 8300 links to other telecommunications sites worldwide, indexed by subject. It is part of the World Wide Web Virtual Library, and has been hosted by Analysys since 1994 and is available at [www.analysys.com/tvl](http://www.analysys.com/tvl).





# Analysys Client Portfolio

Analysys is an established and trusted advisor to commercial and public-sector organisations throughout the world. Our clients include:

Media operators / companies / organisations	Equipment manufacturers	Regulators and policy makers	Financial and legal sector	Corporate users
AT&T	Alcatel	ARCEP (France)	3i plc	Boots
AOL Time Warner	Cisco	ATM Forum	ABN AMRO	Hewlett-Packard
Auna Telecomunicaciones	Ericsson	BNetzA (Germany)	Apax Partners & Co	IBM
BT Cable & Wireless	Fujitsu	Cofetel (Mexico)	Bank of Ireland	Microsoft
Deutsche Telekom	Nortel	Danish Regulatory Authority	BC Partners Ltd	Multimedia Development Corporation (Malaysia)
Far EasTone		Enterprise Ireland	BNP Paribas	Railtrack
Hutchison Telecommunications		European Commission	CIBC World Markets	RWE
Inmarsat		IBPT (Belgium)	Citibank	Renault
MTN Nigeria Communications Ltd		IDA (Singapore)	Credit Suisse First Boston	Woolwich
Ogem		ILR (Luxembourg)	Deutsche Bank	
ONO		MCMC (Malaysia)	HSBC	
Smart Telecom		Ofcom (UK)	Inter-American Development Bank	
StarHub		OPTA (The Netherlands)	Interbanca	
Telecom New Zealand			World Bank Group/International Finance Corporation	
TM				
Telstra				
Vodafone				

# Analysys Mason Group



Analysys is part of the Analysys Mason Group, a global telecommunications consulting, research and technology services company. Through four distinct entities, Analysys Mason Group provides strategic consulting and economic modelling, market research and analysis, technical design, development and implementation, and customer management and contact centre solutions.

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Analysys Consulting is part of the Analysys Mason Group