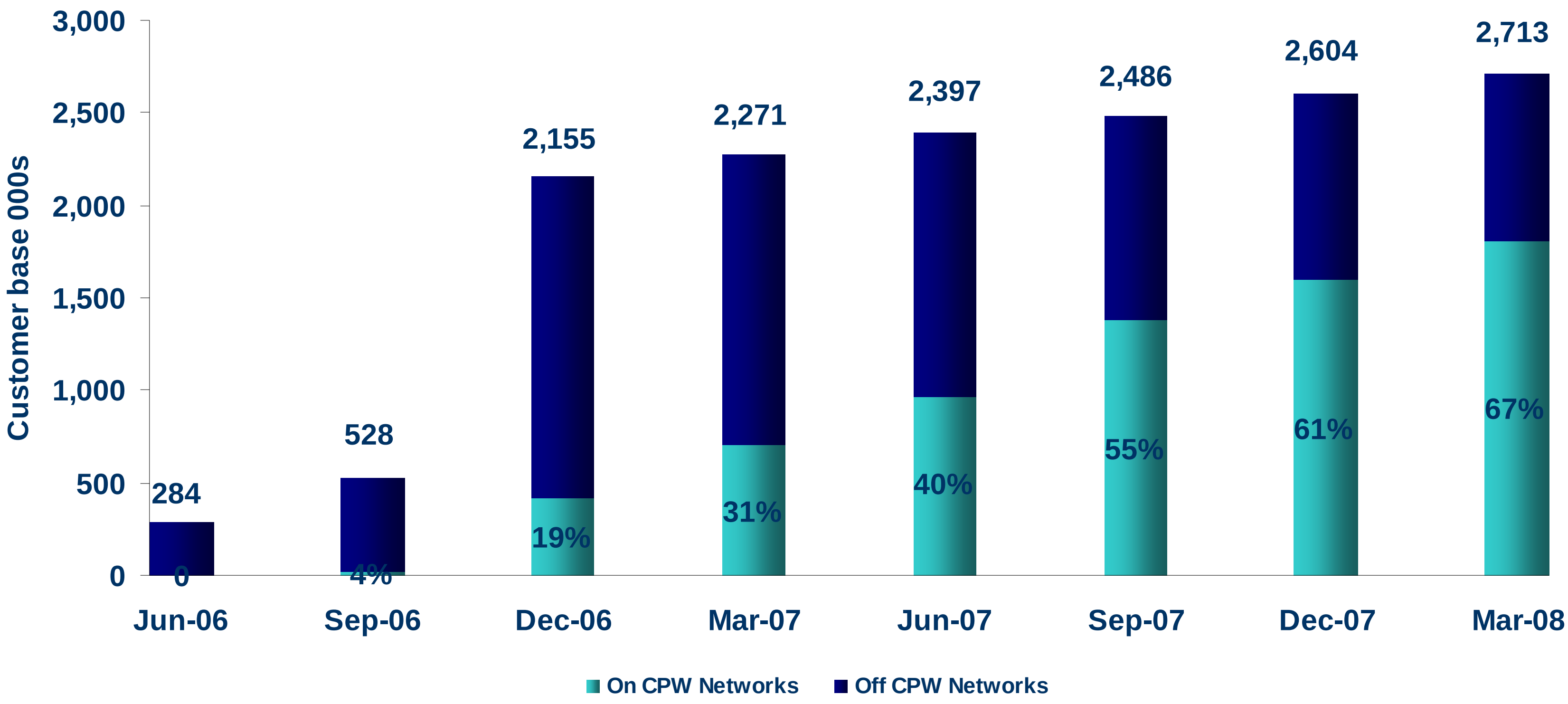
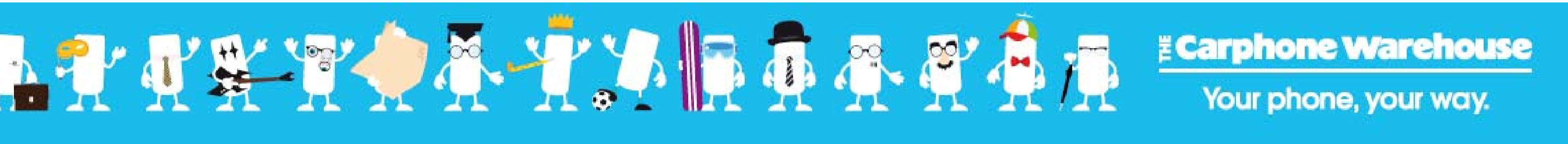
UK Fixed Line

Q4 Fixed Line highlights

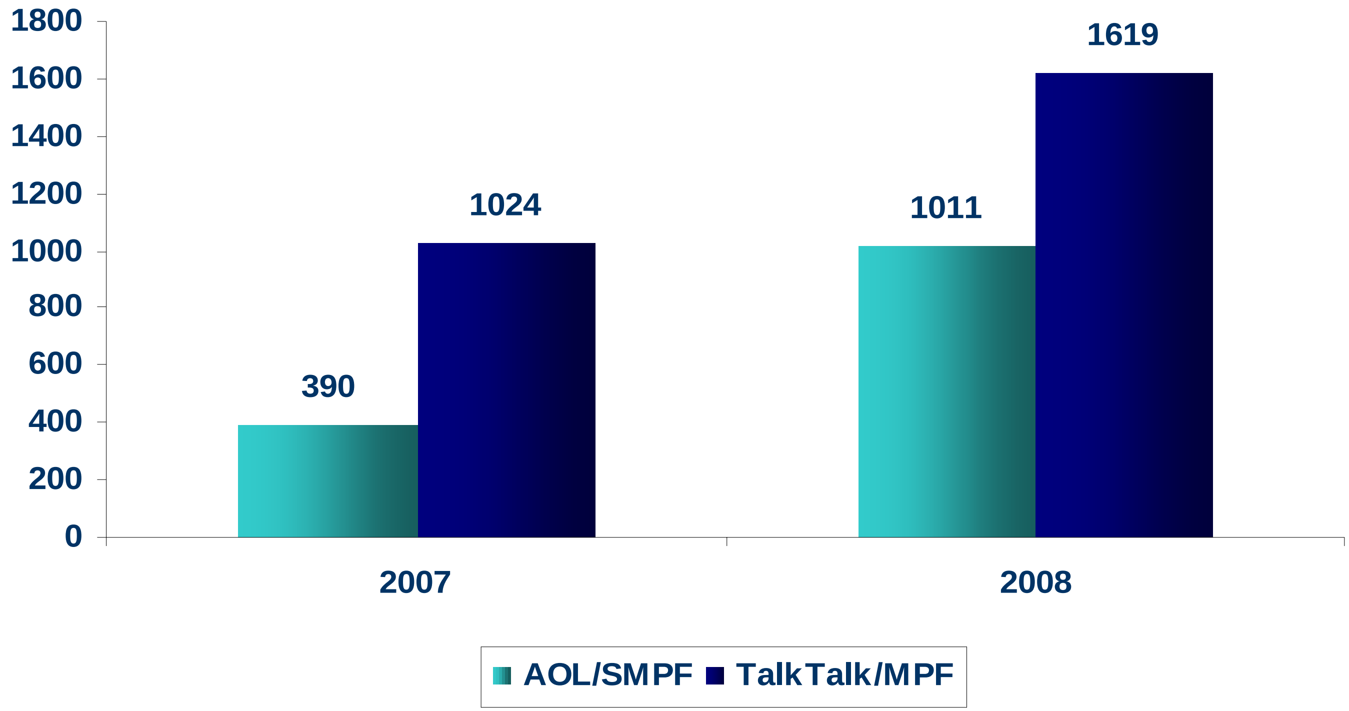
- **109,000 broadband net adds, taking base to 2.7m**
- **1.8m customers unbundled, 67% of base on-net**
- **Exchange footprint extended further**
  - **TalkTalk MPF 1,619**
  - **AOL SMPF 1,011**
- **ARPU, churn and customer service all in line**

Nearly 70% of customers on-net

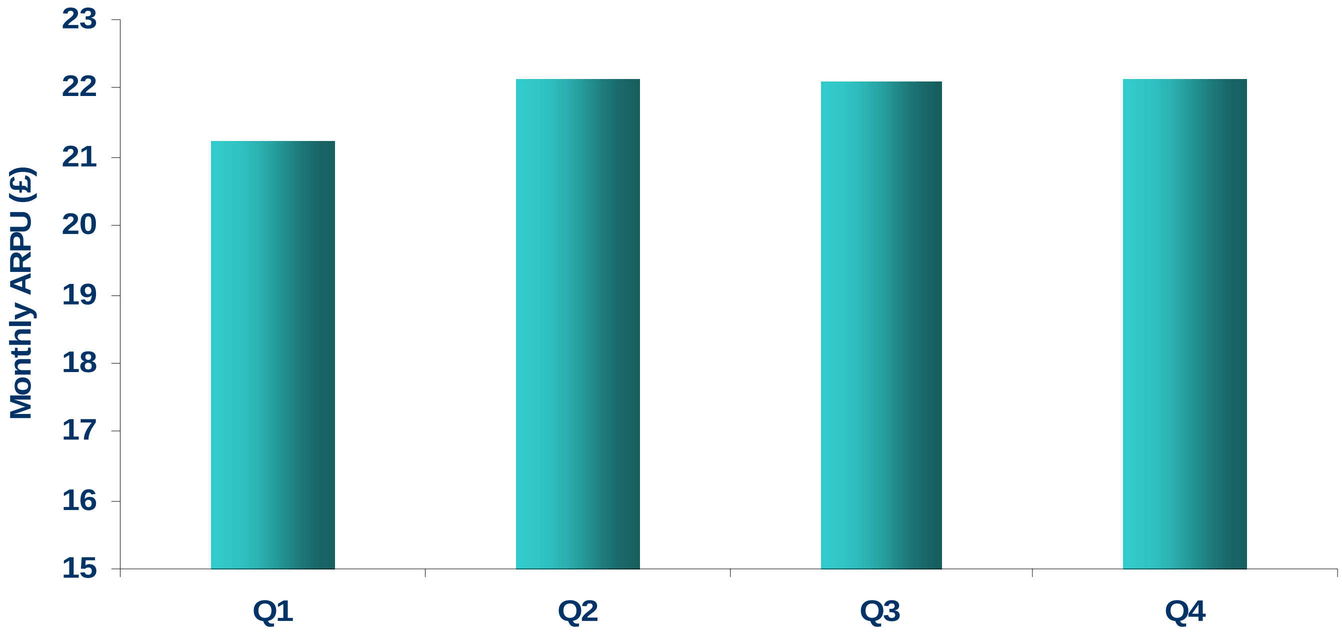




Biggest unbundled network in the UK

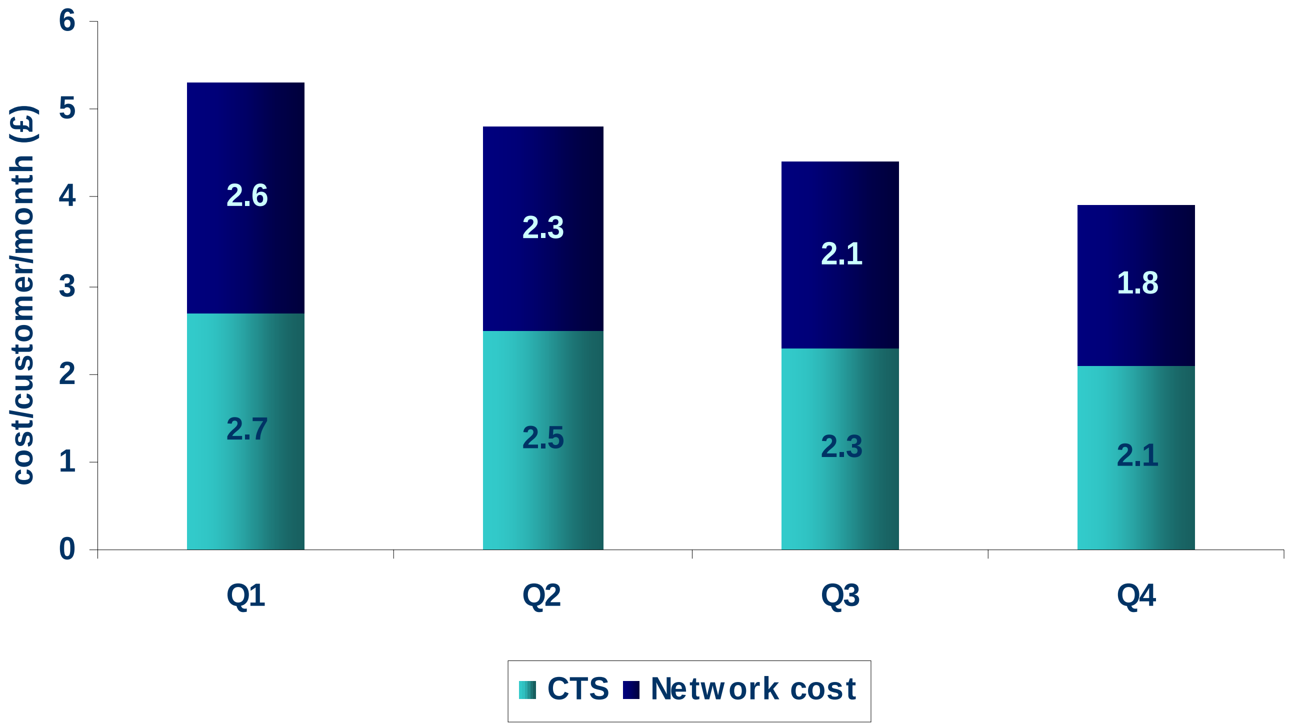


Encouraging ARPU performance

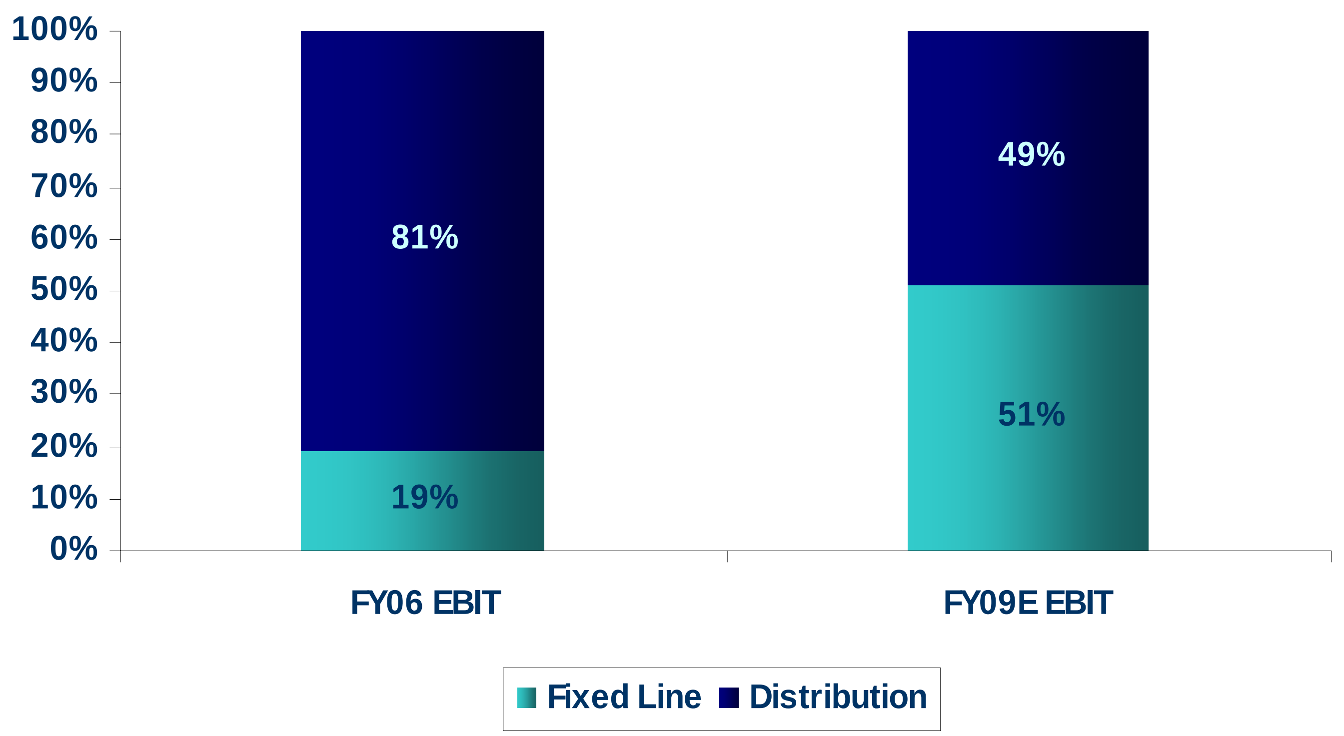


- **TalkTalk ARPU stable at around £28, AOL around £17**

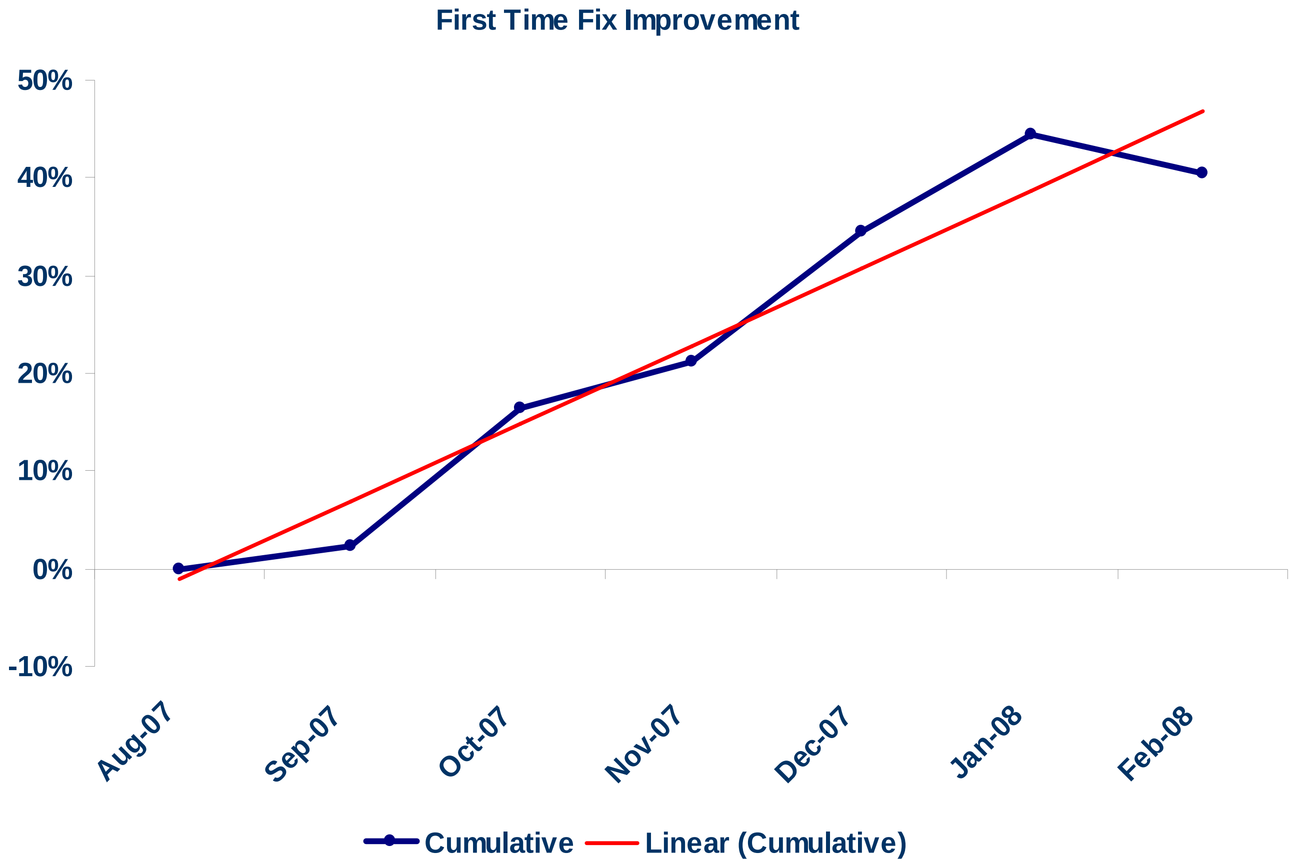
Improving efficiency



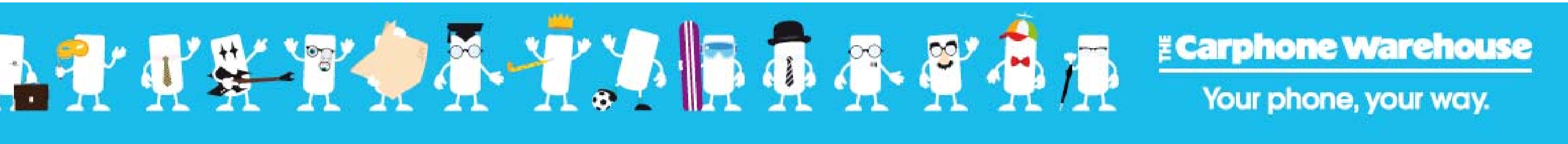
Financial transformation



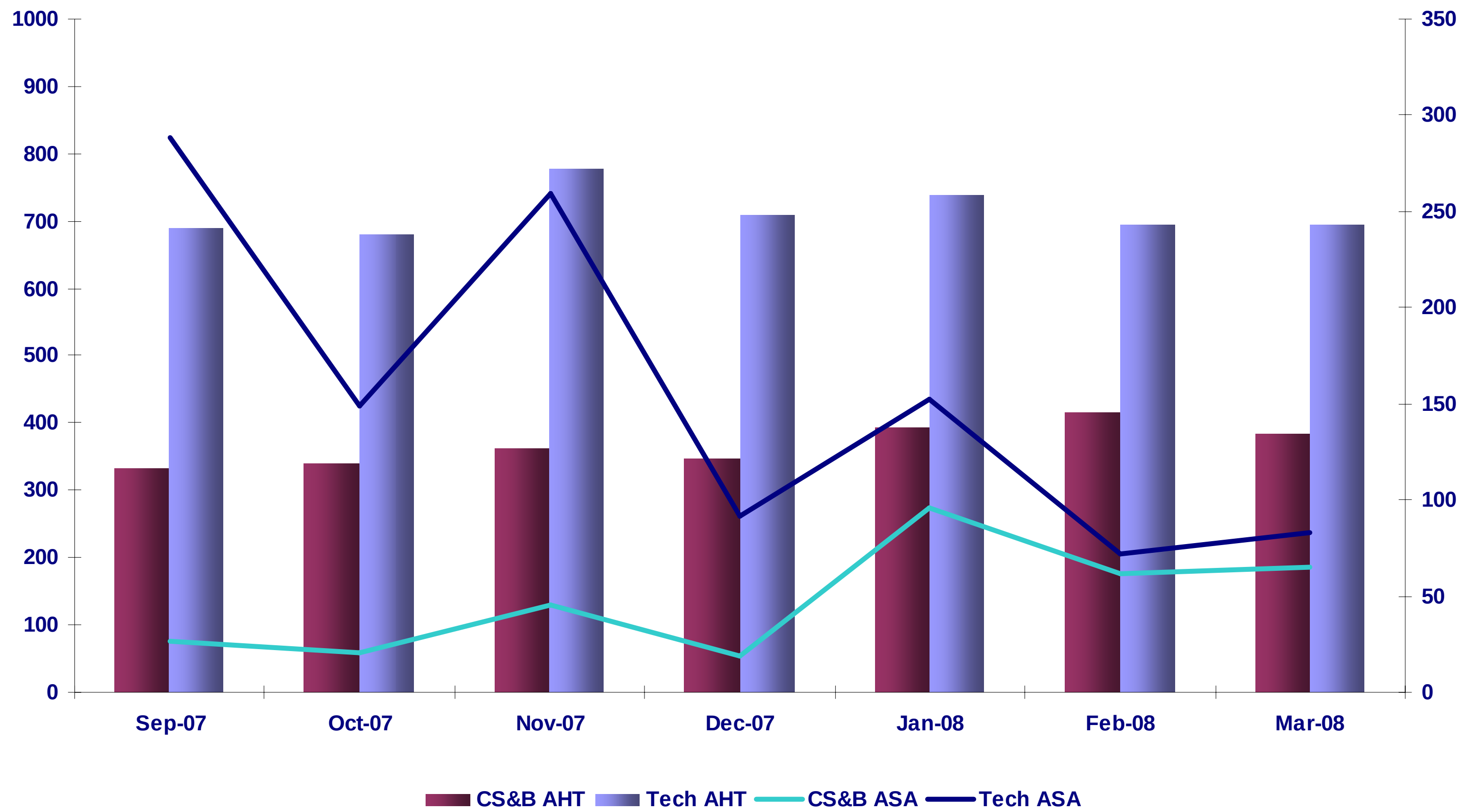
Significant improvement in customer service



- **40% improvement on first time fix calls**



Hitting customer service targets



- **80% of service calls are being answered within 30 secs**
- **Whilst the broadband base grows, the contract rates are reduced**
- **Average handling times have stabilised and are meeting targets**

Approaching "mid table respectability"

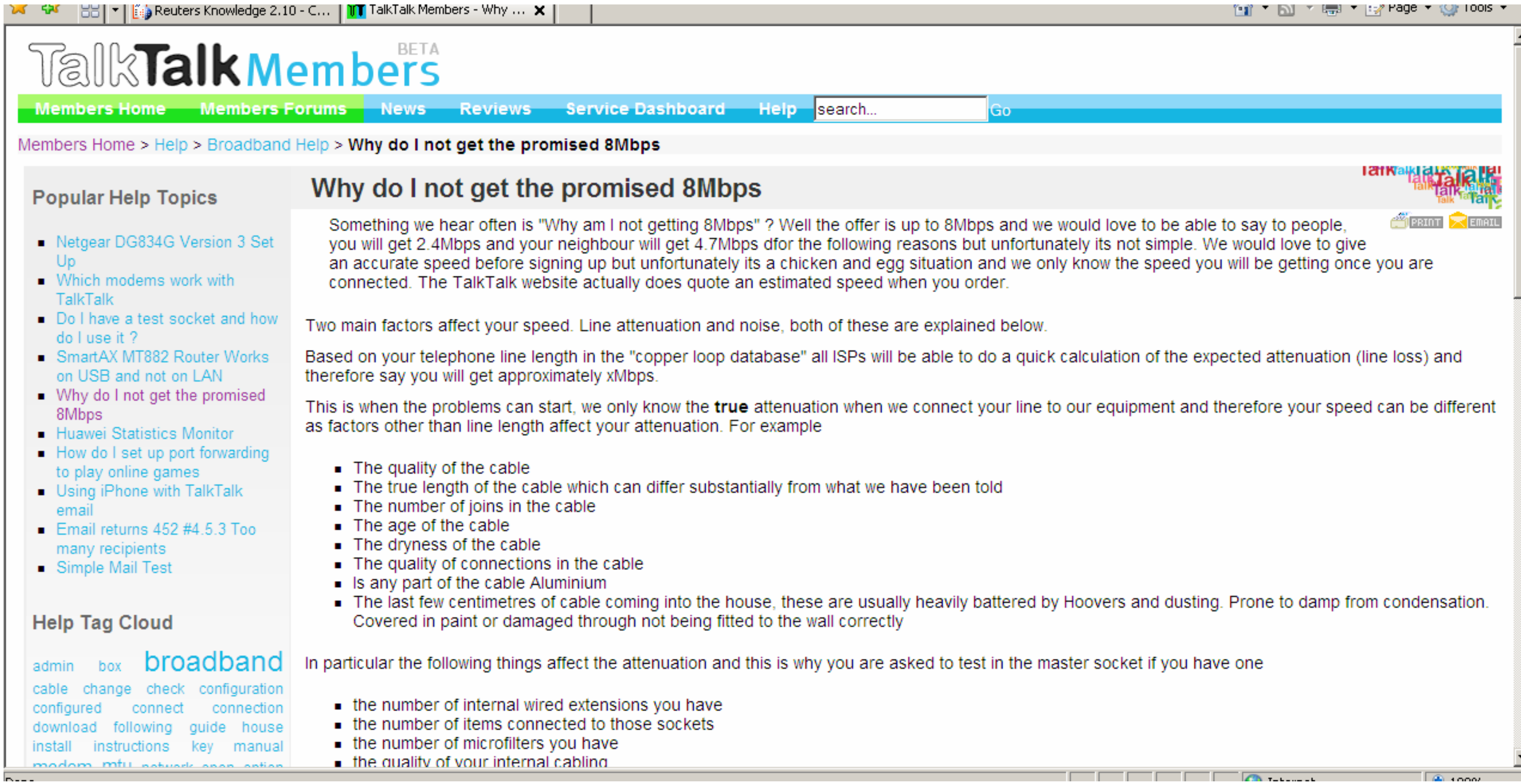
TalkTalk Broadband	May-07		Feb-08		Change (07 to 08)	
	Score	Position	Score	Position	Score	Position
Overall Satisfaction	69%	8	72%	6	↑ 3%	↑ 2
Recommend a Friend	56%	7	62%	3	↑ 6%	↑ 4
Value for Money	76%	2	81%	3	↑ 5%	↓ -1
Customer Support	41%	9	51%	6	↑ 10%	↑ 3
Technical Support	37%	9	48%	5	↑ 11%	↑ 4
Ease to interpret bill	85%	1	88%	1	↑ 3%	→ 0
Quality of Connection	66%	=8	66%	9	→ 0%	↓ -1
Speed/Usage Offered	70%	8	67%	9	↓ -3%	↓ -1
Optimal Plan Assurance	53%	2	59%	2	↑ 6%	→ 0
Ease to start using provider	66%	9	66%	9	→ 0%	→ 0
Quality of information during switch	57%	9	64%	=8	↑ 7%	↑ 1

Voice satisfaction still very high

U Switch home phone survey Feb 2008

	May 07	Feb 08
Overall customer satisfaction	2nd	2nd
Best value for money	1st	1st
Billing services	2nd	1st
Best customer service	4th	5th
Most likely to be recommended	1st	2nd

Radical transparency



TalkTalk Members BETA

Members Home | Members Forums | News | Reviews | Service Dashboard | Help | search... | Go

Members Home > Help > Broadband Help > **Why do I not get the promised 8Mbps**

Popular Help Topics

- Netgear DG834G Version 3 Set Up
- Which modems work with TalkTalk
- Do I have a test socket and how do I use it ?
- SmartAX MT882 Router Works on USB and not on LAN
- Why do I not get the promised 8Mbps
- Huawei Statistics Monitor
- How do I set up port forwarding to play online games
- Using iPhone with TalkTalk email
- Email returns 452 #4.5.3 Too many recipients
- Simple Mail Test

Help Tag Cloud

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Why do I not get the promised 8Mbps

Something we hear often is "Why am I not getting 8Mbps" ? Well the offer is up to 8Mbps and we would love to be able to say to people, you will get 2.4Mbps and your neighbour will get 4.7Mbps dfor the following reasons but unfortunately its not simple. We would love to give an accurate speed before signing up but unfortunately its a chicken and egg situation and we only know the speed you will be getting once you are connected. The TalkTalk website actually does quote an estimated speed when you order.

Two main factors affect your speed. Line attenuation and noise, both of these are explained below.

Based on your telephone line length in the "copper loop database" all ISPs will be able to do a quick calculation of the expected attenuation (line loss) and therefore say you will get approximately xMbps.

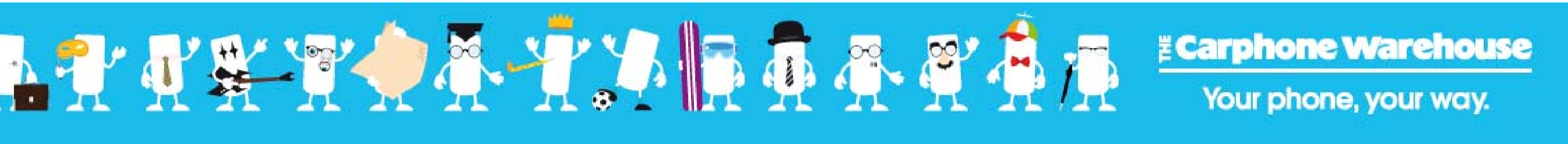
This is when the problems can start, we only know the **true** attenuation when we connect your line to our equipment and therefore your speed can be different as factors other than line length affect your attenuation. For example

- The quality of the cable
- The true length of the cable which can differ substantially from what we have been told
- The number of joins in the cable
- The age of the cable
- The dryness of the cable
- The quality of connections in the cable
- Is any part of the cable Aluminium
- The last few centimetres of cable coming into the house, these are usually heavily battered by Hoovers and dusting. Prone to damp from condensation. Covered in paint or damaged through not being fitted to the wall correctly

In particular the following things affect the attenuation and this is why you are asked to test in the master socket if you have one

- the number of internal wired extensions you have
- the number of items connected to those sockets
- the number of microfilters you have
- the quality of your internal cabling

- **www.talktalkmembers.com**

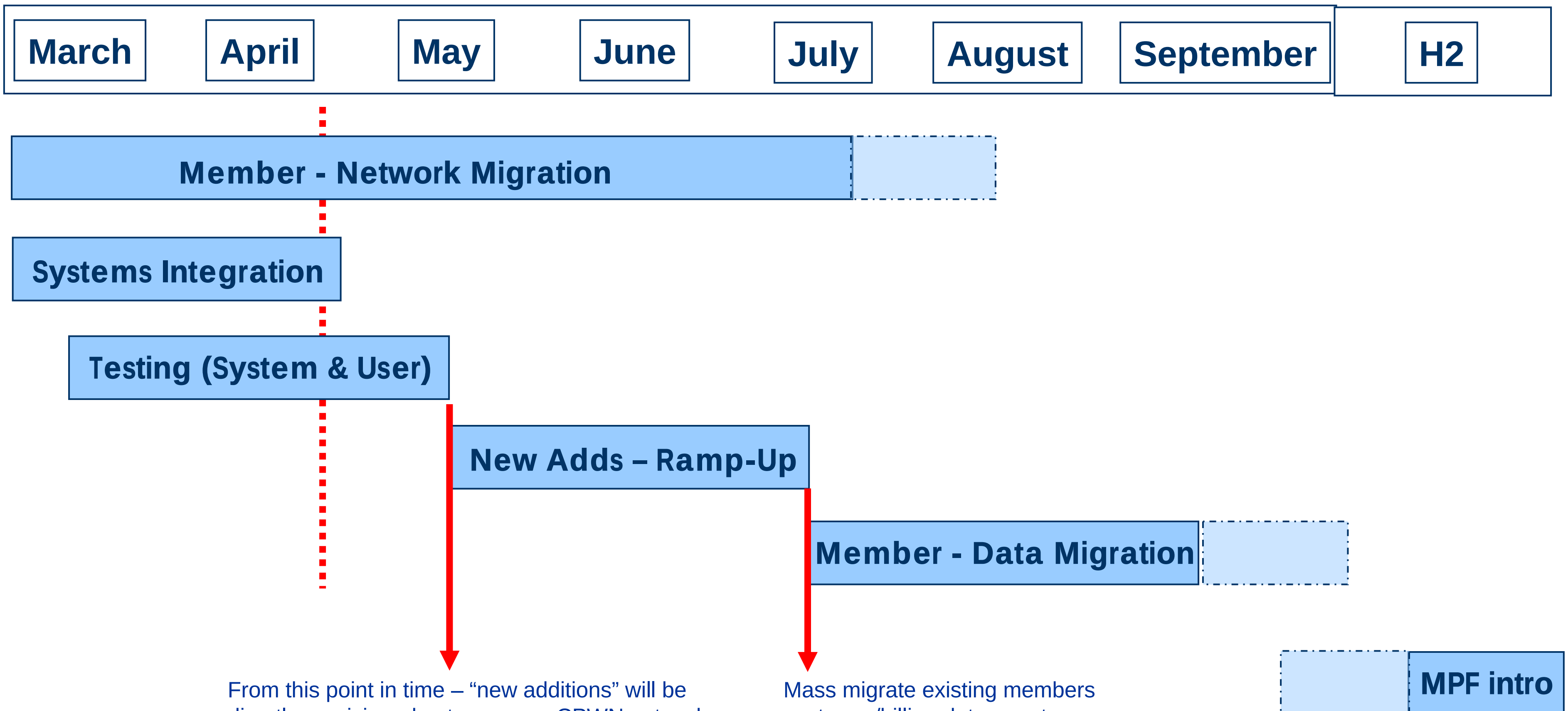


AOL transition programme

Progress to date

- **Overall TSA exit (i.e. complete separation from Time Warner/AOL Inc) is targeted for completion in H1FY2009**
- **Network and billing migration by end-of-August**
- **c. 60% of existing transitional services previously provided by Time Warner have already been migrated**
- **c. 600,000 members have already been network migrated**
- **New Billing/CRM platform is on schedule with new customers beginning to be serviced from this platform during May**

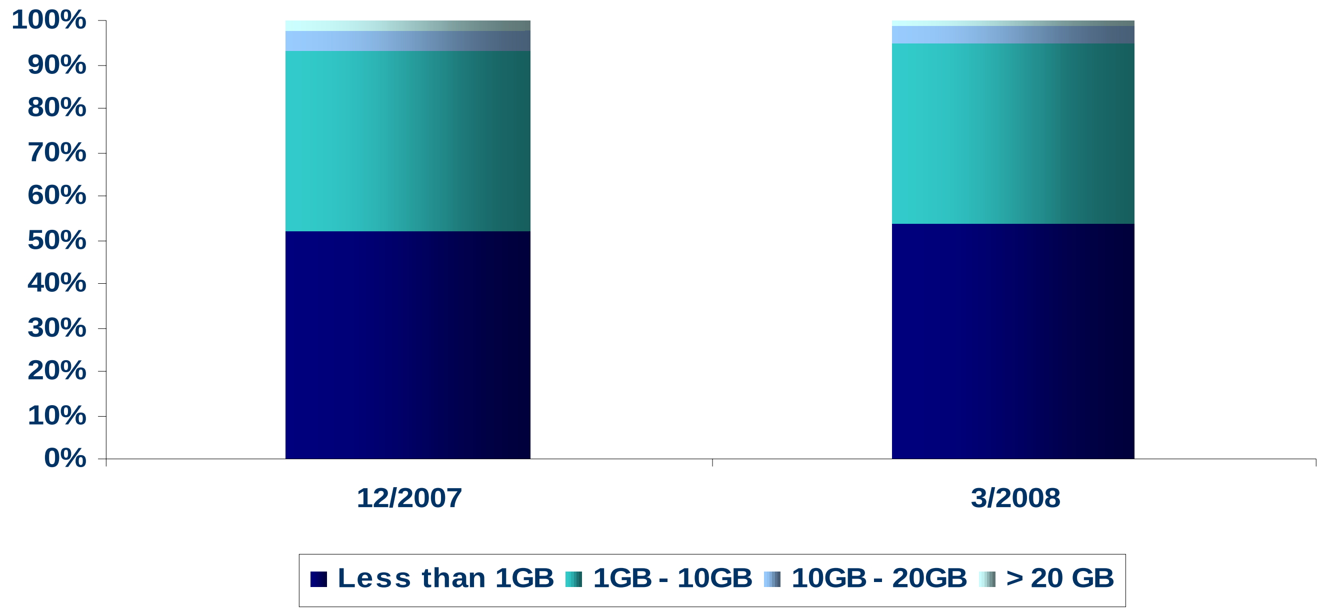
AOL Transition Programme



From this point in time – “new additions” will be directly provisioned onto our new CPWN network, and supported and billed though our new technology platforms, in particular for CRM and billing.

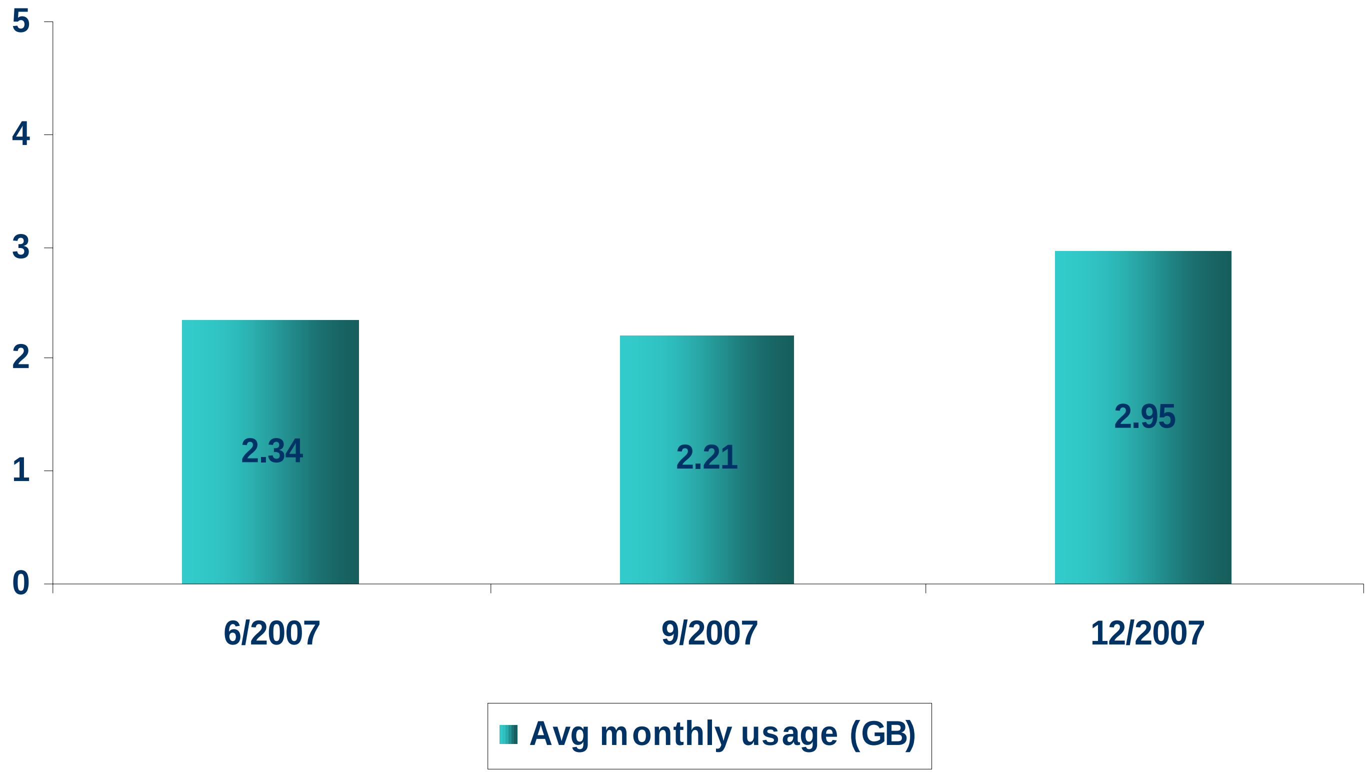
Mass migrate existing members customer/billing data over to our new platforms for ongoing support

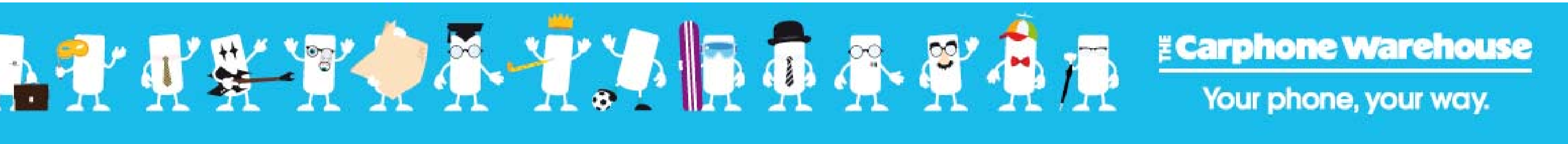
TalkTalk customers have a low usage profile



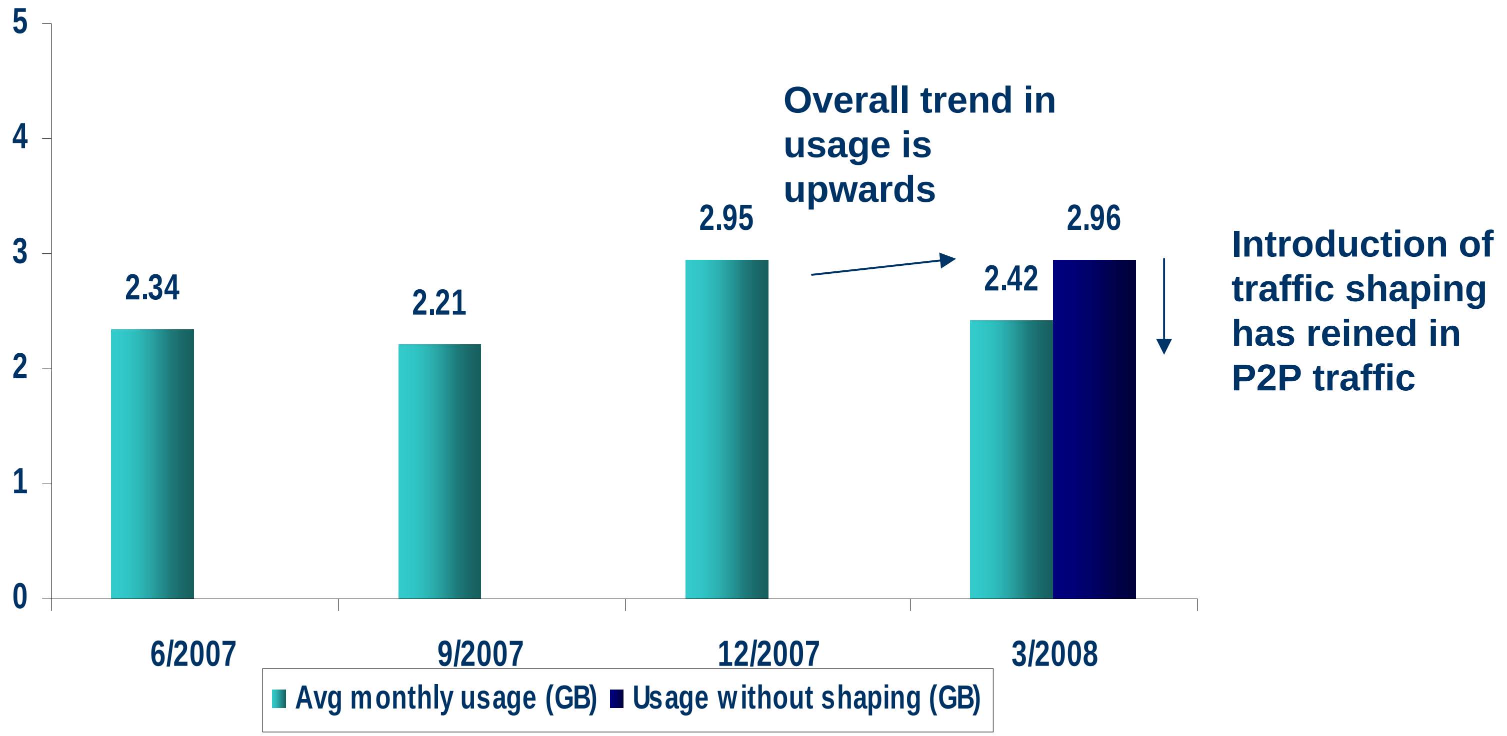
- **~50% download < 1GB/month**

But it's growing…

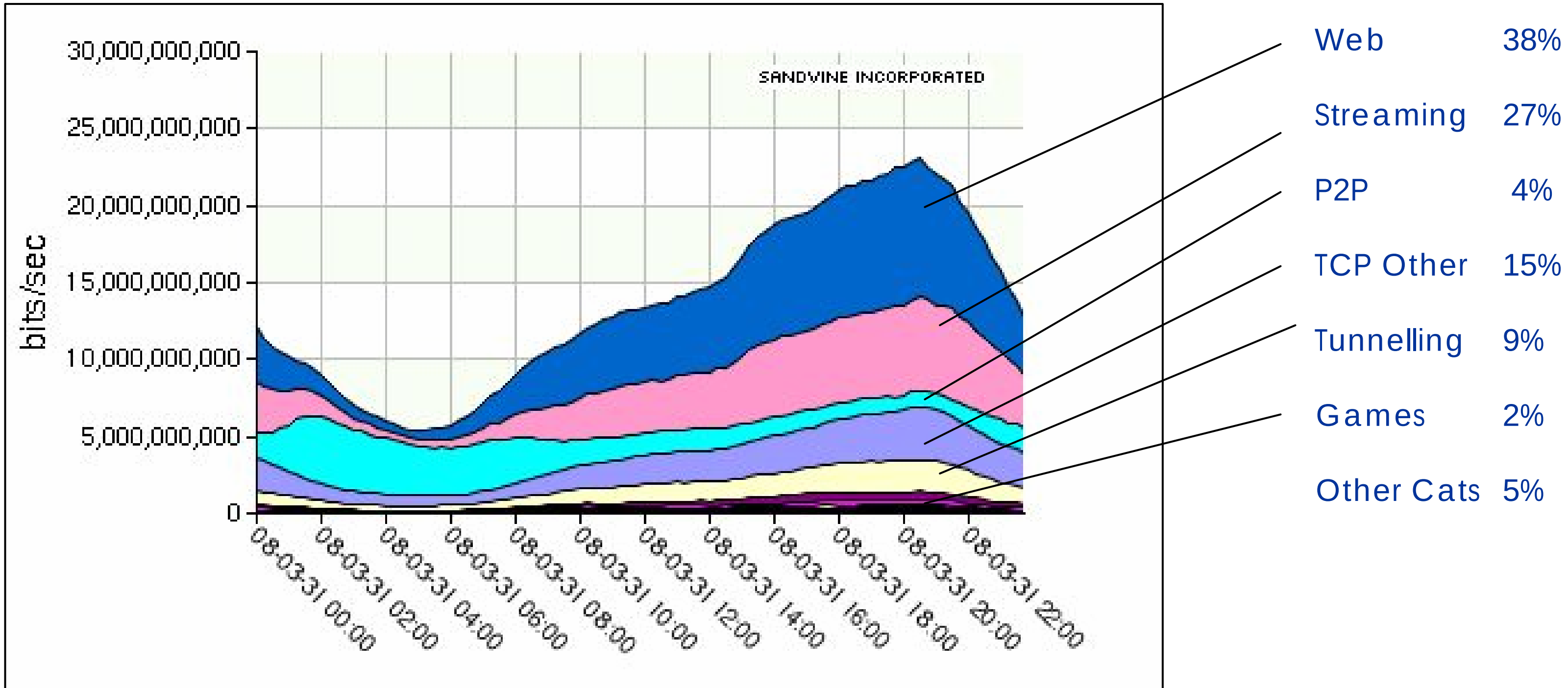




Peak time shaping introduced in March



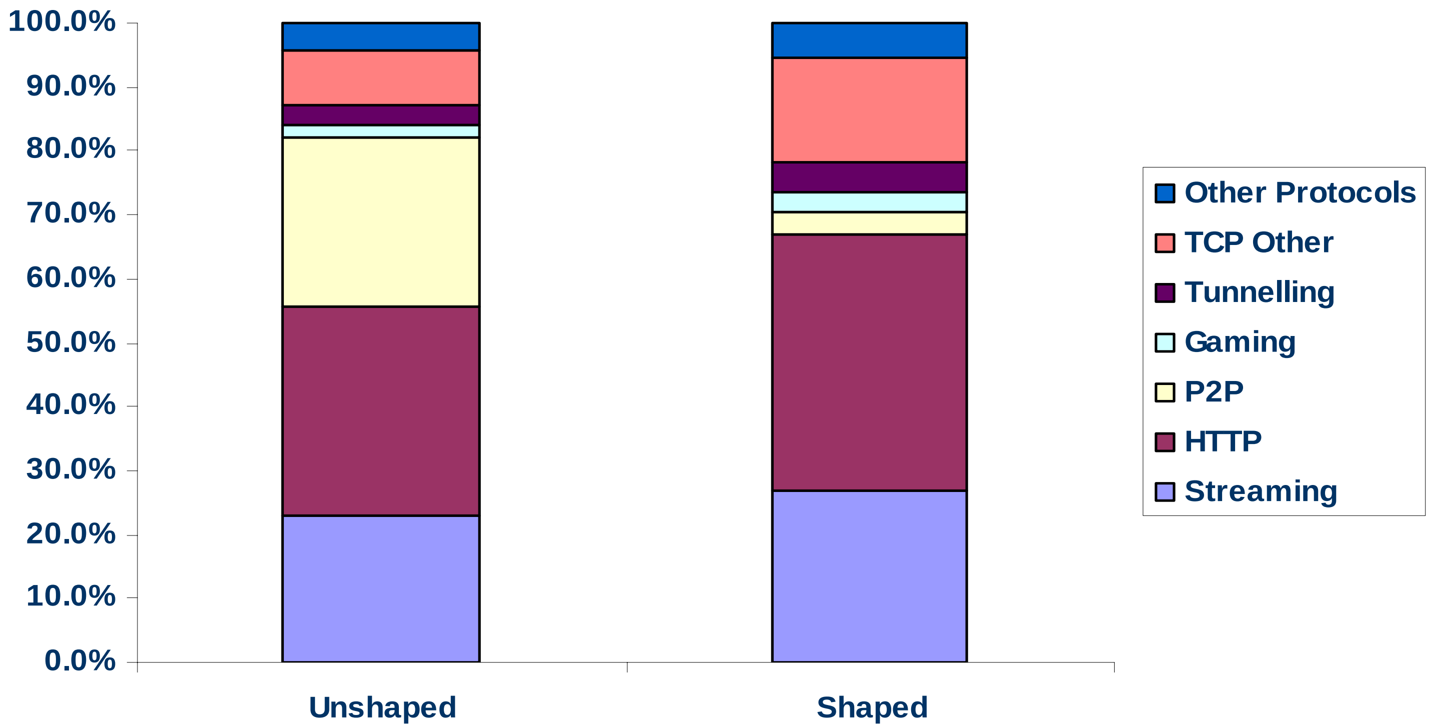
TT Traffic Categories

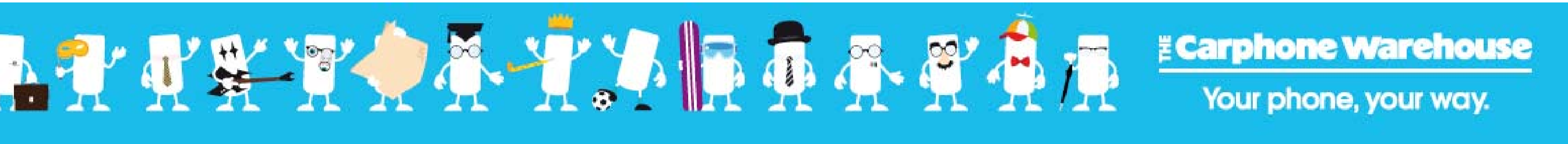


Usage for Monday 31/03/08 with peak at 20.30

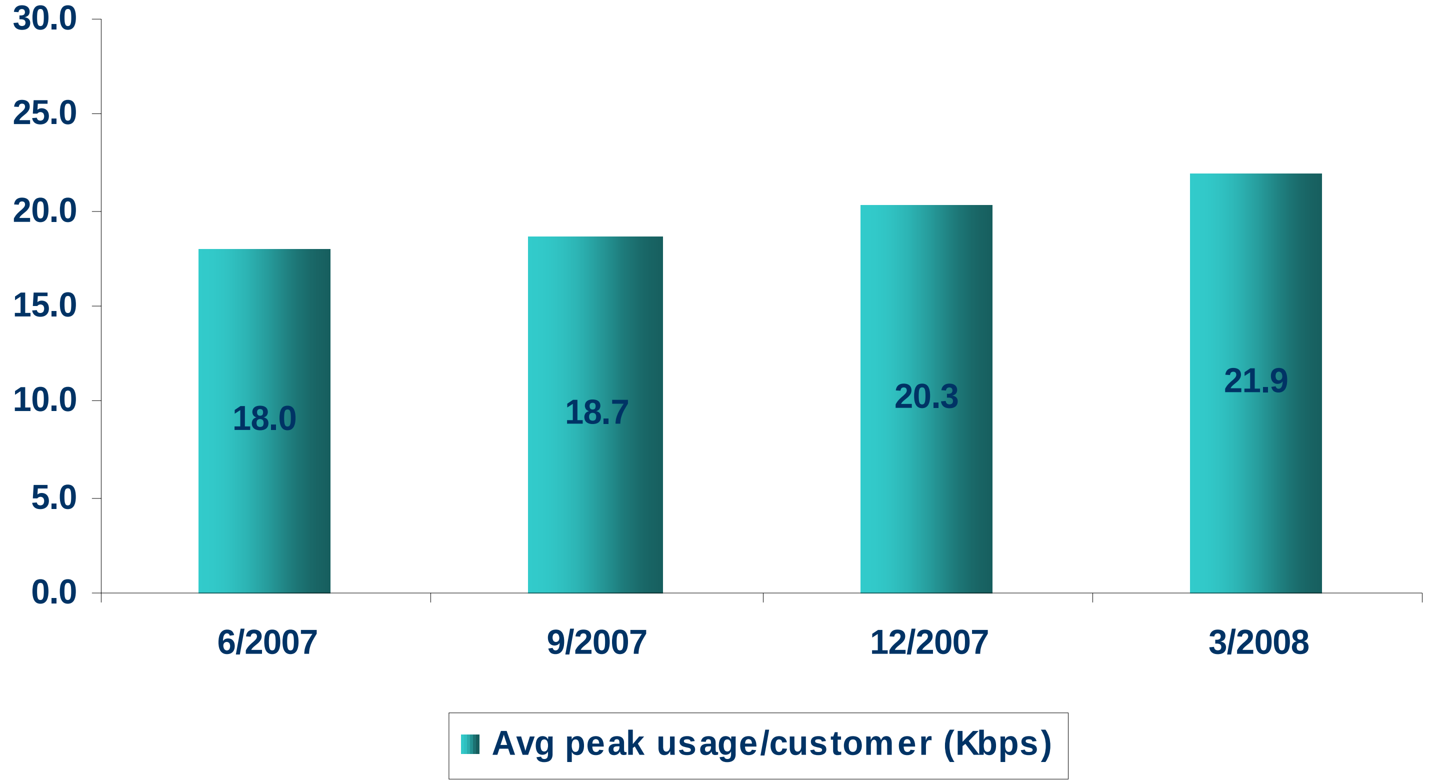
- **P2P was approx 26% of LLU and 20% of IPS peak time traffic prior to implementation of traffic shaping across the base and now it is 4% for both combined**

Impact of shaping on peak traffic mix



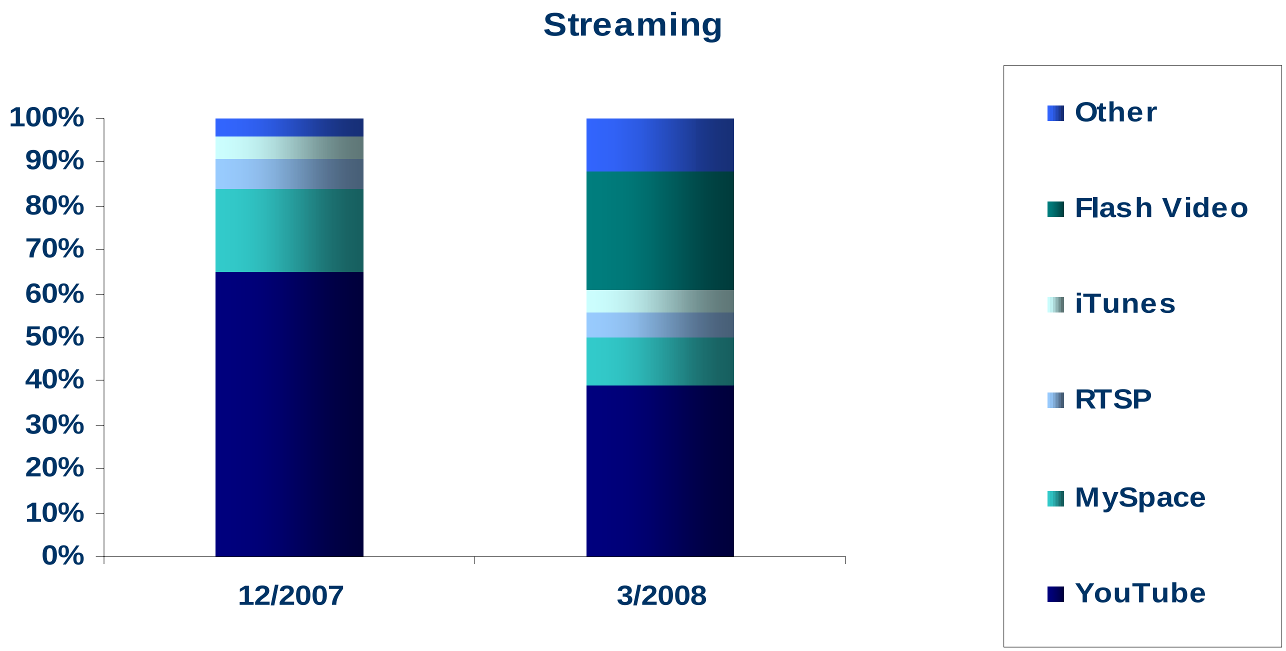


Typical peak usage rising



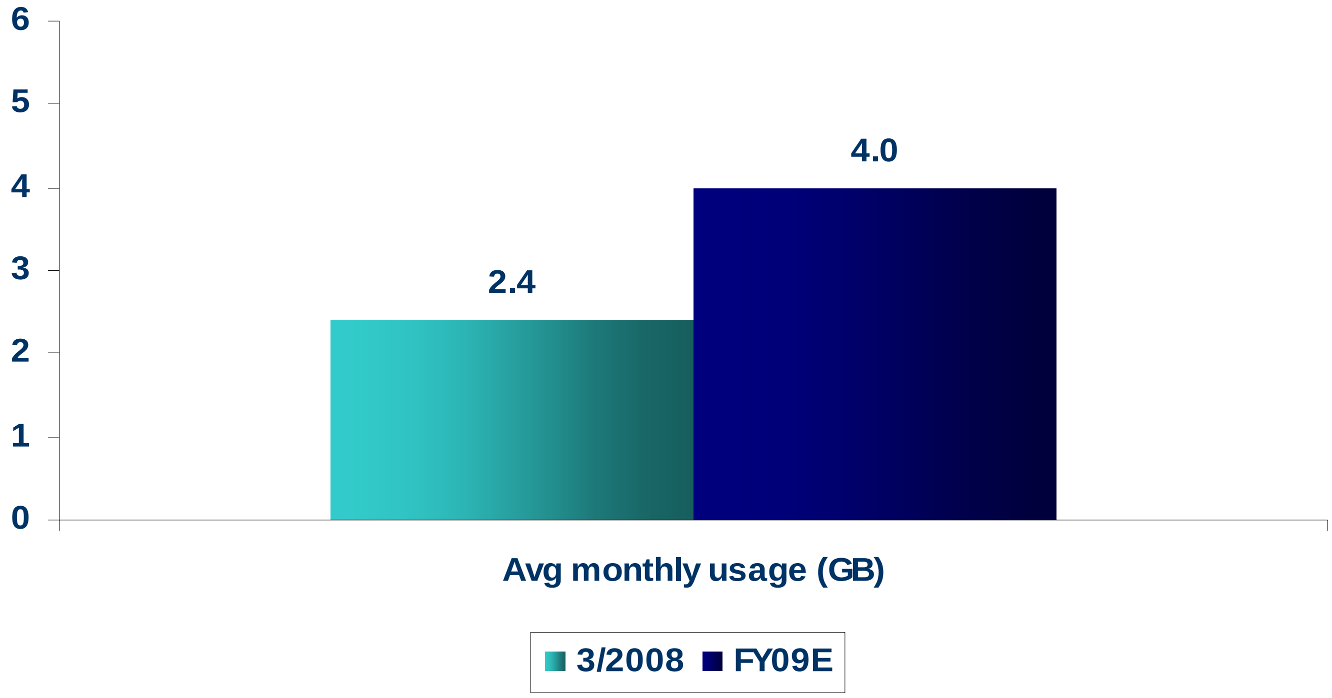
- **Up 22% over the last year**

Streaming driven by iPlayer and other platforms



- **Streaming increased from 17% to 27% of peak usage between 12/07 and 3/08**
- **Flash video increased from 0% to 27% of streaming**

But we assume strong growth in consumption

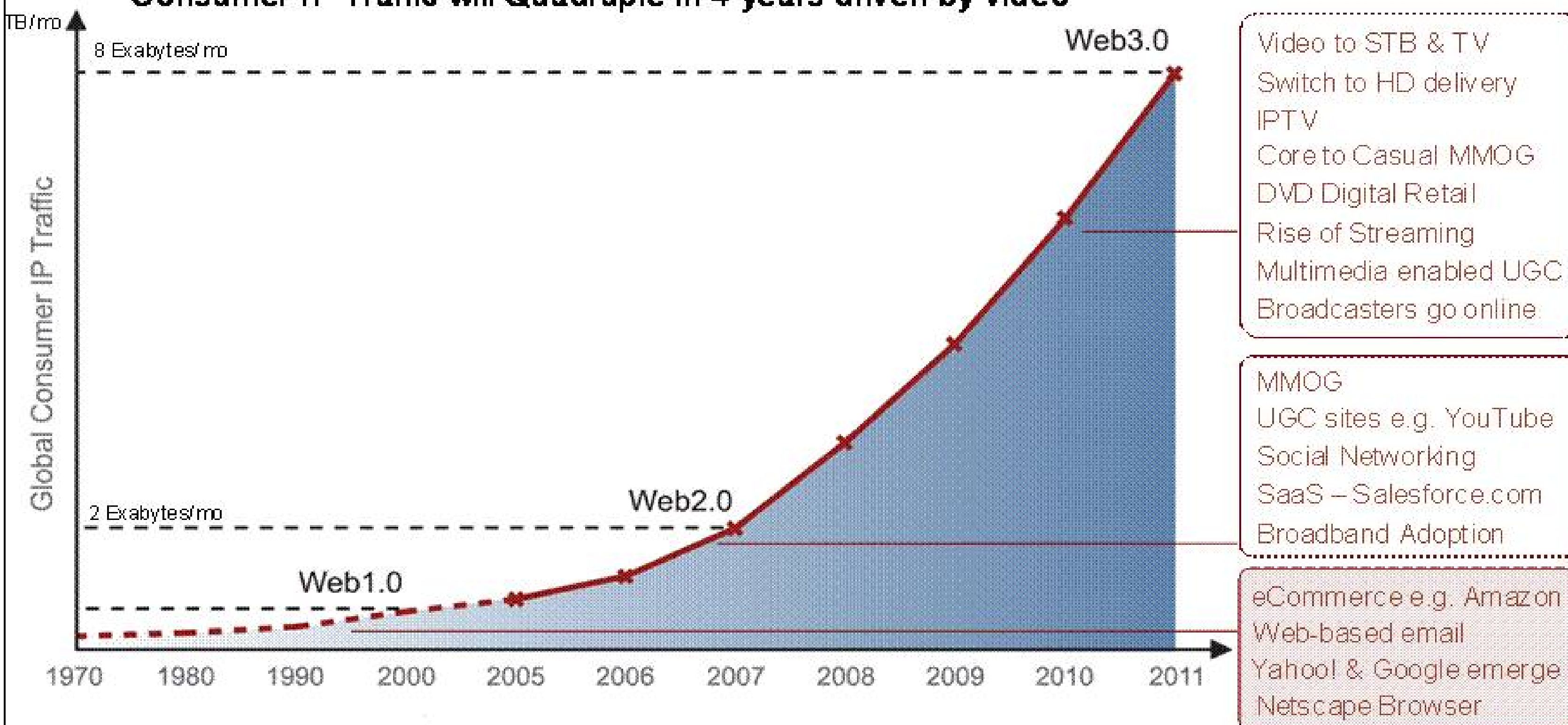


- **Average monthly usage assumed to rise 67%**

Usage Trends

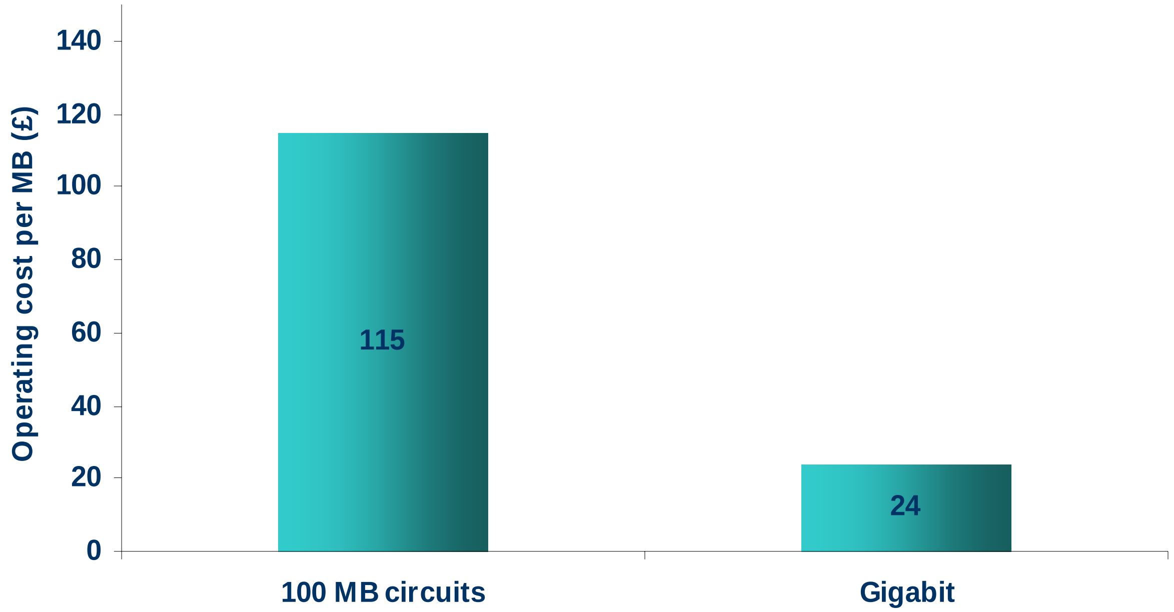
Demand : We are only at the beginning…

Consumer IP Traffic will Quadruple in 4 years driven by video



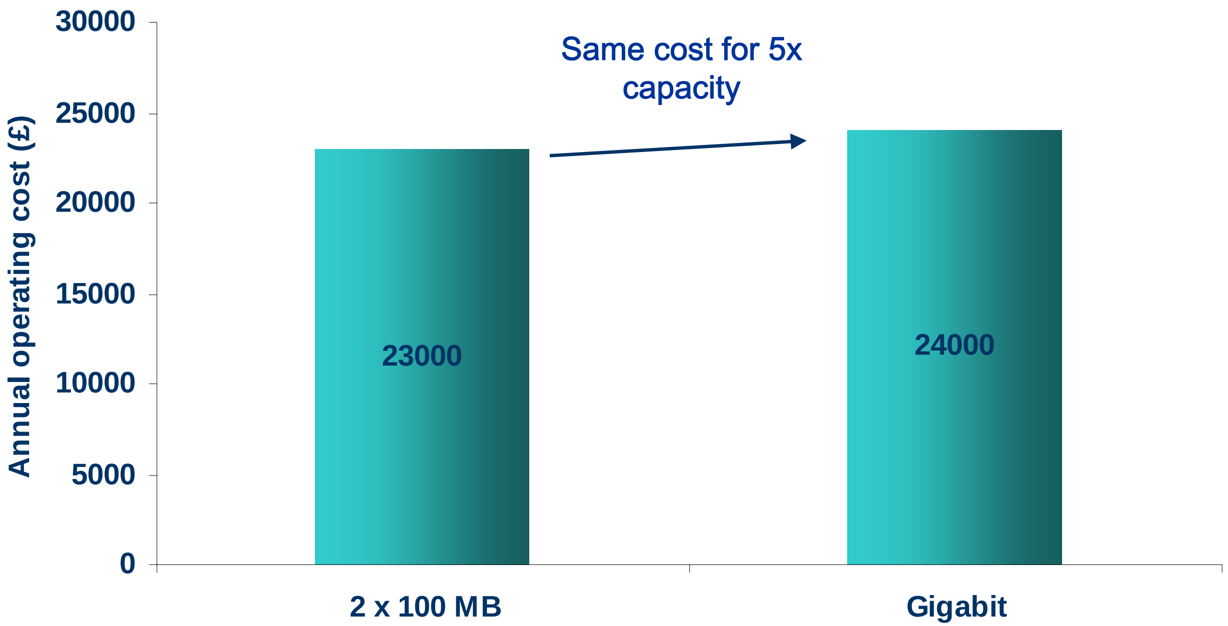
- Changing Habits of Consumption
- 0.8bn downloads in UK 2007, 2.8bn by 2009 – Screendigest (BBC 38% in 2007)
- Ofcom suggest 400% increase in VoD in next three years

How do we cap our backhaul costs?

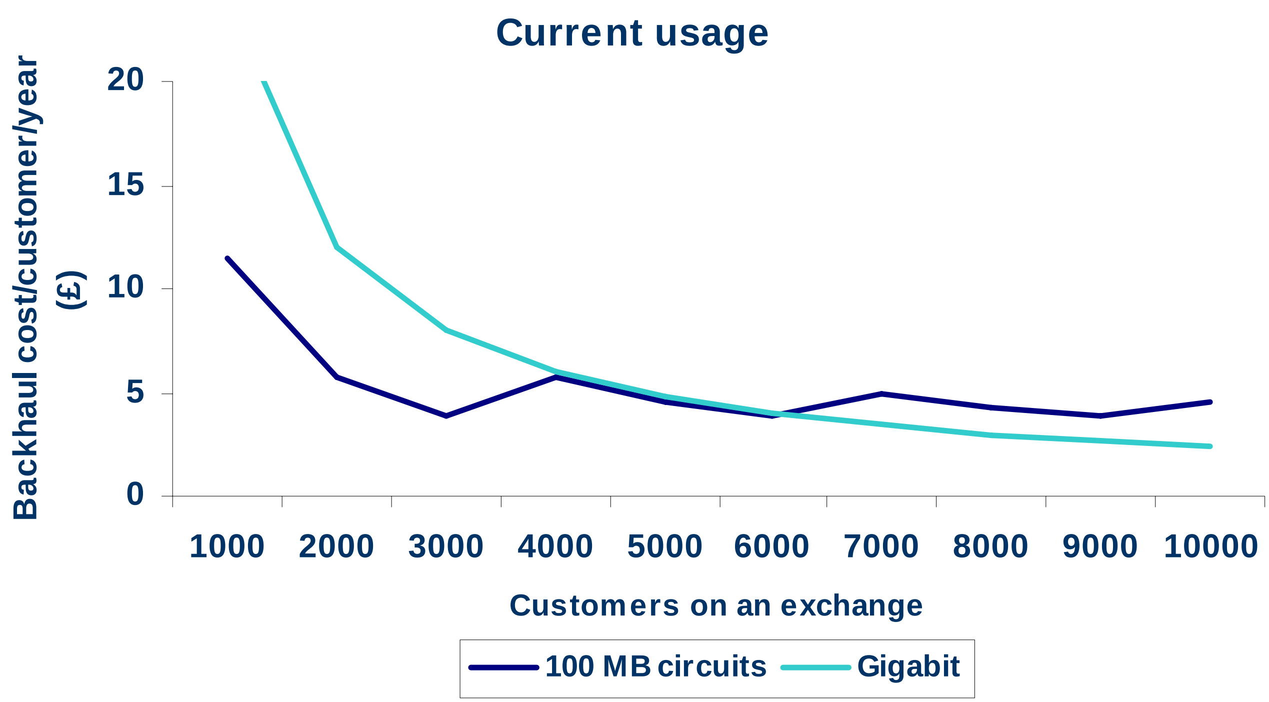


- **Network Unification Project ("NUP")**
- **Creates a platform for installing gigabit capacity from exchanges**
- **Reduces "cost per bit" by 80%**

No difference in cost between 2 x 100 MB circuits and gigabit capacity

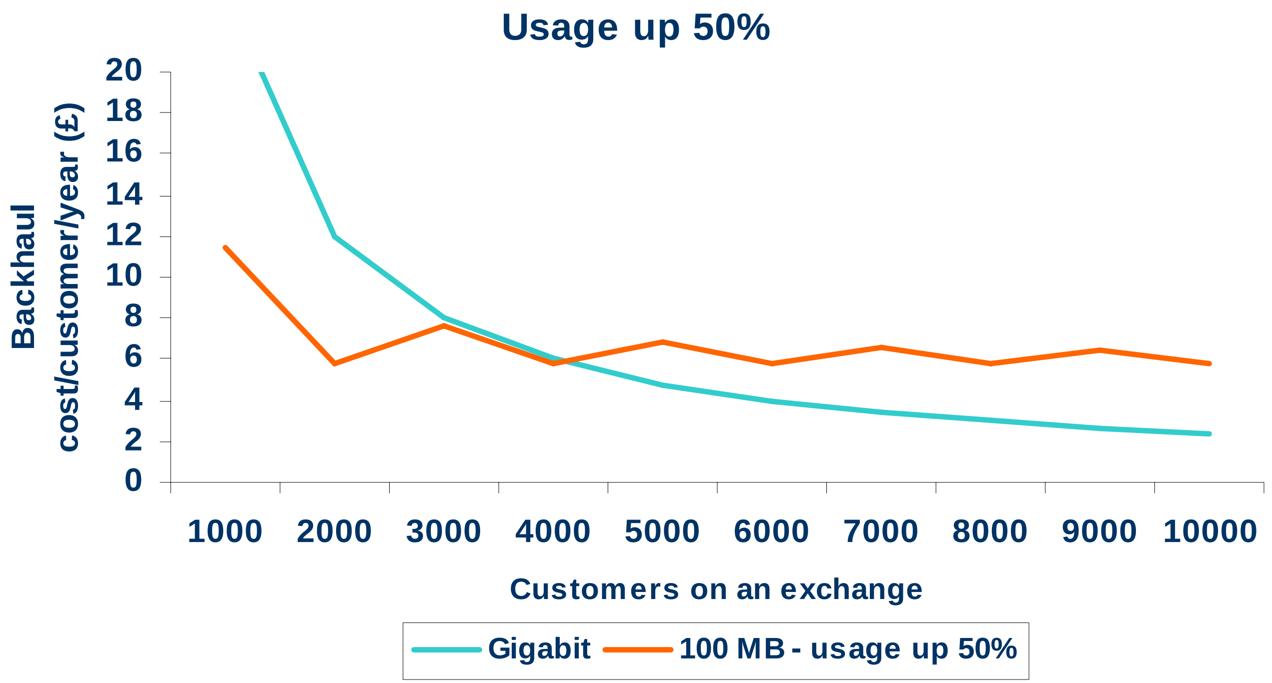


Comparative cost per customer



- **On current usage, gigabit capacity makes sense at c. 3,000 customers per exchange (when a second 100 meg circuit is required)**

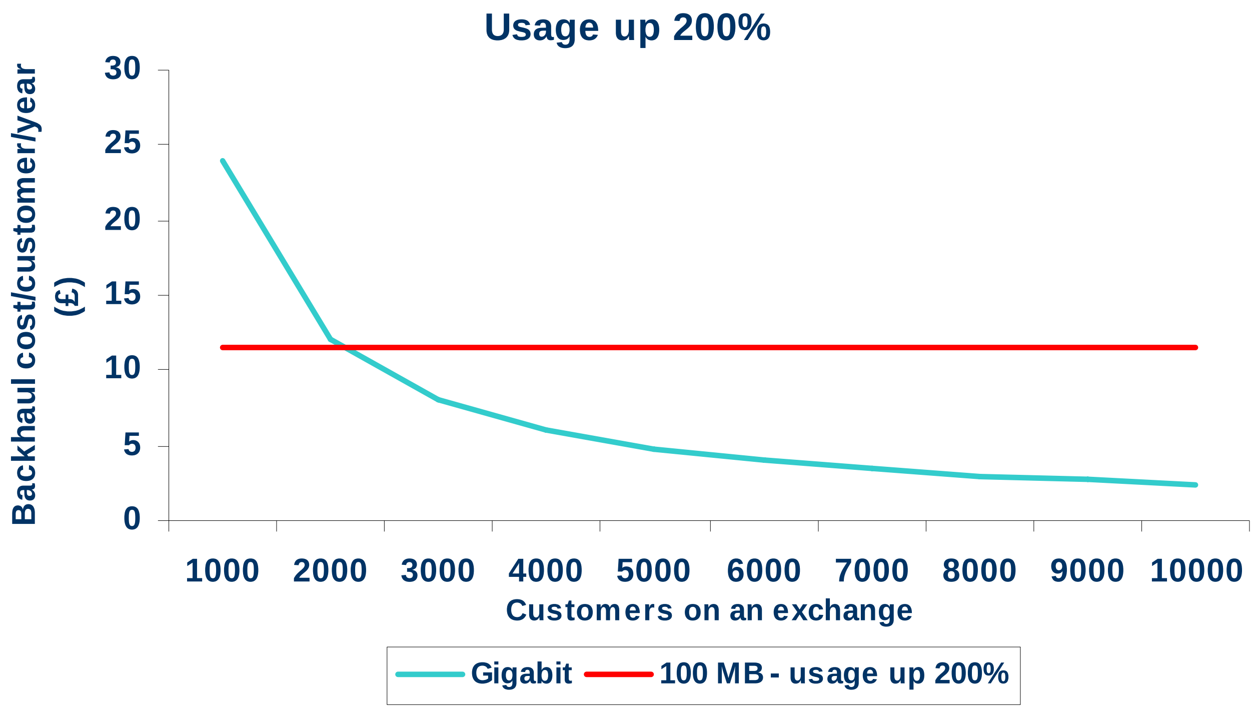
Increasing usage underlines the benefit of the NUP programme



- **If usage increases 50%, operating costs are halved on a busy exchange**

THE Carphone Warehouse
Your phone, your way.

NUP caps costs even with a trebling of usage



- **If usage increases 200%, 100 meg circuits offer no economies of scale, and unit costs would be 60-75% lower on a big exchange**

200 exchanges targeted this year

- **Gigabit installation begins in H2**
- **Prioritising exchanges where we already have 2 x 100 MB circuits or more**
- **Increases capacity 5x for the same cost**
- **This would allow for:**
  - **5x increase in usage; OR**
  - **2.5x increase in usage and 2x customer base**
- **£10k installation cost per exchange**
  - **Cost of upgrading total estate = £16m**

Further expansion

- **Expanding AOL/SMPF network by a further 200 exchanges**
- **Opportunity to extend MPF network by 400 to over 2,000**
  - **Nearly 90% population coverage**
  - **Excellent potential payback**
  - **Can't commit without clarity on LLU pricing regime**

Fixed Line summary

- **LLU has been a great success**
- **Customer service is improving, and so is the perception**
- **MPF is a material advantage**
- **Value proposition is still clear**
- **We are capping our operating costs as usage grows**

Group outlook

- **Short term:**
  - **Evolution of retail model accelerating**
  - **Growth in mobile data and DSL sales**
  - **Fixed Line margin improvement and customer growth**
  - **Best Buy Mobile store conversions**
- **Longer term:**
  - **Laying foundations for long term value creation in Retail**
  - **Investing in network to cap operating costs**
  - **Best Buy Mobile to become a significant profit centre**