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Australian broadband market growing, with monetisation opportunities on the horizon despite global financial crisis, finds Telsyte

Sydney, 22nd June 2009 - Telsyte's latest research into Australia's broadband market reveals that the local broadband market continued to grow strongly in 2008, despite the deteriorating economic situation. By the end of 2008, broadband service revenue reached \$3.25 billion, a 12.4% year-on-year growth, while the number of subscribers totalled 5.9 million, excluding the 2 million 3G-based mobile broadband users.

"DSL dominates the market, and we expect its dominance to continue even with the ultimate outcome of the NBN unclear at this stage," said Gary Tsang, Telsyte's Market Analyst. "The introduction of Naked DSL has certainly caused market disruption, with PSTN poised to decline further as Naked DSL with VoIP bundled offerings is making headway in winning subscriber confidence."

Telsyte has found iiNet and Soul/TPG to be the biggest winners for 2008. "iiNet and Soul/TPG experienced exceptional growth last year, close to doubling their subscriber numbers and service revenue, mostly due to iiNet's acquisition of Westnet and the merger between Soul and TPG." Mr Tsang explained. "We expect iiNet and TPG, both early to market with Naked DSL and content services, to be able to sustain their organic growth in 2009, as will other 'Naked' ISPs like Internode and Adam Internet."

Telsyte's latest report has identified a number of opportunities for service providers to grow ARPU and formulate market development strategies, given the potential upsides from the NBN, convergence in the media and telecommunications industries, and through becoming MVNO partners.

"FTTP will open a whole new market for ISPs in delivering premium content and highly targeted promotional materials to consumers. Both the traditional advertising funded model, and a user subscription model, will be applicable and the technology is certainly available now," said Mr Tsang. "From a marketing perspective, the effectiveness of traditional media messages in reaching target segments has declined significantly in the past few years due to information overload. ISPs must look to harness the power of broadband to monetise content offerings by providing more relevant, personal and contextualised multimedia offerings to Australians" he said. "ISPs who learn to do this best, are those most likely to succeed in transitioning their newly won customers from DSL services to NBN services, once the FTTP infrastructure is in place" Mr Tsang added.

These research findings are from Telsyte's latest research report titled, "**Australian Broadband and Fixed Telecommunications Market, 2008 Review & 2009-2013 Forecast**". This report provides an authoritative assessment of Australian broadband and fixed telecommunications market developments, including VoIP, PSTN and Enterprise Data Service. The report also includes discussion on potential threats and opportunities for Australian ISPs from the NBN, media & telecom convergence and mobile broadband offerings.

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About Telsyte

[Telsyte](#) is an Australian-based market research consultancy specialised in the competitive intelligence of the converged communications market. Telsyte's expertise is centred on the three core competency areas of Carrier & Broadband, Mobile & Wireless and Enterprise Communications. Telsyte provides industry insights through custom research and consulting as well as ongoing research, which includes market reports and online databases. Telsyte is a business unit of Australia's largest independent telecom consulting company, [Gibson Quoi-AAS Pty Ltd.](#)

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