



Telsyte

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Fixed and Mobile Broadband Complementing as Australia's Telecom Growth Powerhouse, Finds Telsyte

Sydney, 16th June 2008 - Telsyte's latest research into the local telecom market reveals that Australians are expected to spend \$27.2 billion on telecom connectivity services this calendar year, a healthy 4% year-on-year growth. The mobile market - now the single largest segment - will attract 42% of that spending, with penetration approaching 108% of the population.

Overall market growth will be driven by the "star" segments of VoIP, mobile non-voice and fixed broadband projected to grow 44%, 31% and 22%, respectively. Meanwhile, fixed line and dial-up, data communications and mobile voice services will be the industry's "dog" performers.

"Within the mobile non-voice segment, mobile broadband will be the growth powerhouse this year, projected to grow by a stellar 76% to three-quarters of a billion dollars," observes Mr. Warren Chaisatien, Telsyte Research Director. "With HSPA increasingly blanketing Australia and WiMAX operators still finding their feet, the battle between mobile broadband and wireless broadband is over. Moreover, handset innovations like the Apple iPhone and BlackBerry Bold and a growing range of off-deck mobile applications, will encourage average consumers to ramp up their mobile data use."

Meanwhile, the fixed broadband market will grow to \$3.5 billion, spurred on by the increased availability of ADSL2+ and Telstra's recent about-face plan to wholesale the technology. Despite market uncertainty generated by the national broadband network debate and aggravated by the threat of substitution by mobile broadband, the fixed broadband market grew steadily last year, with the addition of over one million new DSL-based subscribers recording an impressive year-on-year growth of 28%.

"This growth in the fixed market is expected to continue, fuelled by both business and consumer demand for high-speed services to support bandwidth hungry video-based applications and the rollout of fibre services," concludes Samia Jawed, Telsyte Broadband Analyst. Take-up of mobile broadband is mostly taking place as a secondary service for on-the-go internet access, complementing - rather than replacing - the fixed broadband connection at home and in the office. A recent Telsyte consumer survey shows that less than 5% of Australian homes are utilising mobile broadband as their primary broadband access technology, without a fixed broadband connection.

Telsyte projects both fixed and mobile broadband technologies to enjoy healthy growth in the next 5 years, without signs of slowing down although the former will expand more slowly in comparison due to its more mature nature. This year, there will be 7.4 million broadband users, with one in five being mobile broadband users. By

2012, mobile broadband will account for nearly 30% of the 10.5 million broadband user base in this country.

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About Telsyte

[Telsyte](http://www.telsyte.com.au) 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 Quai-AAS Pty Ltd.](http://www.gibsonquai-aas.com.au)