

Enabling Broadband for ALL in Africa



Marie Thérèse Royce
Managing Director, Global Strategic Initiatives, Global Government & Public Affairs
Alcatel-Lucent

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Alcatel-Lucent in Africa: Track Record and Commitment

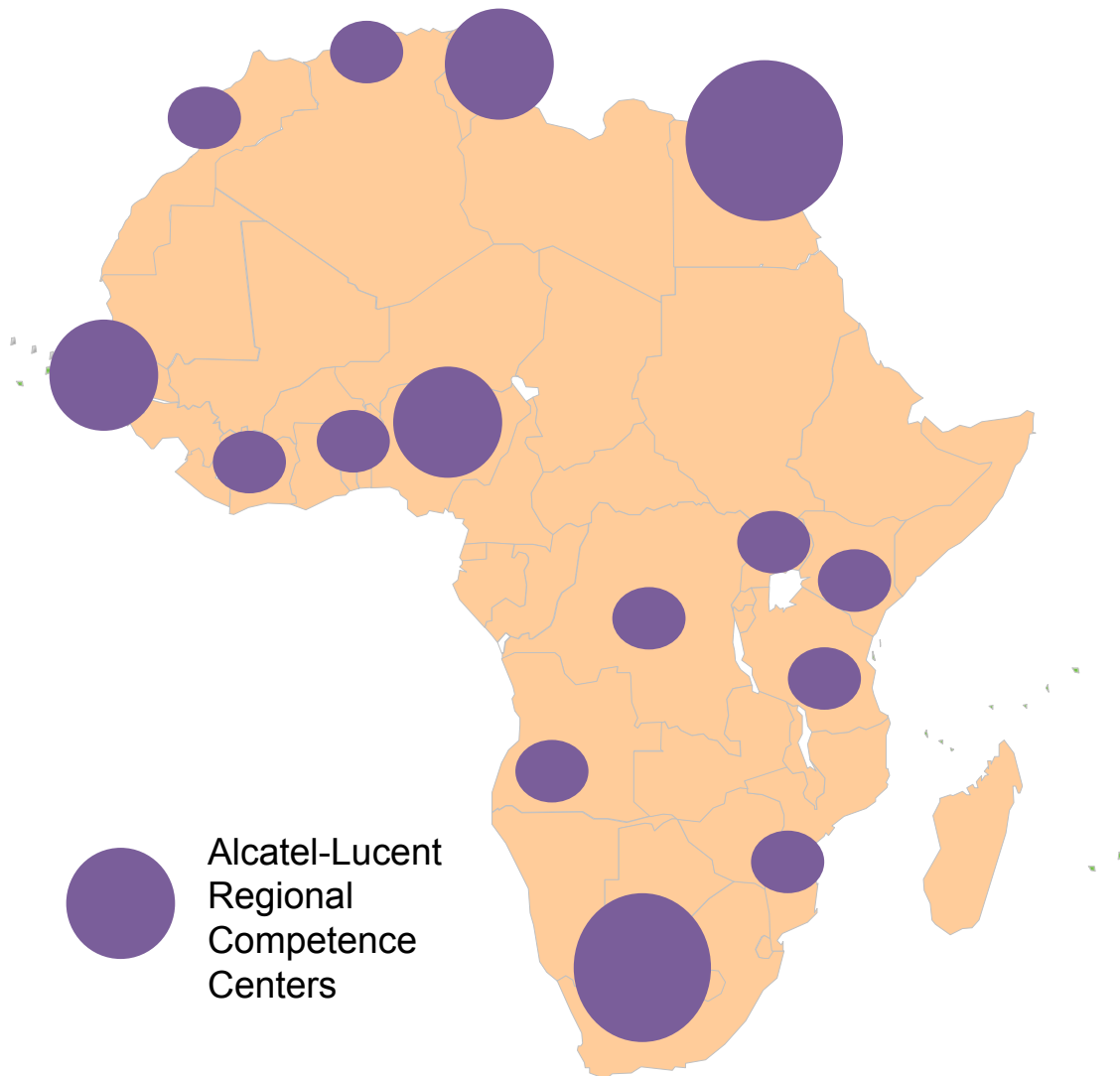
A Corporate Vision:
“Broadband for ALL”

Business Track Record:
45M+ mobile lines (30% share)
12M fixed lines (50% share)

Presence:
Operations in 45 countries
1000+ in-country professionals

Social Responsibility:
Founding member of ITU “Connect
the World”

Alcatel-Lucent Digital Bridge
Initiatives



A New Milestone for Alcatel-Lucent Broadband for ALL in Africa: Backbone Infrastructure Soon in Place

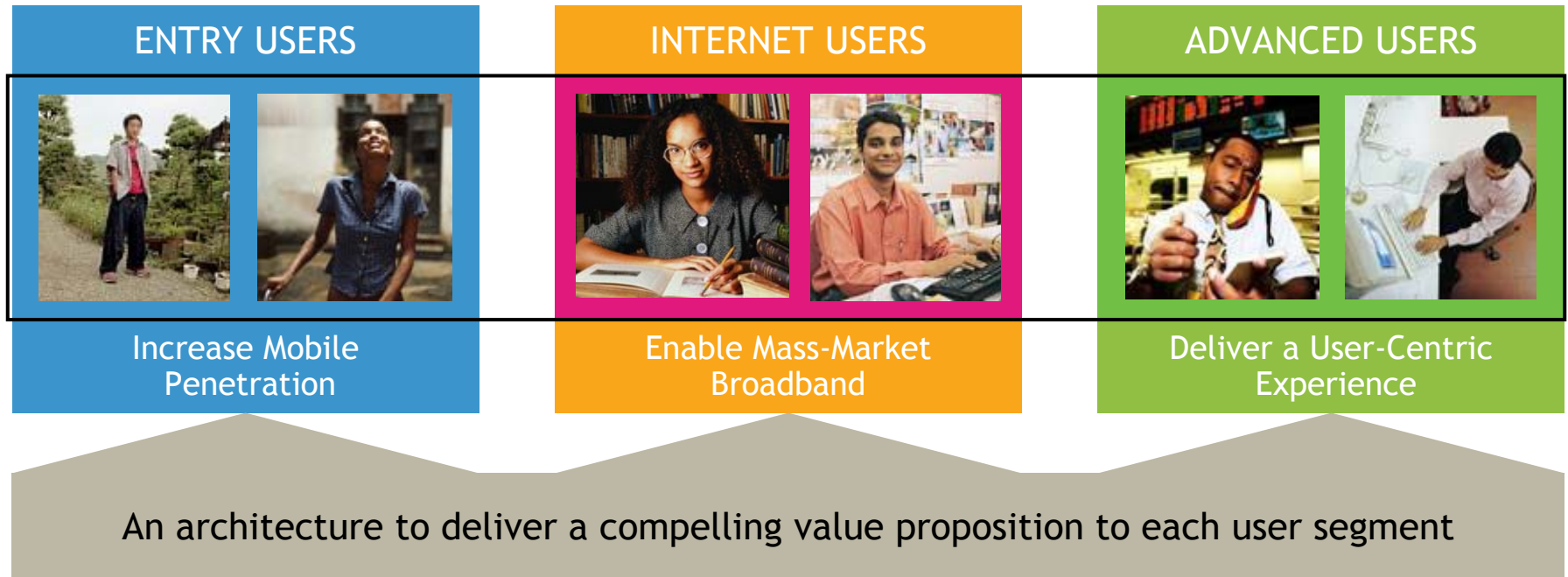


March 9, 2007:
EASSy awards Alcatel-Lucent
contract to deploy 10,000 km
submarine network for Africa



Next Step Now: Last Mile Connectivity

The Challenge for African Economies: Need to Address 3 Different User Segments with 3 Distinct Value Propositions

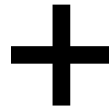


The Opportunity for Service Providers in Africa:

Leapfrog
to the latest
technologies



Radical cost efficiencies
Most innovative services



Leapfrog
to the latest
business models



Beyond fixed and mobile
Innovative economics
& partnerships

Enable service, network and business transformation
to address ALL

Broadband Community Centers are Now Spreading in High-Growth Economies



In-building
Community Center



Mobile Community
Center



WW estimates:
100,000 Centers today
Source: telecentre.org

Efficient Delivery Model:

End-User Service

Choice of self-service or assisted access
through clerks
ICT training

Cost

Shared cost of PC, modem, connectivity

Financing

Public-Private Partnerships
Channel for Third Parties

A first Step before Personal Broadband

Broadband Community Centers

Key Services

Communications



- Internet by the hour
- Voice includes long-distance and international
- Videotelephony
- E-mail

E-Business



- E-commerce
- Desktop Publishing
- E-Banking (includes micro-finance, peer-to-peer money transfers)

E-Education



- Access to WWW info
- ICT certified training
- Distance e-learning (includes video and audio)

E-Agriculture



- Information on market prices
- Forums on techniques
- Buy & Sell

E-Government



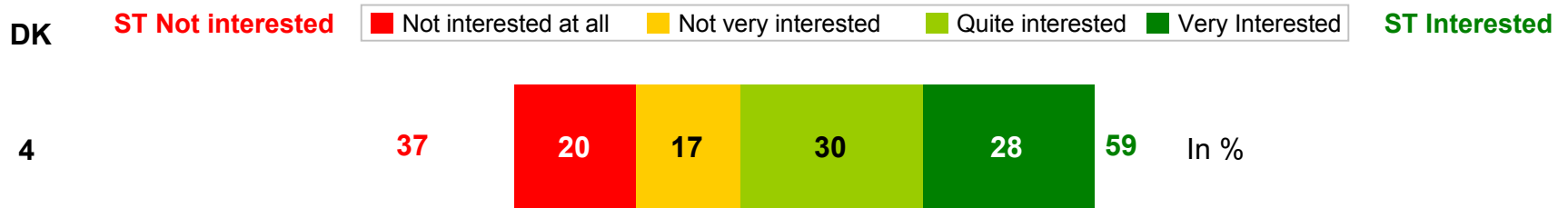
- Download forms
- Registrations of vehicles, permits...
- Payment of taxes, utilities..

Alcatel-Lucent End-User Market Research in Kenya: Unmet Demand for Broadband in Urban Centers

Nearly 60% of Internet café users **ARE** interested in a broadband subscription at home

Question: How interested are you in having a broadband subscription at home?

(Sample: 303 Internet café users)



Alcatel-Lucent,
Quantitative Survey,
July 2007: 303+ in-
street interviews in
Monbasa, Kisumu, and
Nakuru. Respondents
are a mix of Internet
café users and existing
broadband users at
home and work.

Additional Findings:

- **Available where they live?** 34% are covered by broadband and intend to subscribe; 51% are not covered or do not know
 - **Affordable?** 76% of internet café users spend less than 10\$/mth
 - 90%+ of current broadband users at home used internet cafes.
- A significant share of the next broadband users will come from internet café users.**

Uganda Telecom, Uganda

First 3G deployment in Uganda

The Challenge:

- Generate additional revenues
- Increase network coverage and quality
- Network upgrade for Commonwealth Summit in November

The Solution:

- UMTS solution
- Wireless network management system
- Complete network design, deployment, management system, maintenance and engineering tools
- New generation microwave system with efficient scalability for voice and data traffic

The Benefits:

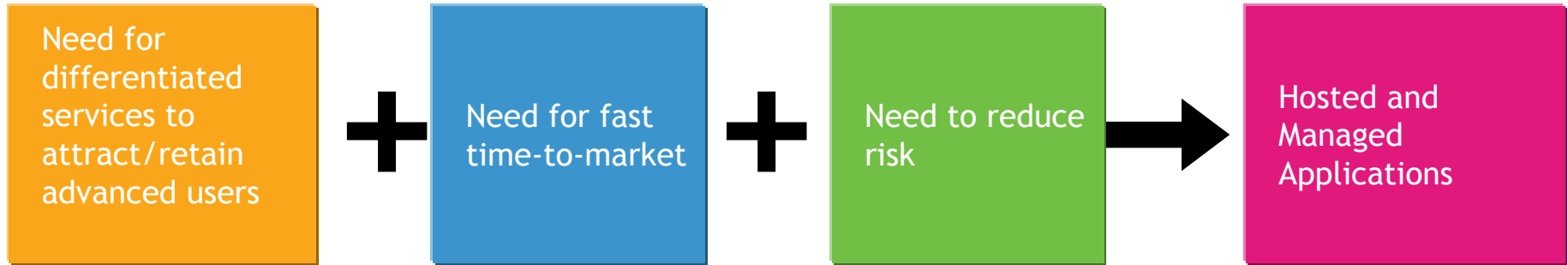
- Extend network reach in rural areas
- Improve user quality of experience and service differentiation with new applications such as video streaming and corporate e-mail
- Fast deployment to meet tight timeline



“Uganda Telecom is dedicated to providing access to Ugandans, and with 3G, we will be able to provide high-speed connections to our customers and visitors on the go and therefore contribute to increasing broadband access in Africa.”

Abdulbaset Elazzabi, Managing Director of Uganda Telecom, Aug. 23, 2007

Business Transformation: Innovative Business Models with Vendors



Example: Alcatel-Lucent Mobile Services Hosting Center in Dakar, Senegal (June 2006)

Offering innovative mobile services from day one with possibility to:

- Share platform among several operators, across several countries
- Benefit from pay-per-use business model



Example: Orange Cameroun

- Leading mobile service provider in Cameroun with 1.3M subscribers
- Mobile data portal launched in summer 2006 to increase market share and reduce churn among advanced users
- 320, 000 hits in very first days
- Operational in just 3 months

Business Transformation: Innovative Business Models with Public Stakeholders



Medical imaging transfer for tele-diagnosis of tuberculosis

Pilot in West Africa (2006)

- Technology: DSL and WiMAX
- Sustainable business case (savings on films) in addition to public health benefits



E-Gov in rural

Pilot in West Africa (2006)

- Technology: WiMAX
- Applications developed by University

Need support to fund pilot projects to demonstrate sustainable economics

Alcatel-Lucent's Credentials for "Broadband for All"

Alcatel and Lucent track records in high-growth economies

- A major business: €7.1 billion total Alcatel and Lucent business in 2005
- Market leadership: #2 in China, #2 in Africa-Middle-East-India, #3 in Russia/CIS

Alcatel-Lucent investment in high-growth economies

- Major R&D centers in India, CIS and China
- Sales and services operations in 130 countries
- Project financing experience and resources

Alcatel-Lucent corporate social responsibility

- Founding member of the ITU "Connect the World" initiative (Alcatel)
- Pilot projects in e-health, e-commerce and e-education
- Recognized - Top 10% in Dow Jones Sustainability Index

#1 in DSL worldwide with 100 million lines shipped
#1 worldwide in 3G (after purchase of Nortel UMTS)

The background is a deep blue with a fine grid pattern. It features several abstract, glowing light patterns: a large, curved, bright blue shape in the upper right, and several overlapping, glowing white and light blue lines in the lower half, resembling a stylized fingerprint or a series of concentric, irregular curves.

www.alcatel-lucent.com