



FTTH/FTTP Consumer Influence

June 2007

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Methodology

- U.S. Consumer Interviews
 - 100,000 outgoing surveys (January)
 - 48,000 returns
 - 525 FTTH follow up surveys (May)
 - 250 returns
 - 202 qualified returns

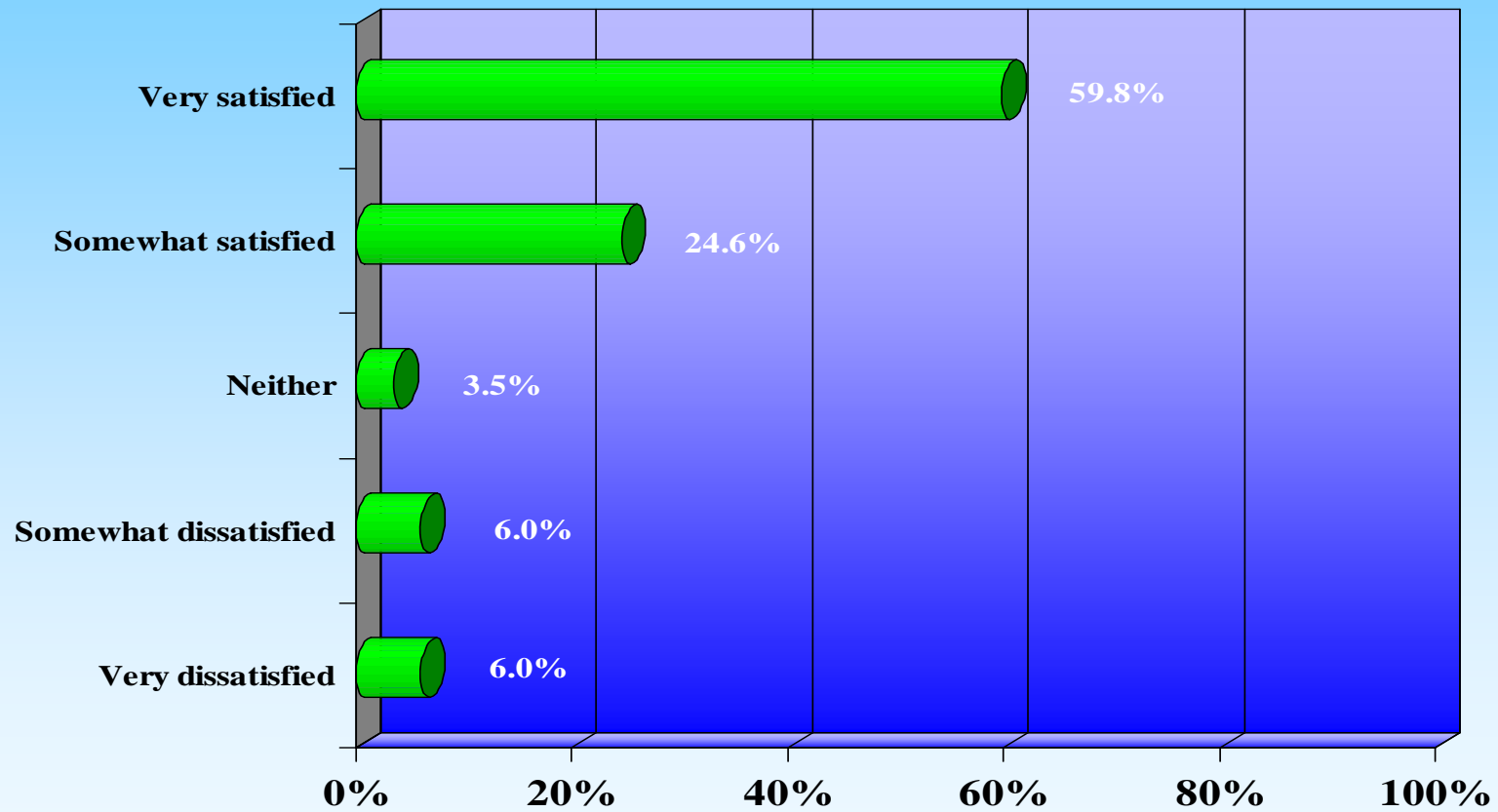
Overall Findings

FTTH Users report...

- Quantifiably better customer experience versus other choices
- Increased telecom price competition
- Strong programming choice, including local content
- Some use of bandwidth intensive activity, such as full length movie downloads and videoconferencing
- Electronics purchases driven by FTTH
- Increased work from home and home business formation/expansion
- Tested median download speeds exceeding 5 mbps
- Strong HD device ownership driving higher bandwidth needs
- Perceived importance to real estate choices. (Initial evidence that renters place even more importance on FTTH than do single family home owners.)

Consumer Satisfaction

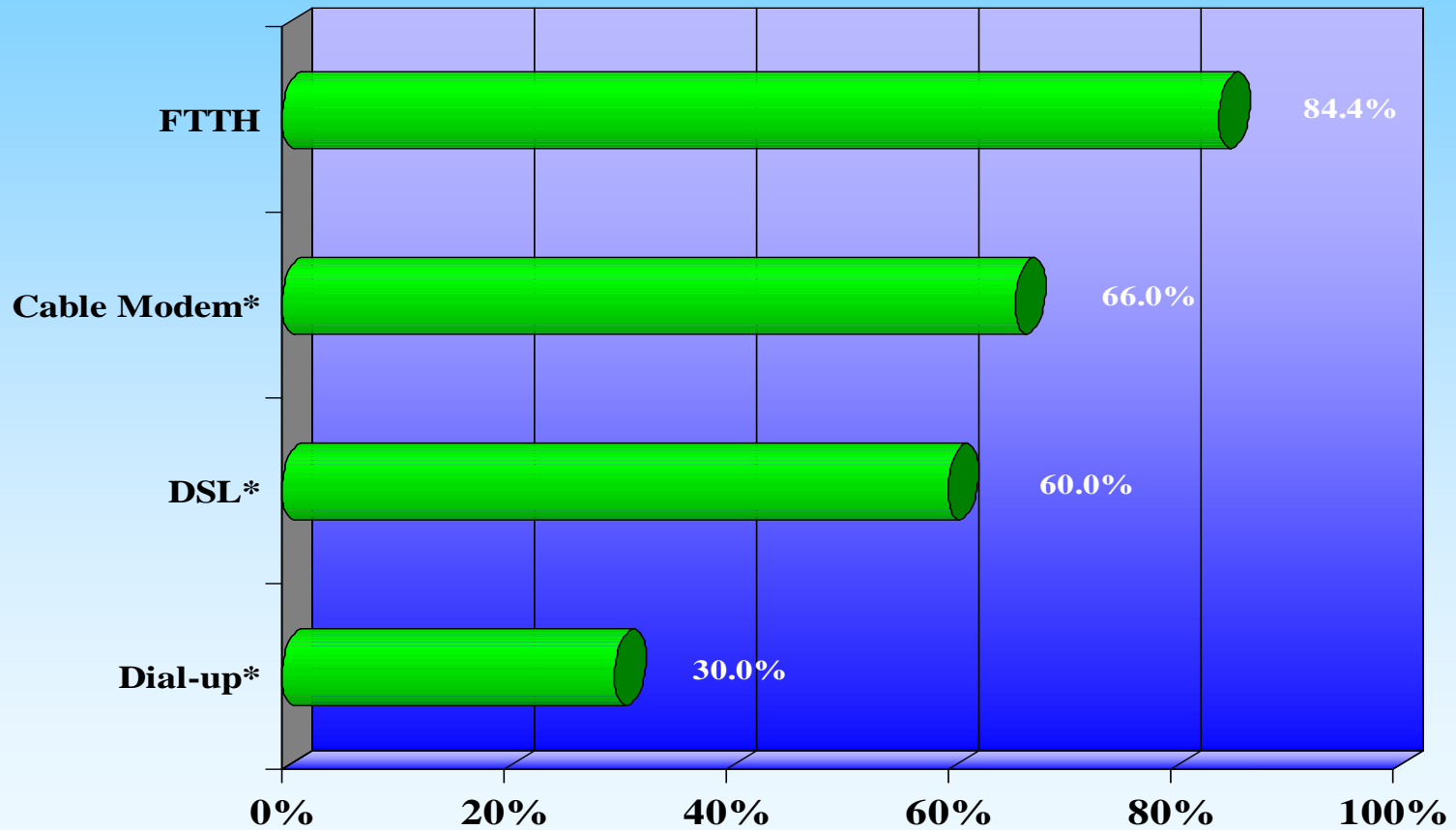
Customer Satisfaction with FTTH



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Comparative Broadband Customer Satisfaction

(Those somewhat or very satisfied)

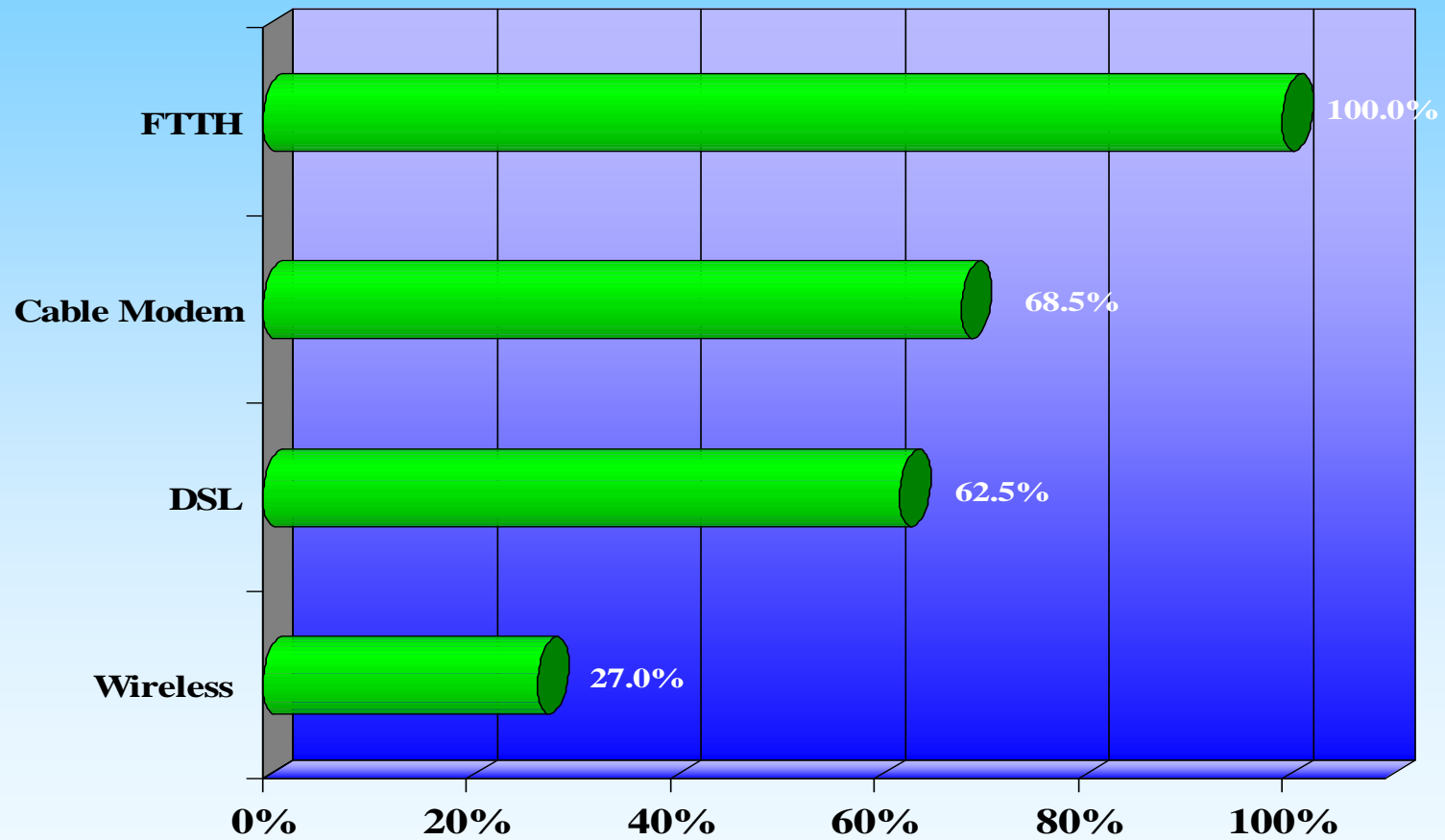


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*Non FTTH measures based on 2006 data

Consumer Telecom Price Effects

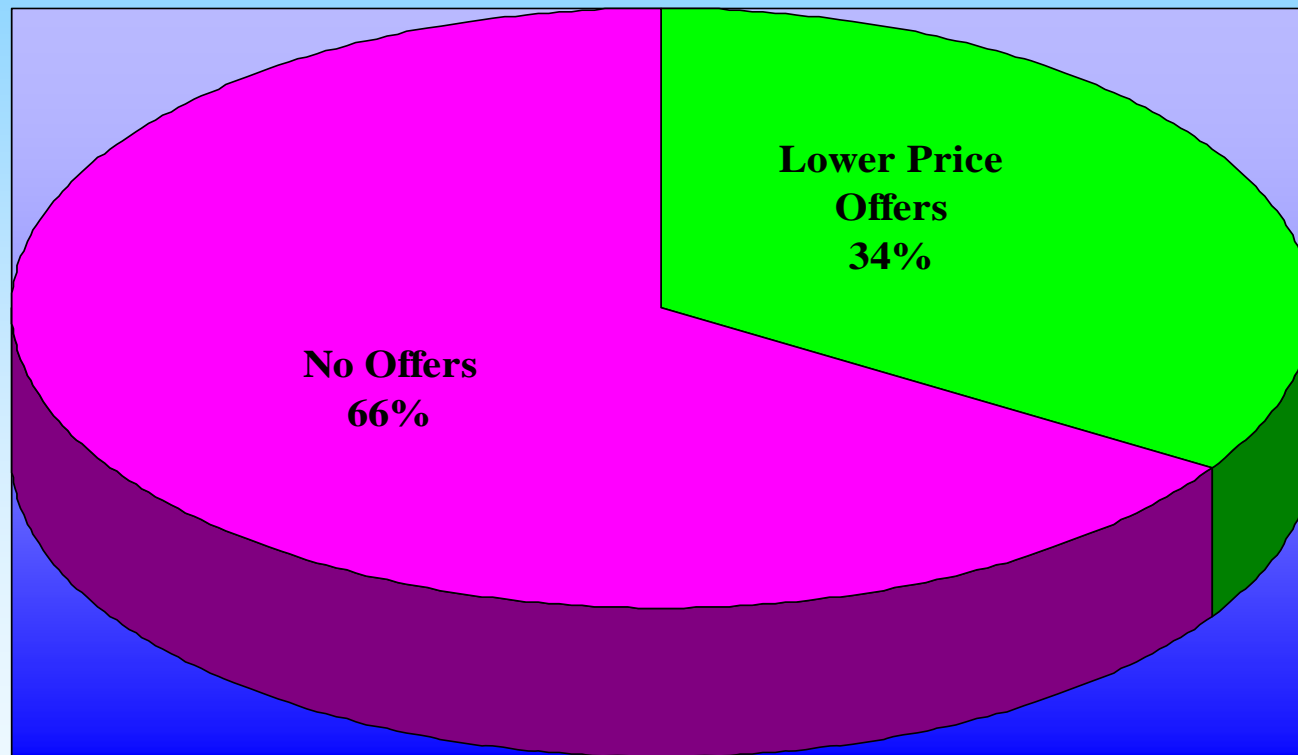
Broadband Available To FTTH Consumers



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*Non FTTH measures based on 2006 data

FTTH Customers Reporting Lower Prices For Service Since Fiber Became Available

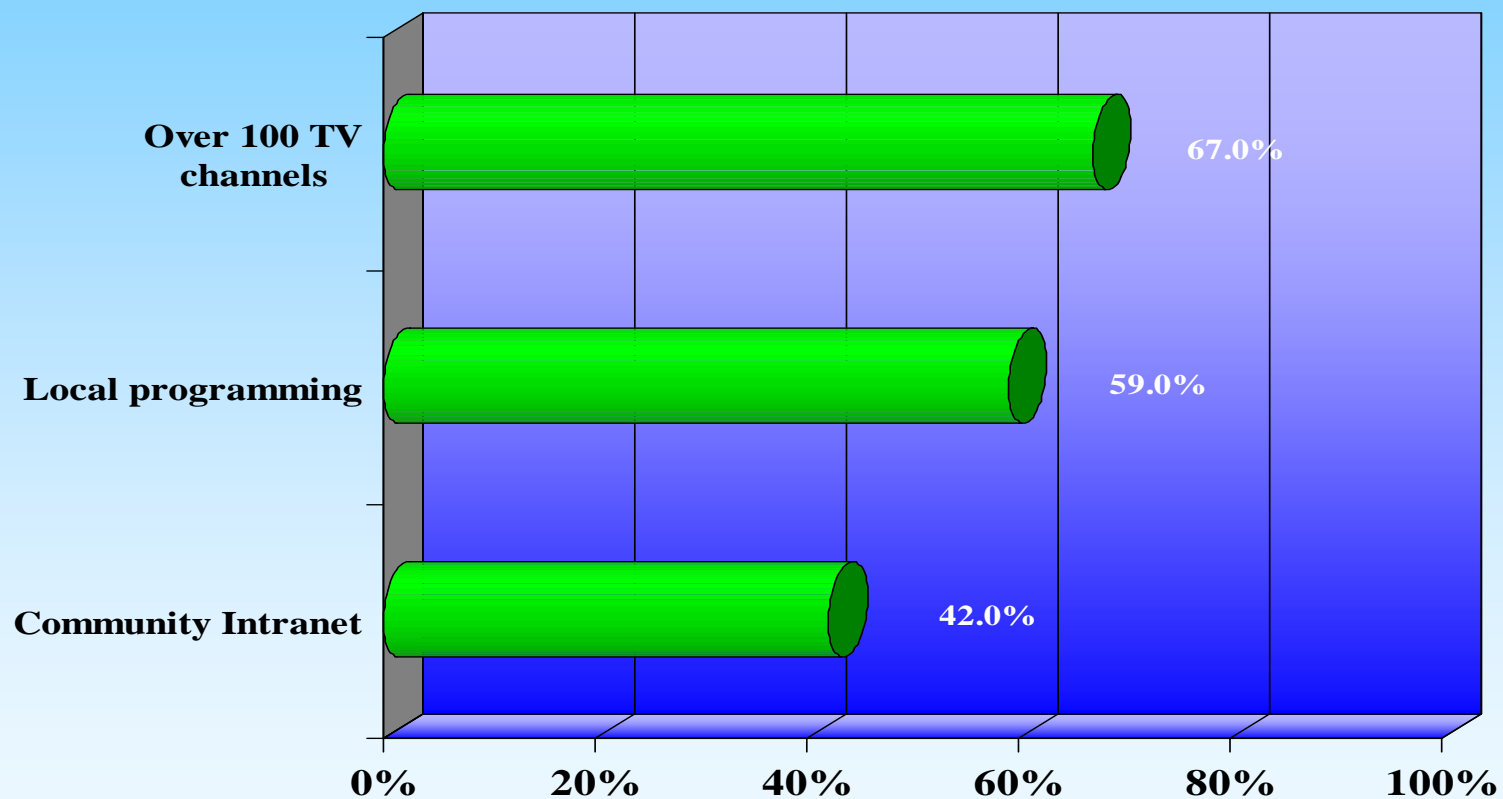


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* Telephone, Internet, or Television

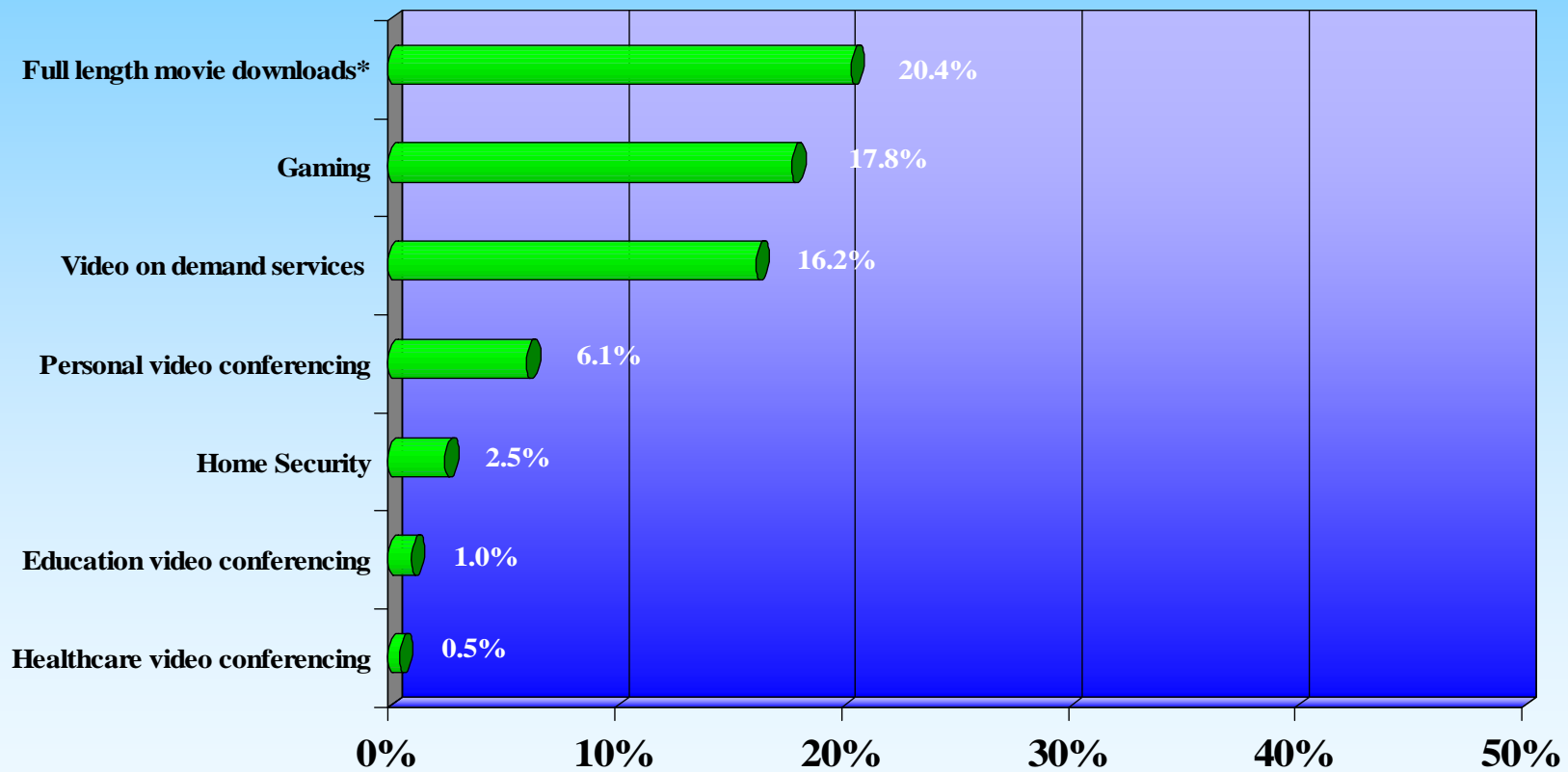
Consumer Use of FTTH

Services Available to Customers via FTTH



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Customer Uses of FTTH

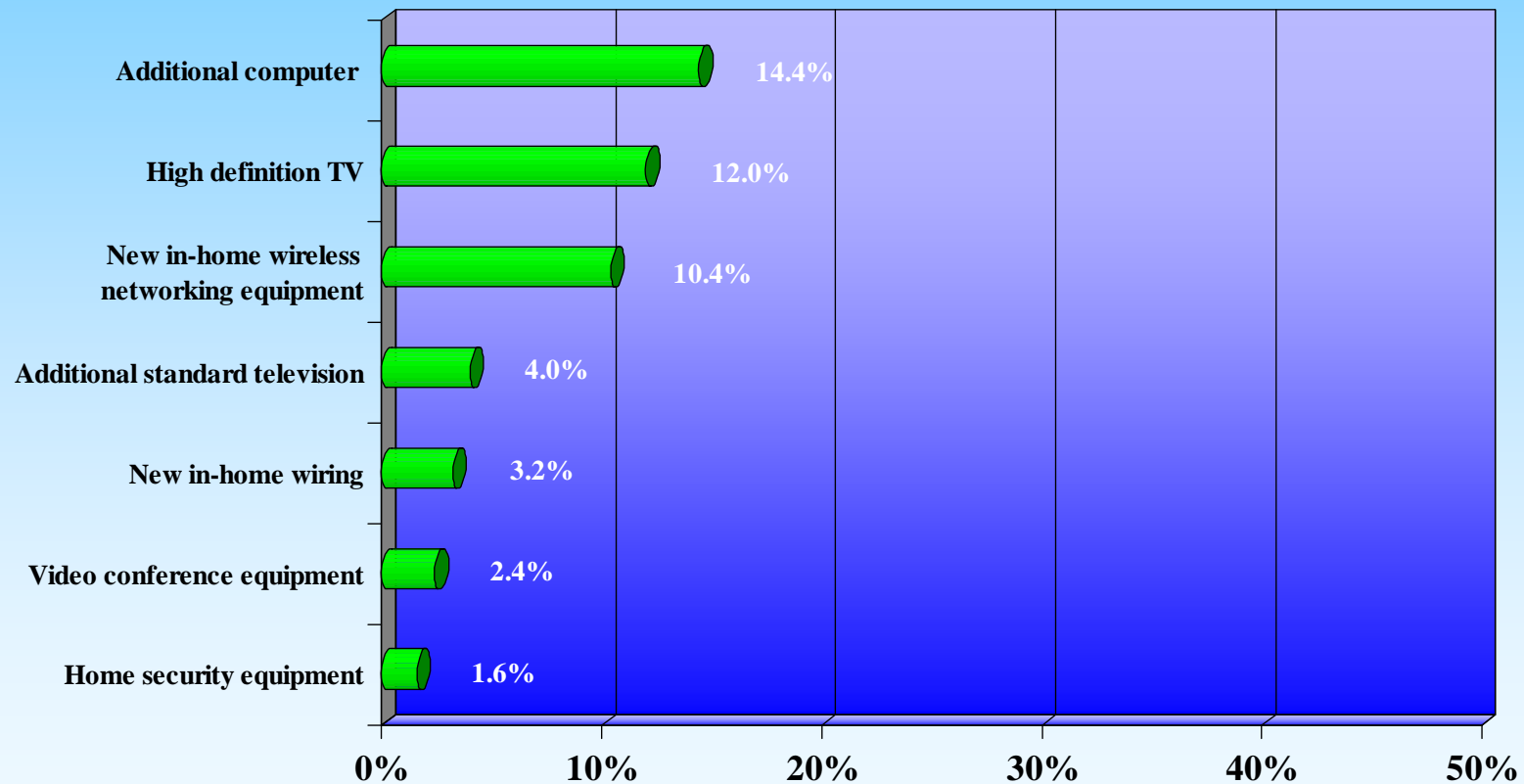


* Percent ever downloading

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FTTH Influence on Consumer Purchases

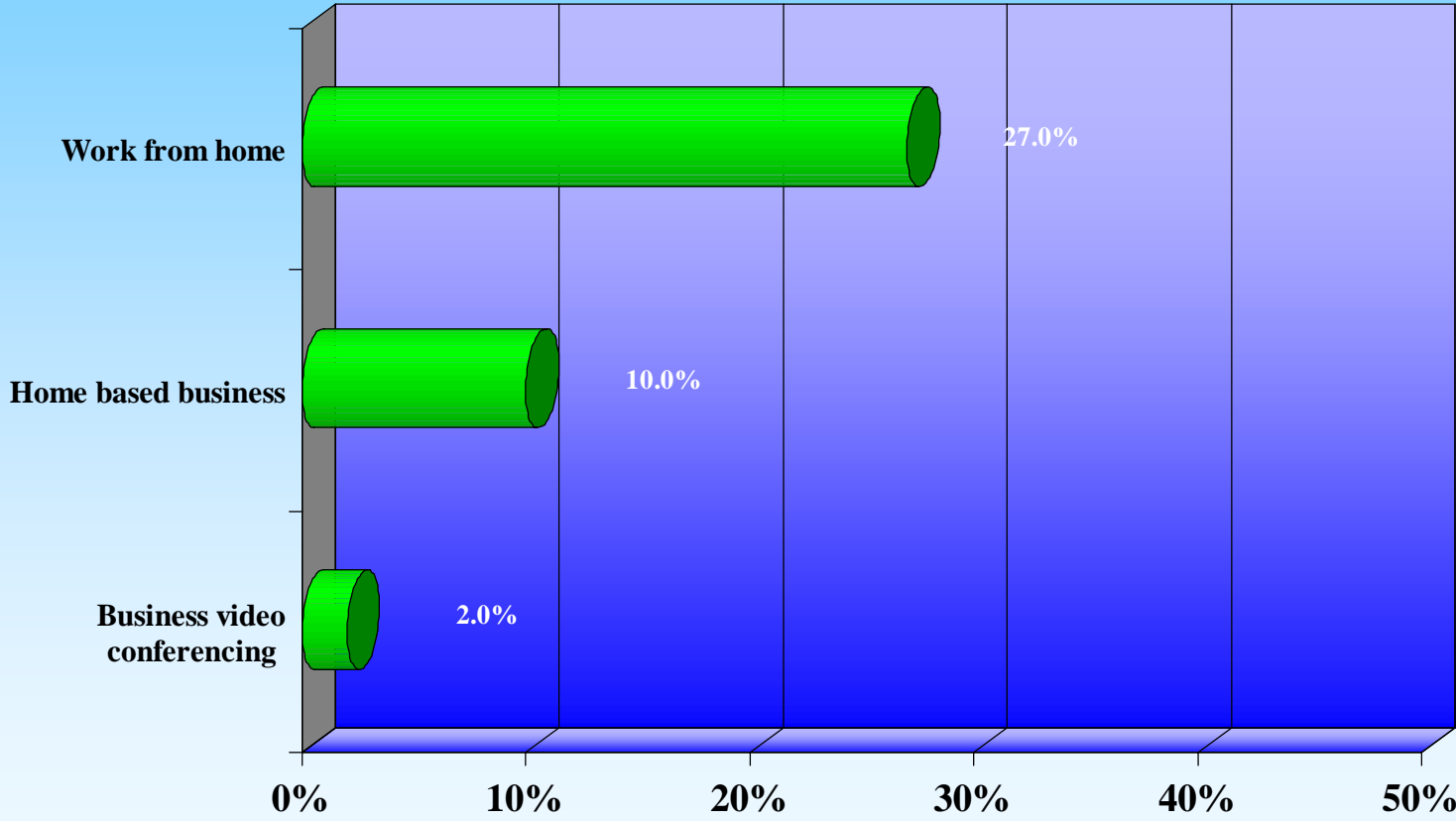
FTTH Influenced Customer Electronics Purchases



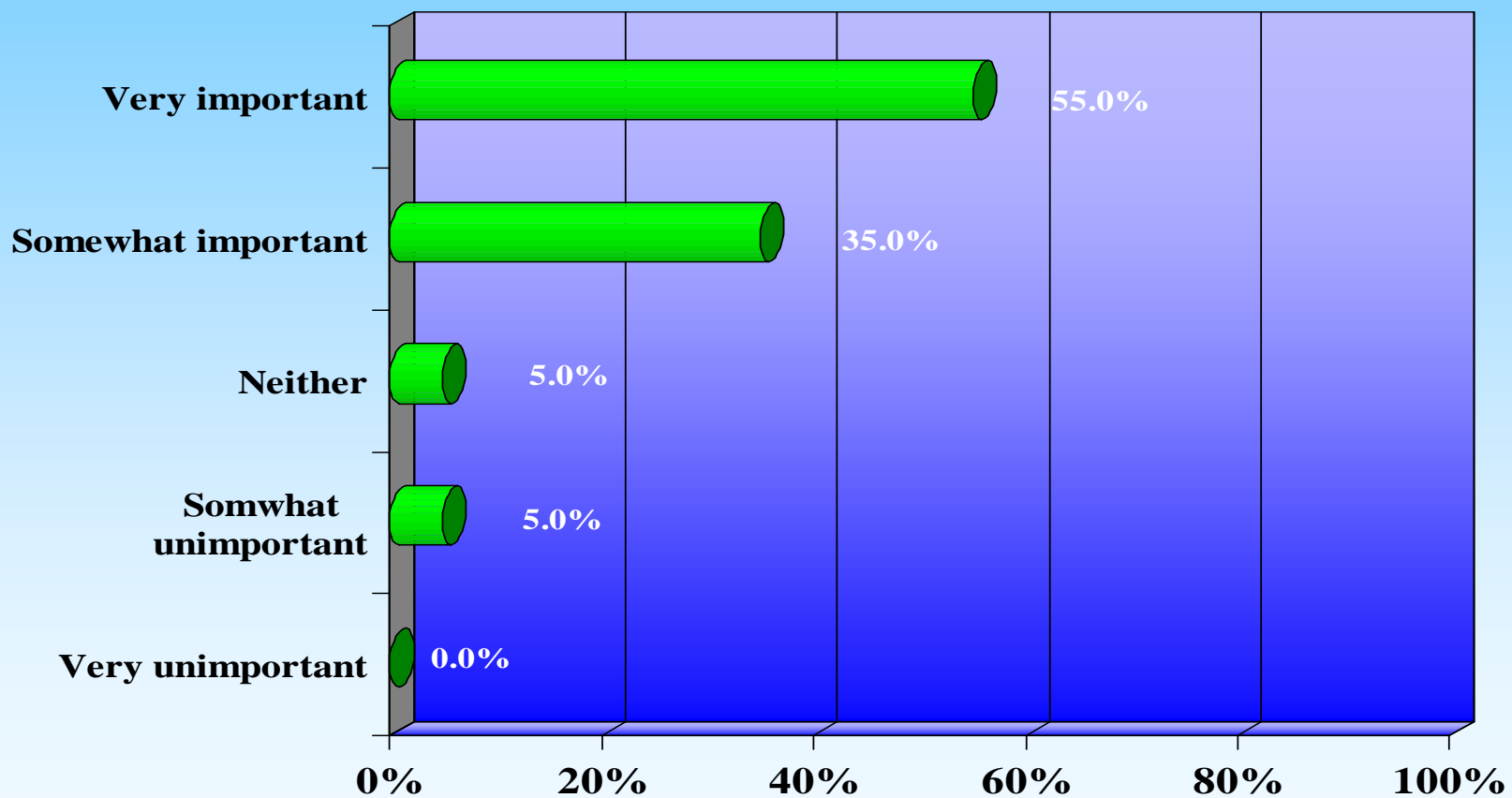
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Business Use

FTTH Business Use



Perceived Importance of FTTH to Home Based Business



Employee Work from Home

- A total of 13.4% of FTTH customers reported working more often from home (7.3 days more per month) because of their FTTH connection. Of this group, 59% said their employer was more favorable to their work from home because of FTTH.)
- Of the 86% who did not work more often from home, 15% said their employer was more favorable to working from home because of FTTH.
- On average, because of FTTH, customers report working from home one additional day per month (13.4% x 7.3 = .98 days extra)

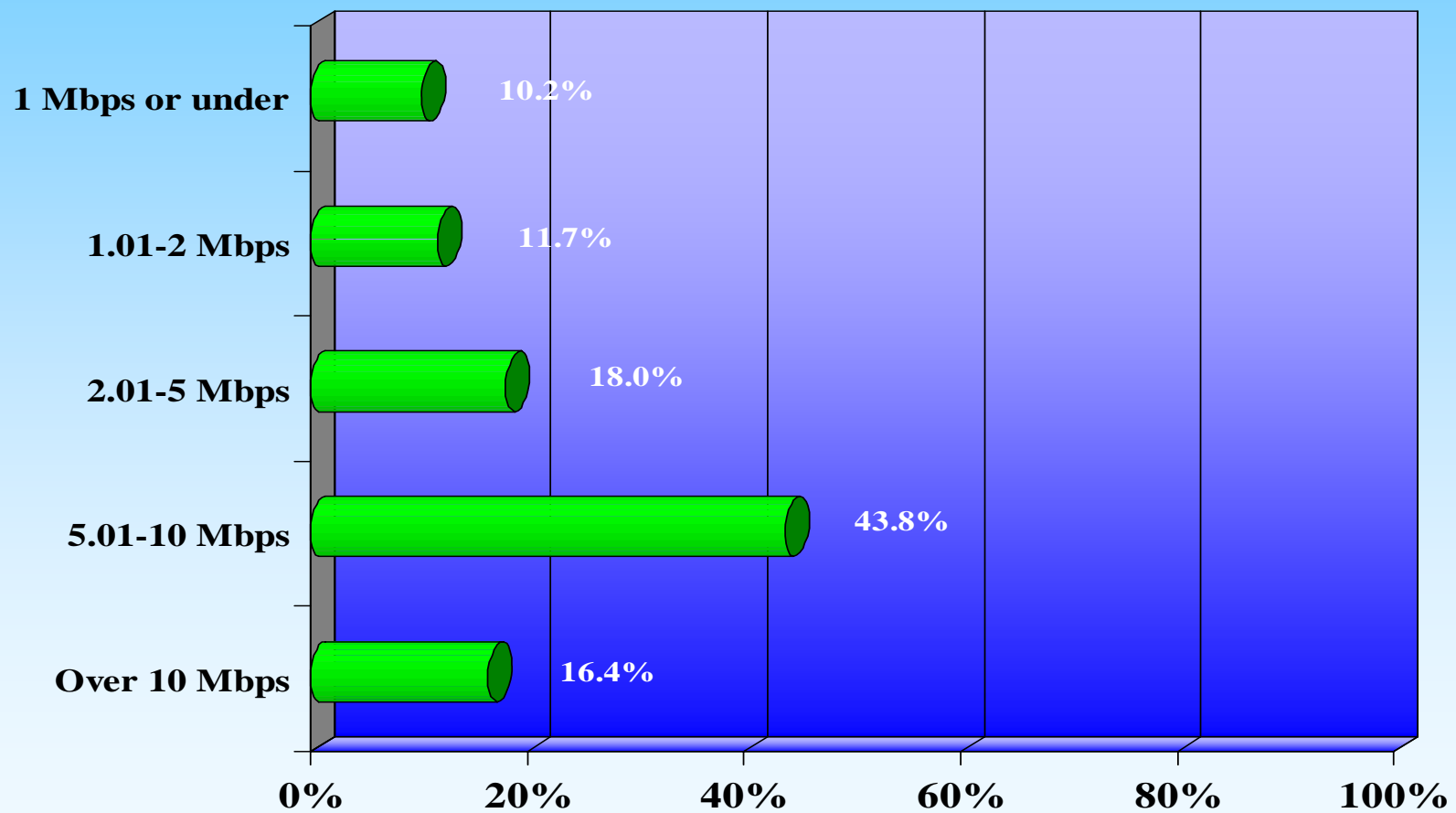
Projected Annual National Effect If Everyone Worked One Additional Day Per Month at Home



- 5% reduction in gasoline use
- 4% reduction in CO₂ emissions
- \$5 billion in lower road expenditures
- 1.5 billion commute hours recaptured
- Direct savings to business

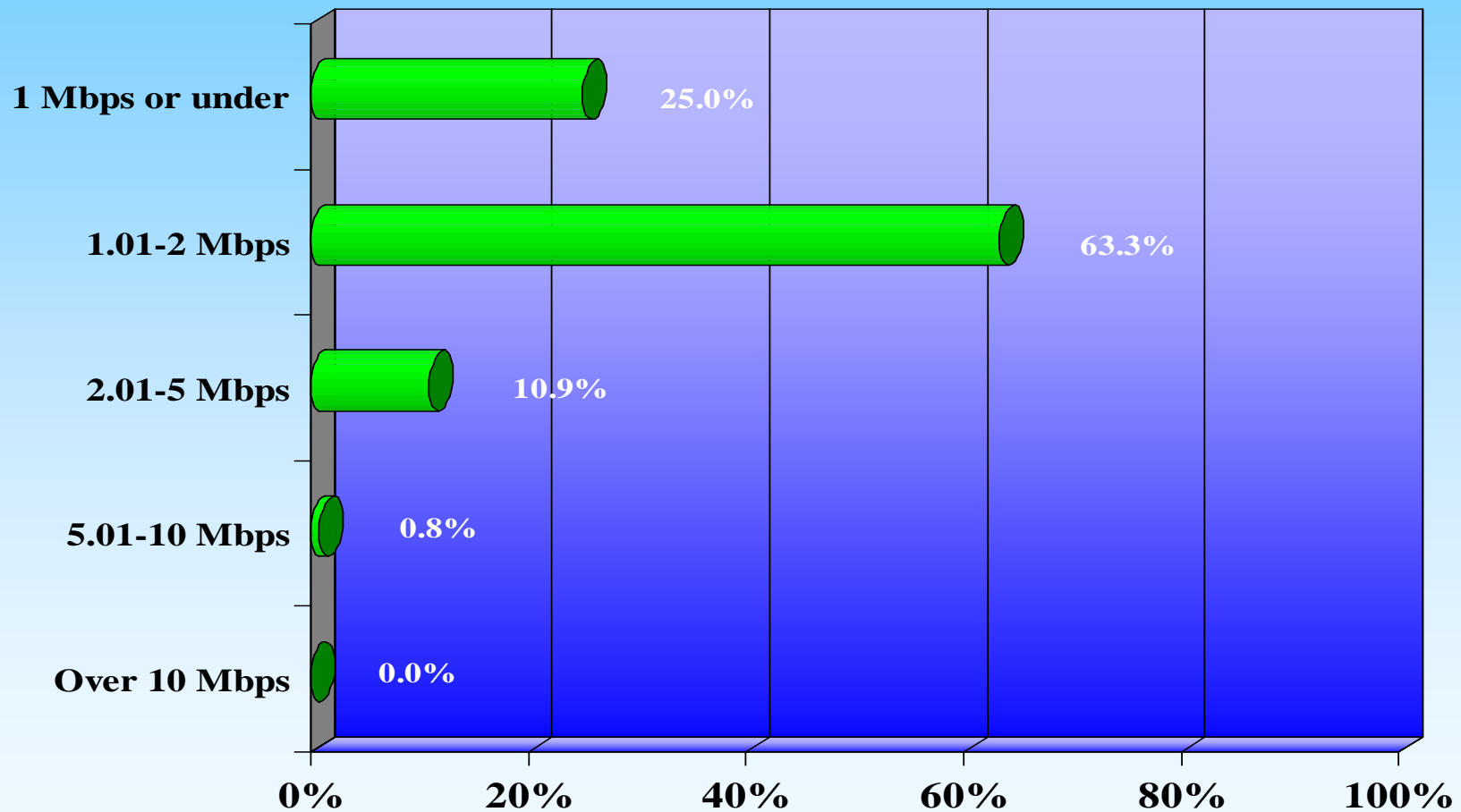
Actual Consumer Internet Speeds

Actual Customer FTTH Internet Download Speeds

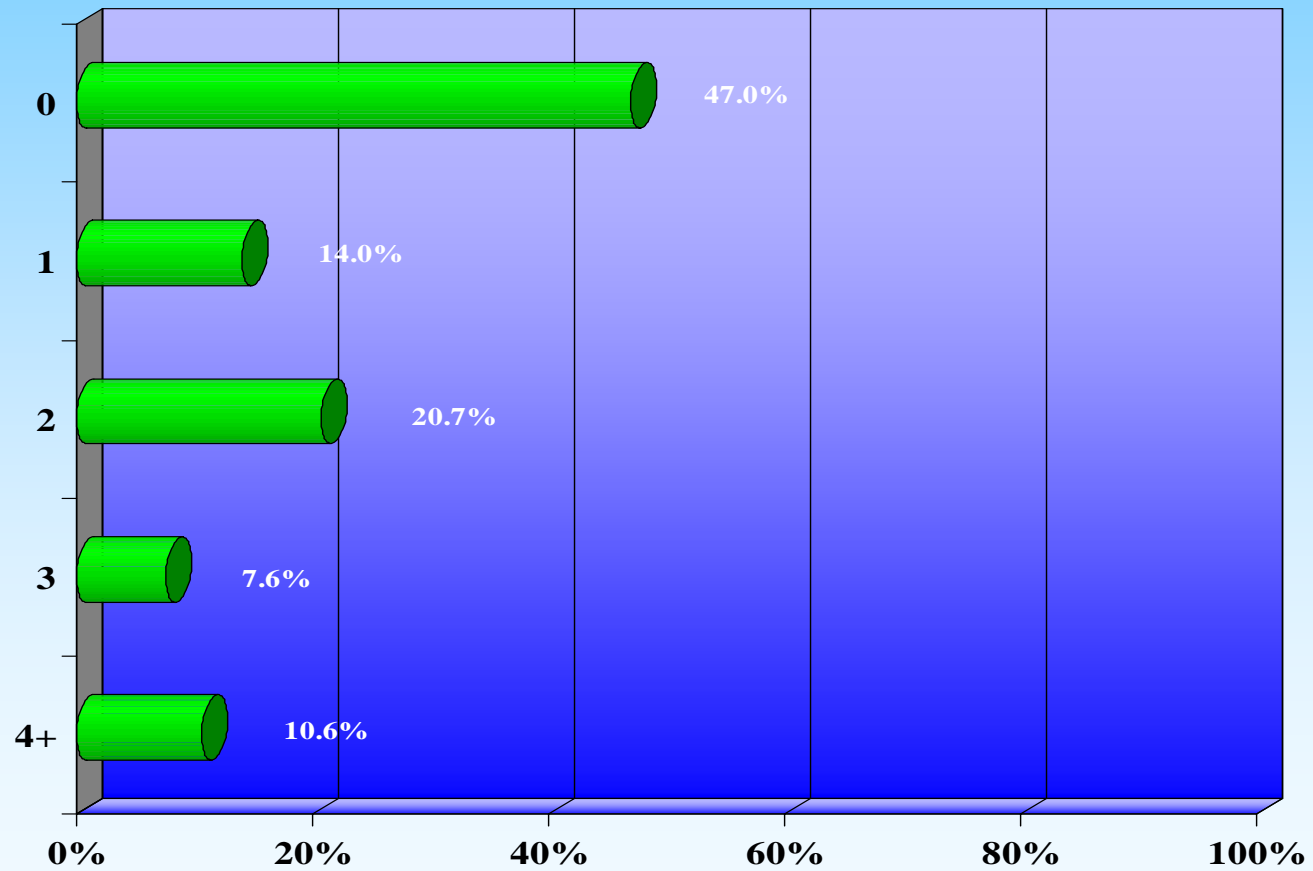


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Actual Customer FTTH Internet Upload Speeds



Number of Customer Owned HD Devices (HD TV and DVR*)

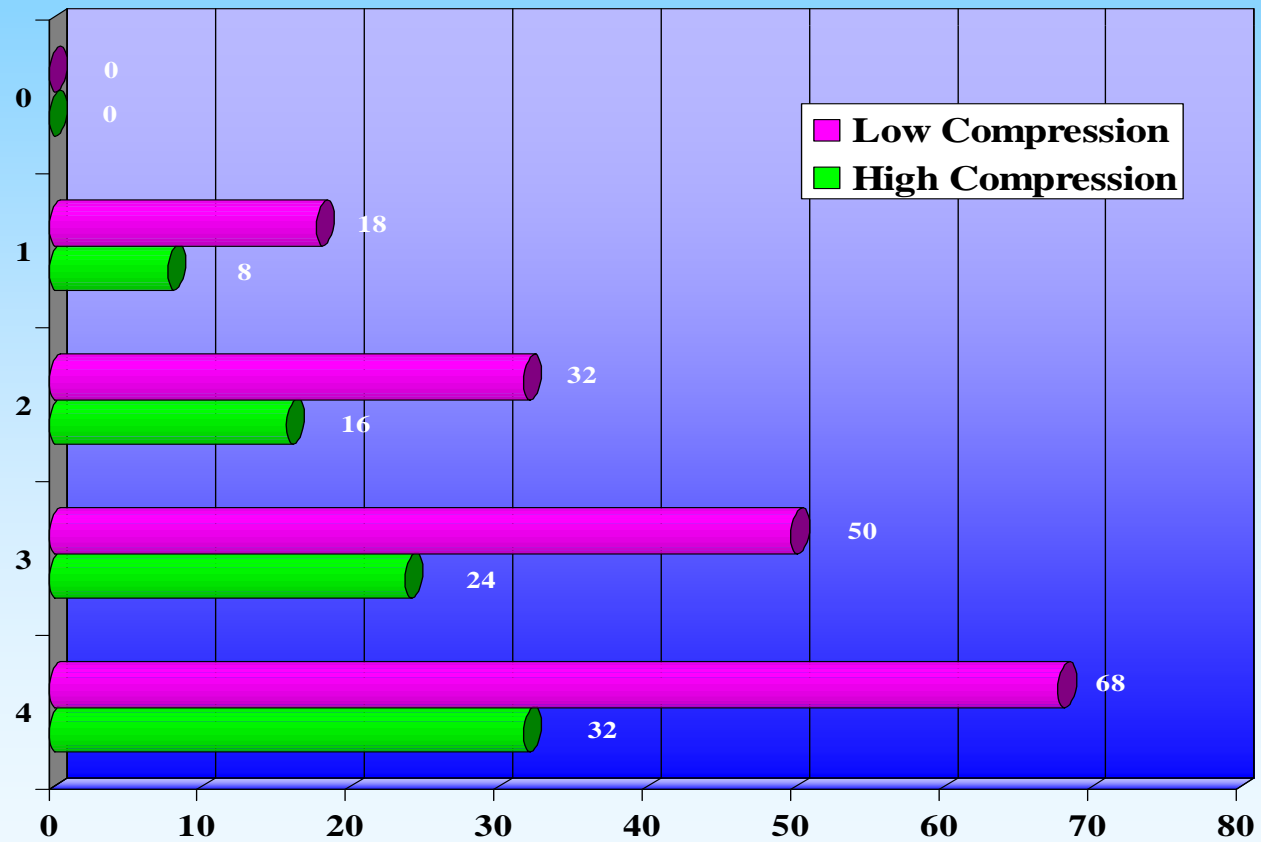


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* DVRs only reported when HD TV in home

Required Bandwidth When All HD Devices Active

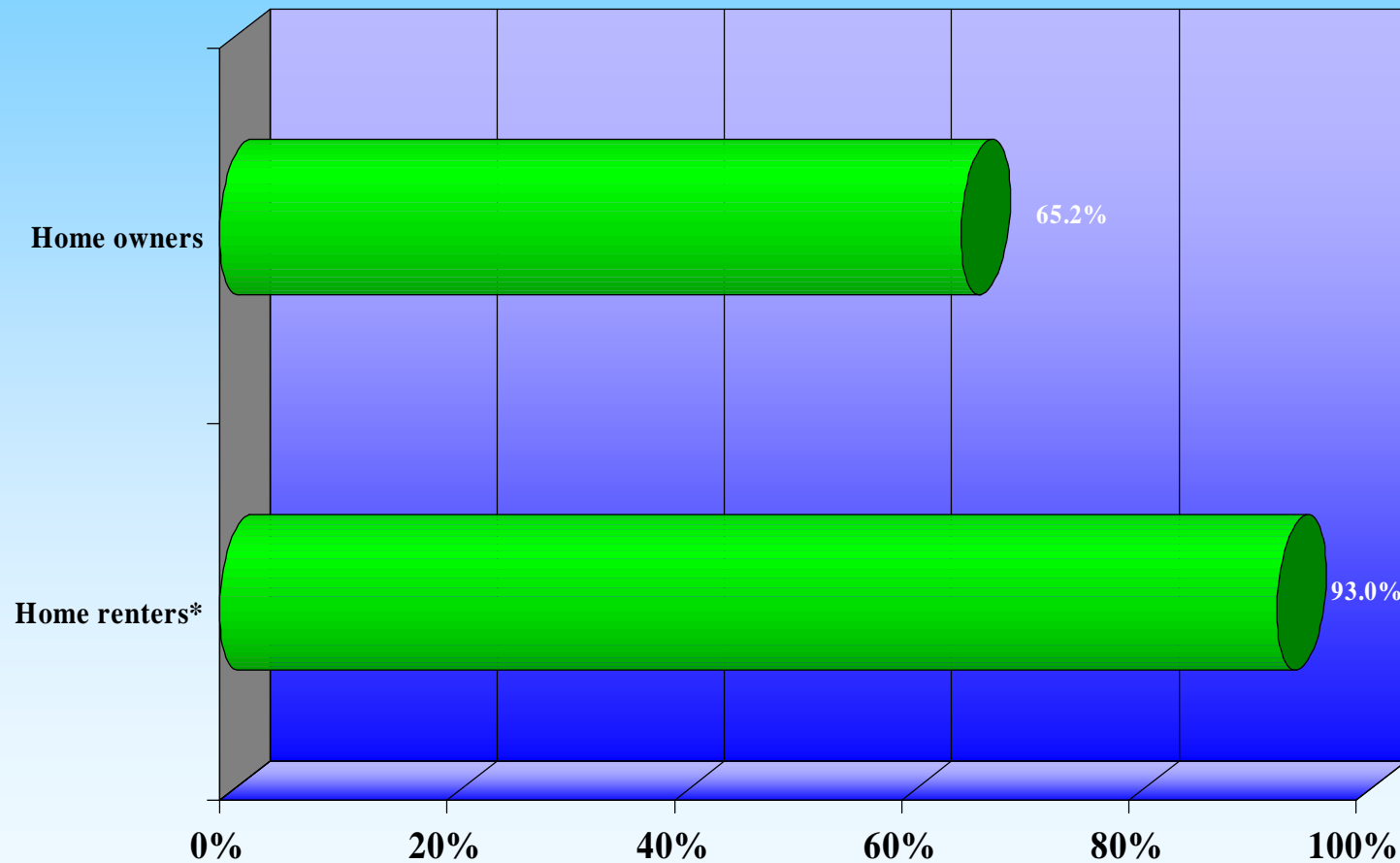
(HD TV and DVR)



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Perceived Value

Perceived Importance of FTTH Availability to Home Rent or Buy Decision



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*Caution: very small (yet scientifically achieved) home rental sample size



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