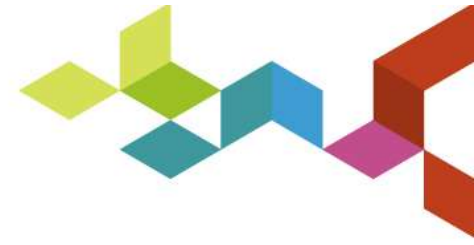


# The Innovation Edge

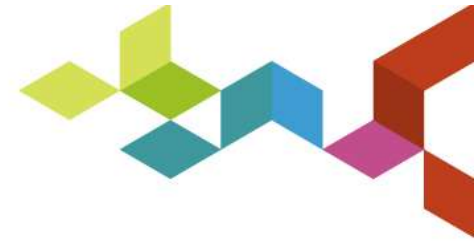
28 July 2015

**Digicel**

# What is Innovation?



- The totally new
- Existing ideas used in a new way
- Combining existing ideas in novel ways
- Innovation through excellence - Just doing it better



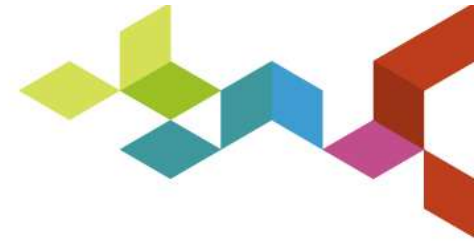
# Innovation by Operators

- Medium sized regional operators don't have the resources to do the totally new
- Reusing existing ideas – introducing services/service packages to the market that have previously been deployed in other markets
- Combining Ideas – e.g. quad play + own content
- Doing it better – slicker, quicker, easier – customer experience as a differentiator

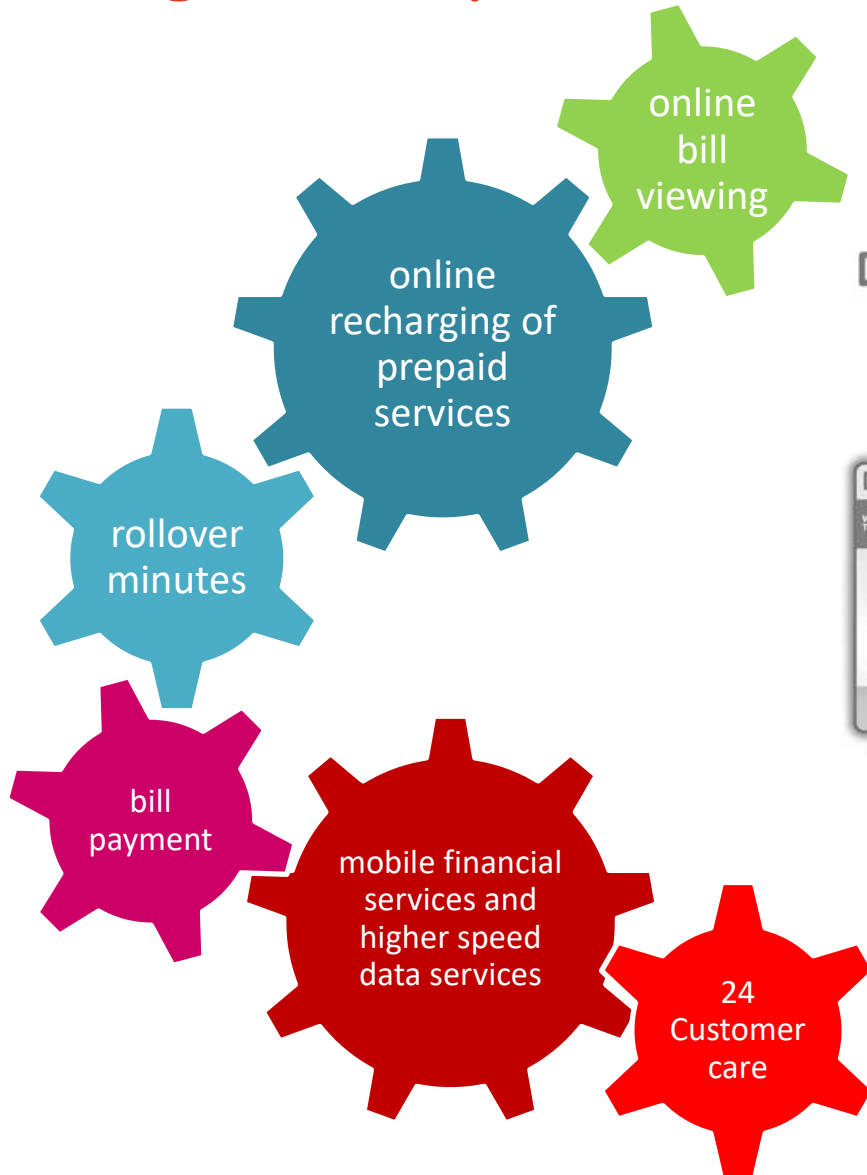


# The Innovation Edge – Innovation through excellence

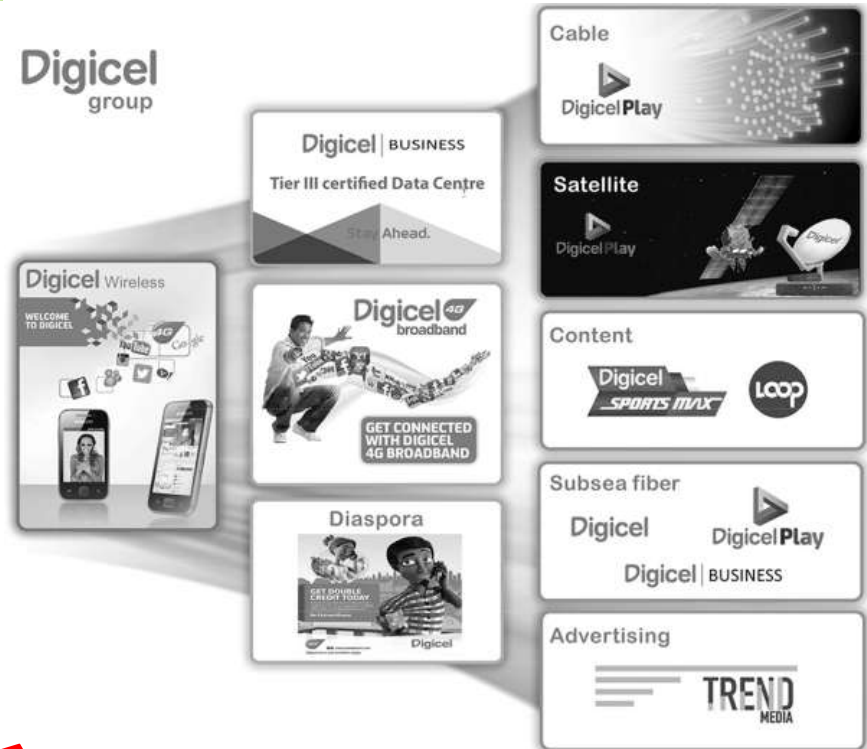
- It's not about first to market, but being best in market
- The goal is to pull together the service elements in a way that is new to the market and sets you apart
- It isn't always about the technology



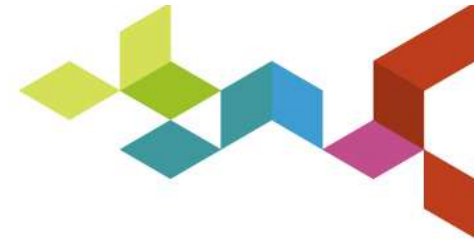
# Digicel's experience



Digicel group

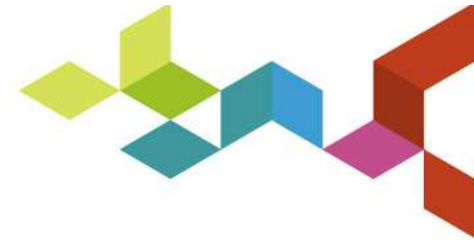


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# Innovation through excellence - Doing it better - Does it work?

- We offer 4G in 30 markets and we hold the number one mobile market position in 21 markets
- A mobile subscriber market share of more than 50% in 20 markets
- Digicel launched mobile services in Jamaica, our first market, in 2001 and became the market leader there within 15 months of launch,
- Our mobile subscriber base has grown from 0.4 million as of March 31, 2002 to 13.6 million subscribers as of March 31, 2015, representing a compound annual growth rate CAGR of 32.3%.



# Broadband Innovation

## FTTH – part of the Total Communications jigsaw

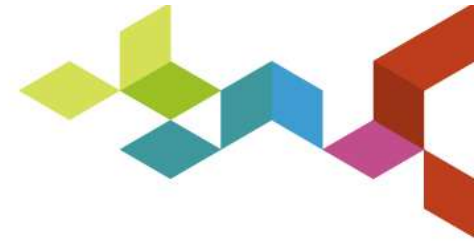
Low copper penetration – low historical levels of investment

Copper isn't future proof – the way forward is fibre

Deployment of a GPON based FTTH network advanced in Trinidad & Tobago, Jamaica and Barbados.

\$120m spend on FTTH in FY 2014/15

Already there are over 260,000 homes passed



# The Challenge – What do you use broadband for? adopting/adapting existing technologies

- VoIP – replacement for copper based PSTN but all of the PSTN functionality including emergency access, cross net access
  - WhatsApp, Viber
- IPTV – subscription TV & VOD – competition for Cable
  - Hulu, Netflix
- Content rights and DRM – Rdio, SportsMax, exclusive TV content, Loop
  - iTunes, HBO original programming
- Cloud - Digicel Space
  - Google Cloud Storage



# An unfair race

Telco  
Network  
Operator



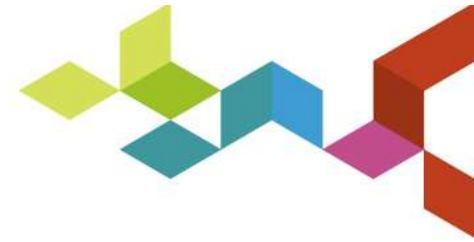
OTT  
Operator

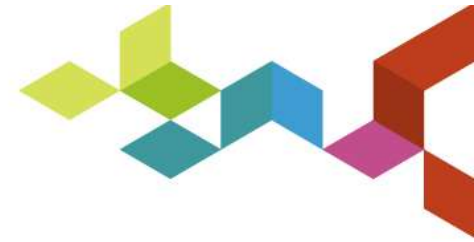


Converged  
Services



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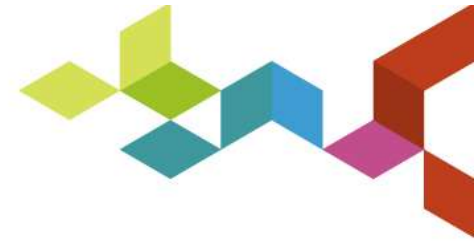




# Immediate Challenges

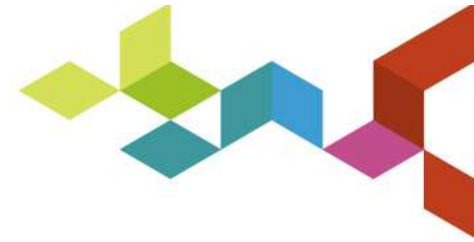
- Investment is need to upgrade mobile networks for faster data and the Internet of Things
- No one – not OTTs nor traditional telcos can provide services without the underlying network.
- There are no consumer benefits from ICT without high speed broadband
- But OTTs don't invest in networks.
- They don't directly contribute to local economies
- They aren't subject to regulation
- They don't follow national consumer protection and data protection rules.

**We need Regulators to redress the balance**



# Regulators need to Innovate too

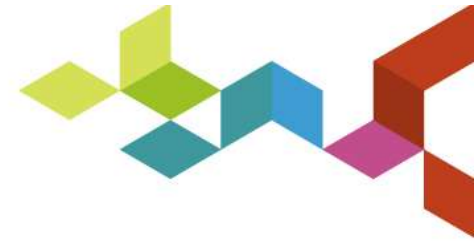
- The US Net Neutrality rules are a US solution to a US problem that may not even achieve their intended outcome.
- Simply copying the US on Net Neutrality is unlikely to solve Caribbean problems of low broadband penetration and speeds
- Short term, populist positions will most likely cause long term economic harm



# What we need

- We need a level playing field that balances the needs of consumers, the network investors and operators and finally the content providers.
- In the short term this means that network operators should not be disadvantaged. Apply the existing rules and don't introduce new ones.
- In the longer term network operators should not be disadvantaged. They should have the same commercial freedom as internet based providers to innovate and to monetise their investments to meet market dynamics.
- Net Neutrality rules that only favour US based mega companies should be avoided.

**We need regional solutions to regional issues**



END

**Digicel**