

“Digital Dividend to unleash “The Perfect Storm” in the European Telecommunications Industry in the next 12 - 18 months - spectrum could be sold for as much as USD 50 Bln!”

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Delta Partners, the leading specialised telecoms advisory and investment firm, released its latest White Paper, titled “The Digital Dividend in Europe: In the eye of ‘The Perfect Storm’”.

The 800 MHz frequencies, commonly referred to as the Digital Dividend, have the potential to unleash a perfect storm in the telecommunications industry. Compounding the need for operators and vendors to capitalise on the growing demand for mobile broadband, the scarcity of available spectrum and the governments’ opportunity to cash in billions of dollars in spectrum auction proceeds, the Digital Dividend may disrupt the global competitive landscape in an unprecedented manner.

“Emulating Gordon Gekko, the infamous trader portrayed in the movie Wall Street, some European governments are embracing the “Greed is Good” motto without a hint of remorse”, said Daniel Torras, Associate Partner at Delta Partners and author of this white paper. “Countries such as Sweden and Spain, former proponents of beauty contests when it comes to awarding licences, are switching to auctions to award the Digital Dividend spectrum, in the hope of cashing in hundreds of millions, or even billions of Euros, even at risk of fundamentally altering the structure of their local telecom markets and potentially depressing the development of mobile broadband. When all the Digital Dividend auctions in Europe are complete, we estimate that operators will have spent close to USD 50 Bln in new licensing fees, and they will need to come to grips with the fact that their current strategies may no longer be valid in the next context triggered by the Digital Dividend.”

“The impact that the Digital Dividend will have on the European telecommunications competitive landscape cannot be overstated,” commented Alberto Pamiás, Managing Partner at Delta Partners and co-author of the report. “It will force operators to re-evaluate their entire strategies, technology choices, investment plans and partnership options. These decisions are of great complexity and strategic importance, and operators that fail to tackle them in a timely manner, given the imminent sweep of spectrum auctions in the continent, do so at their own peril.”

The white paper explores the significance and implications of the Digital Dividend looking at it from a regulator’s and operator’s perspective and concludes with a strong call to action for operators to evaluate all options and develop an action plan now. The complexity and breadth of decisions that CEO’s of European operators need to make require that this be tackled as a matter of urgency.

For more about Delta Partners please visit www.deltapartnersgroup.com

About Delta Partners

Delta Partners is the leading TMT advisory and investment firm in emerging markets. With more than 160 professionals the firm operates across 50 markets in the Middle East, Africa, Central & Eastern Europe and Emerging Asia. Delta Partners provides three synergistic services: management advisory, corporate finance and investments from its offices in the UAE, Bahrain, South Africa, Spain and Singapore. Delta Partners delivers tangible results to its clients and investors through its exclusive

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sector focus on telecom, media and technology, and a unique approach to services, combining strategic advice and a hands-on pragmatic approach.

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