VAS and Softswitch Deployment Strategies: Global Service Provider Survey

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TABLE OF CONTENTS

LIST OF EXHIBITS

INTRODUCTION

This survey captures a strategic overview from a range of service providers, gaining insights into their deployment of softswitches and voice application servers and core product features and capabilities.

It is important to be aware of any major differences in the respondent samples when comparing survey data year over year. This year's sample is similar to that of our 2008 *Service Provider Plans for VoIP* study, with 35% overlap. There was an identical split of respondents from EMEA and North America and only slight differences in the service provider type breakdown.

Exhibit 1 **Survey Sample 2008 vs. 2009**

	2008 Survey	2009 Survey
# of respondents	20	20
EMEA operators (% of respondents)	50%	50%
North America operators (% of respondents)	35%	35%
Incumbents (% of respondents)	45%	50%
Competitive operators (% of respondents)	45%	40%

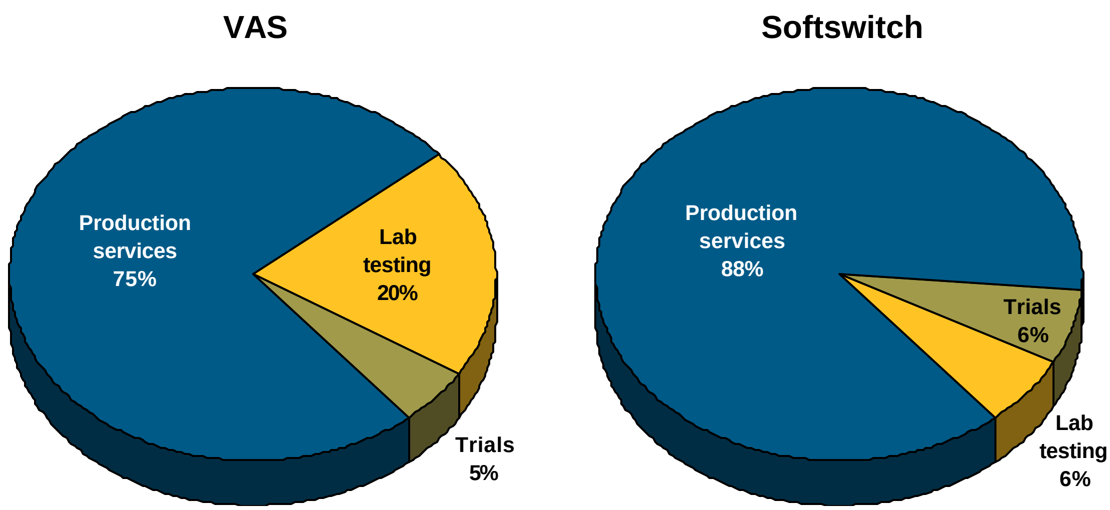
Softswitches are software providing call control, signaling, media gateway control, and intelligence for wireline next gen voice applications; they reside on a server or other dedicated hardware platform and control next gen voice hardware using H.323, MGCP, H.248, SIP, or NCS.

Voice application servers are software platforms that provide IP voice and multimedia services (e.g., calling card, IM/presence, unified messaging, conferencing, IP Centrex), communicate with softswitches using a SIP interface, and do not have media gateway control functions based on requests from softswitches and voice application servers in a packet-based network.

METHODOLOGY AND DEMOGRAPHICS

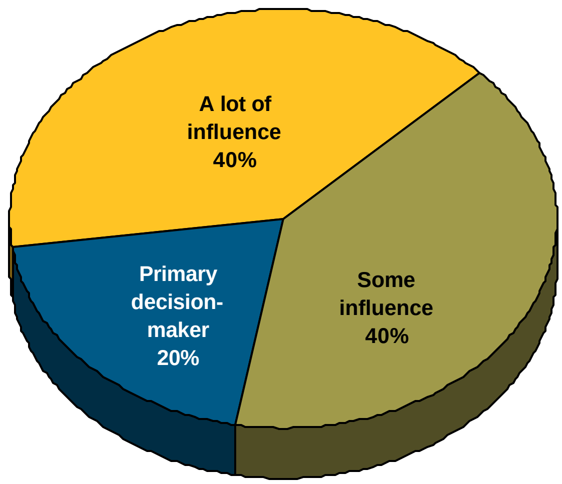
We interviewed 20 service providers from August through September 2009. To qualify, respondents must use softswitches or voice application servers (VAS) to deliver voice services or transport voice traffic deployed in their network or plan to by the end of 2009. Across the entire set of respondents, 90% have either a VAS or a softswitch in production services.

Exhibit 2 **VAS and Softswitch Deployment Phase**
n=20, 16



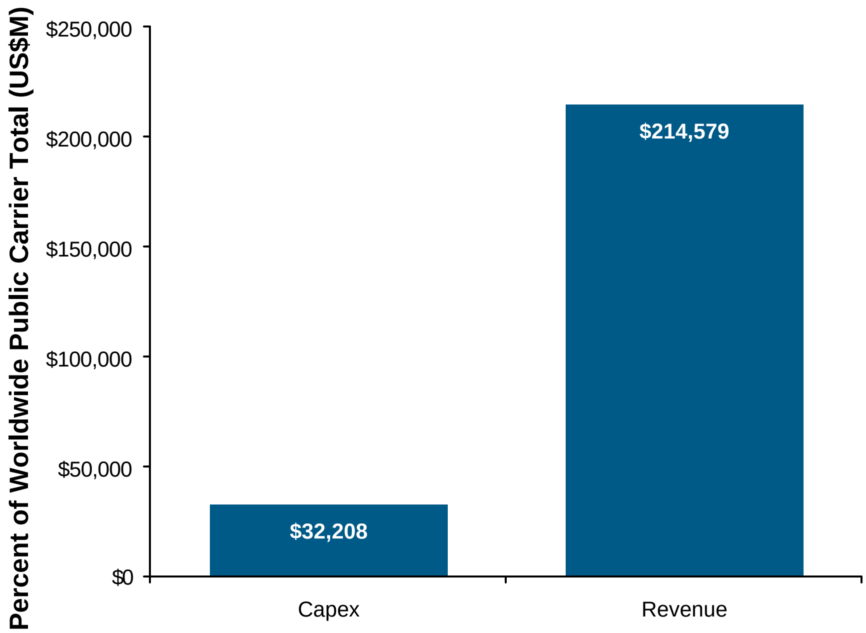
To participate in the survey, all respondents must have detailed knowledge of the softswitches or voice application servers their companies use. As shown in the next chart, 60% of respondents are either the primary decision-maker or have a lot of influence.

Exhibit 3 **Respondent Influence**
n=20



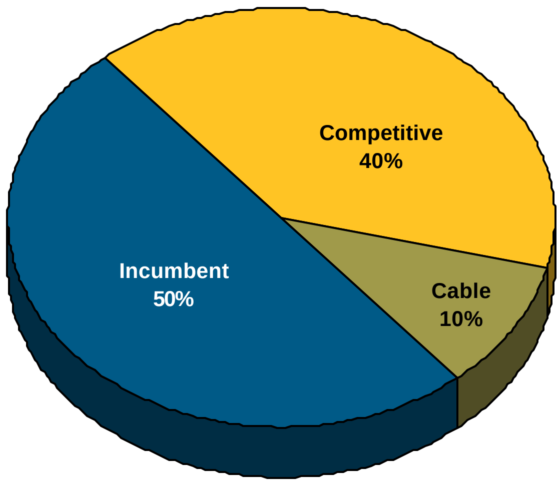
The service providers participating in the survey are a mix of incumbent carriers, competitive operators, and cable operators with cumulative 2008 revenue of more than $215B and capital expenses (capex) of more than $32B, representing 11% of the world's telecom capex and 13% of the world's carrier revenue, as reported in our *Service Provider Cape, Opex, ARPU, and Subscribers* service.

Exhibit 4 **Respondent 2008 Capex and Revenue n=20**



Respondents are well distributed between incumbent operators and competitive service providers. This mix is reflective of operators on a worldwide basis that have deployed VoIP services. All 10 of the incumbent operators have mobile networks, but most if not all the current VoIP activity with these carriers is in the fixed-line business. Five of the incumbents have activity outside their home country, including VoIP service offerings.

Exhibit 5 **Respondent Service Provider Types n=20**



Respondents are geographically diverse, with a bias toward EMEA. The majority (80%) of the respondents from EMEA are incumbent operators. The European incumbents as a group have been more progressive in deploying and aggressively marketing VoIP services, particularly residential, than counterparts in other regions.

Exhibit 6 **Regional Distribution of Respondents n=20**