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# **ILEC Copper Retirement Customer Impact**

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# BROADVIEW HIGHLIGHTS

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## **Leading Provider of Next-Generation Communications Solutions**

- *IP, T-1 and Cloud based products represented 81% of new retail sales in 3Q 2012*
- *Cloud communications represented 16% of retail revenue and 40% of new retail sales in 3Q 2012*

## **State-of-the-Art Network Infrastructure**

- *Advanced, IP / MPLS network and over 3 years of experience deploying Ethernet-over-Copper*
- *3,000 fiber route miles, 3 data centers, 260 colocations*

## **Large & Diversified Customer Base**

- *Approximately 30K SMB customers with a significant opportunity to sell into the base*
- *87% of retail revenue is from customers with greater than \$500 MRR*
- *Target market represents the largest concentration of communications spending in the U.S.*

## **Strong and Improving Key Operating Metrics**

- *Steadily increasing revenue per customer*
- *Churn rates at or below pre-recession levels*

## **Experienced Management**

- *Senior management has an average of 24 years of industry expertise*

# REGIONAL FOCUS WITH NATIONAL COVERAGE

## *Regional Player with Cloud Services to Address Customers Nationwide*

- **Strong local presence with strategic regional sales offices**
  - Significant addressable market for telecommunications and data services in our Northeast footprint, before cloud opportunity
  - Strong, existing customer relationships
- **Cloud-based services and MPLS network allow us to extend our reach**
  - Able to increase revenue per customer through up-selling new cloud-based products and services to new and existing customers
  - Requires less local presence allowing nationwide expansion without significant capital investment
  - Quality of service supported through MPLS network
- **Large, Untapped Opportunity**
  - Ability to address out-of-region multi-location customers through OfficeSuite® and other cloud-based services

Dense Northeast & Mid-Atlantic Footprint



Cloud Services Available Nationwide



# BROADVIEW AT A GLANCE

## Company Stats

### Customers & Market

Total Business Customers	30K+
Average Monthly Revenue per Customer	\$730

### Network

Retail Access Line Equivalents	577K
Retail T-1 Circuits	24K
Colocation Sites	~260
Ethernet-over-Copper Equipped Colos (EoC)	38%
Fiber Route Miles	~3,000

### Employees as of 9/30/12

Total Employees	815
Quota-Bearing Sales Reps (all Channels)	~140
Agent Channel Partners	~300



## Superior Customer Service & Quality



Commendation for High Quality Service from the State of New York



Stevie Award for Innovation in Customer Service at the 2012 Stevie Awards for Sales & Customer Service



Recognized by Crain's as the 56<sup>th</sup> Largest Private Company in the New York area



# COPPER RETIREMENT IMPACTS

- Inhibits Cost Effective Deployment of Broadband Services
- Increases Cost of Broadband Access
- Increases Costs of Broadband Services to Customers
- Extends Provisioning Intervals to Deliver Broadband
  - Copper: Weeks
  - Fiber: Months
- Increases NRC Costs to Customer of Broadband Services
  - Fiber Builds: \$5K to 600K (Single Location)
- Reduces “Ubiquitous” availability of Cost Effective Broadband
- Strands Capital Broadband (EOC) Investment
  - ILEC Collocation Augments (DS0 Terminations)
  - EOC Collocation Equipment and CPE