

benchmark-it performance

This new 225-page report analyses the market for IP VPN services. It profiles and compares 28 providers of IP VPN services with a focus on the Global, pan-European/European regional, French, German and UK markets.

The report includes the following:

- Profiles of 28 carriers:
 - Company Background
 - IP VPN and Related Services
 - Target Customers and Customer Base
 - Comments
 - Summary Tables Of Customer & Product Information

Who should buy the report?

- Operators selling IP VPN services
- Companies investing in or supplying the above
- Companies looking to take IP VPN services

Key benefits:

- Source of key information on 28 carriers' IP VPN portfolios and customer bases, including up-to-the-minute information on customer numbers, contracts, product details, etc.
- Market analysis and benchmarking
- Gives customers time to focus on analyzing implications and trends, and to formulate action plans

Key conclusions:

- IP VPN services remain the key battleground in the market for communications services to businesses of all sizes;
- IP VPNs are becoming ever more ubiquitous – increasingly accessible from mobiles and Wi-Fi hotspots – and available in a growing number of towns, cities and countries worldwide;
- Not only are IP-based services driving customer demand, they are also helping to facilitate supply-side consolidation.

Pricing is £995 for a corporate licence (intranet licence).

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IP VPN Services

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Executive Summary

With IP (Internet Protocol) moving to the heart of all communications as a universally accepted standard, service providers are battling to position themselves as leading IP companies – not just in technology terms, but also in marketing terms.

IP is increasingly being used to carry all forms of communications – from voice to data to video – and IP VPNs remain the focus of this transformation for business customers of all sizes. With IP VPN services providing the lifeblood of corporate existence, service providers have been working to make their IP VPN and associated services as universally available as possible – as is evidenced by the growing range of ‘mobility’ access solutions available – from dial-up to mobile to Wi-Fi. This is being complemented by a parallel investment, both organic and inorganic, by service providers in expanding the reach and depth of their networks, with literally hundreds of millions of dollars being invested by individual companies.

Alongside the drive to make IP VPN services universally available to all customers’ end users is the drive also to hand over increasing levels of visibility and control over services and the applications that run over them to network managers. Ever greater functionality is being offered at close to real time over secure Web portals. At the same time, customers are showing a growing willingness to hand over management of non-mission-critical day-to-day activities, such as router management, to service providers in the form of managed services.

With the migration of multiple legacy communications platforms towards converged IP-based networks, customers are also showing a willingness for, and service providers a desire to provide, a growing range of professional services – helping customers with the planning, implementation and on-going management of their networks and services. This has the benefit for customers of enabling a smoother transition and, for service providers, of cementing longer-term relationships with customers – this is important in a market where the basic functionality of IP VPNs is rapidly commoditising.

As the market matures at the top end, amongst government customers, multi-national corporations (MNCs) and large national corporate businesses, growth opportunities are being presented more by medium-sized and smaller businesses. Many service providers have opted, as with legacy products, to try to exploit third-party channels to market to maximise their addressable market for minimum investment.

A natural stage of any maturing market is that of consolidation and there has been evidence of this taking place amongst IP VPN service providers. Although drivers for such activities are broader than the IP VPN product set, the move towards converged networks helps to make combining companies easier. In this way, IP VPNs are helping to drive the business telecoms sector from both the demand and supply sides.

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Verizon Business (International)

Company Background

Verizon Business is the culmination of a series of acquisitions, including Verizon, MCI, UUNet and Digex.

The company describes itself as follows: “With its advanced global networks, deep IP expertise, wealth of next wave services and leading broadband and voice capabilities, Verizon Business is the right company to help your enterprise employ technology to strategic advantage.

With one of the world’s largest local-to-global IP networks, Verizon Business is well positioned to provide next-generation services. Our global IP network spans more than 446,000 miles across 150 countries on six continents and is backed by experienced sales and service reps around the globe. Verizon Business offers the fastest speeds available over IP today. We were the first to route and switch OC-192 IP network traffic and Verizon also has one of the most scalable IP networks available, offering speeds from dial to OC-48.

Verizon Business lives at the forefront of innovation. That’s why we’re investing heavily in our enterprise capabilities, making the network improvements needed to support next-generation, IP-based services like virtual private networks and VoIP. Of course, groundbreaking technology should come as no surprise.

Over the next few years, Verizon Business’ voice and data networks will be consolidated into a single IP core. In the meantime, Verizon Business, an industry leader, is providing convergence – enabling technologies and multi-service edge devices to accelerate your transition to IP – when you’re ready to make the move.”

Verizon Business, which employs over 33,000 people, including 6,100 internationally, lists the following as reasons why customers should choose its services:

- Expertise:
 - One of the deepest IP skill-sets in the industry;
 - Pioneer in VoIP technology;
 - Customer-oriented processes that build solutions that work for your business;
 - Heritage of innovation including many significant industry firsts:
 - The first commercial Internet service;
 - The first commercial provider of Internet access;
 - The first ISP to deploy MPLS globally;
 - The fastest-ever IP transmission;

SAMPLE PAGE**IP VPN Services**

AT&T positions its enterprise VPN services as providing “an evolutionary path for companies to make the most of their existing private data networks and integrate them with the latest IP and broadband technologies, all bundled with top-notch security services, such as firewalls, tunnelling and intrusion detection.”

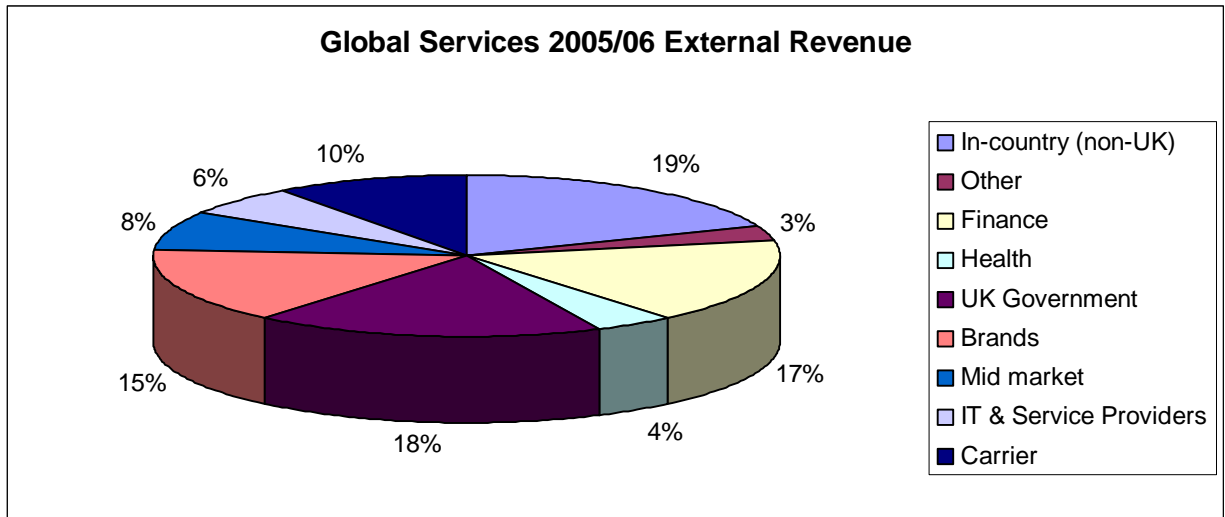
- AT&T VPN Tunnelling Service (AVTS) – designed for users (single or multiple, employees, customers or partners) needing to access company data across a public network:
 - Remote Access using PSTN, ISDN, GSM, public Wi-Fi hotspots or third-party ISPs that support IPsec-based VPNs. Standard coverage of 110 countries but more available on request;
 - Site-To-Site SOHO for small offices – typically uses broadband access either over AT&T or third-party broadband that supports IPsec. It can be offered using leased line, dial access or 3G wireless. European DSL access available in:
 - Austria;
 - Belgium;
 - Czech Republic;
 - France;
 - Germany;
 - Italy;
 - Netherlands;
 - Spain;
 - Switzerland;
 - UK;
 - Site-To-Site High End – for more demanding customer sites. Typically uses AT&T’s leased line Internet access, but can also use broadband and third-party ISP access:
 - 56 countries standard, others on request;
 - Standard speed to T3/E3;
 - Cisco router/firewall;
 - GPRS and UMTS wireless access is integrated into the client software and there are direct interconnects with nine 3G networks in six European countries;
 - 3G UMTS and HSPDA access is offered in the USA through the Cingular (AT&T) network;
- AT&T Network-Based IP VPN Remote Access (ANIRA) – integrating remote access with private WAN-like MPLS VPNs, Frame Relay, ATM. Capabilities are similar to AVTS Remote Access and AVTS Site-to-Site SoHo (above). Integration into the main corporate network is through a shared gateway in the AT&T network. Resiliency, load-sharing and scalability are built into the solution;
- Enhanced VPN, MPLS service – uses MPLS in the AT&T backbone and as such includes security levels similar to frame relay and ATM. Customers can assign levels of priority to traffic depending on application type:

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Target Customers

BT Global Services' customers include 80% of the FTSE 100 companies and 20 of the top 50 Fortune 500 companies. The company's financial trading room services are used by 25% of the world's financial market traders across 51 countries and it also serves 90% of UK-headquartered financial institutions.

BT Global Services' four largest sectors in terms of revenues are 'worldwide in-country,' UK government, finance and brands, as is illustrated in the chart below which shows a breakdown of the 2005/06 financial year's external revenues by source:



Outside of the UK customers are spread thus:

- North America: over 1,000 customers;
- Latin America: over 300 customers;
- Western Europe: 6,500 major customers;
- MEA: 600 customers;
- Russia/CEE: over 200 customers;
- Asia Pac: over 650 customers.

Known IP VPN customers include:

- Kiala (transport/logistics sector) – VPN delivered to 250 locations across Belgium and Luxembourg;
- Spanish Ministry of Public Administrations - €20m contract over four years for more than 400 sites covering fixed voice, data and Internet services;
- Bavarian State Government – worth up to €200m over seven years, BT will link 2,000 locations using MPLS technology, providing fixed voice services and Internet access;

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Customers

Target customers by segment (e.g. MNCs, SMEs)	SMEs, smaller corporates (larger corporates and MNCs served through Orange Business Services)
Target customers by vertical sector (e.g. Manufacturing, IT)	All
Target geography (e.g. Worldwide, USA, North Germany)	France
Number of customers/ % of bids including IP VPNs (indicative if not available)	50,000+ France Telecom as a whole has 256,000 IP VPN access points globally At 31 st October 2005, IP VPN accesses represented 45% of permanent data network accesses in France (29% a year earlier)
Revenues from IP VPN services (€or %)	IP VPN accesses recorded growth of 81% in France in 2005
Channels to market (direct versus indirect)	Direct and indirect

Products

CPE-based IP VPN (name and features)	Oléane VPN
Network-based IP VPN (name and features)	Oléane VPN
MPLS	Yes
IPSec	Yes
Remote access	Yes (ADSL, ISDN, GSM and dial)
CoS availability	Yes, up to 5
xDSL capability	Yes, SDSL and ADSL
Wi-Fi capability	Yes
Applications management	N/A
Voice support	Yes (with real-time CoS)
Other value-added services (e.g. extranet)	E-mail, hosting, collaborative workspace, satellite access
On-line management functionality	Management and analysis tools
SLAs	99.8% guaranteed availability
Latency	Round-trip delay between two PE routers of 40ms
Packet delivery	99.5% from CE router to CE router
MTTR (mean time to repair)	4-hour service restoration guarantee
Geographic reach/number of PoPs	PoPs nationwide
Equipment supplier(s)	Cisco, Nortel, Alcatel-Lucent

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Service Provider	Target Customers	Target Sectors	Customers	Other Customer Info.	Channels	CoS	Voice	On-line Management	SLAs	Latency	Packet Delivery	MTTR	Reach
Global Crossing	MNCs and major enterprises, wholesale, government and systems integrators	Financial, Healthcare, IT/Computing, Transport & Distribution, Government, Systems Integrators	Over 800 international IP VPN customers. 200 IP VPN customers in the UK	IP VPN traffic grew 143% in 2006	Direct and indirect	3 (to increase to 6 in near future)	Yes	Yes	Latency, jitter, packet loss and availability	Intra-Europe 45ms, trans-Atlantic 95ms	Packet jitter 15ms	4 hours	600 cities in 60 countries
Orange Business Services	MNCs (top 5,000)	Government, Transport, & Logistics, Financial Services, Manufacturing/ Pharmaceutical, Airline	Over 1,300, MPLS VPN services provided to more than 260,000 customer sites in 146 countries	50,000 managed sites outside of France with 170,000 connected by DSL	Direct and indirect	5	Yes, on-net in 86 countries, off-net in 49. Over 225 customers	Yes	Round-trip delay, packet loss and site availability	Depends on connection	99.9% for top countries	Maximum response time of 4 hours. Most faults fixed within one hour	IP services available in over 142 countries, nearly 1,000 MPLS PoPs
SAVVIS	Enterprise customers globally, with focus on USA and Western Europe	All, with a focus on finance, media & entertainment, retail, US federal government, corporate marketing & creative services, print & publishing		\$136.6 million in IP VPN revenues in 2006 (up 16% year-on-year)	Direct	N/A	N/A	N/A	100% core network availability	N/A	N/A	N/A	110 cities across 49 countries

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