



Connecting Africa to the World



# The SEACOM Story

Teraco Presentation at Home House Club

September '09

# SEACOM is a privately funded African company, offering a 1.28Tb/s submarine fiber optic cable system linking Africa to Europe and Asia

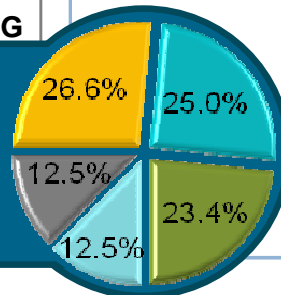
*“SEACOM is open for business and ready to supply complete solutions for Africa’s Broadband on Demand needs”*

## SEACOM’s drivers

- Wholesale provider of bandwidth
- Deliver infrastructure support for the growth of the ICT sector, e.g. BPO, call centers, education
- Be committed to the principles of open and equitable access to broadband
- Facilitate the development of high volume, low cost market encouraging new industries to emerge, stimulating further demand
- Compliment GSM and fixed line national carriers by providing low cost high capacity bandwidth and additional redundancy

### SHAREHOLDING

- International Promotional Services
- Venfin
- Herakles Telecom LLC
- Convergence Partners
- Shanduka



## Fibre topography



## Africa has been starved of a key foundation to social and economic growth - high capacity, cheap broadband

### Where is Africa now?

- Africa is the least penetrated continent in the world
- East Africa has been solely dependent on often costly and high latency satellite, until now...



Source: 'Broadband penetration' WBIS 2008

### Broadband for Africa...

- “Every 10% increase in high-speed Internet connections in developing countries resulted in an increase of 1.3% in economic growth”<sup>1</sup>
- Broadband is to the 21<sup>st</sup> Century what railways were to the 20<sup>th</sup> Century”<sup>1</sup>  
  
Broadband is the foundation of economic growth
- Africa must move fast, despite the excitement of SEACOM, the digital divide is getting larger, not smaller

<sup>1</sup>WorldBank Q2 2009

## To truly drive African connectivity one needs to enable self development and market liberalisation through affordability & accessibility

The essentials to get Africa onto the global stage...

### Address the needs of the masses

- Providing services to parts of the country and segments that were previously deprived

### Encouraging competition

- Creating a healthy competitive environment, to drive prices down and quality of service up

### Encouraging entrepreneurialism

- By dropping prices and disrupting monopolies, one collapses barriers to entry

### Africanizing telecoms

- Education on and ownership of the broadband value chain creates a self sustainable cycle

Key enablers

### 1 Affordability

- Dropping entry barriers & Increasing competition

### 2 Accessibility

- Pushing low cost capacity to the last mile where possible

In order to address Africa's broadband needs, SEACOM's business case had to focus on an open access, low cost service that travels right to the point of need not just the shoreline

1

### Affordability

- Target those in need – East coast
- Ensuring 'open access' policy consistent with the Kigali protocol
- Under no circumstances hinder the progress of healthy competitors
- The "Death of distance" through a single price
- Providing services to medical & educational institutions, partnering with Ubutunet & TENET

Core ideas  
behind  
SEACOM's  
business  
case

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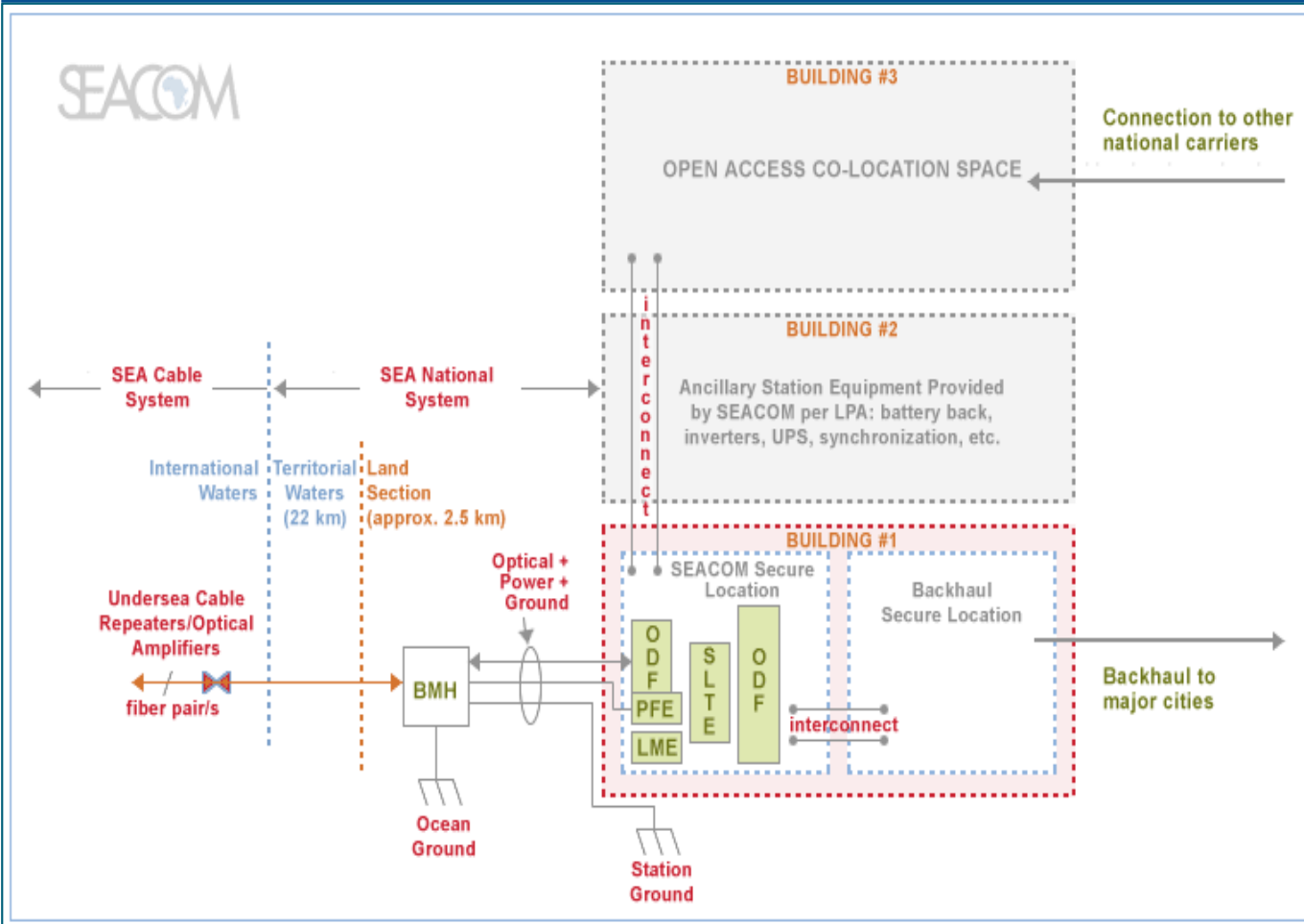
### Accessibility

- True end-to-end solution from London to Johannesburg, from Mumbai to Nairobi...
- Focus in getting backhaul to landlocked countries in need
- Working in harmony with existing channels and building redundancy
- Applying best practice risk management & disaster recovery across the full value chain & 24 hour global support

*Without true open access, Africa will limit the potential of tomorrow's unknown innovators*

# SEACOM will ensure affordable open access & interconnect to all operators within the cable landing station...

## SEACOM Landing Station Layout



- **SEACOM will construct three buildings at the landing station**
  - Building # 1 - receive submarine cable and interconnect to backhaul to Johannesburg
  - Building # 2 - Ancillary station: power back up, air conditioning etc.
  - Building # 3 - Open co-location to ensure open access, the station will be outfitted with direct interconnect to the submarine fibre optic network
- The building will be declared an **Essential Facility**.
- Only operating costs of the co-location building i.e. electricity, air-conditioning etc... will be used to determine co-location costs
- SEACOM's ensures that all carriers have open and equal access to the submarine fibre cable

**As demand for broadband continues, the market will be dependant on customisable and integrated solutions to grow market share...**

- Broadband demand is not going to taper out....it is going to continue on this curve
- The full value chain will be opened up allowing for low cost access right from the international long haul to the last mile to all Internet Service Providers
- There will be significant M&A activity as more services get bundled in the quest to customize solutions and minimize churn
- SEACOM is committed to share this journey...



*Live on 23 July 2009*

*Within 3 days Kenya reports 3-5 times increase in internet speeds*

*Within 14 days Safaricom CEO reported 200% increase in data traffic*

*“Broadband is the key to launching Africa onto the global stage”*  
**Hamadoun Touré**

