

Grow broadband

Premium Internet and television

As we continue the rollout of our FibreOP network, it provides us with significant new revenue opportunities and a clear competitive advantage.

Canada to cover an entire city – two cities in fact, Fredericton and Saint John, New Brunswick – with fibre-to-the-home (FTTH) technology. FTTH means the network uses 100 per cent fibre optic technology, including the final connection to customer homes and businesses.

Our new *FibreOP* network provides premium Internet speeds, 60 megabits per second download and 15 upload, allowing customers to send and receive videos, music, photos, and more, almost instantly. It also allows us to provide customers with an exceptional TV experience – over 200 TV and music channels, including 45 in high-definition; PVR (personal video recorder); and, an on-screen program guide. For our business customers it enables next generation e-commerce and economic development.

By the end of 2010, we plan to expand our *FibreOP* network to include major cities in the province of New Brunswick, reaching 110,000 customers or 35 per cent of homes and businesses in the province. The new network will also reach 30,000 customers in other provinces for a total of 140,000 premises passed.

Faster and better

The speed of life continues to move faster. Whether at home or in business, our customers have an increasingly strong desire to connect. We are helping them do that with better and faster broadband and television services that are setting new standards.

First city-wide, all fibre optic network

By mid 2010, we will have earned the distinction of being the first communications company in



When downloading music and videos, customers have no patience for slow networks. Neither do we. In 2009, we started to roll out our FibreOP network. Built entirely using fibre optic technology, it provides premium Internet speeds and an exceptional TV experience, including high-definition.

A clear competitive advantage

The *FibreOP* network will play a key role in our plans to grow broadband services. As we continue the rollout into other areas, it will provide us with abundant new revenue opportunities and a clear competitive advantage. Our largely aerial network and moderate population density allow us to deploy this technology at a competitive cost.

Boosting business

Our broadband services are also helping our business customers prosper and grow with scalable Internet solutions of one gigabit per second and faster, delivered over our high capacity redundant IP network. In 2009, we improved many of our Internet plans by increasing download speeds by up to 40 per cent. In 2010, our focus will remain on speed. We will also introduce new and exciting features that will help our business customers compete and ensure we are meeting the needs of this important market segment.

Enhancing and expanding existing networks

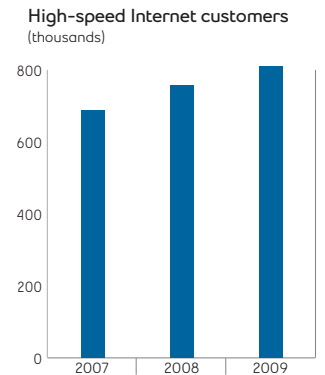
Our plan to increase revenue from broadband services includes enhancing our existing fibre-to-the-node (FTTN) networks, which takes fibre technology into neighbourhoods but not all the way to customer homes. In 2009, we deployed VDSL2 technology, which allowed us to, among other things, increase the speed of our FTTN Internet service and offer high-definition channels to our TV customers.

In Ontario and Quebec, we continued to increase our broadband coverage area and implemented a creative new way to provide service in remote communities where it would not normally be available. By using wireless technology, we can now provide broadband Internet to customers within 15 to 20 kilometres of our facilities.

In 2010, we will continue to expand the coverage of our broadband network, often in partnership with local and provincial governments, as we seek to add new customers.

The future is broadband

For us and our customers, broadband is the future. Look no further for proof than the growing percentage of our revenue that comes from this service and the rapid growth of social networking sites. The number of customers we attract and keep is directly linked to the reach and speed of our networks. We are confident that the continued expansion and enhancements we are making to our broadband networks and the rollout of our *FibreOP* services, will keep us and our customers, both at home and at work, moving at the speed of life.



The number of our high-speed Internet customers continues to grow. We now have 810,000 customers, a 7 per cent increase over last year.