



Making it work for you

Market

The mobile phone market in Ireland has expanded at an incredible pace and Esat Digifone has been very much to the forefront. Worldwide, one billion customers will be accessing the Internet from mobile phones by 2005; the Irish market is very much in the forefront of communications development and Esat Digifone a strong contender in WAP-enabled mobile phones. In early 1997, the market penetration by mobile phones was just seven per cent, but in mid-2000, it was close to 50 per cent. In May, 2000, the number of mobile phones exceeded the number of fixed line phones and still the mobile market is poised for more significant growth.

Although the market still has just two players, with a third set to join before the end of 2000-competition to date, both on price and with the range and quality of products offered, exceeds what's on offer in other EU countries. For Esat Digifone, the big challenge is meeting the demands generated by the rapid growth of the marketplace. It continues to deliver a consistently high quality on its existing network, against a backdrop of the ever increasing speed of technological developments.

products and services where the company has excelled since day one, with automatic dropped call compensation and 24 hour customer care. Other facilities have been launched, such as mobile Virtual Private Network, enhanced messaging, data services and improved call quality.

By now, Digifone has a market share of over 40 per cent, with more than 700,000 customers using the network daily.

History

For many years, Ireland's telephone service was a monopoly, with State-owned Telecom Eireann operating fixed line services and Eircell, its mobile operator, launched in the mid-1980s. In 1999, Telecom Eireann floated the fixed line company, offering shares to the general public, to an enthusiastic response. Eircom became the company's new trading name.

Esat Digifone began life as the vehicle by which the then fledgling Irish fixed line operator, Esat Telecom, and its Norwegian partner, Telenor, bid for the country's second GSM licence. The Digifone bid was one of six received and against strong competition from a number of major telecommunications operators, the

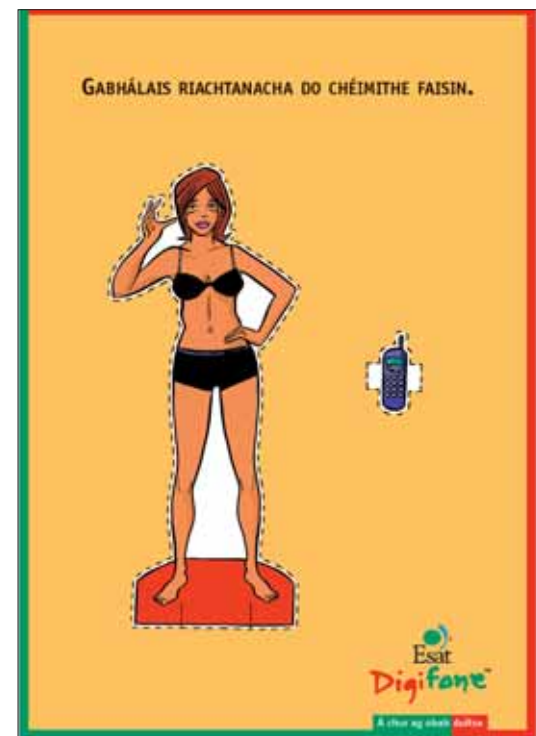
as BT Cellnet in the UK, Telfort in the Netherlands and Viag Interkom in Germany, is now part of the BT group of companies. The aim is to become a major player in the growing mobile and Internet market worldwide.

Product

Esat Digifone is a supplier of digital GSM network and mobile phone services. To provide the highest standards of service, the company has built and operates its own national network. It supplies a range of competitive yet simple priced plans for both services, under the Select brand name, and prepaid under the Speakeasy brand name, a varied product portfolio and true per second billing.

Its main business currently is the provision of local, long distance and international voice services for private individuals and businesses. For larger businesses, Esat Digifone has a corporate service team, while for Small and Medium Sized Enterprises, a New Business Unit provides and manages services.

Digifone gives priority to training and maintenance, with a 24 hour customer care line and prides itself on the consistently high levels of measurement achieved in customers



Achievements

Esat Digifone has had an impressive list of achievements since its launch in March, 1997. The company was one of the first GSM operators in the world to launch with a full suite of voice, fax and data services and its launch coverage of 80 per cent of the country's population exceeded anything achieved by any other EU operator. Since then, Esat Digifone's network coverage has expanded to 98 per cent of the population.

However, Digifone's main aim since launch has been to introduce constant innovation in the marketplace and it's in the area of innovative

Irish-Norwegian consortium won out. The licence was awarded in May, 1996.

Following a rapid network roll-out, Digifone launched its service in March, 1997 and quickly established itself in a rapidly expanding market. By March 1999, two years after the launch, the company had signed up 300,000 customers. Just before the end of 1999, the company had signed up 500,000 customers while by the end of June, 2000, this had grown to 725,000.

In January, 2000, British Telecom acquired Esat Telecom and at the same time, obtained management control of Digifone. As a result, Esat Digifone, along with sister companies such

satisfaction surveys.

Through its digital network, Digifone provides customers with a whole range of services, including call barring; call divert; call forward; call holding; call waiting; international roaming and message minder.

Other Digifone services include insurance through the FoneCover insurance product; Digisecretary (an answering and messaging service for businesses); Digifax; Lotto results and SmartSwitch for business customers, which routes landline calls to mobiles and vice versa over the Digifone network.

While voice services still predominate,

Digifone also offers SMS text messaging and WAP-based data services. With these services being aimed at the mass market prepaid segment, the take-up of data services is set to increase rapidly in the months ahead.

Recent Developments

More recently, Esat Digifone was the first operator in Ireland to launch WAP. It has been to the fore in developing WAP-based data services such as information, shopping, betting and sports results, pioneering m-commerce capabilities over WAP and enabling transactions to be done within its WAP portal.

With the convergence between mobiles and the Internet gathering pace, Digifone has launched a seamless fixed/mobile ISP and portal service, digifone on-line, which aims to leverage this development. For the first time, it allows mobile customers of both Speakeasy and Select to experience the benefits of using the Internet from their mobile handsets.

This will give Digifone customers a taste of third generation mobile services, such as email, unified messaging and personalised news and information services, over the existing second generation networks. In other words, Digifone customers can experience the depth and quality of service before technological advances come widely online. Digifone is the first Irish Internet Service provider to allow customers to personalise the portal.

This allows customers to choose the information which they wish to access and receive on both their PCs and their mobile telephones.

Promotion

Esat Digifone is among the top 10 advertisers in Ireland, with a very strong impact across all media. Its advertising agency, Owens DDB, conceived and produced one of the most famous campaigns in recent Irish advertising history, for the Speakeasy text messaging service. It has contributed significantly to the huge increase in text messages; in mid-2000, close to 400,000 messages a month were being sent by Digifone customers.

Another very successful campaign "The Internet in your pocket" drew considerable attention to the WAP service available over WAP handsets. The campaign featured famous Irish personalities, for the first time in Irish telecommunications advertising. Ciaran Fitzgerald, a former Irish international rugby player; Eamonn Dunphy, a broadcaster and a former footballer and Eddie Jordan, Formula

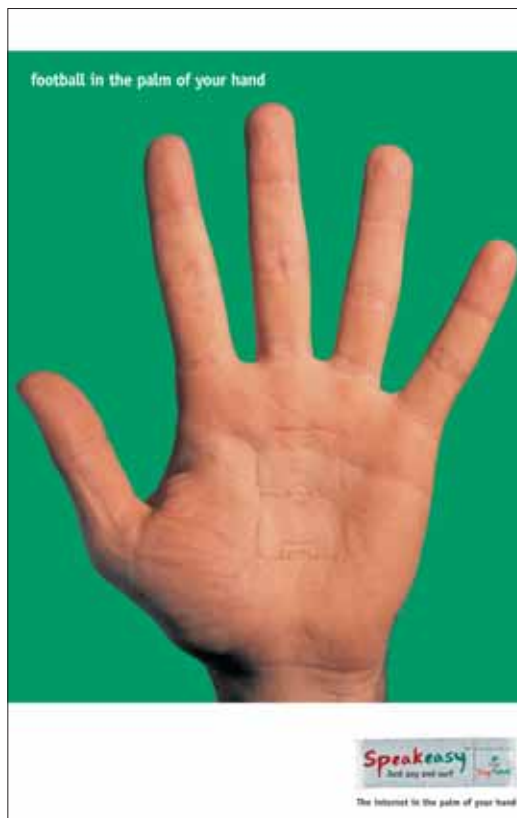


One team owner, discuss the day's sports news whilst they are getting ready for work in the morning in the bathroom. Recent Digifone advertising has changed people's perceptions of the brand as it has grown, giving it a richness, depth and 'big' personality beyond its three years.

Digifone gives high priority to quality, mutually beneficial associations and sponsorships, both international and Irish, and has consistently achieved victory with its partners. Among the most prominent is the Jordan Grand Prix sponsorship with the Formula One team owner Eddie Jordan and the Jordan team. Since the inception of the sponsorship, Jordan has gone on to take third place in the Formula One championship.

The team is now recognised as a main contender on the Formula One circuit. Digifone is committed to contributing to Irish life and as such, its sponsorship since 1998 of the "Rebel County" Cork GAA Gaelic football and hurling teams is a natural fit. The Esat Digifone Champion Stakes is a landmark day in the Irish racing calendar. In 1999, the race joined the World Racing series.

In the past three years, Digifone has also been the official mobile communications sponsor to the Smurfit European Open golf championship.



Through this sponsorship, Digifone has also built an association with Paul McGinley, one of Ireland's top golfers.

Brand values

Esat Digifone is passionate in its efforts to strive for excellence in everything it does. Innovation, dynamism, flexibility, approachability and quality are the key values of the brand. At the heart of the brand is the recognition that delivering excellent customer service 24 hours a day and regularly initiating customer satisfaction surveys is a necessity in a market where effective communication is so integral to people's lives.

In recognition of the differences between the contract and pre-paid markets, Digifone has invested heavily in developing distinct sub brands, Select and Speakeasy, that extend the relevance of the Digifone brand to all customers.



Things you didn't know about Esat Digifone

In the time that it's taken you to read this piece, 100,000 calls will have been made over the Digifone network.

Esat Digifone's Speakeasy customers are sending two million text messages a week.

The Esat Digifone network covers 98 per cent of the population, 94 per cent on a geographic basis.

Speakeasy is Ireland's first pre-paid product to offer two choices of tariffs, Early Bird and Night Owl, and the first to offer a choice of daytime off-peak rates seven days a week. Since Esat Digifone was launched, it has reduced mobile phone tariffs in Ireland by 45 per cent.

In June, 2000, the Digifone network had 700,000 contract and pre-paid customers.

Esat Digifone is Europe's fastest growing second mobile phone operator.

Esat Digifone is the first Irish network to offer seamless access to the Internet through both mobile and fixed lines.

