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1 DTE WANTS TO ACQUIRE MORE IN US MOBILE MARKET

ORACA View:

Interesting question, T-Mobile USA is performing well, T-Mobile UK is not, but Virgin Mobile UK is and its using T-Mobile's UK network, Why? In the UK case, we propose this: Branding. One company is an engineer the other a marketeer.

Fierce Wireless

Deutsche Telekom (DTE) said it would acquire small US service providers in an effort to bolster its mobile wing, T-Mobile USA. It is also and separately looking for access to rural US spectrum. The information is also intended to scotch rumours that DTE is looking to sell T-Mobile USA.

2 M6 REINFORCES VMOB VIEW - FRENCH MARKET EXISTS

ORACA View:

Should put pressure on VMOB to get going in the French market. Following our discussions with VMOB yesterday we believe management is keenly aware that the opportunity in France is a) clear and b) developing.

VMOB will fund France using FCF combined with its current relationships such as that with Carphone's French operation.

Les Echos/ORACA

M6 Mobile, a new French mobile phone service offered by France Telecom's (FTE) mobile operator, Orange, has outperformed guidance by a significant margin.

When the service was introduced in June, the two companies were expecting to have 100,000 subscribers by the end of the year; the figure has already reached 140,000, and M6 Mobile is now hoping to have over 200,000 subscribers by the end of the year.

M6 also expects to post profits in '05 having originally expected a loss.

M6 is, arguably, attacking Virgin Mobile's potential market in France. VMOB geared up to use Orange's network for its French offering in much the same way it now uses T-Mobile's network in the UK.

ORACA View:

Potentially positive for the cable operator to be: Telewest+NTL. The merger of the UK's two cable operators should, if handled successfully, create a heavy weight competitor to BT and Sky in the UK market.

3 SKY MONOPOLY BREAKUP GOOD FOR UK CABLE

The Guardian/ORACA

Neelie Kroes, European Competition Commissioner, yesterday cancelled BskyB's premium UK football rights monopoly.

- Sky has enjoyed a 13-year monopoly in broadcasting live UK premiership football.
- From 2007, the UK premier league will have to divide its product into six packages of equal content for which broadcasters will bid. No broadcaster will be able to bid for more than five of the packages.

As a government minister in the Netherlands Neelie Kroes privatised the Dutch postal and telecoms services via her party the VVD.

4 SMR WINS IRISH 3G LICENCE

ORACA View:

Valuation range:

Under view

Current range 41p-44p

Following our conversation this morning with SMR, we view this as potentially very good news but the detail will tell in the funding package. SMR is moving itself into a potentially stronger competitive position vs. Eircom (EIR).

Price 26.5p

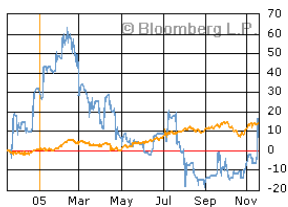
MCAP £51m

NoSh 192.5m

52 wk hi/lo 37p/17.5p

Chart below:

SMR vs. UKX (orange line)



SMR

Smart Telecom (SMR) London listed Irish new entrant operator, said the Irish telecommunications regulator, ComReg, is offering it the last of four Irish 3G mobile licences.

- SMR appears to have won the 3G licence based on its proposals for speed of rollout and network coverage.
- SMR will consider partnerships to increase 3G access in the Irish market and to offset financing costs of 3G mobile.
- SMR expects financing for its bid and its operating partners to be finalised in the coming days/weeks.
- SMR announced a £30m fundraising to enable it to roll out its fixed line broadband services utilising next generation IP technologies.

ORACA View:

TLU is one to watch. We believe the shares do not reflect the full value of this company today. We see little reason for the stock to trade below the 24p-25p range.

Price cls 22.5p

MCAP 42m

Nosh 186.7

52wk hi/lo 29.25p/18p

5 TELEUNIT LAUNCHES SOHO/RETAIL DSL VOIP

TLU

Teleunit (TLU), a London AIM listed Italian based fixed line telephony operator, has launched GoVoIP, a new ADSL VoIP service aimed at the residential and SoHo (Small Office Home Office) markets. The launch is supported by an advertising campaign.

- GoVoip plugs the last segment hole in TLU's pan-Italian broadband voice offering. TLU already offers these products to large enterprises and SMEs.
- GoVoIP provides voice over an ADSL connection. TLU will, where necessary, provide a specialised GoVoIP package including ADSL with which customers can plug into a TLU 'gateway'.
- TLU provides VoIP services to large enterprises through its proprietary radio-frequency broadband network (WLL or Wireless Local Loop), and to SME's (small to medium enterprises) through its national ADSL VoIP offering, Unilibera.
- TLU said ADSL penetration in Italy is currently 20%.

TLU provides broadband, international calling cards, and premium access number phone services throughout Italy.

6 TEF AND WANADOO DSL GROWTH DECLINE

L'Expansion

To March, Wanadoo offering ADSL + voice saw its number DSL subs rise by 138% to nearly 0.5m. In June, Telefonica (TEF) saw its DSL subs rise by over 20%. By 3Q05, both Wanadoo and TEF saw this growth fall off, with TEF posting 10% DSL subs growth. TEF also regained market share, which rose to 69.4% from 66.7%.

7 MOBILE TV EVIDENCE BEGINS TO GROW

ORACA View:

In spite of many views to the contrary we believe that if a killer app will develop for 3G, TV mobile is currently the strongest candidate.

Les Echos

SFR, the French mobile telecoms company part owned by Vodafone (VOD), remains confident that mobile TV will be successful.

- The company reported 670,000 individual viewings of TV broadcasts, equivalent to 10 viewings per subscriber in October. Orange has posted 3.5m individual viewings.
- SFR, on Wednesday, launched a new interactive TV application based on software by French small company Streamezzo.
- The company has 100,000 subs for its CanalSat package, costing EUR 7 per month.
- In 2006 SFR expects to have specific mobile content from all of the major studios.

8 OFCOM ANALOGUE AUCTION PLAN TAKES SHAPE

Ofcom/The Guardian

Ofcom, the UK media regulator, yesterday announced plans to auction the analogue spectrum after the terrestrial channels switch to digital television.

Ofcom also said that in order to maximise revenue it would not be prescriptive about spectrum use. This stance should attract mobile operators, broadband providers, new local television services and other wireless services.

- The analogue reserved spectrum is seen as valuable because it occupies the versatile UHF band, offering a combination of high capacity and long range.
- The spectrum will become available on a region-by-region basis between 2008 and 2012 as analogue television is switched off.
- Analysts said bidders will not pay anywhere near the pounds £22.5bn raised from mobile operators for the 3G networks.

Note:

The Regional Radio Conference due to take place in May 2006 with other European regulators to ascertain how spectrum that crosses national borders should be divided may have an impact. Parts of the south and south-east England, which are most likely to interfere with signals from France, Belgium and Holland, will be among the last to convert to digital in 2012.

9 RIM MINI-TENDR DERIDED

Fierce Wireless

RIM (Research in Motion) maker of the blackberry e-mailer, told its shareholders to reject a mini-tender offer from TRC Capital to purchase up to 0.5% RIM's outstanding shares.

TRC offered to buy up to 1m RIM shares for US\$57.91, which is nearly a 3% discount on the November 1 closing price of US\$59.61.

10 NOTES

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