



# Packet One Networks

## The Company

Packet One Networks is a wireless telecommunications company expanding throughout Malaysia to target both consumer and business users. Registered in February, 2002 as a wholly owned subsidiary of Green Packet Bhd., Packet One (P1) only started doing business following its acquisition of one of Malaysia's four WiMAX licenses in March, 2007. The license granted P1 access to 30Mhz of spectrum in the 2.3Ghz band.

Following its spectrum acquisition, P1 moved quickly to form a series of strategic alliances aimed at getting its WiMAX network off the ground as quickly and efficiently as possible. In January 2008 P1 announced that it would award its network build-out to Alcatel-Lucent, which agreed to provide a complete end-to-end WiMAX broadband solution in a deal valued at more than RM220 million (approximately USD 71 million). During this time P1 also announced partnerships with Oracle Systems, EMC Corporation, and Firberail, as well as a RM50 million investment from Intel.

By August, 2008 P1 finished conducting its end-user trials and became the first WiMAX Operator to launch a commercial network, and was even able to announce early subscribers several weeks before actual launch. Commercial launch began in selected areas in and around Kuala Lumpur, and by the end of 2008 had expanded into the Southern region of Johor. P1 states that it is on track to cover 30% of the country by the first half of 2009, 40% by 2010 and 60% by 2012. Its total investment on WiMAX for the next 5 years is expected to be RM1 billion, and within the next 10 years P1 expects to have 100% coverage over Malaysia.

## WiMAX Broadband Services Offered

Through its P1 WiMAX service, Packet One offers wireless connectivity to consumers and business users alike. Standard pricing plans for both consumers and enterprises are the same with a 1.2Mbps package priced at RM159 per month, and a 2.4Mbps package at RM339 monthly. However, as of January 2009

a promotional pricing is still in place, with packages costing RM99 per month for the 1.2Mbps plan and RM229 for 2.4Mbps with a 12 month commitment. The price dips again for a 24 month commitment, with prices at RM89 per month for the 1.2Mbps plan, and RM199 per month for the 2.4Mbps plan.

To connect to the service, P1 offers an in home CPE device, USB dongle, and compatibility with WiMAX enabled laptops. The company also offers a promotional pricing plan of 3 months of free access with the purchase of a qualified Intel based WiMAX-enabled PC. According to its device roadmap, P1 expects to further support several new Mobile Internet Devices in 2009.

In addition to internet connectivity, Packet One expects to continue launching new innovate services throughout 2009 and beyond. P1 Ruumz, a social networking tool is due in early 2009, and in the second half of 2009 P1 expects to provide VoIP service – with dual-mode devices expected further down the line.

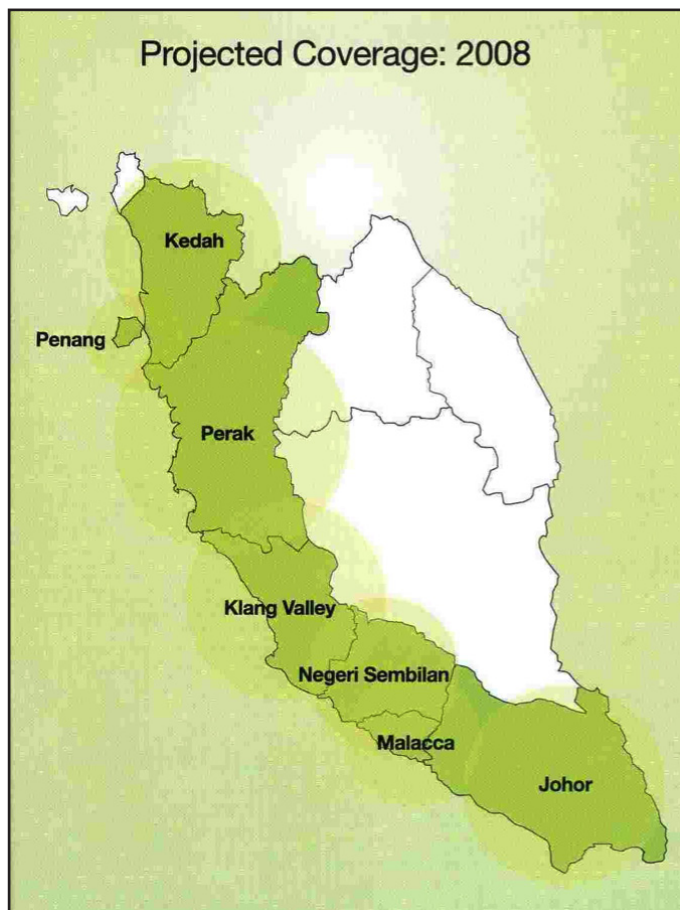
To complement its WiMAX-based services, P1 also formed a partnership in 2008 with Sunway Group as their preferred technology partner for broadband connectivity and communications requirements. P1 completed deployment of the first phase of the Wireless@Sunway project, providing wireless broadband Internet access to more than 80 per cent of Sunway home and business users, students and visitors thus making Bandar Sunway the first integrated wireless township in Malaysia. Packet One was also chosen by DBKL and MCMC to setup the WiFi-WiMAX KL Wireless Metropolitan Project (Wireless@KL). It deployed over 400 hotspots and currently serves more than 70,000 users with free wireless broadband Internet access in KL. By EOY 2009 P1 expects to complete deployment of a total 1,500 hotspots.



## The End-to-End Network

The current level of internet penetration in Malaysia is less than 8%, and the government has targeted a goal of broadband penetration in 50% of households nationwide by 2010. The geographical char-

acteristics of the Malaysian market are varied, with low-density populations spread across hilly areas to high-density populations in flat, urban areas. To address these issues and move towards its goal of 100% population coverage, P1 began its network rollout with a focus on urban areas. In 2008 it covered the West Coast of Malaysia, and it expects to cover the East Coast in 2009, followed by Eastern Malaysia in 2010. By 2012 it expects to cover 60% of the Malaysian population, moving to 100% in ten years.



### Market Opportunity and P1 Vision

In Malaysia there are two types of broadband services: wired and wireless. Wired broadband solutions are the most prevalent, with Telekom Malaysia's Streamyx broadband service having the lion's share of broadband users here. Telekom Malaysia is the incumbent, and it controls the nation's last mile connections. It therefore protects itself by restricting competition through charging other service providers for connections in addition to offering its own broadband service (TM Streamyx). Wireless broadband technologies are offered by several different providers. The local cellular operators, Maxis and Celcom, both offer 3G services; Jaring offers WiMAX via its SOMA FlexMax WiMAX network; and AirZed and Izzii Broadband all offer wireless broadband services. Despite this number of competitors, until now wireless broadband has only played a peripheral role in providing broadband services to Malaysia. However, with the support founded on the Malaysian government's new initiative to expand internet penetration, the market opportunity for all wireless providers has risen considerably.

Packet One's vision is to reach 60% of the Malaysian population by 2012, and reach 100% coverage in 10 years. Says P1 CEO Michael Lai, "Broadband shouldn't remain a privilege, and we believe that all Malaysians have the right to broadband and the Internet as today, information is the currency of the world. We are very pleased to see that our dream of connecting all Malaysians to the Internet is starting to come to life, as P1 WiMAX is not just about access it is about touching hearts, enriching lives and connecting humanity. At the end of the day, technology is not special, but life is."



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