

Who is PCCW?

- Incumbent Fixed & Broadband Operator in Hong Kong
- Leading IT and Telecom provider for Greater China
- Market Cap. > US\$ 3 Billion
- Annual Turnover > US\$ 2.5 Billion
- Annual Free Cash Flow > US\$500 Million
- Over 3 Million Fixed Lines
- Over 700,000 Broadband Customers
- Over 250 Wi-Fi Hotspots
- 6 Mbit/s Broadband available >90% of Lines (@ US\$ 50 per month)
- 1.5 Mbit/s Broadband available >98% of Lines
- Leading Provider of Innovative Next generation Products & Services
 - Broadband TV
 - Intelligent Line with Fixed SMS
- Award winning ISP: Broadband Netvigator
- Needs to look overseas for significant growth
- Wireless best entry option overseas

Broadband in the UK today



- 55% of UK homes have internet access
- mainly available through dial-up
- only 11% of UK homes on broadband
- Vast majority ISDN and 512Kbit/s ADSL or via cable modems
- Long loops, some alloy cables therefore poor connections for BT & ADSL
- UK broadband uptake is accelerating but still not fast enough to meet demand

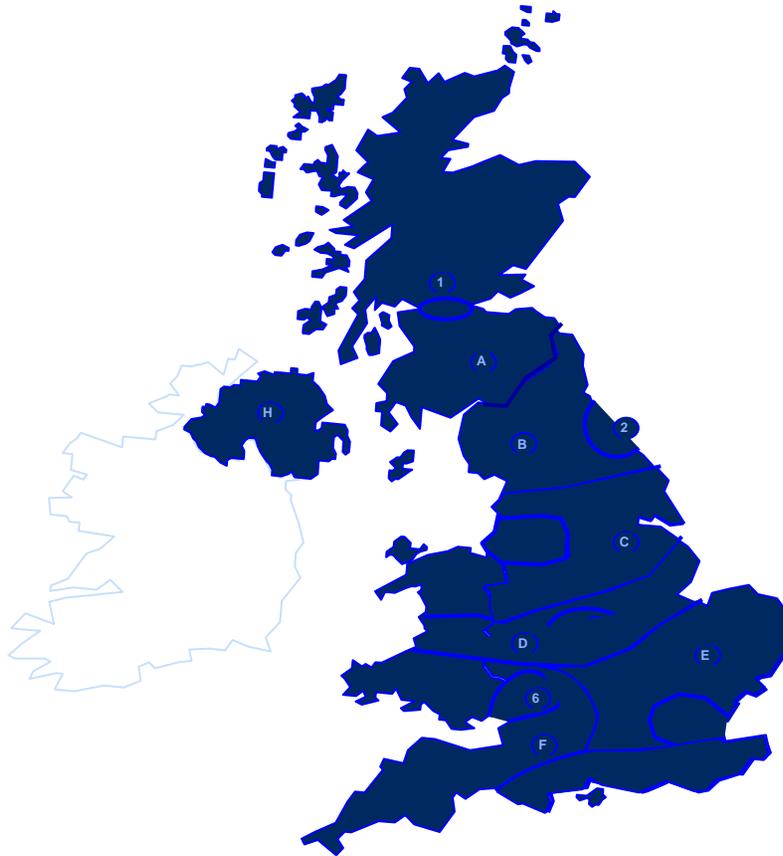
UK Wireless Broadband



- Won 13 of 15 licenses
- Acquired last two licenses
- **Effective nationwide license 3.4 GHz band of the radio spectrum**
 - PCCW now has 100% UK footprint
 - No roll out obligations

**Public Commercial Launch in Thames valley
area on 6th may 2004**

UK Wireless Broadband



- Company named

UKBROADBAND

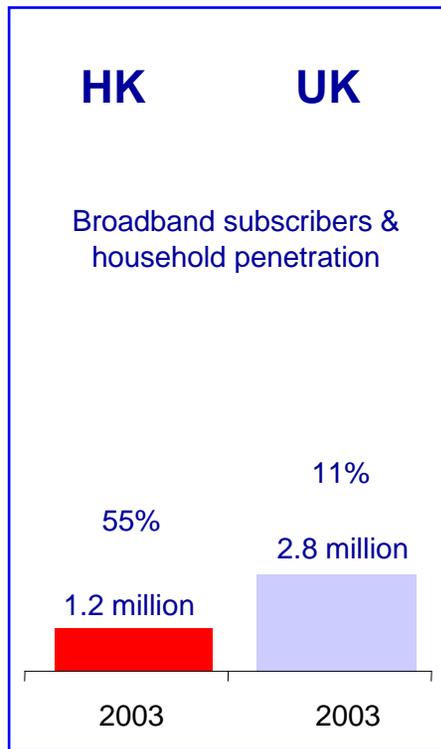


- netvigator[®] wireless broadband service to be launched
- Seamless back-end support based in HK

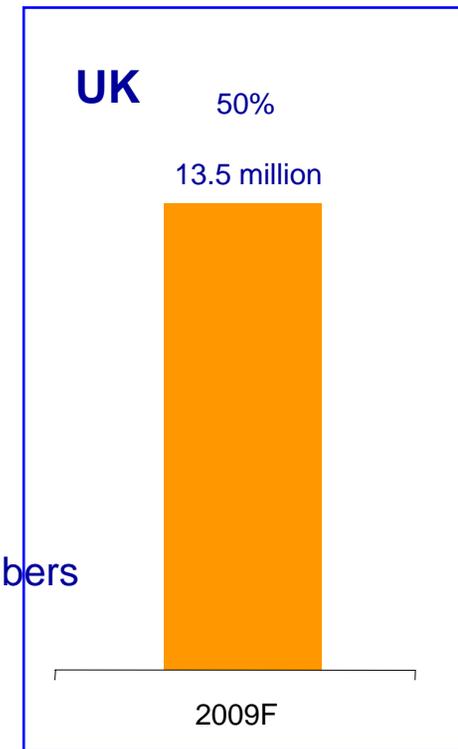
Bringing Proven NETVIGATOR Services to a New Market



Huge Market Potential



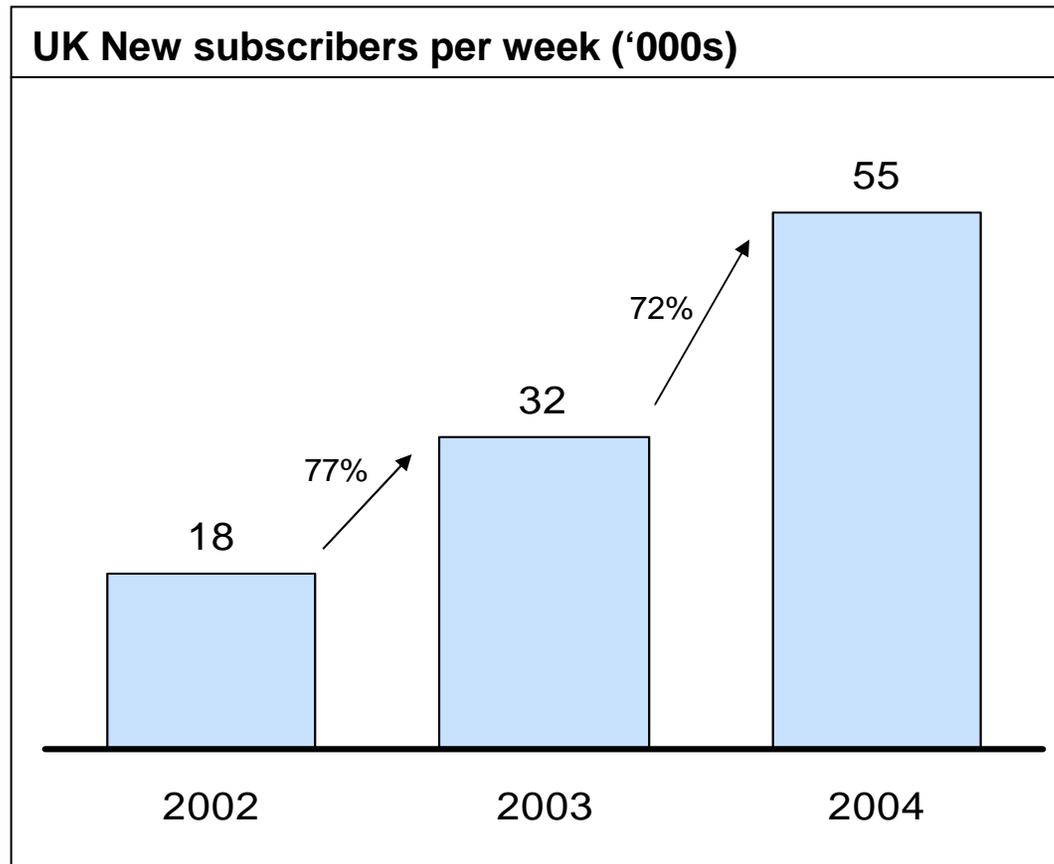
- 2003 UK broadband penetration only 11%
- UK expected to add 2.1 million new broadband subscribers in 2004
 - **Double the total Hong Kong market**
- UK forecast 13.5 million broadband subscribers (50% penetration) by 2009
 - **Over 10 times the current HK market**



* Industry estimates

Broadband Market Potential of UK Greatly Exceeds Hong Kong

Broadband subscriber growth is accelerating...



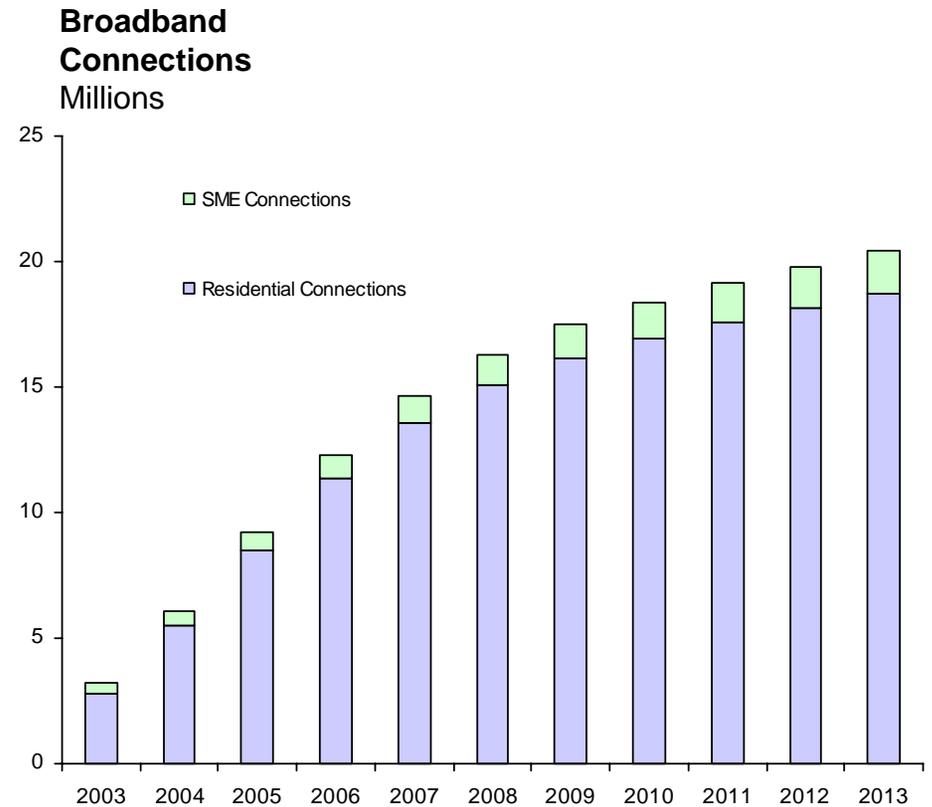
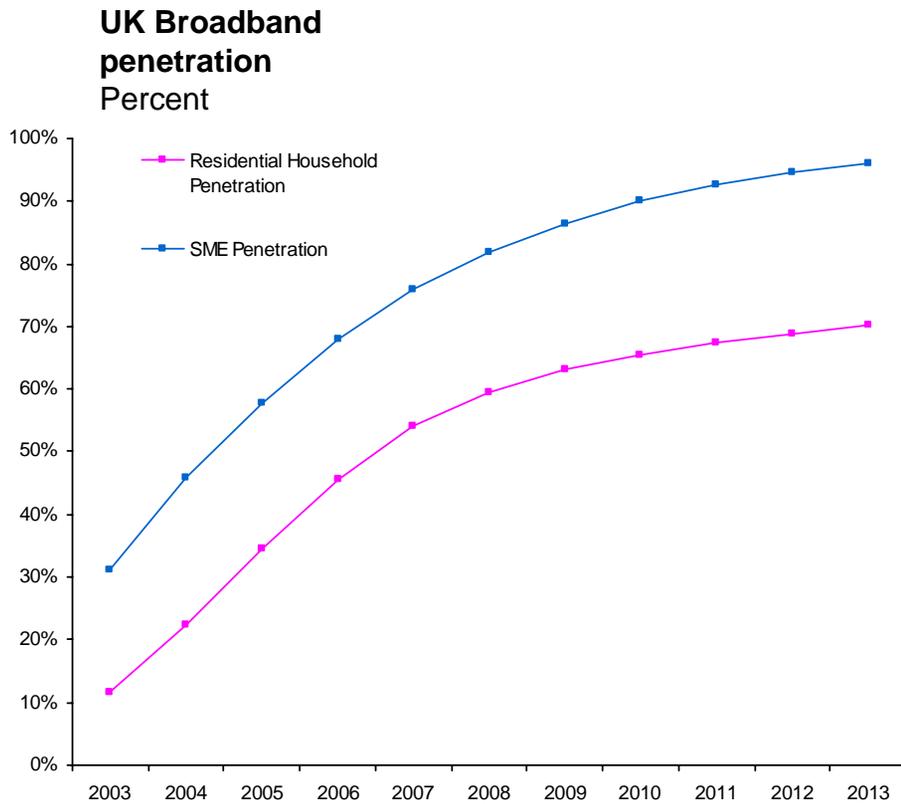
Source: (2002 & 2003) Ofcom, PCCW analysis, (2004) PCCW forecast

NOTES:

4Q 2003 46K new broadband subscribers per week – source Ofcom

1Q 2004 BT announces 45K ADSL orders per week

...and we expect this momentum to continue



10 million new subscribers over the next five years

Source: PCCW forecast



Our Wireless Broadband has a very attractive customer proposition

- Rapid Deployment via Wireless Broadband
- Non Line of Sight
- Easy to self install CPE device (buy off the shelf)...no “truck roll”
- No external antenna in most cases
- Broadband access as good or better than current offerings
- Lower price than current offerings
(economically supportable due to lower infrastructure costs of using wireless)
- A second phase offering VoIP
- Introduce limited mobility in Local Area via bundling with 802.11
- Home/Office/Geographic Portability
- Backed by a first class International Operator with First Class Customer Service and experience in broadband services

Building on the experience of 700,000 Hong Kong broadband subscribers

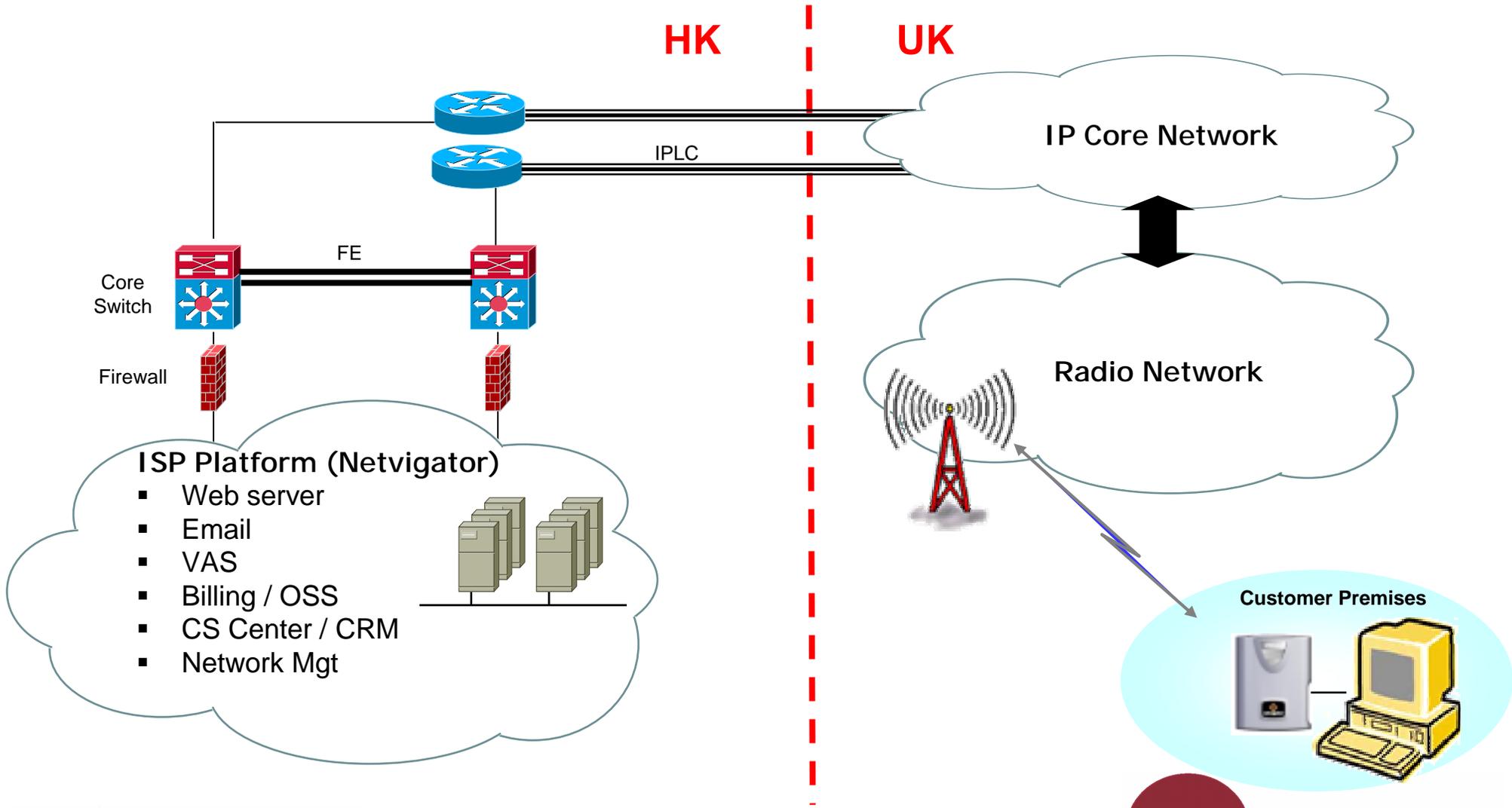
netvigator.com

The screenshot shows the netvigator.com homepage with a navigation menu on the left, a central banner for 'netmail', and several promotional tiles for services like 'A Totally New TV Experience', 'Disney', and 'Technology Express'. The footer includes the PCCW logo and copyright information.

nowbroadbandtv.com

The screenshot shows the nowbroadbandtv.com website with a large advertisement for 'The World Class Golf Channel' on Channel 91. The ad features a golfer and text promoting a 'German Cup Semi Final' match. Navigation links like 'nowChannels', 'nowSchedule', and 'nowServices' are visible at the top.

Hong Kong providing back office support services enabling quality whilst reducing time to market



Modem Products

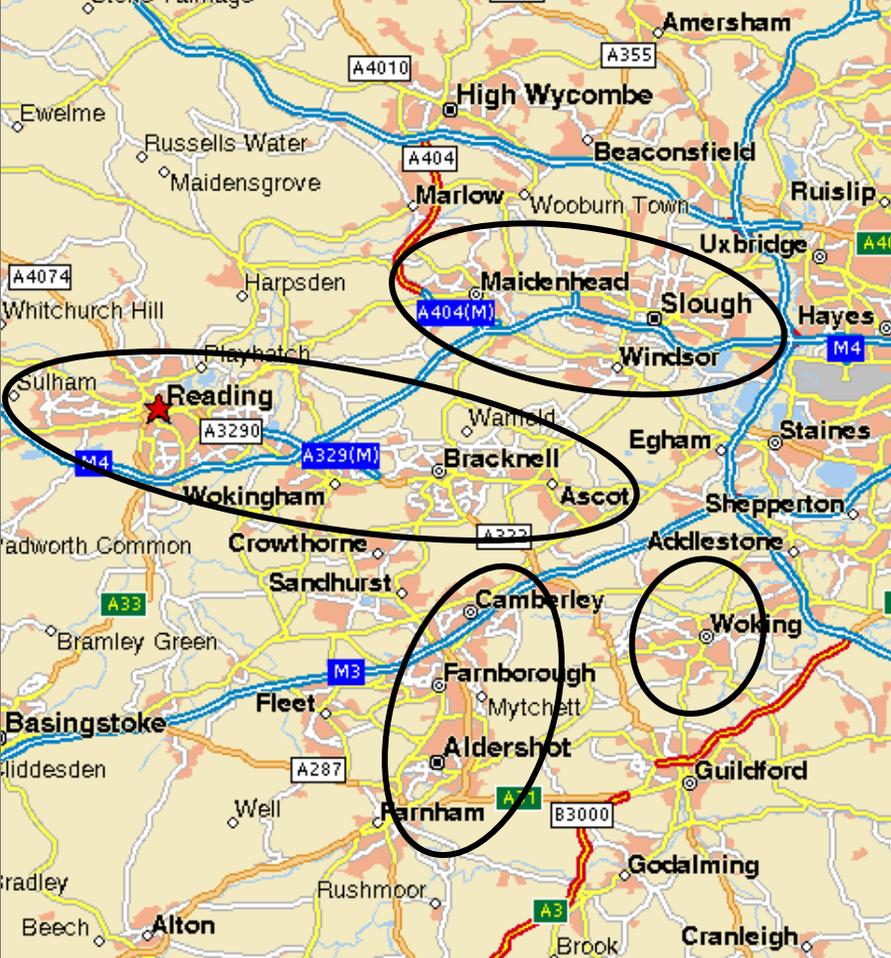


3.4GHz Modem



PCMCIA

Phase 1 initial public service launch in Thames Valley area took place on May 6th 2004

Comments	Soft Launch Area
<ul style="list-style-type: none">▪ 4 Distinct Areas<ul style="list-style-type: none">- Maidenhead, Slough- Reading, Bracknell- Farnborough- Woking ▪ 32 sites providing<ul style="list-style-type: none">- 512Kbps/1Mbps service to coverage area ▪ Out of Box (In-building) coverage<ul style="list-style-type: none">- 280,000 households	

The benefits that wireless broadband provides are unique and compelling



No physical connections means it is

- Simple
- Immediate
- Flexible

We can own a consumers first experience of broadband



Live experience reduces the fear of complication



Service provisioning is immediate

- Take home from point of sale
- Delivery within 24 hours from web ordering
- 3 minutes installation
- Excellent customer support

We make broadband easy



Demo-mobiles extending the reach of customer experience



Easy to Experience

Easy to Buy

Easy to Activate

PCCW fixed wireless access business model

- ❑ **Cost effective broadband access offering to residential and SME users nationwide with the following components:**
 - ❑ **Offering:**
 - ❑ Initially offering fixed wireless access as ADSL substitution
 - ❑ Following with VoIP when ready
 - ❑ Limited mobility in Local Area via bundling with 802.11
 - ❑ **Target Customers**
 - ❑ High-usage residual users
 - ❑ SOHO/SMEs who have narrowband access today
 - ❑ **Pricing at discount to BT/Cable operators**
 - ❑ **Technology**
 - ❑ Use Non-Line-Of-Sight wireless 3.4 GHz technology

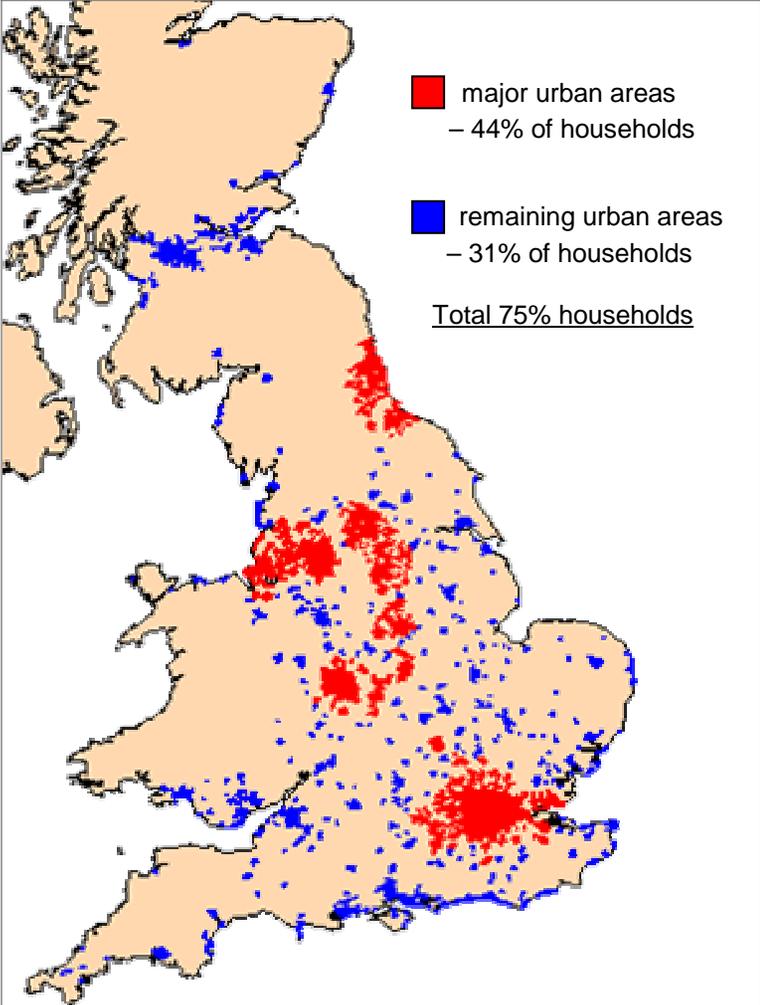
why are we different



installed in just 3 minutes
portable in your home
doesn't need a phone line
great value for money
we let you try free for one month



Planning for a rapid national rollout up to 75% of the UK population within two years.

Target Urban Areas	Comments
 <p>■ major urban areas – 44% of households</p> <p>■ remaining urban areas – 31% of households</p> <p><u>Total 75% households</u></p>	<ul style="list-style-type: none">• Coverage<ul style="list-style-type: none">• Major urban areas and next most densely populated urban conurbations totaling up to 75% of UK households• Sites<ul style="list-style-type: none">• Over 2,200 (6,600 base stations)• Typically 7,000 – 9,000 households covered per site• Rollout<ul style="list-style-type: none">• A large coverage area at a fast rollout rate gives scale efficiencies & volume discounts• A rapid rollout of sites is optimal• Rollout over 18-24 months achieving up to 75% coverage by Q1 2006

UK Broadband Netvigator Press Launch Slides

6th May 2004

Netvigator broadband

thursday

6 may 2004



how did we ever live without
the internet



Internet =

education

access

shopping

entertainment

broadband in the uk today



- only 11% of uk homes on broadband
- mainly available through telephone & cable lines
- poor connections
- uk broadband uptake is accelerating but still not fast enough

demolishing the barriers

confusion

expense

poor customer service

delays in getting connected

complexity

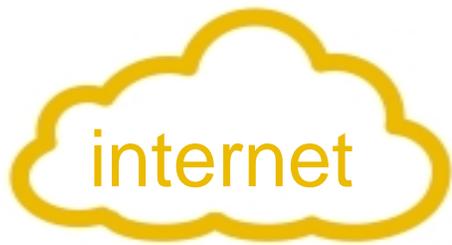
broadband as you've
never seen it before.
wireless.



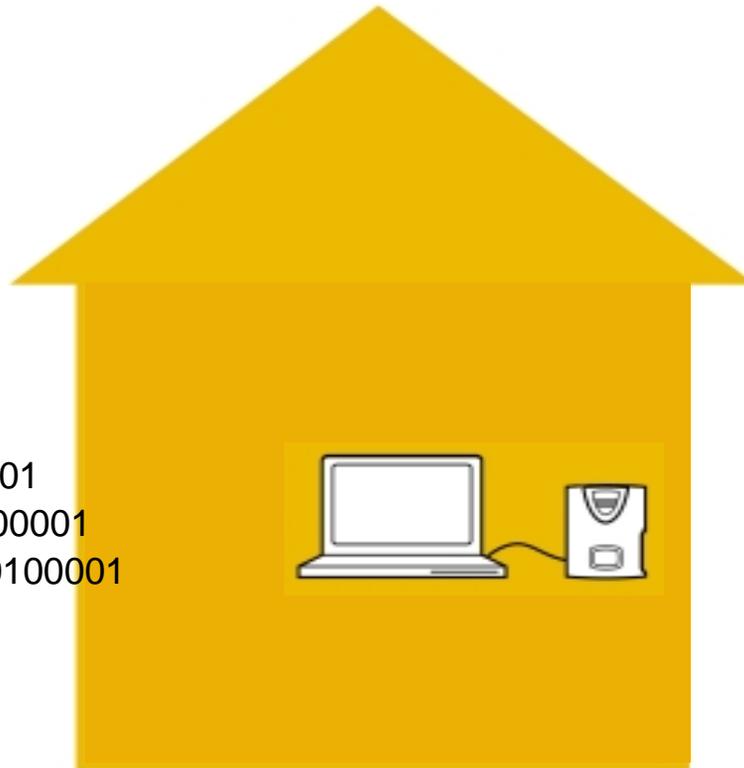
0800 056 9889 www.netvigator.co.uk



why are we different



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why are we different



installed in just 3 minutes
portable in your home
doesn't need a phone line
great value for money
we let you try free for one month



netvigator

is the easiest way

to get broadband

a market changing product - with proven expertise

subsidiary of PCCW

700,000 broadband customers

top Hong Kong isp

world class customer service

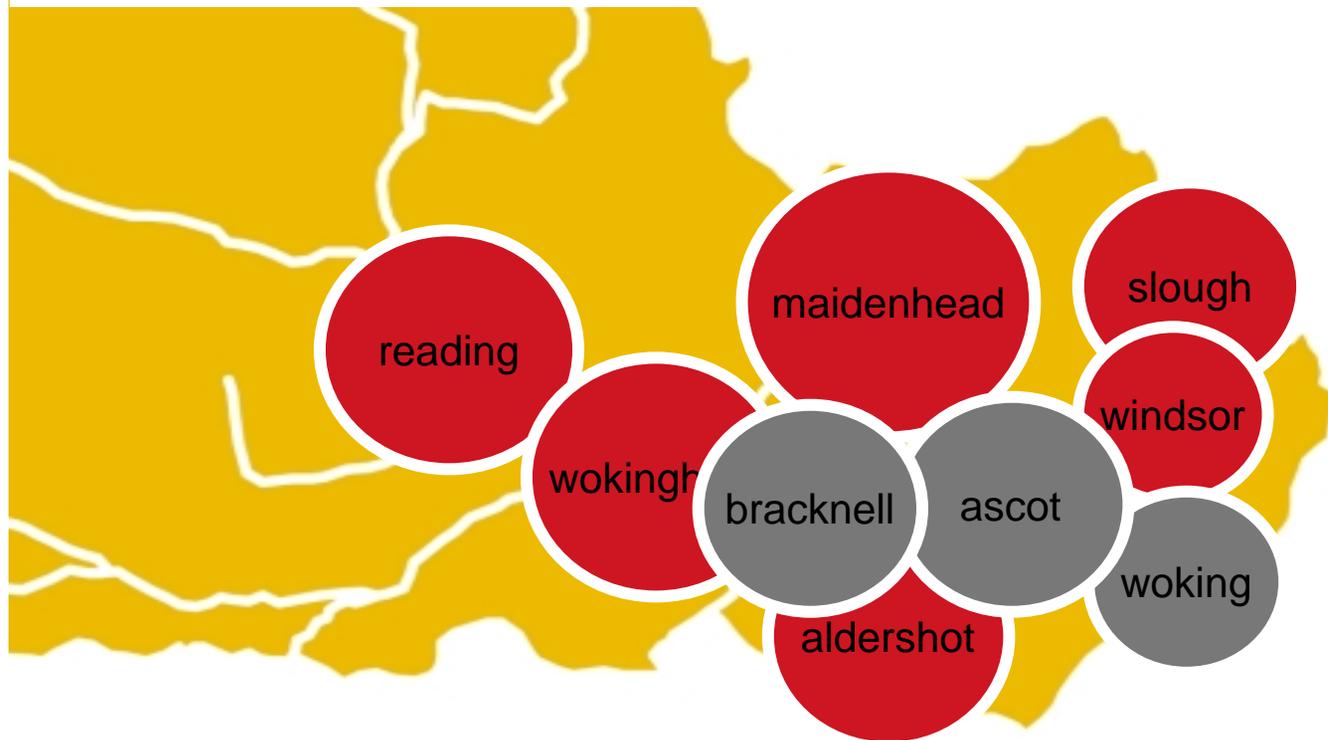
rated best internet service 5 years running



where is netvigator
available today



where is netvigator
available very soon



how do I buy **netvigator**



road shows

retailer



call centre
0800 056 9889



www.netvigator.co.uk

netvigator
is the easiest way
to get broadband

thank-you