

Media Release

JT sets out five-year growth strategy

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The JT Group (JTG) has announced its growth strategy for the next five years, setting out how it plans to grow the business, develop new opportunities for employees, and continue to be a valuable asset for the States of Jersey. The strategy runs from 2011 until 2016, and is the first delivered under the leadership of the new CEO, Graeme Millar.

The objectives of this strategy are threefold:

- To provide customers with world class Internet, mobile and fixed line services;
- To help secure the Island's prosperity from a knowledge-based economy; and
- To deliver an excellent and sustainable financial performance.

It covers a period when local competition and regulation will undoubtedly accelerate, and sets out five key areas in which JTG will be focussing its future activity:

1. Gigabit Isles

By 2016, JTG plans to deliver the world's fastest Internet access services to Jersey. The Group has already begun to achieve this target, and is now offering up to 4 Gigabit services for business customers.

JTG has also invested £11m in developing its Next Generation Network (NGN) which is already increasing the Internet speeds available to Islanders, with further improvements on the way. The NGN programme is set for completion by Easter 2012, at which point 98% of households are expected to be able to have at least 2Mb, and 65% able to receive up to 8Mb, broadband speeds. This will put Jersey in the region of 3 to 5 years ahead of the UK's Digital Britain programme, which seeks to provide UK households with up to 2 Mb.

This project forms part of a wider programme of network improvements where the Group is replacing its current copper network with fibre, which is capable of carrying higher speed data.

In terms of core network technology, this puts Jersey between ten and fifteen years ahead of the UK.

2. Creating a separate wholesale division

The days of being the only telecoms provider are now long gone. JTG has clearly established that it is "open for business" with other operators, and is already actively reselling its services to them, or making sure the right commercial arrangements can be put in place to enable access to its infrastructure. By focussing on developing and growing the wholesale division, JTG aims to provide its wholesale partners with even higher levels of service as well as access to an expanding range of products.

Media Release

3. Developing partnerships

JT has already built an excellent relationship with some of the world's major financial, IT and telecommunications organisations, such as BT and Telstra. Those partnerships have been developed through business originating in the Channel Islands, but there is now an opportunity to develop them further, both locally, and internationally, and broaden JTG's reach into many more jurisdictions. Similarly, JTG is working with Virtustream (a global leader in "Cloud" based IT services) and Optimal (a specialist in the hardware and software maintenance market) in order to provide innovative services and secure significant cost savings for major companies.

4. Acquisitions

The market within the Channel Islands is finite, and it is therefore natural for JTG to look further afield for new business opportunities, particularly since the Group has already established excellent partnerships with companies who operate on a global scale. Similarly, JTG has already successfully delivered growth through acquisitions – in 2002 JTG bought Atlas Telecom and developed it into Wave Telecom in Guernsey. JTG also purchased Newtel Guernsey in 2009 in order to further expand into the data hosting sector. JTG will therefore continue to seek out suitable opportunities to grow through acquisition, with the aim of maximising its expertise and its investment in infrastructure, increasing the breadth and depth of its capabilities and reducing the cost of doing business.

5. Commercial approach

The last two years have seen huge progress in JTG's transformation from its original cultural history as the States of Jersey Telecommunications Board to a modern commercially orientated communications business. But the commitment to continuing efficiency gains does not end there, and JTG will continue to work hard on its systems and processes to improve its productivity.

Future vision

CEO Graeme Millar, CEO of JT Group commented:

"In order to produce this strategy we have looked imaginatively at the growth opportunities open to us, and looked further than the boundaries of the Channel Islands. Fortunately, over the years we have invested considerably in Jersey's global connections in order to enable the development of the finance industry, and we can now use that connectivity and resilience to increase the scope and capabilities of the JT Group".

"Many of our business customers tell us that the service we deliver to them is of the highest standard; because of that, as they develop abroad, there are opportunities for us to grow with them. In this way we are exploiting the considerable skills and expertise which we have built up within the team at JTG, and expanding our potential market".

"The biggest threat to JT is standing still. We are now a leaner and more efficient organisation, and by following this strategy there is a huge opportunity for us to make the Channel Islands into a world class telecommunications hub for Europe, with all the benefit that will flow from that in terms

Media Release

of new opportunities for our staff, and greater economic return to the Islands. We are now well positioned both technically and commercially to make that happen”.

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