

The Ones to Watch on the European Internet in 2002

Leading Internet research and analysis company, Jupiter MMXI, predicts that in 2002 the Internet market will be dominated by developments in broadband Internet access, DTV and the music industry. Next year we can expect to see the following trends:

The number of broadband households in Europe will double during 2002

- The UK and Italy will see the most growth in the number of broadband households next year, with the number of households with broadband connections increasing threefold during 2002
- Belgium and Sweden will continue to lead the way with the highest proportion of homes in Europe with broadband connections – at 12% and 18% respectively
- Broadband in Europe won't reach critical mass (i.e. 15% of homes) until 2006
- Two-way satellite, fibre-to-the-home and fixed wireless access alternatives to broadband will start to make their mark in 2002

Nearly 25% of all European households will have DTV by the end of 2002

- The UK has the highest penetration of DTV in the world. By the end of 2002, 50% of British homes will have DTV
- Whilst DTV take-up will increase elsewhere in Europe, it will be slowest to take off in southern Europe, where less than 20% of homes in Spain and Italy will have DTV by the end of 2002
- Revenues from interactive services on TV will remain significantly lower than those from the PC Internet in 2002

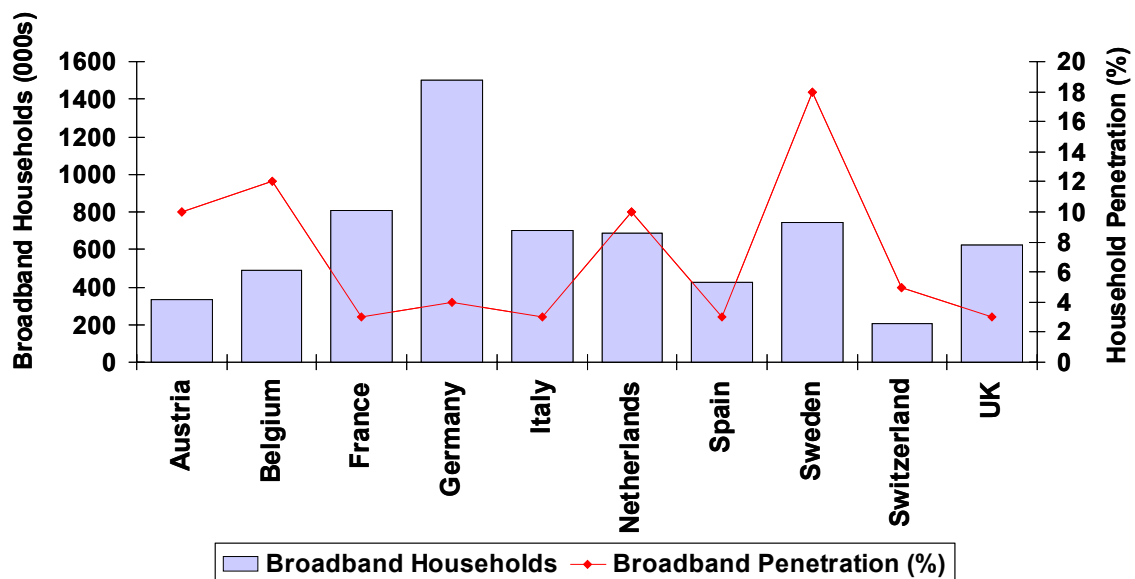
In Europe, online music companies Vitaminic and OD2 will prosper at the expense of the major record labels

- The next generation of Napster clones will continue to gain popular support but will face new technology orientated action from the record industry who will no longer rely solely on court cases to quash illegal file sharing

- The major record labels will continue to focus their attention on the US at the expense of Europe, which will both create opportunities for European music companies and fuel the growth of the grey market
- Portals and ISPs will promote their music channels and content heavily, as seen most recently with OD2's deal with Tiscali. By the end of 2002 Portals such as Yahoo, MSN and AOL will become key online music destinations.

Mark Mulligan, Data Analyst says: "Following a difficult year for the Internet economy, when companies went out of business and others consolidated, the key word became 'profit'. In 2001, Jupiter MMXI pointed to paid content, gambling online, auctions and outsourcing as some of the options for making and saving money through the Internet. In 2002 we expect to see technology playing an important part in the development of the market, as well as a continued increase in the number of consumers going onto the Internet."

European Broadband Households and Penetration **Year Ending 2002**



Source: Jupiter MMXI European Broadband Internet Access Model, 10/01

Please source all data to Jupiter MMXI

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About Jupiter MMXI

Jupiter MMXI was formed by the merger of MMXI in Europe, and Jupiter Communications in September 2000. The merger created the definitive source for market intelligence on the Internet. Jupiter MMXI provides a single source for an unrivalled combination of data, analysis and advice across Europe to help our clients profit from the Internet. Our services include measurement, analysis and advisory services.

About Jupiter MMXI Measurement

Jupiter MMXI is the only company whose Internet audience measurement services are based on one global methodology and rigorous standards. Jupiter MMXI is the industry standard for measuring the online behaviour of over 90% of the European, and global, Internet audience. We survey more than 100,000 Europeans on their Internet behaviour and attitudes annually. Our panels continuously measure the online usage patterns of over 50,000 Internet users in Europe from our panels in the UK, France, Germany, Sweden, Denmark, Spain, Italy, Switzerland, and Norway.

About Jupiter MMXI Analysis

The unbiased, thought-leading analysis, advice, and forecasts of Jupiter MMXI are based on our robust research methodology. Our industry expert analysts use proprietary consumer surveys, interview executives, and analyse audience measurement data. Our unrivalled global coverage is achieved by having specialists based locally in markets across Europe and the world. This allows us to provide the vital intelligence business managers need to make strategic decisions.