

Up until the arrival of the heavy snow, we were on target to complete Highworth by the 15th of January, having gone live with an area around the library on the 16th December. SCS, our installation and maintenance partner, are as you would expect snowed under right now so I am revising to end of January for the completion.

Usage

Currently we have 350 customers registered and last week had 141 live, of the live customers who are all on the free service (we won't launch the paid service until Highworth is complete and quality assessed) we are seeing about 50 users on line at one time and they downloaded 20Gbs and uploaded 5Gbs. We have not had one complaint from those who are able to connect.

Customer response

I know there is an element of negative around the company but just for balance here are a few positive comments we have received (Deleted to protect senders identity)

Web

We expect to have our website fully functioning by the end of January. This will include updated FAQ's more related to being live, a live "chat to us" facility and full customer support. We also hope to have a postcode checker live soon, which will enable the customer to see when we will be coming to their area. Of course website development is an ongoing process and it will continue to develop.

We will be offering our first (not sure how many yet) Highworth customers the opportunity to try for free our first applications, which will probably be Energy Monitoring and CCTV Home Security. This will allow us to make sure that our back end vendor management systems are all working well.

We will add more applications as we continue the rollout.

Price

We have been looking at what the competition are doing around price and, short term promotions apart, for an up to 20 Mbs service, Virgin are offering Broadband only for £ 25 per month and BT £ 21 but you have to have their line which is another £11, so £ 31 in all. There are a host of others but all much the same when you strip out the promotions.

We will launch with the basic up to 20 Mbs connectivity at £9.99 per month with a free router and offer our router for sale to those who only want to stay on the two hours. We are working on the price at the moment.

Concerns

We are aware of the genuine concerns over health and security from some and we have responded to all requests for answers to those concerns. Of course we will never make everyone happy but we have tried to and, like any responsible company, will keep the situation under review. We are working on putting together an official company

response and will send this to you as soon as we have it.

Local suppliers

We have a policy of using as many local companies as possible. As of today we are working with the following local companies, Etherlive for equipment, SCS for installation and maintenance, DMN for technical support to SCS and Emnico for business support. We are using Thring Townsend for legal issues, Haines Watts for finance and Heath Lambert for insurance. There are four other companies who are pitching to us right now and I expect our local base to grow, particularly in the area of applications.

Sales

Our sales plan is based on selling to around 5,000 homes out of the 88,000, 50% (44,000) of which are not online, and 1,100 of the c10,000 businesses. ***NB 1. Getting a 5,000 of the 44,000 is approx 11% maybe too ambitious in first 2 years?***

NB 2. $5,000 \times 9.99 \times 12 = \text{£}599,400$ (700k in year 2 offered as an operating profit on scrutiny papers). Will 1100 businesses make up the shortfall?

From the feedback to date I would hope to achieve this and more, particularly in the business arena. We also have applications which I am confident we will be able to sell to the Police, PCT and Education services to name but a few. All services we sell will be competitively sold in the open market. We have no preferred supplier status nor do we want one. We think our products will sell because they are the best quality, at the best price and produce the best results.

Any thoughts you have on our website enhancement would be greatly appreciated.

We are developing our community portal, which is where any customer is driven to when they log in for the first time. It will be where all those on the free service will go to each time they log in. The goal of the portal is to be able to convey local community messages. I will be sending out a design, which is in line with our own site, to all of the partners who have a tab. The portal should be ready by the time we have completed the rollout across the whole Borough. We are still targeting the end of March even though this is challenging. I will keep you informed of any changes. If you are interested in seeing the portal and giving your input then let me know and I will set up a link to it for you.

You will know that we launched with the www.getsignal.co.uk website but wanted the .com to protect us against others taking our traffic away. We have in the last few days secured it and www.getsignal.com will be live by the end of January, so whether you put .co.uk or .com you will go to our home page.

Product

As said above up until completion of Highworth we have only launched the free service. On completion of Highworth we will launch our connection only paid service and hopefully our SME business solutions.

We have had enquiries from 14 other Councils with eight being more serious than the rest.

I hope this update has been useful, please do let me know.

Rikki Hunt

CEO Digital City (UK) Ltd

Mobile: +447831 807796

E-Mail: rikki@getsignal.co.uk

Web: www.getsignal.co.uk