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SOLUTIONS

NWT Chamber of Commerce

Annual General Meeting
March 30-31, Fort Smith, NT

Paul Flaherty
President and CEO
Northwestel

Major Contributor to the Northern Economy

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- Northwestel is a significant contributor to the northern economy
- Direct Employment
 - 600 northern private sector jobs, payroll of approximately \$45 million
- Northwestel Spin-off Economic Impact
 - Planned capital construction program of \$38 million in 2009
 - Infrastructure upgrades
 - Service enhancements
 - Service expansion to new locations
 - Northern supplier spend of approximately \$30 million in 2008
 - Spending with Aboriginal companies - \$3 million per year
- Member and strong supporter of territorial and community Chambers of Commerce

Highlights of 2009 NWT Projects

- Expansion of High Speed Internet to Fort Liard
 - Fiber connection from highway to Fort Liard and introduction of ADSL in community
- Internet reliability improvements – Ft. Smith, Hay River, Yellowknife
 - Local access upgrades – replacing obsolete equipment
 - Upgrade to core Internet router infrastructure
 - Expansion of backbone capacity between the NWT and Edmonton by an additional 600 Mbps
- Internet backbone expansion to Inuvik
 - Complete by early April
 - Will boost data capabilities and Internet speeds
- Television and video
 - Launch of Video On Demand (VOD) in Yellowknife, providing customers with access to hundreds of movies “on demand”
 - Expansion of High Definition channel line-up to 50 channels by year-end
- Replacement of fiber optic network – Yellowknife to Rae
 - Damaged in 2007 and 2008 due to multiple lightning strikes

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- Northern Competitiveness
 - Telecommunications improves competitiveness of northern businesses
 - Better linkages with suppliers, customers
 - Marketing the NWT to the rest of the world
 - Ability to export knowledge, goods, services
- Education and Health
 - Key enabler for social advancement, ranging from delivery of education to improvements in health care
- Economic Diversification
 - Stimulates expansion of information economy and knowledge-based businesses
 - Consulting, software and web development, research, etc.
 - Potential to smooth out cyclical impacts of resource sector
- Environment
 - ICT is a green industry with low environmental impact

Compelling case to expand definition of infrastructure

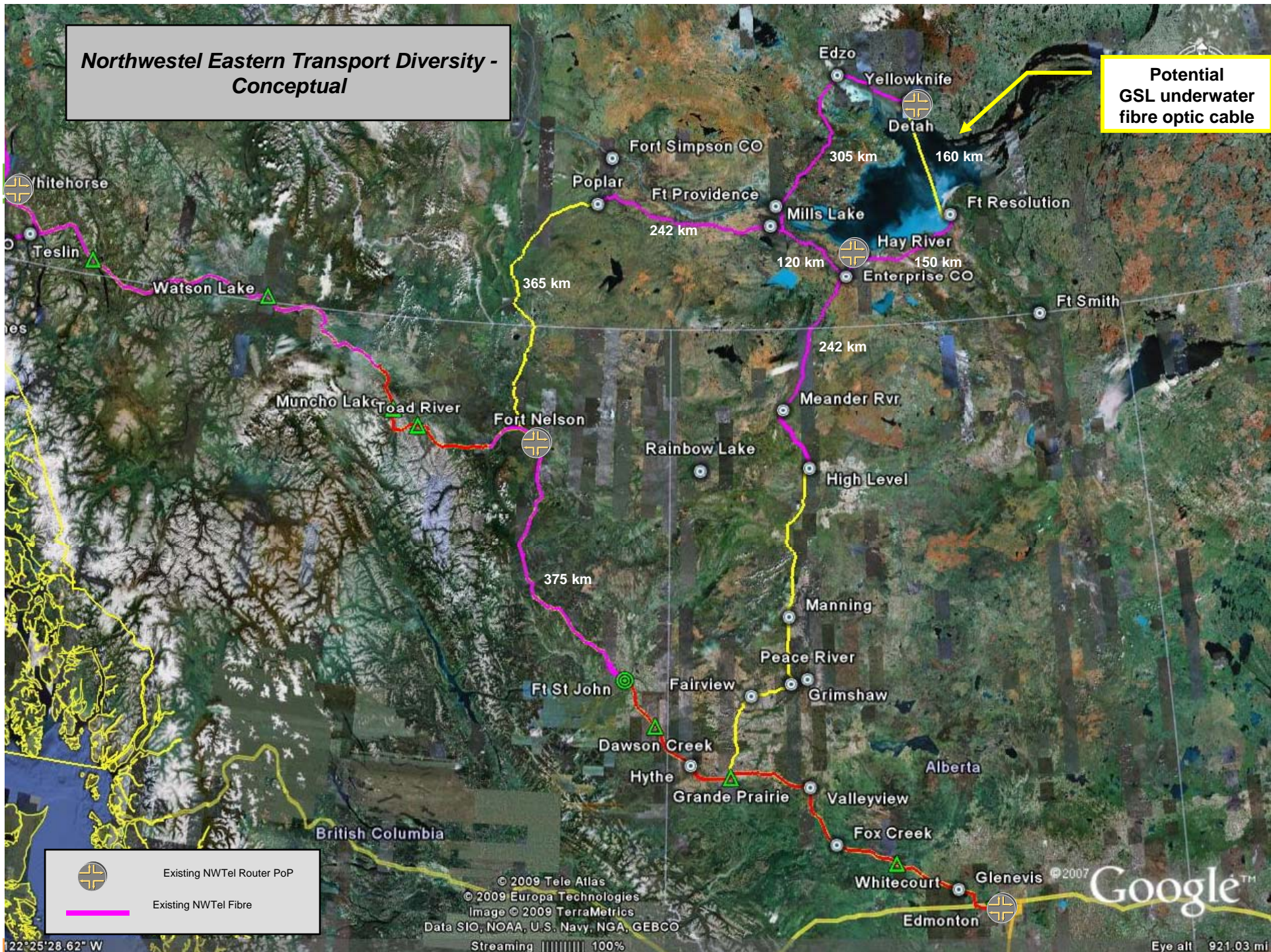
Investments in telecom and ICT are critical to improving NWT's economy and future competitiveness


- Northwestel has previously partnered with government and Aboriginal business on telecom and ICT infrastructure projects
 - Behchoko Infrastructure Improvements (2009)
 - Northwestel partnership with Tli Cho will bring enhanced calling features, Voicemail, and High Speed Internet to Behchoko this June
 - Latitude Wireless (2007)
 - Partnership between Dakwakada Development Corporation, Northwestel and Yukon Government
 - Project brought advanced cellular service to every community in the Yukon
 - Full 1Xdata service, including Blackberry access, available in all 17 communities
 - Ardicom Digital Communications (1997)
 - Joint venture between NASCo, ACL and Northwestel to deliver IP services to government and private sector customers
 - Have facilitated expansion of videoconferencing services across the NWT


- Fiber redundancy to southern Canada
 - Northwestel's primary fiber link connecting the NWT to Edmonton, AB will be completed in 2009
 - Northwest Territories still is susceptible to a single point of failure if there is a fiber cut
 - Strategic options:
 - Submarine cable across Great Slave Lake
 - Close 365 km fiber gap between Fort Liard and Fort Nelson
- High Speed Internet improvements to increase parity with southern Canada
 - Investments in local access to dramatically boost speeds
 - Up to 50 Mbps to the home is now possible (VDSL, DOCSIS 3.0)
- Cellular expansion to NWT communities
 - Over 20 communities without access to cellular technology
- Community / regional 911 service
 - Improvements to public safety
 - Alternatives
 - Enhanced 911 (automatically provides caller location)
 - Basic 911 service (emergency services coordination)

Northwestel Eastern Transport Diversity - Conceptual

Potential
GSL underwater
fibre optic cable



 Existing NWTel Router PoP

 Existing NWTel Fibre

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Data SIO, NOAA, U.S. Navy, NGA, GEBCO
Streaming 100%

Google™

122°25'28.62" W

Eye alt 921.03 mi

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- Renewed focus on small business customers
 - Developing bundles and services that help small businesses become more competitive
- Enhancing value and reliability of Internet services
- Improving accessibility
 - One phone number recently launched for all services
- Marketing of conferencing services
 - Teleconferencing, videoconferencing and collaboration tools
 - Opportunity for northern business to reduce costs and improve effectiveness
- Next generation cellular