

2015: A YEAR IN REVIEW

In 2015, NTT Communications continued to progress along a path that it has followed with so much success in recent years, leading to an increasingly solid backbone network. The big talking points included fresh partnerships on 100G upgrades, the expansion of its presence and partnerships in Europe and Africa, and the gaining of a licence to launch network services in India.

The company announced German web-hosting provider and data-centre operator Hetzner Online as its first 100G customer in Europe last May, after beginning the cooperation in late 2014. A couple of years earlier, NTT Com had already broken new ground in the 100G arena by becoming the first to deploy the technology on a trans-Pacific submarine cable system connecting the US to Japan, via its 21,000km PC-1 network.

Furthermore, the company had already opened a PoP in Luxembourg built exclusively on 100G network links. The addition of customers and the surge in take-up of the technology in the second half of 2015 therefore represented new landmarks in the 100G journey.

The capacity of its global IP backbone also continued to grow, reaching fresh milestones in some of its intercontinental routes. The catalyst for this growth was the rising use of high-speed data services such as music and video streaming, leading to a rapidly increasing need for networks that can effectively handle this ramp-up – such as that of NTT Com.

MANY AVENUES FOR GROWTH

As capacity and demand for high-speed access grows, so NTT Com has carried on expanding in line with the needs of partners and customers to maintain a solid global presence.

With regard to further European expansion, NTT Com's purchase of an 86.7% stake in Germany-based European data-centre operator e-shelter last June was a significant deal to solidify the company's position at the heart of the region's data-centre market. The move gave NTT Com several data centres in Frankfurt and further sites in Berlin, Hamburg and Munich, in a country where it previously had a network but no data-centre locations. The target company also had sites in Austria and Switzerland, and operated more than 70,000 square metres

of server-room space.

Such a deal consolidates the increasingly strong position that NTT Com has established in Europe in recent years, with the acquisition increasing its data-centre space in the region from 19,500 square metres in four cities to 92,000 square metres in nine cities – close to a five-fold increase in area. It also follows the company's acquisition of an 85% stake in data-centre provider Gyron in the UK three years earlier and the opening of the Luxembourg PoP.

In addition, NTT Com struck a deal with Turk Telekom International (TTI) last May for the provision of wholesale IP transit services to meet the rising demand for TTI's internet, infrastructure and



wholesale services across its coverage area in Turkey, Central and Eastern Europe, the Caucasus and the Middle East. And NTT Com has more recently been chosen by CMC Networks, which operates an extensive pan-African network across 50 countries and infrastructure in the Middle East and Western Asia, to provide high-quality IP transit services in Europe.

Not only that, but NTT Com added a further PoP in Marseille, France, in a carrier-neutral Interxion facility as recently as November. This location represents a major strategic point for access to other areas of the world, as an interconnection hub for eight subsea cables that connect Europe to Africa, the Middle East and Asia.

And NTT Com has opened up its connectivity options in Africa through a partnership with pan-African network provider Workonline Communications for the supply of enhanced IP connectivity

services in the continent. The move will enable NTT Com to provide these services in areas that it could not previously access, especially in metro locations in sub-Saharan Africa.

THE INDIAN QUEST

NTT Com has also sought to expand its network services in further markets that it sees as promising for the future, through both organic growth and acquisitions. In December, the company's new subsidiary in India gained a national long-distance licence to allow it to launch domestic network services. It is combining this with the managed-hosting and cloud services provided by Netmagic, another subsidiary that owns nine data centres across India and in which NTT Com acquired a 74% stake in early 2012.

The two business together will enable NTT Com to provide a broad range of services for businesses, meeting its ethos as a company that offers all flavours of ICT services to its partners and customers. And the award of the new licence comes mere weeks after Netmagic opened one of India's largest data centres in Mumbai, with 27,000 square metres of floor space. All these moves mean that NTT Com is well placed to make the most of the growing opportunity in that country.

And the company is certainly not neglecting to continue expanding its services where it sees the chance to capitalise in Asia. In the last six months alone, it has agreed to acquire Indonesian data centre provider Cyber CSF, partnered with PLDT to provide data-centre services in the Philippines, and launched a new high-quality data centre in Bangkok, Thailand.

Michael Wheeler, executive vice president of the NTT Communications Global IP Network business unit at NTT America, says Indonesia is a market that has grown beyond all expectations for the company over time – so the new acquisition should further bolster its position there. A number of local challenges have, in contrast, made Thailand a bit slower, but the extra presence there should help to support growth going forward.

In all, these broad approaches to the market and perseverance with strengthening its network over time mean that NTT Com continues to present itself as a great partner for wholesale customers to boost their offerings.