



Serving Southeastern Indiana

- ***Ripley, Franklin, Decatur, & Dearborn Counties***
- ***Estimated Homes Passed = 11,453***
- ***Homes Serviced = 7,995***

Sunman



Batesville



Greensburg





Access Threats - Cellular & VoIP

- Solution 1: Unlimited LD Plan
Residential Only - \$44.95**
- Solution 2: YOU Pick Bundles
Residential Only – Price Varies**

YOUPICK Bundles



LOCAL PHONE

Unlimited Local Calling
Call Waiting + Caller ID



UNLIMITED LONG DISTANCE

Unlimited Calling to USA & Canada
with up to 5 Calling Features



HIGH SPEED INTERNET

Lightning Fast Speeds Available



TV

Basic Package
Over 60 Popular Channels + Locals



CELLULAR

300 Anytime Minutes
3,000 Night (7pm) & Weekend Minutes
Unlimited Domestic LD



SECURITY MONITORING

24 Hour Service

YOUPICK 3 = \$79.95 /month

YOUPICK 4 = \$99.95 /month

YOUPICK 5 = \$119.95 /month

YOUPICK 6 = \$139.95 /month

SIGN UP TODAY & SAVE MORE!

PICK YOUR BUNDLE TODAY, AND SAVE MORE ON NEW SERVICE INSTALLATION FEES! DON'T LET THIS LIMITED TIME OFFER PASS YOU BY!

- ▶ LOCAL PHONE ————— FREE INSTALLATION!
- ▶ UNLIMITED LD ————— FREE INSTALLATION!
- ▶ HIGH SPEED INTERNET ————— \$30 DISCOUNT ON INSTALL!
- ▶ TV / VIDEO ————— FREE INSTALLATION!
- ▶ CELLULAR ————— FIRST 3 MONTHS OF SERVICE FREE!*
- ▶ SECURITY MONITORING ————— \$50 DISCOUNT ON SYSTEM INSTALL!

Existing customers with 3 or more YOUPICK services must call ETC to activate a YOUPICK Bundle plan. \$20 fee applies for existing customer bundle conversions. Offer ends December 31, 2007. *Does not include any additional feature fees, overage charges or taxes.

YOU PICK Bundles



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SECURITY MONITORING
24 Hour Service

Finally, a telecommunications service bundle designed specifically with **you** in mind. Now you can pick only the services that you want to bundle for **big savings** on one low monthly bill. Your **options** are endless, with add-ons and upgrades available to meet any of your **communication, entertainment, and information** service needs.

YOU PICK 3 = \$79.95 /month

YOU PICK 4 = \$99.95 /month

YOU PICK 5 = \$119.95 /month

YOU PICK 6 = \$139.95 /month

YOUPICK Bundles

Why.

- Attract **NEW** customers
- Entice existing customers to **UPGRADE**
- Eliminate **CHURN**
- **COMPETE** with major telecoms

How.

- Menu style bundles
- Set competitive price points
- Heavy marketing saturation
- **MAKE IT SIMPLE**

Where.

- All ETC Markets throughout SE Indiana

Pick the services **you** want.
Save more on your monthly bill.

YOUPICK Bundles

PHONE
LONG DIST
INTERNET
CELLULAR
CABLE TV
SECURITY

Enhanced
Telecommunications
Corporation

Get connected • www.etczone.com • (866) ETC-4YOU

2008 Newspaper Advertisement



Revenue Impact

July 1, 2007	Oct 1, 2008
500 Bundle Subs	2,552 Bundle Subs

Plan	% Rate
You Pick 3	66%
You Pick 4	26%
You Pick 5	6%
You Pick 6	2%

Criteria	Prior To	July 1st	Oct 1st
Average # of Services/Sub	2	3	3.75
Average Revenue/Sub	\$60	\$80	\$95



Service Penetrations

Service	ILEC	CLEC 1	CLEC 2
Local Phone	99%	99%	95%
DSL/High Speed	87%	92%	89%
Unlimited LD	70%	27%	18%
Video	50%	93%	91%
Cellular	27%	19%	25%
Security Monitoring	2%	3%	1%
Fixed Wireless	N/A	N/A	2%



What We Learned

- Bundles Increased Cellular, Video, and High Speed Internet Penetration
- Periodic Discounted Installation Specials = High Volume Take Rates
- Must be Sensitive to CSR & Tech Manpower + Cabinet Availability
- Average 200 Bundle Subs Per Month (until recent, now 165)
- Majority of Bundle Subs are New or Upgrades
- Incidents of Confusion Regarding 1st Bundle Bill
- Business Bundle – On Hold (until recent, now being researched & possibly developed)
- Competitors are Reacting
- **Residential Customers are VERY HAPPY!**
- **ETC Bundles are a Big Success! ETC is VERY HAPPY!**