



Riding the Profitable Off-Portal Content Wave

June 26th 2007, Alexander Drozdov, Comverse

Comverse Reach



500+ Service Operators
(Wireless, Cable, Fixed and Content Providers)

Customers



1 Billion Subscribers
124 Countries

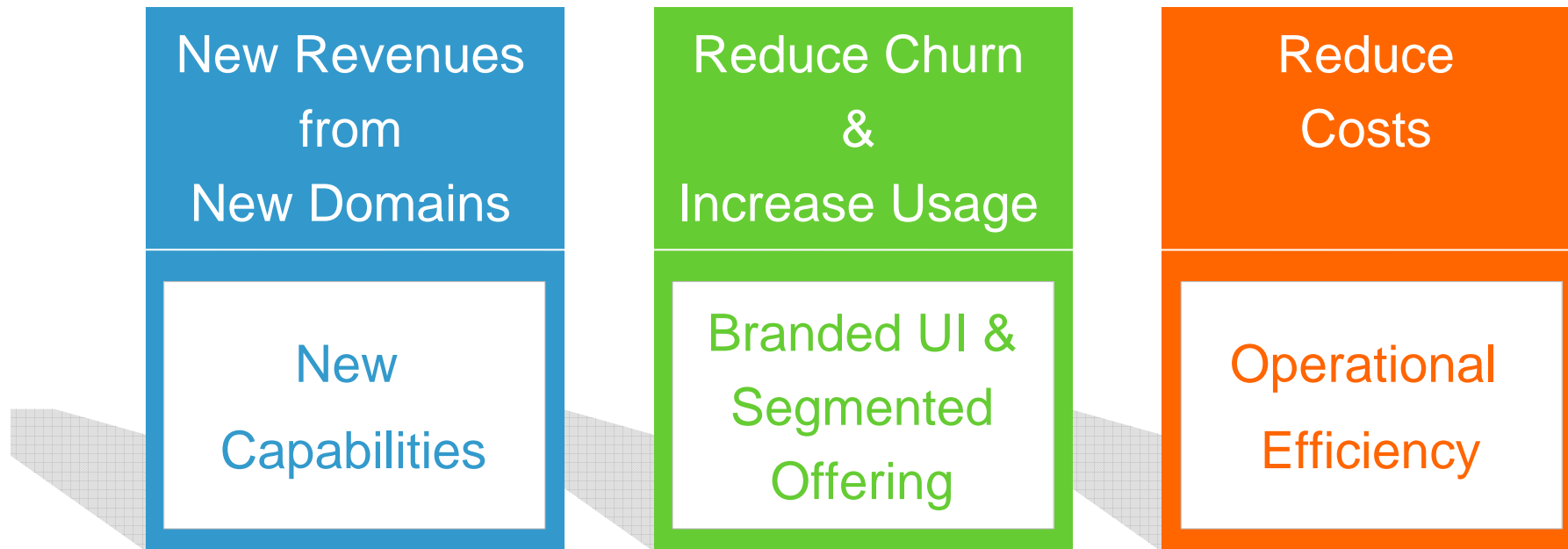
End Users

Top Worldwide Customers*



* Partial list only

The Comverse Offering: Meeting Operator's Challenges



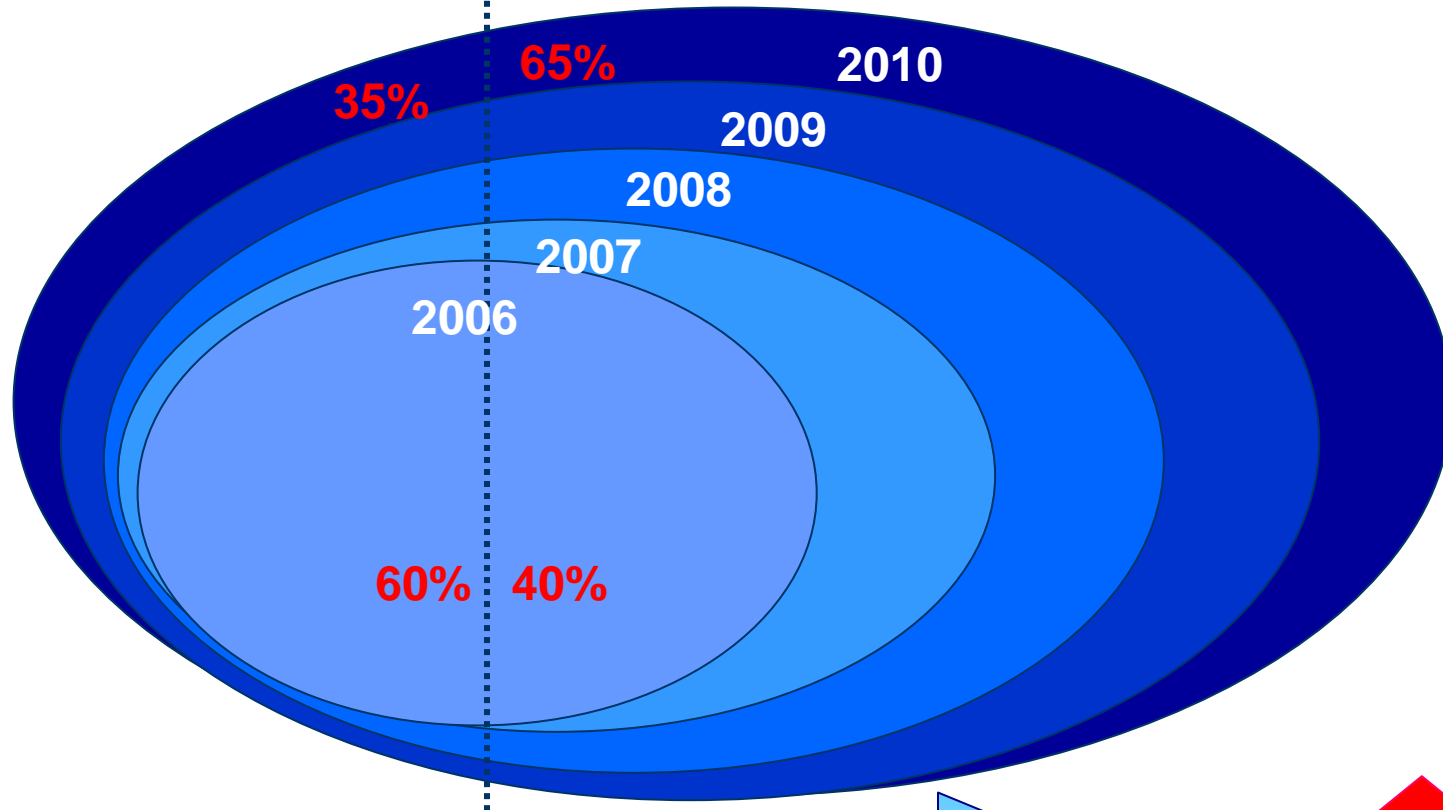
Comverse Total Communication Environment

More **ARPU** More **Loyalty** Less **Cost**

Market Trend: Revenues flow Off Portal

On Portal

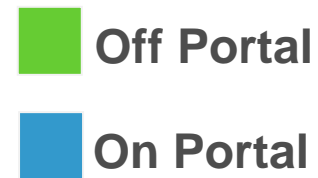
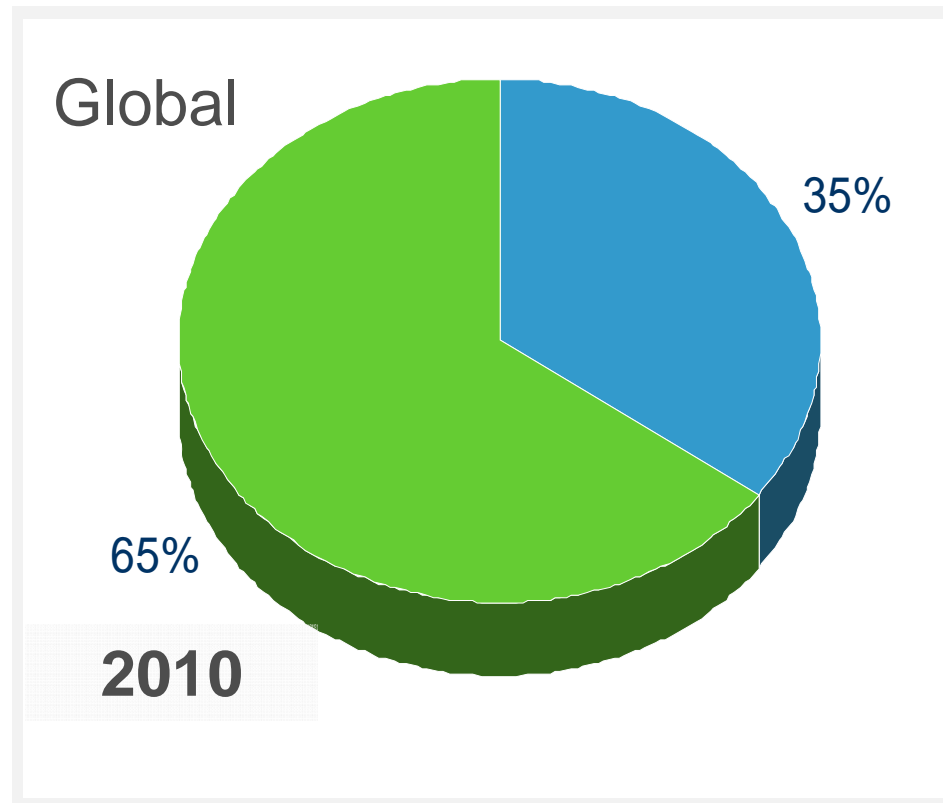
Off Portal



Internet apps. going Mobile, new HS, IP-zation, Standardization
Data rates cheapening/going flat, User behavior imitating Internet

2010 -
Bit
Pipe?

Market Trend: Revenues flow Off Portal



- Internet apps. going mobile
- New HS with improved capabilities
- IP-zation
- Standardization
- Data rates going flat
- User behavior imitating Internet



Global Transport revenues

Source: strategy analytics Jan 06

But Off Portal Also Opens New Opportunities

Greater Benefits

- Wider variety and wealth of content creates greater **traffic** and **content consumption** – higher revenues for all parties
- **Contribution to operator's brand** – customer oriented

Reduced Costs

- Reduced operational costs for operators
 - Content related expenses (content purchase)
 - Adaptation of content costs
 - Promotion expenses

The Mobile Content Value Chain



Operators Challenges -

Maintain a double strategy - On & Off portal

- **On Portal**

- Enrich content offering, add new content services (e.g.: Multimedia RBT), improve user experience

- **Off-Portal**

- Open On portal services to C
- Accommodate consumer experience, pricing schemes
- Leverage core assets
- Facilitate a personalized experience

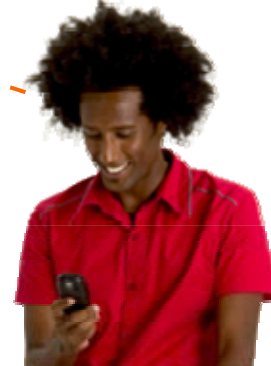
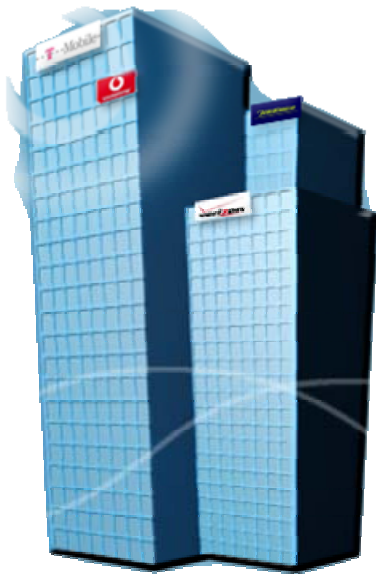


Opportunity
for higher
revenues

The Need For Content Adaptation

Operators:

- Realize Mobile Internet revenue potential



Subscribers

- Enjoy the **wealth of Internet**
- Fun and fast user experience
- Easy navigation.



Content providers

- Capitalize on mobile revenues
- Interaction with target audiences
- Extend presence / offering

A Different Mobile Web Experience

Without CA solution



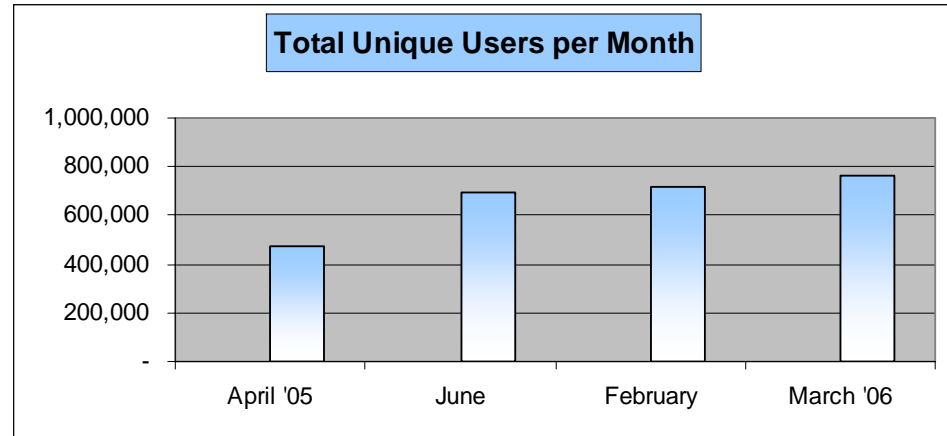
Using CA automatic engine



Content Adaptation Increases Service Penetration

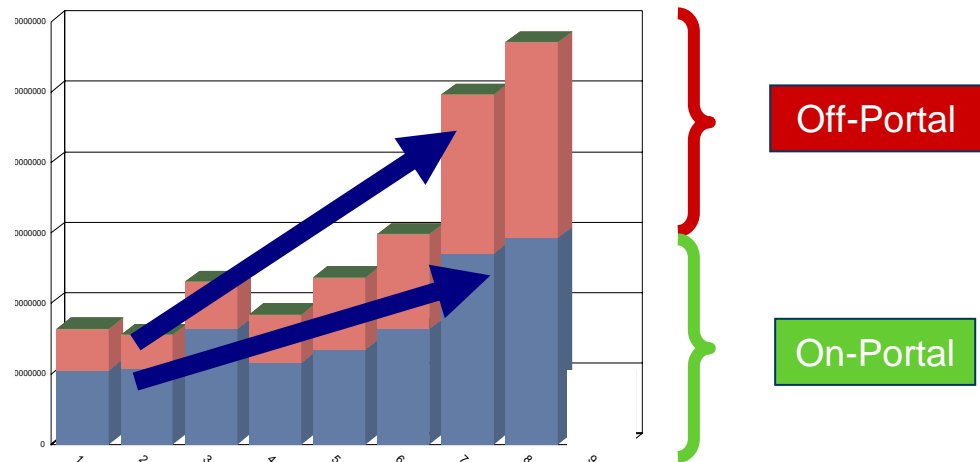
Case 1- Asia – new users

- Within 11 months, an increase of 60% has been noted in mobile Web surfing users



Case 2- MEA – New Traffic

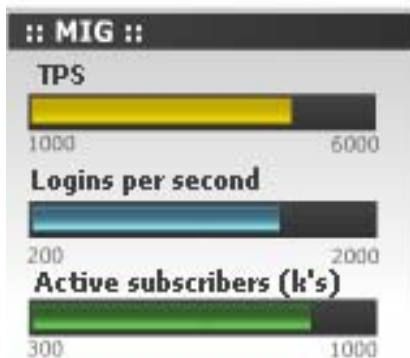
- Exponential traffic growth both On & Off Portal
- No cannibalization – content adaptation increased On portal traffic as well



Comverse Multi-Service Mobile Internet Gateway (MIG)



An innovative Gateway platform designed to enrich, manage and charge user data activity



Open Ringback Tone to Off Deck: The Challenge




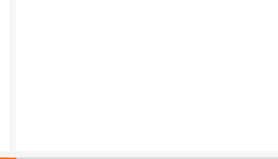
On one hand, RBT market is “ready to happen”:

- Most operators have already a Ringback Tones (RBT) offering
- Analysts are forecasting RBT **market growth in terms of penetration & revenues**
- Mobile content D2C players are looking for **new sources of revenue**

On the other hand, there are obstacles on the way:

- Relatively low service awareness – penetration & usage potential are not fully materialized
- Operators can't focus their communication efforts on a single service
- Mobile content D2C can't promote RBT since it is network service

Direct correlation between RBT awareness & penetration

	Germany	US	Spain	UK	France
Awareness "Heard of service but never subscribed"	13%	34%	54%	11%	26%
					
Penetration	1.2%	3.9%	10%	0.7%	2.5%

Off deck channels should be utilized to boost RBT awareness & penetration

Sources: Informa & M:Metrics, February 2007

Comverse presentation, Mobile Content World, 2007

Germany – Case Study

- Jamba
- Integrat
- Single
- Ringtc
- Massiv
 - TV c
 - Billbo
 - Web banners with SMS based call to action

Jamba

FREIZEICHENTÖNE...
... LASS DEINE ANRUFER EINEN COOLEN SOUND HÖREN,
ANSTATT IMMER NUR TUUUT-TUUUT!

SENDE EINE SMS MIT

Monrose Shame FT1	Akon ft. Eminem Smack That FT8	Vibekingz ft. ... Like The Wind FT15
Disco Boys For You FT2	Bushido Sonnenbank Fla... FT9	Silbermond Das Beste FT16
Christina Agu... Hurt FT3	Gwen Stefanie Wind It Up FT10	The Game Let's Ride FT17
Justin Timber... My Love FT4	Nelly Furtado All Good Things ... FT11	Sportfreunde ... 54, 74, 90, 2010 FT18
Shakira Illegal FT5	Rihanna Unfaithful FT12	AC/DC TNT FT19
Sasha Coming Home	Scissor Sisters I Don't Feel Like ...	Die Fantastis... Tag Am Meer

RBT

Content sales doubled in just six months!

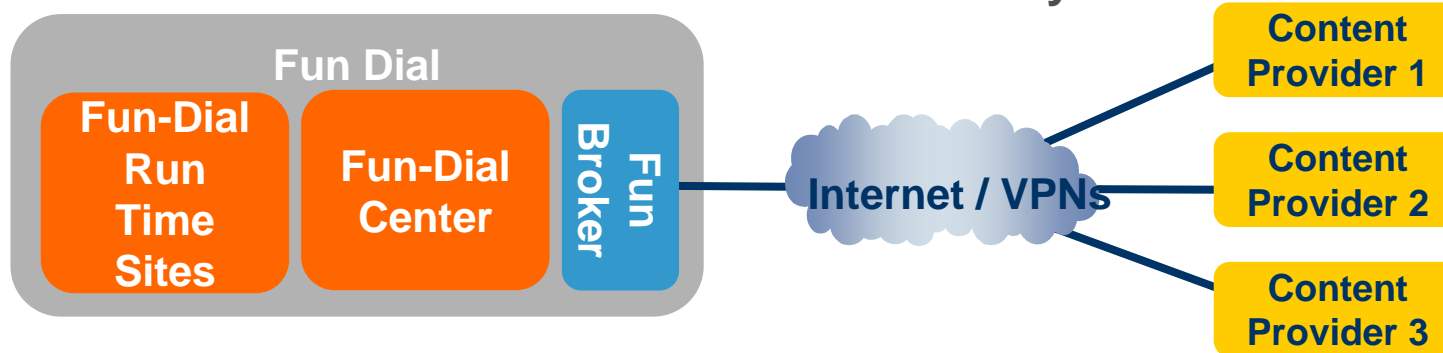
Jamba - TV campaign

Jamba→



Fun Dial Openness- Fun Broker

Fun Broker is an open platform connecting 3rd party content providers to a Fun Dial service in a secure and standard way



Service Benefits, Everyone Wins:

User	Operator	Content Provider
<ul style="list-style-type: none"> • More Simple & Intuitive - Ringtone like experience • More choice • More Exposure 	<ul style="list-style-type: none"> • Greater service exposure with less effort • Greater usage & revenues • Greater content offering • Faster TTM 	<ul style="list-style-type: none"> • New sources of revenue • Appealing content bundles



Thank You

www.comverse.com