New growing countries for Mobile Value Added Services

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About NETineo

- **Consultant company dedicated to mobile business**
  - strategy definition
  - local or international rollout

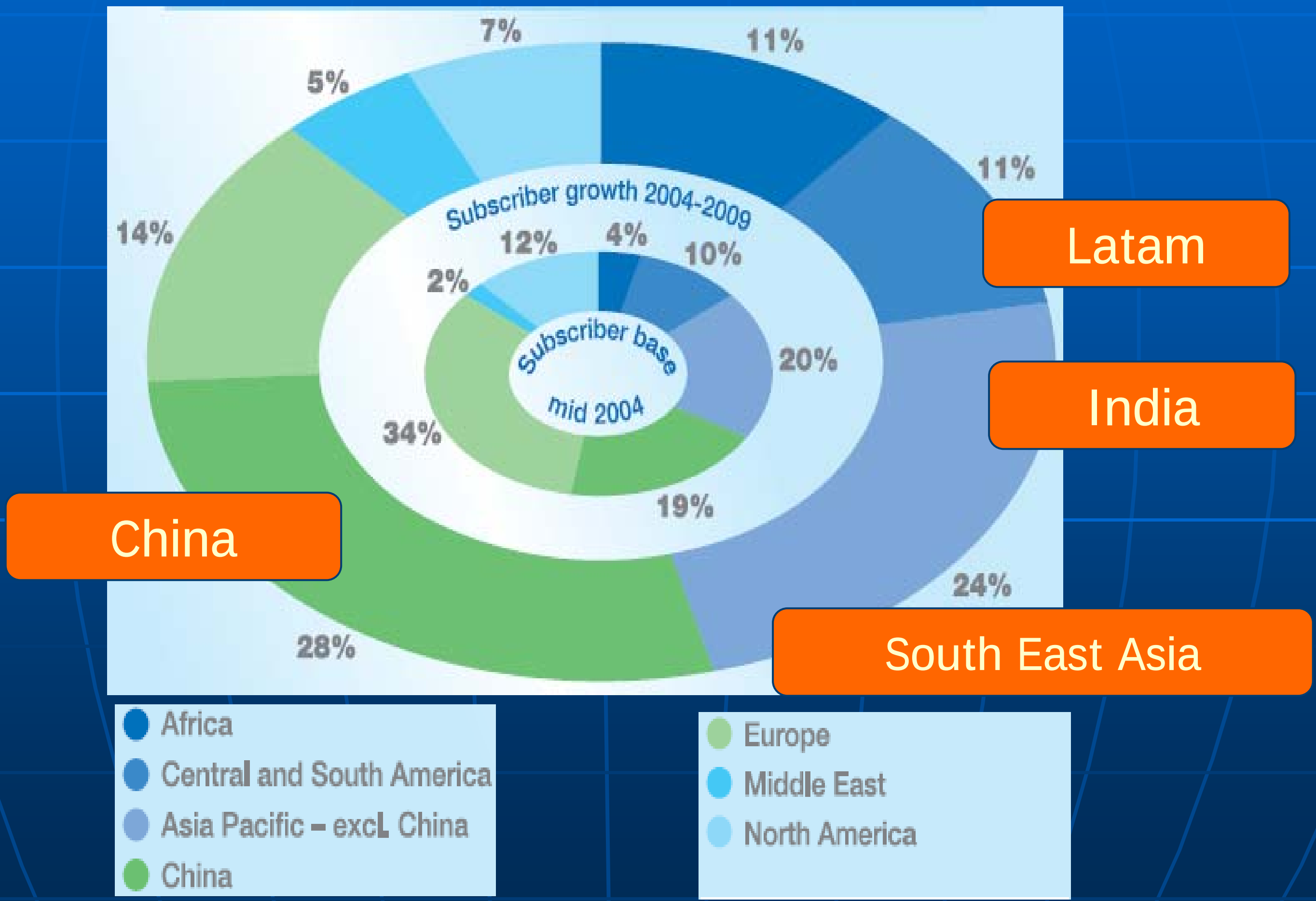
  → **What to launch**
  → **Where and When**
  → **How to manage**

Access	**Billing**	**Content**
Application	**Marketing**	

- **Local agent for some specific projects**

- **Having managed** (Netsize)
  → Europe US Latam Japan China Russia
  India South East Asia Australia
  → Google Jamba! Kodak DivX Yamaha Neopets
  Photobucket Tomonline Index Cellfish

The fastest growing mobile market



Launching China

China PRC	2005
Population (MM)	1300
Mobile users(MM)	358
Mobile penetration	27,5%

Taiwan	2005
Population (MM)	22,7
Mobile users(MM)	21,1
Mobile penetration	93%

Hong Kong	2005
Population (MM)	7,2
Mobile users(MM)	7,2
Mobile penetration	103%

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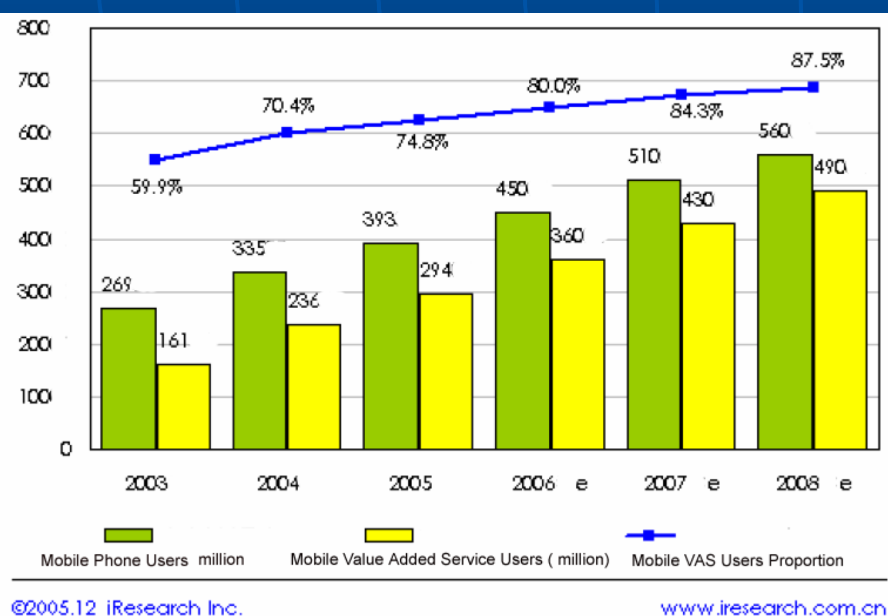
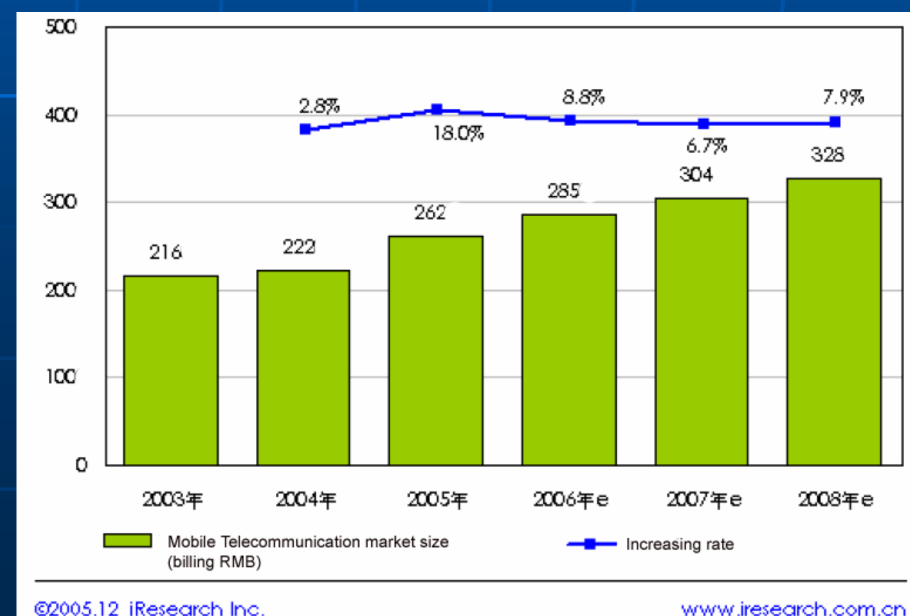
The largest market in the World

- Mobile subscribers : 430 million
- Mobile penetration : 33%
- Monthly growth : 5.69 million
- 2 operators : China Mobile, Unicom Mobile
- 32 provinces

MVAS > +80% penetration

Market growth = +7% per year





A few nationwide aggregators

- Billing
  - Premium MT : pay per download
  - WAP billing : subscription
- SMS short codes
  - Suffixing approach
  - Specific to each operator
  - Dedicated to 1 service provider for
    - All services
    - All price points
    - All billing methods
- 2 000 aggregators in 2006 and dramatic shrink
- Few aggregators
  - national with direct coverage
  - SMS, MMS, WAP & web + platform
  - Independent of a service/content provider (web portals, …)

Strict rules (extract)

- Forbidden
  - Politic issues
  - Gambling
  - Porno Content (light sexy content is OK)
- Language
  - Simplified Chinese (98.5% MVAS sites are in Chinese)
  - English (mostly for newspaper or education purpose)
  - Java Game: Chinese needed
- Hosting

Nature	Hosting Place
Web Site	China or Abroad
On-Portal Wap Site	Only China
Off-Portal Wap Site	China or Abroad

- Hot line needed for Premium services

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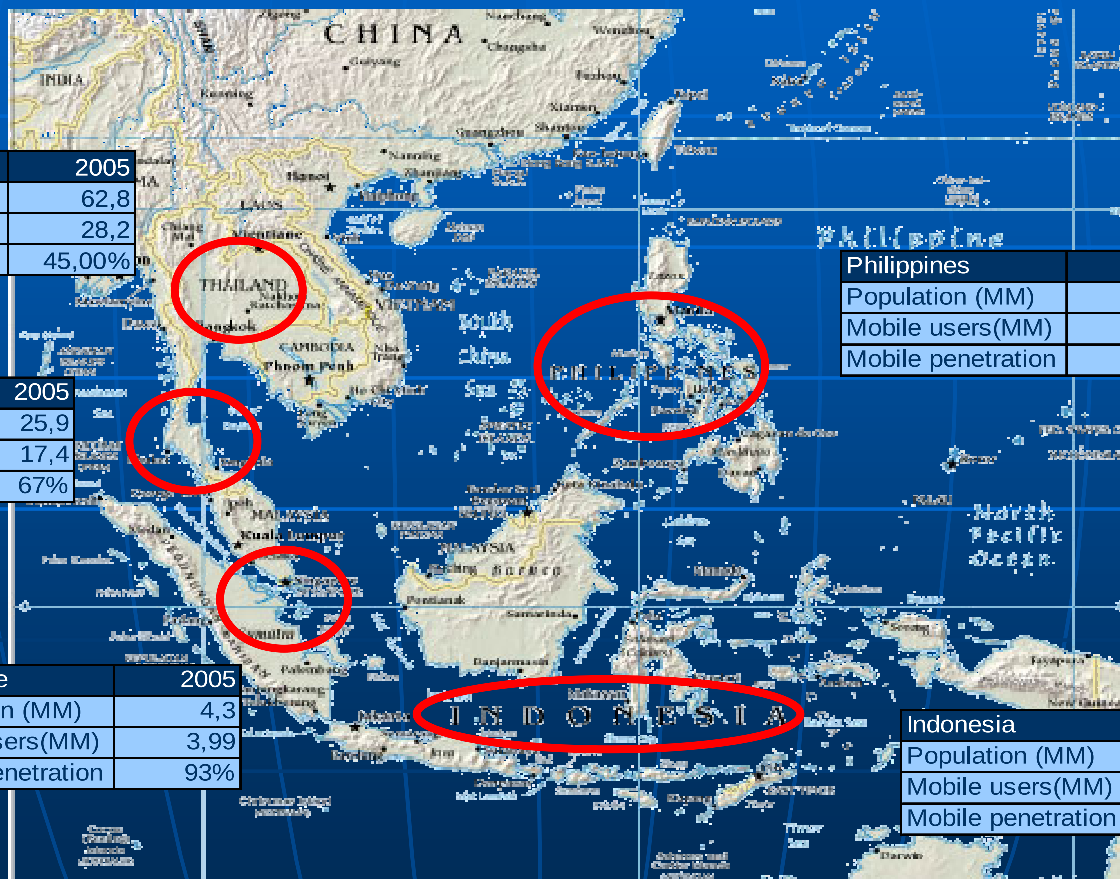
Launching South East Asia



Thailand	2005
Population (MM)	62,8
Mobile users(MM)	28,2
Mobile penetration	45,00%

Malaysia	2005
Population (MM)	25,9
Mobile users(MM)	17,4
Mobile penetration	67%

Philippines	2005
Population (MM)	85
Mobile users(MM)	35
Mobile penetration	40%

Singapore	2005
Population (MM)	4,3
Mobile users(MM)	3,99
Mobile penetration	93%

Indonesia	2005
Population (MM)	231
Mobile users(MM)	30,03
Mobile penetration	13%

Lot of growth to come

- Mobile subscribers : 137 million subscribers (20% of APAC)
- Monthly growth: 2 millions
- Mobile penetration
  - Singapore 106%
  - Brunei 90%
  - Malaysia 80%
  - Thailand 50%
  - Philippines 40%
  - Indonesia 19%
  - Vietnam 12%

Most players are still local

- SMS short codes validation
  - Shared : 2 weeks
  - Dedicated : 2 months
- Billing model available
  - Premium MT
  - WAP billing (partial)
- Price points: up to 3 $
- Revenue Share
  - Singapore up to 70%
  - Taiwan up to 80%
  - Hong-Kong up to 70%
  - Philippines 30%
  - Indonesia up to 65%
  - Thailand 50%
  - Malaysia 50%
- 3 aggregators with
  - Multinational connection (direct and indirect)
  - SMS, MMS (early stage for off-deck WAP)

Rules (extract)

- Forbidden
  - Adult content and political issues
  - Promotion / provisioning of gambling
  - Unlicensed content (Music, Games, Brands)
  - Violence, drug abuse incitation
- Language
  - Local mainly
- Operator validation needed per project
- Hotline
  - 24/7 hotline number in local language

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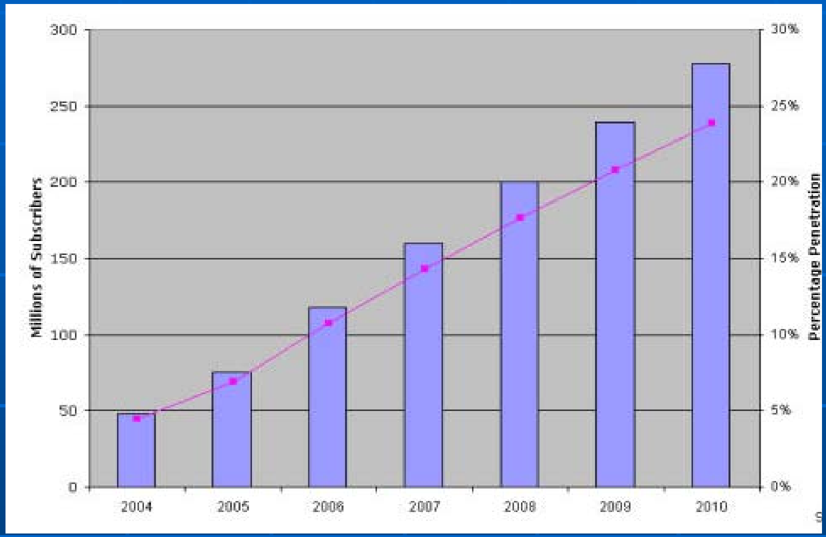
Lauching India

Only 25% penetration in 2010!



- Mobile subscribers : 94.5 million (3rd largest mobile market)
- Penetration rate : 8.59% !
- Monthly growth : 5.9 million (highest in the world)
- Messaging revenues : $ 1+ bn in 2007
- Technology : GSM (91.7%) & CDMA (8.3%)
- 11 operators : 9 GSM, 2 CDMA

Content Providers & Operators dominate

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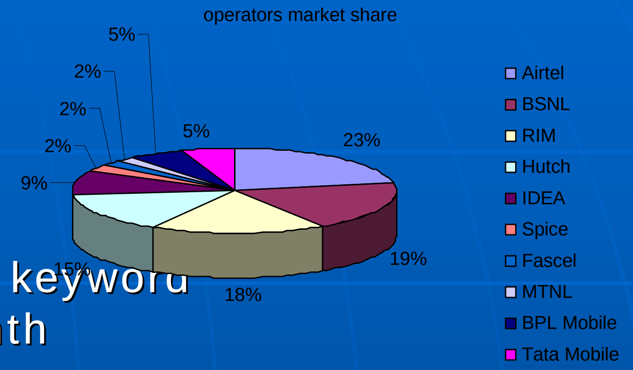

- Service language
  - English
- SMS short codes
  - Shared : after validation, operators allocate keyword
  - Dedicated : Possible if 5+ million SMS per month
- Operators billing
  - Premium MO : pay per download
  - Premium MT : specific price points
  - Subscription : case by case
  - WAP : mainly on deck
- Price points: up to 150 Rs 5 (=3.5 $)
- Revenue Share
  - 30% max on Premium
  - 50% on operators deck
- Few aggregators with
  - Direct connection to all operators
  - SMS, MMS, WAP & web + platform

Rules (extract)

- Forbidden
  - Gambling
  - Unsolicited push messages
    - If end-users subscribe to the service, then push messages can be sent
  - Adult content (light sexy content is OK)

- Advertising
  - Needs mention of
    - Service name
    - Pay per use or subscription
    - Cost of service
    - Hotline number

Launching Latam

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México 41.206
Telcel: 32.294 Movistar: 5.850
Iussacel: 1.620 Unefon: 1.442

Ecuador 4.844
Porta: 3.065
Movistar: 1.658
Alegro: 121

Colombia 15.630
Comcel: 9.174
Movistar: 4.756
OLA: 1.700

Venezuela 10.107
Movistar: 5.197
Movilnet: 3.405
Digitel TIM: 1.295
Infonet: 110
Digicel: 100

Surinam 247
Tele Sur: 247

Guyana 203
Guyana Telephone: 203

Brasil 75.318
Vivo: 28.446
TIM: 16.572
CLARO: 16.201
Oi: 8.050
Teleming: 4.214
BrT GSM: 1.412
CTBC: 340
Sercomtel: 83

Peru 4.458
Movistar: 3.058
TIM Peru: 1.400

Bolivia 1.727
Entel: 1.169
Telecel: 304
Viva: 254

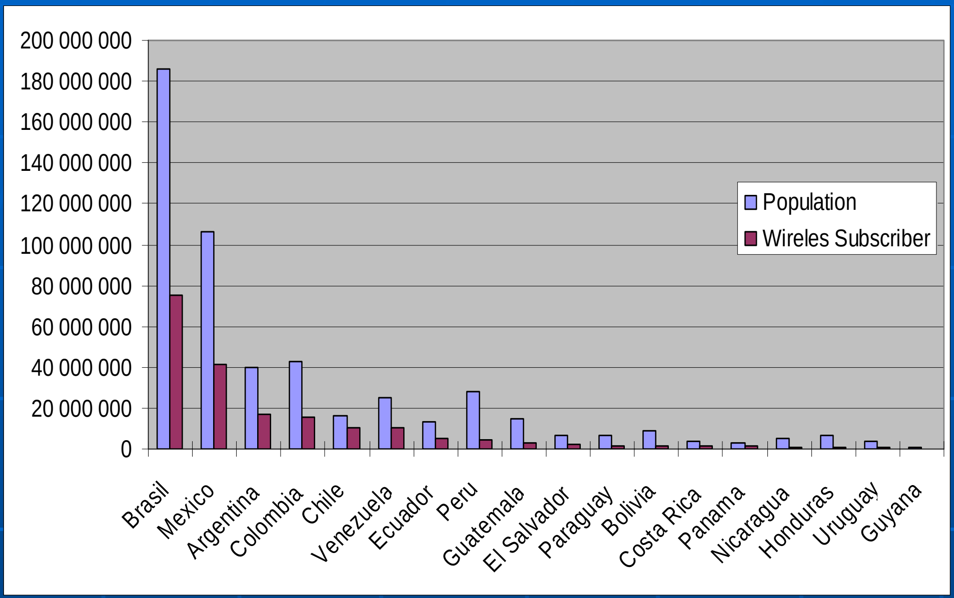
Paraguay 1.749
Personal: 811
TIGO: 631
Vox: 233
Phortable: 74

Uruguay 860
Ancel: 512
Movistar: 279
CTI Movil: 69

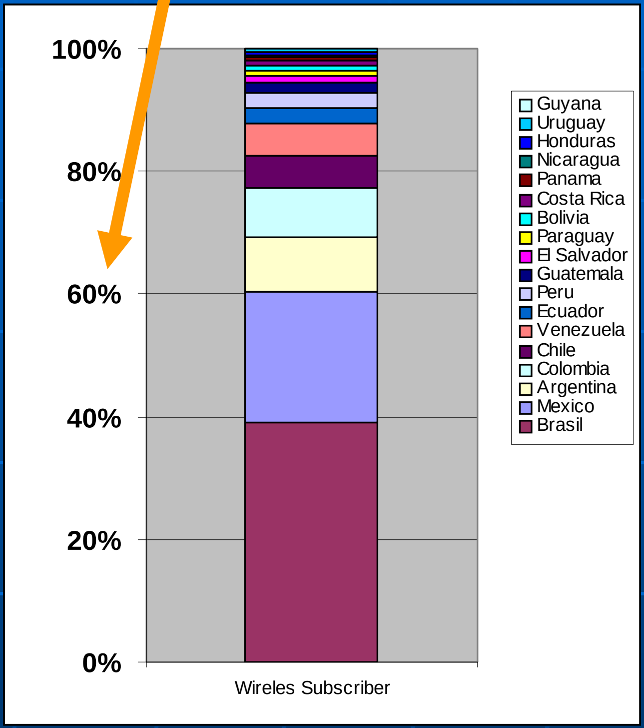
Chile 10.388
Movistar: 5.257
Entel: 3.431
Smartcom: 1.700

Argentina 17.000
Movistar: 6.731
Personal 5.354
CTI: 4.915

Huge potential for MVAS



Brazil + Mexico = 60%



- Mobile subscribers : 193 million
- Annual (#) growth : 15% - 20%
- Mobile penetration : 37%
- Technology : GSM (62%); CDMA (28); TDMA (10%)

Operators: 4 main groups

- 72 million wireless subscribers
- 64 million wireless subscribers (incl. 50% affiliate VIVO)
- 24.7 million wireless subscribers
- 14 million wireless subscribers (incl. 50% affiliate VIVO)

Content Providers dominate MVAS

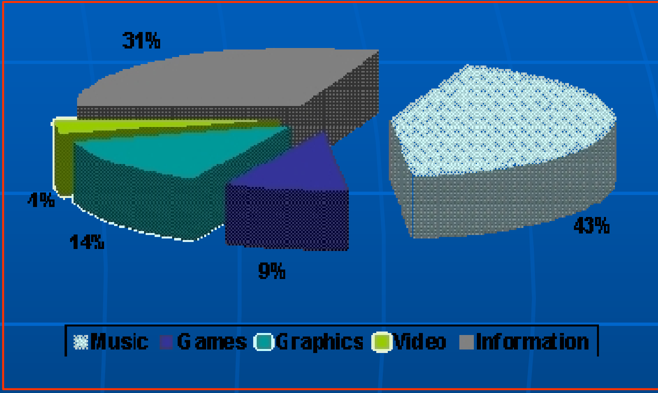
- Language
  - Spanish (Portuguese for Brazil)
- SMS short codes validation
  - Specific to 1 end-user price only
  - Shared : 2 weeks
  - Dedicated : 5 weeks mini
- 3 aggregators with
  - Direct connection to most Latin American countries
  - SMS, MMS, WAP & web + platform
  - Independent from a content/service provider

Case by case rules (extract)

- Forbidden
  - Cross-selling services
- Operator validation needed
  - Before launching any service
  - For advertising
- Hotline mandatory
  - 24/7 hotline number in Spanish
  - Toll-free access for end-users
  - Less than 20 minutes’ delay in case of question, complaint or request (Mexico)

A 40 to 70% revenue share

- Billing model available:
  - Premium MO, Premium MT
  - WAP billing
- Price points: up to 98 MXN *(=$ 9)*
- Not yet lot of advanced content
- Revenue share



Country	*operator*	Revenue share
Brazil	*Vivo*	50%
	Claro	44%
	TIM	50%
	Oi	50%
	Telemig	45%
Mexico	*Telcel*	70%
Colombia	*Comcel*	60%
	Movistar	60%
	Ola	60%
Argentina	*Movistar*	60%
	Personal	60%
	CTI(AM)	40%
Chile	*Movistar*	60%
	Entel	60%
	Smartcom	60%
Venezuela	*Movistar*	70%
	Movilnet	80%
	Digitel TIM	60%

Conclusion for Content / Services Providers

- Still a lot of opportunities in
  - Early stage countries
  - Basic mobile services
  - Subscription largely available
  - Around 50% RS

- Need to manage adequate
  - Time to market
  - Services definition / competitors
  - Marketing and promotion
  - Partnership and alliances

Thank You

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