

New growing countries for Mobile Value Added Services

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CEO

About NETineo

- **Consultant company dedicated to mobile business**

- strategy definition
- local or international rollout

→ **What to launch**

→ **Where and When**

→ **How to manage**

Access

Application

Billing

Marketing

Content

- **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

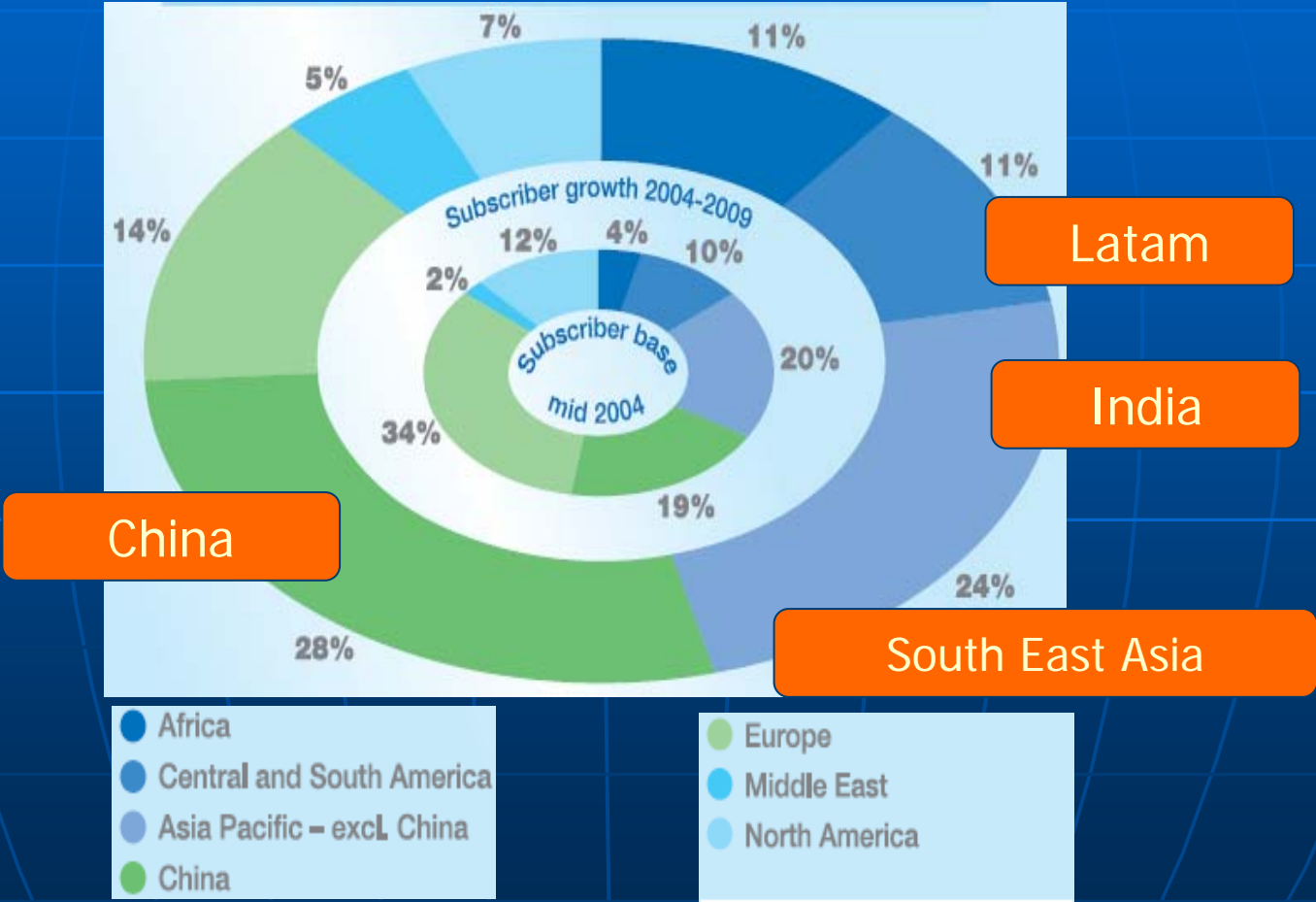
Photobucket

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%

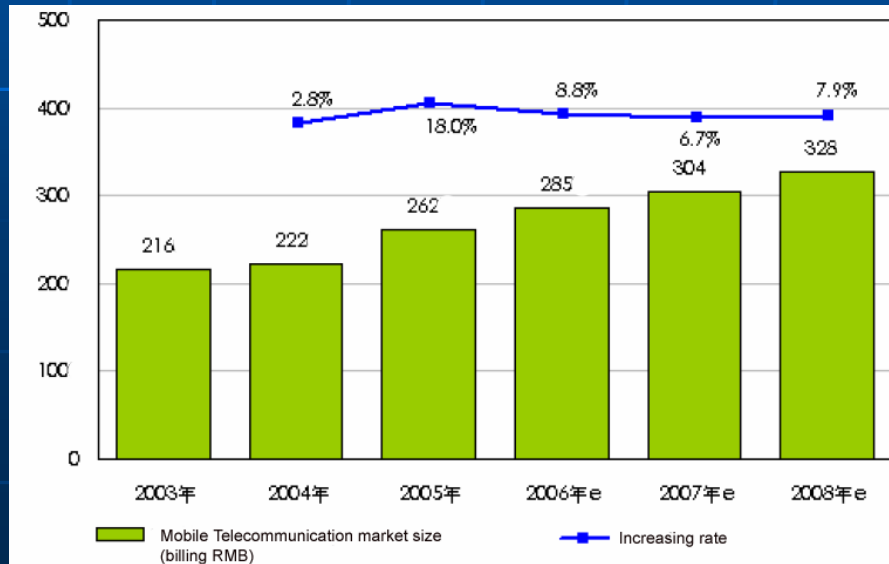
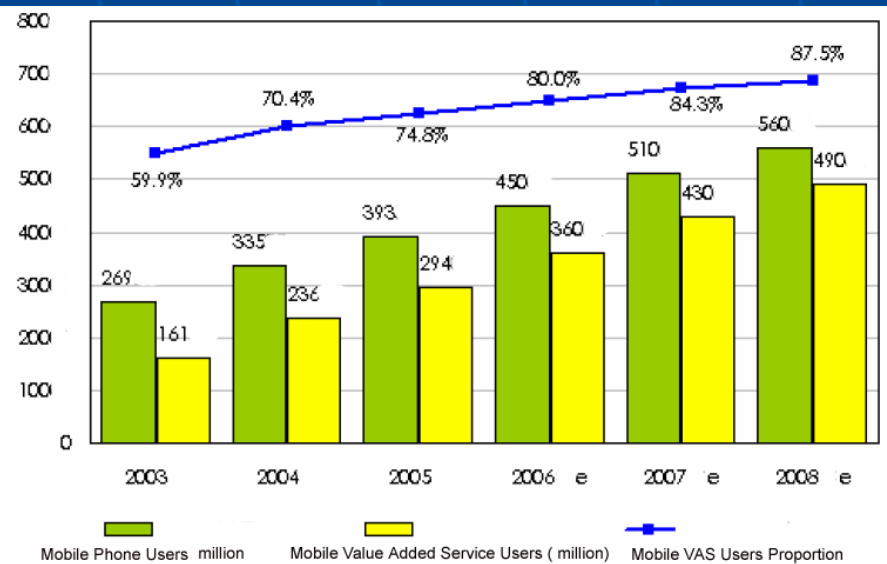
Hong Kong	2005
Population (MM)	7,2
Mobile users(MM)	7,2
Mobile penetration	103%

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

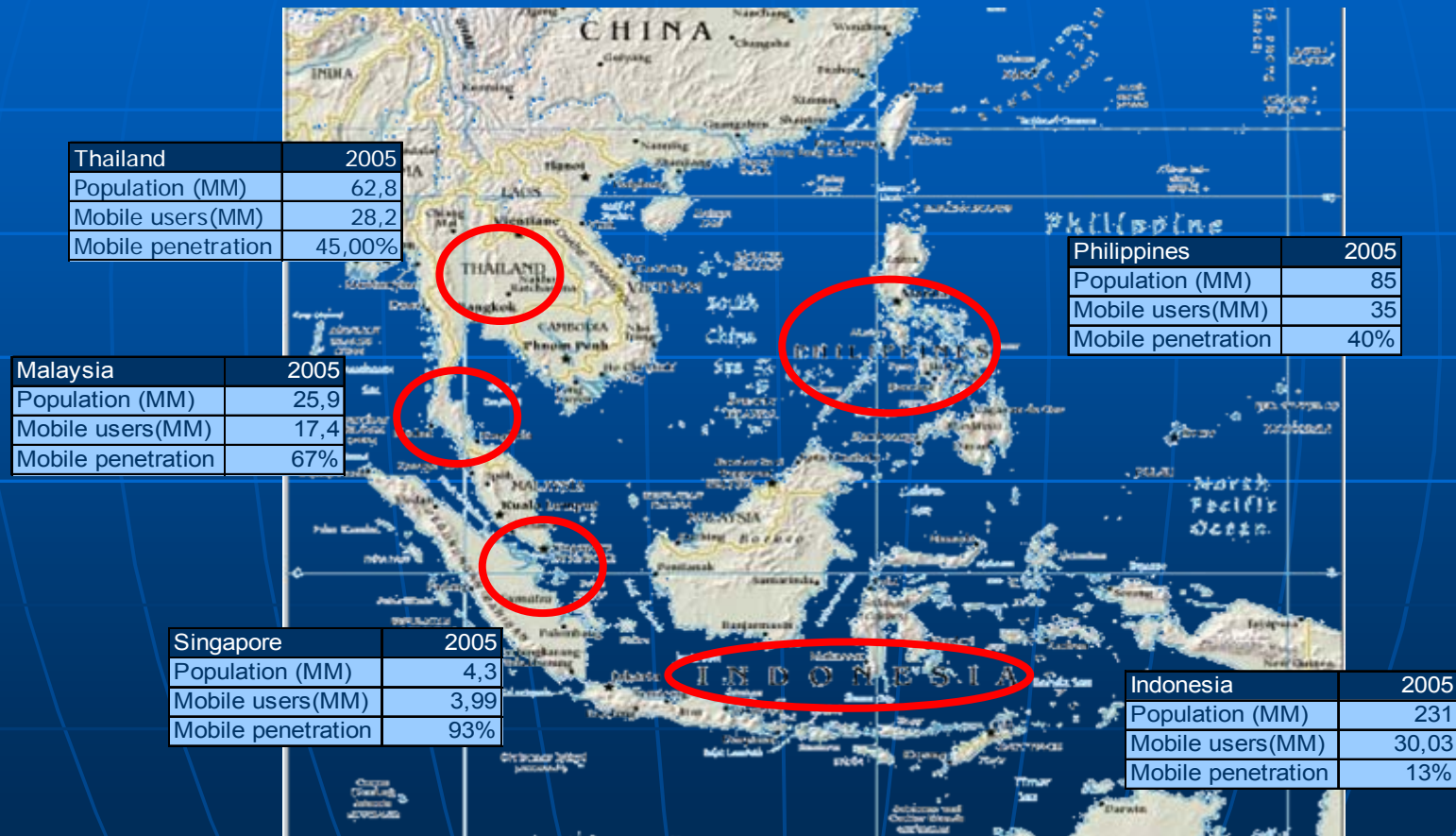
- Simplified Chinese (98.5% MVAS sites are in Chinese)
- English (mostly for newspaper or education purpose)
- Java Game: Chinese needed

■ 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

Launching South East Asia



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

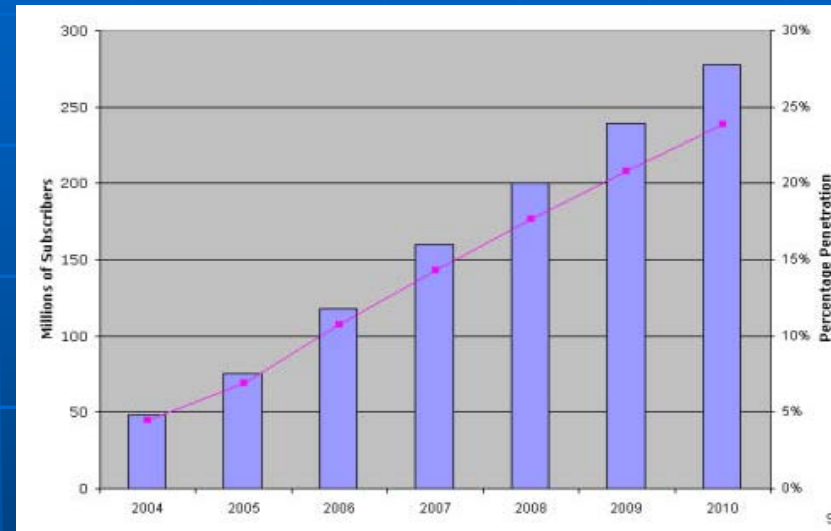
- Operator validation needed per project

- Hotline
 - 24/7 hotline number in local language

Lauching India



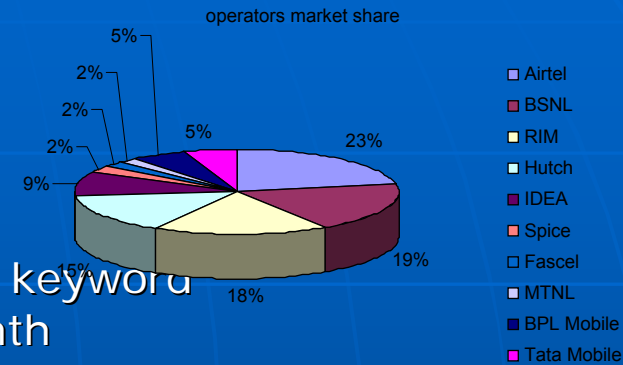
Only 25% penetration in 2010!



- 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

- Service language
 - English
- SMS short codes
 - Shared : after validation, operators allocate keywords
 - 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



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

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

Chile 10.388
 Movistar: 5.257
 Entel: 3.431
 Smartcom: 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

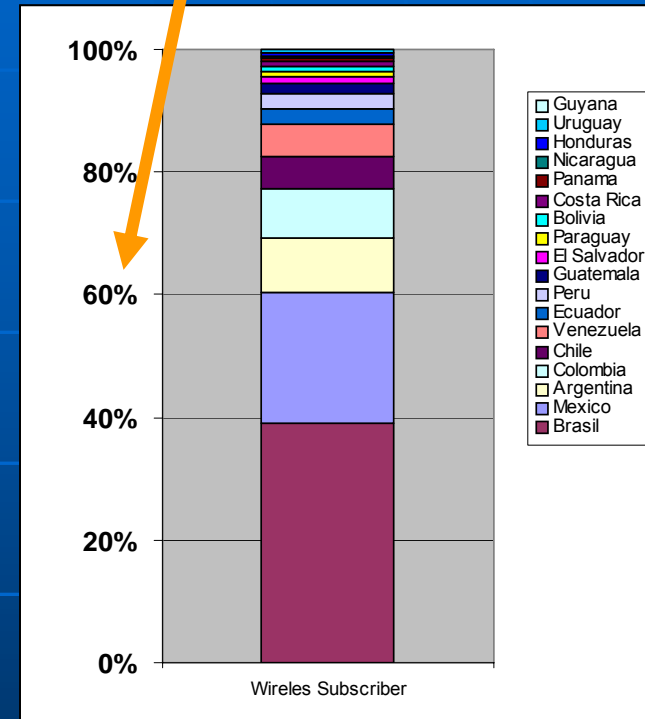
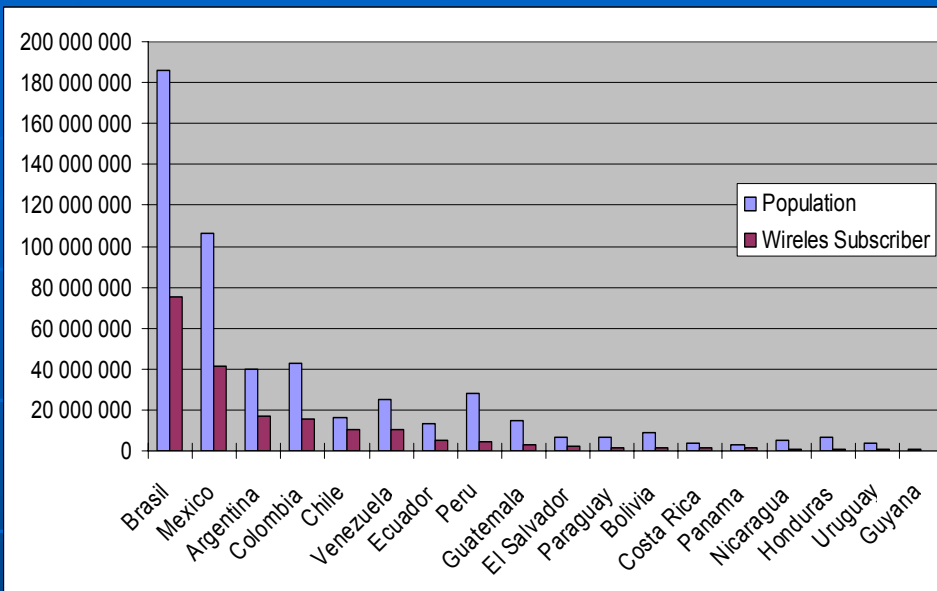
Brasil 75.318
 Vivo: 28.446
 TIM: 16.572
 CLARO: 16.201
 Oi: 8.050
 Teleming: 4.214
 BrT GSM: 1.412
 CTBC: 340
 Sercomtel: 83

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

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)

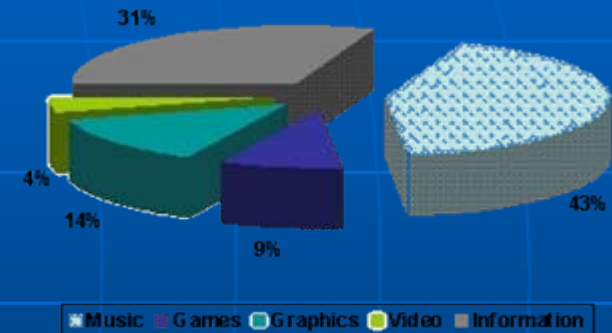
- Forbidden
 - Cross-selling services

- 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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