



Mobile media and network operators – ready for cooperation!

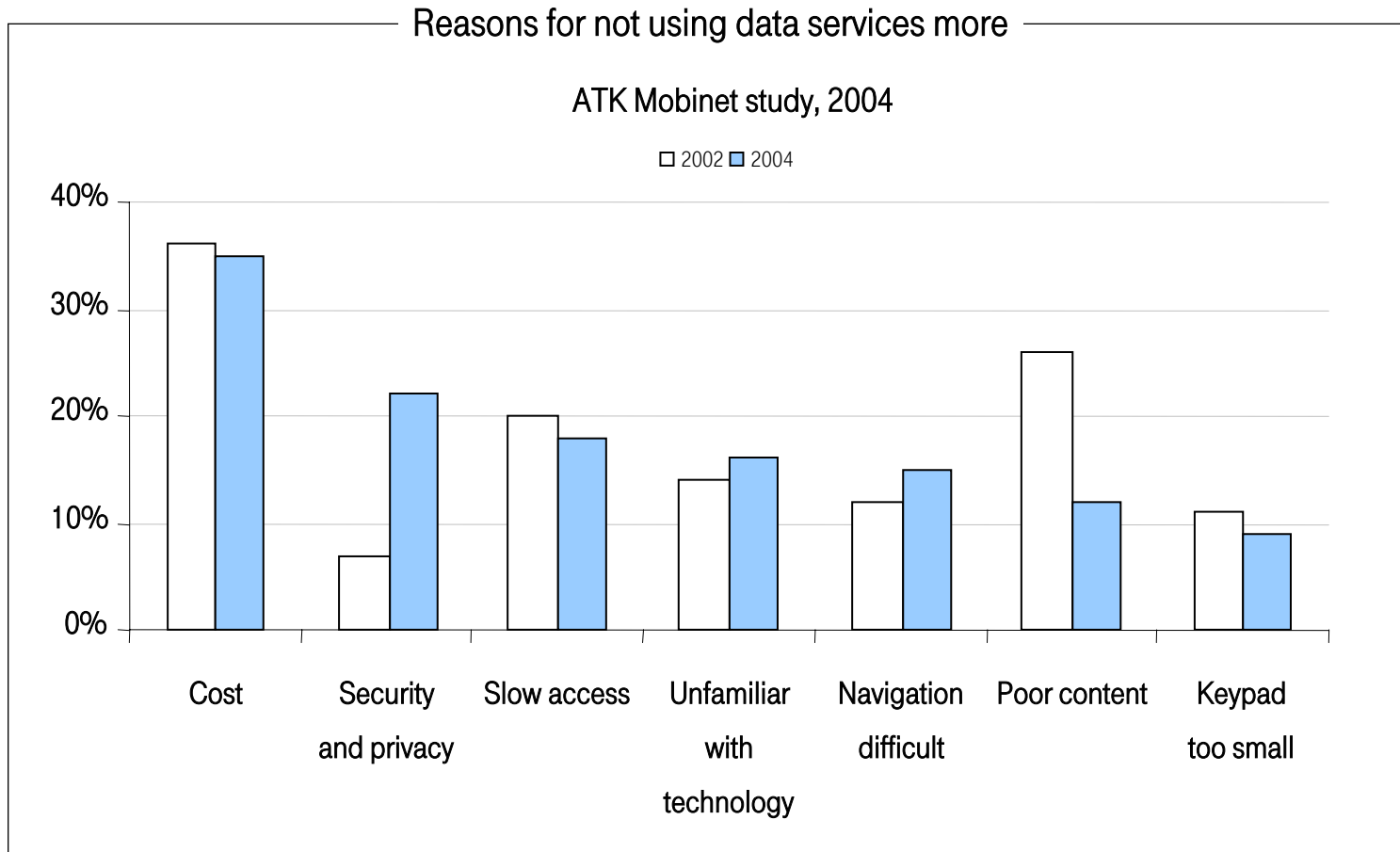
June 3rd, 2005

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Customer insights regarding mobile data

Relative costs, security, usability and performance as main issue areas for limited mobile data take-up so far

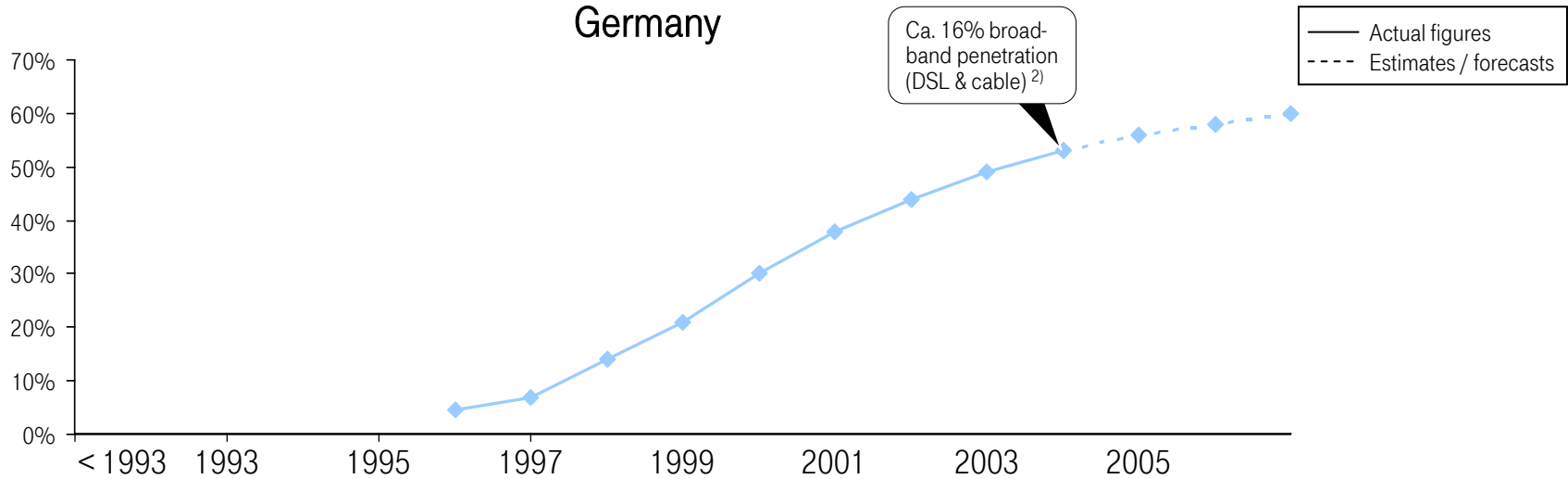


Evolution of fixed line data services / Internet

A set of key triggers and drives of Internet growth can be clearly identified

Development of fixed Internet penetration ¹⁾

Germany

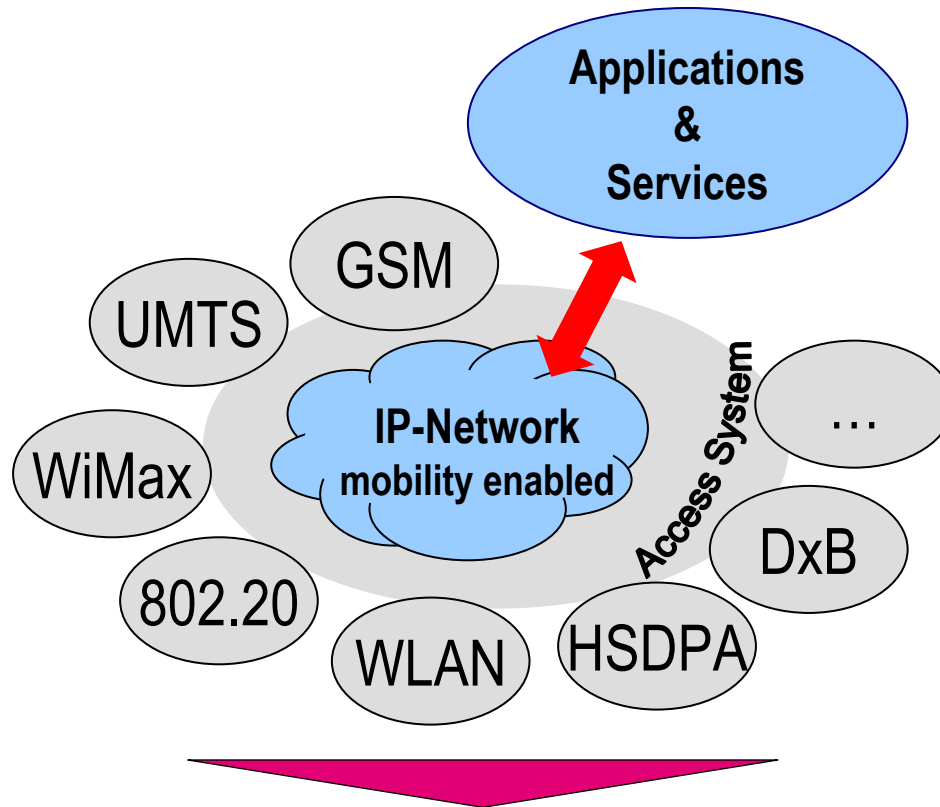


Key triggers

- Open Internet
- Broad variety, search
- Broadband with aggressive pricing & supporting MarComms
- Adequate devices
- Standardisation
- Ease of use

Broadband networks

Increased broadband access availability by various technologies

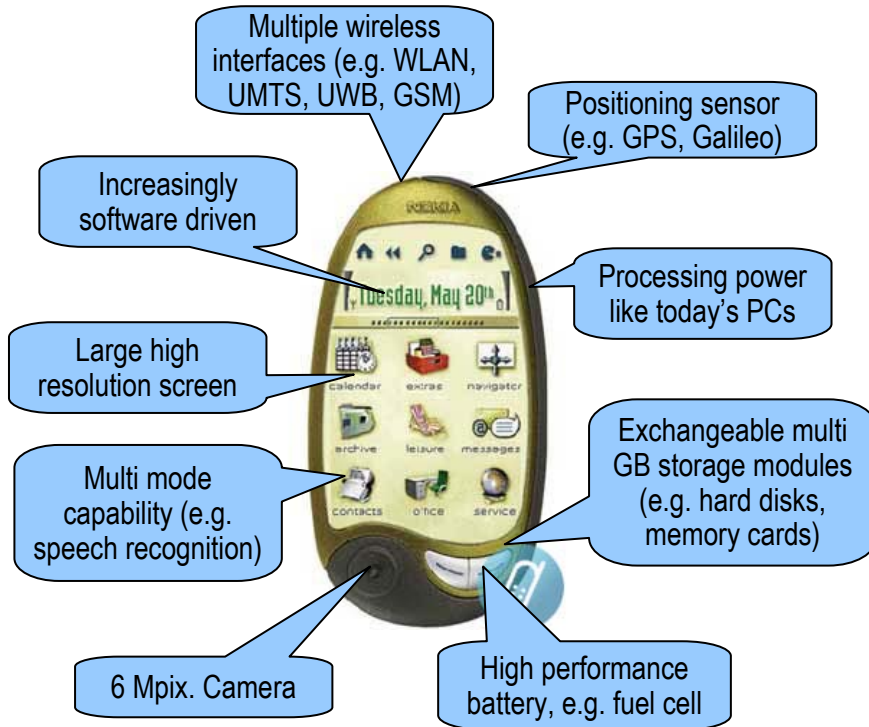


- Availability of mobile / wireless broadband access is constantly increasing
- Increased complexity due to seamless integration effort of various technologies
- IP emerging as common layer for applications and services across all network technologies

Mobile handsets

High end mobile phones are developing into multi-media mini PCs

High-End mobile phone



High-End mobile phone

Arrival of VGA screens in handset expected for 2005



(2.2-inch, 368ppi VGA display by Casio)

Fuel Cells

DoCoMo targets to hit market in 2006

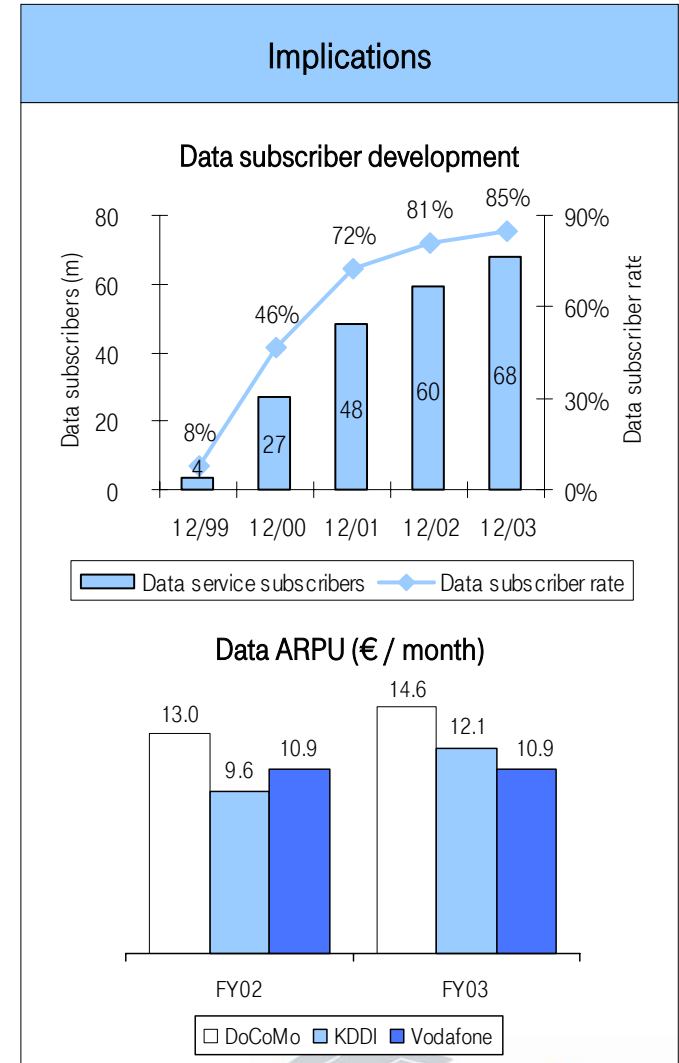


Lessons learnt from mobile data in Japan

Five key success factors led to strong mobile data growth

Appealing handsets	<ul style="list-style-type: none"> Wide choice Compatibility with service offering Large screens Long battery life Sufficient memory
Diverse content	<ul style="list-style-type: none"> Wide choice of services mainly 3rd party driven Open portal and open standards for content developer community Replication of PC success stories
Attractive pricing	<ul style="list-style-type: none"> Data flat rates <ul style="list-style-type: none"> For high voice users For mobile phone only For corporates linked to intranet Content subscriptions with attractive pricing
Effective communications	<ul style="list-style-type: none"> Focus on product benefits – no abstract image campaigns Targeted ads in special interest magazines TV ads viewable on web site Fat monthly product brochures
Supporting cultural aspects (at launch)	<ul style="list-style-type: none"> Technology affinity Low PC penetration / fixed after wireless broadband rollout Long commuting times No messaging offer (such as SMS)

Sources: company data.



Japanese advertising example



Japanese broadband service example: “KDDI EZ-Channel”

Multimedia push service forming the core of KDDI’s strategy to position mobile phones as “media”

Service description

- Mobile multi-media magazines of max. 3MB per week (incl. Video, sound, text)
- 31 specialized content channels (renewed periodically)
- Content charges of around €2 (average)
- Automatically delivered to subscribers’ phones around midnight on a daily to weekly basis
- Requirements: 1xEV-DO and flat-rate subscription

Service examples



Music info (€1.60)



Weather report (€0.80)



Martial art info (€3.90)



Disney (€2.30)



Pet video (€0.80)



Comics (€2.30)

Note: €1= 135 Yen

Source: KDDI



Partner Feedback to MNOs

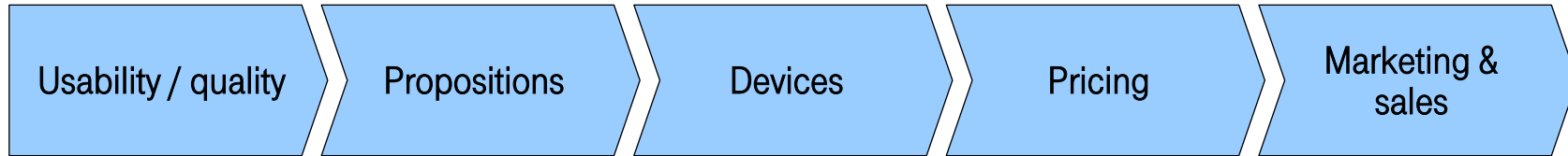
Partner feedback		
Standards	Billing	Partnering
<ul style="list-style-type: none">▪ Missing industry standards for<ul style="list-style-type: none">- billing- handsets- user interfaces- MNO interfaces▪ Currently no easy-to-use / easy-to-promote service proliferation across industry▪ Focus of resources on Nokia to limit invest	<ul style="list-style-type: none">▪ Limited billing flexibility▪ Hardly any reconciliation possibilities▪ Lost / Incompatible and unbilled content▪ Customer activation / sign-up for services are usage barriers	<ul style="list-style-type: none">▪ Currently no attractive revenue share<ul style="list-style-type: none">- Power brands are not enticed to promote mobile service- Limits re-invest to grow the market▪ Lack of SLAs fostering reliability and predictability among parties▪ Portals are no fair playing field



Partner view: the ideal MNO
<ul style="list-style-type: none">▪ Be enabling partner for<ul style="list-style-type: none">- Content/service billing- Platform & gateway- Traffic Transport▪ Offer attractive revenues share▪ Support joint marketing activities▪ Educate the market and drive standardization

Summary for success

Strategic levers for mobile data



Key success factors

- Customer insights
- Standards
- End-to-end quality assurance

- Clear customer benefit (mobile USP)
- Easy to understand
- “Mobilisation” of media industry

- MNO control
- User experience
- Mobile transactions
- Platforms

- Simplicity
- Transparency (worry-free experience)
- Lower prices (mid- to long-term)

- Product centred and target group specific campaigns and channels

Internet in your pocket

Sidekick service offering as first step to open Internet based mobile data approach



Sidekick service offering

- Worry free voice and data tariff bundle (quasi data flat rate)
- Easy access to open Internet for surfing
- Push email & instant messaging
- Download of mobile specific content

Did you know the Sidekick

- won "Best of Consumer Electronic Show" 2002?
- won PC World 2003 "Product of the Year"?
- has been featured in over 15 music videos to date?



Summary

- Limited demand for mobile media services beyond SMS and services like ringtones
- Lessons learnt from Internet and Japan show ways to trigger mass market demand
- Devices and networks increasingly proliferate mobile multi-media
- Only an open strategy is a winning strategy
- Partners like MINDS are essential to fill this open enabling framework with life

This is just the beginning!

■ Thank you!

