

Is MVNO an opportunity for content providers?

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motricitySM

Motricity Overview

What We Do

A leading global provider of **managed mobile content services** ... delivering the right content, to the right device, at the right time – *EVERY TIME*

Award-winning Technology



Large Footprint

- ▶ 150MM+ consumer footprint powered by our Fuel Mobile Content Platform
- ▶ 600,000+ digital media titles in our Content Catalogue
- ▶ 20,000+ content providers in our Developer Programme

Strong and Growing Team

- ▶ **Global Presence:** London, North Carolina, Beijing, Munich, San Diego
- ▶ **300 Employees:** Openwave, Ericsson, Sprint PCS, IBM, Nortel, PwC, McKinsey

Leading Customer Base



MVNO - a rapidly growing market

- CAGR globally for MVNOs 2005-2010 will be 5x more than MNOs
- Barriers to entry dropping as MNOs open access to wholesale services
- Partners from the content and media industries becoming increasingly active
- Customer segmentation and product marketing are core skills sets needed for success

Key MVNO Themes

- MVNOs target specific customer segments with innovative offers and branding
- Content and data offerings can be a major point of differentiation and ARPU contribution
- Technical and operational complexities of content management and delivery can be a barrier
- An MVNO should focus on segmentation and differentiated offerings – and use reliable partners to help enable core capabilities

Moving from voice and text ...

- MVNOs need to offer new, differentiated services as voice and text become commoditised and competition increases
- Understanding the content associated with the brand and the target demographic will be key
- Need to create a community to retain customers around the content

BUY A BUNDLE ONLY

Get better value airtime to any UK network
 Virgin Mobile airtime bundles are low cost monthly packages of minutes, texts and pictures use on any UK network, at any time. Standard UK calls are included, too. They're fantastic if you make lots of calls or send lots of messages to other UK networks. Virgin Mobile bundles are available for Pay As You Go customers.

Call mates from as little as 12p per minute and text from 3p.
 That's when you use up a £24 bundle of texts or minutes.
 They're longer lasting too, because you can take any unused airtime with you for and use it on your next bundle. For more details go to [All About bundles](#).

You can choose from bundles of:

- Minutes
- Texts
- A mix of minutes and texts
- A mix of pictures and text

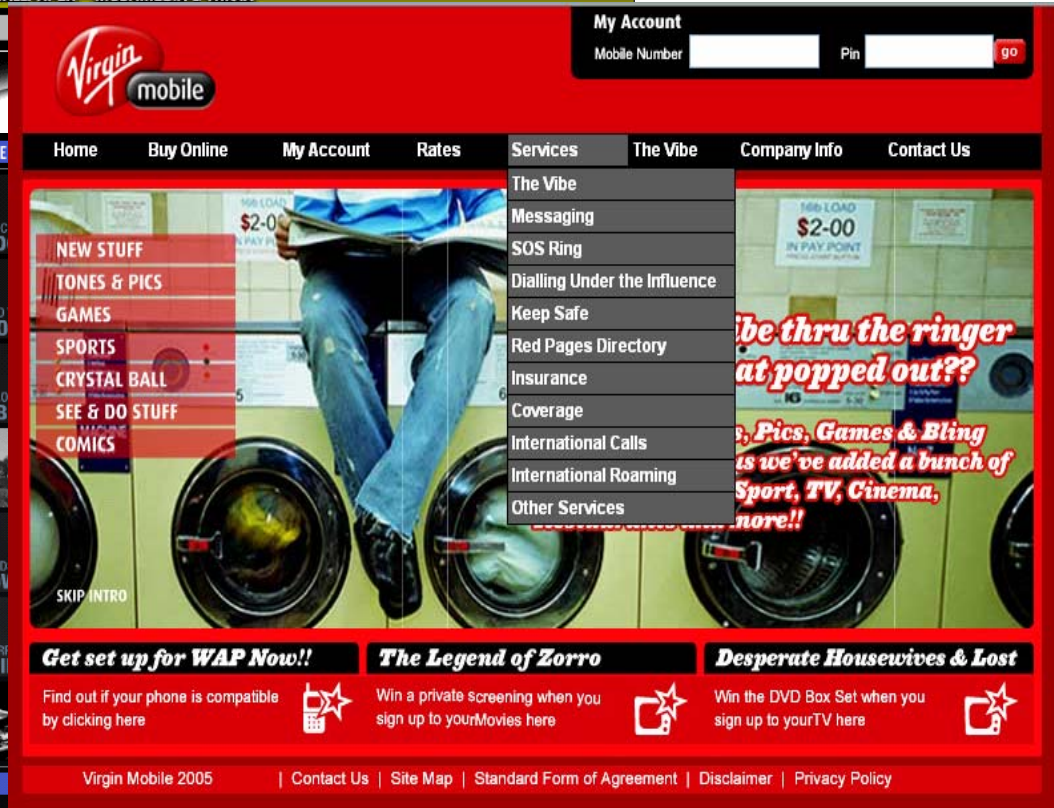
MONTHLY TARIFF	£7.50	£10	£14	£24	£36
MINUTES	40 MINUTES SET UP ONLINE	60 MINUTES SET UP ONLINE	100 MINUTES SET UP ONLINE	200 MINUTES SET UP ONLINE	400 MINUTES SET UP ONLINE
TEXTS	100 TEXTS SET UP ONLINE	200 TEXTS SET UP ONLINE	400 TEXTS SET UP ONLINE	800 TEXTS SET UP ONLINE	1500 TEXTS SET UP ONLINE
MINUTES & TEXTS	20 MINUTES 30 TEXTS SET UP ONLINE	30 MINUTES 60 TEXTS SET UP ONLINE	40 MINUTES 100 TEXTS SET UP ONLINE	100 MINUTES 200 TEXTS SET UP ONLINE	200 MINUTES 400 TEXTS SET UP ONLINE
TEXTS & PICTURES	70 TEXTS 10 PICTURES SET UP ONLINE	120 TEXTS 15 PICTURES SET UP ONLINE	200 TEXTS 20 PICTURES SET UP ONLINE	500 TEXTS 30 PICTURES SET UP ONLINE	1000 TEXTS 50 PICTURES SET UP ONLINE

Cost per message or minute

... to a focus on segmentation & differentiation around data



Use the brand's 'Content Heritage'



Creative, dynamic segment marketing

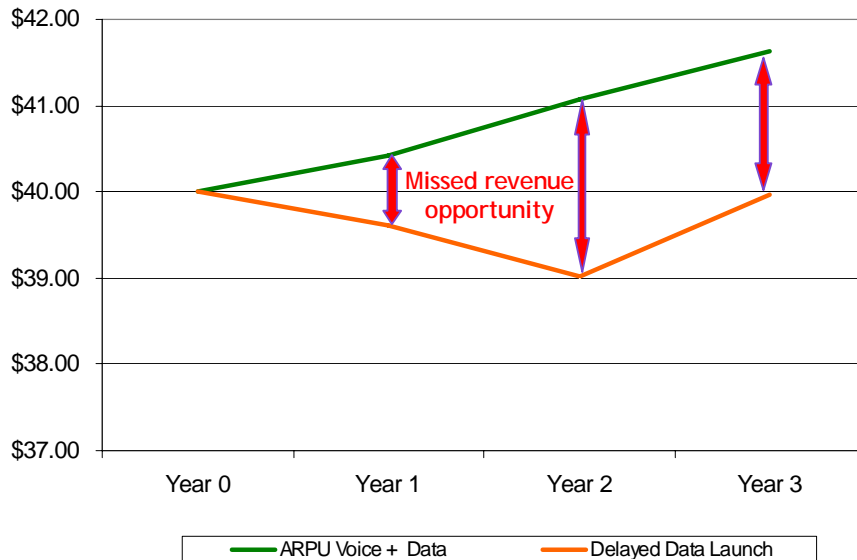
Leverage brand to drive data



Delaying launch of content and data is costly

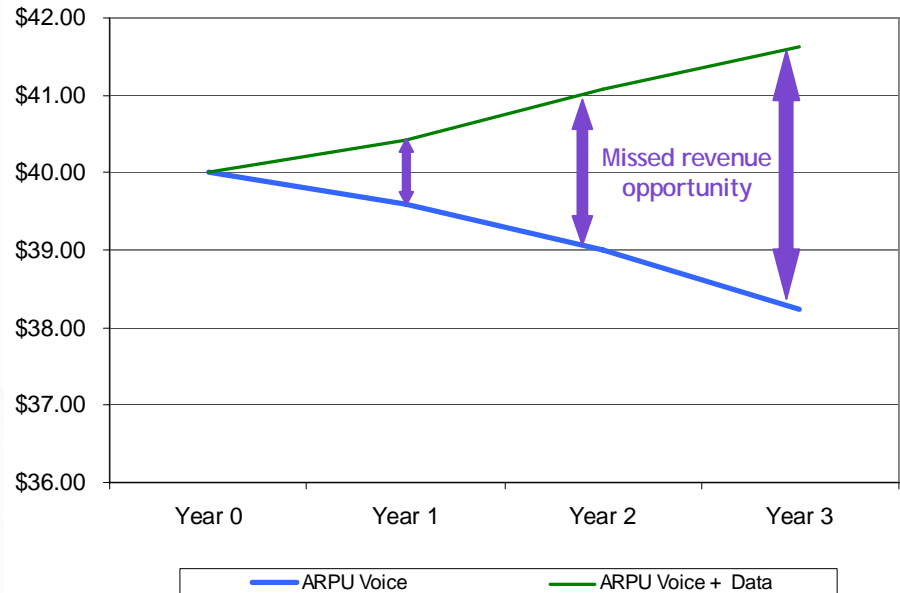
DATA CENTRIC MVNO

MVNO ARPU
(with Delayed Data Launch)



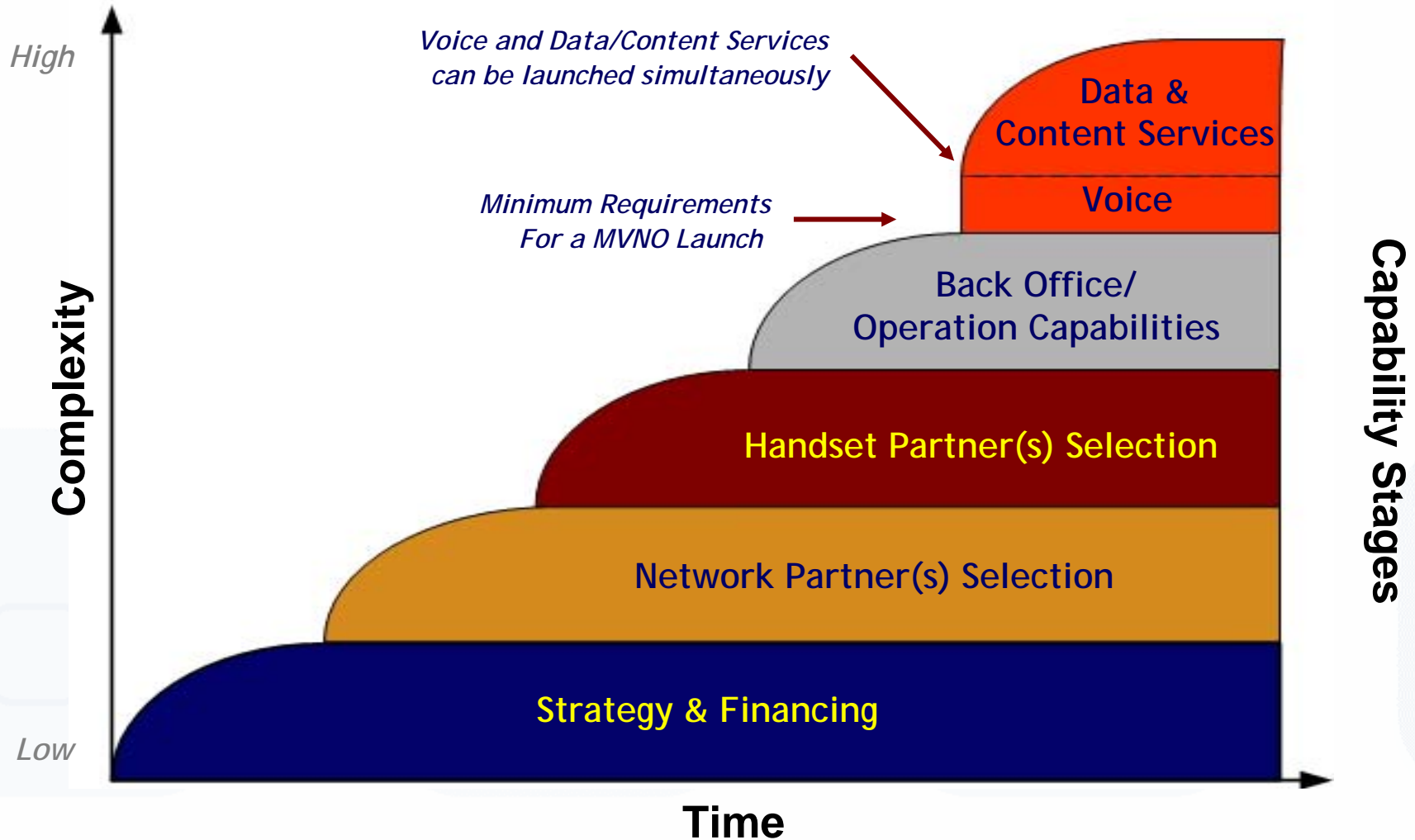
VOICE CENTRIC MVNO

MVNO ARPU



Source: Informa; Strategy Analytics; Motricity/MVNO financial analysis

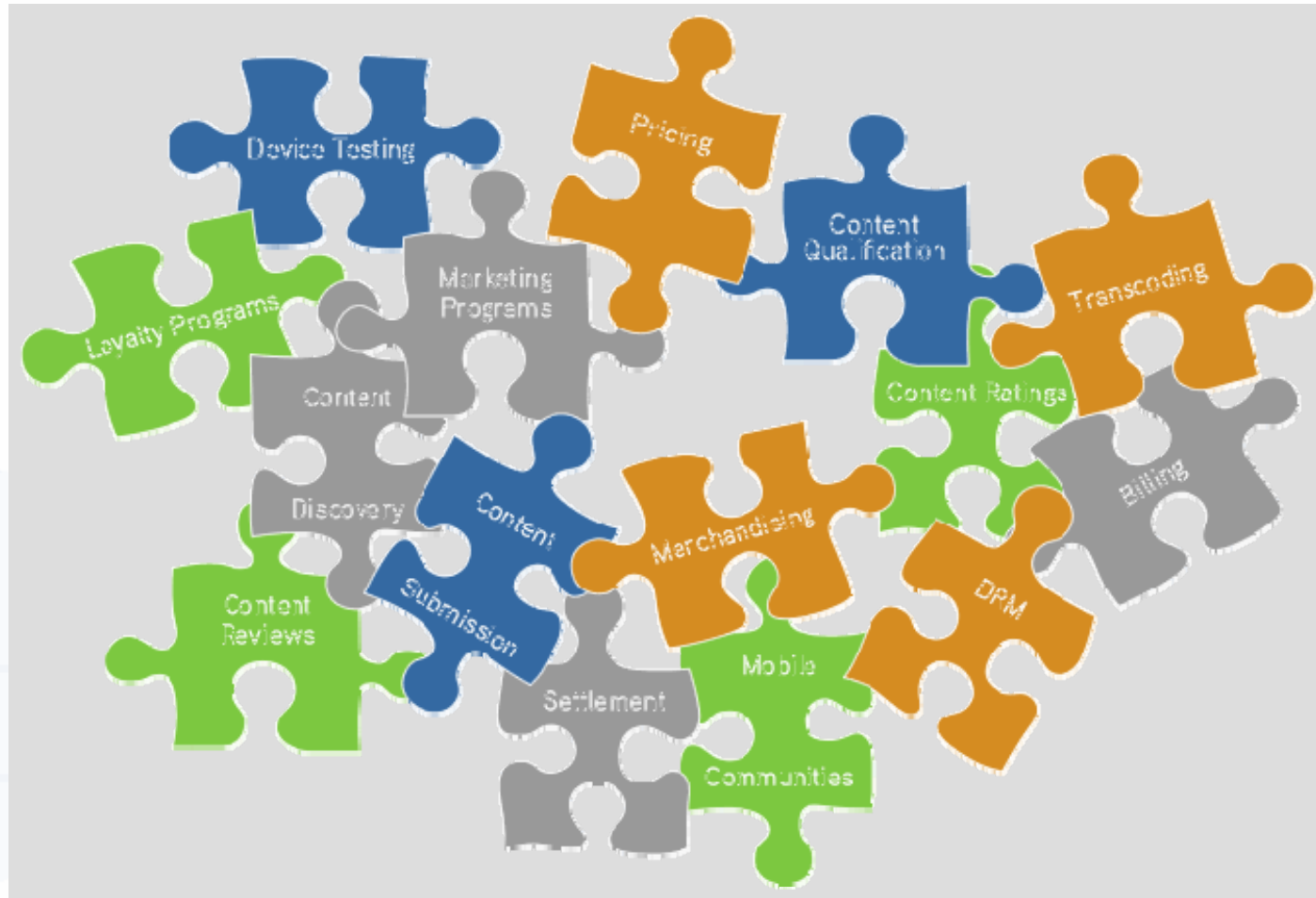
Is building your own MVNO the right answer ?



Data and content services means bringing together many “pieces”

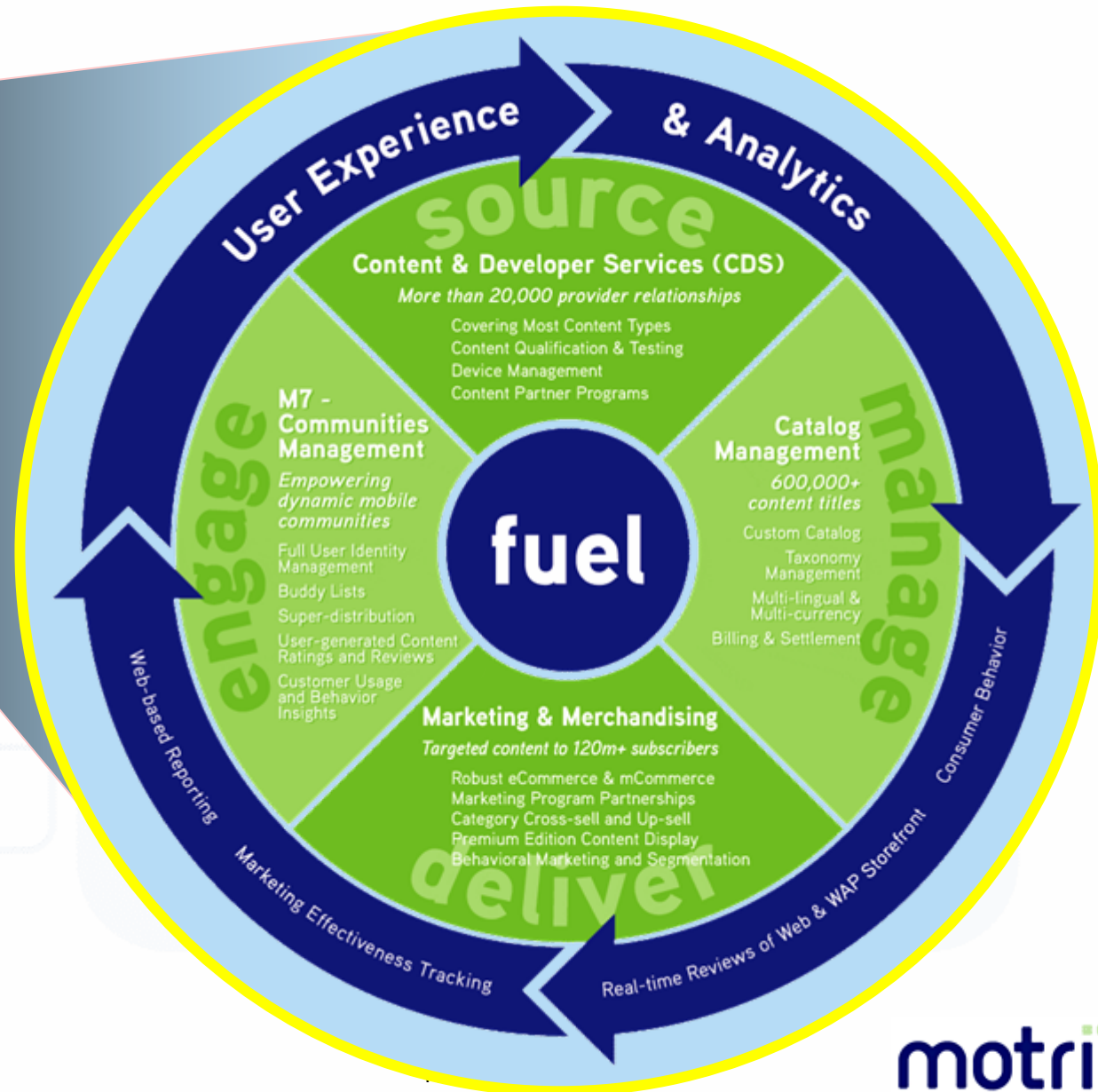
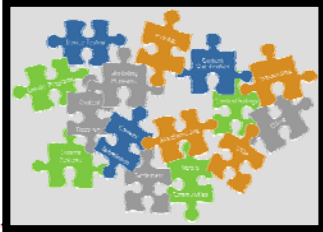
Tremendous complexity in mobile content value chain; multiplicative problem

Need for managed services including merchandising & ecommerce expertise



Need for powerful, reliable, scalable technology

A comprehensive content management and delivery solution coordinates the pieces



Conclusion

- The MVNO model is strong for offering innovation and branding to targeted customer segments
- Content and data is a differentiator and key ARPU contributor – the opportunity is now
- Creating a market-leading content MVNO is complex, requiring collaboration with many trusted, reliable partners
- Alternative offers through operators or Direct to Consumer may be more attractive to some content providers

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