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Applying the North American and European Mobile TV Experiences to the Middle-East

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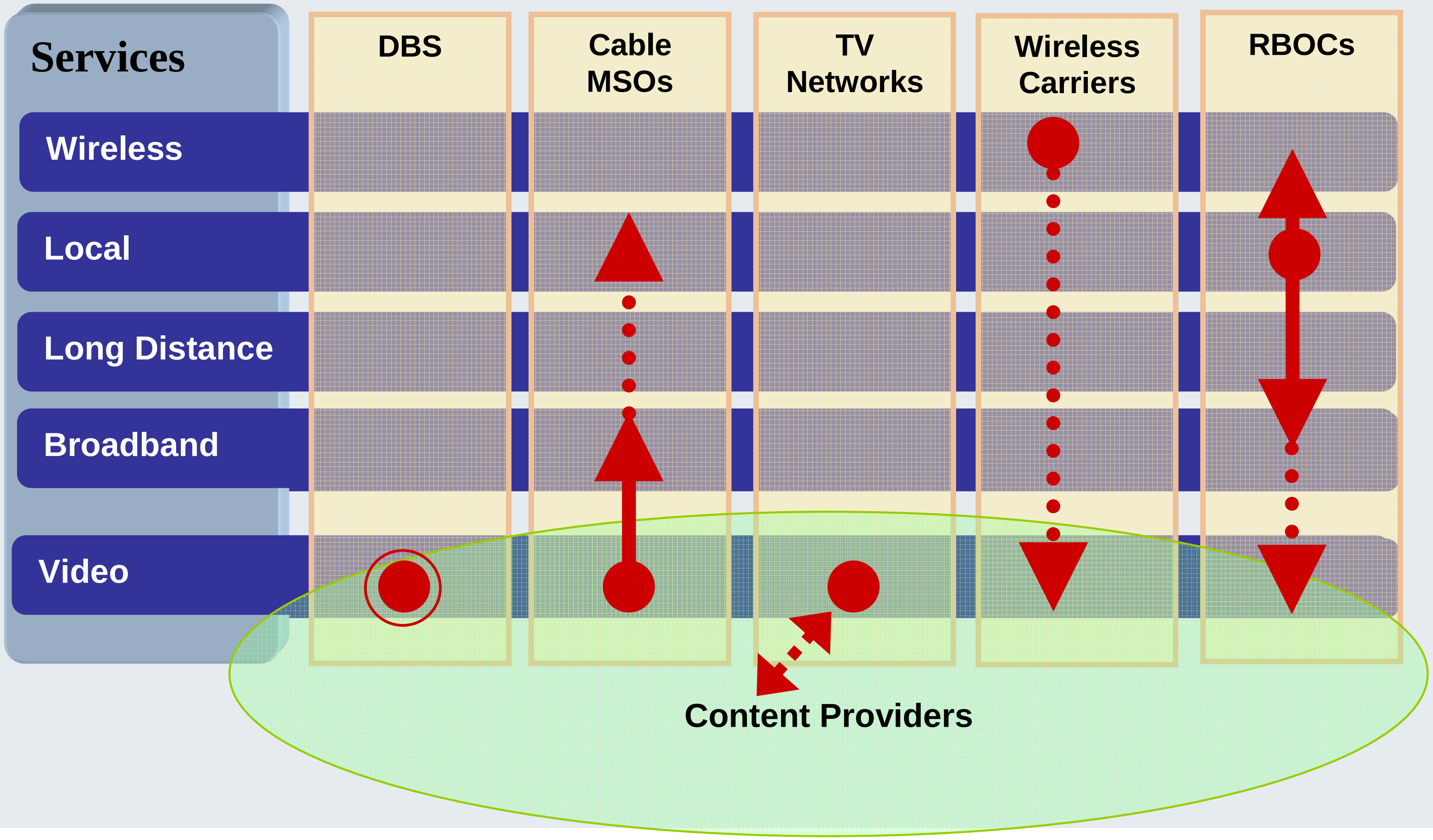
Mobile TV at the Heart of FMC



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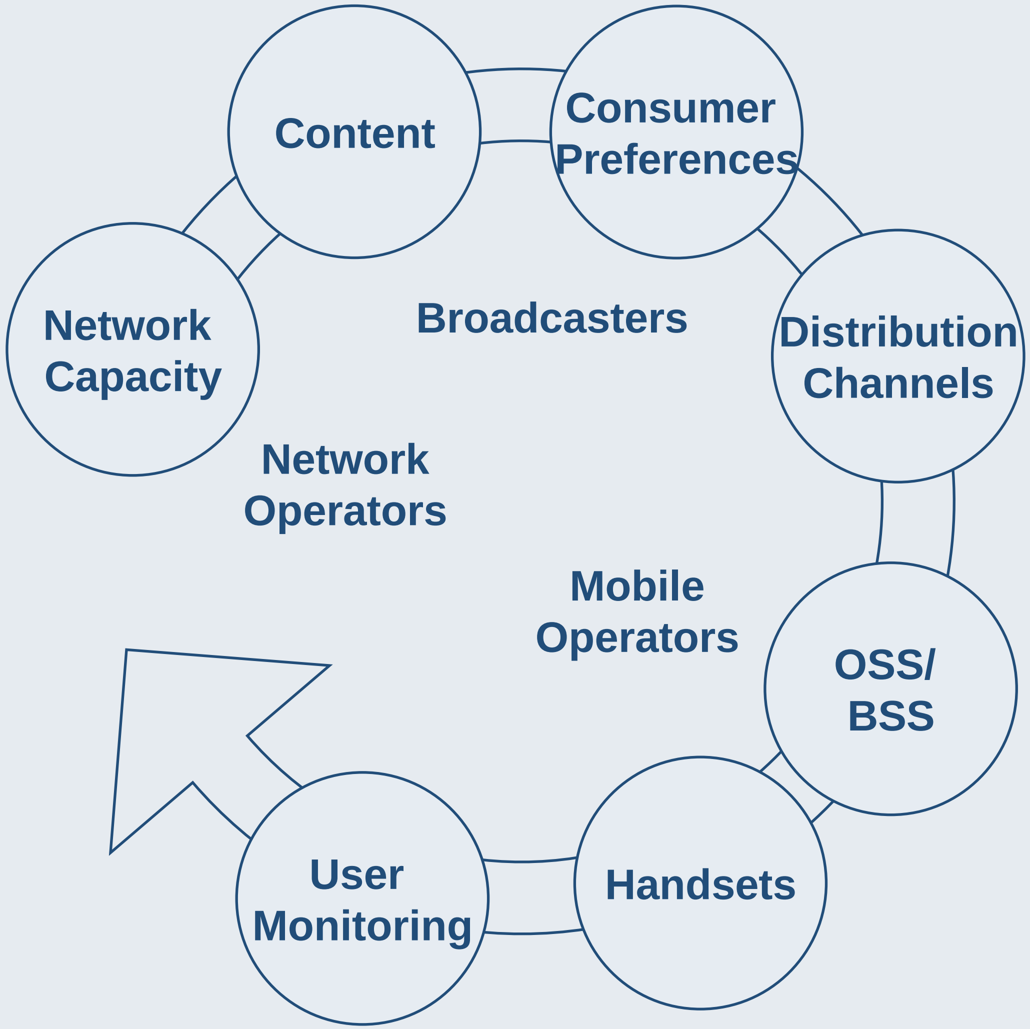
Key Elements of a Mobile TV Offering

The mobile TV market is a complex environment at a crossroad between technologies and services from independent service providers.



Mobile Video in Early Stages

Only 7 commercially operational systems today

- *(2 Korea, 2 Japan, 2 Italy, 1 Germany)*

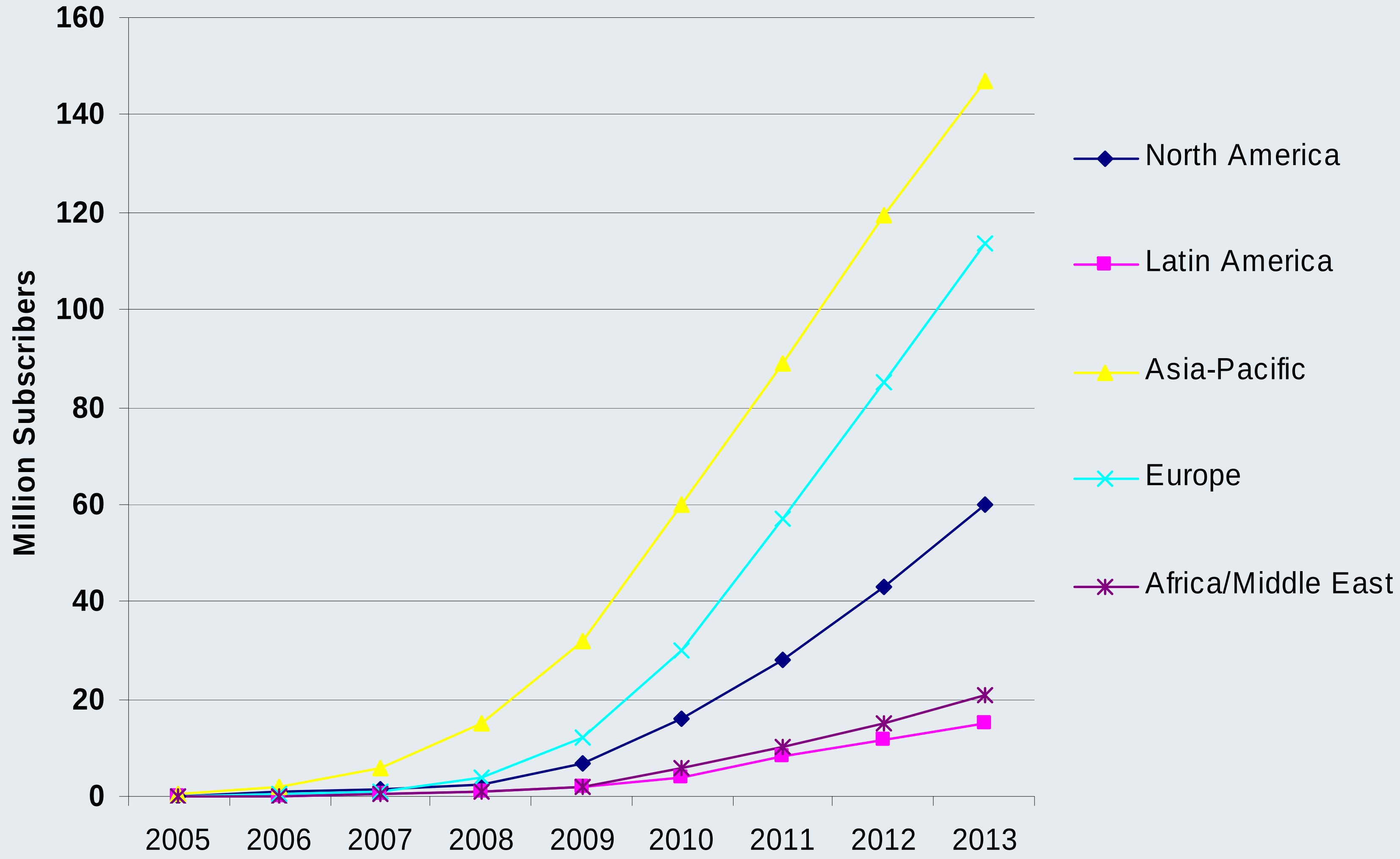
3 – 5 million mobile TV viewers; 1.2 million pay TV

- Korea 1.0 million pay subs to S-DMB (satellite) within 19 months
- Korea 1.8 million FTA devices for T-DMB sold within 1 year
- Japan 2.0 million FTA devices on ISDB-T within 1 year
- Italy 200k subs for DVB-H, 20k for Debitel in Germany

New systems launching

- Systems launching in Vietnam and South Africa by Q1 ’07
- FLO to launch in USA in Q1 ’07
- DVB-H trials underway, but not commercially launched

Mobile TV Subscribers, 2005-2013 Forecast



Mobile TV Standards Options….Confusion!

Terrestrial
- DVB-H
- T-DMB
- Media FLO
- ISDB-T
- DAB-IP
- T-MMB
- HE-DAB

Satellite
- S-DMB (Korea / Japan)
- S-TiMi (China)
- DVB-SH (Europe)

Many companies are talking about technology comparisons. But, as with Pay TV, only the economics and content drive success.

Content will be King…

- Content providers are definitely considering mobile networks as an attractive distribution medium for their wares .
  - Within a short span of one year, the channel lineup on MobiTV, a premier mobile video service in the United States has increased from 20 to more than 50.
  - Similarly, the channel line-up on Sprint Nextel's multimedia-based Sprint TV service has increased to around 40 .
- This is an indication of the willingness of content owners to participate in the mobile video ecosystem.
- Still, prime content is king in the mobile environment driving interest from the major channels.

- Recent statistics made available by large content owners such as CBS and Warner Music have definitely caught the attention of the content owner community.
  - CBS, for instance, announced that it expects to gain $3 million in incremental revenues in 2006 as a result of its partnership with Verizon Wireless for VCAST mobile video.
- Such announcements further validate the potential of mobile video services and encourage content providers' participation.

- Adoption of leading DRM technologies establishes faith of content providers in using mobile networks as a distribution medium

Promising Opportunities With Mobile Video Advertising

- With increased penetration of mobile video capable devices and service launches by leading mobile operators, the application revenues for the mobile video industry are expected to cross $1.5 billion by 2010 in the US only.
  - With mobile phones expected to reproduce the TV experience (within the constraints of the mobile environment), the opportunity to present advertisements along with the mobile video content presents itself.
  - Mobile video advertisements need not be delivered only within the context of a mobile video session.

- Mobile video advertisements can be delivered when the mobile user is using some other application or protocol, including downloadable applications, WAP, MMS, or others.
  - Short mobile video advertisements can be played when the user is playing a mobile game or is in a WAP session.

- Even though it is technically possible to offer mobile video advertisements in this manner, the primary means of delivering mobile video advertisements remain within the mobile video service context only.

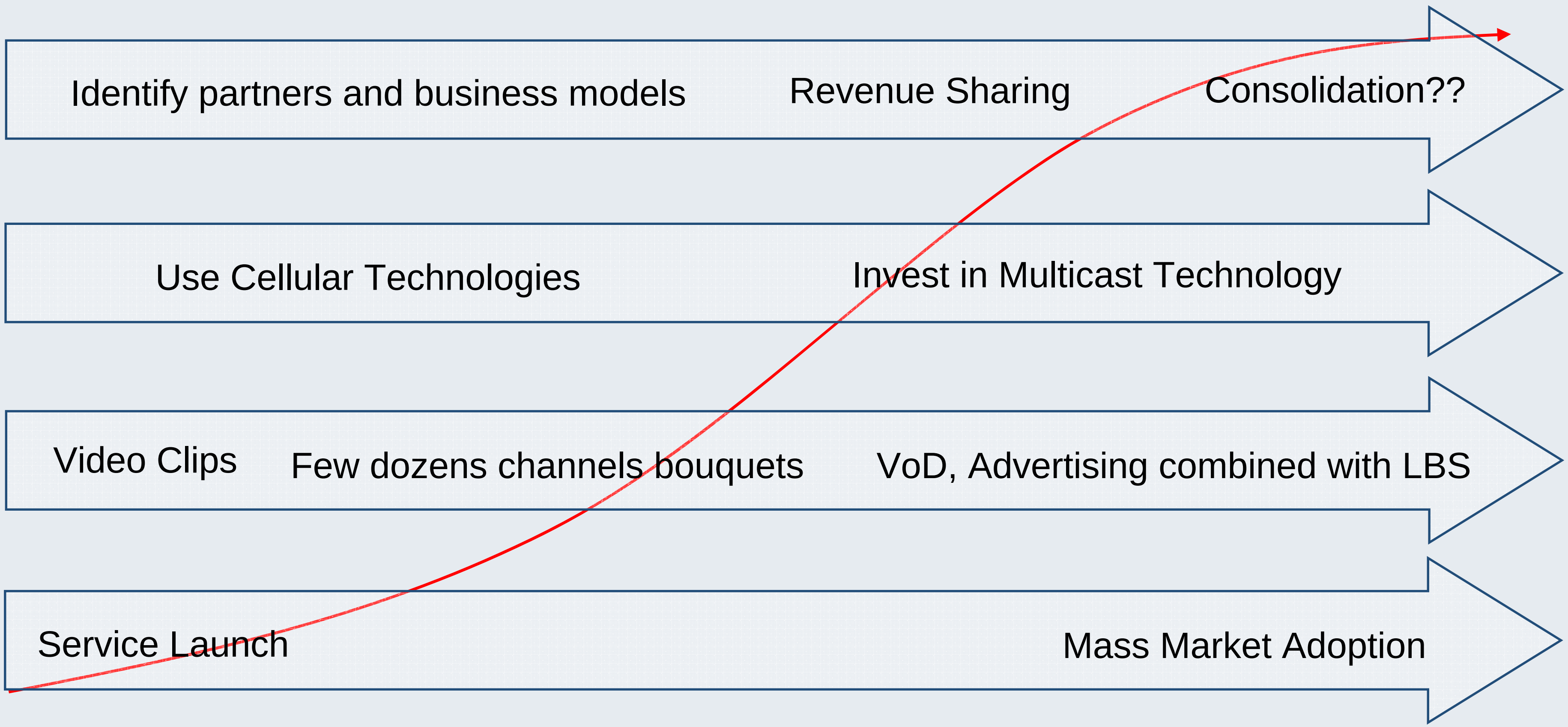
Conflicting Business Models: Who Will Own the Customer?

- Mobile Operator… as they become converged operators:
  - Mobile operator responsible for all aspects of the chain including content aggregation
  - Broadcast network operators provide the DVB-H transport capacity
  - Integrated service proposal for viewers

- Broadcasters:
  - Broadcasters manage end relationship with viewers
  - Broadcaster receives payment for services (pay services, license fee, advertisement)
  - Separate billing procedure for phone services

- DVB-H Service Provider
  - Independent service provider acts as facilitator for content aggregation

Mobile TV Service & Business Model Evolution



F R O S T & S U L L I V A N

Benoit Denis

Consultant

Information and Communication Technologies

+ 33 1 42 81 54 50

benoit.denis@frost.com