Ecosystem of Internet in Mobile Phone and its development

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T-Mobile
T-Mobile International

- One of Deutsche Telecom´s three strategic business units
- One of the world´s leading companies in mobile communication
- T-Mobile was named for the second time Best Global Mobile operator by the jury of the World Communication Awards
- By the end of March 2009, more than 148 million customers were served in thirteen T-Mobile markets: Germany, USA, Great Britain, Netherlands, Austria, Czech Republic, Hungary, Croatia, Slovakia, Macedonia, Montenegro, Poland, Greece
T-Mobile Czech Republic

- Founded in 1996 under the name Radiomobil (Paegas)
- Offers converged telco services both to business and retail customers
- No 1 in SIM cards since 2005

Q1 2009 results:
- Total revenues (CZK million) : 7,594
- EBITDA (CZK million): 3,518
- ARPU (CZK): 452
- Number of customers: 5,411 million
Mobile Internet - History
Press Releases

Nokia unveils the world's first media phone for Internet access
February 23, 1999

The Nokia 7110 dual band GSM 900/1800 media phone brings Internet content and other services to every pocket.

Nokia has today announced the world's first media phone that is based on the Wireless Application Protocol (WAP) in Mobile Media Mode (WWW:MMM). The Nokia 7110 dual band GSM 900/1800 media phone was introduced at the GSM World Congress in Cannes, France. The new product has been designed to...

T-Mobile
web’n’walk hero devices for launch

Hero devices for both web’n’walk classic and light editions

- web’n’walk
  - MDA Compact II
  - MDA Vario
  - Nokia 9300

- web’n’walk light
Competitor review & outlook

Competition is increasing the attractiveness of their offers and the capabilities of their broadband networks.

- Very strong DSL sales (ca. 60k per quarter)
- DSL to be upgraded to >6Mbps in 2006 to support Triple Play
- Matched TMCZ promo offer in terms of modem price (CZK 1) and one monthly fee for free
- Additionally, free activation (TMCZ = CZK 99)
- Continuously strong ATL, “co Cech to Internet” campaign; heavy TV advertising
- CDMA sales rebounded to 11k in Q4 – 6 times TMCZ TDD sales on ca. 7 times coverage
- Outphasing of NMT to increase CDMA capacity by 50%
- Considers introduction of Rev. A* in mid 2006
- Dropped CDMA MF by CZK100 to CZK699 to match TMCZ offer;
- New CDMA modem for CZK1, prepares CDMA/GPRS combicard
- Multi-bearer UMTS/GPRS tariff for CZK549 (with 24 mo. contract)

Telefonica subs

![Graph showing DSL, GPRS/EDGE, and CDMA subscriptions over time]
Mobile Internet Today
T-Mobile and the Apple iPhone: a success story.

- 1st generation iPhone (launched in Nov 2007)
  - over 100,000 devices sold in Germany until May 2008
  - 10,000 devices sold in first 24 hours

- 2nd generation iPhone 3G (launched in July 2008)
  - over 75,000 devices sold in Germany until August 2008
  - 15,000 devices sold in first 24 hours

- T-Mobile sells iPhone 3G in
  - Germany*
  - Austria
  - Netherlands*
  - Czech Republic
  - Slovakia
  - Hungary*
  - Poland (ERA)
  - Croatia to follow soon

* exclusive sales partner
Customer Insights

How to get on Internet
- I want to know, how to start Internet.
- I don’t want to be confused with these icons. What does it really mean?

Speed and Coverage
- It must be quick. It takes ages to see pages.
- I want to use Internet anywhere and anytime.

User Experience
- Content must be adjusted to my display.
- My home portal must be transparent, with good & fast search.
Mobile device trends from Internet perspective

- Mobile handsets are becoming more attractive as Internet devices
- Improved embedded browsers
- Bigger display and higher resolution
- Intuitive handling including touchscreen
- Support on a big variety of connectivity (EDGE, UMTS, HSDPA, Wi-Fi)
- Advanced operating systems (growth of Smartphone share)
- New technology (e.g. NFC - Near Field Communication)
- Prolong battery life
- Preinstalled access to Internet services

A close cooperation with device manufacturers required to ensure an optimal user experience
Internet world trust in confined mobile internet

“www” expands to “m-“

- Portals for mobile
  - m.cnn.com
  - m.yahoo.com
  - m.google.com
  - m.centrum.cz
  - m.seznam.cz
  - m.ihned.cz
  - m.youtube.com

- iPhone hype device followers

- OS for mobile
  - symbian
  - android
  - apple os

- Applications for mobile:
  - opera
  - googlemaps
  - m.google, …

- T Mobile
Real value adding usage patterns already exist
Mobile Internet Future
Mobilization of Content – potential future driver

Connected Life & Work

User Generated Content

@ home

@ work

Mobile

Video/Tv

Internet

Music

Voice/Messaging

Photo
New potential areas – Gadgets as an interface

Banking, payment, m

Identity management


- Two of the three operators in Japan have recently decided to invest in financial businesses; KDDI’s retail banking business (“Jibun Bank”) and NTT DoCoMo’s credit card issuer business (“DCMX”), under the circumstances of the negative trend of mobile ARPU also in Japan. As the ratio of data flat-rate plan subscribers getting higher, with 29% of total mobile users at NTT DoCoMo and 72% at KDDI au in December 2008, mobile operators are eager to develop non-traffic revenue sources.

- The motives of the two operators are to cultivate additional non-traffic revenue utilizing existing resources. The common thoughts of the two businesses are to convert existing customer base into new business’s customers and to utilize its major customer contact points, such as its own brand shop or the mobile preset screen, to promote these new financial services.

Jibun Bank of KDDI

- Most recently, Jibun Bank, a retail bank, is incorporated as the joint investment of KDDI (50%) and The Bank of Tokyo-Mitsubishi UFJ (50%). Its number of subscribers reached 500,000 milestone on April 4th, 2009 after 9 months of operation since its launch in July 2008.

- Jibun Bank provides almost the same service menu as existing Internet banking services on mobile phones but the bank transfer utilizing mobile phone number. Jibun Bank Users are still provided with a plastic cash card for withdrawals to be compatible to existing ATMs.

- Even though the end-user benefit of Jibun Bank is not differentiated, there are competitive advantages of KDDI compared to other banks by:
  - Utilizing KDDI’s subscriber information to acquire customers for Jibun Bank
  - Pre-installing Jibun Bank application to its mobile phones

- Mobile banking service is provided by more than 90% of banks and 21% of mobile users utilize mobile banking, according to Impress R&D.

Usage/Function

- The main usage of mobile banking stays to the basic functions since the launch, such as to check the balance/ statement (71%), bank transfer (41%), settlement service such as Yahoo! Settlement (26%) and cash transfer (25%), followed by a lot less utilization of fixed deposit (6%), according to Rakuten Research’s consumer questionnaire.

- Additional mobile banking services that take advantages of characteristics of mobile phones are:
  - EMoney charge: to charge EMoney value, stored on a Felica chip on mobile phones
  - ATM lock: to lock/unlock the usage of cash card at ATMs via mobile phone
  - Secure Log-in: to authenticate utilizing handset serial
Time for your questions.