Mobile VAS Conference 2009
St Petersburg
"Global Mobile Media Trends"

Ian Henderson

MEF EMEA Director

VP EMEA Digital Business Development, Sony Music

The Global Voice of Mobile Entertainment

1. Industry confidence – MEF's survey results
2. Mobile media trends
3. The Apps Phenomenon
4. Developments in the Mobile Music Industry
   - Trends in Western Europe
   - What Europe has learned from Russia
5. About MEF

1. MEF Business Confidence Index

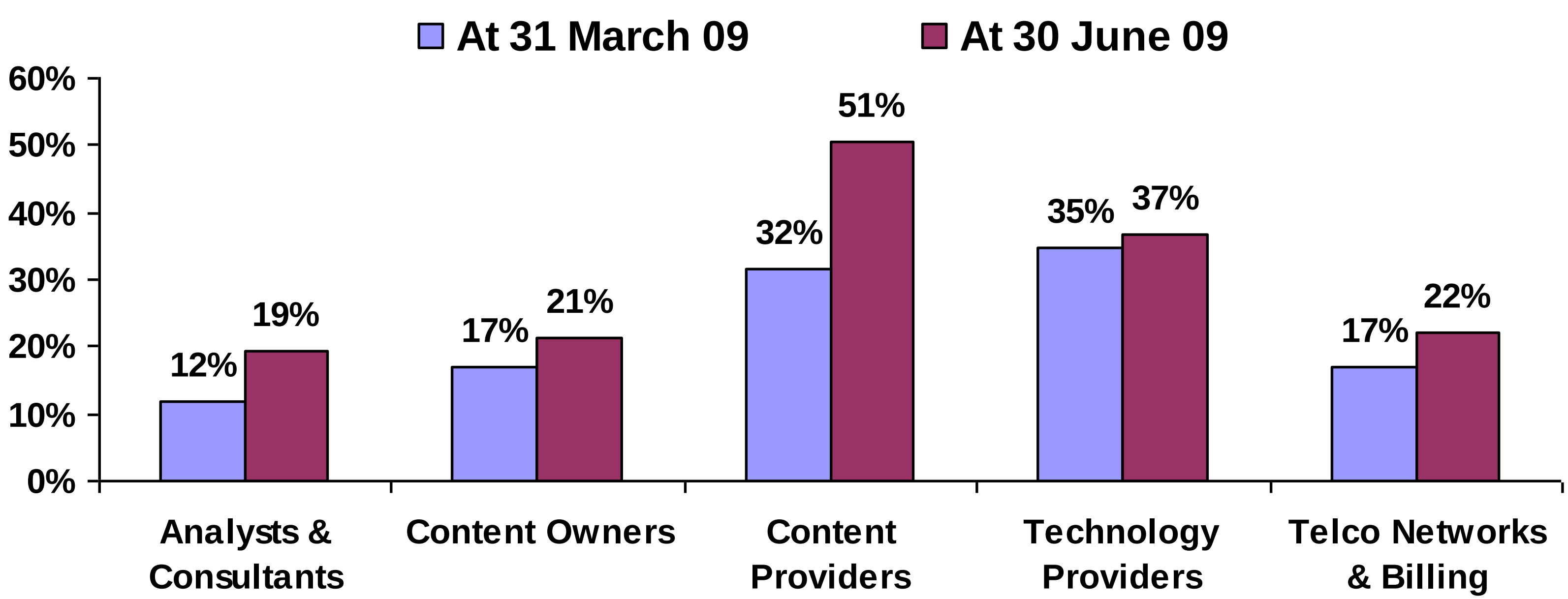
- Quarterly survey of mobile entertainment business mood
- Worldwide across MEF membership
- 15 questions on categories, geographies, performance, marketing, headcount

MEF Business Confidence Index – June 2009

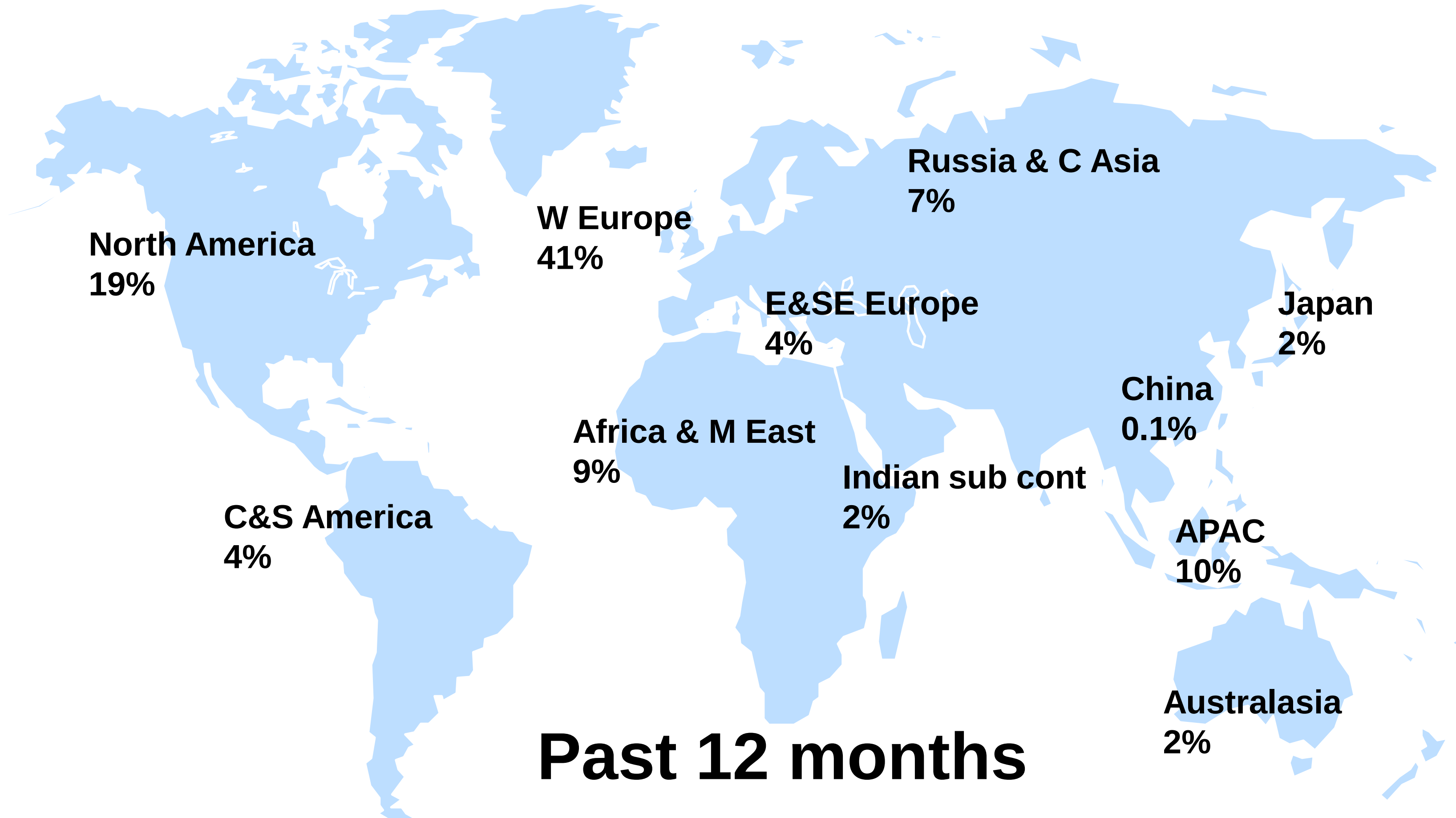
Q. How will your revenue change over next 12 months?

BCI at 31 March 09 – Mean growth prediction 28%

BCI at 30 June 09 – Mean growth prediction **33%**



Where did the revenue come from?



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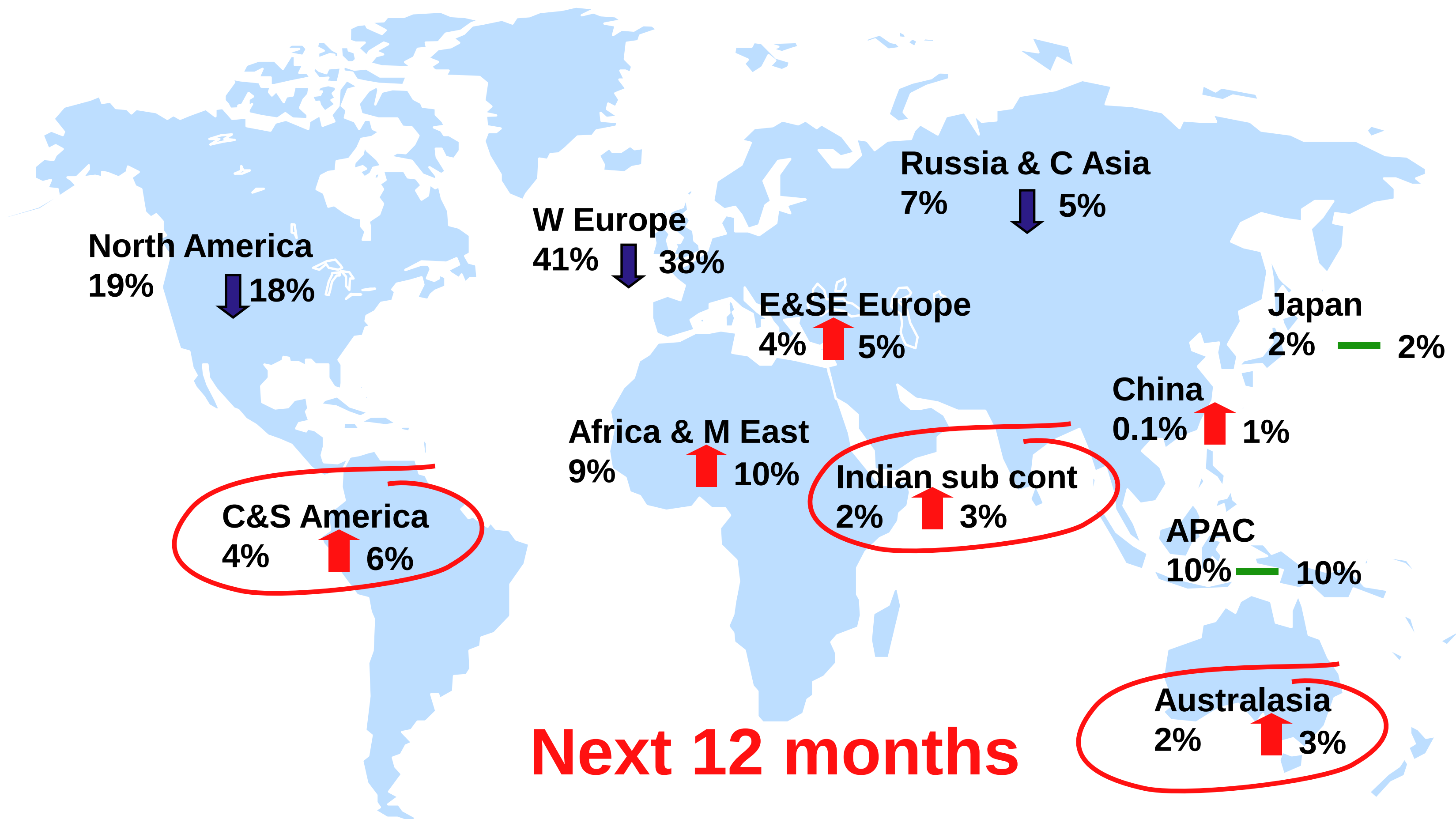


MEF Business Confidence Index – June 2009

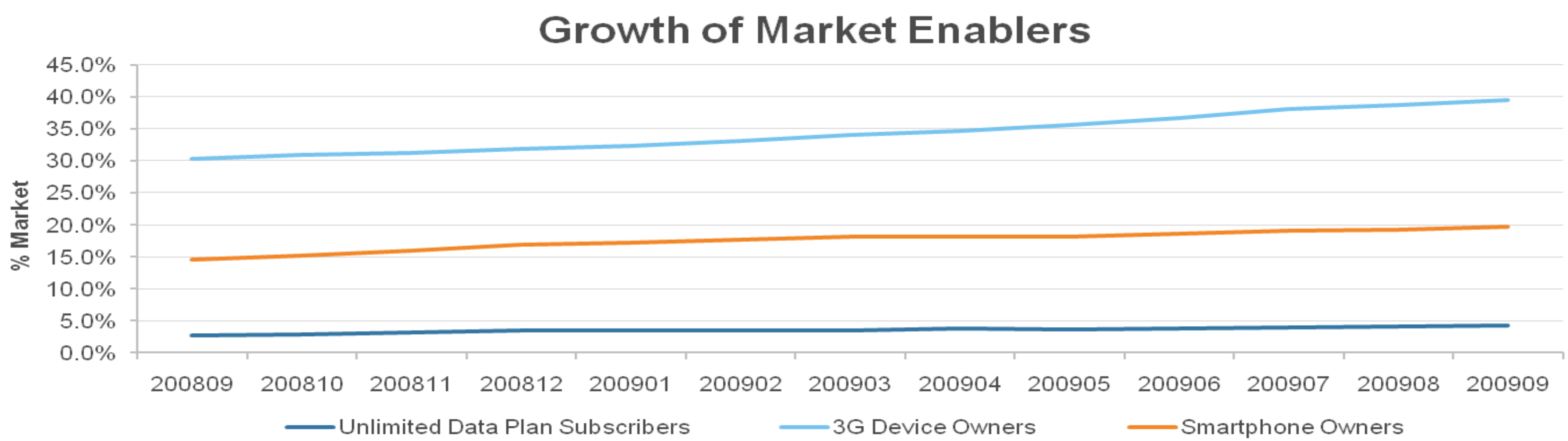
Q. Applications revenue, in the next quarter …..

% of all revenue projected to come from applications **14%**

Paid for applications	54%
Free applications	41%
Ad funded applications	5%

2. Key Market Enablers

1. **2 important market enablers (smartphones and 3G devices) now firmly entrenched**
2. **However, most important enabler, unlimited data plans, still has limited penetration across Europe.**
3. **80% unlimited data plan subscribers use media, 199% more likely than average mobile owner.**



Product: MobiLens

Data: Three month average ending September 09

Country: EU - N= 68,669

1,385 Separate Devices Used for Mobile Media

- **The top 20% of devices (277 devices) represent 79% of mobile media users. Proving the 80/20 rule yet again.**

- **The much hyped Apple iPhone represents 8% of mobile media users.**

- **Nokia has 34%, Samsung 17.5% and Sony Ericsson 16% of mobile media users.**

Product: MobiLens

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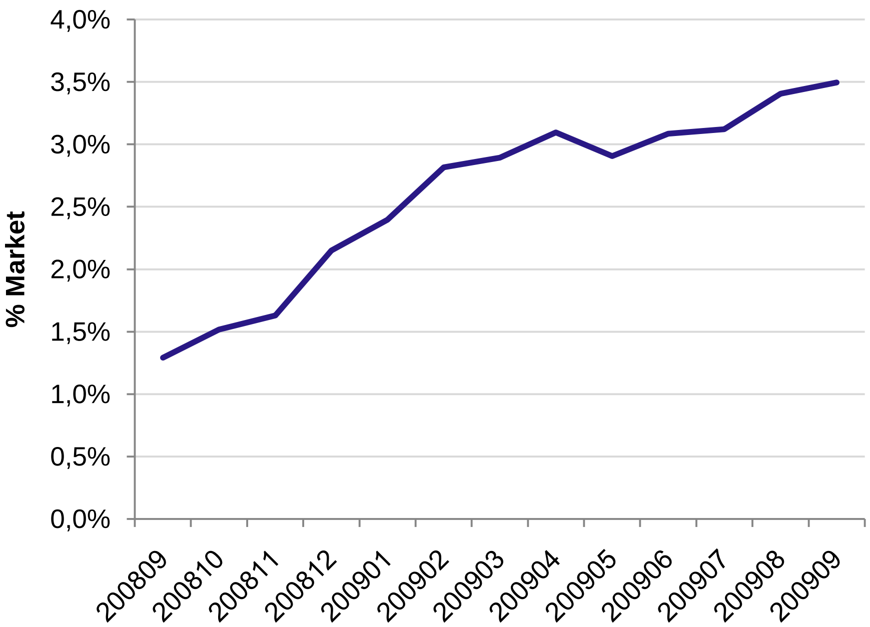
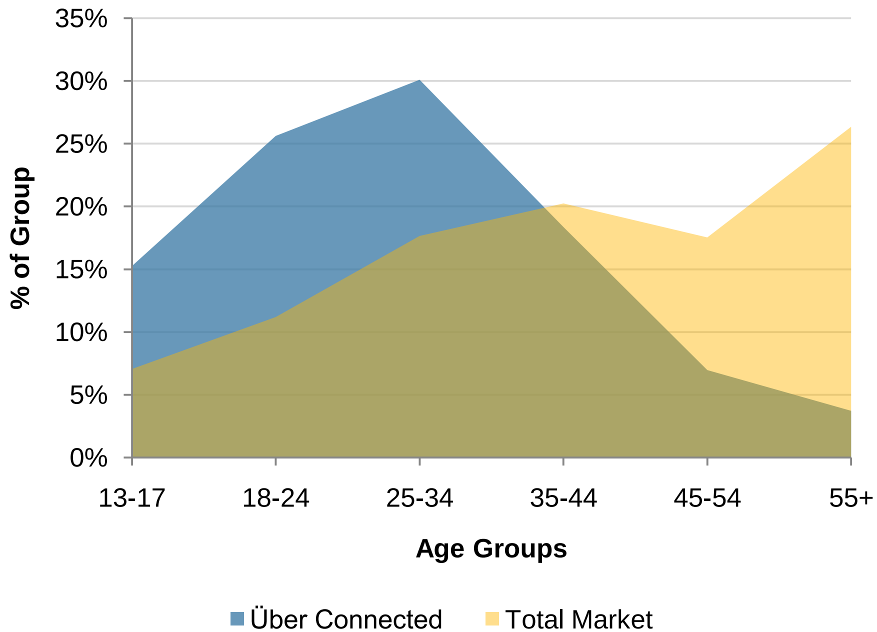
The Über Connected Generation

- **Growing trend for services which integrate social networking, e-mail and IM on devices, e.g. Vodafone 360.**
- **Number of people who use all three growing 173% yr-on-yr, to 3.5% of mobile users.**
- **Younger demographics. 30% of group aged between 25-34.**

Über Connected Generated



Über Connect Age Breakout



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The Apps Phenomenon – What?

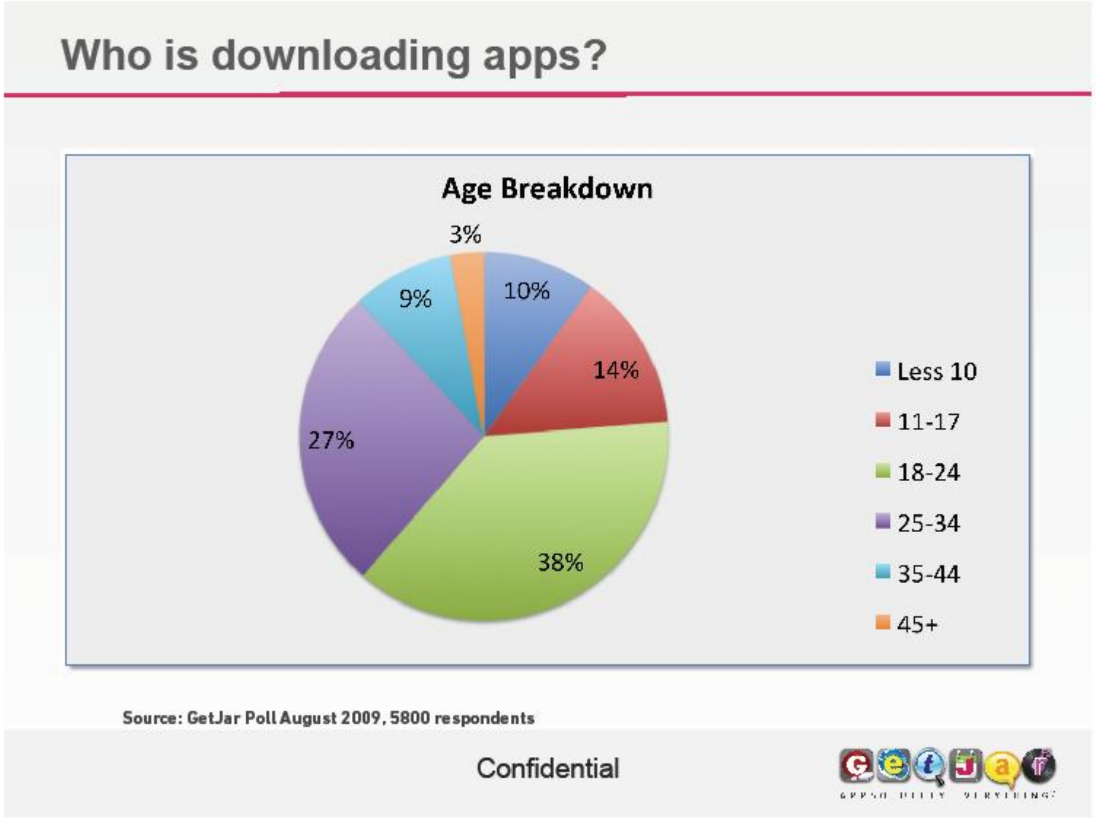
What are they downloading?

USA / App	USA/ type	UK / App	UK / type	India /App	India/ type
Facebook	**Social**	Facebook	**Social**	Google	**Info**
Google	**Info**	Ebuddy	**IM**	Nimbuzz	**IM**
Nimbuzz	**IM**	Google	**Info**	Opera Min	**Prod**
Change Ringtone	**Music**	Nimbuzz	**IM**	Bluetooth File Trans	**Prod**
Ebuddy	**IM**	Vuclip	**Entertain**	Opera Min5	**Prod**
Opera Min	**Prod**	GetJar	**Info**	Mig33	**IM**
TicTacToe	**Games**	Change Ringtone	**Music**	Dictionary	**Education**
Qeep	**Social**	YouTube	**Entertain**	Evan Mp3	**Music**
Mig33	**Social / IM**	Qeep	**Social**	Ebuddy	**IM**
Flirtomatic	**Social**	Opera Min	**Prod**	Rocketalk	**IM**

Source: GetJar Poll August 2009, 5800 respondents

Confidential

3. The Apps Phenomenon



The Apps Phenomenon – When?

When are they downloading?

	Taxi, bus…	Working	In Class	Waiting	Before sleeping
USA	26%	9%	5%	**27%**	**33%**
Euro	43%	13%	14%	14%	17%
Asia	30%	12%	15%	15%	27%
S.Am	**53%**	13%	11%	9%	14%
UK	26%	11%	10%	**27%**	27%
India	22%	12%	**21%**	11%	**34%**

Source: GetJar Poll August 2009, 5800 respondents

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SONY MUSIC

Developments in the Mobile Music Industry

- Smartphone applications can be a key tool to solving the big question "how to compete with free, illegal, online content?"
- "Freemium" model
  - Free, online music streaming with advertising
  - Paid-for, smartphone access for those willing to pay €9.99/month
- 2 Players:
  - Spotify (UK, Sweden, France, Spain, Finland, Norway)
    - 3.5 million Free, online, ad-supported users
    - 170K paying, premium, mobile users (launched Sept.)
  - Deezer (France)
    - 6 million users in France.
    - Only launched premium service in last weeks.

Everyone Loves Music

SONY MUSIC

What Europe Has Learned from Russia

- RBT's (ringback tones) can be a big business if we treat it like a subscription business
- Strategic Russian partnership between MTS & Sony Music Russia.
- Sony Music now switching to subscription RBT model across Europe and Africa.
  - Vodafone
  - Hutchinson "3"
  - Zain
  - Wind
- Future of RBT's: AYCE (all you can eat) RBT subscriptions

Conclusions

- The Mobile Entertainment Industry is surprisingly optimistic 1 year after the credit crunch “crisis.”
- Smartphone platforms (iPhone, Google Android) represent a revolution in:
  1. Consumer experience
  2. Business model (i.e. getting people to pay).
- Social networking + messaging is the KILLER APP now.
- But great music apps are starting to appear.
- Application platforms and 3G networks help, but flat rate data packages are required for mass market adoption.

4. About MEF

Mobile Entertainment Forum (MEF) is the global trade association of the mobile media industry

MEF delivers value through:

- Insights – research & analysis
- Policy – government interaction
- Events - connecting the industry
- Awards - Meffys celebrating success
- Initiatives - changing the industry

MEF Informational Session

Informational Session, Thursday, 14:30

www.m-e-f.org
www.m-e-f.blogspot.com
+44 (0)20 7524 7878

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