

Next Generation Mobile Messaging

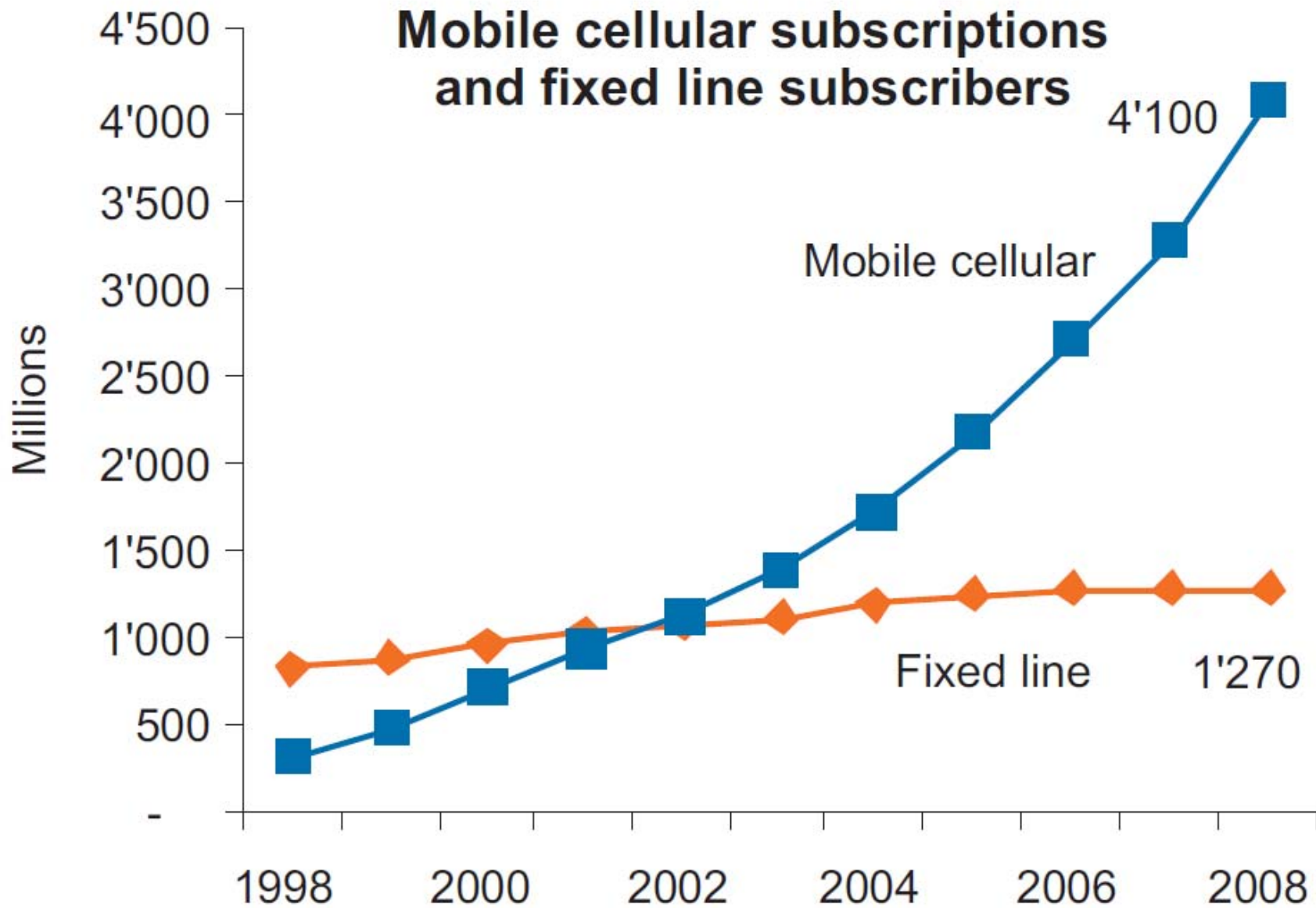
» **synchronica**

# MESSAGE PHONE

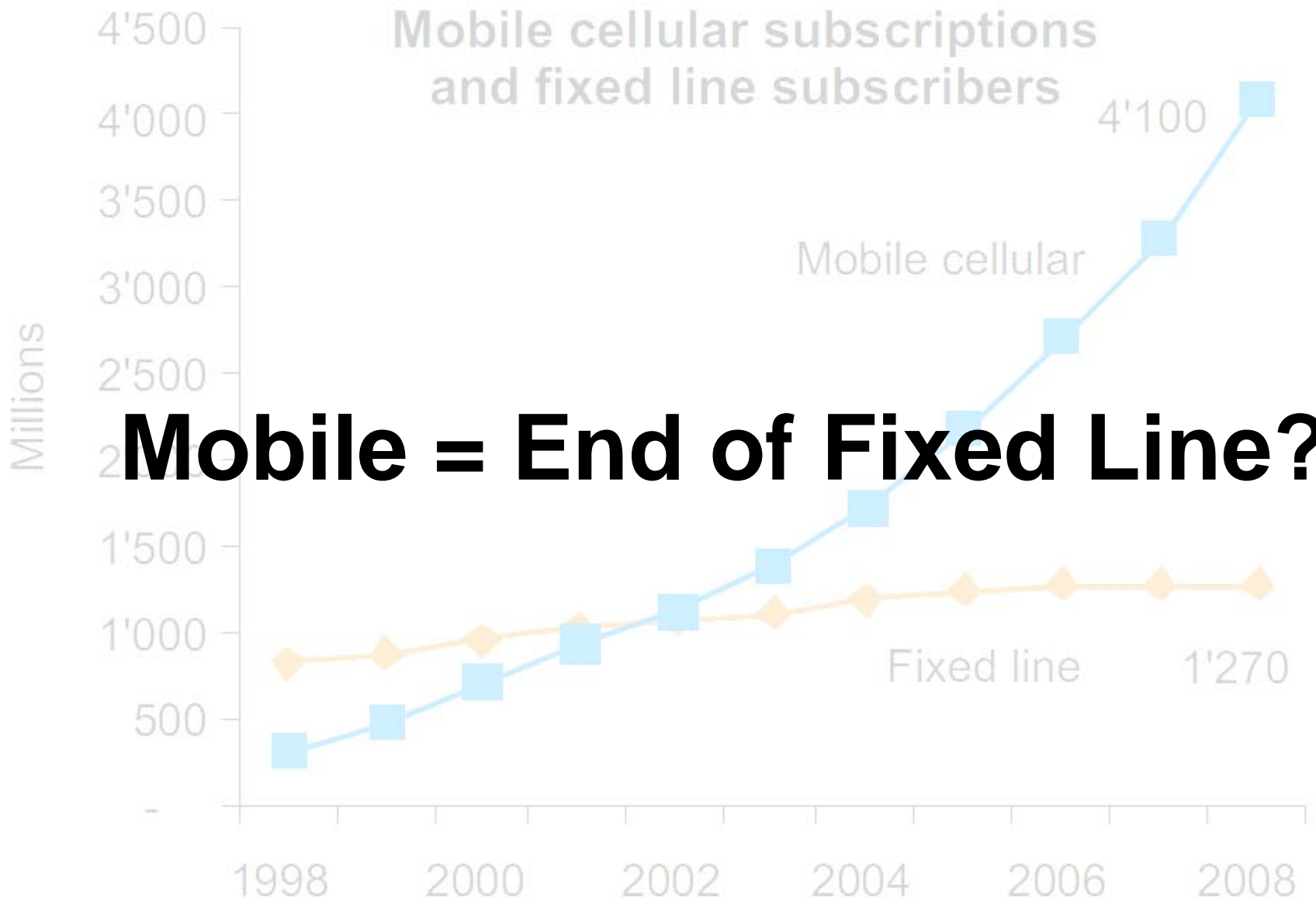
Carsten Brinkschulte, CEO  
Synchronica plc

**Product Launch Presentation**  
**10 February, 2010**

# Some Numbers on Mobile

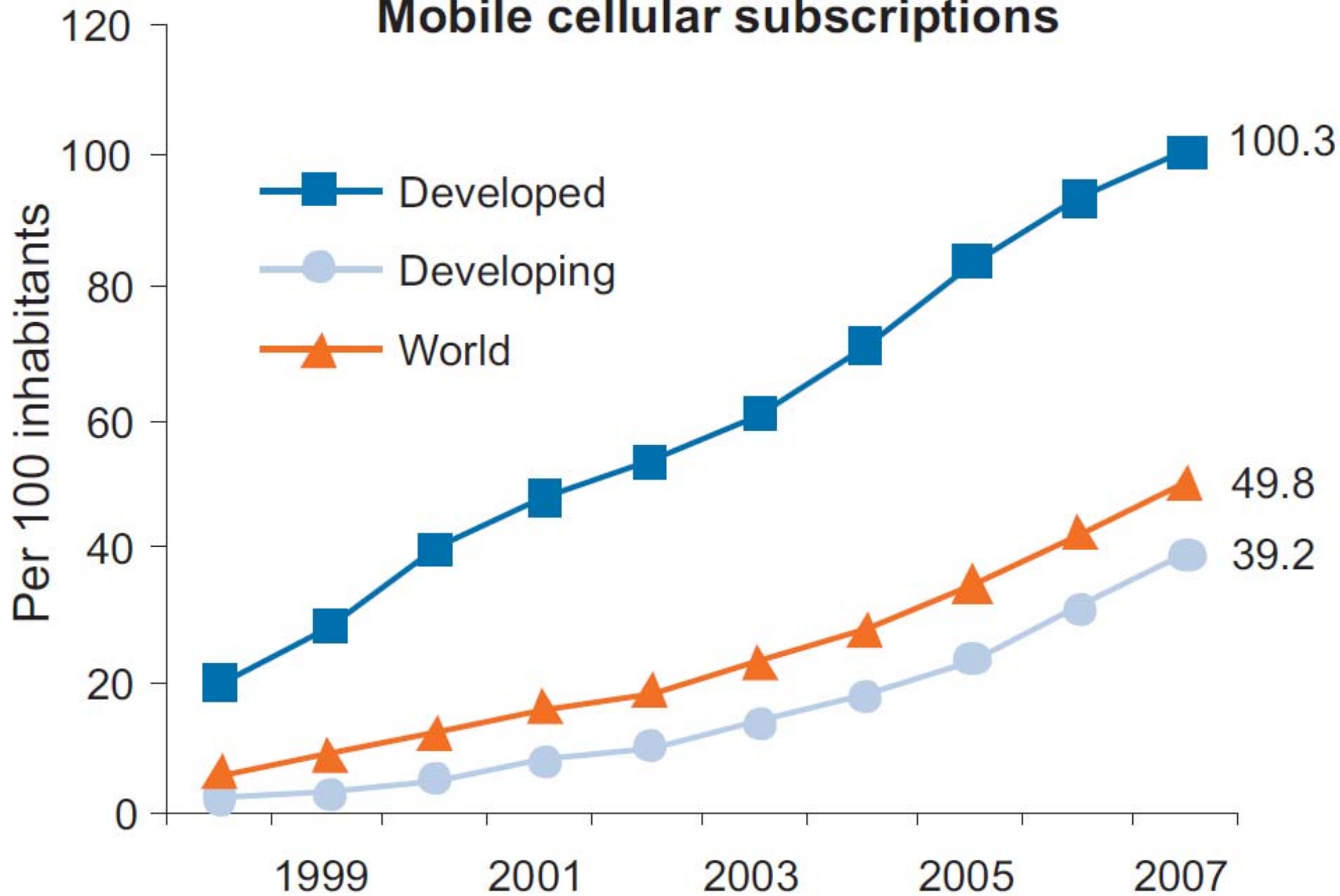


Source: ITU World Telecommunication / ICT Indicators database



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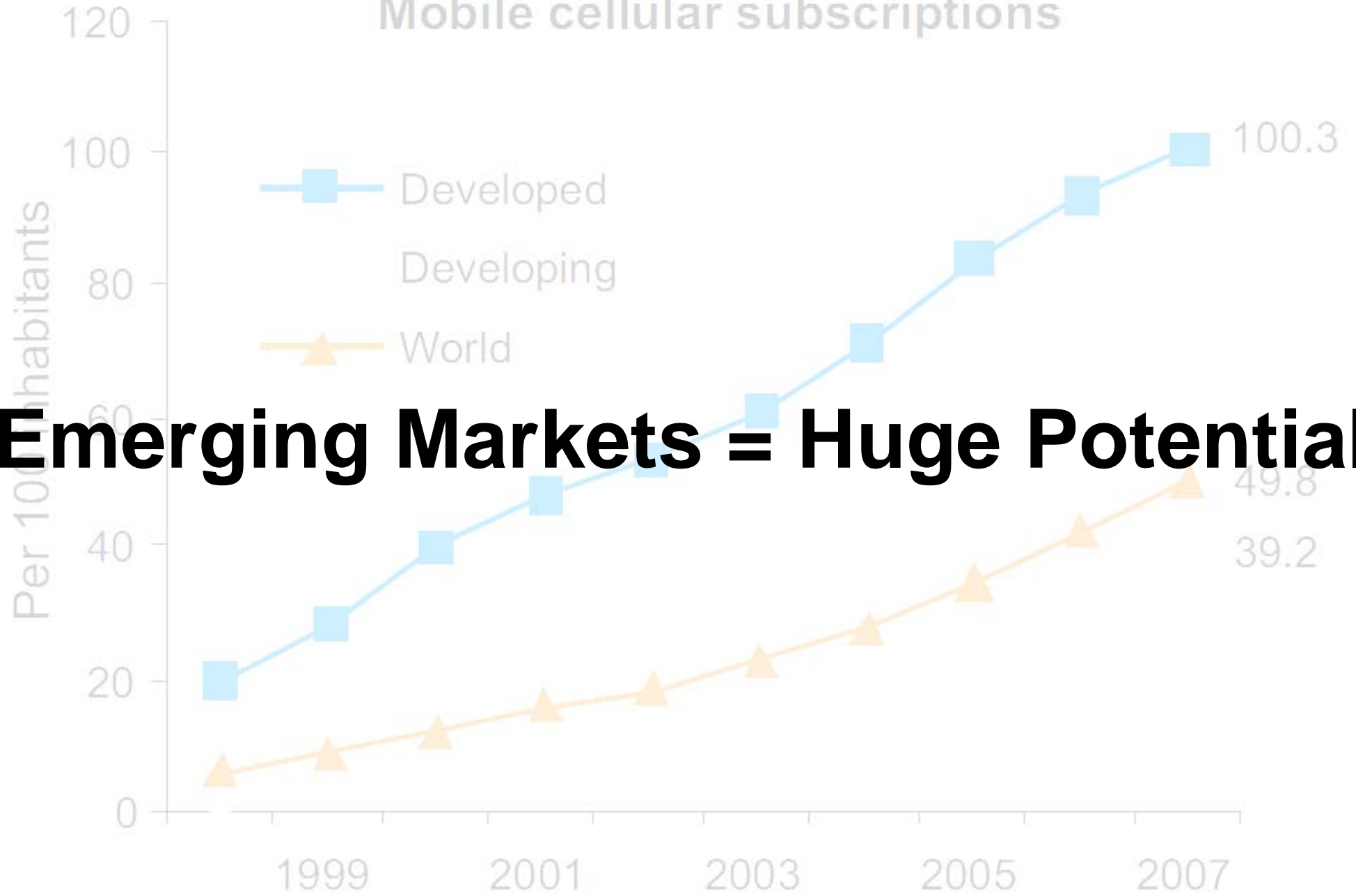
# Mobile cellular subscriptions



Source: ITU World Telecommunication / ICT Indicators database

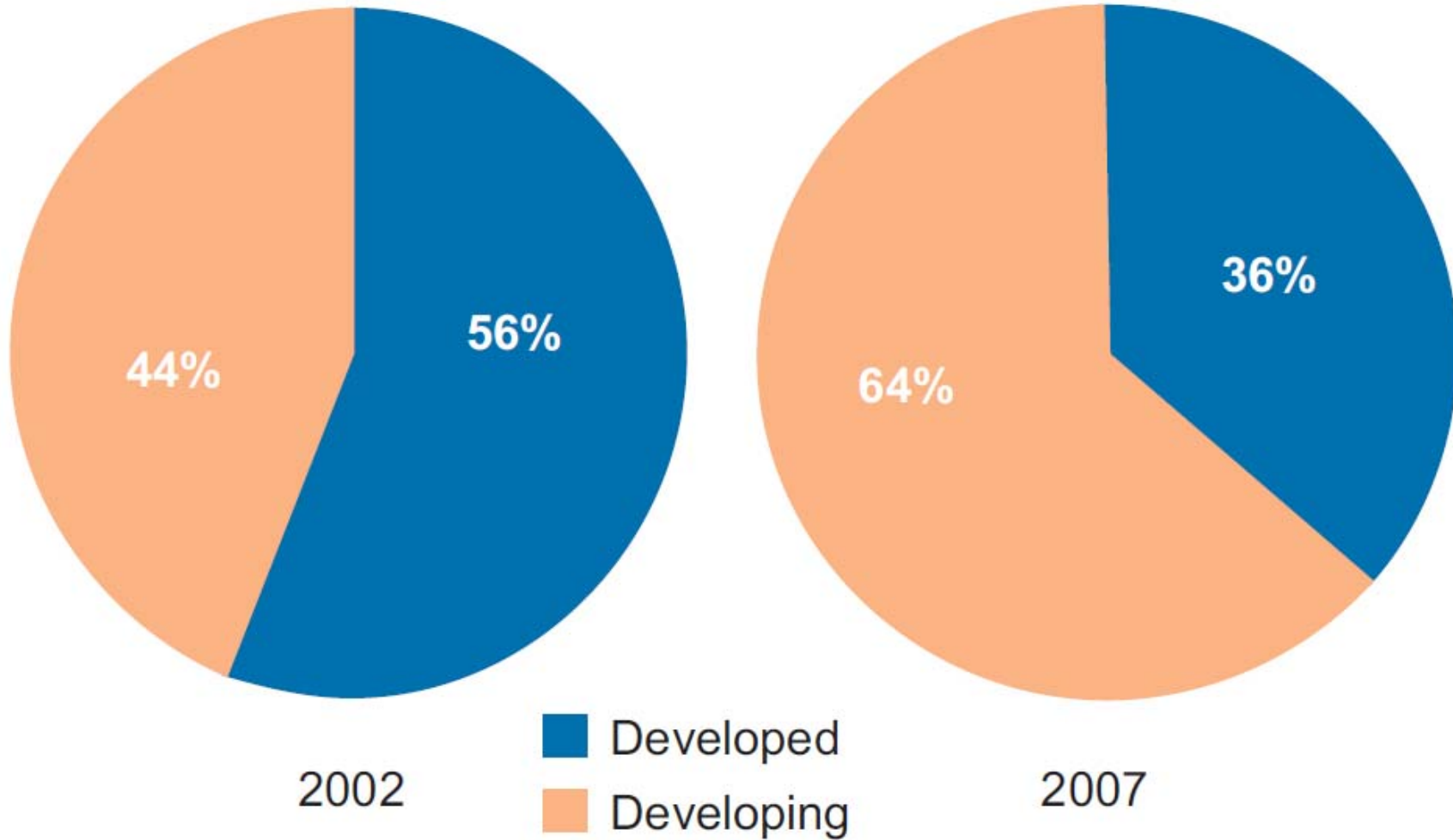
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# Mobile cellular subscriptions

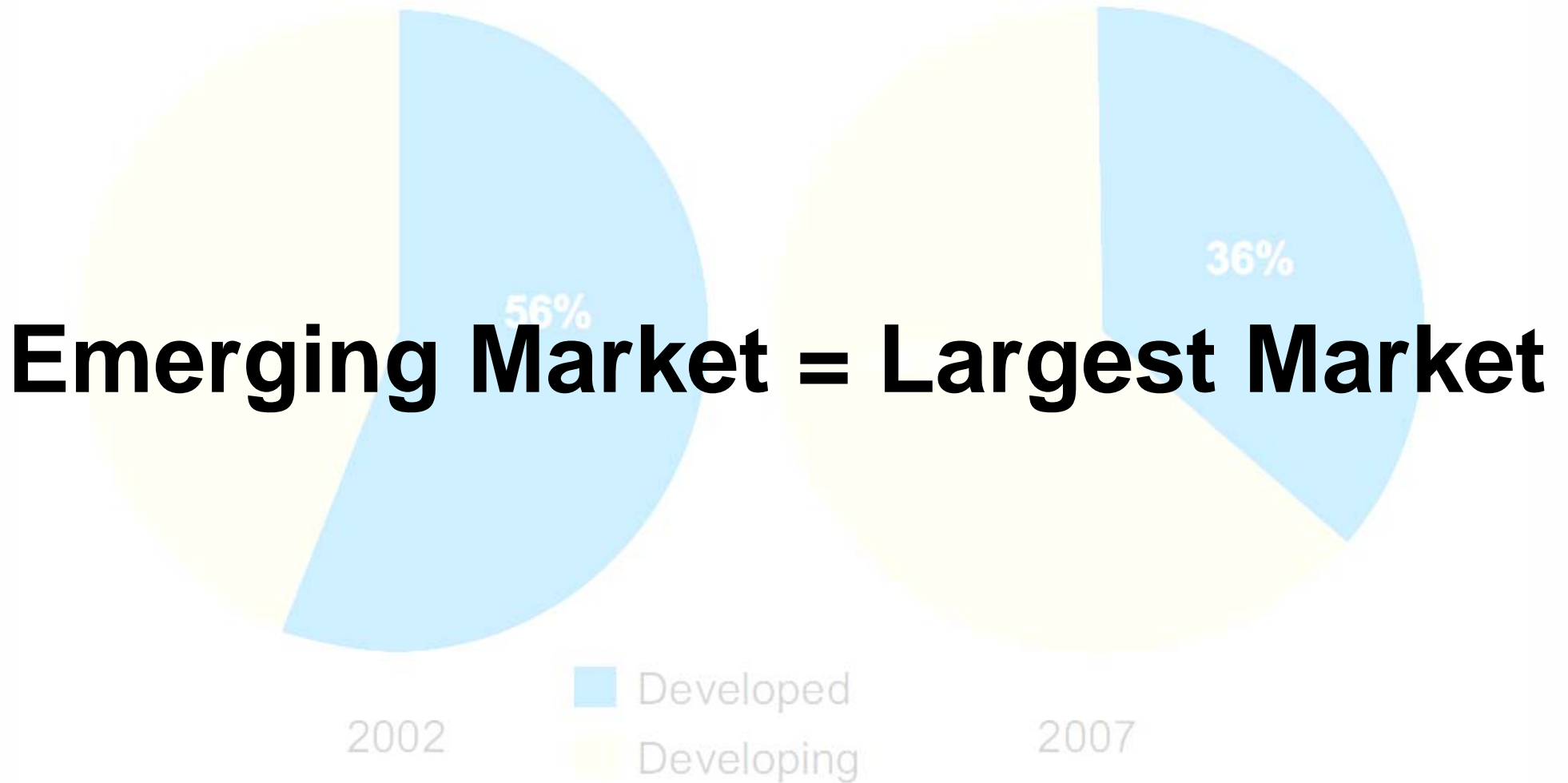


**Emerging Markets = Huge Potential**

## Mobile cellular subscriptions



## Mobile cellular subscriptions



# Will this be a Success in Emerging Markets?



# Will this be a Success in Emerging Markets?



# WHAT IF?

There would be an affordable, connected phone?

Designed for users in emerging markets?

Connected to consumer and business user mailboxes?

Has Instant Messaging and a full Internet browser?

Maybe add access to social networks, too?

Distributed worldwide by a large device distributor?

Promoted by large mobile operators?

# Introducing: MessagePhone



# Introducing: MessagePhone



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# Agenda – MessagePhone Launch Event

## Next Generation Mobile Messaging for the Mass-Market

### » MessagePhone Partners

- Synchronica, KCM, Brightstar, Mobile Operators

### » Market Analysis

- Emerging markets opportunity, mobile Email and IM growth
- Competitive landscape, carriers vs. manufacturers vs. portals

### » User Requirements

- What do users in the target market really want?
- How does the MessagePhone stack up?

### » MessagePhone

- Features and technical specification

### » Synchronica Mobile Gateway Platform

- Features and technology
- Strategic positioning

# MessagePhone Partners: Synchronica

## Next Generation Mobile Messaging Infrastructure

### » About Synchronica plc

- Listed on the London Stock Exchange (AIM: SYNC)
- 75 employees, headquarters in London, engineering in Berlin
- Focused on next generation mobile messaging infrastructure software



### » Mobile Gateway: Push Email and Synchronization

- Push Email, synchronization for business users and consumers
- Cost-effective Push Email and synchronization infrastructure software
- True Push Email based entirely on open industry standards
- Real-time Web feeds and connectivity to social networks
- Supports for virtually 100% of mobile devices



### » Mobile Gateway: Instant Messaging

- Standards-based, works with built-in Instant Messaging clients
- Connectivity to Internet IM communities to generate take-up and data traffic
- Provides operator-hosted IM community to reduce churn

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# Synchronica Customers and Partners

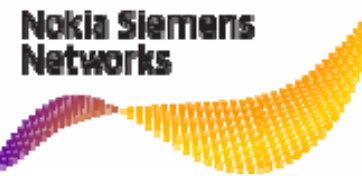
2007



2008



2009



# MessagePhone Partners: KC Mobile



## The Developer of the MessagePhone Device

### » The Mecca of R&D for State-of-Art Mobile Communication

- KC Mobile was established in 2003
- Focuses on development of mobile products for GSM, GPRS, 3G technologies
- Well respected in the industry for quality R&D and cost-effective production
- The leading developer of White-Labelled Mobile Devices

### » KC Mobile's Focus

- Innovative Korea-based R&D, with manufacturing taking place in China
- Has built up an enviable portfolio of OEM mobile products
- Is successful in the distribution of Low Cost Devices to operators in these markets

### » KC Mobile's Interest in the Collaboration

- Vast experience in the development of white-labelled solutions
- Understands the unique needs of users located in developing countries
- Able to translate these needs into an appealing cost-effective device

# MessagePhone Partners: Brightstar



## Global Leader in Distribution and Supply Chain

### » About Brightstar Corporation

- A multi-billion dollar global innovator in demand generation distribution and integrated supply chain solutions in the converging wireless and IT industries
- Started only 12 years ago – Now rated 108<sup>th</sup> in the INC and 112<sup>th</sup> in Forbes list of top private companies
- Serve leading OEM Manufacturers, operators and retailers in nearly 50 countries across 6 continents
- Very active in emerging markets – LATAM, MEA and APAC
- Successfully distribute Low Cost Devices to operators in these markets

### » Brightstar's Interest in the Collaboration

- Mobile Gateway critical to servicing underserved messaging segments
- Unmet need for low cost, message-centric handsets in emerging markets
- Affordable turnkey solutions will help operators capture underserved markets



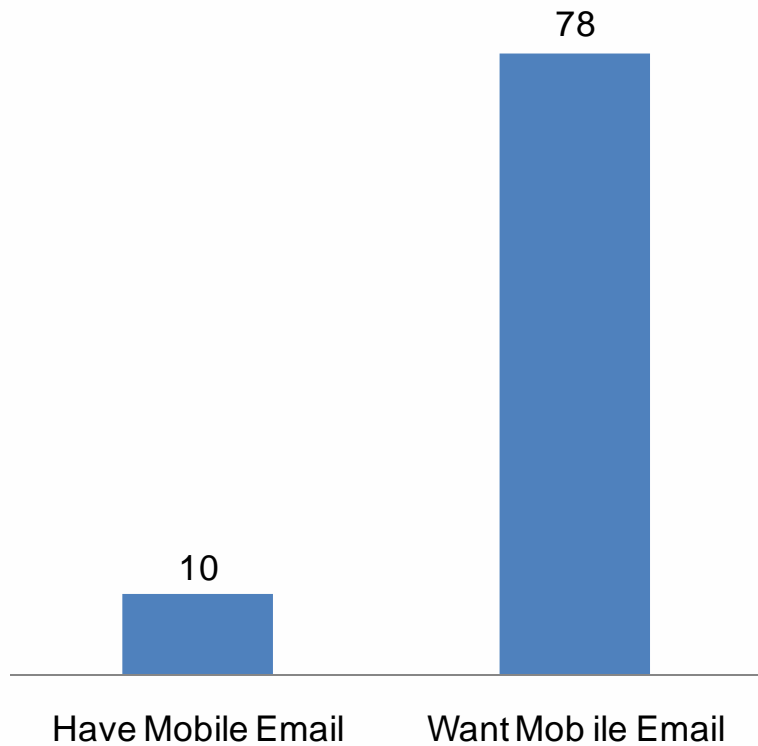
# Market Analysis

Market Trends and Competitive Landscape

# Mobile Email Market

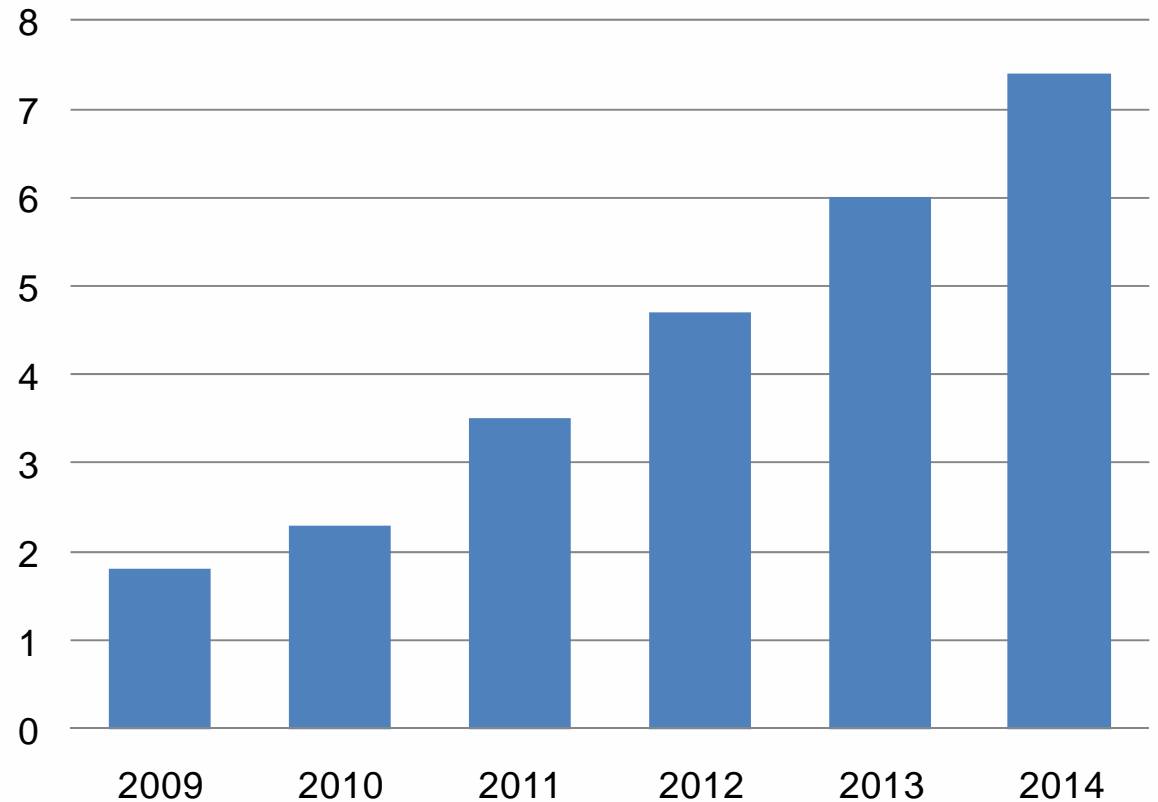
Mobile Email Has Large Potential in the Mass-Market

## Demand for Mobile Email



(source: Strategy Analytics and MyMetrix ComScore 2008)

## Mobile Consumer Email Revenue (\$B)



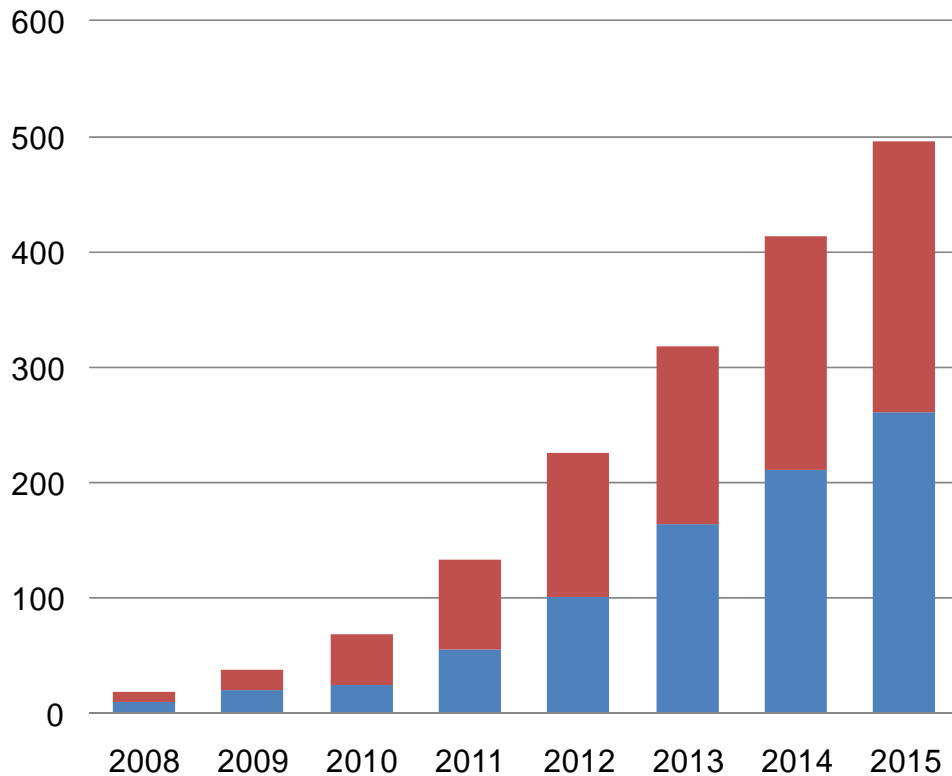
(source: visiongain, October 2009)

# Mobile Instant Messaging Market

## Mobile Instant Messaging Is Growing Rapidly in Emerging Markets

- » The total market for Mobile Instant Messaging solutions is estimated to grow with a CAGR of 54% over the next 6 years in LATAM and Africa.

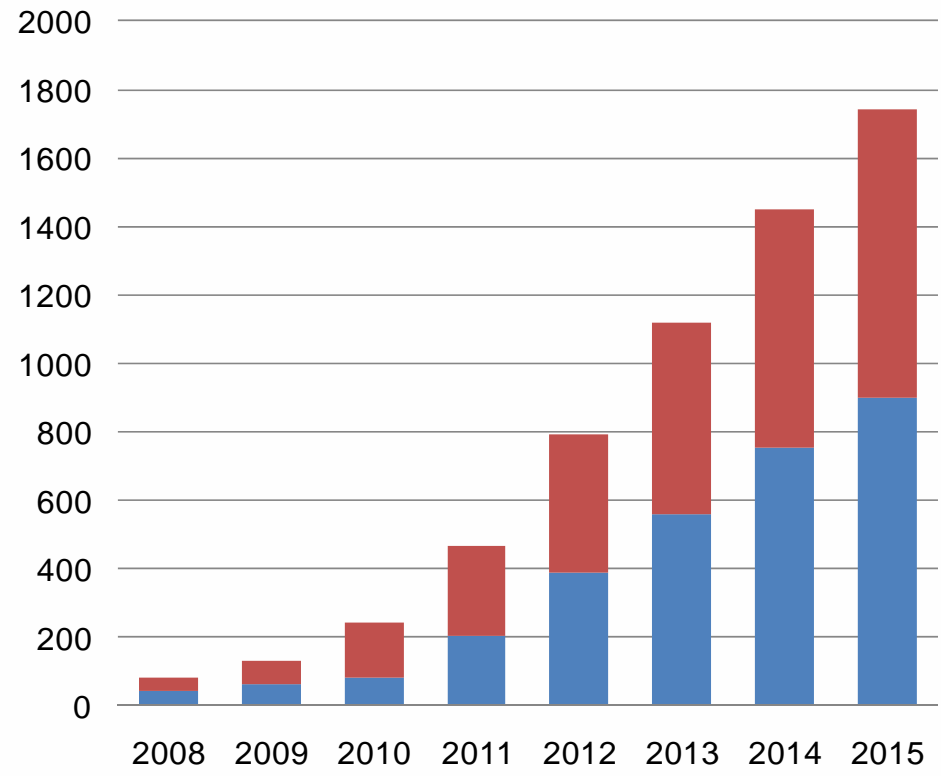
**Est. Number of Mobile IM Users (Millions)**



■ LATAM ■ Africa

(source: Frost & Sullivan, October 2009)

**Estimated IM Revenues (\$Million)**



■ LATAM ■ Africa

(source: Frost & Sullivan, October 2009)

# The Fight for Managing the User Identity

## Operators, Manufacturers and Portals Want to Manage User Identity

### » Device Manufacturers

- Strength: Control the user experience on the handset
- Products: Apple MobileMe, Nokia OVI, Blackberry BBM

### » Portals

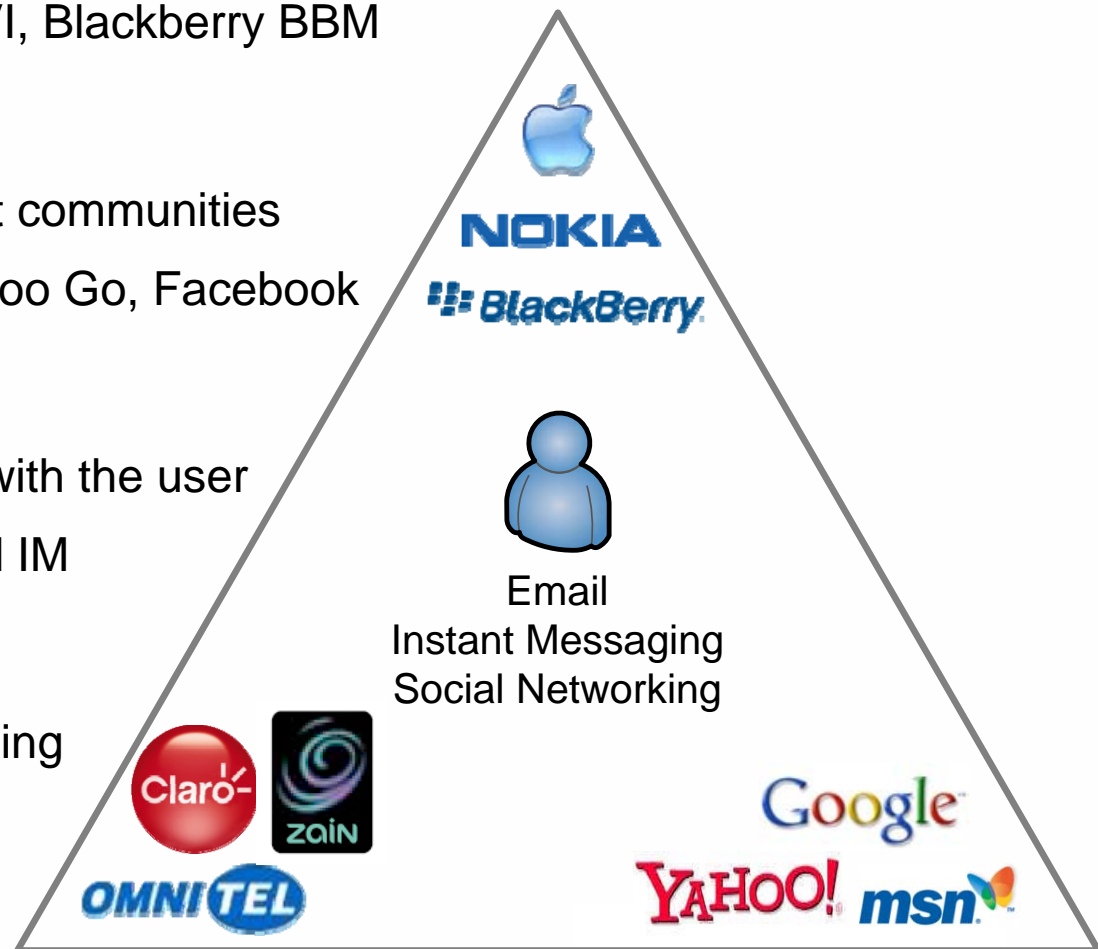
- Strength: Have large existing Internet communities
- Products: GoogleMail/Talk, AIM, Yahoo Go, Facebook

### » Mobile Operators

- Strength: Control billing relationship with the user
- Products: Operator-hosted Email and IM

### » Synchronica and MessagePhone

- Enables operators to connect to existing Internet communities **and** build operator-hosted communities





## User Requirements

What Do Users in Emerging Markets Really Want?

# Success Criteria for Mass-Market Devices

Clearly Defined Product with Strong Demand at Affordable Price

A successful product needs:

- » Large and well-defined addressable market
- » Significant differentiation factors
- » Market awareness and demand
- » Product features matching user requirements
- » Good product quality
- » Affordable price
- » Global distribution
- » Strong sales and marketing



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# MessagePhone: Typical User Profile

## Middle-Class Emerging Markets

- » Small business owner or employee in Africa, Latin America, or Asia
  - Earns between US\$ 300 and US\$ 500 per month
- » Owns a basic mobile phone, but uses it only for telephone calls and SMS
  - Spends between US\$ 3 (e.g. Pakistan) and US\$ 12 (e.g. Sudan) per month
  - Uses a pre-paid SIM card with a basic mobile phone
  - Has switched between mobile operators 3 times over the last 12 months
- » Does not own a PC, and probably won't afford one anytime soon
- » Frequently uses Internet Cafe to:
  - Check business and private email
  - Browse Internet for news, products and services
  - Chat with friends and family members living abroad
  - Write letters and send fax messages

# MessagePhone: User Requirements

MessagePhone Is Ideal for Professionals in Emerging Markets

What Do You Expect From Your Next Mobile Phone?

- » Help me with my professional life
- » Give me full PC-like internet access
- » Stay in touch with friends and family
- » Entertain me when I am bored
- » It should be a great phone, too
- » Last but not least – I need to be able to afford it



How Does MessagePhone Stack Up Against These Requirements?

# MessagePhone: User Requirements



MessagePhone Provides Affordable Aspiration for Emerging Markets

## » Help Me With My Professional Life

- Give me PC-like access to Email
- Support multiple Email accounts (both business and private)
- Give me access to attachments
- Have my calendar and contacts synchronized

## » How Does MessagePhone Stack Up?

- Easy 1-2-3 on-device signup, does not require a PC
- Support for business (Exchange) and consumer mail (GoogleMail, Hotmail, Yahoo)
- PC-like Push Email client with offline reading and composing
- QWERTY keyboard makes typing longer messages a breeze
- Special Email-buttons provide fast access to Email application
- Attachment transcoding makes Microsoft Word, PDF and images available
- Bi-directional synchronization of Addressbook and Calendar



# MessagePhone: User Requirements

## MessagePhone Provides Full, PC-Like Internet Access

### » Give Me Full PC-like Internet Access

- So I don't have to drive to the Internet cafe that often anymore
- Needs to have a large, high-resolution screen
- Fast download speed, so I don't have to wait that long
- In want to read the latest news and check out sports results of my favourite club
- Check out the Facebook page of my daughter
- Search online for products and places

### » How Does MessagePhone Stack Up?

- Bundled high-speed Internet browser from Bolt
- Full HTML web browser with server-assisted browsing and optimized download
- 2.2" QVGA 262K LCD Screen
- Regular GPRS (2.5G) and fast mobile Internet EDGE (2.75G)
- QWERTY keyboard great for typing URLs or filling out forms

# MessagePhone: User Requirements



MessagePhone Is a Great Consumer Mobile Messaging Device

- » Stay In Touch With My Friends and Family
  - Exchange SMS messages with my daughter
  - Send and receive pictures and short video clips
  - Chat with my friends and family on MSN, ICQ and GoogleTalk
  
- » How does MessagePhone Stack Up?
  - QWERTY keyboard makes messaging a breeze
  - Built-in camera (1.3M – good enough and files don't get too big)
  - Full support for MMS and SMS
  - Built-in Instant Messaging Client providing chat with other MessagePhone users
  - IM gateway to MSN Messenger, ICO, GoogleTalk, AIM and Yahoo

# MessagePhone: User Requirements



MessagePhone Provides a Complete Entertainment Platform

## » Entertain Me When I am Bored

- Want to download and play games
- Listen to my favourite music tracks
- Listen to radio for news and latest charts
- Read a book (I don't want to pay, though)

## » How Does MessagePhone Stack Up?

- Full support for Java (MIDP 2.0)
- Thousands of Java applications can be downloaded from [GetJar.com](http://GetJar.com)
- Download music and video files online, via USB or Bluetooth
- Built-in MP3 and MPG4 Player and stereo headsets
- Built-in FM radio provides access to FREE music and news
- Built-in Ebook Reader (TXT format)

# MessagePhone: User Requirements



## MessagePhone Is Also a Very Good Phone

### » It Should Be A Great Phone, Too

- I want a good battery life, must last a full day or more
- Support for handsfree talking so I can check the papers while talking to clients
- Support vibrating alert, so I am not disturbed during a client visit
- Have one of these fancy Bluetooth headsets so I can talk while driving

### » How Does MessagePhone Stack Up?

- 5.5h Talk time
- 17 days standby time
- Vibrating alert
- Bluetooth connectivity for headsets and other 3<sup>rd</sup> party accessories

# MessagePhone: User Requirements



## Affordable Aspiration for Emerging Markets

- » Last But Not Least – It Needs to be Affordable!
  - I earn US\$ 500 per month, in a good month
  - Don't expect me to spend a whole month's salary on one of these Smartphones...
- » How Does MessagePhone stack up?

As low as US\$ 99



# Demonstration

MessagePhone Use Cases



# Features and Specification

MessagePhone QS 150 and QS 200

# Message Phone QS 150



# Message Phone QS 150

## Entry-Level Messaging Centric Device for Emerging Markets

### » Core Features

- Bundled with Synchronica Mobile Gateway
- Push EMail and synchronization for consumer and business
- Fully featured HTML web browser
- Instant Messaging and Social Network Access
- Multimedia Player
- Camera

### » Attractive Technical Specification

- GSM (Tri-band) / GPRS (2.5G)
- 2.2" QVGA 262K LCD
- Camera (VGA)
- Java (MIDP 2.0)
- MP3, MPEG4, Micro SD Card (up to 4 GB)
- IMAP, IMPS, SyncML, HTML, WAP, SMS, MMS



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# Message Phone QS 200



# Message Phone QS 200

## Mid-Range Internet Centric Device Targeted at Emerging Markets

- » QS 200 is the “Big Brother” of the QS 150
  - Faster processor with larger memory capacity
  - Fast Internet access and quad band radio
  - Better Multimedia and FM Radio
  - PC connectivity and Bluetooth
- » Improved Technical Specification
  - GSM (Quad-band)
  - EDGE (2.75G, faster Internet Access)
  - 1.3MP camera with video support
  - FM Radio
  - Bluetooth, USB
  - 32MB user memory
  - MP3, MPEG4, Micro SD card (up to 4GB)



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# Message Phone Turnkey Solution for Operators

MessagePhone is Integrated and Bundled with Mobile Gateway

- » Turnkey Solution Integrated with Infrastructure Software
  - MessagePhones optimized for and bundled with Synchronica Mobile Gateway
  - Hosting provided by Synchronica or deployed in the datacenter of the operator
  - All-you-can eat price for lifetime of the device, no hidden costs
- » MessagePhone is Operator-Friendly
  - Both MessagePhone Handset and Mobile Gateway platform can be operator-branded
  - Mobile Gateway enables operator-hosted communities for Email and Instant Messaging
  - Operator controls value-added service, increases data revenues and combats churn
- » Mobile Gateway Platform is Device Neutral
  - Operators can open up Mobile Gateway to devices of other manufacturers
  - Extend Push Email and Instant Messaging to legacy devices



# Synchronica Mobile Gateway Platform

The Infrastructure Powering the MessagePhone

# Synchronica Mobile Gateway

## Mass-Market Push Email, Synchronization and Instant Messaging

### » Push Email and Synchronization on Mass-Market Devices

- Targeting both consumer and business users
- Using industry standards, works on any mobile phone
- Built-in backup & restore protects customer data

### » Social Networking and Web Feeds

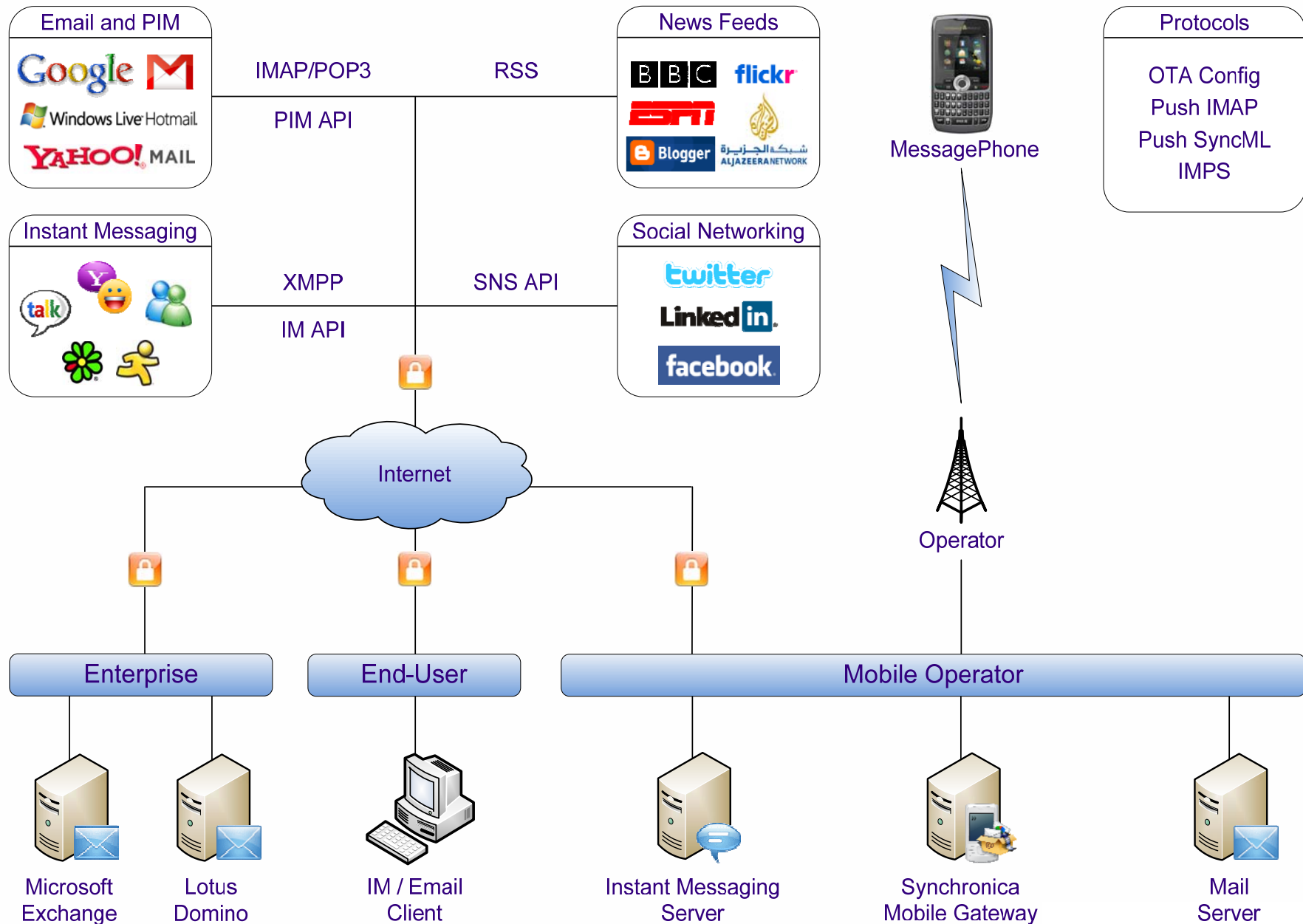
- Connect users to broad range of sports and news sites
- Integration with social networks taps into vast communities

### » Instant Messaging

- Using industry standards, works on mass-market devices
- Integrates with popular Internet IM communities
- Enables operators to create their own mobile IM community



# Mobile Gateway Connects The MessagePhone



# Mobile Gateway Can Be Opened to Any Phone



Basic Phones



Feature Phones



Smart Phones

SMS

MMS

WAP

POP3

IMAP

SyncML

ActiveSync

IMPS

XMPP



## Mobile Gateway

Transcoding

Provisioning

RSS

Yahoo!

Google

IMAP

Facebook

Exchange

XMPP

MSN

ICQ

POP3

Domino

Sun Comms

Consumer

Prosumer

Business

# MessagePhone: Summary

## MessagePhone Delivers Affordable Aspiration for Emerging Markets

- » Clearly Defined Target Market
  - Professional consumers in emerging markets
  - Latin America, Africa, Middle-East, Eastern Europe, SE Asia
- » Strong Partners
  - Synchronica: Push Email, Synchronization and IM Software
  - KCM: Device development and production
  - Brightstar: Demand generation, distribution and supply chain
- » Aggressive Price: As Low as US\$ 99
  - Low-cost, high-quality, messaging-centric Internet device
  - GPRS/EDGE, MP3/MPG4, 1.3MP camera, QWERTY keyboard
  - Push Email, Instant Messaging, Web Browser, Social Networking
- » Turn-Key Solution Bundled With Mobile Gateway
- » Two Subsidiaries of Two Large Operators Have Signed Up



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**» Thank You**