

From VAS of telecommunications to the merge of mobile Internet



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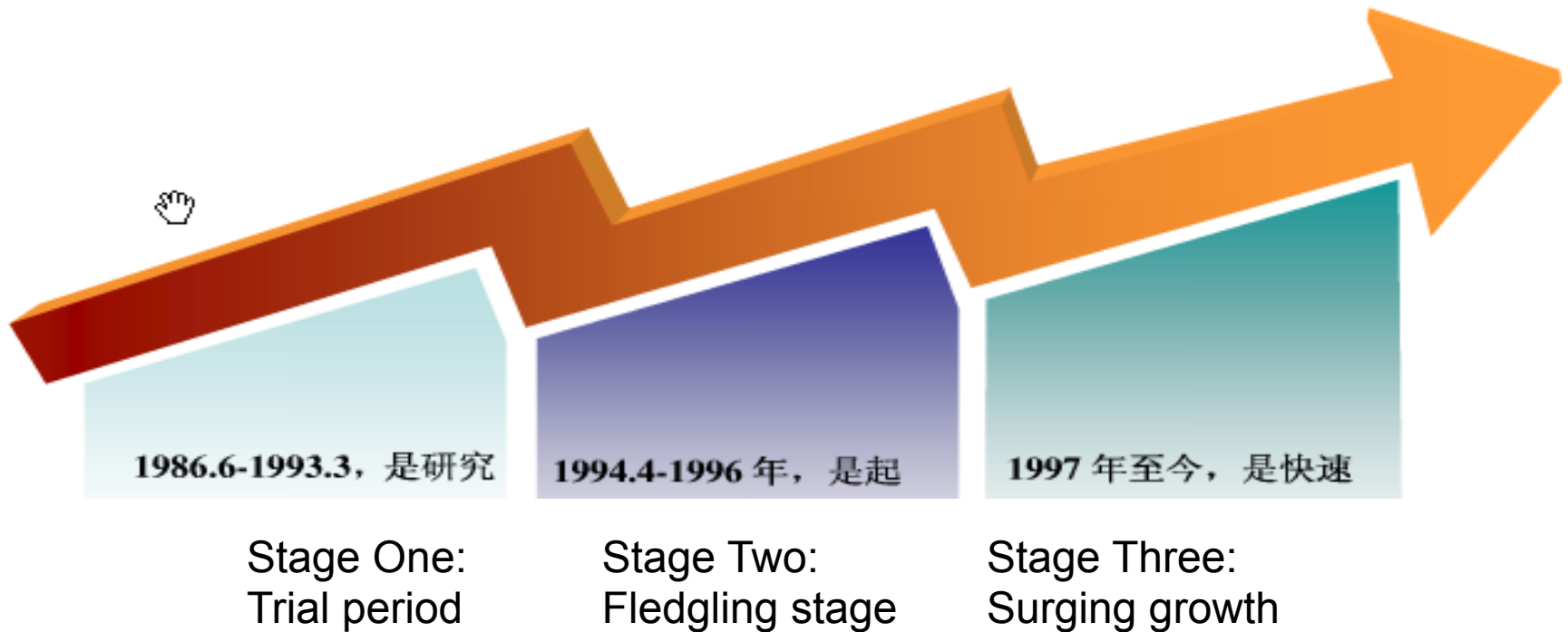
St.Petersburg NOV 24

What's VAS or Mobile Internet in China?

IOS or Android?

Contents Provider or Services Provider ? CP or SP

Development of mobile Internet

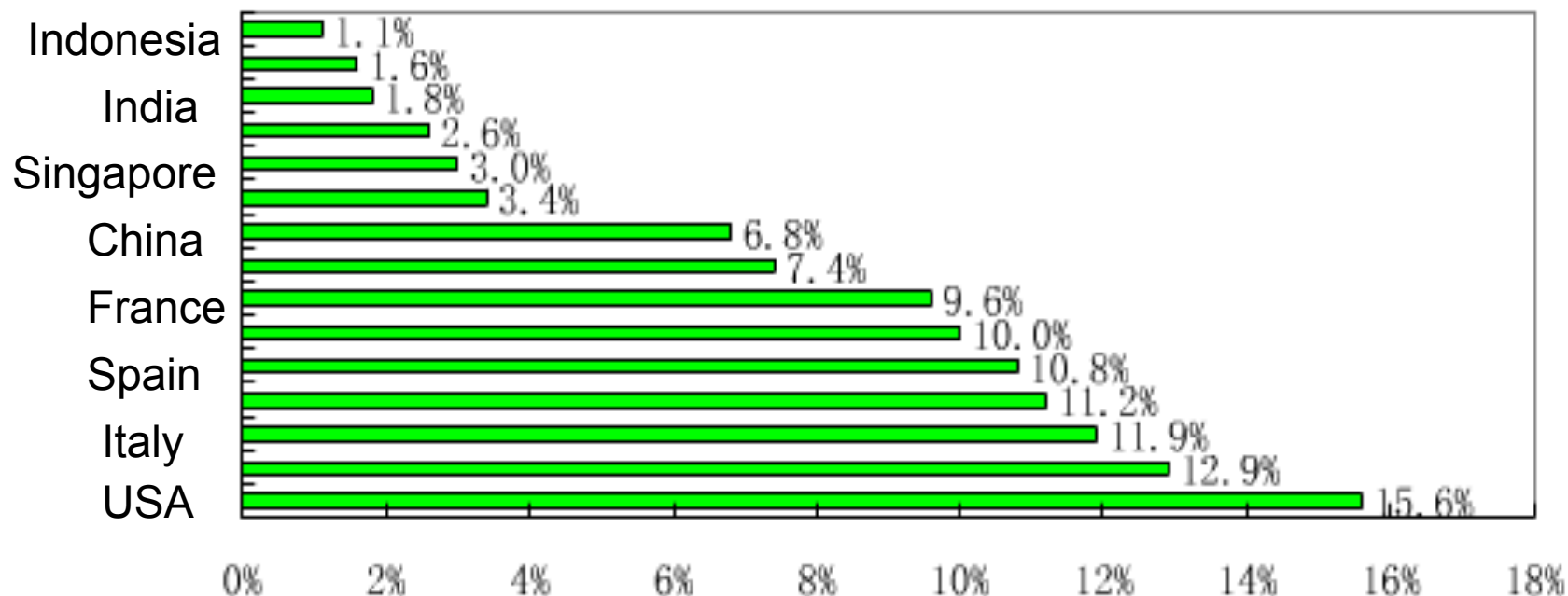


Global Accessibility to mobile Internet

Estimates by Morgan Stanley*

	2007	2008	2009 (据摩根士丹利估计)	2010 (据摩根士丹利估计)	2011 (据摩根士丹利估计)	2012 (据摩根士丹利估计)	2013 (据摩根士丹利估计)	2014 (据摩根士丹利估计)
West Europe	79,617 17%	126,724 25%	205,962 39%	299,220 54%	381,422 67%	448,691 77%	499,686 85%	549,615 92%
Japan	72,690 72%	88,434 84%	101,320 91%	110,823 96%	116,581 98%	120,463 99%	123,217 99%	124,770 100%
Asia Pacific(excluding Japan)	50,163 4%	83,514 5%	151,192 7%	295,230 13%	482,981 19%	693,995 25%	918,063 31%	1,135,626 37%
North America	53,307 20%	83,460 29%	116,575 38%	145,683 46%	177,451 54%	204,835 61%	231,271 67%	260,575 74%
Eastern Europe	8,785 2%	19,918 5%	40,944 9%	72,321 16%	120,291 26%	139,960 29%	166,288 34%	199,977 40%
Middle East and Africa	5,781 1%	18,424 3%	50,409 7%	91,085 12%	165,564 19%	239,805 25%	309,251 30%	383,238 35%
Central and South America	3,126 1%	9,265 2%	21,875 4%	40,448 7%	59,107 10%	80,087 12%	100,027 15%	122,258 17%
Total 3G Accessibility →	273,469 8%	429,739 11%	688,278 15%	1,054,810 21%	1,503,397 27%	1,927,837 33%	2,347,804 38%	2,776,058 43%

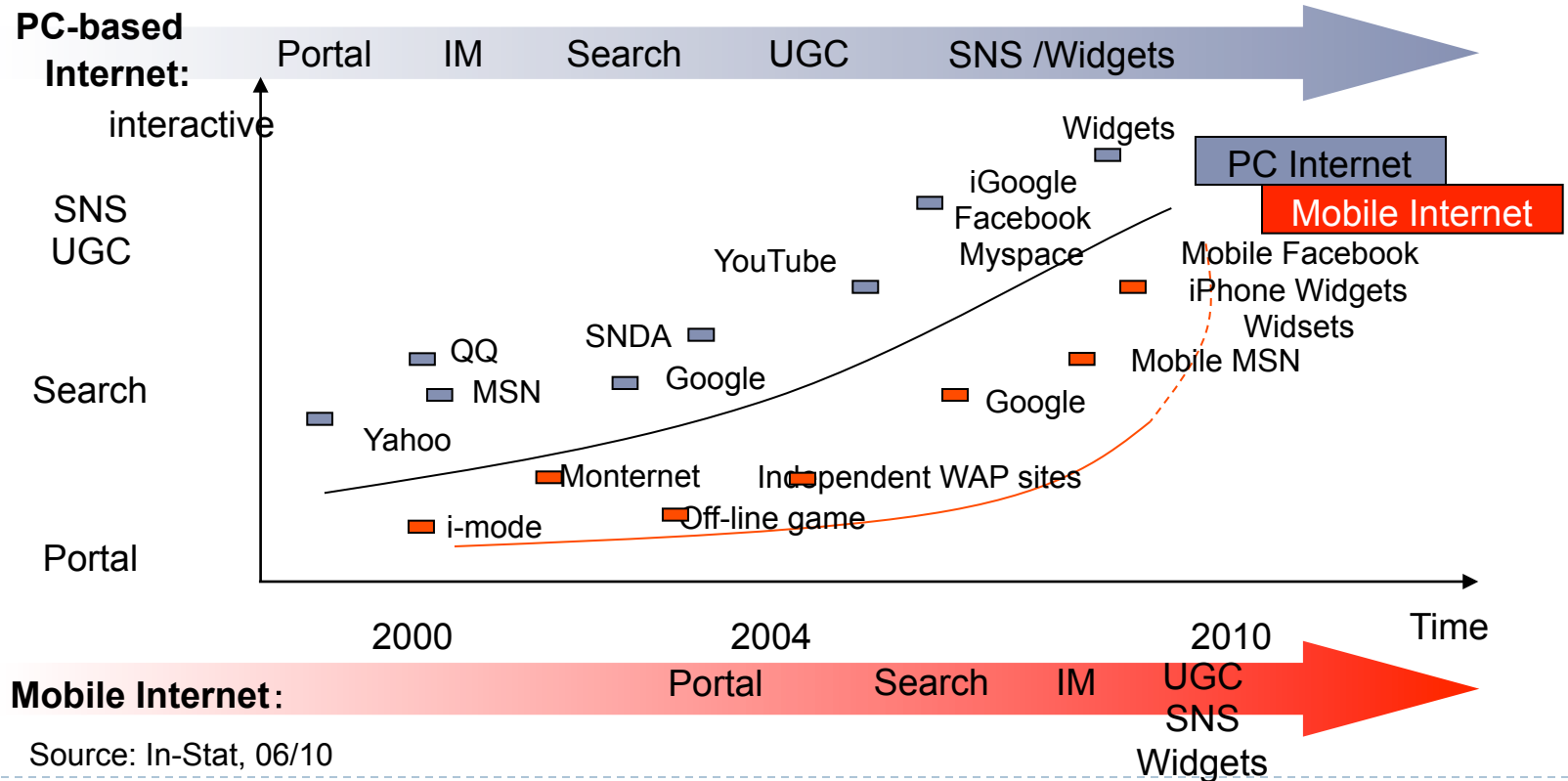
Comparison between China and other countries in mobile Internet



Current Status of Mobile Internet Industry in China

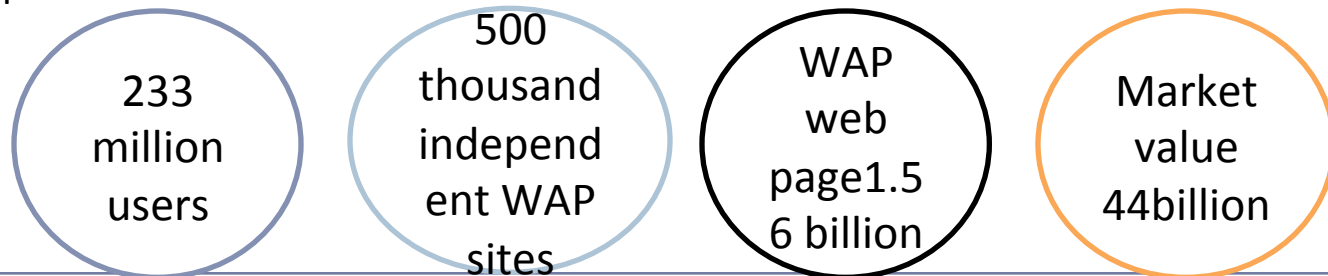
Surging Ahead: China Mobile Internet Industry

- Starting from 2001, China Internet Industry is surging on the fast lane
- Compared with traditional PC, mobile Internet growth is more fast;
- A mature PC market is merging with mobile Internet at a mind-blowing speed;



By 2010, China mobile Internet users top 233million, ranking the first in the world

- By 2010, China mobile Internet users topped 233 million, taking up 67% of all Internet users.
31% of cell phone users have access to mobile Internet.



Ranking	Number of users	Revenue by traffic	Revenue by service
1	China	US	US
2	India	Japan	China
3	US	China	Japan
4	Russia	UK	France
5	Brazil	Italy	Italy
6	Indonesia	Germany	UK
7	Japan	France	Germany
8	Germany	Australia	Brazil
9	Pakistan	Spain	Spain
10	Italy	Korea	India

Source : Arrows indicate change in position in 2009

Wide application in business and personal life

- 90%SMS, MMS accessibility
- WAP, songs and picture downloading and IVR are the main income source for telecom operators
- Telecom operators boost 3G growth

- MMS
- WAP
- Songs and picture downloading
- Mobile security
- Mobile gaming
- Mobile navigation
- Mobile surfing
- Mobile music
- Mobile TV
- Mobile news
- Video call



Operators provide application solutions in communication, logistics, education, banking, taxation, law enforcement, government affairs to press on with the informatization of government and business



- LBS
(car and people positioning ...)
- media-tech based service
(video conference/CCTV/ Distance education/medical care MMS...)
- M2M industry application
(remote meter reading, wireless data collection...)
- Quick Office
(platform-based OA, mobile law enforcement...)
- Mobile data transmission based service
(mobile ATM/pos, VPDN...)

Solid and broad telecommunications infrastructure lay the foundation of the industry growth



- Biggest WCDMA in the world with 150 thousand stations in 335 cities

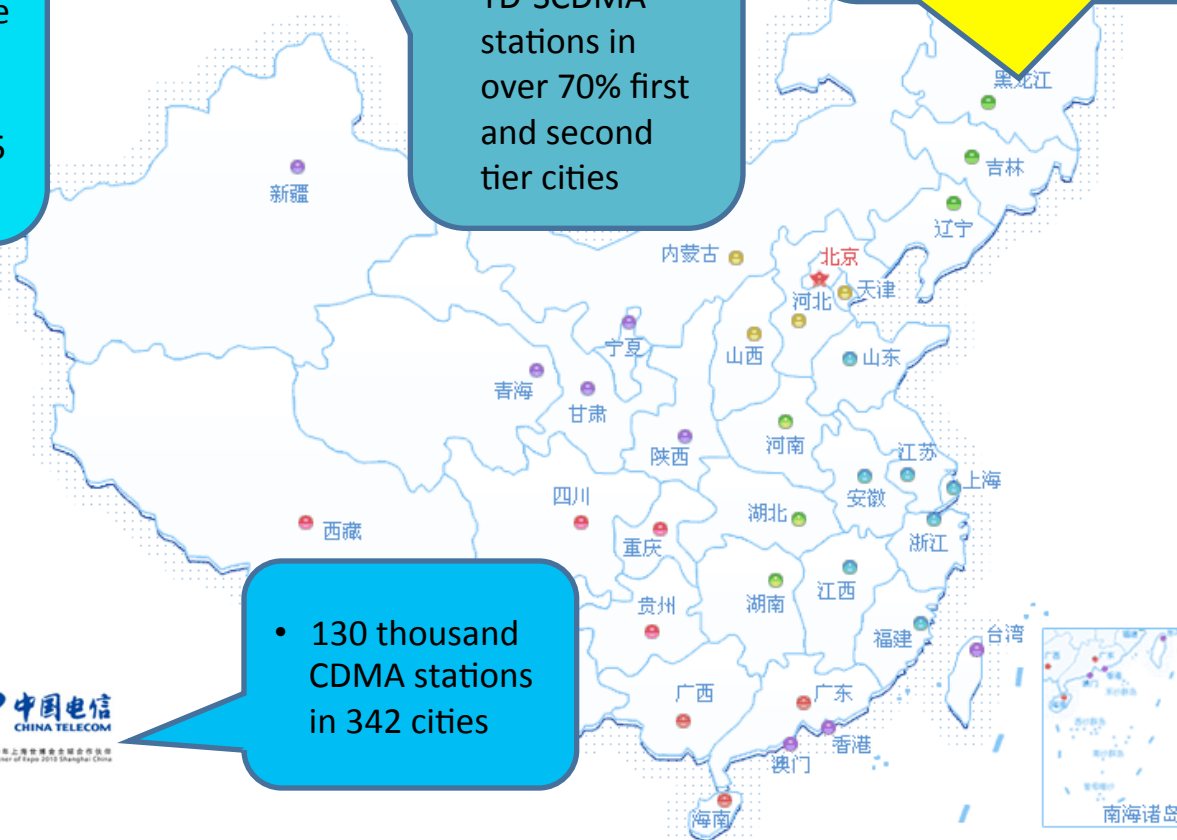


- 87 thousand TD-SCDMA stations in over 70% first and second tier cities

- Biggest WCDMA and GSM in the world
- Be compatible with TD-SCDMA, WCDMA and CDMA2000, solid and broad infrastructure for mobile Internet



- 130 thousand CDMA stations in 342 cities



Terminals growth boost mobile Internet market

Personal and family terminals

includes:

- Smart phone: 30 million sales in 2009
- E-reader
- MID
- Tabloid computer
- Residential gateway
- Family audio-visual entertainment
-

Industry terminals

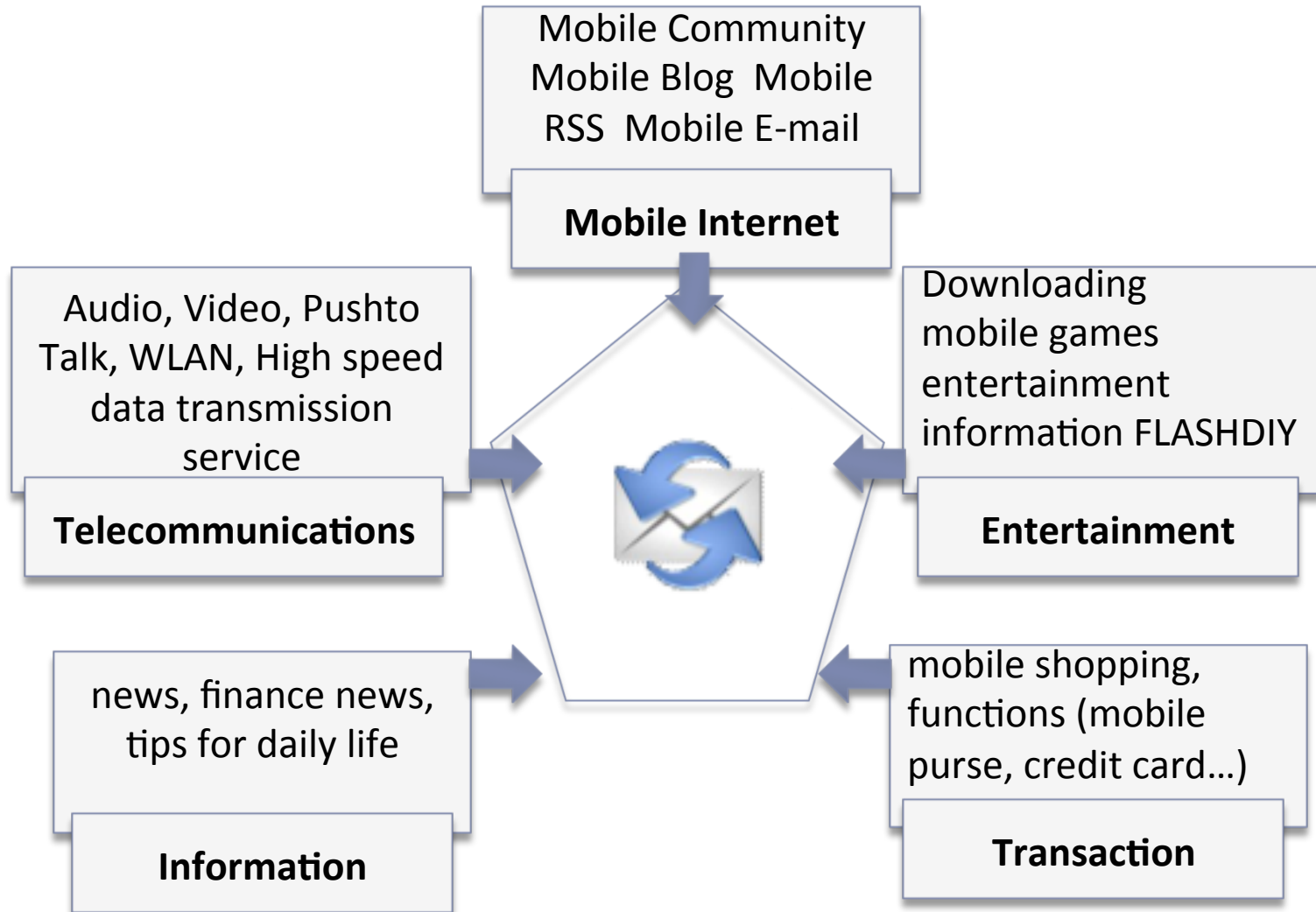
includes:

- Justice (public security, industry and commerce and quality control)
- Finance (wireless POS)
- Meter-reading (utility)
- Car Telematics and navigation
- CCTV (car ,boat)
- Highway ETC
-



Transformation of VAS in China mobile Internet

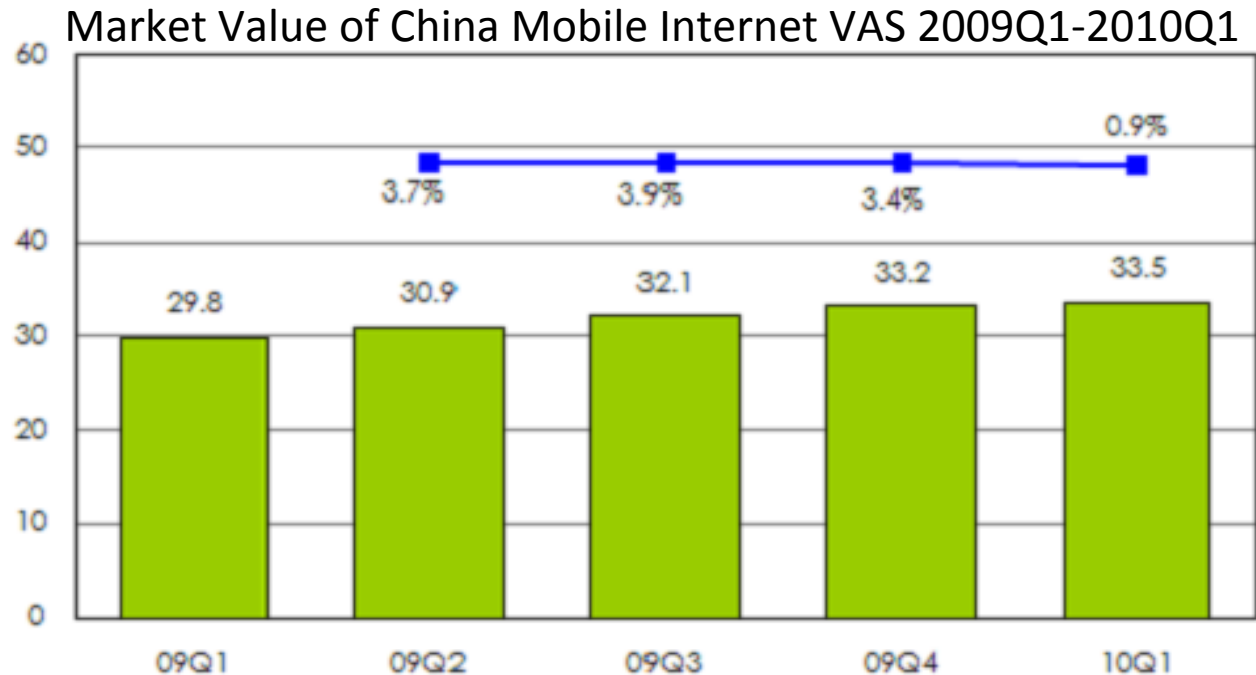
Telecommunications VAS



Market Value of China Mobile Internet VAS

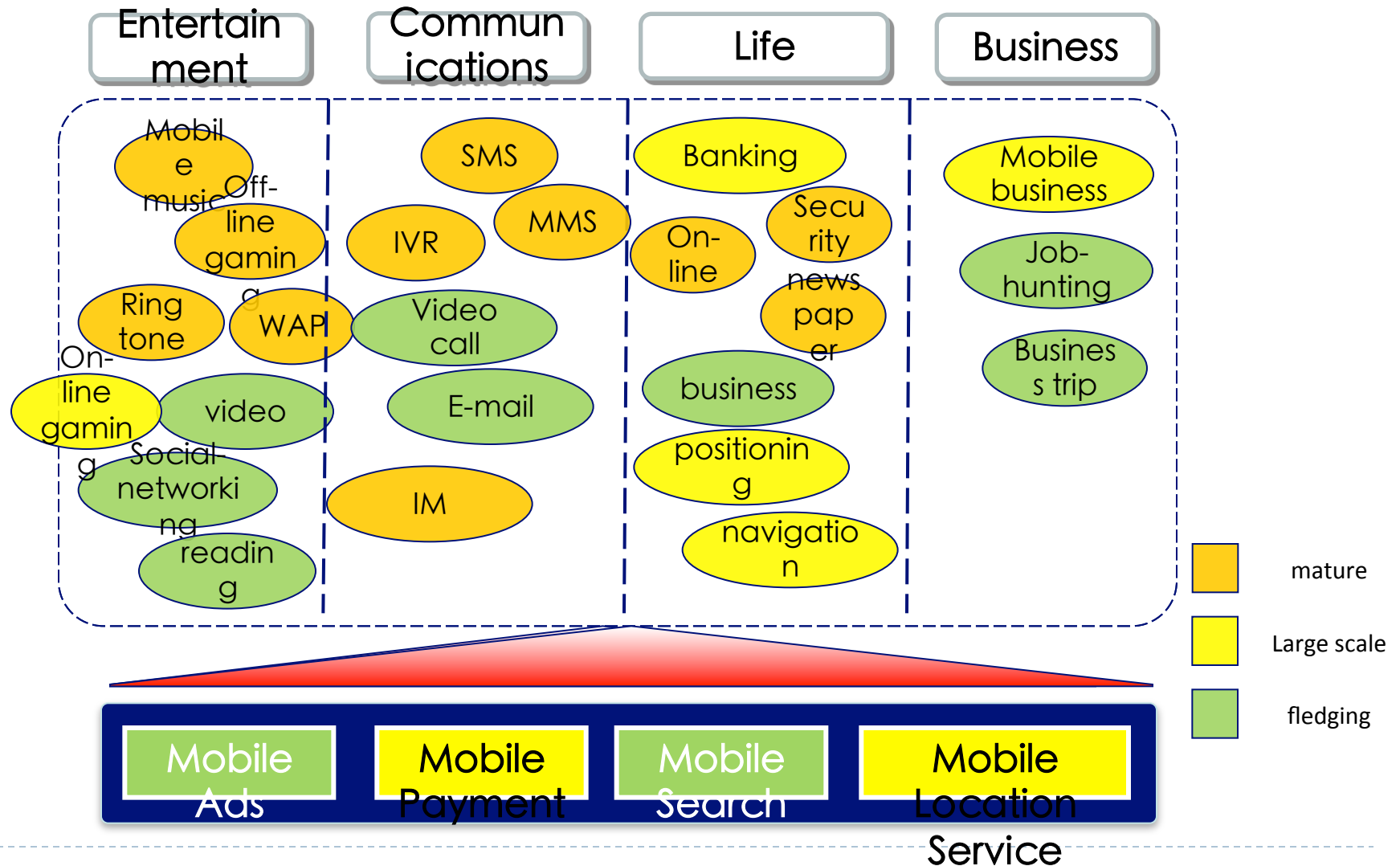
2010 Q1 mobile Internet market value top 3.35 billion, level with 09 Q1

Impact of charging policy of telecommunications operators on mobile VAS



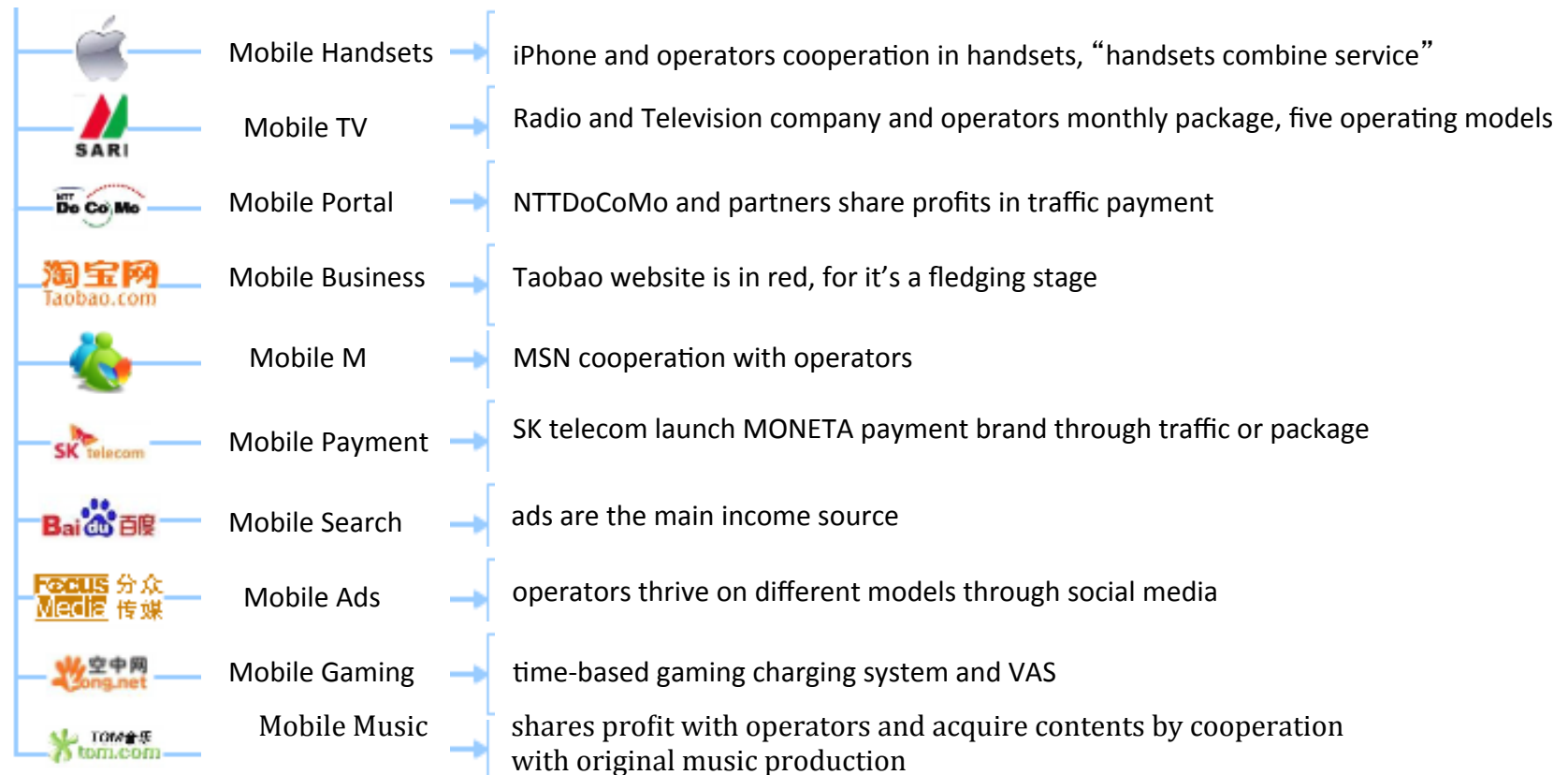
- Green: Market Value of Mobile Internet
- Blue: Rate of growth

VAS based mobile Internet



Mobile Internet VAS model

- operators, terminal producers, SP are eyeing the mobile Internet market for high profits and decision-making rights
- service provider, innovative enterprises, overseas operators for exploration of more business model

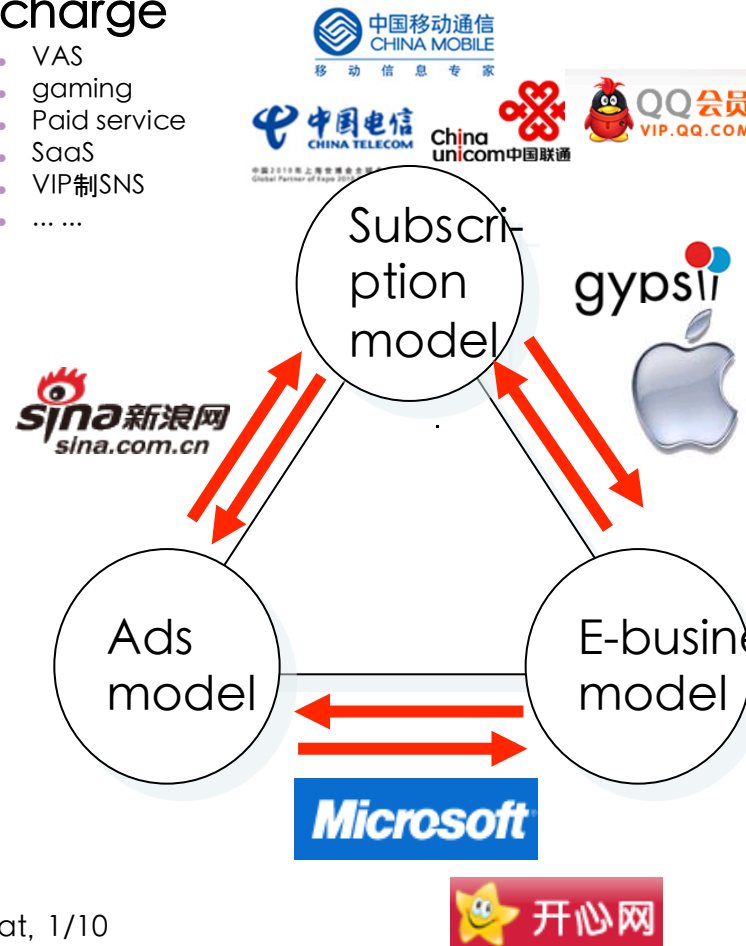


Future mobile Internet VAS trend

• Reverse back charge

- VAS
- gaming
- Paid service
- SaaS
- VIP制SNS
-

Back charge is more prominent in mobile Internet industry



Subscription and e-commerce based payment model

• Back charge:

- 搜索广告 (Search)
- 幅式/赞助式广告 (Display/Sponsorship)
- 分类广告 (classified)
- 富媒体广告 (Rich Media)
- 邮件广告等 (E-Mail. etc.)

• Back charge

- App store模式
- 卖场交易 (Marketplace Exchange)
- 拍卖经纪 (Auction Broker)
- 信息中介 (Infomediary)
- 网上零售 (E-retailer)
-

Source: In-Stat, 1/10

Ads and e-commerce integrated payment model

Future directions of mobile Internet industry





GMIC2012

The third GMIC-GMIC2011



GMIC, hosted by mobile Internet CEO club-GWC, is an annual gather for the greatest minds of mobile Internet industry from home and abroad

Starting from 2009年, participants soar from 300 to 3200 in 2011, and over 100 speakers from 25 countries



2012GMIC will scale new heights by offering best practice in Asia to beyond 3000 participants

Crossing, Merging and Transforming

"China's Le Web"



Lara Farar,
CNN



"Potential global brand."

"Tech merges with media"



Huang Yao Qing



"Inspiring entrepreneurship"

"It's exactly what I want"



戴维 沃尔夫

GMIC2011the third GMIC

Media Reports about GMIC2011

3683 Web media coverage

53 print media coverage

156 International media coverage

1451
participants

29%
Overseas participants

1577
APP Space
participants

98%
Anticipation reached

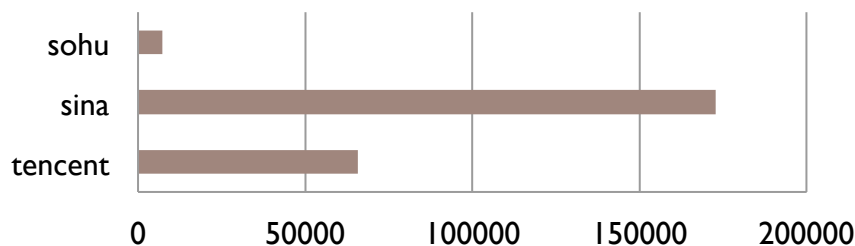
253
Media friends

96%
计划参加2012年GMIC

26
countries

64%
Potential GMIC partners

Number of People Commented on Weibo



	tencent	sina	sohu
Series1	65694	172708	7385

Participants from: **26**

1. China

2. Japan

3. Singapore

4. Taiwan

5. USA

Hong Kong
South Korea
Malaysia
India
Indonesia
Sweden
UK
Russia
Finland
Australia
Canada
Denmark
Germany
Israel
Mongolia
Philippines
Vietnam.....

Merging . Crossing . Changing



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SEE YOU IN GMIC2012

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