Nearly 50% of all operators offer some kind of M2M services or tariffs

422 Operators across 176 countries currently offer M2M services

North America
No. of Operators: 17
44 % of total

Latin America
No. of Operators: 76
47 % of total

Europe
No. of Operators: 128
76 % of total

Middle East
No. of Operators: 35
73 % of total

Africa
No. of Operators: 74
33 % of total

Asia
No. of Operators: 92
39 % of total

* Oceania and Turkey included in Asia

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Examples of operator reported M2M connections

- AT&T Mobility, USA (14.3m, 13% of Base)
- Sprint, USA (3.5m, 6% of Base)
- Claro, Brazil (3.2m, 5% of Base)
- Turkcell, Turkey (1.1m, 3% of Base)
- Deutsche Telekom, Germany (2.2m, 6% of Base)
- China Mobile (19.9m, 3% of Base)
- NTT Docomo, Japan (3m, 5% of Base)
- Telstra Australia (900k, 6% of Base)

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Source: GSMA Intelligence
Initial estimates show M2M connections around 150m at the end of 2012 – YoY growth of nearly 40%.
Middle East Regional growth clearly faster than global average – only Asia showing higher growth rates

- Iran: 587K, 86% YoY Growth
- Bahrain: 42K, 42% YoY Growth
- Qatar: 55K, 47% YoY Growth
- Saudi Arabia: 686K, 72% YoY Growth
- UAE: 69K, 62% YoY Growth
- Rest of Middle East: 686K, 72% YoY Growth
- Iraq: 35K, 54% YoY Growth
- Kuwait: 127K, 47% YoY Growth
- Jordan: 153K, 46% YoY Growth
- Lebanon: 92K, 39% YoY Growth
- Oman: 52K, 65% YoY Growth

Middle East 2012 M2M = 2.2m, 67% Growth

Source: GSMA Intelligence
Network Operators already creating solutions that impact lives across the world

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AT&T Digital Life

- It’s a fully integrated SMART security and automation service
- It’s a SIMPLE experience, making it easy for customers to learn, build, buy and manage their service
- It’s a SECURE solution offering a 24/7 wireless connection to an AT&T owned and operated monitoring center
- It’s planned to be a national SOLUTION across AT&T’s wireless footprint

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Moving up the value chain delivers higher revenues

Example: KT Taxicall Service

Before

- Contract = 2 years
- Network service ARPU = $4.5

After

- Contract = 5 to 7 years
- Network service ARPU = $7
- Call centre managed service = $50/month

Accelerating growth and operational efficiency in the M2M world
And some of the less well known examples

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Over 2,200 services tracked globally – up from 1800 in 2012

For more information visit the Connected Living Tracker

<table>
<thead>
<tr>
<th>Region</th>
<th>Nov 2012</th>
<th>Nov 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>253</td>
<td>288</td>
</tr>
<tr>
<td>Middle East</td>
<td>72</td>
<td>73</td>
</tr>
<tr>
<td>Africa</td>
<td>347</td>
<td>363</td>
</tr>
<tr>
<td>Europe</td>
<td>699</td>
<td>837</td>
</tr>
<tr>
<td>Latin America</td>
<td>117</td>
<td>130</td>
</tr>
<tr>
<td>Asia</td>
<td>311</td>
<td>363</td>
</tr>
<tr>
<td>Oceania</td>
<td>311</td>
<td>363</td>
</tr>
</tbody>
</table>

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NB: Global services not included in regional totals
Regional focus on different verticals – reflected in variances in tracked services

- mHealth represents the largest number of services in the Connected Living Tracker – Africa being the largest region
- Asia leading the market in Education – language courses a key component
- Europe currently showing the most Smart Cities mobile deployments

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## Connected Applications – Sound Business Models Deliver Growth

<table>
<thead>
<tr>
<th>Sector</th>
<th>Application Examples</th>
<th>Global CAGR</th>
<th>% of M2M</th>
<th>Middle East CAGR</th>
<th>% of M2M</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Connected Car</strong></td>
<td>Infotainment and Apps, Navigation, Vehicle Platform</td>
<td>35%</td>
<td>26%</td>
<td>34%</td>
<td>33%</td>
</tr>
<tr>
<td><strong>Smart Meters</strong></td>
<td>Automated meter readings</td>
<td>40%</td>
<td>16%</td>
<td>52%</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Security and Tracking</strong></td>
<td>Automobile tracking, Personal tracking (children, elderly, pets etc.)</td>
<td>25%</td>
<td>14%</td>
<td>18%</td>
<td>19%</td>
</tr>
<tr>
<td><strong>Pay as you Drive Insurance</strong></td>
<td>Flexible time, usage, behaviour models in car insurance</td>
<td>42%</td>
<td>7%</td>
<td>25%</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Healthcare</strong></td>
<td>Assisted Living, Worried Well Monitoring, Remote Monitoring</td>
<td>53%</td>
<td>4%</td>
<td>60%</td>
<td>4%</td>
</tr>
</tbody>
</table>

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Based on Machina Research data – Nov 2013
Summary – In conclusion

- Initial M2M Connections data showing rapid growth rates in all region – Middle East one of the highest across the globe
  - To discuss the M2M data in more detail, please contact:
    - David Evans (devans@gsma.com)
    - Sylwia Kechiche (skechiche@gsma.com)

- Over 2,200 mobile services included in the Connected Living Services tracker

- Intelligent M2M solutions already providing meaningful solutions in everyday lives – with clear revenue opportunities for operators

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