

OPPORTUNITIES FOR REVENUE GROWTH

Jesper Rhode

CMO Latin America

VATICAN CITY 2005



Luca Bruno / AP

VATICAN CITY 2013



EVERY DAY



58 PETABYTE MOBILE TRAFFIC

2,7 BILLION \$ E-COMMERCE

13 MILLION \$ CROWDFUNDING

700000 NEW INTERNET
USERS

133 MILLION HOURS
YOUTUBE VIDEO WATCHED

2.7 BILLION LIKES ON
FACEBOOK

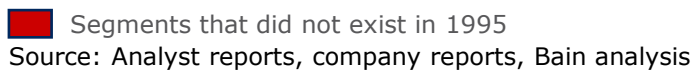


328 MILLION APP DOWNLOADS

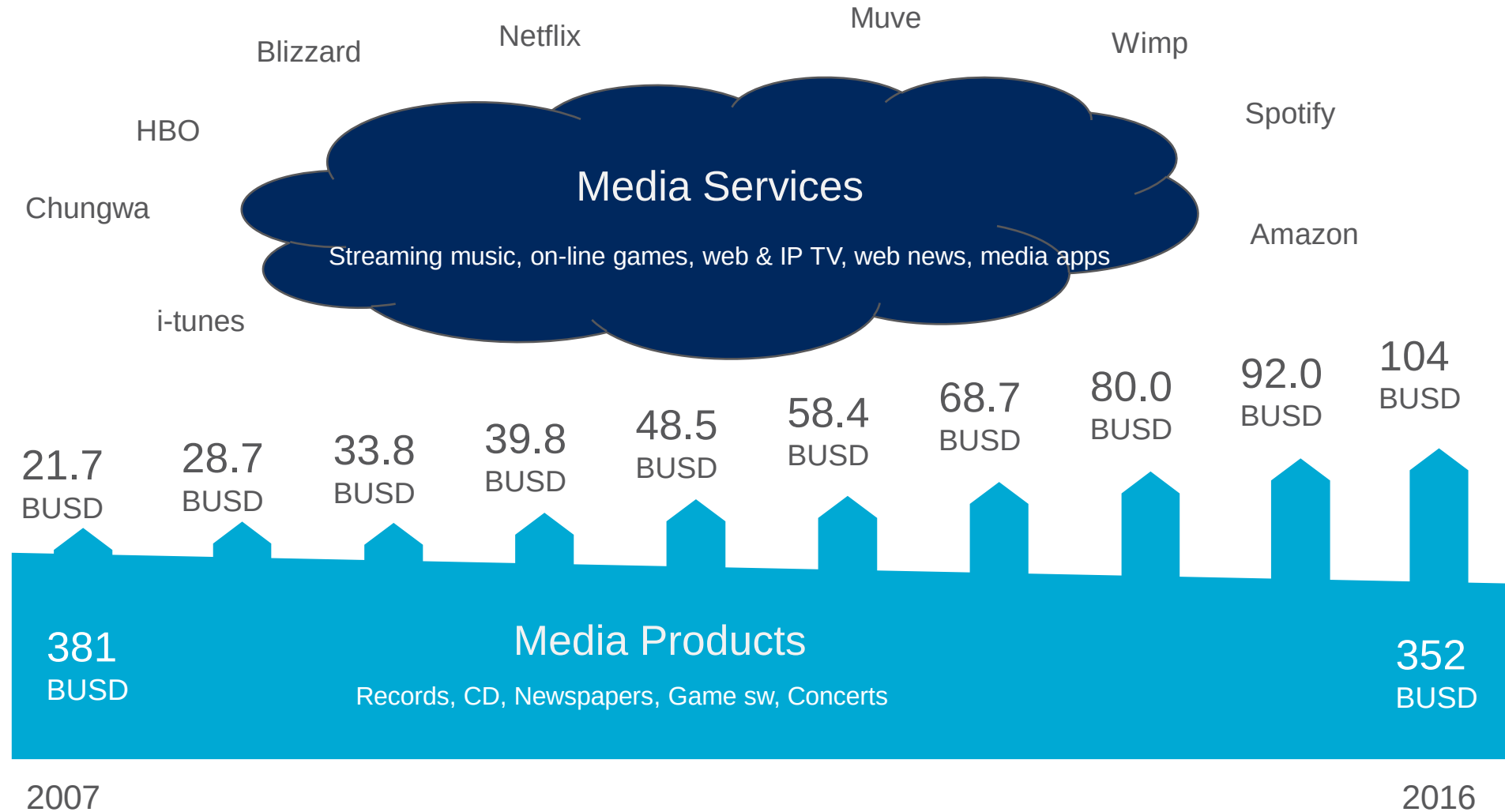
2.7 BILLION PHOTOS TAKEN

Operating profit

Total profit = \$3.9B



MEDIA TRANSFORMATION



WEALTH CREATION



2014 - Third economy, California

Facebook + Apple + Google

130.000 Employees

1.400 BUSD in revenue

984 BUSD in market cap.

1990 - Second economy, Detroit

Chrysler + General Motors + Ford

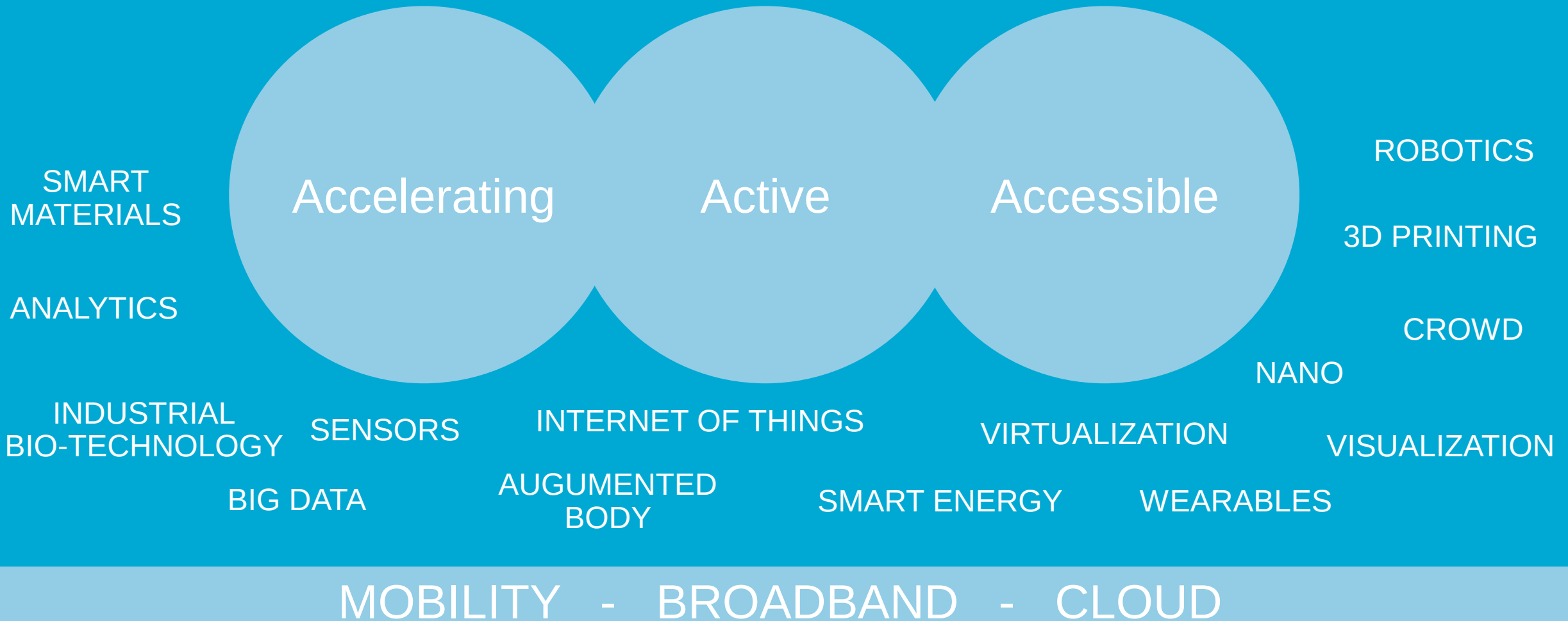
1.200.000 Employees

1.600 BUSD in revenue

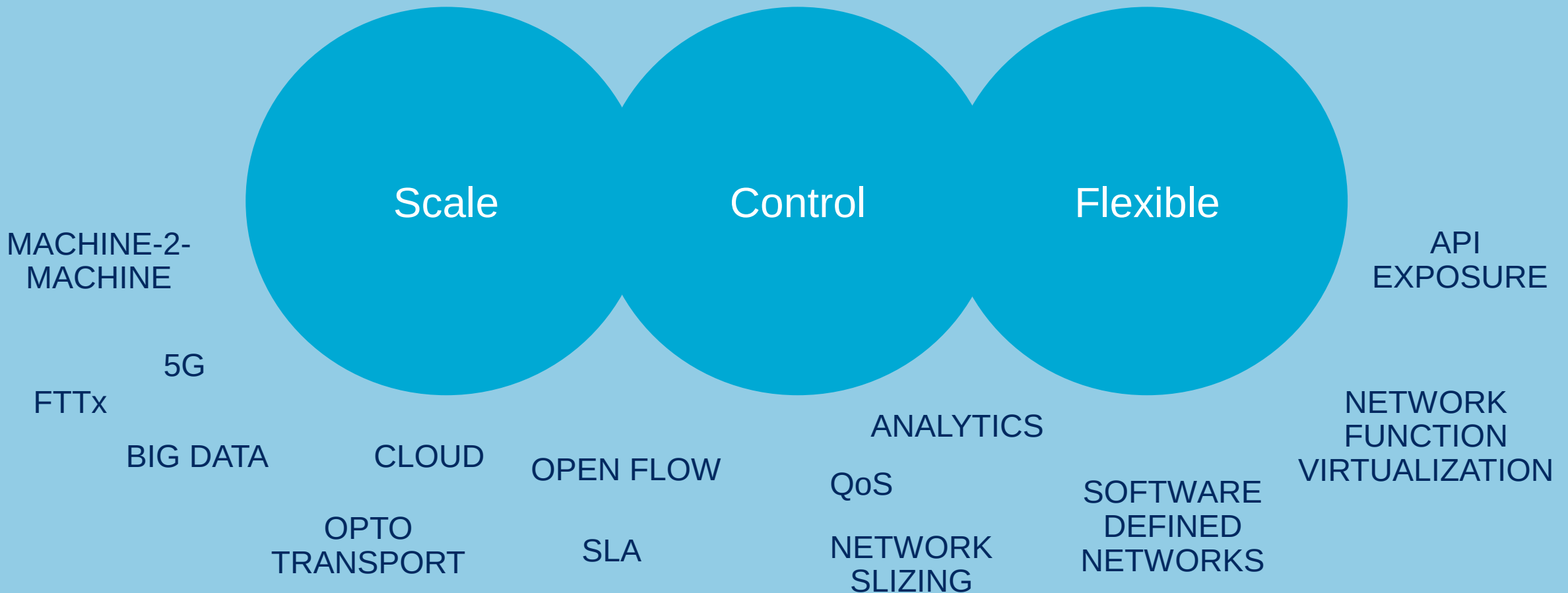
30 BUSD in market cap.



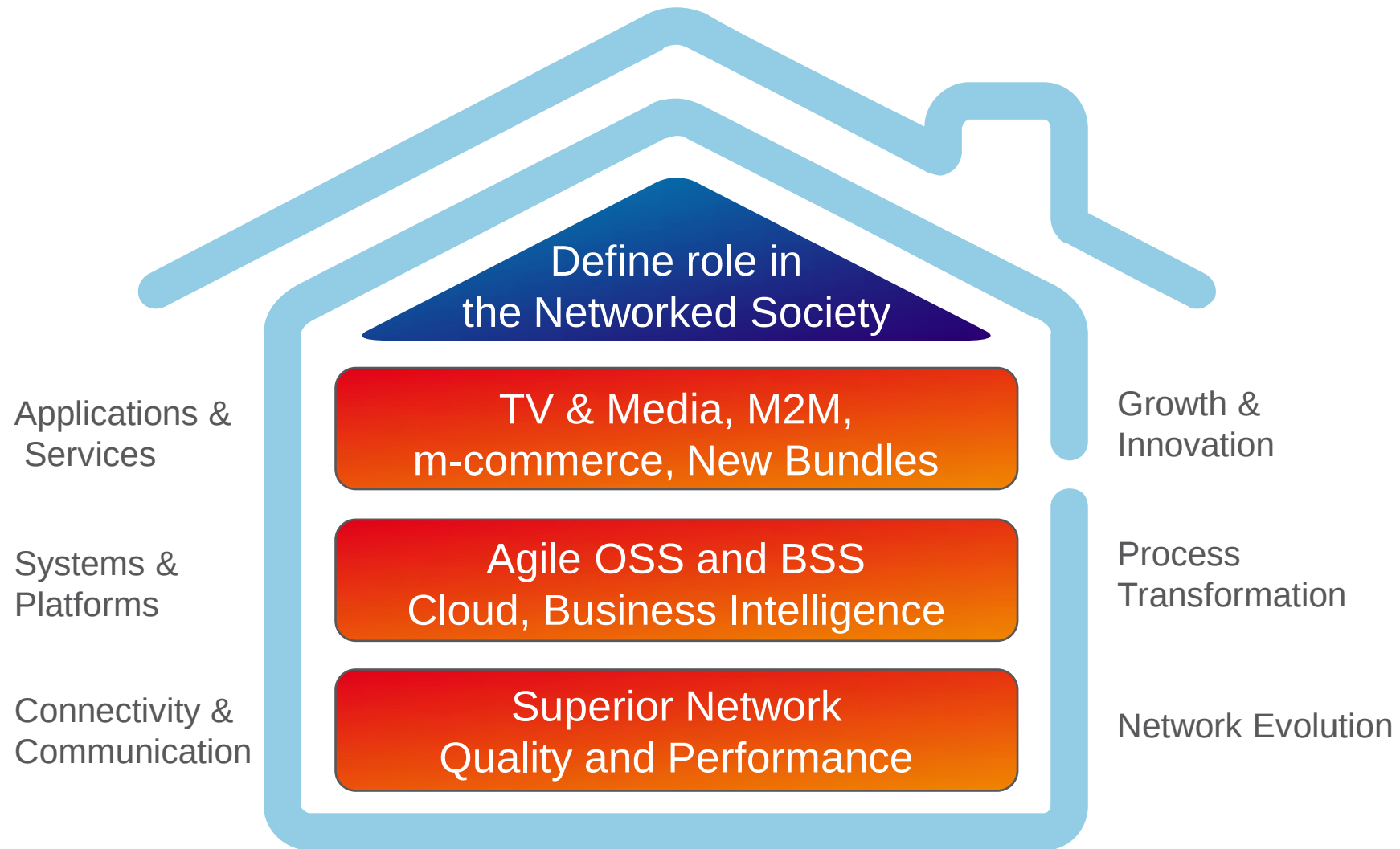
PROGRESSIVE INNOVATION



MOBILITY, BROADBAND & CLOUD



ENTER THE NETWORKED SOCIETY WITH A FULL HOUSE



REVENUE OPPORTUNITIES



User migration

Differentiated data volumes

Mobile Payment

Bundles for retention

M2M and Verticals

Cust. Experience Mgmt / Selfcare

Mobile
Operator



Subsidized content

Mobile Advertising

Charging Channel

Big Data Sharing

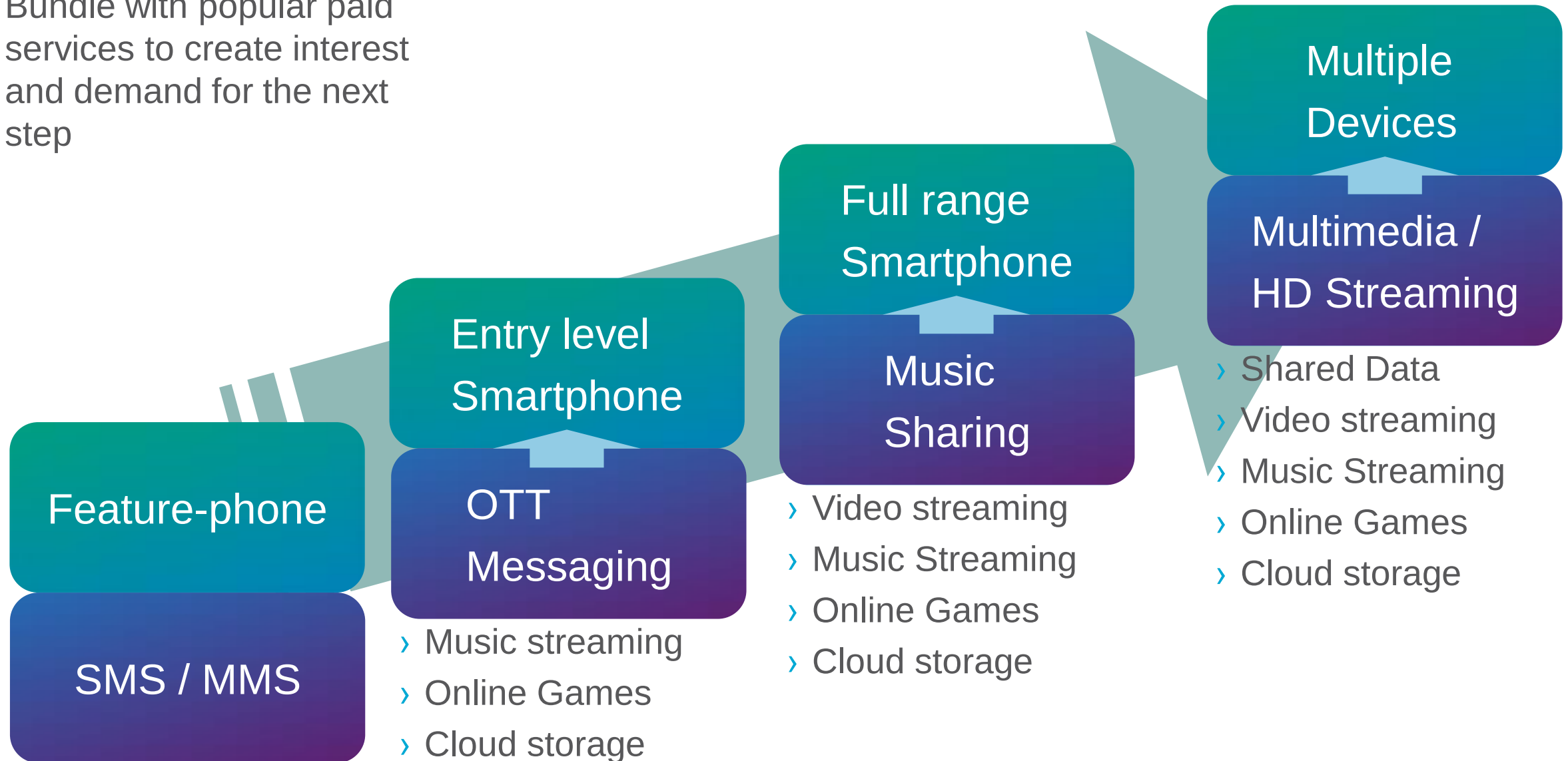
Bundled Cloud-based Service

Market Cloud-based Service

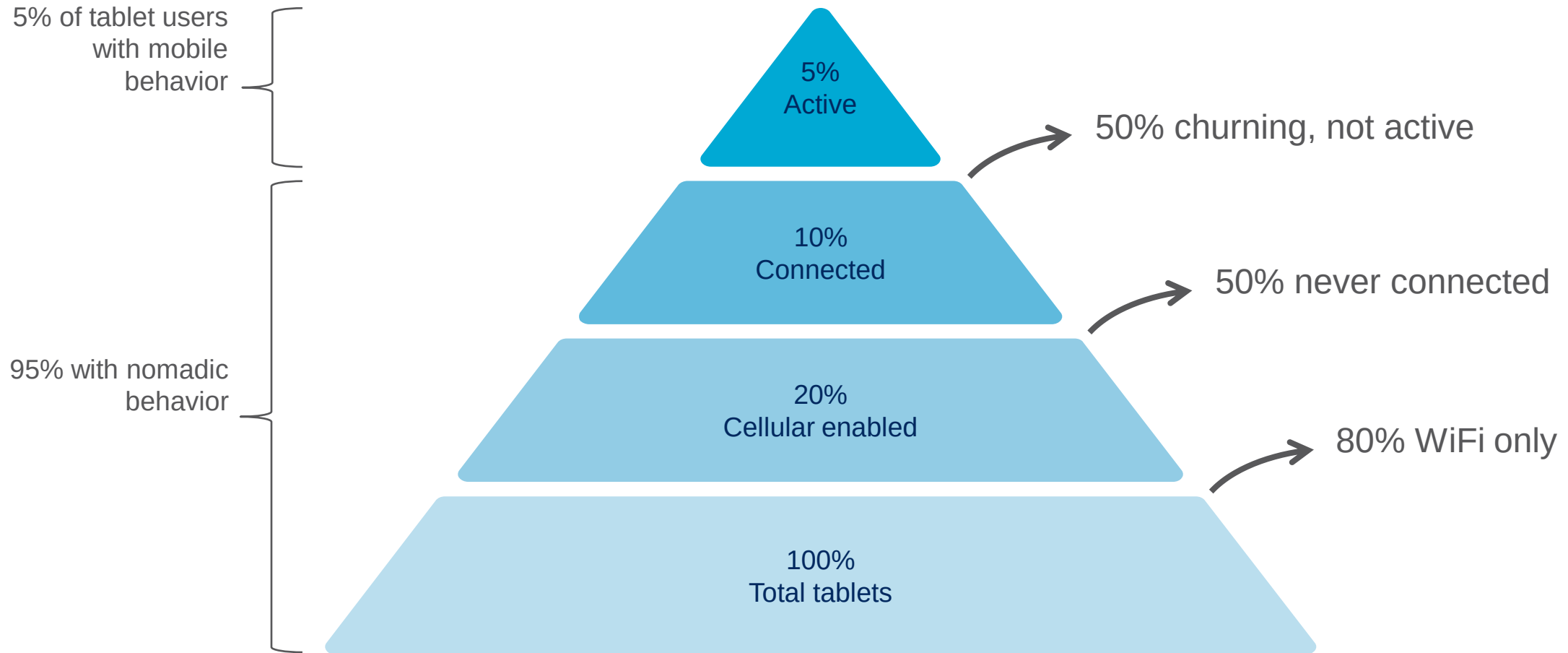
SUBSCRIBER MATURATION



Bundle with popular paid services to create interest and demand for the next step



LOW SHARE OF TABLETS CONNECTED AND MOBILE



Affordability of device and subscription still an issue for connecting tablets

T-MOBILE LOWERING BARRIER FOR CONNECTING TABLET



- › Start using **device subsidy** to get more devices connected
 - April 10, 2014
- › LTE-enabled Apple iPad Air for the **same price as Wi-Fi-only**
 - Subsidized \$499*
 - Originally \$630
- › Additionally 1 GB/mo
 - On top of original plan

Campaign stopped
Replaced by new campaign
See next slide

[Device price no longer a barrier to connect]



T-MOBILE RE-FOCUSING, DISCOUNTING TABLET USAGE



- › T-Mobile reshaping tablet campaign
 - Stop discounting tablets (devices)
 - Shift focus to discounts on data plans
- › General **discount of \$10** for existing voice users, meaning cheapest additional tablet plan is now **FREE**
 - 1.2 GB/month, LTE data
 - Only device cost to consider

[Don't worry about additional monthly fees]

T-Mobile

May 15, 2014

AVAILABLE NOW

Add a tablet to your voice plan and get FREE data through the end of the year!

LEARN MORE

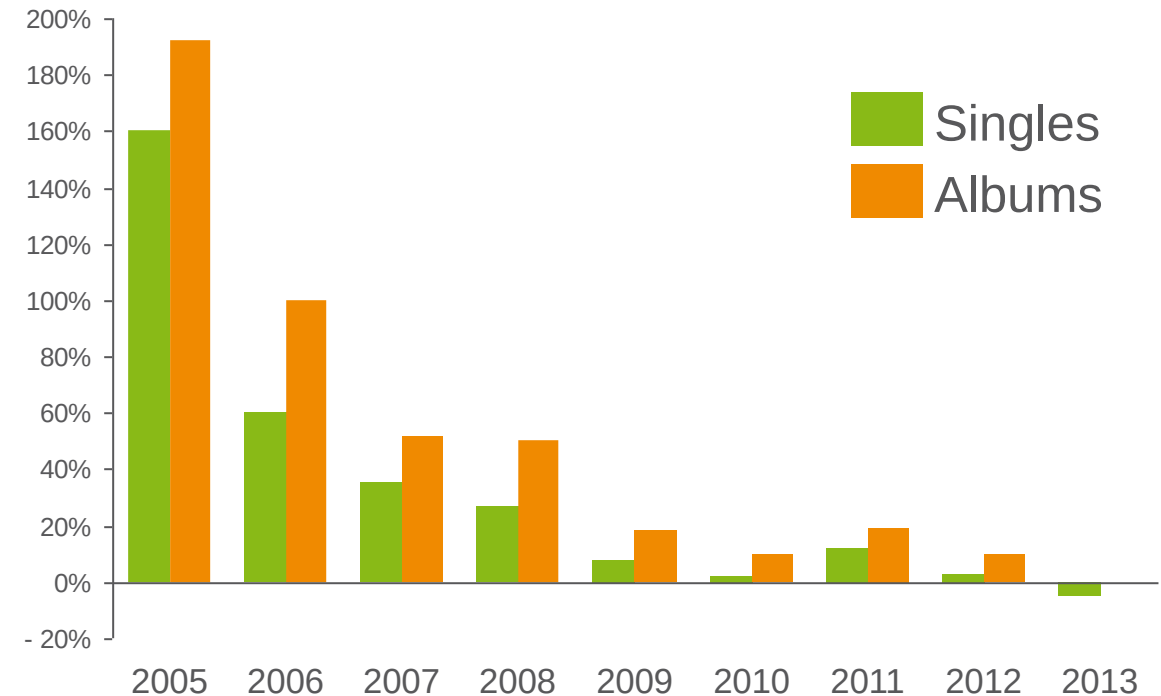
Tax add'l. Qualifying Mobile Internet plan req'd.

MUSIC SUBSCRIPTIONS REPLACING DOWNLOADS



- › Music downloads a saturated market
- › Customers are switching to music streaming services
 - Spotify (Sprint)
 - Deezer
 - WiMP
 - Google Play Music
 - KKBox
 - THE KLEEK
 - Rdio
 - Napster
 - Muve
 - Beats Music (Apple)

Yearly growth of music downloads, USA (%)



VERIZON PROMOTING THIRD PARTY VIDEO CONTENT



- > Promote video apps for Android devices
 - Initially launched in May 2012
 - Providing content from Comcast, Hulu, Netflix, mSpot and others
 - Targeting LTE devices with data plans
- > Service charged separately per application
- > Verizon also recommends video tablets: Samsung Galaxy Tab or Samsung Galaxy Note

HBO SUBSCRIPTION FOR SMARTPHONES AND TABLETS

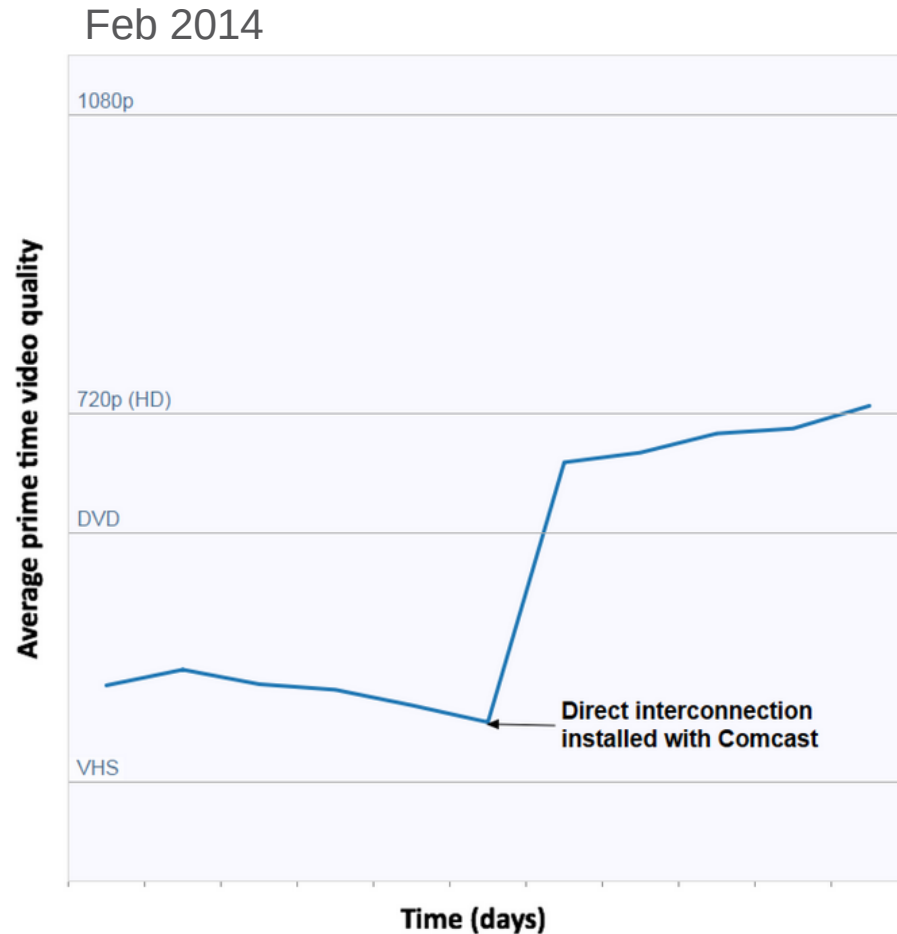


- › HBO offered as an add-on to mobile subscriptions; 2, 4, 6, 10 GB/month
- › Monthly fee: US\$12
- › 6 months free trial period
- › Introduced in March 2014



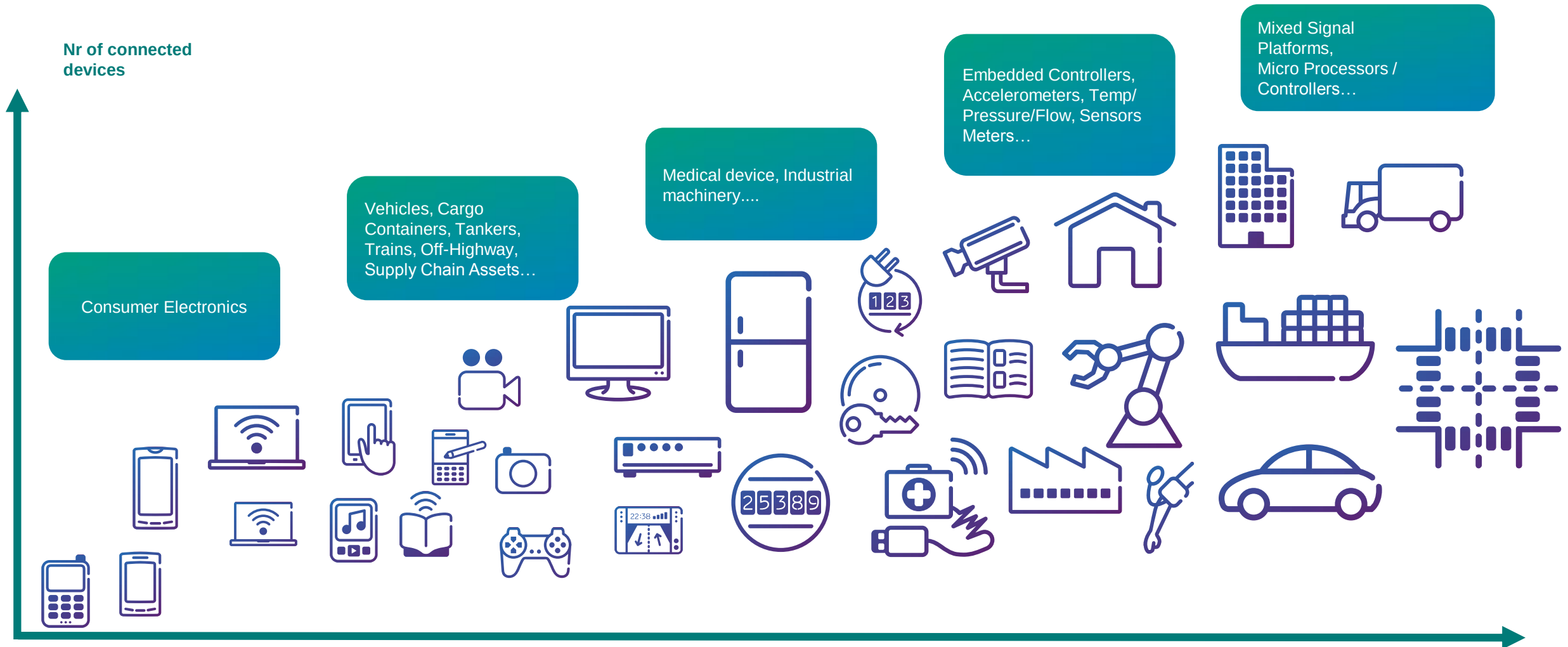
[Operators stepping into the video business]

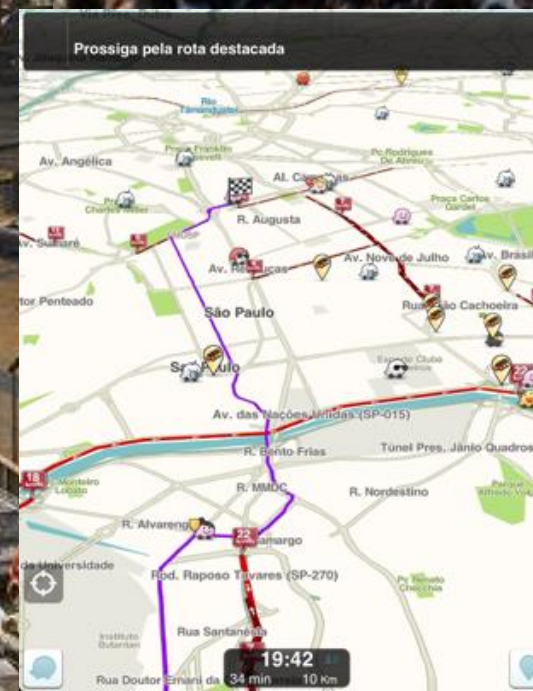
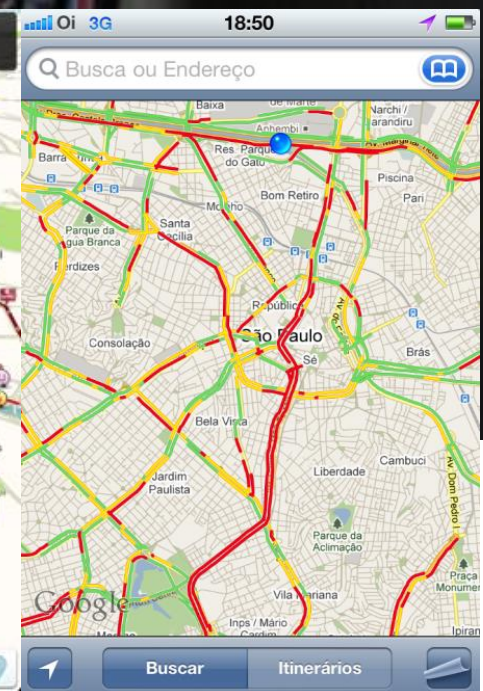
NETFLIX NO LONGER OTT, CONTRIBUTING TO PERFORMANCE

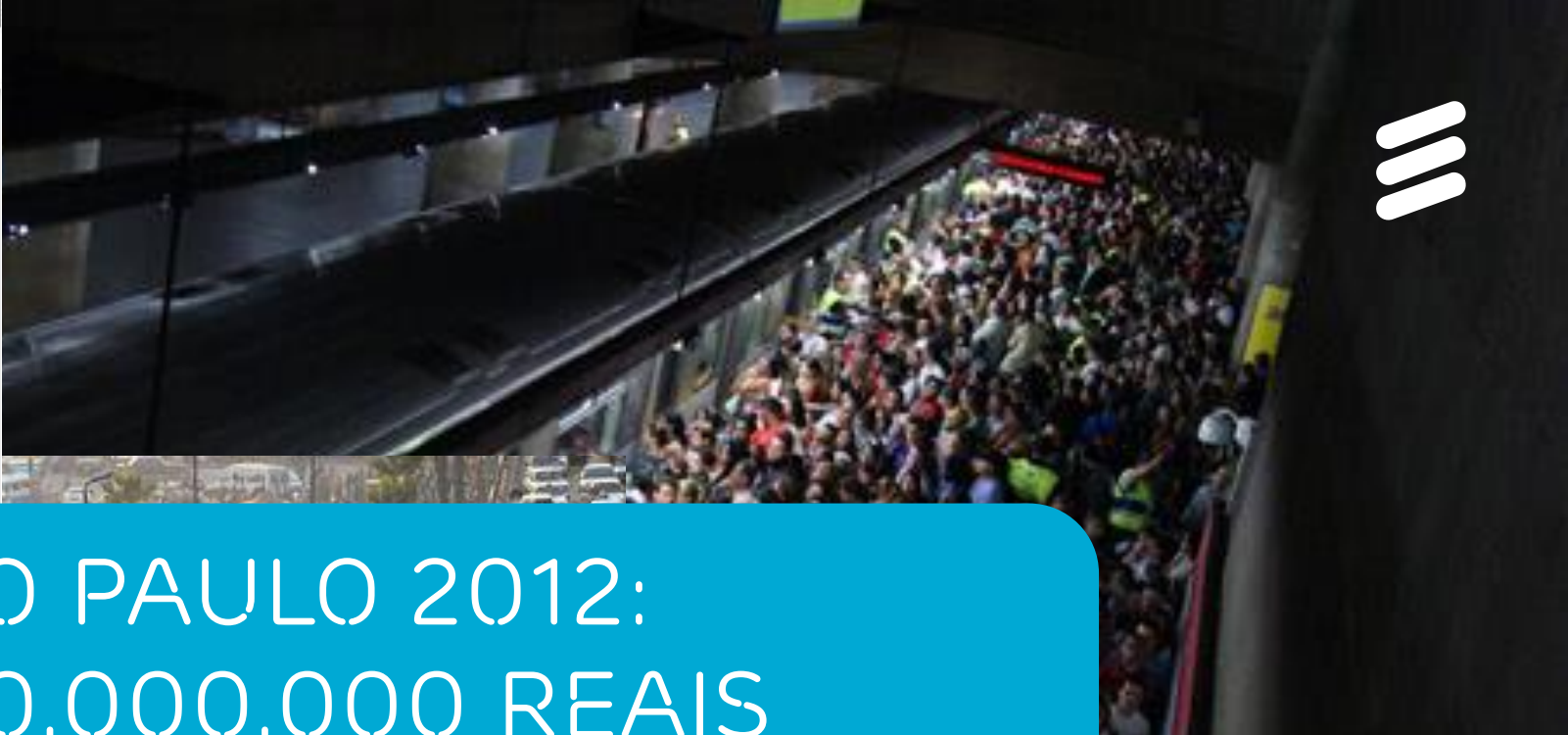


- › Netflix accepts **increased responsibility of network and service performance**
 - Accepts fee to access fixed line subscribers, Feb 2014
 - Comcast applying a 2-sided business model
- › Direct performance improvements, as Comcast opens up network
- › Same principles apply for mobile access
 - Content providers to start taking responsibility for delivery of performance critical services

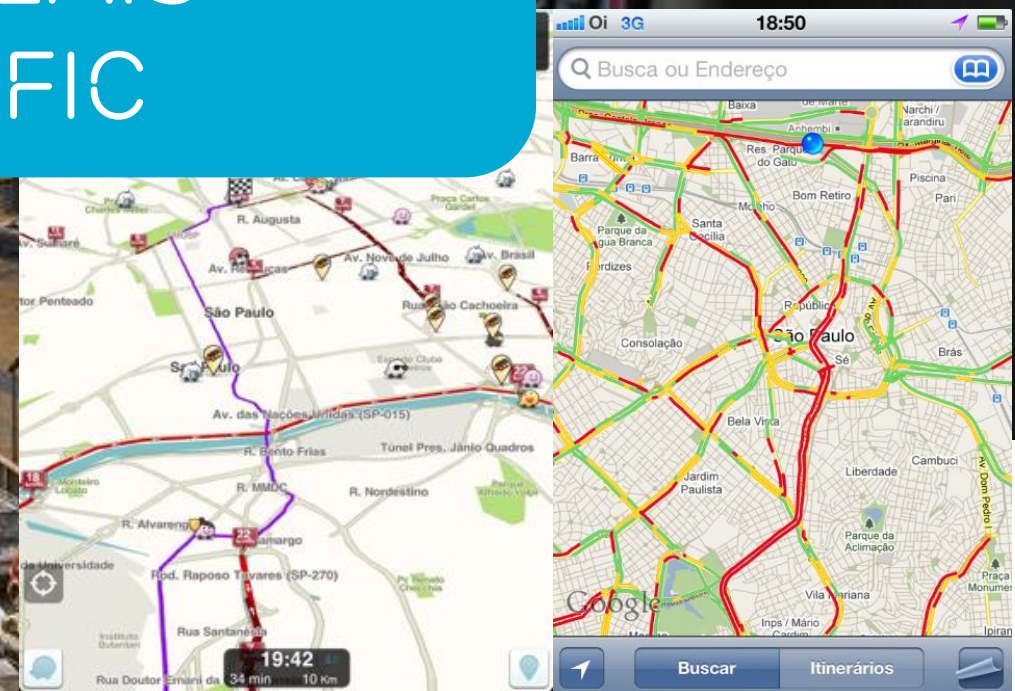
TOWARDS BILLIONS OF CONNECTED THINGS







SAO PAULO 2012:
40.000.000.000 REAIS
WASTED IN TRAFFIC





CURITIBA 3G BUSES

TRANSPORT

- › 2.500 buses and 500 stops with 3G in Curitiba
- › Fleet management, electronic ticketing system
- › 2,4 million passengers daily
- › Reduce 1% in the car fleet
- › Less CO2 emissions
- › A range of applications can be deployed

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ERICSSON