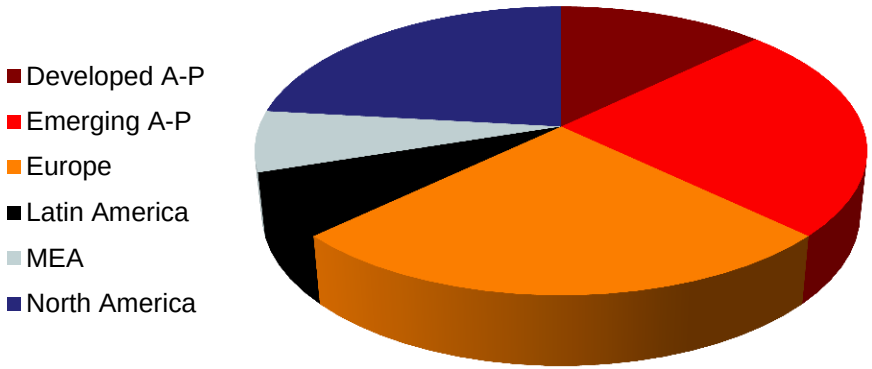
Experience a world where everything intelligently connects.

The Connected Life.

Richard Cockle, Programme Director, Connected Living, GSMA

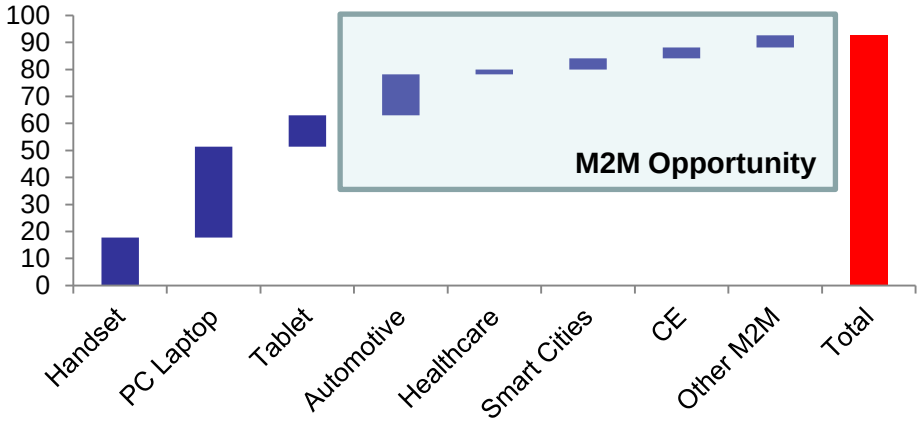
Latin America opportunity US$93bn in 2020

Global Opportunity = > US$1.2 Trillion



- The global revenue opportunity for mobile operators is forecast to increase from c$480bn in 2012 to over $1.2trn in 2020
- Latin America is forecast to represent an opportunity of $93bn in 2020 – vs. $36bn in 2012

LTA Addressable Revenue by Sector



- Of the $93bn addressable opportunity, $75bn is generated in areas beyond handsets, with up to 50% potentially available to mobile operators
- Whilst PCs and Laptops represent the largest addressable market, M2M is still forecast to represent a significant opportunity – approaching $30bn
- Machina Research forecasts Automotive to lead the way in the adjacent industries – with c50% of the M2M addressable opportunity

Source: Machina Research

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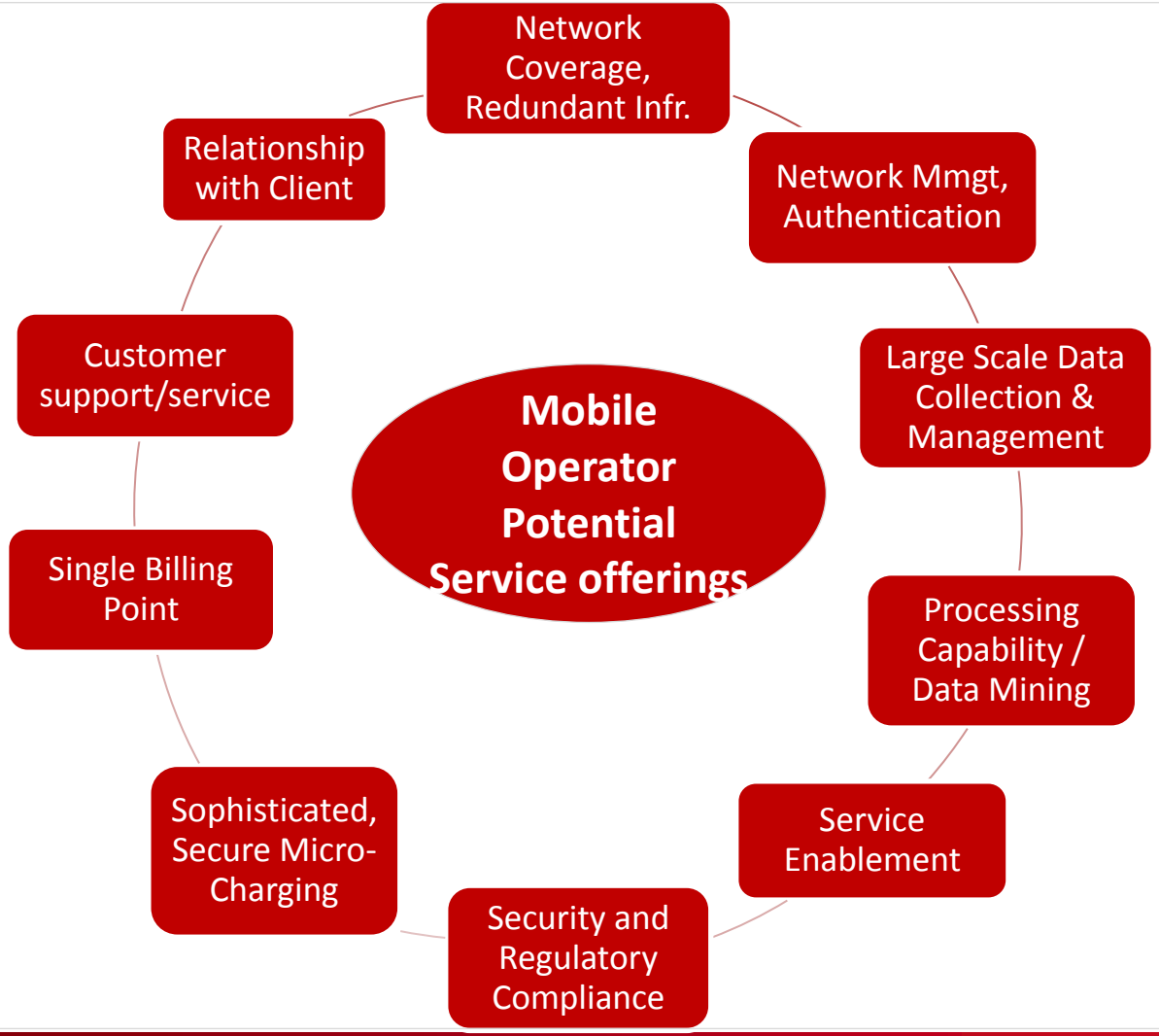
The Role of the Mobile Operator - Managed services using will unlock value



Source: GSM Association, Business Models and Mobile Operator Assets Deliverables

Barriers to achieving this growth

The Connected Living market lacks

- **Mature working partnerships**
- **Harmonised policies and regulations**
- **Technical standards**
- **Proven business models**
- **Sufficient awareness**

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What does the business case look like?

2 way business models will be key

	Operator	Adjacent Industry
mAutomotive Value Added Services	• Enhanced Value Added services directly to the Vehicle - call centre and software platform. • Increased ARPU on the devices from $5 to $50 per month[3]	• Increase call centre capacity – Increasing customer satisfaction • Improved efficiency of driver allocation - reducing cost
mHealth Chronic disease mgt	• mHealth devices and data storage, video conferencing • Generated expected ARPUs of between €150 to €200 per month[1]	• Reduce cost to treat patient 50% • Reduced hospital bed days by 63% • Reduced mortality rate 34%[2]

1 - http://www.slideshare.net/JuanVarela/telefnica-digital-digital-services
2 - http://grandesclientes.telefonica.es/en/tele-monitoring-chronic-patients-success
3 - http://www.reuters.com/article/2012/12/06/telecoms-technology-m2m-telefonica-idUSL5E8N49QB20121206

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The Socioeconomic Impact of the 'Connected Life' Over the Next Five Years

One million

The number of lives mHealth will save in sub-Saharan Africa over the next five years

$400 billion

The amount saved in 2017 from the annual healthcare bill in developed countries as a result of mobile healthcare solutions

40 million

The number of people in developing countries, equivalent to the population of Kenya, that can be fed each year due to fleet telematics preventing food wastage during transport

One in nine

The number of lives saved in road accidents in developed countries over the next five years due to mobile enabled in-car emergency services

A week back every year

Smart commute interventions in developing world cities will give commuters back a whole week's worth of time every year

1.2 billion trees

In developed world cities, smart metering will reduce carbon emissions by 27 million tonnes – equivalent to planting more than 1.2 billion trees

180 million

The number of children in developing countries that will have the opportunity to stay in school between now and 2017 due to mEducation

Research conducted by PwC for the GSMA

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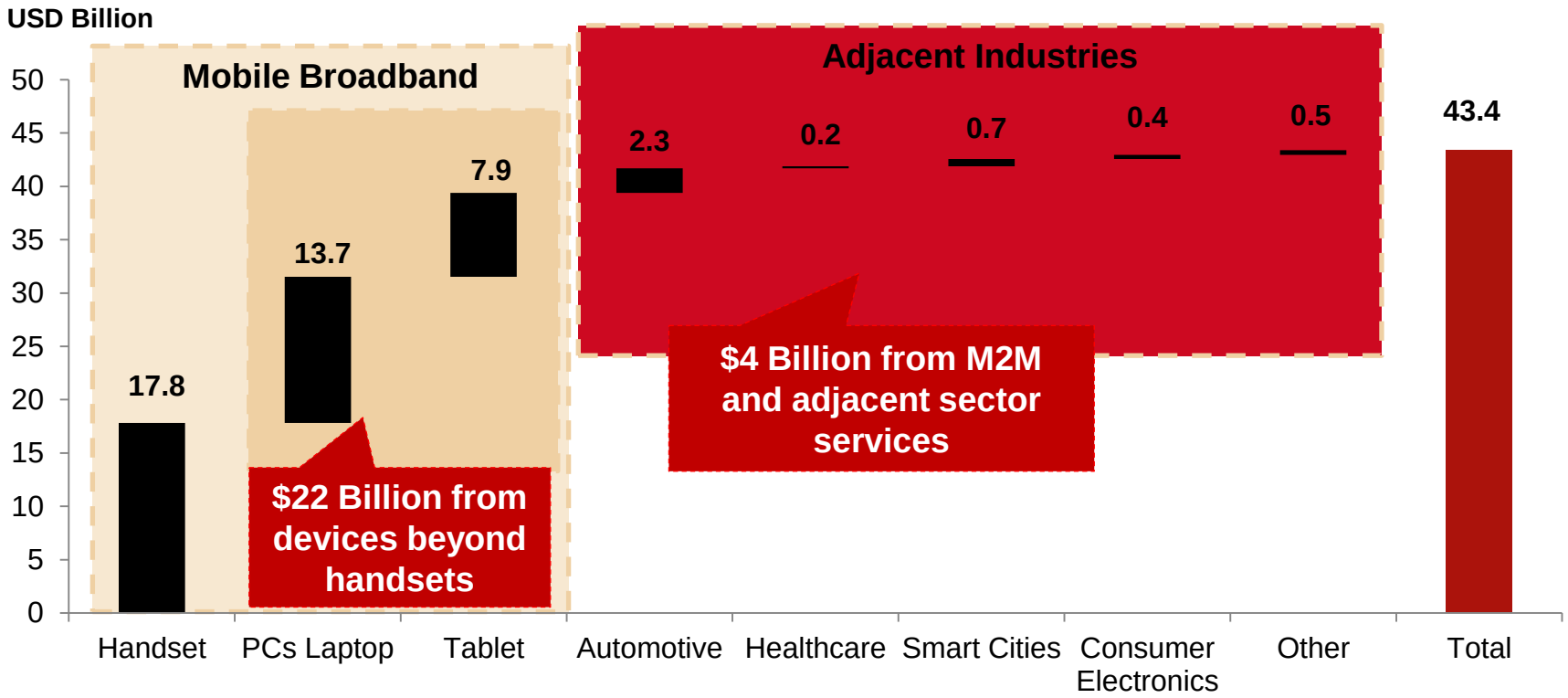
Thank you

$26bn expected from adjacent industries

Expected Latin America Operator Revenues in 2020



	Handset	PCs Laptop	Tablet	Automotive	Healthcare	Smart Cities	Consumer Electronics	Other	Total
Operators' share of addressable opportunity*	100%	41%	68%	15%	12%	16%	10%	10%	47%

* Addressable opportunity identifies the share of total revenues that mobile operators could compete for. Some of the addressable revenue will be taken by competition.

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Where will the revenue come from : The Role of the Mobile Operator

- Mobile operators have a unique opportunity to take the lead in the M2M space but need to act quickly as many industry players are competing for a share of the revenues
- Mobile operators bring unique elements to adjacent industry sectors :
  - A ubiquitous network connectivity with strong credentials in roaming and interoperability
  - Proven customer care, billing and distribution capabilities
  - Trusted brands for consumers and businesses
  - Security, device management and data storage
- The GSMA believe mobile operators should act now to access these new revenue opportunities the new managed services will deliver, the alternative being to remain solely as a connectivity provider and thus hand the additional revenues to other third parties
- Mobile operators who have expanded into managed services and become service providers, have been working in close co-operation with other industry verticals

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Context

Opportunity

New connected devices (formerly M2M) represent new revenue opportunity

Educate

Inform adjacent industries:
Operator more than just connectivity
Operator assets: Identity, security, billing

Accelerate

Educate industries, work with regulators, develop technical standards, stimulate trials and deployments

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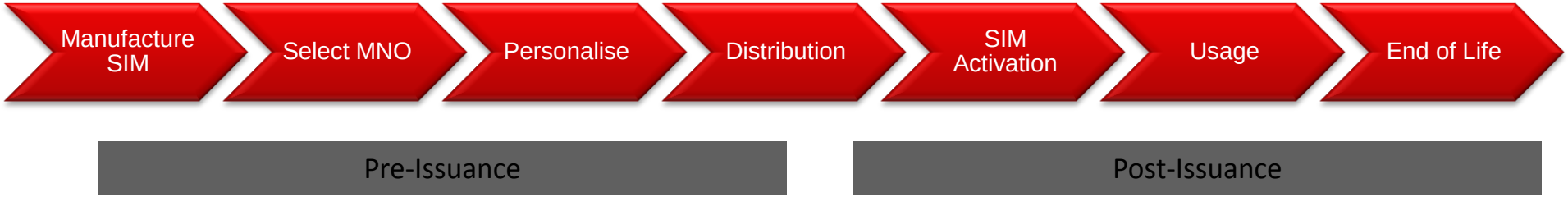
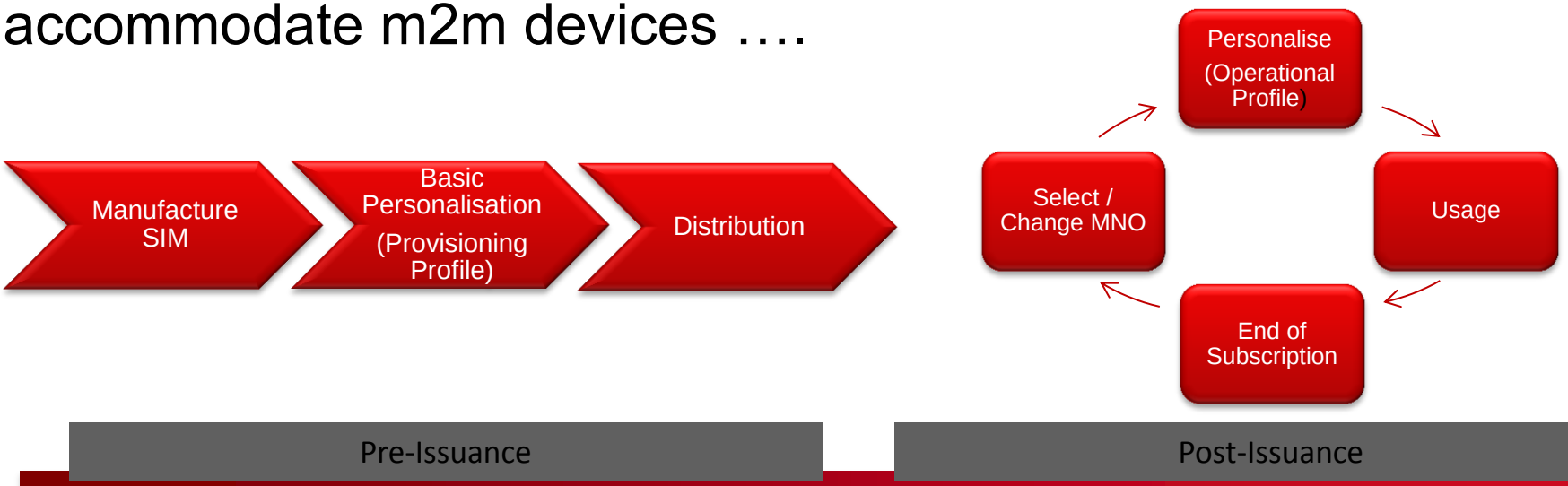
Changing the SIM Model and Life Cycle

From the linear model used today….



To an outcome based model with repeat provisioning to accommodate m2m devices ….



Remotely Provisionable SIM Use Cases

Provisioning of multiple M2M subscriptions	• An M2M Service Provider sets-up subscriptions for a number of connected M2M devices to start telecommunication services with a Network Operator
Provision of first subscription with a new connected device	• A subscriber purchases a new type of connected device from a device vendor / distribution channel
Subscription Change	• A subscriber changes the subscription for a device to stop services with the current MNO and start services with a new MNO
Stop Subscription	• A subscriber sells his device and stops the subscription for services from the current MNO