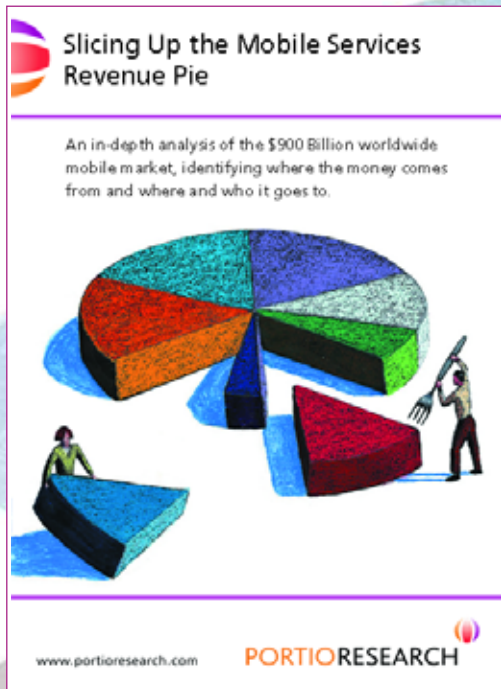




Slicing up the Mobile Services Revenue Pie



An in-depth analysis of the \$900 Billion worldwide mobile market, identifying where the money comes from and where and who it goes to.

KEY FEATURES OF THIS DETAILED NEW MARKET STUDY:

- Understand the true value of the worldwide mobile industry
- Analyze data services, see the value of SMS, MMS, mobile email, mobile music, mobile TV and more
- Find out which services the money comes from
- Find out where the money goes to
- Full handset shipment and revenue forecasts
- Analyze the flow of cash in this 900 Billion Dollar business
- Detailed revenue forecasts for non-voice mobile services to 2011
- Examine regional revenue data

NEW
FOR
2008

Slicing up the Mobile Services Revenue Pie

An in-depth analysis of the \$900 Billion worldwide mobile market, identifying where the money comes from and where and who it goes to.

The very first mobile telephones, huge briefcase-sized devices, first appeared in the 1980s and towards the end of that decade a nascent mobile phone industry was emerging. According to industry research, forecasts predict that 2008 will be the year that the worldwide mobile industry becomes a one Trillion US Dollar industry. For an industry to go from zero to USD 1 trillion in just 20 years is a staggering achievement, equal to a CAGR of almost 30 percent sustained for 20 years, an achievement previously unequalled by any other industry at any time in human history. 2007 became the year to see worldwide mobile handset shipments exceed 1 billion for the first time, and as 2008 begins so the world also crosses the highly significant 50 percent mobile penetration point, and the industry enters a year where gross industry revenues are set to reach 1 trillion Dollars.

As simple voice and text messaging services have become commoditised, prices and margins have come under intense pressure, forcing mobile network operators to expand non-voice mobile services to gain competitive advantage. A wide variety of value-added non-voice services have emerged, from mobile music, to email, mobile TV and video downloads, location based services, games, gambling and mobile payment services. In 2007, worldwide, non-voice services accounted for 18.9 percent of total mobile services revenues, and this figure looks set to keep growing, reaching more than 25.5 percent by the end of 2012. To put that in context, worldwide consumer spending on non-voice mobile services in 2012 will exceed 251 Billion US Dollars – more than a quarter of a trillion Dollars per annum.

From the start, this report sets out to answer these key questions:

- 1 What is the overall value of the worldwide mobile industry?
- 2 Where does the money come from?
 - Which services?
 - Which geographical regions?
- 3 Where does the money go to?
 - Handset vendors?
 - Infrastructure equipment vendors?
 - Retained by network operators?
 - Content partners?
- 4 How will these revenue flows change over the coming years?
- 5 Where is the real money now, which services make the most money, and which services are making the most profit?
- 6 How does the value of these services change across different regions and markets?

In 2008 we estimate MNOs worldwide will collect total revenues of USD 874.3 Bn. Interestingly, voice and SMS get little publicity in the mobile world these days. Just take a look at the conference agenda for the annual Mobile World Congress in Barcelona in February 2008. Looking down the list of topics covered in the 4 day conference, all the talk is about mobile TV and video, HSPA, mobile IM, DRM, mobile finance, mobile search, social networking, data pricing and mobile enterprise solutions.

All of these are exciting growth areas and most of these topics offer a great deal of promise for the future. But amid all this excitement, there is barely one mention of voice as a subject, and barely any mention of SMS as an application, yet voice and SMS generate well over 80 percent of the total service revenues flowing into this industry right now, and it's predominantly voice and SMS that have built this USD 1 trillion business over the last 20 years. Our forecasts show that in 2008, 88.9 percent of total MNO service revenues worldwide will come from voice and SMS, and that figure is likely to remain as high as 85 percent even by the end of 2011. But that still leaves more than USD 161 billion from data services in 2008, rising to over USD 251 by 2011, and this report looks in detail at those services to see where the money is coming from and how it's split out among the various players in the value chain.

We analyze the MNOs share in content revenues and we look in detail at how that share is changing over the next 4 or 5 years.

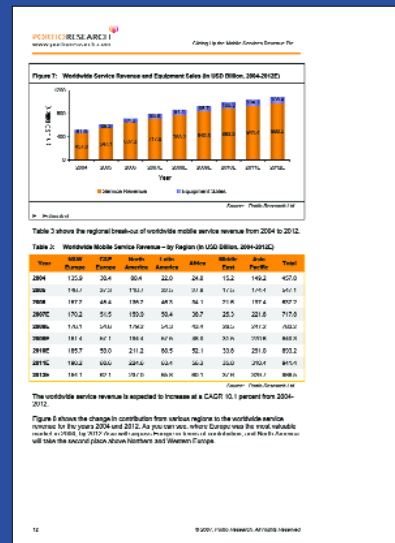
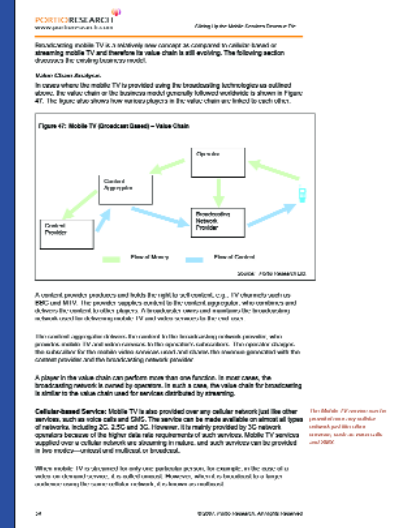


Table 2: Worldwide Mobile Service Revenue – by Region (in USD Billion, 2004-2012)

Year	North America	Europe	Asia	Latin America	Other	Total
2004	122.0	26.0	32.0	14.0	12.0	206.0
2005	184.1	32.0	38.0	16.0	14.0	284.1
2006	246.2	38.0	44.0	18.0	16.0	362.2
2007	308.3	44.0	50.0	20.0	18.0	440.3
2008	370.4	50.0	56.0	22.0	20.0	518.4
2009	432.5	56.0	62.0	24.0	22.0	596.5
2010	494.6	62.0	68.0	26.0	24.0	674.6
2011	556.7	68.0	74.0	28.0	26.0	752.7
2012	618.8	74.0	80.0	30.0	28.0	830.8

Figure 8: Change in contribution from various regions to the worldwide service revenue for the years 2004 and 2012. As you can see, where Europe was the most valuable market in 2004, by 2012 it had been overtaken by North America, and North America will take the amount of Latin America and Western Europe.



A content provider creates and holds the right to content, e.g. TV channels, services, etc. and MNOs. The content provider makes the content available to the content aggregator, who creates and distributes the content to the broadcast network provider. The broadcast network provider then provides the content to the end user.

The content aggregator is the one who provides the content to the broadcast network provider. The broadcast network provider is the one who provides the content to the end user. The end user is the one who consumes the content.

A player in the value chain can perform more than one function. In most cases, the broadcasting network is owned by operators. In such a case, the value chain for broadcasting is similar to the value chain for services distributed by operators.

Content-based services: Mobile TV is also provided over any cellular network (not just the other services). In this case, the content is provided over the cellular network. This requires changes in the network to support the content and to support the higher data rate requirements of such services. Mobile TV services require over-the-air network and supporting IP, and such services can be provided in both unicast and multicast or broadcast.

While mobile TV is provided by only one provider, for example, as the amount of video content increases, it is subject to congestion. However, when it is broadcast to a large number of users, the congestion is reduced, or even eliminated.

Read and understand the financial make-up of the mobile industry in this detailed 140 page new report.



Slicing up the Mobile Services Revenue Pie

An in-depth analysis of the \$900 Billion worldwide mobile market, identifying where the money comes from and where and who it goes to.

Table of contents

INTRODUCTION

WORLDWIDE MOBILE MARKET

MOBILE DATA SERVICES

Introduction

SMS

- Market Overview
- Value Chain Analysis
- Case Study 1 – India's SMS Market
- Case Study 2 – The UK's SMS Market
- Case Study 3 – The US's SMS Market

MMS

- Market Overview
- Value Chain Analysis
- Case Study 1 – The US's MMS Market
- Case Study 2 – The UK's MMS Market
- Case Study 3 – China's MMS Market

Mobile E-mail

- Market Overview

Mobile IM

- Market Overview
- Value Chain Analysis

Mobile Video Services (Mobile TV and Mobile Video Downloads)

- Market Overview
- Case Study 1 – Italy's Mobile TV Broadcasting Market
- Case Study 2 – South Korean Mobile TV Broadcasting Market

Mobile Music

- Market Overview
- Value Chain Analysis
- Case Study 1 – UK's Mobile Music Market
- Case Study 2 – India's Mobile Music Market
- Case Study 3 – The US's Mobile Music Market

Mobile Games

- Market Overview
- Value Chain Analysis
- Case Study 1– Japan's Mobile Gaming Market
- Case Study 2 – The US Mobile Gaming Market

Case Study 3 – The Mobile Gaming Market in the UK

Other Services

- Mobile Payment Services
- Mobile Gambling
- Location-based Services
- Mobile Internet

INFRASTRUCTURE EQUIPMENT VENDORS

Market Overview

MOBILE HANDSET MARKET

Market Overview

CONCLUSIONS

Trillion Dollar Mobile

Shifting Trends in the Mobile Data

Services Market

Beyond Messaging

Infrastructure Equipment Vendors

Mobile Handset Market

APPENDICES

Glossary

Portio Research Classifications

Companies Mentioned in this Report

About the Authors

Also available from Portio Research Limited

List of Figures and List of Tables

For a complete list of Figures and Tables, please contact info@portioresearch.com or look online at www.portioresearch.com

COMPANIES MENTIONED IN THIS REPORT

3
3-Italia
Alcatel-Lucent
AOL
Atari
BBC
Bharti Airtel
Capgemini
Cartoon Network
China Mobile
China Unicom
Cingular Wireless
CNN
Comscore Media Matrix

Dell
EA Mobile
Electronic Arts
Ericsson
Fox Sports
Gameloft
Glu
Hasbro
HP
Huawei Technologies
Idea Cellular
I-play
Java/Sun
KBS
Konami
KongZongWang
KTF
LG
Linux
M:Metrics
MasterCard
Microsoft
Morgan Stanley
Motorola
MSN
NetEase
Nokia
Nokia-Siemens Networks
Nortel
Norwegian Broadcasting Corporation
NTT DoCoMo
O2
Obopay
Orange
Palm
PayPal
PSI
Qualcomm
RIM
Samsung
SBS
Sega
Siemens
Sina
SK Telecom
Sohu
Sony Ericsson
Sprint Nextel
Sun
Symbian
Symbol
Telecom Italia Mobile
T-Mobile
TOM
TU Media Corporation
United Parcel Service
Verizon Wireless
Vodafone
Warner Brothers
Yahoo

Whilst every care is taken to ensure the details contained herein are accurate and true to the best of our knowledge, the Table of Contents and prices in this brochure are subject to change without notice, at the publishers discretion. All rights reserved. Portio Research Ltd.

PRIORITY ORDER FORM FOR Slicing up the Mobile Services Revenue Pie

An in-depth analysis of the \$900 Billion worldwide mobile market, identifying where the money comes from and where and who it goes to.

Name _____

Company _____

Position _____

Postal address _____

City _____ Region/State _____

ZIP/Postal code _____ Country _____

Phone _____ Fax _____

Email _____

Please accept my order for 'Slicing up the Mobile Services Revenue Pie'
(please tick)

1-5 user Team Licence:

£1495 GBP / \$2995 USD / €1995 Euro

Small or medium size Company Licence:

£2495 GBP / \$4990 USD / €3395 Euro

Large Corporate Unlimited Licence:

£3995 GBP / \$7990 USD / €5395 Euro

NB: UK prices do not
include VAT, please add
VAT at 17.5%

Fax this form to:

+44 (0)1249 656967

Please accept my payment by credit card:

Card Type: VISA / MASTERCARD / AMEX

Card No

Expiry Date: Month

Year

Name on card _____

Signature _____

Please invoice me:

Billing address if different from above: _____

Your purchase order number _____

I wish to make a bank transfer, please send me bank account details

HOW TO ORDER THIS NEW REPORT NOW...

To place your order for this new study, please contact us in one of the following ways:

Email us at

sales@portioresearch.com

Call us on

+44 (0)1249 656964

Fax your purchase order to us
on **+44 (0)1249 656967**

Fax the order form on

+44 (0)1249 656967

Portio Research Limited

Portio Research Ltd is an independent UK-based research company, focused on providing high quality, data-centric reports and database products.

Our Customers

Some of the leading companies who have previously purchased our reports or services include: **Alcatel : Amoi**

**Electronics : Belgacom Mobile : Bell
Canada : Boost Mobile : BT : Bulletin
Wireless : Cingular : Cisco : Comverse : Critical
Path : DoCoMo Labs USA : Dolby
Laboratories : End2End Mobile :
Ericsson : Gemplus : InfoSpace :
iTouch Plc : ITU : Kyocera Wireless :
LogicaCMG : Microsoft : mmO2 :
MobiNil Egypt : Motorola : MTC
Vodafone Bahrain : MTN Nigeria : NEC :
Nokia : Novatel Wireless : Openwave
Systems Inc : Playboy TV : Pannon GSM
: Samsung : Saudi Telecom Company :
SavaJe Technologies : Sendo : Sierra
Wireless : SingTel : Sony Corp :
SurfKitchen : Swisscom Mobile :
Telcordia Technologies : Teleca :
Teleglobe : TruePosition : U.S.Cellular :
Ubiquity Software : Vimpelcom :
VIPnet Croatia : Vodacom South Africa :
Vodafone Group : ZI Corporation**

Details you provide on this order form will be held by Portio Research Ltd and may occasionally be used for marketing purposes, but only in relation to goods or services that we believe may be of interest to you. No details will be disclosed to third parties and we do not rent or swap our databases with external marketing companies. If you do not want your details to be retained on our database, please indicate here by ticking this box. []