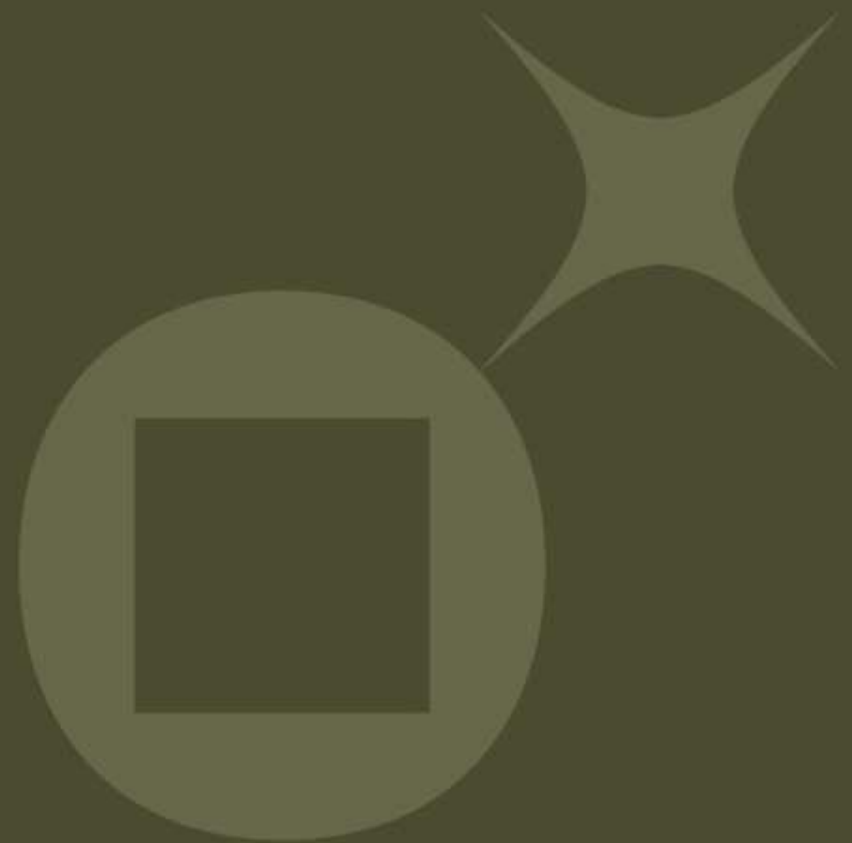
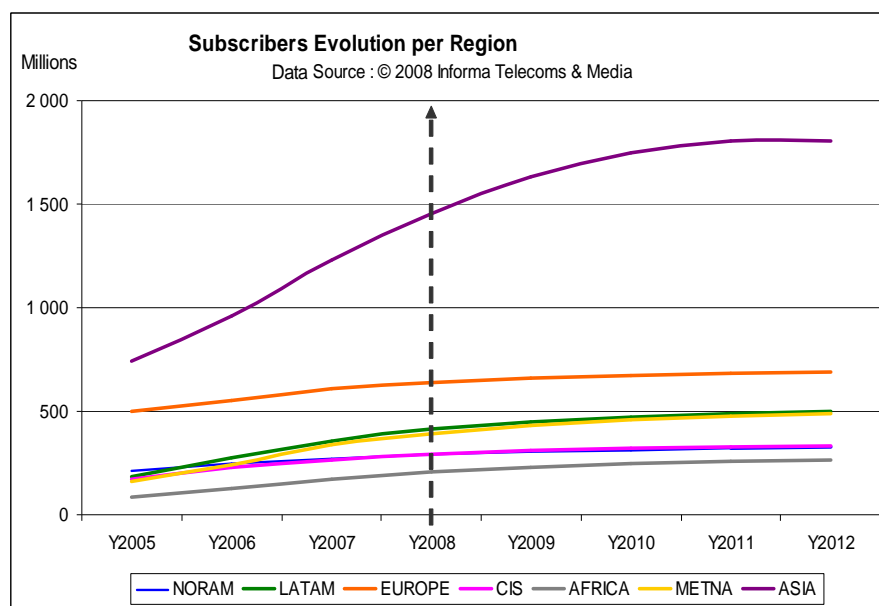
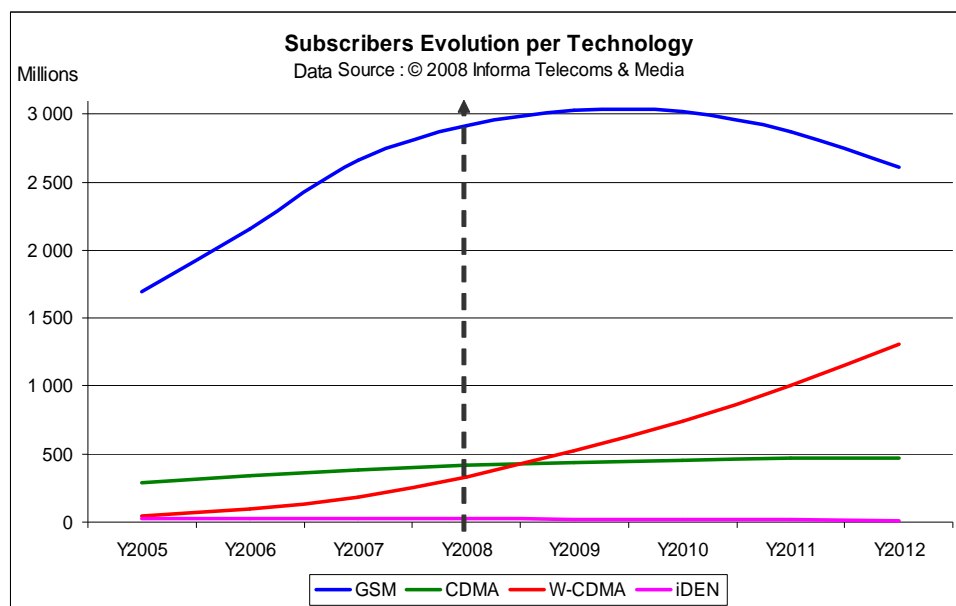


Mobile Telecom Market overview



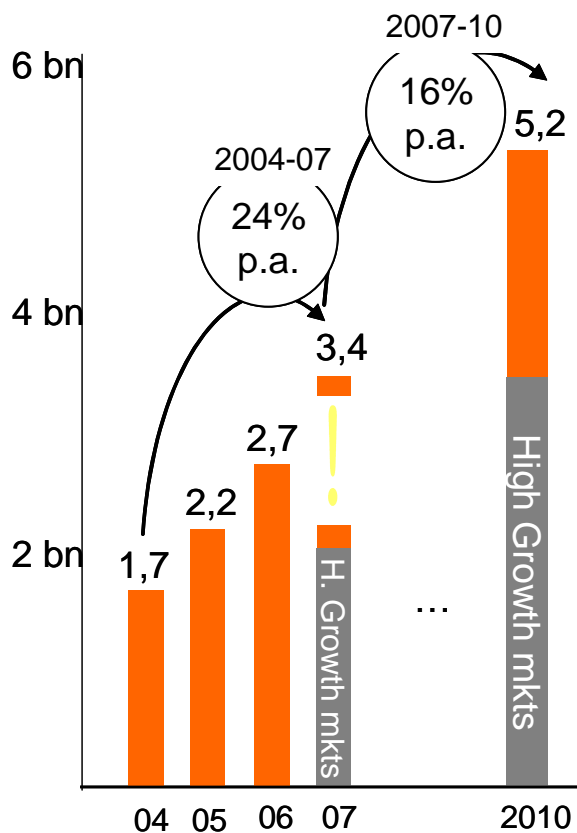
Worldwide Mobile Market 2007 in brief

- ✦ WW subscribers base : **3,4 bn** all techno (+24%)
- ✦ WW SIM deliveries: **2,6bn (+29%)**, est. 2008: 2,9 Bn (+13%)
- ✦ Mobile handsets shipments: **1,2 bn** (+12% vs 2006) and 1,3 bn are expected for 2008 (+8%).
- ✦ 68% of subscribers are prepaid
- ✦ WW penetration rate has reached for the 1st time 50%
- ✦ GSM remains by far the dominant technology, but W-CDMA shows strong growth



2007 globally: record-breaking for Mobile !

Mobile users ww

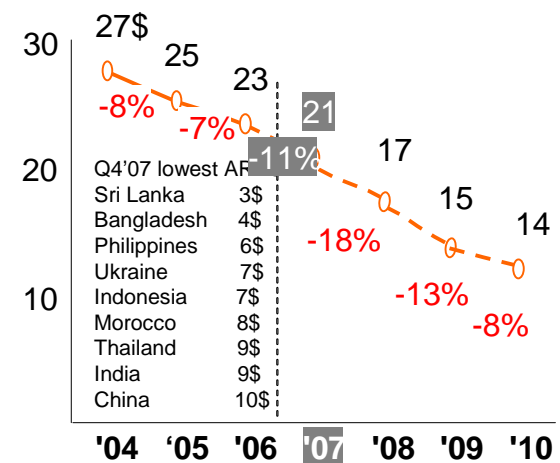


Record net additions

- 2007 is the year when 50% mobile penetration rate was reached globally, with record net ads: 700 million !!
- High Growth markets now represent 60% of mobile users globally, and should continue to grow strongly
- The mobile world is now definitely bi-polar

Record low ARPU due to High Growth markets explosion

- Mobile equipment & SMS at the heart of the economic boom
- The poorest access mobile services
- Prepaid 80% of user bases in Emerging (60% globally)



WW SIM deliveries: 15% growth for 2008

EUROSMART FIGURES
Cards (Millions of Units- Mu)

	2007 Global forecast November 2007		Forecast 2008		
	Memory	Microprocessor	Memory	Microprocessor	
					Growth vs 2007
Telecom	440	2 600	380	3 000	15%
Financial services- Retail- Loyalty	30	500	30	580	16%
Government- Healthcare	300	105	250	150	43%
Transport	160	15	190	30	100%
Pay TV	-	70	-	80	14%
Corporate Security	20	20	20	20	-
Others	10	15	10	15	-
Total	960	3325	880	3 875	17%
TOTAL	4 285		4 755		

2007 in advanced markets : the user experience was dramatically improved

Key mobile trends 2007

- ★ Mobile broadband finally became a reality: deployed in 90% of Advanced markets (HSDPA, EVDO)
- ★ Data ARPU grew but just compensated decline in Voice ARPU
- ★ Convergence-based business models accelerated M&A
- ★ ... the star product wins thanks to a superior man-machine interface
- ★ Internet players full speed to invade the Mobile internet space: Yahoo Go! 3.0, Google Android... content from many sources, direct route to the consumer.
- ★ Handset vendors announce the launch of major service portals



Key mobile trends 2008

- ★ Year 1 of the Mobile Internet equipment and usage: broadband, content, IM, search, VoIP...



Time to build new revenue streams

- ✦ In mature markets, Telcos need new revenues to compensate declining voice

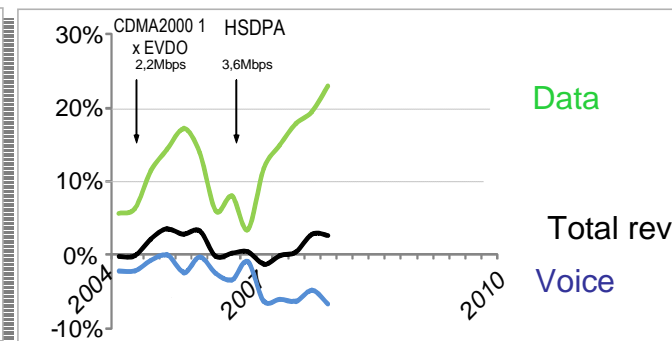
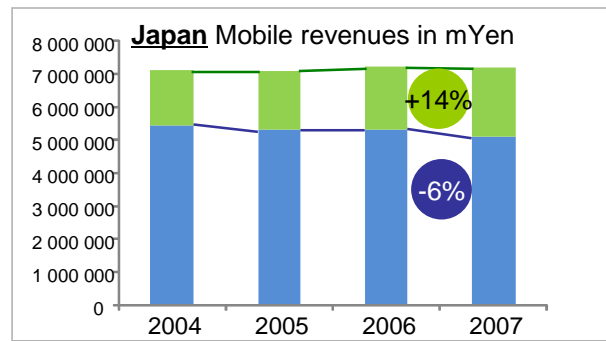


Service Revenue

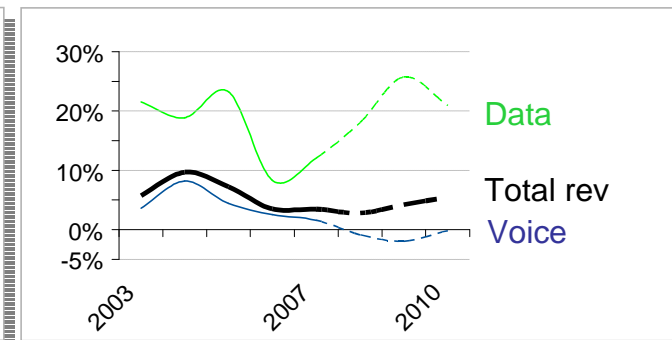
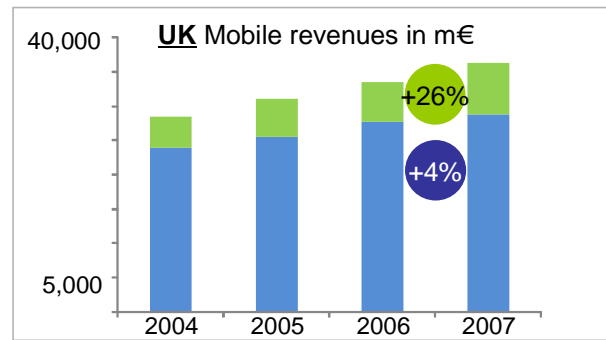
Service Revenue variation

(yoy)

Japan



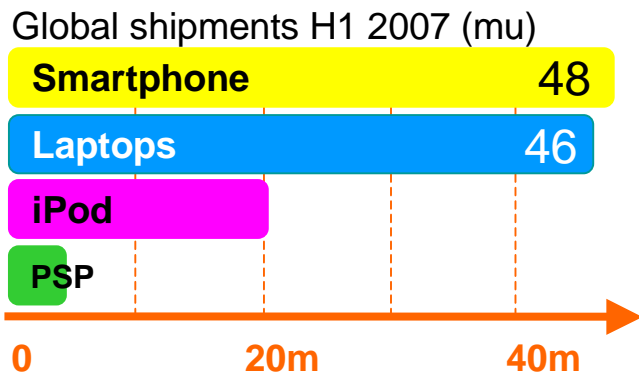
Western Europe



Sources: MNOs, Informa, Gartner

2007 in advanced markets

Smart phones reach critical mass

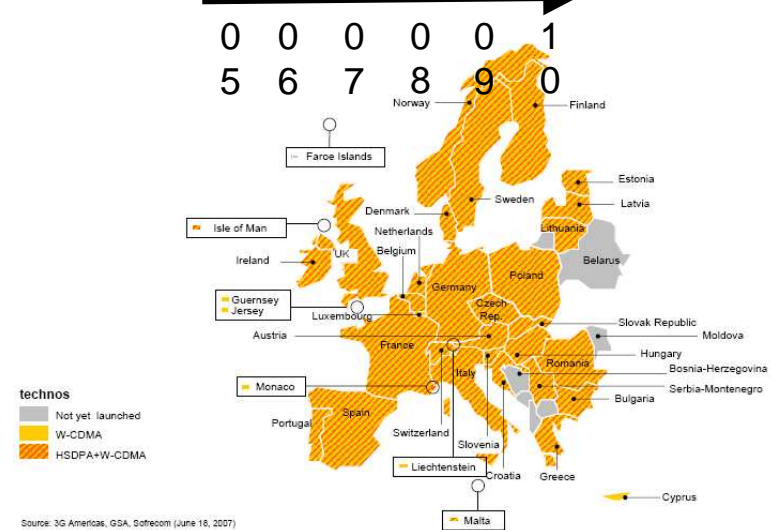
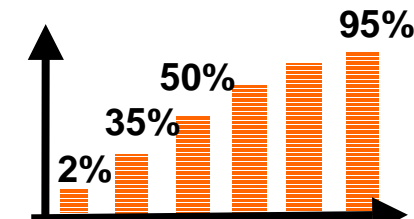


Since 2006, there are more smart phones than laptops shipped globally.

A new computing cycle, with new usages

Speed arrives on the mobile phone

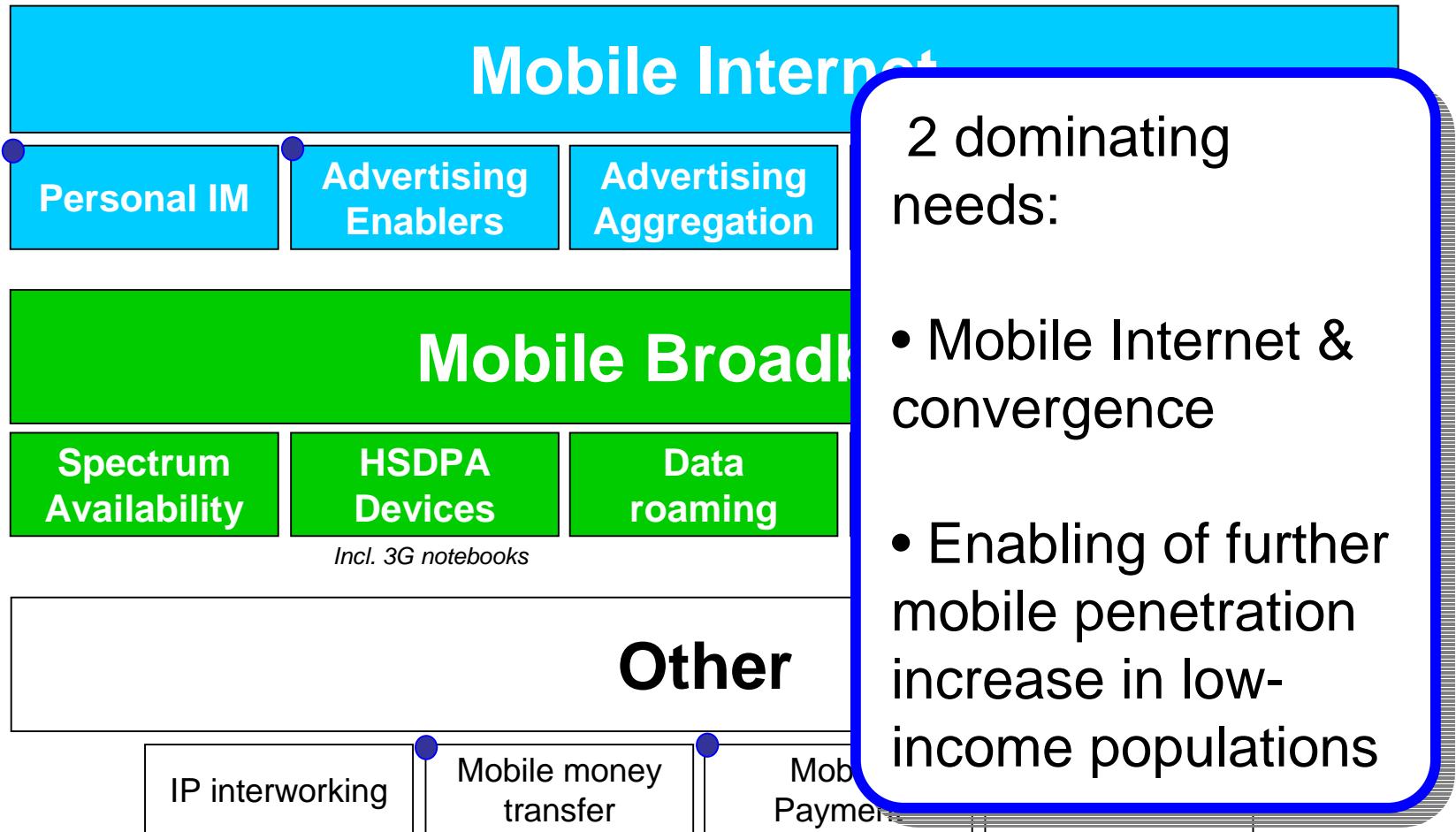
% of population covered with HSDPA in Western Europe



Source: 3G Americas, GSA, Softcom (June 18, 2007)

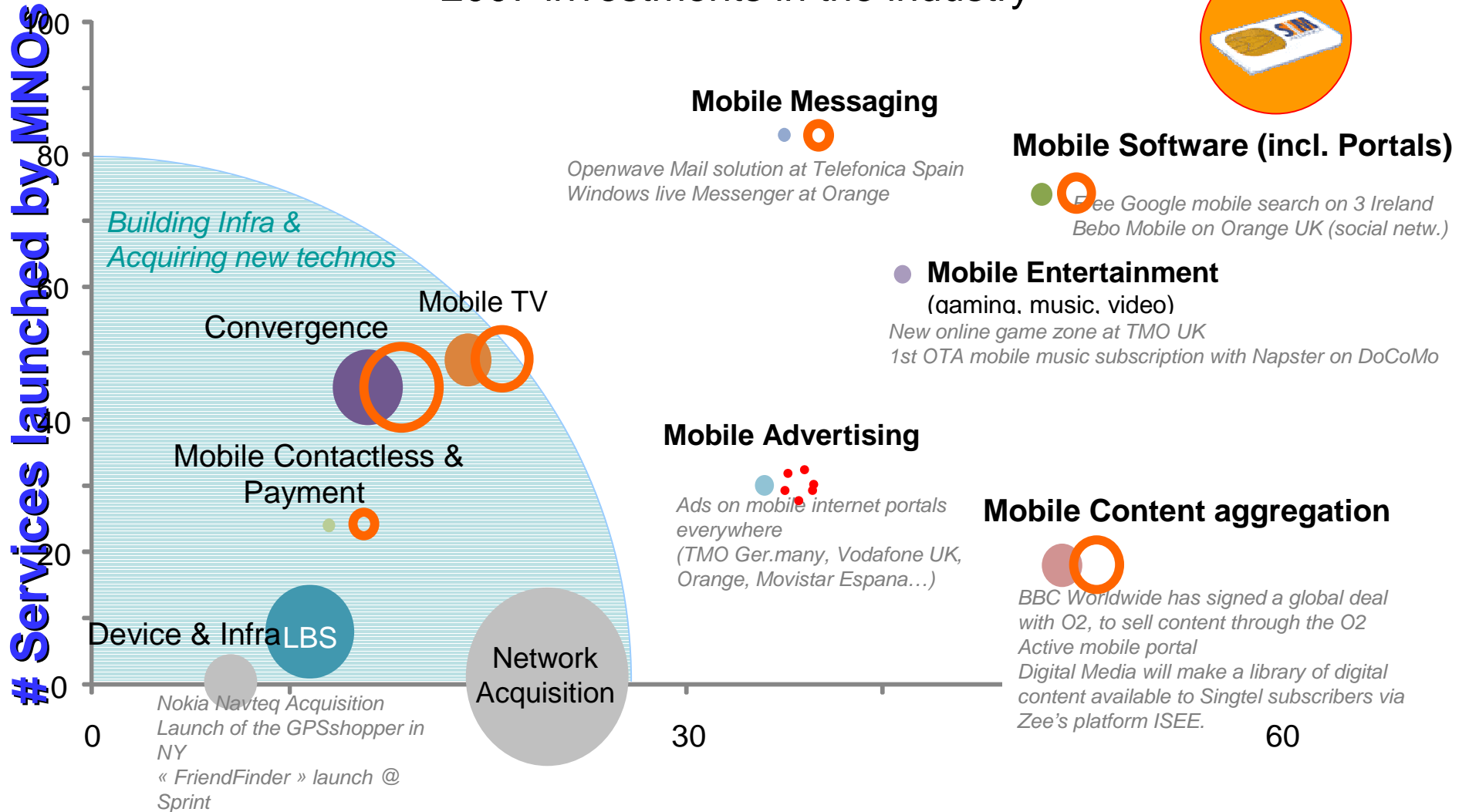
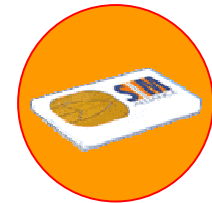
GSMA working groups

Telcos line up to avoid being excluded from the Mobile Internet value chain



Money is being poured into many new services
The industry invested more than 70bn\$ last year in new ventures

2007 investments in the industry

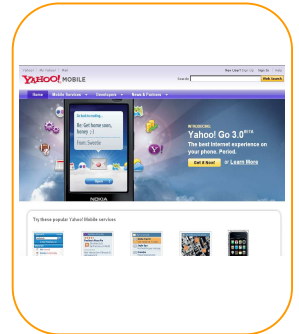


Overview of the Telecom ecosystem – focus on advanced markets

Key mobile trends

Services : Multimedia confirmed as the #1 priority for MNOs, and now speed is deployed

- ✦ Content & Communication (Web 2.0) are the growth engine of the digital eco-system
- ✦ MNOs have strong objectives to grow data revenues (up to 30%) ... and will need to start Mobile Advertising in 2008-09 to reach target
 - ✦ MNOs have strong pressure on cost reduction, as ARPU growth is below target
- ✦ Internet players full speed to invade the Mobile internet space: Yahoo Go! 3.0, Google Android... content from many sources, direct route to the consumer...



Handsets : The star product wins thanks to a superior man-machine interface

- ✦ Handset market is consolidating (top 5 players are now representing 83% of the market)
- ✦ Introduction of open OS (Windows, Symbian, Linux are now chosen as reference platform.) Open OS will account for more than 50% of handset shipped in 2010
- ✦ Google enters in mobile OS market with Android, Apple enters mobile with iPhone + iTunes, MMI is a key success factor
- ✦ Handsets manufacturers also service: Nokia Ovi, Apple revenue sharing model for the iPhone



Technology / Networks : Mobile broadband finally made reality, deployed in 90% of advanced markets (HSPA, EVDO)

- ✦ Convergence is changing the picture, strong & common authentication is now needed to bridge the gap between the two worlds
- ✦ Wi-fi & WiMAX are gaining momentum, LTE is near
- ✦ Contactless payment and transport on mobile are emerging in certain markets
- ✦ Management of identity will become more and more important



Overview of the Telecom ecosystem – focus on advanced markets

Impacts for Mobile Operators

Convergence

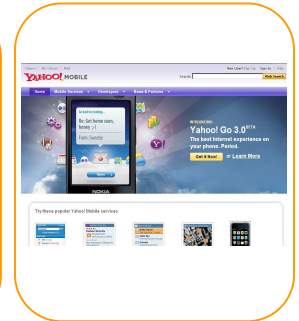
- ✦ Bridge the gap between fix/mobile world to extend services
- ✦ Develop content / services across all networks (mobile TV with broadcasters, contactless with transport/payment players)

Services & Branding

- ✦ Establish / reinforce brands
- ✦ Improve & secure access to services
- ✦ Develop personalized & ubiquitous services
- ✦ Extend brand/services beyond mobile (to PC/internet world)

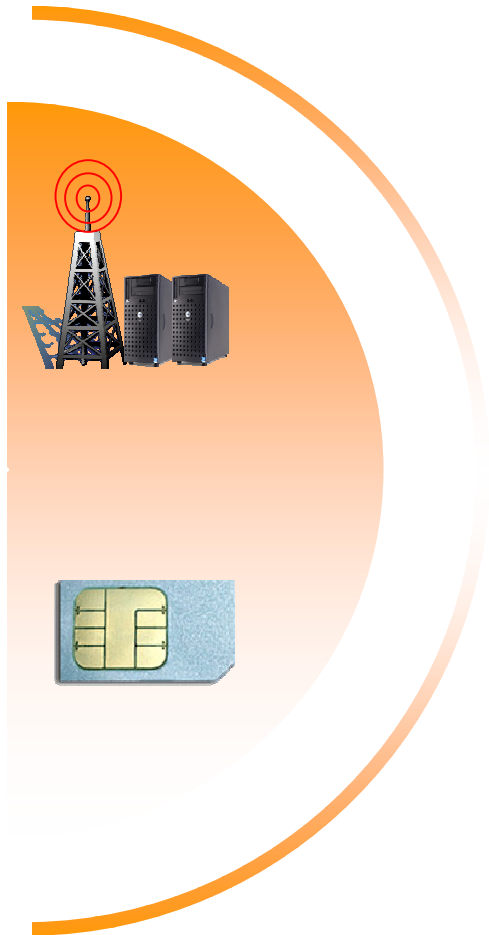
New business challenges

- ✦ Generate additional revenues with advertising
- ✦ Differentiate from competition & internet newcomers establishing one to one relationship with end-users
- ✦ Reduce cost / optimise investments



Innovation Strategy

Leverage on the SIM key assets ...



SIM assets

- ✦ **Operator's Property**
- ✦ **Secured End-users Authentication**
- ✦ **Personalisable**
- ✦ **Secured & Portable Environment**
- ✦ **Remotely manageable Over the Air**
- ✦ **Multidevice**
- ✦ **Mature technology / existing processes**

Innovation Strategy

... to propose a wide range of services

