Asian Mobile Wireless Opportunity for US Companies

Volume and (or?) Validation
Asia Wireless Subscriber Growth

- 2002 – 436 million subscribers
  → 2007 – 773 million
  CAGR 12.2%
- 2002 – $121 billion revenue
  → 2007 – $227 billion
  CAGR 13.4%
- Average Revenue Per User (ARPU)
  → $23 -> $24.5 per subscriber/month

Yankee Group, 9/03
Growth Drivers

• China, India: voice, basic access
  – China: CDMA2000 (1xRTT, EV-DO, EV-DV) vs. TD-SCDMA or WCDMA
  – legacy infrastructure not a high barrier

• Japan, Korea:
  – approaching subscriber saturation
  – data services: ARPU growth

• SE Asia: prepaid plans
Korea Volume & Validation

• Volume - handset production
  – 70-80 million units: Samsung, LG, Curitel
  – 10-20 million units: small ODMs, CMs

• Validation
  – 3G, data services/infrastructure

Company estimates, 2003
Korea Validation Example

• Question: Data service potential?
• Background:
  – 34 million mobile subscribers (70+% penetration)
  – SK Telecom: 18 million subscribers, 16.4 million data users

SK Telecom, 8/03
SK Telecom Experience

• $40 ARPU – all subscribers
• Data ARPU Growth
  – 1xRTT: $5-6 data ARPU, 15+ million subs
  – EV-DO: $22 data ARPU, 1+ million subs
  – “June” EV-DO brand launch 11/02

SK Telecom, 9/03
Drivers for High Data Use

• Now:
  – Lower-bandwidth: ringtones, screen savers, games, icons
  – Higher-bandwidth: multimedia messaging, digital media streaming

• Near Future: digital media broadcasting and on-demand

• Prospects: location based services, m-commerce, enterprise data mobilization, others???
“Rapid Growth in Asian Mobile Wireless Technology Markets”

• Abstract: What kind of growth are we discussing?

• Company Specific: What are your goals in Asia, and how do they relate to your global ambition?
Thank You

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