

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

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

Ginsu Yoon

KTB Ventures

720 University Ave, Ste 100

Palo Alto, CA 94301

ginsu@ktbvc.com

www.ktbvc.com