ERICSSON

TAKING YOU FORWARD

P Balaji

VP-Marketing & Technical Solutions

p.balaji@ericsson.com

Agenda

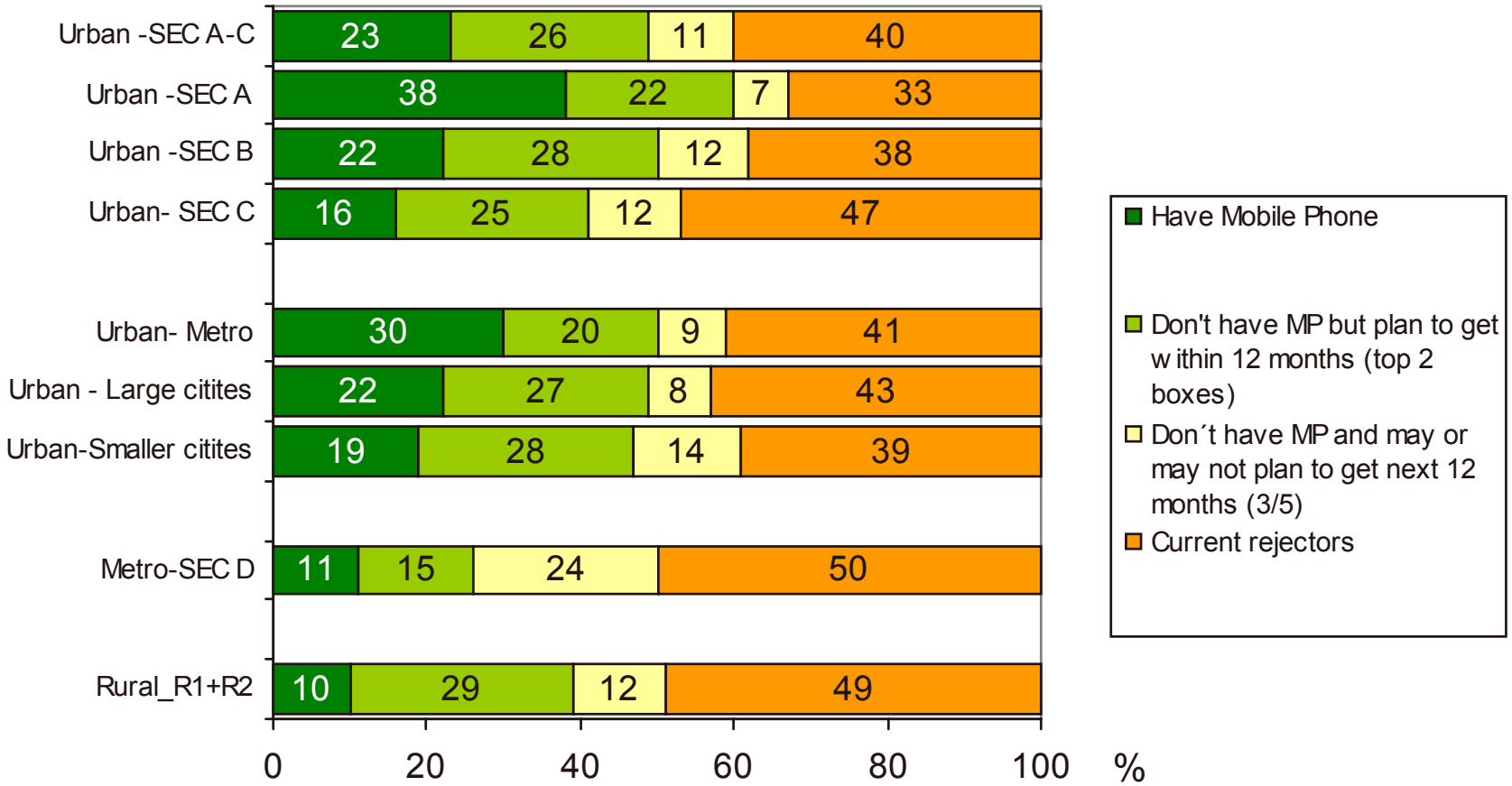
- Consumer Growth Story in India
- 3G Evolution
- Relevance to India

India is Ready for 3G

- The demand for mobile telephony is clearly there
- Indian addressable market could be 300 million people of the total population year 2010
  - In year 2008: 180-240 million mobile users
    (depending on the economic growth in India)
- The mobile telecommunication market is still at an early stage in India, and the market has a potential to double in the next 1 year

Source: Ericsson Consumer Lab Survey 2005

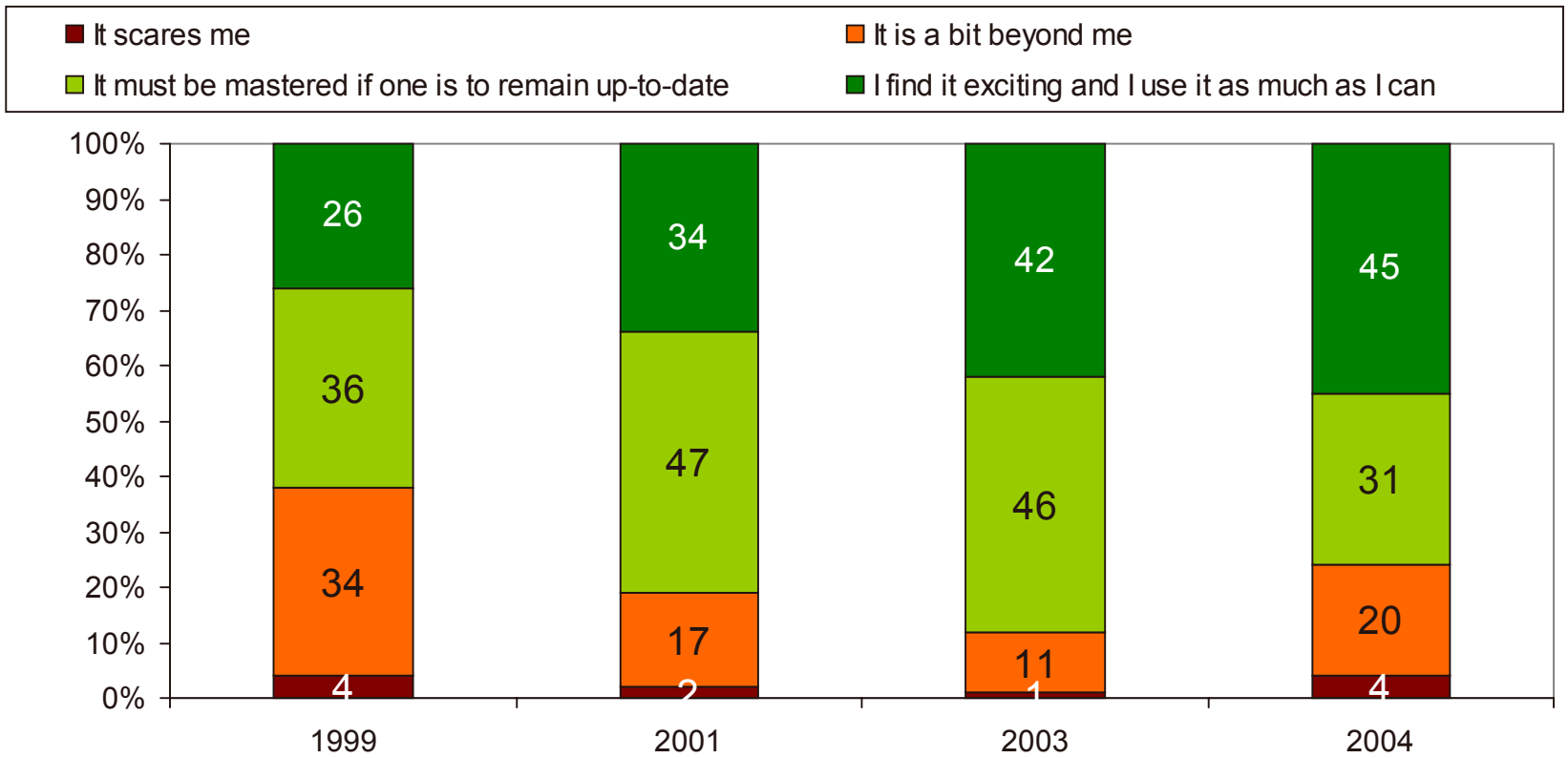
There is a potential that the market will double soon



Source: Ericsson Consumer Lab Survey 2005

Indians find new technology exciting

"Nowadays, we use new technology in many different ways and services, for instance, mobile phones, TV satellite dishes, communicating by computer and the Internet. Which of the statements corresponds best to your ideas about new technology ?"

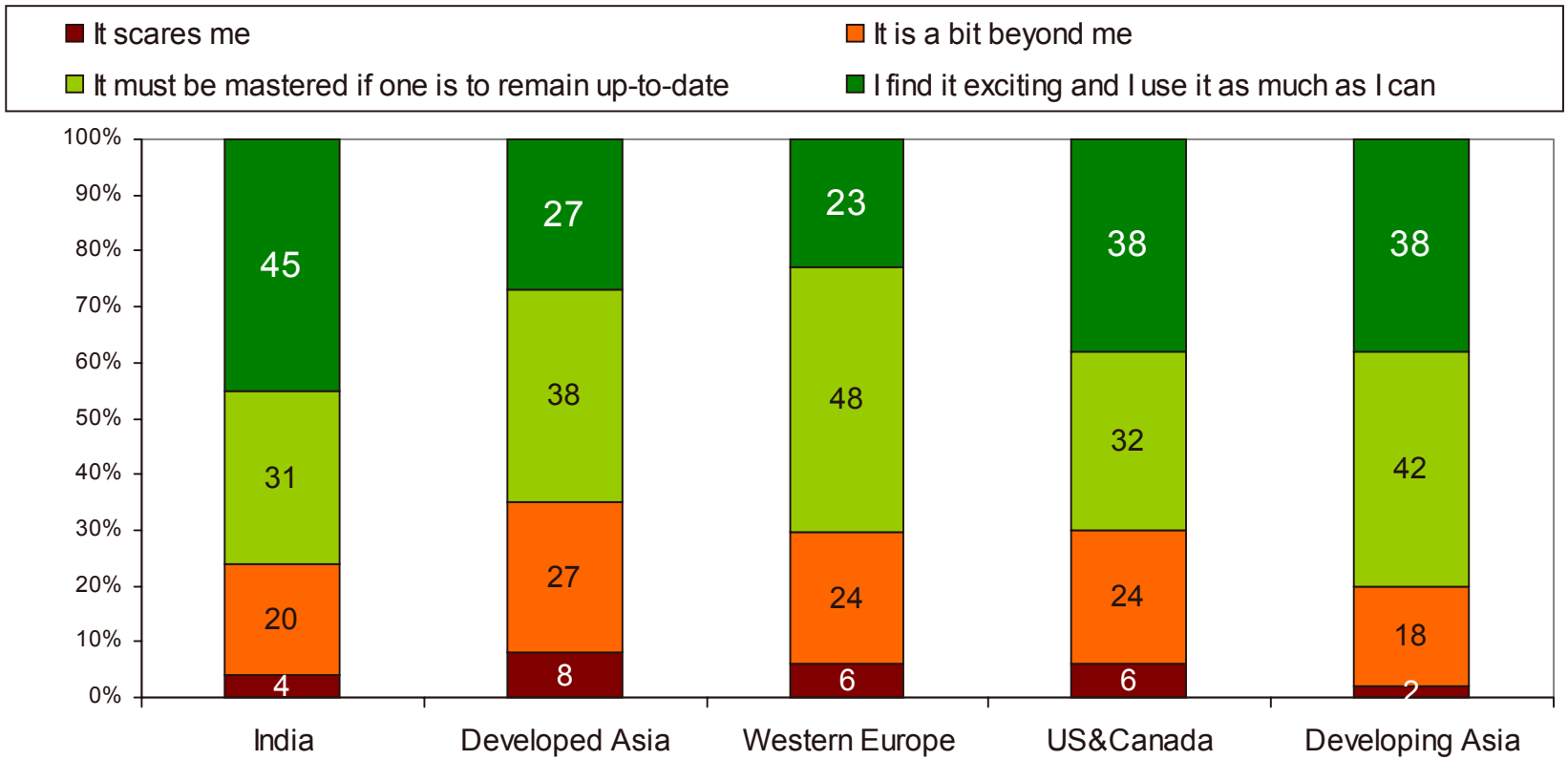


Source: Ericsson Consumer Lab Survey 2005

Also in a global comparison

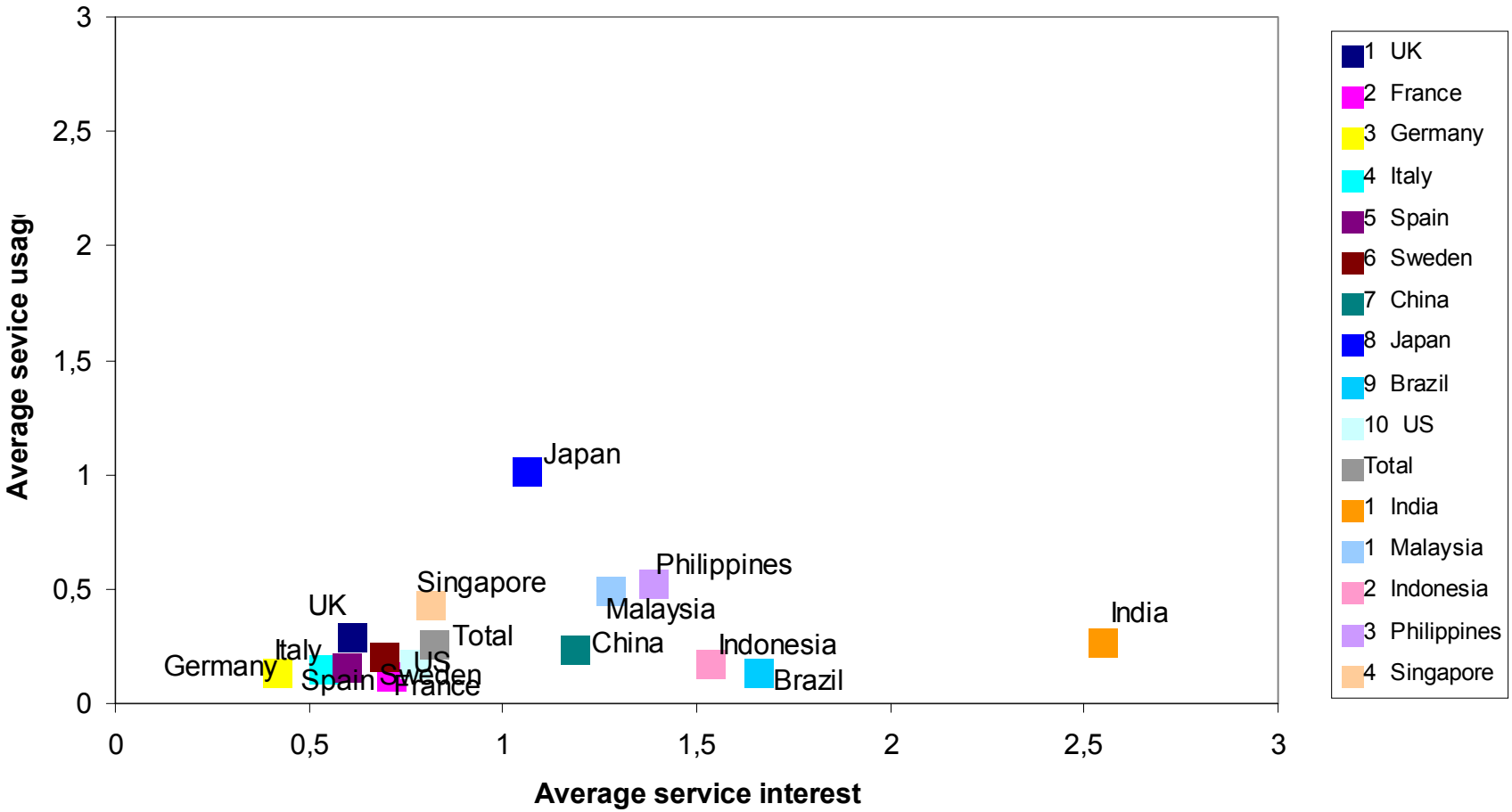
NOP

”Nowadays, we use new technology in many different ways and services, for instance, mobile phones, TV satellite dishes, communicating by computer and the Internet. Which of the statements corresponds best to your ideas about new technology ?”



Source: Ericsson Consumer Lab Survey 2005

Advanced Mobile Services Index



Base: All

Usage of/interest in: Mobile Internet, Music download, Game download, Yellow pages, MMS/picture mail

In India analyses based on Mobile Internet, Ring-tones download, Game download, Band services MMS/picture mail

Potential for Growth

- **Decrease of mobile phone prices will boost the market as current price of mobile is the main barrier.**
  - Current users in Urban areas, price range for mobile phones between 2800 to 5100 INR with a optimum price point at 3400 INR
  - Current non-users in Urban areas, price range expectation for mobile phone is lower (2200 to 3800 INR)
  - For SEC D in the Metros as well as Rural R1+R2 the optimal price point for a mobile is lower by 20-25%
- There is an interest of mobile telephony in rural India
- Patterns in the results are very much the same as in Urban India although all figures are at a lower % level like Sec D urban
- Willingness to pay for services and mobile phones is approx 20% lower compared to the urban non-users .

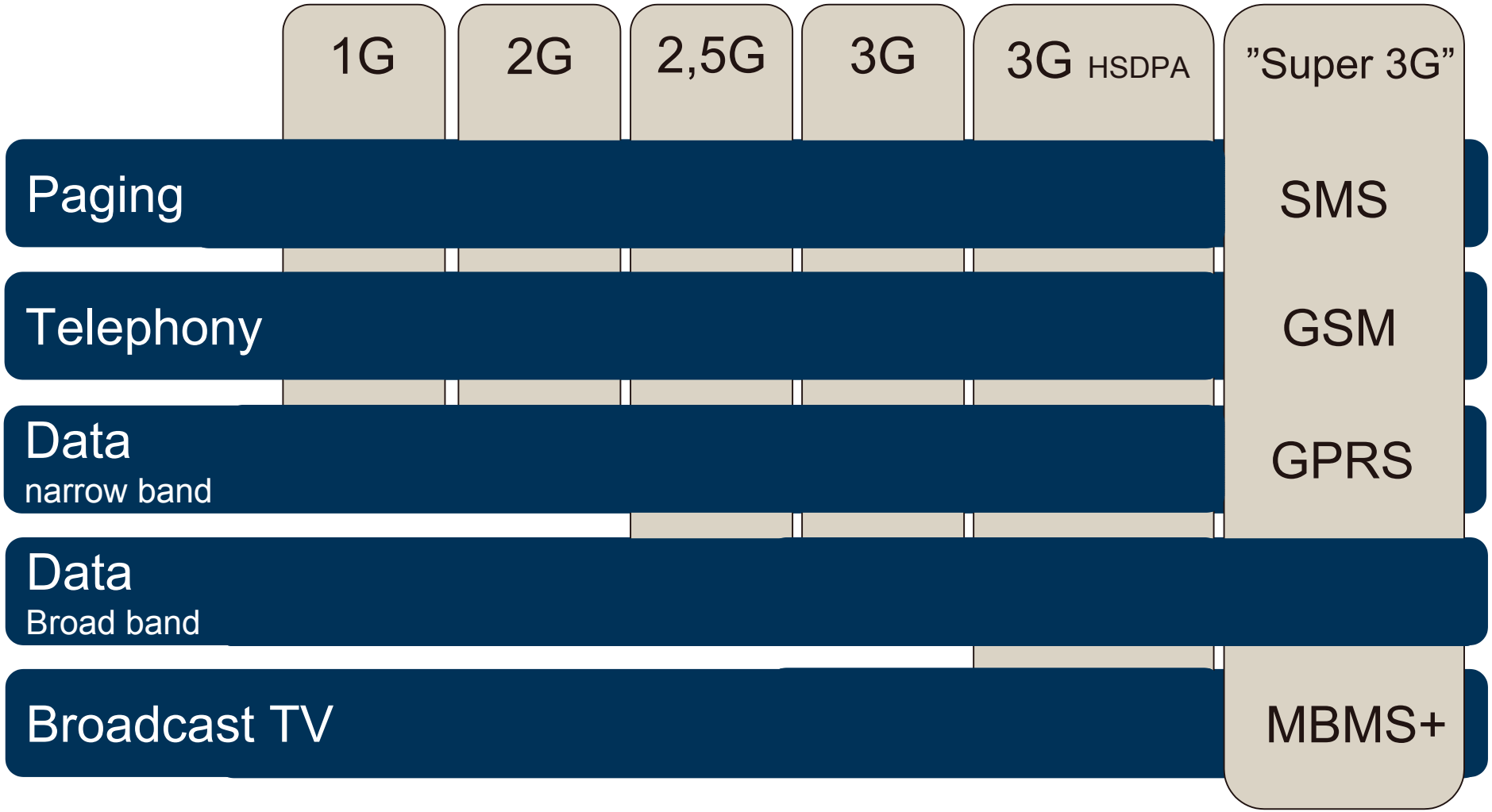
Agenda

- Consumer Growth Story in India
- 3G Evolution
- Relevance to India

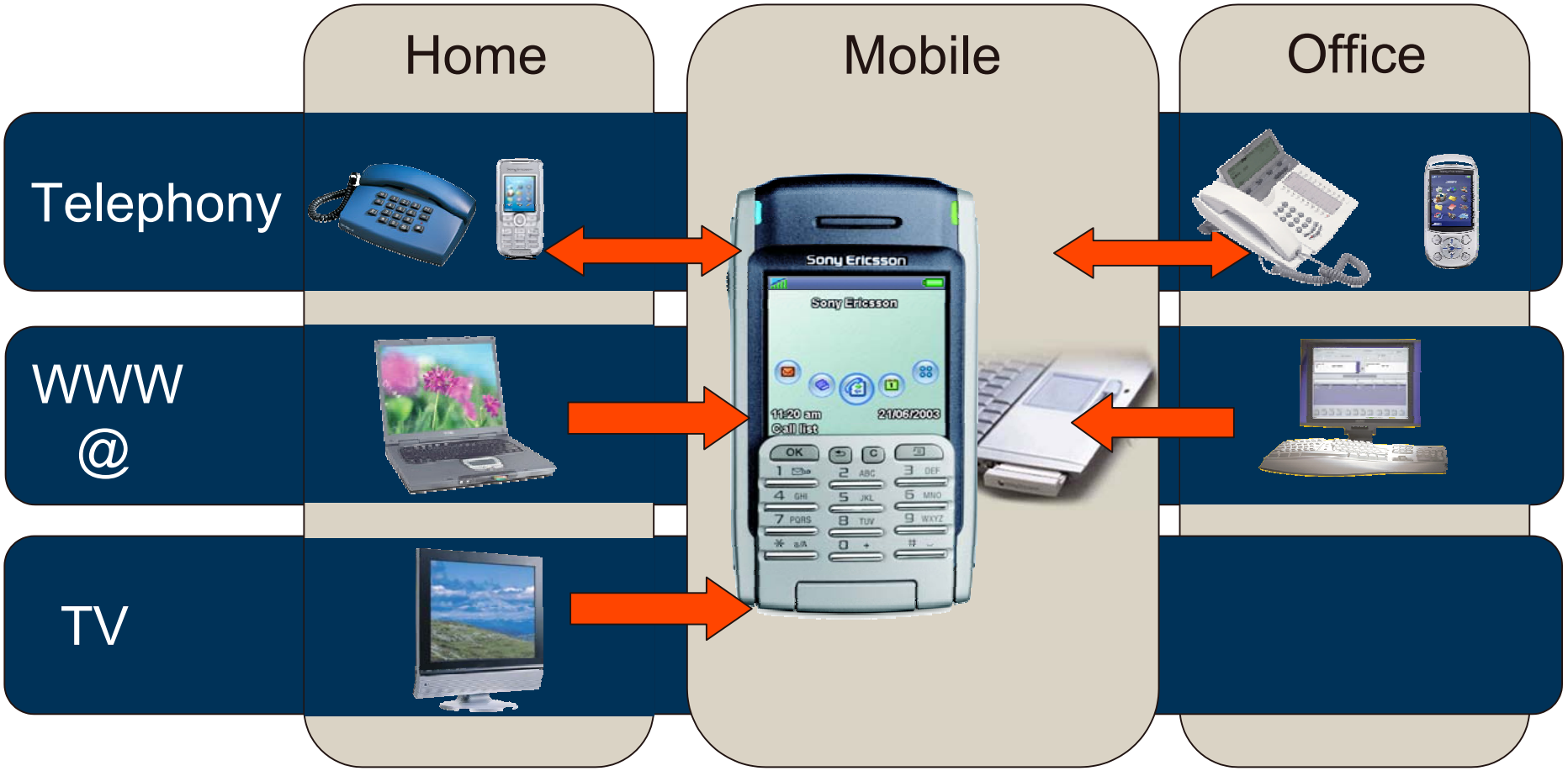
Mobile Communications a Growth Industry

- Largest subscriber growth ever
  - 300 million net subscriber additions
  - 27% world penetration
- 3G breakthrough
  - More than 20 million WCDMA subscribers
  - HSDPA accelerates opportunities for new services
- GSM growth continues
  - 16 new GSM countries
  - Paving way for EDGE and WCDMA

History Review



Mobile Triple Play



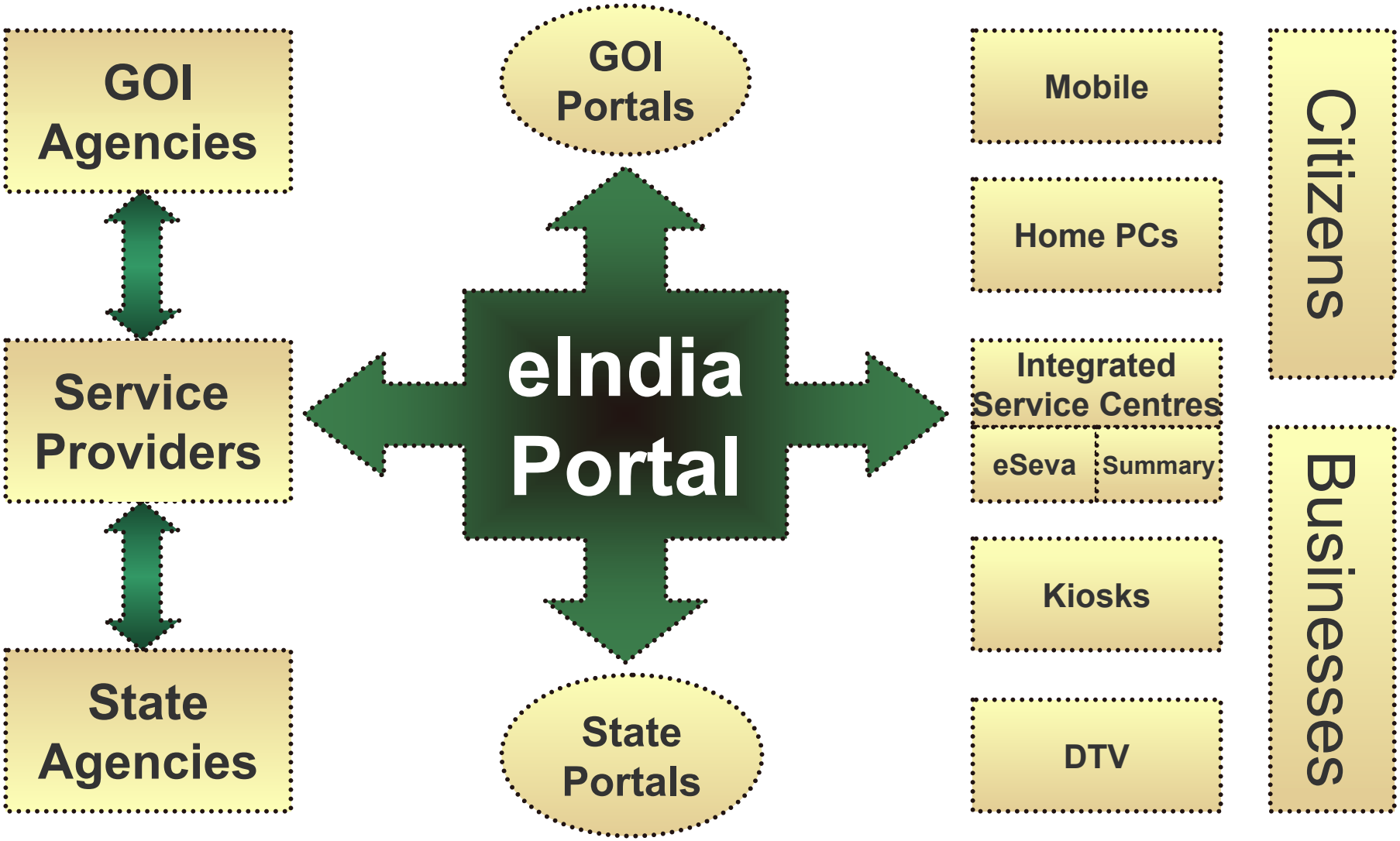
Agenda

- Consumer Growth Story in India
- 3G Evolution
- Relevance to India

The Narrowing Digital Divide

- Mobile growing faster than landline & reaching rural areas
- BSNL & Private Operators to soon cover 5000 towns
- Lowest infrastructure prices in India
- Lowest call and recharge rates for telecom services
- Increasing TV, Cable and Wireless homes
- E-governance and Telemedicine initiatives for rural areas in focus

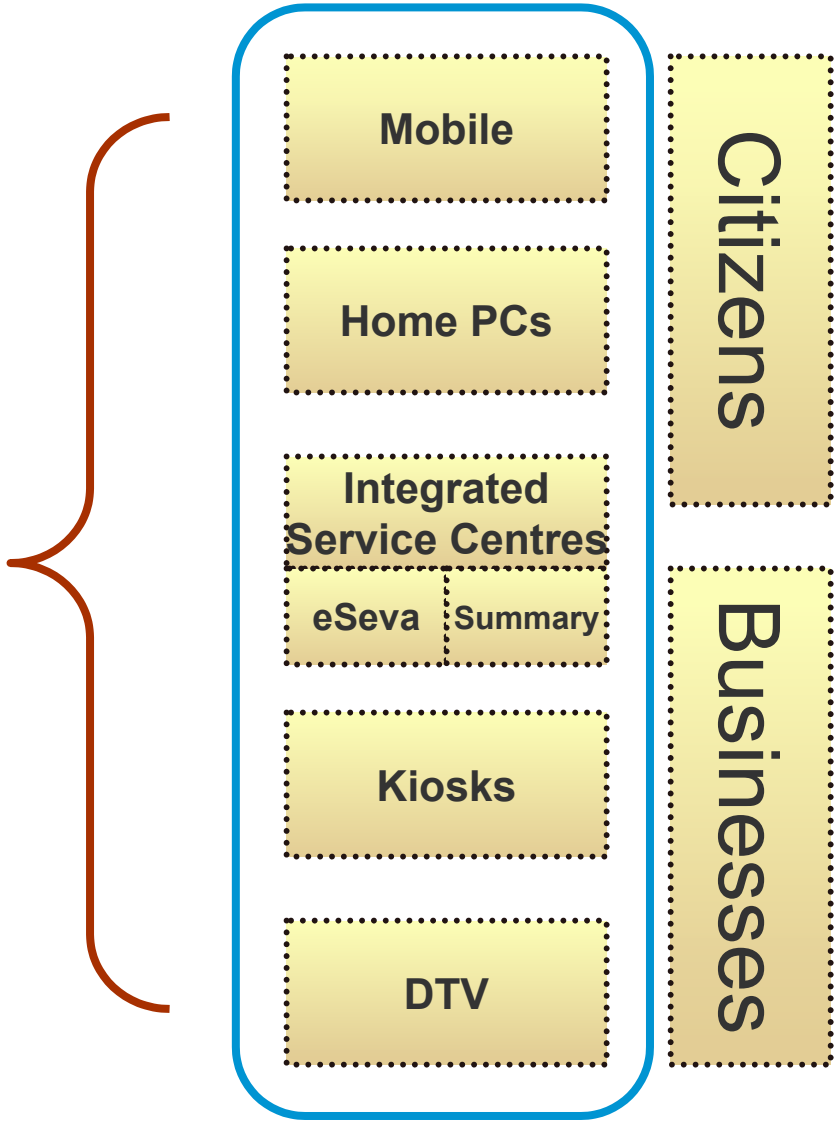
The Overall Framework of EGNAP



Slide taken from EGNAP (E Governance National Action Plan)

The Overall Framework of EGNAP

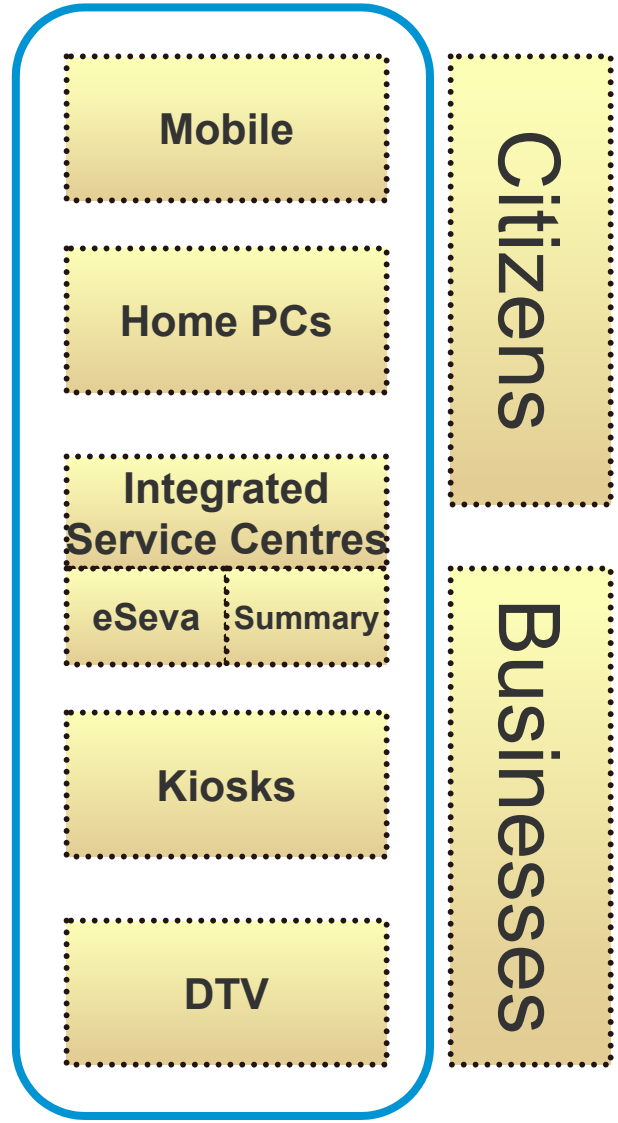
Requirements that can be covered by Mobile Broadband



The Overall Framework of EGNAP

Mobile Broadband (3G)

- Mobility
- Internet (database) Access
- Video Conferencing (telemedicine)
- E-mail, fax, telephony
- Kiosk, Entertainment
- Screening (police, land-records etc.)
- Video Recording (surveillance)
- Education (acting as access modem)
- etc.



Potential Applications for 3G - Rural

- **Telemedicine**
  - Remove the lack of doctors in rural areas
  - Remove language barriers through Multi-lingual interfaces
  - Bridge lack of visual examination through video capability
  - Enable prescription service through document transfer
- **Education**
  - Provide high bandwidth access for e-education courses
  - Provide video based Computer Based Trainings (CBTs)
- **Governance**
  - Remove bureaucracy by providing instant viewing of land records etc.
  - Provide government information like policies, forms, schemes
  - Centralized initiative, decentralised implementation

Potential Applications for 3G -Urban

- **Railways**
  - Seat availability, booking & Train status
- **DGFT** (**Directorate General of Foreign Trade**)
  - Reduce processing time to a few hours for registrations
- **Customs**
  - Computerise and make available all export/import declarations
- **Central Excise**
  - Process and view Service Tax returns etc.
- **Postal Department**
  - Direct e-credit of Monthly Income Scheme returns into the investors account
- **Passport**
  - information, screening (at some locations) available over image transfer
  - Status information to individuals
- **Income Tax, Land registration, Health Card etc**.

In A Nutshell…

- India is poised for an explosive growth in wireless consumers
- 3G services are being widely deployed around the globe
- India has the opportunity to immediately deploy next generation services using mobile Broadband
- 3G wireless deployment ensures Investment & Coverage can be quickly done
  - Both Govt. & Private Operators
- 3G Promises Quality & Speed of Deployment & Reach
  - Wireless high bandwidth deployment by best global vendors
- 3G provides Variety & Diversity of Service
  - Video, Voice, Internet (data), imaging, Documentation etc
- 3G will provide 4-5 times higher voice capacity than present 2G
- Higher bandwidth will support Govt's various social initiatives
- Content rich experience will enable trade and business opportunities for urban and rural prosperity

Government, Mobile Operators, Technology providers can come together for a win-win proposition to address rural & urban needs

TAKING YOU FORWARD