



The Asian Markets Insights & Trends

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About Amadeus

- UK-based Tech-focused VC firm
- ~ \$500m under management
- ~ 50 investments to date
- 15 investment professionals
- Several successful exits
 - Latest: Cambridge Silicon Radio, IPO in '04 (global leader in bluetooth chips)
- Strong "wireless" portfolio
 - Smartner-SEVEN, Aepona, Celltick, Valista...

The Maturing of Asia...

- **Critical Mass**

- Nearing 400m subscribers in China
- Approaching 100m in India

- **Enabling Technology**

- Almost complete GSM coverage
- Massive roll-outs of 3G, Broadband being planned

- **Mobile Ecosystem**

- Content, Applications, Handsets, Platforms, Operators

Aleutian Islands (USA)

Europe

Russia

Turkey

Cyprus

Lebanon

Israel

Syria

Jordan

Saudi Arabia

Bahrain

Qatar

United Arab Emirates

Yemen

Oman

Africa

Kazakhstan

Turkmenistan

Iran

Kuwait

Afghanistan

Pakistan

India

Yanmar

Bangladesh

Sri Lanka

Maldives

Singapore

Indonesia

Australia

Maldives

Singapore

Indonesia

Japan

North Korea

South Korea

China

Taiwan

Philippines

Laos

Thailand

Vietnam

Cambodia

Brunei

Malaysia



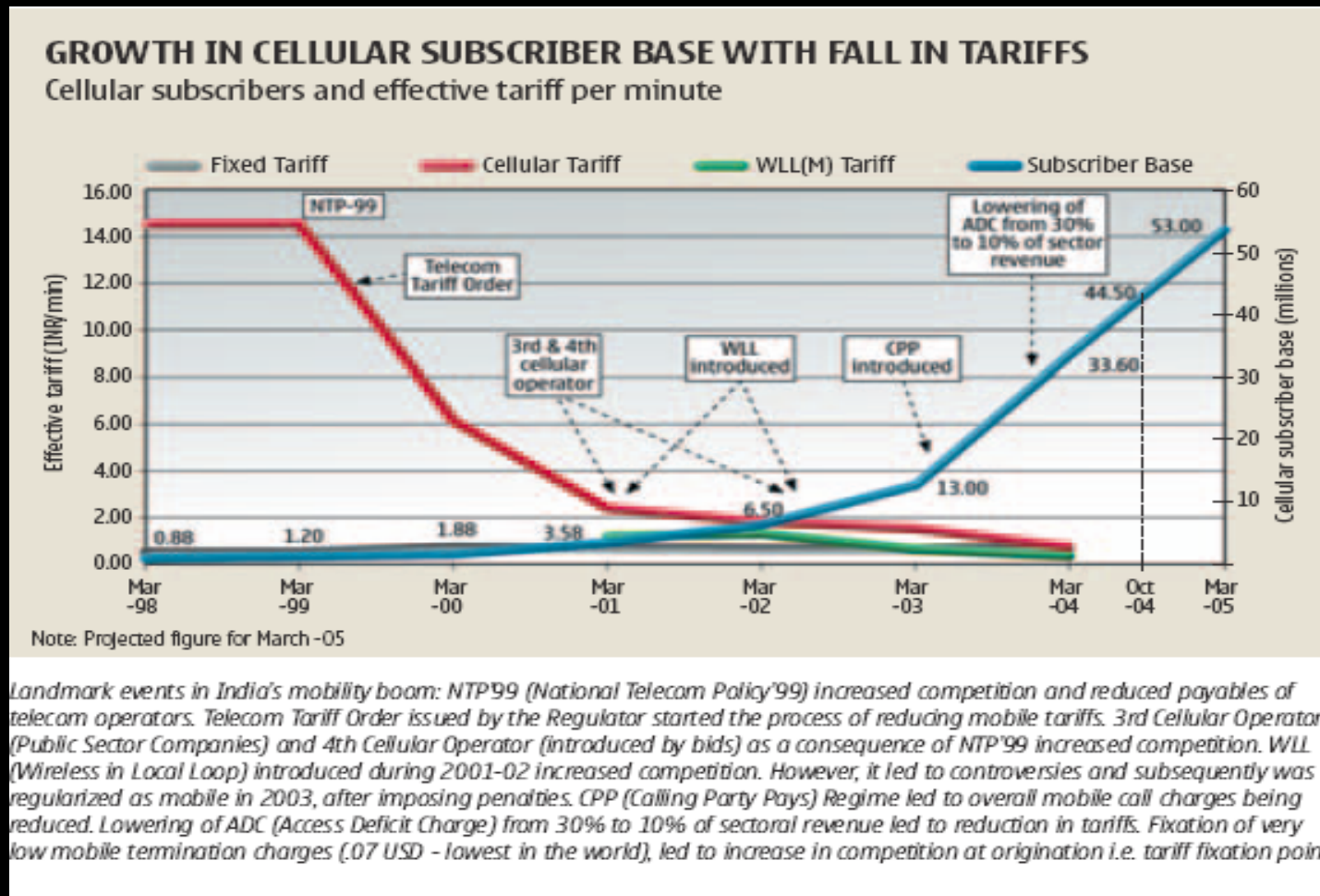
http://www.bugbog.com/maps/asia/asia_map.html

Opportunities...

- Technology enables “leapfrogging”
 - From cash to mobile-payments
 - Intermediate stage of credit cards may be relatively short-lived
 - From informal money transfer arrangements to mobile remittances
 - Intermediate step of bank-transfers skipped altogether
- The land of the next 1bn subscribers
 - How do you serve them profitably?

Opportunities...

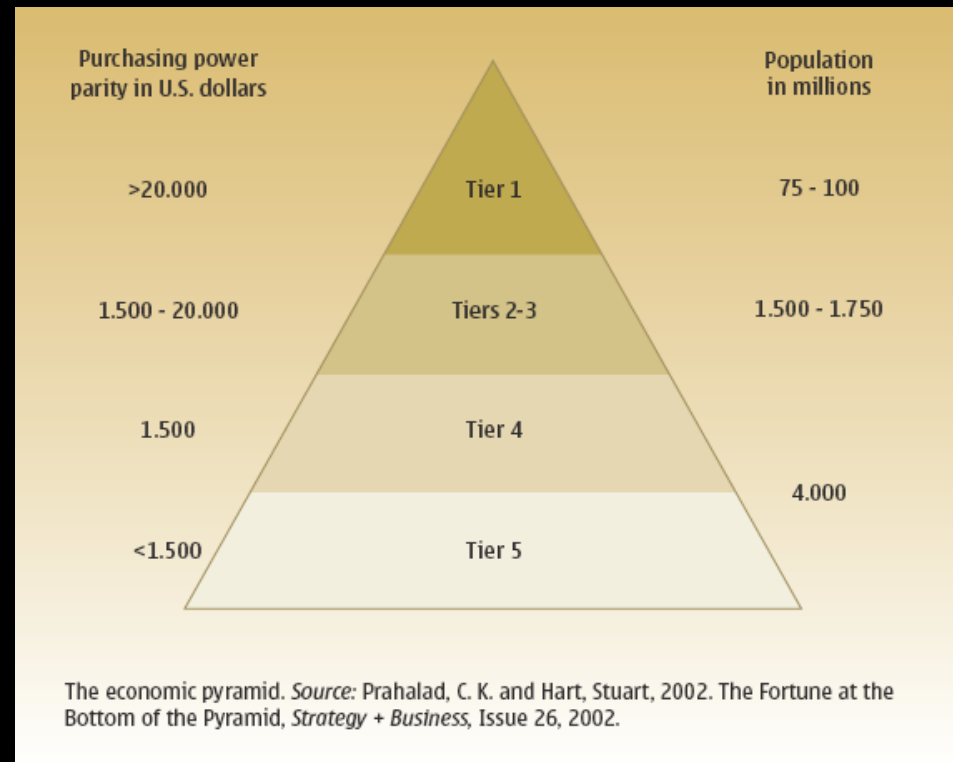
- Apr '03 (India) ~ 2000 new subs/ month



- Apr '04 ~ 2m new subs / month

Opportunities...

- Not 4bn "poor" people but 4bn "entrepreneurs and value-conscious consumers" *



The Challenge...

Critical Mass



Enabling
Technology



Mobile
Ecosystem



- Pricing Pressure
- Low & declining ARPU
- Uncertain Business Models

Myths...

- One Market
- "Different" mentality
 - i.e. normal rules of business do not apply
- Relationships = Revenues

http://www.bugbog.com/maps/asia/asia_map.html

Entering Asian Markets...

- Design matters...
 - From being a small player in the wireless industry, Samsung became the #3 player in just 7 years
 - 16 design awards in '02 vs. 1 in '97*
- Local needs are important
 - Nokia's Russian insight
 - Many people need to use their phone in the dark/ when not directly looking at the device**
 - Ford's Indian customization
 - Louder horn and higher chassis
 - Hyundai's Innovation
 - Elevated rooflines to provide more headroom for turban-wearing motorists***
- Thinking differently is the key
 - A mobile phone is NOT a commodity; Marketing NOT technology influences purchase
 - Feel vs. Features

* Samsung: "Global Design & Cultural Identity, Innovation Summer, 2002

** Nokia, "New Horizons, Q2 '2005; *** TIME Asia, Apr 25, '05

Moving beyond Asia...

- Think out of the box
 - Sony names first non-Japanese head*
 - Acer Appoints European President for Global Expansion Industry & Market**
- Establish local presence early
 - E.g. Indian BPO cos. acquiring/partnering with local players to expand internationally***
- Focus on the "small" things
 - E.g. Organisational structures that are aligned to international best practices
 - E.g. English as the language of communication internally and externally
- Leverage partnerships with global players
 - E.g. Symbian

* Mar '05; ** Nov '04

*** Indian software seeks Aussie partners; <http://www.crn.com.au/story.aspx?CIID=23138&r=inbodylk> 10

Going Global...

- **Think Global**
 - Vision & Strategy that transcends borders
- **Create cross-cultural teams that manage to work together**
 - Having people who (can) span cultural gaps
- **Foster a culture that is open-minded and respects diversity**
- **Move beyond centralized control**
 - **Autonomy with authority**
 - the power to make decisions on the spot
- **Most importantly, have patience**
 - Rare but rewarding

How does the future look...?

- Why do you need 3 things in your pocket?
 - Phone = Wallet = Keys ?



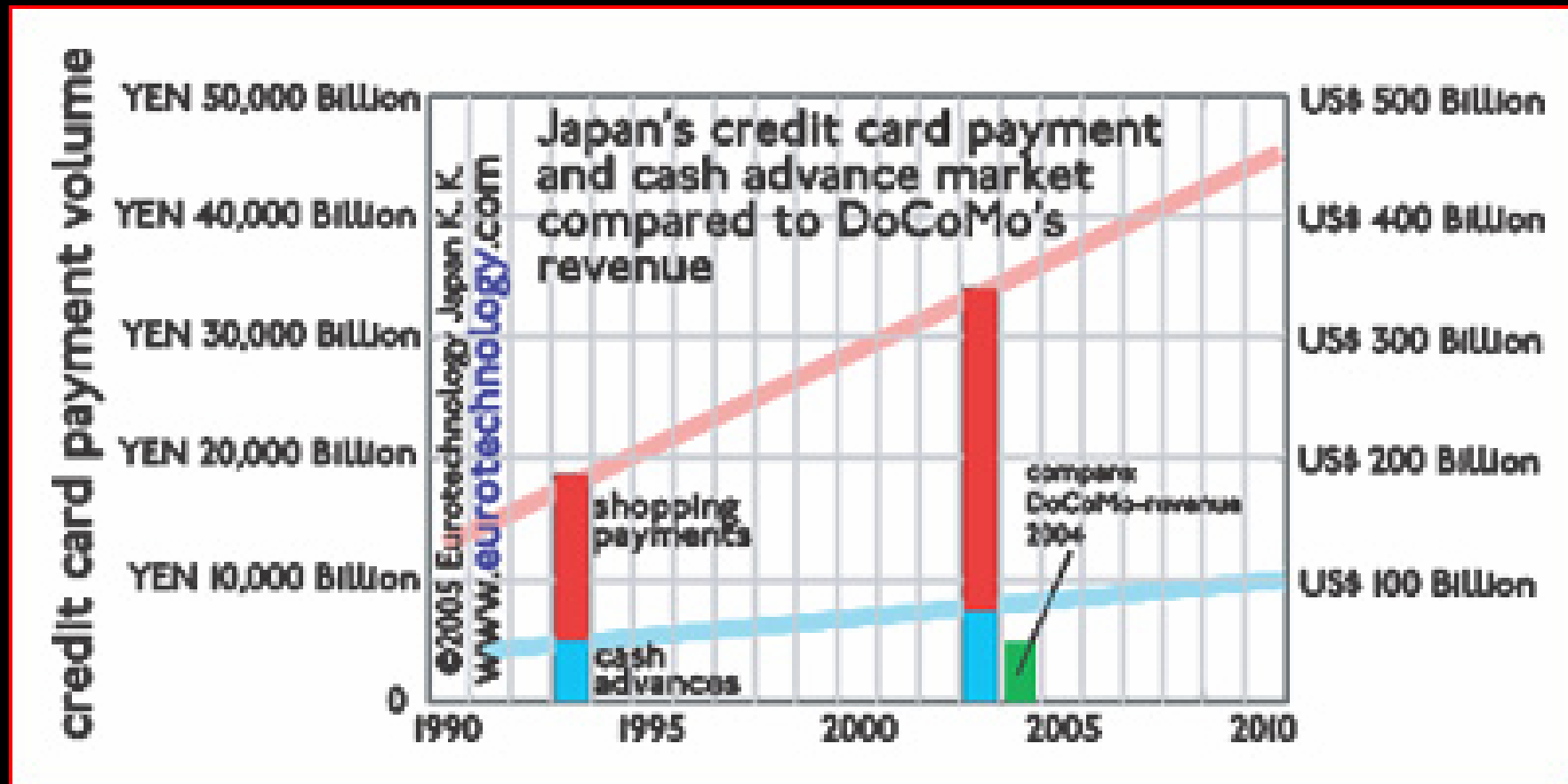
- Communication device or lifestyle icon?



- Cigarettes for the 21st Century* ...?



New Growth Opportunities...?



* Source: eurotechnology.com

Questions, Comments, Anecdotes

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