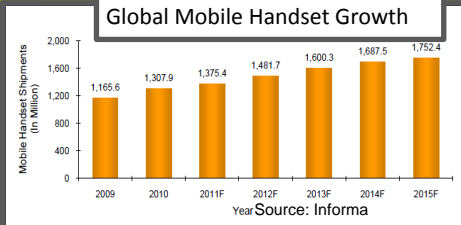


USING INDICATORS FOR OPERATORS STRATEGY DEVELOPMENT

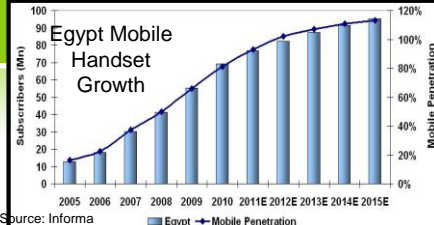
SCOPE AND AGENDA

- ⊙ Presentation Scope:
 - ⊙ Use of indicators to analyze industry and market trends
 - ⊙ Use of market research to support strategic directions

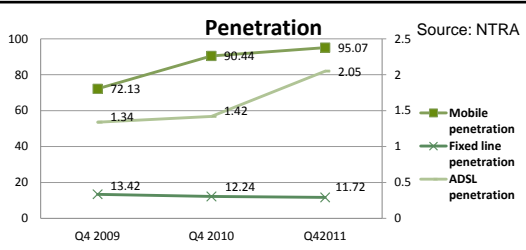
MACRO INDICATORS



Excluding M2M, global handset growth rate is saturating, Expected YOY growth is 7.7% in 2012 and 3.8% in 2015

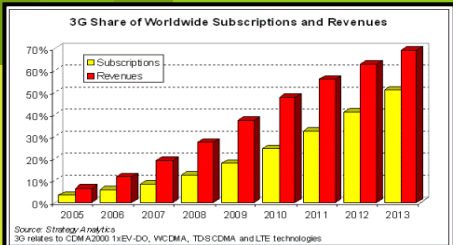


Egypt is following the global saturating trend, Expected YOY is 7% in 2012 and 4% in 2015

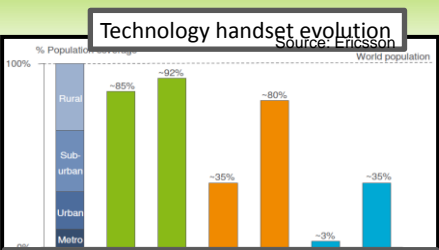


In Egypt, Fixed telephony penetration is declining, Mobile telephony is saturating while there is a big room for growth for DSL and Internet connectivity

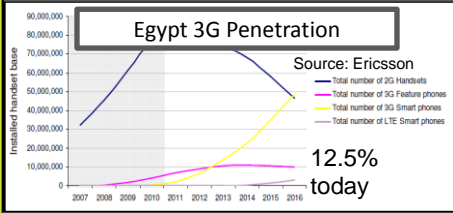
MESO INDICATORS



In 2013, 50% of global handsets will support 3G and generate 70% of revenues



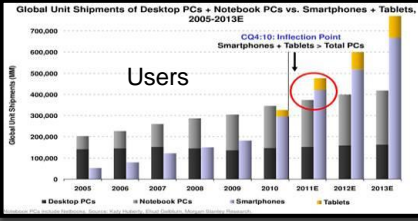
3G coverage to support handset penetration rate



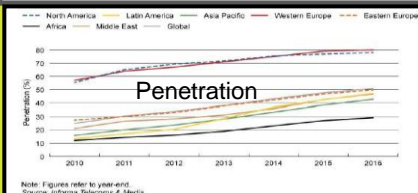
Egypt is lagging the global trend; 50% 3G handset penetration in 2016

3G handset penetration is lagging the Egyptian and global markets

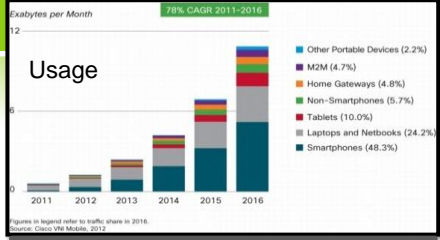
MICRO INDICATORS



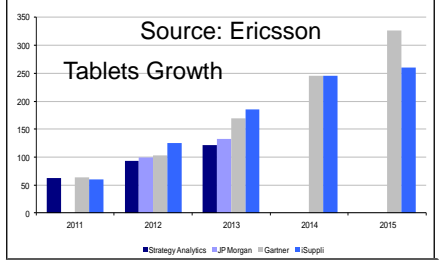
- Desktops are declining and Laptops are taking over
- Phenomenal growth of smart phones and Tablets
- In 2011, smart phones + tablets > laptops + desktops



- Smart Phones penetration will reach 45% in middle east and 30% in Africa in 2016



- Smart Phones and Tablets will generate 60% of data traffic in 2016 compared to 25% from laptops



- Tablets will increase 6 folds from 2011 to 2015

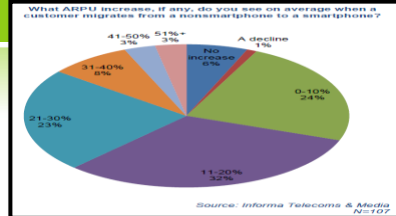
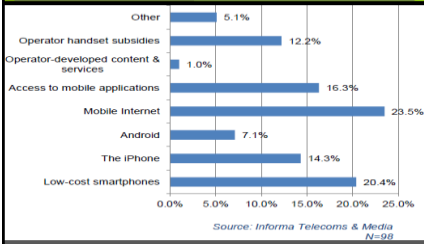
INSIGHT INTO USER PREFERENCES

People needs from terminals have changed!

Before	Now		
<p><u>Only Communication needs</u></p> <ul style="list-style-type: none"> • Voice • VAS(SMS, MMS) • Video Call • Bluetooth • Technology(2G, 3G) 	<p><u>Computing functions</u></p> <ul style="list-style-type: none"> • Games • Email • Applications • Office • Calculator • VOIP(Skype, Viber and) 	<p><u>Consumer electronics</u></p> <ul style="list-style-type: none"> • Camera • Music player • GPS and Navigation • Radio 	<p><u>Enablers</u></p> <ul style="list-style-type: none"> • Battery • Memory • Processor • Screen • Software • NFC

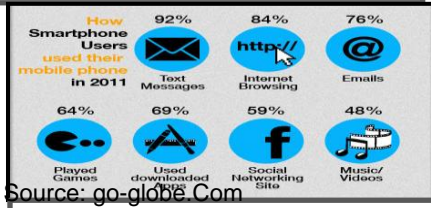
MARKET RESEARCH

Why are people buying Smartphone



94% of operators expects smart phones will uplift ARPU and one third of operators expects 10-20% ARPU increase

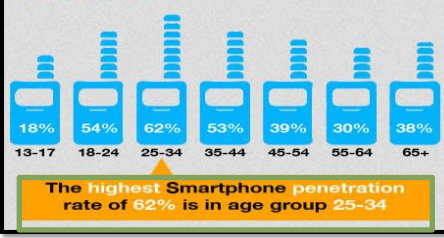
Mobile Internet and Low-cost Smart phones are the strongest drivers for Smartphone penetration



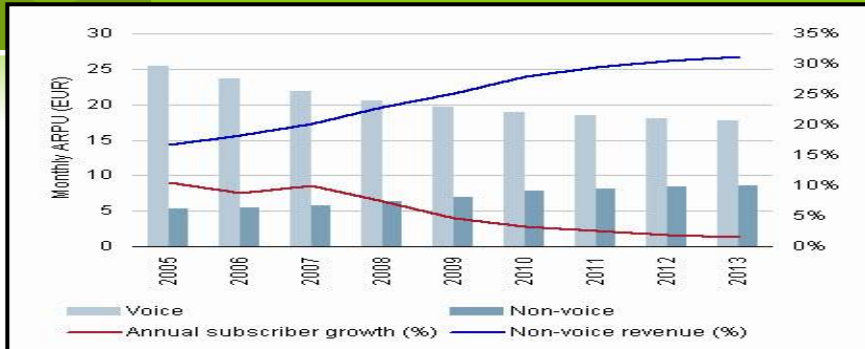
Text messages, internet browsing, emails and downloads are the main drivers of usage

Smartphone Penetration by Age Group

Source: go-globe.Com



MARKET TRENDS

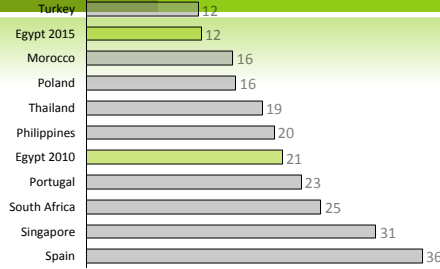


- New subscription growth rate is saturating
- Voice ARPU is declining and non-voice ARPU is increasing in a decreasing rate
- Non-voice revenues will reach 30% of total revenues in 2013

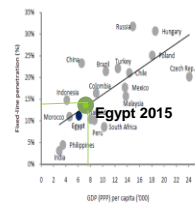
BENCHMARKING

Broadband ARPL

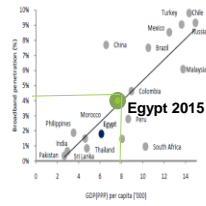
Figure in USD.



Fixed-line penetration vs GDP (PPP) per capita

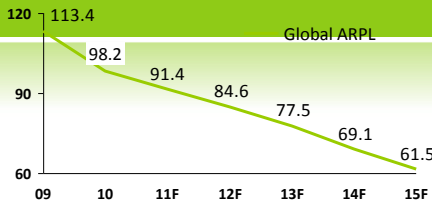


Broadband penetration vs GDP (PPP) per capita



SOURCE: ITU, IMF, Altimetric
SOURCE: Pyramid Research Forecasts Q1 2010; Ovum

Broadband ARPL

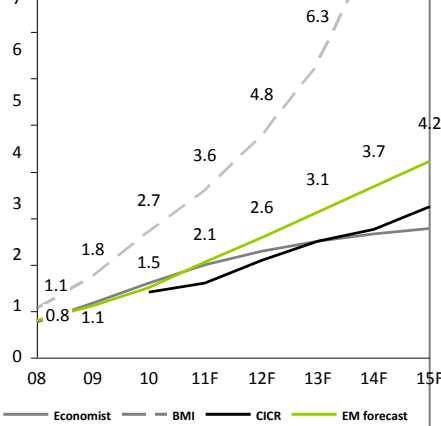


- When benchmarked, Egypt has a relatively healthy ARPL decline in comparison with countries that already have higher penetration rate.
- Egypt has a healthy forecast that should develop once economical recovery takes place.
- IMF is forecasting that Egypt PPP should reach the USD 8,000 by 2015 in comparison to the current USD 6,000

FORECAST IS AS GOOD AS ITS ASSUMPTIONS

Broadband subscribers

Figure in Mn.



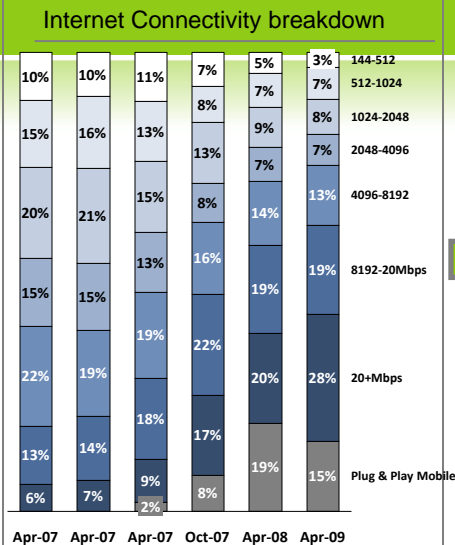
Broadband subscribers

- Customers are using 3G USBs as an alternative internet connectivity rather than a substitute connectivity – Therefore increasing the multi connectivity per user/HH rather than an alternative.
- While int'l benchmarks illustrate that price of the ADSL are much cheaper, and the speed is much faster in comparison to the wireless connectivity.
- With the increase of Arabic content on the internet by the GYM search engines and the increase of bilingual websites by the enterprise markets besides uptake of internet usage at School & university.

EUROPEAN MODEL FOR THE FIXED INTERNET CONNECTIVITY VS. 3G

- The market had a balanced portfolio in April 2007, however, the market shifted gears with the introduction of the mobile USB.

- The market offerings for much anticipated speeds was skewed towards the 20+ Mbps



- must gear up into the introduction of much anticipated speed that surpasses the Mobile operators offered speeds.

- The ratio between limited and unlimited is 25% to 75%

CONCLUSION

- Indicators are used by market participants for analyzing national market development and benchmark against comparable markets
 - Indicators can be on a macro-level (GDP/Capita, Urban vs. Rural breakdown, Gemini Factor, ..etc)
 - Indicators can be ICT specific (penetration of certain service/technology, spending on certain services, ..etc)
- Higher degrees of data granularity would be needed by stakeholders for developing their own strategies especially as size of investments grows
 - For larger operators deploying large infrastructure projects: detailed data that could only be acquired through Syndicated market research
 - For SMEs providing value-added services: indicators could be useful to assist startups doing their business planning
- For Monitoring and Evaluation purposes, market-wide data/indicators are needed for accessing success business strategies periodic basis

Administrations need to cooperate with market participants to collect, process and disseminate market-related data to assure the swift and timely development of ICT services