



Mobile



Game



Internet



Computer



Technology

第3部 Faith West

Faith West Business Update



- **US mobile entertainment market continues to grow**
 - Verizon ringtones and games downloads exceed 4 million per month
- **Faith West is on track with our plan**
 - Achieved positive net income
 - Expanded our core Modtones service in US and internationally
 - Diversified through partner-branded services
- **Looking forward to continued growth in 2004**
 - Expand delivery platform and carriers supported
 - Expand content offerings to include song tones
 - Pursue potential new services



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Key Milestones



9/2001	Opened representative office to explore US market
5/2002	Incorporated as Faith West Inc.
6/2002	Launched Modtones with Verizon Wireless on BREW
8/2002	Launched CMX content with Sprint PCS
9/2002	US Cellular BREW market trials New VZW handsets and marketing
12/2002	Launched Modtones with Alltel (BREW)
3/2003	Launched Modtones with Telstra Australia (BREW)
5/2003	Launched content with Virgin Mobile USA



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Key Milestones



6/2003	Launched Nickelodeon and Matrix Reloaded (BREW)
9/2003	Launched YMobiletones (BREW)
Q1 2004	Launching Modtones throughout Latin America (BREW) Planned launch on song tones service Continue to expand Modtones and partner services platform



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Current Alliances



Handsets



Carriers



Others
TBA

Technology
Platforms



Music Industry



Many
others

Media Brands



More
TBA



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Faith West Business Update

The news since our last update in May 2002...

- We launched new partner-branded services
 - **Nickelodeon** (June)
 - **Matrix Reloaded** (June), **Matrix Revolutions** (Nov)
 - **YM** (Sept)
- We continued to build the Modtones business
 - Added handsets supported: 35 and growing
 - Added content: 1500 ringtones, 50 animated ringtones, 140 wallpaper
 - Added features: first to offer gifting on BREW



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Faith West Brand Partner Services



We've created partner-branded versions of our core Modtones service

- Leverage technical and content assets to create new revenue streams
- Brand partners bring proprietary content and/or broad consumer reach



The Matrix



Nickelodeon



YM



Latin Garage



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Competition is Increasing in the US

- Modtones/Faith West is strong on all BREW carriers
- Facing increasing competition, expect shake out in the next year

<u>Faith West</u>	<u>Competitors</u>
– Modtones	– Ringster (Moviso)
– Nickelodeon	– MyTonz (Mitsui Comtek)
– Matrix Reloaded	– xRinger (Kanematsu USA)
– YMobileTones	– Midiringtones
– Latin Garage	– Alejandro Sanz (Midiringtones)
– Soundtracks & Themes	– TonePlayer (Ztango)
	– Sony Music Box
	– Disney
	– Launching soon: Vibe, AOL, Warner Music...

- We're expanding into GSM, where we face entrenched competition:
 - **ATTWS:** Ztango, Moviso, Zingy, TutchTones, MobJam, Faith West
 - **Cingular:** Moviso, Zingy
 - **TMobile:** Moviso, Ztango, Zingy

Faith West is the Market Leader.



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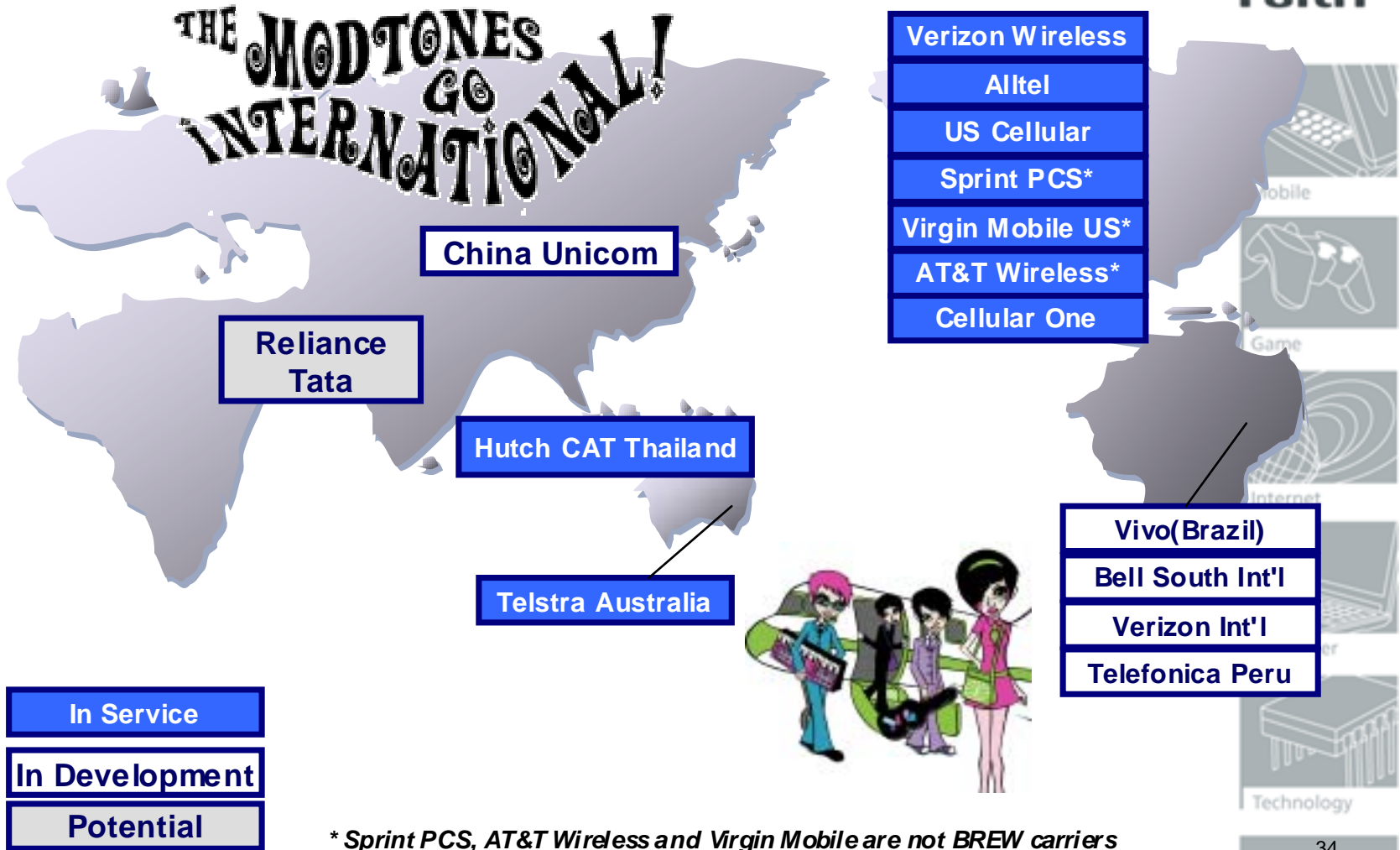


Computer



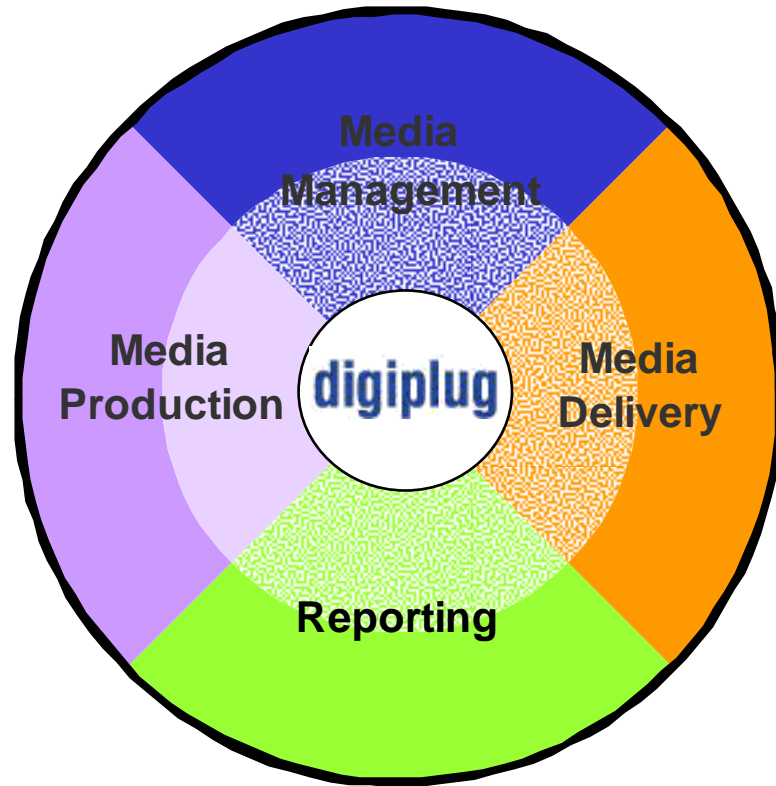
Technology

Faith West Expands Carrier Relationships





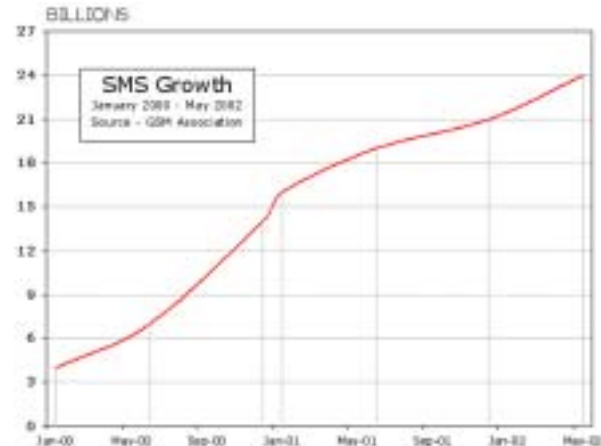
第4部 Digiplug



Enabling the delivery of Digital Music to Mobile Users,
across devices, networks and geography

Carriers encourage the market to fast shift to data services

- Data service is their only potential growth factor
 - Voice ARPU declining everywhere (except Italy)
 - Most carriers set target to reach 25% revenue from data by 2005.
- SMS services are growing
 - Significant revenue growth from SMS services
 - Revenue from data services represents >10%
- Carriers push the expansion of GPRS
 - GPRS subscribers grew by 47% from Q3 to Q4 in 2002
 - GPRS service is available on 147 NW in 58 countries with 6.4 users



Handset makers go for more diversity and are eager for polyphonic and color services

- Increase in handset diversity despite « standards »
 - Formats (ringtone and graphics)
 - Players (CODEC) / Embedded synthesizers
 - Delivery methods (WAP, MMS, SMS, ...)

- Fast move to polyphonic services set by handset makers
 - All new handsets are polyphonic
 - Large volumes of 4 tones because of Nokia
 - Rest of the market set the standard at 16 tones (SP-Midi or SMAF)
 - Aggressive players such as Samsung moving to 32 / 40 / 64 fast

- Handsets for color contents
 - Color handsets in volume available less than 100 Euro

- ⇒ Users' growing preference for polyphonic and color contents

Vodafone Live! involves various data services, leading to success with three million subscribers after a year since its launch



- The biggest event in GSM history since its creation: GSM World is where Japan was in September 1999
- More than 130 content providers involved
- Offers include: >170 games titles, >9,000 ringtones and 15,000 logos
- Large advertising investments from Vodafone, Nokia and Sony Ericsson to boost the market
-



of users increased from 1 million in March to 3 million in October 2003

Market situation

- A highly fragmented market in transition

-
- Increase in entry cost

-
- Big players are entering

Digiplug's positioning and strength

- Digiplug's already established market presence
ex. 35% market share in France

-
- Know-how in the business accumulated
Files post production,
optimisation, authoring tools

-
- Strong partnership with big players
ex. Universal mobile, Vodafone

- Widest range of handsets supported
 - Supports all mobile phones available in the market
 - Quality content available on a wide range of format
 - Midi, SP-Midi, MFMP, SMAF, MLD, WB AMR, Mp3, Wav, ADPCM, RMF, ...
 - Good understanding of format and issues thanks to synergies between contents service and technology licensing
- Content
 - Quality / Relevance
 - Preferred / easy access to Universal exclusive content
- End to end solution
 - Content selection, production, management
 - Content delivery
 - Copyrights clearing / reporting
 - Front end development and maintenance

- Most of Digiplug's services indirectly distributed via Universal Mobile
- Universal Mobile local teams on key markets: 50 people
 - France / UK / Germany/Italy / Spain / Portugal/ Belgium/ Netherlands
- Universal provides
 - Local sales support
 - Local content selection / animation teams
 - Usage of their complete content catalog
- We provide
 - Content tailored to every mobile device
 - Back end platform for distribution
 - Reporting to author society, rights owners
 - Front end services when applicable (WAP, i-mode, SMS, MMS)
 - Marketing expertise in content selection



Through the partnership with Universal Mobile, Digiplug has been actively offering services to Vodafone live! users

- Vodafone live! available in 10 European countries and 3 non-European countries.
- Digiplug has been offering its services to Vodafone Live! users in
 - UK
 - France
 - Spain
 - Netherlands
- Digiplug will strengthen its relation with Vodafone Live! and expand geographical coverage

