The Leading Latin American Mobile Entertainment Provider

- Pioneer (1999): First Brazilian Mobile Internet Company

- Revenue 2004: R$26,3M = US$10.4M

- EBITDA 2004: R$13,15M = US$5.2M

- Employees: 110

- Countries: Brazil (Belo Horizonte, São Paulo), USA (NY), Mexico (Mexico City) and Chile (Santiago).

- Products: Ring Tones, Master Tones, Video, Games, Chat, Wallpapers, Screensavers, Animated Images, Maps App and Comics App.

Mobile

Game

Internet

Computer

Technology

Key Assets
sustaining long-term profitability

- Reputation and Extensive Business Network with the main players as Carriers, Handset Vendors and Content Side
- Solid Revenue Sharing Model and Low Cost Operations
- Superior intellectual capital at one of the lowest costs in the world
- Leading Ring tone Provider in Brazil (cash-cow)
- Profitable and Cash-Flow Positive
- Flexibility, dependability & scalability own platform Tangram
- Customer preferences, usage history and behavior.
- Content, Marketing and Technology balanced team
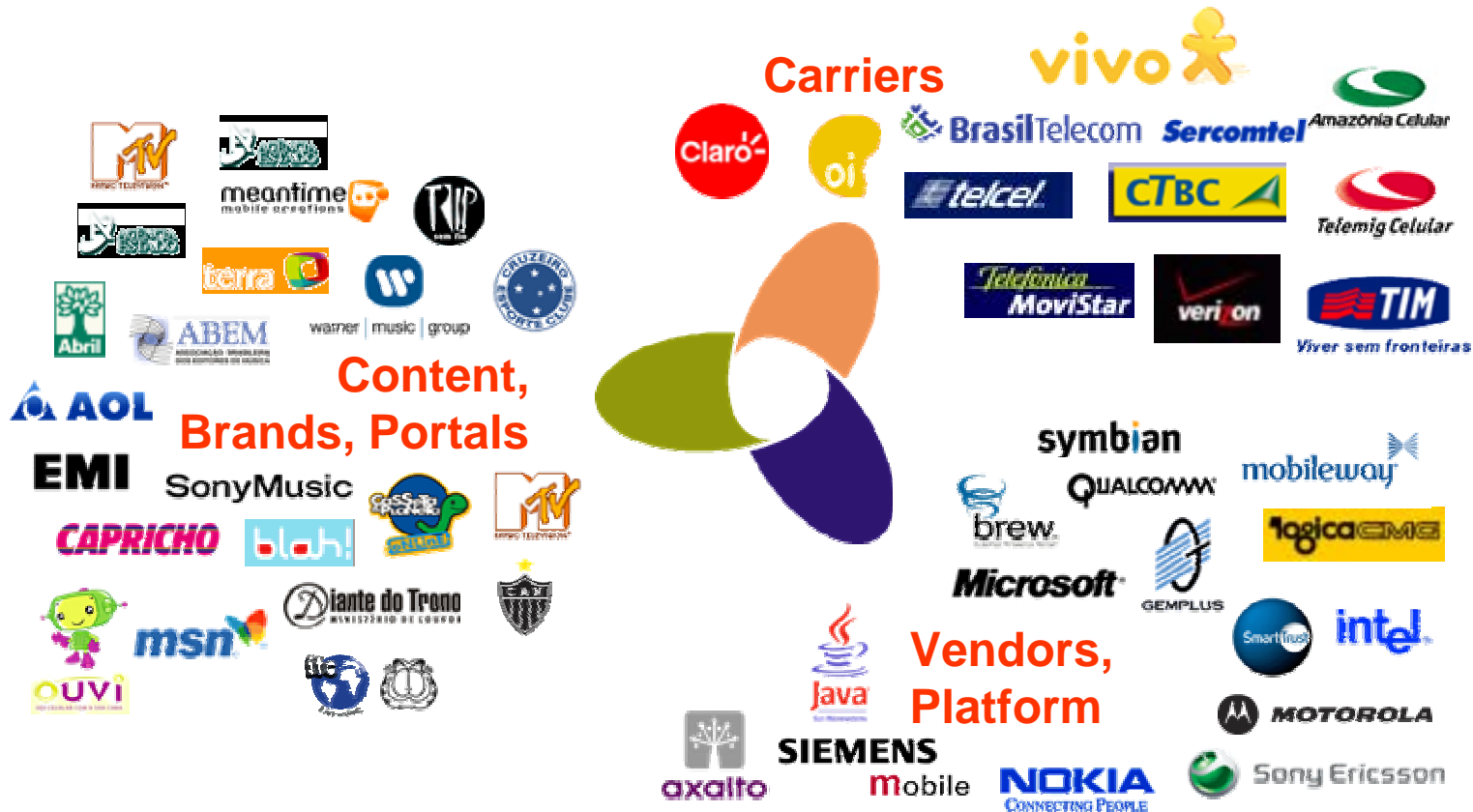
Mobile

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Technology

Global Vision, Local Presence and Technology/Operator Independence

Carriers

Content, Brands, Portals

Vendors, Platform

LATAM

**One of the world's largest markets
(US$1.37bn by 2007)**

- Brazil, Argentina, Mexico and Chile market will grow 211% by 2007 with Brazil accounting for 42% of mobile content revenue
- Consolidation of wireless operators (opportunity to negotiate in the conglomerate level)
- GSM is leading the Latin-American market
- Handset Base grew 42.7% in South America in 2004
- Brazil has higher penetration (36.1%) than the average LATAM's one (32.8%), followed by Argentina, Colombia and Chile (2004)
- Brazil data ARPU will grow 4x by 2008
- Global players has just recognized the potential in BR

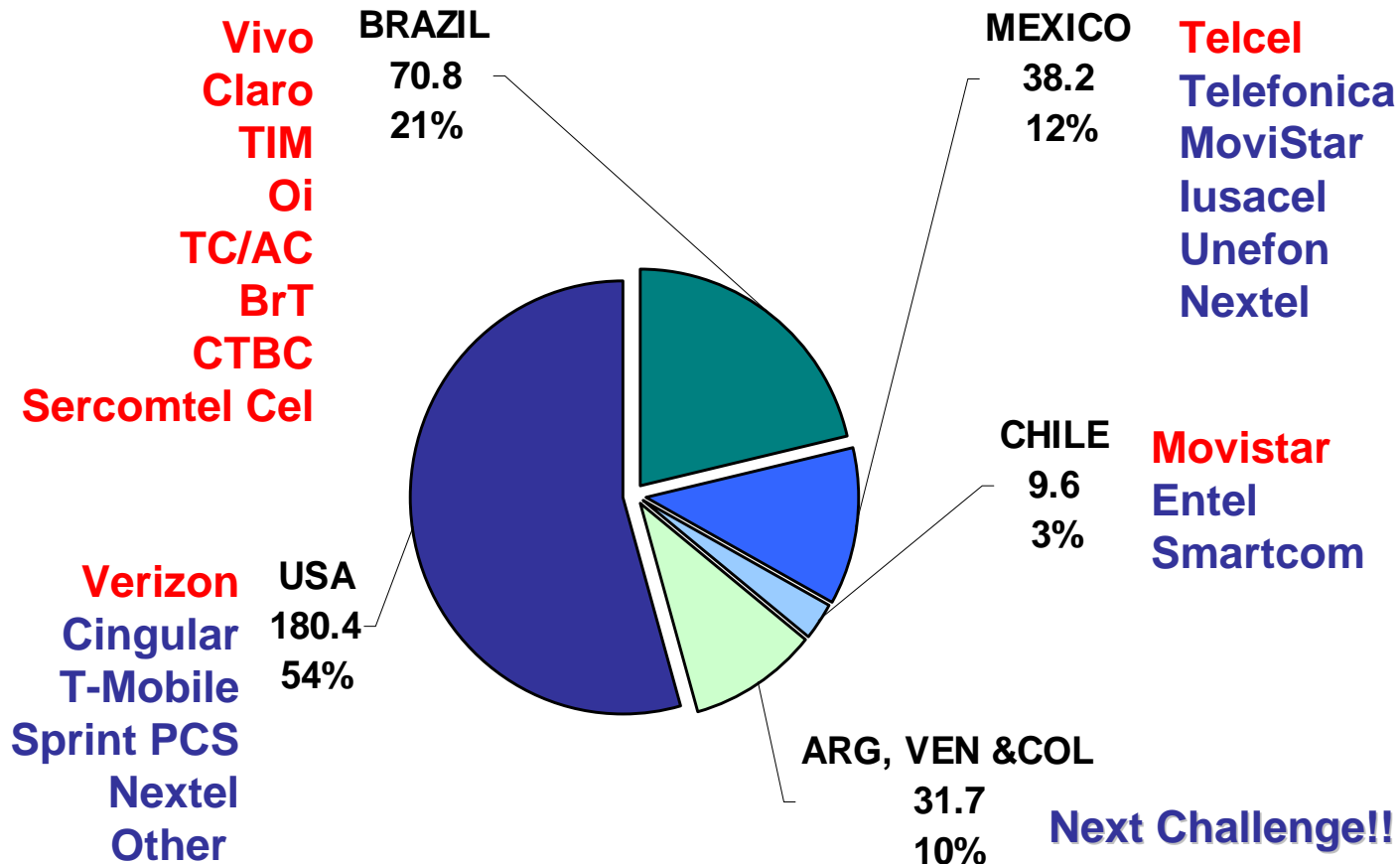Source: *BNamericas.com*

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LATAM
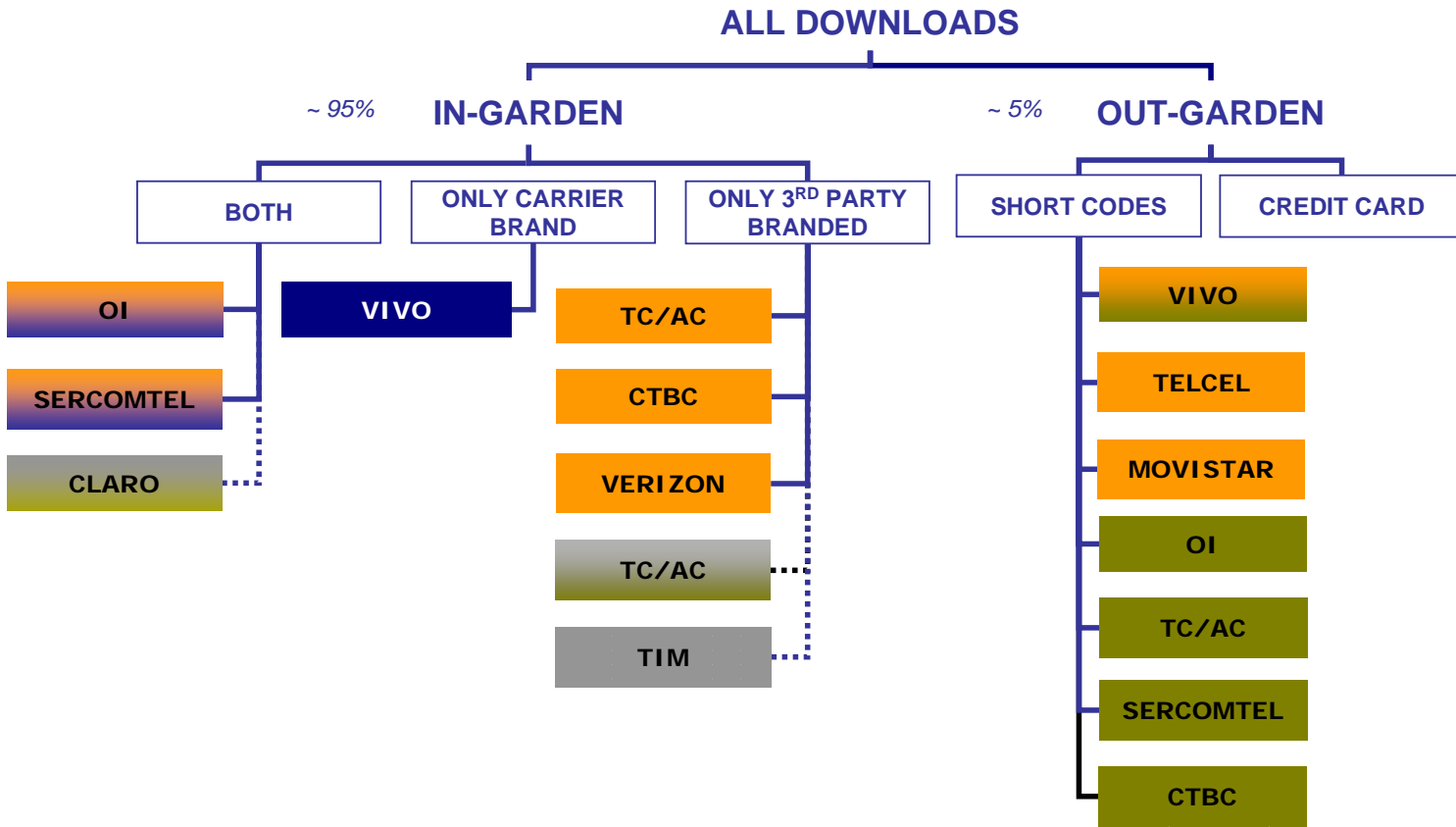# TakeNET Market
(Million Mobile User)

takenet

Faith

Vivo
Claro
TIM
Oi
TC/AC
BrT
CTBC
Sercomtel Cel

BRAZIL
70.8
21%

MEXICO
38.2
12%

Telcel
Telefonica
MoviStar
Iusacel
Unefon
Nextel

CHILE
9.6
3%

Movistar
Entel
Smartcom

Verizon
Cingular
T-Mobile
Sprint PCS
Nextel
Other

USA
180.4
54%

ARG, VEN &COL
31.7
10%

Next Challenge!!

Mobile

Game

Internet

Computer

Technology

Distribution Networks

ALL DOWNLOADS

~ 95% **IN-GARDEN**

~ 5% **OUT-GARDEN**

BOTH	ONLY CARRIER BRAND	ONLY 3RD PARTY BRANDED

SHORT CODES	CREDIT CARD

IN-GARDEN:

- OI
- SERCOMTEL
- CLARO
- VIVO
- TC/AC
- CTBC
- VERIZON
- TC/AC
- TIM

OUT-GARDEN:

- VIVO
- TELCEL
- MOVISTAR
- OI
- TC/AC
- SERCOMTEL
- CTBC

KEY:

TAKENET PROVIDES PRIVATE LABEL CONTENT	LOKOMIX BRANDED	OTHER BRANDS	INDIRECT

Mobile

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Strategy Framework 3-year Plan
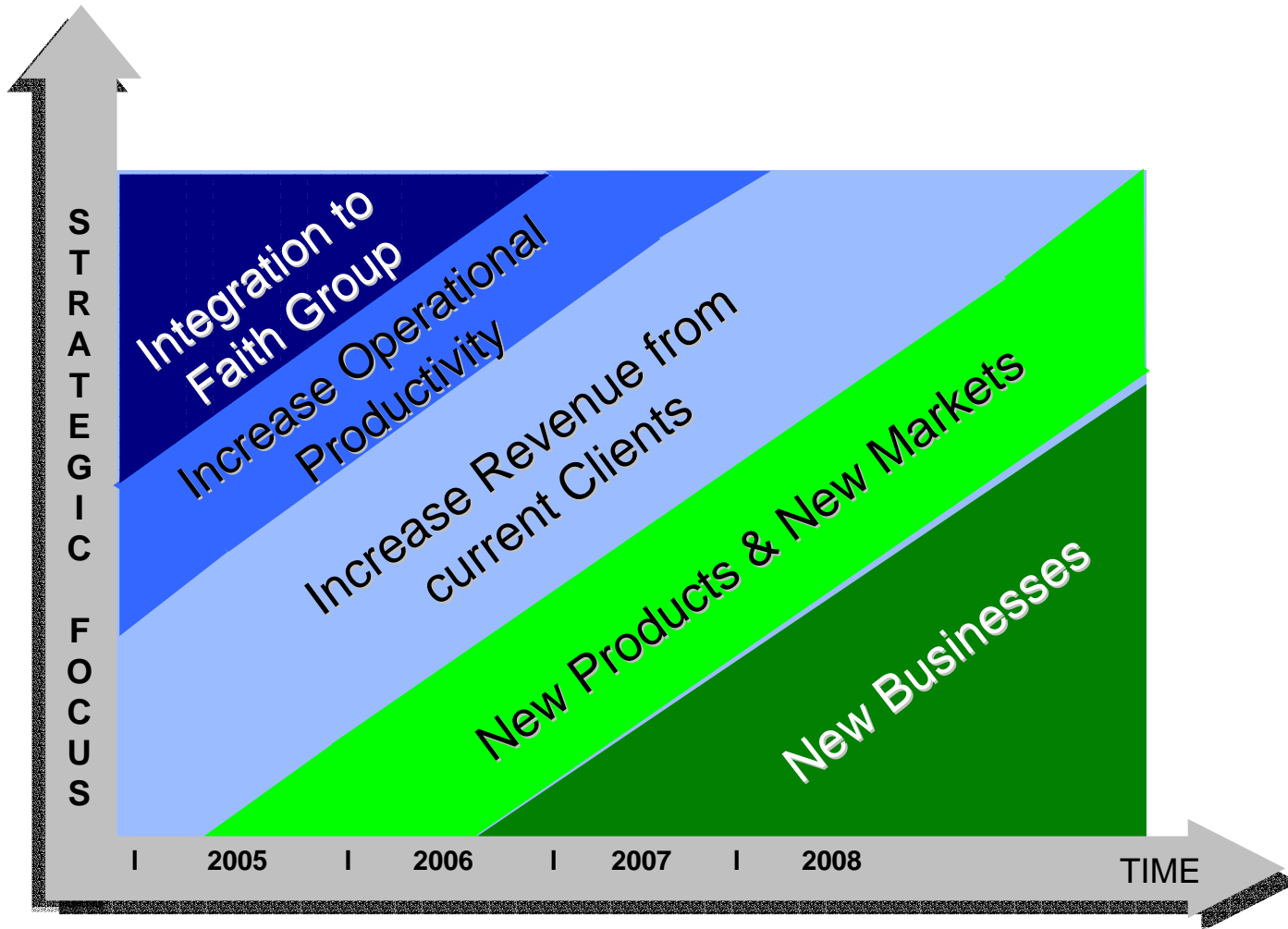
Executive Summary

- Largest player in LATAM in downloads, revenue & profit

- Mobile Ecosystem expertise

- Reputation and Extensive Business Network with the main players

- Integration do Faith Group: Top priority

- Base to Content Production and R&D and Cost-Effective Operations: Positioning into the Group

- New Products & New Business: New Revenues streams and Reduced Dependency

- New Markets: Argentina, Colombia and Venezuela

- Revenue Assurance and Lower Revenue Taxes and Copyrights

- Highly motivated and accomplishing Management Team

Moderati Business Update

- Changed company name from Faith West to Moderati
  - In line with Modtones consumer brand

- Financial performance on track with plans
  - Achieved 2004 plan (excluding accounting change)
  - In 2005, revenue increasing, profits projected to decline slightly
    - Selling more song tones with higher royalty costs
    - Investing in direct consumer marketing
    - Developing new content and services

- Working closely with Takenet to dominate the Americas
  - Collaboration on product development, content licensing
  - Support regional expansion of CMX licensing

Mobile

Game

Internet

Computer

Technology

Moderati Business Update

- We added carriers to our distribution network
  - Serve all US carriers, through Modtones brand, carrier brand or both
  - Support more than 400 handset/carrier combinations
  - Unparalleled ability to distribute content to mass market

- We continue to build our catalog of popular and creative content
  - Signed master licenses with all major music labels and many indies
  - Exclusive publishing license for Eminem's latest album (poly)
  - Launched video tones through Sprint

Marketing Platform

- Extensive distribution platform enables marketing promotions
- Co-branding expands reach of Modtones brand while allowing other brands to associate with the coolest ringtone brand

Second McDonald's ringtone promotion

Dodge ringtones and wallpaper

Moderati Carrier Relationships
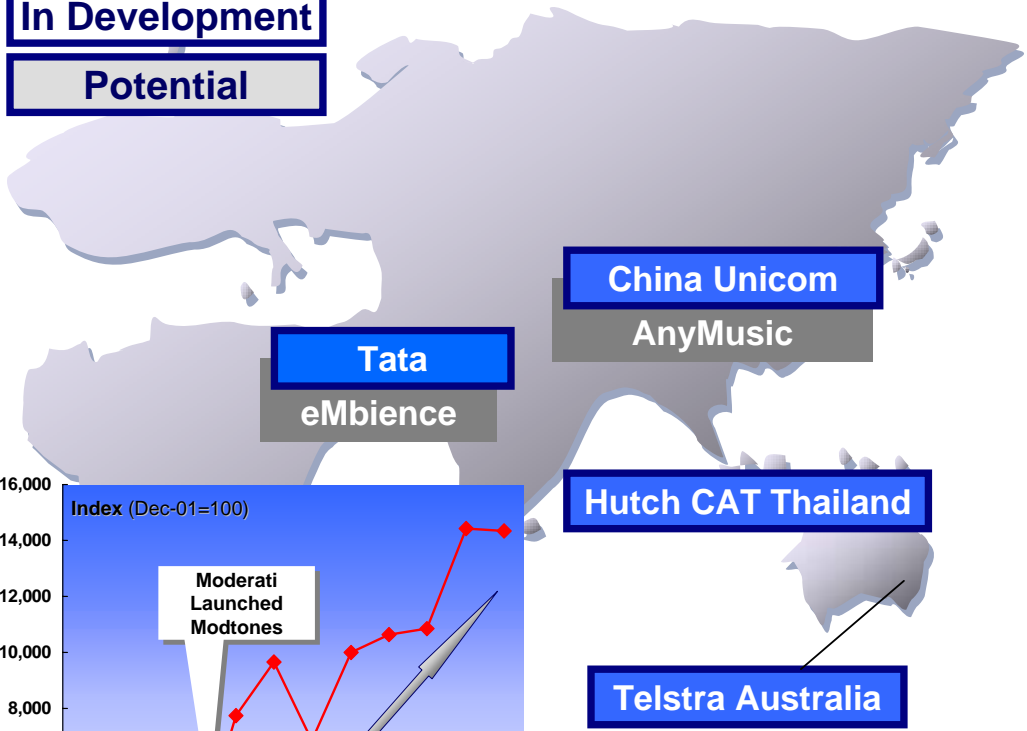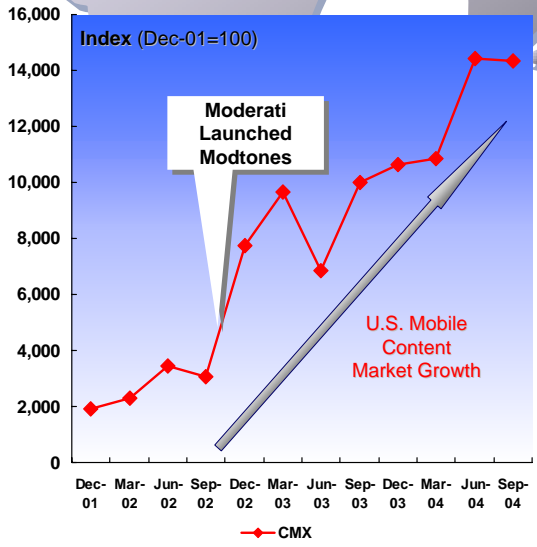
MODErATI **Faith**

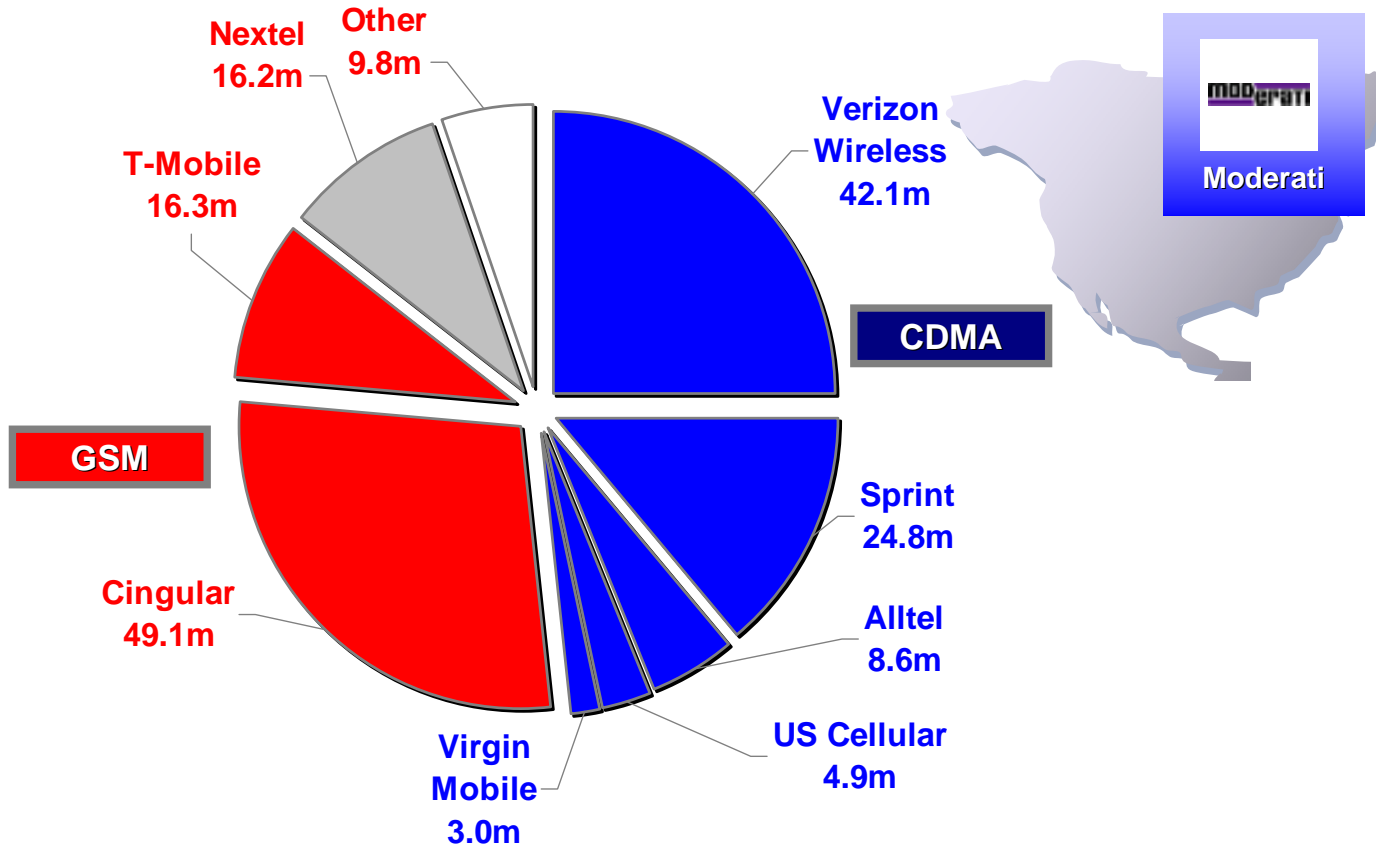**In Service**

In Development

Potential

Verizon Wireless

Alltel

US Cellular

Sprint PCS

Virgin Mobile US

AT&T Wireless

Cellular One

T-Mobile

MetroPCS

Cingular

Nextel

Boost

China Unicom

AnyMusic

Tata

eMbience

Hutch CAT Thailand

Telstra Australia

Bell South Int'l

Verizon Int'l

Telefonica Peru

Iusacell (Mexico)

Vivo (Brazil)

Wiliaen

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Index (Dec-01=100)

16,000

14,000

12,000

Moderati
Launched
Modtones

10,000

8,000

6,000

U.S. Mobile
Content
Market Growth

4,000

2,000

0

Dec-01 Mar-02 Jun-02 Sep-02 Dec-02 Mar-03 Jun-03 Sep-03 Dec-03 Mar-04 Jun-04 Sep-04

◆ CMX

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US Market Overview

- There are 176m wireless subscribers in the US
- Major carriers are consolidating
  - Cingular + AT&T Wireless, Sprint + Nextel
- More MVNO's launching this year

MODERATI

Faith

Moderati

Mobile

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Pie chart labels:

- **Nextel 16.2m**
- **Other 9.8m**
- **Verizon Wireless 42.1m**
- **T-Mobile 16.3m**
- **CDMA**
- **GSM**
- **Sprint 24.8m**
- **Cingular 49.1m**
- **Alltel 8.6m**
- **Virgin Mobile 3.0m**
- **US Cellular 4.9m**

US Market Environment – Key Trends

- Carriers control "in-garden" experience, have strong market power
  - Carriers provide their own branded services on the deck (we supply content)
  - Few carriers allow third party brands on the deck

- Increase in "out-of-garden" downloads from 3rd party brands
  - Carriers see market expansion and revenue potential from outside services
  - Carriers integrate outside billing through Premium SMS
  - Content Providers must be approved by carrier, then able to do more direct marketing in the European style

- Growing song tones distribution (like Japan)
  - Carriers licensing directly from major labels
  - CP margin pressure, requires scale

- Evolving to mobile music and mobile video (like Japan)
  - US has challenge of strong online file sharing market
  - Verizon, Sprint and Cingular rolling out 3G nationwide by year end
  - Untapped opportunities for narrowcasting (truly personalized video experience) and new advertising models
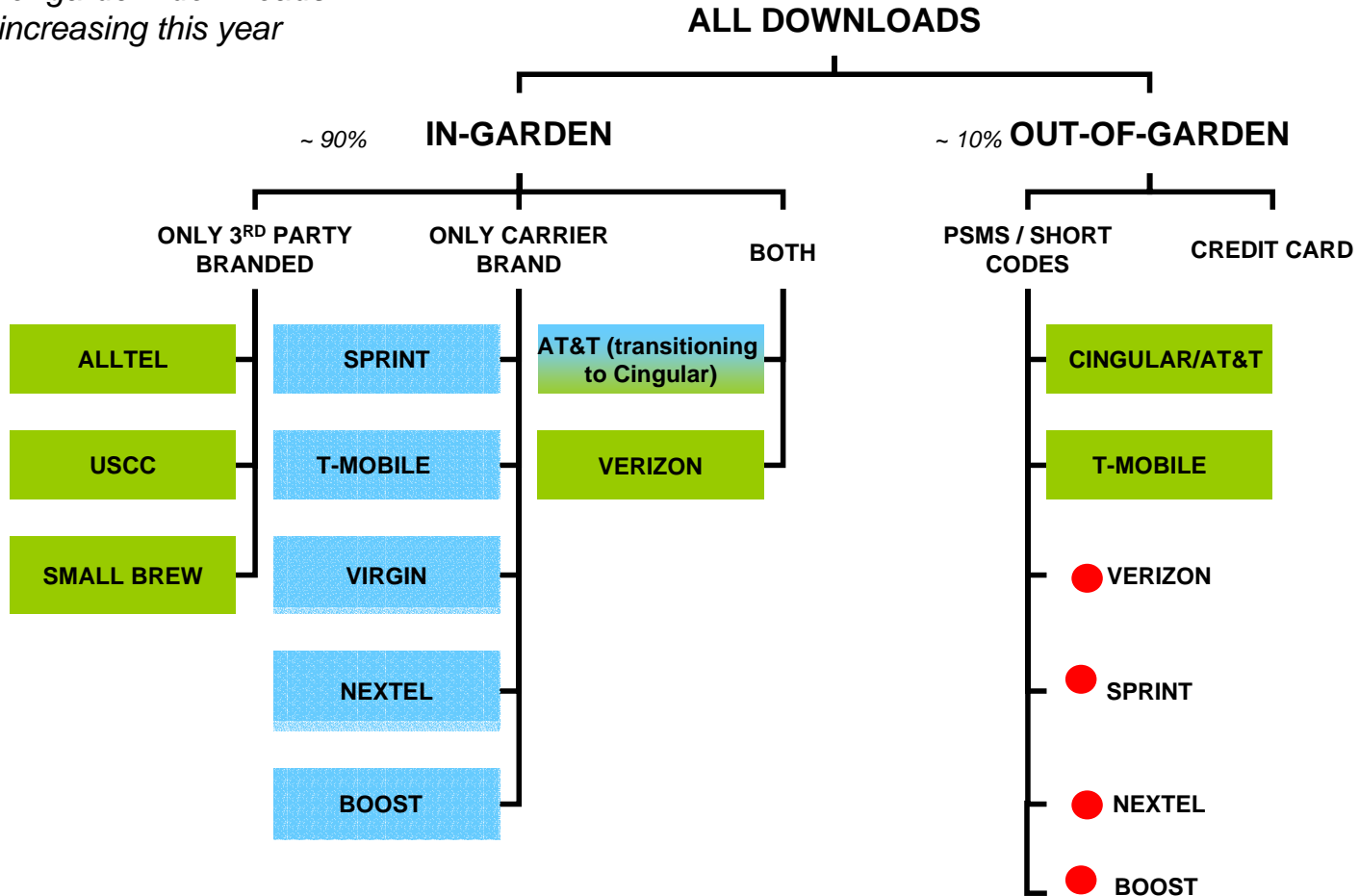
Mobile

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Overview of Carrier Distribution Networks

MODERATI **Faith**

"Out-of-garden" downloads increasing this year

ALL DOWNLOADS

~ 90% **IN-GARDEN**

~ 10% **OUT-OF-GARDEN**

ONLY 3RD PARTY BRANDED | **ONLY CARRIER BRAND** | **BOTH**

PSMS / SHORT CODES | **CREDIT CARD**

| ALLTEL | SPRINT | AT&T (transitioning to Cingular) |

| USCC | T-MOBILE | VERIZON |

| SMALL BREW | VIRGIN |

| NEXTEL |

| BOOST |

CINGULAR/AT&T

T-MOBILE

● VERIZON

● SPRINT

● NEXTEL

● BOOST

Mobile

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MODTONES BRANDED | **MODERATI PROVIDES PRIVATE LABEL CONTENT** | ● **CONSIDERING 3RD PARTY / PSMS**

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Trends = Challenges and Opportunities

- Our projected earnings are lower this year
  - Master tone margins are thin
  - Invest in marketing to capitalize on "out-of-garden" opportunity
  - Developing new services

- We benefit from our strong carrier relationships for "in-garden"
  - Distribute content through all carriers
  - Well-positioned to win MVNO business

- Plan to grow our "out-of-garden" revenue through consumer marketing
  - More control, creative promotions, direct consumer relationships
  - Leverage strong consumer brand Modtones with other major brand partners
  - Achieve scale required for more profitable business

- We have the platform and market expertise to evolve
  - Leading consumer brand, 10+ million consumers, in garden
  - Diverse catalog, including polyphonic, to serve both legacy and new handsets
  - Platform, client applications, technical expertise
  - Proven market success

Mobile

Game

Internet

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Thank you very much.