

*Press release***Mobile Internet: Data services are the main driver**

- *Declining costs will make 3G attractive for the mass market and boost services related to the Internet*
- *Mobile Internet will ensure mobile phones become ever more indispensable*
- *3G penetration in Germany will exceed 60 per cent by 2012*
- *Revenues from data services on mobile devices in Germany are set to triple: Euro 5.7bn by 2012*
- *In Germany, revenues for Mobile Entertainment (net advertising, video, games, music) will rise to Euro 740m by 2012*

Berlin, 21th October 2008. In the next few years, more and more people will have access to ultra-fast Internet on their handsets via UMTS (3G). 3G penetration in Germany will exceed 60 per cent by 2012. Revenues from data services on mobile devices, not including those from SMS and MMS, are expected to more than triple to Euro 5.7bn by 2012 from Euro 1.6bn in 2007. Data Services are the main driver for the mobile Internet. These are the results of the new report MOBILE LIFE 2012, from the Berlin-based media consultancy GOLDMEDIA. (www.Goldmedia.com)

With a population of 82m, Germany is Europe's biggest telecommunications market. The mobile phone penetration rate in Germany is, with more than 125 per cent,¹ one of the highest in Europe. Mobile subscriptions have doubled within the last seven years. While the number of subscribers continues to grow, total mobile revenues are actually decreasing. Average mobile revenue per user (ARPU) has declined constantly to 16.80 Euro per month. In Germany today it is one third below the ARPU in 2002.

Voice telephony is still important, but data services will catch up strongly during the coming years. Goldmedia forecasts that such services will make up 20 per cent of mobile revenues by the end of 2008 across Western Europe.

"Mobile video, mobile games, mobile music and mobile advertising alone will reach a market volume of around Euro 740m by 2012 in Germany", says Klaus Goldhammer, managing director of Goldmedia. "Mobile entertainment will account for about 13 per cent of total revenue generated by data services." In addition to mobile entertainment, mobile business services are playing an important role in market growth.

A large proportion of mobile entertainment is financed with mobile advertising. Revenue from ads on mobile devices is expected to triple and reach almost 300 million Euros by 2012 compared with Euro 96.9m forecast for 2008. Just like commercial TV, mobile entertainment can largely be financed through advertising, and so can be provided more cheaply.

¹ Source: BNetzA, Q2/2008

The Internet makes entertainment and information available at any time and any place. Because of the mobile Internet, mobile phones are becoming more and more indispensable. Regarding mobile Internet penetration, the US (15.6 per cent), the UK (12.9 per cent) and Italy (11.9 per cent) are the leading countries worldwide.² At the moment in Germany only 7.4 per cent of all mobile phone owners use mobile Internet.³ Furthermore 26m Germans own an Internet-ready mobile phone, but only 13 per cent of them use it. Reasons for the reluctance to adopt mobile Internet in Germany are diverse: unattractive price models of the M(V)NOs, inadequate equipment, slow site loading times, lack of user-friendliness and others.

“Mobile devices are the No.1 tool for organizing and structuring all our interpersonal private and business communication. Their importance will only increase further,” emphasizes Goldhammer. “Although a deep spread of users and target groups exists, mobile handsets are indispensable for everybody. The use of mobile phones will markedly increase, particularly among today’s under-thirties.”

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The study can be downloaded for free. www.Goldmedia.com

Chart: Mobile Entertainment revenues forecast, Germany 2007-2012



² “Critical Mass -The Worldwide State of the Mobile Web”, Nielsen Mobile 2008, n=1 m

³ “Critical Mass -The Worldwide State of the Mobile Web”, Nielsen Mobile 2008, n=1 m

About this research:

The research in this press release is taken from Goldmedia's new report: **Mobile Life 2012. Mobile Life in the 21st century. Status quo and outlook in Germany.** The report gives an overview on the different services, features and applications of 'Mobile Life', among them: Mobile Entertainment, Mobile Communities, Mobile Advertising, Mobile Broadband-Internet, Mobile Commerce, Payment and Ticketing, Mobile Navigation and Location Based Services. The report includes information about framework conditions, technical aspects, economic parameters and market developments as well as usage habits and customer perspectives. The report gives a five-year forecast on revenues in Germany and includes benchmarks, among them the experiences in Japan, South Korea and Italy.

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For more information please contact:

Goldmedia GmbH: Dr. Katrin Penzel, Tel: +49-30-246 266-0, Katrin.Penzel@Goldmedia.de
Please find more information and charts for downloading: www.Goldmedia.com

About Goldmedia:

Since 1998 Goldmedia has provided national and international clients with high quality consulting and research services in the fields of media, entertainment and telecommunications. Goldmedia offers: in-depth analyses of markets and competitors; forecasts and strategic consulting services; the implementation of new business models; and consulting for restructuring whole companies, including M&A processes in the field of corporate finance. Goldmedia-Group: Goldmedia GmbH Media Consulting & Research, Goldmedia Sales & Services GmbH and Goldmedia Custom Research GmbH. The Company's head office is in Berlin, Germany. www.Goldmedia.com
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