



Current Analysis

U.S. Prepaid Service Trends: Let the History Do the Talking

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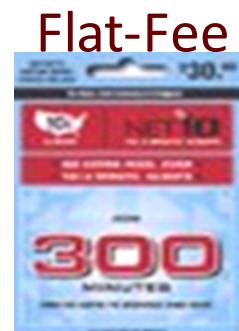
Date: 11/09/2010

Defining Prepaid Services

- ❖ No contract
- ❖ No early termination fees
- ❖ Full price or near full price handsets
- ❖ Need to top-up to continue with service

Type of Prepaid Plans

❖ Pay As You Go Plans



❖ Monthly Plans

Unlimited

UNL Plan	\$50/month
UNL Minutes	✓
UNL Messages	✓
UNL Web	✓

Non-unlimited

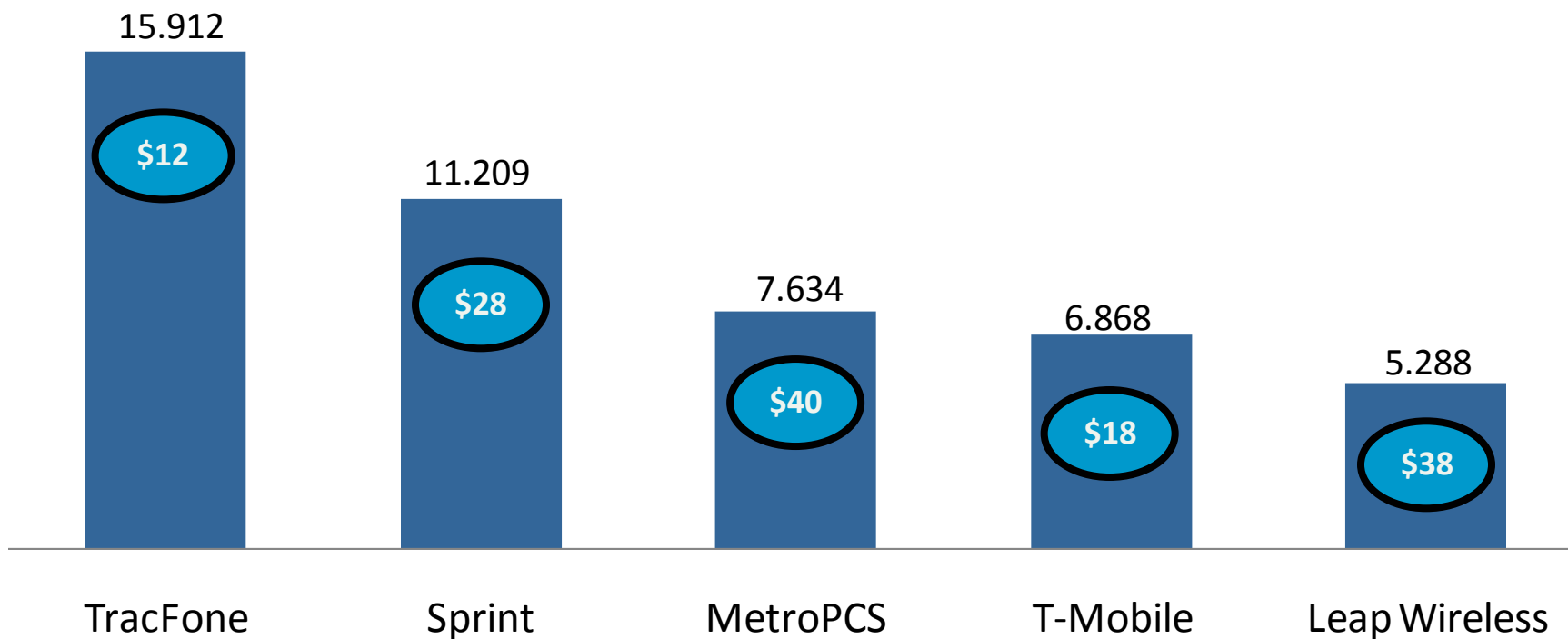
Non-UNL Plan	\$30/month
Minutes	<u>300</u>
UNL Messages	✓
UNL Web	✓

Who Are the Main Players in the U.S. Prepaid Market?

There are three types of companies offering prepaid products:

1. Prepaid-only service providers, such as Leap Wireless and MetroPCS.
2. Providers that offer both postpaid & prepaid services, such as AT&T, Sprint, T-Mobile, Verizon Wireless and their prepaid brands.
3. MVNOs and Wholesale partners - mobile virtual network operators such as TracFone and wholesale partners such as WalMart.

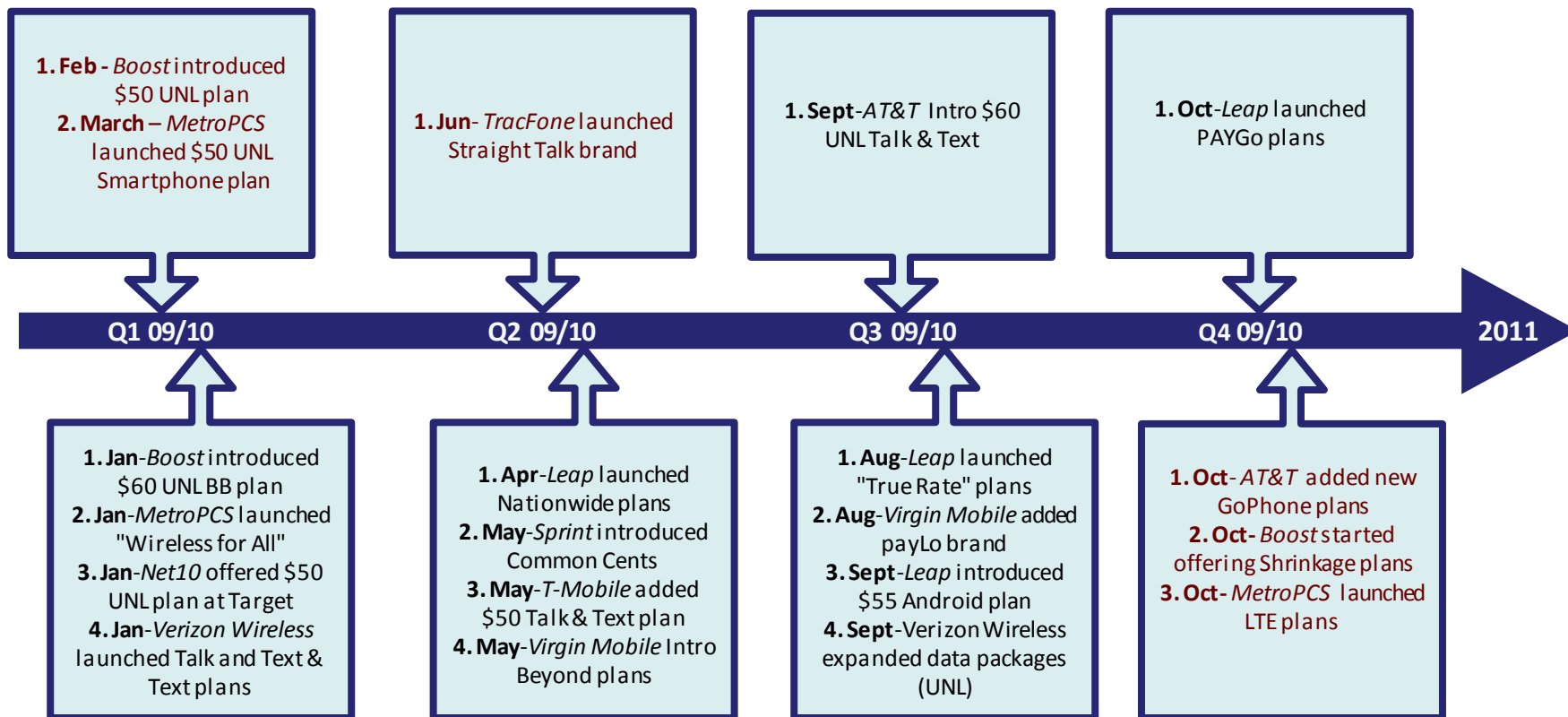
Prepaid Subscribers (in Millions) and ARPU



Source: Carriers' sites

Date: As of Q2 2010

Most Significant Prepaid Moves



- ❖ All-inclusive & simplified plans
- ❖ Smartphones and smartphones plans
- ❖ Retention focus

All-Inclusive & Simplified Plans

- ❖ 2009 - Boost Mobile introduced its \$50 Monthly Unlimited Plan inclusive of taxes and fees.
- ❖ 2010 – Most prepaid carriers—including traditional postpaid carriers—offer some form of unlimited plan.

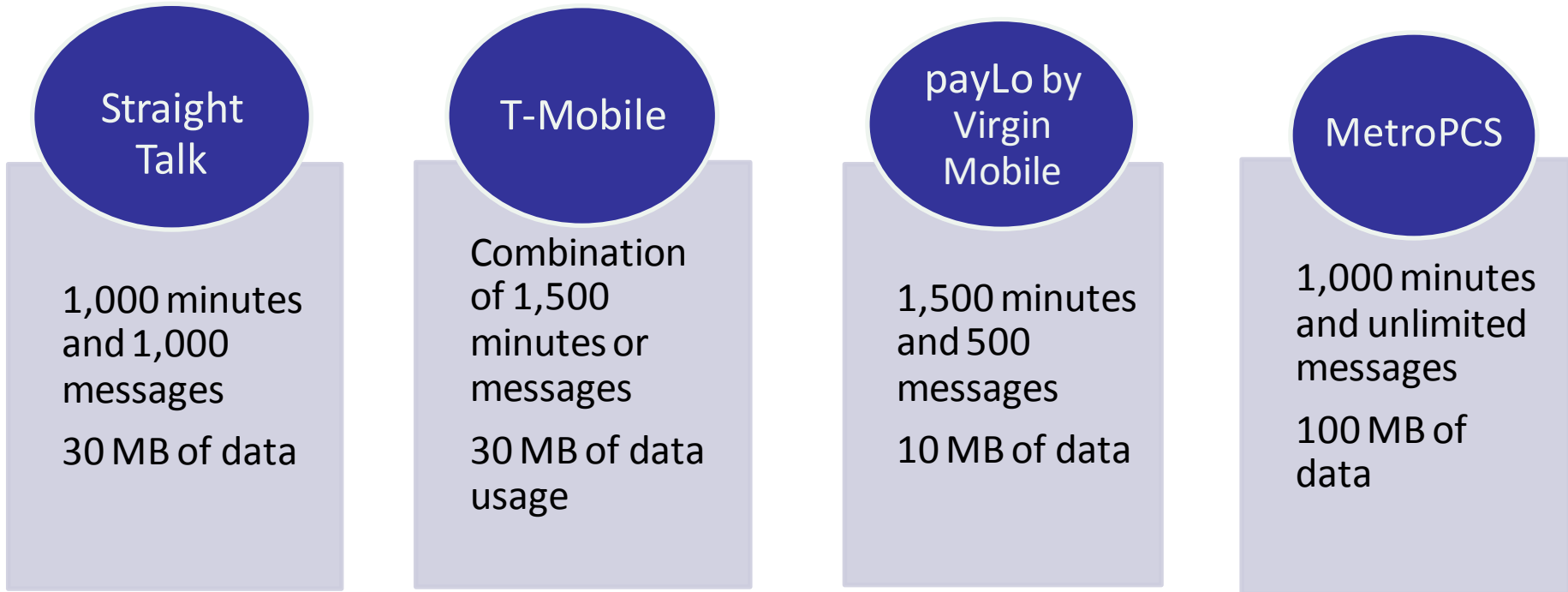
Boost Mobile

UNL Plan in 2009	\$50/month	UNL Plan in 2010	\$50/month
UNL Minutes	✓	UNL Minutes	✓
UNL Messages	✓	UNL Messages	✓
UNL Web	✓	UNL Web	✓
		UNL Email	✓
		UNL 411 Calls	✓

Leap Wireless

UNL Plan in 2010	\$45/month
UNL Minutes	✓
UNL Messages	✓
UNL Web	✓
UNL Int. SMS	✓
UNL 411 Calls	✓
Navigation	✓

\$30 Monthly Plan



- ❖ New battleground of entry-level plans
- ❖ Straight Talk and MetroPCS plans are available exclusively at Wal-Mart

Handset Lineup

2009



LG 225



Motorola RAZR



Samsung Messenger



UTStarcom Blitz



PDC Shuttle



Samsung Finesse



BlackBerry 8330



BlackBerry 8520

2010



Motorola i1*



Nokia 6790



Huawei Ascend*



Kyocera Zio*



Samsung Code*



Samsung Craft



Huawei Tap



Motorola Droid X*



HTC Droid Incredible*



BlackBerry 9650



BlackBerry 8530



BlackBerry 9550

Smartphones & Smartphone Plans

- ❖ The first smartphone and smartphone plan were introduced in March 2009 by MetroPCS.
- ❖ Boost introduced its BlackBerry plan back in January.
- ❖ This May, Virgin Mobile launched a \$10 BlackBerry add-on and introduced the lowest-priced option for BlackBerry users at \$35/month.
- ❖ This September, Verizon Wireless expanded its postpaid data plans to its prepaid plan portfolio.

BlackBerry Curve 8530



Unlimited Plans

\$60
MONTH

BlackBerry Curve



Price Per Month	Text, Email, Data & Web	Anytime Minutes
\$25 /mo.	UNLIMITED	300 mins

Beyond Talk Plan For BlackBerry® Smartphones

ADD \$10 /mo. Add \$10 to any Beyond Talk Plan & look up your web-based email, BlackBerry® Messenger & BlackBerry App World™.

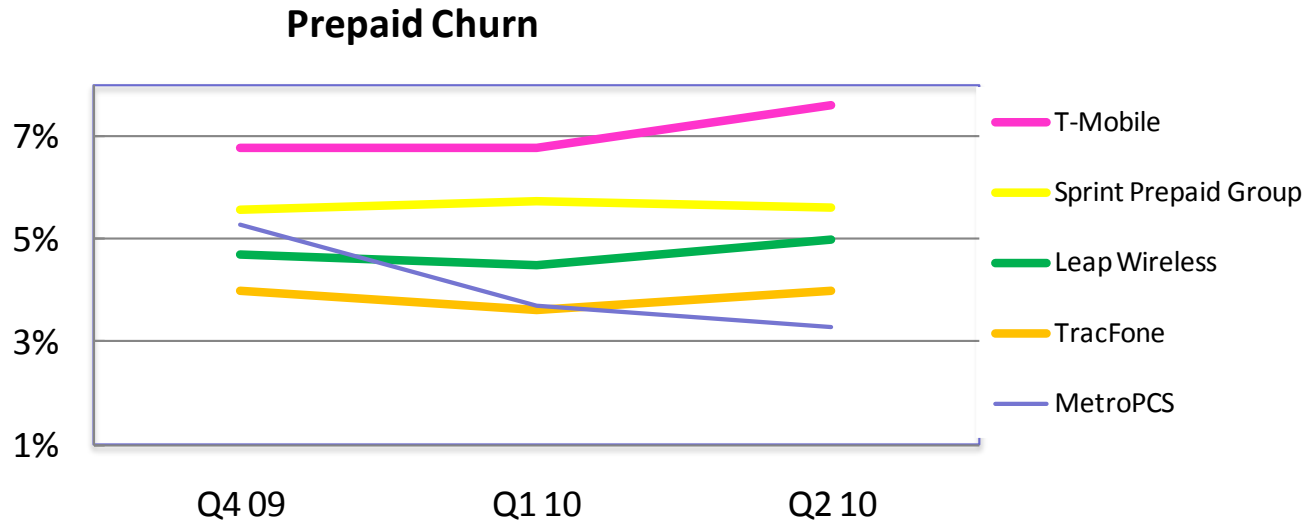


BlackBerry Phones

Anytime Minutes	Talk & Text* monthly access	Talk monthly access
450	\$64.99	\$44.99
900	\$84.99	\$64.99
Unlimited**	\$94.99	\$74.99

Data Package

Device Type	Data Allowance	Monthly Access
Smartphones Blackberry	Unlimited	\$30



- ❖ Leap Wireless trialed a loyalty program in the Houston market in 2009.
- ❖ VZW trialed a loyalty \$49.99 unlimited talk and text plan in 11 states.
- ❖ Boost Mobile introduced two new Monthly Unlimited plans with Shrinkage (\$5 off every six on-time payments, up to \$15 off).

- ❖ Broad based distribution crucial
- ❖ Specialty brands will be only ones to maintain exclusive distribution arrangements

- ❖ Better segmentation: multi-brands, tailored plans
- ❖ Network: 3G vs 4G
- ❖ More smartphones

Your Questions and Comments?

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[Boost Mobile Offers to “Shrink” Customers’ Bills](#)

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