

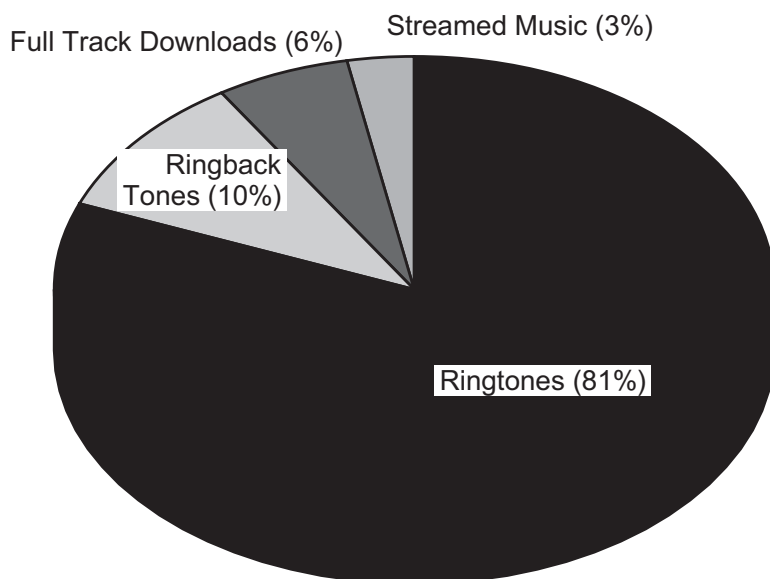
THE MOBILE INTERNET

MONTHLY NEWSLETTER COVERING MOBILE
INTERNET DEVELOPMENTS WORLDWIDE

Vol. 8 No. 12

December 2006

2006 Worldwide Revenues from Mobile Music (Total=\$6.7 billion)



Source: Juniper Research

TOP NEWS

Nokia and Yahoo! extend Internet experience to the mobile mass market

Nokia and Yahoo! extended their partnership to offer Yahoo! branded services including Yahoo! Mail and Messenger on Nokia's wide range of mobile phones operating on the Series

In This Issue...

July Systems builds and deploys new AyWorld mobile portal..... 2

Digital Chocolate teams with HBO for new mobile game Digital Chocolate teams with HBO for new mobile game..... 4

Tata Indicom and Mast Mobile Media gear up for mobile advertising initiative 5

NeoMedia and InfoMedia to co-market code in UK 6

NeoMedia's code to be introduced in UK by News Group Newspapers 7

Oberon Media bolsters mobile games position by acquiring Blaze Mobile Entertainment..... 8

The Mobile Internet Newsletter is published monthly by Information Gatekeepers Inc.

320 Washington St. Brighton, Massachusetts 02135, USA. Fax: (617) 782-5735. Editorial telephone: (617) 782-5033.

Circulation telephone: (617) 782-5033. (800) 323-1088 (Outside MA)

Publisher/Editor: Dr. Paul Polishuk **Editor:** Dr. Hui Pan **Managing Editor:** Bev Wilson

Circulation Mgr: Jaime Perez **Subscription rates:** \$695 per year, U.S. and Canada; \$745 per year elsewhere.

Discounts available for multiple subscriptions.

© **Information Gatekeepers Inc. 2006.** All rights reserved. (ISSN 1541-1281)

No part of this publication may be reproduced, stored in a data base or transmitted without prior written permission of the publisher.

For photocopying authorization, contact Copyright Clearance Center, 222 Rosewood Dr., Danvers, MA 01923, Tel: (978) 750-8400.



40 platform. Yahoo! services will initially be available on the newly announced Nokia 6300, the Nokia 5300 XpressMusic, and the Nokia 5200. Moving forward, these services and the ability to synchronize Yahoo! contacts, tasks, and calendar on the PC and phone will be added to an even wider range of Nokia's Series 40 devices.

Series 40 is the software user interface that powers Nokia's broadest range of mobile devices. Intuitively easy to use, the Series 40 platform enables a broad range of applications and features, including messaging, browsing, music, and video standards, as well as personal information management.

"Since the Series 40 platform was introduced in 2002, Nokia has sold more than 400 million mobile phones which operate using the platform," said Kai Oistamo, executive vice president and general manager, mobile phones, Nokia. "In addition to the millions of users who can add Yahoo! services to their S60 smartphone, today's announcement empowers tens of millions of people with the ability to enjoy their favourite Yahoo! services on an even broader range of Nokia devices."

"Yahoo! Mail is the No. 1 Web mail service in the World, and Yahoo! Messenger is one of the most popular Instant Messaging services on the Internet. Our extended partnership with Nokia will allow tens of millions of people to access their favourite Yahoo! services on the move," said Marco Boerries, senior vice president of Connected Life, Yahoo!. "Yahoo! is looking forward to continuing to work with Nokia to bring users compelling mobile Internet services on an even wider range of handsets."

Nokia and Yahoo! have been working together since April 2005 to establish an optimal Internet experience, including Search, for users on their mobile devices. As a result, millions of Nokia smartphone owners have been able to stay informed, entertained, and in touch through Yahoo!'s rapidly developing Internet services.

This agreement is a further expansion of a strong partnership between leading players in their respective domains — Yahoo! in Internet services and Nokia in mobile devices.

Yahoo! is focused on extending key consumer services beyond the browser, providing an integrated Web-to-mobile experience and helping consumers make the most of their mobile devices. Yahoo! launched its first mobile service in 1999 and continues to improve and innovate on its offerings for mobile consumers. The company works closely with the major mobile carriers and device manufacturers to deliver these services to the widest possible audience.

Yahoo! services for Nokia Series 40 mobile phones include the following:

- Yahoo! Mail — Have your familiar Yahoo! Mail on your Nokia device, easily manage messages through the phone's messaging inbox, and store new messages locally on the device to allow for offline access.
- Yahoo! Messenger — Send and receive messages and use emoticons on a mobile device just like on PC, and set presence information to show your friends and family when you are available to chat, and view presence information to know when they are online too.
- Yahoo! Personal Information Management — Never lose the contact information on your phone again, and synchronize your Yahoo! contacts — and your tasks and calendar — on the PC with those on your mobile device

CONTRACTS

July Systems builds and deploys new AyWorld mobile portal for mobile communications brand AY YILDIZ

AY YILDIZ, the first mobile communications brand for Turkish-descended residents in Germany, announced the launch of their new bi-lingual mobile portal, AyWorld.

The portal was completely conceptualized, produced, and deployed by July Systems, a provider of mobile content retailing solutions. July Systems managed all aspects of the deployment including news services, billing integration, mobile store, and integration of multiple content suppliers and technology components — with a total deployment of under four weeks. The bi-lingual AyWorld portal will be available in German and Turkish and will offer consumers mobile entertainment content from a host of content and media partners.

AyWorld will allow the Turkish community to access and enjoy culture-specific entertainment content, information, and news directly through their mobile phones. The portal is accessible not only by current AY YILDIZ subscribers but also by subscribers of other mobile networks. News services are displayed through a Client solution implemented using mobiprint technology from Sendandsee Ltd., a partner of July Systems.

“With July Systems, we have an innovative partner by our side, who has managed the complete project in a very short time frame including the integration of different technology components,” said Dogan Calmaz, manager of AY YILDIZ Communications. “July is pleased to team with AY YILDIZ to power the Ay World mobile portal,” said Dr. Wilhelm Bielert, VP EMEA operations, July Systems. “AY YILDIZ chose July because we were the only partner that offered a winning combination of advanced mobile content retailing technology, fastest time to market, and the ability to seamlessly integrate with multiple content providers and technology components. We are convinced that AY YILDIZ and July Systems will make the Ay World the leading portal for the Turkish population.”

Cox Newspapers Inc. selects CellSigns Inc. as mobile search and application provider for mobile classified advertising

CellSigns Inc., a provider of interactive mobile messaging and enterprise mobile

applications, announced an agreement with Cox Newspapers, Inc, one of the nation’s foremost newspaper publishing enterprises, with 17 daily and 25 non-daily papers, including news sites affiliated with The Atlanta Journal-Constitution (ajc.com); Austin American-Statesman (Statesman.com); Dayton Daily News (daytondailynews.com); and The Palm Beach Post (PalmBeachPost.com). The agreement provides Cox Newspapers with custom interactive mobile application services for its newspapers’ classified sites.

This new mobile service launched in November on PalmBeachPost.com. Users are able to request information on classified ads such as homes, autos, and other advertising content simply by texting specific codes or using a natural-language search to access the information on their mobile devices. They will then receive a message via SMS with the classified ad information, including pictures when available, or be able to contact the seller directly with a click to call.

“Mobile devices are the perfect way to quickly connect buyers and sellers,” said Robb R Olsen, vice president of advertising, The Palm Beach Post. “And, you don’t have to be in front of your computer or reading the newspaper to find what you need.”

CellSigns’ patent-pending interactive mobile applications suite is built on powerful two-way SMS and includes mobile search via text messaging, click-to-text, mobile chat, and other applications. The company recently won the “Most Innovative Technology” Award from Inman News for their mobile search and property marketing system.

“CellSigns is very pleased to have been chosen by Cox Newspapers to provide a very powerful mobile tool for consumers on the go,” said Mark Ford, CEO of CellSigns. “Our mobile search application, Cellifieds, allows newspapers to reach their local market through the mobile channel with interactive text messaging features for classified ads and

extends the newspapers reach into a new channel. It also extends the message of the advertiser into mobile ads.”

“More local residents have mobile devices than have Internet connections,” said PalmBeachPost.com’s general manager, Dan E. Shorter. “With our mobile and Internet services, kiosks and the newspaper we now offer the largest possible reach for any advertiser in our area.”

Warner Artist Management chooses Smart SMS Corp. for mobile marketing

Smart SMS Corporation’s CEO, Gordon Lee, announced that the company has entered in to an exclusive agreement with Warner Artist Management of Los Angeles, California. Smart SMS Corp. will provide text messaging services and distribution of all mobile content for Warner Artist Management.

“I feel Smart SMS has positioned themselves perfectly to compliment our business model and I have every confidence in our overall joint success,” added Douglas Warner, president of Warner Artist Management.

This agreement between Smart SMS Corp. and Warner Artist Management, based on an equal revenue share platform, is staged to generate exciting growth and income in mobile-based marketing for both companies.

PARTNERSHIPS

Digital Chocolate teams with HBO for new mobile game

Digital Chocolate Inc., a publisher of original software for mobile phones, is teaming with HBO to develop a new mobile game, “The Sopranos Bada Bing! Manager,” based on the critically acclaimed Emmy and Peabody-winning HBO series The Sopranos.

The Sopranos Bada Bing! Manager offers players the chance to immerse themselves in a compelling interactive gaming experience featuring the talent likeness of the

series’ main characters, including Tony Soprano, Paulie Walnuts, and Silvio Dante.

In the game, players will get a taste of New Jersey nightlife, Sopranos-style, by taking charge of the DiMeo crime family’s signature business, the Bada Bing! night club. Players can upgrade the club, hire dancers to bring in more business, and even water down drinks to increase profits. To be successful, players will have to keep an eye out for “Johnny Law” and must never, ever, forget to kick up to Tony, Paulie, and Silvio.

“Working with Digital Chocolate enables HBO to continue to deliver popular show-branded games to a medium where our fans can easily access them — their cell phones,” said Patricia Wagstaff, vice president, HBO Interactive Entertainment. “It’s important that the HBO consumer have the best possible experience with any of its properties, no matter what the medium.”

“Like HBO, Digital Chocolate strives to provide consumers with industry-leading, unique and original content. We are especially pleased that HBO recognizes our mobile gaming experience and that it has entrusted us with one of their flagship properties,” said Trip Hawkins, founder and CEO of Digital Chocolate.

The Sopranos Bada Bing! Manager will launch on HBO Mobile exclusively on Cingular this December.

Artificial Life Inc. partners with TeliaSonera to launch the latest mobile games in six countries

Hong Kong-based Artificial Life Inc., a provider of award-winning mobile 3G technology and applications, announced a co-operation with TeliaSonera, the Nordic and Baltic leader in telecommunications, to release the latest mobile games such as V-boy and V-Penguins and their accompanying side products like wallpapers, screensavers, ringtones, and video mails. The products will be available on TeliaSonera’s mobile Internet portal SurfPort, which is

launched in Denmark, Estonia, Finland, Lithuania, Norway, and Sweden.

"We are very excited to cooperate with TeliaSonera's professional team and launch more 2.5G and 3G applications on their network. We believe our products will appeal to the Nordic and Baltic region mobile gaming markets and are looking forward to further expansion of our business in Europe," said Eberhard Schoeneburg, CEO of Artificial Life Inc.

"We are welcoming Artificial Life's innovative services to TeliaSonera's mobile Internet portal SurfPort, which this summer exceeded more than one million users per month. We think that Artificial Life's services will be very well received by our customers," said Henrik Nilsson, head of SurfPort, TeliaSonera AB.

Tata Indicom and Mast Mobile Media gear up for mobile advertising initiative

Tata Indicom and Mast Mobile Media Pvt. Ltd., an India-based mobile entertainment company, announced the readiness of mobile advertising solutions on the Tata Indicom network.

As part of this relationship, Mast Mobile Media will provide Tata Indicom with ad-serving technology for its Brew and WAP data services via Mast Mobile Media's advertising engine.

The mobile advertisement engine is exclusively licensed by Mast Mobile Media from eMbience Inc. for the Indian market. eMbience's platform enables authoring, porting, and serving of interactive downloadable advertisements across mobile devices.

Dynamic advertisements on Tata Zone applications will appear in the form of graphical banners with several options to initiate a "call to action."

When a mobile user clicks on an ad, the user may engage in a phone call with the brand, trigger a return interactive voice response (IVR) call, download mobile content, send an SMS, or participate in interactive voting.

Advertisers in turn will be able to deploy their communication across several Brew applications and WAP pages and collate their viewers' responses to their marketing campaigns.

To tee off the initiative, Tata Indicom will first offer this unique advertising service on their soon-to-be released Digital Music Download service. Subsequently, the advertising opportunities will be enabled on all Tata Zone applications to reach out to the entire base of data users.

The release of this ad solution across applications and data touch-points marks a bold initiative to immerse subscribers in interactive mobile marketing as they use tools and applications on their devices. In this way, it goes beyond the restrictive options provided by a WAP solution.

Pankaj Sethi, president of value added services for Tata Indicom, said, "The mobile phone is a device which has the two-pronged advantage of being ubiquitously mass, and at the same time, an interactive one-to-one medium. We are proud to be pioneering with Mast Mobile's advertising solution that will lead the way to an interactive mobile engagement of India's large potential audience."

On their reason to launch advertising with the Digital Music Download service, Sethi says, "The Music Player is a sticky application where users will come back to play their music. These kinds of applications will fulfill advertisers' needs to keep their customers engaged through multiple interactions."

Dr. Nimish Shrivastava, founder, Mast Mobile Media, said, "The mobile is the most personal device in the hands of the customer. Snacking on mobile content has become the latest fad, and is here to stay."

Interspersing non-intrusive, relevant advertising, during the snacking experience is a highly effective means for brands and advertisers to both connect with consumers and track their behaviour. We are excited to be

working with Tata Indicom on this new and innovative initiative.”

NeoMedia and InfoMedia to co-market qode in UK

NeoMedia Technologies Inc., a provider of market-driven technologies, announced that it has signed a co-marketing agreement for its flagship direct-to-mobile-Web qode technology with InfoMedia Services Ltd., a UK-based provider of mobile services to major companies including Microsoft, Play.com, and The Carphone Warehouse.

Martin Copus, president of NeoMedia Mobile, said InfoMedia (www.infomedia-services.co.uk) will market qode to its own customers, and work to qode-enable its direct-to-consumer content offerings, including its popular Partymob.com Web site (www.partymob.com), which offers mobile products including ringtones, logos, wallpapers, games, and more. Since the launch of its Partymob.com content brand in 2001, InfoMedia has successfully delivered more than 25 million items of mobile content across over 100 operators spanning 45 countries. InfoMedia was the first UK company to sell a polyphonic ringtone, and the first to sell a mobile JAVA game direct to consumers. InfoMedia will use qode as a major tool for Mobile Web site discovery for the portals it has developed for blue chip organizations.

InfoMedia will also support NeoMedia in its UK marketing efforts by providing outsource services including Mobile Web site and portal design, support services including hosting of destination mobile sites linked by qode, and mobile payment.

The first joint effort between NeoMedia and InfoMedia will be supporting ONE water, the cause-marketing water brand which became the first European product to use NeoMedia’s qode application on its packaging to communicate with customers via the mobile Internet. Starting next month, ONE bottles will

link to the mobile Internet via qode, with the first shipments of more than 5 million bottles bearing qode-enabled “smart codes” set to be delivered to more than 4,000 retail outlets throughout the UK in December.

“InfoMedia is justifiably proud of its record of growth and achievement,” Mr. Copus said. “InfoMedia currently holds more than 250 active content licenses with IP owners including major record labels, film studios, game publishers, image libraries and news agencies.

“This co-marketing agreement brings together mobile industry leaders,” Mr. Copus said. “Both companies are excited about our future together in helping establish qode as a key tool in the UK for fast-tracking publishers, marketers and their users and customers direct to content and digital assets on the Mobile Internet.”

Michael Tomlins, commercial director of InfoMedia, said his company “is committed to delivering mobile Internet solutions for leading media companies and brand owners. qode represents a great opportunity for brand owners to connect their traditional media to the Mobile Internet.”

NeoMedia’s qode (www.qode.com) suite of easy-to-use applications includes qodereader and qodewindow, providing “One Click to Content” connectivity for products, print, packaging, and other physical objects to link directly to specific desired content on the mobile Web. Qodereader works with camera phones, letting users “click” on two-dimensional “smart codes” for a direct connection to desired information, discount coupons, maps, contest entry forms, etc., and qodewindow lets users enter a key word, phrase, UPC, etc., for similar connection.

IP Unity and Exit Games team

IP Unity, a provider of carrier-grade media servers, application servers, and real-time multimedia applications, has partnered with award-winning multiplayer platform service

provider Exit Games, to add in-game voice conversations (aka Trash Talk) features to the networked games powered by Exit Games' Neutron platform.

The result is an exciting new set of functions for mobile multiplayer gaming that allow game development to be a more creative process and increase the social nature of mobile multiplayer applications.

Today, Exit Games powers networked gaming in over 50 countries, with access to over 500 million billable subscribers worldwide. IP Unity serves carriers, public institutions, and large enterprises in over 35 countries with rich-media messaging, conferencing, interactive voice response, and push-to feature sets over fixed, mobile, and IMS-enabled converged networks.

"The combined capabilities of both companies to deliver cross-carrier mobile feature sets for the leading-edge of gaming will be proven by these exciting new features," stated Tom Sperry, CEO of Exit Games USA. "Our customers have told us that they want the experience of live, real-time chat with other gamers, to add to the action and energy of mobile gaming. We look forward to partnering with market leader IP Unity, a recognized expert in mass-market IP voice, video and streaming features."

"IP Unity knows that carriers, ISPs, next-gen network operators and above all, gamers can benefit from the creative innovations now occurring over mobile and converged networks, and we are very well-equipped to add value to these gaming applications," added Keith Bhatia, chief business officer and CTO of IP Unity. "Exit Games is one of the best in the business of cross-platform and cross-network gaming environments, and has built a rich platform complete with connection, billing and administration functions, so that game developers can fully concentrate on their creativity and development skills, and network operators can host multiplayer games at carrier

scale and robustness. This is a fantastic opportunity for all of us."

NeoMedia's qode to be introduced in UK by News Group Newspapers

NeoMedia Technologies Inc. announced that it was partnering with News Group Newspapers (NGN) and its market-leading Sunday newspaper, the News of the World (www.newsoftheworld.co.uk) to introduce its patented qode direct-to-mobile-Web technology (www.qode.com) in the U..

Charles W. Fritz, founder, chairman and interim CEO of NeoMedia, said that the qode introduction was announced by Mike Anderson, managing director of News Group Newspapers, to Media Week magazine in London.

"Effectively, qode is the same thing as the interactive red button on the television, but in a newspaper," Mr. Anderson said, referring to the interactive service on NewsCorp's BSkyB satellite TV. "NGN is keen to develop mobile as a digital distribution method. This is all part of News Group changing from a newspaper company to a media company," he said.

Mr. Anderson added that the News of the World — with a readership of 8.2 million (source: National Readership Survey of Great Britain, January-July 2006) — will use qode mainly to bring TV clips of English Premier League football (soccer) to its readers via their cell-phones over the mobile Internet, as News Group has won the rights to broadcast league games to mobile phones in a joint bid with BSkyB. He said qode technology could also be used by News of the World advertisers to offer readers discount vouchers or additional product information via their handsets.

"Qode is brilliant," said Mr. Anderson, "in allowing readers to bypass Web addresses or search engines and go straight to the Mobile Internet." He observed that although the software is not yet pre-embedded in mobile phones and must be downloaded, his hope is that "in the future, it should be pre-embedded."

News of the World readers will be instructed how to get free over-the-air downloads of qode mobile software, either by entering <http://get.qode.com> in their handset's browser, or by texting to a shortcode for the link to the qode download mobile Web site.

"This is a first step and a big step for NeoMedia and our vision for qode," Mr. Fritz said. "NGN comprises two of the most-read English-language newspapers in the world, and is renowned for innovation. NeoMedia is understandably delighted to be partnering with News Group on this introduction of qode, especially with our recently announced plans and actions to refocus our corporate resources on qode," he said.

MERGERS AND ACQUISITIONS

Oberon Media bolsters mobile games position by acquiring Blaze Mobile Entertainment

Oberon Media, a casual games solution provider, announced the acquisition of substantially all the assets of Blaze, a provider of mobile games and technologies with offices in Stockholm, Sweden, and San Mateo, California.

Blaze, including former Synergenix, will augment Oberon's mobile game distribution network with more than 100 powerful mobile distributor relationships worldwide, including Vodafone, 3, Orange, Vivo, and Telefonica.

Additionally, Blaze will provide Oberon with a dynamic portfolio of single-player, multiplayer, and 3D mobile games, such as "The Da Vinci Code," VH1 Mobile's "I know the 80s," the highly rated Rally Pro, MTV Europe Music Awards 2006 Quiz, and casual game hit licenses such as Slingo-2-Go and Poker Superstars Invitational Tournament.

The new combined entity will offer mobile operators a strong, full-service casual games offering with mobile, Web, and downloadable PC games. Examples from the new games

portfolio include casual hit games like Bricks of Egypt and Magic Match.

"Oberon is thrilled to welcome Blaze with its extensive relationships and distribution partners into the Oberon family. Blaze experience will help us to scale and execute our strategy to provide the best casual games experience across multiple platforms," said Ofer Leidner, co-founder and head of business development for Oberon. "Oberon is committed to growing the mobile casual games category. Over the past year we have been developing great games, innovative platforms to boost sales and grow mobile casual gamer communities. We look forward to work with our new partners on expanding their reach and offering to consumers."

Martin Forsling, GM of Blaze Europe, stated, "Oberon has a strong vision and a proven track record of successful execution, we are very happy to now be a part of this family. As the mobile games market consolidates, it will be crucial to focus the effort and with Oberon we can gain an enormous leverage from their casual games knowledge on the web and PC side."

Adding Blaze's deployment capabilities and strong mobile game pedigree, Oberon is poised to offer a broad selection of mobile games across platforms including J2ME, Brew, Symbian, Flash Lite, and Windows Mobile.

Nuance to acquire MobileVoiceControl, expand speech-enabled mobile application offerings

Nuance Communications Inc., a supplier of speech and imaging solutions, announced that it has signed an agreement to acquire MobileVoiceControl, a provider of speech-enabled mobile search and messaging services. The transaction allows Nuance to further accelerate the deployment of speech-enabled solutions in the wireless industry, in particular within the mobile search and communications markets.

MobileVoiceControl provides a speech-enabled service that allows consumers to easily dictate and send email or text messages, dial a contact, create calendar entries, and search Web content, entirely with their voice. MobileVoiceControl brings to Nuance a complete mobile service with powerful speech-enabled search and communications applications. Today, the service is available to Sprint Nextel subscribers on select devices and can also be downloaded from Handango.com. Rich, dynamic content and advertising is delivered through a strategic content relationship with Gannett Co. Inc. and USA TODAY.

“Speech technology is rapidly expanding the possibilities for consumers in the mobile environment,” said Paul Ricci, chairman and CEO, Nuance. “MobileVoiceControl’s service enhances the accessibility and utility of mobile devices, and by integrating the advanced speech technology of our Nuance Mobile product portfolio, can truly become a transformative consumer service. Nuance Mobile now represents the industry’s most ambitious and advanced set of capabilities for today’s mobile environment.”

The mobile device and wireless phone market is one of the fastest-growing technology markets in the world, and the opportunity to provide content, advertising, and services has enticed the world’s more prominent Internet, search, software, and content providers. While many phones and devices today have Web and data capabilities, advanced mobile-phone functionality and much of the available mobile content remain virtually invisible to users because it is too deeply hidden in confusing menu hierarchies. Nuance continues to make significant investments in mobile speech technology because Nuance believes it offers the best way to overcome these challenges and drive growth for mobile services.

“Joining Nuance gives MobileVoiceControl the opportunity to leverage

the industry’s leading speech technology to expand the feature set and capabilities of our mobile speech services,” said Stephen S. Burns, president and founder of MobileVoiceControl. “The combination of our two companies offers MobileVoiceControl direct access to Nuance’s vast technology portfolio, global resources and carrier relationships, allowing us to further capitalize on the success we’ve had since our launch earlier this year and accelerate our growth into new areas.”

Sharp Corporation makes strategic investment in Danger Inc.

Danger Inc., a mobile Internet software and services company, announced that Sharp Corporation has made a strategic investment in the company. Danger will use the funding as part of its ongoing growth efforts.

Sharp has worked with Danger as an original equipment manufacturer (OEM) since 2004. Under the partnership between the two companies, Sharp develops devices that are supported by Danger’s mobile Internet service. Danger has created a client/server platform that enables an “always-on” connection, continuously synchronizing, backing up, and managing the secure transmission of data between the network and the device.

Danger’s award-winning service provides end-users with an optimized Web browsing experience, push email, enhanced instant messaging capabilities, and access to a Web-based, online account. The unique device operating system delivers a set of uncompromised applications that operate simultaneously, allowing users to multitask, much like the familiar desktop environment.

BUSINESS

Mobile entertainment veteran Doug Dyer joins Oasys Mobile as CEO

Oasys Mobile Inc., a provider of premium mobile media content, announced that mobile

industry veteran Doug Dyer has joined the company as chief executive officer. The announcement was made by Bernard Stolar, who recently assumed the role of lead director of the board of directors.

"Doug is extremely well qualified to lead the company through our next phase of growth, as we re-focus our efforts on the core strengths that originally established Oasys Mobile as a leader in the mobile entertainment market," said Stolar. "With his success in both the console video game and wireless gaming arenas, Doug has the track record and the drive to keep the company focused on creating and selling top-selling games and services through our partners and our consumer portal, OasysMobile.com."

The appointment of Dyer as CEO signifies the company's return to its core strengths by concentrating on creating and enhancing new and existing game titles and mobile media applications, building stronger partnerships with carriers and brand partners, while broadening distribution on a global level.

"I'm excited to be joining the team at Oasys Mobile, which at its core is a formidable mobile entertainment company," commented Dyer. "Over the next six to twelve months you'll see the company build on what is anticipated to be a record fourth quarter, by dedicating ourselves to making great games, applications and services that we will distribute through our carrier and brand partners and our portal."

Most recently, Dyer served as acting CEO and president of ROK Entertainment Group US Inc., a global company focused on delivering video and rich media to mobile devices via patented and proprietary encoding, compression, DRM, storage, and streaming technologies.

Prior to ROK, Dyer was vice-president of wireless entertainment for Warner Bros., where he oversaw the building of a global publishing and mobile marketing organization that currently spans over 50 countries in the Americas, Europe, and Asia. Through Dyer's

leadership, Warner Bros. took an aggressive and leading position in the mobile industry and became established as one of the premiere Hollywood studios in the space.

Overseeing the mobile publishing of such major brands as Harry Potter, DC Comics, and Looney Tunes, Dyer extended Warner Bros.' brands and content to a global subscriber base of over 800 million customers.

Dyer is also credited with starting and building THQ Wireless into one of the leading mobile game publishers in the world. He was responsible for the negotiation and acquisition of such brands as The Simpsons, WWE Wrestling, Major League Baseball, and Hello Kitty, as well as developing relationships with over 70 operators worldwide.

Before entering the mobile entertainment industry, Dyer was a well-known figure in the video game and console world, holding management and business development positions at GT Interactive and Infogrames/Atari, prior to which Doug spent several years at Microsoft as one of the initial team members of their fledgling games division.

Nielsen RingScan launched by Nielsen Mobile to monitor and compile mobile ringtone sales data

Nielsen Mobile, a division of Nielsen Entertainment, has announced the launch of Nielsen RingScan to monitor the rapidly expanding United States ringtone market and issue a weekly report of polyphonic, master, and voice ringtone sales. The data is used by Nielsen Mobile clients, including both entertainment companies and mobile providers, as an integral information and analysis tool of the mobile ringtone market.

"Given the impressive and rapid growth of the ringtone market, the industry has turned to Nielsen to provide the needed tools to track and maximize the real potential," said Paul Leakas, general manager of Nielsen Mobile. "In just a few short years, we have witnessed the

birth of the multi-billion dollar worldwide ringtone market and a great demand for accurate measurement,” Leakas added.

Nielsen RingScan will debut in the December 9, 2006, issue of Billboard magazine as the data source for the Billboard Hot RingMasters chart. The Hot RingMasters chart will comprise the weekly sales of the top 20 master tones, ringtones which actually play a segment of an original musical recording. The chart will appear every other week in the magazine, and be updated on Billboard.biz and Billboard.com weekly.

“Billboard’s 2004 launch of the Hot Ringtones chart, which tracks sales of Polyphonic ringtones, drew global attention from the consumer press,” said Geoff Mayfield, Billboard’s director of charts and senior analyst. “Now that the majority of sales have shifted from Polyphonics to master recordings, Billboard is eager to add Hot RingMasters to its charts menu.”

Nielsen Mobile compiles ringtones and full-length over-the-air music download sales data from wireless carriers, aggregators, and other mobile entertainment retailers. Inaugurated in January of 2005, Nielsen Mobile is one of the latest additions to Nielsen Entertainment’s portfolio of existing businesses dedicated to providing information and analysis tools and marketing solutions to the global entertainment industry. Nielsen RingScan has coverage of more than 80 percent of all US ringtone sales.

Nielsen Mobile adds Sprint Nextel and Boost Mobile as mobile entertainment sales data provider

Nielsen Mobile, a division of Nielsen Entertainment, announced an agreement to use Sprint Nextel weekly ringtones and full-length over-the-air song download sales data for Nielsen Mobile’s comprehensive point-of-sales tracking services. In addition, the agreement will also include sales data from Boost Mobile, the

lifestyle-based telecommunications subsidiary of Sprint Nextel Corporation that distributes wireless communications products for the youth market. Nielsen Mobile compiles data from wireless carriers, aggregators, and other mobile entertainment retailers.

“Sprint Nextel, coupled with its over-indexing, youth-oriented Boost Mobile service, are an important addition to our sales tracking and trend identifying offerings,” said Paul Leakas, general manager of Nielsen Mobile. “We continue to see significant sales growth in ringtones as well as other mobile entertainment sectors and are delighted to include Sprint Nextel and Boost Mobile in our US market coverage,” added Leakas.

“Our new relationship with Nielsen Mobile is the most recent indication of the rapid emergence of mobile music, which Sprint Nextel has led among U.S. carriers in many ways, from being the first to offer master tones to being the first to deliver an over-the-air song-download service with the Sprint Music Store,” said Paul Reddick, vice president, Partner Development & Product Innovation, Sprint Nextel. “We look forward to sharing data from Nielsen Mobile with our other music partners to demonstrate the potential of even more unprecedented and exclusive promotions.”

July Systems awarded patent for rights managed peer-to-peer distribution of mobile content

July Systems, a provider of smart mobile content retailing solutions, announced that the US Patents and Trademarks Office has issued the company a patent in the area of rights-managed peer-to-peer distribution of mobile content. The patent, “Authorized Distribution of Digital Content over Mobile Networks” (US Patent 7139372), recognizes July’s novel technology for peer-to-peer viral distribution of content while safeguarding the content and service provider’s revenue streams through stringent enforcement of copyrights, licenses,

and payments at every stage of viral content distribution. The technology promises to safely enable powerful new distribution mechanisms such as gifting, sharing, and referrals for mobile content and applications among users. This latest patent comes on the heels of July's two recent patent wins for mobile digital rights management (DRM) and real-time personalization of mobile services.

"The biggest success stories in consumer digital content and applications have — almost without exception — been powered by peer-to-peer viral distribution and propagation. Consumers want to express their personalities and preferences by sharing their favorite games, pictures, videos and music with their community of friends, family and others," said Linda Barrabee, program manager, Yankee Group. "So far, real concerns about copyright protection and revenue leakage have deterred the mobile entertainment industry from tapping the full potential of viral marketing."

July's super-distribution technology will now allow mobile content retailers to make the most of distribution mechanisms to help significantly increase the mobile content consumer base.

Users can refer, forward, and even gift mobile content to friends and family, with rights management controls in place to remove piracy concerns that hinder the power of viral distribution. This allows content to spontaneously flourish in community environments that can often serve as self-automated promotional vehicles.

"July is excited to bring to the industry yet another innovative technology that has the potential to transform the way mobile content is sold and distributed today," said July Systems chairman and CEO Ashok Narasimhan. "Our recent record of patent wins in key areas such as mobile DRM, personalization and now super-distribution confirms July Systems' position as a leader and innovator in the mobile content retailing space."

NT Media Corp. Music Division content to be distributed on InfoSpace Mobile

NT Media Corp., a diversified media and entertainment company, announced that it has signed an agreement to distribute its music on InfoSpace and numerous other digital music stores, including mobile platforms and subscription services.

NT Media Corp. announced in September 2006 the launch of its Music Division, which was set out to focus on digital distribution. Since then, the company has been seeking digital and mobile distribution for its first artist, "Mikey Mo the MC." His first single on NT Music, "I Know Ya Feel Me," is scheduled to be released on music services such as Apple's iTunes and Microsoft's MSN Music, as well as Napster.

"When we launched our music division, we made the decision to focus on digital distribution including mobile. We are very excited to have the ability to distribute through InfoSpace," said Ali Moussavi, CEO of NT Media Corp. "InfoSpace has a history of working with Hip-Hop recordings. In 2004, it entered into a partnership with UrbanWorld Wireless for the management of artist mobile rights and development of unique mobile content. The initiative will feature celebrities Kid Capri, DJ Clue, Truth Hurts, Flava Flav, E-40, comedian/actor Kat William and others."

The deal with InfoSpace is through a collaborative distribution agreement with Shelter From the Storm Records and includes numerous Internet destinations and mobile download platforms.

FINANCING

Medio Systems raises \$30 million in Series B funding

Medio Systems, a provider of white-label mobile search and advertising solutions, announced that it has received \$30 million in Series B funding from Accel Partners in Silicon Valley and London, and returning investors Mohr

Davidow Ventures, Frazier Technology Ventures, and Trilogy Equity Partners. Medio will use the funding to advance its lead in the mobile search space, develop new products, enhance its core advertising platform, expand sales and operations for both wireless operators and advertisers, and grow its presence in the European, Latin American, and Asia-Pacific geographies.

"We have created a comprehensive and extensible architecture driven by Medio's analytics engine to deliver best-in-class mobile search solution and having been selected by some of the world's leading carriers is validation of this," said Brian Lent, President and CEO, Medio Systems. "The investment from Accel Partners and our existing investors — MDV, Frazier Technology Ventures, and Trilogy — will allow us to accelerate the overall market adoption of Medio's search and advertising offerings."

Medio Systems partners with mobile operators, handset OEMs, and MVNOs worldwide, providing search, mobile advertising, and merchandising systems designed to give the mobile operator control over its content and advertising ecosystems. Medio's solution optimizes on-deck, off-deck, and Web results to maximize data average revenue per user, while ensuring a quality user experience that drives subscriber loyalty.

Medio Systems has experienced extraordinary traction for its mobile search solution in the recent months. Verizon Wireless and Telus Mobility have commercially launched Medio's solution to provide best-in-class mobile search for their subscribers.

"Accel Partners has known Brian and the team for a number of years and has been impressed with their unique expertise around analytics and user experience design," said Kevin Efrusy, a general partner at Accel Partners in Silicon Valley. "Medio's competitive advantage is clear, as is the uplift they generate for their operator partners."

"We're very excited about Medio taking its US-proven business model to European mobile operators," said Kaj-Erik Relander, Accel London general partner. "Accel Partners gives Medio full theater-wide backing and believes in the company's capability in capturing the European market."

Medio's mobile search solutions combine the latest in personalization, recommendation, and advertising technologies with advanced data mining and analytic techniques to deliver highly relevant and personalized content and information to each mobile subscriber. This information is optimized for mobile handsets; searches result in relevant answers, not pages and pages of links. Medio's solutions make all content accessible through one search box.

MARKET INTELLIGENCE

Mobile entertainment services not particularly popular among American consumers, IDC survey finds

'Tis the season of consumer electronic spending in the United States. Americans are big spenders when it comes to entertainment content and services for consumer electronics, such as the Xbox, Apple's iPod, personal computers, and high-definition TVs. But American consumers show less enthusiasm for purchasing entertainment services created for their wireless mobile devices. According to an IDC survey of more than 2,500 American wireless subscribers and customers, nearly three-quarters (72.5 percent) of respondents did not use any data services outside of messaging in the third quarter of 2006.

Steep prices are one of the main reasons Americans are not jumping to subscribe to entertainment services for their wireless mobile devices. According to IDC's survey, 47 percent of respondents in the key demographic age group of 18- to 24-year-olds complained that mobile data services are "too expensive." When the survey data was broken down by device type

and average revenue per user, this complaint of overpriced data services resonated with respondents who use camera phones and/or spend more than \$60 a month for mobile service.

“The fact that four out of ten survey respondents feel they are overpaying for data services does not bode well for the future of this market,” said Lewis Ward, research manager for IDC’s Mobile Consumer Services: Entertainment program. “The survey also revealed a small group of U.S. consumers that believes data services are a bad idea, or worse, degrades the calling experience. Education may help this issue, but it’s clear from the survey results that many people just want to use their mobile phone to make calls.”

In contrast to entertainment services, mobile messaging services, especially short message service (SMS), are much more popular among the consumers surveyed by IDC. In fact, close to half (47 percent) of survey respondents indicate that they sent or received at least one SMS message in 3Q06. According to IDC, SMS subscription plans have already surpassed the 50 percent mark, and American consumers spend an average of \$3.70 per month for data services.

IDC analysts also found that respondents reported a remarkably high average number of text alerts as part of their total message volume. Alerts were defined as SMS/text-based news or information services that respondents subscribed to for their mobile device. Survey respondents indicated that about a quarter of all SMS messages in 3Q06 were alerts, showing the popularity of such services.

About one-fifth of consumers purchased at least one ringtone in the quarter, and about one in ten bought a graphic/wallpaper or a game.

Youths and those with advanced devices exhibited pronounced adoption rates of most forms of wireless entertainment, including full-track music and video/TV services.

Mobile leisure and information services are emerging as key elements in mobile entertainment market development

Research and Markets has announced the addition of “Mobile Sport, Leisure & Information Content Opportunities & Markets, 2006-2011 (3rd Edition)” to their offering.

Mobile leisure and information services — especially sports-related — are emerging as key elements in mobile entertainment market development. This definitive third edition considers the evolving market opportunity for mobile sport and leisure content as big events like the FIFA World Cup provide additional on-off boosts to the take-up of mobile sport and leisure services. This report concentrates on sport, leisure, and information content, ranging from wallpapers and news alerts to mobile soap clips, live commentaries, video replays, navigation, and tracking services, which are being provided to enhance customer satisfaction and generate revenues.

Mobile phones are now widely used to access a variety of information such as news, financial, traffic, and weather updates, along with sports content services — particularly those associated with soccer — that are continuing to prove popular. Wallpapers and graphics also remain core mobile downloads for consumers, with community applications developing rapidly as delivery platforms move to the next generation. This third edition analyzes the evolving market opportunity for these services and provides a suite of in-depth forecasts plus market assessment and technology comparisons, derived from rigorous desk and field research.

Action Engine emerges as leader in on-device mobile advertising

Action Engine Corporation announced that the company was highlighted in a recent report by Pyramid Research as a leader in on-device mobile advertising. The report “Mobile Advertising, More Money: Dissecting Next-

generation MNO Advertising Strategies” reviews the mobile advertising value chain and examines the strengths and weaknesses of different mobile advertising mediums.

“There are four types of mobile media that will enable brands to build presence in a manner that is appropriate to nurturing a stable and long lasting relationship with mobile subscribers: SMS, Mobile Web, Mobile Video/TV, and Downloadable Applications and Content,” said Nick Holland, senior analyst and author of the report at Pyramid Research. “Advertising embedded in downloadable applications will become increasingly pervasive as brands recognize opportunities for content sponsorship and the benefits of being part of a less transient medium than WAP and mobile TV. Action Engine has developed a significant level of expertise in on-device advertising that may make them an indispensable component for a downloadable application strategy.”

“With the worldwide mobile phone market approaching one billion units shipped this year,

the big brands are obviously looking to the wireless device as the next strategic medium to reach their customers. Mobile advertising is the catalyst that will make mobile services affordable for the average consumer and will drive a new source of revenues for media companies,” said Scott G. Silk, CEO and president, Action Engine. “Our technology provides a permanent home for brands on the mobile device, and by avoiding the painful download times associated with most browser-based mobile advertising solutions, we can drive greater impressions and click-through rates for mobile advertisers.”

Action Engine launched one of the first mobile advertising-subsidized downloadable application solutions with MSNBC.com earlier this year. A case study on that project is available for download at www.actionengine.com/docs/awards/MSNBC_CaseStudy.pdf. The company also recently announced that it was selected as the on-device portal provider for media/content companies and mobile operators including TiVo, Globe Telecom, and smarTVideo, among others.

Copying Permissions Policy Statement

If you wish to copy and reproduce any part of an Information Gatekeepers Inc. publication, the following conditions apply:

Transactional Reporting Service

Authorization to photocopy items for internal or personal use, or the internal or personal use of specific clients, is granted by Information Gatekeepers Inc., provided that the base fee of \$2.00 per page for the first copy plus \$0.25 per page for each additional copy thereafter, is paid directly to:

Copyright Clearance Center, 222 Rosewood Dr., Danvers, MA 01923

Tel: (978) 750-8400, Fax: (978) 750-4744

Publications should be identified according to the following fee code:

ISSN#/year of publication/rate (\$2.00+\$0.25).

ISSN#s can be found on the front of the newsletter.

Academic Permissions Service

Prior to photocopying items for educational classroom use, please contact:

Copyright Clearance Center, 222 Rosewood Dr., Danvers, MA 01923

Tel: (978) 750-8400, Fax: (978) 750-4744

Appropriate credit to Information Gatekeepers Inc. should be displayed on all photocopies.