



Syncon – Synergy Consulting

- Overview 2010 -



 **Syncon**
GmbH

1. About us...



1. About us... (Background)

Syncon derives from SYnergy und CONsulting:

Our goal is to generate synergies and create win-win situations for the benefit of our clients.

Therefore, our mission statement reflects this approach:

We guarantee cost-efficiency and outstanding performance in all our projects.



-> We are happy when you are!



1. About us... (Expertise)

Our focus is media and telecommunications.

Our expertise includes:

- **Project Development and Management**
- **Generating additional Revenues and Value**
- **Development and Implementation of Strategies**
- **Cost Cutting / Turn around Management**
- **Activation of Network and Synergies**
- **M & A**



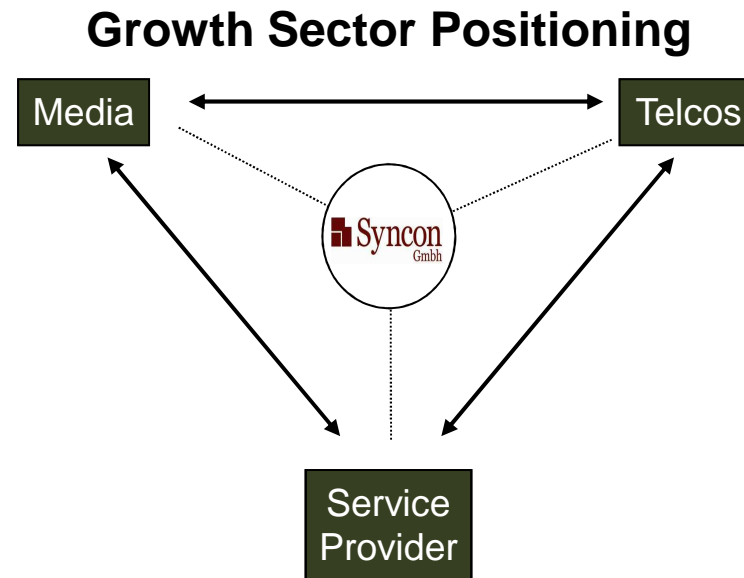
1. About us... (Market Positioning and Expertise)

Convergence of Markets:

- Market forces a growing convergence of Media, Telcos and Service Providers
- Current market Players lack cross-segment know-how / capability
- **Syncon combines, know-how, track-record and assets: positioned to benefit from growing convergence forces**

Our Expertise:

- Project Development and Management
- Generating additional Revenues and Value
- Development and Implementation of Strategies
- Cost Cutting / Turn around Management
- Activation of Network and Synergies
- M & A



1. About us...



Track record:

- Syncon: over 10 years of Experience!
- Milestones are:
 - In 2003, Croatia's first interactive game „happy hour“, more than 50.000 participants per day!
 - In 2006, Croatia's biggest ever Prize winning competition with Jutarni List (over 1,2 Mio SMS).
 - In 2006, Bulgaria's biggest interactive game with newspapers Trud and 24h (over 280.000 participants).
 - In 2007, 2008, 2009: Start with several MVNO projects all over Europe.
- Syncon is the only project developer / adviser in Europe with experience through the entire value chain!

1. About us... (MVNO)

24 часа
ПРЕДПЛАТЕНА МОБИЛНА УСЛУГА

0,29 лв./МИН.
0,12 лв./SMS
към всички фиксирани и мобилни
услуги в страната

5,00 лв.
включено време за разговори

99,9%
покрытие на касовото в страната

РИ ИЗГОДНО! БЕЗПЛАТНО! NEWS mobile

SPOX.com **Mtel** **TELEKOM AUSTRIA**

Track record:

- Syncon combine over 10 years of Telecommunications and Media Experience!
- In 2008, Syncon launched successfully the first MVNO in Bulgaria!
- In 2009/2010, MVNO's will be launchend in 5 other Countries.

Pipeline:

- MVNO with SPOX - Germany's second largest online-platform for sports and TV station Premiere.
- MVNO in 5 Countries like Austria, Germany and others are in development phase.
- Syncon is the only project developer / adviser in Europe with experience through the entire value chain that offers its services on win-win basis!

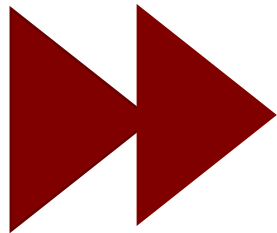


2. Background Information



2. Background Mobile Telco Market : The time is now!

- Market potential MVNO's in General: 15-20%
- Over 10% switch operator per Year
- Low end segment over 1/3 of Population



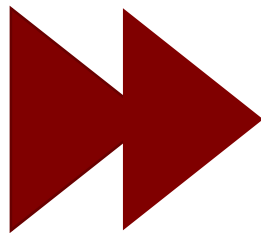
Possible Target Group is over
10% of Population for 2009



2. Background Media Market Europe

Situation:

- World Wide Trend: Increasing Internet penetration and TV is resulting in a reduction of reach of all traditional media - mostly magazines and newspapers.
- Reduced Spendings in Advertising will bring a strong Competition in all Media Sectors.
- **Growth in Traditional Business Model (Advertising, Pay per Use) is very limited!**



- **Diversification is becoming the most important task!**
- **But new revenue streams must be developed!**
- **Focussing:**
 - recurring Revenue models
 - **scalable Business models**
 - **defendable and substantial competitive advantage**

- **We offer a proven, recurring and scalable Business model for our Media Partner!**



3. The Vision



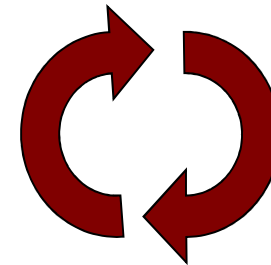
3. The Vision: Future Integrated Value Chain Media House



Goal: Closing the Circle!

Reader / User / Viewer / Ad Client

**Additional
Sales =
Value added**



**Print, Online
Ads, Coop**

**Dialogue / Direct
Marketing**

= It's about knowing your Customer



3. The Vision: Future Integrated Value Chain Media House

Adding Value through all Age Groups



Age:



0 – 6

- Kids Club
- Edutainment
- Online
- Print Titles
- Merchandise

6 – 18

- Youth Club
- Edutainment
- Print Titles / IPTV
- Online (Interest)
- Merchandise
- E-Book
- MVNO / Mobile

18 – 65

- Parents Club
- Online (Interest)
- Print Title / IPTV
- Direct Marketing
- MVNO / Mobile
- E-Book
- Edutainment

65 +

- Best Age Club
- Online (Interest)
- Print Title / IPTV
- Direct Marketing
- Edutainment



4. The MVNO Project



4. The Project

Our vision is to create a win-win partnership together with a mobile operator and a media company.





Our goal is to penetrate the prepaid market successfully.

The win-win advantages are:

- Get best of two worlds
- Creating more than the sum of pieces
- Addressing younger target groups
- Creating marketing awareness
- Added value for the partners (no invest!)
- Stepping into mobile publishing with Newsportal (customers will not be charged, therefore reach)
- Making money from day 1!



4. Examples for a Win-Win-Win Setup

Examples of Successful „MVNO“ Partnerships					
Model	Brand	Brand owner	MNO	Low Cost Strategy	Results
Media Partner		Axel Springer Germany	Vodafone	<ul style="list-style-type: none"> ▶ Tab sizeable distribution channel without significant mobile presence (> 11.000 POS) ▶ User Brand, Marketing and Retail power of Europe's biggest newspaper (12 Mio. readers daily) ▶ Use of BILD's existing "Volks..." campaign with high credibility ▶ Offer additional content of partner 	<ul style="list-style-type: none"> ▶ 100.000 users within the first two weeks (Launch Oct 2007) ▶ Currently 400.000 subscribers (est.) ▶ despite very late entry (Oct 07) ▶ 14 Mio PI's on wap portal bildmobil (0 to market leader)
		M6 France RTL group	Orange	<ul style="list-style-type: none"> ▶ Leverage brand with high share and good credibility in young target segment ▶ Use existing marketing power of M6 brand ▶ Use existing Telco channels (Orange shops and Call Centre) and Internet ▶ Offer low price with additional value of partner products (TV programs) 	<ul style="list-style-type: none"> ▶ Launch in June 2005 ▶ 1 Mio. customers acquired in August 2007 – 1 year ahead of plan ▶ Large share in target segment ▶ 15-25-year-olds
Retail Partner		Aldi Germany	E-Plus	<ul style="list-style-type: none"> ▶ Explore new-to-mobile retail surface with over 4000 POS (clear no. 1 supermarket) and >50% reach in population ▶ Use existing brand asset of the no.1 "quality for low price" brand ▶ Cost efficient integration into ongoing POS promotion without significant ATL spend 	<ul style="list-style-type: none"> ▶ Clear leader of the No Frills Segment in Germany with more than 2.8mn customers and a strong run rate – despite rather late launch in Dec 05
		Migros Suisse	Swiss-com	<ul style="list-style-type: none"> ▶ Early market entry „No frills“ product offering – voice and SMS only ▶ User Migros retail power with widespread branch system and ~50% market share in food retail ▶ Use well established and credible Migros budget brand – good quality for low price 	<ul style="list-style-type: none"> ▶ More than 500 000 customers since its launch in 2005 ▶ Gain of 5% market share for market leader Swisscom

4. Success Stories: Reduce to the max!

Proposition basics in two communication examples:

Aldi Brand Value = quality for best

- ▶ **Simple proposition** that is easy to communicate & understand
- ▶ **Clear low price message** with focus on basic services Voice and SMS
- ▶ **Reduction of all disturbing “frills”** in footnotes, complicated

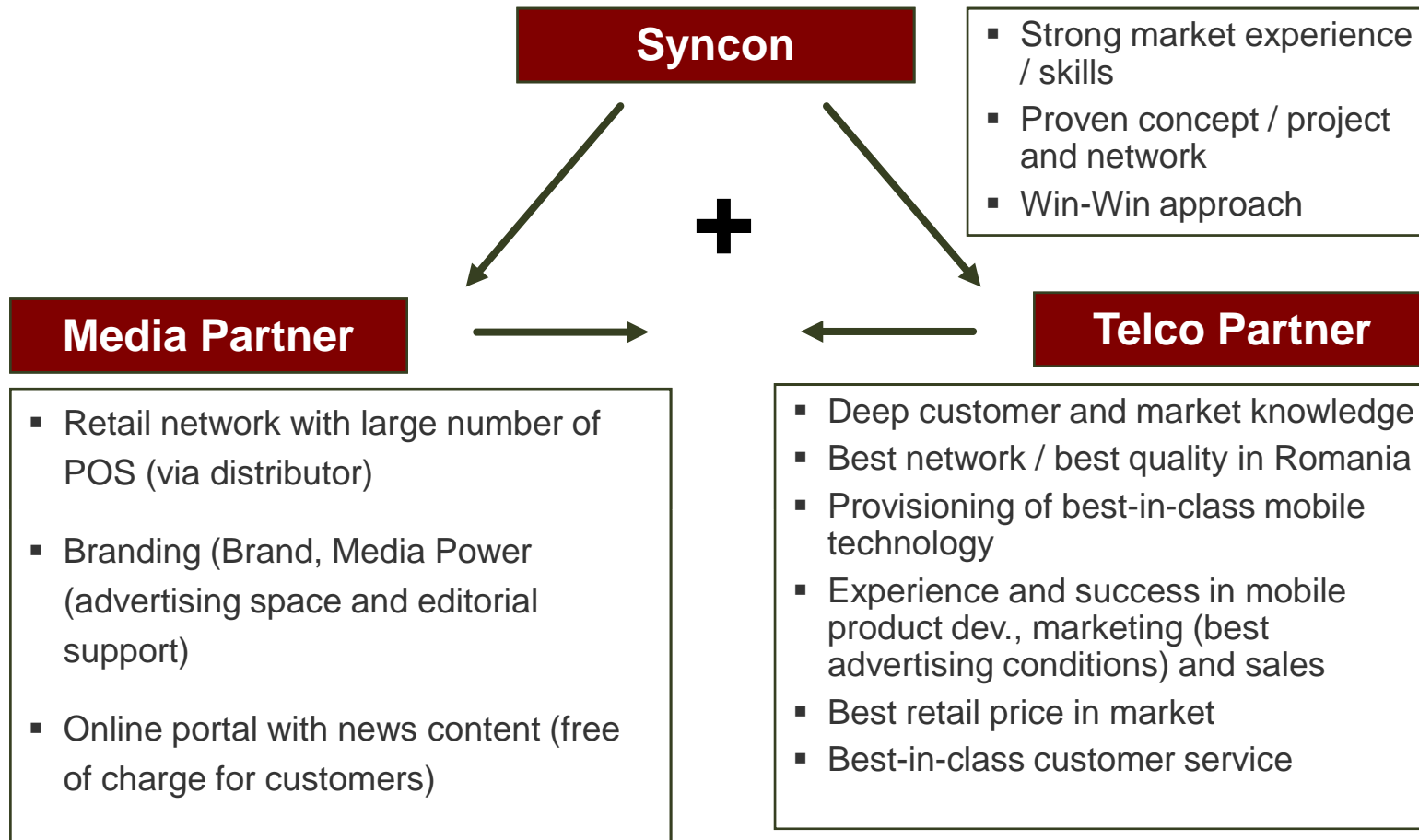
„Bild“ Content Value + Price Value

Telefonieren in alle Netze	9ct ² /min.
Grundgebühr	0,- €
Mindestumsatz	0,- €
Surfen auf dem BILD Mobilportal	0,- € ³
BILDbobil Starterset inklusive 5,- € Startguthaben⁴	9,95 €

Jetzt einfach bestellen >>



4. Win-Win-Win Combination



WIN-WIN-Win Situation



5. Stepping into Mobile Publishing



5. Estimation of Mobile Advertisement in 5 Years from now!

Eric Schmidt (CEO Google.com):

„In a couple of Years, mobile advertisement will generate higher revenues than online advertisement in the classical Internet“

Estimation of mobile advert market in 2013:

10.000.000.000 €



5. Possible Disitribution of Mobile Portal

Strategies of Disitribution and Marketing

**Advertorials
Microsites**



**Banner
(classic
Online ads)**

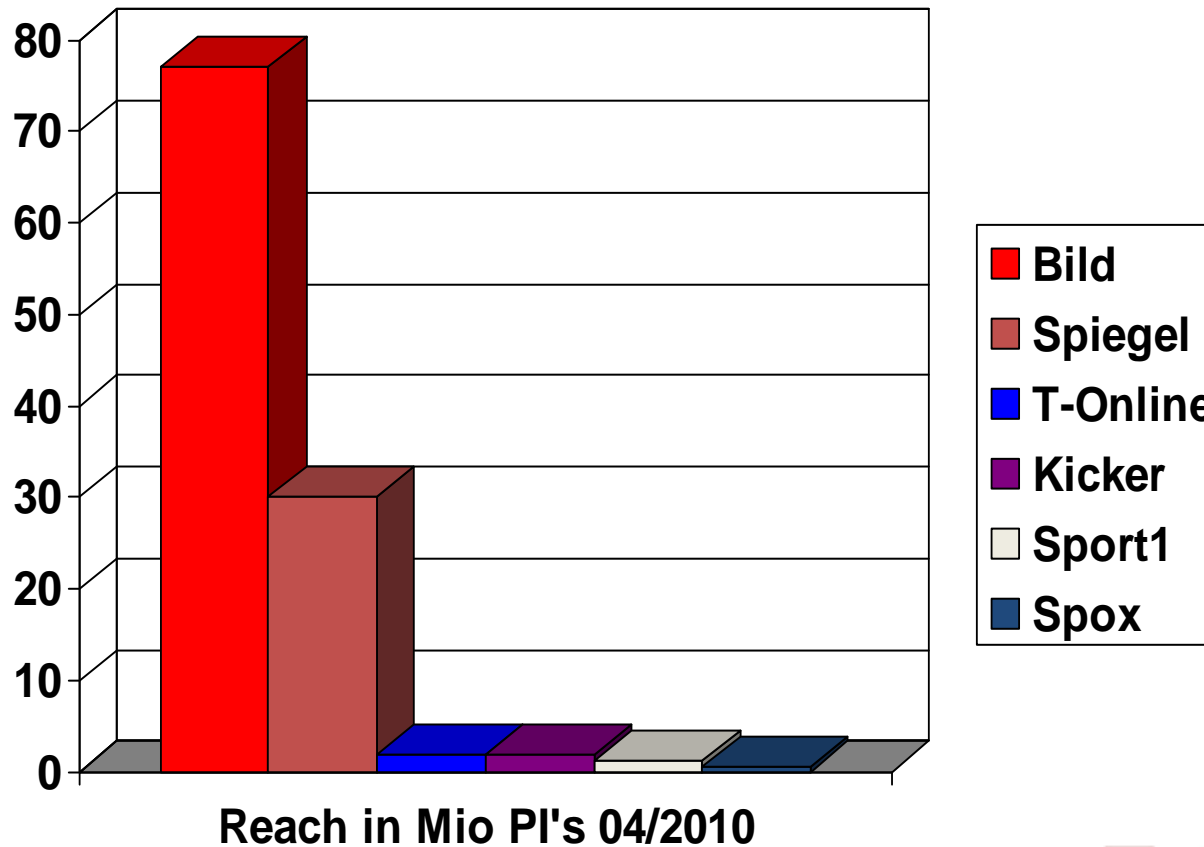


**Targeting
(Targeting
devices)**



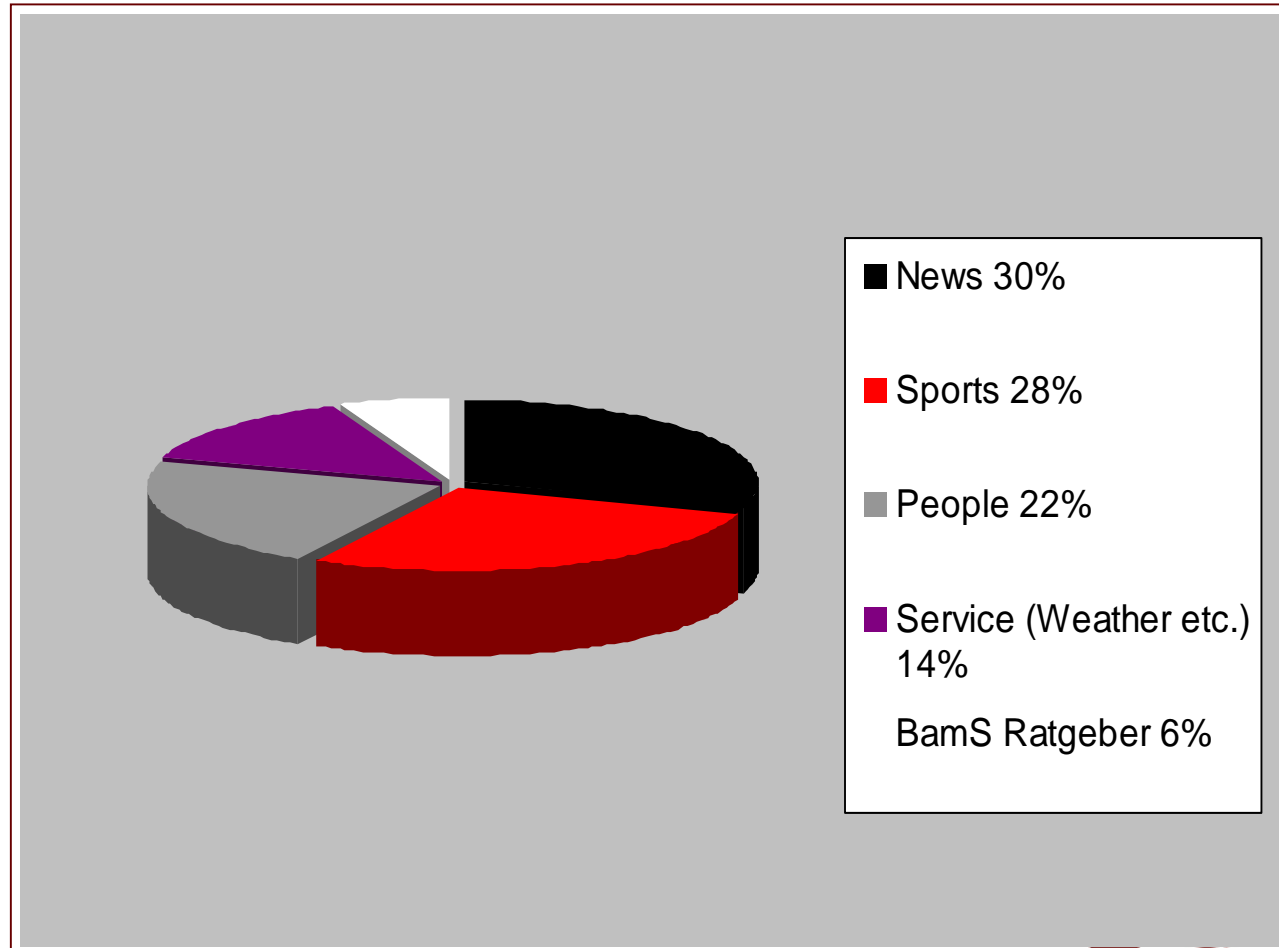
5. Multiplying Reach of Mobile News Portal via MVNO

Bildmobil has multiplied its reach via its MVNO customers by 10 times and gained market leader position in Germany from the start!



5. Usage of Mobile Portal „Bildmobil“

As of June 2008 – Data based on Usage per Customer.



6. Benefits for the Partners



6. Benefits MVNO Project

Media Partner

- Additional advertising and customer reach (competition and non-readers)
- Customer loyalty at no risk
- Marketing & sales know-how (and conditions) from one of the fastest and most innovative markets
- **Additional revenues**

Telco Partner

- **Gain no frills customers** from competition to get stability in customer base (with potential for expansion)
- Long lasting partnership with media
- No harm at own brands
- **Additional margin and gross adds**



Syncon

- Long lasting partnership
- Stepping into mobile distribution
- **Only variable success fees, no risk for partners!**



6. Financial Benefits MVNO Project

Media Partner

- Project Advance Payment
- Commission on Sales, upsales etc.
- Distribution of Mobile Portal (high reach because of MVNO)



Telco Partner

- New clients
- Revenues at less risk
- Future cooperation and upselling

Syncon

- Long lasting partnership
- Variable success fee (25%), based on whole project revenues



6. Benefits MVNO Project

- No risk for Media Partner!
- Syncon will offer Project planning, development and management -> market proven one-stop Solution!
- Only Revenue Sharing!



Kontakt Information



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