

CCS Pricing Portal and Research - Product summary and methodology

The CCS Insight Pricing portal displays prices of devices from leading manufacturers at different points in the supply chain. The research focuses on European distribution channels. The portal tracks over 1,000 models in the enterprise and consumer segments, totalling more than 105,000 data points that stretch back to 2004. All prices are quoted in euros but users can set their own currency exchange rate and change the prices to dollars or pounds.

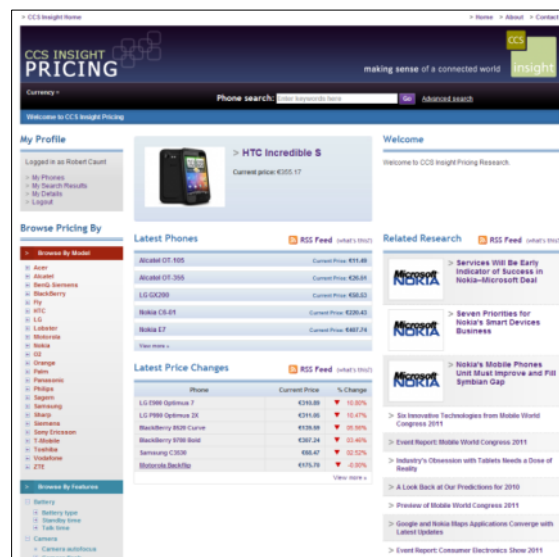


Figure 1: CCS Pricing Portal home page
Source: CCS Insight

The data is fully searchable, with tools that compare features and prices. Users can download pricing data and the charts that are created on the site. Features of the site include:

- A price chart showing the development of estimated operator transfer, wholesale and dealer prices since a product's launch.
- A "traffic light" system that compares the specifications features and operator transfer prices of up to six models and indicates whether compared devices are better or worse than the lead device. Users can select the lead product and comparison devices.
- A price graph that compares up to 18 specified models or an average price graph, which produces a single line of average operator transfer prices for each product.
- Search options by feature, manufacturer or model name as well as an advanced option that allows searches on all data sets in combination with dates and price ranges.
- A summary page of the latest devices added to the database and the latest month-on-month changes in estimated operator transfer prices.
- A service that allows clients to contact CCS Insight and ask for specific contributions to projects the client may be undertaking.

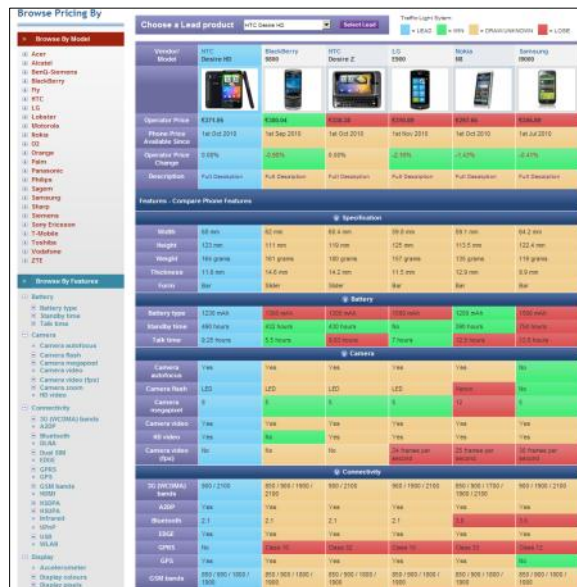


Figure 2: Comparing phone specifications using "traffic light" system
Source: CCS Insight

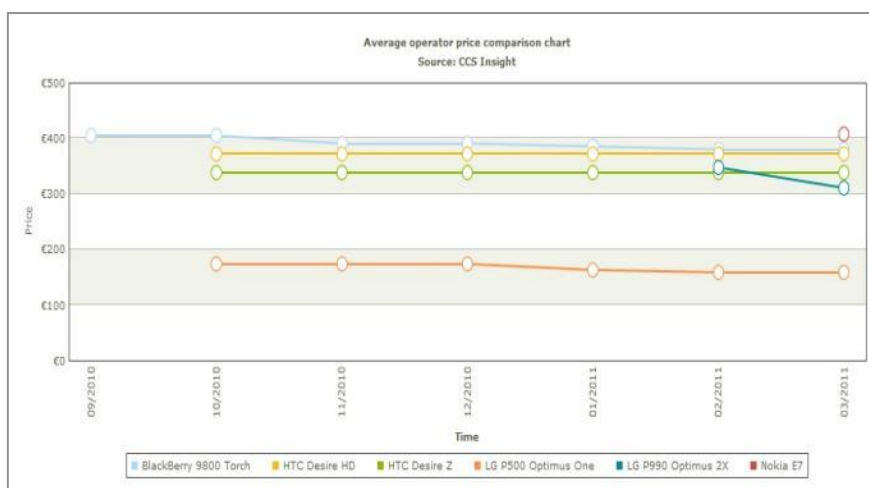


Figure 3: Comparing average operator prices of individual phones
Source: CCS Insight

Methodology of Wholesale Pricing Report

CCS Insight continually tracks the prices of handsets that pass through dealer and reseller distribution channels. Each month we receive between 25 and 35 price lists from across Europe. These lists are received by the fifth working day of every month, from which we estimate operator transfer prices and margins, based on the algorithms that are programmed into the database.

The data is published simultaneously on the CCS Insight Pricing portal and in a CCS Insight Wholesale Pricing Research report that is e-mailed to clients. New products are displayed on the home page of the Pricing portal and the most important price changes are displayed beneath the new devices on the portal.

Pricing Research Deliverables

CCS Wholesale Pricing Report

This report includes two Microsoft Excel spreadsheets and an accompanying executive summary. The Excel files show the dealer, wholesale and operator transfer prices for each model and any changes in operator transfer price compared with the previous month. A pricing matrix table shows all current devices on the market and an enterprise device table provides a subset of this data by focusing on smartphones aimed at business users.

The executive summary is a detailed overview of the prices of new handsets, price changes of older handsets and an analysis of how these price changes affect devices' positioning.

Devices Landscape

This deliverable is two Microsoft PowerPoint slides that map the positioning of post-paid devices two quarters ahead. One slide covers touch devices; the other looks at qwerty phones. CCS Insight only includes products that have been publicly announced.

The positioning of these devices relates to a full subsidy in 24-month contracts between £15 and £45. This deliverable is updated with new handsets and sent to clients at the beginning of each month.

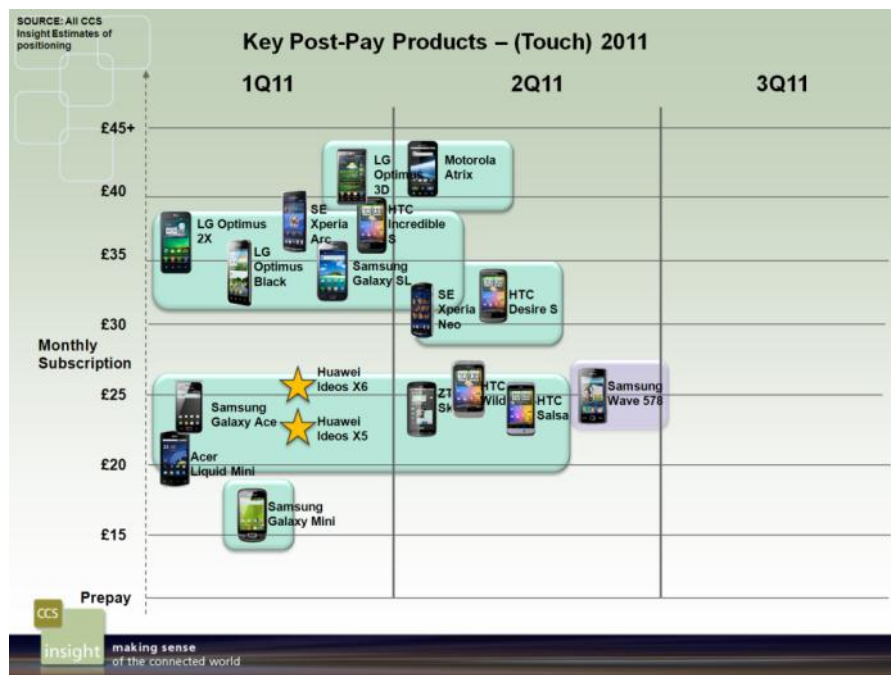



Figure 4: Devices Landscape slide
Source: CCS Insight

Pricing Definitions

Our pricing research is taken from the sources mentioned above. Each device price is produced as a mean of the prices derived from these various sources. All prices in our research are without subsidy and exclude sales tax where appropriate.

Average prices				 RSS Feed	 CSV Export
Month	Operator	Wholesale	Dealer		
Jul 2010	€359.14	€378.05	€406.50		
Aug 2010	€359.14	€378.05	€406.50		
Sep 2010	€359.14	€378.05	€406.50		
Oct 2010	€351.63	€370.14	€398.00		
Nov 2010	€351.63	€370.14	€398.00		
Dec 2010	€351.63	€370.14	€398.00		
Jan 2011	€351.63	€370.14	€398.00		
Feb 2011	€345.89	€364.10	€391.50		
Mar 2011	€345.89	€364.10	€391.50		

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Figure 5: Example of a device price history from the Research Portal
Source: CCS Insight

Operator Price. This is the estimated price paid by the largest distribution partners for devices. Typically these are operator clients but may also include other large distribution partners. Operator prices are derived by extrapolating data for dealer price and wholesale price and applying a final algorithm. It is important to note that we do not include here an assessment of additional discounts off the invoice price. This calculation estimates the invoice price that operators pay as the largest purchasers of these devices. Typically they buy in tens of thousands of units.

Wholesale Price. This is our estimate of the amount paid by larger distributors and wholesalers. It is derived by applying algorithms within the database to several trade price lists. This price will always be lower than the prices paid by the dealers and smaller retailers. We average wholesale prices based on price depreciation rates between dealer and wholesale levels. Typically wholesalers buy in high thousands of units.

Dealer Price. This is the estimated sell-through price of a device to a dealer. It is the price that small dealers and smaller online and high-street retailers will pay for their devices. We contact several European dealers directly to determine an average of the most recent dealer prices. Typically dealers buy in batches of hundreds of units.