

Mobile Video – the road ahead

CANNES - February 18, 2002 – Mobile multimedia services are presenting operators with a golden opportunity to generate traffic, revenues and customer loyalty. However, the real breakthrough for video services in Europe will not happen before 2005, concludes leading wireless advisor Northstream in a new report pointing out trends and timelines on the mobile video roadmap.

Mobile video is one of the key applications that will directly benefit from high-speed mobile network technologies such as GPRS and 3G. Over the last two years the wireless community has seen the launch of the first mobile multimedia services in Japan and later in Korea. Technology enhancements in both mobile network systems and terminals have made these extraordinary services possible.

“Mobile video is one of the most attractive applications for the users. But we do not foresee a major take-off for mobile video in Europe until 2005,” says Anders Lindqvist Co-founder of Northstream.

In a new report Northstream draws the roadmap and timeline for the rise of mobile video in the European market:

- **MMS (Multimedia Messaging Services)** has a huge potential to become as successful as SMS. According to several market studies there seems to be a strong demand for MMS. During 2002, the wireless community will see more MMS terminals commercially available and MMS infrastructure contracts placed in Europe. However, we will have to wait until Q3-Q4 2003 to see a critical mass of MMS capable terminals.
- **Mobile video on demand**, including both video streaming and video download services. The large number of companies developing and offering applications has been affected by the economic downturn, facing the potential threats of undersupply or expensive handsets, financial insecurity for the developers, lack of clear cut business cases and unresolved copyright issues. Mobile audio and video distribution services will most likely constitute a very small market over the next 2 years. This is a service likely to realise its full potential with the introduction of 3G networks and more VOD capable terminals.
- **Video telephony services**, including video conferencing services is already a reality in Japan. In Northstream's opinion, mass-market mobile video telephony services will most likely not take off in Europe before 2005. Last year saw the breakthrough of video conferencing, especially after September 11, with an all-time-high for sales of video conferencing equipment, indicating a real user demand for such services.

"Mobile video is one of the most clear cut cases so far showing users the advantage of high-speed mobile data networks like GPRS and 3G. Although the market will not see a major breakthrough until 2005, there are a lot of difficult tasks and issues that need to be solved, so the time to prepare is now," says Anders Lindqvist, Co-founder of Northstream, who predicts some tough years ahead for companies focused solely on mobile video.

" It is likely that the market, especially for video-on-demand, will consolidate and the number of companies will decrease substantially. And we still do not have a clear view of results of the plans of such heavyweights as Ericsson, Nokia and Microsoft."

Northstream's latest report "The competitive landscape of mobile video on demand" is available from February 19th 2002. To purchase a copy: place your order by sending an email to videoreport@northstream.se, clearly indicating name, company and invoice address.

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About Northstream:

Northstream provides strategic technology and business advice to the global wireless industry. Northstream has assembled a multinational team with some of the world's best experts and analysts on wireless communication business and technology. Northstream works for several of the world's leading operators and system suppliers, e.g. Vodafone, AT&T, NTT DoCoMo, SmarTone, Sonera, Mitsubishi, Ericsson, Nokia and Siemens. Northstream also works for other consultancies such as Accenture and some of the leading investment banks and financial institutions. Northstream is established in Stockholm (Sweden), Sophia Antipolis (France), Tokyo (Japan), Hong Kong (HK) and Henley on Thames (UK).

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