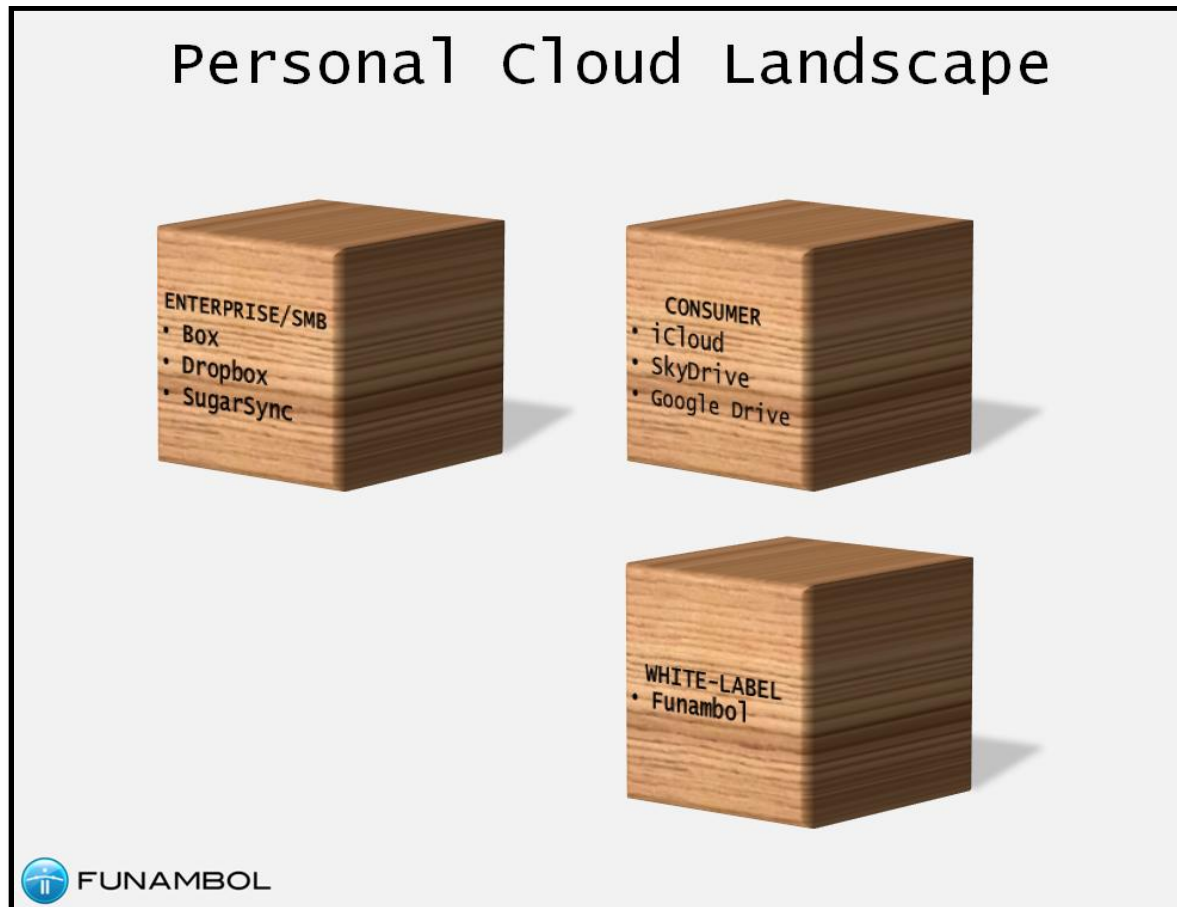


8 of the Largest Mobile Operators Use Funambol

Funambol exclusively provides a white-label personal cloud solution to companies that provide it to customers, rather than offer a direct business-to-consumer service. This is a B2B2C model, meaning, we work with businesses who work with consumers. We view the personal cloud market as the following.



Some companies focus on enterprises and small & medium businesses , while others target consumers. Of the latter, there are B2C services such as Apple iCloud and white-label solutions like Funambol.

As a white-label solution, few people know of our company, even though our solution is behind some of the largest personal cloud services in the world. Despite this, our customers are tight-lipped about their use of our software. They do not want to publicize the use of our software for various reasons. Generally, this is because they do not want to tip off competitors as to whose software they are using or they do not want others to know that their personal cloud service is based on third party technology.

As a consequence, Funambol may be the best-kept secret in the personal cloud industry. We are like the 'Intel Inside' of personal clouds, with the slight difference that Intel is just a tad bigger :)

Funambol has had to 'bite our tongues' over the years when talking about customers. All we could say are things like, one of the largest smartphone manufacturers, or one of the largest carriers, or one of the largest content providers... in the world is using our software, without naming names.

To provide a sense of the number of companies and people using a service based on Funambol, this [wikipedia chart](#) ranks mobile operators by subscribers, from China Mobile's 745M to Tele2's 38M.

Rank	Company	Main market (100% revenue unless noted otherwise)	Technology	Reported subscribers (as of date)	Total subscribers (as of date)	Ownership
1	China Mobile	China	UMTS	744.9M (July 2013)	744.9M (July 2013)	Government of China (51.2%) Public (48.8%)
2	Vodafone	UK	UMTS	430.0M (December 2013)	430.0M (December 2013)	Public (100%)
3	Airtel	India	UMTS	362.0M (December 2013)	362.0M (December 2013)	Public (100%)
4	America's Best	USA	UMTS	351.0M (June 2013)	351.0M (June 2013)	Public (100%)
5	T-Mobile	USA	UMTS	345.0M (December 2013)	345.0M (December 2013)	Public (100%)
6	Orange	France	UMTS	331.0M (30 June 2013)	331.0M (30 June 2013)	Public (100%)
7	AirTel	India	UMTS	325.0M (December 2013)	325.0M (December 2013)	Government of India (49.2%) Public (50.8%)
8	Telecom Italia	Italy	UMTS	320.0M (March 2013)	320.0M (March 2013)	Telecom Italia (100%) Public (100%)
9	China Telecom	China	UMTS	315.0M (January 2013)	315.0M (January 2013)	Government of China (51.2%) Public (48.8%)
10	AT&T Group	USA	UMTS	310.0M (June 2013)	310.0M (June 2013)	AT&T Intellectual Property (100%) Public (100%)
11	China Telecom	China	UMTS	305.0M (June 2013)	305.0M (June 2013)	Government of China (51.2%) Public (48.8%)
12	BT Group	UK	UMTS	300.0M (December 2013)	300.0M (December 2013)	Public (100%)
13	T-Mobile	Germany	UMTS	295.0M (December 2013)	295.0M (December 2013)	Public (100%)
14	Telecom	India	UMTS	290.0M (December 2013)	290.0M (December 2013)	Public (100%)
15	Telecom	India	UMTS	285.0M (December 2013)	285.0M (December 2013)	Public (100%)
16	Telecom	India	UMTS	280.0M (December 2013)	280.0M (December 2013)	Public (100%)
17	Telecom	India	UMTS	275.0M (December 2013)	275.0M (December 2013)	Public (100%)
18	Telecom	India	UMTS	270.0M (December 2013)	270.0M (December 2013)	Public (100%)
19	Telecom	India	UMTS	265.0M (December 2013)	265.0M (December 2013)	Public (100%)
20	Telecom	India	UMTS	260.0M (December 2013)	260.0M (December 2013)	Public (100%)
21	Telecom	India	UMTS	255.0M (December 2013)	255.0M (December 2013)	Public (100%)
22	Telecom	India	UMTS	250.0M (December 2013)	250.0M (December 2013)	Public (100%)
23	Telecom	India	UMTS	245.0M (December 2013)	245.0M (December 2013)	Public (100%)
24	Telecom	India	UMTS	240.0M (December 2013)	240.0M (December 2013)	Public (100%)
25	Telecom	India	UMTS	235.0M (December 2013)	235.0M (December 2013)	Public (100%)
26	Telecom	India	UMTS	230.0M (December 2013)	230.0M (December 2013)	Public (100%)
27	Telecom	India	UMTS	225.0M (December 2013)	225.0M (December 2013)	Public (100%)
28	Telecom	India	UMTS	220.0M (December 2013)	220.0M (December 2013)	Public (100%)
29	Telecom	India	UMTS	215.0M (December 2013)	215.0M (December 2013)	Public (100%)
30	Telecom	India	UMTS	210.0M (December 2013)	210.0M (December 2013)	Public (100%)
31	Telecom	India	UMTS	205.0M (December 2013)	205.0M (December 2013)	Public (100%)
32	Telecom	India	UMTS	200.0M (December 2013)	200.0M (December 2013)	Public (100%)
33	Telecom	India	UMTS	195.0M (December 2013)	195.0M (December 2013)	Public (100%)
34	Telecom	India	UMTS	190.0M (December 2013)	190.0M (December 2013)	Public (100%)

Of the largest mobile operators in the world, 8 have deployed or are launching a personal cloud service based on Funambol. These operators collectively have more than one billion subscribers. So far, a fraction of their subscribers are using their personal cloud service. However, the clear trend is that for operators that have deployed their service longer, they are seeing a strong uptick in usage. As time goes by, there will be substantially more usage and there is a lot of room for growth. Projections by our customers typically estimate user base penetration at more than 10% over 3+ years.



Of the top operators in the world, a few have decided to not offer a personal cloud service yet. A key predictor of success for a personal cloud service is that a good percentage of people in a market should have smartphones and the ability to afford mobile data. Failure of either implies slow uptake. Several large operators are in developing markets where these conditions are not yet present.

Aside from these, a few other operators have deployed an alternative service. The rest are deciding whether to offer one or are choosing one. Developing their own personal cloud service is not an option for most companies, as this is far too expensive, difficult and time-consuming.

For operators actively considering a solution, Funambol is in discussions with several. The drivers for them include competitors in their market launching a comparable service, or 4G networks becoming available and they are looking for a 'killer app' to leverage high speed mobile data.

Whatever the reason, many operators have decided that now is the time to go to market, before it is too late. They know that whomever has the customer data in their cloud, has an edge with retention. Operators have seen how other personal cloud services can erode their customer base. They have decided to avoid being a passive bystander, watching their customer base diminish, and instead they intend to offer diverse value added services centered around their personal cloud service.

While Funambol may be the industry's best-kept secret, that flies under the radar screen of users, the company is poised for continued mobile operator dominance. Operators can ultimately be more successful than other providers because they can afford to offer a personal cloud service for free or low-cost to reduce churn. If a mobile operator's ARPU ranges from \$20-\$60 a month, and it costs only a few cents per month to provide a personal cloud service that reduces churn, the ROI is a no-brainer. The same value equation does not apply to other types of providers.

About Funambol

Funambol is the leader of white-label digital lifestyle personal clouds. Funambol solutions have been deployed by leading mobile providers, including operators, device makers (OEMs), content companies and system integrators.

If you would like to learn more about how mobile providers are going to market with a Funambol-powered personal cloud service, visit the Funambol website at <http://www.funambol.com> or contact Funambol at <http://funambol.com/contact/contact-sales.php>.

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