

Eureca Research forecasts 155.5 million broadcast-enabled mobile phones by 2010

Phones using the Digital Audio Broadcasting (DAB) standard will account for 29.5 million units or 19% of the total global market

Bangor, Wales, UK, 30th September 2005 - Developments in broadcast technologies means that it is now possible to deliver TV and a range of multimedia content reliably to small hand-held devices such as mobile phones. This has given rise to a new business – termed mobile multimedia broadcast services (MMBS) – which will bring about the convergence of the mobile and broadcast industries.

As with any emerging business, there is a bewildering array of different technology platforms to consider, ranging from a number of digital radio and proprietary satellite multimedia standards to TV-based standards such as DVB-H and ISDB-T. Although Eureca Research expects that DVB-H will eventually become the dominant MMBS platform around the world, a lack of spectrum in UHF Bands IV and V coupled with a delay in switching-off analogue TV transmissions means that DVB-H may need to be deployed at higher L-band UHF frequencies in several European countries during the next five to ten years.

Networks in L-band will require considerably more transmitters than in Bands IV and V and will result in a significantly higher network investment, typically €450-€750 million to provide 60% population coverage for a mid-sized European country such as the UK. Another important factor will be the cost of spectrum which, if obtained at auction, could significantly inflate the total cost of deploying these networks.

“Given the billions of euros that operators have invested in 3G and the limited response to 3G services to date, I believe that companies will be unwilling to invest vast sums of money until some of the key business risk aspects of MMBS are better understood” said Gareth Owen, Research Director at Eureca Research.

Digital radio networks could offer an interesting lower risk alternative. “I expect to see a significant acceleration in the take-up of digital radio via DAB during the next 12-18 months as more spectrum becomes available in the all-important VHF band” said Owen. “With mobile TV being such a hot topic nowadays, I believe that many countries will use a lot of this new capacity for mobile TV-type services. I also think that the present 20% data limit on DAB multiplexes will be relaxed in most countries, which would lead to more capacity” he added.

Commercial mobile TV services based on the Eureca-147 DAB standard will commence in the UK and South Korea in early 2006. Increasing interest in other parts of Asia, particularly China, and in other European countries, means that Eureca-147-based technology could become a second global standard rivalling DVB-H, providing it can attract wider support amongst handset vendors. Clearly, a lot will depend on progress in the UK and South Korea during 2006.

ER believes that the growth in MMBS will be led by DAB-IP and T-DMB services, initially using shared capacity on existing DAB networks, with new DAB networks dedicated to MMBS becoming available in 2006 and 2007. In the medium to long term, the terrestrial MMBS landscape in Europe will consist of numerous smaller capacity DAB networks (many offering free-to-air services) and one or possibly two larger-capacity DVB-H networks per country.

Mobile broadcast services will also be available via satellite. “With a European satellite multimedia standard due to be finalised by the end of 2005 and renewed interest from big players such as SES and Inmarsat, I believe that it is only a matter of time before we will see a satellite multimedia system over Europe” said Owen.

Eureca Research forecasts that the installed base of broadcast-enabled mobile phones will increase from approximately 450,000 at the end of 2005 to 155.5 million units at the end of 2010 representing a Compound Annual Growth Rate (CAGR) of 104.8 per cent.

Mobile phones using the DAB standard will account for 29.5 million units or 19% of the total global market representing a cumulative market opportunity of €10.1 billion for device manufacturers in the period 2005-2010.

About the Study:

“**Mobile Multimedia Broadcasting – Opportunity or threat to mobile operators?**” is a 220-page, non-commissioned, independent report providing an objective analysis of the market potential of new mobile broadcasting services during the next 5 years. As well as detailed comparison of the various technology platforms and a discussion of key business issues, the report also provides a detailed analysis of spectrum availability in Europe and the latest information on MMBS trials and commercial services.

A key feature of the report is a 35-page review of the global roll-out of digital radio – both terrestrial and satellite - detailing how existing digital radio networks are being used to deliver multimedia content today, and how digital radio broadcasting can be used to offer mobile TV and music downloads services with minimal investment in network infrastructure.

Detailed 5-year global forecasts of MMBS growth broken down by technology and by region are provided, including forecasts for non-phone devices such as personal music players, portable video players, mobile PCs and automotive devices, which will also be equipped with mobile broadcast receivers.

Almost 100 interviews were undertaken to research this study, including interviews with regulators in 17 European countries in order to provide the most up-to-date spectrum and regulatory picture for mobile broadcast services.

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Further information about this study can be obtained by visiting <http://www.eureca-research.com>, by e-mail at sales@eureca-research.com or by phone on +44 1248 364 281 or +44 784 165 2086

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