

M:Metrics Press Release

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FOR IMMEDIATE RELEASE

Ringin(Back) Into the New Year
As interest in ringtones wanes in Europe, ringbacks are a positive note for the mobile music industry

SEATTLE and LONDON—January 10, 2007—2006 opened with the ringtone industry coming out of temporary insanity brought about by Crazy Frog, and ended with a whimper. According to M:Metrics, the mobile market authority, while ringtone purchasing declined in Europe and leveled out in the U.S. market, a new star was rising: the ringback tone.

The mobile measurement firm found that ringbacks have grown most aggressively in the United States, at a rate of 225 percent from the quarter ended January to the quarter ended November. Ringback subscriptions grew across Europe, at a rate of 150 percent Germany and 146 percent in the U.K. during the same period. Between July and November, ringbacks grew 12.8 percent in France and 11 percent in Spain.

Mobile Subscribers that Purchased Ringtone in Past Month 2006 (Three Month Average Ended in Month)

Table with 12 columns: Country, JAN, FEB, MAR, APR, MAY, JUN, JUL, AUG, SEP, OCT, NOV. Rows include United States, United Kingdom, Germany, France, Spain, and Italy.

Source: M:Metrics, Inc., Copyright © 2007. Survey of mobile subscribers. Data based on three-month moving average for period ending 30 November, 2006, n= 12,567 French, 14,612 German, 12,241 Italian, 12,288 Spanish, 14,907 UK and 33,736 US.

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Mobile Subscribers With Ringback Subscriptions in Previous Month 2006 (Three Month Average Ended in Month)*

Country	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV
United States	1.3%	1.5%	1.7%	1.9%	2.4%	3.0%	3.7%	3.8%	4.0%	3.9%	3.8%
United Kingdom	0.4%	0.5%	0.7%	0.7%	0.8%	0.8%	0.7%	0.6%	0.6%	0.7%	0.8%
Germany	0.7%	0.9%	1.1%	1.3%	1.3%	1.2%	1.3%	1.3%	1.4%	1.2%	1.6%
France				2.3%	2.2%	2.1%	2.3%	2.3%	2.4%	2.5%	2.5%
Spain							9.7%	9.9%	10.5%	10.0%	10.4%

Source: M:Metrics, Inc., Copyright © 2007. Survey of mobile subscribers. Data based on three-month moving average for period ending 30 November, 2006, n= 12,567 French, 14,612 German, 12,288 Spanish, 14,907 UK and 33,736 US. *Excludes 3 subscribers.

“The rise in ringbacks indicates that personalization remains an important motivation for mobile content purchases,” said Jen Wu, entertainment analyst at M:Metrics. “While we see a decrease in ringtone purchases, we do see an increase in user-created ringtones. Since it’s impossible to hack a ringback tone, this growing market is not threatened by piracy and end-user savvy.”

In fact, the firm found that the number of users who say they made their own ringtone grew from 11.3 percent in May to 12.3 in November in Germany, from 10.2 to 12.6 percent in France, from 17.1 percent to 19.1 percent in the UK and from 5.1 percent in to 6.6 percent in the U.S., during the same period. In Spain, 9.3 percent of mobile subscribers created their own ringtone in June, more than doubling to 19.7 percent in November. Italian subscribers account for the largest percentage of ringtone creators. In August, 19.2 percent created their own ringtone, growing to 20.4 percent in November.

As the world’s authoritative mobile market measurement firm, M:Metrics delivers the most accurate mobile market metrics through the largest monthly survey of mobile subscribers as well as automated data collection methodologies, including the first commercially available mobile device meter. Below are the findings of its November Benchmark Survey.

**French Mobile Subscriber Monthly Consumption of Content and Applications
M:Metrics Benchmark Survey: November 2006**

Activity	Subscribers (1000s)	Percent	% Change
Sent Text Message	30,651	70.5%	0.5%
Used Photo Messaging	9,013	20.7%	-0.2%
Browsed News and Information	3,566	8.2%	-4.3%
Used Personal E-Mail	2,731	6.3%	2.7%
Purchased Ringtone	2,346	5.4%	-1.6%
Used Mobile Instant Messenger	1,364	3.1%	0.9%
Purchased Wallpaper or Screensaver	1,007	2.3%	-6.7%
Used Work E-Mail	955	2.2%	6.4%
Downloaded Mobile Game	577	1.3%	8.0%

Source: M:Metrics, Inc., Copyright © 2007. Survey of French mobile subscribers. Data based on three-month moving average for period ending 30 November, 2006, n= 12,567

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German Mobile Subscriber Monthly Consumption of Content and Applications
M:Metrics Benchmark Survey: November 2006

Activity	Subscribers (1000s)	Percent	% Change
Sent Text Message	36,522	80.3%	0.2%
Used Photo Messaging	9,355	20.6%	-1.3%
Used Personal E-Mail	2,769	6.1%	4.3%
Purchased Ringtone	2,138	4.7%	-10.2%
Browsed News and Information	1,526	3.4%	-1.1%
Used Mobile Instant Messenger	1,374	3.0%	10.2%
Used Work E-Mail	1,268	2.8%	9.5%
Downloaded Mobile Game	1,177	2.6%	1.0%
Purchased Wallpaper or Screensaver	921	2.0%	-6.3%

Source: M:Metrics, Inc., Copyright © 2006. Survey of German mobile subscribers. Data based on three-month moving average for period ending 30 November, 2007, n= 14,612

Italian Mobile Subscriber Monthly Consumption of Content and Applications
M:Metrics Benchmark Survey: November 2006

Activity	Subscribers (1000s)	Percent	% Change
Sent Text Message	36,957	85.0%	3.3%
Used Photo Messaging	13,322	30.6%	-0.3%
Used Personal E-Mail	3,998	9.2%	3.0%
Browsed News and Information	3,074	7.1%	7.4%
Purchased Ringtone	2,596	6.0%	4.7%
Used Mobile Instant Messenger	2,560	5.9%	7.1%
Used Work E-Mail	2,011	4.6%	3.4%
Downloaded Mobile Game	1,662	3.8%	8.4%
Purchased Wallpaper or Screensaver	1,305	3.0%	10.2%

Source: M:Metrics, Inc., Copyright © 2007. Survey of Italian mobile subscribers. Data based on three-month moving average for period ending 30 November, 2006, n= 12,241

Spanish Mobile Subscriber Monthly Consumption of Content and Applications
M:Metrics Benchmark Survey: November 2006

Activity	Subscribers (1000s)	Percent	% Change
Sent Text Message	26,174	84.4%	1.5%
Used Photo Messaging	8,771	28.3%	-2.6%
Used Personal E-Mail	2,910	9.4%	-3.4%
Purchased Ringtone	2,598	8.4%	-2.5%
Used Mobile Instant Messenger	2,286	7.4%	-1.8%
Browsed News and Information	2,136	6.9%	-3.4%
Used Work E-Mail	1,733	5.6%	2.6%
Downloaded Mobile Game	1,598	5.2%	3.8%
Purchased Wallpaper or Screensaver	1,028	3.3%	-0.5%

Source: M:Metrics, Inc., Copyright © 2007. Survey of Spanish mobile subscribers. Data based on three-month moving average for period ending 30 November, 2006, n= 12,288

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**U.K. Mobile Subscriber Monthly Consumption of Content and Applications
M:Metrics Benchmark Survey: November 2006**

Activity	Subscribers (1000s)	Percent	% Change
Sent Text Message	37,956	86.3%	1.3%
Used Photo Messaging	13,204	30.0%	-1.1%
Browsed News and Information	6,339	14.4%	2.0%
Used Personal E-Mail	3,071	7.0%	9.4%
Purchased Ringtone	2,248	5.1%	-3.1%
Downloaded Mobile Game	2,061	4.7%	5.6%
Used Mobile Instant Messenger	1,843	4.2%	6.8%
Used Work E-Mail	1,635	3.7%	10.4%
Purchased Wallpaper or Screensaver	926	2.1%	-3.1%

Source: M:Metrics, Inc., Copyright © 2007. Survey of U.K. mobile subscribers. Data based on three-month moving average for period ending 30 November, 2006, n= 14,907

**U.S. Mobile Subscriber Monthly Consumption of Content and Applications
M:Metrics Benchmark Survey: November 2006**

Activity	Subscribers (1000s)	Percent	% Change
Sent Text Message	76,814	38.4%	2.4%
Used Photo Messaging	29,797	14.9%	2.4%
Browsed News and Information	21,312	10.7%	-4.5%
Purchased Ringtone	17,795	8.9%	1.7%
Used Personal E-Mail	16,727	8.4%	-2.3%
Used Mobile Instant Messenger	12,772	6.4%	-10.1%
Used Work E-Mail	9,997	5.0%	-1.7%
Downloaded Mobile Game	7,347	3.7%	8.4%
Purchased Wallpaper or Screensaver	5,912	3.0%	0.8%

Source: M:Metrics, Inc., Copyright © 2007. Survey of U.S. mobile subscribers. Data based on three-month moving average for period ending 30 November, 2006, n= 33,736

About M:Metrics Data

Based on continually refreshed samples of nationally representative mobile phone consumers, M:Metrics reports summarise market size, device reach, and key demographic and mobile phone usage characteristics.

The data presented here is drawn from an extensive survey questionnaire that collects specific device model and carrier subscription information from each month's sample of mobile phone subscribers, and also drills down into specific details related to current and past usage of various mobile phone applications and content. Data collected from each sample are statistically balanced and projected to the total national population of mobile phone subscribers.

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