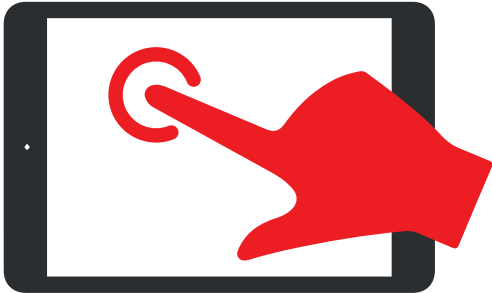




THE MOBILE ECONOMY 2016

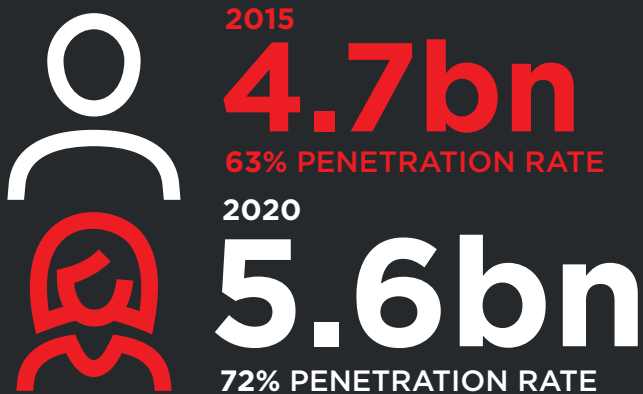


The digital transformation we are witnessing across most industry sectors and throughout the world presents a clear opportunity for players from across the mobile ecosystem. The challenge is to seize the opportunity and to respond through service innovation.

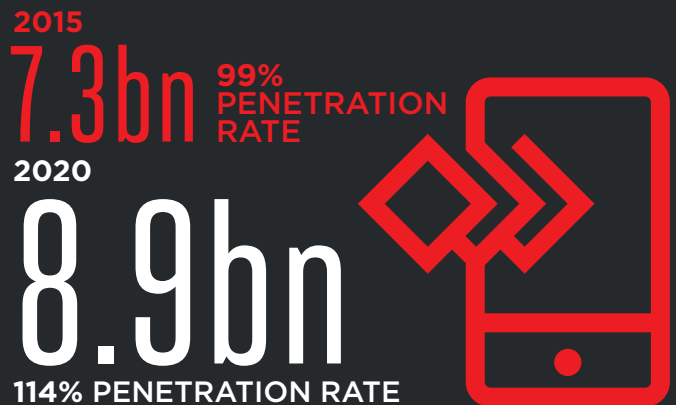
Against the backdrop of a renewed and flexible regulatory environment, consumers and society as a whole will reap the benefits of significant technological and socio-economic development.

Mobile is pivotal to the global economy, both as an industry in itself and an enabler for adjacent sectors and services.

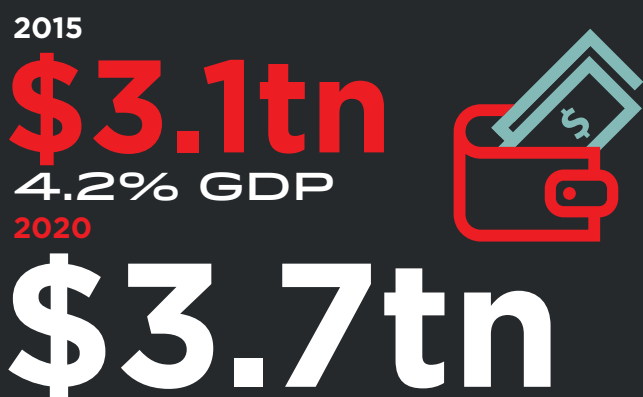
Unique subscribers



Connections (excl M2M)



Contribution to GDP



Capital expenditure



ACCELERATING MOVES TO MOBILE BROADBAND NETWORKS AND SMARTPHONE ADOPTION

Mobile broadband connections to increase from 47% of total in 2015 to

71%
by 2020

By 2020, there will be

5.8bn
smartphones, growth of 2.6bn from the end of 2015

Data traffic to grow by a CAGR of

49%
over the period 2015-2020

MOBILE CONTRIBUTING TO ECONOMIC AND SOCIAL DEVELOPMENT ACROSS THE WORLD



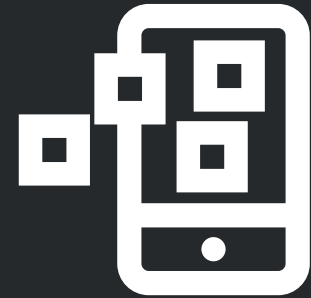
Delivering digital inclusion to the still unconnected populations

Mobile internet penetration
2015: 44% | 2020: 60%



Delivering financial inclusion to the unbanked populations

270 live services in 90 countries as of December 2015



Delivering innovative new services and apps

Number of M2M connections to reach **1bn** by 2020

Policymakers all over the world are working to implement reforms that will protect competition and consumers without impeding social and economic progress. In most markets, regulatory policies and institutions need to be reviewed, and potentially overhauled

A SUCCESSFUL REGULATORY APPROACH WOULD FOLLOW THREE PRINCIPLES:

Technology-agnostic:

1 Regulation should be technology-agnostic and achieve its objective in the most efficient way regardless of the technologies, industry structures or legacy regulatory regimes.

A "clean-slate" approach

2 Regulation needs to accommodate rapid changes in markets, technologies and business models, while ensuring sufficient regulatory confidence for companies to take risks.

Bottom-up

3 Regulatory reform should follow a bottom-up approach that takes entirely new approaches into consideration.

OPPORTUNITY

Following these principles should ensure a new regulatory framework will apply consistently to all elements of the digital ecosystem, regardless of the technology or business model in use. As well as being cost-effective, it will be flexible because it will allow markets and technologies to evolve while preserving and enhancing regulators' ability to achieve their objectives.