



SIMALLIANCE PREDICTS GROWING ROLE IN MOBILE SERVICES

Prague: 25th April, 2006 - SIMAlliance board representative Olivier Leroux today urged the entire SIM industry to work even closer together to drive service revenue and boost customer loyalty for operators in a keynote speech at SIM 06 in Prague.

After announcing a solid 34 per cent rise in orders and total card sales of just under 1.2 billion in 2005, Leroux focused on the new challenge of growing average revenue per user (ARPU) and reducing subscriber acquisition costs (SAC) through customer retention in the mobile industry's mature markets. While emerging markets continued to record rapid growth in 2005 - South America registering a huge 82 per cent rise - the Asian and Western European markets delivered more sober increases of 21 per cent and 18 per cent respectively.

"In mature markets the mobile industry must boost ARPU and lower SAC to engineer growth," reported Leroux. "The SIM is perfectly placed as a management vehicle for new service development. The challenge now is to create an environment that enables operators to generate more revenues, customise and personalise handsets, deliver digital rights management, and enter new markets."

The annual SIMAlliance research highlighted the trend towards higher memory cards as operators continue to add more services. Sales of 64K cards increased by over 70 per cent, while the number of 128K plus cards shipped in 2005 rocketed by over 200 per cent.

For the first time, SIMAlliance members shipped more Java cards than all other card options combined to reflect the thirst for the interoperable solutions that encourage new applications and service options. Similarly S@T, the SIMAlliance's wireless internet browsing solution, grew steadily to 8 per cent of total sales.

Finally Leroux highlighted the SIMAlliance's ongoing work to produce workable standards that boost service delivery and management.

"Over the next year we need to turn today's thinking into tomorrow's standards. The SIMAlliance is committed to pioneering open, interoperable standards across the mobile ecosystem. We will continue to knock down barriers to simple service deployment wherever it exists: on cards, handsets, and networks."

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Notes to Editors

The SIMAlliance figures reflect sales from members over the course of 2005. If you would like to see the statistics in full please use any of the following methods:

- Call Neil Stoneman on +44 (0)7976 942 377
- Email Neil Stoneman at neilstoneman@nowcommunications.co.uk

About SIMalliance

SIMalliance is the world's leading consortium of SIM interest groups. Representing approximately 80% of the global SIM card market, SIMalliance's mission is to steer industry innovation and champion the high value business benefits that SIM services deliver.

Axalto, Gemplus, Giesecke & Devrient, Microelectronica Española, Oberthur Card Systems, Sagem-Orga, Prism, ST Incard and Xponcard are all SIMalliance members.

visit www.simalliance.org or email info@simalliance.org for more information