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FLO Forum Reacts to EU Commission Communication on European Mobile TV Market

- *Industry wide criticism of threat to free and fair competition in region -*
- *“GSM success story” is not directly replicable to mobile TV-*

LONDON – Wednesday 18th July 2007 – The FLO Forum, a global body of more than 80 companies, today reacted to the European Commission’s Communication on “Strengthening the Internal Market for Mobile TV”.

The FLO Forum applauds the Commission’s efforts to advance the high potential mobile TV opportunity in Europe, including the focus on spectrum, harmonisation, standardisation and regulation. However, the FLO Forum believes that the Communication’s intention of favouring any one particular mobile TV technology for Europe could stall the advancement of a healthy European mobile TV eco-system.

Dr. Kamil A. Grajski, President, FLO Forum said of the Commission’s Communication: “The FLO Forum supports the principle of technology neutrality, which the major European industry groups have been calling on the Commission to respect¹. There is a reason why the principle of technology neutrality exists and that is to ensure that the market can choose which technology delivers the most attractive solution for the consumer. Each country has its own unique market conditions and each mobile broadcasting technology standard has very different performance characteristics. Locking the European market into one technology model is potentially harmful to the

¹ For example, see positions by the European Mobile Broadcast Council, the European Broadcasting Union, the GSM Association and GSM Europe, the UMTS Forum, the BMCO Forum, World DMB and the Digital Interoperability Forum.

growth of mobile broadcasting in Europe and will hinder the development of innovative technologies.”

“Despite its youth, the mobile TV marketplace already offers multi-standard and multi-technology products and services - from chipsets to broadcast network transmission equipment. It is now cost-effective and routine to consider multi-modal mobile TV handsets. These developments should allow for the take up of attractive broadcasting services that will enable economies of scale. Technology is not the problem, but restriction of choice will be,” added Grajski.

“The Commission’s support for DVB-H for mobile broadcasting in Europe is based, in part, on the suggestion that a mobile TV technology mandate, like the GSM mandate, is necessary to achieve economies of scale and to position European companies globally at the technology forefront. But the analogy is contrary to the market reality today,” said Grajski. “The mobile TV industry is still in its early stages, but the GSM mandate came after GSM had launched with wide commercial success. Technology mandation for mobile TV in Europe is not supported by the facts,” Grajski continues.

Regarding FLO technology, Grajski notes that “recent independent trials of FLO technology in the UK involving several EU-based FLO Forum members highlighted significant technical advantages, which lead to savings on infrastructure spending. FLO offers twice the capacity of DVB-H, or alternatively the same capacity, but with a network build out with significantly reduced cost. This can translate into millions of euros difference in capital and operating expenditures for a network.”

Concluding, Grajski notes that “Technology mandation is not an appropriate regulatory tool in innovative and dynamic markets such as mobile TV, especially where the market remains undecided and where the technology continues to evolve rapidly.”

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About FLO Technology

FLO technology is an air interface with multicasting capabilities designed to increase capacity and reduce content delivery costs to mobile handsets. FLO technology enables mobile users to see and hear high quality video and audio, browse news, sports and weather updates, or watch the stock ticker – wherever they are, anytime, and without delays.

Designed from the ground up specifically to multicast significant volumes of rich multimedia content, FLO enables wireless operators to cost-effectively deliver news,

entertainment, and informational programming in clips and streaming video to millions of mobile users at once. FLO provides the technology for distributing multimedia content efficiently and economically without impacting current networks.

FLO technology is a global open standard, with key standards published by the Telecommunications Industry Association (TIA), including in October 2006 three Minimum Performance Standards and the Test Application Protocol for both Devices and Transmitters published as TIA-1102, 1003, 1004. In July 2006 the FLO Air Interface Specification was published as TIA-1099 and the FLO Transport Layer Protocol was published as TIA-1120 in May 2007. Additional Work Items are in progress. The FLO Forum is fully committed to standardising FLO technology at all levels of the protocol stack and developing a thriving ecosystem for the technology.

About the FLO Forum

The FLO Forum is a multi-company initiative committed to advancing the global standardisation of FLO™ technology. Composed of industry-leading organisations, the FLO Forum works to develop products and services, based on FLO technology, that enable the delivery of advanced multimedia services to wireless consumers. The FLO Forum is organised to promote the global standardisation of FLO technology, including compliance and certification benchmarks for the technology. For more information on membership and the FLO Forum, please visit www.floforum.org.

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