

Operators Could Slash Mobile Data Costs by 60 Per Cent per Year, says Bridgewater Systems Report

*New research highlights cost reduction strategies and new service revenue
models for a sustainable mobile data future*

Ottawa, Canada – February 8, 2010 – Bridgewater Systems (TSX: BWC), the mobile personalization company, today announced the publication of new research into the mobile data surge, highlighting cost reduction strategies that can save mobile operators up to 60 per cent per annum by 2013. The report, "*Towards a Profitable Mobile Data Business Model*" is available to download at <http://campaigns.bridgewater.com/forms/ProfitableMobileDataModel>.

News

- *Towards a Profitable Mobile Data Business Model* highlights the impact of growing 3G penetration, lower cost smartphones and USB dongles, new tablets like the iPad, and the popularity of mobile applications on the growth in mobile data traversing operators' networks.
- It investigates the causes of mobile network congestion and the best methods to alleviate it based on exclusive research conducted by independent research firm Chetan Sharma Consulting. It also provides insights into new service models underpinned by Bridgewater's deployment experiences with operators and customer case studies from Ovum and Morgan Stanley.
- *Towards a Profitable Mobile Data Business Model* looks at both network congestion management strategies and operator data pricing models with the following conclusions:
 - **Policy control** could contribute substantial annual cost savings of over 10 per cent, equating to more than \$15 billion in annual cost reduction by 2013 in the US market.
 - **Operators deploying a data traffic offload strategy** to Wi-Fi, femtocells or 4G could expect savings of 20 to 25 per cent per annum by 2013, representing \$30 to \$40 billion in the US market.
 - **The evolution to HSPA and LTE** could save just under 20 per cent in network costs by 2013, saving US operators \$25 billion by 2013.
 - **Flexible, dynamic, and personalised pricing models** that reflect subscribers' preferences and context, bandwidth and application usage, and network conditions will better align data revenues with network costs for the first time. New models include:
 - Tiered and usage based models that take a smarter approach to service personalization and fair usage;
 - Application-specific charging, to generate appropriate revenues from high-bandwidth services;
 - Time-based models that charge based on time spent on the network; and
 - Mobile advertising and mobile commerce funded approaches.

Quotes

Chetan Sharma, President, Chetan Sharma Consulting

“The popularity of smartphones, mobile laptop dongles and flat-rate data plans has brought explosive growth in mobile data traffic. A holistic approach to managing this traffic including policy control, mobile data offload, and evolution to 3.5G and 4G is critical or costs could exceed revenues and become unsustainable by 2012 or sooner.”

Steven Hartley, Senior Analyst, Ovum

“Mobile broadband profitability requires a holistic approach. Operators must adopt a range of technical solutions to manage costs, from traffic management tools, through to data offload and LTE or WiMAX. However, these will need to be allied with commercial approaches that protect revenues, such as tariff innovation and the enforcement of fair usage policies.”

David Sharpley, Senior Vice President, Bridgewater Systems

“Our new report highlights the importance of implementing a multi-pronged strategy to reduce mobile data costs and network congestion including policy control, data traffic offload, and migration to 3G and 4G. By coupling this strategy with personalized service models based on subscriber usage, operators can benefit from a more profitable mobile data business model.”

Visit Bridgewater Systems and see the Data Offload and Smart, Policy Control Demonstrations at Mobile World Congress, Hall 1 - Stand 1F47, February 15-18, 2010, Barcelona, Spain. Join Bridgewater's Russ Freen, Chief Technology Officer, at the 'Network Breaking Point' session to discuss solutions for managing mobile data growth on February 17th at 2:00 PM.

Tags / Keywords

Bridgewater Systems, Chetan Sharma Consulting, Ovum, Morgan Stanley, Policy Control, RAN Congestion Mobile data traffic offload, mobile data growth, tiered services, Mobile World Congress

Links

<http://campaigns.bridgewatersystems.com/forms/ProfitableMobileDataModel>

<http://www.bridgewatersystems.com/Data-Offload.aspx>

<http://www.bridgewatersystems.com/policy/>

<http://www.ovum.com>

<http://www.chetansharma.com>

http://www.morganstanley.com/institutional/techresearch/mobile_internet_report122009.html

About Bridgewater Systems

Bridgewater Systems, the mobile personalization company, enables service providers to efficiently manage and profit from mobile data services, content and commerce. The company's market leading mobile personalization portfolio provides a real-time, unified view of subscribers including entitlements, devices, networks, billing profiles, preferences and context. Anchored by Bridgewater's Subscriber Data Broker™, the portfolio of carrier-grade and standards-based

products includes the Bridgewater® Service Controller (AAA), the Bridgewater® Policy Controller (PCRF) and the Bridgewater® Home Subscriber Server (HSS). More than 140 leading service providers including America Movil, Bell Canada, Clearwire, Cox, Hutchison Telecom, Iusacell, Scartel, SmarTone-Vodafone, Sprint, Tata Teleservices, Tatum, Telmex, Telstra, and Verizon Wireless use Bridgewater's solutions to rapidly deliver innovative mobile services to over 150 million subscribers. For more information, visit us at www.bridgewater.com.

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