

International Carrier Sales & Solutions (ICSS).

White Paper

Bonn, 17. August 2010

CONX.

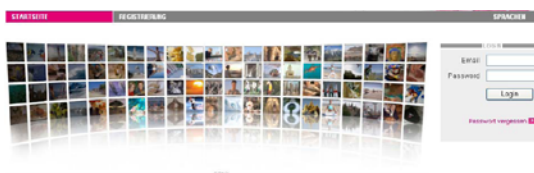
A Dynamic Response to Market Requests Is SaaS.

The content delivery market provides many opportunities to participate. Deutsche Telekom International Carrier Sales & Solutions (ICSS) is looking into growth areas where telecoms, the Internet, and content meet. A vast market is developing around premium online entertainment and digital content.

ICSS stepped into a new role in the content business by launching its content exchange platform – CONX, a new sales platform for content and an automated, lean method of selling and buying content online.

CONX is a global business-to-business marketplace for audiovisual content, a secure and easy-to-use environment for content owners and distributors, and a place to showcase and distribute digital content to the world's buyers. Content eXchange simplifies the transactions between content producers and buyers.

A new commercial model: sensing the changing market conditions for CONX, ICSS has launched a software-as-a-service offering (SaaS) and a white-label solution for content producers in need of a platform that serves as both an asset management tool and a marketing tool in collaboration with our partner Mediapeers. This latest addition to the portfolio shows our commitment to the platform and our partnership with Mediapeers, as well as our dynamic response to emerging market requests and evolving customer needs.



Welcome to ICSS's content exchange platform – CONX.

- A global business-to-business marketplace for audiovisual content
- A secure and easy-to-use environment for content owners and distributors
- A place to showcase and distribute digital content to the world's buyers

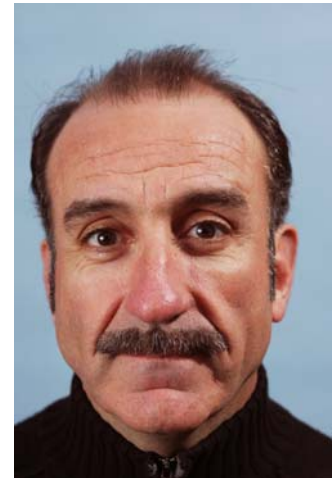
The solution will consist of Bronze, Silver, Gold and Platinum levels. Each level will have a fixed, monthly recurring charge and will bundle several capabilities. The white-label option will only be available at the Gold and Platinum levels. In addition to the monthly charge, customer web customization will incur a one-time fee.

Andres Jordan,

Head of Innovative Content Solutions at ICSS, gives his view on future market developments. In addition to CONX, Andres launched ICSS's Content Delivery Solution in 2009.

How will the wholesale business develop in the next five years?

"In an interesting twist, the wholesale business has always been focused on the customer experience starting with quality voice services. I think that the wholesale business has to maintain this 'experience' focus. The term



"wholesale," however, is one that I am not fond of; I just don't think that it is a good brand. To me, the word has an amorphous feeling that does not impart a sense of experience and quality. With that as a basis, I think that we need to develop the business along platforms and services that drive the creative impulse.

Let me explain: everything we do is basically a creative impulse derived from our desire to do a particular action, be it making a call or watching a video on our smartphones. It is critical that we make the platforms and services experience-focused so that we can drive the creative impulse of our users more due to that superb customer experience. The better the experience, the more creative impulses we will have to watch a movie on that handset, to send a text message, to use that broadband connection more, and to make more calls."

International Carrier Sales & Solutions (ICSS).

Will the “wholesale” terminology still be the same?

“As I mentioned before, we need to develop a new language to serve the new markets that we carriers have to go after. These markets have their own language and pursuing them using our old terminology simply does not work. As we learn the language of new markets, we have to be cognizant not to use our own terminology because we will lose people. We have to adapt and change our narrative to one that is familiar to our new customer base. We should thus talk about integrated supply chains, B2B2C platforms, content exchange, SaaS, or collaboration platforms, and so on - this is the terminology that we need to learn and learn fast.”

What will be the future focus in terms of demand, products, and business?

“This is a complex question. Based on what has happened to AT&T and their experience with the iPhone, for example, once the creative impulse that I spoke about has been liberated, it can cause massive headaches on the networks that provide that experience. As we go about designing the next generation products, we therefore have to adopt technologies that allow for a quick ramping up of capacities. I think this is driven by people not really knowing what they want until they discover it and then, of course, massively adopting the discovered products, be it the iPhone, Facebook, or Twitter. This is what innovation is all about, really. It is about putting products out there that intuitively people may want to use, but they are not absolutely sure.

It is risky but I believe that new web-based technologies - and their reduced costs - allow for more experimentation, reducing overall risks for everyone in the supply chain.”

What will a future wholesale customer look like?

“The future is diverse and it is already here. We have media companies buying CDN services with a real-time imperative that we have never experienced before. We have others using our B2B exchange for buying and selling audio-visual content, others buying IPX services, and yet others may want to buy services in a platform that handles identity management in the future. This is

the beauty of digital technologies; they disrupt absolutely and create resolutely.”

How important is the topic of “partnering”?

“Partnering is absolutely critical; there is also a new narrative regarding business models and the new key words are ‘partner’ and ‘revenue sharing.’ I think we need to move away from building everything and instead create value by partnering with best-in-class technology companies that are agile and hungry. This is what we have done until now and it has been effective. The key is to learn and constantly improve on the process of choosing and selecting partners, which is becoming a skill in itself. New digital technologies allow for this trend to happen; through a world of open APIs everything can be interconnected, reported on, and accounted for.”

What is “innovation”? What will it mean in five years time?

“Innovation is about experimenting and trying new things and new products and quickly ridding ourselves of the ones that do not work. We call this fast failing. But where there is failure there is constant learning and where there is new learning there is “fast gaining” when new ideas work. We are still learning about innovation management, as well as the discovery of new insights and the creation of platforms to serve these new insights. It is a young science if we can call it that. I think the age of building products in labs detached from reality is over. In the next five years, we will learn what works in innovation management and, as we learn best practices, we will be able to develop an innovation ‘algorithm’ that maybe, just maybe, we can apply to all idea generation and creation. It is an absolutely fascinating job and very challenging because you have to be multidimensional and quickly learn how to capture value with partners in new areas of business. The innovation model must constantly be tweaked and optimized to deliver results quicker and less costly.”



International Carrier Sales & Solutions (ICSS).

Birgit Kempe
Customer Value Management
Deutsche Telekom
International Carrier Sales & Solutions (ICSS)
birgit.kempe@telekom.de

Learn more about our innovative offering:
www.telekom-icss.com

ICSS – one partner for all your needs:

- Global voice trader of first choice
- Transition leader to the all-IP world
- Outstanding voice outsourcing solutions
- Component provider for the content and media segment
- Best-in-class roaming and messaging solutions
- Highly-experienced wholesale VPN player
- Industry-leading customer care