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PLUGGED IN – FOLLOW UP THOUGHTS

1. **Strategic Vision:** *Strong consumer adoption of selected mobile apps must lead to sustainable business models. As pervasive mobile interactions measure up to the **trillions**, every cent will count.*

→ **Comment:** We envision a strategic shift in the business models of media companies. Revenues will combine monetized value, as afforded by consumers, with a broader value of corporate purpose. Savvy companies will advertise and sell dynamically and more effectively to a captive mobile audience.

2. **Advanced Features:** *Smarter mobile devices will integrate location information, rich media, and video. Live media will give rise to a new breed of “always on” interactive apps embedded in consumer lifestyles.*

→ **Comment:** We believe that improving the consumer experience will be decisive. Creative apps and social games will tap behavioral segmentation, coupled with real-time and background streaming of personalized video content to engage consumers in more constant and gratifying ways.

3. **Pervasive Data:** *Social media and crowd-sourcing will reaffirm the role of mobile devices for personal participation and control. Data management will straddle corporate, cloud, and mobile platforms.*

→ **Comment:** We see a multifaceted explosion of granular and time-sensitive mobile data. Advanced apps will tap dynamic mining and pattern recognition of billions of customer events to deliver more sophisticated functions that capitalize on both centralized and distributed information.

4. **An Apple a Day:** *Building on the iTunes model, the success of iPhone apps has given Apple a temporary edge. Innovative features should help competitors attain an “apples to apples” comparison.*

→ **Comment:** We think that in the long run, apps will need to suit multiple platforms. Meanwhile, Apple competitors must invest in a vibrant ecosystem of apps developers to “keep the doctor away” and jump ahead by delivering creative value in media consumption and lifestyle usage.

5. **Pirates From Beyond the Caribbean:** *Digitalization will erode traditional media and advertising revenue. Commercial content will face public access to the Web and rampant piracy of digital media.*

→ **Comment:** We acknowledge Apple’s control of the apps and digital content through iTunes. The proliferation of published and public digital media will increase the burden of control, so companies should derive new revenues from the immediacy and personalization of supplementary content.