



GLOBAL INNOVATOR IN PERSONAL COMMUNICATIONS

Jabra in China

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Lu Min, Manager, Jabra, China



Jabra in China

Lu Min – Manager, P.R. China, Joined Jabra in October, 2003

10 years' experience in Mobile communication industry with Ericsson, Alcatel and Schlumberger China.

- Sales offices and regional managers in Beijing, Shanghai & Guangzhou
- SSC (Shared Service Center) in Xiamen for the logistics and sales administration
- Customers Service Center in Xiamen to support both China and APAC distributors and end users



Mobile Subscriber Market Data for China 2004

- Chinese mobile subscribers reached 361 million (by end of Aug. 2004)
 - GSM subscribers: 272 million
 - CDMA subscribers: 25 million
 - PHS subscribers: 64 million
- Mobile penetration at approximately 28%
- The MII (Ministry of Industry and Information) projects 52 million new subscribers in 2004
- YTD growth = 44 million new subscribers by Aug, 2004
- Data from MII reports in Sept.,04



Major Mobile Operators in China

- CMCC: (China Mobile) The biggest mobile carrier in the world
 - 191 million GSM subscribers (by Aug. 04)
- China Unicom: 2nd mobile operator in China
 - GSM subscribers: 80 million
 - CDMA subscribers: 25 million
- China Telecom: The biggest fixed line & PHS operator
 - PHS subscribers: 35 million
- China Netcom: The fixed line & PHS operator
 - PHS subscribers: 29 million



Bluetooth Market in China

- Bluetooth market started warming in 2004 with several BT handsets introduced by Sony Ericsson, Motorola and Nokia.
- Major domestic mobile manufacturers will begin to deploy Bluetooth in 2005.
- Bluetooth handsets are expected to take about 5% of total phone sales in China in 2004.



Bluetooth headset import in China

- Bluetooth headsets require SRRC (State Radio Regulatory Commission) type approvals prior to being offered for sale in China.
- Bluetooth headsets not manufactured in China also require import licenses from the Ministry of Commerce.
- The import licenses are controlled by the Ministry of Commerce which to date only grants such licenses to the Mobile handset manufacturers.



Bluetooth Headset Retail Sales in China

- The price of BT headsets is still relatively high and thus we target on the high-end market, reflecting the segment held by BT handsets.
- The overall mobile accessory market in China, including the hands-free category, is less developed than in EMEA and NA regions.
- Major mobile retail chains including the CES channel demand high entry costs from vendors.
- In-store sales & promotions are typically seen as the responsibility of vendors.
- Brand awareness and product recognition are essential to consumer acceptance in China.



Jabra's China Strategy for 04 & 05

- Focus on Beijing, Shanghai & Guangzhou's mobile retail market
- Become the 1st mover in the general accessory segment and branded hands-free category in the retail channel
- Implement an aggressive retail merchandising program to support category and brand awareness
- Creatively develop sales channels where the market is developing in the defined target market cities:
 - Car sales channel
 - Local operator programs
 - Key account bundle programs
 - Co-branding opportunities with domestic manufacturers
- Validate Jabra's products, concepts, procedures and processes in a well defined area before expanding toward a nationwide market presence