SGS INVESTOR DAYS 24 – 25 OCTOBER 2013 USA

SGS TELECOM SERVICES

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Investor Days, 24-25 October 2013

WHEN YOU NEED TO BE SURE

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TELECOMMUNICATION CONTEXT

- Global telecommunication operator revenue exceeded USD 2 trillion in 2012 (report from Ovum*)
- New technologies are challenging the status quo
  - New communication protocols, e.g. 4G or Long Term Evolution (LTE)
  - Communication traffic is transferred from Voice to Internet Protocol (IP)
  - Video transfer is becoming the main bandwidth consumption
  - Cloud solutions are modifying the rules in terms of data geographical jurisdiction
- Commercial models are shifting
  - Mobile Virtual Network Operators (MVNO) are ubiquitous
  - Over-The-Top Content (OTT) providers are taking the lead vs. Internet providers

*Press release

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GOVERNMENTS SITUATION

- Governments around the world are realising that managing their telecommunication sector is becoming increasingly more difficult in today's complex environment
- Most emerging countries currently lack the appropriate solutions and processes surrounding the regulation of the telecommunications industry, in particular concerning:
  - Declaration of volumes and revenue, for taxation and telecom levies
  - Fraud, which reduces legitimate operators revenues
  - Billing systems certification, to avoid over-charging subscribers
  - Quality of service, to ensure correct communication between subscribers
  - Mobile-phone Money transactions, to monitor money transfers
  - Devices quality and conformity, to ensure health & safety of end-users

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SGS TELECOMMUNICATION SERVICES

- Since 2011, SGS is proposing a portfolio of services for governments to support the end-to-end enforcement of their regulations
- The services have been developed following interactions with several telecommunication regulatory authorities and the International Telecommunication Union (ITU)*
- These services provide governments with full visibility over their telecommunication sector

- Contracts have been signed in Haiti, Rwanda, Uganda and Tanzania
- The pipeline is significant with several offers under-review and new opportunities arising

**SGS is ITU sector member since 2012*

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WITHOUT REGULATORY ENFORCEMENT TELECOMS LEAK

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SGS TELECOMMUNICATION PORTFOLIO (1)

- Interconnection Management System (IMS) :
  - Providing the capacity to measure traffic volumes, to cross check if operators under-declare traffic volumes and thus revenues to the state
  - Providing accurate billing for the governments deploying levies based on telecom traffic volumes
  - Anti-Fraud Management System
  - Continuously testing all potential connections to verify that all calls are connected through legitimate operators
- Metering and Billing Certification and Approval
  - Certifying and testing operators' billing systems to ensure subscribers are correctly charged

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SGS TELECOMMUNICATION PORTFOLIO (2)

- Quality of Services (QoS)
  - Continuously testing operators' compliance with their licence agreements
- Mobile-phone Money transactions Monitoring :
  - Monitoring, in collaboration with the central bank and the revenues authorities, the mobile-phone based money payment and transfer transactions in order to avoid potential financial instability and money-laundering
- Active Device Detection (ADD) :
  - Providing visibility on the national device population in order to monitor networks access to avoid non-conform or stolen phones

SGS IN ACTION: TANZANIA CONTRACT

- In March 2013, SGS signed its first major GIS telecom contract with the Tanzania Communication Regulatory Authority (TCRA)
- The infrastructure is currently being deployed for a go-live in October, and consist of four of the key portfolio components:
  - Interconnection Management System (IMS)
  - Anti-Fraud Management System
  - Active Device Detection (ADD)
  - Mobile Money transactions Monitoring
- SGS specific added-value lies in infrastructure management, local capability building, training and technology transfer.

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TANZANIA STAFF TRAINING AT THE NOC

SGS IN ACTION:
OTHER CONTRACTS AND POTENTIAL

- SGS has already deployed its Telecom services in the following countries:
  - **Haiti:** one year contract (2011-2012) to deploy the
    - **Interconnection Management System (IMS),** and
    - **Anti-Fraud Management System**
  - **Rwanda:** subcontracting agreement (2012 – 2017) to operate the
    - **Interconnection Management System (IMS)**, and
    - **Anti-Fraud Management System**
  - **Uganda:** contract to install **Quality of Service monitoring equipments**
- 5 submissions are currently under-assessment by NRA's in relation with tenders around the world
- More new tenders are expected in the short to mid-term, as more governments are becoming aware of the benefits of these services

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FOR THE COMPLETE PICTURE

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