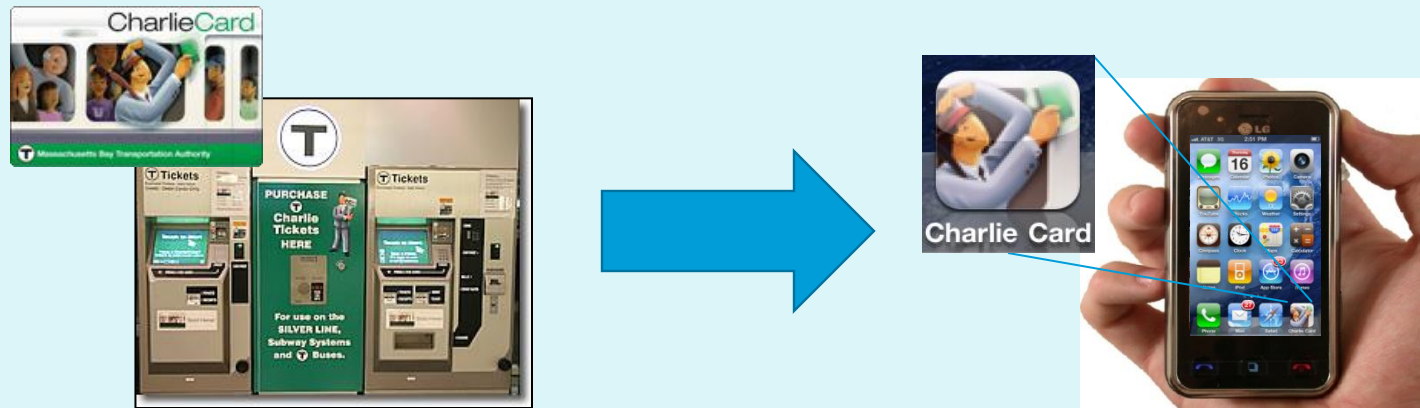


SKY highways

FARE COLLECTION SMARTPHONE APPLICATION FOR PUBLIC TRANSIT USERS



HUGH THOMAS, CEO, SKY HIGHWAYS



SKY HIGHWAYS

MOBILE SOFTWARE FOR PEOPLE ON THE MOVE

- SKY HIGHWAYS IS A SMARTPHONE SOFTWARE COMPANY WE PROVIDE:

1. SMARTPHONE APPLICATIONS FOR TRAVELERS

CONVENIENT, EASY-TO-USE TOOLS FOR PASSENGERS

2. INFORMATION DELIVERY SYSTEM FOR TRANSIT AUTHORITIES & AIRLINES

LIVE LOCATION BASED TRANSIT & GATE INFORMATION

3. CUSTOM CONSULTING & SOFTWARE DEVELOPMENT SERVICES

HELPING DEFINE SMARTPHONE STRATEGIES FOR PUBLIC TRANSIT AUTHORITIES

- COMPANY HEADQUARTERED IN RESEARCH TRIANGLE PARK, NC, USA
 - EXPERIENCED TEAM WITH OVER 10 YEARS IN SMARTPHONE SOFTWARE INDUSTRY
 - MOBILE SOFTWARE PRODUCTS IN USE BY OVER 100M MOBILE CUSTOMERS WORLDWIDE

HEADQUARTERS & DEVELOPMENT OFFICE

108 EAST MAIN STREET,
CHAPEL HILL, NC 27510, USA
PHONE: +1 919 636 9995
E-MAIL: INFO@SKYHIGHWAYS.COM

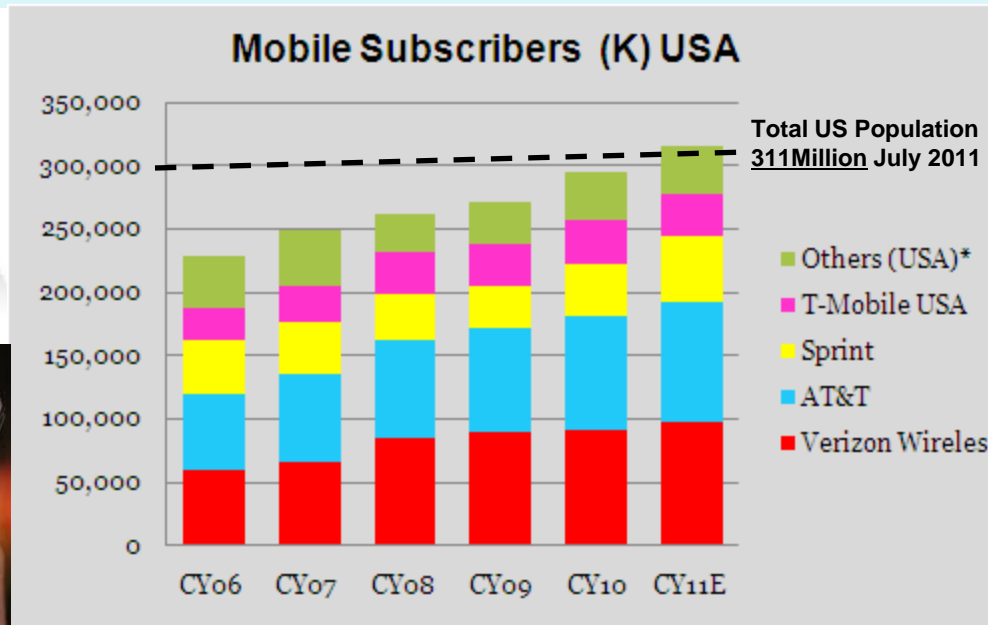
US REGIONAL SALES:

EAST COAST (BOSTON, MA) +1 617 942 0065
WEST COAST (SAN FRANCISCO, CA) +1 415 335 9547

[HTTP://WWW.SKYHIGHWAYS.COM](http://www.skyhighways.com)

The Mobile Phone Phenomenon

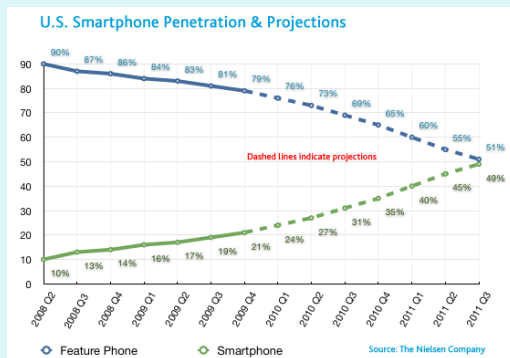
- JULY 2011 - FIRST TIME IN USA HISTORY :
"MORE MOBILE SUBSCRIBERS THAN PEOPLE IN USA"
- DEC 2010, TOTAL US WIRELESS SUBSCRIBERS = 303M
- DEC 2011 FORECAST* FOR TOTAL SUBS > 330M



*Source CTIA WIRELESS DEC 2010 & Gartner Feb 2011

The Smartphone era has arrived

- USA LEADS THE WORLD IN SMARTPHONE ADOPTION
- IN THE USA:
 - APPROXIMATELY 1 PERSON OUT OF 3 CARRIES A SMARTPHONE
 - ✦ UP FROM APPROX 1 OUT OF EVERY 5 LAST YEAR
 - 100 MILLION PEOPLE IN 2011 UP FROM 65 MILLION IN 2010
 - IN 2011 SMARTPHONES >50% NEW PHONE PURCHASES
 - ANALYSTS* PREDICT BY END SEPTEMBER 2011, AND TOTAL GROWING AT CAGR >75%
 - CONSUMERS BUY OVER 25% OF THE WORLD'S SMARTPHONES
 - ✦ WW SALES OF SMARTPHONES IN Q1 WERE 99.6 MILLION UP FROM 55 MILLION IN Q1 2010
 - ✦ WW SALES OF SMARTPHONES IN 2011 FORECAST 472 MILLION UP FROM 305 MILLION IN 2010



Vendor	1Q11 Shipments	1Q11 Market Share	1Q10 Shipments	1Q10 Market Share	1Q11/1Q10 Change
Nokia	24.2	24.3%	21.5	38.8%	12.6%
Apple	18.7	18.7%	8.7	15.7%	114.4%
Research In Motion	13.9	14.0%	10.6	19.1%	31.1%
Samsung	10.8	10.8%	2.4	4.3%	350.0%
HTC	8.9	8.9%	2.7	4.9%	229.6%
Others	23.2	23.2%	9.5	17.1%	143.7%
Total	99.6	100.0%	55.4	100.0%	79.7%

Source: IDC Worldwide Quarterly Mobile Phone Tracker, May 5, 2011

*Source Nielsen Company & IDC report May/June 2011

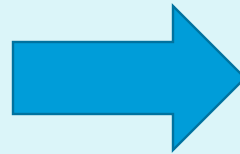
Smartphone Apps for Public Transit users



- SMARTPHONE TRANSIT APPS

- PASSENGER FRIENDLY TRAVEL INFORMATION DIRECTLY ON PHONE
- MOST COMMON FEATURES : **MAPS, SCHEDULES, LIVE BUS TRACKERS**
- VERY POPULAR APPLICATION CATEGORY WITH OVER 300 PUBLIC TRANSIT APPLICATIONS ON APPLE APP STORE ALONE
- TRAVEL APPS AVAILABLE ON ALL MAJOR SMARTPHONE PLATFORMS
 - ✦ iPhone, Android, Blackberry, Windows, Symbian, etc.

The Fare Collection App



- SMARTPHONE FARE COLLECTION APP FOR PASSENGERS
 - VIRTUAL "TICKET VENDING MACHINE" FUNCTIONS
 - CUSTOMIZED FOR REGIONAL TRANSIT AUTHORITIES
 - SUPPORTED ON MAJOR SMARTPHONE PLATFORMS
 - ✦ iPhone, Android, Blackberry, Windows

Benefits of Smartphone Fare Collection

- **FOR THE PASSENGERS**

- IMPROVED CONVENIENCE
- "TICKET VENDING MACHINE" IN YOUR POCKET
- NO WAITING IN LINE AT STATION
- INFORMATION ANYTIME, ANYWHERE
- SAFE, HYGENIC & EASY TO USE



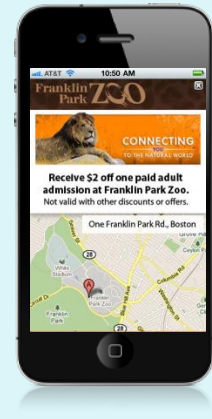
- **FOR THE TRANSIT AGENCY**

- **COST SAVINGS FOR TRANSIT AUTHORITY**
 - OPEX & CAPEX SAVINGS
 - REDUCE MAINTENANCE COSTS TODAY
 - REDUCES BUILD OUT REQUIREMENTS FOR REMOTE STATIONS & FEEDER ROUTES
- **ADDITIONAL REVENUE FOR PUBLIC TRANSIT**
 - NEW BUSINESS MODELS
- **CUSTOMER SERVICE**
 - BETTER COMMUNICATION



Fare Collection + More

- COMPLETE TRAVEL APP FOR PASSENGERS
COMBINES FARE COLLECTION, TRAVEL TOOLS & CUSTOMER FEEDBACK
- 5 APPS IN ONE:
 1. TRAVEL CARD ACCOUNT MANAGEMENT
 2. LIVE INFORMATION DELIVERY
 3. LIVE TRAVEL TOOLS
 4. CUSTOMER FEEDBACK
 5. LOCATION BASED EVENTS & PROMOTIONS



Considerations for Smartphone Apps

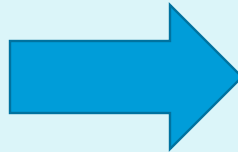
- **SOFTWARE LIFECYCLE SUPPORT & MAINTENANCE**
 - MANAGING MOBILE PHONE SOFTWARE IS NOT SAME AS A WEBSITE
 - NEEDS SUSTAINABLE BUSINESS MODEL & DEDICATED ENGINEERING SUPPORT TEAM
- **SECURITY**
 - LOST OR STOLEN PHONE
 - HACKERS & LEGAL COMPLIANCE
- **PUBLIC PRIVACY**
 - CASH IS ANONYMOUS
 - USER EXPERIENCE
- **CUSTOMER SUPPORT**
 - SPECIALIZED TECHNICAL SUPPORT
 - MULTIPLE PHONE MODELS



What's next ?

- **FARE REMITTANCE WITH NFC ENABLED SMARTPHONES**

- REPLACEMENT OF TRAVEL SMARTCARD BY MOBILE PHONE



- **ANALYSTS PREDICT* BY 2015 >50% ALL PHONES TO CONTAIN NFC TECHNOLOGY**

- 2011 <1% PHONES CONTAIN NFC

- **FIRST GENERATION PHONES ALREADY ANNOUNCED**

- FIRST GENERATION NFC APPLICATION ALREADY AVAILABLE

*Source IDT, Barclays Capital March 2011

Summary & Conclusions

- SMARTPHONES ARE EVERYWHERE
 - CRITICAL MASS ADOPTION HAS HAPPENED
- SMARTPHONES BENEFIT MANY TRANSIT DEPARTMENTS
 - IT, MARKETING, TREASURY, ENGINEERING, FARE COLLECTION
 - ✦ IN 2005: "WHAT'S OUR WEB STRATEGY ?"
 - ✦ TODAY: "WHAT'S OUR SMARTPHONE STRATEGY ?"
- SMARTPHONE BASED FARE COLLECTION
 - CUSTOMER CONVENIENCE, COST SAVINGS & NEW REVENUE OPPORTUNITIES
 - BENEFITS NOW & INTO THE FUTURE
- PRODUCT AVAILABLE TODAY
 - BE READY TO LAUNCH NEXT MONTH

Thank you !

FOR MORE INFORMATION PLEASE CONTACT US:

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INFO@SKYHIGHWAYS.COM

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