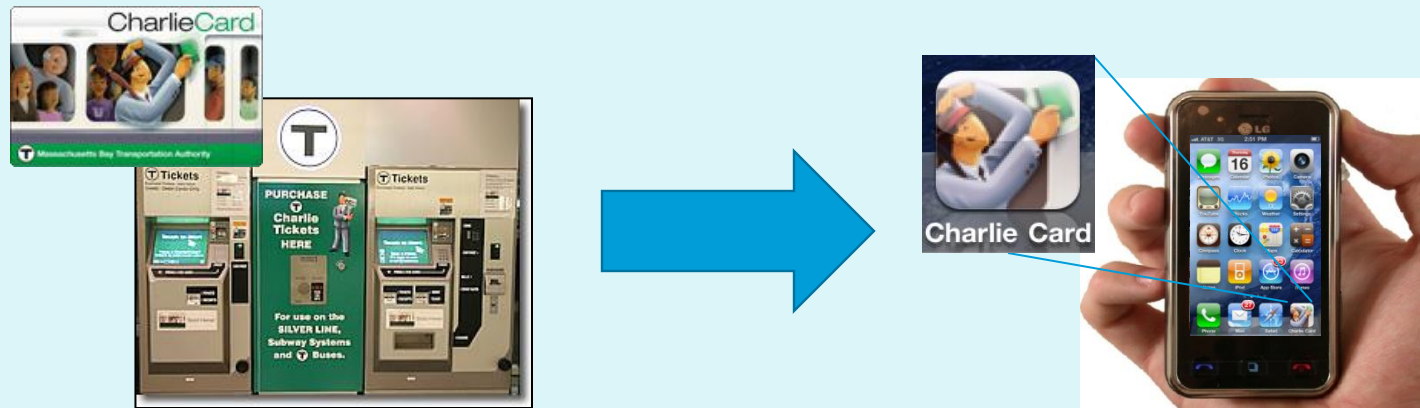


# SKY highways

## 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

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CHAPEL HILL, NC 27510, USA  
PHONE: +1 919 636 9995  
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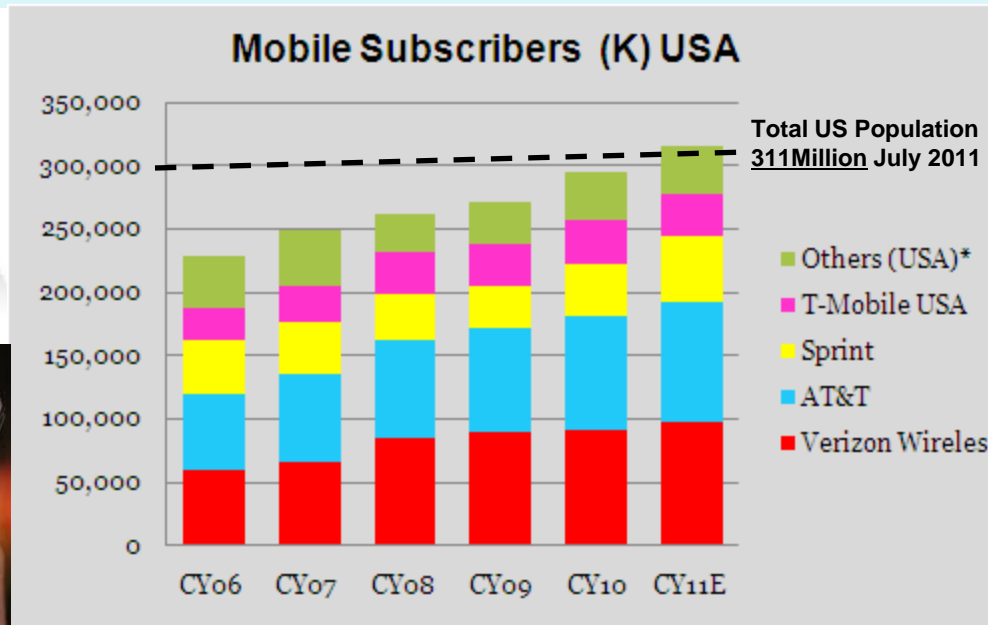
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# The Mobile Phone Phenomenon

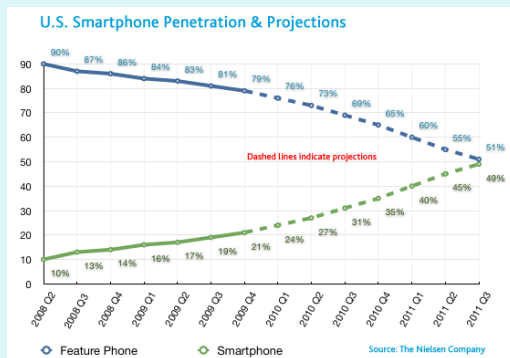
- JULY 2011 - FIRST TIME IN USA HISTORY :  
"MORE MOBILE SUBSCRIBERS THAN PEOPLE IN USA"
  - DEC 2010, TOTAL US WIRELESS SUBSCRIBERS = 303M
  - DEC 2011 FORECAST\* FOR TOTAL SUBS > 330M



\*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

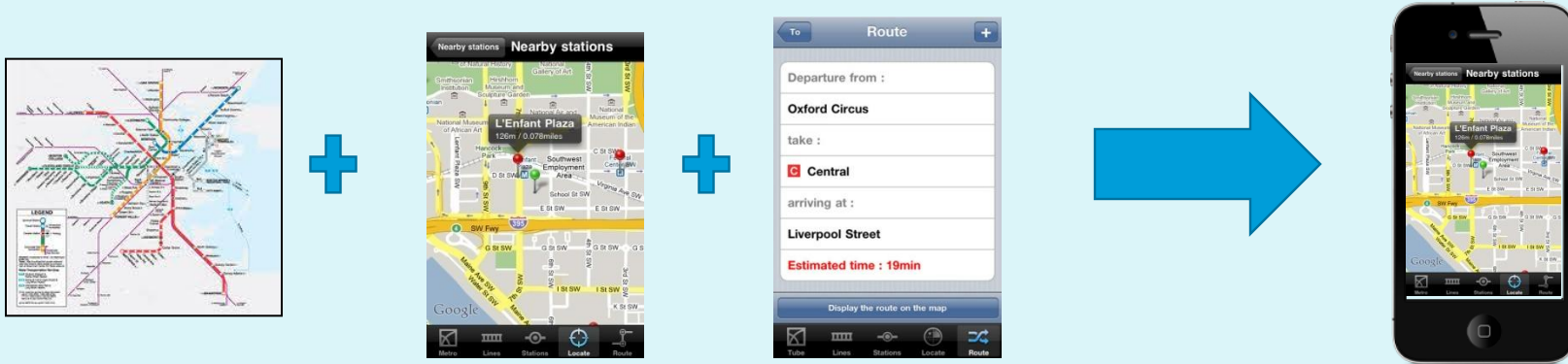


Vendor	1Q11 Shipments	1Q11 Market Share	1Q10 Shipments	1Q10 Market Share	1Q11/1Q10 Change
Nokia	24.2	24.3%	21.5	38.8%	12.6%
Apple	18.7	18.7%	8.7	15.7%	114.4%
Research In Motion	13.9	14.0%	10.6	19.1%	31.1%
Samsung	10.8	10.8%	2.4	4.3%	350.0%
HTC	8.9	8.9%	2.7	4.9%	229.6%
Others	23.2	23.2%	9.5	17.1%	143.7%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

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



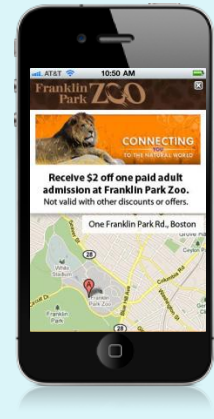
- **FOR THE TRANSIT AGENCY**

- **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

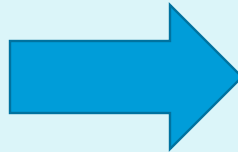
- **SOFTWARE LIFECYCLE SUPPORT & MAINTENANCE**
  - MANAGING MOBILE PHONE SOFTWARE IS NOT SAME AS A WEBSITE
  - NEEDS SUSTAINABLE BUSINESS MODEL & DEDICATED ENGINEERING SUPPORT TEAM
- **SECURITY**
  - LOST OR STOLEN PHONE
  - HACKERS & LEGAL COMPLIANCE
- **PUBLIC PRIVACY**
  - CASH IS ANONYMOUS
  - USER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