



2013 North American Mobile Protection
Customer Value Leadership Award



F R O S T & S U L L I V A N



50 Years of Growth, Innovation & Leadership

Customer Value Leadership Award Mobile Protection North America, 2013

Frost & Sullivan's Global Research Platform

Frost & Sullivan is in its 50th year in business with a global research organization of 1,800 analysts and consultants who monitor more than 300 industries and 250,000 companies. The company's research philosophy originates with the CEO's 360-Degree Perspective™, which serves as the foundation of its TEAM Research™ methodology. This unique approach enables us to determine how best-in-class companies worldwide manage growth, innovation and leadership. Based on the findings of this Best Practices research, Frost & Sullivan is proud to present the 2013 North American Customer Value Leadership Award in Mobile Protection to Asurion.

Significance of the Customer Value Leadership Award

Key Industry Challenges

The evolution from basic feature phones to smartphones has been nothing short of phenomenal. Frost & Sullivan forecasts suggest that over 90 percent of the US population will own a smartphone by 2017. Advancements in network and device technologies, coupled with the proliferation of sophisticated consumer and enterprise mobile applications, continue to aggressively drive data usage on mobile devices. In fact, Frost & Sullivan research indicates the average smartphone user in the United States now consumes nearly 2 GB of cellular data every month and spends upwards of 120 minutes on his or her mobile phone every day.

Growth in Mobile Device Loss, Theft and Damage

In this environment, the increasing number of mobile device "incidents" (such as loss, theft, damage, or malfunction) has emerged as a major challenge in the North American mobile communications market. Consumers have become increasingly attached to their mobile phones, and any interruption in service usage is unacceptable in today's connected world. Not only do device incidents limit or restrict the user's ability to use voice and data services on his or her mobile phone, but the high unsubsidized cost and the amount of personal information stored on a mobile device can leave consumers' privacy and wallet vulnerable. Smartphone users now spend nearly 80 percent of their daily device use on non-voice activities, and this daily usage only increases the likelihood of loss or damage occurring to mobile devices.

Frost & Sullivan research suggests that smartphones, and in particular "iconic" devices, such as the iPhone and Samsung Galaxy phones, are significantly more prone to loss and theft than feature phones. In addition, larger and unique (i.e. dual, curved, etc.) screens

make smartphones particularly prone to physical damage. While the software performance of smartphones has clearly improved over the past five years (resulting in lower device malfunctions), loss, theft, and device damage continue to increase in North America. Purchasing a replacement device may not always be an economical option – particularly with the more popular smartphones that can cost as much as \$850 if the customer is not eligible for the subsidized price offered at upgrade. Frost & Sullivan believes that there is a clear need for comprehensive and cost-effective handset protection solutions that can address all types of device incidents, and allow mobile phone users to get back to using their devices quickly and in a pain-free manner.

Impact of Mobile Data Loss

Device incidents can also lead to the loss of data stored on the mobile phone. In fact, the impact of lost data is often considered more disturbing than the impact of the loss of the device itself. For example, consumers may have to manually re-enter all contacts into their replacement device, which can be an extremely tedious process. Files, such as images, video clips, music files, and corporate documents, could be lost forever. Sensitive data that is stored on the mobile device could also fall into the wrong hands and be misused. Therefore, data protection is equally – if not more – important to minimize the impact of lost, stolen, damaged, or malfunctioning devices.

Complexity Leads to Technical Issues

As hardware and software features advance, smartphones are becoming more complex and complicated to use. Frost & Sullivan research indicates that technical issues – such as understanding how to use advanced device functions – are major pain points for mobile subscribers in North America. For example, the number of available applications for the iOS and the Android device platforms has increased from less than 500 to more than 1.5 million in a short span of five years. Mobile subscribers are overwhelmed by the available choices (for mobile applications), and do not know who to call when they need help with optimizing their application experience. A smartphone can also be paired (or connected) with many types of electronic devices – including in-car entertainment and communication systems, gaming systems, Blu-ray players, Smart TVs, and even with home controls and automation. This is another area where smartphone subscribers increasingly need assistance. Frost & Sullivan research indicates that a majority of smartphone users in North America reach out to their service providers for help with various device-related issues. However, mobile operators are not focused on handling these types of customer support requests, and may simply direct the subscriber to contact the device OEM or other 3rd party. Mobile customers clearly have a need for broader and more in depth support with the advanced features of their smartphones, as compared to when the phone was just used to make calls. Mobile operators that enhance their support capabilities can realize several benefits – including 1) increasing customer engagement with their device, thus driving ARPU 2) increasing customer satisfaction (and hence reducing churn), 3) reducing instances of no trouble found (NTF), no fault found (NFF), and cannot duplicate (CND) devices from entering the reverse

logistics stream; and 4) improving the lifetime value of mobile subscribers.

Other Industry Challenges

Other industry challenges include providing user-friendly, self-serve interfaces to help customers manage mobile protection, offering a fast, “no-hassle” handset insurance claim service, and effective management of mobile devices that enter the reverse logistics stream through handset protection programs.

Impact of Customer Value Leadership Award on Key Stakeholders

The Customer Value Leadership Award is a prestigious recognition of Asurion’s accomplishments in mobile protection. An unbiased, third-party recognition can provide a profound impact in enhancing the brand value and accelerating Asurion’s growth. As captured in Chart 1 below, by researching, ranking, and recognizing those who deliver excellence and best practices in their respective endeavors, Frost & Sullivan hopes to inspire, influence, and impact three specific constituencies:

- **Investors**

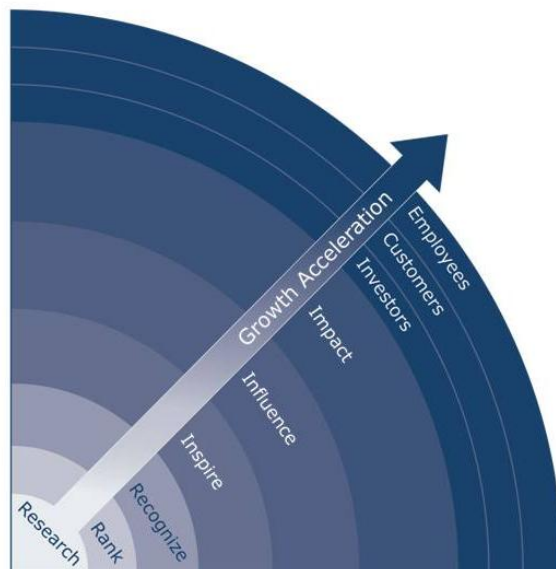
Investors and shareholders always welcome unbiased and impartial third-party recognition. Similarly, prospective investors and shareholders are drawn to companies with a well-established reputation for excellence. Unbiased validation is the best and most credible way to showcase an organization worthy of investment.

- **Customers**

Third-party industry recognition has been proven to be the most effective way to assure customers that they are partnering with an organization that is leading in its field.

- **Employees**

This Award represents the creativity and dedication of Asurion’s executive team and employees. Such public recognition can boost morale and inspire your team to continue its best-in-class performance.

Chart 1: Best Practices Leverage for Growth Acceleration

Best Practice Award Analysis for Asurion

The Frost & Sullivan Award for Customer Value Leadership is presented each year to the company that has demonstrated excellence in implementing strategies that proactively create value for its customers with a focus on improving the return on the investment that customers make in its services or products. This award recognizes the company's inordinate focus on enhancing the value that its customers receive, beyond simply good customer service, leading to improved customer retention and ultimately customer base expansion.

Asurion's Performance in Mobile Protection

Asurion is a leading provider of integrated and unified mobile protection solutions. The company serves more than 150 million customers globally and continues to experience double-digit growth for its mobile protection services. Key success factors for Asurion are presented below.

Success Factor 1 – Product Capabilities and Breadth of Product Line

Asurion offers the most comprehensive mobile protection solution in North America. The company helps its millions of customers protect their phones throughout its lifecycle with services that: 1) protect their devices (by offering an economical, easy method of receiving a next-day device replacement for loss, theft, damage, and malfunction); 2) protect their data (by providing device recovery, security, privacy, and cloud-based data backup solutions); and, 3) protect the customer experience (by offering innovative tech support services that provide customers with a simple support experience and information to

improve the performance of their device). It leverages a white-label online / web experience (called the "Asurion Mobile Protection Center") to provide consumers with the appropriate tools to help them get the right mobile protection service, according to their unique requirements. Asurion customers can use the Mobile Protection Center to get access to specific elements of Asurion's Mobile Protection offerings based on the services available to them - including checking their coverage, filing a claim for next-day device replacement, locating their device, securing their data, and connecting with tech support for device-related questions. All information in the Asurion Mobile Protection Center is presented in an extremely user-friendly manner, which allows the company to deliver effective mobile protection services.

Success Factor 2 – New Product Innovation

By maintaining a focus on evolving customer needs and new product innovation, Asurion continues to address the "next generation" mobile protection requirements of smartphone users. For example, the company has developed a white-label Premier Support offering to deliver a simple, one-stop solution for quick resolution to smartphone questions. With Premier Support, Asurion's partners (mobile operators) can help smartphone users manage their content (for example, managing their music libraries), obtain advisory and support services (for example, getting recommendations on which applications to use and how to properly configure them), manage connectivity with other electronic devices (such as their in-car entertainment systems), and ensure data security and privacy (by using Asurion-provided anti-virus and data backup solutions). Other product innovations include advanced location capabilities (to accurately determine a mobile phone's location), zero-rated mobile data backup services, device diagnostics and permissions-based remote device troubleshooting, and a unique approach to knowledge management that allows Asurion Premier Support to offer support to not only the customer device, but everything they connect the device to, in one call.

Success Factor 3– Proven Benefits for Consumers and Carriers

Consumers and carriers prefer a single-source provider of mobile protection that can do the heavy lifting for all types of device and data protection requirements. Asurion has incrementally built various systems and processes to manage all aspects of mobile protection. Asurion's expeditious device replacement service makes what could be a bad experience for mobile users, into a better (and gratifying) experience, which generates positive consumer sentiment and goodwill towards the carrier. Asurion partners (mobile operators) have acknowledged the tangible economic impact and benefits of mobile protection on their businesses, which speaks volumes about Asurion's ability to add value for mobile operators. Frost & Sullivan analysis indicates that Asurion's services help mobile operators 1) reduce churn, 2) enhance customer satisfaction, and 3) lower cost of customer care and concessions.

Success Factor 4 –Customer Service Leadership

Effective forward and reverse logistics, cutting-edge supply chain management capabilities, and advanced mobile device repair, recovery, and re-manufacturing services are critical to run successful handset protection programs. It takes a significant amount of time and resources to develop the numerous systems and platforms needed to run scalable handset replacement services. Frost & Sullivan believes Asurion has invested in the right assets and has successfully integrated the core building blocks in a seamless and coherent manner to deliver a comprehensive handset protection offering. Adoption of Asurion’s mobile protection solutions by millions of customers worldwide clearly demonstrates recognized benefits.

Success Factor 5 – Strategic Go-To-Market Approach

Asurion is exclusively focused on working with the mobile operators to help them address the unique mobile protection requirements of their customer base. It currently works with major mobile operators and telecommunications companies worldwide – including AT&T, Verizon Wireless, Sprint, and T-Mobile USA in North America. The company does not have a direct-to-consumer mobile protection offering. Mobile operators that partner with Asurion can focus on their traditional business of selling voice and data services, and let Asurion manage all aspects of their mobile protection offerings. An attractive service offering, along with a strong relationship with leading mobile operators in North America, has helped establish Asurion as the most popular mobile protection company in the region.

Conclusion

Mobile device protection, mobile data protection, and mobile experience enhancement are important elements of Asurion’s successful mobile protection strategy. The company continues to raise the bar in mobile protection and is in a unique position to address the existing and evolving needs of the mobile protection ecosystem. Frost & Sullivan attributes Asurion’s exceptional performance to a robust product portfolio, strong service and support capabilities, and the overall strategic acumen of a leadership team, dedicated to speed of execution. The 2013 North American Customer Value Leadership Award in Mobile Protection is presented to Asurion in recognition of its impressive market achievements.

The CEO 360-Degree Perspective™ - Visionary Platform for Growth Strategies

The CEO 360-Degree Perspective™ model provides a clear illustration of the complex business universe in which CEOs and their management teams live today. It represents the foundation of Frost & Sullivan's global research organization and provides the basis on which companies can gain a visionary and strategic understanding of the market. The CEO 360-Degree Perspective™ is also a “must-have” requirement for the identification and

analysis of best-practice performance by industry leaders.

The CEO 360-Degree Perspective™ model enables our clients to gain a comprehensive, action-oriented understanding of market evolution and its implications for their companies’ growth strategies. As illustrated in Chart 2 below, the following six-step process outlines how our researchers and consultants embed the CEO 360-Degree Perspective™ into their analyses and recommendations.

Chart 2: The CEO's 360-Degree Perspective™ Model

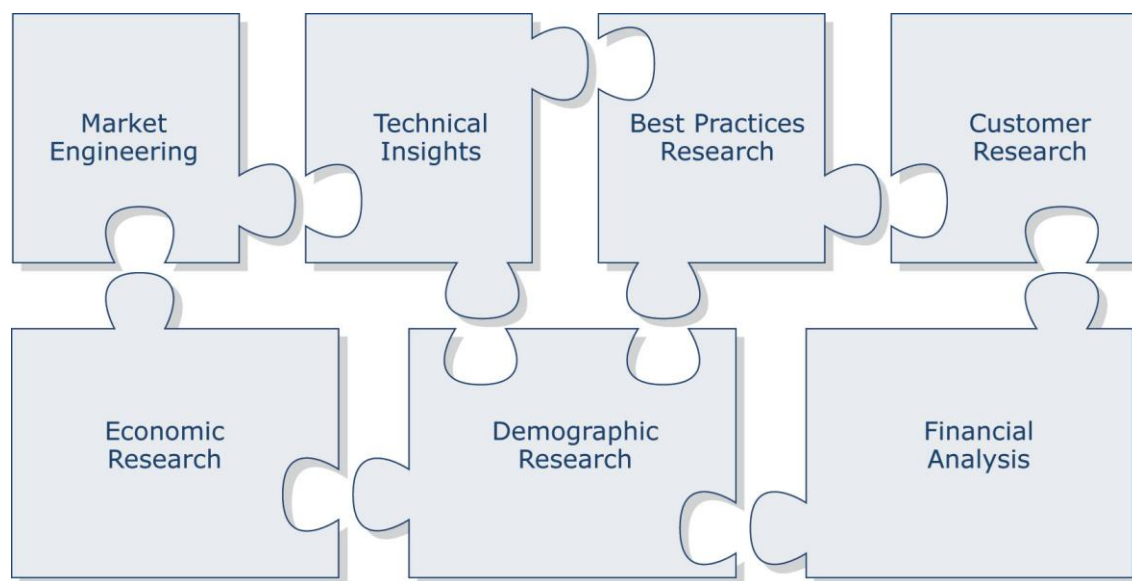


Critical Importance of TEAM Research

Frost & Sullivan’s TEAM Research methodology represents the analytical rigor of our research process. It offers a 360-degree view of industry challenges, trends, and issues by

integrating all seven of Frost & Sullivan's research methodologies. Our experience has shown over the years that companies too often make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Frost & Sullivan contends that successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. In that vein, the letters T, E, A, and M reflect our core technical, economic, applied (financial and best practices) and market analyses. The integration of these research disciplines into the TEAM Research methodology provides an evaluation platform for benchmarking industry players and for creating high-potential growth strategies for our clients.

Chart 3: Benchmarking Performance with TEAM Research



About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best-in-class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best-practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from more than 40 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.