



phling!® Q & A

Q: What does Oxy Systems do?

A: Oxy Systems develops **phling!**®, a highly compelling mobile music community service targeted towards the teen and young adult market segment. With **phling!**, mobile operators can rapidly deploy an advanced, decidedly attractive music-based social network service that increases average revenue per user (ARPU) without large upfront capital expenditure. **phling!**'s scalable platform also offers operators an ideal environment for increasing existing music download revenues by encouraging mobile subscribers to discover and purchase new music on impulse.

Q: What's the concept behind **phling!** – is it a product? software? service?

A: Oxy Systems' **phling!** is a hosted service that enables mobile phone users to remain connected to all of their media and friends through a social networking community. When installing **phling!**, a Java application is downloaded over-the-air to a user's handset, while a PC application is downloaded and installed on the user's PC. The PC application runs as a Windows service and locates all the user's media files, making them available on demand for streaming to the subscriber's mobile phone. Mobile operators can offer subscribers a bundle of data and the **phling!** service, with usage paid on either a daily use or a monthly subscription basis. Oxy Systems shares in the revenue generated by the combined **phling!** and data service.

Q: Can any type of phone run **phling!**?

A: Any J2ME MIDP 2.0 phone should be able to run **phling!** The majority of Java phones on the market today supports this version and also offers JSR 135 and TCP and UDP networking support, which is required. Support for JSR 75 is preferred, but not required. Interested subscribers should check with their wireless operator for specifics.

Q: What is the target market for **phling!**?

A: For now, we are primarily targeting teens and young adults. However, with the growing success of **phling!**, we expect to target most age groups who have a desire to access and share their media files through their mobile phones.

Q: One of the things the teen and young adult market really enjoys is living life online – creating profiles online in social networks and then using these profiles to meet other people with similar interests online. Does **phling!** allow users to create a profile that can be viewed by others, etc.?

A: Absolutely. Our approach is getting great reviews. Our users are currently able to create profiles, view others' profiles, submit and view song ratings, browse friends' lists, post messages to each other, and see what others have in their music collection.

Q: How does Oxy Systems manage the thorny issue of Digital Rights Management (DRM) when users of **phling!** are sharing music files? Isn't this sharing of files illegal?

A: Oxy Systems has support for audio files stored in MP3, WMA, or M4A format that are not DRM protected. For example, Apple has chosen not to license its proprietary DRM and we believe circumventing that particular DRM may contravene the end user license.

Q: How have the teen and young adults who have tested **phling!** reacted to it?

A: Their reaction has been very positive. One of our reviewers even likened **phling!** to a combination of the iPod and MySpace!

Q: How does an interested mobile user get started?

A: The **phling!** service is now available for deployment by mobile operators around the globe. The **phling!** service was launched in Switzerland in July 2007 on the Orange, Sunrise, and Swisscom Mobile networks in association with Edipresse, a French language media company.