



BRIGHTPOINT
YOUR SUCCESS IS OUR BUSINESS

FEBRUARY 2008 - VOLUME 4, ISSUE 1

WIRELESS POINT

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Welcome

Welcome to Volume No. 4, Issue No. 1 of **Wireless Point**, the quarterly newsletter brought to you by Brightpoint, Inc. the leader in providing distribution and customized logistic services to the global wireless industry.

2007 was an exciting and successful year for Brightpoint and I would like to take this opportunity to reflect on some of our key financial achievements in 2007:

- Record 82.9 million wireless devices handled, an increase of 55% from 2006.
- Revenue of \$4.3 billion, an increase of 77% from 2006.
- Income from continuing operations of \$46.7 million or \$0.73 per diluted share compared to \$36.2 million or \$0.72 per diluted share in 2006.
- Net income of \$47.4 million or \$0.74 per diluted share compared to \$35.6 million or \$0.70 per diluted share in 2006.
- EBITDA of \$90.6 million as compared to \$60.7 million in 2006.

We expanded our footprint by joining forces with Dangaard Telecom in Europe and by acquiring certain assets from CellStar in North America. Our Company now operates in more than twenty five countries and we have over 3,300 TEAM members. As a result, we doubled our size and created the only true global solution for our customers. While we focus on combining our businesses, we continue to strive to meet or exceed our customers' expectations.

As I look to 2008, I expect Brightpoint to grow faster than the global wireless device industry. I have estimated that the 2008 global wireless device sell-in range to be between 1.25 billion and 1.35 billion units and that Brightpoint will handle more than 100 million wireless devices in 2008, which would give Brightpoint an estimated market share of approximately 8 to 9% on a global basis. Our growth strategy remains unchanged. We will continue to look for profitable growth via a) geographic expansion; b) adding new products and services to our portfolio; c) leveraging our capabilities and sharing core competencies among our various geographies around the world; and d) building our brand equity globally.

Our steadfast commitment to driving long-term value for our stakeholders remains and we are grateful for your continued support of the company. If you have any questions or comments, please don't hesitate to contact us.

Warm regards,

Enhancement Business

Brightpoint Reports Fourth
Quarter and Year End 2007
Financial Results

Brightpoint to Distribute
Google Applications on Mobile
Devices

For more Brightpoint
company news, please click
here.



Bob Laikin
Chairman of the Board and Chief Executive Officer
Brightpoint, Inc.

Media Spotlight



Eye to the Future
By Rhonda Wickham
December 15, 2007

WIRELESS DEVICE BULLISHNESS

We remain bullish on the global wireless device industry. I believe the industry is on track with my previously announced global sell-in range of 1.15 billion to 1.2 billion units for 2007. I have also estimated 2008 global sell-in to be in the range of 1.25 billion to 1.35 billion units. Brightpoint is expected to handle between 100 million and 115 million wireless devices in 2008. Replacement continues to be the single largest factor fueling end-user demand. It is driven by availability of compelling mobile content and enhanced feature/application-rich wireless devices. Proliferation of 3G and converged devices will continue to accelerate the replacement cycle for the next several years. Approximately 15% to 20% of all wireless devices sold in 2008 will be converged devices, up from 10%-15% in 2007.

Bob Laikin - Chairman of the Board and CEO - Brightpoint

To read the entire article, please click [here](#).



Nokia renews with Brightpoint
By Matt Kapko
December 20, 2007

Brightpoint Inc. announced it extended its distribution agreement as an authorized distributor for Nokia Corp. gadgets in the United States through next year. Brightpoint North America L.P., the subsidiary responsible for the company's domestic distribution, sells wireless devices to operators, MVNOs (define), independent agents and dealers throughout the United States.

The company is one of Nokia's largest customers worldwide.

Brightpoint is proud to strengthen its relationship with Nokia and offer its ability to deliver industry leading supply chain expertise, said J. Mark Howell, co-chief operating officer of Brightpoint.

Separately, Brightpoint was also tapped to manage Nokia's reseller program for online sales, the company announced. Per the agreement, online sellers will be able to purchase Nokia devices from Brightpoint via Nokia's online marketplace.

To read the entire article, please click [here](#).

Dealerscope

The Final 10 Percent Brightpoint takes care of independent wireless dealers at the most critical moment.

**By Brian Ploskina
January Issue, 2008**

There is a lot that can go wrong between the time a manufacturer finishes making a cell phone and when the dealer receives it, which is why a lot of them look to a company like Brightpoint.

Not a household name, Brightpoint Bills itself as the "last mile" in wireless distribution and supply chain, with a constant focus on driving costs out of the channel by streamlining processes and improving systems. Its roster of clients is a Who's Who of the wireless industry (basically every carrier you've ever heard of, sans Verizon and AT&T).

And now Brightpoint is global. The company recently completed a merger with Dangaard Telecom, the leading wireless distributor in Europe, creating a "one stop shop" for retailers by providing economies of scale to handset manufacturers such as Motorola, Nokia, Samsung, HTC and Sony Ericsson, along with wireless carriers such as Sprint, Nextel, Telefonica, Vodaphone and T-Mobile.

All told, the combined company will provide wireless device distribution to 25,000 [B2B] customers in 25 countries. Together, the two companies handled more than 64 million wireless devices in 2006, with combined revenues of \$4.6 billion.

Dangaard is the world's expert in the converged device space. Whether it's educating employees or helping to put together programs or consumer applications, like Windows Mobile OS, they have more than five years experience dealing with retailers in Europe, said Brightpoint Chairman and CEO Robert Laikin. "Anything that can help a retailer better service a customer and take more time in explaining the applications these devices can run to make your life more efficient, those are the things Dangaard has been doing for years."

To read the entire article, please see the January 2008 Vol. 50 No.1 Issue of Dealerscope magazine.



Balance Of Power, Convergence Lead Cellular Debate

By Joseph Palenchar

January 7, CES Issue, 2008

LAS VEGAS Cellular Unit and dollar sales are on the rise, driven by step-up sales of converged handsets, but carrier control over the handset market could be on the decline, at least in some Marketers' estimation.

TWICE assembled a group of industry executives from retail, supplier and distributor sectors to discuss the growth of highly featured handsets, how new technologies might affect growth, and potential changes in the cellular industry's business model.

TWICE: How has the iPhone affected U.S. cellphone sales and the industry?

Mark Howell, Brightpoint: The impact has been positive in a variety of areas. It has drawn visibility to the need to allow consumers to drive applications and content on the devices in an otherwise operator-controlled market. Music has been driving some of this for a few years; this will grow even more over the next few years. We believe many of the devices will continue to be purchased in the retail and online channels as early adopter and tech-savvy consumers seek those open devices outside traditional channels.

TWICE: As cellphones evolve into multi-purpose devices, what will be the impact on sales of dedicated devices?

Mark Howell, Brightpoint: As networks catch up with handset technology, I fully believe the handset device will become the central point of every consumer's daily activities: home appliance control, content, voice, email, navigation, video, etc.

TWICE: Are the carrier-owned outlets taking a bigger share of the market?

Mark Howell, Brightpoint: We have seen the trend in tier-one operator stores to take share from the independent wireless dealer channel over the past few years. We think online and national retail will play a much larger role in the future of wireless devices, applications and services will become too broad for a carrier to manage within their brand and strategy. The carrier-owned store will always be a big part of the carrier's distribution strategy for core products and customer service.

To read the entire article, please see the CES January Issue of TWICE.



Brightpoint to distribute Garmin products in U.S.

By Casey Logan

January 7, 2008

Brightpoint Inc. Monday said it will provide product distribution services for

Cayman Islands-based Garmin International Inc. within the United States. Brightpoint will market and distribute a range of Garmin's mobile phone products including the Garmin Mobile for BlackBerrys, Garmin Mobile for Smartphones, and Garmin Mobile XT in the U.S, the company said.

Garmin International is a member of the Garmin Ltd., a manufacturer of navigation, communications, and information devices that are enabled by GPS.

To read the entire article, please [click here](#).



Brightpoint Names Latin America Exec January 8, 2008

Wireless device distributor Brightpoint Inc. said Tuesday it named Eric Hamburger as president of the company's Latin America operations.

Previously, Hamburger was director of strategy and business development for Motorola Latin America Mobile Devices since 2003. From 2001 to 2003, he served as an engagement manager for McKinsey & Co., primarily focusing on developing and implementing sales and distribution strategies for wireless operators in Latin America.



Brightpoint Picks Up Garmin January 14, 2008

Brightpoint, a Plainfield, Ind.-based distributor of wireless devices and services, said it will provide distribution services for Garmin in the United States. Brightpoint, through its various distribution sales channels, will market and distribute a range of Garmin's mobile phone products including the Garmin Mobile for BlackBerrys, Garmin Mobile for Smartphones, and Garmin Mobile XT in the U.S. Garmin Mobile solutions are compatible with most BlackBerry, Palm, Windows Mobile, and Symbian Smartphones. All Garmin Mobile solutions are bundled with access to Garmin's Online service, which includes real time traffic, weather, fuel prices and hotel rates from Hotels.com.



Local tech leaders speaking today at IU January 22, 2008

A pair of local high-tech heavyweights are scheduled to speak today at Indiana University's Kelley School of Business.

Bob Laikin, CEO of Plainfield-based wireless device distributor Brightpoint Inc., will visit the Johnson Center for Entrepreneurship and Innovation in Bloomington as a distinguished entrepreneur-in-residence. Laikin will speak at a faculty lunch, then spend the afternoon visiting three MBA classrooms for Q&A sessions.

According to Brightpoint spokesman Anurag Gupta, Laikin plans to talk about the ups and downs of entrepreneurship by telling Brightpoint's story.

The fast-growing company was founded in 1989 and went public in 1994, but shrank substantially in the aftermath of the late '90s dot com bubble. In recent years, Brightpoint recovered and last year acquired its largest rival, Denmark-based Dangaard Telecom.

This evening in Indianapolis, Ping Poulsen, CEO of Safis Solutions LLC, will speak at the IU Kelley School of Business course called "The Business of Life Sciences: Global Events and Trends Impacting Life Sciences Industries."

Safis provides regulatory compliance consulting for pharmaceutical, medical device and biotech firms. Poulsen will speak about domestic government regulation and its use as a trade barrier, focusing on the path for drug and device approval, regulatory inspection and compliance and global quality standards.

INDIANAPOLIS BUSINESS JOURNAL

Brightpoint aims to stay ahead of wireless pack Phone distributor looks to focus on add-on devices

**By Louis Jones
February 2, 2008**

If Brightpoint Inc. wants to keep its place at the top of the cell phone distribution business, its leaders know they can't expect to rest on their laurels.

That's why the Plainfield-based company hired mobile industry veteran Bashar Nejdawi to spearhead an effort to expand Brightpoint's so-called mobile enhancement business, selling add-ons that enhance a phone's functionality, such as hands-free devices, battery chargers, phone cases and software.

The company already offers such accessories, but has not seen substantial success outside the United States, said Mark Howell, co-chief operating officer. Brightpoint's August acquisition of European rival Dangaard Telecom A/S gives the company a foothold there and will make it easier to market such products globally.

"Being in the handset side, we have a responsibility to be a leader on the accessory side," he said.

Historically, Brightpoint has struggled to make a mark in that realm because of the devices' low selling prices. Now, accessories such as Bluetooth earpieces and the accompanying software often sell for more than the phone itself.

With revenue of \$4.4 billion in 2006, the combined Brightpoint/Dangaard is more than twice as big as its next-largest competitor. The company does not release sales data for specific products, but executive Anurag Gupta

said accessories make up a small percentage of the total.

That's why we've put the focus here," he said.

Brightpoint's new focus also will help accessory manufacturers such as Nokia and Motorola increase their market share, forming partnerships to access additional distribution outlets in Latin America, Europe and Asia, Gupta said.

"We will develop alternate channels [for distribution], we will align ourselves better with manufacturers, and we will provide support for products," said Gupta, senior vice president for global strategy.

To read the entire article, visit [please click here](#).



Brightpoint 4Q profit, revenue rise **February 07, 2008**

Brightpoint Inc. (NASDAQ:CELL) late Thursday reported fourth-quarter net earnings of \$14.9 million, or 18 cents a share, and adjusted income of \$25.7 million, or 31 cents a share.

The mean estimate of analysts polled by Thomson Financial was for a per-share profit of 26 cents.

Net income for the year-earlier quarter was \$9.74 million, or 19 cents a share, and adjusted earnings were \$11.3 million, or 22 cents a share.

Revenue for the quarter ended Dec. 31 rose to \$1.63 billion from \$677.2 million a year earlier, versus the mean analyst estimate of \$1.54 billion.



Brightpoint optimistic on solid revenue **But Wall Street punishes stock on earnings** **By Phil Carson** **February 8, 2008**

Brightpoint Inc. racked up enviable revenues and profits in the fourth quarter and all of 2007 and gave optimistic projections for the current year in its earnings report.

But Wall Street had expected substantially higher earnings-per-share, sending the handset distribution firm's stock down more than 6%.

Still, Brightpoint's outlook for 2008 is bullish and analysts took advantage of the company's earnings call to gauge the strength of the global handset market from the distributor's perspective. Brightpoint obliged and suggested that Motorola Inc. would regain its footing.

Brightpoint reported that fourth-quarter revenue reached \$1.6 billion, up 141% from year-ago quarter. Operating income reached \$14.2 million, up

42% from \$10 million in the year-ago quarter. The distributor shipped 27 million devices in the final three months of 2007.

Revenue for the entire year reached \$4.3 billion, up 77% over the prior year. Net income was \$47.4 million, up from \$35.6 million in 2006. Nearly 83 million devices were shipped by Brightpoint in 2007, up 55% over 2006.

Brightpoint's acquisition of CellStar brought in Motorola's domestic distribution business, company executives said. The firm also added HTC Corp.'s portfolio to its international distribution network. The firm said it had extended its current agreement with Nokia Corp. in the U.S. through the end of this year.

Analysts on the earnings call clearly sought any signs that global handset demand might be slackening, given the economic slowdown now underway. But Brightpoint's CEO Bob Laikin reiterated his bullish estimate for the coming year and said that cell phones are becoming kind of a recession-proof product.

Laikin said that, globally, first-quarter units shipped were expected to be down 5% to 10% on seasonality. For the year, however, Laikin said he expected to handle more than 100 million devices out of a global sell-in forecast of 1.25 billion to 1.35 billion units. Upgrades to 3G devices will drive the replacement cycle, Laikin said. Global subscriber growth is still dependent on new customers in China and India, as well as certain Latin American and African markets, the Brightpoint CEO said.

To read the entire article, please [click here](#).



Brightpoint to distribute Google services

February 11, 2008

Cell phone distributor Brightpoint today announced it has entered into a distribution agreement to put Google's famous maps and search functions on thousands of mobile devices.

The Plainfield-based company will pre-install the programs on a wide range of smartphones, including those running on Windows Mobile, BlackBerry, Palm, Symbian, and other OS-powered devices.

Applications will be distributed through Brightpoint's 25,000 customers worldwide.

"We're excited to work with Google," said Robert J. Laikin, Brightpoint's chief executive officer and board chairman, in a statement. "I believe that this new relationship with Google is a testament to Brightpoint's ability to provide strategic value to the increasing penetration of converged devices on a global basis.

Brightpoint, which trades as CELL on Wall Street, closed Friday's at \$11.83, down 66 cents or 5.28 percent on a volume of 4.26 million shares.

Last week, Brightpoint reported that fourth quarter net income increased to \$14.89 million from \$9.74 million in the fourth quarter of 2006.

Fourth-quarter revenues surged 141 percent to \$1.6 billion from \$677.2 million in the year-ago quarter.

Brightpoint to add Google functions to phones

By Peter Schnitzler

February 11, 2008

Plainfield-based wireless device distributor Brightpoint Inc. today announced that it has inked a deal to add Google Inc.'s services to cell phones. Under the deal, Brightpoint will install Google Search and Google Maps on a range of smartphones.

"It is a major deal for us," said Brightpoint CEO Bob Laikin. "Aligning Brightpoint with Google is a significant milestone for us and a significant win."

The deal, which Laikin said took six months to negotiate, will allow cell phone users to hunt for travel directions or make topical queries in the same way they already use Google on personal computers.

Laikin declined to disclose the financial terms of the deal, nor project an impact on Brightpoint's sales and bottom line.

But adding value to cell phones by installing helpful software is a central concept of Brightpoint's business. He said the company hopes to ink similar deals with other hardware- and software makers.

"We now have a global footprint that represents 66 percent of the world's wireless subscribers," Laikin said. "Our goal is to bring them more products and services. This clearly is a service that fits that profile."

Brightpoint last year generated \$4.3 billion in revenue and posted profit of \$47.4 million. It has 3,300 employees in 25 countries.

Expert's Corner

Michaél Køehn Milland
Co-Chief Operating Officer and President,
Brightpoint International



Areas of Expertise

- Entrepreneurship
- Relationship Management
- Business Acumen
- Leadership

Industry Trends and Growth Opportunities

- Consolidation within and across the supply chain
- The growth of Brightpoint is and will be based on strong and lasting partnerships to the stakeholders of the wireless industry
- Brightpoint's constant development of products and services
- Mobile devices converging with other electronic devices
- Knowledge sharing across the company to support our growth strategy

Michaél Køehn Milland joined Dangaard Telecom Holding A/S in 1999. Prior to that he held positions as CEO of the handset vendor Philips Consumer Communication in Central Europe, General Director and CEO of FOR A, a Russian telecommunications operator in St. Petersburg, COO of Thorn Emi in Denmark and other positions in International retail and Telecommunications. Amongst others he was a part of the team that started one of the first GSM operators in the World, Sonofon, which is today a part of the Telenor Group. On July 31, 2007, Milland became Co-COO and President International of Brightpoint.

Trendspotter

'Open Access' to Wireless Networks in the U.S. Will Mean Faster Data Speeds, More Bandwidth and New Levels of Service for Enterprises

U.S. carriers' decisions to open up future networks will benefit both the consumer masses and enterprises. It will also help accelerate the replacement cycle.

Business users will eventually see speedier data transfer and increased bandwidth for new, innovative business-oriented services that carriers will offer, as well as services from other developers, according to Current Analysis.

Enhancements to such networks will also eventually lead to more reliable wireless access to corporate systems, interactive databases and Web-based apps from a variety of devices. As AT&T rolls out its next-generation high-speed packet access (HSPA) network and Sprint launches its XOHM WiMax network, both consumers and business users will over time see an increase in mobile video and converged services, such as multimedia videoconferencing, Current Analysis says.

Open network access will lead mobile device manufacturers to circumvent relationships with carriers in order to build strong connections with end users and businesses over the coming years. That means that carriers will need to offer new levels of services and innovative offerings to differentiate themselves from competitors. Enterprises will be able to choose the carriers and levels of service best suited to their needs, and in some cases, they'll be able to purchase priority access. VoIP and other such applications will eventually become more reliable on higher-tier service plans--though the price for such service will likely be costly. Organizations could also select varying levels of service for different staffers who may need more features or who aren't as worried about reliability, according to inCode. Carriers will also be able to offer prices for service that are closer to what it actually costs them to place calls or transfer data so users are not just charged a flat rate, as is the case today.

Upcoming Global Industry Events

To schedule an appointment with Brightpoint at an upcoming industry event, please contact Abby Hirt at 317.707.2276 or abby.hirt@brightpoint.com.



CTIA Wireless 2008
April 1-3, 2008
Las Vegas, NV



It is our goal to keep you informed of Brightpoint's contributions to the wireless handset industry. For more information, please visit <http://www.brightpoint.com/> or contact Anurag Gupta at 317.707.2204 or email anurag.gupta@brightpoint.com. Or Abby Hirt at 317.707.2276 or email at <mailto:abby.hirt@brightpoint.com>. If you no longer wish to receive this newsletter, please reply to this message with "unsubscribe" in the subject line.

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