Technology and Strategy

Danger, Inc.
Michael A M Davies
Three key questions

• Who are the most attractive potential partners to design and manufacture devices for Danger?
• Who amongst the world's many mobile network operators, and where and when, should Danger be targeting to create mobile data services based on its platform?
• How can Danger develop trust and collaborate effectively with prospective partners who are also in fierce competition with each other?
Combining a ‘nano-PDA’ with data connectivity

An ‘end-to-end solution’

Our first customer...

So, we make money three ways...
Three key questions

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- How can Danger develop trust and collaborate effectively with prospective partners who are also in fierce competition with each other?
### Three key elements to the technical architecture

<table>
<thead>
<tr>
<th><strong>hiptop Service Delivery Engine</strong></th>
<th><strong>hiptop Development Platform</strong></th>
<th><strong>hiptop Device Designs</strong></th>
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</thead>
<tbody>
<tr>
<td>A suite of server-based infrastructure software hosted as a service for wireless operators</td>
<td>Development platform features hiptop Operating System (PTOS)</td>
<td>Designs offered to carriers with a set of features and applications that can be further customized</td>
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<tr>
<td>Enables operators to quickly and economically deploy new applications</td>
<td>Enables third-party app developers to use standard development tools</td>
<td>Enables user customization including preferences and alerts</td>
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<td>Built to leverage the capabilities of next-generation data devices</td>
<td>Complete set of APIs included</td>
<td>Apps currently included:</td>
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<td>Features include:</td>
<td>Integrated download management system to enable carriers to offer after-market premium services and content</td>
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<td>• reporting, billing, customer care</td>
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<td>• content conversion/compression</td>
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<td>• wireless synchronization</td>
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<td>• content and app vending</td>
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<td>• carrier-grade reliability and scalability</td>
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</table>
Sidekick II

- Marketed through T-Mobile
- Manufactured by Sharp

- Can be managed remotely by any web-enabled computer
- Catalog with downloadable ringtones, games and apps
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Targeted at youth demographic

• Consumer positioning as 18-35 year-olds; device is “all about fun and getting more from life with spontaneous communications”
  – “If you look at the enterprise market, it’s clear that the consume market is several orders of magnitude larger.” - Danger’s CEO, Hank Nothhaft
• Sidekick users send and receive 20-40 times more messages than the average user
• 1% of US mobile users generated 6% of total US messaging traffic in Q4 2004

• Client-server technology enables superior user experience and efficient, optimized use of the packet networks
• Requires less expensive hardware, so lower subsidies
• “Over the Air” upgrades allow operators to offer compelling new apps to subscribers
Danger, Inc, in 2003

- June - launches color T-Mobile Sidekick
- August - launches Fido hiptop with Microcell in Canada
- September - license agreement with Sun Microsystems for Java
- November - launches with E-plus in Germany
Danger, Inc. in 2004

- May - launches with ONE in Austria
- May - launches with Starhub in Singapore
- July - $37 million Series D
- July - partnership with Sharp to develop, manufacture and distribute hiptop devices
- August - launches hiptop™2 with T-Mobile as Sidekick II
- December - adds Jamaica
Danger, Inc. in 2005

- February - platform becomes Java® compatible
- May - launches hiptop™2 with KPN in The Netherlands
- June - launches Sidekick II with T-Mobile in Germany
- November - launches Sidekick II with T-Mobile in United Kingdom

- (and founders who have gone to Android, snapped up by Google – watch this space…)
Danger, Inc. in 2006

- February - adds soccer content in Germany
- April - joins MSN Developer Program to be able to deploy MSN Messenger
- June - launches T-Mobile Sidekick 3, developed with Sharp
- October - launches with Telstra in Australia
2007 and 2008

- Apple announces iPhone in partnership with Cingular
- Microsoft announces Windows Mobile 6
- T-Mobile announces partnership with Nokia to bring Series 60 to “mainstream consumer markets”

- 20 December 2007 files for IPO
  - highly dependent on T-Mobile
  - revenues ~$56 million, losses ~$12 million

- And in February 2008, Microsoft buys Danger for about $500 million
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What will Microsoft do with Danger, Inc.?

What did Steve Ballmer say?