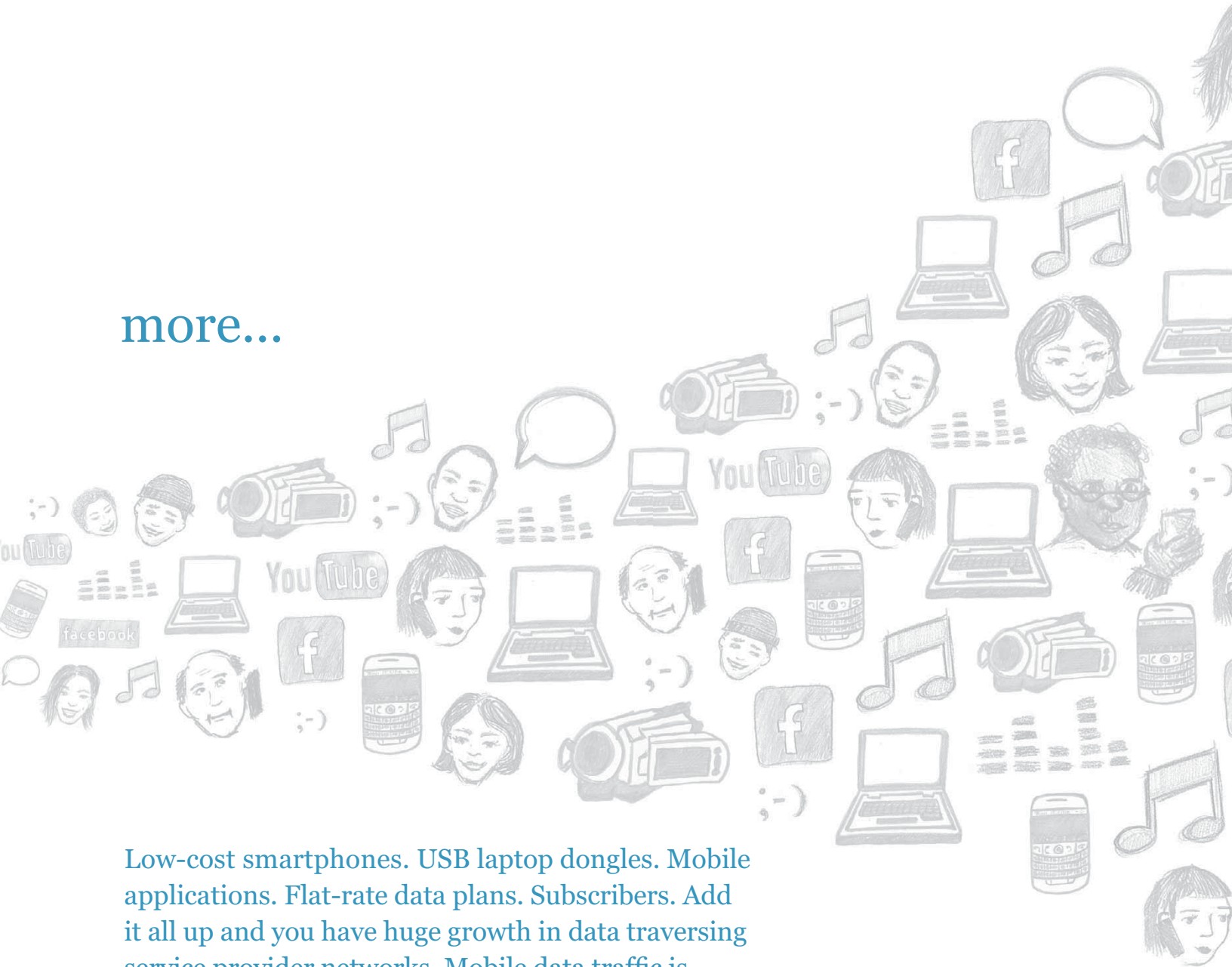




more...



Low-cost smartphones. USB laptop dongles. Mobile applications. Flat-rate data plans. Subscribers. Add it all up and you have huge growth in data traversing service provider networks. Mobile data traffic is growing exponentially—traffic is *doubling* every 6 to 12 months.

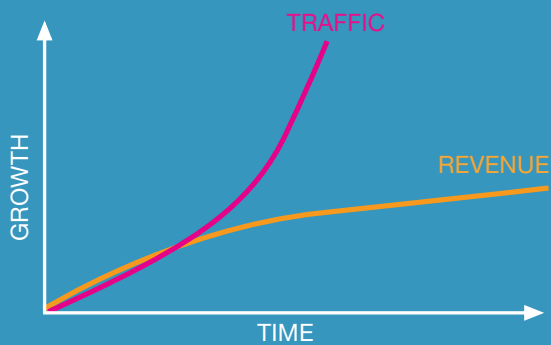
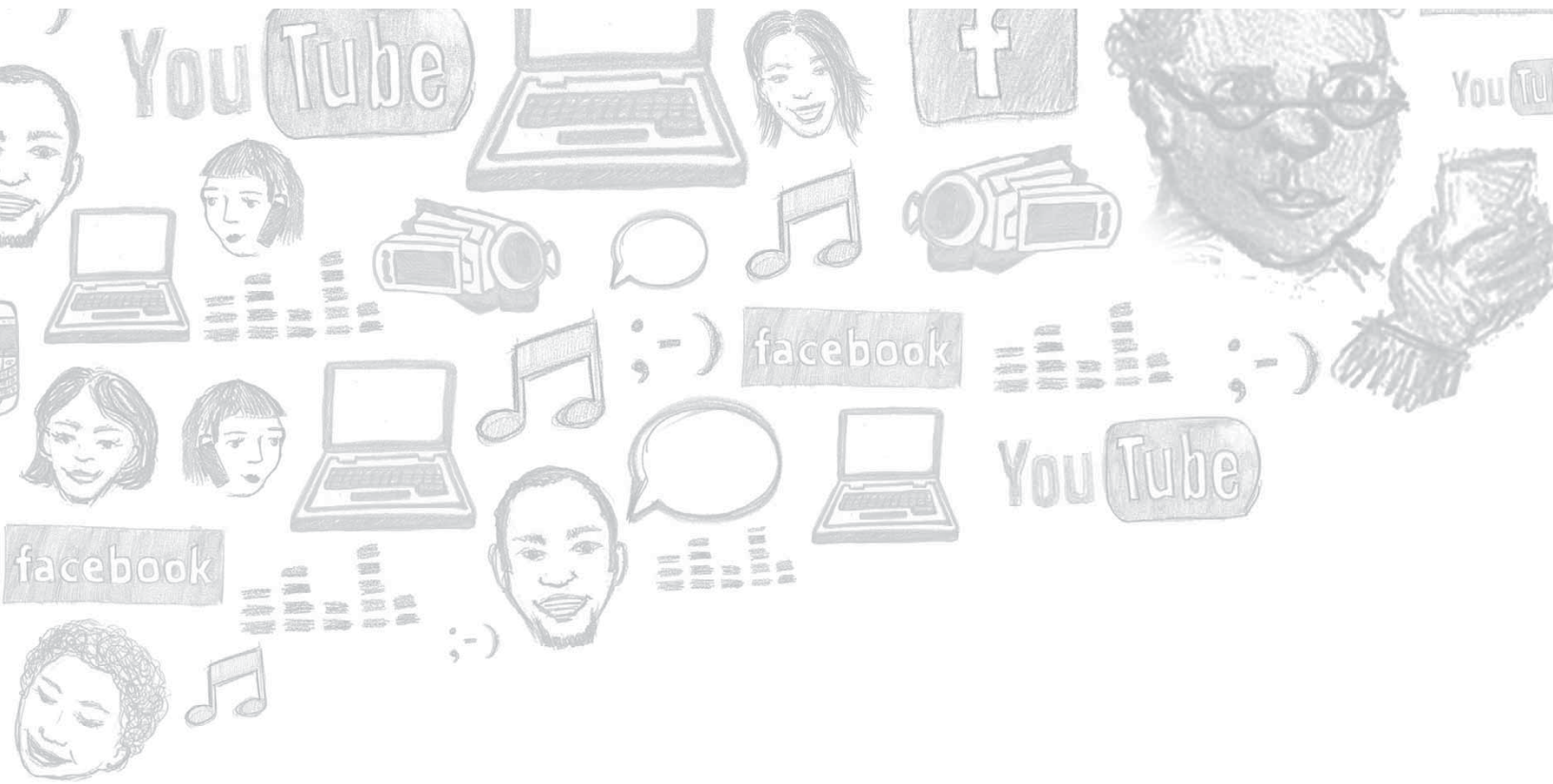


# more data



The evolution of the mobile Internet has accelerated over the past 18 months, and with it has come a fundamental change in the economics of delivering data.

While service providers worldwide are realizing strong growth in revenue from mobile data services—40% to 50% per year—bandwidth demand is growing up to 10 times faster. Increases in the cost of delivering data threaten to out-strip growth in data revenues; a ‘revenue gap’ that no commercial service provider can ignore.



One of the world's largest service providers has experienced a **5000% growth** in its mobile data traffic in the past three years.

# more profitability

Bridgewater's subscriber, service, and policy control products help service providers manage mobile data growth and deliver innovative services faster. Our solutions are focused on four areas:

## Optimization of 3G networks

Faced with rising mobile data traffic and associated costs, service providers are using Bridgewater's intelligent policy control products to alleviate 3G network congestion, ensure fair usage, and give subscribers greater control over their mobile data usage.

## Mobile data traffic offload

Balancing traffic across multiple access networks is a key strategy service providers are deploying to manage the rapid growth in mobile data traffic. Bridgewater's service and policy control products help customers offload traffic from congested 3G networks to Wi-Fi, femtocells, or 4G networks while ensuring secure and seamless access for subscribers.



# 60% less cost

Service providers could slash mobile data costs by up to 60% over the next three years by optimizing 3G networks, offloading data traffic, and transforming to 4G.

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## Transformation to 4G

The migration to 4G including LTE and WiMAX is critical to delivering the lower cost per bit, higher bandwidth, and subscriber experience needed to address mobile broadband requirements. Bridgewater's solutions help service providers control subscribers, devices, and applications and ensure service portability across multi-vendor 3G and 4G networks.

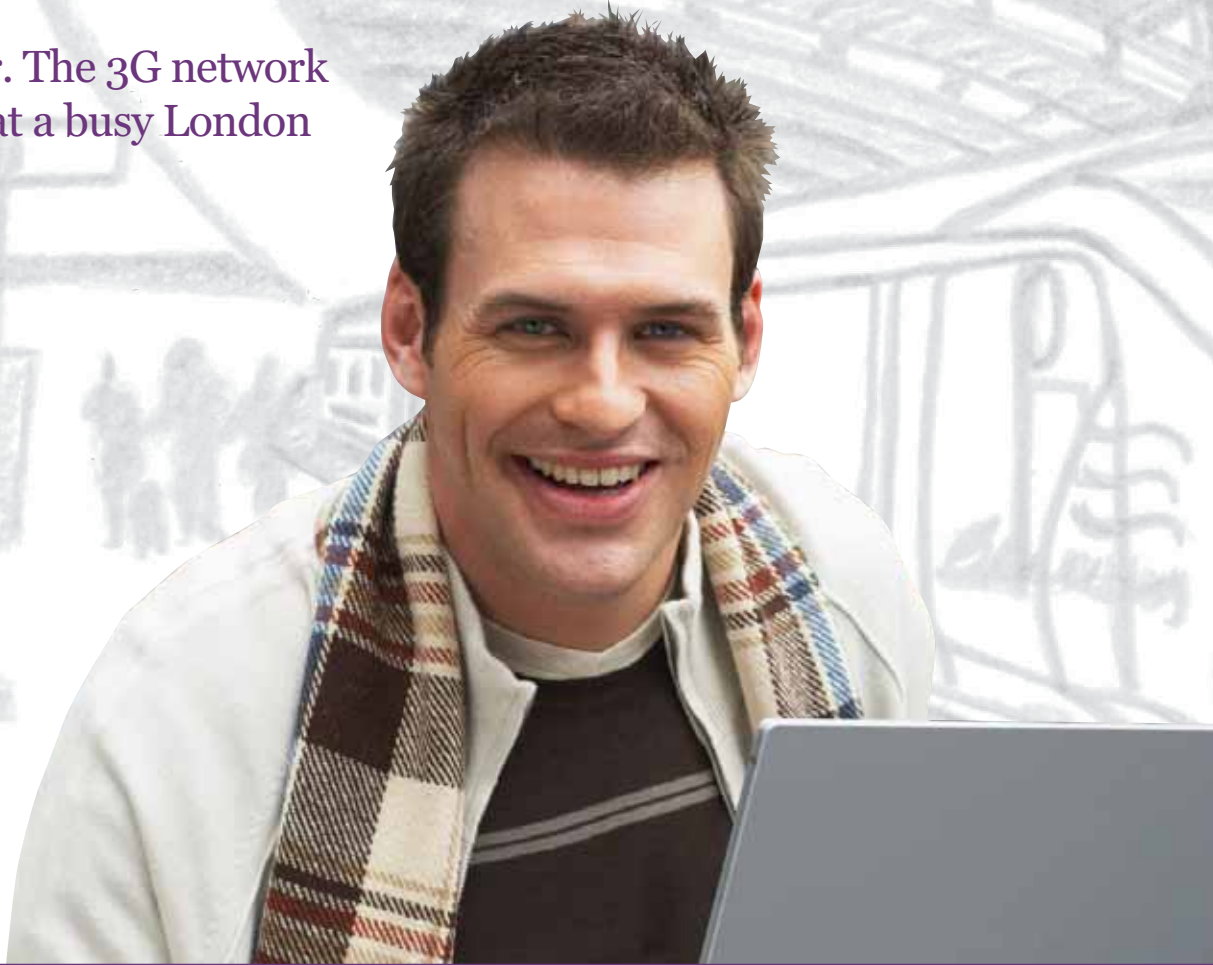
## Service innovation

Service providers are creating new pricing models that move away from unsustainable flat-rate plans, towards tiered and usage-based pricing. They are also using real-time subscriber data to personalize mobile content and applications. Bridgewater's solutions incorporate flexible policy controls, real-time subscriber information, and dynamic metering capabilities that help service providers deliver innovative services.



## more options

It's rush hour. The 3G network is congested at a busy London train station.



Liam is using his laptop on a 3G network while waiting for the train. He has a data plan that offers video streaming, and he's using it to view his favourite sports highlights. The service provider also operates a Wi-Fi hotspot at the train station—wouldn't it be great if there was an easy, transparent way to switch Liam over?

### Bridgewater's Data Offload Solution

Liam is moved seamlessly and securely from 3G to Wi-Fi. He experiences no video service interruptions as he is re-authenticated and re-authorized on the Wi-Fi network—and there's no need for him to log in again during the switch. His service provider's 3G network is relieved of traffic—everyone wins.



Maria and Monique are watching streaming videos at the same busy station. Both have plans with the same service provider—Maria has a basic bronze plan while Monique has a premium gold plan.

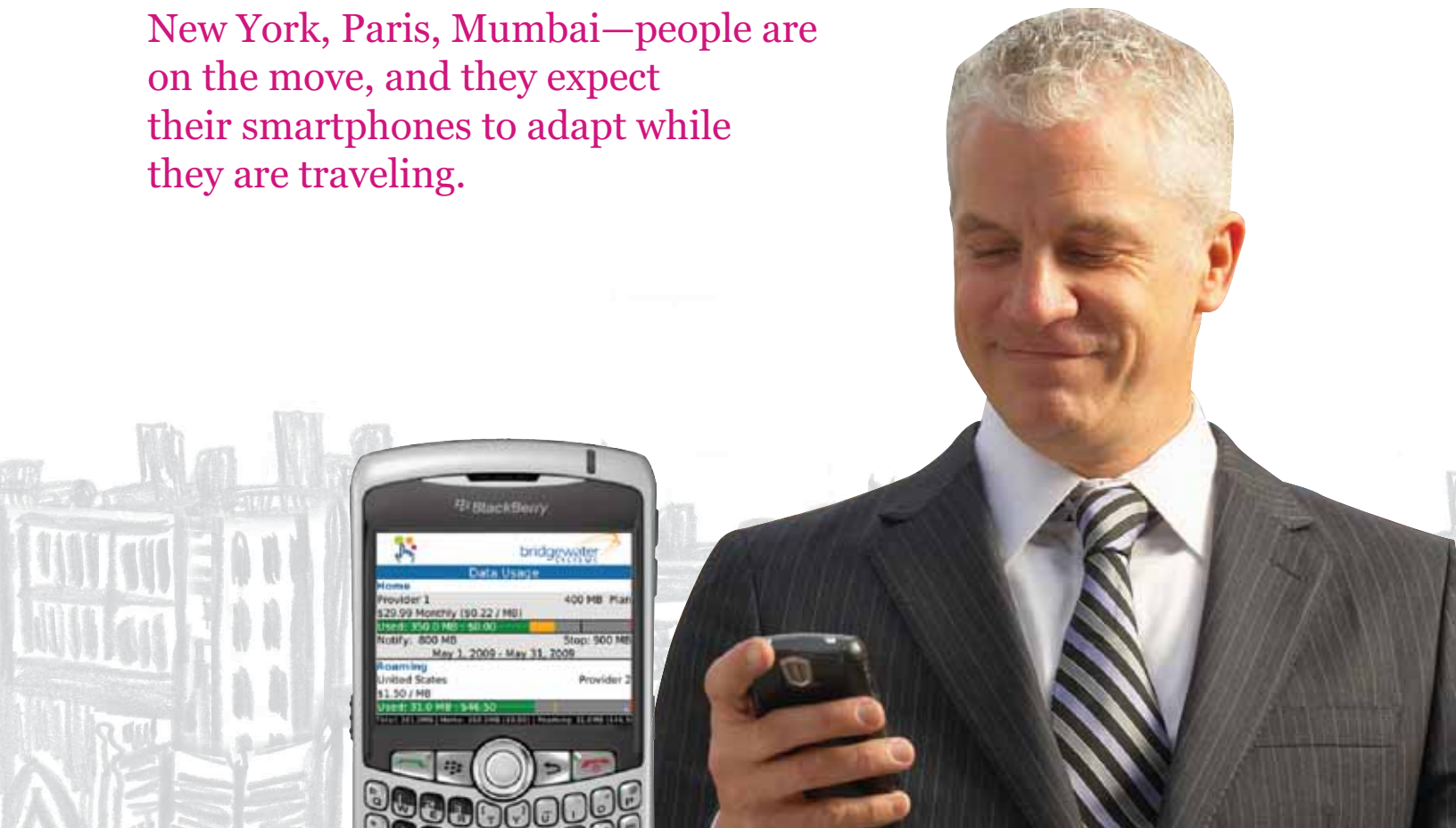
During congested times like this, wouldn't it be appropriate for gold plan subscribers to receive priority service?

#### **Bridgewater's RAN Congestion Solution**

Gold plan subscribers like Monique can be given bandwidth priority and experience no service interruptions. Maria, a bronze plan subscriber, can be provided with options like a temporary bandwidth boost, or a silver service upgrade.

## more control

New York, Paris, Mumbai—people are on the move, and they expect their smartphones to adapt while they are traveling.



Bruce started a new sales job a month ago that involves more travel. He enjoyed the convenience of communicating with customers and accessing his sales systems while on the road.

Back at the office, Bruce was shocked when the huge bill arrived. Isn't there a way he could have known about the charges before it was too late?

### **Bridgewater's Bill Shock Solution**

Bruce's IT department worked with their service provider to set up custom plans for employees based on their roles. He can now see his real-time usage on his mobile device and receives notifications when he is near his preset limit. He also receives priority access to his sales applications while traveling.



Nishiko is excited to be in Mumbai for a week with friends. She has no special roaming features in her plan. Worried that her roaming costs will be high, she turns her mobile device off most of the time.

If only she could get a temporary service for the week.

### **Bridgewater's Data Roaming Solution**

Nishiko's service provider sees that she is roaming in Mumbai and offers her a roaming day pass and free SMS text messages if she opts to receive mobile advertising while away. Nishiko enjoys the convenience of using her smartphone on the road while her service provider is able to tap into additional revenue.

“Bridgewater’s advanced technology and 4G experience in multi-vendor environments have played a key role in the success of Yota’s mobile WiMAX services in Russia. We are looking forward to continuing to work with Bridgewater as we expand in CALA and globally.”

*– Mr. Dennis Sverdlov, Chief Executive Officer, Yota*



Yota

## HOW BRIDGEWATER HELPS YOTA EXPAND WiMAX SERVICES

Yota is deploying Bridgewater's WiMAX solutions including the Bridgewater® Service Controller (AAA) to authenticate and authorize subscribers and perform critical accounting functions.

- Transform to 4G to deliver advanced services such as mobile video
- Rapidly deliver innovative services using multiple charging models such as prepaid, postpaid, roaming, and usage-based approaches from a common infrastructure
- Accelerate time to market using highly scalable WiMAX solutions optimized for multi-vendor environments

## CUSTOMER PROFILE

Russia-based Mobile WiMAX service provider delivering commercial services to more than 350,000 subscribers with plans to expand coverage to 180 cities in Russia.

Average subscriber uses 10 Gigabytes of data per month.

Extending Mobile WiMAX services to Nicaragua, Belarus and Peru.

Bridgewater customer since 2008.

“Bridgewater’s innovative approach to subscriber, service, and policy control for LTE will enable MetroPCS to launch advanced LTE broadband services in the second half of 2010 and bring a superior mobile Internet experience to our customers.”

*– Ed Chao, Senior Vice President, MetroPCS*

**metro**PCS®

## HOW BRIDGEWATER HELPS METROPCS LAUNCH LTE SERVICES

MetroPCS selected Bridgewater's LTE product suite including: the Bridgewater® Home Subscriber Server, a master repository that contains subscriber and device profile and state information, and manages subscribers and services; and the Bridgewater® Policy Controller which applies network, application, and subscriber policies to manage mobile data growth and deliver personalized services.

- Transform to 4G to deliver advanced mobile broadband services
- Manage subscriber profile, usage, and state information across 3G and 4G networks
- Streamline the provisioning of new services using existing subscriber data management, application, billing, and operational systems

## CUSTOMER PROFILE

Fifth largest facilities-based wireless carrier in the United States with over 6.6 million subscribers as of December 31, 2009.

Leading provider of unlimited, flat-rate, no signed contract wireless communications services.

Bridgewater customer since 2005.

# more growth

Bridgewater is pursuing four key strategies to grow our business and deliver increasing profitability and shareholder value.

## More 3G and 4G networks

We are extending delivery of our products and services to 3G and 4G networks and helping service providers migrate from 3G to 4G technologies. Since Bridgewater's products support all major wireless access technologies and interoperate with major equipment vendors, we add significant value to network migrations, service portability, interworking, and data offloading across mixed 3G/4G and Wi-Fi networks.

## More growth in our core markets and customer base

We are expanding with our customers as they add more subscribers, more devices, and more applications to their networks. Our flexible delivery models including standalone software, single purpose systems, and integrated systems rapidly scale to match our customers' growing capacity requirements.



## More products & solutions

We are investing in product and solution innovations that enhance our value and differentiate Bridgewater in the marketplace. We expect our service control, policy control, and subscriber data management products to take on increasing importance in helping our customers manage mobile data growth and deliver personalized services.

## More global

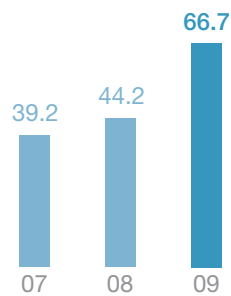
We are growing our business outside North America by increasing investments in service delivery capabilities and developing and supporting channel partners and system integrators. Our focus is on key markets in Europe, Asia Pacific, the Middle East, Africa, and Central and South America.



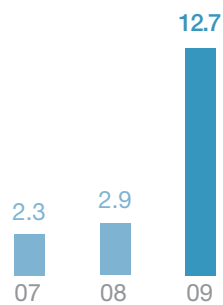
# financial highlights

Revenue increased 51% to \$66.7 million for 2009, compared with \$44.2 million for 2008.

REVENUE  
\$M



EARNINGS BEFORE INCOME TAXES  
\$M



Net earnings for 2009 were \$11.2 million, or \$0.44 per share fully diluted, versus \$2.8 million, or \$0.11 per share fully diluted, in 2008.

Ended the year with a strong balance sheet, with cash and short-term investments of \$67.3 million and no debt.

# operational highlights

26 new customer wins in 2009—  
75% of new customers outside North America



Increased business with current customers, including Verizon Wireless, Bell Canada, Telstra, MetroPCS and Cricket Communications.

Increased customer footprint and geographic diversification—new Tier 1 service providers such as Cox and Mobily.

Expanded portfolio with a focus on 3G/4G networks—new LTE product suite, expanded solutions for policy control, MetroPCS (LTE) and Bell Canada (HSPA) wins.

Bridgewater Systems, the mobile personalization company, enables service providers to efficiently manage and profit from mobile data services, content and commerce. The company's market leading mobile personalization portfolio provides a real-time, unified view of subscribers including entitlements, devices, networks, billing profiles, preferences and context. Anchored by Bridgewater's Subscriber Data Broker™, the portfolio of carrier-grade and standards-based products includes the Bridgewater® Service Controller (AAA), the Bridgewater® Policy Controller (PCRF) and the Bridgewater® Home Subscriber Server (HSS). More than 150 leading service providers including America Movil, Bell Canada, Clearwire, Cox, Hutchison Telecom, Iusacell, Scartel, SmarTone-Vodafone, Sprint, Tata Teleservices, Tatung, Telmex, Telstra, and Verizon Wireless use Bridgewater's solutions to rapidly deliver innovative mobile services to over 150 million subscribers. For more information, visit us at [www.bridgewatersystems.com](http://www.bridgewatersystems.com).



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