

Providing the Widest Coverage of Any Real-Time Location Based Service Provider in the Country, AirSage Pioneered the Transformation of Wireless Network Signaling Data into Powerful Mobility Information Soon After their Founding in 2000

Technology Signaling Data

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Cy Smith
CEO & Founder

BIO: Cy is an experienced entrepreneur with over 25 years of experience in the telecommunications industry.

Prior to launching AirSage in 2000, Cy was Founder, President and CEO of Advance Technology Corporation (ATC), a pioneer and leader in GIS and GPS-based solutions for wireless and wireline telecommunications companies.

He began his career with BellSouth Corporation, holding positions in network engineering, quality assurance and management.

A graduate of The Georgia Institute of Technology, Cy earned a BS in Industrial and Systems Engineering. He has been recognized as one of Georgia Tech's "Outstanding Young Engineers" by the Georgia Tech Alumni Association and has received awards from the American Electronics Association for leadership and innovation in technology.

About AirSage:

AirSage pioneered the transformation of wireless network signaling data into powerful mobility information soon after their founding in 2000. Early research led to unique developments that enable AirSage to provide more accurate location information, ubiquitous population analytics, and time-of-day movement patterns of people.

Today, AirSage has the widest coverage of any real-time location based service provider in the country. We collect and analyze real-time mobile signals to produce over fifteen billion anonymous locations every day. By turning every mobile device (cell phones, tablets, PDAs, etc.) into a mobile data sensor AirSage provides unmatched scale and accuracy, while fully protecting user privacy.

Advertisers, businesses, transportation planning professionals and engineers, emergency responders and a host of others finally have easy access to data that they can use for modeling and

forecasting the location, movement and flow of people throughout the day.

The data can easily be integrated into larger migration, demographic and socio-economic models, giving our customers an edge when solving traffic congestion, planning for urban growth, creating targeted marketing and advertising campaigns, or building stronger customer relationships.

At the core of our business is our employees. Creative minds with diverse educations lend to the unique and expanding offerings of AirSage. We are proud to work with a strong team that has been educated in South America, Europe, Asia, and some of the top engineering and business schools in North America. If you think you might want to work as an intern or employee in AirSage's expanding team, take a look at our openings on <http://www.airsage.com/Careers/>.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine

CEOCFO: Mr. Smith, on your website it indicates that AirSage is "The Power of Where and When". What do you do at AirSage?

Mr. Smith: AirSage uses wireless, anonymous signaling data to monitor locations and movement of mobile devices for purposes of creating population insights. For example, we can look at what the travel demand might be for a Metropolitan Area on roadways. That helps transportation professionals provide information about when they may need to put new roads in based on demand increasing, or

when they may need to modify signal timing to make it easier for people to travel around the city. We also provide market insights. Today, researchers can just look generally at the interest levels of population at different locations. If retailers want to put in a new location then with AirSage data they can know where a good location might be based on where people are or where they are likely to be.

CEO CFO: What do you know about this process that is better, faster, cheaper, easier and more accurate?

Mr. Smith: It is far better. Today, transportation planning relies on household surveys and other costly methods of data collection that yield a very small sample size. Whereas, with the information AirSage has we can look at entire populations and have far more accurate data. It is a much greater sample size. It can be delivered in a much more timely fashion and it can be much less expensive than traditional methodologies.

CEO CFO: Are the companies in the industries that should know about you aware of AirSage or is it still a bit off of the main stream for people?

Mr. Smith: We are at the early adoption stage of the transportation market and awareness is increasing. The acceptance is also increasing. We are new into a very long and established market area that is typically approached in a very different way. AirSage data is a new way of addressing market opportunities and market problems.

CEO CFO: You mentioned some examples of who might use your service. What are the industries where you have the most penetration? What might be some that are still a bit unusual for you?

Mr. Smith: Transportation planning is the industry that we work most. These are cities, counties, states and any municipality that might have an interest or have jurisdiction over a road network or some portion of it. Some of the newer areas that we are targeting are market research - looking

at the population concentrations in the context of enabling retailers or advertisers to know best how to reach customers that might be interested in their products or services.

CEO CFO: How do you reach all of these various people that should know about you?

Mr. Smith: We currently partner with transportation engineering firms that typically do business with transportation planning agencies. We will partner with market research firms that deliver research reports.

CEO CFO: Would they be purchasing through you or through the intermediary.

Mr. Smith: Typically, through the intermediary.

CEO CFO: Could you explain how it works?

Mr. Smith: The way that mobile technology works is that there is a

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network of hundreds of thousands of cell towers throughout the country. These towers have electronic equipment on them that patch, or connect, mobile devices with somewhat remote locations; whether it is another mobile phone or whether it is through a landline phone. Once the phone communicates with the tower through the airwaves it then jumps on fiber optic cable and everything is transmitted through the landlines from there. In order for the network to know which tower needs to connect your call that you might make from your mobile phone to someone else, the network needs to know, generally, what area you are in so that it will know which tower can patch that call through. This happens immediately. Otherwise, it might take several minutes for the network to go and find your phone and ask which tower needs to patch your call through. In order to avoid that time delay the network maintains an

awareness of the general area of where your mobile device is. This is the way that cell phone technology works and that is all handled through these control messages that go between the tower and the phone and the switches and other electronic equipment. We use those control messages and that location awareness and we analyze and repackage it for different purposes. It is not data that we are creating that did not exist before. It is data on networks today that we are using for different purposes.

CEO CFO: What is the most unusual thing that you have studied or analyzed?

Mr. Smith: Right now we are engaged in a project with the Center for Disease Control. They want to look at the evacuation patterns during Hurricane Isaac out of New Orleans.

The Center for Disease Control is interested in what happens during natural disasters because oftentimes disease will follow a natural disaster. If they can better understand where people go when they evacuate, how long it takes for people to return and then see if there are any unusual outbreaks of any disease that might have been a result of that natural disaster.

We are helping them to know, from Hurricane Isaac how many people evacuated during that time, how long they stayed away, how long it was before they came back and where they went. Again, these are aggregated, anonymous populations and AirSage data is going to be presented to the customer in terms of volumes of population or volumes of percentages. Say twenty percent of people went to Baton Rouge and they stayed on average for about a week, then returned back to New Orleans and it took maybe one month before it reached back to a steady state economically for people to come back and begin their normal lives again.

CEO CFO: How did they find you?

Mr. Smith: That is a good question. I am trying to remember. It might have just been that they found us on our

website or maybe read one of our press releases.

CEO CFO: What surprised you most as the company has grown and developed?

Mr. Smith: I suppose I did not expect that it would take as long as it has taken us to develop the technology and to integrate it in with the wireless carrier networks. It took much longer than we expected, but we are there now. We are getting good acceptance and growth. I will not say that either of those are surprises other than just the timing of it.

CEO CFO: You have considerable experience in telecommunications. What did you take from earlier experiences that have been most helpful at AirSage?

Mr. Smith: I guess it is to be ready for anything! In business, there are cycles. Sometimes the cycles run with the economy and they are created or affected by the economy and normal business cycles. Sometimes they are just cycles that are created through corporate life. There are ups and downs. The highs are typically going to be higher than most folks would actually realize and the lows are going to be lower. I think it just being prepared for anything. It is one of those things where if challenges come up, you work through them. The one thing that I do know is that on the other side of every challenge is some kind of success. Not to use a cliché, but success is not a one-time thing; it is something that has to be sought after each and every day.

CEO CFO: When a company or an organization come to you do they know what they want? Do they say "We want to measure this – do it?" Or do they come to you and look for suggestions on how to do something? What is the customer input in the process?

Mr. Smith: We typically talk through goals with a customer. The customer would tell us what their objective is; what they are trying to do. Then we may from that, input communicate what type of data we have that may address that objective or help with that objective. Then, they may say "well, it

is not exactly that." Therefore, there is some feedback, some iterations of us understanding what the customer is trying to do and the customer understanding what we have that might help. Then we go back and forth a few times and land on what is in our toolbox that might be the right fit for them.

CEO CFO: Are the technical skills the most important thing with your people? Do they need customer skills as well or is that less important in your industry than it might be in some others?

Mr. Smith: Most all of our people have technical as well as "people" skills. They need to understand what they are going to be trying to do with AirSage data. Therefore, we try to make sure that they have that awareness and that understanding. I think that is the case for most all of our employees.

CEO CFO: What is your global reach? Would you like to see changes there?

Mr. Smith: Currently, we are operating exclusively in the US. However, in the past six months we have had a number of international firms that have reached out to us and asked us to work with them internationally. We are in a position now where we are able to engage in those discussions and entertain the idea of an international expansion. That is something that would probably happen gradually over the next year. It is not something that we are going to jump right into, because we have a lot of work to do here and we are going to focus first and foremost in the US. However, certainly what we are doing is relevant in countries all over the world.

CEO CFO: What is ahead for the next year or two?

Mr. Smith: Our business strategy is to continue to create awareness and acceptance of our products and services. Right now, I think that we are at the early adopter stage and that is continuing to grow. Over the next year, we want to become mainstream in the markets that we serve. We want to do a great quality job. We want to make a significant difference in

proving quality, reliability and benefits of the data and the services that we provide, relative to alternatives.

CEO CFO: How is a company or an organization able to measure the ROI on what you do? How does that fit in "cost verses the benefit" for them?

Mr. Smith: The ROI is going to be measured in several different ways. One is our customers know that they have a need to better understand *their* customers; for example a transportation agency whose customers are those daily commuters that travel from home to work every day or those through travelers that travel through cities. The better that transportation planners are able to understand the travel demands, the better they are able to implement operational strategies and prioritize growth strategies to improve the flow of traffic and reduce congestion throughout cities. Therefore, for planning purposes, the ROI is somewhat long term, but it could be very substantial. In the United States, for example, our federal, state and local governments spend over one hundred billion dollars a year on our road systems. The better these agencies are able to prioritize those dollars, the more of an impact that everyone who has to travel from point A to point B is going to realize. The quantification of ROI can be somewhat difficult to measure, but it could manifest itself in things like better air quality because there is less congestion. It could manifest itself through less time that people have to spend in their cars on the roads. Those are all measurements of ROI. From a marketing standpoint, what the marketers are all about is when they spend dollars on advertising if are they reaching a higher number of people with the limited dollars that they have that would be interested in finding their products. Therefore, they are going to look at an ROI that says that they spend one hundred dollars on an ad, whereas the traditional method may have returned two hundred dollars. The extent to which AirSage could help that returns three hundred dollars, which is a better ROI than they might have realized otherwise.

CEOCFO: Do you find, in this current economic scenario that governments are more willing to pay attention because of the potential savings or are still so reluctant to spend money?

Mr. Smith: What we are finding is that the money that they do have, they have to spend it much smarter. Transportation planners have limited dollars to spend on building new roads and they have less money to do this, so the roads that they do build need to have a better and bigger impact on improving the quality of life for the people and communities that they serve. The better job they do in

planning; the smarter those dollars are going to be spent. That is the same with advertising. As businesses are more competitive and looking to provide better goods and services they have to operate more efficiently. They can operate more efficiently by having better information about how to reach their customers that they are trying to reach.

CEOCFO: Why should investors and people in the business community pay attention to AirSage?

Mr. Smith: AirSage has unique technology that is focused on

industries and has the potential to really change the way business is done in the markets that we serve. We are at the early stages of growth. We have technology that has taken many, many years to build and have relationships and partners that are well established and firmly committed to helping us be successful. AirSage is a name that people are going to hear sooner or later with the disruptive nature of what we are actually doing in market research and transportation planning.

