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## “THE 3G BUSINESS CASE CAN STILL BE STRONG!”

**In a new report, “3G – Bid book vs. reality”, Northstream analyses the commercial viability of 3G and gives an extensive assessment of key revenue-affecting factors.**

“The report makes many interesting discoveries”, explains Bengt Nordström, the President of Northstream. “For example, an incumbent operator with a 40% market share, who has paid a high fee for a 3G license, can continue to create value for shareholders if the average revenue per user (ARPU) is 10% higher than current levels, even if the market share drops to 20%.”

In Northstream’s view this is not too hard for the operators, but still requires them to be highly competitive by offering unique value added services while closely controlling their costs. For a green-field operator entering a market similar to Germany, it is a lot harder. The operator then has to capture a 20% market share by 2005, and will need to increase ARPU levels by 30%, compared to of current levels of the incumbents, if value is to be created for shareholders.

“Another interesting discovery is that low population density is the single most critical factor affecting the success of a 3G operator”, reveals Mr. Nordström. “When the operators must provide extensive area coverage, the negative effect is accentuated.”

The scenarios in the report have been analyzed using Northstream’s 3G business planning tool. This has already been used to assess many real-life and bid book 3G business cases for clients around the world. Analysis results can be easily combined and used to evaluate many different scenarios.

For further information on the report: [www.northstream.se/3g](http://www.northstream.se/3g) .

### **About Northstream**

*Northstream is a leading centre of excellence in wireless communications, with a special focus on business and technology strategies for the future mobile communication systems. Besides offering its clients strategic advice, Northstream also publishes highly respected industry reports and develops its own cutting-edge products for wireless communication.*

*As a strategic advisor, Northstream works for several of the world’s leading operators and system suppliers, e.g. Vodafone, AT&T, NTT DoCoMo Europe, Sonera, Mitsubishi, Ericsson, Microsoft and Siemens. Amongst the internationally famous investment banks and consultancies using the company’s services is Accenture (previously Andersen Consulting). Set up in December 1998, Northstream is majority-owned by its 6 founders. The other owners are Argo Global Capital, Northstream’s board of directors and the company’s 50 employees. Northstream has offices in Stockholm (Sweden), Sophia Antipolis (France) and Tokyo (Japan). For more info: [www.northstream.se](http://www.northstream.se)*

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