

Lack of services may slow down 3G take up

STOCKHOLM- October 14, 2002 – European operators have not successfully stimulated the development of mobile internet services and few such services are available today. Contrary to expectations, service development has again become increasingly dependent on operators. In comparison, in Korea there are some grounds for optimism with an indication that more sophisticated handset features stimulates greater usage of mobile internet services, resulting in greater revenues. Those are two of the conclusions in "3G rollout status", a report prepared by Northstream for The Swedish National Post and Telecom Agency (Post- och Telestyrelsen)

The report provides a descriptive and analytical overview of the status of 3G rollout in the European Union and Norway. It focuses on potential modifications of licence distribution and conditions and the changing market outlook for 3G services in Europe:

- Operator announcements show that 3G is delayed across Europe; operators expect initial launches in mid-2003.
- Multi-national operator groups with licences in various markets tend to co-ordinate the delayed 3G launch.
- Operators tend to cite handset delays rather than network delays. However, actual reasons for delay rest on a balance between handset availability and network functionality.
- Incumbent operators are likely to be less impacted by the delay than new entrants, as new entrants still have to secure a customer base.

- In addition to delays the market has qualitatively changed, says Johan Ragnevad at Northstream. There are big differences from original expectations in terms of number of operators, services and revenues, which show that operators are operating in an unanticipated market environment.

The report can be downloaded from The Swedish National Post and Telecom Agency web. A link to the report is also available on www.northstream.se

About Northstream

Northstream provides strategic technology and business advice to the global wireless industry. Northstream has assembled a multinational team with some of the world's best experts and analysts on wireless communication business and technology. Northstream works for several of the world's leading operators and system suppliers, e.g. Vodafone, AT&T, NTT DoCoMo, Mitsubishi, Ericsson, Nokia and Siemens. Northstream also works for other consultancies such as Accenture and some of the leading investment banks and financial institutions. Northstream is established in Stockholm (Sweden), Sophia Antipolis (France) and Henley on Thames (UK).

For more information please contact:

Johan Ragnevad, Northstream,
Tel: + 46 706 38 16 07
johan.ragnevad@northstream.se

Tommy Ljunggren, Public Relations Manager
Tel: + 46 705 91 00 64
tommy.ljunggren@northstream.se