



An Analysis of Radiolinja's Strategy – Vodafone Co-operation by Klaus Nieminen

An Analysis of Radiolinja's Strategy



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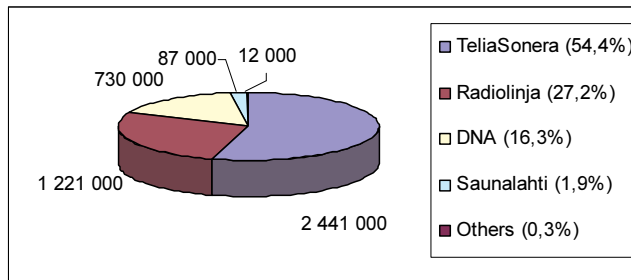
- Finnish communication market
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Mobile Market

- High penetration – saturated
- GSM postpaid



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Has Changed...

- Sonera acquisition and mobile number portability

- Coming entrants

Service Operator	Used network
ACN Europe	Sonera
Fujitsu	Suomen 2G
PGFree	Suomen 2G
Tele2	Radiolinja
Teraflex	Sonera
Wireless Maingate	Suomen 2G

- Current operators

Service operator	Used network
Cubio	Radiolinja
DNA	Suomen 2G
Globetel	Sonera
FinnetCom	Sonera
Radiolinja	Radiolinja
Saunalahti	Sonera
Sonera	Sonera

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Radiolinja

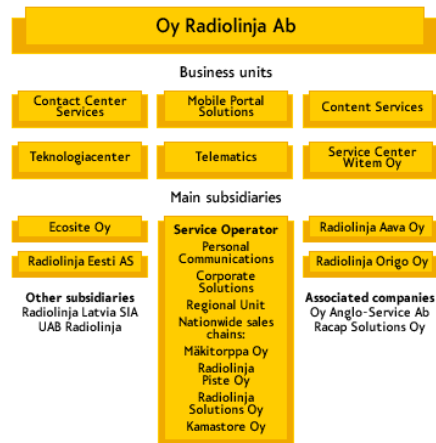
Radiolinja Group 1 April 2003

■ GSM 1991

■ UMTS ?

■ 1Q03

- 175M revenue
- 15M EBIT
- ARPU 38,4 (41,4)



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Radiolinja's Strategy

- Profitability
- Customer orientation
- Vodafone co-operation
- Brand building



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Vodafone Co-op

■ Vodafone in brief

- Now the number one with 122,7 million subscribers
- Was six years ago an unknown UK-based operator
- 16 subsidiaries, 9 associates and 9 partners

■ Benefits for Vodafone

- Access to Vodafone services in Finland and Estonia
- Further leverage of Vodafone brand
- Increase of inbound roaming on Vodafone networks



Vodafone Co-op 2

■ Benefits for Radiolinja

- Improves Radiolinja brand
- Simplifies the roaming charges
- Enables use of familiar short numbers abroad
- Possibility to sell Vodafone's global services
- Ready partnership network for roaming agreements
- Increase of roaming traffic on Radiolinja network



Scenario 1

- Acquisition
- Not likely, because:
 - Vodafone's strategy seems to increase its partnering network
 - Elisa is not eager to sell
- Vodafone is willing to continue and further evolve the partnership with Radiolinja.



Scenario 2

- Co-operation in product and service development and offering
 - Vodafone's global services
 - Evolving towards R&D co-operation
 - Network and service platform investments
- Brand limits the choices



Conclusions

- Mobile operator market will change
 - Challengers, technologies
- Radiolinja:
 - Focus on profitability and strong brand
 - Elisa's strategy?
- What are Vodafone's interests



The End

- Thank you, any questions?