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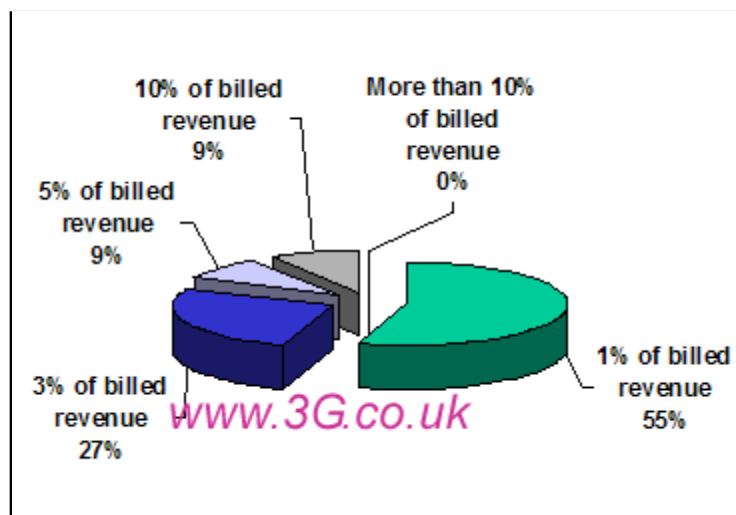
Eric saw no need to invest in service provisioning  
He could see the future quite clearly!

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**ALL TODAY'S PRESS RELEASES SEE BELOW**

### 3G Debt Worries

22nd April 2003



Above shows current level of bad debt and doubtful debt of that billed.

London : **SECOR** Consulting Limited, an independent management consultancy providing specialist advice to the communications industry, this week released the results of its survey, Global Communications Industry Credit and Debt Management Survey, which confirmed the view that there are likely to be significant debt problems as a result of 3G. A resounding 100% of the respondents from wireless operators believe that debt is likely to rise with the introduction of 3G.

The survey, conducted amongst finance directors and heads of credit management from leading communications companies around the world, identified seven key problem areas for debt management as a result of 3G services that were ranked in order of significance as:

- Pricing complexities
  - Billing errors
- Disagreements with service/content providers
  - Billing delay
- High customer usage resulting in large bills
  - Lack of real time data
- Network coverage problems.

Launch of 3G set to increase debt for communications service providers

3G will offer a multiplicity of tariffs and rates for services and a much wider variety of products. As such it is no surprise that pricing complexities and billing errors are cited by the survey as the two most inevitable problems facing the success and profitability of 3G. Complex discounting structures that will, in some cases, work retrospectively as well as a multitude of third party information from Internet service providers, retailers and subsidy/advertising revenue associates will complicate the billing process with direct impact on revenue. "In short there is real danger that when the cake of revenue is sliced up, the sum of the parts may amount to more than the operator collects!" explains Richard Brown, senior principal consultant at **SECOR**.

"The instantaneous nature of 3G technology and the services it enables will almost certainly create an expectation amongst customers for real time account information to be available. This in turn will mean that billing systems must be much faster than they are currently, but operators must ensure that the control and management of debt does not suffer as a result. The room for error, with retrospective and multiple re-rating of the same calls, will undoubtedly be an issue," continues Brown.

"Coverage problems will also prove a significant challenge for accurate and effective billing and account management. For example, if networks for 3G services open with coverage of major cities only, then customers will lose the service as they travel beyond those areas of coverage. The disputes with service/content providers over payment and the customer service implications could be horrendous," concludes Brown.

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### **TODAY'S PRESS RELEASES**

#### **Siemens 3G Phones Hit Europe**

3G terminals to be available in selected A1 Shops - Data transmission and video streaming up to 384 kbit/s - Simple and transparent rates: GSM/GPRS rates will apply for 3G - Cost of video via mobile phone: beginning at 50 cents per clip.

#### **First 1xEV-DV Test Solution for 3G Chipset Designers**

Agilent Technologies introduced the industry's first 1xEV-DV (1x evolution -- data and voice) testing solution for designers of dual-mode chipsets for 1xEV-DV and cdma2000 3G technologies.

#### **3G W-CDMA Link Up In ASIA**

NTT DoCoMo announced an agreement with Singapore Telecom Mobile Pte Ltd (SingTel Mobile) to collaborate in relation to the field of 3G mobile multimedia services based on W-CDMA technology.

#### **3G Player Secures \$10 Million Funding**

Dilithium Networks announced that it has closed \$10M in Series B funding. Motorola, Inc., through Motorola Ventures its venture capital arm, and JAFCO Asia

#### **NEC Completes 1st Stage Of 3G Network**

NEC and Siemens Information and Communication Mobile (Siemens mobile) have completed the first phase of Europe's first commercial 3G radio network for Hutchison 3G UK, trading as 3.

#### **3G Debt Worries**

The survey, conducted amongst finance directors and heads of credit management from leading communications companies around the world, identified seven key problem areas for debt management as a result of 3G services that were ranked in order

#### **Sex Is Not Killer Wireless Application**

Adult community services, such as those recently announced by AT&T Wireless and Match.com, will ramp up quickly, boosted by the growth of the camera and videophone markets.

#### **Wireless Operators Storm Market with Commercial Location-Based Services**

truggling to remain profitable amid price competition and falling average revenue per user

(ARPU), mobile operators are gearing up for the roll-out of 'Next Generation' commercial Location-based Services (LBS) to create new revenue streams, build subscriber bases and reduce customer churn.

#### **BREW Wireless Event**

The conference provides a networking forum for attendees as well as opportunities to learn from general session, technical and business tracks dedicated to sharing knowledge and expert resources on QUALCOMM's Binary Runtime Environment for Wireless(TM) (BREW) platform.

#### **SIP Developer Toolkit to Build New IP Phone**

RADVISION announced that SANYO Multimedia Tottori has chosen its award winning SIP Developer Toolkit for the development of its new SIP-based IP telephone.

#### **Imaging Module Incorporated into 3G Handset**

Pictos Technologies announced that Motorola has incorporated Pictos' VGA complementary metal oxide semiconductor (CMOS) camera phone module technology as an accessory to its A830 handset.

#### **3G "Future Proof" Test Equipment**

Continuous evolution of industry standards and limited capital expenditure budgets in the wireless communication market have impelled the development of modular and upgradable test devices.

#### **Porn A Poor Wireless Earner**

Speculation as to the potential offered by wireless adult services is often based on the premise that fixed Internet pornography providers are raking it in. Strategy Analytics disputes the often cited figure for global adult entertainment revenues of US\$20B, and believes this figure is actually closer to the \$4 billion mark, of which only around \$500 million will be generated on-line.

#### **Wardrobe Matching Mobiles**

Imagine being able to personalise your mobile phone or PDA to complement your wardrobe. Consumers around the world will be able to do just that, thanks to the EXO\* overmolding system from Inclosia\* Solutions.

#### **3G Debt Management Concerns**

The survey, conducted amongst finance directors and heads of credit management from leading communications companies around the world, identified seven key problem areas for debt management as a result of 3G services

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