

CONCLUSIONS

...WLAN is simply another source of UMTS/3G traffic

UMTS/3G and Wireless LAN are complementary rather than competitive technologies. We believe that WLAN will stimulate the overall mobile data services market, to the benefit of all players.

Operators have been assessing the opportunity for public WLANs for some time. Key elements of this market are now approaching critical mass. These elements include device cost, widespread acceptance and availability and applications for both consumer and business users.

We have explored the relationship between public WLAN and 3G services including the opportunity for 3G operators. While there are some potential applications of WLAN in the consumer market, we have focused here on the business market and the impact on the forecast 3G service revenue for Mobile Intranet. Overall, we believe the following:

- Public WLAN is a significant industry development because it:
 - Is available today,
 - Meets a specific user need,
 - Equipment are available today, with reasonable cost,
 - Networks are relatively easy to deploy.
- Public WLAN gives an opportunity to expand both overall market size and competitive position for data services, as it
 - Will add \$2.8 billion in 2005 to the market for 3G mobile data,
 - Introduces new, event-driven services to additional market segments,
 - Is not a substitute for 3G Mobile Intranet nor any other 3G mobile service, as WLAN-mobility is limited
- Public WLAN service may be an important source of competitive differentiation for 3G operators.

- The direct impact on forecast 3G Mobile Intranet revenues is likely to be less than 1% of total 3G revenues in 2005, but
- Public WLAN will be used by almost 20% of 3G business users in 2005 – a significant portion of the user base.

In conclusion, WLAN gives an opportunity to expand both overall market size and competitive position for wireless data services. WLAN can become a useful component of global or national mobile operator's service portfolio since WLAN is simply just another source of UMTS/3G traffic providing wireless access method to IP.

This analysis was prepared for the UMTS Forum by Telecompetition, Inc., which can be contacted at www.telecompetition.com.