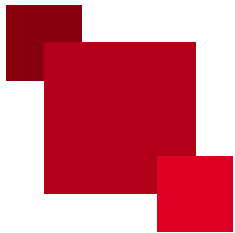


shaping the mobile public policy agenda



A programme for responsible growth

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Welcome



Dear Colleague,

The mobile sector is a significant contributor to the European economy. Net economic benefits from the industry in Europe last year are estimated at € 104,8 billion - a figure comparable with the EU's entire annual budget. This means that on average, mobile communications constitutes approximately 1.6% of the EU Member States' national GDP. Moreover, the 147 mobile operator members of GSM Europe employ around 450 000 people, whilst a further two million jobs are indirectly linked to the mobile sector. As a result, the performance of the sector inevitably has an important impact on both the national economic outlook and European productivity as a whole.

Liberalisation and deregulation of the mobile sector represent major opportunities to increase European competitiveness and open up the EU's internal market. There is clear evidence that open markets, together with fair competition can create favourable conditions in which mobile operators are incentivized and flourish, whilst their customers benefit from lower prices and attractive new services.

The new framework was intended to reinforce the EU's single market, whilst promoting competition in the electronic communications sector. However, for mobile operators its introduction has led to new ex ante sector specific regulation, along with additional uncertainty generated by on-going delays in national implementation, cumbersome processes and protracted appeals. At the same time, the EU has failed to achieve its Lisbon targets and growth in the European economy continues to be out-paced by that of the US. Moreover, Europe is increasingly under pressure from other key growth markets, such as China, India and Brazil - all competing fiercely for investment.

Mobile networks are a critical engine in the European economy. Their use drives European productivity and efficiency in the workplace, whilst they also provide incentives to other linked sectors to innovate and develop new services. Mobile has been a major European success story but its future success depends on operators' on-going ability to meet the continuous need for significant investment in network infrastructure and new technologies. Such investments inevitably entail high levels of risk and must be incentivized by policies which promote a stable regulatory environment and in turn, enable operators to optimise their performance in order to offer attractive returns to investors.

Europe urgently needs policies that promote further investment in the mobile sector, to enable the industry to continue delivering its full potential to increase European competitiveness and growth. It is therefore essential that we take steps to reverse the trend towards increasing ex ante regulation. The efficient functioning of the market can and should be secured through the proper application of competition rules.

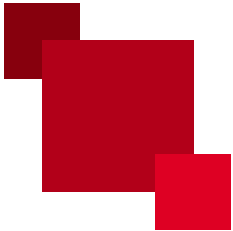
GSM Europe with its 147 Mobile Operators is firmly committed to building a more dynamic and competitive Europe. We welcome the commitment of national and European regulators to work with us to achieve this goal.

Yours Sincerely,

A handwritten signature in black ink, appearing to be 'Kaisu Karvala'.

Kaisu Karvala
Chair GSM Europe

GSM Europe Story



GSM Europe is the public face of European mobile operators and the key representative forum for the European wireless industry. It seeks to enhance and protect investments in network infrastructure, and to drive innovation and growth, as well as to expand consumers' choice.

GSM Europe (GSME) is the European interest group of the GSM Association, the premier global body behind the world's leading wireless communications standard. GSM Europe represents around 147 operators in 50 countries/areas in Europe, serving around 558 million subscribers. The GSM Association (GSMA) is the operator-led trade association representing the global mobile industry. Encompassing technical, commercial and public policy initiatives, the GSMA focuses on ensuring wireless services work globally, thereby enhancing the value of mobile services to individual customers and national economies while creating new business opportunities for operators and their suppliers.

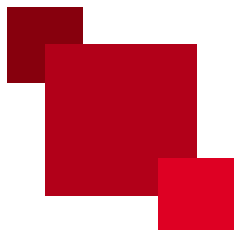
GSM Europe is the public face of European mobile operators and the key representative forum for the European wireless industry. It seeks to enhance and protect investments in network infrastructure and aims to drive innovation, growth and expand consumer choice. The mobile industry impacts the lives of the vast majority of Europe's citizens. GSM Europe seeks to ensure that the benefits of mobile services are understood, showing how they have enhanced the lives of citizens and brought social and economic benefits to individuals, businesses and nations. GSM Europe will endeavour to leverage the economic interest that the mobile industry represents in Europe.

To this aim, GSM Europe seeks to ensure that it:

- Develops an effective platform - in compliance with competition law - where operators can meet, share information, expertise and national experiences in selected areas (e.g. international spectrum coordination and management, numbering resources, market regulation, health and environmental issues, etc.)
- Is ahead of future developments and policy initiatives impacting the mobile industry and its members' operations, providing considerable input at embryonic stages of policy-making.

GSM Europe working groups cover Regulatory, M-Commerce, Frequency and Health & Environment issues.

GSM Europe Structure



Communication between members:
GSM Europe working groups cover Regulatory, M-Commerce, Frequency and Health & Environment issues.

Regulatory Working Group

The aim of the Regulatory Working Group is to track the EU communications regulatory framework and to seek to deliver a common voice to European regulators on legislative issues and initiatives. Besides closely following European and national developments in this area, the Group, made of regulatory and public policy experts, meets in order to discuss and assess the level of regulation needed for the mobile marketplace in the next decade. It also develops the key regulatory messages that GSM Europe is to put forward during this process.

Through a series of position papers and face-to-face meetings with policy makers, the Regulatory Working Group has contributed to the shaping of future policy making of the future wireless environment.

In the next few months the work of the Group will mainly focus on the close assessment of the communications draft directives recently proposed by the European Commission and will guide GSM Europe's members throughout the co-decision procedure in the European Parliament and the Council.

[www.gsmworld.com/
gsm europe/work_groups/
regulatory.shtml](http://www.gsmworld.com/gsm europe/work_groups/regulatory.shtml)

M-Commerce Working Group

The M-Commerce Working Group aims at promoting the interests of European GSM operators in the fields of mobile commerce and mobile Internet. It seeks to position GSM Europe among the reference organizations involved in e-commerce and Internet debates, by focusing on aspects which specifically concern mobile.

To achieve these objectives, the Working Group closely follows the developments of the European regulatory framework for electronic commerce, content and Internet and drafts relevant position papers as appropriate. Members of the Group also hold bilateral meetings and participate in hearings organized within the European arena.

The Working Group monitors the implementation of adopted legislation in key areas, in order to be able to respond to developments. Attention is also given to political initiatives such as the i2010 initiative and to international

regulatory activities affecting the European framework (for instance within the Council of Europe).

The Group works to inform the main decision-makers, presenting key aspects of mobile-commerce and demonstrating the important role played by GSM operators in the development of e-commerce and the Internet. The M-Commerce Working group also works in collaboration with and/or provides support to other groups within GSM Europe or GSM Association and liaises with GSMA technical groups on a regular basis.

[www.gsmworld.com/
gsm europe/work_groups/
mcommerce.shtml](http://www.gsmworld.com/gsm europe/work_groups/mcommerce.shtml)

GSM Europe Structure

Frequency Working Group

The aim of the Frequency Working Group is to develop GSM Europe positions regarding radio spectrum issues that would considerably impact the European mobile market in the coming years.

The Frequency Working Group that gathers regulatory, public policy and technical experts is also a forum for discussion, information, and exchange between mobile market players on current and future frequency policies.

The Frequency Working Group monitors the activities of relevant groups within the European Union and the European Communication Committee, i.e. European Commission, Radio Spectrum Policy Group (RSPG), Radio Spectrum Committee (RSC) and ECC Project Team 1 (PT1) and adequately submits contributions and positions papers to these groups.

The Frequency Working Group coordinates participation to fora, conferences and associations, as well as face-to-face meetings with key policy makers in order to appropriately deliver GSME messages on radio spectrum issues.

The most relevant issues are the new regulatory approach for European spectrum policy WAPECS (Wireless Access Platforms for Electronic

Communications Services, the IMT-2000 extension band, the future use of the “digital dividend” as a result of the digital switchover of broadcast and the World Radio Conference 2007.

Therefore, in the next few months the work of the Group will focus on the adoption by the Commission of a Community decision on the 2.6 GHz extension band (GSME supports its designation for IMT-2000/UMTS systems only) and the Commission’s Communication on a “Forward Looking Spectrum Policy for the EU”. The Group will also actively monitor and contribute to the WAPECS consultation of RSPG. Furthermore, the Group will develop a common position on the digital dividend debate as well as on the key mobile topics of WRC’07.

www.gsmworld.com/gsm europe/work_groups/frequencies.shtml

Health & Environment Working Group

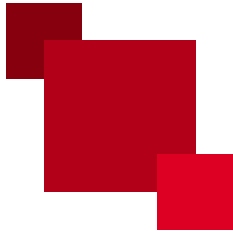
The purpose of the Health & Environment Working Group is to ensure the responsible management of health & safety and general environmental issues relating to mobile telecommunications technologies. The Group deals specific areas such as monitoring and advising GSME members of developments in the issues concerned with health, safety and environmental impacts of mobile communications. In particular, reporting of independent scientific research, industry best practice and health/regulatory/political developments in Europe.

The Health & Environment Working Group is also responsible for developing position statements, best practice and communication to key European stakeholder/interest groups (consumers, media and Government). A comprehensive booklet on mobile telecommunications health concerns and how it is being managed by GSME members, including the GSME Recommendation on Network Rollout Best practice, has been produced. The Working Group liaises, supports and acts in close co-operation with the Health Policy Subgroup of the GSMA Public Policy Committee’s Regulatory Advisory Group and the GSMA EMF Expert Panel. In addition, it also liaises with

the wider European mobile telecommunications industry, for example the Mobile Manufacturers Forum (MMF) and national trade associations via members, in the responsible management of the health & safety and environmental issues. The Health & Environment Working Group has taken the lead in organising two major health seminars, with a third planned for 2006, jointly with the European Commission, the GSMA and the MMF. The Group is also invited to participate in and speak at international health conferences.

http://www.gsmworld.com/gsm europe/work_groups/health.shtml

Technology & Service Focus



GSM is a living and evolving wireless communications system that already offers an extensive and feature-rich 'family' of voice and data services. The GSM family consists of today's GSM, General Packet Radio Service (GPRS), Enhanced Data rates for GSM Evolution (EDGE) and third generation GSM services (3GSM) based on the latest technology.

GSM Technology Family

GSM

Today second-generation GSM networks deliver high quality and secure, digital mobile voice and data services (such as SMS/Text Messaging) with full roaming capabilities across the world.

GPRS

General Packet Radio Service-enabled networks offer 'always-on', higher capacity radio access network capable of supporting some Internet-based content and packet-based data services. This enables services such as colour Internet browsing, e-mail on the move, powerful visual communications, multimedia messages and location-based services.

EDGE

Further enhancements in data capability over the basic GSM and GPRS-capable networks, can be provided through the introduction of Enhanced Data rates for GSM Evolution – known as EDGE. This offers faster data transmission to aid the delivery of more advanced mobile services such as the downloading of video and music clips, full multimedia messaging, high-speed colour Internet access and e-mail on the move.

3GSM

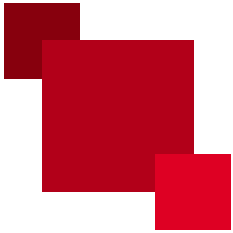
3GSM is the latest addition to the GSM family. 3GSM is about having third generation mobile multimedia services available globally. 3GSM is built around a core GSM network with a Wideband-CDMA (W-CDMA) air interface, which has been developed as an open standard by operators in conjunction with the 3GPP standards development organisation. It offers operators even greater speeds, which together with the efficient use of spectrum, mean that operators can look to deploy the highly visual services that are likely to underpin the communications methods of the future. Already over 85% of the world's network operators committed to the next generation of mobile technology have chosen 3GSM.

HSDPA

HSDPA stands for High Speed Downlink Packet Access: this is a software upgrade for 3G networks based on the 3GSM (W-CDMA) standard, a 3G access technology that has been adopted by the GSM community as a global standard.

HSDPA and W-CDMA are the only broadband mobile technologies to enjoy widespread support in the GSM community. While some operators may also adopt alternative access technologies, they are likely to be limited to a complementary role. Alternative access technologies typically lack the key benefits of the GSM family of technologies - global roaming, seamless billing, compatibility with existing networks and huge economies of scale.

Technology & Service Focus [cont'd]



Together these platforms offer a smooth evolutionary path to feature-rich services – The Wireless Evolution.

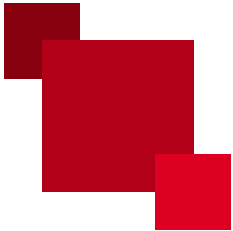
The Wireless Evolution

GSM's unrivalled success can be attributed to many factors, including the unparalleled cooperation and support between all those supplying, running and exploiting the platform. It is based upon a true end-to-end solution, from infrastructure and services to handsets and billing systems.

As the underlying radio technologies are upgraded, it is vital that these principles and functions are maintained and enhanced. The Wireless Evolution is used to refer to the addition of new GSM family of technologies to an operator's network. It is an evolutionary process with backward compatibility with GSM assured.

The aim of the Wireless Evolution is to ensure global, seamless wireless services for all customers, irrespective of which Member of the GSM technology family they are using.

Facts and Figures



Key Achievements: An Incredible Success Story!

GSMA members serve more than 1.5 billion people across 210 countries.

GSM Europe represents 147 operators in 50 countries/areas in Europe, serving over 558 million subscribers.

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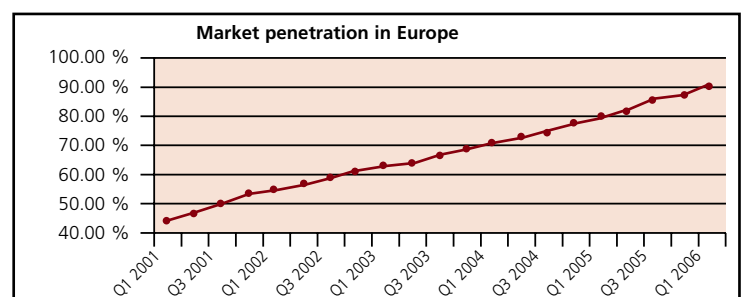
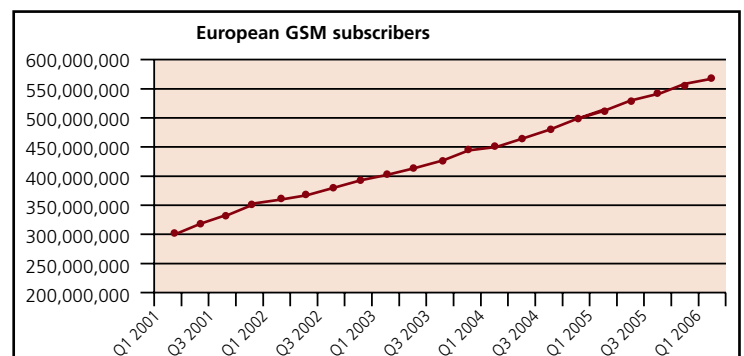
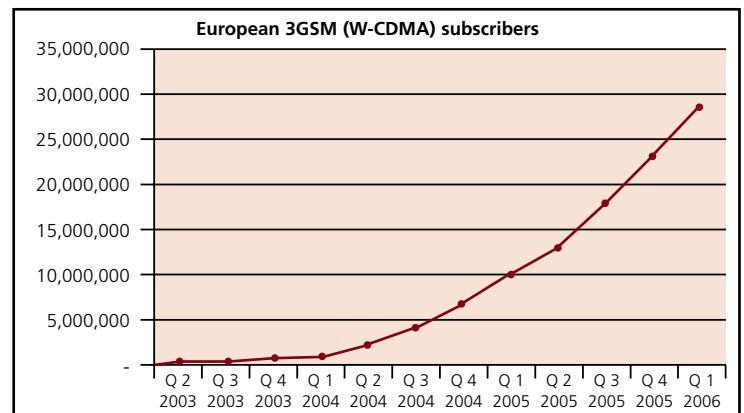
There are over 540 million GSM subscribers in Europe plus another 18 million Europeans using 3GSM networks.

3GSM subscribers are increasing at a cumulative annual growth rate of 330%.

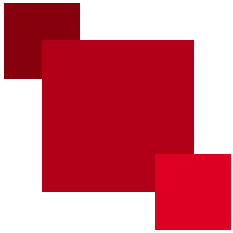
Market penetration across GSM and 3GSM networks in Europe is 85% with 15 countries having penetration figures of over 100%.

8 countries in Europe have penetration of less than 60%.

Data source: Wireless Intelligence
September 2005



GSM Europe Membership



The GSM Association offers two types of Membership, **Full Membership** and **Associate Membership**.

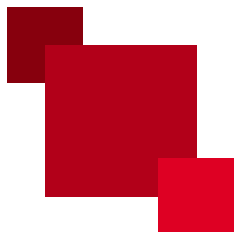
Full Membership

Full Membership is open to Licensed 2G and 3GSM mobile network operators committed to implementing any or all of the GSM family of technologies (GSM, GPRS, EDGE and 3GSM) for digital wireless communications.

Associate Membership

Associate Membership is open to suppliers and manufacturers of the GSM family of technology platforms (GSM, GPRS, EDGE and 3GSM). Applicants can apply under one or more of the following categories: Application Providers, Billing Systems Suppliers, Data Clearing Houses, Financial Clearing Houses, GRX Carriers, GSM Standards Supporters, Infrastructure Suppliers, Mobile Terminal Suppliers, Roaming Brokers, Security Systems Suppliers, Signaling Providers, SIM Card Suppliers, Simulators Suppliers.

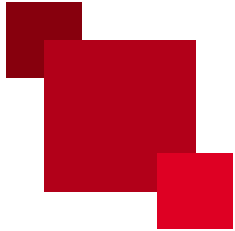
GSM Europe Membership



GSM Europe Full Members per country

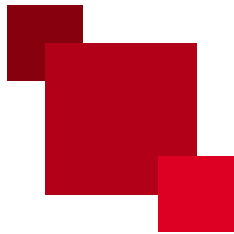
ALBANIA	Albanian Mobile Communications Vodafone Albania
ANDORRA	Servei De Tele. DAndorra
AUSTRIA	Hutchison 3G Austria GmbH Mobilkom Austria AG & Co KG ONE GMBH Tele.ring Telekom Service GmbH T-Mobile Austria GmbH
BELARUS	JLLC Mobile TeleSystems Mobile Digital Communications
BELGIUM	BASE NV/SA Belgacom Mobile Mobistar S.A.
BOSNIA HERZEGOVINA	BH Telecom, Joint Stock Company, Sarajevo Eronet Mobile Communications Ltd RS Telecommunications JSC Banja Luka
BULGARIA	BTC Mobile EOOD Cosmo Bulgaria Mobile EAD MobilTel AD
CROATIA	Tele2 d.o.o za telekomunikacijske uluge T-Mobile Croatia, LLC VIPnet d.o.o.
CYPRUS	Areeba LTD Cyprus Telecommunications Auth
CZECH REPUBLIC	Eurotel Praha, spol. s.r.o. Oskar Mobil a.s. T-Mobile Czech Republic a.s.
DENMARK	Hi3G Denmark ApS Orange A/S Sonofon TDC Mobil A/S TeliaSonera Mobile Networks AB
ESTONIA	AS EMT Elisa Mobiilsideteenused AS Tele2 Eesti AS
FAROE ISLANDS	Faroese Telecom P/F Kall
FINLAND	Alands Mobiltelefon Ab Elisa Corporation Finnet Networks Ltd Sonera Mobile Networks Limited
FRANCE	Bouygues Telecom Orange France SFR - CEGETEL
GERMANY	E-Plus Mobilfunk O2 (Germany) GmbH & Co. OHG T-Mobile Deutschland GmbH Vodafone D2 GmbH
GIBRALTAR	Gibraltar Telecommunications Int. Ltd.

GSM Europe Membership



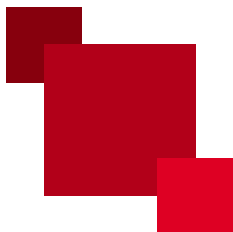
GREECE	COSMOTE - Mobile Telecommunications S.A. Info Quest - Commercial & Industrial S.A STET Hellas Telecommunications Vodafone-Panafon
GREENLAND	TELE Greenland A/S
GUERNSEY	Cable & Wireless Guernsey Ltd Wave Telecom
HUNGARY	Pannon GSM Telecommunications T-Mobile Hungary Telecommunications Co. Ltd Vodafone Hungary Ltd
ICELAND	Iceland Telecom Ltd IMC Island ehf Og fjarskipti hf
IRELAND	Hutchison 3G Ireland limited Meteor Mobile Telecommunications Limited O2 Communications (Ireland) Ltd Vodafone Ireland Ltd.
ISLE OF MAN	Manx Telecom
ISRAEL	Cellcom Israel Ltd Partner Communications Company Ltd
ITALY	H3G TIM Italia Mobile Vodafone Omnitel N.V. Wind Telecomunicazioni SpA
JERSEY	Jersey Telecom
LATVIA	Latvian Mobile Telephone Co SIA Bite Latvija TELE2
LIECHTENSTEIN	Mobilkom (Liechtenstein) AG Orange (Liechtenstein) AG Swisscom Mobile Ltd (Liechtenstein) Tele 2 Aktiengesellschaft
LITHUANIA	OMNITEL UAB Bité Lietuva UAB TELE2
LUXEMBOURG	P & T Luxembourg Tango SA VOXmobile S.A.
MACEDONIA, THE FORMER YUGOSLAV REPUBLIC OF	COSMOFON AD Skopje MOBIMAK AD
MALTA	Mobisle Communications Limited Vodafone Malta Limited
MOLDOVA, REPUBLIC OF	Moldcell SA VoXtel S.A.
MONACO	Monaco Telecom SAM
NETHERLANDS	KPN Mobile The Netherlands BV Orange Nederland N.V. TELFORT B.V. T-Mobile Netherlands Vodafone Libertel N.V.

GSM Europe Membership



NORWAY	Maritime Communications Partner AS NETCOM AS Telenor Mobil Teletopia Mobile Communications AS
POLAND	Polkomtel S.A. Polska Telefonia Cyfrowa PTK Centertel
PORTUGAL	Optimus Telecomunicacoes S.A. TMN Vodafone Portugal
ROMANIA	Cosmorom Mobifon SA Orange Romania SA
SERBIA AND MONTENEGRO	Mobile Telecommunications Monet Ltd, Podgorica ProMonte GSM Telekom Srbija
SLOVAK REPUBLIC	Orange Slovensko a.s. T-Mobile Slovensko, a.s.
SLOVENIA	Mobitel D.D. SI.MOBIL d.d. Western Wireless International d.o.o.
SPAIN	Retevision Movil S.A. Telefonica Moviles España S.A. Vodafone Espana S.A.
SWEDEN	Hi3G Access AB Swefour AB Tele 2 AB TeliaSonera Mobile Networks AB Vodafone Sverige AB
SWITZERLAND	In &Phone SA Orange Communications SA Swisscom Mobile Ltd TDC Switzerland AG Tele2 Telecommunications Services AG
TURKEY	Avea Iletisim Hizmetleri A.S. Telsim Mobil Telekomunikasyon Hizmetleri Turkcell Iletisim Hizmetleri A.S.
UKRAINE	Astelit LLC Golden Telecom LLC Kyivstar GSM JSC Ukrainian Mobile Communications Ukrainian Radio Systems
UNITED KINGDOM	Hutchison 3G UK Ltd O2 (UK) Limited Orange PCS Ltd T-Mobile (UK) Limited VODAFONE Ltd

Contact GSM Europe



Serving the needs of our Members requires an efficient business organisation. A professional team is responsible for guiding and shaping policy as well as managing the day-to-day business of the Association.

Support and Advice

Support and advice is available from the GSM Association professional staff on topics such as:

Billing and Roaming
Environmental Affairs
Fraud and Security
Database Service Terminals
Data Interchange
Infocentre Training
Member Services Support

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Web: www.gsmworld.com

Brief History to date

1982	Groupe Speciale Mobile (GSM) is formed by the Confederation of European posts and Telecommunications (CEPT) to design a Pan-European Mobile Technology
1984	GSM Project endorsed by the European Commission
1985	West Germany, France and Italy sign a joint development agreement for GSM
1986	EU Heads of State agree to reserve 900MHz spectrum band for GSM
1987	GSM Memorandum of Understanding (MoU) formed, comprising 15 members from 13 countries committed to deploying GSM
1988	GSM technology proven in validation trials
1989	GSM defined as the internationally accepted digital cellular telephony standard by ETSI
1990	GSM adaptation work started for the DCS1800 band
1991	First GSM call made by Radiolinja in Finland
1992	Telstra Australia becomes the first non-European operator to sign the GSM MoU • First international roaming agreement signed between Telecom Finland and Vodafone (UK)
1993	32 networks on air in 18 countries or territories. • First truly hand portable terminals enter are launched commercially • GSM subscribers exceed one million
1994	GSM Phase 2 data/fax bearer services launched • GSM MoU membership surpasses 100 operators
1995	GSM MoU is formally registered as an Association with 117 networks on air • Fax, data and SMS services are launched
1996	First GSM networks in Russia and China go live • Pre-paid GSM SIM cards launched
1997	15 GSM networks on air in the USA using the 1900MHz band • First tri-band handsets launched
1998	Global GSM subscribers surpass 100 million • First Latin American operator joins the GSMA
1999	Contracts placed for GPRS systems • GSM subscribers exceed 250 million • GSMA opens membership to GSM manufacturers and suppliers
2000	First 3GSM network goes live • First commercial GPRS services launched • First GPRS handsets enter the market • First Japanese operators join the GSM Association • Five billion SMS messages sent in one month
2001	GSM Association launches M-Services Initiative • Fifty billion SMS messages sent in first three months • GSM subscribers exceed 500 million
2002	GSM introduced for 800MHz band • First Multimedia Messaging Services go live • 95% of nations worldwide have GSM networks • 400 billion SMS messages sent in the year • GSMA creates new CEO-level Board
2003	First EDGE networks go live • Over half a billion handsets produced in a year
2004	GSM SURPASSES ONE BILLION CUSTOMERS
2005	GSM surpassed 1.5 billion users in 2005

GSM Europe

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