

Situation

- In late 1998 ARC Associates were appointed by Sonera to analyse its options regarding a \$200 million investment in Aerial Communications, Inc. ("Aerial"), a regional U.S. GSM wireless operator
 - Sonera's investment had been adversely affected by the perception that the GSM operators were competitively disadvantaged

Approach

- ARC Associates reviewed the U.S. wireless market, conducted a valuation of each component of the potential consolidation of the four publicly traded U.S. GSM operators, and calculated the financial requirements associated with the build-out of a nation-wide U.S. GSM wireless network
- As part of its efforts to invest in effectively a nation-wide U.S. GSM network, Sonera entered into discussions with Powertel, Inc. ("Powertel") regarding a potential strategic investment
- ARC Associates advised Sonera throughout the negotiations and performed detailed due diligence, valuation and transaction structure analyses

The Transaction

- On 15 September 1999, Sonera completed the acquisition of Ericsson Inc.'s equivalent 9% shareholding in Powertel, Inc. for \$123 million



Transaction Value: \$123m