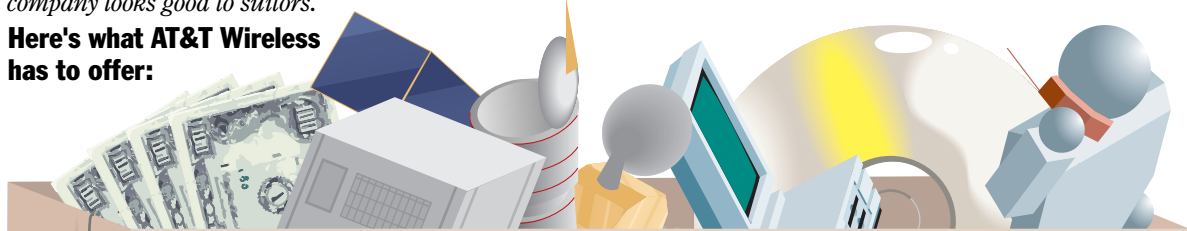


# What can you buy for \$30 billion (or more)?

AT&T Wireless is the third-largest wireless provider in the U.S., ranked by subscribers, and reported \$15.7 billion in revenue last year – an 8 percent increase over 2002. But that kind of money isn't the only reason the Redmond company looks good to suitors.

**Here's what AT&T Wireless has to offer:**

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- \$30 billion?**
- **Strong balance sheet.** \$4.3 billion in cash and short-term investments at the end of September. Very little debt and market capitalization of about \$32 billion.
  - **Spectrum.** AT&T Wireless is sitting on a good-sized chunk of licensed airwaves that carry wireless traffic. Holds enough licenses to cover 99 percent of the U.S. population.
  - **Subscribers.** 22 million at end of 2003, about the population of Texas. Ranks No. 3, behind Verizon Wireless and Cingular Wireless.
  - **Two networks.** Uses TDMA, or time division multiple access. Started implementing GSM, or global system for mobile communications, a couple of years ago. Networks cover about 77 percent of the U.S. population; company has roaming agreements with other providers outside that area.
  - **Fast data speeds.** GPRS, or general packet radio service, accompanies GSM rollout. New EDGE network handles data between 100 and 130 kilobits per second, fast enough to easily download large e-mail attachment or song to a cellphone. Developing wideband-CDMA, superfast network with speeds of up to 364 kilobits per second.
  - **Brand names.** Who hasn't heard of AT&T? Company licenses brand name and logo from former parent through an exclusive arrangement. Less well-known trademarks it uses for services and image are mlife and mMode.
  - **Retail presence.** At last report, 896 company-owned stores throughout the country, as well as kiosks. More stores than Abercrombie & Fitch.
  - **Disappointing streak.** Lost \$84 million in the fourth quarter on sales of \$4.2 billion. Analysts had been expecting a break-even performance. Operating income declined to \$890 million, first time since 2002 it dropped below \$1 billion.
  - **Messy employee situation.** Company is downsizing work force and consolidating operations in Redmond and northern New Jersey. Plans to cut 1,900 jobs, and employees in 800 of those positions have already left. About 5,000 of total 30,000 employees are in Washington; uncertain future burdens morale in the trenches.
  - **Software issues.** FCC received more complaints about AT&T Wireless than any provider on customer requests to change services while keeping the same cellphone numbers. Company blamed software issues, which it said it cleared up. Also had difficulties upgrading or adding customers to a new data-transmission system.

## Front-runners:



### Cingular Wireless

Headquarters: *Atlanta*

Considered front-runner, made all-cash \$30 billion offer earlier.



### Vodafone Group

Headquarters: *Newbury, U.K.*

World giant, now minority owner of Verizon Wireless, seeks its own U.S. presence.

## Others mentioned:

# NEXTEL

### Nextel Communications

Headquarters: *Reston, Va.*

Runs on different technology, but seeking to expand market reach.



### NTT DoCoMo

Headquarters: *Tokyo*

Already owns 16 percent of AT&T Wireless; does it want all of it?