



Mobile Phone Mast Newsletter

CORNERSTONE - Network Consolidation Part II

Vodafone has teamed up with O2, to share mobile network infrastructure in the biggest deal of its kind.

The two mobile phone companies announced a milestone collaboration to merge existing mobile sites and build new ones together in the UK, Germany, Spain and Ireland. This covers the five countries both firms operate in. They already share some mobile sites in Spain. The new Joint venture company 'CORNERSTONE' has already been set up.

Coming only a year after the network-sharing venture between T-Mobile and H3G, the deal, is part of the ongoing consolidation of the mobile phone industry. The move will save each firm hundreds of millions of pounds over the next decade. The deal will also accelerate wireless broadband coverage, enabling the pair to push into rural areas more quickly and provide a more level playing field in the race to be the largest and best provider of mobile broadband in the UK by 2012 .



It is early days however and the main market players are, to a large extent, still coming to terms with the likely outcomes of network consolidation initiatives. The approach being adopted by landlord agents varies, but many landlords have been prepared to regear leases to obtain more secure future rental income and a stronger investment yield. Factors such as the take-up of surplus sites, progress with decommissioning and expanding consolidation projects will shape the degree to which the market is affected. Consolidation activities are still in their infancy and the market has yet to determine whether there will be any noticeable change to rents.

A landlord that says 'no' may find its long-term income is terminated, so although it may be a bitter pill for some to swallow, being a player in a developing market place will happen only if the installation(s) are retained. There is undoubtedly negotiating opportunity where operators are seeking concession from the landlord, but their funds are not unlimited and cost saving is the key. Whether we like to admit it or not we are in a tenant lead market and those landlords that embrace the changing market place, and are prepared to work with their tenants where terms can be agreed, will be best placed in the future.

Watch this space on what Orange unveil to catch up with its four competitors.

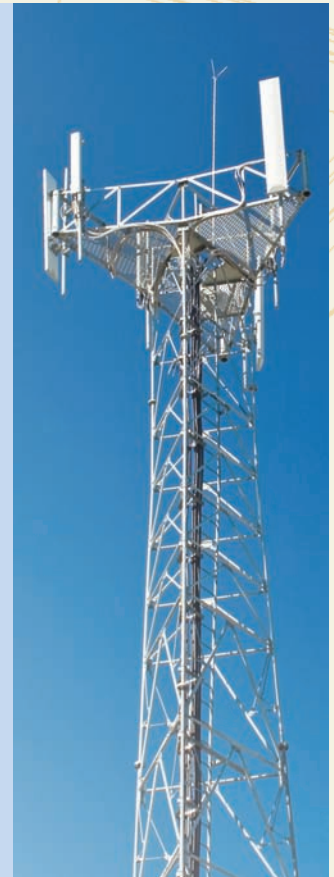
ARQIVA

In March 2009, Mobile Broadband Network Limited (MBNL), the joint venture between T-Mobile and H3G selected Arqiva as its strategic partner for the expansion of its network.

Under the terms of the 10-year agreement, Arqiva will provide MBNL with 5,100 sites and Arqiva will have exclusive marketing rights for site sharing services on a further 2,500 sites.

Arqiva has over 24,000 marketable sites in the UK. The company provides much of the infrastructure behind television, radio and wireless communications in the UK. It is owned by a consortium of investors led by Macquarie Communications Infrastructure Group. Major customers include the BBC, ITV, Channel 4, Five, BSkyB, Classic FM, the five UK mobile phone operators, the RNLI and the Metropolitan Police. Incidentally, Macquarie also own Airwave Solutions, the UK network provider to the Police, Fire and Ambulance services.

Arqiva has an alarming presence across the UK, and it is of the utmost importance for any landlord or agent who receives correspondence from Arqiva to refer the matter to a specialist agent such as TM for initial review. TM does not charge for initial consultations and it could make a huge difference on how you respond to any offer or proposal presented by Arqiva. Almost certainly, Arqiva will suggest that time is of the essence for any landlord response and or that no response implies consent has been granted by the landlord, however this is a mere tactic used by a number of commercial tenants. Take advice promptly!



Airwave

Named as London 2012 Supplier

Airwave will be the first ever Olympic Official Private Mobile Radio Services Provider and will provide private mobile radio service to all Games venues.



With the largest public safety network in the world, part of the UK's Critical National Infrastructure, Airwave provides mission critical voice and data communications to the emergency services of England, Scotland and Wales as well as other public safety organisations.

In preparation for the 2012 Games, Airwave is building a completely new and independent communications infrastructure that will be used from 2011 right up to and during the period of the Games. Like its public safety infrastructure, the service will be delivered using TETRA technology, but it will be totally separate. The new service will provide coverage allowing the 2012 Games and its workforce to operate effectively and safely. The infrastructure will predominantly provide coverage for the London venues but also includes satellite venues at places across the UK like Weymouth and Hampden Park.

Work on the new infrastructure is already underway and the negotiations for lease agreements with landlords will be comparable with commercial rents and terms across the mobile phone sector.

THE REAL RISKS WITH MOBILE PHONES

Several unemployed bankers were in a golf club changing room.
A mobile phone rings.

"Yes I can talk," says the man answering the call,
"You're shopping are you? That's nice."

The listening men smile to each other.

"You want to order those new carpets? Okay.. And they'll include the
curtains for an extra five thousand?.. Sure, why not?"

More smiles among the listeners.

"You want to book that week on Easter Island?.. They're holding the
price at twenty-two thousand?.. Sounds a bargain.. You want a
fortnight?.. If that's what you want honey, okay by me."

Smiles turn to expressions of envy.

"And you want to give the builder the go-ahead for the new
conservatory? Seventy-five thousand if we say yes today?
Sounds fair.. sure, that's fine."

The listeners exchange glances of amazement.

"Okay sugar, see you later.. Yes, love you too,"
says the man, ending the call.

He looks at the other men and says,
"Whose phone is this anyhow?.."