

Questions to consider related to Sonera case

1. What is the strategy that Sonera and its CEO Relander are pursuing?
2. What are the main threats / obstacles for implementing this strategy?
3. Related to financing of Sonera's growth, please list the available options to finance the immediate financing needs of EUR 3.9 billion?
4. With the help of Financial Manager's checklist, please evaluate which financing alternative Sonera should pursue and why?

Hints: When evaluating these options, and the fairness of market value of Sonera, the NPV of the UMTS license is an issue. Please assume for the moment that the NPV of the license is zero. The fair value of Sonera's equity can then be calculated by sum of the parts method, e.g. using the multiples method.