



2Q08 Algeria Mobile Forecast

Subscriber growth slows down in Algeria's
wireless market



FreeSight #04.2008

May 2008



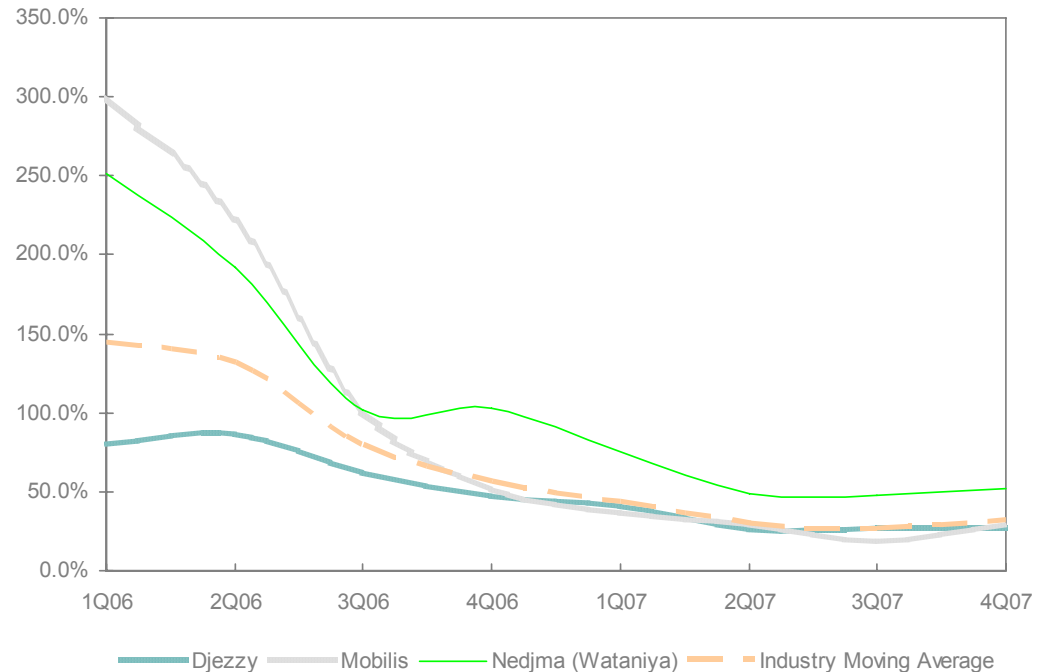
Subscriber growth in Algeria slows down

+32.9% average growth over the past four quarters

ALTHOUGH THE OPERATOR-WIDE AVERAGE SUBSCRIBER GROWTH RATE IS STILL HIGH, IT HAS SLOWED DOWN

- Industry-wide subscriber growth averaged +32.9% over the past four quarters (1Q.2007 – 4Q.2007)
 - This is in contrast to the average of +102.8% over the four-quarter period from 1Q.2006 to 4Q.2006
- Our forecasting model predicts that this trend will continue in the next three years
 - No operator will have a double-digit subscriber growth rate in 2010

Chart 1: Subscriber Growth (1Q06 – 4Q07), %



Source: IEMR

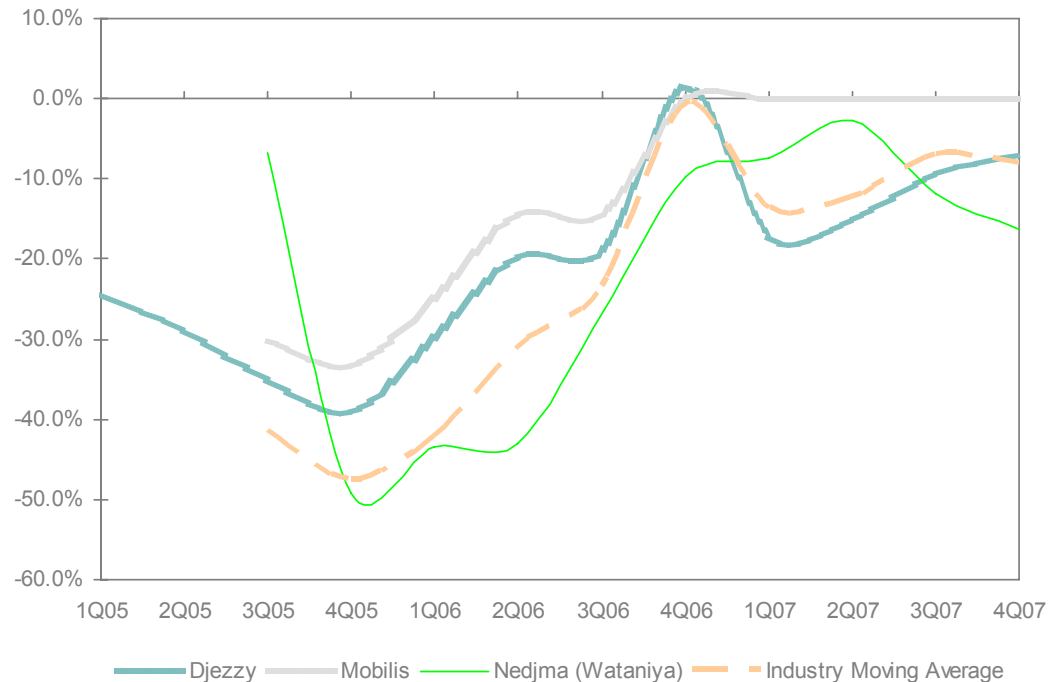


ARPUs in Algeria continue to fall, but at a decreasing rate

THE AVERAGE ARPU LEVEL HAS BEEN DECREASING OVER THE PAST SEVERAL YEARS IN ALGERIA

- Djazzy is the operator with the highest ARPU in Algeria, and it has seen its ARPU decrease at a faster rate than its competitor, Mobilis
- Mobilis, with the lowest ARPU in the country at US\$3 per month, has maintained this rate over the past year

Chart 2: ARPU Growth (1Q05 – 4Q07), %



Source: IEMR



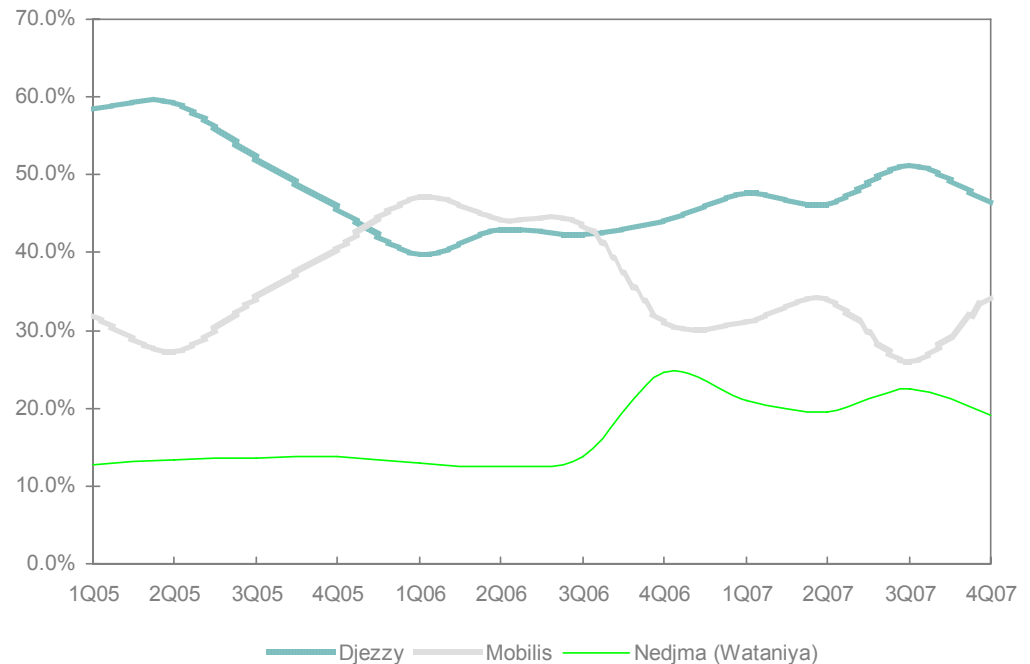
Djezzy takes the largest portion of net additions

46.5% share for Djezzy over the last four quarters

MARKET SHARES BY NET ADDITIONS HAVE BEEN STABLE OVER THE PAST FOUR QUARTERS

- The average market shares over the last four quarters were 46.5%, 34.4% and 19.1% for Djezzy, Mobilis, and Nedjma, respectively
 - These are consistent with their shares of subscribers
- We do not expect significant changes in these shares over the next three years

Chart 3: Share of Net Adds (1Q05 – 4Q07), %



* Data shows 4-quarter Moving Averages



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