



2Q08 Canada Mobile Forecast



Competitive dynamics remain similar and
Spectrum Auction will not change a thing



Subscriber growth is slowing down

+7.6% subscriber growth in Canada over last four quarters

SUBSCRIBER GROWTH RATES IN CANADA ARE FALLING GRADUALLY

- Although they are still in the positive territory, subscriber growth rates in Canada have been falling over the past two years
 - Industry-wide subscriber growth averaged +7.6% over the past four quarters
- Telus continues to enjoy the highest subscriber growth rate among other operators in the country
- Over the last four quarters, Bell – the second largest operator in Canada after Rogers Wireless – had the lowest subscriber growth

Chart 1: Subscriber Growth (1Q05 – 4Q07), %



* Data shows 4-quarter Moving Averages

Source: IEMR





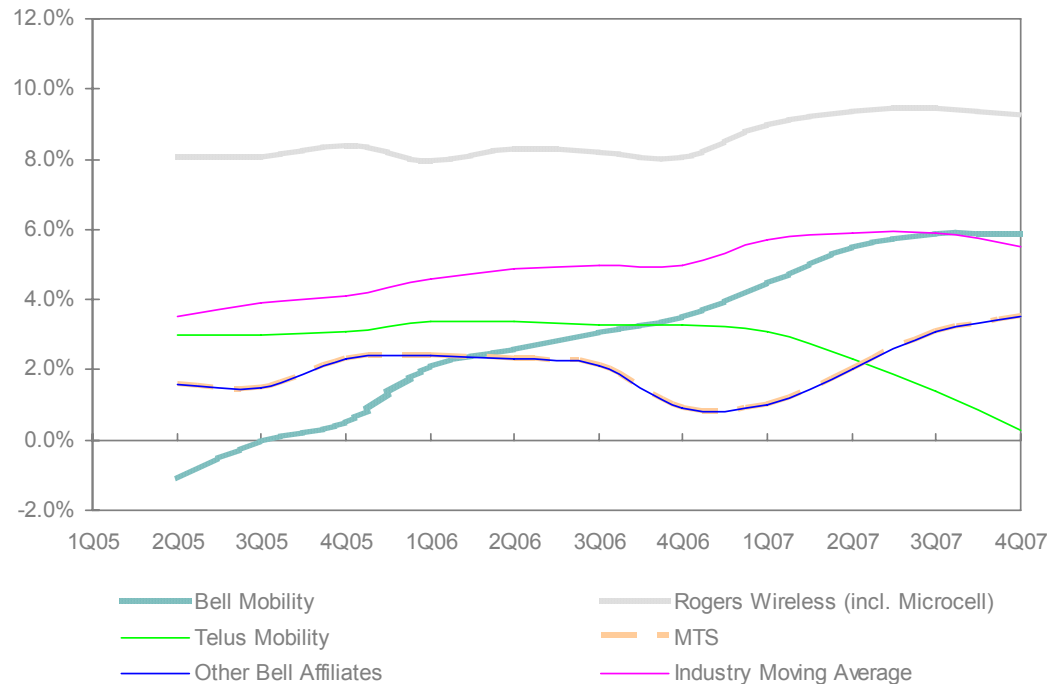
ARPU levels have increased steadily for years

+5.5% operator-wide average over last four quarters

ARPU_s CONTINUED TO INCREASE ACROSS OPERATORS FOR THE LAST 8 QUARTERS

- All operators have seen positive ARPU growth rates over the last two years
 - The industry average for the past four quarters was 5.5%
- Rogers Wireless continues to enjoy the highest ARPU growth among operators
 - Its ARPU growth averaged 9.3% over the past four quarters
- On the other hand, Telus has seen falling ARPU growth in the last several quarters, and our model forecasts that Telus will be lowering its ARPU levels from 2008 to 2010

Chart 2: ARPU Growth (1Q05 – 4Q07), %



* Data shows 4-quarter Moving Averages



Minutes of Use per Subscriber are increasing although at a decreasing rate

MINUTES OF USE PER SUBSCRIBER ARE INCREASING AT A DECREASING RATE

- The industry average MOU/Sub growth over the past four quarters was 3.9%
- Rogers Wireless, which continues to enjoy the highest ARPU growth in Canada, has seen its MOU/Sub growth fall over the past two years
- Among all operators, only Telus has experienced a fall in MOU/Sub in 2007

Chart 3: MOU/Sub Growth (1Q05 – 4Q07), %



* Data shows 4-quarter Moving Averages



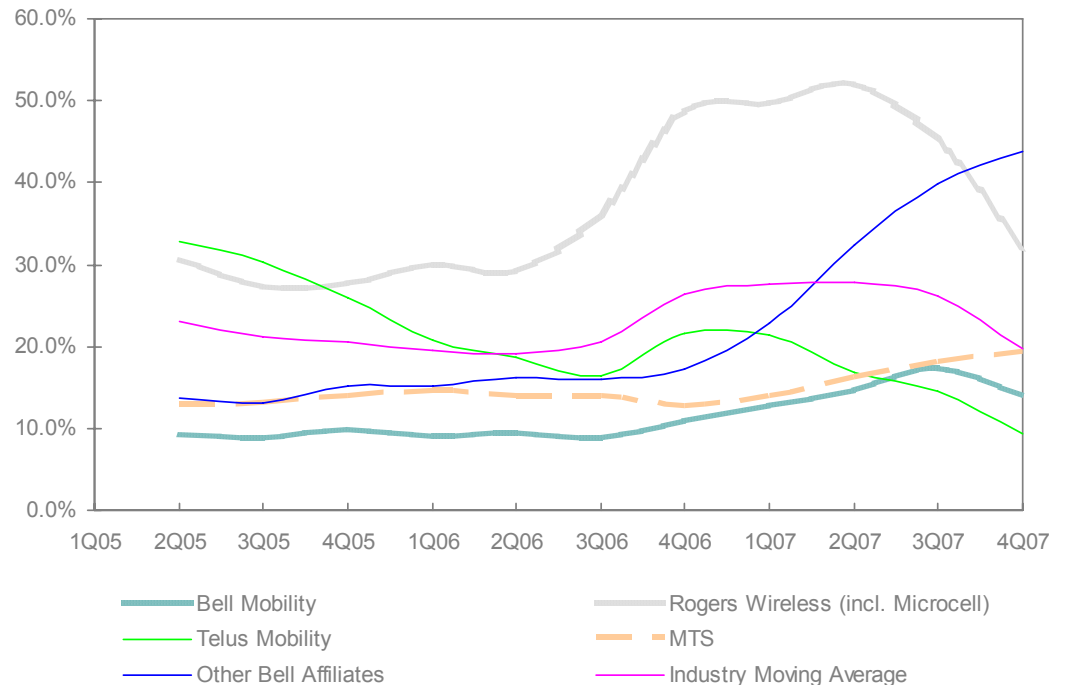
Canada has experienced strong EBITDA growth

+19.7% over the last four quarters

ALL OF THE OPERATORS IN CANADA ENJOY POSITIVE EBITDA GROWTH

- Average EBITDA growth in industry over the last 4 quarters has been about 19.7%.
- EBITDA growth has been in positive territory for all of the operators, and this is expected to continue from 2008 to 2010
 - Rogers Wireless has enjoyed the highest EBITDA growth among the three largest operators over the last 8 quarters
- For the last two quarters, Telus Mobility had the lowest EBITDA growth in Canada

Chart 4: EBITDA Growth (1Q05 – 4Q07), %



* Data shows 4-quarter Moving Averages

Source: IEMR





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