



## 2Q08 United States Mobile Forecast



AT&T Wireless and Verizon Wireless will continue to  
enjoy the highest profitability

**FreeSight #03.2008**

*May 2008*



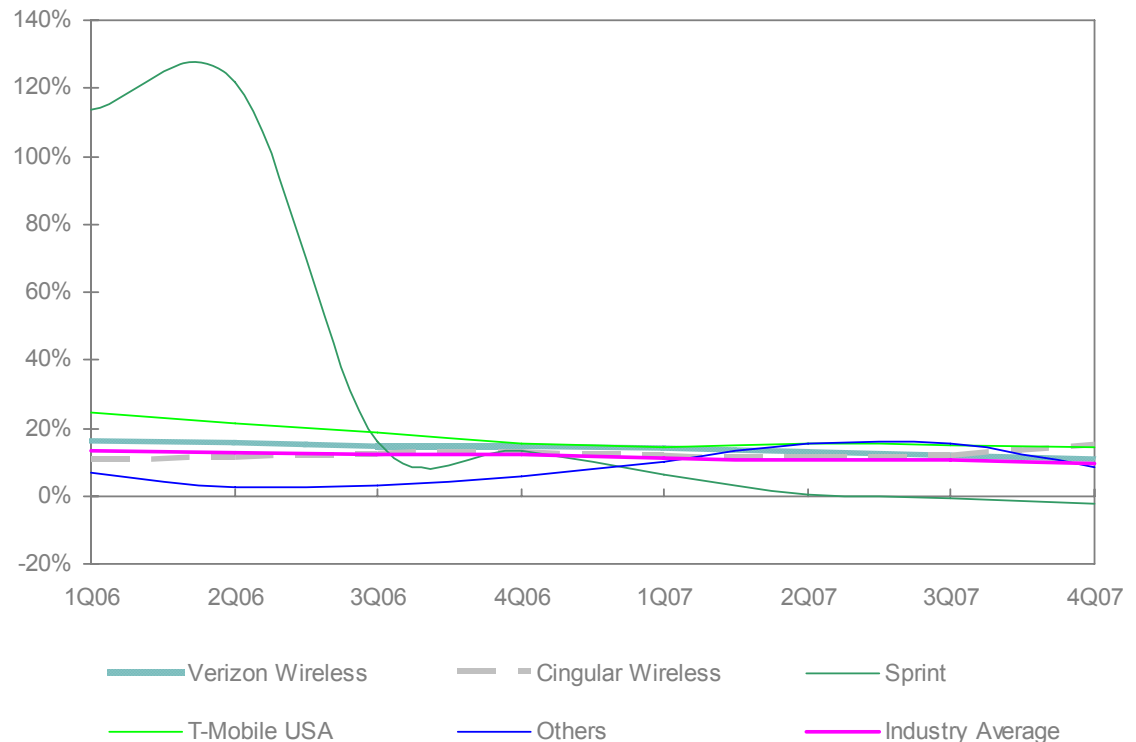
# Subscriber growth is slowing down

**+10.6% average subscriber growth over last four quarters**

## SUBSCRIBER GROWTH IN THE UNITED STATES IS STRONG, BUT IT IS SLOWING DOWN

- The operator-wide subscriber growth averaged 10.6% over the last four quarters (1Q.2007 – 4Q2007)
  - This is lower than the average of 12.7% over the four quarters between 1Q.2006 and 4Q.2006
- Sprint-Nextel is the only operator that suffered from negative subscriber growth over the last four quarters

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



Source: IEMR





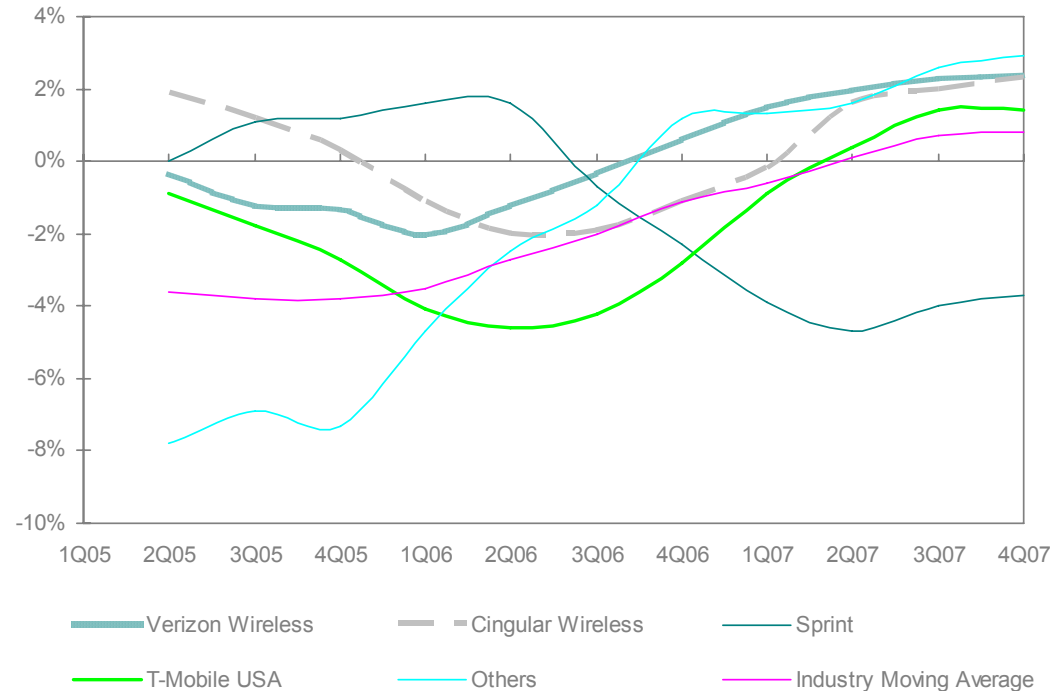
# ARPUs have stopped declining in the U.S.

**+0.8% operator-wide average growth in 2007**

## THE AVERAGE ARPU IN THE UNITED STATES HAS STARTED TO IMPROVE

- The industry average ARPU growth rate, which had been negative for years, turned positive over the last four quarters
  - The average ARPU growth from 1Q.2007 to 4Q.2007 was 0.8%
- All of the operators now see positive and increasing growth rates for their ARPU levels except for Sprint-Nextel
  - Sprint-Nextel's ARPU level is expected to continue decreasing partly because it already has the highest ARPU in the country and because of its recent customer service issues

Chart 2: ARPU Growth (1Q05 – 4Q07), %



\* Data shows 4-quarter Moving Averages

Source: IEMR





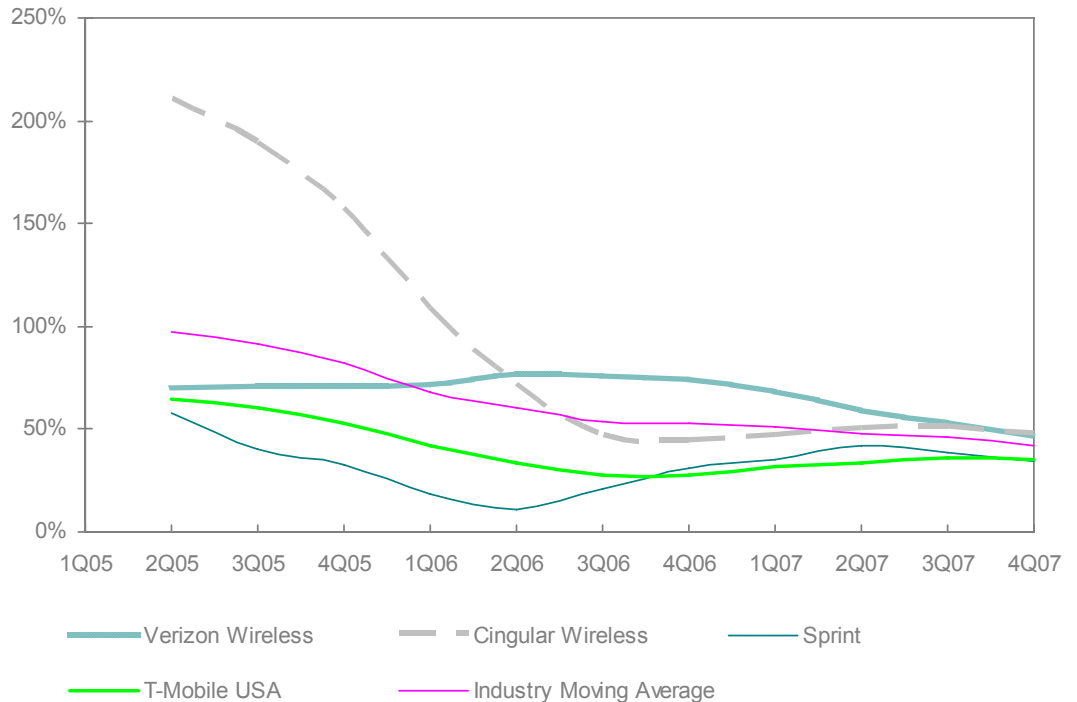
# Strong growth in Data ARPUs continue

**+41.7% operator-wide average over last four quarters**

## DATA ARPUs CONTINUE TO INCREASE RAPIDLY IN THE UNITED STATES

- Over the last four quarters, all of the major operators continued to have double-digit growth rates in data ARPU
  - The data ARPU growth averaged 41.7% across operators during the last four quarters
  - The average data ARPU in 2007 was US\$9.39 per month
- However, the strong growth in data ARPU is expected to slow down over the next three years

Chart 3: Data ARPU Growth (1Q05 – 4Q07), %



\* Data shows 4-quarter Moving Averages

Source: IEMR

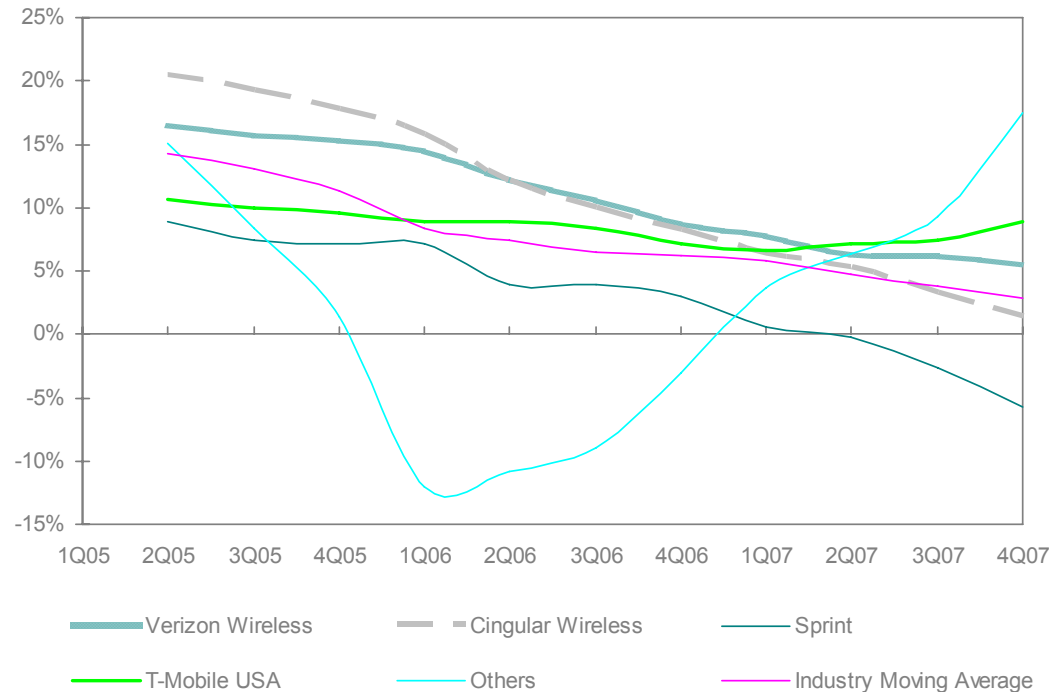


# Minutes of Use per Subscriber are increasing although at a decreasing rate

## RISE IN MINUTES OF USE PER SUBSCRIBER IS EXPECTED TO STOP

- The industry average MOU/Sub growth over the past four quarters (1Q.2007 – 4Q.2007) was 2.8%
  - This is much lower than the 6.2% average for the previous year (1Q.2006 – 4Q.2006)
- However, smaller operators (grouped as “Others” in the chart) have see their MOU per subscriber grow rapidly over the last four quarters

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



\* Data shows 4-quarter Moving Averages



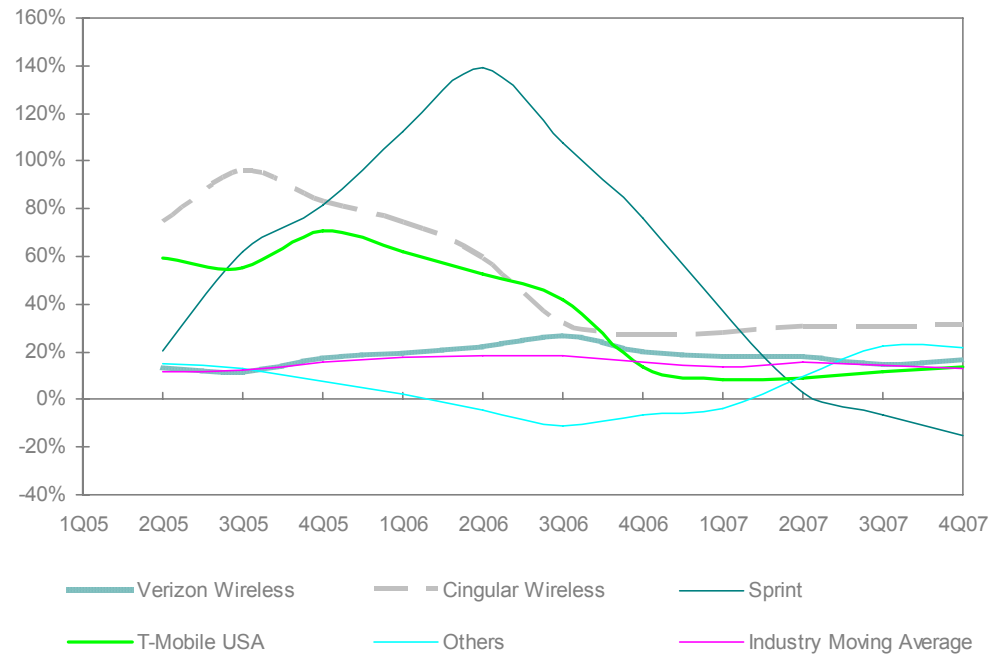
# US operators enjoy stable EBITDA growth

**+12.9% over the last four quarters**

## ALL OF THE US OPERATORS EXCEPT SPRINT-NEXTEL HAVE POSITIVE EBITDA GROWTH

- Average EBITDA growth in industry over the last 4 quarters has been about 12.9%.
- Cingular Wireless / AT&T has enjoyed the highest profitability level in the country over the last four quarters
- EBITDA growth has been in positive territory for all of the operators, except for Sprint-Nextel, and this is expected to continue from 2008 to 2010

Chart 5: EBITDA Growth (1Q05 – 4Q07), %



\* Data shows 4-quarter Moving Averages



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