



## 3Q08 Canada Mobile Forecast

Rogers Wireless still the leader in the  
Canadian market over the next three years  
despite Spectrum Auction



**FreeSight #14.2008**

*September 2008*



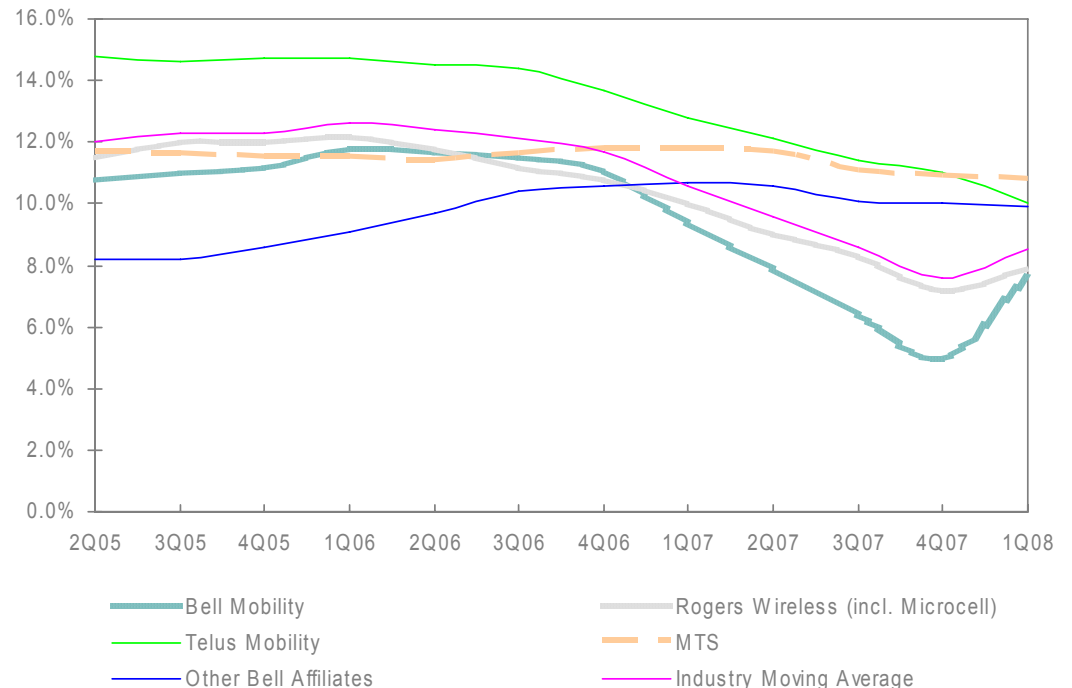
# Subscriber growth is picking up

## +8.5% subscriber growth in Canada in 1Q.2008

### SUBSCRIBER GROWTH RATES IN CANADA ARE PICKING UP

- After declining over the past 2 years, subscriber growth rates are finally increasing
  - Industry-wide subscriber growth averaged +8.5% over 1Q.2008
- Subscriber growth at Telus continues its decline. Telus is no longer the leader among Canadian operators, having been overtaken in subscriber growth by MTS.
- After a steady decline, Bell – the second largest operator in Canada after Rogers Wireless – had its first increase in subscriber growth in over a year.

Chart 1: Subscriber Growth (2Q05 – 1Q08), %



\* Data shows 4-quarter Moving Averages

Source: IEMR



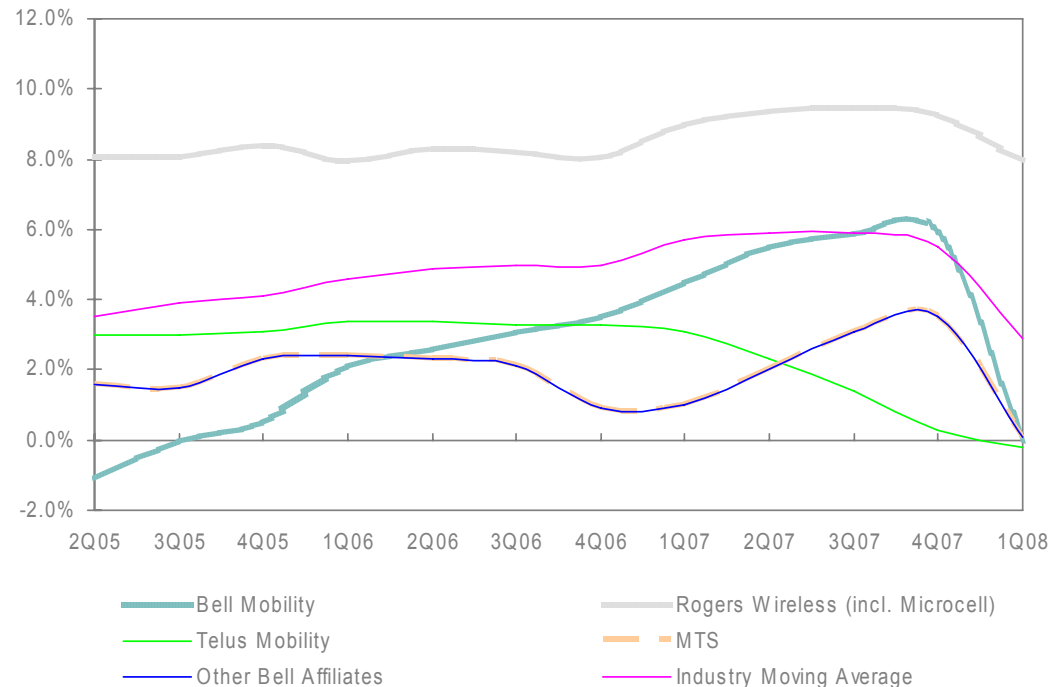
# ARPU levels are showing signs of slowing

## +2.9% operator-wide average over 1Q.2008

### ARPU's SHOWING SIGNS OF SLOWING DOWN AFTER CONTINUED INCREASE OVER PREVIOUS EIGHT QUARTERS

- First signs of decline after two years of positive ARPU growth rate
  - The industry average fell to 2.9% for 1Q.2008
- Rogers Wireless continues to enjoy the highest ARPU growth among operators
  - Its ARPU growth stands at 8% for 1Q.2008
- On the other hand, Telus has seen its ARPU growth fall over the last several quarters, reaching negative levels in 1Q.2008

Chart 2: ARPU Growth (2Q05 – 1Q08), %



\* Data shows 4-quarter Moving Averages

Source: IEMR

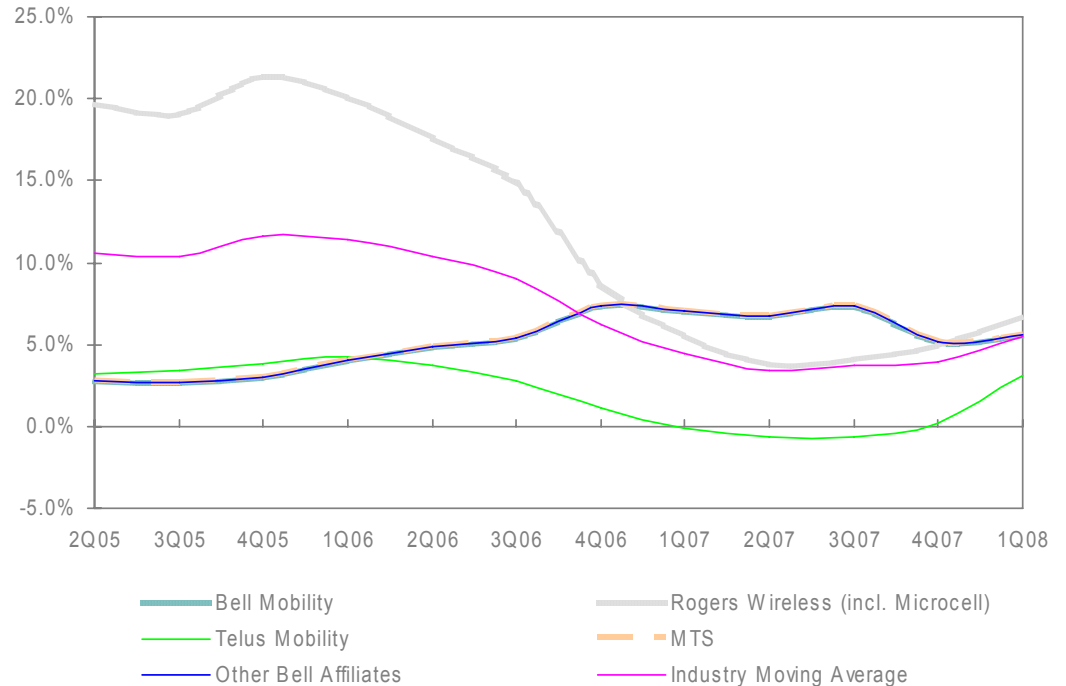


# Minutes of Use per Subscriber are increasing

## MINUTES OF USE PER SUBSCRIBER ARE INCREASING

- The industry average MOU/Sub growth over 1Q.2008 was 5.5%
- Rogers Wireless, which continues to enjoy the highest ARPU growth in Canada, has seen its MOU/Sub growth increase for the first time in two years
- Telus has seen an increase in MOU/Sub in the first quarter '08 after experiencing a fall in MOU/Sub in 2007

### Chart 3: MOU/Sub Growth (2Q05 – 1Q08), %



\* Data shows 4-quarter Moving Averages

Source: IEMR





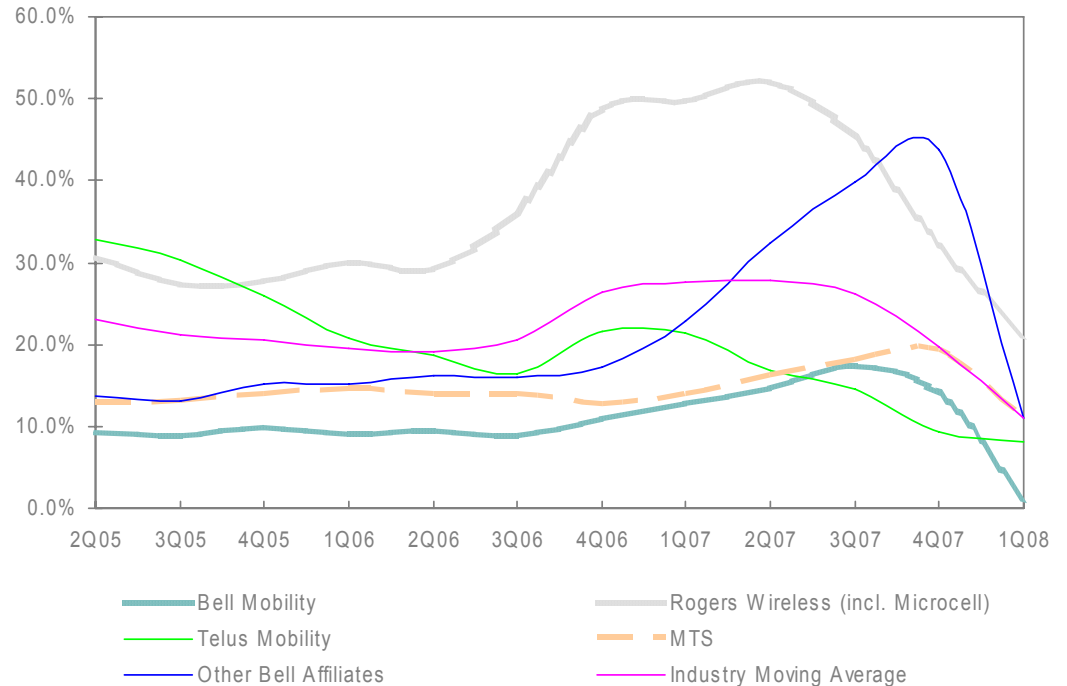
# Canada has experienced strong EBITDA growth

## +11% over 1Q.2008

### ALL OPERATORS IN CANADA ENJOY POSITIVE EBITDA GROWTH

- Average EBITDA growth in the industry over the first quarter '08 has been 11%.
- EBITDA growth has been positive for all operators, and we expect this to continue from 2008 to 2010
  - Rogers Wireless still enjoys the highest EBITDA growth among the three largest operators over the first quarter '08
- Bell Mobility has now the lowest EBITDA growth in Canada, with Telus Mobility now second to last.

### Chart 4: EBITDA Growth (2Q05 – 1Q08), %



\* Data shows 4-quarter Moving Averages

Source: IEMR





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