



3Q08 Australia Mobile Forecast

Partnership with Telstra will help Hutchison
maintain strong subscriber growth



FreeSight #21.2008

September 2008

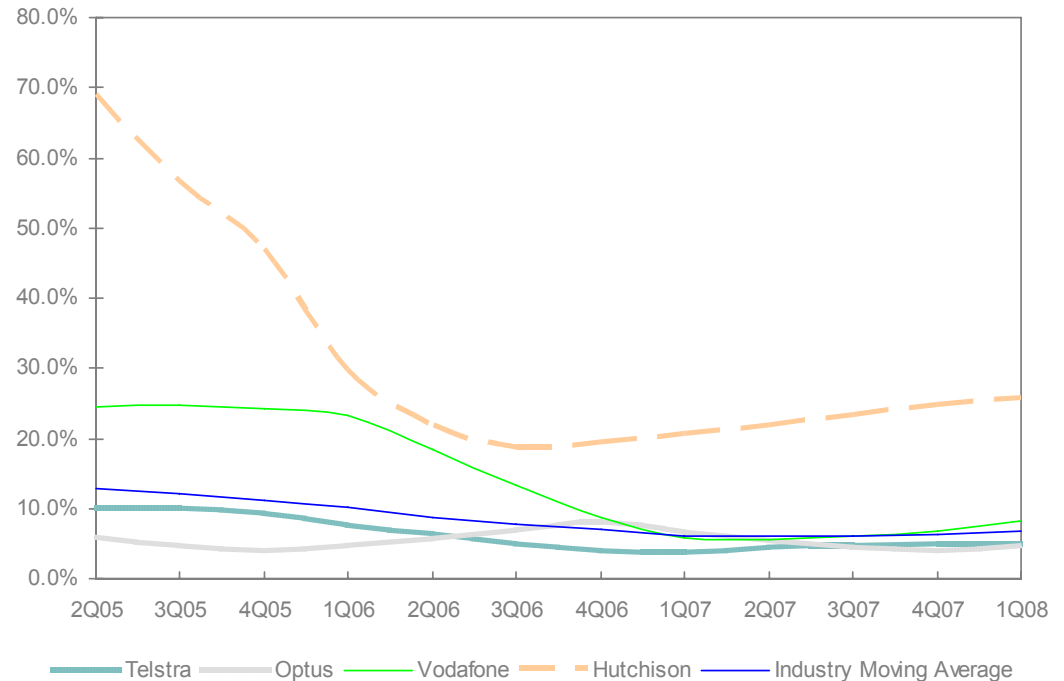


Hutchison outpaces competitors on subscriber growth in Australia's mobile operator space

HUTCHISON ENJOYS DOUBLE-DIGIT SUBSCRIBER GROWTH RATES

- The industry-wide moving-average subscriber growth over the last four quarters was 6.8%
- Hutchison has seen double-digit subscriber growth for the last 12 quarters
 - Hutchison's subscriber growth (YoY) in 1Q.2008 was 26.8%
- On the other hand, subscriber growth rates of the other operators – Telstra, Optus, and Vodafone – remained in the range of 4% - 10% over the last four quarters

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



* Data shows 4-quarter Moving Averages

Source: IEMR



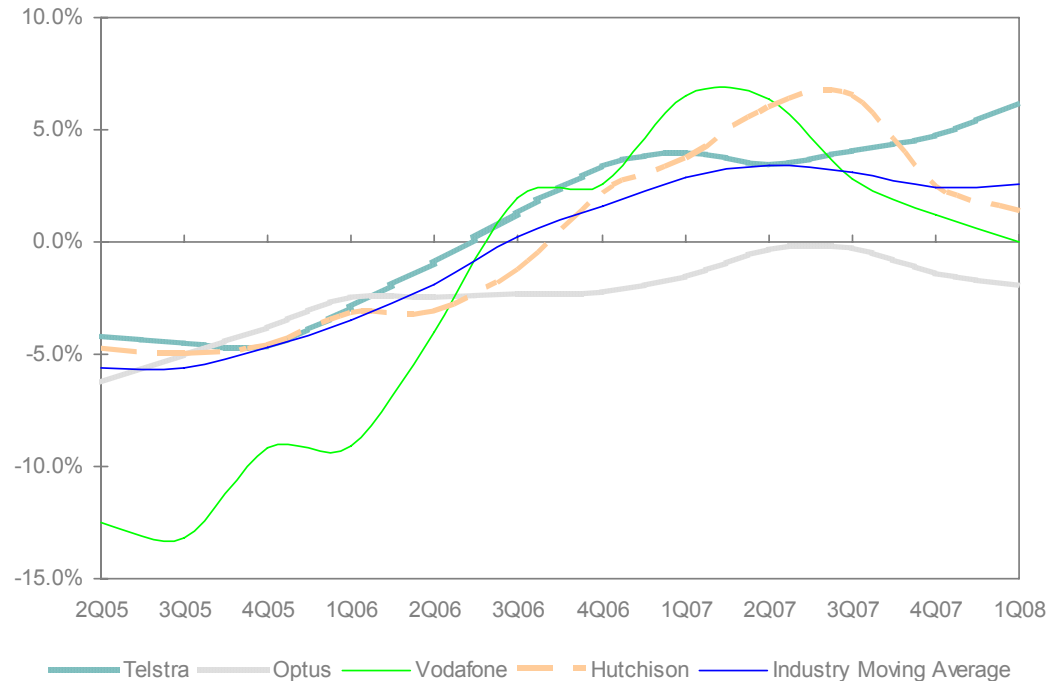
Australian operators enjoy increasing ARPUs

+2.6% industry moving-average ARPU growth over last four quarters

THE AVERAGE ARPU LEVEL WILL CONTINUE TO RISE OVER THE NEXT THREE YEARS

- All of the operators other than Optus had positive ARPU growth (YoY) in 1Q.2008
 - Telstra, Vodafone, and Hutchison enjoyed positive ARPU growth rates (YoY) of 9.5%, 3.4%, and 1.1% respectively in 1Q.2008
- Optus, which continues to have the lowest ARPU level in Australia, is the only operator with negative ARPU growth
 - Optus's ARPU growth rate (YoY) in 1Q.2008 was -1.6%
- Hutchison, which continues to have the highest ARPU level in the country, still has positive ARPU growth rate
 - Hutchison's ARPU growth rate (YoY) in 1Q.2008 was 1.1%

Chart 2: ARPU Growth (2Q05 – 1Q08), %



* Data shows 4-quarter Moving Averages

Source: IEMR





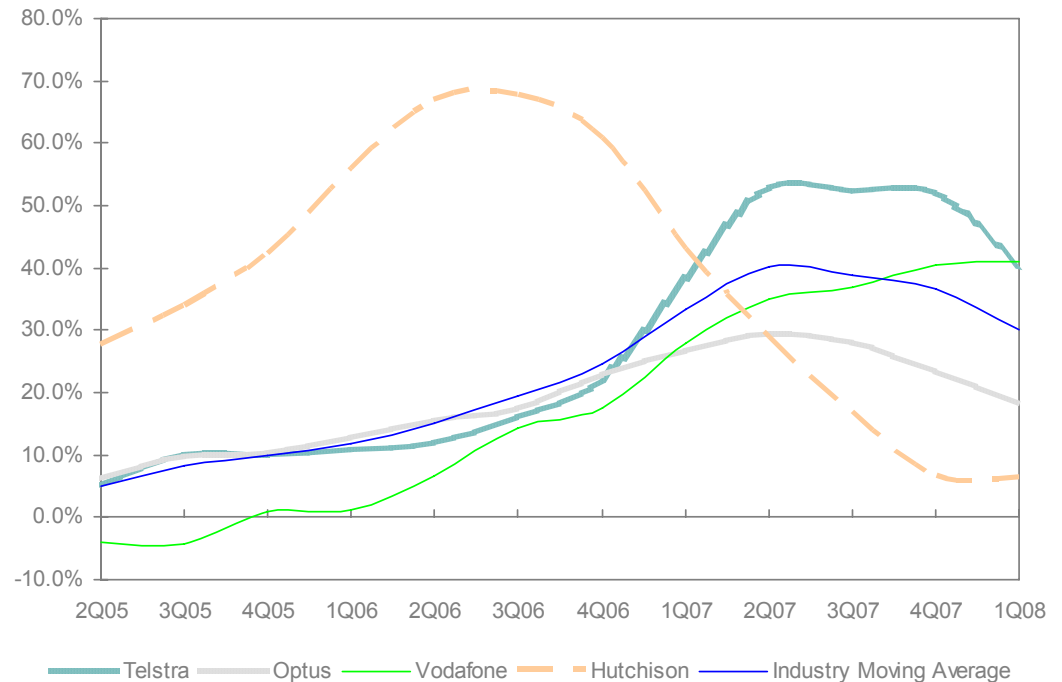
Data ARPU in Australia is increasing rapidly

+30.2% industry moving-average over last four quarters

DATA ARPUs IN AUSTRALIA CONTINUE TO SHOW HEALTHY GROWTH

- All operators have seen positive data ARPU growth rates over the past eight quarters
- In 1Q.2008, Vodafone had the highest data ARPU growth rate (YoY) at 44.7%
 - Vodafone's data ARPU increased from AU\$ 9.36 per month in 1Q.2007 to AU\$ 13.54 in 1Q.2008
- Hutchison's data ARPU growth has declined significantly over the last six quarters
 - Its four-quarter moving-average growth rate from 2Q.2007 to 1Q.2008 was 6.3%
- We expect all operators to continue to push data plans to attract subscribers

Chart 3: Data ARPU Growth (2Q05 – 1Q08), %



* Data shows 4-quarter Moving Averages

Source: IEMR

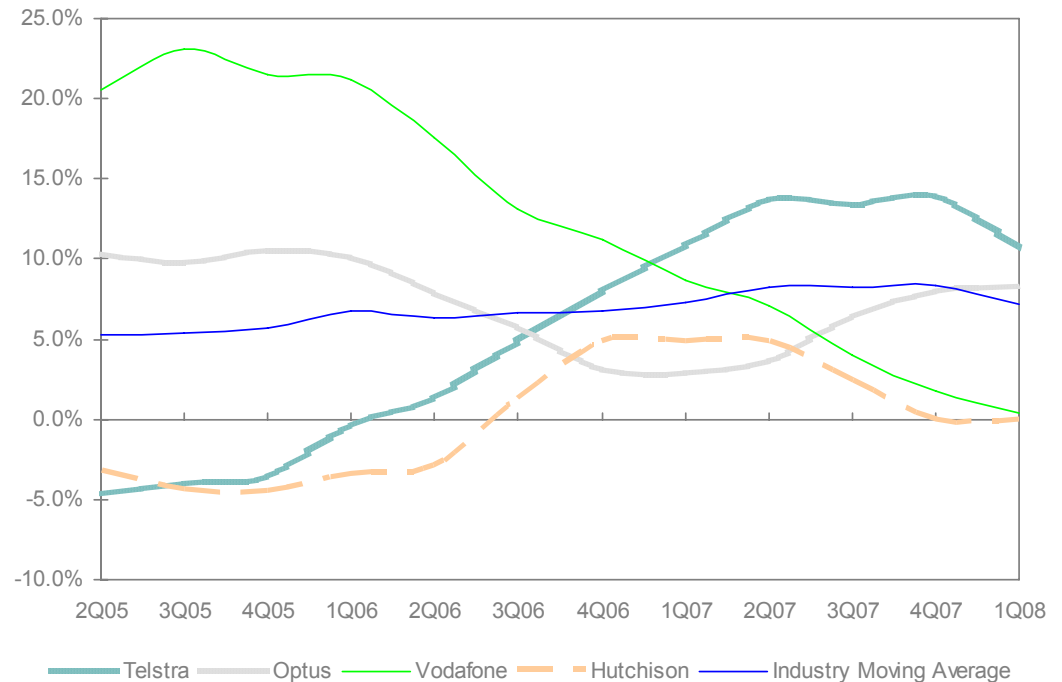


Positive growth rates across operators in Minutes of Use per Subscriber

AUSTRALIA EXPERIENCES STEADY GROWTH IN MINUTES OF USE PER SUBSCRIBER

- The industry moving average shows very stable growth in MOU/Sub (minutes of use per subscriber) in Australia
 - The industry average MOU/Sub in 1Q.2008 was 203 minutes per month
- Subscribers of Telstra and Optus continue to spend an increasing amount of time on their phones
- Hutchison's MOU/Sub growth (YoY) has stayed at 0% over the past four quarters
 - That is to say, Hutchison's subscribers' average minutes of use stayed at 225 minutes per month over the past eight quarters

Chart 4: MOU/Sub Growth (2Q05 – 1Q08), %



* Data shows 4-quarter Moving Averages

Source: IEMR



If you would like to read the rest of this and many other free reports, you need to sign up as a member client.

Please click [here](#)



- We Drive Enterprise Strategy in the telecoms domain by:
 - Producing the **BEST** and most **COMPREHENSIVE** strategy coverage of the vendor and operator space in the world
 - With over 200+ operators and 50+ vendors, we cover the strategies of more telecom operators, vendors, and markets than **ALL** of our competitors



IE Market Research

Who are our Clients?

Nokia • Motorola • Qualcomm • Samsung • Google
SK Telecom • Tellabs • PCCW • Meteor Mobile • Sunrise
Communications AG • Anovoss • Embarq Corporation •
Toppoly Optoelectronics • SES Americom • Total Choice
Communications • Goldman Sachs • Deutsche Bank • Lazard
Stifel Financial Corp. • Tatica Asset Management
TA Associates • Bain Capital • Westpac Banking Corporation
• PWC • KPMG • McKinsey • Oliver Wyman • Booz Allen
Hamilton • Monitor Group • Bain & Company • Womble
Carlyle LLP • Salomaa Group/AS-Grey Oy



IE Market Research

What do we cover?

FOR 150+ OPERATORS & VENDORS:

- Strategy Insights & Views
- Operational Metrics & Forecasts
- Detailed Financial Metrics & Forecasts
- Daily Coverage

FOR 200+ MOBILE OPERATORS:

- Data on 65+ Operational & Financial Metrics
- Quarterly historical data from 2003
- Annual forecasts going out to 2010/2011
- Quarterly coverage





Driving Enterprise Strategy

www.iemarketresearch.com