



3Q08 United States Mobile Forecast



Verizon Wireless expected to increase market
share over the next three years

FreeSight #10.2008

September 2008



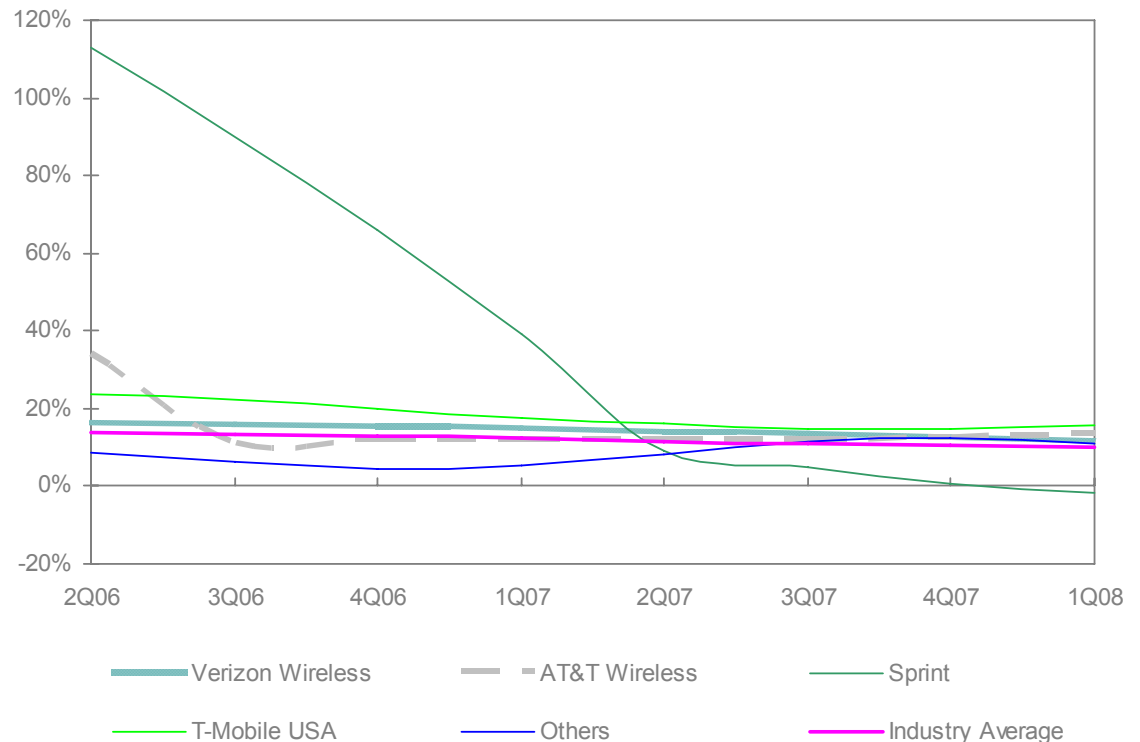
Subscriber growth is slowing down

+9.9% 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 9.9% over the last four quarters (2Q.2007 – 1Q2008)
 - This is lower than the average of 12.2% over the four-quarter period between 2Q.2006 and 1Q.2007
- Sprint-Nextel is the only operator that suffered from negative subscriber growth over the last four quarters

Chart 1: Subscriber Growth (2Q06 – 1Q08), %



Source: IEMR



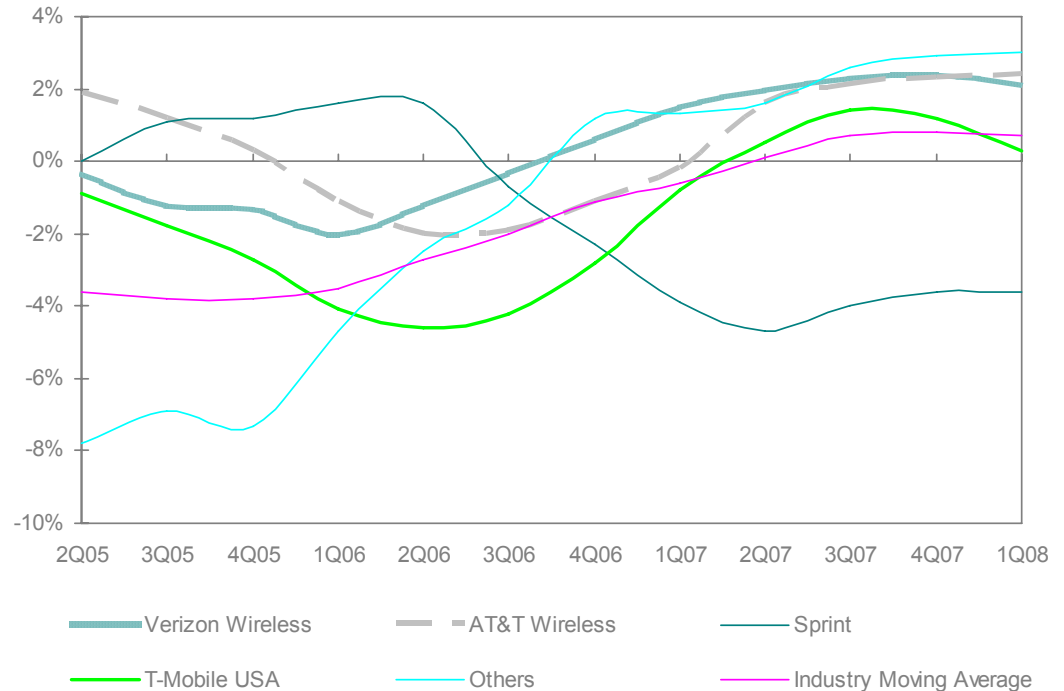
ARPU started to increase in the U.S.

+0.7% average ARPU growth over last four quarters

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 2Q.2007 to 1Q.2008 was 0.7%
- 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 (2Q05 – 1Q08), %



* Data shows 4-quarter Moving Averages

Source: IEMR





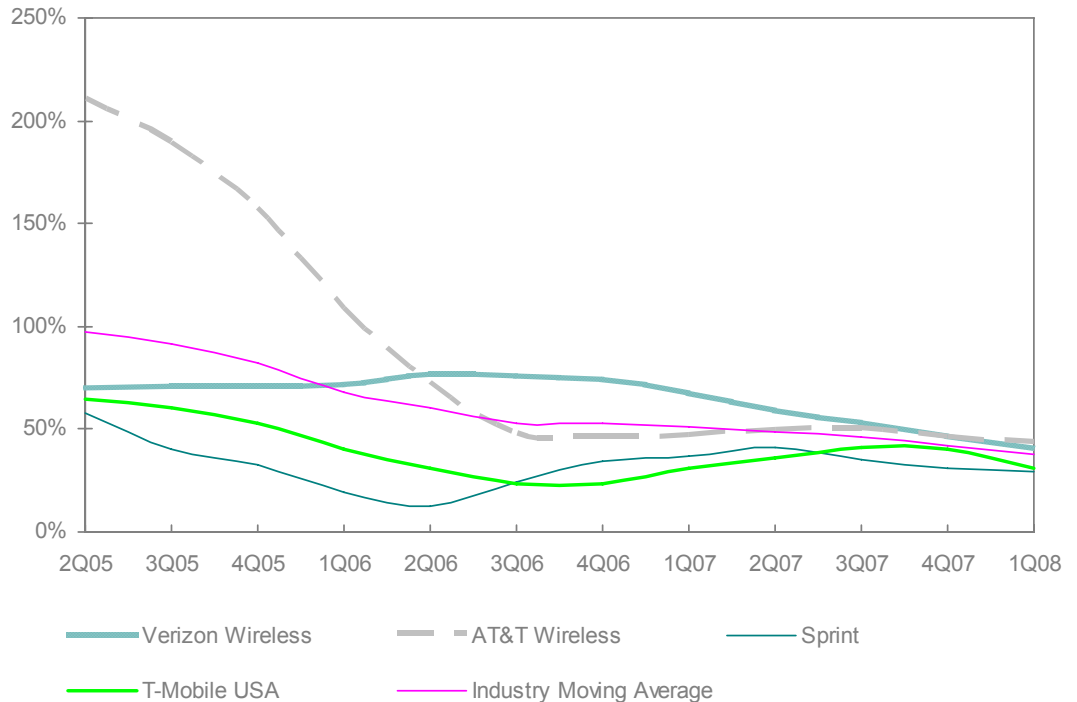
Strong growth in Data ARPUs continues

+38% operator-wide average over last four quarters

DATA ARPUs CONTINUE TO INCREASE RAPIDLY IN THE UNITED STATES, BUT AT A DECREASING RATE

- Over the last four quarters, all of the major operators continued to have double-digit growth rates in data ARPU, but growth is slowing down
 - The data ARPU growth averaged 38.0% across operators over the four-quarter period, 2Q07 – 1Q08. (It is much lower than the average of 51.0% over the period, 2Q06 – 1Q07)
 - The operator-wide average data ARPU in 1Q.2008 reached US\$10.97 per month

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



* Data shows 4-quarter Moving Averages

Source: IEMR



Minutes of Use per Subscriber are increasing especially among small operators

MINUTES OF USE PER SUBSCRIBER ARE INCREASING RAPIDLY FOR SMALL OPERATORS IN THE UNITED STATES

- The industry average MOU/Sub growth over the past four quarters (2Q.2007 – 1Q.2008) was 4.1%
 - This is lower than the 5.8% average for the previous year (1Q.2006 – 4Q.2006)
- However, smaller operators (grouped as “Others” in the chart) have seen their MOU per subscriber grow rapidly over the last four quarters
 - MOU/sub growth averaged 24.9% for these operators over the last four quarters

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



* Data shows 4-quarter Moving Averages

Source: IEMR



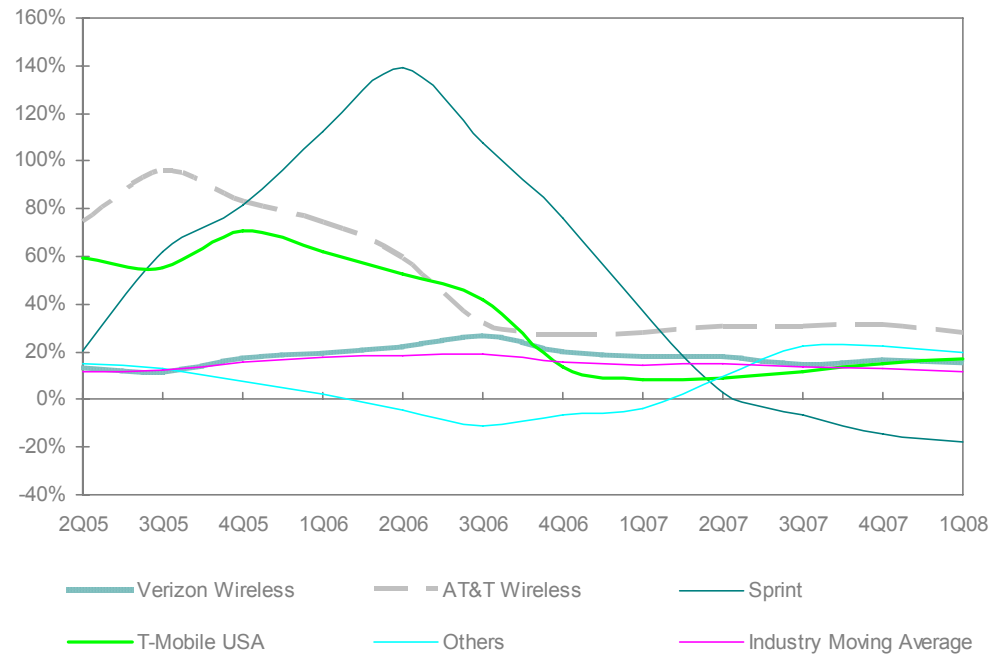
US operators enjoy stable EBITDA growth

+11.6% 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 11.6%.
- AT&T Wireless has enjoyed the highest EBITDA growth in the country over the last four quarters
- EBITDA growth has been in positive territory for all of the operators, except for Sprint-Nextel
- However, we expect Sprint-Nextel to enjoy positive EBITDA growth again from 2009 to 2010

Chart 5: EBITDA Growth (2Q05 – 1Q08), %



* Data shows 4-quarter Moving Averages

Source: IEMR





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