

## PRESS RELEASE

### **Kyivstar will continue to enjoy the highest profitability in Ukraine's wireless operator space, according to new mobile operator market research report by IEMR**

**Vancouver, October 16, 2008 – IE Market Research Corp. (IEMR)**, the Canadian-based provider of market intelligence services, announced today the release of its 4Q08 Ukraine Mobile Operator Forecast.

"The 4Q08 Mobile Operator Forecasts demonstrate IEMR's capability to gather information from a variety of global resources and model it into accurate and timely forecasts for our clients," said Nizar Assanie, Vice President of Research at IEMR. "Clients will find the information easily accessible, comprehensive, and exceptionally relevant to enable them to make sound business and investment decisions about mobile operators and vendors strategies".

IEMR's Ukraine Mobile Operator Forecast covers up to 65 financial and operational metrics on five wireless operators. Notable highlights of the 4Q08 Ukraine Mobile Operator Forecast include:

- The Ukrainian total subscriber base is expected to increase from our projected 59.1 million to 62.4 million from 2008 – 2010. Combined with relative stability in our forecasted population growth rates for Ukraine, this change results in a large increase in the wireless penetration rate from our projected 129.2% in 2008 to 138.3% in 2010 (unchanged from previous forecasts).
- In 2010, consumers in Ukraine will pay one of the lowest prices for their mobile services (as measured by Average Revenue per User, ARPU) in Europe with EUR 5.29 per month.
- Market shares of the four major wireless operators in Ukraine will remain at the current levels for the coming several years. We forecast that, in 2010, Kyivstar, UMC, Astelit, URS (VimpelCom) will have 40.2%, 33.5%, 19.3%, 6.0% of total subscribers respectively.
- Kyivstar, the largest operator in the country, will continue to enjoy the highest EBITDA margin among competitors at above 53.9% in 2010. We are also forecasting that Astelit, which has suffered from negative EBITDA margins before 2008 will begin to break even and will see 22.9% EBITDA margin in 2010.

IEMR's Global Mobile Operator Forecast covers up to 65 operational metrics of 213 mobile operators in 50+ countries, making up 80% of the world's population. Forecasts are based on our proprietary, country-specific forecasting models. These models deploy multiple regression analysis and cross-impact matrices that estimate relationships between subscriber data, technology use and deployment data, overall economic and demographic changes expected in a particular country; and relate these to company operational and financial metrics.

#### Companies Covered in this Country Mobile Operator Forecast

UMC

Kyivstar

Astelit

URS (VimpelCom)

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\* Available only for UMC

\*\* Astelit not available



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#### About IE Market Research Corp.:

IE Market Research Corp. ("IEMR") is a market intelligence and business strategy consulting firm. Our goal is to assist our clients build value and compete in international markets. We build value in four sectors: wireless telecommunications, health care, finance, and government. We build value for our clients by undertaking international brand perception surveys, consumer satisfaction surveys, distributor/channel partner selection and due diligence, market size and opportunity assessments, competitor strategy assessments, government regulatory analysis, and public opinion surveys.

We offer a variety of research products including **CONSUMEREADY™** and **EXPORTREADY™**. **CONSUMEREADY™** provides detailed demographic information on brand strengths and marketing strategies that are crucial to know when competing in international markets. **EXPORTREADY™** is based on our on-going business strategy research that allows us to establish strengths and weaknesses of firms in a wide variety of areas, ranging from intellectual property portfolios to strengths of marketing strategies to quality of engineering. These results are highlighted in our **EXPORTREADY™** publications and form a valuable tool for firms wanting to strategize their market entry options in international markets.

Our corporate values are: Top-Quality Service to Clients, Commitment to see the Client Succeed, Excellence and Integrity in Research, Transparency and Respect toward our Employees. These core values drive all of our research and every client engagement.

For more information, visit our web-site: [www.iemarketresearch.com](http://www.iemarketresearch.com)



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