

PRESS RELEASE

Wireless Penetration to hit 126% in the United Kingdom in 2010, according to latest 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 United Kingdom Mobile Operator Forecast.

“We saw diverging operational trends among UK operators,” said Christopher Fry, Principal Research Associate at IEMR. “O2 dominated subscriber net adds and delivered the strongest revenue growth of +10.0% YoY. On the other hand, T-Mobile continued to struggle as it gave up 50 bps of subscriber market share on rapidly deteriorating EBITDA margin (to 19.3% in 2Q.08 vs. 21.7% 1Q08),” said Mr. Fry.

Service revenue growth decelerated 118 bps sequentially to 5.1% YoY on ARPU decline and stable subscriber growth. UK’s service revenue growth continues to be the weakest in Europe as termination rates remain largely unchanged. UK’s EBITDA margins also are structurally weaker than other European markets we cover, due to the high commissions paid to independent distributors. “We expect continued margin pressure going forward as subsidies rise with the 3G iPhone launch and the strong take-up of wireless broadband,” said Nizar Assanie, Vice President (Research) at IEMR.

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

- The overall subscriber base in United Kingdom is still increasing. The number of total subscribers will change from our projected 75.9 million in 2008 to 78.0 million in 2010. The wireless penetration level in the United Kingdom is expected to reach 126.0% in 2010.
- We continue to maintain our EBITDA margin forecast for the UK. In 2010, our model is forecasting that the average EBITDA margins will be 26.6%, one of the lowest levels in the world.

- All of the major operators will continue to have similar market shares (by subscribers) in the range of 21% - 25% during the forecast period, 2008 – 2010. We forecast that Vodafone, O2, Orange, and T-Mobile (One2One) will have 25.5%, 24.7%, 20.5% and 22.8% of total subscribers in 2010 (no change from our previous forecast).

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

Vodafone

O2

Orange

T-Mobile (One2One)

3 (Hutchison)

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* Forecasts (CY08 – CY10) are not available for these data series.



For more information, visit our website at:
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or contact:

Mr. Nizar Assanie
Vice President (Research)
IE Market Research
Tel: +1 604 327 4367
Email: info@iemarketresearch.com

www.iemarketresearch.com



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



2300 - 1066 West Hastings Street
Vancouver, British Columbia
V6E 3X2. CANADA.
Tel: +1 604 327 IEMR
Toll Free: 1 888 322 IEMR
info@iemarketresearch.com