

## PRESS RELEASE

### **AT&T and Verizon big winners in the United States Mobile Operator Space, according to new 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 States Mobile Operator Forecast.

“The wireless sector in the United States continues to be affected with problems at Sprint, with Verizon and AT&T being the major beneficiaries,” said Kimberly Leah, Principal Research Associate at IEMR. “Proportionate 2Q08 service revenue growth was 15% for AT&T and 12% for Verizon. But without wireless market share gains at the expense of Sprint, revenue growth figures would definitely have been lower for both AT&T and Verizon,” said Ms. Leah.

“Market share losses at Sprint continued to benefit its competitors, who have collectively taken 4 percentage points of revenue market share in the past four quarters,” said Nizar Assanie, Vice President (Research) at IEMR. “At the same time, we think that Sprint achieved a very impressive reduction in postpaid churn (to 2.0% from 2.45% in one quarter),” said Mr. Assanie. “From 3Q, the 3G iPhone will be a key factor in the market and will shift some market share toward AT&T. AT&T has indicated that iPhone sales are running at about twice the year ago rate (which was just under 900K),” said Mr. Assanie.

IEMR’s United States Mobile Operator Forecast covers up to 65 financial and operational metrics on the wireless operator space in the United States. Notable highlights of the 4Q08 United States Mobile Operator Forecast include:

- Service revenue growth continued to decline, falling to 6.2% YoY in 2Q08, from 11.3% in 2Q07. This was partly driven by continued subscriber growth deceleration (to 7.9% in 2Q08 vs. 10.8% in 2Q07).
- ARPU growth has seen a reversal in the last year. ARPU growth declined to -1.7% in 2Q08 from +1.3% in 2Q07. Data has been a steady contributor to ARPU growth, but has been increasingly offset by voice ARPU declines.

- Net additions for the US wireless subscriber base declined to 3.3 million in 2Q08 from 4.6 million in 2Q07. Subscriber growth slowed to 7.9% YoY from 8.6% in 1Q08.
- In 2010, while we continue to believe that Sprint-Nextel will have the highest ARPU levels in our coverage list at US\$ 54.94 (previously US\$55.67), the trends at Sprint-Nextel are for ARPU declines, compared to moderate ARPU recovery at other major wireless telecom operators.
- We continue to believe that Verizon Wireless will have the highest level of profitability among competitors in the wireless operator space in the United States at 41.2% (previously 41.7% 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

Verizon Wireless  
AT&T / Cingular Wireless  
Sprint-Nextel  
T-Mobile USA

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or contact:

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