

PRESS RELEASE

Don't expect new entrants in Canada's Mobile Operator space to get significant subscriber and revenue market share, 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 Canada Mobile Operator Forecast.

"There has been a lot of talk in Canada about how the new entrants in the Canadian wireless operator space will be disrupting the market and capturing market share away from incumbents in Canada," said Nizar Assanie, Vice President (Research) at IEMR. "We use our Canada and Global Mobile Operator forecasting models to test out the scenarios under which we will see major "game changing" in the Canadian market, and our 4Q08 Canada Mobile Forecast highlights our predictions," said Mr. Assanie.

"Basically, our model is showing that the new entrants in Canada's Mobile Operator space will capture about 4.3% subscriber market share and 2.6% service revenue share by 2010. Their share of net adds will stabilize at around 33% within the first two years of starting up their networks. Our analysis of 200+ operators in 50+ markets that we cover shows that in only a very few instances have new entrants been able to capture higher shares of subscriber additions," said Mr. Assanie. "Subscriber acquisition costs such as marketing costs, handset subsidies, and network operating costs, and competition with incumbent brands will all be in play and we do not expect the new entrants in Canada to exceed this 33% threshold of subscriber net additions in the short, medium, or long-term. The metrics, globally, simply do not support the view that new entrants can capture 75% market share of net subscriber adds."

This puts IEMR's Canada Mobile Operator Forecast in sharp contrast with other predictions where new entrants are predicted to capture over 75% of net subscriber adds in the 2010 – 2015 time frame.

IEMR's Canada Mobile Operator Forecast covers up to 65 financial and operational metrics on wireless operators in Canada – Bell Mobility, Rogers Wireless, Telus Mobility, MTS, other Bell affiliates, and new entrants (Globalive, Shaw, Videotron, DAVE, and EastLink). Notable highlights of the 4Q08 Canada Mobile Operator Forecast include:

- We expect new entrants to achieve a subscriber base of 1.097 million subscribers by CY-end 2010 with 70% of their subscribers being postpaid.
- New Entrants in Canada will have a postpaid net adds share of 30.3% and a prepaid net adds share of 44.2% in 2010.

- We expect new entrants to achieve an average ARPU level of CAD 49.85 by 2010. This would be about 22% below ARPU levels at market leader, Rogers Wireless
- Rogers Communications' share of postpaid net adds fell sharply, to 26.3% in 2Q08 compared to Telus' net adds market share of 46.3%. We think that this decline in net adds market share is temporary and attribute it to the iPhone announcement by Rogers on April 29 which caused customers to delay their purchase decisions, and the launch of the Koodo discount brand by TELUS and Virgin's postpaid services
- Overall, however, we continue to think that Rogers Communications is in a better strategic position for expansion in the Canadian wireless operator space compared to other incumbents in the lead-up to increased competition. Rogers Wireless continued to gain revenue market share at the expense of the other operators, reaching 39.1% (up 0.9% points from 2Q07). This is compared to Telus' flat line revenue market share at Telus and Bell over the last year Assanie.

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

Bell Mobility
Rogers Wireless (incl. Microcell)
Telus Mobility
MTS
Other Bell Affiliates

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(CY04 – CY07 for Bell Mobility and other Bell Affiliates)

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* Available only for Rogers Wireless and Telus Mobility

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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.

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