

## PRESS RELEASE

### Whichever way you slice it, China Mobile still offers a compelling investment case, 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 China Mobile Operator Forecast.

“Investors are now focused on carrier prospects following the May 2008 restructuring announcement. That restructuring will see China Unicom’s CDMA network go to China Telecom and merger of the remainder (the GSM network) with China Netcom, with different 3G technologies to be used by each of the three remaining operators in China (TDSCDMA, CDMA2000 and WCDMA/HSPA respectively),” said Andy Lam, Principal Research Associate at IEMR. “Despite the burden of developing a TDSCDMA network, our view is that the operating metrics at China Mobile continue to be strong. The latest quarterly numbers confirm our forecasts,” said Mr. Lam.

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

- Subscriber growth remained steady at 19.8% in 2Q08, with wireless penetration now at 45%. (with China Mobile leading subscriber growth at 24.7%). We expect subscriber growth to slow gradually to 15.8% in 2009 and 13.5% by 2010. The number of subscribers in China will keep increasing rapidly over the next several years. We are now forecasting that subscriber levels in China will increase from the 549.5 million in 2007 to 858.7 million in 2010 (our previous forecast had total number of subscribers in China at 837.2 million in 2010).
- Service revenue growth slowed markedly to 13.0% in 2Q08 from 16.5% in 1Q08, reflecting steady growth in subscribers and offset by an accelerating decline in ARPU (-7.1%, down from -3.5% in 1Q08). Data ARPU growth has flattened (to only +1% in 2Q08) while voice RPM dropped 17%, following a 14% decline in 1Q08.
- China Mobile continued to increase its share of subscribers (to 69.0%) and service revenues (to 82.1%). China Unicom has stopped investing in its CDMA business, resulting in a net subscriber loss of 413K during 2Q08, down from net adds of +289K during 1Q08.
- Given 2Q.08 data, we are revising our market share forecasts. We do not hold to the view that TD-SCDMA will necessarily have a negative impact on China Mobile. Our model is now predicting that the

subscriber market share of China Mobile will actually increase to 71.5% in 2010 (previously 71.8%). Our view is that, the fact that China Unicom has been able to shed its CDMA network still does not mean that it will be able to take market share away from China Mobile in any significant way over the next three years.

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

China Mobile

China Unicom

Unlisted and other adjustments

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For more information, visit

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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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