

PRESS RELEASE

India will continue to be one of the fastest growing mobile markets in the world, 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 India Mobile Operator Forecast.

“Wireless penetration level in India surpassed the 25% threshold in 2Q.2008 and India became the second largest wireless market in the world by subscriber count, surpassing the United States,” said Nizar Assanie, Vice President (Research) at IE Market Research Corp. For the June quarter, net subscriber additions in India increased 30.5% YoY and there were 25.8 million subscribers added to operator networks.

“And the Indian market has the lowest penetration level in any of the markets we cover. So, whichever way you cut it, the mobile opportunity in India is undeniable,” said Mr. Assanie. Service revenues among Indian operators grew 35%, with ARPU declining by -13.4% (compared to -12.3% in 1Q.2008). Monthly MOU per subscriber continued to register in negative territory and declined by -3.5% YoY. This was compounded by renewed pricing pressure, with voice Revenue per Minute dropping by 17% in Q2 (compared to -9% in Q1). “While all of these metrics are consistent with our previous forecasts, it is clear that operator strategies are geared toward maintaining or increasing subscriber market share and we do not foresee pricing pressure to decrease in the India market in the foreseeable future,” said Mr. Assanie.

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

- During the forecast period from 2008 to 2010, we expect the subscriber base in India to increase from the current 282.5 million in 2Q.2008 to 532.8 million in 2010.
- We are now predicting that there will be some market share changes among the four major operators in the country. We expect Bharti-Airtel, Reliance, and Vodafone-Essar to increase their market share at the cost of BSNL and regional operators.
- Given 2Q.08 numbers, we are revising downward our EBITDA margin predictions for India going forward. Average margins in the industry are now forecasted to be 34.1% in 2010 (down from 38.7% in our previous quarterly forecast and our third downward revision in as many quarters). In large part, the declines in EBITDA margins reflect accounting changes at Bharti, which now excludes its higher-margin tower business from EBITDA, and we expect other operators to follow suit in the coming quarters.

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

RCom
Vodafone-Essar
Bharti-Airtel
BSNL
Idea
Others

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* Available only for Bharti-Airtel (CY04 – CY07)

** Available only for RCom, Bharti-Airtel and Idea

*** Available only for RCom, Vodafone-Essar, Bharti-Airtel, and Idea

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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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