

PRESS RELEASE

Despite a low-ARPU and high churn market environment, Indonesia mobile operators continue to be some of the most profitable in the world, according to new 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 Indonesia Mobile Operator Forecast.

“At 11.0%, Indonesia has by far the highest level of churn among the 200+ mobile operators we cover,” said Wendy Yee, Research Associate at IEMR. “ARPU in 2Q08 was USD\$5.64, among the lowest in the world and ARPU declines accelerated to 22.1% YoY in 2Q08, compared to -15.7% in 1Q08. This makes Indonesia’s mobile operator environment one of the most challenging in the world, with operators caught in a low-ARPU, high churn market environment,” said Ms. Yee.

“However, despite this environment, EBITDA margins among Indonesian mobile operators are some of the highest in the world with reported EBITDA margins at 56.0% in 2Q08, said Ms. Yee. “We are forecasting an average industry-wide EBITDA margin of 63.8% in 2010, partly due to an expected ARPU recovery and partly due to the fact that data (in the form of SMS) forms an important part of revenue at Indonesian mobile operators,” said Ms. Yee.

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

- During the forecast period from 2008 to 2010, we expect the subscriber base in Indonesia to increase from the current 116.4 million in 2Q.2008 to 130.9 million in 2010.
- Given 2Q.08 numbers, we are revising downward our EBITDA margin predictions for Indonesia going forward. Average margins in the industry are now forecasted to be 63.8% in 2010.
- We now expect service revenue growth among Indonesian operators by 17% in 2008 and gradually decline to 10% in 2010 (previously 20% and 12%, respectively).

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 ma-

trices 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

Telkomsel

Satelindo + IM3

Excelcomindo

Telkom Flexi

StarOne

Other new entrants

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* Not available for this country forecast

** Available only for Telkomsel, Satelindo + IM3, and Excelcomindo

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**** Available only for Satelindo + IM3

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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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