

PRESS RELEASE

Movistar Mexico and Nextel will continue to gain market share over Telcel in Mexico's mobile operator space, 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 Mexico Mobile Operator Forecast.

"Given Mobile Number Portability introduced in Mexico in July 2008, we expect some market share declines at Telcel with most subscribers moving to Movistar," said Carlos Fernandez, Principal Research Associate at IEMR. "Based on international experience, we are expecting Telcel to lose about 1% of its subscriber base as a result of mobile number portability," said Mr. Fernandez.

"We also believe that carriers will not introduce major price cuts in the coming quarters," said Mr. Fernandez. "This is because Mexico has Minutes of Use (MOU) levels already close to developed country levels and operators' Revenue per Minute (RPM) numbers are approaching some of the lowest levels in the world. Further price and tariff cuts would not be in their interest," said Mr. Fernandez.

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

- Service revenue growth remained at 14% for 2Q08 (same level as 1Q08). Subscriber growth was also steady at 18% and ARPU declined by -5.2%. Data ARPU (US\$2.98) is now 16% of total ARPU in Mexico and is up from 13.0% a year ago.
- Voice RPM has declined sharply in Mexico in the past year, falling 31% YoY to US\$0.08. Usage has, therefore, increased by 42% to 187 minutes/subscriber.
- We are now forecasting that total subscribers in Mexico will increase from our projected 79.4 million in 2008 (previously 79.2 million) to a forecasted 98.9 million in 2010 (previously 98.5 million) in 2010. The wireless penetration level of the country will continue rising and we expect it to reach 91.2% in 2010.
- Telcel will continue to be the largest operator in the country. We expect it to serve 67.1 million (previously 67.3 million) out of 98.9 million subscribers in Mexico in 2010. We are also forecasting that Telcel will enjoy the highest EBITDA margins among Mexican operators of 52.8% (previously 55.0%) in 2010.
- However, Telcel's market share (by subscribers) is expected to decline from 70.6% projected in 2008 to 67.8% in 2010 as its competitor – Movistar Mexico -- continue gaining market share.

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

Telcel (AMX)

Iusacell

Movistar Mexico (TEF)

Unefon

Nextel Intl

Charts 1-68 Results & Forecasts for: CY04-CY10

(Only CY04 – CY06 for Unefon)

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* Not available for Nextel Intl

** Not available for Iusacell

*** Not available for Telcel and Nextel Intl

For more information, visit our website at:

<http://www.iemarketresearch.com/Members/Reports/ViewReportDetail.aspx?RID=647&flag=1>
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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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