

## PRESS RELEASE

### **MTN will enjoy higher profitability than Vodacom over the next three years in South Africa'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 South Africa Mobile Operator Forecast.

"The 4Q08 Mobile Operator Forecasts demonstrate IEMR's capability to gather information from a variety of global resources and model it into accurate and timely forecasts for our clients," said Nizar Assanie, Vice President of Research at IEMR. "Clients will find the information easily accessible, comprehensive, and exceptionally relevant to enable them to make sound business and investment decisions about mobile operators and vendors strategies".

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

- The number of total subscribers in South Africa will increase from 48.5 million in 2008 to 55.6 million in 2010. This change results in a rise in the wireless penetration level from 100.4% in 2008 to 112.8% in 2010.
- We expect that the largest operator, Vodacom, will be losing its market share (by subscribers) to its competitors over the next few years. According to our model, Vodacom's market share will decrease from 53.2% in 2008 to 52.8% in 2010. MTN's market share will also fall from 34.4% to 34.0% over the forecast period. On the other hand, Cell C's share of subscribers will increase from 11.8% to 12.3% from 2008 to 2010.
- Given 2Q.2008 results, we are revising our ARPU forecasts. We expect that, in 2010, Vodacom will earn the highest ARPU at US\$ 17.85 per month among the three operators. Cell C will receive the lowest ARPU at US\$ 14.89 per month.
- However, it is MTN that will enjoy the highest EBITDA margin at 37.9% in 2010 among the three operators. We expect Vodacom's EBITDA margin to be at 36.3% in 2010.

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

Vodacom  
MTN (M-Cell)  
Cell C

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\* Not available for this country forecast

For more information, visit our website at:

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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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