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POPULARITY OF CELLPHONES LAGS IN CANADA: GLOBAL STUDY

TORONTO, July 21, 2008 – When it comes to owning and using mobile phones, Canada lags behind many nations, including several in the developing world, suggests a global study on telecommunications.

Conducted by international market research firm TNS, the *Global Telecoms Insight* study found that only two-thirds of the Canadian population between the ages of 16 and 60 use a mobile phone on a regular basis. This level of penetration puts Canada significantly below the global average of 80 per cent among the 30 countries surveyed, and even further behind the 90 per cent and 97 per cent levels found in the U.S. and UK, respectively.

“Canadians do not have the same attachment to and reliance on mobile phones as the rest of the world does,” says Michael Ennamorato, a senior vice-president at TNS Canadian Facts. “Making calls from landline phones in Canada is relatively inexpensive and many Canadians think that the quality of landline connections is superior to wireless.”

Among the one-third of Canadians who do not own mobile phones, the majority has no intention of purchasing a cellphone within the next 12 months, a group of consumers the study refers to as *rejecters*. Interestingly, only Mexico and Vietnam have greater proportions of people in the *rejecter* segment, two countries that are not traditionally considered as technologically advanced. By contrast, many South East Asian markets, such as South Korea and Hong Kong, have very few people falling under the *rejecter* category.

Canadians who own mobile phones are in no rush to replace them with newer and better models. They, along with the Dutch, expect to keep their handset for 3.5 years on average—longer than in any other market studied—and one year longer than mobile phone users in the U.S., UK and Australia.

Another trend to emerge from the survey is the claim among Canadian mobile users that they are unwilling to pay a higher price for their next phone, an attitude that is shared by their counterparts south of the border, but one that is at odds with the rest of the world.

“There are clearly segments of the Canadian wireless population that are leading-edge and want the latest and greatest, but on balance there is a certain inertia in this market,” says Ennamorato. “This possibly stems from an inclination to assign a more limited role to wireless communications, as well as a tendency to lock into three-year plans offering free handsets. In this sense, the major carriers may have conditioned Canadians to focus on plans rather than hardware.”

The 2007-08 TNS *Global Telecoms Insight* study was conducted in Algeria, Argentina, Australia, Brazil, Canada, China, Egypt, France, Germany, Hong Kong, India, Indonesia, Italy, Japan, Kuwait, Mexico, Morocco, Netherlands, Russia, Saudi Arabia, South Africa, South Korea, Spain, Sweden, Taiwan, Thailand, UAE, UK, USA and Vietnam. Over 16,000 participants were asked to comment on their usage of and attitudes towards telecommunications devices, with mobile phones forming the core of the study.

In Canada, online interviews were conducted between November 29 and December 14, 2007, among 550 consumers who were randomly selected from the TNS Canadian Facts interactive research panel. The survey data were weighted to reflect the demographic composition of the Canadian population between the ages of 16 and 60. Figures were also weighted on a global scale to reflect each market's relative size for consumption of telecommunication and technology products and services, including such factors as national mobile subscriptions and purchasing power parity.

TNS Canadian Facts (www.tns-cf.com) is one of Canada's most prestigious full-service marketing, opinion and social research organizations.

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Media Contacts:

Michael Ennamorato

Senior Vice President

Tel: (416) 924-5751 x215

e-mail: michael.ennamorato@tns-global.com

David Stark

Vice President, Public Affairs

Tel: (416) 924-5751 x238

e-mail: david.stark@tns-global.com