



Press Release

J.D. Power and Associates Reports:

O2 Ranks Highest in Customer Satisfaction with Pre-Pay Mobile Phones in the UK;

Virgin Mobile Ranks Highest in Satisfying Pay-Monthly Customers

LONDON: 4 June 2009 —O2 ranks highest in customer satisfaction with pre-pay mobile phone service, and Virgin Mobile ranks highest among pay-monthly mobile phone customers, according to the J.D. Power and Associates 2009 UK Mobile Phone Customer Satisfaction StudySM released today.

Now in its 12th year, the study measures customer satisfaction with pre-pay and pay-monthly plans among the leading UK mobile network service providers. Overall satisfaction with pre-pay providers is based on performance across six factors: call quality/coverage; offerings and promotions; cost of the service; billing or topping up (replenishing or paying for minutes and texts in a pay-as-you-go plan); customer service; and handset.

Among pre-pay providers, O2 ranks highest with a score of 734 on a 1,000-point scale and performs particularly well in four of six factors: call quality/coverage; billing/topping up; handset; and offerings and promotions. Tesco Mobile follows O2 in the ranking with a score of 710, while Virgin Mobile ranks third with 691.

Virgin Mobile ranks highest in the pay-monthly segment for a third consecutive year, receiving a score of 718 and performing particularly well in five of six factors: cost of the service; offerings and promotions; billing; customer service; and handset. Following Virgin Mobile in the segment rankings are O2 (698) and Orange (673).

The study also finds that several of the high-ranking providers perform particularly well in offering incentives and rewards. For instance, 75 percent of all O2 pre-pay and pay-monthly customers report receiving rewards, compared with an industry average of 60 percent. Among pre-pay customers who receive rewards, satisfaction is much higher (712 points on average) than among those who do not receive rewards (653 points on average). Additionally, among pay-monthly customers who receive rewards, the average satisfaction score is 702, compared with 618 among those who receive no rewards.

“As the mobile phone market matures and experiences increasing convergence with other communications technology, customer expectations of their mobile phone provider are growing, and these customers expect more services and features from their providers,” said Stuart Crawford-Browne, senior manager of service industries at J.D. Power and Associates. “Customers appreciate simplicity, rewards for spending and the benefits of bundled services. Providers that take care of their customers with ease of use, good value and loyalty incentives are more likely to prevail in this difficult economic environment—not only maintaining their core business but likely increasing business through loyalty and recommendations as well.”

The study also finds several key mobile phone usage patterns:

- The average monthly expenditure on mobile phone service in the pay-monthly segment has declined from £31.45 in 2008 to £26.87 in 2009, while pre-pay customers are spending

approximately the same amount as the previous year, with the average monthly expenditure at £12.09 in 2009.

- With regard to switching intent, 17 percent of pay-monthly customers say they intend to switch phone providers, while only 12 percent of pre-pay customers say the same.
- Customers continue to have low satisfaction with the cost of using their mobile phone abroad, particularly pay-monthly customers. Pay-monthly customers who used their phone abroad in the past 12 months spent an average of £27.10 on the last occasion, while pre-pay customers spent an average of £13.98.

The 2009 UK Mobile Phone Customer Satisfaction Study is based on responses from 3,325 pre-pay and pay-monthly mobile phone customers throughout the UK. The study was fielded in March and April 2009.

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The European headquarters of J.D. Power and Associates is located in Guildford, UK. With world headquarters in Westlake Village, California, U.S.A., J.D. Power and Associates is a global marketing information services company operating in key business sectors including market research, forecasting, performance improvement, Web intelligence and customer satisfaction. The company's quality and satisfaction measurements are based on responses from millions of consumers annually. J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

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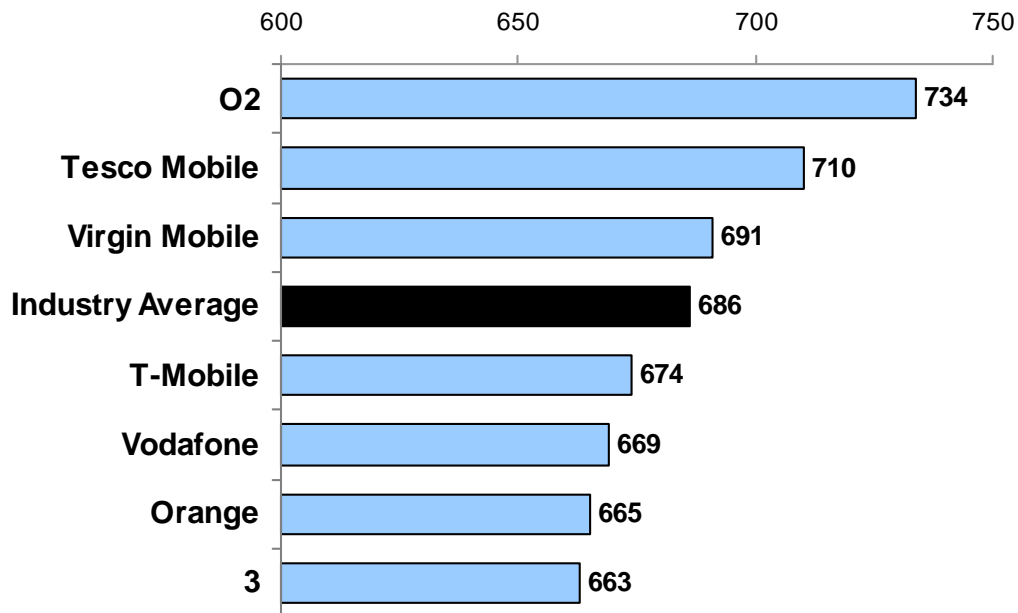
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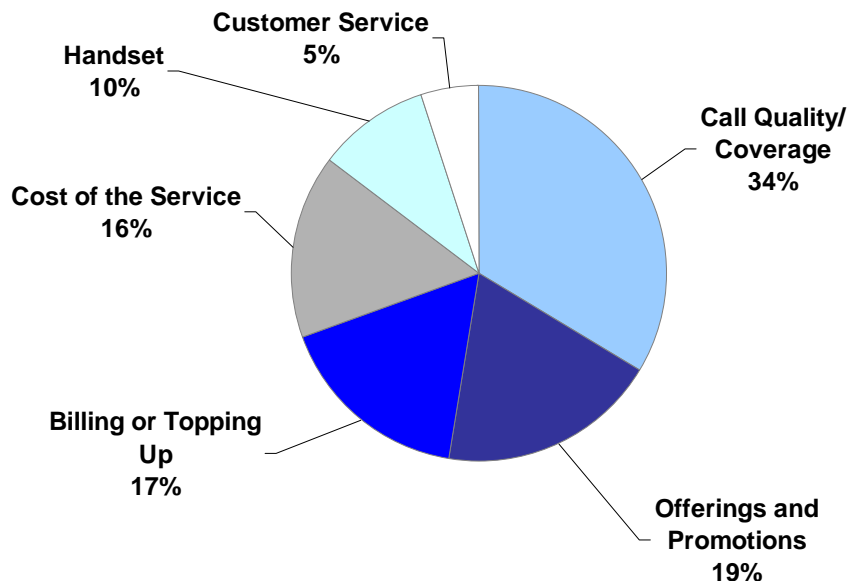
NOTE: Four charts follow.

J.D. Power and Associates 2009 UK Mobile Phone Customer Satisfaction StudySM

Customer Satisfaction Index Scores Pre-Pay Segment (Based on a 1,000-point scale)



Customer Satisfaction Component Weights Pre-Pay Segment



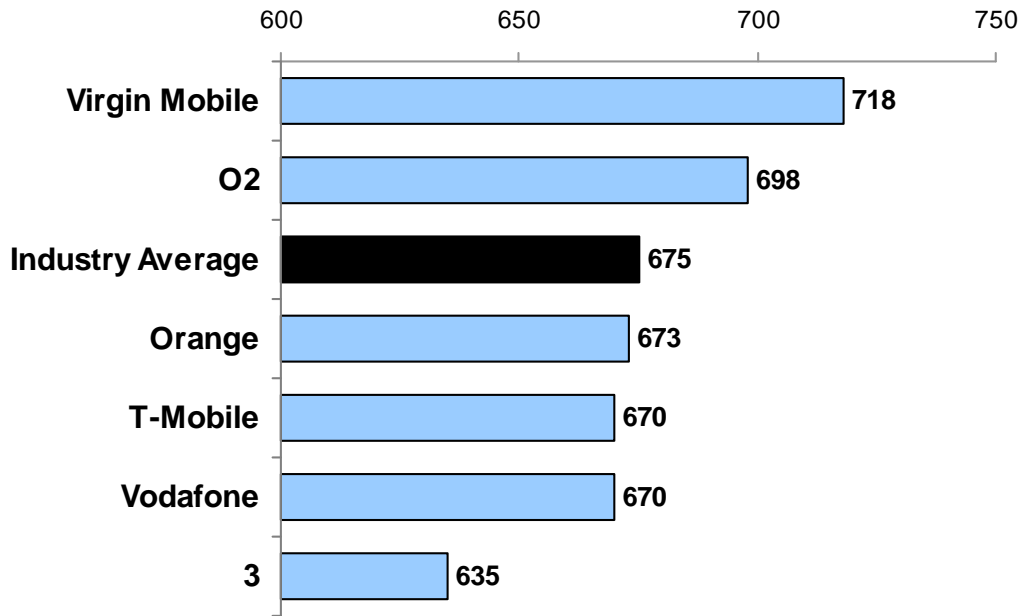
Note: Percentages may not equal 100 due to rounding.

Source: J.D. Power and Associates 2009 UK Mobile Phone Customer Satisfaction StudySM

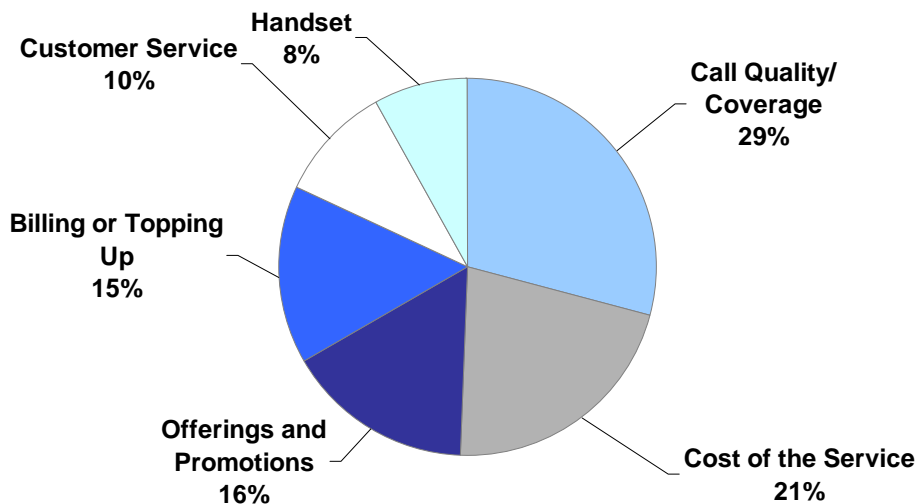
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J.D. Power and Associates 2009 UK Mobile Phone Customer Satisfaction StudySM

Customer Satisfaction Index Scores Pay Monthly Segment (Based on a 1,000-point scale)



Customer Satisfaction Component Weights Pay Monthly Segment



Note: Percentages may not equal 100 due to rounding.

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