



THE MARKET

Mobile phones have revolutionized the way we live, communicate and interact with each other. For members of the current generation, a mobile phone isn't just seen as technology: it's a way of life, and living without one would simply be unthinkable.

At the end of September 2007, there were more than 19.3 million mobile phone owners in Canada — that's more than 60% of the entire population — and 47% of all phone connections in Canada are now wireless.¹ Along with this surge comes the economic benefits of a booming industry; more than 25,000 Canadians work in the mobile phone business and generate more than \$11 billion in revenue each year.²

ACHIEVEMENTS

In a few short years Virgin Mobile Canada has already attracted hundreds of thousands of customers and achieved faster than expected growth for Canada's first and largest mobile virtual network operator "MVNO."

Virgin Mobile is the only Canadian mobile phone company to ever receive the J.D. Power and Associates "Highest in Customer Satisfaction with Prepaid Wireless Service" award three years in a row (2005–2007) and was ranked #1 in terms of Customer Service, Call Quality, Service Plan Options and Billing.

Virgin Mobile Canada applauded the CRTC's decision in September 2005 to require Canadian telecommunications carriers to implement Wireless Number Portability "WNP" — the ability for a consumer to take his or her telephone



number with them to a new service provider. Together with Virgin founder Sir Richard Branson, and other interested groups, Virgin Mobile Canada successfully campaigned for WNP to be launched in March 2007, six months earlier than the timeline being advanced by incumbent carriers.

HISTORY

Virgin Mobile launched in Canada on March 1, 2005, with the stated objective of shaking up the mobile phone market and offering a simpler, better deal to Canadians. During an action-packed stunt, Sir Richard Branson zip-lined from the skies and crushed the competition in an "Emergency Services" monster truck. By the end of the year, Virgin Mobile's great rates, no hidden fees and customer-friendly approach were available nationwide.

On June 30, 2006, Sir Richard Branson announced that the massively successful Virgin Festival, one of Europe's biggest music festivals sponsored by Virgin Mobile, would be crossing the pond to Canada.

On September 9 and 10, 2006, the first North American Virgin Festival was held in Toronto, instantly becoming one of Canada's biggest rock festivals. Virgin Festival spread the love to the west coast in May 2007 with Virgin Festival Vancouver and, in September 2007, it got even bigger, better and

louder again with the second Toronto Virgin Festival. Having drawn almost 100,000 music lovers in just its first two years, Virgin Mobile announced plans in late 2007 to "go west" with the news that Calgary would become a Virgin Festival host city in 2008.



Virgin Mobile Canada is committed to making the world a better place for everyone. It works to inform and engage its customers on how they can get involved in the world around them and work with the company to make a difference. November 12, 2007, saw the launch of Virgin Unite Canada. Virgin Unite, Virgin's global charity, is dedicated to creating and supporting programs that foster an immediate, tangible change in the lives of people in need all around the



world. The Midnight Magic fundraising gala, hosted by Sir Richard himself, raised more than \$2 million in supplies and donations to help impoverished areas of Sub-Saharan Africa and marks just the beginning of Virgin Unite Canada's efforts.

THE PRODUCT

For the first three years of its operations Virgin Mobile Canada focused exclusively on pre-paid services — a mobile phone service where customers must have a positive balance in their mobile phone account to make a call or send a text. A fresh approach, ease of use and a consumer-targeted portfolio of value-added services and mobile entertainment products have established Virgin Mobile as a leader in the Canadian mobile phone youth market.

A constant innovator, Virgin Mobile Canada created highly unique pre-paid "Pay by the Month" plans. These hybrid plans give Canadians the flexibility of a pre-paid service with the calling power of a typical monthly plan.

Virgin Mobile Canada phones are available at more than 4,000 locations with top-up cards available at more than 10,000 locations nationally. Virgin Mobile products can also be purchased online at www.virginmobile.ca or by calling 1.888.999.2321.

RECENT DEVELOPMENTS

In February 2008, Sir Richard Branson stormed the streets of Toronto to unveil Virgin Mobile Canada's revolutionary new monthly post-paid service, myPlan™. Speaking at the news conference Sir Richard said, "Virgin Mobile came to Canada in 2005 to shake up the mobile market and give pre-paid customers a simpler, better deal. We've had huge success in the pre-paid market and we're now ready to bring the Virgin Mobile flair, much-needed simplicity and a more transparent and fairer option to post-paid customers."

One of the most exciting innovations of the new post-paid service is myTime™. In a North American first, myTime™ allows customers to choose the hour when their unlimited calling clock begins, rather than being restricted to certain set periods of time.

Continuing its mission to champion environmental and social consciousness, Virgin Mobile also introduced automatic e-billing for all post-paid customers, some of the most environmentally friendly packaging in the industry and the ability for post-paid customers to donate directly to Virgin Unite Canada by rounding up their bill to the next dollar each month.



PROMOTION

Virgin Mobile Canada definitely thinks outside of the box when it comes to getting the word out about new products and services. Having a founder as a world-famous daredevil doesn't hurt either! The launch campaign hit the ground running with print, TV, outdoor and transit ads offering to help cure mobile customers of "The Catch" — the dreaded mobile malady brought on by unfair contracts and sneaky hidden fees.

When Wireless Number Portability finally became a reality in March 2007, Virgin Mobile wanted to make sure everyone knew about their new-found freedom. Perched high above the Toronto skyline, Sir Richard was held "captive" inside a jail cell suspended from a construction crane. In a pyrotechnic explosion the cell burst open and he escaped down a rope made of prison bed sheets.

After making it safely to the ground, he released "mobile prisoners" from their shackles to symbolize the new mobile freedom of all Canadians.

Subsequent campaigns have developed a rich visual style featuring a mix of animation and live action. Eye-grabbing TV spots have included "Don't Get Sucked In," featuring an unfortunate mobile phone user getting sucked into a gigantic vacuum cleaner.



BRAND VALUES

When you're one of the most respected brands in the world you've got to have some big brand values to back it all up. Sir Richard once said, "Whenever I see people getting a bad deal I want to step in and do something about it." That simple idea of always looking out for consumers above all else created Virgin's main brand value: Be the Undisputed Consumer Champion.

This idea encompasses everything Virgin Mobile is — it's the essence of the company in five little words. It promotes its courage to stand up and fight for the consumer when others may not. It promises its customers they will never feel ripped off because (get ready for it . . .) they'll never actually be ripped off. Virgin Mobile thrives on keeping it simple and explaining things clearly. Nothing is ever hidden because it has nothing to hide.

Virgin Mobile Canada lives up to its ultimate goal of being the Undisputed Consumer Champion by constantly bringing its six brand values to life. These values reflect everything Virgin Mobile does and ensures the brand keeps its word and breaks new ground in everything it does:

- **Brilliant Customer Service**
- **Quality**
- **Fun & Young At Heart**
- **Innovation People Want**
- **Good Value For Money**
- **Competitively Challenging**

^{1,2} Canadian Wireless Telecommunications Association, Facts and Figures, February 2008: www.cwta.ca

THINGS YOU DIDN'T KNOW ABOUT VIRGIN MOBILE CANADA

- Over the summer of 2006, the pimped-out Virgin Mobile All Nighter Bus randomly picked up thousands of lucky partiers, offered them Red Bull, and took them club hopping around Toronto.
- In 2005 Virgin Mobile spread holiday cheer by handing out free wrapping paper to moviegoers leaving theatres. The paper caused quite a sensation when, upon closer inspection, the angels in its pattern could be seen in a very "affectionate" pose.
- In March 2006, Virgin Mobile's fave "text kitten" Pamela Anderson made a special stop at its Toronto offices and helped launch *The Joy of Text*. This hardcover book guided text newbies to the "ins and outs" of text messaging.
- Virgin Mobile Canada is the proud holder of a World Record. With Spice Girl Mel B and more than 500 ecstatic fans, they took the record for most people playing a ringtone at one time as mobile phones filled Toronto's Eaton Centre with The Spice Girls' smash hit "Wannabe."