



**Georgia Tech Financial Analysis Lab**

800 West Peachtree Street NW

Atlanta, GA 30332-0520

404-894-4395

<http://www.mgt.gatech.edu/finlab>

---

**Dr. Charles W. Mulford, Director**  
INVESCO Chair and Professor of Accounting  
[charles.mulford@mgt.gatech.edu](mailto:charles.mulford@mgt.gatech.edu)

**Sohel Surani**  
Graduate Research Assistant  
[sohel.surani@mba.gatech.edu](mailto:sohel.surani@mba.gatech.edu)

**Jason Blake**  
Graduate Research Assistant  
[jason.blake@mba.gatech.edu](mailto:jason.blake@mba.gatech.edu)

**Cash Flow Trends and Their Fundamental Drivers: A Continuing Look**

**Comprehensive Industry Review (Qtr 4, 2008)**

**Telecommunications Services Industry (5010)**

**EXECUTIVE SUMMARY**

This research report is one of a series that looks at the cash flow performance of Corporate America. Our primary focus is on free cash margin, or free cash flow measured as a percent of revenue. The current study provides our comprehensive review for the Telecommunications Services Industry (GICS: 5010) through Q4, 2008.

For the twelve months ending December 2008, free cash margin for the telecommunications services industry continued the downward trend begun in September 2007. Free cash margin dropped to 9.85%, down from 12.49% in December 2007. The primary driver of this decrease was the decline in operating cash margin. In December 2007 operating cash margin was 27.34% dropping to 25.92% in December 2008 – a 5.2% decrease. Offsetting the decrease in operating cash margin was a smaller decrease in capital expenditures. Capital expenditures as a percentage of revenue fell from 14.13% to 13.34% over the same period. The operating cash margin decline was driven by a slight decline in gross margin % and small increase in SG&A%. This was offset by an improvement in the cash cycle driven primarily from a reduction in AR Days. Free cash margin still remains marginally higher than the 8.11% averaged during the recessionary period of 2001 (the last recession).

Data for this research were provided by Cash Flow Analytics, LLC., [www.cashflowanalytics.com](http://www.cashflowanalytics.com).  
Charles Mulford is a principal in Cash Flow Analytics, LLC. May, 2009

**Georgia Tech Financial Analysis Lab  
College of Management  
Georgia Institute of Technology  
Atlanta, GA 30332-0520**

**Georgia Tech Financial Analysis Lab**

The Georgia Tech Financial Analysis Lab conducts research on issues of financial reporting and analysis. Unbiased information is vital to effective investment decision-making. Accordingly, we think that independent research organizations, such as our own, have an important role to play in providing information to market participants.

Because our Lab is housed within a university, all of our research reports have an educational quality, as they are designed to impart knowledge and understanding to those who read them. Our focus is on issues that we believe will be of interest to a large segment of stock market participants. Depending on the issue, we may focus our attention on individual companies, groups of companies, or on large segments of the market at large.

A recurring theme in our work is the identification of reporting practices that give investors a misleading signal, whether positive or negative, of corporate earning power. We define earning power as the ability to generate a sustainable stream of earnings that is backed by cash flow. Accordingly, our research may look into reporting practices that affect either earnings or cash flow, or both. At times, our research may look at stock prices generally, though from a fundamental and not technical point of view.

**Contact Information**

Charles Mulford      INVESCO Chair, Professor of Accounting and the Lab's Director  
Phone: (404) 894-4395  
Email: [charles.mulford@mgt.gatech.edu](mailto:charles.mulford@mgt.gatech.edu)

Jason Blake            Graduate Research Assistant and MBA Student  
Sohel Surani           Graduate Research Assistant and MBA Student

Website:                <http://www.mgt.gatech.edu/finlab>

©2009 by the College of Management, Georgia Institute of Technology, Atlanta, GA 30332-0520. ALL RIGHTS RESERVED. The information contained in this research report is solely the opinion of the authors and is based on sources believed to be reliable and accurate, consisting principally of required filings submitted by the companies represented to the Securities and Exchange Commission. HOWEVER, ALL CONTENT HEREIN IS PRESENTED "AS IS," WITHOUT WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED. No data or statement is or should be construed to be a recommendation for the purchase, retention, sale or short-sale of the securities of the companies mentioned.

Cash Flow Trends and Their Fundamental Drivers: A Continuing Look. Comprehensive Industry Review (Qtr 4 2008). (c) 2009 by the College of Management, Georgia Institute of Technology, Atlanta, GA 30332-0520.

## Telecommunications Services Industry (5010)

<b>Sub-industries included:</b>	<b>Page</b>
<b>Diversified Telecommunications Services (501010)</b>	<b>15</b>
<b>Wireless Telecommunications Services (501020)</b>	<b>16</b>

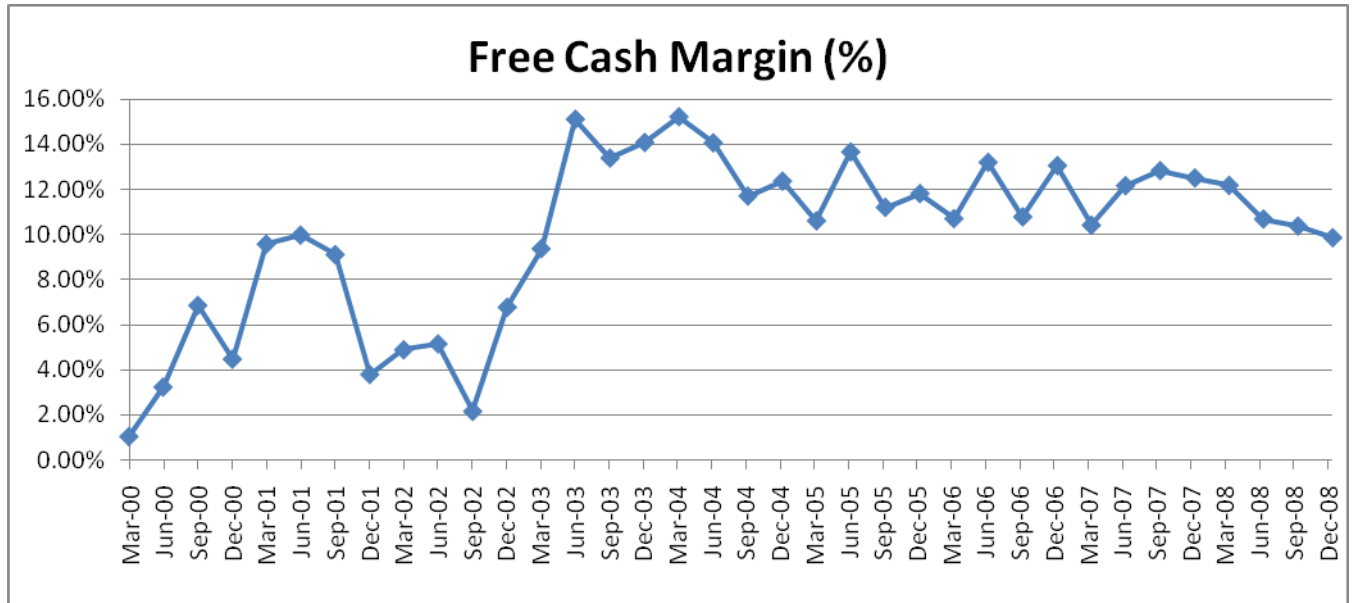
### Observations

For the twelve months ending December 2008, free cash margin for the telecommunications services industry continued the downward trend begun in September 2007. Free cash margin dropped to 9.85%, down from 12.49% in December 2007. The primary driver of this decrease was the decline in operating cash margin. In December 2007 operating cash margin was 27.34% dropping to 25.92% in December 2008 – a 5.2% decrease. Offsetting the decrease in operating cash margin was a smaller decrease in capital expenditures. Capital expenditures as a percentage of revenue fell from 14.13% to 13.34% over the same period. The operating cash margin decline was driven by a slight decline in gross margin % and small increase in SG&A%. This was offset by an improvement in the cash cycle driven primarily from a reduction in AR Days. Free cash margin still remains marginally higher than the 8.11% averaged during the recessionary period of 2001 (the last recession).

There are two sub-industries in telecommunications services industry. Both suffered decreases of around 20% in free cash margin. In the diversified telecommunications services sub-industry (GICS: 501010), free cash margin declined by approximately 23%. For the wireless telecommunications services sub-industry (GICS: 501020) free cash margin fell approximately 19%.

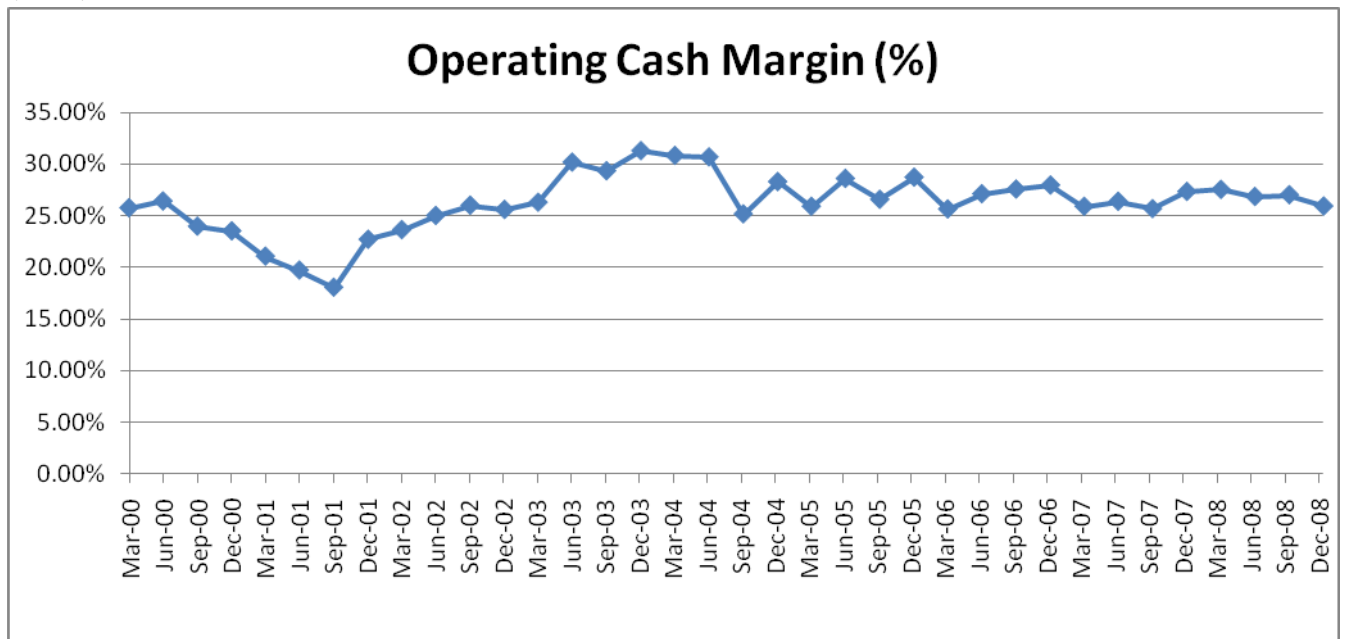
**Cash Flow Margins**

**Exhibit 1: Median Free Cash Margin, 2000 – 2008, Telecommunications Services Industry (5010)**



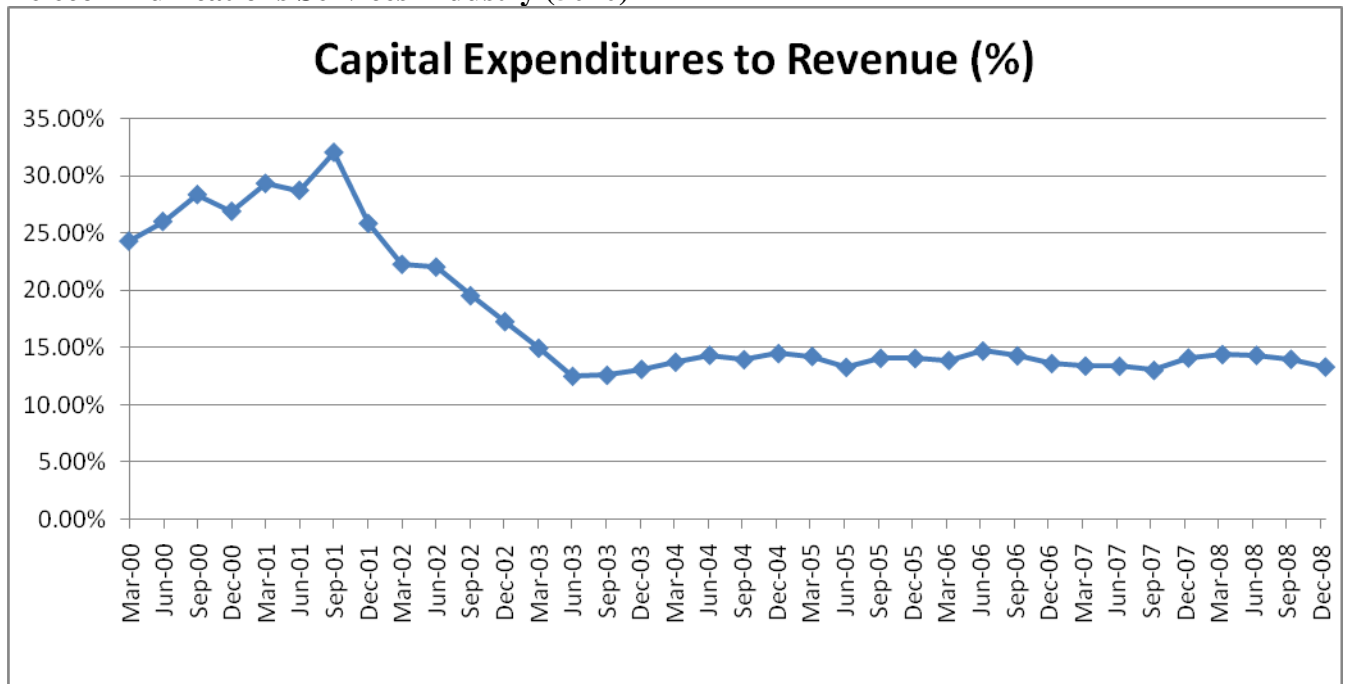
Refer to Table 1 for data supporting the graph.

**Exhibit 2: Median Operating Cash Margin, 2000 – 2008, Telecommunications Services Industry (5010)**



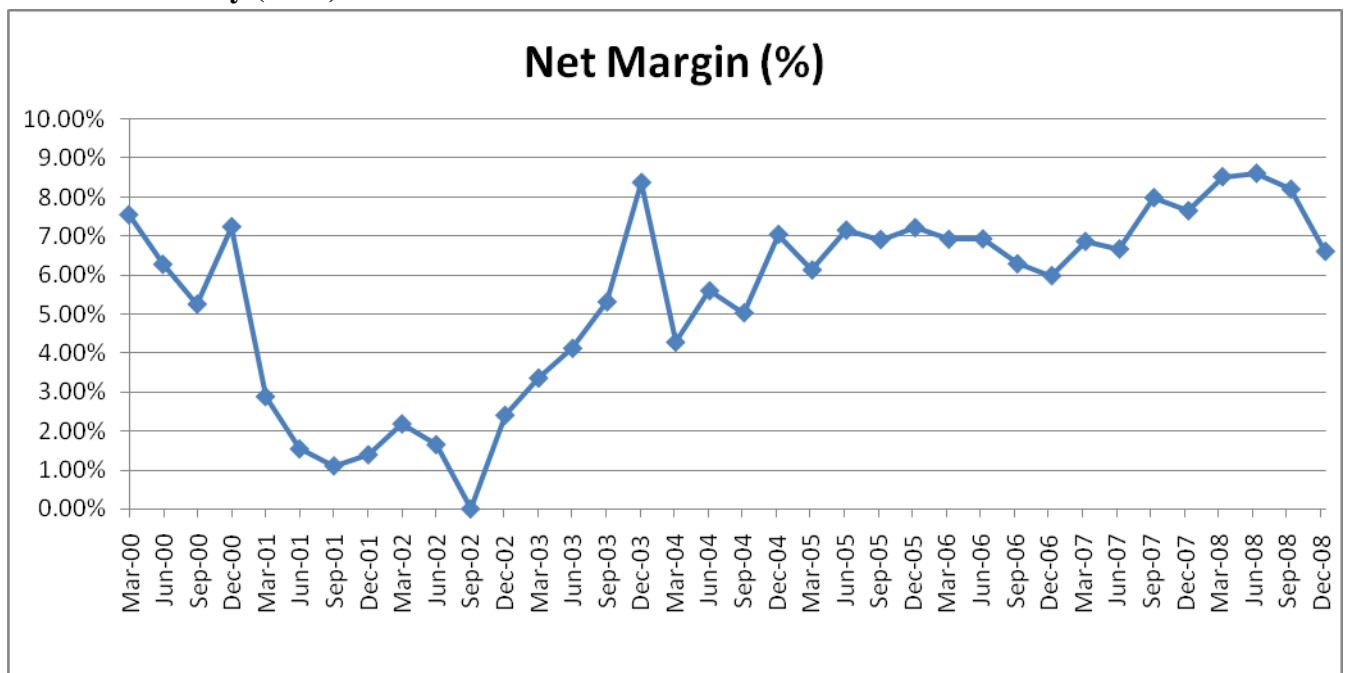
Refer to Table 1 for data supporting the graph.

**Exhibit 3: The Ratio of Capital Expenditures to Revenue, 2000 – 2008, Telecommunications Services Industry (5010)**



Refer to Table 1 for data supporting the graph.

**Exhibit 4: Median Net Margin from Continuing Operations, 2000 – 2008, Telecommunications Services Industry (5010)**



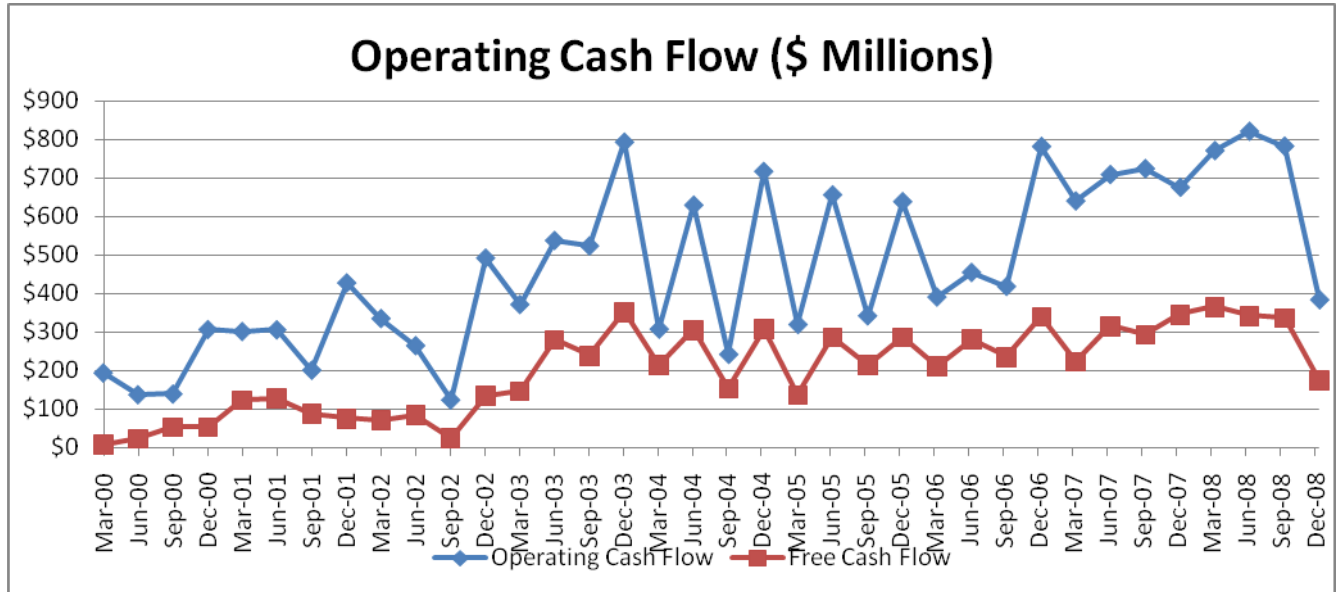
Refer to Table 1 for data supporting the graph.

**Table 1: Median Margins, 2000 – 2008, Telecommunications Services Industry (5010)**

Date	Operating Cash Margin (%)	Free Cash Margin (%)	Net Margin (%)	Capital Expenditures / Revenue (%)
Mar-00	25.75%	1.06%	7.54%	24.32%
Jun-00	26.41%	3.24%	6.27%	26.04%
Sep-00	23.96%	6.85%	5.25%	28.38%
Dec-00	23.50%	4.48%	7.24%	26.92%
Mar-01	21.05%	9.57%	2.88%	29.35%
Jun-01	19.69%	9.96%	1.54%	28.75%
Sep-01	18.02%	9.10%	1.10%	32.06%
Dec-01	22.68%	3.80%	1.39%	25.87%
Mar-02	23.62%	4.89%	2.18%	22.30%
Jun-02	25.00%	5.16%	1.65%	22.06%
Sep-02	26.00%	2.17%	0.00%	19.56%
Dec-02	25.59%	6.77%	2.40%	17.30%
Mar-03	26.29%	9.36%	3.35%	14.98%
Jun-03	30.19%	15.09%	4.12%	12.53%
Sep-03	29.35%	13.37%	5.31%	12.62%
Dec-03	31.31%	14.06%	8.37%	13.14%
Mar-04	30.84%	15.19%	4.27%	13.76%
Jun-04	30.69%	14.04%	5.59%	14.37%
Sep-04	25.16%	11.69%	5.03%	13.98%
Dec-04	28.29%	12.35%	7.04%	14.51%
Mar-05	25.90%	10.59%	6.13%	14.26%
Jun-05	28.60%	13.64%	7.15%	13.31%
Sep-05	26.57%	11.19%	6.91%	14.10%
Dec-05	28.72%	11.80%	7.21%	14.09%
Mar-06	25.63%	10.69%	6.91%	13.91%
Jun-06	27.12%	13.18%	6.92%	14.73%
Sep-06	27.57%	10.77%	6.29%	14.32%
Dec-06	27.95%	13.04%	5.98%	13.64%
Mar-07	25.89%	10.40%	6.86%	13.42%
Jun-07	26.38%	12.15%	6.66%	13.40%
Sep-07	25.66%	12.82%	7.98%	13.05%
Dec-07	27.34%	12.49%	7.64%	14.13%
Mar-08	27.53%	12.16%	8.52%	14.42%
Jun-08	26.84%	10.67%	8.60%	14.36%
Sep-08	27.01%	10.36%	8.20%	14.01%
Dec-08	25.92%	9.85%	6.60%	13.34%

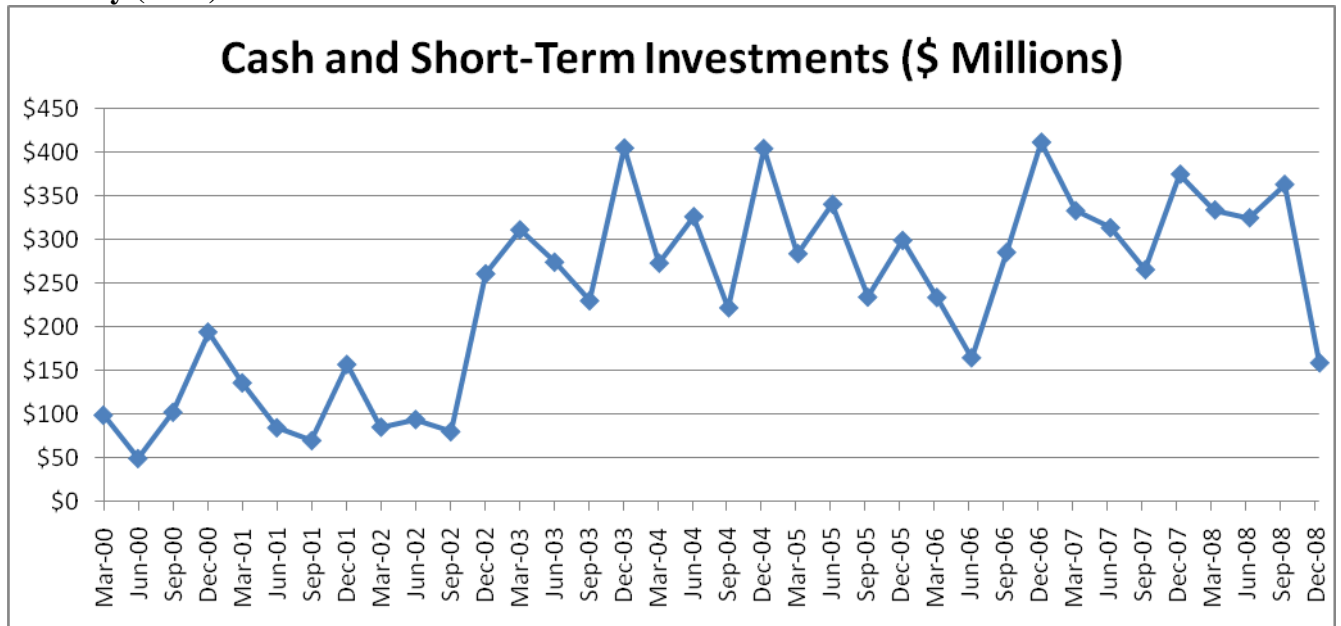
**Cash Flow Measures**

**Exhibit 5: Median Free Cash Flow & Operating Cash Flow, 2000 – 2008, Telecommunications Services Industry (5010)**



Refer to Table 2 for data supporting the graph.

**Exhibit 6: Cash and Short-term Investments, 2000 – 2008, Telecommunications Services Industry (5010)**



Refer to Table 2 for data supporting the graph.

**Table 2: Cash Flow Measures, 2000 – 2008, Telecommunications Services Industry (5010)**

Date	Operating Cash Flow	% Change	Free Cash Flow	% Change	Cash and Short-Term Investments	% Change
Mar-00	193,527,500		6,986,685		99,222,000	
Jun-00	136,934,000	-29.24%	23,291,920	233.38%	49,685,000	-49.93%
Sep-00	138,667,000	1.27%	52,142,624	123.87%	102,669,000	106.64%
Dec-00	306,183,000	120.80%	53,052,450	1.74%	194,453,000	89.40%
Mar-01	301,147,000	-1.64%	122,223,347	130.38%	136,310,000	-29.90%
Jun-01	305,454,000	1.43%	127,730,808	4.51%	84,967,000	-37.67%
Sep-01	200,644,000	-34.31%	87,849,318	-31.22%	70,174,000	-17.41%
Dec-01	427,417,000	113.02%	75,034,230	-14.59%	157,366,000	124.25%
Mar-02	334,929,000	-21.64%	71,167,373	-5.15%	85,614,000	-45.60%
Jun-02	264,511,000	-21.02%	84,866,497	19.25%	94,382,000	10.24%
Sep-02	123,148,000	-53.44%	25,022,964	-70.51%	80,430,000	-14.78%
Dec-02	491,846,500	299.39%	133,884,973	435.05%	261,108,000	224.64%
Mar-03	371,347,000	-24.50%	145,746,760	8.86%	311,445,000	19.28%
Jun-03	537,707,000	44.80%	279,107,690	91.50%	274,398,000	-11.90%
Sep-03	523,588,500	-2.63%	238,486,048	-14.55%	230,222,500	-16.10%
Dec-03	793,126,500	51.48%	350,876,861	47.13%	405,003,000	75.92%
Mar-04	307,400,000	-61.24%	213,779,580	-39.07%	273,293,000	-32.52%
Jun-04	629,440,500	104.76%	304,077,292	42.24%	326,550,000	19.49%
Sep-04	241,799,500	-61.59%	153,335,659	-49.57%	222,161,500	-31.97%
Dec-04	717,075,000	196.56%	307,119,630	100.29%	404,427,000	82.04%
Mar-05	319,299,000	-55.47%	136,417,713	-55.58%	284,110,000	-29.75%
Jun-05	656,300,000	105.54%	286,601,763	110.09%	340,638,000	19.90%
Sep-05	341,872,500	-47.91%	213,759,462	-25.42%	234,393,500	-31.19%
Dec-05	638,538,000	86.78%	286,213,758	33.90%	299,312,500	27.70%
Mar-06	390,822,000	-38.79%	210,961,554	-26.29%	233,975,500	-21.83%
Jun-06	454,612,000	16.32%	280,300,094	32.87%	164,984,500	-29.49%
Sep-06	418,243,000	-8.00%	235,170,407	-16.10%	285,561,000	73.08%
Dec-06	782,016,000	86.98%	339,468,550	44.35%	411,612,000	44.14%
Mar-07	640,429,000	-18.11%	222,325,951	-34.51%	333,318,000	-19.02%
Jun-07	708,958,500	10.70%	314,746,087	41.57%	313,807,500	-5.85%
Sep-07	724,285,000	2.16%	293,346,051	-6.80%	265,852,500	-15.28%
Dec-07	675,886,000	-6.68%	344,498,805	17.44%	375,063,000	41.08%
Mar-08	771,078,500	14.08%	365,364,962	6.06%	334,149,500	-10.91%
Jun-08	821,344,000	6.52%	340,827,972	-6.72%	325,156,000	-2.69%
Sep-08	782,567,500	-4.72%	336,984,312	-1.13%	363,357,500	11.75%
Dec-08	383,548,500	-50.99%	174,304,676	-48.28%	159,163,500	-56.20%

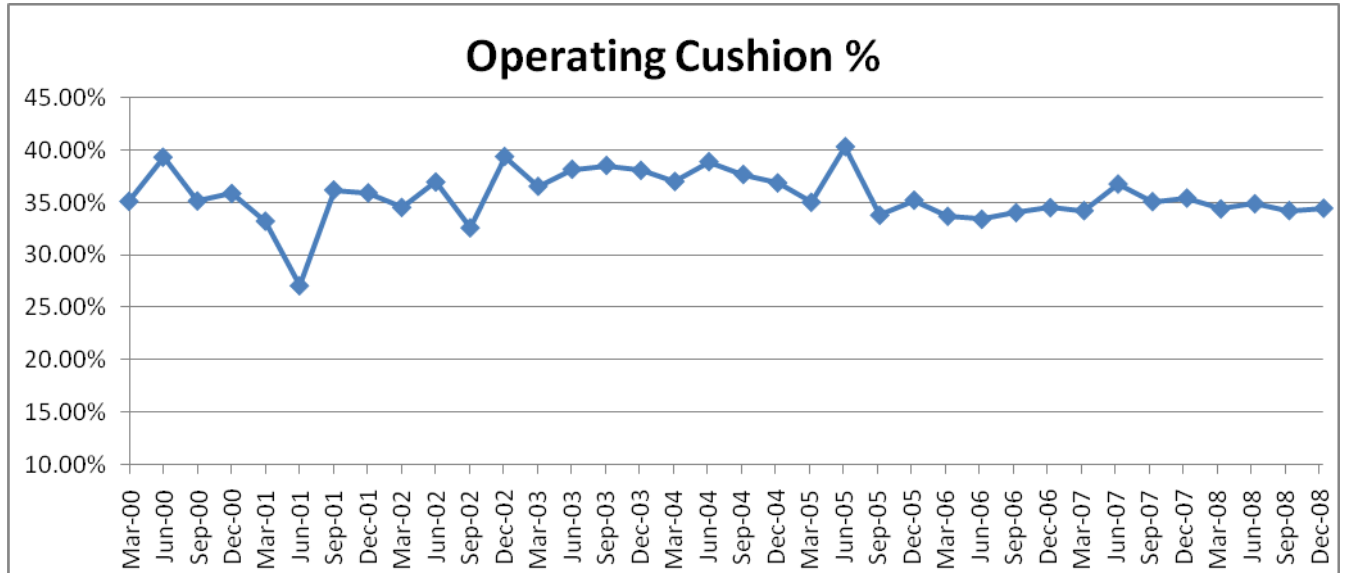
Cash Flow Trends and Their Fundamental Drivers: A Continuing Look. Comprehensive Industry Review (Qtr 4 2008). (c) 2009 by the College of Management, Georgia Institute of Technology, Atlanta, GA 30332-0520.



**Cash Flow Drivers**

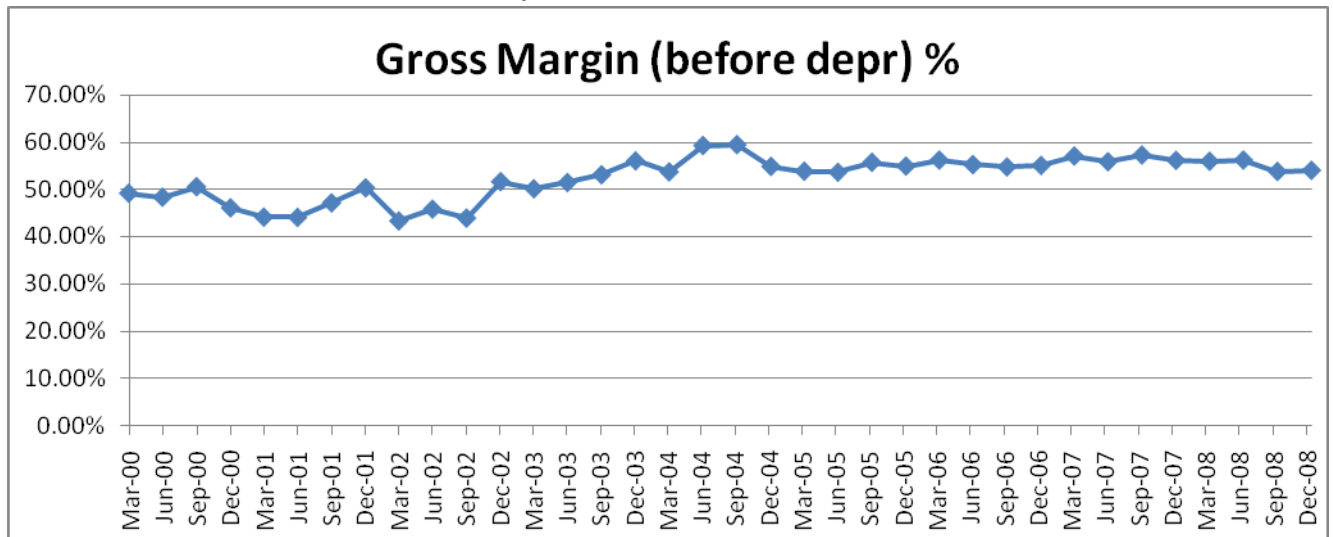
**Profitability**

**Exhibit 7: Median Operating Cushion, 2000 – 2008, Telecommunications Services Industry (5010)**



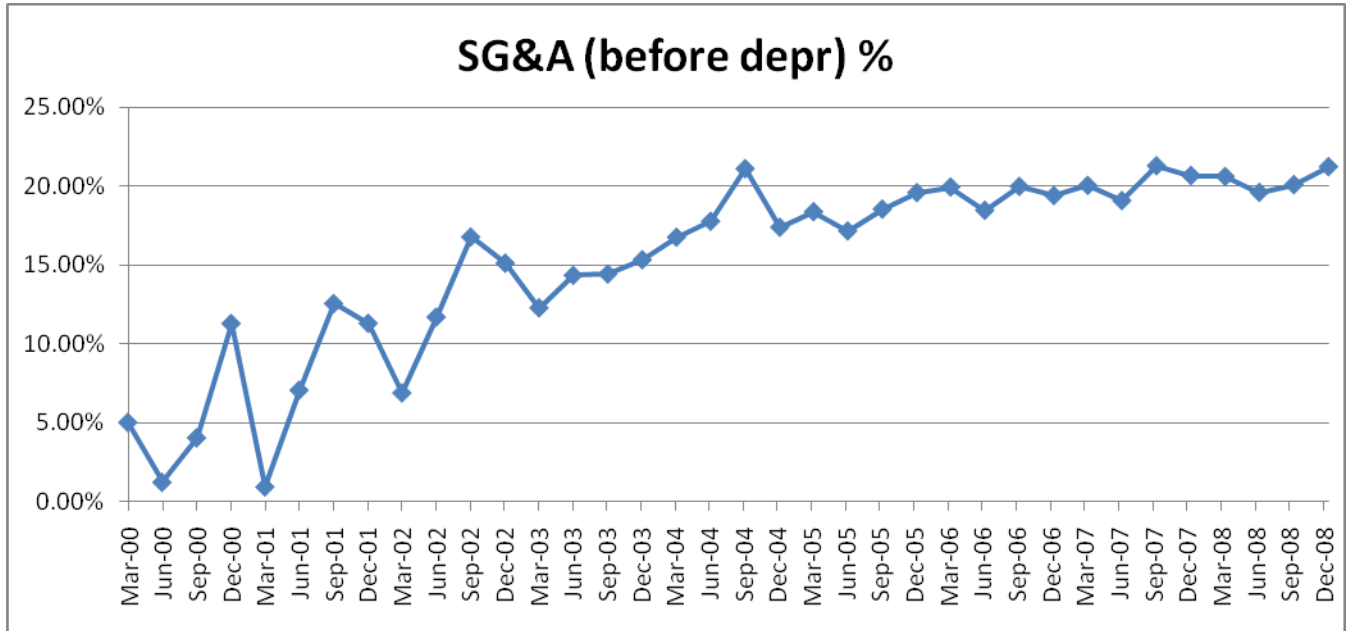
Refer to Table 3 for data supporting the graph.

**Exhibit 8: Median Gross Margin % (before depreciation), 2000 – 2008, Telecommunications Services Industry (5010)**



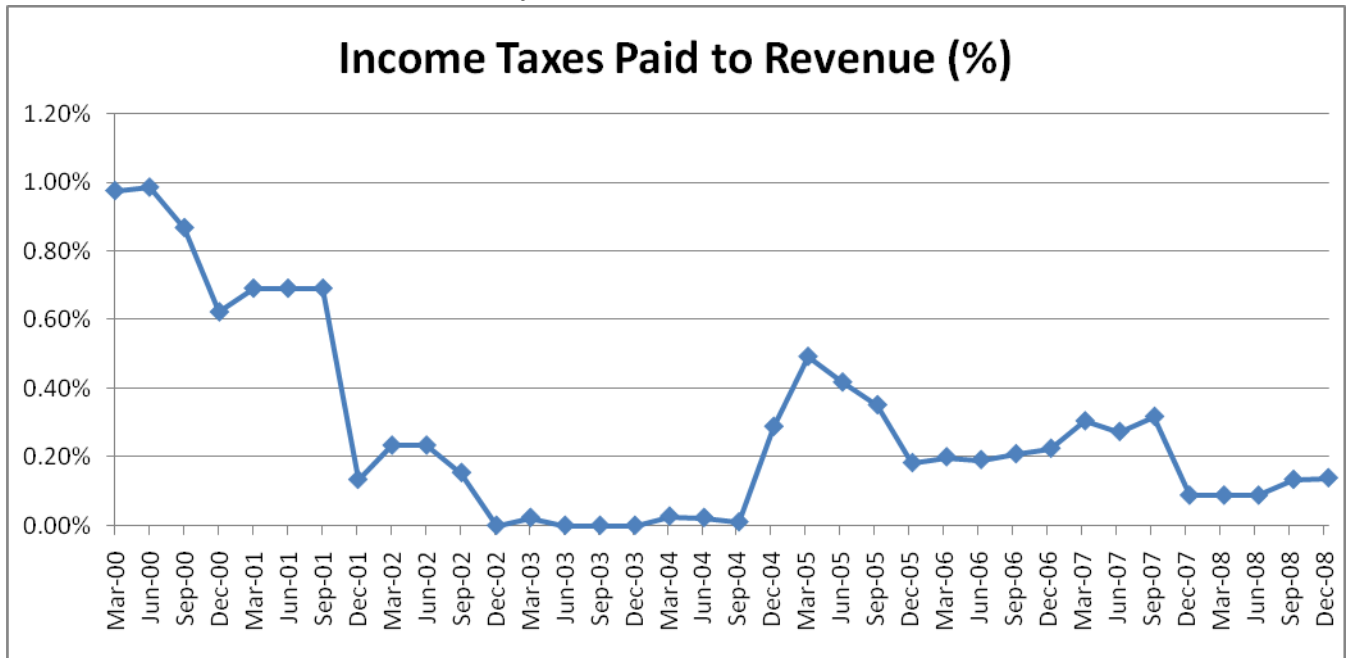
Refer to Table 3 for data supporting the graph.

**Exhibit 9: Median Selling, General and Administrative Expense % (before depreciation), 2000 – 2008, Telecommunications Services Industry (5010)**



Refer to Table 3 for data supporting the graph.

**Exhibit 10: Median Income Taxes Paid % (before depreciation), 2000 – 2008, Telecommunications Services Industry (5010)**



Refer to Table 3 for data supporting the graph.

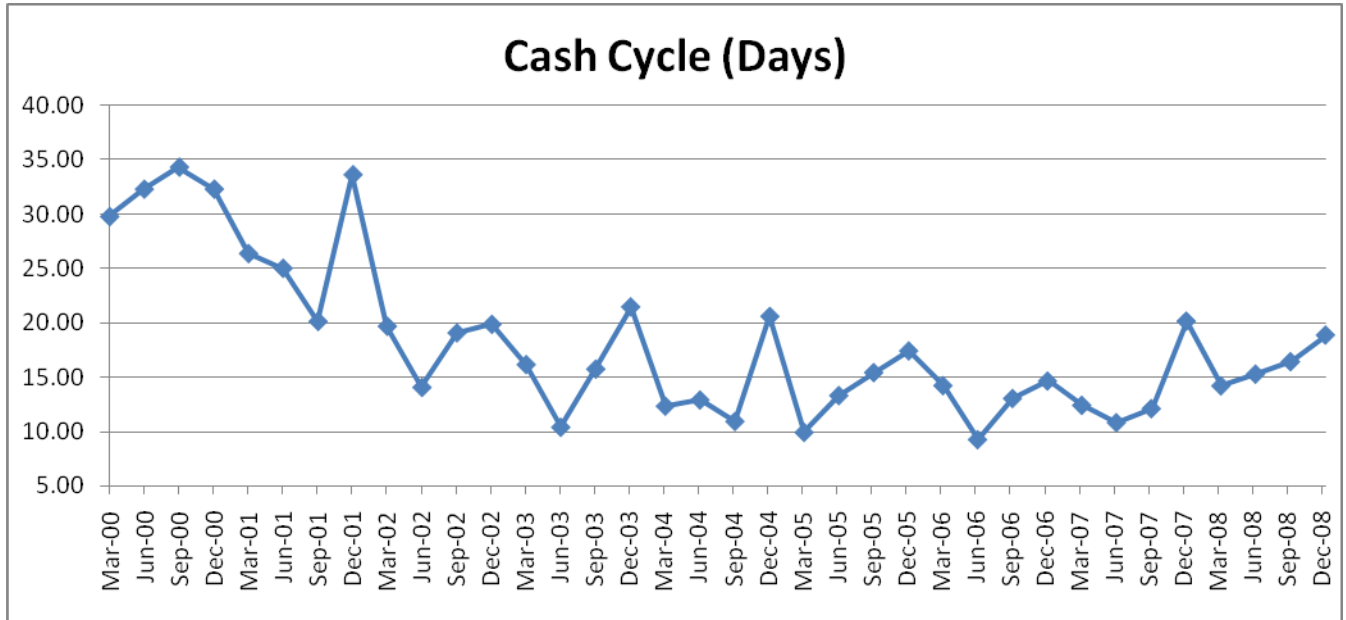
**Table 3: Profitability, 2000 – 2008, Telecommunications Services Industry (5010)**

Date	Operating Cushion %	Gross Margin (before depr) %	SG&A (before depr.) %	Revenue	% Change	Income Taxes Paid to Revenue
Mar-00	35.09%	49.21%	5.05%	660,992,000		0.98%
Jun-00	39.29%	48.37%	1.26%	718,000,000	8.62%	0.99%
Sep-00	35.13%	50.58%	4.06%	760,984,000	5.99%	0.87%
Dec-00	35.84%	46.13%	11.31%	1,185,000,000	55.72%	0.62%
Mar-01	33.20%	44.16%	0.96%	1,277,685,000	7.82%	0.69%
Jun-01	27.05%	44.11%	7.09%	1,281,923,000	0.33%	0.69%
Sep-01	36.18%	47.18%	12.57%	965,165,000	-24.71%	0.69%
Dec-01	35.90%	50.35%	11.32%	1,974,585,000	104.59%	0.13%
Mar-02	34.51%	43.35%	6.91%	1,454,770,500	-26.33%	0.23%
Jun-02	36.93%	45.85%	11.72%	1,645,975,500	13.14%	0.23%
Sep-02	32.57%	43.95%	16.78%	1,155,261,500	-29.81%	0.15%
Dec-02	39.36%	51.66%	15.13%	1,976,745,500	71.11%	0.00%
Mar-03	36.52%	50.16%	12.30%	1,557,123,500	-21.23%	0.02%
Jun-03	38.15%	51.47%	14.36%	1,849,988,000	18.81%	0.00%
Sep-03	38.51%	53.12%	14.44%	1,783,873,500	-3.57%	0.00%
Dec-03	38.05%	56.05%	15.35%	2,495,568,000	39.90%	0.00%
Mar-04	36.98%	53.73%	16.77%	1,407,000,000	-43.62%	0.03%
Jun-04	38.87%	59.28%	17.78%	2,165,330,000	53.90%	0.02%
Sep-04	37.65%	59.47%	21.11%	1,311,794,500	-39.42%	0.01%
Dec-04	36.85%	54.88%	17.40%	2,487,000,000	89.59%	0.29%
Mar-05	35.01%	53.85%	18.39%	1,287,810,000	-48.22%	0.49%
Jun-05	40.30%	53.64%	17.17%	2,101,340,000	63.17%	0.42%
Sep-05	33.77%	55.74%	18.55%	1,910,784,500	-9.07%	0.35%
Dec-05	35.20%	54.94%	19.60%	2,425,951,500	26.96%	0.18%
Mar-06	33.67%	56.22%	19.95%	1,972,709,500	-18.68%	0.20%
Jun-06	33.38%	55.26%	18.48%	2,126,546,500	7.80%	0.19%
Sep-06	34.01%	54.76%	19.99%	2,183,772,000	2.69%	0.21%
Dec-06	34.50%	55.09%	19.41%	2,604,285,000	19.26%	0.23%
Mar-07	34.20%	57.07%	20.05%	2,137,544,000	-17.92%	0.31%
Jun-07	36.74%	55.87%	19.09%	2,590,716,000	21.20%	0.27%
Sep-07	35.06%	57.29%	21.29%	2,289,083,500	-11.64%	0.32%
Dec-07	35.41%	56.16%	20.68%	2,758,197,000	20.49%	0.09%
Mar-08	34.38%	55.96%	20.62%	3,004,399,000	8.93%	0.09%
Jun-08	34.86%	56.22%	19.61%	3,193,067,000	6.28%	0.09%
Sep-08	34.21%	53.81%	20.10%	3,252,116,500	1.85%	0.13%
Dec-08	34.44%	54.05%	21.24%	1,769,950,000	-45.58%	0.14%

Cash Flow Trends and Their Fundamental Drivers: A Continuing Look. Comprehensive Industry Review (Qtr 4 2008). (c) 2009 by the College of Management, Georgia Institute of Technology, Atlanta, GA 30332-0520.

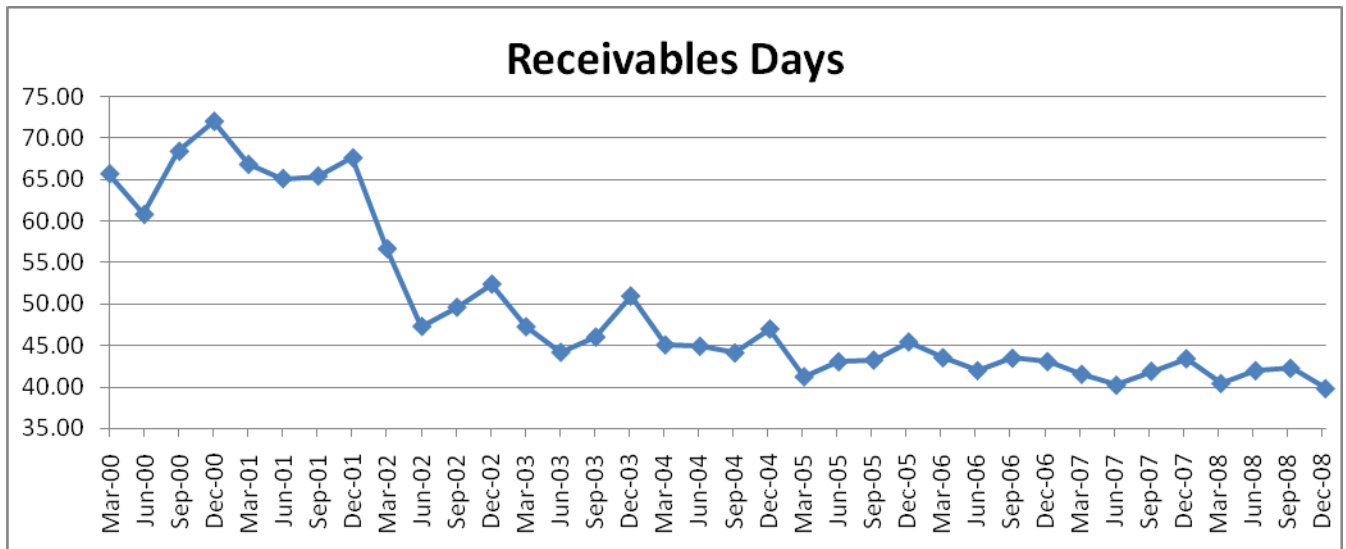
**Efficiency**

**Exhibit 11: Median Cash Cycle, 2000 – 2008, Telecommunications Services Industry (5010)**



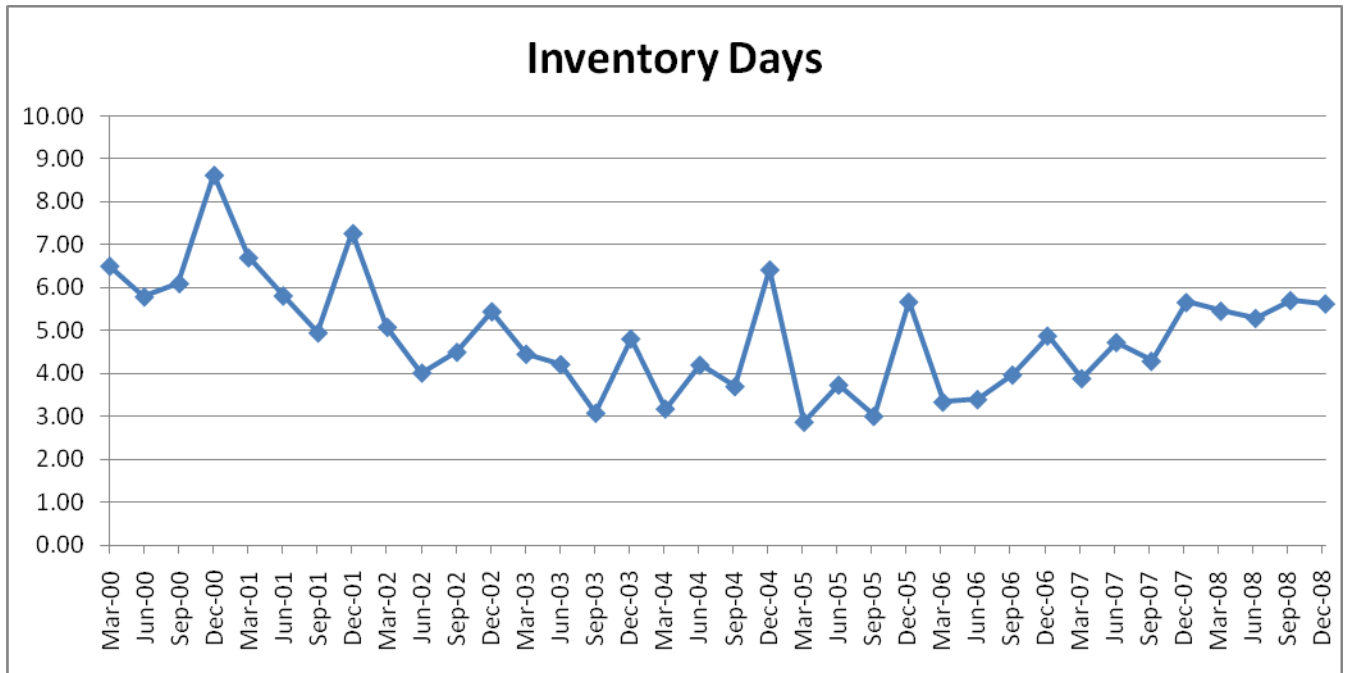
Refer to Table 4 for data supporting the graph.

**Exhibit 12: Median Receivables Days, 2000 – 2008, Telecommunications Services Industry (5010)**



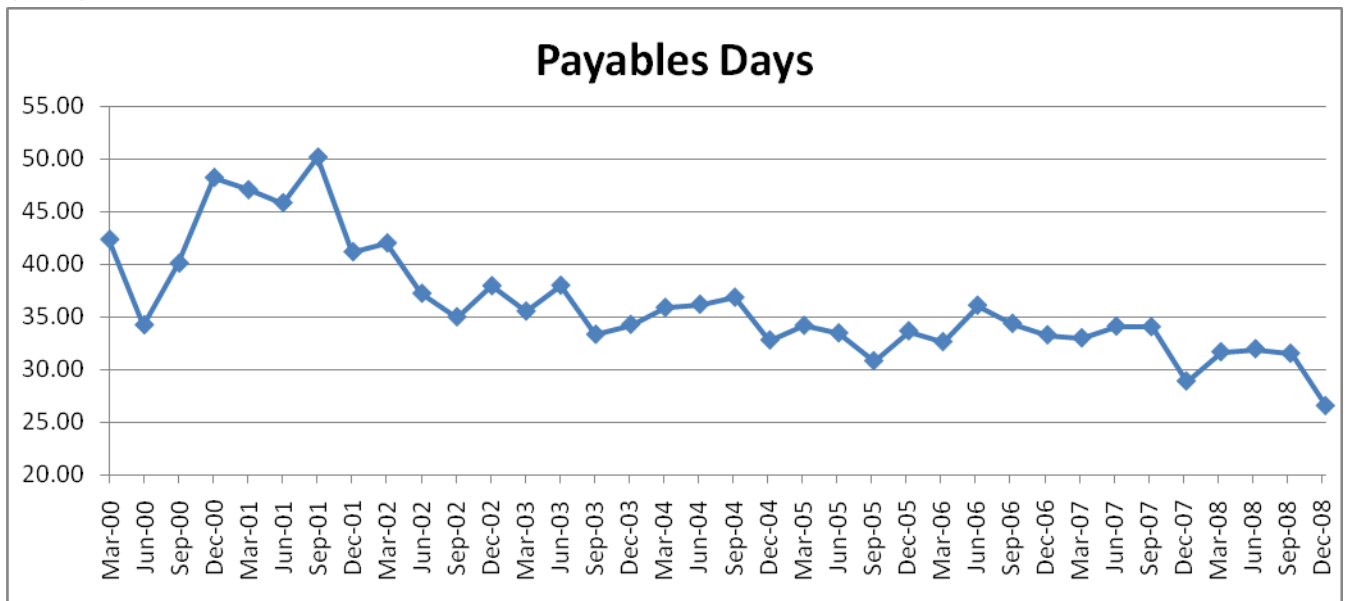
Refer to Table 4 for data supporting the graph.

**Exhibit 13: Median Inventory Days, 2000 – 2008, Telecommunications Services Industry (5010)**



Refer to Table 4 for data supporting the graph.

**Exhibit 14: Median Payables Days, 2000 – 2008, Telecommunications Services Industry (5010)**



Refer to Table 4 for data supporting the graph.

**Table 4: Efficiency, 2000 – 2008, Telecommunications Services Industry (5010)**

Date	Cash Cycle (Days)	Receivables Days	Inventory Days	Payables Days
Mar-00	29.80	65.65	6.50	42.35
Jun-00	32.33	60.76	5.79	34.22
Sep-00	34.36	68.35	6.10	40.09
Dec-00	32.33	71.96	8.62	48.25
Mar-01	26.40	66.78	6.70	47.08
Jun-01	25.04	65.07	5.81	45.84
Sep-01	20.14	65.38	4.95	50.18
Dec-01	33.66	67.56	7.27	41.17
Mar-02	19.70	56.63	5.08	42.01
Jun-02	14.07	47.28	4.01	37.22
Sep-02	19.09	49.58	4.50	34.98
Dec-02	19.88	52.37	5.44	37.94
Mar-03	16.17	47.24	4.45	35.52
Jun-03	10.40	44.16	4.21	37.97
Sep-03	15.76	45.99	3.07	33.31
Dec-03	21.49	50.94	4.81	34.25
Mar-04	12.35	45.05	3.17	35.87
Jun-04	12.91	44.88	4.20	36.17
Sep-04	10.94	44.09	3.69	36.84
Dec-04	20.61	46.96	6.42	32.77
Mar-05	9.92	41.22	2.87	34.16
Jun-05	13.32	43.03	3.73	33.44
Sep-05	15.44	43.23	3.00	30.79
Dec-05	17.43	45.41	5.67	33.64
Mar-06	14.23	43.51	3.33	32.61
Jun-06	9.26	41.95	3.39	36.08
Sep-06	13.06	43.45	3.97	34.35
Dec-06	14.66	43.04	4.88	33.26
Mar-07	12.42	41.51	3.88	32.97
Jun-07	10.83	40.19	4.73	34.09
Sep-07	12.12	41.87	4.29	34.04
Dec-07	20.17	43.38	5.66	28.86
Mar-08	14.21	40.40	5.45	31.64
Jun-08	15.29	41.94	5.29	31.93
Sep-08	16.44	42.23	5.70	31.50
Dec-08	18.89	39.78	5.63	26.52

## Diversified Telecommunications Sub-industry (501010)

Exhibit 15: Median Free Cash Margin, 2000 – 2008, Diversified Telecommunications (501010)

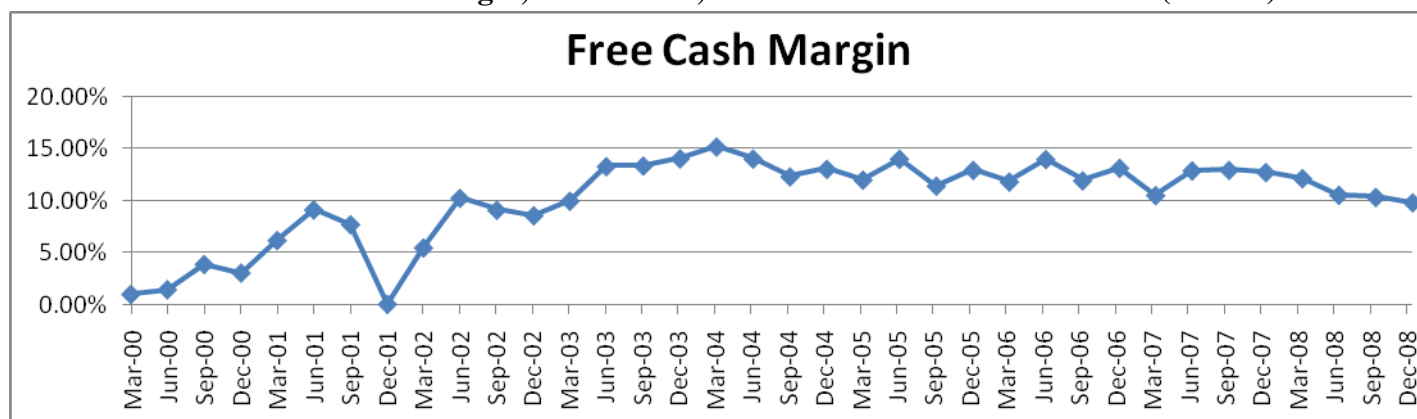


Table 5: 2000 – 2008, Diversified Telecommunications Sub-industry (501010)

Date	Free Cash Margin (%)	Operating Cash Margin (%)	Capital Expenditures / Revenue (%)	Net Margin (%)	Operating Cushion %	Income Taxes Paid to Revenue (%)	Cash Cycle (Days)
Mar-00	1.06%	28.81%	23.72%	10.90%	37.14%	1.87%	24.44
Jun-00	1.51%	28.41%	24.72%	10.63%	39.29%	2.92%	32.86
Sep-00	3.93%	26.44%	24.65%	6.73%	34.41%	1.87%	25.35
Dec-00	3.11%	23.50%	24.35%	7.38%	36.74%	1.68%	31.58
Mar-01	6.22%	23.01%	27.76%	4.71%	36.36%	2.16%	13.64
Jun-01	9.17%	21.15%	27.95%	2.68%	27.05%	2.16%	19.44
Sep-01	7.74%	22.52%	30.73%	2.14%	37.69%	2.13%	14.78
Dec-01	0.11%	23.36%	23.55%	5.30%	37.01%	0.21%	34.16
Mar-02	5.51%	25.29%	22.20%	0.29%	34.58%	0.37%	16.60
Jun-02	10.27%	29.45%	20.89%	0.40%	37.95%	0.48%	7.01
Sep-02	9.13%	31.71%	19.69%	0.47%	32.31%	0.39%	16.91
Dec-02	8.61%	27.69%	17.00%	1.81%	40.00%	0.00%	22.55
Mar-03	10.00%	26.98%	14.95%	2.81%	36.52%	0.00%	15.84
Jun-03	13.31%	30.17%	12.33%	3.84%	38.15%	0.00%	5.24
Sep-03	13.37%	30.28%	12.90%	5.31%	38.52%	0.00%	13.65
Dec-03	14.06%	31.84%	13.30%	7.01%	39.25%	0.00%	21.30
Mar-04	15.19%	32.14%	14.51%	5.28%	37.36%	0.02%	13.96
Jun-04	14.04%	31.80%	14.37%	5.94%	39.38%	0.01%	14.31
Sep-04	12.33%	29.13%	15.32%	6.29%	38.58%	0.00%	12.74
Dec-04	13.05%	31.06%	13.45%	7.09%	37.85%	0.29%	22.79
Mar-05	12.02%	28.95%	14.21%	6.61%	36.75%	0.57%	9.23
Jun-05	14.03%	30.32%	13.36%	7.15%	40.53%	0.49%	14.27
Sep-05	11.44%	27.87%	14.10%	6.91%	36.51%	0.32%	14.91
Dec-05	12.96%	28.87%	13.01%	8.60%	36.50%	0.10%	19.49
Mar-06	11.84%	25.51%	13.95%	7.72%	34.63%	0.19%	11.97
Jun-06	13.99%	27.51%	14.02%	6.87%	36.08%	0.19%	8.51
Sep-06	11.95%	27.57%	14.07%	6.11%	34.43%	0.19%	11.19
Dec-06	13.16%	28.07%	13.23%	5.44%	34.65%	0.24%	14.15
Mar-07	10.54%	26.24%	13.34%	6.22%	34.19%	0.30%	13.07
Jun-07	12.91%	27.14%	13.05%	7.32%	37.17%	0.29%	11.69
Sep-07	12.96%	26.80%	12.45%	8.55%	35.41%	0.31%	11.65
Dec-07	12.74%	27.42%	13.94%	8.75%	35.54%	0.20%	22.19
Mar-08	12.16%	27.70%	14.47%	8.79%	34.84%	0.20%	12.35
Jun-08	10.57%	26.68%	14.35%	8.65%	34.86%	0.20%	13.28
Sep-08	10.36%	27.00%	14.59%	8.20%	34.21%	0.25%	14.88
Dec-08	9.85%	25.92%	13.08%	6.60%	34.32%	0.18%	22.82

## Wireless Telecommunications Services Sub-industry (501020)

## Exhibit 16: Median Free Cash Margin, 2000 – 2008, Wireless Telecomm Services (501020)

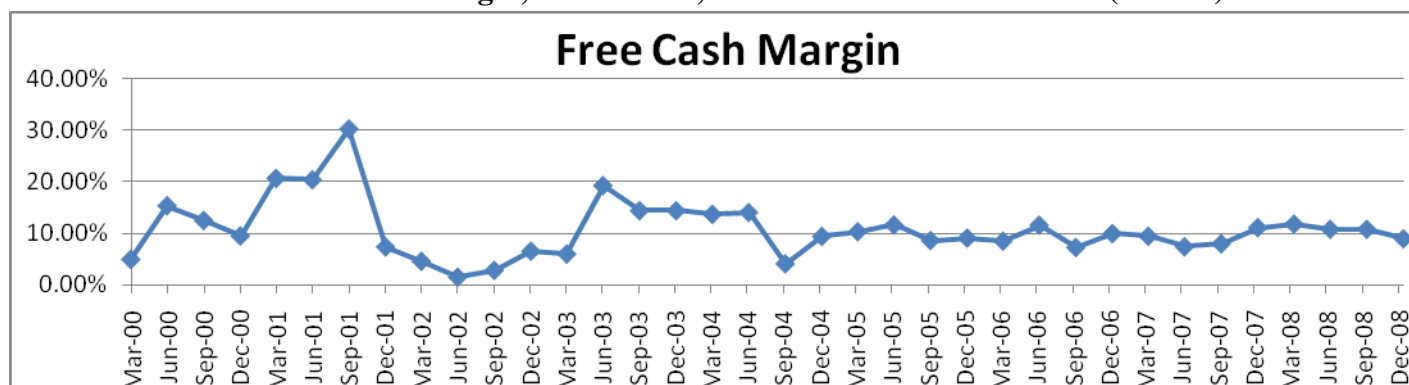


Table 6: 2000 – 2008, Wireless Telecommunications Services Sub-industry (501020)

Date	Free Cash Margin (%)	Operating Cash Margin (%)	Capital Expenditures / Revenue (%)	Net Margin (%)	Operating Cushion %	Income Taxes Paid to Revenue (%)	Cash Cycle (Days)
Mar-00	4.95%	23.93%	27.41%	3.77%	30.17%	0.82%	47.63
Jun-00	15.37%	22.53%	35.55%	2.40%	36.85%	0.74%	43.31
Sep-00	12.51%	23.71%	37.50%	2.87%	39.27%	0.70%	41.02
Dec-00	9.51%	23.02%	33.39%	5.50%	33.49%	0.20%	30.00
Mar-01	20.67%	18.02%	35.02%	2.50%	29.50%	0.19%	34.20
Jun-01	20.39%	17.65%	30.22%	1.74%	27.90%	0.20%	17.52
Sep-01	30.24%	14.02%	37.19%	7.73%	31.44%	0.33%	27.65
Dec-01	7.38%	15.40%	29.82%	8.35%	34.65%	0.06%	19.15
Mar-02	4.59%	14.70%	31.22%	8.38%	31.77%	0.11%	20.86
Jun-02	1.52%	17.45%	30.46%	3.68%	35.31%	0.06%	19.73
Sep-02	2.84%	21.02%	18.43%	11.02%	32.83%	0.06%	26.23
Dec-02	6.56%	23.18%	21.47%	3.15%	36.84%	0.05%	14.21
Mar-03	5.99%	26.09%	16.85%	3.85%	36.83%	0.13%	21.30
Jun-03	19.26%	31.23%	14.39%	5.31%	38.49%	0.17%	16.91
Sep-03	14.41%	26.99%	9.60%	3.45%	35.96%	0.13%	24.14
Dec-03	14.39%	28.29%	12.85%	9.70%	36.03%	0.05%	22.20
Mar-04	13.69%	24.42%	12.39%	2.27%	36.47%	0.05%	9.01
Jun-04	14.05%	24.78%	14.64%	4.12%	35.92%	0.07%	10.86
Sep-04	4.11%	19.78%	9.71%	2.64%	35.02%	0.05%	9.39
Dec-04	9.41%	23.18%	15.59%	4.40%	34.85%	0.30%	12.85
Mar-05	10.33%	23.36%	14.27%	4.25%	32.61%	0.39%	17.16
Jun-05	11.64%	24.44%	13.31%	7.00%	36.61%	0.35%	18.44
Sep-05	8.62%	24.84%	14.83%	6.34%	32.93%	0.39%	23.23
Dec-05	9.10%	26.78%	16.55%	5.11%	31.26%	0.40%	17.45
Mar-06	8.51%	28.48%	13.42%	4.76%	32.89%	0.47%	21.26
Jun-06	11.59%	26.10%	15.75%	7.14%	32.18%	0.40%	18.59
Sep-06	7.26%	27.40%	15.47%	7.57%	32.72%	0.47%	15.32
Dec-06	9.97%	27.85%	15.78%	7.56%	34.07%	0.23%	10.16
Mar-07	9.46%	25.54%	15.94%	8.12%	35.10%	0.33%	12.38
Jun-07	7.41%	25.47%	16.63%	4.67%	36.39%	0.22%	14.76
Sep-07	8.01%	24.81%	14.62%	7.05%	33.49%	0.33%	17.05
Dec-07	11.12%	26.36%	14.67%	6.33%	33.12%	0.02%	20.01
Mar-08	11.81%	26.19%	14.42%	7.72%	33.63%	0.02%	13.88
Jun-08	10.79%	27.45%	14.37%	5.87%	36.16%	0.01%	14.02
Sep-08	10.80%	28.62%	13.57%	6.92%	34.18%	0.02%	15.13
Dec-08	8.96%	26.36%	14.14%	7.04%	36.09%	0.07%	11.00