

# The Communications Market 2004 – Telecommunications Appendices

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# Appendix 1 - Fixed telecoms market data tables

2004 Q1 (January to March)

## Table

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**Please note this update is based on calendar quarters:**

Q1: January to March

Q2: April to June

Q3: July to September

Q4: October to December

**Table 1****Summary of network access & call revenues by operator (£millions)**

	<b>All Operators</b>	<b>BT</b>	<b>ntl &amp; Telewest Broadband</b>	<b>Other Direct Access</b>	<b>Other Indirect Access</b>	<b>BT share</b>
<b>Access &amp; Calls<sup>1</sup></b>						
2003 Q1	3,035	2,179	368	205	284	71.8%
2003 Q2	3,002	2,158	363	199	282	71.9%
2003 Q3	2,979	2,128	364	194	293	71.4%
2003 Q4	2,928	2,081	366	197	284	71.1%
2004 Q1	2,907	2,034	368	204	302	70.0%
<b>Access</b>						
2003 Q1	1,143	962	136	46	..	84.1%
2003 Q2	1,136	957	134	45	..	84.2%
2003 Q3	1,156	974	138	44	..	84.3%
2003 Q4	1,153	964	144	45	..	83.5%
2004 Q1	1,118	923	147	48	..	82.6%
<b>Calls<sup>1</sup></b>						
2003 Q1	1,892	1,217	232	159	284	64.3%
2003 Q2	1,867	1,202	229	154	282	64.4%
2003 Q3	1,823	1,153	226	150	293	63.3%
2003 Q4	1,774	1,117	221	152	284	62.9%
2004 Q1	1,790	1,111	221	156	302	62.1%

<sup>1</sup> Revenue figures are not intended to include subscription revenues for unmetered dial-up internet access although some element may remain. However all dial-up internet access volumes are included and as such overall revenue and volume figures are not directly comparable.

**Table 2****Summary of exchange line numbers at end of quarter by operator (000's)**

	<b>All Operators</b>	<b>BT</b>	<b>ntl &amp; Telewest Broadband</b>	<b>Other Direct Access</b>	<b>Other Indirect Access</b>	<b>BT share</b>
2003 Q1	34,517	28,700	4,574	1,243	..	83.1%
2003 Q2	34,736	28,910	4,579	1,247	..	83.2%
2003 Q3	34,369	28,509	4,613	1,246	..	83.0%
2003 Q4	34,591	28,698	4,650	1,243	..	83.0%
2004 Q1	34,121	28,191	4,689	1,242	..	82.6%

**Table 3****Summary of call volumes by operator (millions of minutes)<sup>1</sup>**

	<b>All Operators</b>	<b>BT<sup>2</sup></b>	<b>ntl &amp; Telewest Broadband</b>	<b>Other Direct Access</b>	<b>Other Indirect Access</b>	<b>BT share<sup>2</sup></b>
2003 Q1	86,788	60,262	10,161	8,329	8,037	69.4%
2003 Q2	84,848	58,512	9,888	8,492	7,956	69.0%
2003 Q3	82,467	56,132	9,535	8,357	8,444	68.1%
2003 Q4	82,520	55,782	9,705	8,470	8,563	67.6%
2004 Q1	85,352	57,085	10,001	8,899	9,367	66.9%

<sup>2</sup> Includes calls made to non-BT internet service providers via FRIACO

**Table 4****Summary of call revenues by call type and operator (£millions)**

	<b>All Operators</b>	<b>BT</b>	<b>ntl &amp; Telewest Broadband</b>	<b>Other Direct Access</b>	<b>Other Indirect Access</b>	<b>BT share</b>
<b>UK geographic calls</b>						
2003 Q1	625	408	88	48	80	65.4%
2003 Q2	592	386	82	46	78	65.1%
2003 Q3	577	372	78	45	81	64.5%
2003 Q4	580	367	77	48	88	63.3%
2004 Q1	574	353	74	46	101	61.5%
<b>International calls</b>						
2003 Q1	187	108	15	28	36	57.5%
2003 Q2	187	107	15	28	38	57.2%
2003 Q3	189	111	14	27	37	58.7%
2003 Q4	185	105	15	28	37	56.6%
2004 Q1	186	105	15	28	37	56.6%
<b>Calls to mobiles</b>						
2003 Q1	508	294	78	53	82	57.9%
2003 Q2	527	307	80	52	88	58.2%
2003 Q3	517	292	80	51	94	56.5%
2003 Q4	496	275	79	50	92	55.5%
2004 Q1	495	268	77	51	99	54.1%
<b>Other calls<sup>1</sup></b>						
2003 Q1	573	407	50	29	86	71.1%
2003 Q2	561	402	52	28	78	71.7%
2003 Q3	540	379	54	27	82	70.1%
2003 Q4	513	370	51	26	67	72.1%
2004 Q1	535	385	55	31	65	71.9%

1 Includes freephone, special local and national rate, premium rate, directory enquiries and all other call types. Figures are not intended to include subscription revenues for unmetered dial-up internet access although some element may remain. Metered dial-up calls to the internet are included.

**Table 5****Summary of call volumes by call type and operator (millions of minutes)**

	<b>All Operators</b>	<b>BT</b>	<b>ntl &amp; Telewest Broadband</b>	<b>Other Direct Access</b>	<b>Other Indirect Access</b>	<b>BT share</b>
<b>UK geographic calls</b>						
2003 Q1	31,069	19,335	4,245	2,965	4,524	62.2%
2003 Q2	29,703	18,178	4,135	2,863	4,526	61.2%
2003 Q3	29,578	17,759	4,117	2,878	4,824	60.0%
2003 Q4	30,294	17,953	4,369	2,934	5,038	59.3%
2004 Q1	30,876	17,875	4,477	2,899	5,625	57.9%
<b>International calls</b>						
2003 Q1	1,526	575	96	390	466	37.7%
2003 Q2	1,598	558	95	473	472	34.9%
2003 Q3	1,556	553	95	451	457	35.6%
2003 Q4	1,563	557	105	444	457	35.7%
2004 Q1	1,647	554	108	501	484	33.7%
<b>Calls to mobiles</b>						
2003 Q1	3,819	2,313	466	344	697	60.6%
2003 Q2	3,915	2,367	468	344	736	60.5%
2003 Q3	3,968	2,369	468	343	788	59.7%
2003 Q4	3,916	2,287	483	339	808	58.4%
2004 Q1	3,957	2,258	473	342	885	57.1%
<b>Other calls*</b>						
2003 Q1	50,374	38,039	5,354	4,631	2,350	75.5%
2003 Q2	49,632	37,408	5,191	4,812	2,222	75.4%
2003 Q3	47,366	35,451	4,854	4,685	2,376	74.8%
2003 Q4	46,748	34,985	4,749	4,754	2,261	74.8%
2004 Q1	48,872	36,398	4,944	5,157	2,373	74.5%

1 Includes freephone, special local and national rate, premium rate, directory enquiries and all other call types. All dial-up calls to the internet are also included. BT figures include calls made to non-BT internet service providers via FRIACO.

**Table 6****Summary of residential network access & call revenues by operator (£millions)**

	<b>All Operators</b>	<b>BT</b>	<b>ntl &amp; Telewest Broadband</b>	<b>Other</b>	<b>BT share</b>
<b>Access &amp; Calls<sup>1</sup></b>					
2003 Q1	1,719	1,290	296	133	75.1%
2003 Q2	1,722	1,289	301	132	74.8%
2003 Q3	1,696	1,254	304	138	73.9%
2003 Q4	1,699	1,250	308	141	73.6%
2004 Q1	1,717	1,249	312	155	72.8%
<b>Access</b>					
2003 Q1	638	521	115	2	81.7%
2003 Q2	635	512	120	3	80.7%
2003 Q3	648	520	125	3	80.3%
2003 Q4	652	518	131	3	79.5%
2004 Q1	649	509	134	5	78.5%
<b>Calls<sup>1</sup></b>					
2003 Q1	1,081	769	181	130	71.2%
2003 Q2	1,087	777	181	130	71.4%
2003 Q3	1,048	734	179	136	70.0%
2003 Q4	1,047	732	177	138	69.9%
2004 Q1	1,068	740	178	150	69.3%

<sup>1</sup> Revenue figures are not intended to include subscription revenues for unmetered dial-up internet access although some element may remain. However all dial-up internet access volumes are included and as such overall revenue and volume figures are not directly comparable.

**Table 7**

**Summary of residential exchange line numbers at end of quarter by operator (000's)**

	<b>All Operators</b>	<b>BT</b>	<b>ntl &amp; Telewest Broadband</b>	<b>Other</b>	<b>BT share</b>
2003 Q1	24,147	20,060	3,932	156	83.1%
2003 Q2	24,086	19,991	3,936	159	83.0%
2003 Q3	24,062	19,938	3,966	158	82.9%
2003 Q4	24,081	19,920	4,002	159	82.7%
2004 Q1	24,064	19,865	4,040	159	82.6%

**Table 8**

**Summary of residential call volumes by operator (millions of minutes)**

	<b>All Operators</b>	<b>BT<sup>2</sup></b>	<b>ntl &amp; Telewest Broadband</b>	<b>Other</b>	<b>BT share<sup>3</sup></b>
2003 Q1	58,327	45,570	8,843	3,914	78.1%
2003 Q2	56,723	44,192	8,628	3,904	77.9%
2003 Q3	54,269	41,797	8,345	4,127	77.0%
2003 Q4	54,953	41,924	8,560	4,468	76.3%
2004 Q1	57,247	43,354	8,845	5,048	75.7%

<sup>2</sup> Includes calls made to non-BT internet service providers via FRIACO

**Table 9****Summary of residential call revenues by call type and operator (£millions)**

	<b>All Operators</b>	<b>BT</b>	<b>ntl &amp; Telewest Broadband</b>	<b>Other</b>	<b>BT share</b>
<b>UK geographic calls</b>					
2003 Q1	344	245	67	33	71.0%
2003 Q2	333	237	63	34	71.2%
2003 Q3	323	228	59	35	70.7%
2003 Q4	334	233	59	42	69.8%
2004 Q1	332	224	58	50	67.7%
<b>International calls</b>					
2003 Q1	102	68	13	22	66.5%
2003 Q2	103	68	12	22	66.4%
2003 Q3	107	73	12	22	68.3%
2003 Q4	105	70	12	23	66.6%
2004 Q1	106	70	12	23	66.3%
<b>Calls to mobiles</b>					
2003 Q1	261	183	57	21	69.9%
2003 Q2	281	195	60	26	69.4%
2003 Q3	271	181	61	28	66.9%
2003 Q4	269	177	61	31	65.8%
2004 Q1	262	166	60	35	63.6%
<b>Other calls<sup>1</sup></b>					
2003 Q1	373	274	45	54	73.5%
2003 Q2	370	276	46	48	74.7%
2003 Q3	348	251	46	50	72.2%
2003 Q4	338	251	44	42	74.3%
2004 Q1	369	279	48	42	75.6%

1 Includes freephone, special local and national rate, premium rate, directory enquiries and all other call types. Figures are not intended to include subscription revenues for unmetered dial-up internet access although some element may remain. Metered dial-up calls to the internet are included.

**Table 10****Summary of residential call volumes by call type and operator (millions of minutes)**

	<b>All Operators</b>	<b>BT</b>	<b>ntl &amp; Telewest Broadband</b>	<b>Other</b>	<b>BT share</b>
<b>UK geographic calls</b>					
2003 Q1	19,575	14,233	3,415	1,927	72.7%
2003 Q2	18,714	13,390	3,342	1,982	71.6%
2003 Q3	18,546	13,068	3,359	2,119	70.5%
2003 Q4	19,608	13,520	3,625	2,463	69.0%
2004 Q1	19,963	13,360	3,736	2,868	66.9%
<b>International calls</b>					
2003 Q1	739	390	75	275	52.7%
2003 Q2	734	380	76	278	51.8%
2003 Q3	736	380	77	280	51.6%
2003 Q4	772	393	84	295	50.9%
2004 Q1	782	382	85	314	48.9%
<b>Calls to mobiles</b>					
2003 Q1	2,070	1,542	347	181	74.5%
2003 Q2	2,167	1,595	357	214	73.6%
2003 Q3	2,179	1,580	362	238	72.5%
2003 Q4	2,178	1,533	375	271	70.4%
2004 Q1	2,162	1,483	366	314	68.6%
<b>Other calls*</b>					
2003 Q1	35,942	29,406	5,006	1,530	81.8%
2003 Q2	35,108	28,826	4,853	1,429	82.1%
2003 Q3	32,808	26,769	4,548	1,491	81.6%
2003 Q4	32,395	26,479	4,477	1,439	81.7%
2004 Q1	34,339	28,128	4,659	1,552	81.9%

1 Includes freephone, special local and national rate, premium rate, directory enquiries and all other call types. All dial-up calls to the internet are also included. BT figures include calls made to non-BT internet service providers via FRIACO.

**Table 11****Summary of business network access & call revenues by operator (£millions)**

	<b>All Operators</b>	<b>BT</b>	<b>ntl &amp; Telewest Broadband</b>	<b>Other Direct Access</b>	<b>Other Indirect Access</b>	<b>BT share</b>
<b>Access &amp; Calls<sup>1</sup></b>						
2003 Q1	1,273	845	72	196	160	66.4%
2003 Q2	1,235	825	62	190	158	66.8%
2003 Q3	1,227	816	60	188	163	66.5%
2003 Q4	1,177	777	57	191	152	66.0%
2004 Q1	1,149	741	55	195	157	64.5%
<b>Access</b>						
2003 Q1	504	440	21	43	..	87.3%
2003 Q2	500	444	14	42	..	88.8%
2003 Q3	503	447	13	43	..	88.8%
2003 Q4	495	438	13	45	..	88.4%
2004 Q1	463	407	12	44	..	87.9%
<b>Calls<sup>1</sup></b>						
2003 Q1	769	405	51	153	160	52.6%
2003 Q2	735	381	48	148	158	51.8%
2003 Q3	724	369	47	145	163	51.0%
2003 Q4	681	339	44	146	152	49.8%
2004 Q1	685	334	44	150	157	48.8%

<sup>1</sup> Revenue figures are not intended to include subscription revenues for unmetered dial-up internet access although some element may remain. However all dial-up internet access volumes are included and as such overall revenue and volume figures are not directly comparable.

**Table 12****Summary of business exchange line numbers at end of quarter by operator (000's)**

	<b>All Operators</b>	<b>BT</b>	<b>ntl &amp; Telewest Broadband</b>	<b>Other Direct Access</b>	<b>Other Indirect Access</b>	<b>BT share</b>
2003 Q1	10,370	8,640	642	1,088	..	83.3%
2003 Q2	10,650	8,919	643	1,089	..	83.7%
2003 Q3	10,306	8,571	647	1,088	..	83.2%
2003 Q4	10,510	8,778	648	1,084	..	83.5%
2004 Q1	10,058	8,326	649	1,083	..	82.8%

**Table 13****Summary of business call volumes by operator (millions of minutes)<sup>1</sup>**

	<b>All Operators</b>	<b>BT<sup>2</sup></b>	<b>ntl &amp; Telewest</b>	<b>Other Direct Access</b>	<b>Other Indirect Access</b>	<b>BT share<sup>2</sup></b>
2003 Q1	28,134	14,364	1,318	8,035	4,416	51.1%
2003 Q2	27,856	14,052	1,261	8,195	4,349	50.4%
2003 Q3	27,909	14,044	1,190	8,117	4,557	50.3%
2003 Q4	27,324	13,613	1,145	8,211	4,355	49.8%
2004 Q1	27,848	13,475	1,155	8,626	4,592	48.4%

<sup>2</sup> Includes calls made to non-BT internet service providers via FRIACO

**Table 14****Summary of business call revenues by call type and operator (£millions)**

	<b>All Operators</b>	<b>BT</b>	<b>ntl &amp; Telewest Broadband</b>	<b>Other Direct Access</b>	<b>Other Indirect Access</b>	<b>BT share</b>
<b>UK geographic calls</b>						
2003 Q1	280	164	21	46	49	58.5%
2003 Q2	258	148	20	43	47	57.4%
2003 Q3	254	144	19	43	48	56.6%
2003 Q4	246	134	17	46	49	54.5%
2004 Q1	242	128	16	44	54	53.0%
<b>International calls</b>						
2003 Q1	85	40	3	28	15	46.8%
2003 Q2	84	39	3	28	15	46.0%
2003 Q3	82	38	2	27	15	46.2%
2003 Q4	79	34	3	28	14	43.3%
2004 Q1	80	35	3	28	14	43.8%
<b>Calls to mobiles</b>						
2003 Q1	245	111	20	52	62	45.3%
2003 Q2	245	112	19	50	64	45.6%
2003 Q3	246	111	18	50	67	45.0%
2003 Q4	227	98	18	48	63	43.1%
2004 Q1	233	101	18	49	65	43.4%
<b>Other calls<sup>1</sup></b>						
2003 Q1	158	90	7	28	33	56.9%
2003 Q2	148	82	7	26	32	55.7%
2003 Q3	142	77	7	25	32	54.2%
2003 Q4	130	73	6	24	26	56.3%
2004 Q1	130	69	7	29	24	53.5%

1 Includes freephone, special local and national rate, premium rate, directory enquiries and all other call types. Figures are not intended to include subscription revenues for unmetered dial-up internet access although some element may remain. Metered dial-up calls to the internet are included.

**Table 15****Summary of business call volumes by call type and operator (millions of minutes)**

	<b>All Operators</b>	<b>BT</b>	<b>ntl &amp; Telewest Broadband</b>	<b>Other Direct Access</b>	<b>Other Indirect Access</b>	<b>BT share</b>
<b>UK geographic calls</b>						
2003 Q1	11,494	5,102	830	2,782	2,779	44.4%
2003 Q2	10,989	4,788	793	2,689	2,718	43.6%
2003 Q3	11,032	4,691	758	2,721	2,862	42.5%
2003 Q4	10,686	4,433	744	2,761	2,747	41.5%
2004 Q1	10,912	4,515	741	2,720	2,937	41.4%
<b>International calls</b>						
2003 Q1	787	185	22	388	192	23.5%
2003 Q2	863	178	19	472	194	20.6%
2003 Q3	819	174	18	440	187	21.2%
2003 Q4	791	165	21	431	174	20.8%
2004 Q1	865	172	23	486	185	19.9%
<b>Calls to mobiles</b>						
2003 Q1	1,749	771	118	332	528	44.1%
2003 Q2	1,748	771	111	332	534	44.1%
2003 Q3	1,789	789	107	331	562	44.1%
2003 Q4	1,738	754	108	327	549	43.4%
2004 Q1	1,795	775	107	330	583	43.2%
<b>Other calls*</b>						
2003 Q1	14,104	8,306	348	4,533	917	58.9%
2003 Q2	14,256	8,314	338	4,702	903	58.3%
2003 Q3	14,268	8,391	307	4,624	945	58.8%
2003 Q4	14,109	8,262	272	4,691	884	58.6%
2004 Q1	14,276	8,013	285	5,091	887	56.1%

1 Includes freephone, special local and national rate, premium rate, directory enquiries and all other call types. All dial-up calls to the internet are also included. BT figures include calls made to non-BT internet service providers via FRIACO.

## Appendix 2

# Mobile telecoms market data tables

## 2004 Q1 (January to March)

### Table

1	Estimated retail revenues generated by mobile telephony (£M)
2	Call volumes by call type and operator (million minutes)
3	Volume of text & picture messages (millions)
4	Subscriber numbers by operator (000's)
5	Average retail revenue per subscriber (£)
6	Interconnection revenues and related call volumes

**Please note this update is based on calendar quarters:**

Q1: January to March

Q2: April to June

Q3: July to September

Q4: October to December

**Notes on tables**

From Q2 2002 columns in Table 1 relating to 'Messaging' incorporate SMS, MMS, and text related services.

The data in the tables is rounded. When summed the rounded data may not equal the rounded totals.

**Table 1****Estimated retail revenues generated by mobile telephony (£M)**

	<b>All operators</b>	<b>Vodafone</b>	<b>O2</b>	<b>*T-Mobile</b>	<b>Orange</b>
<b>Calls &amp; fixed charges</b>					
2003 Q1	2,046	696	433	383	534
2003 Q2	2,200	732	485	424	558
2003 Q3	2,317	757	527	450	582
2003 Q4	2,335	763	520	472	580
2004 Q1	2,332	743	536	478	574
<b>Messaging</b>					
2003 Q1	432	124	110	90	109
2003 Q2	427	117	104	88	118
2003 Q3	456	123	120	91	122
2003 Q4	467	112	131	99	125
2004 Q1	498	136	144	91	127
<b>Total</b>					
2003 Q1	2,480	821	543	473	643
2003 Q2	2,628	851	589	512	676
2003 Q3	2,774	881	647	542	704
2003 Q4	2,803	876	651	572	704
2004 Q1	2,832	881	680	570	701

This table shows consumer expenditure on each of the mobile networks. The expenditure of customers of Independent Service Providers is estimated. While the methods of estimation differ for each of the networks Ofcom believes that the figures are comparable. The revenue figures exclude revenues from connections and other services for example ring tones.

**Table 2****Call volumes by call type and operator (Million mins)**

	<b>All operators</b>	<b>Vodafone</b>	<b>O2</b>	<b>T-Mobile</b>	<b>Orange</b>
<b>UK calls</b>					
2003 Q1	13,512	3,990	2,897	3,009	3,616
2003 Q2	14,139	4,021	3,094	3,217	3,807
2003 Q3	14,526	3,994	3,321	3,325	3,886
2003 Q4	14,700	4,031	3,357	3,365	3,947
2004 Q1	14,763	4,037	3,542	3,426	3,758
<b>Outgoing international</b>					
2003 Q1	195	46	30	30	89
2003 Q2	194	48	33	30	83
2003 Q3	188	50	34	30	74
2003 Q4	186	51	38	22	75
2004 Q1	182	51	39	20	72
<b>Whilst roaming abroad</b>					
2003 Q1	271	108	70	25	68
2003 Q2	324	116	82	46	80
2003 Q3	414	154	103	60	97
2003 Q4	312	110	77	56	69
2004 Q1	296	116	87	37	56
<b>All calls</b>					
2003 Q1	13,978	4,144	2,997	3,064	3,773
2003 Q2	14,657	4,185	3,209	3,293	3,970
2003 Q3	15,128	4,198	3,458	3,415	4,057
2003 Q4	15,198	4,192	3,472	3,443	4,091
2004 Q1	15,241	4,204	3,668	3,483	3,886

**Table 3****Volume of text & picture messages (millions)**

	<b>All operators</b>	<b>Vodafone</b>	<b>O2</b>	<b>T-Mobile</b>	<b>Orange</b>
2003 Q1	5,067	1,250	1,678	849	1,290
2003 Q2	5,241	1,320	1,709	911	1,301
2003 Q3	5,277	1,291	1,817	910	1,259
2003 Q4	5,719	1,333	2,089	970	1,327
2004 Q1	5,886	1,408	2,288	755	1,435

**Table 4**  
**Subscriber numbers by operator (000's)**

	All operators	Vodafone	O2	*T-Mobile	Orange
<b>Connections during period</b>					
2003 Q1	4,191	1,279	1,036	1,166	711
2003 Q2	4,094	1,319	1,060	1,038	677
2003 Q3	4,682	1,377	1,220	1,189	896
2003 Q4	6,255	1,801	1,532	1,674	1,248
2004 Q1	4,874	1,235	1,254	1,244	1,141
<b>Subscribers at end of period</b>					
<b>Post paid</b>					
2003 Q1	15,919	5,227	4,061	2,339	4,292
2003 Q2	16,129	5,245	4,187	2,400	4,298
2003 Q3	16,476	5,275	4,334	2,521	4,347
2003 Q4	16,984	5,365	4,479	2,682	4,457
2004 Q1	17,245	5,416	4,578	2,743	4,508
<b>*Pre-pay</b>					
2003 Q1	33,758	6,874	7,989	9,873	9,021
2003 Q2	34,091	6,910	8,121	10,100	8,959
2003 Q3	34,194	7,018	8,289	9,863	9,024
2003 Q4	36,000	7,284	8,574	10,951	9,192
2004 Q1	37,044	7,446	8,687	11,600	9,312
<b>*Total</b>					
2003 Q1	49,677	12,101	12,050	12,213	13,313
2003 Q2	50,220	12,155	12,308	12,499	13,257
2003 Q3	50,670	12,293	12,623	12,384	13,371
2003 Q4	52,984	12,649	13,053	13,633	13,649
2004 Q1	54,290	12,862	13,264	14,343	13,820
<b>Net subscriber change during period</b>					
	All operators	Vodafone	O2	*T-Mobile	Orange
2003 Q1					
2003 Q2	543	54	258	286	-56
2003 Q3	450	138	315	-116	113
2003 Q4	2,314	356	430	1,249	279
2004 Q1	1,306	213	211	710	171

\*T-Mobile's subscriber numbers are reported on the basis of a threshold period for inactive subscribers that is different to that of Vodafone, O2 and Orange. This means that T-Mobile's figures are likely to be greater than had they been prepared on the same basis as the other operators. This should be taken into account when comparing data in the table above. **\*See appendix on mobile subscribers**

**Table 5****Average retail revenue per subscriber (£)**

	<b>All operators</b>	<b>Vodafone</b>	<b>O2</b>	<b>*T-Mobile</b>	<b>Orange</b>
2003 Q1	49.8	67.5	45.2	38.4	48.3
2003 Q2	52.6	70.1	48.4	41.4	50.9
2003 Q3	55.0	72.1	51.9	43.5	52.9
2003 Q4	54.1	70.2	50.7	43.9	52.1
2004 Q1	52.8	69.1	51.7	40.7	51.0

\*Revenues do not include those generated by incoming calls or VAT.

**Table 6****Interconnection revenues and related call volumes**

	<b>All operators</b>	<b>Vodafone</b>	<b>O2</b>	<b>T-Mobile</b>	<b>Orange</b>
<b>Revenues (£m)</b>					
2003 Q1	711	n/a	n/a	n/a	n/a
2003 Q2	746	n/a	n/a	n/a	n/a
2003 Q3	728	n/a	n/a	n/a	n/a
2003 Q4	719	n/a	n/a	n/a	n/a
2004 Q1	746	n/a	n/a	n/a	n/a
<b>Call volumes (Mmitts)</b>					
2003 Q1	6,755	1,840	1,659	1,485	1,771
2003 Q2	7,285	1,938	1,834	1,623	1,890
2003 Q3	7,805	2,018	1,928	1,717	2,142
2003 Q4	7,894	2,056	1,999	1,671	2,168
2004 Q1	8,114	2,114	2,115	1,671	2,214

## Appendix 3

# International price benchmarking data tables

Table

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23	Exchange rates and VAT rates for fixed and Internet benchmark (March 2004)
24	Exchange rates and VAT rates for domestic mobile benchmark (October 2003)

## Overview of international price benchmarking data

Telecoms benchmarking is a useful tool to determine if consumers in the UK are getting a good deal in terms of price for available telecom services.

Ofcoms benchmarking compares telecom prices between countries for a range of consumer usage profiles. A range of profiles is chosen to be illustrative of the most frequent types of customer calling patterns, but is not comprehensive. Prices are based on a snap shot as at 1st April 2004. Although providing a sound overall picture, the comparison of companies *within* a country should not be taken as necessarily being representative for an individual consumer.

The Ofcom benchmarking analysis is based on a basket methodology, which allows prices to be compared across different operators in different countries. It is not intended to be a buyer's guide to services.

There are separate industry funded initiatives and reports which seek to help UK consumers be better informed purchasers of telecommunications services for example fixed and mobile quality of service indicators - [www.cpi.org.uk](http://www.cpi.org.uk). Ofcom awards a seal of approval – 'the Ofcom PASS' - to websites which satisfy Ofcom that they provide accurate and impartial price comparisons and feature a wide range of suppliers.

## Fixed telecoms prices are generally favourable in the UK

The price index for PSTN services has been constructed by taking the average of the cheapest packages offered by the incumbent (in the US AT&T is taken as the incumbent for long distance calls) and the cheapest of the packages offered by other operators. This reflects the fact that the incumbent generally continues to have a large market share.

The analysis takes into account tariff schemes and discount options for a range of operators per country (this excludes "special schemes" with specific eligibility criteria).

Tables 1 and 2 show the results of the PSTN price index (expressed relative to the UK price index) and the average monthly cost for fixed PSTN services for residential consumers respectively.

These results show that, based on the sample of service providers/operators selected UK prices for residential PSTN services generally compare favourably with prices elsewhere and only in Sweden are prices cheaper.

**Table 1: Price index for residential PSTN services**

Usage level	1	2	3	4	5	6	7	8	9	Average
France	101	113	120	111	130	117	124	119	121	117
Germany	127	127	112	108	108	104	115	111	115	114
Sweden	100	105	97	95	95	92	98	98	98	97
UK	100	100	100	100	100	100	100	100	100	100
US – CA	135	126	94	92	96	88	102	97	125	106
US – OH	146	141	114	111	107	100	108	103	126	117

Source: Ofcom

**Table 2: Monthly cost of residential PSTN services**

Usage level	1	2	3	4	5	6	7	8	9	Average
France	10	12	21	19	36	33	89	85	88	44
Germany	13	14	19	19	29	30	82	80	83	41
Sweden	10	11	17	17	26	26	70	70	71	35
UK	10	11	17	17	27	29	71	72	72	36
US – CA	14	14	16	16	26	25	73	69	91	38
US – OH	15	15	20	19	29	29	77	74	91	41

Source: Ofcom

Analysis of the price trend between February 2003 and April 2004 in table 3 shows that residential PSTN prices have fallen between 7-9% in all countries. In all countries high usage consumers have seen larger price falls than low usage consumers.

**Table 3: Percentage change in price levels for residential consumers between February 03 and April 04**

Usage level	1	2	3	4	5	6	7	8	9	Average
France	-8	-9	-8	-7	-8	-9	-11	-10	-12	-9
Germany	7	0	-9	-8	-13	-10	-12	-10	-9	-7
Sweden	-3	-3	-7	-5	-12	-8	-14	-10	-9	-8
UK	-4	-6	-5	-2	-10	-6	-11	-10	-12	-7
US – CA	1	-2	-9	-7	-9	-9	-10	-9	-8	-7
US – OH	-4	-6	-6	-5	-7	-6	-9	-9	-7	-7

Source: Ofcom

Tables 4 and 5 show the results of the PSTN price index (expressed relative to the UK price index) and the average monthly cost for fixed PSTN services for business consumers respectively.

These results show that overall UK prices for business PSTN services are above average. Prices in the UK are similar to California, cheaper than Ohio and significantly more expensive than in Sweden.

**Table 4: Price index for business PSTN services**

Usage level	1	2	3	4	5	6	Average
France	84	85	91	94	96	112	94
Germany	93	92	92	92	94	97	93
Sweden	70	68	73	79	78	87	76
UK	100	100	100	100	100	100	100
US – CA	78	92	104	92	111	131	101
US – OH	97	106	115	103	129	140	115

Source: Ofcom

**Table 5: Monthly cost of business PSTN services**

Usage level	1	2	3	4	5	6	Average
France	244	272	316	1,009	1,163	1,484	748
Germany	268	294	320	991	1,140	1,294	718
Sweden	201	217	254	850	943	1,161	604
UK	289	319	347	1,079	1,214	1,327	763
US – CA	225	293	361	990	1,349	1,742	827
US – OH	279	339	400	1,107	1,564	1,854	924

Source: Ofcom

Analysis of the price trend between February 2003 and April 2004 in table 6 show that business PSTN prices have fallen between 6-11% in all countries. Again higher usage consumers have benefited more from price cuts.

**Table 6: Percentage change in price levels for business consumers between February 03 and April 04**

Usage level	1	2	3	4	5	6	Average
France	-13	-11	-4	-18	-17	-5	-11
Germany	-7	-9	-10	-8	-11	-12	-10
Sweden	-7	-8	-9	-7	-8	0	-6
UK	-4	-6	-8	-8	-11	-14	-8
US – CA	-8	-8	-9	-11	-15	-15	-11
US – OH	0	-6	-7	-8	-6	-11	-6

Source: Ofcom

## UK consumers get a good deal for basic dial-up internet access

“Basic” Internet access refers to access to the Internet by consumers who have no requirement for “high speed” access. This is mainly mean PSTN dial-up access, as this is usually the cheapest option. However, there are circumstances where other access mechanisms may be cheaper. In countries where unmetered PSTN dial-up access is not available, broadband access may be a cost effective alternative for consumers with high usage. In the following analysis a range of access mechanisms are considered (i.e. PSTN and ISDN dial-up, DSL and cable modem) and the results then focus on the cheapest available options.

Tables 7 and 8 show the results of the residential basic internet price index (expressed relative to the UK price index) and the average monthly cost for basic internet access for residential consumers respectively.

These results show that UK prices for residential basic internet services compare favourably with prices elsewhere. This can partially be explained by the high availability of unmetered services in the UK.

**Table 7: Price index for residential basic internet services**

Basket	1	2	3	4	5	6	7	8	9	Average
	Off-peak					Combination				
Hours of use	5	10	20	40	100	10	20	40	100	
France	132	107	72	100	143	67	69	89	127	103
Germany	94	76	76	147	171	52	80	138	152	114
Sweden	109	97	92	141	160	78	88	125	142	117
UK	100	100	100	100	100	100	100	100	100	100
US – CA	255	220	110	110	110	137	106	98	98	134
US – OH	258	222	111	111	111	139	107	99	99	136

Source: Ofcom

**Table 8: Monthly cost of residential basic internet services (£ per month)**

Basket	1	2	3	4	5	6	7	8	9	Average
	Off-peak					Combination				
Hours of use	5	10	20	40	100	10	20	40	100	
France	3	5	7	10	14	5	7	10	14	9
Germany	2	4	7	15	17	4	8	16	17	11
Sweden	3	5	9	14	16	6	9	14	16	11
UK	2	5	10	10	10	8	10	11	11	9
US – CA	6	11	11	11	11	11	11	11	11	10
US – OH	6	11	11	11	11	11	11	11	11	10

Source: Ofcom

Analysis of the price trend between August 2003 and April 2004 in table 9 shows that residential basic internet prices increased slightly in the UK and the US and fell significantly in France and Germany. These price falls were a result of new low cost services from a number of alternative ISPs in France and Germany. The price increase in the UK was a result of the discontinuation of partially metered services.

**Table 9: Percentage change in price levels for residential consumers between August 03 and April 04**

<b>Basket</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>Average</b>
	<b>Off-peak</b>					<b>Combination</b>				
<b>Hours of use</b>	<b>5</b>	<b>10</b>	<b>20</b>	<b>40</b>	<b>100</b>	<b>10</b>	<b>20</b>	<b>40</b>	<b>100</b>	
<b>France</b>	-13	-17	-19	-7	-19	-17	-19	-7	-19	-16
<b>Germany</b>	-9	-10	-10	-10	-9	-20	-17	-10	-9	-11
<b>Sweden</b>	4	5	5	-11	-12	5	-2	-11	-12	-4
<b>UK</b>	-2	-2	1	4	-2	21	4	17	-4	3
<b>US – CA</b>	-15	33	12	-8	-8	33	12	-8	-8	4
<b>US – OH</b>	-15	33	12	-8	-8	33	12	-8	-8	4

Source: Ofcom

Tables 10 and 11 show the results of the business basic internet price index (expressed relative to the UK price index) and the average monthly cost for basic internet access for business consumers respectively.

These results show that UK prices for business basic internet services generally compare favourably with prices elsewhere.

**Table 10: Price index for business basic internet services**

<b>Basket</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>Average</b>
<b>Hours of use</b>	<b>10</b>	<b>20</b>	<b>40</b>	<b>100</b>	
<b>France</b>	109	79	93	93	94
<b>Germany</b>	62	76	105	187	108
<b>Sweden</b>	115	142	207	212	169
<b>UK</b>	100	100	100	100	100
<b>US – CA</b>	152	117	95	98	116
<b>US – OH</b>	153	119	98	98	117

Source: Ofcom

**Table 11: Monthly cost of business basic internet services (£ per month)**

<b>Basket</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>Average</b>
<b>Hours of use</b>	<b>10</b>	<b>20</b>	<b>40</b>	<b>100</b>	
<b>France</b>	8	9	13	13	11
<b>Germany</b>	4	8	15	26	13
<b>Sweden</b>	8	16	29	30	21
<b>UK</b>	7	11	14	14	12
<b>US – CA</b>	11	13	13	14	13
<b>US – OH</b>	11	13	14	14	13

Source: Ofcom

Analysis of the price trend between August 2003 and April 2004 in table 12 shows that business basic internet prices increased by 10% in the UK and Sweden and fell between 8-10% in other countries. This price increase in the UK is a result of a price increase of a business pay as you go service.

**Table 12: Percentage change in price levels for business consumers between August 03 and April 04**

<b>Basket</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>Average</b>
<b>Hours of use</b>	<b>10</b>	<b>20</b>	<b>40</b>	<b>100</b>	
France	25	-17	-18	-25	-9
Germany	-9	-12	-21	1	-10
Sweden	18	16	12	-7	10
UK	36	7	-2	-2	10
US – CA	-13	-10	-8	-6	-9
US – OH	-12	-9	-6	-6	-8

Source: Ofcom

### Broadband prices continue to fall...

The following analysis compares the cost of mass market broadband services including Digital Subscriber Line (DSL) and cable modem services. These services provide high-speed telecom services to consumers over the local loop/cable network. These services are becoming increasingly important in providing consumers with access to a range of services, such as fast Internet access and video on demand.

Since services differ in the amount of bandwidth (both downstream to the consumer and upstream from the consumer) that is available, price comparisons presented are viewed in the context of the bandwidth provided.

Table 13 shows the results of the residential broadband price index (expressed relative to the UK price index), the average monthly cost and the average speed for both entry level (128kbit/s and above) and higher speed (>256kbit/s) residential broadband services.

These results show that UK prices for residential broadband services generally compare well with services elsewhere for both the entry level and higher bandwidth services.

**Table 13: Results for price level, price index and (downstream) bandwidth for residential broadband services**

	<b>Entry level (128kbit/s+)</b>			<b>Higher Bandwidth (&gt;256kbit/s)</b>		
	£ per month	Price index	Bandwidth Kbit/s	£ per month	Price index	Bandwidth Kbit/s
<b>France</b>	15	89	336	15	100	512
<b>Germany</b>	18	110	584	23	198	1,012
<b>Sweden</b>	16	98	320	19	79	406
<b>UK</b>	16	100	150	23	100	512
<b>US</b>	24	148	320	25	113	576

Source: Ofcom

Analysis of the price trend between August 2003 and April 2004 in table 14 shows that residential broadband prices decreased in all countries particularly for entry level

services. In the period a number of additional entry level services were introduced in all countries, except Germany.

For higher speed services prices in the UK decreased by only 3% compared to price decreases of 10-34% in other countries. In France prices dropped by 34%, a result of cheap LLU services, and in Germany price dropped by 28%, a result of the introduction of volume based services from Deutsche Telekom.

**Table 14: Percentage change in price levels between August 2003 and April 2004 – residential services**

	Entry level	Higher speed
France	-25	-34
Germany	-38	-28
Sweden	-12	-10
UK	-22	-3
US	-18	-16

Source: Ofcom

Table 15 shows the results of the business broadband price index (expressed relative to the UK price index), the average monthly cost and the average speed for both entry level and higher speed business broadband services.

These results show that UK prices for business broadband services generally compare well for lower speed services but are more expensive than other countries for higher speed services.

**Table 15: Results for price level, price index and (downstream) bandwidth for business broadband services**

	>257 kbit/s			>512 kbit/s		
	£ per month	Price index	Bandwidth Kbit/s	£ per month	Price index	Bandwidth Kbit/s
France	14	51	512	18	44	512
Germany	26	93	1,024	29	72	627
Sweden	30	106	1,268	30	73	839
UK	28	100	512	40	100	506
US	33	117	2,250	33	81	1,116

Source: Ofcom

Analysis of the price trend between August 2003 and April 2004 in table 16 shows that business broadband prices decreased significantly in all countries except in Sweden where prices have remained consistently low over the whole benchmarking period.

All business price decreases are a result of new service offerings. In France prices fell as a result of cheap LLU services, in Germany from new metered services and in the US and the UK from new cheaper offers.

**Table 16: Percentage change in price levels between August 2003 and April 2004 – residential services**

	>257 kbit/s	>512 kbit/s
France	-47	-67
Germany	-20	-22
Sweden	-7	-7
UK	-2	-36
US	-30	-40

Source: Ofcom

### Mobile calls are good value for UK consumers

The following analysis covers 'domestic' mobile services, ie calls made from mobile phones within the consumer's home country and excludes the effect of handset prices.

Tables 17 and 18 show the results of the post-pay mobile price index (expressed relative to the UK price index) and the average monthly cost for post-pay mobile services for consumers respectively.

These results show that UK prices for post-pay mobile services are very competitive with other markets.

**Table 17: Price index for post-pay mobile services**

Quintile	1	2	3	4	5	1	2	3	4	5	Average
	Peak					Off-peak					
France	111	115	107	83	90	118	124	115	88	94	105
Germany	83	90	110	113	125	83	94	94	101	126	102
Italy	63	76	88	90	131	81	93	97	102	140	96
Sweden	87	94	99	112	142	89	90	83	78	95	97
UK	100	100	100	100	100	100	100	100	100	100	100

Source: Ofcom

**Table 18: Monthly cost of post-pay mobile services (£ per month)**

Quintile	1	2	3	4	5	1	2	3	4	5	Average
	Peak					Off-peak					
France	9	12	13	14	29	10	13	15	17	38	17
Germany	7	9	13	20	40	7	10	12	19	51	19
Italy	5	8	11	16	42	7	10	12	19	56	19
Sweden	7	10	12	19	46	8	10	11	15	38	18
UK	9	10	12	17	32	9	11	13	19	40	17

Source: Ofcom

Analysis of the price trend between February 2003 and November 2003 in table 19 shows that post-pay mobile prices are relatively static and decreased between 4-10% in all countries.

**Table 19: Percentage change in price levels between February 2003 and November 2004 – post-pay services**

<b>Quintile</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Average</b>
	<b>Peak</b>					<b>Off-peak</b>					
<b>France</b>	-7	-3	2	-11	-10	-12	-2	4	-3	-7	-5
<b>Germany</b>	-9	-15	-14	-6	-9	-9	-7	-10	-10	-11	-10
<b>Italy</b>	-10	-9	-9	-9	-9	-10	-9	-9	-9	-11	-9
<b>Sweden</b>	-4	-3	-2	-2	-3	-1	-5	-7	-11	-7	-4
<b>UK</b>	4	-2	-6	0	-8	-8	-9	-9	-2	-4	-4

Source: Ofcom

Tables 20 and 21 show the results of the pre-pay mobile price index (expressed relative to the UK price index) and the average monthly cost for pre-pay mobile services for consumers respectively.

These results show that UK prices for pre-pay mobile services are significantly cheaper than prices in other markets.

**Table 20: Price index for pre-pay mobile services**

<b>Quintile</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Average</b>
	<b>Peak</b>					<b>Off-peak</b>					
<b>France</b>	345	162	143	101	90	276	175	152	117	94	165
<b>Germany</b>	155	155	157	137	125	158	154	155	133	126	146
<b>Italy</b>	104	99	95	89	127	135	124	129	117	140	116
<b>Sweden</b>	159	152	139	136	142	102	96	96	87	92	120
<b>UK</b>	100	100	100	100	100	100	100	100	100	100	100

Source: Ofcom

**Table 21: Monthly cost of pre-pay mobile services (£ per month)**

<b>Quintile</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Average</b>
	<b>Peak</b>					<b>Off-peak</b>					
<b>France</b>	7	8	12	14	29	8	10	11	17	38	15
<b>Germany</b>	3	7	13	20	40	5	9	11	19	51	18
<b>Italy</b>	2	5	8	13	41	4	7	9	17	56	16
<b>Sweden</b>	3	7	11	19	46	3	5	7	12	37	15
<b>UK</b>	2	5	8	14	32	3	6	7	14	40	13

Source: Ofcom

Analysis of the price trend between February 2003 and November 2003 in table 22 shows that pre-pay mobile prices have also remained relatively static and decreased between 2-9% in all countries.

**Table 22: Percentage change in price levels between February 2003 and November 2004 – pre-pay services**

Quintile	1	2	3	4	5	1	2	3	4	5	Average
	Peak					Off-peak					
France	7	0	0	-8	-15	4	2	1	-1	-7	-2
Germany	-9	-9	-9	-9	-10	-9	-8	-7	-7	-10	-9
Italy	-7	-10	-7	-9	-6	-4	-4	-4	-2	-3	-6
Sweden	-11	-10	-10	-11	-9	-5	-5	-6	-7	-9	-8
UK	-5	-3	1	-1	-3	-15	-5	-2	3	-5	-4

Source: Ofcom

### Exchange rates and VAT rates

All results are presented using PPP exchange rates. This means that the exchange rate is offset by the PPP factors given in tables 23 and 24.

**Table 23: Exchange rates and VAT rates for fixed and Internet benchmark (March 2004)**

Country	Current exchange rate	PPP factor	PPP exchange rate	VAT rate (%)
France	0.67	1.01	0.68	19.6
Germany	0.67	1.02	0.68	16
Sweden	0.07	0.93	0.07	25
UK	1.00	1.00	1.00	17.5
US – CA	0.55	1.19	0.65	5
US – OH	0.55	1.19	0.65	6

Source: OECD

**Table 24: Exchange rates and VAT rates for domestic mobile benchmark (October 2003)**

Country	Current exchange rate	PPP factor	PPP exchange rate	VAT rate (%)
France	0.70	0.97	0.68	19.6
Germany	0.70	0.98	0.68	16
Italy	0.70	1.06	0.74	20
Sweden	0.08	0.87	0.07	25
UK	1.00	1.00	1.00	17.5

Source: OECD