



Market Information

Mobile Update

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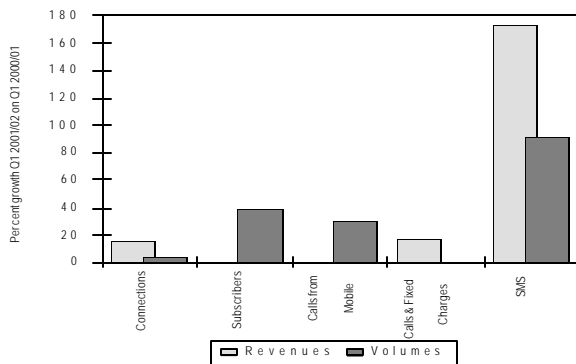
NOTE: VODAFONE & BT CELLNET

From Q1 2001/02 Vodafone & BT Cellnet have revised the basis on which subscriber disconnections are calculated. Vodafone no longer include any customers who have not made calls or sent SMS in the previous three month period in their subscriber data, and BT Cellnet no longer include pre-pay subscribers who have not made or received calls in the same three month period. As a result, Vodafone & BT Cellnet's subscriber data is not directly comparable to that shown for previous periods.

MARKET GROWTH

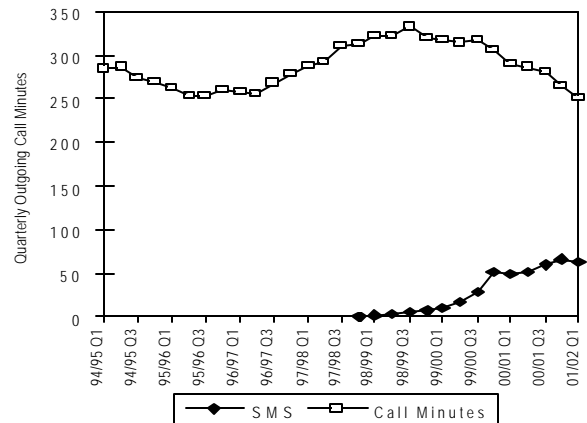
- At the end of June 2001 there was a total of just under 43 million mobile subscribers
- This represents year on year growth of 39%

Annual Growth Rates - Mobile Market



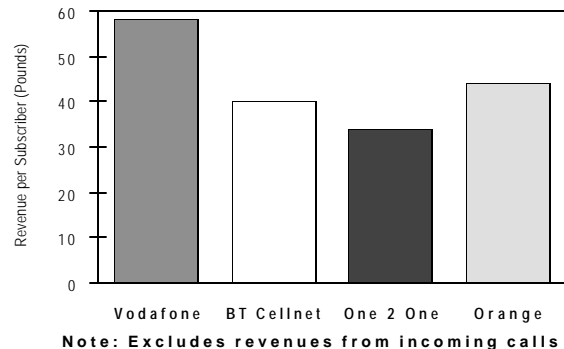
- There was also year on year growth in call volumes and revenues, although at a slightly lower rate than previously
- The volume of SMS messages was lower than in the previous quarter

Outgoing Call Minutes & SMS Messages per Cellular Subscriber



- There was no change in average retail revenue per user, however this was partly the result of the new subscriber disconnection definitions used by Vodafone & BT Cellnet

Retail Revenues per Cellular Subscriber - Q1 2001/02



For further information about the data in this publication please contact Nicholas Collins or Robert Turner in OfTel's Customers & Markets Unit on 020 7634 8851 or 8778 respectively. For paper copies of previous reports contact OfTel's Research & Intelligence Unit on 020 7634 8761

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Q1 2001/02

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Abbreviations used in the tables

n/a: Information not supplied by operator
- : Operator did not offer this service

Q1: April to June
Q2: July to September
Q3: October to December
Q4: January to March

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

Table 1
Cellular Services: Summary of All Operators' Revenues

<i>Revenues (£millions)</i>	Revenues		Annual Growth Rate (per cent)
	2001/02 Q1	2000/01 Q1	
Retail			
Calls & Fixed Charges	1,675	1,443	16.1
Connections	16	14	15.3
SMS Messaging	229	84	173.3
Total	1,920	1,540	24.7
Interconnection	755	500	51.0

Table 2
Cellular Services: Summary of All Operators' Volumes

<i>Call Minutes (millions)</i>	Volumes		Annual Growth Rate (per cent)
	2001/02 Q1	2000/01 Q1	
Retail			
UK Calls	10,509	8,089	29.9
Outgoing International	128	94	37.1
Whilst Roaming Abroad	238	206	15.5
All Calls Total	10,874	8,388	29.6
Interconnect	5,679	4,386	29.5
SMS Messages (millions)			
Number of Messages	2,720	1,421	91.5
Subscribers (thousands)*			
Post Paid	14,030	12,401	13.1
Pre-Pay	28,689	18,293	56.8
Total Subscribers	42,719	30,694	39.2
Connections During Quarter	5,210	5,018	3.8

*Q1 2001/02 data is not directly comparable with previous figures due to Vodafone & BT Cellnet revising the basis on which subscriber disconnections are calculated. See note on page one for more details.

Table 3
Cellular Services : Summary of Market Shares -
Estimated Revenues Q1 2001/02

	Vodafone	BT Cellnet	One 2 One	Orange
<i>Revenues (per cent)</i>				
Retail				
Calls & Fixed Charges	34.6	23.3	16.2	25.9
Connections	76.2	19.8	0.0	4.0
SMS Messaging	31.5	21.1	18.2	29.1
Total	34.6	23.0	16.3	26.1
Interconnect	23.9	18.4	n/a	n/a

Table 4
Cellular Services : Summary of Market Shares -
Call Minutes Q1 2001/02

	*Vodafone	*BT Cellnet	One 2 One	Orange
<i>Call Minutes (per cent)</i>				
Retail				
UK Calls	30.4	21.4	19.6	28.6
Outgoing International	31.2	16.4	22.8	29.6
Whilst Roaming Abroad	43.8	30.7	4.4	21.1
All Calls Total	30.7	21.6	19.3	28.5
Interconnect	29.5	24.2	20.1	26.2
<i>SMS (per cent)</i>				
Number of Messages	24.5	25.4	17.1	33.0
<i>Subscribers at End of Quarter (per cent)</i>				
Post Paid	31.1	24.5	19.6	24.8
Pre-Pay	21.5	26.0	23.3	29.2
Total Subscribers	24.7	25.5	22.1	27.8
Connections During Quarter	35.1	24.0	17.3	23.6

*Q1 2001/02 data is not directly comparable with previous figures due to Vodafone & BT Cellnet revising the basis on which subscriber disconnections are calculated. See note on page one for more details.

Table 5
Revenues Generated from Cellular Telephony

	All Operators	Vodafone	BT Cellnet	One 2 One	Orange
Estimated Consumer Expenditure on Mobile Telephony (£millions)					
Connections					
2000/01 Q1	14	11	2	0	1
2000/01 Q2	13	12	0	0	0
2000/01 Q3	14	14	0	0	0
2000/01 Q4	15	14	1	0	1
2001/02 Q1	16	12	3	0	1
Calls & Fixed Charges					
2000/01 Q1	1,443	539	357	240	306
2000/01 Q2	1,571	566	395	265	345
2000/01 Q3	1,601	572	367	275	388
2000/01 Q4	1,638	564	397	271	405
2001/02 Q1	1,675	580	391	271	434
SMS Messaging					
2000/01 Q1	84	33	10	17	23
2000/01 Q2	105	38	10	23	34
2000/01 Q3	153	48	28	32	46
2000/01 Q4	211	71	40	41	59
2001/02 Q1	229	72	48	42	66
Total					
2000/01 Q1	1,540	584	368	258	330
2000/01 Q2	1,689	617	406	288	379
2000/01 Q3	1,769	633	395	306	434
2000/01 Q4	1,864	649	438	313	465
2001/02 Q1	1,920	664	442	313	501

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 Oftel believes that the figures are comparable.

Table 6
Service Provider to Operator Payments

	Total	Vodafone	BT Cellnet
<i>(£millions)</i>			
2000/01 Q1	810	444	366
2000/01 Q2	834	469	365
2000/01 Q3	850	487	362
2000/01 Q4	860	506	354
2001/02 Q1	895	526	369

Table 7
Cellular Network Operators : Call Minutes
by Type of Call by Operator

	All Operators	Vodafone	BT Cellnet	One 2 One	Orange
<i>Call Minutes (millions)</i>					
UK Calls					
2000/01 Q1	8,089	2,436	1,701	1,969	1,982
2000/01 Q2	8,967	2,519	2,132	1,972	2,344
2000/01 Q3	10,197	2,923	2,458	2,071	2,744
2000/01 Q4	10,731	3,109	2,611	2,081	2,930
2001/02 Q1	10,509	3,194	2,250	2,059	3,006
Outgoing International					
2000/01 Q1	94	32	17	20	24
2000/01 Q2	113	34	18	30	31
2000/01 Q3	120	37	20	29	34
2000/01 Q4	125	38	21	28	38
2001/02 Q1	128	40	21	29	38
Whilst Roaming Abroad					
2000/01 Q1	206	91	73	10	31
2000/01 Q2	260	110	84	21	45
2000/01 Q3	208	92	66	12	38
2000/01 Q4	209	92	68	8	41
2001/02 Q1	238	104	73	11	50
All Calls					
2000/01 Q1	8,388	2,560	1,791	2,000	2,037
2000/01 Q2	9,340	2,663	2,234	2,023	2,420
2000/01 Q3	10,525	3,052	2,544	2,112	2,817
2000/01 Q4	11,064	3,239	2,700	2,116	3,009
2001/02 Q1	10,874	3,338	2,344	2,098	3,094

Table 8
Cellular Network Operators : Volume of SMS Messages

	All Operators	Vodafone	BT Cellnet	One 2 One	Orange
<i>Number of Messages (millions)</i>					
2000/01 Q1	1,421	412	296	218	495
2000/01 Q2	1,648	452	340	280	576
2000/01 Q3	2,215	598	420	372	825
2000/01 Q4	2,758	692	522	477	1,067
2001/02 Q1	2,720	707	691	467	897

Table 9
Cellular Network Operators : Subscribers
Connections, Stocks and Net Changes by Operator

	All Operators	*Vodafone	*BT Cellnet	One 2 One	Orange
Connections During Quarter (000s)					
2000/01 Q1	5,018	1,179	1,172	1,291	1,377
2000/01 Q2	5,388	1,555	1,225	1,356	1,252
2000/01 Q3	7,982	2,112	2,449	1,633	1,788
2000/01 Q4	5,800	1,576	1,618	1,045	1,561
2001/02 Q1	5,210	1,828	1,250	904	1,229
Subscribers at End of Quarter (000s)					
Post Paid					
Jun 2000	12,401	3,791	3,663	2,190	2,757
Sep 2000	12,802	3,946	3,550	2,340	2,966
Dec 2000	13,324	4,116	3,554	2,576	3,077
Mar 2001	13,745	4,293	3,455	2,715	3,281
Jun 2001	14,030	4,360	3,435	2,755	3,480
Pre-Pay					
Jun 2000	18,293	5,573	4,403	3,906	4,411
Sep 2000	21,582	6,296	5,192	4,784	5,309
Dec 2000	26,725	7,531	6,689	5,748	6,757
Mar 2001	29,707	7,985	7,705	6,266	7,751
Jun 2001	28,689	6,180	7,455	6,673	8,381
Total					
Jun 2000	30,694	9,364	8,066	6,096	7,168
Sep 2000	34,383	10,242	8,742	7,124	8,275
Dec 2000	40,049	11,647	10,243	8,324	9,834
Mar 2001	43,452	12,279	11,160	8,981	11,032
Jun 2001	42,719	10,540	10,890	9,428	11,861
Net Change During Quarter (000s)					
2000/01 Q1	3,509	573	662	1,078	1,196
2000/01 Q2	3,690	878	676	1,028	1,108
2000/01 Q3	5,665	1,406	1,500	1,200	1,559
2000/01 Q4	3,403	631	918	657	1,198
2001/02 Q1	n/a	n/a	n/a	n/a	n/a

*Q1 2001/02 data is not directly comparable with previous figures due to Vodafone & BT Cellnet revising the basis on which subscriber disconnections are calculated. See note on page one for more details. Some differences exist between networks regarding calculation of pre-pay customer disconnections and this will effect pre-pay subscriber figures. Digital to analogue migrations and those from Pre-Pay to contract or contract to Pre-Pay will be counted as a disconnection and subsequent new connection. As a result of this connections during the quarter may be slightly overstated.

Table 10
Cellular Services : Average Retail Revenue per Subscriber
Revenue by Operator

	All Operators	*Vodafone	*BT Cellnet	One 2 One	Orange
<i>Revenues (£)*</i>					
2000/01 Q1	53.2	64.3	47.6	46.4	50.3
2000/01 Q2	51.9	62.9	48.3	43.5	49.1
2000/01 Q3	47.5	57.9	41.7	39.7	47.9
2000/01 Q4	44.6	54.3	40.9	36.1	44.5
2001/02 Q1	44.6	58.2	40.1	34.0	43.8

*Vodafone & BT Cellnet have revised the basis on which their subscriber disconnections are calculated. Q1 2001/02 revenue per subscriber data is calculated using subscriber data based on the definitions set out in the note on page one of this report. Data for this period is therefore not directly comparable to that shown for previous quarters. Revenues do not include those generated by incoming calls.

Table 11
Cellular Services : Interconnect Revenues and Incoming
Minutes by Operator

	All Operators	Vodafone	BT Cellnet	One 2 One	Orange
<i>Interconnect</i>					
Revenues (£millions)					
2000/01 Q1	500	152	113	n/a	n/a
2000/01 Q2	535	160	118	n/a	n/a
2000/01 Q3	571	170	122	n/a	n/a
2000/01 Q4	634	183	135	n/a	n/a
2001/02 Q1	624	180	139	n/a	n/a
Minutes (millions)					
2000/01 Q1	4,386	1,406	987	897	1,096
2000/01 Q2	4,778	1,473	1,070	967	1,268
2000/01 Q3	5,169	1,583	1,148	1,070	1,368
2000/01 Q4	5,500	1,639	1,260	1,116	1,486
2001/02 Q1	5,679	1,678	1,374	1,140	1,487