



Market Information

Mobile Update

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Published by the Office of Telecommunications

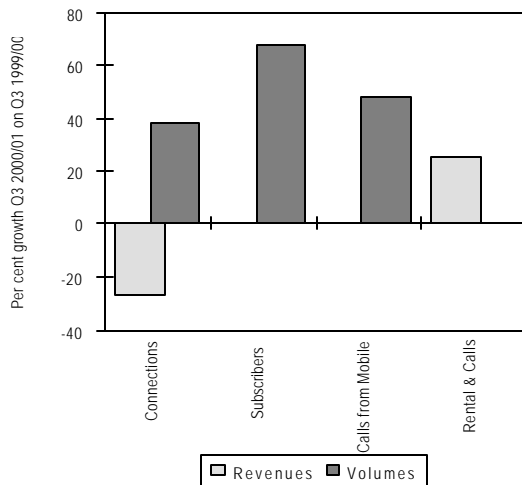
May 2001

Q3 2000/01 (October to December 2000)

MARKET GROWTH

- At the end of 2000 there were over 40 million mobile subscribers in the UK
- This represents an increase of around 67% on the year
- The net increase in subscribers during the period was 5.7m, an increase on the previous quarter

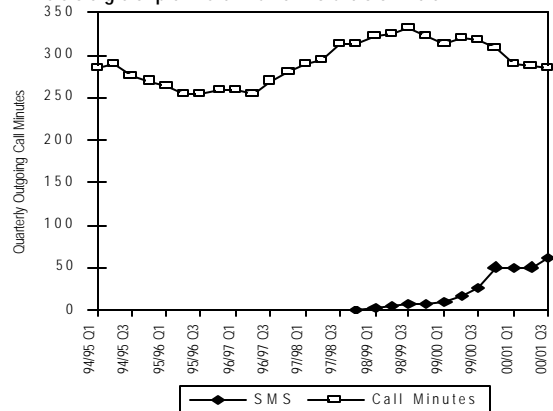
Annual Growth Rates - Mobile Market



AVERAGE USAGE

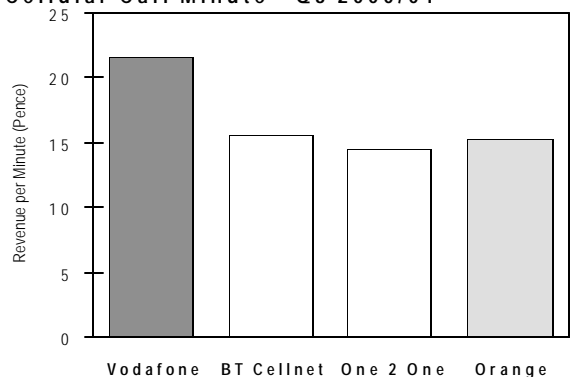
- Average outgoing call minutes per subscriber decreased for the fourth successive quarter
- This is as a result of growing numbers of Pre-pay subscribers (whose usage tends to be lower than that of contract customers) and increased use of SMS

Outgoing Call Minutes & SMS Messages per Cellular Subscriber



- Average retail revenue per user decreased across all four operators during the period
- OfTel's mobile price monitoring work shows that overall mobile prices fell by over 4% during the quarter

Average Retail Revenue per Cellular Call Minute - Q3 2000/01



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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Q3 2000/01

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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>	<u>Revenues</u>		Annual Growth Rate (per cent)
	2000/01 Q3	1999/00 Q3	
Retail			
Calls & Fixed Charges	1,628	1,321	23.3
Connections	14	18	-20.2
SMS Messaging	153	34	346.3
Total	1,795	1,373	30.8
Interconnection	571	424	34.7

Table 2
Cellular Services: Summary of All Operators' Volumes

<i>Call Minutes (millions)</i>	<u>Volumes</u>		Annual Growth Rate (per cent)
	2000/01 Q3	1999/00 Q3	
UK Calls	10,197	6,663	53.0
Outgoing International	120	92	31.1
Whilst Roaming Abroad	208	164	26.6
All Calls Total	10,525	6,919	52.1
SMS Messages (millions)			
Number of Messages	2,215	599	269.5
Subscribers (thousands)			
Post Paid	13,324	11,968	11.3
Pre-Pay	26,725	11,974	123.2
Total Subscribers	40,049	23,942	67.3
Connections During Quarter	7,982	5,838	36.7

Table 3
Cellular Services : Summary of Market Shares -
Estimated Revenues Q3 2000/01

	Vodafone	BT Cellnet	One 2 One	Orange
<i>Revenues (per cent)</i>				
Retail				
Calls & Fixed Charges	36.7	22.6	16.9	23.8
Connections	94.0	3.4	0.0	2.6
SMS Messaging	31.4	18.0	20.6	30.0
Total	36.8	22.0	17.1	24.2
Interconnect	29.7	21.3	n/a	n/a

Table 4
Cellular Services : Summary of Market Shares -
Call Minutes Q3 2000/01

	Vodafone	BT Cellnet	One 2 One	Orange
<i>Call Minutes (per cent)</i>				
UK Calls	28.7	24.1	20.3	26.9
Outgoing International	30.9	16.6	23.9	28.5
Whilst Roaming Abroad	44.1	31.8	5.9	18.3
All Calls Total	29.0	24.2	20.1	26.8
SMS (per cent)				
Number of Messages	27.0	19.0	16.8	37.2
Subscribers at End of Quarter (per cent)				
Post Paid	30.9	26.7	19.3	23.1
Pre-Pay	28.2	25.0	21.5	25.3
Total Subscribers	29.1	25.6	20.8	24.6
Connections During Quarter	26.5	30.7	20.5	22.4

Table 5
Revenues Generated from Cellular Telephony

	All Operators	Vodafone	BT Cellnet*	One 2 One*	Orange
Estimated Consumer Expenditure on Mobile Telephony (£millions)					
Connections					
1999/00 Q3	18	10	2	0	6
1999/00 Q4	19	10	3	0	6
2000/01 Q1	14	11	2	0	1
2000/01 Q2	13	12	0	0	0
2000/01 Q3	14	14	0	0	0
Calls & Fixed Charges					
1999/00 Q3	1,321	520	362	198	241
1999/00 Q4	1,401	551	358	213	279
2000/01 Q1	1,466	562	357	240	306
2000/01 Q2	1,617	612	395	265	345
2000/01 Q3	1,628	598	367	275	388
SMS Messaging					
1999/00 Q3	34	15	6	7	5
1999/00 Q4	62	30	9	14	8
2000/01 Q1	84	33	10	17	23
2000/01 Q2	105	38	10	23	34
2000/01 Q3	153	48	28	32	46
Total					
1999/00 Q3	1,373	545	371	205	252
1999/00 Q4	1,481	591	370	227	293
2000/01 Q1	1,563	607	368	258	330
2000/01 Q2	1,735	663	406	288	379
2000/01 Q3	1,795	660	395	306	434

*Data has been revised to show more accurate data. This table shows estimated consumer expenditure on each of the mobile networks. Whilst the estimates have been adjusted to take account of missing Service Provider data, there is still a degree of uncertainty attached to them. BT Cellnet data is estimated on a different basis to the other networks.

Table 6
Service Provider to Operator Payments

	Total	Vodafone	BT Cellnet
(£millions)			
1999/00 Q3	726	390	337
1999/00 Q4	790	429	361
2000/01 Q1	810	444	366
2000/01 Q2	834	469	365
2000/01 Q3	850	487	362

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

	All Operators	Vodafone	BT Cellnet	One 2 One	Orange*
Call Minutes (millions)					
UK Calls					
1999/00 Q3	6,663	2,065	1,584	1,661	1,353
1999/00 Q4	7,582	2,360	1,678	1,767	1,778
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
Outgoing International					
1999/00 Q3	92	28	17	17	30
1999/00 Q4	93	31	16	18	28
2000/01 Q1	94	32	17	20	24
2000/01 Q2	113	34	18	30	31
2000/01 Q3	120	37	20	29	34
Whilst Roaming Abroad					
1999/00 Q3	164	76	61	5	22
1999/00 Q4	173	82	62	7	23
2000/01 Q1	206	91	73	10	31
2000/01 Q2	260	110	84	21	45
2000/01 Q3	208	92	66	12	38
All Calls					
1999/00 Q3	6,919	2,169	1,662	1,683	1,405
1999/00 Q4	7,848	2,473	1,756	1,791	1,828
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

*Q3 1999/00 figures have been revised to reflect more accurate data.

Table 8
Cellular Network Operators : Volume of SMS Messages

	All Operators	Vodafone	BT Cellnet	One 2 One	Orange
Number of Messages (millions)					
1999/00 Q3	599	195	151	89	164
1999/00 Q4	1,306	368	247	181	510
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

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)					
1999/00 Q3	5,838	1,628	1,431	1,144	1,635
1999/00 Q4	4,958	1,412	1,089	1,122	1,334
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
Subscribers at End of Quarter (000s)					
Post Paid					
Dec 1999	11,968	3,700	3,931	1,893	2,443
Mar 2000	12,164	3,712	3,813	2,094	2,545
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
Pre-Pay					
Dec 1999	11,974	4,240	3,019	2,264	2,451
Mar 2000	15,021	5,079	3,591	2,924	3,426
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
Total					
Dec 1999	23,942	7,940	6,950	4,157	4,894
Mar 2000	27,185	8,791	7,404	5,018	5,972
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
Net Change During Quarter (000s)					
1999/00 Q3	4,407	1,076	1,003	915	1,412
1999/00 Q4	3,242	851	454	860	1,077
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

*Figures have been updated to reflect more accurate data. 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>					
1999/00 Q3	63.2	73.7	57.5	55.4	60.2
1999/00 Q4	57.9	70.7	51.6	49.4	53.9
2000/01 Q1	54.0	66.8	47.6	46.4	50.3
2000/01 Q2	53.3	67.6	48.3	43.5	49.1
2000/01 Q3	48.2	60.3	41.7	39.7	47.9

*Figures have been updated to reflect more accurate data.

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

	All Operators	Vodafone	BT Cellnet	One 2 One	Orange*
<i>Interconnect</i>					
<i>Revenues (£millions)</i>					
1999/00 Q3	424	135	96	n/a	n/a
1999/00 Q4	471	148	106	n/a	n/a
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
<i>Minutes (millions)</i>					
1999/00 Q3	3,585	1,216	868	714	787
1999/00 Q4	4,076	1,345	948	802	981
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

*Figures have been updated to reflect more accurate data.