



Market Information

Mobile Update

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Published by the Office of Telecommunications

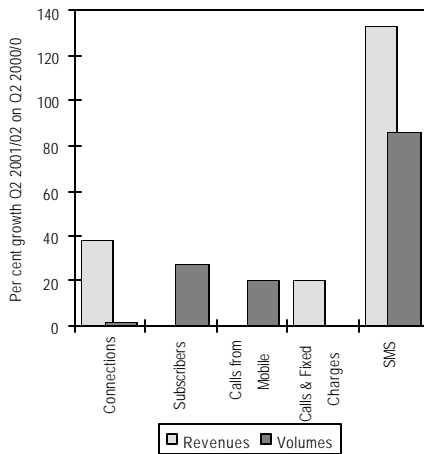
January 2002

Q2 2001/02 (July to September 2001)

Summary

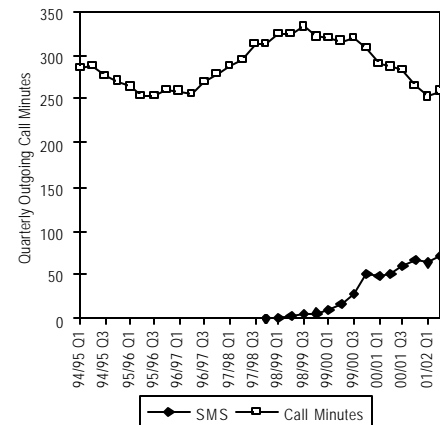
- At the end of September 2001 there was a total of just under 44 million mobile subscribers
- This represents year on year growth of 27%, a fall of 12 percentage points on the previous quarter

Annual Growth Rates - Mobile Market



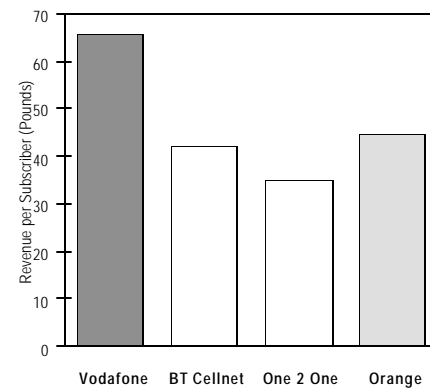
- Call volumes and revenues both had year on year growth rates of 20%
- Both of these figures represent a slowing in the rate of growth from the previous quarter
- The volume of SMS messages was higher than in the previous quarter

Outgoing Call Minutes & SMS Messages per Cellular Subscriber



- Average revenue per subscriber increased during the period
- This reflects increasing call minutes per subscriber and customers using newer services such as text information

Retail Revenues per Cellular Subscriber - Q2 2001/02



Note: Excludes revenues from incoming calls

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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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 Q2	2000/01 Q2	
Retail			
Calls & Fixed Charges	1,777	1,571	13.1
Connections	18	13	37.9
SMS Messaging	248	105	136.2
Total	2,043	1,689	20.9
Interconnection	659	535	23.1

Table 2
Cellular Services: Summary of All Operators' Volumes

<i>Call Minutes (millions)</i>	Volumes		Annual Growth Rate (per cent)
	2001/02 Q2	2000/01 Q2	
Retail			
UK Calls	10,750	8,967	19.9
Outgoing International	169	113	48.7
Whilst Roaming Abroad	303	260	16.4
All Calls Total	11,222	9,340	20.1
Interconnect	5,913	4,778	23.8
SMS Messages (millions)			
Number of Messages	3,069	1,648	86.3
Subscribers (thousands)*			
Post Paid	14,603	12,802	14.1
Pre-Pay	29,167	21,582	35.1
Total Subscribers	43,769	34,383	27.3
Connections During Quarter	5,497	5,388	2.0

*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 Q2 2001/02

	Vodafone	BT Cellnet	One 2 One	Orange
<i>Revenues (per cent)</i>				
Retail				
Calls & Fixed Charges	34.1	22.9	16.6	26.5
Connections	83.2	14.6	0.0	2.2
SMS Messaging	31.8	21.8	18.5	28.0
Total	34.2	22.7	16.7	26.4
Interconnect	27.2	21.3	n/a	n/a

Table 4
Cellular Services : Summary of Market Shares -
Call Minutes Q2 2001/02

	*Vodafone	*BT Cellnet	One 2 One	Orange
<i>Call Minutes (per cent)</i>				
Retail				
UK Calls	30.4	21.1	19.4	29.1
Outgoing International	30.3	11.3	21.1	37.4
Whilst Roaming Abroad	40.6	28.1	5.5	25.8
All Calls Total	30.7	21.1	19.1	29.2
Interconnect	28.9	22.7	20.0	28.4
SMS (per cent)				
Number of Messages	25.1	25.9	16.5	32.5
Subscribers at End of Quarter (per cent)				
Post Paid	31.3	23.4	20.1	25.3
Pre-Pay	21.0	25.9	24.0	29.1
Total Subscribers	24.4	25.1	22.7	27.8
Connections During Quarter	43.0	19.5	18.1	19.4

*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 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
2001/02 Q2	18	15	3	0	0
Calls & Fixed Charges					
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
2001/02 Q2	1,777	605	407	294	470
SMS Messaging					
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
2001/02 Q2	248	79	54	46	69
Total					
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
2001/02 Q2	2,043	699	463	340	540

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 Q2	834	469	365
2000/01 Q3	850	487	362
2000/01 Q4	860	506	354
2001/02 Q1	895	526	369
2001/02 Q2	934	553	381

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 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
2001/02 Q2	10,750	3,268	2,265	2,086	3,131
Outgoing International					
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
2001/02 Q2	169	51	19	36	63
Whilst Roaming Abroad					
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
2001/02 Q2	303	123	85	17	78
All Calls					
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
2001/02 Q2	11,222	3,442	2,369	2,139	3,272

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 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	2,762	707	691	467	897
2001/02 Q2	3,069	771	795	507	996

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 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
2001/02 Q2	5,497	2,367	1,070	997	1,064
Subscribers at End of Quarter (000s)					
Post Paid					
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	14,052	4,382	3,435	2,755	3,480
Sep 2001	14,603	4,565	3,418	2,928	3,691
Pre-Pay					
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	28,684	6,175	7,455	6,673	8,381
Sep 2001	29,167	6,126	7,550	7,001	8,490
Total					
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	42,736	10,557	10,890	9,428	11,861
Sep 2001	43,769	10,691	10,968	9,929	12,181
Net Change During Quarter (000s)					
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
2001/02 Q2	1,033	134	78	501	320

*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. 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 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
2001/02 Q2	47.2	65.8	42.4	35.2	44.9

*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. 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 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
2001/02 Q2	659	179	140	n/a	n/a
Minutes (millions)					
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
2001/02 Q2	5,913	1,708	1,340	1,183	1,682