



Market Information

Mobile Update

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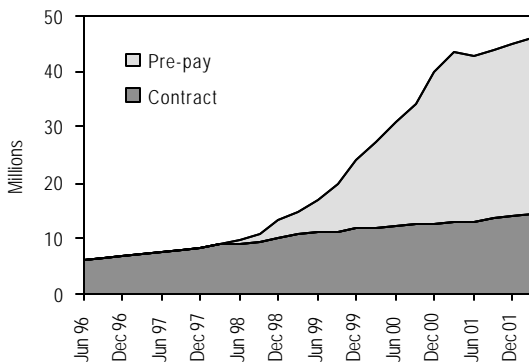
July 2002

Q4 2001/02 (January to March 2002)

Summary

- Subscriber growth has slowed. Growth in the quarter to March was 3%, compared to 8% in the same quarter of the previous year
- At the end of March 2002 there were just over 46 million mobile subscribers in the UK
- Just under 70% of these were using pre-pay packages

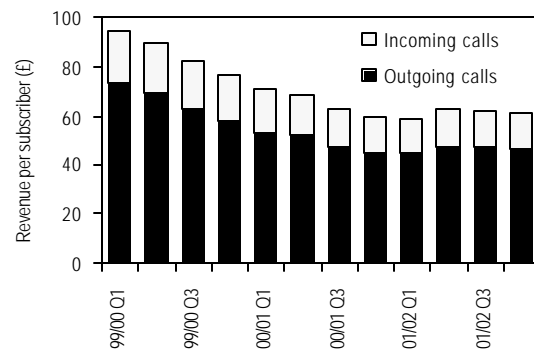
Cellular subscribers



Data from June 01 is not comparable with previous figures

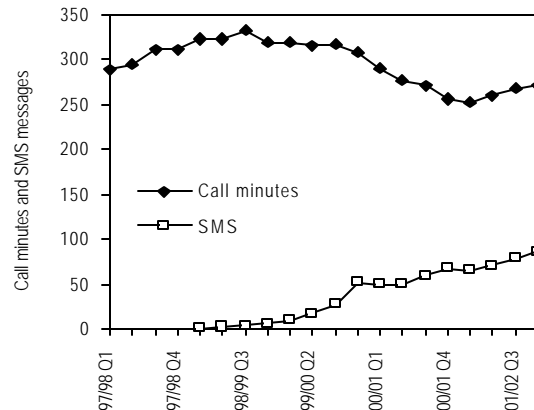
- Call volumes grew by 4% and 'calls & fixed charges' revenues by less than 1% during the period
- Average retail revenue per subscriber decreased during the period. Previously this had been increasing

Revenue per cellular subscriber



- Growth of SMS volumes was 14% during the period, reflecting increasing average SMS messages per subscriber
- Average call minutes per subscriber increased for the third successive quarter

Call minutes & SMS messages per subscriber



For further information about the data in this publication please contact Nick 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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Q4 2001/02 (January to March 2002)

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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**Summary of all operators' revenues (£m)**

	Revenues		Annual Growth Rate (per cent)
	2001/02 Q4	2000/01 Q4	
Retail			
Calls & fixed charges	1,797	1,638	9.7
Connection	13	15	-14.1
SMS messaging	311	211	47.2
All Calls	2,121	1,864	13.8
Interconnection	672	634	5.9

Table 2**Summary of all operators' volumes (Mmits)**

	Volumes		Annual Growth Rate (per cent)
	2001/02 Q4	2000/01 Q4	
Retail			
UK calls	11,931	10,337	15.4
Outgoing international	166	125	32.5
Whilst roaming abroad	233	209	11.9
All Calls	12,330	10,670	15.6
Interconnection	6,118	5,500	11.2
SMS messages (millions)	3,924	2,758	42.3
Subscribers (000's)			
Connections during period	3,480	5,800	-40.0
Post paid	14,292	12,750	12.1
Pre-pay	31,991	30,702	4.2
Total	46,282	43,452	6.5

Table 3**Summary of retail revenue market shares (percent)**

	Vodafone	O2	T-Mobile	Orange
Calls & fixed charges				
00/01 Q4	34.5	24.2	16.6	24.7
01/02 Q1	34.6	23.3	16.2	25.9
01/02 Q2	34.1	22.9	16.6	26.5
01/02 Q3	34.3	22.1	16.6	27.0
01/02 Q4	34.3	21.5	17.8	26.4
Connection				
00/01 Q4	90.5	6.0	0.0	3.5
01/02 Q1	76.2	19.8	0.0	4.0
01/02 Q2	83.2	14.6	0.0	2.2
01/02 Q3	85.7	12.3	0.0	2.1
01/02 Q4	85.6	12.1	0.0	2.3
SMS messaging				
00/01 Q4	33.7	18.9	19.5	28.0
01/02 Q1	31.5	21.1	18.2	29.1
01/02 Q2	31.7	21.7	18.4	28.2
01/02 Q3	31.0	21.3	21.3	26.4
01/02 Q4	31.9	21.0	20.0	27.1
Retail total				
00/01 Q4	34.8	23.5	16.8	24.9
01/02 Q1	34.6	23.0	16.3	26.1
01/02 Q2	34.2	22.7	16.6	26.5
01/02 Q3	34.2	21.9	17.2	26.7
01/02 Q4	34.3	21.3	18.0	26.4

Table 4**Summary of volume market shares (percent)**

	Vodafone	O2	T-Mobile	Orange
UK calls				
00/01 Q4	30.1	21.4	20.1	28.3
01/02 Q1	30.4	21.4	19.6	28.6
01/02 Q2	30.4	21.1	19.4	29.1
01/02 Q3	30.7	20.3	19.8	29.2
01/02 Q4	31.0	20.0	21.2	27.8
Outgoing international				
00/01 Q4	30.4	16.8	22.4	30.4
01/02 Q1	31.2	16.4	22.8	29.6
01/02 Q2	30.3	11.3	21.1	37.4
01/02 Q3	27.5	11.8	14.2	46.5
01/02 Q4	25.4	13.9	15.5	45.3
Whilst roaming abroad				
00/01 Q4	44.1	32.6	3.6	19.7
01/02 Q1	43.8	30.7	4.4	21.1
01/02 Q2	40.6	28.1	5.5	25.8
01/02 Q3	41.6	28.5	6.4	23.5
01/02 Q4	43.3	27.4	7.8	21.4
All calls				
00/01 Q4	30.4	21.6	19.8	28.2
01/02 Q1	30.7	21.6	19.3	28.5
01/02 Q2	30.7	21.1	19.1	29.2
01/02 Q3	30.8	20.3	19.5	29.3
01/02 Q4	31.2	20.1	20.9	27.9
SMS messages				
00/01 Q4	25.1	18.9	17.3	38.7
01/02 Q1	25.6	25.0	16.9	32.5
01/02 Q2	25.1	25.9	16.5	32.5
01/02 Q3	26.3	29.1	16.0	28.7
01/02 Q4	26.4	27.1	16.0	30.6
Interconnection				
00/01 Q4	29.8	22.9	20.3	27.0
01/02 Q1	29.5	24.2	20.1	26.2
01/02 Q2	28.9	22.7	20.0	28.4
01/02 Q3	29.3	23.0	20.3	27.4
01/02 Q4	28.8	22.8	20.9	27.6

Table 4a
Summary of subscriber market shares (percent)

	*Vodafone	*O2	T-Mobile	Orange
Post paid subscribers				
00/01 Q4	33.7	27.1	14.4	24.8
01/02 Q1	33.9	26.6	13.4	26.2
01/02 Q2	34.3	25.7	13.0	27.1
01/02 Q3	34.5	25.0	13.4	27.1
01/02 Q4	34.4	24.8	13.5	27.3
Pre-pay subscribers				
00/01 Q4	26.0	25.1	23.3	25.6
01/02 Q1	20.7	25.0	25.8	28.4
01/02 Q2	20.1	24.8	26.9	28.2
01/02 Q3	20.1	24.5	27.6	27.8
01/02 Q4	21.4	23.6	27.6	27.5
Total subscribers				
00/01 Q4	28.3	25.7	20.7	25.4
01/02 Q1	24.7	25.5	22.1	27.8
01/02 Q2	24.4	25.1	22.7	27.8
01/02 Q3	24.6	24.7	23.2	27.6
01/02 Q4	25.4	23.9	23.2	27.4
Connections during period				
00/01 Q4	27.2	27.9	18.0	26.9
01/02 Q1	26.4	27.2	19.7	26.7
01/02 Q2	26.9	25.0	23.3	24.9
01/02 Q3	28.1	23.3	27.5	21.1
01/02 Q4	28.3	22.8	27.1	21.8

*Subscriber shares from 01/02 Q1 onwards is not directly comparable with previous figures due to Vodafone & BT Cellnet revising the basis on which subscriber disconnections are calculated.

Table 5**Estimated retail revenues generated by mobile telephony (£m)**

	All operators	Vodafone	O2	T-Mobile	Orange
Connection					
00/01 Q4	15	14	1	0	1
01/02 Q1	16	12	3	0	1
01/02 Q2	18	15	3	0	0
01/02 Q3	17	15	2	0	0
01/02 Q4	13	11	2	0	0
Calls & fixed charges					
00/01 Q4	1,638	564	397	271	405
01/02 Q1	1,675	580	391	271	434
01/02 Q2	1,777	605	407	294	470
01/02 Q3	1,792	614	395	298	484
01/02 Q4	1,797	617	386	319	475
SMS messaging					
00/01 Q4	211	71	40	41	59
01/02 Q1	229	72	48	42	66
01/02 Q2	249	79	54	46	70
01/02 Q3	293	91	62	62	77
01/02 Q4	311	99	65	62	84
Total					
00/01 Q4	1,864	649	438	313	465
01/02 Q1	1,920	664	442	313	501
01/02 Q2	2,044	699	463	340	541
01/02 Q3	2,101	719	460	361	562
01/02 Q4	2,121	727	452	382	559

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.

Table 6**Service Provider to operator payments (£m)**

	Total	Vodafone	O2
00/01 Q4	860	506	354
01/02 Q1	895	526	369
01/02 Q2	934	553	381
01/02 Q3	939	570	369
01/02 Q4	949	574	376

Table 7**Call volumes by call type and operator (Mmiffs)**

	All operators	Vodafone	O2	T-Mobile	Orange
UK calls					
00/01 Q4	10,337	3,109	2,217	2,081	2,930
01/02 Q1	10,509	3,194	2,250	2,059	3,006
01/02 Q2	10,750	3,268	2,265	2,086	3,131
01/02 Q3	11,493	3,525	2,332	2,280	3,356
01/02 Q4	11,931	3,699	2,387	2,534	3,311
Outgoing international					
00/01 Q4	125	38	21	28	38
01/02 Q1	128	40	21	29	38
01/02 Q2	169	51	19	36	63
01/02 Q3	153	42	18	22	71
01/02 Q4	166	42	23	26	75
Whilst roaming abroad					
00/01 Q4	209	92	68	8	41
01/02 Q1	238	104	73	11	50
01/02 Q2	303	123	85	17	78
01/02 Q3	221	92	63	14	52
01/02 Q4	233	101	64	18	50
All calls					
00/01 Q4	10,670	3,239	2,306	2,116	3,009
01/02 Q1	10,874	3,338	2,344	2,098	3,094
01/02 Q2	11,222	3,442	2,369	2,139	3,272
01/02 Q3	11,867	3,659	2,413	2,316	3,479
01/02 Q4	12,330	3,842	2,474	2,578	3,436

Table 8**Volume of SMS messages (millions)**

	All operators	Vodafone	O2	T-Mobile	Orange
00/01 Q4	2,758	692	522	477	1,067
01/02 Q1	2,762	707	691	467	897
01/02 Q2	3,069	771	795	507	996
01/02 Q3	3,447	905	1,002	551	989
01/02 Q4	3,924	1,035	1,062	627	1,200

Table 9**Subscriber numbers by operator (000's)**

	All operators	*Vodafone	*O2	T-Mobile	Orange
Connections during period					
00/01 Q4	5,800	1,576	1,618	1,045	1,561
01/02 Q1	4,597	1,215	1,250	904	1,229
01/02 Q2	4,282	1,151	1,070	997	1,064
01/02 Q3	4,805	1,351	1,118	1,323	1,014
01/02 Q4	3,480	984	792	944	760
Subscribers at end of period					
Post paid					
00/01 Q4	12,750	4,293	3,455	1,836	3,166
01/02 Q1	12,937	4,382	3,435	1,732	3,388
01/02 Q2	13,322	4,565	3,418	1,733	3,606
01/02 Q3	13,882	4,793	3,474	1,853	3,762
01/02 Q4	14,292	4,914	3,542	1,928	3,908
*Pre-pay					
00/01 Q4	30,702	7,985	7,705	7,145	7,866
01/02 Q1	29,799	6,175	7,455	7,695	8,473
01/02 Q2	30,447	6,126	7,550	8,195	8,576
01/02 Q3	31,037	6,241	7,601	8,569	8,626
01/02 Q4	31,991	6,840	7,542	8,820	8,788
*Total					
00/01 Q4	43,452	12,279	11,160	8,981	11,032
01/02 Q1	42,736	10,557	10,890	9,428	11,861
01/02 Q2	43,769	10,691	10,968	9,929	12,181
01/02 Q3	44,919	11,034	11,075	10,422	12,387
01/02 Q4	46,282	11,754	11,084	10,749	12,696
Net change during period					
00/01 Q4	3,403	631	918	657	1,198
01/02 Q1	n/a	n/a	n/a	n/a	n/a
01/02 Q2	1,033	134	78	501	320
01/02 Q3	1,150	343	107	494	206
01/02 Q4	1,364	720	9	326	308

***Subscriber data from 01/02 Q1 onwards 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**Average retail revenue per subscriber (£)**

	All operators	*Vodafone	*O2	T-Mobile	Orange
00/01 Q4	44.6	54.3	40.9	36.1	44.5
01/02 Q1	44.6	58.2	40.1	34.0	43.8
01/02 Q2	47.3	65.8	42.4	35.2	45.0
01/02 Q3	47.4	66.2	41.7	35.4	45.7
01/02 Q4	46.5	63.8	40.8	36.1	44.6

*Data from 01/02 Q1 onwards 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**Interconnection revenues and related call volumes**

	All operators	Vodafone	*O2	T-Mobile	Orange
Revenues (£m)					
00/01 Q4	634	n/a	n/a	n/a	n/a
01/02 Q1	624	n/a	n/a	n/a	n/a
01/02 Q2	659	n/a	n/a	n/a	n/a
01/02 Q3	647	n/a	n/a	n/a	n/a
01/02 Q4	672	n/a	n/a	n/a	n/a
Call volumes (Mmiffs)					
00/01 Q4	5,500	1,639	1,260	1,116	1,486
01/02 Q1	5,679	1,678	1,374	1,140	1,487
01/02 Q2	5,913	1,708	1,340	1,183	1,682
01/02 Q3	5,993	1,753	1,377	1,219	1,644
01/02 Q4	6,118	1,759	1,393	1,279	1,687

*Figures have been updated to reflect more accurate data