



Market Information

Mobile Update

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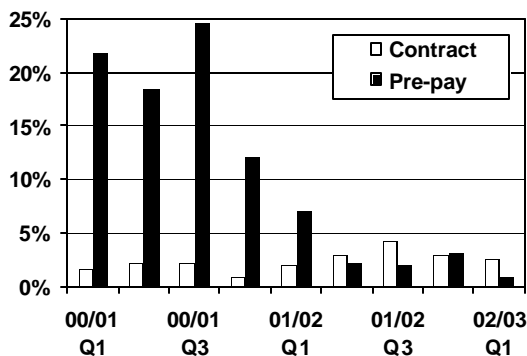
October 2002

Q1 2002/03 (April to June 2002)

Summary

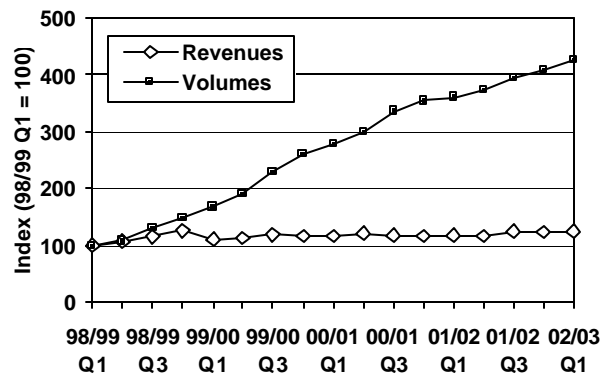
- At the end of June 2002 there were just under 47 million UK mobile subscribers
- Subscriber growth in the quarter to June was 1% with net subscriber additions of 639,000 - less than half those of the previous quarter

Mobile subscriber growth



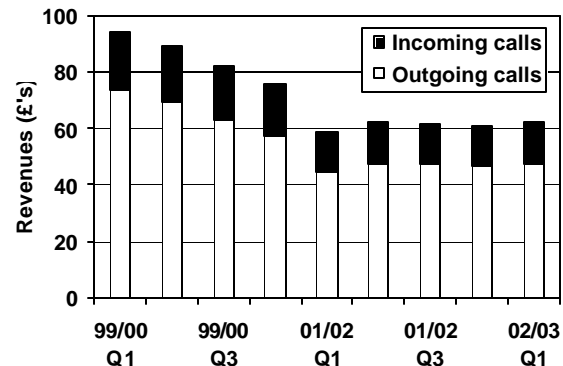
- The proportion of subscribers using pre-pay packages dropped slightly to 69 per cent.
- Pre-pay subscriber growth has now slowed to the level of contract customer growth
- Call volumes continue to grow and were up 18 per cent on the quarter to June 2001
- 'Calls & fixed charges' revenues only increased by 13% in the same period, suggesting that prices are falling

Call revenues and volumes



- SMS volumes continued to increase during the period, however the rate of growth has slowed
- Average retail revenue per subscriber increased by £1.20 during the period and is now at its highest level for over a year

Revenues per subscriber



Note: Data from Q1 01/02 is not directly comparable to previous data due to Vodafone & O2 revising the basis on which subscriber disconnections are calculated

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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Q1 2002/03 (April to June 2002)

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Cellular Network Operators

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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)
	2002/03 Q1	2001/02 Q1	
Retail			
Calls & fixed charges	1,887	1,675	12.6
Connection	11	16	-29.1
SMS messaging	325	229	42.1
Total	2,223	1,920	15.8
Interconnection	679	624	8.9

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

	Volumes		Annual Growth Rate (per cent)
	2002/03 Q1	2001/02 Q1	
Retail			
UK calls	12,346	10,509	17.5
Outgoing international	185	128	44.3
Whilst roaming abroad	286	238	20.4
All Calls	12,817	10,874	17.9
Interconnection	6,032	5,679	6.2
SMS messages (millions)	4,136	2,762	49.8
Subscribers (000's)			
Connections during period	3,553	4,597	-22.7
Post paid	14,650	12,937	13.2
Pre-pay	32,272	29,799	8.3
Total	46,922	42,736	9.8

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

	Vodafone	O2	T-Mobile	Orange
Calls & fixed charges				
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
02/03 Q1	33.9	21.6	17.3	27.3
Connection				
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
02/03 Q1	97.9	2.1	0.0	0.0
SMS messaging				
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	31.8	21.9	19.1	27.2
01/02 Q4	31.9	21.0	20.0	27.1
02/03 Q1	31.7	20.1	20.7	27.5
Retail total				
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	34.4	22.0	16.8	26.8
01/02 Q4	34.3	21.3	18.0	26.4
02/03 Q1	33.9	21.3	17.7	27.2

Table 4
Summary of volume market shares (percent)

	Vodafone	O2	T-Mobile	Orange
UK calls				
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
02/03 Q1	30.4	19.6	21.6	28.4
Outgoing international				
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
02/03 Q1	23.8	13.5	17.8	44.9
Whilst roaming abroad				
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
02/03 Q1	40.2	28.7	8.7	22.4
All calls				
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
02/03 Q1	30.5	19.7	21.3	28.5
SMS messages				
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
02/03 Q1	25.6	29.8	15.1	29.4
Interconnection				
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
02/03 Q1	30.3	24.2	19.6	25.9

Table 4a
Summary of subscriber market shares (percent)

	*Vodafone	*O2	T-Mobile	Orange
Post paid subscribers				
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
02/03 Q1	34.3	24.9	13.7	27.1
Pre-pay subscribers				
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
02/03 Q1	21.2	23.3	28.2	27.4
Total subscribers				
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
02/03 Q1	25.3	23.8	23.7	27.3
Connections during period				
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
02/03 Q1	27.3	25.4	26.9	20.4

*Subscriber shares from 01/02 Q1 onwards is not directly comparable with previous figures due to Vodafone & O2 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					
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
02/03 Q1	11	11	0	0	0
Calls & fixed charges					
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
02/03 Q1	1,887	639	408	326	515
SMS messaging					
01/02 Q1	229	72	48	42	66
01/02 Q2	249	79	54	46	70
01/02 Q3	285	91	62	54	77
01/02 Q4	311	99	65	62	84
02/03 Q1	325	103	65	67	89
Total					
01/02 Q1	1,920	664	442	313	501
01/02 Q2	2,044	699	463	340	541
01/02 Q3	2,093	719	460	352	562
01/02 Q4	2,121	727	452	382	559
02/03 Q1	2,223	753	473	393	604

*Figures from Q1 02/03 are not directly comparable to previous data as Ofcom has made an adjustment to the way in which revenues are estimated. 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
01/02 Q1	895	526	369
01/02 Q2	934	553	381
01/02 Q3	939	570	369
01/02 Q4	949	574	376
02/03 Q1	987	591	396

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

	All operators	Vodafone	O2	T-Mobile	Orange
UK calls					
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
02/03 Q1	12,346	3,755	2,416	2,670	3,505
Outgoing international					
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
02/03 Q1	185	44	25	33	83
Whilst roaming abroad					
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
02/03 Q1	286	115	82	25	64
All calls					
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
02/03 Q1	12,817	3,914	2,523	2,728	3,652

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

	All operators	Vodafone	O2	T-Mobile	Orange
01/02 Q1	2762	707	691	467	897
01/02 Q2	3069	771	795	507	996
01/02 Q3	3447	905	1,002	551	989
01/02 Q4	3924	1,035	1,062	627	1,200
02/03 Q1	4136	1,060	1,234	625	1,217

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

	All operators	*Vodafone	*O2	T-Mobile	Orange
Connections during period					
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
02/03 Q1	3,553	971	901	956	725
Subscribers at end of period					
Post paid					
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	14,291	4,914	3,542	1,928	3,908
02/03 Q1	14,650	5,020	3,653	2,004	3,972
*Pre-pay					
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	31,992	6,840	7,542	8,822	8,788
02/03 Q1	32,272	6,829	7,518	9,095	8,830
*Total					
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	46,283	11,754	11,084	10,749	12,696
02/03 Q1	46,922	11,849	11,171	11,100	12,802
Net change during period					
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	327	308
02/03 Q1	639	95	87	350	107

***Subscriber data from 01/02 onwards is not directly comparable with previous figures due to Vodafone & O2 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
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	47.2	66.2	41.7	34.6	45.7
01/02 Q4	46.5	63.8	40.8	36.1	44.6
02/03 Q1	47.7	63.8	42.5	36.0	47.4

*Data from 01/02 onwards is not directly comparable with previous figures due to Vodafone & O2 revising the basis on which subscriber disconnections are calculated. **Figures from Q1 02/03 are not directly comparable to previous data as OfTel has made an adjustment to the way in which revenues are estimated. Revenues do not include those generated by incoming calls or VAT.

Table 11**Interconnection revenues and related call volumes**

	All operators	Vodafone	O2	T-Mobile	Orange
Revenues (£m)					
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
02/03 Q1	679	n/a	n/a	n/a	n/a
Call volumes (Mmitts)					
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
02/03 Q1	6,032	1,826	1,458	1,183	1,565