



Market Information

Mobile Update

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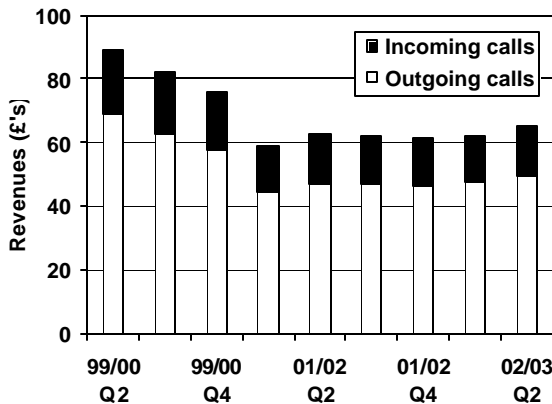
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Summary

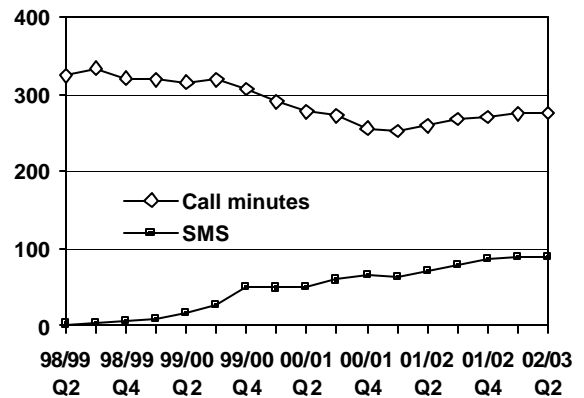
- For the first time all four operators increased their average revenue per subscriber
- This indicates that operators are focusing on increasing revenues from existing customers as mobile penetration increases

Revenues per subscriber



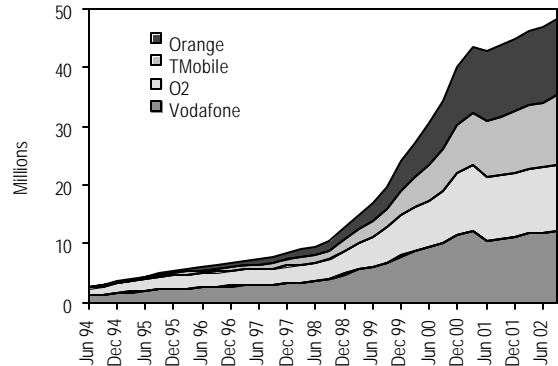
- Call volumes continue to grow and were up by almost 5 per cent on the previous quarter
- Revenues from SMS messaging increased by 7% on the previous quarter
- At the end of September 2002 there were just under 48.5 million UK mobile subscribers

Outgoing Minutes & SMS per subscriber



- Subscriber growth increased with net additions of 1.4 million, more than twice those of the previous quarter
- The proportion of subscribers using pre-pay packages remains steady at around 69 per cent

Cellular subscribers



Data from June 01 is not comparable with previous figures

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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Q2 2002/03 (July to Sept 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 Q2	2001/02 Q2	
Retail			
Calls & fixed charges	2,014	1,777	13.3
Connection	11	18	-38.8
SMS messaging	348	249	39.6
Total	2,372	2,044	16.1
Interconnection	722	659	9.6

Table 2**Summary of all operators' volumes (millions of minutes)**

	Volumes		Annual Growth Rate (per cent)
	2002/03 Q2	2001/02 Q2	
Retail			
UK calls	12,566	10,750	16.9
Outgoing international	199	169	18.1
Whilst roaming abroad	353	303	16.7
All Calls	13,118	11,222	16.9
Interconnection	6,523	5,913	10.3
SMS messages (millions)	4,210	3,069	37.2
Subscribers (000's)			
Connections during period	4,394	4,282	2.6
Post paid	15,237	13,322	14.4
Pre-pay	33,136	30,447	8.8
Total	48,373	43,769	10.5

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

	Vodafone	O2	T-Mobile	Orange
Calls & fixed charges				
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
02/03 Q2	34.1	21.7	17.7	26.5
Connection				
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
02/03 Q2	94.1	1.5	0.0	4.4
SMS messaging				
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
02/03 Q2	30.9	22.5	20.8	25.8
Retail total				
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
02/03 Q2	33.9	21.7	18.1	26.3

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

	Vodafone	O2	T-Mobile	Orange
UK calls				
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
02/03 Q2	30.0	20.3	21.7	28.0
Outgoing international				
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
02/03 Q2	22.6	13.6	20.6	43.2
Whilst roaming abroad				
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
02/03 Q2	37.1	27.2	10.2	25.5
All calls				
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
02/03 Q2	30.1	20.4	21.3	28.2
SMS messages				
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
02/03 Q2	25.8	30.2	16.2	27.8
Interconnection				
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	29.4	23.5	19.1	28.0
02/03 Q2	28.8	23.6	19.0	28.6

Table 4a
Summary of subscriber market shares (percent)

	Vodafone	O2	T-Mobile	Orange
Post paid subscribers				
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
02/03 Q2	33.9	25.1	13.8	27.2
Pre-pay subscribers				
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
02/03 Q2	21.0	23.0	29.1	26.9
Total subscribers				
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
02/03 Q2	25.0	23.7	24.3	27.0
Connections during period				
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
02/03 Q2	24.1	26.6	28.2	21.1

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

	All operators	Vodafone	O2	T-Mobile	Orange
Connection					
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
02/03 Q2	11	10	0	0	0
Calls & fixed charges					
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
02/03 Q2	2,014	686	437	357	534
SMS messaging					
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
02/03 Q2	348	107	78	72	90
Total					
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
02/03 Q2	2,372	804	515	429	624

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 Q2	934	553	381
01/02 Q3	939	570	369
01/02 Q4	949	574	376
02/03 Q1	987	591	396
02/03 Q2	1,054	624	431

Table 7**Call volumes by call type and operator (millions of minutes)**

	All operators	Vodafone	O2	T-Mobile	Orange
UK calls					
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
02/03 Q2	12,566	3,775	2,548	2,723	3,520
Outgoing international					
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
02/03 Q2	199	45	27	41	86
Whilst roaming abroad					
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
02/03 Q2	353	131	96	36	90
All calls					
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
02/03 Q2	13,118	3,951	2,671	2,800	3,696

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

	All operators	Vodafone	O2	T-Mobile	Orange
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
02/03 Q2	4210	1,087	1,273	680	1,170

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

	All operators	Vodafone	O2	T-Mobile	Orange
Connections during period					
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
02/03 Q2	4,394	1,058	1,168	1,240	928
Subscribers at end of period					
Post paid					
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
02/03 Q2	15,237	5,162	3,824	2,107	4,144
*Pre-pay					
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
02/03 Q2	33,136	6,943	7,625	9,651	8,916
*Total					
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
02/03 Q2	48,373	12,105	11,449	11,758	13,060
Net change during period					
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
02/03 Q2	1,451	256	278	659	258

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 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
02/03 Q2	49.8	67.1	45.5	37.6	48.2

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 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
02/03 Q2	722	n/a	n/a	n/a	n/a
Call volumes (Mmits)					
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	6,202	1,826	1,458	1,183	1,735
02/03 Q2	6,523	1,877	1,538	1,240	1,868