# Market Information

## Mobile Update

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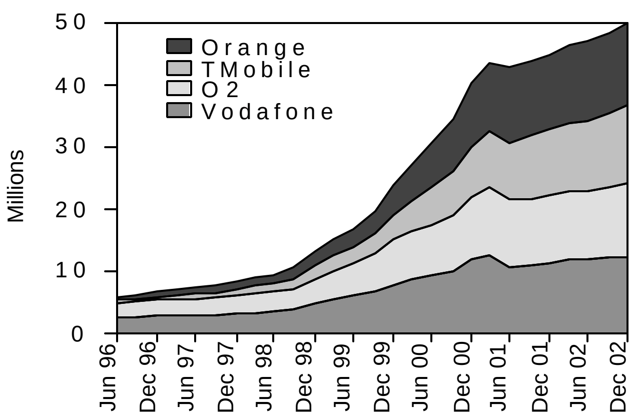
**Q3 2002/03 (October to December 2002)**

## Summary


- At the end of December 2002 there were just under 50 million UK mobile subscribers.
- The Christmas market helped subscriber growth with net additions of over 1.5 million, the largest quarterly increase in almost two years.
- The proportion of subscribers using pre-pay packages remains steady at around 69 per cent.

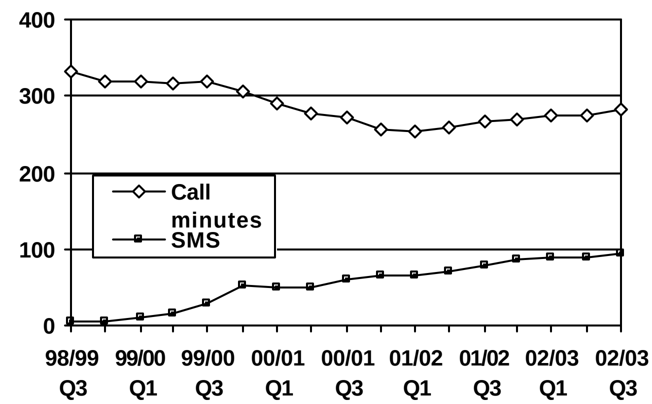
**Cellular subscribers**




Data from June 01 not comparable with previou

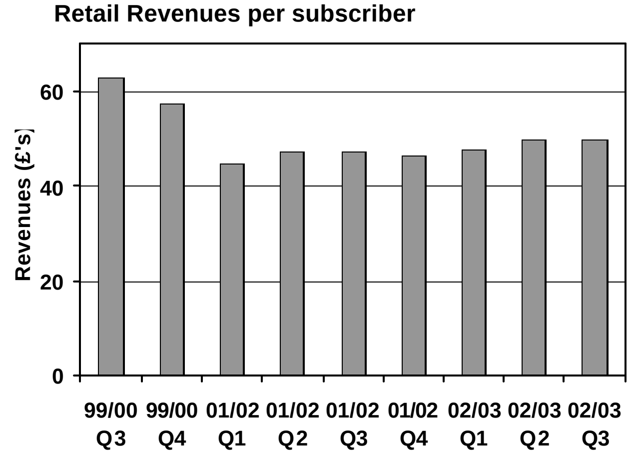
- Call volumes continue to grow and increased by 6 per cent during the quarter.
- SMS volumes now total over 1.5 billion per month, over one message per subscriber per day.
- SMS volumes were 36% higher than the same period in 2001/02.

**Outgoing Minutes & SMS per subscriber**




- Average call volumes per subscriber is now at just over 90 minutes per month.
- Average retail revenue per subscriber remained steady during the period at around £50.00.

**Retail Revenues per subscriber**





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# Market Information Mobile Update
## Q3 2002/03 (October to December 2003)

**Contents**

**Cellular Network Operators**



**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 |
|---|---|---|---|
| | **2002/03 Q3** | **2001/02 Q3** | **(per cent)** |
| **Retail** | | | |
| Calls & fixed charges | 2,043 | 1,792 | 14.0 |
| Connection | 1 | 17 | -93.6 |
| SMS messaging | 392 | 285 | 37.6 |
| Total | 2,435 | 2,093 | 16.3 |
| **Interconnection** | 707 | 647 | 9.2 |

## Table 2

## Summary of all operators' volumes (millions of minutes)

| | Volumes | | Annual Growth Rate |
|---|---|---|---|
| | **2002/03 Q3** | **2001/02 Q3** | **(per cent)** |
| **Retail** | | | |
| UK calls | 13,450 | 11,493 | 17.0 |
| Outgoing international | 191 | 153 | 25.2 |
| Whilst roaming abroad | 273 | 221 | 23.5 |
| All Calls | 13,914 | 11,867 | 17.3 |
| **Interconnection** | 6,624 | 5,993 | 10.5 |
| **SMS messages (millions)** | 4,683 | 3,447 | 35.9 |
| **Subscribers (000's)** | | | |
| Connections during period | 5,306 | 4,805 | 10.4 |
| Post paid | 15,571 | 13,882 | 12.2 |
| Pre-pay | 34,350 | 31,037 | 10.7 |
| Total | 49,921 | 44,919 | 11.1 |

**Table 3**

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

| | Vodafone | O2 | T-Mobile | Orange |
|---|---|---|---|---|
| **Calls & fixed charges** | | | | |
| 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 |
| 02/03 Q3 | 33.7 | 21.3 | 18.3 | 26.7 |
| **Connection** | | | | |
| 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 |
| 02/03 Q3 | 100.0 | 0.0 | 0.0 | 0.0 |
| **SMS messaging** | | | | |
| 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 |
| 02/03 Q3 | 30.0 | 25.0 | 20.5 | 24.5 |
| **Retail total** | | | | |
| 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 |
| 02/03 Q3 | 33.1 | 21.9 | 18.7 | 26.3 |

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

| | Vodafone | O2 | T-Mobile | Orange |
|---|---|---|---|---|
| **UK calls** | | | | |
| 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 |
| 02/03 Q3 | 29.7 | 20.6 | 22.2 | 27.5 |
| **Outgoing international** | | | | |
| 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 |
| 02/03 Q3 | 24.1 | 13.6 | 13.6 | 48.7 |
| **Whilst roaming abroad** | | | | |
| 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 |
| 02/03 Q3 | 37.0 | 26.0 | 14.3 | 22.7 |
| **All calls** | | | | |
| 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 |
| 02/03 Q3 | 29.7 | 20.6 | 21.9 | 27.7 |
| **SMS messages** | | | | |
| 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 |
| 02/03 Q3 | 25.6 | 31.8 | 15.9 | 26.7 |

## Table 4a
## Summary of subscriber market shares (percent)

| | Vodafone | O2 | *T-Mobile | Orange |
|---|---|---|---|---|
| **Post paid subscribers** | | | | |
| 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 |
| 02/03 Q3 | 33.1 | 25.3 | 14.4 | 27.2 |
| **Pre-pay subscribers** | | | | |
| 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 |
| 02/03 Q3 | 20.6 | 23.3 | 29.7 | 26.4 |
| **Total subscribers** | | | | |
| 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 |
| 02/03 Q3 | 24.5 | 23.9 | 24.9 | 26.7 |
| **Connections during period** | | | | |
| 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 |
| 02/03 Q3 | 26.8 | 27.7 | 29.5 | 15.9 |

*** See note on table 9**

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

| | All operators | Vodafone | O2 | *T-Mobile | Orange |
|---|---|---|---|---|---|
| **Connection** | | | | | |
| 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 |
| 02/03 Q3 | 1 | 1 | 0 | 0 | 0 |
| **Calls & fixed charges** | | | | | |
| 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 |
| 02/03 Q3 | 2,043 | 688 | 435 | 375 | 545 |
| **SMS messaging** | | | | | |
| 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 |
| 02/03 Q3 | 392 | 118 | 98 | 80 | 96 |
| **Total** | | | | | |
| 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 |
| 02/03 Q3 | 2,435 | 807 | 533 | 455 | 640 |

***T-Mobile figures from Q1 02/03 are not directly comparable to previous data as Oftel has made an adjustment to the way in which the expenditure of Independent Service Provider customers is 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 Oftel believes that the figures are comparable.

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

| | All operators | Vodafone | O2 | T-Mobile | Orange |
|---|---|---|---|---|---|
| 01/02 Q3 | 998 | n/a | n/a | n/a | n/a |
| 01/02 Q4 | 1,019 | n/a | n/a | n/a | n/a |
| 02/03 Q1 | 1,061 | n/a | n/a | n/a | n/a |
| 02/03 Q2 | 1,142 | n/a | n/a | n/a | n/a |
| 02/03 Q3 | 1,154 | n/a | n/a | n/a | n/a |

***Figures now include data for all four networks. Data is partially estimated.**

## Table 7

## Call volumes by call type and operator (Mmitts)

| | All operators | Vodafone | O2 | T-Mobile | Orange |
|---|---|---|---|---|---|
| **UK calls** | | | | | |
| 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 |
| 02/03 Q3 | 13,450 | 3,991 | 2,773 | 2,982 | 3,704 |
| **Outgoing international** | | | | | |
| 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 |
| 02/03 Q3 | 191 | 46 | 26 | 26 | 93 |
| **Whilst roaming abroad** | | | | | |
| 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 |
| 02/03 Q3 | 273 | 101 | 71 | 39 | 62 |
| **All calls** | | | | | |
| 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 |
| 02/03 Q3 | 13,914 | 4,138 | 2,870 | 3,047 | 3,859 |

## Table 8

## Volume of SMS messages (millions)

| | All operators | Vodafone | O2 | T-Mobile | Orange |
|---|---|---|---|---|---|
| 01/02 Q3 | 3,447 | 905 | 1,002 | 551 | 989 |
| 01/02 Q4 | 3,924 | 1,035 | 1,062 | 627 | 1,200 |
| 02/03 Q1 | 4,136 | 1,060 | 1,234 | 625 | 1,217 |
| 02/03 Q2 | 4,210 | 1,087 | 1,273 | 680 | 1,170 |
| 02/03 Q3 | 4,683 | 1,199 | 1,489 | 745 | 1,250 |

## Table 9

## Subscriber numbers by operator (000's)

| | All operators | Vodafone | O2 | *T-Mobile | Orange |
|---|---|---|---|---|---|
| **Connections during period** | | | | | |
| 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 |
| 02/03 Q3 | 5,306 | 1,424 | 1,469 | 1,567 | 845 |
| **Subscribers at end of period** | | | | | |
| **Post paid** | | | | | |
| 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 |
| 02/03 Q3 | 15,571 | 5,147 | 3,938 | 2,248 | 4,238 |
| ***Pre-pay** | | | | | |
| 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 |
| 02/03 Q3 | 34,350 | 7,064 | 8,014 | 10,198 | 9,074 |
| ***Total** | | | | | |
| 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 |
| 02/03 Q3 | 49,921 | 12,211 | 11,953 | 12,445 | 13,312 |
| **Net change during period** | | | | | |
| 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 |
| 02/03 Q3 | 1,548 | 106 | 503 | 687 | 252 |

***T-Mobile's subscriber figures exclude customers who have been inactive for more than 180 days, whereas Vodafone, O2 and Orange exclude those who have been inactive for over 90 days. This means that T-Mobile's published figures are likely to be greater than they would be had they been prepared on the same basis as the other operators. This should be taken into account when comparing operator data in the table above.**

## Table 10

## Average retail revenue per subscriber (£)

| | All operators | Vodafone | O2 | *T-Mobile | Orange |
|---|---|---|---|---|---|
| 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 |
| 02/03 Q3 | 49.6 | 66.4 | 45.6 | 37.6 | 48.6 |

***See footnotes on Tables 5 and 9.** 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 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 |
| 02/03 Q3 | 707 | n/a | n/a | n/a | n/a |
| **Call volumes (Mmitts)** | | | | | |
| 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 |
| 02/03 Q3 | 6,624 | 1,880 | 1,615 | 1,316 | 1,813 |