



Market Information

Mobile Update

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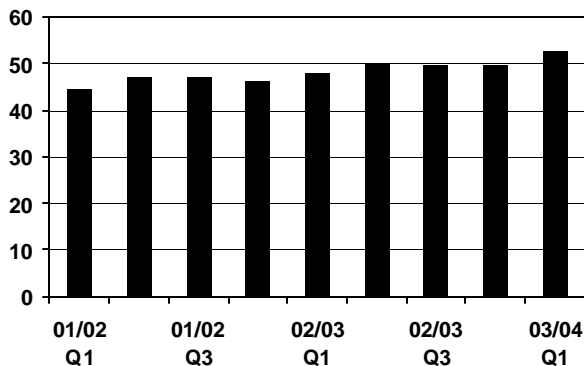
Note:

The report does not include any usage figures for Hutchison 3G's "3" service. Figures released in August 2003 showed that 3 had around 155,000 UK subscribers, representing 0.3% of all mobile users. Data on 3 will be included in the Q2 03/04 report.

Summary

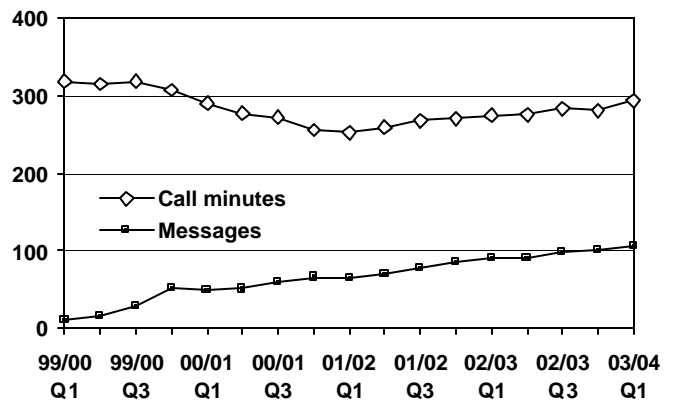
- The number of UK mobile subscribers exceeded 50 million for the first time during the period
- This was as a result of subscriber growth in both the pre-pay and post-pay markets
- At the end of June 2003 pre-pay subscribers accounted for 68% of UK mobile users, unchanged from three months previously

Retail revenue per subscriber (£)



- OfTel consumer research conducted in May 2003 showed that 75% of UK adults owned or used a mobile phone
- Average monthly retail revenue per subscriber increased to almost £18, the highest level in three years
- This comes as a result of consumers adopting new services such as GPRS and picture messaging and increasing average call and SMS usage

Outgoing calls & messages per subscriber



- Call volumes increased by 5% during the period while messaging volumes increased by 4%
- The average mobile subscriber makes around 100 minutes of calls a month and sends 35 text and picture messages
- The mobile market accounts for 15% of total UK call volumes and 47% of call and access revenues

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 2003/04 (April to June 2003)

Contents

Cellular Network Operators

Table	Description	Page
1	Summary of all operators' revenues	3
2	Summary of all operators' volumes	3
3	Summary of revenue market shares	4
4	Summary of volume market shares	5
4a	Summary of subscriber market shares	6
5	Estimated retail revenues generated by mobile telephony	7
6	Service Provider to operator payments	7
7	Call volumes by call type and operator	8
8	Volume of text & picture messages	8
9	Subscriber numbers by operator	9
10	Average retail revenue per subscriber	10
11	Interconnection revenues and related call volumes	10

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

From Q1 02/03 columns relating to 'text and picture messages' incorporate SMS, MMS, and text related services.

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)
	2003/04 Q1	2002/03 Q1	
Retail			
Calls & fixed charges	2,199	1,887	16.5
Connection	1	11	-88.3
Text & picture messages	434	332	30.6
Total	2,634	2,230	18.1
Interconnection	746	679	9.8

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

	Volumes		Annual Growth Rate (per cent)
	2003/04 Q1	2002/03 Q1	
Retail			
UK calls	14,140	12,346	14.5
Outgoing international	194	185	4.9
Whilst roaming abroad	324	286	13.3
All Calls	14,657	12,817	14.4
Interconnection	7,285	6,348	14.8
Text & picture messages (m)	5,253	4,205	24.9
Subscribers (000's)			
Connections during period	4,094	3,553	15.2
Post paid	16,129	14,650	10.1
Pre-pay	34,091	32,272	5.6
Total	54,314	50,475	7.6

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

	Vodafone	O2	T-Mobile	Orange
Calls & fixed charges				
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
02/03 Q4	34.0	21.1	18.7	26.1
03/04 Q1	33.3	22.0	19.3	25.4
Connection				
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	89.7	10.3	0.0	0.0
02/03 Q4	76.9	9.8	0.0	13.3
03/04 Q1	83.5	15.7	0.0	0.8
Text & picture messages				
02/03 Q1	31.0	20.0	20.3	28.7
02/03 Q2	29.8	22.1	20.1	27.9
02/03 Q3	29.1	24.5	19.8	26.6
02/03 Q4	28.6	25.4	20.8	25.1
03/04 Q1	28.5	24.1	20.2	27.3
Retail total				
02/03 Q1	33.8	21.3	17.6	27.4
02/03 Q2	33.7	21.7	18.0	26.6
02/03 Q3	33.0	21.8	18.6	26.6
02/03 Q4	33.1	21.9	19.1	25.9
03/04 Q1	32.5	22.4	19.4	25.7

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

	Vodafone	O2	T-Mobile	Orange
UK calls				
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
02/03 Q4	29.5	21.4	22.3	26.8
03/04 Q1	28.4	21.9	22.8	26.9
Outgoing international				
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	23.7	15.1	13.4	47.8
02/03 Q4	23.6	15.4	15.4	45.6
03/04 Q1	24.7	17.0	15.5	42.8
Whilst roaming abroad				
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
02/03 Q4	39.9	25.8	9.2	25.1
03/04 Q1	35.8	25.3	14.2	24.7
All calls				
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
02/03 Q4	29.6	21.4	21.9	27.0
03/04 Q1	28.6	21.9	22.5	27.1
Text & picture messages				
02/03 Q1	25.2	29.4	15.4	30.0
02/03 Q2	25.2	29.6	16.2	29.0
02/03 Q3	24.8	30.9	16.7	27.6
02/03 Q4	24.7	33.1	16.8	25.5
03/04 Q1	25.4	32.5	17.3	24.8

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

	Vodafone	O2	*T-Mobile	Orange
Post paid subscribers				
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
02/03 Q4	32.8	25.5	14.7	27.0
03/04 Q1	32.5	26.0	14.9	26.6
Pre-pay subscribers				
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
02/03 Q4	20.4	23.7	29.2	26.7
03/04 Q1	20.3	23.8	29.6	26.3
Total subscribers				
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
02/03 Q4	24.4	24.3	24.6	26.8
03/04 Q1	24.2	24.5	24.9	26.4
Connections during period				
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
02/03 Q4	30.5	24.7	27.8	17.0
03/04 Q1	32.2	25.9	25.4	16.5

* See note on table 9

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

	All operators	Vodafone	O2	*T-Mobile	Orange
Connection					
02/03 Q1	11	11	0	0	0
02/03 Q2	11	10	0	0	0
02/03 Q3	1	1	0	0	0
02/03 Q4	1	1	0	0	0
03/04 Q1	1	1	0	0	0
Calls & fixed charges					
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
02/03 Q4	2,046	696	433	383	534
03/04 Q1	2,199	732	485	424	558
Text & picture messages					
02/03 Q1	332	103	66	67	95
02/03 Q2	360	107	79	72	100
02/03 Q3	405	118	99	80	108
02/03 Q4	432	124	110	90	109
03/04 Q1	434	124	104	88	118
Total					
02/03 Q1	2,230	753	474	393	610
02/03 Q2	2,384	804	516	429	635
02/03 Q3	2,449	807	534	455	652
02/03 Q4	2,480	821	543	473	643
03/04 Q1	2,634	857	589	512	676

*T-Mobile figures from Q1 02/03 are not directly comparable to previous data as Ofcom 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 Ofcom believes that the figures are comparable.

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

	All operators	Vodafone	O2	T-Mobile	Orange
02/03 Q1	1,193	n/a	n/a	n/a	n/a
02/03 Q2	1,261	n/a	n/a	n/a	n/a
02/03 Q3	1,286	n/a	n/a	n/a	n/a
02/03 Q4	1,267	n/a	n/a	n/a	n/a
03/04 Q1	1,415	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 (Mmmts)**

	All operators	Vodafone	O2	T-Mobile	Orange
UK calls					
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	13,447	3,991	2,770	2,982	3,704
02/03 Q4	13,512	3,990	2,897	3,009	3,616
03/04 Q1	14,140	4,021	3,095	3,217	3,807
Outgoing international					
02/03 Q1	185	44	25	33	83
02/03 Q2	199	45	27	41	86
02/03 Q3	194	46	29	26	93
02/03 Q4	195	46	30	30	89
03/04 Q1	194	48	33	30	83
Whilst roaming abroad					
02/03 Q1	286	115	82	25	64
02/03 Q2	353	131	96	36	90
02/03 Q3	273	101	71	39	62
02/03 Q4	271	108	70	25	68
03/04 Q1	324	116	82	46	80
All calls					
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
02/03 Q4	13,978	4,144	2,997	3,064	3,773
03/04 Q1	14,657	4,185	3,209	3,293	3,970

Table 8**Volume of text & picture messages (millions)**

	All operators	Vodafone	O2	T-Mobile	Orange
02/03 Q1	4,205	1,060	1,237	648	1,260
02/03 Q2	4,308	1,087	1,276	696	1,249
02/03 Q3	4,830	1,199	1,493	807	1,331
02/03 Q4	5,067	1,250	1,678	849	1,290
03/04 Q1	5,253	1,332	1,709	911	1,301

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

	All operators	Vodafone	O2	*T-Mobile	Orange
Connections during period					
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
02/03 Q4	4,191	1,279	1,036	1,166	711
03/04 Q1	4,094	1,319	1,060	1,038	677
Subscribers at end of period					
Post paid					
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
02/03 Q4	15,919	5,227	4,061	2,339	4,292
03/04 Q1	16,129	5,245	4,187	2,400	4,298
*Pre-pay					
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
02/03 Q4	33,758	6,874	7,989	9,873	9,021
03/04 Q1	34,091	6,910	8,121	10,100	8,959
*Total					
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
02/03 Q4	49,677	12,101	12,050	12,213	13,313
03/04 Q1	50,220	12,155	12,308	12,499	13,257
Net change during period					
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
02/03 Q4	-245	-110	97	-232	1
03/04 Q1	543	54	258	286	-56

*T-Mobile's subscriber numbers are reported on the basis of a threshold period for inactive subscribers that is different to that of Vodafone, O2 and Orange. This means that T-Mobile's figures are likely to be greater than had they been prepared on the same basis as the other operators. This should be taken into account when comparing data in the table above.

Table 10**Average retail revenue per subscriber (£)**

	All operators	Vodafone	O2	*T-Mobile	Orange
02/03 Q1	47.9	63.8	42.6	36.0	47.9
02/03 Q2	50.0	67.1	45.6	37.6	49.1
02/03 Q3	49.8	66.4	45.7	37.6	49.5
02/03 Q4	49.8	67.5	45.2	38.4	48.3
03/04 Q1	52.7	70.6	48.4	41.4	50.9

*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)					
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
02/03 Q4	711	n/a	n/a	n/a	n/a
03/04 Q1	746	n/a	n/a	n/a	n/a
Call volumes (Mmits)					
02/03 Q1	6,348	1,826	1,458	1,329	1,735
02/03 Q2	6,686	1,877	1,538	1,403	1,868
02/03 Q3	6,811	1,880	1,615	1,503	1,813
02/03 Q4	6,755	1,840	1,659	1,485	1,771
03/04 Q1	7,285	1,938	1,834	1,623	1,890