

KC Proposed Bundles Costings
Retail margins using BT Wholesale products as surrogates

Home Bundle		KC's only interconnect product taken - Voice
No paper bill/noDD		KC ST call termination (Daytime)
RRP (incl VAT)	-	BT ST call termination (Daytime)
RRP (Excl VAT)	-	KC Scale factor
KC Talk 3		
Karoo Mid		
No paper bill/noDD		
RRP (incl VAT)	-	
RRP (Excl VAT)	-	

Wholesale costs of KC Talk 3 (using BT as a surrogate)

	(£pm)	
BT OR WLR	-	* using BT OR WLR product as a surrogate for a KC WLR product
Multiply by KC Scale factor	-	* BT OR WLR uplifted by the uplift seen in the voice interconnect product due to scale economies enjoyed by BT vs KC
(+) Local calls incl		* ave basket of local residential calls per line
(+) other calls incl		* ave basket of other calls in bundle made by residential customers per line
"Wholesale" cost pm	-	
KC Talk 3 RRP (ex VAT)	-	
Gross margin (%)		

Wholesale costs of IPLine

	(£pm)	
EUA		* Per IPLine price book for consumer eua
Usage		* throughput assumption at kb/s, assuming xx % contention
Interconnect costs		* cost of an interconnect to Leeds for Mbit/s
Egress Costs	-	
Karoo Mid RRP (ex VAT)		Standard price, plus average overusage charge
Gross margin (%)		

"Bundle" Margins

	(£pm)	
Proposed "Bundle" price		
"Wholesale Bundle" cost	-	
Overall Gross Margin (£)	-	
Overall Gross Margin (%)		

Retail Margin

Proposed "Bundle" price	-	-
Wholesale Bundle	-	
Retail Costs	-	-
Total Retail Margin	-	
Total Retail Margin (%)		