Telecommunications Market Data Update

Q3 2017

MARKET DATA

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Contents

Section

1. Market Monitor

In the following section we highlight some of the key trends emerging this quarter from the data we collect on the UK telecommunications sector.

Fixed voice services

- Total UK fixed voice service revenues stood at £2.1bn in Q3 2017, a decrease of £15m (0.7%) from the previous quarter and £38m (1.8%) from Q3 2016. BT's share of these revenues (excluding EE) was 43.3%, a fall of 1.6 percentage points compared to a year previously.
- Fixed voice call volumes continued to decline in Q3 2017, with the total number of outgoing minutes generated by UK landlines dropping by 3.2% to 12.8 billion, representing a year-on-year decrease of 18.4%.
- There were 32.8 million fixed exchange lines (including PSTN lines and ISDN channels) at the end of Q3 2017, 227k (0.7%) fewer than in Q2 2017 and a 746k (2.2%) fall compared to a year previously.

Fixed broadband services

- There were 25.4 million UK fixed broadband lines at the end of Q3 2017, an increase of 80k (0.3%) compared to Q2 2017 and up 432k (1.7%) from a year previously.
- Of these lines, 7.9 million (31.1%) were "other inc. FTTx" lines – predominantly fibre broadband connections - a 5.9pp year-on-year increase.
- BT's retail share of fixed broadband lines (excluding EE) was 32.5% at the end of Q3 2017, a 0.1pp fall compared to the previous quarter and a year-on-year decrease of 0.4pp.

Mobile services

- Mobile telephony services generated £3.9bn in retail revenues in Q3 2017, a £104m (2.7%) increase from the previous quarter and a £56m (1.4%) increase compared to a year previously.
- The number of active mobile subscriptions (excluding M2M connections) was 84.5 million at the end of Q3 2017, up 0.3 million (0.4%) from a year previously. Over the same period, the number of dedicated mobile broadband subscriptions (excluding M2M) remained stable at 5.0 million.
- Average revenue per subscriber in Q3 2017 was £15.62, with post-pay subscribers generating more revenue than pre-pay subscribers (at £21.08 and £5.03 respectively).

2. Fixed telecoms market data tables

Q3 2017 (July to September 2017)

Table

Note: The data in these tables are the most accurate currently available. Where historical restatements have occurred, this is due to either operator restatements or improvements in methodology.

Table 1: Summary of network access & call revenues (£millions)

	All Operators	BT (exc. EE)	Virgin Media	Other	BT share (exc. EE)
Access & Calls[1]					
2015	8,384	3,703	882	3,799	44.2%
2016	8,518	3,753	831	3,935	44.1%
2016 Q3	2,135	959	207	969	44.9%
2016 Q4	2,133	940	205	988	44.1%
2017 Q1	2,119	924	203	992	43.6%
2017 Q2	2,112	920	195	998	43.5%
2017 Q3	2,097	909	195	994	43.3%
Access					
2015	6,012	2,469	660	2,883	41.1%
2016	6,356	2,542	650	3,164	40.0%
2016 Q3	1,594	649	162	782	40.7%
2016 Q4	1,607	638	164	805	39.7%
2017 Q1	1,615	632	166	818	39.1%
2017 Q2	1,630	636	163	832	39.0%
2017 Q3	1,624	629	161	833	38.8%
Calls[1]					
2015	2,372	1,234	222	915	52.0%
2016	2,163	1,211	180	771	56.0%
2016 Q3	541	309	45	187	57.1%
2016 Q4	526	303	40	183	57.5%
2017 Q1	504	292	37	174	58.0%
2017 Q2	482	284	32	166	58.9%
2017 Q3	473	279	34	161	59.0%

Excludes VAT; [1] Revenue figures are not intended to include subscription revenues for internet access although some element may remain.

Table 2: Summary of exchange line numbers at end of quarter (000's)

	All Operators	BT (exc. EE)	Virgin Media	Other	BT share (exc. EE)
2015	33,687	12,818	4,744	16,125	38.1%
2016	33,565	12,387	4,891	16,287	36.9%
2016 Q3	33,554	12,477	4,873	16,205	37.2%
2016 Q4	33,565	12,387	4,891	16,287	36.9%
2017 Q1	33,305	12,238	4,811	16,257	36.7%
2017 Q2	33,035	12,102	4,824	16,109	36.6%
2017 Q3	32,808	11,976	4,829	16,003	36.5%

Table 3: Summary of call volumes (millions of minutes)

	All Operators	BT (exc. EE)[1]	Virgin Media	Other Direct Access	Other Indirect Access	BT share (exc. EE)
2015	73,884	28,389	8,737	23,355	13,403	38.4%
2016	64,844	25,194	7,222	20,151	12,277	38.9%
2016 Q3	15,737	6,119	1,742	4,873	3,003	38.9%
2016 Q4	15,334	6,043	1,504	4,825	2,962	39.4%
2017 Q1	14,853	5,954	1,310	4,592	2,997	40.1%
2017 Q2	13,269	5,306	1,070	4,297	2,595	40.0%
2017 Q3	12,843	5,193	1,091	4,040	2,519	40.4%

Table 4: Summary of call revenues by call type (£millions)

	All calls	UK geographic calls	International calls	Calls to mobiles	Other calls[1]
2015	2,372	685	215	662	810
2016	2,163	625	187	529	821
2016 Q3	541	154	45	131	210
2016 Q4	526	153	44	123	206
2017 Q1	504	151	44	118	191
2017 Q2	482	137	39	112	194
2017 Q3	473	134	37	107	196

Excludes VAT; [1] Includes freephone, special services, premium rate, directory enquiries and all other call types. Figures are not intended to include subscription revenues for internet access although some element may remain.

Table 5: Summary of call volumes by call type (millions of minutes)

	All Operators	BT (exc. EE)	Virgin Media	Other Direct Access	Other Indirect Access	BT share (exc. EE)
UK geographic calls						
2015	48,405	19,131	6,651	13,696	8,927	39.5%
2016	41,927	16,978	5,574	11,637	7,738	40.5%
2016 Q3	10,033	4,082	1,341	2,786	1,824	40.7%
2016 Q4	9,946	4,075	1,155	2,837	1,879	41.0%
2017 Q1	9,576	4,017	994	2,770	1,795	41.9%
2017 Q2	8,591	3,630	801	2,533	1,627	42.3%
2017 Q3	8,267	3,513	800	2,427	1,527	42.5%
International calls						
2015	4,044	789	206	2,304	745	19.5%
2016	3,301	675	173	1,813	640	20.4%
2016 Q3	799	162	41	444	153	20.3%
2016 Q4	735	157	36	390	152	21.4%
2017 Q1	677	153	31	351	141	22.6%
2017 Q2	622	140	26	336	121	22.5%
2017 Q3	612	130	26	345	111	21.2%
Calls to mobiles						
2015	7,092	2,703	720	1,739	1,930	38.1%
2016	6,881	2,525	633	1,892	1,830	36.7%
2016 Q3	1,689	632	154	460	443	37.4%
2016 Q4	1,717	603	142	524	448	35.1%
2017 Q1	1,684	601	134	499	451	35.7%
2017 Q2	1,581	571	119	478	413	36.1%
2017 Q3	1,510	559	131	423	397	37.0%
Other calls[1]						
2015	14,343	5,766	1,160	5,615	1,801	40.2%
2016	12,735	5,016	842	4,809	2,068	39.4%
2016 Q3	3,215	1,243	206	1,183	583	38.7%
2016 Q4	2,935	1,208	171	1,074	483	41.2%
2017 Q1	2,915	1,183	151	971	610	40.6%
2017 Q2	2,474	965	124	950	435	39.0%
2017 Q3	2,454	991	134	845	484	40.4%

[1] Includes freephone, special services, premium rate, directory enquiries and all other call types.

Table 6: Summary of residential network access & call revenues (£millions)

	All Operators	BT (exc. EE)	Virgin Media	Other	BT share (exc. EE)
Access & Calls[1]					

2015	6,064	2,514	807	2,743	41.5%
2016	6,179	2,541	761	2,878	41.1%
2016 Q3	1,546	649	190	707	42.0%
2016 Q4	1,553	643	188	722	41.4%
2017 Q1	1,540	625	185	730	40.6%
2017 Q2	1,561	632	179	750	40.5%
2017 Q3	1,555	626	179	750	40.2%
Access					
2015	4,470	1,608	624	2,238	36.0%
2016	4,776	1,669	612	2,495	34.9%
2016 Q3	1,193	426	153	614	35.7%
2016 Q4	1,212	425	155	632	35.0%
2017 Q1	1,225	421	157	648	34.4%
2017 Q2	1,251	427	154	670	34.1%
2017 Q3	1,251	425	153	673	34.0%
Calls[1]					
2015	1,594	906	183	505	56.8%
2016	1,404	872	149	382	62.1%
2016 Q3	354	223	37	93	63.1%
2016 Q4	341	218	33	90	64.0%
2017 Q1	315	204	29	82	64.8%
2017 Q2	310	205	26	79	66.1%
2017 Q3	304	200	26	77	66.0%

Excludes VAT; [1] Revenue figures are not intended to include subscription revenues for internet access although some element may remain.

Table 7: Summary of residential exchange line numbers at end of quarter (000's)

	All Operators	BT (exc. EE)	Virgin Media	Other	BT share (exc. EE)
2015	26,097	9,528	4,277	12,292	36.5%
2016	26,482	9,404	4,379	12,698	35.5%
2016 Q3	26,380	9,422	4,429	12,529	35.7%
2016 Q4	26,482	9,404	4,379	12,698	35.5%
2017 Q1	26,401	9,327	4,390	12,684	35.3%
2017 Q2	26,297	9,259	4,414	12,624	35.2%
2017 Q3	26,217	9,199	4,422	12,596	35.1%

Table 8: Summary of residential call volumes (millions of minutes)

	All Operators	BT (exc. EE)[1]	Virgin Media	Other	*BT share (exc. EE)*
2015	49,925	19,847	7,382	22,696	39.8%
2016	43,277	17,508	6,063	19,706	40.5%
2016 Q3	10,388	4,224	1,461	4,703	40.7%
2016 Q4	10,229	4,234	1,238	4,757	41.4%
2017 Q1	9,748	4,118	1,030	4,600	42.2%
2017 Q2	8,642	3,632	836	4,174	42.0%
2017 Q3	8,299	3,557	814	3,928	42.9%

Table 9: Summary of residential call revenues by call type (£millions)

	All calls	UK geographic calls	International calls	Calls to mobiles	Other calls[1]
2015	1,594	498	123	369	604
2016	1,404	428	111	270	596
2016 Q3	354	105	27	67	155
2016 Q4	341	102	26	62	151
2017 Q1	315	98	24	58	135
2017 Q2	310	91	22	59	138
2017 Q3	304	87	21	56	139

Excludes VAT; [1] Includes freephone, special services, premium rate, directory enquiries and all other call types. Figures are not intended to include subscription revenues for internet access although some element may remain.

Table 10: Summary of residential call volumes by call type (millions of minutes)

	All Operators	BT (exc. EE)	Virgin Media	Other	BT share (exc. EE)
UK geographic calls					
2015	35,586	14,696	5,851	15,039	41.3%
2016	30,471	12,967	4,900	12,604	42.6%
2016 Q3	7,201	3,091	1,178	2,932	42.9%
2016 Q4	7,232	3,129	1,003	3,100	43.3%
2017 Q1	6,842	3,046	834	2,962	44.5%
2017 Q2	6,109	2,745	672	2,692	44.9%
2017 Q3	5,832	2,654	649	2,529	45.5%
International calls					
2015	2,749	468	182	2,099	17.0%
2016	2,169	398	152	1,619	18.4%
2016 Q3	515	95	36	384	18.5%
2016 Q4	470	94	31	345	20.0%
2017 Q1	420	89	26	305	21.2%
2017 Q2	380	81	22	277	21.3%
2017 Q3	376	75	21	280	19.9%
Calls to mobiles					
2015	2,735	1,084	388	1,263	39.6%
2016	2,811	1,017	325	1,469	36.2%
2016 Q3	683	257	79	347	37.6%
2016 Q4	741	248	67	426	33.5%
2017 Q1	709	240	54	415	33.9%
2017 Q2	670	227	46	397	33.9%
2017 Q3	608	223	45	340	36.7%
Other calls[1]					
2015	8,855	3,599	961	4,295	40.6%
2016	7,826	3,126	686	4,014	39.9%
2016 Q3	1,988	781	168	1,039	39.3%
2016 Q4	1,786	763	137	886	42.7%
2017 Q1	1,778	743	116	919	41.8%
2017 Q2	1,484	579	96	809	39.0%
2017 Q3	1,482	605	99	778	40.8%

[1] Includes freephone, special services, premium rate, directory enquiries and all other call types.

Table 11: Summary of business network access & call revenues (£millions)

	All Operators	BT (exc. EE)	Virgin Media	Other	BT share (exc. EE)
Access & Calls[1]					
2015	2,299	1,168	75	1,056	50.8%
2016	2,325	1,198	69	1,058	51.5%
2016 Q3	585	306	17	262	52.3%
2016 Q4	577	294	17	266	51.0%
2017 Q1	576	297	17	262	51.5%
2017 Q2	549	285	15	248	52.0%
2017 Q3	539	280	16	243	51.9%
Access					
2015	1,543	861	36	646	55.8%
2016	1,580	873	38	669	55.3%
2016 Q3	401	224	9	168	55.8%
2016 Q4	395	213	9	172	54.0%
2017 Q1	390	211	9	170	54.1%
2017 Q2	379	209	9	162	55.1%
2017 Q3	372	204	8	160	54.8%
Calls[1]					
2015	756	307	39	410	40.6%
2016	745	325	31	389	43.6%
2016 Q3	184	82	8	94	44.7%
2016 Q4	182	82	7	93	44.7%
2017 Q1	186	86	8	92	46.0%
2017 Q2	170	77	7	86	45.1%
2017 Q3	167	76	7	84	45.5%

Excludes VAT; [1] Revenue figures are not intended to include subscription revenues for internet access although some element may remain.

Table 12: Summary of business exchange line numbers at end of quarter (000's)

	All Operators	BT (exc. EE)	Virgin Media	Other	BT share (exc. EE)
2015	7,591	3,291	467	3,833	43.4%
2016	7,083	2,983	511	3,589	42.1%
2016 Q3	7,174	3,054	444	3,676	42.6%
2016 Q4	7,083	2,983	511	3,589	42.1%
2017 Q1	6,904	2,910	421	3,573	42.2%
2017 Q2	6,738	2,843	410	3,485	42.2%
2017 Q3	6,591	2,777	407	3,406	42.1%

Table 13: Summary of business call volumes (millions of minutes)

	All Operators	BT (exc. EE)[1]	Virgin Media	Other Direct Access	Other Indirect Access	BT share (exc. EE)
2015	23,921	8,504	1,355	7,657	6,405	35.6%
2016	21,544	7,663	1,160	6,662	6,059	35.6%
2016 Q3	5,343	1,889	281	1,646	1,527	35.4%
2016 Q4	5,101	1,804	267	1,593	1,437	35.4%
2017 Q1	5,100	1,832	280	1,513	1,475	35.9%
2017 Q2	4,622	1,670	234	1,388	1,330	36.1%
2017 Q3	4,540	1,632	277	1,320	1,311	35.9%

Table 14: Summary of business call revenues by call type (£millions)

	All calls	UK geographic calls	International calls	Calls to mobiles	Other calls[1]
2015	756	188	91	293	185
2016	745	198	77	259	211
2016 Q3	184	50	19	64	52
2016 Q4	182	51	18	61	52
2017 Q1	186	54	20	60	53
2017 Q2	170	47	17	53	53
2017 Q3	167	47	16	51	54

Excludes VAT; [1] Includes freephone, special services, premium rate, directory enquiries and all other call types. Figures are not intended to include subscription revenues for internet access although some element may remain.

Table 15: Summary of business call volumes by call type (millions of minutes)

	All Operators	BT (exc. EE)	Virgin Media	Other Direct Access	Other Indirect Access	BT share (exc. EE)
UK geographic calls						
2015	12,818	4,434	800	4,137	3,447	34.6%
2016	11,456	4,011	674	3,537	3,234	35.0%
2016 Q3	2,832	991	163	879	799	35.0%
2016 Q4	2,713	946	152	845	771	34.9%
2017 Q1	2,734	971	160	822	781	35.5%
2017 Q2	2,483	885	129	752	716	35.6%
2017 Q3	2,434	859	151	726	699	35.3%
International calls						
2015	1,294	321	24	715	234	24.8%
2016	1,131	277	21	622	211	24.5%
2016 Q3	285	67	5	158	55	23.5%
2016 Q4	265	63	5	147	50	23.8%
2017 Q1	257	64	5	142	46	24.9%
2017 Q2	243	59	4	143	37	24.3%
2017 Q3	236	55	5	140	36	23.3%
Calls to mobiles						
2015	4,356	1,618	332	992	1,413	37.1%
2016	4,069	1,508	308	939	1,314	37.1%
2016 Q3	1,006	375	75	233	323	37.3%
2016 Q4	977	355	75	234	312	36.3%
2017 Q1	976	361	80	215	320	37.0%
2017 Q2	911	344	73	199	295	37.8%
2017 Q3	902	336	86	187	293	37.2%
Other calls*						
2015	5,453	2,131	199	1,812	1,310	39.1%
2016	4,888	1,867	157	1,564	1,300	38.2%
2016 Q3	1,221	456	38	376	351	37.4%
2016 Q4	1,146	440	35	367	304	38.4%
2017 Q1	1,134	436	35	334	329	38.5%
2017 Q2	986	382	28	294	282	38.7%
2017 Q3	968	382	35	267	284	39.5%

[1] Includes freephone, special services, premium rate, directory enquiries and all other call types.

Table 16: Summary of residential and small business broadband connections at end of quarter (000's)[1]

	Total	ADSL	Cable	Other (inc. FTTx)	BT retail share (ex. EE)
2015	24,686	14,488	4,701	5,498	32.4%
2016	25,190	13,569	4,924	6,697	32.8%
2016 Q3	24,983	13,823	4,876	6,284	32.8%
2016 Q4	25,190	13,569	4,924	6,697	32.8%
2017 Q1	25,289	13,192	5,003	7,094	32.6%
2017 Q2	25,335	12,845	5,032	7,457	32.6%
2017 Q3	25,415	12,436	5,079	7,900	32.5%

[1]Includes freephone, special services, premium rate, directory enquiries and all other call types.

3. Mobile telecoms market data tables

Q3 2017 (July to September 2017)

Note: The data in these tables are the most accurate currently available. Where historical restatements have occurred, this is due to either operator restatements or improvements in methodology.

Table 1: Estimated retail revenues generated by mobile telephony (£millions)

	Total	Access and bundled svcs	UK fixed calls	On-net mobile calls	Off-net mobile calls	Int'l calls	Other calls	SMS and MMS	Data services
2015	15,221	10,337	395	315	434	523	685	773	1,758
2016	15,368	10,884	314	281	364	453	587	714	1,773
2016 Q3	3,892	2,738	78	71	92	110	156	183	463
2016 Q4	3,884	2,776	75	71	87	114	132	178	451
2017 Q1	3,826	2,822	67	62	74	103	119	162	416
2017 Q2	3,845	2,850	65	61	75	104	115	141	433
2017 Q3	3,948	2,948	63	60	76	107	105	140	448

Note: Includes estimates where Ofcom does not receive data from providers; excludes revenues from interconnection.

Table 2: Call and message volumes by call type (billions of minutes/messages)

	All calls	UK fixed calls	On-net mobile calls	Off-net mobile calls	Int'l calls	Calls when roaming	Other calls	SMS & MMS messages
2015	142.99	33.22	39.59	56.18	6.49	1.91	5.61	101.01
2016	151.17	33.78	42.98	60.65	5.94	2.28	5.54	90.95
2016 Q3	37.67	8.66	10.78	14.61	1.50	0.73	1.39	22.62
2016 Q4	38.76	8.61	11.33	15.47	1.36	0.57	1.43	22.20
2017 Q1	38.37	8.63	11.41	15.08	1.26	0.52	1.48	20.61
2017 Q2	36.07	8.02	10.77	14.09	1.19	0.63	1.37	19.25
2017 Q3	37.58	8.25	10.73	15.27	1.17	0.78	1.38	18.91

Note: Includes estimates where Ofcom does not receive data from providers.

Table 3: Subscriber numbers by type (millions)

	Conns during period	Total subs at end of period	Post-pay subs at end of period	Pre-pay subs at end of period	Net change during period	Proportion post-pay	Mobile b'band subs at end of period
2015	30.51	85.15	51.84	33.31	1.49	60.9%	5.52
2016	29.28	83.91	54.44	29.47	-1.24	64.9%	4.98
2016 Q3	7.89	84.16	53.70	30.46	0.47	63.8%	4.96
2016 Q4	7.63	83.91	54.44	29.47	-0.25	64.9%	4.98
2017 Q1	6.67	83.80	54.82	28.98	-0.11	65.4%	5.00
2017 Q2	6.80	84.06	55.24	28.81	0.25	65.7%	4.96
2017 Q3	7.65	84.46	55.91	28.55	0.40	66.2%	4.94

Note: Includes estimates where Ofcom does not receive data from providers; excludes M2M connections.

Table 4: Average monthly retail revenue per subscriber (£ per month)

	All subscribers	Post-pay contract	Pre-pay
2015	14.98	21.84	4.79
2016	15.26	21.25	4.84
2016 Q3	15.46	21.41	5.14
2016 Q4	15.41	21.18	4.99
2017 Q1	15.21	20.84	4.68
2017 Q2	15.27	20.77	4.79
2017 Q3	15.62	21.08	5.03

Note: Revenues are only from those services detailed in Table 1 and do not include those generated by incoming calls or VAT.

Table 5: Interconnection call volumes (billions of minutes)

	All operators
2015	52.48
2016	54.30
2016 Q3	14.35
2016 Q4	14.56
2017 Q1	14.66
2017 Q2	13.91
2017 Q3	14.45

Note: Shows the number of call minutes terminating on mobile networks which originate on other networks