Telecommunications Market Data Update

Q4 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

- Fixed voice services generated £2.0bn in revenues in Q4 2017, down by 2.3% (£48m) from the previous quarter and 3.9% (£84m) compared to Q4 2016.
- There was a total of 33.1 million UK PSTN lines and ISDN channels at the end of 2017. This represented an increase of 0.8% (262k) compared to Q3 2017, but a decline of 1.4% (468k) year-on-year.
- UK landlines generated 12.6 billion minutes of outgoing calls in Q4 2017, a quarterly decrease of 1.7% (214 million minutes) and 17.6% (2.7 billion minute) fall compared to Q4 2016.

Fixed broadband services

- There were 26.0 million UK fixed broadband connections at the end of 2017, an increase of 0.5% (129k) from Q3 2017 and a year-on-year increase of 2.1% (546k).
- The total number of ADSL lines was 12.1 million at the end of 2017, a fall of 2.4% (293k) from the previous quarter, while the total number of cable and 'Other (inc. FTTx)' connections increased by 0.6% (31k) and 4.7% (390k) respectively during the same period.
- There were 8.8 million 'Other (inc. FTTx)' fixed broadband lines, predominantly comprised of superfast fibre broadband connections, at the end of Q4 2017. This represented 33.8% of the total UK broadband connections, a 6.3 percentage point increase from Q4 2016.

Mobile services

- Mobile telephony services generated £3.9bn in retail revenues in Q4 2017, a £31m (-0.8%) decrease from the previous quarter and a £45m (1.2%) increase compared to a year previously.
- The number of active mobile subscriptions (excluding M2M connections) was 84.2 million at the end of Q4 2017, up 0.3 million (0.3%) from a year previously. Over the same period, the number of dedicated mobile broadband subscriptions remained the same at 5 million.

  Average revenue per subscriber in Q4 2017 was £15.53, with post-pay subscribers generating more revenue than pre-pay subscribers (at £20.91 and £4.77 respectively).

2. Fixed telecoms market data tables

Q4 2017 (October to December 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[2]	Virgin Media	Other	BT share[2]
Access & Calls[1]					
2016	8,518	3,753	831	3,935	44.1%
2017	8,378	3,642	783	3,952	43.5%
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%
2017 Q4	2,049	889	191	968	43.4%
Access					
2016	6,356	2,542	650	3,164	40.0%
2017	6,466	2,514	649	3,303	38.9%
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%
2017 Q4	1,596	617	160	820	38.6%
Calls[1]					
2016	2,163	1,211	180	771	56.0%
2017	1,912	1,128	135	650	59.0%
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%
2017 Q4	453	272	32	149	60.2%

Excludes VAT; [1] Revenue figures are not intended to include subscription revenues for internet access although some element may remain. [2]Includes EE from 2017 Q4.

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

	All Operators	BT[2]	Virgin Media	Other	BT share[2]
2016	33,565	12,387	4,891	16,287	36.9%
2017	33,097	12,888	4,825	15,385	38.9%
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	32,836	11,976	4,829	16,030	36.5%
2017 Q4	33,097	12,888	4,825	15,385	38.9%

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

	All Operators	BT[1,2]	Virgin Media	Other Direct Access	Other Indirect Access	BT share[2]
2016	64,844	25,194	7,222	20,151	12,277	38.9%
2017	53,593	21,945	4,483	16,913	10,252	40.9%
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%
2017 Q4	12,629	5,492	1,012	3,985	2,140	43.5%

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

	All calls	UK geographic calls	International calls	Calls to mobiles	Other calls[1]
2016	2,163	625	187	529	821
2017	1,912	551	157	441	763
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
2017 Q4	453	129	36	104	183

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. [2] Includes EE from 2017 Q4.

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

	All Operators	BT[2]	Virgin Media	Other Direct Access	Other Indirect Access	BT share[2]
UK geographic calls						
2016	41,927	16,978	5,574	11,637	7,738	40.5%
2017	34,692	14,914	3,338	10,144	6,296	43.0%
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%
2017 Q4	8,258	3,754	743	2,414	1,347	45.5%
International calls						
2016	3,301	675	173	1,813	640	20.4%
2017	2,514	576	107	1,367	464	22.9%
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%
2017 Q4	603	153	24	335	91	25.4%
Calls to mobiles						
2016	6,881	2,525	633	1,892	1,830	36.7%
2017	6,253	2,304	508	1,819	1,622	36.8%
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%
2017 Q4	1,477	573	124	419	361	38.8%
Other calls[1]						
2016	12,735	5,016	842	4,809	2,068	39.4%
2017	10,134	4,151	530	3,583	1,870	41.0%
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%
2017 Q4	2,290	1,012	121	817	341	44.2%

[1] Includes freephone, special services, premium rate, directory enquiries and all other call types.
[2] Includes EE from 2017 Q4.

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

	All Operators	BT[2]	Virgin Media	Other	BT share[2]
Access & Calls[1]					
2016	6,179	2,541	761	2,878	41.1%
2017	6,191	2,509	719	2,963	40.5%
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	751	40.2%
2017 Q4	1,535	627	176	733	40.8%
Access					
2016	4,776	1,669	612	2,495	34.9%
2017	4,969	1,697	614	2,658	34.1%
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	674	34.0%
2017 Q4	1,242	424	151	667	34.1%
Calls[1]					
2016	1,404	872	149	382	62.1%
2017	1,222	812	105	305	66.5%
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%
2017 Q4	293	203	24	66	69.2%

Excludes VAT; [1] Revenue figures are not intended to include subscription revenues for internet access although some element may remain. [2] Includes EE from 2017 Q4.

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

	All Operators	BT[2]	Virgin Media	Other	BT share[2]
2016	26,482	9,404	4,379	12,698	35.5%
2017	26,661	10,191	4,424	12,046	38.2%
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	26,245	9,199	4,422	12,624	35.0%
2017 Q4	26,661	10,191	4,424	12,046	38.2%

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

	All Operators	BT[1,2]	Virgin Media	Other	BT share[2]
2016	43,277	17,508	6,063	19,706	40.5%
2017	34,968	15,243	3,418	16,307	43.6%
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%
2017 Q4	8,279	3,936	738	3,605	47.5%

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

	All calls	UK geographic calls	International calls	Calls to mobiles	Other calls[1]
2016	1,404	428	111	270	596
2017	1,222	362	89	228	543
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
2017 Q4	293	86	21	55	130

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. [2] Includes EE from 2017 Q4.

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

	All Operators	BT[2]	Virgin Media	Other	BT share[2]
UK geographic calls					
2016	30,471	12,967	4,900	12,604	42.6%
2017	24,705	11,392	2,746	10,567	46.1%
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%
2017 Q4	5,921	2,947	591	2,383	49.8%
International calls					
2016	2,169	398	152	1,619	18.4%
2017	1,550	345	88	1,117	22.3%
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%
2017 Q4	375	100	19	256	26.7%
Calls to mobiles					
2016	2,811	1,017	325	1,469	36.2%
2017	2,587	939	185	1,463	36.3%
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%
2017 Q4	601	249	40	312	41.5%
Other calls[1]					
2016	7,826	3,126	686	4,014	39.9%
2017	6,126	2,567	399	3,160	41.9%
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%
2017 Q4	1,382	640	88	654	46.3%

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

[2] Includes EE from 2017 Q4.

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

	All Operators	BT[2]	Virgin Media	Other	BT share[2]
Access & Calls[1]					
2016	2,325	1,198	69	1,058	51.5%
2017	2,179	1,125	64	989	51.6%
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%
2017 Q4	514	263	16	236	51.1%
Access					
2016	1,580	873	38	669	55.3%
2017	1,496	817	34	644	54.6%
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%
2017 Q4	355	193	8	153	54.5%
Calls[1]					
2016	745	325	31	389	43.6%
2017	682	308	30	345	45.1%
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%
2017 Q4	160	69	7	83	43.5%

Excludes VAT; [1] Revenue figures are not intended to include subscription revenues for internet access although some element may remain. [2] Includes EE from 2017 Q4.

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

	All Operators	BT[2]	Virgin Media	Other	BT share[2]
2016	7,083	2,983	511	3,589	42.1%
2017	6,437	2,697	401	3,339	41.9%
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%
2017 Q4	6,437	2,697	401	3,339	41.9%

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

	All Operators	BT[1,2]	Virgin Media	Other Direct Access	Other Indirect Access	BT share[2]
2016	21,544	7,663	1,160	6,662	6,059	35.6%
2017	18,614	6,690	1,065	5,491	5,368	35.9%
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%
2017 Q4	4,351	1,556	274	1,270	1,251	35.8%

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

	All calls	UK geographic calls	International calls	Calls to mobiles	Other calls[1]
2016	745	198	77	259	211
2017	682	189	68	213	212
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	53
2017 Q4	160	42	15	49	53

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. [2] Includes EE from 2017 Q4.

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

	All Operators	BT[2]	Virgin Media	Other Direct Access	Other Indirect Access	BT share[2]
UK geographic calls						
2016	11,456	4,011	674	3,537	3,234	35.0%
2017	9,988	3,522	592	2,986	2,887	35.3%
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%
2017 Q4	2,337	807	152	686	692	34.5%
International calls						
2016	1,131	277	21	622	211	24.5%
2017	964	231	19	562	152	24.0%
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%
2017 Q4	228	53	5	137	34	23.2%
Calls to mobiles						
2016	4,069	1,508	308	939	1,314	37.1%
2017	3,665	1,365	323	782	1,195	37.2%
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%
2017 Q4	877	324	84	181	287	37.0%
Other calls*						
2016	4,888	1,867	157	1,564	1,300	38.2%
2017	3,997	1,572	131	1,161	1,133	39.3%
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%
2017 Q4	910	372	33	266	239	40.9%

[1] Includes freephone, special services, premium rate, directory enquiries and all other call types.
[2] Includes EE from 2017 Q4.

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[2]
2016	25,470	13,550	4,924	6,996	32.5%
2017	26,016	12,122	5,110	8,784	35.9%
2016 Q4	25,470	13,550	4,924	6,996	32.5%
2017 Q1	25,624	13,174	5,003	7,446	32.2%
2017 Q2	25,732	12,824	5,032	7,876	32.1%
2017 Q3	25,887	12,415	5,079	8,393	31.9%
2017 Q4	26,016	12,122	5,110	8,784	35.9%

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

[2] Includes EE from 2017 Q4.

3. Mobile telecoms market data tables

Q4 2017 (October to December 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
2016	15,365	10,883	313	280	364	453	580	713	1,772
2017	15,567	11,550	253	243	296	415	437	642	1,731
2016 Q4	3,884	2,776	75	71	87	114	132	178	451
2017 Q1	3,821	2,816	67	62	74	103	119	162	416
2017 Q2	3,857	2,843	65	61	75	104	115	161	433
2017 Q3	3,960	2,939	63	60	76	107	105	160	448
2017 Q4	3,929	2,952	56	59	70	101	99	159	433

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
2016	151.17	33.78	42.98	60.65	5.94	2.28	5.54	90.95
2017	148.64	32.59	43.85	59.53	4.72	2.48	5.47	77.23
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	19.10
2017 Q4	36.61	7.69	10.94	15.09	1.10	0.55	1.23	18.39

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
2016	29.28	83.91	54.44	29.47	-1.24	64.9%	4.98
2017	28.62	84.19	56.56	27.63	0.28	67.2%	5.02
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	83.89	55.24	28.65	0.09	65.8%	4.96
2017 Q3	7.65	84.46	55.91	28.55	0.57	66.2%	4.94
2017 Q4	7.50	84.19	56.56	27.63	-0.27	67.2%	5.02

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
2016	15.25	21.25	4.84
2017	15.43	20.93	4.83
2016 Q4	15.41	21.18	4.99
2017 Q1	15.19	20.81	4.68
2017 Q2	15.33	20.85	4.80
2017 Q3	15.68	21.15	5.05
2017 Q4	15.53	20.91	4.77

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
2016	56.04
2017	57.92
2016 Q4	15.41
2017 Q1	14.66
2017 Q2	13.91
2017 Q3	14.45
2017 Q4	14.90

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