



Commission for
Communications Regulation

Irish Communications Market

Quarterly Key Data Report

Data as of Q3 2015

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An Coimisiún um Rialáil Cumarsáide
Commission for Communications Regulation

Abbey Court Irish Life Centre Lower Abbey Street, Dublin D01 W2H4, Ireland

Telephone +353 1 804 9600 Fax +353 1 804 9680 Email info@comreg.ie Web www.comreg.ie

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Corrigendum to Q2 2015 Report¹

Four operators have informed ComReg about incorrect historically provided information:

Note 1: The number of cable broadband subscriptions in Q2 2015 has been revised downwards following an operator revision of historically provided information. Total fixed broadband subscriptions as well as total broadband (fixed and mobile) subscriptions have been revised downwards by 5,000 subscriptions. These changes also affect fixed broadband subscriptions market shares. Hence, these metrics have also been revised.

Note 2: Fixed line wholesale revenues in Q2 2015 have been revised upwards by €264,000 following an operator revision of historically provided wholesale broadband access revenues. This change also affects fixed line revenue (retail and wholesale) market shares. Hence, these metrics have also been revised.

Note 3: Fixed line retail revenues in Q2 2015 have been revised downwards by €704,000 following an operator revision of historically provided retail fixed voice revenues. This change also affects fixed line retail revenue market shares. Hence, these metrics have also been revised.

Note 4: Mobile voice traffic in Q2 2015 has been revised downwards by 1,673,804 minutes following an operator revision of historically provided retail roaming voice traffic information.

Note 5: MMS traffic in Q2 2015 has been revised upwards by 378,000 messages following an operator revision of historically provided MMS traffic information.

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The information and statistics contained within this document are derived from a variety of sources, but are mostly reliant on data obtained from authorised operators.

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¹ ComReg is currently considering the reasons cited by the relevant operators for the reinstatement of historically submitted information.

Summary

During the period Q2 2015 to Q3 2015 overall industry retail revenues increased by 1.2%. Total retail revenues in the twelve months to September 2015 at €2.99 billion were down from over €3.02 billion over the 12 months previous. There were 1,294,698 fixed broadband subscriptions this quarter which was an increase of 1.0% from Q2 2015 and an increase of 4.4% compared to Q3 2014. Overall voice traffic volumes increased by 0.1% this quarter. Presented below is a tabular summary of the data presented throughout this Quarterly Key Data Report.

Irish Quarterly Communications Market Data Q3 2015				
	Q3'15	Q2'15	Quarterly Change	Annual change
Total Retail Market Revenues ²	€756,661,731	€747,579,165	+1.2%	+0.8%
Fixed Line Retail Revenues ³	€324,078,016	€322,736,569	+0.4%	+0.5%
Mobile Retail Revenues	€392,953,336	€383,426,026	+2.5%	+1.6%
Broadcasting Retail Revenues ⁴	€39,630,379	€41,416,570	-4.3%	-4.6%
Fixed Line Wholesale Revenues ⁵	€143,731,884	€143,433,381	+0.2%	+8.0%
Mobile Wholesale Revenues	€73,152,442	€70,303,774	+4.1%	-2.8%
Total Voice Traffic (Minutes)	4,157,747,713	4,152,691,435	+0.1%	+1.0%
Fixed Voice Traffic (Minutes)	1,113,460,428	1,109,052,279	+0.4%	-7.0%
Mobile Voice Traffic (Minutes) ⁶	3,044,287,285	3,043,639,156	+0.02%	+4.3%
Fixed Broadband Subscriptions ⁷	1,294,698	1,281,566	+1.0%	+4.4%
Fixed Subscriptions	1,859,492	1,876,187	-0.9%	-1.6%
Fixed Voice Subscriptions	1,490,572	1,497,735	-0.5%	-2.5%
Total Mobile Subscriptions (inc. Mobile broadband and M2M)	5,833,464	5,783,731	+0.9%	+0.8%
Machine to Machine Subscriptions	521,277	497,059	+4.9%	+18.8%

² Mobile and Fixed line wholesale revenues are excluded from this figure.

³ Fixed line retail revenues were revised in Q2 2015. See note 3 within the corrigendum to Q2 2015 on page 5 of this report.

⁴ ComReg only captures Cable/MMDS/IPTV revenues from a number of TV providers for publication under broadcasting revenues in the Quarterly Key Data Report. The collection and publication of licence fee and/or television (advertising) revenues) does not fall within ComReg's remit and therefore is not included in the broadcasting revenue figure.

⁵ Fixed line wholesale revenues were revised in Q2 2015. See note 2 within the corrigendum to Q2 2015 on page 5 of this report.

⁶ Mobile voice traffic was revised in Q2 2015. See note 4 within the corrigendum to Q2 2015 on page 5 of this report.

⁷ Fixed Broadband Subscriptions were revised in Q2 2015. See note 1 within the corrigendum to Q2 2015 on page 5 of this report. There were also 4,396 narrowband Internet subscriptions in Q3 2015.

Mobile Broadband Subscriptions (HSDPA and LTE)	417,935	412,610	+1.3%	-9.6%
Mobile Subscriptions (exc. Mobile broadband and M2M)	4,894,252	4,874,062	+0.4%	+0.1%

- Overall electronic communications network and service retail revenues at the end of September 2015 were over €756 million for the quarter. Industry retail revenues rose by 1.2% this quarter and increased by 0.8% compared to Q3 2014. The quarterly increase in retail revenues was driven by increases in mobile and fixed line revenues.
- At the end of September 2015 there were 1,490,572 fixed voice subscriptions in Ireland, a decrease of 0.5% since last quarter and a decrease of 2.5% since Q3 2014.
- Total voice traffic minutes increased by 0.1% this quarter and were 1.0% higher than in Q3 2014. Mobile minutes form the majority of voice minutes at 73.2%, with fixed minutes representing the remaining 26.8%. Mobile voice minutes increased by 0.02% this quarter while fixed voice minutes rose by 0.4% this quarter.
- Fixed broadband subscriptions increased by 1.0% this quarter and were up by 4.4% compared to Q3 2014. Cable (+3,952), VDSL (+42,843) and satellite/fibre (+622) subscriptions increased this quarter while DSL (-32,773) and FWA (-1,512), subscriptions fell this quarter.
- The estimated fixed broadband household penetration rate⁸ was 66.6% in Q3 2015. The fixed broadband per capita penetration rate was 27.9%. The broadband per capita penetration rate (including mobile broadband) was 36.9%.
- Average fixed broadband speeds continue to increase. In Q3 2015 approximately 67.3% of all fixed broadband subscriptions were equal to or greater than 10Mbps up from 61.8% in Q3 2014. 54.2% of all fixed broadband subscriptions were equal to or greater than 30Mbps up from 43.2% in Q3 2014.
- At the end of September 2015 there were 5,833,464 mobile subscriptions (including mobile broadband and M2M) in Ireland, an increase of 0.9% since last quarter. The mobile penetration rate was 125.8% including mobile broadband and Machine to Machine subscriptions and 105.6% excluding mobile broadband and Machine to Machine subscriptions.

⁸ This estimate excludes business subscriptions and mobile broadband subscriptions.

- The number of voice and data subscribers using 3G/4G networks increased to 4,026,025 this quarter, up by 12.0% from Q2 2015 and up by 36.1% compared to Q3 2014.
- There were 539,184 gross additions in the number of mobile subscriptions. Of these, 95,589 were subscriptions with ported numbers. On average, there were 95,165 numbers ported and 519,475 total gross additions per quarter over the last 12 months.
- In Q3 2015 mobile ARPU was €25.10 per month, down from €25.40 per month in Q3 2014. Declining mobile ARPU is likely to be a reflection of a number of factors such as those attributable to increased sales of bundled products (combining mobile with fixed calls, broadband and TV) and reductions in mobile roaming and termination rates, among others.

Notes to data:

- Both Meteor and eir mobile brands are reported under the umbrella of eir Group Mobile.
- Following the completion of the Three's acquisition of O2, Three, O2 and 48 brands are reported under the umbrella of the Three Group as of Q2 2014.
- As of Q2 2015 mobile to mobile voice traffic between O2 and Three is treated as on net traffic.
- As of Q3 2015 additional leased line revenue information is available from three operators. One operator has provided additional information on Wi-Fi services. Hence, information since that quarter is not strictly comparable with data published in previous periods.
- As of Q4 2014 a more precise breakdown of business versus residential fixed subscriptions (fixed voice and fixed broadband subscriptions) is available following an operator upgrade of its reporting systems.
- Sky Ireland does not provide public information on TV subscriptions and TV revenues. Thus, information based on actual data from Sky is not included in the report. Sky Ireland's distribution of subscriptions by type (single play, double play or triple play) is instead estimated using the percentage distribution of Sky Ireland's subscriptions as obtained from market survey data conducted by RED C Research & Marketing Ltd on behalf of ComReg. For more details on survey method, see the Appendix on page 81.

- From Q3 2015 an Irish population estimate⁹ of 4,636,000 is used, with this being obtained from the Central Statistics Office (CSO) QNHS survey. From Q3 2015, an estimated household number of 1,689,300 is used with this being obtained from the Central Statistics Office (CSO) QNHS survey.
- A number of external sources are used for international comparisons. These include the CSO, Analysys Mason, and Strategy Analytics (Teligen).
- In most cases data has been rounded to one decimal place in this report.
- Not all charts in this report may sum exactly to 100% due to rounding.
- While quarter on quarter comparisons are made in the report, definitive conclusions with regard to trends cannot be drawn from this and year on year comparisons are used to improve the reliability of the analysis.
- Further explanations and descriptions of data supplied in this report can be found in the accompanying explanatory memorandum 15/130a.
- Extracts of data used in this report can be downloaded at www.comstat.ie
- Data previously published may have been amended since publication. Any such amendments are noted in the corrigendum notice on page 5 of this report.

⁹ Estimates based on Quarterly National Household Survey (QNHS).

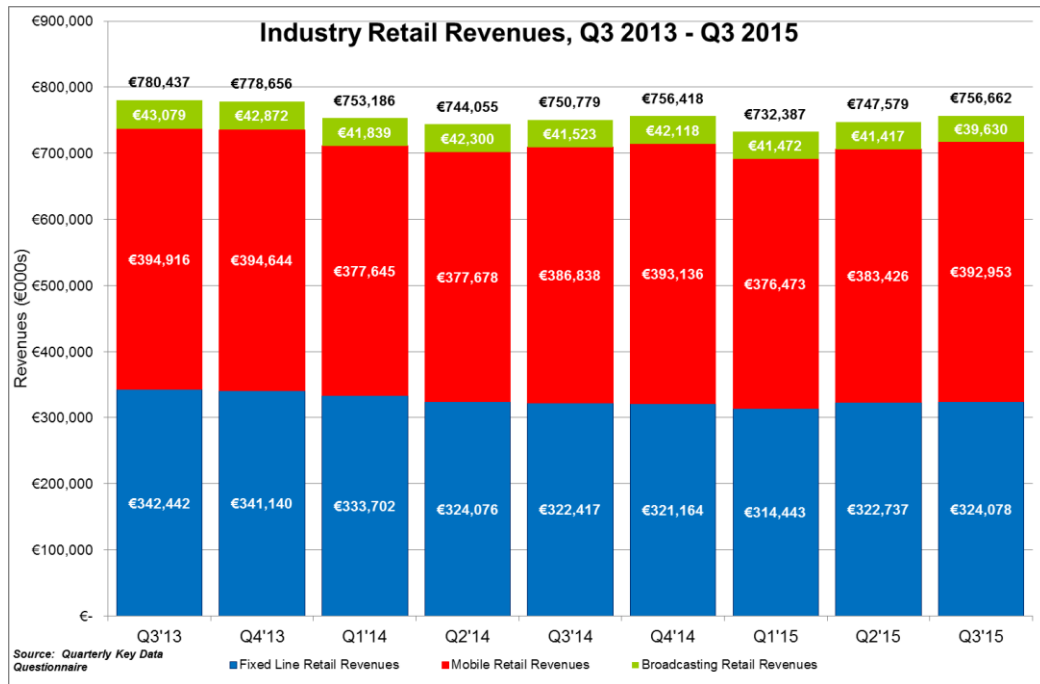
1. Overall Market Data

Data presented in this report is based on questionnaires completed by certain authorised operators¹⁰ for the period from 1 July to 30 September 2015. The report is based on submissions from 40 active operators¹¹.

1.1 Overall Electronic Communications Revenues¹²

Figure 1.1.1 shows the developments in revenues attributable to the provision of fixed line, mobile and certain TV broadcasting services. Total industry retail revenues rose by 1.2% this quarter and increased by 0.8% compared to Q3 2014. The quarterly increase in retail revenues was driven by increases in mobile and fixed line revenues. Mobile revenues accounted for 51.9% of total industry retail revenues followed by fixed line (42.8%) and broadcasting (5.2%) revenues. Over the twelve months to September 2015, total retail revenues were over €2.99 billion.

Figure 1.1.1 – Fixed, Mobile & Broadcasting Retail Revenues



According to CSO, Ireland’s Gross National Product for Q2 2015¹³ was approximately €42 billion. Based on the Q2 2015 retail revenue data reported to ComReg by operators

¹⁰ Operators who generate in excess of €500,000 in retail and/or wholesale revenues from electronic communications networks and services per annum.

¹¹ See table A2 in the Appendix for the list of respondents submitting information to ComReg.

¹² Further detail on terms and definitions - ComReg Doc. 15/130a Explanatory Memorandum.

¹³ Q2 2015 is the latest period for which GNP data is available.

in the Irish communications sector, these revenues were approximately 1.8% of GNP in that quarter.

This quarter, mobile retail revenues increased by 2.5% and increased by 1.6% when compared to Q3 2014. Fixed line retail revenues increased by 0.4% this quarter and increased by 0.5% when compared to Q3 2014. Broadcasting (Cable/MMDS/IPTV) retail revenues decreased by 4.3% this quarter and declined by 4.6% compared to Q3 2014. The broadcasting network retail revenues in this report only captures Cable/MMDS/IPTV revenues and thus, exclude Sky Ireland’s satellite revenues and all content related revenues.¹⁴

1.2 Overall Call Volumes

Figure 1.2.1 – Fixed and Mobile Voice Call Volumes (Minutes)¹⁵

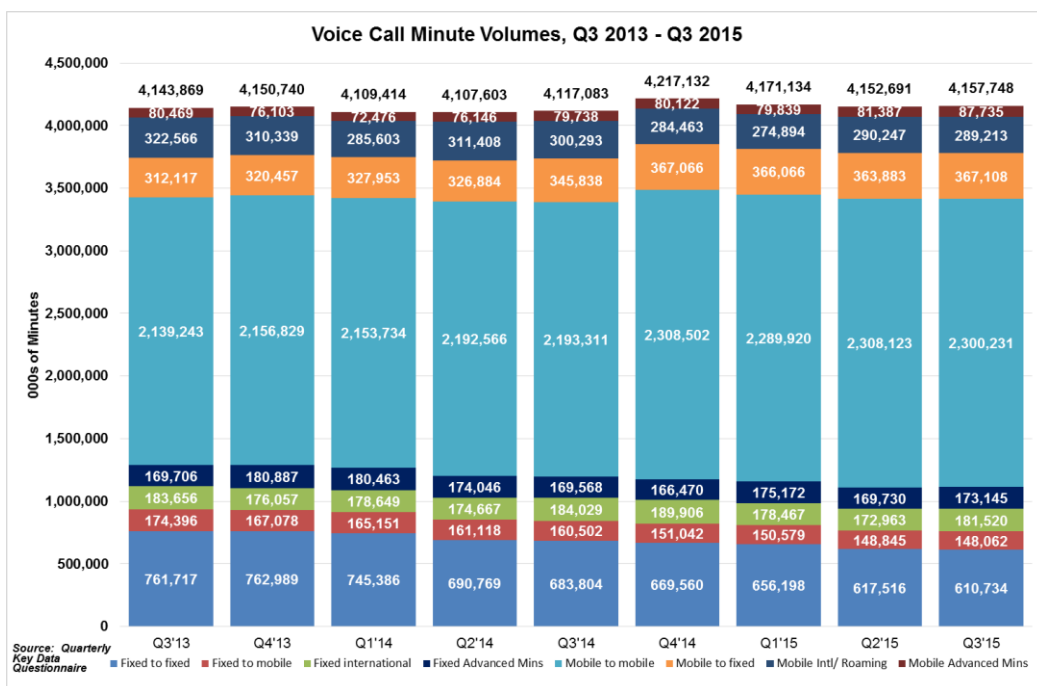


Figure 1.2.1 profiles volumes of originating voice calls by call type on both fixed and mobile networks on a quarterly basis. There was an increase in total voice minutes this quarter. Voice minutes for Q3 2015 totalled 4.16 billion minutes and there were 16.7 billion minutes in the twelve months to the end of September 2015. Total voice minutes increased by 0.1% from the previous quarter and increased by 1.0% since Q3 2014.

¹⁴ ComReg captures Cable/MMDS/IPTV revenues from a number of TV providers for publication in the Quarterly Report under broadcasting revenues. The collection and publication of licence fee and/or television advertising revenues does not fall within ComReg’s remit and therefore, is not included in the broadcasting revenue figure.

¹⁵ Fixed advanced minutes include premium rate services minutes, freephone minutes, payphone minutes, operator services minutes, national and international virtual private network minutes. Mobile advanced minutes include premium rate services minutes and other mobile minutes such as voicemail, DQ, call completion minutes etc.

It should be noted that managed VoB minutes are included with calls originating from fixed networks in figure 1.2.1, and are split according to the same call categorisations (i.e. domestic, international, mobile, other).

Mobile originating voice minutes (up 4.3% on Q3 2014) accounted for 73.2% of all voice minutes in Q3 2015 (compared to 70.9% in Q3 2014) while traffic originating on fixed line networks (down 7.0% on Q3 2014) accounted for the remaining 26.8% of all voice minutes (compared to 29.1% in Q3 2014). Figure 1.2.2 shows total voice traffic in Ireland at the end of Q3 2015.

Figure 1.2.2 – Total Voice Traffic

	Q3'15 Mins	Q2'15 – Q3'15 Growth	Q3'14 – Q3'15 Growth
Fixed voice minutes	1,113,460,428	+0.4%	-7.0%
Mobile voice minutes	3,044,287,285	+0.02%	+4.3%
Total voice minutes	4,157,747,713	+0.1%	+1.0%

1.3 Communications and the Consumer Price Index

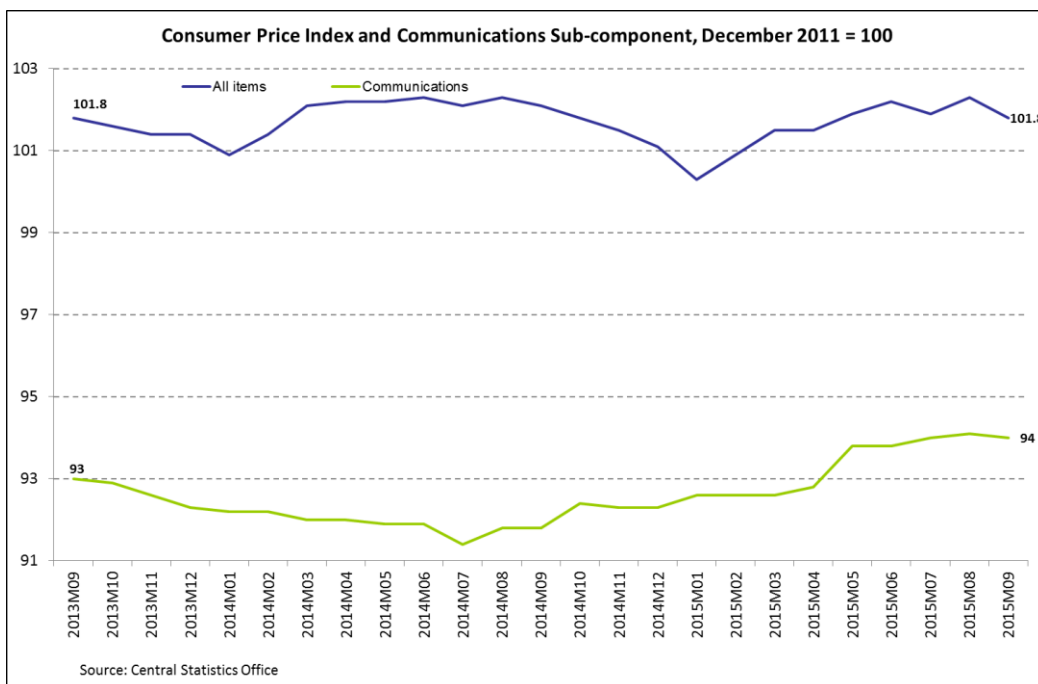
Figure 1.3.1 shows the monthly change in the Consumer Price Index (CPI) and the communications sub-component from September 2013 to September 2015. In January 2015, the CSO has revised its weighting for the communications basket to 3.030% of the total CPI, up from 2.932% previously.¹⁶

Using December 2011 as the base period, communications prices have been generally stable over the last 12 months. Communication prices have increased by 2.2 base points since September 2014, compared to a decrease in the overall CPI of 0.3 base points in the same period.

¹⁶

<http://www.cso.ie/en/releasesandpublications/er/rppi/residentialpropertypriceindexjanuary2015/#.VWM9c09VhHw>

Figure 1.3.1 – Consumer Price Index and Communications Sub-Component

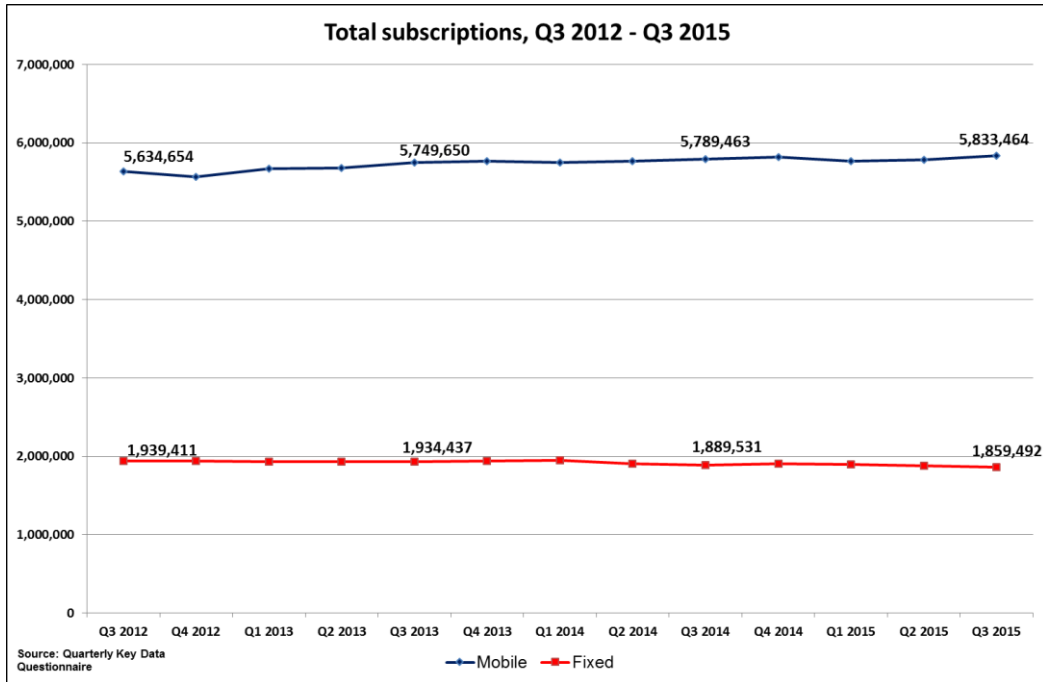


1.4 Fixed and Mobile Market Retail Voice, Internet and TV Subscriptions

Figure 1.4.1 shows the total number of mobile voice and data subscriptions (also reported in section 4.1) and the estimated number of fixed subscriptions to voice, internet and TV services (both single play and bundled subscriptions) in Ireland.

Customers purchasing either a single fixed service or more than one service (as part of a bundle) are included in the fixed subscriptions category. Total mobile subscriptions have increased by 0.9% since Q2 2015, while total fixed subscriptions decreased by 0.9% over the same period. It should be noted that it is possible that a customer may have more than one subscription, particularly where a mobile customer has more than one SIM card or in the case of a business customer with multiple fixed line subscriptions across several offices.

Figure 1.4.1 – Total Subscriptions (Fixed and Mobile), Q3 2012 – Q3 2015



2. Fixed Market Data

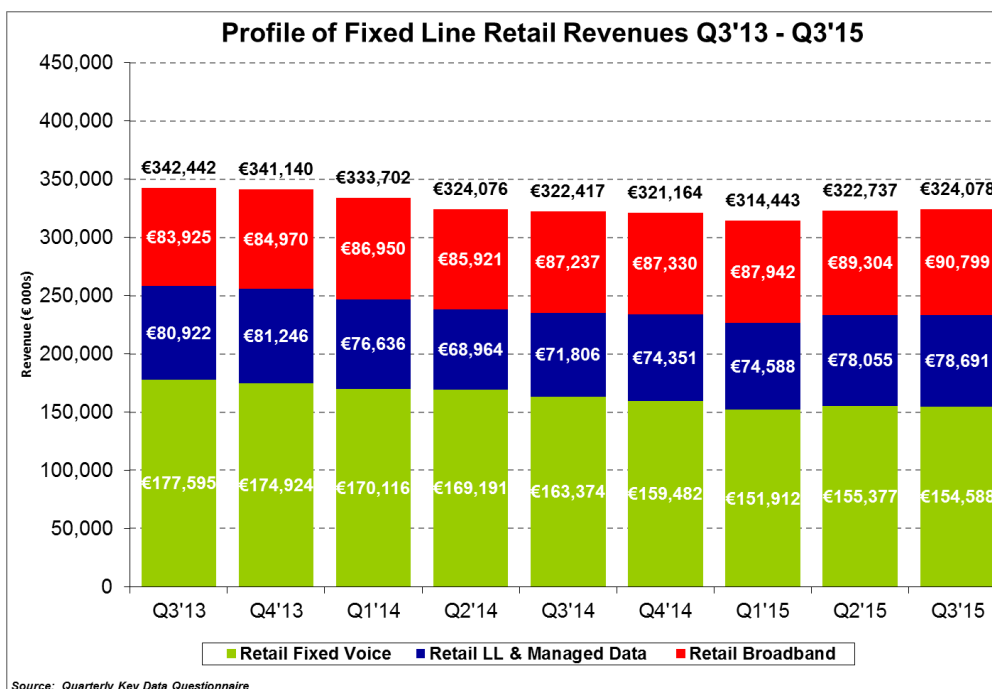
2.1 Fixed Line Revenues¹⁷

Figure 2.1.1 shows the profile of fixed line retail revenues in Ireland over the last two years. Total fixed line retail revenues for Q3 2015 were over €324 million. This was an increase (0.4%) on Q2 2015 revenues and a 0.5% increase on Q3 2014 revenues.

Retail fixed voice revenues (-5.4%) have fallen since Q3 2014, but retail broadband revenues (+4.1%) as well as retail leased lines, managed and other data services revenues (+9.6%) have increased in the same period.

Comparing Q3 2014 to Q3 2015, the proportion of retail fixed line revenues attributable to retail leased lines, managed data and other advanced data services increased by 2.0 percentage points and retail broadband revenues' share increased by 1.0 percentage points. The proportion of retail fixed voice revenues has fallen by 3.0 percentage points, to 47.7% of overall fixed line retail revenues.

Figure 2.1.1 – Profile of Fixed Line Retail Revenues



Fixed line wholesale revenues were over €143 million in Q3 2015, the majority of which were related to interconnect and wholesale fixed narrowband access revenues, followed by wholesale leased lines, managed and other data services revenues and wholesale

¹⁷ As noted on page 8 above, additional leased line revenue information is available from three operators since Q3 2015. Hence, revenue and market share information in Figures 2.1.1 and 2.1.1.1 and 2.1.1.2 is not directly comparable to information in previous periods.

broadband access revenues. Wholesale revenues increased by 0.2% compared to Q2 2015 and were up by 8.0% since Q3 2014.

2.1.1 Authorised Operators’ Share of Fixed Line Revenues

Figure 2.1.2.1 below outlines the revenue shares for the fixed retail market (comprising narrowband, broadband, leased line, managed and other data revenues) held by the incumbent fixed line operator (eir), authorised operators having at least a 2% market share, and all other authorised operators (OAOs) with market share less than 2%.

In Q3 2015, eir had the highest retail revenue share in the fixed retail market with 46.3% market share. Vodafone (fixed only) had 13.4%, followed by Virgin Media with 12.6%, BT (6.0%), Sky Ireland (3.8%), Verizon (2.5%), AT&T (2.2%) and Digiweb (2.2%). OAOs accounted for the remaining 11.0%.

Figure 2.1.1.1 – Fixed Retail Revenue Market Shares

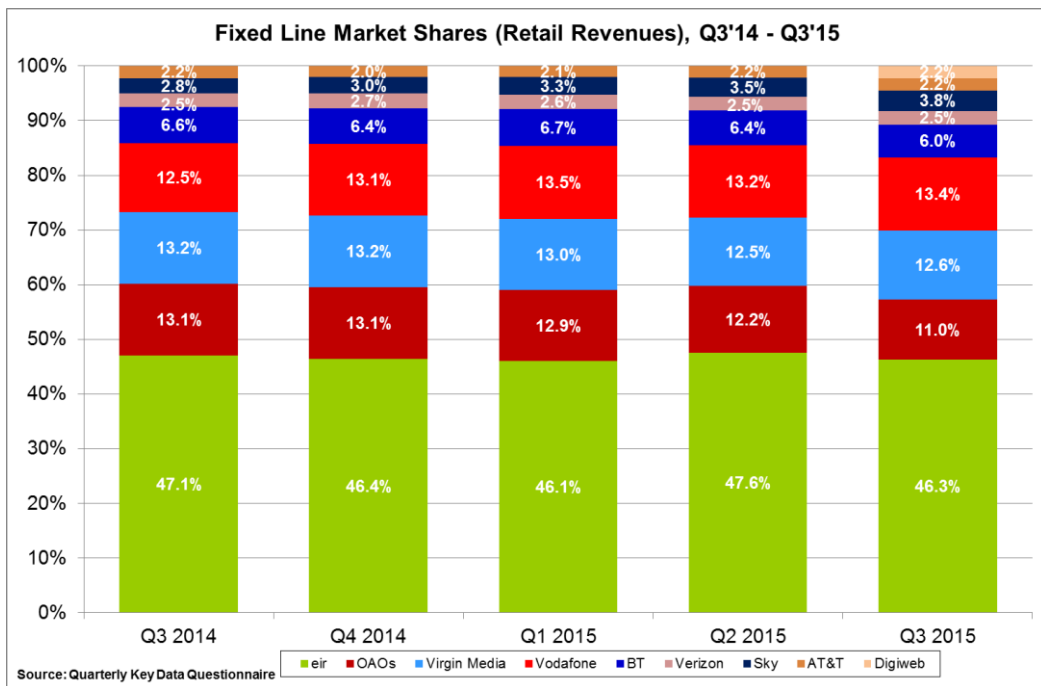
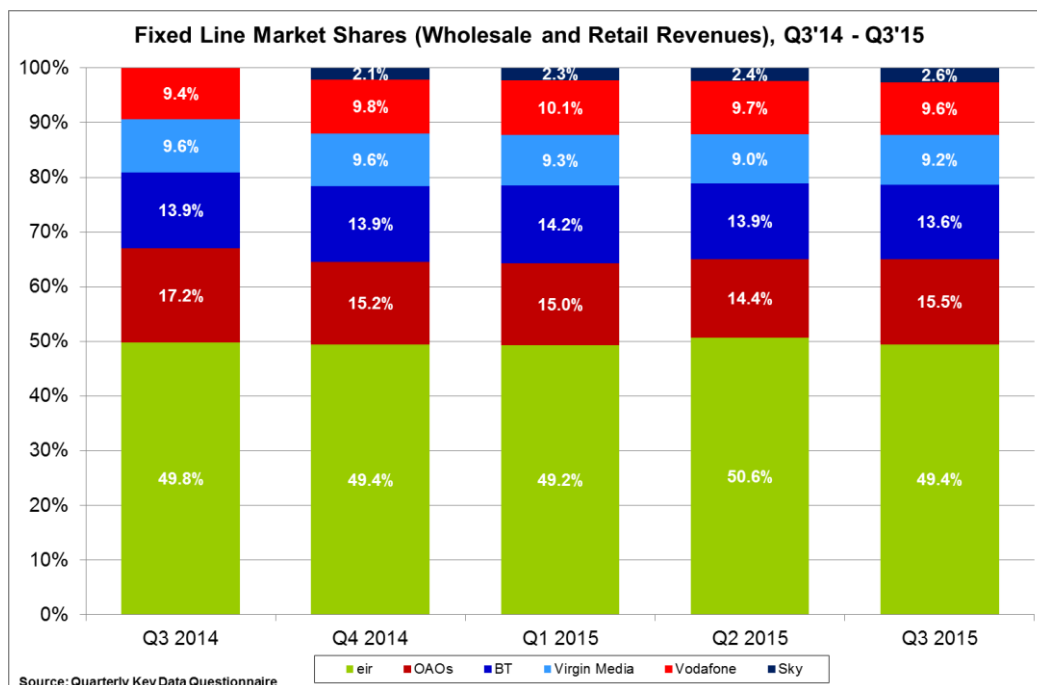


Figure 2.1.1.2 below outlines the revenue shares in the fixed market (comprising fixed line retail and wholesale revenues). When making comparisons, it is important to note that the market shares presented below are based on shares across all fixed wholesale and retail revenue streams and some operators may not offer products and services across all segments of these markets.

In Q3 2015, eir had the highest revenue market share with 49.4%. ComReg estimates that the next four largest operators (BT, Vodafone (fixed only), Virgin Media and Sky

Ireland) contribute a further 35.0% share of total (retail and wholesale) industry revenue, while OAOs account for the remaining 15.5%.

Figure 2.1.1.2 – Fixed Revenue Market Shares



2.2 Fixed Line Access Paths¹⁸ and subscriptions

2.2.1 Access Paths and VoB subscriptions

Figure 2.2.1.1 presents the total number of narrowband copper fixed access paths (PSTN and ISDN) and Voice over Broadband (VoB) subscriptions. PSTN and ISDN access paths are usually used for voice services and internet access. There were over 1.55 million direct and indirect PSTN and ISDN access¹⁹ paths in the Irish market in Q3 2015. This represents a decrease of 0.6% on last quarter and a decline of 2.3% since Q3 2014. The number of PSTN access paths has decreased by 1.3% from last quarter and declined by 5.9% since Q3 2014. The number of ISDN access paths has increased by 1.7% since Q2 2015 and rose by 10.5% since Q3 2014. At the same time, the number of VoB subscriptions has increased by 1.2% since Q2 2015 and by 5.6% since Q3 2014.

¹⁸ Access paths are not synonymous with access lines as for example in the case of ISDN paths, there may be more than one path provided via a single ISDN line.

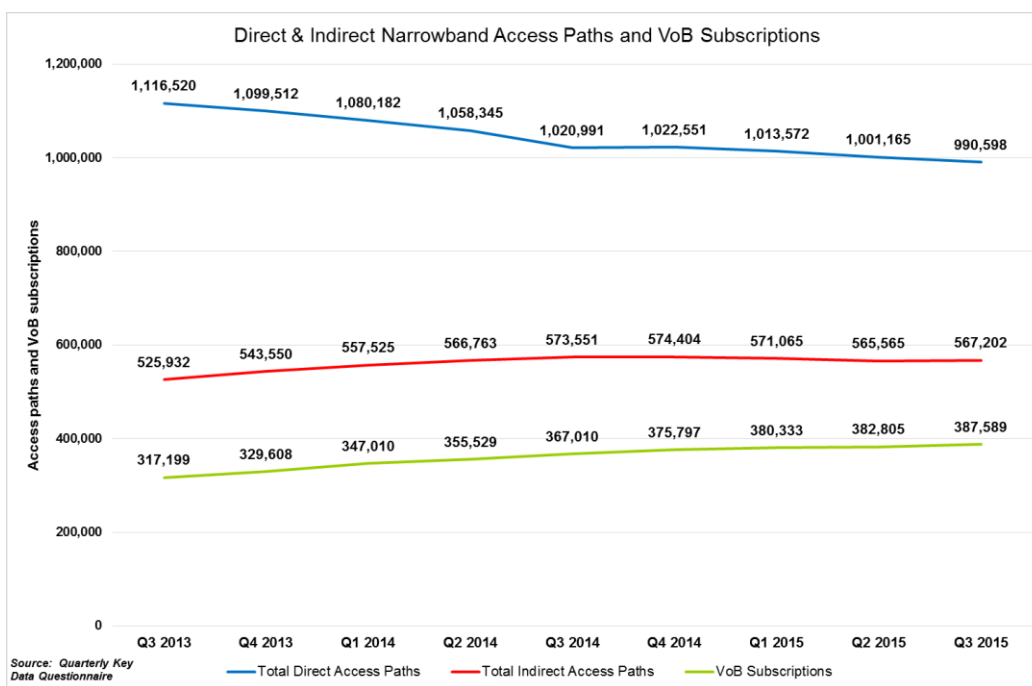
¹⁹ Indirect access paths relate to telephone lines provided to customers by means of Carrier Pre-select (CPS), Wholesale Line Rental (WLR) or Switchless Voice (SV). CPS allows the user to receive all or a portion of calls from one provider and line rental from another provider (usually eir). SB-WLR (also known as Single Billing-WLR) allows the user to receive every aspect of telephone service, including all calls and line rental from one single supplier. SV also known as White Label Access-Voice Access (WLA-(Voice)) is a switchless voice service which allows an operator to purchase end-to-end call services without the need to have its own interconnection infrastructure.

Figure 2.2.1.1 – Narrowband Fixed Access Paths and VoB subscriptions

	Q3'15	Q2'15 – Q3'15 Growth	Q3'14 – Q3'15 Growth
PSTN	1,174,316	-1.3%	-5.9%
ISDN Basic	125,328	-1.7%	-5.7%
ISDN Fractional	54,816	-1.4%	-5.7%
ISDN Primary	203,340	+4.7%	+30.3%
Total ISDN	383,484	+1.7%	+10.5%
Total PSTN and ISDN	1,557,800	-0.6%	-2.3%
VoB subscriptions	387,589	+1.2%	+5.6%

Figure 2.2.1.2 presents the total number of narrowband fixed access paths broken out by direct and indirect access as well as the number of VoB subscriptions. In Q3 2015, indirect access accounted for 36.4% of all narrowband access paths in the fixed line market.

Figure 2.2.1.2 – Direct & Indirect Narrowband Fixed Access Paths and VoB subscriptions



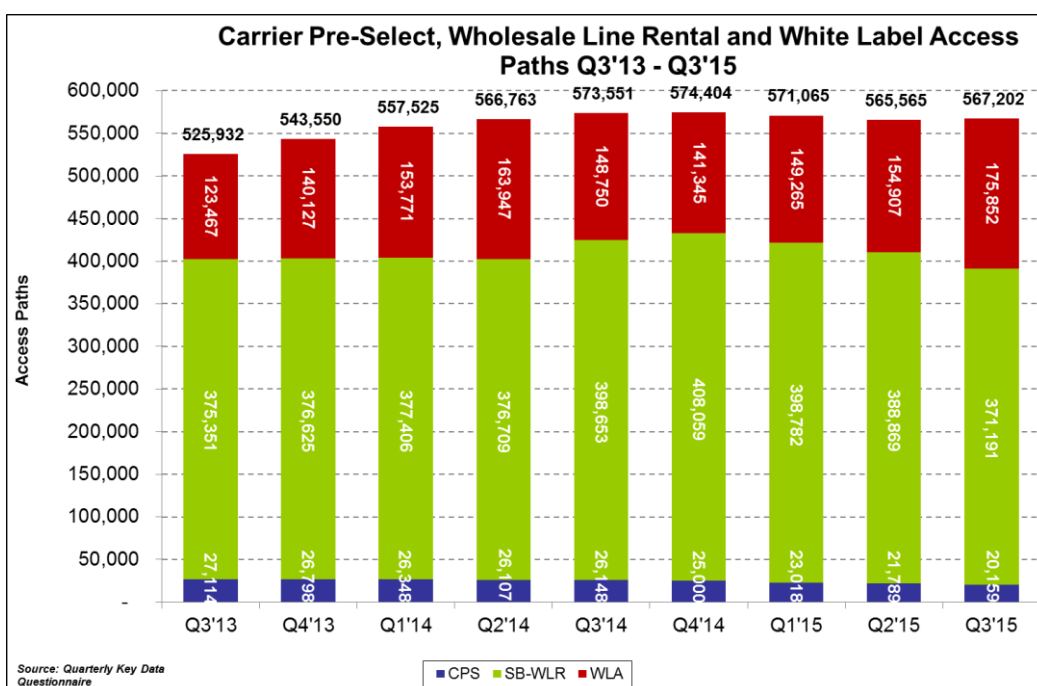
2.2.2 Indirect Access Paths

Figure 2.2.2 illustrates the overall number of indirect PSTN and ISDN paths provided by means of either Carrier Pre-Selection (CPS) only, Single Billing Wholesale Line Rental (SB-WLR) and White Label Voice Access (WLA). In Q3 2015, there were 567,202 indirect access paths in Ireland. The number of indirect access paths increased by 0.3% this

quarter, but fell by 1.1% in the year to Q3 2015 due to a decrease in CPS and WLR access paths.

The data indicates that OAOs continue to migrate their customer base to single-bill services, i.e. SB-WLR or WLA rather than CPS only (i.e. a calls only service, excluding line rental). SB-WLR used by OAOs now accounts for 65.4% of indirect access paths compared to 71.4% in Q3 2013. WLA paths account for 31.0% of total indirect access paths compared to 23.5% in Q3 2013. The share of CPS only indirect access paths has declined by 1.6 percentage points in the last two years and now accounts for 3.6% of overall indirect access paths.

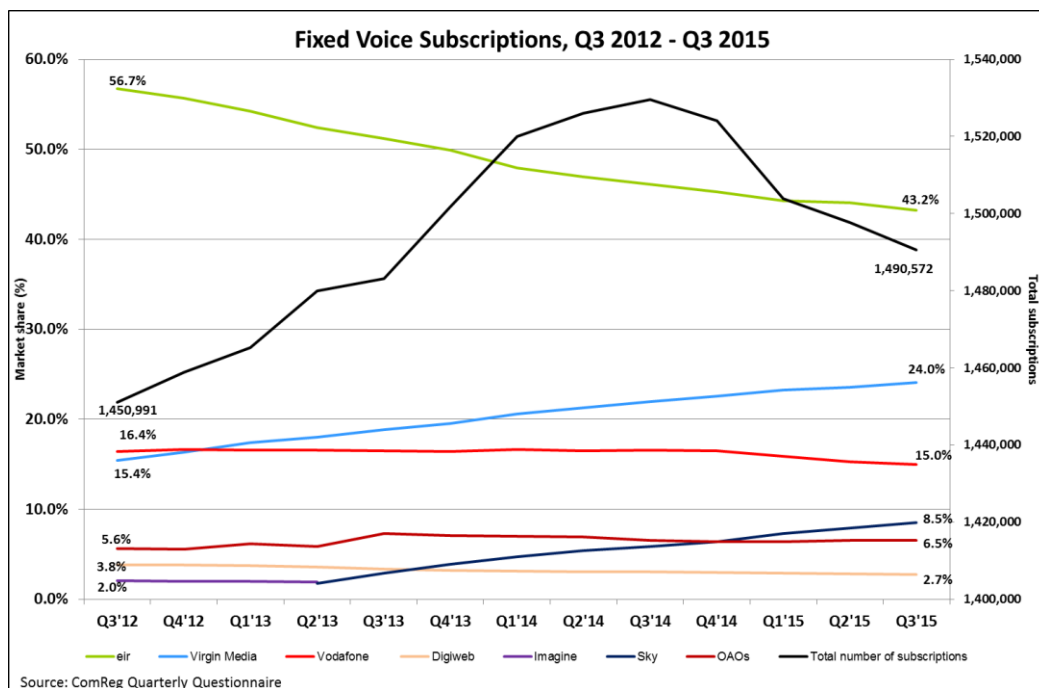
Figure 2.2.2 – Narrowband Indirect Access Paths



2.2.3 Fixed Voice Subscriptions

Figure 2.2.3 shows the estimated number of retail customers/subscriptions to fixed voice services (either standalone or as part of a bundle) and operators' market shares based on these subscriptions. At the end of Q3 2015 there was 1,490,572 fixed voice subscriptions (a decrease of 0.5% since Q2 2015 and a decrease of 2.5% on Q3 2014). As of Q3 2015 eir had 43.2% of all fixed voice subscriptions followed by Virgin Media (24.0%), Vodafone (15.0%), Sky (8.5%) and Digiweb (2.7%). OAOs accounted for the remaining 6.5% of fixed voice subscriptions.

Figure 2.2.3 – Fixed Voice subscriptions, Q3 2012 – Q3 2015²⁰



2.2.4 Fixed Market Retail Subscriptions by Type

Figures 2.2.4 shows the estimated proportion of retail customers/subscriptions to fixed line services (mobile is excluded from single play subscriptions, but included when part of a bundle e.g. double/triple/quad play) broken out by those with a single service and those taking a bundle of two or more services as of Q3 2015 (subscriptions mean a customer with at least one contract with an electronic communications service provider).²¹ Single play subscriptions include fixed line services only (including standalone cable TV and IPTV services) which means that standalone mobile voice, standalone mobile broadband and standalone satellite TV subscriptions are excluded from this figure.

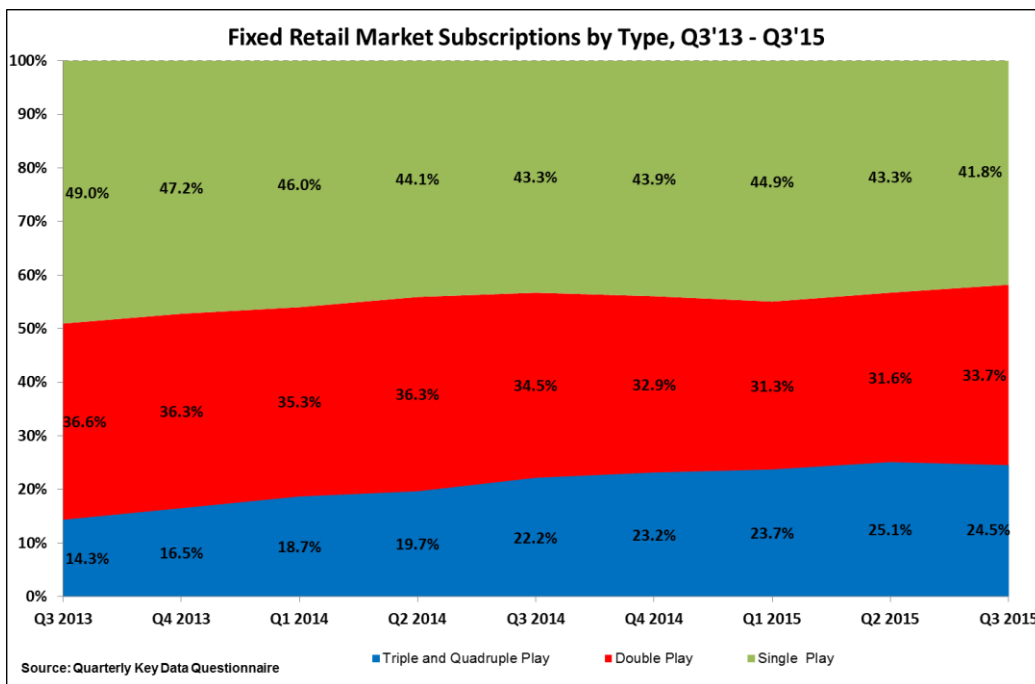
It is estimated that there were 1,859,492 fixed market retail subscriptions in Q3 2015 across both business and residential customers (a business customer may have multiple subscriptions). In Q3 2015 an increase in double play subscriptions was observed when compared to Q2 2015. In Q3 2015 41.8% of fixed market retail subscriptions were single play compared to 43.3% in Q3 2014, 33.7% of subscriptions were double play (a bundle of two services) compared to 34.5% in Q3 2014 and 24.5% were triple play (a

²⁰ In Q2 2013 Sky reached the 2% market share publication threshold, while Imagine’s market share fell below it.

²¹ Double play subscriptions can refer to either fixed telephony and internet or television or mobile telephony; television and the internet; mobile telephony and internet or television subscriptions. Triple play subscriptions can refer to fixed telephony and internet and television; fixed telephony and mobile telephony and internet; fixed telephony and mobile telephony and television; or, mobile telephony and internet and television subscriptions. Quadruple play subscriptions refer to fixed telephony, internet, television and mobile subscriptions.

bundle of three services) and quadruple play (a bundle of four services) compared to 22.2% in Q3 2014.

Figure 2.2.4 – Fixed Market Retail Subscriptions by Type, Q3 2013 – Q3 2015²²



2.3 Fixed Voice Call Volumes

Fixed voice traffic in Q3 2015 was just above 1.11 billion minutes, which was a 0.4% increase on Q2 2015, but a fall of 7.0% since Q3 2014. Fixed voice traffic had a positive quarterly growth for the first time since Q1 2011.

Managed voice over broadband (VoB) minutes account for approximately 12.4% of total fixed voice minutes up from 11.7% in Q3 2014.

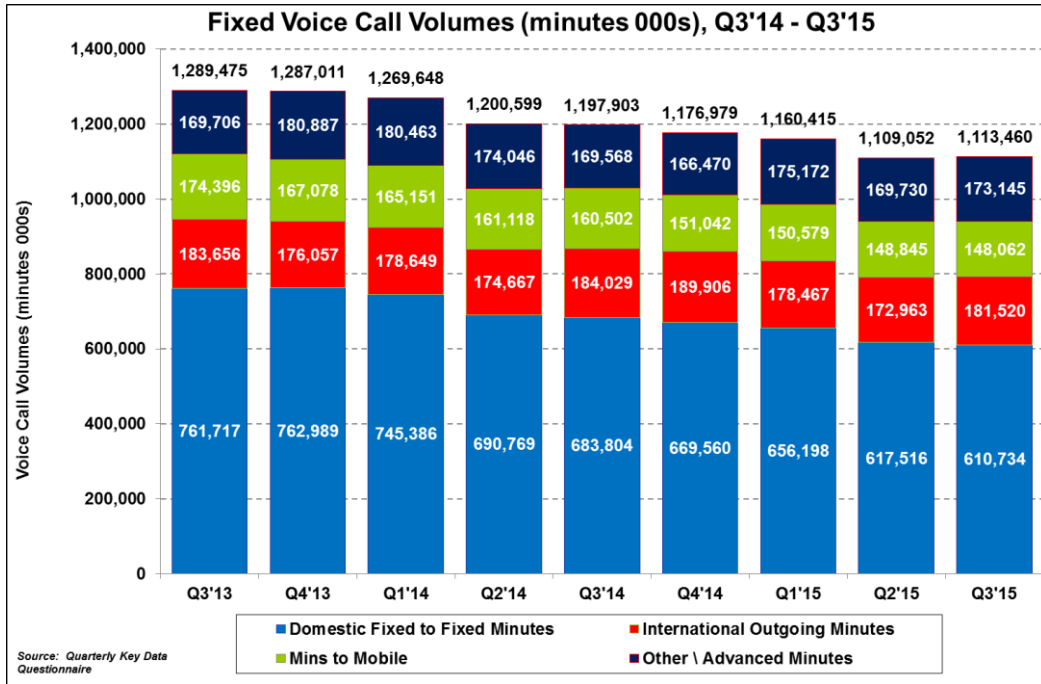
The numbers quoted in this report represent managed VoB information only (for example by eir, Virgin Media and other providers such as Blueface) and do not include unmanaged or over the top VoB services by providers such as Skype.

It should be noted that the split of managed VoB minutes by category (i.e. domestic, international, mobile, other) is placed into those respective fixed minutes categories in figures 2.3.1, 2.3.2 and 2.3.3.

²²Sky Ireland do not provide information on TV subscriptions. Sky Ireland’s distribution of subscriptions by type (single play, double play or triple play) is estimated using the percentage distribution of Sky Ireland’s subscriptions obtained from the market survey data conducted by RED C Research & Marketing Ltd on behalf of ComReg. For more details on the survey method, see the Appendix on page 81.

Figure 2.3.1 shows the breakdown of fixed voice call volumes by call type. Domestic fixed to fixed minutes accounted for 54.9% of all fixed voice traffic in Q3 2015. International outgoing minutes accounted for 16.3% of all fixed voice traffic. The share of fixed to mobile minutes was 13.3% while other/advanced minutes (which include premium rate minutes) represented 15.6% of all fixed voice traffic.

Figure 2.3.1 – Fixed Voice Call Volume (Minutes)²³



Figures 2.3.2 and 2.3.3 show the change in the average monthly fixed voice call minutes per business and residential subscribers respectively. In Q3 2015 the average business subscriber originated 776 minutes of voice calls. The average residential subscriber usage was 154 minutes per month. As noted on page 8 above, a more precise breakdown of business and residential fixed voice subscriptions since Q4 2014 is available. Hence, in Figures 2.3.2 and 2.3.3 call volumes since Q4 2014 are not directly comparable to call volumes in previous periods.

²³ Domestic Calls include local & national calls. Advanced service and other minutes include minutes to premium rate numbers, freephone numbers, callsave, operator services, VPN minutes, payphones and other services.

Figure 2.3.2 – Fixed Voice Call Volume per business subscriber (Minutes)

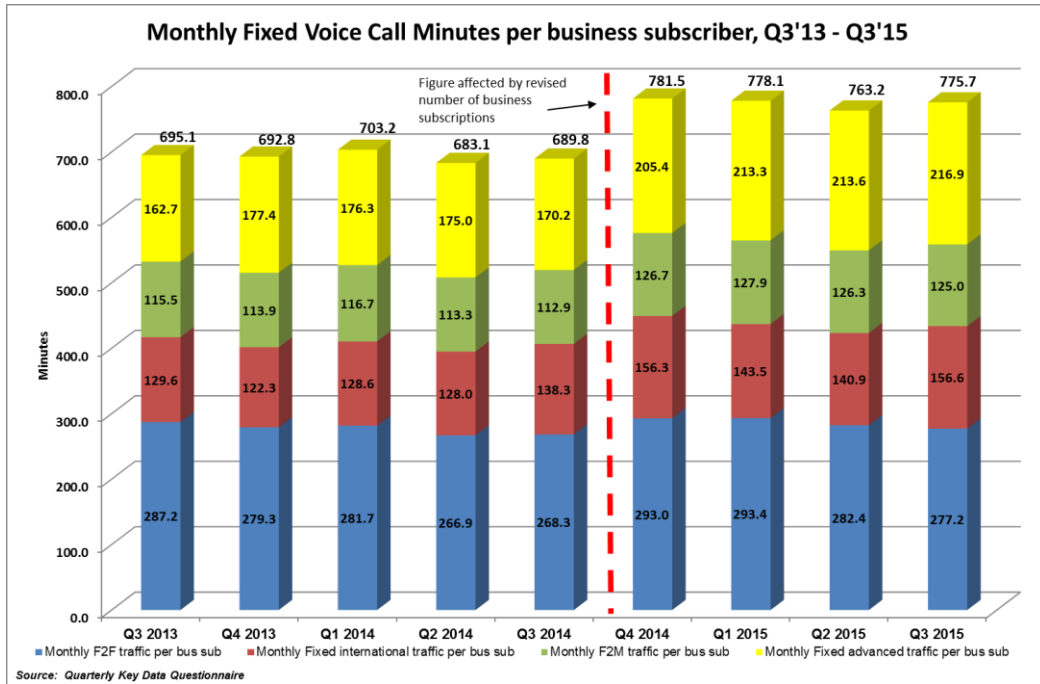
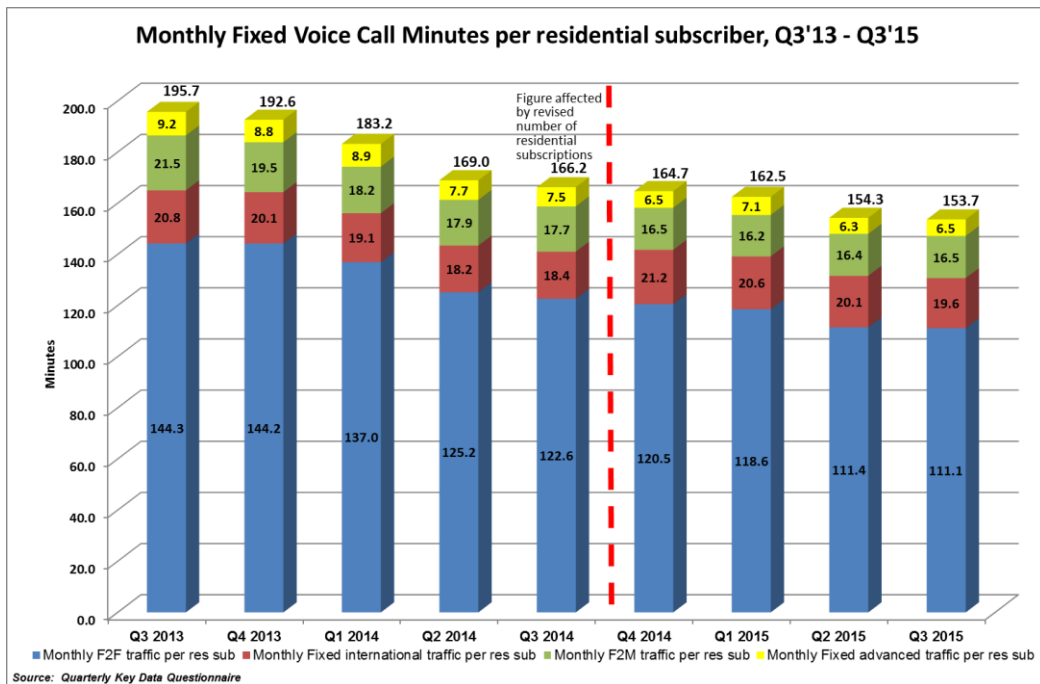


Figure 2.3.3 – Fixed Voice Call Volume per residential subscriber (Minutes)



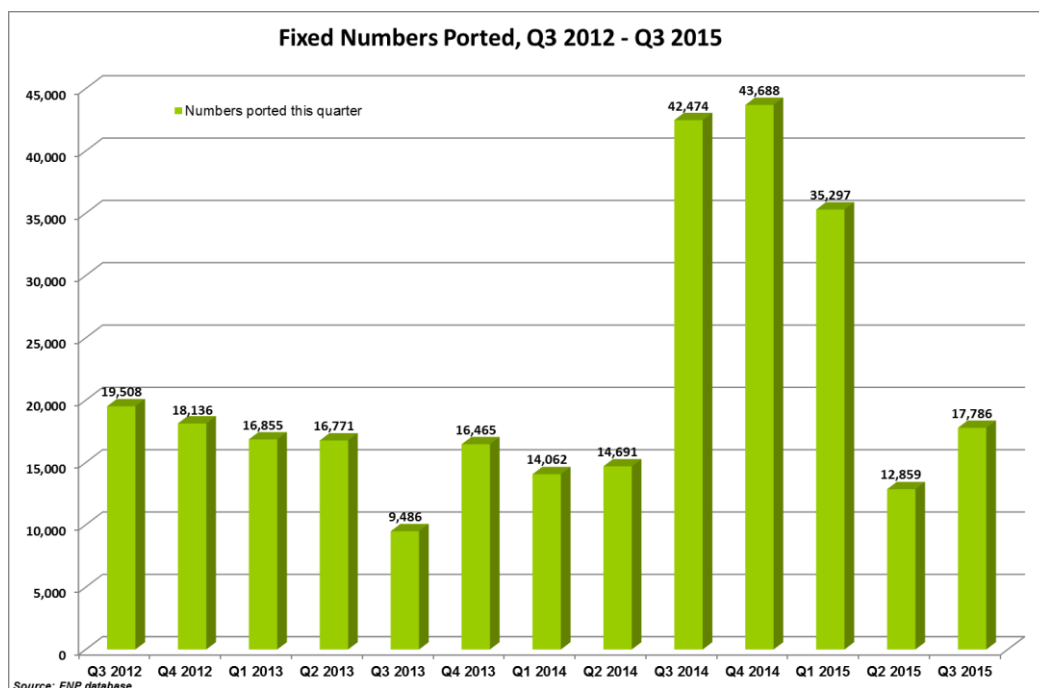
2.4 Fixed Number Portability

Figure 2.4.1 illustrates the number of fixed numbers (geographic and non-geographic) ported between Irish fixed voice service providers since Q3 2012. Fixed Number Portability (FNP) allows consumers to switch fixed voice provider while retaining their fixed number.

In the quarter to September 2015, 17,786 numbers²⁴ were ported between operators (109,630 numbers in the twelve months to September 2015). Over the last 12 months, an average of 27,408 numbers has been ported each quarter. ComReg notes that a significant increase in the number of ported numbers in periods Q3 2014 to Q1 2015 is due to an audit of the central reference database which records porting activity of fixed numbers. The audit began in August 2014 and was finished in January 2015. Operators have updated the central reference database as a consequence of this audit.

ComReg notes that fixed number portability database only records data on customers that retain their telephone number while switching between different fixed voice service providers' networks. Therefore, porting numbers presented in Figure 2.4.1 should not be considered as a full proxy for switching activity in the fixed voice market as switching between operators using the same underlying network for the provision of fixed voice services (e.g. where a retail customer switches service provider, but both service providers underlying retail services is provided on the same network – as in the case where retail services are provided over the same wholesale network) would not be recorded in the FNP database.

Figure 2.4.1 – Fixed Numbers Ported



²⁴ Non geographic number ports constitute less than 3% of total ports in a quarter.

2.5 Standalone Fixed Voice Service Pricing Data

ComReg uses independently collated Strategy Analytics (Teligen) pricing data using OECD-approved methodologies to examine the relative prices of a number of specific fixed voice usage baskets of national and international telecoms services for both residential and business users. The pricing data used for international comparisons currently includes pricing information for selected countries, namely Germany, Denmark, Spain, Netherlands and the United Kingdom²⁵.

For national comparisons, the prices advertised²⁶ by the largest operators (in terms of number of subscribers to standalone fixed voice services²⁷) during Q3 2015 were analysed²⁸ for selected usage baskets. In this Quarterly Key Data Report, standalone fixed voice service prices advertised by eir, Sky, Digiweb, Pure Telecom and Vodafone (business tariffs) were analysed. Thus, the pricing analysis does not necessarily present the lowest prices available in the whole market, but rather the lowest prices offered by the operators having the largest number of subscribers.

For international comparisons, the prices advertised²⁹ by largest operators (in terms of number of subscribers to standalone fixed voice service) in each of the respective countries during Q3 2015 were analysed³⁰ for selected usage baskets³¹ (with an average per country price presented based on the average of lowest price tariffs advertised by three highest ranking operators in national pricing comparisons). In order to enable international comparisons, prices are presented in Euro Purchasing Power Parities (PPPs) and exclude VAT charges. PPPs provide an indication of the cost of telecoms services in countries analysed in relation to the cost of all other products and services.

The presented national and international comparison analysis incorporates discounts offered by operators. Nonrecurring charges (e.g. charges for the installation of a service) are discounted/amortised over five years. Fixed recurring monthly costs such as

²⁵ In future Quarterly Key Data Reports ComReg may expand the analysis and include more countries for international price comparisons.

²⁶ The pricing analysis is based on a review of operators' advertised prices in the period Q3 2015.

²⁷ Standalone fixed voice services are voice services not sold as part of a bundle or other services.

²⁸ The subscribers of these operators jointly account for over 90% of all standalone fixed voice subscribers.

²⁹ The pricing analysis is based on a review of operators' advertised prices in the period Q3 2015.

³⁰ The subscribers of these operators jointly account for over 80% of all standalone fixed voice subscribers in each of the respective countries.

³¹ The same basket was applied to each respective country in order to make the international comparison.

line rental and any other additional recurring charges are included. Calls to fixed, mobile and international destinations are included in the baskets.

The OECD basket methodologies are reviewed and revised periodically, with the latest revision made in early 2010³². For more detailed information on basket methodologies see ComReg’s accompanying Memorandum, document 15/130a.

The following baskets are presented in this report³³:

Residential and Business Standalone Fixed Voice Service Baskets

Type of basket	Basket
Residential	60 calls (190 minutes)
Business	260 calls (606 minutes) basket

These baskets were selected given they most closely related to the fixed voice usage patterns presented in figures 2.3.2 and 2.3.3 above. ComReg notes that these baskets reflect usage patterns of an average user and do not necessarily reflect prices of tariffs that are geared towards customers having different usage profiles.

ComReg notes that comparisons are based on the prices of advertised tariffs³⁴ only and the analysis does not take into consideration other potentially important factors such as quality of the network, level of customer care, additional units of consumption available after having accounted in the analysis for the units in the OECD usage basket, minimum contract term etc.

OECD Residential Standalone Fixed Voice Service Basket

Figure 2.5.1 compares tariffs advertised by standalone fixed voice service providers for residential customers based on a basket of 60 calls (190 minutes)³⁵. Pure Telecom offers the cheapest tariff for this particular basket at €32.38, followed by Digiweb (€40.72) and Sky (€43.25).

³² See <http://www.oecd.org/sti/broadband/48242089.pdf>

³³ In future Quarterly Key Data Reports ComReg may expand the analysis and present price comparisons based on additional and/or different usage baskets.

³⁴ Tariffs publically advertised during Q3 2015.

³⁵ Basket assumes the usage of 150 fixed to fixed minutes, 25 fixed to mobile minutes and 15 international minutes.

Figure 2.5.1 - Residential Standalone Fixed Voice Basket (National comparison)

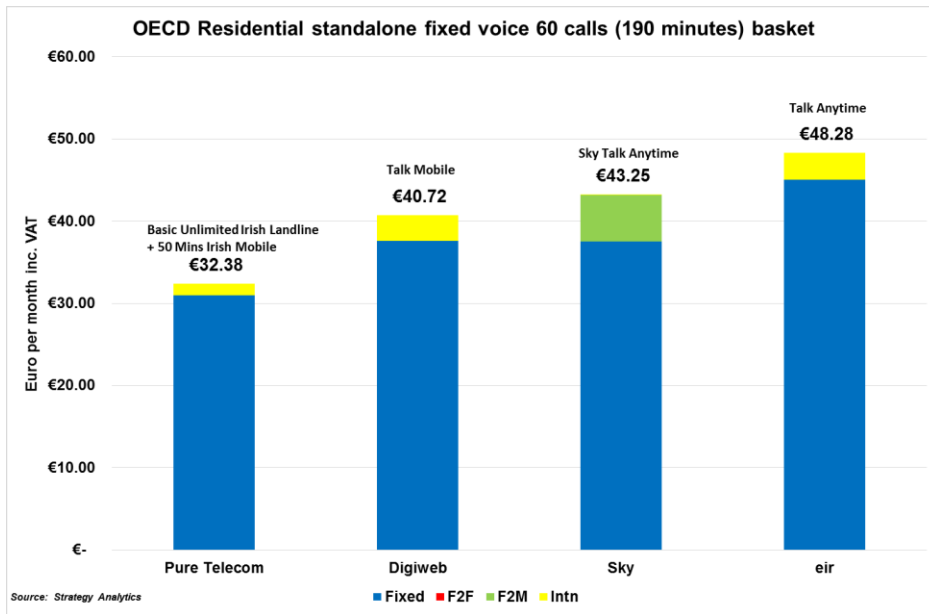
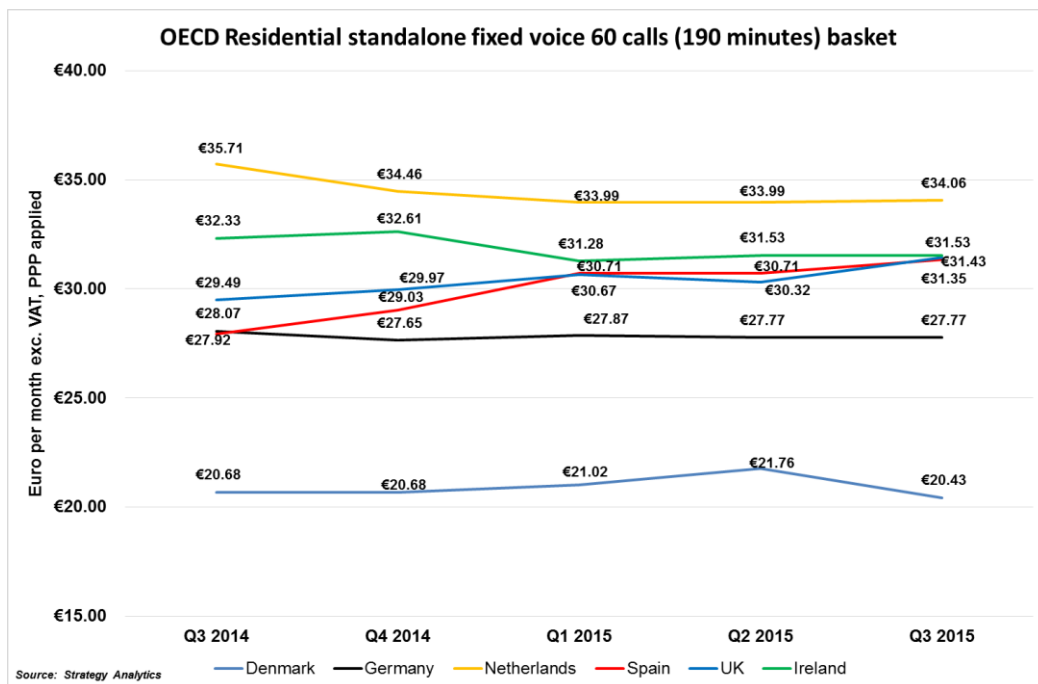


Figure 2.5.2 illustrates Ireland’s ranking alongside five other Western European countries. In Q3 2015 Ireland ranked in fifth place with an average price of €31.53³⁶ for this particular basket. The average price in Ireland is 7% more expensive than the average price³⁷ for all of the countries included in the analysis.

Figure 2.5.2 - Residential Standalone Fixed Voice Basket (International comparison)



³⁶ As noted previously, average prices used for international comparisons exclude VAT charges.

³⁷ The average of prices presented in Figure 2.5.2. Prices include line rental.

OECD Business Standalone Fixed Voice Service Basket

Figure 2.5.3 compares tariffs advertised by standalone fixed voice service providers³⁸ for business customers based on a basket of 260 calls (606 minutes)³⁹. Presented prices exclude VAT charges. Vodafone offers the cheapest tariff for this particular basket at €37.

Figure 2.5.3 - Business Standalone Fixed Voice Basket (National comparison)

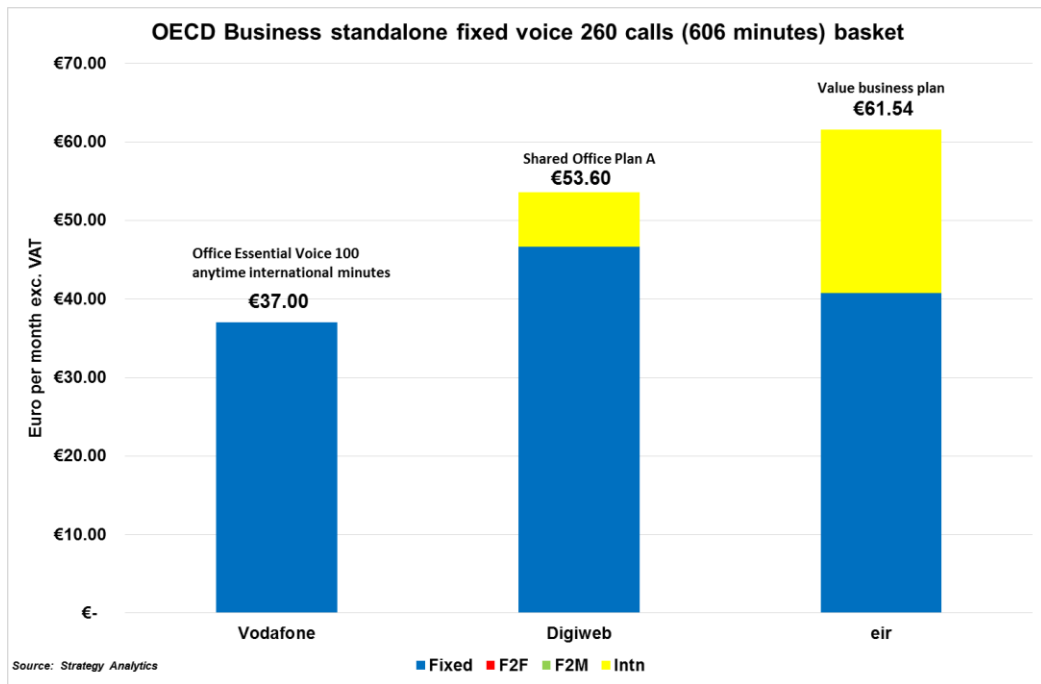


Figure 2.5.4 shows that Ireland (€50.71⁴⁰) ranks in the third place. The average price in Ireland is 8% cheaper than the average price⁴¹ for all of the countries included in the analysis.

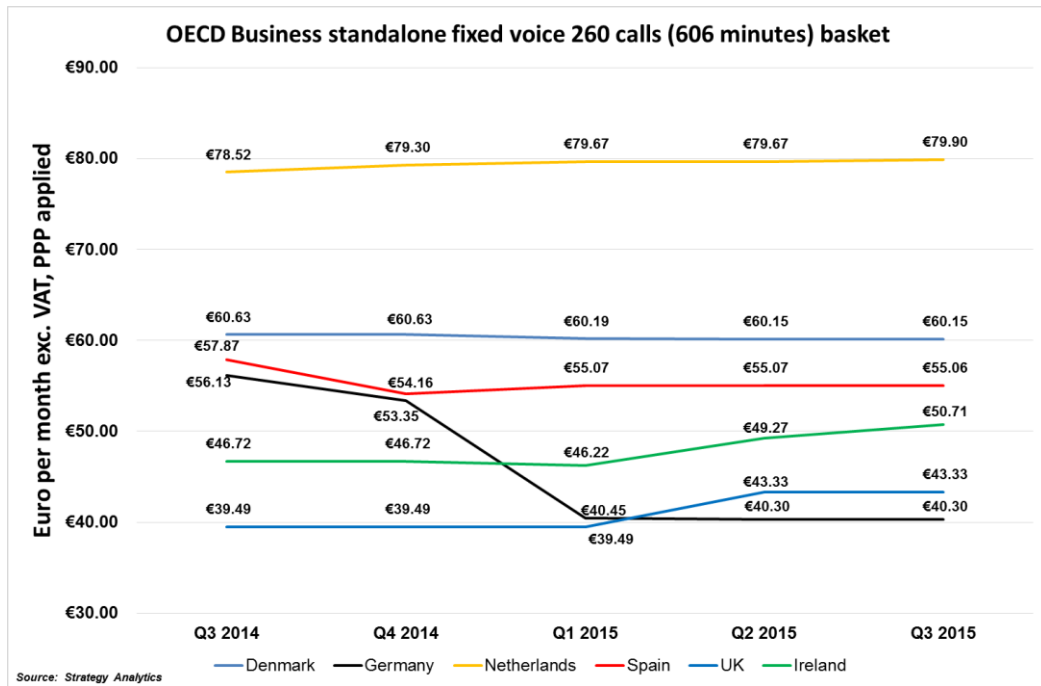
³⁸ In this Quarterly Key Data Report only tariffs advertised by Vodafone, Digiweb and eir were analysed for business customers. This can arise for reasons such as operators not offering fixed voice services to business customers or not advertising prices publicly. ComReg may expand the analysis and include additional operators in the future Quarterly Key Data Reports.

³⁹ Basket assumes the usage of 402 fixed to fixed minutes, 116 fixed to mobile minutes and 88 international minutes.

⁴⁰ As noted previously, average prices used for international comparisons exclude VAT charges.

⁴¹ The average of prices presented in Figure 2.5.4.

Figure 2.5.4 - Business Standalone Fixed Voice Basket (National comparison)



3. Broadband services

3.1 Total broadband⁴² subscriptions and provision of broadband services

Figure 3.1.1 shows the total number of broadband subscriptions⁴³ in Ireland as of Q3 2015. At the end of September 2015, there were 1.71 million active broadband subscriptions in Ireland. This was an increase of 1.1% on the previous quarter and a 0.6% increase since September 2014.

There was an increase in total fixed line broadband subscriptions this quarter (up by 13,132) as well as mobile broadband subscriptions (up by 5,325 subscriptions). ComReg reports active dedicated mobile broadband subscriptions and does not include Internet access over mobile handsets (such as smartphones) within these numbers.

Cable (up by 1.1%), VDSL⁴⁴ (up by 15.2%), mobile broadband (up by 1.3%) and 'other' subscriptions (up by 5.9%) showed positive growth this quarter. FWA (down by 3.3%), and DSL⁴⁵ (down by 5.7%) subscriptions fell this quarter. It is likely that some or all of the DSL reductions are accounted for by consumers switching to VDSL based broadband services.

Figure 3.1.1 – Total Number of Active Broadband Subscriptions

Subscription Type	Q3'15 Subs	Quarterly Growth Q2'15 – Q3'15	Year-on-Year Growth Q3'14 – Q3'15
DSL Broadband	541,049	-5.7%	-16.0%
VDSL Broadband⁴⁶	323,865	+15.2%	+89.6%
Cable Broadband	374,064	+1.1%	+3.3%
FWA Broadband	44,628	-3.3%	-14.4%
Other Broadband⁴⁷	11,092	+5.9%	-1.5%
Total Fixed broadband	1,294,698	+1.0%	+4.4%
Mobile Broadband	417,935	+1.3%	-9.6%

⁴² ComReg notes that the data provided in this section relates to active subscriptions reported by operators. It takes into account multiple active subscriptions to broadband offerings by individual subscribers.

⁴³ There were also 4,396 narrowband Internet subscriptions in Q3 2015.

⁴⁴ VDSL refers to very-high-bit-rate digital subscriber line. These lines are typically utilised in the provision of next generation broadband services.

⁴⁵ DSL refers to a digital subscriber line, the means by which broadband speeds (i.e. in excess of 144k downstream) are delivered over the copper telecoms network.

⁴⁷ Other Broadband includes fibre and satellite broadband subscriptions.

Total Broadband	1,712,633	+1.1%	+0.6%
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Figure 3.1.2 profiles broadband subscriptions in Ireland using the subscription type classifications of outlined in Figure 3.1.1.

Figure 3.1.2 – Total Broadband Subscriptions

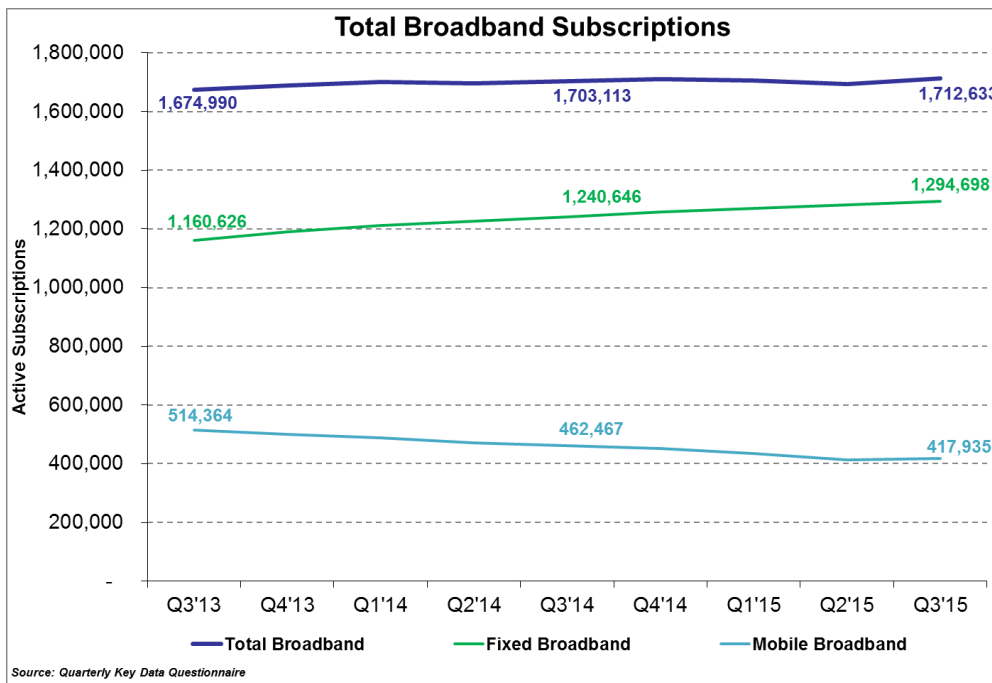
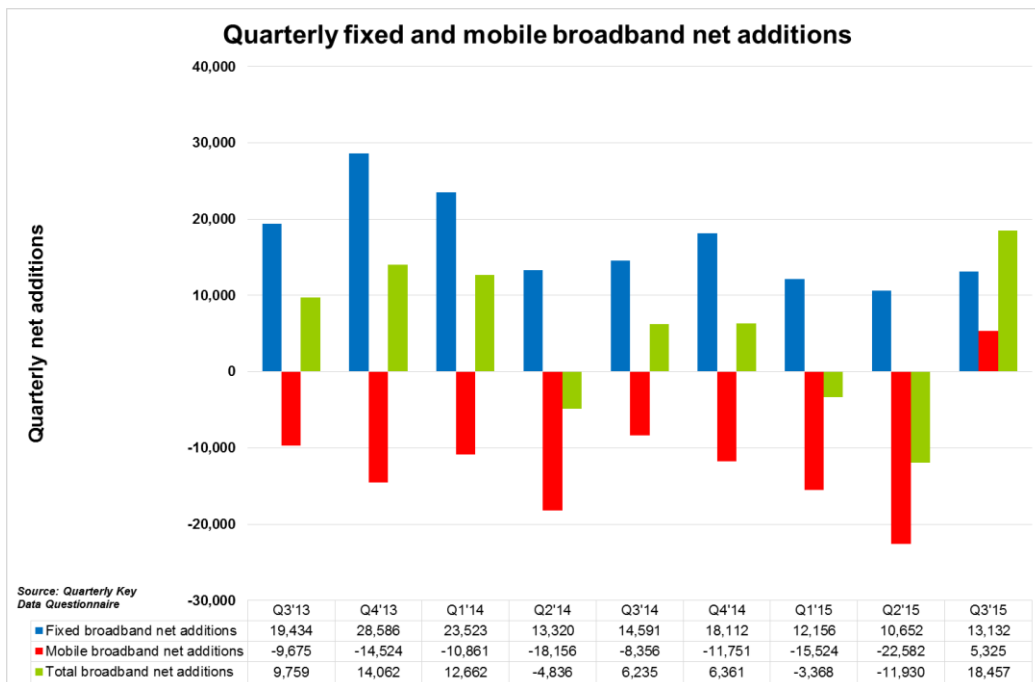


Figure 3.1.3 shows the quarterly growth in fixed and mobile broadband subscriptions since Q3 2013. In general, there has been a steady growth of fixed broadband subscriptions and a decline of mobile broadband subscriptions over the period. However, the number of mobile broadband subscriptions increased in Q3 2015. It should be noted that ComReg reports on active broadband subscriptions and the mobile broadband numbers reported by ComReg do not include internet access over mobile handsets (such as smartphones).

Figure 3.1.3 – Quarterly Growth in Broadband subscriptions



DSL subscriptions account for the largest share of broadband subscriptions (31.6%), but its share has decreased by 6.2 percentage points over the last year. VDSL accounted for 18.9% of all broadband subscriptions in Q3 2015 up from 10.0% in Q3 2014. Mobile broadband subscriptions share has remained steady this quarter, accounting for 24.4% of all broadband subscriptions down from 27.2% in Q3 2014. Cable has a 21.8% share of all broadband subscriptions up from 21.3% in Q3 2014. FWA has a 2.6% share of broadband subscriptions down from 3.1% in Q3 2014. 'Other' (satellite/fibre) broadband subscriptions represent the remaining 0.6% of broadband subscriptions in Q3 2015 (down from 0.7% in Q3 2014).

Figure 3.1.4 illustrates the split by type of broadband subscriptions in the Irish market since Q3 2014, while Figure 3.1.5 shows the net additions to broadband subscriptions by each platform. The net total number of broadband subscriptions has increased this quarter, driven by growth in VDSL, mobile and cable broadband subscriptions.

Figure 3.1.4 – Broadband Subscriptions by Platform

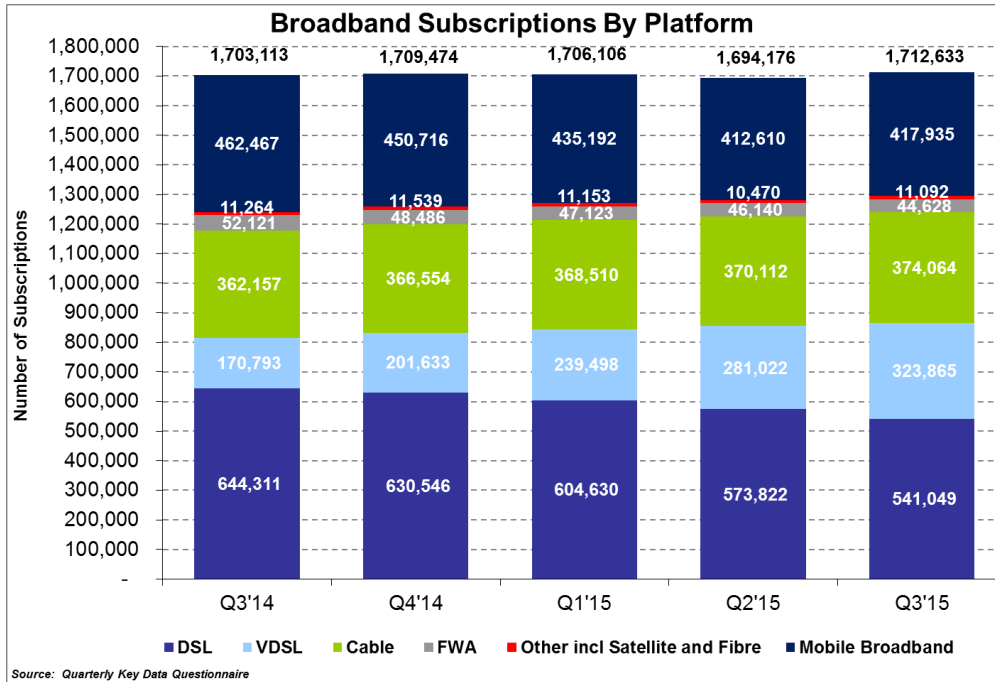


Figure 3.1.5 – Broadband Subscriptions - Net additions, Q3 2013 – Q3 2015

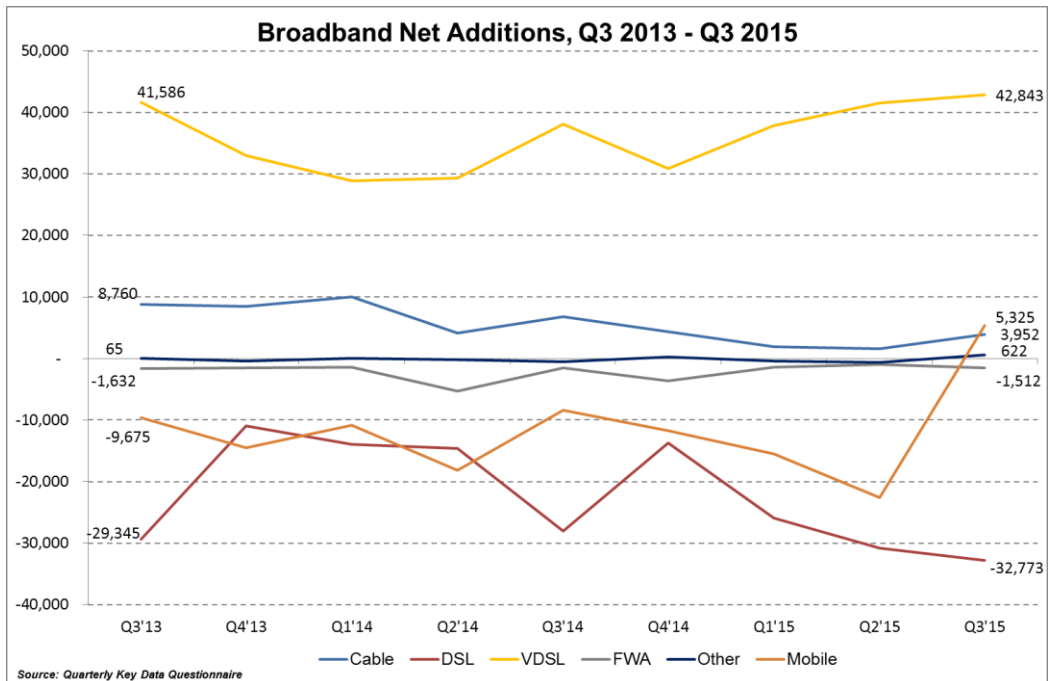


Figure 3.1.6 provides an estimate of the proportion of business and residential subscriptions to DSL, VDSL, cable, FWA, mobile broadband, fibre and satellite broadband services. In Q3 2015, 82.9% of broadband subscriptions on all platforms were classed as residential broadband subscriptions. The platform with the highest

percentage of residential vis-à-vis business subscriptions is cable broadband, while the mobile broadband category has the highest percentage of business customers.

Figure 3.1.6 – Broadband Subscriptions by Subscription Type

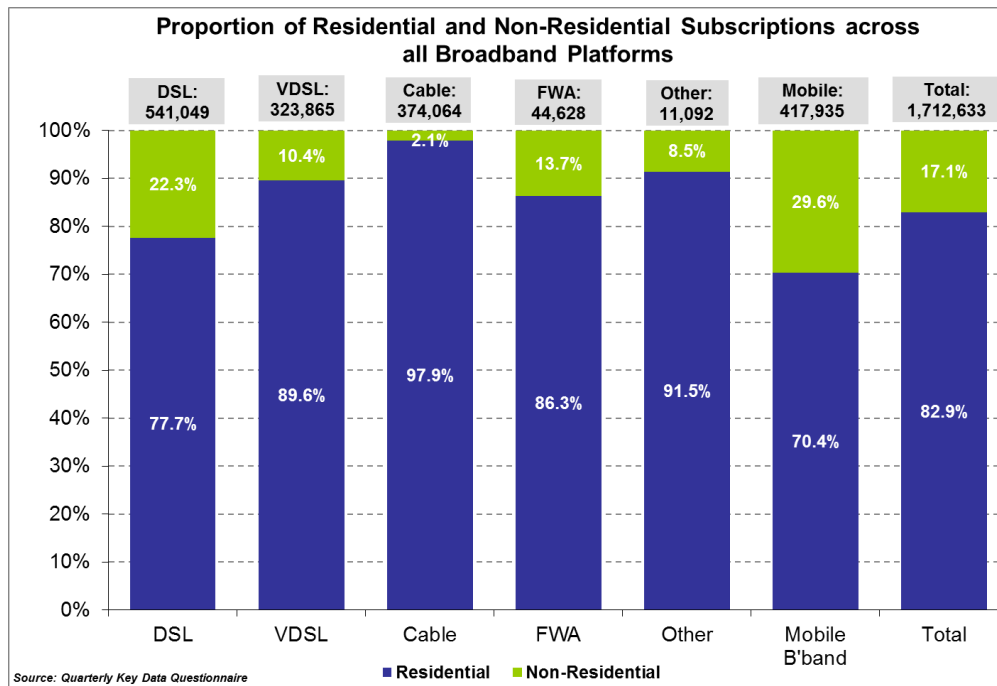


Figure 3.1.7 illustrates the breakdown of broadband subscriptions by advertised (headline) speed across all fixed broadband platforms (mobile broadband is excluded). In total, approximately 54.2% of broadband subscriptions were ≥ 30 Mbps (with 18.6% ≥ 100 Mbps). This equates to approximately 58.6% (21.2% ≥ 100 Mbps) of residential subscriptions and 25.2% (1.4% ≥ 100 Mbps) of business subscriptions.

The data suggests that most business users subscribe to broadband services with advertised download speeds of between 2Mbps - 10Mbps while most residential users subscribe to broadband services with speeds of between 30Mbps - 100Mbps. This may be due in part to Virgin Media primarily serving the residential market rather than business market as evidenced in Figure 3.1.6 above. Many larger business users access their broadband services over dedicated leased lines. Leased lines are not included in these charts. Leased line speeds can range up to speeds in excess of 1 gigabyte per second.

Figure 3.1.7 – Fixed Broadband Subscriptions by Advertised (Headline) Download Speeds and Subscription Type

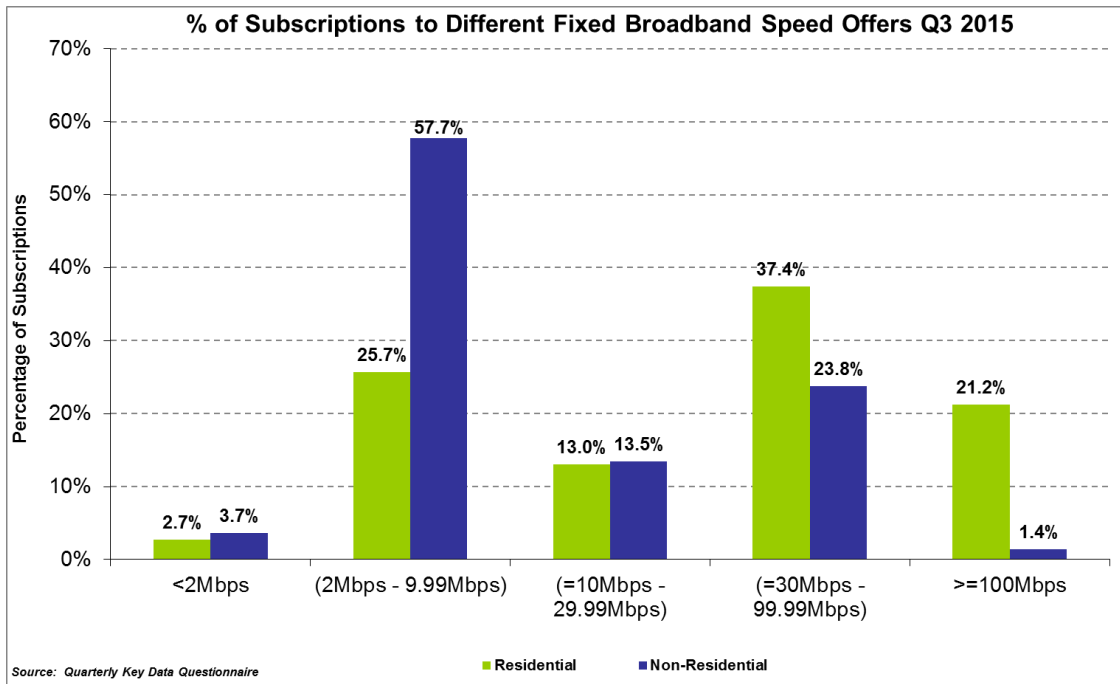
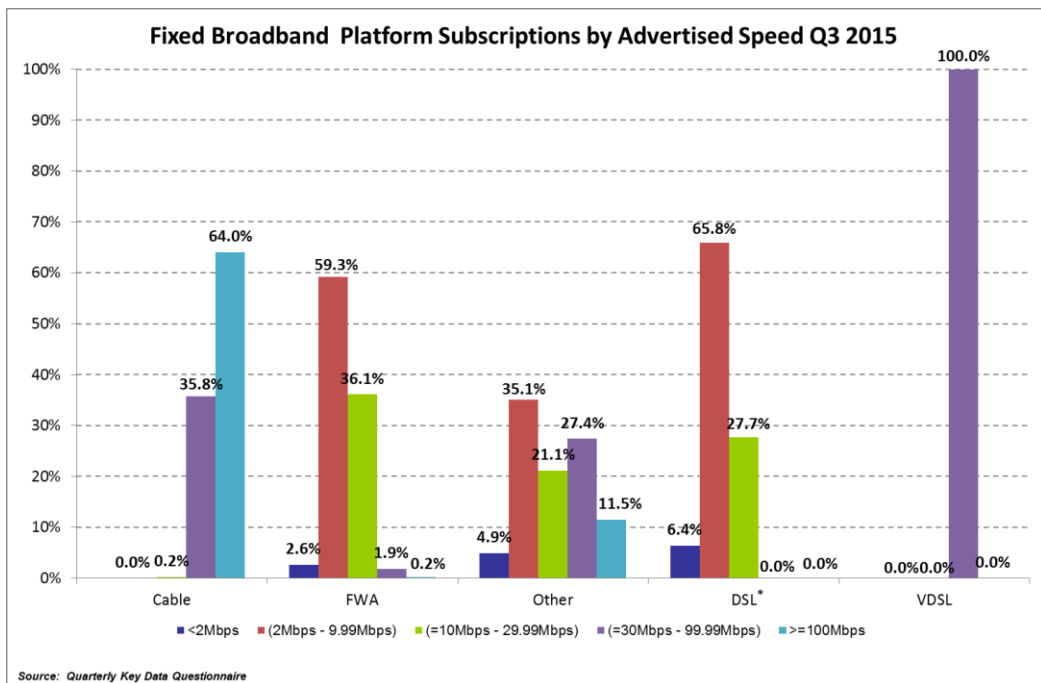


Figure 3.1.8 shows broadband subscriptions by advertised (headline) speed and the type of broadband platform subscribed to.

Figure 3.1.8 – Fixed Broadband Subscriptions by Advertised (Headline) Download Speeds and Broadband Platform⁴⁸



⁴⁸ *Estimate percentage split.

Figure 3.1.9 shows the change in fixed broadband subscriptions by advertised (headline) download speeds between Q3 2013 and Q3 2015. Over the entire period, growth in broadband speeds has been mainly in lines with speeds above 30Mbps. The share of these lines has increased from 32.5% to 54.2%.

Figure 3.1.9 – Fixed Broadband Subscriptions by Advertised (Headline) Download Speeds

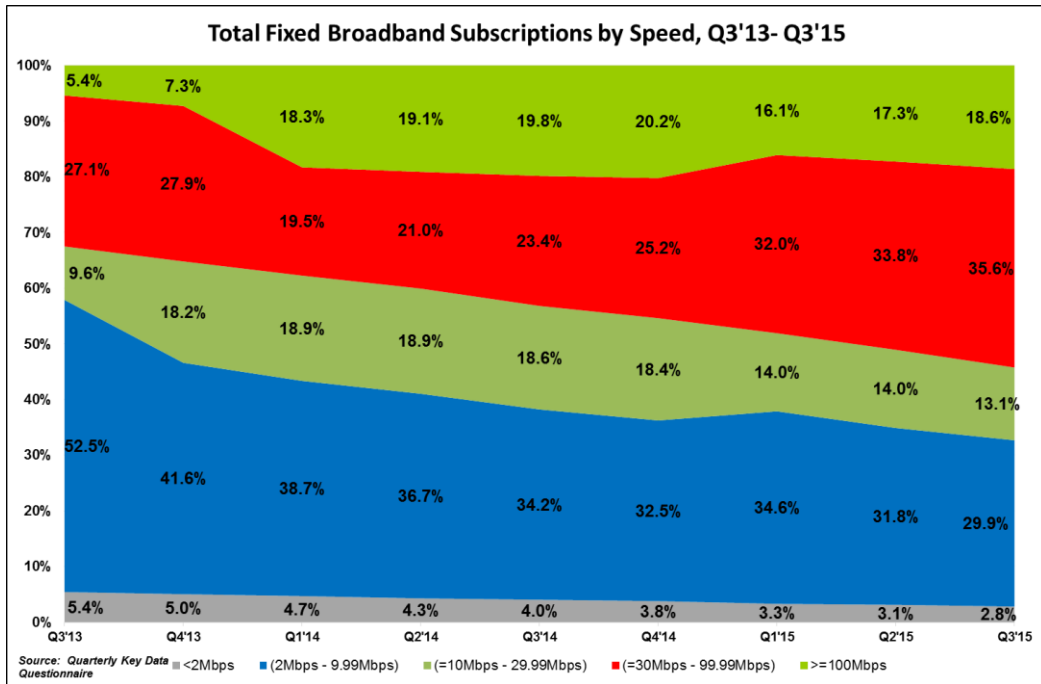


Figure 3.1.10 provides the market shares of fixed broadband operators by number of subscriptions. DSL, VDSL cable modem, FWA, satellite and fibre subscriptions are used to calculate fixed broadband market shares.

Operators with a market share of 2% or more are shown in the chart below. All those operators with less than 2% of total fixed broadband subscriptions are grouped together under the heading 'OAOs'.

According to the data received from operators for Q3 2015, eir had 35.0% of total fixed broadband subscriptions, followed by Virgin Media who had 28.7% of subscriptions. Vodafone had 17.7% (excluding mobile broadband subscriptions) and Sky Ireland had 9.4% market share. All OAOs combined accounted for the remaining 9.1% share of fixed broadband subscriptions.

Figure 3.1.10 – Subscription Market Share of Fixed Broadband Market

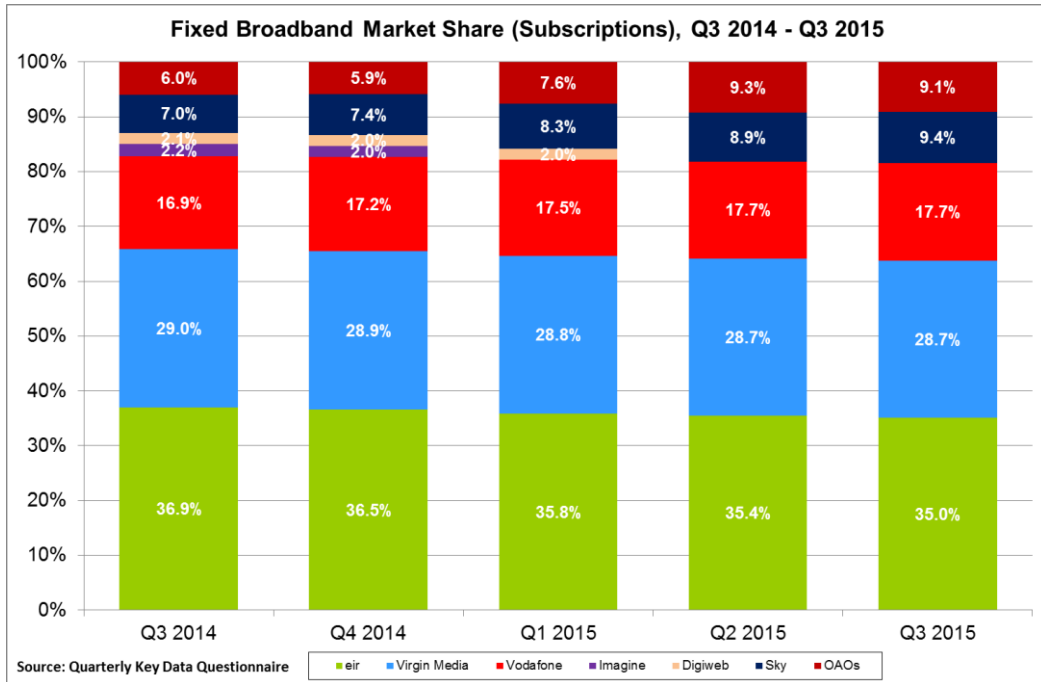
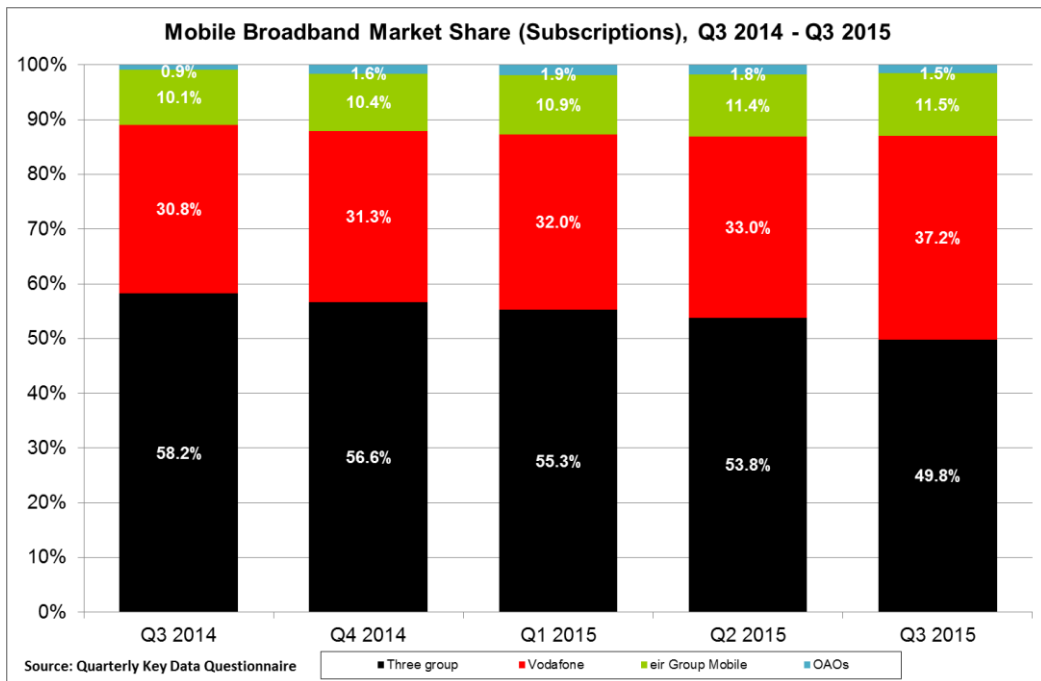


Figure 3.1.11 shows the market share of mobile broadband operators by subscriptions. As of Q3 2015, Three Group had the largest share with 49.8%. Vodafone’s market share was 37.2%, up from 30.8% in Q3 2014. eir Group Mobile had a market share of 11.5% up from 10.1% in Q3 2014, while OAOs accounted for the remaining 1.5%.

Figure 3.1.11 – Subscription Market Share of Mobile Broadband Market



3.2 Provision of DSL Access

Figure 3.2.1 examines the provision of DSL access. DSL broadband services are provided to consumers by operators using three alternative methods of access. DSL may be provided directly to the consumer by eir using direct access to its network; this accounted for 47.3% of all DSL subscriptions in Q3 2015. eir’s market share of retail DSL lines has declined by 4.7 percentage points over the last year. Retail DSL may also be provided by OAOs who use either wholesale bitstream, which enables OAOs to resell another operator’s DSL service, or by offering DSL-based broadband using local-loop unbundling (LLU).

In Q3 2015, 40.1% of all DSL lines were provided by OAOs using wholesale bitstream. In absolute terms there were 216,941 wholesale bitstream lines in Q3 2015, a decrease of 3.4% since Q3 2014. The remaining 12.6% of DSL lines were provided to subscribers by OAOs using local-loop unbundling. In Q3 2015 there were 68,262 unbundled local loops, down from 84,529 in Q3 2014 and down from 73,231 in Q2 2015.

Figure 3.2.1 - Provision of DSL Access

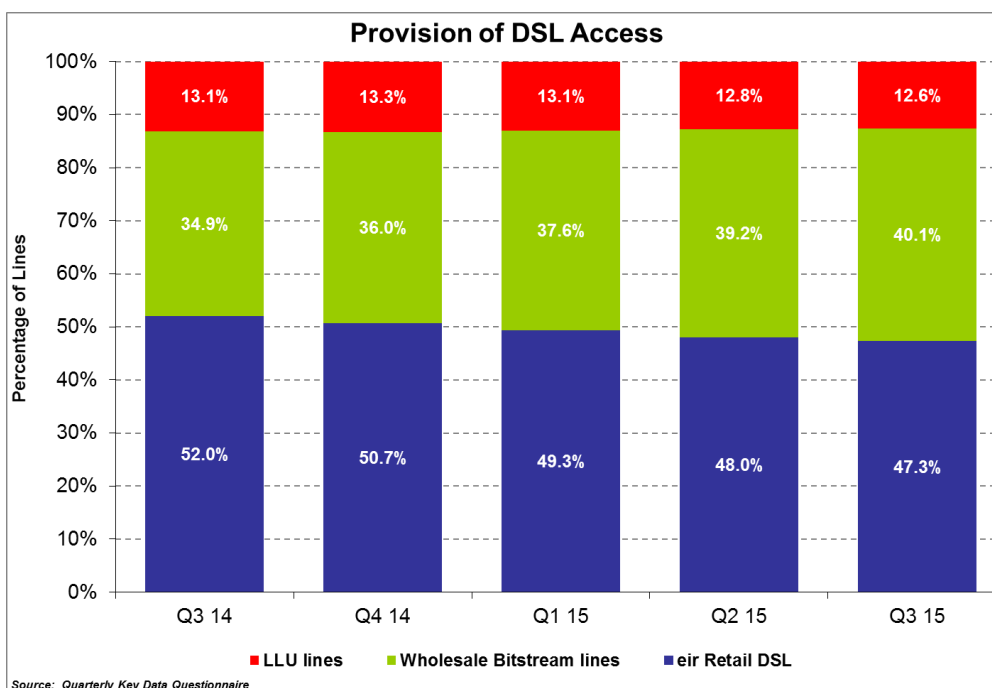
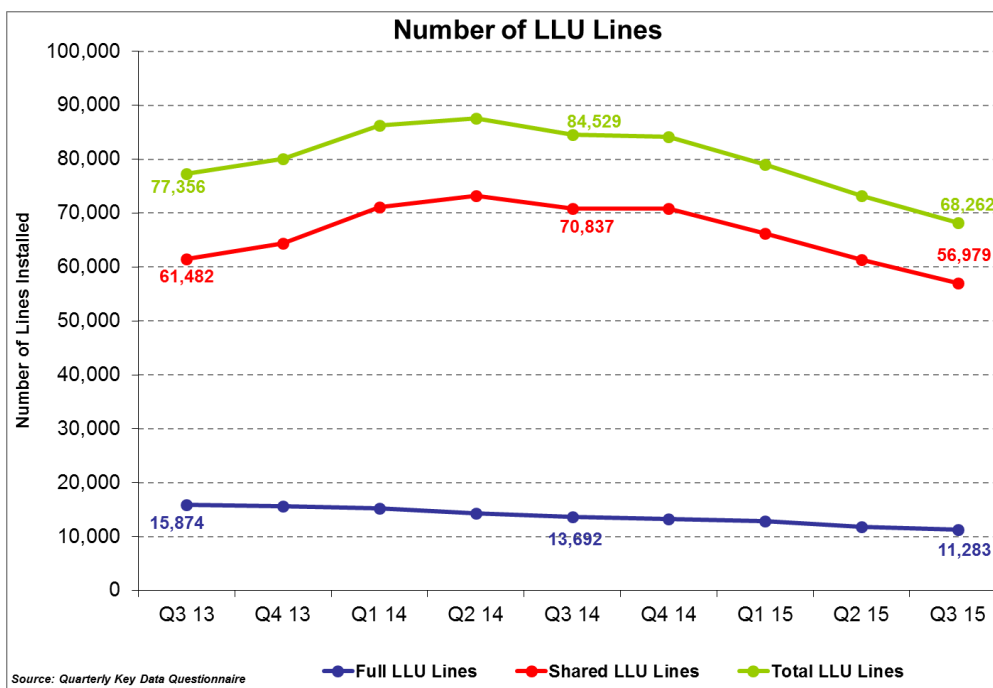


Figure 3.2.2 shows the number of unbundled lines according to their shared and full⁴⁹ unbundling status. Between Q3 2014 and Q3 2015 the total number of LLU lines decreased by 19.2% and declined by 6.8% since Q2 2015. Full LLU lines have decreased

⁴⁹ Full LLU and shared LLU are two ways a copper loop may be unbundled. While full LLU assigns the entire copper loop to the leasing operator, shared LLU enables other operators and the incumbent to share the same line. With shared access consumers can acquire voice and data services from an operator or alternatively data services alone while retaining the voice services of the incumbent.

by 17.6% since Q3 2014 and declined by 4.6% since Q2 2015. Shared LLU lines decreased by 19.6% since Q3 2014 and declined by 7.2% since Q2 2015.

Figure 3.2.2 – Number of Local Loops Unbundled

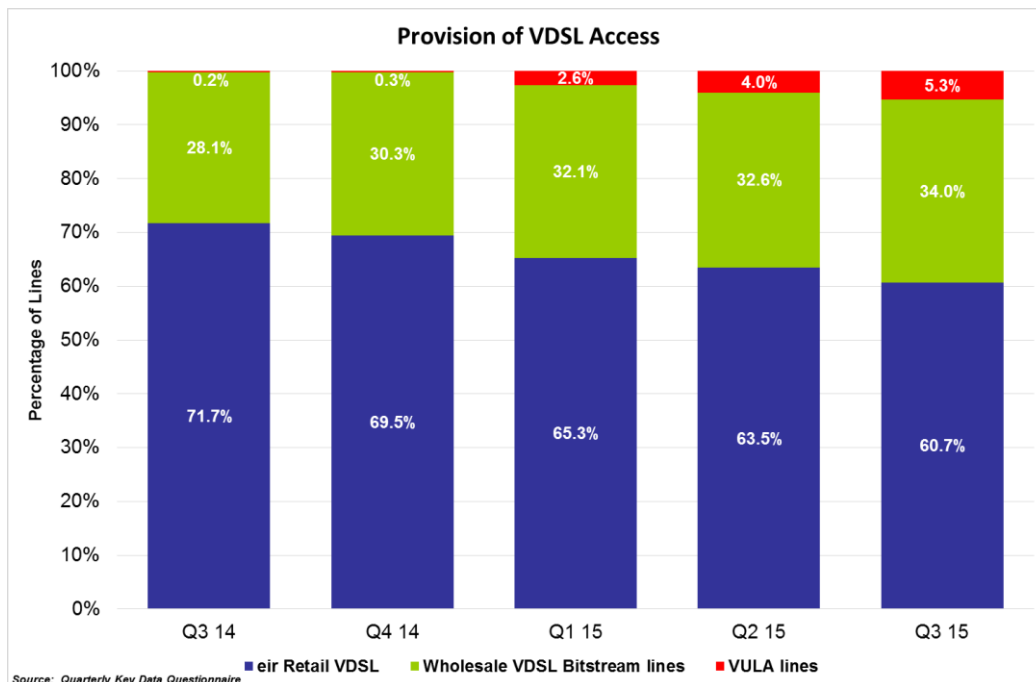


3.3 Provision of VDSL Access

VDSL broadband services are provided to consumers by operators using three alternative methods of access. VDSL may be provided directly to the consumer by eir using direct access to its network; this accounted for 60.7% of all VDSL subscriptions in Q3 2015. eir’s market share of retail VDSL lines has declined by 11.0 percentage points over the last year. Retail VDSL may also be provided by OAOs who use either wholesale bitstream, which enables OAOs to resell another operator’s VDSL service, or by offering VDSL-based broadband using virtual unbundled local access (VULA).

In Q3 2015, 34.0% of all VDSL lines were provided by OAOs using wholesale bitstream. In absolute terms there were 110,106 wholesale VDSL bitstream lines in Q3 2015, an increase of 129.7% since Q3 2014. The remaining 5.3% of VDSL lines were provided to subscribers by OAOs using VULA. In Q3 2015 there were 17,170 VULA lines, up from 325 in Q3 2014 and up from 11,160 in Q2 2015.

Figure 3.3.1 – Provision of VDSL Access



3.4 Usage of Broadband services⁵⁰

Figure 3.4.1 shows data volumes generated by fixed and mobile broadband subscribers as well as subscribers to mobile voice and data services. Fixed broadband volumes reached 316,623 terabytes while mobile data volumes were over 33,000 terabytes in Q3 2015.

Figure 3.4.1 – Fixed broadband and mobile data volumes

	Q3'15 (TBs)	Q2'15 – Q3'15 Growth	Q3'14 – Q3'15 Growth
Fixed broadband data volumes	316,623	N/A	N/A
Mobile data volumes	33,310	+15.1%	+80.3%
Total data volumes	349,934	N/A	N/A

Figure 3.4.2 illustrates average monthly data usage volumes by subscription type. In Q3 2015 an average fixed broadband subscriber used 81.5 GB of data per month. The majority of traffic is generated by residential subscribers with an average monthly data usage per residential subscriber reaching 87.7 GB. An average business fixed broadband subscriber used 40.8 GB of data per month in Q3 2015.

⁵⁰ Accurate broadband usage information is only available since Q3 2015. Presented traffic figures refers to both downloads and uploads.

Figure 3.4.2 – Monthly data traffic per subscription by Subscription Type

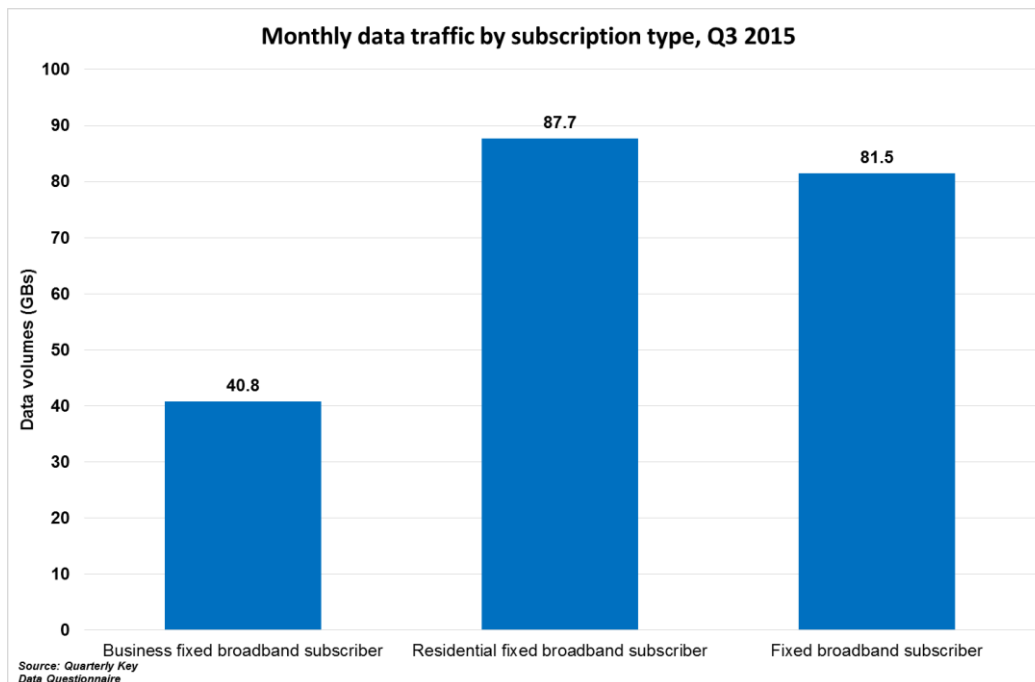
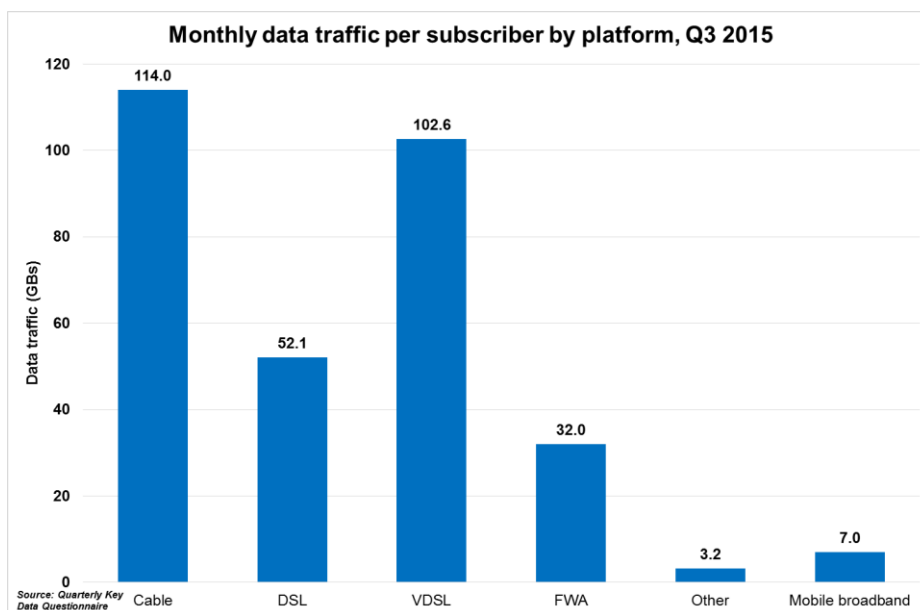


Figure 3.4.3 provides a breakdown of average monthly data usage volumes by broadband platform. In Q3 2015 average cable broadband subscriber used 114 GB of data per month followed by VDSL subscriber (102.6 GB) and DSL subscriber (52.1 GB). It can be observed from Figure 3.4.3 that the average volume of data used increases with download speed as cable and VDSL broadband platforms have the highest proportion of high speed⁵¹ broadband subscriptions as noted in Figure 3.1.8 above.

Figure 3.4.3 – Monthly data traffic per subscription by Broadband Platform



⁵¹ Broadband subscriptions with advertised (headline) speed \geq 30 Mbps.

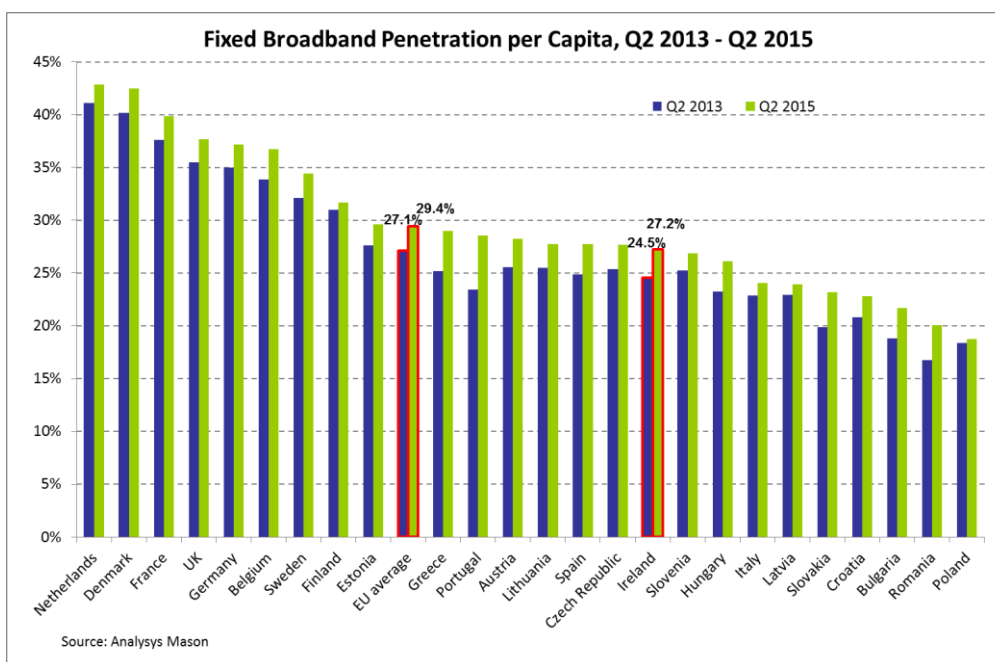
3.5 Broadband Penetration

The total number of broadband subscriptions in Ireland for Q3 2015 was 1,712,633. Using fixed residential broadband subscriptions only, 1,125,248 (i.e. excluding business subscriptions and mobile broadband subscriptions), the estimated fixed broadband household penetration rate (there were 1,689,300 households in Ireland using CSO Q2 2015 estimate) as of Q3 2015 was 66.6%.

Based on the total number of broadband subscriptions in Ireland for Q3 2015, the broadband per capita penetration rate (including mobile broadband) was 36.9%. When mobile broadband is excluded, the penetration rate was 27.9%.⁵² These figures are based on a population of 4,636,000 from Central Statistics Office (CSO) Q2 2015 estimate⁵³.

Figure 3.5.1 shows fixed broadband subscriptions per capita among 25 EU countries in Q2 2013 and Q2 2015⁵⁴. Based on this data, Ireland’s fixed broadband per capita penetration rate (27.2%) remains behind the benchmarked EU average of 29.4%.

Figure 3.5.1 – Fixed Broadband Subscriptions per Capita, Q2 2013 – Q2 2015



⁵² It should be noted that ComReg reports dedicated mobile broadband subscriptions (i.e. on the basis of mobile dongles/datacards) only. Subscriptions with Internet access over a handset are not included. Therefore, the total number of mobile broadband users (i.e. dedicated mobile broadband and handset subscriptions with internet access) will be higher than stated in this report. On the other hand, a broadband subscriber may have both a fixed and mobile broadband subscription and therefore, a broadband penetration rate based on both mobile and fixed subscriptions may overestimate the penetration rate.

⁵³ Estimates based on Quarterly National Household Survey (QNHS).

⁵⁴ Q2 2015 is the latest quarter for which this information is available.

Figure 3.5.2 shows the proportion of households with broadband connections from 2010 to 2014. Both fixed and mobile broadband⁵⁵ are included. Ireland's household broadband penetration rate, at 80%, is higher than the EU28 average of 78%. Penetration has increased by 22 percentage points since 2010 while the EU28 penetration has increased by 17 percentage points. Figure 3.5.3 presents broadband penetration rates in Ireland and EU since 2004.

Figure 3.5.2 – Household Broadband Subscriptions, 2014

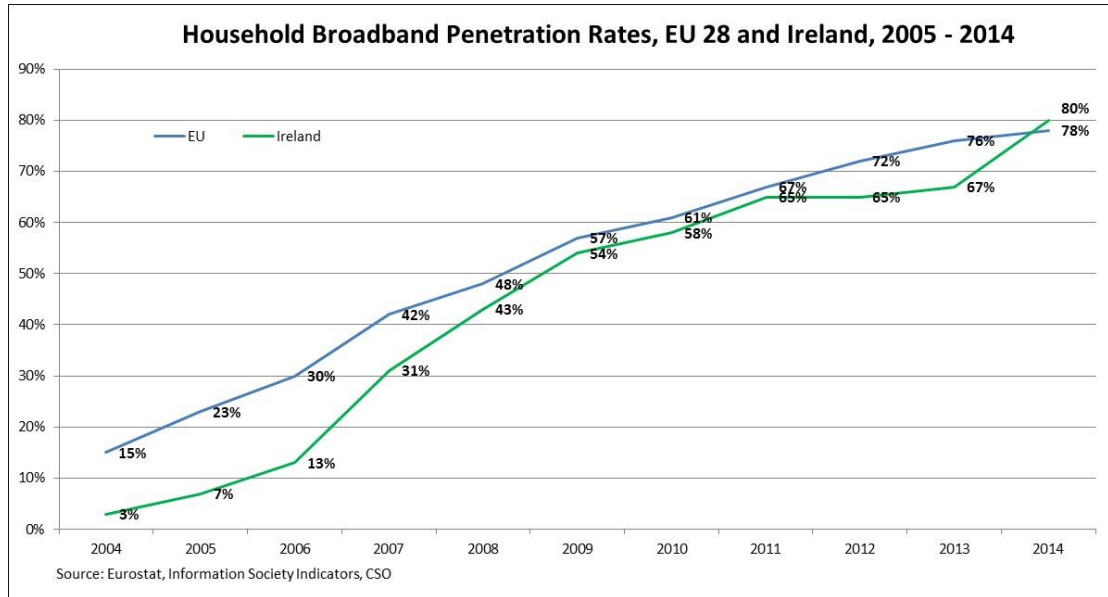
	Broadband internet connections		
	2010	2012	2014
AT	64	77	79
BE	70	75	81
BG	26	51	56
CY	51	62	69
CZ	54	63	76
DE	75	82	87
DK	80	85	85
EE	64	73	81
EL	41	51	65
ES	56	65	73
EU-28	61	72	78
FI	76	85	89
FR	66	77	77
HU	52	68	74
HR	49	60	68
IE	58	65	80
IT	49	55	71
LT	54	60	65
LU	70	68	93
LV	53	67	73
MT	69	77	80
NL	80	84	95
PL	57	67	71
PT	50	60	63
RO	23	50	58
SE	83	87	87
SI	62	73	75
SK	49	72	76
UK	(u)	86	88

(u) data is not reliable

Source: Eurostat⁵⁶

⁵⁵ Households with at least one member aged 16–74. Broadband connection includes: DSL, VDSL, wired fixed (cable, fibre, Ethernet, PLC), fixed wireless (satellite, WiFi, WiMax) and mobile wireless (3G/4G).

⁵⁶ (online data code [isoc_bde15b_h](#))

Figure 3.5.3 – Household Broadband Penetration, 2005 - 2014

3.6 Wi-Fi Broadband Access⁵⁷

While Wi-Fi originally emerged as an alternative to share broadband connectivity in the home and to provide access to nomadic laptop users in airports and other public places, it is now being used by a broader range of service providers with different business models and services which include in home connectivity, outdoor access for nomadic users, and off-loading and coverage alternatives for mobile operators.

ComReg presents data on the Wi-Fi market based on the number of public Wi-Fi hotspots and access points located nationally. Internet hotspots are typically public wireless access points where a computer, usually a laptop, or other portable device such as an iPhone or tablet can connect to the internet. A Wi-Fi hotspot can be made up of one or more Wi-Fi access points⁵⁸. Wi-Fi hotspots tend to be found in airports, hotel lobbies and cafés and restaurants. In most cases, the user pays for high-speed internet access at an access point, based either on a vouchered payment for a specific amount of time online or a recurring monthly subscription. There are a number of providers of these services in Ireland including Bitbuzz⁵⁹, eir, Sky Ireland and BT Ireland.

⁵⁷ As noted on page 8 above, additional Wi-Fi services information is available from one operator since Q3 2015. Hence, information in Figure 3.6.1 is not directly comparable to information in previous periods.

⁵⁸ Hotspots are typically public locations at which broadband internet access can be obtained. At these hotspots, users with a computer (usually a laptop) can wirelessly connect to the internet either for free or on payment of a fee. Typical locations for such hotspots include cafes and restaurants, hotels and airports. In general terms, more than one access point can be found at a hotspot.

⁵⁹ Bitbuzz has been acquired by Virgin Media.

Comparing Q3 2014 to Q3 2015, the number of Wi-Fi hotspots and access points have increased by approximately 9.0% and 12.3% respectively. Wi-Fi minutes increased by 55.1% over this period. This may be a reflection of the increasing take up of smartphones and tablet devices among Irish consumers, as well as changes in Wi-Fi operators' conditions of access. It should be noted that due to changes in policy by some Wi-Fi operators towards termination of a session (i.e. in the past a user's session was terminated if they dropped of the network for a short period of time. However, a user can now be off the network for longer periods before the session is terminated) the number of Wi-Fi minutes has increased as a result.

A breakout of the data by operators' percentage shares in Q3 2015 is also provided below.

Figure 3.6.1 – Wi-Fi Hotspots, Access Points and Minutes of Use

	Q3 2015	Q2'15-Q3'15 Growth	Q3'14-Q3'15 Growth
Wi-Fi Hotspots	3,683	+8.6%	+9.0%
Wi-Fi Access Points	6,231	+6.3%	+12.3%
Wi-Fi Minutes of Use	963,292,808	+15.7%	+55.1%

% Share - Q3 2015	Bitbuzz	eir	BT	OAOs
Wi-Fi Hotspots	11.6%	76.1%	3.2%	9.1%
Wi-Fi Access Points	38.8%	52.4%	2.3%	6.4%
Wi-Fi Minutes of Use	40.3%	48.4%	10.3%	1.0%

3.7 Fixed and Mobile Broadband Pricing Data

ComReg uses independently collated Strategy Analytics (Teligen) pricing data using OECD-approved methodologies to examine the relative prices of a number of specific fixed broadband and mobile broadband usage baskets of national broadband services and broadband services in other selected countries for both residential and business users. The pricing data used for international comparisons includes pricing information for selected countries, namely Germany, Denmark, Spain, Netherlands and the United Kingdom⁶⁰.

⁶⁰ In future Quarterly Key Data Reports ComReg may expand the analysis and include more countries for international price comparisons.

For national comparisons, the prices advertised⁶¹ by the largest operators (in terms of number of subscribers to fixed broadband services and separately number of subscribers to mobile broadband services) during Q3 2015 were analysed⁶² for selected OECD usage baskets. In this Quarterly Key Data Report standalone and bundled fixed broadband service prices advertised by eir, Virgin Media, Vodafone, Sky, Digiweb and Imagine were analysed. For mobile broadband service, prices advertised by Three Group, Vodafone, Meteor, eir Mobile and Tesco were analysed. Thus, the broadband pricing analysis does not necessarily present the lowest prices available in the entire market, but rather the lowest prices offered by the operators having the largest number of subscribers. It should also be noted that some of the operators included in the analysis do not offer their services nationally⁶³. In addition, some operators only offer broadband services bundled with another service (e.g. fixed voice services which can include line rental, sometimes also with an inclusive amount of call minutes). In these instances, the analysis is based on the cost of the bundle excluding any voice related usage patterns. i.e., only broadband usage related factors are taken into account⁶⁴ in the analysis.

For international comparisons, prices advertised⁶⁵ by the largest operators (in terms of the number of subscribers to fixed broadband services and separately number of subscribers to mobile broadband services) operators in each of the respective countries during Q3 2015 were analysed⁶⁶ for selected usage baskets⁶⁷ (with an average per country price presented based on the average of lowest price tariffs advertised by three highest ranking operators in national pricing comparisons). In order to enable international comparisons, prices are presented in Euro Purchasing Power Parities (PPPs) and exclude VAT charges. PPPs provide an indication of the cost of telecoms services in countries analysed in relation to the cost of all other products and services.

The presented analysis accounts for the fact that broadband services differ in terms of advertised download/upload speeds to ensure that a meaningful comparison can be

⁶¹ The pricing analysis is based on a review of operators' advertised prices in the period Q3 2015.

⁶² The subscribers of these operators jointly account for over 94% of all fixed broadband subscribers and 100% of all mobile broadband subscribers. For fixed broadband, tariffs based on broadband services provided over DSL, Fibre (incl. VDSL), Cable and FWA were analysed. For mobile broadband, tariffs on broadband services provided over 3G and 4G networks were analysed.

⁶³ For example, Virgin Media offers fixed broadband services only in the areas where its cable network has been rolled out.

⁶⁴ In other words, the broadband pricing analysis does not take account of fixed voice call usage.

⁶⁵ The pricing analysis is based on a review of operators' advertised prices in the period Q3 2015.

⁶⁶ The subscribers of these operators jointly account for over 80% of all fixed broadband subscribers and 80% of all mobile broadband subscribers in each of the respective countries.

⁶⁷ The same basket was applied to each respective country in order to make the international comparison.

made between packages in terms of contracted download speeds offered. Packages which limit usage through speed restrictions when usage exceeds inclusive allowances are excluded. The presented analysis also incorporates discounts offered by operators. Nonrecurring charges (e.g. charges for the installation of a service) are discounted/amortised over three years and other recurring fixed costs such as line rental (in case of fixed broadband) are included and any other additional broadband related charges are included in the baskets.

The OECD basket methodologies are reviewed and revised periodically, with the latest revision made in early 2010⁶⁸ for fixed broadband baskets and 2012⁶⁹ for mobile broadband baskets. Further information on the composition of the broadband basket can be found in the Explanatory Memorandum which accompanies this report.

The following baskets are presented in this report⁷⁰:

OECD Residential and business fixed and mobile broadband baskets

Type of basket	Basket
Fixed Broadband Residential	18GB basket (broadband speeds ≤30 Mbps)
Fixed Broadband Residential	54GB basket (broadband speeds >30 Mbps)
Fixed Broadband Business	33GB basket
Mobile Broadband Residential	5GB basket
Mobile Broadband Business	10GB basket

These baskets were selected given their closeness to the national broadband usage patterns observed having regard to the data provided by fixed and mobile broadband operators to ComReg for the purpose of the Quarterly Key Data Report. See Figures 3.4.2 and 3.4.3 above for fixed and mobile broadband data usage patterns. ComReg notes that these baskets reflect usage patterns of an average user and do not

⁶⁸ See <http://www.oecd.org/sti/broadband/48242089.pdf>

⁶⁹ See <http://www.oecd-ilibrary.org/docserver/download/5k92wd5kw0nw.pdf?expires=1417540956&id=id&accname=guest&checksum=F27F571EC7CA723CF50FE9183C21AEE4>

⁷⁰ In future Quarterly Key Data Reports ComReg may expand the analysis and present price comparisons based on additional and/or different usage baskets.

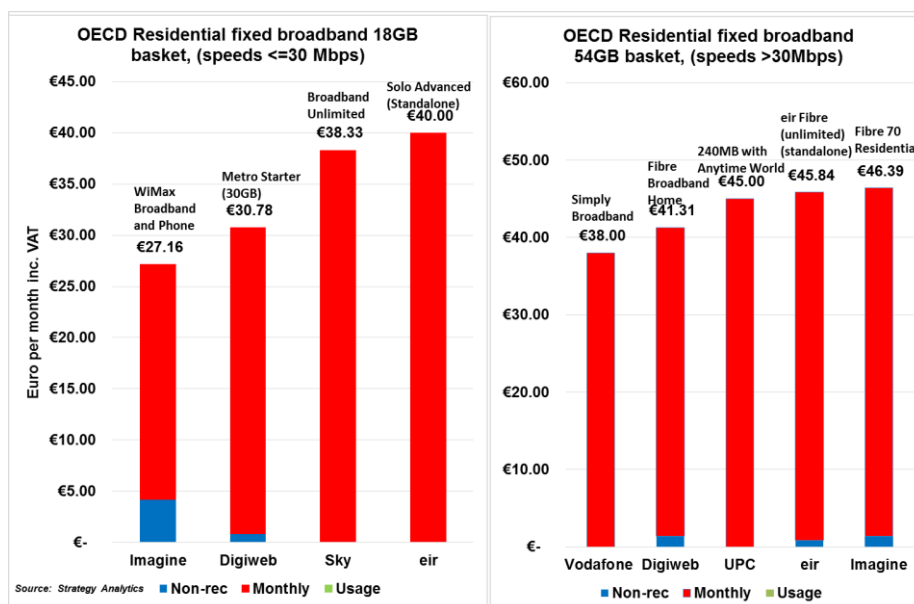
necessarily reflect prices of tariffs that are geared towards customers having different usage profiles.

ComReg notes that comparisons are based on the prices of advertised tariffs only⁷¹ and the analysis does not take into consideration other important factors such as quality of the network, levels of customer care, additional units of consumption available after having accounted in the analysis for the units in the OECD usage basket, minimum contract term etc.

OECD Residential Fixed Broadband Service Basket

Figure 3.7.1 compares the cheapest residential tariffs advertised by fixed broadband providers (whether standalone broadband or broadband sold as part of a bundle) for residential customers based on an OECD 18GB and 54GB monthly data usage baskets. For fixed broadband where the advertised download speed of the broadband service does not exceed 30Mbps, Imagine offers the cheapest tariff⁷² for this particular usage profile at €27.16, followed by Digiweb⁷³ (€30.78) and Sky (€38.33). For fixed broadband where advertised download speed of broadband service exceeds 30Mbps, Vodafone offers the cheapest tariff (€38.00), followed by Digiweb (€41.31) and Virgin Media⁷⁴ (€45.00).

Figure 3.7.1 - Residential Fixed Broadband Basket (National comparison)



⁷¹ Tariffs publically advertised during Q3 2015.

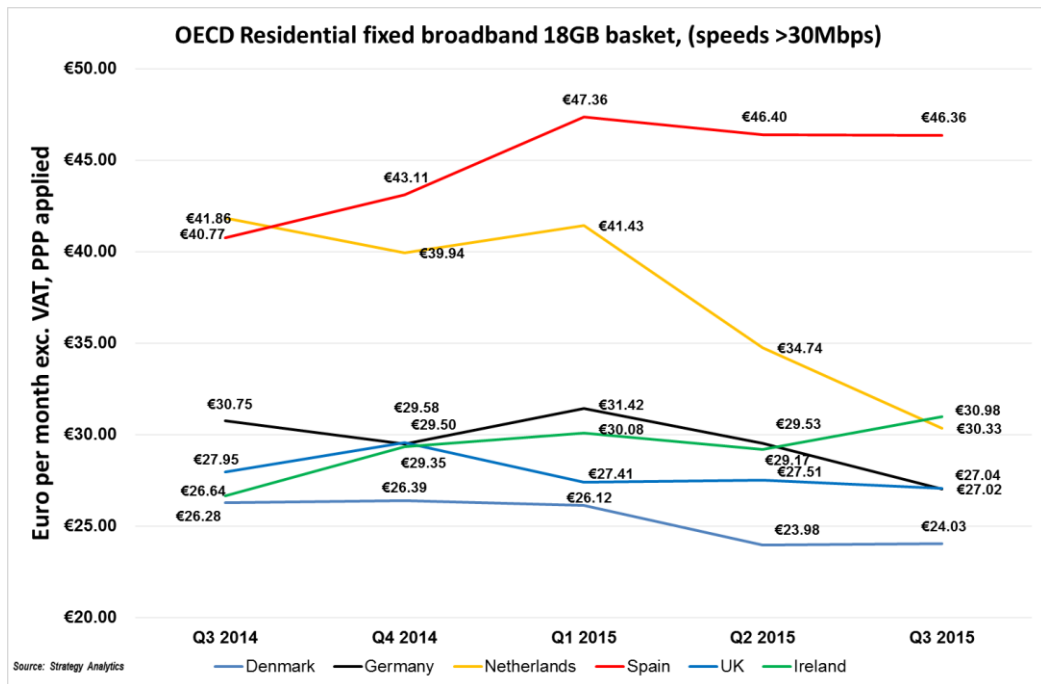
⁷² This tariff is based on Imagine’s fixed wireless access (FWA) broadband service.

⁷³ This tariff is based on Digiweb’s fixed wireless access (FWA) broadband service.

⁷⁴ In Q3 2015 Virgin Media’s tariffs were advertised under UPC’s brand.

Figure 3.7.2 illustrates Ireland’s ranking alongside five other Western European countries. Ireland ranks in fifth place with an average price of €30.98⁷⁵ for this particular residential basket. The average price in Ireland is 0.1% more expensive than the average price⁷⁶ for all of the countries included in the analysis.

Figure 3.7.2 - Residential Fixed Broadband Basket (International comparison)



OECD Business Fixed Broadband Service Basket

Figure 3.7.3 compares business tariffs advertised by fixed broadband service providers (whether standalone broadband or broadband sold as part of a bundle) for business customers based on a 33GB monthly data usage basket. Presented prices exclude VAT charges. Digiweb offers the cheapest tariff (€30.36) followed by Vodafone (€35.00) and Imagine (€35.06).

⁷⁵ As noted previously, average prices used for international comparisons exclude VAT charges.

⁷⁶ The average of prices presented in Figure 3.7.2. 18GB basket for international comparisons was used as historic data for 54GB basket is not available for the comparator countries.

Figure 3.7.3 - Business Fixed Broadband Basket (National comparison)

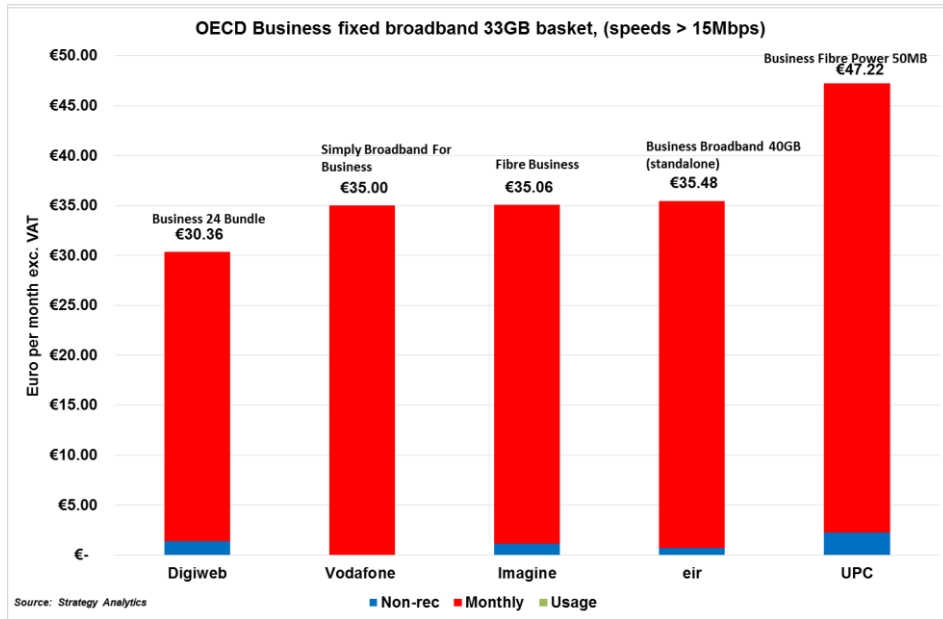
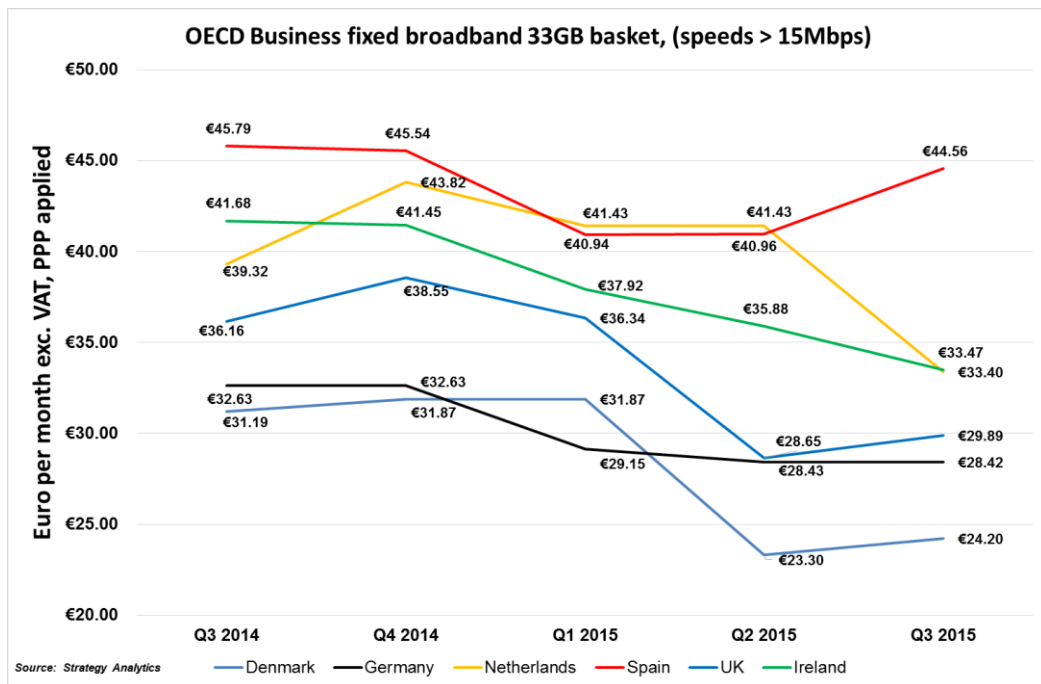


Figure 3.7.4 shows that in an international comparison context Ireland (€33.47⁷⁷) ranks in fifth place. The average price in Ireland is 4% higher than the average price⁷⁸ for all of the countries included in the analysis.

Figure 3.7.4 - Business Fixed Broadband Basket (International comparison)



⁷⁷ As noted previously, average prices used for international comparisons exclude VAT charges.

⁷⁸ The average of prices presented in Figure 3.7.4.

OECD Residential Mobile Broadband Service Basket

Figure 3.7.5 compares pre-paid and post-paid tariffs advertised by mobile broadband service providers for residential customers based on an OECD 5GB monthly mobile data usage basket. Tesco offers the cheapest tariff (€10.00) followed by Meteor (€14.99) and Vodafone (€19.99).

Figure 3.7.5 - Residential Mobile Broadband Basket (National comparison)

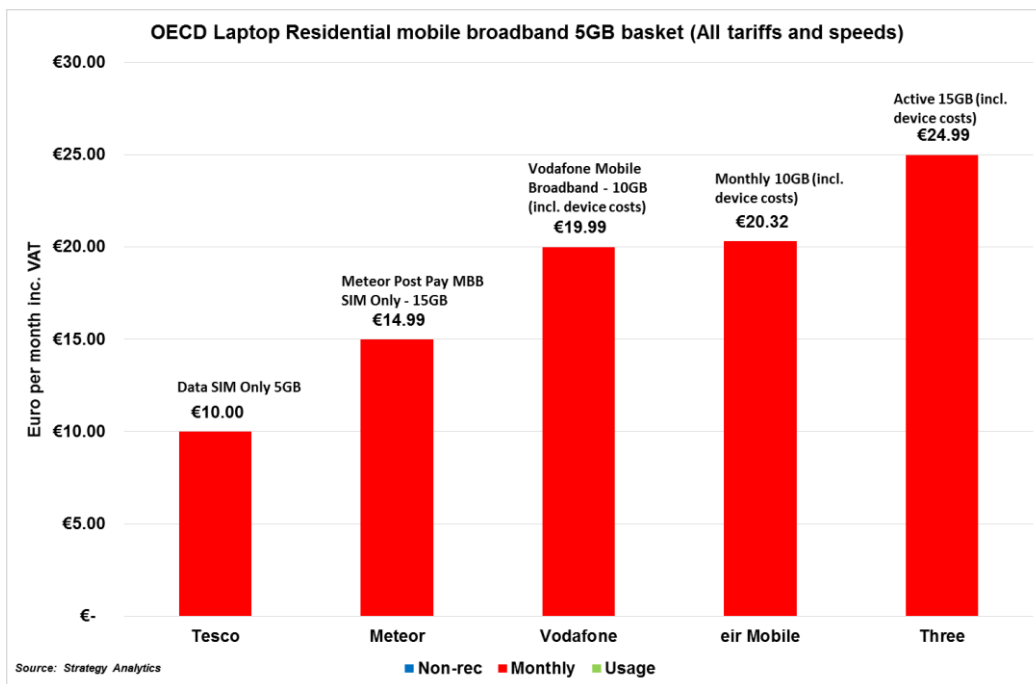
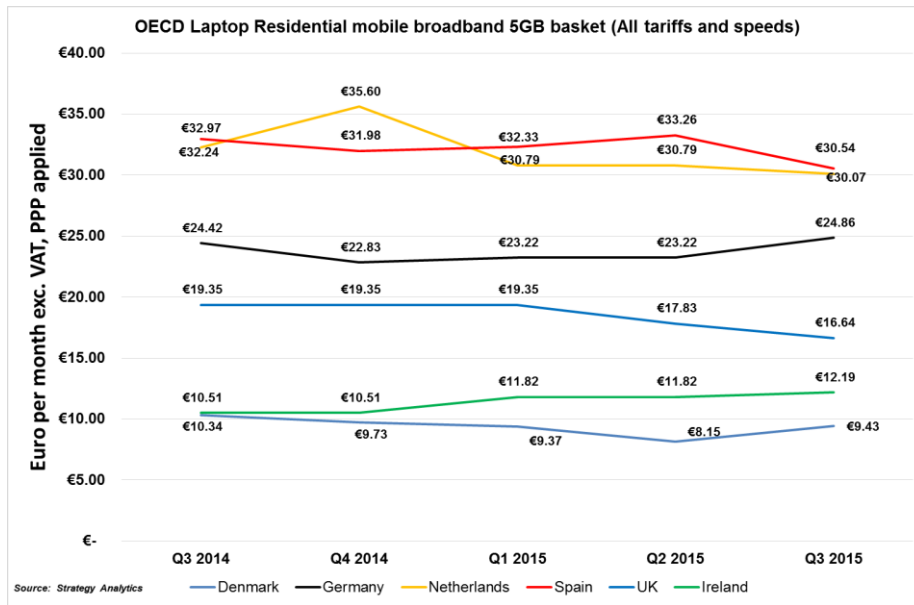


Figure 3.7.6 below illustrates Ireland’s ranking alongside five other Western European countries. Ireland ranks in second place with an average price of €12.19⁷⁹ for this particular basket. The average price in Ireland is 41% cheaper than the average price⁸⁰ for all of the countries included in the analysis.

⁷⁹ As noted previously, average prices used for international comparisons exclude VAT charges.

⁸⁰ The average of prices presented in Figure 3.7.6.

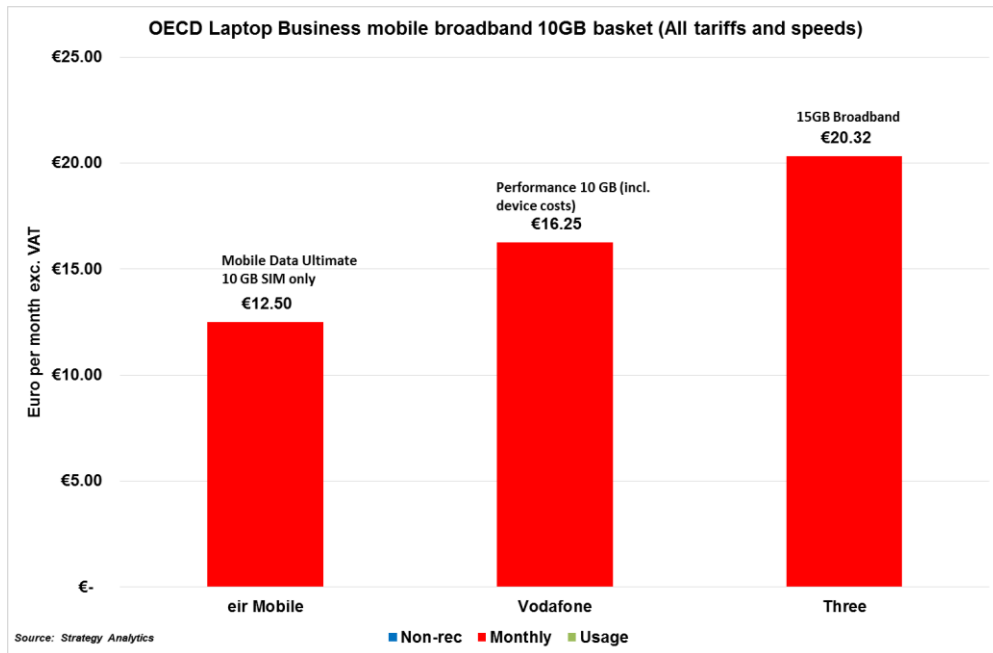
Figure 3.7.6 - Residential Mobile Broadband Basket (International comparison)



OECD Business Mobile Broadband Service Basket

Figure 3.7.7 compares post-paid tariffs advertised by mobile broadband service providers⁸¹ for business customers based on an OECD 10GB monthly data usage basket. Presented prices exclude VAT charges. eir Mobile (€12.50) offers the cheapest tariff followed by Vodafone (€16.25) and Three (€20.32).

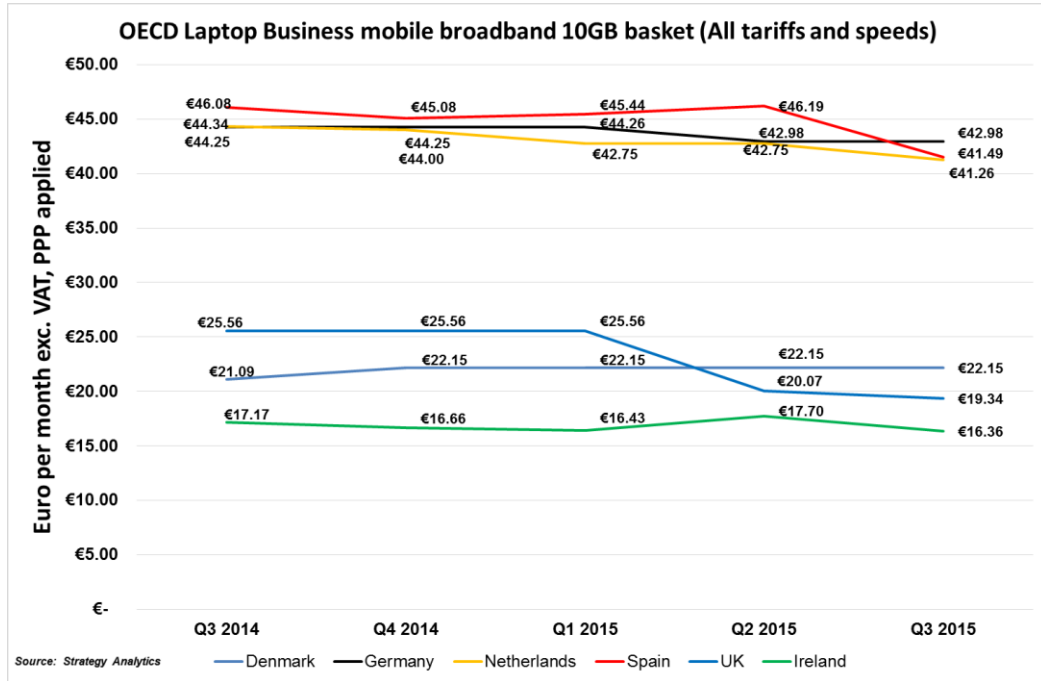
Figure 3.7.7 - Business Mobile Broadband Basket (National comparison)



⁸¹ Only tariffs advertised by Vodafone, Three and eir Mobile were analysed for business customers. Some operators do not offer mobile broadband service to business customers.

Figure 3.7.8 shows that, from an international comparison perspective, Ireland (€16.36⁸²) ranks in first place. The average price in Ireland is 47% cheaper than the average price⁸³ for all of the countries included in the analysis.

Figure 3.7.8 - Business Mobile Broadband Basket (International comparison)



⁸² As noted previously, average prices used for international comparisons exclude VAT charges.

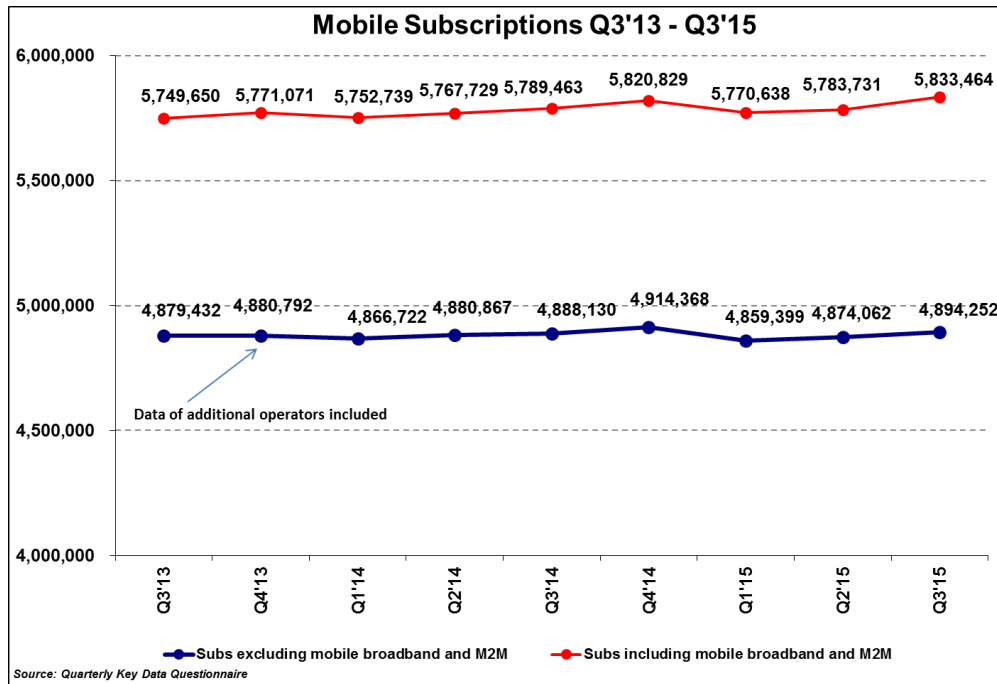
⁸³ The average of prices presented in Figure 3.7.8.

4. Mobile Market Data

4.1 Number of Subscriptions and Penetration Rate

At the end of September 2015 there were 5,833,464 mobile subscriptions in Ireland, including mobile broadband and Machine to Machine ('M2M') subscriptions. If mobile broadband subscriptions (417,935) and M2M subscriptions (521,277) are excluded, the total number of mobile subscriptions in Ireland was 4,894,252.

Figure 4.1.1 – Mobile Subscriptions



In Q3 2015 there were 4,026,025 mobile voice and data subscribers using 3G/4G networks in Ireland. This figure can be taken as an indication of the number of smartphone users accessing advanced data services such as web/internet content, online multiplayer gaming content, Video on Demand (VoD) or other equivalent advanced data services (excluding SMS and MMS). This represents approximately 82.3% of all mobile subscriptions (excluding dedicated mobile broadband and M2M) in Q3 2015.

Figure 4.1.2 below shows the breakdown of total active subscribers, total standard mobile voice and data subscribers using 3G/4G networks and dedicated mobile broadband subscribers from Q3 2014 to Q3 2015.

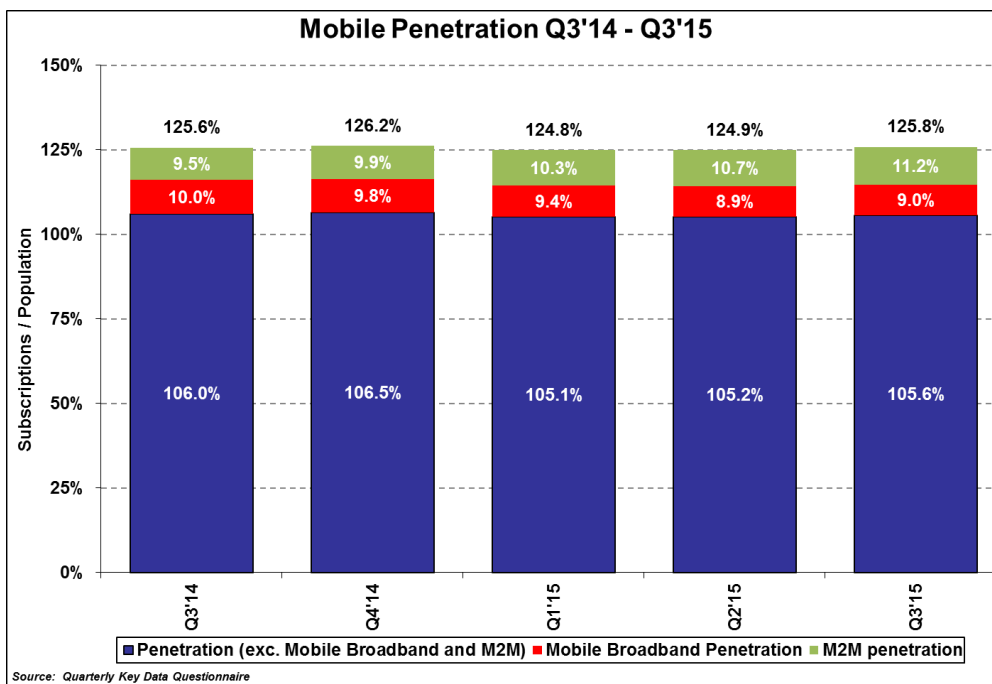
Figure 4.1.2 – Mobile Subscribers using data services over 3G/4G networks

	Q3'15	Q3'14	Quarterly Change (Q2'15 – Q3'15)	Annual Change (Q3'14 – Q3'15)
Total active subscriptions	5,833,464	5,789,463	+0.9%	+0.8%
Mobile voice and data subscribers using 3G and 4G networks	4,026,025	2,957,275	+12.0%	+36.1%
Dedicated mobile broadband subscribers	417,935	462,467	+1.3%	-9.6%

Figure 4.1.3 charts mobile penetration since Q3 2014 and shows that at the end of September 2015, mobile penetration, based on a population of 4,636,000 (using CSO Q2 2015 estimate), was 125.8% including mobile broadband and M2M and 105.6% excluding mobile broadband and M2M. Mobile penetration is recognised as the standard metric internationally to measure the adoption of mobile services, and is calculated based on the number of active SIM cards per 100 of the population.

Given that some mobile users may have used more than one active SIM card during the period, there is likely to be some over-estimation of actual individual mobile penetration using this metric. ComReg's calculation of mobile subscriptions includes active SIMs bundled with mobile broadband data cards and USB modems for internet access via laptops/PCs, SIMs that enable the flow of data between Machines as well as SIM cards used in mobile phones for voice and data services.

Figure 4.1.3 – Irish Mobile Penetration Rate



4.2 The Profile of Mobile Subscriptions in Ireland

Mobile users pay for their mobile service by either purchasing pre-paid credit, or by receiving a monthly bill from their mobile operator, described in this report as a post-paid payment option.

Figures 4.2.1 and 4.2.2 illustrate the mobile subscription base (including mobile broadband and M2M) in Ireland classified by the proportion of pre-paid and post-paid subscriptions on 2G, 3G and 4G networks at the end of September 2015. Post-paid subscriptions are increasing, accounting for 49.3% of subscriptions in Q3 2015, up from 47.0% one year previously at the expense of a decline in pre-paid subscriptions. The majority of both pre-paid and post-paid subscriptions include broadband/data packages while all M2M subscriptions are post-paid.

Figure 4.2.1 – Profile of Pre-Paid and Post-Paid Subscriptions

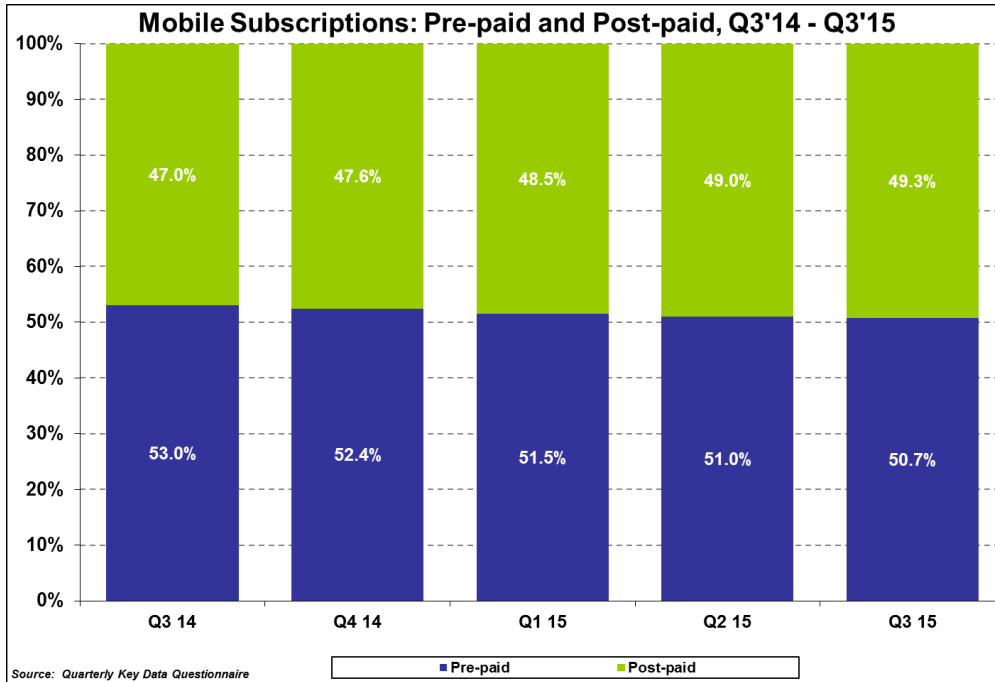


Figure 4.2.2 – Mobile Subscriptions by Pre-pay/Post-pay Split, Q3'14 – Q3'15

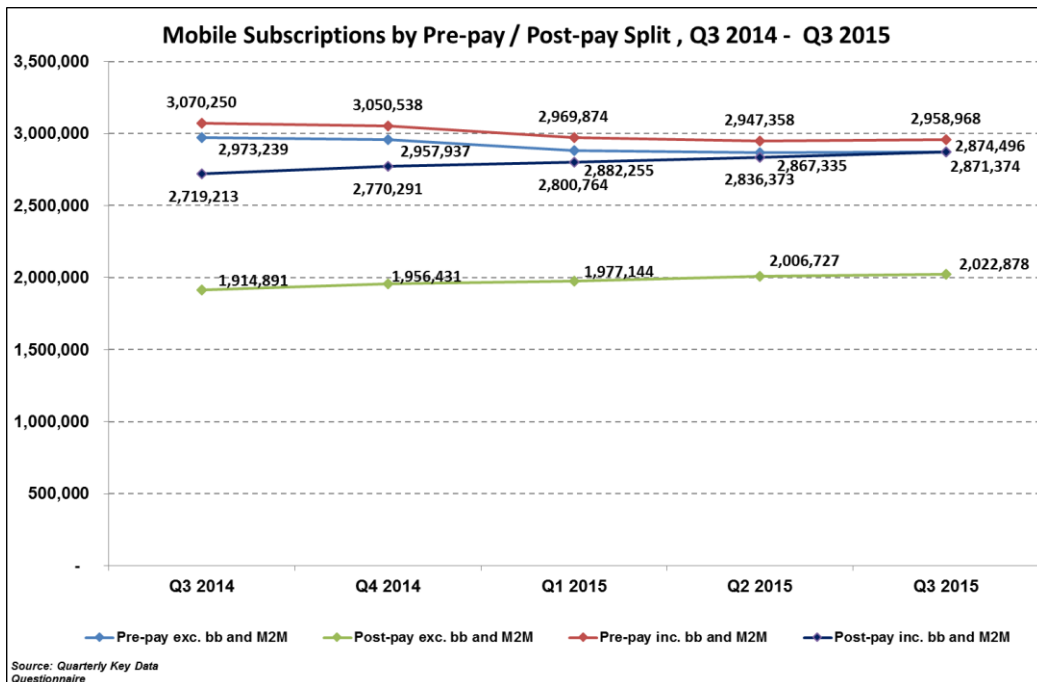


Figure 4.2.3 shows the pre-paid and post-paid subscription profile for each of the mobile operators in the Irish market. Mobile broadband and M2M subscriptions are included in this data. As of Q3 2015, the mobile operator with the highest proportion of post-paid subscriptions was Three Group (56.0%), followed by Vodafone (53.5%), eir Group

Mobile (44.6%) and Tesco mobile (12.8%) while all of Lycamobile’s subscriptions are pre-paid.

Figure 4.2.3 – Profile of Pre-Paid and Post-Paid Subscriptions by Operator

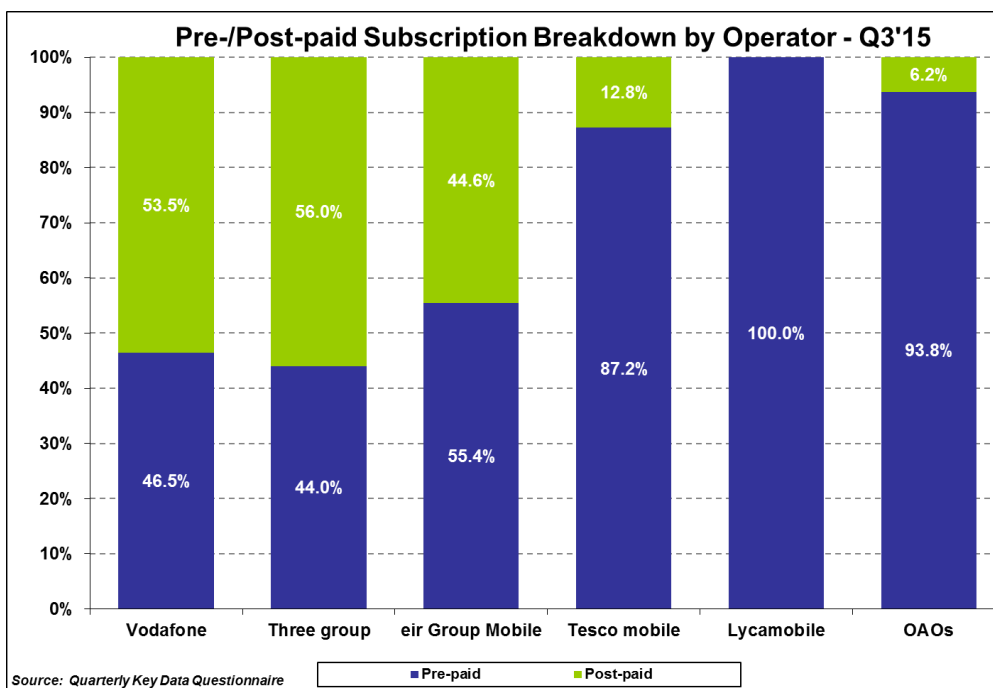


Figure 4.2.4 shows the split between pre-paid and post-paid mobile broadband subscriptions between Q3 2014 and Q3 2015. 79.0% of all mobile broadband subscriptions were post-paid at the end of September 2015, same as one year previously.

Figure 4.2.4 – Profile of Pre-Paid and Post-Paid Mobile Broadband Subscriptions

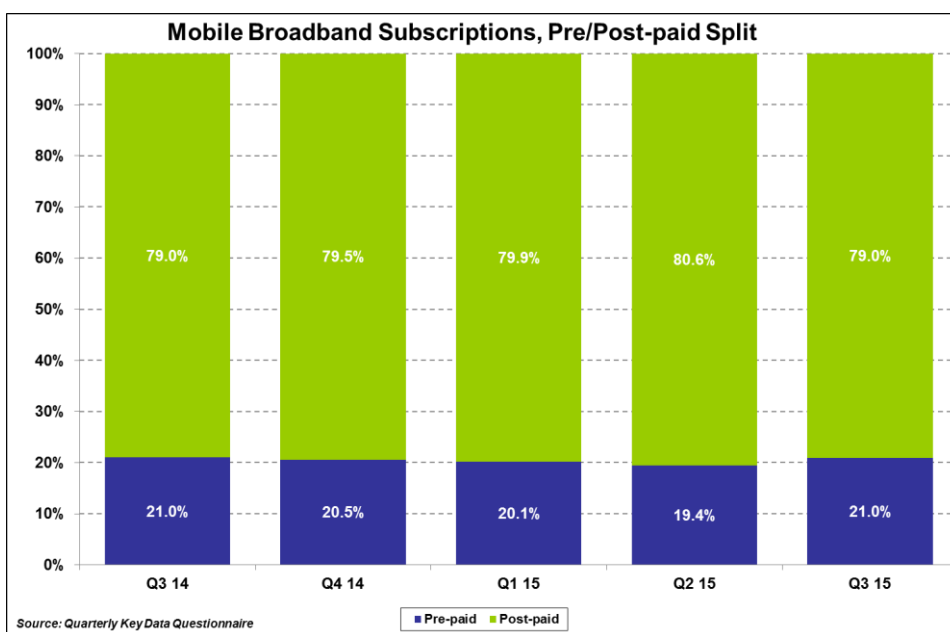


Figure 4.2.5 shows the split of post-paid business and non-business mobile subscriptions including and excluding mobile broadband and M2M between Q3 2014 to Q3 2015. Approximately 46.7% of post-paid mobile subscriptions (including mobile broadband and M2M) and 34.5% of post-paid mobile subscriptions (excluding mobile broadband and M2M) were classed as business subscriptions in Q3 2015.

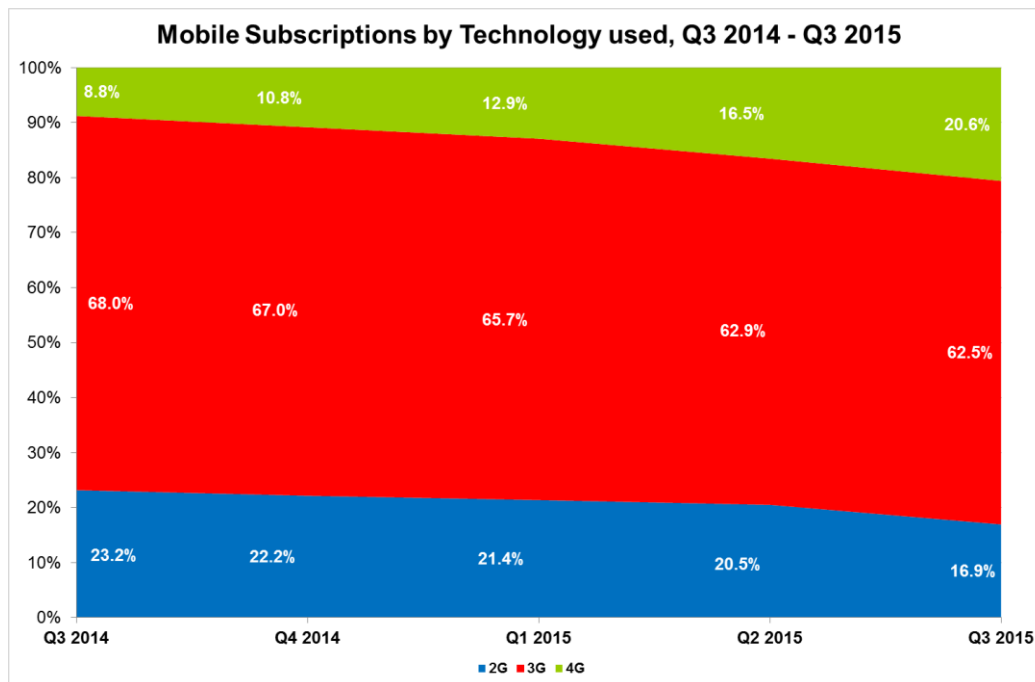
Figure 4.2.5 – Post-Paid Business and Residential Mobile Subscriptions

	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Residential subs inc. mobile broadband⁸⁴	1,531,559	1,530,829	1,532,459	1,532,005	1,510,561
Residential subs exc. mobile broadband	1,325,016	1,315,823	1,304,222	1,293,852	1,264,052
Business subs inc. mobile broadband & M2M	1,342,937	1,305,544	1,268,305	1,238,286	1,208,652
Business subs exc. mobile broadband & M2M	697,862	690,904	672,922	662,579	650,839

Figure 4.2.6 shows the split of mobile subscribers (including mobile broadband and M2M subscribers) broken down by mobile network technology used by these subscribers. For example, subscribers who purchase 4G plans and have generated traffic on a 4G network are categorised as 4G subscribers. Categories are mutually exclusive in that subscribers who have generated traffic on multiple networks (e.g. 2G and 3G) are categorised as users of the higher quality network (3G in this example). By the end of September 2015, 20.6% of mobile subscribers have been categorised as 4G network users, 62.5% use 3G network with the remaining 16.9% of subscribers using 2G networks only.

⁸⁴ All M2M subscriptions are assumed to be business subscriptions.

Figure 4.2.6 – Mobile Subscriptions by Network used



4.3 Mobile Volumes

Figure 4.3.1 illustrates the change in voice minutes, SMS, and MMS (Multimedia Messaging Service) messages and 'other data'⁸⁵ volumes (internet uploads and downloads) sent between Q3 2011 and Q3 2015. Total retail mobile voice traffic totalled 3.04 billion minutes in Q3 2015, an increase of 4.3% on Q3 2014.

The total number of SMS messages sent by mobile users in Ireland was over 1.64 billion in Q3 2015, down by 10.2% on Q3 2014 and down by 2.6% since Q2 2015. The number of multimedia messages (MMS) sent was up by 2.4% in the year to Q3 2015⁸⁶. Data usage volumes continue to rise, increasing by 80.3% in the year to Q3 2015 to reach 33,310 terabytes.

⁸⁵ Other data volumes means mobile traffic for which customers do and do not have to pay per MB charges and refers to both uploads and downloads. Retail international roaming data downloaded from network subscribers roaming on foreign networks (including EU-28) is also included.

⁸⁶ MMS traffic was revised in Q2 2015. See note 5 within the corrigendum to Q2 2015 on page 5 of this report.

Figure 4.3.1 – SMS, MMS, Other Data and Call Minute Volumes

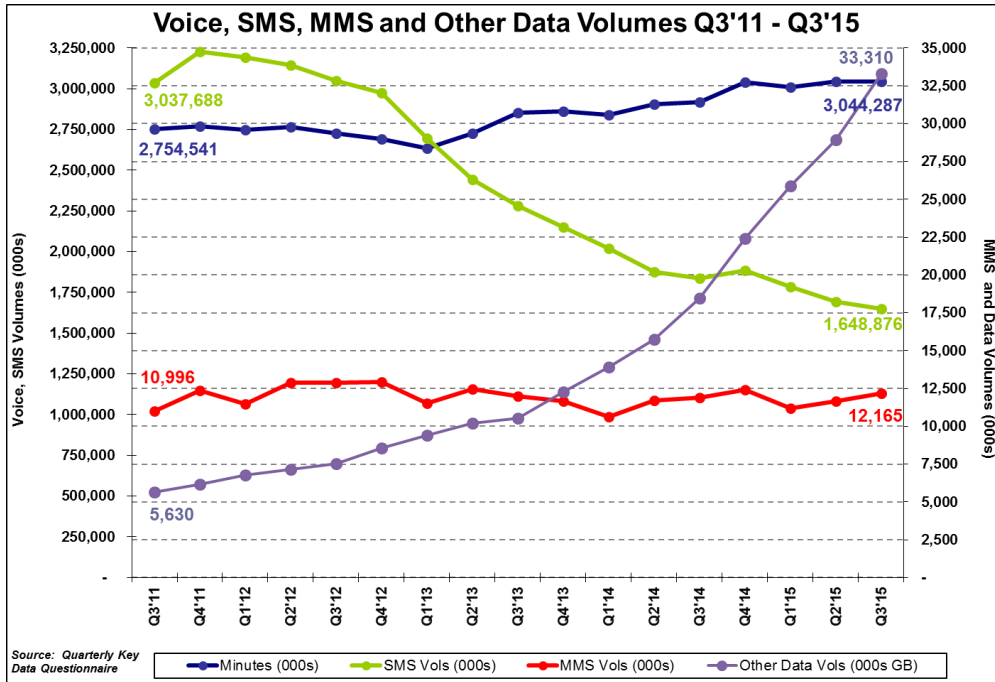


Figure 4.3.2 illustrates the share of types of mobile voice call minutes. As of Q3 2015, 75.6% of all mobile voice minutes were classified as mobile-to-mobile (on-net and off-net); 12.1% of mobile voice minutes were to fixed line phones, 9.5% were classified as international and roaming minutes and the remaining 2.9% were advanced voice minutes which include calls to premium rate services.

Figure 4.3.2 – Voice Call Minute Volumes by Type

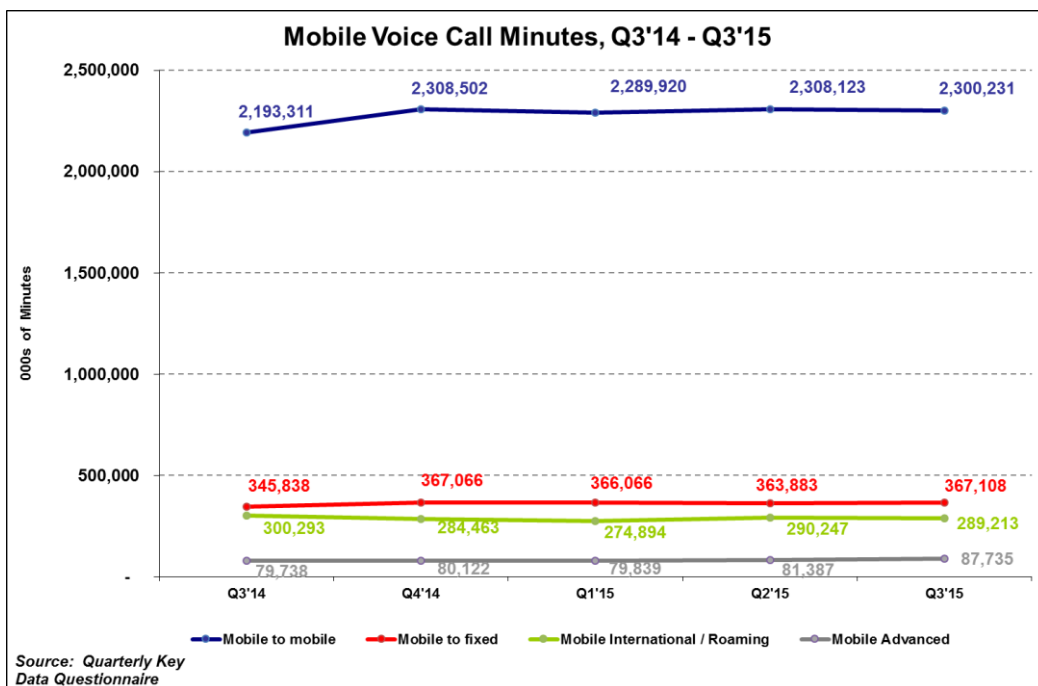


Figure 4.3.3 shows the change in the on net and off net mobile to mobile voice call minutes since Q3 2014. As of Q3 2015, 59.0% of all mobile to mobile voice minutes were classified as on-net down from 59.7% in Q3 2014.

Figure 4.3.3 – Mobile to Mobile Voice Call Minute Volumes by Type

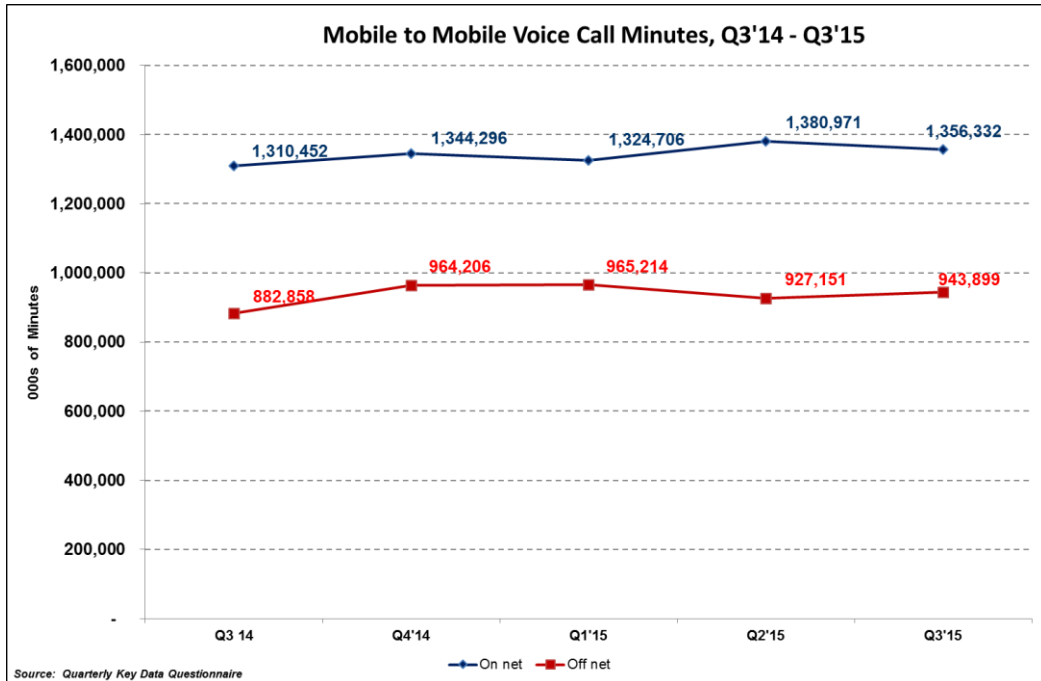


Figure 4.3.4 shows the change in the monthly mobile voice call minutes per subscription. In Q3 2015 the average usage was 207.3 minutes (up by 4.2% since Q3 2014).

Figure 4.3.4 – Monthly Mobile Voice Call Minutes per Subscription by Type

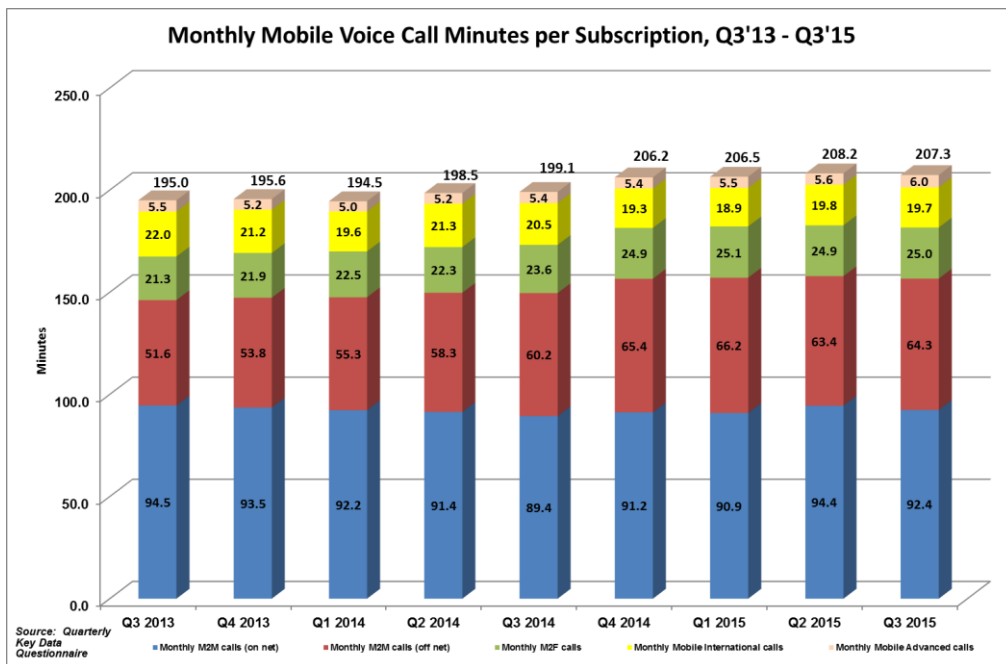


Figure 4.3.5 shows the change in the monthly mobile data volumes per subscription. In Q3 2015 the average monthly number of SMS/MMS sent was 113 and the average traffic per smartphone⁸⁷ reached 2.0 GB of data, while the average traffic per dedicated mobile broadband subscriber was 7.0 GB of data⁸⁸.

Figure 4.3.5 – Monthly Mobile Messaging and Data Volumes per Subscription

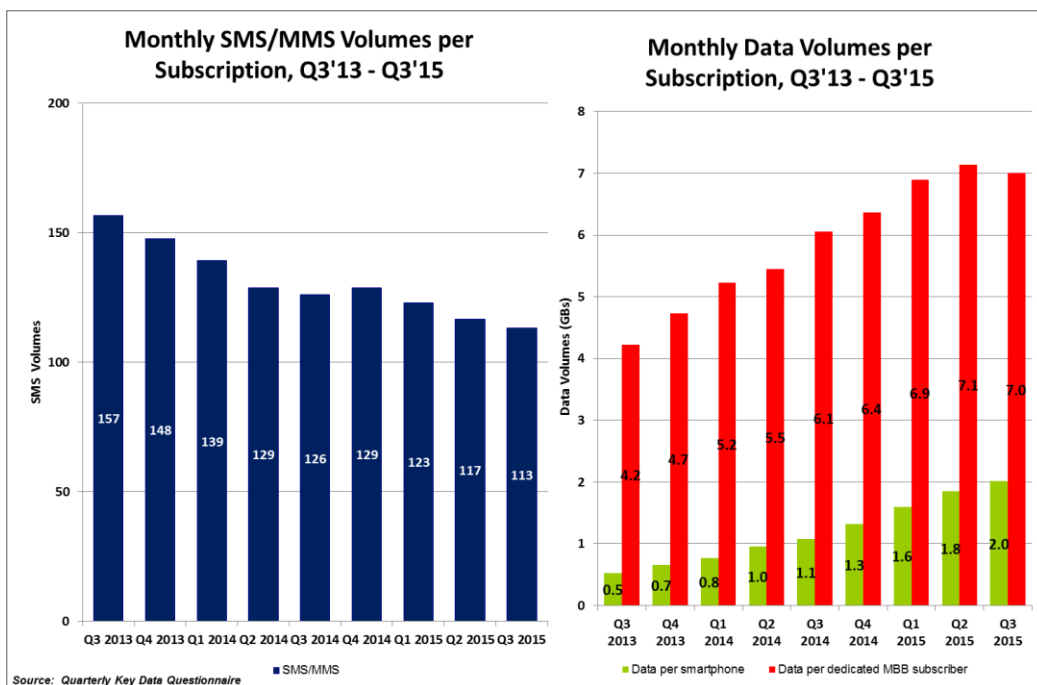
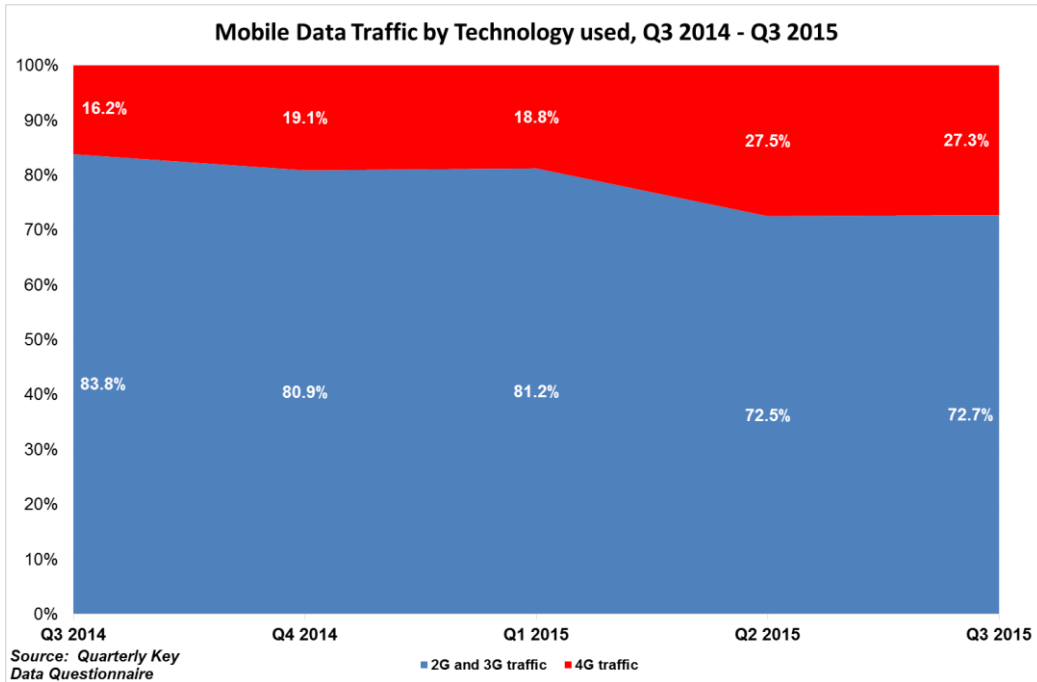


Figure 4.3.6 provides the breakdown of mobile data volumes by mobile network technology. 9,078 terabytes or 27.3% of all mobile data in Q3 2015 was generated on 4G networks up from 16.2% in Q3 2014.

⁸⁷ Based on the number of standard mobile voice and data subscribers using 3G and 4G networks.

⁸⁸ Data traffic refers to both uploads and downloads.

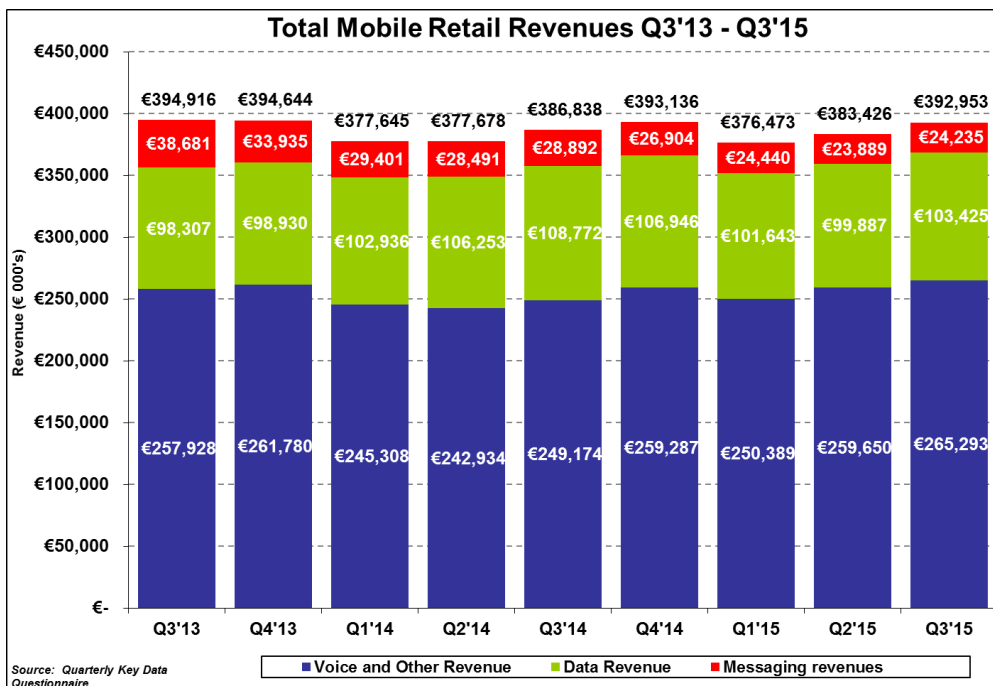
Figure 4.3.6 – Mobile Data Volumes by Technology



4.4 Mobile Revenues

Figure 4.4.1 shows that mobile retail revenues for Q3 2015 were over €392 million. Messaging revenues increased by 1.4% this quarter, data revenues increased by 3.5% while voice and other revenues increased by 2.2% since Q2 2015.

Figure 4.4.1 – Total Mobile Retail Revenues



Wholesale mobile revenues were over €73 million in Q3 2015 (an increase of 4.1% since Q2 2015), the vast majority accounted for by terminating traffic, followed by roaming⁸⁹ and access⁹⁰ revenues.

4.5 Average Monthly Revenue per User

Mobile ARPU is a function of both the price of mobile services and the level of usage of mobile services. In Q3 2015 mobile APRU was €25.10 per month, up from €24.75 per month in the previous quarter, but down from €25.40 per month in the period Q3 2014. This overall decline over this period is in line with a general downward trend in ARPU across Western European countries. Based on data from Analysys Mason's Telecom Matrix monthly mobile ARPU across the average of 14 Western European countries fell by 1.0% in Q2 2015⁹¹ compared to Q2 2014.

Figure 4.5.1 illustrates the change in ARPU for prepaid and post-paid subscribers. In Q3 2015 mobile ARPU for prepaid subscribers was €15.44 per month (down 2.2% since Q3 2014) while mobile ARPU for post paid subscribers was €34.94 per month (down 4.3% since Q3 2014).

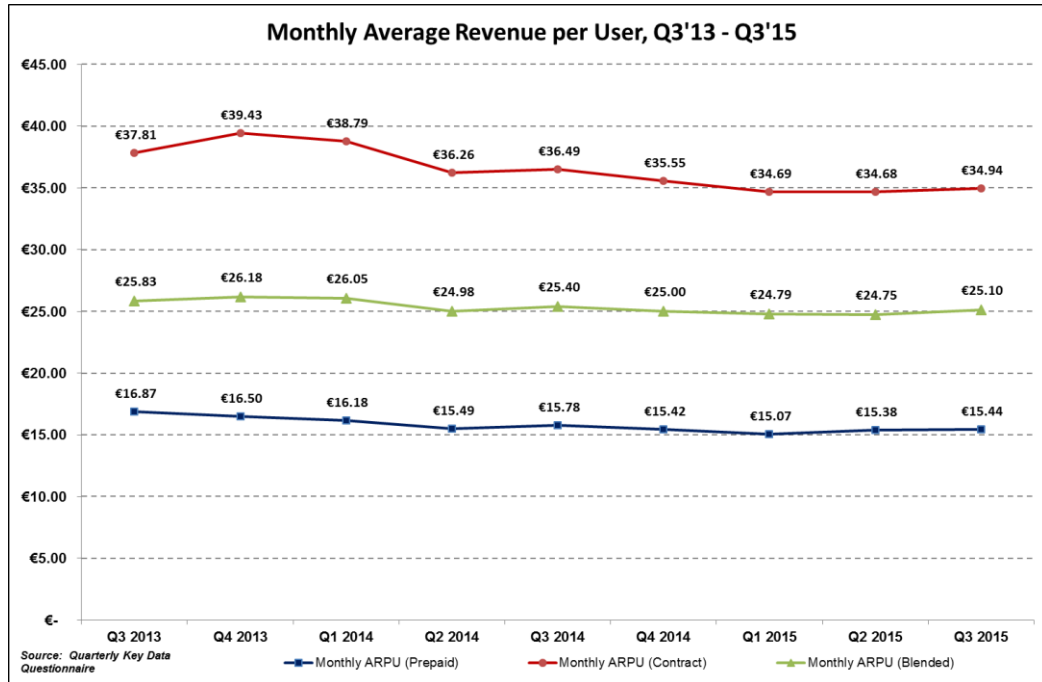
The general decline in ARPU is likely to be a reflection of a number of factors such as those attributable to increased sales of bundled products (combining mobile with fixed calls and sometimes broadband and/or TV) and reductions in roaming and mobile termination rates, among others.

⁸⁹ Revenues from the provision of wholesale roaming (inbound) services (voice/text/data services). Excludes revenues from the provision of wholesale roaming (outbound) services to hosted MVNOs.

⁹⁰ Includes revenues from the wholesale provision of voice, messaging and data services to MVNOs and access revenues not related to traffic. Includes revenues from the provision of wholesale roaming (outbound) services (voice/text/data services) to hosted MVNOs. Includes revenues from wholesale provision of voice, messaging and data services based on national roaming agreements.

⁹¹ Q2 2015 is the latest quarter for which this information is available.

Figure 4.5.1 – Monthly Average Revenue per User by Type



4.6 Machine to Machine subscriptions

Machine to Machine (M2M) refers to technologies that involve data communication between devices or systems in which, at least in principle, human intervention does not occur. These technologies may encompass either wireless or wired communications, or both. M2M communication is already widely deployed in Ireland and its usage is set to grow rapidly, driven in no small part by the expansion of next generation telecommunications technology and a decline in the cost of the embedded wireless modules and sensors that enable M2M services. This continued improvement in the infrastructural environment around M2M has led to a rapid growth of applications and services that meet users’ business and lifestyle needs. M2M technologies transfer data on the condition of physical assets and devices to a central location (which is distantly located the devices) for effective monitoring and control. M2M has a multitude of uses, with current deployments in the healthcare, energy, home automation and transportation sectors. Specific examples of M2M applications include smart metering, vehicle and consignment tracking and alarm monitoring systems of various kinds, ATM machines signalling the need for cash replacement, smart grid monitoring of real time electricity demand, smart home applications such as switching on and off lights, heating and other appliances.

Different networking technologies can be used to connect M2M devices, depending on the amount of mobility needed, quality required, data rate, the degree of dispersion of

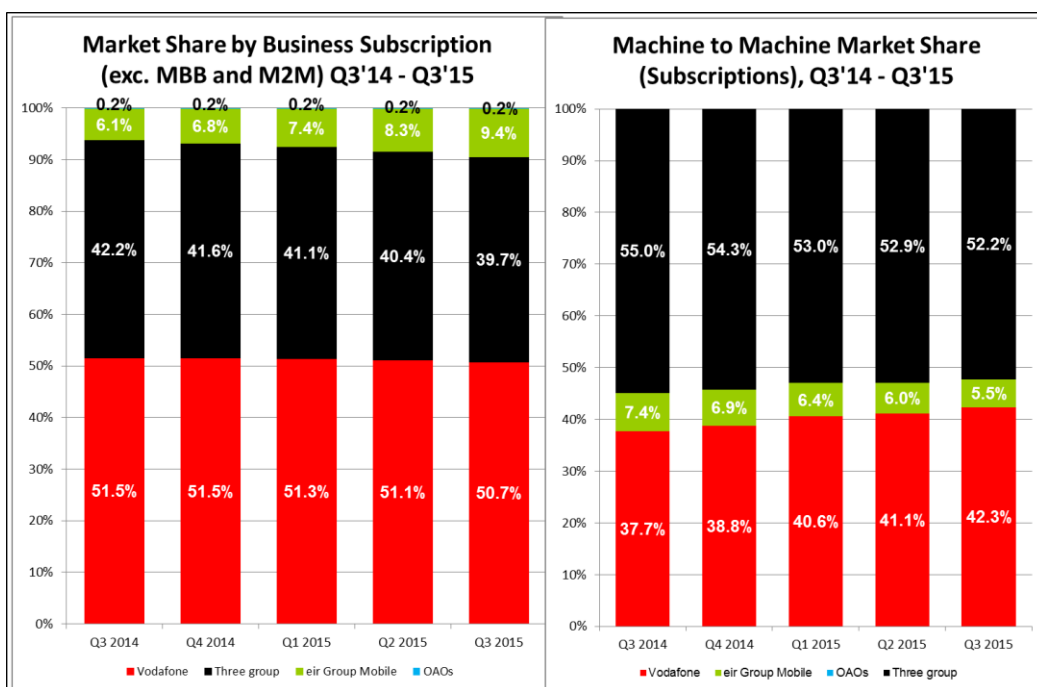
devices over an area, and so on. Gathering data on dedicated M2M mobile connections assists ComReg in assessing future regulatory needs for M2M, e.g. for numbering resources. The additional data also allows for more accurate assessment of mobile telephony and broadband connections.

There were 521,277 M2M subscriptions at the end of September 2015. This is an increase of 18.8% since Q3 2014. Figure 4.6.1 outlines market shares based on active M2M subscriptions as well as market shares in terms of business subscribers (including mobile broadband and M2M subscriptions).

In Q3 2015 the Three Group had the largest market share of M2M subscriptions at 52.2% followed by Vodafone with 42.3% market share. eir Group Mobile had the remaining 5.5% of M2M subscriptions.

Vodafone had the largest market share in terms of business subscriptions⁹² (50.7%) followed by Three Group (39.7%) and eir Group Mobile (9.4%). OAOs accounted for the remaining 0.2%.

Figure 4.6.1 – Market Share – Number of Business Subscriptions/Number of M2M Subscriptions



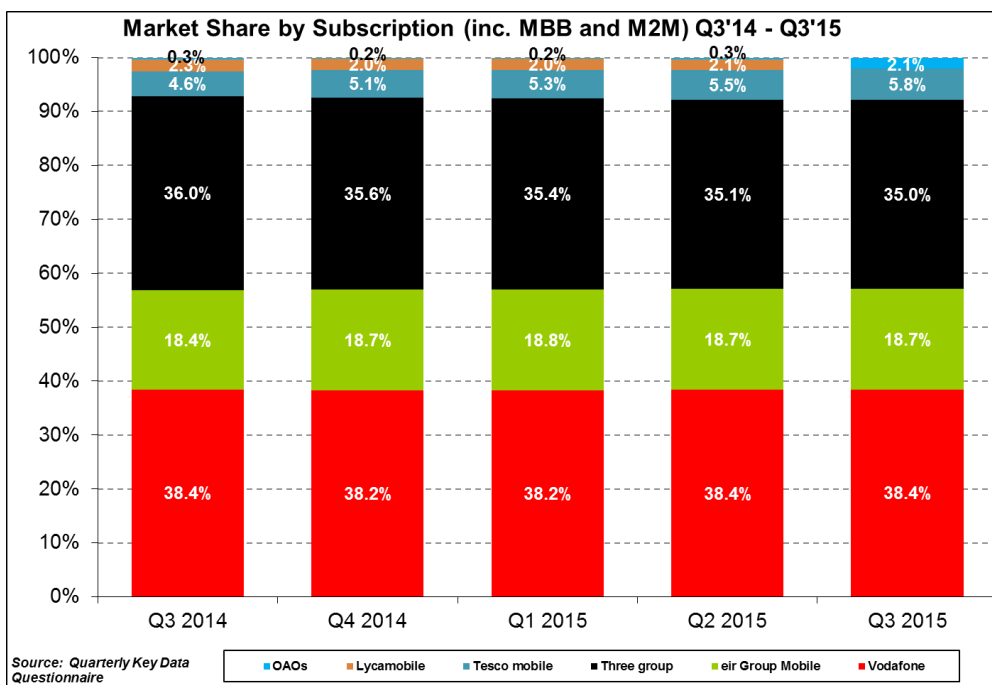
⁹² Business subscriptions excluding M2M and business mobile broadband subscriptions.

4.7 Competition in the Mobile Market

Figures 4.7.1 and 4.7.2 outline mobile market shares based on the number of active subscriptions reported by each operator.

Figure 4.7.1 includes mobile broadband and M2M while figure 4.7.2 excludes mobile broadband and M2M. Vodafone has the highest market share including and excluding mobile broadband and M2M (38.4% and 38.1%), followed by Three Group (35.0% and 31.9%), eir Group Mobile (18.7% and 20.7%), Tesco Mobile (5.8% and 6.8%) and Lycamobile (2.0% in terms of subscriptions when mobile broadband and M2M subscriptions are excluded). OAOs have market shares of 2.1% and 0.4% respectively.

Figure 4.7.1 – Market Share – Number of Subscriptions (inc. mobile broadband and M2M)⁹³



⁹³ As of Q2 2014 O2 is included under Three Group umbrella. For more details see note on page 8 of this report.

Figure 4.7.2 – Market Share – Number of Subscriptions (ex. mobile broadband and M2M)

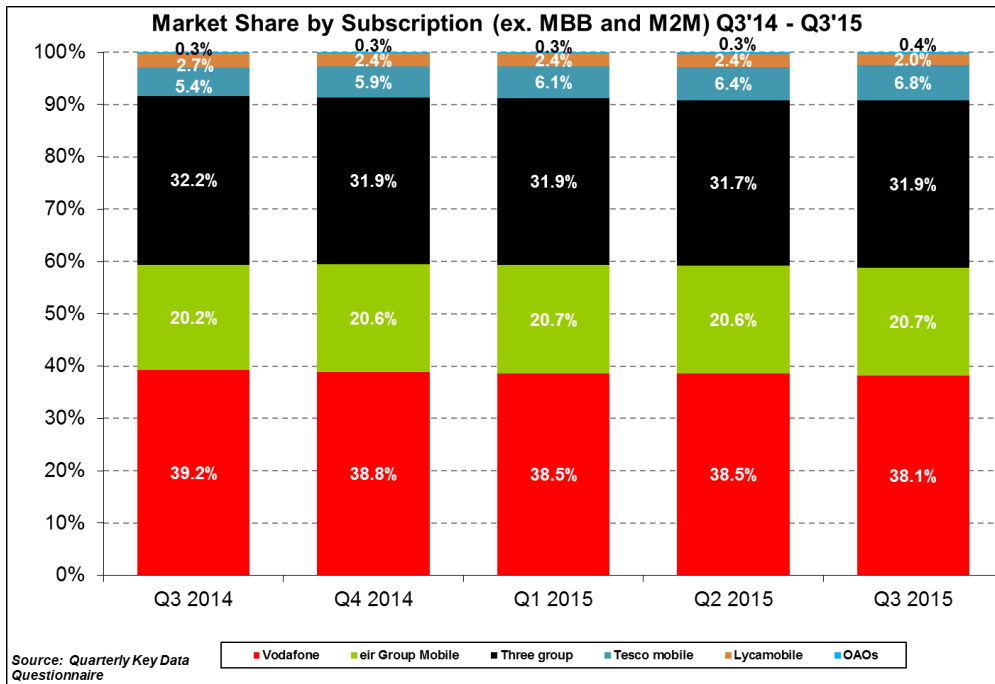
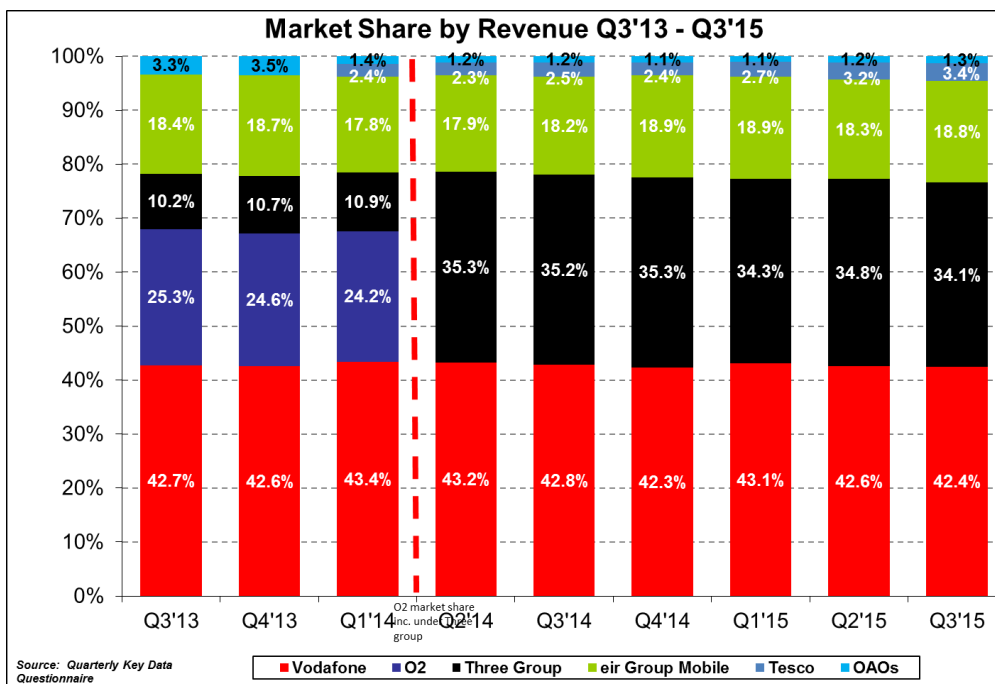


Figure 4.7.3 shows market shares by total retail revenues for mobile operators. Vodafone’s market share remains highest at 42.4% followed by Three Group at 34.1%. eir Group Mobile’s market share is the next largest at 18.8% followed by Tesco and OAOs at 3.4% and 1.3% respectively.

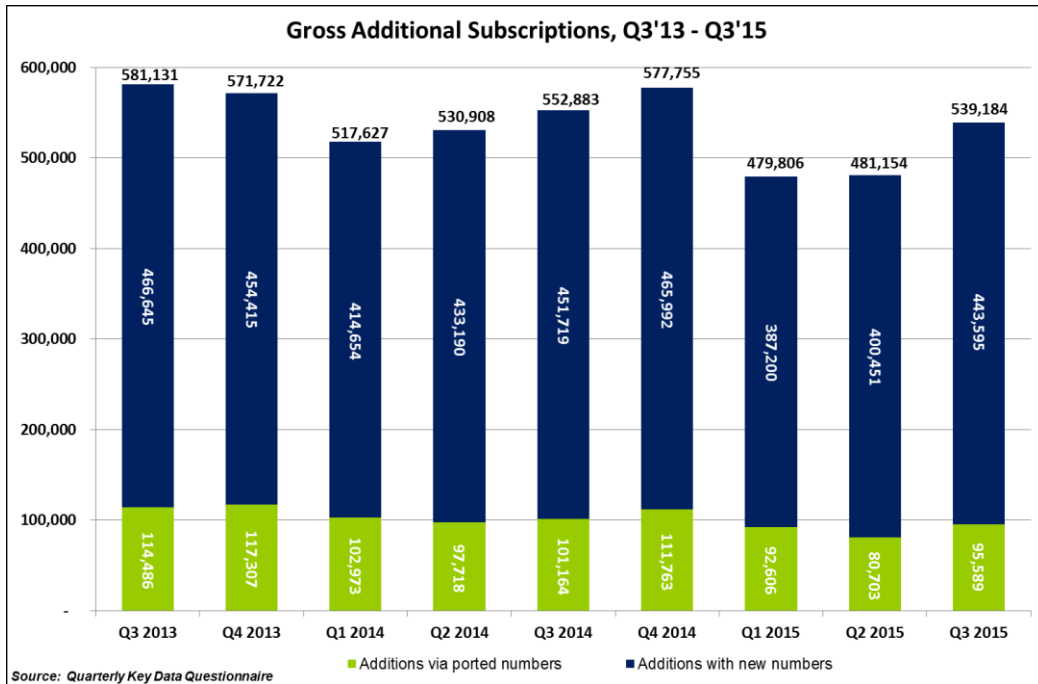
Figure 4.7.3 – Revenue Market Share



4.8 Switching in the Mobile Market

Figure 4.8.1 illustrates the number of subscribers who port their numbers as a proportion of total gross additions⁹⁴. There were 539,184 gross additional subscriptions in Q3 2015. In the quarter to September 2015, 95,589 numbers were ported between mobile operators with a total of 380,661 numbers having been ported over a twelve month period. Gross additions via ported numbers accounted for 17.7% of total gross additions in Q3 2015.

Figure 4.8.1 – Gross Subscription Additions and Numbers Ported



4.9 Mobile Pricing Data

ComReg uses independently collated Strategy Analytics (Teligen) pricing data using OECD-approved methodologies to examine the relative prices of a number of specific mobile phone usage baskets of national and international telecoms services for both residential and business users. The pricing data used for international comparisons includes pricing information for selected countries, namely Germany, Denmark, Spain, Netherlands and the United Kingdom⁹⁵.

⁹⁴ Gross additions include consumers who decide to avail of multiple SIMs and thus, slightly overstate the switching intensity in Ireland.

⁹⁵ In future Quarterly Key Data Reports ComReg may expand the analysis and include more countries for international price comparisons.

For national comparisons, the prices advertised⁹⁶ by the largest operators (in terms of the number of subscribers to mobile voice services) during Q3 2015 were analysed⁹⁷ for selected usage baskets. In this Quarterly Key Data Report prices advertised by Three, Vodafone, Meteor, eMobile⁹⁸, Tesco, Lycamobile, iD Mobile and 48 were analysed. Thus, the analysis does not necessarily present the cheapest tariffs available in the whole market, but rather the lowest cost tariffs offered by the largest operators.

For international comparisons, the prices advertised⁹⁹ by largest operators (in terms of the number of subscribers to mobile voice services) in each of the respective countries during Q3 2015 were analysed¹⁰⁰ for selected OECD mobile phone usage baskets¹⁰¹ (with an average per country price presented based on the average of lowest price tariffs advertised by three highest ranking operators in national pricing comparisons). In order to enable international comparisons, prices are presented in Euro Purchasing Power Parities (PPPs) and exclude VAT charges. PPPs provide an indication of the cost of telecoms services in countries analysed in relation to the cost of all other products and services.

The presented analysis incorporates discounts offered by operators. Nonrecurring charges (e.g. charges for the activation of a service) are discounted/amortised over three years. Calls to mobile (on net and off net) and fixed phones are included in the baskets.

The OECD basket methodologies are reviewed and revised periodically, with the latest revision made in 2012¹⁰². Further information on the composition of the broadband basket can be found in the Explanatory Memorandum which accompanies this report.

⁹⁶ The pricing analysis is based on a review of operators' advertised prices in the period Q3 2015.

⁹⁷ The subscribers of these operators jointly account for over 99% of all mobile voice subscribers. 4G tariffs were included in the analysis.

⁹⁸ eir Mobile tariffs for eir customers were excluded from the analysis.

⁹⁹ The pricing analysis is based on a review of operators' advertised prices in the period Q3 2015.

¹⁰⁰ The subscribers of these operators jointly account for over 80% of all mobile voice subscribers in each of the respective countries.

¹⁰¹ The same basket was applied to each respective country in order to make the international comparison.

¹⁰² See <http://www.oecd-ilibrary.org/docserver/download/5k92wd5kw0nw.pdf?expires=1417540956&id=id&accname=quest&checksum=F27F571EC7CA723CF50FE9183C21AEE4>

The following baskets are presented in this report¹⁰³:

Residential and business mobile phone usage baskets

Type of basket	Basket
Prepaid Residential	30 calls (50 minutes), 100 SMS, 0.1GB data basket
Postpaid Residential	100 calls (182 minutes), 140 SMS and 2GB data basket
Business	300 calls (569 minutes), 225 SMS and 1GB data basket

These baskets were selected given they most closely related to the mobile voice usage patterns presented in figures 4.3.4 and 4.3.5 above. ComReg notes that these baskets reflect usage patterns of an average user and do not necessarily reflect prices of tariffs that are geared towards customers having different usage profiles.

ComReg notes that comparisons are based on the prices of advertised tariffs only and the analysis does not take into consideration other important factors such as quality of the network, levels of customer care, additional units of consumption available after having accounted in the analysis for the units in the OECD usage basket, minimum contract term etc.

OECD Pre-Paid Residential Mobile Basket¹⁰⁴

Figure 4.9.1 compares pre-paid tariffs advertised by mobile phone services providers for residential customers based on a basket of 30 calls (50 minutes), 100 SMS and 100 MB data usage. Lycamobile (€9.00) offers the cheapest tariff for this particular OECD basket, followed by 48 (€10.00) and iD Mobile (€10.00).

¹⁰³ In the future reports ComReg may expand the analysis and present price comparisons based on additional and/or different usage baskets.

¹⁰⁴ ComReg notes that for pre-paid tariffs requiring periodic mandatory top ups (e.g. mandatory monthly (30 day) top ups), the full cost of the top up would be taken into consideration when estimating the total cost of these tariffs.

Figure 4.9.1 – Residential Pre-paid Mobile Phone Services Basket (National comparison)¹⁰⁵

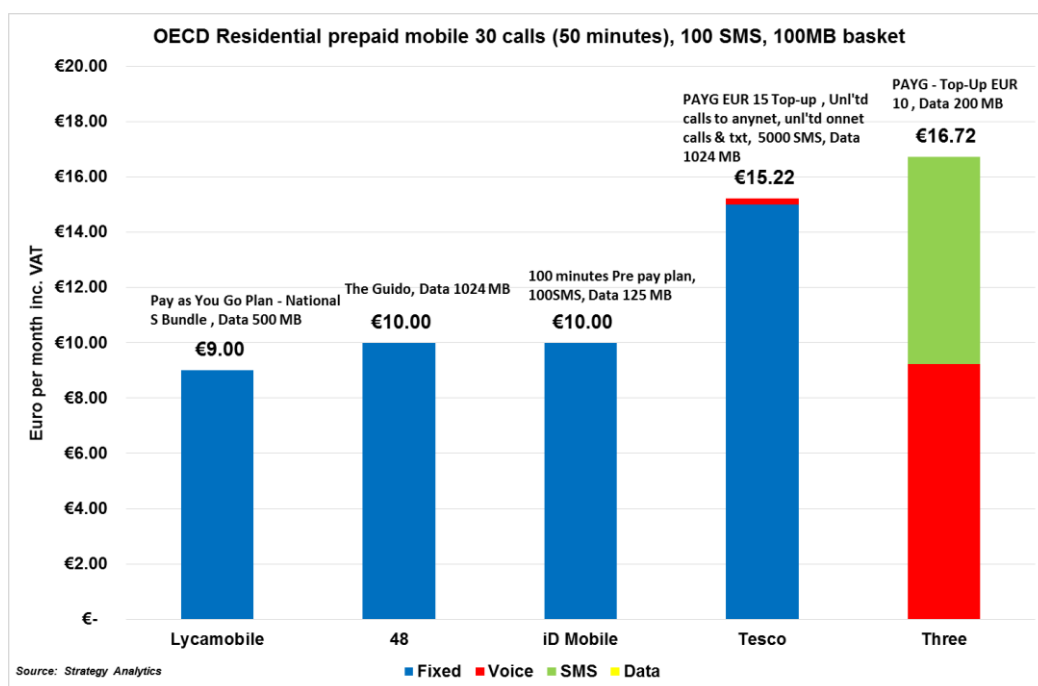


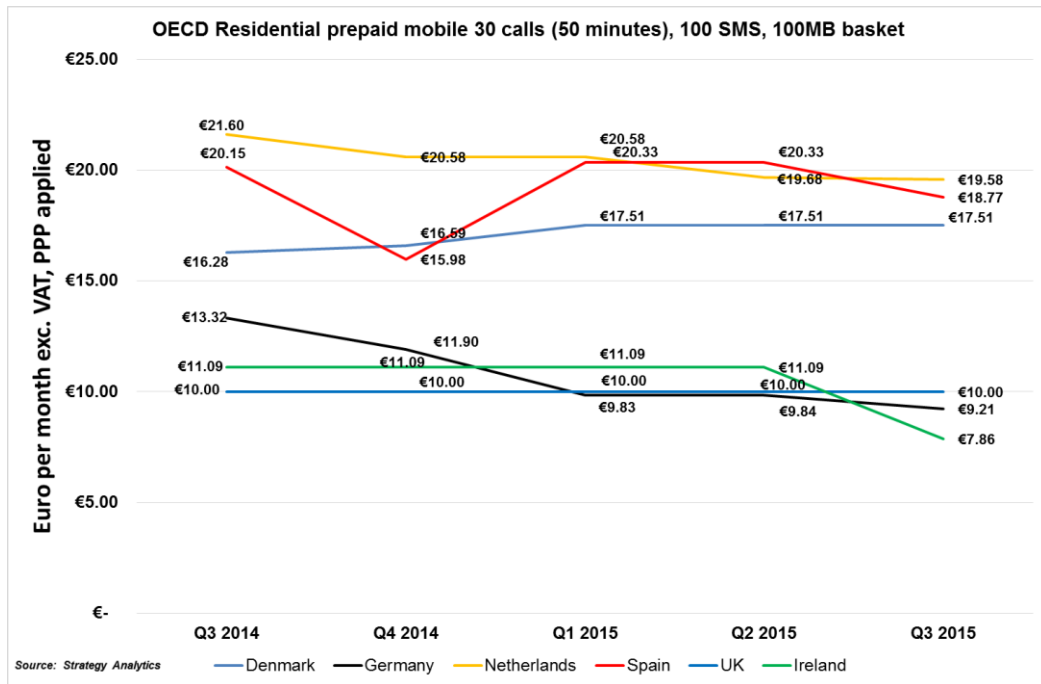
Figure 4.9.2 illustrates Ireland’s ranking alongside five other Western European countries. Ireland ranks in first place with an average price of €7.86¹⁰⁶ for this particular basket. The average price in Ireland is 43% cheaper than the average price¹⁰⁷ for all of the countries included in the analysis. It should be noted that Ireland’s average price in Q3 2015 was affected by the inclusion of tariffs advertised by 48 and iD Mobile. These tariffs were not included in the analysis in previous periods.

¹⁰⁵ Fixed element of the price refers to the pre-paid tariffs that require mandatory top-ups.

¹⁰⁶ As noted previously, average prices used for international comparisons exclude VAT charges.

¹⁰⁷ The average of prices presented in Figure 4.9.2.

Figure 4.9.2 – Residential Pre-paid Mobile Phone Services Basket (International comparison)



OECD Post-Paid Residential Mobile Basket

Figure 4.9.3 compares post-paid tariffs advertised by mobile phone service providers for residential customers based on a basket of 100 calls (182 minutes), 140 SMS and 2 GB data usage. Meteor and iD Mobile offers the cheapest tariffs for this particular basket at €20.00, followed by Tesco (€20.60) and Three (€26.02).

Figure 4.9.3 – Residential Post-paid Mobile Phone Services Basket (National comparison)

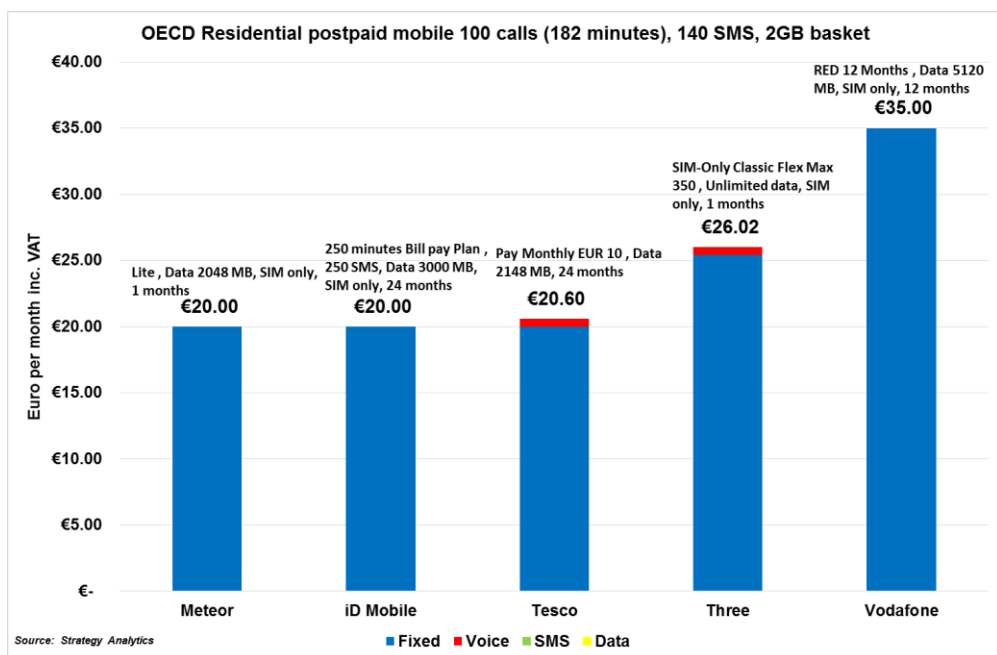
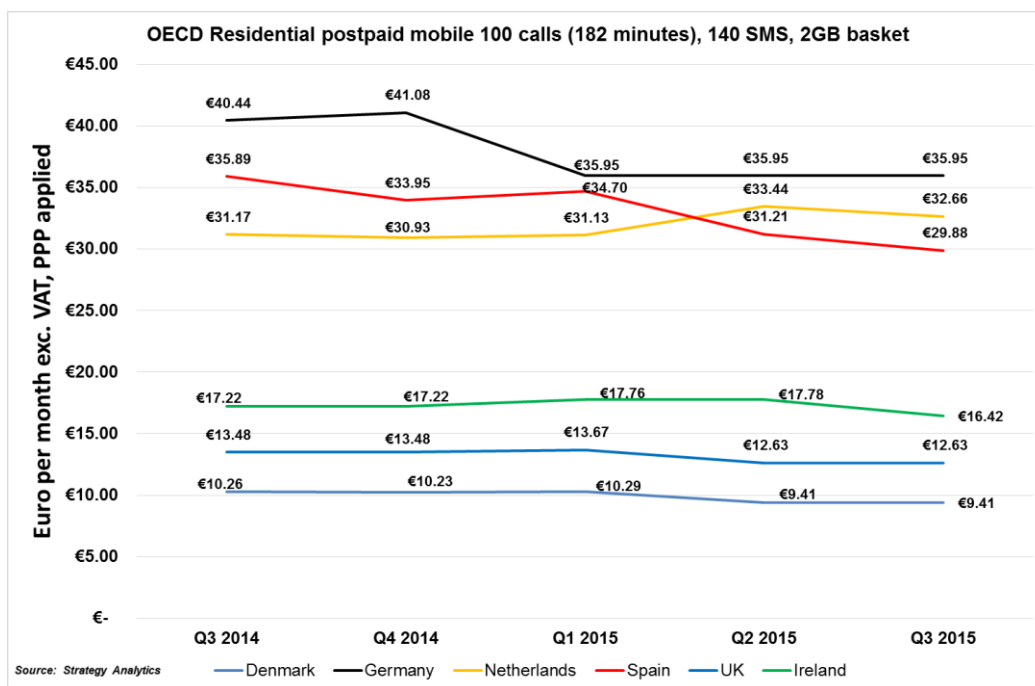


Figure 4.9.4 shows that Ireland (€16.42¹⁰⁸), in an international comparison context, ranks in third place. The average price in Ireland is 28% cheaper than the average price¹⁰⁹ for all of the countries included in the analysis. It should be noted that Ireland’s average price in Q3 2015 was affected by the inclusion of tariffs advertised by iD Mobile. These tariffs were not included in the analysis in previous periods.

Figure 4.9.4 – Residential Post-paid Mobile Phone Services Basket (International comparison)



OECD Post-Paid Business Mobile Basket

Figure 4.9.5 compares post-paid tariffs advertised by mobile phone service providers¹¹⁰ for business customers based on an OECD basket of 300 calls (569 minutes), 225 SMS and 1 GB data usage. Presented prices exclude VAT charges. eir Mobile offers the cheapest tariff for this particular basket at €30.00, followed by Vodafone (€40.00) and Three (€45.00).

¹⁰⁸ As noted previously, average prices used for international comparisons exclude VAT charges.

¹⁰⁹ The average of prices presented in Figure 4.9.4.

¹¹⁰ Only tariffs advertised by Vodafone and Three were analysed for business customers. Some operators do not offer services to business customers.

Figure 4.9.5 – Business Post-paid Mobile Phone Services Basket (National comparison)

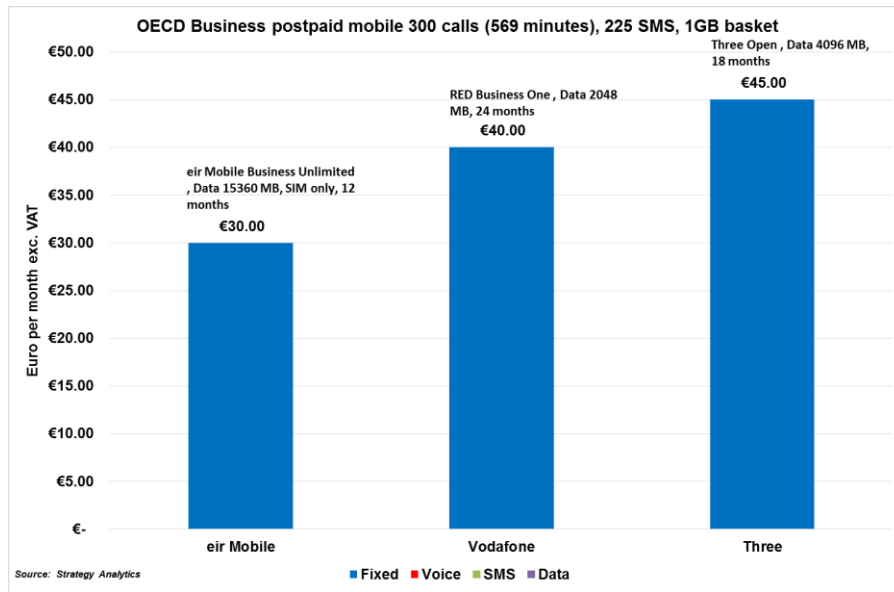
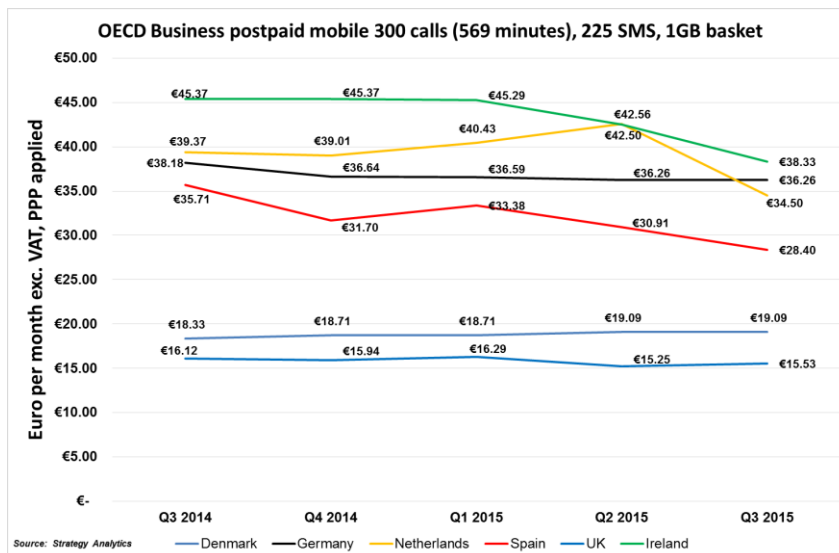


Figure 4.9.6 illustrates Ireland’s ranking alongside five other Western European countries. Ireland ranks in sixth place with an average price of €38.33¹¹¹ for this particular basket. The average price in Ireland is 34% more expensive than the average price¹¹² for all of the countries included in the analysis. It should be noted that Ireland’s average price in Q3 2015 was affected by the inclusion of tariffs advertised by eir Mobile. These tariffs were not included in the analysis in previous periods.

Figure 4.9.6 – Business Post-paid Mobile Phone Services Basket (International comparison)



¹¹¹ As noted previously, average prices used for international comparisons exclude VAT charges.

¹¹² The average of prices presented in Figure 4.9.6.

5. Broadcasting

5.1 Overall Broadcasting Market

This broadcasting data is from the Nielsen TV Audience Measurement (TAM) Establishment Survey.¹¹³ The survey indicated that there were 1,578,000 TV homes in Ireland in September 2015. Figure 5.1.1 shows the estimated number of TV homes by reception type in September 2014 and September 2015 on the basis of the reception method through which the highest number of TV channels is received. Irish terrestrial DTT only homes represented 11.0% of all TV homes (although 41% of TV homes receive Irish DTT) as of September 2015. Cable/satellite platforms represented the remaining 89.0% of all TV homes in Ireland.¹¹⁴

Figure 5.1.1 – TV Homes by Reception Type¹¹⁵

Reception	Sep 2015 (000s)	Sep 2014 (000s)	Sep 2015 as % of Total TV Homes	% Change Sep '14 – Sep '15
Irish Terrestrial	174	158	11.0%	+10.1%
Multi Total	1,404	1,428	89.0%	-1.7%
Analogue Cable/Sat	24	20	1.5%	+20.0%
Digital Cable/Sat	1,380	1,408	87.5%	-2.0%
Total Cable/Sat	1,404	1,428	89.0%	-1.7%
Total TV Homes	1,578	1,586	N/A	-0.5%
RECEPTION: Reception type categories are hierarchically defined and mutually exclusive. A home is classified once within reception type and this is based upon the highest form of reception available within the home.				
Multi Total: Made up of UK DTT / FTA Satellite, Cable, and SKY homes.				
Irish Terrestrial In September 2015 homes which only receive any or all of the following: RTÉ One, RTÉ Two, UTV Ireland, TV3, TG4, 3e, RTÉ One+1, RTÉ News Now, RTÉ jr via an aerial and a set-top box or an aerial and an integrated digital TV or via Saorsat.				
Cable/Satellite: Includes UK DTT / FTA Satellite, Cable, IPTV and SKY homes. Sky homes based on the possession of SKY boxes, not on being SKY subscribers.				

¹¹³ The Establishment Survey is a survey produced by Nielsen TV Audience Measurement (fieldwork is carried out by Behaviours and Attitudes) on behalf of Television Audience Measurement Ireland Ltd (a TV ratings body). The Establishment Survey covers areas such as ownership of TV related equipment, method of TV reception and demographics of TV household individuals such as age etc.

¹¹⁴ MMDS (Multichannel Multipoint Distribution Service) is included under cable/satellite. MMDS is a wireless telecommunications technology, used usually in sparsely populated rural areas, where laying cables is not economically viable. Approximately 304,000 of those reported above as digital cable/sat and total cable/sat are UK DTT/FTA satellite.

¹¹⁵ Source: Nielsen TV Audience Measurement Establishment Survey on behalf of TAM Ireland.

Figure 5.1.2 shows TV homes by reception method¹¹⁶ from September 2013 to September 2015. The percentage of cable/satellite TV homes (this does not include other satellite i.e. respondents who said 'don't know' and satellites that receive foreign language stations including freesat) has averaged 70% over the last two years.¹¹⁷ Television homes that subscribe to other satellite services beside Sky represented 15% of TV homes in September 2015. Reception by IPTV method is relatively low (2% of TV homes). Approximately 41% of TV homes have Irish DTT.

Figure 5.1.2 – TV Homes by Reception Method¹¹⁸

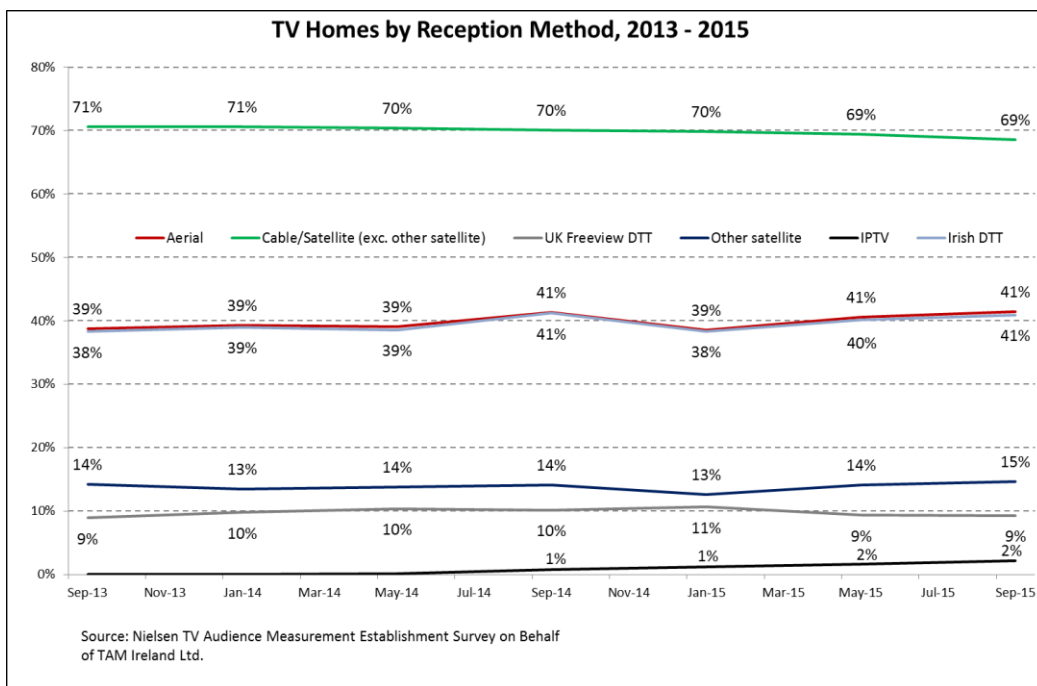


Figure 5.1.3 shows that, the total number of TV homes in September 2015 has decreased by 0.3% since May 2015. Digital TV homes represent 98.5% of all TV homes compared to 75.0% in September 2011.

¹¹⁶ This is determined by the method by which homes with a TV receive their channels. Each home can have more than one method of reception e.g. aerial and cable or digital satellite, digital satellite and cable, etc. The question is asked for their main and up to 9 TV sets. For this reason, the total for the reception methods adds up to more than 100%.

¹¹⁷ It should be noted that from September 2011 the reporting of the cable/satellite figure has changed. This is because up to September 2011 cable/satellite reception method included homes that had both cable and satellite twice (i.e. (1) cable, (1) satellite). Nielsen now publish homes with cable and satellite as one reception method - as cable or satellite (i.e. cable or satellite (1)).

¹¹⁸ As of November 2012 'Aerial' includes Saorsat homes. Irish DTT includes Saorsat. Cable/satellite includes MMDS and IPTV, excludes UK DTT, Irish DTT and Saorsat.

Figure 5.1.3 – TV Homes 2010 –2015

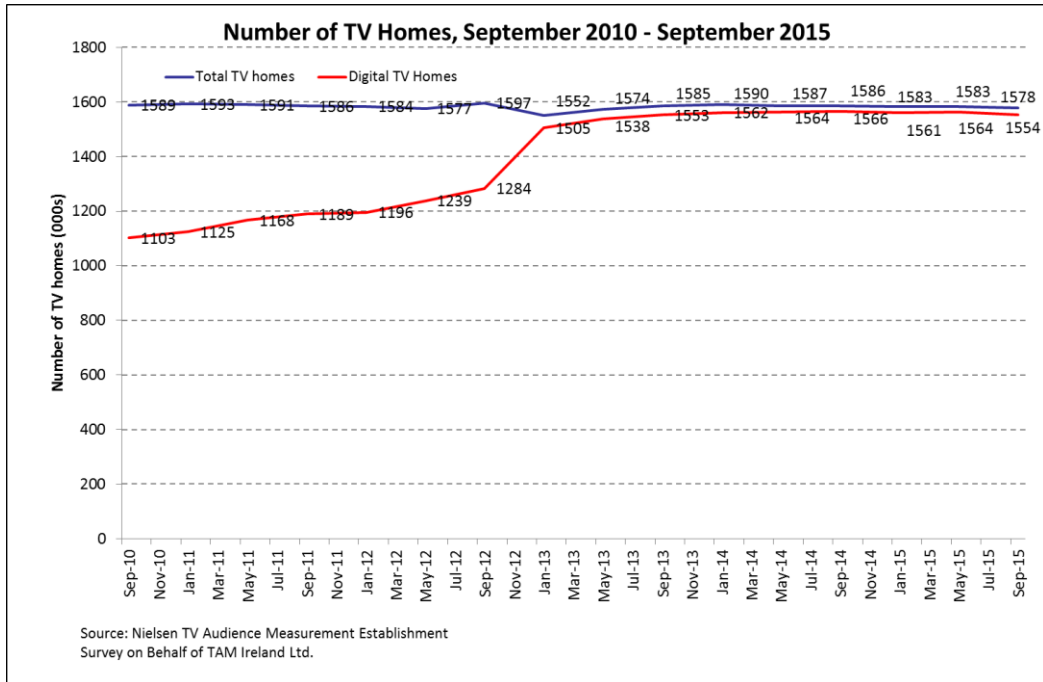


Figure 5.1.4 shows TV homes by broadband ¹¹⁹ access, game console and PVR ¹²⁰ ownership between September 2012 and September 2015. Broadband access was present in circa 74% of homes with a television in September 2015. The number of homes with games consoles has decreased over the last three years from 35% to 32%. PVR ownership was 58% in September 2015; up from 45% in September 2012.

¹¹⁹ Both fixed and mobile broadband.

¹²⁰ A PVR is an electronic device used to record media digitally. The PVR is also known as a digital video recorder or DVR. A PVR records and plays back television programmes, but, unlike the VCR, it stores the programs in digital rather than analogue format, for example, SKY+Box, or Virgin Media Digital Video Recorder.

Figure 5.1.4 – Broadband, Games Console and PVR Trends

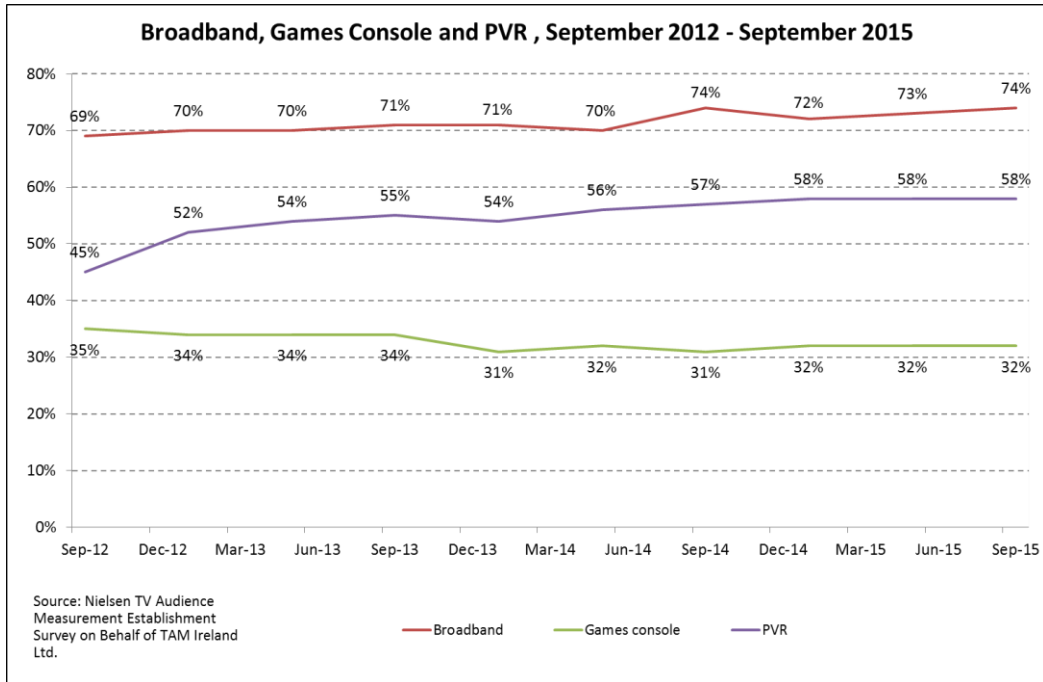
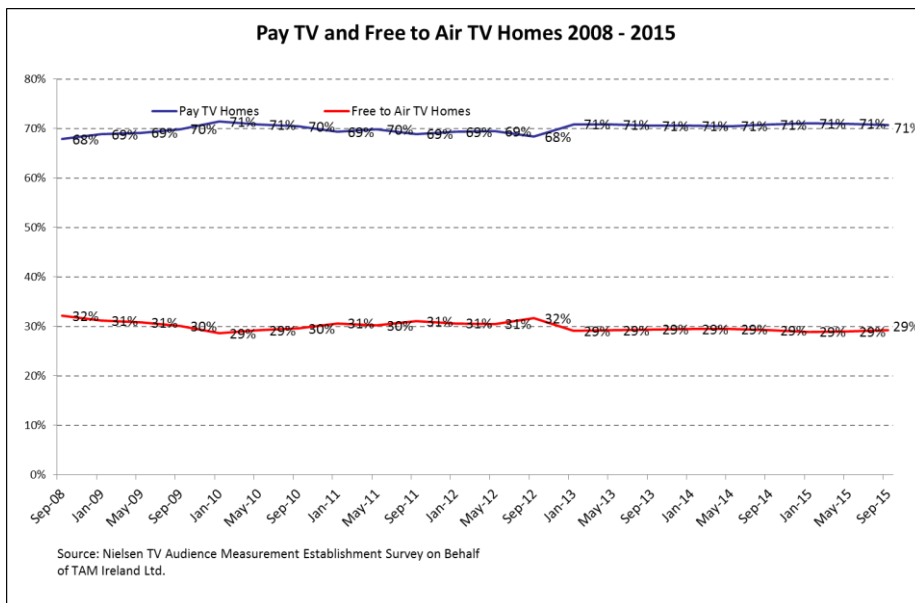


Figure 5.1.5 shows the level of household penetration of pay TV services and free to air TV services in Ireland based on reception method. This chart has been derived by ComReg using Nielsen data and is not a classification used by Nielsen or a classification used as part of the survey itself. Homes with a pay TV (cable, satellite and IPTV homes)¹²¹ service have generally been stable since September 2013 at 71% average of all TV homes.

Figure 5.1.5 – Pay TV vs Free to Air TV Homes, 2008 - 2015



¹²¹ IPTV is included from September 2011.

6. Appendix

Sky Ireland's distribution of subscriptions by type (single play, double play or triple play) is estimated using percentage distribution of Sky Ireland's subscriptions obtained from the market survey data conducted by RED C Research & Marketing Ltd. The fieldwork on ComReg's behalf was carried out on September 28th-30th, 2015. 1,006 respondents¹²² were asked the following question:

- Does the telecommunications service provider, Sky, provide any of the following telecommunications services in your home?
 - TV
 - Internet/Broadband
 - Home Landline Telephone Service

The respondents who stated that Sky provides more than one service (144 respondents) were then asked the following question:

- You mentioned that Sky provides your (x,y and/or z service). Do you receive one bill for these services (if 2 services mentioned) or do you receive one bill for at least two of this services (if 3 services mentioned)?

The respondents who gave the positive answer to the second question (121 respondents) are categorized as bundle subscribers.

Survey results showed that 77.8% of Sky Ireland's subscribers were subscribing to one service, 7.7% to two services and 14.5% to three services.

Table A1: Sky Ireland's distribution of subscriptions by type

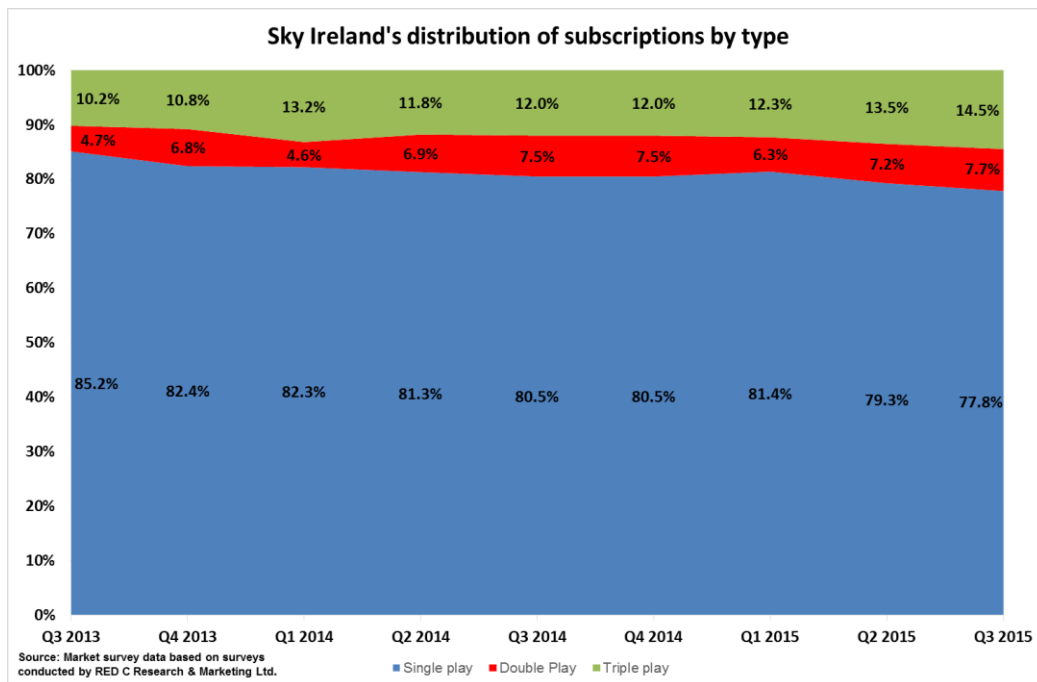
Subscription type (n=546)	Number of Sky's subscriptions	% share of total Sky's subscriptions
TV	376	68.9%
Broadband	34	6.2%
Fixed Voice	15	2.7%
TV and Fixed Voice	3	0.5%
TV and Broadband	31	5.7%
Fixed Voice and Broadband	8	1.5%

¹²² The sample is nationally representative.

TV, Fixed Voice and Broadband	79	14.5%
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Figure A3 shows the estimated distribution of Sky Ireland’s subscriptions by type over the last two years. The number of bundled subscriptions is gradually increasing with double and triple play subscriptions accounting for 22.2% of all Sky Ireland’s subscriptions compared to 14.9% in Q3 2013.

Figure A2: Sky Ireland’s distribution of subscriptions by type, Q3 2013 – Q3 2015



The following table lists Respondents who submitted data which was used to produce Q3 2015 quarterly report.

Table A3: List of Respondents

Respondent Name (N=40)
AirSpeed Telecom
AT&T Global Network Services Ireland Ltd.
Ats Voice Ltd
Blue Face Ltd
BT Communications Ireland Ltd
Casey Cablevision Ltd
Colt Telecoms
Crossan CableComm
Digitalforge

Digiweb group
Edge Telecommunications Ltd
eircom Ltd
E-Net
Equant operations in Ireland (EGN BV and ENS Ltd)
ESB Telecoms
EuNetworks Ireland Private Fiber Ltd
Fastcom Broadband Ltd
Fulnett Limited t/a Strencom
IFA Telecom
Imagine Group
Level 3 Communications (Ireland) Limited
Lycamobile Ireland Ltd
Magnet Networks
Meteor Mobile Communications
Modeva Networks
Nova Networks Ltd
Onwave Limited
PermaNet
Postfone
Pure Telecom
Rapid Broadband Ltd
Ripplecom
Sky Ireland
SprintLink Ireland Limited
Tesco Mobile Ireland Ltd
Three Ireland (Hutchison) Limited
Virgin Media Business Limited
Virgin Media Ireland Limited
Verizon Ireland Limited
Vodafone Ireland