Commission for
Communications Regulation

Irish Communications Market

Quarterly Key Data

March 2003

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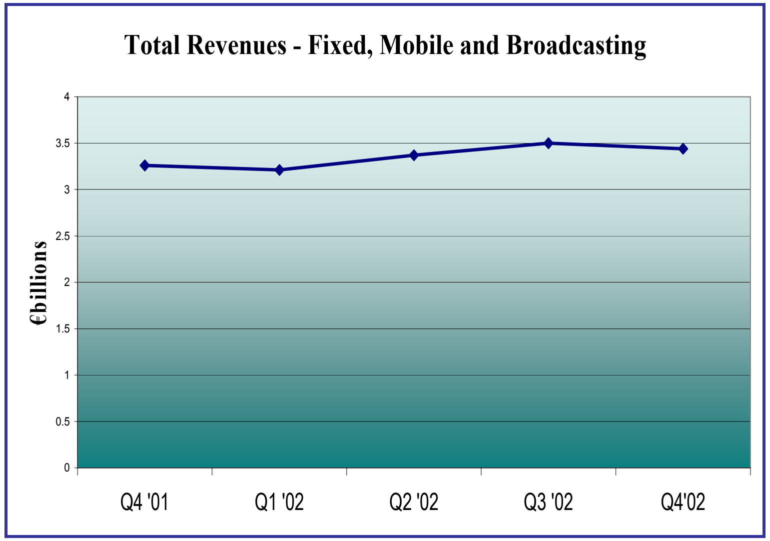
LEGAL DISCLAIMER

1 Overall Market Data

The data in this review is based on returns from licensees for the period 1st October 2002 to 31st December 2002. The report is based on submissions from 42 operators (detailed in the Appendix) which represent approximately 99% of total market activity.

1.1.1 Overall Telecommunications Revenues

Figure 1.1.1 Total Revenues – Fixed, Mobile & Broadcasting



- Total revenues for fixed, mobile & broadcasting markets now stands at an estimated €3.44 billion per annum on an annualised basis.
  - Decrease of approximately 2% since last quarter.
  - Increase of approximately 5% since December 2001.

1.1.2 Telecoms Sector as a % of GDP

- Telecoms sector is estimated to account for approximately 3% of Irish GDP (2001)[1].
  - Remains the same as last quarter.
  - Decrease of 0.17% since last year

1.1.3 Number of licenses

- To date 48 General and 44 Basic licences[2] are in issue in the Irish market.
- There are 22 operators providing services under General licences (March 2002; 19) and 17 under Basic licences (March 2002; 19)[3]

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[1] Figure was calculated using GDP at market price (2001) – ESRI Quarterly Economic Commentary, Winter 2002.

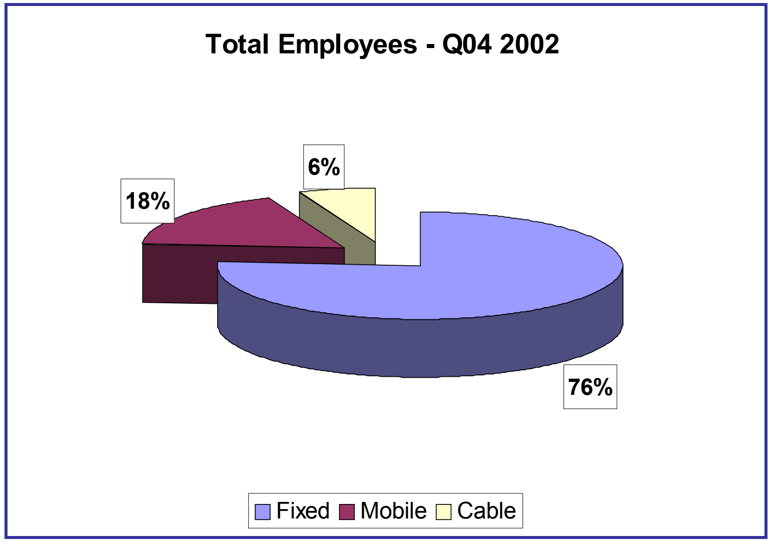
[2] Basic licences were awarded to Amocom Technologies Ltd, Digiweb Ltd, eNasc Eireann Teoranta, & Irish Wisp Consultants Ltd. General licences were issued to Opera Telecom Ltd & Talkshop Ltd.

[3] These figures are based on a number of operators that are operational rather than on the number of operational licences. For example eircom have both a general and a basic licence (Indigo) and have been included in the general category only. The figures reported last quarter were based on the number of operational licences. VarTec Telecom and Infonet Broadband Solutions commenced operations this quarter.

1.1.4 Employees

- The number employed in the telecommunications sector is approximately 14,900. This decrease is in line with European trends.
    - Decrease of 3% since last quarter
    - Decrease of 11% since last year
- The fixed, mobile & broadcasting markets account for approximately 76%, 18% and 6% of the total figure respectively, consistent with last quarter and last year.

Figure 1.1.2 Total Employees



2 Data By Sector

2.1 Fixed Line

2.1.1 Fixed Line Revenue

- Total fixed line revenue[4] approximately €514 million
  - Decrease of approximately 1% since last quarter
  - Annualised fixed line revenue figure accounts for 60% of total telecoms revenue

2.1.2 OLO Market Share

- OLO market share is approximately 20%
  - Decrease of 1% since last quarter
  - Decrease of 1% since last year

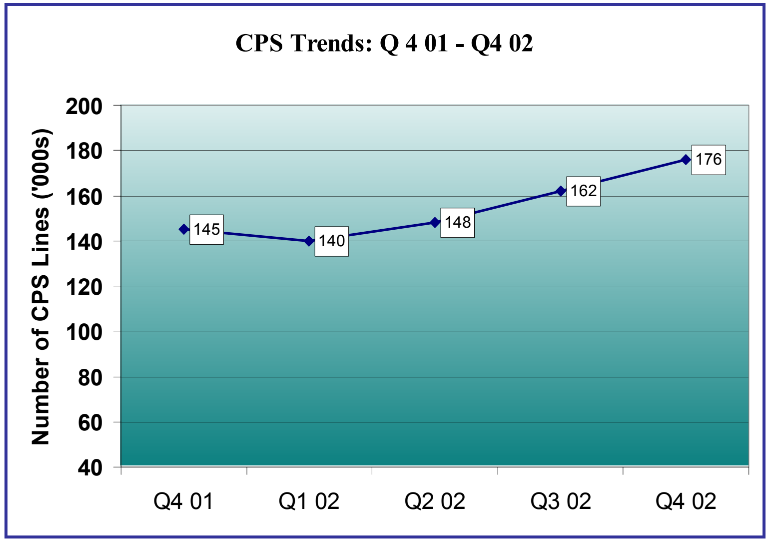
Figure 2.1.1 OLO Market Share

Source: ComReg Quarterly Review Questionnaire

[4] This figure includes revenue from retail traffic (local, national, international, mobiles, internet, payphone & other), Internet services, leased lines, switched data and other services such as directory publication and maintenance of customer equipment. Data based on operator returns

2.1.3 Carrier Pre Selection

Figure 2.1.2 Carrier Pre Selection



- Approximately 176,000 CPS lines[5]
  - Increase of approximately 9% since last quarter.
  - Represents approximately 11% of total PSTN lines.
- Of the total number of CPS lines, 98%, 1% and 1% are apportioned to all calls, national & international calls, and international calls only respectively.
- More recent indications suggest some pressure on OLO CPS numbers.

[5] Both business & residential

2.1.4 Telecom Access Paths

- 4.97 million telecom access paths

2.1.5 PSTN Lines

- Total of 1.6 million lines
  - Remained constant since last quarter
  - Accounts for 32% of total access paths

2.1.6 ISDN Access Channels

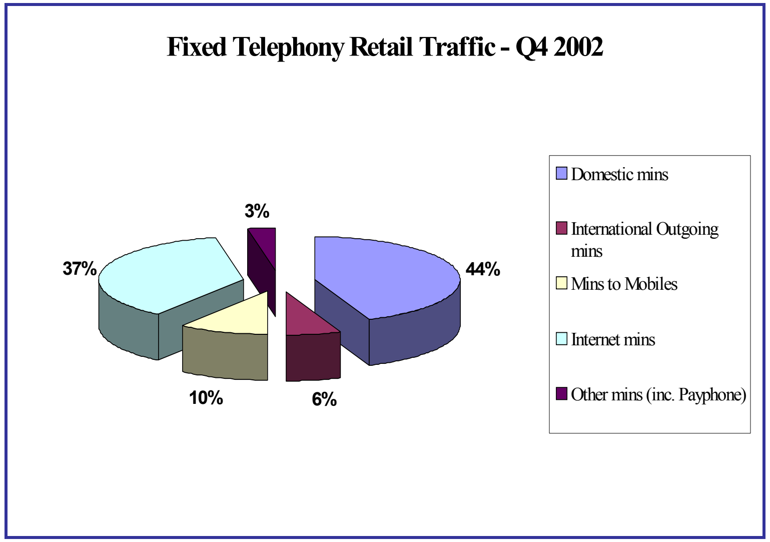
- Approximately 375,000 ISDN access channels
  - Increase of 30% since last year
  - Increase of 9% since last quarter
  - Accounts for 7% of total access paths
- The proportion of primary, fractional & basic rate ISDN is 44%, 6% and 51% respectively of the total number of ISDN access channels.

2.1.7 Mobile Subscribers

- 3 million mobile subscribers
- Account for approximately 60% of total access paths

2.1.8 Retail Traffic

Figure 2.1.3 Retail Traffic



- Retail traffic has decreased overall by approximately 1% since last quarter.
  - ➢ Total minutes remained static in the same quarter last year.
  - ➢ Domestic and International minutes have increased since last quarter.
- Domestic minutes retain the highest proportion of total retail traffic, followed by internet minutes.
- OLO market share based on volumes[6] is 14%

2.1.9 DSL

- Approximately 3,300[7] DSL lines have been ordered, of which 20% are non-incumbent lines
  - ➢ Increase of approx 74% since last quarter

2.1.10 Cable Modems

- Approximately 2,300 cable modems supplied by Ntl, Chorus and Casey CableVision (Dungarvan).
  - ➢ Increase of approx 13% since last quarter

2.1.11 Fixed Wireless Access

- Approximately 5,000 residential and business subscribers
  - ➢ A decrease of approx 500 since last quarter

[6] Includes domestic, international, mobile, internet, payphone & other mins

[7] This figure includes the incumbent and OLO lines and is based on the number of orders.

2.1.12 Leased Lines

The following table sets out the rolling three month average delivery time for circuits delivered by *eircom* to OLOs[8].

Table 2.1.1 Rolling Three Month Average Delivery Time for Leased Line Circuits Ordered by OLOs (Working Days)

	November 2002	December 2002
All Leased Lines	*20*	*19*
Of Which:		
Sub 2Mbit Lines	*20*	*19*
2Mbit Lines	*23*	*22*

- The rolling three month average delivery time for leased line circuits ordered by OLOs for October 2002 was between 22 and 31 days.
- Since October this figure has reduced from 22 to 19 days for Sub 2Mbit Lines, from 31 to 22 days for 2 Mbit Lines[9] with a fall in the average delivery time for all Leased Lines from 22 to 19 days[10].

[8] The rolling three month average for January 2003 was not available in time for this quarter.

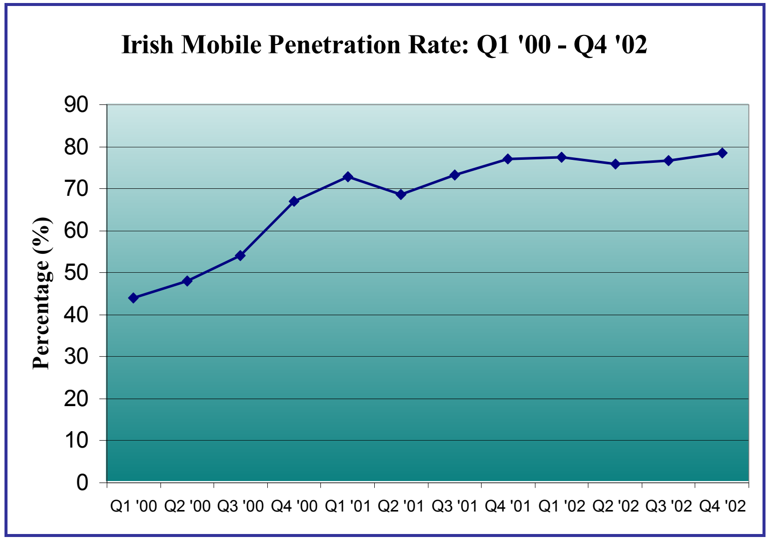
[9] The large drop in the figure for 2Mbit Lines was due in part to one extremely late non-standard order in August causing an unusually large figure for the October three month rolling average.

[10] 1) Delivery lead-time is shown for 100% of orders delivered in the period 2) Sub 2mb deliveries include digital circuits with transmission speeds of less than 2mb. 3) The statistics provided relate to orders from other licensed operators only. 4) Other interconnect circuits are not included in the statistics.

2.2 Mobile

2.2.1 Irish Mobile Penetration Rate

Figure 2.2.1 Irish Mobile Penetration Rate

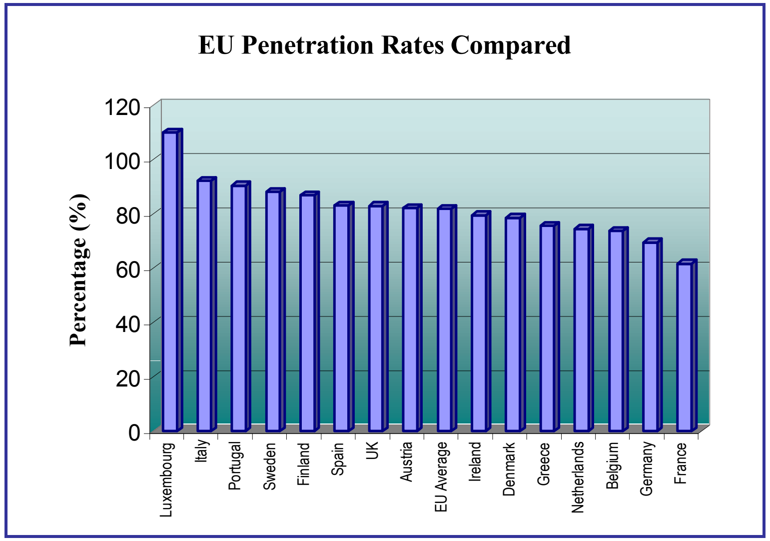


Source: Baskerville and ComReg Estimates

- Irish mobile penetration rate now stands at 79%.
    - Increase of 2% since last quarter
    - Increase of 2% in the last 12 months

2.2.2 EU Penetration Rates

Figure 2.2.2 EU Penetration Rates



Source: Baskerville

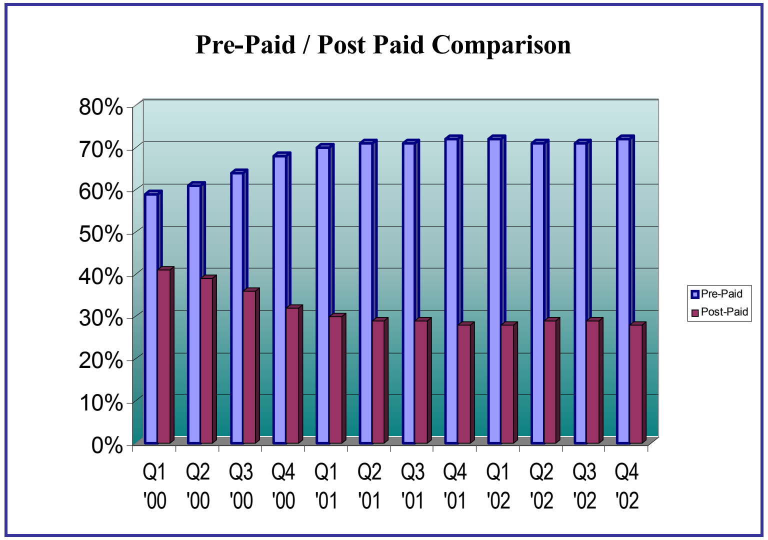
- Ireland has the 9th highest penetration rate in the EU[11], one place behind the EU average and two places behind the UK.

[11] Although Ireland lies behind the EU average it is difficult to ascertain how recent the population figures for the various EU countries have been updated. Ireland's penetration figure is reflective of the CSO census population figure for 2002. Using the previous Irish population figure used the mobile penetration rate would now be at 82%, equivalent to the EU average and one place behind the UK.

2.2.3 Subscribers

- Approximately 3 million mobile subscribers, at the end of December 2002.
    - Increasing from approximately 2.95 million at the end of December 2001

Figure 2.2.3 Pre-Paid / Post Paid Comparison

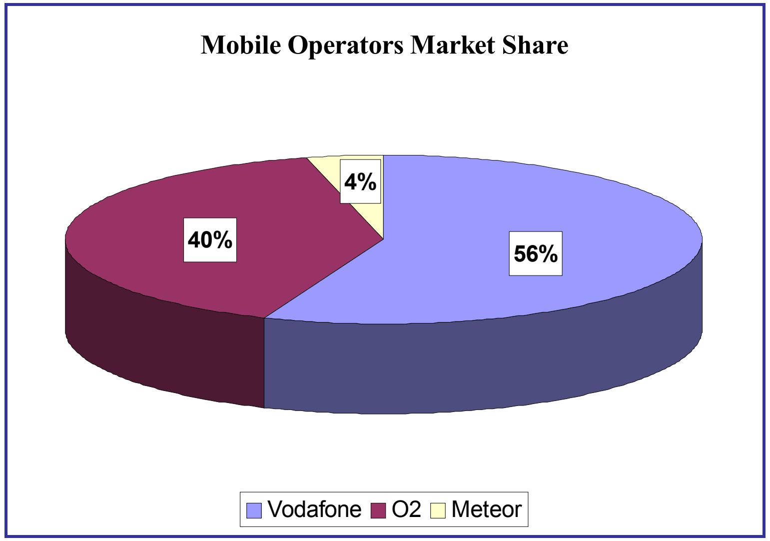


Source: ComReg Quarterly Review Questionnaires

- Pre-paid and Post-paid subscribers account for 72% and 28% of the overall mobile subscribers respectively.

2.2.4 Market Shares

Figure 2.2.4 Mobile Operators Market Share[12]



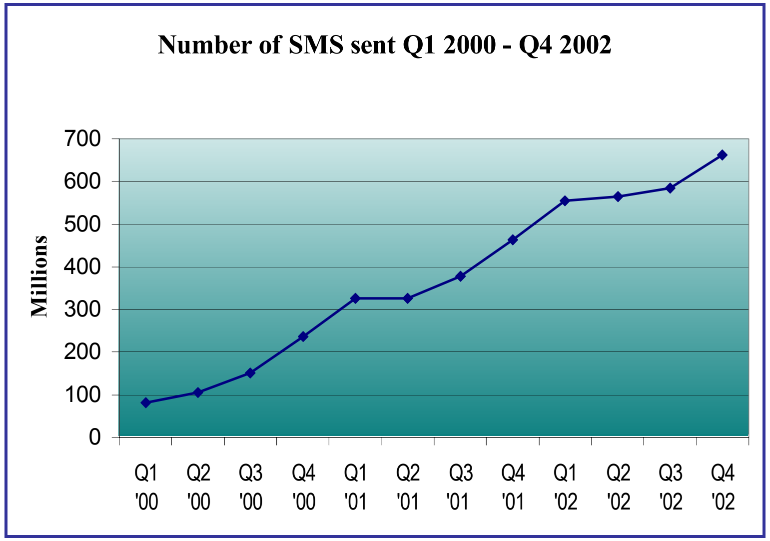
Source: ComReg Quarterly Review Questionnaire

- Vodafone - 56%, a decrease of 1% since our last review
- 0_2 – 40%, remaining the same since our last review
- Meteor - 4%, an increase of 1% since our last review

[12] Market share based on the number of subscribers

2.2.5 SMS

Figure 2.2.5 Number of SMS Messages sent

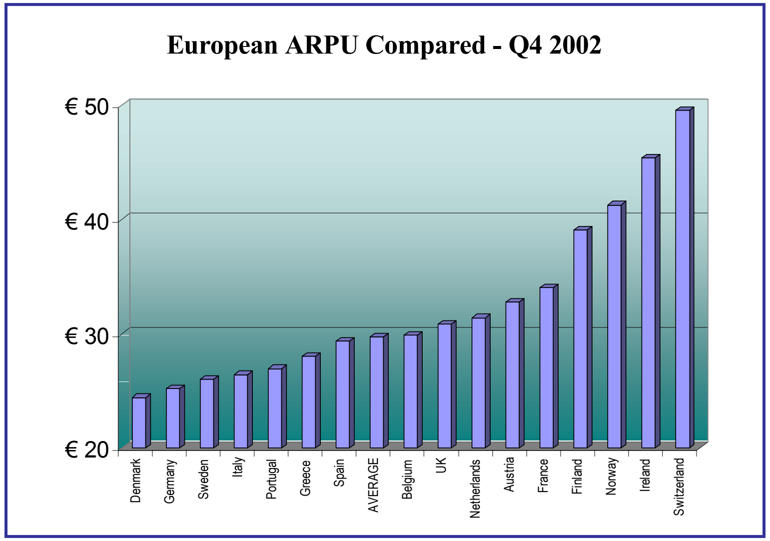


Source: ComReg Quarterly Review Questionnaire

- Approximately 660 million messages sent during the quarter.
  - 72 SMS messages sent on average per month, increase of 13% on the previous quarter.
  - 43% increase in the number of messages sent in 12 months.

2.2.6 ARPU

Figure 2.2.6 European ARPU Compared



Source: The Yankee Group

- Irish Mobile Operator's ARPU is estimated at €45 per month[13] up from €44 last quarter while the EU average is €30[14].

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[13] Average revenue generated by each user per month over the 12-month period to end-December 2002. Country ARPU is the weighted average (by user market share) of published and estimated individual operator ARPU. In 2001 and 2002, certain operators restated ARPU figures to reflect new user definitions and the elimination of inactive prepaid customers. These changes have now been incorporated, resulting in comparatively higher ARPU in certain countries.

[14] Regional average is also a weighted average based on the 2002 mid-term base for each country.

2.3 Internet

ComReg commissioned *Amárach Consulting* to carry out Internet research among a nationally representative sample of 1,000 adults aged 15 – 74[15]. Of those surveyed 83% have a fixed line at home. Currently, the predominant method of accessing the Internet at home is by a fixed line, although there are other access technologies such as cable modems and wireless connections. The results of *Amárach's* research will refer to those with a fixed line unless otherwise stated.

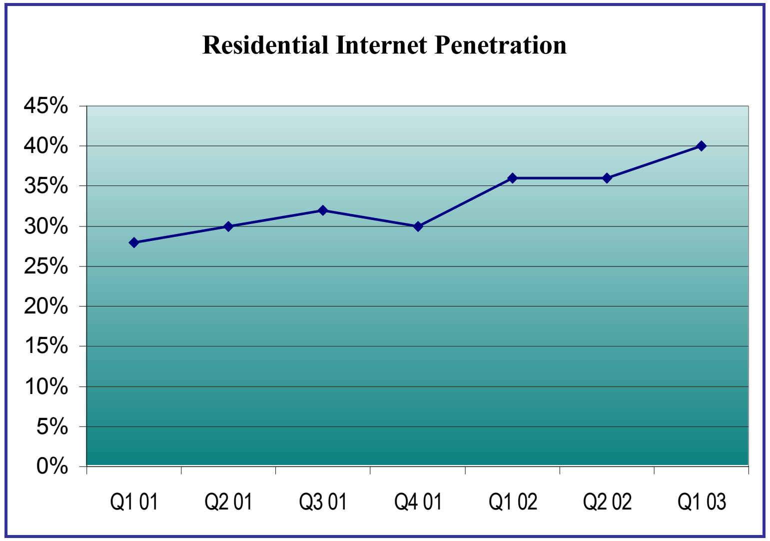
Residential Internet penetration stands at 40% and has grown over the last year by 4%. It should be noted however that by including those who do not have a fixed line the Internet penetration figure would be 34% of households in Ireland.

Amárach's research will be carried out quarterly and included in our key data report. The results of the survey are referred to throughout this section.

[15] Margin of error of +/- 3.4%

2.3.1 Ireland's Internet Penetration Rate

Figure 2.3.1 Ireland's Internet Penetration Rate



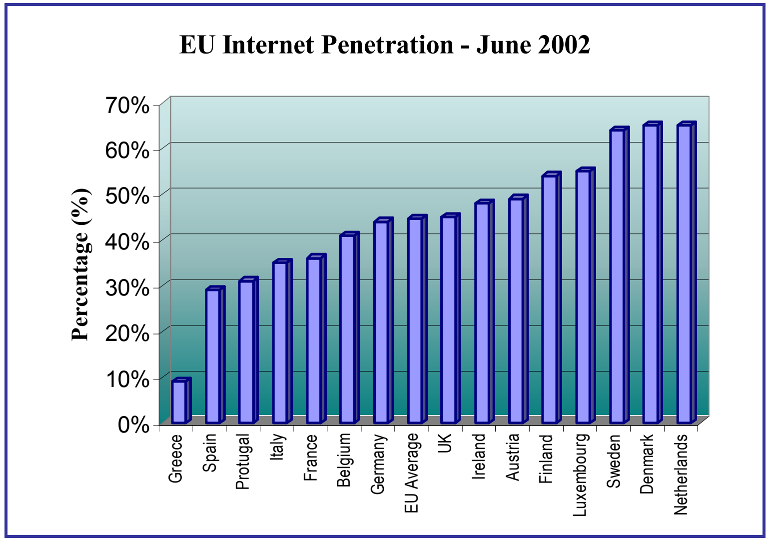
- Residential Internet penetration is estimated at 40%[16]
- An increase of 4% from the same period last year.

[16] *Amárach* carried out face to face research of 1,000 adults aged 15 – 74 years during January / February 2003. The Internet penetration figure is nationally representative of the adult population with a fixed line.

2.3.2 EU Internet Penetration

According to the results of the European Commission's Flash Eurobarometer[17] report, Ireland was 7th in terms of Internet penetration rate in the EU at June 2002.

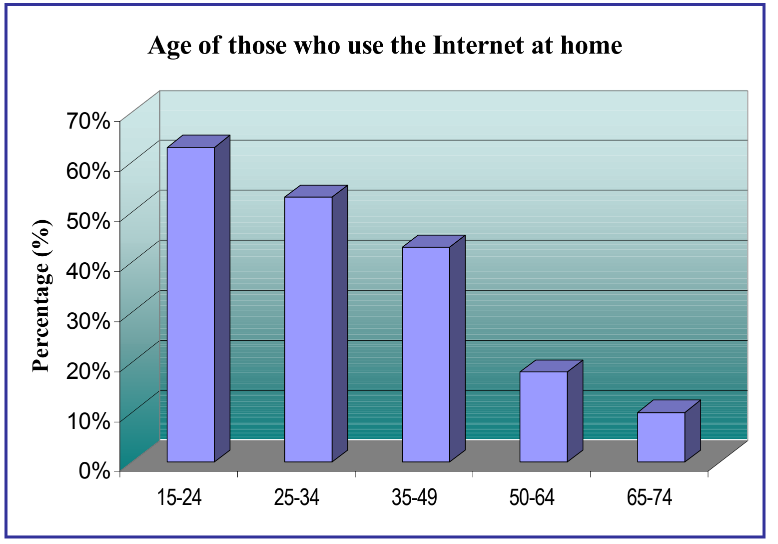
Figure 2.3.2 EU Internet Penetration



[17] Millward Brown IMS were commissioned by the European Commission to carry out the research in Ireland for the EU benchmarking report. The sample sizes in each country amounted to 2,000 respondents. Each sample is representative of the continental population aged 15 and over, interviewed by telephone. A weighting factor is applied to the national results in order to compute a marginal total where each country contributes to this total result in terms of its total population.

2.3.3 Average Internet Usage

Figure 2.3.3 Age of those who personally use the Internet at home



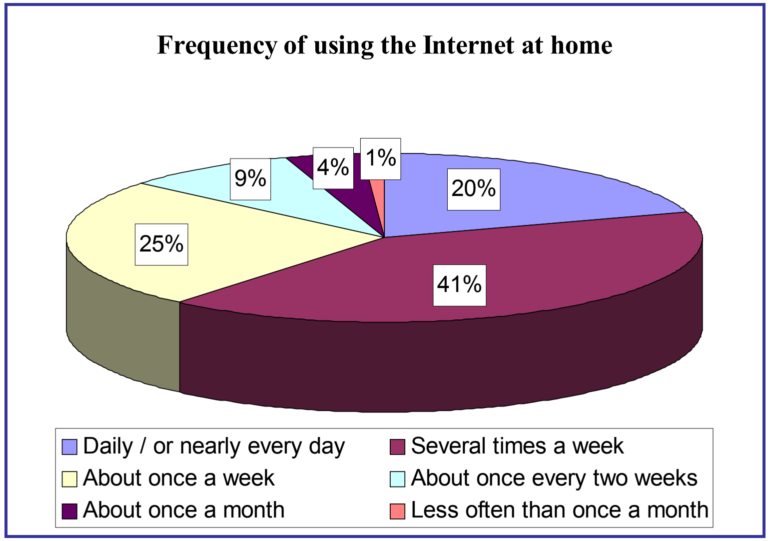
- Usage is highest amongst 15 – 24 year olds (63%), 25 -34 year olds (53%) and 35 – 49 year olds (43%)

2.3.4 Methods of access to the Internet at home

- PSTN is the predominant form of home Internet access (86%) followed by ISDN (8%)

2.3.5 Frequency of using the Internet at home

Figure 2.3.4 Frequency of using the Internet at home



- Of those who personally use the internet at home, one in five uses it daily or almost every day, while a further two in five use it several times a week.

- On average those who personally use the Internet at home estimate that they spend 4 hours 16 minutes on line in a typical week.

2.3.6 On-line Purchases

- 40% of used the Internet to purchase a product or service in the last three months.

- A 9% increase on the same period last year.

- The most common products or services purchased on the Internet in the last three months were airline tickets (67%), concert tickets (23%) and books (14%).

2.3.7 Internet Minutes

- Internet minutes account for 37% of all fixed retail traffic

2.4 Cable/MMDS & Satellite

2.4.1 Cable/MMDS Subscribers

- Approximately 552,000 cable/MMDS subscribers to basic television services in Ireland[18]
  - Decrease of approximately 1.5% since last quarter

2.4.2 Digital Subscribers

- Approximately 12% of cable/MMDS subscribers have upgraded to digital
  - A real increase of 3 percentage points since last quarter
- 272,000 subscribers to BSkyB[19]
  - Increase of 7% since last quarter
- Approximately 337,000 cable/MMDS and satellite digital subscribers
  - Represents approximately 26% of all households with a television[20]

[18] Figure of 585,000 reported last quarter was inaccurate due to a further element of double counting in operator reporting systems. The true figure for Q3 2002 was 560,000. All remaining figures in the section are calculated using the true figures for Q3/Q4.

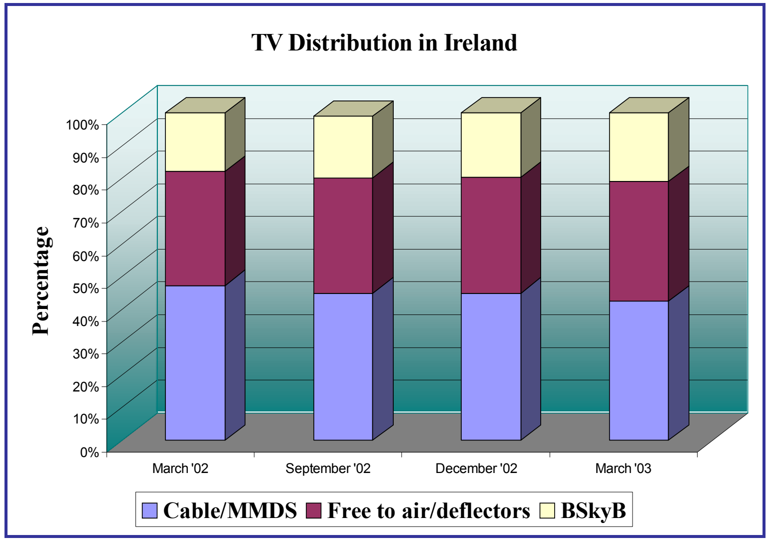
[19] BSkyB interim report, 31st December 2002

2.4.3 Households Passed

- Over 1 million households passed
  - Approximately 64% are passed for digital services[21]

2.4.4 TV Distribution in Ireland

Figure 2.4.1 TV Distribution in Ireland



2.4.5 Cable/MMDS Revenues

- Total cable/MMDS revenues have decreased by 1% since last quarter.

[20] Figure is based on CSO estimate of 1.3 million households with a television

[21] This figure has fallen due to a large increase in the total number of households passed.

3 Tariff Data

This section compares movements in incumbents' tariffs for a range of telecommunication services. The tariff comparisons, generated from the pricing of a number of baskets of telecom services, now rank Ireland's position against all other Member States in relation to telecom tariffs[22]. It should be noted that competing operators sometimes offer cheaper tariffs and this would also be true in the other countries surveyed. The tariff comparison also reflects only one tariff option per incumbent operator and by definition is not indicative of tariff levels available in other tariff options, which may be offered by operators.

The baskets, which are constructed by Teligen using an OECD approved methodology, provide a "snapshot" of Ireland's position vis-à-vis the other Member States at a particular point in time. The baskets of services examined in this review include:

- National PSTN
- International PSTN
- National Leased Lines
- International Leased Lines
- Pre-paid and post paid mobile baskets

Mobile Baskets

In the December Quarterly Review, the mobile tariff baskets were changed due to revisions of the methodology that were agreed in the OECD/Teligen mobile basket workshop in October 2001. To reiterate, there are three new baskets: low user, medium user and high user. Unlike the old mobile baskets, the usage profile of each basket now includes a number of SMS messages per month and is based on the operator with the lowest available tariff in each country[23].

[22] While still using baskets constructed by Teligen using an OECD approved methodology, for the purpose of our analysis going forward only comparisons between the 15 Member States will be examined. As the removal of non-EU15 countries would result in an improvement in Ireland's position for nearly all fixed baskets (the mobile baskets have already previously been based on the EU15), all time series aspects of graphs have been revised to reflect positional changes relative to the EU15 only.

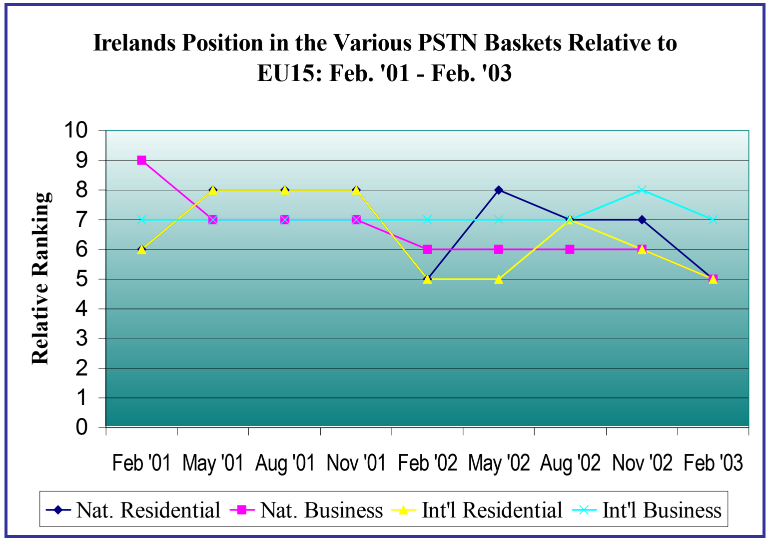
[23] Previously this was based on tariffs available from the incumbent mobile operator.

3.1 Overview

3.1.1 PSTN

- Figure 3.1.1 has been revised to show movement in Ireland's position relative to the EU15 in all PSTN baskets over the past two years. Ireland's position has improved in all of these baskets since last quarter.

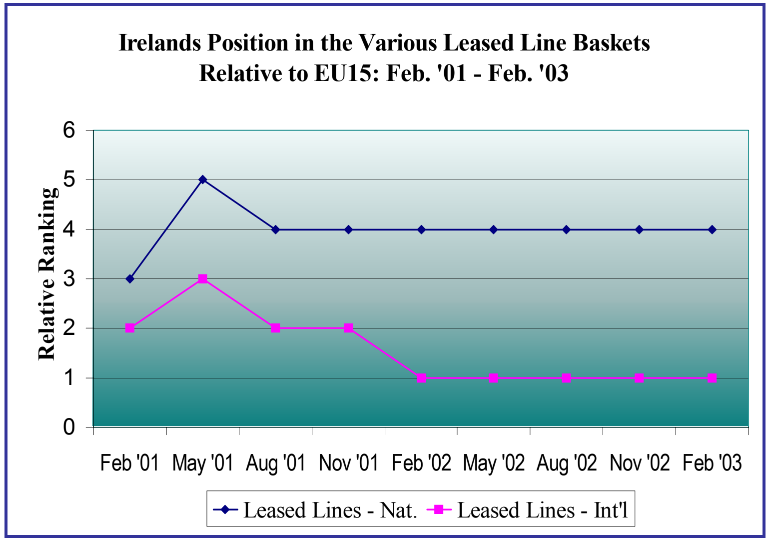
Figure 3.1.1: Ireland's Relative Position for Various PSTN baskets: Feb. '01 – Feb. '03



3.1.2 Leased Line

- Figure 3.1.2 below has been revised to show movement in Ireland's position relative to the EU15 in the leased line baskets over the past two years. Ireland's position in both baskets remains unchanged since last quarter.

Figure 3.1.2 Irelands Relative Position in the Leased Line Baskets: Feb. '01 – Feb. '03

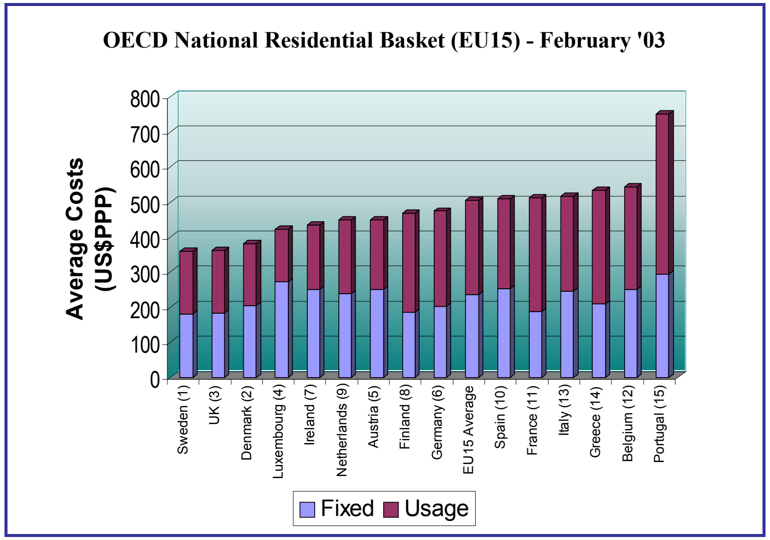


3.2 PSTN Baskets

3.2.1 National Residential Basket

- It appears that Ireland has become more competitive in this basket since last quarter, moving into 5th place from 7th after passing Germany and Austria and is five positions ahead of the EU15 average.

Figure 3.2.1: OECD National Residential Basket (EU15) – February 2003

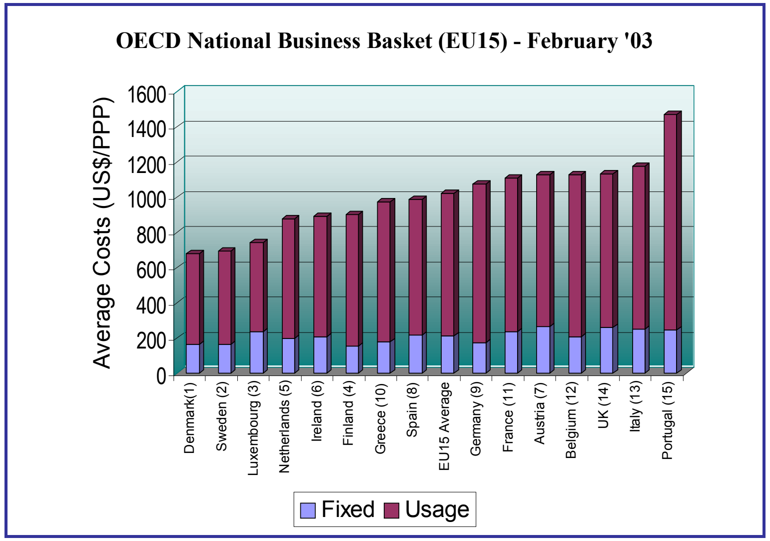


NB: The numbers in brackets represent each Member States respective rankings as at Dec. 2002.

3.2.2 National Business Basket

- Ireland has moved into 5th place from 6th after passing Finland and is four positions ahead of the EU15 average.

Figure 3.2.2: OECD National Business Basket (EU15) – February 2003

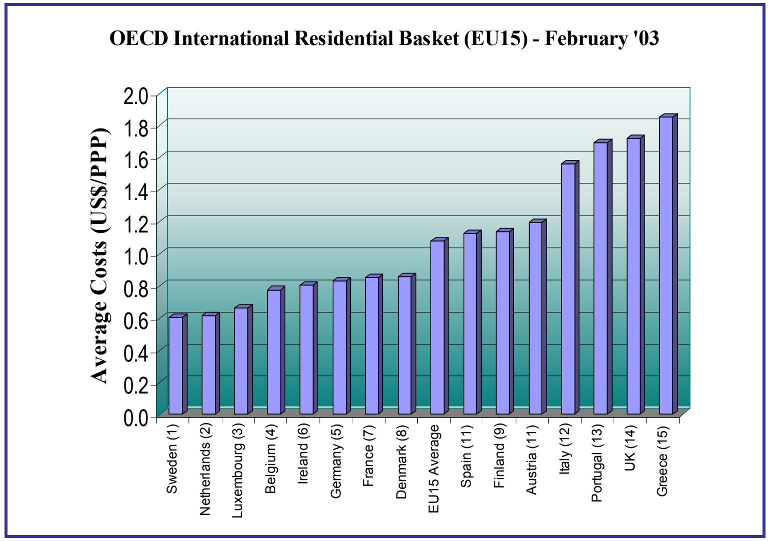


NB: The numbers in brackets represent each Member States respective rankings as at Dec. 2002

3.2.3 International Residential Basket

- Ireland has moved into 5th place from 6th after passing Germany and is four positions ahead of the EU15 average.

Figure 3.2.3 OECD International Residential Basket (EU15) – February 2003

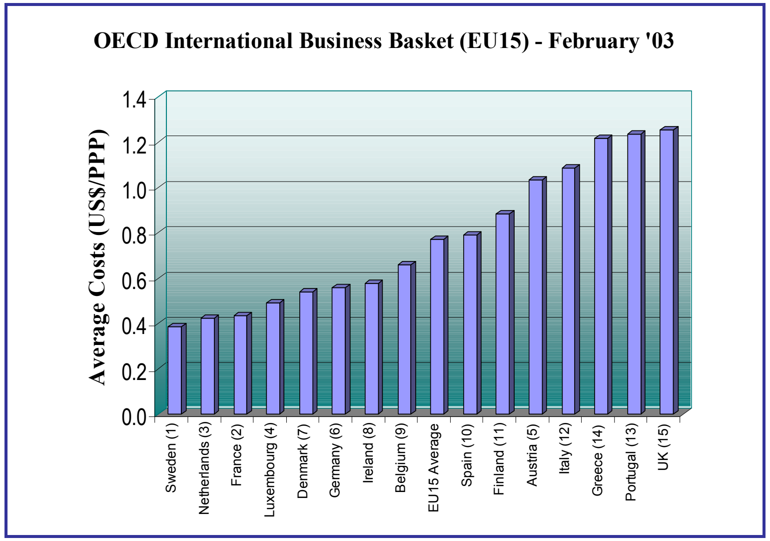


NB: The numbers in brackets represent each Member States respective rankings as at Dec. 2002

3.2.4 International Business Basket

- Ireland has moved into 7th place from 8th after passing Austria and is two positions ahead of the EU15 average.

Figure 3.2.4: OECD International Business Basket (EU15) – February 2003



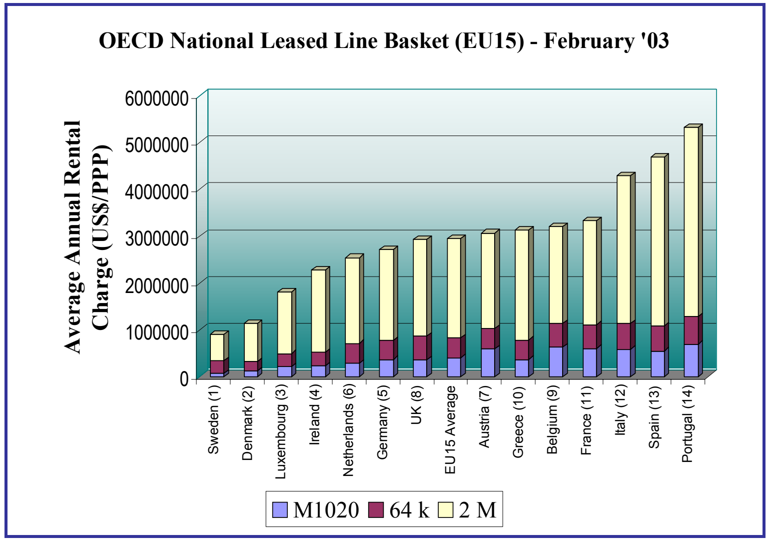
NB: The numbers in brackets represent each Member States respective rankings as at Dec. 2002

3.3 Leased Line Baskets

3.3.1 National Leased Lines

- Ireland remains in 4th place and is four positions ahead of the EU15 average[24].

Figure 3.3.1 OECD National Leased Line Basket (EU15) – February 2003

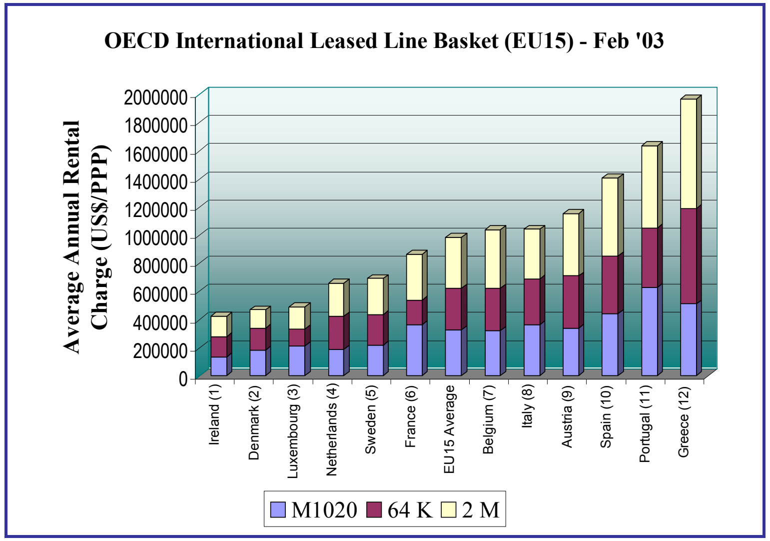


NB: Data for Finland is unavailable. The numbers in brackets represent each Member States respective rankings as at Dec. 2002

3.3.2 International Leased Lines

- Ireland remains in 1st position[25].

Figure 3.3.2 OECD International Leased Line Basket (EU15) – February 2003



NB: Data for Germany, Finland and UK is unavailable. The numbers in brackets represent each Member States respective rankings as at Dec. 2002

[24] The "National Leased Line Basket" is based on 100 circuits distributed over 6 distances from 2 to 500 km. Results exclude Vat.

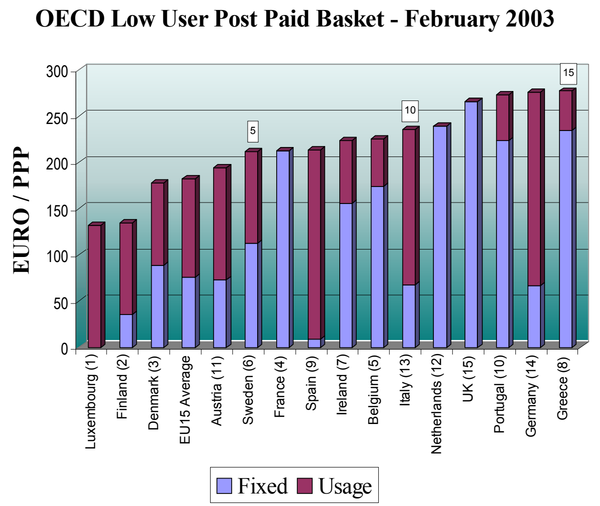
[25] The prices for these circuits are devised from the weighted average of half-circuits to all other OECD countries, using the traffic volume weighting method proposed by Teligen. The UK prices for international digital leased lines have been removed – they are not available at present as they are only priced on a case-by-case basis.

3.4 Mobile Baskets

3.4.1 Low User Post Paid Mobile Basket

- Ireland lies in 8th position, down one place form last quarter and five places below the average.

Figure 3.4.1 OECD Low User Post Paid Mobile Basket (EU15) – Feb'03

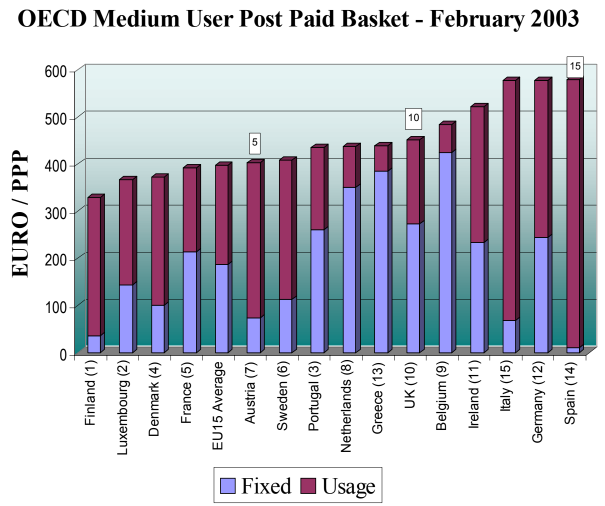


NB: The numbers in brackets represent the countries respective rankings as at Dec. 2002

3.4.2 Medium User Post Paid Mobile Basket

- Ireland lies in 12th position, eight places below the average and down one place since last quarter.

Figure 3.4.2 OECD Medium User Post Paid Mobile Basket (EU15) – Feb '02

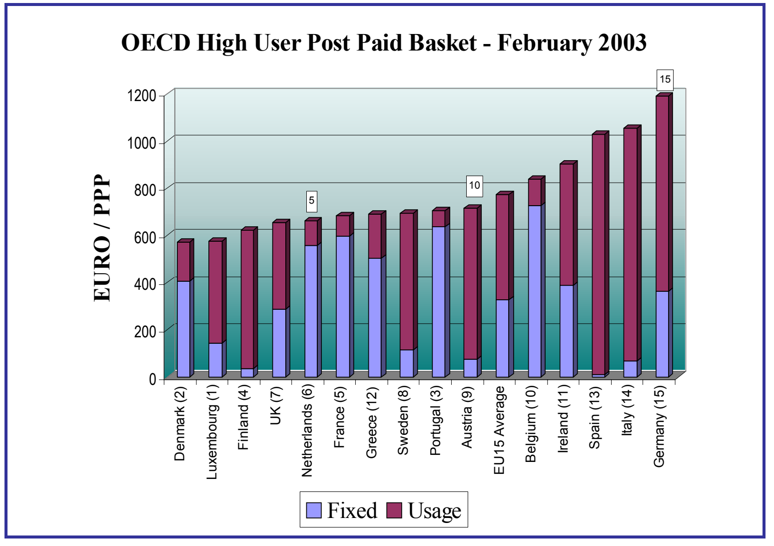


NB: The numbers in brackets represent the countries respective rankings as at Dec. 2002

3.4.3 High User Post Paid Mobile Basket

- Ireland lies in 12th position in the high user post paid mobile basket. This is down one place since last quarter.

Figure 3.4.3 OECD High User Post Paid Mobile Basket (EU15) –Feb '03

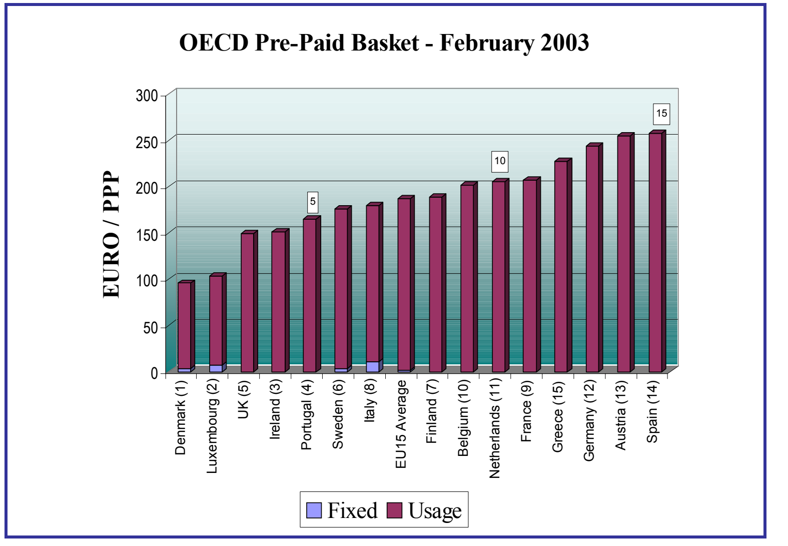


NB: The numbers in brackets represent the countries respective rankings as at Dec. 2002

3.4.4 Pre Paid Mobile Basket[26]

- Ireland lies in 4th position for the pre-paid mobile basket, down one place since the last quarter.

Figure 3.4.4 OECD Pre Paid Mobile Basket (EU15) – February '03



NB: The numbers in brackets represent the countries respective rankings as at Dec. 2002

[26] The OECD has found that there is little difference between the average pre-paid usage and low-user post-paid usage. This pre-paid basket thus refers to the average pre-paid user and is based on low user post-paid usage.

Appendix - Licensees

GENERAL LICENSEES

FIXED OPERATORS[27]

Licensee	*Operational*	*Responded to QR*
360 Atlantic	No	No
Aurora Telecom Ltd.	YES	YES
Alphyra (previously known as ITG Carrier Services)	YES	YES
BT (Concert) Global Networks Ltd.	NO	NO
Budget Telecommunications Ltd.	YES	YES
Cable & Wireless Services (Ireland) Ltd.	YES	YES
Colt Telecom	YES	YES
Conduit Enterprises Ltd.	YES	YES
Dome Telecom Ltd.	NO	NO
eircom	YES	YES
EsatBT	YES	YES
Esat Net	YES	YES
Global Crossing Ireland Ltd.	YES	YES
GTS Business Services (Ireland) Ltd.	YES	YES
IDT Europe BV Ltd Liability Cooler	NO	YES
Infonet Broadband Services Corporation (licence transferred from AUCS Communications Services Ireland Ltd.)	NO	NO
Interoute Ireland Ltd.	NO	NO
IXC Communications Services Europe Ltd.	NO	NO
LCN-Ireland, L.L.C.	NO	NO
LDMI Telecommunications of Ireland	NO	YES
Mastercall International Ltd.	NO	NO
WorldCom	YES	YES
Meridian Communications Ltd.	NO	NO
Ocean Communications Ltd.	YES	YES
PrimeTec UK Ltd.	NO	NO
Primus Telecommunications Ltd.	NO	NO
RSL Communications (Ireland) Ltd.	NO	NO
Sigma	NO	NO
SM Communications	YES	YES
Smart Telecom	YES	YES
Startec Global Communications UK Ltd.	NO	NO
Nevada tele.com	YES	YES

[27] Fixed line operators who hold a general telecommunications licence

Swiftcall Centre	YES	YES
TCSI Ltd.	NO	NO
Tele2 Telecommunications Services Ltd.	NO	YES
Teleglobe Ireland Ltd.	NO	NO
Transaction Network Services Ltd.	YES	YES
VarTec Telecom (UK) Ltd.	NO	YES
Viatel (I) Ltd.	NO	NO
Yac Ltd.	NO	NO

MOBILE OPERATORS

Licensee	*Operational*	*Responded to QR*
Meteor Mobile Communications	YES	YES
Hutchison Whampoa	NO	NO
O2 Communications Ireland Ltd.	YES	YES
Vodafone Ireland Ltd.	YES	YES

CABLE OPERATORS[28]

Licensee	*Operational*	*Responded to QR*
Chorus	YES	YES
NTL Communications (Ireland) Ltd.	YES	YES

[28] Cable operators who hold a general telecommunications licence

BASIC LICENCES

FIXED OPERATORS[29]

Licensee	Operational	Responded to QR
Alord Holdings Ltd.	YES	YES
AT & T Global Network Services Ireland Ltd.	YES	YES
Axis Communications	NO	NO
Broadband Partners (Ireland Ltd.)	NO	NO
Broadband Communications Ltd.	NO	YES
Broighter Networks Ltd.	NO	YES
Cargo Community Systems Ltd.	YES	YES
Cinergi Telecom Ltd. (licence transferred from Hibercall Ltd. 14/11/02)	YES	YES
Crossan Cable	NO	NO
EGN B.V.	YES	YES
ESB Telecoms Ltd.	NO	YES
European Access Providers Ltd.	NO	NO
Flag Telecom	NO	NO
Genesis Internet Service Provider Ltd.	NO	NO
Genuity International Inc.	YES	YES
Global Crossing Ireland Ltd.	YES	YES
Equant Systems Ltd. **(licence transferred from Global One Communications Ltd. 29/10/02)**	NO	NO
Galileo Nederland BV **(previously known as Timas Ltd.)**	YES	YES
GTS Network (Ireland) Ltd.	NO	NO
IDirect	NO	NO
Indigo	YES	YES
Irish Broadband Internet Services	NO	NO
IXNET UK Ltd.	NO	NO
Kokomo Telecom Ltd.	NO	NO
KPNQwest Carrier Services B.V.	NO	NO
Lake Communications Systems	NO	NO
MediaNet Ireland Ltd.	NO	NO
Metromedia Fibre Network Ireland Ltd.	NO	NO
Next Telecom	NO	NO
Radianz Connect Services	NO	NO
Rillbank Ltd.	YES	NO
Savvis Europe B.V.	YES	YES
SkyNet	NO	NO
Sonic Telecom	NO	YES

[29] Fixed operators who hold a basic telecommunications licence

SITA	NO	NO
Sprintlink	NO	NO
Tarwin Trading Ltd.	NO	NO
Tele Media International Ltd.	NO	NO
Torc Telecom	NO	NO
Universal Access Ireland Ltd.	NO	YES
Waterland Technologies	NO	NO
Web-Sat Ltd.	NO	YES

CABLE OPERATORS[30]

Licensee	*Operational*	*Responded to QR*
Casey Cable Vision Ltd.	YES	NO

[30] Cable operators who hold a basic telecommunications licence