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Communications Regulation

Irish Communications Market

Quarterly Key Data Report (R)

Data as of Q1 2016



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An Coimisiún um Rialáil Cumarsáide

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Corrigendum to Q4 2015 Report¹

Four operators informed ComReg about incorrect historically provided information:

Note 1: Fixed voice revenues from Q1 2014 to Q4 2015 inclusive have been revised upwards following an operator's revisions to historically provided information with such revisions ranging from €4,000 to €6,213,000 in each of these quarters. These changes affect overall industry revenue figures as well as fixed retail revenue market shares which have been revised.

Note 2: Fixed voice subscriptions from Q1 2015 to Q4 2015 inclusive have been revised upwards following an operator's revisions of historically provided information, with such revisions ranging from 338 to 624 in each of these quarters.

Note 3: Fixed broadband subscriptions from Q1 2015 to Q4 2015 inclusive have been revised both upwards and downwards following an operator's revisions of historically provided information. Revisions range from reductions of 40 subscriptions to upward revisions of 54 subscriptions. These changes also affect fixed broadband market shares (subscriptions) which have also been revised.

Note 4. Mobile revenues from Q1 2014 to Q4 2015 inclusive have been revised upwards following an operator's revisions to historically provided information, with such revisions ranging from €2,466,102 to €4,332,416 in each of these quarters.

Note 5. Mobile voice minutes, SMS & MMS and data traffic volumes have been revised downwards for Q4 2015 following an operator's revisions of historically provided data.

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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 Q4 2015 to Q1 2016 overall industry retail revenues decreased by 2.8%. Total retail revenues in the twelve months to March 2016 at €3.025 billion were up from €3.013 billion over the 12 months previous. There were 1,321,395 fixed broadband subscriptions this quarter which was an increase of 0.9% from Q4 2015 and an increase of 4.0% compared to Q1 2015. Overall voice traffic volumes decreased by 1.3% this quarter. Presented below is a tabular summary of the data presented throughout this Quarterly Key Data Report.

Irish Quarterly Communications Market Data Q1 2016				
	Q1'16	Q4'15	Quarterly Change	Annual change
Total Retail Market Revenues ²	€747,295,883	€774,914,570	-3.6%	+0.9%
Fixed Line Retail Revenues ³	€328,763,413	€332,247,425 ⁴	-1.0%	+2.9%
Mobile Retail Revenues ⁵	€380,520,056	€403,526,579	-5.7%	+0.3%
Broadcasting Retail Revenues ⁶	€38,012,414	€39,140,566	-2.9%	-8.3%
Fixed Line Wholesale Revenues	€147,575,933	€146,320,269	+0.9%	+4.9%
Mobile Wholesale Revenues	€73,697,106	€77,209,645	-4.5%	+0.4%
Total Voice Traffic (Minutes)	4,127,213,083	4,180,437,984	-1.3%	-0.5%
Fixed Voice Traffic (Minutes)	1,082,159,983	1,094,616,623	-1.1%	-4.8%
Mobile Voice Traffic (Minutes) ⁷	3,045,053,100	3,085,821,361	-1.3%	+1.1%
Fixed Broadband Subscriptions ⁸	1,321,395	1,309,610	+0.9%	+4.0%
Fixed Subscriptions	1,816,116	1,822,738	-0.4%	-4.4%
Fixed Voice Subscriptions ⁹	1,470,996	1,475,951	-0.3%	-2.2%

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

³ Fixed line retail revenues were revised from Q1 2014 to Q4 2015 inclusive. See note 1 within the corrigendum to Q4 2015 on page 5 of this report.

⁴ Corrigendum to Q1 2016: In the QKDR published on 09/06/16 there was an error in the Q4'15 figure for Fixed Line Retail Revenues. This has been corrected from €326,034,425 to €332,247,425. This in turn affected the Q4'15 figure for Total Retail Market Revenues. This has been corrected from €768,701,570 to €774,914,570.

⁵ Mobile Retail Revenues were revised from Q1 2014 to Q4 2015 inclusive. See note 4 within the corrigendum.

⁶ 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.

⁷ Mobile Voice Traffic was revised for Q4 2015. See note 5 within the corrigendum of this report.

⁸ Fixed Broadband subscriptions were revised from Q1 2015 to Q4 2015 inclusive. See note 3 within the corrigendum to of this report.

⁹ Fixed Voice subscriptions were revised from Q1 2015 to Q4 2015 inclusive. See note 2 within the corrigendum to of this report.

Total Mobile Subscriptions (inc. Mobile broadband and M2M)	5,795,416	5,855,256	-1.0%	+0.4%
Machine to Machine Subscriptions	575,376	554,070	+3.8%	+19.8%
Mobile Broadband Subscriptions (HSDPA and LTE)	397,489	399,177	-0.4%	-8.7%
Mobile Subscriptions (exc. Mobile broadband and M2M)	4,822,551	4,902,009	-1.6%	-0.7%

- Overall electronic communications network and service retail revenues at the end of March 2016 were over €747 million for the quarter. Industry retail revenues declined by 2.8% this quarter and increased by 1.7% compared to Q1 2015.
- At the end of March 2016 there were 1,470,996 fixed voice subscriptions in Ireland, a decrease of 0.3% since last quarter and a decrease of 2.2% since Q1 2015.
- Total voice traffic minutes decreased by 1.3% this quarter and were 0.5% lower than in Q1 2015. Mobile minutes form the majority of voice minutes at 73.8%, with fixed minutes representing the remaining 26.2%. Mobile voice minutes decreased by 1.3% this quarter while fixed voice minutes declined by 1.1% this quarter.
- Fixed broadband subscriptions increased by 0.9% this quarter and were up by 4.0% compared to Q1 2015. VDSL (+10.3%) subscriptions increased this quarter while satellite/fibre (-11.1%), DSL (-3.6%), FWA (-2.9%) and cable (-0.9%) subscriptions fell this quarter.
- The estimated fixed broadband household penetration rate¹⁰ was 66.5% in Q1 2016. The fixed broadband per capita penetration rate was 28.4%. The broadband per capita penetration rate (including mobile broadband) was 36.9%.
- Average fixed broadband speeds continue to increase. In Q1 2016 approximately 70.2% of all fixed broadband subscriptions were equal to or greater than 10Mbps up from 62.1% in Q1 2015. 58.1% of all fixed broadband subscriptions were equal to or greater than 30Mbps, up from 48.1% in Q1 2015.
- At the end of March 2016 there were 5,795,416 mobile subscriptions (including mobile broadband and M2M) in Ireland, a decrease of 1.0% since last quarter. The mobile penetration rate was 124.5% including mobile broadband and Machine to

¹⁰ This estimate excludes business subscriptions and mobile broadband subscriptions.

Machine subscriptions and 103.6% excluding mobile broadband and Machine to Machine subscriptions.

- The number of voice and data subscribers using 3G/4G networks decreased to 4,042,504 this quarter, down by 1.2% from Q4 2015 and up by 15.4% compared to Q1 2015.
- There were 410,654 gross additions in the number of mobile subscriptions. Of these, 87,155 were subscriptions with ported numbers. On average, there were 91,626 numbers ported and 488,425 total gross additions per quarter over the last 12 months.
- In Q1 2016 mobile ARPU was €24.12 per month, down from €24.79 per month in Q1 2015. 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

Behaviour & Attitudes Ltd on behalf of ComReg. For more details on survey method, see the Appendix on page 81.

- For Q1 2016 an Irish population estimate¹¹ of 4,653,600 is used, with this being obtained from the Central Statistics Office (CSO) QNHS survey. For Q1 2016, an estimated household number of 1,716,600 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 16/48a.
- 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.

¹¹ Estimates based on Quarterly National Household Survey (QNHS).

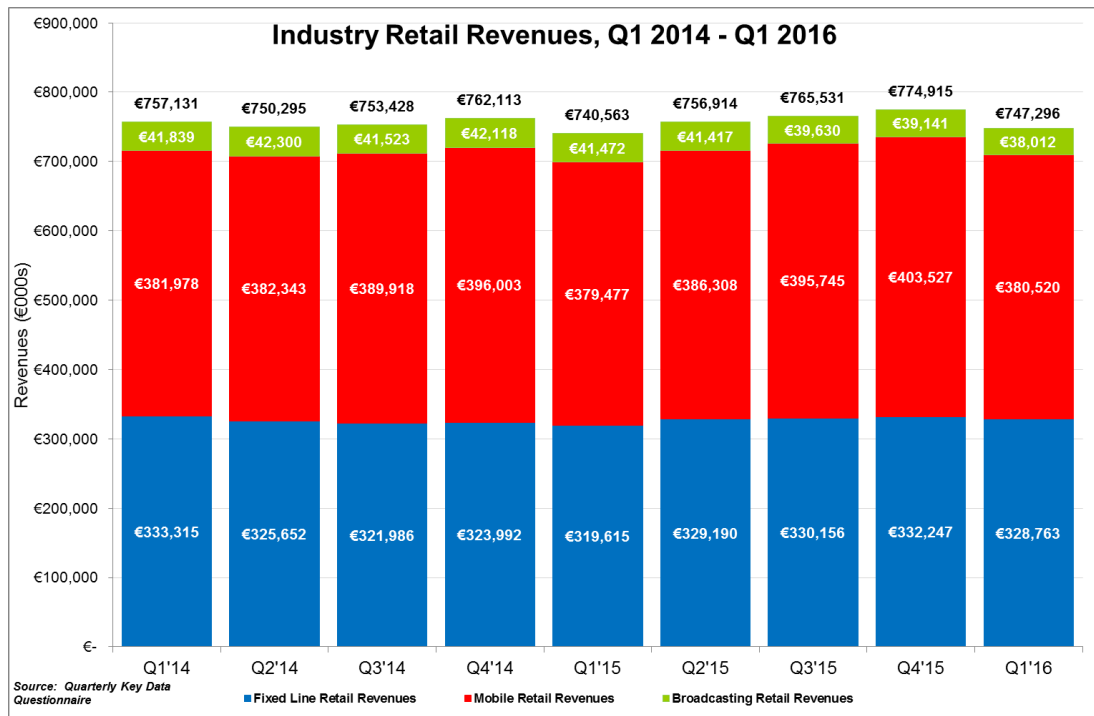
1. Overall Market Data

Data presented in this report is based on questionnaires completed by certain authorised operators¹² for the period from 1 January to 31 March 2016. The report is based on submissions from 40 active operators¹³.

1.1 Overall Electronic Communications Revenues¹⁴

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 decreased by 3.6% this quarter but increased by 0.9% compared to Q1 2015. The quarterly decline in retail revenues was driven primarily by decreases in mobile retail revenues. Mobile revenues accounted for 50.9% of total industry retail revenues followed by fixed line (44.0%) and broadcasting (5.1%) revenues. Over the twelve months to March 2016, total retail revenues were over €3.045 billion.

Figure 1.1.1 – Fixed, Mobile & Broadcasting Retail Revenues



According to the CSO, Ireland’s Gross National Product for Q4 2015¹⁵ was approximately €45 billion. Based on the Q4 2015 retail revenue data reported to ComReg by operators

¹² Operators who generate in excess of €500,000 in retail and/or wholesale revenues from electronic communications networks and services per annum.

¹³ See table A2 in the Appendix for the list of respondents who submitted data to ComReg.

¹⁴ Further detail on terms and definitions - ComReg Doc. 16/48a Explanatory Memorandum.

¹⁵ Q4 2015 is the latest period for which GNP data is available.

in the Irish communications sector, these revenues were approximately 1.7% of GNP in that quarter.

This quarter, mobile retail revenues decreased by 5.7% but increased by 0.3% when compared to Q1 2015. Fixed line retail revenues decreased by 1.0% this quarter but increased by 2.9% when compared to Q1 2015. Broadcasting (Cable/MMDS/IPTV) retail revenues decreased by 2.9% this quarter and declined by 8.3% compared to Q1 2015. The broadcasting network retail revenues in this report only captures Cable/MMDS/IPTV revenues and thus, exclude Sky Ireland’s satellite TV revenues and all content-related revenues.¹⁶

1.2 Overall Call Volumes

Figure 1.2.1 – Fixed and Mobile Voice Call Volumes (Minutes)¹⁷

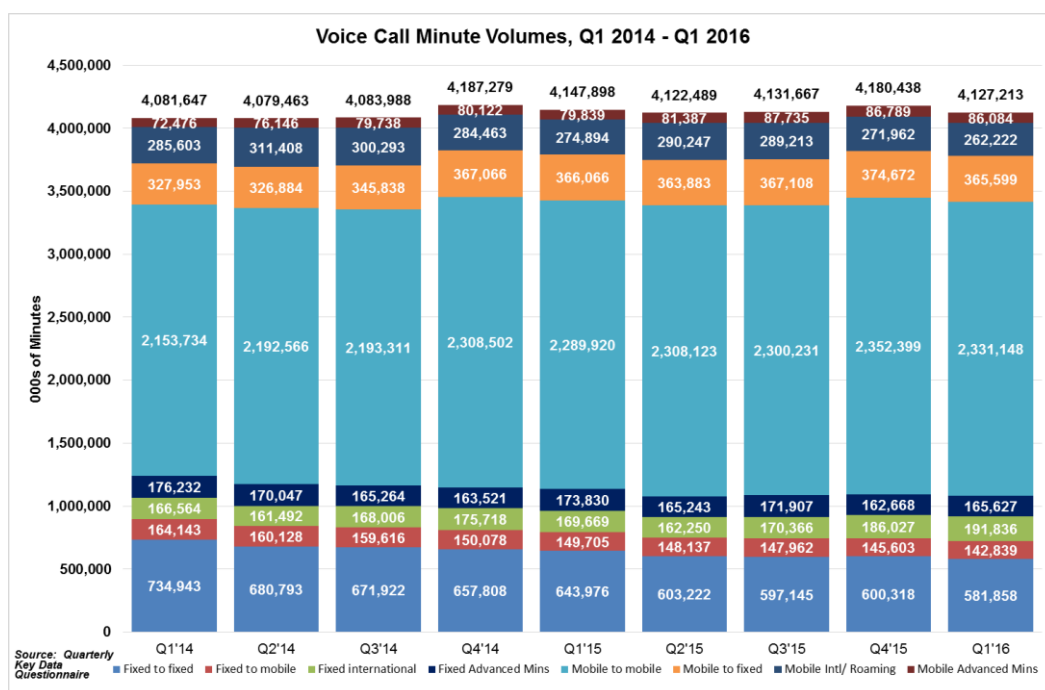


Figure 1.2.1 profiles volumes of originating voice calls by call type on both fixed and mobile networks on a quarterly basis. There was a decrease in total voice minutes this quarter. Voice minutes for Q1 2016 totalled 4.13 billion minutes, there were 16.6 billion minutes in the twelve months to the end of March 2016. Total voice minutes decreased by 1.3% from the previous quarter and decreased by 0.5% since Q1 2015.

¹⁶ 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.

¹⁷ 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 1.1% on Q1 2015) accounted for 73.8% of all voice minutes in Q1 2016 (compared to 72.6% in Q1 2015) while traffic originating on fixed line networks (down 4.8% on Q1 2015) accounted for the remaining 26.2% of all voice minutes (compared to 27.4% in Q1 2015). Figure 1.2.2 shows total voice traffic in Ireland at the end of Q1 2016.

Figure 1.2.2 – Total Voice Traffic

	Q1'16 Mins	Q4'15 – Q1'16 Growth	Q4'14 – Q4'15 Growth
Fixed voice minutes	1,082,159,983	-1.1%	-4.8%
Mobile voice minutes	3,045,053,100	-1.3%	+1.1%
Total voice minutes	4,127,213,083	-1.3%	-0.5%

1.3 Communications and the Consumer Price Index

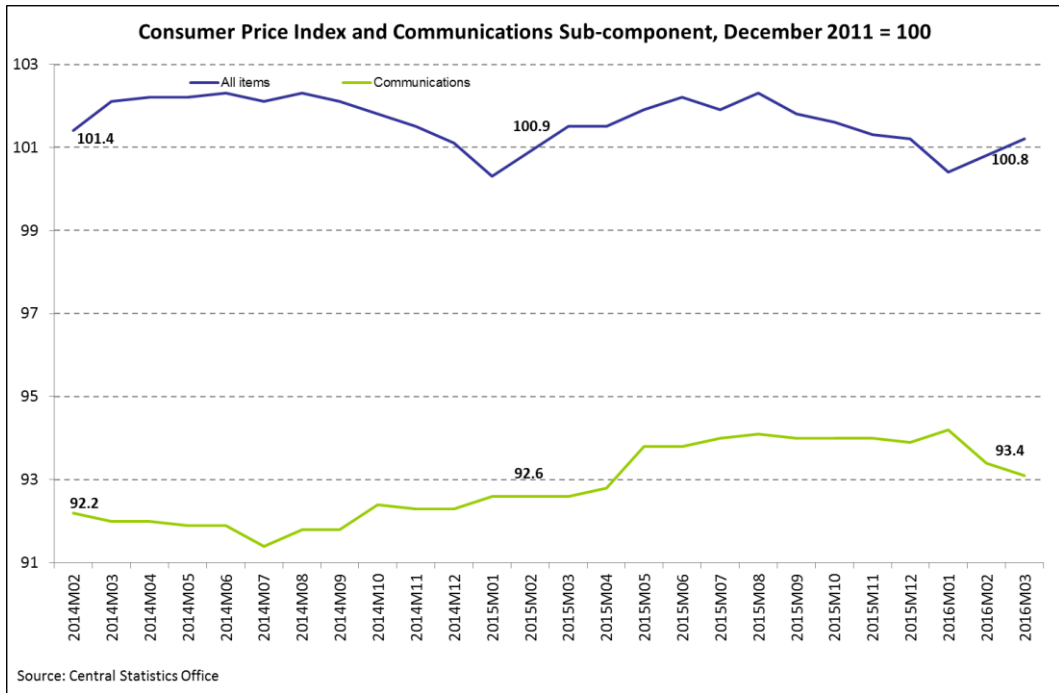
Figure 1.3.1 shows the monthly change in the Consumer Price Index (CPI) and the communications sub-component from February 2014 to March 2016. In January 2015, the CSO revised its weighting for the communications basket to 3.030% of the total CPI, up from 2.932% previously.¹⁸

Using December 2011 as the base period, communications prices have been generally stable over the last 12 months with a notable decrease at the beginning of the year. Communication prices have increased by 0.5 base points since March 2015 with a decrease in the overall CPI of 0.3 of a base point in the same period.

¹⁸

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

Figure 1.3.1 – Consumer Price Index and Communications Sub-Component

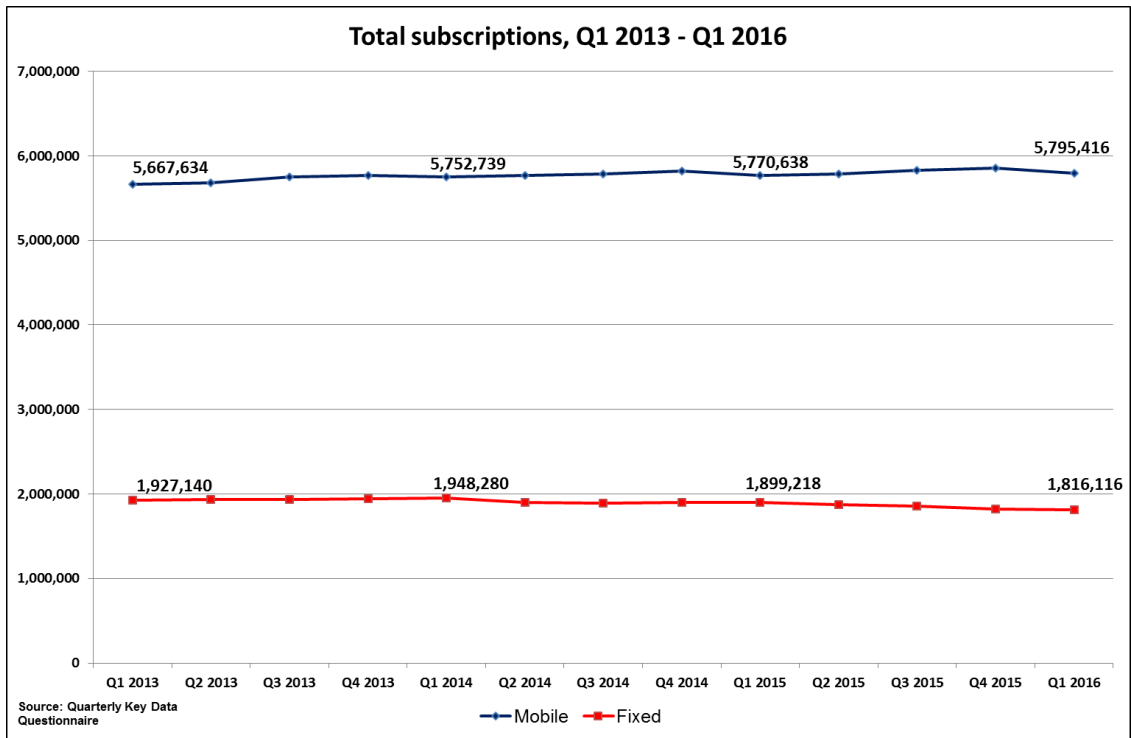


1.4 Fixed and Mobile Market Retail Voice, Internet and TV Subscriptions

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 decreased by 1.0% since Q4 2015, while total fixed subscriptions decreased by 0.33% 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), Q4 2012 – Q4 2015



2. Fixed Market Data

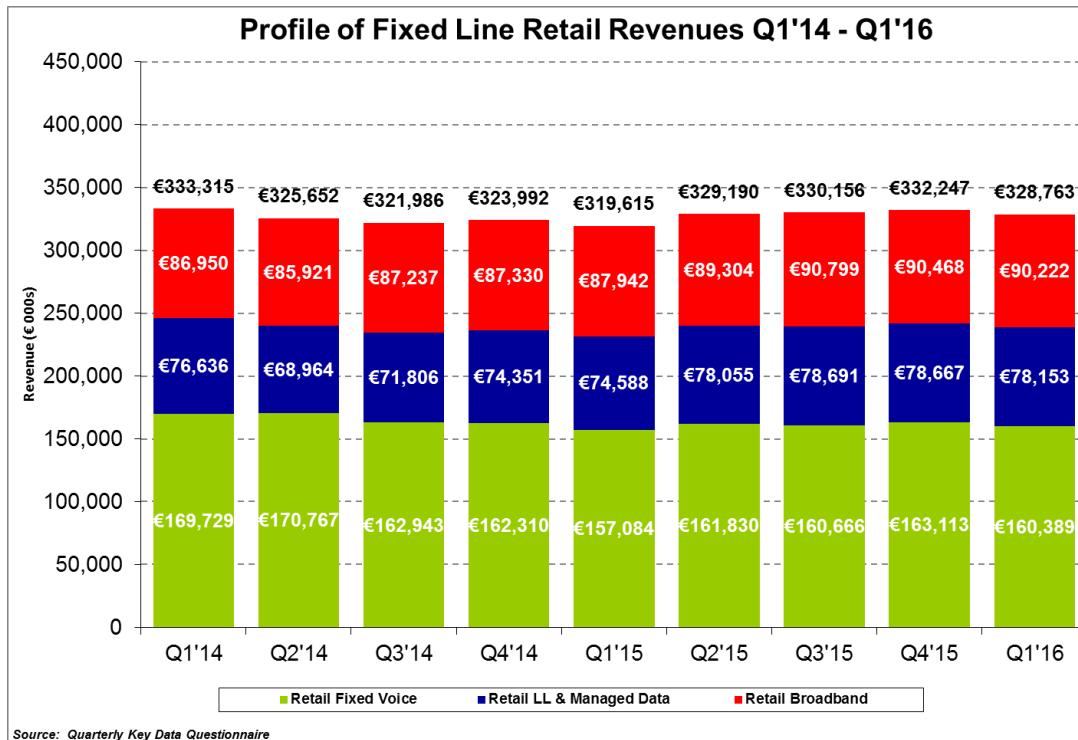
2.1 Fixed Line Revenues¹⁹

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 Q1 2015 were over €328 million. This was a decrease (1.0%) on Q4 2015 revenues but a 2.9% increase on Q1 2015 revenues.

Retail fixed voice revenues (+2.1%), retail broadband revenues (+2.6%) as well as retail leased lines, managed and other data services revenues (+4.8%) have all risen since Q1 2015.

Comparing Q1 2015 to Q1 2016, the proportion of retail fixed line revenues attributable to retail leased lines, managed data and other advanced data services rose by 0.5% to 23.8% while retail broadband revenue’s share decreased by 0.1 of a percentage point to 27.4%. The proportion of retail fixed voice revenues fell by 0.3 of a percentage point, to 48.8% of overall fixed line retail revenues.

Figure 2.1.1 – Profile of Fixed Line Retail Revenues



Fixed line wholesale revenues were over €147 million in Q1 2016, 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

¹⁹ As noted on page 9, 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. Fixed line retail (voice) revenues were revised from Q1 2014 to Q4 2015 inclusive. See note 1 and the corrigendum to Q4 2015 on page 5 of this report.

broadband access revenues. Wholesale revenues increased by 0.9% compared to Q4 2015 and were up by 4.9% since Q1 2015.

2.1.1 Authorised Operators’ Share of Fixed Line Revenues

Figure 2.1.1.1 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 Q1 2016, eir had the highest retail revenue share in the fixed retail market with 44.7% market share. Virgin Media had 14.7%, followed by Vodafone (fixed only) with 13.1%, BT (5.8%), Sky Ireland (4.4%), Verizon (2.2%), AT&T (2.3%) and Digiweb (2.0%). OAOs accounted for the remaining 10.9%.

Figure 2.1.1.1 – Fixed Retail Revenue Market Shares

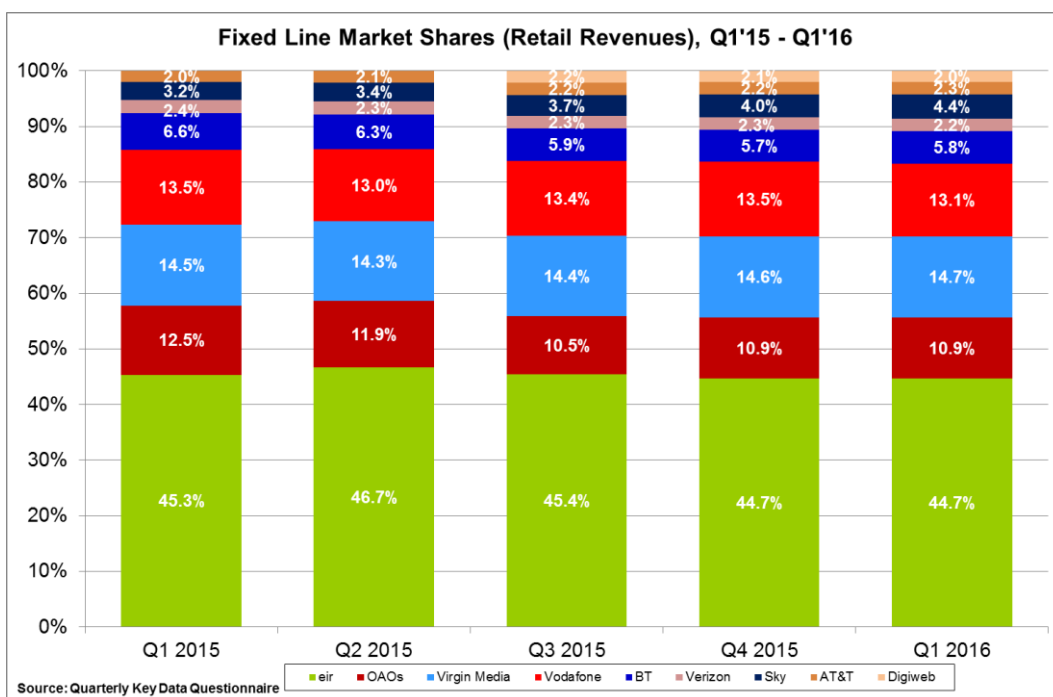
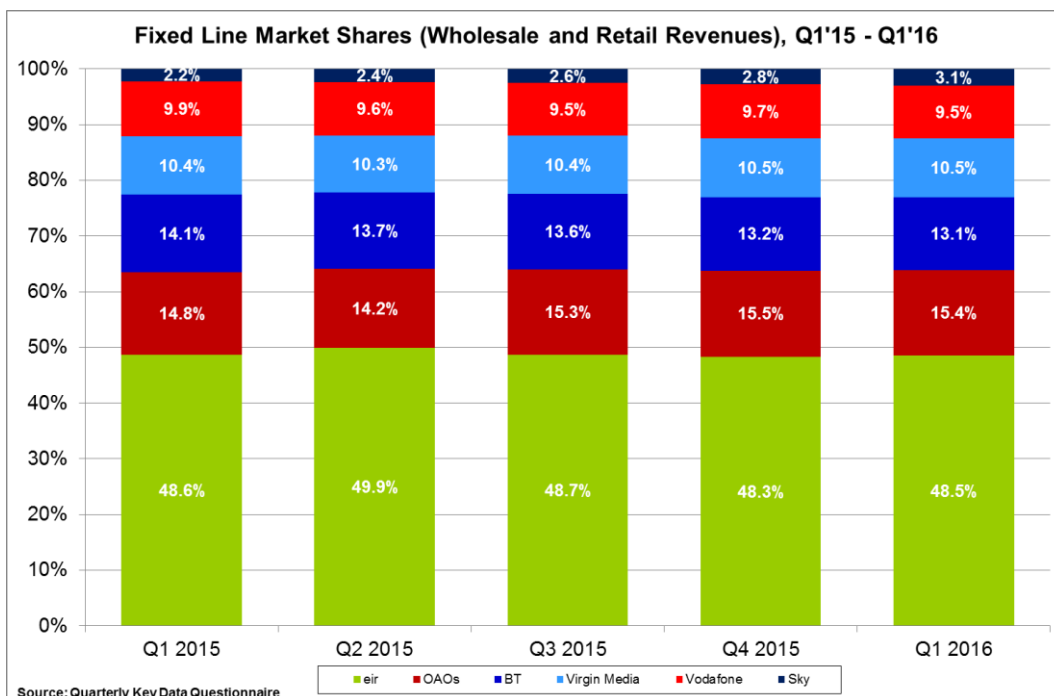


Figure 2.1.1.2 below outlines the revenue shares in the fixed market (comprising fixed line retail and wholesale revenues). When making comparisons, it is important to note that the market shares presented below are based on shares across all fixed wholesale and retail revenue streams and some operators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

In Q1 2016, eir had the highest revenue market share with 48.5%. ComReg estimates that the next four largest operators (BT, Vodafone (fixed only), Virgin Media and Sky

Ireland) contribute a further 36.1% share of total (retail and wholesale) industry revenue, while OAOs account for the remaining 15.4%.

Figure 2.1.1.2 – Fixed Revenue Market Shares



2.2 Fixed Line Access Paths²⁰ 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 1.49 million direct and indirect PSTN and ISDN access²¹ paths in the Irish market in Q1 2016. This represents a decrease of 0.5% on last quarter and a decline of 3.9% since Q1 2015. The number of PSTN access paths has decreased by 0.6% from last quarter and declined by 4.4% since Q1 2015. The number of ISDN access paths decreased by 0.02% since Q4 2015 and decreased by 2.1% since Q1 2015. At the same time, the number of VoB subscriptions decreased by 0.77% since Q4 2015 having risen by 1.1% since Q1 2015.

²⁰ 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.

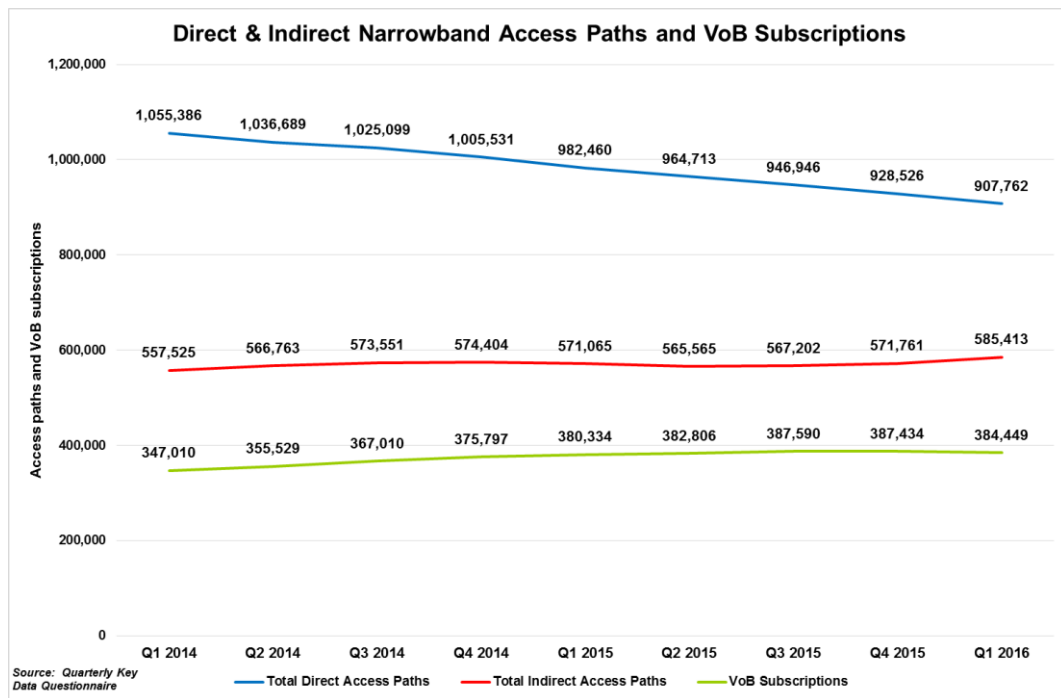
²¹ Indirect access paths relate to telephone lines provided to customers by means of Carrier Pre-select (CPS), Wholesale Line Rental (WLR) or Switchless Voice (SV). CPS allows the user to receive all or a portion of calls from one provider and line rental from another provider (usually eir). SB-WLR (also 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

	Q1'16	Q4'15 – Q1'16 Growth	Q1'15 – Q1'16 Growth
PSTN	1,158,021	-0.6%	-4.4%
ISDN Basic	121,442	-1.5%	-6.2%
ISDN Fractional	53,152	-0.6%	-5.1%
ISDN Primary	160,560	+1.3%	+2.2%
Total ISDN	335,154	-0.02%	-2.1%
Total PSTN and ISDN	1,493,175	-0.5%	-3.9%
VoB subscriptions	384,449	-0.77%	+1.1%

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 Q1 2016, indirect access accounted for 39.2% of all narrowband access paths in the fixed line market.

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

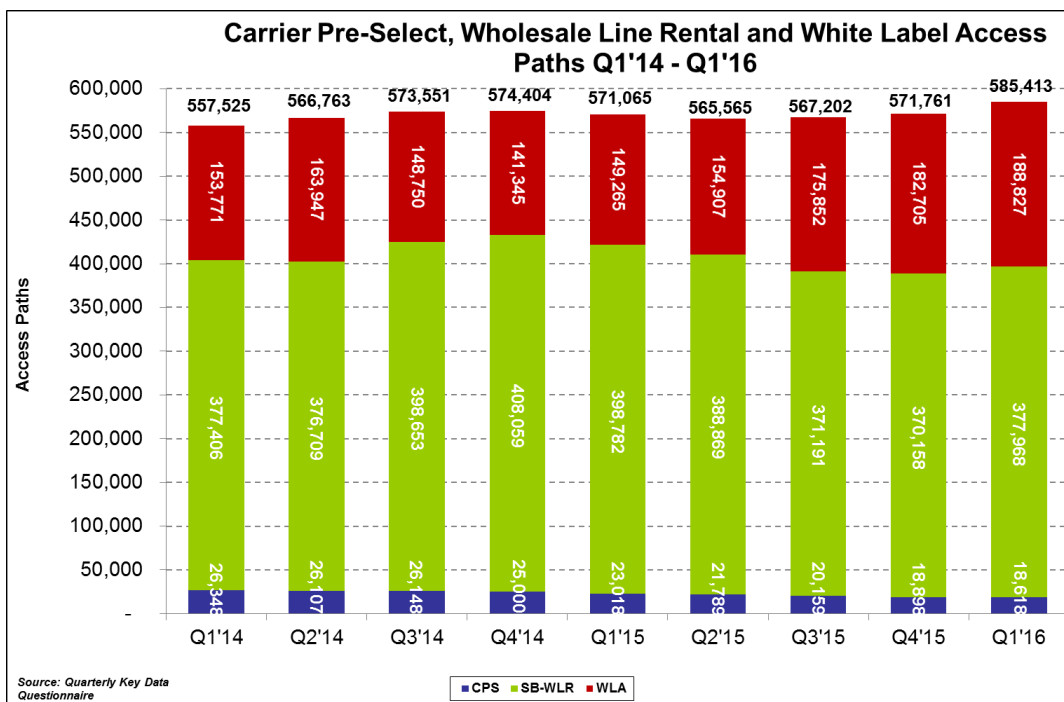


2.2.2 Indirect Access Paths

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 Q4 2015, there were 585,413 indirect access paths in Ireland. The number of indirect access paths increased by 2.4% this quarter and rose by 2.5% in the year to Q1 2016.

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 64.6% of indirect access paths compared to 67.7% in Q1 2014. WLA paths account for 32.3% of total indirect access paths compared to 27.6% in Q1 2014. The share of CPS only indirect access paths has declined by 1.5 percentage points in the last two years and now accounts for 3.2% of overall indirect access paths.

Figure 2.2.2 – Narrowband Indirect Access Paths

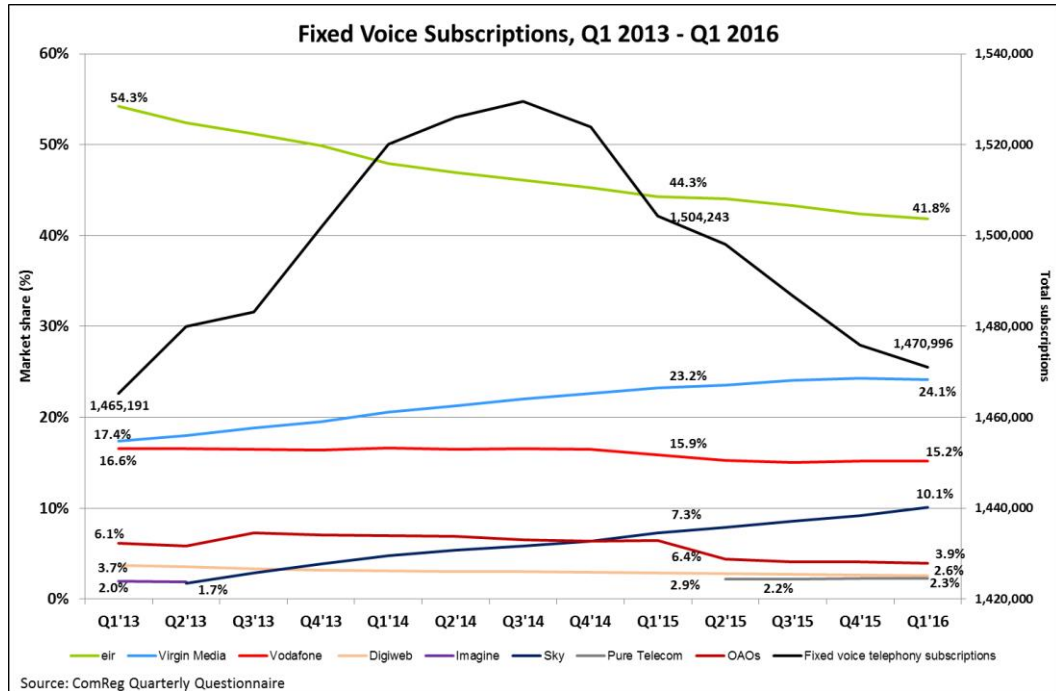


2.2.3 Fixed Voice Subscriptions²²

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 Q1 2016 there were 1,470,996 fixed voice subscriptions (a decrease of 0.3% since Q4 2015 and a decrease of 2.2% on Q1 2015). As of Q1 2016 eir had 41.8% of all fixed voice subscriptions followed by Virgin Media (24.1%), Vodafone (15.2%), Sky (10.1%), Digiweb (2.6%) and Pure Telecom (2.3%). OAOs accounted for the remaining 3.9% of fixed voice subscriptions.

²² Fixed voice subscriptions were revised from Q1 2015 to Q4 2015 inclusive. See note 2 within the corrigendum to Q4 2015 on page 5 of this report.

Figure 2.2.3 – Fixed Voice subscriptions, Q1 2013 – Q1 2016²³



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 Q1 2016 (subscriptions mean a customer with at least one contract with an electronic communications service provider).²⁴ 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.

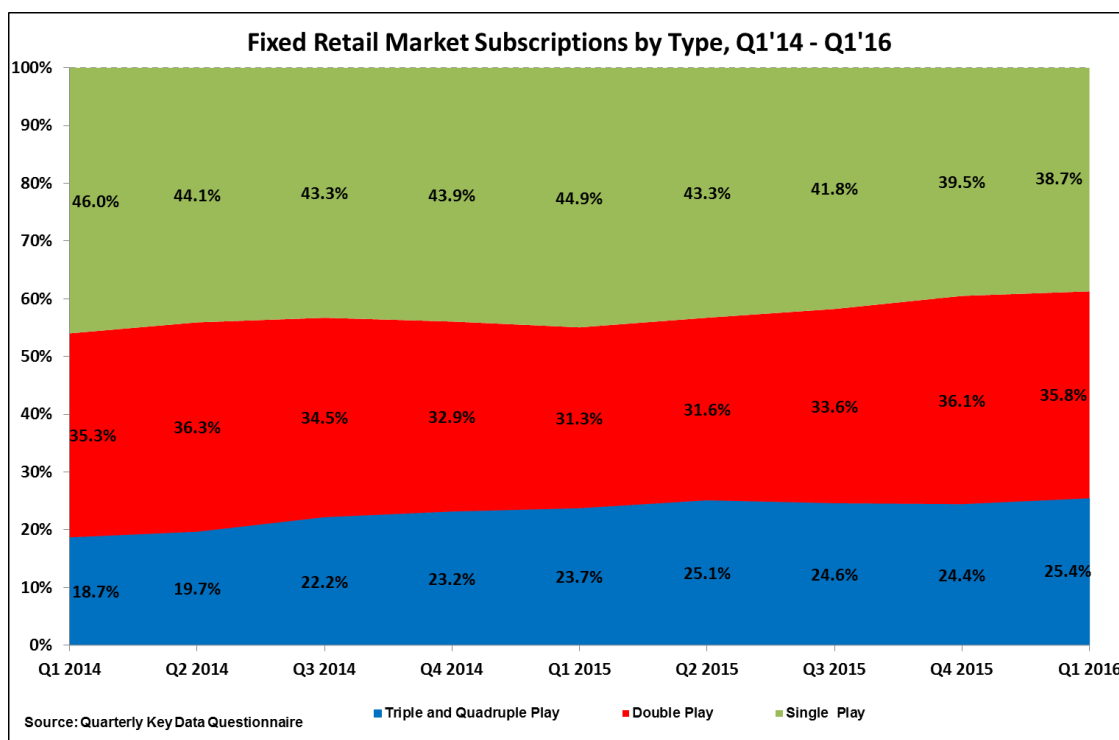
It is estimated that there were 1,816,116 fixed market retail subscriptions in Q1 2016 across both business and residential customers (a business customer may have multiple subscriptions). In Q1 2016 an increase in triple and quadruple play subscriptions was observed when compared to Q4 2015. In Q1 2016 38.7% of fixed market retail subscriptions were single play compared to 44.9% in Q1 2015, 35.8% of subscriptions were double play (a bundle of two services) compared to 31.3% in Q1 2015 and 25.4%

²³ In Q2 2013 Sky reached the 2% market share publication threshold, while Imagine’s market share fell below it.

²⁴ 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.

were a combination of triple play (a bundle of three services) and quadruple play (a bundle of four services) compared to 23.7% in Q1 2015.

Figure 2.2.4 – Fixed Market Retail Subscriptions by Type, Q1 '14 – Q1 '16²⁵



2.3 Fixed Voice Call Volumes

Fixed voice traffic in Q1 2016 was just over 1.08 billion minutes, which was a 1.1% decrease on Q4 2015 and a fall of 4.8% since Q1 2015.

Managed voice over broadband (VoB) minutes account for approximately 12.3% of total fixed voice minutes up from 12.5% in Q1 2015.

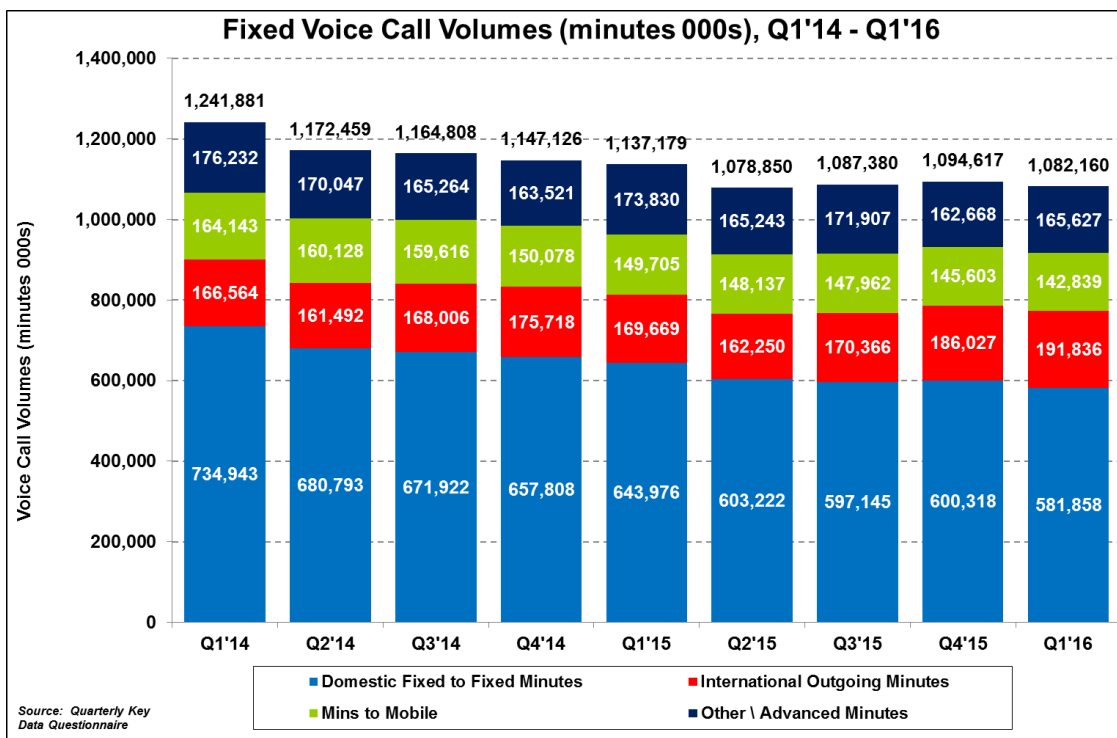
The numbers quoted in this QKDR report represent managed VoB services only (for example by eir, Virgin Media and other providers such as Blueface) and do not include unmanaged or over the top VoB services by providers such as Skype.

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.

²⁵Sky 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 53.8% of all fixed voice traffic in Q1 2016. International outgoing minutes accounted for 17.7% of all fixed voice traffic. The share of fixed to mobile minutes was 13.2% while other/advanced minutes (which include premium rate minutes) represented 15.3% of all fixed voice traffic.

Figure 2.3.1 – Fixed Voice Call Volume (Minutes)²⁶



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 Q1 2016 the average business subscriber originated 882 minutes of voice calls. The average residential subscriber usage was 131 minutes per month. As noted on page 9, 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.

²⁶ 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)

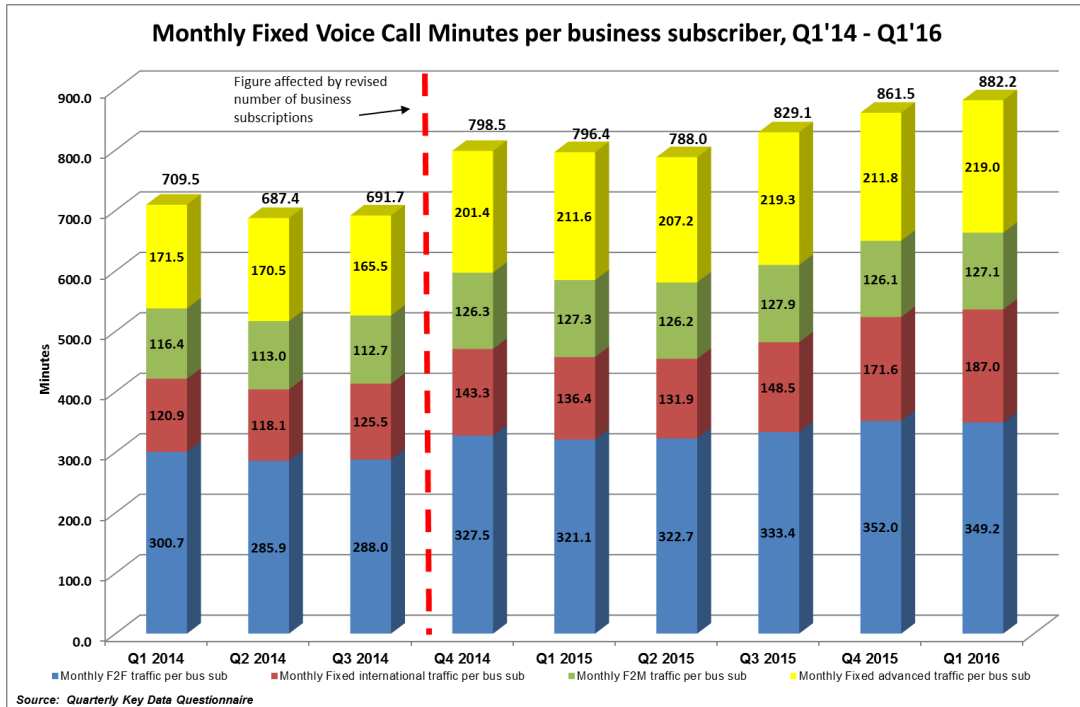
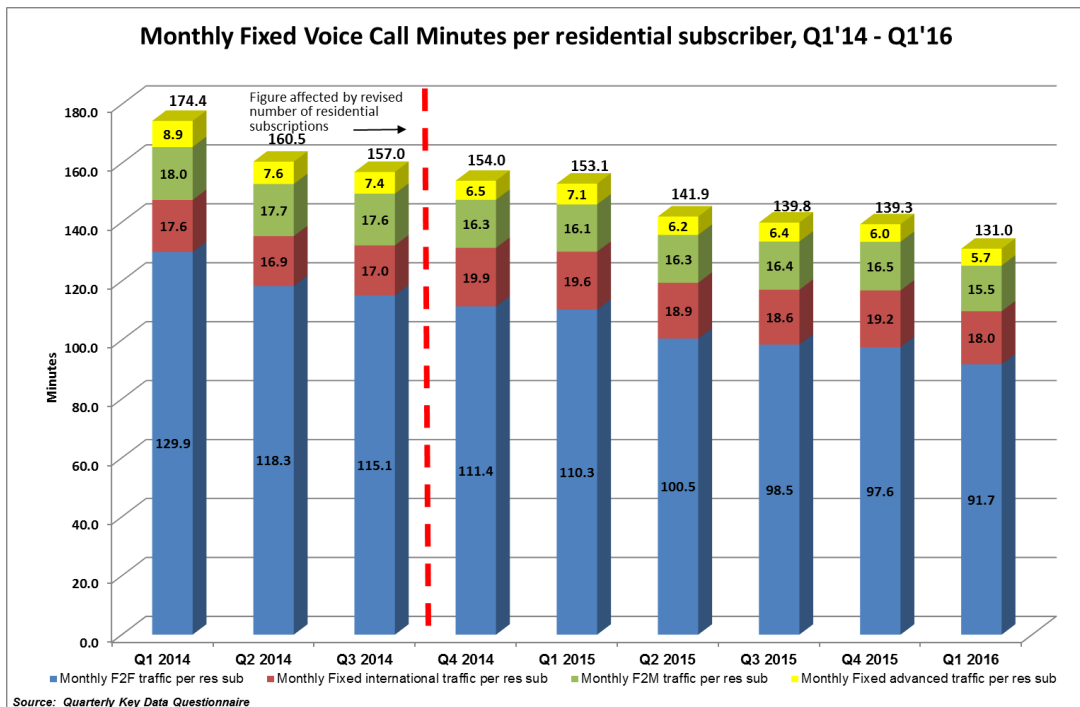


Figure 2.3.3 – Fixed Voice Call Volume per residential subscriber (Minutes)



2.4 Fixed Number Portability

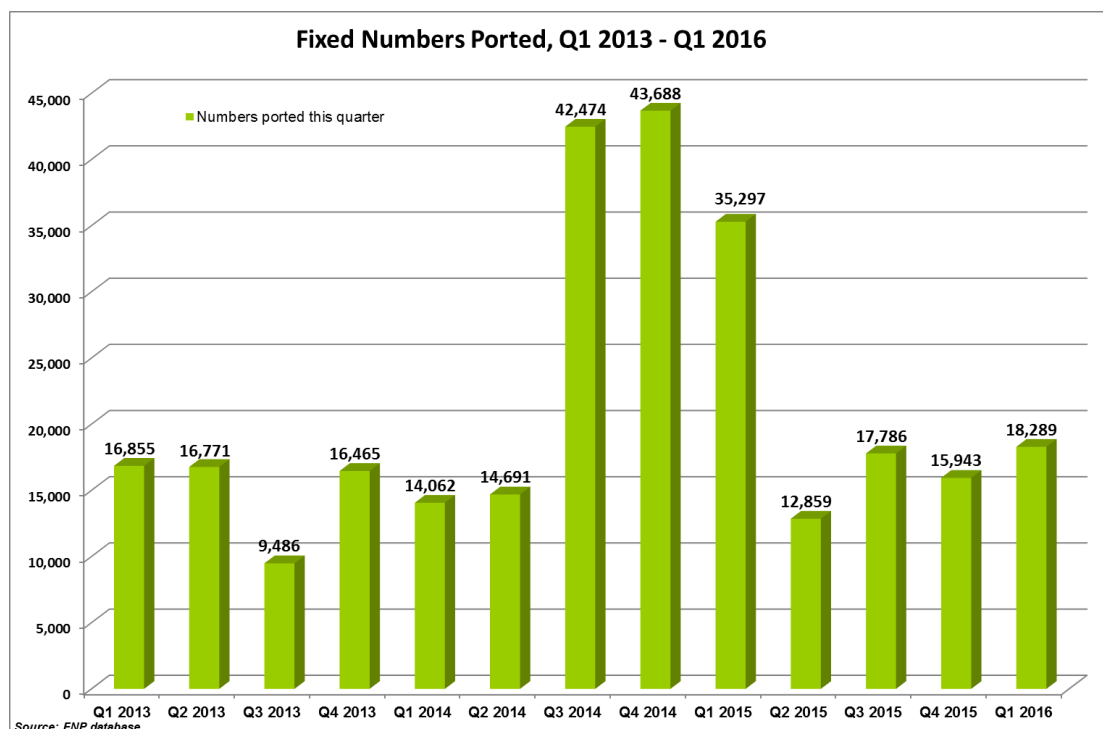
Figure 2.4.1 illustrates the number of fixed numbers (geographic and non-geographic) ported between Irish fixed voice service providers since Q1 2013. Fixed Number

Portability (FNP) allows consumers to switch fixed voice provider while retaining their fixed number.

In the quarter to March 2015, 18,289 numbers²⁷ were ported between operators (64,877 numbers in the twelve months to March 2016). Over the last 12 months, an average of 16,219 numbers have 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



²⁷ Non-geographic number ports constitute less than 1% of total ports for Q1 2016.

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 Kingdom²⁸.

For national comparisons, the prices advertised²⁹ by the largest operators (in terms of number of subscribers to standalone fixed voice services³⁰) during Q1 2016 were analysed³¹ 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 advertised³² by the largest operators (in terms of number of subscribers to standalone fixed voice service) in each of the respective countries during Q1 2016 were analysed³³ for selected usage baskets³⁴ (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

²⁸ In future Quarterly Key Data Reports ComReg may expand the analysis and include more countries for international price comparisons.

²⁹ The pricing analysis is based on a review of operators' advertised prices in the period Q1 2016.

³⁰ Standalone fixed voice services are voice services not sold as part of a bundle or other services.

³¹ The subscribers of these operators jointly account for over 90% of all standalone fixed voice subscribers.

³² The pricing analysis is based on a review of operators' advertised prices in the period Q1 2016.

³³ The subscribers of these operators jointly account for over 80% of all standalone fixed voice subscribers in each of the respective countries.

³⁴ 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 2010³⁵. For more detailed information on basket methodologies see ComReg’s accompanying Memorandum, document 16/48a.

The following baskets are presented in this report³⁶:

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 suitably corresponded (amongst the available OECD usage baskets) 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 tariffs³⁷ 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)³⁸. Pure Telecom offers the cheapest tariff for this particular basket at €32.38, followed by Digiweb (€38.69) and Sky (€43.25).

³⁵ See <http://www.oecd.org/sti/broadband/48242089.pdf>

³⁶ In future Quarterly Key Data Reports ComReg may expand the analysis and present price comparisons based on additional and/or different usage baskets.

³⁷ Tariffs publically advertised during Q1 2016.

³⁸ 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)

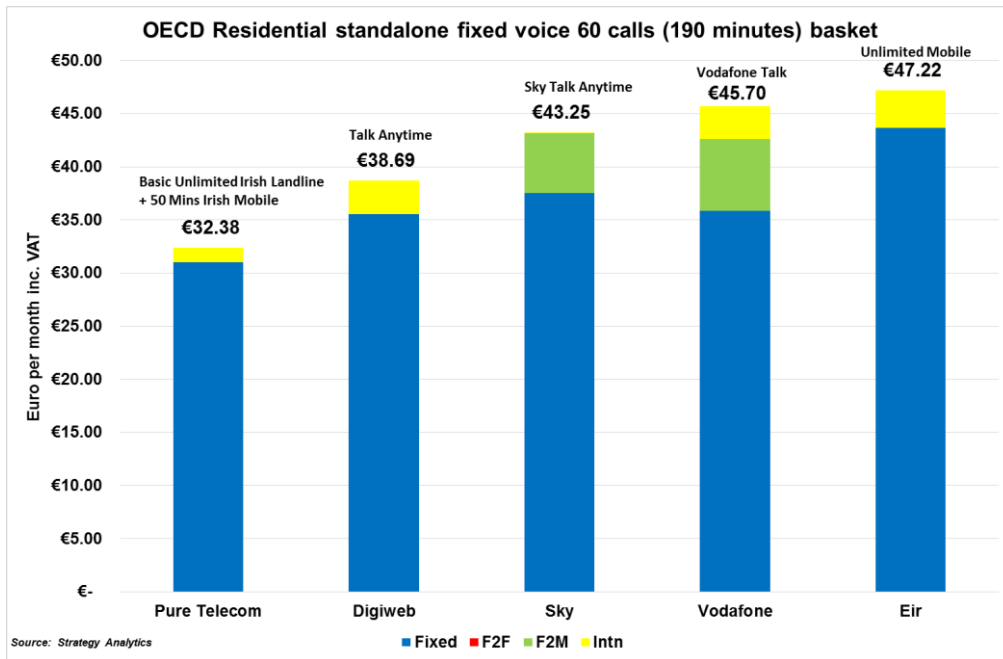
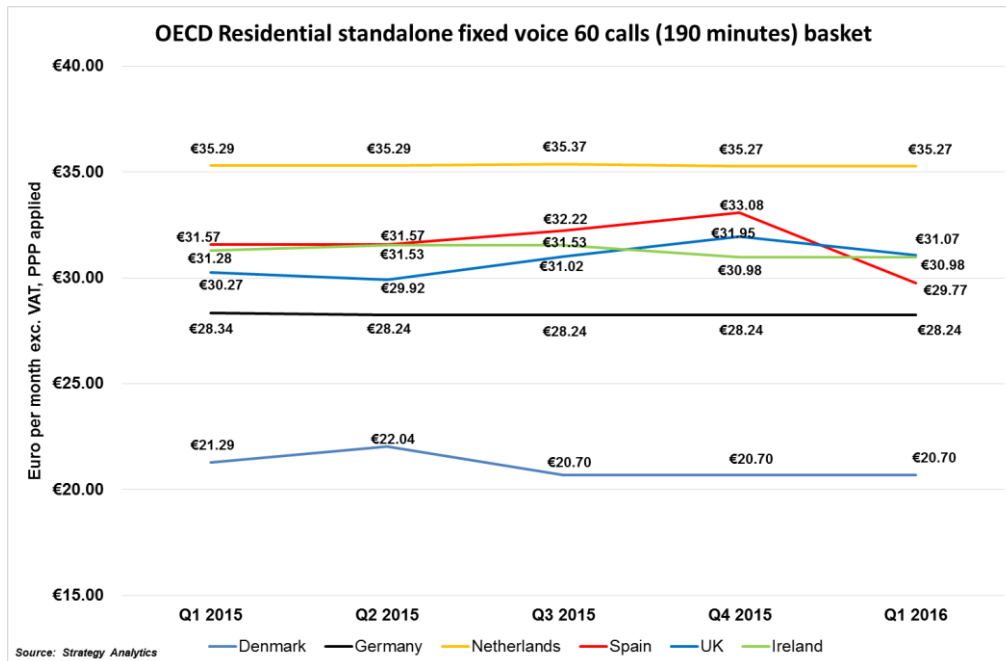


Figure 2.5.2 illustrates Ireland’s ranking alongside five other Western European countries. In Q1 2016 Ireland ranked in fourth place with an average price of €30.98³⁹ for this particular basket. The average price in Ireland is 6% more expensive than the average price⁴⁰ for all of the countries included in the analysis.

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



³⁹ As noted previously, average prices used for international comparisons exclude VAT charges.

⁴⁰ 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 providers⁴¹ for business customers based on a basket of 260 calls (606 minutes)⁴². 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)

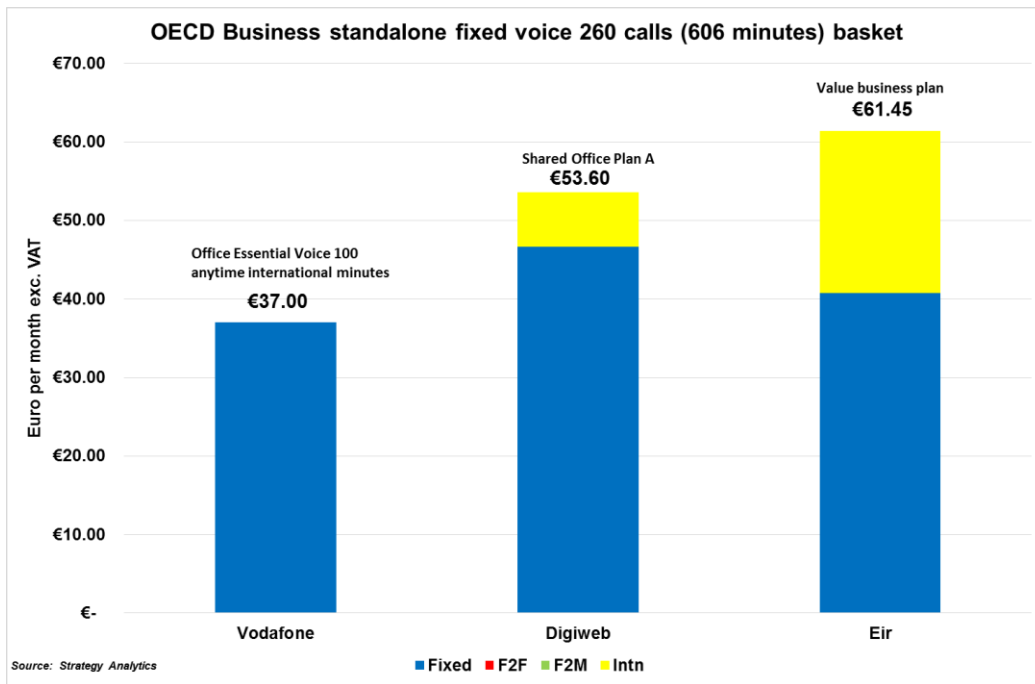


Figure 2.5.4 shows that Ireland (€50.68⁴³) ranks in the third place. The average price in Ireland is 10% cheaper than the average price⁴⁴ for all of the countries included in the analysis.

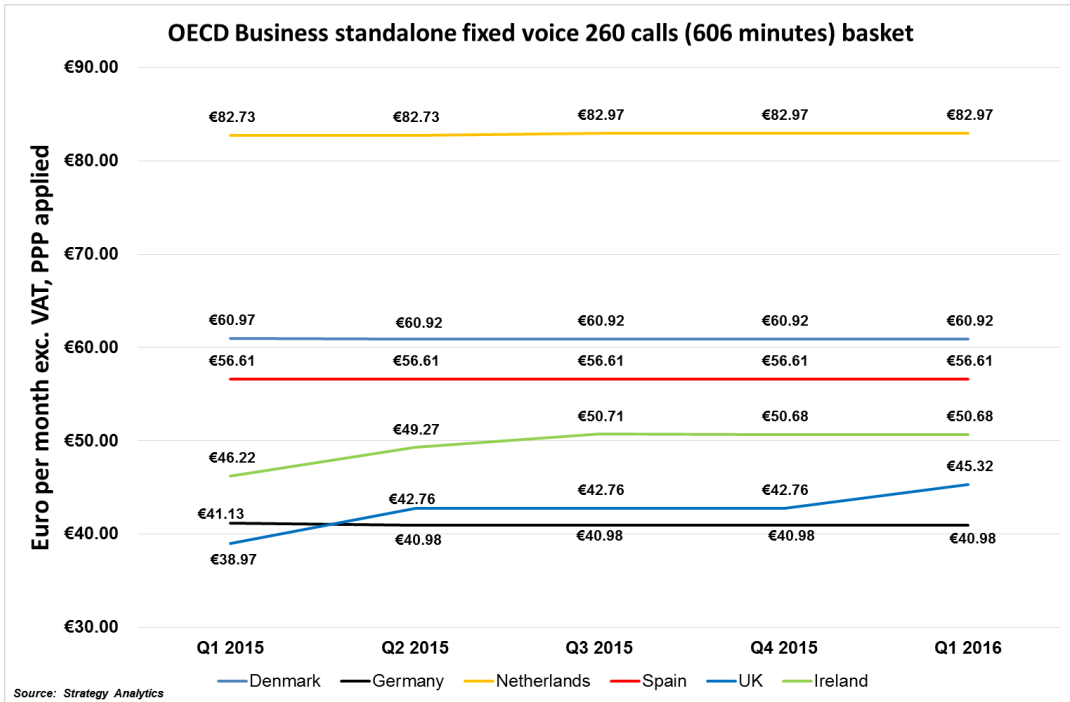
⁴¹ In this Quarterly Key Data Report only tariffs advertised by Vodafone, Digiweb and eir were analysed for business customers. This can arise for reasons such as operators not offering fixed voice services to business customers or not advertising prices publicly. ComReg may expand the analysis and include additional operators in the future Quarterly Key Data Reports.

⁴² Basket assumes the usage of 402 fixed to fixed minutes, 116 fixed to mobile minutes and 88 international minutes.

⁴³ As noted previously, average prices used for international comparisons exclude VAT charges.

⁴⁴ The average of prices presented in Figure 2.5.4.

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



3. Broadband services

3.1 Total broadband⁴⁵ subscriptions and provision of broadband services

Figure 3.1.1 shows the total number of broadband subscriptions⁴⁶ in Ireland as of Q1 2016. At the end of March 2016, there were 1.72 million active broadband subscriptions in Ireland. This was an increase of 0.6% on the previous quarter and a 0.08% increase since March 2015.

There was an increase in total fixed line broadband subscriptions this quarter (up by 11,785), but mobile broadband subscriptions fell this quarter (down by 1,688 subscriptions). ComReg reports active dedicated mobile broadband subscriptions and does not include Internet access over mobile handsets (such as smartphones) within these numbers.

VDSL⁴⁷ (up by 10.3%) showed positive growth this quarter. Mobile broadband (down by 0.4%), cable (down by 0.9%), FWA (down by 2.9%), DSL⁴⁸ (down by 3.6%) and 'other' subscriptions (down by 11.1%) all 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	Q1'16 Subs	Quarterly Growth Q4'15 – Q1'16	Year-on-Year Growth Q1'15 – Q1'16
DSL Broadband	505,639	-3.6%	-16.4%
VDSL Broadband⁴⁹	392,868	+10.3%	+64.0%
Cable Broadband	370,575	-0.91%	+0.6%
FWA Broadband	42,226	-2.9%	-10.4%
Other Broadband⁵⁰	10,087	-11.1%	-9.6%
Total Fixed broadband	1,321,395	+0.9%	+4.0%
Mobile Broadband	397,489	-0.4%	-8.7%
Total Broadband	1,718,884	+0.6%	+0.8%

⁴⁵ 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.

⁴⁶ There were also 4,290 narrowband Internet subscriptions in Q1 2016.

⁴⁷ VDSL refers to very-high-bit-rate digital subscriber line. These lines are typically utilised in the provision of next generation broadband services.

⁴⁸ 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.

⁵⁰ Other Broadband includes fibre and satellite broadband subscriptions.

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 Subscriptions⁵¹

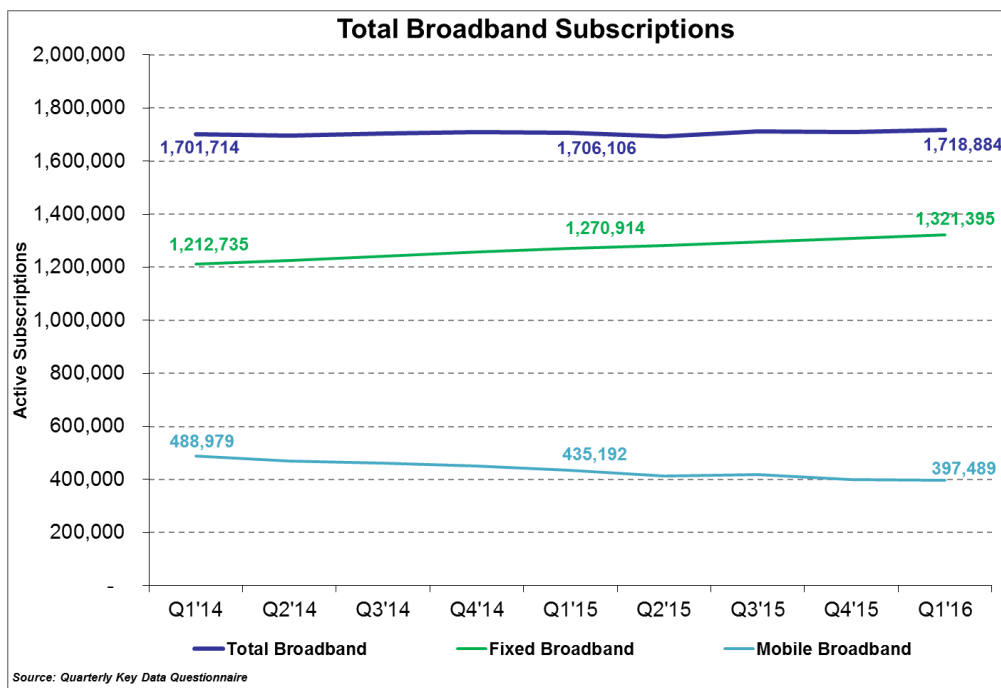
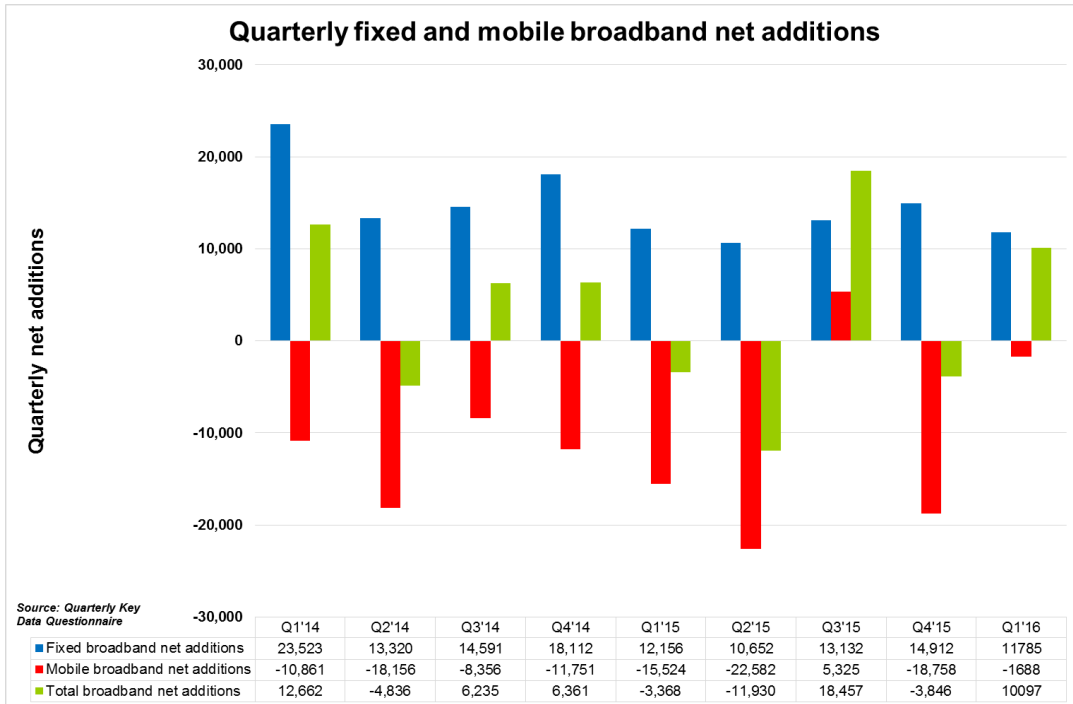


Figure 3.1.3 shows the quarterly growth in fixed and mobile broadband subscriptions since Q1 2014. In general, there has been a steady growth of fixed broadband subscriptions and a decline of mobile broadband subscriptions over the period. It should be noted that ComReg reports on active broadband subscriptions and the mobile broadband numbers reported by ComReg do not include internet access over mobile handsets (such as smartphones).

⁵¹ Fixed broadband subscriptions were revised from Q1 2015 to Q4 2015 inclusive. See note 3 within the corrigendum to Q4 2015 on page 5 of this report.

Figure 3.1.3 – Quarterly Growth in Broadband subscriptions



DSL subscriptions account for the largest share of broadband subscriptions (29.4%), but its share has decreased by 6.0 percentage points over the last year. The continuous reduction in DSL subscriptions is accounted for by consumers switching to VDSL based broadband services. VDSL accounted for 22.9% of all broadband subscriptions in Q1 2016 up from 14.0% in Q1 2015. Mobile broadband subscriptions share has declined to 23.1% of all broadband subscriptions down from 25.5% in Q1 2015. Cable has a 21.6% share of all broadband subscriptions, the same as it was in Q1 2015. FWA has a 2.5% share of broadband subscriptions down from 2.8% in Q1 2015. 'Other' (satellite/fibre) broadband subscriptions represent the remaining 0.6% of broadband subscriptions in Q1 2016, down from 0.7% in Q1 2015).

Figure 3.1.4 illustrates the split by type of broadband subscriptions in the Irish market since Q1 2015, 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 solely by growth in VDSL subscriptions.

Figure 3.1.4 – Broadband Subscriptions by Platform

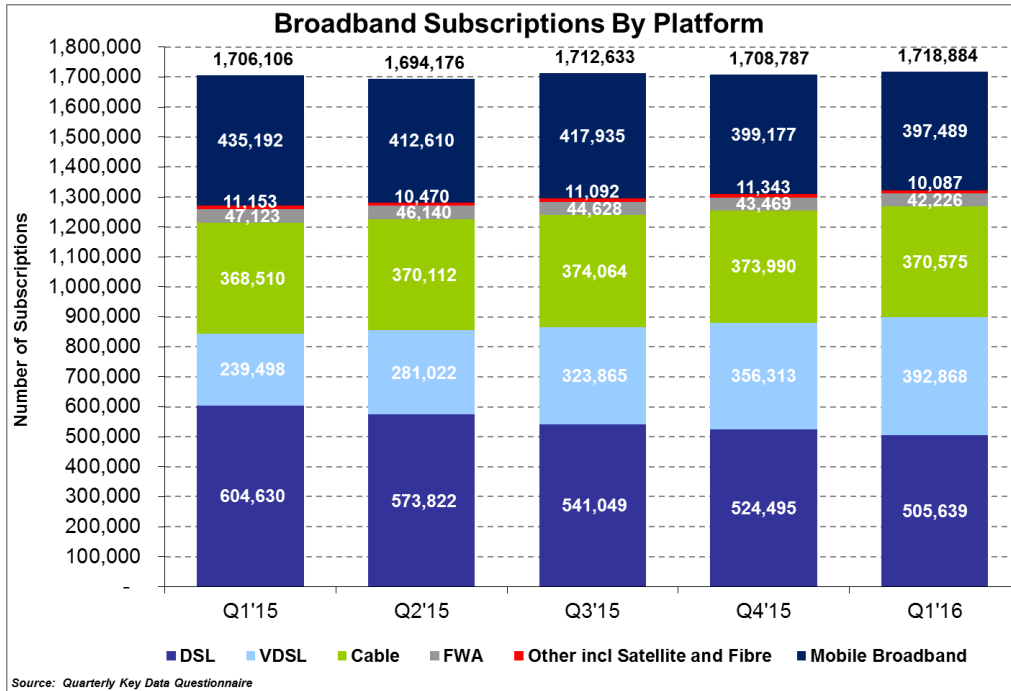


Figure 3.1.5 – Broadband Subscriptions - Net additions, Q1 2014 – Q1 2016

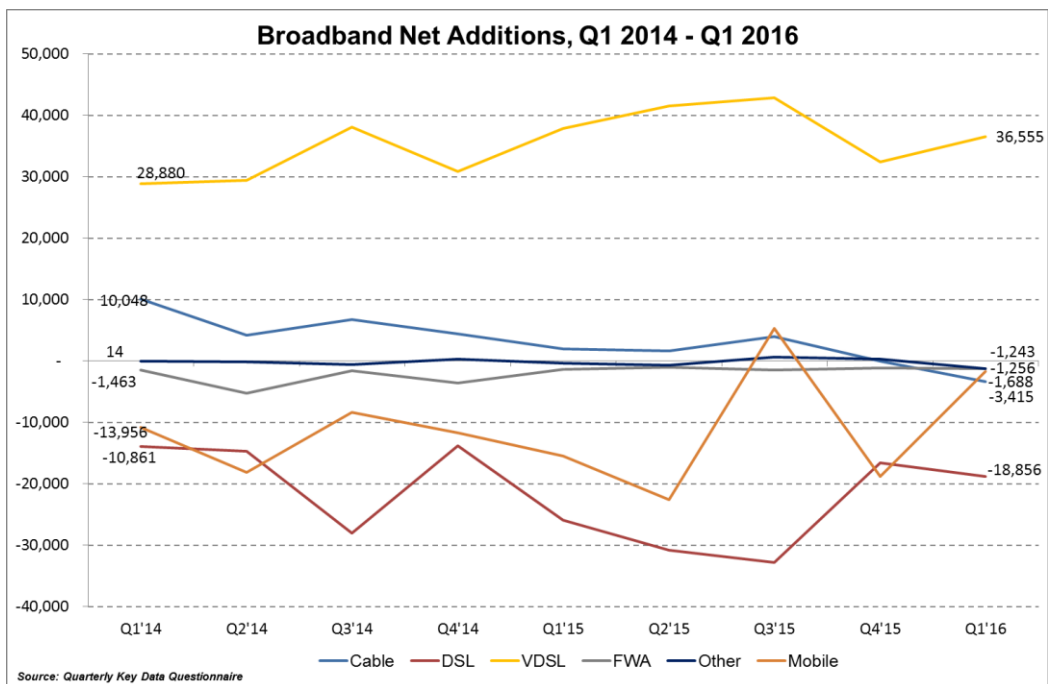


Figure 3.1.6 provides an estimate of the proportion of business and residential subscriptions to DSL, VDSL, cable, FWA, mobile broadband, fibre and satellite broadband services. In Q1 2016, 82.5% of broadband subscriptions on all platforms were classed as residential broadband subscriptions. The platform 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

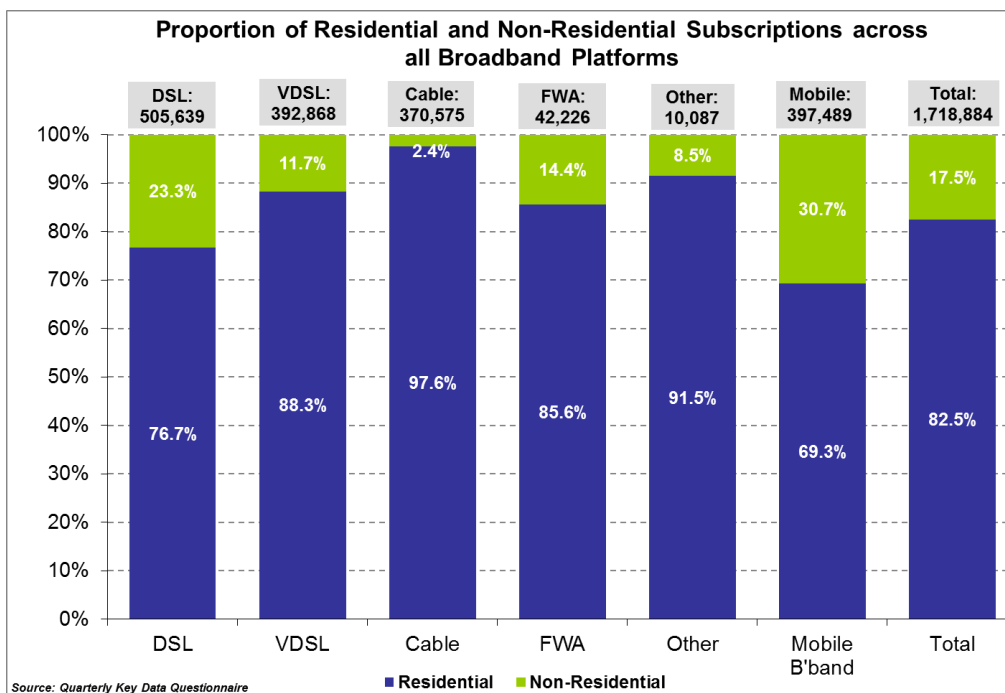


Figure 3.1.7 illustrates the breakdown of broadband subscriptions by advertised (headline) speed across all fixed broadband platforms (mobile broadband is excluded). In total, approximately 58.1% of broadband subscriptions were ≥ 30 Mbps (with 19.8% ≥ 100 Mbps). This equates to approximately 62.4% (22.7% ≥ 100 Mbps) of residential subscriptions and 21.1% (1.6% ≥ 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

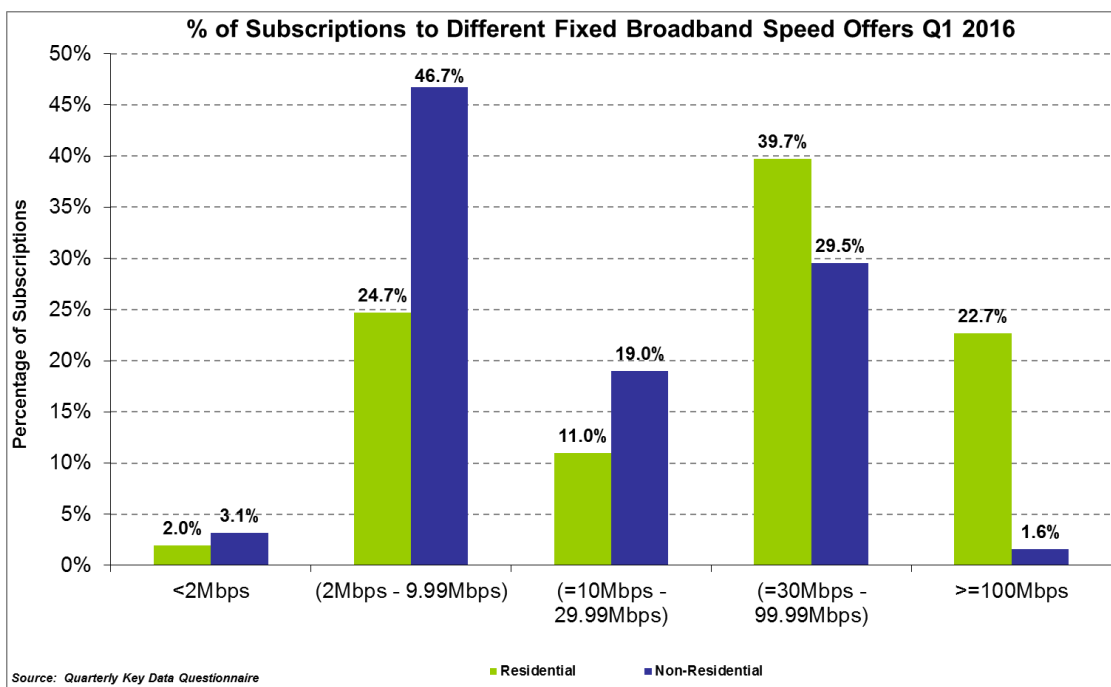
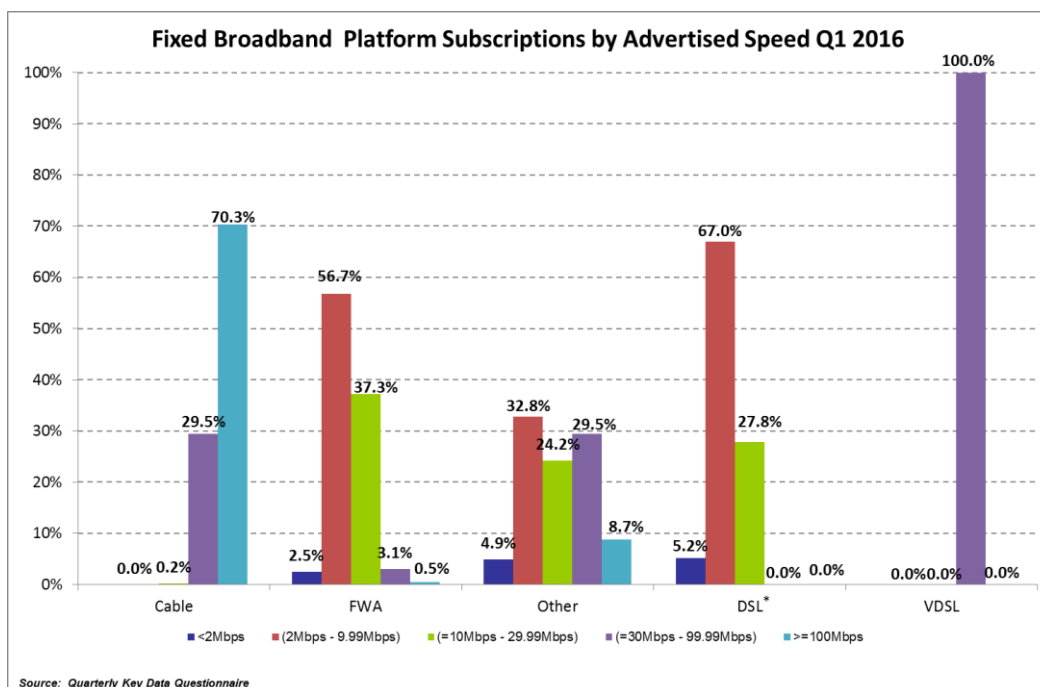


Figure 3.1.8 shows broadband subscriptions by advertised (headline) speed and the type of broadband platform subscribed to.

Figure 3.1.8 – Fixed Broadband Subscriptions by Advertised (Headline) Download Speeds and Broadband Platform⁵²



⁵² *Estimate percentage split.

Figure 3.1.9 shows the change in fixed broadband subscriptions by advertised (headline) download speeds between Q1 2014 and Q1 2016. 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 37.8% to 58.1%.

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

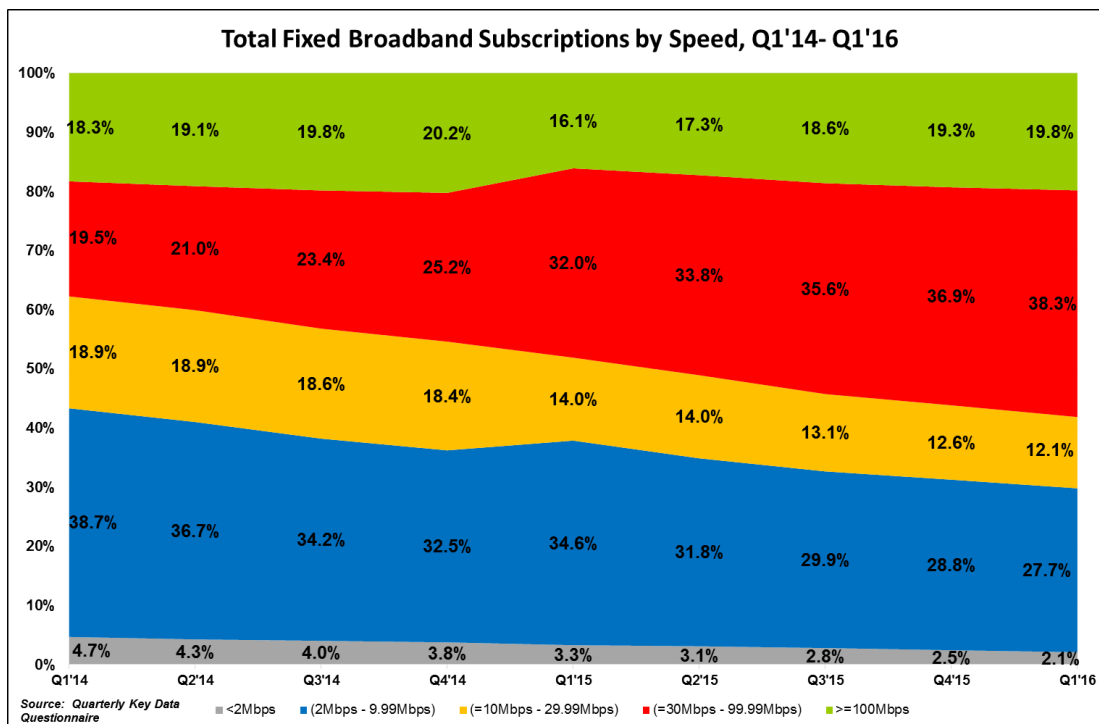


Figure 3.1.10 provides the market shares of fixed broadband operators by number of subscriptions. DSL, VDSL cable modem, FWA, satellite and fibre subscriptions are used to calculate fixed broadband market shares.

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 Q1 2016, eir had 33.9% of total fixed broadband subscriptions, followed by Virgin Media who had 27.9% of subscriptions. Vodafone had 18.4% (excluding mobile broadband subscriptions) and Sky Ireland had 10.8% market share. All OAOs combined accounted for the remaining 9.0% share of fixed broadband subscriptions.

Figure 3.1.10 – Subscription Market Share of Fixed Broadband Market

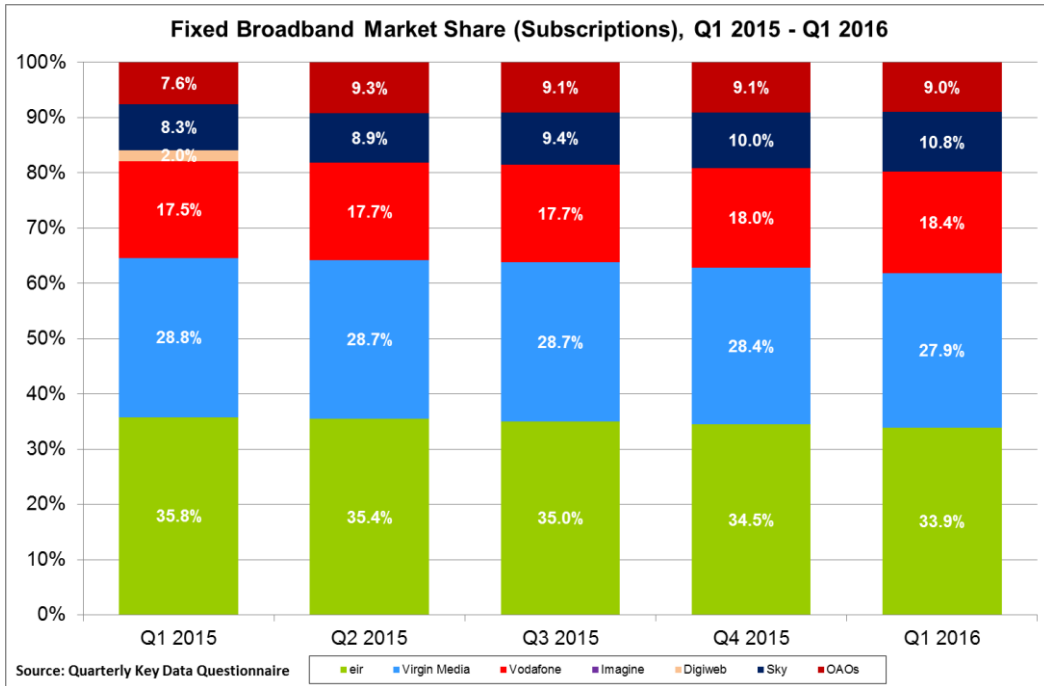
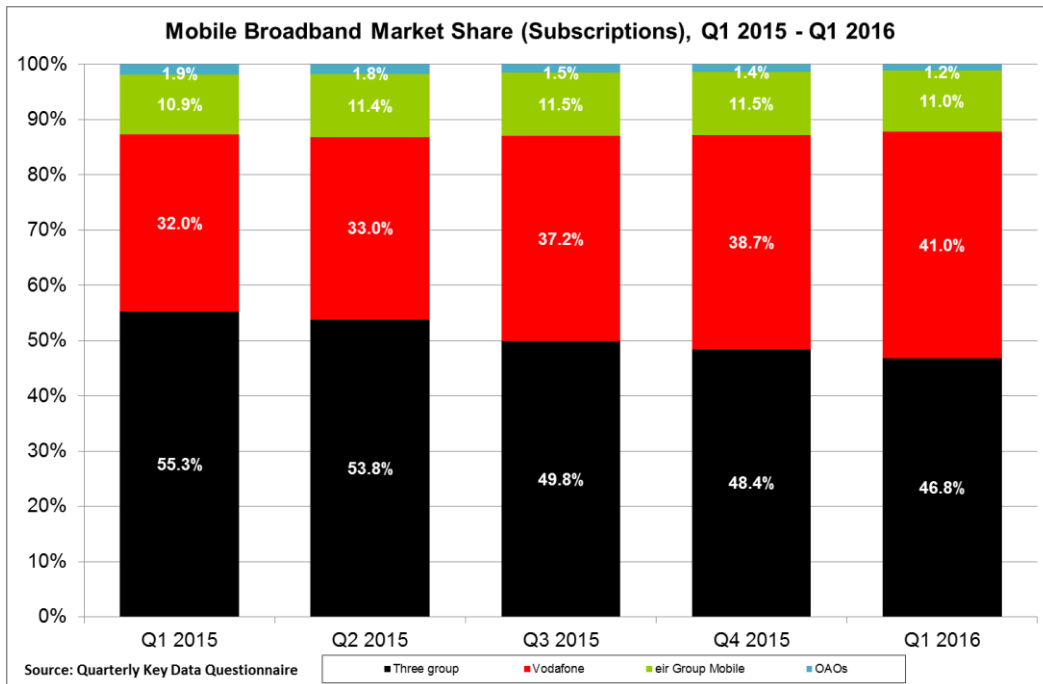


Figure 3.1.11 shows the market share of mobile broadband operators by subscriptions. As of Q1 2016, Three Group had the largest share with 46.8%. Vodafone’s market share was 41.0%, up from 32.0% in Q1 2015. eir Group Mobile had a market share of 11.0% up from 10.9% in Q1 2015 while OAOs accounted for the remaining 1.2%.

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 45.9% of all DSL subscriptions in Q1 2016. eir’s market share of retail DSL lines has declined by 3.4 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 Q1 2016, 41.7% of all DSL lines were provided by OAOs using wholesale bitstream. In absolute terms there were 210,996 wholesale bitstream lines in Q1 2016, a decrease of 7.2% since Q1 2015. The remaining 12.4% of DSL lines were provided to subscribers by OAOs using local-loop unbundling. In Q1 2016 there were 62,523 unbundled local loops, down from 79,020 in Q1 2015 and down from 65,316 in Q4 2015.

Figure 3.2.1 - Provision of DSL Access

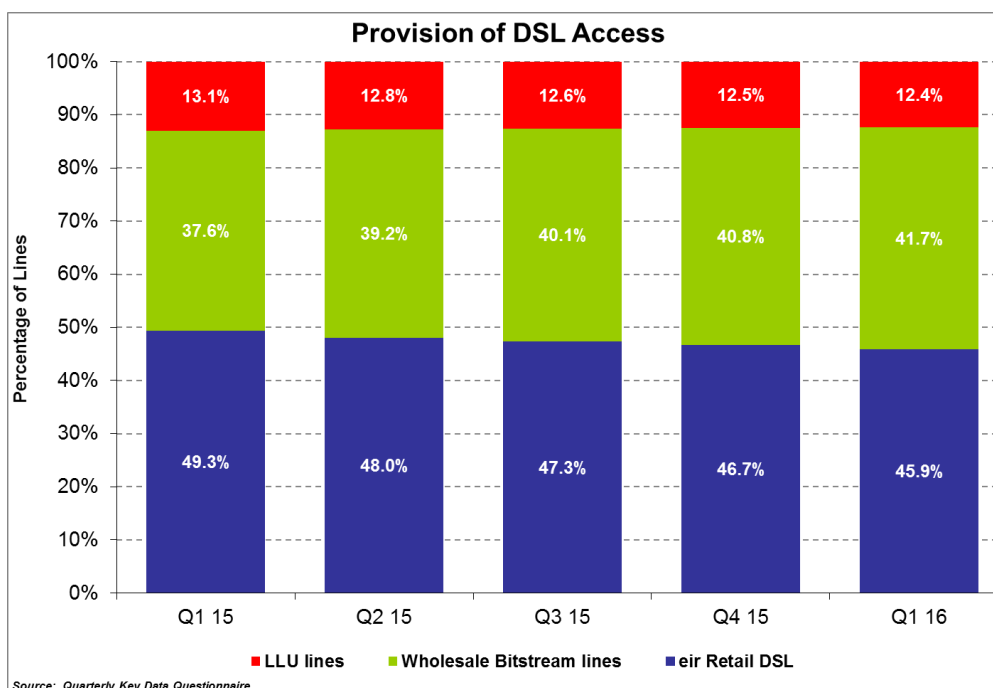
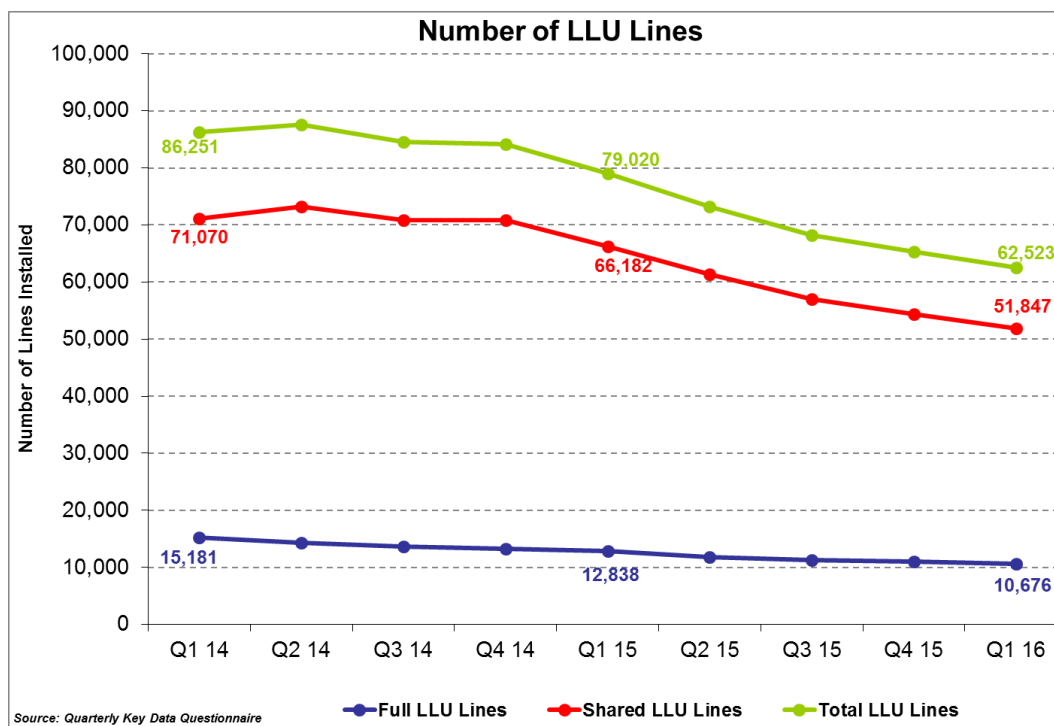


Figure 3.2.2 shows the number of unbundled lines according to their shared and full⁵³ unbundling status. Between Q1 2015 and Q1 2016 the total number of LLU lines decreased by 20.9% and declined by 4.3% since Q4 2015. Full LLU lines have decreased

⁵³ 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 16.8% since Q1 2015 and declined by 2.6% since Q4 2016. Shared LLU lines decreased by 21.7% since Q1 2015 and declined by 4.6% since Q4 2015.

Figure 3.2.2 – Number of Local Loops Unbundled

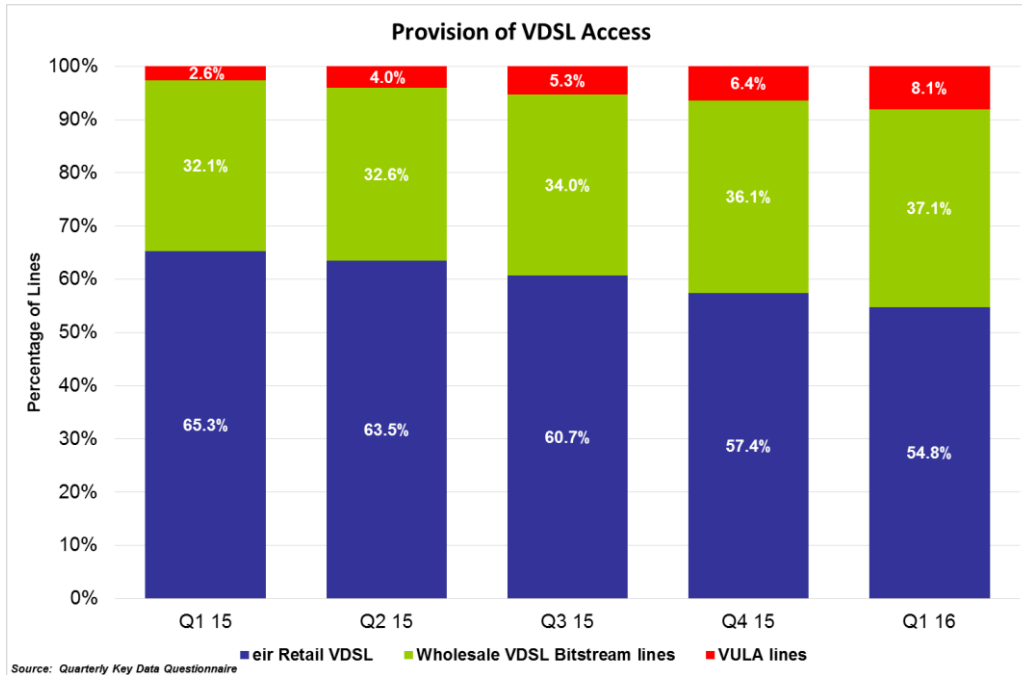


3.3 Provision of VDSL Access

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 54.8% of all VDSL subscriptions in Q1 2016. eir’s market share of retail VDSL lines has declined by 10.5 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 Q1 2016, 37.1% of all VDSL lines were provided by OAOs using wholesale bitstream. In absolute terms there were 145,845 wholesale VDSL bitstream lines in Q1 2016, an increase of 89.8% since Q1 2015. The remaining 8.1% of VDSL lines were provided to subscribers by OAOs using VULA. In Q1 2016 there were 31,874 VULA lines, up from 6,318 in Q1 2015 and up from 22,894 in Q4 2015.

Figure 3.3.1 – Provision of VDSL Access



3.4 Usage of Broadband services⁵⁴

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 alone reached 362,106 terabytes while mobile data volumes were over 41,829 terabytes⁵⁵.

Figure 3.4.1 – Fixed broadband and mobile data volumes

	Q1'16 (TBs)	Q4'15 – Q1'16 Growth	Q1'15 – Q1'16 Growth
Fixed broadband data volumes	362,107	+10.2%	N/A
Mobile data volumes	41,829	+19.1%	+61.5%
Total data volumes	403,936	+111%	N/A

Figure 3.4.2 illustrates average monthly data usage volumes by subscription type. In Q1 2016 an average fixed broadband subscriber used 91.3 GB of data per month. The majority of traffic is generated by residential subscribers with an average monthly data usage per residential subscriber reaching 99.2 GB. An average business fixed broadband subscriber used 41.3 GB of data per month in Q1 2016. In comparison, average traffic per smartphone reached 2.7GB of data while the average traffic per dedicated mobile broadband subscriber was 7.4 GB of data⁵⁶.

⁵⁴ Accurate broadband usage information is only available since Q3 2015. Presented traffic figures refers to both downloads and uploads.

⁵⁵ Mobile data volumes refer to traffic generated from mobile broadband plus mobile voice and data services.

⁵⁶ For more details on mobile data volumes (by phone and mobile broadband) please see page 64.

Figure 3.4.2 – Monthly Traffic per Fixed Broadband Subscription by Type

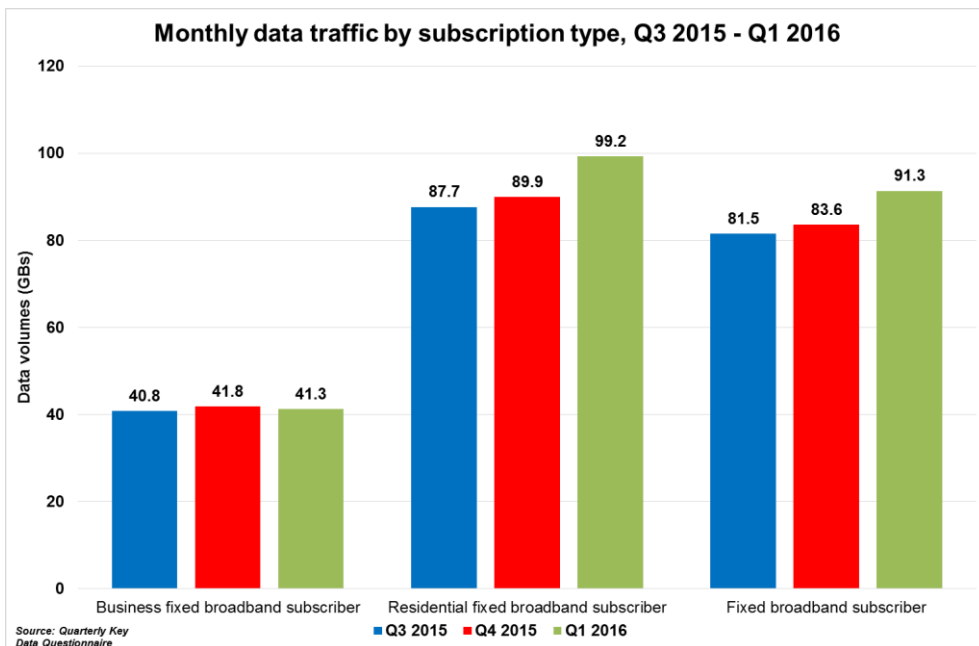
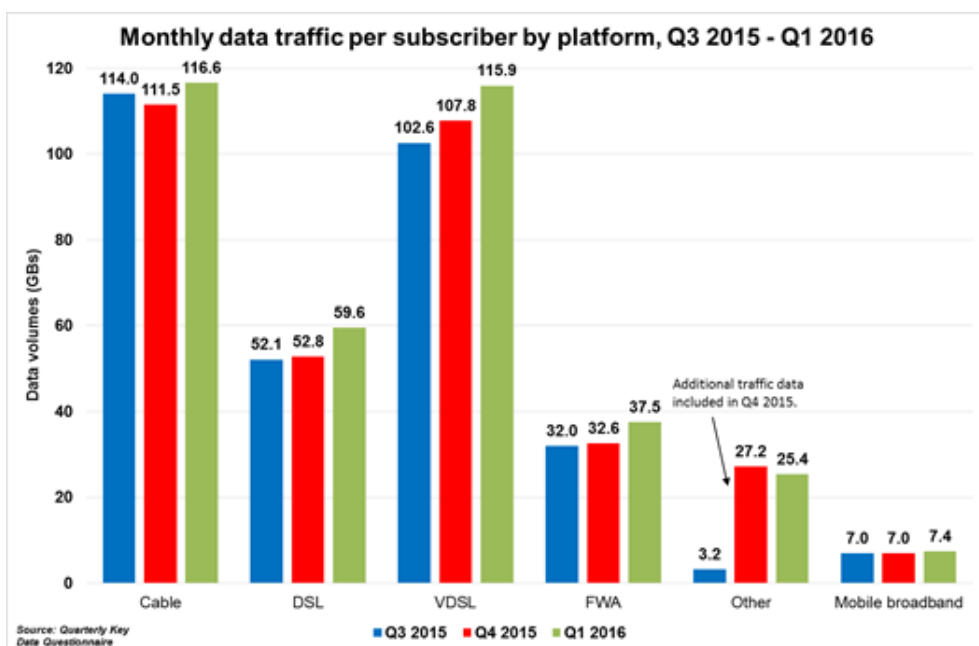


Figure 3.4.3 provides a breakdown of average monthly data usage volumes by broadband platform. In Q1 2016 average cable broadband subscriber used 116.6 GB of data per month followed by VDSL subscriber (115.9 GB) and DSL subscriber (59.6 GB). It can be observed from Figure 3.4.3 that the average volume of data used increases with download speed as cable and VDSL broadband platforms have the highest proportion of high speed⁵⁷ broadband subscriptions as noted in Figure 3.1.8.

Figure 3.4.3 – Monthly Traffic per Broadband Subscription by Platform



⁵⁷ Broadband subscriptions with advertised (headline) speed \geq 30 Mbps.

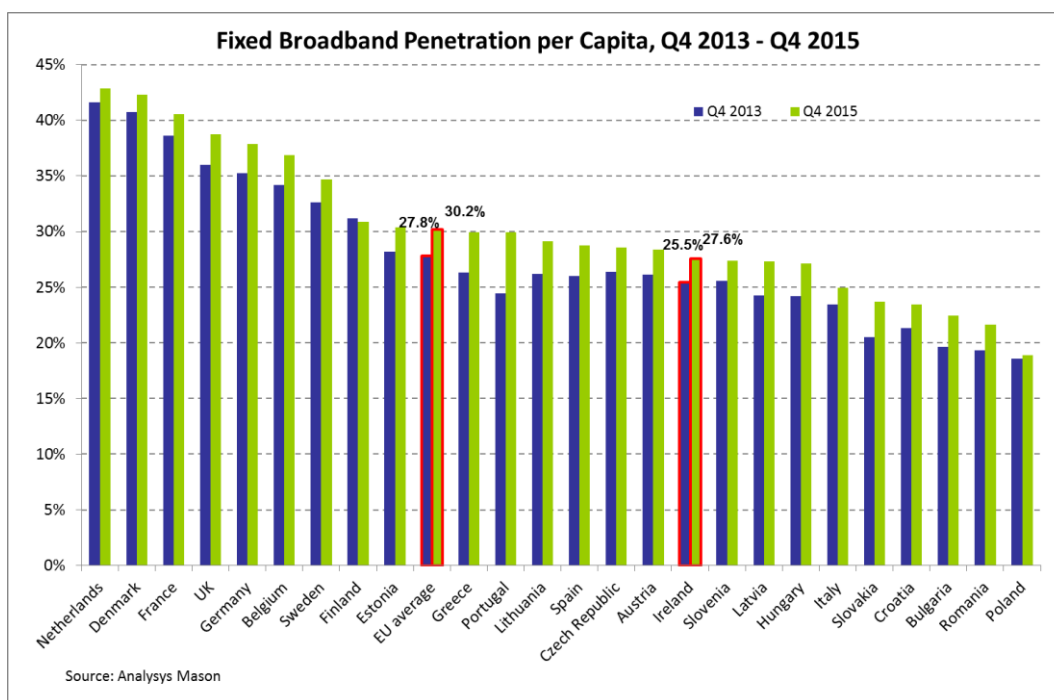
3.5 Broadband Penetration

The total number of broadband subscriptions in Ireland for Q1 2016 was 1,718,884. Using fixed residential broadband subscriptions only, 1,141,829 (i.e. excluding business subscriptions and mobile broadband subscriptions), the estimated fixed broadband household penetration rate (there were 1,716,600 households in Ireland using CSO Q4 2015 estimate) as of Q1 2016 was 66.5%.

Based on the total number of broadband subscriptions in Ireland for Q1 2016, the broadband per capita penetration rate (including mobile broadband) was 36.9%. When mobile broadband is excluded, the penetration rate was 28.4%.⁵⁸ These figures are based on a population of 4,653,600 from Central Statistics Office (CSO) Q4 2015 estimate⁵⁹.

Figure 3.5.1 shows fixed broadband subscriptions per capita among 25 EU countries in Q4 2013 and Q4 2015⁶⁰. Based on this data, Ireland’s fixed broadband per capita penetration rate (27.6%) remains behind the benchmarked EU average of 30.2%.

Figure 3.5.1 – Fixed Broadband Subscriptions per Capita, Q4 2013 – Q4 2015



⁵⁸ 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.

⁵⁹ Estimates based on Quarterly National Household Survey (QNHS).

⁶⁰ Q4 2015 is the latest quarter for which this information is available.

Figure 3.5.2 shows the proportion of households with broadband connections from 2011 to 2015. Both fixed and mobile broadband⁶¹ are included. Ireland's household broadband penetration rate, at 83%, is higher than the EU28 average of 80%. Penetration has increased by 18 percentage points since 2011 while the EU28 penetration has increased by 13 percentage points. Figure 3.5.3 presents broadband penetration rates in Ireland and EU since 2007.

Figure 3.5.2 – Household Broadband Subscriptions, 2015

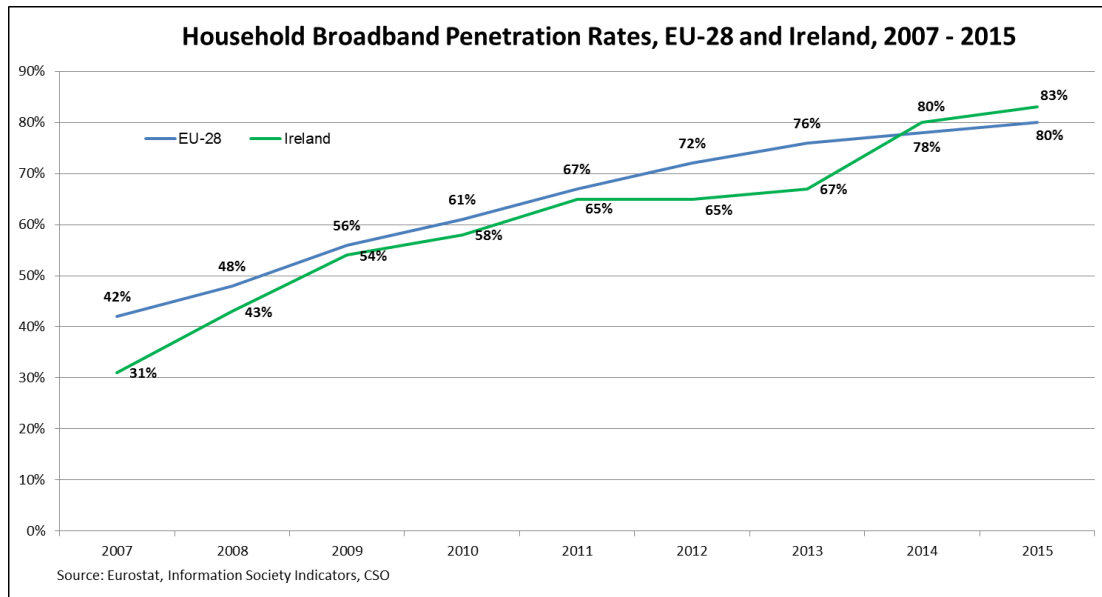
	Broadband internet connections		
	2011	2013	2015
AT	72	80	81
BE	74	79	79
BG	40	54	59
CY	56	64	71
CZ	63	69	76
DE	78	85	88
DK	84	87	84
EE	65	78	87
EL	45	55	67
ES	61	69	78
EU-28	67	76	80
FI	81	88	90
FR	70	78	76
HU	59	69	75
HR	56	64	76
IE	65	67	83
IT	52	68	74
LT	56	64	67
LU	68	70	95
LV	59	70	74
MT	75	79	82
NL	83	87	94
PL	61	69	71
PT	57	62	69
RO	31	56	65
SE	86	:u	83
SI	67	74	78
SK	55	70	78
UK	80	87	90

:(u) data is not reliable

Source: Eurostat⁶²

⁶¹ Households with at least one member aged 16–74. Broadband connection includes: DSL, VDSL, wired fixed (cable, fibre, Ethernet, PLC), fixed wireless (satellite, Wi-Fi, WiMax) and mobile wireless (3G/4G).

⁶² (online data code [isoc_bde15b_h](#))

Figure 3.5.3 – Household Broadband Penetration, 2007 - 2015

3.6 Wi-Fi Broadband Access⁶³

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 points⁶⁴. 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 Bitbuzz⁶⁵, eir, Sky Ireland and BT Ireland.

⁶³ As noted on page 9 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.

⁶⁴ 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.

⁶⁵ Bitbuzz has been acquired by Virgin Media.

Comparing Q1 2015 to Q1 2016, the number of Wi-Fi hotspots and access points have both decreased by approximately 5.3%. Wi-Fi minutes increased by 42.6% 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 Q1 2016 is also provided below.

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

	Q1 2016	Q4'15-Q1'16 Growth	Q1'15-Q1'16 Growth
Wi-Fi Hotspots	3,225	-12.2%	-5.3%
Wi-Fi Access Points	5,525	-9.8%	-5.3%
Wi-Fi Minutes of Use	948,178,826	-2.8%	+42.6%

% Share - Q4 2015	Bitbuzz	eir	BT	OAOs
Wi-Fi Hotspots	14.4%	71.4%	3.7%	10.5%
Wi-Fi Access Points	41.1%	49.2%	2.6%	7.1%
Wi-Fi Minutes of Use	44.8%	42.7%	10.0%	2.5%

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 Kingdom⁶⁶.

⁶⁶ In future Quarterly Key Data Reports ComReg may expand the analysis and include more countries for international price comparisons.

For national comparisons, the prices advertised⁶⁷ by the largest operators (in terms of number of subscribers to fixed broadband services and separately number of subscribers to mobile broadband services) during Q4 2015 were analysed⁶⁸ 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, Tesco and iD Mobile 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 nationally⁶⁹. 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 account⁷⁰ in the analysis.

For international comparisons, prices advertised⁷¹ 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 Q4 2015 were analysed⁷² for selected usage baskets⁷³ (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.

⁶⁷ The pricing analysis is based on a review of operators' advertised prices in the period Q4 2015. Note: Q4 2015 fixed broadband analysis is based on tariffs advertised in January 2016.

⁶⁸ 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.

⁶⁹ For example, Virgin Media offers fixed broadband services only in the areas where its cable network has been rolled out.

⁷⁰ In other words, the broadband pricing analysis does not take account of fixed voice call usage.

⁷¹ The pricing analysis is based on a review of operators' advertised prices in the period Q4 2015.

⁷² 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.

⁷³ The same basket was applied to each respective country in order to make the international comparison.

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 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 2010⁷⁴ for fixed broadband baskets and 2012⁷⁵ 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 report⁷⁶:

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

⁷⁴ See <http://www.oecd.org/sti/broadband/48242089.pdf>

⁷⁵ See <http://www.oecd-ilibrary.org/docserver/download/5k92wd5kw0nw.pdf?expires=1417540956&id=id&accname=quest&checksum=F27F571EC7CA723CF50FE9183C21AEE4>

⁷⁶ In future Quarterly Key Data Reports ComReg may expand the analysis and present price comparisons based on additional and/or different usage baskets.

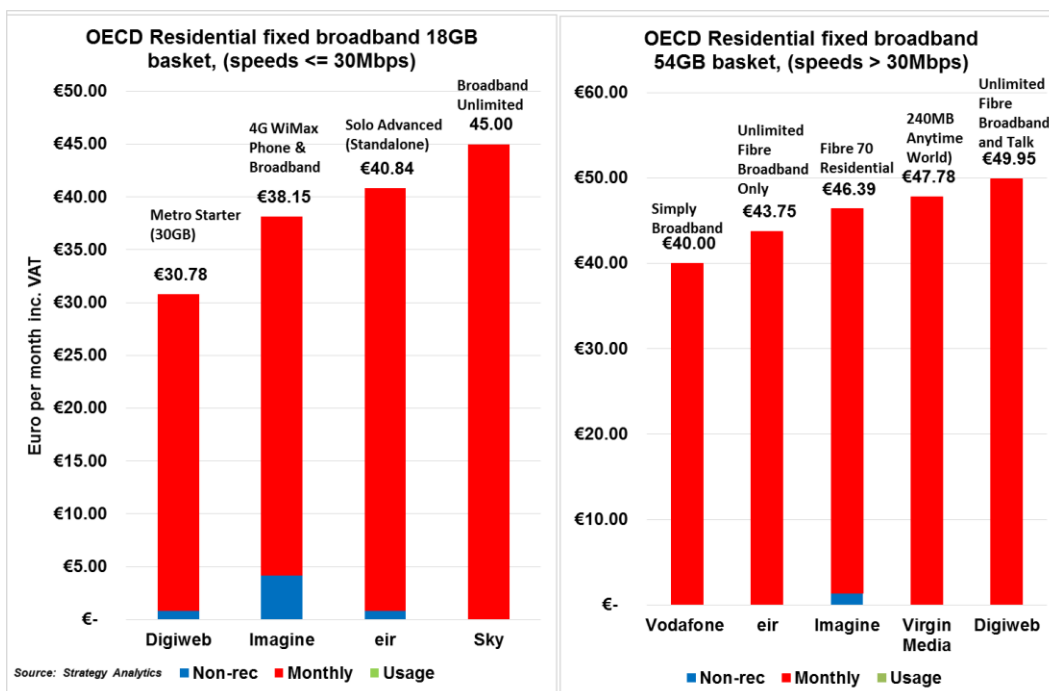
necessarily reflect prices of tariffs that are geared towards customers having different usage profiles.

ComReg notes that comparisons are based on the prices of advertised tariffs only⁷⁷ 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, Digiweb offers the cheapest tariff⁷⁸ for this particular usage profile at €30.78, followed by Imagine⁷⁹ (€38.15) and eir (€40.84). For fixed broadband where advertised download speed of broadband service exceeds 30Mbps, Vodafone offers the cheapest tariff (€40.00), followed by eir (€43.75) and Imagine (€46.39).

Figure 3.7.1 - Residential Fixed Broadband Basket (National comparison)



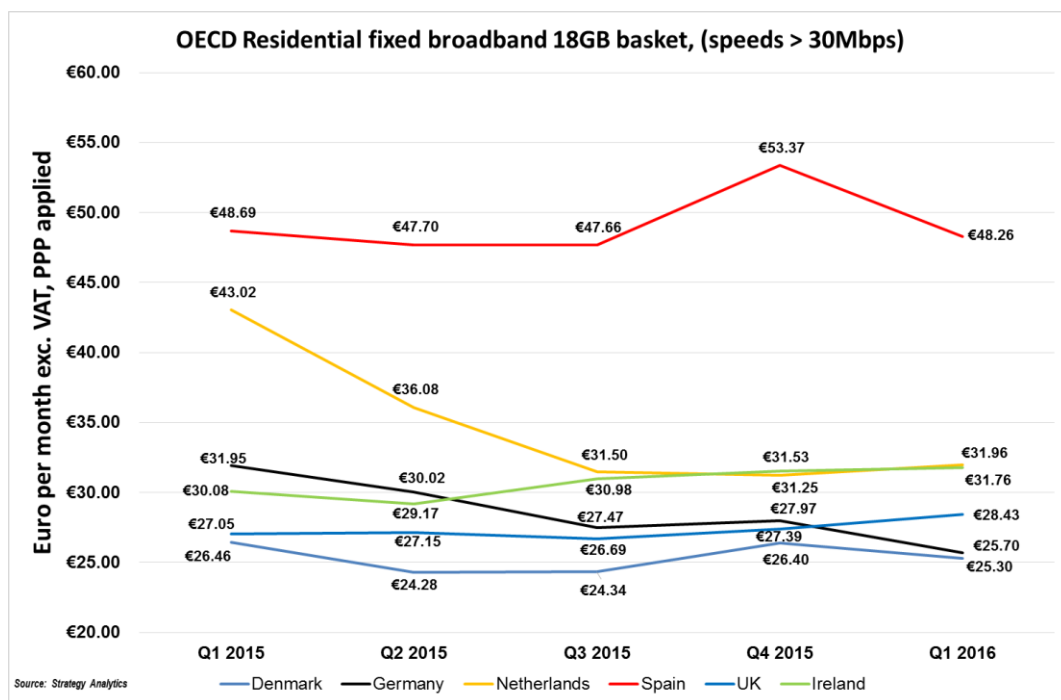
⁷⁷ Tariffs publically advertised during Q1 2016.

⁷⁸ This tariff is based on Digiweb’s fixed wireless access (FWA) broadband service.

⁷⁹ This tariff is based on Imagine’s fixed wireless access (FWA) broadband service.

Figure 3.7.2 illustrates Ireland’s ranking alongside five other Western European countries. Ireland ranks in fourth place with an average price of €31.76⁸⁰ for this particular residential basket. The average price in Ireland is 0.5% cheaper than the average price⁸¹ 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).

⁸⁰ As noted previously, average prices used for international comparisons exclude VAT charges.

⁸¹ The average of prices presented in Figure 3.7.2.

Figure 3.7.3 - Business Fixed Broadband Basket (National comparison)

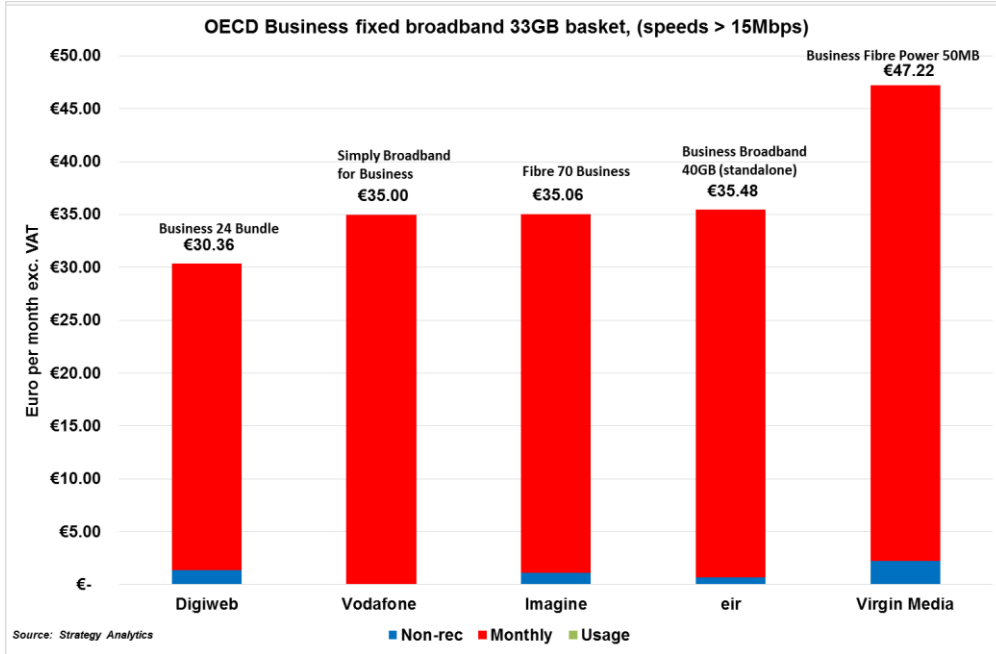
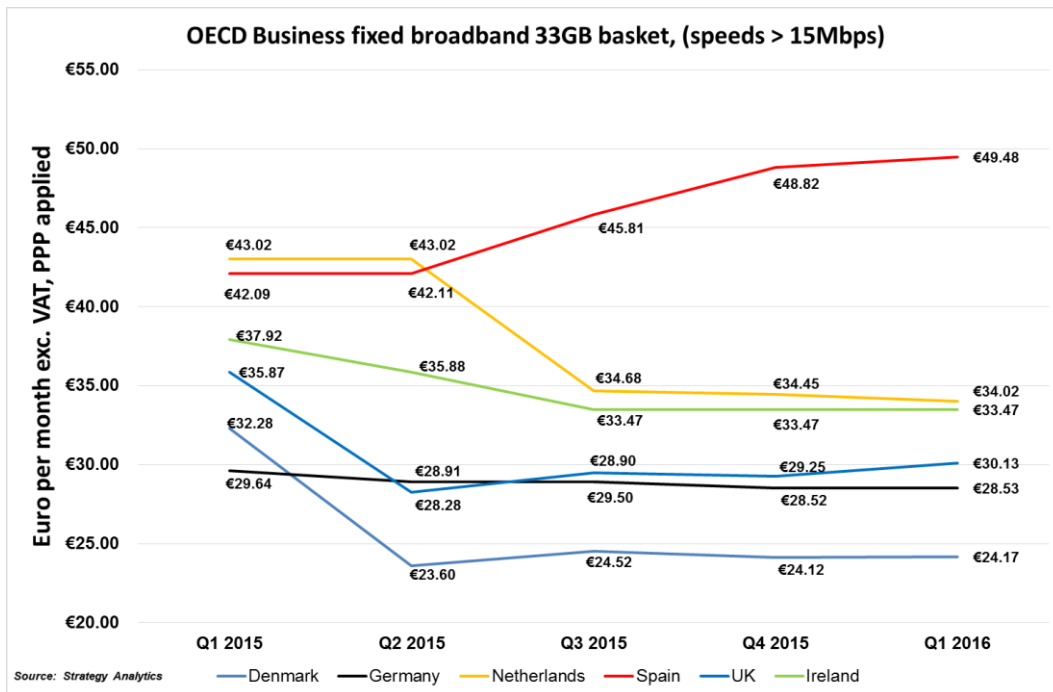


Figure 3.7.4 shows that in an international comparison context Ireland (€33.47⁸²) ranks in fourth place. The average price in Ireland is 0.5% higher than the average price⁸³ for all of the countries included in the analysis.

Figure 3.7.4 - Business Fixed 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 3.7.4.

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. Meteor and eir Mobile jointly offer the cheapest tariff (€14.99) followed by iD Mobile (€16.92) and Vodafone (€21.11).

Figure 3.7.5 - Residential Mobile Broadband Basket (National comparison)

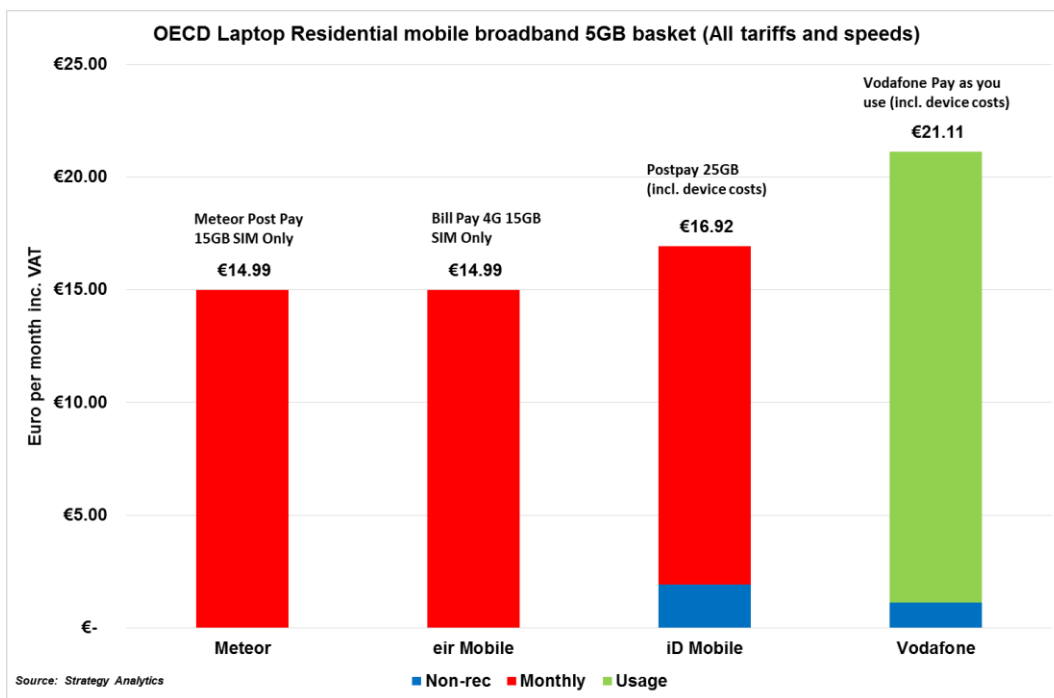
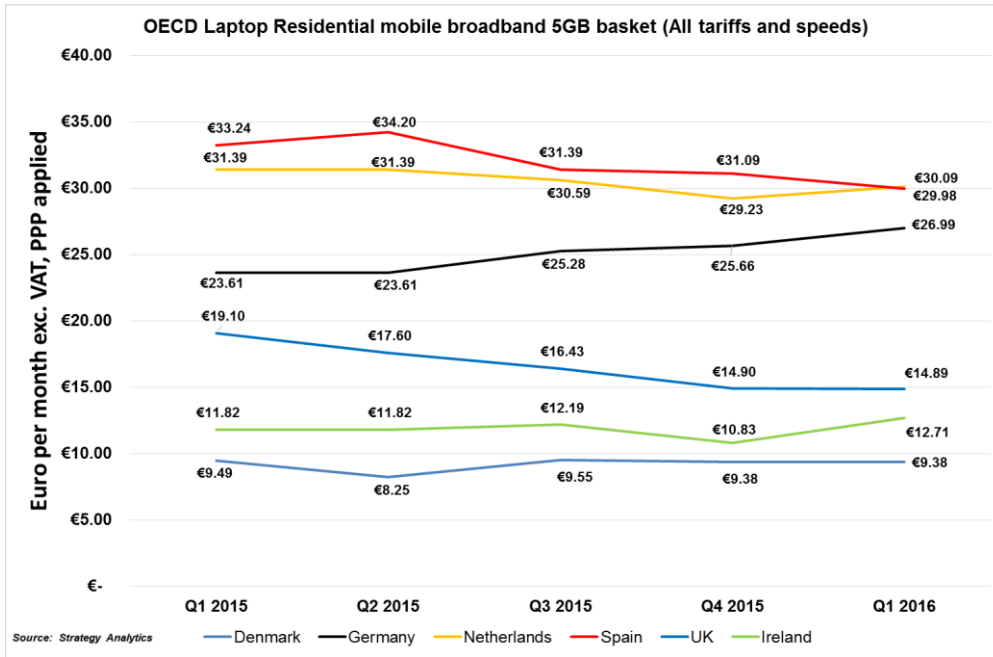


Figure 3.7.6 below illustrates Ireland’s ranking alongside five other Western European countries. Ireland ranks in second place with an average price of €12.71⁸⁴ for this particular basket. The average price in Ireland is 39% cheaper than the average price⁸⁵ for all of the countries included in the analysis.

⁸⁴ As noted previously, average prices used for international comparisons exclude VAT charges.

⁸⁵ The average of prices presented in Figure 3.7.6.

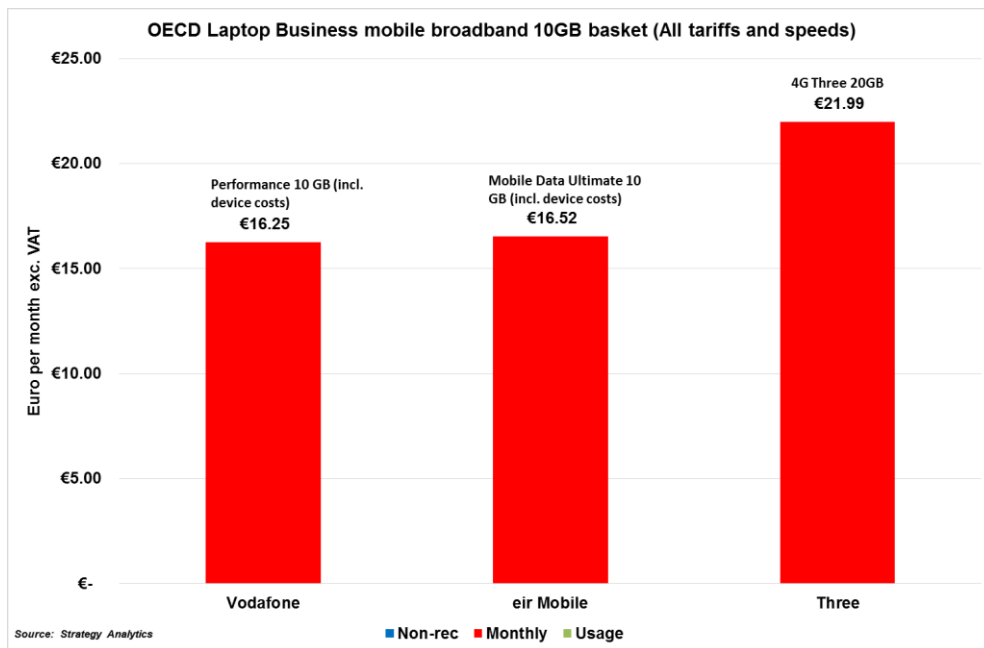
Figure 3.7.6 - Residential Mobile Broadband Basket (Int'l comparison)



OECD Business Mobile Broadband Service Basket

Figure 3.7.7 compares post-paid tariffs advertised by mobile broadband service providers⁸⁶ for business customers based on an OECD 10GB monthly data usage basket. Presented prices exclude VAT charges. Vodafone (€16.25) offers the cheapest tariff followed by eir Mobile (€16.52) and Three (€21.99).

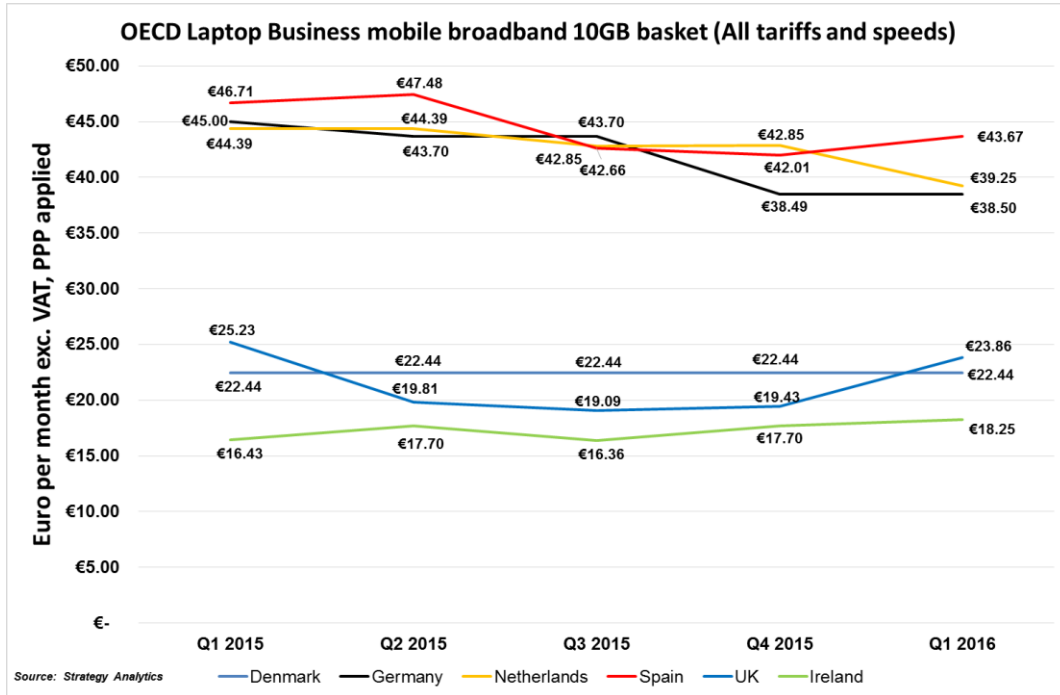
Figure 3.7.7 - Business Mobile Broadband Basket (National comparison)



⁸⁶ 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 (€18.25⁸⁷) ranks in first place. The average price in Ireland is 41% cheaper than the average price⁸⁸ for all of the countries included in the analysis.

Figure 3.7.8 - Business Mobile Broadband Basket (International comparison)



⁸⁷ As noted previously, average prices used for international comparisons exclude VAT charges.

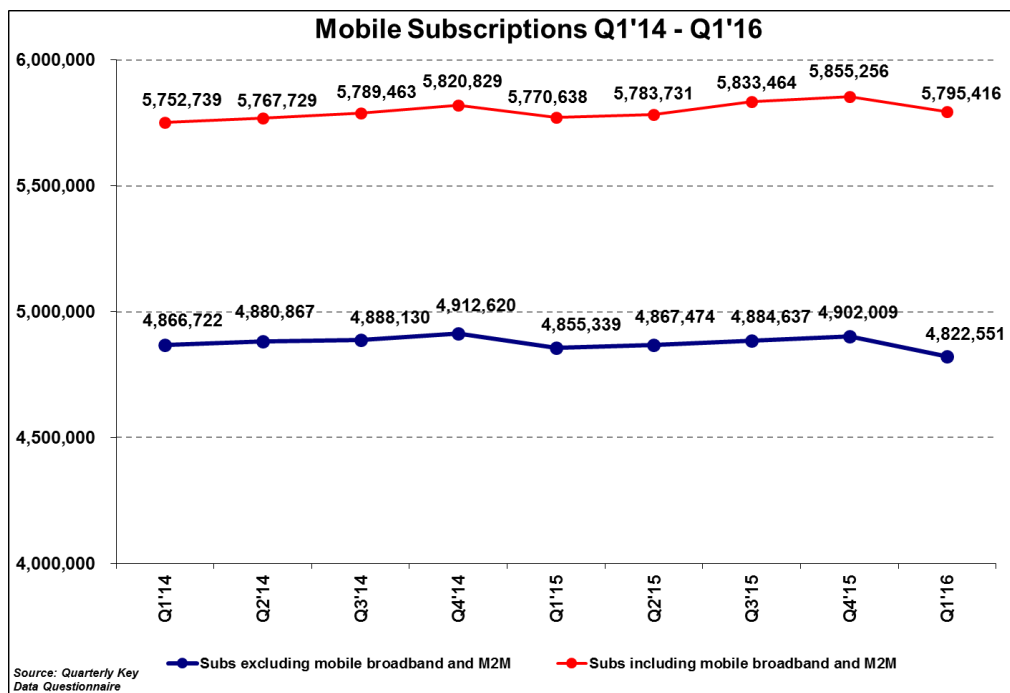
⁸⁸ The average of prices presented in Figure 3.7.8.

4. Mobile Market Data

4.1 Number of Subscriptions and Penetration Rate

At the end of March 2016 there were 5,795,416 mobile subscriptions in Ireland, including mobile broadband and Machine to Machine ('M2M') subscriptions. If mobile broadband subscriptions (397,489) and M2M subscriptions (575,376) are excluded, the total number of mobile subscriptions in Ireland was 4,822,551.

Figure 4.1.1 – Mobile Subscriptions



In Q1 2016 there were 4,042,504 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 83.8% of all mobile subscriptions (excluding dedicated mobile broadband and M2M) in Q1 2016.

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 Q1 2015 to Q1 2016.

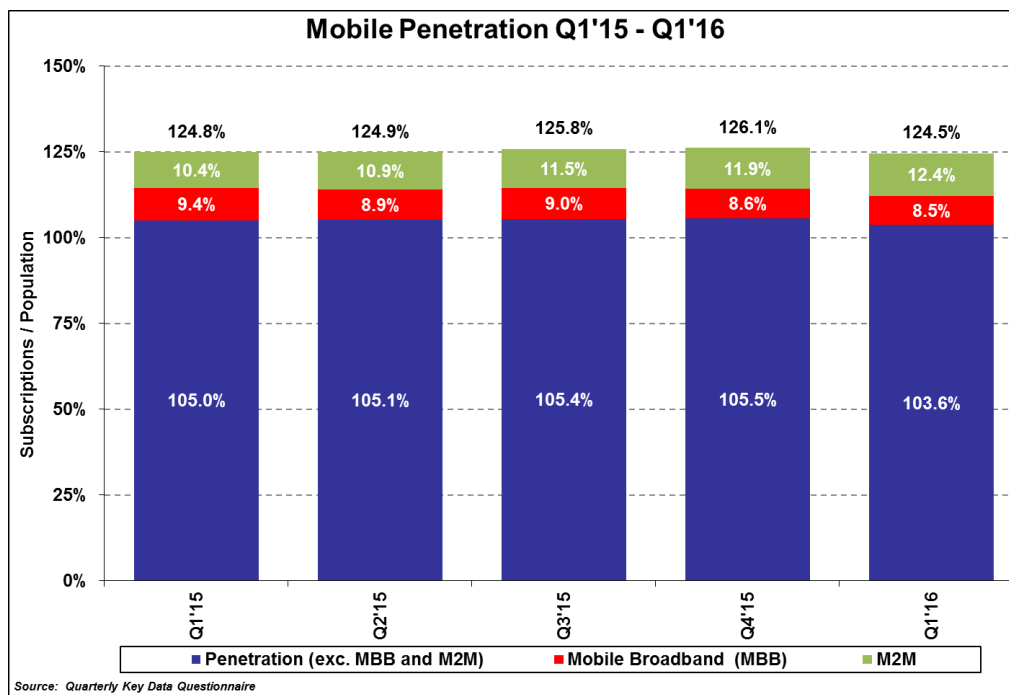
Figure 4.1.2 – Mobile Subscribers using data services over 3G/4G networks

	Q1'16	Q1'15	Quarterly Change (Q4'15 – Q1'16)	Annual Change (Q1'15 – Q1'16)
Total active subscriptions	5,795,416	5,770,638	-1.0%	+0.4%
Mobile voice and data subscribers using 3G and 4G networks	4,042,504	3,502,280	-1.2%	+15.4%
Dedicated mobile broadband subscribers	397,489	435,192	-0.4%	-8.7%

Figure 4.1.3 charts mobile penetration since Q1 2015 and shows that at the end of March 2016, mobile penetration, based on a population of 4,653,600 (using CSO Q4 2015 estimate), was 124.5% including mobile broadband and M2M and 103.6% 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 and excluding mobile broadband and M2M subscriptions) in Ireland classified by the proportion of pre-paid and post-paid subscriptions on 2G, 3G and 4G networks at the end of March 2016. Post-paid subscriptions are increasing, accounting for 50.8% of subscriptions in Q1 2016, up from 48.5% one year previously at the expense of a decline in pre-paid subscriptions. If mobile broadband and M2M subscriptions are excluded, post-paid subscriptions account for 42.7% of subscriptions up from 40.6% in Q1 2015.

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

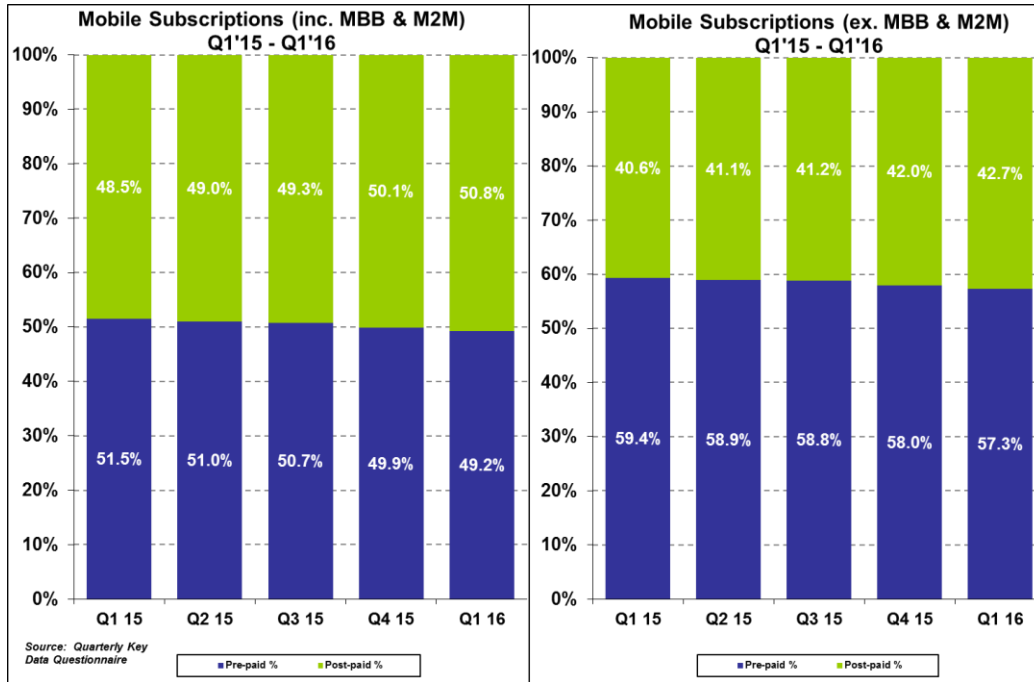


Figure 4.2.2 – Mobile Subscriptions by Pre-pay/Post-pay, Q4’14 – Q4’15

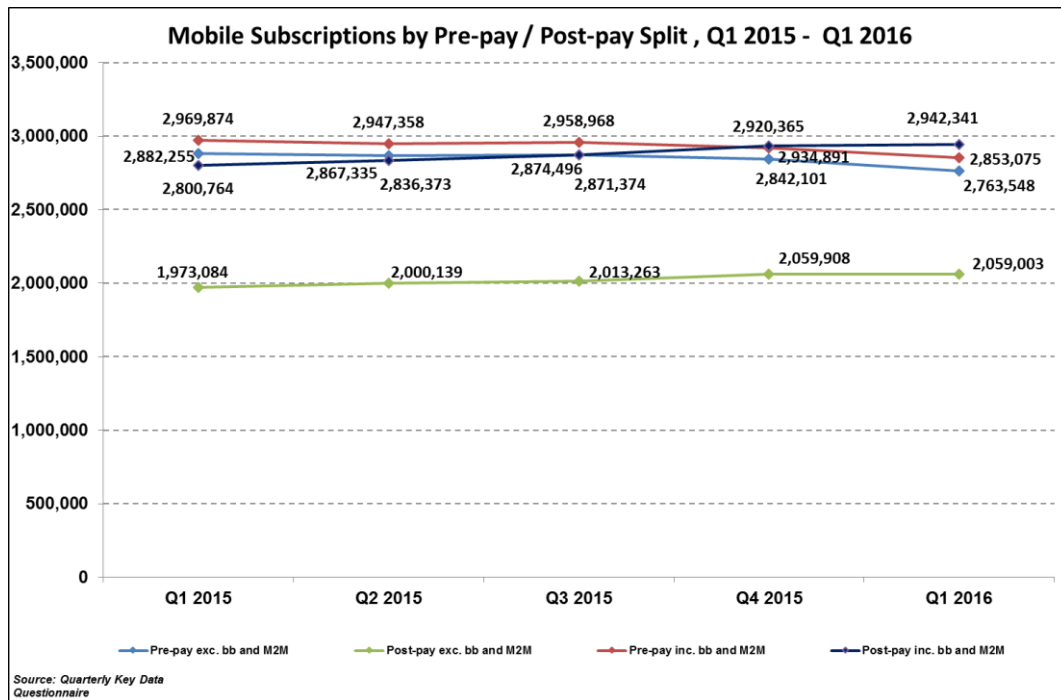


Figure 4.2.3 shows the pre-paid and post-paid subscription profile for each of the mobile operators in the Irish market. Mobile broadband and M2M subscriptions are included. As of Q1 2016, the mobile operator with the highest proportion of post-paid subscriptions was Three Group (56.8%), followed by Vodafone (55.2%), eir Group Mobile (46.7%) and Tesco mobile (14.9%) while 98.7% of OAOs’ subscriptions was pre-paid.

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

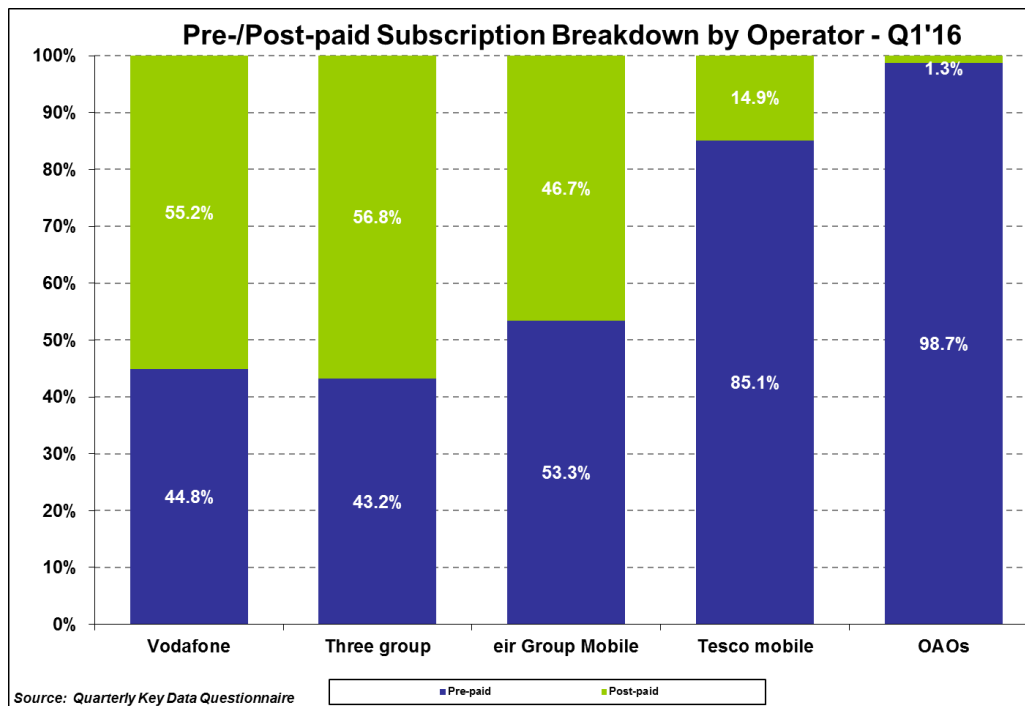


Figure 4.2.4 shows the split between pre-paid and post-paid mobile broadband subscriptions between Q1 2015 and Q1 2016. 77.5% of all mobile broadband subscriptions were post-paid at the end of March 2016, down from 79.9% one year previously.

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

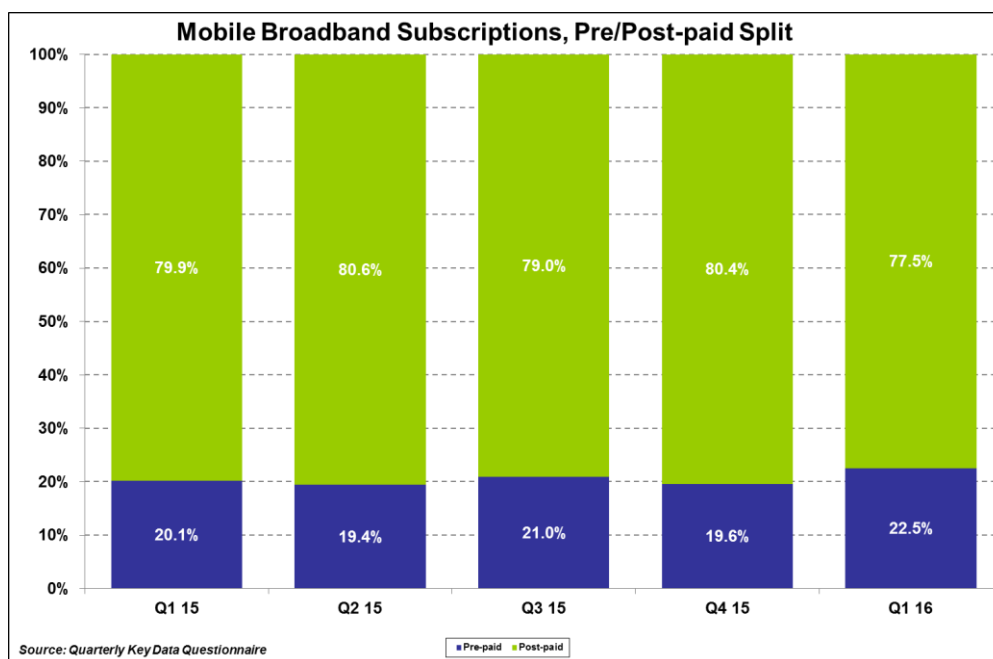


Figure 4.2.5 shows the split of post-paid business and non-business mobile subscriptions including and excluding mobile broadband and M2M between Q1 2015 to Q1 2016. Approximately 47.4% of post-paid mobile subscriptions (including mobile broadband and M2M) and 33.8% of post-paid mobile subscriptions (excluding mobile broadband and M2M) were classed as business subscriptions in Q1 2016.

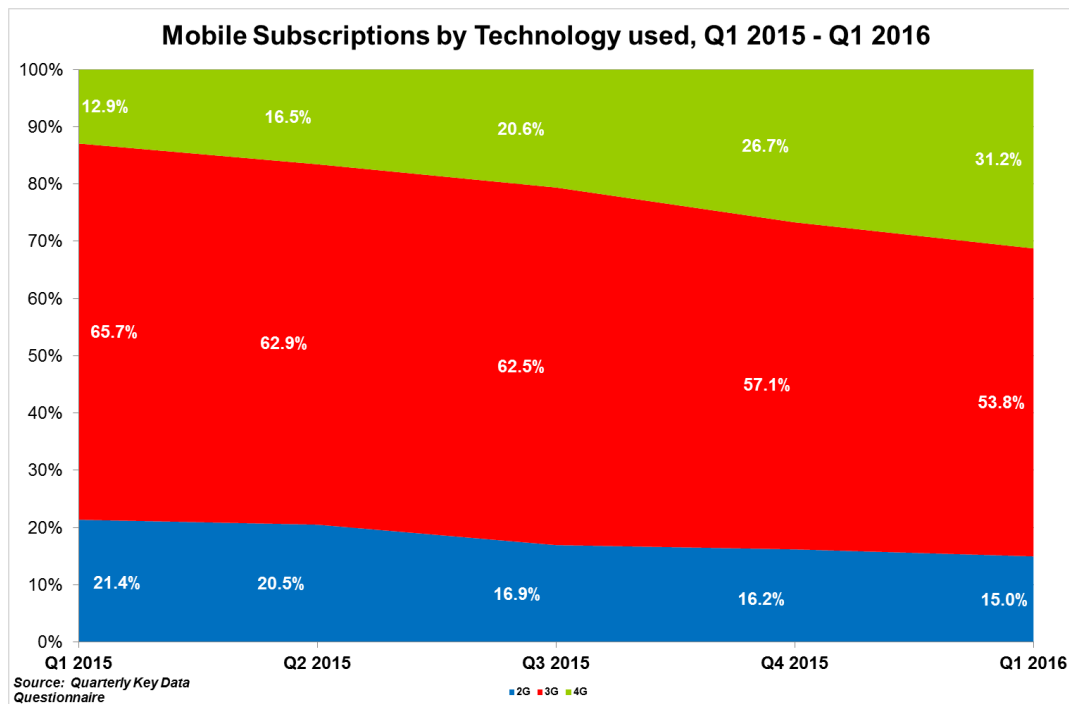
Figure 4.2.5 – Post-Paid Business and Residential Mobile Subscriptions

	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Residential subs inc. mobile broadband⁸⁹	1,548,791	1,554,133	1,531,559	1,530,829	1,532,459
Residential subs exc. mobile broadband	1,362,758	1,352,165	1,325,016	1,315,823	1,304,222
Business subs inc. mobile broadband & M2M	1,393,550	1,380,758	1,342,937	1,305,544	1,268,305
Business subs exc. mobile broadband & M2M	696,245	707,743	688,247	684,316	668,862

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 March 2016, 31.2% of mobile subscribers have been categorised as 4G network users, 53.8% use 3G networks with the remaining 15.0% of subscribers using 2G networks only.

⁸⁹ 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'⁹⁰ volumes (internet uploads and downloads) sent between Q1 2012 and Q1 2016. Total retail mobile voice traffic totalled 3.045 billion minutes in Q1 2016, an increase of 1.1% on Q1 2015.

The total number of SMS messages sent by mobile users in Ireland was over 1.49 billion in Q1 2016, down 16.1% on Q1 2015 and down by 6.9% since Q4 2015. The number of multimedia messages (MMS) sent was down by 6.1% in the year to Q1 2016. Data usage volumes continue to rise, increasing by 61.5% in the year to Q1 2016 to reach 41,829 terabytes.

⁹⁰ 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.

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

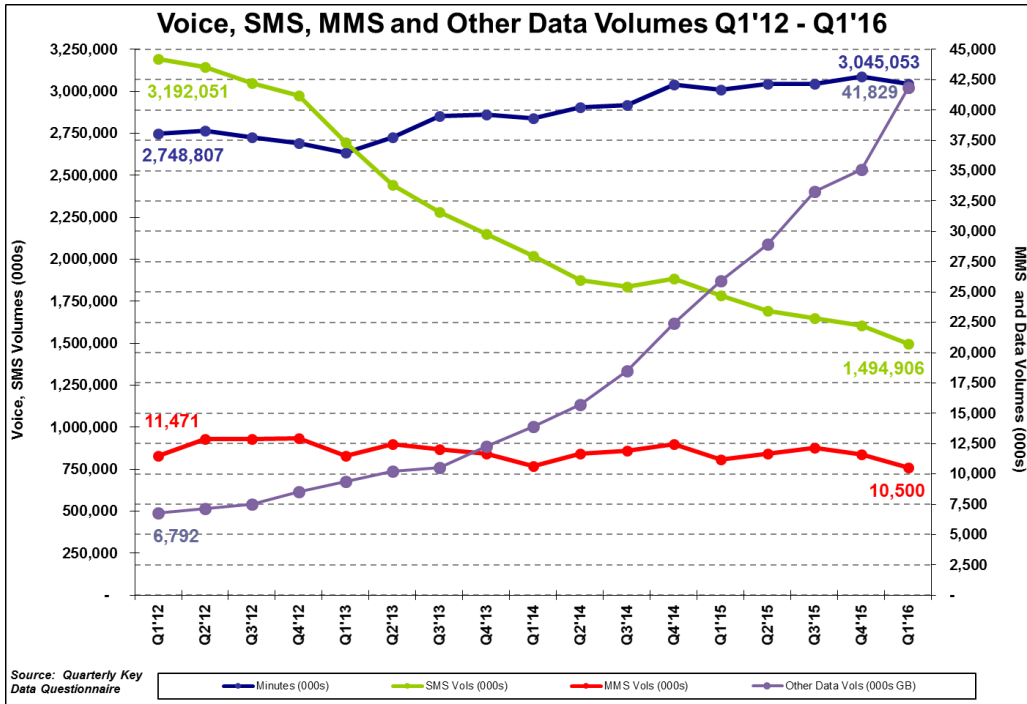


Figure 4.3.2 illustrates the share of types of mobile voice call minutes. As of Q1 2016, 76.6% of all mobile voice minutes were classified as mobile-to-mobile (on-net and off-net); 12.0% of mobile voice minutes were to fixed line phones, 8.6% were classified as international and roaming minutes and the remaining 2.8% were advanced voice minutes which include calls to premium rate services.

Figure 4.3.2 – Voice Call Minute Volumes by Type

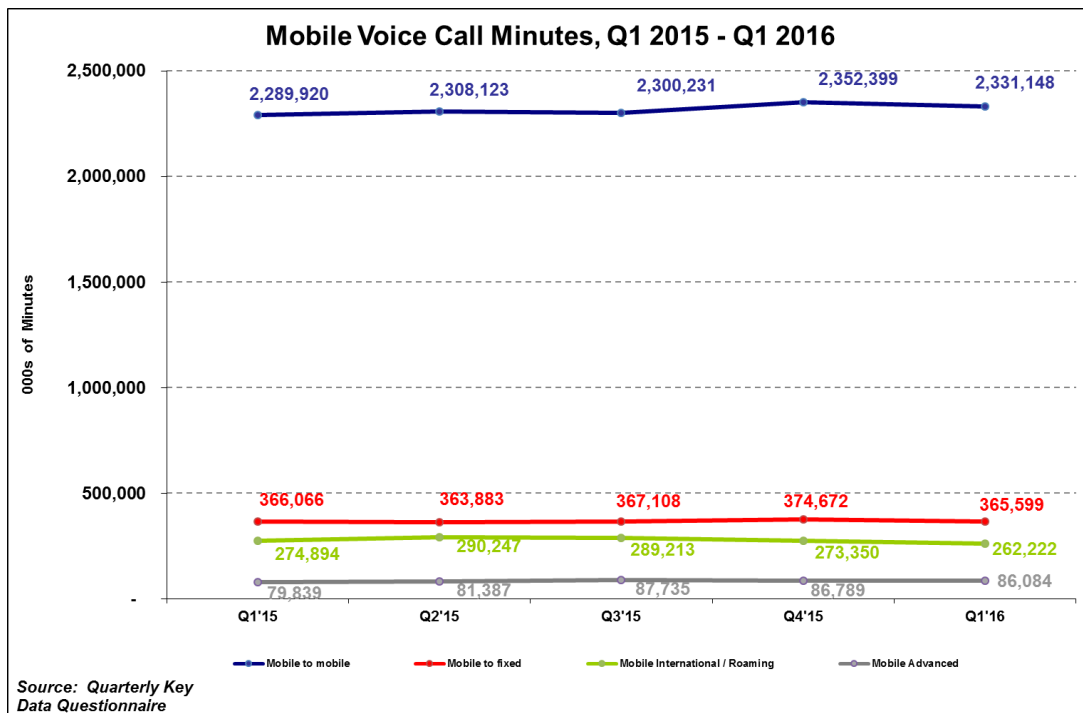


Figure 4.3.3 shows the change in the on net and off net mobile to mobile voice call minutes since Q1 2015. During Q1 2016, 57.3% of all mobile to mobile voice minutes were classified as on-net, down from 57.8% in Q1 2015.

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

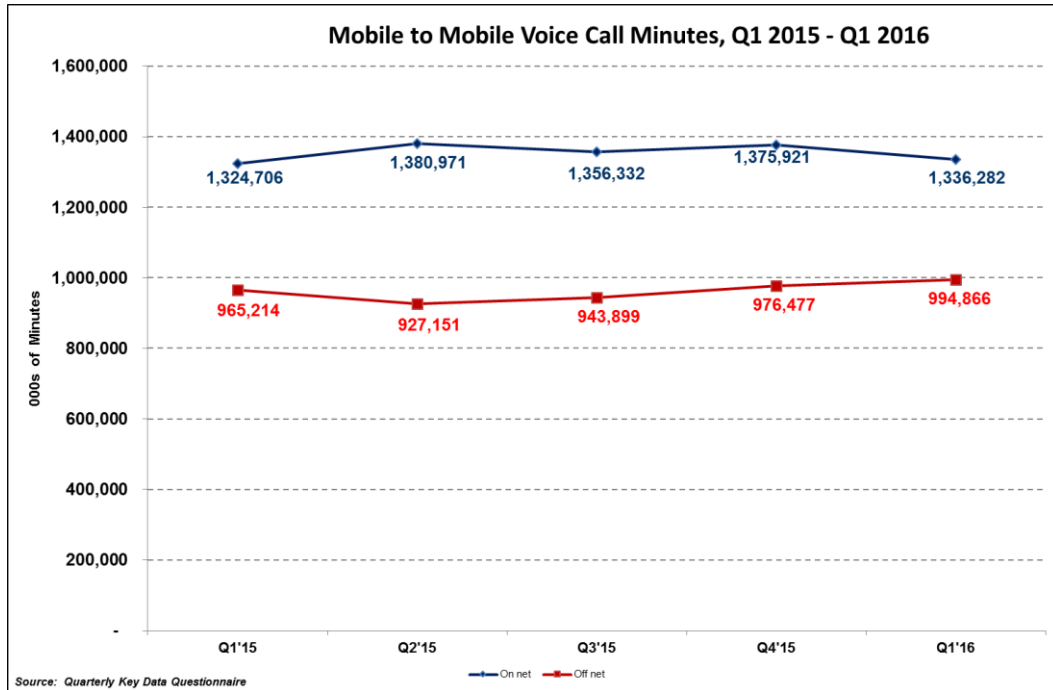


Figure 4.3.4 shows the change in the monthly mobile voice call minutes per subscription. In Q1 2016 the average usage was 207.1 minutes (down by 0.2% since Q1 2015).

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

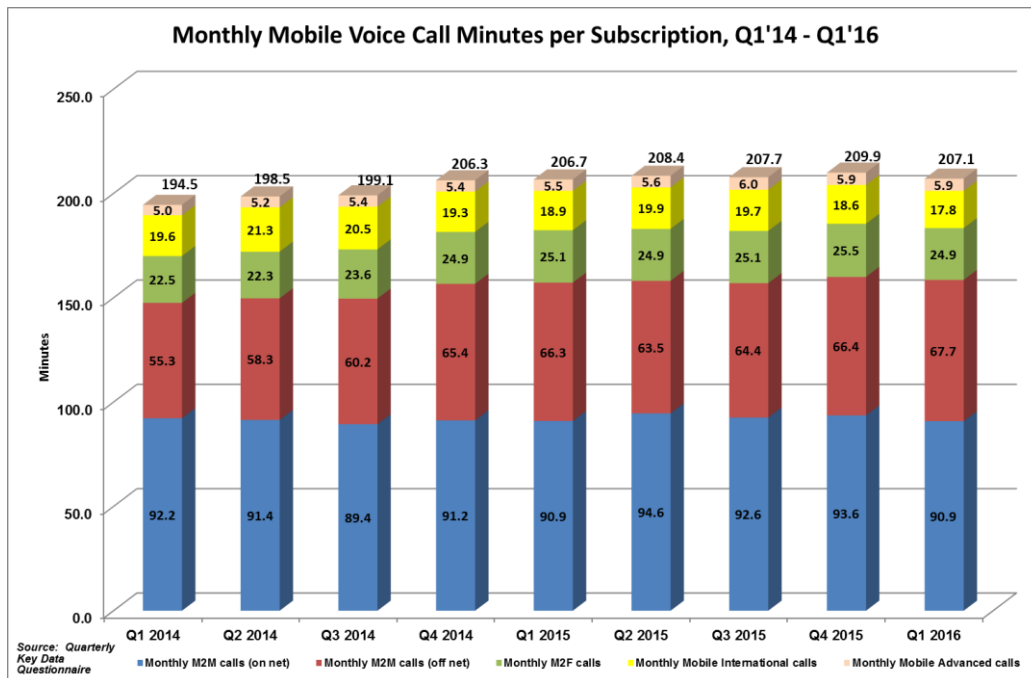


Figure 4.3.5 shows the change in the monthly mobile data volumes per subscription. In Q1 2016 the average monthly number of SMS/MMS sent was 103 and the average traffic per smartphone⁹¹ reached 2.7 GB of data, while the average traffic per dedicated mobile broadband subscriber was 7.4 GB of data⁹².

Figure 4.3.5 – Monthly Mobile Messaging and Data Volumes per Subscription

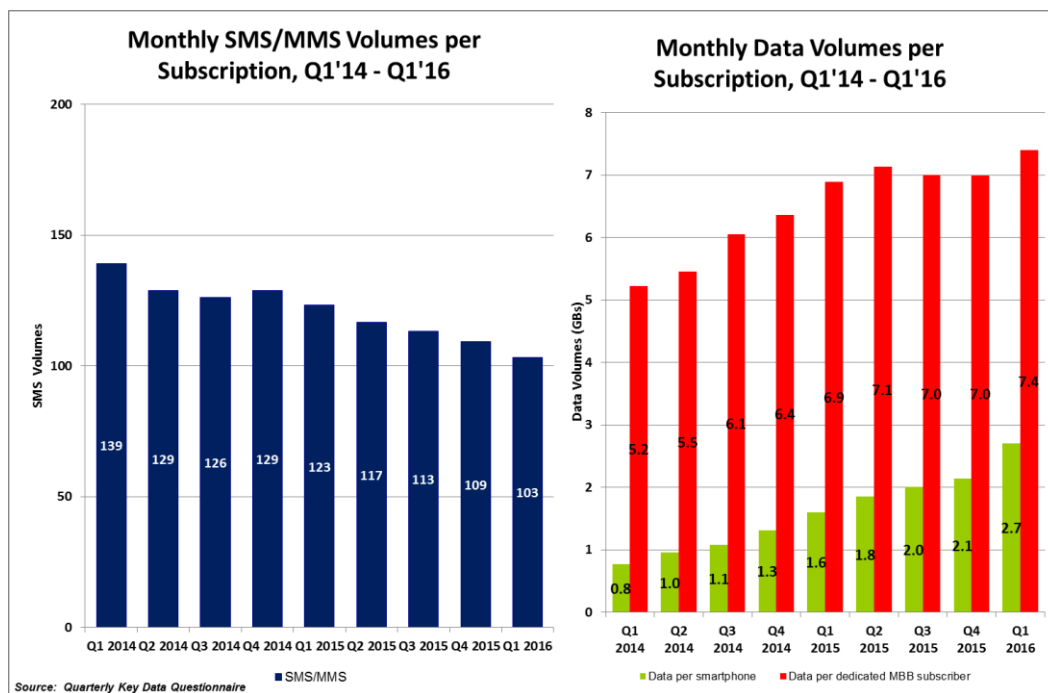
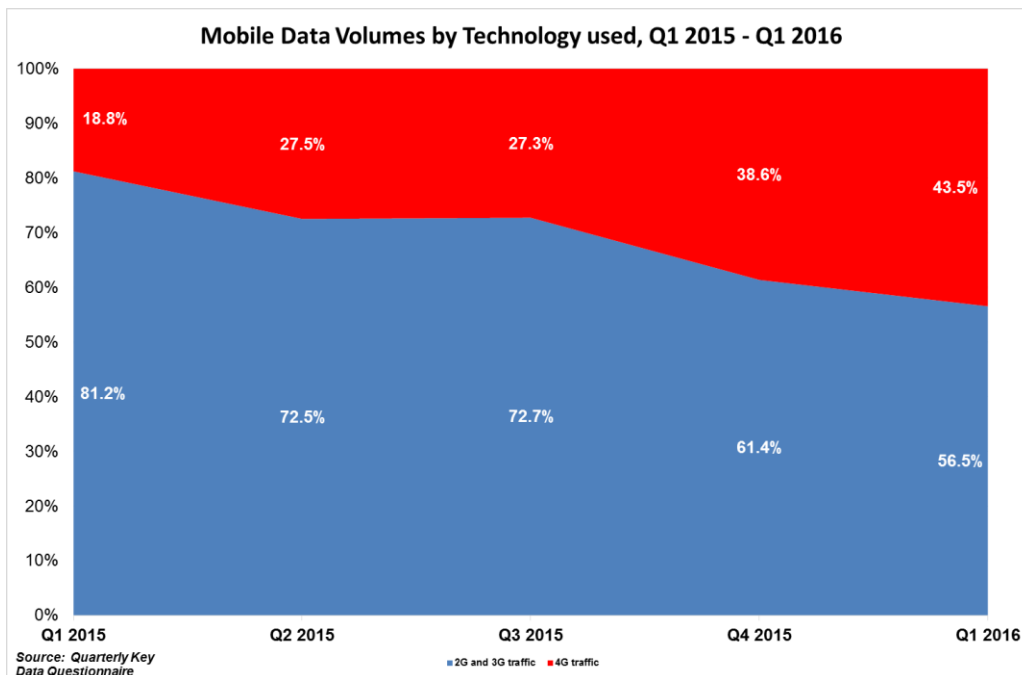


Figure 4.3.6 provides the breakdown of mobile data volumes by mobile network technology. 18,177 terabytes or 43.5% of all mobile data in Q1 2016 was generated on 4G networks up from 18.8% in Q1 2015.

⁹¹ Based on the number of standard mobile voice and data subscribers using 3G and 4G networks.

⁹² Data traffic refers to both uploads and downloads.

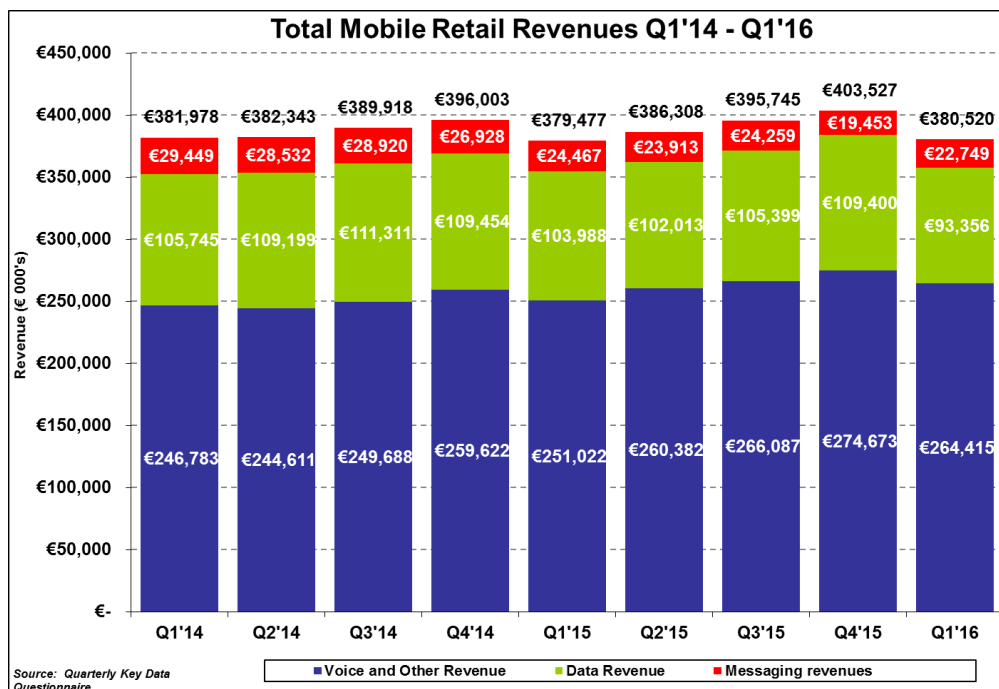
Figure 4.3.6 – Mobile Data Volumes by Technology



4.4 Mobile Revenues

Figure 4.4.1 shows that mobile retail revenues for Q1 2014 were over €380 million. Messaging revenues increased by 16.9% this quarter, data revenues decreased by 14.7% while voice and other revenues decreased by 3.7% since Q4 2015.

Figure 4.4.1 – Total Mobile Retail Revenues⁹³



⁹³ Mobile Revenues were revised from Q1 2014 to Q4 2015. See note 4 within the corrigendum to Q4 2015 on page 5 of this report.

Wholesale mobile revenues were over €73 million in Q1 2011 (a decrease of 4.5% since Q4 2015), the vast majority accounted for by terminating traffic, followed by access⁹⁴ and roaming⁹⁵ 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 Q1 2016 mobile APRU was €24.12 per month, down from €24.62 per month in the previous quarter and down from €24.79 per month in the period Q1 2015. 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 0.6% in Q4 2015⁹⁶ compared to Q4 2014.

Figure 4.5.1 illustrates the change in ARPU for prepaid and post-paid subscribers. In Q1 2016 mobile ARPU for prepaid subscribers was €14.92 per month while mobile ARPU for post paid subscribers was €33.77 per month (down 2.6% since Q4 2015).

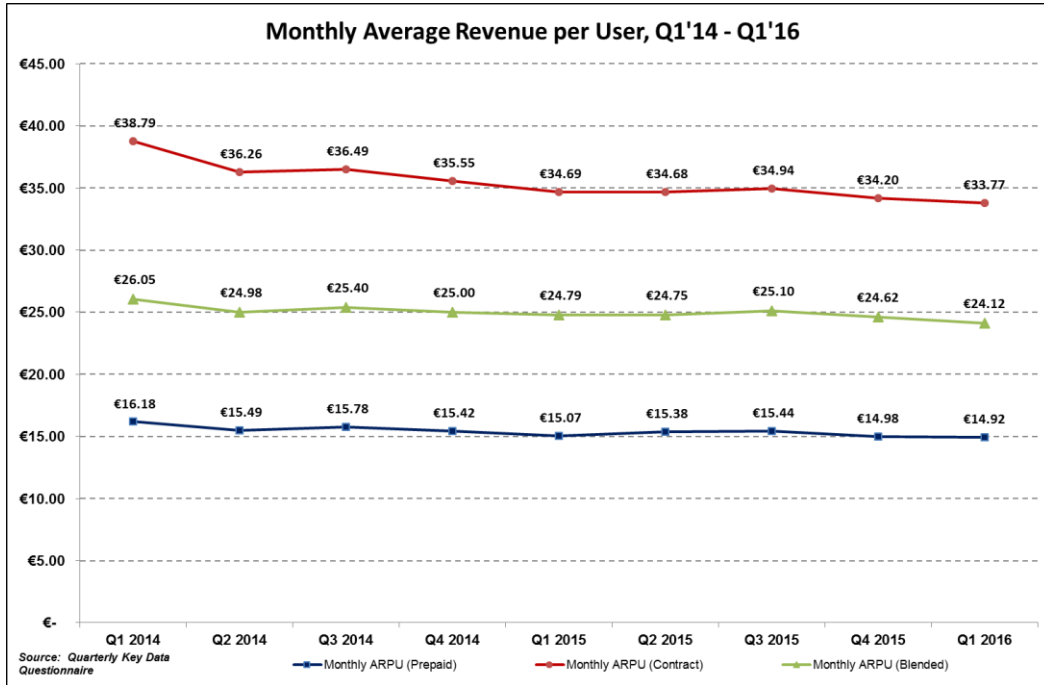
The general decline in ARPU is likely to be a reflection of a number of factors such as those attributable to increased sales of bundled products (combining mobile with fixed calls and sometimes broadband and/or TV) and reductions in roaming and mobile termination rates, among others.

⁹⁴ 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.

⁹⁵ 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.

⁹⁶ Q4 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.

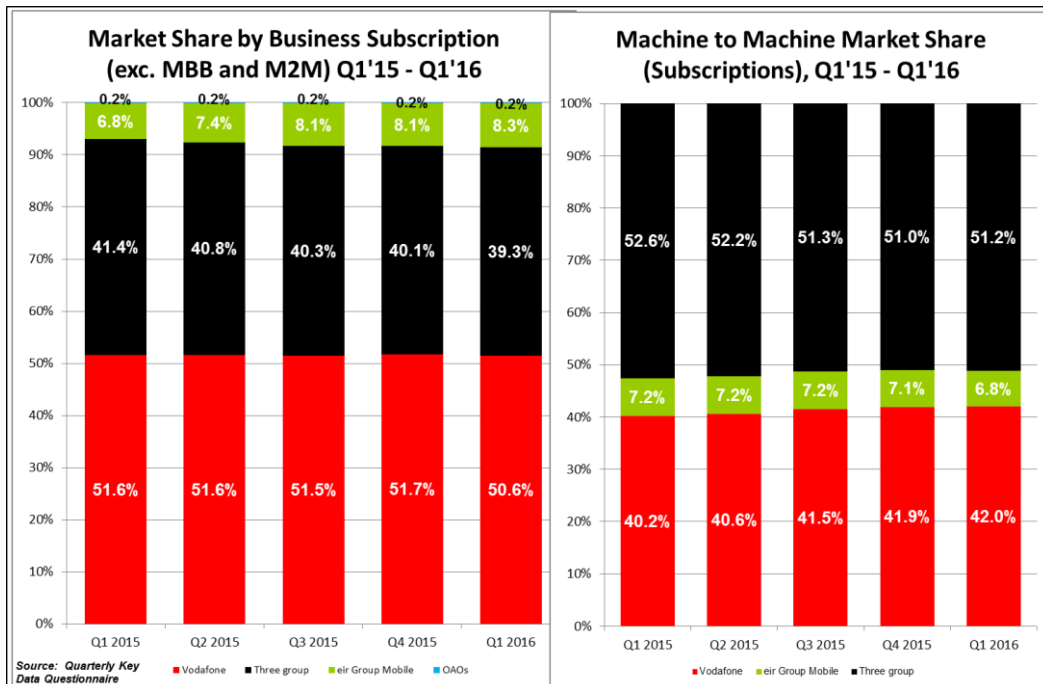
Different networking technologies can be used to connect M2M devices, depending on the amount of mobility needed, quality required, data rate, the degree of dispersion of devices over an area, and so on. Gathering data on dedicated M2M mobile connections assists ComReg in assessing future regulatory 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 575,376 M2M subscriptions at the end of March 2016. This is an increase of 19.8% since Q1 2015. 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 Q1 2016 Three Group had the largest market share of M2M subscriptions at 51.2% followed by Vodafone with 42.0% of market share. eir Group Mobile had the remaining 6.8% of M2M subscriptions.

Vodafone had the largest market share in terms of business subscriptions⁹⁷ (50.6%) followed by Three Group (39.3%) and eir Group Mobile (8.3%). OAOs accounted for the remaining 0.2%.

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



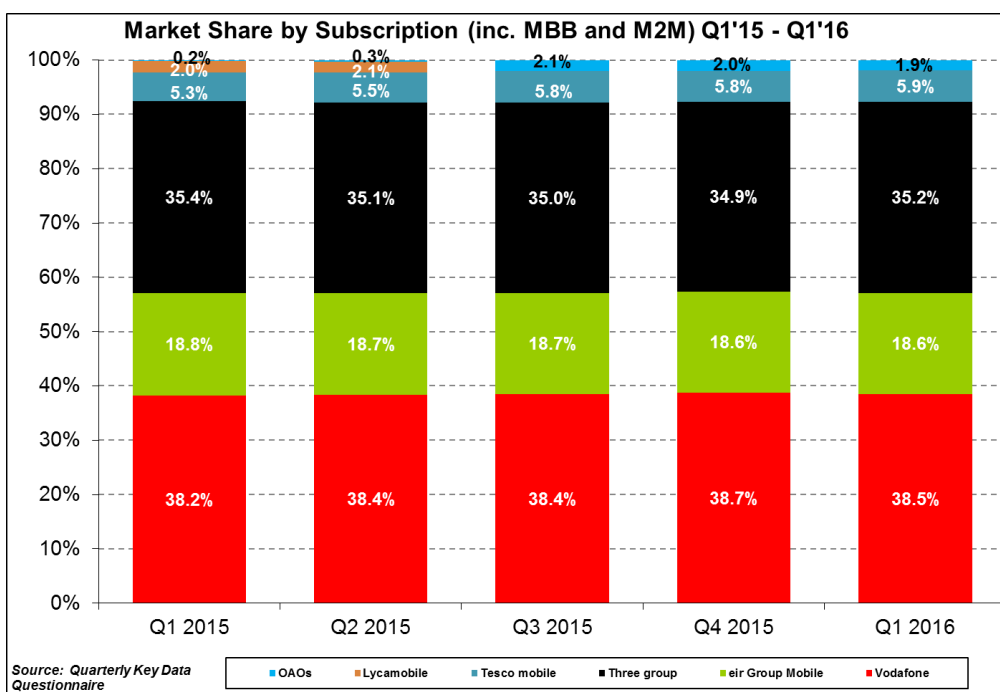
⁹⁷ Business subscriptions excluding M2M and business mobile broadband subscriptions.

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 (38.5% and 37.8%), followed by Three Group (35.2% and 32.3%), eir Group Mobile (18.6% and 20.6%), Tesco Mobile (5.9% and 6.9%). OAOs have market shares of 1.9% and 2.3% respectively.

Figure 4.7.1 – Market Share – Number of Subscriptions (inc. mobile broadband and M2M)⁹⁸



⁹⁸ As of Q2 2014 Q2 is included under Three Group umbrella. For more details see note on page 9 of this report.

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

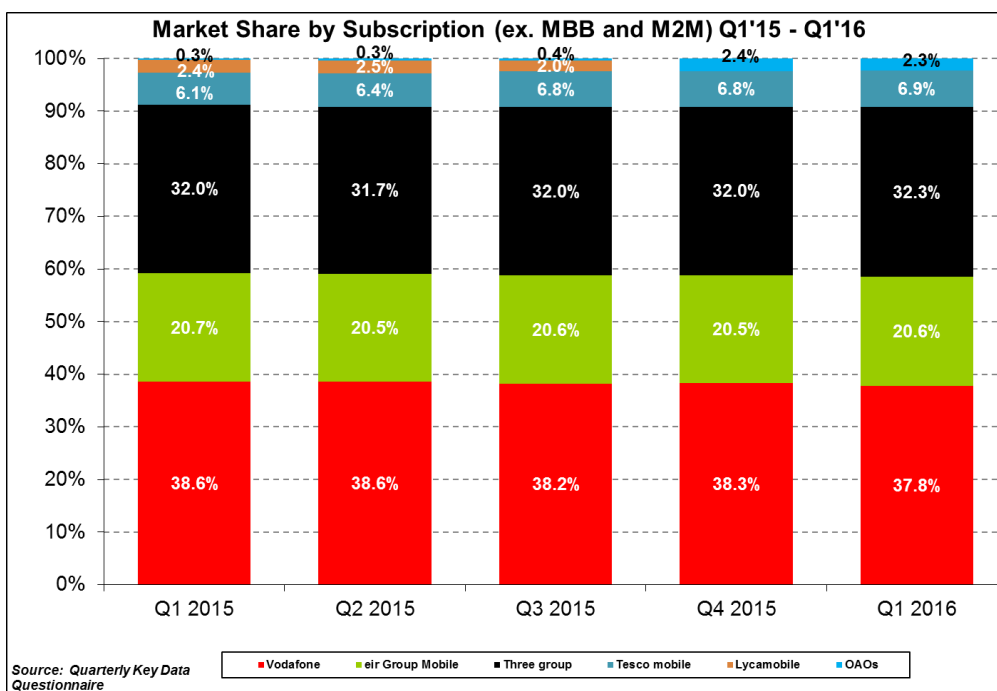
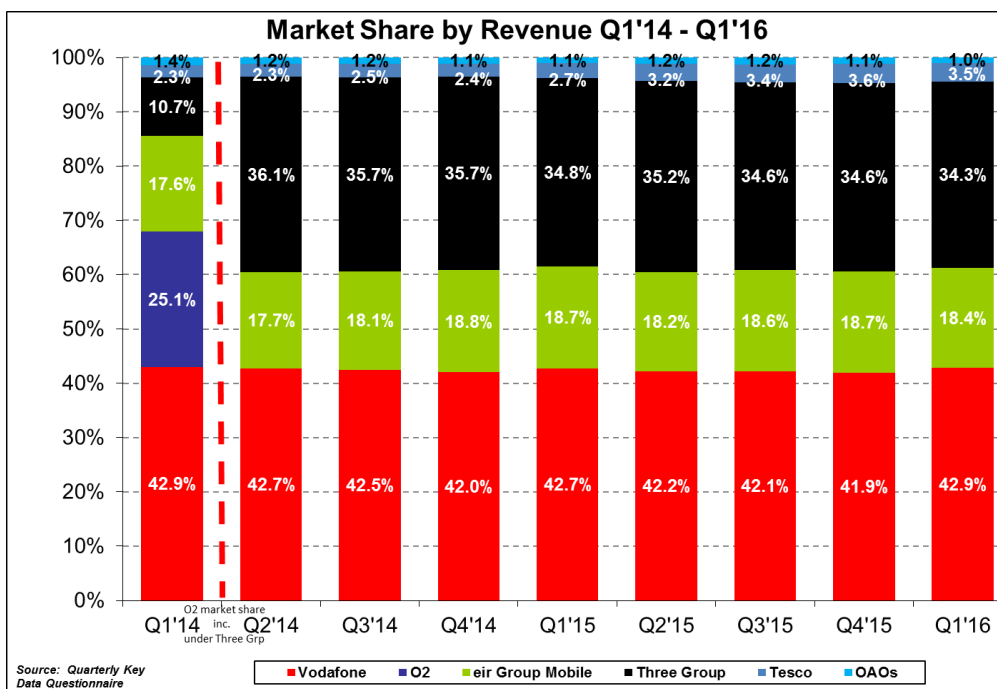


Figure 4.7.3 shows market shares by total retail revenues for mobile operators. Vodafone’s market share remains highest at 42.9% followed by Three Group at 34.3%. eir Group Mobile’s market share is the next largest at 18.4% followed by Tesco and OAOs at 3.5% and 1.0% respectively.

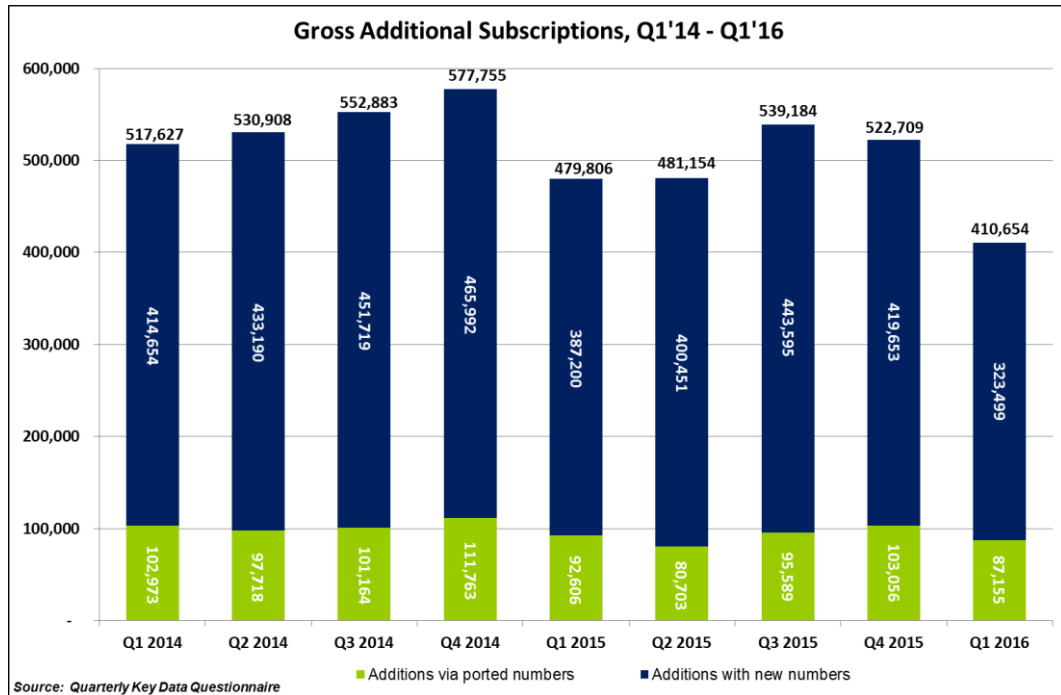
Figure 4.7.3 – Revenue Market Share



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 additions⁹⁹. There were 410,654 gross additional subscriptions in Q1 2016. In the quarter to March 2016, 87,155 numbers were ported between mobile operators with a total of 366,503 numbers having been ported over a twelve month period. Gross additions via ported numbers accounted for 21.2% of total gross additions in Q1 2016.

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 Kingdom¹⁰⁰.

⁹⁹ Gross additions include consumers who decide to avail of multiple SIMs and thus, slightly overstate the switching intensity in Ireland.

¹⁰⁰ In future Quarterly Key Data Reports ComReg may expand the analysis and include more countries for international price comparisons.

For national comparisons, the prices advertised¹⁰¹ by the largest operators (in terms of the number of subscribers to mobile voice services) during Q1 2016 were analysed¹⁰² for selected usage baskets. In this Quarterly Key Data Report prices advertised by Three, Vodafone, Meteor, eMobile¹⁰³, Tesco, Lycamobile, iD Mobile, Virgin Media 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 advertised¹⁰⁴ by largest operators (in terms of the number of subscribers to mobile voice services) in each of the respective countries during Q1 2016 were analysed¹⁰⁵ for selected OECD mobile phone usage baskets¹⁰⁶ (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 2012¹⁰⁷. 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 report¹⁰⁸:

¹⁰¹ The pricing analysis is based on a review of operators' advertised prices in the period Q4 2015.

¹⁰² The subscribers of these operators jointly account for over 99% of all mobile voice subscribers. 4G tariffs were included in the analysis.

¹⁰³ eMobile tariffs for eir customers were excluded from the analysis.

¹⁰⁴ The pricing analysis is based on a review of operators' advertised prices in the period Q4 2015.

¹⁰⁵ The subscribers of these operators jointly account for over 80% of all mobile voice subscribers in each of the respective countries.

¹⁰⁶ The same basket was applied to each respective country in order to make the international comparison.

¹⁰⁷ See <http://www.oecd-ilibrary.org/docserver/download/5k92wd5kw0nw.pdf?expires=1417540956&id=id&accname=guest&checksum=F27F571EC7CA723CF50FE9183C21AEE4>

¹⁰⁸ In the future reports ComReg may expand the analysis and present price comparisons based on additional and/or different usage baskets.

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 Basket¹⁰⁹

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 jointly by 48 (€10.00) and iD Mobile (€10.00).

¹⁰⁹ 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)¹¹⁰

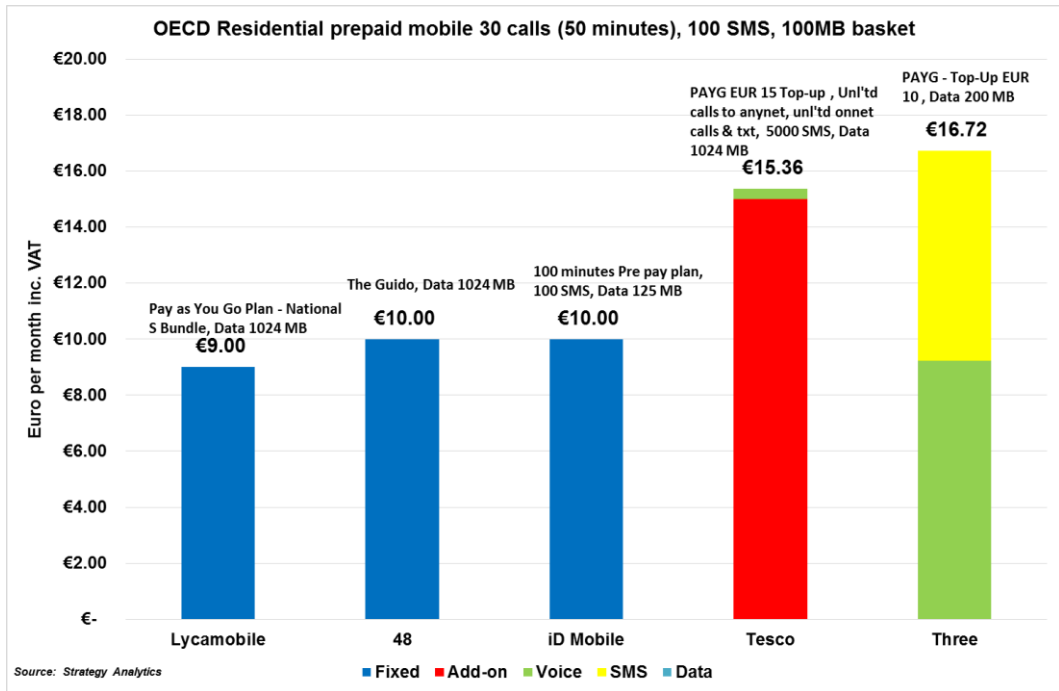


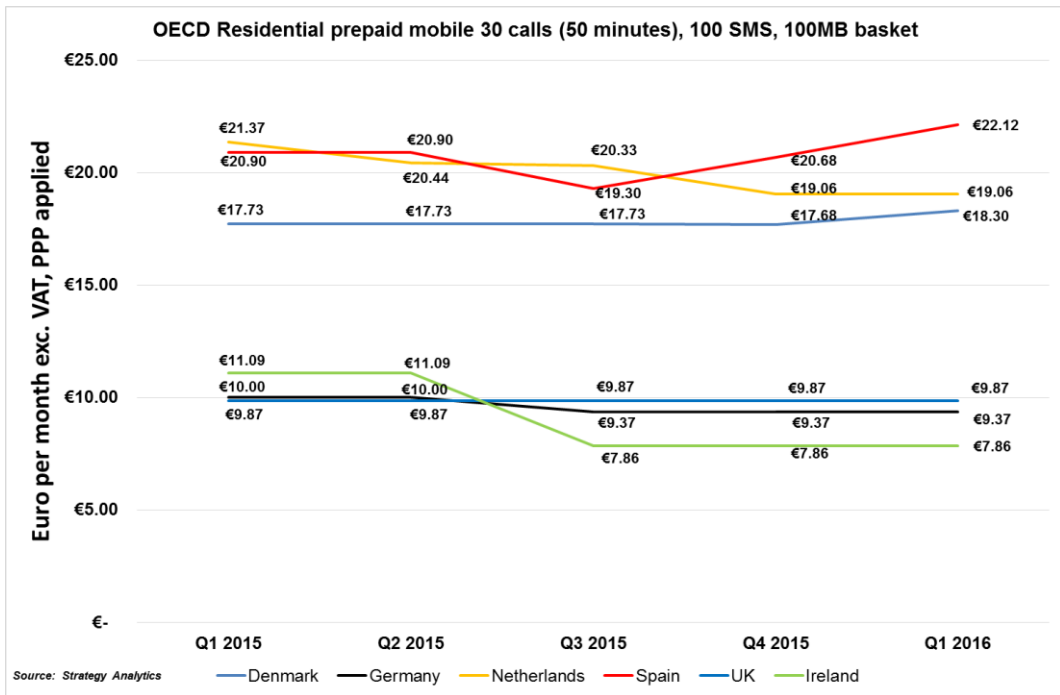
Figure 4.9.2 illustrates Ireland’s ranking alongside five other Western European countries. Ireland ranks in first place with an average price of €7.86¹¹¹ for this particular basket. The average price in Ireland is 46% cheaper than the average price¹¹² for all of the countries included in the analysis. It should be noted that Ireland’s average price in Q3 2015 was affected by the inclusion of tariffs advertised by 48 and iD Mobile. These tariffs were not included in the analysis in previous periods.

¹¹⁰ Fixed element of the price refers to the pre-paid tariffs that require mandatory top-ups.

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

¹¹² 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 jointly offer the cheapest tariffs for this particular basket at €20.00 followed by Tesco (€20.90).

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

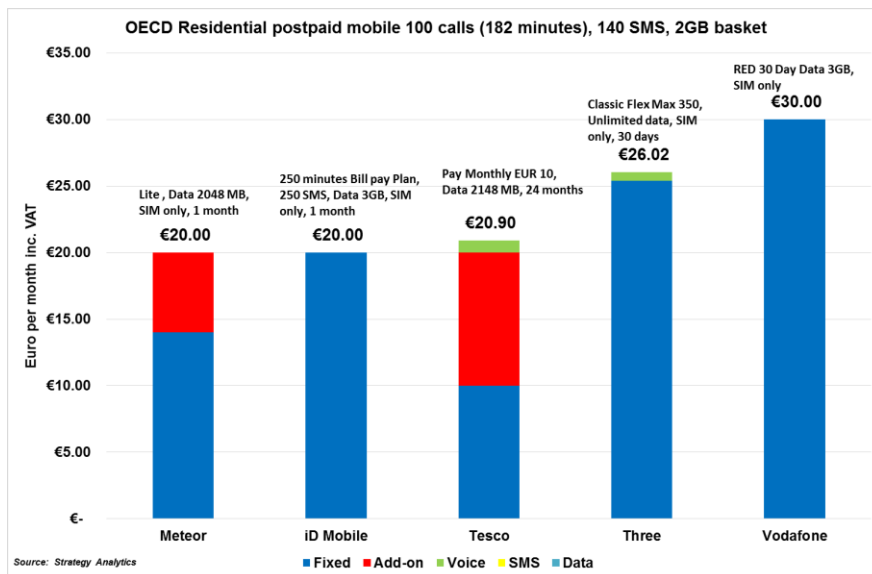
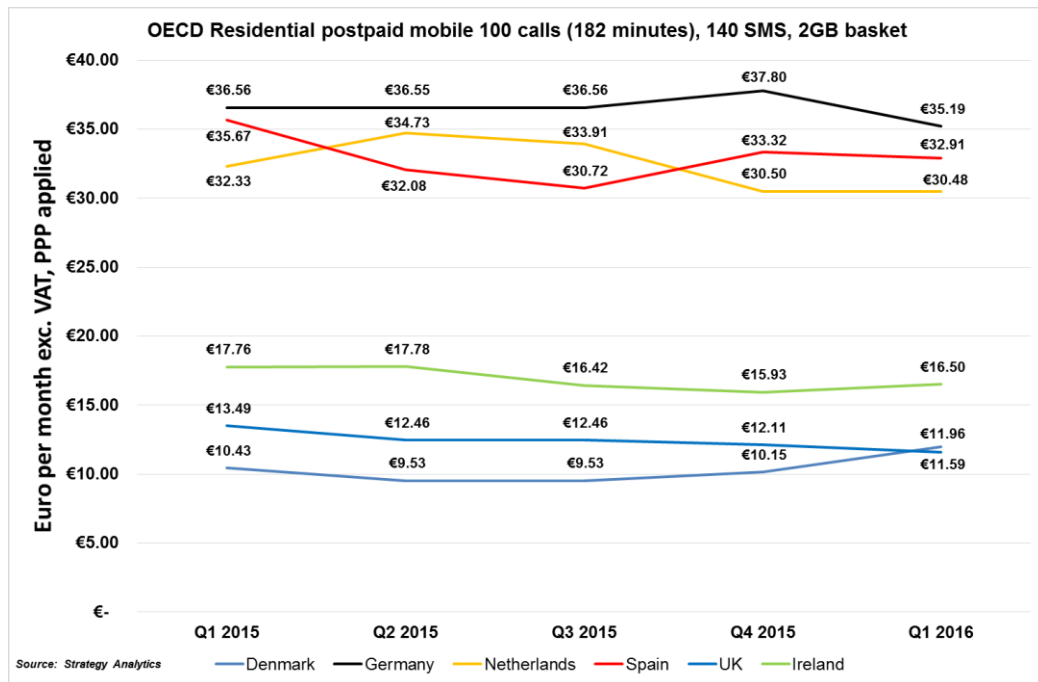


Figure 4.9.4 shows that Ireland (€16.50¹¹³), in an international comparison context, ranks in third place. The average price in Ireland is 29% cheaper than the average price¹¹⁴ for all of the countries included in the analysis. (It should be noted that Ireland’s average price in Q3 2015 was affected 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 providers¹¹⁵ 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 €20.00, followed by Vodafone (€40.00) and Three (€45.00).

¹¹³ As noted previously, average prices used for international comparisons exclude VAT charges.

¹¹⁴ The average of prices presented in Figure 4.9.4.

¹¹⁵ 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)

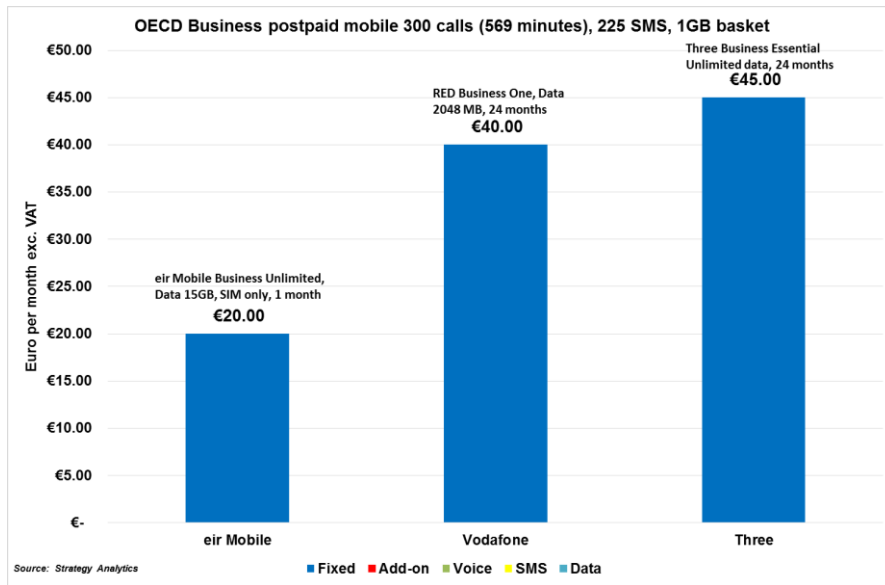
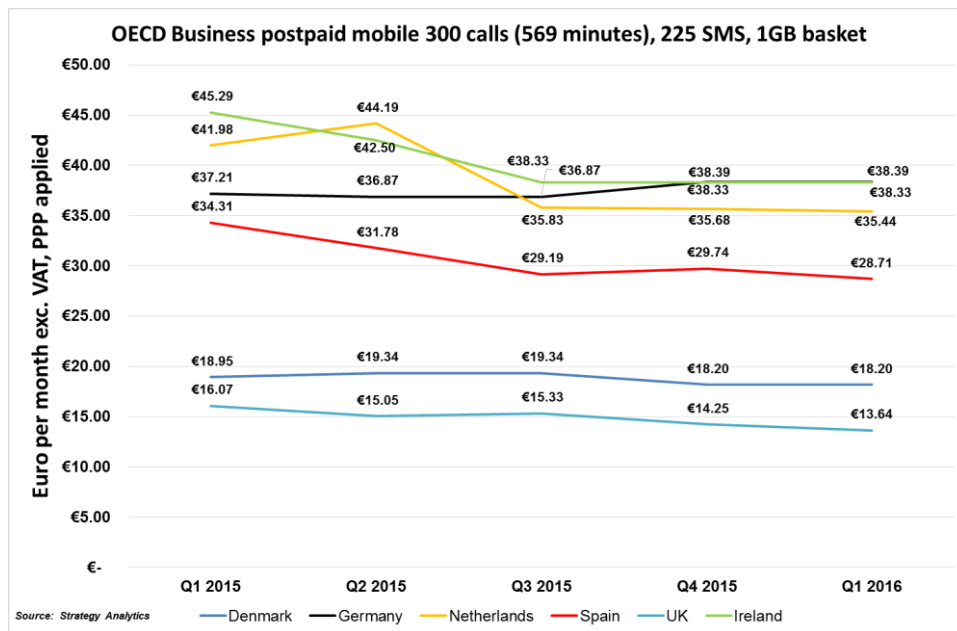


Figure 4.9.6 illustrates Ireland’s ranking alongside five other Western European countries. Ireland ranks in sixth place with an average price of €38.33¹¹⁶ for this particular basket. The average price in Ireland is 33% more expensive than the average price¹¹⁷ for all of the countries included in the 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)



¹¹⁶ As noted previously, average prices used for international comparisons exclude VAT charges.

¹¹⁷ 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.¹¹⁸ The survey indicated that there were 1,569,000 TV homes in Ireland in January 2016. Figure 5.1.1 shows the estimated number of TV homes by reception type in January 2014 and January 2016 on the basis of the reception method through which the highest number of TV channels is received. Irish terrestrial DTT only homes represented 11.9% of all TV homes (although 43% of TV homes receive Irish DTT) as of January 2016. Cable/satellite platforms represented the remaining 88.1% of all TV homes in Ireland.¹¹⁹

Figure 5.1.1 – TV Homes by Reception Type¹²⁰

Reception	Jan 2016 (000s)	Jan 2015 (000s)	Jan 2016 as % of Total TV Homes	% Change Jan '15 – Jan '16
Irish Terrestrial	186	164	11.9%	+13.4%
Multi Total	1,383	1,419	88.1%	-2.5%
Analogue Cable/Sat	21	22	1.3%	+4.5%
Digital Cable/Sat	1,362	1,397	86.8%	-2.5%
Total Cable/Sat	1,383	1,419	88.1%	-2.5%
Total TV Homes	1,569	1,583	N/A	-0.9%
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 refers to 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.				

¹¹⁸ 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.

¹¹⁹ 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 294,000 of those reported above as digital cable/sat and total cable/sat are UK DTT/FTA satellite.

¹²⁰ Source: Nielsen TV Audience Measurement Establishment Survey on behalf of TAM Ireland.

Figure 5.1.2 shows TV homes by reception method¹²¹ from January 2014 to January 2016. 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.¹²² Television homes that subscribe to other satellite services beside Sky represented 14% of TV homes in January 2016. Reception by IPTV method is relatively low (2% of TV homes). Approximately 43% of TV homes have Irish DTT.

Figure 5.1.2 – TV Homes by Reception Method¹²³

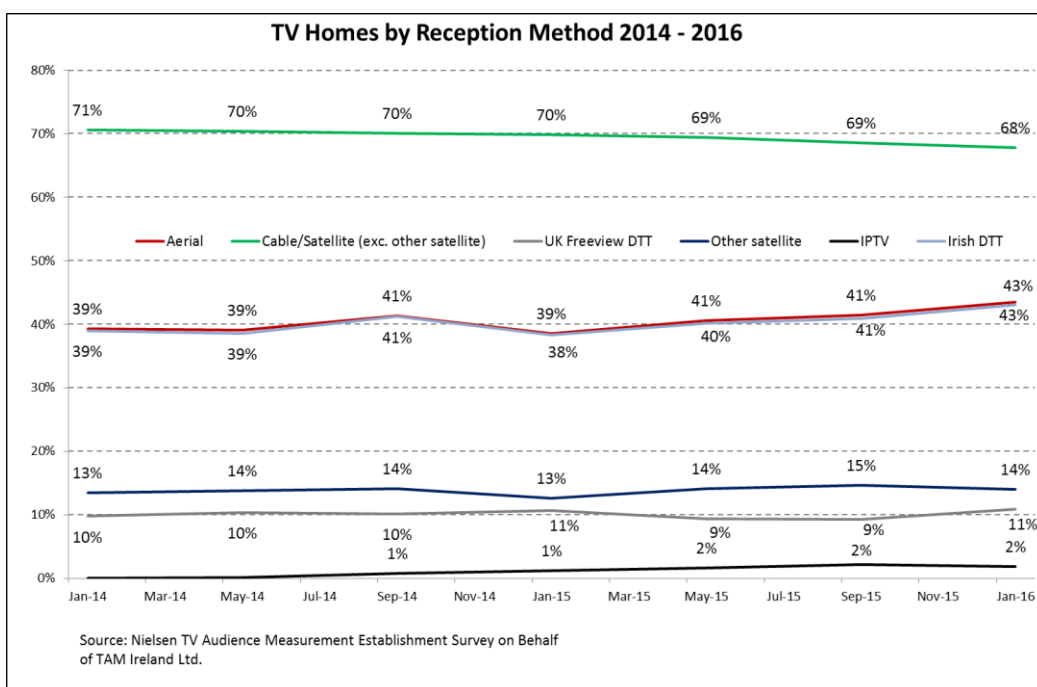


Figure 5.1.3 shows that, the total number of TV homes in January 2016 has decreased by 0.6% since September 2015. Digital TV homes represent 98.7% of all TV homes compared to 75.5% in January 2012.

¹²¹ 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%.

¹²² 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)).

¹²³ 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 2011 –2016

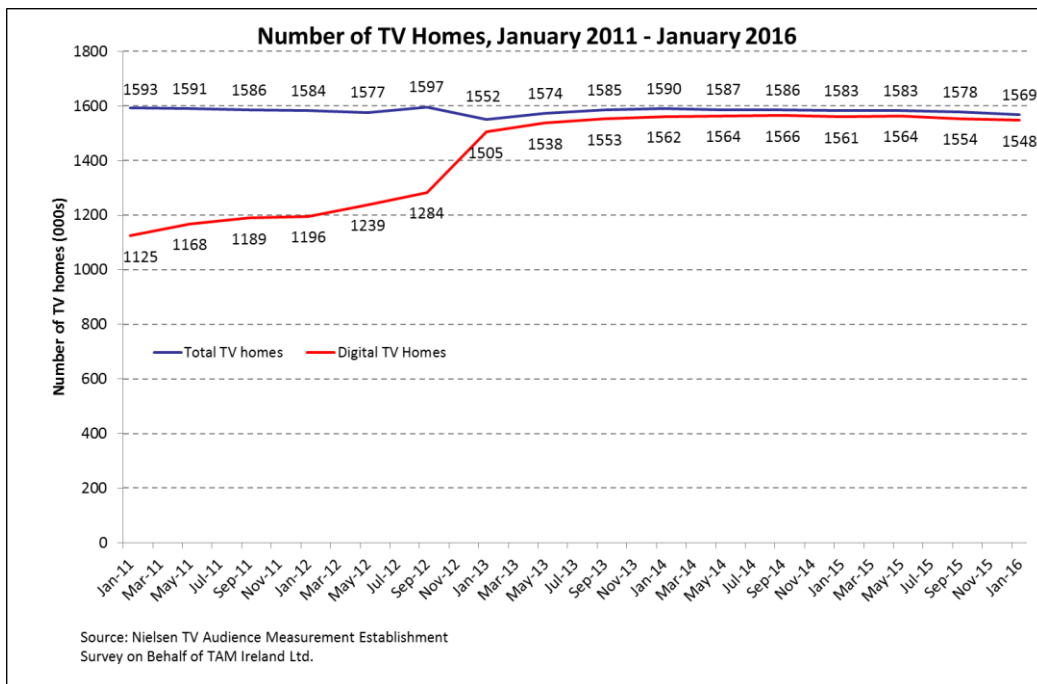


Figure 5.1.4 shows TV homes by broadband ¹²⁴ access, game console and PVR ¹²⁵ ownership between January 2013 and January 2016. Broadband access was present in circa 74% of homes with a television in January 2016. The number of homes with games consoles has decreased over the last three years from 34% to 31%. PVR ownership was 59% in January 2016; up from 52% in January 2013.

¹²⁴ Both fixed and mobile broadband.

¹²⁵ 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

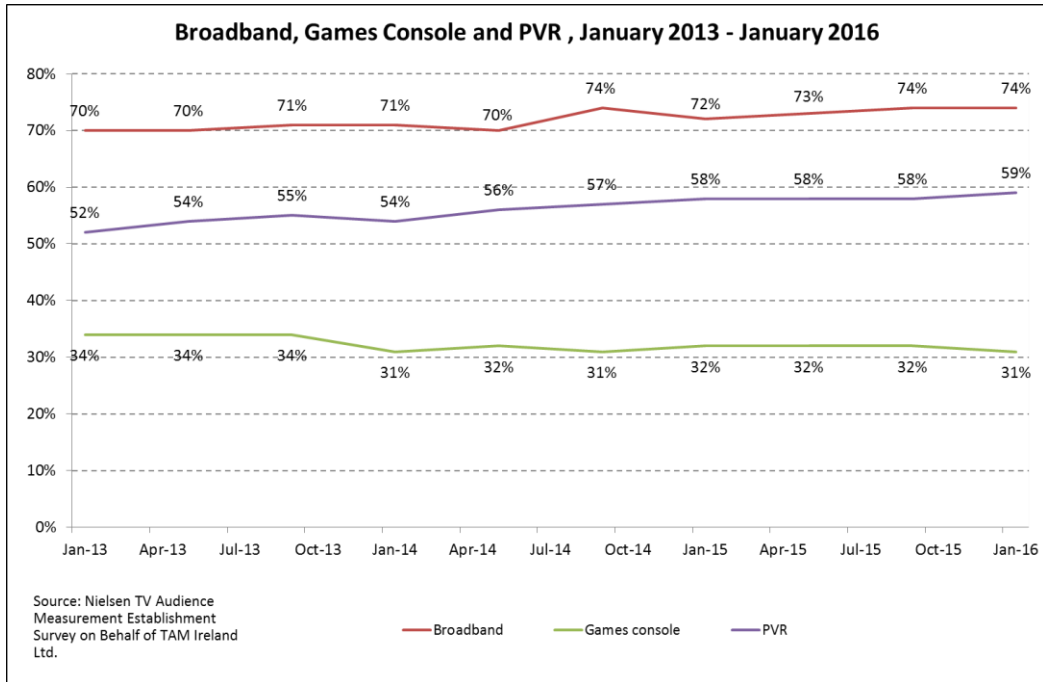
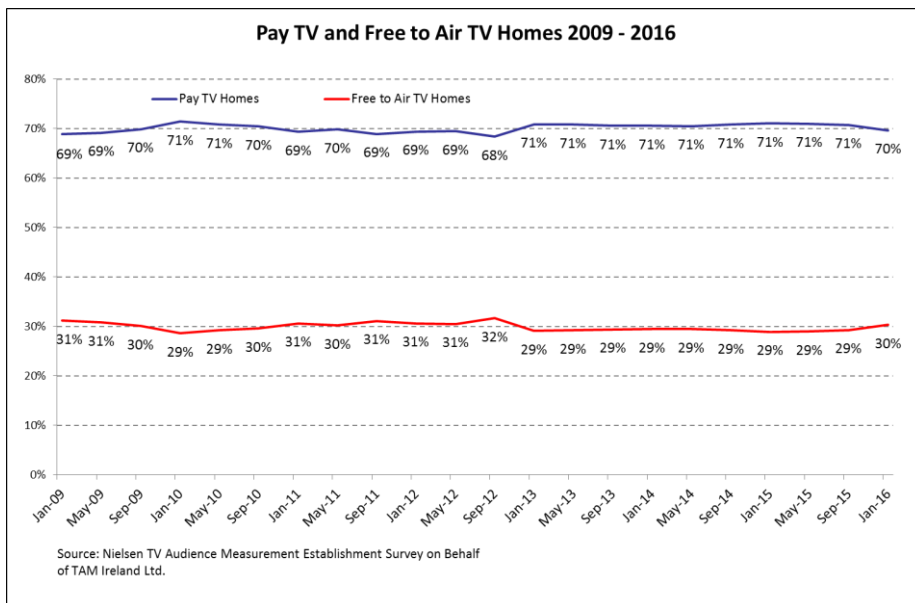


Figure 5.1.5 shows the level of household penetration of pay TV services and free to air TV services in Ireland based on reception method. This chart has been derived by ComReg using Nielsen data and is not a classification used by Nielsen or a classification used as part of the survey itself. Homes with a pay TV (cable, satellite and IPTV homes)¹²⁶ service have generally been stable since January 2014 at 71% average of all TV homes.

Figure 5.1.5 – Pay TV vs Free to Air TV Homes, 2009 - 2016



¹²⁶ 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 Behaviour & Attitudes Ltd. The fieldwork on ComReg's behalf was carried out on 29th March – 7th April, 2016. 1,006 respondents¹²⁷ were asked the following question:

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

Respondents who stated that Sky provides more than one service (174 respondents) were then asked the following question:

- You mentioned that Sky provides your (previous answer). Do you receive one bill for these services (if 2 services mentioned) receive one bill for at least two of this services (if 3 services mentioned)?

The respondents who gave a positive answer to the second question (139 respondents) are categorized as bundle subscribers.

Survey results showed that 76.2% of Sky Ireland's subscribers were subscribing to one service, 9.9% to two services and 13.9% to three services.

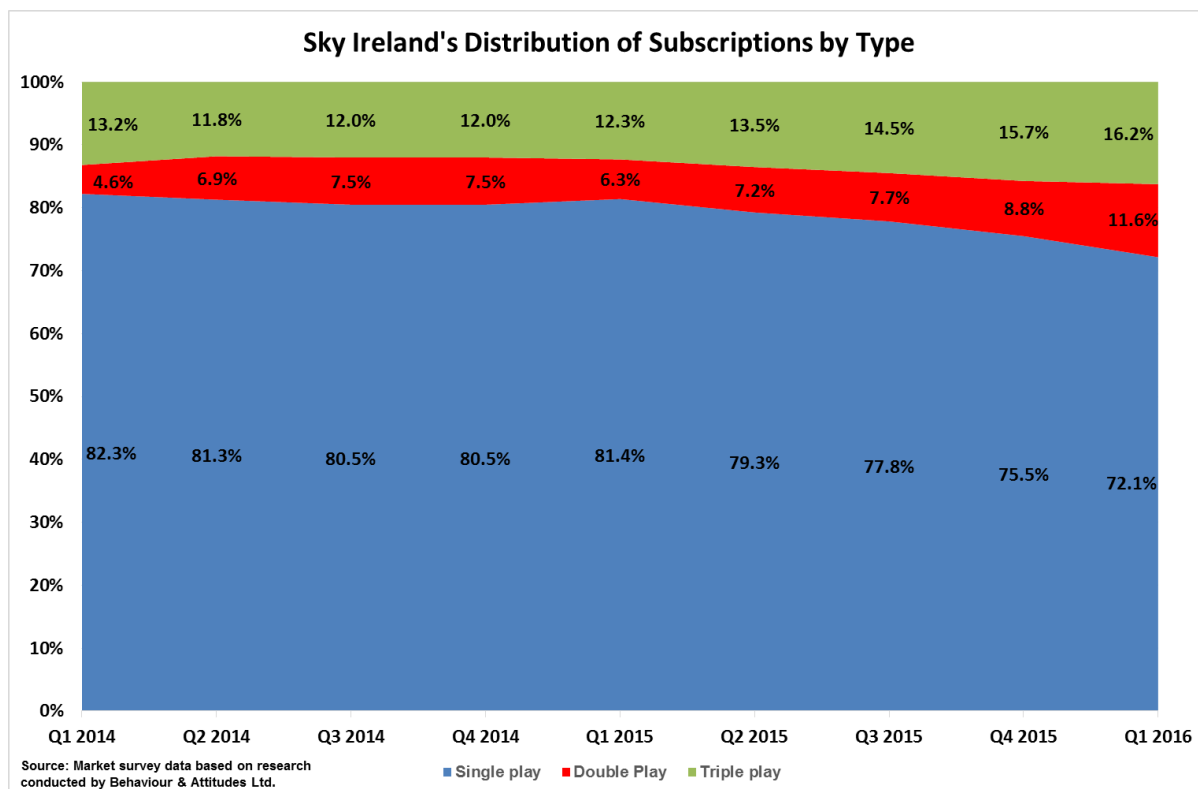
Table A1: Sky Ireland's distribution of subscriptions by type

Subscription type (n=584)	Number of Sky's subscriptions	% share of total Sky's subscriptions
TV	371	63.5%
Broadband	51	8.7%
Fixed Voice	23	3.9%
TV and Fixed Voice	4	0.7%
TV and Broadband	51	8.7%
Fixed Voice and Broadband	3	0.5%
TV, Fixed Voice and Broadband	81	13.9%

¹²⁷ The sample is nationally representative.

Figure A2 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 27.9% of all Sky Ireland’s subscriptions compared to 17.8% in Q1 2014.

Figure A2: Sky Ireland’s distribution of subscriptions by type, Q1 2014 – Q1 2016



The following table lists Respondents who submitted data which was used to produce the Q1 2016 Quarterly Key Data 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 Technology Services Ltd.
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
Europasat Satellite (Ireland) 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
PermaNet
Postmobile
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