Commission for
Communications Regulation

Irish Communications Market

Quarterly Key Data Report

Data as of Q1 2010

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Corrigendum for the December 2009, Quarterly Key Data Report, ComReg Doc 10/19

- Q4 2009 fixed line revenues have been revised upwards by approximately €1.374 million.
- Q4 2009 WiFi minutes of use have been revised upwards by over 2.45 million in light of a re-submission. Total WiFi minutes therefore, were over 22.78 million for Q4 2009 as opposed to over 20.32 million stated in last quarter's report.
- The title of figure 3.3.7 in last quarters report stated 'Market Share of Total Broadband Market'. This was incorrect and should have stated 'Market Share of Fixed broadband Market'.

Summary

Although internet and mobile subscriptions increased this quarter, communications revenues declined despite a slight increase in voice traffic. This suggests that the economic downturn is, in part, continuing to impact on the electronic communications sector. Presented below is a tabular summary of this report.

Irish Quarterly Communications Market Data Q1 2010				
	Q1'10	Q4'09	Quarterly Change	Annual change
Total Market Revenues	€948,899,784	€974,878,529	-2.7%	-9.9%
Fixed Line Revenues	€489,242,108	€492,539,894	-0.7%	-7.6%
Mobile Revenues	€412,349,304	€434,726,132	-5.1%	-13.4%
Broadcasting Revenues	€47,308,372	€47,612,503	-0.6%	-0.4%
Total Voice Traffic (Minutes)	4,598,252,300	4,584,077,424	+0.3%	-0.6%
Fixed Voice Traffic (Minutes)	1,973,433,356	1,966,305,490	+0.4%	-7.2%
Mobile Voice Traffic (Minutes)	2,624,818,944	2,617,771,934	+0.3%	+5.0%
Internet Subscriptions	1,615,032	1,571,039	+2.8%	+10.2%
Broadband Subscriptions	1,509,934	1,443,350	+4.6%	+19.3%
Narrowband Subscriptions	105,098	127,689	-17.7%	-47.6%
Mobile Subscriptions (inc. HSDPA)	5,348,286	5,302,345	+0.9%	+1.4%

- Overall electronic communications network and service revenues at the end of March 2010 were just under €949 million for the quarter. Industry revenues decreased by 2.7% this quarter, the seventh consecutive quarter in which overall revenues have declined.

- Total voice traffic minutes increased by 0.3% this quarter to just under 4.6 billion minutes. Mobile minutes form the majority of voice minutes at 57.1%, with fixed minutes representing the remaining 42.9%.

- This quarter, total internet subscriptions increased by 2.8% to reach 1,615,032.

- Reductions in narrowband internet subscriptions continued this quarter, declining by 17.7% and 47.6% since Q1'09. There are now a total of 105,098 narrowband subscriptions in Ireland as consumers continue to migrate to broadband and away from slower dial-up technologies.

- Broadband subscriptions (fixed and mobile) continued to increase, to reach a total of 1,509,934. This is a 4.6% increase on Q4'09. The fixed broadband penetration rate reached 22.4% in Q1'10. The broadband per capita penetration rate (including mobile broadband) in Q1 2010 was 33.9%.

- Mobile broadband subscriptions (512,381) have been the biggest net broadband contributor since Q1'08, increasing by 9.7% in Q1'10 while fixed broadband subscriptions increased by 2.2% this quarter to 997,553.

- Mobile per capita penetration (including mobile broadband) was 119.9% in Q1 2010. Excluding mobile broadband subscriptions, the penetration rate was 108.4%.

- Mobile revenues decreased by 5.1% this quarter to just over €412.3 million.

- Mobile infrastructure sharing is discussed in the Emerging Trends section of this report.

Notes to data:

- Aggregated SB-WLR Performance Statistics, as supplied by Eircom, are published in accordance with ComReg Decision Notice (07/61) Section 6.6 (vii) in the appendix.

- In this report Irish population estimates from the Central Statistics Office (CSO) of 4,459,300 for April 2009 are used for the period Q1 2010. Population data is used to calculate per capita mobile and broadband penetration in Ireland. A household number of 1,599,500 million (as of Q4 2008) from the CSO is also used. This household data is based on estimates from the Quarterly National Household Survey (QNHS). ComReg intends to revise the household figure on an annual basis using data from the QNHS. Household data is used to calculate household TV penetration in Ireland.

- A number of external sources are used for international comparisons. These include the Yankee Group, Central Statistics Office, EU Commission, Informa Telecoms and Media, and Teligen.

- In most cases data has been rounded to one decimal place in this report.

- Not all charts in this report sum exactly to 100% due to rounding.

- Q3 2009 submissions for Icarus, ICE Broadband, and Rainbow Telecom, are used in this report. Broadworks has not been included this quarter. Therefore, while quarter on quarter comparisons are made in the report, definitive conclusions with regard to trends cannot be drawn 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 10/43a.

- 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 corrigenda above.

1. Overall Market Data

Data presented in this report is based on questionnaires completed by authorised operators for the period from 1st January 2010 to 31th March 2010. The report is based on submissions from 60 active operators[1].

1.1 Number of Authorisations

Figure 1.1.1 - Total Number of Authorisations

Total Authorisations	June 2010
No. of fixed and wireless authorisations	364
No. of mobile telephony authorisations	7
No. of broadcasting authorisations (incl. Cable TV, MMDS, Deflectors)	87
Total Number	458

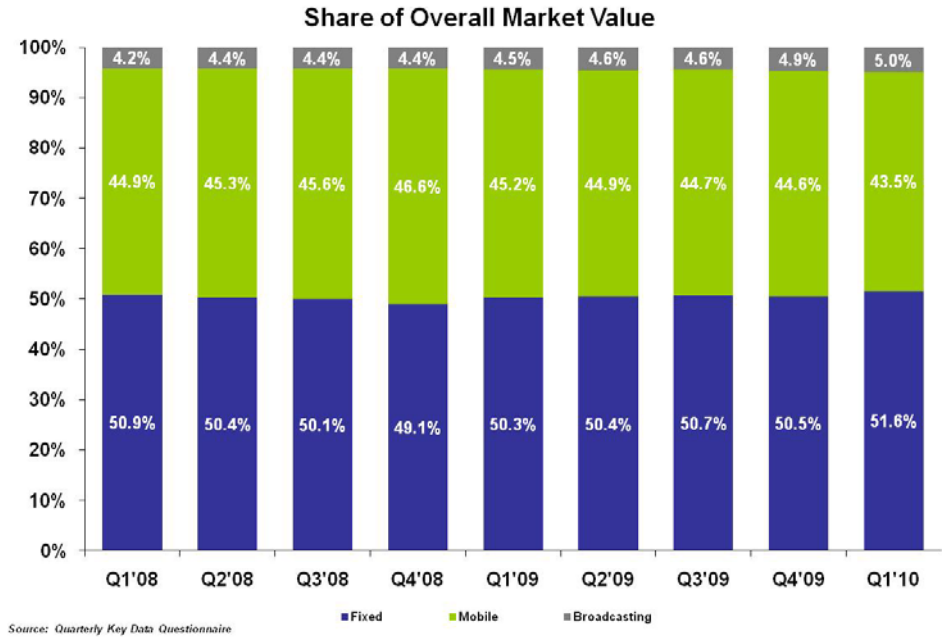
Before providing networks or services to third parties, operators are required to submit a notification to ComReg which is added to a central register of authorised operators. At the date of publication there were 458 authorised undertakings in Ireland. It should be noted that the list above refers to the number of general authorisations granted by ComReg under the European Framework for Authorisations, and does not necessarily reflect the total number of commercially active organisations or entities currently operating in the market. The total includes a number of undertakings who are authorised to use licence-exempt spectrum for the provision of services.

1 ComReg uses a revenue threshold to determine which operators are to be included in this report. Q3 submissions for Icarus, ICE Broadband, and Rainbow Telecom, were used this quarter.

1.2 Overall Electronic Communications Revenues[2]

Data presented in Figure 1.2.1 examines the proportion of industry revenue attributable to the provision of fixed line, mobile and cable broadcasting services.

Figure 1.2.1 – Fixed, Mobile & Broadcasting as a % of Total Revenues



The European Commission's 15th Progress Report on the Single European Electronic Communications Market shows that total EU communications revenues in 2008 were €351 billion. Ireland's communications sector revenues represented approximately 1.3% of this total in 2008. Overall electronic communications network and service revenues at the end of March 2010 were just under €949 million for the quarter. Industry revenues continued to decrease this quarter (by 2.7%), the seventh consecutive quarter in which overall revenues have declined. Since Q1 2009 industry revenues, as reported to ComReg, have fallen by 9.9%. Total annual revenues for April 2009 to March 2010 were approximately €3.93 billion.

All categories i.e. fixed, mobile and broadcasting sectors, experienced a decline in revenues this quarter. Fixed revenues decreased by 0.7%, mobile revenues fell by 5.1%, and broadcasting revenues declined by 0.6%. It should be noted that broadcasting revenues are understated in this report, as Sky Ireland's satellite TV revenues are not included in the analysis. In addition broadcasting revenue data as collected by ComReg does not capture the full range of revenues received by

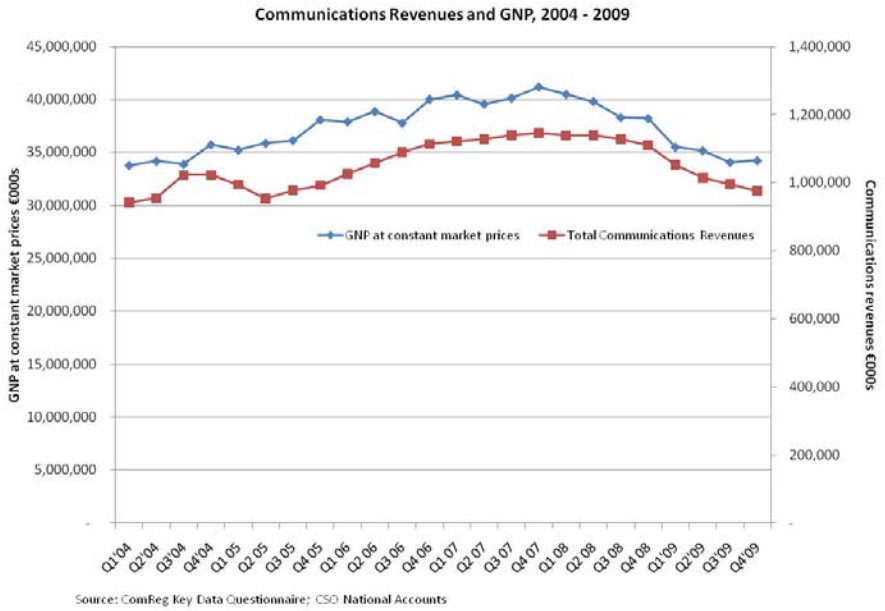
2 For further detail on terms and definitions see ComReg Document Number 10/43a Explanatory Memorandum to the Quarterly Key Data Report.

broadcasting entities as ComReg does not regulate the entire broadcasting industry, and content in particular.

Fixed line revenues accounted for 51.6% of total revenues, an increase in market share since the last quarter. The mobile industry's share of total revenues (43.5%) fell this quarter, while broadcasting revenue's market share increased to 5%.

Figure 1.2.2 shows that over the last 6 years, changes in communications revenues have generally mirrored economic output. As the recession has deepened over the last year, both Gross National Product (GNP) and communications revenues have declined. Communications revenues accounted for approximately 3% of GNP in Q4 2009, and this percentage share has remained relatively unchanged over the reported periods.

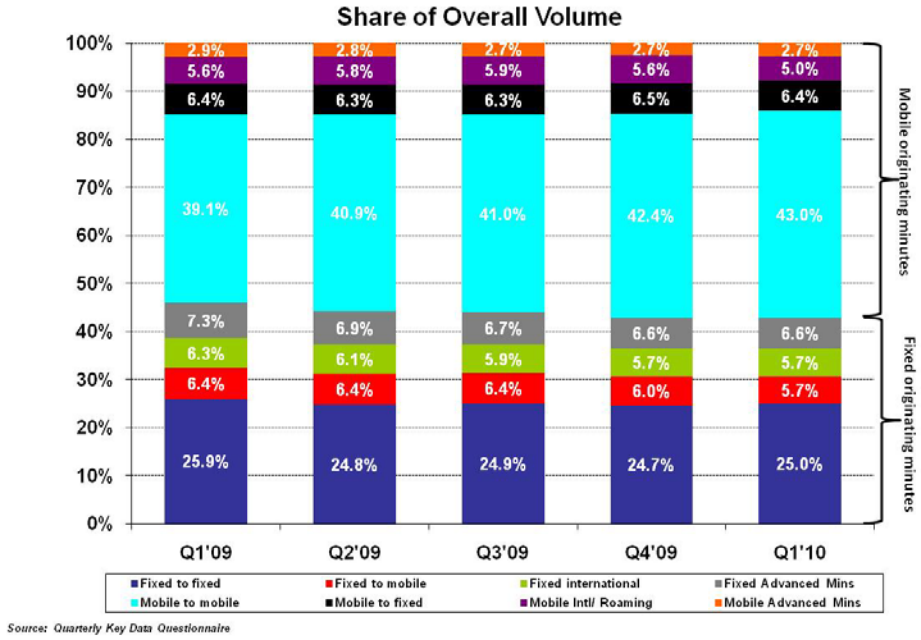
Figure 1.2.2– Communications Revenues and GNP



Source: ComReg Key Data Questionnaire; CSO National Accounts

1.3 Overall Call Volumes

Figure 1.3.1 - Share of Total Voice Call Volumes (Minutes)[3]



Source: Quarterly Key Data Questionnaire

Figure 1.3.1 profiles volumes of originating voice calls by call type on both fixed and mobile networks on a quarterly basis. Voice minutes for Q1 2010 totalled under 4.6 billion minutes. Total voice minutes increased by 0.3% on the previous quarter when volumes were just over 4.58 billion minutes. Mobile originating voice minutes accounted for 57.1% of all voice minutes while traffic originating on a fixed line network accounted for 42.9% of all voice minutes. Figure 1.3.2 shows the total voice traffic in Ireland at the end of Q1 2010.

Figure 1.3.2 – Total Voice Traffic

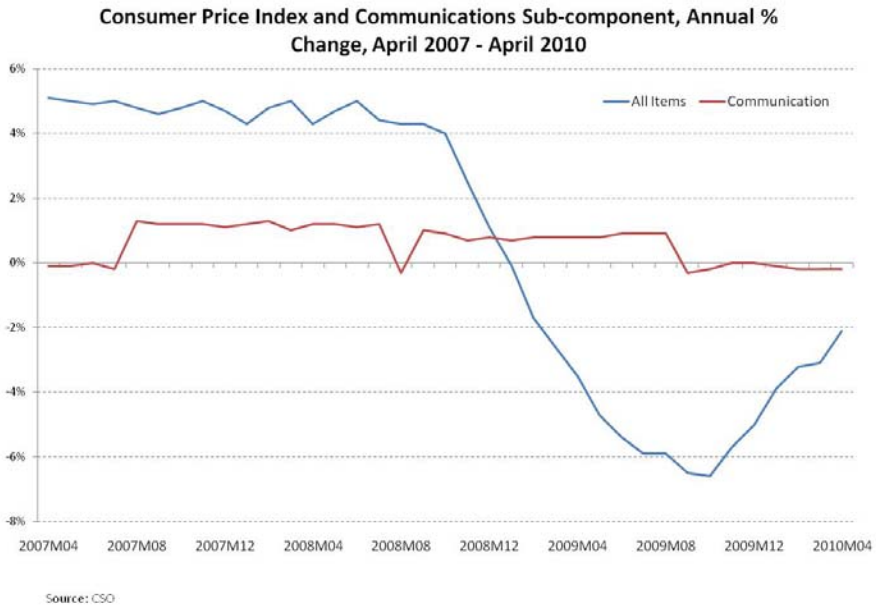
	Q1'10 Mins	Q4'09 – Q1'10 Growth	Q1'09 – Q1'10 Growth
Fixed voice minutes	**1,973,433,356**	**+0.4%**	**-7.2%**
Mobile voice minutes	**2,624,818,944**	**+0.3%**	**+5.0%**
Total voice minutes	**4,598,252,300**	**+0.3%**	**-0.6%**

3 Fixed advanced minutes include premium rate services minutes, freephone minutes, VoB 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.

1.4 Communications and the Consumer Price Index

Figure 1.4.1 shows the annual percentage change in the Consumer Price Index (CPI) and the communications sub-component since April 2007. The CSO weights communications as 3.34% of the total CPI. The percentage change in the cost of the communications basket of goods has generally been stable over the reported period in contrast to the overall consumer price index. As the recession worsened, overall prices fell more quickly than communications prices. However, in the last number of months overall prices have been rising while communications costs have been relatively flat.

Figure 1.4.1 – Consumer Price Index and Communications Sub-Component



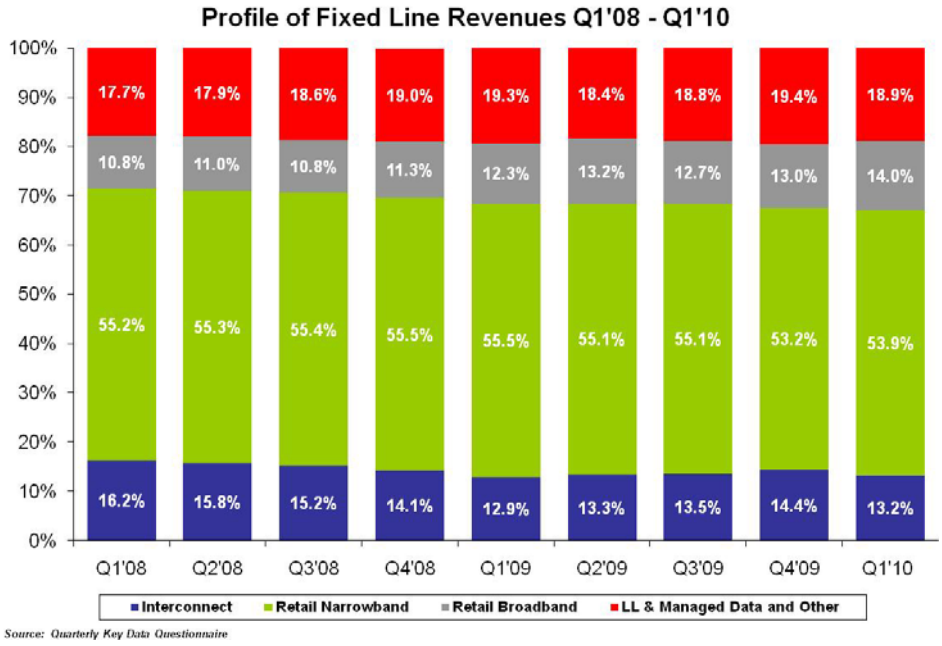
2. Fixed Market Data

2.1 Total Fixed Line Revenues

Figure 2.1.1 shows the profile of fixed line wholesale and retail revenues in Q1 2010. Total fixed line revenues at the end of March 2010 were just under €490 million. This is a 7.6% decrease on Q1 2009 revenues, which were just over €529 million. While interconnect (down 8.5%), and leased lines, managed data and other advanced data services (down 3.6%) revenues declined this quarter, revenues from fixed retail narrowband (up 0.7%) and broadband services have increased (up 6.6%).

This quarter the proportion of fixed line revenues attributable to leased lines, managed data and other advanced data services decreased by 0.5 percentage points and interconnect revenues share fell by 1.2 percentage points. The proportion of retail narrowband and broadband revenues rose by 0.7 and 1.0 percentage points respectively.

Figure 2.1.1 – Profile of Fixed Line Revenues



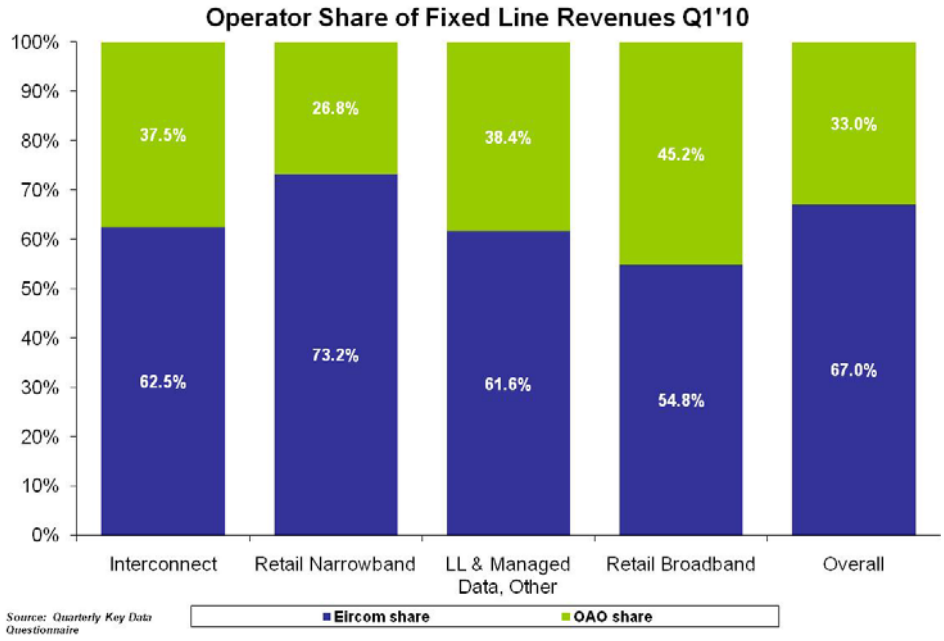
Source: Quarterly Key Data Questionnaire

2.1.1 Authorised Operators' Share of Overall Fixed Line Revenues

Figure 2.1.1.1, below, shows the market shares of the incumbent and other authorised operators (OAOs) in each of the fixed line service categories mentioned in figure 2.1.1. Market shares are grouped within a number of revenue categories to link related services and are based on both retail and wholesale revenues; this classification does not reflect the specific markets identified in ComReg's Market Analysis process.

This quarter Eircom made gains relative to OAOs in its market share of interconnect, and leased line, managed services and other revenues. Eircom lost some market share to OAOs in retail narrowband and broadband revenues. In absolute terms both OAOs and Eircom experienced a fall in total fixed line revenues this quarter. However, as Eircom revenues fell by more than the fall in OAO's revenues, Eircom's market share of total fixed line revenues decreased by approximately 0.5 percenatge points to 67%.

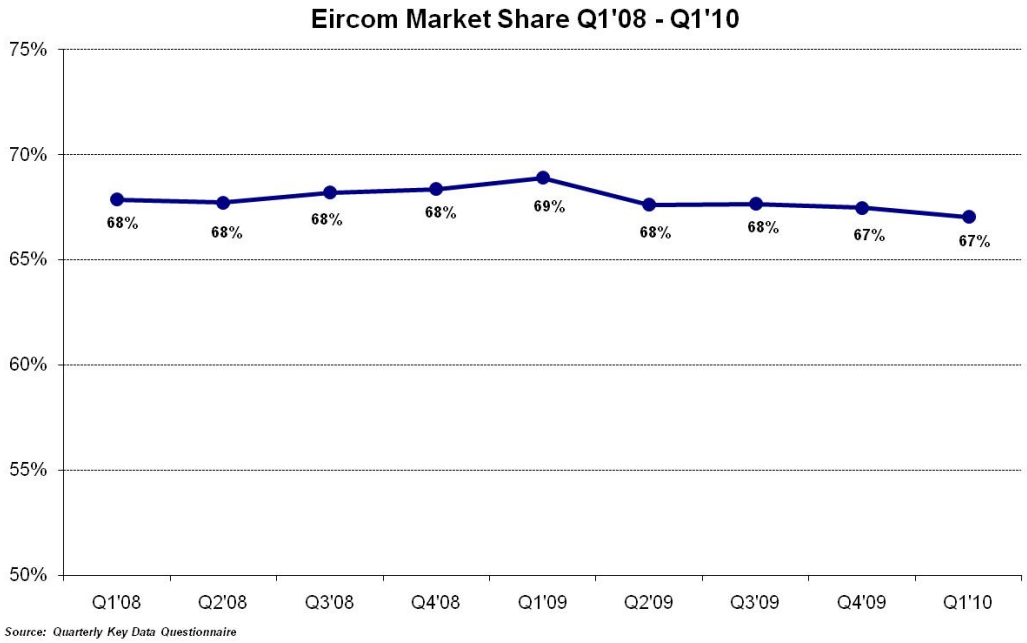
Figure 2.1.1.1 – Operator Share of Fixed Line Revenues[4]



4 Eircom's retail broadband share includes DSL, FWA and Satellite revenues.

Eircom's overall share of fixed line market revenue has decreased this quarter to 67%, its lowest over the last two years. Figure 2.1.1.2, below, shows Eircom's market share on a quarterly basis from Q1 2008 to Q1 2010.

Figure 2.1.1.2 – Eircom's Market Share



Source: Quarterly Key Data Questionnaire

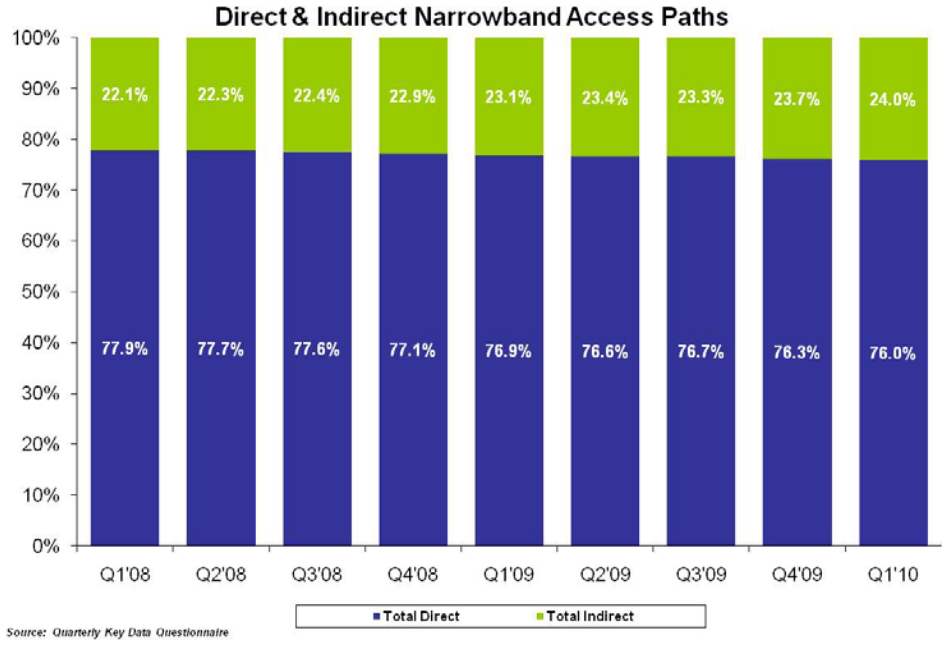
2.2 Fixed Line Access Paths

2.2.1 Access Paths

Figure 2.2.1.1 presents the total number of narrowband copper fixed access paths (PSTN and ISDN) broken out by direct and indirect access[5]. These paths are usually used for voice services and dial up internet access. There were just over 1.92 million direct and indirect PSTN and ISDN access paths in the Irish market in Q1 2010. This represents a decline of 5.2% since Q1 2009 and 1.2% in this quarter. This can be explained by a reduction in demand for fixed lines due to a number of reasons such as an increase in the number of business failures and exits, and the slowdown in construction among other factors.

In Q1 2010, indirect access accounted for 24% of all access paths in the fixed market, up marginally from the previous quarter.[6] While this chart shows the number of narrowband only access paths in Ireland, voice and data can also be supplied by other means such as broadband. Details on the broadband market in Ireland can be found in chapter 3 of this report.

Figure 2.2.1.1 – Direct & Indirect Narrowband Fixed Access Paths



5 Indirect access paths relate to telephone lines provided to customers by means of carrier pre-select only or wholesale line rental. Carrier pre-select allows the user to receive all or a portion of calls from one provider and line rental from another provider (usually Eircom). Wholesale line rental (also known as single billing) allows the user to receive every aspect of telephone service, including all calls and line rental from one single supplier.

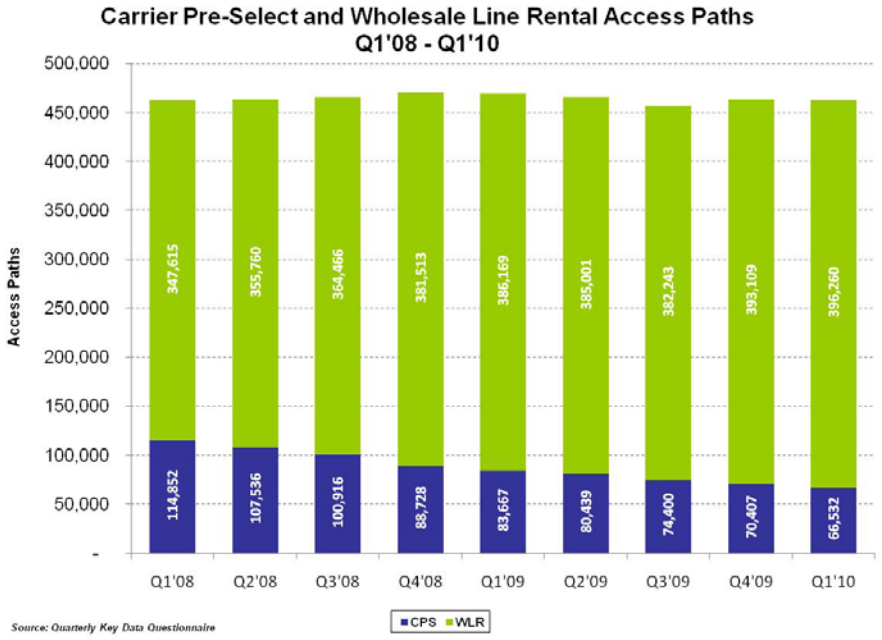
6 Access paths are not synonymous with access lines as for example in the case of ISDN paths, there may be more than 1 path provided via a single ISDN line.

2.2.2 Indirect Access Paths

Figure 2.2.2.1 illustrates the overall number of PSTN and ISDN paths provided by means of either Carrier Pre-Selection (CPS) only or Wholesale Line Rental (WLR). In Q1 2010, there were 462,792 indirect access paths in Ireland. The number of indirect access paths fell by 0.2% this quarter and fell by 1.5% in the year to Q1 2010.

The data indicates that OAOs continue to migrate their customer base to single-bill services, i.e. WLR rather than CPS (i.e. calls only) services to customers. WLR managed by OAOs now accounts for almost 86% of indirect access paths compared to just over 75% in Q1 2008. The share of CPS only indirect access paths has declined by almost 10.5 percentage points in the last two years.

Figure 2.2.2.1 – Narrowband Indirect Access Paths

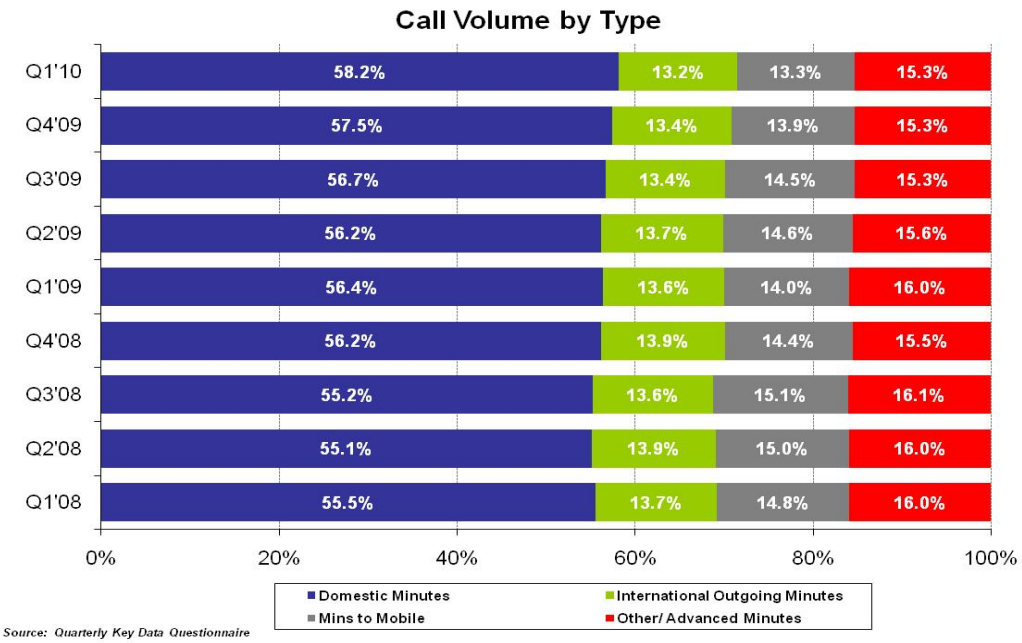


2.3 Fixed Voice Call Volumes

Fixed voice traffic in Q1 2010 was just over 1.97 billion minutes, which was a 0.4% increase since Q4 2009 but a fall of 7.2% since Q1 2009. The volumes of international minutes and minutes to mobiles have fallen this quarter while domestic and other/advanced minutes increased slightly (1.6% and 0.4% respectively). Voice over broadband (VoB) minutes grew by 8% in Q1 2010 and now account for approximately 3.7% of total fixed voice minutes up from 3.4% in Q4'09. There were an estimated 100,000 managed VoB subscriptions in Ireland in Q1 2010 and over 72 million managed VoB minutes, suggesting that VoB is growing in popularity. However the number of VoB subscriptions stated above is likely to underestimate the level of VoB usage in Ireland. VoB subscriptions and minutes quoted in this report represent managed VoB data (for example by Eircom, and Blueface) and do not include unmanaged VoB services by providers such as Skype.

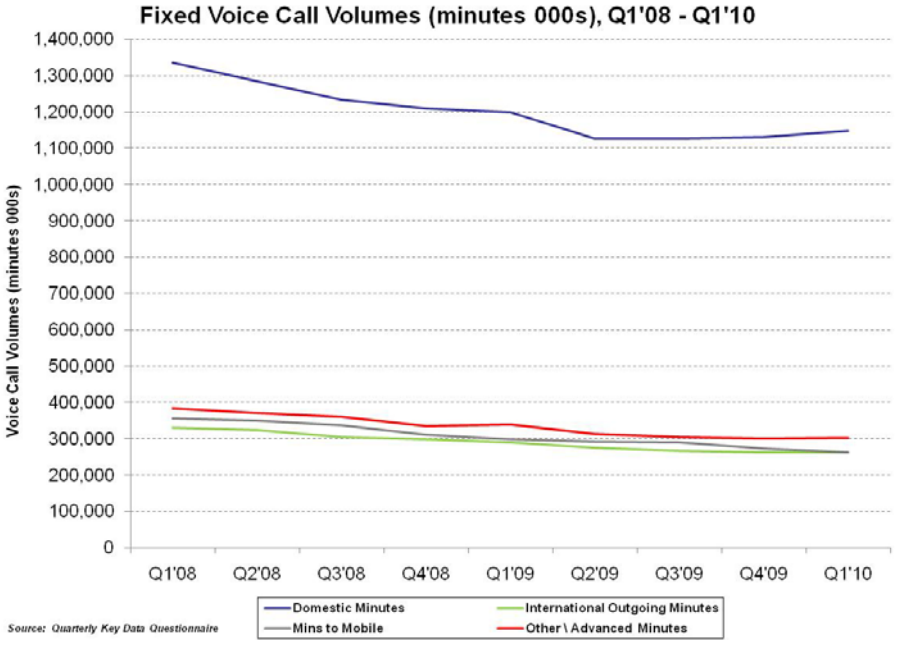
International outgoing minutes fell by 0.4% this quarter and have declined by 9.7% since Q1 2009. Fixed to mobile minutes decreased by 4% this quarter and now represent 13.3% of all fixed voice minutes. Domestic minutes increased by approximately 1.6% in Q1 2010 but are down by 4.2% since the same period last year. Other/advanced minutes (which include VoB minutes and premium rate calls) have increased by 0.4% this quarter but have fallen by 11.2% since Q1 2009. Changes in the volumes and profile of fixed line traffic will continue to be monitored by ComReg for evidence of changes in fixed line usage, such as increased fixed-mobile substitution and voice over broadband substitution. Figures 2.3.1 and 2.3.2 illustrate trends in fixed voice call minutes since Q1 2008.

Figure 2.3.1 – Fixed Voice Call Volume (Minutes)[7]



Source: Quarterly Key Data Questionnaire

Figure 2.3.2 – Fixed Voice Call Volume (Minutes), Q1'08 – Q1'10



Source: Quarterly Key Data Questionnaire

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

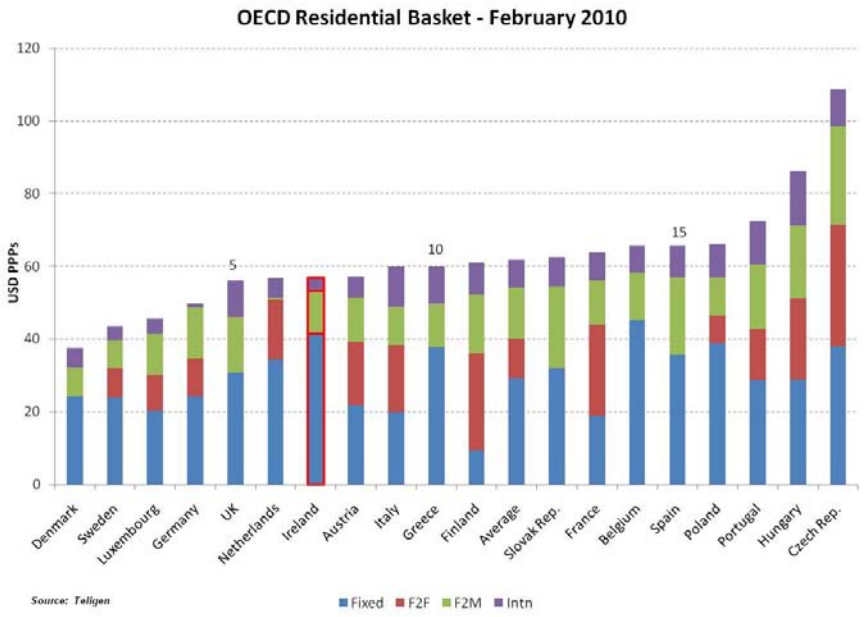
2.4 PSTN Pricing Data

ComReg uses independently-collated Teligen data using an OECD-approved methodology to examine the relative costs of a number of specific baskets of national and international telecoms services for both residential and business users. The data presented includes EU countries for which data is available[8]. Using this methodology, data is presented using USD ($) converted to Purchasing Power Parities (PPPs). The latter provides an indication of the cost of telecoms services in countries analysed in relation to the cost of all other products and services. The basket methodologies are reviewed and revised periodically. The basket methodologies have recently been updated and this is reflected in the baskets reported this quarter. Comparisons with previous baskets are not applicable in light of these changes and therefore, have not been included. For the PSTN baskets, only the incumbent operator is covered. Discounts are incorporated and only tariffs presented as current tariffs on the operator web pages are considered. Nonrecurring charges (installation of a service) are discounted over 5 years and other fixed costs are included such as line rental and any other additional charges. Fixed, mobile and international calls are included in the baskets. For more detailed information please see ComReg's accompanying Memornadum, document 10/43a.

2.4.1 OECD Residential PSTN Basket

Figure 2.4.1.1 illustrates Ireland's ranking, alongside another 18 EU countries, in the residential calls basket, based on a basket of 140 calls per month. This chart is based on a comparison of the cheapest incumbent package available for a specific customer usage profile. In many cases this will be a bundled service which will include both line rental and a "bundle" of call minutes for a fixed monthly charge. It should therefore be noted that the "fixed" element in this basket is not an indication of the cost of basic line rental. In February 2010 Ireland ranked in 7th position, 5 places ahead of the average of the benchmarked countries in terms of the most competitive pricing for this basket.

Figure 2.4.1.1 - OECD Residential Calls Basket – February 2010[9]



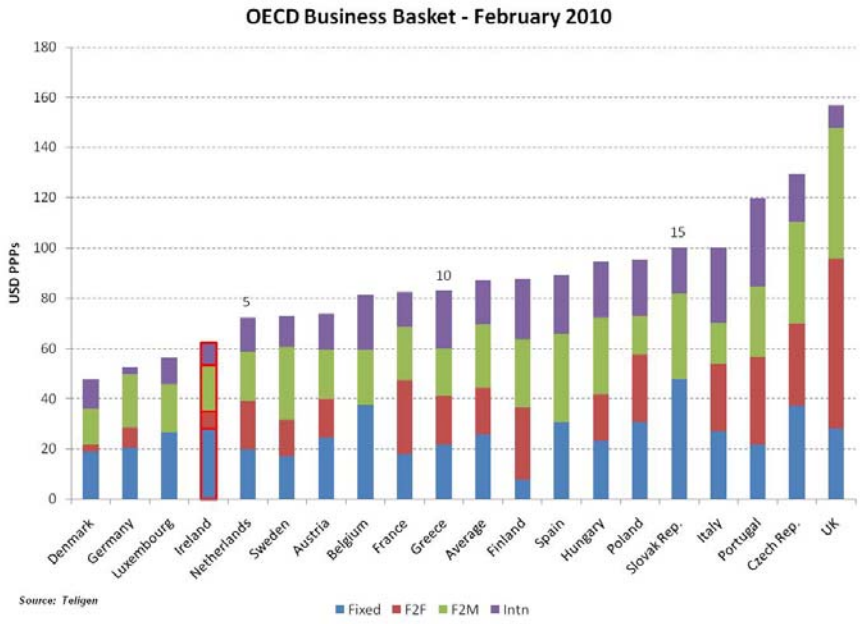
8 This will be determined by whether the EU country is also an OECD member.

9 Residential tariffs include VAT. VAT rates vary between member states.

2.4.2 OECD Business PSTN Basket

As with the residential basket, the chart below is based on a comparison of the cheapest incumbent business package available for a set number of voice calls (260) over a monthly period, and also includes a fixed charge for access as part of a bundled service. It should be noted that the "fixed" element in this basket is not an indication of the cost of basic line rental. Ireland is approximately 28% lower than the average of the 19 countries benchmarked and is in 4th position, 7 places ahead of the group average.

Figure 2.4.2.1 - OECD Business PSTN Basket – February 2010



3. Internet and Broadband

3.1 Total Internet Subscriptions

At the end of March 2010, there were approximately 1.61 million active internet subscriptions in Ireland. This is a 2.8% increase on the previous quarter and a 10.2% increase on March 2009. Narrowband subscriptions have continued to decline. Flat-rate narrowband subscriptions fell by 13.6% this quarter and metered narrowband subscriptions decreased by 18.3%. Narrowband now accounts for just 6.5% of all internet subscriptions in Ireland.

DSL, mobile and cable broadband subscriptions all experienced positive growth again this quarter, though growth rates have slowed when compared to previous quarters. DSL subscriptions increased by 1.4% in Q1 2010 (up 6.6% since March 2009). Cable subscriptions grew by 8.3% in Q1 2010 (up 44.7% since March 2009). Mobile broadband subscriptions increased by 9.7% in Q1 2010 (up 47.2% since March 2009). In absolute terms, there was a net increase of 45,412 mobile broadband subscriptions, 10,252 DSL subscriptions, and 12,545 cable subscriptions. Subscriptions in the "Other Broadband" category declined by 1.5% in Q1 2010, and were down 12.1% since March 2009 driven by declines in FWA, and satellite subscriptions. Figure 3.1.1 shows the total number of narrowband and broadband internet subscriptions in Ireland.

Figure 3.1.1 – Total Number of Active Internet Subscriptions

Subscription Type	Q1'10 Subs	Quarterly Growth Q4'09 – Q1'10	Year-on-Year Growth Q1'09 – Q1'10
Metered Narrowband	90,169	-18.3%	-47.8%
Flat Rate Narrowband	14,929	-13.6%	-46.1%
DSL Broadband[10]	724,268	+1.4%	+6.6%
Mobile Broadband	512,381	+9.7%	+47.2%
Cable Broadband	163,455	+8.3%	+44.7%
Other Broadband[11]	109,830	-1.5%	-12.1%
Total Internet Subscriptions	1,615,032	+2.8%	+10.2%

10 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.

11 Other Broadband includes fixed wireless access, fibre, satellite broadband connections.

Figure 3.1.2 profiles internet subscriptions in Ireland using the classifications of subscription type outlined in Figure 3.1.1. Metered narrowband and flat-rate narrowband's combined market share of all internet subscriptions has fallen by almost 16.1 percentage points between Q1 2008 and Q1 2010 (from 22.6% down to 6.5%).

Broadband subscriptions accounted for 93.5% of all internet subscriptions as of Q1 2010 compared to 77.4% in Q1 2008. Figure 3.1.2 provides a profile for the periods Q1 2008 – Q1 2010. DSL subscriptions alone account for 44.8% of all internet subscriptions. As the rate of growth in DSL subscriptions has slowed over the last two years, its share of internet subscriptions has declined gradually between Q1 2008 and Q1 2010. Mobile broadband subscriptions have grown significantly over the last two years and now account for almost one third of all internet subscriptions.

Figure 3.1.2 – Profile of Active Internet Subscriptions

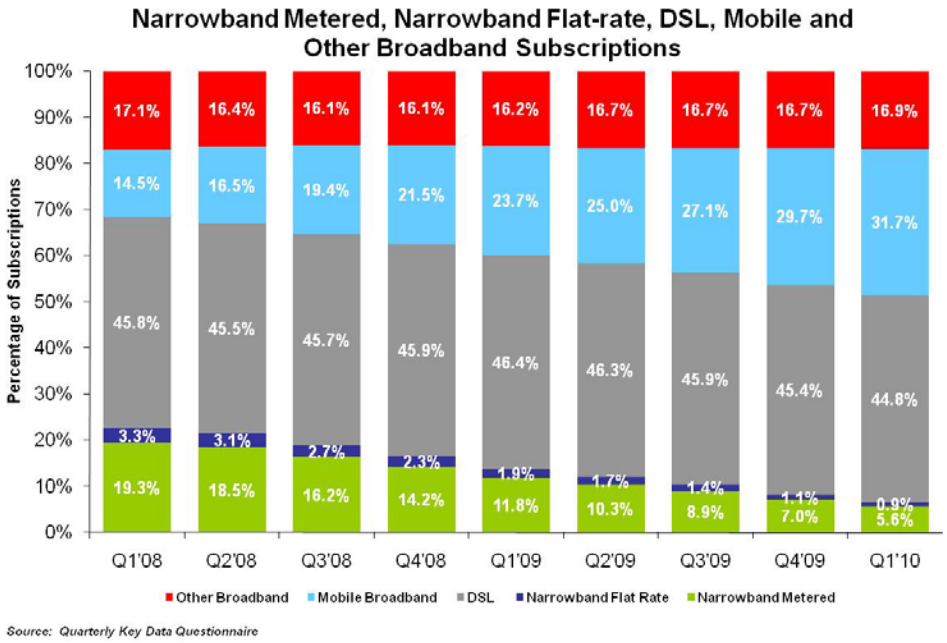
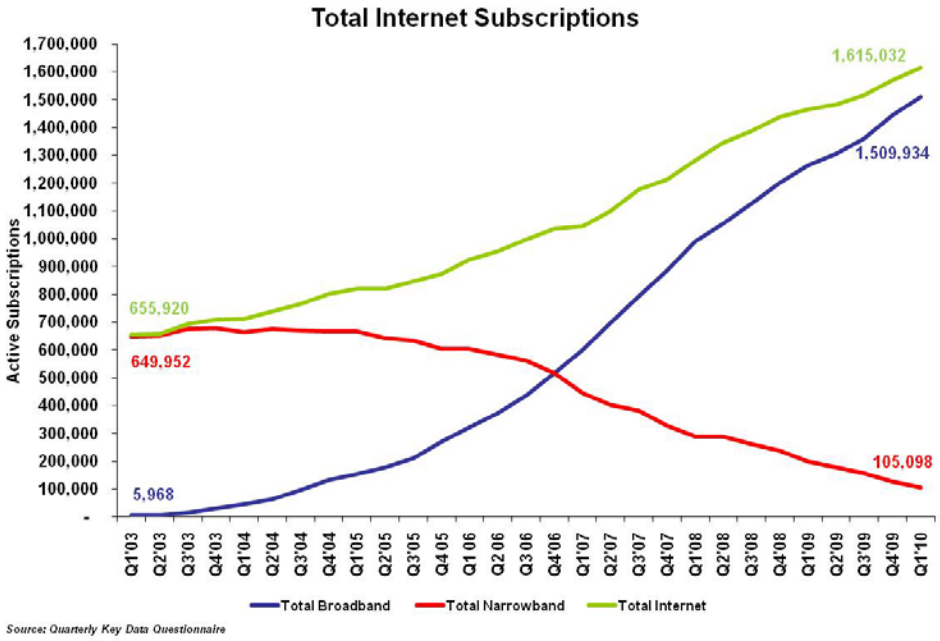


Figure 3.1.3 shows the change in total internet subscriptions, narrowband subscriptions and broadband subscriptions since Q1 2003. The quarterly compound growth rate[12] for broadband since Q1 2003 is 21.9%. Broadband subscriptions exceeded narrowband subscriptions for the first time in Q1'07. Since that point, narrowband subscriptions have declined by 76.3%. In the last 12 months alone narrowband subscriptions have declined by 47.6%.

Figure 3.1.3 – Total Internet Subscriptions



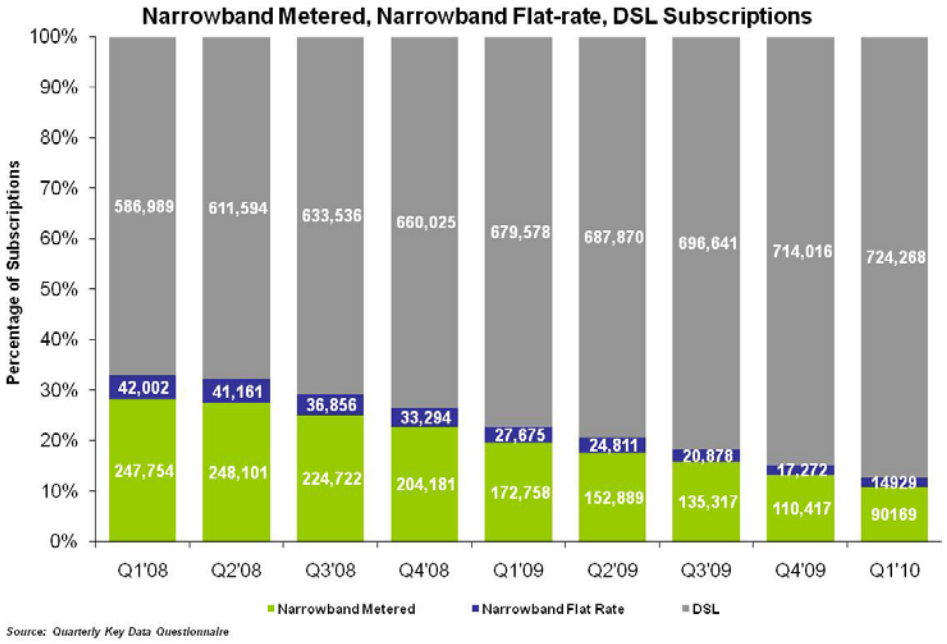
Source: Quarterly Key Data Questionnaire

12 The compounded quarterly growth rate is calculated by taking the nth root of the total percentage growth rate, where n is the number of periods being considered. The compounded rate describes the steady growth over time, smoothing out fluctuations.

Figure 3.1.4 profiles only those internet subscriptions delivered over the copper telecoms network. It includes an analysis of metered, or pay-as-you-go, narrowband subscriptions, flat-rate narrowband subscriptions and DSL subscriptions. There were 829,366 active internet subscriptions over the copper telecoms network at the end of March 2010. This was a decrease of 12,339 (-1.5%) in the total number of copper-based subscriptions since Q4 2009. Since March 2009 internet subscriptions over the copper telecoms network have fallen by 5.8%, due to the decline in narrowband subscriptions.

DSL accounted for 87.3% of copper-based internet subscriptions in Q1 2010 compared to 84.8% in Q4 2009. Metered narrowband subscriptions accounted for 10.9% of internet subscriptions over copper compared to 13.1% in Q4 2009. Flat-rate narrowband internet subscriptions made up the remaining 1.8% of copper-based internet subscriptions compared to 2.1% in the previous quarter.

Figure 3.1.4 – Profile of Copper Based Internet Subscriptions

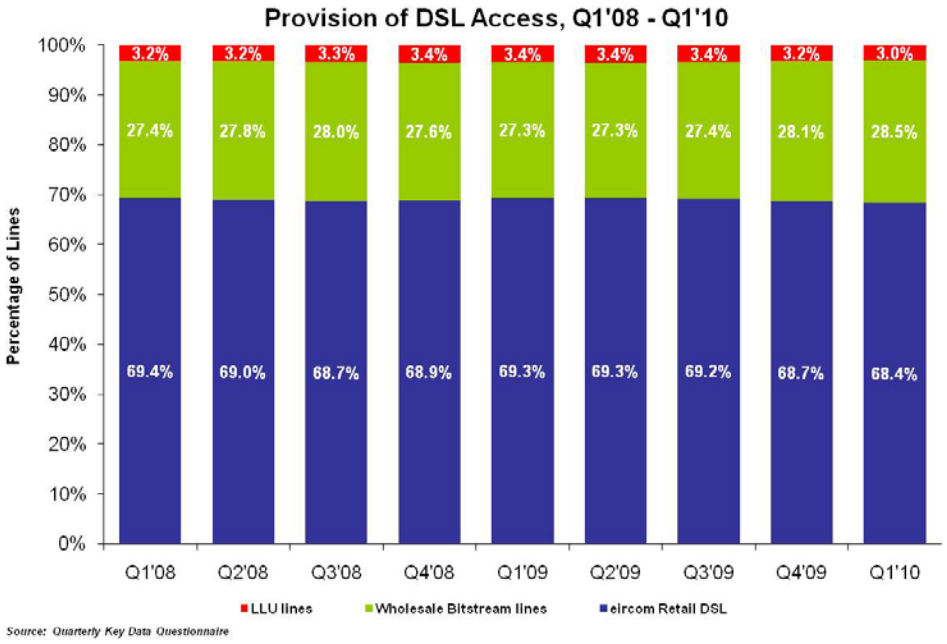


3.2 Provision of DSL Access

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 Eircom using direct access to its network; this accounted for 68.4% of all DSL subscriptions in Q1 2010. Retail DSL may also be provided by alternative operators (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 2010, 28.5% of all DSL lines were provided by OAOs using wholesale bitstream. In absolute terms there were 206,516 wholesale bitstream lines in Q1 2010, an increase of 2.9% on the previous quarter and an increase of 11.4% since Q1 2009. The remaining 3% of DSL lines were provided to subscribers by OAOs using local-loop unbundling. In Q1 2010 there were 22,033 local loops unbundled. Eircom's market share of retail DSL lines has declined by one percentage point over the last two years.

Figure 3.2.1 - Provision of DSL Access

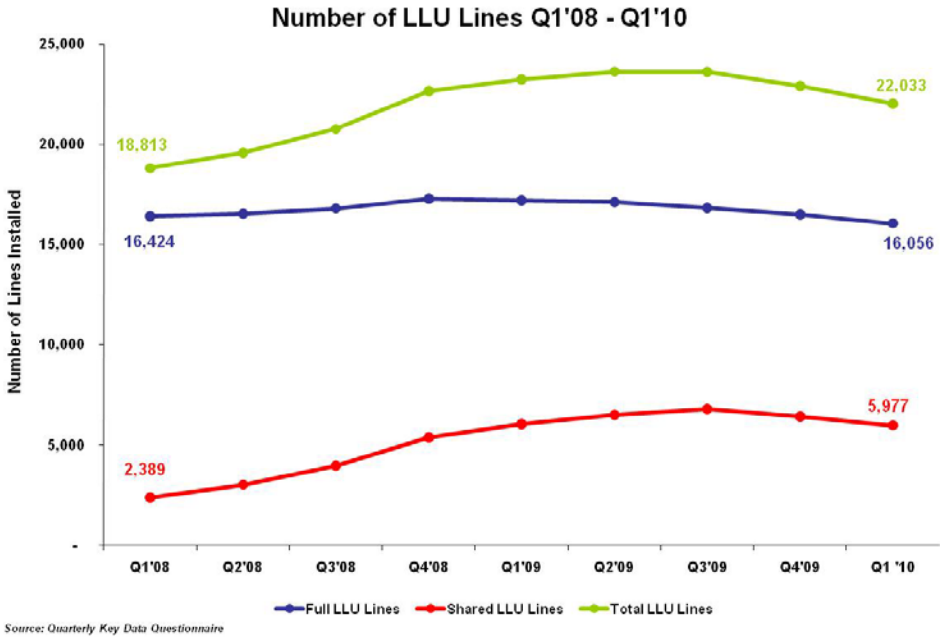


Source: Quarterly Key Data Questionnaire

Figure 3.2.2 shows the number of unbundled lines classified by shared and full[13] status. Between Q1 2008 and Q1 2010 the total number of LLU lines increased by 17.1%. However, total LLU lines have declined over the last four quarters (LLU lines are down 6.8% since their peak in Q2 2009). ComReg hopes that the number of total LLU lines will increase following its recent decision[14] to reduce wholesale line share charges from €8.41 to €0.77 and the unbundled local loop and sub-loop unbundled price from €16.43 and €14.83 per month to €12.41 and €10.53 respectively.[15]

Fully unbundled lines accounted for 72.9% of total LLU lines in Q1 2010 with the remining 28.1% accounted for by shared LLU lines.

Figure 3.2.2 – Number of Local Loops Unbundled



Source: Quarterly Key Data Questionnaire

13 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.

14 Decision D4/09 available at http://www.comreg.ie/_fileupload/publications/ComReg0966.pdf

15 Response to Consultations and Final Decision: Local Loop Unbundling (LLU) and Sub-Loop Unbundling (SLU) Maximum Monthly Rental Charges available at http://www.comreg.ie/_fileupload/publications/ComReg1010.pdf

3.3 Provision of Broadband Services

Figure 3.3.1 summarises the total number of broadband subscriptions at the end of the quarter by access technology. High Speed Downlink / Uplink Packet Access (HSDPA/HSUPA) provides mobile broadband access to a large number of Irish consumers. In order to fully reflect the range of broadband services available to customers in Ireland, ComReg began to include this data in its overview of the market in the Q2 2007[16] report.

At the end of March 2010, there were 1,509,934 broadband subscriptions in Ireland. This represents a growth rate of 4.6% in the number of subscriptions for this quarter and 19.3% growth since Q1 2009. FWA subscriptions continued to decline since peaking in Q1'08, falling by 1.2% this quarter (and down 12.7% year-on-year). The other subscriptions category (satellite and fibre) also fell this quarter. Mobile broadband showed the strongest growth again this quarter (up 9.7%). Mobile broadband now represents over half a million subscriptions in Ireland.

Figure 3.3.1 – Broadband Subscriptions[17] and Growth Rates by Platform

Platform	Q1'10 Subs	Quarterly Growth Q4'09-Q1'10	Year-on-Year Growth Q1'09-Q1'10
DSL	724,268	+1.4%	+6.6%
Cable	163,455	+8.3%	+44.7%
FWA	101,617	-1.2%	-12.7%
Other[18]	8,213	-4.1%	-3.2%
Sub-Total	997,553	+2.2%	+8.7%
Mobile Broadband	512,381	+9.7%	+47.2%
Total	1,509,934	+4.6%	+19.3%

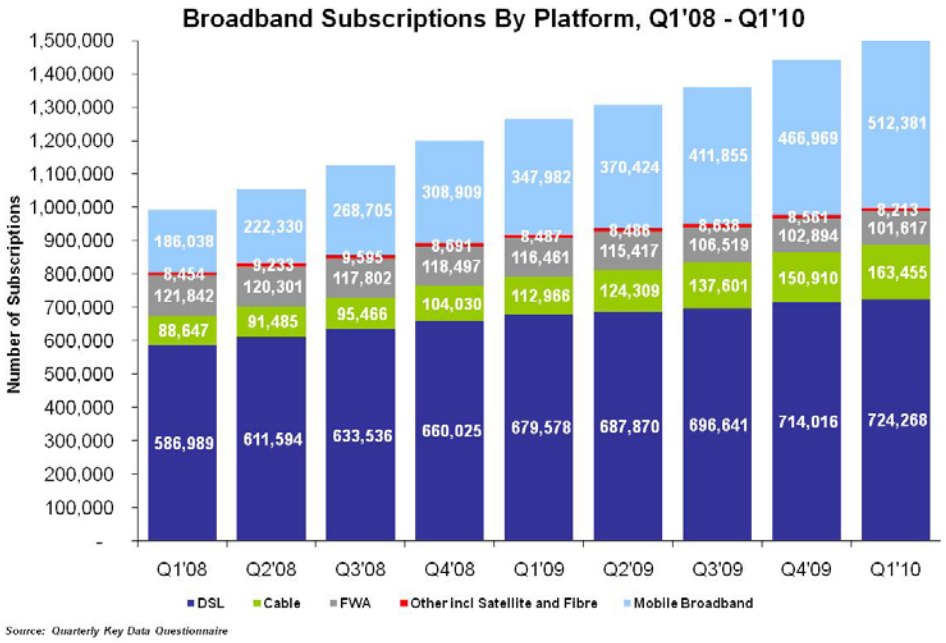
16 In Q2 2007 an estimate of 45,000 mobile broadband subscriptions was used.

17 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.

18 Other Broadband includes Satellite and Optical Fibre broadband subscriptions.

DSL remains the largest broadband access platform in terms of subscriptions. DSL accounts for 48% of all broadband subscriptions, a 1.5 percentage decrease from Q4 2009 (49.5%). Of the remaining 52% of broadband connections, mobile broadband accounts for 33.9%, cable has 10.8% of the market and FWA accounts for 6.7% of broadband subscriptions. Satellite and fibre broadband subscriptions account for 0.5% of the market. Figure 3.3.2 illustrates the split by type of broadband subscriptions in the Irish market since Q1 2008.

Figure 3.3.2 – Broadband Subscriptions by Platform



Source: Quarterly Key Data Questionnaire

Figure 3.3.3 shows the number of broadband net additions by platform for each quarter since Q1 2008. Although DSL remains the main means of broadband access to the internet, mobile broadband, has been the largest contributor to new broadband growth in recent periods. In total, there were 66,584 net additions to broadband this quarter, compared to 82,096 in Q4 2009. Q1 2008 has seen the largest increase in broadband subscriptions over the last two years.

Mobile broadband grew by 45,412 customers in Q1 2010, a 17.6% decline in the number of mobile broadband additions since the last quarter. DSL added 10,252 subscriptions down from the previous quarter (17,375).

Net additions to cable continued to increase this quarter reaching 12,545. FWA subscriptions declined again this quarter by 1,277 while subscriptions in the "Other Broadband" category fell slightly this quarter by 348 subscriptions. As broadband penetration increases it is to be expected that net additions will level off over time.

Figure 3.3.3 – Quarterly Broadband Net Additions

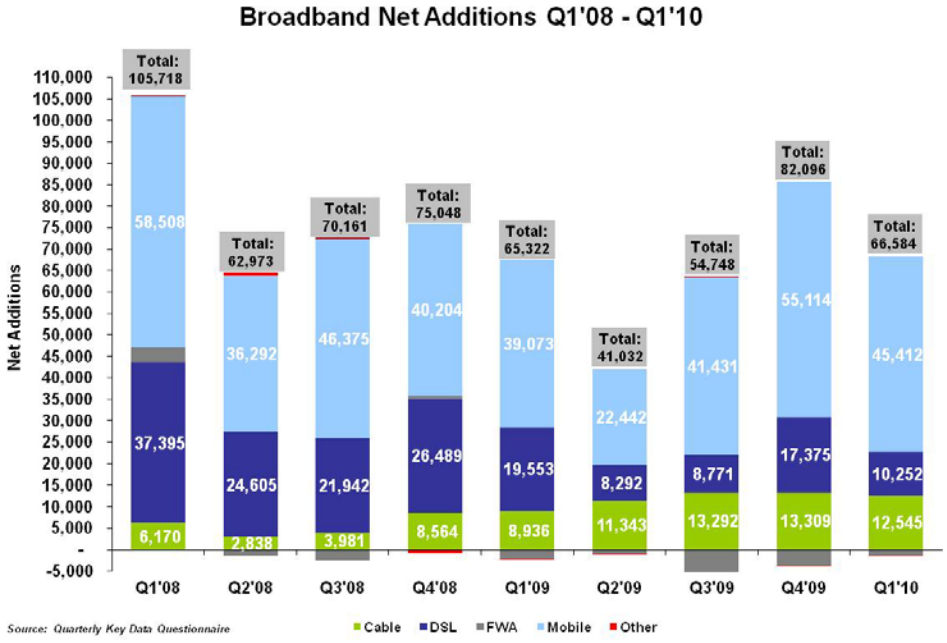


Figure 3.3.4 provides an estimate of the proportion of business and residential subscriptions to DSL, cable, fixed wireless, mobile broadband, fibre and satellite broadband services. In Q1 2010 82.1% of broadband subscriptions on all platforms were classed as residential broadband subscriptions, compared to 76.2% in Q1 2008. The platform with the highest percentage of residential subscriptions is cable broadband, while the satellite and fibre subscriptions (classified as "Other") have the highest percentage split of business customers.

Over the last two years, mobile broadband has seen a significant shift in its subscription type ratio. In Q1 2008 68.3% of all mobile broadband subscriptions were residential, while in Q1 2010 the residential market share of mobile broadband subscriptions was 82.1%.

Figure 3.3.4 – Broadband Subscriptions by Subscription Type

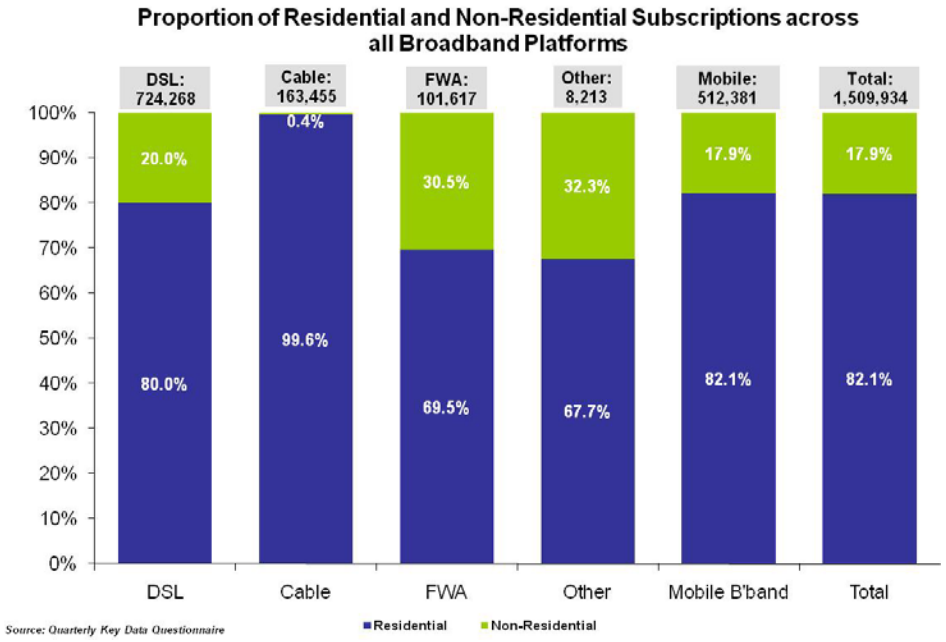


Figure 3.3.5 illustrates the breakdown of broadband subscriptions by contracted speed across all broadband platforms (including mobeil broadband). The trend of customers moving to higher speeds has continued in Q1 2010 with speeds of 2Mbps and upwards increasing at the expense of 144Kps to 1.99Mbps speeds. The data suggest that both residential and business users in particular are more likely to subscribe to packages of between 2Mbps - 10Mbps. Many larger firms access their broadband services over 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 3.3.5 – Broadband Subscriptions by Contracted Download Speeds and Subscription Type

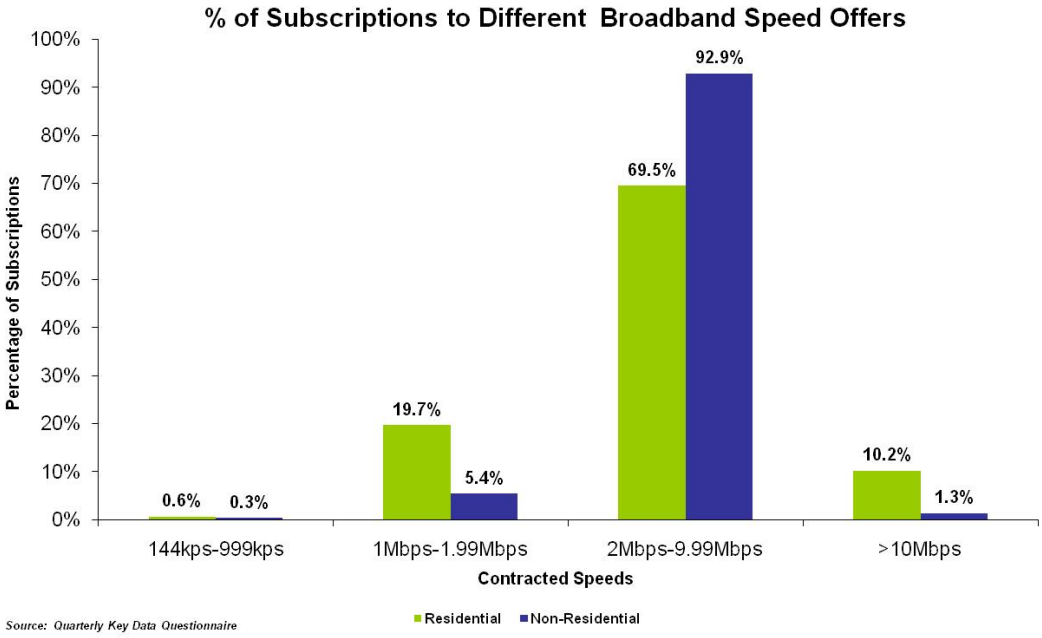
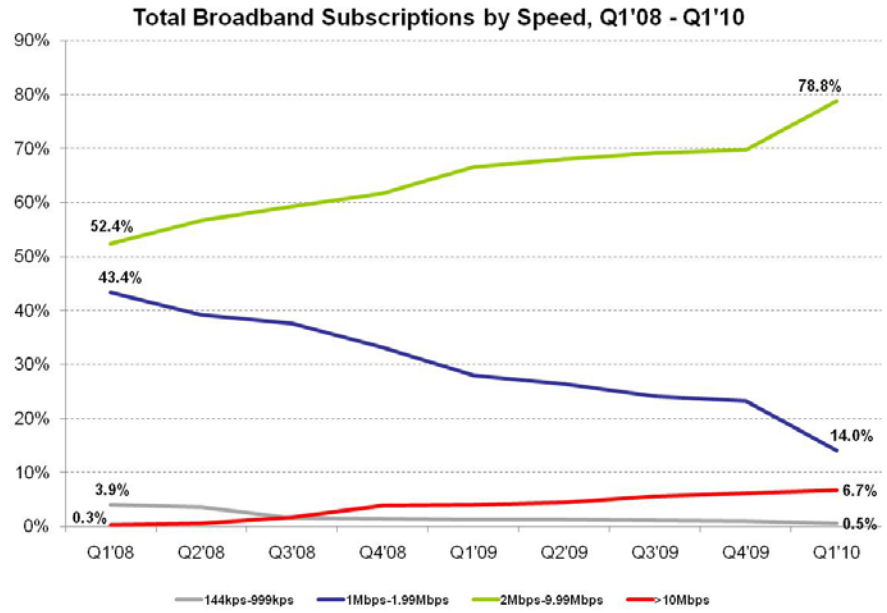


Figure 3.3.6 charts the shifting patterns in broadband subscriptions by contracted downloaded speeds. Since Q1 2008 subscriptions in the slower speed categories, 144kps-999Mps and 1Mbps-1.99Mbps, have declined significantly. Subscriptions in these categories have declined particularly this quarter driven by an increase in DSL subscriptions speeds. The percentage of subscriptions in the 144Kbps -1.99Mbps category declined by almost ten percentage points this quarter and have declined by almost 33 percenatge points since Q1 2008.

Subscriptions in the higher speed categories, 2Mbps-9.99Mbps and >10Mbps, have increased at the expense of speeds under 2Mbps. Almost 79% of all broadband subscriptions are now in the 2Mbps-9.99Mbps category, while just under 7% of all broadband subscriptions are in the >10Mbps category as of Q1 2010.

Figure 3.3.6 – Broadband Subscriptions by Contracted Download Speeds



Source: Quarterly Key Data Questionnaire

Figure 3.3.7 provides a comparison of fixed retail broadband speeds across EU countries as of January 2010. While the proportion of subscriptions on 2 – 10Mbps in Ireland (60%) is similar to the EU group total (60.6%), Ireland has a lower percentage of those on greater than 10Mbps (8.9%) than the EU average (23.2%) and a higher proportion on less than 2Mbps (31.1%) compared to the EU average (16.2%). This chart does not include mobile broadband.

Figure 3.3.7 – European Fixed Retail Broadband Subscriptions by Contracted Download Speeds, January 2010

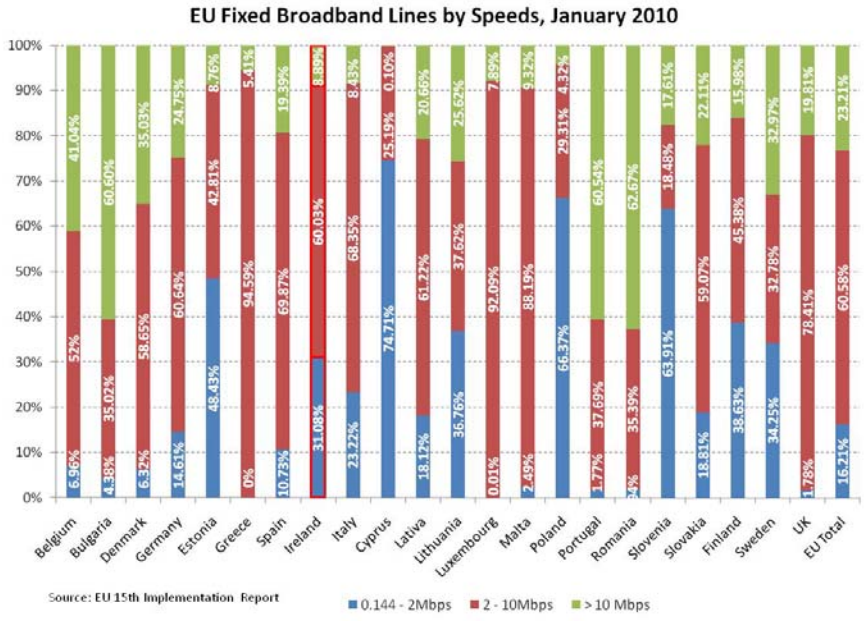
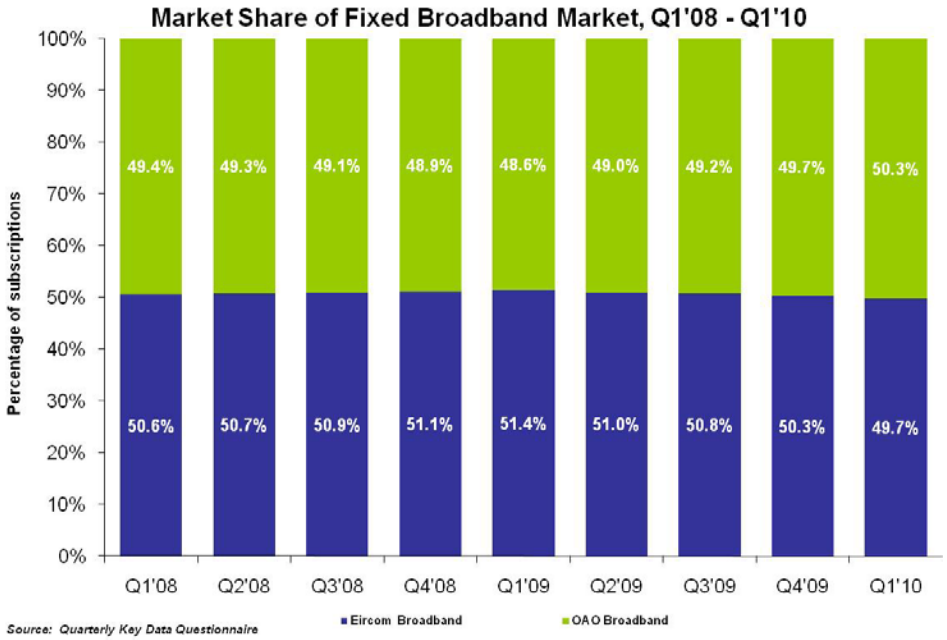


Figure 3.3.8 illustrates Eircom's market share of broadband subscriptions (excluding mobile broadband subscriptions)[19] when compared to other authorised operators' (OAO) share of overall broadband subscriptions, including DSL and alternative access technologies (which includes cable, FWA, satellite, and fibre broadband subscriptions). In Q1 2010 quarter Eircom's market share was 49.7% with OAOs having the remaining 50.3% of broadband subscriptions. This represents a decline in Eircom's market share when compared to the previous quarter.

Figure 3.3.8 – Market Share of Fixed Broadband Market

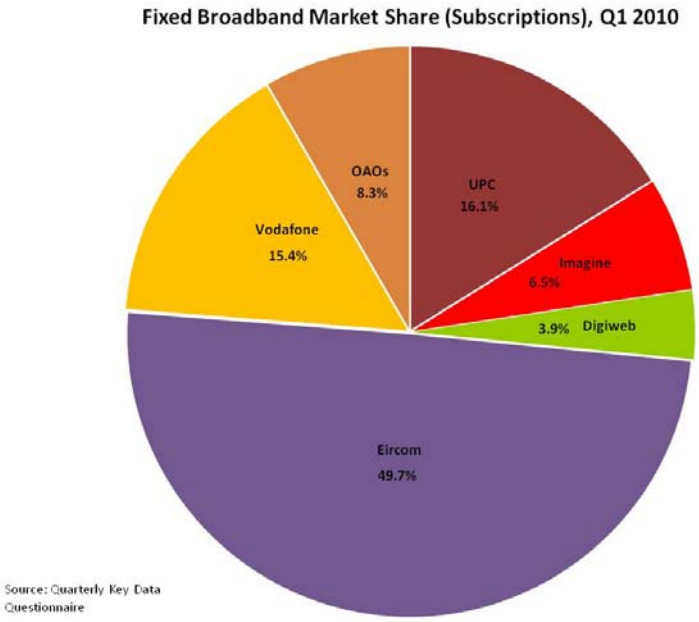


19 This chart excludes mobile broadband as Eircom mobile data is now reported as part of Meteor Mobile's data submissions and cannot be reported seperately.

Figure 3.3.9 provides the market share of fixed broadband operators by number of subscriptions. DSL, cable modem, FWA, satellite and fibre subscriptions are all included in the total broadband subscriptions figure which is used to calculate 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 then grouped together under OAOs. According to the data received from operators for Q1 2010, Eircom had 49.7% of total fixed broadband subscriptions, followed by UPC which had 16.1% of subscriptions. Vodafone had a 15.4% market share (excluding mobile broadband subscriptions), while Imagine had 6.5% and Digiweb had 3.9%. All other operators combined account for the remaining 8.3% of the fixed broadband market in terms of subscriptions.

Figure 3.3.9 – Subscription Market Share of Fixed Broadband Market



3.4 Broadband Penetration

In presenting broadband penetration benchmarks for European countries, ComReg uses the OECD, the European Competitive Telecoms Association (ECTA) or European Commission data where possible. ComReg will endeavour to publish this data on a quarterly basis as detailed in Figure 3.4.1. The data presented is based on the most recently published statistics at the time of publication.

Figure 3.4.1 – Broadband Data Sources

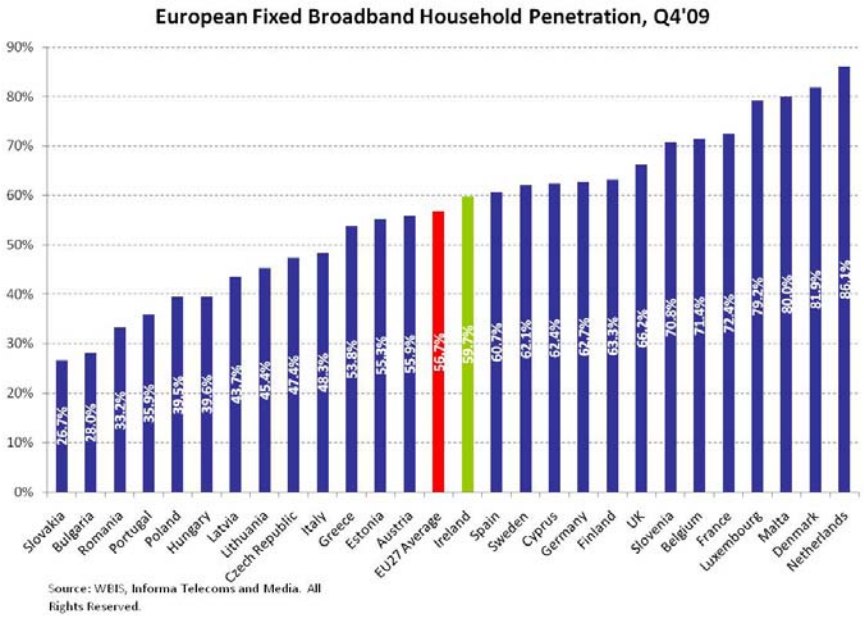
Source	Publish Date	Data Period as of	Included in ComReg Quarterly Report
ECTA	September 2010	March 2010	Q2'10
OECD	October 2010	June 2010	Q3'10
ECTA	March 2011	December 2010	Q4'10

The total number of broadband subscriptions in Ireland for Q1 2010 was 1,509,934. The broadband per capita penetration rate (including mobile broadband) in Q1 2010 was 33.9% compared to 32.4% in the previous quarter. When mobile broadband is excluded, the penetration rate is 22.4%. These figures are based on a population of 4,459,300 from Central Statistics Office (CSO) data.[20] It should be noted that 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 through double counting of subscriptions.

Using only fixed broadband subscriptions, the broadband household penetration rate (there are 1,599,500 households in Ireland using CSO data) as of Q1 2010 is 62.4%, up slightly from 61% in Q4 2009.

Figure 3.4.2 provides an international comparison of household broadband penetration rates for EU27 countries as of Q4 2009. Based on this data from Informa (which uses a household figure of approximately 1.5 million), Ireland's household broadband penetration rate is 59.7%, just above the EU27 average of 56.7%. According to Informa's data, Ireland has seen an increase of 9.7 percentage points in its penetration rate between Q4 2007 and Q4 2009.

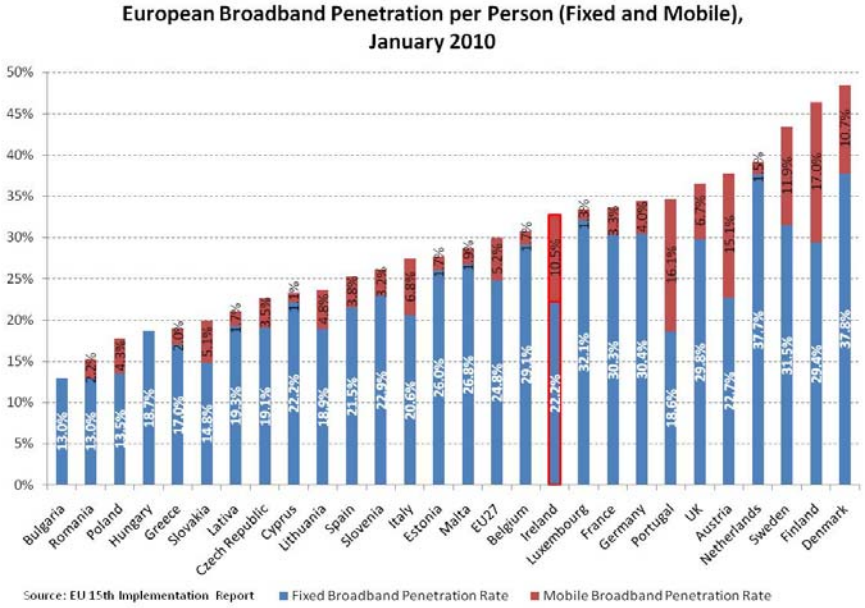
Figure 3.4.2 – European Broadband Household Penetration



20 http://www.cso.ie/releasespublications/documents/population/current/popmig.pdf

Figure 3.4.3 illustrates fixed and mobile broadband per capita penetration rates among EU27 countries as of January 2010. Ireland ranks 14th among the EU27 countries in terms of its fixed broadband penetration rate. Ireland's fixed penetration rate (22.2%) is below the EU27 average of 24.8%. In terms of mobile broadband penetration (dedicated data service cards/modems/keys), Ireland ranks in 6th place, and with a penetration rate of 10.5%, is above the EU27 average (minus Hungary and Bulgaria). If both fixed and mobile broadband are considered, Ireland's broadband penetration rate (32.7%) is above the EU27 average[21] of 30%.

Figure 3.4.3 – European Broadband Population Penetration



21 No dedicated mobile broadband data available for Hungary and Bulgaria.

3.5 WiFi Broadband Access

ComReg provides data on the provision of public and private broadband services over WiFi as such access provides an alternative means of internet access for those users without internet access at home and/or a supplementary means of access for users who are away from their home or office. In addition new and more advanced devices such as the iPhone, as well as increased usage of mobile broadband dongles while consumers are on the move appear to be driving increased minutes of use in WiFi hotspots. ComReg presents data on the WiFi market based on the number of WiFi 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 can connect to the internet. A WiFi hotspot can be made up of one or more WiFi access points[22].

WiFi 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 Bitbuzz, Eircom and BT Ireland.

The number of WiFi hotspots has decreased by 3.5% this quarter and has fallen by 7.8% since Q1 2009. In Q1 2010 there were just over 24 million WiFi minutes of use in Ireland, an increase of 8.1% from the previous quarter and of 52.7% in the year to Q1 2010. Although the number of access points declined marginally this quarter, they have increased by 5.2% between Q1 2009 and Q1 2010. This may suggest that declines in businesses during the recession such as cafes and hotels have led to a fall in hotspots while access points are increasing within hotspots.

Figure 3.5.1 – WiFi Hotspots, Access Points and Minutes of Use

	Q1 2010	Q4'09-Q1'10 Growth	Q1'09-Q1'10 Growth
WiFi Hotspots	1,309	-3.5%	-7.8%
WiFi Access Points	3,555	-0.2%	+5.2%
WiFi Minutes of Use	24,623,788	+8.1%	+52.7%

22 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.

3.6 ADSL Pricing Data[23]

In this report broadband tariff baskets have been supplied by Teligen using their T-Connect product. In order to ensure that services can be adequately compared, the benchmarking model prices a range of DSL and cable services based on defined usage of 30 hours per month, with each session assumed to last for 30 minutes for residential consumers and 100 hours per month, 60 minute average session for business consumers.

While broadband is an always-on product, the assumption of an average user profile ensures that packages are comparable across countries. It further assumes a download usage of 5 Gigabytes every month for each service for residential consumers and 20 Gigabytes every month for business consumers. Upload and download speeds (based on contracted speeds) are also analysed.

The data presented in the following charts illustrates the cheapest product available in each country from the two biggest fixed line DSL operators (by market share i.e. Eircom and Vodafone at Home)[24] under these usage assumptions and the incumbent for cable offerings (i.e. UPC for Ireland). These packages are based on advertised download speeds. The charts below represent speed categories of 1 – 4 Mbps in the residential market, all residential speeds and 4-10 Mbps in the business market. More specific details on the upload and download speeds for each of the analysed products are included in the chart.

The speed categories were chosen for these operators across all benchmarked countries to ensure that a meaningful comparison can be made between packages in terms of contracted speeds offered. Operators' broadband packages are compared on the assumption that their products should be available nationally.

Further information on the composition of the broadband basket can be found in the Explanatory Memorandum which accompanies this report[25].

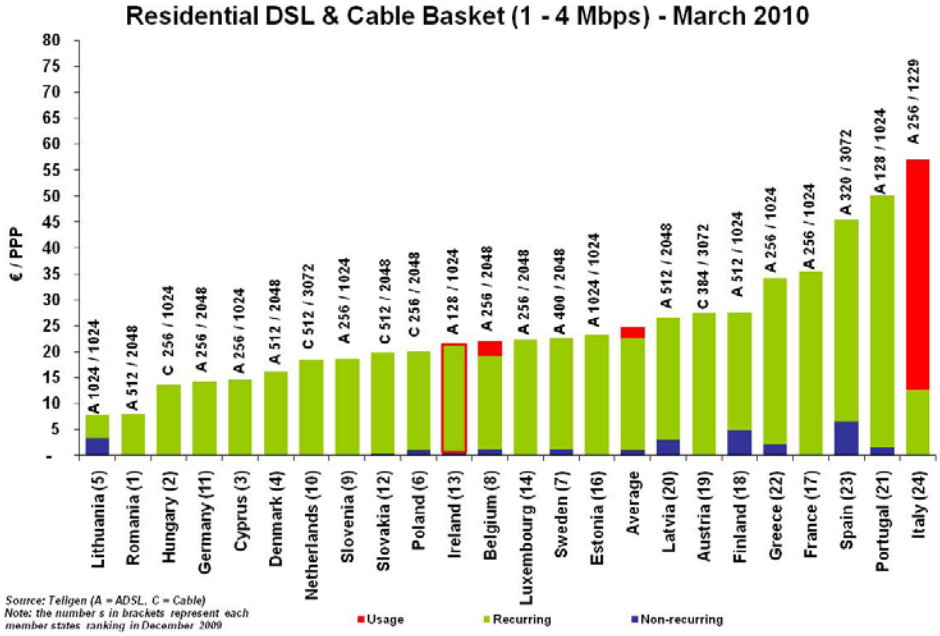
23 This section does not include broadband tariff packages that are offered as special promotions. All residential tariffs are inclusive of VAT but all business tariffs are exclusive of VAT. VAT rates vary between Member States.

24 It should be noted that the majority of BT Ireland's DSL customers were transferred to Vodafone Ireland in September 2009.

25 ComReg Document 10/43a

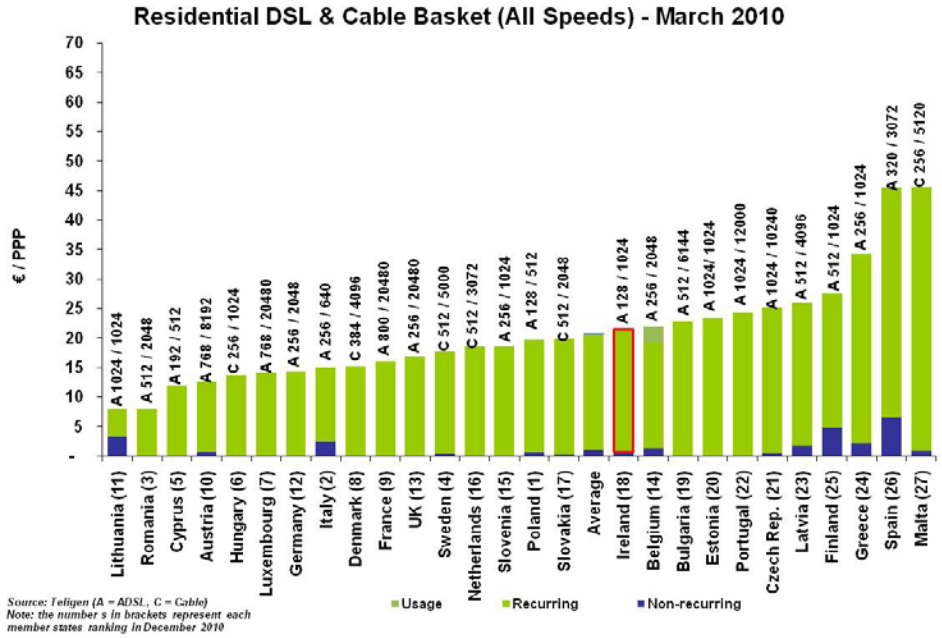
The lowest monthly residential DSL & cable baskets for the 1-4 Mbps speed category are charted in figure 3.6.1. Ireland ranks in 11th place among this group of 23 European countries. Ireland is five places ahead of, and 13% lower than, the European average. The pricing for Ireland is based on Eircom's Home Broadband 1Mb package.

Figure 3.6.1 - Lowest Monthly Rental Residential DSL & Cable Basket (1-4 Mbps)



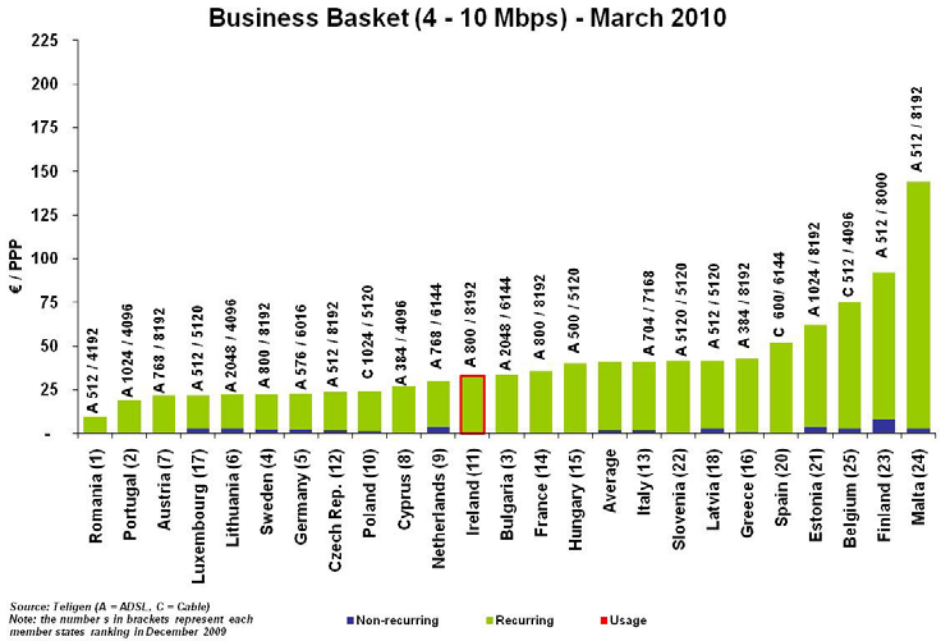
The lowest monthly residential DSL & cable baskets for all speeds are charted in figure 3.6.2. Ireland ranks in 17th place in this group of 27 European countries, and is 4% higher than the European average. The pricing for Ireland is based on Eircom's Home Broadband 1Mb.

Figure 3.6.2 - Lowest Monthly Rental Residential DSL & Cable Basket (All Speeds)



The lowest monthly business DSL and cable basket for the 4 – 10 Mbps speed category is charted in figure 3.6.3. Ireland ranks in 12th place when the results for this group of 24 European countries are compared. Ireland is four places ahead of, and 19% lower than the European average. The pricing for Ireland is based on Eircom's Business Starter package.

Figure 3.6.3 – Lowest Monthly Business DSL and Cable Basket (4-10Mbps)



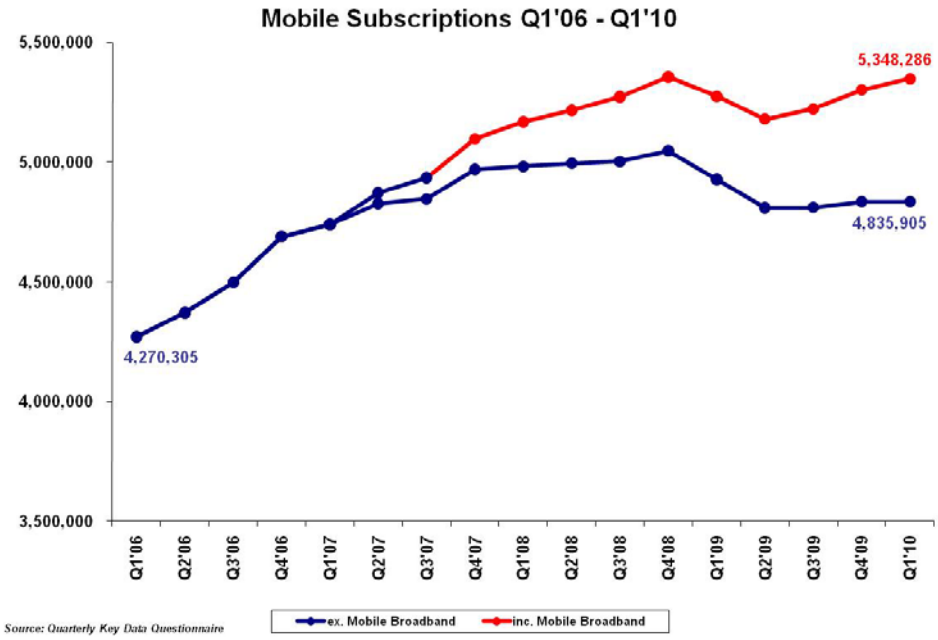
4. Mobile Market Data

4.1 Number of Subscriptions and Penetration Rate

At the end of March 2010 there were 5,348,286 mobile subscriptions in Ireland. Mobile broadband subscriptions are included in this figure. If mobile broadband subscriptions (512,381 this quarter compared to 466,969 in Q4 2009) are excluded, the total number of mobile subscriptions in Ireland was 4,835,905.

Mobile subscriptions including mobile broadband increased by 0.9% this quarter (1.4% increase year on year) and mobile subscriptions excluding mobile broadband grew by less than 0.1% this quarter (1.9% decrease year on year). Please note that mobile subscriptions in Q1 2009 and previous quarters are not strictly comparable as the definition of mobile subscriptions has been amended for the period Q2 2009.[26] A historical plot is provided below in Figure 4.1.1.

Figure 4.1.1 – Mobile Subscriptions



26 The mobile pre-paid subscription deifntion was amended to include active SIMs only on the basis of subscription to a pre-paid tariff plan and/or whether an event was made that decrements a subscriber's balance in the previous 90 days.

Figure 4.1.2 illustrates the growth in mobile penetration since Q1 2006 and shows that at the end of March 2010, mobile penetration, based on a population of 4,459,300 (using a CSO April 2009 estimate), was 119.9% (up from 118.9% in Q4 2009) including mobile broadband and 108.4% (flat since the previous quarter) excluding mobile broadband. 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 datacards and USB modems for internet access via laptops/PCs as well as SIM cards used in mobile phones for voice and data services.

Figure 4.1.2 – Irish Mobile Penetration Rate

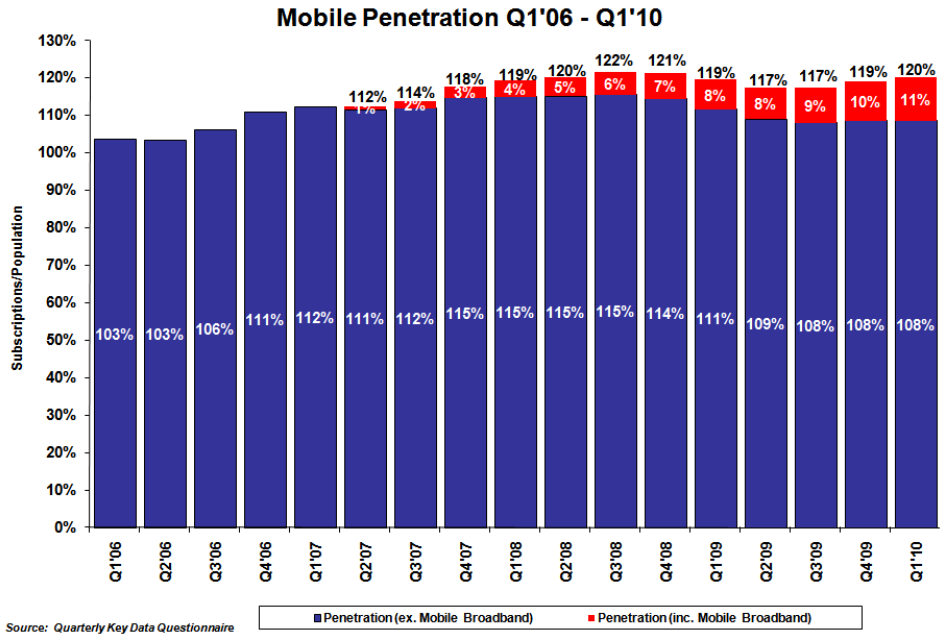
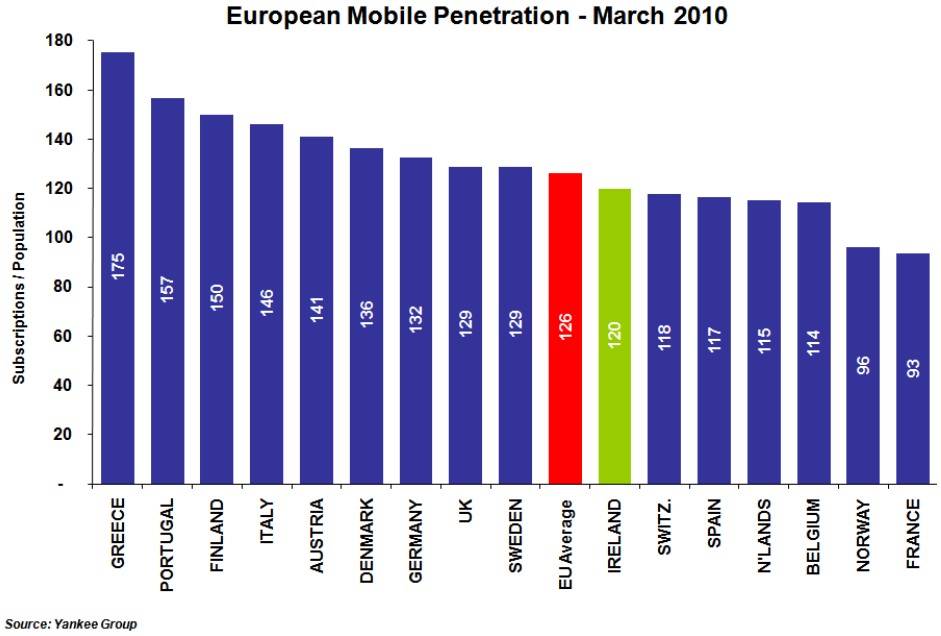


Figure 4.1.3 illustrates the estimated national mobile penetration rates across sixteen European countries, including Ireland, as of March 2010. Ireland (119.9%) is behind the EU average of 126.1%.[27] Greece and Portugal continue to remain the two European countries with the highest mobile penetration while France, according to Yankee Group data, remains below all other countries benchmarked with a 93.4% penetration rate.[28]

There has been very little change in the penetration rate among the average of this group of countries over the last three quarters, suggesting that market saturation exists at around one and a quarter times population.

Figure 4.1.3 – European Mobile Penetration Rates



27 Irish data sourced from ComReg includes mobile broadband subscriptions. Not all countries in this chart may include mobile broadband subscriptions.

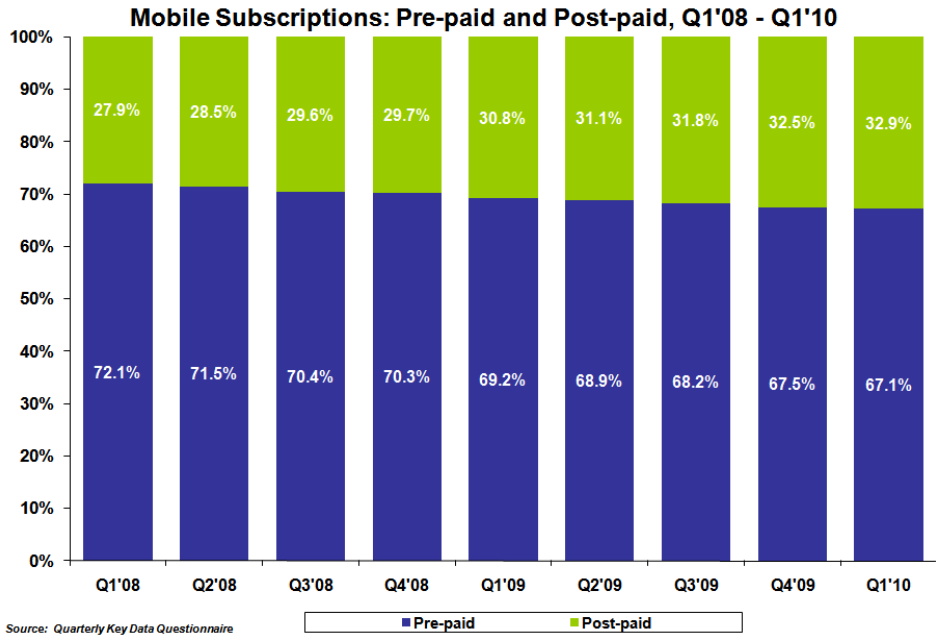
28 The penetration rate for Greece may be inflated due to a high level of inactive pre-paid subscriptions reported in the market.

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. Figure 4.2.1 illustrates the mobile subscription base (including HSDPA) in Ireland classified by the proportion of pre-paid and post-paid subscriptions on both 2G and 3G networks at the end of March 2010[29].

There has been a continual shift towards post-paid subscriptions from pre-paid over the last two years, driven primarily by take-up of mobile broadband subscriptions. However, the data would also suggest that pre-paid mobile broadband subscriptions are gaining some share from post-paid mobile broadband subscriptions. At the end of March 2010 32.9% of subscriptions were post-paid compared to 27.9% in March 2008.

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



29 Mobile broadband subscriptions (HSDPA) are included only from Q1 2008 in this chart.

Figure 4.2.2 shows the proportion of pre-paid mobile subscriptions for 15 EU countries, as at March 2010. According to data supplied by Informa, Ireland had the third highest proportion of pre-paid subscriptions among the 15 countries at 67.1%, even though this proportion had fallen by 4.5 percentage points since March 2008.

Figure 4.2.2 – European Pre-paid Subscriptions, March 2010

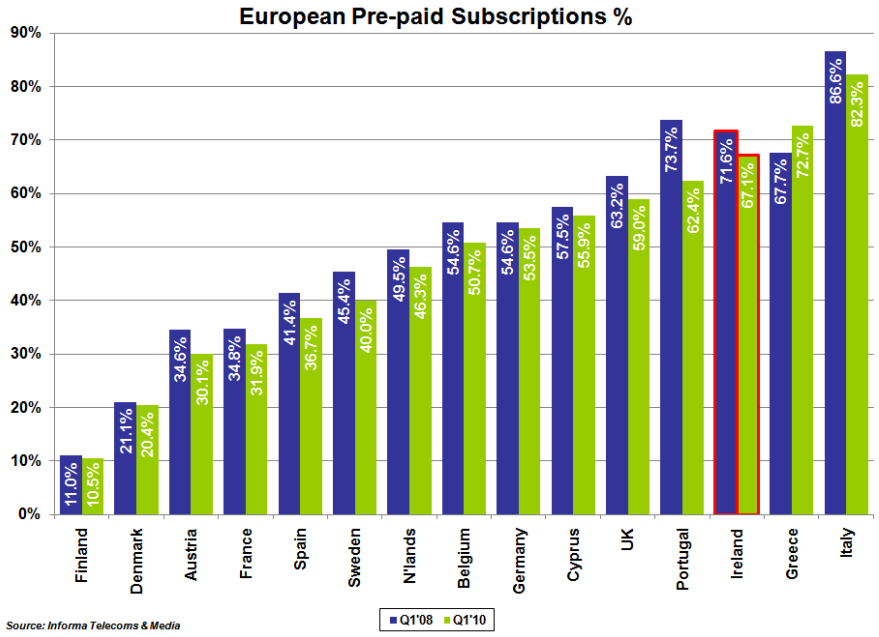


Figure 4.2.3 shows the pre-paid and post-paid subscription profile for each of the mobile operators in the Irish market (mobile broadband subscriptions are included). As of Q1 2010, 66% of Vodafone's subscriptions are pre-paid. O2 has 58.9% pre-paid subscriptions, Meteor has 85.4% pre-paid subscriptions, and 3's subscription base is 58.5% pre-paid. Tesco Mobile's entire subscription base is pre-paid.

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

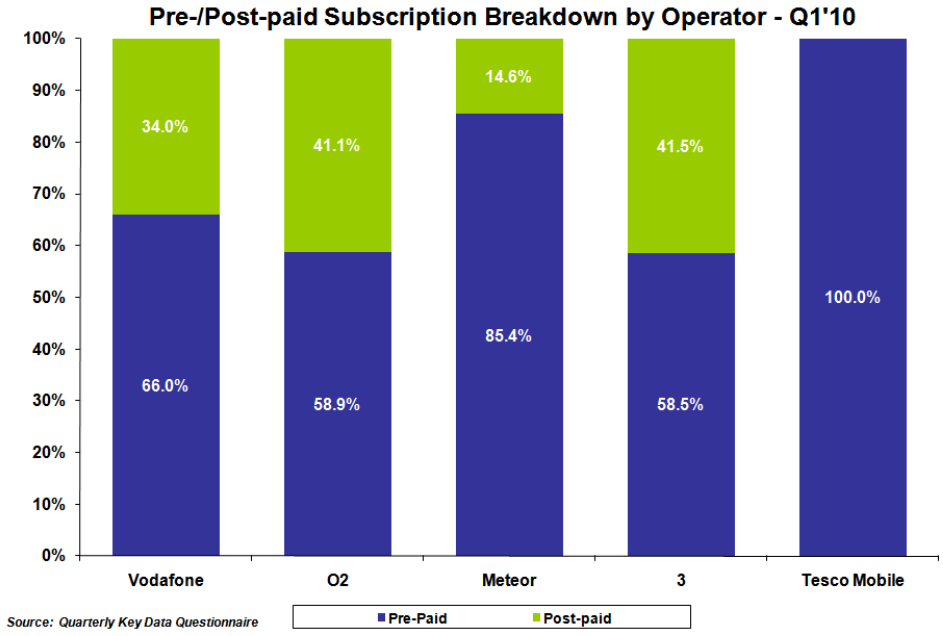


Figure 4.2.4 shows the split between pre-paid and post-paid in terms of mobile broadband subscriptions for Q3, Q4 2009 and Q1 2010. Vodafone, O2, Meteor and 3 all offer mobile broadband packages. The proportion of post-paid mobile broadband subscriptions has fallen by more than seven percentage points since September 2009.

79.6% of all mobile broadband subscriptions were post-paid as at the end of March 2010 compared to 87% in Q3 2009. This reflects increases in mobile broadband pre-paid subscriptions across all mobile broadband operators, perhaps suggesting price-sensitivity among customers in a continued, difficult economic environment.

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

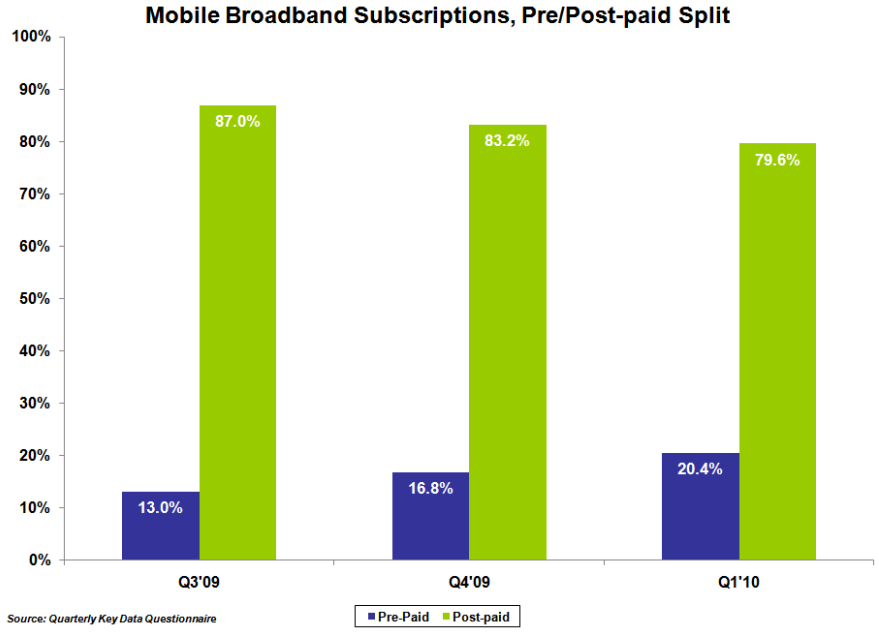
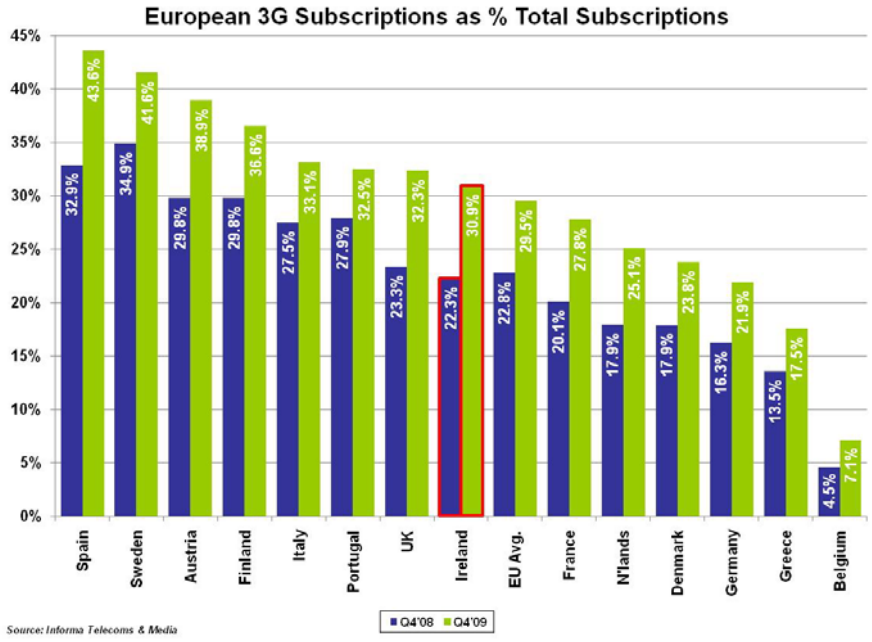


Figure 4.2.5 shows the proportion of 3G subscriptions in terms of total mobile subscriptions[30] among 14 EU countries, including Ireland, in Q4 2009 and Q4 2008.[31] According to Informa data, 30.9% of Ireland's mobile subscriptions were 3G at the end of December 2009, compared to 22.3% at the end of December 2008; growth of more than eight percentage points. This is just above the European average of 29.5%. Spain, with 43.6%, has the largest proportion of 3G-based subscriptions while Belgium has the lowest proportion (7.1%).

Figure 4.2.5 – European 3G Subscriptions



30 Based on active SIM connections. Where there are CDMA operators it refers to active SIM cards and then active devices with active subscriptions as CDMA operators do not use SIM cards

31 2G refers to GSM, and 3G refers to CDMA and W-CDMA technology.

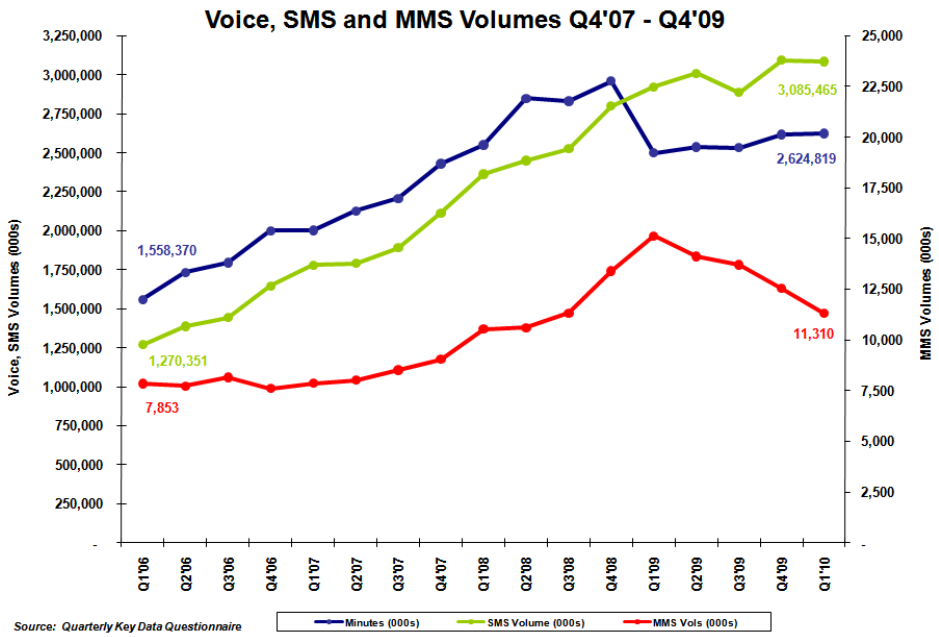
4.3 Mobile Volumes

Figure 4.3.1 illustrates the growth in voice minutes, SMS, and MMS (Multimedia Messaging Service) messages sent over mobile networks since Q1 2008. Total retail mobile voice traffic totalled over 2.62 billion minutes in Q1 2010, an increase of 0.3% on the previous quarter and an increase of 5% since Q1 2009. It should be noted that prior to Q1 2009 some mobile data minutes were included under mobile advanced minutes. As these volumes are not based on voice calls, they were stripped out in Q1 2009 and therefore, have a downward impact on overall mobile voice traffic.

The total number of SMS messages sent by mobile users in Ireland totalled over 3 billion in Q1 2010, slightly down (-0.3%) on the previous quarter but up by 5.6% since Q1 2009. If the total volume of text messages is averaged over all active subscriptions, an average of 192 SMS messages was sent per subscription per month in Q1 2010, compared with 185 in the same period last year.

The number of multimedia messages (MMS) sent declined for the fourth quarter in a row. Compared with the previous quarter the number of MMS sent is down by 9.8% and since Q1 2009 (which was the peak in terms of number of MMS sent in Ireland) down by 25.3%. There were just over 11.3 million MMS messages sent during Q1 2010. This may be an effect of the growing popularity of social networking, for example, individuals immediately uploading pictures to Facebook via their their mobile handset.

Figure 4.3.1 – SMS, MMS and Call Minute Volumes

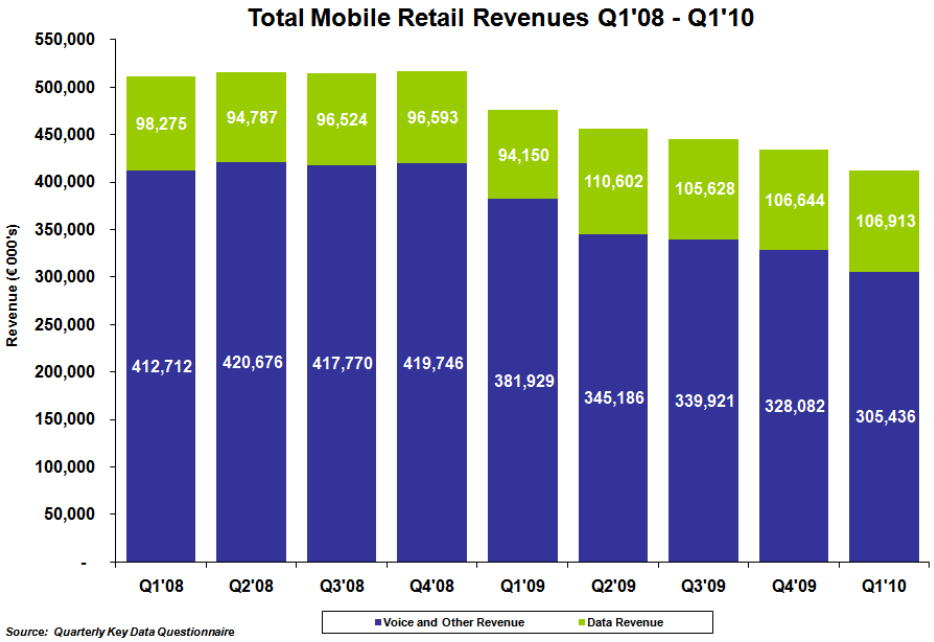


4.4 Mobile Revenues

Figure 4.4.1 shows that mobile retail revenues for the quarter were just over €412 million as at the end of Q1 2010, a fall of 5.1% since Q4 2009 and down 13.4% since Q1 2009. This fall can be explained in part due to amendments by ComReg to the mobile revenue definitions, in particular the inclusion of net handset sales revenues only, as well as the impact fo the recession.

The definition for handset sale revenues was changed in Q2 2009 from a gross revenue to a net revenue basis, that is handset and device discounts and subsidies are now excluded from the revenue calculation. Although mobile revenues overall have declined over the last two years, data revenues[32] have continued to grow and were almost €107 million in Q1 2010 (up by 0.25% since the last quarter and up 14% since Q1 2009) with the remaining €305 million (down 6.9% since Q4 2009 and down 20% since Q1 2009) comprised of voice and other revenues.[33]

Figure 4.4.1 – Total Mobile Retail Revenues



32 Messaging revenues (SMS and MMS) and mobile broadband and mobile internet services revenues.

33 Please note that since Q2'09 the voice and other category revenues includes voice call revenues and net handset sales revenues, connection and rental charges, premium rate SMS and MMS revenues, roaming SMS, MMS and data revenues. Handset sales revenues prior to Q2'09 were reported on a gross revenue basis.

Figure 4.4.2 outlines the percentage of mobile revenues attributable to all data revenues in the Irish market compared to fifteen other European countries. This benchmarking data is calculated independently by the Yankee Group and includes data revenues not only from SMS and MMS messaging, but also data revenues from GPRS data services and 3G/mobile broadband data services.

Ireland ranks seventh (compared to eighth in the previous quarter) in comparison to other European countries in terms of the level of mobile data revenues as a percentage of overall mobile revenues. Almost all countries, including Ireland, saw data revenues' percentage of total revenues increase this quarter. In Q1 2010, 27.1% (compared to 26.4% in the previous quarter) of total mobile revenues was contributed by data revenues in Ireland, according to the Yankee Group data.

Figure 4.4.2 - Data Revenues as % of Total Mobile Revenue

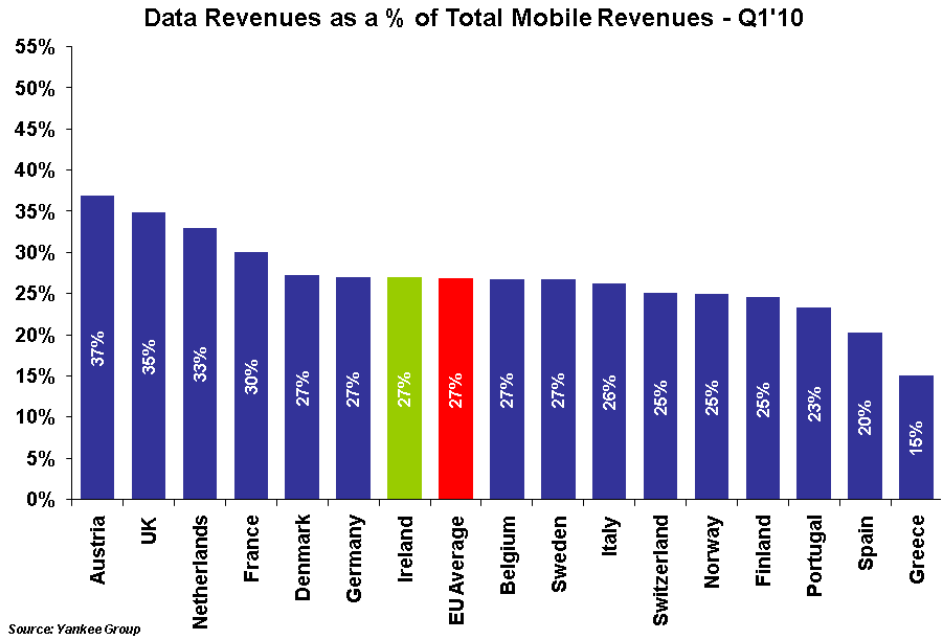
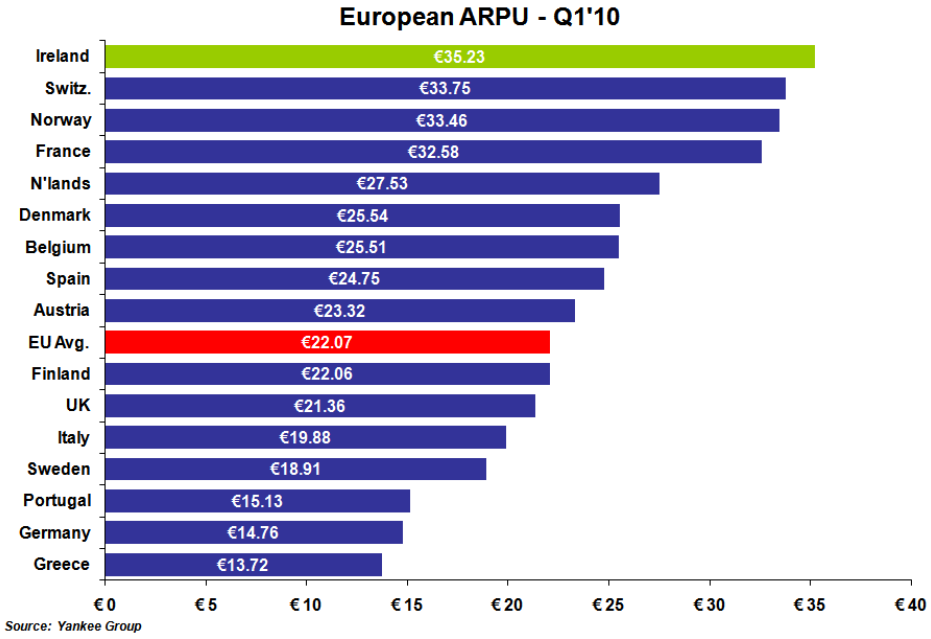


Figure 4.4.3 compares ARPU (average revenue per user) per month across sixteen European countries[34], including Ireland. Average revenue per user is an indication of average monthly revenue generated by mobile subscriptions in each country. While overall retail mobile revenues obtained from operators include handset sales revenues, the ARPU figures in this report do not incorporate handset sales revenues. As at Q1 2010, mobile ARPU in Ireland is estimated at €35.23 compared with €37.2 in Q4 2009, a fall of 5.2% in the quarter and 13.8% over the last year. The EU average ARPU is €22.1, according to Yankee Group data, down 2.9% on Q4 2009 and 13.9% on Q1 2009.

Figure 4.4.3 – European Comparison of ARPU



34 As far as possible, ARPU Figures are obtained directly from operators. Where unavailable, ARPU is calculated by dividing annual service revenues by the mid-term installed base (the sum of the opening and closing customer bases for the period divided by two). Once the Yankee Group has obtained or calculated all individual ARPU Figures, they are applied to each operator's mid-term user base to obtain service revenues

4.5 Average Minutes of Use

Mobile monthly ARPU is a function of both the price of mobile services and the level of usage of mobile services. The most frequently used metric to determine levels of mobile telephony usage is monthly minutes of use. ComReg has collected monthly minutes of use data from all operators in the Irish market since Q1 2007. Further information on the definition and calculation of average minutes of use by ComReg is detailed in the explanatory memorandum which accompanies this report.[35]

The average minutes of use in Ireland for Q1 2010 was 227 minutes per month (compared with 231 minutes at the end of Q4 2009), a 1.6% decrease on usage since the previous quarter. While Ireland experienced the strongest growth in usage last quarter (perhaps related to the Christmas and New Year period) it has experienced the largest decline this quarter. German mobile users, on average, made 1.7% more calls this quarter than in Q4 2009.

Figure 4.5.1 – Minutes of Use

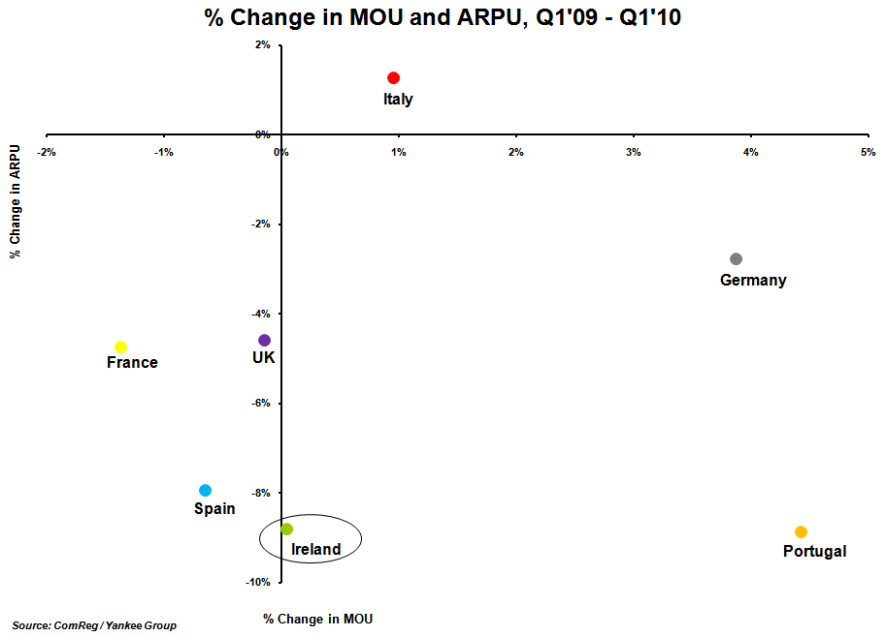
Country	MoU Q1'10	MoU Q4'09	Quarterly Change Q4'09 – Q1'10
France	248.8	249.4	-0.3%
Ireland	227.4	231.0	-1.6%
UK	177.3	177.7	-0.2%
Spain	154.7	157.0	-1.5%
Italy	136.2	136.5	-0.3%
Portugal	126.8	124.8	1.6%
Germany	107.6	105.8	1.7%

by operator, which are then combined to obtain a country total. This total revenue figure is then divided by total mid-term users to derive country-level ARPU. Note that the graph includes all EU-15 countries except Luxembourg where no data was available.

35 ComReg Document 10/43a

Figure 4.5.2 plots the annual percentage change in Average Revenue per User (ARPU) against Minutes of Use (MOU) for the seven countries listed in figure 4.5.1[36]. All countries, with the exception of Italy, have experienced a decline in MOU over the last year. ARPU was flat in Ireland in the period between Q1 2009 and Q1 2010, while, according to Yankee Group data, Portugal and Ireland experienced the biggest declines in MOU (-8.8%) among the European countries analysed.

Figure 4.5.2 – Annual Change in European ARPU and MOU



36 Data was only available for Ireland, France, Spain, UK, Germany, Italy, and Portugal.

4.6 Competition in the Mobile Market

Figures 4.6.1 and 4.6.2 outline mobile market shares based on the number of active subscriptions reported by each operator. Figure 4.6.1 includes mobile broadband while figure 4.6.2 excludes mobile broadband. It should be noted that while 3's market share is presented as a percentage of all market subscriptions in Ireland, 3 operates only in the 3G sector. Tesco Mobile is not included in figures 4.6.1 and 4.6.2 and as of Q3 2009, Eircom Mobile subscriptions are reported within Meteor's data.

Vodafone's market share including mobile broadband (38.5% if mobile broadband is included and 39.8% if mobile broadband is excluded), has remained relatively unchanged this quarter and grew slightly when mobile broadband is excluded. O2's market share (32.1% if mobile broadband is included and 32.7% if mobile broadband is excluded), saw a slight decrease in both metrics this quarter.

Meteor accounts for 20.1% of the total active mobile subscription base in Ireland including mobile broadband and 21.4% excluding mobile broadband. 3 has a market share of 9.2% including mobile broadband and 6.1% excluding mobile broadband. Meteor and 3 now account for 29.3% of the market including mobile broadband and 27.5% excluding mobile broadband.

Figure 4.6.1 – Market Share – Number of Subscriptions (inc. mobile broadband)

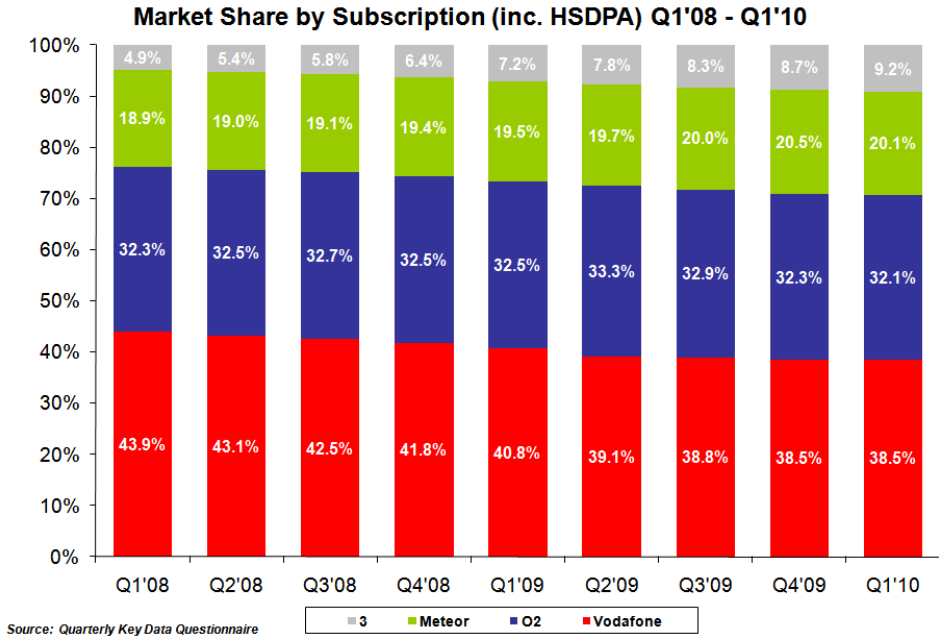


Figure 4.6.2 – Market Share – Number of Subscriptions (ex. mobile broadband)

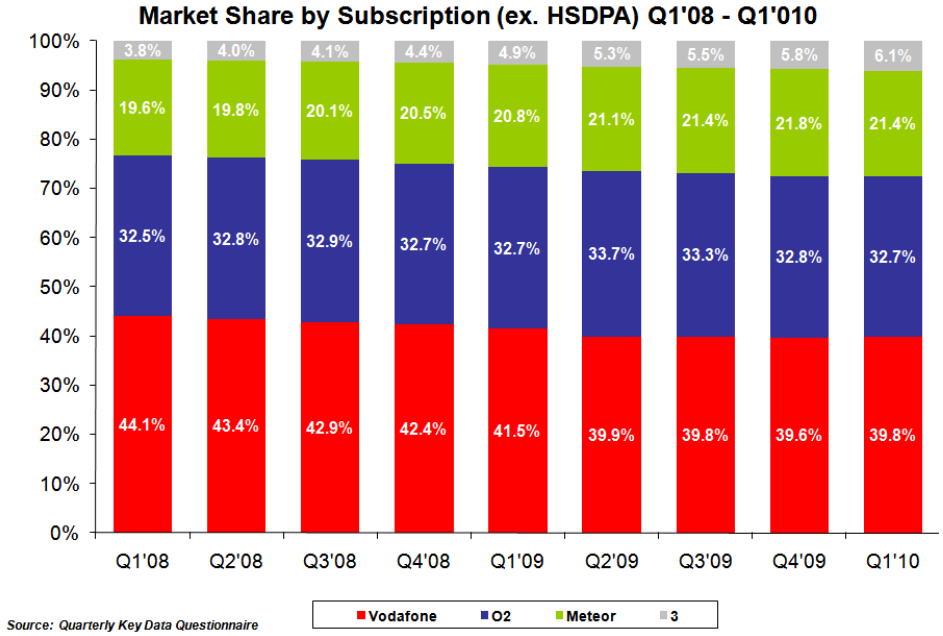


Figure 4.6.3 shows the Herfindahl-Hirschmann Index (HHI, which is a measure of market concentration) for the mobile market in 14 EU countries based on mobile subscription market shares in March 2008 and March 2010. The HHI increases as the number of firms in the market decreases and the difference in size between those firms increases. According to this data, the Netherlands has the most concentrated market while the UK has the least concentrated market. Ireland has the fifth least concentrated market.

Figure 4.6.3 –European Mobile Operators' HHI, March 2008 - 2010

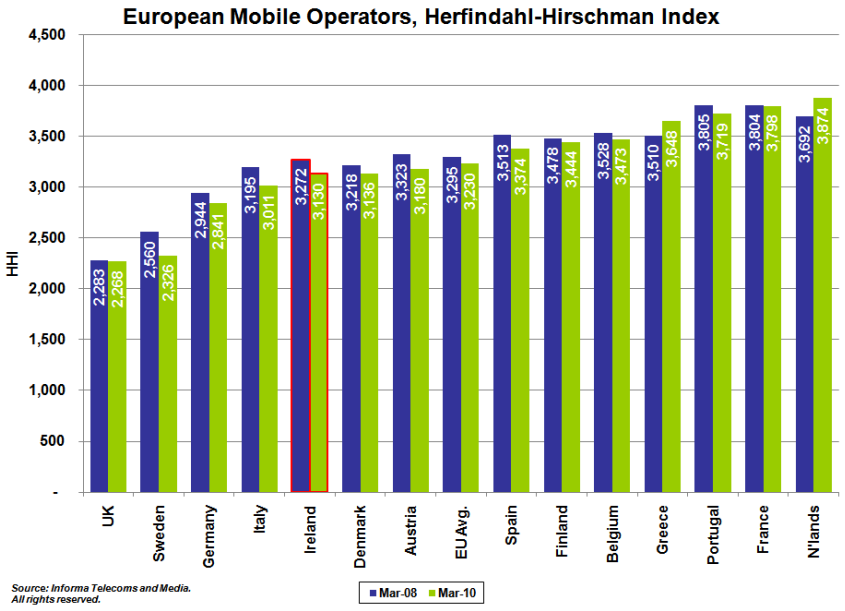
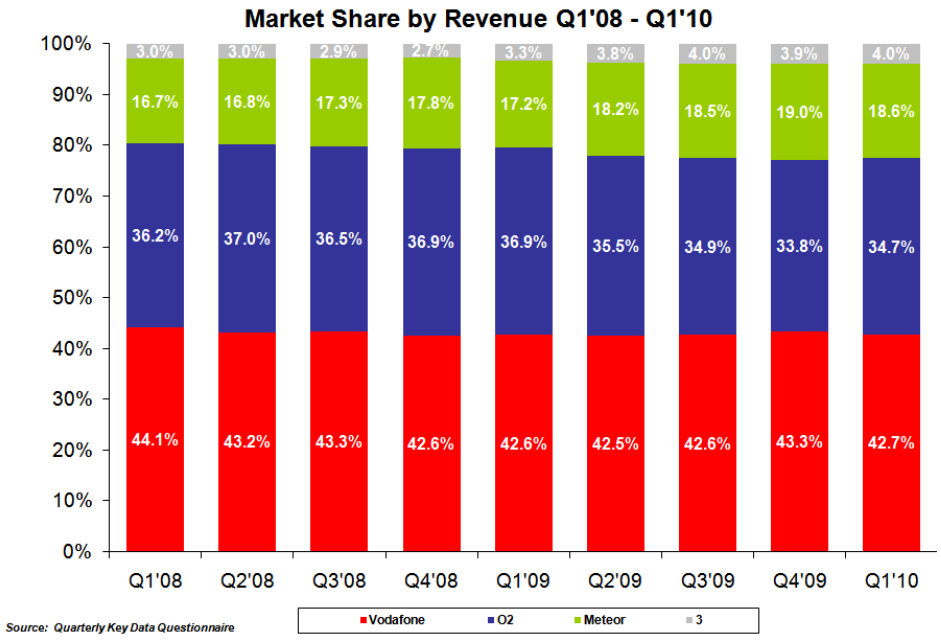


Figure 4.6.4 provides an analysis of market shares by revenue for mobile operators in the Irish market. Tesco Mobile is not included in this chart while Eircom Mobile data is now reported within Meteor. O2 and 3's market shares increased slightly this quarter to 34.7% and 4.0% respectively, while Vodafone and Meteor's market shares declined to 42.7% and 18.6% respectively.

Figure 4.6.4 – Revenue Market Share

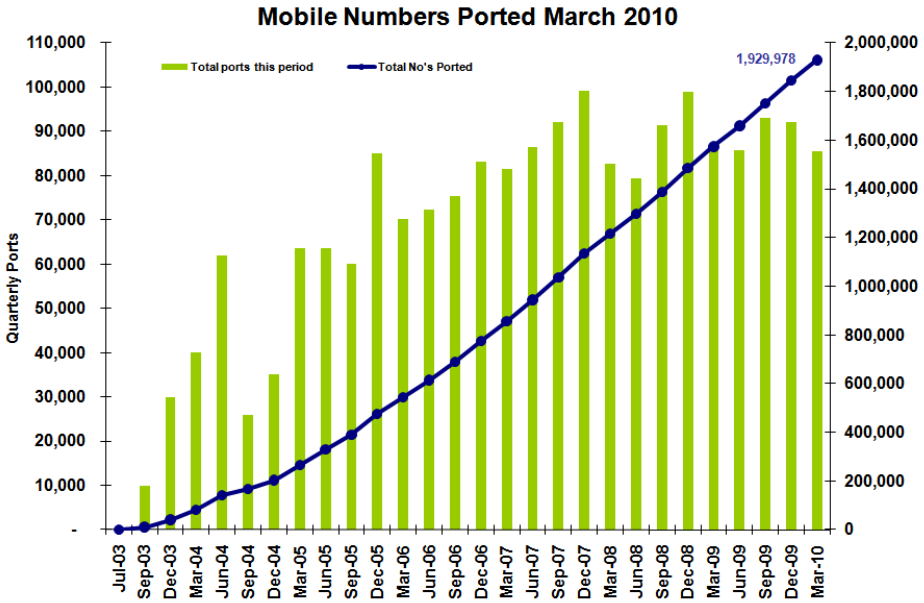


4.7 Switching in the Mobile Market

Figure 4.7.1 illustrates the cumulative total of mobile numbers ported between Irish mobile operators since the launch of Mobile Number Portability (MNP) in June 2003. MNP allows consumers to switch mobile operator while retaining their mobile number.

Almost 1.93 million numbers have been ported since June 2003, an increase of 4.6% since Q4 2009 and an increase of 22.7% since the same quarter last year. In the quarter to March 2010 85,556 numbers were ported between operators (356,471 numbers in the 12 months to March 2010). Over the last 12 months an average of 89,118 numbers has been ported each quarter.

Figure 4.7.1 – Cumulative Mobile Numbers Ported



Source: Quarterly Key Data Questionnaire

4.8 Mobile Pricing Data[37]

The OECD basket definitions have been updated, and were adopted by the OECD in March 2010. These definitions have been derived from data provided by operators and regulators in OECD countries, and have been reviewed by the OECD country authorities.

The OECD mobile baskets include at least 2 operators for each country. If those cover less than 50% of subscriptions in any country, additional operators may be included as well. All of the most common packages are included for each operator. This means that the current update covers over 2,000 packages across the 30 OECD countries. Both pre-paid and post-paid packages are included.

Mobile offers used are typically 2G and 3G services with the main focus on voice. The basket methodologies can be used to compare different types of offers such as pre-paid, post-paid or SIM-only plans. The new methodology used by the OECD/Teligen is based on the following baskets of calls:

Basket
30 calls per month
100 calls per month
300 calls per month
900 calls per month
40 calls per month pre-paid basket
400 messages per month basket

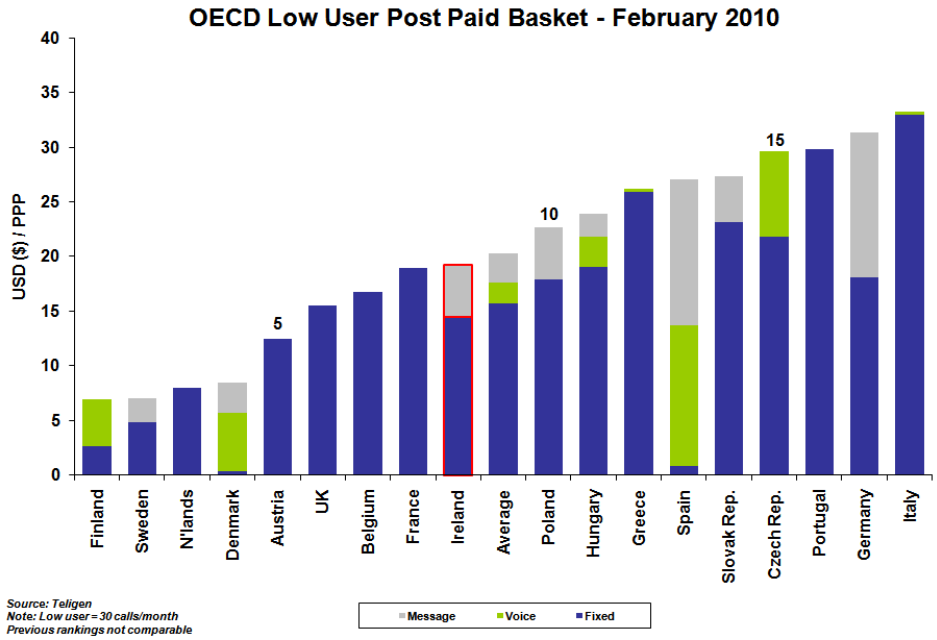
The Teligen mobile baskets presented in this Quarterly Report, “low user”, “medium user” and “high user” are based on 30 calls, 100 calls and 300 calls per month respectively. They are calculated and analysed independently by Teligen, using an OECD methodology which includes PPPs (Purchasing Power Parities) to reflect the real cost of mobile services compared to all other costs within a country.

37 The ‘Fixed’ component of price refers to the standard charges imposed by operators, regardless of the amount of calls made (i.e. connection and rental). Teligen’s calculation of this Figure is made up of: Installation Charge/5 + Rental charge for 1 year. The ‘Voice’ component of price refers to the charges imposed by operators, arising from the number of voice calls made by the user, while “Message” refers to the charges imposed by operators, arising from the number of SMS and MMS messages sent by the user.

4.8.1 Low User Post Paid Mobile Basket[38]

For the new measurement of the "low user" post paid mobile basket, Ireland ranks in 9th position out of the European countries benchmarked. Ireland is one place ahead of the European average for this basket and is 4.9% lower than the average. The Irish package used this quarter is O2's "Clear 50".

Figure 4.8.1.1 - OECD Low User Post Paid Mobile Basket (30 calls)

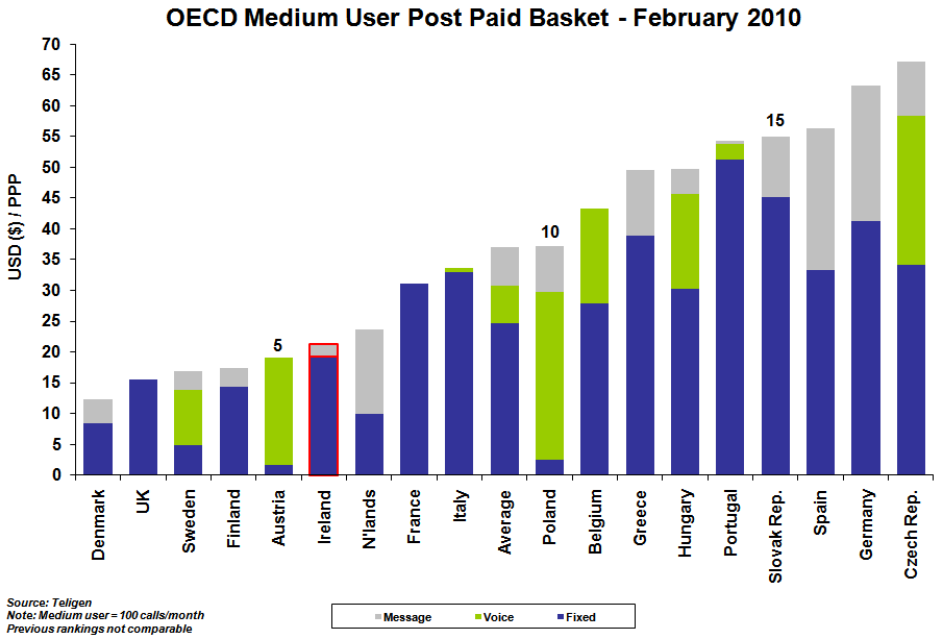


38 All tariffs are inclusive of VAT, rates will vary between Member States

4.8.2 Medium User Post Paid Mobile Basket

For the new measurement of the "medium user" post paid mobile basket, Ireland ranks in 6th position out of the European countries benchmarked. Ireland is four places ahead of the average, 42.4% lower. The package used for Ireland is Vodafone's "Simply 100 30 day SIM only".

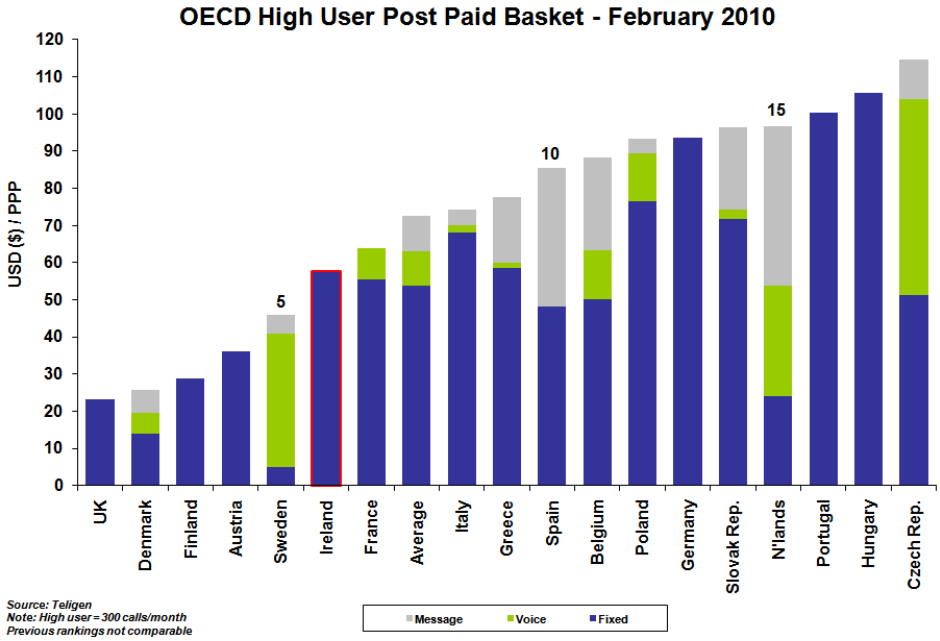
Figure 4.8.2.1 - OECD Medium User Post Paid Mobile Basket (100 calls)



4.8.3 High User Post Paid Mobile Basket

For the new measurement of the "high user" post paid mobile basket, Ireland ranks in 6th place among the European countries benchmarked. The Irish package represented in the basket this quarter is Vodafone's "Simply 400 30 day SIM only". Ireland is two places ahead of the European average, approximately 20.5% lower than the average of the countries benchmarked.

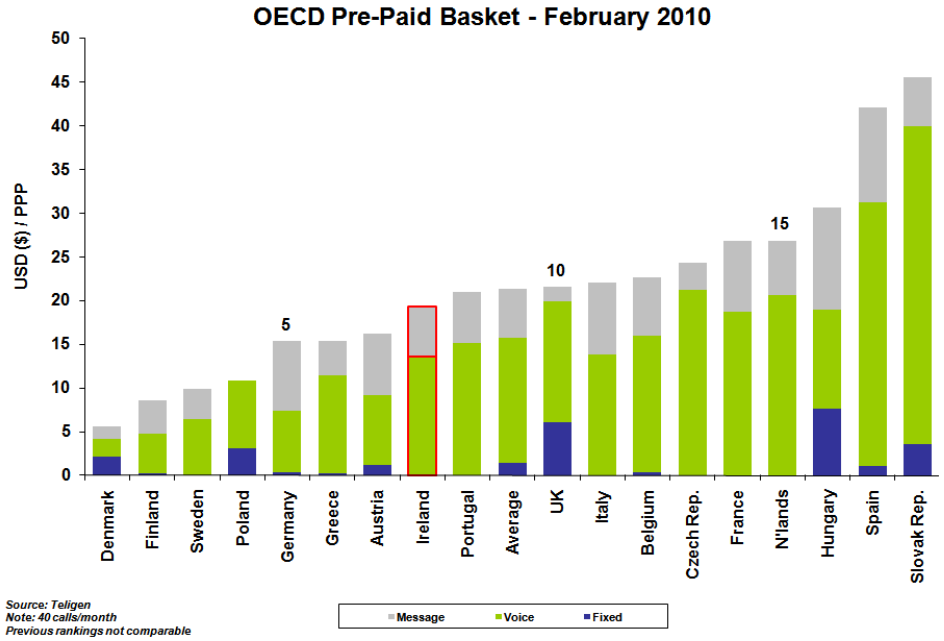
Figure 4.8.3.1 - OECD High User Post Paid Mobile Basket (300 calls)



4.8.4 Pre-Paid Mobile Basket

Based on the new measurement of the pre-paid mobile basket, Ireland is in eighth position among the European countries in this quarter's rankings. The package used for Ireland in this basket is Vodafone's "Advantage Plus". Ireland is two places ahead of the average and the cost of this basket in Ireland is approximately 9.8% lower than the average.

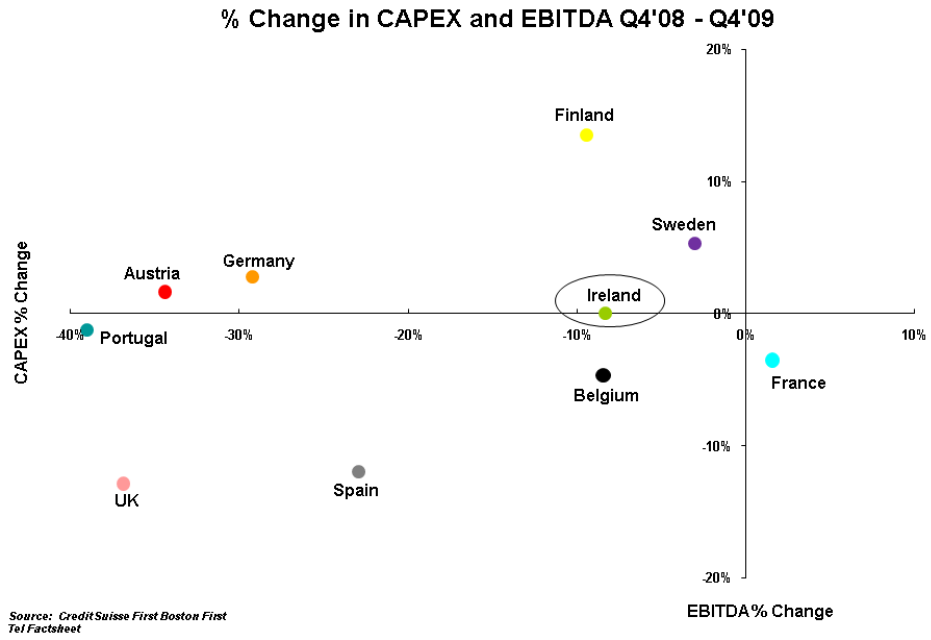
Figure 4.8.4.1 - OECD Pre-Paid Mobile Basket



4.9 European Mobile Operator Capital Expenditure and Earnings

Figure 4.9.1 shows that while CAPEX in the Irish mobile industry fell by approximately 8% between Q4 2008 and Q4 2009, EBITDA for the Irish mobile industry remained flat in the same period. The data suggests that CAPEX only grew in France over this period while none of the countries analysed saw EBITDA grow in the year to December 2009.

Figure 4.9.1 – Capital Expenditure and EBITDA



5. Broadcasting

5.1 Overall Broadcasting Market

Data from the Nielsen TV Audience Measurement Establishment Survey was first used in the Q4 2009 Quarterly Report for the broadcasting analysis in order to provide a comprehensive view of TV transmission in Ireland.[39] The survey indicates that there are just over 1.58m TV homes in Ireland which represents a 97% penetration rate of all households using the CSO's Quarterly National Household Survey of 1,636,000 households in Q3 2009.

Figure 5.1.1 shows the estimated number of TV homes by reception type between May 2009 and May 2010. Homes which receive terrestrial TV channels only have declined by almost 7% between May 2009 and May 2010. While multi-terrestrial TV homes and analogue cable/satellite TV homes declined over the period, by approximately 21.3% and 20.7% respectively, multi-total TV homes increased by 1.5% due to increases in digital cable/satellite TV homes.[40]

Figure 5.1.1 – TV Homes by Reception Type

	May 2010	May 2009	May 2010 as % of Total TV Homes	% Change May '10 – May '09
Reception	(000s)	(000s)		
Irish Terrestrial	209	224	13.2%	-6.7%
Multi Total	1,377	1,356	86.8%	+1.5%
Multi Terrestrial	144	183	9.1%	-21.3%
Cable/Sat Analogue	218	275	13.7%	-20.7%
Cable/Sat Digital	1015	898	64.0%	+13.0%
Total Cable/Sat	1,233	1,173	77.7%	+5.1%
Total TV Homes	1,586	1,580		
RECEPTION: This is determined by the channels the home receives.				
Multi Total: Made up of Multi Terrestrial homes plus Cable/Satellite homes and is therefore any home which receives more than just the four Irish terrestrial channels (RTÉ1, RTÉ2, TV3, TG4).				
Irish Terrestrial Homes which only receive the four Irish terrestrial channels (RTÉ1, RTÉ2, TV3, TG4).				
Multi Terrestrial: Homes which receive at least one of the UK channels (BBC, UTV, Channel 4, HTV, S4C, Channel 5), but do not receive any Cable/Satellite channels.				
Cable/Satellite: Homes which receive any Cable/Satellite channels (Sky One, Sky News, Sports channels, MTV, E4, Movie channels, etc.).				
Digital: Have digital reception either via dish or cable service.				

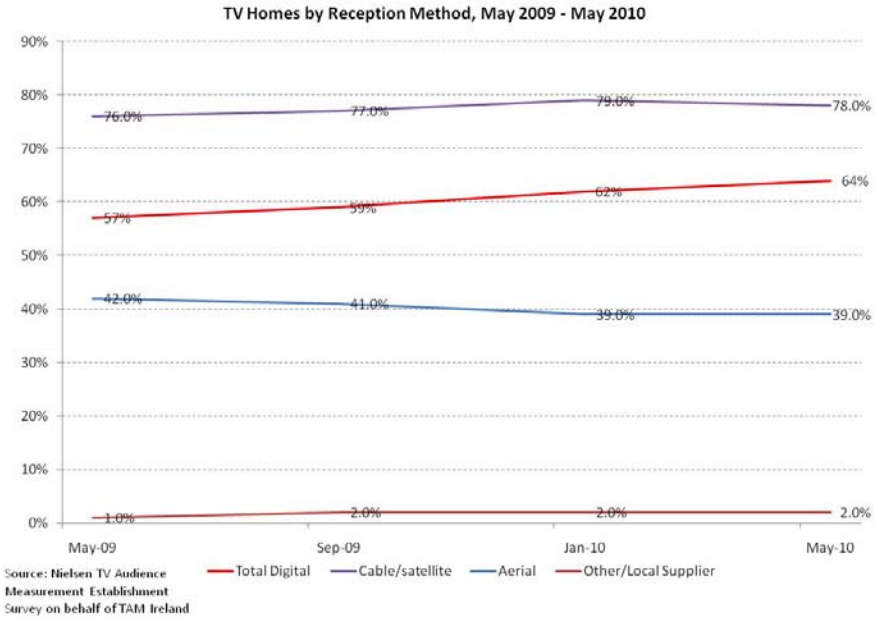
Source: ***Nielsen TV Audience Measurement Establishment Survey on behalf of TAM Ireland***

39 The Establishment Survey is a TV audience measurement survey produced by AGB Nielsen Media Research (fieldwork is carried out by Amárach Research) on behalf of Television Audience Measurement Ireland Ltd (a TV ratings body). The data used in this report summarises the results of the Establishment Survey (using face to face interviews) conducted in Jnaurya, May and September in each year.The data used therefore is based on a combination of 3 surveys. The Establishment Survey covers areas such as ownership of TV related equipment, method of TV reception and demographcis of TV household individuals such as age etc.

40 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.

Figure 5.1.2 charts TV homes by reception method[41] from May 2009 to May 2010. The percentage of cable/satellite TV homes has increased by two points over the period, while those homes that receive TV by terrestrial aerial have fallen by three percentage points. Digital TV homes have increased by seven percentage points between May 2009 and May 2010.

Figure 5.1.2 – TV Homes by Reception Method



41 This is determined by the method by which the homes 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%.

Figure 5.1.3 shows that the total number of TV homes has continued to grow through the recession, increasing by 8.9% between January 2007 and May 2010. The growth in digital TV homes in the same period has been significant, increasing by just over 60%. The number of TV homes that receive supply through more than one platform has also grown over this three year period, increasing by approximately 18%.

Figure 5.1.3 – TV Homes January 2007 – May 2010

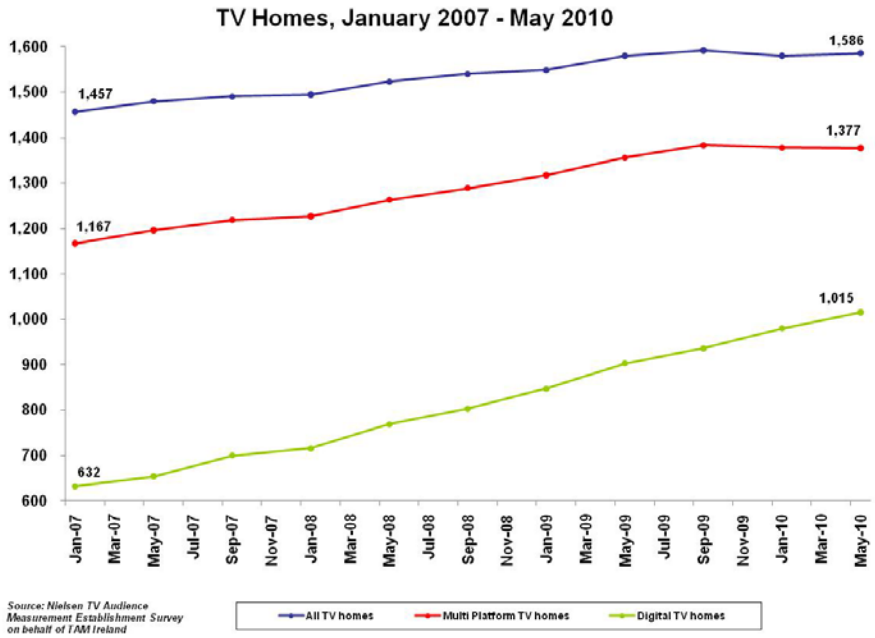
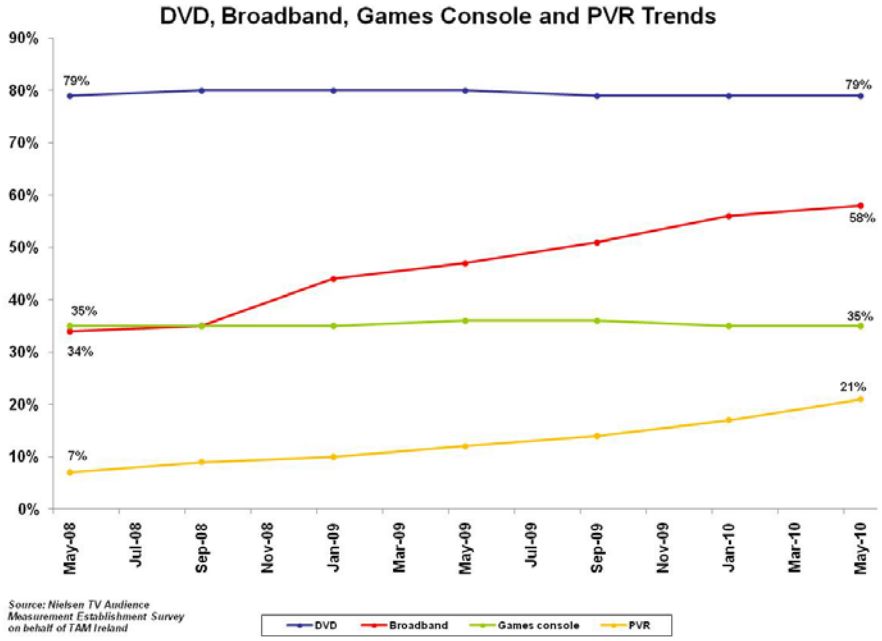


Figure 5.1.4 shows TV homes by DVD, broadband access, game console and PVR[42] ownership between May 2008 and May 2010. Over this period, almost eight in ten TV homes have continued to own a DVD player, while just more than one in three TV homes continue to have a games console. As discussed in section 3 of this report, broadband access has continued to grow over the last number of years.

Data from the Establishment Survey corresponds with other data sources, indicating that approximately six in ten TV homes have broadband access.

Figure 5.1.4 – DVD, Broadband, Games Console and PVR Trends

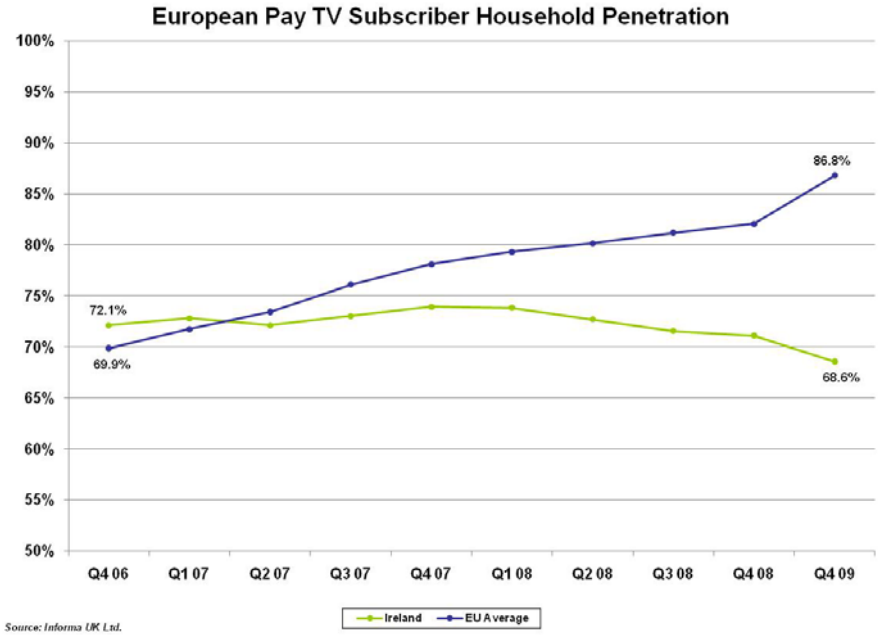


42 A PVR is an electronic device used to record media digitally. The PVR is also known as the digital video recorder or DVR. A PVR records and plays back television programmes, but, unlike the VCR, it stores the programs in digital rather than analogue format, for example, SKY+Box, or UPC Digital Video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

5.2 European Television Data

Figure 5.2.1 shows the level of household penetration of pay TV services in Ireland and Europe based on data from Informa who use a TV household number of just over 1.5 million for Ireland. As of Q4 2009, Ireland had a pay TV household penetration rate of approximately 68.6%, showing a slight drop off in penetration over the three years of the analysis.

Figure 5.2.1 – European Pay TV Penetration



6. Mobile Network Sharing

6.1 What is network sharing?

Network sharing can involve various degrees of sharing of passive or active infrastructure and can be limited in scope to specific geographical regions or can cover the whole territory. Passive infrastructure refers to physical, non-electronic components of telecommunications infrastructure. Common examples include:

- towers, masts, poles and similar structures;
- sites, buildings and shelters

This type of passive infrastructure sharing is normally encouraged as the balance of cost savings are normally believed to outweigh the potential risks to competition. This is recognised both in the Communications Framework and in national legislation (S57 of the Communications Act, 2002).

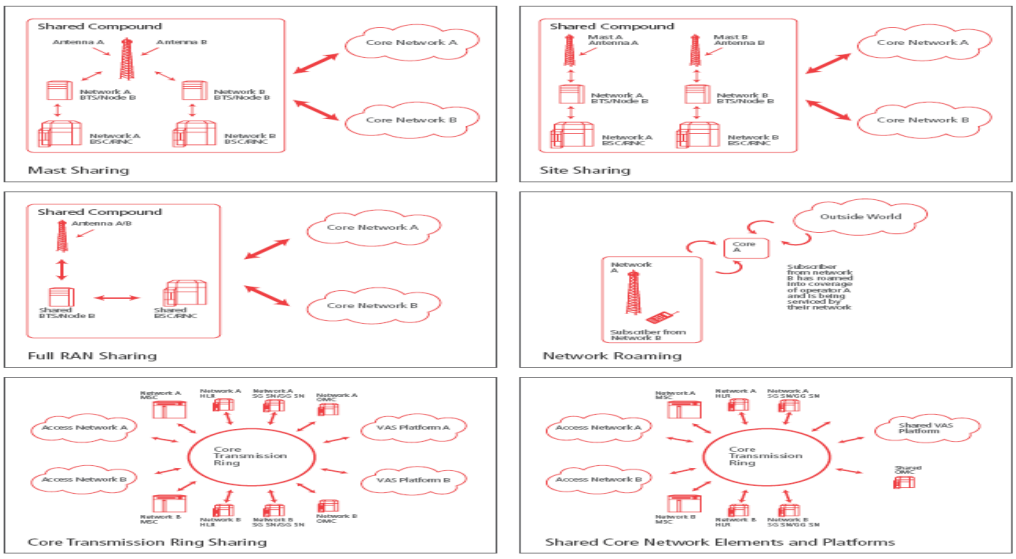
Active infrastructure refers to active, electronic components of telecommunications sites. Examples include:

- radio spectrum;
- base stations, switching centres and microwave radio equipment

The sharing of active infrastructure raises more acute competition concerns as the degree of co-ordination between the players is at a much deeper level in that investment plans and hence costs are more closely aligned.

Network sharing can involve existing or future infrastructure, or both. The form of arrangement may also involve operators entering into longer term mutual agreements with one another for the joint deployment/financing of future infrastructure. Commercial considerations appear to be driving the increasing trend for Mobile Network Operators (MNOs) to adopt a variety of infrastructure models. Examples of mobile network sharing can be found in both mature and developing markets, with 3G providing an added impetus to assess the commercial and regulatory viability of network sharing.

Figure 6.1.1 – Infrastructure Sharing Models



Source: GSMA

Network sharing started started to be considered in the early part of the last decade with a number of deals reaching successful conclusion and regulatory approval (with the European Commission's positive decision on 3G network sharing of sites and site infrastructure but not radio spectrum, between T-Mobile and O2 in the UK and Germany being an important prededent (Comp Case 38.369).

With the onset of 3G licensing in Europe and the big investments made in licence acquisition, many operators were under pressure to share deployment costs and thus share infrastructure. More recently, infrastructure agreements have started developing at a faster pace both within and outside the European zone.

Figure 6.1.2 – Examples of Mobile Network Sharing

Country	Date	Operators	Details
Sweden	March 2001	Tele2 and Telia	The two operators agreed to set up a joint venture company and deploy a nationwide 3G network. As of 2005, they had one of the largest shared 3G networks in the global telecom industry.
Sweden	May 2001	Hi3G and Europolitan	The joint venture was tasked to deploy a 3G network covering the 70 percent of population outside major cities. Orange later joined the joint venture.
Germany and the United Kingdom	June 2001	BT and Deutsche Telekom	The two operators agreed to share parts of their 3G networks. The main outcome was a roaming deal in the UK between BT Cellnet and One2One in small cities and rural areas.
Spain	October 2003	Telefónica and Yoigo	The two operators agreed on an infrastructure-sharing deal for both urban and rural areas.
Australia	August 2004	Hutchison 3G Australia and Telstra	The two operators agreed on network sharing and committed to joint ownership and operation of H3GA's existing 3G radio access network.
Spain	November 2006	France Telecom (Orange) and Vodafone	The agreement focused on rural areas with fewer than 25,000 inhabitants. The agreement is expected to reduce costs by as much as 40 percent.
India	February 2007	Hutchison Essar and Bharti Airtel	Vodafone (Hutch Essar) and Bharti entered into an MOU covering a comprehensive range of infrastructure-sharing options in India. A regulatory proposal to further share infrastructure throughout India followed in April 2007.
United Kingdom	February 2007	Orange and Vodafone	The two operators announced plans to share their radio access network across the United Kingdom.
International	February 2007	T-Mobile	T-Mobile indicated intent to focus on network sharing as a growth strategy but excluded the United Kingdom from its plans.
Spain	July 2007	Telefónica and Yoigo	Five-year renewal of the 2003 contract.

Source: Booz Allen Hamilton

6.2 Rationale for network sharing

The commercial drivers of network sharing and the types of infrastructure sharing agreement are likely to differ between countries and according to levels of market maturity. In the early phases of network development, infrastructure sharing is most commonly sitesharing and roaming, which are used to facilitate quicker network roll-out, at a lower cost, by new entrants. Facilitating sharing can provide an additional revenue source and lower costs to the incumbent operators.

As networks mature, and their focus shifts from deployment to service innovation, drivers such as cost reduction become increasingly important as operators seek to optimise profits and revenues. In this context, two or more operators may seek to join part or all of their individual networks and to build out additional coverage in a unified manner. A number of broad key strategic and commercial drivers exist:

- Network expansion into underserved areas that would otherwise be unprofitable or have a payback period greater than the business target
- Cost reduction
- Incremental revenue sources
- Capex / Opex optimisation
- Facilitation of market entry

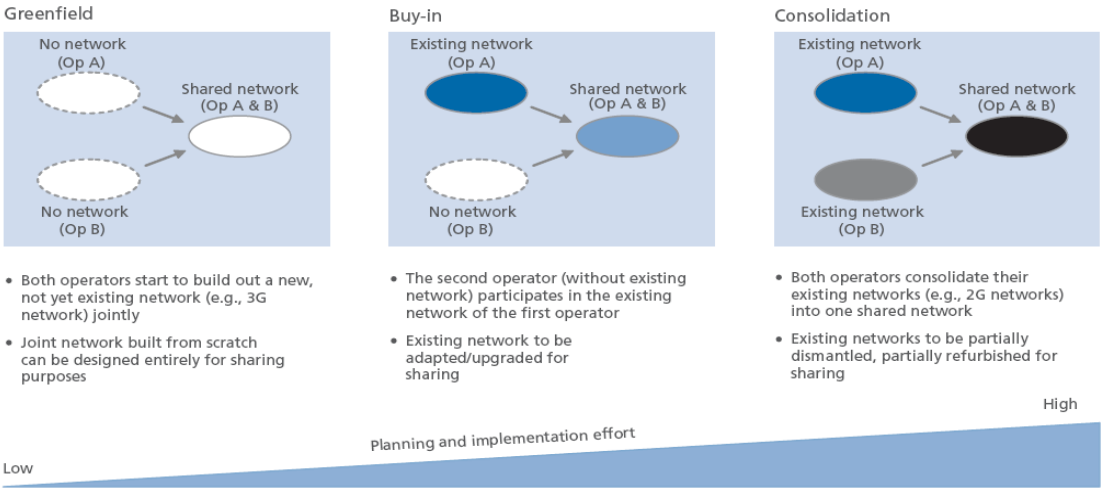
In recent times, the economic downturn has has been used by some network providers as an opportunity to strike more infrastructure sharing deals with other providers. For example, global players such as Vodafone have taken to network sharing and managed services strategies to achieve targeted cost reductions.

6.3 Network sharing in practice

Typically, there are three practical network-sharing situations:

1. **Greenfield**: usually the easiest to realize. In this case, two operators jointly agree to build out a new technology (typically 3G). At the outset, the new shared network infrastructure and operations can be based on the capacity and coverage requirements of both operators.
2. **Buy-in**: arises when one of the sharing operators has already built out a 3G network and is now looking for another operator to share this network. In this case, the second operator would either pay a capacity usage fee or an up-front fee to acquire a share in the network.
3. **Consolidation**: arises when either 2G or 3G networks, which have already been built out by each of the sharing operators, need to be consolidated into one jointly shared network.

Figure 6.3.1 – Examples of Mobile Network Sharing



Source: Oliver Wyman

Network sharing has been cited as a mechanism for decreasing costs and potentially resulting in greater coverage, improved quality of service and lower retail prices, while having a positive environmental impact and optimising national scarce resources.

In terms of efficiency, network sharing can potentially impact coverage, quality of service and pricing of services to consumers positively, as the cost saving characteristics of infrastructure sharing may allow for increased efficiency. These benefits can be expected to be passed onto consumers so long as there is no weakening of the competitive impulse on the retail market. This is important in the here and now (in terms of better prices etc.) but is also key to future developments as competition to roll out advanced networks drives each MNO to continually improve their network's capacity to deliver services. The removal of radio access sharing from the T-Mobile O2 infrastructure agreement was likely an important part of the decision by the European Commission to approve the deal as the revised deal did not lead to undue restraints on network competition.

Even when concerns about competition do not lead to deals being restructured etc. there may be reasons why industry players may not want to enter into infrastructure sharing arrangements. For example, these could include concerns regarding loss of network control, limited availability of resources, expended capital investments and difficulty in agreeing satisfactory commercial terms with other operators.

6.4 Network sharing in Ireland

ComReg has encouraged infrastructure sharing to ensure that innovative new services can be rolled out speedily and with a minimal environmental impact, so long as there is no damage to the competitive process in both the short and long term (Doc 01/96 Sect 4.4). In line with this 3G operators in Ireland have all signed a Code of Practice on Site Sharing wherein they all agreed to facilitate access by other MNOs to their sites.

Telefónica O2 and Vodafone recently announced a partnership to share 2G and 3G network infrastructure across several large European markets such as Germany, Spain, Ireland and the UK. In Britain, the two operators expect to be able to reduce the number of the sites that make up their networks by about 25% and reduce expenditure by 10%. Currently each operator has around 12,000 masts in the UK, but will look at areas where their bases overlap and will collaborate over the location of new sites. Vodafone and Telefónica anticipate cost efficiencies of hundreds of millions of pounds by 2020 with the expectation that these will shared with final consumers through the normal competitive process.

6.5 Conclusion

The sharing of passive and active telecommunications infrastructure can potentially promote a successful, vibrant and competitive telecommunications market once competition concerns are addressed. This is relevant for operators in both the fixed and mobile space, as well as in developed and emerging markets. Possible operator efficiencies (cost-related and otherwise), consumer benefits and environmental advantages associated with infrastructure sharing highlight its potential as a strategic operating decision for service providers in the telecommunications industry.

7. Appendix

Aggregated SB-WLR Performance Statistics, as supplied by Eircom, are published in accordance with ComReg Decision Notice (07/61) Section 6.6 (vii).

Performance metrics: Q1 2010

Jan-10

Order Type	% Orders Validated within Performance Target	% Orders Delivered within Performance Target
DR	-	98.93%
LE	-	99.92%
PW	-	99.05%
LNI/LTI/MI	-	98.81%
LNI/LTI/MI	-	99.49%
CL	-	99.77%
LNN/LTN/MN	98.29%	93.68%
CH	-	99.53%
CN	-	92.11%
CM	-	99.64%

Feb-10

Order Type	% Orders Validated within Performance Target	% Orders Delivered within Performance Target
DR	-	98.65%
LE	-	99.88%
PW	-	99.05%
LNI/LTI/MI	-	97.81%
LNI/LTI/MI	-	99.45%
CL		99.38%
LNN/LTN/MN	97.39%	94.12%
CH	-	99.13%
CN	-	95.92%
CM	-	99.62%

Mar-10

Order Type	% Orders Validated within Performance Target	% Orders Delivered within Performance Target
DR	-	98.92%
LE	-	99.84%
PW	-	98.76%
LNI/LTI/MI	-	96.55%
LNI/LTI/MI	-	98.28%
CL	-	99.69%
LNN/LTN/MN	97.86%	93.04%
CH	-	98.40%
CN	-	94.03%
CM	-	99.51%

Count of Time Interval	SLA Type	SB-WLR Repair performance metric Qrt 1 Jan - Mar 2010	
QRT 1 2010	Percentage of faults		
	<=2	<=5	<=10
Grand Total	69.34%	91.08%	97.44%

Glossary

DR	Data request: supply of list of numbers, DDIs/MSNs and Ancillary Service for a customer account
PW	Provide Wholesale Line Rental (WLR) and Carrier Selection (CS)
CH	Modify or provide Ancillary Services
CL	Cease Line
LTN	Provide WLR and Carrier Pre-Selection (CPS) and additional line to a specified Customer Account (Non-Insitu)
LNI	Provide WLR and Carrier Pre-Selection (CPS) and new line to a new Customer Account (In-Situ)
LTI	Provide WLR and Carrier Pre-Selection (CPS) and additional line to a specified Customer Account (In-Situ)
LNN	Provide WLR and CPS and new line to a new Customer Account (Not In-Situ)