



Commission for
Communications Regulation

Irish Communications Market

Quarterly Key Data Report

Data as of Q1 2014

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Table of Contents

SUMMARY	6
Notes to data:	8
1. OVERALL MARKET DATA	10
1.1 Number of Authorisations	10
1.2 Overall Electronic Communications Revenues	11
1.3 Overall Call Volumes	12
1.4 Communications and the Consumer Price Index	13
1.5 Fixed and Mobile Market Retail Voice, Internet and TV Subscriptions	14
2. FIXED MARKET DATA.....	15
2.1 Fixed Line Retail Revenues	15
2.1.1 Authorised Operators’ Share of Fixed Line Revenues	16
2.2 Fixed Line Access Paths	18
2.2.1 Access Paths	18
2.2.2 Indirect Access Paths	19
2.2.3 Fixed Voice Subscriptions.....	20
2.2.4 Fixed Market Retail Subscriptions by Type.....	21
2.3 Fixed Voice Call Volumes	22
2.4 Switching in the Fixed Voice Market	24
2.5 PSTN Pricing Data	25
2.5.1 OECD Residential PSTN Basket	26
2.5.2 OECD Business PSTN Basket	27
3. INTERNET AND BROADBAND	28
3.1 Total Internet Subscriptions and provision of broadband services	28
3.2 Provision of DSL Access	36
3.3 Provision of VDSL Access	37
3.4 Broadband Penetration	37
3.5 WiFi Broadband Access	40
3.6 Broadband Pricing Data	41
4. MOBILE MARKET DATA	46
4.1 Number of Subscriptions and Penetration Rate	46
4.2 The Profile of Mobile Subscriptions in Ireland	49

4.3 Mobile Volumes	52
4.4 Mobile Revenues.....	55
4.5 Average Monthly Revenue per User	55
4.6 Machine to Machine subscriptions	56
4.7 Competition in the Mobile Market	58
4.8 Switching in the Mobile Market.....	61
4.9 Mobile Pricing Data.....	62
4.9.1 Low User Post Paid Mobile Basket	63
4.9.2 Medium User Post Paid Mobile Basket	63
4.9.3 High User Post Paid Mobile Basket.....	64
4.9.4 Pre-Paid Mobile Basket	65
5. BROADCASTING	66
5.1 Overall Broadcasting Market.....	66
6. APPENDIX	71

Table of Figures

Figure 1.1.1 - Total Number of Authorisations	10
Figure 1.2.1 – Fixed, Mobile & Broadcasting as a % of Total Retail Revenues	11
Figure 1.3.1 - Share of Total Voice Call Volumes (Minutes)	12
Figure 1.3.2 – Total Voice Traffic	13
Figure 1.4.1 – Consumer Price Index and Communications Sub-Component	13
Figure 1.5.1 – Total Subscriptions (Fixed and Mobile), Q1 2011 – Q1 2014.....	14
Figure 2.1.1 – Profile of Fixed Line Retail Revenues	15
Figure 2.1.1.1 – Fixed Retail Revenue Market Shares	16
Figure 2.1.1.2 – Fixed Revenue Market Shares.....	17
Figure 2.2.1.1 – Narrowband Fixed Access Paths	18
Figure 2.2.1.2 – Direct & Indirect Narrowband Fixed Access Paths	19
Figure 2.2.2 – Narrowband Indirect Access Paths	20
Figure 2.2.3 – Fixed Voice subscriptions, Q1 2011 – Q1 2014	20
Figure 2.2.4 – Fixed Market Retail Subscriptions by Type, Q1 2012 – Q1 2014.....	21
Figure 2.3.1 – Fixed Voice Call Volume (Minutes)	23
Figure 2.3.2 – Fixed Voice Call Volume per business subscriber (Minutes).....	23
Figure 2.3.3 – Fixed Voice Call Volume per residential subscriber (Minutes)	24
Figure 2.4.1 – Fixed Numbers Ported	25
Figure 2.5.1 - OECD Residential PSTN Basket – February 2014	26
Figure 2.5.2 - OECD Business PSTN Basket – February 2014	27
Figure 3.1.1 – Total Number of Active Internet Subscriptions	28
Figure 3.1.2 – Total Internet Subscriptions	29
Figure 3.1.3 – Quarterly Growth in Total Internet and Broadband subscriptions.....	30
Figure 3.1.4 – Broadband Subscriptions by Platform	31
Figure 3.1.5 – Broadband Subscriptions - Net additions, Q1 2012 – Q1 2014	31
Figure 3.1.6 – Broadband Subscriptions by Subscription Type	32
Figure 3.1.7 – Fixed Broadband Subscriptions by Contracted Download Speeds and Subscription Type	33
Figure 3.1.8 – Fixed Broadband Subscriptions by Contracted Download Speeds and Broadband Platform	33
Figure 3.1.9 – Fixed Broadband Subscriptions by Contracted Download Speeds.....	34
Figure 3.1.10 – Subscription Market Share of Fixed Broadband Market.....	35
Figure 3.1.11 – Subscription Market Share of Mobile Broadband Market	35
Figure 3.2.1 - Provision of DSL Access	36
Figure 3.2.2 – Number of Local Loops Unbundled	37
Figure 3.4.1 – Fixed Broadband Subscriptions per Capita, Q4 2011 – Q4 2013	38
Figure 3.4.2 – Household Broadband Subscriptions, 2013.....	39
Figure 3.4.3 – Household Broadband Penetration, 2004 - 2013	39
Figure 3.5.1 – WiFi Hotspots, Access Points and Minutes of Use.....	41
Figure 3.6.1 - Residential DSL, VDSL & Cable Basket (All Speeds)	42
Figure 3.6.2 – Business DSL, VDSL and Cable Basket (>10Mbps)	43
Figure 3.6.3 – Pre-Pay Residential Mobile Broadband Basket (All Speeds).....	44
Figure 3.6.4 – Post-Pay Residential Mobile Broadband Basket (All Speeds)	44
Figure 3.6.5 – Post-Pay Business Mobile Broadband Basket (All Speeds)	45
Figure 4.1.1 – Mobile Subscriptions	46
Figure 4.1.2 – Mobile Subscriptions including Smartphones (SIMs)	47

Figure 4.1.3 – Irish Mobile Penetration Rate.....	48
Figure 4.2.1 – Profile of Pre-Paid and Post-Paid Subscriptions	49
Figure 4.2.2 – Mobile Subscriptions by Pre-pay/Post-pay Split, Q1'13 – Q1'14	50
Figure 4.2.3 – Profile of Pre-Paid and Post-Paid Subscriptions by Operator.....	50
Figure 4.2.4 – Profile of Pre-Paid and Post-Paid Mobile Broadband Subscriptions	51
Figure 4.2.5 – Post-Paid Business and Residential Mobile Subscriptions	51
Figure 4.3.1 – SMS, MMS, Other Data and Call Minute Volumes	52
Figure 4.3.2 – Voice Call Minute Volumes by Type	53
Figure 4.3.3 – Mobile to Mobile Voice Call Minute Volumes by Type.....	53
Figure 4.3.4 – Monthly Mobile Voice Call Minutes per Subscription by Type	54
Figure 4.3.5 – Monthly Mobile Messaging and Data Volumes per Subscription	54
Figure 4.4.1 – Total Mobile Retail Revenues	55
Figure 4.5.1 – Monthly Average Revenue per User by Type.....	56
Figure 4.6.1 – Market Share – Number of Business Subscriptions/Number of M2M Subscriptions	58
Figure 4.7.1 – Market Share – Number of Subscriptions (inc. mobile broadband and M2M) ..	59
Figure 4.7.2 – Market Share – Number of Subscriptions (ex. mobile broadband and M2M)...	59
Figure 4.7.3 – Revenue Market Share	60
Figure 4.8.1 – Gross Subscription Additions and Numbers Ported	61
Figure 4.9.2.1 - OECD Medium User Post Paid Mobile Basket (100 calls).....	64
Figure 4.9.3.1 - OECD High User Post Paid Mobile Basket (300 calls)	64
Figure 4.9.4.1 - OECD Pre-Paid Mobile Basket (40 calls).....	65
Figure 5.1.1 – TV Homes by Reception Type	66
Figure 5.1.2 – TV Homes by Reception Method.....	67
Figure 5.1.3 – TV Homes 2009 –2014	68
Figure 5.1.4 – DVD, Broadband, Games Console and PVR Trends	69
Figure 5.1.5 – Pay TV vs Free to Air TV Homes, 2006 - 2014	69
Figure 5.1.6 – Digital and Analogue TV Reception, 2012 - 2014	70

Corrigendum to Q4 2013 Report

- Total Mobile Voice Traffic in Q4 2013 has been revised upwards to 2,863,728,664.

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Summary

During the period Q4 2013 to Q1 2014 overall industry retail revenues decreased by 3.0%. Total retail revenues in the twelve months to March 2014 at €3.13 billion were down from over €3.22 billion over the 12 months previous. On the other hand, the number of broadband subscribers continued to grow. There were 1,701,714 broadband subscriptions this quarter which was an increase of 0.7% from Q4 2013 and an increase of 2.0% compared to Q1 2013. Overall voice traffic volumes declined by 1.0% this quarter. Presented below is a tabular summary of this quarterly report.

Irish Quarterly Communications Market Data Q1 2014				
	Q1'14	Q4'13	Quarterly Change	Annual change
Total Market Revenues ¹	€764,965,205	€788,403,356	-3.0%	-3.7%
Fixed Line Retail Revenues	€340,089,350	€345,598,013	-1.6%	-7.0%
Mobile Retail Revenues	€383,036,727	€399,933,642	-4.2%	-0.4%
Broadcasting Retail Revenues ²	€41,839,128	€42,871,700	-2.4%	-5.0%
Fixed Line Wholesale Revenues	€125,523,519	€120,802,718	+3.9%	-0.1%
Mobile Wholesale Revenues ³	€75,009,506	€83,940,648	-10.6%	-
Total Voice Traffic (Minutes)	4,109,413,815	4,150,739,726	-1.0%	+1.6%
Fixed Voice Traffic (Minutes)	1,269,648,424	1,287,011,062	-1.3%	-10.0%
Mobile Voice Traffic (Minutes)	2,839,765,391	2,863,728,664	-0.8%	+7.7%
Total Internet Subscriptions ⁴	1,709,995	1,697,619	+0.7%	+1.8%
Total Broadband Subscriptions	1,701,714	1,689,052	+0.7%	+2.0%
Fixed Broadband Subscriptions	1,212,735	1,189,212	+2.0%	+7.7%
Mobile Broadband Subscriptions (HSDPA)	488,979	499,840	-2.2%	-9.9%
Fixed Subscriptions ⁵	1,989,975	1,969,200	+1.1%	+2.7%
Fixed Voice Subscriptions	1,561,728	1,529,070	+2.1%	+5.8%

¹ Mobile and Fixed line wholesale revenues are excluded from this figure.

² ComReg only captures Cable/MMDS/IPTV revenues from a number of TV providers for Quarterly publication in the Report under broadcasting revenues. The collection and publication of licence fee and/or television (advertising) revenues) does not fall within ComReg's remit and therefore is not included in the broadcasting revenue figure.

³ ComReg has started to gather additional wholesale revenues (such as wholesale access and wholesale roaming revenues) since Q4 2013. Thus, the comparisons with the previous quarters cannot be made.

⁴ The difference between Internet and broadband subscriptions is accounted by narrowband subscriptions.

⁵ Fixed subscriptions to voice, fixed internet and TV services (both single play and bundled subscriptions).

Total Mobile Subscriptions (inc. HSDPA and M2M)	5,619,777	5,626,398	-0.1%	+1.2%
Machine to Machine Subscriptions	377,021	371,877	+1.4%	-
Mobile Subscriptions ⁶ (exc. HSDPA and M2M)	4,753,777	4,754,681	-0.02%	-

- Overall electronic communications network and service retail revenues at the end of March 2014 were €765.0 million for the quarter. Industry revenues decreased by 3.0% this quarter, and declined by 3.7% compared to Q1 2013. The quarterly decrease in revenues was driven by decreases in fixed, broadcasting and mobile revenues.
- At the end of March 2014 there were 1,561,728 fixed voice subscriptions in Ireland, an increase of 2.1% since last quarter and an increase of 5.8% since Q1 2013.
- Total voice traffic minutes decreased by 1.0% this quarter. Mobile minutes form the majority of voice minutes at 69.1%, with fixed minutes representing the remaining 30.9%. Mobile voice minutes decreased by 0.8% this quarter while fixed voice minutes fell by 1.3% this quarter.
- In Q1 2014, total internet subscriptions increased by 0.7% to 1,709,995.
- Broadband subscriptions (fixed and mobile) increased by 0.7% this quarter, and were up by 2.0% compared to Q1 2013. Cable (+10,048), VDSL (+28,880) and satellite/fibre (+14) subscriptions increased this quarter while DSL (-13,956), FWA (-1,463) and dedicated mobile broadband (-10,861) subscriptions fell this quarter.
- The estimated fixed broadband household penetration rate⁷ rate was 61.9% in Q1 2014. The fixed broadband per capita penetration rate was 26.3%. The broadband per capita penetration rate (including mobile broadband) was 36.9%.
- Average fixed broadband speeds continue to increase. In Q1 2014 approximately 56.7% of all fixed broadband subscriptions were equal to or greater than 10Mbps up from 32.2% in Q1 2013. 37.7% of all fixed

⁶ As of Q2 2013 Machine to Machine (M2M) subscriptions are excluded from mobile voice subscriptions. Therefore, changes in subscriptions are not directly comparable to previous periods. See section 4.6 for a more detailed description of M2M.

⁷ This estimate excludes business subscriptions and mobile broadband subscriptions.

broadband subscriptions were equal or greater than 30Mbps up from 21.3% in Q1 2013.

- At the end of March 2014 there were 5,619,777 mobile subscriptions (including mobile broadband and M2M) in Ireland, a decrease of 0.1% since last quarter. The mobile penetration rate was 121.9% including mobile broadband and Machine to Machine subscriptions and 103.1% excluding mobile broadband and Machine to Machine subscriptions.
- The number of smartphone/tablet users⁸ increased to 2,717,901 this quarter, up by 4.2% from Q4 2013 and up by 12.2% compared to Q1 2013.
- There were 517,627 gross additions in the number of mobile subscriptions. Of these, 102,973 were subscriptions with ported numbers. On average, there were 109,701 numbers ported and 534,001 total gross additions per quarter over the last 12 months.
- In Q1 2014 mobile ARPU was €26 per month, down from €28 per month in Q1 2013. Declining ARPU is likely to be a reflection of a number of factors such as those attributable to weak economic conditions in Ireland (e.g. reduced consumer spending), lower priced mobile plans, increased sales of bundled products (combining mobile with fixed calls and sometimes broadband) and reductions in mobile roaming and termination rates, among others.

Notes to data:

- Both Meteor and emobile brands are reported under the umbrella of eircom Group Mobile.
- 48, which is a brand of Telefónica, is included under O2.
- As of Q3 2013 ComReg gathers information from additional mobile operators⁹ (including Lycamobile). Hence, information since that quarter is not strictly comparable with data published in previous periods.
- Sky Ireland has declined to provide information on subscriptions to TV services and TV revenues. Thus, this information is not included in the report. Sky Ireland's distribution of subscriptions by type (single play, double play or triple play) is estimated using percentage distribution of Sky Ireland's subscriptions obtained from the market survey data conducted by RED C

⁸ Based on active 3G SIMS excluding dedicated mobile broadband SIMs.

⁹ Historical data on mobile subscriptions in Q1 and Q2 2013 was also updated.

Research & Marketing Ltd. For more details on survey method, see the Appendix on page 71.

- As since Q1 2014, an Irish population estimate¹⁰ from the Central Statistics Office (CSO) of 4,611,000 from the CSO (QNHS survey) is used for Q1 2014. This compares to 4,603,900 which was used in Q4 2013. As since Q1 2014, an estimated household number of 1,696,100 from the CSO (QNHS survey) is used for Q1 2014. A household number of 1,699,100 was used in Q4 2013.
- A number of external sources are used for international comparisons. These include the Central Statistics Office, Analysys Mason, and Teligen.
- In most cases data has been rounded to one decimal place in this report.
- Not all charts in this report may sum exactly to 100% due to rounding.
- While quarter on quarter comparisons are made in the report, definitive conclusions with regard to trends cannot be drawn 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 14/61a.
- Extracts of data used in this report can be downloaded at www.comstat.ie
- Data previously published may have been amended since publication. Any such amendments are noted in the corrigendum on page 5.

¹⁰ Estimates based on Quarterly National Household Survey (QNHS).

1. Overall Market Data

Data presented in this report is based on questionnaires completed by authorised operators for the period from 1 January to 31 March 2014. The report is based on submissions from 52 active operators¹¹.

1.1 Number of Authorisations

Figure 1.1.1 - Total Number of Authorisations

Total Authorisations	March 2014
No. of fixed and wireless authorisations	405
No. of mobile telephony authorisations	10
No. of broadcasting authorisations (incl. Cable TV, MMDS)	63
Total Number	478

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 478 authorised undertakings in Ireland.

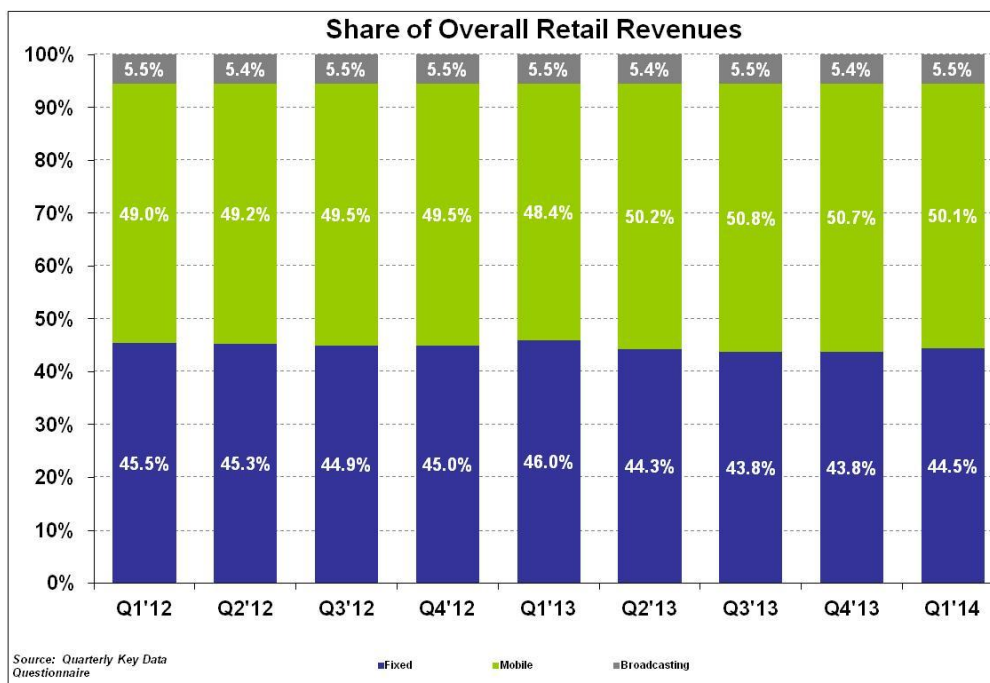
It should be noted that the list above refers to the number of general authorisations granted by ComReg under the European Framework for Authorisations, and does not necessarily reflect the total number of commercially active organisations or entities currently operating in the market. The total includes a number of undertakings who are authorised to use licence-exempt spectrum for the provision of services.

¹¹ See appendix for the list of respondents submitting information to ComReg.

1.2 Overall Electronic Communications Revenues¹²

Figure 1.2.1 shows the proportion of industry retail revenue attributable to the provision of fixed line, mobile and cable broadcasting services.

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



According to Central Statistics Office data, Ireland's Gross National Product for Q4 2013 was approximately €35 billion. Based on the Q4 2013 retail revenue data reported to ComReg by operators in the Irish communications sector, these revenues were approximately 2.3% of GNP in that quarter.

Overall electronic communications network and service retail revenues for Q1 2014 were €765.0 million. This was a 3.0% decrease on the previous quarter. Comparing Q1 2013 to Q1 2014, industry retail revenues have decreased by 3.7%. Over the twelve months to March 2014, total retail revenues were above €3.1 billion.

This quarter, mobile retail revenues decreased by 4.2% and decreased by 0.4% when compared to Q1 2013. Fixed line retail revenues decreased by 1.6% this quarter and decreased by 7.0% when compared to Q1 2013. Broadcasting (Cable/MMDS/IPTV) retail revenues decreased by 2.4% and declined by 5.0% compared to Q1 2013. The broadcasting network retail revenues in this report only captures Cable/MMDS/IPTV revenues and thus, exclude Sky Ireland's satellite revenues and all content related revenues.¹³

¹² Further detail on terms and definitions - ComReg Doc. 14/61a Explanatory Memorandum.

¹³ ComReg captures Cable/MMDS/IPTV revenues from a number of TV providers for publication in the Quarterly Report under broadcasting revenues. The collection and publication of licence fee and/or television advertising revenues does not fall within ComReg's remit and therefore is not included in the broadcasting revenue figure.

1.3 Overall Call Volumes

Figure 1.3.1 - Share of Total Voice Call Volumes (Minutes)¹⁴

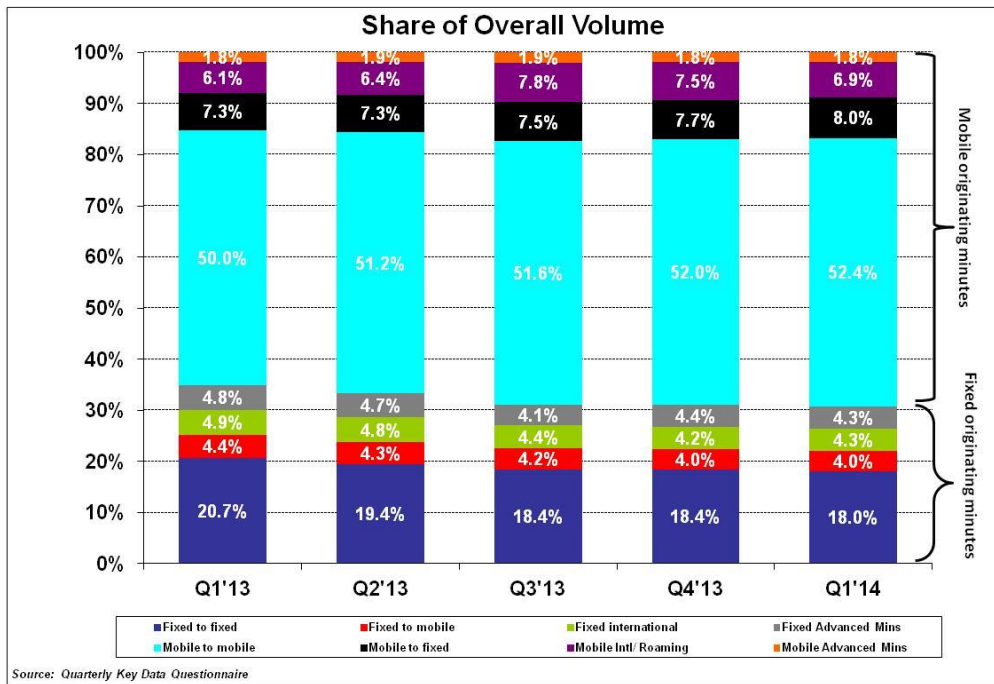


Figure 1.3.1 profiles volumes of originating voice calls by call type on both fixed and mobile networks on a quarterly basis. There was a decline in total voice minutes this quarter. Voice minutes for Q1 2014 totalled 4.11 billion minutes and there were 16.5 billion minutes in the twelve months to the end of March 2014. Total voice minutes decreased by 1.0% from the previous quarter, but increased by 1.6% since Q1 2013.

It should be noted that the split of managed VoB minutes by category (i.e. domestic, international, mobile, other) is placed into those respective categories of calls originating from fixed networks in figure 1.3.1.

Mobile originating voice minutes (up 7.7% on Q1 2013) accounted for 69.1% of all voice minutes in Q1 2014 (compared to 65.1% in Q1 2013) while traffic originating on a fixed line network (down 10.0% on Q1 2013) accounted for the remaining 30.9% of all voice minutes (compared to 34.9% in Q1 2013). Figure 1.3.2 shows total voice traffic in Ireland at the end of Q1 2014.

¹⁴ Fixed advanced minutes include premium rate services minutes, freephone minutes, payphone minutes, operator services minutes, national and international virtual private network minutes. Mobile advanced minutes include premium rate services minutes and other mobile minutes such as voicemail, DQ, call completion minutes etc.

Figure 1.3.2 – Total Voice Traffic

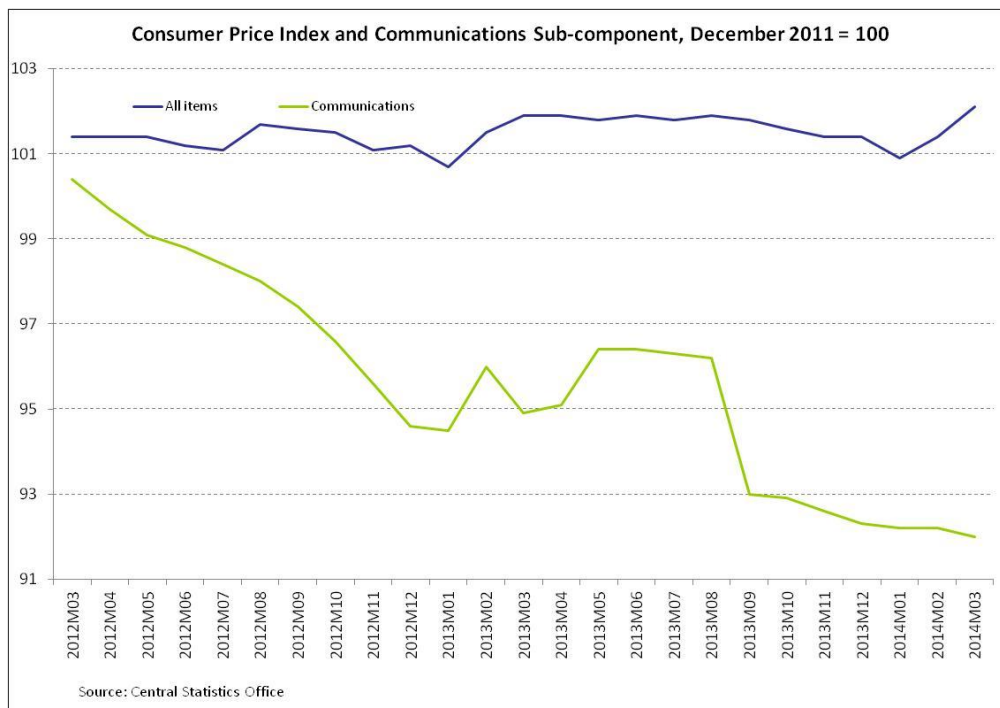
	Q1'14 Mins	Q4'13 – Q1'14 Growth	Q1'13 – Q1'14 Growth
Fixed voice minutes	1,269,648,424	-1.3%	-10.0%
Mobile voice minutes	2,839,765,391	-0.8%	+7.7%
Total voice minutes	4,109,413,815	-1.0%	+1.6%

1.4 Communications and the Consumer Price Index

Figure 1.4.1 shows the monthly change in the Consumer Price Index (CPI) and the communications sub-component from March 2012 to March 2014. The CSO has now revised its weighting for the communications basket to 2.932% of the total CPI down from 3.133% previously.¹⁵

Using December 2011 as the base period, communications prices have been generally in decline over the last 9 months. Communication prices have declined by 8.4 base points since March 2012, compared to an increase in the overall CPI by 0.7 base points in the same period.

Figure 1.4.1 – Consumer Price Index and Communications Sub-Component



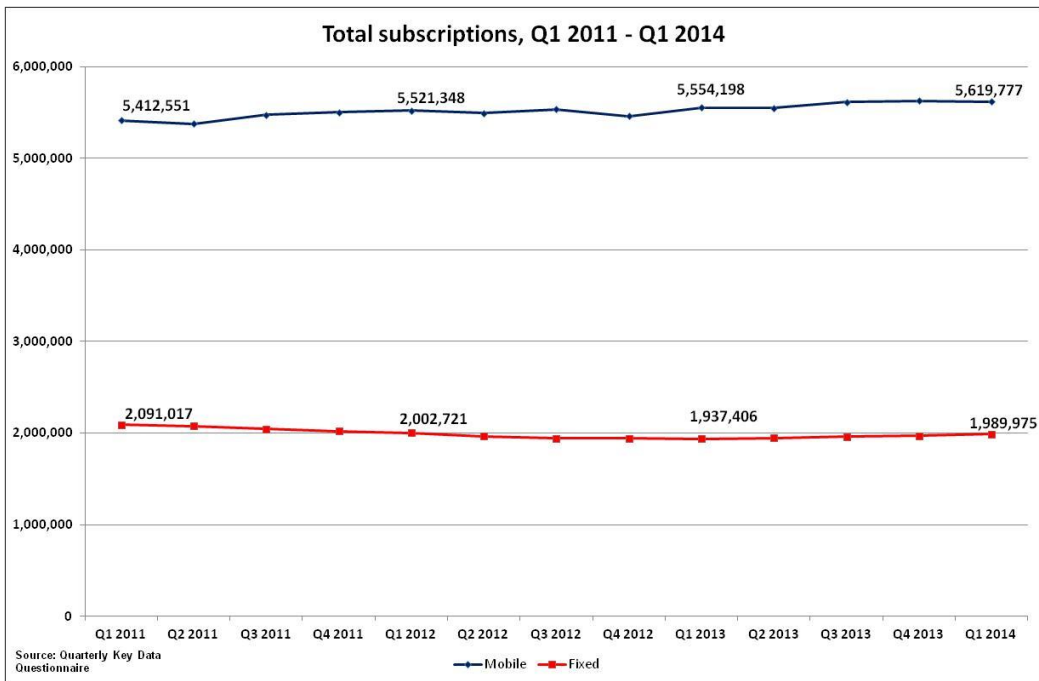
¹⁵ <http://www.cso.ie/en/releasesandpublications/er/cpi/consumerpriceindexjanuary2014/#.U2zgsnC-rk0>

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

Figure 1.5.1 shows the total number of mobile voice and data subscriptions (also reported in section 4.1) and the estimated number of fixed subscriptions to voice, internet and TV services (both single play and bundled subscriptions) in Ireland.

Customers purchasing either a single fixed service or more than one service (as part of a bundle) are included in the fixed subscriptions category. Total mobile subscriptions have decreased by 0.1% since Q4 2013 while total fixed subscriptions increased by 1.1% over the same period. It should be noted that it is possible that a customer may have more than one subscription, particularly where a mobile customer has more than one SIM card or in the case of a business customer with multiple subscriptions across several offices.

Figure 1.5.1 – Total Subscriptions (Fixed and Mobile), Q1 2011 – Q1 2014



2. Fixed Market Data

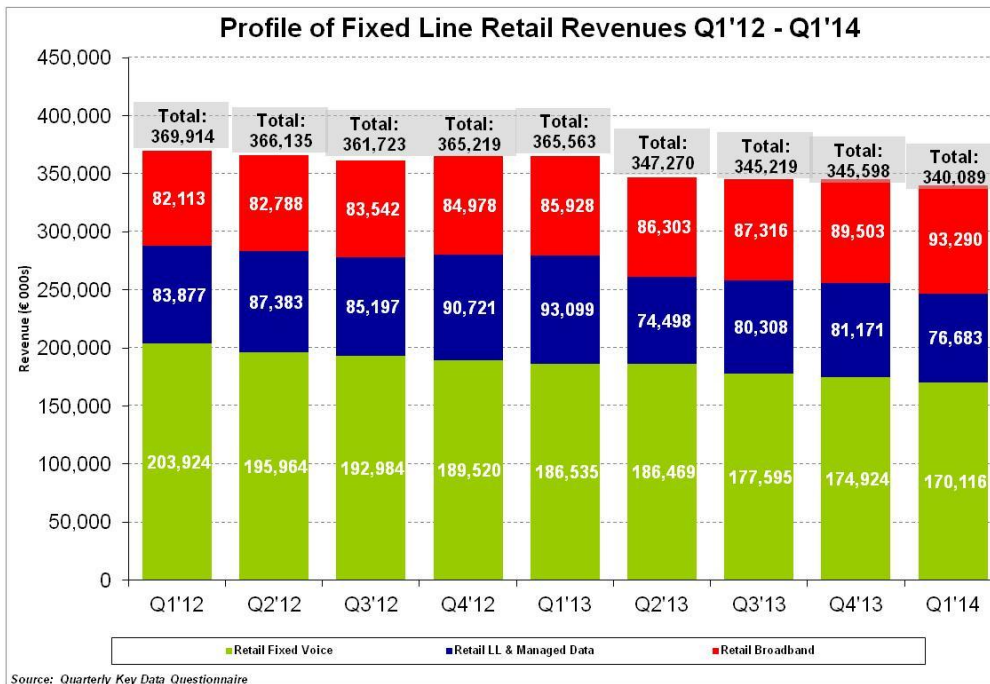
2.1 Fixed Line Retail Revenues

Figure 2.1.1 shows the profile of fixed line retail revenues in Ireland over the last two years. Total fixed line revenues for Q1 2014 were over €340 million. This was a decrease (1.6%) on Q4 2013 revenues and a 7.0% decrease on Q1 2013 revenues.

Retail fixed voice revenues (-8.8%) as well as retail leased lines, managed and other data services revenues (-17.6%) have fallen since Q1 2013, but retail broadband revenues have increased by 8.6%.

Comparing Q1 2013 to Q1 2014, the proportion of retail fixed line revenues attributable to retail leased lines, managed data and other advanced data services decreased by 2.9 percentage points and retail broadband revenues’ market share increased by 3.9 percentage points. The proportion of retail fixed voice revenues has fallen by 1.0 percentage points, to 50.0% of overall fixed line retail revenues.

Figure 2.1.1 – Profile of Fixed Line Retail Revenues



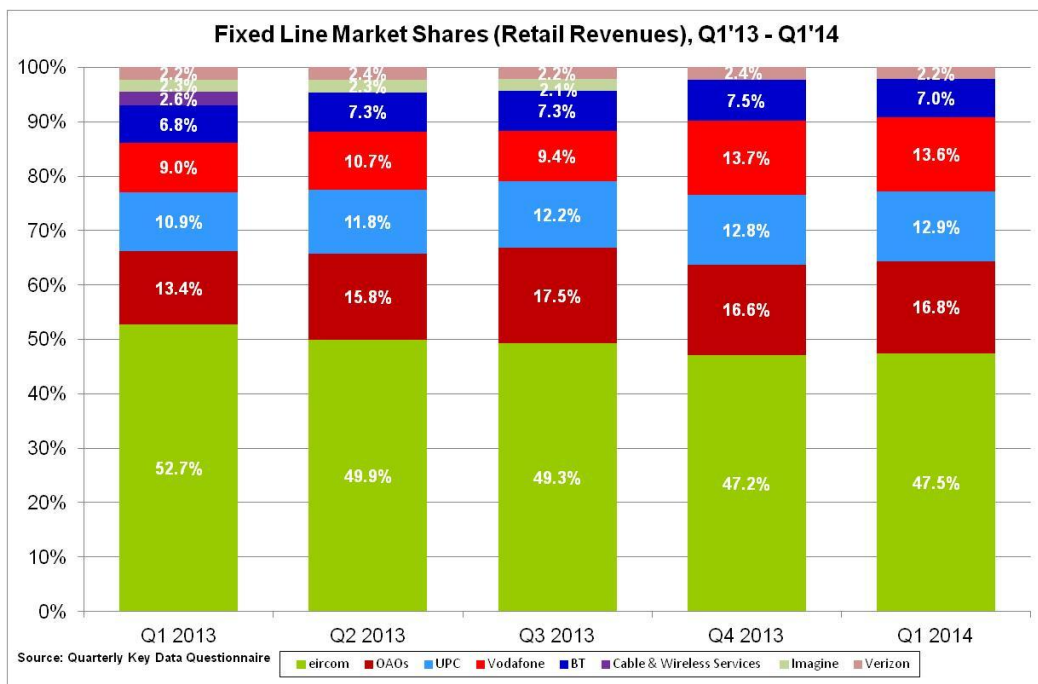
Fixed line wholesale revenues were over €125 million in Q1 2014, the majority of which were related to interconnect and wholesale fixed narrowband access revenues, followed by wholesale leased lines, managed and other data services revenues and wholesale broadband access revenues. Wholesale revenues increased by 3.9% compared to Q4 2013 but were down by 0.1% since Q1 2013.

2.1.1 Authorised Operators’ Share of Fixed Line Revenues

Figure 2.1.2.1 below outlines the revenue shares of the fixed market (comprising retail narrowband, retail broadband and retail leased line, managed and other data revenues) held by the incumbent fixed line operator (eircom), other authorised operators (OAOs) with a minimum 2% market share, and all other OAOs.

In Q1 2014, Eircom had the highest retail revenue share in the market with 47.5% market share. Vodafone¹⁶ (fixed only) had 13.6%, followed by UPC (12.9%), BT (7.0%) and Verizon (2.2%). OAOs accounted for the remaining 16.8%.

Figure 2.1.1.1 – Fixed Retail Revenue Market Shares

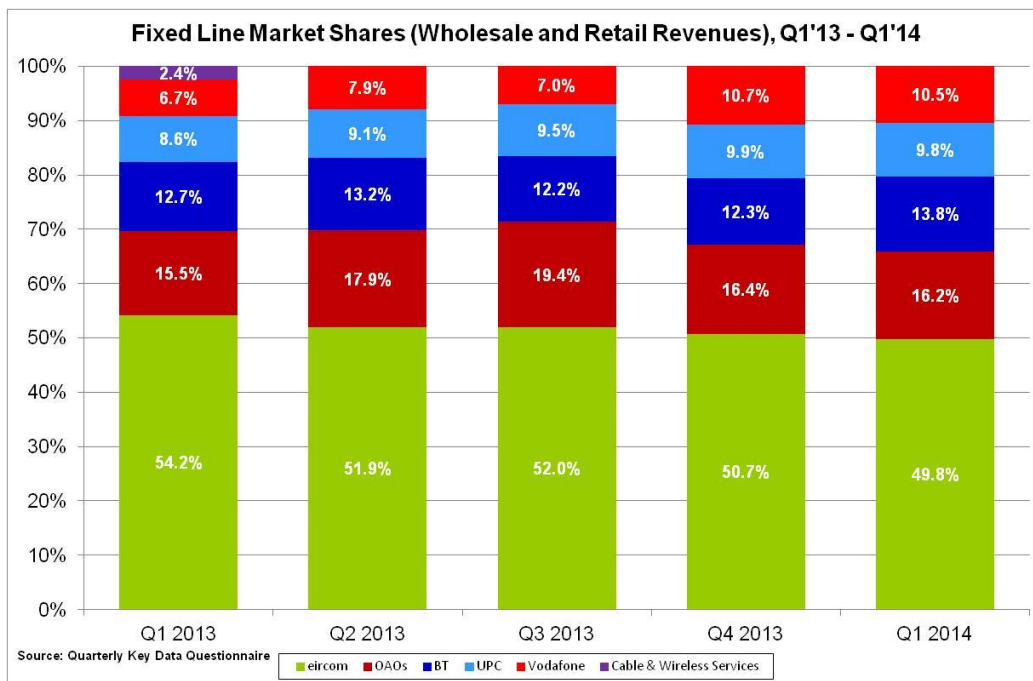


¹⁶ As of Q4 2013 Vodafone’s revenues include revenues of the acquired companies (Cable & Wireless, Complete Telecom and Interfusion).

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

In Q1 2014, Eircom had the highest revenue share in the market with 49.8% market share. ComReg estimates that the next three largest operators (BT, Vodafone (fixed only) and UPC) contribute a further 34.0% of total (retail and wholesale) industry revenue.

Figure 2.1.1.2 – Fixed Revenue Market Shares



2.2 Fixed Line Access Paths¹⁷

2.2.1 Access Paths

Figure 2.2.1.1 presents the total number of narrowband copper fixed access paths (PSTN and ISDN). These paths are usually used for voice services and internet access. There were over 1.63 million direct and indirect PSTN and ISDN access¹⁸ paths in the Irish market in Q1 2014. This represents a decrease of 0.3% on last quarter and a decline of 0.1% since Q1 2013. The number of PSTN paths decreased by 0.4% from last quarter and declined by 0.3% since Q1 2013. The number of ISDN paths has decreased by 0.2% since Q4 2013, but increased by 0.4% since Q1 2013.

Figure 2.2.1.1 – Narrowband Fixed Access Paths

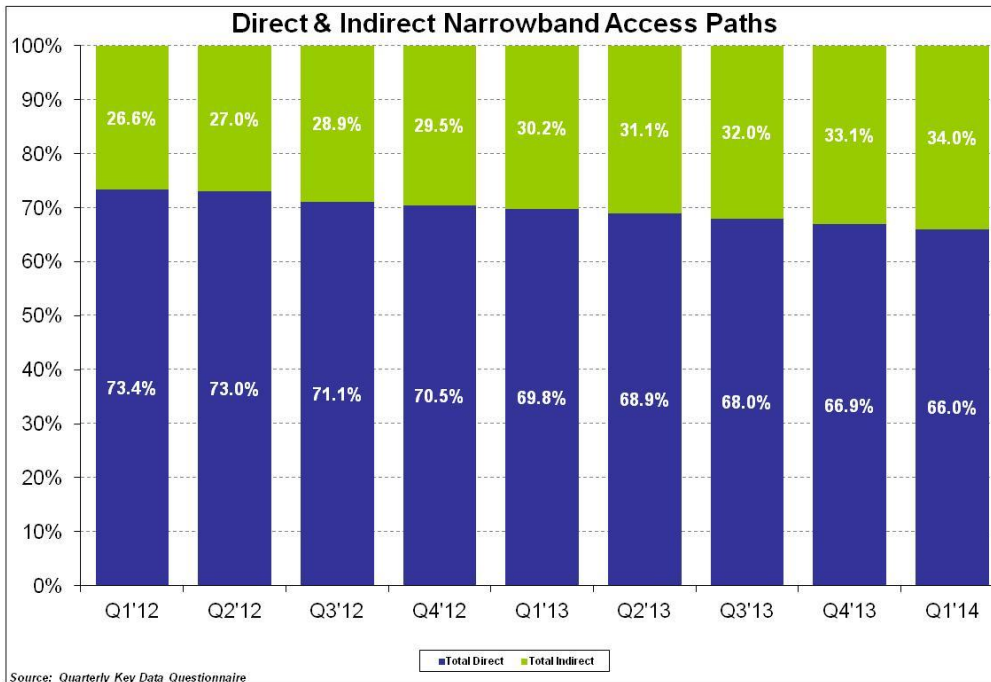
	Q1'14	Q4'13 – Q1'14 Growth	Q1'13 – Q1'14 Growth
PSTN	1,256,579	-0.4%	-0.3%
ISDN Basic	139,306	-1.6%	-2.2%
ISDN Fractional	58,752	-1.0%	-0.6%
ISDN Primary	185,070	+1.1%	+2.7%
Total ISDN	381,128	-0.2%	+0.4%
Total PSTN and ISDN	1,637,707	-0.3%	-0.1%

Figure 2.2.1.2 presents the total number of narrowband fixed access paths broken out by direct and indirect access. In Q1 2014, indirect access accounted for 34.0% of all access paths in the fixed line market. 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.

¹⁷ Access paths are not synonymous with access lines as for example in the case of ISDN paths, there may be more than one path provided via a single ISDN line.

¹⁸ Indirect access paths relate to telephone lines provided to customers by means of Carrier Pre-select (CPS), Wholesale Line Rental (WLR) or Switchless Voice (SV). CPS allows the user to receive all or a portion of calls from one provider and line rental from another provider (usually Eircom). SB-WLR (also known as Single Billing-WLR) allows the user to receive every aspect of telephone service, including all calls and line rental from one single supplier. SV also known as White Label Access-Voice Access (WLA-(Voice)) is a switchless voice service which allows an operator to purchase end-to-end call services without the need to have its own interconnection infrastructure.

Figure 2.2.1.2 – Direct & Indirect Narrowband Fixed Access Paths

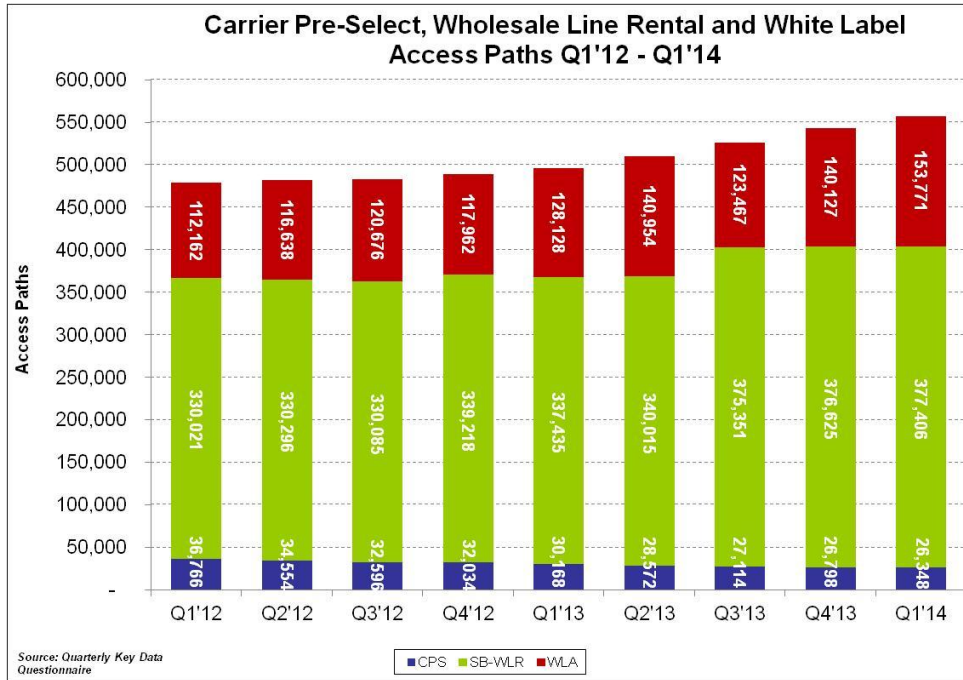


2.2.2 Indirect Access Paths

Figure 2.2.2 illustrates the overall number of indirect PSTN and ISDN paths provided by means of either Carrier Pre-Selection (CPS) only, Single Billing Wholesale Line Rental (SB-WLR) and White Label Voice Access (WLA). In Q1 2014, there were 557,525 indirect access paths in Ireland. The number of indirect access paths increased by 2.6% this quarter and rose by 12.5% in the year to Q1 2014 due to an increase in SB-WLR and WLA, as CPS access paths continue to decline.

The data indicates that OAOs continue to migrate their customer base to single-bill services, i.e. SB-WLR or WLA rather than CPS (i.e. calls only). SB-WLR managed by OAOs now accounts for 67.7% of indirect access paths compared to 68.9% in Q1 2012. WLA paths account for 27.6% of total indirect access paths compared to 23.4% in Q1 2012. The share of CPS only indirect access paths has declined by 3.0 percentage points in the last two years and now accounts for 4.7% of overall indirect access paths.

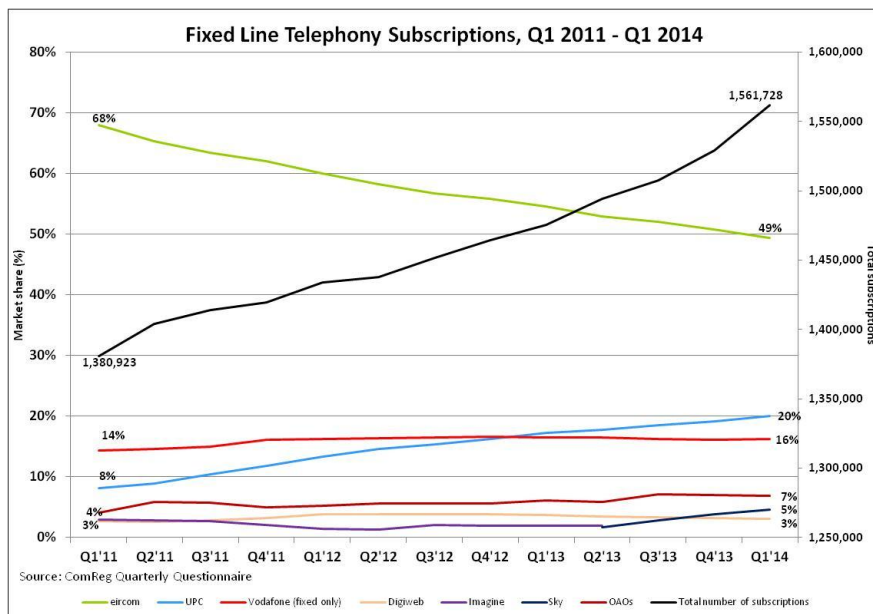
Figure 2.2.2 – Narrowband Indirect Access Paths



2.2.3 Fixed Voice Subscriptions

Figure 2.2.3 shows the estimated number of retail customers/subscriptions to fixed voice services (either standalone or as part of a bundle) and operators’ market shares based on these subscriptions. At the end of Q1 2014 there was 1,561,728 fixed voice subscriptions (an increase of 2.1% on Q4 2013 and an increase of 5.8% on Q1 2013). Fixed voice subscriptions have been increasing quarter on quarter since Q1 2011. As of Q1 2014 Eircom had 49% of all fixed voice subscriptions followed by UPC (20%) and Vodafone (16%).

Figure 2.2.3 – Fixed Voice subscriptions, Q1 2011 – Q1 2014

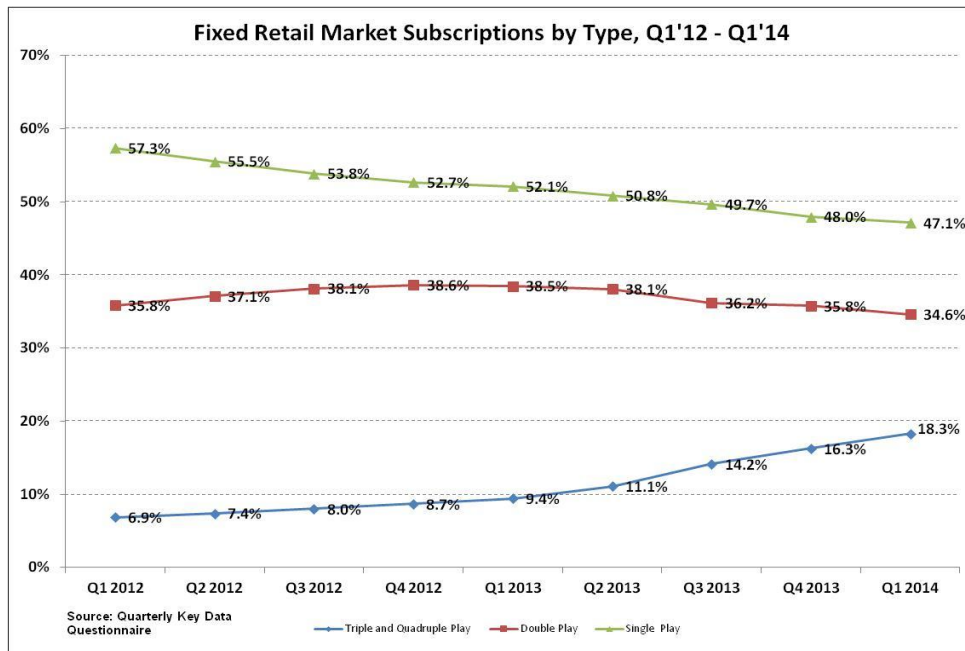


2.2.4 Fixed Market Retail Subscriptions by Type

Figure 2.2.4 shows the estimated proportion of retail customers/subscriptions to fixed line services (mobile is excluded from single play subscriptions but included when part of a bundle e.g. double/triple/quad play) broken out by those with a single service and those taking a bundle of two or more services as of Q1 2014 (subscriptions mean a customer with at least one contract with an electronic communications service provider).¹⁹ Single play subscriptions include fixed line services only which means that standalone mobile voice, standalone mobile broadband and standalone satellite TV subscriptions are excluded from this figure.

It is estimated that there were 1,989,975 fixed market retail subscriptions in Q1 2014 across both business and residential customers (a business customer may have multiple subscriptions). There was a continued decline in the share of single play and double play subscriptions as triple play's and quadruple play's share of subscriptions continued to increase. 47.1% of fixed market retail subscriptions were single play compared to 52.1% in Q1 2013. 34.6% of subscriptions were double play (a bundle of two services) compared to 38.5% in Q1 2013 and 18.3% were triple play (a bundle of three services) and quadruple play (a bundle of four services) compared to 9.4% in Q1 2013.

Figure 2.2.4 – Fixed Market Retail Subscriptions by Type, Q1 2012 – Q1 2014²⁰



¹⁹ Double play subscriptions can refer to either fixed telephony and internet or television or mobile telephony; television and the internet; mobile telephony and internet or television subscriptions. Triple play subscriptions can refer to fixed telephony and internet and television; fixed telephony and mobile telephony and internet; fixed telephony and mobile telephony and television; or, mobile telephony and internet and television subscriptions. Quadruple play subscriptions refer to fixed telephony, internet, television and mobile subscriptions.

²⁰ Sky Ireland have declined to provide information on TV subscriptions. Sky Ireland's distribution of subscriptions by type (single play, double play or triple play) is estimated using percentage distribution of Sky Ireland's subscriptions obtained from the market survey data conducted by RED C Research & Marketing Ltd. For more details on survey method, see the Appendix on page 74.

2.3 Fixed Voice Call Volumes

Fixed voice traffic in Q1 2014 was over 1.26 billion minutes, which was a 1.3% decrease on Q4 2013 and a fall of 10.0% since Q1 2013. Fixed voice traffic has fallen consecutively quarter on quarter since Q1 2011.

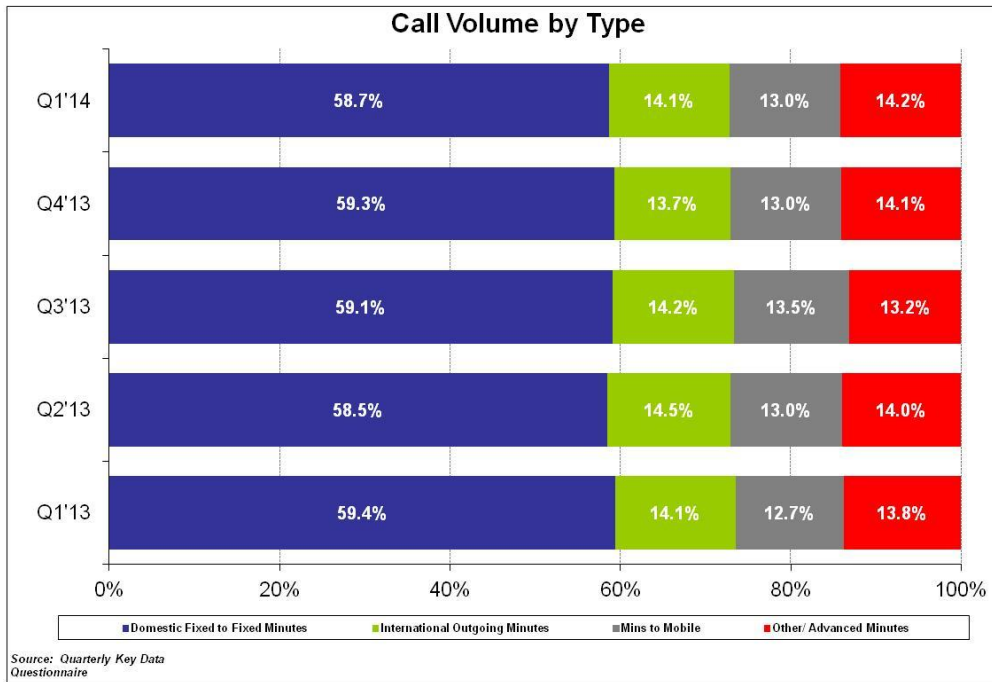
Managed voice over broadband (VoB) minutes account for approximately 12.3% of total fixed voice minutes up from 11.3% in Q1 2013. This reflects a continued increase in managed VoB subscriptions. There were just over 345,000 managed VoB subscriptions in Ireland in Q1 2014 (up from just over 291,000 managed VoB subscriptions in Q1 2013) and over 155 million managed VoB minutes (down from over 160 million managed VoB minutes in Q1 2013).

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

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

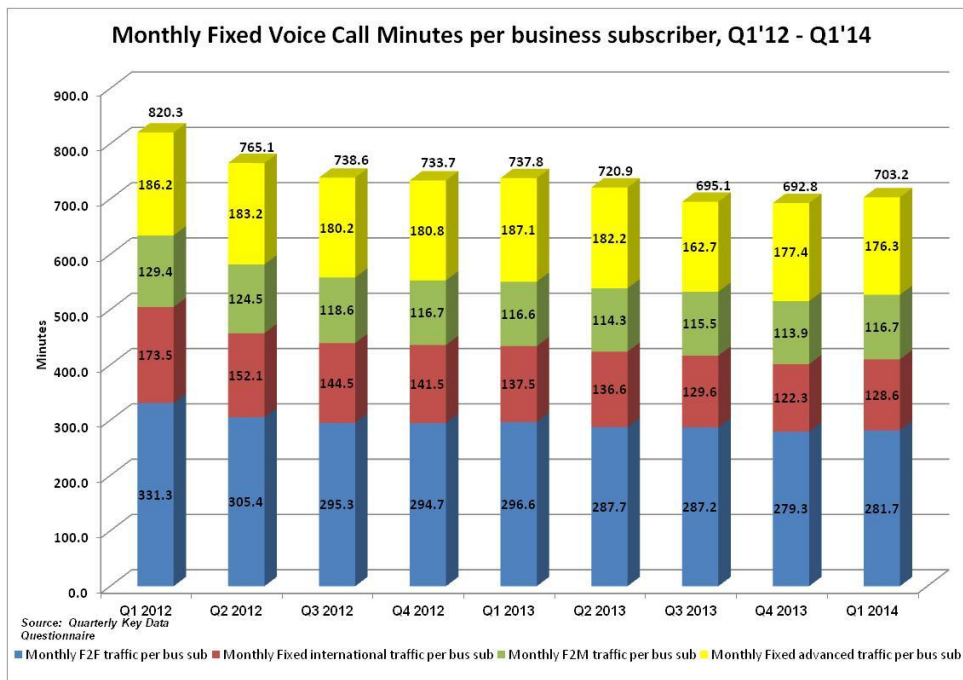
Figure 2.3.1 shows that domestic fixed to fixed minutes accounted for 58.7% of all fixed voice traffic in Q1 2014. International outgoing minutes accounted for 14.1% of all fixed voice traffic. The share of fixed to mobile minutes was 13.0% while other/advanced minutes (which include premium rate minutes) represented 14.2% of all fixed voice traffic.

Figure 2.3.1 – Fixed Voice Call Volume (Minutes)²¹



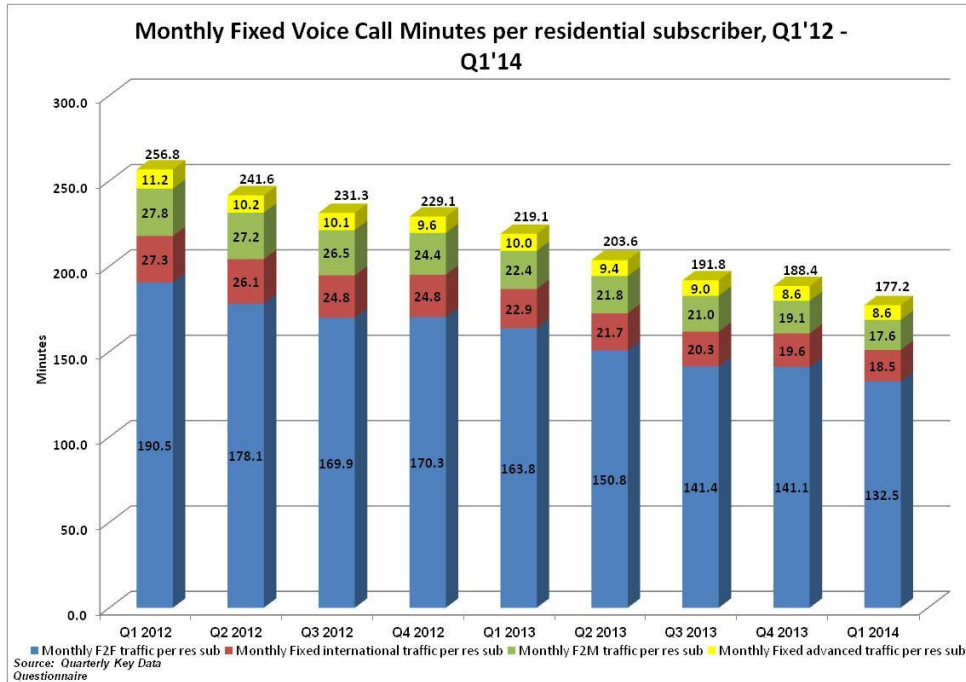
Figures 2.3.2 and 2.3.3 show the change in the average monthly fixed voice call minutes per business and residential subscribers respectively. In Q1 2014 the average business subscriber originated 703 minutes of voice calls, up by 1.5% on Q4 2013, but down 4.7% on Q1 2013. The average residential subscriber usage was 177 minutes per month, down 5.9% on Q4 2013 and down 19.1% on Q1 2013.

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



²¹ Domestic Calls include local & national calls. Advanced service and other minutes include minutes to premium rate numbers, freephone numbers, callsave, operator services, VPN minutes, payphones and other services.

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



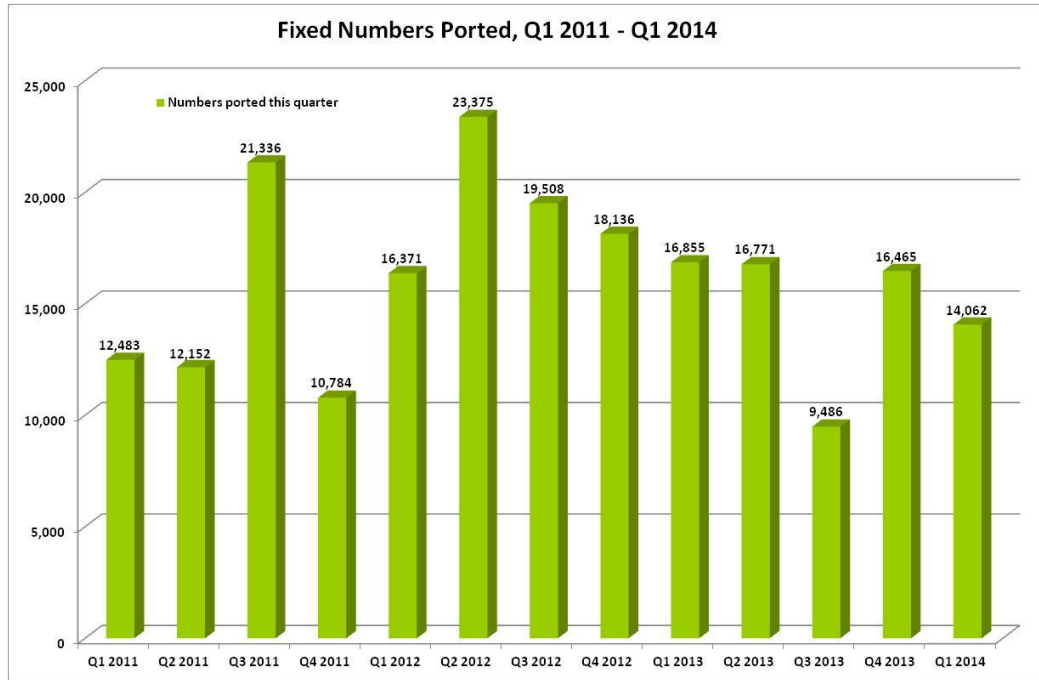
2.4 Switching in the Fixed Voice Market

Figure 2.4.1 illustrates the number of fixed numbers (geographic and non geographic) ported between Irish fixed voice service providers since Q1 2011. Fixed Number Portability (FNP) allows consumers to switch fixed voice provider while retaining their fixed number.

In the quarter to March 2014, 14,062 numbers²² were ported between operators (56,784 numbers in the twelve months to March 2014). Over the last 12 months, an average of 14,196 numbers has been ported each quarter.

²² Non geographic ports constitutes less than 1% of total ports in a quarter.

Figure 2.4.1 – Fixed Numbers Ported



2.5 PSTN Pricing Data

ComReg uses independently-collated Teligen data based on 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 available²³.

Using this methodology, data is presented in Euro 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 latest of which was in early 2010.

The methodology used by the OECD/Teligen is based on the following baskets of calls:

Residential and business PSTN baskets

Type of basket	Basket
Residential	20 calls basket
Residential	60 calls basket
Residential	140 calls basket
Residential	420 calls basket
Business	100 calls business basket, single user
Business	260 calls business basket, single user

²³ This will be determined by whether the EU country is also an OECD member.

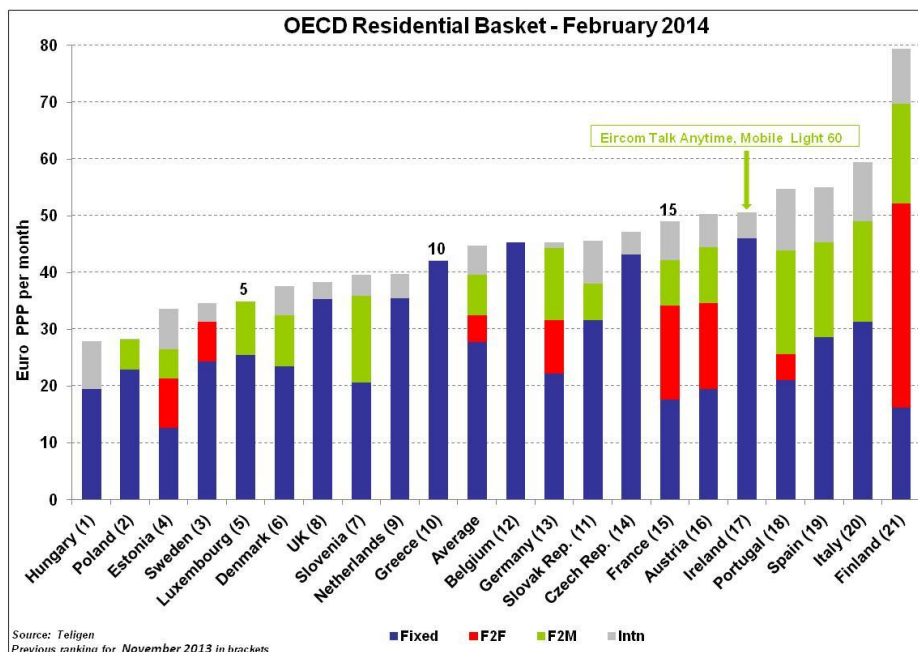
For the PSTN baskets, only the incumbent operator is covered. Discounts are incorporated and only tariffs presented as current tariffs on the operator web pages are considered. Nonrecurring charges (installation of a service) are discounted over five years and other fixed costs are included such as line 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 Memorandum, document 14/61a.

2.5.1 OECD Residential PSTN Basket

Figure 2.5.1.1 illustrates Ireland’s ranking, alongside another 20 EU countries, for residential calls, 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 include both line rental and 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 2014 Ireland ranked in 17th position, seven places higher than the average of the benchmarked countries in terms of the most competitive pricing for this basket. The Irish package used for this comparison was Eircom’s Talk Anytime Mobile Light 60, which was 13.2% more expensive than the average of the European countries charted.

Figure 2.5.1 - OECD Residential PSTN Basket – February 2014²⁴



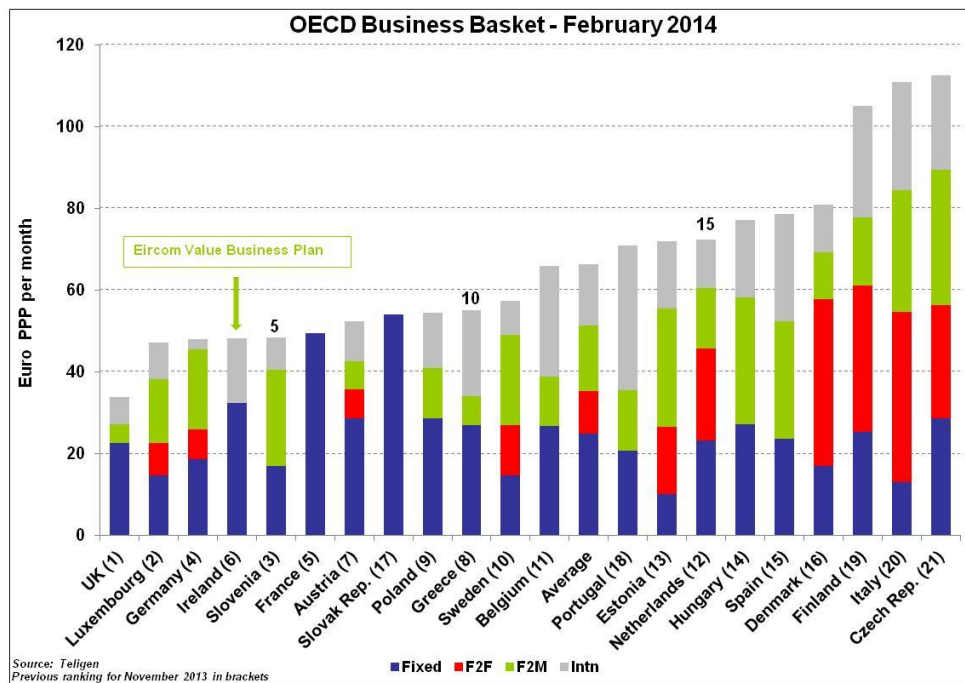
²⁴ Residential tariffs include VAT. VAT rates vary between member states.

2.5.2 OECD Business PSTN Basket

Figure 2.5.2 illustrates Ireland’s ranking, alongside another 20 EU countries, for business calls, based on a basket of 260 calls per month, which 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. In February 2014 Ireland ranked in 4th position, nine places ahead of the average of the benchmarked countries in terms of the most competitive pricing for this basket. The Irish package used for this comparison was Eircom’s Value Business Plan, which was 27.3% cheaper than the average of the European countries charted.

Figure 2.5.2 - OECD Business PSTN Basket – February 2014



3. Internet and Broadband

3.1 Total Internet Subscriptions and provision of broadband²⁵ services

Figure 3.1.1 shows the total number of narrowband and broadband internet subscriptions in Ireland as of Q1 2014. At the end of March 2014, there were almost 1.71 million active internet subscriptions in Ireland. This was an increase of 0.7% on the previous quarter and a 1.8% increase on March 2013.

In Q1 2014, there were 1,701,714 broadband subscriptions in Ireland²⁶. This is an increase of 0.7% since Q4 2013, and an increase of 2.0% since Q1 2013. There was an increase in total fixed line subscriptions this quarter (up by 23,523), but mobile broadband subscriptions fell again this quarter (down by 10,861 subscriptions). ComReg reports active mobile broadband subscriptions and does not include internet access over mobile handsets such as smartphones in these numbers.

Cable (up by 2.9%), VDSL (up by 38.7%) and 'other' (up by 0.1%) subscriptions showed positive growth this quarter. FWA²⁷ (down by 2.4%), mobile broadband (down by 2.2%), and DSL subscriptions (down by 2.0%) fell this quarter. It is likely that some or all of the DSL reductions are accounted for by a switch to VDSL service.

Figure 3.1.1 – Total Number of Active Internet Subscriptions

Subscription Type	Q1'14 Subs	Quarterly Growth Q4'13 – Q1'14	Year-on-Year Growth Q1'13 – Q1'14
Narrowband	8,281	-3.3%	-20.5%
DSL Broadband²⁸	687,049	-2.0%	-6.0%
VDSL Broadband²⁹	103,420	+38.7%	-
Cable Broadband	351,267	+2.9%	+10.3%
FWA Broadband	58,984	-2.4%	-7.8%
Other Broadband³⁰	12,015	+0.1%	-5.1%

²⁵ 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.

²⁶ The difference between this and the total internet subscriptions is accounted for by narrowband internet subscriptions.

²⁷ It should be noted that FWA subscriptions include an estimate of 2,000 since Q1 2011. This is based on subscriptions to smaller FWA firms who may not be required to submit a questionnaire response to ComReg as they do not meet ComReg's minimum turnover threshold. ComReg will update this additional estimate on an annual basis.

²⁸ 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.

²⁹ VDSL refers to very-high-bit-rate digital subscriber line. Since Q3 2013 these lines are reported in the separate category. In Q2 2013 report VDSL lines were included in DSL category.

³⁰ Other Broadband includes fibre, and satellite broadband connections.

Total Fixed broadband	1,212,735	+2.0%	+7.7%
Mobile Broadband	488,979	-2.2%	-9.9%
Total Broadband	1,701,714	+0.7%	+2.0%
Total Internet Subscriptions	1,709,995	+0.7%	+1.8%

Figure 3.1.2 profiles internet subscriptions in Ireland using the classifications of subscription type outlined in Figure 3.1.1. Broadband subscriptions accounted for 99.5% of all internet subscriptions in Q1 2014.

Figure 3.1.2 – Total Internet Subscriptions

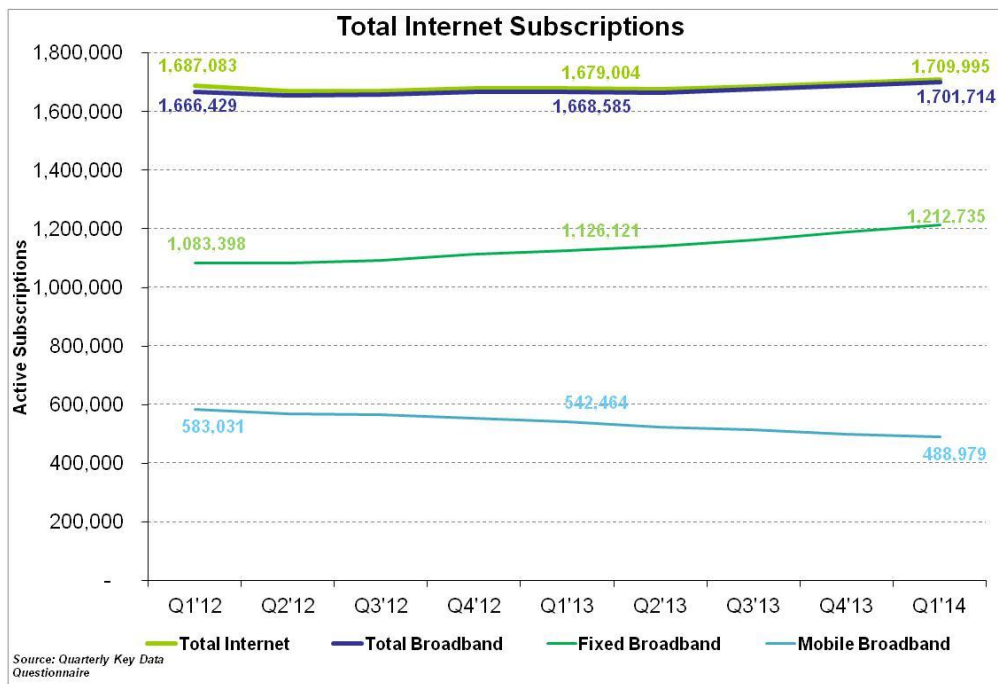
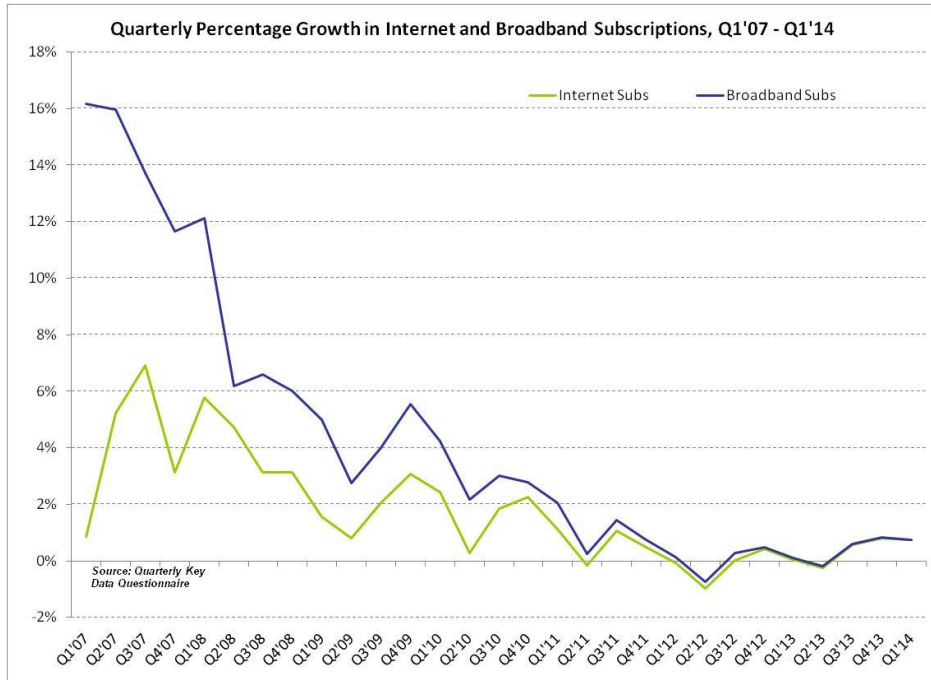


Figure 3.1.3 shows the quarterly percentage change in broadband and internet subscriptions since Q1 2007. In general, there has been a continual slowdown in the rate of growth of broadband subscriptions over the period, however there was a pick-up in growth in the last two quarters. It should be noted that ComReg reports active broadband subscriptions and the mobile broadband numbers reported by ComReg do not include internet access over mobile handsets such as smartphones.

Figure 3.1.3 – Quarterly Growth in Total Internet and Broadband subscriptions

DSL subscriptions account for the single largest majority of broadband subscriptions (40.4%) but its share has decreased by 3.4 percentage points over the last year. VDSL accounted for 6.1% of all broadband subscriptions. Mobile broadband subscriptions share has declined again this quarter, now accounting for 28.7% of all broadband subscriptions down from 32.5% in Q1 2013. Cable has a 20.6% share of all broadband subscriptions up from 19.1% in Q1 2013. FWA has a 3.5% share of broadband subscriptions down from 3.8% in Q1 2013. 'Other' (satellite/fibre) broadband subscriptions represent 0.7% of broadband subscriptions in Q4 2013 down from 0.8% in Q1 2013.

Figure 3.1.4 illustrates the split by type of broadband subscriptions in the Irish market since Q1 2013, while Figure 3.1.5 shows the net additions of broadband subscriptions by each platform. In Q1 2014, the net total broadband increase was driven mainly by VDSL broadband subscriptions followed by cable subscriptions.

Figure 3.1.4 – Broadband Subscriptions by Platform

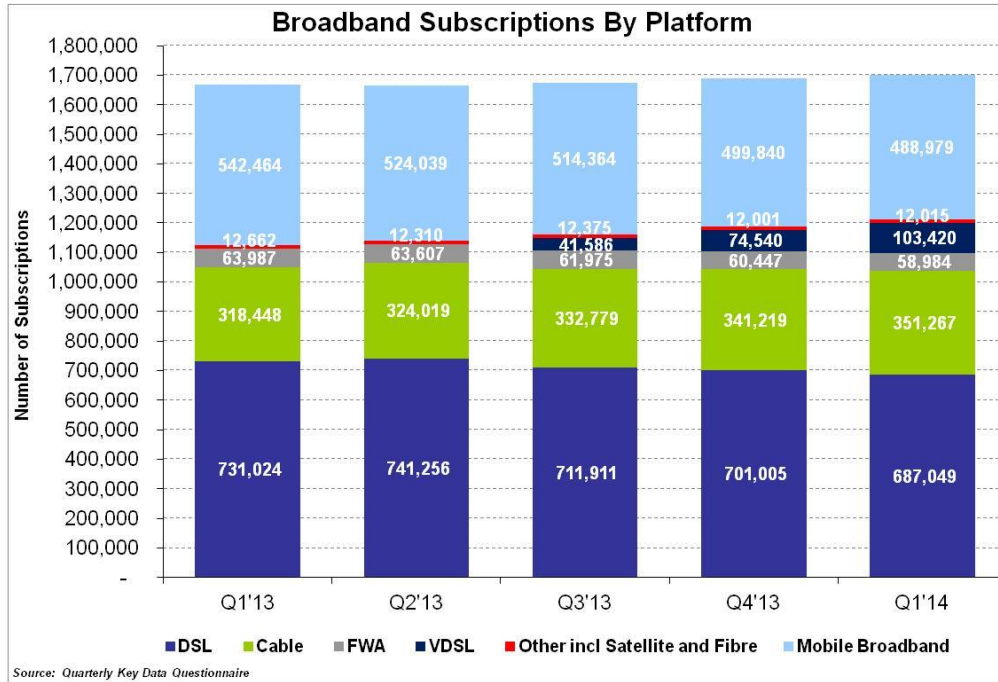


Figure 3.1.5 – Broadband Subscriptions - Net additions, Q1 2012 – Q1 2014

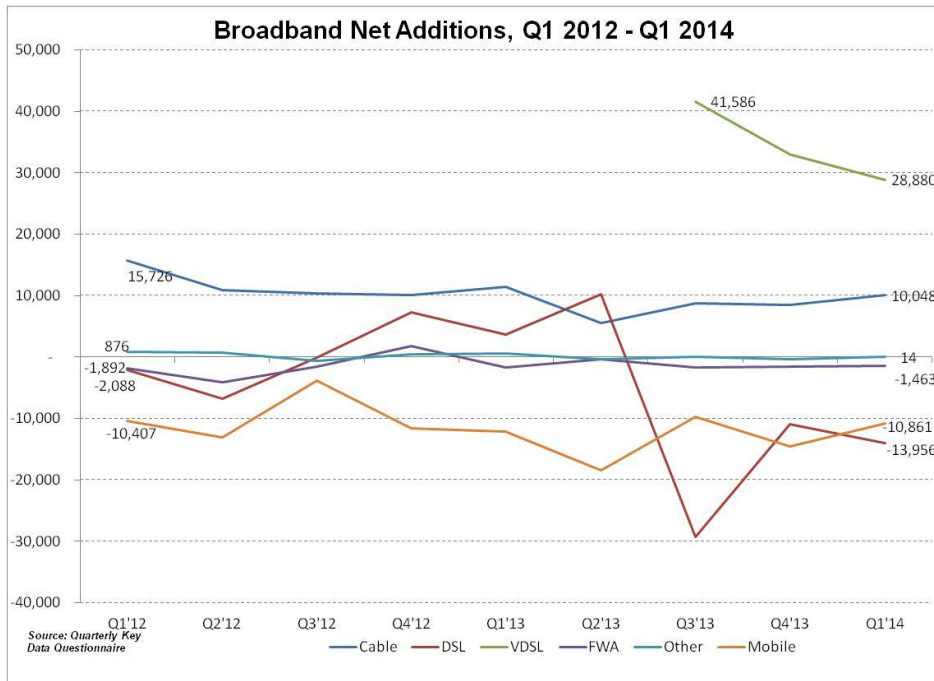


Figure 3.1.6 provides an estimate of the proportion of business and residential subscriptions to DSL, VDSL, cable, fixed wireless, mobile broadband, fibre and satellite broadband services. In Q1 2014, 83.4% of broadband subscriptions on all platforms were classed as residential broadband subscriptions. The platform with the highest percentage of residential vis a vis business subscriptions is cable broadband, while the 'other' category (satellite/fibre) has the highest percentage of business customers.

Figure 3.1.6 – Broadband Subscriptions by Subscription Type

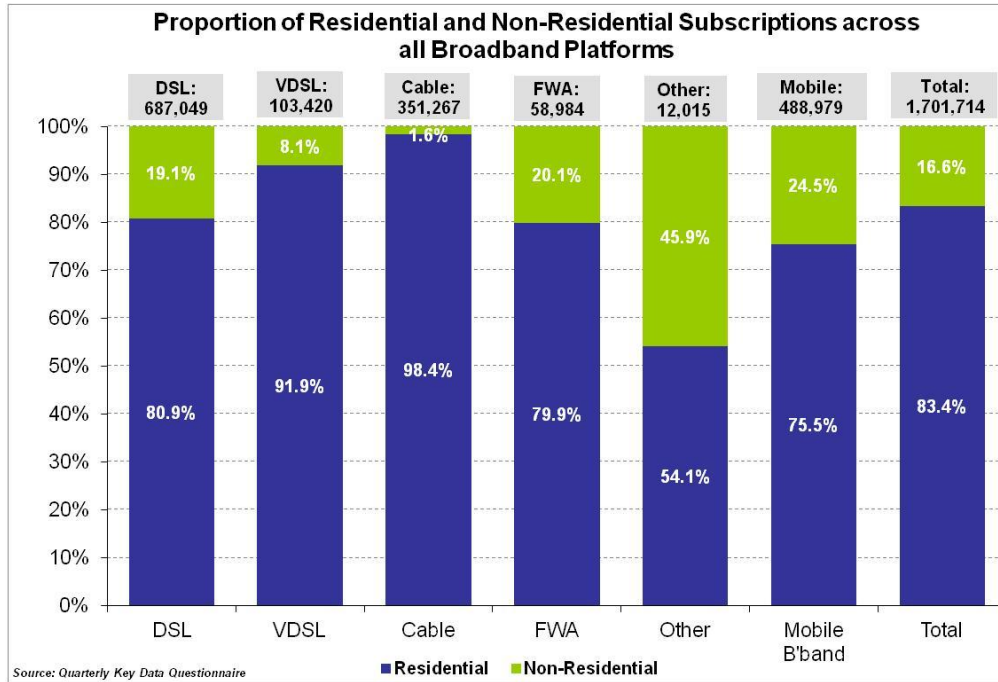


Figure 3.1.7 illustrates the breakdown of broadband subscriptions by contracted speed across all fixed broadband platforms (mobile broadband is excluded). In total, approximately 56.7% of broadband subscriptions were ≥ 10 Mbps (with 37.7% ≥ 30 Mbps). This equates to approximately 62.2% (42.3% ≥ 30 Mbps) of residential subscriptions and 20.9% (8.5% ≥ 30 Mbps) of business subscriptions.

The data suggest that most business users subscribe to broadband services with download speeds of between 2Mbps - 10Mbps while most residential users subscribe to broadband services with speeds ≥ 30 Mbps. Many larger firms access their broadband services over dedicated leased lines. Leased lines are not included in these charts. Leased line speeds can range up to speeds in excess of 1 gigabyte per second.

Figure 3.1.7 – Fixed Broadband Subscriptions³¹ by Contracted Download Speeds and Subscription Type

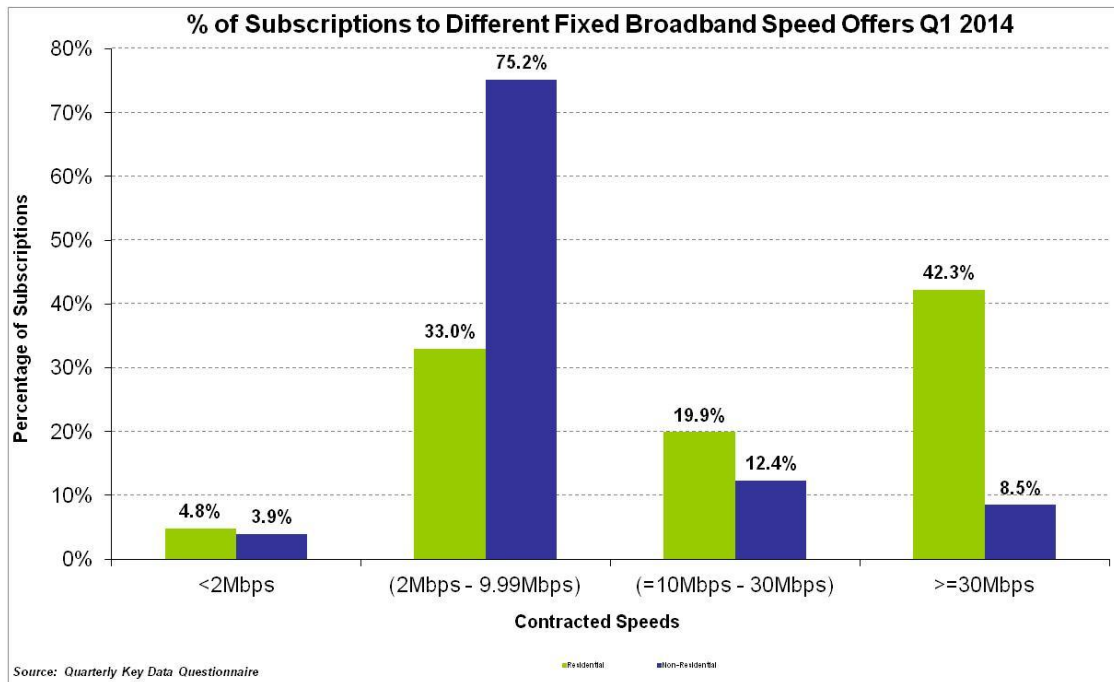
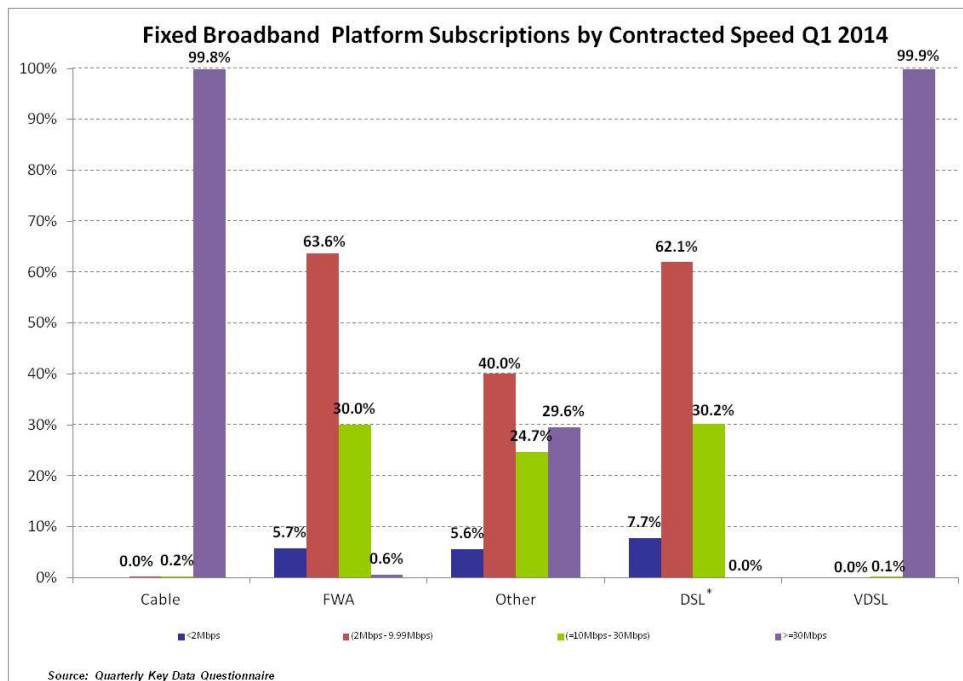


Figure 3.1.8 shows broadband subscriptions by contracted speed and the type of broadband platform subscribed to.

Figure 3.1.8 – Fixed Broadband Subscriptions by Contracted Download Speeds and Broadband Platform³²



³¹ As of Q2 2013 mobile broadband subscriptions are excluded from the overall broadband subscriptions in broadband speeds analysis.

³² *Estimate percentage split.

Figure 3.1.9 shows the change in fixed broadband subscriptions by contracted downloaded speeds between Q1'12 and Q1'14. Over the entire period, growth in broadband speeds has been mainly in the ≥ 30 Mbps category, which has increased from 3.6% to 37.7% over this period. Cable subscriptions represented approximately 77% of total subscriptions ≥ 30 Mbps down from 81% last quarter.

Figure 3.1.9 – Fixed Broadband Subscriptions by Contracted Download Speeds

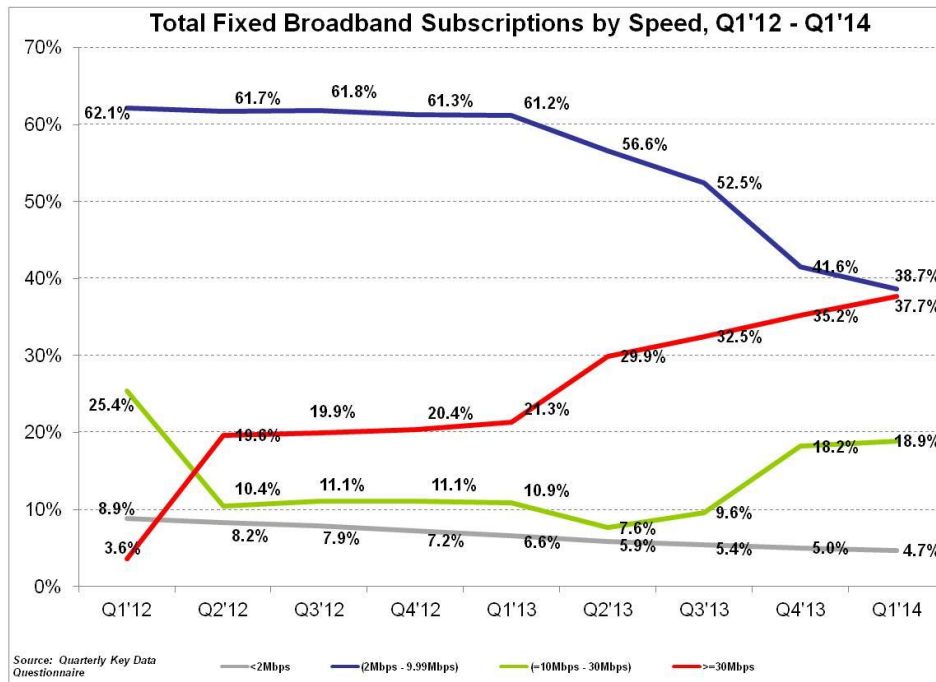


Figure 3.1.10 provides the market share of fixed broadband operators by number of subscriptions. DSL, VDSL cable modem, FWA, satellite and fibre subscriptions are used to calculate fixed broadband market shares.

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

According to the data received from operators for Q1 2014, Eircom had 37.3% of total fixed broadband subscriptions, followed by UPC who had 28.8% of subscriptions. Vodafone had 16.3% (excluding mobile broadband subscriptions), Sky Ireland had 5.8%, Imagine 2.9%, and Digiweb had 2.1% market share. All other operators combined accounted for the remaining 6.8% share of fixed broadband subscriptions.

Figure 3.1.10 – Subscription Market Share of Fixed Broadband Market

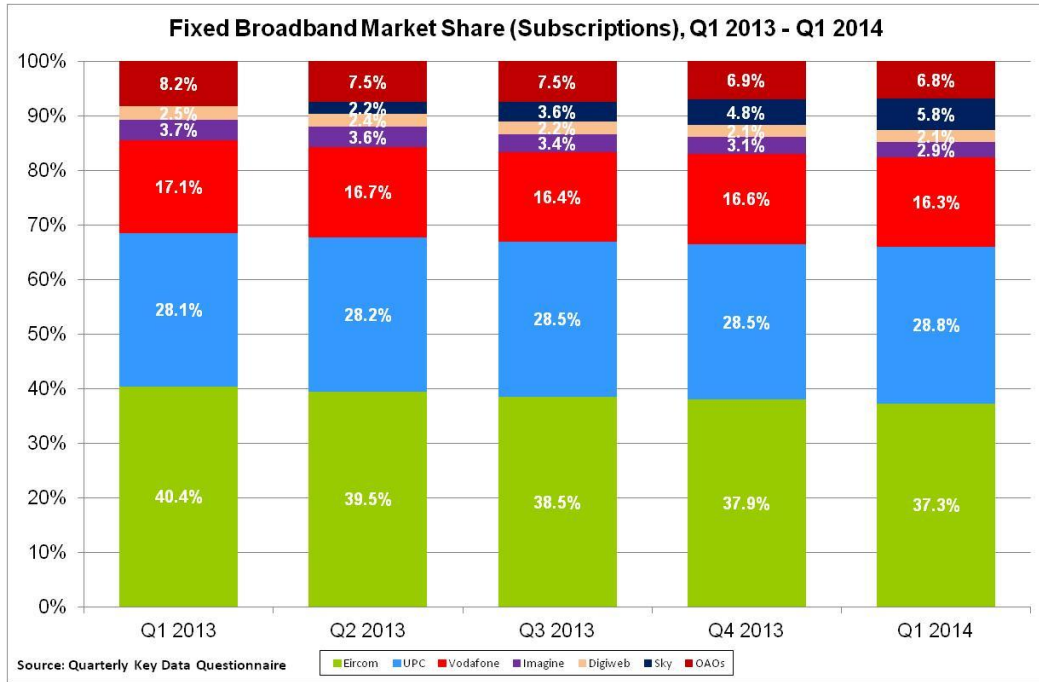
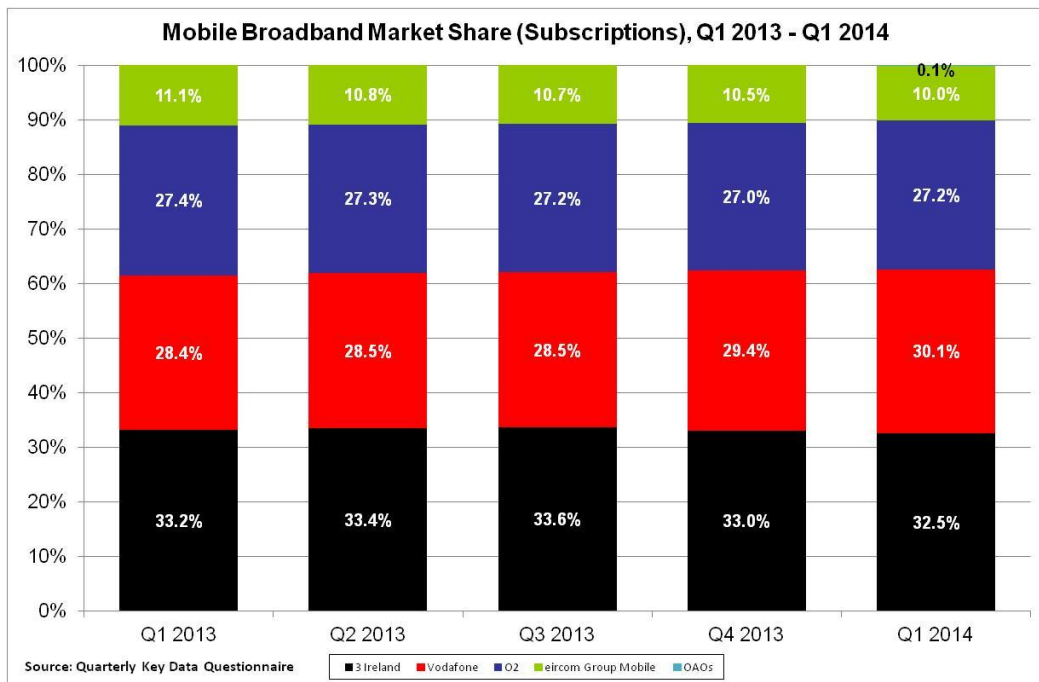


Figure 3.1.11 shows the market share of mobile broadband operators by subscriptions. As of Q1 2014, 3 had the largest share with 32.5%,³³ down from 33.2% in Q1 2013. Vodafone’s market share was 30.1%, up from 28.4% in Q1 2013. O2 had a market share of 27.2% down from 27.4% in Q1 2013, eircom group mobile had a market share of 10.0% down from 11.1% in Q1 2013 while OAOs accounted for the remaining 0.1%.

Figure 3.1.11 – Subscription Market Share of Mobile Broadband Market



³³ 3’s National Broadband Scheme subscriptions are included in this data.

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 54.8% of all DSL subscriptions in Q1 2014. Eircom’s market share of retail DSL lines has declined by 7.4 percentage points over the last year. 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 2014, 32.7% of all DSL lines were provided by OAOs using wholesale bitstream. In absolute terms there were 224,546 wholesale bitstream lines in Q1 2014, an increase of 8.0% since Q1 2013. The remaining 12.6% of DSL lines were provided to subscribers by OAOs using local-loop unbundling. In Q1 2014 there were 86,251 unbundled local loops, up from 68,511 in Q1 2013 and 80,037 in Q4 2013.

Figure 3.2.1 - Provision of DSL Access

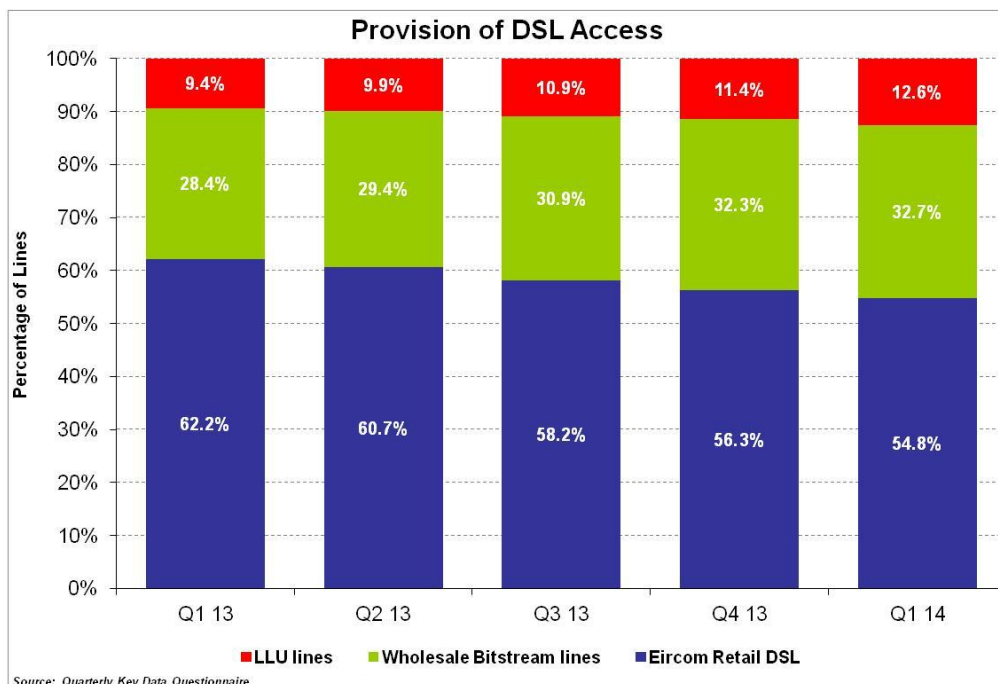
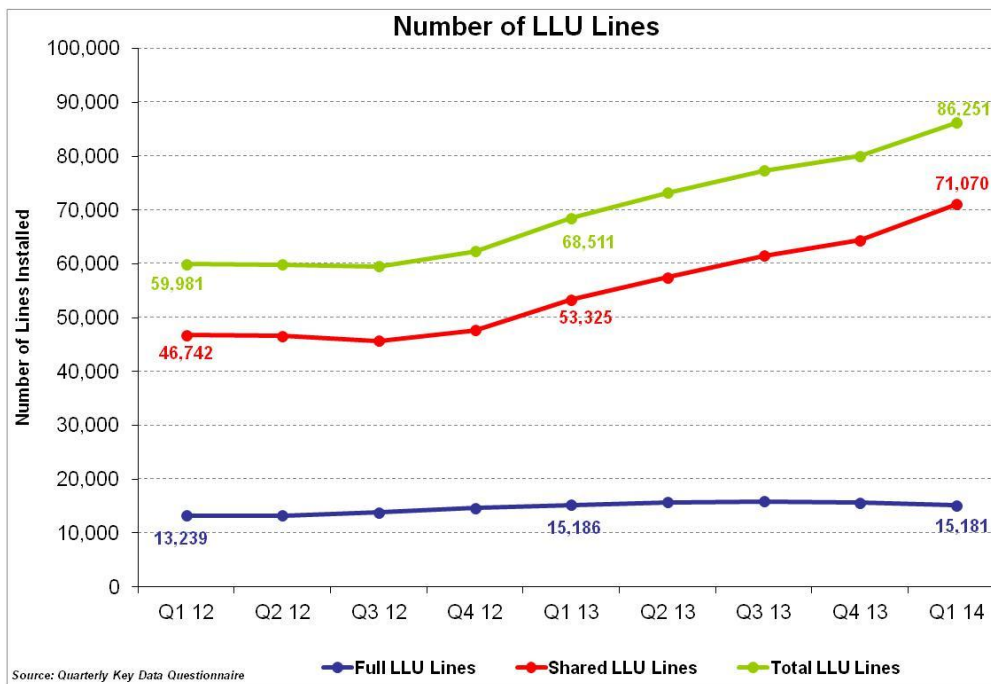


Figure 3.2.2 shows the number of unbundled lines classified by shared and full³⁴ status. Between Q1 2013 and Q1 2014 the total number of LLU lines increased by 25.9% and by 7.8% this quarter. Full LLU lines decreased by 0.03% since Q1 2013 and declined by

³⁴ 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.

2.9% since last quarter. Shared LLU lines rose by 33.3% since Q1 2013 and by 10.4% since last quarter.

Figure 3.2.2 – Number of Local Loops Unbundled



3.3 Provision of VDSL Access

VDSL broadband services are provided to consumers by operators using three alternative methods of access. VDSL may be provided directly to the consumer by Eircom using direct access to its network; this accounted for 73.0% of all VDSL subscriptions in Q1 2014. Retail VDSL may also be provided by alternative operators (OAOs) who use either wholesale bitstream, which enables OAOs to resell another operator’s VDSL service, or by offering VDSL-based broadband using virtual unbundled access (VUA).

3.4 Broadband Penetration

The total number of broadband subscriptions in Ireland for Q1 2014 was 1,701,714. Using fixed residential broadband subscriptions only, 1,049,799 (i.e. excluding business subscriptions and mobile broadband subscriptions), the estimated fixed broadband household penetration rate (there were 1,696,100 households in Ireland using CSO Q4 2013 estimate) as of Q1 2014 was 61.9%.

Based on the total number of broadband subscriptions in Ireland for Q1 2014, the broadband per capita penetration rate (including mobile broadband) was 36.9%. When mobile broadband is excluded, the penetration rate was 26.3%.³⁵ These figures are

³⁵ It should be noted that ComReg reports dedicated mobile broadband subscriptions (i.e. on the basis of mobile dongles/datacards) only. Subscriptions with Internet access over a handset are not included. Therefore, the total

based on a population of 4,611,000 from Central Statistics Office (CSO) Q4 2013 estimate.³⁶

Figure 3.4.1 shows fixed broadband subscriptions per capita among 28 EU countries in Q4 2011 and Q4 2013. Based on this data, Ireland’s fixed broadband per capita penetration rate (25.6%) remains behind the benchmarked EU28 average of 28.4%.

Figure 3.4.1 – Fixed Broadband Subscriptions per Capita, Q4 2011 – Q4 2013

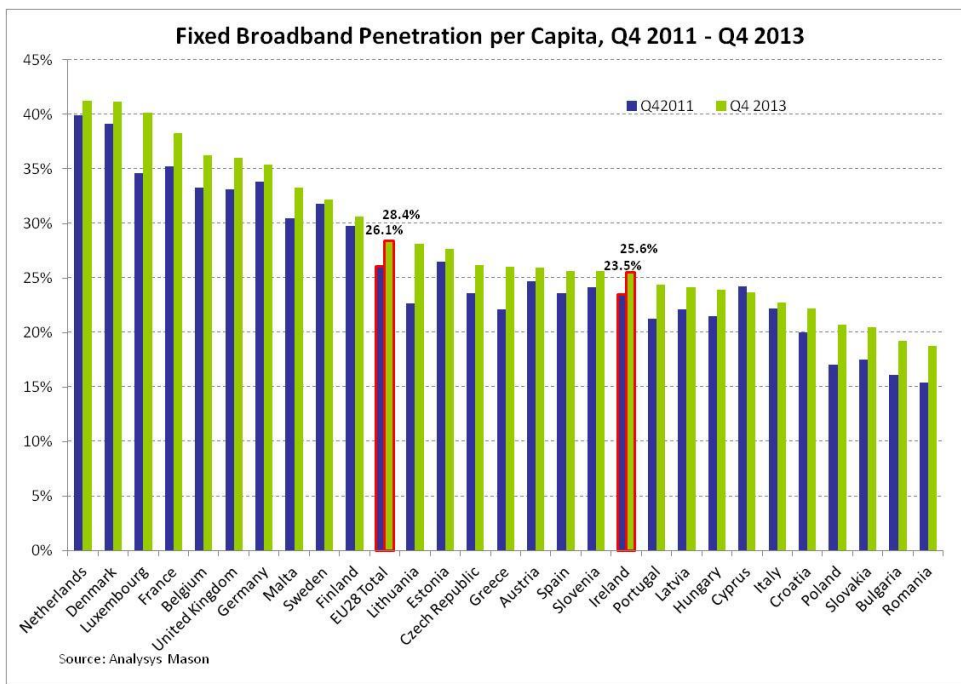


Figure 3.4.2 shows the proportion of households with broadband connections from 2009 to 2013. Both fixed and mobile broadband³⁷ are included. Ireland’s household broadband penetration rate at 67% is lower than the EU28 average of 76%. Penetration has increased by 13 percentage points since 2009 while the EU28 penetration has increased by 19 percentage points. Figure 3.4.3 presents broadband penetration rates in Ireland and EU since 2004.

number of mobile broadband users (i.e. dedicated mobile broadband and handset subscriptions with internet access) will be higher than stated in this report. On the other hand, a broadband subscriber may have both a fixed and mobile broadband subscription and therefore, a broadband penetration rate based on both mobile and fixed subscriptions may overestimate the penetration rate.

³⁶ Estimates based on Quarterly National Household Survey (QNHS).

³⁷ Households with at least one member aged 16–74. Broadband connection includes: DSL, wired fixed (cable, fibre, Ethernet, PLC), fixed wireless (satellite, WiFi, WiMax) and mobile wireless (3G/UMTS).

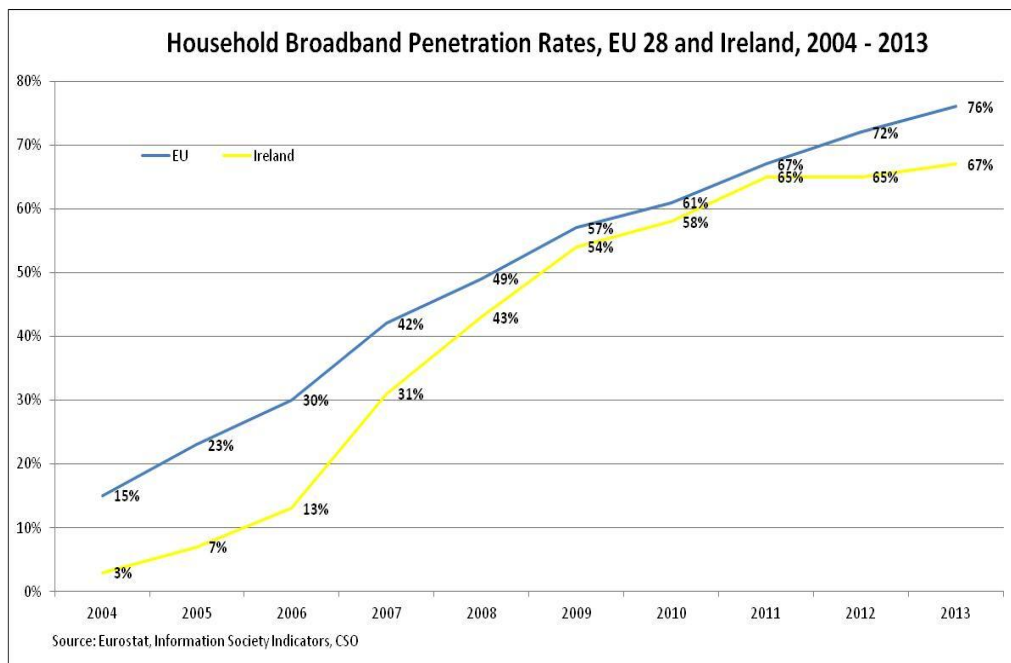
Figure 3.4.2 – Household Broadband Subscriptions, 2013

	Broadband internet connections		
	2009	2011	2013
AT	58	72	79
BE	63	74	79
BG	26	40	54
CY	33	51	62
CZ	49	63	69
DE	65	78	85
DK	76	84	87
EE	62	66	79
EL	33	45	55
ES	51	62	69
EU-28	57	67	76
FI	74	81	88
FR	63	70	78
HU	51	61	71
HR	39	56	64
IE	54	65	67
IT	39	52	68
LT	50	56	64
LU	71	68	70
LV	50	59	70
MT	63	75	79
NL	77	83	87
PL	51	61	69
PT	46	57	62
RO	24	31	56
SE	79	86	:(u)
SI	56	67	74
SK	42	55	70
UK	69	80	87

:(u) data is not reliable

Source: Eurostat (online data code [isoc_bde15b_h](#)).

Figure 3.4.3 – Household Broadband Penetration, 2004 - 2013



3.5 WiFi Broadband Access

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

ComReg presents data on the WiFi market based on the number of public 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 or tablet can connect to the internet. A WiFi hotspot can be made up of one or more WiFi access points³⁸. 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, Sky Ireland and BT Ireland.

The number of WiFi hotspots and access points have increased by approximately 18.4% and 16.0% respectively, comparing Q1 2013 to Q1 2014. WiFi minutes increased by 68.4% over this period. This may be a reflection of the increasing take up of smartphones and tablet devices among Irish consumers, as well as changes in WiFi operators' conditions of access. It should be noted that due to changes in policy by some WiFi operators towards termination of a session (i.e. in the past a users session was terminated if they dropped of the network for a short period of time. However, a user can now be off the network for longer periods before the session is terminated) the number of WiFi minutes has increased as a result.

A breakout of the data by operators' percentage shares in Q1 2014 is also provided below.

³⁸ 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.

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

	Q1 2014	Q1'13-Q1'14 Growth	Q4'13-Q1'14 Growth
WiFi Hotspots	2,860	18.4%	4.0%
WiFi Access Points	4,899	16.0%	2.7%
WiFi Minutes of Use	337,845,721	68.4%	16.2%

% Share - Q1 2014	Bitbuzz	Eircom	OAOs
WiFi Hotspots	13.5%	84.1%	2.4%
WiFi Access Points	40.1%	58.5%	1.4%
WiFi Minutes of Use	45.5%	51.9%	2.6%

3.6 Broadband Pricing Data³⁹

In this report broadband tariff baskets have been supplied by Teligen using their T-Connect product for fixed broadband comparisons and their T-Wireless product for mobile broadband comparisons.

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. The prices represented in each basket are based on the lowest priced tariffs available for those baskets. Packages which limit usage with speed restrictions when usage exceeds allowance are included.

It should also be noted that the recurring and non-recurring costs of the broadband packages which are part of the broader bundle (broadband with voice and/or TV services) are the costs of the whole bundle. On the other hand, the usage costs are always broadband specific. Bundled packages are included when there are few or no other options from broadband services provider.

Further information on the composition of the broadband basket can be found in the Explanatory Memorandum which accompanies this report.⁴⁰

T-Connect (Fixed Broadband Baskets)

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 while a usage of 100 hours per month with a 60 minute average session for business consumers is assumed.

³⁹ 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.

⁴⁰ ComReg Document 14/61a.

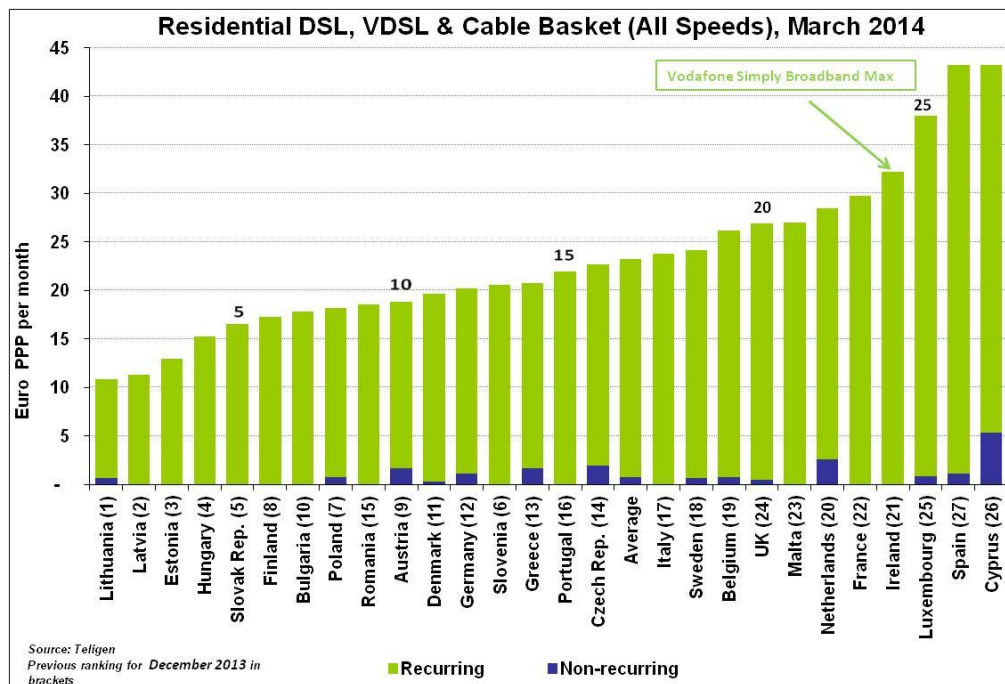
While broadband is an always-on product, the assumption of an average user profile ensures that packages are comparable across countries. It further assumes a download usage of 5 Gigabytes every month for each service for residential consumers and 20 Gigabytes every month for business consumers. Upload 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 largest fixed line market player (Eircom for Ireland), the next largest DSL/VDSL operator (Vodafone for Ireland) and the largest cable operator (i.e. UPC for Ireland) under these usage assumptions.

These packages are based on advertised download speeds. The charts below represent speed categories⁴¹ of all residential speeds and speeds >10 Mbps in the business market.

The lowest monthly residential DSL, VDSL & cable pricing for all speeds is charted in figure 3.6.1. Ireland ranks in 24th place in the group of 27 European countries. Ireland is eight places behind the benchmarked country average. The pricing for Ireland is based on Vodafone’s Simply Broadband Max package.

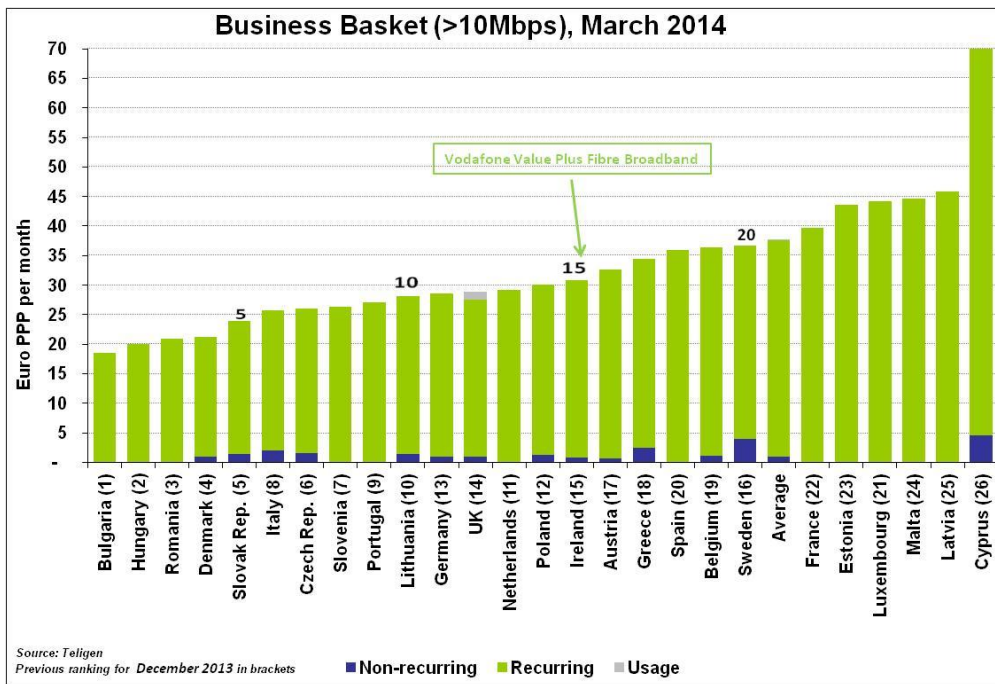
Figure 3.6.1 - Residential DSL, VDSL & Cable Basket (All Speeds)



⁴¹ Due to limited availability of standalone broadband offers in the Irish market at the time that Teligen conducted their research, comparable data cannot be reported for the 1-4 Mbps and 4-10 Mbps baskets this quarter.

The lowest monthly business pricing for DSL and cable in the >10 Mbps speed category is charted in figure 3.6.2. Ireland is in 15th place among the group of 26 European countries. Ireland’s package is six places above and 18.3% cheaper than the benchmarked country average. The pricing for Ireland is based on Vodafone’s Value Plus Fibre Broadband package.

Figure 3.6.2 – Business DSL, VDSL and Cable Basket (>10Mbps)



T-Connect (Mobile Broadband Baskets)

This benchmarking model prices a range of mobile broadband services for PC, tablet and standalone tariffs. All Irish mobile network operators are included in the model. These packages are based on advertised download speeds.

The pre-pay residential basket is based on a usage profile of 8 hours and 1.5GB downloaded per month and the post-pay residential basket is based on a usage profile of 15 hours and 3GB download per month. For business customers the basket chosen is based on a usage profile of 8 hours and 1.5GB downloaded per month.

Figure 3.6.3 shows that out of the 20 benchmarked European countries, Ireland (12th) ranks one place ahead of the benchmarked country average. The pricing for Ireland is based on Meteor’s Broadband To Go 30 days pass (Microsim for tablets) plan. Ireland’s pricing is approximately 6.1% cheaper than the benchmarked country average.

Figure 3.6.3 – Pre-Pay Residential Mobile Broadband Basket (All Speeds)

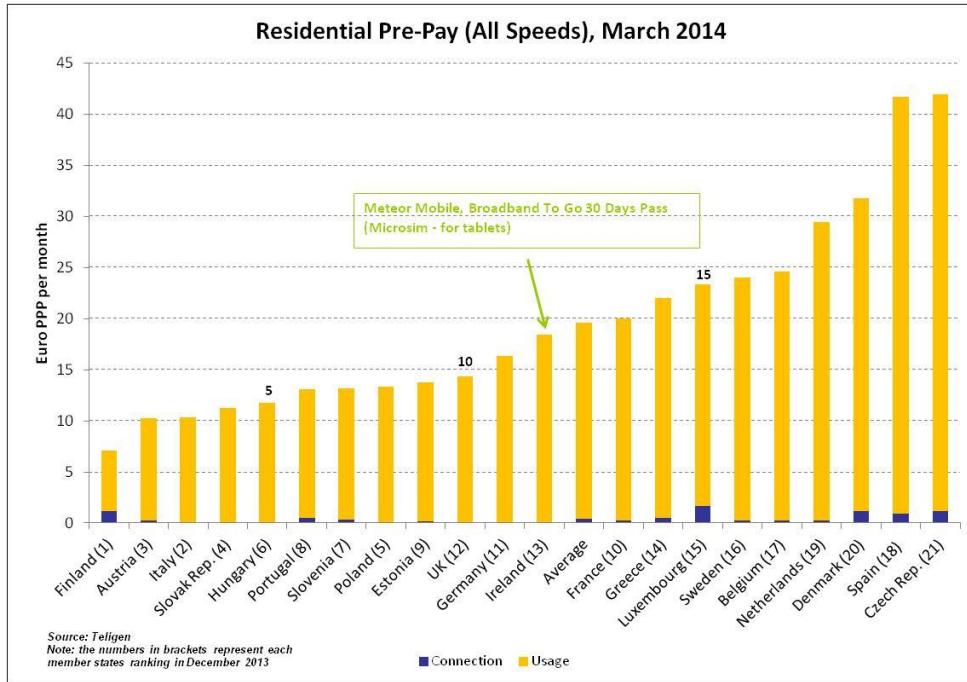


Figure 3.6.4 compares post-pay residential mobile broadband tariffs. Ireland ranks in 5th place among the 21 benchmarked European countries, ten places ahead of the benchmarked country average. Ireland’s pricing is based on Meteor’s Post Pay MBB Sim Only – 20GB package and is 38.8% cheaper than the benchmarked country average.

Figure 3.6.4 – Post-Pay Residential Mobile Broadband Basket (All Speeds)

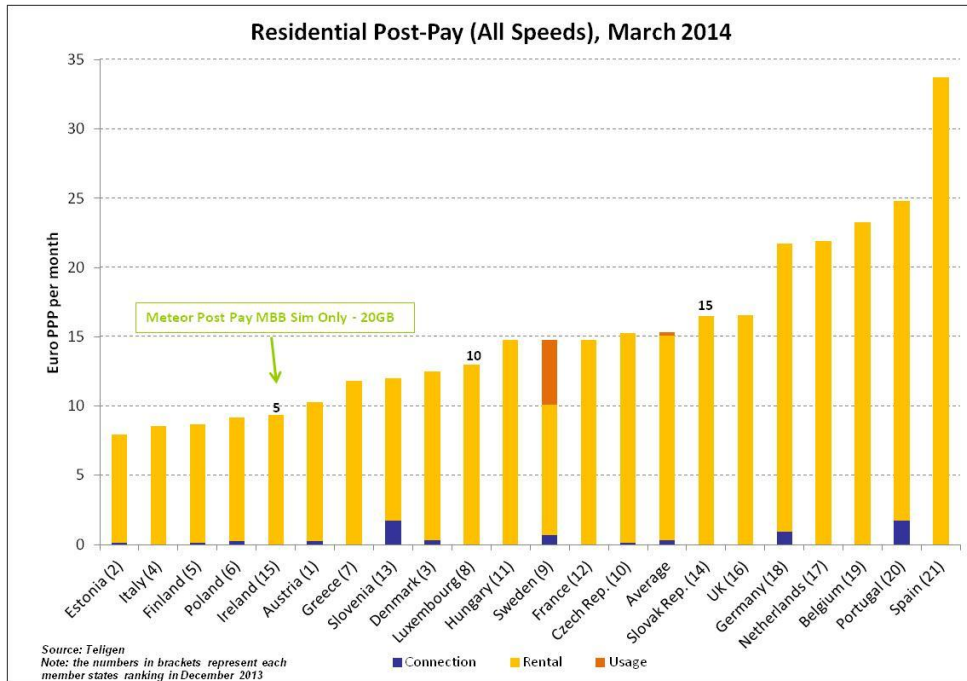
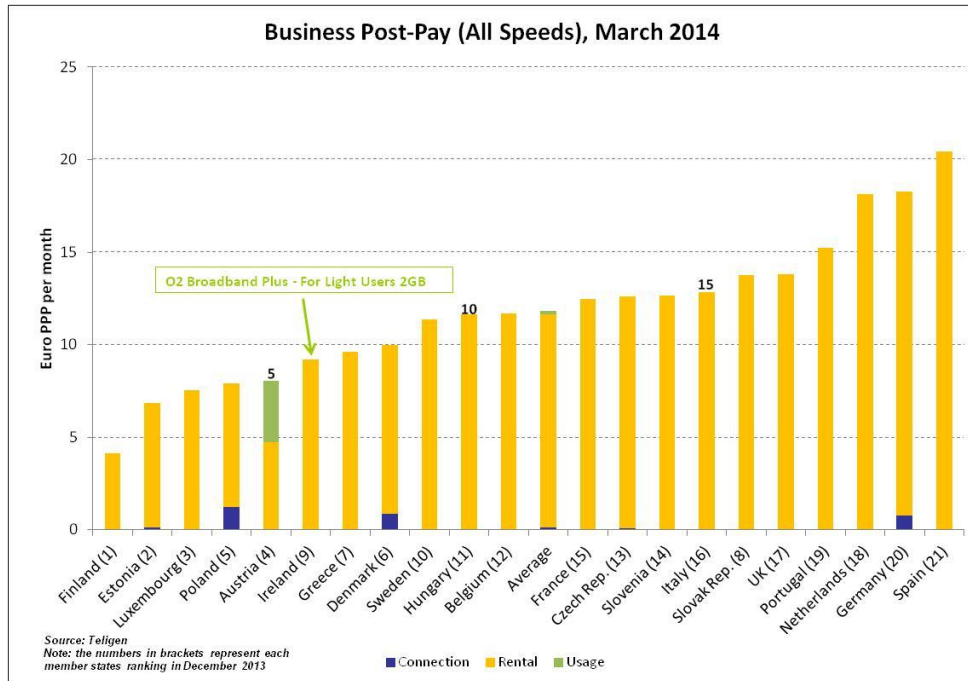


Figure 3.6.5 compares the pricing for a post-pay business mobile broadband basket among 21 European countries. Ireland ranks in 6th place among these countries, six places ahead of and 22% cheaper than the benchmarked country average. Ireland’s pricing is based on O2’s Broadband Plus for Light Users 2GB package.

Figure 3.6.5 – Post-Pay Business Mobile Broadband Basket (All Speeds)



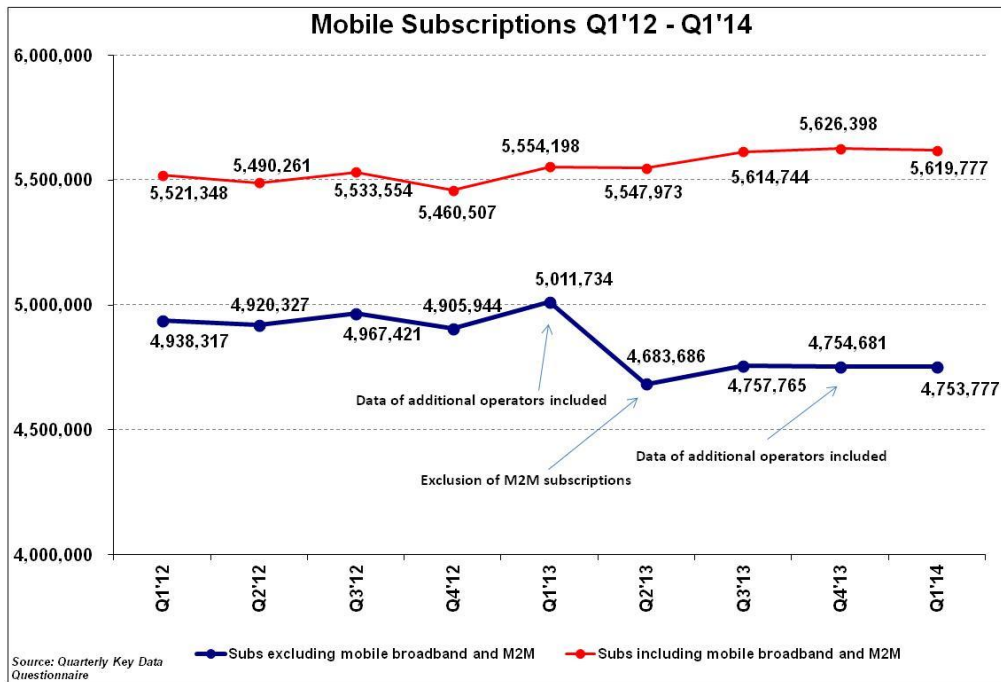
4. Mobile Market Data

4.1 Number of Subscriptions and Penetration Rate

ComReg notes that as of Q1 2013 mobile subscriptions from additional mobile operators (including Lycamobile) has been incorporated into the mobile industry data and therefore Q1 2013 information on mobile industry is not strictly comparable with previous periods. Furthermore, in Q4 2013 data from one additional mobile operator was collected.

At the end of March 2014 there were 5,619,777 mobile subscriptions in Ireland, including mobile broadband and Machine to Machine⁴² subscriptions. If mobile broadband subscriptions (488,979) and Machine to Machine subscriptions (377,021) are excluded, the total number of mobile subscriptions in Ireland was 4,753,777.

Figure 4.1.1 – Mobile Subscriptions



In Q1 2014 there were 4,640,792 3G and 4G SIMs in Ireland. These SIMs are based on 3G and/or 4G equivalent standards, protocols or technologies, enabling access to advanced data services such as web/internet content, online multiplayer gaming content, Video on Demand (VoD) or other equivalent advanced data services (excluding SMS and MMS).

SIMs used in mobile handsets as well as other mobile devices such as USB modems and tablet computing devices are included in this metric.

⁴² As of Q2 2013 M2M subscriptions are excluded from mobile voice subscriptions. Therefore, changes in subscriptions are not directly comparable to previous periods.

As a subset of total 3G and 4G SIMs in Ireland, there were (including dedicated mobile broadband) 3,206,880 active 3G and 4G users in Ireland in Q1 2014. Total active 3G/4G users as a proportion of total 3G/4G SIMs was 69.1%. Active 3G/4G users are users who have accessed advanced data services such as web/internet content, online multiplayer gaming content, video on demand or other equivalent advanced data services (excluding SMS and MMS) by making a transaction in the last 90 days via a handset, dongle/USB modem or other mobile internet device. SIMs used in mobile handsets as well as other mobile devices such as tablets and USB modems are included.

Total active 3G/4G users (3,206,880) minus dedicated mobile broadband subscriptions (488,979) can be taken as a general indication of the number of active smartphones in Ireland. This represents approximately 57.2% of all mobile subscriptions (excluding dedicated mobile broadband and M2M) in Q1 2014.

Figure 4.1.2 below shows the breakdown of total active SIMs, total 3G SIMs and active 3G/4G users in Ireland from Q1 2013 to Q1 2014.

Figure 4.1.2 – Mobile Subscriptions including Smartphones (SIMs)

	Q1'14	Q1'13	Quarterly Change (Q4'13 – Q1'14)	Annual Change (Q1'13 – Q1'14)
Total active SIMs	5,619,777	5,554,198	-0.1%	+1.2%
Total 3G/4G SIMs	4,640,792	4,337,776	+4.3%	+7.0%
Dedicated mobile broadband and Smartphone (SIMs)⁴³	3,206,880	2,964,062	+3.2%	+8.2%
Smartphone (SIMs)⁴⁴	2,717,901	2,421,598	+4.2%	+12.2%

Figure 4.1.3 charts mobile penetration since Q1 2013 and shows that at the end of March 2014, mobile penetration, based on a population of 4,611,000 (using CSO Q4 2013 estimate), was 121.9% including mobile broadband and M2M and 103.1% excluding mobile broadband and M2M. Mobile penetration is recognised as the standard metric internationally to measure the adoption of mobile services, and is calculated based on the number of active SIM cards per 100 of the population.

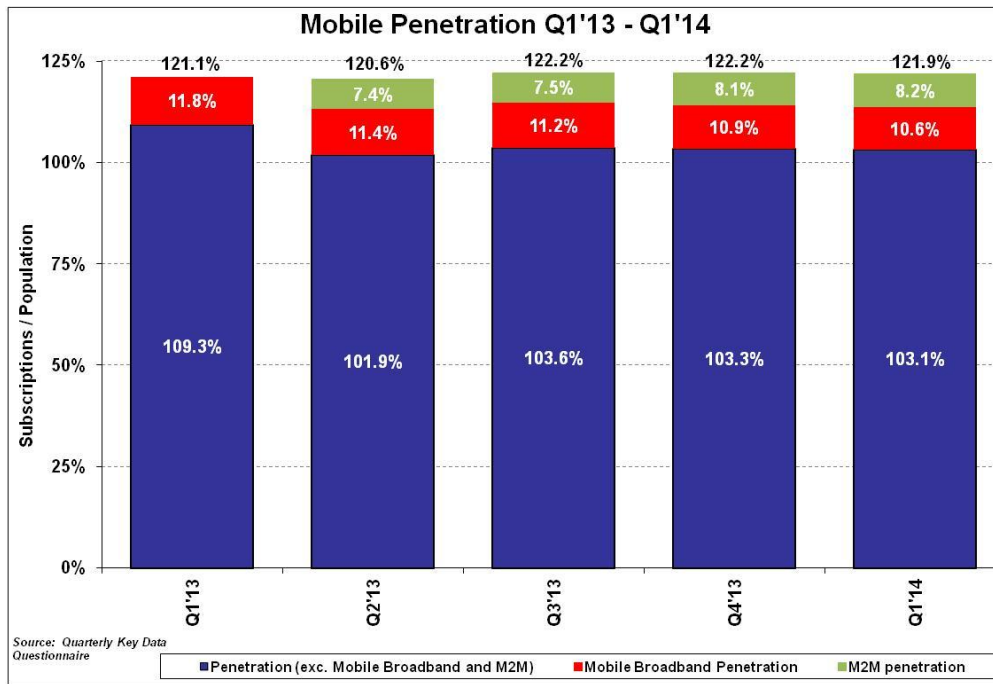
Given that some mobile users may have used more than one active SIM card during the period, there is likely to be some over-estimation of actual individual mobile penetration using this metric. ComReg's calculation of mobile subscriptions includes active SIMs bundled with mobile broadband datacards and USB modems for internet access via

⁴³ Active 3G SIMs.

⁴⁴ Active 3G SIMs excluding dedicated mobile broadband SIMs. It should be noted that the proportion of 3G smartphone users has grown marginally this quarter as users have moved to 4G SIMs. ComReg will endeavour to include 4G SIMs in the table above in future reports.

laptops/PCs, SIMs that enable the flow of data between Machines as well as SIM cards used in mobile phones for voice and data services.

Figure 4.1.3 – Irish Mobile Penetration Rate



4.2 The Profile of Mobile Subscriptions in Ireland

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

Figure 4.2.1 and 4.2.2 illustrate the mobile subscription base (including mobile broadband and M2M) in Ireland classified by the proportion of pre-paid and post-paid subscriptions on 2G, 3G and 4G networks at the end of March 2014. Post-paid subscriptions are increasing, accounting for 44.3% of subscriptions in Q1 2014, up from 40.6% one year previously at the expense of a decline in pre-paid subscriptions. The majority of both pre-paid and post-paid subscriptions include broadband/data packages while all M2M subscriptions are post-paid.

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

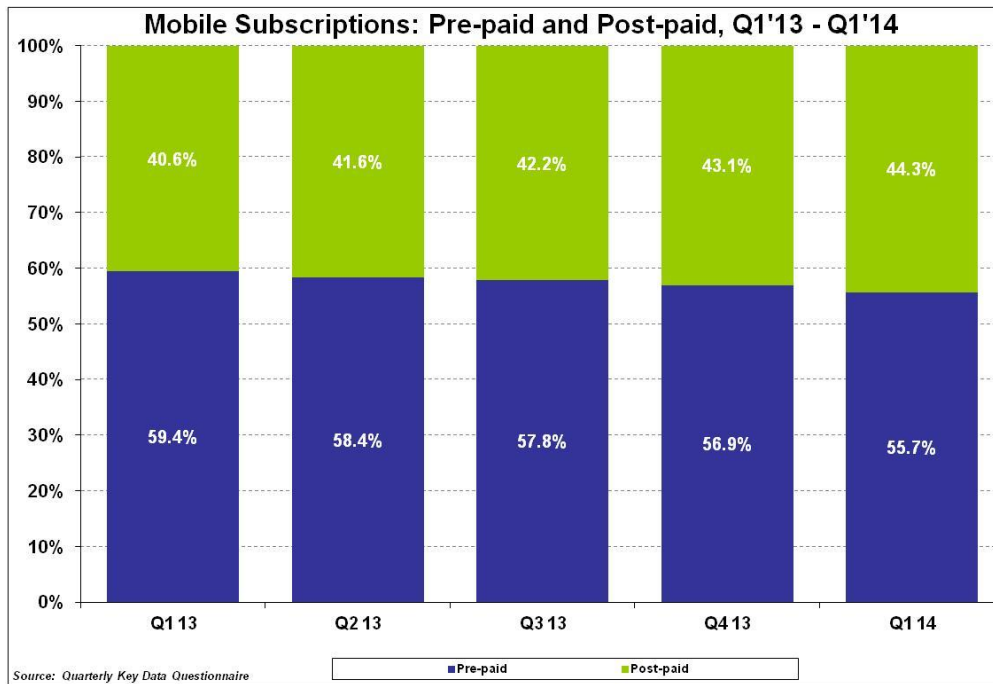


Figure 4.2.2 – Mobile Subscriptions by Pre-pay/Post-pay Split, Q1'13 – Q1'14

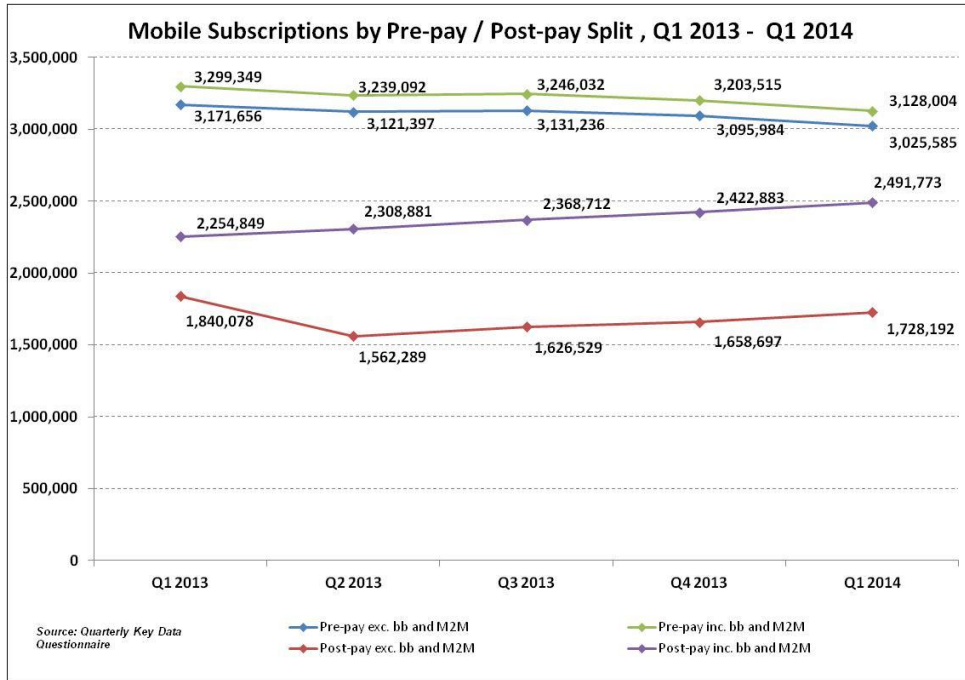


Figure 4.2.3 shows the pre-paid and post-paid subscription profile for each of the mobile operators in the Irish market. Mobile broadband and M2M subscriptions are included in this data. As of Q1 2014, the mobile operator with the highest proportion of post-paid subscriptions was 3 (59.1%) followed by O2 (54.4%), while all of Lycamobile’s subscriptions are pre-paid.

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

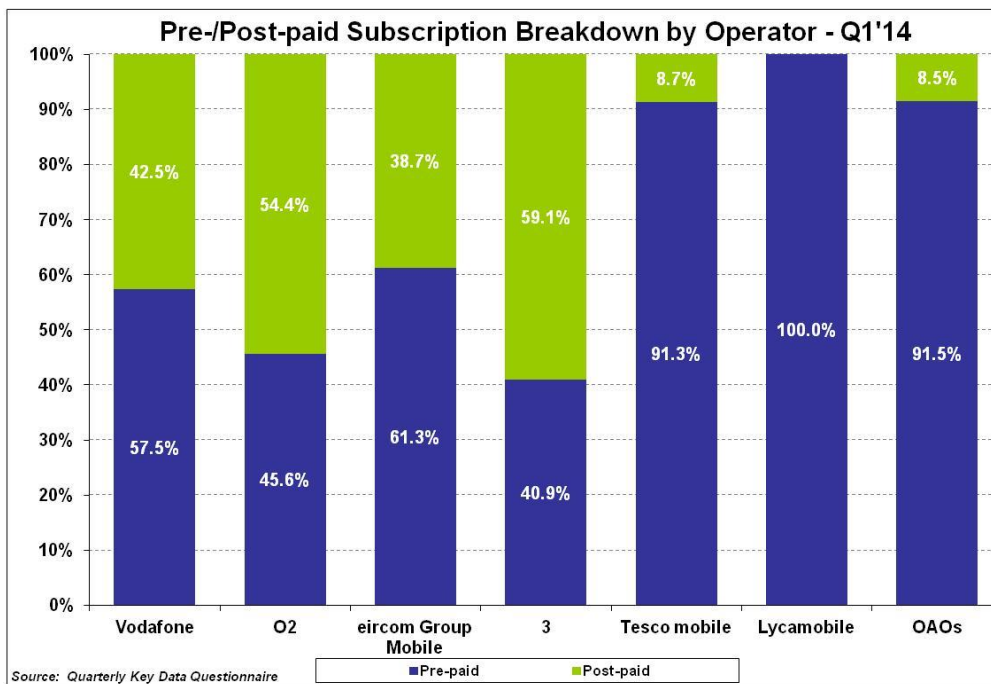


Figure 4.2.4 shows the split between pre-paid and post-paid mobile broadband subscriptions between Q1 2013 and Q1 2014. 79.1% of all mobile broadband subscriptions were post-paid at the end of March 2014, up from 76.5% one year previously.

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

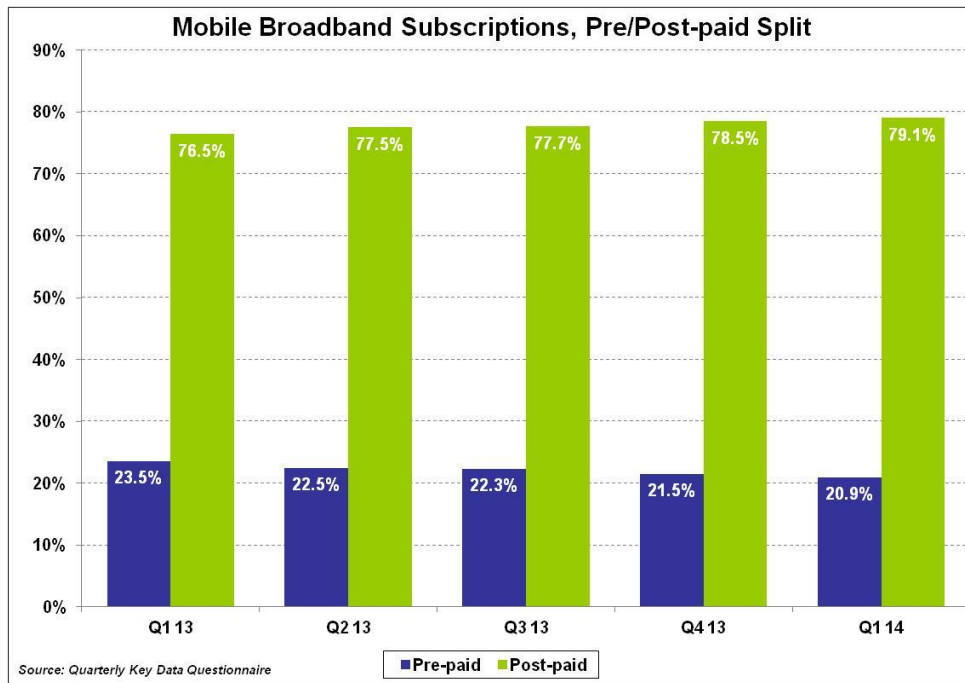


Figure 4.2.5 shows the split of post-paid business and non business mobile subscriptions including and excluding mobile broadband and M2M between Q1 2013 to Q1 2014. Approximately 40.1% of post-paid mobile subscriptions (including mobile broadband and M2M) and 29.1% of post-paid mobile subscriptions (excluding mobile broadband and M2M) were classed as business subscriptions in Q1 2014.

Figure 4.2.5 – Post-Paid Business and Residential Mobile Subscriptions

	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Residential subs inc. mobile broadband⁴⁵	1,492,293	1,448,329	1,427,097	1,392,468	1,363,787
Residential subs exc. mobile broadband & M2M	1,225,605	1,172,147	1,143,083	1,101,469	1,063,390
Business subs inc. mobile broadband & M2M	999,480	974,550	941,615	916,413	891,062
Business subs exc. mobile broadband & M2M⁴⁶	502,587	486,546	483,446	460,820	776,688

⁴⁵ All M2M subscriptions are assumed to be business subscriptions.

⁴⁶ M2M subscriptions excluded since Q2 2013.

4.3 Mobile Volumes

Figure 4.3.1 illustrates the change in voice minutes, SMS, and MMS (Multimedia Messaging Service) messages and 'other data'⁴⁷ volumes (internet uploads and downloads) sent between Q1 2010 and Q1 2014. Total retail mobile voice traffic totalled 2.84 billion minutes in Q1 2014, an increase of 7.7% on Q1 2013.

The total number of SMS messages sent by mobile users in Ireland was over 2.02 billion in Q1 2014, down 25.0% on Q1 2013. The number of multimedia messages (MMS) sent was down 7.4% compared to Q1 2013.

Other data volumes continue to rise, increasing by 48.1% in the year to Q1 2014 to reach 13,897 terabytes.

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

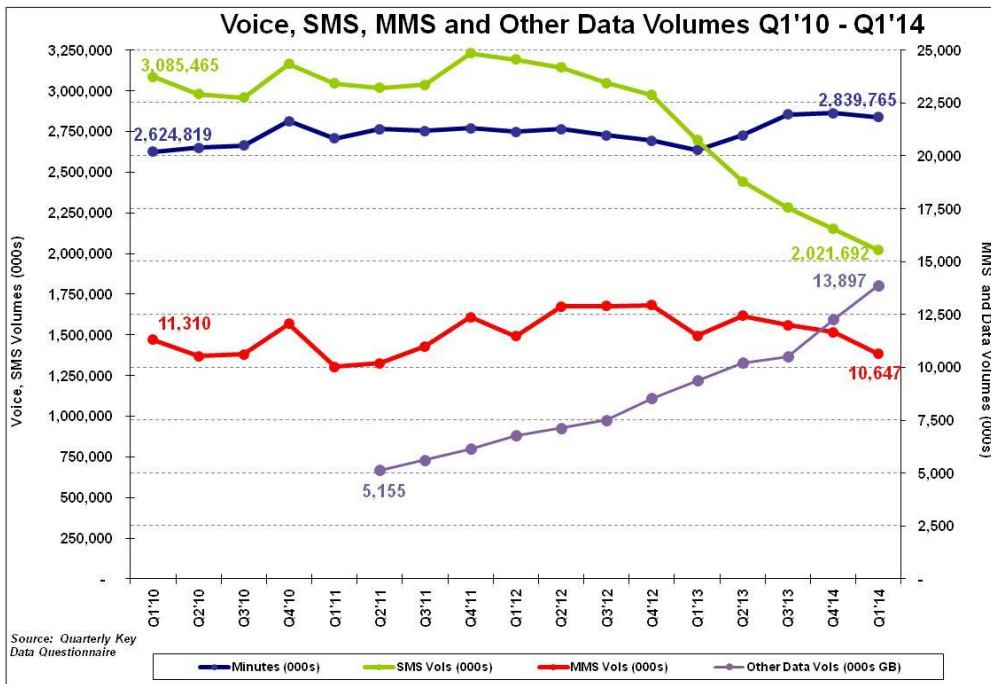


Figure 4.3.2 illustrates the share of types of mobile voice call minutes. As of Q1 2014, 75.8% of all mobile voice minutes were classified as mobile-to-mobile (on-net and off-net); 11.5% of mobile voice minutes were to fixed line phones, 10.1% were classified as international and roaming and the remaining 2.6% were advanced voice minutes which include calls to premium rate services.

⁴⁷ Other data volumes means mobile traffic for which customers do and do not have to pay per MB of charges and refers to both uploads and downloads. Retail international roaming data downloaded from network subscribers roaming on foreign networks (including EU-27) is also included.

Figure 4.3.2 – Voice Call Minute Volumes by Type

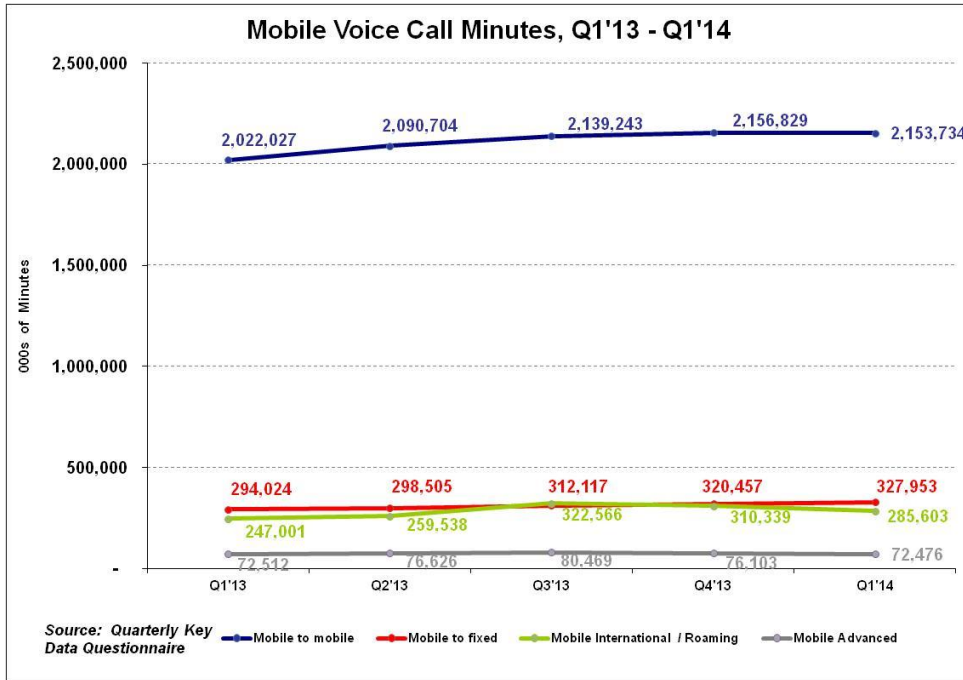


Figure 4.3.3 shows the change in the on net and off net mobile to mobile voice call minutes since Q1 2013. As of Q1 2014, 62.5% of all mobile to mobile voice minutes were classified as on-net down from 67.8% in Q1 2013.

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

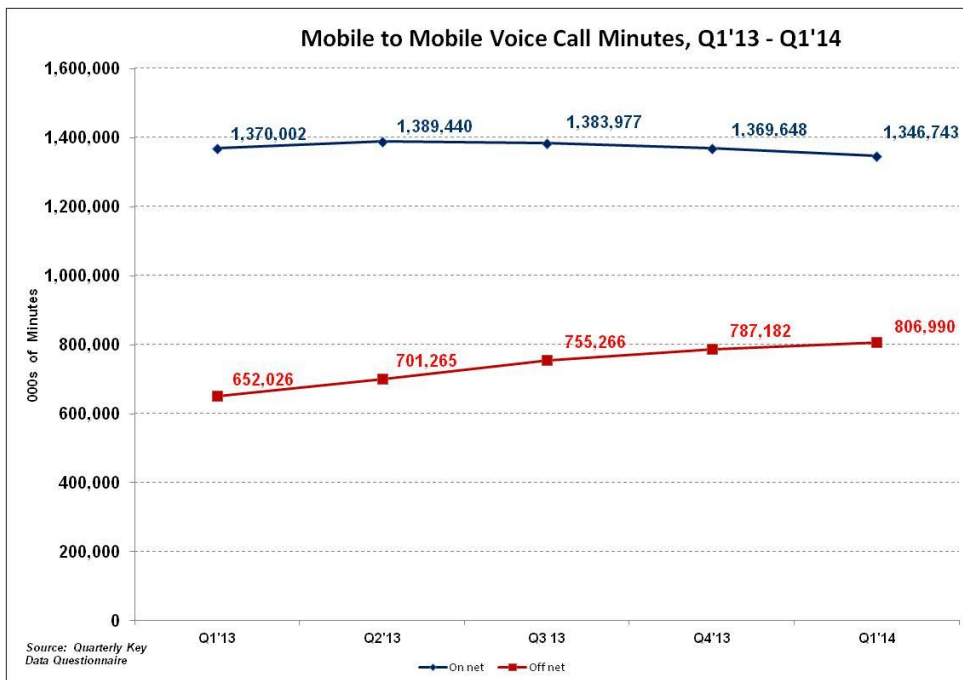


Figure 4.3.4 shows the change in the monthly mobile voice call minutes per subscription. In Q1 2014 the average usage was 199.1 minutes. From Q2 2013, the mobile voice subscription base is affected by the subtraction of M2M subscriptions and

thus, average minutes per subscriber reported from Q2 2013 are not directly comparable with the corresponding values in the previous quarters.

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

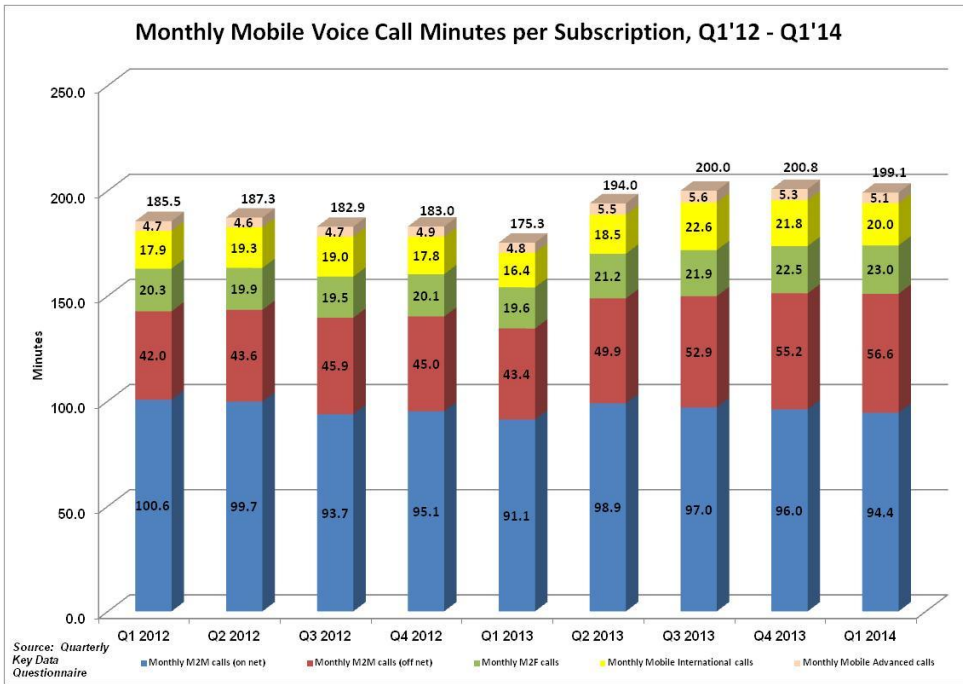
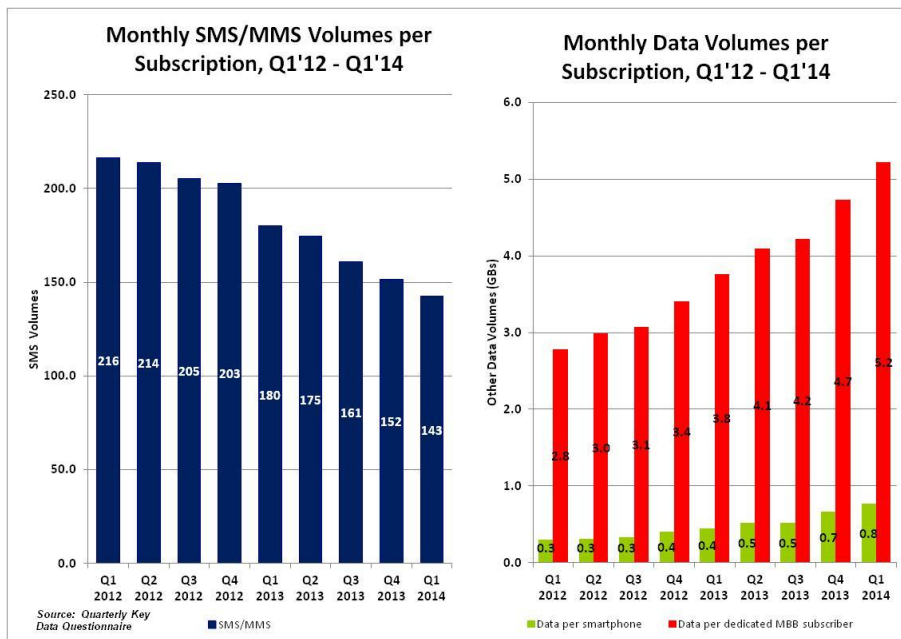


Figure 4.3.5 shows the change in the monthly mobile data volumes per subscription. In Q1 2014 the average monthly number of SMS/MMS sent was 143 and, the average traffic per smartphone reached 0.8 GB of data, while the average traffic per dedicated mobile broadband subscriber was 5.2 GB of data⁴⁸.

Figure 4.3.5 – Monthly Mobile Messaging and Data Volumes per Subscription

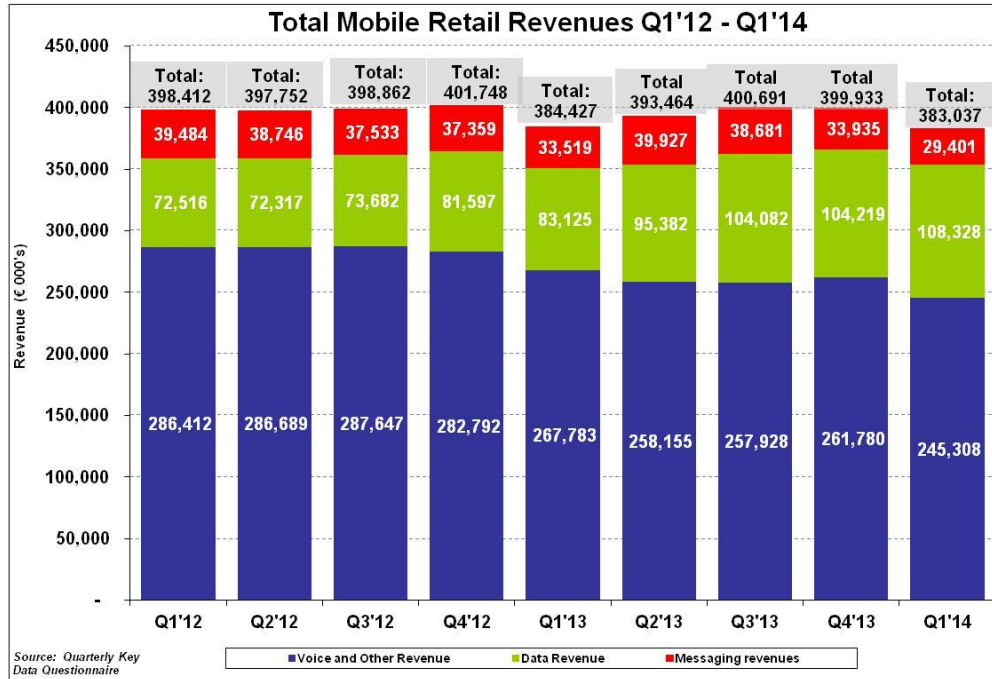


⁴⁸ Data traffic refers to both uploads and downloads.

4.4 Mobile Revenues

Figure 4.4.1 shows that mobile retail revenues for Q1 2014 were just over €383 million. Messaging revenues fell by 13.4% this quarter, while voice and other revenues also decreased (down by 6.3%). Data revenues continued to grow increasing by 3.9% since Q4 2013.

Figure 4.4.1 – Total Mobile Retail Revenues



Wholesale mobile revenues were almost €75 million in Q1 2014, the vast majority accounted for by terminating traffic, followed by access⁴⁹ and roaming⁵⁰ revenues.

4.5 Average Monthly Revenue per User

Mobile ARPU is a function of both the price of mobile services and the level of usage of mobile services. In Q1 2014 mobile APRU was €26.4 per month, down from €26.5 last quarter and down from €29.1 in Q1 2012. This overall decline is in line with a general downward trend in ARPU across Western European countries. Based on data from Analysys Mason’s Telecom Matrix monthly mobile ARPU across the average of 14 Western European countries fell by 8.6% in Q4 2013 compared to Q4 2012.

Figure 4.5.1 illustrates the change in ARPU for prepaid and contract subscribers. In Q1 2014 mobile ARPU for prepaid subscriber was €16.17 per month (down 9.0% since Q1

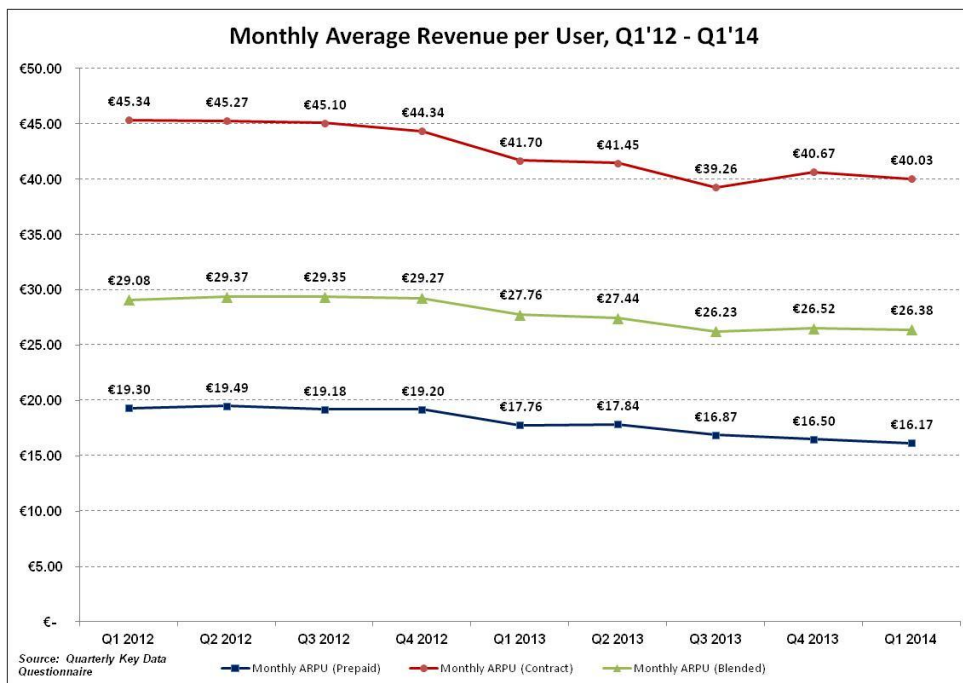
⁴⁹ Includes revenues from the wholesale provision of voice, messaging and data services to MVNOs and access revenues not related to traffic. Includes revenues from the provision of wholesale roaming (outbound) services (voice/text/data services) to hosted MVNOs. Includes revenues from wholesale provision of voice, messaging and data services based on national roaming agreements.

⁵⁰ Revenues from the provision of wholesale roaming (inbound) services (voice/text/data services). Excludes revenues from the provision of wholesale roaming (outbound) services to hosted MVNOs.

2013) while mobile ARPU for contract subscribers was €40.03 per month (down 4.0% since Q1 2013).

ComReg notes that the increase in ARPU in Q4 2013 was driven by increased wholesale mobile termination revenues and not by increases in retail prices.⁵¹ Meanwhile, the general decline in ARPU is likely to be a reflection of a number of factors such as those attributable to weak economic conditions in Ireland (e.g. reduced consumer spending), lower priced mobile plans, increased sales of bundled products (combining mobile with fixed calls and sometimes broadband) and reductions in roaming and mobile termination rates, among others.

Figure 4.5.1 – Monthly Average Revenue per User by Type



4.6 Machine to Machine subscriptions

Machine to Machine (M2M) refers to technologies that involve data communication between devices or systems in which, at least in principle, human intervention is not a part. These technologies may encompass either wireless or wired communications, or both. M2M communication is already widely deployed in Ireland and its usage is set to grow rapidly, driven in no small part by the expansion of next generation

⁵¹ It is likely that this increase in wholesale mobile termination revenues resulted directly from the judgment delivered by the Irish High Court in *Vodafone v Commission for Communications Regulation* (Record No. 2012/465 MCA, 14 August 2013). That case concerned an appeal brought by Vodafone against ComReg Decision D12/12 which had imposed a pure LRIC-based mobile termination rate (MTR) of 1.04 cent per minute on mobile operators with effect from 1 July 2013. In its judgment, the High Court quashed the MTR of 1.04 cent per minute and replaced it with an interim MTR of 2.6 cent per minute. For further detail, see the [judgment](#) of the High Court dated 14 August 2013, [ComReg Information Notice 13/80](#), [ComReg Information Notice 13/97](#) and [ComReg Information Notice 13/97a](#).

telecommunications technology and a decline in the cost of the embedded wireless modules and sensors that enable M2M services. This continued improvement in the infrastructural environment around M2M has led to a rapid growth of applications and services that meet users' business and lifestyle needs. M2M technologies transfer data on the condition of physical assets and devices to a central location (which is at a distance from the devices) for effective monitoring and control. M2M has many a multitude of uses, with current deployments in the healthcare, energy, home automation and transportation sectors. Specific examples of applications include smart metering, vehicle and consignment tracking and alarm monitoring systems of various kinds, ATM machines signalling the need for cash replacement, smart grid monitoring of real time electricity demand, smart home applications such as switching on and off lights, heating, appliances.

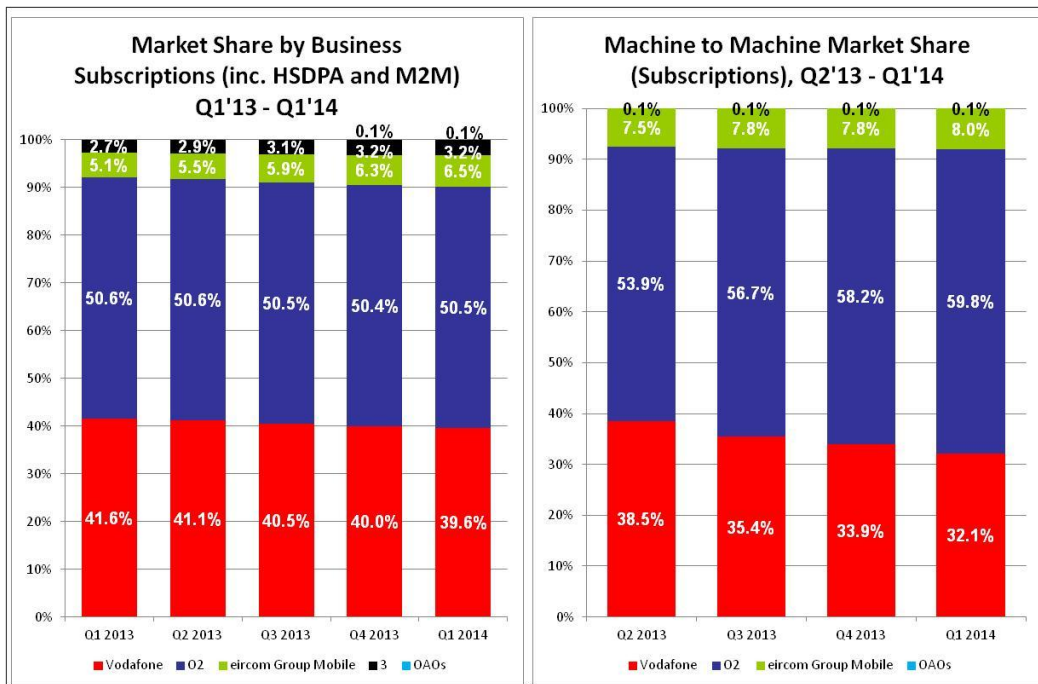
Different networking technologies can be used to connect M2M devices, depending on the amount of mobility needed, quality required, data rate, the degree of dispersion of devices over an area, and so on. Gathering data on dedicated M2M mobile connections assists ComReg in assessing future regulatory needs for M2M, e.g. for numbering resources. The additional data also allows for more accurate assessment of mobile telephony and broadband connections.

There were 377,021 M2M subscriptions at the end of March 2014. This is an increase of 10.8% since Q2 2013. Figure 4.6.1 outline market shares based on active M2M subscriptions as well as market shares in terms of business subscribers (including mobile broadband and M2M subscriptions).

O2 maintains the largest market share of M2M subscriptions at 59.8% in Q1 2014 followed by Vodafone with 32.1% market share. Eircom Group Mobile has 8.0% market share while the remaining OAOs have a 0.1% share.

O2 has also the largest market share in terms of business subscriptions (50.5%) followed by Vodafone (39.6%), Eircom Group Mobile (6.5%) and 3 (3.2%). OAOs accounted for the remaining 0.1%.

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



4.7 Competition in the Mobile Market

Figures 4.7.1 and 4.7.2 outline mobile market shares based on the number of active subscriptions reported by each operator. It should be noted that due to the subtraction of M2M subscriptions, in Figure 4.7.2 market shares in Q2 2013 are not directly comparable to market shares in the previous periods. In addition, market shares in Q1 and Q4 2013 are not directly comparable with previous periods as data from additional MVNOs have been included in each of those periods.

Figure 4.7.1 includes mobile broadband and M2M while figure 4.7.2 excludes mobile broadband and M2M. Vodafone has the highest market share including and excluding mobile broadband and M2M (37.7% and 38.9%), followed by O2 (26.8% and 24.2%), eircom Group Mobile (19.1% and 20.9%), 3 (10.1% and 8.6%) and Tesco Mobile (3.9% and 4.6%). Lycamobile has a market share of 2.1% and 2.5% while OAOs have market shares of 0.3%.

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

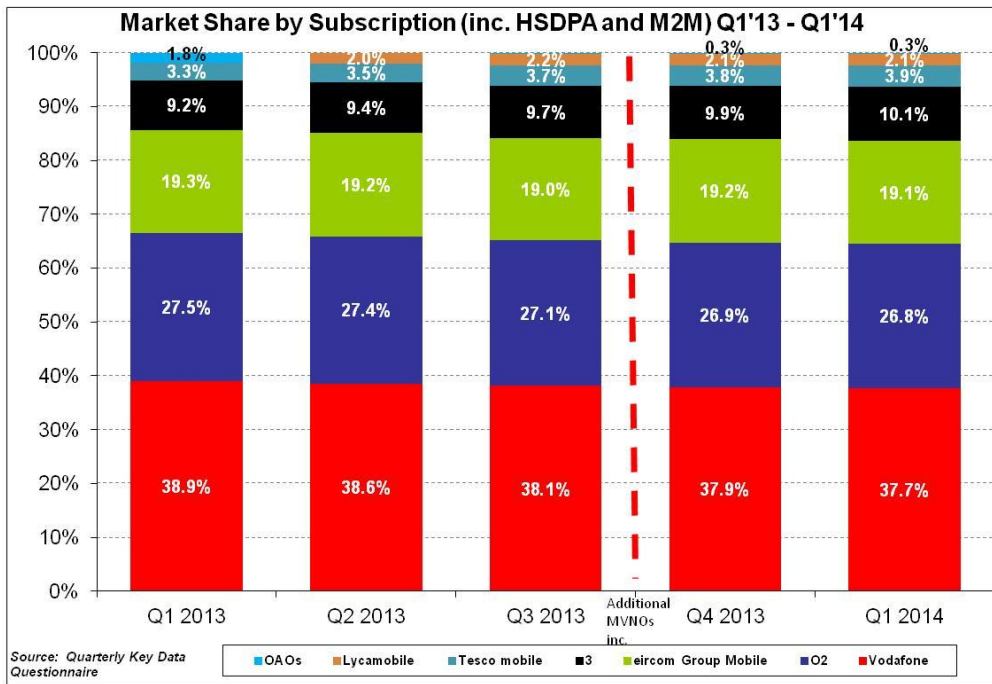


Figure 4.7.2 – Market Share – Number of Subscriptions (ex. mobile broadband and M2M)

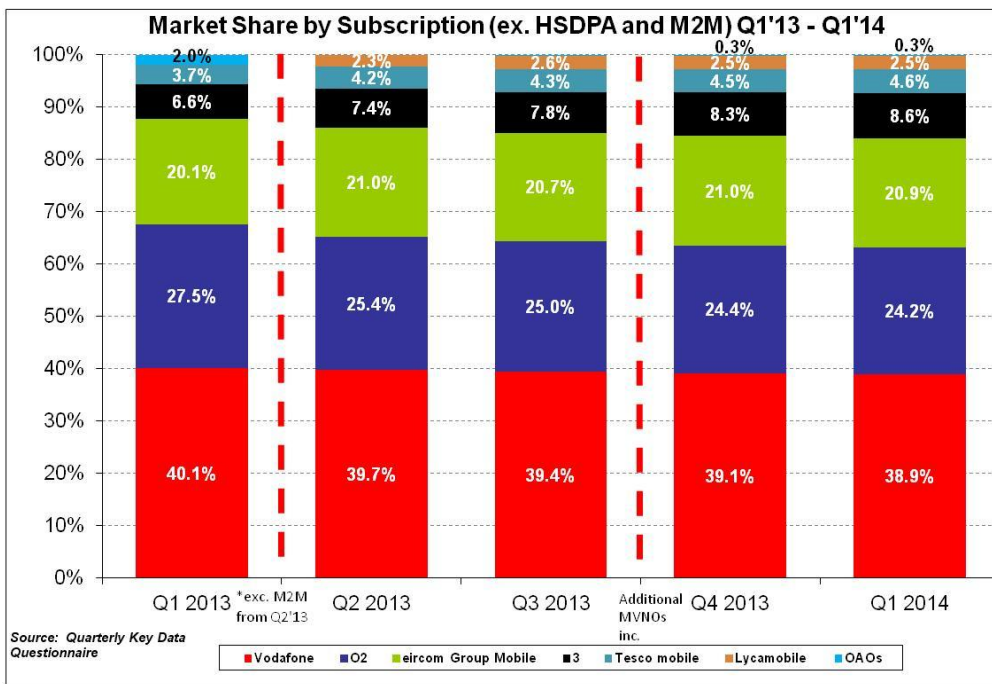
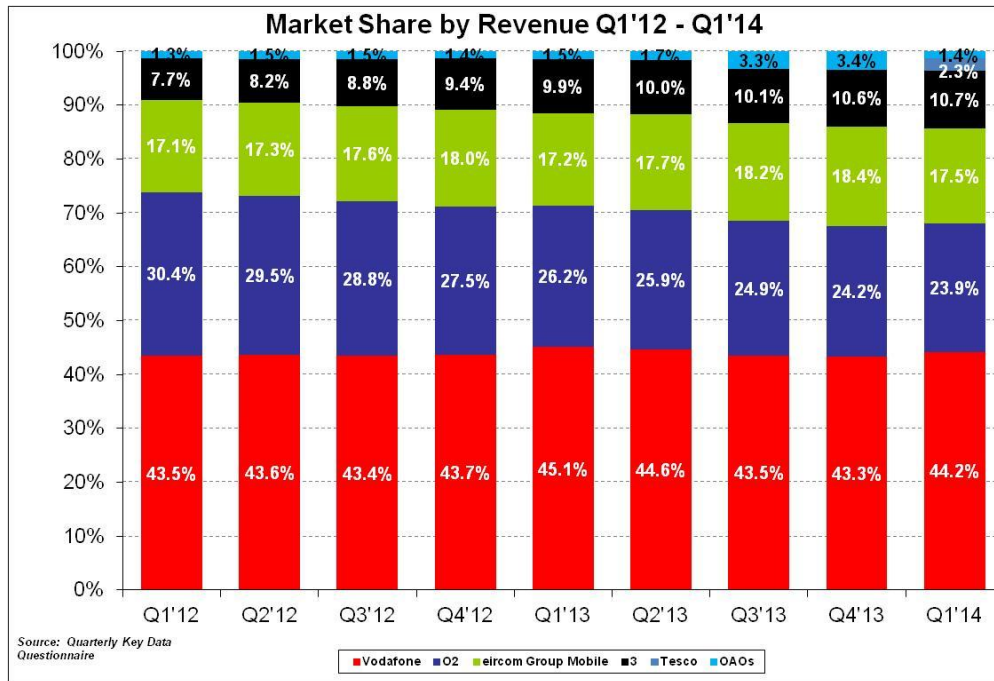


Figure 4.7.3 shows market shares by total retail revenues for mobile operators. As of Q3 2013, data from additional mobile operators is included in this chart. Therefore, market shares previous to Q3 2013 are not directly comparable. Vodafone’s market share remains highest at 44.2% followed by O2 at 23.9%. Eircom Group Mobile’s market share is the next largest at 17.5% followed by 3, Tesco and OAOs at 10.7%, 2.3% and 1.4% respectively.

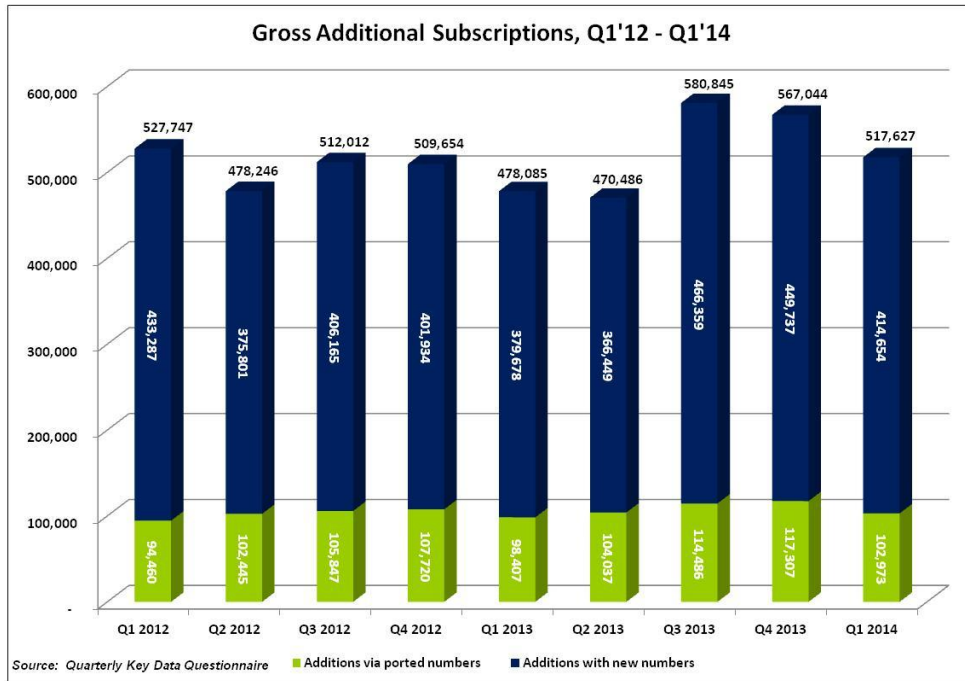
Figure 4.7.3 – Revenue Market Share



4.8 Switching in the Mobile Market

Figure 4.8.1 illustrates the number of subscribers who port their numbers as a proportion of total gross additions⁵². There were 517,627 gross additional subscriptions in Q1 2014. In the quarter to March 2014, 109,973 numbers were ported between operators and a total of 438,803 numbers over a twelve month period. Gross additions via ported numbers accounted for 19.9% of total gross additions in Q1 2014.

Figure 4.8.1 – Gross Subscription Additions and Numbers Ported



⁵² Gross additions include consumers who decide to avail of multiple SIMs and thus, slightly overstate the switching intensity in Ireland.

4.9 Mobile Pricing Data⁵³

The OECD mobile pricing basket definitions have been updated by Teligen 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 two operators for each country. If these cover less than 50% of subscriptions in any country, additional operators may be included as well. Therefore, the reported figures reflect the cheapest prices offered by these operators, which may not necessarily be the cheapest offers in the entire market. All of the most common packages are included for each operator. This means that the current update covers over 3,730 packages across the 34 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:

Baskets
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

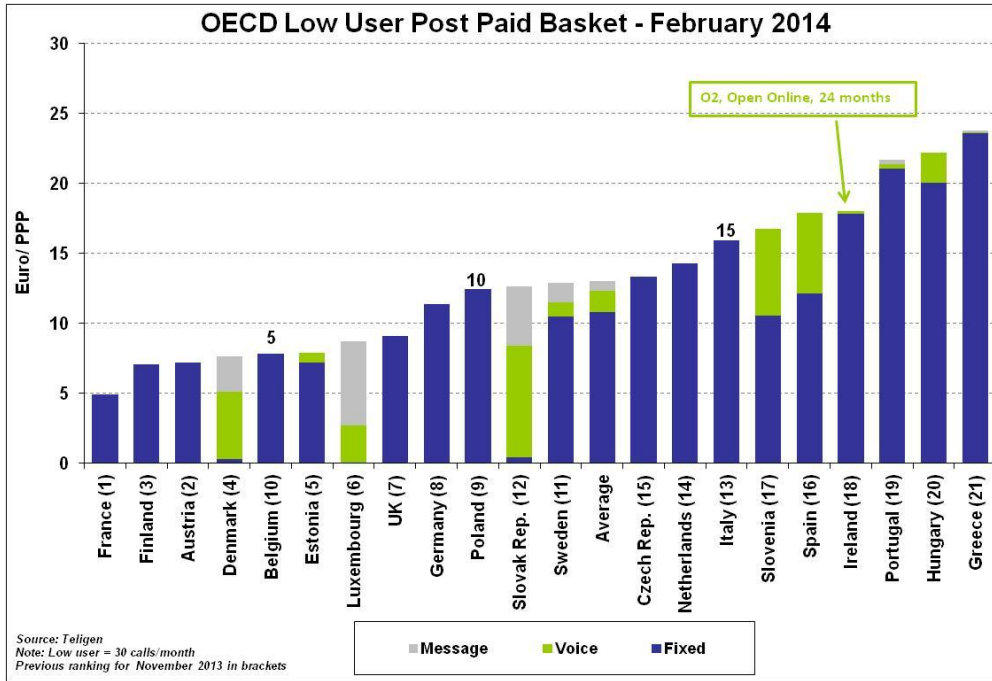
The Teligen mobile baskets presented in this Quarterly Report, termed as “low user”, “medium user” and “high user” are, based on the 30 calls, 100 calls and 300 calls per month baskets respectively described above. They are calculated and analysed independently by Teligen, using an OECD methodology which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

⁵³ 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.

4.9.1 Low User Post Paid Mobile Basket

For the “low user” post paid mobile basket, Ireland ranks in 18th position among the European countries benchmarked. Ireland is six places behind and 38% more expensive than the benchmarked country average. The Irish package represented here is O2’s Open Online, 24 month package.

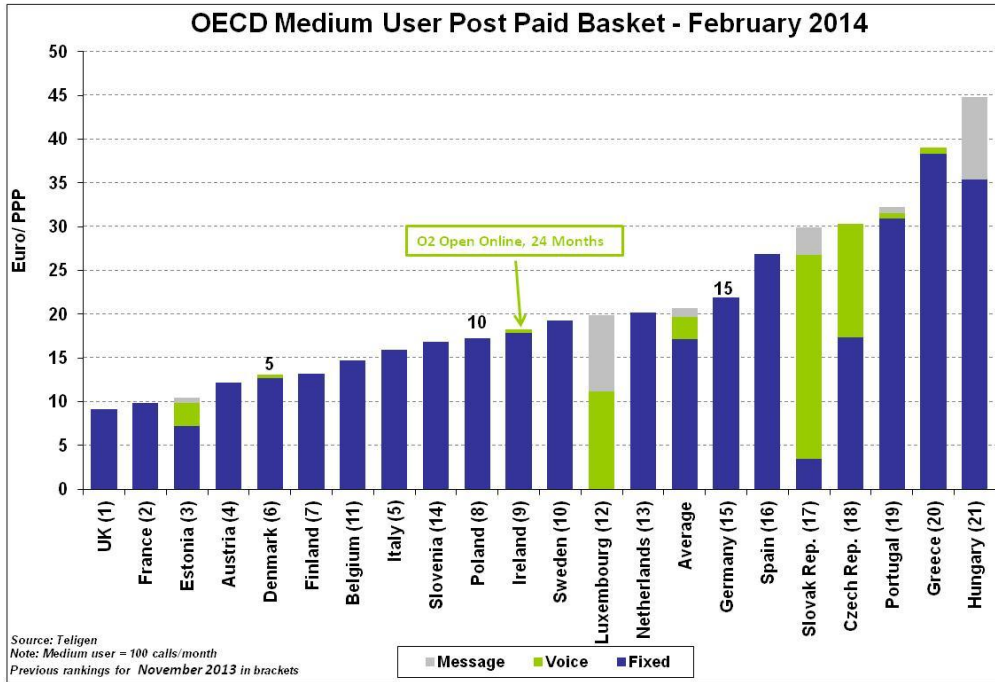
Figure 4.9.1.1 - OECD Low User Post Paid Mobile Basket (30 calls)



4.9.2 Medium User Post Paid Mobile Basket

For the medium user post paid mobile basket, Ireland ranks in 11th position out of the 21 benchmarked countries. Ireland is four places ahead of and 11.9% cheaper than the benchmarked average. The Irish package represented here is O2’s Open Online, 24 month package.

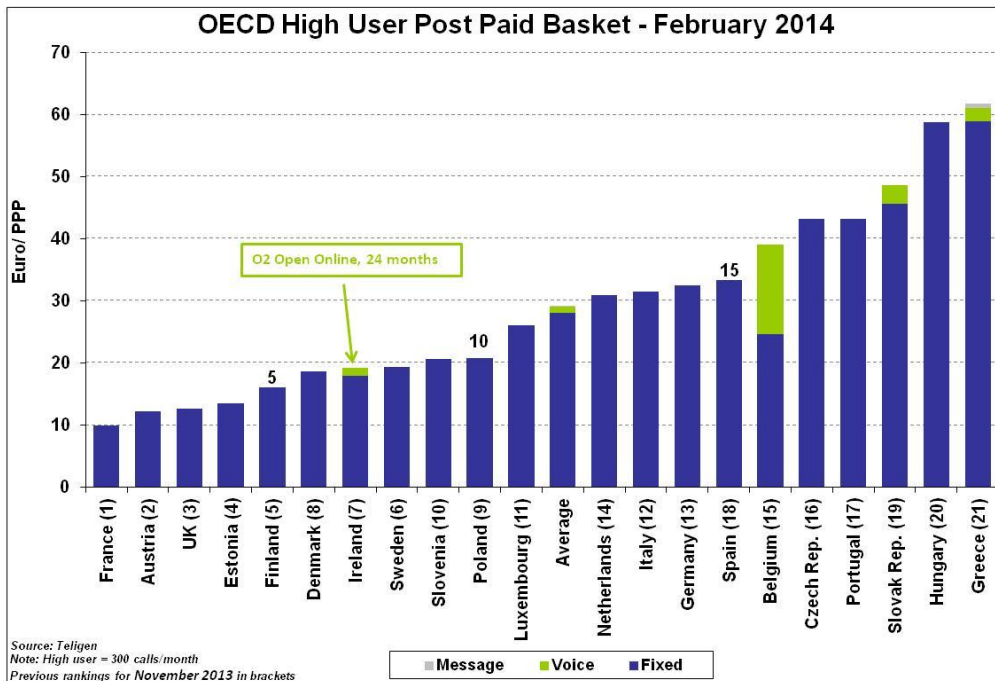
Figure 4.9.2.1 - OECD Medium User Post Paid Mobile Basket (100 calls)



4.9.3 High User Post Paid Mobile Basket

Ireland ranks in 7th place among the countries benchmarked in the high user post paid mobile basket. The Irish package represented here is O2’s Open Online, 24 month package. Ireland is five places ahead of and 34.2% less expensive than the average of the 21 benchmarked countries.

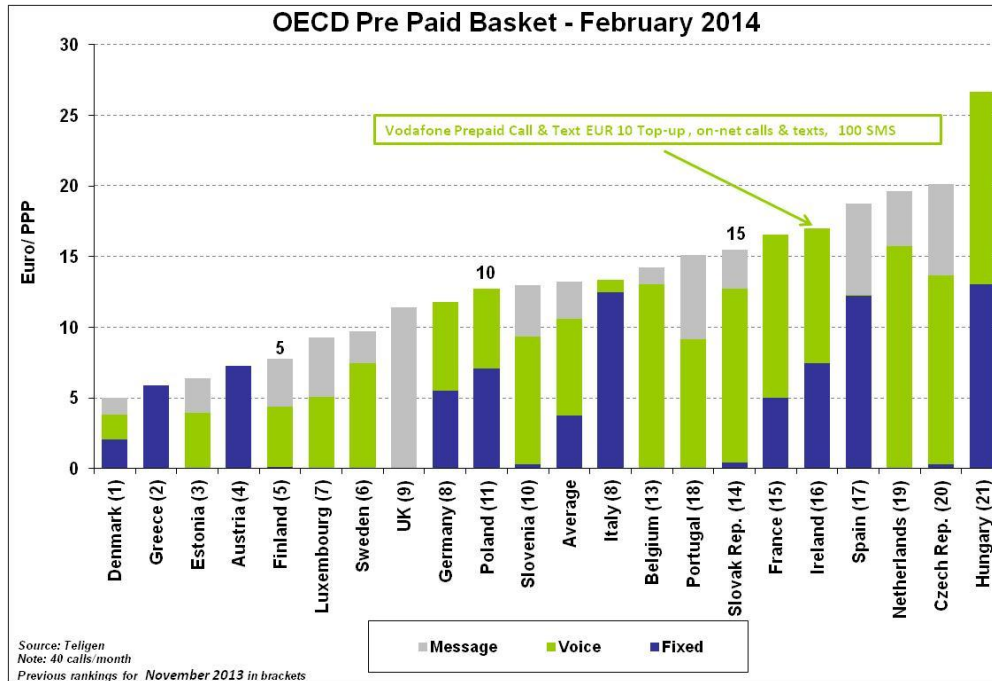
Figure 4.9.3.1 - OECD High User Post Paid Mobile Basket (300 calls)



4.9.4 Pre-Paid Mobile Basket

In the pre-paid mobile basket, Ireland is in 17th position among the benchmarked countries. The package used for Ireland in this basket is Vodafone’s Prepaid Call & Text (EUR 10 Top-up, on net calls and texts, and 100 SMS). Ireland is six places behind the average of the 21 benchmarked countries and the cost of this basket in Ireland is 28.6% more expensive than the benchmarked country average.

Figure 4.9.4.1 - OECD Pre-Paid Mobile Basket (40 calls)



5. Broadcasting

5.1 Overall Broadcasting Market

This broadcasting data is from the Nielsen TV Audience Measurement (TAM) Establishment Survey.⁵⁴ The survey indicated that there were 1,590,000 TV homes in Ireland in January 2014. Figure 5.1.1 shows the estimated number of TV homes by reception type in January 2013 and January 2014 on the basis of the reception method through which the highest number of TV channels is received. Irish terrestrial DTT only homes represented 10.1% of all TV homes (although 39% of TV homes receive Irish DTT) as of January 2014. Cable/satellite platforms represented the remaining 89.9% of all TV homes in Ireland.⁵⁵

Figure 5.1.1 – TV Homes by Reception Type⁵⁶

	January 2014	January 2013	January 2014 as % of Total TV Homes	% Change January '13 – January '14
Reception	(000s)	(000s)	%	% change
Irish Terrestrial	161	198	10.1	-18.7
Multi Total	1,429	1,354	89.9	+5.5
Analogue Cable/Sat	28	40	1.8	-30.0
Digital Cable/Sat	1,401	1,315	88.1	+6.5
Total Cable/Sat	1,429	1,355	89.9	+5.5
Total TV Homes	1,590	1,552	N/A	+2.4
RECEPTION: Reception type categories are hierarchically defined and mutually exclusive. A home is classified once within reception type and this is based upon the highest form of reception available within the home.				
Multi Total: Made up of UK DTT / FTA Satellite, Cable, and SKY homes.				
Irish Terrestrial In September 2013 homes which only receive any or all of the following: RTÉ One, RTÉ Two, TV3, TG4, RTÉ One+1, RTÉ News Now, RTÉ jr via an aerial and a set-top box or an aerial and an integrated digital TV or via Saorsat.				
Cable/Satellite: Includes UK DTT / FTA Satellite, Cable, IPTV and SKY homes. Sky homes based on the possession of SKY boxes, not on being SKY subscribers.				

Figure 5.1.2 charts TV homes by reception method⁵⁷ from January 2012 to January 2014. The percentage of cable/satellite TV homes (this does not include other satellite i.e. respondents who said 'don't know' and satellites that receive foreign language

⁵⁴ The Establishment Survey is a survey produced by Nielsen TV Audience Measurement (fieldwork is carried out by Behaviours and Attitudes) on behalf of Television Audience Measurement Ireland Ltd (a TV ratings body). The Establishment Survey covers areas such as ownership of TV related equipment, method of TV reception and demographics of TV household individuals such as age etc.

⁵⁵ MMDS (Multichannel Multipoint Distribution Service) is included under cable/satellite. MMDS is a wireless telecommunications technology, used usually in sparsely populated rural areas, where laying cables is not economically viable. Approximately 291,000 of those reported above as digital cable/sat and total cable/sat are UK DTT/FTA satellite.

⁵⁶ Source: Nielsen TV Audience Measurement Establishment Survey on behalf of TAM Ireland.

⁵⁷ This is determined by the method by which homes with a TV receive their channels. Each home can have more than one method of reception e.g. aerial and cable or digital satellite, digital satellite and cable, etc. The question is asked for their main and up to 9 TV sets. For this reason, the total for the reception methods adds up to more than 100%.

stations including freesat) has averaged 70% over the last two years.⁵⁸ Television homes that subscribe to other satellite services besides Sky represented 13% of TV homes in January 2014. Reception by IPTV method is relatively low. Approximately 39% of TV homes have Irish DTT.

Figure 5.1.2 – TV Homes by Reception Method⁵⁹

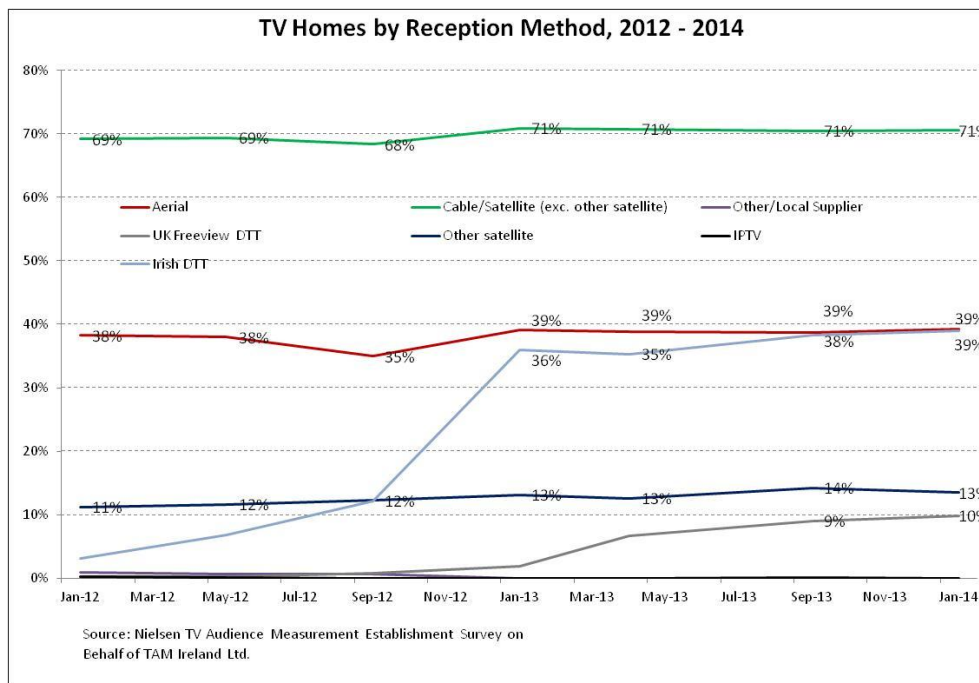


Figure 5.1.3 shows that, the total number of TV homes increased in January 2014. Digital TV homes represent 98.2% of all TV homes compared to 58.8% in January 2009.

⁵⁸ It should be noted that from September 2011 the reporting of the cable/satellite figure has changed. This is because up to September 2011 cable/satellite reception method included homes that had both cable and satellite twice (i.e. (1) cable, (1) satellite). Nielsen now publish homes with cable and satellite as one reception method - as cable or satellite (i.e. cable or satellite (1)).

⁵⁹ As of November 2012 'Aerial' includes MMDS and Saorsat homes. Irish DTT includes Saorsat. Cable/satellite includes MMDS and IPTV, excludes UK DTT, Irish DTT and Saorsat.

Figure 5.1.3 – TV Homes 2009 –2014

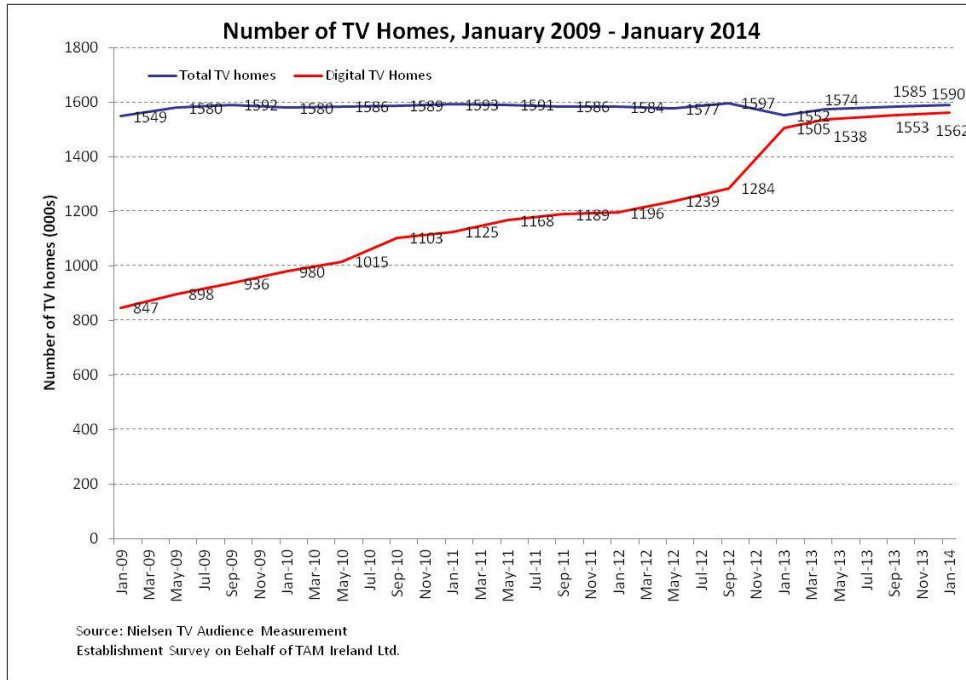


Figure 5.1.4 shows TV homes by DVD⁶⁰, broadband⁶¹ access, game console and PVR⁶² ownership between January 2011 and January 2014. Just under three quarters of television homes have a DVD player, but this figure has declined slightly over the last three years; down by 4 percentage points over the period. Broadband access was present in circa 71% of homes with a television in January 2014. The number of homes with games consoles has decreased over the last three years from 36% to 31%. PVR ownership was 54% in January 2014; up from 31% in January 2011.

⁶⁰ It should be noted that as of Sep 13 universes VCR and DVD numbers are combined.

⁶¹ Both fixed and mobile broadband.

⁶² A PVR is an electronic device used to record media digitally. The PVR is also known as a digital video recorder or DVR. A PVR records and plays back television programmes, but, unlike the VCR, it stores the programs in digital rather than analogue format, for example, SKY+Box, or UPC Digital Video Recorder.

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

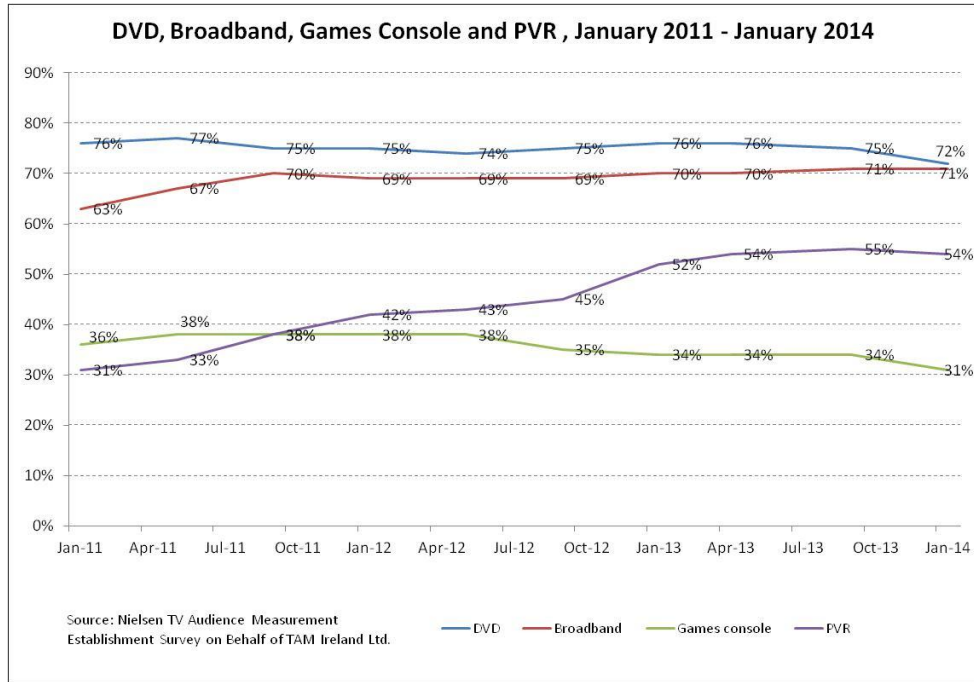
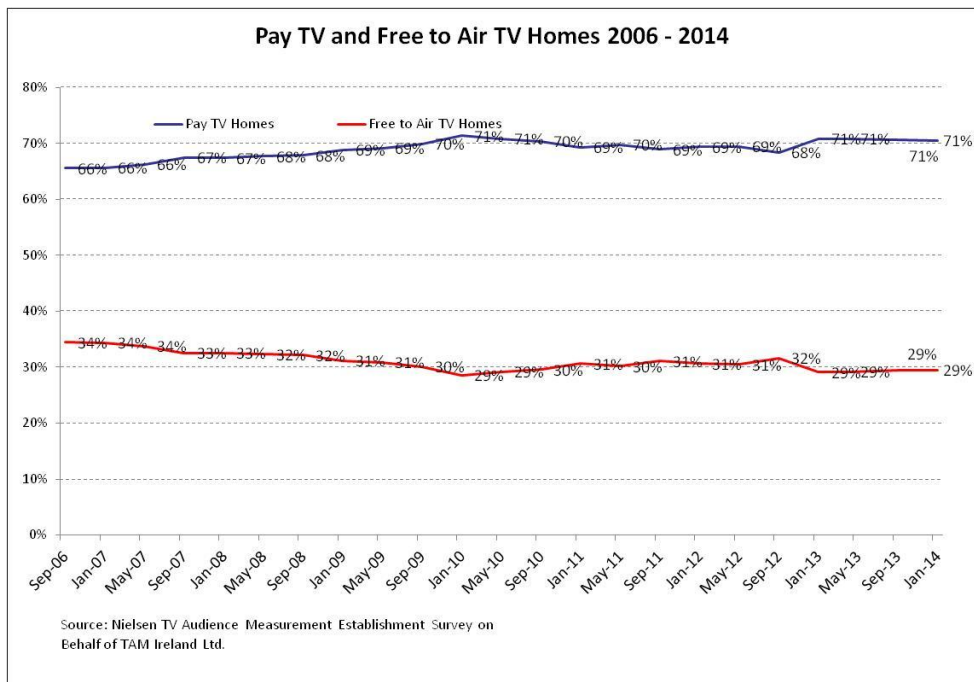


Figure 5.1.5 shows the level of household penetration of pay TV services and free to air TV services in Ireland based on reception method. This chart has been derived by ComReg using Nielsen data and is not a classification used by Nielsen or a classification used as part of the survey itself. Homes with a pay TV (cable, satellite and IPTV homes)⁶³ service have generally been stable since 2009 at 70% average of all TV homes.

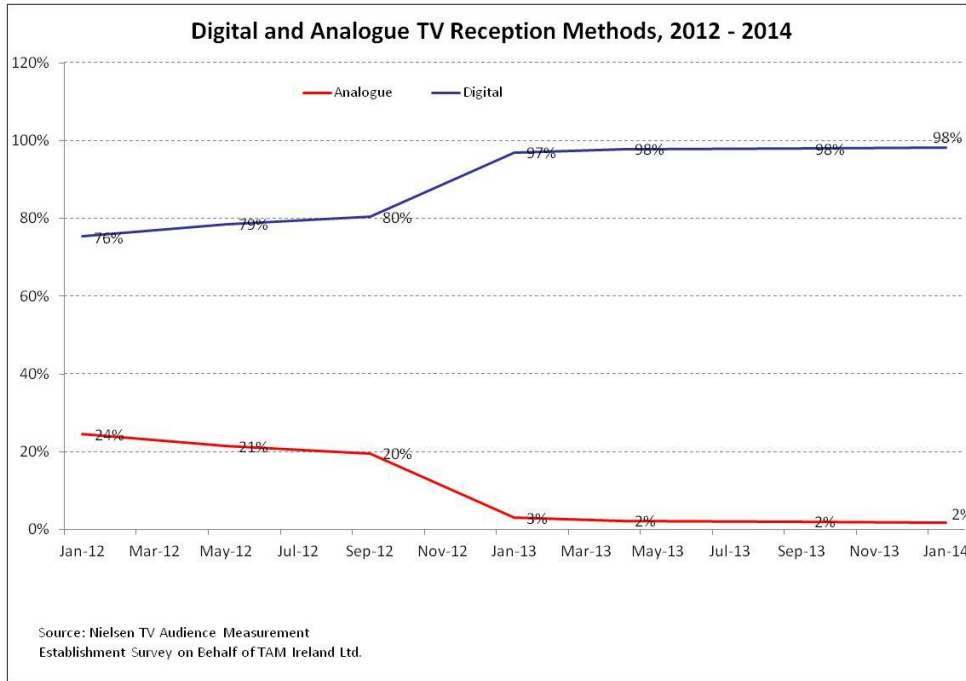
Figure 5.1.5 – Pay TV vs Free to Air TV Homes, 2006 - 2014



⁶³ IPTV is included from September 2011.

Figure 5.1.6 shows the proportion of digital to analogue TV reception methods in Ireland across all platforms. Digital TV reception (98%) has remained relatively stable over the last year, following ASO in late 2012.

Figure 5.1.6 – Digital and Analogue TV Reception, 2012 - 2014



6. Appendix

Sky Ireland's distribution of subscriptions by type (single play, double play or triple play) is estimated using percentage distribution of Sky Ireland's subscriptions obtained from the market survey data conducted by RED C Research & Marketing Ltd. The filedwork on ComReg's behalf was carried out on May 19th-21st, 2014.

1008 respondents⁶⁴ were asked the following question:

- Does the telecommunications service provider, Sky, provide any of the following telecommunications services in your home?

TV

Internet/Broadband

Home Landline Telephone Service

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

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

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

Survey results showed that 82.3% of Sky Ireland's subscribers were subscribing to one service, 4.6% to two services and 13.2% to three services.

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

Fixed subscription type (n=524)	Number of Sky's subscriptions	% share of total Sky's subscriptions
TV	393	75.0%
Broadband	25	4.8%
Fixed Voice	13	2.5%
TV and Fixed Voice	1	0.2%
TV and Broadband	20	3.8%
Fixed Voice and Broadband	3	0.6%
TV, Fixed Voice and Broadband	69	13.2%

⁶⁴ The sample is nationally representative.

Aggregated SB-WLR Performance Statistics, as supplied by Eircom, will no longer be published in the Quarterly Key Data Reports. ComReg will provide information on where to find these statistics in due time.

The following table lists Respondents who submitted data which was used to produce Q1 2014 quarterly report.

Table A2: List of Respondents.

Respondent Name (N=53)
AirSpeed Telecom
AT&T Global Network Services Ireland Ltd.
Ats Voice Ltd
Bitbuzz Ltd
Brighter Networks Ltd
Blue Face Ltd
BT Communications Ireland Ltd
Cablewatch Ltd
Casey Cablevision Ltd
Centrecom Systems
Colt Telecoms
Crossan CableComm
Digitalforge
Digiweb group
Dome Mobile Services
Edge Telecommunications Ltd
eircom Ltd
E-Net
Equant operations in Ireland (EGN BV and ENS Ltd)
ESB Telecoms
EuNetworks Ireland Private Fiber Ltd
Fast Wireless Internet t/a Arra Communications
Fastcom Broadband Ltd
Fulnett Limited t/a Strencom
Greencom Telecommunications Ltd
Hutchison 3G Ireland Limited
IFA Telecom
Imagine Group
Ker Broadband Comms Ltd
Level 3 Communications (Ireland) Limited
Lycamobile Ireland Ltd
Magnet Networks

Meteor Mobile Communications
Modeva Networks
Nova Networks Ltd
Onwave Limited
PermaNet
Postfone
Pure Telecom
Rainbow Telecom LTD T/A Rainbow Communications
Rapid Broadband Ltd
Ripplecom
SAVVIS EUROPE BV
Sky Ireland
SprintLink Ireland Limited
Telefonica Ireland Ltd (O2)
Tesco Mobile Ireland Ltd
Transaction Network Services
UPC Communications Ireland Limited
UTV Connect
Verizon Ireland Limited
Vodafone Ireland
Vu2Vu Ireland Ltd