



Commission for  
**Communications Regulation**

## **Irish Communications Market**

### **Quarterly Key Data Report**

**Data as of Q2 2014**

<b>Document No:</b>	<b>14/97</b>
<b>Date:</b>	<b>11 September 2014</b>

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## Corrigendum to Q1 2014 Report

- Note 1: Mobile retail revenues from Q2 2013 to Q1 2014 inclusive have been revised downwards following an operator revision of historically provided information. Total quarterly mobile retail revenues for this period have been revised downwards for each quarter, with such downward revisions ranging from €5,263,000 to €5,775,000. These changes also affect mobile retail revenue market shares which have also been revised.
- Note 2: Fixed retail broadband revenues have been revised downwards in Q1 2014, while fixed wholesale revenues have been revised upwards for the same periods following an operator revision of historically provided information. The revision of fixed retail and wholesale broadband revenues in the periods prior to Q1 2014 will be made in the next publication of the Key Quarterly Data Report.
- Note 3: Retail and wholesale leased line and Managed data revenues were revised from Q1 2012 to Q1 2014 inclusive following an operator revision of historically provided information. The revisions ranged from a minimum of €6,000 to a maximum of €783,000

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## Summary

During the period Q1 2014 to Q2 2014 overall industry retail revenues decreased by 1.1%. Total retail revenues in the twelve months to June 2014 at €3.07 billion were down from over €3.19 billion over the 12 months previous. There were 1,696,878 broadband subscriptions this quarter which was a decrease of 0.3% from Q1 2014, but an increase of 1.9% compared to Q2 2013. Overall voice traffic volumes declined by 0.04% this quarter. Presented below is a tabular summary of the data presented throughout this Quarterly Key Data Report.

Irish Quarterly Communications Market Data Q2 2014				
	Q2'14	Q1'14	Quarterly Change	Annual change
Total Retail Market Revenues <sup>1</sup>	€746,978,316	€755,190,871	-1.1%	-4.0%
Fixed Line Retail Revenues <sup>2</sup>	€326,999,827	€335,706,605	-2.6%	-5.9%
Mobile Retail Revenues <sup>3</sup>	€377,678,220	€377,645,138	+0.01%	-2.7%
Broadcasting Retail Revenues <sup>4</sup>	€42,300,270	€41,839,128	+1.1%	-0.6%
Fixed Line Wholesale Revenues <sup>5</sup>	€146,696,308	€129,983,743	+12.9%	+19.5%
Mobile Wholesale Revenues <sup>6</sup>	€78,661,922	€75,009,506	+4.9%	-
Total Voice Traffic (Minutes)	4,107,603,016	4,109,413,815	-0.04%	+0.6%
Fixed Voice Traffic (Minutes)	1,200,599,398	1,269,648,424	-5.4%	-11.5%
Mobile Voice Traffic (Minutes)	2,907,003,618	2,839,765,391	+2.4%	+6.7%
Total Internet Subscriptions <sup>7</sup>	1,704,319	1,709,995	-0.3%	+1.8%
Total Broadband Subscriptions	1,696,878	1,701,714	-0.3%	+1.9%
Fixed Broadband Subscriptions	1,226,055	1,212,735	+1.1%	+7.4%

<sup>1</sup> Mobile and Fixed line wholesale revenues are excluded from this figure.

<sup>2</sup> Fixed line retail revenues were revised from Q1 2012 to Q1 2014 inclusive. See notes 2 and 3 within the corrigendum to Q1 2014 on page 5 of this report.

<sup>3</sup> Mobile retail revenues were revised from Q2 2013 to Q1 2014 inclusive. See note 1 within the corrigendum to Q1 2014 on page 5 of this report.

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

<sup>5</sup> Fixed line wholesale revenues were revised from Q1 2012 to Q1 2014 inclusive. See notes 2 and 3 within the corrigendum to Q1 2014 on page 5 of this report.

<sup>6</sup> ComReg has started to gather additional wholesale revenues (such as wholesale access and wholesale roaming revenues) since Q4 2013. Thus, comparisons with previous quarters cannot be made.

<sup>7</sup> The difference between Internet and broadband subscriptions is accounted by the inclusion of narrowband subscriptions in Internet subscriptions.

Mobile Broadband Subscriptions (HSDPA)	470,823	488,979	-3.7%	-10.2%
Fixed Subscriptions <sup>8</sup>	1,973,086	1,989,975	-0.8%	+1.4%
Fixed Voice Subscriptions	1,572,274	1,561,728	+0.7%	+5.2%
Total Mobile Subscriptions (inc. HSDPA and M2M)	5,626,484	5,619,777	+0.1%	+1.4%
Machine to Machine Subscriptions	387,662	377,021	+2.8%	+13.9%
Mobile Subscriptions <sup>9</sup> (exc. HSDPA and M2M)	4,767,999	4,753,777	+0.3%	+1.8%

- Overall electronic communications network and service retail revenues at the end of June 2014 were €747.0 million for the quarter. Industry revenues decreased by 1.1% this quarter, and declined by 4.0% compared to Q2 2013. The quarterly decrease in revenues was driven by decreases in fixed revenues with mobile and broadcasting revenues having increased slightly this quarter.
- At the end of June 2014 there were 1,572,274 fixed voice subscriptions in Ireland, an increase of 0.7% since last quarter and an increase of 5.2% since Q2 2013.
- Total voice traffic minutes decreased by 0.04% this quarter but were 0.6% higher than Q2 2013. Mobile minutes form the majority of voice minutes at 70.8%, with fixed minutes representing the remaining 29.2%. Mobile voice minutes increased by 2.4% this quarter while fixed voice minutes fell by 5.4% this quarter.
- In Q2 2014, total internet subscriptions decreased by 0.3% to 1,704,319.
- Broadband subscriptions (fixed and mobile) decreased by 0.3% this quarter, but were up by 1.9% compared to Q2 2013. Cable (+4,129) and VDSL (+29,344) subscriptions increased this quarter while DSL (-14,665), FWA (-5,297), dedicated mobile broadband (-18,156) and satellite/fibre (-191) subscriptions fell this quarter.

<sup>8</sup> Fixed subscriptions to voice, fixed Internet and TV services (both single play and bundled subscriptions).

<sup>9</sup> 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.



- The estimated fixed broadband household penetration rate<sup>10</sup> rate was 62.5% in Q2 2014. The fixed broadband per capita penetration rate was 26.6%. The broadband per capita penetration rate (including mobile broadband) was 36.8%.
- Average fixed broadband speeds continue to increase. In Q2 2014 approximately 59.0% of all fixed broadband subscriptions were equal to or greater than 10Mbps up from 37.5% in Q2 2013. 40.1% of all fixed broadband subscriptions were equal or greater than 30Mbps up from 29.9% in Q2 2013.
- At the end of June 2014 there were 5,626,484 mobile subscriptions (including mobile broadband and M2M) in Ireland, an increase of 0.1% since last quarter. The mobile penetration rate was 122.0% including mobile broadband and Machine to Machine subscriptions and 103.4% excluding mobile broadband and Machine to Machine subscriptions.
- The number of smartphone/tablet users<sup>11</sup> increased to 2,811,170 this quarter, up by 3.4% from Q1 2014 and up by 14.7% compared to Q2 2013.
- There were 528,897 gross additions in the number of mobile subscriptions. Of these, 97,718 were subscriptions with ported numbers. On average, there were 108,121 numbers ported and 548,603 total gross additions per quarter over the last 12 months.
- In Q2 2014 mobile ARPU was €25 per month, down from €27 per month in Q2 2013. Declining mobile 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, broadband and TV) 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.
- Following the completion of the Three's acquisition of O2, Three, O2 and 48 brands are reported under the umbrella of the Three Group as of Q2 2014.

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<sup>10</sup> This estimate excludes business subscriptions and mobile broadband subscriptions.

<sup>11</sup> Based on active 3G SIMS excluding dedicated mobile broadband SIMS.

- As of Q3 2013 ComReg gathers information from additional mobile operators<sup>12</sup> (including Lycamobile). Hence, information since that quarter is not strictly comparable with data published in previous periods.
- Sky Ireland does not provide information on TV subscriptions 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 the percentage distribution of Sky Ireland's subscriptions as obtained from market survey data conducted by RED C Research & Marketing Ltd on behalf of ComReg. For more details on survey method, see the Appendix on page 71.
- From Q2 2014 an Irish population estimate<sup>13</sup> of 4,611,700 is used, with this being obtained from the Central Statistics Office (CSO) QNHS survey. This compares to the Irish population estimate of 4,611,000 which was used in Q1 2014. From Q2 2014, an estimated household number of 1,695,200 is used with this being obtained from the Central Statistics Office (CSO) QNHS survey. This compares to a household number of 1,696,100 which was used in Q1 2014.
- A number of external sources are used for international comparisons. These include the CSO, 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 from this and year on year comparisons are used to improve the reliability of the analysis.
- Further explanations and descriptions of data supplied in this report can be found in the accompanying explanatory memorandum 14/97a.
- Extracts of data used in this report can be downloaded at [www.comstat.ie](http://www.comstat.ie)
- Data previously published may have been amended since publication. Any such amendments are noted in the corrigendum on page 5.

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<sup>12</sup> Historical data on mobile subscriptions in Q1 and Q2 2013 was also updated.

<sup>13</sup> 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 April to 30 June 2014. The report is based on submissions from 53 active operators<sup>14</sup>.

### 1.1 Number of Authorisations

**Figure 1.1.1 - Total Number of Authorisations**

Total Authorisations	June 2014
No. of fixed and wireless authorisations	421
No. of mobile telephony authorisations	10
No. of broadcasting authorisations (incl. Cable TV, MMDS)	63
Total Number	494

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 end of Q2 2014 there were 494 authorised undertakings in Ireland.

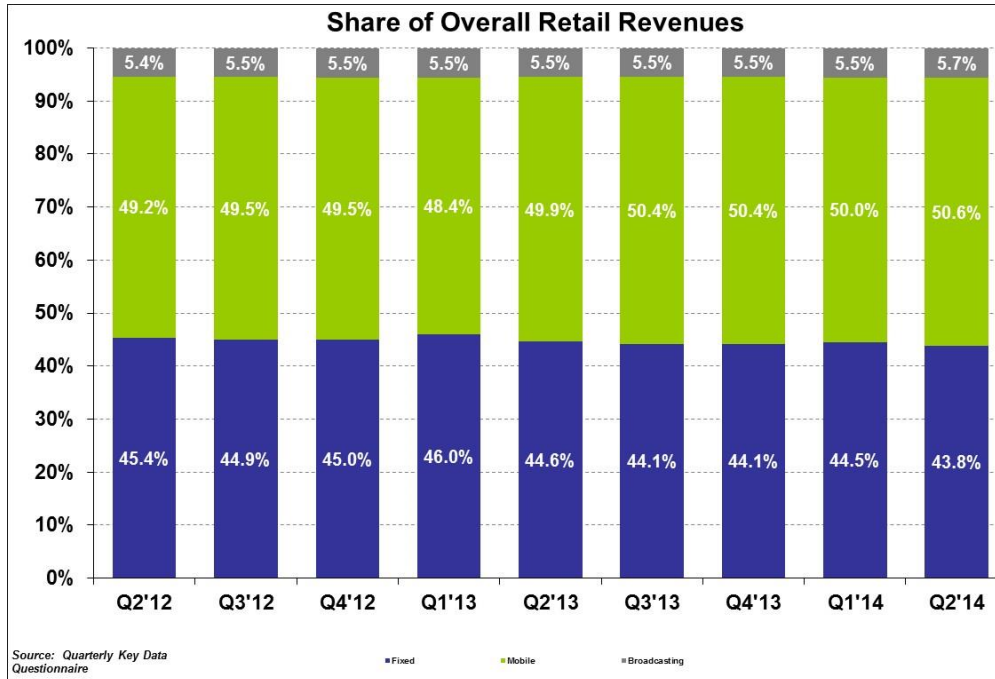
It should be noted that the list above refers to the number of general authorisations granted by ComReg under the European Framework for Authorisations, and does not necessarily reflect the total number of commercially active organisations or entities currently operating in the market. The total includes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

<sup>14</sup> See table A2 in the Appendix for the list of respondents submitting information to ComReg.

### 1.2 Overall Electronic Communications Revenues<sup>15</sup>

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

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



According to CSO, Ireland’s Gross National Product for Q1 2014<sup>16</sup> was approximately €37 billion. Based on the Q1 2014 retail revenue data reported to ComReg by operators in the Irish communications sector, these revenues were approximately 3.4% of GNP in that quarter.

Overall electronic communications network and service retail revenues for Q2 2014 were €747.0 million. This was a 1.1% decrease on the previous quarter. Comparing Q2 2013 to Q2 2014, industry retail revenues have decreased by 4.0%. Over the twelve months to June 2014, total retail revenues were over €3.06 billion.

This quarter, mobile retail revenues increased by 0.01%, but decreased by 2.7% when compared to Q2 2013. Fixed line retail revenues decreased by 2.6% this quarter and decreased by 5.9% when compared to Q2 2013. Broadcasting (Cable/MMDS/IPTV) retail revenues increased by 1.1%, but declined by 0.6% compared to Q2 2013. The broadcasting network retail revenues in this report only captures Cable/MMDS/IPTV

<sup>15</sup> Further detail on terms and definitions - ComReg Doc. 14/97a Explanatory Memorandum.

<sup>16</sup> Q1 2014 is the latest period for which GNP data is available.

revenues and thus, exclude Sky Ireland’s satellite revenues and all content related revenues.<sup>17</sup>

### 1.3 Overall Call Volumes

**Figure 1.3.1 - Share of Total Voice Call Volumes (Minutes)<sup>18</sup>**

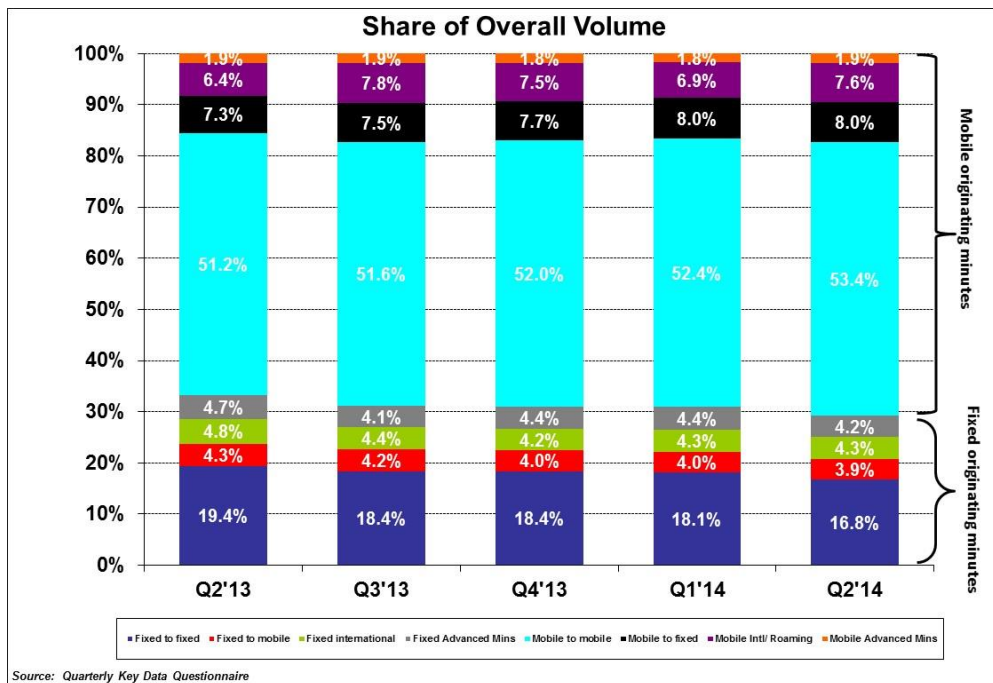


Figure 1.3.1 profiles volumes of originating voice calls by call type on both fixed and mobile networks on a quarterly basis. There was a decline in total voice minutes this quarter. Voice minutes for Q2 2014 totalled 4.11 billion minutes and there were 16.5 billion minutes in the twelve months to the end of June 2014. Total voice minutes decreased by 0.04% from the previous quarter, but increased by 0.6% since Q2 2013.

It should be noted that managed VoB minutes are included withcalls originating from fixed networks in figure 1.3.1, are are split according to the same categorisations (i.e. domestic, international, mobile, other).

Mobile originating voice minutes (up 6.7% on Q2 2013) accounted for 70.8% of all voice minutes in Q2 2014 (compared to 66.8% in Q2 2013) while traffic originating on fixed line networks (down 11.5% on Q2 2013) accounted for the remaining 29.2% of all voice minutes (compared to 33.2% in Q2 2013). Figure 1.3.2 shows total voice traffic in Ireland at the end of Q2 2014.

<sup>17</sup> 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.

<sup>18</sup> 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**

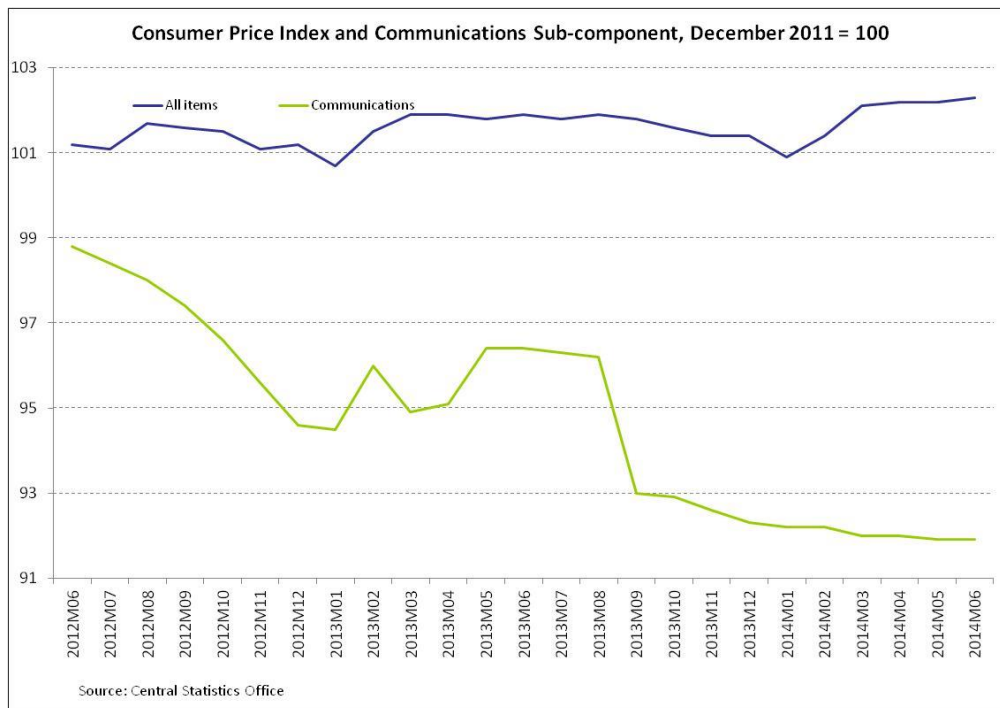
	<b>Q2'14 Mins</b>	<b>Q1'14 – Q2'14 Growth</b>	<b>Q2'13 – Q2'14 Growth</b>
<b>Fixed voice minutes</b>	<b>1,200,599,398</b>	<b>-5.4%</b>	<b>-11.5%</b>
<b>Mobile voice minutes</b>	<b>2,907,003,618</b>	<b>+2.4%</b>	<b>+6.7%</b>
<b>Total voice minutes</b>	<b>4,107,603,016</b>	<b>-0.04%</b>	<b>+0.6%</b>

**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 June 2012 to June 2014. In January 2014, the CSO has revised its weighting for the communications basket to 2.932% of the total CPI, down from 3.133% previously.<sup>19</sup>

Using December 2011 as the base period, communications prices have been generally in decline over the last 12 months. Communication prices have declined by 6.9 base points since June 2012, compared to an increase in the overall CPI of 1.1 base points in the same period.

**Figure 1.4.1 – Consumer Price Index and Communications Sub-Component**



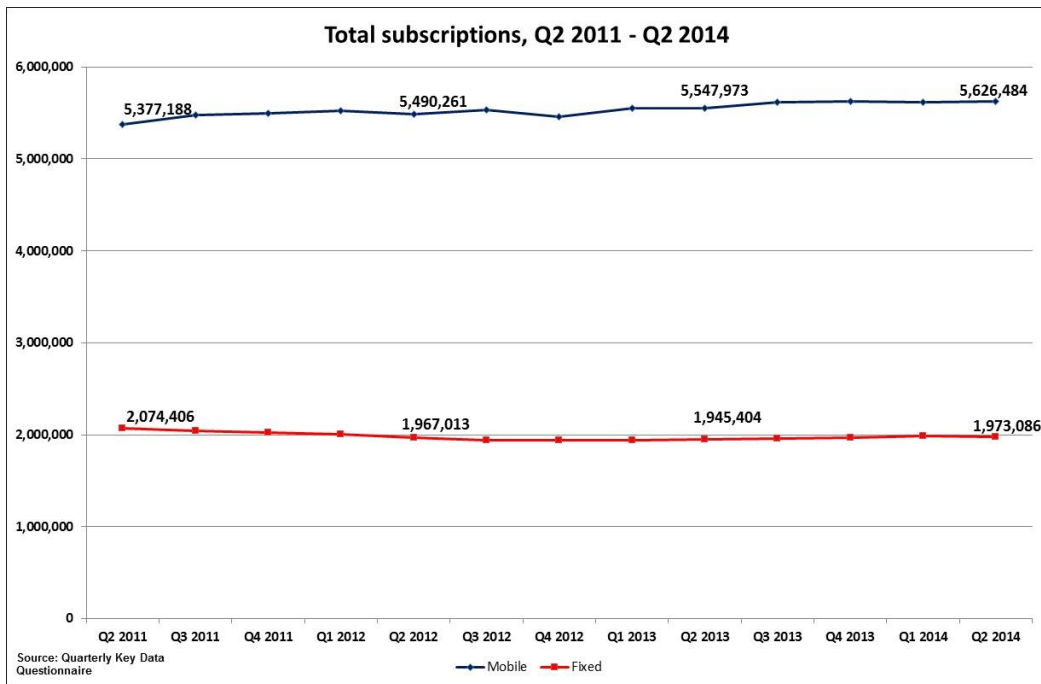
<sup>19</sup> <http://www.cso.ie/en/releasesandpublications/er/cpi/consumerpriceindexjanuary2014/#.U2zgsnC-rK0>

### 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 increased by 0.1% since Q1 2014, while total fixed subscriptions decreased by 0.8% over the same period. It should be noted that it is possible that a customer may have more than one subscription, particularly where a mobile customer has more than one SIM card or in the case of a business customer with multiple fixed line subscriptions across several offices.

**Figure 1.5.1 – Total Subscriptions (Fixed and Mobile), Q2 2011 – Q2 2014**



## 2. Fixed Market Data

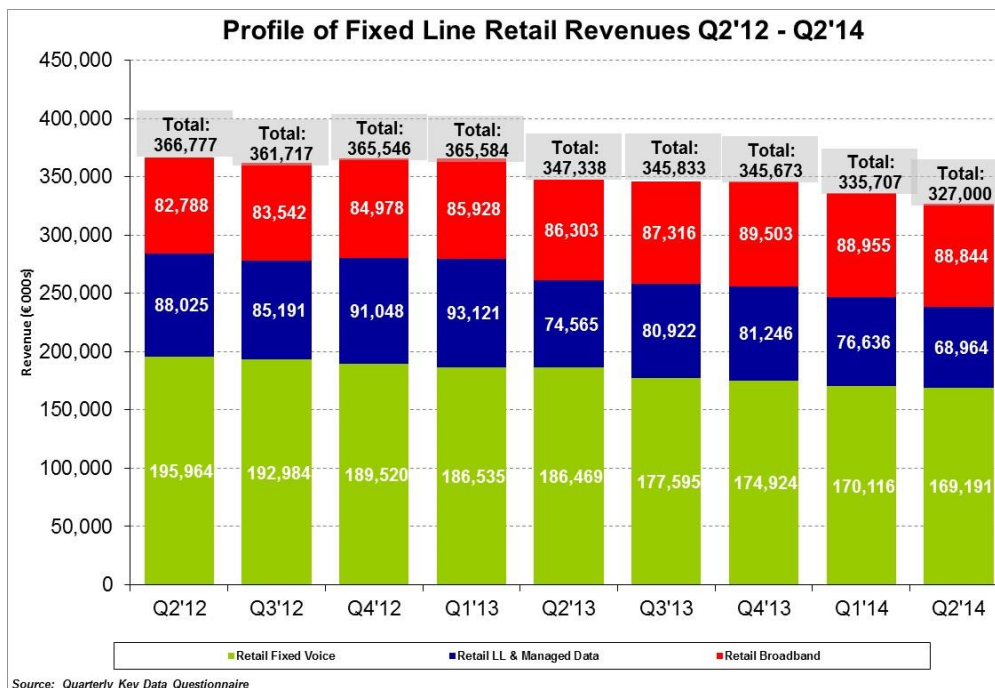
### 2.1 Fixed Line Retail Revenues

Figure 2.1.1 shows the profile of fixed line retail revenues in Ireland over the last two years. Total fixed line revenues for Q2 2014 were just below €327 million. This was a decrease (2.6%) on Q1 2014 revenues and a 5.9% decrease on Q2 2013 revenues.

Retail fixed voice revenues (-9.3%) as well as retail leased lines, managed and other data services revenues (-7.5%) have fallen since Q2 2013, but retail broadband revenues have increased by 2.9%.

Comparing Q2 2013 to Q2 2014, the proportion of retail fixed line revenues attributable to retail leased lines, managed data and other advanced data services decreased by 0.4 percentage points and retail broadband revenues’ share increased by 2.4 percentage points. The proportion of retail fixed voice revenues has fallen by 2.0 percentage points, to 51.7% of overall fixed line retail revenues.

**Figure 2.1.1 – Profile of Fixed Line Retail Revenues**



Fixed line wholesale revenues were over €146 million in Q2 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 12.9% compared to Q1 2014 and were up by 19.5% since Q2 2013.

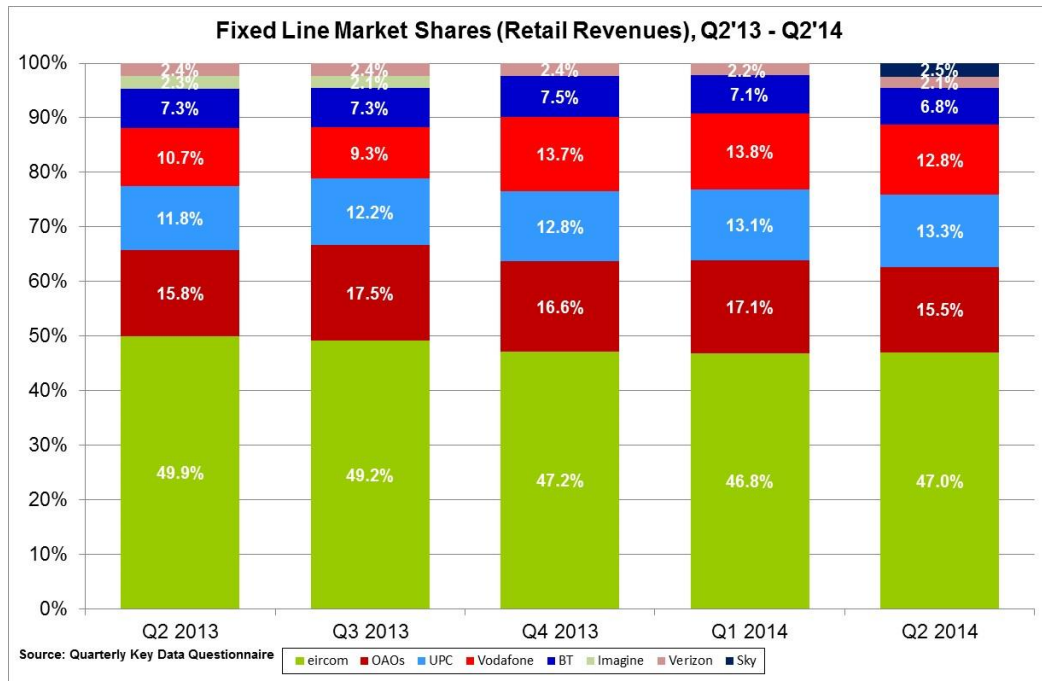


**2.1.1 Authorised Operators’ Share of Fixed Line Revenues**

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

In Q2 2014, Eircom had the highest retail revenue share in the fixed retail market with 47.0% market share. UPC had 13.3%, followed by Vodafone<sup>20</sup> (fixed only) (12.8%), BT (6.8%) Sky Ireland (2.5%) and Verizon (2.1%). Other OAOs accounted for the remaining 15.5%.

**Figure 2.1.1.1 – Fixed Retail Revenue Market Shares**

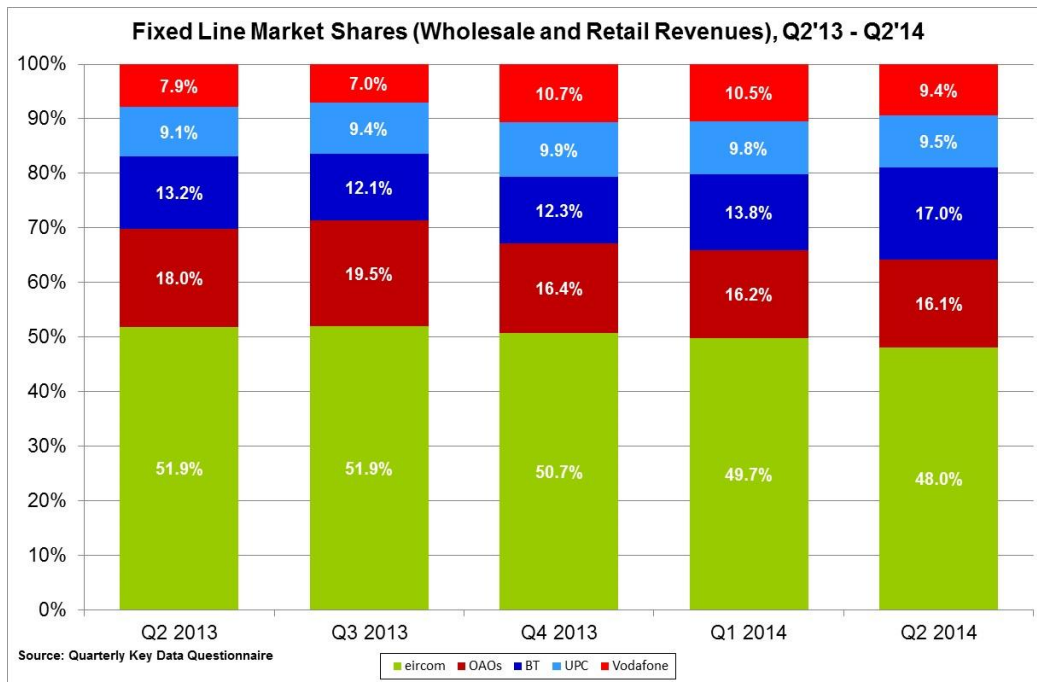


<sup>20</sup> As of Q4 2013 Vodafone’s revenues include revenues of the acquired companies (Cable & Wireless, Complete Telecom and Interfusion).

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 Q2 2014, Eircom had the highest revenue share in the market with 48.0% market share. ComReg estimates that the next three largest operators (BT, Vodafone (fixed only) and UPC) contribute a further 35.8% of total (retail and wholesale) industry revenue while OAOs account for the remaining 16.1%. ComReg notes that in Q2 2014 BT Ireland provided information on additional wholesale revenues. Thus, market shares in Q2 2014 are not directly comparable to previous quarters.

**Figure 2.1.1.2 – Fixed Revenue Market Shares**



## 2.2 Fixed Line Access Paths<sup>21</sup>

### 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 1.62 million direct and indirect PSTN and ISDN access<sup>22</sup> paths in the Irish market in Q2 2014. This represents a decrease of 0.8% on last quarter and a decline of 0.9% since Q2 2013. The number of PSTN access paths decreased by 0.5% from last quarter and declined by 0.1% since Q2 2013. The number of ISDN access paths has decreased by 1.7% since Q1 2014, and decreased by 3.4% since Q2 2013.

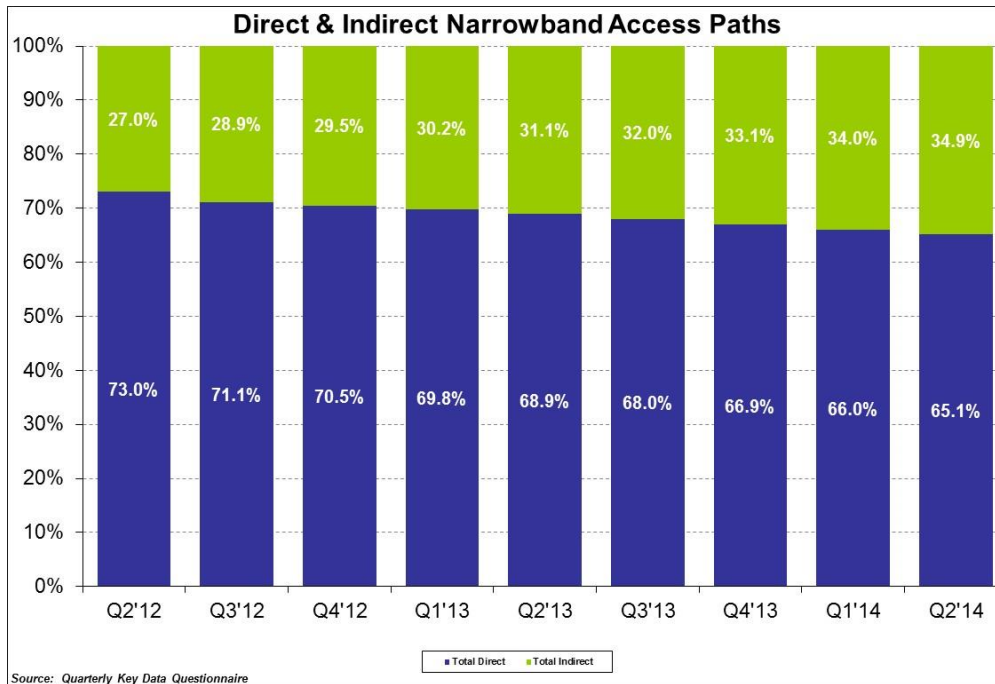
**Figure 2.2.1.1 – Narrowband Fixed Access Paths**

	Q2'14	Q1'14 – Q2'14 Growth	Q2'13 – Q2'14 Growth
<b>PSTN</b>	<b>1,250,456</b>	<b>-0.5%</b>	<b>-0.1%</b>
<b>ISDN Basic</b>	<b>135,012</b>	<b>-1.7%</b>	<b>-5.7%</b>
<b>ISDN Fractional</b>	<b>58,080</b>	<b>-1.1%</b>	<b>-6.5%</b>
<b>ISDN Primary</b>	<b>181,560</b>	<b>-1.9%</b>	<b>-0.5%</b>
<b>Total ISDN</b>	<b>374,652</b>	<b>-1.7%</b>	<b>-3.4%</b>
<b>Total PSTN and ISDN</b>	<b>1,625,108</b>	<b>-0.8%</b>	<b>-0.9%</b>

Figure 2.2.1.2 presents the total number of narrowband fixed access paths broken out by direct and indirect access. In Q2 2014, indirect access accounted for 34.9% of all access paths in the fixed line market. While this chart shows the number of narrowband only access paths in Ireland, fixed voice 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.

<sup>21</sup> 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.

<sup>22</sup> 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.

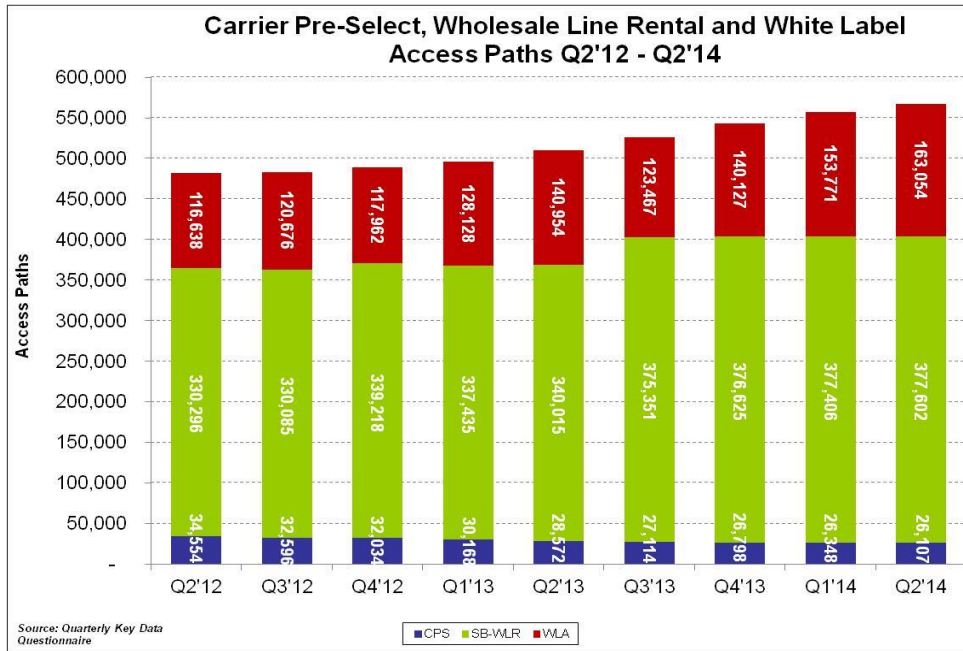
**Figure 2.2.1.2 – Direct & Indirect Narrowband Fixed Access Paths**

### 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 Q2 2014, there were 566,763 indirect access paths in Ireland. The number of indirect access paths increased by 1.7% this quarter and rose by 11.2% in the year to Q2 2014 due to an increase in SB-WLR and WLA, as CPS only 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 only (i.e. a calls only service, excluding line rental). SB-WLR used by OAOs now accounts for 66.6% of indirect access paths compared to 68.6% in Q2 2012. WLA paths account for 28.8% of total indirect access paths compared to 24.2% in Q2 2012. The share of CPS only indirect access paths has declined by 2.6 percentage points in the last two years and now accounts for 4.6% of overall indirect access paths.

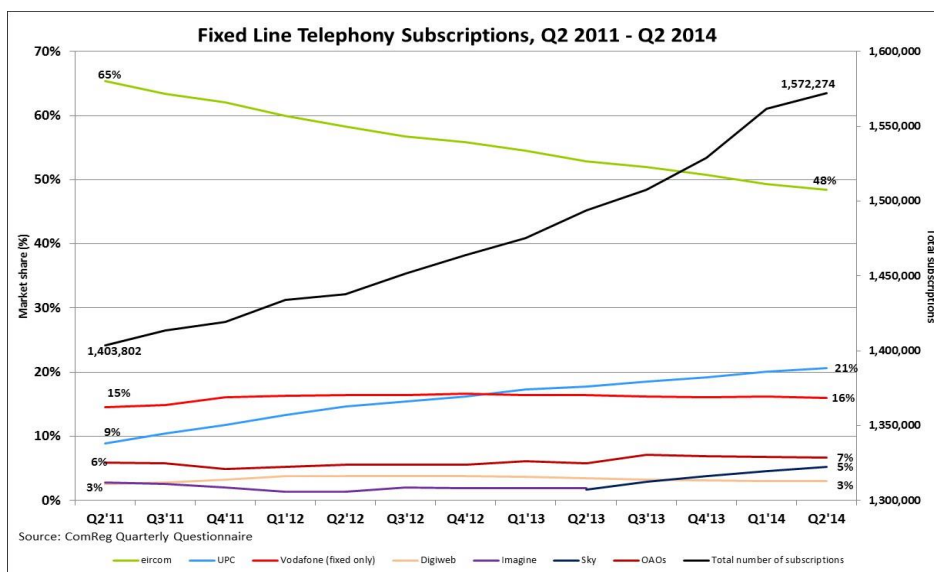
**Figure 2.2.2 – Narrowband Indirect Access Paths**



**2.2.3 Fixed Voice Subscriptions**

Figure 2.2.3 shows the estimated number of retail customers/subscriptions to fixed voice services (either standalone or as part of a bundle) and operators’ market shares based on these subscriptions. At the end of Q2 2014 there was 1,572,274 fixed voice subscriptions (an increase of 0.7% on Q1 2014 and an increase of 5.2% on Q2 2013). Fixed voice subscriptions have been increasing quarter on quarter since Q1 2011. As of Q2 2014 Eircom had 48% of all fixed voice subscriptions followed by UPC (21%), Vodafone (16%) and Sky (5%).

**Figure 2.2.3 – Fixed Voice subscriptions, Q2 2011 – Q2 2014<sup>23</sup>**



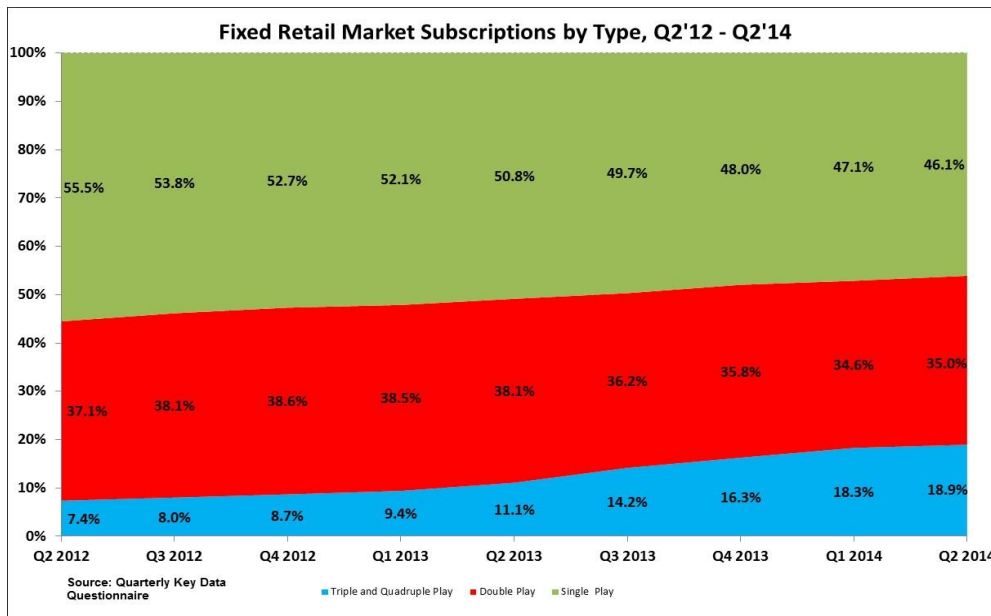
<sup>23</sup> In Q2 2013 Sky has reached the 2% market share threshold while Imagine’s market share has fallen below 2%.

### 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 Q2 2014 (subscriptions mean a customer with at least one contract with an electronic communications service provider).<sup>24</sup> 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 1,973,086 fixed market retail subscriptions in Q2 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. 46.1% of fixed market retail subscriptions were single play compared to 50.8% in Q2 2013. 35.0% of subscriptions were double play (a bundle of two services) compared to 38.1% in Q2 2013 and 18.9% were triple play (a bundle of three services) and quadruple play (a bundle of four services) compared to 11.1% in Q2 2013.

**Figure 2.2.4 – Fixed Market Retail Subscriptions by Type, Q2 2012 – Q2 2014<sup>25</sup>**



<sup>24</sup> 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.

<sup>25</sup> Sky Ireland do not provide information on TV subscriptions. Sky Ireland’s distribution of subscriptions by type (single play, double play or triple play) is estimated using the percentage distribution of Sky Ireland’s subscriptions obtained from the market survey data conducted by RED C Research & Marketing Ltd on behalf of ComReg. For more details on the survey method, see the Appendix on page 71.

### **2.3 Fixed Voice Call Volumes**

Fixed voice traffic in Q2 2014 was over 1.20 billion minutes, which was a 5.4% decrease on Q1 2014 and a fall of 11.5% since Q2 2013. Fixed voice traffic has fallen consecutively quarter on quarter since Q1 2011.

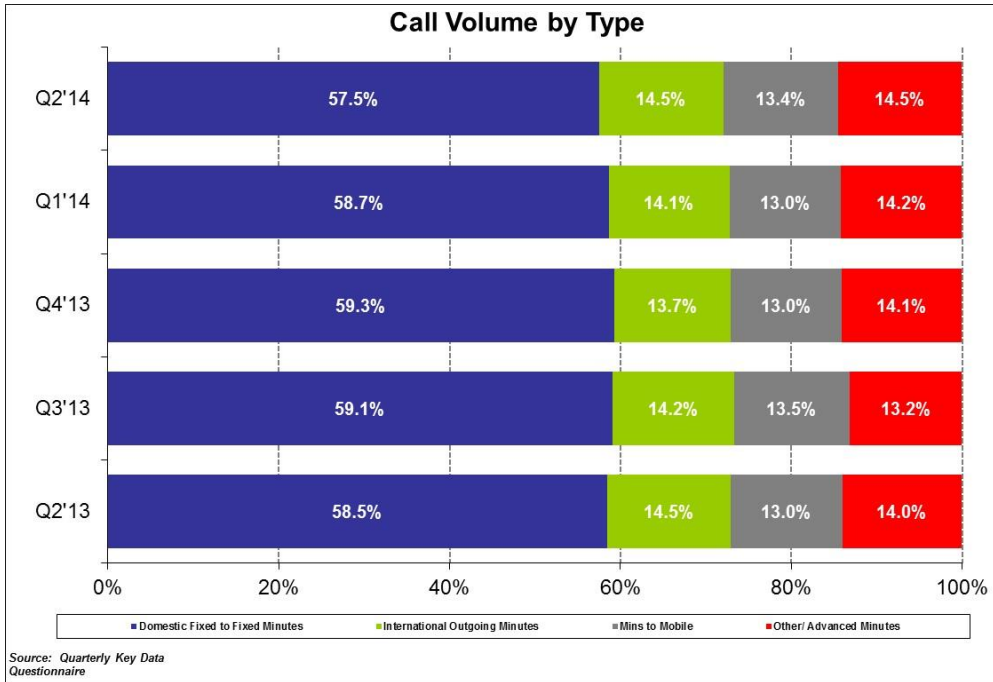
Managed voice over broadband (VoB) minutes account for approximately 11.2% of total fixed voice minutes down from 11.4% in Q2 2013. There were just over 355,000 managed VoB subscriptions in Ireland in Q2 2014 (up from over 304,000 managed VoB subscriptions in Q2 2013) and over 141 million managed VoB minutes (down from over 154 million managed VoB minutes in Q2 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.

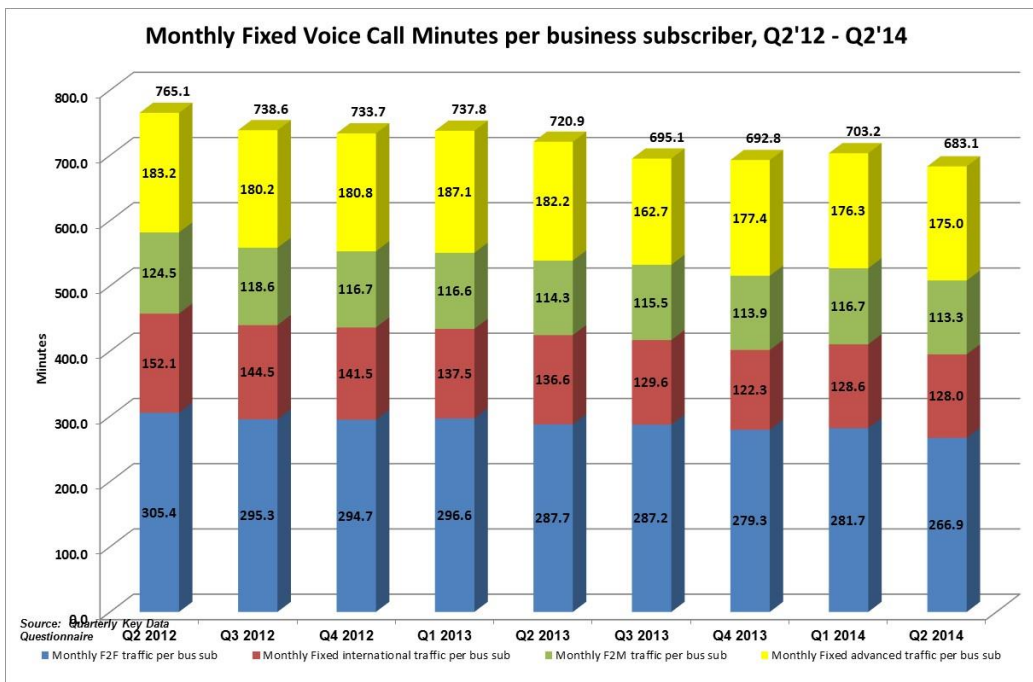
Figure 2.3.1 shows that domestic fixed to fixed minutes accounted for 57.5% of all fixed voice traffic in Q2 2014. International outgoing minutes accounted for 14.5% of all fixed voice traffic. The share of fixed to mobile minutes was 13.4% while other/advanced minutes (which include premium rate minutes) represented 14.5% of all fixed voice traffic.

**Figure 2.3.1 – Fixed Voice Call Volume (Minutes)<sup>26</sup>**



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 Q2 2014 the average business subscriber originated 683 minutes of voice calls, down by 2.9% on Q1 2014 and down by 5.2% on Q2 2013. The average residential subscriber usage was 163 minutes per month, down by 8.1% on Q1 2014 and down by 20.0% on Q2 2013.

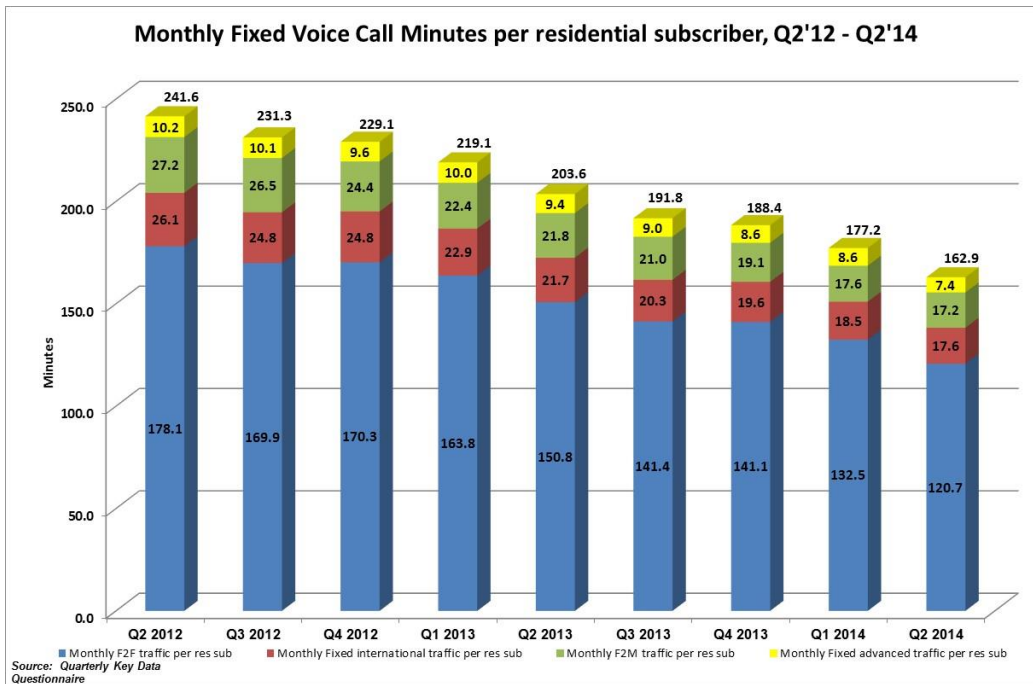
**Figure 2.3.2 – Fixed Voice Call Volume per business subscriber (Minutes)**



<sup>26</sup> 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)**



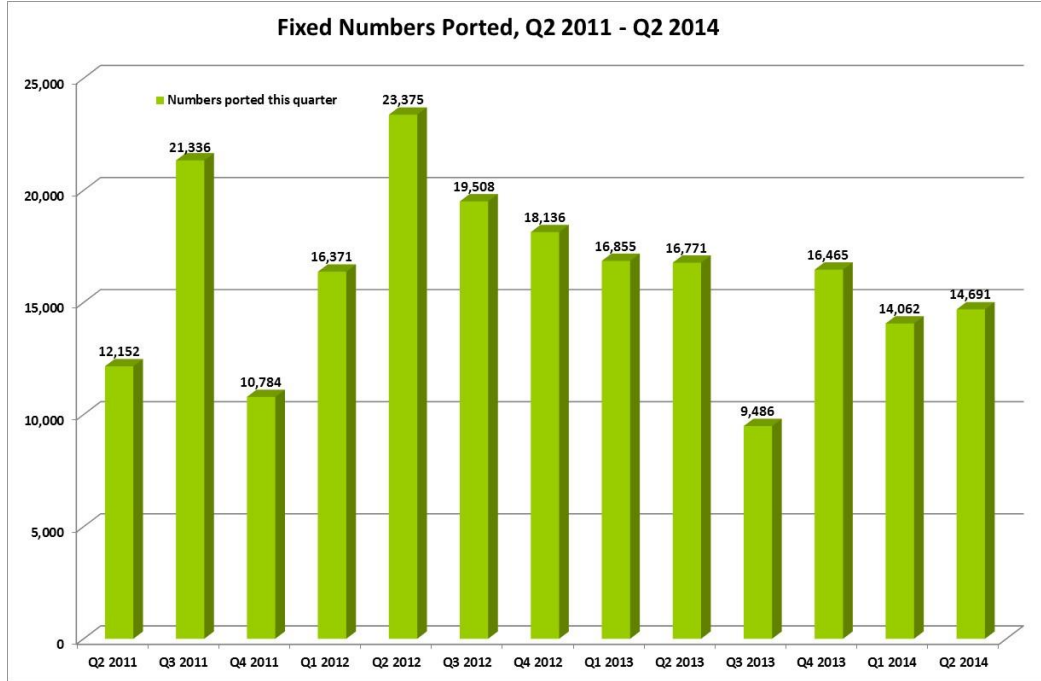
### 2.4 Switching in the Fixed Voice Market

Figure 2.4.1 illustrates the number of fixed numbers (geographic and non geographic) ported between Irish fixed voice service providers since Q2 2011. Fixed Number Portability (FNP) allows consumers to switch fixed voice provider while retaining their fixed number.

In the quarter to June 2014, 14,691 numbers<sup>27</sup> were ported between operators (54,704 numbers in the twelve months to June 2014). Over the last 12 months, an average of 13,676 numbers has been ported each quarter.

<sup>27</sup> 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 available<sup>28</sup>.

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, with the the latest being 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

<sup>28</sup> This will be determined by whether the EU country is also an OECD member.

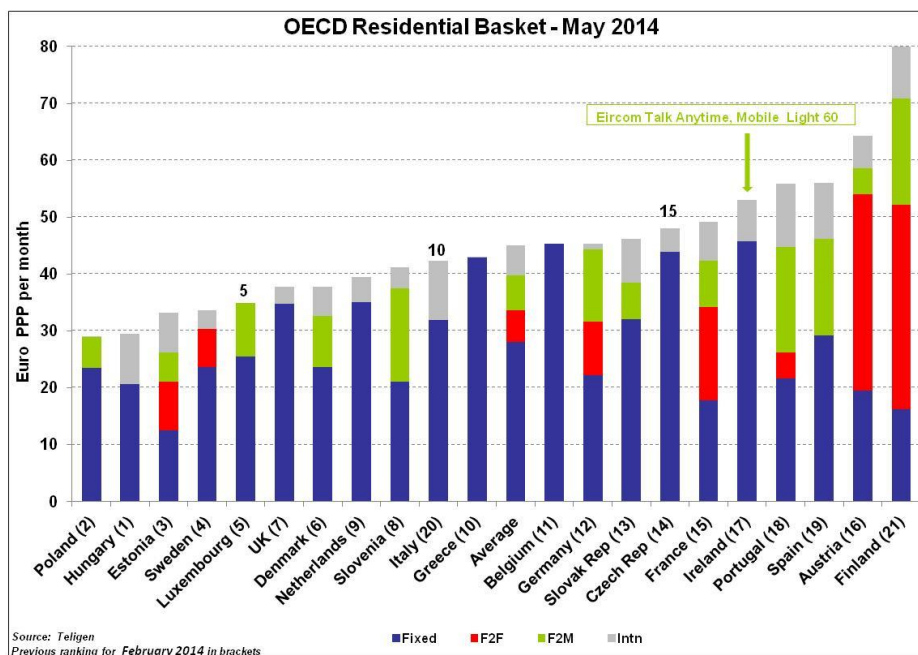
For the PSTN baskets, only the incumbent operator is covered. Discounts are incorporated and only tariffs presented as current tariffs on the operator web pages are considered. Nonrecurring charges (e.g. charges for the installation of a service) are discounted over five years and other fixed costs are 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 14/97a.

**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 operator 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 May 2014 Ireland ranked in 17<sup>th</sup> position, six 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 17.9% more expensive than the average of the European countries charted.

**Figure 2.5.1 - OECD Residential PSTN Basket – May 2014<sup>29</sup>**



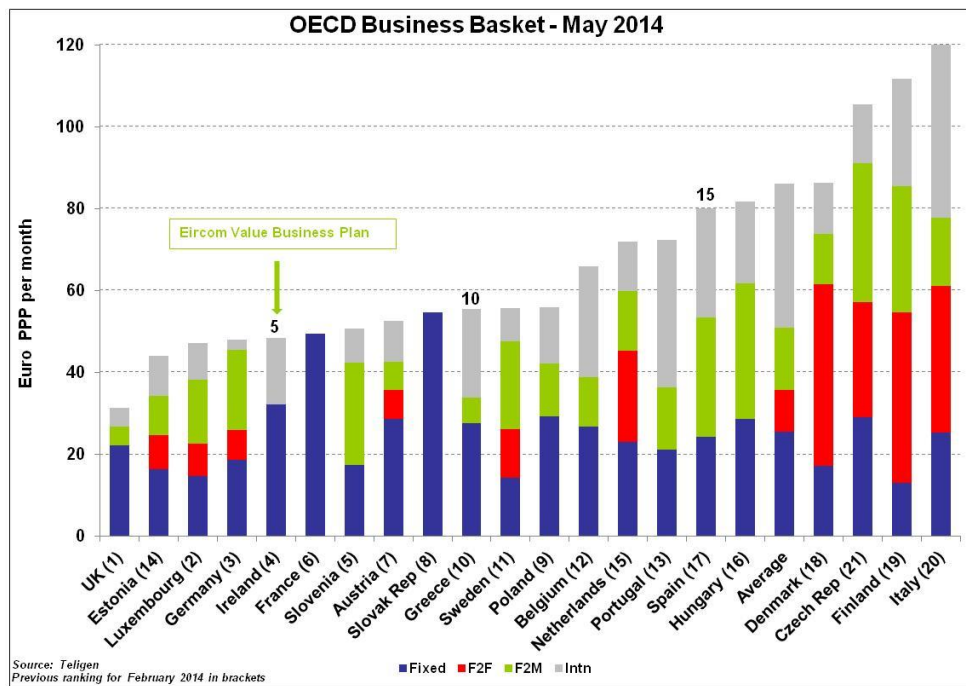
<sup>29</sup> Residential tariffs include VAT. VAT rates vary between member states.

### 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 May 2014 Ireland ranked in 5<sup>th</sup> position, 13 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 43.9% cheaper than the average of the European countries charted.

**Figure 2.5.2 - OECD Business PSTN Basket – May 2014**



### 3. Internet and Broadband

#### 3.1 Total Internet Subscriptions and provision of broadband<sup>30</sup> services

Figure 3.1.1 shows the total number of narrowband and broadband internet subscriptions in Ireland as of Q2 2014. At the end of June 2014, there were 1.70 million active internet subscriptions in Ireland. This was a decrease of 0.3% on the previous quarter but a 1.8% increase on June 2013.

In Q2 2014, there were 1,696,878 broadband subscriptions in Ireland<sup>31</sup>. This is a decrease of 0.3% since Q1 2014, but an increase of 1.9% since Q2 2013. There was an increase in total fixed line subscriptions this quarter (up by 13,320), but mobile broadband subscriptions fell again this quarter (down by 18,156 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 1.2%) and VDSL (up by 28.4%) subscriptions showed positive growth this quarter. FWA<sup>32</sup> (down by 9.0%), mobile broadband (down by 3.7%), DSL (down by 2.1%) and 'other' (down by 1.6%) subscriptions fell this quarter. It is likely that some or all of the DSL reductions are accounted for by consumers switching to VDSL based broadband service.

**Figure 3.1.1 – Total Number of Active Internet Subscriptions**

<b>Subscription Type</b>	<b>Q2'14 Subs</b>	<b>Quarterly Growth Q1'14 – Q2'14</b>	<b>Year-on-Year Growth Q2'13 – Q2'14</b>
<b>Narrowband</b>	<b>7,441</b>	<b>-10.1%</b>	<b>-22.6%</b>
<b>DSL Broadband<sup>33</sup></b>	<b>672,384</b>	<b>-2.1%</b>	<b>-9.3%</b>
<b>VDSL Broadband<sup>34</sup></b>	<b>132,764</b>	<b>+28.4%</b>	<b>-</b>
<b>Cable Broadband</b>	<b>355,396</b>	<b>+1.2%</b>	<b>+9.7%</b>
<b>FWA Broadband</b>	<b>53,687</b>	<b>-9.0%</b>	<b>-15.6%</b>
<b>Other Broadband<sup>35</sup></b>	<b>11,824</b>	<b>-1.6%</b>	<b>-3.9%</b>

<sup>30</sup> 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.

<sup>31</sup> The difference between this and the total internet subscriptions is accounted for by narrowband internet subscriptions.

<sup>32</sup> 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 for reporting purposes.

<sup>33</sup> 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.

<sup>34</sup> 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.

<b>Total Fixed broadband</b>	<b>1,226,055</b>	<b>+1.1%</b>	<b>+7.4%</b>
<b>Mobile Broadband</b>	<b>470,823</b>	<b>-3.7%</b>	<b>-10.2%</b>
<b>Total Broadband</b>	<b>1,696,878</b>	<b>-0.3%</b>	<b>+1.9%</b>
<b>Total Internet Subscriptions</b>	<b>1,704,319</b>	<b>-0.3%</b>	<b>+1.8%</b>

Figure 3.1.2 profiles internet subscriptions in Ireland using the subscription type classifications of outlined in Figure 3.1.1. Broadband subscriptions accounted for 99.6% of all internet subscriptions in Q2 2014.

**Figure 3.1.2 – Total Internet Subscriptions<sup>36</sup>**

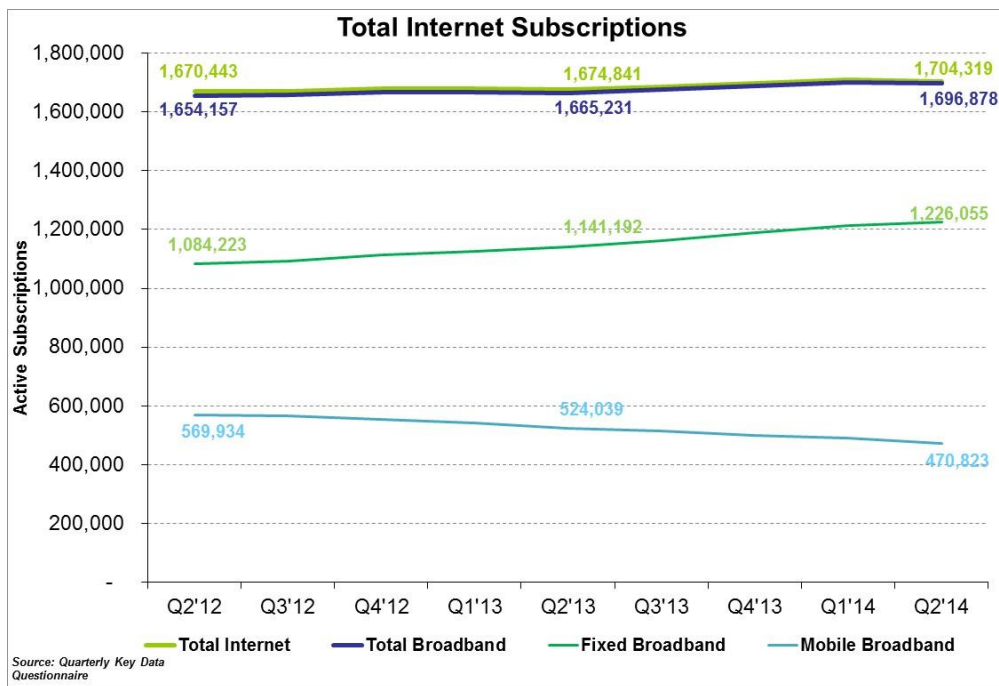
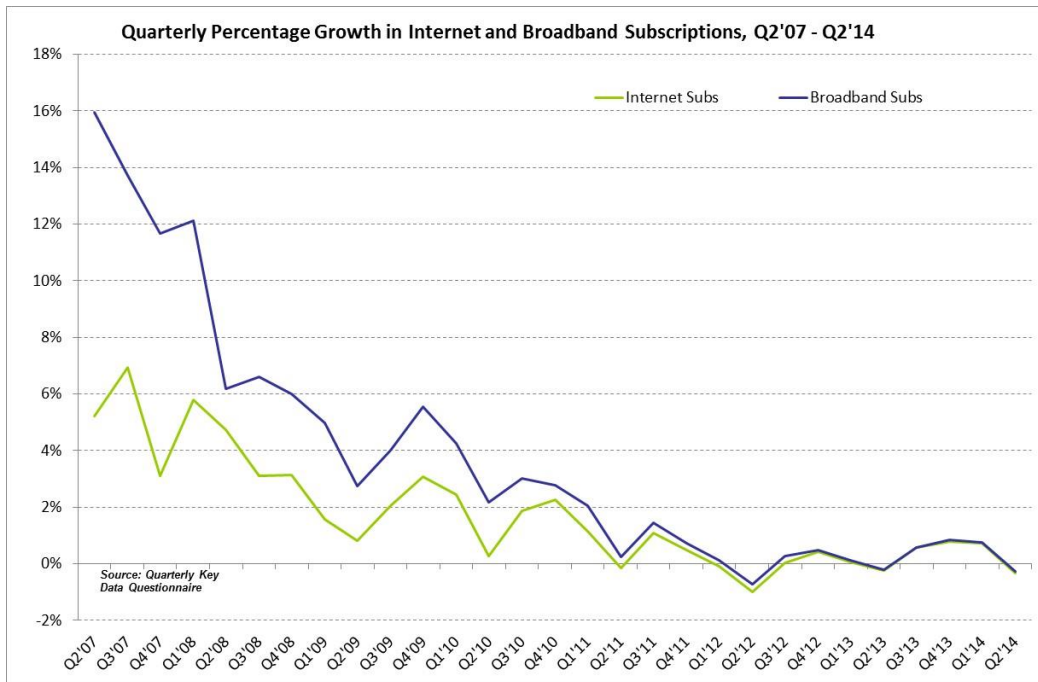


Figure 3.1.3 shows the quarterly percentage change in broadband and internet subscriptions since Q2 2007. In general, there has been a continual slowdown in the rate of growth of broadband subscriptions over the period. The growth in broadband subscriptions picked up again in Q3 2013. However, there was a negative growth this quarter in total broadband subscriptions. It should be noted that ComReg reports on active broadband subscriptions and the mobile broadband numbers reported by ComReg do not include internet access over mobile handsets such as smartphones.

<sup>35</sup> Other Broadband includes fibre and satellite broadband subscriptions.

<sup>36</sup> The number of total internet subscriptions and total internet subscriptions growth will be removed in the next publication of the Key Quarterly Data Report as the number of narrowband subscriptions has become negligible.

**Figure 3.1.3 – Quarterly Growth in Total Internet and Broadband subscriptions**

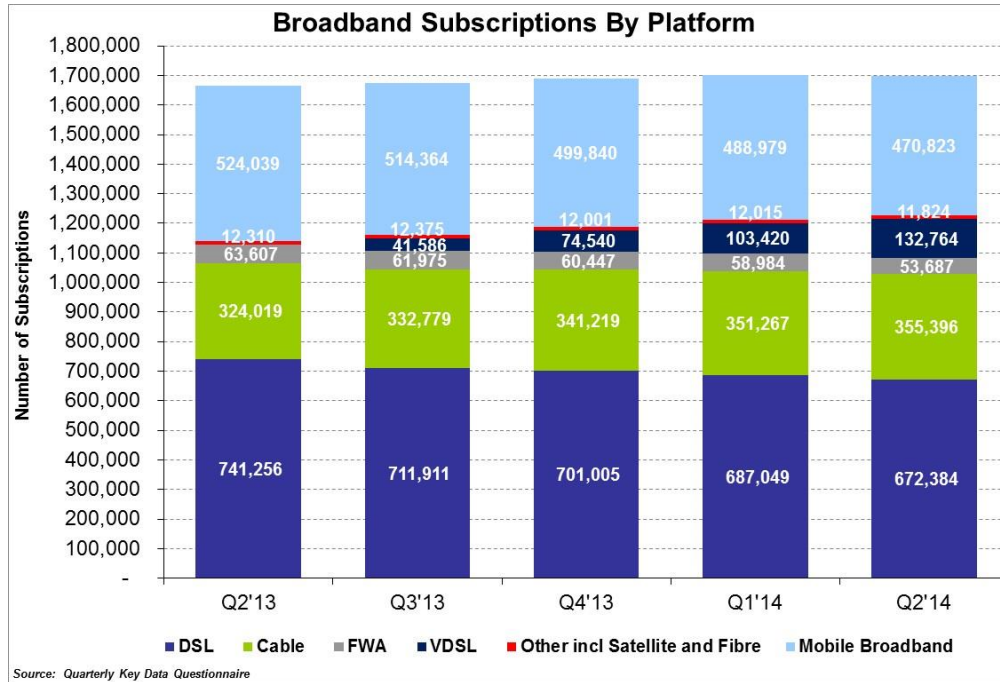


DSL subscriptions account for the largest share of broadband subscriptions (39.6%) but its share has decreased by 4.9 percentage points over the last year. VDSL accounted for 7.8% of all broadband subscriptions in Q2 2014. Mobile broadband subscriptions share has declined again this quarter, now accounting for 27.7% of all broadband subscriptions down from 31.5% in Q2 2013. Cable has a 20.9% share of all broadband subscriptions up from 19.5% in Q2 2013. FWA has a 3.2% share of broadband subscriptions down from 3.8% in Q2 2013. 'Other' (satellite/fibre) broadband subscriptions represent the remaining 0.7% of broadband subscriptions in Q2 2014 (same as in Q2 2013).

Figure 3.1.4 illustrates the split by type of broadband subscriptions in the Irish market since Q2 2013, while Figure 3.1.5 shows the net additions of broadband subscriptions by each platform. While the net total number of broadband subscriptions decreased this quarter, there was growth in VDSL and cable broadband subscriptions.



**Figure 3.1.4 – Broadband Subscriptions by Platform**



**Figure 3.1.5 – Broadband Subscriptions - Net additions, Q2 2012 – Q2 2014**

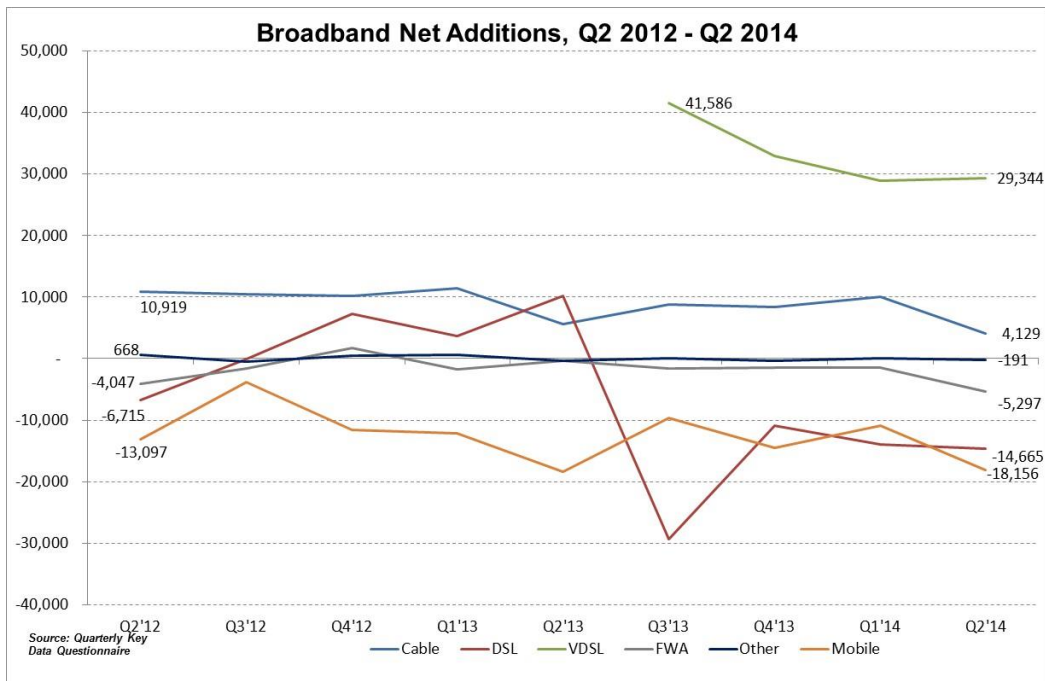


Figure 3.1.6 provides an estimate of the proportion of business and residential subscriptions to DSL, VDSL, cable, FWA, mobile broadband, fibre and satellite broadband services. In Q2 2014, 83.1% of broadband subscriptions on all platforms were classed as residential broadband subscriptions. The platform 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**

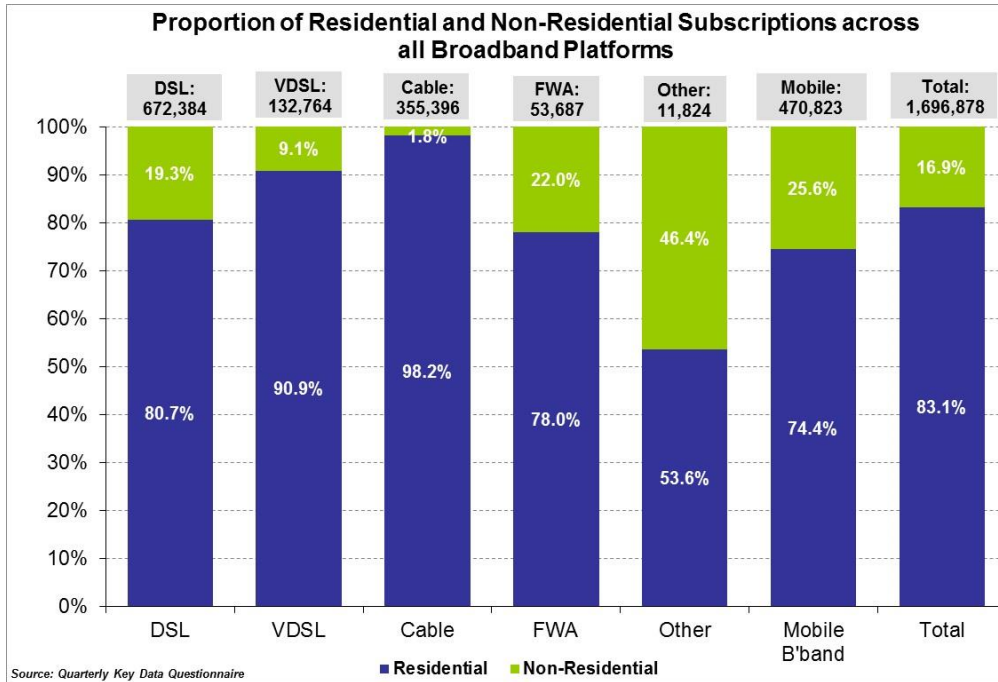


Figure 3.1.7 illustrates the breakdown of broadband subscriptions by contracted speed across all fixed broadband platforms (mobile broadband is excluded). In total, approximately 59.0% of broadband subscriptions were  $\geq 10$ Mbps (with 40.1%  $\geq 30$ Mbps). This equates to approximately 64.6% (44.6%  $\geq 30$ Mbps) of residential subscriptions and 23.1% (11.0%  $\geq 30$ Mbps) of business subscriptions.

The data suggests 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  $\geq 30$ Mbps. Many larger business users access their broadband services over dedicated leased lines. Leased lines are not included in these charts. Leased line speeds can range up to speeds in excess of 1 gigabyte per second.

**Figure 3.1.7 – Fixed Broadband Subscriptions<sup>37</sup> by Contracted Download Speeds and Subscription Type**

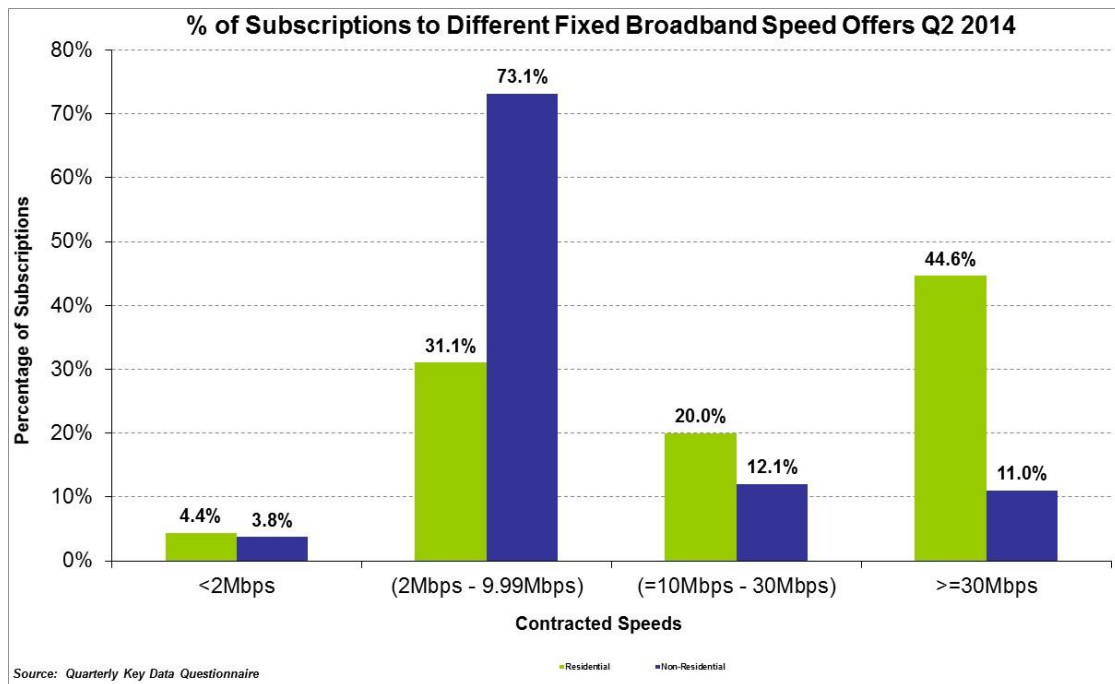
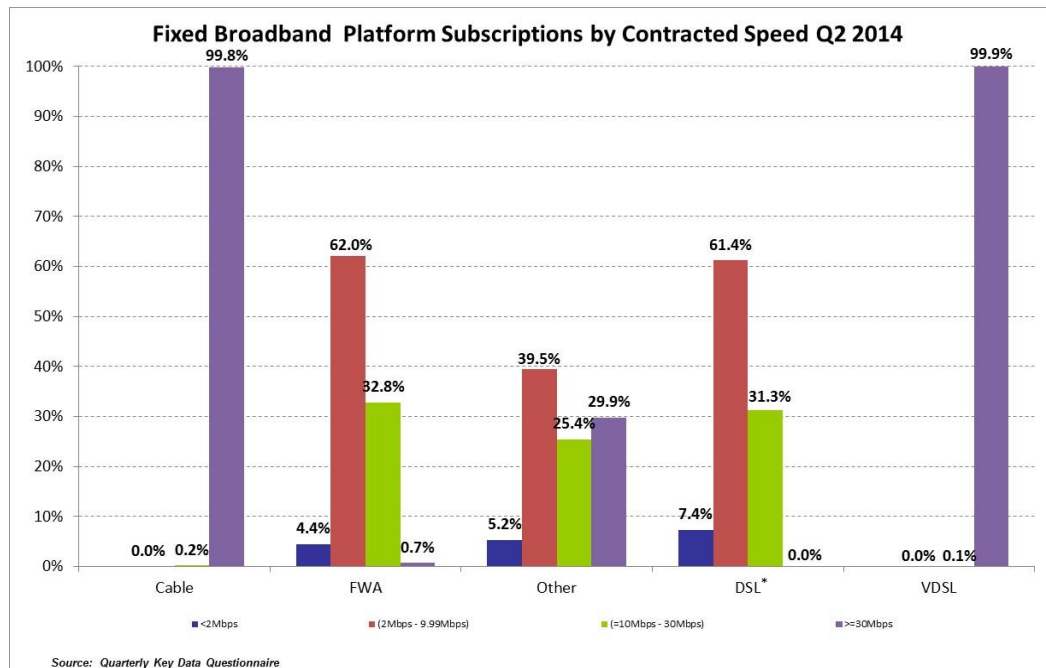


Figure 3.1.8 shows broadband subscriptions by contracted speed and the type of broadband platform subscribed to.

**Figure 3.1.8 – Fixed Broadband Subscriptions by Contracted Download Speeds and Broadband Platform<sup>38</sup>**



<sup>37</sup> As of Q2 2013 mobile broadband subscriptions are excluded from the overall broadband subscriptions in the broadband speed analysis.

<sup>38</sup> \*Estimate percentage split.

Figure 3.1.9 shows the change in fixed broadband subscriptions by contracted download speeds between Q2 2012 and Q2 2014. Over the entire period, growth in broadband speeds has been mainly in the  $\geq 30$ Mbps category, which has increased from 19.6% to 40.1%. Cable subscriptions represented approximately 72% of total subscriptions  $\geq 30$ Mbps down from 77% last quarter.

**Figure 3.1.9 – Fixed Broadband Subscriptions by Contracted Download Speeds**

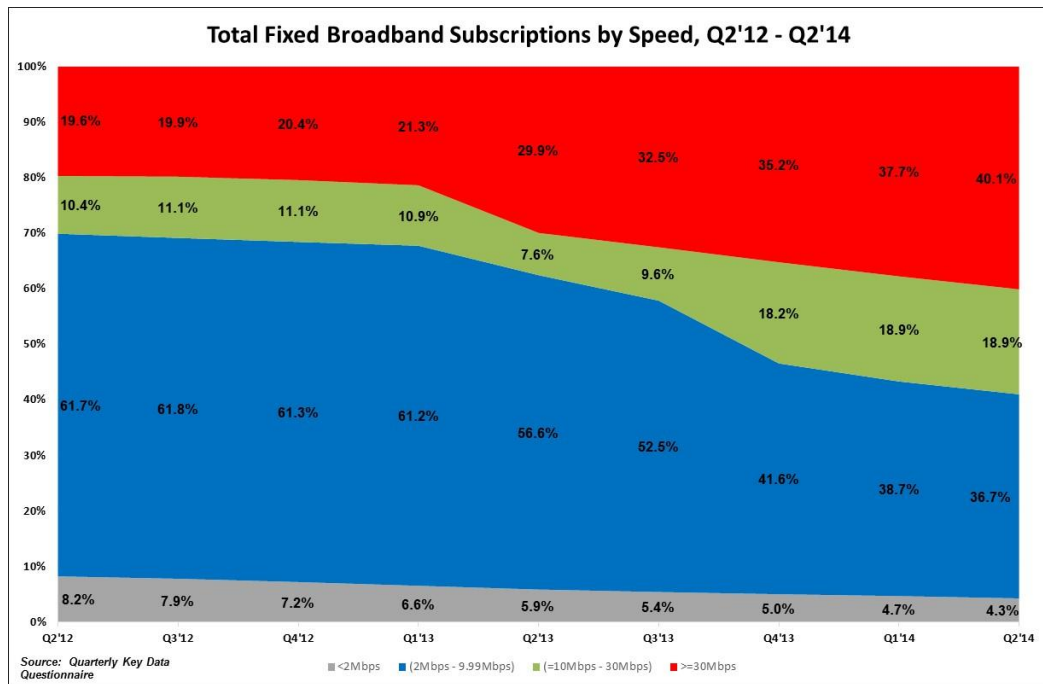


Figure 3.1.10 provides the market shares of fixed broadband operators by number of subscriptions. DSL, VDSL cable modem, FWA, satellite and fibre subscriptions are used to calculate fixed broadband market shares.

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

According to the data received from operators for Q2 2014, Eircom had 37.2% of total fixed broadband subscriptions, followed by UPC who had 28.8% of subscriptions. Vodafone had 16.5% (excluding mobile broadband subscriptions), Sky Ireland had 6.6%, Imagine 2.4%, and Digiweb had 2.1% market share. All other operators combined accounted for the remaining 6.5% share of fixed broadband subscriptions.

**Figure 3.1.10 – Subscription Market Share of Fixed Broadband Market**

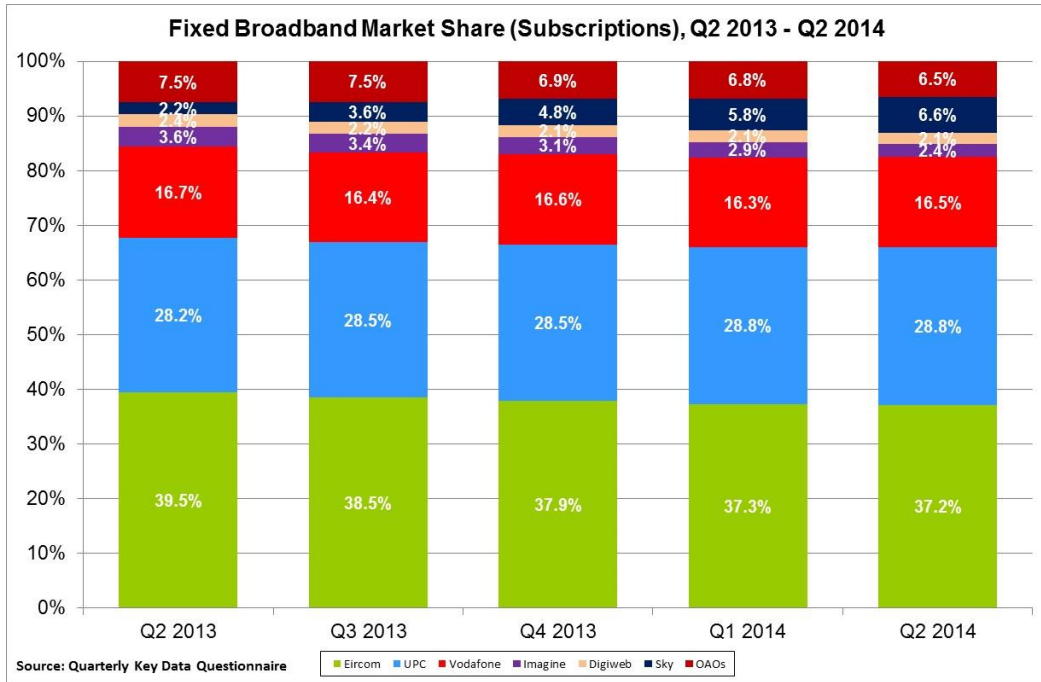
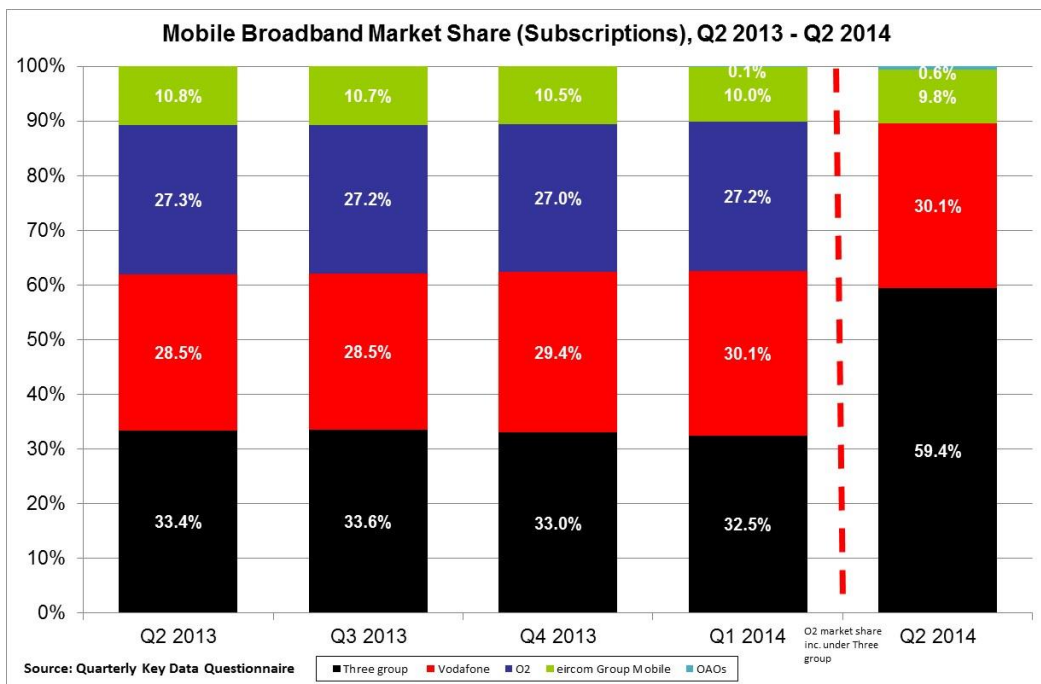


Figure 3.1.11 shows the market share of mobile broadband operators by subscriptions. As of Q2 2014, Three Group had the largest share with 59.4%,<sup>39</sup>. Vodafone’s market share was 30.1%, up from 28.5% in Q2 2013. Eircom Group Mobile had a market share of 9.8% down from 10.8% in Q2 2013 while OAOs accounted for the remaining 0.6%.

**Figure 3.1.11 – Subscription Market Share of Mobile Broadband Market**



<sup>39</sup> Three Group’s National Broadband Scheme subscriptions are included in this data. As of Q2 2014 O2 is included under Three Group umbrella. For more details see note on page 8 of this report.

### 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 53.7% of all DSL subscriptions in Q2 2014. Eircom’s market share of retail DSL lines has declined by 7.0 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 Q2 2014, 33.3% of all DSL lines were provided by OAOs using wholesale bitstream. In absolute terms there were 223,959 wholesale bitstream lines in Q2 2014, an increase of 2.8% since Q2 2013. The remaining 13.0% of DSL lines were provided to subscribers by OAOs using local-loop unbundling. In Q2 2014 there were 87,528 unbundled local loops, up from 73,175 in Q2 2013 and 86,251 in Q1 2014.

**Figure 3.2.1 - Provision of DSL Access**

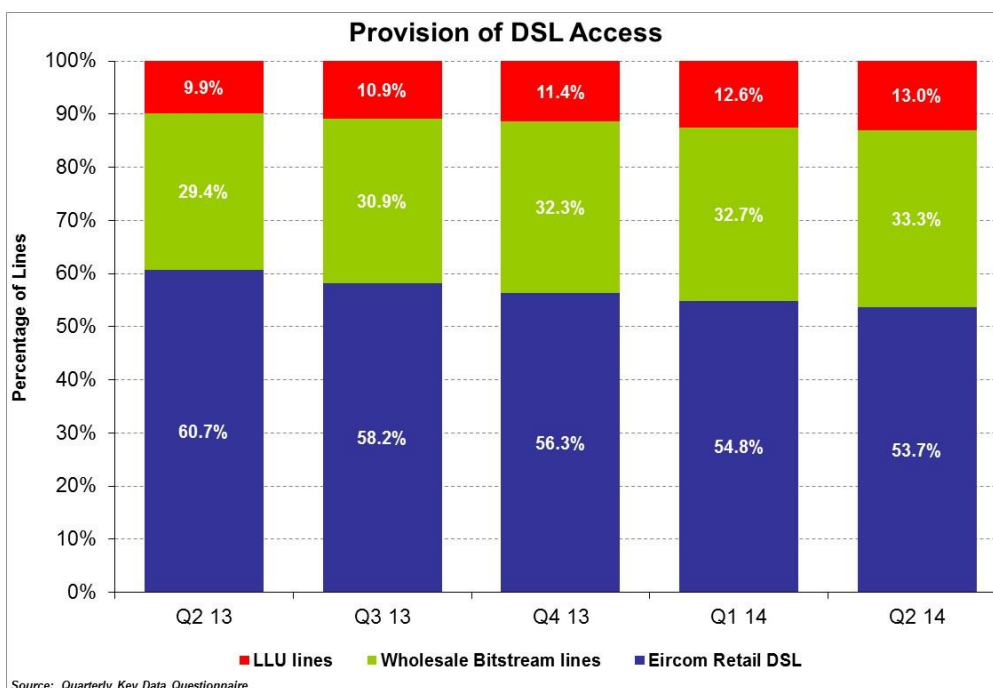
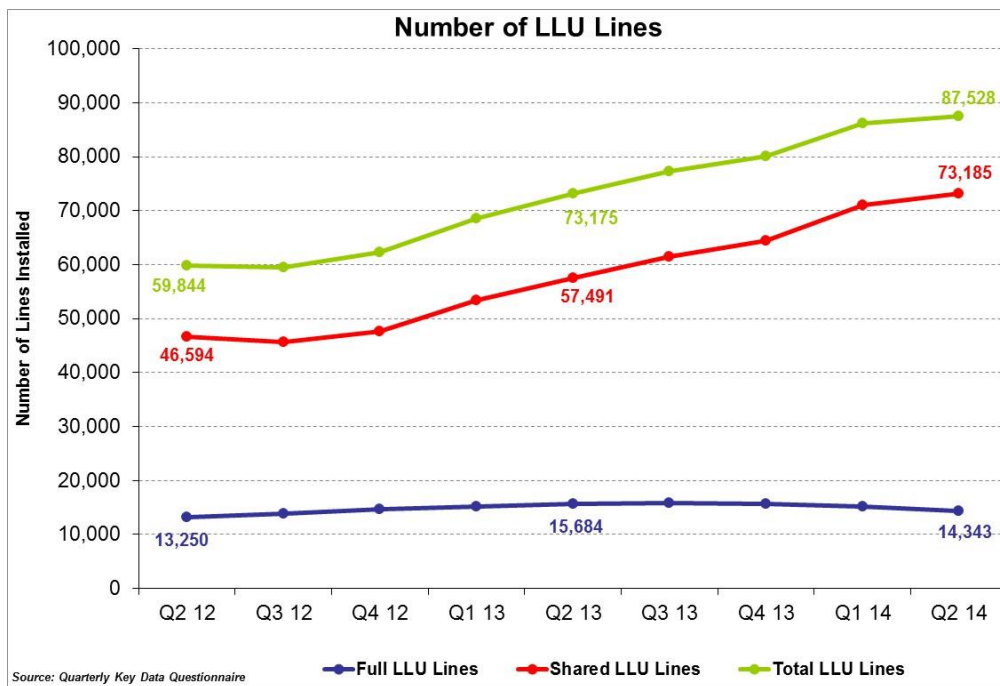


Figure 3.2.2 shows the number of unbundled lines classified by shared and full<sup>40</sup> status. Between Q2 2013 and Q2 2014 the total number of LLU lines increased by 19.6% and by 1.5% this quarter. Full LLU lines decreased by 8.6% since Q2 2013 and declined by

<sup>40</sup> 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.

5.5% since last quarter. Shared LLU lines rose by 27.3% since Q2 2013 and by 3.0% 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 71.4% of all VDSL subscriptions in Q2 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 Q2 2014 was 1,696,878. Using fixed residential broadband subscriptions only, 1,060,278 (i.e. excluding business subscriptions and mobile broadband subscriptions), the estimated fixed broadband household penetration rate (there were 1,695,200 households in Ireland using CSO Q1 2014 estimate) as of Q2 2014 was 62.5%.

Based on the total number of broadband subscriptions in Ireland for Q2 2014, the broadband per capita penetration rate (including mobile broadband) was 36.8%. When mobile broadband is excluded, the penetration rate was 26.6%.<sup>41</sup> These figures are

<sup>41</sup> 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 4,611,700 from Central Statistics Office (CSO) Q1 2014 estimate.<sup>42</sup>

Figure 3.4.1 shows fixed broadband subscriptions per capita among 28 EU countries in Q1 2012 and Q1 2014<sup>43</sup>. Based on this data, Ireland’s fixed broadband per capita penetration rate (25.9%) remains behind the benchmarked EU28 average of 28.5%.

**Figure 3.4.1 – Fixed Broadband Subscriptions per Capita, Q1 2012 – Q1 2014**

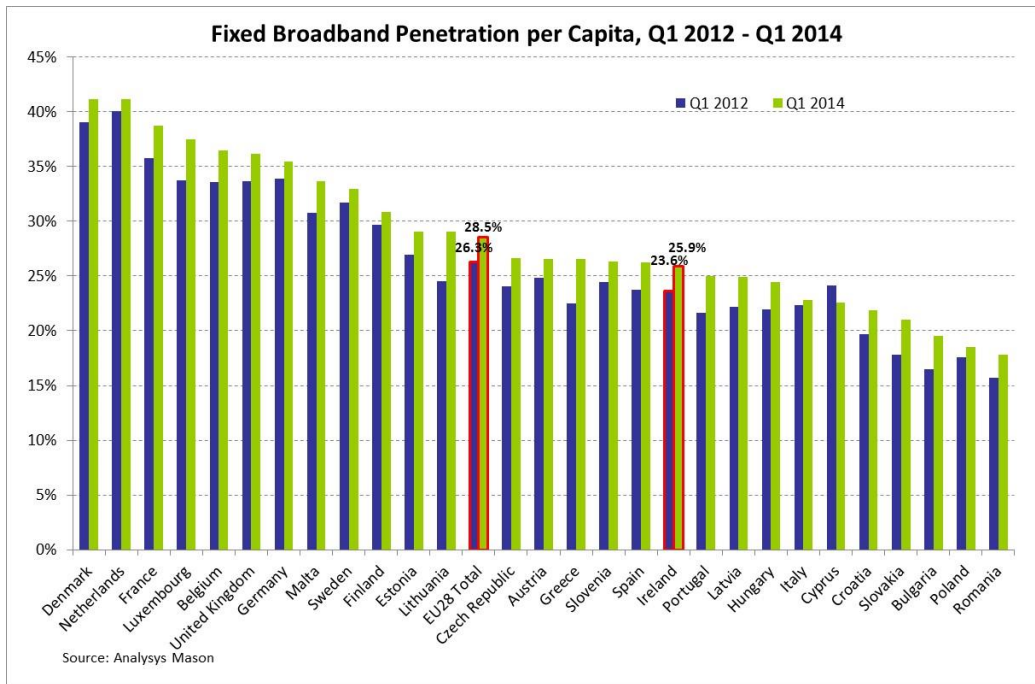


Figure 3.4.2 shows the proportion of households with broadband connections from 2009 to 2013. Both fixed and mobile broadband<sup>44</sup> are included. Ireland’s household broadband penetration rate at 67% is lower than the EU28 average of 76%. Penetration has increased by 13 percentage points since 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.

<sup>42</sup> Estimates based on Quarterly National Household Survey (QNHS).

<sup>43</sup> Q1 2014 is the latest quarter for which this information is available.

<sup>44</sup> Households with at least one member aged 16–74. Broadband connection includes: DSL, VDSL, wired fixed (cable, fibre, Ethernet, PLC), fixed wireless (satellite, WiFi, WiMax) and mobile wireless (3G/UMTS).



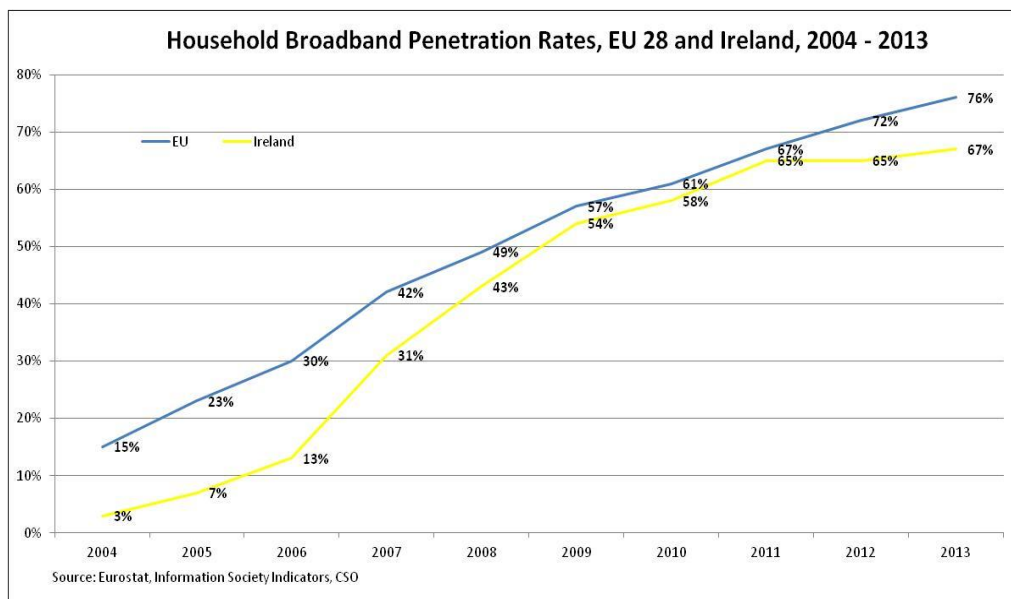
**Figure 3.4.2 – Household Broadband Subscriptions, 2013**

	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
<b>EU-28</b>	<b>57</b>	<b>67</b>	<b>76</b>
FI	74	81	88
FR	63	70	78
HU	51	61	71
HR	39	56	64
<b>IE</b>	<b>54</b>	<b>65</b>	<b>67</b>
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<sup>45</sup>.

**Figure 3.4.3 – Household Broadband Penetration, 2004 - 2013**



<sup>45</sup> (online data code [isoc\\_bde15b\\_h](#))



### 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 service providers 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 points<sup>46</sup>. 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 21.7% and 20.1% respectively, comparing Q2 2013 to Q2 2014. WiFi minutes increased by 91.0% 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 Q2 2014 is also provided below.

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<sup>46</sup> 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**

	<b>Q2 2014</b>	<b>Q2'13-Q2'14 Growth</b>	<b>Q1'14-Q2'14 Growth</b>
<b>WiFi Hotspots</b>	<b>3,232</b>	<b>21.7%</b>	<b>13.0%</b>
<b>WiFi Access Points</b>	<b>5,348</b>	<b>20.1%</b>	<b>9.2%</b>
<b>WiFi Minutes of Use</b>	<b>515,173,116</b>	<b>91.0%</b>	<b>52.5%</b>

<b>% Share - Q2 2014</b>	<b>Bitbuzz</b>	<b>Eircom</b>	<b>OAOs</b>
<b>WiFi Hotspots</b>	<b>12.6%</b>	<b>85.3%</b>	<b>2.0%</b>
<b>WiFi Access Points</b>	<b>38.6%</b>	<b>60.2%</b>	<b>1.2%</b>
<b>WiFi Minutes of Use</b>	<b>41.3%</b>	<b>56.7%</b>	<b>2.0%</b>

### 3.6 Broadband Pricing Data<sup>47</sup>

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 through 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 fixed voice, TV and sometimes mobile voice 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 available from broadband service providers.

Further information on the composition of the broadband basket can be found in the Explanatory Memorandum which accompanies this report.<sup>48</sup>

#### **T-Connect (Fixed Broadband Baskets)**

In order to ensure that services can be adequately compared, the benchmarking model prices a range of DSL, VDSL 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.

<sup>47</sup> 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.

<sup>48</sup> ComReg Document 14/97a.

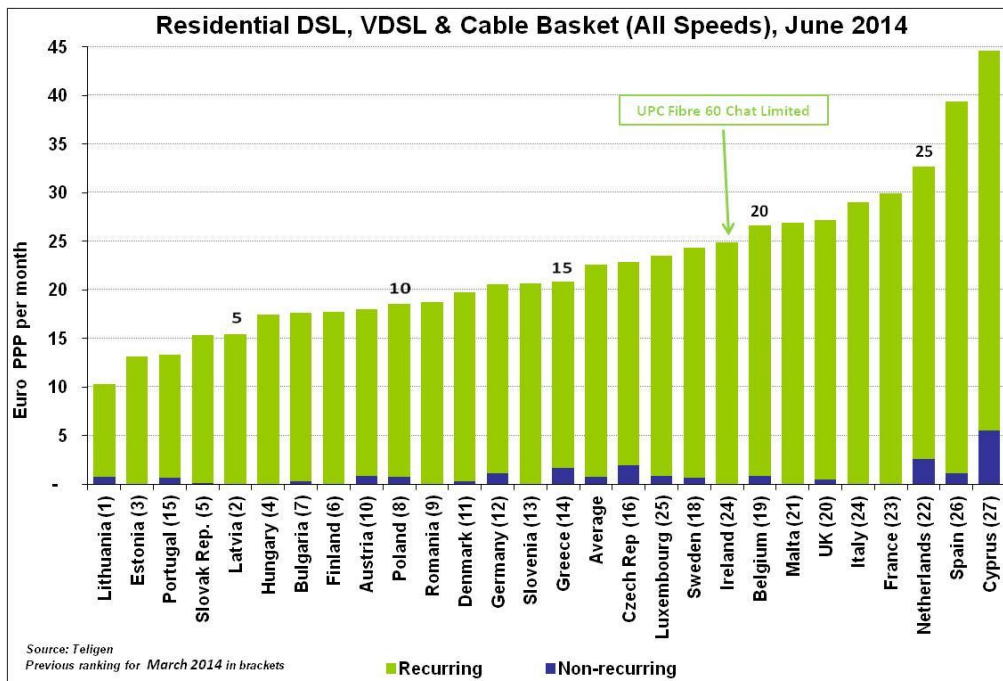
While broadband is an always-on product, the assumption of an average user profile ensures that packages are comparable across countries. It further assumes a download usage of 5 Gigabytes every month for each service for residential consumers and 20 Gigabytes every month for business consumers. Upload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

The data presented in the following charts illustrates the cheapest DSL/VDSL 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 (UPC for Ireland) under these usage assumptions.

These packages are based on advertised download speeds. The charts below represents speed categories<sup>49</sup> for 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 19<sup>th</sup> place in the group of 27 European countries. Ireland is four places behind the benchmarked country average. The pricing for Ireland is based on UPC’s Fibre 60 Chat Limited package.

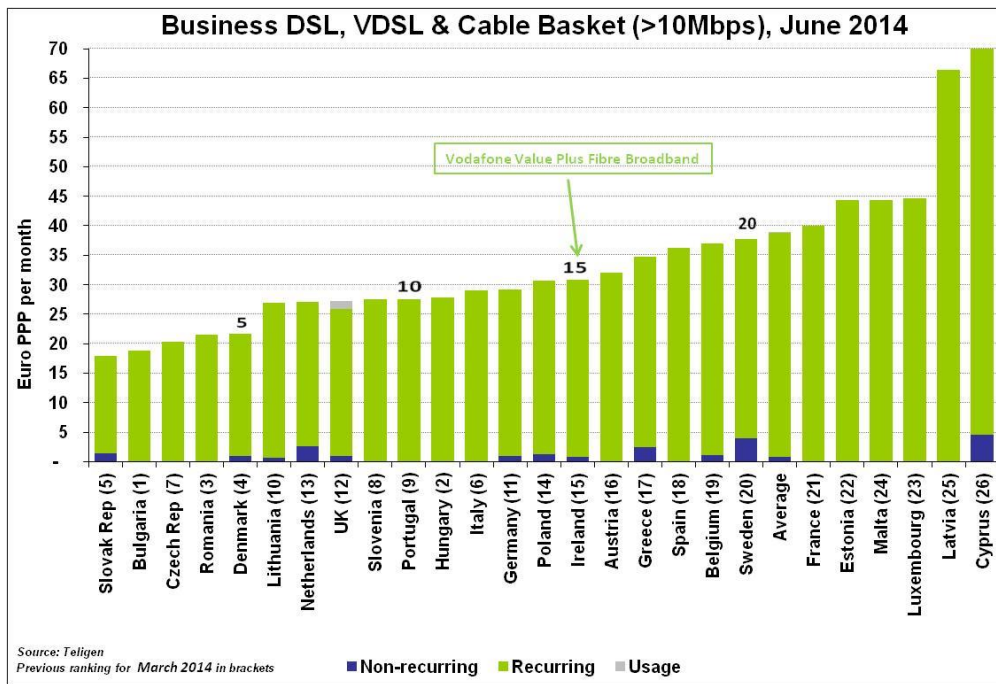
**Figure 3.6.1 - Residential DSL, VDSL & Cable Basket (All Speeds)**



<sup>49</sup> 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 15<sup>th</sup> place among the group of 26 European countries. Ireland’s package is six places above and 20.5% 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 (11<sup>th</sup>) ranks two places 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 2.4% cheaper than the benchmarked country average.

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

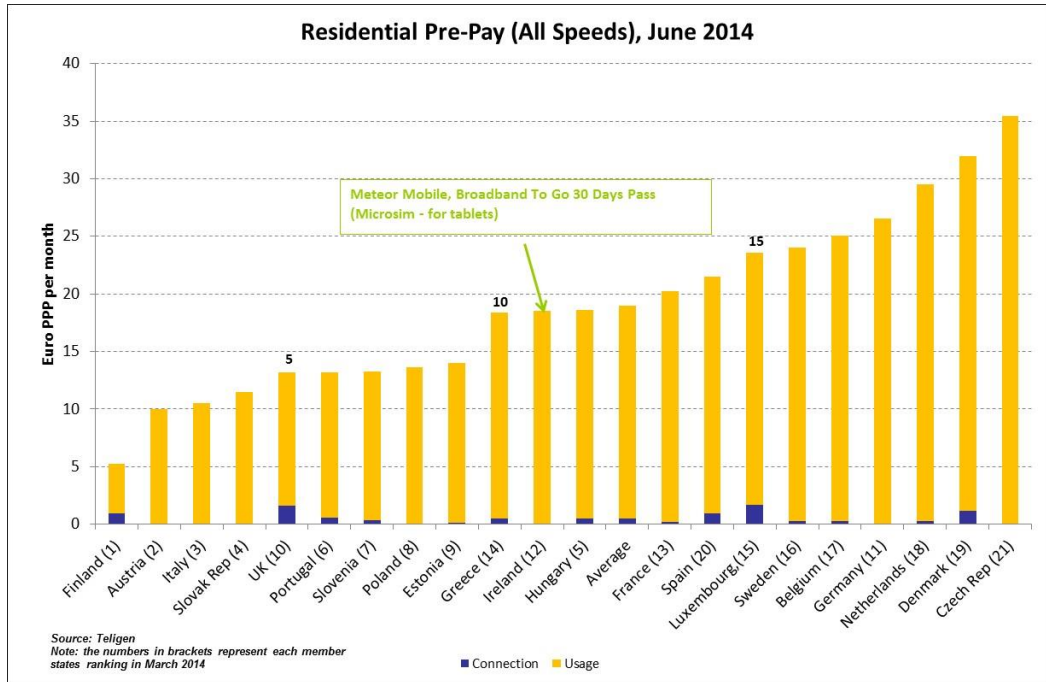


Figure 3.6.4 compares post-pay residential mobile broadband tariffs. Ireland ranks in 5<sup>th</sup> place among the 21 benchmarked European countries, nine places ahead of the benchmarked country average. Ireland’s pricing is based on Meteor’s Post Pay MBB Sim Only – 20GB package and is 40.8% cheaper than the benchmarked country average.

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

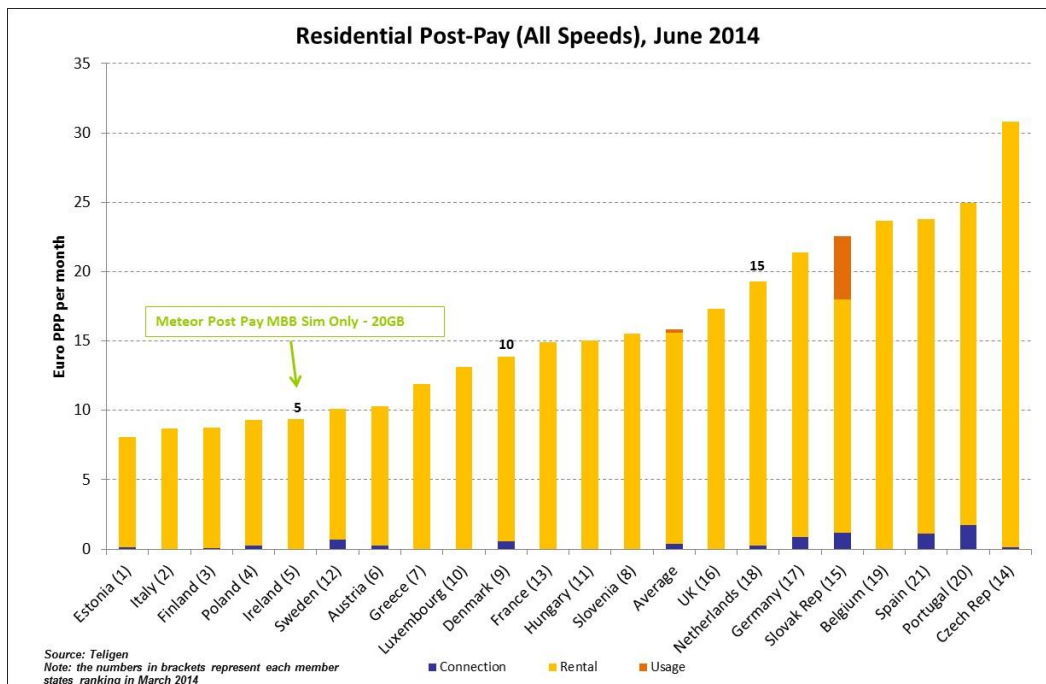
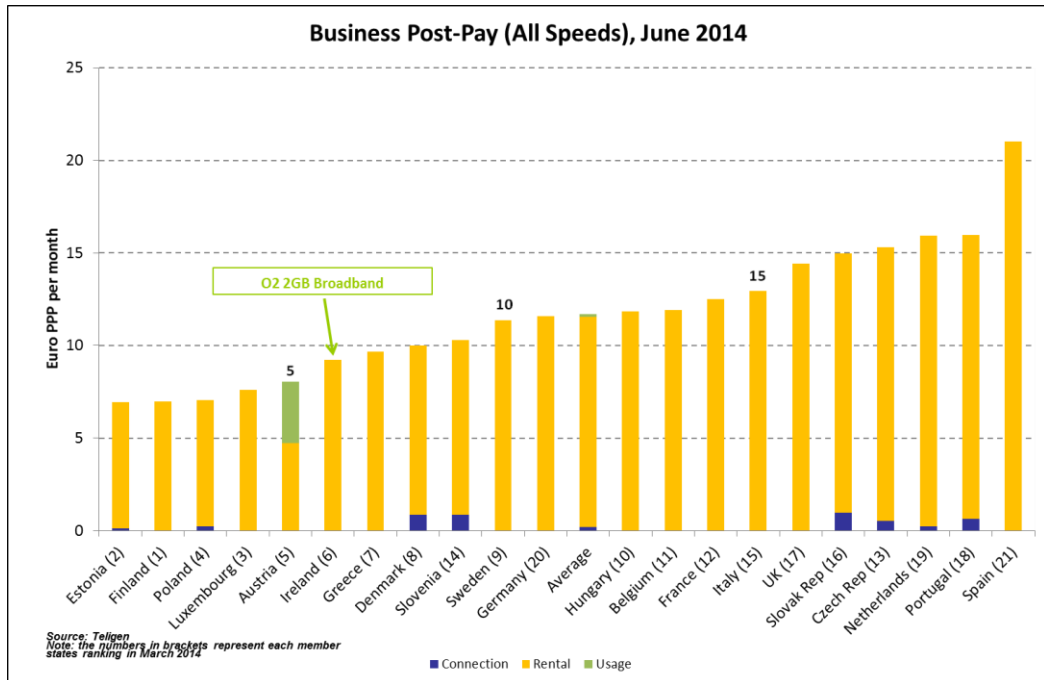


Figure 3.6.5 compares the pricing for a post-pay business mobile broadband basket among 21 European countries. Ireland ranks in 6<sup>th</sup> place among these countries, six places ahead of and 21.2% cheaper than the benchmarked country average. Ireland’s pricing is based on O2’s 2GB Broadband package.

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



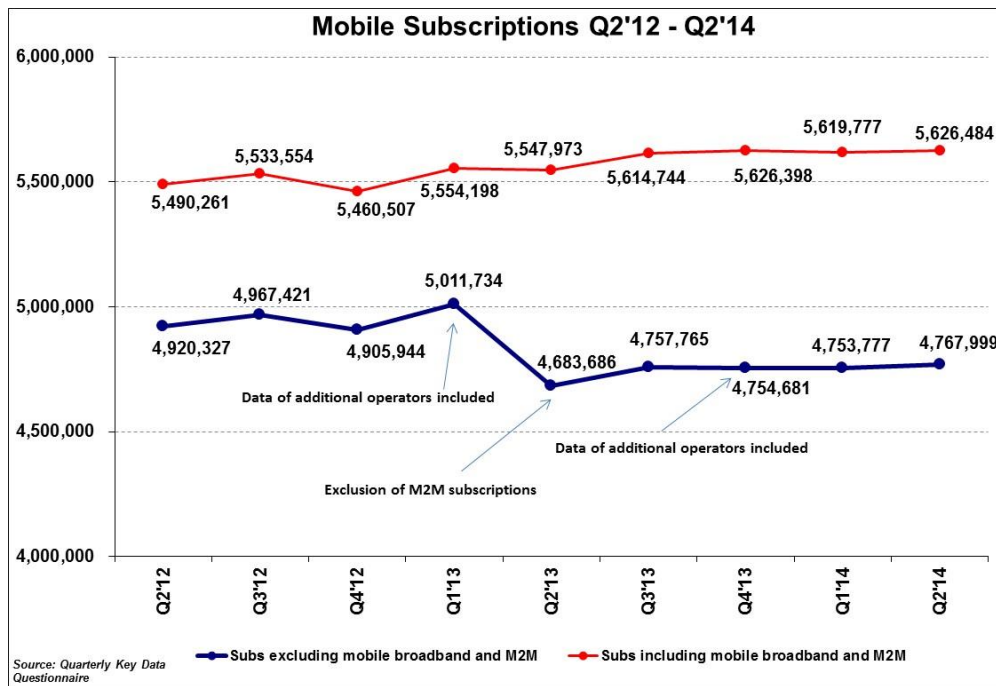
## 4. Mobile Market Data

### 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 June 2014 there were 5,626,484 mobile subscriptions in Ireland, including mobile broadband and Machine to Machine<sup>50</sup> subscriptions. If mobile broadband subscriptions (470,823) and Machine to Machine subscriptions (387,662) are excluded, the total number of mobile subscriptions in Ireland was 4,767,999.

**Figure 4.1.1 – Mobile Subscriptions**



In Q2 2014 there were 4,755,166 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.

<sup>50</sup> 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) 3,281,993 active 3G and 4G users in Ireland in Q2 2014. Total active 3G/4G users as a proportion of total 3G/4G SIMs was 69.0%. 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 (3,281,993) minus dedicated mobile broadband subscriptions (470,823) can be taken as a general indication of the number of active smartphones in Ireland. This represents approximately 59.0% of all mobile subscriptions (excluding dedicated mobile broadband and M2M) in Q2 2014.

Figure 4.1.2 below shows the breakdown of total active SIMs, total 3G/4G SIMs and active 3G/4G users in Ireland from Q2 2013 to Q2 2014.

**Figure 4.1.2 – Mobile Subscriptions including Smartphones (SIMs)**

	Q2'14	Q2'13	Quarterly Change (Q1'14 – Q2'14)	Annual Change (Q2'13 – Q2'14)
<b>Total active SIMs</b>	<b>5,626,484</b>	<b>5,547,973</b>	<b>+0.1%</b>	<b>+1.4%</b>
<b>Total 3G/4G SIMs</b>	<b>4,755,166</b>	<b>4,404,414</b>	<b>+2.5%</b>	<b>+8.0%</b>
<b>Dedicated mobile broadband and Smartphone (SIMs)<sup>51</sup></b>	<b>3,281,993</b>	<b>2,974,038</b>	<b>+2.3%</b>	<b>+10.4%</b>
<b>Smartphone (SIMs)<sup>52</sup></b>	<b>2,811,170</b>	<b>2,449,999</b>	<b>+3.4%</b>	<b>+14.7%</b>

Figure 4.1.3 charts mobile penetration since Q2 2013 and shows that at the end of June 2014, mobile penetration, based on a population of 4,611,700 (using CSO Q1 2014 estimate), was 122.0% including mobile broadband and M2M and 103.4% 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

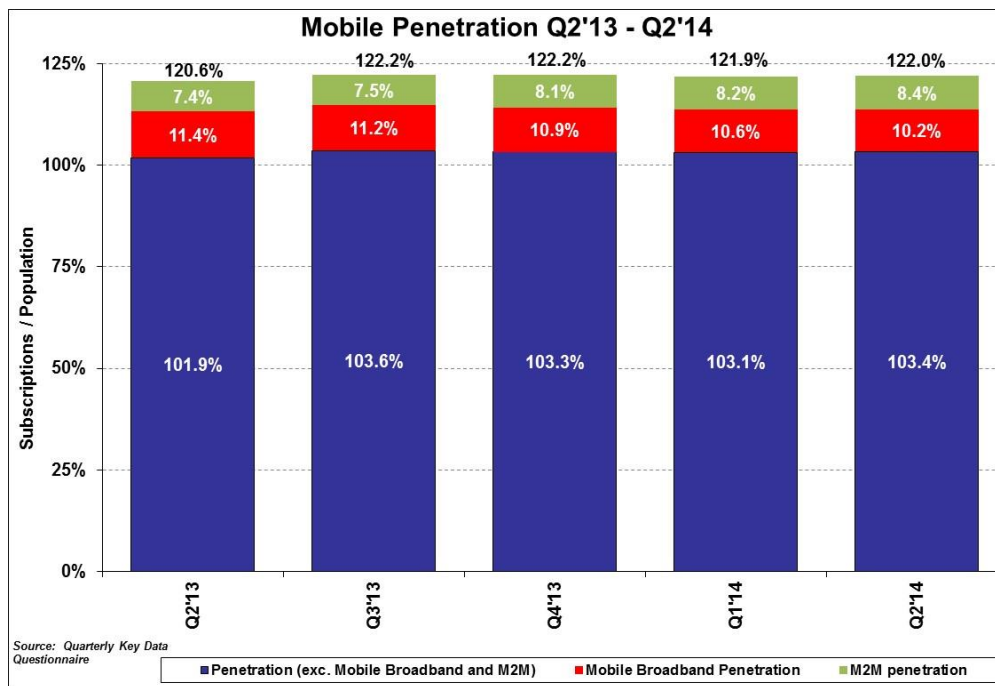
<sup>51</sup> Active 3G and 4G SIMs.

<sup>52</sup> Active 3G and 4G SIMs excluding dedicated mobile broadband SIMs.



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**

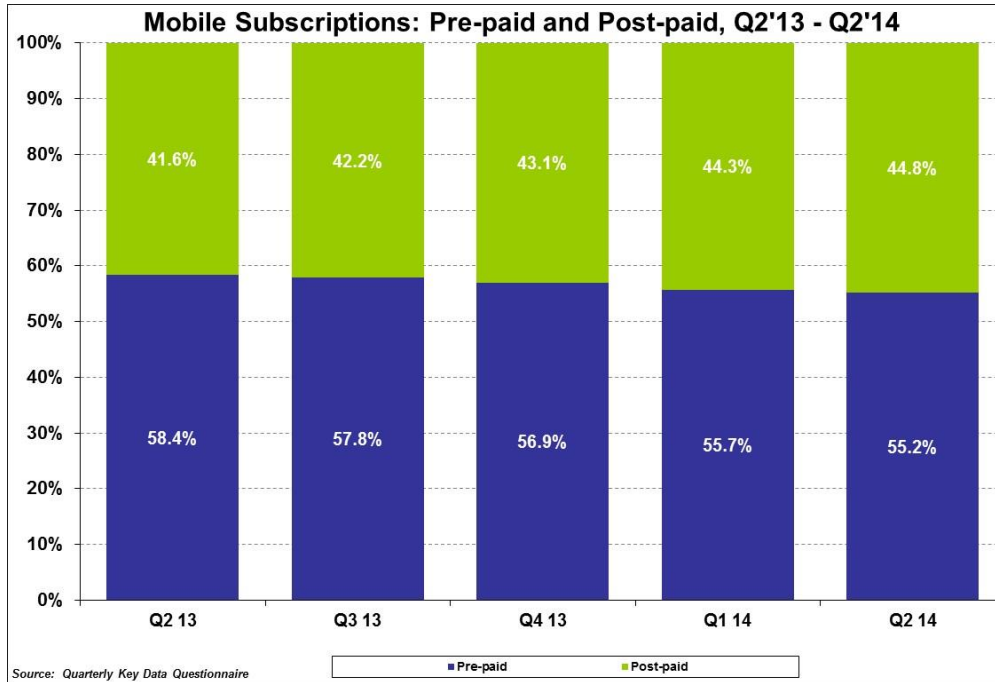


## 4.2 The Profile of Mobile Subscriptions in Ireland

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 June 2014. Post-paid subscriptions are increasing, accounting for 44.8% of subscriptions in Q2 2014, up from 41.6% 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, Q2'13 – Q2'14**

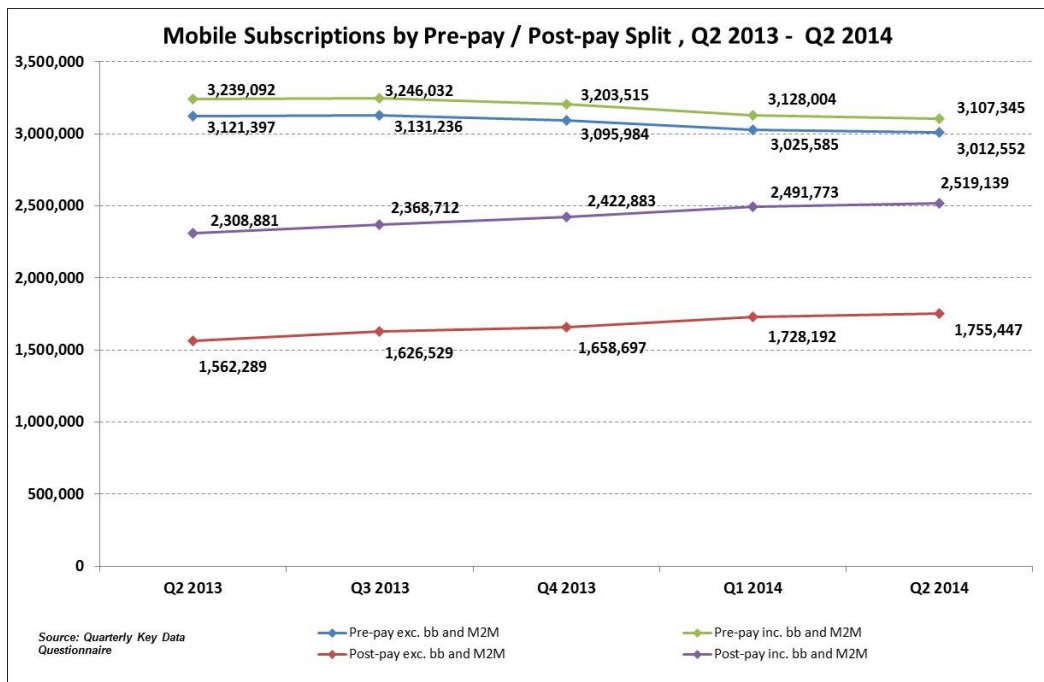


Figure 4.2.3 shows the pre-paid and post-paid subscription profile for each of the mobile operators in the Irish market. Mobile broadband and M2M subscriptions are included in this data. As of Q2 2014, the mobile operator with the highest proportion of post-paid subscriptions was Three group (55.9%), while all of Lycamobile’s subscriptions are pre-paid.

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

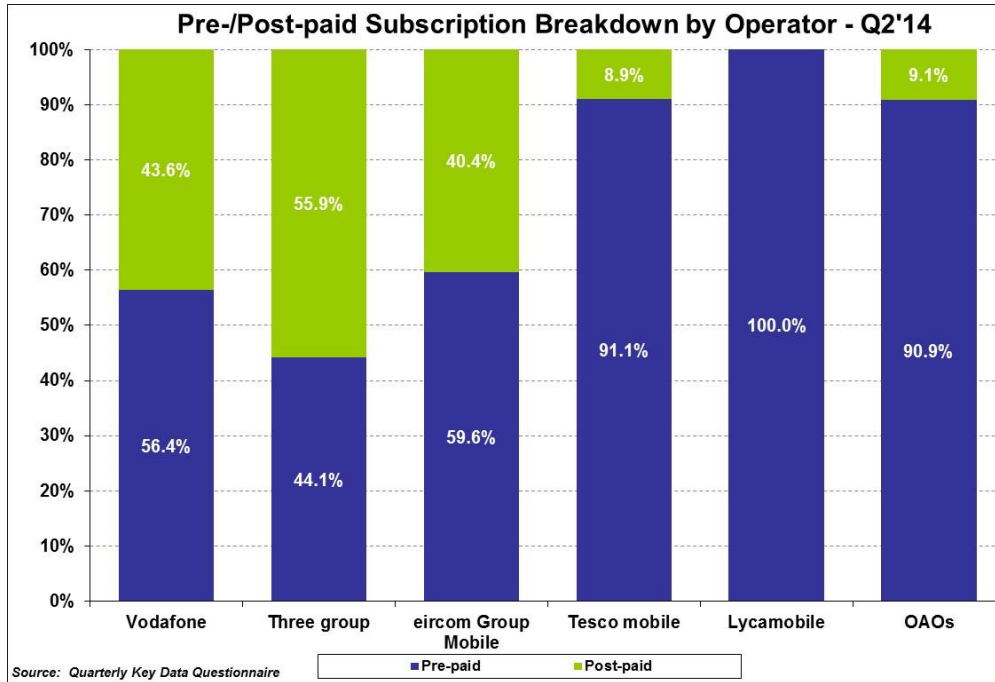


Figure 4.2.4 shows the split between pre-paid and post-paid mobile broadband subscriptions between Q2 2013 and Q2 2014. 79.9% of all mobile broadband subscriptions were post-paid at the end of June 2014, up from 77.5% one year previously.

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

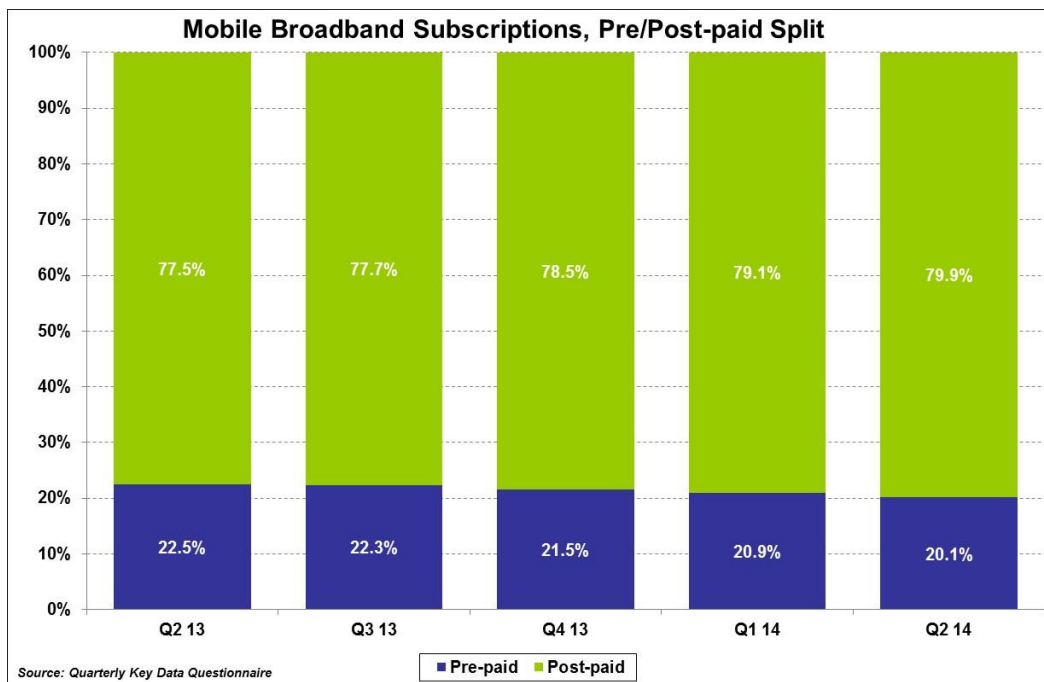


Figure 4.2.5 shows the split of post-paid business and non business mobile subscriptions including and excluding mobile broadband and M2M between Q2 2013 to Q2 2014.

Approximately 40.5% 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 Q2 2014.

**Figure 4.2.5 – Post-Paid Business and Residential Mobile Subscriptions**

	<b>Q2 2014</b>	<b>Q1 2014</b>	<b>Q4 2013</b>	<b>Q3 2013</b>	<b>Q2 2013</b>
<b>Residential subs inc. mobile broadband<sup>53</sup></b>	<b>1,499,595</b>	<b>1,492,293</b>	<b>1,448,329</b>	<b>1,427,097</b>	<b>1,392,468</b>
<b>Residential subs exc. mobile broadband &amp; M2M</b>	<b>1,243,970</b>	<b>1,225,605</b>	<b>1,172,147</b>	<b>1,143,083</b>	<b>1,101,469</b>
<b>Business subs inc. mobile broadband &amp; M2M</b>	<b>1,019,544</b>	<b>999,480</b>	<b>974,550</b>	<b>941,615</b>	<b>916,413</b>
<b>Business subs exc. mobile broadband &amp; M2M<sup>54</sup></b>	<b>511,477</b>	<b>502,587</b>	<b>486,546</b>	<b>483,446</b>	<b>460,820</b>

### 4.3 Mobile Volumes

Figure 4.3.1 illustrates the change in voice minutes, SMS, and MMS (Multimedia Messaging Service) messages and 'other data'<sup>55</sup> volumes (internet uploads and downloads) sent between Q2 2010 and Q2 2014. Total retail mobile voice traffic totalled 2.91 billion minutes in Q2 2014, an increase of 6.7% on Q2 2013.

The total number of SMS messages sent by mobile users in Ireland was over 1.87 billion in Q2 2014, down 23.2% on Q2 2013. The number of multimedia messages (MMS) sent was down 6.1% compared to Q2 2013.

Other data volumes continue to rise, increasing by 53.9% in the year to Q2 2014 to reach 15,724 terabytes.

<sup>53</sup> All M2M subscriptions are assumed to be business subscriptions.

<sup>54</sup> M2M subscriptions excluded since Q2 2013.

<sup>55</sup> Other data volumes means mobile traffic for which customers do and do not have to pay per MB charges and refers to both uploads and downloads. Retail international roaming data downloaded from network subscribers roaming on foreign networks (including EU-28) is also included.

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

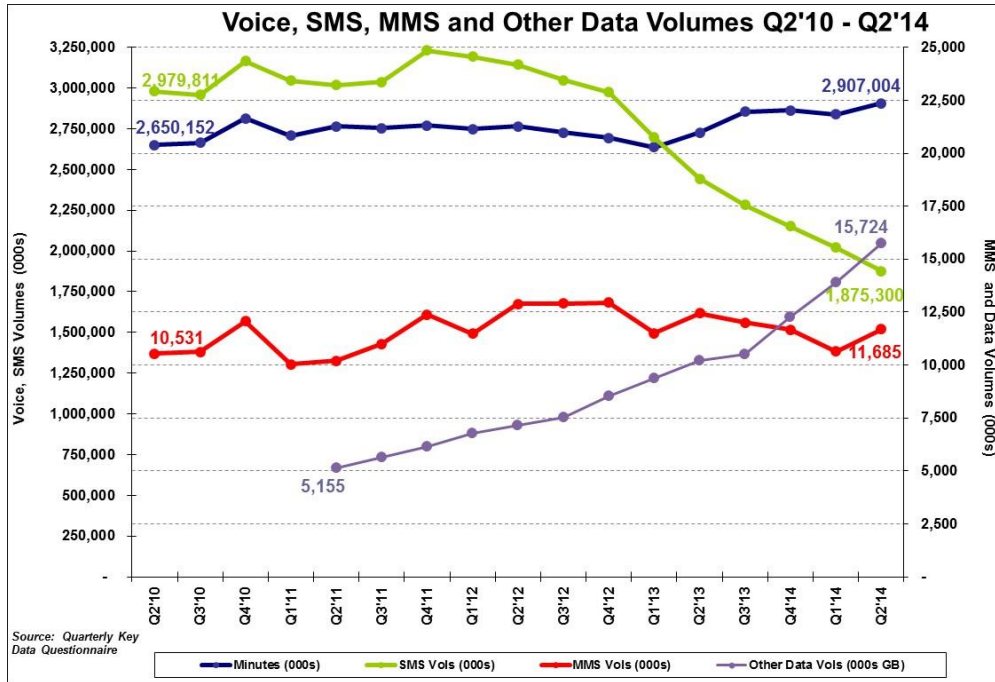


Figure 4.3.2 illustrates the share of types of mobile voice call minutes. As of Q2 2014, 75.4% of all mobile voice minutes were classified as mobile-to-mobile (on-net and off-net); 11.2% of mobile voice minutes were to fixed line phones, 10.7% were classified as international and roaming and the remaining 2.6% were advanced voice minutes which include calls to premium rate services.

**Figure 4.3.2 – Voice Call Minute Volumes by Type**

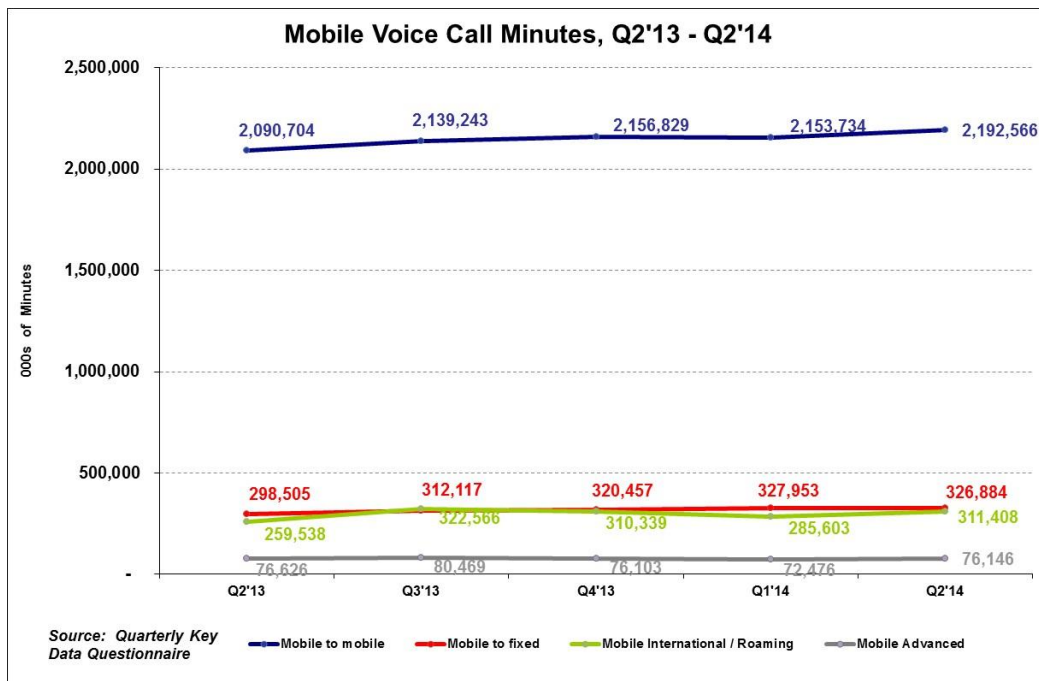


Figure 4.3.3 shows the change in the on net and off net mobile to mobile voice call minutes since Q2 2013. As of Q2 2014, 61.0% of all mobile to mobile voice minutes were classified as on-net down from 66.5% in Q2 2013.

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

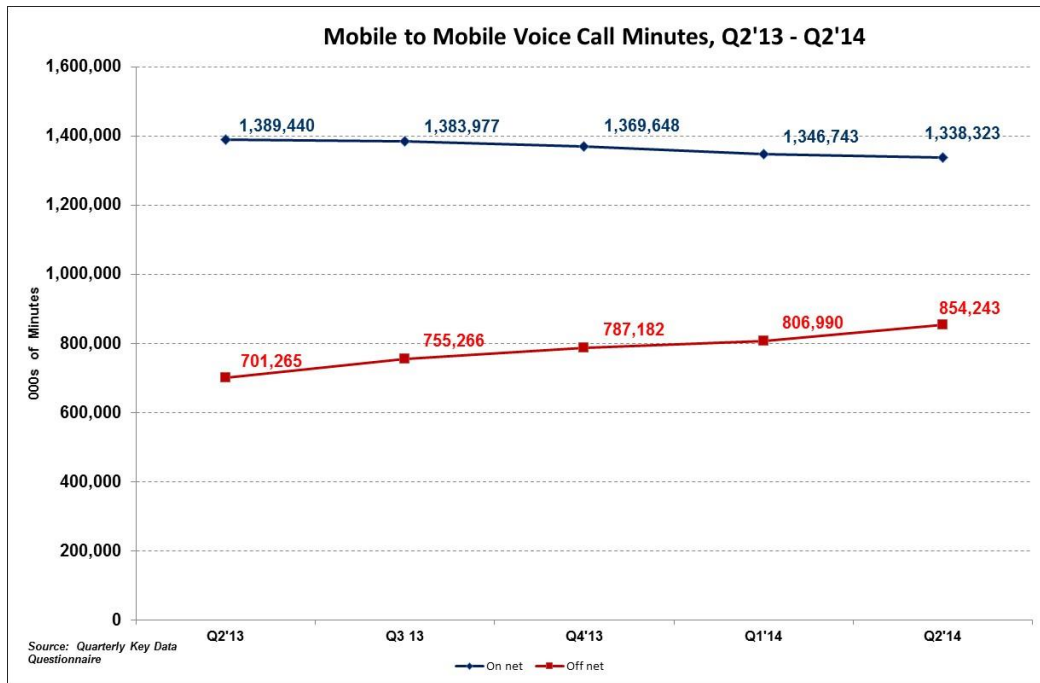


Figure 4.3.4 shows the change in the monthly mobile voice call minutes per subscription. In Q2 2014 the average usage was 203.8 minutes. From Q2 2013, the mobile voice subscription base is affected by the subtraction of M2M subscriptions and thus, average minutes per subscriber reported from Q2 2013 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**

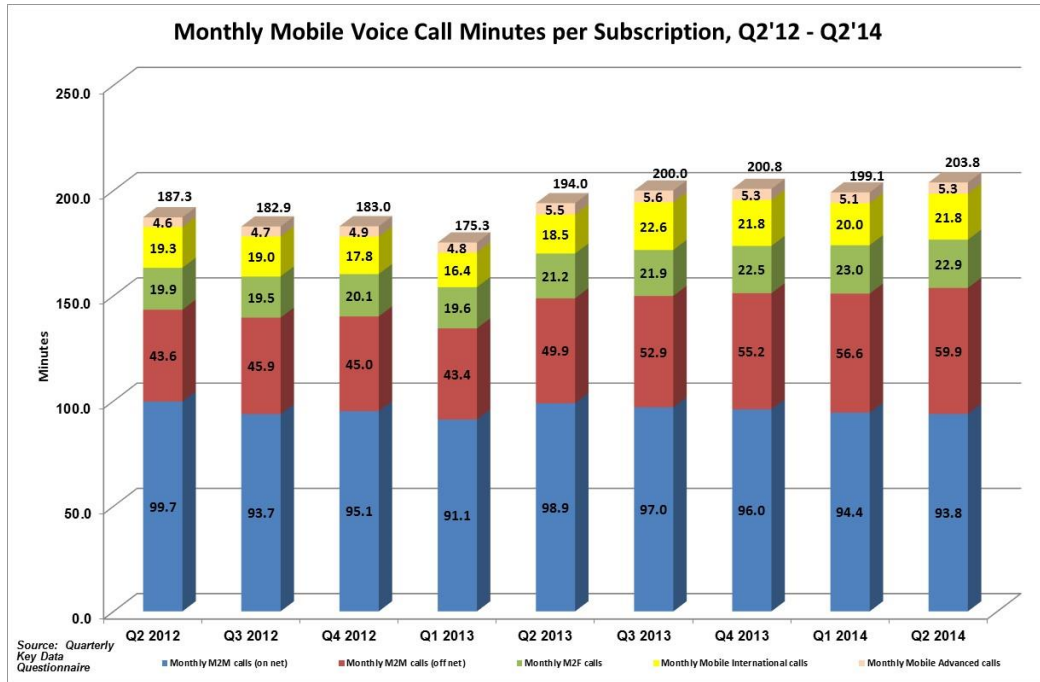
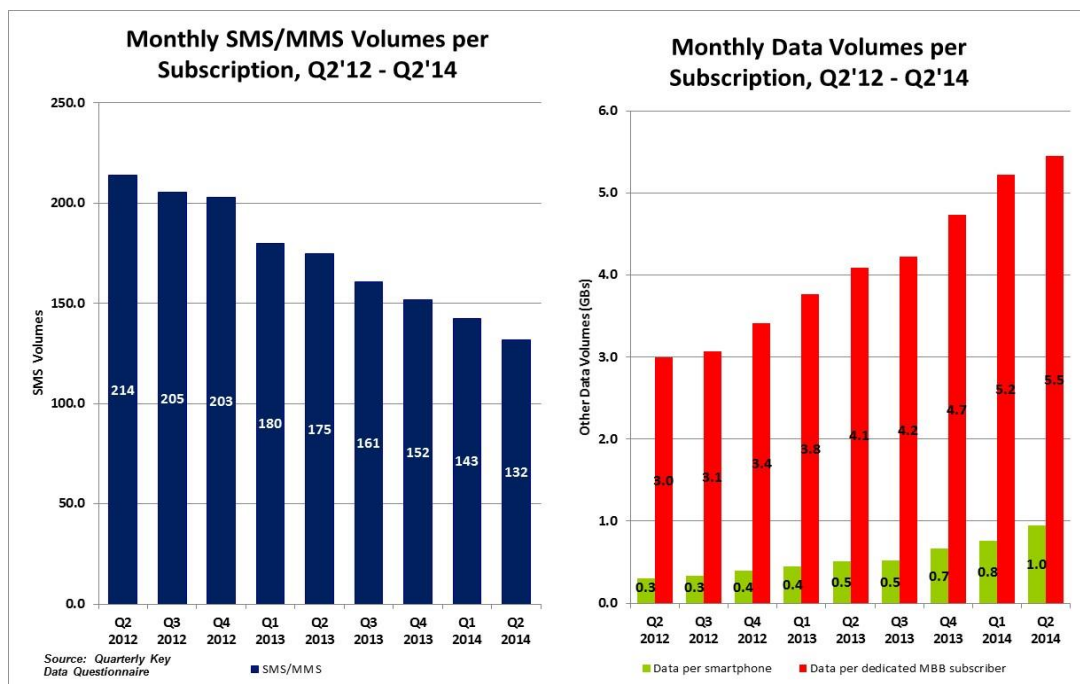


Figure 4.3.5 shows the change in the monthly mobile data volumes per subscription. In Q2 2014 the average monthly number of SMS/MMS sent was 132 and, the average traffic per smartphone reached 1.0 GB of data, while the average traffic per dedicated mobile broadband subscriber was 5.5 GB of data<sup>56</sup>.

**Figure 4.3.5 – Monthly Mobile Messaging and Data Volumes per Subscription**



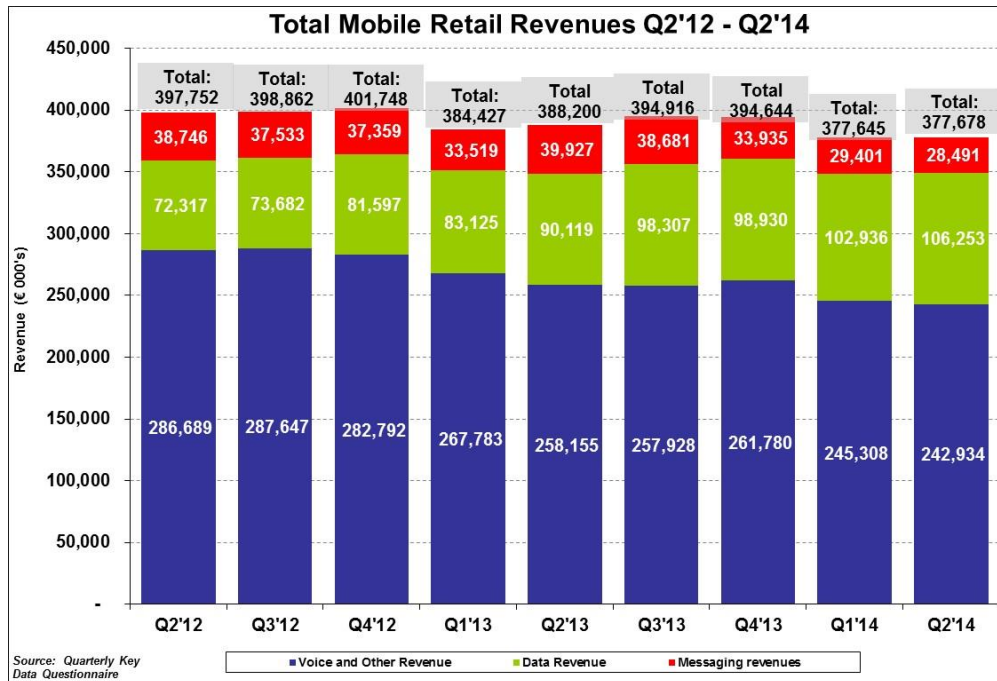
<sup>56</sup> Data traffic refers to both uploads and downloads.



#### 4.4 Mobile Revenues

Figure 4.4.1 shows that mobile retail revenues<sup>57</sup> for Q2 2014 were over €377 million. Messaging revenues fell by 3.1% this quarter, while voice and other revenues also decreased (down by 1.0%). Data revenues continued to grow increasing by 3.2% since Q1 2014.

**Figure 4.4.1 – Total Mobile Retail Revenues**



Wholesale mobile revenues were over €78 million in Q2 2014, the vast majority accounted for by terminating traffic, followed by access<sup>58</sup> and roaming<sup>59</sup> 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 Q2 2014 mobile APRU was €25.4 per month, down from €26.4 last quarter and down from €29.4 in Q2 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 5.7% in Q1 2014<sup>60</sup> compared to Q1 2013.

<sup>57</sup> Mobile retail revenues were revised from Q2 2013 to Q1 2014 inclusive. See note 1 within the corrigendum to Q1 2014 on page 5 of this report.

<sup>58</sup> 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.

<sup>59</sup> 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.

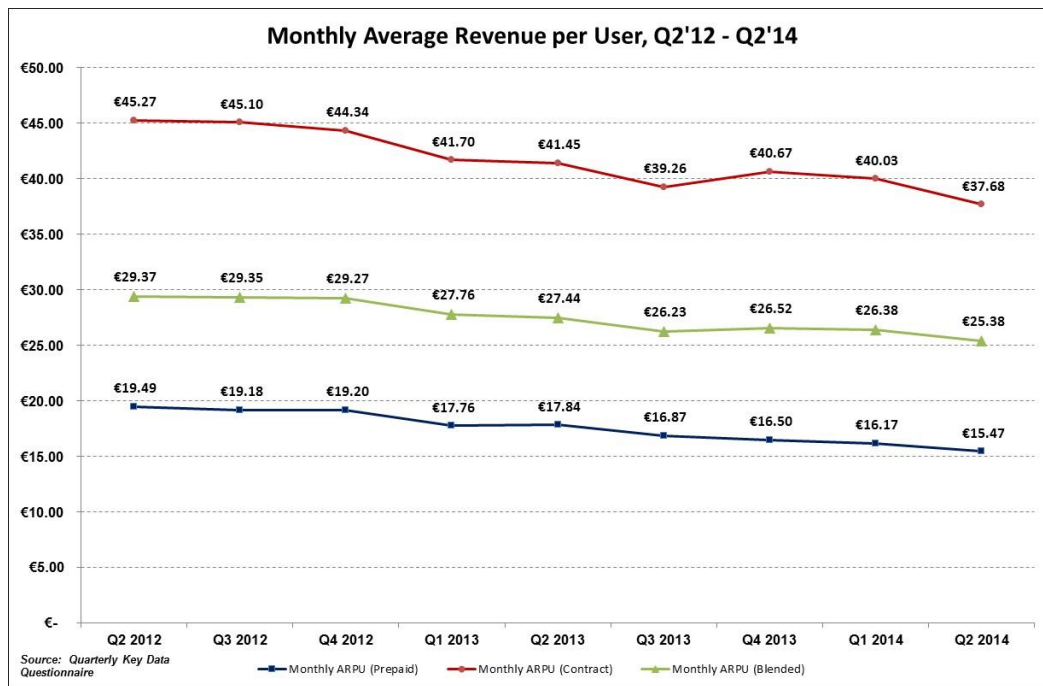
<sup>60</sup> Q1 2014 is the latest quarter for which this information is available.



Figure 4.5.1 illustrates the change in ARPU for prepaid and postpaid subscribers. In Q2 2014 mobile ARPU for prepaid subscribers was €15.47 per month (down 13.3% since Q2 2013) while mobile ARPU for post paid subscribers was €37.68 per month (down 9.1% since Q2 2013).

ComReg notes that the increase in blended ARPU in Q4 2013 was driven by increased wholesale mobile termination revenues and not by increases in retail prices.<sup>61</sup> 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/or TV) and reductions in roaming and mobile termination rates, among others.

**Figure 4.5.1 – Monthly Average Revenue per User by Type**



<sup>61</sup> 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](#).

#### **4.6 Machine to Machine subscriptions**

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

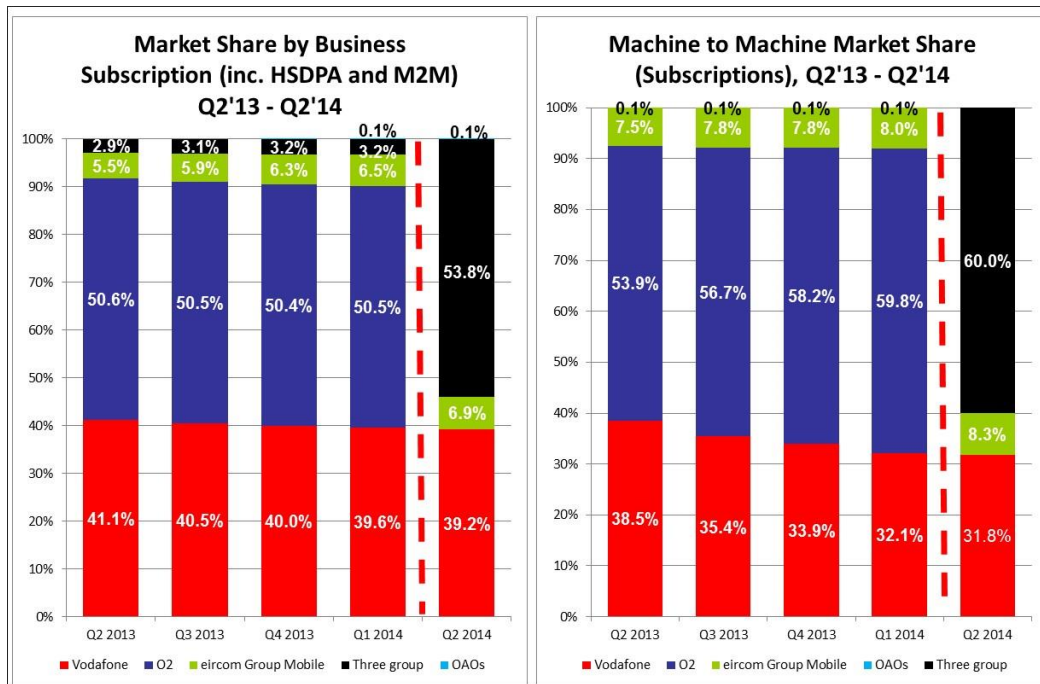
Different networking technologies can be used to connect M2M devices, depending on the amount of mobility needed, quality required, data rate, the degree of dispersion of devices over an area, and so on. Gathering data on dedicated M2M mobile connections assists ComReg in assessing future regulatory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

There were 387,662 M2M subscriptions at the end of June 2014. This is an increase of 13.9% since Q2 2013. Figure 4.6.1 outlines market shares based on active M2M subscriptions as well as market shares in terms of business subscribers (including mobile broadband and M2M subscriptions).

In Q2 2014 the Three Group had the largest market share of M2M subscriptions at 60.0% followed by Vodafone with 31.8% market share. Eircom Group Mobile had the remaining 8.3% of M2M subscriptions.

Three Group has also the largest market share in terms of business subscriptions (53.8%) followed by Vodafone (39.2%) and eircom Group Mobile (6.9%). OAOs accounted for the remaining 0.1%.

**Figure 4.6.1 – Market Share – Number of Business Subscriptions/Number of M2M Subscriptions<sup>62</sup>**



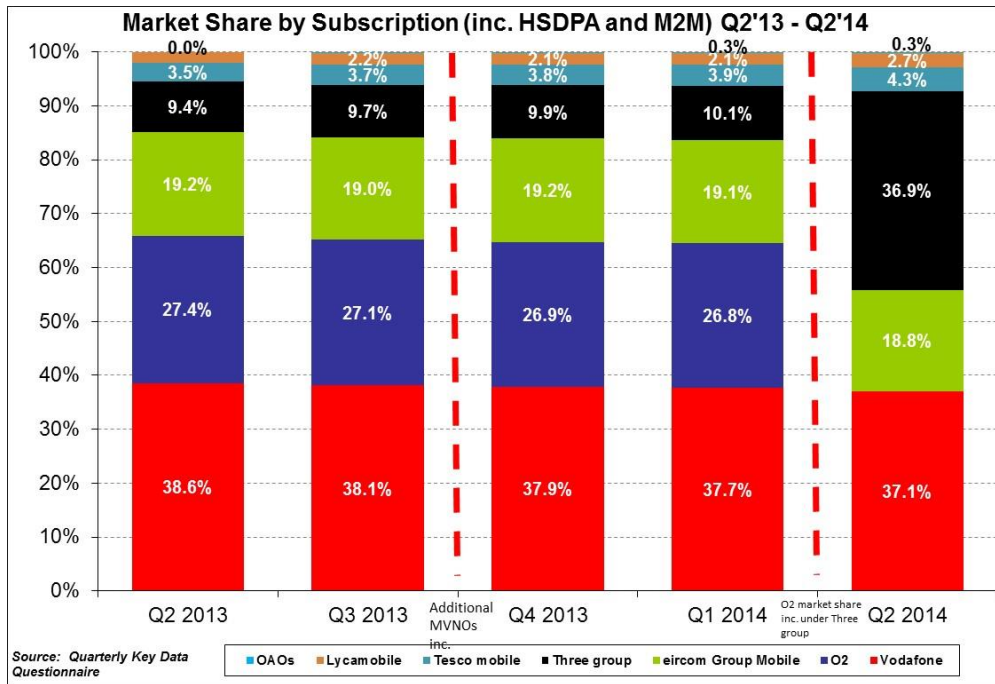
**4.7 Competition in the Mobile Market**

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 Q4 2013 are not directly comparable with previous periods as data from additional MVNOs have been included in each of those subsequent periods.

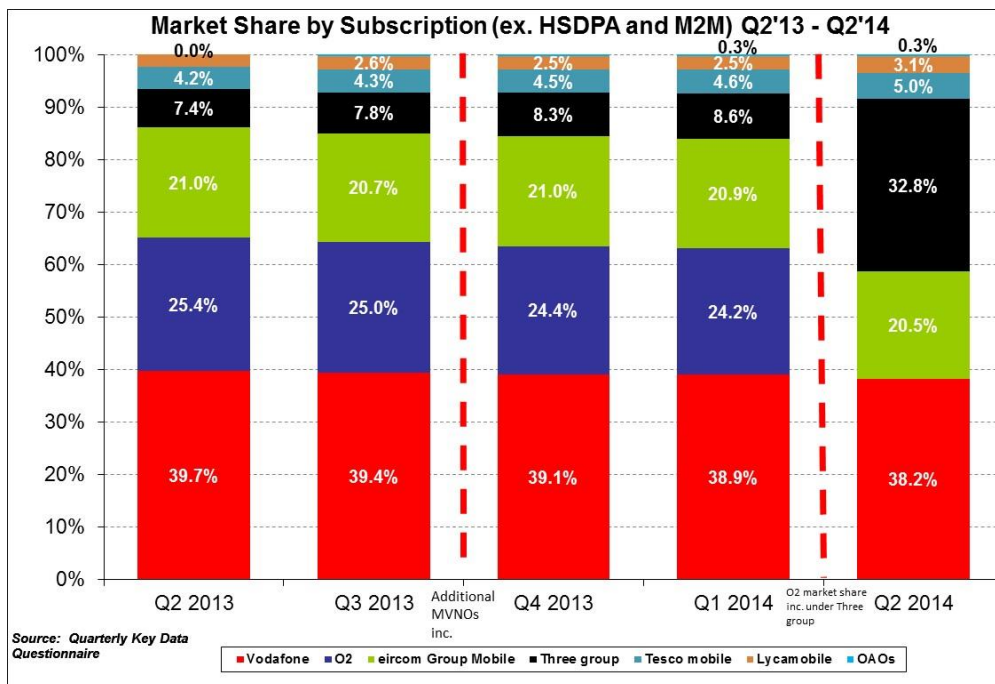
Figure 4.7.1 includes mobile broadband and M2M while figure 4.7.2 excludes mobile broadband and M2M. Vodafone has the highest market share including and excluding mobile broadband and M2M (37.1% and 38.2%), followed by Three Group (36.9% and 32.8%), eircom Group Mobile (18.8% and 20.5%) and Tesco Mobile (4.3% and 5.0%). Lycamobile has a market share of 2.7% and 3.1% while OAOs have market shares of 0.3%.

<sup>62</sup> As of Q2 2014 O2 is included under Three Group umbrella. For more details see note on page 8 of this report.

**Figure 4.7.1 – Market Share – Number of Subscriptions (inc. mobile broadband and M2M)<sup>63</sup>**



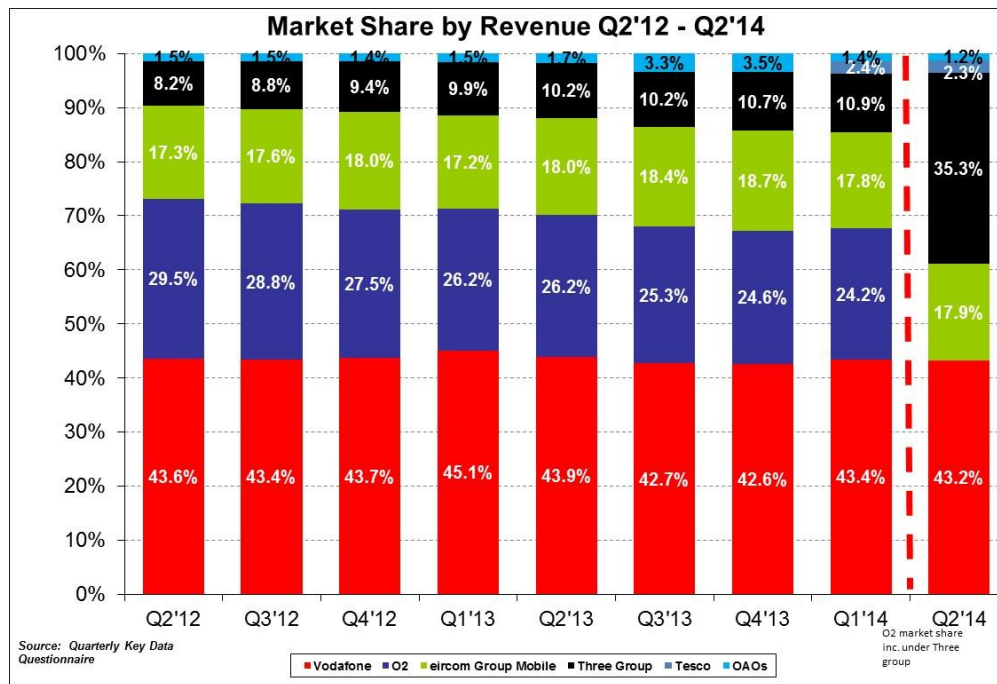
**Figure 4.7.2 – Market Share – Number of Subscriptions (ex. mobile broadband and M2M)**



<sup>63</sup> As of Q2 2014 O2 is included under Three Group umbrella. For more details see note on page 8 of this report.

Figure 4.7.3 shows market shares by total retail revenues<sup>64</sup> 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 43.2% followed by Three group at 35.3%. Eircom Group Mobile’s market share is the next largest at 17.9% followed Tesco and OAOs at 2.3% and 1.2% respectively.

**Figure 4.7.3 – Revenue Market Share**



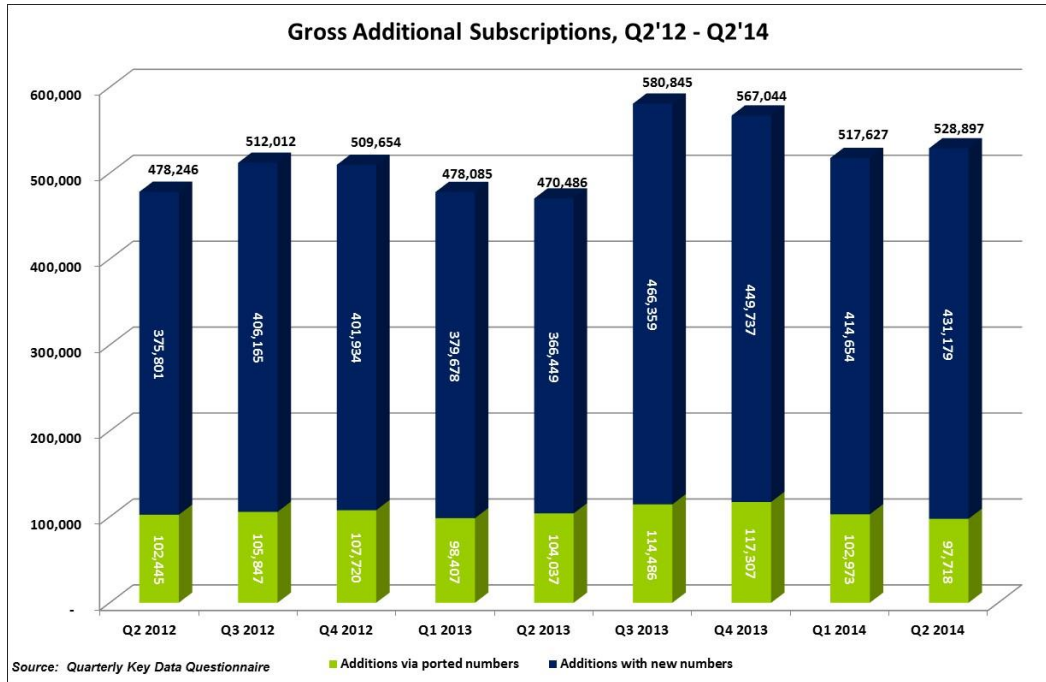
#### 4.8 Switching in the Mobile Market

Figure 4.8.1 illustrates the number of subscribers who port their numbers as a proportion of total gross additions<sup>65</sup>. There were 528,897 gross additional subscriptions in Q2 2014. In the quarter to June 2014, 97,718 numbers were ported between mobile operators and a total of 432,484 numbers were ported over a twelve month period. Gross additions via ported numbers accounted for 18.5% of total gross additions in Q2 2014.

<sup>64</sup> Mobile retail revenues and thus, retail revenue market shares were revised from Q2 2013 to Q1 2014 inclusive. See note 1 within the corrigendum to Q1 2014 on page 5 of this report.

<sup>65</sup> Gross additions include consumers who decide to avail of multiple SIMs and thus, slightly overstate the switching intensity in Ireland.

**Figure 4.8.1 – Gross Subscription Additions and Numbers Ported**



**4.9 Mobile Pricing Data<sup>66</sup>**

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, 3G and 4G 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:

<sup>66</sup> 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.

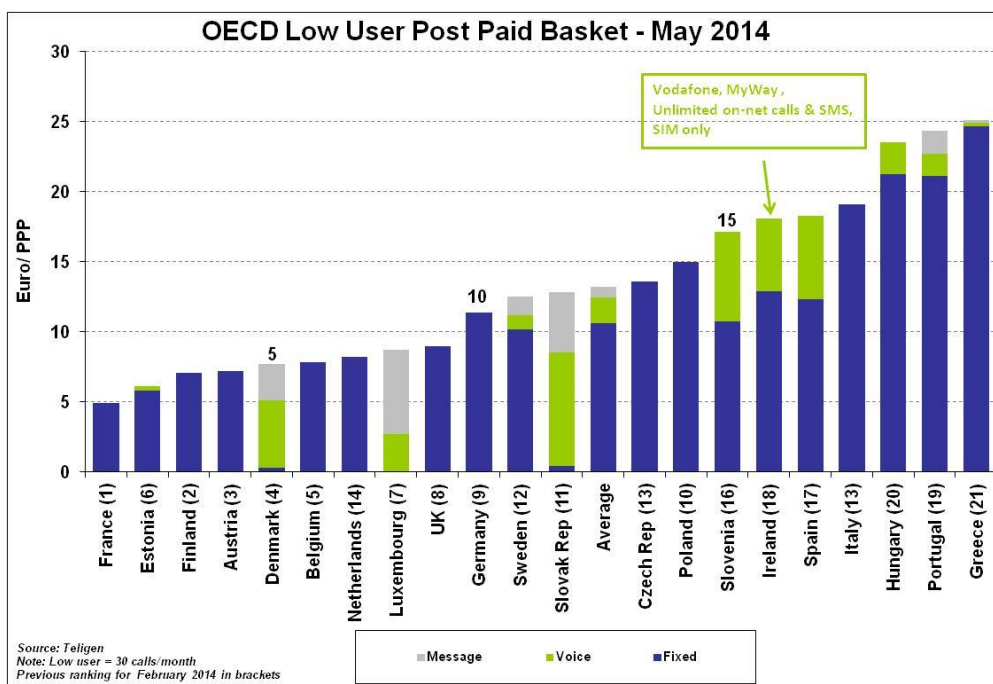
Baskets
30 calls per month
100 calls per month
300 calls per month
900 calls per month
40 calls per month pre-paid basket
400 messages per month basket

The Teligen mobile baskets presented in this Quarterly Key Data 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.

#### 4.9.1 Low User Post Paid Mobile Basket

For the “low user” post paid mobile basket, Ireland ranks in 16<sup>th</sup> position among the European countries benchmarked. Ireland is four places behind and 37% more expensive than the benchmarked country average. The Irish package represented here is Vodafone’s MyWay, Unlimited on-net calls & SMS, 100 SMS, SIM only, one month package.

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

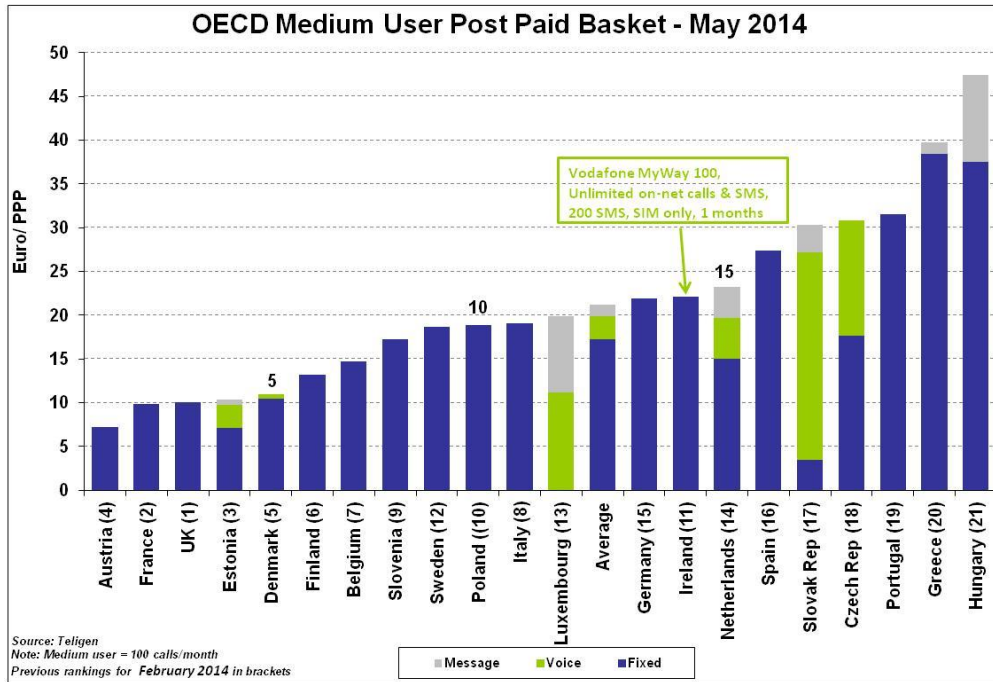




### 4.9.2 Medium User Post Paid Mobile Basket

For the medium user post paid mobile basket, Ireland ranks in 14<sup>th</sup> position out of the 21 benchmarked countries. Ireland is two places behind and 4.5% more expensive than the benchmarked average. The Irish package represented here is Vodafone’s MyWay 100, Unlimited on-net calls & SMS, 200 SMS, SIM only, one month package.

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

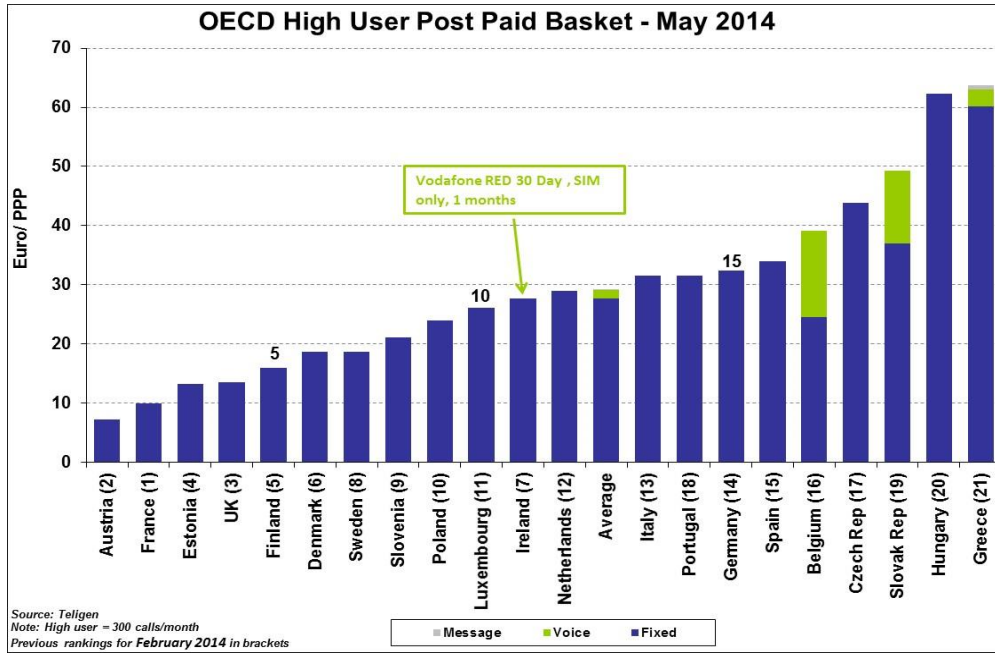


### 4.9.3 High User Post Paid Mobile Basket

Ireland ranks in 11<sup>th</sup> place among the countries benchmarked in the high user post paid mobile basket. The Irish package represented here is Vodafone’s RED 30 Day, SIM only package. Ireland is two places ahead of and 5.2% cheaper than the average of the 21 benchmarked countries.



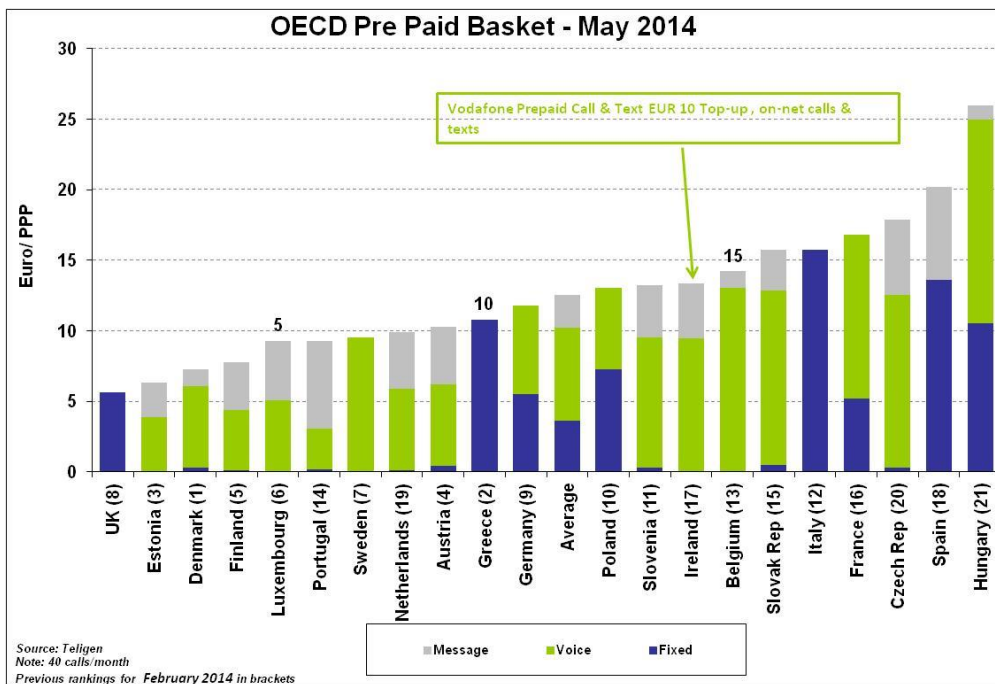
**Figure 4.9.3.1 - OECD High User Post Paid Mobile Basket (300 calls)**



**4.9.4 Pre-Paid Mobile Basket**

In the pre-paid mobile basket, Ireland is in 14<sup>th</sup> 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). Ireland is three places behind the average of the 21 benchmarked countries and the cost of this basket in Ireland is 6.4% 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.<sup>67</sup> The survey indicated that there were 1,587,000 TV homes in Ireland in May 2014. Figure 5.1.1 shows the estimated number of TV homes by reception type in April 2013 and May 2014 on the basis of the reception method through which the highest number of TV channels is received. Irish terrestrial DTT only homes represented 9.8% of all TV homes (although 39% of TV homes receive Irish DTT) as of May 2014. Cable/satellite platforms represented the remaining 90.2% of all TV homes in Ireland.<sup>68</sup>

**Figure 5.1.1 – TV Homes by Reception Type<sup>69</sup>**

	May 2014	April 2013	May 2014 as % of Total TV Homes	% Change April '13 – May '14
Reception	(000s)	(000s)	%	% change
Irish Terrestrial	156	183	9.8	-14.8
Multi Total	1,431	1,391	90.2	+2.9
Analogue Cable/Sat	23	36	1.4	-36.1
Digital Cable/Sat	1,408	1,355	88.7	+4.0
Total Cable/Sat	1,431	1,391	90.2	+2.9
<b>Total TV Homes</b>	<b>1,587</b>	<b>1,574</b>	N/A	<b>+0.8</b>
<b>RECEPTION:</b> 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.				
<b>Multi Total:</b> Made up of UK DTT / FTA Satellite, Cable, and SKY homes.				
<b>Irish Terrestrial</b> In May 2014 homes which only receive any or all of the following: RTÉ One, RTÉ Two, TV3, TG4, 3e, RTÉ One+1, RTÉ News Now, RTÉ jr via an aerial and a set-top box or an aerial and an integrated digital TV or via Saorsat.				
<b>Cable/Satellite:</b> 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 shows TV homes by reception method<sup>70</sup> from May 2012 to May 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 stations

<sup>67</sup> 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.

<sup>68</sup> MMDS (Multichannel Multipoint Distribution Service) is included under cable/satellite. MMDS is a wireless telecommunications technology, used usually in sparsely populated rural areas, where laying cables is not economically viable. Approximately 304,000 of those reported above as digital cable/sat and total cable/sat are UK DTT/FTA satellite.

<sup>69</sup> Source: Nielsen TV Audience Measurement Establishment Survey on behalf of TAM Ireland.

<sup>70</sup> 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%.

including freesat) has averaged 70% over the last two years.<sup>71</sup> Television homes that subscribe to other satellite services beside Sky represented 14% of TV homes in May 2014. Reception by IPTV method is relatively low. Approximately 39% of TV homes have Irish DTT.

**Figure 5.1.2 – TV Homes by Reception Method<sup>72</sup>**

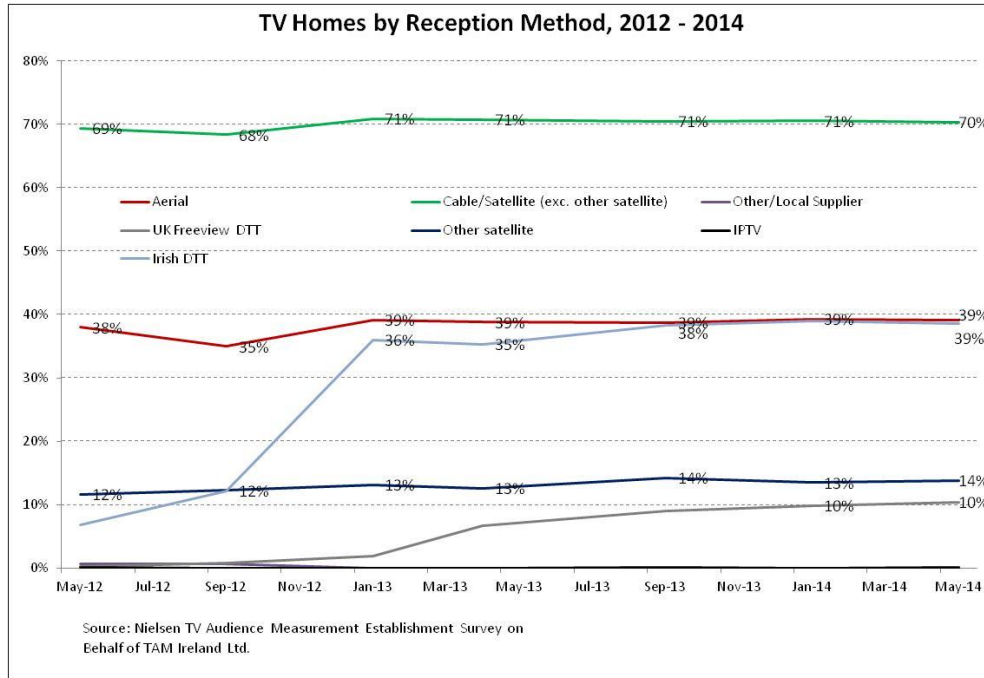


Figure 5.1.3 shows that, the total number of TV homes decreased slightly in May 2014. Digital TV homes represent 98.6% of all TV homes compared to 64.0% in May 2010.

<sup>71</sup> 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)).

<sup>72</sup> As of November 2012 'Aerial' includes Saorsat homes. Irish DTT includes Saorsat. Cable/satellite includes MMDS and IPTV, excludes UK DTT, Irish DTT and Saorsat.

**Figure 5.1.3 – TV Homes 2009 –2014**

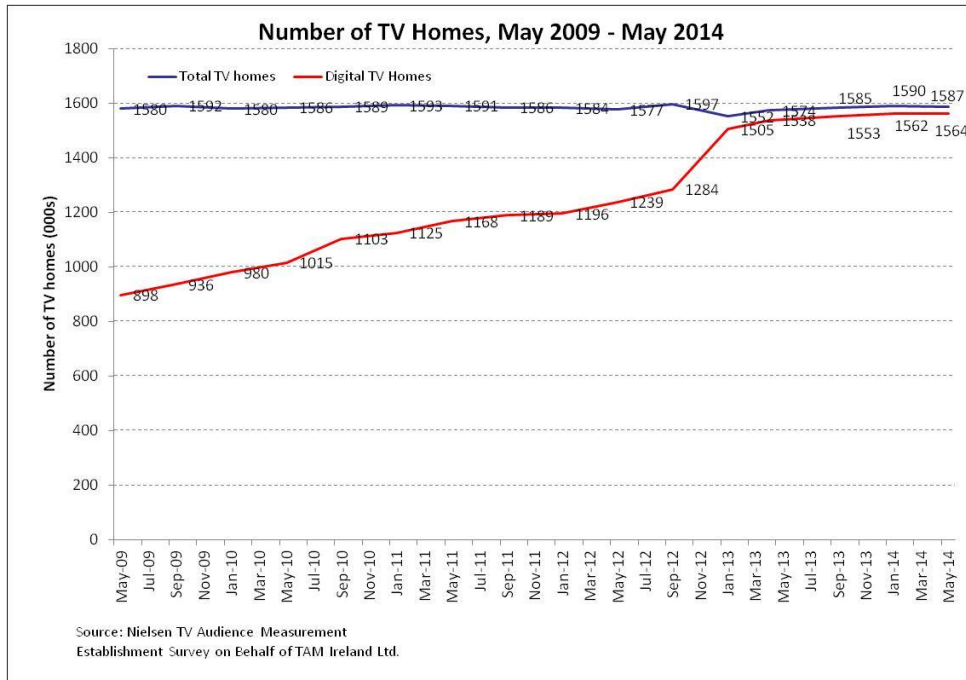


Figure 5.1.4 shows TV homes by DVD<sup>73</sup>, broadband<sup>74</sup> access, game console and PVR<sup>75</sup> ownership between May 2011 and May 2014. Just under three quarters of television homes have a DVD player, but this figure has declined slightly over the last three years; down by six percentage points over the period. Broadband access was present in circa 70% of homes with a television in May 2014. The number of homes with games consoles has decreased over the last three years from 38% to 32%. PVR ownership was 56% in May 2014; up from 33% in May 2011.

<sup>73</sup> It should be noted that as of Sep 2013 VCR and DVD numbers are combined.

<sup>74</sup> Both fixed and mobile broadband.

<sup>75</sup> 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**

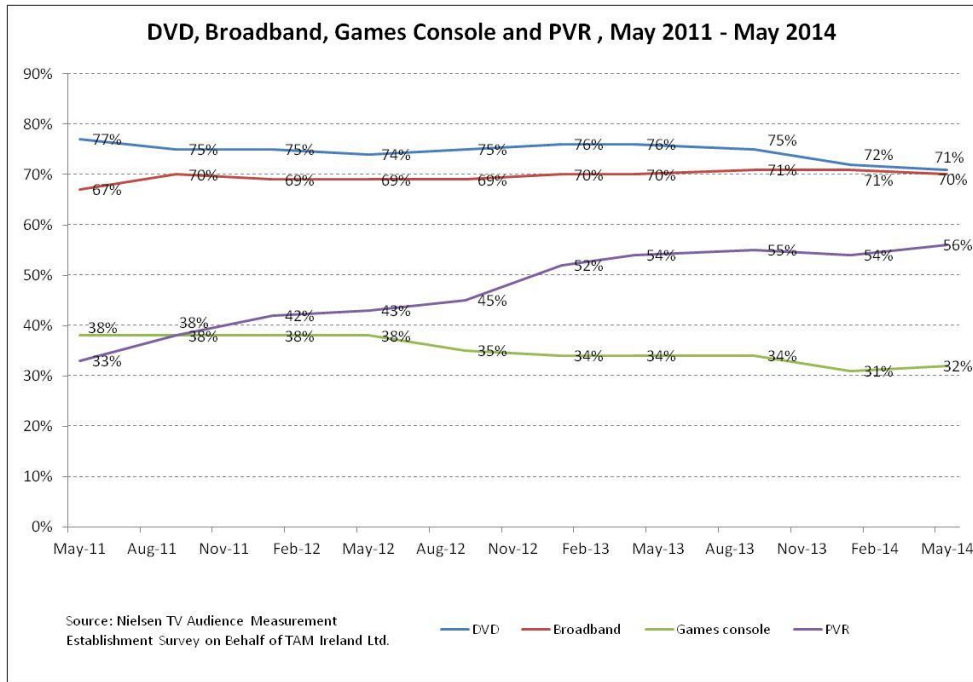
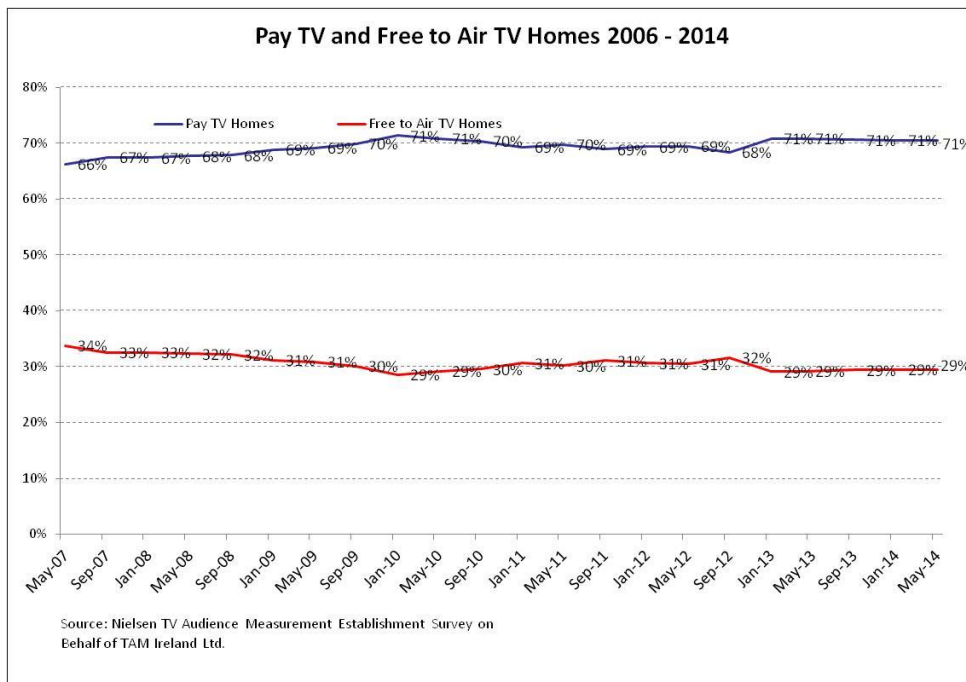


Figure 5.1.5 shows the level of household penetration of pay TV services and free to air TV services in Ireland based on reception method. This chart has been derived by ComReg using Nielsen data and is not a classification used by Nielsen or a classification used as part of the survey itself. Homes with a pay TV (cable, satellite and IPTV homes)<sup>76</sup> service have generally been stable since 2009 at 70% average of all TV homes.

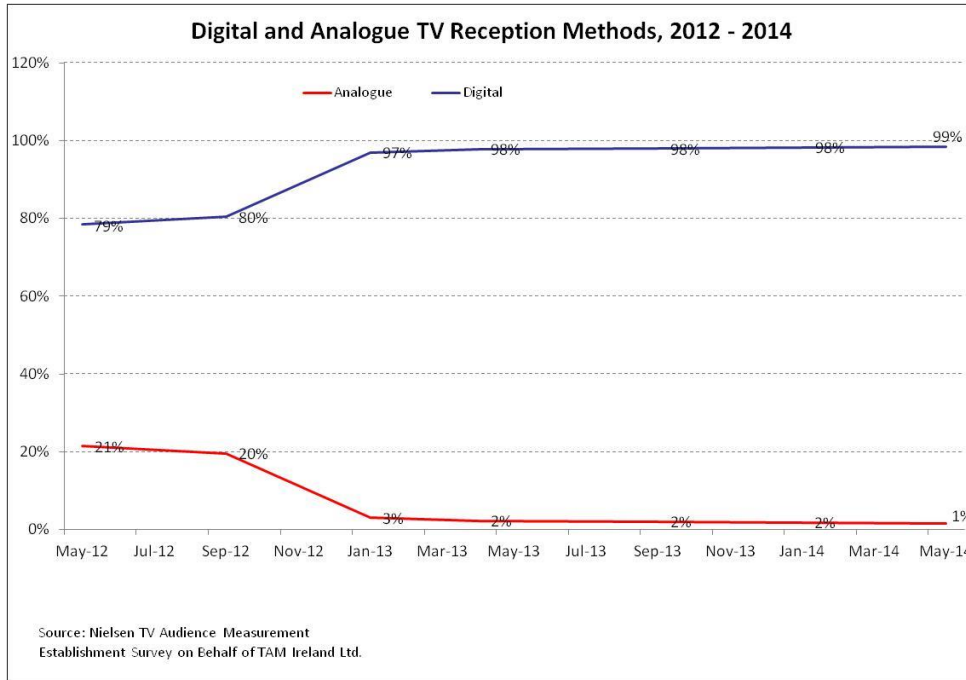
**Figure 5.1.5 – Pay TV vs Free to Air TV Homes, 2006 - 2014**



<sup>76</sup> 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 (99%) has remained relatively stable over the last year, following Analogue Switch Off (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 fieldwork on ComReg's behalf was carried out on August 11<sup>th</sup>-13<sup>st</sup>, 2014.

1005 respondents<sup>77</sup> 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 81.3% of Sky Ireland's subscribers were subscribing to one service, 6.9% to two services and 11.8% to three services.

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

Subscription type (n=577)	Number of Sky's subscriptions	% share of total Sky's subscriptions
TV	416	72.1%
Broadband	30	5.2%
Fixed Voice	23	4.0%
TV and Fixed Voice	3	0.5%
TV and Broadband	27	4.7%
Fixed Voice and Broadband	10	1.7%
TV, Fixed Voice and Broadband	68	11.8%

<sup>77</sup> The sample is nationally representative.

The following table lists Respondents who submitted data which was used to produce Q2 2014 quarterly report.

Table A2: List of Respondents.

<b>Respondent Name (N=53)</b>
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