



Commission for  
**Communications Regulation**

## **Irish Communications Market**

### **Quarterly Key Data Report**

**Data as of Q3 2013**

<b>Document No:</b>	<b>13/120</b>
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## Corrigendum to Q2 2013 Report

- Total mobile revenues from Q1 2011 to Q2 2013 inclusive have been revised upwards following an operator revision arising from a change in the treatment of handset revenues. Total quarterly mobile revenues have been revised upwards **each quarter, ranging from a minimum of €736,684** to a maximum of **€1,736,000**. These changes also affect revenue market shares which have also been revised.

### Legal Disclaimer

The information and statistics contained within this document are derived from a variety of sources, but are mostly reliant on data obtained from authorised operators.

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## Summary

There was an increase in total industry retail revenues (although fixed industry revenues declined) and a slight increase in broadband subscriptions in Q3 2013 compared to Q2 2013. Overall industry revenues increased by 0.2%. Total revenues in the twelve months to September 2013 **at €3.65 billion were down from over €3.79 billion** over the 12 months previous. Total broadband subscriptions were 1,674,990 this quarter which was an increase of 0.6% from Q2 2013 and an increase of 1.0% compared to Q3 2012. Overall voice traffic volumes were on the rise this quarter, up by 1.5% this quarter. Presented below is a tabular summary of this quarterly report.

Irish Quarterly Communications Market Data Q3 2013				
	Q3'13	Q2'13	Quarterly Change	Annual change
Total Market Revenues <sup>1</sup>	€897,741,679	€896,073,581	+0.2%	-4.5%
Fixed Line Revenues	€453,972,018	€461,781,307	-1.7%	-8.8%
Mobile Retail Revenues	€400,690,763	€393,463,652	+1.8%	+0.5%
Broadcasting Revenues <sup>2</sup>	€43,078,898	€42,564,622	+1.2%	-3.0%
Mobile Wholesale Revenues <sup>3</sup>	€52,658,961	€64,154,159	-17.9%	-39.3%
Total Voice Traffic (Minutes)	4,143,868,983	4,082,365,447	+1.5%	-0.6%
Fixed Voice Traffic (Minutes)	1,289,474,888	1,356,992,107	-5.0%	-10.8%
Mobile Voice Traffic (Minutes)	2,854,394,095	2,725,373,340	+4.7%	+4.7%
Total Internet Subscriptions <sup>4</sup>	1,684,294	1,674,841	+0.6%	+0.8%
Total Broadband Subscriptions	1,674,990	1,665,231	+0.6%	+1.0%
Fixed Broadband Subscriptions	1,160,626	1,141,192	+1.7%	+6.2%
Mobile Broadband Subscriptions (HSDPA)	514,364	524,039	-1.8%	-9.1%
Fixed Subscriptions <sup>5</sup>	1,958,956	1,945,404	+0.7%	+1.0%
Fixed Voice Subscriptions	1,507,684	1,494,011	+0.9%	+3.9%

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

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

<sup>3</sup> Mobile Wholesale revenues include mobile termination revenues only.

<sup>4</sup> The difference between Internet and broadband subscriptions is accounted by narrowband subscriptions.

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

Total Mobile Subscriptions (inc. HSDPA and M2M)	5,614,744	5,438,144	+3.2%	+1.5%
Machine to Machine Subscriptions	342,615	340,248	+0.7%	-
Mobile Subscriptions <sup>6</sup> (exc. HSDPA and M2M)	4,757,765	4,573,857	+4.0%	-

- Overall electronic communications network and service revenues at the end of September 2013 were **€897.7** million for the quarter. Industry revenues increased by 0.2% this quarter, but declined by 4.5% compared to Q3 2012. The quarterly increase in revenues was driven by increases in broadcasting, and mobile revenues.
- The mobile market represents approximately 74.1% of all voice and internet subscriptions (fixed and mobile), with fixed market subscriptions (voice and internet) representing the remaining 25.9%.
- At the end of the September 2013 there were 1,507,684 fixed voice subscriptions in Ireland, an increase of 0.9% since last quarter and an increase of 3.9% since Q3 2012.
- Total voice traffic minutes increased by 1.5% this quarter. Mobile minutes form the majority of voice minutes at 68.9%, with fixed minutes representing the remaining 31.1%. Mobile voice minutes increased by 4.7% this quarter while fixed voice minutes fell by 5.0% this quarter.
- This quarter, total internet subscriptions increased by 0.6% to 1,684,294.
- Broadband subscriptions (fixed and mobile) increased by 0.6% this quarter, and were up by 1.0% compared to Q3 2012. Cable (+8,760), satellite/fibre (+65) and VDSL<sup>7</sup> (+41,586) subscriptions increased this quarter while DSL (-29,345), FWA (-1,632) and dedicated mobile broadband subscriptions (-9,675) fell this quarter.
- The estimated fixed broadband household penetration rate<sup>8</sup> rate was 58.8% in Q3 2013. The fixed broadband per capita penetration rate was 25.3%. The

<sup>6</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.

<sup>7</sup> As of Q3 2013 VDSL lines are separated from DSL lines. **Hence, all VDSL subscriptions are treated as 'new additions' this quarter.**

<sup>8</sup> This estimate excludes business subscriptions and mobile broadband subscriptions.



broadband per capita penetration rate (including mobile broadband) was 36.5%.

- Average fixed broadband speeds continue to increase. In Q3 2013 approximately 42.1% of all fixed broadband subscriptions were equal to or greater than 10Mbps up from 31.0% in Q3 2012. 32.5% of all fixed broadband subscriptions were equal or greater than 30Mbps up from 19.9% in Q3 2012.
- At the end of September 2013 there were 5,614,744 mobile subscriptions (including HSDPA and M2M) in Ireland, an increase of 3.2% since last quarter. The mobile penetration rate was 122.2% including mobile broadband and Machine to Machine subscriptions and 103.6% excluding mobile broadband and Machine to Machine subscriptions.
- The number of smartphone/tablet users<sup>9</sup> increased to 2,684,970 this quarter, up by 9.6% from Q2 2013 and up by 16.5% compared to Q3 2012.
- There were 580,845 gross additions in the number of mobile subscriptions. Of these, 114,486 were subscriptions with ported numbers. On average, there were 106,163 numbers ported and 509,768 total gross additions per quarter over the last 12 months.
- In Q3 2013 mobile ARPU was **€26** per month, down from **€29** per month in Q3 2012. Declining ARPU is likely to be a reflection of a number of factors such as those attributable to worsened economic conditions in Ireland (e.g. reduced consumer spending), lower priced mobile plans, increased sales of bundled products (combining mobile with fixed calls and sometimes broadband) and reductions in mobile roaming and termination rates, among others.

Notes to data:

- Both Meteor and emobile brands are reported under the umbrella of eircom Group Mobile.
- 48, which is a brand of Telefónica, is included under O2.
- As of Q3 2013 ComReg gathers information from additional mobile operators (including Lycamobile). Hence, information in this quarter is not strictly comparable with data published in previous periods.
- Sky Ireland have declined to provide information on subscriptions to TV services and TV revenues. Thus, this information is not included in the

<sup>9</sup> Based on active 3G SIMS excluding dedicated mobile broadband SIMs.

report. **Sky Ireland’s distribution of subscriptions by type (single play, double play or triple play)** is estimated using percentage distribution of **Sky Ireland’s** subscriptions obtained from the market survey data conducted by RED C Research & Marketing Ltd. For more details on survey method, see the Appendix on page 71.

- Aggregated SB-WLR Performance Statistics, as supplied by Eircom, are published in accordance with ComReg Decision Notice (07/61) Section 6.6 (vii) in the appendix.
- As since Q3 2013, an Irish population estimate<sup>10</sup> from the Central Statistics Office (CSO) of 4,593,800 from the CSO (QNHS survey) is used for Q3 2013. This compares to 4,598,600 which was used in Q2 2013. As since Q3 2013, an estimated household number of 1,690,100 from the CSO (QNHS survey) is used for Q3 2013. A household number of 1,687,000 was used in Q2 2013.
- A number of external sources are used for international comparisons. These include the Central Statistics Office, Analysys Mason, and Teligen.
- In most cases data has been rounded to one decimal place in this report.
- Not all charts in this report may sum exactly to 100% due to rounding.
- While quarter on quarter comparisons are made in the report, definitive conclusions with regard to trends cannot be drawn and year on year comparisons are used to improve the reliability of the analysis.
- Further explanations and descriptions of data supplied in this report can be found in the accompanying explanatory memorandum 13/120a.
- 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>10</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 July to 30 September 2013. The report is based on submissions from 59 active operators.

### 1.1 Number of Authorisations

**Figure 1.1.1 - Total Number of Authorisations**

Total Authorisations	September 2013
No. of fixed and wireless authorisations	382
No. of mobile telephony authorisations	10
No. of broadcasting authorisations (incl. Cable TV, MMDS)	63
Total Number	455

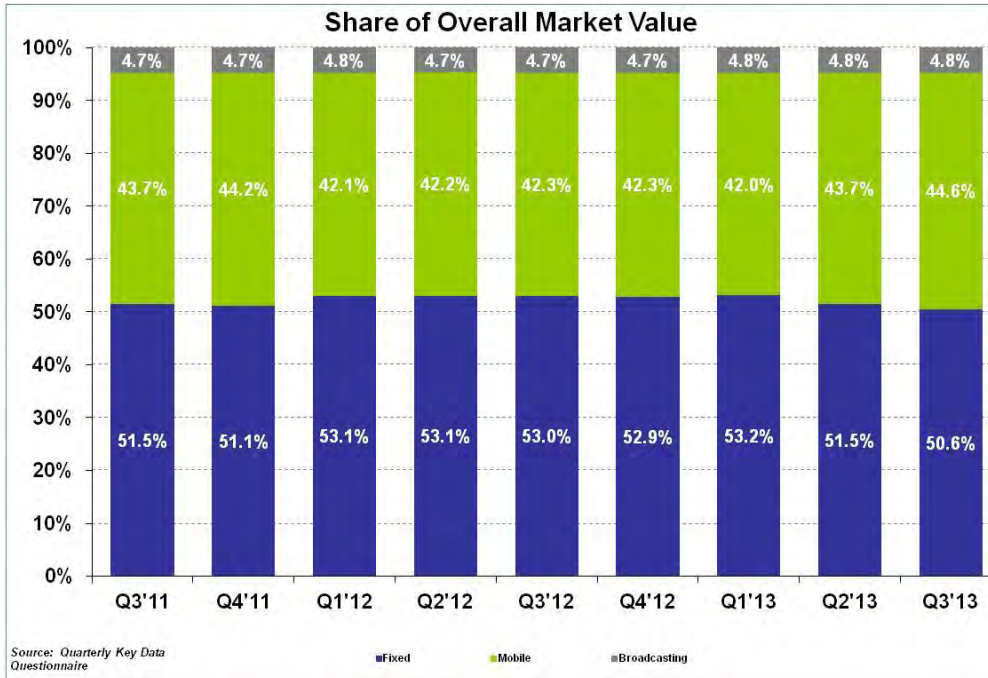
Before providing networks or services to third parties, operators are required to submit a notification to ComReg which is added to a central register of authorised operators. At the date of publication there were 455 authorised undertakings in Ireland.

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

## 1.2 Overall Electronic Communications Revenues<sup>11</sup>

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

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



According to Central Statistics Office data, Ireland’s Gross National Product for Q2 2013 was approximately €34 billion. Based on the Q2 2013 retail revenue data reported to ComReg by operators in the Irish communications sector, these revenues were approximately 2.6% of GNP in that quarter.

Overall electronic communications network and service revenues for Q3 2013 were €897.7 million. This was a 0.2% increase on the previous quarter. Comparing Q3 2012 to Q3 2013, industry retail revenues have decreased by 4.5%. Over the twelve months to September 2013, total retail revenues were above €3.6 billion.

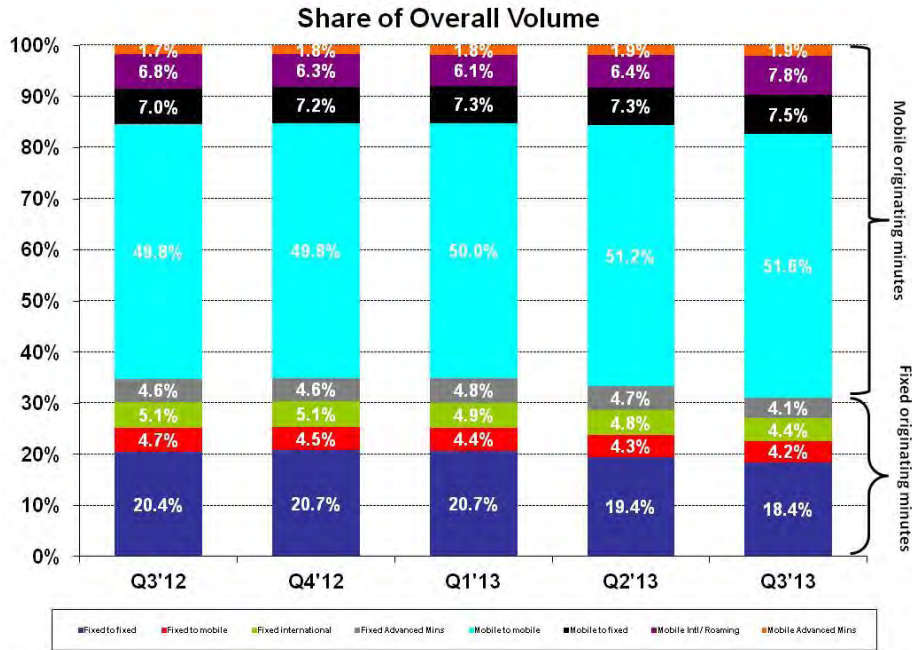
This quarter, mobile retail revenues increased by 1.8% and increased by 0.5% when compared to Q3 2012. Fixed line retail revenues decreased by 1.7% this quarter and decreased by 8.8% when compared to Q3 2012. (Cable/MMDS/IPTV) broadcasting retail revenues increased by 1.2% but declined by 3.0% compared to Q3 2012. The broadcasting network retail revenues in this report only captures Cable/MMDS/IPTV revenues and thus, exclude Sky Ireland’s satellite revenues and all content related revenues.<sup>12</sup>

<sup>11</sup> Further detail on terms and definitions - ComReg Doc. 13/120a Explanatory Memorandum.

<sup>12</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.

**1.3 Overall Call Volumes**

**Figure 1.3.1 - Share of Total Voice Call Volumes (Minutes)<sup>13</sup>**



Source: Quarterly Key Data Questionnaire

Figure 1.3.1 profiles volumes of originating voice calls by call type on both fixed and mobile networks on a quarterly basis. Q3 2013 showed an increase in total voice minutes. Voice minutes for Q3 2013 totalled 4.14 billion minutes and there were 16.4 billion minutes in the twelve months to the end of September 2013. Total voice minutes increased by 1.5% from the previous quarter but have fallen by 0.6% since Q3 2012.

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

Mobile originating voice minutes (up 4.7% on Q3 2012) accounted for 68.9% of all voice minutes in Q3 2013 (compared to 65.3% in Q3 2012) while traffic originating on a fixed line network (down 10.8% on Q3 2012) accounted for the remaining 31.1% of all voice minutes (compared to 34.7% in Q3 2012). Figure 1.3.2 shows the total voice traffic in Ireland at the end of Q3 2013.

<sup>13</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**

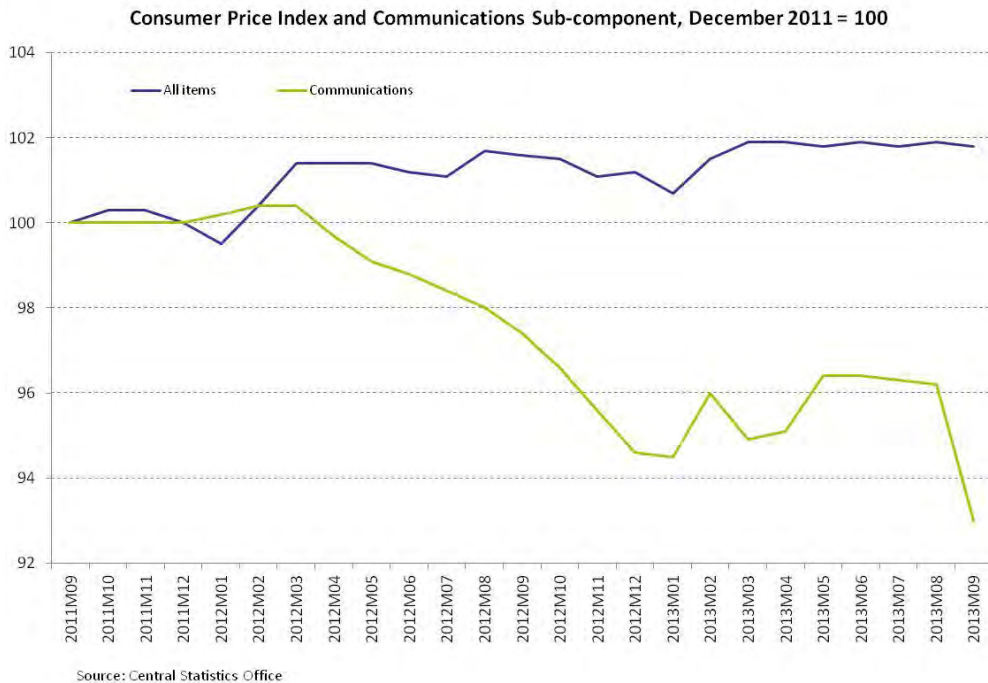
	<b>Q3'13 Mins</b>	<b>Q2'13 – Q3'13 Growth</b>	<b>Q3'12 – Q3'13 Growth</b>
<b>Fixed voice minutes</b>	<b>1,289,474,888</b>	<b>-5.0%</b>	<b>-10.8%</b>
<b>Mobile voice minutes</b>	<b>2,854,394,095</b>	<b>+4.7%</b>	<b>+4.7%</b>
<b>Total voice minutes</b>	<b>4,143,868,983</b>	<b>+1.5%</b>	<b>-0.6%</b>

**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 September 2011 to September 2013. The CSO has now revised its weighting for the communications basket to 3.133% of the total CPI down from 3.487% previously.<sup>14</sup>

Using December 2011 as the base period, communications prices have been fluctuating over the last 9 months with both increases and decreases observed during this period. Communication prices have declined by 7 base points since September 2011, compared to an increase in the overall CPI by 1.8 base points in the same period.

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



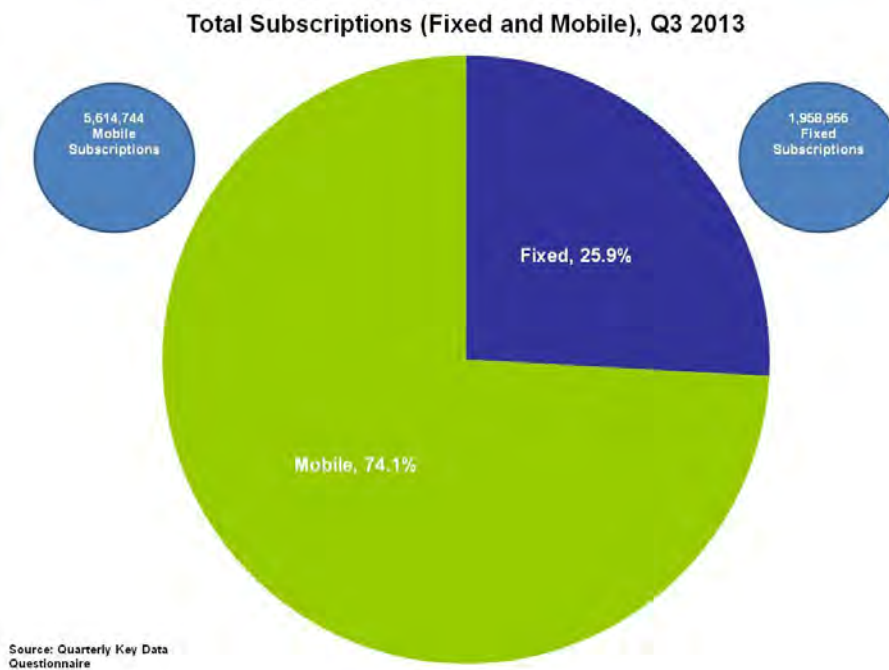
<sup>14</sup> [http://www.cso.ie/en/media/csoie/releasespublications/documents/prices/2013/prices/consumerpriceindex/cpi\\_jan\\_2013.pdf](http://www.cso.ie/en/media/csoie/releasespublications/documents/prices/2013/prices/consumerpriceindex/cpi_jan_2013.pdf)

### 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 as of Q3 2013.

Customers purchasing either a single fixed service or more than one service (as part of a bundle) are included in the fixed subscriptions category. The mobile market represents approximately 74.1% of all subscriptions with fixed line subscriptions representing the remaining 25.9%. It should be noted that it is possible that a customer may have more than one subscription, particularly where a mobile customer has more than one SIM card or in the case of a business customer with multiple subscriptions across several offices.

**Figure 1.5.1 – Total Subscriptions (Fixed and Mobile), Q3 2013**



## 2. Fixed Market Data

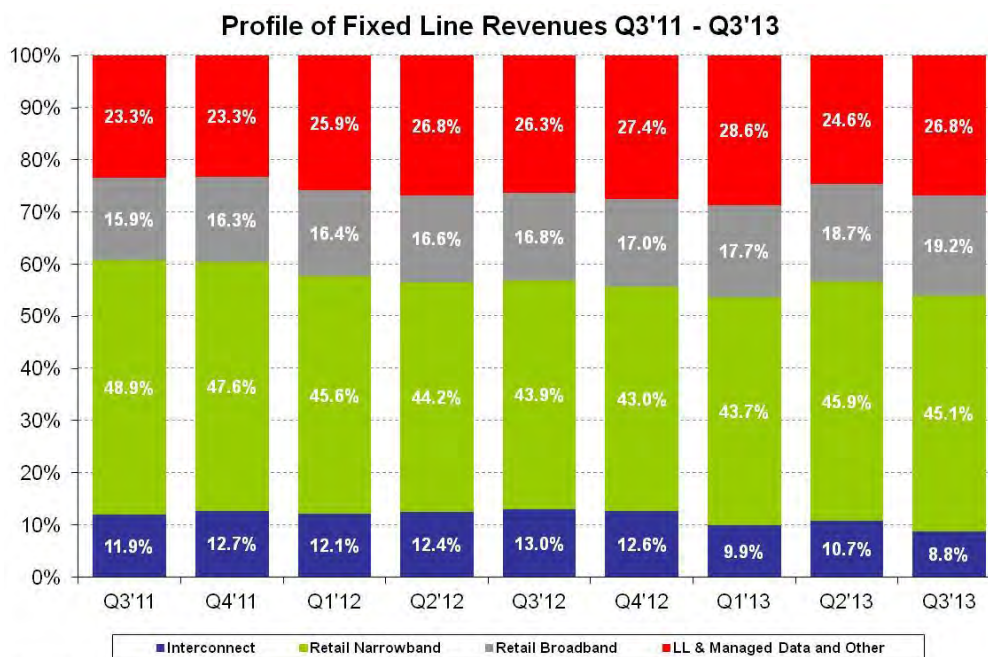
### 2.1 Total Fixed Line Revenues

Figure 2.1.1 shows the profile of fixed line wholesale and retail revenues in Ireland over the last two years. Total fixed line revenues for Q3 2013 were over €453 million. This was a decrease (-1.7%) on Q2 2013 revenues and a 8.8% decrease on Q3 2012 revenues.

Retail narrowband revenues (-6.3%), interconnect revenues (-38.2%) as well as leased lines, managed and other data services revenues (-7.1%) have fallen since Q3 2012, but retail broadband revenues have increased by 4.5%.

Comparing Q3 2012 to Q3 2013, the proportion of fixed line revenues attributable to leased lines, managed data and other advanced data services increased by 0.5 percentage points, interconnect revenues declined by 4.2 percentage points and retail broadband revenues' market share increased by 2.4 percentage points. The proportion of retail narrowband revenues has risen by 1.2 percentage points, to 45.1% of overall fixed line revenues.

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

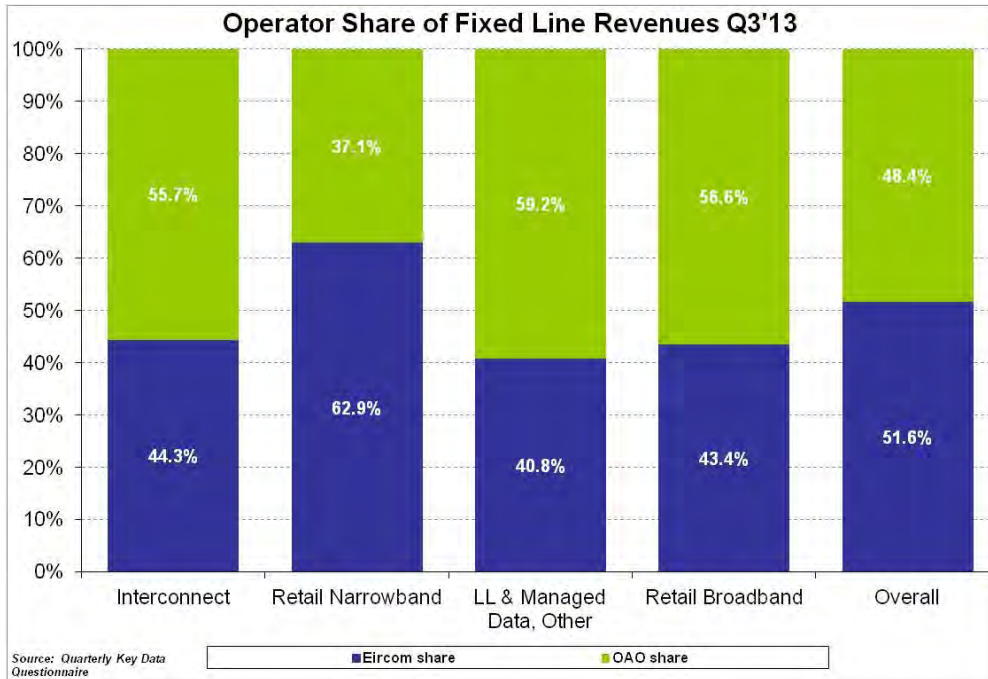




### 2.1.1 Authorised Operators’ Share of Overall Fixed Line Revenues

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

**Figure 2.1.1.1 – Operator Share of Fixed Line Revenues<sup>15</sup>**



<sup>15</sup> Eircom’s retail broadband share includes DSL, VDSL, Fibre and Satellite revenues.

Figure 2.1.1.2 below shows the revenue shares of the fixed market (interconnect, retail narrowband, retail broadband and leased line, managed and other data revenues). Eircom’s overall share of fixed line market revenue was 51.6% in Q3 2013.

**Figure 2.1.1.2 – Eircom’s Share of Fixed Line Revenues**

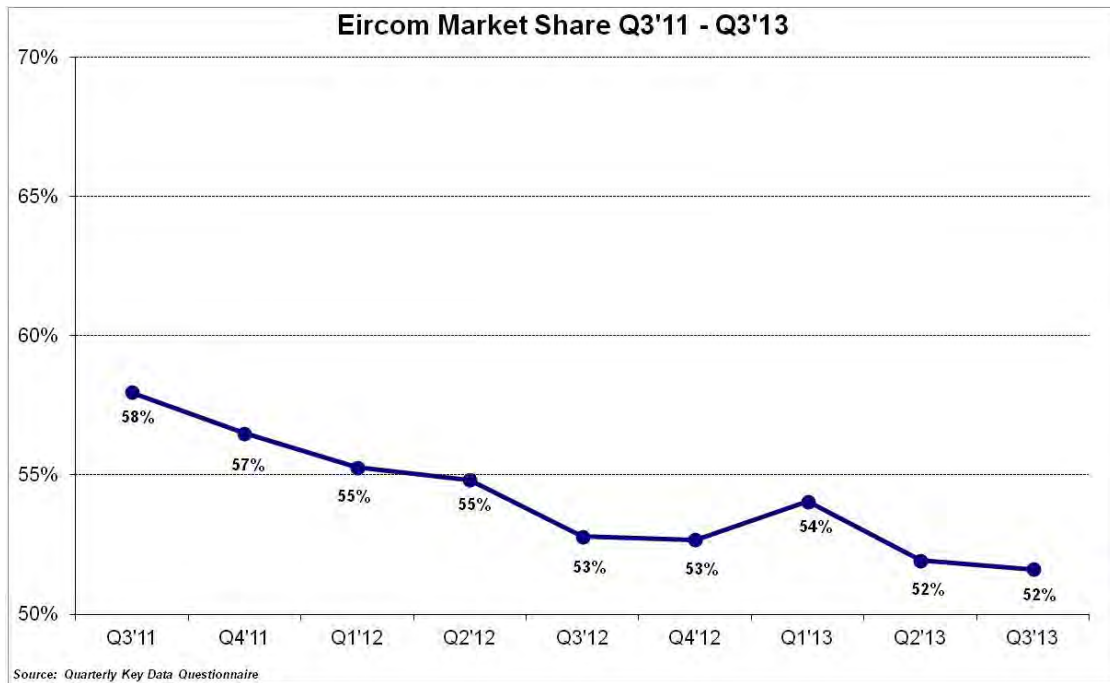
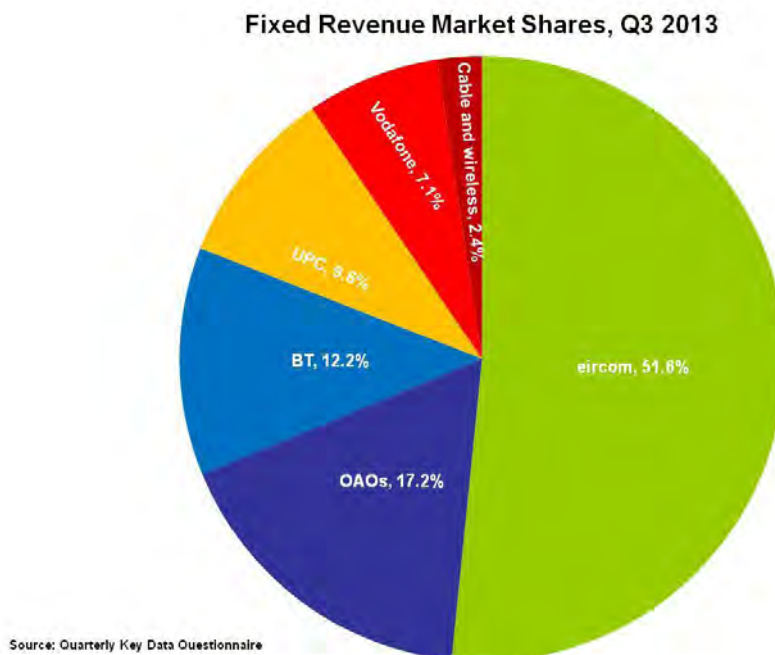


Figure 2.1.1.3 below outlines the revenue shares of the fixed market (comprising interconnect, retail narrowband, retail broadband and leased line, managed and other data revenues) held by the incumbent fixed line operator (eircom), OAOs with a minimum 2% market share, and all other OAOs. When making 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 Q3 2013, Eircom had the highest revenue share in the market with 51.6% market share. ComReg estimates that the next four largest operators (BT, UPC, Vodafone (fixed only) and Cable and Wireless Services) contribute a further 31.2% of industry revenue. This data includes both wholesale and retail revenues in the fixed market and, as such, should not be interpreted as a definitive statement of retail revenue market shares.

**Figure 2.1.1.3 – Fixed Revenue Market Shares**



## 2.2 Fixed Line Access Paths<sup>16</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 1.64 million direct and indirect PSTN and ISDN access<sup>17</sup> paths in the Irish market in Q3 2013. This represents an increase of 0.2% on last quarter but a decline of 1.8% since Q3 2012. The number of PSTN paths has increased by 0.5% since Q2 2013, but decreased by 2.0% since Q3 2012. The number of ISDN paths has decreased by 0.8% since Q2 2013 and decreased by 1.3% since Q3 2012.

**Figure 2.2.1.1 – Narrowband Fixed Access Paths**

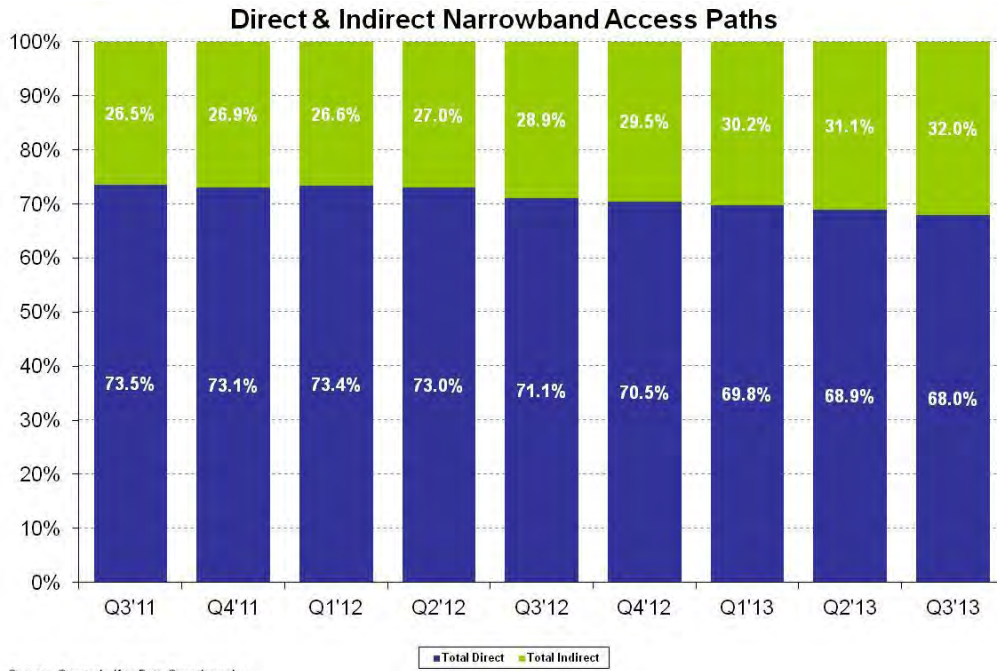
	<b>Q3'13</b>	<b>Q2'13 – Q3'13 Growth</b>	<b>Q3'12 – Q3'13 Growth</b>
<b>PSTN</b>	<b>1,258,046</b>	<b>+0.5%</b>	<b>-2.0%</b>
<b>ISDN Basic</b>	<b>141,226</b>	<b>-1.3%</b>	<b>-2.4%</b>
<b>ISDN Fractional</b>	<b>60,480</b>	<b>-2.7%</b>	<b>+0.2%</b>
<b>ISDN Primary</b>	<b>182,700</b>	<b>+0.1%</b>	<b>-0.9%</b>
<b>Total ISDN</b>	<b>384,406</b>	<b>-0.8%</b>	<b>-1.3%</b>
<b>Total PSTN and ISDN</b>	<b>1,642,452</b>	<b>+0.2%</b>	<b>-1.8%</b>

Figure 2.2.1.2 presents the total number of narrowband fixed access paths broken out by direct and indirect access. In Q3 2013, indirect access accounted for 32.0% of all access paths in the fixed line market. While this chart shows the number of narrowband only access paths in Ireland, voice and data can also be supplied by other means such as broadband. Details on the broadband market in Ireland can be found in chapter 3 of this report.

<sup>16</sup> Access paths are not synonymous with access lines as for example in the case of ISDN paths, there may be more than 1 path provided via a single ISDN line.

<sup>17</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**



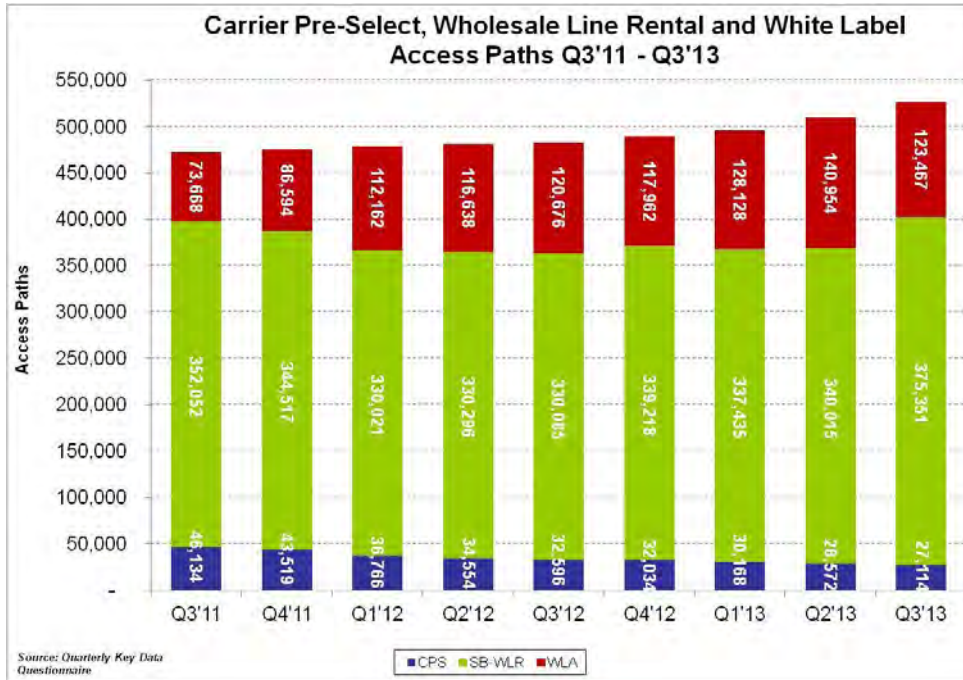
Source: Quarterly Key Data Questionnaire

**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 Q3 2013, there were 525,932 indirect access paths in Ireland. The number of indirect access paths increased by 3.2% this quarter and rose by 8.8% in the year to Q3 2013 due to an increase in SB-WLR, as CPS access paths continue to decline.

The data indicates that OAOs continue to migrate their customer base to single-bill services, i.e. SB-WLR or WLA rather than CPS (i.e. calls only). SB-WLR managed by OAOs now accounts for 71.4% of indirect access paths compared to 74.6% in Q3 2011. WLA paths account for 23.5% of total indirect access paths compared to 15.6% in Q3 2011. The share of CPS only indirect access paths has declined by 4.6 percentage points in the last two years and now accounts for 5.2% of overall indirect access paths.

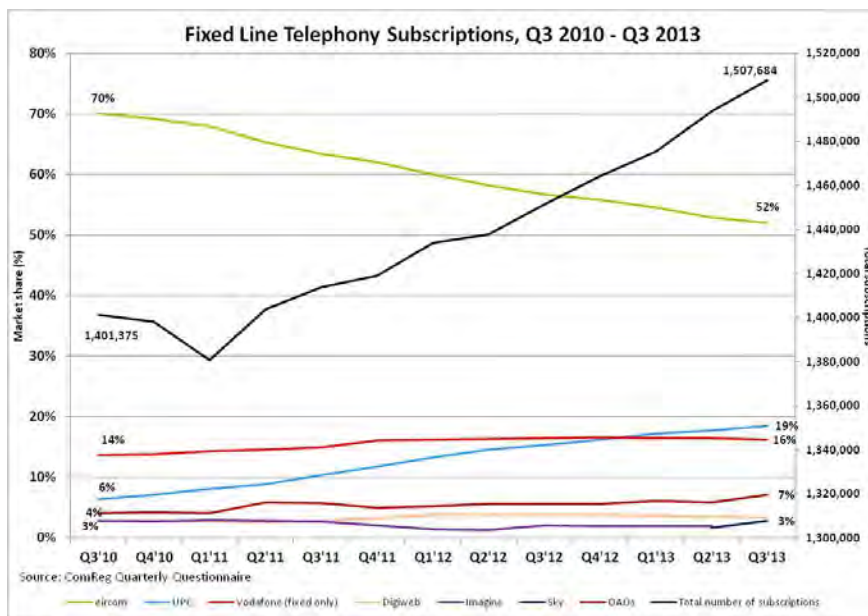
**Figure 2.2.2 – Narrowband Indirect Access Paths**



**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 Q3 2013 there was 1,507,684 fixed voice subscriptions (an increase of 0.9% on Q2 2013 and an increase of 3.9% on Q3 2012). Fixed voice subscriptions are increasing quarter on quarter since Q1 2011. As of Q3 2013 Eircom had 52% of all fixed voice subscriptions followed by UPC (19%) and Vodafone (16%).

**Figure 2.2.3 – Fixed Voice subscriptions, Q3 2010 – Q3 2013**

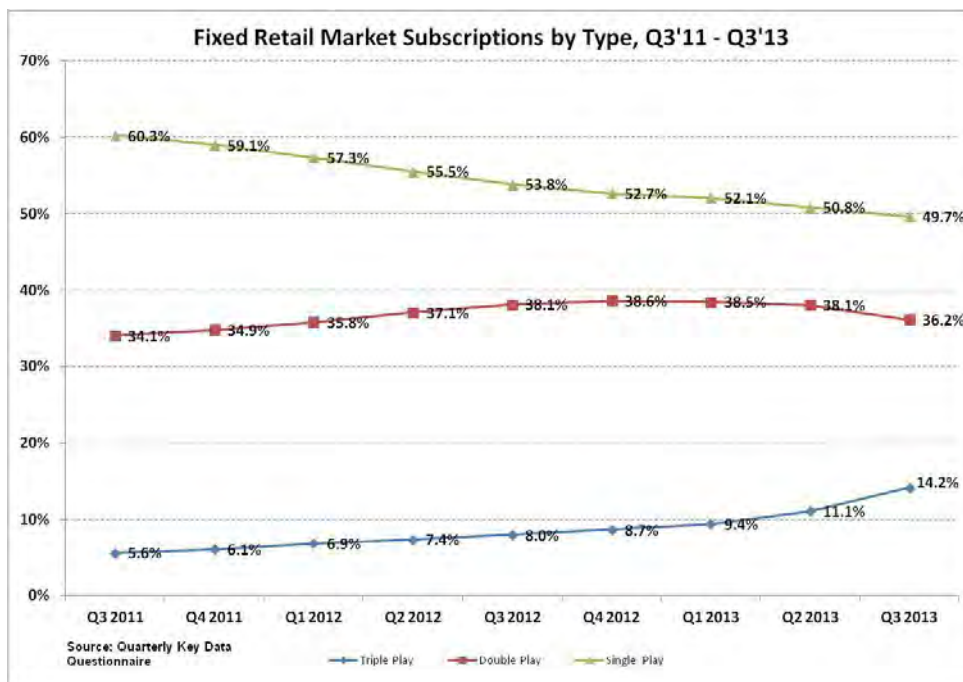


### 2.2.4 Fixed Market Retail Subscriptions by Type

Figures 2.2.4 shows the estimated proportion of retail customers/subscriptions to fixed line services (mobile networks are excluded) broken out by those with a single service and those taking a bundle of two or more services as of Q3 2013 (subscriptions mean a customer with at least one contract with an electronic communications service provider).<sup>18</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 1,958,956 fixed market retail subscriptions in Q3 2013 across both business and residential customers (a business customer may have multiple subscriptions). There was a continued decline in the share of single play subscriptions and a decline in double play subscriptions as triple play's share of subscriptions continued to increase. 49.7% of these subscriptions were single play compared to 53.8% in Q3 2012, 36.2% double play (a bundle of two services) compared to 38.1% in Q3 2012 and 14.2% triple play (a bundle of 3 services) compared to 8.0% in Q3 2012.

**Figure 2.2.4 – Fixed Market Retail Subscriptions by Type, Q3 2011 – Q3 2013<sup>19</sup>**



<sup>18</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.

<sup>19</sup> Sky Ireland have declined to provide information on TV subscriptions. Sky Ireland's distribution of subscriptions by type (single play, double play or triple play) is estimated using percentage distribution of Sky Ireland's subscriptions obtained from the market survey data conducted by RED C Research & Marketing Ltd. For more details on survey method, see the Appendix on page 74.

### 2.3 Fixed Voice Call Volumes

Fixed voice traffic in Q3 2013 was over 1.28 billion minutes, which was a 5.0% decrease on Q2 2013 and a fall of 10.8% since Q3 2012. Fixed voice traffic has fallen consecutively quarter on quarter since Q1 2011.

Managed voice over broadband (VoB) minutes account for approximately 11.4% of total fixed voice minutes up from 10.4% in Q3 2012. This reflects a continued increase in managed VoB subscriptions. There were more than 324,000 managed VoB subscriptions in Ireland in Q3 2013 (up from approximately 269,000 managed VoB subscriptions in Q3 2012) and over 146 million managed VoB minutes (down from 151 million managed VoB minutes in Q3 2012).

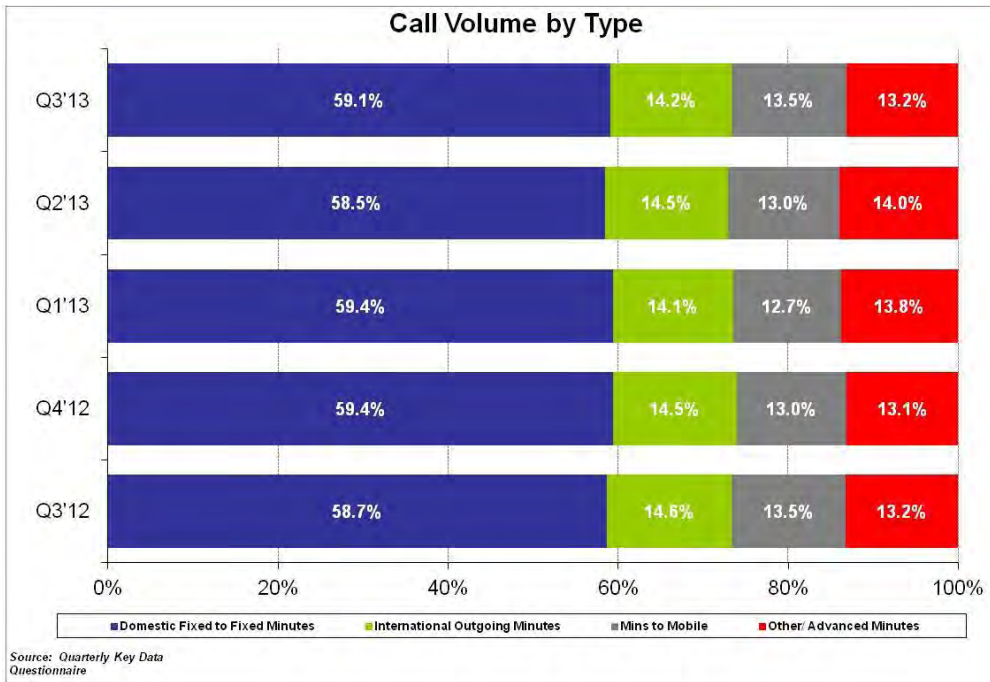
The numbers quoted in this report represent managed VoB data only (for example by Eircom, UPC and other providers such as Blueface) and do not include unmanaged or over the top VoB services by providers such as Skype.

It should be noted that in this quarterly report the split of managed VoB minutes by category (i.e. domestic, international, mobile, other) has been 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 59.1% of all fixed voice traffic in Q3 2013. International outgoing minutes had a 14.2% market share of all fixed voice traffic. The market share of fixed to mobile minutes was 13.5% while other/advanced minutes (which include premium rate minutes) represented 13.2% of all fixed voice traffic.

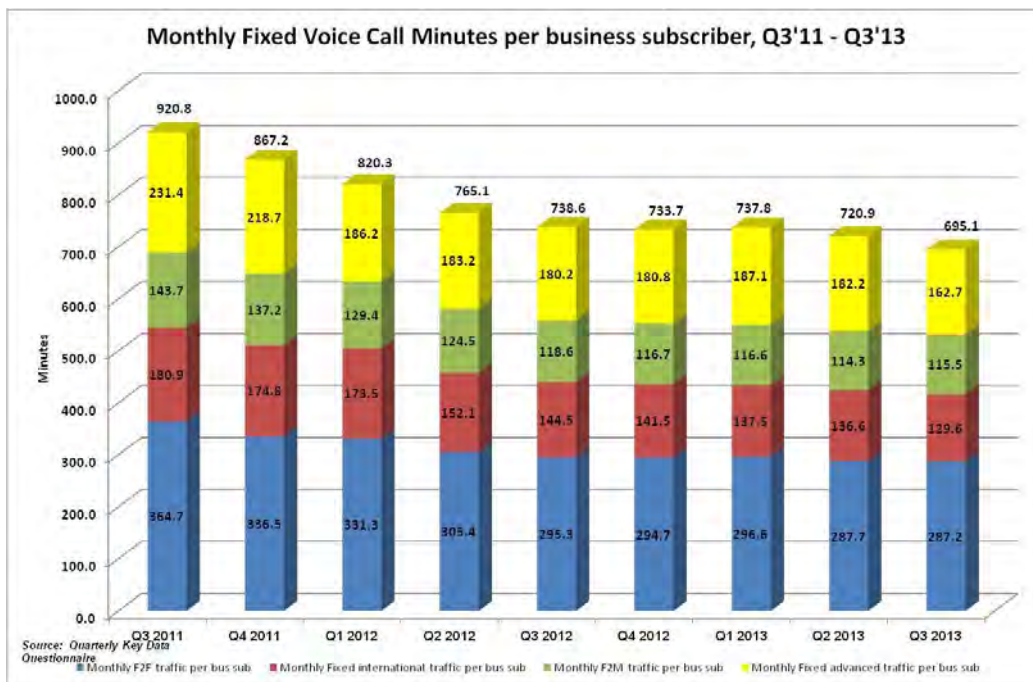


**Figure 2.3.1 – Fixed Voice Call Volume (Minutes)<sup>20</sup>**



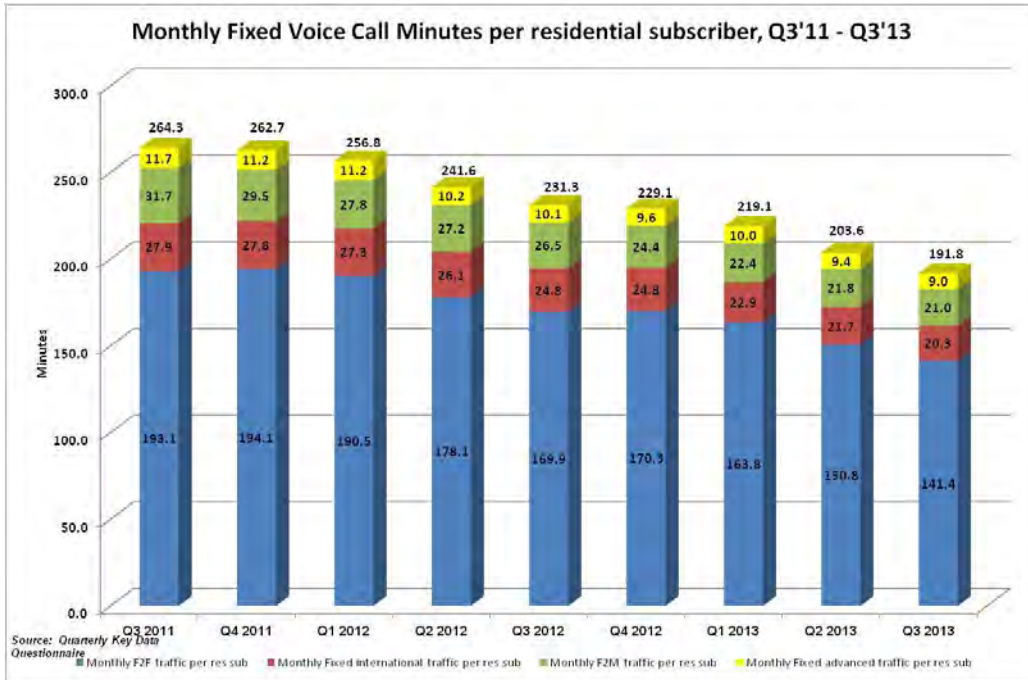
Figures 2.3.2 and 2.3.3 show the change in the average monthly fixed voice call minutes per business and residential subscribers respectively. In Q3 2013 the average business subscriber originated 695 minutes of voice calls, down 3.6% on Q2 2013 and down 5.9% on Q3 2012. The average residential subscriber usage was slightly above 190 minutes per month, down 5.8% on Q2 2013 and down 17.1% on Q3 2012.

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



<sup>20</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)**



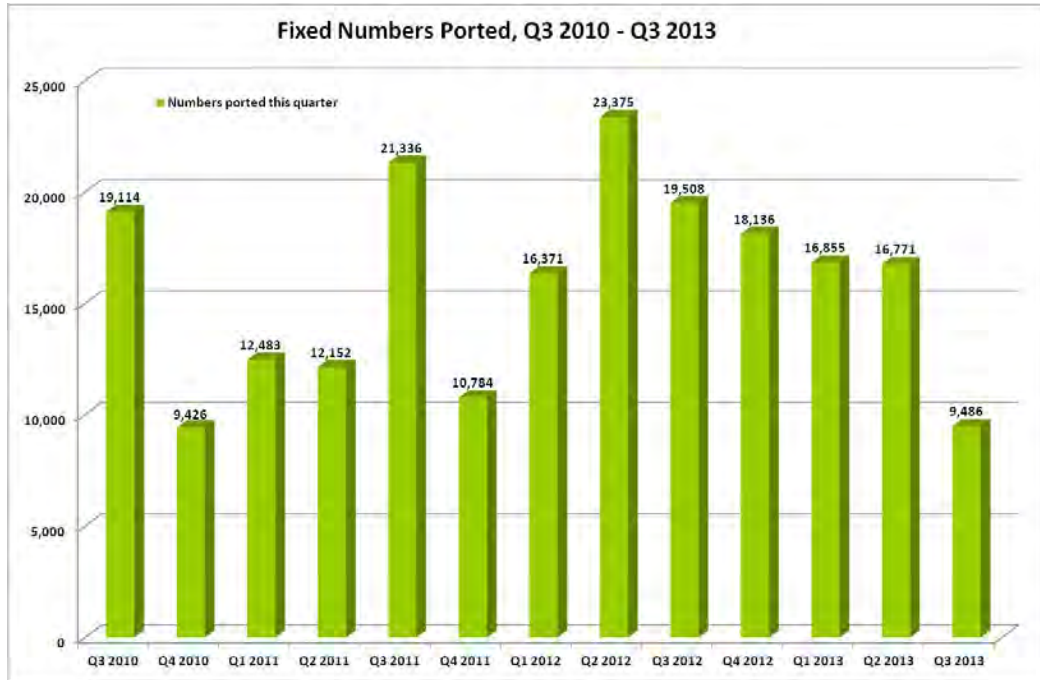
**2.4 Switching in the Fixed Voice Market**

Figure 2.4.1 illustrates the number of fixed numbers (geographic and non geographic) ported between Irish fixed voice service providers since Q3 2010. FNP allows consumers to switch fixed voice provider while retaining their fixed number.

In the quarter to September 2013, 9,486 numbers<sup>21</sup> were ported between operators (61,248 numbers in the twelve months to September 2013). Over the last 12 months, an average of 15,312 numbers has been ported each quarter.

<sup>21</sup> Non geographic ports constitutes approximately 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>22</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, the latest of which was in early 2010.

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

**Residential and business PSTN baskets**

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

<sup>22</sup> This will be determined by whether the EU country is also an OECD member.

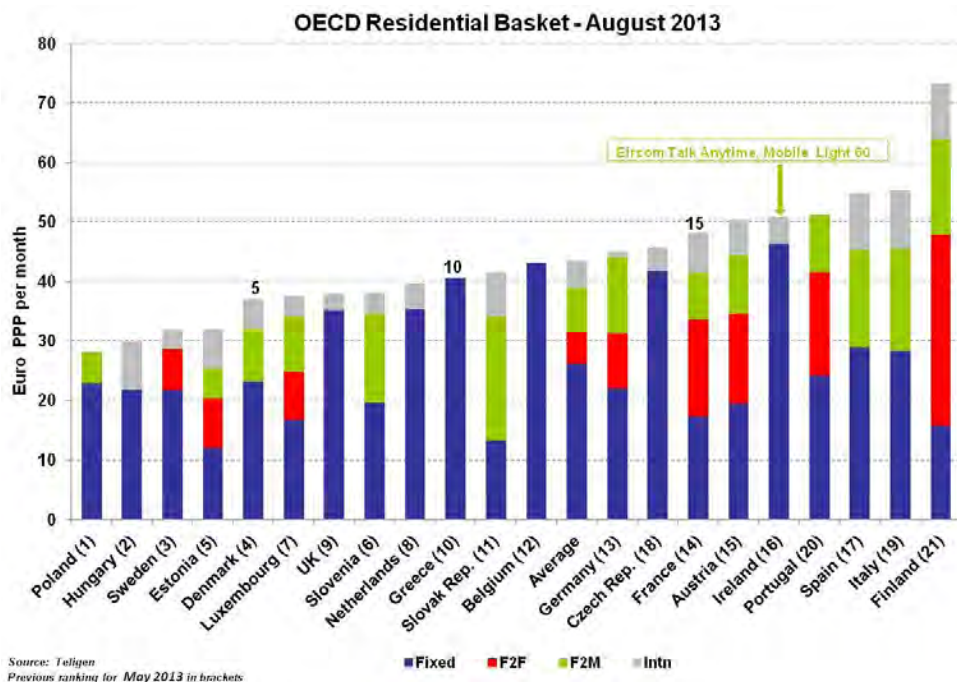
For the PSTN baskets, only the incumbent operator is covered. Discounts are incorporated and only tariffs presented as current tariffs on the operator web pages are considered. Nonrecurring charges (installation of a service) are discounted over 5 years and other fixed costs are included such as line rental and any other additional charges. Fixed, mobile and international calls are included in the baskets. For more detailed information please see ComReg’s accompanying Memorandum, document 13/120a.

**2.5.1 OECD Residential PSTN Basket**

Figure 2.5.1.1 illustrates Ireland’s ranking, alongside another 20 EU countries, for residential calls, based on a basket of 140 calls per month. This chart is based on a comparison of the cheapest incumbent package available for a specific customer usage profile. In many cases this will include both line rental and call minutes for a fixed monthly charge.

It should therefore be noted that the “fixed” element in this basket is not an indication of the cost of basic line rental. In August 2013 Ireland ranked in 17<sup>th</sup> position, five 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 17.0% more expensive than the average of the European countries charted.

**Figure 2.5.1 - OECD Residential PSTN Basket – August 2013<sup>23</sup>**



Source: Tollygen  
Previous ranking for May 2013 in brackets

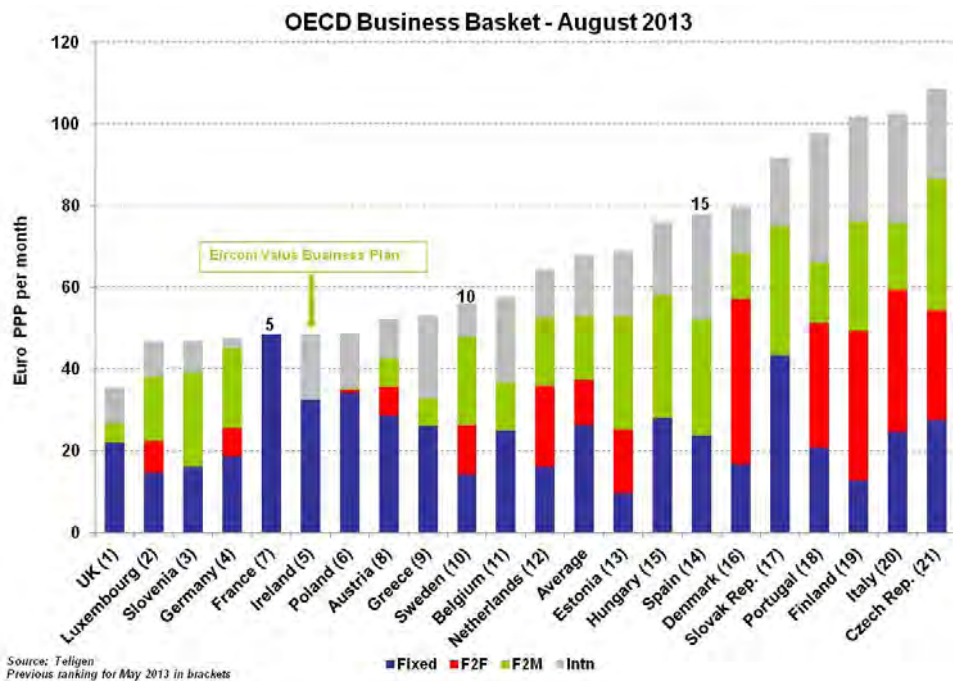
<sup>23</sup> Residential tariffs include VAT. VAT rates vary between member states.

### 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 August 2013 Ireland ranked in 6<sup>th</sup> position, 8 places lower 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 Value Business Plan, which was 28.3% cheaper than the average of the European countries charted.

**Figure 2.5.2 - OECD Business PSTN Basket – August 2013**



### 3. Internet and Broadband

#### 3.1 Total Internet Subscriptions and provision of broadband<sup>24</sup> services

Figure 3.1.1 shows the total number of narrowband and broadband internet subscriptions in Ireland as of Q3 2013. At the end of September 2013, there were over 1.68 million active internet subscriptions in Ireland. This was an increase of 0.6% on the previous quarter and a 0.8% increase on September 2012.

In Q3 2013, there were 1,674,990 broadband subscriptions in Ireland<sup>25</sup>. This is an increase of 1.0% since Q3 2012, and an increase of 0.6% since last quarter. There was an increase in total fixed line subscriptions this quarter (up by 19,434), but mobile broadband subscriptions fell again this quarter (down by 9,675 subscriptions). ComReg reports active mobile broadband subscriptions and does not include internet access over mobile handsets such as smartphones in these numbers.

Cable (up by 2.7%), VDSL and 'other' (up by 0.5%) subscriptions showed positive growth this quarter. Cable subscriptions increased by 12.1% over the last year. FWA<sup>26</sup> (down by 2.6%), DSL (down by 4.0%) and mobile broadband subscriptions (down by 1.8%) fell this quarter. It is likely that some or all of the DSL reductions are accounted for by a switch to VDSL service.

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

Subscription Type	Q3'13 Subs	Quarterly Growth Q2'13 – Q3'13	Year-on-Year Growth Q3'12 – Q3'13
Narrowband	9,304	-3.2%	-24.6%
DSL Broadband <sup>27</sup>	711,911	-4.0%	-1.1%
VDSL Broadband <sup>28</sup>	41,586	-	-
Cable Broadband	332,779	+2.7%	+12.1%
FWA Broadband <sup>29</sup>	61,975	-2.6%	-3.0%

<sup>24</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>25</sup> The difference between this and the total internet subscriptions is accounted for by narrowband internet subscriptions.

<sup>26</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. ComReg will update this additional estimate on an annual basis.

<sup>27</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>28</sup> VDSL refers to very-high-bit-rate digital subscriber line. As of Q3 2013 these lines are reported in the separate category. In Q2 2013 report VDSL lines were included in DSL category.

<sup>29</sup> FWA subscriptions include an estimate of 2,000 since Q1 2011. This is based on subscriptions to small FWA firms who may not be required to submit a questionnaire response to ComReg as they do not meet ComReg's minimum turnover threshold.

<b>Other Broadband<sup>30</sup></b>	<b>12,375</b>	<b>+0.5%</b>	<b>+6.4%</b>
<b>Total Fixed broadband</b>	<b>1,160,626</b>	<b>+1.7%</b>	<b>+6.2%</b>
<b>Mobile Broadband</b>	<b>514,364</b>	<b>-1.8%</b>	<b>-9.1%</b>
<b>Total Broadband</b>	<b>1,674,990</b>	<b>+0.6%</b>	<b>+1.0%</b>
<b>Total Internet Subscriptions</b>	<b>1,684,294</b>	<b>+0.6%</b>	<b>+0.8%</b>

Figure 3.1.2 profiles internet subscriptions in Ireland using the classifications of subscription type outlined in Figure 3.1.1. Broadband subscriptions accounted for 99.4% of all internet subscriptions in Q3 2013.

**Figure 3.1.2 – Total Internet Subscriptions**

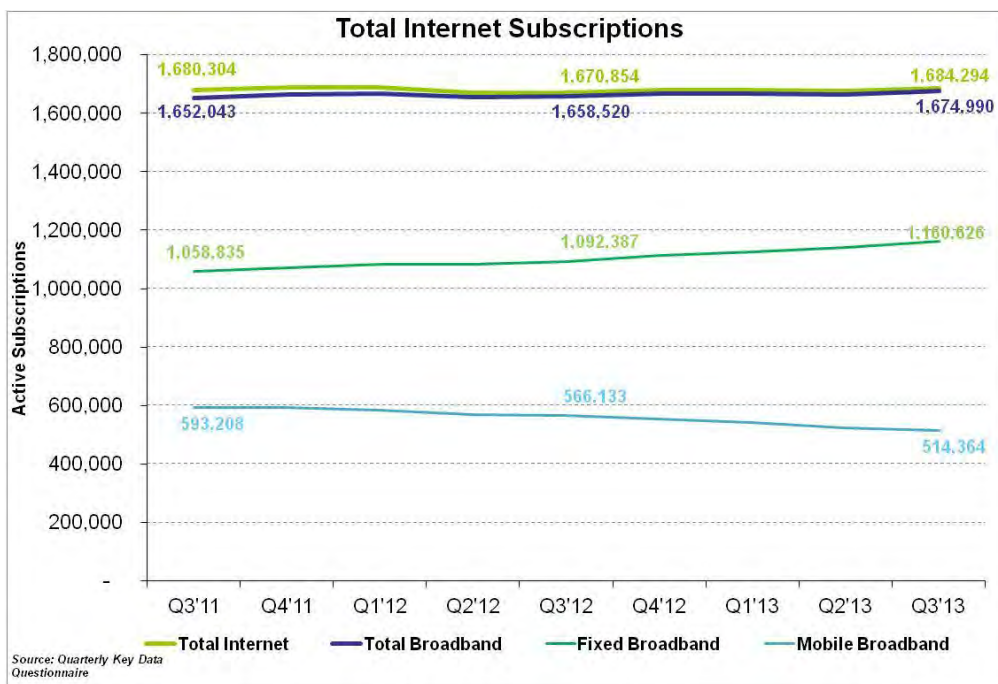
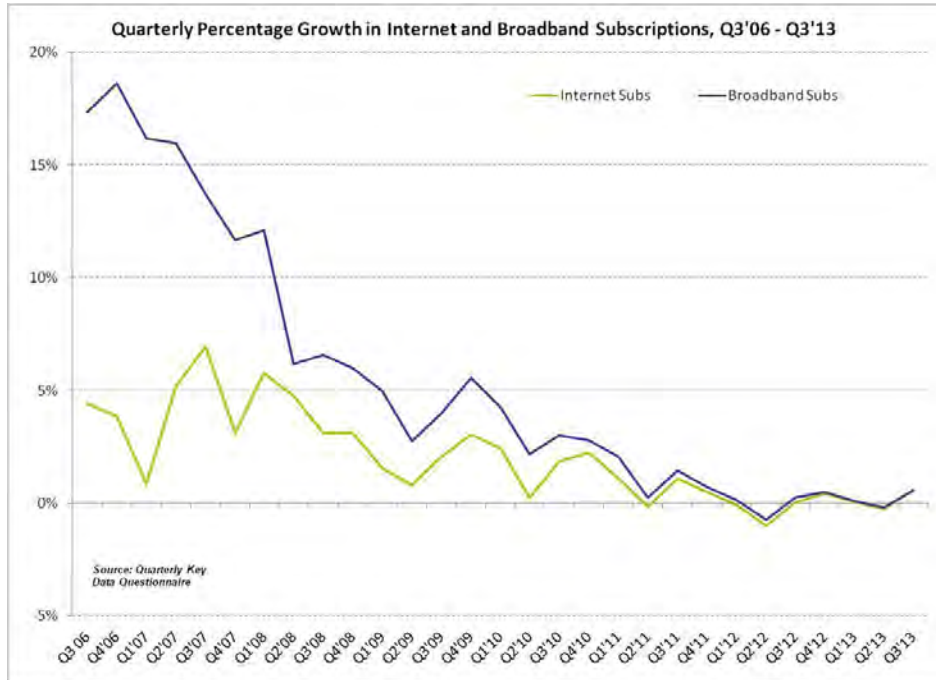


Figure 3.1.3 shows the quarterly percentage change in broadband and internet subscriptions since Q3 2006. In general, there has been a continual slowdown in the rate of growth of broadband subscriptions over the period. It should be noted that ComReg reports active broadband subscriptions and the mobile broadband numbers reported by ComReg do not include internet access over mobile handsets such as smartphones.

<sup>30</sup> Other Broadband includes fibre, and satellite broadband connections.

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

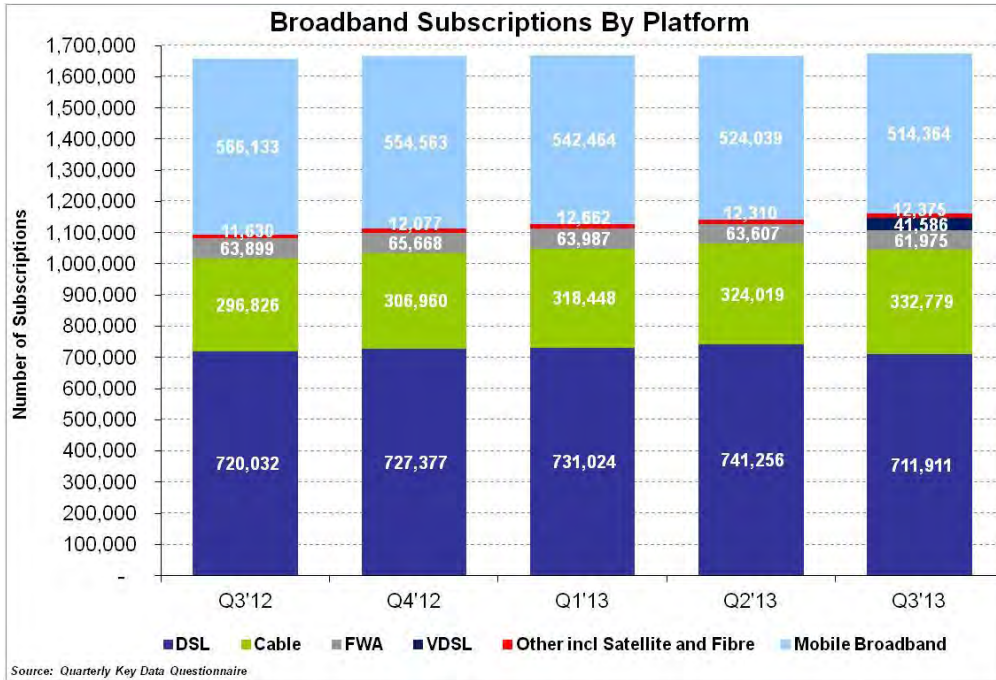


DSL subscriptions account for the single largest majority of broadband subscriptions (42.5%) but its share has decreased by 0.8 percentage points over the last year. Mobile broadband subscriptions share has declined again this quarter, now accounting for 30.7% of all broadband subscriptions. Cable has a 19.9% share of all broadband subscriptions up from 17.9% in Q3 2012. FWA has a 3.7% share of broadband subscriptions down from 3.9% in Q3 2012. VDSL accounted for 2.5% while other (satellite/fibre) broadband subscriptions represent 0.7% of broadband subscriptions in Q3 2013 (the same as in Q3 2012).

Figure 3.1.4 illustrates the split by type of broadband subscriptions in the Irish market since Q3 2012, while Figure 3.1.5 shows the net additions of broadband subscriptions by each platform. In Q3 2013, the net total broadband increase was driven by fixed broadband subscriptions as mobile broadband contributed negatively to broadband growth.



**Figure 3.1.4 – Broadband Subscriptions by Platform**



**Figure 3.1.5 – Broadband Subscriptions - Net additions, Q4 2011 – Q3 2013**

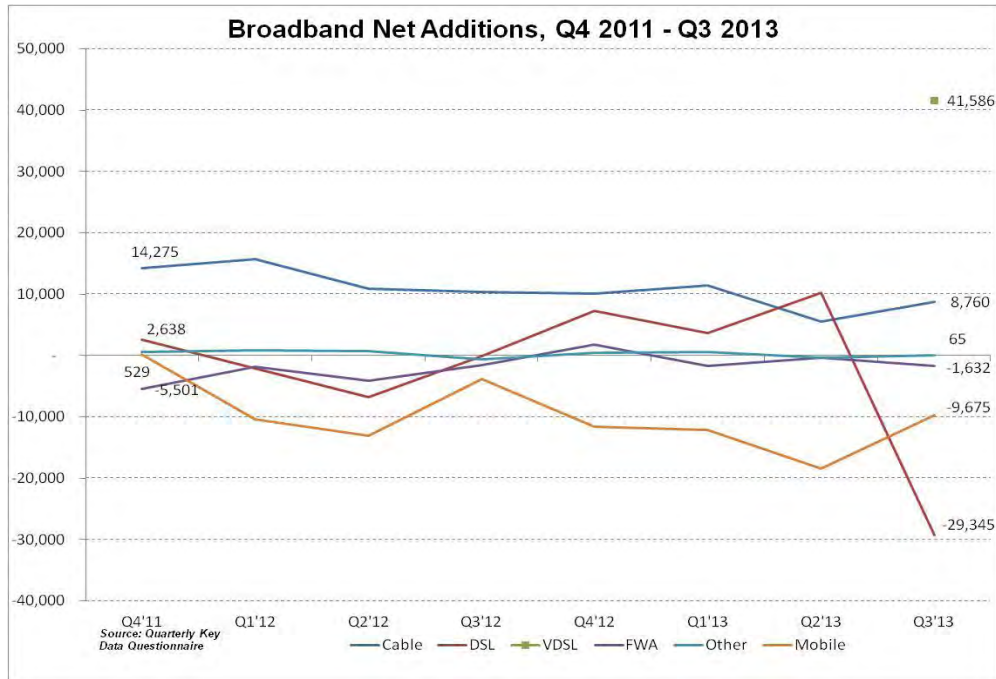


Figure 3.1.6 provides an estimate of the proportion of business and residential subscriptions to DSL, VDSL, cable, fixed wireless, mobile broadband, fibre and satellite broadband services. In Q3 2013 83.1% of broadband subscriptions on all platforms were classed as residential broadband subscriptions. 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**

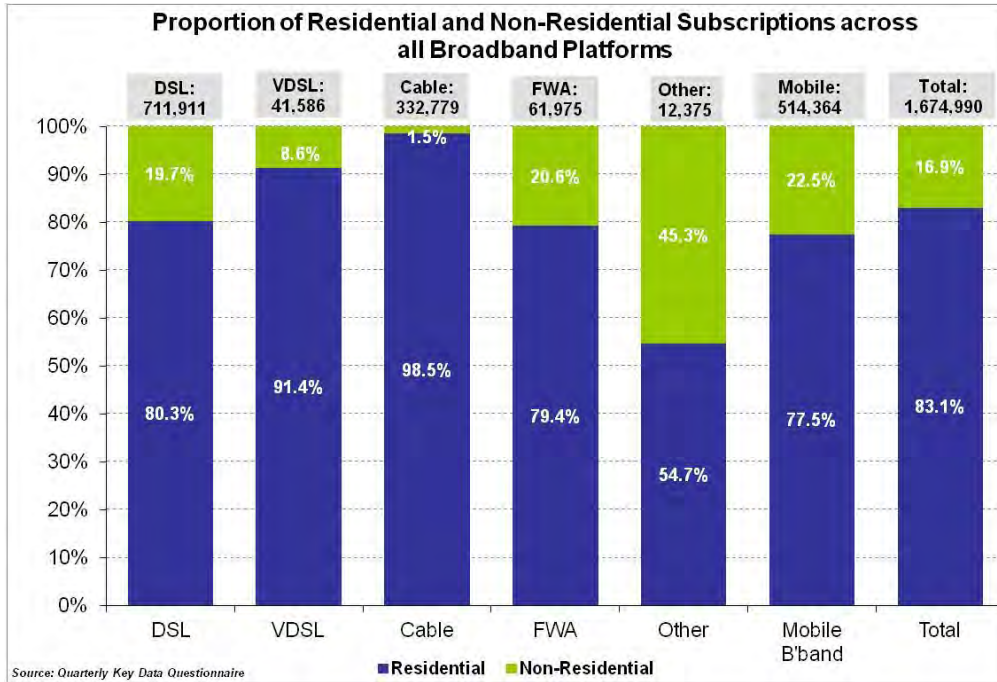


Figure 3.1.7 illustrates the breakdown of broadband subscriptions by contracted speed across all fixed broadband platforms (mobile broadband is excluded). In total, approximately 42.1% of broadband subscriptions were  $\geq 10$ Mbps (with 32.5%  $\geq 30$ Mbps). This equates to approximately 46.8% (37.1%  $\geq 30$ Mbps) of residential subscriptions and 14.1% (5.0%  $\geq 30$ Mbps) of business subscriptions. Residential subscriptions  $\geq 10$ Mbps are primarily accounted for by cable and VDSL subscriptions, where almost 100% of subscriptions are  $\geq 10$ Mbps.

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

**Figure 3.1.7 – Fixed Broadband Subscriptions<sup>31</sup> by Contracted Download Speeds and Subscription Type**

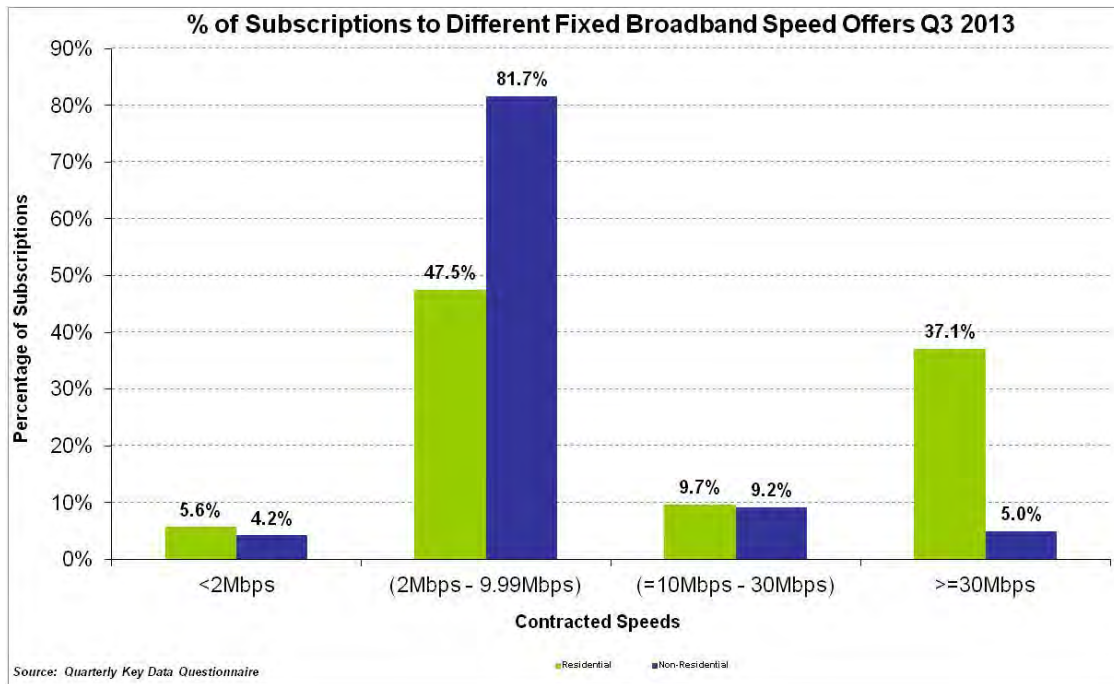
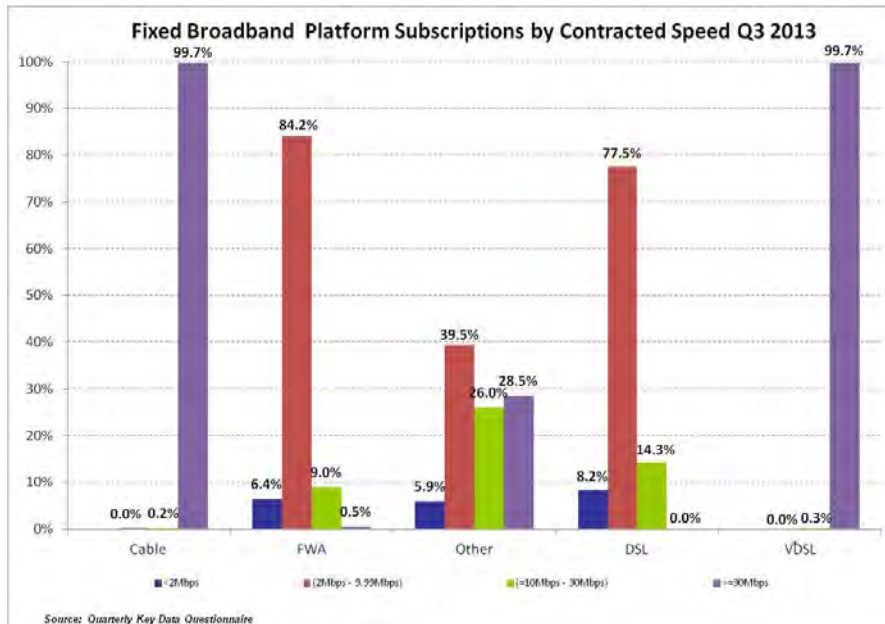


Figure 3.1.8 shows broadband subscriptions by contracted speed and the type of broadband platform subscribed to.

**Figure 3.1.8 – Fixed Broadband Subscriptions by Contracted Download Speeds and Broadband Platform<sup>32</sup>**



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

<sup>32</sup> \*Estimate percentage split.

Figure 3.1.9 shows the change in fixed broadband subscriptions by contracted download speeds between Q4'11 and Q3'13. Growth in broadband speeds has been in the  $\geq 30$ Mbps category, which has increased from 3.4% to 32.5% over this period. Cable subscriptions represented approximately 88% of total subscriptions  $\geq 30$ Mbps.

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

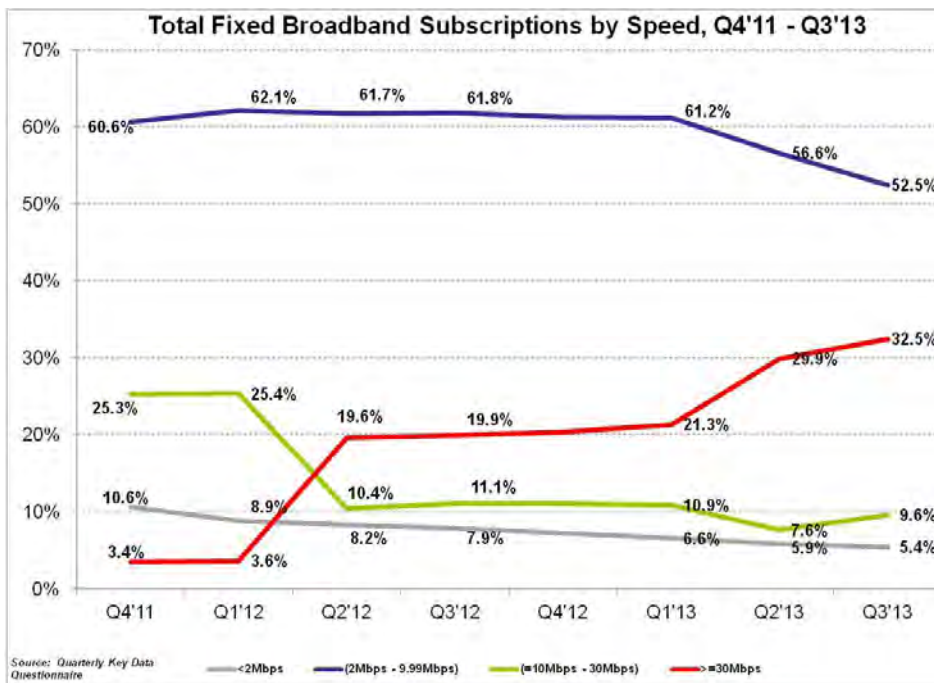


Figure 3.1.10 provides the market share of fixed broadband operators by number of subscriptions. DSL, VDSL cable modem, FWA, satellite and fibre subscriptions are all used to calculate fixed broadband market shares.

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 then grouped together under OAOs.

According to the data received from operators for Q3 2013, Eircom had 38.5% of total fixed broadband subscriptions, followed by UPC who had 28.5% of subscriptions. Vodafone had a 16.4% market share (excluding mobile broadband subscriptions), Sky Ireland had 3.6%, Imagine had 3.4%, while Digiweb had 2.2%. All other operators combined accounted for the remaining 7.5% fixed broadband subscriptions.

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

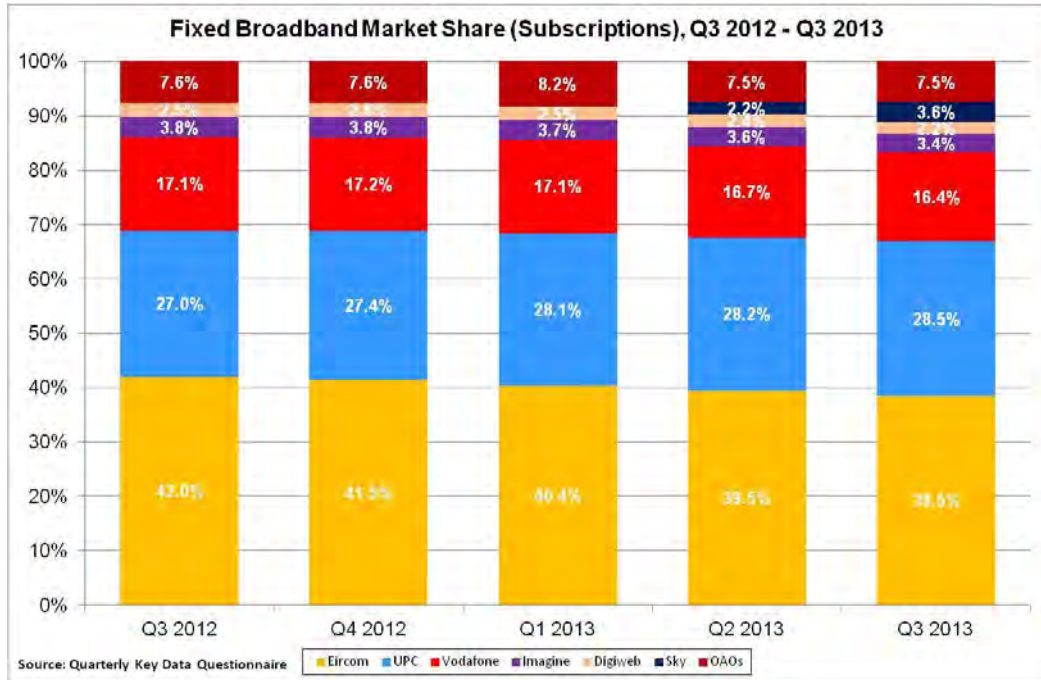
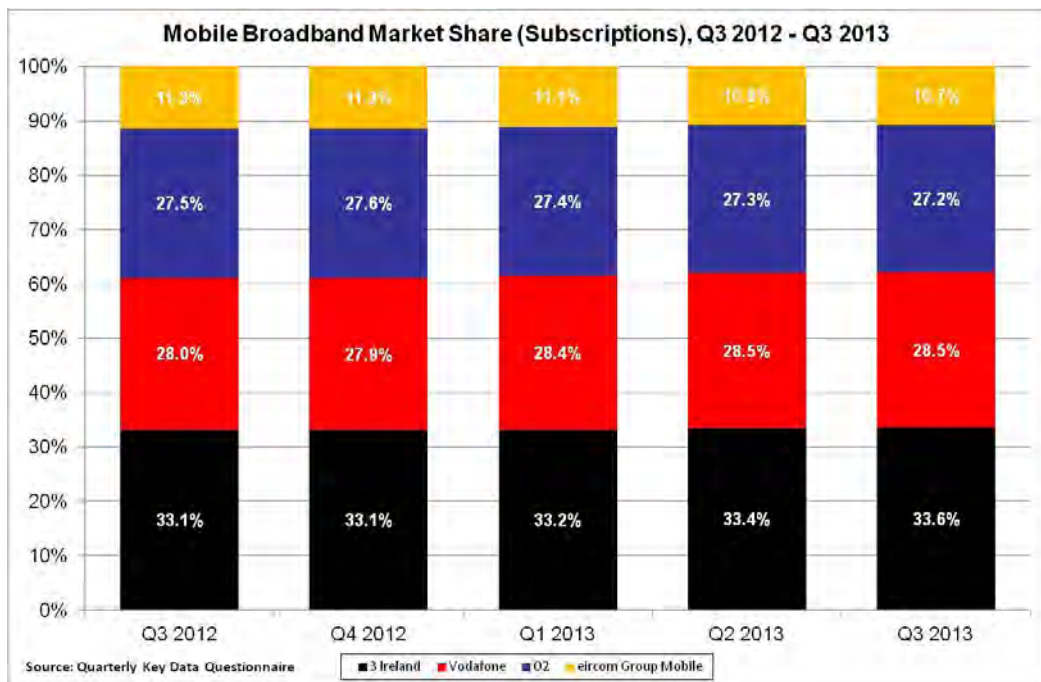


Figure 3.1.11 shows the market share of mobile broadband operators by subscriptions. As of Q3 2013, 3 had the largest share with 33.6%,<sup>33</sup> up from 33.1% in Q3 2012. Vodafone’s market share was 28.5%, up from 28.0% in Q3 2012. O2 had a market share of 27.2% down from 27.5% in Q3 2012, while eircom group mobile had a market share of 10.7% down from 11.3% in Q3 2012.

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



<sup>33</sup> 3’s National Broadband Scheme subscriptions are included in this data.

### 3.2 Provision of DSL Access

Figure 3.2.1 examines the provision of DSL access. DSL broadband services are provided to consumers by operators using three alternative methods of access. DSL may be provided directly to the consumer by Eircom using direct access to its network; this accounted for 58.2% of all DSL subscriptions in Q3 2013. 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 Q3 2013, 30.9% of all DSL lines were provided by OAOs using wholesale bitstream. In absolute terms there were 220,070 wholesale bitstream lines in Q3 2013, an increase of 8.8% since Q3 2012. The remaining 10.9% of DSL lines were provided to subscribers by OAOs using local-loop unbundling. In Q3 2013 there were 77,356 unbundled local loops, up from 59,495 in Q3 2012 and up from 73,175 in Q2 2013. Eircom’s market share of retail DSL lines has declined by 5.4 percentage points over the last year.

**Figure 3.2.1 - Provision of DSL Access**

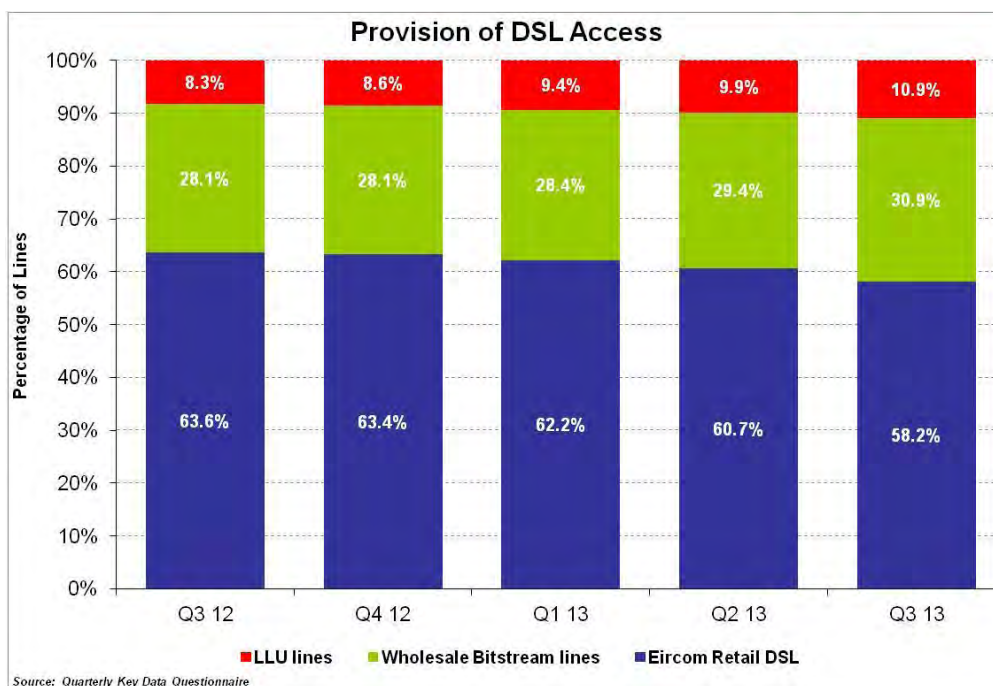
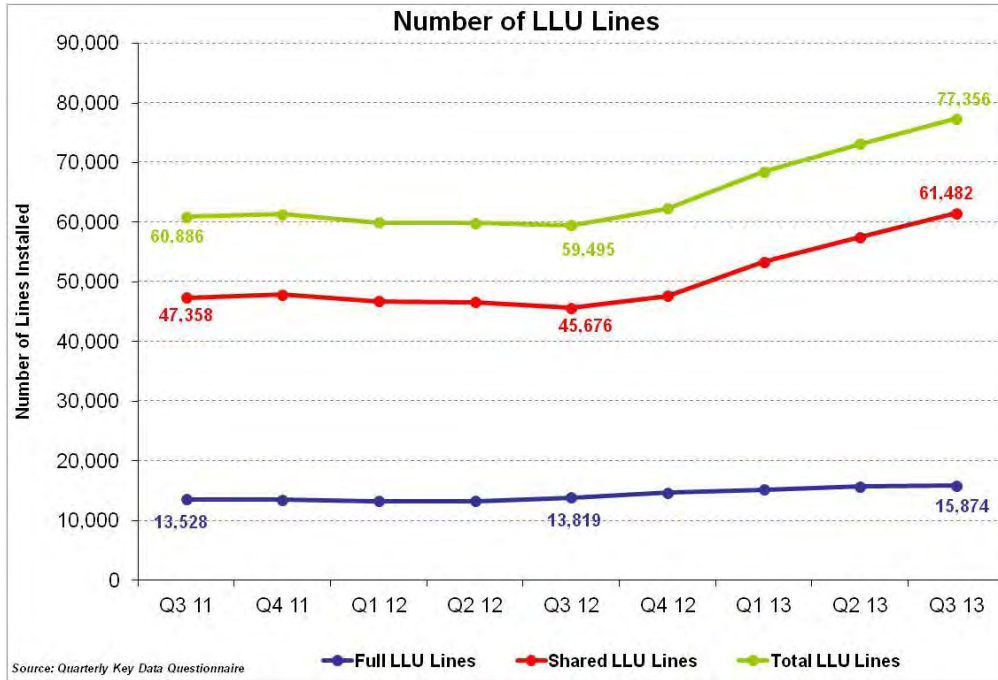


Figure 3.2.2 shows the number of unbundled lines classified by shared and full<sup>34</sup> status. Between Q3 2011 and Q3 2013 the total number of LLU lines increased by 27.1%. Total LLU lines increased by 5.7% this quarter. Full LLU lines increased by 1.2% while shared LLU lines rose by 6.9% this quarter.

<sup>34</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.

**Figure 3.2.2 – Number of Local Loops Unbundled**



### 3.3 Broadband Penetration

The total number of broadband subscriptions in Ireland for Q3 2013 was 1,674,990. Using fixed residential broadband subscriptions only, 993,217 (i.e. excluding business subscriptions and mobile broadband subscriptions), the estimated fixed broadband household penetration rate (there were 1,690,100 households in Ireland using CSO Q2 2013 estimate) as of Q3 2013 was 58.8%.

Based on the total number of broadband subscriptions in Ireland for Q3 2013, the broadband per capita penetration rate (including mobile broadband) was 36.5%. When mobile broadband is excluded, the penetration rate was 25.3%.<sup>35</sup> These figures are based on a population of 4,593,800 from Central Statistics Office (CSO) Q2 2013 estimate.<sup>36</sup>

Figure 3.3.1 shows fixed broadband subscriptions per capita among 28 EU countries in Q2 2011 and Q2 2013. Based on this data, **Ireland's** fixed broadband per capita penetration rate (24.7%) remains behind the benchmarked EU28 average of 27.8%.

<sup>35</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 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>36</sup> Estimates based on Quarterly National Household Survey (QNHS).

**Figure 3.3.1 – Broadband Subscriptions per Capita, Q2 2011 – Q2 2013**

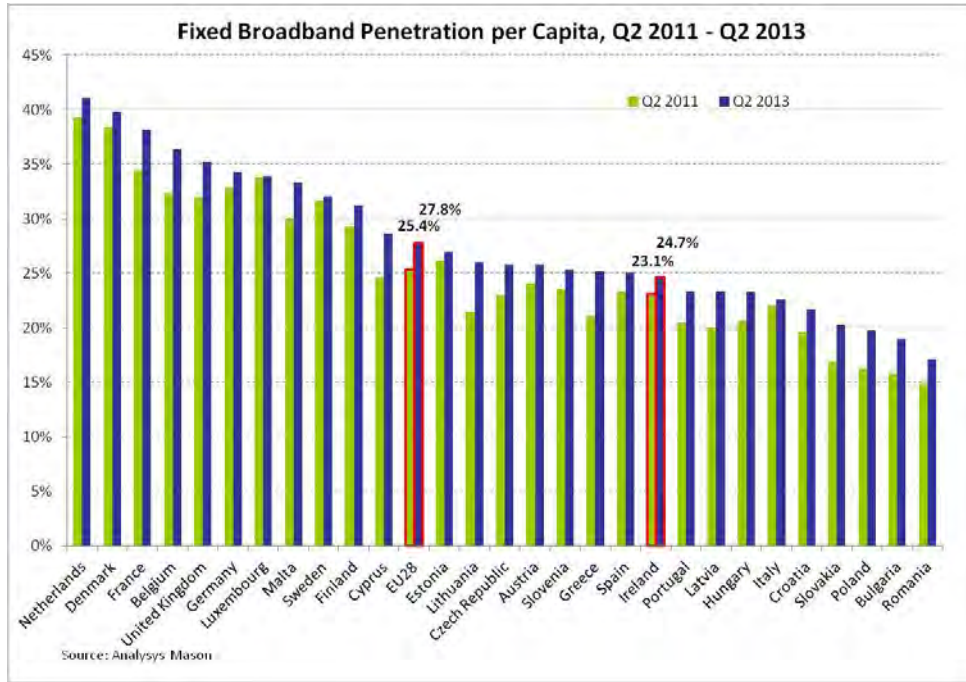


Figure 3.3.2 shows the proportion of households with broadband connections from 2008 to 2012. Both fixed and mobile broadband <sup>37</sup> are included. **Ireland’s** household broadband penetration rate at 65% is lower than the EU27 average of 72%. Penetration has increased by 22 percentage points since 2008 while the EU27 penetration has increased by 23 percentage points.

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



**Figure 3.3.2 – Household Broadband Subscriptions, 2012**

	Broadband internet connections		
	2008	2010	2012
AT	54	64	77
BE	60	70	75
BG	21	26	51
CY	33	51	62
CZ	36	54	68
DE	55	75	82
DK	74	80	85
EE	54	64	74
EL	22	41	51
ES	45	57	67
<b>EU-27</b>	<b>49</b>	<b>61</b>	<b>72</b>
FI	66	76	85
FR	57	66	77
HU	42	52	68
<b>IE</b>	<b>43</b>	<b>58</b>	<b>65</b>
IT	31	49	55
LT	43	54	61
LU	61	70	68
LV	40	53	67
MT	55	69	77
NL	74	80	83
PL	38	57	67
PT	39	50	60
RO	13	23	50
SE	71	83	87
SI	50	62	73
SK	35	49	72
UK	62	:u	80

Source: Eurostat, Statistics in Focus 50/2012.

### 3.4 WiFi Broadband Access

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

ComReg presents data on the WiFi market based on the number of public WiFi hotspots and access points located nationally. Internet hotspots are typically public wireless access points where a computer, usually a laptop, or other portable device such as an iPhone or tablet can connect to the internet. A WiFi hotspot can be made up of one or

more WiFi access points<sup>38</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 52.1% and 25.3% respectively, comparing Q3 2012 to Q3 2013. WiFi minutes increased by 102.6% over this period. This may be a reflection of the increasing take up of smartphones and tablet devices among Irish consumers, as well as changes in 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 Q3 2013 is also provided below.

**Figure 3.4.1 – WiFi Hotspots, Access Points and Minutes of Use**

	<b>Q3 2013</b>	<b>Q3'12-Q3'13 Growth</b>	<b>Q2'13-Q3'13 Growth</b>
<b>WiFi Hotspots</b>	<b>2,725</b>	<b>52.1%</b>	<b>2.6%</b>
<b>WiFi Access Points</b>	<b>4,541</b>	<b>25.3%</b>	<b>2.0%</b>
<b>WiFi Minutes of Use</b>	<b>321,365,525</b>	<b>102.6%</b>	<b>19.2%</b>

<b>% Share - Q3 2013</b>	<b>Bitbuzz</b>	<b>Eircom</b>	<b>OAOs</b>
<b>WiFi Hotspots</b>	<b>13.5%</b>	<b>84.6%</b>	<b>2.0%</b>
<b>WiFi Access Points</b>	<b>40.9%</b>	<b>57.8%</b>	<b>1.3%</b>
<b>WiFi Minutes of Use</b>	<b>53.1%</b>	<b>41.8%</b>	<b>5.1%</b>

### **3.5 Broadband Pricing Data**<sup>39</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

<sup>38</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.

<sup>39</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.

contracted speeds offered. Operators' broadband packages are compared on the assumption that their products should be available nationally. The prices represented in each basket are based on the lowest priced tariffs available for those baskets. Packages which limit usage with speed restrictions when usage exceeds allowance are included.

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

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

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

In order to ensure that services can be adequately compared, the benchmarking model prices a range of DSL and cable services based on defined usage of 30 hours per month, with each session assumed to last for 30 minutes for residential consumers while a usage of 100 hours per month with a 60 minute average session for business consumers is assumed.

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

The data presented in the following charts illustrates the cheapest product available in each country from the largest fixed line market player (Eircom for Ireland), the next largest DSL operator (Vodafone for Ireland) and the largest cable operator (i.e. UPC for Ireland) under these usage assumptions.

These packages are based on advertised download speeds. The charts below represent speed categories<sup>41</sup> of all residential speeds and speeds >10 Mbps in the business market.

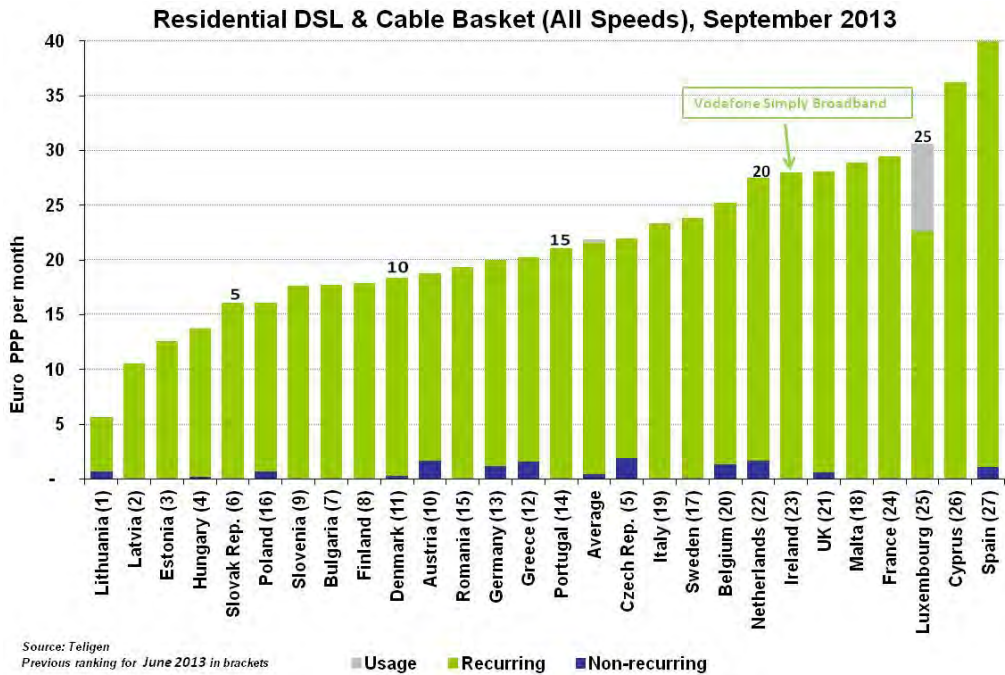
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<sup>40</sup> ComReg Document 13/120a.

<sup>41</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.

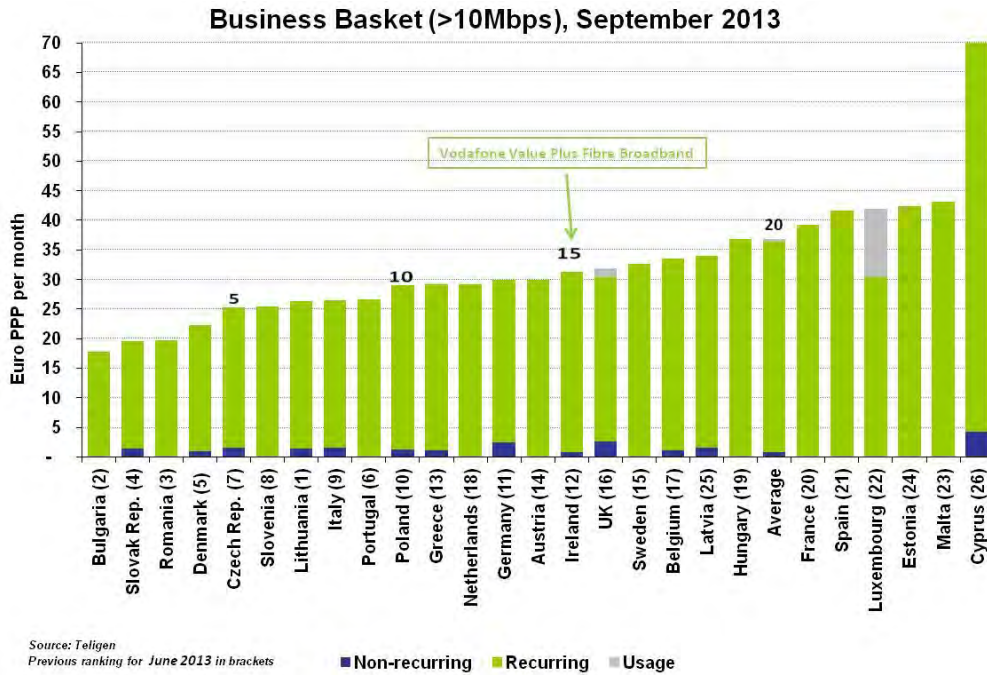
The lowest monthly residential DSL & cable pricing for all speeds is charted in figure 3.5.1. Ireland ranks in 21<sup>st</sup> place in the group of 27 European countries. Ireland is 6 places behind the benchmarked country average. The pricing for Ireland is based on Vodafone’s Simply Broadband package.

**Figure 3.5.1 - Residential DSL & Cable Basket (All Speeds)**



The lowest monthly business pricing for DSL and cable in the >10 Mbps speed category is charted in figure 3.5.2. Ireland is in 15<sup>th</sup> place among the group of 26 European countries. Ireland’s package is 6 places above and 15.1% cheaper than the benchmarked country average. The pricing for Ireland is based on Vodafone’s Value Plus Fibre package.

**Figure 3.5.2 – Business DSL 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 5 hours and 1.5GB downloaded per month.

Figure 3.5.3 shows that out of the 20 benchmarked European countries, Ireland (13<sup>th</sup>) ranks one place above the benchmarked country average. The pricing for Ireland is based on Meteor’s Broadband To Go 30 days pass plan. Ireland’s pricing is approximately 3.1% cheaper than the benchmarked country average.

**Figure 3.5.3 – Pre-Pay Residential Mobile Broadband Basket (All Speeds)**

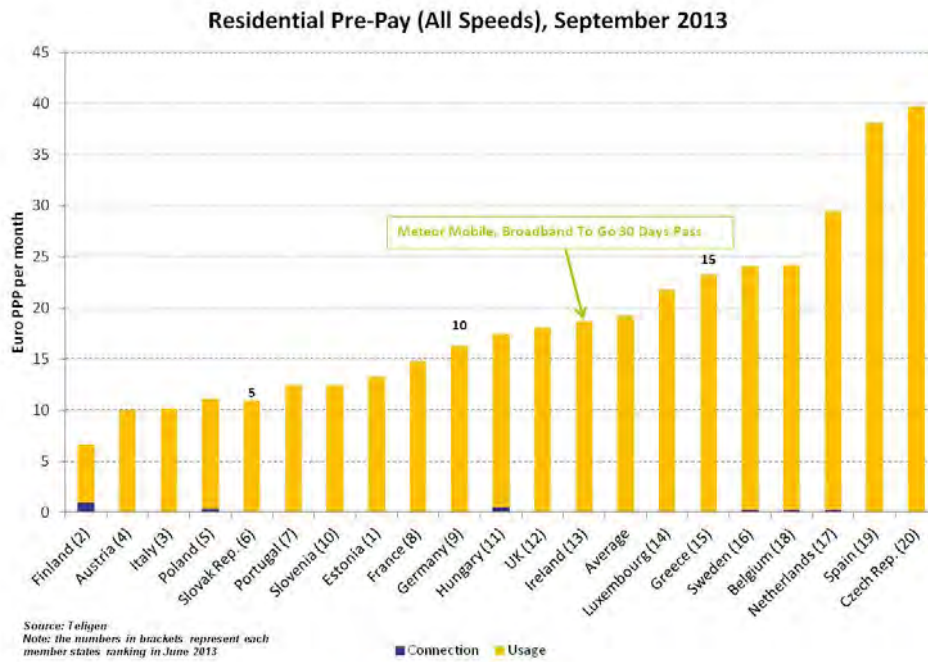


Figure 3.5.4 compares post-pay residential mobile broadband tariffs. Ireland ranks in 12<sup>th</sup> place among the 21 benchmarked European countries, one place ahead of the benchmarked country average. Ireland’s pricing is based on Meteor’s Broadband to Go 5GB package and is approximately 4.4% cheaper than the benchmarked country average.

**Figure 3.5.4 – Post-Pay Residential Mobile Broadband Basket (All Speeds)**

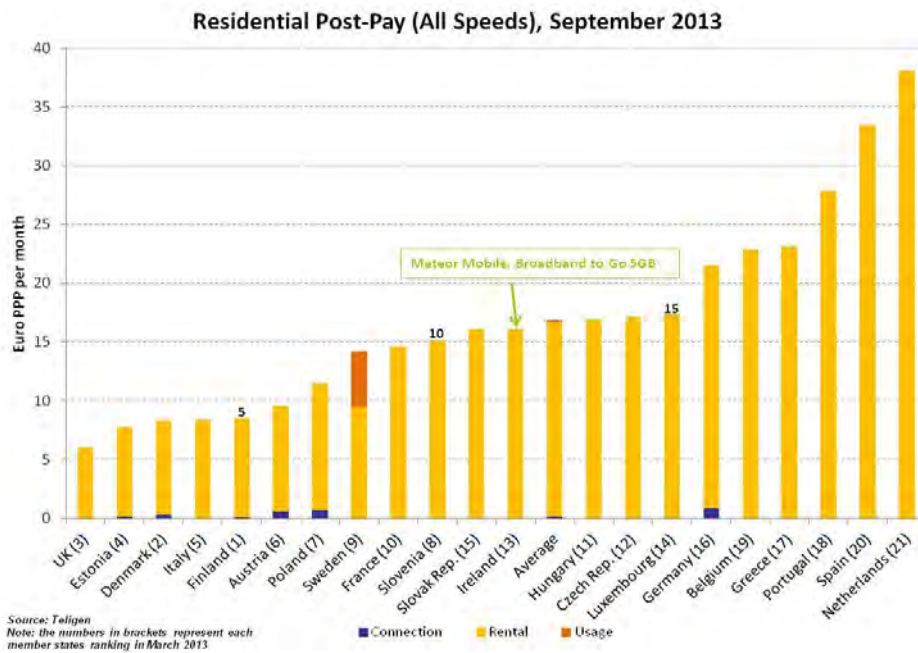
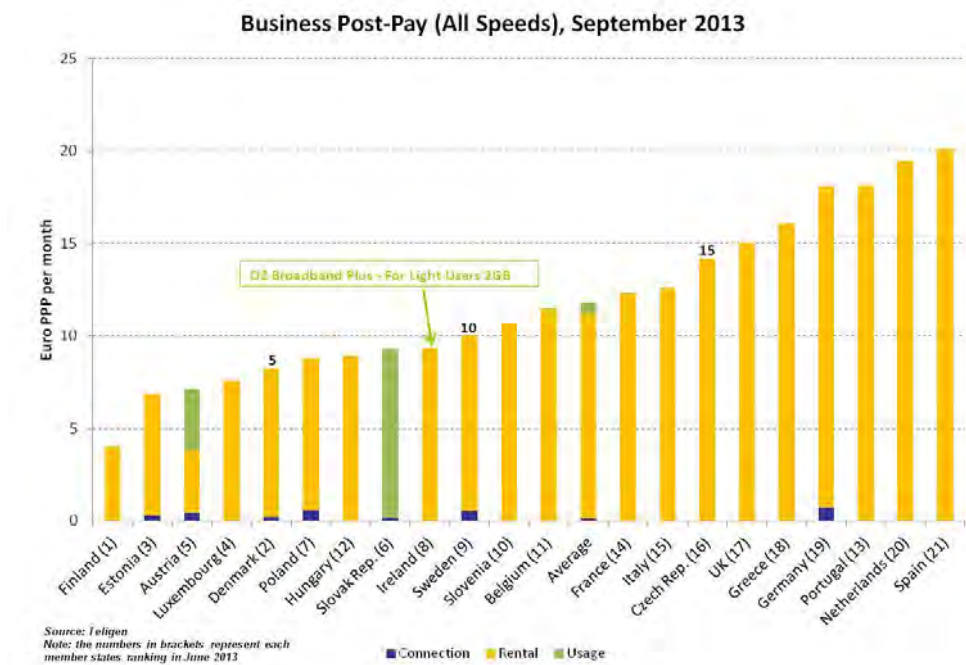


Figure 3.5.5 compares the pricing for a post-pay business mobile broadband basket among 21 European countries. Ireland ranks in 9<sup>th</sup> place among these countries, 4 places ahead of and 21.0% cheaper than the benchmarked country average. Ireland’s pricing is based on O2’s Broadband Plus for Light Users 2GB package.

**Figure 3.5.5 – Post-Pay Business Mobile Broadband Basket (All Speeds)**



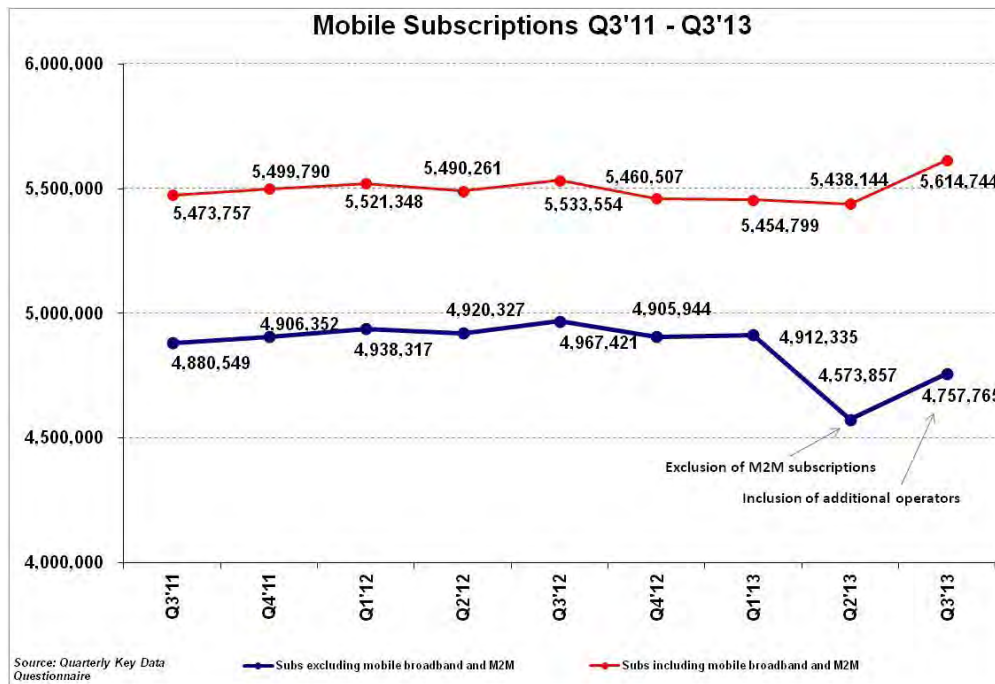
## 4. Mobile Market Data

### 4.1 Number of Subscriptions and Penetration Rate

ComReg noted that as of Q3 2013 mobile subscriptions of mobile data from additional mobile operators (including Lycamobile) has been incorporated into the mobile industry data and therefore Q3 2013 information on mobile industry is not strictly comparable with previous periods.

At the end of September 2013 there were 5,614,744 mobile subscriptions in Ireland, including mobile broadband and Machine to Machine <sup>42</sup> subscriptions. If mobile broadband subscriptions (514,364 this quarter) and Machine to Machine subscriptions (342,615) are excluded, the total number of mobile subscriptions in Ireland was 4,757,765.

**Figure 4.1.1 – Mobile Subscriptions**



In Q3 2013 there were 4,506,097 3G SIMs in Ireland. These 3G SIMs are based on 3G 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>42</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 SIMs in Ireland, there were (including dedicated mobile broadband) 3,199,334 active 3G users in Ireland in Q3 2013. Total active 3G users as a proportion of total 3G SIMs was 71.0% in Q3 2013. Active 3G 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 users (3,199,334) minus dedicated mobile broadband subscriptions (514,364) can be taken as a general indication of the number of active smartphones and tablet users (for example ipads) in Ireland. This represents approximately 56.4% of all mobile subscriptions (excluding dedicated mobile broadband) in Q3 2013, up from 53.6% last quarter.

Figure 4.1.2 below shows the breakdown of total active SIMs, total 3G SIMs and active 3G users in Ireland from Q3 2012 to Q3 2013.

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

	<b>Q3 '13</b>	<b>Q3'12</b>	<b>Quarterly Change (Q2'13 – Q3'13)</b>	<b>Annual Change (Q3'12 – Q3'13)</b>
<b>Total active SIMs</b>	<b>5,614,744</b>	<b>5,533,554</b>	<b>+3.2%</b>	<b>+1.5%</b>
<b>Total 3G SIMs</b>	<b>4,506,097</b>	<b>4,423,099</b>	<b>+4.2%</b>	<b>+1.9%</b>
<b>Dedicated mobile broadband and Smartphone/tablets (SIMs)<sup>43</sup></b>	<b>3,199,334</b>	<b>2,871,543</b>	<b>+7.6%</b>	<b>+11.4%</b>
<b>Smartphone/tablets (SIMs)<sup>44</sup></b>	<b>2,684,970</b>	<b>2,305,410</b>	<b>+9.6%</b>	<b>+16.5%</b>

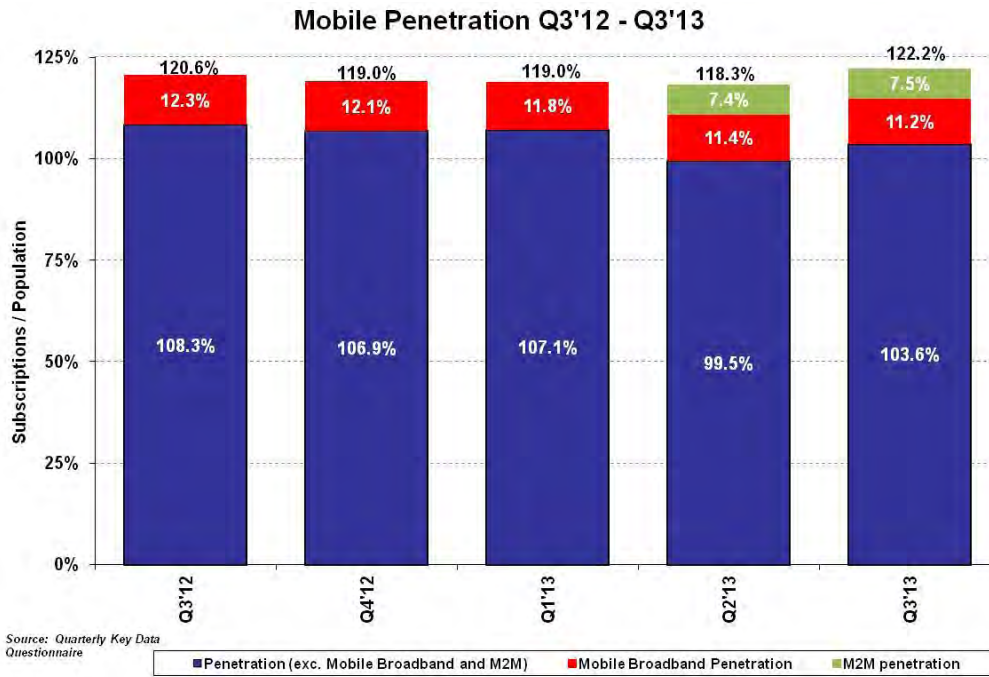
Figure 4.1.3 charts mobile penetration since Q3 2012 and shows that at the end of September 2013, mobile penetration, based on a population of 4,593,800 (using CSO Q2 2013 estimate), was 122.2% including mobile broadband and M2M and 103.6% excluding mobile broadband and M2M. Mobile penetration is recognised as the standard metric internationally to measure the adoption of mobile services, and is calculated based on the number of active SIM cards per 100 of the population.

<sup>43</sup> Active 3G SIMs.

<sup>44</sup> Active 3G SIMS excluding dedicated mobile broadband SIMs.

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

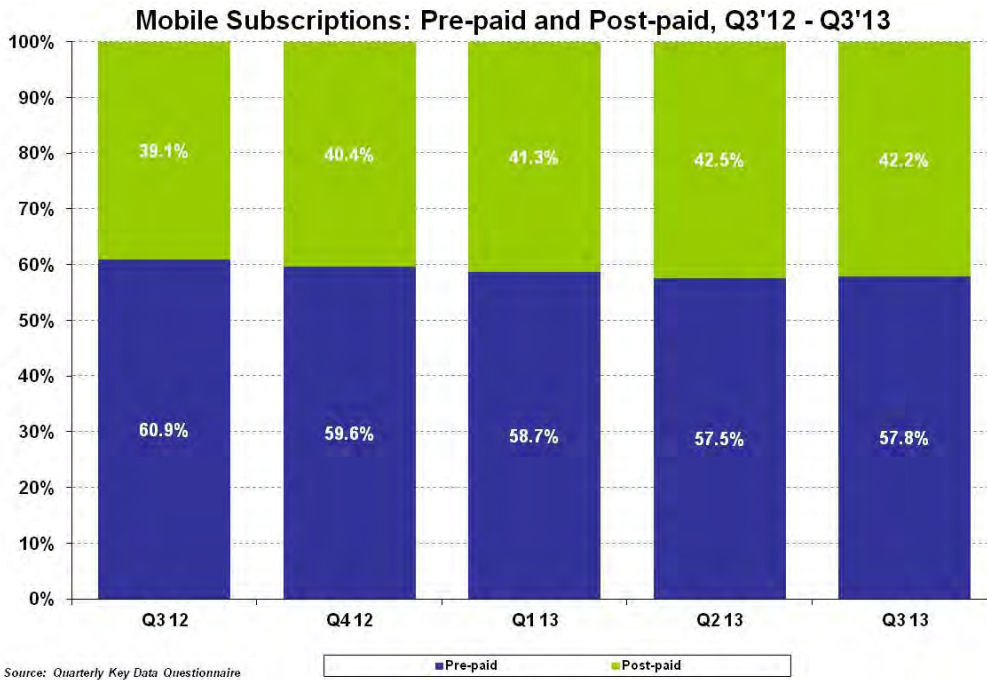


### 4.2 The Profile of Mobile Subscriptions in Ireland

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 both 2G and 3G networks at the end of September 2013. Post-paid subscriptions are becoming more popular, accounting for 42.2% of subscriptions in Q3 2013, up from 39.1% 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, Q3’12 – Q3’13**

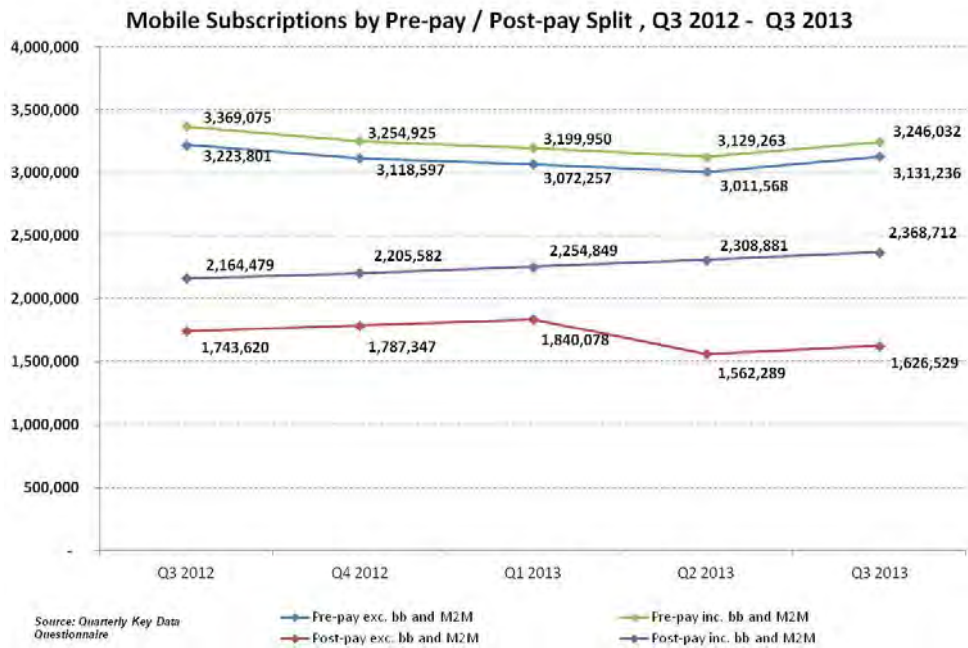


Figure 4.2.3 shows the pre-paid and post-paid subscription profile for each of the mobile operators in the Irish market. Mobile broadband and M2M subscriptions are included in this data. As of Q3 2013, the mobile operator with the highest proportion of post-pay subscriptions was 3 (61.0%) followed by O2 (52.5%) while all of Lycamobile and OAOs subscriptions are pre-pay.

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

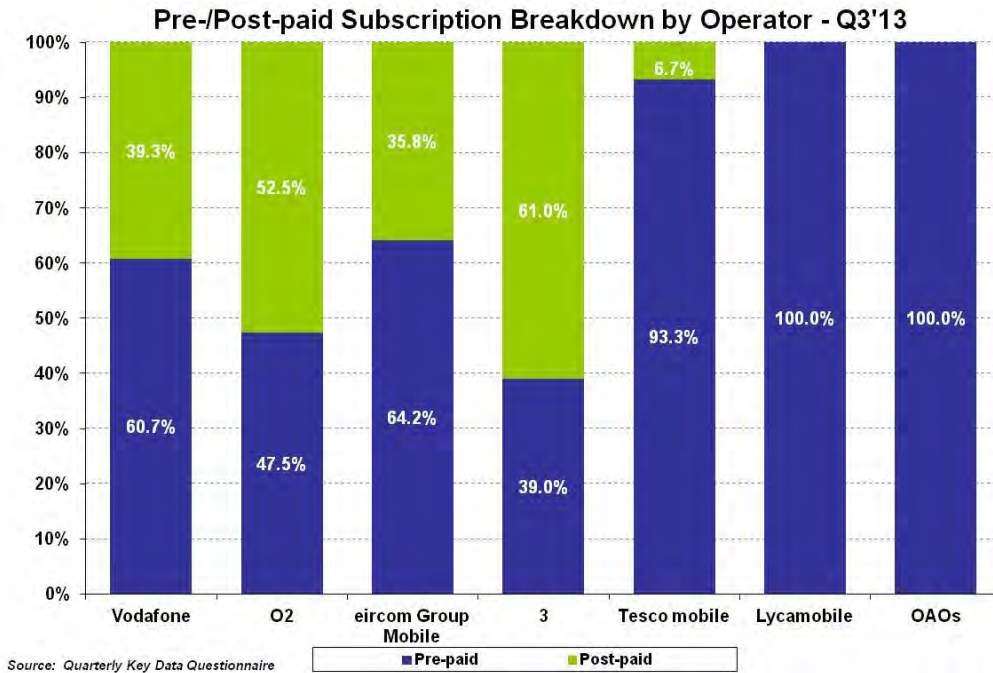


Figure 4.2.4 shows the split between pre-paid and post-paid mobile broadband subscriptions between Q3 2012 and Q3 2013. 77.7% of all mobile broadband subscriptions were post-paid at the end of September 2013, up from 74.3% one year previously.

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

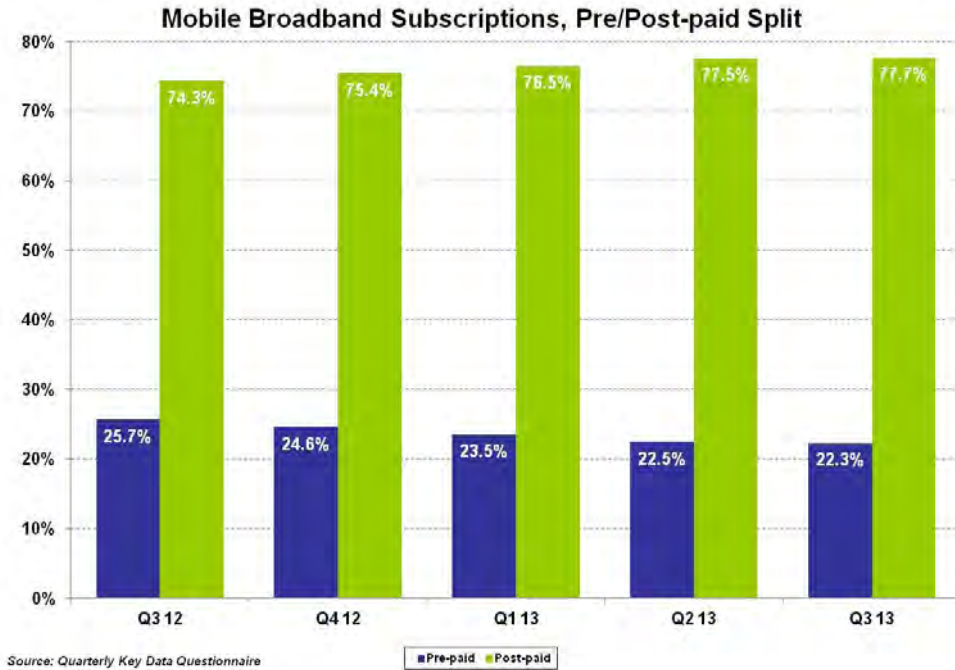


Figure 4.2.5 shows the split of post-paid business and non business mobile subscriptions including and excluding mobile broadband and M2M between Q3 2012 to Q3 2013. Approximately 39.8% of post-paid mobile subscriptions (including mobile broadband and M2M) and 29.7% of post-paid mobile subscriptions (excluding mobile broadband and M2M) were classed as business subscriptions in Q3 2013.

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

	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
<b>Residential subs inc. mobile broadband<sup>45</sup></b>	<b>1,427,097</b>	<b>1,392,468</b>	<b>1,341,780</b>	<b>1,336,669</b>	<b>1,311,777</b>
<b>Residential subs exc. mobile broadband</b>	<b>1,143,085</b>	<b>1,101,469</b>	<b>1,041,383</b>	<b>1,028,298</b>	<b>1,000,668</b>
<b>Business subs inc. mobile broadband and M2M</b>	<b>941,615</b>	<b>916,413</b>	<b>890,452</b>	<b>868,913</b>	<b>852,702</b>
<b>Business subs exc. mobile broadband and M2M<sup>46</sup></b>	<b>483,446</b>	<b>460,820</b>	<b>776,078</b>	<b>759,049</b>	<b>742,952</b>

<sup>45</sup> All M2M subscriptions are assumed to be business subscriptions.

<sup>46</sup> M2M subscriptions excluded since Q2 2013.

### 4.3 Mobile Volumes

Figure 4.3.1 illustrates the change in voice minutes, SMS, and MMS (Multimedia Messaging Service) messages and 'other data'<sup>47</sup> volumes (internet uploads and downloads) sent between Q3 2009 and Q3 2013. Total retail mobile voice traffic totalled 2.85 billion minutes in Q3 2013, an increase of 4.7% on Q3 2012.

The total number of SMS messages sent by mobile users in Ireland was over 2.28 billion in Q3 2013, down 25.1% on Q3 2012. The number of multimedia messages (MMS) sent was down 6.9% compared to Q3 2012.

Data volumes continue to rise, increasing by 39.7% in the year to Q3 2013 to reach just over 10,500 terabytes.

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

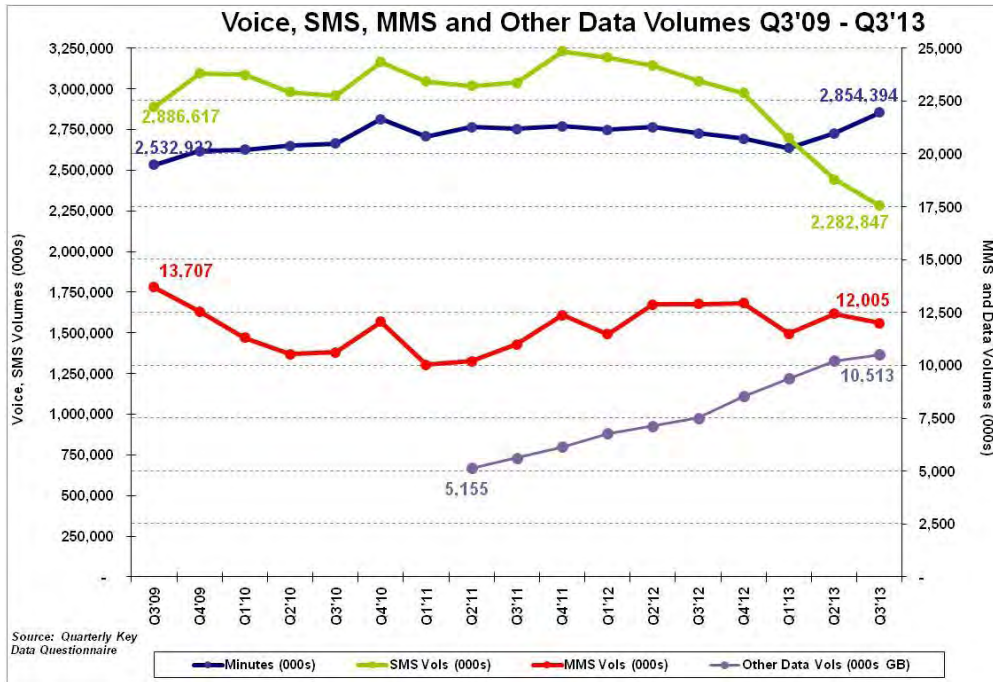


Figure 4.3.2 illustrates the share of types of mobile voice call minutes. As of Q3 2013, 74.9% of all mobile voice minutes were classified as mobile-to-mobile (on-net and off-net); 10.9% of mobile voice minutes were to fixed line phones, 11.3% were classified as international and roaming and the remaining 2.8% were advanced voice minutes which include calls to premium rate services.

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

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

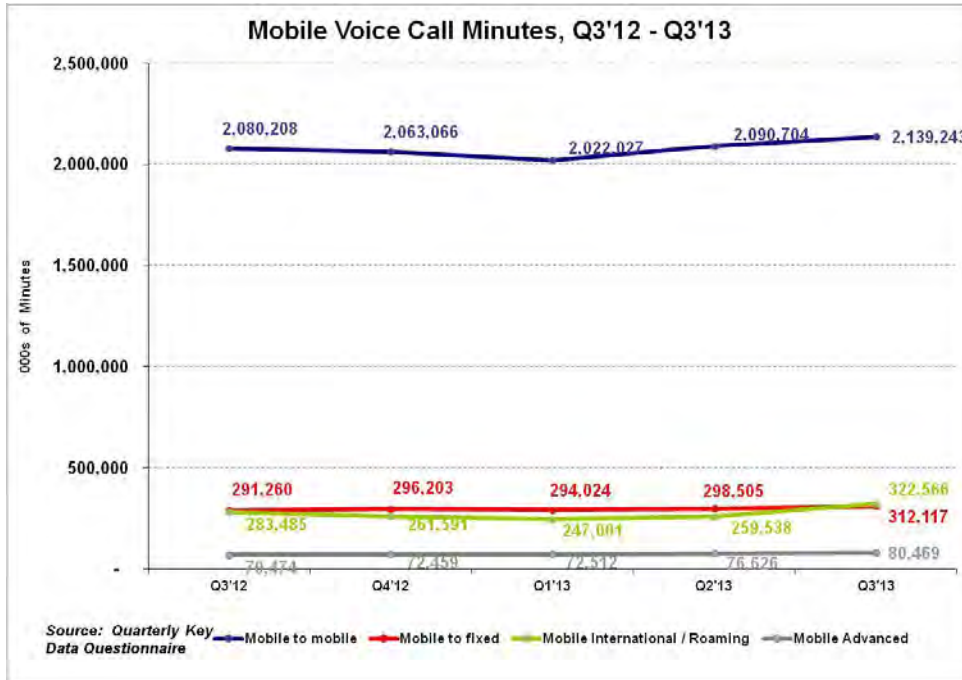


Figure 4.3.3 shows the change in the on net and off net mobile to mobile voice call minutes since Q3 2012. As of Q3 2013, 64.7% of all mobile to mobile voice minutes were classified as on-net down from 67.1% in Q3 2012.

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

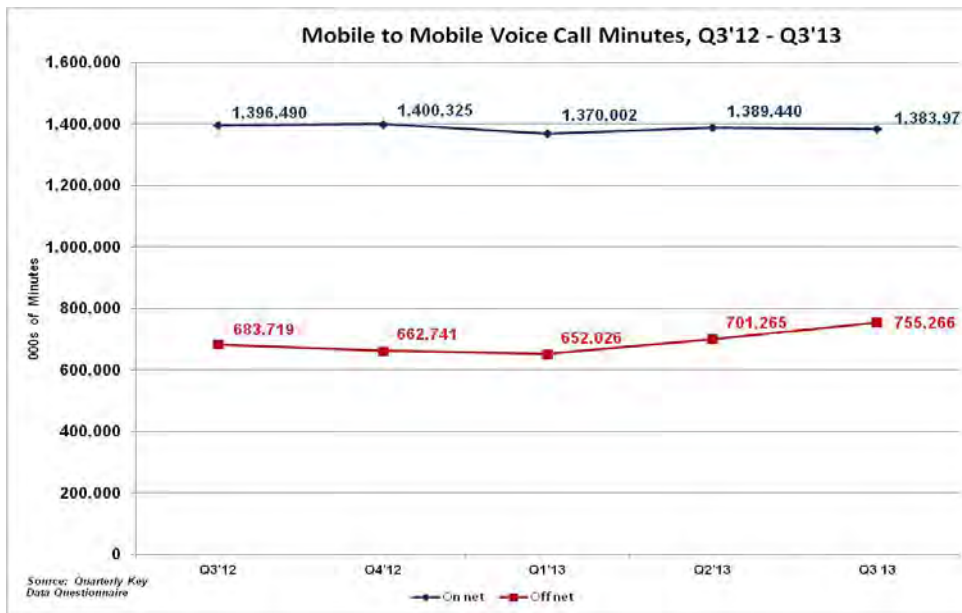


Figure 4.3.4 shows the change in the monthly mobile voice call minutes per subscription. In Q3 2013 the average usage was 200 minutes. From Q2 2013, the mobile voice subscription base is affected by the subtraction of M2M subscriptions and thus, average minutes per subscriber reported from Q2 2013 are not directly comparable with the corresponding values in the previous quarters.

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

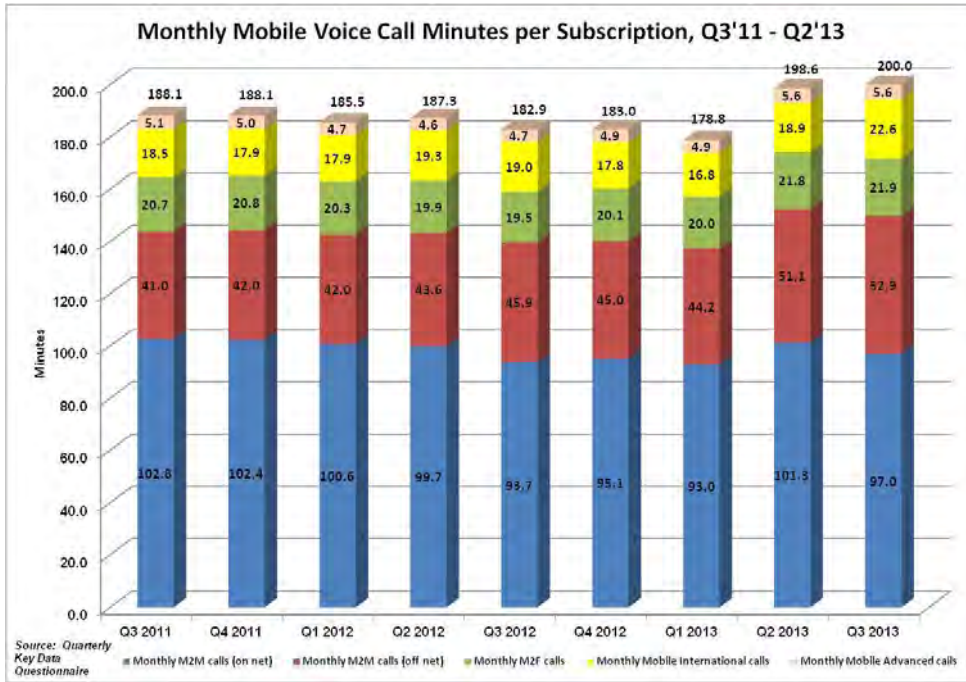
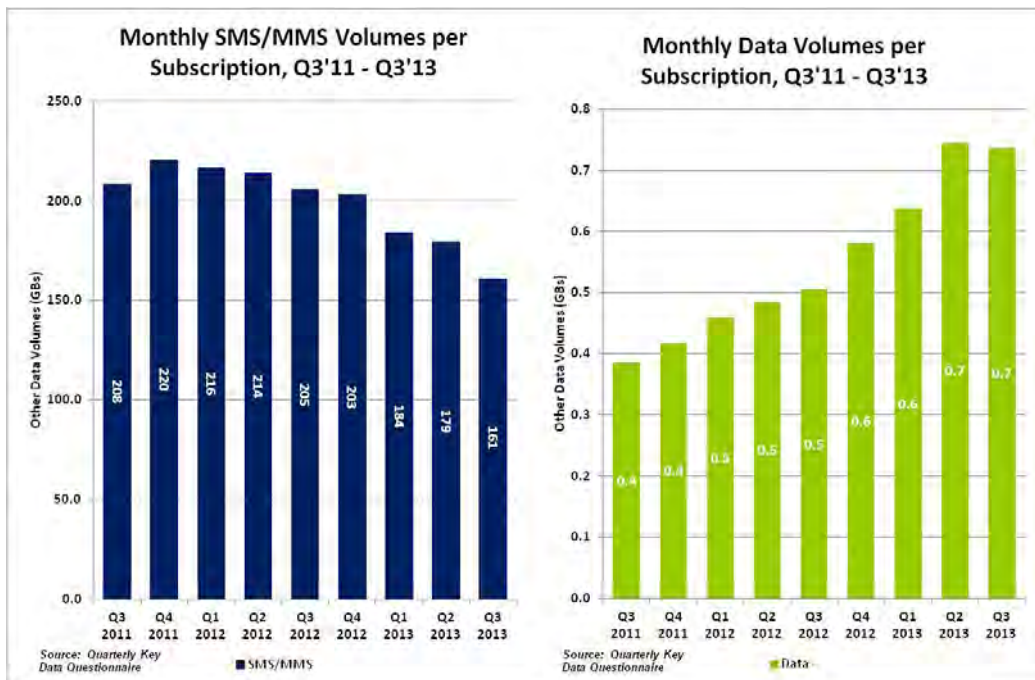


Figure 4.3.5 shows the change in the monthly mobile data volumes per subscription. In Q3 2013 the average monthly number of SMS/MMS sent was 161 and, on average, 0.7 GB of data (uploads and downloads) was consumed per month.

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





### 4.4 Mobile Revenues

Figure 4.4.1<sup>48</sup> shows that mobile retail revenues for Q3 2013 were just over €400 million. ComReg notes that in since Q2 2013 retail international roaming messaging and data revenues are included into *messaging*<sup>49</sup> and *data*<sup>50</sup> revenue categories respectively. These revenues were previously included in the *Voice and other data*<sup>51</sup> category. Data revenues increased by 9.1% this quarter, messaging revenues declined by 3.1% and voice and other revenues decreased by 0.1% this quarter.

**Figure 4.4.1 – Total Mobile Retail Revenues**

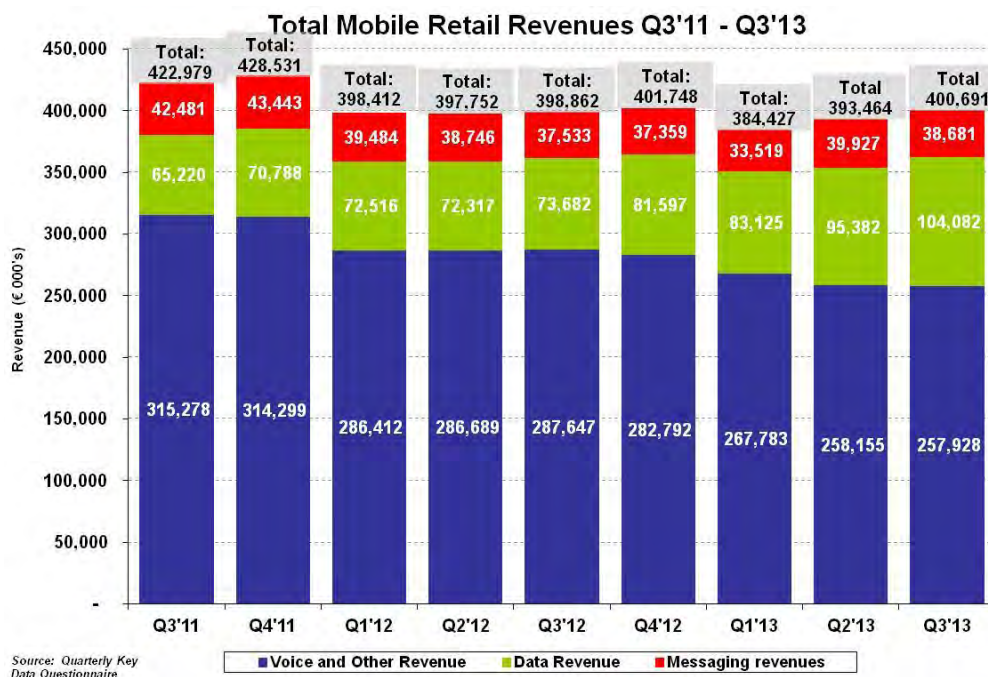


Figure 4.4.2 shows terminating voice and SMS/MMS traffic revenues over the two years to Q3 2013. In that period these revenues have fallen by 42.3%, from over €91 million in Q3 2011 to over €52 million in Q3 2013 due to the decreases in the regulated mobile termination rates (MTRs).

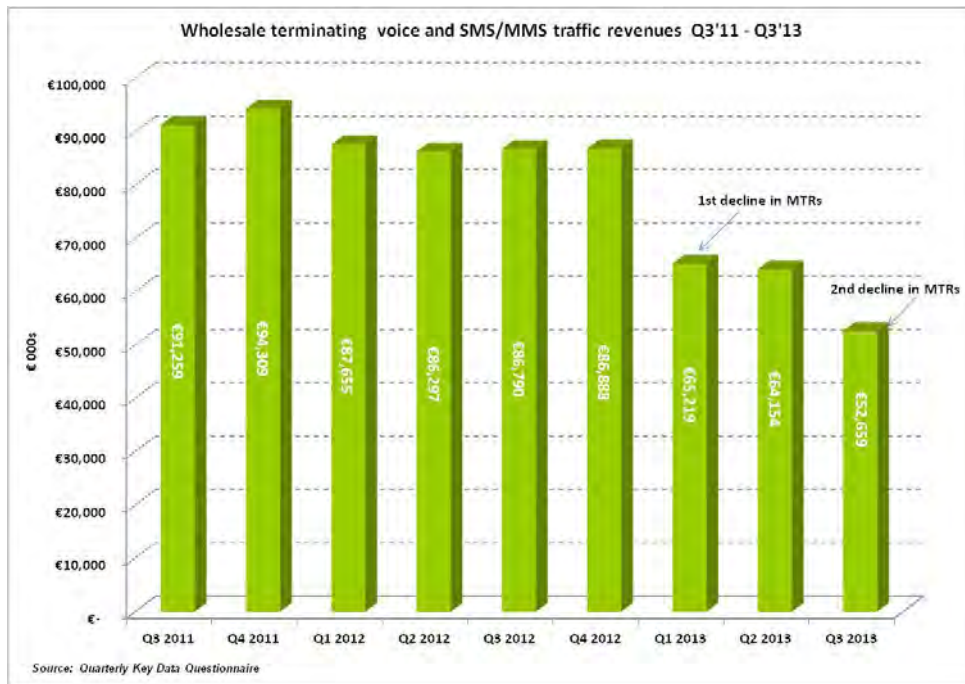
<sup>48</sup> It should be noted that due to mobile operator corrections, mobile revenues have been revised for the periods Q3 2011 to Q2 2013 in Figure 4.4.1 above. In addition, the addition of new MVNO data in Q3 2013 contributes to the growth in revenues in that period.

<sup>49</sup> SMS and MMS revenues and roaming SMS and MMS revenues.

<sup>50</sup> Revenues from mobile broadband and mobile internet services and international roaming data revenues.

<sup>51</sup> Please note that since Q2'09 and until Q2'13 voice and other category revenues includes voice call revenues and net handset sales revenues, connection and rental charges, premium rate SMS and MMS revenues, roaming SMS, MMS and data revenues. Handset sales revenues prior to Q2'09 were reported on a gross revenue basis.

**Figure 4.4.2 – Mobile Wholesale Revenues (Terminating Voice and SMS/MMS Traffic Revenues)**



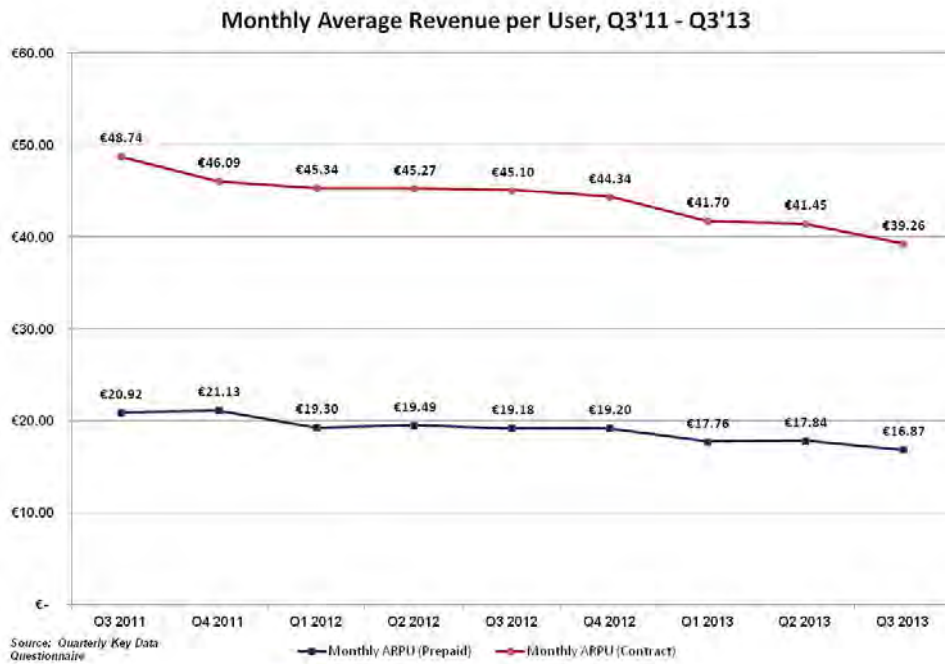
#### 4.5 Average Monthly Revenue per User

Mobile ARPU is a function of both the price of mobile services and the level of usage of mobile services. In Q3 2013 mobile ARPU was €26.2 per month, down from €27.4 last quarter and down from €29.3 in Q3 2012. This decline is in line with a general downward trend in ARPU across Western European countries. Based on data from **Analysys Mason’s Telecom Matrix** monthly mobile ARPU across the average of 14 Western European countries fell by 8.4% in Q2 2013 compared to Q2 2012.

Figure 4.5.1 illustrates the change in ARPU for prepaid and contract subscribers. In Q3 2013 mobile ARPU for prepaid subscriber was just below €17 per month (down 12.1% since Q3 2012) while mobile ARPU for contract subscribers was over €39 per month (down 12.9% since Q3 2012).

This decline in ARPU is likely to be a reflection of a number of factors such as those attributable to worsened economic conditions in Ireland (e.g. reduced consumer spending), lower priced mobile plans, increased sales of bundled products (combining mobile with fixed calls and sometimes broadband) and reductions in roaming and mobile termination rates, among others.

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



**4.6 Machine to Machine subscriptions**

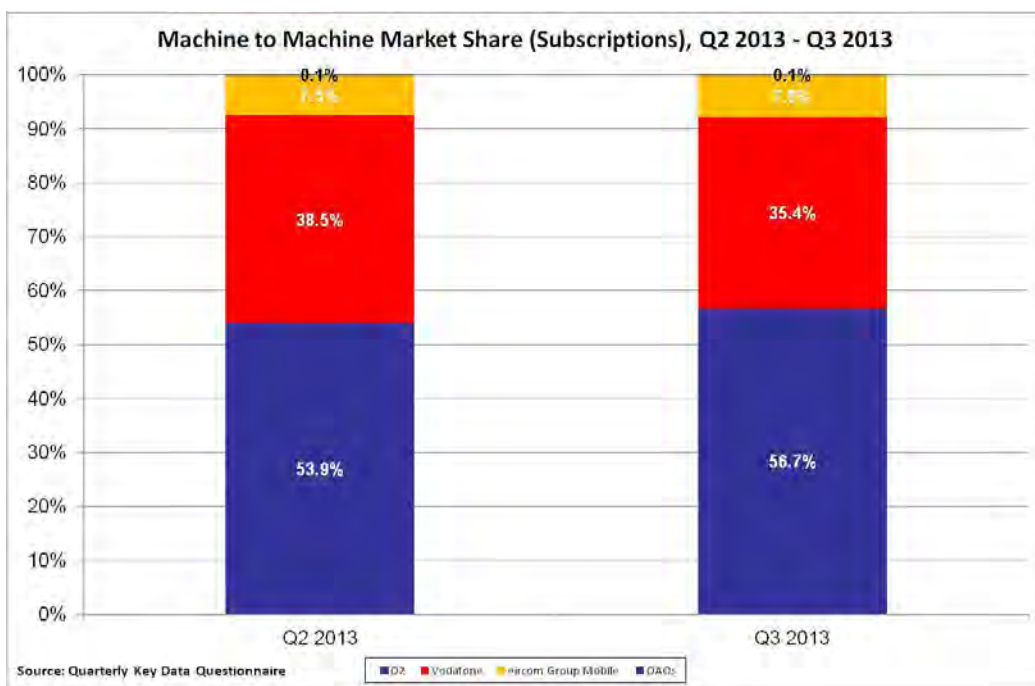
Machine to Machine (M2M) refers to technologies that involve data communication between devices or systems in which, at least in principle, human intervention is not a part. These technologies may encompass either wireless or wired communications, or both. M2M communication is already widely deployed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

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

resources. The additional data also allows for more accurate assessment of mobile telephony and broadband connections.

There were 342,615 M2M subscriptions at the end of September 2013. This is an increase of 0.7% since Q2 2013. Figure 4.6.1 outline market shares based on active M2M subscriptions. O2 has the largest market share of M2M subscriptions at 56.7% in Q3 2013 followed by Vodafone with 35.4% market share. Eircom Group Mobile has 7.8% while the remaining OAOs have 0.1% of M2M subscriptions.

**Figure 4.6.1 – Market Share – Number of M2M Subscriptions**



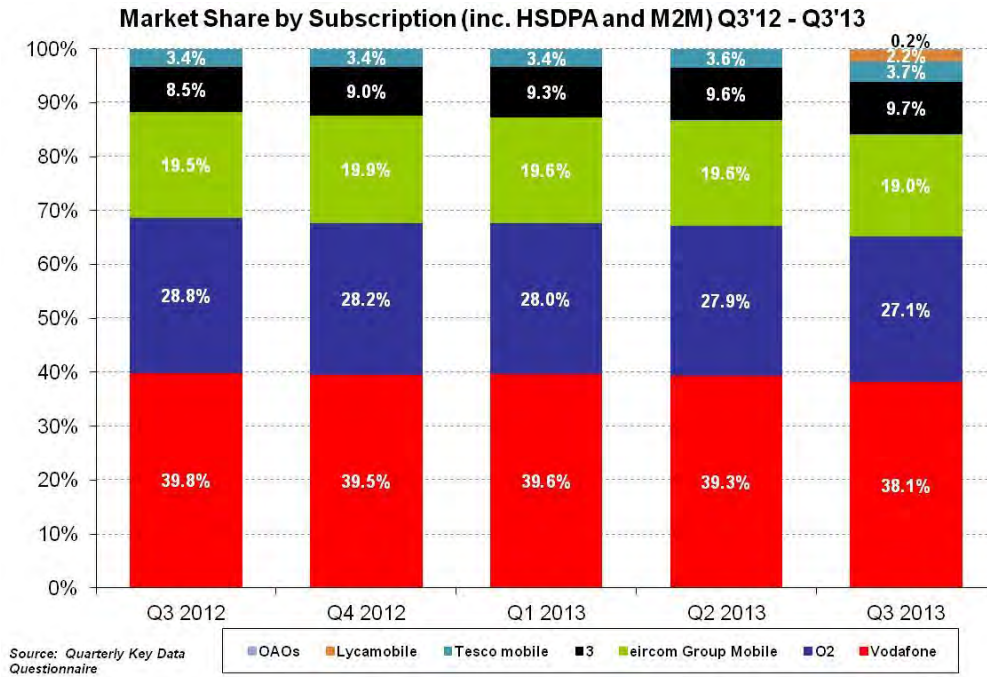
**4.7 Competition in the Mobile Market**

Figures 4.7.1 and 4.7.2 outline mobile market shares based on the number of active subscriptions reported by each operator. It should be noted that due to the subtraction of M2M subscriptions, in Figure 4.7.2 market shares in Q2 2013 are not directly comparable to market shares in the previous periods. In addition, market shares in Q3 2013 are not directly comparable with previous periods as data from additional MVNOs have been included in Q3 2013.

Figure 4.7.1 includes mobile broadband and M2M while figure 4.7.2 excludes mobile broadband and M2M. Vodafone has the highest market share including and excluding mobile broadband and M2M (38.1% and 39.4%), followed by O2 (27.1% and 25.0%), eircom Group Mobile (19.0% and 20.7%), 3 (9.7% and 7.8%) and Tesco Mobile (3.7% and 4.3%). Lycamobile is one of the new mobile operators included in the mobile data

as of Q3 2013. Lycamobile has a market share of 2.2% and 2.6% while the remaining OAOs have market shares of 0.2% and 0.3% respectively.

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



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

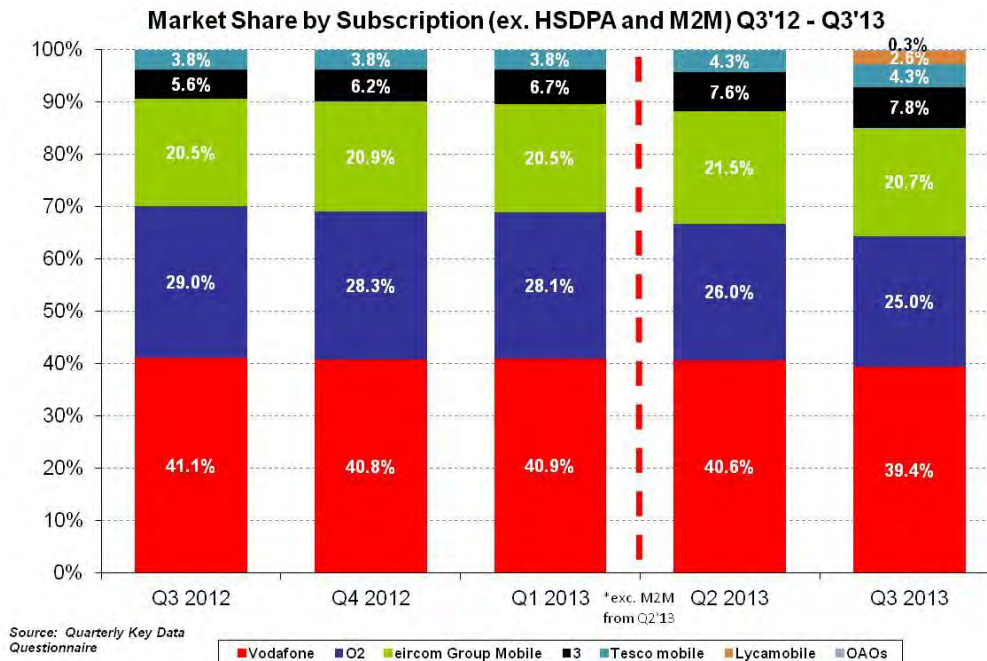
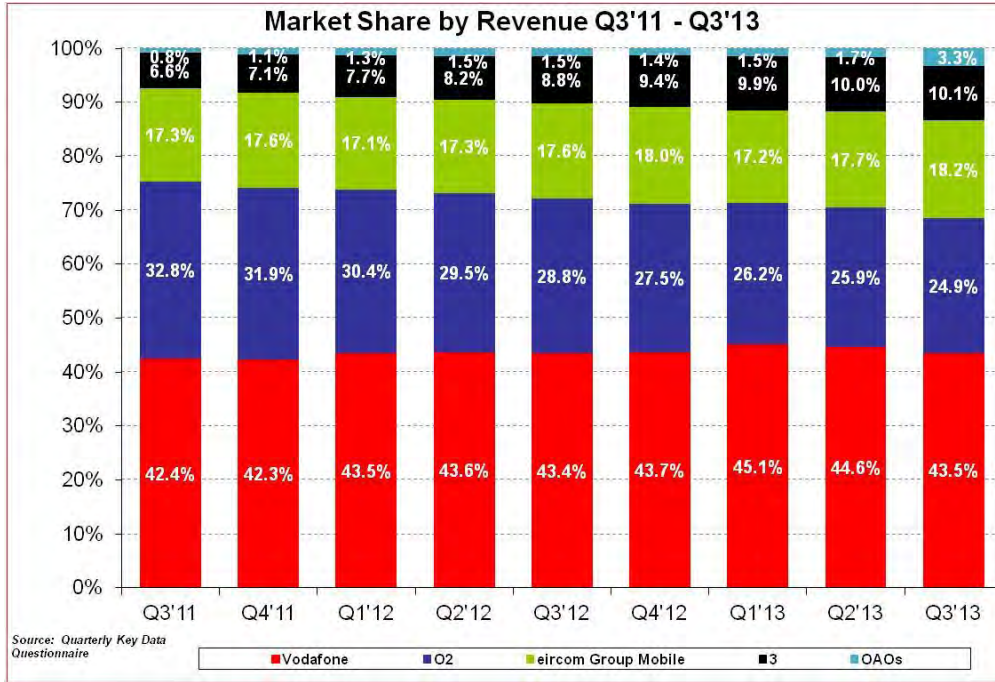


Figure 4.7.3<sup>52</sup> shows market shares by total retail revenues for mobile operators. Data from additional mobile operators is included as of Q3 2013 in this chart. Therefore, market shares previous to Q3 2013 are not directly comparable. Vodafone’s market share remains highest at 43.5% followed by O2 at 24.9%. Eircom Group Mobile’s market share is the next largest at 18.2% followed by 3 and OAOs at 10.1% and 3.3% respectively.

**Figure 4.7.3 – Revenue Market Share**

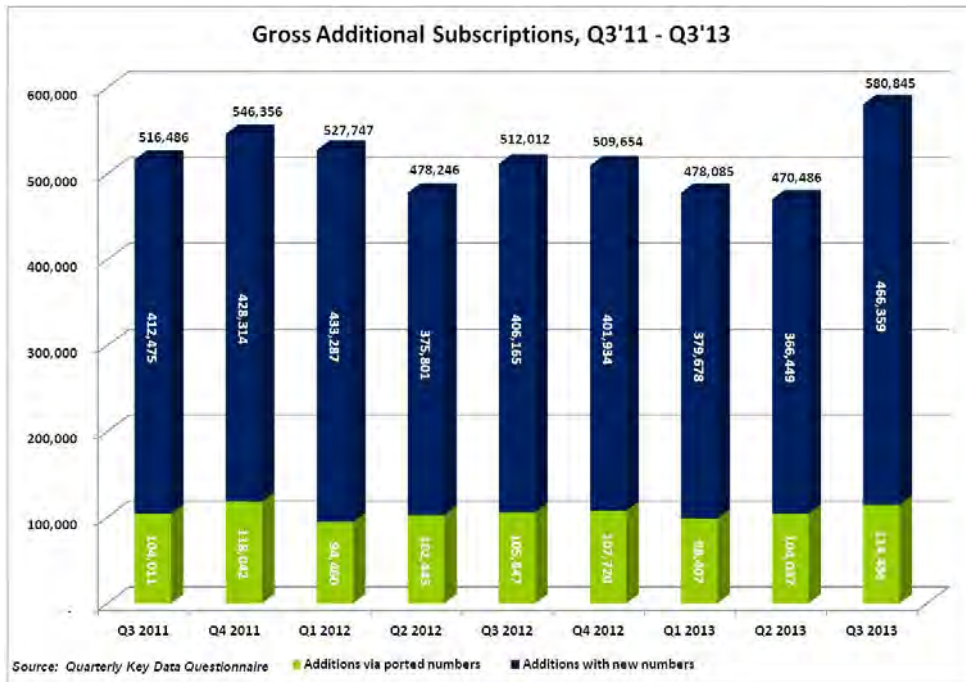


<sup>52</sup> Due to the corrections to revenues in the periods Q1 2011 to Q2 2013 the revenue market shares in Figure 4.7.3 may differ from previous quarterly reports in these periods. Furthermore, additional MVNO data in Q3 2013 means that market shares for prior periods are not directly comparable.

### 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>53</sup>. There were 580,845 gross additional subscriptions in Q3 2013. In the quarter to September 2013, 114,486 numbers were ported between operators and a total of 424,650 numbers over a twelve month period. Over the last 12 months, an average of 106,163 numbers has been ported each quarter. Gross additions via ported numbers account 19.7% of total gross additions in Q3 2013.

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



<sup>53</sup> Gross additions include consumers who decide to avail of multiple SIMs and thus, slightly overstate the switching intensity in Ireland.

#### 4.9 Mobile Pricing Data<sup>54</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 2 operators for each country. If these cover less than 50% of subscriptions in any country, additional operators may be included as well. Therefore, the reported figures reflect the cheapest prices offered by these operators, which may not necessarily be the cheapest offers in the entire market. All of the most common packages are included for each operator. This means that the current update covers over 3,730 packages across the 34 OECD countries. Both pre-paid and post-paid packages are included.

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

<b>Baskets</b>
30 calls per month
100 calls per month
300 calls per month
900 calls per month
40 calls per month pre-paid basket
400 messages per month basket

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

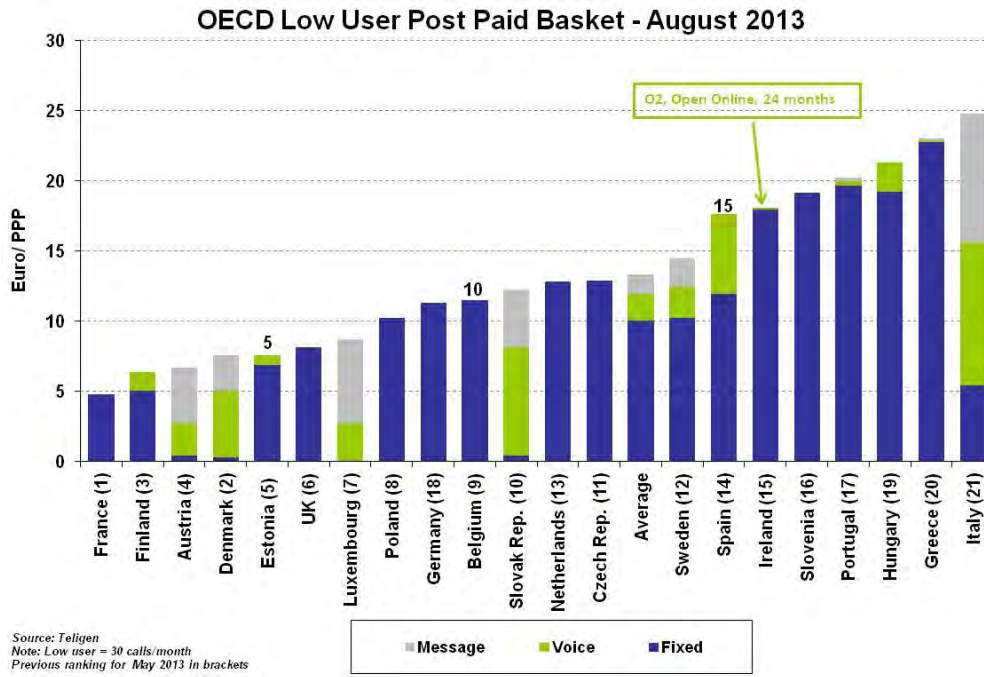
<sup>54</sup> The ‘Fixed’ component of price refers to the standard charges imposed by operators, regardless of the amount of calls made (i.e. connection and rental). Teligen’s calculation of this Figure is made up of: Installation Charge/5 + Rental charge for 1 year. The ‘Voice’ component of price refers 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.



### 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 three places behind of and 36% more expensive than the benchmarked country average. The Irish package represented here is O2’s Open Online, 24 month package.

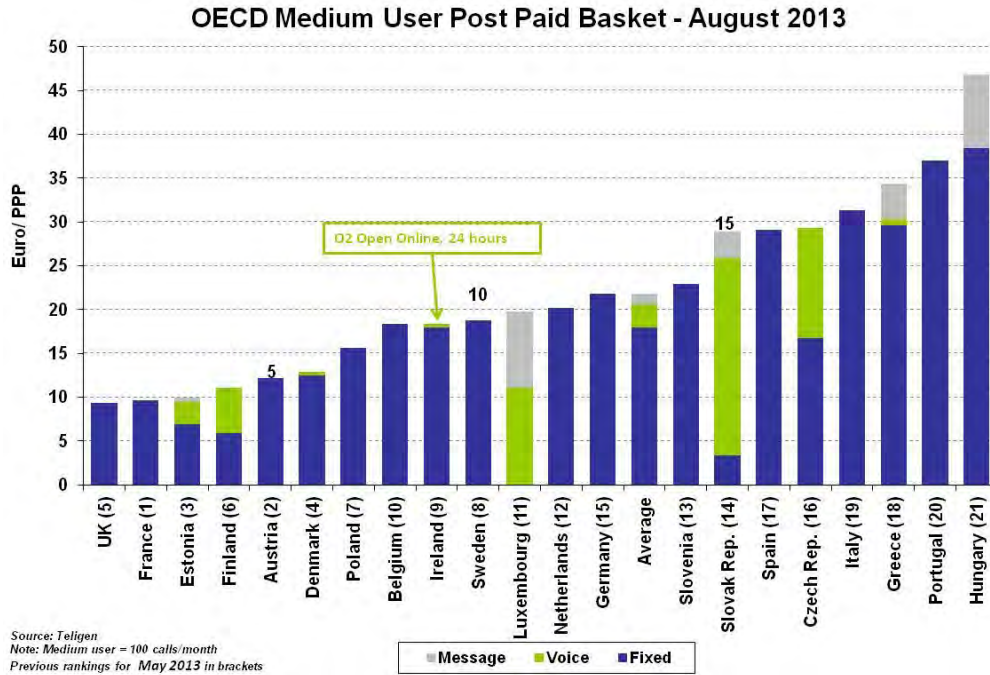
**Figure 4.9.1.1 - OECD Low User Post Paid Mobile Basket (30 calls)**



### 4.9.2 Medium User Post Paid Mobile Basket

For the medium user post paid mobile basket, Ireland ranks in 9<sup>th</sup> position out of the 21 benchmarked countries. Ireland is 5 places ahead of and 16.0% cheaper than the benchmarked average. The Irish package represented here is O2’s Open Online, 24 month package.

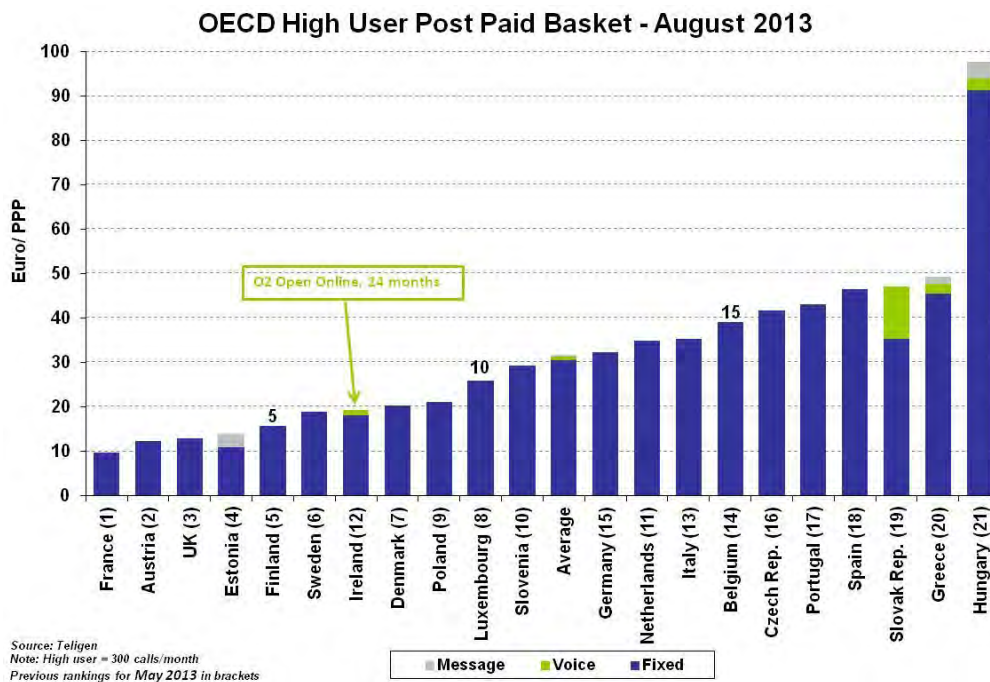
**Figure 4.9.2.1 - OECD Medium User Post Paid Mobile Basket (100 calls)**



**4.9.3 High User Post Paid Mobile Basket**

Ireland ranks in 7<sup>th</sup> place among the countries benchmarked in the high user post paid mobile basket. The Irish package represented here is O2’s Open Online, 24 month package. Ireland is six place ahead of and 39% less expensive than the average of the 21 benchmarked countries.

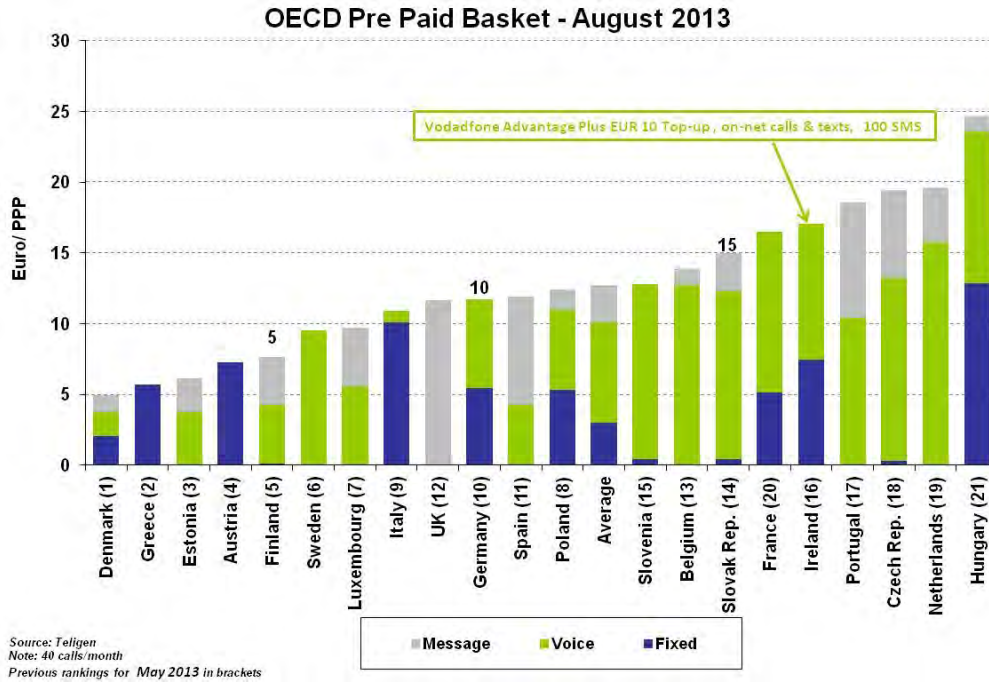
**Figure 4.9.3.1 - OECD High User Post Paid Mobile Basket (300 calls)**



### 4.9.4 Pre-Paid Mobile Basket

In the pre-paid mobile basket, Ireland is in 17<sup>th</sup> position among the benchmarked countries. The package used for Ireland in this basket is Vodafone’s Advantage Plus (EUR Top-up, on net calls and texts and 100 SMS). Ireland is 5 places behind the average of the 21 benchmarked countries and the cost of this basket in Ireland is approximately 34% 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\*<sup>55</sup>

As analogue terrestrial TV switch off (ASO) occurred on the 24th of October 2012 the numbers reported in this section for September 2013 show some fluctuations from previous periods. ComReg expects that the data should become more stable in future reporting. Some analogue terrestrial TV customers did not switch at ASO, and this therefore, affects the numbers reported for September 2013 (see footnote 52 for more detail). This broadcasting data is from the Nielsen TV Audience Measurement (TAM) Establishment Survey.<sup>56</sup> The survey indicated that there were 1,585,000 TV homes in Ireland in September 2013. Figure 5.1.1 shows the estimated number of TV homes by reception type in September 2012 and September 2013 on the basis of the reception method through which the highest number of TV channels is received. Irish terrestrial DTT only homes represented 10.7% of all TV homes as of April 2013. Cable/satellite platforms represented the remaining 89.3% of all TV homes in Ireland.<sup>57</sup>

**Figure 5.1.1 – TV Homes by Reception Type<sup>58</sup>**

	<b>September 2013</b>	<b>September 2012</b>	<b>September 2013 as % of Total TV Homes</b>	<b>% Change September '12 - September '13</b>
<b>Reception</b>	<b>(000s)</b>	<b>(000s)</b>	<b>%</b>	<b>% change</b>
Irish Terrestrial	169	202	10.7%	-16.3%
Multi Total	1,416	1,395	89.3%	+1.5%
Multi Terrestrial	N/A	84	N/A	N/A
Analogue	31	48	2.0%	-35.4%
Cable/Sat				
Digital Cable/Sat	1,385	1,263	87.4%	+9.7%
Total Cable/Sat	1,416	1,311	89.3%	+8.0%
<b>Total TV Homes</b>	<b>1,585</b>	<b>1,597</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 September 2013 homes which only receive any or all of the following: RTÉ One, RTÉ Two, TV3, TG4, RTÉ One+1, RTÉ News Now, RTÉ jr via an aerial and a set-top box or an aerial and an integrated digital TV or via Saorsat.				

<sup>55</sup> \*Note to data. The September 2013 Irish DTT figure represents all homes that use Irish DTT as their reception type. Universes for "Irish Terrestrial" prior to November 2012 would have included both analogue and digital terrestrial homes. The penetration of TV as of the September 2013 universes is 94% (1,585,000 TV homes compared to 1,687,000 total homes as per smoothed CSO Q1 2013 QNHS).

<sup>56</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>57</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 275,000 of those reported above as digital cable/sat and total cable/sat are UK DTT/FTA satellite.

<sup>58</sup> Source: Nielsen TV Audience Measurement Establishment Survey on behalf of TAM Ireland.

**Cable/Satellite:** Includes UK DTT / FTA Satellite, Cable, IPTV and SKY homes. Sky homes based on the possession of SKY boxes, not on being SKY subscribers.

Figure 5.1.2 charts TV homes by reception method<sup>59</sup> from September 2011 to September 2013. The percentage of cable/satellite TV homes (this does not include other satellite i.e. respondents who said 'don't know' and satellites that receive foreign language stations including freesat) has averaged 70% over the last two years.<sup>60</sup> Television homes that subscribe to other satellite services besides Sky represented 14% of TV homes in September 2013. Reception by other/local supplier (deflector/relay services), and IPTV methods is relatively low. Approximately 38% of TV homes have Irish DTT.

**Figure 5.1.2 – TV Homes by Reception Method<sup>61</sup>**

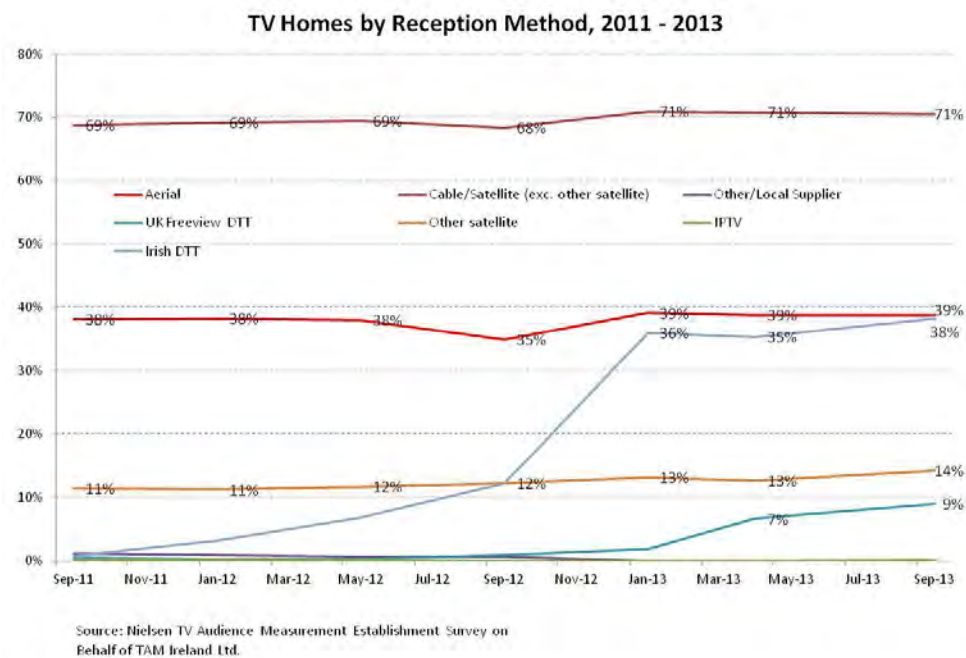


Figure 5.1.3 shows that, the total number of TV homes increased in September 2013 (for reference see footnote 55 on page 67). Digital TV homes now represent 98.0% of all TV homes compared to 52.1% in September 2008.

<sup>59</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%.

<sup>60</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>61</sup> Reception Method is not benchmarked for September 2013. As of November 2012 'Aerial' includes MMDS and Saorsat homes. Irish DTT includes Saorsat. Cable/satellite includes MMDS and IPTV, excludes UK DTT, Irish DTT and Saorsat.

**Figure 5.1.3 – TV Homes 2008 –2013**

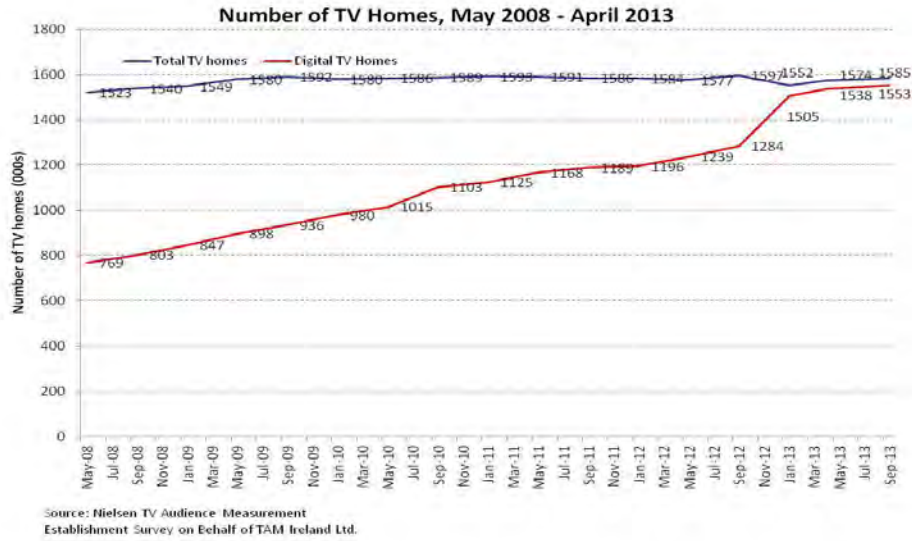
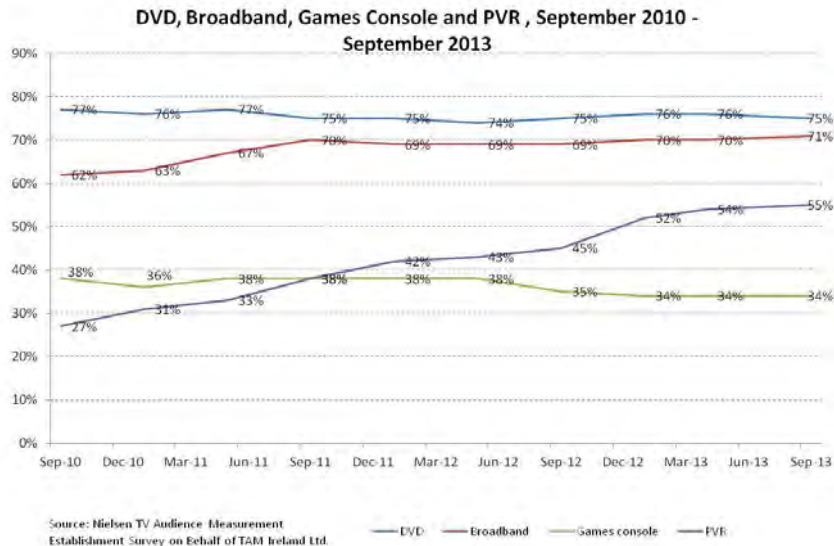


Figure 5.1.4 shows TV homes by DVD<sup>62</sup>, broadband<sup>63</sup> access, game console and PVR<sup>64</sup> ownership between September 2010 and September 2013. Three quarters of television homes have a DVD player but this figure has declined slightly over the last three years; down by 2 percentage points over the period. Broadband access was present in circa 71% of homes with a television in September 2013. The number of homes with games consoles has decreased over the last three years from 38% to 34% and this remained stable over the last year. PVR ownership continues to increase albeit at a slower pace, reaching 55% in September 2013; up from 27% in September 2010.

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



<sup>62</sup> It should be noted that as of Sep 13 universes VCR and DVD numbers are combined.

<sup>63</sup> Both fixed and mobile broadband.

<sup>64</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 5.1.5 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>65</sup> service have generally been stable since 2009 at 70%, on average, of all TV homes.

**Figure 5.1.5 – Pay TV vs Free to Air TV Homes, 2005 - 2013**

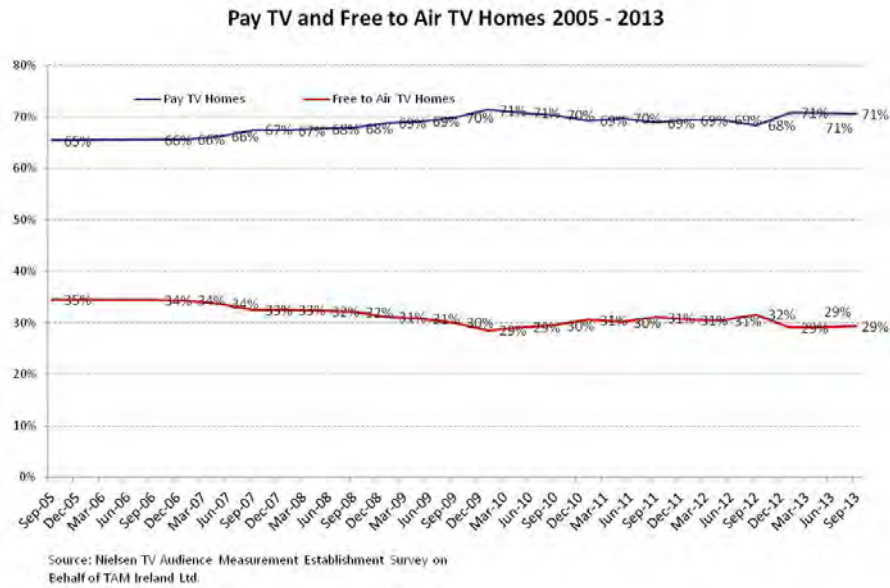
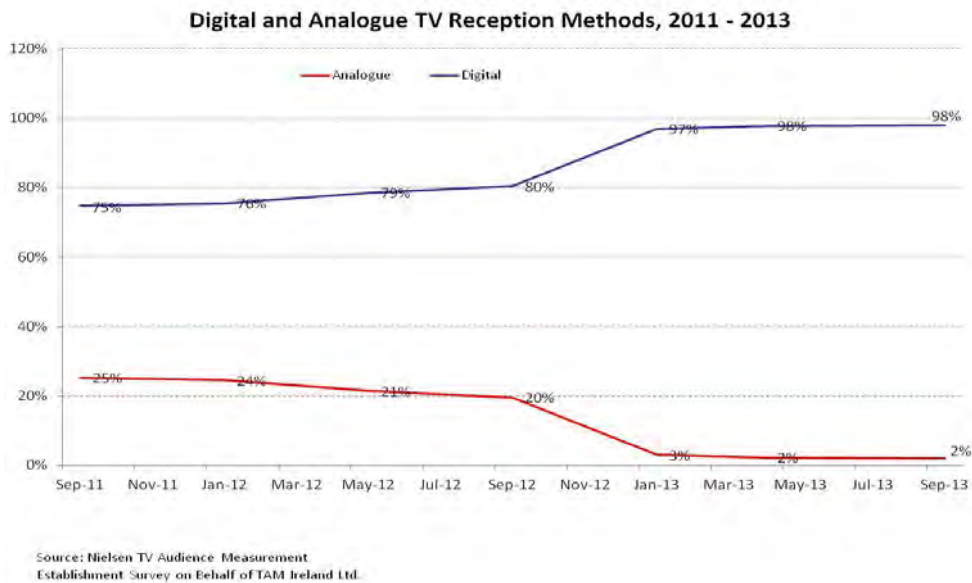


Figure 5.1.6 shows the proportion of digital to analogue TV reception methods in Ireland across all platforms. Digital TV reception (98%) increased significantly between September 2012 and September 2013 in light of analogue terrestrial switch off.

**Figure 5.1.6 – Digital and Analogue TV Reception, 2011 - 2013**



<sup>65</sup> IPTV is included from September 2011.

## 6. Appendix

Sky Ireland's distribution of subscriptions by type (single play, double play or triple play) is estimated using percentage distribution of Sky Ireland's subscriptions obtained from the market survey data conducted by RED C Research & Marketing Ltd. The filedwork on ComReg's behalf was carried out on November 18<sup>th</sup>-20<sup>th</sup>, 2013.

1002 respondents<sup>66</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 85.2% of Sky Ireland's subscribers were subscribing to one service, 4.7% to two services and 10.2% to three services.

Table 1: Sky Ireland's distribution of subscriptions by type.

Fixed subscription type (n=559)	Number of Sky's subscriptions	% share of total Sky's subscriptions
TV	433	77.5%
Broadband	26	4.7%
Fixed Voice	17	3.0%
TV and Fixed Voice	0	0%
TV and Broadband	17	3.0%
Fixed Voice and Broadband	9	1.6%
TV, Fixed Voice and Broadband	57	10.2%

<sup>66</sup> The sample is nationally representative.



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

**Performance metrics: Q3 2013**

**Jul-13**

Order Type	% Orders Validated within Performance Target	% Orders Delivered within Performance Target
DR	-	99.63%
LE	-	100.00%
PW	-	99.68%
LN/VT/MI	-	99.42%
LN/VT/MI	-	99.98%
CL	-	99.82%
LNN/LTN/MN	99.59%	85.98%
CH	-	99.76%
CN	-	96.90%
CM	-	99.64%
FA	-	52.60%

**Aug-13**

Order Type	% Orders Validated within Performance Target	% Orders Delivered within Performance Target
DR	-	99.15%
LE	-	99.89%
PW	-	94.46%
LN/VT/MI	-	98.77%
LN/VT/MI	-	99.94%
CL	-	99.20%
LNN/LTN/MN	99.95%	89.62%
CH	-	99.46%
CN	-	99.12%
CM	-	99.81%
FA	-	0.00%

**Sep-13**

Order Type	% Orders Validated within Performance Target	% Orders Delivered within Performance Target
DR	-	99.73%
LE	-	99.92%
PW	-	93.87%
LN/VT/MI	-	95.91%
LN/VT/MI	-	98.54%
CL	-	97.07%
LNN/LTN/MN	98.44%	89.34%
CH	-	99.75%
CN	-	96.43%
CM	-	99.81%
FA	-	1.87%

Count of Time Interval	SB-WLR Repair performance metric Qrt 3 Jul - Sep 2013		
QRT 3 2013	Percentage of faults		
	<=2	<=5	<=10
Grand Total	74.92%	93.21%	98.64%

**Glossary**

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