



Commission for  
**Communications Regulation**

## **Irish Communications Market**

### **REVISED Quarterly Key Data Report**

**Data as of Q2 2010**

<b>Document No:</b>	<b>10/73R</b>
<b>Date:</b>	<b>23<sup>rd</sup> November 2010</b>

## Table of Contents

SUMMARY .....	6
<b>Notes to data:</b> .....	<b>7</b>
1. OVERALL MARKET DATA .....	8
<b>1.1 Number of Authorisations</b> .....	<b>8</b>
<b>1.2 Overall Electronic Communications Revenues</b> .....	<b>9</b>
<b>1.3 Overall Call Volumes</b> .....	<b>11</b>
<b>1.4 Communications and the Consumer Price Index</b> .....	<b>12</b>
2. FIXED MARKET DATA.....	14
<b>2.1 Total Fixed Line Revenues</b> .....	<b>14</b>
2.1.1 Authorised Operators’ Share of Overall Fixed Line Revenues .....	15
<b>2.2 Fixed Line Access Paths</b> .....	<b>17</b>
2.2.1 Access Paths .....	17
2.2.2 Indirect Access Paths .....	18
2.3 Fixed Voice Call Volumes .....	19
2.4 PSTN Pricing Data.....	21
2.4.1 OECD Residential PSTN Basket .....	22
2.4.2 OECD Business PSTN Basket .....	23
3. INTERNET AND BROADBAND .....	24
<b>3.1 Total Internet Subscriptions</b> .....	<b>24</b>
<b>3.2 Provision of DSL Access</b> .....	<b>28</b>
<b>3.3 Provision of Broadband Services</b> .....	<b>30</b>
<b>3.4 Broadband Penetration</b> .....	<b>38</b>
<b>3.5 WiFi Broadband Access</b> .....	<b>39</b>
<b>3.6 ADSL Pricing Data</b> .....	<b>40</b>
4. MOBILE MARKET DATA .....	44
<b>4.1 Number of Subscriptions and Penetration Rate</b> .....	<b>44</b>
<b>4.2 The Profile of Mobile Subscriptions in Ireland</b> .....	<b>47</b>
<b>4.3 Mobile Volumes</b> .....	<b>50</b>
<b>4.4 Mobile Revenues</b> .....	<b>53</b>
<b>4.5 Average Minutes of Use</b> .....	<b>57</b>
<b>4.6 Competition in the Mobile Market</b> .....	<b>59</b>

<b>4.7 Switching in the Mobile Market.....</b>	<b>61</b>
<b>4.8 Mobile Pricing Data.....</b>	<b>62</b>
4.8.1 Low User Post Paid Mobile Basket .....	63
4.8.2 Medium User Post Paid Mobile Basket .....	64
4.8.3 High User Post Paid Mobile Basket.....	65
4.8.4 Pre-Paid Mobile Basket .....	66
5. BROADCASTING .....	67
<b>5.1 Overall Broadcasting Market.....</b>	<b>67</b>
6. APPENDIX .....	73

**Table of Figures**

Figure 1.1.1 - Total Number of Authorisations .....	8
Figure 1.2.1 – Fixed, Mobile & Broadcasting as a % of Total Revenues .....	9
Figure 1.2.2– Communications Revenues and GNP .....	10
Figure 1.3.1 - Share of Total Voice Call Volumes (Minutes) .....	11
Figure 1.3.2 – Total Voice Traffic .....	11
Figure 1.4.1 – Consumer Price Index and Communications Sub-Component .....	12
Figure 1.4.2 – European Harmonised Index of Consumer Prices .....	13
Figure 2.1.1 – Profile of Fixed Line Revenues .....	14
Figure 2.1.1.1 – Operator Share of Fixed Line Revenues.....	15
Figure 2.1.1.2 – Eircom’s Market Share .....	16
Figure 2.2.1.1 – Direct & Indirect Narrowband Fixed Access Paths .....	17
Figure 2.2.2.1 – Narrowband Indirect Access Paths.....	18
Figure 2.3.1 – Fixed Voice Call Volume (Minutes) .....	20
Figure 2.4.1.1 - OECD Residential PSTN Basket – May 2010 .....	22
Figure 2.4.2.1 - OECD Business PSTN Basket – May 2010 .....	23
Figure 3.1.1 – Total Number of Active Internet Subscriptions .....	24
Figure 3.1.2 – Profile of Active Internet Subscriptions .....	25
Figure 3.1.3 – Total Internet Subscriptions .....	26
Figure 3.1.4 – Profile of Copper Based Internet Subscriptions .....	27
Figure 3.2.1 - Provision of DSL Access .....	28
Figure 3.2.2 – Number of Local Loops Unbundled .....	29
Figure 3.3.1 – Broadband Subscriptions and Growth Rates by Platform .....	30
Figure 3.3.2 – Broadband Subscriptions by Platform .....	31
Figure 3.3.3 – Broadband Subscriptions by Subscription Type .....	32
Figure 3.3.4 – Broadband Subscriptions by Contracted Download Speeds and Subscription Type .....	33
Figure 3.3.5 – Broadband Subscriptions by Contracted Download Speeds .....	34
Figure 3.3.6 – Market Share of Fixed Broadband Market.....	35
Figure 3.3.7 – Subscription Market Share of Fixed Broadband Market .....	36
Figure 3.3.8 – Subscription Market Share of Mobile Broadband Market.....	37
Figure 3.4.1 – Broadband Data Sources .....	38
Figure 3.5.1 – WiFi Hotspots, Access Points and Minutes of Use.....	39
Figure 3.6.1 - Lowest Monthly Rental Residential DSL & Cable Basket (1-4 Mbps).....	41
Figure 3.6.2 - Lowest Monthly Rental Residential DSL & Cable Basket (All Speeds) .....	42
Figure 3.6.3 – Lowest Monthly Business DSL and Cable Basket (4-10Mbps) .....	43
Figure 4.1.1 – Mobile Subscriptions .....	44
Figure 4.1.2 – Irish Mobile Penetration Rate.....	45
Figure 4.1.3 – European Mobile Penetration Rates .....	46
Figure 4.2.1 – Profile of Pre-Paid and Post-Paid Subscriptions .....	47
Figure 4.2.2 – Profile of Pre-Paid and Post-Paid Subscriptions by Operator.....	48
Figure 4.2.3 – Profile of Pre-Paid and Post-Paid Mobile Broadband Subscriptions .....	49
Figure 4.3.1 – SMS, MMS and Call Minute Volumes .....	50
Figure 4.3.2 –Percentage Change in Mobile Voice Volumes, Q1 2008 – Q1 2010.....	51
Figure 4.3.3 – Total SMS Sent, Q1 2008 – Q1 2010.....	52
Figure 4.4.1 – Total Mobile Retail Revenues.....	53
Figure 4.4.2 – Mobile Retail Voice Revenue Per Minute, Q1 2008 – Q1 2010 .....	54

Figure 4.4.3 - Data Revenues as % of Total Mobile Revenue ..... 55

Figure 4.4.4 – European Comparison of ARPU ..... 56

Figure 4.5.1 – Minutes of Use Per Month ..... 57

Figure 4.5.2 – Annual Change in European ARPU and MOU ..... 58

Figure 4.6.1 – Market Share – Number of Subscriptions (inc. mobile broadband)..... 59

Figure 4.6.2 – Market Share – Number of Subscriptions (ex. mobile broadband) ..... 60

Figure 4.6.3 – Revenue Market Share ..... 60

Figure 4.7.1 – Cumulative Mobile Numbers Ported ..... 61

Figure 4.8.2.1 - OECD Medium User Post Paid Mobile Basket (100 calls)..... 64

Figure 4.8.3.1 - OECD High User Post Paid Mobile Basket (300 calls) ..... 65

Figure 4.8.4.1 - OECD Pre-Paid Mobile Basket ..... 66

Figure 5.1.1 – TV Homes by Reception Type ..... 67

Figure 5.1.2 – TV Homes by Reception Method..... 68

Figure 5.1.3 – TV Homes January 2007 – May 2010..... 69

Figure 5.1.4 – DVD, Broadband, Games Console and PVR Trends ..... 70

Figure 5.1.5 – Pay TV vs Terrestrial Free to Air TV Homes, 2008 - 2010 ..... 71

Figure 5.1.6 – Digital and Analogue TV Reception, 2008 - 2010 ..... 72

### **Explanatory Note to this Report**

- Due to a reporting error made by the mobile operator 3<sup>1</sup>, 3's pre-paid mobile subscriptions (including their pre-paid mobile broadband subscriptions) were previously excluded in the original version of this Q2 2010 quarterly report.
- This revised version of the Q2 2010 quarterly report, is based on corrected data received from the mobile operator 3 for the periods Q2 2009-Q2 2010.
- It should be noted, that Tesco Mobile subscriptions were previously included in Q1 2010 mobile subscriptions data but these subscriptions have been removed from the data from Q3 2009 onwards for reasons of commercial sensitivity. This contributes to the change in the number of mobile subscriptions in that particular quarter (Q1 2010). As Tesco Mobile does not have mobile broadband subscriptions, this does not affect that particular metric.
- Fixed line revenues have been revised downwards for the period Q2 2010 from just over €491 million to just over €479 million.

### **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.

This document does not constitute commercial or other advice. No warranty, representation or undertaking of any kind, express or implied, is given in relation to the information and statistics contained within this document.

To the fullest extent permitted by law, neither the Commission for Communications Regulation ("ComReg") nor any of its employees, servants or agents will be liable for any loss or damage arising out of or in connection with your use of, or any reliance whatsoever placed on this document (including, but not limited to, indirect or consequential loss or damages, loss of income, profit or opportunity, loss of or damage to property and claims of third parties) even if ComReg has been advised of the possibility of such loss or damages or such loss or damages were reasonably foreseeable.

---

<sup>1</sup> See ComReg information notice [http://www.comreg.ie/fileupload/publications/ComReg\\_1065.pdf](http://www.comreg.ie/fileupload/publications/ComReg_1065.pdf)

## Summary

Total broadband subscriptions exceeded 1.5 million for the first time this quarter while fixed broadband subscriptions exceeded one million. Overall industry revenues declined again this quarter. Overall fixed traffic volumes were down, while the mobile sector saw a slight increase in traffic volumes. Presented below is a tabular summary of this quarterly report.

Irish Quarterly Communications Market Data Q2 2010*				
	Q2'10	Q1'10	Quarterly Change	Annual change
Total Market Revenues	€944,174,887	€948,899,784	-0.5%	-6.9%
Fixed Line Revenues	€479,394,600	€489,242,108	-2.0%	-6.3%
Mobile Revenues	€417,903,297	€412,349,304	+1.3%	-8.3%
Broadcasting Revenues	€46,876,990	€47,308,372	-0.9%	+0.2%
Total Voice Traffic (Minutes)	4,474,511,093	4,598,252,300	-2.7%	-1.5%
Fixed Voice Traffic (Minutes)	1,824,359,187	1,973,433,356	-7.6%	-9.1%
Mobile Voice Traffic (Minutes)	2,650,151,906	2,624,818,944	+1.0%	+4.5%
Internet Subscriptions	1,595,592	1,592,744	+0.2%	+8.1%
Fixed Broadband Subscriptions	1,009,729	997,553	+1.2%	+7.9%
Total Broadband Subscriptions	1,518,349	1,487,646	+2.1%	+16.9%
Narrowband Subscriptions	77,243	105,098	-26.5%	-56.5%
Mobile Subscriptions (inc. HSDPA)	5,108,164	5,106,494	+0.03%	+1.5%

- Overall electronic communications network and service revenues at the end of June 2010 were just over €944 million for the quarter. Industry revenues decreased by 0.5% this quarter.
- Total voice traffic minutes decreased by 2.7% this quarter to just under 4.5 billion minutes. Mobile minutes form the majority of voice minutes at 59.3%, with fixed minutes representing the remaining 40.7%.
- This quarter, total internet subscriptions increased by 0.2% to reach 1,595,592. Fixed broadband subscriptions topped 1 million for the first time.
- Falls in narrowband internet subscriptions continued this quarter, declining by 26.5% and 56.5% since Q2'09. There are now a total of 77,243 narrowband subscriptions in Ireland as consumers continue to migrate to broadband and away from slower dial-up technologies.

- Broadband subscriptions (fixed and mobile) continued to increase, to reach a total of 1,518,349, topping 1.5m for the first time. This is a 2.1% increase on Q1'10. The fixed broadband penetration rate reached 22.6% in Q2'10. The broadband per capita penetration rate (including mobile broadband) in Q2 2010 was 34.0%.
- At the end of June 2010 there were 5,108,164 mobile subscriptions in Ireland, an increase of 1.5% since Q2 2009. Mobile penetration, was 114.6% (up from 113.8% in Q2 2009) including mobile broadband and 103.1% (down from 105.6%) excluding mobile broadband.

Notes to data:

- Aggregated SB-WLR Performance Statistics, as supplied by Eircom, are published in accordance with ComReg Decision Notice (07/61) Section 6.6 (vii) in the appendix.
- In this report Irish population estimates from the Central Statistics Office (CSO) of 4,459,300 for April 2009 are used for the period Q2 2010. Population data is used to calculate per capita mobile and broadband penetration in Ireland. A household number of 1,599,500 million (as of Q4 2008) from the CSO is also used. This household data is based on estimates from the Quarterly National Household Survey (QNHS). ComReg intends to revise the household figure on an annual basis using data from the QNHS. Household data is used to calculate household TV penetration in Ireland.
- A number of external sources are used for international comparisons. These include the Yankee Group, Central Statistics Office, EU Commission, Informa Telecoms and Media, and Teligen.
- In most cases data has been rounded to one decimal place in this report.
- Not all charts in this report sum exactly to 100% due to rounding.
- While quarter on quarter comparisons are made in the report, definitive conclusions with regard to trends cannot be drawn and year on year comparisons are used to improve the reliability of the analysis.
- Further explanations and descriptions of data supplied in this report can be found in the accompanying explanatory memorandum 10/73a.
- 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 explanatory note above.



## 1. Overall Market Data

Data presented in this report is based on questionnaires completed by authorised operators for the period from 1<sup>st</sup> April 2010 to 31<sup>st</sup> June 2010. The report is based on submissions from 60 active operators<sup>2</sup>.

### 1.1 Number of Authorisations

**Figure 1.1.1 - Total Number of Authorisations**

Total Authorisations	June 2010
No. of fixed and wireless authorisations	374
No. of mobile telephony authorisations	7
No. of broadcasting authorisations (incl. Cable TV, MMDS, Deflectors)	87
Total Number	468

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 468 authorised undertakings in Ireland.

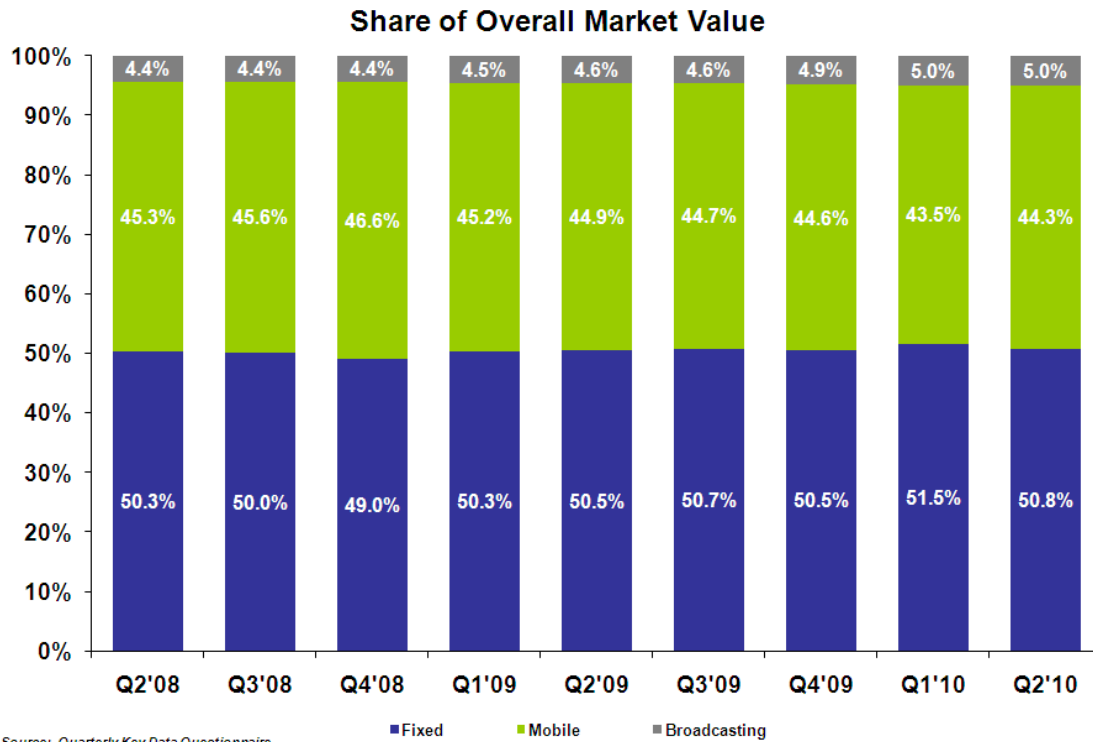
It should be noted that the list above refers to the number of general authorisations granted by ComReg under the European Framework for Authorisations, and does not necessarily reflect the total number of commercially active organisations or entities currently operating in the market. The total includes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

<sup>2</sup> ComReg uses a revenue threshold to determine which operators are to be included in this report.

## 1.2 Overall Electronic Communications Revenues<sup>3</sup>

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

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



According to Central Statistics Office data, Ireland's Gross National Product at the end of Q1 2010 was approximately €34 billion. Based on Q1 data, the revenues reported to ComReg, by operators in the Irish communications sector, represented approximately 2.5% of this total. This proportion has grown over the last two years, indicating that while overall GNP has shrunk, the communications sector has remained relatively healthy.

Overall electronic communications network and service revenues at the end of June 2010 were just over €944 million for the quarter. Industry revenues declined again this quarter by 0.5%, following on from seven consecutive quarters of declining revenues. Since Q2 2009, industry revenues, as reported to ComReg, have fallen by 6.9%. Total annual revenues for the period including July 2009 to June 2010 were approximately €3.86 billion.

While both fixed and mobile sectors experienced increases in revenues this quarter, the broadcasting sector saw a decline. Fixed revenues decreased by 0.5%, mobile revenues

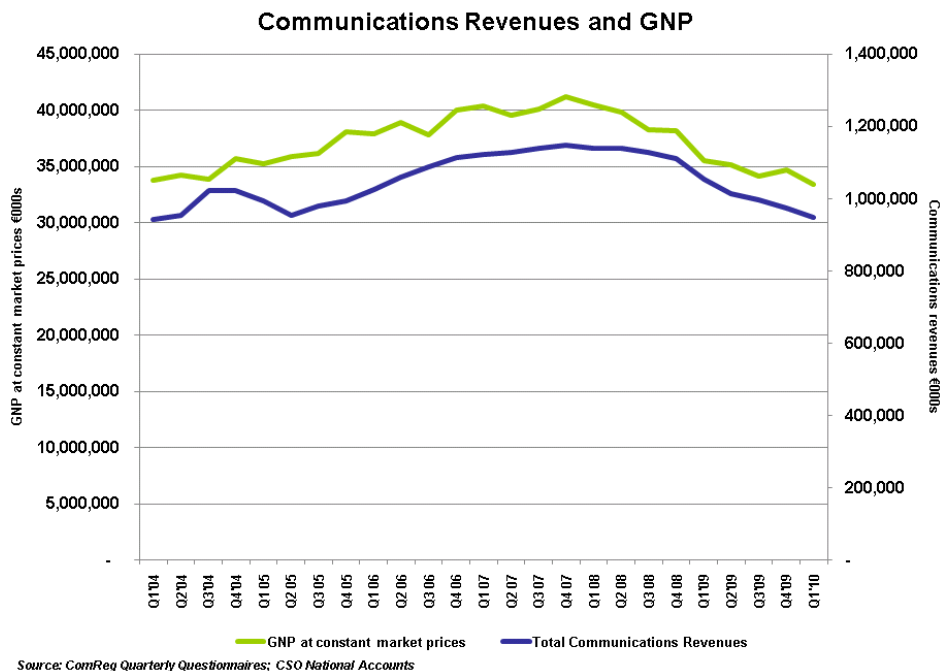
<sup>3</sup> Further detail on terms and definitions - ComReg Doc. 10/73a Explanatory Memorandum.

increased by 1.3%, and broadcasting network revenues have declined by 0.9%. It should also be noted that the broadcasting network revenues in this report exclude Sky Ireland’s satellite revenues and content related revenues.

Fixed line revenues accounted for 50.8% of total revenues, a slight decrease in market share since the last quarter. The mobile industry’s share of total revenues (44.3%) increased this quarter, while broadcasting revenue’s market share is steady at 5.0%.

Figure 1.2.2 shows that over the last 6 years, changes in communications revenues have generally mirrored economic output. As the recession has deepened over the last eighteen months, both Gross National Product (GNP) and communications revenues have declined from highs in 2007.

**Figure 1.2.2– Communications Revenues and GNP**



Source: ComReg Quarterly Questionnaires; CSO National Accounts

**1.3 Overall Call Volumes**

**Figure 1.3.1 - Share of Total Voice Call Volumes (Minutes)<sup>4</sup>**

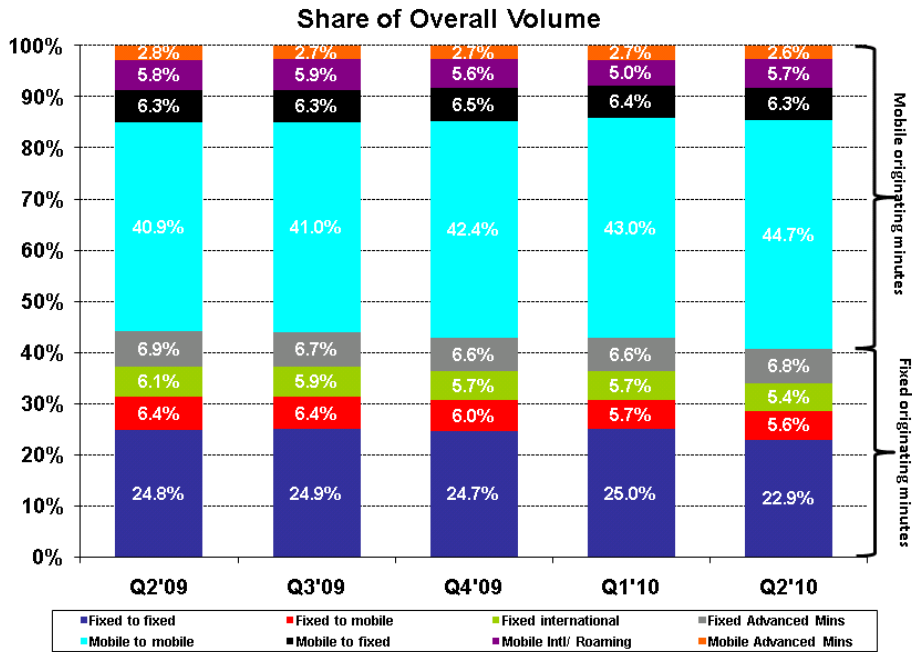


Figure 1.3.1 profiles volumes of originating voice calls by call type on both fixed and mobile networks on a quarterly basis. Voice minutes for Q2 2010 totalled under 4.5 billion minutes. Total voice minutes decreased by 2.7% on the previous quarter and have fallen by 1.5% since Q2 2009.

Mobile originating voice minutes accounted for 59.2% of all voice minutes in Q2 2010 while traffic originating on a fixed line network accounted for 40.8% of all voice minutes. Figure 1.3.2 shows the total voice traffic in Ireland at the end of Q2 2010.

**Figure 1.3.2 – Total Voice Traffic**

	Q2'10 Mins	Q1'10 – Q2'10 Growth	Q2'09 – Q2'10 Growth
<b>Fixed voice minutes</b>	<b>1,824,359,187</b>	<b>-7.6%</b>	<b>-9.1%</b>
<b>Mobile voice minutes</b>	<b>2,650,151,906</b>	<b>+1.0%</b>	<b>+4.5%</b>
<b>Total voice minutes</b>	<b>4,474,511,093</b>	<b>-2.7%</b>	<b>-1.5%</b>

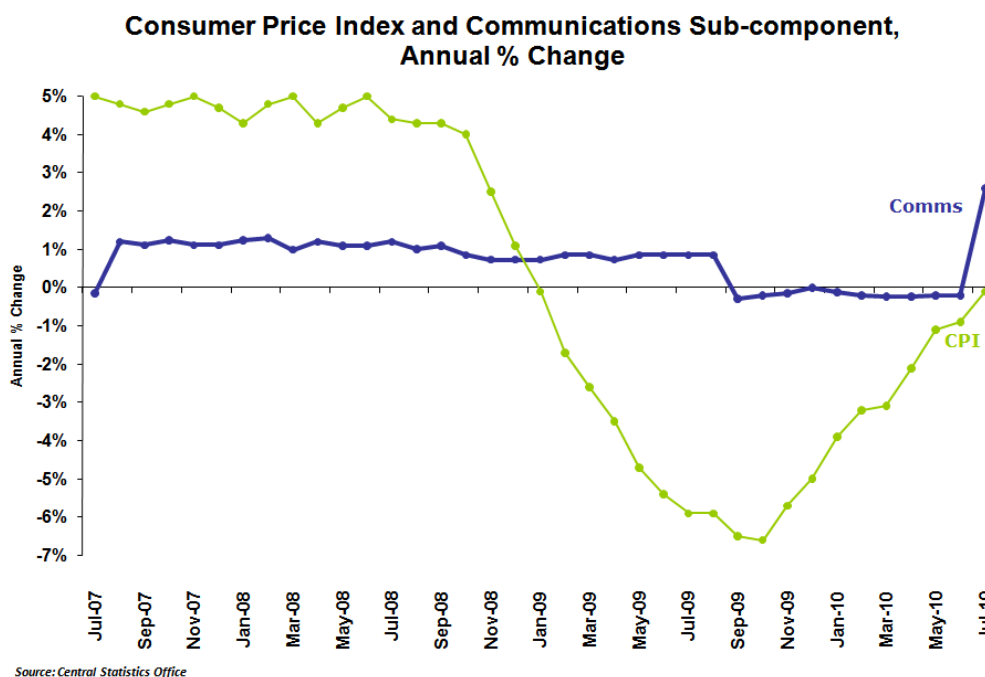
<sup>4</sup> Fixed advanced minutes include premium rate services minutes, freephone minutes, VoB minutes, payphone minutes, operator services minutes, national and international virtual private network minutes. Mobile advanced minutes include premium rate services minutes and other mobile minutes such as voicemail, DQ, call completion minutes etc.

### 1.4 Communications and the Consumer Price Index

Figure 1.4.1 shows the annual percentage change in the Consumer Price Index (CPI) and the communications sub-component since July 2007. The CSO weights communications as 3.34% of the total CPI. The percentage change in the cost of the communications basket of goods has generally been stable over the reported period in contrast to the overall consumer price index.

As the recession worsened, overall prices fell more quickly than communications prices. However, in the last number of months overall prices have been rising and more recently communications costs have increased also. Overall communication costs increased by 2.54% in the year to July 2010, while in the year to July 2009 communication costs rose by 0.85%. The price increase is primarily due to increased charges by Eircom and mobile operators<sup>5</sup>.

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

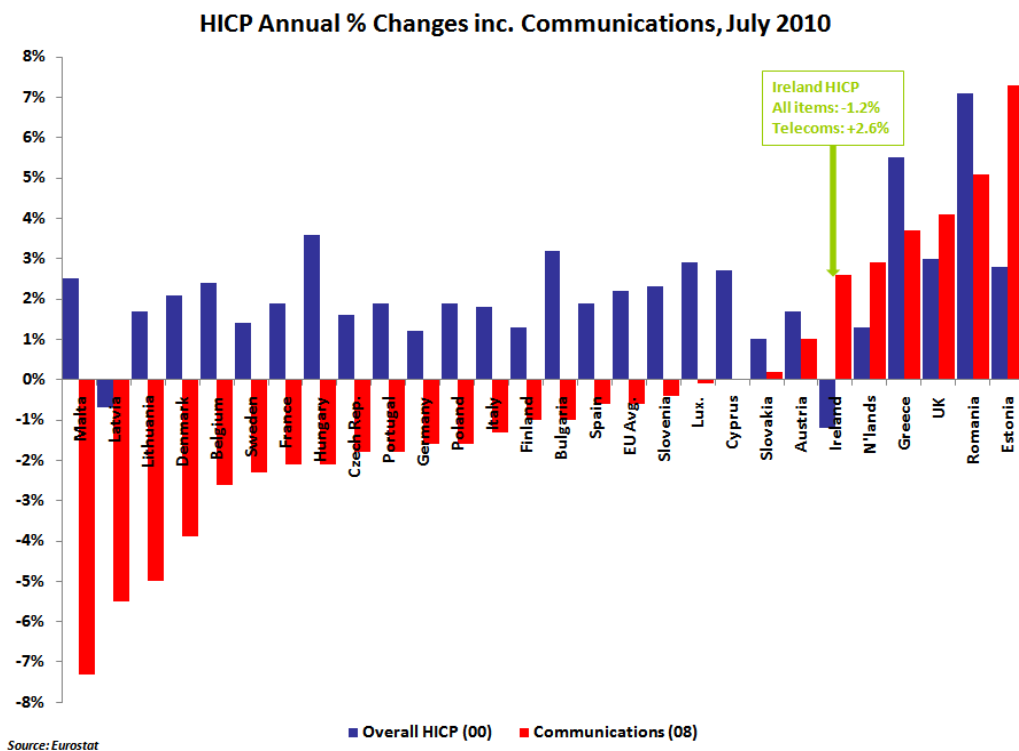


<sup>5</sup> O2 increased call connection charges from 5 cent to 9 cent on their pre-paid packages. For post-paid plans, the out of bundle or non-inclusive per minute costs are increasing by 2 cent. Text charges will increase from 10c to 11c. Meteor has announced a similar increase which came into effect as of August 12th and will therefore have an effect on the cost of the telecommunications basket published next month. From Thursday, 1st July 2010, Eircom introduced call rounding for all "out of bundle" minutes. All minutes outside of package/bundle minutes are rounded up to the next minute instead of being billed on a per second basis. A call set up fee replaces the minimum call fee for customers on "small business" packages. The existing minimum fee charge of (5.33c ex. VAT) will be replaced by a fixed call set up charge of (4.80c ex. VAT).

Figure 1.4.2 compares the overall Harmonised Index of Consumer Prices (HICP) as well as the telecommunications basket for European countries including Ireland. The HICP is an indicator of inflation and price stability for the European Central Bank (ECB). It is a consumer price index which is compiled according to a methodology that has been harmonised across EU countries.

The euro area HICP is a weighted average of price indices of member states who have adopted the euro. On average, European countries have seen telecommunications prices fall slightly over the last year, while prices overall have risen. For Ireland, the data shows that telecommunications prices have increased by 2.6% in the year to July 2010 while prices overall have declined by 1.2%

**Figure 1.4.2 – European Harmonised Index of Consumer Prices**



## 2. Fixed Market Data

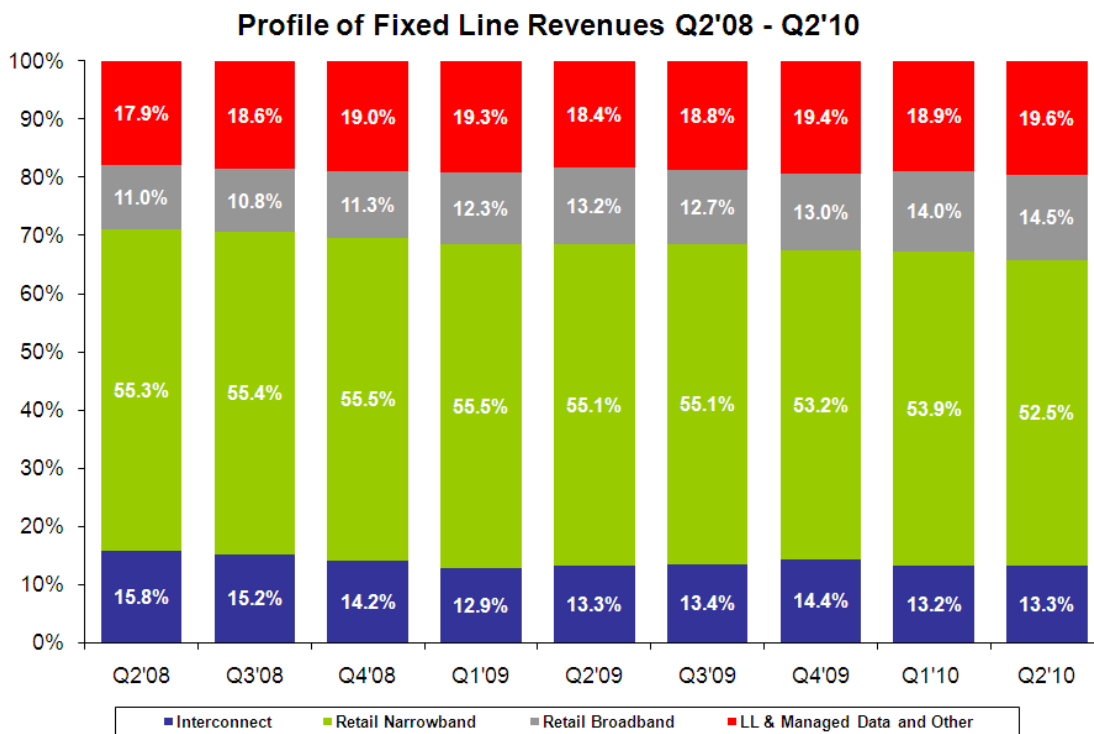
### 2.1 Total Fixed Line Revenues

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 at the end of June 2010 were just under €480 million. This is a 0.5% decrease on Q1 2010 revenues and a 6.9% decline on Q2 2009 revenues, which were just over €511 million.

While revenues from interconnect (down 1.4%) and fixed retail narrowband (down 4.5%) have fallen this quarter, revenues from leased lines, managed data and other advanced data services (up 1.8%) and broadband services (up 1.8%) have increased.

This quarter the proportion of fixed line revenues attributable to leased lines, managed data and other advanced data services increased by 0.7 percentage points. Broadband revenues' market share increased by 0.5 percentage points in Q2 2010 and interconnect increased by 0.1 percentage points, while the proportion of retail narrowband fell by 1.4 percentage points.

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



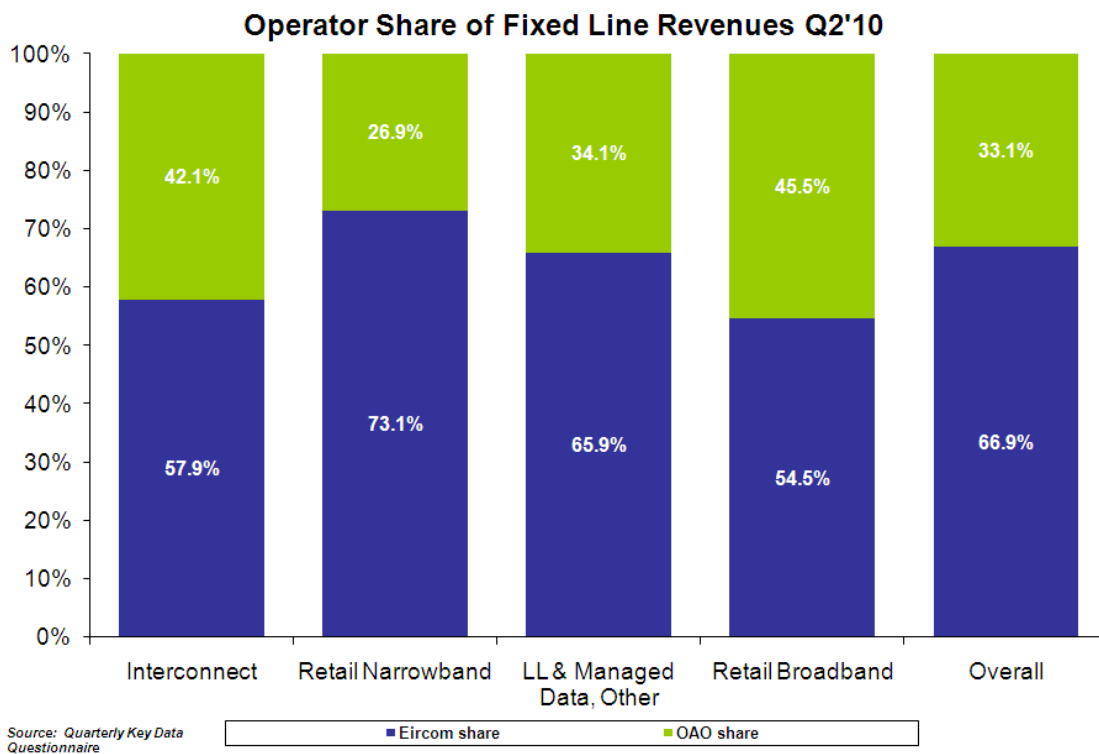
Source: Quarterly Key Data Questionnaire

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

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

This quarter Eircom made gains relative to OAOs in its market share of leased line, managed services and other revenues (up 4.3 percentage points). Eircom lost some market share to OAOs in interconnect revenues (down 45.6 percentage points), retail broadband (down 0.3 percentage points), and retail narrowband (down 0.2 percentage points). Overall, Eircom’s market share of total fixed line revenues decreased by approximately 0.1 percentage points to 66.9%.

**Figure 2.1.1.1 – Operator Share of Fixed Line Revenues<sup>6</sup>**

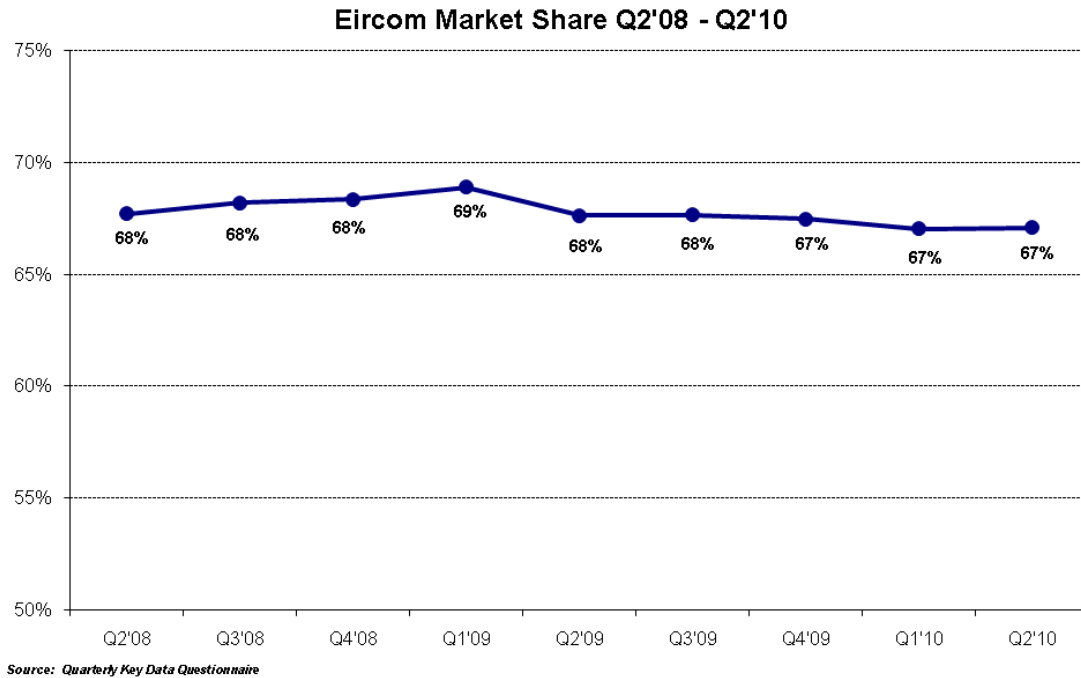


<sup>6</sup> Eircom’s retail broadband share includes DSL, FWA and Satellite revenues.



Eircom’s overall share of fixed line market revenue has increased only slightly this quarter to 67.1%. Figure 2.1.1.2, below, shows Eircom’s market share, rounded to the nearest percentage point, on a quarterly basis from Q2 2008 to Q2 2010.

**Figure 2.1.1.2 – Eircom’s Market Share**



## 2.2 Fixed Line Access Paths

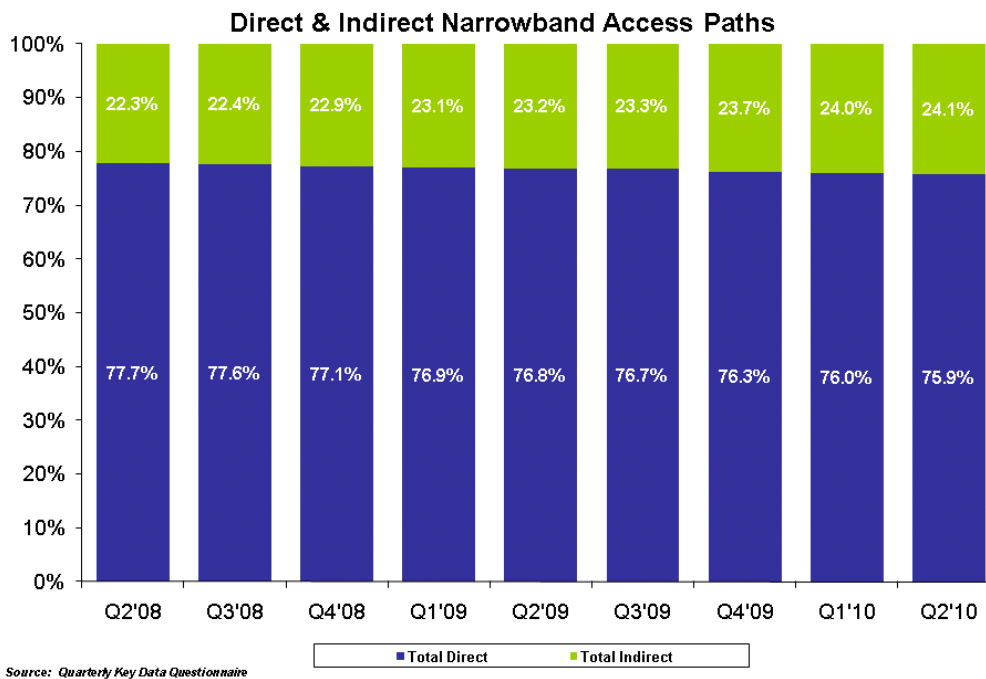
### 2.2.1 Access Paths

Figure 2.2.1.1 presents the total number of narrowband copper fixed access paths (PSTN and ISDN) broken out by direct and indirect access<sup>7</sup>. These paths are usually used for voice services and internet access. There were just under 1.91 million direct and indirect PSTN and ISDN access paths in the Irish market in Q2 2010.

This represents a decline of 4.8% since Q2 2009 and 1.1% in this quarter. This reduction in demand for fixed lines could be due to a number of reasons such as an increase in the number of business failures and exits, and fixed line disconnections due to emigration and remigration and reductions in consumer spend in difficult economic times, among other factors.

In Q2 2010, indirect access accounted for 24.1% of all access paths in the fixed market, up marginally from the previous quarter.<sup>8</sup> While this chart shows the number of narrowband only access paths in Ireland, voice and data can also be supplied by other means such as broadband. Details on the broadband market in Ireland can be found in chapter 3 of this report.

**Figure 2.2.1.1 – Direct & Indirect Narrowband Fixed Access Paths**



<sup>7</sup> Indirect access paths relate to telephone lines provided to customers by means of carrier pre-select only or wholesale line rental. Carrier pre-select allows the user to receive all or a portion of calls from one provider and line rental from another provider (usually Eircom). Wholesale line rental (also known as single billing) allows the user to receive every aspect of telephone service, including all calls and line rental from one single supplier.

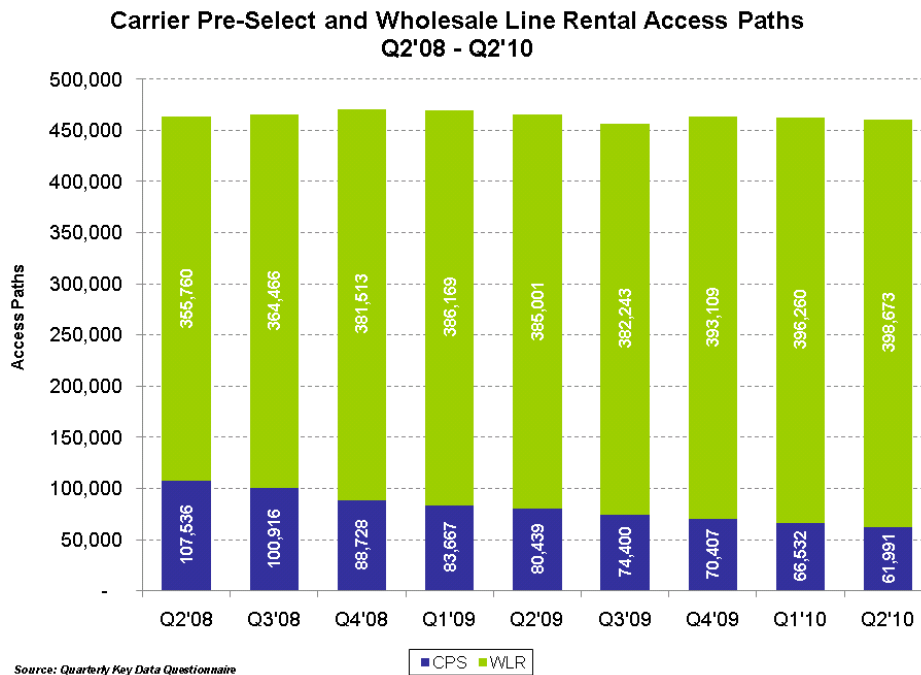
<sup>8</sup> Access paths are not synonymous with access lines as for example in the case of ISDN paths, there may be more than 1 path provided via a single ISDN line.

### 2.2.2 Indirect Access Paths

Figure 2.2.2.1 illustrates the overall number of PSTN and ISDN paths provided by means of either Carrier Pre-Selection (CPS) only or Wholesale Line Rental (WLR). In Q2 2010, there were 460,664 indirect access paths in Ireland. The number of indirect access paths fell by 0.5% this quarter and fell by 1.1% in the year since Q2 2009.

The data indicates that OAOs continue to migrate their customer base to single-bill services, i.e. WLR rather than CPS (i.e. calls only) services to customers. WLR managed by OAOs now accounts for almost 86.5% of indirect access paths compared to just over 77% in Q2 2008. The share of CPS only indirect access paths has declined by 42% in the last two years.

**Figure 2.2.2.1 – Narrowband Indirect Access Paths**



### 2.3 Fixed Voice Call Volumes

Fixed voice traffic in Q2 2010 was just over 1.82 billion minutes, which was a 7.6% decrease since Q1 2010 and a fall of 9.1% since Q2 2009. The volumes for all types of fixed voice, with the exception of other/advanced minutes, have fallen this quarter. Seasonality (e.g. Easter period and bank holidays, timing of marketing campaigns) may be contributing to this decline in volumes as previous years' data for this quarterly period also show a fall in traffic<sup>9</sup>. Other factors such as reductions in consumer spending in more difficult economic conditions, and an increase in the use of mobile phones, among other factors, are also likely to have contributed to this decline, as noted under 2.2.1 in relation to the fall in the number of fixed access paths.

International minutes fell by 7.8%, domestic minutes declined by 10.6% and minutes to mobiles fell by 3.6%. Only other/advanced minutes saw a slight increase, by 0.8%. Voice over broadband (VoB) minutes grew by 4.1% in Q2 2010 and now account for approximately 4.2% of total fixed voice minutes up from 3.7% in the last quarter. There were an estimated 100,000 managed VoB subscriptions in Ireland in Q2 2010 and over 75 million managed VoB minutes, suggesting that VoB is growing in popularity. The number of VoB subscriptions stated above is likely to underestimate the level of VoB usage in Ireland. VoB subscriptions and minutes quoted in this report represent managed VoB data (for example by Eircom and other providers such as Blueface) and do not include unmanaged VoB services by providers such as Skype.

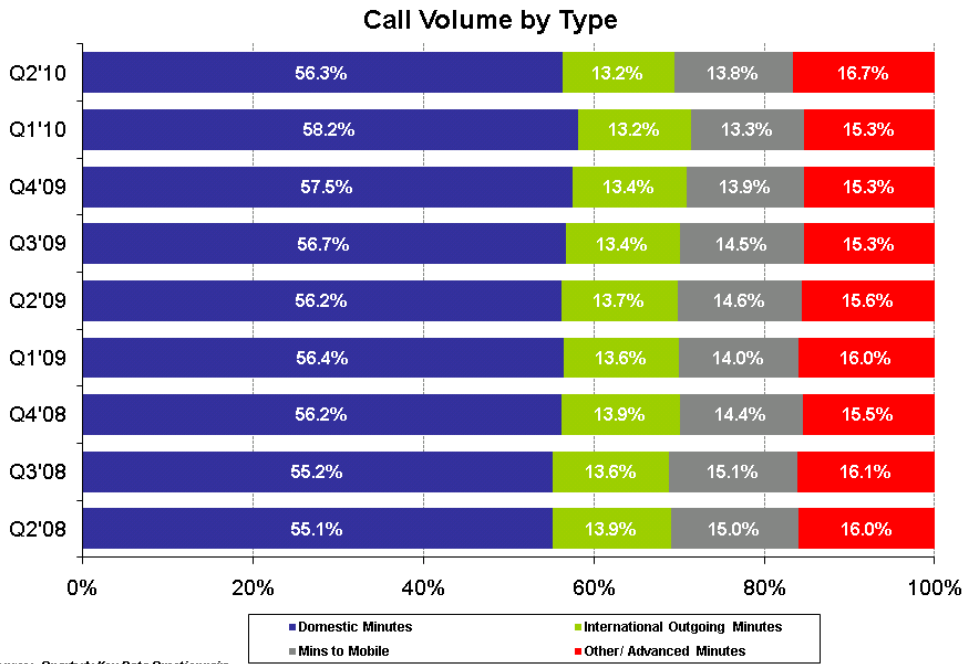
Domestic minutes now account for 56.3% of all fixed traffic, down from 58.2% last quarter. International outgoing minutes has a 13.2% market share of all fixed traffic and has remained flat since Q1 2010, although its market share has also been declining. The market share of fixed to mobile minutes increased by 0.5 percentage points over the last three months and now represents 13.8% of all fixed voice minutes. Other/advanced minutes (which include VoB minutes and premium rate calls) have increased by 1.4% this quarter.

Changes in the volumes and profile of fixed line traffic will continue to be monitored by ComReg for evidence of changes in fixed line usage, such as increased fixed-mobile substitution and voice over broadband substitution. Figures 2.3.1 and 2.3.2 illustrate trends in fixed voice call minutes since Q2 2008, while figure 2.3.3 compares Irish fixed traffic trends to a number of other European countries over the last two years.

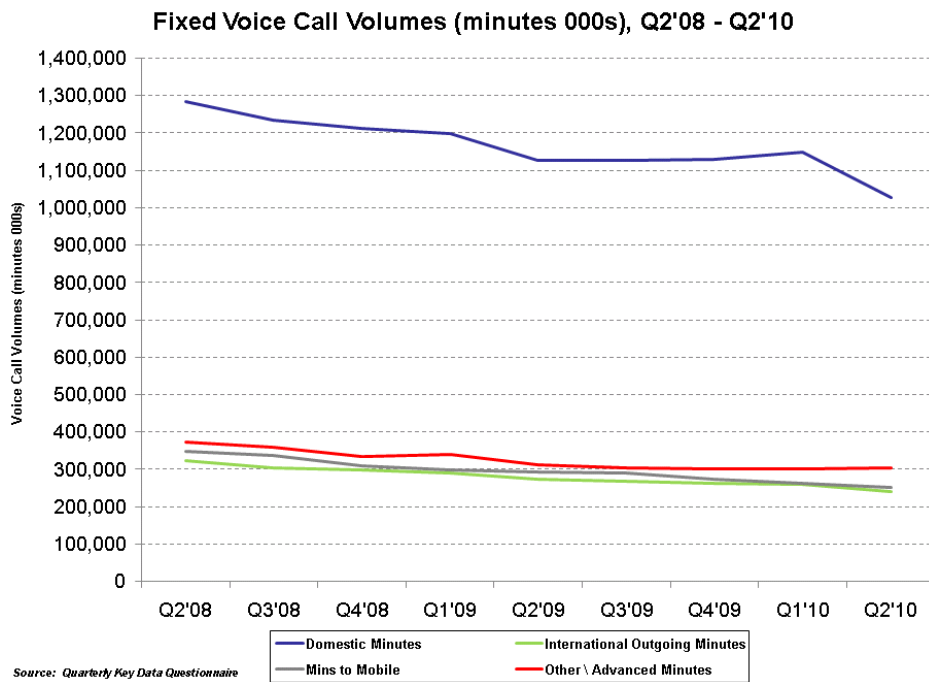
---

<sup>9</sup> The period under analysis fell during the Easter and early summer period when businesses are more likely to be closed for a period and consumers may be travelling abroad.

**Figure 2.3.1 – Fixed Voice Call Volume (Minutes)<sup>10</sup>**

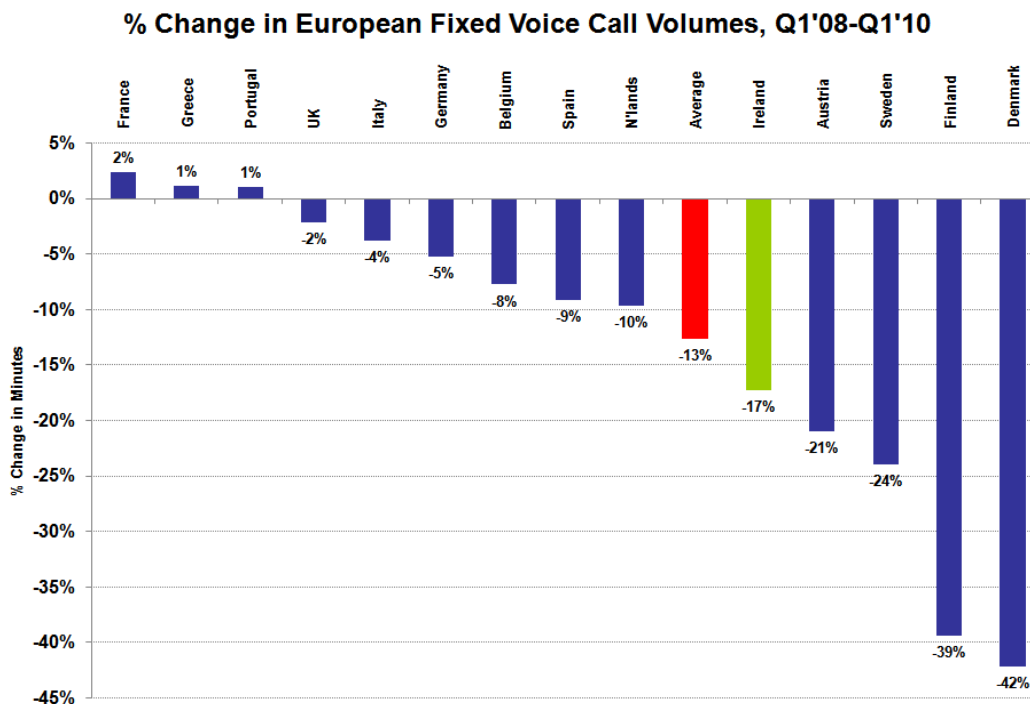


**Figure 2.3.2 – Fixed Voice Call Volume (Minutes)**



<sup>10</sup> Domestic Calls include local & national calls. Advanced service and other minutes include minutes to premium rate numbers, freephone numbers, callsave, operator services, VoB minutes, VPN minutes, payphones and other services.

**Figure 2.3.3 – Change in European Fixed Voice Call Volumes**



Source: Analysys Mason

## 2.4 PSTN Pricing Data

ComReg uses independently-collated Teligen data using an OECD-approved methodology to examine the relative costs of a number of specific baskets of national and international telecoms services for both residential and business users. The data presented includes EU countries for which data is available<sup>11</sup>.

Using this methodology, data is presented using USD (\$) converted to Purchasing Power Parities (PPPs). The latter provides an indication of the cost of telecoms services in countries analysed in relation to the cost of all other products and services. The basket methodologies are reviewed and revised periodically. The basket methodologies have recently been updated and this is reflected in the baskets reported this quarter. Comparisons with previous baskets are not applicable in light of these changes and therefore, have not been included.

For the PSTN baskets, only the incumbent operator is covered. Discounts are incorporated and only tariffs presented as current tariffs on the operator web pages are considered. Nonrecurring charges (installation of a service) are discounted over 5 years and other fixed costs are included such as line rental and any other additional charges. Fixed, mobile and international calls are included in the baskets. For more detailed information please see ComReg’s accompanying Memorandum, document 10/73a.

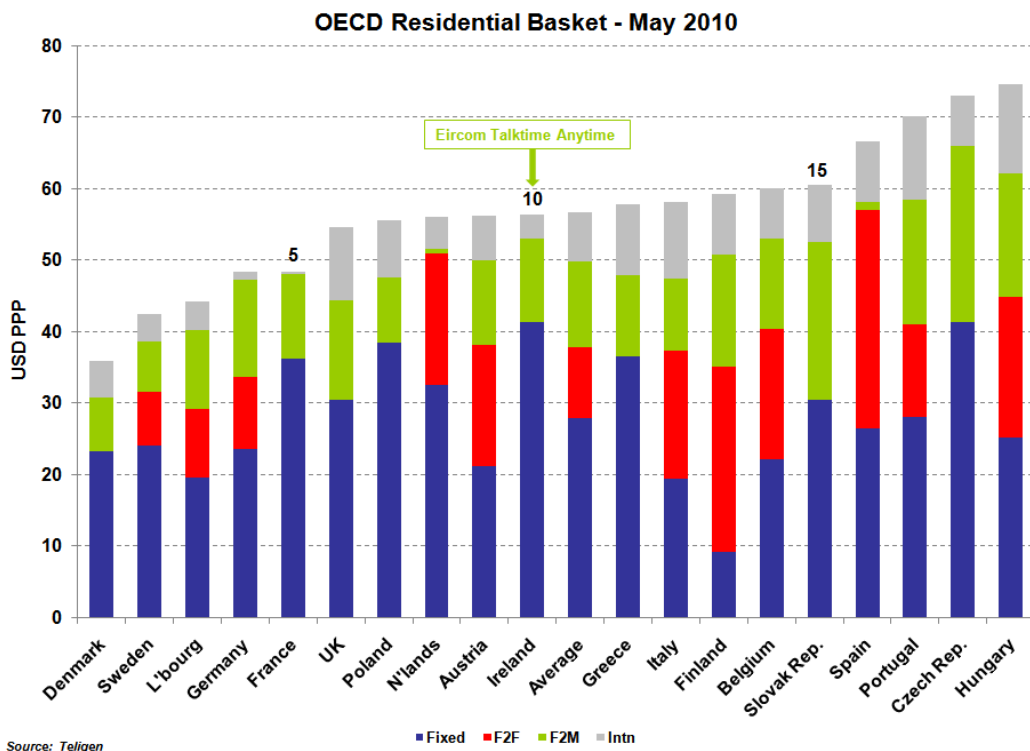
<sup>11</sup> This will be determined by whether the EU country is also an OECD member.

**2.4.1 OECD Residential PSTN Basket**

Figure 2.4.1.1 illustrates Ireland’s ranking, alongside another 18 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 be a bundled service which will include both line rental and a “bundle” of call minutes for a fixed monthly charge.

It should therefore be noted that the “fixed” element in this basket is not an indication of the cost of basic line rental. In May 2010 Ireland ranked in 10<sup>th</sup> position, one place ahead of the average of the benchmarked countries in terms of the most competitive pricing for this basket. The Irish package used for this comparison was Eircom’s Talktime Anytime, which was 1% cheaper than the average for the European countries charted.

**Figure 2.4.1.1 - OECD Residential PSTN Basket – May 2010<sup>12</sup>**



Source: Teligen

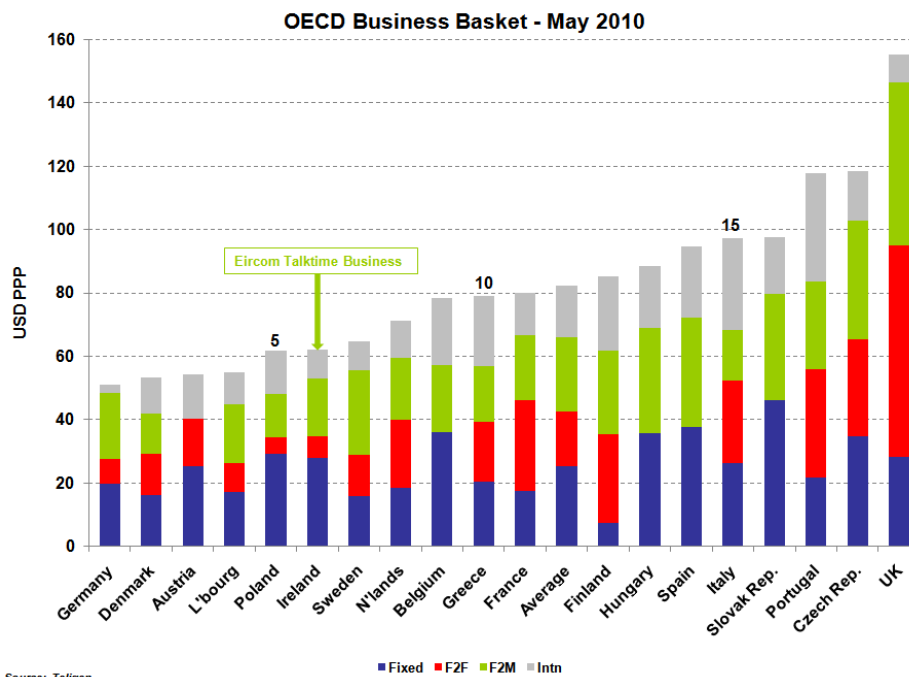
12 Residential tariffs include VAT. VAT rates vary between member states.

### 2.4.2 OECD Business PSTN Basket

Figure 2.4.2.1 illustrates Ireland’s ranking, alongside another 18 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. Ireland is approximately 32% lower than the average of the 19 countries benchmarked and is in 6<sup>th</sup> position, 6 places ahead of the group average. The Irish package used for this comparison was Eircom’s Talktime Business.

**Figure 2.4.2.1 - OECD Business PSTN Basket – May 2010**



Source: Teligen



### 3. Internet and Broadband

#### 3.1 Total Internet Subscriptions

As at the end of June 2010, there were just under 1.6 million active internet subscriptions in Ireland. This is a 0.2% increase on the previous quarter and a 8.1% increase on June 2009. Narrowband subscriptions have continued to decline significantly. In Q2 2010 alone almost 30,000 narrowband subscriptions were either switched to a broadband connection or cancelled. This represents a 26.5% decline since the last quarter and a fall of 56.5% since June 2009. Narrowband now accounts for just 4.8% of all internet subscriptions in Ireland compared to 6.5% last quarter.

DSL, mobile, cable and fibre/satellite broadband subscriptions all experienced positive growth this quarter, though growth rates have slowed when compared to previous quarters. DSL subscriptions increased by 0.8% in Q2 2010 (up 6.1% since June 2009). Cable subscriptions grew by 5.9% in Q2 2010 (up 39.3% since June 2009). Mobile broadband subscriptions increased by 3.8% in Q2 2010 (up 40.4% since June 2009, comparing like with like). In absolute terms, there was a net increase of 5,624 DSL subscriptions and 9,691 cable subscriptions. Fixed wireless subscriptions fell by 4,784 in Q2 2010. Interestingly, the net increase of total internet subscriptions was 520, perhaps suggesting that many of those who have left narrowband have already switched to broadband. Figure 3.1.1 shows the total number of narrowband and broadband internet subscriptions in Ireland.

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

<b>Subscription Type</b>	<b>Q2'10 Subs</b>	<b>Quarterly Growth Q1'10 – Q2'10</b>	<b>Year-on-Year Growth Q2'09 – Q2'10</b>
<b>Total Narrowband</b>	<b>77,243</b>	<b>-26.5%</b>	<b>-56.5%</b>
<b>DSL Broadband<sup>13</sup></b>	<b>729,892</b>	<b>+0.8%</b>	<b>+6.1%</b>
<b>Mobile Broadband</b>	<b>508,620</b>	<b>+3.8%</b>	<b>+40.4%</b>
<b>Cable Broadband</b>	<b>173,146</b>	<b>+5.9%</b>	<b>+39.3%</b>
<b>Other Broadband<sup>14</sup></b>	<b>106,691</b>	<b>-4.2%</b>	<b>-15.1%</b>
<b>Total Internet Subscriptions</b>	<b>1,595,592</b>	<b>+0.2%</b>	<b>+8.1%</b>

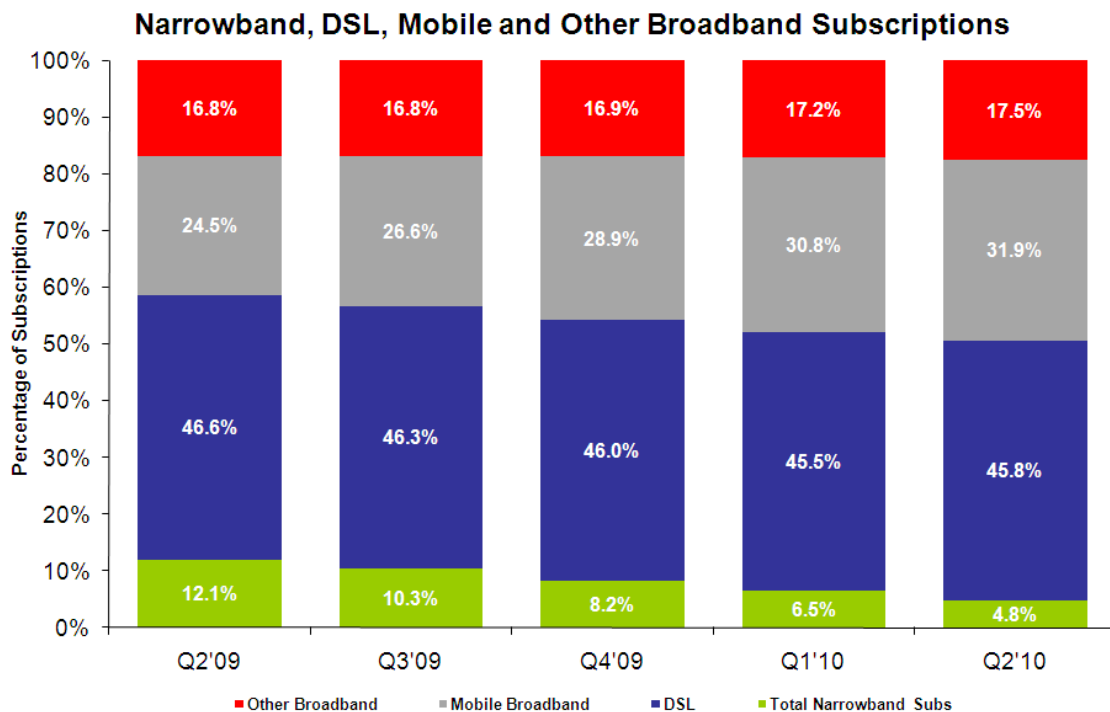
13 DSL refers to a digital subscriber line, the means by which broadband speeds (i.e. in excess of 144k downstream) are delivered over the copper telecoms network.

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

Figure 3.1.2 profiles internet subscriptions in Ireland using the classifications of subscription type outlined in Figure 3.1.1. The market share of narrowband has fallen by 7.3 percentage points between Q2 2009 and Q2 2010.

Broadband subscriptions accounted for 95% of all internet subscriptions as of Q2 2010 compared to 87.7% in Q2 2008. DSL subscriptions alone account for 46.9% of all internet subscriptions. As the rate of growth in DSL subscriptions has slowed over the last two years, its share of internet subscriptions has declined gradually. Mobile broadband subscriptions have grown significantly over the last two years and now account for almost one third of all internet subscriptions.

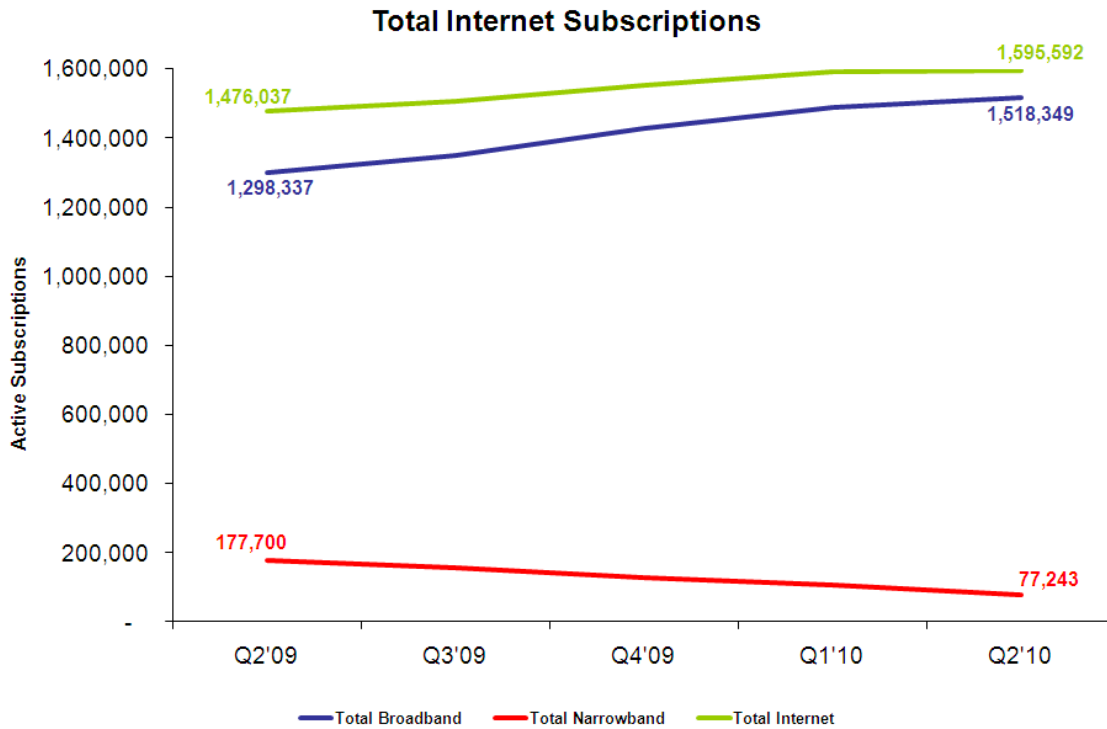
**Figure 3.1.2 – Profile of Active Internet Subscriptions**



Source: Quarterly Key Data Questionnaire

Figure 3.1.3 shows the change in total internet subscriptions, narrowband subscriptions and broadband subscriptions since Q2 2009. Broadband subscriptions exceeded narrowband subscriptions for the first time in Q1'07. Since that point, narrowband subscriptions have continued to decline quarter on quarter.

**Figure 3.1.3 – Total Internet Subscriptions**

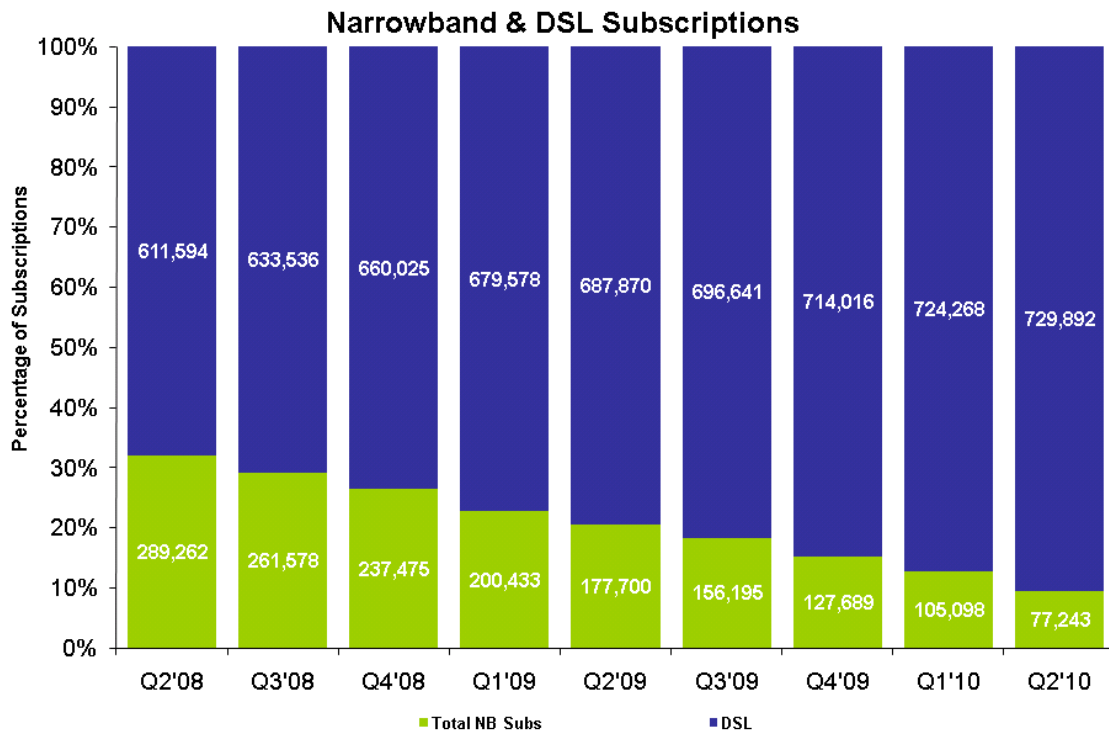


Source: Quarterly Key Data Questionnaire

Figure 3.1.4 profiles only those internet subscriptions delivered over the copper telecoms network. It analyses dial-up subscriptions and DSL subscriptions. There were 807,135 active internet subscriptions over the copper telecoms network at the end of June 2010. This was a decrease of 22,231 (-2.7%) in the total number of copper-based subscriptions since Q1 2010. Since June 2009 internet subscriptions over the copper telecoms network have fallen by 6.8%, primarily due to the decline in narrowband subscriptions.

DSL accounted for 89.4% of copper-based internet subscriptions in Q2 2010 compared to 87.3% in Q1 2010. Narrowband subscriptions accounted for 10.6% of internet subscriptions over copper in Q2 2010 compared to 12.7% in Q1 2010 and 47% in Q2 2008.

**Figure 3.1.4 – Profile of Copper Based Internet Subscriptions**



Source: Quarterly Key Data Questionnaire

### 3.2 Provision of DSL Access

Figure 3.2.1 examines the provision of DSL access. DSL broadband services are provided to consumers by operators using three alternative methods of access. DSL may be provided directly to the consumer by Eircom using direct access to its network; this accounted for 68.0% of all DSL subscriptions in Q2 2010. Retail DSL may also be provided by alternative operators (OAOs) who use either wholesale bitstream, which enables OAOs to resell another operator’s DSL service, or by offering DSL-based broadband using local-loop unbundling (LLU).

In Q2 2010, 29% of all DSL lines were provided by OAOs using wholesale bitstream. In absolute terms there were 211,655 wholesale bitstream lines in Q2 2010, an increase of 2.5% on the previous quarter and an increase of 12.9% since Q2 2009. The remaining 3% of DSL lines were provided to subscribers by OAOs using local-loop unbundling. In Q2 2010 there were 22,042 local loops unbundled. Eircom’s market share of retail DSL lines has declined by 1.3 percentage point over the last year.

**Figure 3.2.1 - Provision of DSL Access**

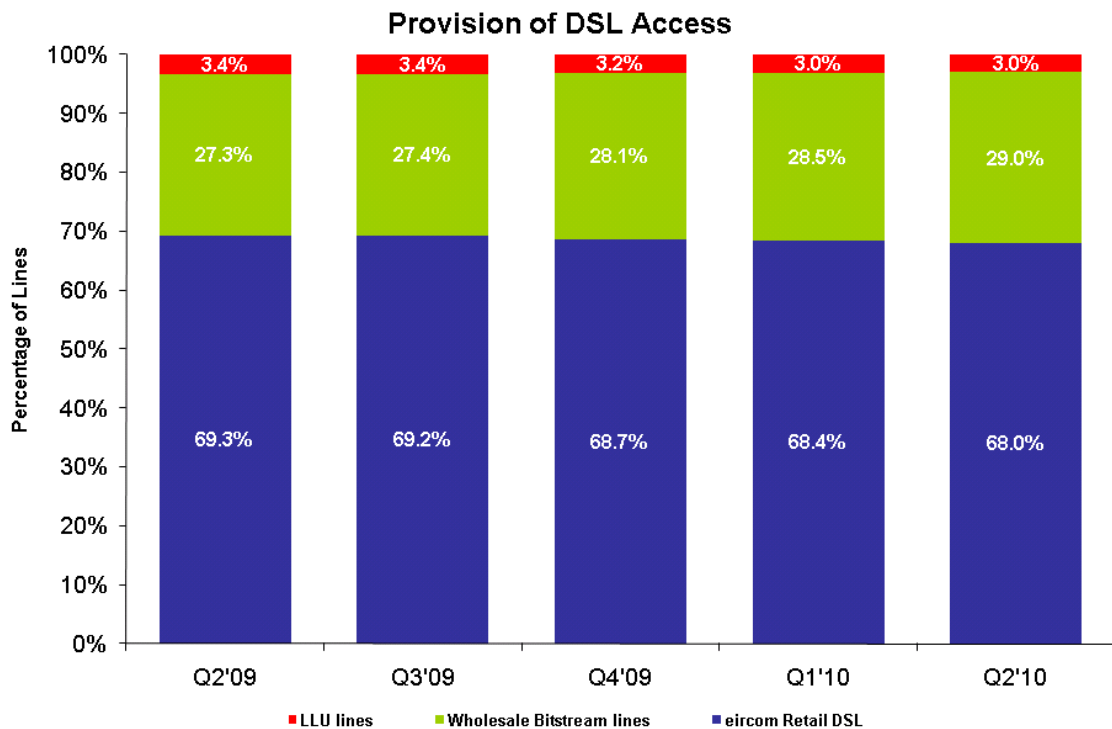
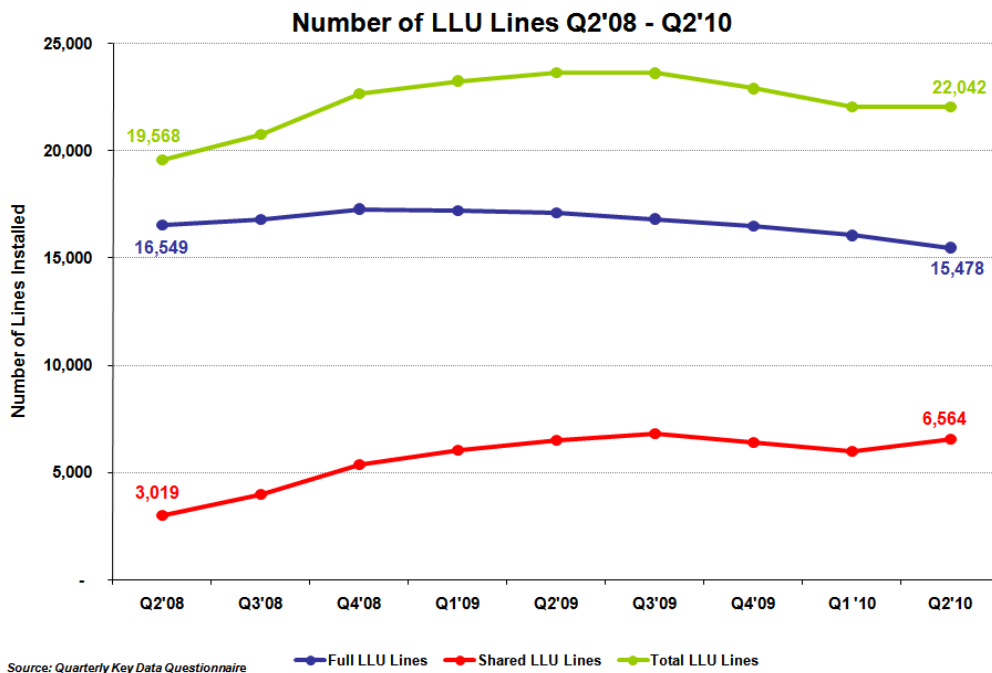


Figure 3.2.2 shows the number of unbundled lines classified by shared and full<sup>15</sup> status. Between Q2 2008 and Q2 2010 the total number of LLU lines increased by 12.6%. However, total LLU lines have declined over the last four quarters (LLU lines are down 6.7% since Q2 2009).

ComReg hopes that the number of LLU lines will continue to increase following its recent decision<sup>16</sup> to reduce wholesale line share charges from €8.41 to €0.77 and the unbundled local loop and sub-loop unbundled price from €16.43 and €14.83 per month to €12.41 and €10.53 respectively.<sup>17</sup> ComReg notes that some alternative operators are actively migrating customers to LLU from Bitstream lines.

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

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



15 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.

16 Decision D4/09 available at [http://www.comreg.ie/\\_fileupload/publications/ComReg0966.pdf](http://www.comreg.ie/_fileupload/publications/ComReg0966.pdf)

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

### 3.3 Provision of Broadband Services

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

At the end of June 2010, there were 1,518,349 broadband subscriptions in Ireland. This represents a growth rate of 2.1% in the number of subscriptions for this quarter and 16.9% growth since Q2 2009. Cable showed the strongest growth this quarter, up by almost 6% and up by 39.3% since Q2 2009. FWA subscriptions continued to decline since peaking in Q1'08, falling by 4.7% this quarter (and down 16.1% year-on-year). The other subscriptions category (satellite and fibre) increased this quarter, bringing it back to the same levels it was at in Q2 2009. Mobile broadband grew by 3.8% in Q2 2010 and represents 508,620 broadband subscriptions in Ireland.

**Figure 3.3.1 – Broadband Subscriptions<sup>18</sup> and Growth Rates by Platform**

<b>Platform</b>	<b>Q2'10 Subs</b>	<b>Quarterly Growth Q1'10-Q2'10</b>	<b>Year-on-Year Growth Q2'09-Q2'10</b>
<b>DSL</b>	<b>729,892</b>	<b>+0.8%</b>	<b>+6.1%</b>
<b>Cable</b>	<b>173,146</b>	<b>+5.9%</b>	<b>+39.3</b>
<b>FWA</b>	<b>96,759</b>	<b>-4.7%</b>	<b>-16.1%</b>
<b>Other<sup>19</sup></b>	<b>9,932</b>	<b>+20.9%</b>	<b>+17.0%</b>
<b>Sub-Total</b>	<b>1,009,729</b>	<b>+1.1%</b>	<b>+7.7%</b>
<b>Mobile Broadband</b>	<b>508,620</b>	<b>+3.8%</b>	<b>+40.4%</b>
<b>Total</b>	<b>1,518,349</b>	<b>+2.1%</b>	<b>+16.9%</b>

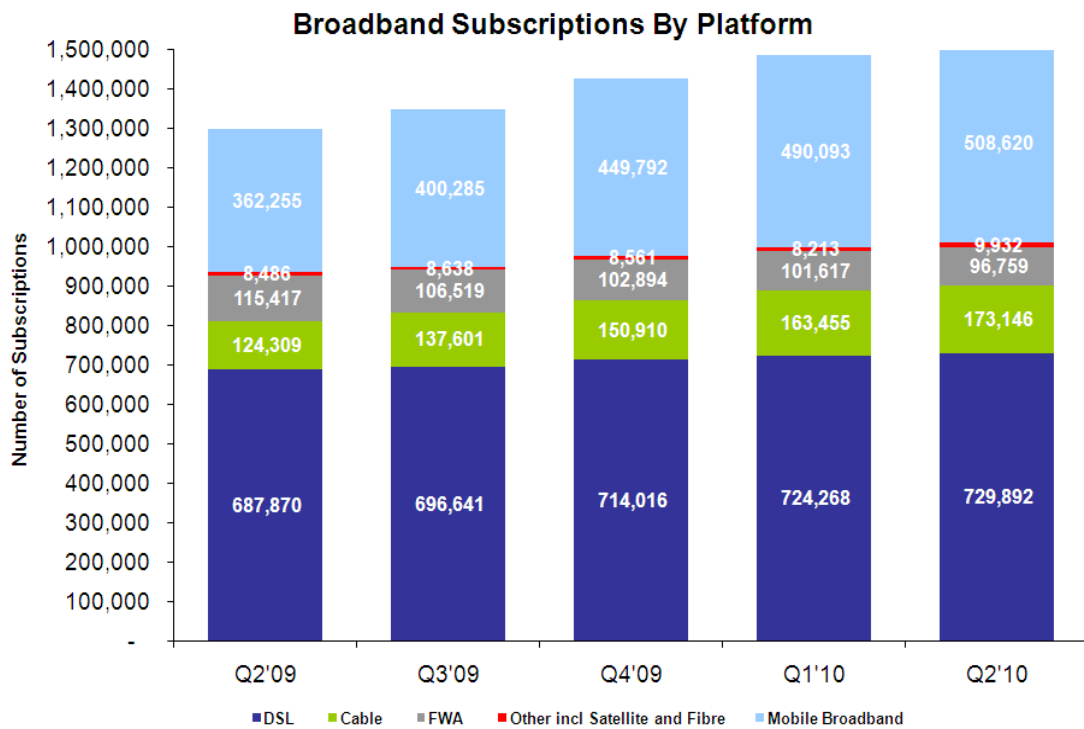
18 ComReg notes that the data provided in this section relates to active subscriptions reported by operators. It takes into account multiple active subscriptions to broadband offerings by individual subscribers.

19 Other Broadband includes Satellite and Optical Fibre broadband subscriptions.

DSL remains the largest broadband access platform in terms of subscriptions. DSL accounts for 48.1% of all broadband subscriptions, a 0.6 percentage increase from Q1 2010. Of the remaining 51.9% of broadband connections, mobile broadband accounts for 33.5%, cable has 11.4% of the market and FWA accounts for 6.4% of broadband subscriptions.

Satellite and fibre broadband subscriptions account for 0.7% of the market. Figure 3.3.2 illustrates the split by type of broadband subscriptions in the Irish market since Q2 2009.

**Figure 3.3.2 – Broadband Subscriptions by Platform**



Source: Quarterly Key Data Questionnaire



Figure 3.3.3 provides an estimate of the proportion of business and residential subscriptions to DSL, cable, fixed wireless, mobile broadband, fibre and satellite broadband services. In Q2 2010 81.9% of broadband subscriptions on all platforms were classed as residential broadband subscriptions.

The platform with the highest percentage of residential subscriptions is cable broadband, while the satellite and fibre subscriptions (classified as "Other") have the highest percentage split of business customers. In Q2 2010 the residential market share of mobile broadband subscriptions was 81.6%.

**Figure 3.3.3 – Broadband Subscriptions by Subscription Type**

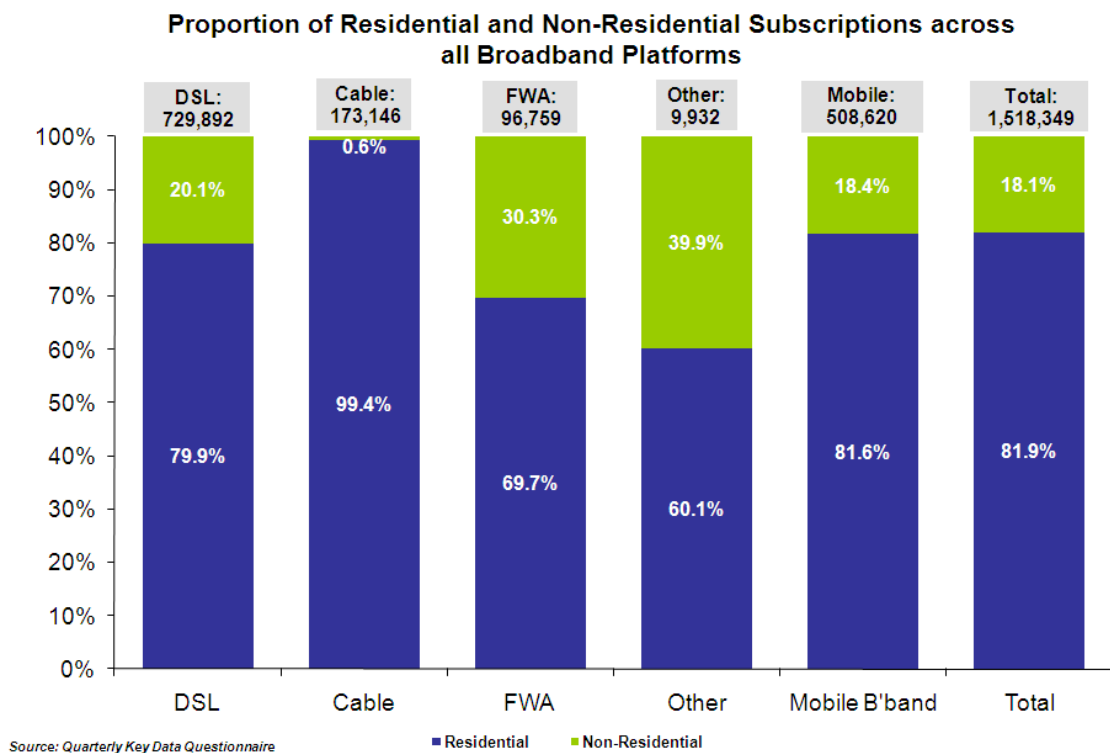


Figure 3.3.4 illustrates the breakdown of broadband subscriptions by contracted speed across all broadband platforms (including mobile broadband). The trend of customers moving to higher speeds has continued in Q2 2010 with speeds of 2Mbps and upwards increasing at the expense of 144Kps to 1.99Mbps speeds.

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

**Figure 3.3.4 – Broadband Subscriptions by Contracted Download Speeds and Subscription Type**

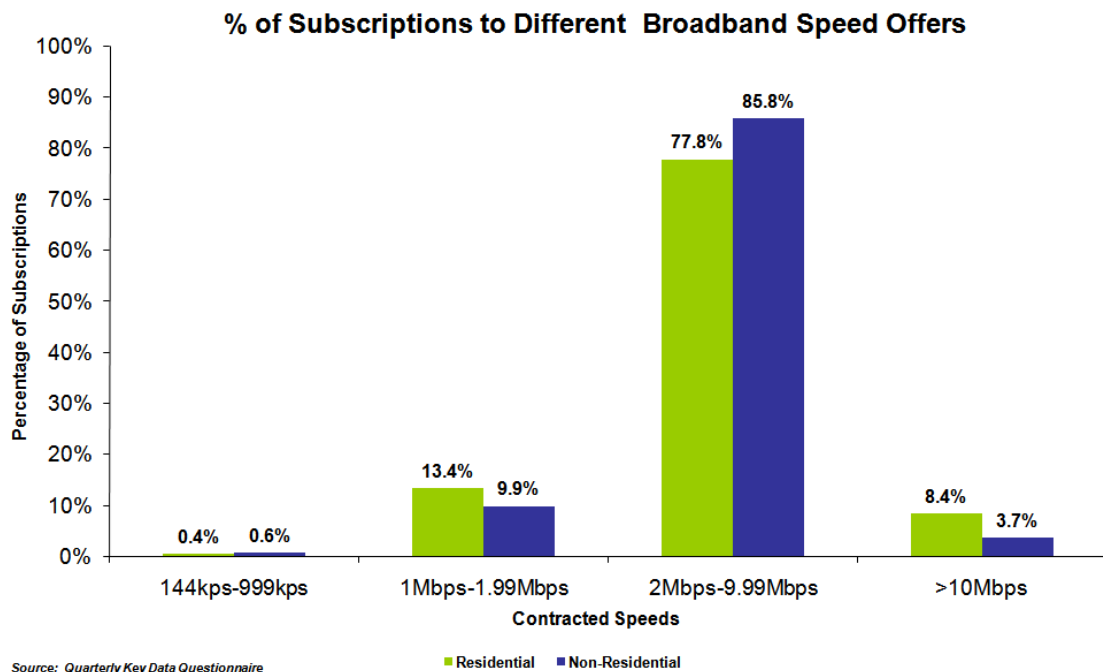


Figure 3.3.5 charts the shifting patterns in broadband subscriptions by contracted downloaded speeds. Since Q2 2009 subscriptions in the slower speed categories, 144kps-999Mps and 1Mbps-1.99Mbps, have continued to decline.

Subscriptions in the higher speed categories, 2Mbps-9.99Mbps and >10Mbps, have increased at the expense of speeds under 2Mbps. 79.3% of all broadband subscriptions are now in the 2Mbps-9.99Mbps category, while 7.5% of all broadband subscriptions are in the >10Mbps category as of Q2 2010.

**Figure 3.3.5 – Broadband Subscriptions by Contracted Download Speeds**

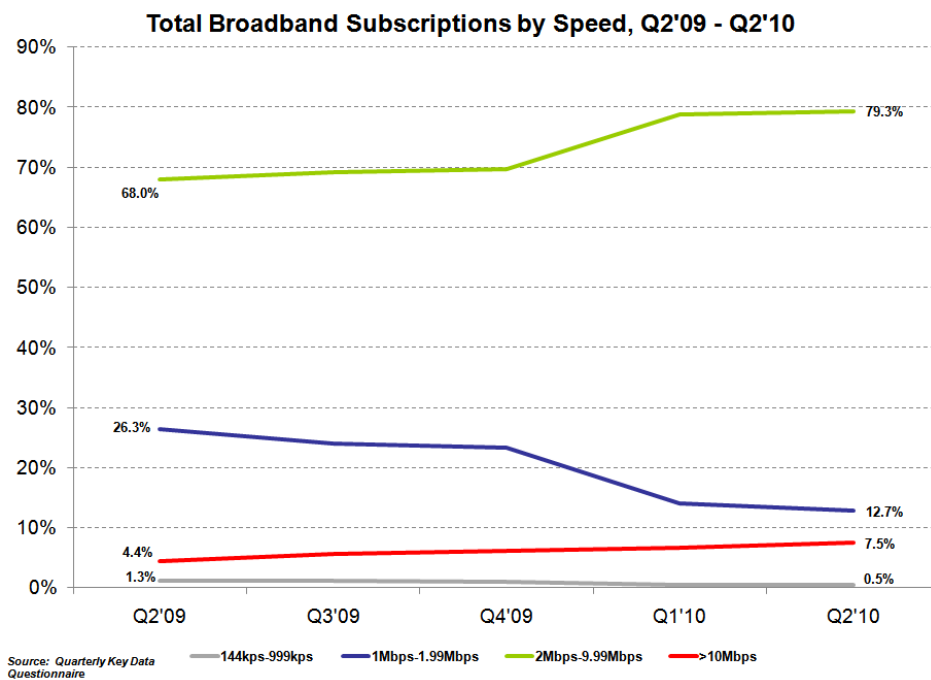


Figure 3.3.6 illustrates Eircom’s market share of fixed broadband subscriptions when compared to other authorised operators’ (OAO) share of overall broadband subscriptions, including DSL and alternative access technologies (which includes cable, FWA, satellite, and fibre broadband subscriptions).

In Q2 2010 quarter Eircom’s market share was 49.2% with OAOs having the remaining 50.8% of broadband subscriptions. This represents a continued decline in Eircom’s market share quarter on quarter.

**Figure 3.3.6 – Market Share of Fixed Broadband Market**

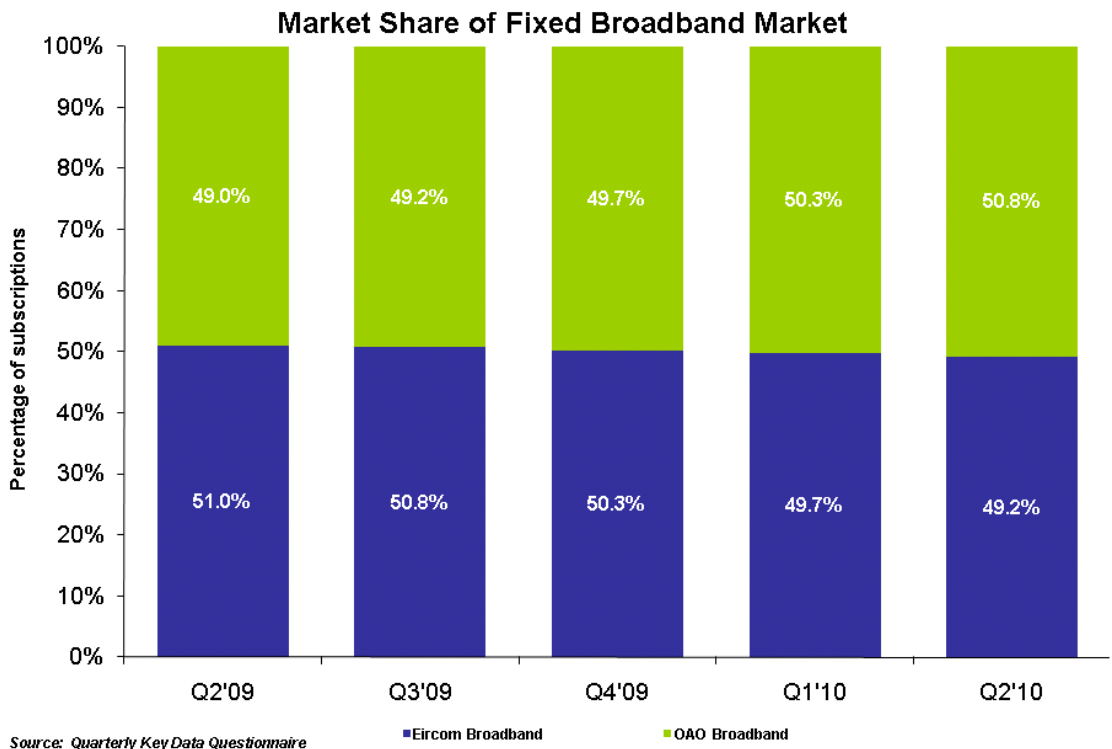


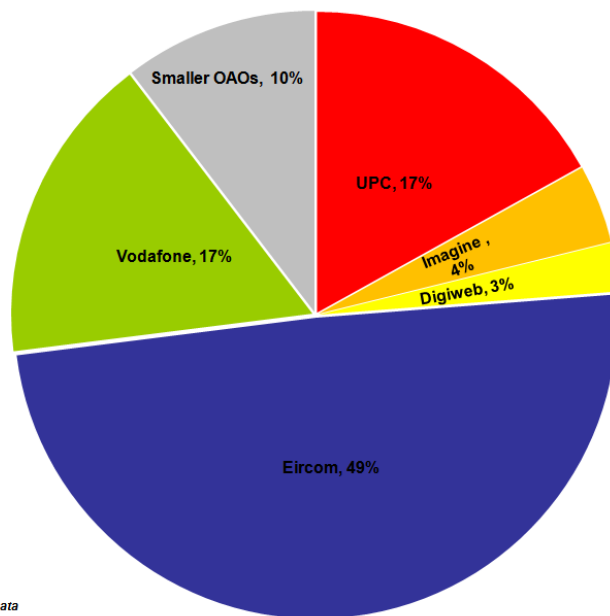
Figure 3.3.7 provides the market share of fixed broadband operators by number of subscriptions. DSL, cable modem, FWA, satellite and fibre subscriptions are all included in the total broadband subscriptions figure which is used to calculate market shares.

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

According to the data received from operators for Q2 2010, Eircom had 49.2% of total fixed broadband subscriptions, followed by UPC which had 17% of subscriptions. Vodafone had a 17% market share (excluding mobile broadband subscriptions), while Imagine had 4% of the market and Digiweb 3%. All other operators combined account for the remaining 10% of the fixed broadband market in terms of subscriptions.

**Figure 3.3.7 – Subscription Market Share of Fixed Broadband Market**

**Fixed Broadband Market Share (Subscriptions), Q2 2010**

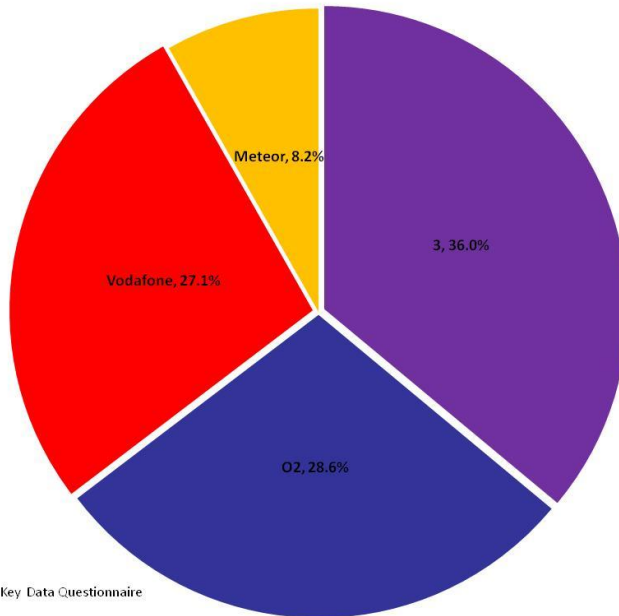


Source: Quarterly Key Data Questionnaire

Figure 3.3.8 shows the market share of mobile broadband operators by number of subscriptions. 3 has the largest share (36%), followed by O2 (28.6%), Vodafone (27.1%) and Meteor (8.2%).

**Figure 3.3.8 – Subscription Market Share of Mobile Broadband Market**

Mobile Broadband Market Share (Subscriptions), Q2 2010



Source: Quarterly Key Data Questionnaire

### 3.4 Broadband Penetration

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

**Figure 3.4.1 – Broadband Data Sources**

<b>Source</b>	<b>Publish Date</b>	<b>Data Period as of</b>	<b>Included in ComReg Quarterly Report</b>
<b>ECTA</b>	<b>October 2010</b>	<b>March 2010</b>	<b>Q3'10</b>
<b>OECD</b>	<b>November 2010</b>	<b>June 2010</b>	<b>Q4'10</b>
<b>ECTA</b>	<b>March 2011</b>	<b>December 2010</b>	<b>Q1'10</b>

As per Figure 3.3.1 the total number of broadband subscriptions in Ireland for Q2 2010 was 1,518,349. Based on this data, the broadband per capita penetration rate (including mobile broadband) in Q2 2010 was 34.0% compared to 33.4% in the previous quarter and 29.4% in Q2 2009. When mobile broadband is excluded, the penetration rate is 22.6%. These figures are based on a population of 4,459,300 from Central Statistics Office (CSO) data.<sup>20</sup>

It should be noted that a broadband subscriber may have both a fixed and mobile broadband subscription and therefore, a broadband penetration rate based on both mobile and fixed subscriptions may overestimate the penetration rate through double counting of subscriptions.

Using only fixed broadband subscriptions, the broadband household penetration rate (there are 1,599,500 households in Ireland using CSO data) as of Q2 2010 is 63.1%, up slightly from 62.4% in Q1 2010.

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

### 3.5 WiFi Broadband Access

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

ComReg presents data on the WiFi market based on the number of WiFi hotspots and access points located nationally. Internet hotspots are typically public wireless access points where a computer, usually a laptop, or other portable device such as an iPhone can connect to the internet. A WiFi hotspot can be made up of one or more WiFi access points<sup>21</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 and BT Ireland.

The number of WiFi hotspots has decreased by 14.8% this quarter and has fallen by 7.2% since Q2 2009. In Q2 2010 there were just over 30 million WiFi minutes of use in Ireland, an increase of 25.2% from the previous quarter. The number of access points increased this quarter by 1.4% and has increased by 10.1% between Q2 2009 and Q2 2010. This may suggest that declines in the number of businesses as a result of the recession (such as cafes and hotels) has led to a fall in hotspots while access points are increasing within hotspots.

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

	<b>Q2 2010</b>	<b>Q1'10-Q2'10 Growth</b>	<b>Q2'09-Q2'10 Growth</b>
<b>WiFi Hotspots</b>	<b>1,115</b>	<b>-14.8%</b>	<b>-7.2%</b>
<b>WiFi Access Points</b>	<b>3,606</b>	<b>+1.4%</b>	<b>+10.1%</b>
<b>WiFi Minutes of Use</b>	<b>30,822,796</b>	<b>+25.2%</b>	<b>-</b>

21 Hotspots are typically public locations at which broadband internet access can be obtained. At these hotspots, users with a computer (usually a laptop) can wirelessly connect to the internet either for free or on payment of a fee. Typical locations for such hotspots include cafes and restaurants, hotels and airports. In general terms, more than one access point can be found at a hotspot.



### 3.6 ADSL Pricing Data<sup>22</sup>

In this report broadband tariff baskets have been supplied by Teligen using their T-Connect product. In order to ensure that services can be adequately compared, the benchmarking model prices a range of DSL and cable services based on defined usage of 30 hours per month, with each session assumed to last for 30 minutes for residential consumers and 100 hours per month; while 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 two biggest fixed line DSL operators (by market share i.e. Eircom and Vodafone at Home)<sup>23</sup> under these usage assumptions and the incumbent for cable offerings (i.e. UPC for Ireland).

These packages are based on advertised download speeds. The charts below represent speed categories of 1-4 Mbps in the residential market, all residential speeds and 4-10 Mbps in the business market. More specific details on the upload and download speeds for each of the analysed products are included in the chart.

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

Further information on the composition of the broadband basket can be found in the Explanatory Memorandum which accompanies this report<sup>24</sup>.

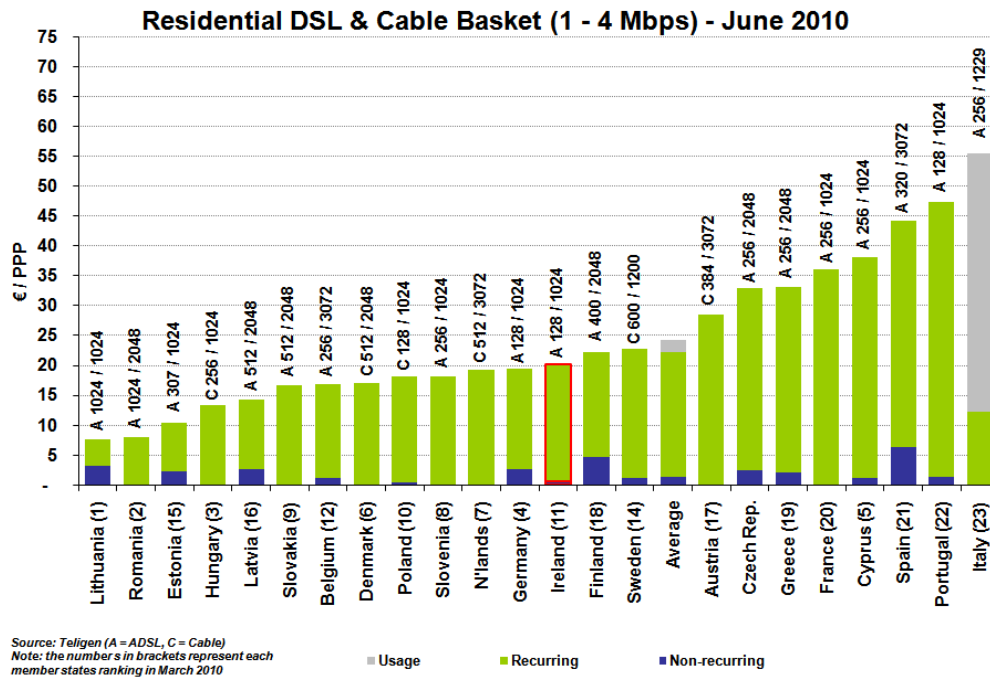
---

22 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.  
23 It should be noted that the majority of BT Ireland's DSL customers were transferred to Vodafone Ireland in September 2009.

24 ComReg Document 10/73a

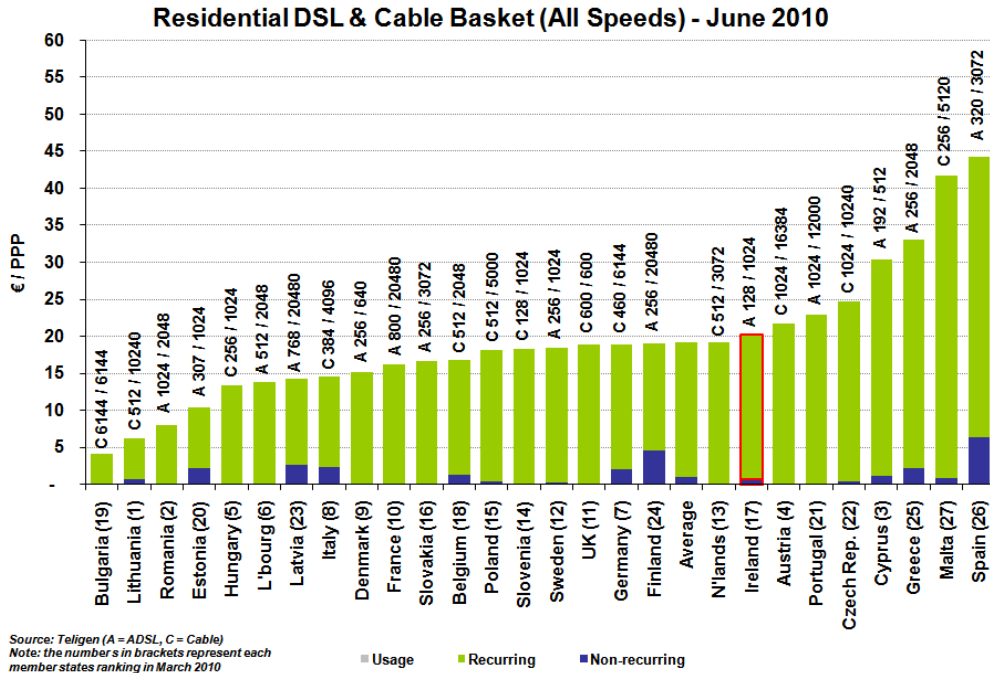
The lowest monthly residential DSL & cable baskets for the 1-4 Mbps speed category are charted in figure 3.6.1. Ireland ranks in 13<sup>th</sup> place (11<sup>th</sup> place in Q1 2010) among this group of 23 European countries. Ireland is three places ahead of, and 20% lower than, the European average. The pricing for Ireland is based on Eircom’s Broadband Home Starter package.

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



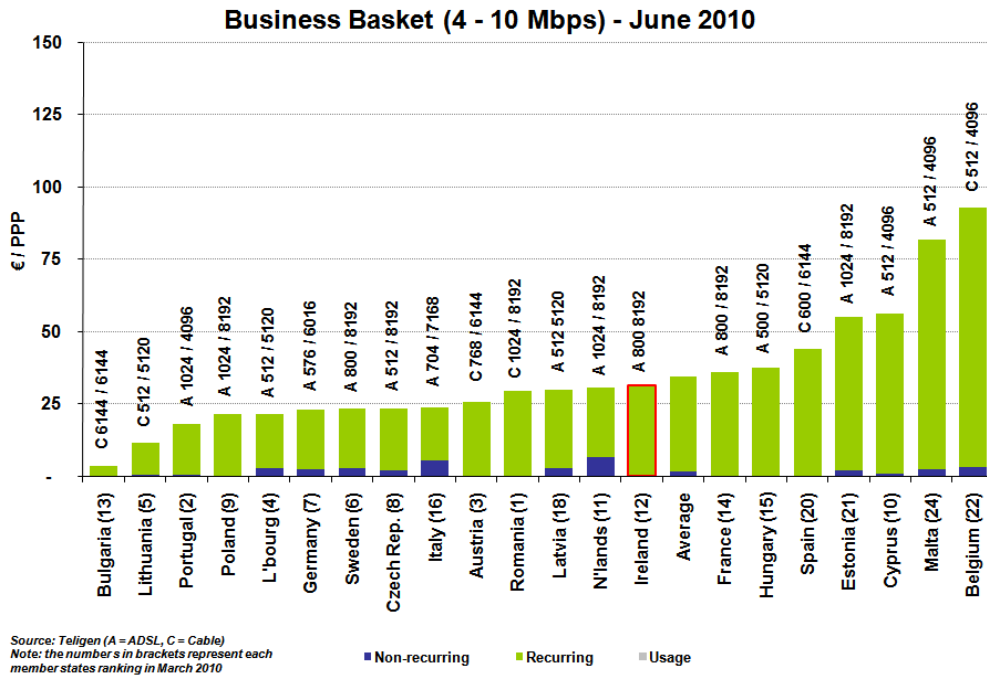
The lowest monthly residential DSL & cable baskets for all speeds are charted in figure 3.6.2. Ireland ranks in 20<sup>th</sup> place (17<sup>th</sup> place in Q1 2010) in this group of 27 European countries. Ireland ranks two place behind, and is 6% higher than, the European average. The pricing for Ireland is based on Eircom’s Broadband Home Starter.

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



The lowest monthly business DSL and cable basket for the 4-10 Mbps speed category is charted in figure 3.6.3. Ireland ranks in 14<sup>th</sup> place (12<sup>th</sup> place in Q1 2010) when the results for this group of 21 European countries are compared. Ireland is one place ahead of, and 10% lower than, the European average. The pricing for Ireland is based on Eircom’s Broadband Business Starter package.

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

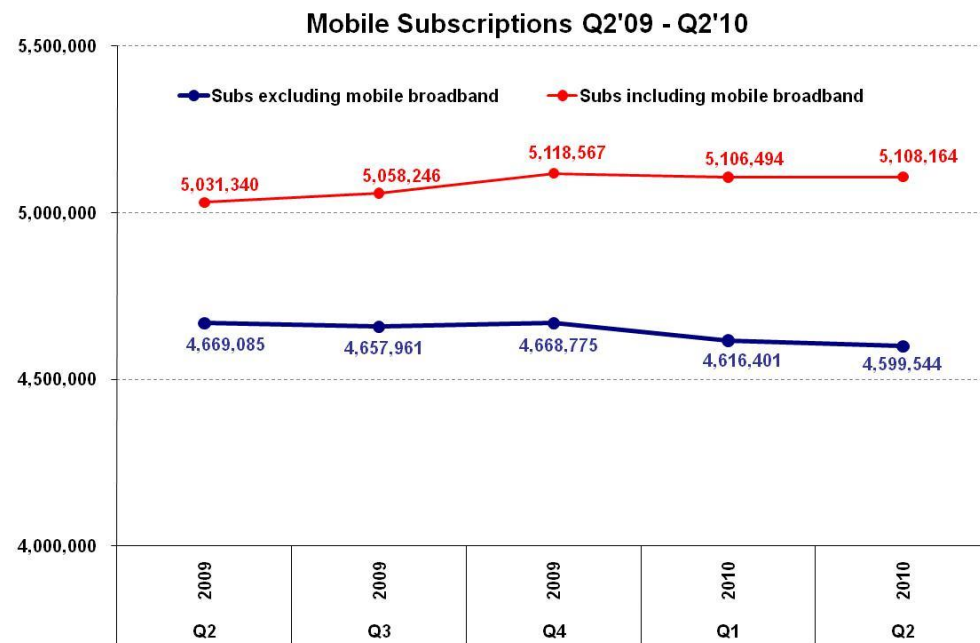


## 4. Mobile Market Data

### 4.1 Number of Subscriptions and Penetration Rate

As per Figure 4.1.1 at the end of June 2010 there were 5,108,164 mobile subscriptions in Ireland<sup>25</sup>. Mobile broadband subscriptions are included in this figure. If mobile broadband subscriptions (508,620 this quarter) are excluded, the total number of mobile subscriptions in Ireland was 4,599,544. There has been a decline in mobile subscriptions comparing Q2 2009 to Q2 2010 if mobile broadband subscriptions are excluded. This net decline has been due to a fall in the number of pre-paid subscriptions over the period. This decline may be due to decisions by consumers to cancel mobile phone connections due to the poor economic climate in Ireland over the past 2 years.

**Figure 4.1.1 – Mobile Subscriptions**



<sup>25</sup> Tesco mobile subscription data is not included in subscription data from Q3'09 onwards.

Figure 4.1.2 charts mobile penetration since Q2 2009 and shows that at the end of June 2010, mobile penetration, based on a population of 4,459,300 (using a CSO April 2009 estimate), was 114.6% including mobile broadband and 103.1% excluding mobile broadband. Mobile penetration is recognised as the standard metric internationally to measure the adoption of mobile services, and is calculated based on the number of active SIM cards per 100 of the population.

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

**Figure 4.1.2 – Irish Mobile Penetration Rate**

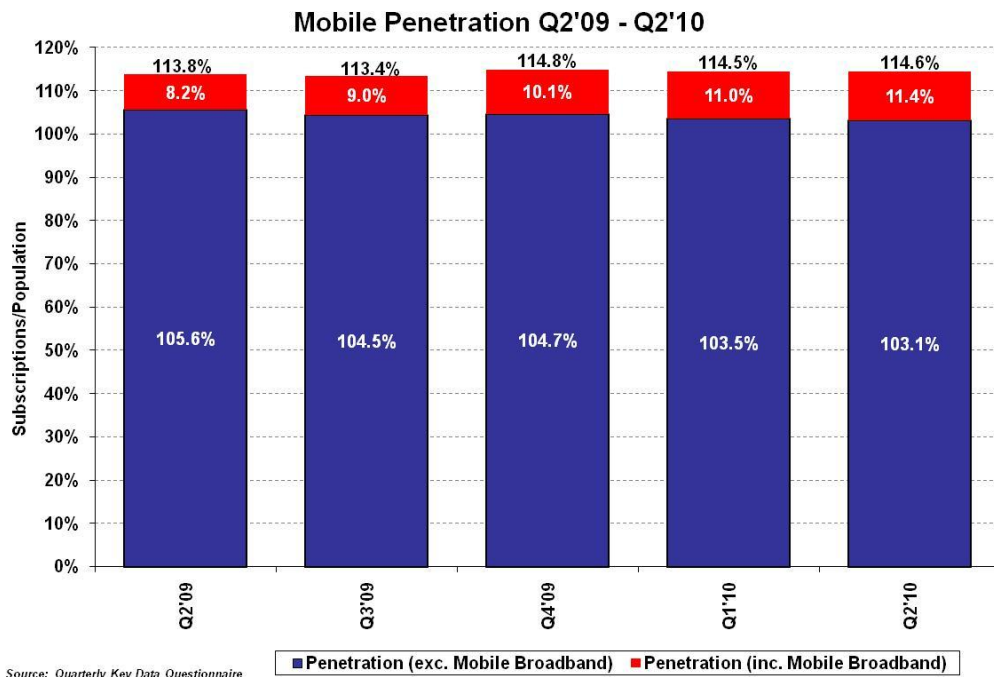
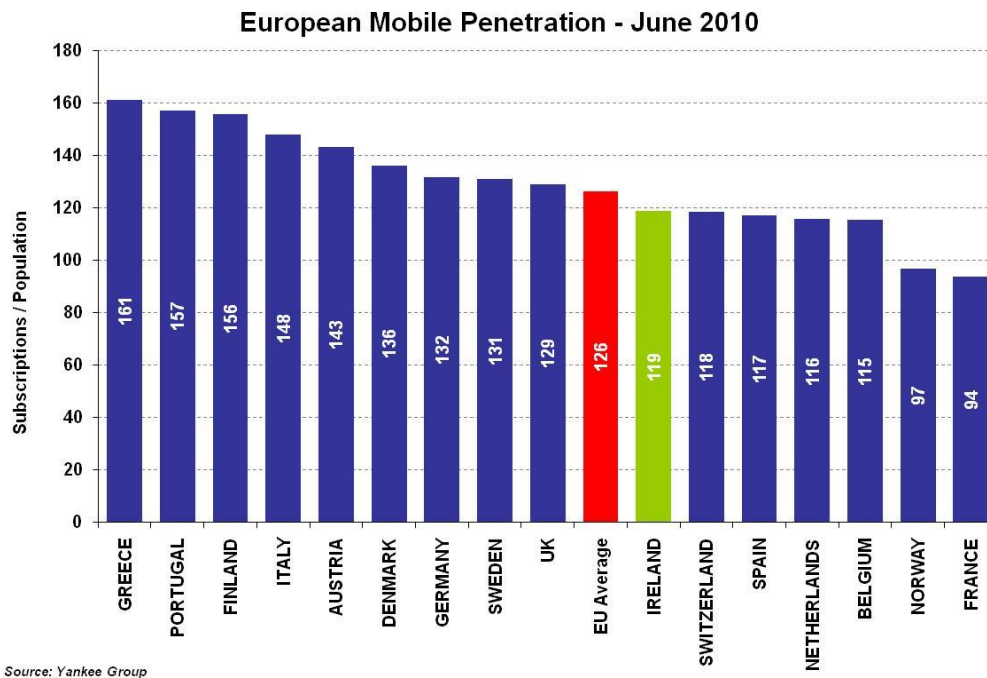


Figure 4.1.3 illustrates the estimated national mobile penetration rates across sixteen European countries, including Ireland, as of June 2010 based on data from the Yankee Group. Ireland (118.6%) is behind the EU average of 126.2%.<sup>26</sup> Greece and Portugal are the two European countries with the highest mobile penetration while France, according to Yankee Group data, remains below all other countries benchmarked with a 93.6% penetration rate.<sup>27</sup>

There has been very little change in the penetration rate among the average of this group of countries over the the last year, suggesting that market saturation exists at around one and a quarter times the aggregate population of the countries included in figure 4.1.3.

**Figure 4.1.3 – European Mobile Penetration Rates**



26 This data is collected by Yankee Group directly from mobile operator key performance indicators (KPIs), and refer to registered subscriptions.

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

### 4.2 The Profile of Mobile Subscriptions in Ireland

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

Figure 4.2.1 illustrates the mobile subscription base (including mobile broadband) in Ireland classified by the proportion of pre-paid and post-paid subscriptions on both 2G and 3G networks at the end of June 2010. At the end of June 2010 35% of subscriptions were post-paid, which represents a continued increase in post-paid subscriptions at the expense of pre-paid subscriptions over the period.

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

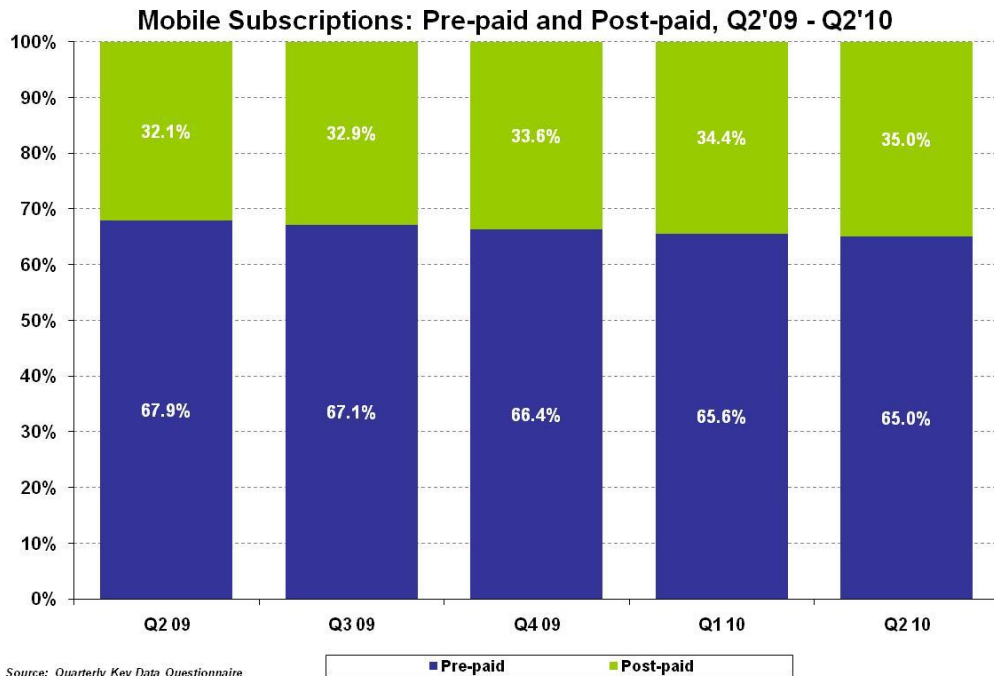




Figure 4.2.2 shows the pre-paid and post-paid subscription profile for each of the mobile operators in the Irish market. Mobile broadband subscriptions are included in this data. As of Q2 2010, 65.5% of Vodafone’s subscriptions are pre-paid. O2 has 58.3% pre-paid subscriptions, Meteor has 84.9% pre-paid subscriptions, and 30.8% of 3’s mobile subscriptions are pre-paid. Tesco Mobile’s entire subscription base is pre-paid.

**Figure 4.2.2 – Profile of Pre-Paid and Post-Paid Subscriptions by Operator**

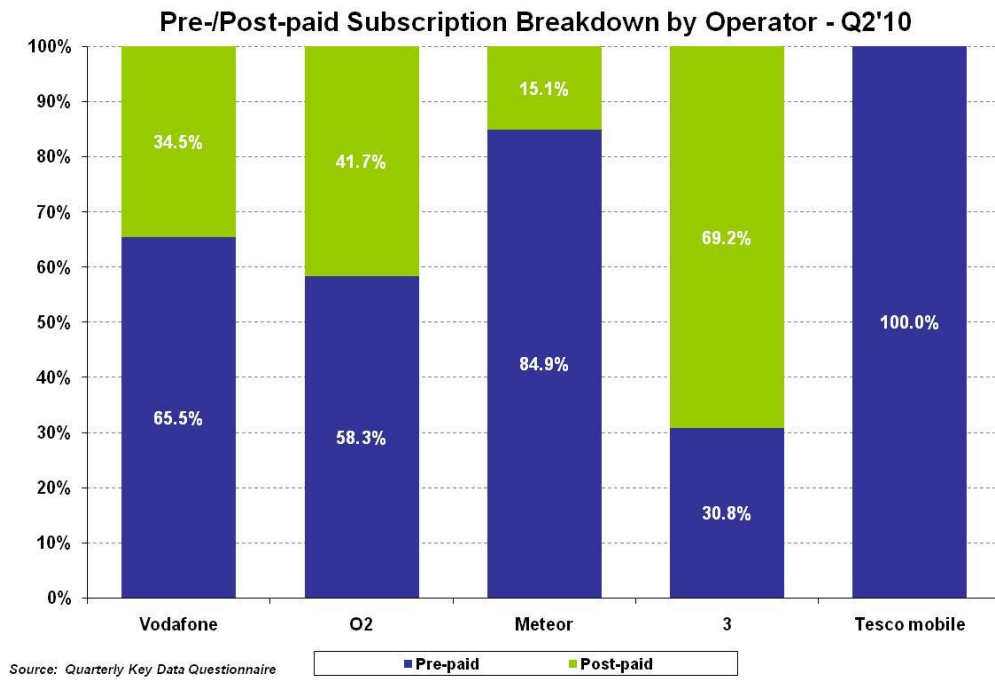
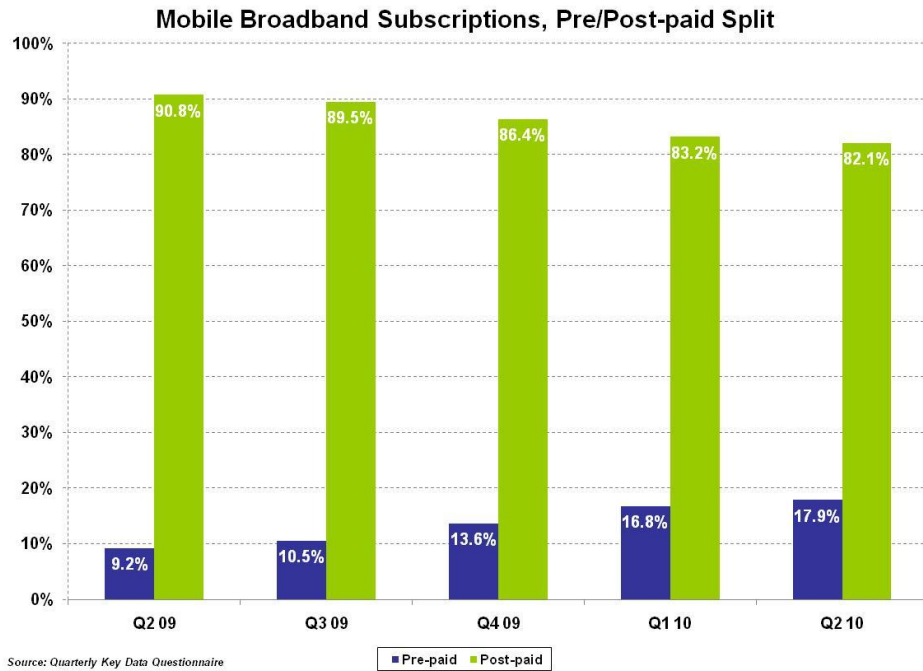


Figure 4.2.3 shows the split between pre-paid and post-paid mobile broadband subscriptions between Q2 2009 and Q2 2010. 82.1% of all mobile broadband subscriptions were post-paid at the end of June 2010, down from 90.8% one year previously.

**Figure 4.2.3 – Profile of Pre-Paid and Post-Paid Mobile Broadband Subscriptions**



### 4.3 Mobile Volumes

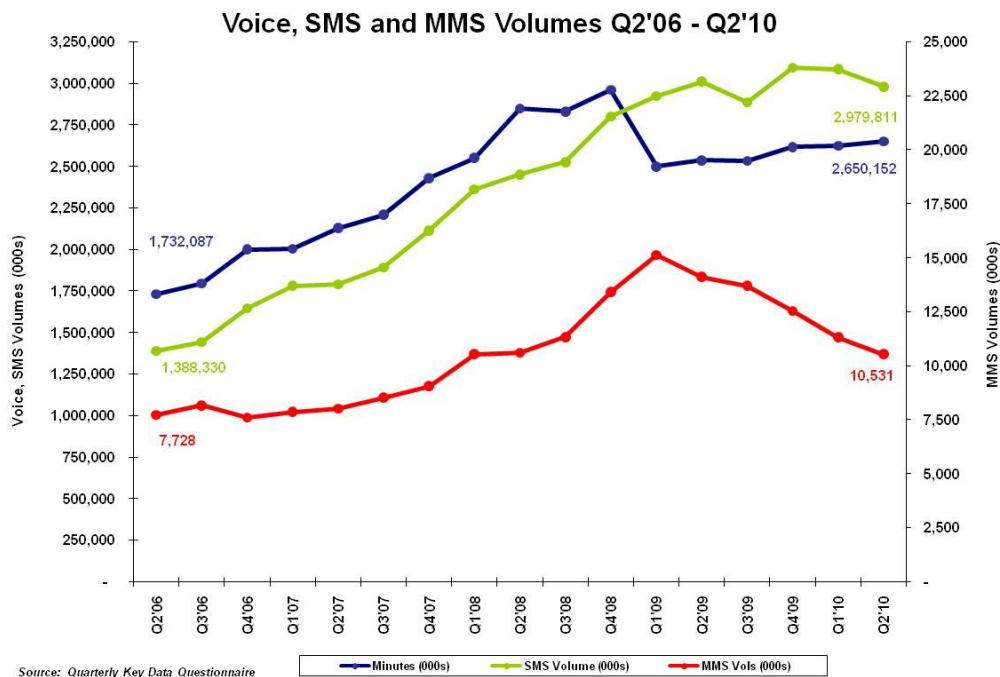
Figure 4.3.1 illustrates the growth in voice minutes, SMS, and MMS (Multimedia Messaging Service) messages sent over mobile networks since Q2 2006. Total retail mobile voice traffic totalled over 2.65 billion minutes in Q2 2010, an increase of 1% on the previous quarter and an increase of 4.5% since Q2 2009.

It should be noted that prior to Q1 2009 some mobile data minutes were included under mobile advanced minutes. As these volumes are not based on voice calls, they were stripped out in Q1 2009 and therefore, have a downward impact on overall mobile voice traffic.

The total number of SMS messages sent by mobile users in Ireland totalled just under 3 billion in Q2 2010, down (-3.4%) for the second successive quarter and down 1.0% since Q2 2009.

The number of multimedia messages (MMS) sent declined for the fifth quarter in a row. Compared with the previous quarter, the number of MMS sent is down by 6.9% and (which was the peak in terms of number of MMS sent in Ireland) down by 30.4% since Q1 2009. There were just over 10.5 million MMS messages sent during Q2 2010. This decline may be attributed to the growing popularity of social networking; for example, individuals uploading pictures to Facebook via their mobile handset.

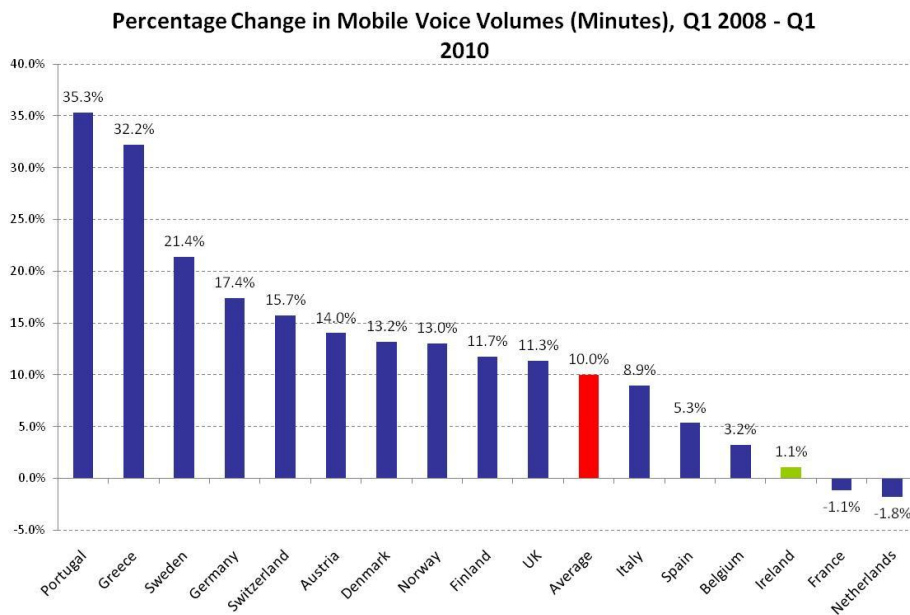
**Figure 4.3.1 – SMS, MMS and Call Minute Volumes**



Source: Quarterly Key Data Questionnaire

Figure 4.3.2 shows the percentage change in mobile voice minutes<sup>28</sup> between 2008 and 2010 across a number of European countries, based on data from Analysys Mason.<sup>29</sup> Portugal has experienced the largest increase (35.3%) from over 3.5 billion minutes in Q1'08 to almost 4.8 billion minutes in Q1'10. Ireland, according to Analysys Mason data, has experienced relatively low growth in voice call minutes over the period at 1.1%, behind the average of the countries benchmarked (10%).

**Figure 4.3.2 –Percentage Change in Mobile Voice Volumes, Q1 2008 – Q1 2010**

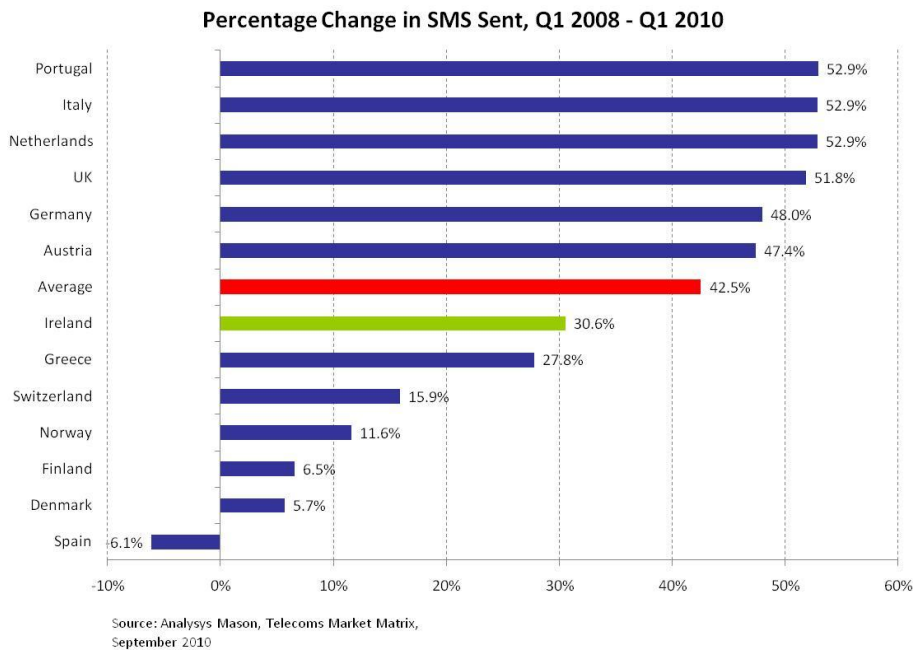


28 The number of minutes originated on a mobile network.  
 29 Analysys Mason, Telecoms Market Matrix, September 2010.

Figure 4.3.3 shows the change in the number of total text messages sent between Q1 2008 and Q1 2010 across a selection of European countries.<sup>30</sup> Portugal, Italy, the Netherlands and the UK have all experienced a similar level of growth in the volumes of text messages sent over the period.

Ireland has experienced strong growth over the period at 30.6% but behind the average of 42.5%. Spain is the only country benchmarked to have experienced a fall in the number of text messages sent over the period.

**Figure 4.3.3 – Total SMS Sent, Q1 2008 – Q1 2010**



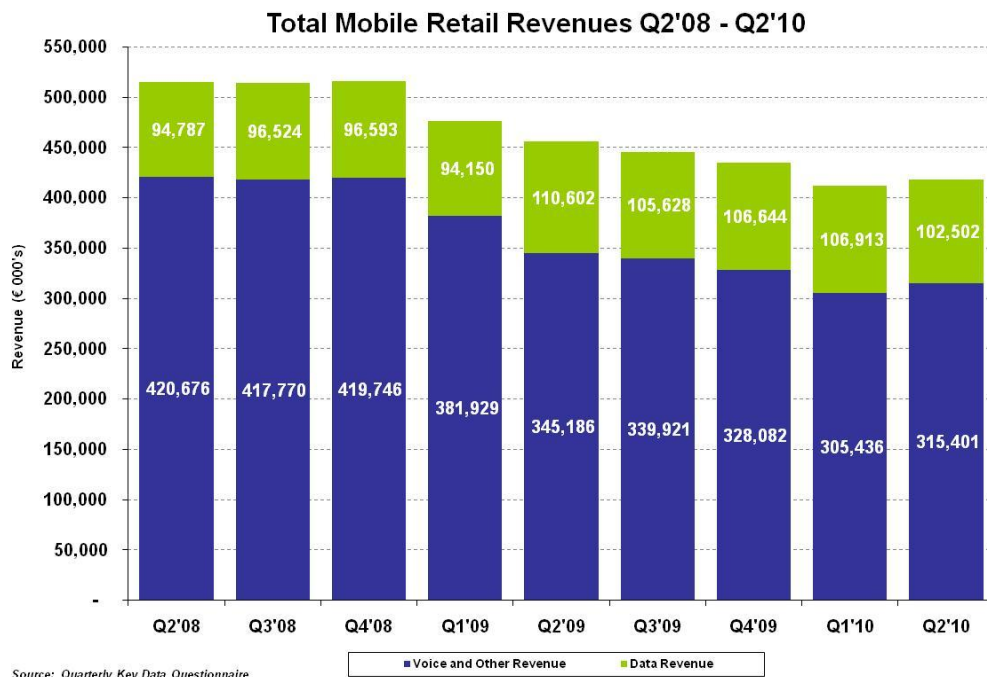
<sup>30</sup> Total number of SMS sent; includes non person to person (P2P) messaging.

#### 4.4 Mobile Revenues

Figure 4.4.1 shows that mobile retail revenues for the quarter were almost €418 million at the end of Q2 2010 slightly up on Q1 2010. Please note that the definition for handset sale revenues was changed in Q2 2009 from a gross revenue to a net revenue basis, that is handset and device discounts and subsidies are now excluded from the revenue calculation.

Although overall mobile revenues have increased this quarter, data revenues<sup>31</sup> have fallen (due to a decline in SMS and MMS revenues) to just over €102.5 million in Q2 2010 (down by 4.1% since the last quarter and 7.3% since Q2 2009) with the remaining €315.4 million (up 3.3% since Q1 2010 but down 8.6% since Q2 2009) comprised of voice and other revenues.<sup>32</sup>

**Figure 4.4.1 – Total Mobile Retail Revenues**

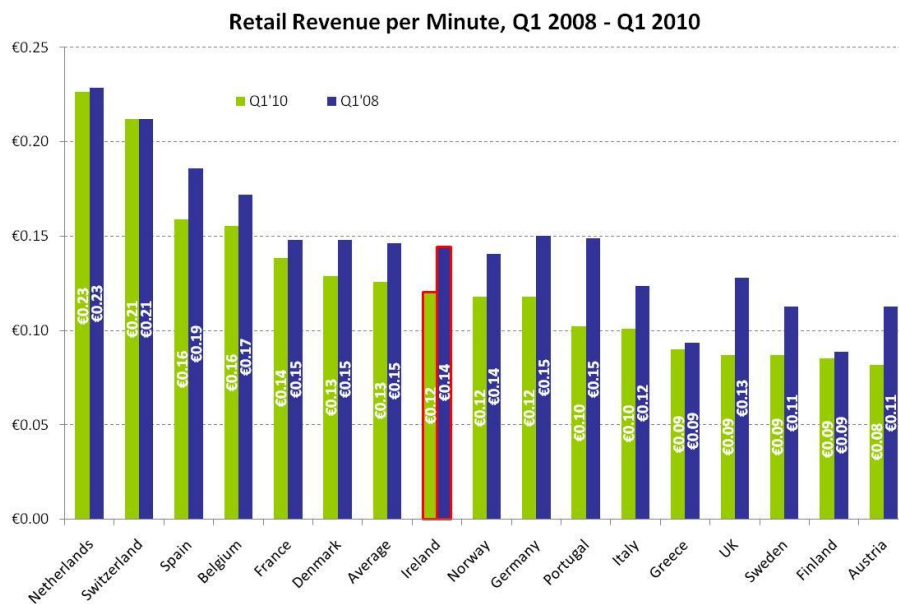


31 Messaging revenues (SMS and MMS) and mobile broadband and mobile internet services revenues.

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

Figure 4.4.2 shows the retail revenue per minute of voice calls among a selection of European countries between 2008 and 2010, based on Analysys Mason data. Ireland at 12 cents is close to the average of 13 cents. However, in some countries the revenue generated per voice call minute is much higher. The Netherlands has the highest revenue per minute at 23 cents while Austria has the lowest at 8 cents. The revenue generated per minute has mainly fallen across the benchmarked countries; from as much as 5 cents in Portugal to zero in others such as Switzerland. In Ireland, revenue per minute has fallen by 2 cents over the period.

**Figure 4.4.2 – Mobile Retail Voice Revenue Per Minute, Q1 2008 – Q1 2010**



Source: Analysys Mason, Telecoms Market Matrix, September 2010

Figure 4.4.3 outlines the percentage of mobile revenues attributable to all data revenues in the Irish market compared to fifteen other European countries. This benchmarking data is calculated independently by the Yankee Group and includes data revenues not only from SMS and MMS messaging, but also data revenues from GPRS data services and 3G/mobile broadband data services.

Ireland ranks fourth in comparison to other European countries in terms of the level of mobile data revenues as a percentage of overall mobile revenues. In Q2 2010, 30.3% (compared to 27% in the previous quarter) of total mobile revenues was contributed by data revenues in Ireland, according to the Yankee Group data.

**Figure 4.4.3 - Data Revenues as % of Total Mobile Revenue**

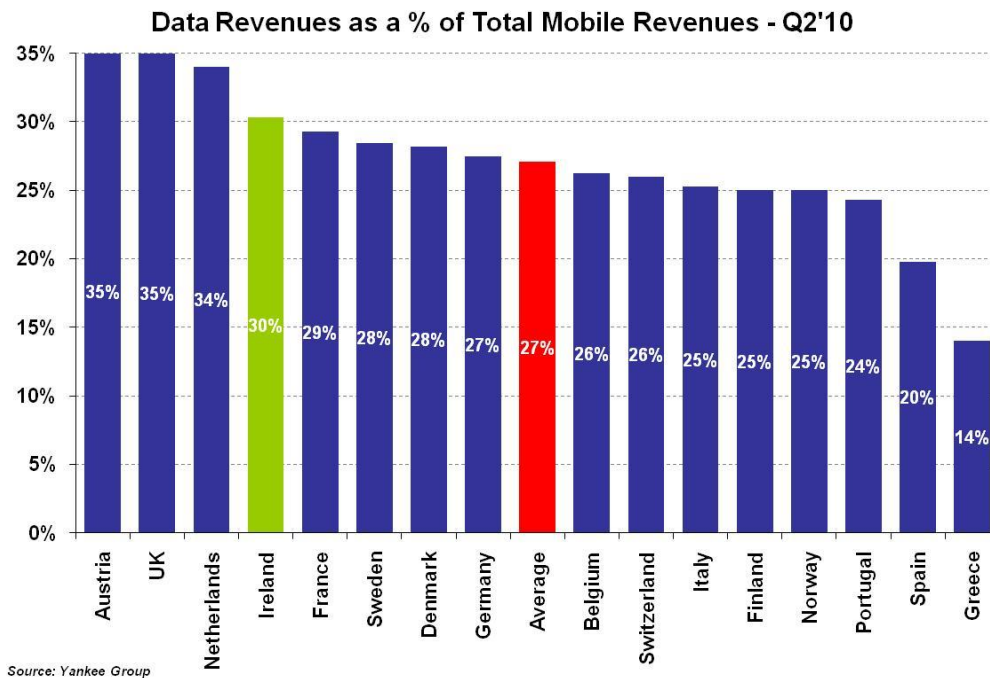
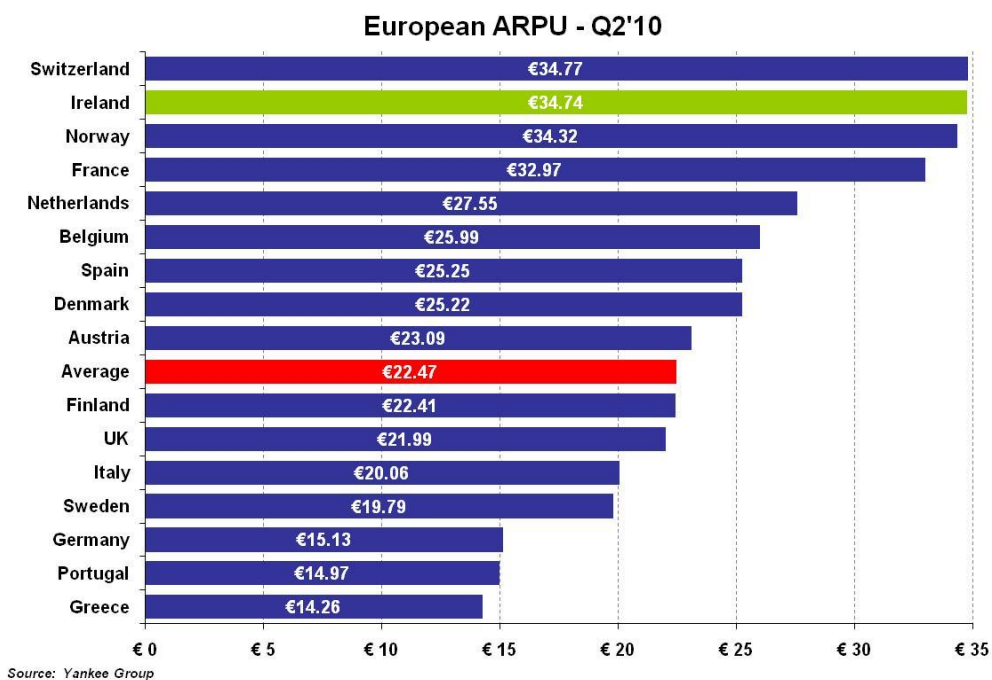




Figure 4.4.4 compares ARPU (average revenue per user) per month across sixteen European countries<sup>33</sup>, including Ireland. Average revenue per user is an indication of average monthly revenue generated by mobile subscriptions in each country. While overall retail mobile revenues obtained from operators include handset sales revenues, the ARPU figures in this chart do not incorporate handset sales revenues.

As at Q2 2010, mobile ARPU in Ireland is estimated at €34.74 compared with €35.23 in Q1 2010, a fall of 1.4% in the quarter and 11.7% over the last year. The EU average ARPU is €22.47, according to Yankee Group data, down 15.6% on Q2 2009.

**Figure 4.4.4 – European Comparison of ARPU**



33 As far as possible, ARPU Figures are obtained directly from operators. Where unavailable, ARPU is calculated by dividing annual service revenues by the mid-term installed base (the sum of the opening and closing customer bases for the period divided by two). Once the Yankee Group has obtained or calculated all individual ARPU Figures, they are applied to each operator's mid-term user base to obtain service revenues by operator, which are then combined to obtain a country total. This total revenue figure is then divided by total mid-term users to derive country-level ARPU. Note that the graph includes all EU-15 countries except Luxembourg where no data was available.

#### 4.5 Average Minutes of Use

Mobile monthly ARPU is a function of both the price of mobile services and the level of usage of mobile services. The most frequently used metric to determine levels of mobile telephony usage is monthly minutes of use. ComReg has collected monthly minutes of use data from all operators in the Irish market since Q1 2007. Further information on the definition and calculation of average minutes of use by ComReg is detailed in the explanatory memorandum which accompanies this report.<sup>34</sup>

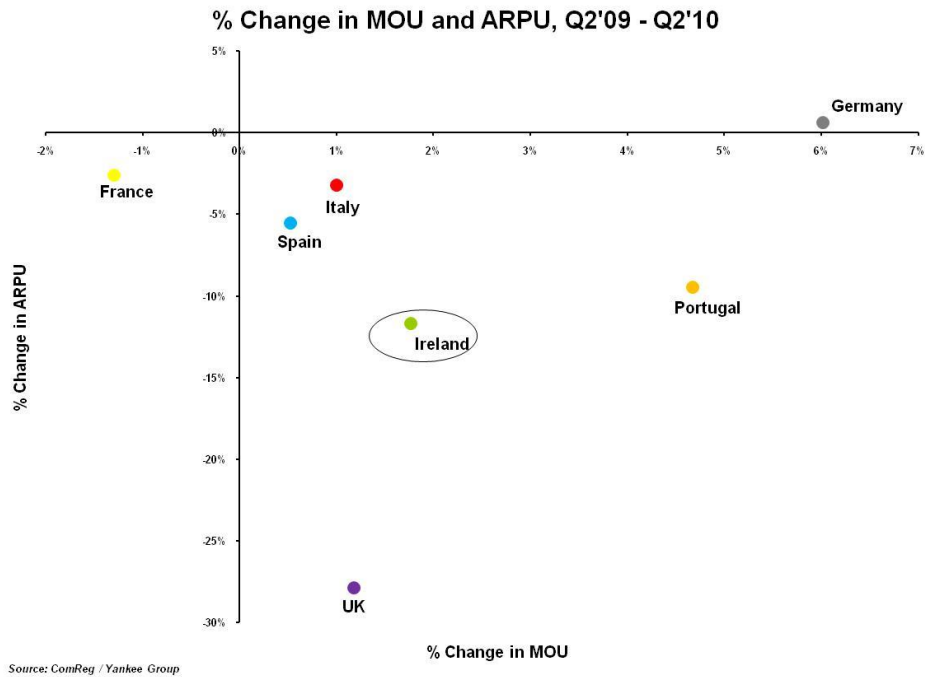
As per Figure 4.5.1 the average minutes of use in Ireland for Q2 2010 was almost 245 minutes per month, up 1.8% on the same period in 2009. French mobile users, on average, made longer voice calls than the other countries benchmarked in Q2 2010 and Q2 2009, followed closely by Ireland.

**Figure 4.5.1 – Minutes of Use Per Month**

<b>Country</b>	<b>MoU Q2'10</b>	<b>MoU Q2'09</b>	<b>Quarterly Change Q2'10 – Q2'09</b>
<b>France</b>	<b>248.8</b>	<b>252.1</b>	<b>-1.3%</b>
<b>Ireland</b>	<b>244.4</b>	<b>240.2</b>	<b>+1.8%</b>
<b>UK</b>	<b>179.7</b>	<b>177.6</b>	<b>+1.2%</b>
<b>Spain</b>	<b>158.2</b>	<b>157.4</b>	<b>+0.5%</b>
<b>Italy</b>	<b>137.8</b>	<b>136.5</b>	<b>+1.0%</b>
<b>Portugal</b>	<b>129.8</b>	<b>124.0</b>	<b>+4.7%</b>
<b>Germany</b>	<b>110.4</b>	<b>104.1</b>	<b>+6.0%</b>

Figure 4.5.2 plots the annual percentage change in Average Revenue per User (ARPU) against Minutes of Use (MOU) for the seven countries listed in figure 4.5.1<sup>35</sup>. All countries, with the exception of France, have experienced an increase in MOU while only Germany has experienced an increase in ARPU over the last year.

**Figure 4.5.2 – Annual Change in European ARPU and MOU**

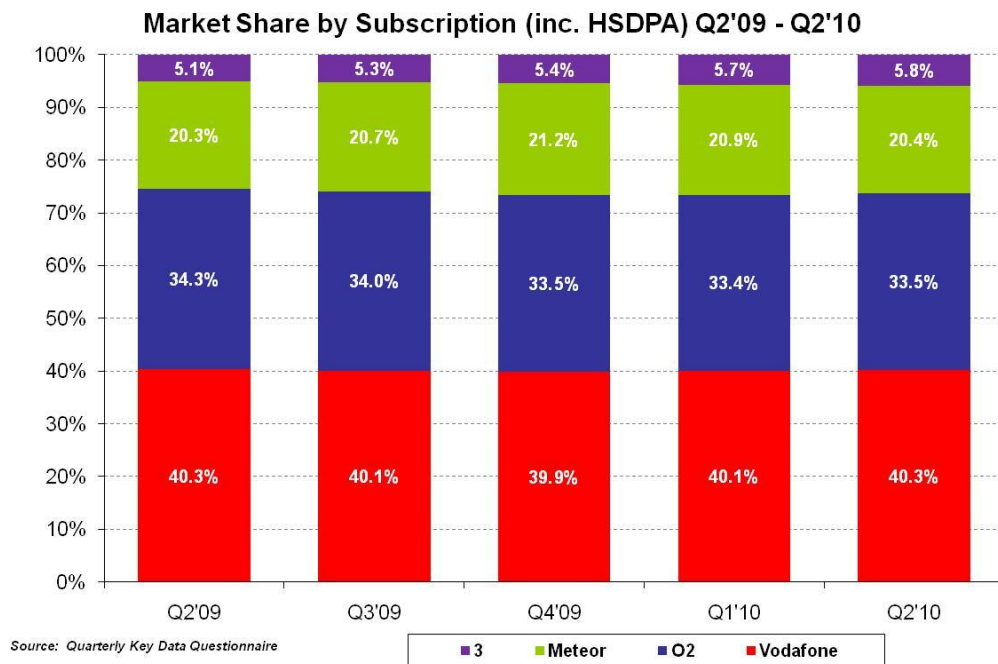


35 Data was only available for Ireland, France, Spain, UK, Germany, Italy, and Portugal.

### 4.6 Competition in the Mobile Market

Figures 4.6.1 and 4.6.2 outline mobile market shares based on the number of active subscriptions reported by each operator. Figure 4.6.1 includes mobile broadband while figure 4.6.2 excludes mobile broadband. Tesco Mobile’s subscription data is excluded in figures 4.6.1 and 4.6.2 and as of Q3 2009 Eircom mobile subscriptions are reported within Meteor’s data. Vodafone continues to have the highest market share including and excluding mobile broadband (40.3% and 41.7%), followed by O2 (33.5% and 34%), Meteor (20.4% and 21.8%) and 3 (5.8% and 2.5%).

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



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

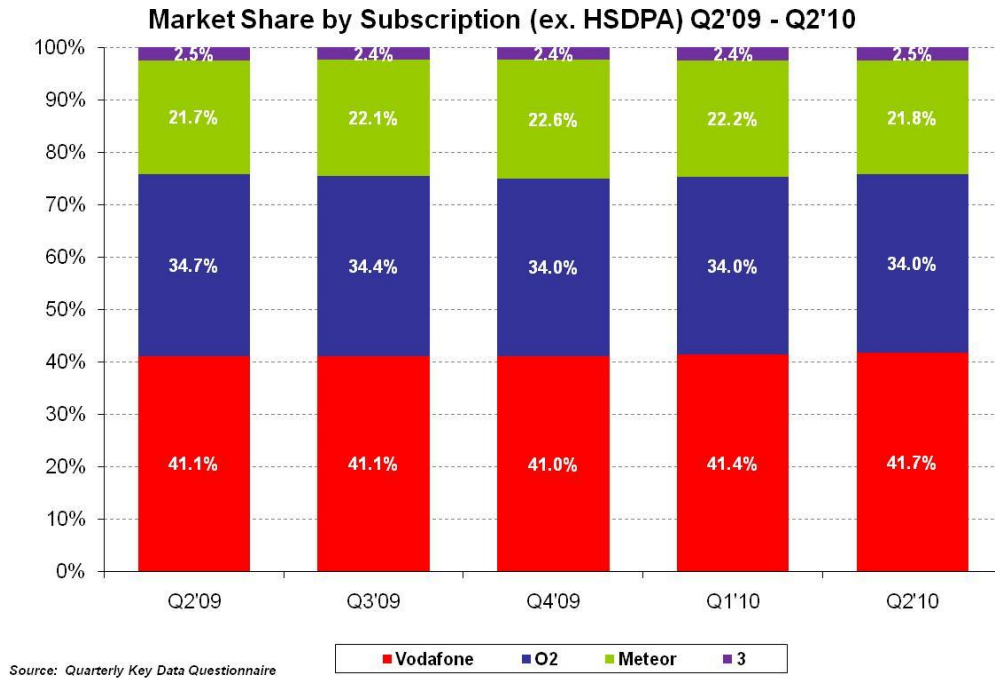
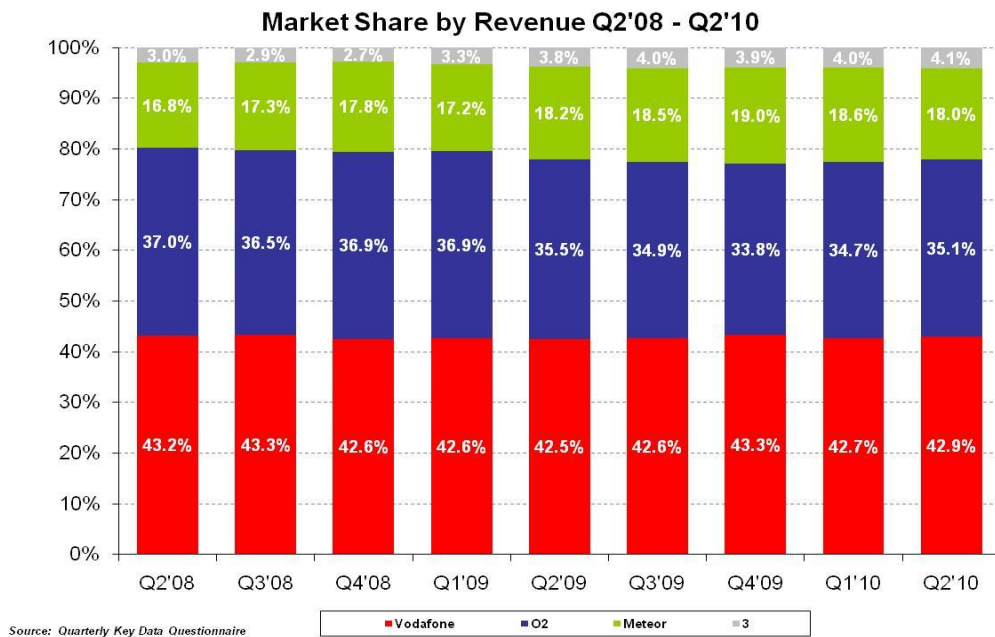


Figure 4.6.3 provides an analysis of market shares by revenue for mobile operators in the Irish market. Tesco Mobile is not included in this chart while Eircom Mobile data is reported within Meteor. Vodafone (up 0.2% points), O2 (up 0.4% points) and 3's (up 0.1% point) market shares all increased slightly this quarter, while Meteor's market share decreased slightly by 0.6% points.

**Figure 4.6.3 – Revenue Market Share**

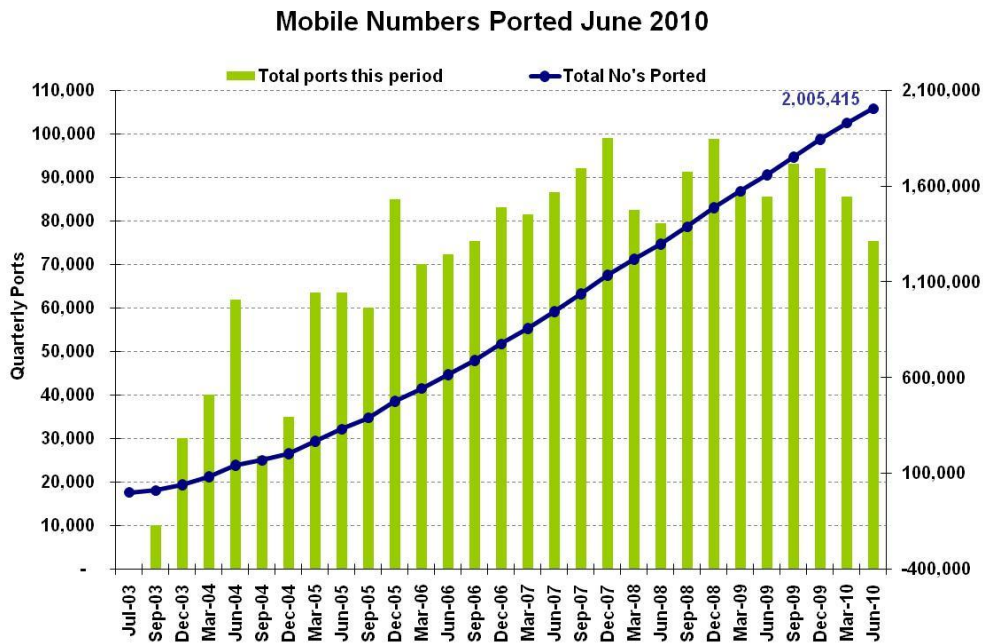


### 4.7 Switching in the Mobile Market

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

Though the number of ports has been declining over the last number of quarters, over two million numbers have now been ported since June 2003. In the quarter to June 2010, 75,437 numbers were ported between operators (346,260 numbers in the 12 months to June 2010). Over the last 12 months an average of 86,565 numbers has been ported each quarter.

**Figure 4.7.1 – Cumulative Mobile Numbers Ported**



Source: Quarterly Key Data Questionnaire

#### 4.8 Mobile Pricing Data<sup>36</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 those cover less than 50% of subscriptions in any country, additional operators may be included as well. All of the most common packages are included for each operator. This means that the current update covers over 2,000 packages across the 30 OECD countries. Both pre-paid and post-paid packages are included.

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

<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

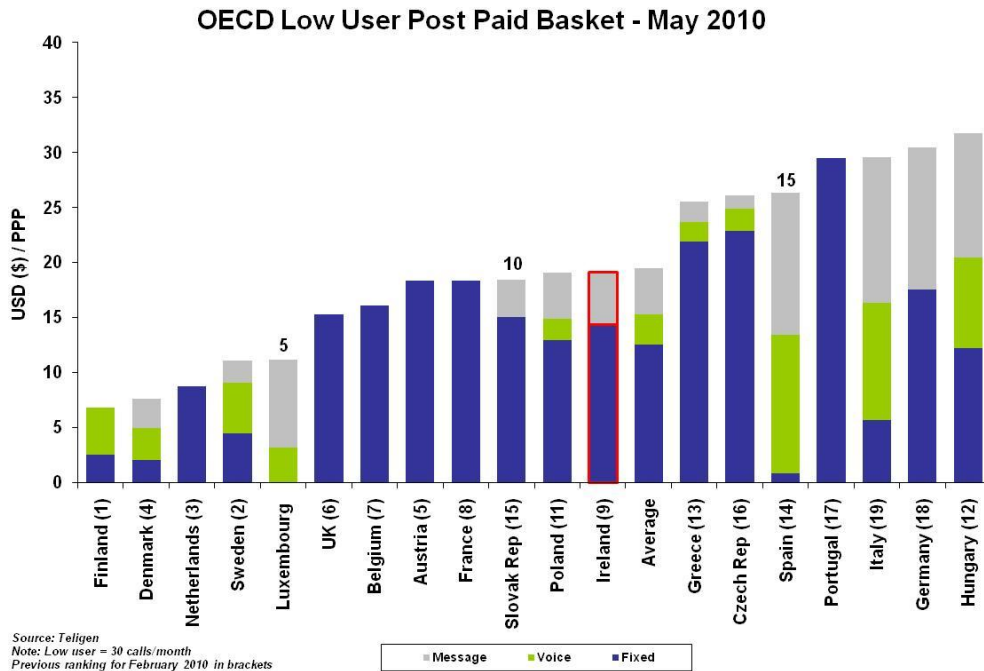
The Teligen mobile baskets presented in this Quarterly Report, termed as “low user”, “medium user” and “high user” are, based on the 30 calls, 100 calls and 300 calls per month baskets described above. They are calculated and analysed independently by Teligen, using an OECD methodology which includes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

<sup>36</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.

### 4.8.1 Low User Post Paid Mobile Basket<sup>37</sup>

For the the “low user” post paid mobile basket, Ireland ranks in 12<sup>th</sup> position out of the European countries benchmarked three places below its position in February 2010. Ireland is one place ahead of the European average for this basket and is 1.6% lower than the average. The Irish package used this quarter is O2’s “Clear 50 18 month” package.

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



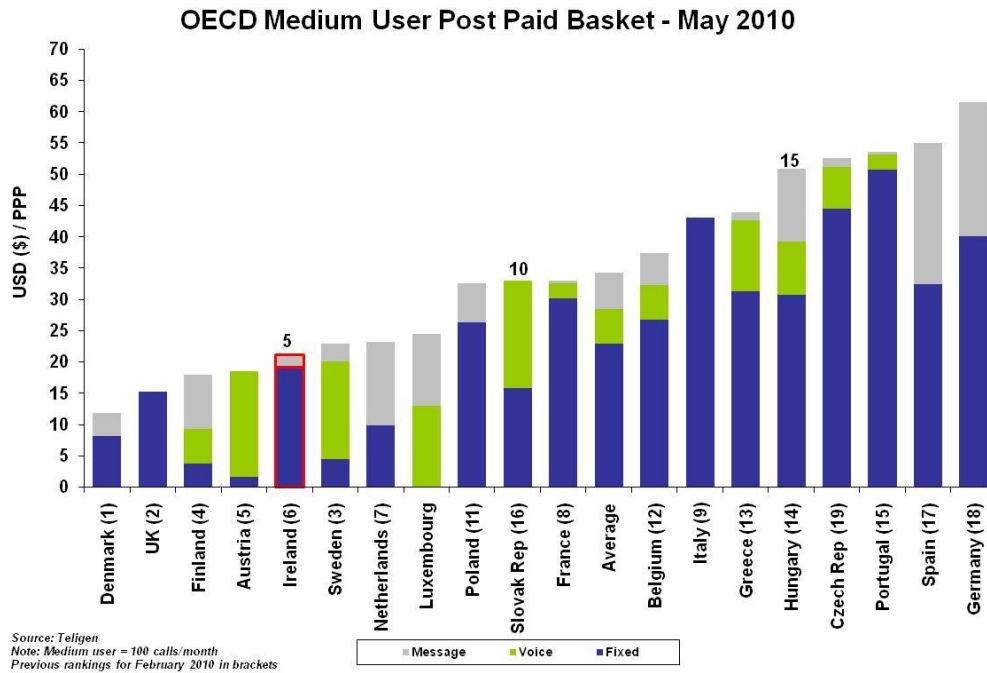
37 All tariffs are inclusive of VAT, rates will vary between Member States



### 4.8.2 Medium User Post Paid Mobile Basket

For the measurement of the “medium user” post paid mobile basket, Ireland ranks in 5<sup>th</sup> position out of the European countries benchmarked, up one place from February 2010. Ireland is 7 places ahead of, and 38.2% cheaper than the average. The package used for Ireland is Vodafone’s “Simply 100 30 day SIM only”.

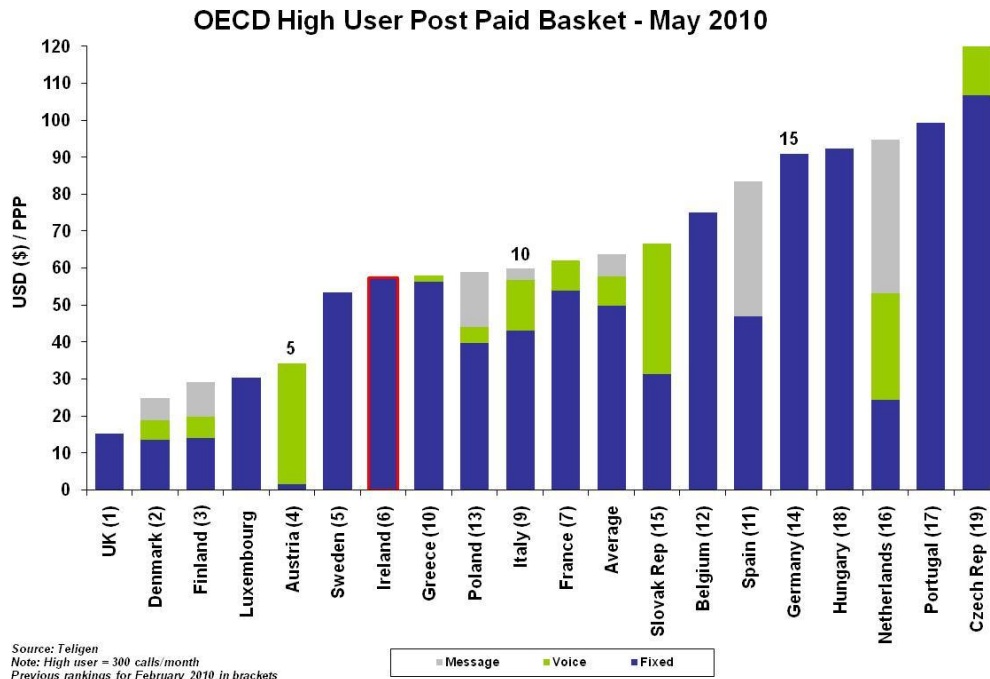
**Figure 4.8.2.1 - OECD Medium User Post Paid Mobile Basket (100 calls)**



### 4.8.3 High User Post Paid Mobile Basket

Ireland ranks in 7<sup>th</sup> place among the European countries benchmarked in the “high user” post paid mobile basket, down one place since February 2010 . The Irish package represented in the basket this quarter is Vodafone’s “Simply 400 30 day SIM only”. Ireland is five places ahead of the European average, approximately 9.9% lower than the average of the countries benchmarked.

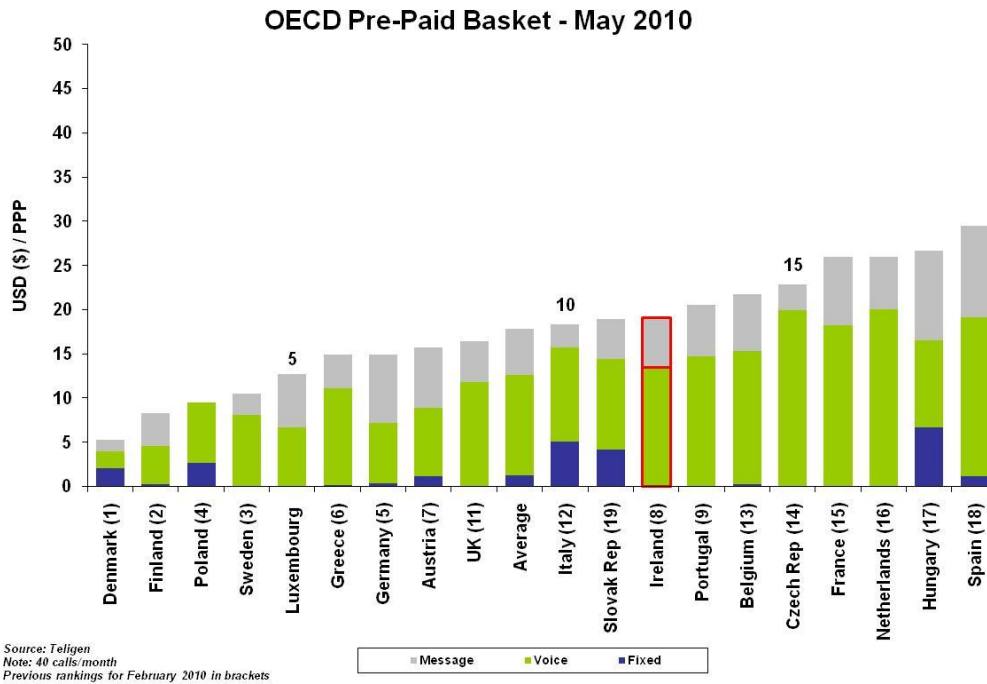
**Figure 4.8.3.1 - OECD High User Post Paid Mobile Basket (300 calls)**



### 4.8.4 Pre-Paid Mobile Basket

In the pre-paid mobile basket, Ireland is in 12<sup>th</sup> position among the European countries in this quarter’s rankings. The package used for Ireland in this basket is Vodafone’s “Advantage Plus+ on net calls and texts”. Ireland is three places behind the average of the countries benchmarked and the cost of this basket in Ireland is approximately 7.6% higher than the average.

**Figure 4.8.4.1 - OECD Pre-Paid Mobile Basket**



## 5. Broadcasting

### 5.1 Overall Broadcasting Market

Data from the Nielsen TV Audience Measurement Establishment Survey was first used in the Q4 2009 Quarterly Report for the broadcasting analysis in order to provide a comprehensive view of the TV market in Ireland.<sup>38</sup> The survey indicates that there are almost 1.59m TV homes in Ireland, which represents a 96% penetration rate of all households using the CSO's Quarterly National Household Survey of 1,651,000 households in Q1 2010.

Figure 5.1.1 shows the estimated number of TV homes by reception type between September 2009 and September 2010 on the basis of the reception method through which the highest number of TV channels are received. Homes which receive Irish terrestrial TV channels only have declined by 1.4% between September 2009 and September 2010. While multi-terrestrial TV homes and analogue cable/satellite TV homes declined over the period, by approximately 29.1% and 42.9% respectively, multi-total TV homes remained unchanged due to increases in digital cable/satellite TV homes.<sup>39</sup>

**Figure 5.1.1 – TV Homes by Reception Type**

	September 2010	September 2009	September 2010 as % of Total TV Homes	% Change Sep '09 – Sep '10
<b>Reception</b>	(000s)	(000s)	%	% change
Irish Terrestrial	206	209	13.0%	-1.4%
Multi Total	1383	1383	87.0%	0.0%
Multi Terrestrial	127	179	8.0%	-29.1%
Cable/Sat Analogue	153	268	9.6%	-42.9%
Cable/Sat Digital	1103	936	69.4%	+17.8%
Total Cable/Sat	1256	1204	79.0%	+4.3%
<b>Total TV Homes</b>	<b>1589</b>	<b>1592</b>		<b>-0.2%</b>
<b>RECEPTION:</b> This is determined by the channels the home receives.				
<b>Multi Total:</b> Made up of Multi Terrestrial homes plus Cable/Satellite homes and is therefore any home which receives more than just the four Irish terrestrial channels (RTÉ1, RTÉ2, TV3, TG4).				
<b>Irish Terrestrial</b> Homes which only receive the four Irish terrestrial channels (RTÉ1, RTÉ2, TV3, TG4).				
<b>Multi Terrestrial:</b> Homes which receive at least one of the UK channels (BBC, UTV, Channel 4, HTV, S4C, Channel 5), but do not receive any Cable/Satellite channels.				
<b>Cable/Satellite:</b> Homes which receive any Cable/Satellite channels (Sky One, Sky News, Sports channels, MTV, E4, Movie channels, etc.).				
<b>Digital:</b> Have digital reception either via satellite dish or cable service.				

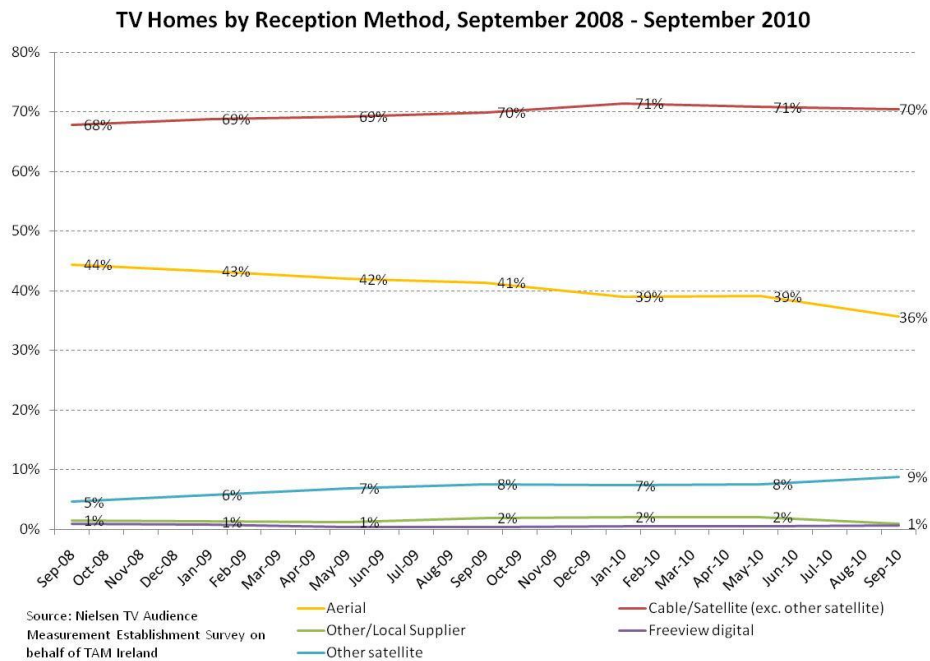
38 The Establishment Survey is a survey produced by Nielsen TV Audience Measurement (fieldwork is carried out by Behaviours and Attitudes) on behalf of Television Audience Measurement Ireland Ltd (a TV ratings body). The Establishment Survey covers areas such as ownership of TV related equipment, method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

39 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.

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

Figure 5.1.2 charts TV homes by reception method <sup>40</sup> from September 2009 to September 2010. The percentage of cable/satellite TV homes has increased by two percentage points over the period, while those homes that receive TV by terrestrial aerial have fallen by eight percentage points. Other satellite (free to air satellite services and don't knows) have been increasing over the period, while other/local supplier (deflector/relay services ) reception methods have fallen slightly.

**Figure 5.1.2 – TV Homes by Reception Method**



40 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%.

Figure 5.1.3 shows that, despite a slight dip in late 2009, the total number of TV homes has continued to grow, increasing by 9.1% between January 2007 and September 2010. The growth in digital TV homes in the same period has been strong, increasing by 87.3%. The number of TV homes that receive supply through more than one platform has also grown strongly, increasing by approximately 18.5%.

**Figure 5.1.3 – TV Homes January 2007 – May 2010**

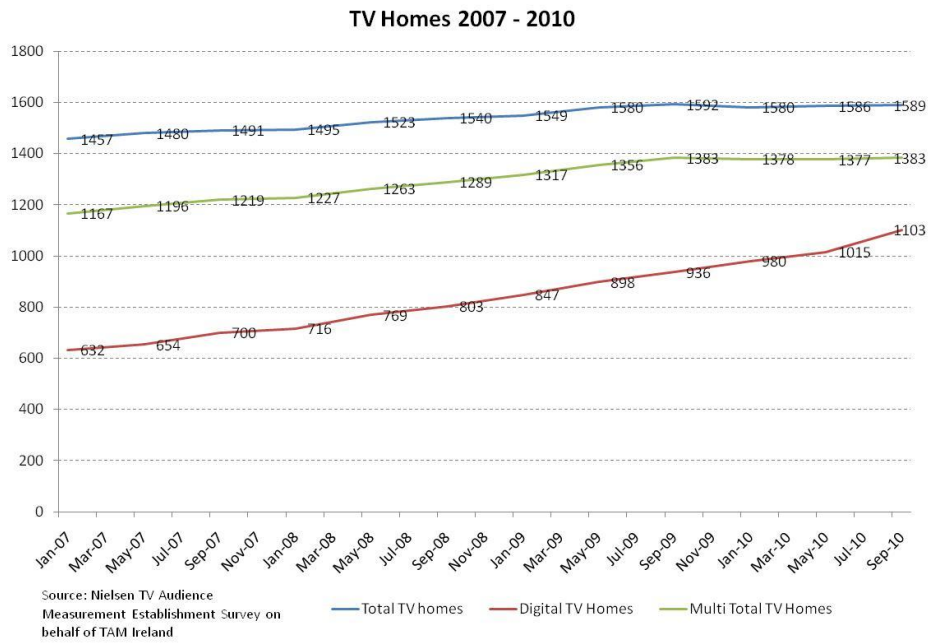
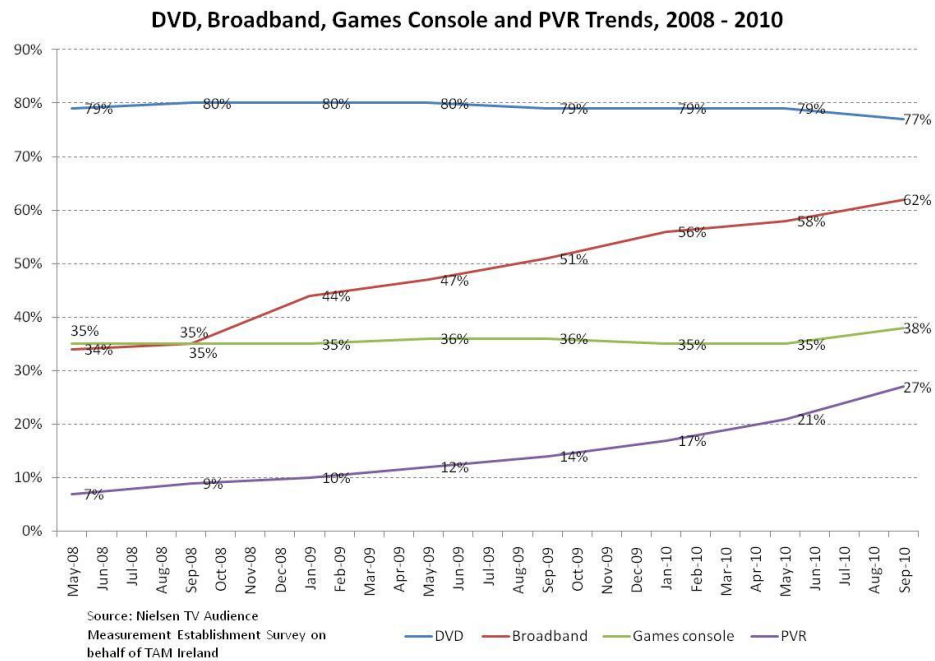


Figure 5.1.4 shows TV homes by DVD, broadband access, game console and PVR<sup>41</sup> ownership between May 2008 and September 2010. Almost eight in ten TV homes have a DVD player though this has been declining to a small extent over the last year. Broadband access continues to increase reaching 62% of homes with a TV in September 2010.

Data from the Establishment Survey corresponds with other data sources, indicating that approximately six in ten TV homes have broadband access. Both games console and PVR ownership continue to increase, reaching 38% and 27% respectively in September 2010.

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



41 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 terrestrial free to air TV services in Ireland based on the number of channels received. 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. Pay TV homes (cable and satellite TV homes) continue to increase at the expense of terrestrial free to air TV homes (Irish terrestrial and multi terrestrial TV homes). It should be noted that the proportion of pay TV homes is likely to be over-stated as it may include free to air type satellite services such as freesat.

**Figure 5.1.5 – Pay TV vs Terrestrial Free to Air TV Homes, 2008 - 2010**

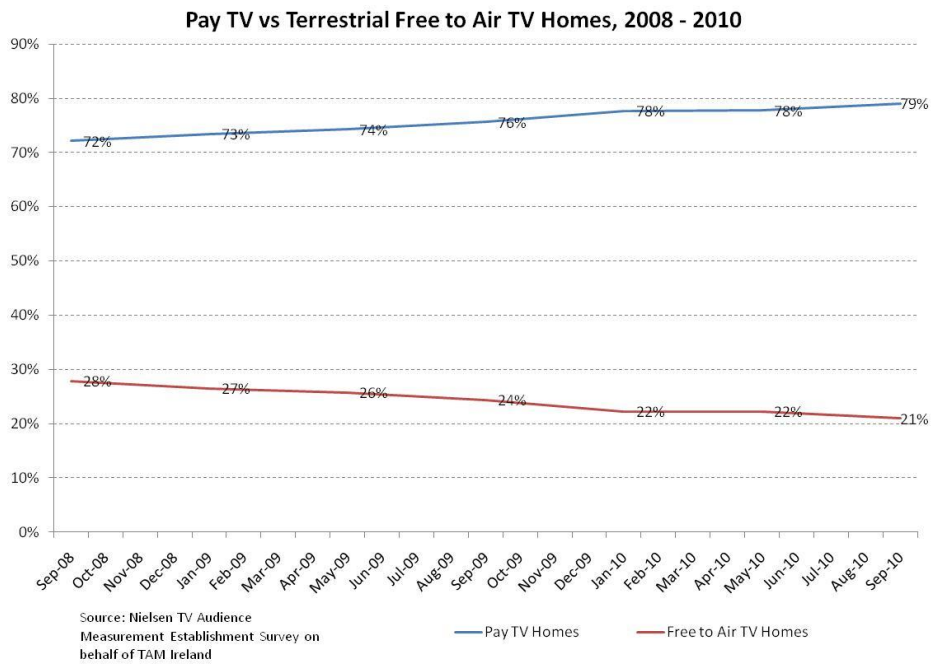
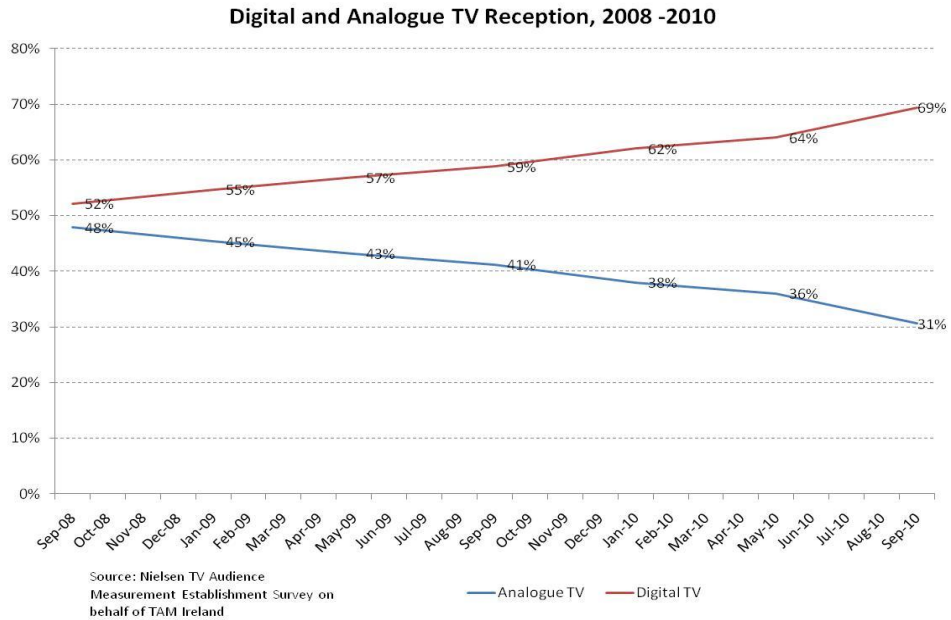




Figure 5.1.6 shows the proportion of digital to analogue TV reception methods in Ireland across all platforms including cable and satellite. Digital TV reception continues to increase at the expense of analogue TV reception.

**Figure 5.1.6 – Digital and Analogue TV Reception, 2008 - 2010**



## 6. Appendix

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

### Performance metrics: Q2 2010

#### Apr-10

Order Type	% Orders Validated within Performance Target	% Orders Delivered within Performance Target
DR	-	99.71%
LE	-	98.98%
PW	-	99.47%
LNI/LTI/MI	-	94.70%
LNI/LTI/MI	-	99.38%
CL	-	99.64%
LNN/LTN/MN	100.00%	97.35%
CH	-	99.44%
CN	-	95.83%
CM	-	100.00%
FA	-	66.67%

#### May-10

Order Type	% Orders Validated within Performance Target	% Orders Delivered within Performance Target
DR	-	99.36%
LE	-	99.79%
PW	-	98.97%
LNI/LTI/MI	-	98.67%
LNI/LTI/MI	-	100.00%
CL	-	99.64%
LNN/LTN/MN	98.06%	98.70%
CH	-	99.58%
CN	-	100.00%
CM	-	100.00%
FA	-	83.33%

#### Jun-10

Order Type	% Orders Validated within Performance Target	% Orders Delivered within Performance Target
DR	-	99.81%
LE	-	99.58%
PW	-	98.97%
LNI/LTI/MI	-	99.21%
LNI/LTI/MI	-	99.74%
CL	-	99.87%
LNN/LTN/MN	99.38%	98.82%
CH	-	99.35%
CN	-	95.83%
CM	-	99.83%
FA	-	25.00%

Count of Time Interval	SB-WLR Repair performance metric Qrt 2 Apr - Jun 2010		
QRT 2 2010	Percentage of faults		
	<=2	<=5	<=10
Grand Total	77.19%	95.38%	99.02%

**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)