Office of the Director of
Telecommunications
Regulation

Irish Communications Market

Quarterly Key Data

September 2002

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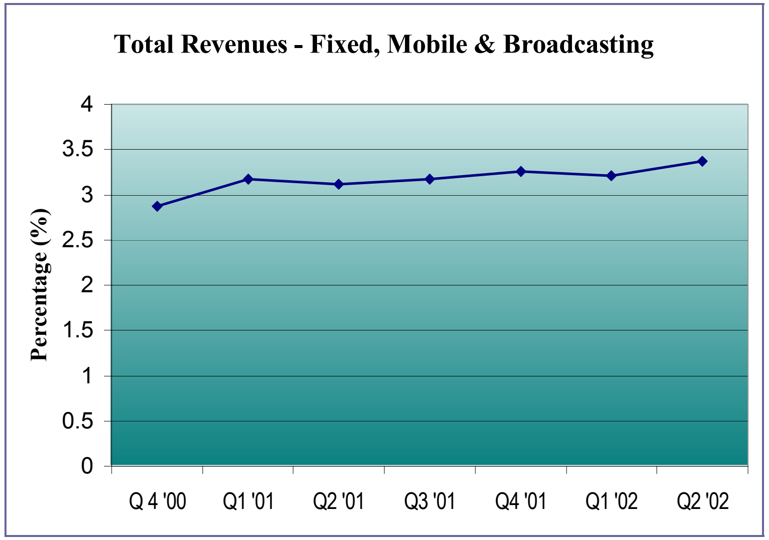
1 Overall Market Data

The data in this review is based on returns from licensees for the period 1st March 2002 to 30th June 2002. The report is based on submissions from 39 operators (detailed in the Appendix) which represent approximately 99% of total market activity.

1.1.1 Overall Telecommunications Revenues

Figure 1.1.1 Total Revenues – Fixed, Mobile & Broadcasting



- Total revenues for fixed, mobile & broadcasting markets now stands at an estimated €3.37billion per annum on an annualised basis.
  - Increase of approximately 5% since last quarter.
  - Increase of approximately 8% since June 2001.

1.1.2 Telecoms Sector as a % of GDP

- Telecoms sector is estimated to account for approximately 2.9% of Irish GDP (2001)[1].
  - Increase of 0.18% since last quarter.
  - Decrease of 0.1% since last year

[1] Figure was calculated using GDP at market price (2001) – ESRI Quarterly Economic Commentary, Summer 2002.

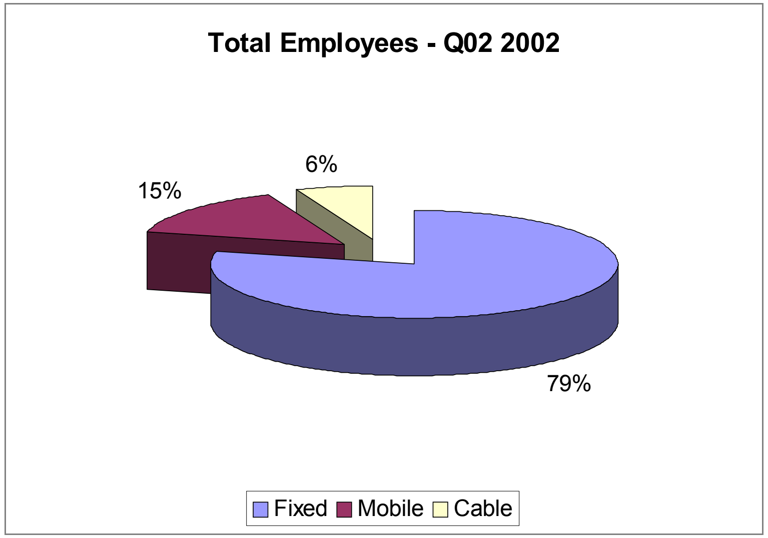
1.1.3 Number of licenses

- To date 48 General and 41 Basic licences are in issue in the Irish market[2].
- There are 21 operators providing services under General licences (June 2001; 16) and 18 under Basic licences (June 2001; 20). A number of operators have more than one licence due to mergers and acquisitions and these figures have been revised this quarter and are based on a number of operators rather than on the number of licences. *eircom* have both a general and a basic licence (Indigo) and have been included in the general category only.

1.1.4 Employees

- The number employed in the telecommunications sector is approximately 16,000.
  - Decrease of 2% since last quarter
  - Decrease of 7% since last year
- The fixed, mobile & cable markets account for approximately 79%, 15% and 6% of the total figure respectively, consistent with last year.
  - Last quarter, fixed, mobile & cable markets accounted for approximately 79%, 16% and 5% of the total figure respectively.

Figure 1.1.2 Total Employees



[2] TCSI Ltd surrendered basic licence for a general licence; Carrier 1 AG surrendered general licence

2 Data By Sector

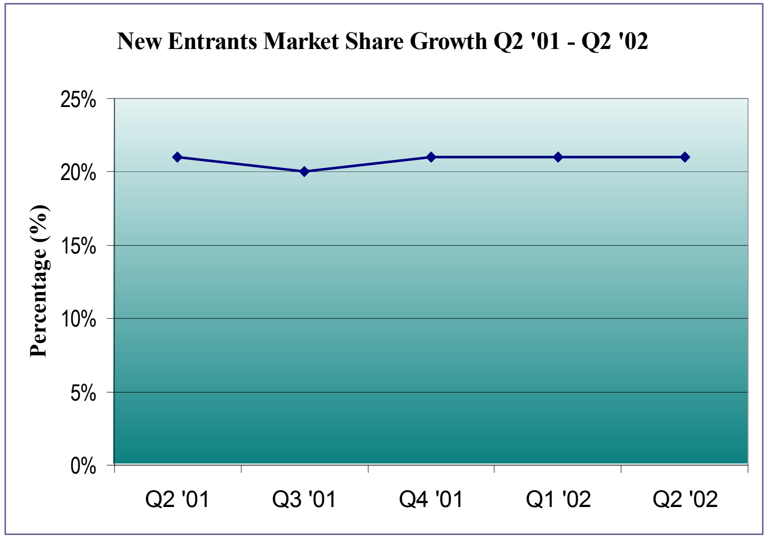
2.1 Fixed Line

2.1.1 Fixed Line Revenue

- Total fixed line revenue approximately €521million
  - Increase of approximately 4% since last quarter
  - Annualised fixed line revenue figure accounts for 62% of total telecoms revenue

2.1.2 OLO Market Share

Figure 2.1.1 OLO Market Share



Source: ODTR Quarterly Review Questionnaire

- OLO market share is approximately 21%
  - Same as last quarter
  - Remains the same as last year

2.1.3 Carrier Pre Selection

- Approximately 148,000 CPS lines[3]
  - Increase of approximately 6% since last quarter.
  - Represents approximately 9% of total PSTN lines.
- Of the total number of CPS lines, 97%, 2% and 1% are apportioned to all calls, national & international calls, and international calls only respectively.

2.1.4 Telecom Access Paths

- 4.9 million telecom access paths[4]

[3] Both business & residential

[4] See footnote in relation to primary rate ISDN. The total number of access paths in Q01 should have been 4.88million.

2.1.5 PSTN Lines

- Total of 1.6 million lines
  - Remained constant since last quarter
  - Accounts for 33% of total access paths

2.1.6 ISDN Access Channels

- Approximately 330,000 ISDN access channels[5]
  - Increase of 28% since last year
  - Accounts for 6% of total access paths
- The proportion of primary, fractional & basic rate ISDN is 47%, 6% and 47% respectively of the total number of ISDN access channels[6].

2.1.7 Mobile Subscribers

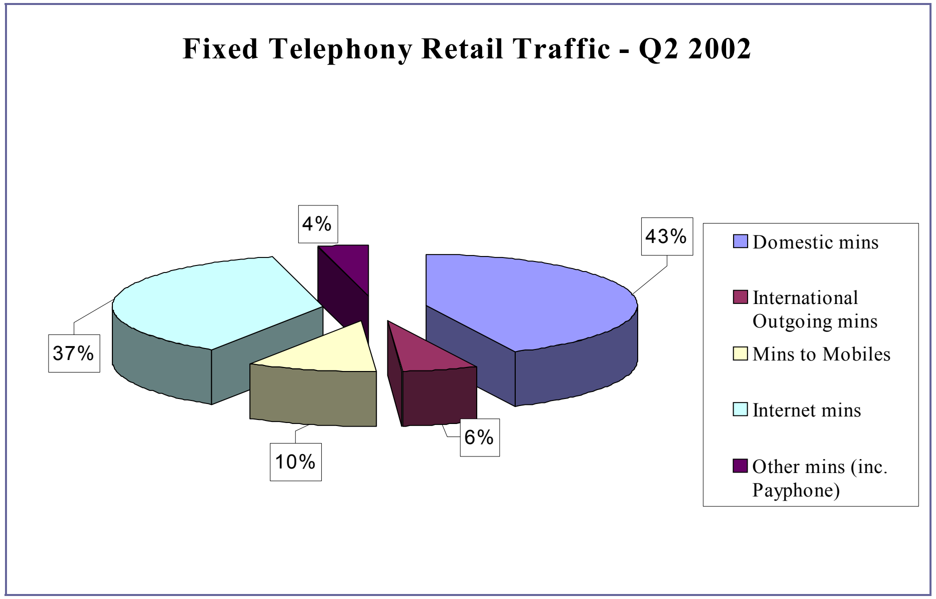
- 2.97 million mobile subscribers
- Account for approximately 61% of total access paths

[5] The figure reported for Q01 should have been 312,000; the figure has been adjusted as a result of an error in reporting by one of the operators

[6] As a result of the revisions to the number of ISDN access channels, the proportions last quarter should have been Primary rate 48%, Basic rate 47% and Fractional rate 5%.

2.1.8 Retail Traffic

Figure 2.1.2 Retail Traffic



- Retail traffic has decreased overall by approximately 1% since last quarter.
  - Total minutes decreased by 1% in the same quarter last year.
  - Minutes to mobile and Internet minutes have increased since last quarter.
- Domestic minutes remain highest proportion of total retail traffic, followed by internet minutes.

2.1.9 DSL

- Approximately 1, 200 DSL lines[7]

2.1.10 Fixed Wireless Access

- Approximately 4,500 residential subscribers
- Approximately 750 business subscribers

2.1.11 Leased Lines

- There are approximately 22,000 *retail* leased line circuits[8].
    - Approximately 95% of the circuits are under 2 Mbits.
- There are approximately 9,500 *wholesale* leased line circuits.

[7] Includes the incumbent and OLO lines

[8] A figure of 39,000 leased lines was reported last quarter, this included wholesale, retail and backhaul leased lines. Backhaul leased lines have not been included this quarter as a result of definitional changes made in this quarter's questionnaire.

Table 2.1.1 Rolling Three Month Average Delivery Time for Leased Line Circuits Ordered by OLOs (Working Days)

	May 2002	June 2002	July 2002
All Leased Lines	*21*	*23*	*23*
Of Which:			
Sub 2Mbit Lines	*20*	*22*	*22*
2Mbit Lines	*29*	*30*	*25*

- The rolling three month average delivery time for leased line circuits ordered by OLOs for January 2002 was between 19 and 24 days.
- Since April 2002 this figure has increased to 22 days for Sub 2Mbit Lines and increased to 25 days for 2 Mbit Lines[9] with an average delivery time of 23 days for all Leased Lines[10].

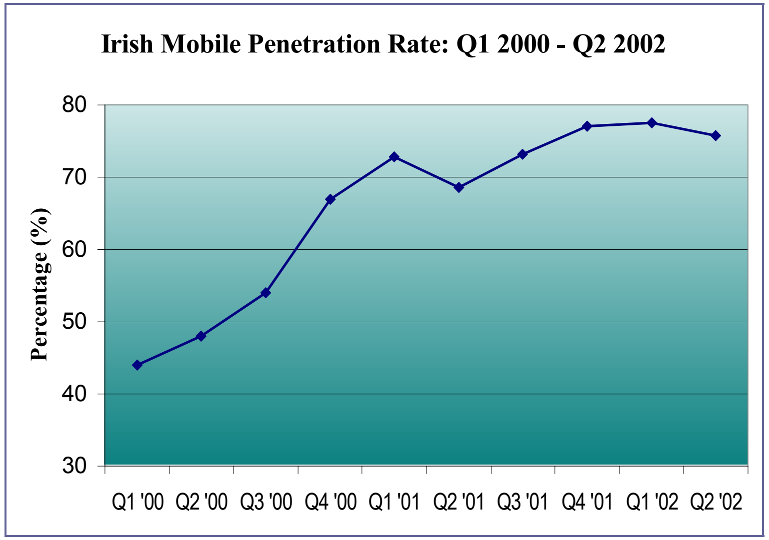
[9] Initial investigation by eircom has found that a combination of low volume of orders and one extremely late circuit has caused this increase in the June 2002 figure for 2Mbit Lines. This was a one off event and the figures for July are within the SLA timeframes.

[10] 1) Delivery lead-time is shown for 100% of orders delivered in the period 2) Sub 2mb deliveries include digital circuits with transmission speeds of less than 2mb. 3) The statistics provided relate to orders from other licensed operators only. 4) Other interconnect circuits are not included in the statistics.

2.2 Mobile

2.2.1 Irish Mobile Penetration Rate

Figure 2.2.1 Irish Mobile Penetration Rate



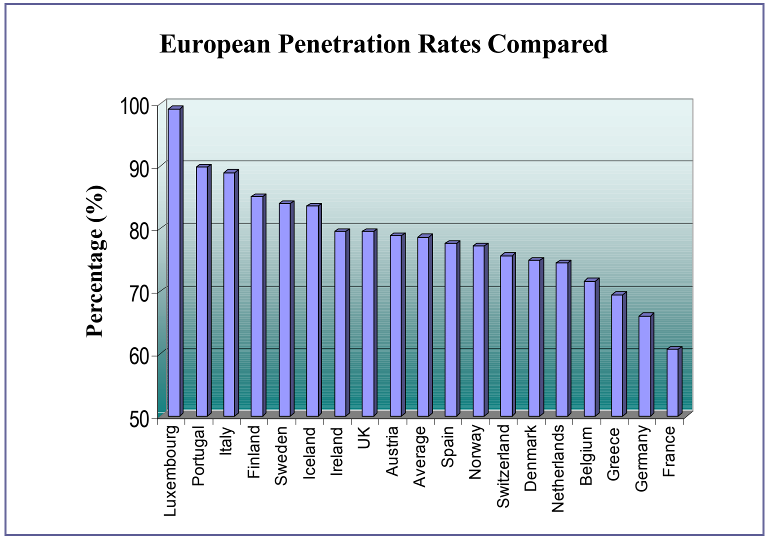
Source: Baskerville and ODTR Estimates

- Irish mobile penetration rate now stands at 76%[11].
    - Increase of 7% points in 12 months.

[11] There has been no change in the overall number of subscribers since last quarter. However the percentage of total population is slightly less due to the increased population figure. Last quarter the mobile penetration rate was 77%.

2.2.2 European Penetration Rate

Figure 2.2.2 European Penetration Rate



Source: Baskerville

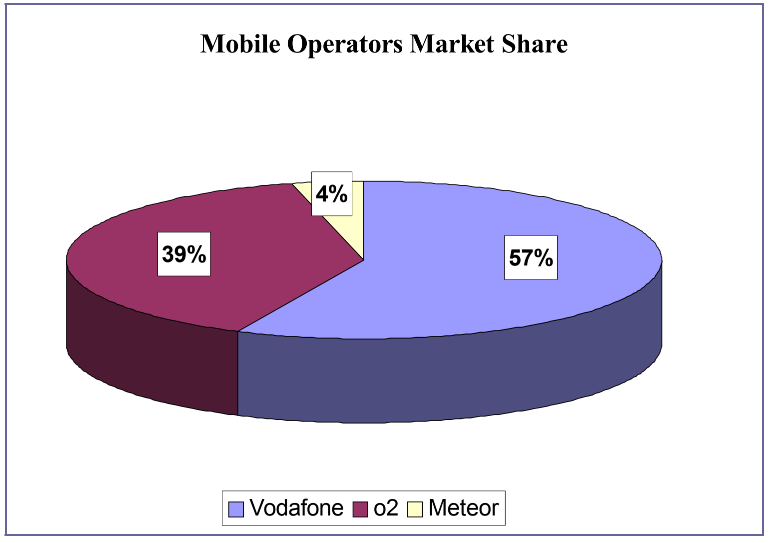
- Ireland has the 7th highest rate in Europe, three places ahead of European average and one places ahead of UK

2.2.3 Subscribers

- Approximately 2.97 million mobile subscribers, at the end of June 2002.
    - Increasing from approximately 2.7 million at the end of June 2001

2.2.4 Market Shares

Figure 2.2.3 Mobile Operators Market Share

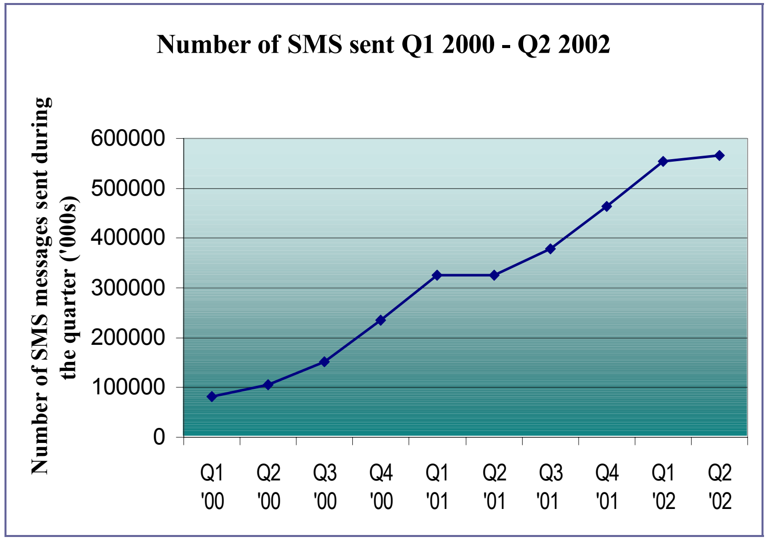


Source: ODTR Quarterly Review Questionnaire

- Vodafone - 57%, remaining the same since our last review
- 0_2 – 39%, a decrease of 1% since our last review
- Meteor - 4%, an increase of 1% since our last review

2.2.5 SMS

Figure 2.2.4 Number of SMS Messages sent Q1 2000 – Q2 2002

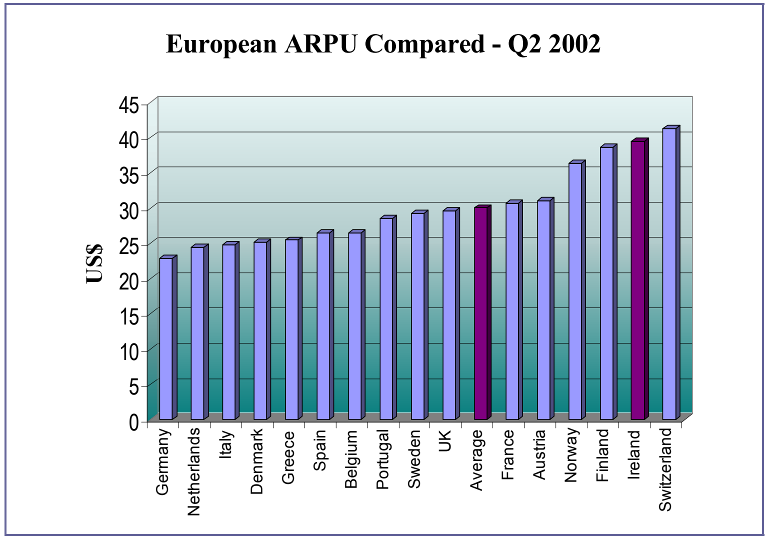


Source: ODTR Quarterly Review Questionnaire

- Over half a billion messages sent during the quarter.
  - 63 SMS messages sent on average per month, increase of 2% on the previous quarter.
  - 74% increase in the number of messages sent in 12 months.

2.2.6 ARPU

Figure 2.2.5 European ARPU Compared



Source: The Yankee Group

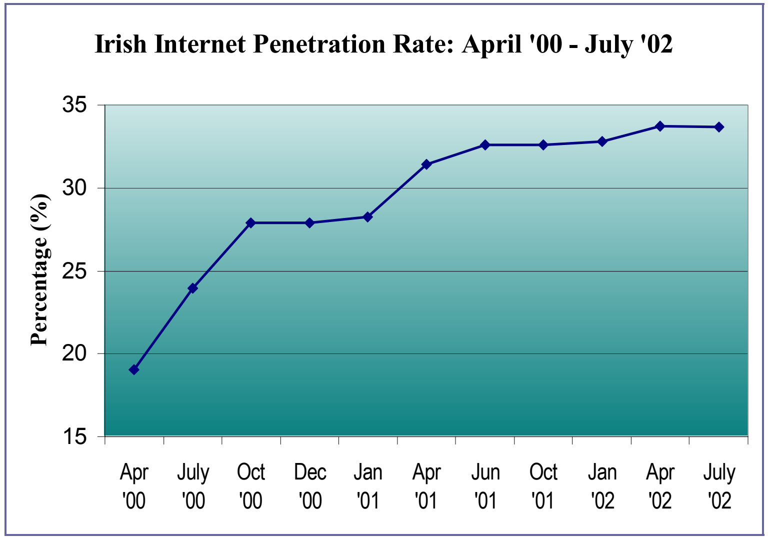
- Irish Mobile Operator's ARPU is estimated at US$39 per month[12]
  - A decrease of US$1 from the same period last year

[12] Average revenue generated by each user per month on an annualized basis. Derived by dividing annual service revenues by the mid-term installed user base (the sum of the opening and closing customer bases for the period divided by two). Once the Yankee group calculates individual ARPU figures, they are applied to each operator's mid-term 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 which give country- level ARPU.

2.3 Internet

2.3.1 Ireland's Internet Penetration Rate

Figure 2.3.1 Ireland's Internet Penetration Rate



Source: Nielsen//NetRatings

- Residential Internet penetration estimated at 34%[13]
  - Remaining the same since our last review
  - An increase of 1% since last year

[13] Nielsen NetRatings Current Internet Universe (i.e. penetration): All individuals 2+ who have access to the Internet from home. It is noted that some other analyses would point to increased penetration.

2.3.2 Average Internet Usage

Table 2.3.1 Average internet Usage for Ireland, the UK, and the USA, July 2002

	United States	Ireland	United Kingdom
Number of Sessions per Month	21	8	14
Number of Unique Sites Visited	46	25	42
Time Spent per Month	11:06:06	3:38:43	6:56:56
Time Spent During Surfing Session	31:39	25:46	28:58
Duration of a Page viewed	00:54	00:43	00:47
Active Internet Universe	104,970,437	588,140	16,286,900
Current Internet Universe Estimate	166,398,687	1,319,608	28,995,205

Source: Nielsen//NetRatings

- Active Internet Universe now accounts for 15% of the population[14]
- Average home user spent approximately 3½ hours online in July

[14] All individuals 2+ who regularly access the Internet from home i.e. usage

2.3.3 On-line Purchases

- 18% of Internet Users made an online purchase in the last three months[15]
- Travel services, specifically airline tickets, continue to account for the bulk of online purchases

2.3.4 Internet Minutes

- Internet minutes account for 37% of all fixed retail traffic
  - Last year Internet minutes accounted for 28% of all traffic

[15] Amarach's TrendWatch technology, Quarter 2 2002

2.4 Cable/MMDS & Satellite

2.4.1 Cable/MMDS Subscribers

- Approximately 619,000 cable/MMDS subscribers to basic television services in Ireland
  - Increase of approximately 1% since last quarter

2.4.2 Digital Subscribers

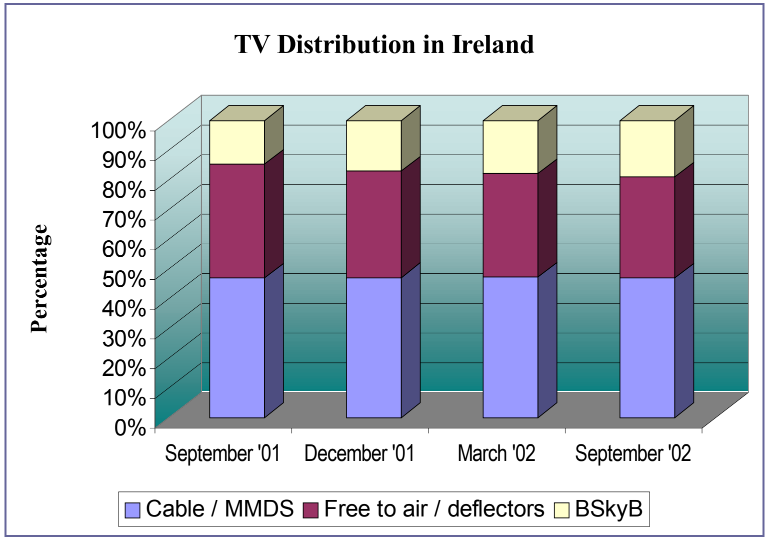
- Approximately 7% of cable/MMDS subscribers have upgraded to digital
  - Increase of 2% since last quarter
- 245,000 subscribers to BSkyB[16]
  - Increase of 6% since last quarter
- Approximately 288,000 digital cable/MMDS and satellite digital subscribers
  - Represents 22% of all households with a television[17]

2.4.3 Households Passed

- Over 1 million households passed
  - Approximately 69% are passed for digital services
  - Increase of 4% since last quarter

2.4.4 TV Distribution in Ireland

Figure 2.4.1 TV Distribution in Ireland



2.4.5 Cable/MMDS Revenues

- Total cable/MMDS revenues have remained relatively static.

[16] BSkyB Annual Report – 30th June 2002

[17] Figure is based on CSO estimate of 1.3 million households with a television

3 Tariff Data

This section compares movements in incumbents' tariffs for a range of telecommunication services since the ODTR's last review in June 2002. It should be noted that competing operators sometimes offer cheaper tariffs and this would also be true in the other countries surveyed. The tariff comparisons, generated from the pricing of a number of baskets of telecom services, rank Ireland's position against a group of key countries in relation to telecom tariffs[18]. The tariff comparison also reflects only one tariff option per incumbent operator and by definition is not indicative of tariff levels available in other tariff options, which may be offered by operators.

The baskets, which are constructed by Teligen using an OECD approved methodology, provide a "snapshot" of Ireland's position vis-à-vis other countries at a particular point in time. The baskets of services examined in this review include[19]:

- National PSTN
- International PSTN
- National Leased Lines
- International Leased Lines

Mobile Baskets

The mobile tariff baskets are not available this quarter. The mobile basket methodologies are being updated and Teligen are in the process of finalising the content and functionality of the baskets prior to publication. The revised mobile baskets will be published in our December review.

[18] For the purpose of our analysis only the EU 15, Iceland, Norway and Switzerland are examined.

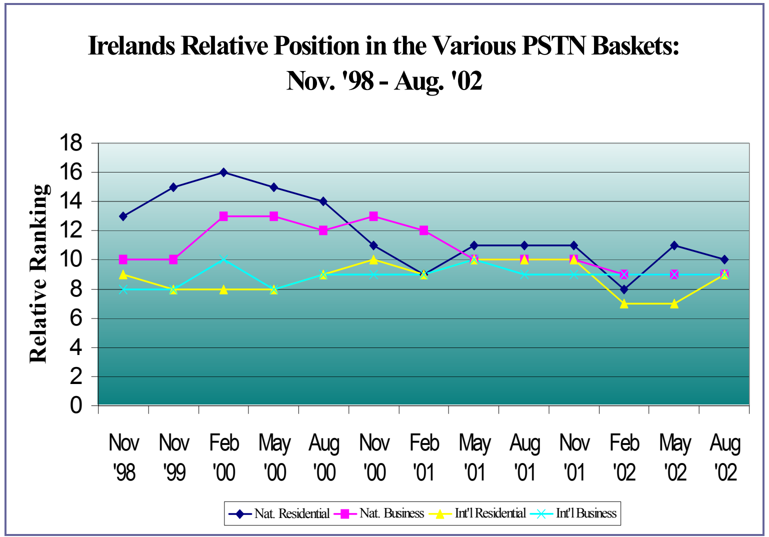
[19] The mobile tariff baskets have been omitted this quarter. The baskets were delayed due to revisions of the methodology that was agreed in the OECD / Teligen mobile basket workshop last October. Teligen are in the process of finalising the content and functionality of the baskets prior to publication. The revised mobile baskets will be published in our December review.

3.1 Overview

3.1.1 PSTN

- Ireland's position in the PSTN business baskets remained the same, while there was an increase in the national residential basket and a decrease in the international residential basket

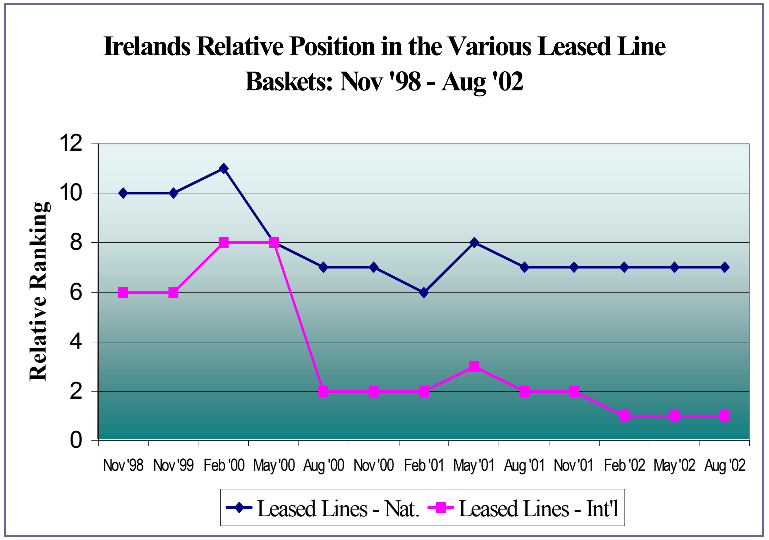
Figure 3.1.1: Ireland's Relative Position for Various PSTN baskets: Nov '98 – August '02



3.1.2 Leased Line

- Ireland remained in 7th and 1st place respectively in the national and international leased line baskets

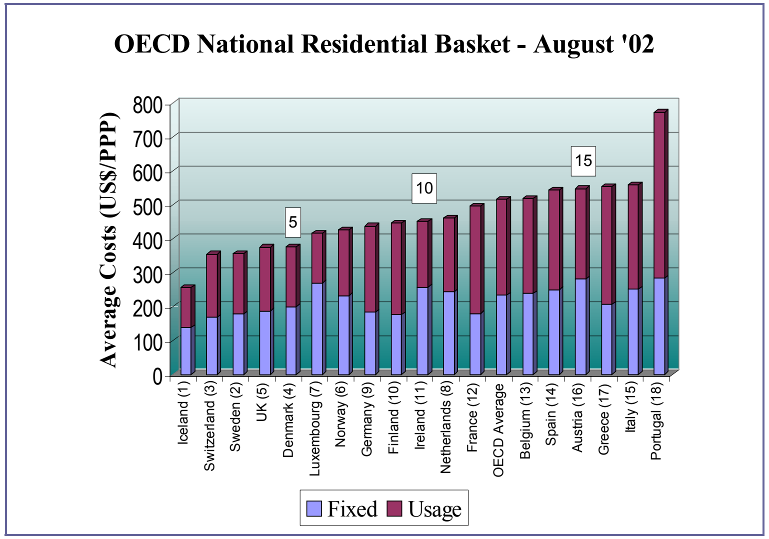
Figure 3.1.2 Irelands Relative Position in the Leased Line Baskets: Nov '98 – August '02



3.2 National Residential Basket

- Ireland lies in 10th place, an improvement of one position since our last review

Figure 3.1.3: OECD National Residential Basket – August 2002

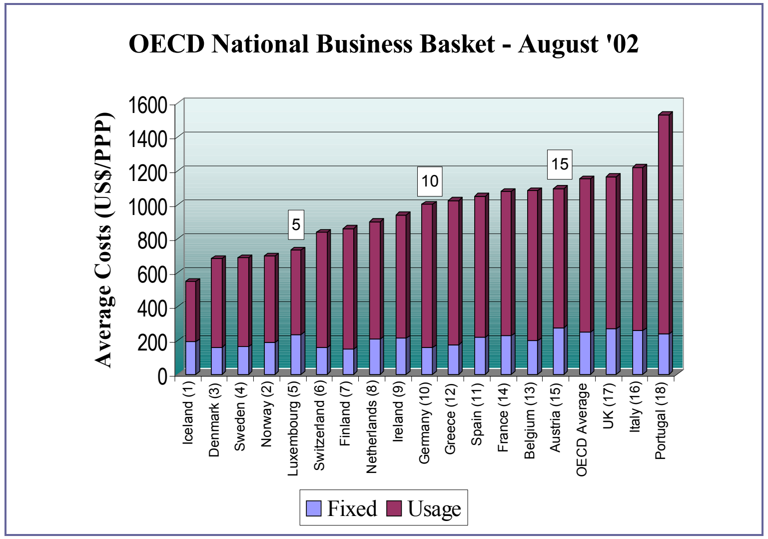


NB: The numbers in brackets represent the countries respective rankings as at June 2002.

3.3 National Business Basket

- Ireland remains in 9th place, and is seven positions ahead of the OECD average

Figure 3.1.4: OECD National Business Basket – August 2002

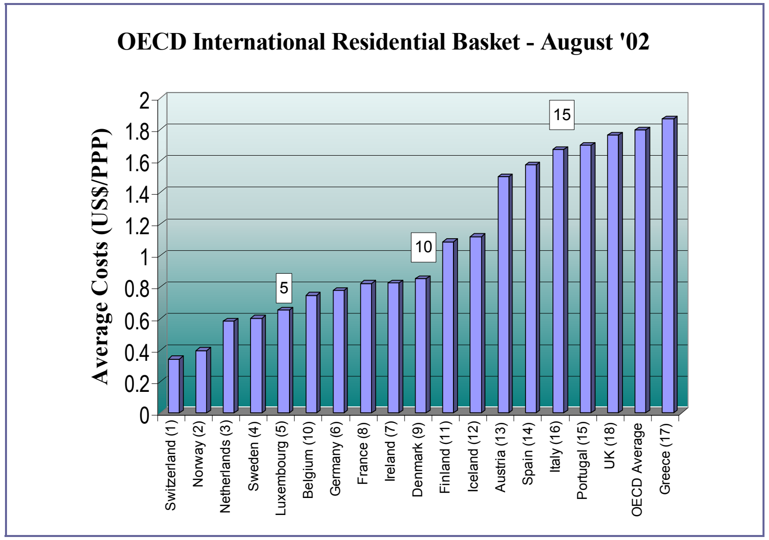


NB: The numbers in brackets represent the countries respective rankings as at June 2002

3.4 International Residential Basket

- In 9th place, Ireland's position in the basket has decreased by two places since our last review

Figure 3.1.5 OECD International Residential Basket – August 2002

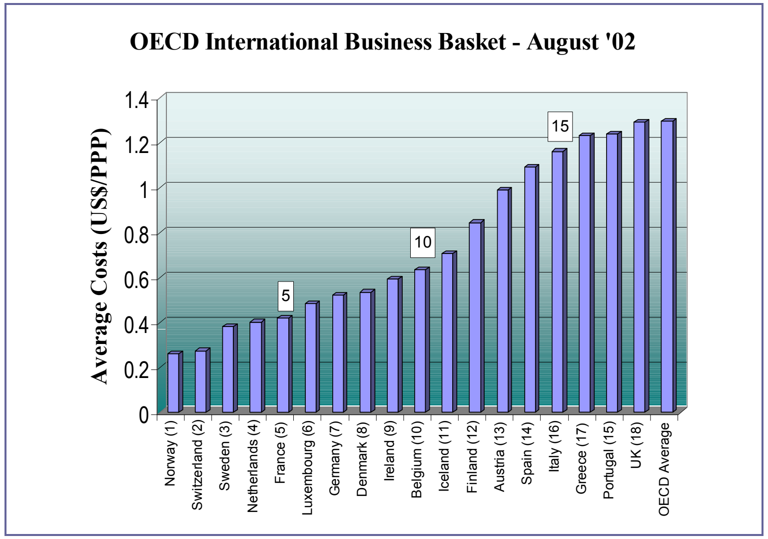


NB: The numbers in brackets represent the countries respective rankings as at June 2002

3.5 International Business Basket

- Ireland remains in 9th position, nine places ahead of the UK and ten places ahead of the OECD average

Figure 3.1.6: OECD International Business Basket – August 2002

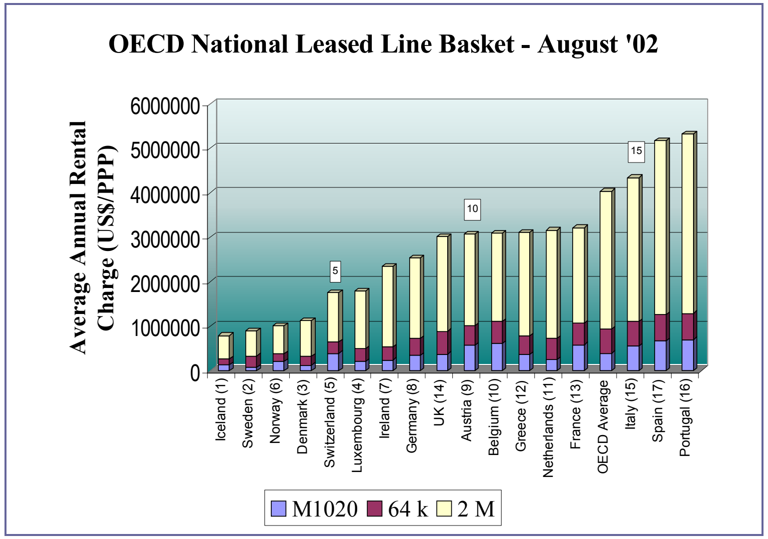


NB: The numbers in brackets represent the countries respective rankings as at June 2002

3.6 National Leased Lines

- Ireland remains in 7th position, now lying two places ahead of the UK and eight places ahead of the OECD average[20].

Figure 3.1.7 OECD National Leased Line Basket – August 2002



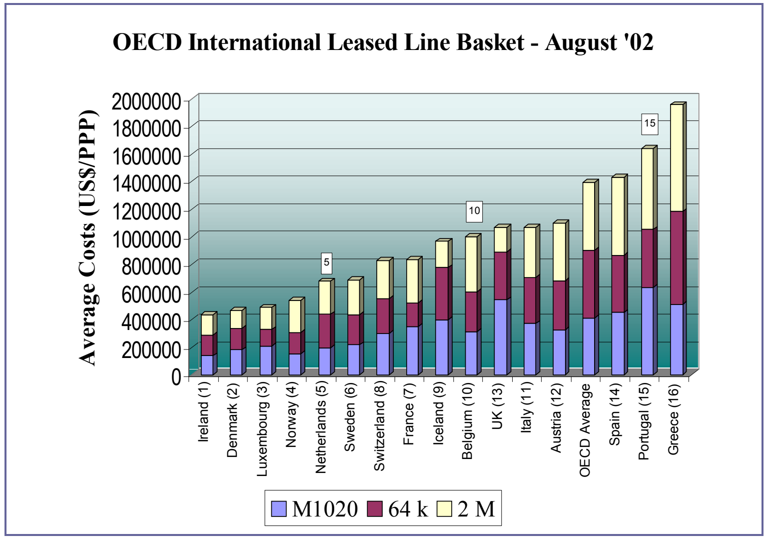
NB: The numbers in brackets represent the countries respective rankings as at June 2002

[20] The "National Leased Line Basket" is based on 100 circuits distributed over 6 distances from 2 to 500 km. Results exclude Vat.

3.7 International Leased Lines

- Ireland remains in 1st position[21].

Figure 3.1.8 OECD International Leased Line Basket – August 2002



NB: The numbers in brackets represent the countries respective rankings as at June 2002

[21] The prices for these circuits are devised from the weighted average of half-circuits to all other OECD countries, using the traffic volume weighting method proposed by Teligen.

Appendix - Licensees

GENERAL LICENSEES

FIXED OPERATORS[22]

Licensee	*Operational*	*Responded to QR*
AUCS Communications Services (Ireland) Ltd.	Yes	No
Aurora Telecom Ltd.	Yes	Yes
Budget Telecommunications Ltd.	Yes	Yes
Cable & Wireless Services Ltd.	Yes	Yes
Carrier 1 AG *(licence surrendered 20/06/02)*	No	No
Cignal Global Telecommunications Ireland Ltd.	No	No
Colt Telecom	Yes	Yes
Conduit Enterprises Ltd.	Yes	Yes
BT (Concert) Global Networks Ltd.	No	Yes
eircom	Yes	Yes
Esat Telecommunications Ltd.	Yes	Yes
Esat Net	Yes	Yes
Formus Communications Ltd.	No	No
Global Crossing Ireland Ltd.	Yes	Yes
GTS Business Services (Ireland) Ltd.	Yes	Yes
IDT Europe BV Ltd Liability Cooler	No	Yes
Interoute Ireland Ltd.	No	No
ITG Group (IRL) Ltd.	Yes	Yes
IXC Communications Services Europe Ltd.	No	No
LCN-Ireland, L.L.C.	No	No
LDMI Telecommunications of Ireland	No	Yes
Mastercall International Ltd.	No	No
WorldCom	Yes	Yes
Meridian Communications Ltd.	No	No
Ocean Communications Ltd.	Yes	Yes
PrimeTec UK Ltd.	No	No
Primus Telecommunications Ltd.	No	No
RSL Communications (Ireland) Ltd.	No	No
Sigma	No	Yes
SM Communications	Yes	Yes
Smart Telecom	Yes	No

[22] Fixed line operators who hold a general telecommunications licence

Startec Global Communications UK Ltd.	No	No
Nevada tele.com	Yes	Yes
Swiftcall Centre	Yes	Yes
TCSI Ltd.	No	Yes
Tele2 Telecommunications Services Ltd.	No	Yes
Teleglobe Ireland Ltd.	No	No
Transaction Network Services Ltd.	Yes	Yes
VarTec Telecom (UK) Ltd.	No	Yes
Viatel (I) Ltd.	No	No
WTI Ireland Ltd.	No	No
Yac.com Ltd.	No	No

MOBILE OPERATORS[23]

Licensee	*Operational*	*Responded to QR*
Meteor Mobile Communications	Yes	Yes
Hutchison Whampoa	No	No
O2 Communications Ireland Ltd.	Yes	Yes
Vodafone Ireland Ltd.	Yes	Yes

CABLE OPERATORS[24]

Licensee	*Operational*	*Responded to QR*
Chorus	Yes	Yes
NTL Communications (Ireland) Ltd.	Yes	Yes

[23] Mobile operators who hold a general telecommunications licence

[24] Cable operators who hold a general telecommunications licence

BASIC LICENCES

FIXED OPERATORS[25]

Licensee	*Operational*	*Responded to QR*
Alord Holdings Ltd.	**Yes**	**Yes**
AT & T Global Network Services Ireland Ltd.	**Yes**	**Yes**
Axis Communications	**No**	**No**
Beam Solutions	**No**	**No**
Broad Band Communications Ltd.	**No**	**Yes**
Broighter Networks Ltd.	**No**	**No**
Cargo Community Systems Ltd.	**Yes**	**Yes**
Crossan Cable	**No**	**No**
EGN B.V.	**Yes**	**Yes**
ESB Telecoms Ltd.	**No**	**Yes**
European Access Providers Ltd.	**No**	**No**
Flag Telecom	**No**	**Yes**
Genesis Internet Service Provider Ltd.	**No**	**No**
Genuity International Inc.	**Yes**	**Yes**
Global Crossing Ireland Ltd.	**Yes**	**Yes**
Global One Communications Ltd.	**Yes**	**No**
GTS Network (Ireland) Ltd.	**No**	**No**
Hibercall Ltd.	**Yes**	**Yes**
IDirect	**No**	**No**
Indigo	**Yes**	**Yes**
Irish Broadband Internet Services	**No**	**No**
IXNET UK Ltd.	**Yes**	**No**
Kokomo Telecom Ltd.	**No**	**No**
KPNQwest Carrier Services B.V.	**Yes**	**No**
Lake Communications Systems	**No**	**No**
MediaNet Ireland Ltd.	**Yes**	**No**
Metromedia Fibre Network Ireland Ltd.	**No**	**No**
Next Telecom	**No**	**No**
Radianz Connect Services	**Yes**	**No**
Rillbank Ltd.	**Yes**	**Yes**
Savvis Europe B.V.	**Yes**	**Yes**
SkyNet	**No**	**No**
Sonic Telecom	**No**	**No**
SITA	**Yes**	**No**
Sprintlink	**No**	**No**
Tele Media International Ltd.	**No**	**No**

[25] Fixed operators who hold a basic telecommunications licence

Timas Ltd.	**Yes**	**Yes**
Torc Telecom	**No**	**No**
Universal Access Ireland Ltd.	**No**	**No**
Valuetel Ltd.	**Yes**	**No**
Waterland Technologies	**No**	**No**
Web-Sat Ltd.	**No**	**Yes**

CABLE OPERATORS[26]

Licensee	*Operational*	*Responded to QR*
Casey Cable Vision Ltd.	**Yes**	**No**

[26] Cable operators who hold a basic telecommunications licence