



Office of Utility Regulation

Telecommunications Market Report January – June 2009

Information Note

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Guernsey Telecoms Market – Executive Summary

The January to June 2009 Telecoms Market Report is the latest in a series of regular market reports started in July 2008 by the Office of Utility Regulation (“OUR”). The purpose of this report is to collect and report on activity in the telecoms market at regular intervals. This report presents the key findings from the third edition of the Industry Questionnaires.

Guernsey Telecoms Market has had a fluctuating year in terms of subscribers, usage, and revenue, with some segments growing steadily but also with some downfalls in others.

Data collected covers five periods, each corresponding to six months of data, between January 2007 and June 2009. This information helps build a profile of market activity and developments and informing regulatory decisions going forward. The following are the main developments and key figures on the telecoms market and each of the telecoms industry sectors between the first and the second half of 2008:

- **Overall telecoms market.** Total industry turnover continues growing, with the latest figures showing an annual growth rate above 7%.
- **Fixed market.** The number of analogue and digital lines and the number of subscribers has remained relatively stable in the first half of 2009.
- **Mobile market.** The mobile sector revenue has dropped by 5%. The number of minutes originated in the mobile networks have increased by 4%.
- **Internet market.** The internet sector was the only sector in this period growing in subscribers, usage and revenue. The total number of subscribers increased 2.3%. Internet penetration rate is 35%, with broadband penetration rate at 31%. Total Internet revenues (including wholesale revenues) accounted for about 20% of total revenues in the telecoms market.

The Director General would like to record his appreciation for the assistance provided by the telecoms licensees in compiling this report.

1. Telecoms Market

This report presents data about the Bailiwick of Guernsey (“Guernsey”) telecommunications sector, based primarily on the Industry Questionnaires data submitted by licensed operators, and covering the six month period from January to June 2009. The data on which this report is based has been collected from the licensed operators between July and September 2009¹.

This report is based on the third edition of the Industry Questionnaire, where licensed operators in Guernsey provide information regarding their commercial activities and their services for the previous six month period².

Table 1.1 **Total number of telecommunications licensees**

	30 June 2009
Number of fixed licences	9
Number of mobile licences	3
Total	12

Source: OUR, Industry Questionnaire, June 2009

During 2009 two new fixed licences were awarded operators to operate in the Guernsey market, Airtel and Clear Mobitel. In addition, Hughes Network Systems surrendered its fixed licence and Newtel Guernsey was acquired by Wave Telecom. As of 30 June 2009 there were a total of 12 licensed operators registered, 9 of them licensed to provide fixed telecommunications services, and the remaining 3 licensed to provide mobile telecommunications services³. C&WG has also been awarded a licence to provide 3G mobile telecommunications services.

a. Total Turnover

The telecommunications sector in Guernsey across its fixed, mobile, and internet segments, registered a total turnover above £40 million for the six months ending in 30 June 2009. This represents a growth from the previous six month period of 7.11%, where total turnover was close to £38 million. At the end of June 2009 the licensed operators employed 322 people, three less than the previous 6 months.

¹ The different versions of the Telecoms Market Report may not be directly comparable. In some sections of the current report a revision of the methodology applied in compiling the data has been also undertaken. The data presented in this report includes estimates where the OUR has not received data from operators.

² The Industry Questionnaire is based in six monthly periods, covering January to June and July to December.

³ A list of all the telecommunications licensed operators is available at http://www.regutil.gg/licensing_legal/list_of_licensees.asp?Sector=Telecommunications

Figure 1.1 **Telecommunications turnover, Guernsey**



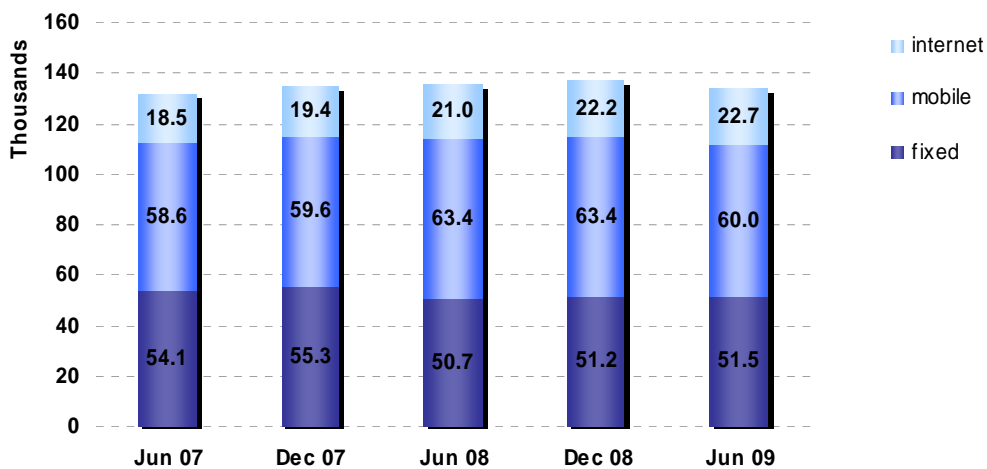
Source: OUR, Industry Questionnaire, June 2009

The year on year total turnover for the telecommunications industry in Guernsey was around £78 million at the end of June 2009 (an increase of 9.3% from the same period one year before).

b. Subscribers by communications market

At the end of June 2009, there were 134,200 subscriptions for a fixed, mobile, or internet (dial-up and broadband) services, which represents a slight decrease of 1.8% from the previous period.

Figure 1.2 **Fixed, mobile and internet subscribers**



Source: OUR, Industry Questionnaire, June 2009

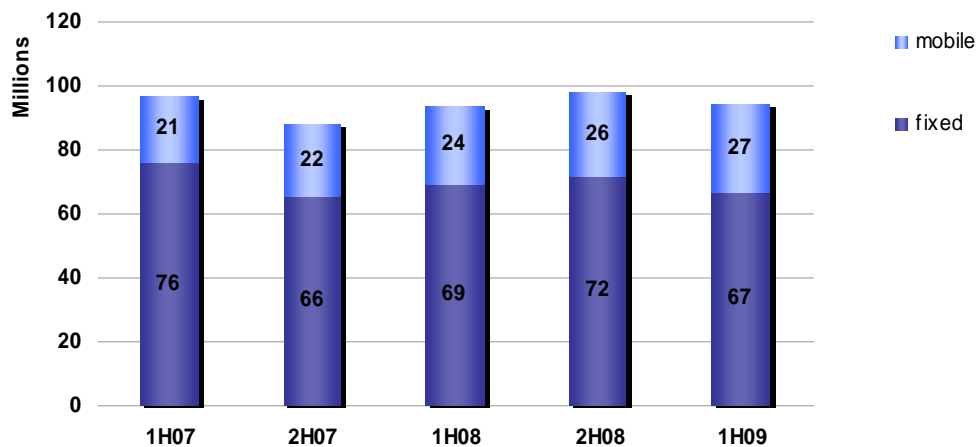
Compared with the previous period, the internet sector continued to grow with an increase of 2.3% in the subscriber base, and the fixed sector maintained the trend of the

last period with an increase in subscribers of 1%⁴. The overall decrease in the users of telecoms services is due to a decrease in the number of active subscribers in the mobile sector, due to a reclassification of active mobile users. While mobile subscriptions continue to register the highest share within the three sectors, from December 2008 to June 2009 the number of mobile active subscribers fell by 5%⁵.

c. Originated minutes

The decrease in the number of active mobile subscribers has not impacted negatively on the number of minutes originated on mobile networks, which increased from 26m to 27m between the second half of 2008 and the first half of 2009.

Figure 1.3 Total originated minutes



Source: OUR, Industry Questionnaire, June 2009

The number of minutes originated on fixed networks⁶ has dropped over the same period, amounting to a decrease just above 6%. While the mobile originated minutes show an increasing trend since the beginning of 2007, fixed originated minutes have been fluctuating over the years, and is now at a level similar to the figures registered in the second half of 2007.

In the first half of 2009 the number of minutes originated on the mobile networks (27 million) represented 29% of the total number of minutes originated in Guernsey (on both the fixed and mobile networks).

⁴ As mentioned in previous editions of this report, from the beginning of 2008 onwards operators changed their fixed subscribers accounting systems, and thus the number of fixed telecoms subscribers registered up to December 2007 is not directly comparable with the series registered after that date.

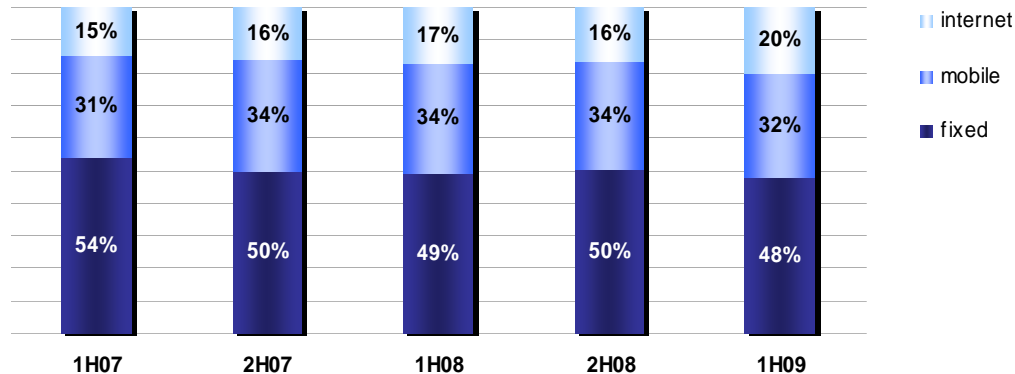
⁵ The fall in the number of mobile active subscriptions is however a result of a correction in the reporting methodology by operators, making this figure not directly comparable with the previous periods.

⁶ One of the operators identified some inconsistencies in its last submitted Industry Questionnaire, and the fixed originated minutes and revenues figures for the 2H08 has now been amended from the previous edition of the report.

d. Fixed, Mobile and Internet revenues

Telecoms revenues⁷ dropped by 1.4% from the second half of 2008 compared to the first half of 2009, amounting to just below £33m.

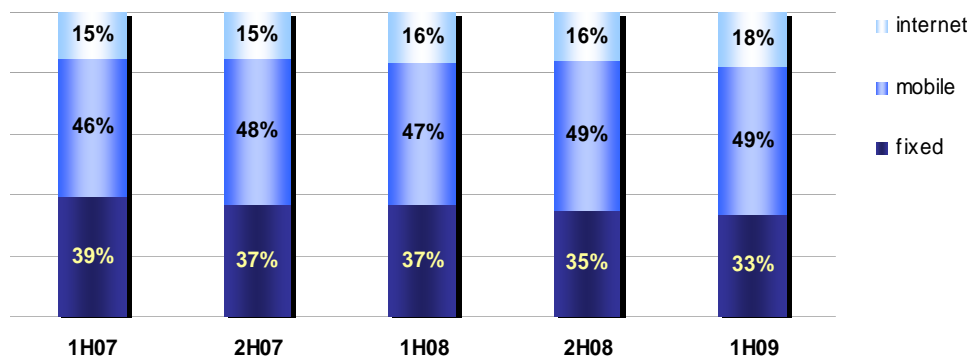
Figure 1.4 Telecoms revenue by market segment (%)



Source: OUR, Industry Questionnaire, June 2009

While the biggest share of revenue is generated on the fixed sector, fixed telecoms revenues have however decreased around 4% in the first half 2009, with this segment contributing now to around 48% of the total telecoms revenues during the first half of 2009. The mobile sector revenue has also dropped by 5%, and internet was the only sector with continuous growth over time (21% in the first half 2009), accounting now for more than 20% of the revenues generated in the communications market.

Figure 1.5 Retail service and access revenues by market segment



Source: OUR, Industry Questionnaire, June 2009

In terms of revenue generated by each retail sector (usage and access services, Figure 1.5), the mobile sector takes the lead and generates about 49% of the retail service and access revenues in the first half of 2009. The downward trend in the share of revenue generated by fixed retail services continued in the first half of 2009, with this sector

⁷ Excluding interconnection revenues.

accounting for 33% of the retail revenues (lower than the 35% in the second half of 2008⁸). Internet keeps showing an increasing impact in the telecoms market, and its share of retail revenue is now 18%.

⁸ Note that the fixed minutes and revenue figures have been altered since the last report, as per footnote 6 mentioned above.

2. Fixed market

a. Total number of lines and subscribers

There were a total of 56,827 telephone lines installed in Guernsey at the end of June 2009, almost unchanged on the previous period. Around 96.5% of the total number of lines installed in Guernsey are analogue lines. The remaining 3.5% are basic and primary digital lines⁹.

Table 2.1 Total number of installed lines

	June 2007	December 2007	June 2008	December 2008	June 2009
Analogue	55,516	55,828	54,671	54,789	54,844
Digital:					
Basic	1,774	1,787	1,812	1,832	1,798
Primary	178	192	194	178	185
Total (analogue and digital)	57,468	57,807	56,673	56,799	56,827
Leased lines					
On Island leased lines	1,351	1,208	1,174	1,048	1,019
Off Island leased lines	291	300	269	303	262

Source: OUR, Industry Questionnaire, June 2009

By June 2009 more than 51,500 customers were using fixed telecoms services. As mentioned in the last report, due to changes in the operators' subscriber accounting methodology, this figure is not directly comparable with the number of subscribers registered up to the end of 2007.

The number of on-island leased lines continues its decreasing trend and in June 2009 fell by 3% from the previous period. Off-island leased lines have had a significant decrease in the same period, with the number of lines dropping by 13.5%.

b. Voice originated minutes market share

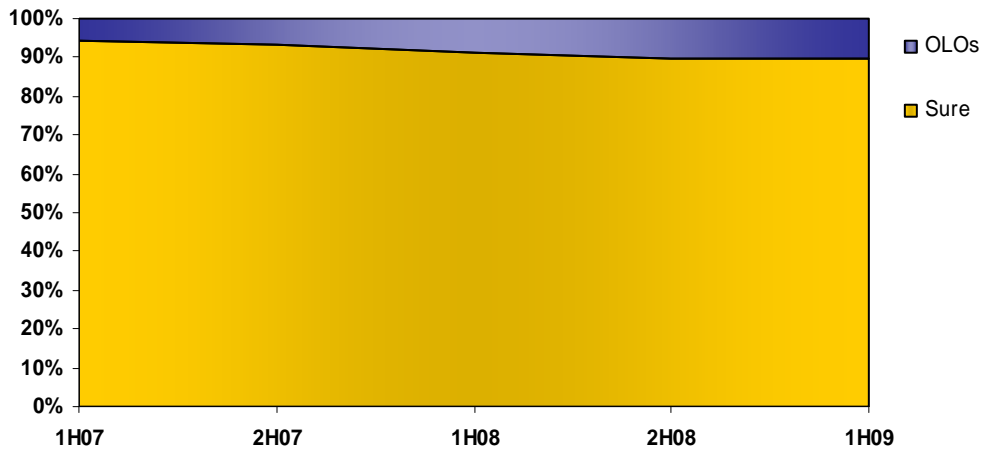
The incumbent operator C&W Guernsey ("Sure") accounts for 90% of the total minutes originated by fixed operators in Guernsey. Its market share has stayed almost unchanged from the previous period. Other Licensed Operators (OLO), which use indirect access¹⁰ to the incumbent operator network in order to compete accounted in the first half of 2009 for 10% of the total fixed originated minutes¹¹.

⁹ Digital lines are Integrated Services Digital Network (ISDN) lines that typically have more than one access per line. In ISDN lines the number of equivalent accesses is two for each basic ISDN line and 30 for each primary ISDN line.

¹⁰ Currently, OLOs use Carrier Selection as the only mean of indirect access to the incumbent fixed network.

¹¹ Figures in the second half of 2008 have been amended. See footnote 6 above.

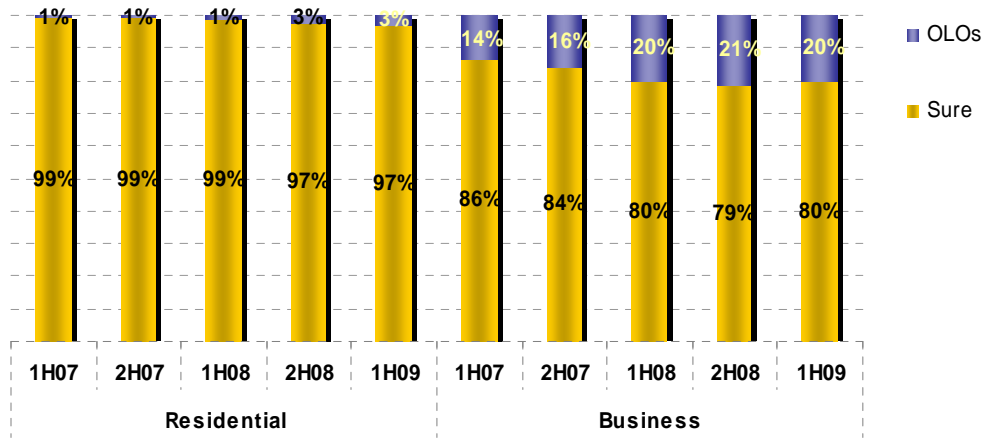
Figure 2.1 Market share in fixed originated minutes



Source: OUR, Industry Questionnaire, June 2009

Figure 2.2 below shows Sure and OLOs’ share of the total originated minutes in the residential and business segments of the market. In the residential segment, Sure’s share in terms of minutes originated is significantly higher than in the business segment. Sure originates approximately 97% of the total residential minutes in Guernsey. In the business segment the impact of OLOs in originated minutes is higher than in the residential segment. OLOs account for 20% of the total business originated minutes¹².

Figure 2.2 Residential vs business fixed originated minutes



Source: OUR, Industry Questionnaire, June 2009

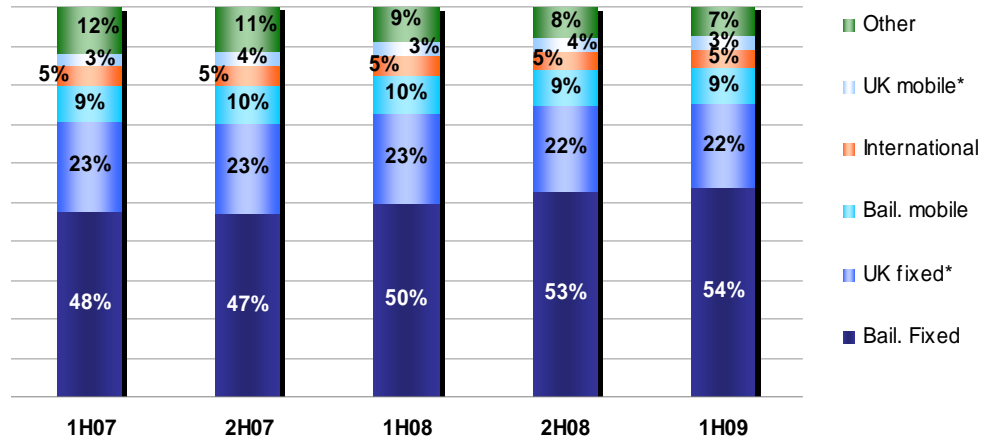
c. Share of voice originated minutes

The proportion of call minutes that are originated in Guernsey and destined to Guernsey’s fixed network have been increasing over time. In the first half of 2009, 54% of call

¹² Figures in the second half of 2008 have been amended. See footnote 6 above.

minutes originated on Guernsey’s fixed network were also terminated on the fixed network¹³.

Figure 2.3 Profile of fixed originated minutes, by call destination



Source: OUR, Industry Questionnaire, June 2009; * Includes calls destined to Jersey

The UK fixed networks are the second most frequent destination for the minutes originated on Guernsey’s fixed network, with a share of 22% in the first half of 2009 (a pattern that has been relatively constant over time – this includes call minutes destined to Jersey fixed networks). 9% of the call minutes originated on the fixed network are destined to Guernsey’s mobile networks, and 5% are international call minutes. The remaining minutes were used on calls destined to the UK mobile networks (3%, which also includes call minutes destined to Jersey mobile networks) and other destinations (7%).

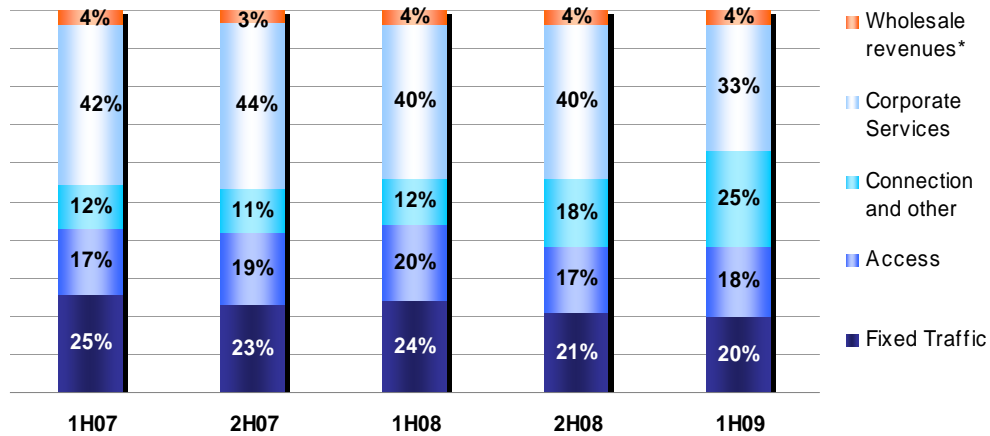
d. Share of fixed services revenues

While traffic and access are an important source of the fixed services revenues, its aggregate weight shows a decreasing trend over time. In the first half of 2009 it represented about 38% of total fixed services revenues, as shown in Figure 2.4 below. Corporate Services revenues relative weight has also dropped from the previous period and represents 33% of total revenues from fixed services in the first half of 2009¹⁴.

¹³ Figures in the second half of 2008 have been amended. See footnote 6 above.

¹⁴ However the figures for 2009 are not directly comparable to the figures in the previous periods, as one operator has changed its reporting methodology by moving revenue for IP feeds, previously reported as Corporate Services, to Other Internet Revenues.

Figure 2.4 Distribution of fixed revenues



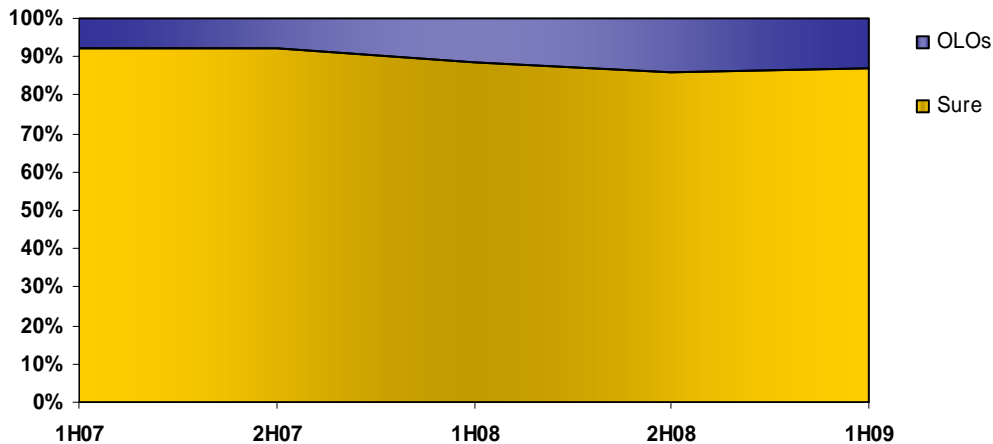
Source: OUR, Industry Questionnaire, June 2009; *Excluding interconnection revenues

The other categories of revenue are connection and other retail fixed telecoms revenues, which increased significantly and account for 25% of total fixed services revenues in the first half of 2009, and wholesale revenues, accounting for 4% of total fixed service revenues in the same period¹⁵.

e. Revenues from voice (origination)

Despite the slight decrease over time, in June 2009 Sure accounted for approximately 87%¹⁶ of the fixed voice revenues in the market. This trend reflects the pattern in the fixed voice volumes market.

Figure 2.5 Share of fixed voice revenues



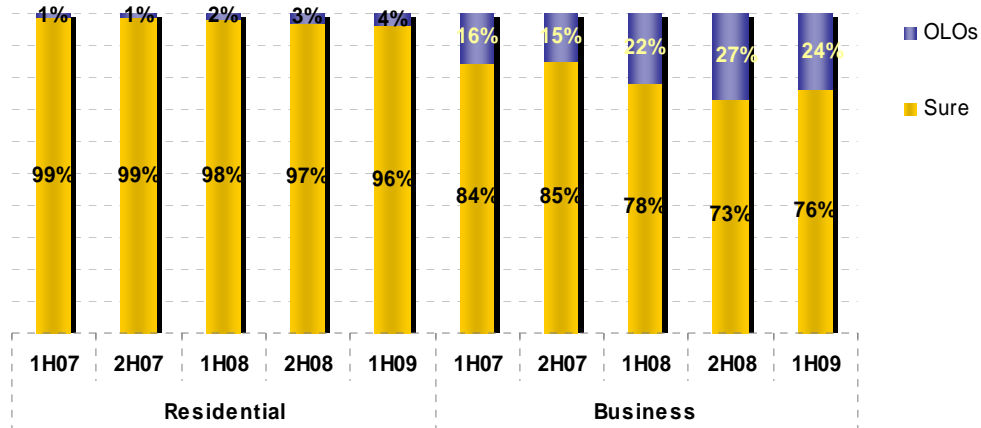
Source: OUR, Industry Questionnaire, June 2009

¹⁵ The peak in Connection and Other Revenue is due to revenues from Directory Services being collected each year in March. This had not been reported in previous periods.

¹⁶ Figures in the second half of 2008 have been amended. See footnote 6 above.

The breakdown of the fixed voice revenues by the residential and business segments has similar patterns to that observed in the fixed voice volumes.

Figure 2.6 Residential and business fixed voice revenues



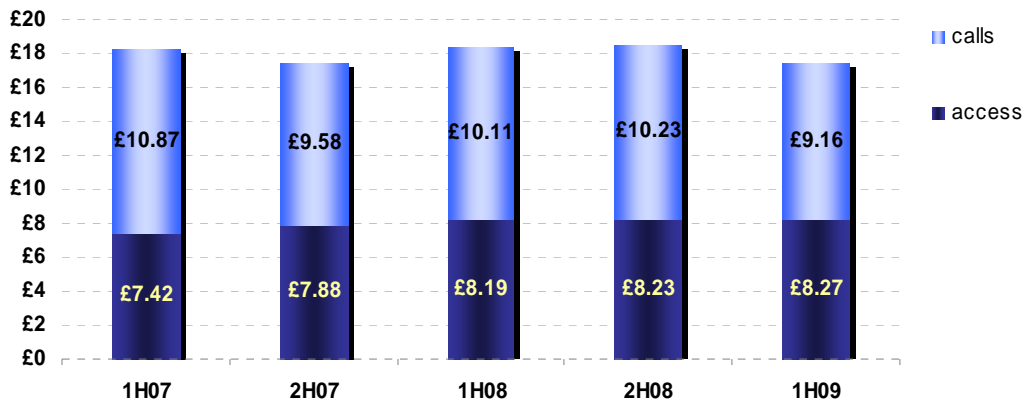
Source: OUR, Industry Questionnaire, June 2009

While in the residential segment Sure generates almost all the fixed voice revenues in the market (96% in the first half of 2009), in the business segment OLOs have seen their market share becoming more significant over time, and in the first half of 2009 24% of the business fixed voice revenues were generated by OLOs¹⁷.

f. Average monthly revenue

Figure 2.7 shows the average monthly voice revenue per fixed line in the Bailiwick of Guernsey.

Figure 2.7 Average monthly voice revenue per fixed line, Guernsey



Source: OUR, Industry Questionnaire, June 2009

¹⁷ Figures in the second half of 2008 have been amended. See footnote 6 above.

Over the last two periods, the average monthly access revenue per fixed line increased slightly (0.5%), but the most significant change is in the average monthly call revenue, which has dropped by about 10%.¹⁸

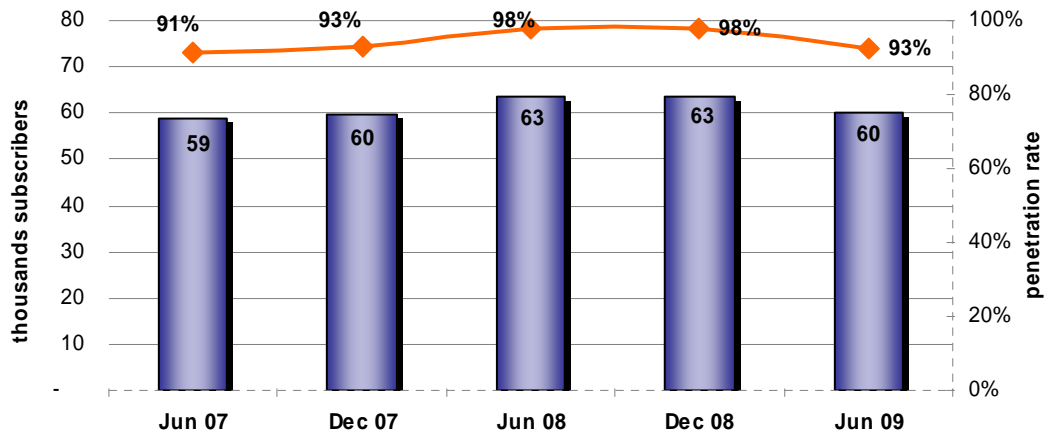
¹⁸ Figures in the second half of 2008 have been amended. See footnote 6 above.

3. Mobile market

a. Subscribers, penetration rate and market players

As of 30 June 2009 there were three mobile network operators (MNO) in Guernsey – Sure, Wave Telecom (Wave), and Airtel-Vodafone (Airtel).

Figure 3.1 Number of subscribers and penetration rate



Source: OUR, Industry Questionnaire, June 2009; States of Guernsey Policy Council, Guernsey Facts and Figures 2009

The number of existing active mobile subscribers¹⁹ at end of June 2009 was around 60,000, a decrease of 5% in relation to the previous period (primarily due to a re-classification of active subscribers)²⁰.

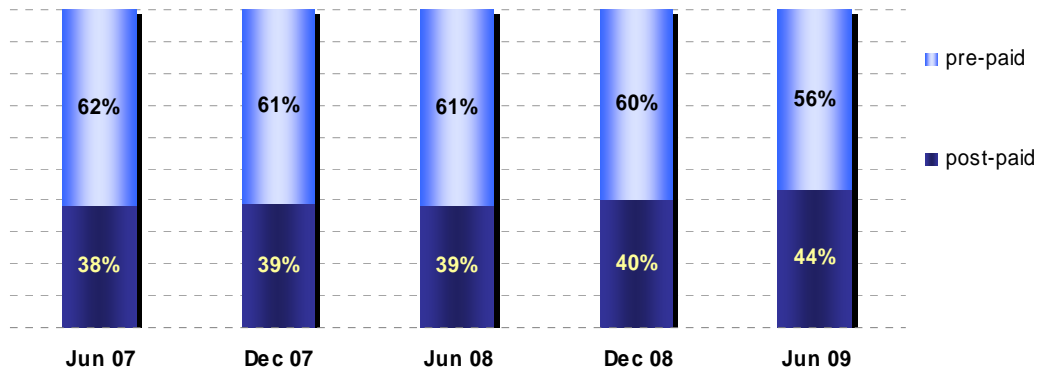
Although the proportion of pre-paid and post-paid subscribers (i.e. contract)²¹ has been relatively stable over time, in the first half of 2009 this suffered the most significant change since 2007, with post-paid increasing by about 4%. The number of mobile post-paid subscribers relative to the number of pre-paid subscribers in June 2009 accounts for 44% of the total number, (from 40% in December 2008). This is partly explained by a decrease in the number of active pre-paid mobile subscribers.

¹⁹ Active subscriber is defined as a subscriber that has paid the subscription fee, or used a payable service, at least once in the last 90 days.

²⁰ The decrease in the number of active subscribers is due to a correction in the reporting methodology by operators. See footnote 5.

²¹ Post-paid subscribers include customers on Business tariffs.

Figure 3.2 Pre-paid and post-paid subscribers

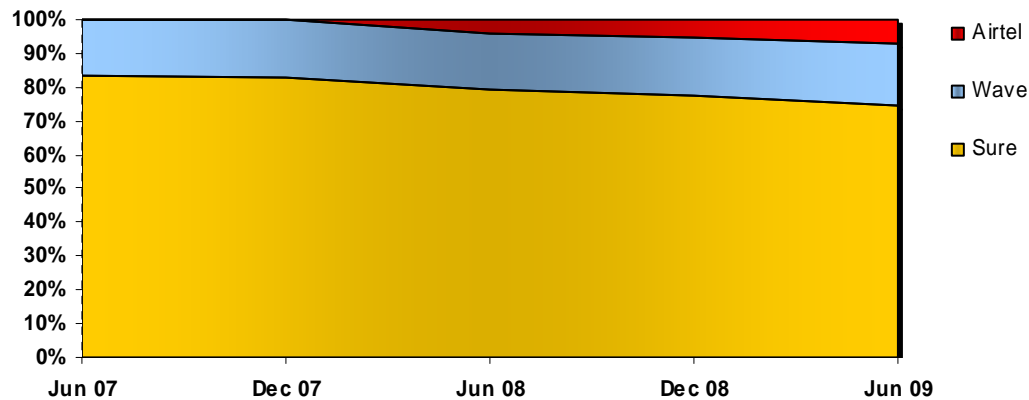


Source: OUR, Industry Questionnaire, June 2009

b. Subscribers market share

The change in the market share of the three operators from the beginning of 2007 to June 2009 is marked by the continuing increase in the market shares of Wave and Airtel.

Figure 3.3 Mobile subscribers market share



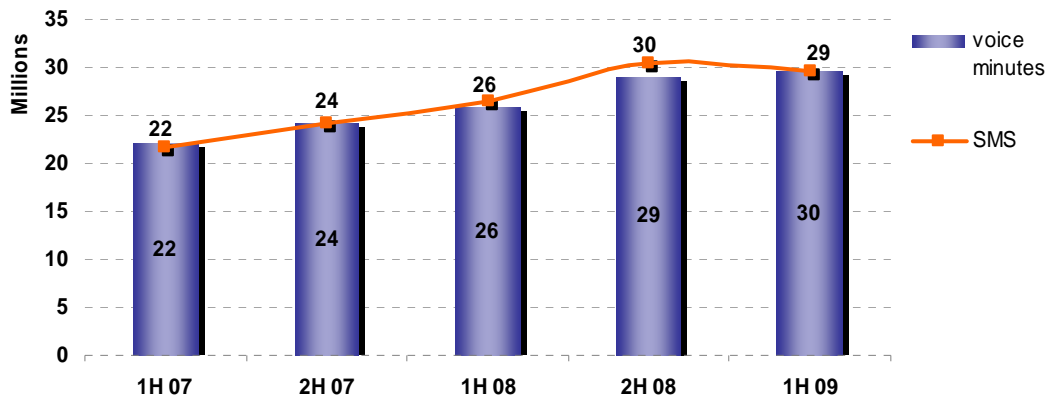
Source: OUR, Industry Questionnaire, June 2009

In the first half of 2009 Airtel completed one year of operations with a share of 6.9% in the market of mobile subscribers (up from 5.5% at the end of 2008). Sure's market share has reduced from approximately 77% in December 2008 to 74.6% in June 2009, while in the same period Wave's market share increased from 17% to 18.6%. It is likely that this change already reflects the impact of Mobile Number Portability, which went live on 1 December 2008 and its impact on competition between the networks.

c. Voice and SMS volumes

Mobile voice and SMS volumes have increased steeply over the five periods, despite a slight decrease in originated SMS over the first half of 2009.

Figure 3.4 Mobile minutes and SMS originated volumes²²



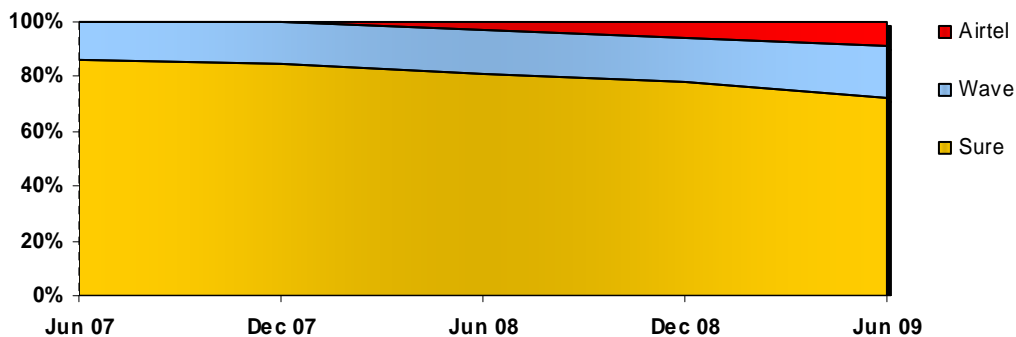
Source: OUR, Industry Questionnaire, June 2009

In the first half of 2009 Guernsey’s mobile operators originated close to 30 million minutes (a growth rate of more than 2% from the second half of 2008), and more than 29 million SMS were sent from their networks (almost 3% decrease over the same period).

d. Share of mobile voice originated minutes

In the first half of 2009, Wave had a market share of 18.8% in terms of voice originated minutes (up from 16.2% in the second half of 2008). Sure continues to lose market share for voice originated minutes, which dropped from 78.1% in the second half of 2008 to 72.4% in the first half of 2009. Airtel continues to increase its share of mobile voice originated minutes from 6% by the end of 2008 to 8.9% in the first half of 2009.

Figure 3.5 Mobile market share by originated minutes

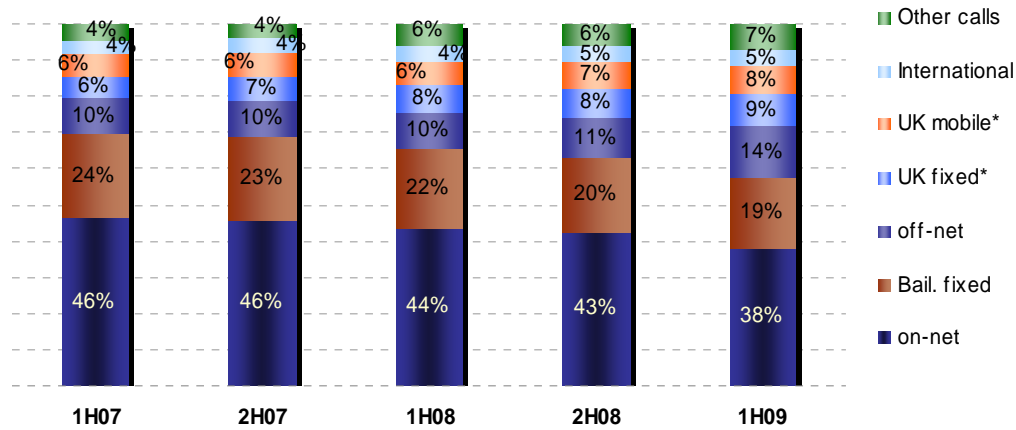


Source: OUR, Industry Questionnaire, June 2009

²² Outbound minutes and SMS from foreign network subscribers while roaming in the Bailiwick are not included.

A significant share of the mobile originated minutes²³ is represented by on-net mobile minutes, which means that the call minutes are destined to the same mobile network where the call was initiated.

Figure 3.6 Profile of mobile originated minutes, by call destination



Source: OUR, Industry Questionnaire, June 2009; * Includes calls destined to Jersey

However this trend appears to be changing. In the first half of 2009, on-net call minutes represented 38% of the total mobile originated minutes down from 43% in the second half of 2008. Off-net call minutes (calls destined to a Guernsey mobile network operator different from the mobile network operator where the call is initiated) showed the highest increase of the period, increasing to 14% of the mobile originated calls in the same period, up from 11% in the second half of 2008. This may be as a result of the introduction of MNP. The fixed networks within the Bailiwick receive about 19% of the minutes from calls originated on the mobile networks, a slight decrease from the previous period (20%).

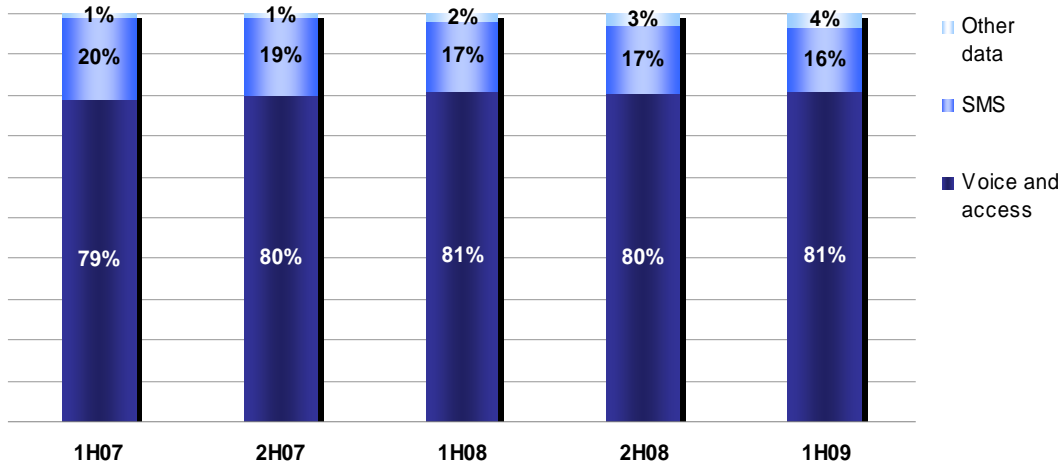
With regards to other destinations for call minutes originated on Guernsey's mobile networks in the first half of 2009, UK fixed and mobile networks (which includes minutes from calls destined to Jersey fixed and mobile networks) account for 9% and 8% respectively of the total mobile originated minutes, while international destinations and other destinations account for 5% and 7% respectively.

²³ Roaming minutes are excluded.

e. Share of mobile revenues by type of service and subscriber

Voice traffic and access account for the vast majority of revenues in the mobile retail market. In the first half of 2009 voice traffic and access represented 81% of the mobile retail revenues. SMS saw its relative weight in the mobile retail revenues dropping slightly to 16%. Data mobile services represent a small proportion of mobile retail revenues, although its share continues to increase and in the first half of 2009 increased to about 4% from 3% in the previous period.

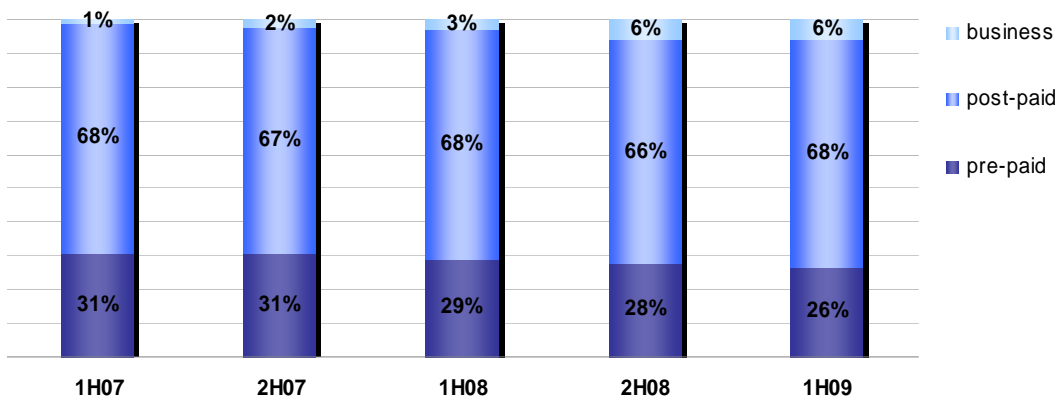
Figure 3.7 Revenues by type of mobile service



Source: OUR, Industry Questionnaire, June 2009

Figure 3.8 shows mobile retail revenues by type of tariff. Post-paid tariff subscribers account for the majority of mobile retail revenues with 68% at the end of June 2009 compared with 66% in the first half of that year. The share of revenue from customers on business tariffs remained at 6% in the first half of 2009, similar to the previous period.

Figure 3.8 Mobile retail revenue by type of tariff

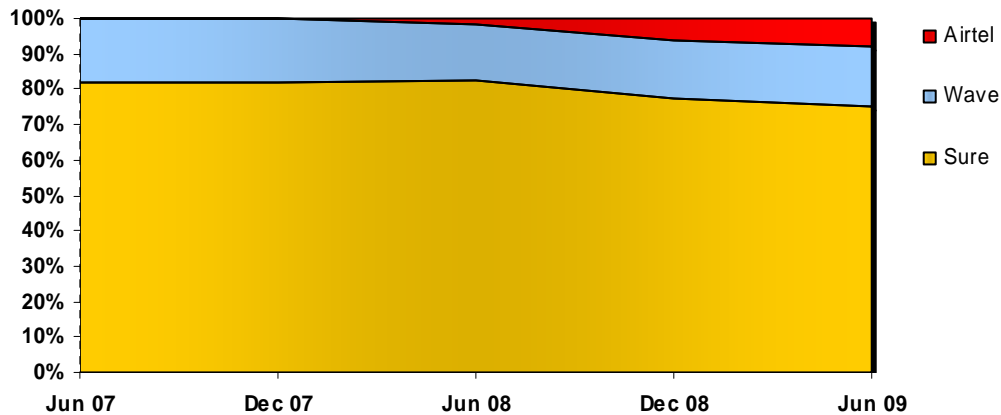


Source: OUR, Industry Questionnaire, June 2009

f. Share of mobile retail service revenues

In line with what was observed for the market share in terms of subscribers and originated minutes, Sure's mobile market share in terms of voice and access revenue decreased from 77% at the end of 2008 to 75% in June 2009.

Figure 3.9 Mobile market share, by voice and access revenue



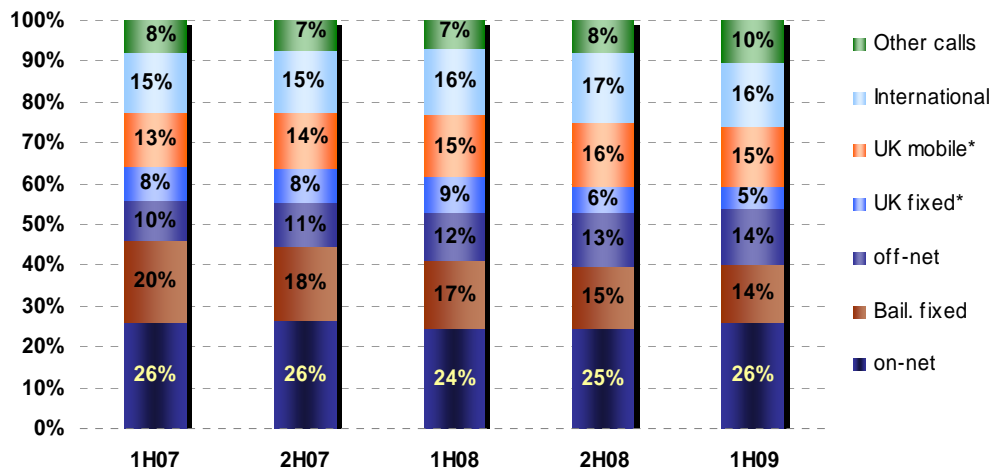
Source: OUR, Industry Questionnaire, June 2009

Wave accounted for 17% of mobile market revenue (up from 16%) with Airtel accounting for 8% in the first half of 2009 (up from 6%).

On-net calls are the type of calls that generate most revenues²⁴ for the mobile operators in Guernsey (26% in the first half of 2009). International calls (16%) and UK mobile calls (15%) (including calls destined to Jersey) are next in terms of the weight they have in the mobile voice revenues, followed by off-net calls and calls destined to the Guernsey fixed networks (14% each) and calls to the UK fixed network (including calls destined to Jersey fixed networks) and calls to other destination networks (5% and 10% respectively).

²⁴ Roaming revenues are not considered.

Figure 3.10 Share of mobile voice revenues, by call destination

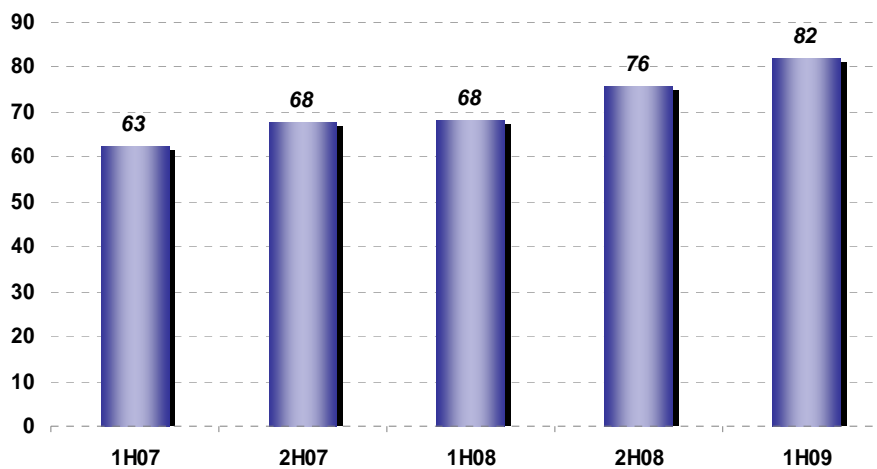


Source: OUR, Industry Questionnaire, June 2009; * Includes calls destined to Jersey

g. Average usage and revenue

The average monthly originated minutes of usage (MoU) per subscriber continues to increase. In the first half of 2009 a mobile subscriber was using their phone on average 82 minutes a month, an increase of approximately 8% from the average 76 minutes/month in the first half of 2008.

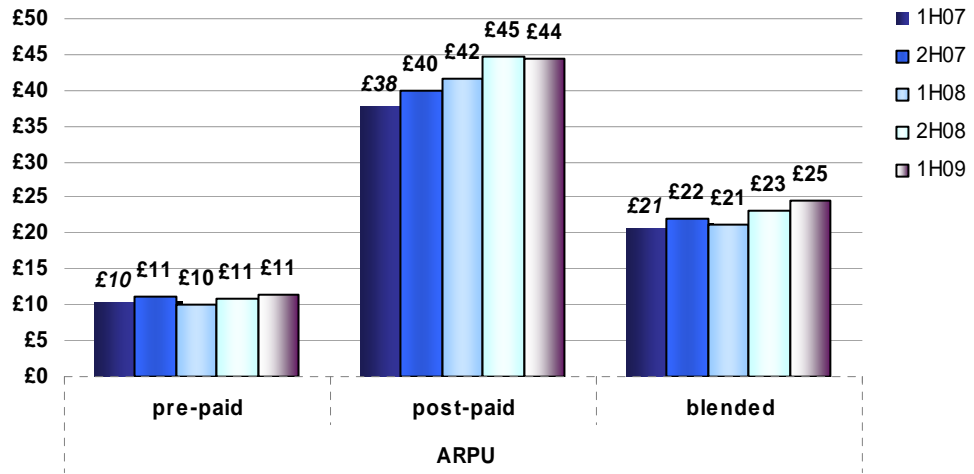
Figure 3.11 Average monthly originated MoU, per subscriber



Source: OUR, Industry Questionnaire, June 2009

The average revenue per user has increased from £23 in the second half of 2008 to £24.50 in the first half of 2009. It is apparent that post-paid subscribers account for higher revenue streams, with a monthly average revenue per user of £44 in the first half of 2009 (a slight decrease of 0.2% from the second half of 2008), while pre-paid subscribers average revenue has been relatively stable at £10-£11 per month/user.

Figure 3.12 Monthly average revenue per user (ARPU), per type of subscriber



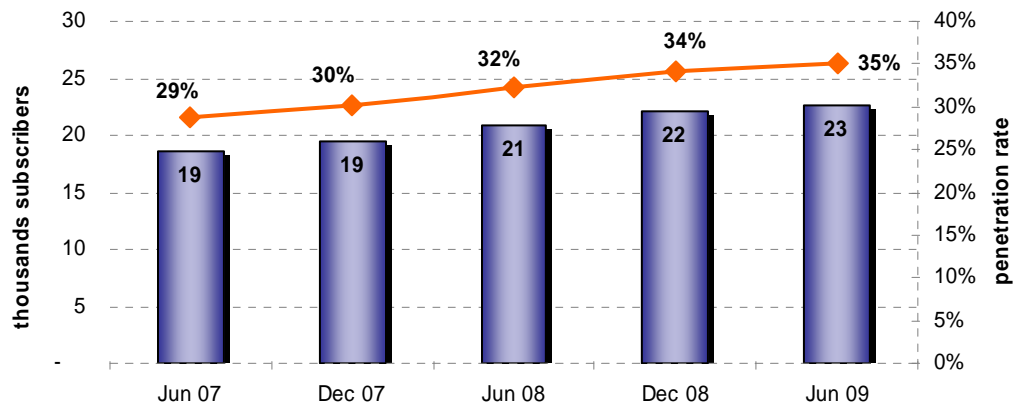
Source: OUR, Industry Questionnaire, June 2009

4. Internet market

a. Subscribers and penetration rate

The number of internet subscribers in Guernsey continues to increase. At the end of June 2009 there were more than 22,600 internet subscribers, an increase of 2.3% from the previous period and 22.5% from the first half in 2007. The vast majority (90%) of these subscribers use a broadband connection (either fixed or mobile).

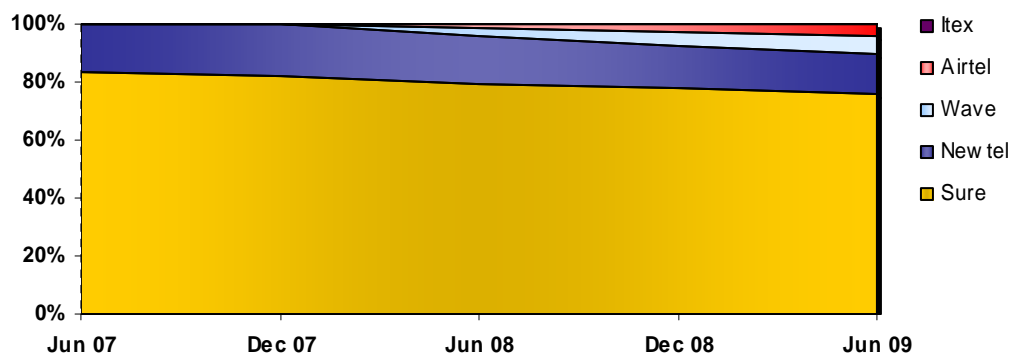
Figure 4.1 Internet subscribers and penetration rate



Source: OUR, Industry Questionnaire, June 2009

At the end of June 2009 there were 35 internet subscribers per 100 inhabitants, 31 of which were broadband subscribers.

Figure 4.2 Internet market share, by subscriber

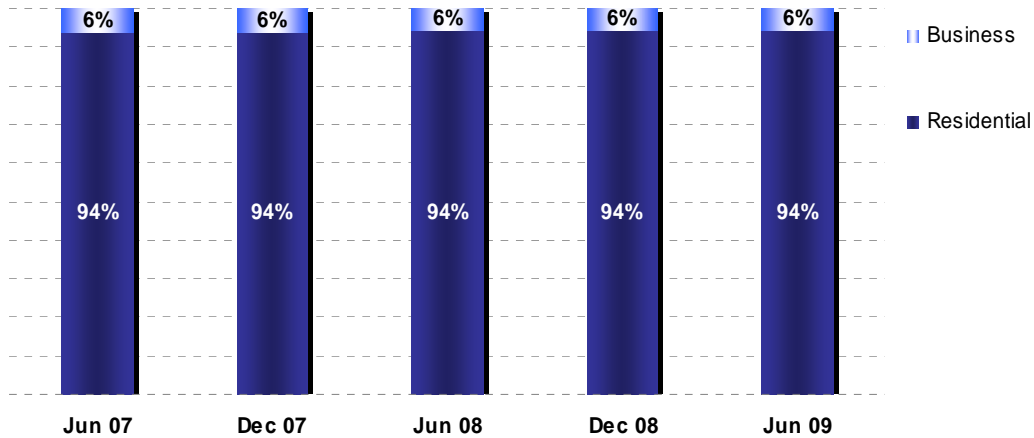


Source: OUR, Industry Questionnaire, June 2009

As in the fixed and the mobile sectors, Sure is the dominant operator in the internet market in terms of subscriber numbers. By the end of June 2009, Sure's internet market share in terms of subscribers was approximately 76%, which represents a drop from June

2008 when it had a share of 78%. The main competitor is Newtel²⁵, which has been losing market share and in the first half of 2009 accounted for 14% of internet subscribers, down from 15% in the previous period. Wave, Airtel and Itex provide services for the remaining 10% of internet subscribers.

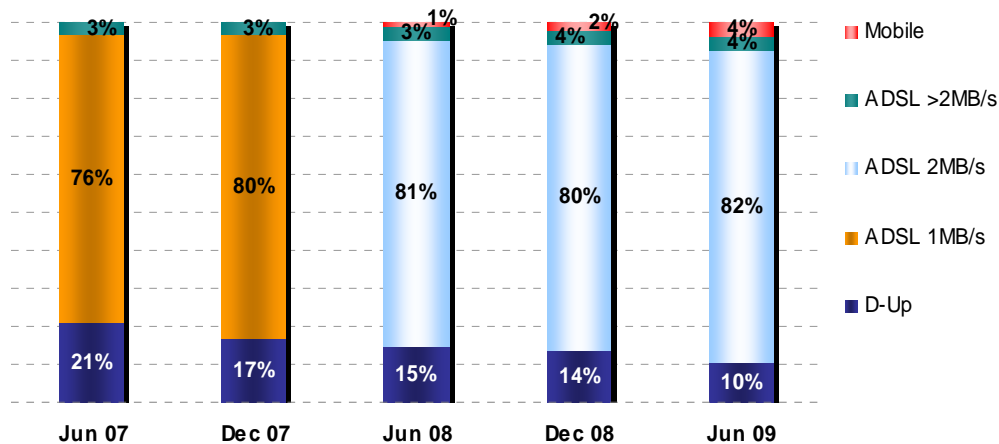
Figure 4.3 Residential and business internet subscribers



Source: OUR, Industry Questionnaire, June 2009

Residential subscribers account for 94% of total internet subscriptions, a figure that has remained mostly unchanged over time. The business segment represents the remaining 6% of the internet market in terms of subscribers. One possible explanation for the small proportion of business internet customers is that business subscribers may require more tailored products of higher capacities (like leased lines) which are not captured in the above figure.

Figure 4.4 Share of internet subscribers by type of access



Source: OUR, Industry Questionnaire, June 2009

²⁵ In 2007 Sure and Newtel were the only two providers in the internet market. Wave and Airtel started providing internet services during the first half of 2008.

All Guernsey consumers have a uniform type of fixed broadband access available to them, in terms of the download and upload speeds of the service. Up to the end of 2007, the fixed broadband access available to consumers provided a service with download speeds up to 1 MB/s, and 80% of the consumers that had any type of internet access subscribed to this product.

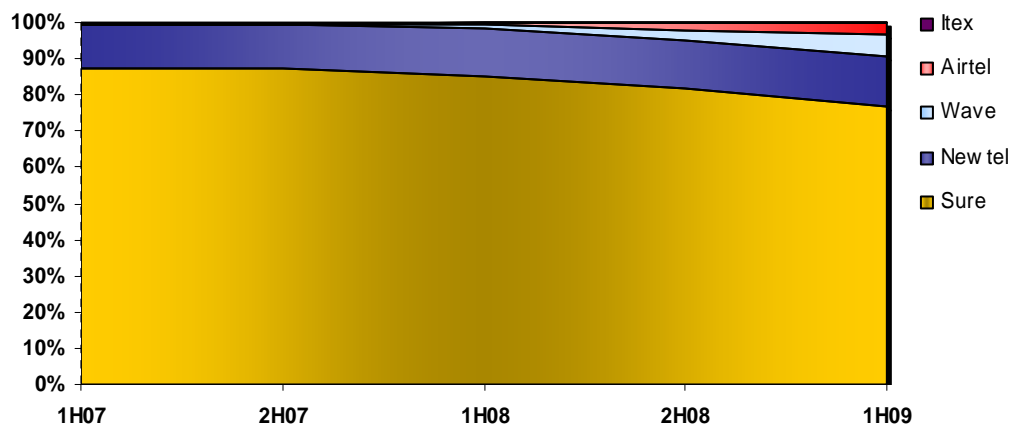
During the first half of 2008, Sure ended a phase of network upgrading, which enabled the provision of a uniform fixed broadband service with increased download speeds of up to 2MB/s. Consequently, all the consumers using the up to 1MB/s download service were migrated to the newer service, which in the end of June 2009 accounted for 82% of all the internet subscribers. Comparatively, only 10% of subscribers still use dial-up to access the internet in the end of June 2009 (a type of access which has been decreasing consistently over time), with a further 4% using a premium service with download speeds above 2MB/s.

In parallel with the upgrade of the fixed broadband service, mobile broadband was also introduced during the first half of 2008. This product appears to be gaining popularity and at the end of the first half of 2009 4% of internet subscribers in Guernsey were using mobile broadband to access the internet.

b. Share of internet revenues

The market share in terms of subscribers is largely repeated when we look at revenue as the basis for each operator’s share of the market. Sure represented almost 77% of the revenues generated in Guernsey’s internet market in the first half of 2009 (down from close to 82% in the second half of 2008). Of the OLOs, Newtel is the main competitor in the market (as it was in the case of subscriber market share), with approximately 14% of the internet revenues, while Wave, Airtel and Itex were responsible for the remaining 9%.

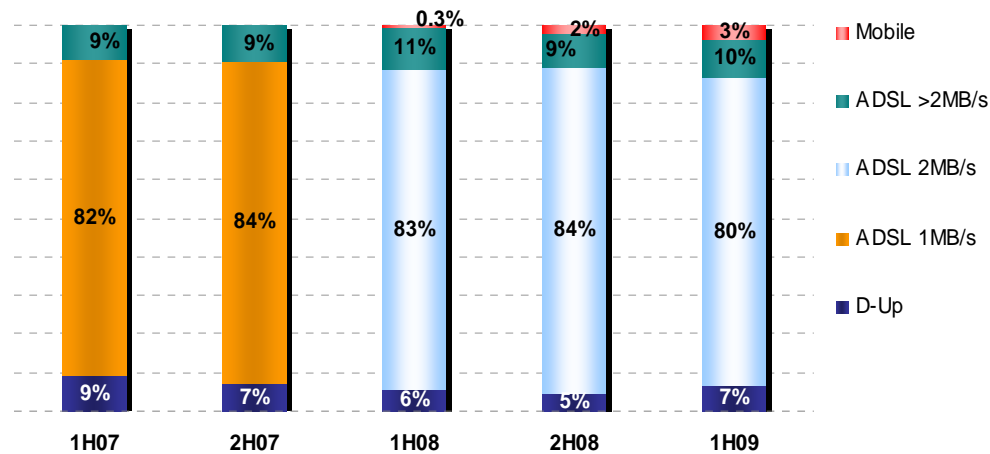
Figure 4.5 Internet market share, by revenue



Source: OUR, Industry Questionnaire, June 2009

As expected, higher quality internet access services are closely linked to a higher stream of generated revenue. The 10% of internet subscribers that use a dial-up access, in the first half of 2009, account for only 7% of the internet revenues in that period, while the 4% of internet subscribers that use the premium internet access service are responsible for 10% of total internet revenues. The majority of revenue (80%) comes from basic ADSL services.

Figure 4.6 Share of internet revenues by type of internet access

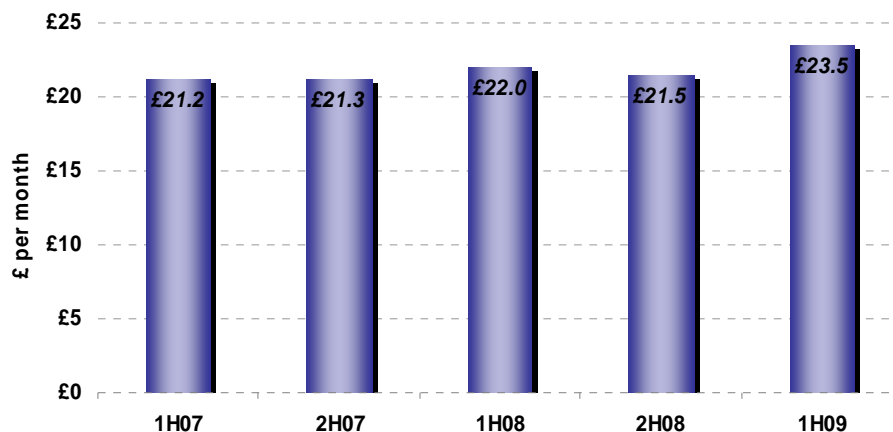


Source: OUR, Industry Questionnaire, June 2009

c. Average internet revenues

Figure 4.7 presents the monthly revenue that on average internet service providers in Guernsey receive for each of its subscribers. The monthly average revenue per internet subscriber has been relatively stable, but the first half of 2009 saw a peak of above £23.50 a maximum over the five periods.

Figure 4.7 Internet monthly average revenue per subscriber



Source: OUR, Industry Questionnaire, June 2009

Glossary

- 2G** Second generation of mobile telephony systems. Uses digital transmission to support voice, low-speed data communications, and short messaging services.
- 3G** Third generation of mobile systems. Provides high-speed data transmission and supports multimedia applications such as full-motion video, video-conferencing and internet access, alongside conventional voice services.
- 3.5G** 3.5G refers to evolutionary upgrades to 3G services starting in 2005-2006 that provide significantly enhanced performance. High Speed Downlink Packet Access is expected to become the most popular 3.5G technology (see HSDPA).
- ADSL** Asymmetric Digital Subscriber Line. A digital technology that allows the use of a standard telephone line to provide high-speed data communications. Allows higher speeds in one direction (towards the customer) than the other (in opposition to DSL, which provides symmetric speeds in each direction).
- ARPM** Average Revenue Per Minute. A commonly used key performance indicator for telecommunications operators, corresponds to the ratio of retail service revenues by the number of originated minutes for a given period.
- ARPU** Average Revenue Per User. A commonly used key performance indicator for telecommunications operators, it is obtained by dividing the retail service revenues by the number of users subscribing that service, in a given period.
- ISDN** Integrated Services Digital Networks. A standard developed to cover a range of voice, data, and image services intended to provide end-to-end, simultaneous handling of voice and data on a single link and network.
- MNO** Mobile Network Operator. An organisation that has its own allocation of spectrum or its own wireless network, which it uses to provide mobile telephony services to its customers, or wholesale mobile telephony access to its network.
- MoU** Minutes of Usage. A commonly used key performance indicator for telecommunications operators, it is represented by the quotient between the total number of originated minutes and the number of users that subscribe the telephony service.