
Autorità per le garanzie nelle comunicazioni

Quarterly Telecommunication Markets Observatory (*)

- Updated to 30 September 2012 -

(*) – Data provided by operators and elaborated by Agcom.

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Focus - LLU fees in Europe

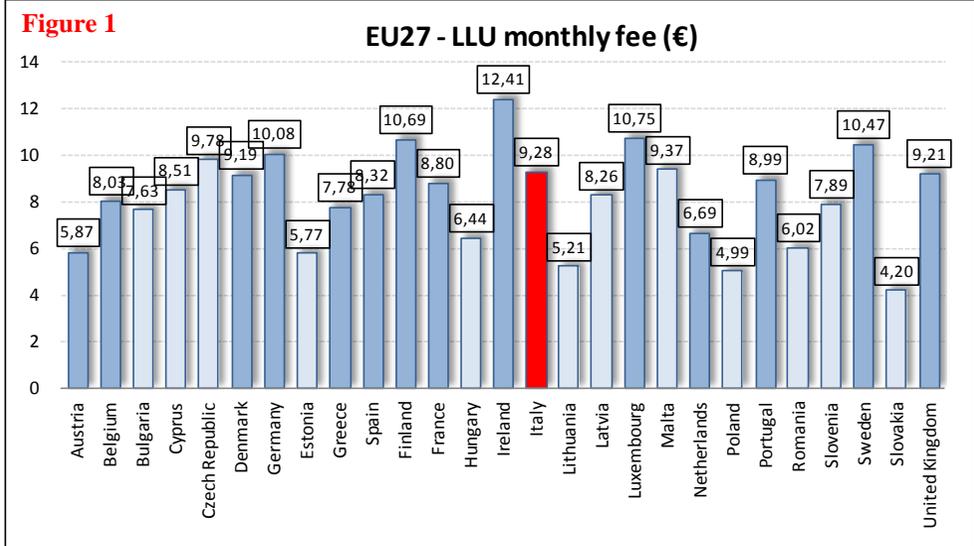


Figure 1
LLU fees of EU27 countries are shown in figure (Western Europe countries are shown in darker blue).

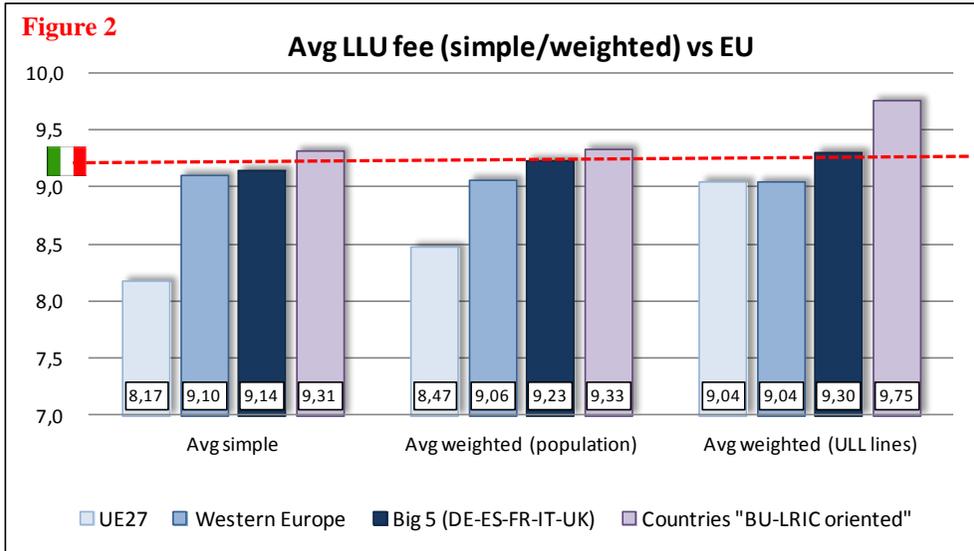


Figure 2
For different "geographic areas" (EU27, Western Europe, "big 5" and countries that adopt the BU-LRIC model*) the following indicators have been calculated:

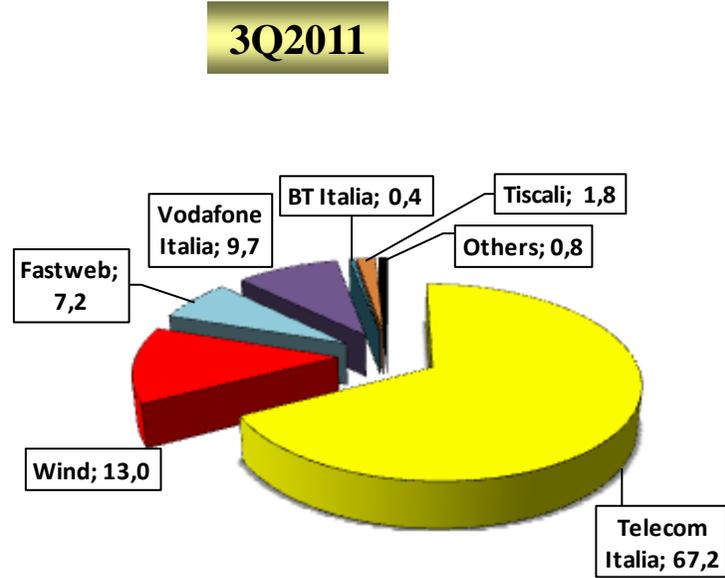
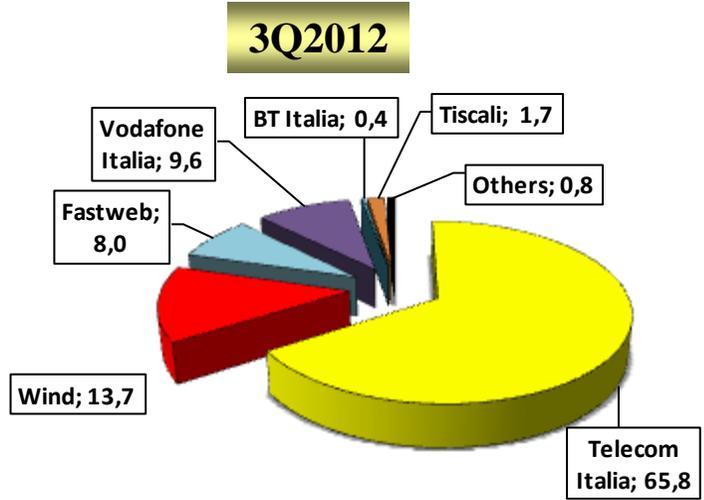
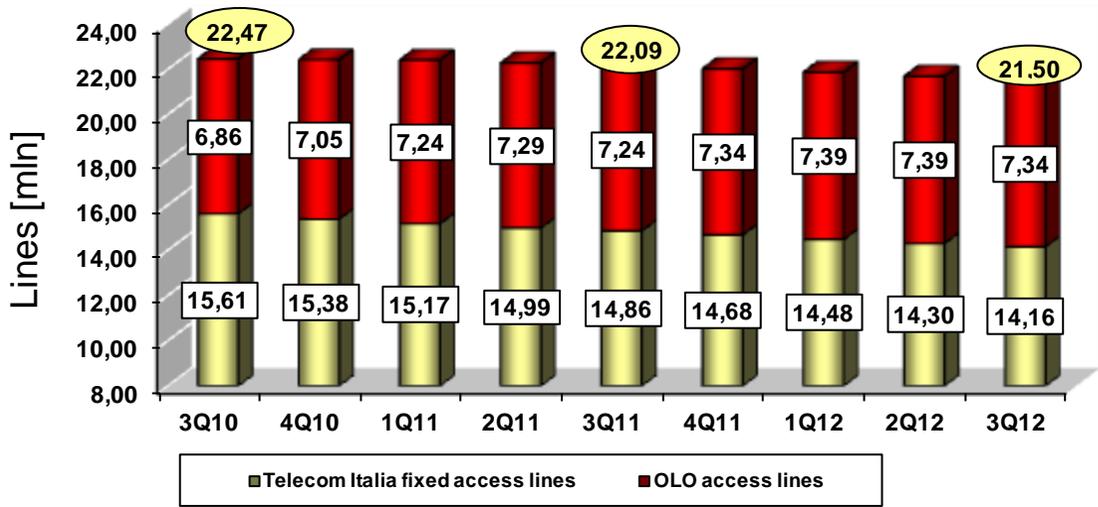
- **Simple average value (arithmetic)** (less significant)
- **Avg value weighted by population**
- **Avg value weighted by LLU lines** (more significant)

Italian LLU price is:

- **below the average value – however calculated – of BULRIC countries**
- **in line with "big 5" avg (weighted by LLU lines)**
- **slightly higher (0.24 € / month) than the average of the EU27 and Western Europe countries (weighted by LLU lines)**

* Adopted by Belgium, Cyprus, Czech Republic, Denmark, Germany, Ireland, Italy, Romania and Sweden

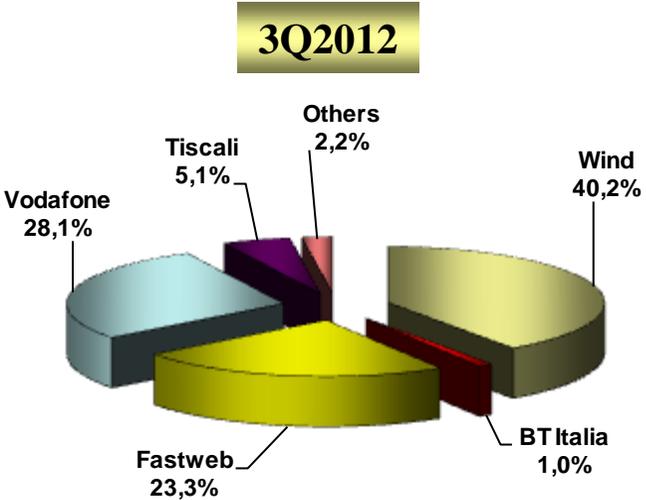
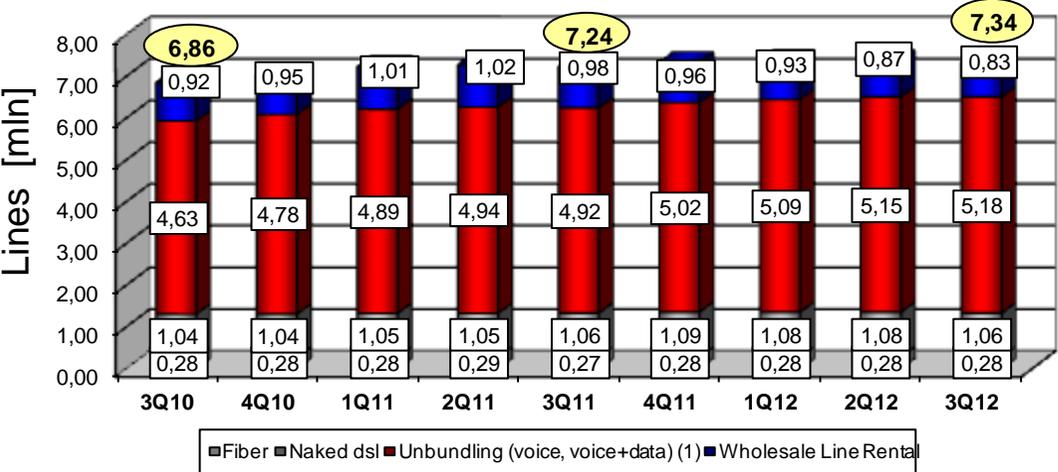
1. Fixed access lines (total) (1)



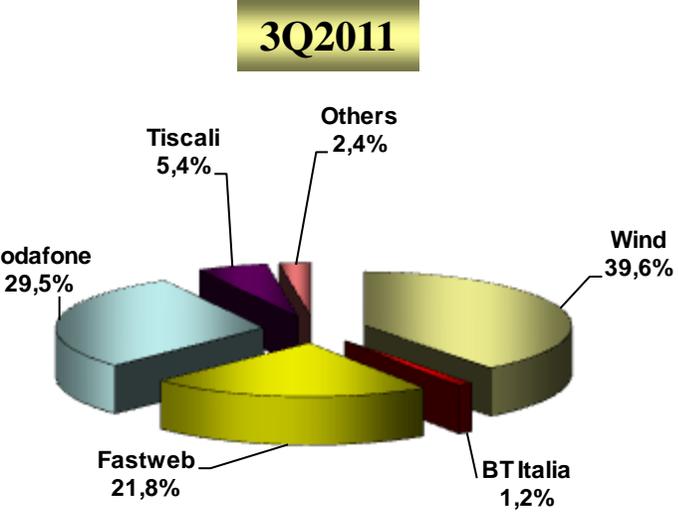
- Compared with September 2011, direct fixed access lines decreased by about 590 thousands. The reduction from the beginning of the year (-514 thousands) is higher than the 2011 corresponding value (-340 thousands).
- In the last twelve months, Telecom Italia's market share further decreased by 1.4% to less than 66%.
- The market position of Vodafone Group is stable: Teletu has experienced a decline balanced by the growth of "Vodafone Italia" fixed network activities.
- Wind has consolidated its market share on a yearly basis (+0.7% compared with 3Q2011), with a slight decline compared with June (-0.1%).
- Fastweb is the only operator that has experienced an increase in its market share both on a yearly (+0.8%) and a quarterly basis (+0.2%).

(1) Including Telecom Italia physical access, full unbundling (voice and data), Dsl Naked, WLR and fiber lines.

2. Fixed access lines (new entrants)

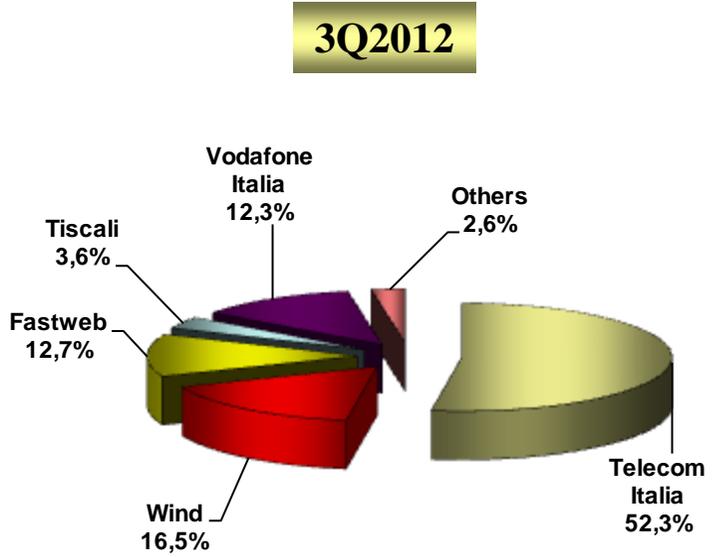
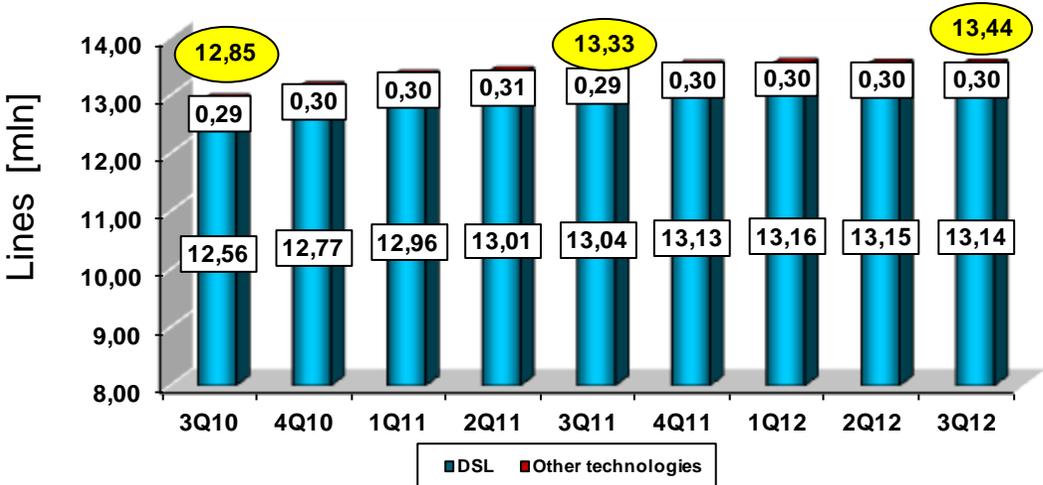


- Though growing by about 100,000 accesses on a yearly basis at the end of September, the overall accesses show a slight decrease (about -50 thousand lines) compared with June.
- The growth of full LLU lines (1) (+27 thousands) comes along with a reduction of WLR lines (almost -50 thousands) and bitstream lines (-25 thousands).
- Wind gathers 40.2% of wholesale lines sold by Telecom Italia: +0.8% as compared with 3Q2011, but there is a slight decrease compared with last June (-0.2%).
- Fastweb has experienced an increase in its market share both on a yearly and a quarterly basis (+1.5% and +0.5%, respectively).
- Vodafone's market share decreased in both cases (-1.4% vs. 3Q11 and -0.3% vs. 2Q12, respectively).

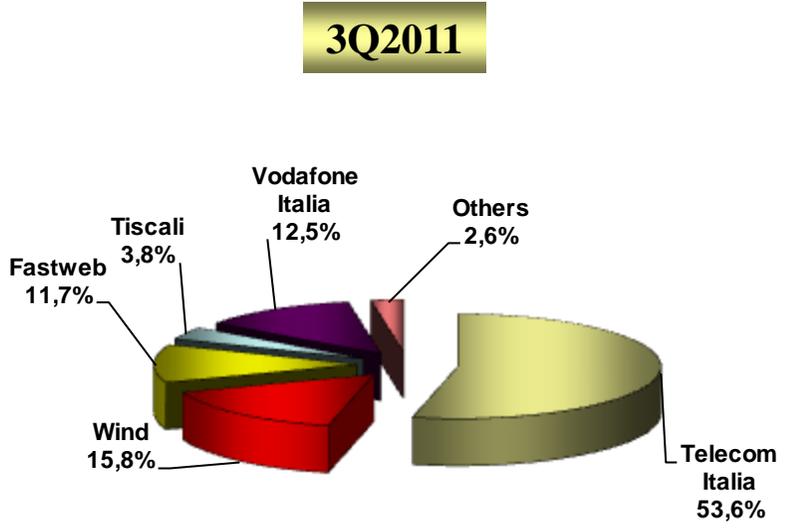


(1) – Including virtual LLU.

3. Retail broadband access lines

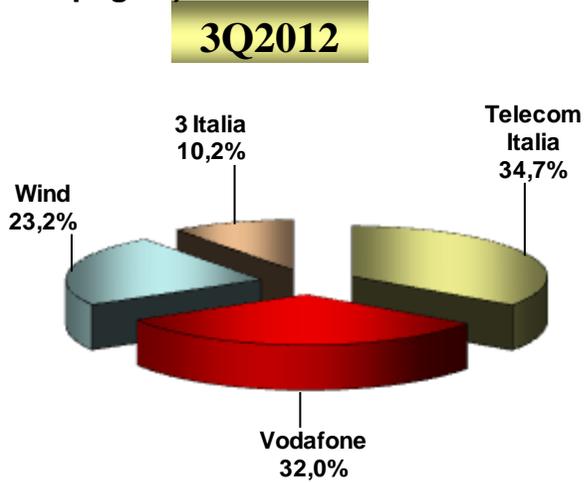
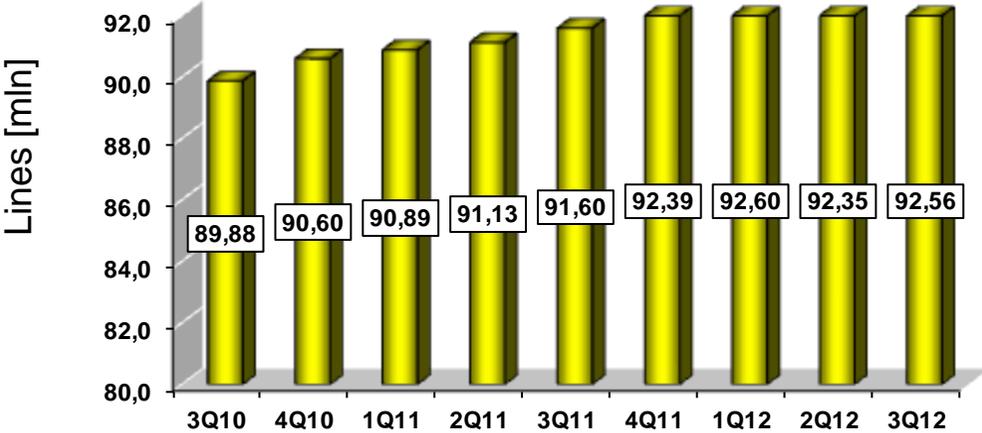


- YoY, broadband lines growth was about +150 thousands. Compared with the beginning of the year, the customer base is stable (1).
- Telecom Italia's market share (52.3%) falls (-1.3% compared with the last year) to the benefit of Wind's and Fastweb's (+0.7% and +1.0%, respectively).
- Compared with September 2011, Vodafone has experienced a slight subscribers and market share reduction (-10 thousands and -0,2%, respectively).
- Avg. download speed increased: in the last year, lines with nominal speed equal to or greater than 2 Mbit/s increased from 86% to 88%.

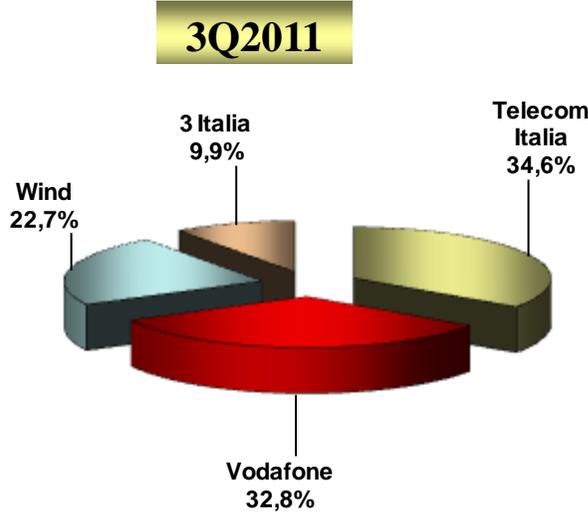


(1) Wi-Max lines are not included, representing a market segment with Linkem, Aria, Mandarin, and WaveMax as main player, which will be involved in a specific monitoring process starting with 31.12.2012 update.

4. Mobile subscribers – customer base (excl. Mvno, see page 9)

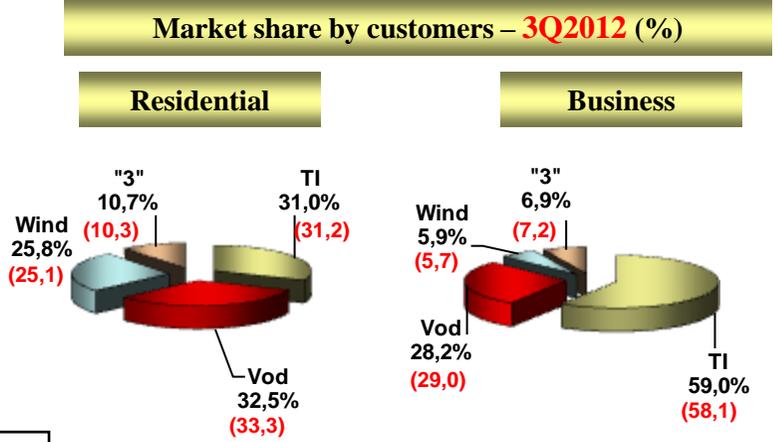
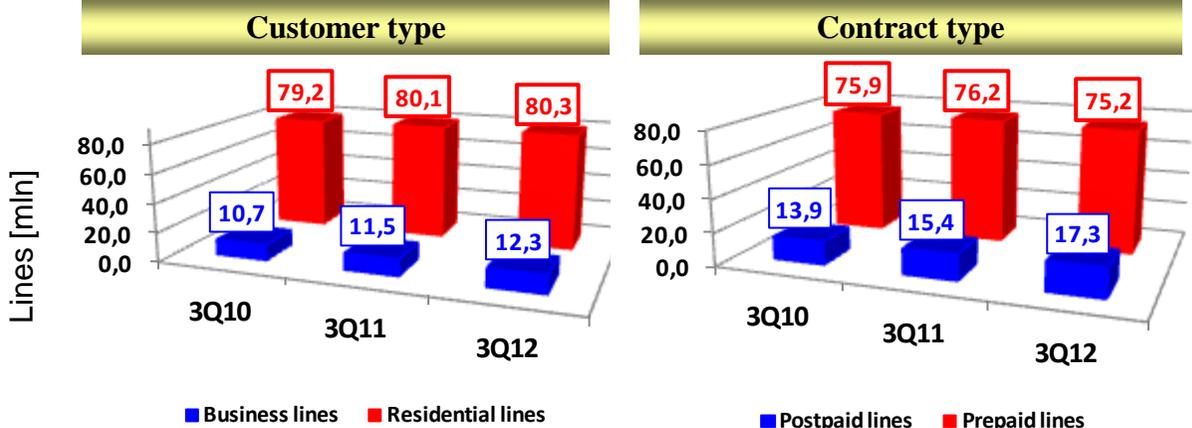


- The customer base has increased of 1.0 million as compared with the previous year and of 170 thousands from the beginning of the year.
- In 9M2012, the number of residential lines decreased (-392 thousands), balanced by a growth of business lines (about +561 thousands).
- The number of prepaid lines decreased of 1,22 million, while the number of postpaid lines increased of about 1,39 million, showing that the expansion of postpaid customer base continues (see the following slide).
- Telecom Italia's, H3G's and Wind's market shares grow up (+0.1%, +0.2% and +0,5%, respectively) at Vodafone's expense (-0,8%).
- YoY, voice traffic increased by 4.3% (102 billion minutes as a whole).



Source: Agcom evaluation on data provided by operators

5. Mobile subscribers – by customer/contract type

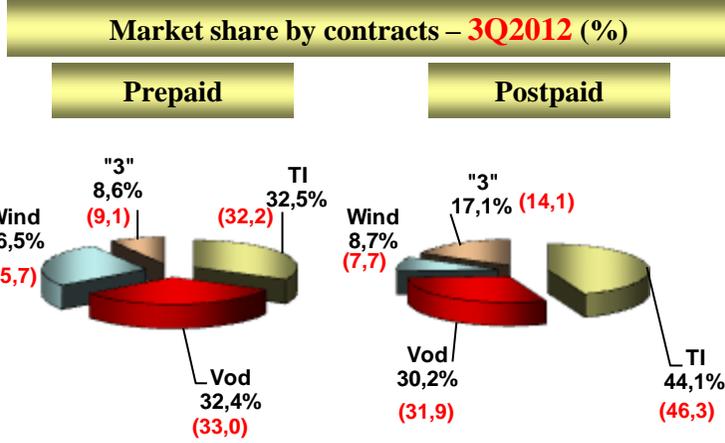


Customer type

- Business customers (12.3 mlns in September) have increased on an yearly basis of almost 800 thousands, a value higher than the one for the residential customers segment (+172 thousand lines).
- The business segment's share has increased by 0.7% (from 12.5% to 13.2% of the total customer base).
- Vodafone leads the residential market (32.5%; 33.3% in 2011), followed by Telecom Italia and Wind.
- Telecom Italia holds a strong position in the business segment (59.0%; 58.1% in 2011).

Contract type

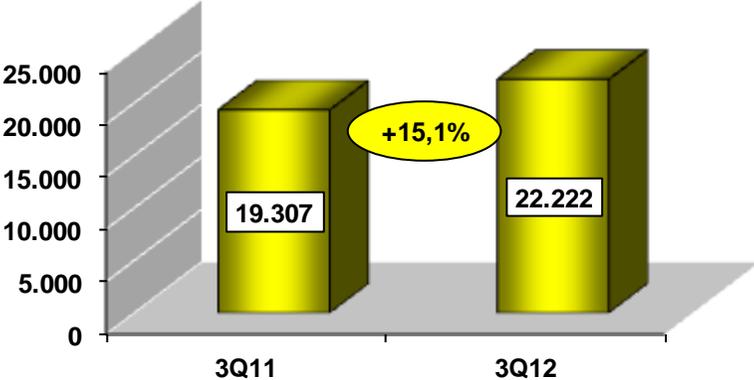
- 81.3% of total lines are prepaid, a significant decrease from September 2011 (83.2%).
- In two years, mainly due to the widespread use of smartphones and tablets, postpaid lines grew by 3.4 millions while the prepaid have decreased of more than 700 thousand lines.
- In the prepaid segment Telecom Italia and Vodafone are both below 33%, while Wind stands at 26.5%.
- In the postpaid segment, Telecom Italia exceeds 44%, but has decreased of 2.2% as compared with September 2011 and of 4.3% as compared with 2010.



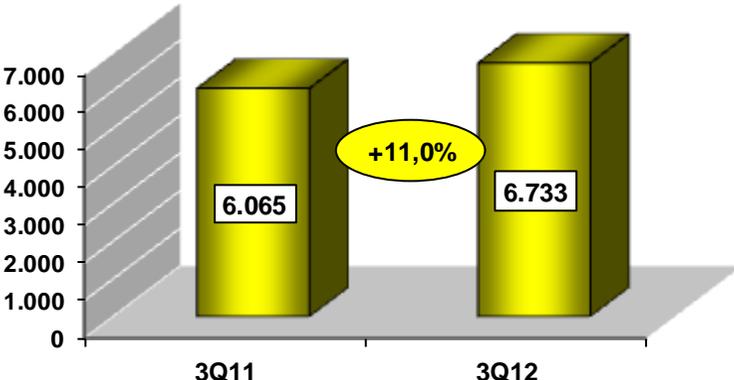
(the corresponding values for September 2011 are shown in brackets)

6. Mobile broadband

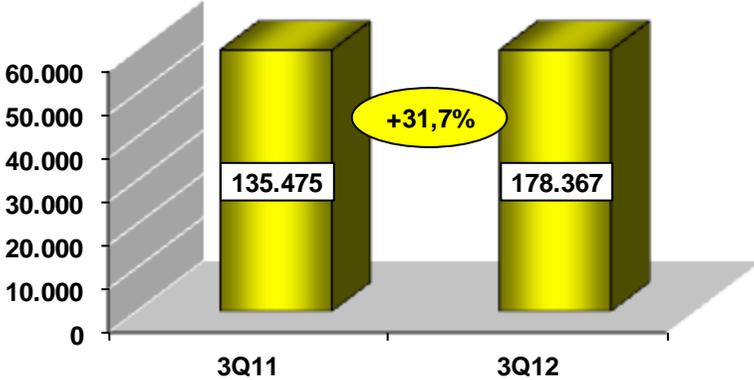
Sim data traffic (*1000)



Connect card (internet key) (*1000)



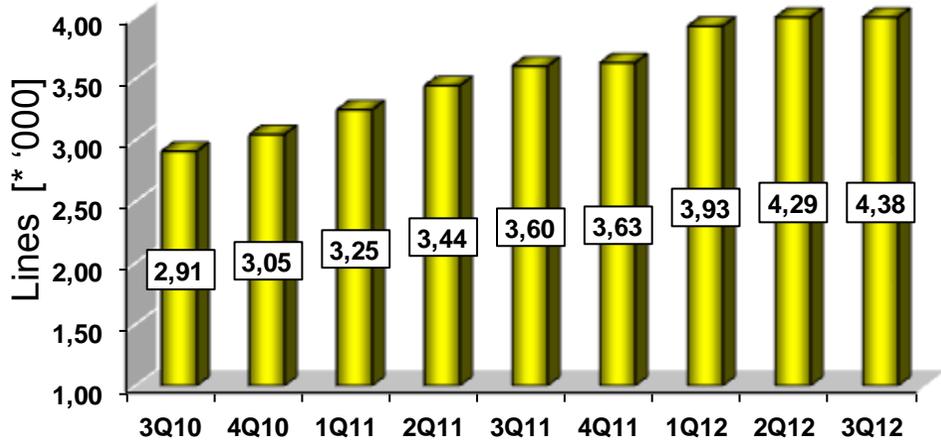
Data traffic from the b.y. (terabyte)



- In 9M2012, SIMs with broadband data traffic exceeded 22.2 millions (+15.1% compared with 9M2011) **(1)**.
- The dedicated "connect card" (the keys) reached about 6.7 millions (+11.0% compared with the 3rd quarter of 2011), showing an increase of 200 thousand units compared with June.
- YoY, data traffic has grown by 31.7%.

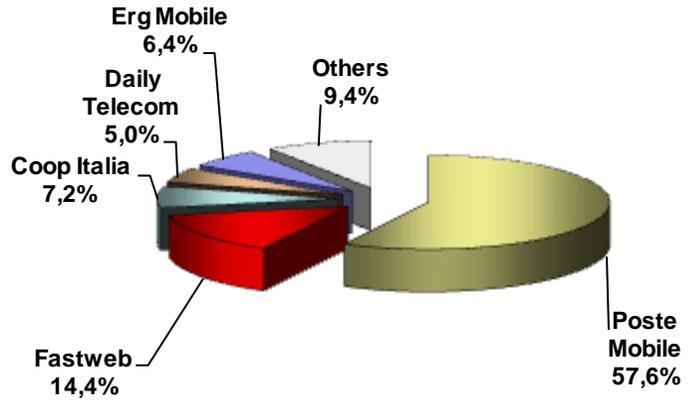
(1) As a result of a change in the methodologies used in data management by an operator, the values are not consistent with the corresponding data in previous updates of the Observatory.

7. Mobile virtual operators (MVNO)

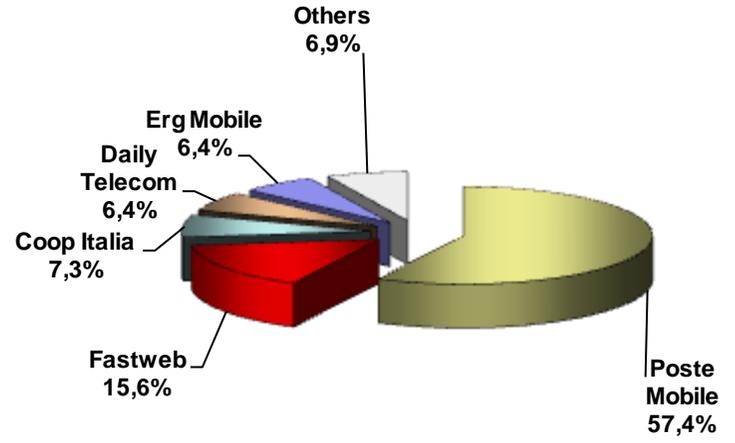


- The growth of MVNO subscribers continues (+750 thousands from the beginning of the year), leading to a number of SIMs that exceeds 4,4 millions (about 4.5% of the total customer base).
- Poste Mobile's market share is about 58% due to the integration of mobile and postal services. It is worth noting that Noverca has multiplied by five its customer base as compared with the beginning of the year, reaching a number of 120 thousand lines.
- Compared with 9M2011, voice traffic and SMSs sent has increased by about 44% and 90%, respectively.

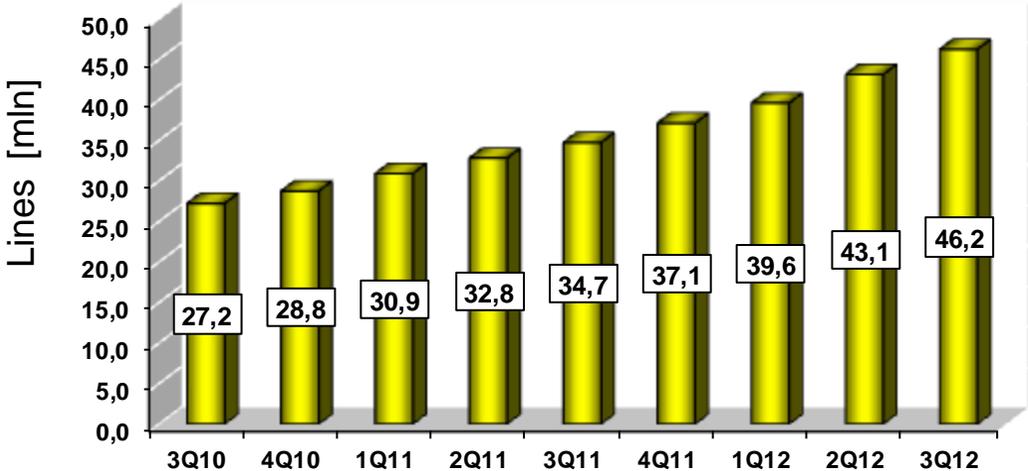
3Q2012



3Q2011

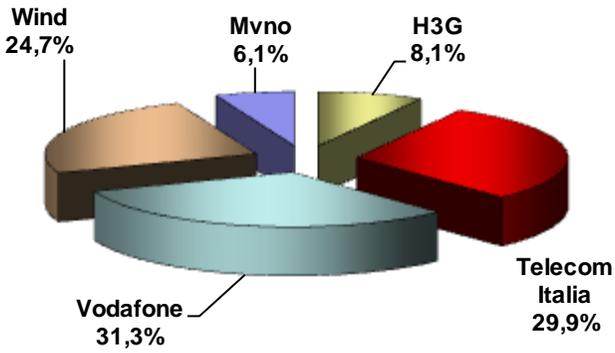


8. Mobile telephony: number portability



- In 3Q2012, the number of ported mobile lines exceeded, cumulatively, 46 millions.
- Mobile virtual operators were able to gain more than 1.3m net adds in the number of lines.
- On a quarterly basis, from 2Q12 to 3Q12, the net balance "donating-recipient" improved both for Wind (from -96 thousands to +152 thousands), Vodafone (from -245 thousands to -64 thousands) and H3G (from +18 thousands to +225 thousands).
- At the same time, Mvno's balance and, more significantly, Telecom Italia's balance worsened (from +179 to +40 thousand lines and from +143 to -353 thousand lines, respectively).

3Q12 - Lines as donor (in the quarter)



3Q12 - Lines as recipient (in the quarter)

