

**MOBILE PHONE SERVICE
PRICES 2009 -
INTERNATIONAL
COMPARISON**



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| Authors Pöyry Telecom Oy | | Type of publication Survey | |
| | | Assigned by Finnish Communications Regulatory Authority (FIGORA) Contact person, Torsti Alhava, tel. +358 9 6966 461 | |
| Name of publication MOBILE PHONE SERVICE PRICES 2009 - INTERNATIONAL COMPARISON | | | |
| Abstract <p>The survey included an international comparison of the prices of mobile services in Europe. The survey comprised calls, text messages and mobile data services.</p> <p>For each country, price baskets for mobile subscriptions were calculated for three different user profiles based on different consumer habits. The baskets differed in terms of the number and direction of phone calls and text messages and the amount of mobile data transmitted. In addition, a separate user profile for mobile broadband services was included.</p> <p>The survey included 19 European countries: the EU-15 and Iceland, Norway, Switzerland and Estonia. Three largest mobile operators in terms of market shares were included from each country. Operators were not required to have their own mobile networks, but virtual operators and other operators without their own networks are not among the ones with largest market shares. However, the survey did take into account the more affordable trademarks of the large operators.</p> <p>The country-specific price baskets include from each operator the least expensive consumer subscription that corresponds to the user profile in question. Similarly, the least expensive alternatives among separate call, text message and data packages were chosen for the each basket. The price basket calculations included only contract subscriptions which means that prepaid subscriptions that are paid for in advance were excluded from the analysis. Momentary sales offers and discount campaigns as well as tie-in sales that include terminal equipment fell outside the scope of the survey. The price information was gathered from the operators' public price lists in April 2009 and indicated the rates valid on 1 April 2009.</p> <p>According to the survey, Finland has the fifth lowest mobile call prices in Europe. Although mobile prices in Finland have slightly risen from last year, Finland is still among the least expensive countries. In various price profiles, Finland's price level was about 50% less expensive compared with other countries' averages. Price differences among the countries varied somewhat in different user profiles. Iceland, Great Britain and Luxembourg had the least expensive prices in three different profiles. Other countries with generally low prices were the other Nordic countries, Estonia, Austria and the Netherlands. The results have been compared with the previous years. The development of prices as a whole has been declining and the average prices have fallen by 14 to 27 per cent in different profiles.</p> <p>Of the survey countries, the prices of fixed-priced mobile broadband subscriptions in Finland were, as last year, the least expensive ones. Finland's price level in mobile broadband was about 70 per cent less expensive than the average of the survey countries.</p> | | | |
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Postal address
PO Box 313
FI-00181 HELSINKI
FINLAND

Visiting address
Itämerenkatu 3 A
00180 HELSINKI
Business ID 0709019-2

Telephone
+358 9 69 661
Telefax
+358 9 6966 410

E-mail
info@ficora.fi
Homepage
<http://www.ficora.fi>

FOREWORD

Collecting data on communications markets is among the key statutory responsibilities of FICORA. FICORA collects data on telecommunication, media and postal operations directly from players in the fields as well as by commissioning surveys and reports. Price comparison surveys are one way of assessing the functionality of communications markets. FICORA monitors regularly the prices of communications services offered to consumers, both at the national and international level.

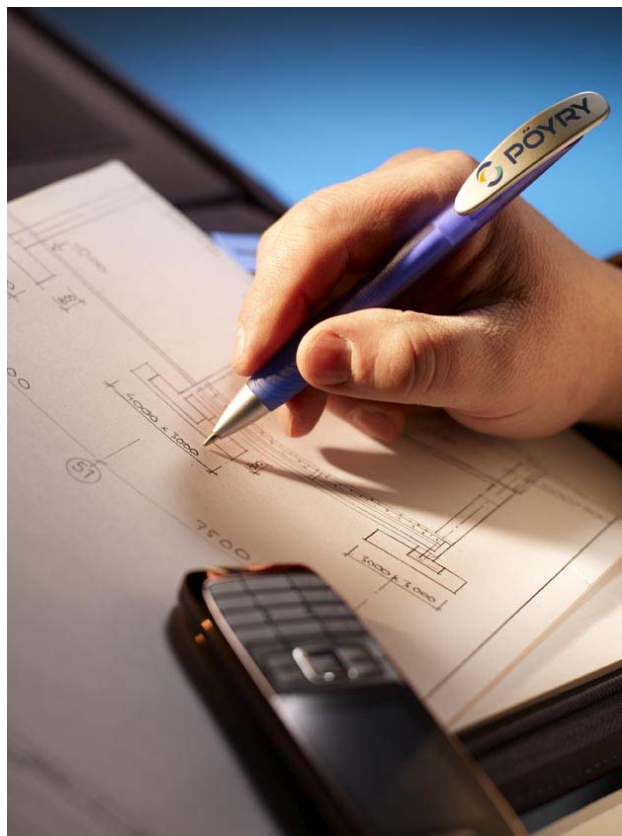
The survey took place in the spring of 2009, and was carried out for FICORA by Pöyry Telecom Oy.

The aim of the survey was to investigate the price level of mobile phone services in European countries. The survey comprised calls, text messages and data transmission services. Mobile broadband services are included in the price comparison for the second time.

The survey presents a good and reliable picture of the price level of mobile phone services in Europe. According to the survey, the price level in Finland is lower than the European average, although mobile call charges have slightly risen from last year. Of the surveyed countries, Finland had the lowest mobile broadband prices.

Helsinki, 26 May 2009

Torsti Alhava



Finnish Communications Regulatory Authority

Mobile phone service prices 2009 – International comparison

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1 INTRODUCTION

1.1 Background

FICORA's duty is to ensure that the communications market is functional and effective and to promote the technical functionality and safety of communications networks. The objective is to make sure that there is competition in the communications market and to guarantee that all users have access to trouble-free and safe communications connections.

One way to assess the functionality of national communications markets is the price comparison of telecommunications services. The development of mobile call prices has been examined in Finland since 2001. The survey is the ninth overall and the second commissioned by FICORA. Previously, the survey has been conducted by the Ministry of Transport and Communications.

The price comparison in the Mobile Phone Service Price 2009 survey has been carried out in the same way as in its predecessor in 2008 where the country-specific price baskets have been calculated for three different user profiles and mobile broadband services instead of for one user profile.

In the name of the survey, the words *mobile calls* have been replaced by *mobile phone services* to better depict the expansion of the survey area which not only covers voice call services but also mobile broadband services.

1.2 Aims of the survey

The survey includes an international comparison of mobile phone service prices. The following functions are performed:

- For each country, price baskets for mobile subscriptions are calculated for three different user profiles based on varying numbers of phone calls and text messages and their directivity and the amount of mobile data.
- The values of the price baskets are analysed and compared between the countries involved, and the development of price basket values is compared.
- For each country, a price basket for mobile broadband services is calculated, and the price basket values are analysed and compared among the countries investigated.
- Background information on the mobile communications markets, such as the number and market shares of telecommunications operators, is presented regarding each country.

1.3 Survey method

In the survey, price basket comparisons are made of mobile phone subscriptions (Chapter 3) and mobile broadband services (Chapter 4). The method used in the survey is a price comparison based on price lists of individual telecommunications services. The comparison is used to calculate commensurable price baskets for each country.

The country baskets for mobile phone subscriptions are calculated for three different user profiles which reflect different consumer habits. A price basket means the monthly charge a user pays for services included in a user profile.

The survey is based on the price information released by operators. However, the survey examines basket prices in each country, not the prices of individual mobile phone subscriptions. Operators carry weighted values in the country price baskets based on their market shares. The larger the market share of an operator is in terms of the number of subscriptions, the more weighted is its value when calculating the country price baskets.

The price comparison of mobile broadband services is conducted in the same way as the comparison between the prices of mobile phone subscriptions. The price basket value for mobile broadband services is calculated only for one user profile.

The method is based on price basket surveys of mobile call prices conducted in previous years to ensure that the results are comparable¹. User Profile I corresponds to the profile used in the price comparisons since 2001. User Profiles II and III and mobile broadband subscriptions have been included in the price basket comparison since 2008.

Countries included in the survey

Nineteen countries participated in the survey. The survey focuses on the prices of mobile phone subscriptions and mobile broadband services in the old EU Member States (the EU-15)² and in Estonia, Iceland, Norway and Switzerland. Estonia has been included in the survey since 2008. Countries included in the survey and the country codes used in figures and tables are presented in Appendix 1.

Operators included in the survey

In order to calculate the price baskets for each country, price information was gathered from three mobile operators with the largest market shares. The examination also included service operators that do not own their mobile communications network.

Operators are weighted in the country price basket calculations based on market share information from the end of the previous year (31 Dec 2008). Market share estimations based on subscription volumes are from the Informa Telecoms & Median Mobile Communications Europe publication. Operators included in the survey and their subscription volumes and market shares are presented in Appendix 2.

Subscriptions included in the survey

Country price baskets comprise subscriptions from all three largest telecom operators. From each operator, the least expensive consumer subscription that corresponds to the user profile is included. This way, the results reflect the actual price level of the services for different patterns of consumption.

¹ See e.g. Mobile Call Prices 2008 - International Comparison. Publications series of FICORA 5/2008.
http://www.ficora.fi/attachments/suomimq/5yXxCdGU9/Mobile_Call_Prices_2008_-_International_Comparison.pdf

² The member states that had joined the EU before 1 May 2004.

The least expensive subscription alternative and pricing model are chosen for each user profile and mobile broadband service. Regarding the pricing model of voice service, both minute-based pricing and call bundles with fixed monthly prices are accepted. For the comparison of text messages, the least expensive alternative among fixed-price SMS bundles and messages priced per unit is chosen. The survey excludes subscriptions in which the permission of commercial ads and other special conditions reduces the payments charged for the subscription.

For call bundle subscriptions, the amount exceeding the user profile is not regarded as price reduction. For example, if an operator's least expensive subscription fulfilling the requirements of User Profile II (300 minutes) is a call bundle subscription including 500 minutes worth of call credit, the share (200 minutes) exceeding the profile is not deducted from the monthly price of the subscription. Regarding mobile data transmission, the comparison includes pricing based on megabytes, a fixed-price monthly data package or a mobile broadband service depending on which alternative is the most affordable for the consumer. If the contract subscription includes monthly call credits, text messages or data transmission, this is taken into account when calculating the price basket values.

The comparison includes only contract subscriptions. Subscriptions in which the minimum contract period is, for instance, 12 or 24 months are also included in the analysis. Momentary subscription sales offers and discount campaigns are excluded from the analysis. Pre-paid subscriptions, where the charge is paid in advance, are not either included in the survey. The survey investigates the prices of individual telecommunications services. Tie-in sales subscriptions which include both a subscription and terminal equipment are excluded from this survey.

If an operator markets subscriptions under multiple trademarks, or brands, the least expensive subscription that meets the user profile requirements is chosen for the analysis from the operator in question. For instance, the Finnish company Elisa markets subscriptions under Saunalahti and Kolumbus trademarks in addition to the Elisa brand. Correspondingly, TeliaSonera uses also the TeleFinland trademark in addition to Sonera.

Mobile phone and mobile broadband subscriptions are listed in Appendixes 3 and 4.

Price information

The price information was gathered in April 2009 and indicates the rates valid on 1 April 2009. The price comparison in the survey is based on price lists of individual telecommunications services. The price information was obtained from public price lists on the mobile operators' websites. All prices are in euros and include taxes. The exchange rates used are the average rates for euro 1 April 2009 listed in Appendix 1. Currency changes compared to the survey period in 2008 are also indicated in the appendix.

1.4 Definition of price baskets for the user profiles

The commensurable country price baskets are determined for three different mobile phone subscription user profiles and for mobile broadband services. This way, each country will have a comparable price basket value for each user profile and mobile

broadband service. User Profile I has been included in the survey since 2002. Profiles II and III are included in the survey for the second time since 2008.

Depending on the user profile, the price basket includes the following cost factors:

- The monthly fee of the subscription
- Call charges including possible connection fees
- SMS charges
- Mobil data charges
- Paper invoice charges

Start-up fees for subscriptions or services or possible equipment charges are not included in the price basket.

Price Basket I

A working group representing different operator groups assembled by the Ministry of Transport and Communications defined the price basket for User Profile I as early as in 2002. The cost components of the basket consist of telecommunications services. The price basket presents also assumptions of how calls and text messages are directed to different networks and when calls are made. Table 1 presents the price basket for User Profile I.

Table 1. Price basket for User Profile I

| |
|---|
| Price Basket I |
| Cost factors |
| <ul style="list-style-type: none"> • Calls 150 minutes per month • Calls 50 pcs. per month • Call duration 3 minutes per call • Text messages 25 pcs. per month • Paper invoice once a month |
| Direction of calls and text messages |
| <ul style="list-style-type: none"> • To mobile networks 75% (112.5 minutes) of the calls, the operator's market share + 15% are directed to the mobile operator's own network. • To the fixed telephone network 25% (37.5 minutes). • Text messages are directed to the operator's own and other networks in the same way as calls. • All calls and text messages are domestic. |
| Time of calls |
| <ul style="list-style-type: none"> • Weekdays (daytime) 35% of calls • Evenings and weekends 65% of calls. |

Price Basket II

Table 2 presents the price basket for User Profile II Compared to User Profile I, User Profile II comprises more voice calls and more text messages. Direction and time of calls and text messages are the same as in User Profile I.

Table 2. Price basket for User Profile II

| |
|---|
| Price Basket II |
| Cost factors |
| <ul style="list-style-type: none"> • Calls 300 minutes per month • Calls 100 pcs. per month • Call duration 3 minutes per call • Text messages 100 pcs. per month • Paper invoice once a month |
| Direction of calls and text messages |
| <ul style="list-style-type: none"> • To mobile networks 75% (225 minutes) of the calls, the operator's market share + 15% are directed to the mobile operator's own network. • To the fixed telephone network 25% (75 minutes). • Text messages are directed to the operator's own and other networks in the same way as calls. • All calls and text messages are domestic. |
| Time of calls |
| <ul style="list-style-type: none"> • Weekdays (daytime) 35% of calls • Evenings and weekends 65% of calls. |

Price Basket III

User Profile III presented in Table 3 represents intensive use of a mobile phone subscription. In the profile, the numbers of calls and text messages are considerably larger than in User Profiles I and II. The call duration is 10 minutes, but the number of calls remains the same as in User Profile II. The profile includes 50 megabytes of mobile data transmission per month. In accordance with the restrictions mentioned above, the use of mobile broadband is accepted in mobile data transmissions if it is the least expensive alternative.

Table 3. Price basket for User Profile III

| |
|--|
| Price Basket III |
| Cost factors |
| <ul style="list-style-type: none"> • Calls 1,000 minutes per month • Calls 100 pcs. per month • Call duration 10 minutes per call • Text messages 200 pcs. per month • Mobile data 50 MB per month • Paper invoice once a month |
| Direction of calls and text messages |
| <ul style="list-style-type: none"> • To mobile networks 75% (750 minutes) of the calls, the operator's market share + 15% are directed to the mobile operator's own network. • To the fixed telephone network 25% (250 minutes). • Text messages are directed to the operator's own and other networks in the same way as calls. • All calls and text messages are domestic. • Data transmission is domestic. |
| Time of calls |
| <ul style="list-style-type: none"> • Weekdays (daytime) 35% of calls • Evenings and weekends 65% of calls. |

Price basket for Mobile broadband services

The survey includes also a comparison of mobile broadband service prices. The basket price for each country is calculated as an average price of the three largest mobile operators, weighted by the market shares of the operators. Characteristics listed in Table 4 are required of the mobile broadband subscription. If an operator does not offer a mobile broadband subscription that meets the minimum requirements, a subscription from the operator in question is not included in the price basket value of the country examined.

Table 4. Price basket for Mobile broadband services

| |
|---|
| Price Basket for Mobile broadband services |
| Minimum requirements for the service |
| <ul style="list-style-type: none"> • Fixed monthly price • Unrestricted data transmission (in practice a minimum of 4 Gt / mo.). • Nominal speed of data transmission at least 384 kbit/s (downlink) • Data transmission is domestic. • Paper invoice once a month |

Depending on the service provider, the use of the mobile broadband service is possible with a USB modem, data card or a 3G mobile phone connected to a computer. Charges for modems or data cards are not included in the price basket.

2 MOBILE MARKETS IN THE SURVEY COUNTRIES

2.1 Subscription volumes in the mobile network

Table 5 contains information on the mobile markets of the countries included in the survey. The combined number of mobile subscriptions in all of the survey countries totalled approximately 494 million at the end of 2008. Growth from the previous year is approximately 6 per cent.

The largest country in terms of subscription volume is Germany with 101 million subscriptions. Its volume has grown by approximately 10 per cent in a year. Germany's figure constitutes nearly 21 per cent of the total number of subscriptions of all countries in the survey. This is also Germany's weighting when calculating the average price basket value weighted by subscription volume (average value).

After Germany, the countries with largest subscription volumes are Italy and the United Kingdom. Even though they have equal populations, France in the fourth place is considerably behind Italy and the UK in subscription volume. France still has the lowest subscription penetration of all the countries in the survey (93%). It is the only survey country under 100 per cent. Greece had the highest subscription penetration at the end of 2008 (156%). Italy and Luxembourg followed with 148% and 147% respectively.

In terms of subscription volume, Finland is the seventh smallest country. Finland's weighting when calculating the average price basket weighted by subscription volume is 1.4 per cent.

Table 5. Mobile markets in the survey countries in numbers 31 Dec 2008.

| Country | Subscriptions pcs | Penetration % | 3G subscriptions pcs share,% | | Prepaid % | Weighting % |
|---------------------|--------------------|---------------|------------------------------|--------------|-----------|---------------|
| Netherlands (NL) | 18,728,430 | 113.9 | 3,520,000 | 18.8% | 47.9% | 3.8% |
| Belgium (BE) | 11,341,700 | 108.2 | 500,000 | 4.4% | 52.6% | 2.3% |
| United Kingdom (UK) | 76,308,310 | 124.9 | 18,484,400 | 24.2% | 62.0% | 15.4% |
| Spain (ES) | 51,494,520 | 115.5 | 17,257,000 | 33.5% | 39.1% | 10.4% |
| Ireland (IE) | 5,360,000 | 121.5 | 1,248,800 | 23.3% | 72.5% | 1.1% |
| Iceland (IS) | 358,000 | 117.6 | 47,000 | 13.1% | .. | 0.1% |
| Italy (IT) | 87,007,300 | 147.7 | 27,728,300 | 31.9% | 86.2% | 17.6% |
| Austria (AT) | 10,564,800 | 125.8 | 3,316,100 | 31.4% | 33.8% | 2.1% |
| Greece (EL) | 17,427,000 | 155.9 | 1,696,100 | 9.7% | 68.3% | 3.5% |
| Luxembourg (LU) | 700,590 | 147.3 | 120,490 | 17.2% | .. | 0.1% |
| Norway (NO) | 5,655,000 | 119.3 | 1,629,000 | 28.8% | .. | 1.1% |
| Portugal (PT) | 14,634,120 | 137.2 | 5,349,060 | 36.6% | 71.4% | 3.0% |
| France (FR) | 57,391,000 | 92.5 | 10,109,000 | 17.6% | 34.1% | 11.6% |
| Sweden (SE) | 11,532,000 | 125.6 | 3,850,000 | 33.4% | 42.0% | 2.3% |
| Germany (DE) | 101,513,280 | 123.1 | 17,489,420 | 17.2% | 53.9% | 20.5% |
| Finland (FI) | 6,914,900 | 130.5 | 2,040,000 | 29.5% | 11.0% | 1.4% |
| Switzerland (CH) | 8,810,000 | 117.1 | 1,530,000 | 17.4% | 41.6% | 1.8% |
| Denmark (DK) | 6,748,000 | 123.7 | 1,210,000 | 17.9% | 20.9% | 1.4% |
| Estonia (EE) | 1,622,300 | 123.8 | 118,650 | 7.3% | .. | 0.3% |
| Total | 494,111,250 | 124.8 | 117,243,320 | 23.7% | .. | 100,0% |

Prepaid shares of the Netherlands, Spain, Italy, Greece and Sweden date from 30 Sept. 2008. Finland's prepaid share dates from 30 June 2008. Ireland's and Switzerland's prepaid shares date from 31 March 2008.

Source: Mobile Communications Europe (2008-2009). Issues 475-491.

The number of Third Generation (3G) subscriptions in the survey countries was 117 million at the end of 2008, the growth from the previous year being 46 per cent. The number of 3G subscriptions was highest in Italy, nearly 28 million. Italy's volume is nearly 10 million more than that of the UK which had the second largest volume (18 million).

The share of 3G subscriptions of all mobile subscriptions was highest in Portugal: nearly 37 per cent. Also, Spain (33.5%), Sweden (33.4%), Italy (31.9%) and Austria (31.4%) reached the 30 per cent boundary. In Finland, the share of 3G subscriptions was 29.5%, a growth of 7.9 percentage units compared to the previous year.

This survey included only contract subscriptions. However, prepaid subscriptions constituted over a half of all subscriptions in many countries. Italy had relatively the most prepaid subscriptions with a share of over 85 per cent. In Portugal and Ireland, nearly three quarters of subscriptions are prepaid ones.

In Finland, the share of prepaid subscriptions is only approximately 10 per cent, which is notably lower than that of other countries.

2.2 Mobile operators

The survey included three operators from each country totalling 57 mobile operators. Of these, 53 operators provided 3G services, too. The mobile call and mobile broadband service prices of the three largest operators from each country were analyzed. The price information of mobile calls and mobile broadband subscriptions was gathered primarily from the operators' websites, but they were also supplemented with enquires to the operators.

The operators differ in size considerably. While the subscription volumes of the smallest operators in the survey are some tens or hundreds of thousands, the largest operators have nearly 40 million subscribers. The biggest operators are Germany's T-Mobile (38,623,000 subscriptions in Germany) and Telecom Italia (34,797,000 subscriptions in Italy). Germany and Italy represent the largest countries in the survey. Respectively, Iceland, Luxembourg and Estonia are at the other extreme in terms of subscription volume.

Figure 1 depicts how market shares are distributed among the three largest operators and other operators in each country. In all countries, the operators chosen in the survey represent the majority of the total number of subscriptions in their respective countries. The three largest operators have the lowest joint share in the United Kingdom, but even they have a share of nearly 80 per cent. Therefore, the research material is representative of the total market for mobile phone services. Appendix 2 provides more detailed information on the operators included in the survey and their subscription volumes.

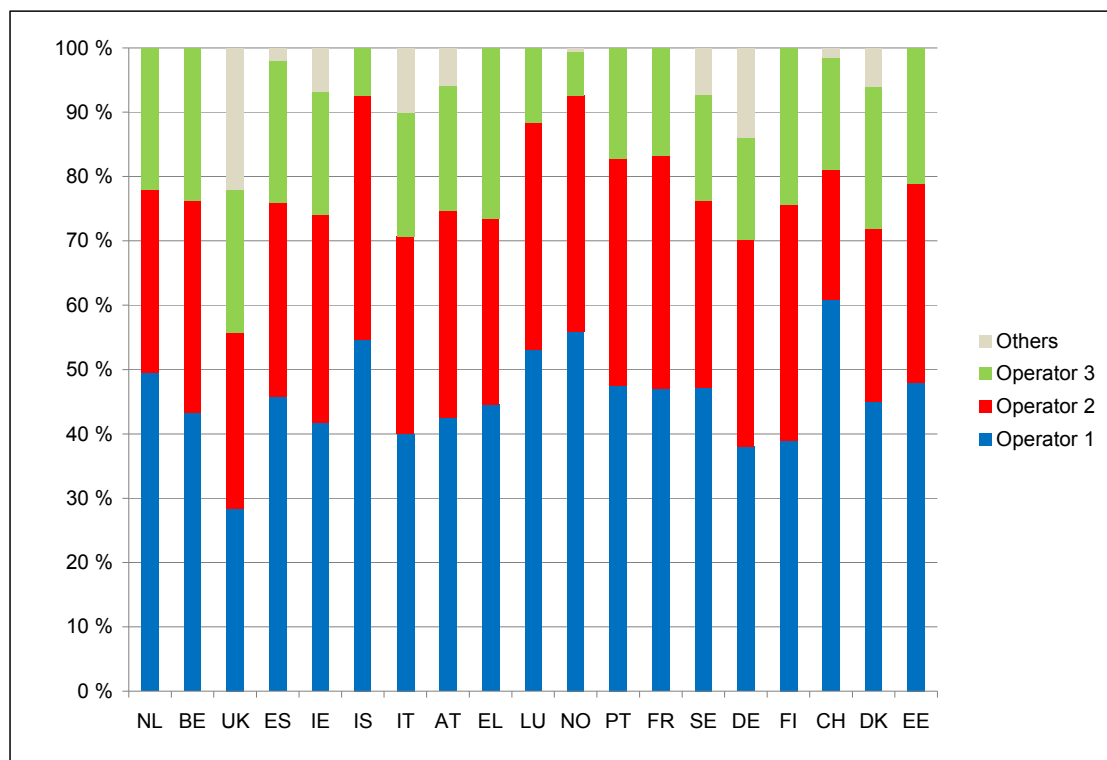


Figure 1: The shares of the total subscription volume held by the three largest operators, 31 Dec 2008.

The European field of operators is relatively stable because the market shares have not changed significantly during 2008. The Norwegian market underwent the biggest changes as Telenor Mobile's market share dropped by nearly 12 percentage units. Part of this loss may be the result of the market entry of a new operator, Mobile Norway. In addition, Iceland's smallest operator, Nova, has grown its market share from 0.2 per cent to over 7 per cent over a period of 12 months. In Finland, DNA has increased its market share by nearly 4 percentage units. Respectively, TeliaSonera and Elisa have decreased their market share by 2 percentage units. More detailed information on the changes in market shares can be found in Appendix 2.

Despite the rather stable market shares, tough competition is evident in the supply of services. The prices of mobile broadband services are clearly lower than last year's prices and there is strong growth in supply. At European level, the prices of subscriptions have fallen, which is an indication of tight competition in the market. Another sign of fierce competition is the rapid changes of subscription types and their pricing models. Even during this survey, some operators changed their subscription selection and pricing (e.g. Belgium).

Searching for the least expensive mobile phone subscription alternative for each user profile involved calculating the price basket value for over 170 different subscriptions and pricing alternatives. The calculations were based on approximately 139 different mobile subscriptions. Compared to that, the number of subscriptions that were examined in the survey is multiple, approximately 600.

The operators have varying pricing practices regarding both voice call and mobile broadband subscriptions. Although it is not easy to highlight a single pricing model,

about half of the subscriptions included in the survey were call bundle subscriptions in which the fixed monthly fee included calls worth a certain amount of minutes. The pricing models of the bundles were certainly also various. In some call bundles, text messages and data transmission are included in the price, in others, text messages and data are paid for separately or a separate bundle needed to be purchased.

Thirty per cent of the subscriptions had connection fees for calls. Paper invoices that are charged for became more common and accounted for 13 per cent of the subscriptions. Typically, subscription contract periods varied from 0 to 24 months. Also, 36-month contracts were available.

3 PRICE BASKET COMPARISON OF MOBILE SUBSCRIPTIONS

3.1 Price Basket I

Figure 2 presents price basket values for User Profile I. Of all countries examined, the basket value was lowest in Iceland. The value of the Icelandic price basket was €10.81 in April 2009. The countries with the next lowest rates were Sweden, Estonia, Austria and Finland.

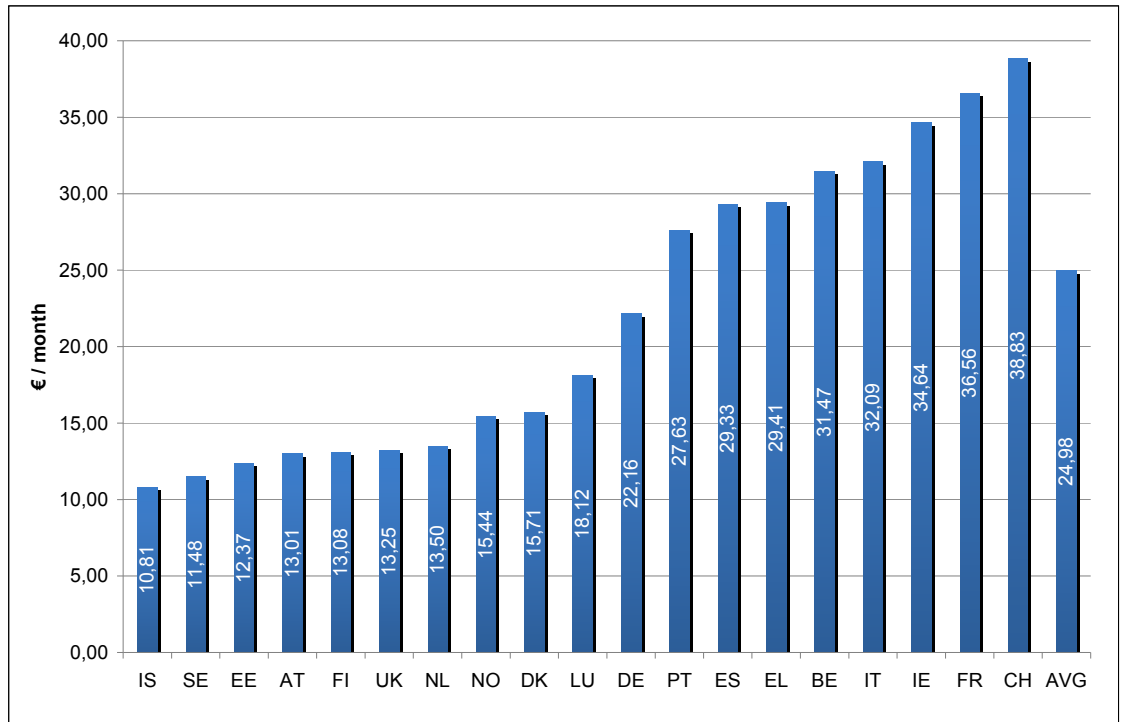


Figure 2: Price basket values for User Profile I in April 2009.

The most expensive price basket was found in Switzerland (€38.83). The value of the Swiss price basket was almost quadruple compared to that of Iceland. Other countries with high basket prices were France, Ireland, Italy and Belgium.

The average basket price weighted by subscription volumes was €24.98. The average price of baskets has dropped by 14 per cent in 12 months (see Table 6). The value of the Icelandic price basket dropped by 55 per cent, the highest drop of all countries surveyed during the year. The drop is a result of the devaluation of the Icelandic crown. In 12 months, the rate of the Icelandic crown has dropped nearly by 60 per cent against the euro.

The value of the Austrian price basket fell by almost 50 per cent. In Austria, the drop in the value of the price basket can, to a great extent, be explained by the market leader (43%) Mobilkom's price basket, which this year included a mobile subscription marketed under bob trademark aimed at the cheap end of the market. The subscription has a start-up package (€14.90), but the prices of phone calls and text messages are inexpensive.

Besides Iceland and Austria, the values of price baskets in the United Kingdom, Germany and Estonia dropped significantly.

Table 6. Price basket values for User Profile I in 2008 and 2009 (€/month).

| Country | 2008 | 2009 | Placing | |
|------------------|--------------|--------------|----------|----------|
| | | | 2008 | 2009 |
| Iceland | 24.19 | 10.81 | 9 | 1 |
| Sweden | 13.63 | 11.48 | 2 | 2 |
| Estonia | 15.72 | 12.37 | 4 | 3 |
| Austria | 25.06 | 13.01 | 10 | 4 |
| Finland | 12.74 | 13.08 | 1 | 5 |
| United Kingdom | 19.02 | 13.25 | 8 | 6 |
| Netherlands | 15.23 | 13.50 | 3 | 7 |
| Norway | 16.00 | 15.44 | 5 | 8 |
| Denmark | 16.74 | 15.71 | 6 | 9 |
| Luxembourg | 18.49 | 18.12 | 7 | 10 |
| Germany | 29.81 | 22.16 | 12 | 11 |
| Portugal | 27.83 | 27.63 | 11 | 12 |
| Spain | 35.15 | 29.33 | 16 | 13 |
| Greece | 30.96 | 29.41 | 13 | 14 |
| Belgium | 34.77 | 31.47 | 15 | 15 |
| Italy | 31.93 | 32.09 | 14 | 16 |
| Ireland | 38.91 | 34.64 | 17 | 17 |
| France | 41.22 | 36.56 | 18 | 18 |
| Switzerland | 42.43 | 38.83 | 19 | 19 |
| Weighted average | 29.19 | 24.98 | | |

The price baskets of Finland and Italy were the only ones that had risen from 2008. However, the price rise has been very moderate. The rise of the value of the price basket in Finland can, to a great extent, be explained by the fact that Elisa sold no new Kolumbus subscriptions although the old contracts were still valid. Another explanation is that the Kolumbus subscription was replaced in the price basket by a corresponding Saunalahti subscription that was 7.5% more expensive. Saunalahti charges 0.95 euros for a paper invoice. In other respects, the subscriptions and pricing models of the Finnish price basket remained the same. The price rise of the Italian price basket was merely 0.5 per cent.

Of those countries ranked as having the least expensive prices, Sweden retained its position as the second least expensive and Estonia improved its placing by one position from the previous year. Among those countries that improved their placing the most were Iceland and Austria, the latter improving its placing by six positions. Compared to the previous year, the biggest fallers were Finland and the Netherlands whose ranking fell by four positions.

Compared with 2005, the average value of country price baskets weighted by subscription volumes has decreased by 37 per cent (see Table 7). The largest changes have taken place in the United Kingdom, Iceland, Austria and Sweden where the values have decreased over 60 per cent in four years. The value of the Finnish price basket for User Profile I has decreased 34 per cent in four years. Compared with 2005, the price basket value has increased in Greece (+11.4%) only.

Table 7. Development of mobile call basket prices for User Profile I 2005-2009 (€/month).

| Country | 2005 | 2006 | 2007 | 2008 | 2009 | Δ2008/2009 | Δ2005/2009 |
|-------------------------|-------------|-------------|-------------|--------------|--------------|---------------|---------------|
| Netherlands | 34.5 | 30 | 24.3 | 15.23 | 13.50 | -11.4% | -60.9% |
| Belgium | 42.1 | 36.7 | 36.8 | 34.77 | 31.47 | -9.5% | -25.3% |
| United Kingdom | 44.1 | 43.4 | 45.2 | 19.02 | 13.25 | -30.3% | -70.0% |
| Spain | 33.8 | 33 | 35.9 | 35.15 | 29.33 | -16.6% | -13.2% |
| Ireland | 46.9 | 41.6 | 39.5 | 38.91 | 34.64 | -11.0% | -26.2% |
| Iceland | 32.9 | 33 | 34.7 | 24.19 | 10.81 | -55.3% | -67.2% |
| Italy | 36.8 | 34.4 | 32.1 | 31.93 | 32.09 | 0.5% | -12.8% |
| Austria | 36.8 | 31 | 28.2 | 25.06 | 13.01 | -48.1% | -64.7% |
| Greece | 26.4 | 31.3 | 30.8 | 30.96 | 29.41 | -5.0% | 11.4% |
| Luxembourg | 21.2 | 21.2 | 17.9 | 18.49 | 18.12 | -2.0% | -14.5% |
| Norway | 38.3 | 39.3 | 37.4 | 16.00 | 15.44 | -3.5% | -59.7% |
| Portugal | 33.3 | 29.2 | 27.3 | 27.83 | 27.63 | -0.7% | -17.0% |
| France | 39.7 | 43.3 | 46.3 | 41.22 | 36.56 | -11.3% | -7.9% |
| Sweden | 30.5 | 18.1 | 18.1 | 13.63 | 11.48 | -15.7% | -62.4% |
| Germany | 48.3 | 46.8 | 44.3 | 29.81 | 22.16 | -25.7% | -54.1% |
| Finland | 19.9 | 15.9 | 17.7 | 12.74 | 13.08 | 2.7% | -34.3% |
| Switzerland | 56.5 | 41.8 | 41.9 | 42.43 | 38.83 | -8.5% | -31.3% |
| Denmark | 22.5 | 22.6 | 23.4 | 16.74 | 15.71 | -6.1% | -30.2% |
| Estonia | | | | 15.72 | 12.37 | -21.3% | |
| Weighted average | 39.5 | 38.3 | 37.9 | 29.19 | 24.98 | -14.4% | -36.8% |

Figure 3 shows the development of the minimum, maximum and average prices of the annual country baskets, and compares these with the development of the value of Finland's price basket.

The value of Finland's basket for User Profile I in 2005-2008 has been the minimum value of price baskets. In Finland, the changes in price baskets have followed the general price development.

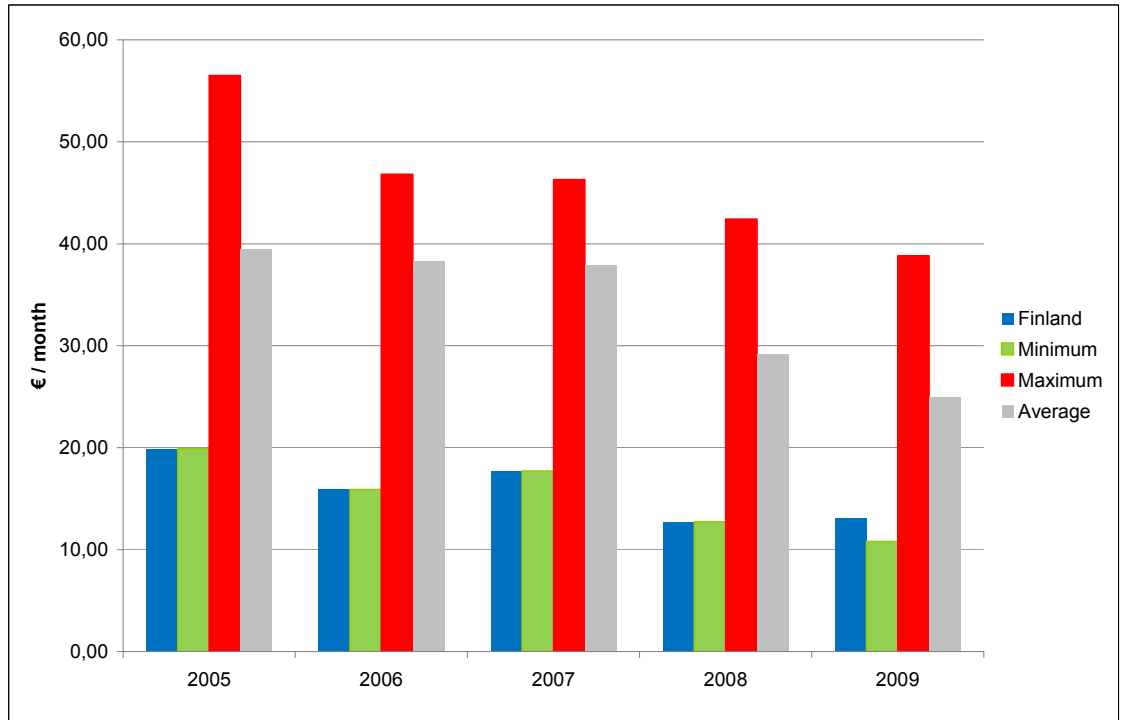


Figure 3: Development of minimum, maximum and average values of price baskets for User Profile I.

Figure 4 shows a comparison between the development of Finland's price basket values and the Nordic countries and Estonia as well as the countries with large subscription volumes, i.e. Germany, Italy, the United Kingdom and France. Except for Italy, the development has been congruent. The price differences between countries have become narrower as prices have dropped fastest in countries with high price level.

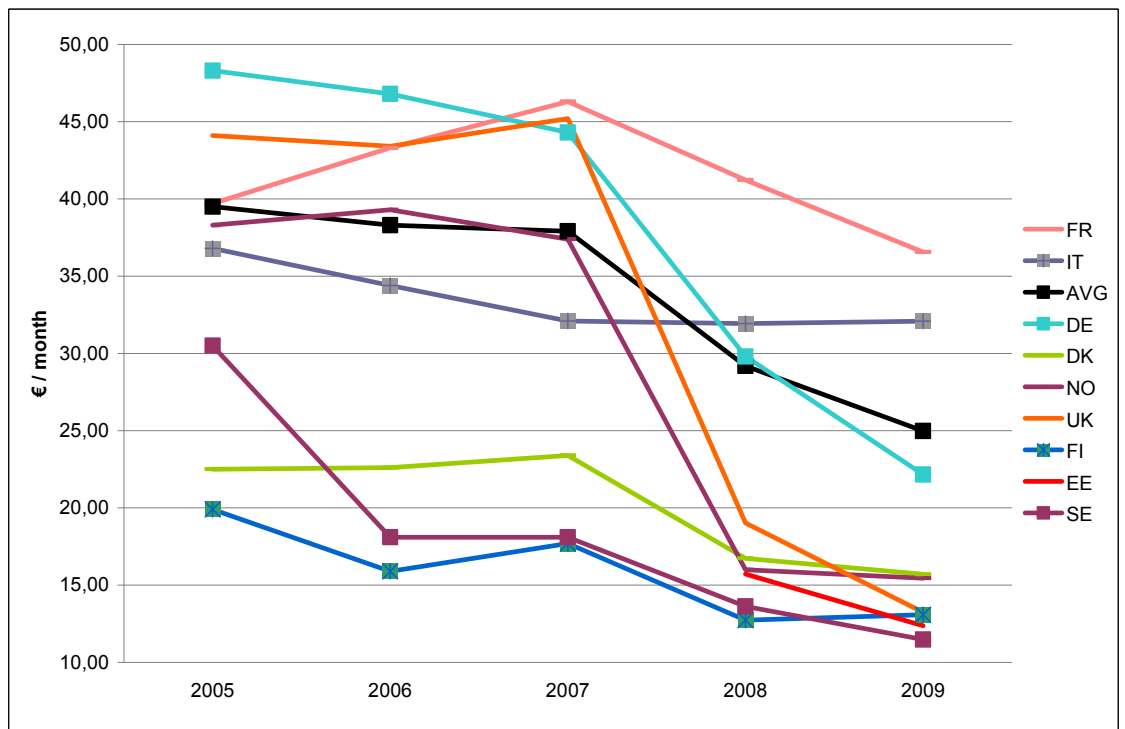


Figure 4. Development of the price basket value for User Profile I in certain countries in 2005-2009.

3.2 Price Basket II

Figure 5 presents the values of country price baskets for User Profile II in April 2009.

There have been significant changes in the values of price baskets and differences between countries from last year. With regard to User Profile II, Finland has also lost its position as the least expensive country, which is now the United Kingdom (€17.17). The value of the Finnish price basket was €20.25 in April 2009.

The baskets of Austria (€18.43), Iceland (€19.50) and Sweden (€19.86) were more affordable than that of Finland. Of the countries mentioned, Iceland, Sweden and Austria were also among the least expensive ones in terms of User Profile I.

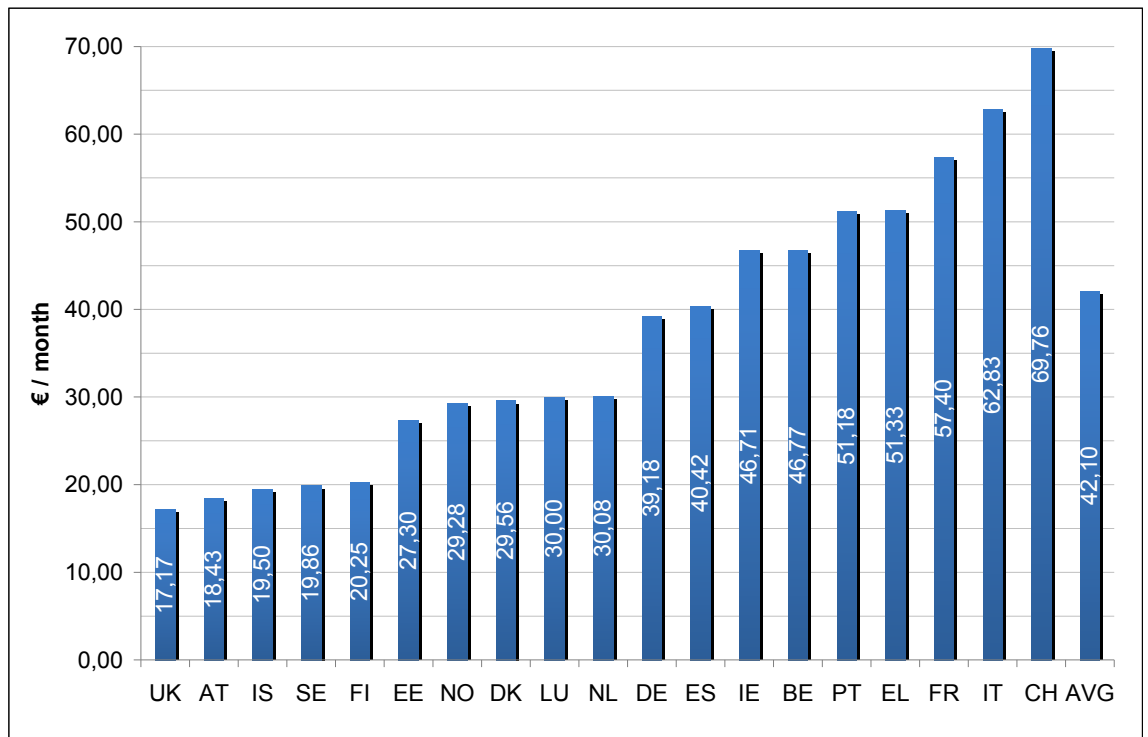


Figure 5: Price basket values for User Profile II in April 2009.

Switzerland had the highest price basket value for User Profile II (€69.76). The value is over four times the British value. Also, the baskets of Italy (€62.83), France (€57.40) and Greece (€51.33) were expensive. Of the countries mentioned, Switzerland, France and Italy had high values also for User Profile I.

The value of the Finnish price basket has risen by 2 per cent from the previous year (see Table 8.) With regard to User Profile II, the rise can be explained by the fact that Kolumbus subscriptions were replaced by Saunalahti subscriptions in the price basket. In addition to Finland, the value of the price basket has risen in Portugal and the Netherlands. The price basket of Luxembourg has remained the same. All other price baskets have undergone a price drop.

The average basket price weighted by subscription volumes is €42.10. The price baskets have dropped by approximately 23 per cent compared to the previous year.

Table 8. Development of mobile call basket prices for User Profile II 2008-2009 (€/month).

| Country | 2008 | 2009 | Δ2008/2009 | Placing | |
|------------------|--------------|--------------|-------------|----------|----------|
| | | | | 2008 | 2009 |
| United Kingdom | 25.35 | 17.17 | -32.3% | 2 | 1 |
| Austria | 30.87 | 18.43 | -40.3% | 6 | 2 |
| Iceland | 44.87 | 19.50 | -56.5% | 10 | 3 |
| Sweden | 26.61 | 19.86 | -25.4% | 3 | 4 |
| Finland | 19.89 | 20.25 | 1.8% | 1 | 5 |
| Estonia | 35.30 | 27.30 | -22.7% | 9 | 6 |
| Norway | 34.40 | 29.28 | -14.9% | 8 | 7 |
| Denmark | 33.01 | 29.56 | -10.4% | 7 | 8 |
| Luxembourg | 30.00 | 30.00 | 0.0% | 5 | 9 |
| Netherlands | 28.77 | 30.08 | 4.6% | 4 | 10 |
| Germany | 55.01 | 39.18 | -28.8% | 12 | 11 |
| Spain | 78.42 | 40.42 | -48.5% | 19 | 12 |
| Ireland | 63.39 | 46.71 | -26.3% | 15 | 13 |
| Belgium | 55.58 | 46.77 | -15.9% | 14 | 14 |
| Portugal | 48.12 | 51.18 | 6.4% | 11 | 15 |
| Greece | 55.06 | 51.33 | -6.8% | 13 | 16 |
| France | 68.83 | 57.40 | -16.6% | 16 | 17 |
| Italy | 72.69 | 62.83 | -13.6% | 17 | 18 |
| Switzerland | 73.99 | 69.76 | -5.7% | 18 | 19 |
| Weighted average | 54.72 | 42.10 | -23.1% | 2 | 1 |

Iceland and Spain improved their placing the most, each by seven positions. The value of the Icelandic price basket fell by 57 per cent and the Spanish one by 49 per cent. As in Profile I, the fall of the Icelandic prices can be explained by the devaluation of the Icelandic crown. The Netherlands fell down six positions compared to the previous year.

3.3 Price Basket III

The price basket for User Profile III differs from Price Baskets I and II in terms of the amount of telecommunications services. Another difference is that Price Basket III includes 50 MB data transmission per month.

Figure 6 shows the values of country price baskets in April 2009. Luxembourg has a lower basket price than the other countries examined. The value of the Luxembourg price basket value was €34.65. The Finnish price basket value was €49.81 which is nearly 44 per cent higher than the Luxembourg price. Finland is nevertheless the fifth most inexpensive country in the survey. In addition to Luxembourg, the baskets of the

United Kingdom (€34.90), Sweden (€39.85) and Austria (€42.26) were more affordable than that of Finland.

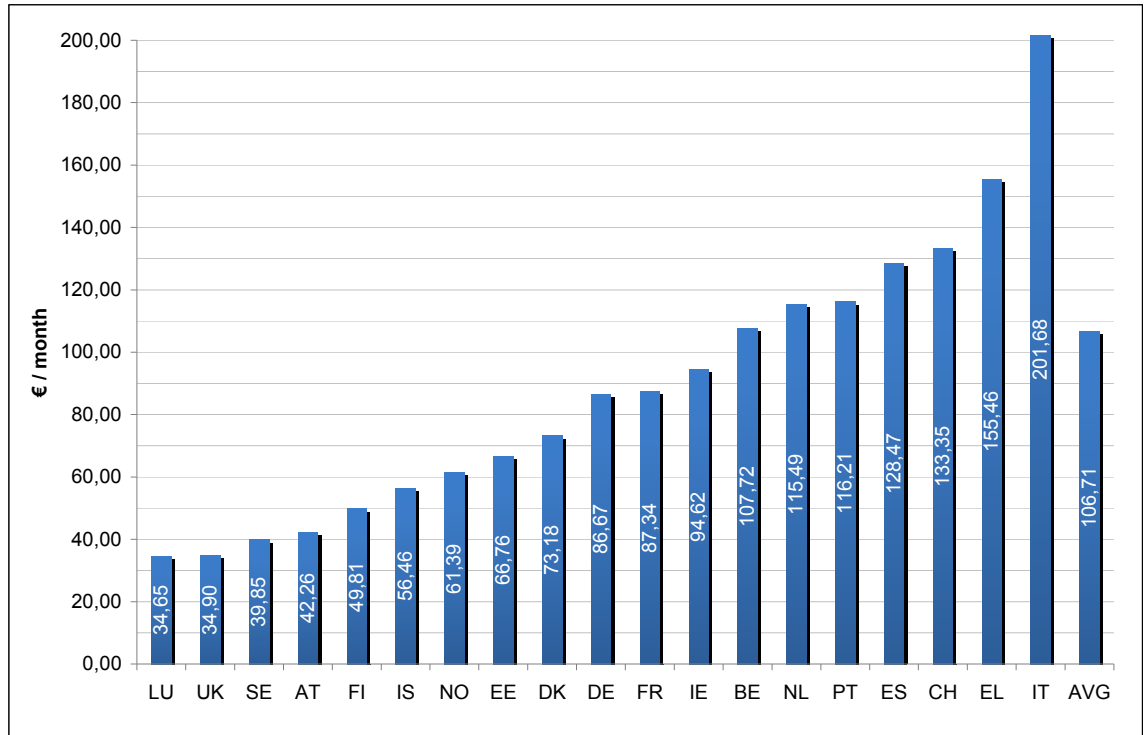


Figure 6: Price basket values for User Profile III in April 2009.

The differences in price basket values are still large between the least and most expensive countries. In Italy, where the basket price is €201.68, a user with needs described in User Profile III has to pay for his or her mobile use nearly six times as much as a corresponding user in Luxembourg. The average basket price weighed by subscription volumes is €106.71 which is nearly three times more than that of Luxembourg. The values of price baskets in Greece (€155.46), Switzerland (€133.35) and Spain (€128.47) were significantly higher than that of an average price basket.

Table 9. Development of mobile call basket prices for User Profile III 2008-2009 (€/month).

| Country | 2008 | 2009 | Δ2008/2009 | Placing | |
|------------------|--------------|--------------|--------------|----------|----------|
| | | | | 2008 | 2009 |
| Luxembourg | 37.83 | 34.65 | -8.4% | 1 | 1 |
| United Kingdom | 81.86 | 34.90 | -57.4% | 5 | 2 |
| Sweden | 62.77 | 39.85 | -36.5% | 4 | 3 |
| Austria | 53.84 | 42.26 | -21.5% | 3 | 4 |
| Finland | 51.92 | 49.81 | -4.1% | 2 | 5 |
| Iceland | 151.69 | 56.46 | -62.8% | 15 | 6 |
| Norway | 121.46 | 61.39 | -49.5% | 8 | 7 |
| Estonia | 92.51 | 66.76 | -27.8% | 6 | 8 |
| Denmark | 125.67 | 73.18 | -41.8% | 10 | 9 |
| Germany | 96.11 | 86.67 | -9.8% | 7 | 10 |
| France | 157.75 | 87.34 | -44.6% | 16 | 11 |
| Ireland | 180.30 | 94.62 | -47.5% | 17 | 12 |
| Belgium | 124.98 | 107.72 | -13.8% | 9 | 13 |
| Netherlands | 145.20 | 115.49 | -20.5% | 13 | 14 |
| Portugal | 147.38 | 116.21 | -21.2% | 14 | 15 |
| Spain | 228.00 | 128.47 | -43.7% | 18 | 16 |
| Switzerland | 128.55 | 133.35 | 3.7% | 11 | 17 |
| Greece | 141.40 | 155.46 | 9.9% | 12 | 18 |
| Italy | 234.63 | 201.68 | -14.0% | 19 | 19 |
| Weighted average | 145.94 | 106.71 | -26.9% | | |

Over the past year, the value of the Icelandic price basket fell the most (63%). Iceland is followed by the United Kingdom (57%), Norway (49%), Ireland (48%), France (45%), Spain (44%) and Denmark (42%). The value of the Finnish price basket has decreased 4 per cent within a year. Switzerland and Greece are the only countries where the value of the price basket has risen. In Greece, the price basket rose by 10 per cent. In Switzerland it rose by 4 per cent, which corresponds to the change in the value of the currency within a year.

The average value of the price basket for Profile III has dropped by nearly 27 per cent from 2008.

4 PRICE BASKET COMPARISON OF MOBILE BROADBAND SERVICES

Chapter 4 analyses and compares price basket values of mobile broadband subscriptions in the survey countries and compares these results with those of 2008. The Chapter examines also factors that affect subscription prices.

4.1 Bases of the price comparison

The price comparison examines mobile broadband subscriptions aimed at consumers and their monthly rates. The subscriptions examined were selected from the supply of the three operators with the largest market shares. The market shares were determined according to the total subscription volume of the mobile operators in the same way as in the price comparison of mobile calls (Chapter 3). The comparison included mobile broadband subscriptions with

1. a nominal speed of data transmission of at least 384 kbit/s (downlink),
2. a fixed monthly price, and
3. unlimited data transmission (minimum of 4 gigabytes per month).

The restriction set for the volume of data transmission in last year's survey was reduced. Now, subscriptions with a minimum of 4 gigabytes were regarded as unrestricted. In practice, exceeding the limitation demands very intensive use, for example the exchange of files in peer-to-peer networks, which is completely forbidden by many subscriptions. Despite the reduced limitation, the limitations of the use of mobile broadband subscriptions have increased. Some operators were still unable to provide a subscription fulfilling the minimum requirements set in the survey. Typically, the maximum speed of data transmission was limited to less than 384 kbit/s with regard to data transmission volumes of less than 4 gigabytes. If an operator could not provide information on the constraints of the subscription, data transmission volume was interpreted as unrestricted.

Estonia was the only country that could not contribute any subscriptions to the comparison. During the period of study, the volume of data transmission in mobile broadband subscriptions was limited to 3 gigabytes a month. The consequences for exceeding the 3-gigabyte limit are either considerable additional fees or the reduction of data transmission speed to less than the required 384 kbit/s.

Subscriptions fulfilling the minimum requirements exclude the terminal device used in mobile broadband subscriptions. Therefore, no distinction has been made between the use of a computer and mobile phone. However, some operators have restricted the use of the service to mobile phones only. Contract length and modems that are purchased along with the subscription have not been taken into account in the comparison. In addition, quality factors (e.g. the operator's network coverage) and special offers were not taken into account either.

Operators included in the mobile broadband comparison, their price information are presented in Appendix 4. Links to the website of the operators are listed in Appendix 2.

4.2 Factors affecting subscription price

Although all operators had a subscription meeting the criteria in the survey, the pricing of mobile broadband subscriptions is miscellaneous. At least five factors that affect the price can be identified.

1. Broadband network coverage. Operators with large coverage areas can set higher prices for their service than their competitors, if they so wish.
2. Length of subscription contracts. Subscriptions often have a minimum contract length. Typically, 12-month and 24-month contracts are the least expensive pricing alternatives.
3. Nominal speed of data transmission. The speed of a mobile broadband depends on network infrastructure, quality of data connection and the qualities of the terminal equipment. All subscriptions selected into the survey meet the minimum criterion set for data transmission speed (384 kbit/s), but considerable differences in subscription speeds were found among the operators. The nominal speed of the fastest subscriptions was 7,2 Mbit/s.
4. Limitations in data transmission. A third of the subscriptions were completely unrestricted. Limitation practices varied considerably. In most subscriptions, the amount of data that exceeds the transfer limit is priced separately or the speed of the connection can be lowered to the GPRS transmission speed (56 kbit/s).
5. Price of the modem. The monthly price can also be affected by the price of the necessary modem.

4.3 Examination of price basket of mobile broadband subscriptions

Figure 7 illustrates the values of country baskets of mobile broadband subscriptions. On the basis of the price basket comparison, Finland retains its position of the previous year as the least expensive survey country. The Finnish price basket value was €9.84. The next most inexpensive countries were Iceland (€12.33), Sweden (€16.51), Austria (€17.23) and Ireland (€18.06).

On the other hand, France is the most expensive country in the survey. The French price basket value is €66.80. In addition to France, Norway (€54.89), Belgium (€49.99) and Switzerland (€47.38) have the highest consumer prices for mobile broadband subscriptions.

The weighed average of price baskets was 34.65 euros, which is more than threefold of the value of the price basket in Finland.

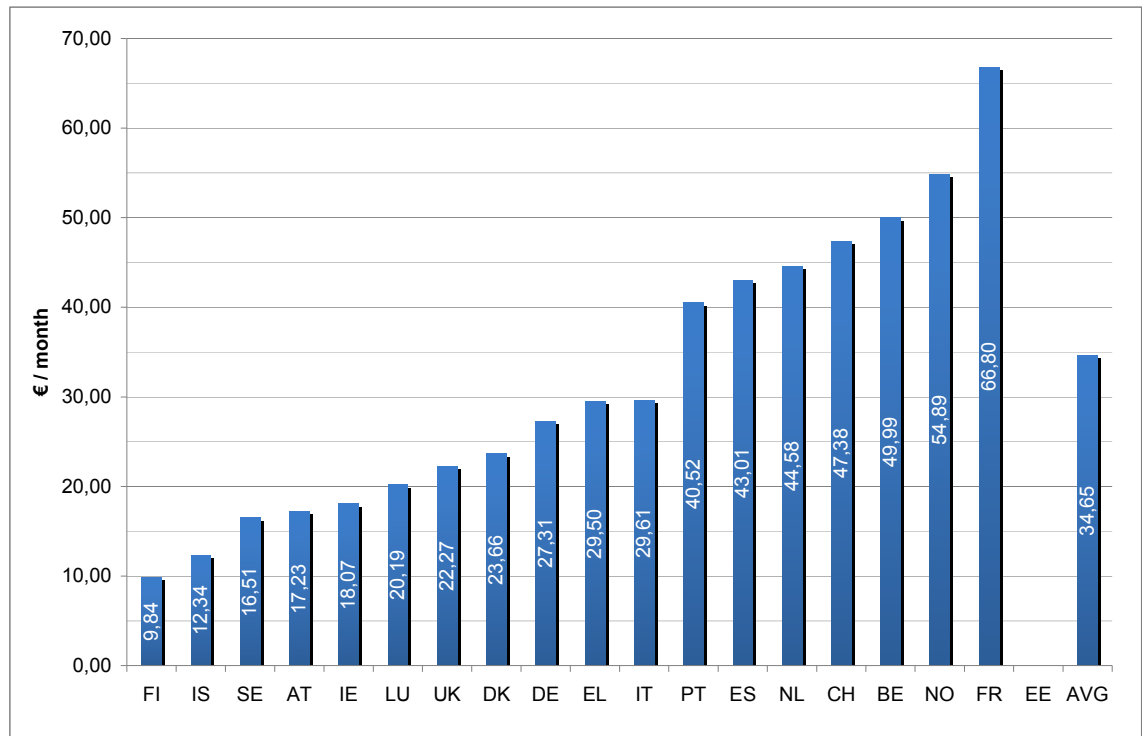


Figure 7. Price basket values of mobile broadband subscriptions in April 2009.

Table 10 has a comparison of the results of this survey with last year's results. The comparison is indicative, because in April 2008, the market had not a large selection of mobile broadband subscriptions fulfilling the minimal requirements. The price baskets of 2008 include all the subscriptions that at the time fulfilled the minimum requirement for data transmission, 4 gigabytes. With regard to many countries, this meant that one or two subscriptions had to be included. Therefore, the country basket remained narrow.

The price development of mobile broadband subscriptions has been inharmonious. As in voice call subscriptions, the prices of mobile broadband subscriptions in Ireland and Austria have dropped considerably. In Denmark, the prices of mobile broadband subscriptions have dropped by nearly a third.

On the other hand, the prices of mobile broadband subscriptions have risen considerably in the Netherlands, Sweden and Portugal. This is partly attributable to the fact that the service selection now has new, fast subscriptions with unrestricted data transmission while the less expensive subscriptions that barely met the minimum requirements have been removed from the selection. These have been replaced by inexpensive mobile broadband subscriptions accessible by mobile phone, which do not, however, fulfil all the minimum requirements of this survey.

Prepaid subscriptions were not included in the comparison.

Table 10. Development of mobile broadband basket prices in 2008-2009 (€/month).

| Country | 2008 | 2009 | Δ2008/2009 |
|------------------|-------------|-------------|--------------|
| Finland | 9.84 | 9.84 | -0.0% |
| Iceland | .. | 12.34 | |
| Sweden | 11.76 | 16.51 | 40.4% |
| Austria | 22.26 | 17.23 | -22.6% |
| Ireland | 28.73 | 18.07 | -37.1% |
| Luxembourg | 20.40 | 20.19 | -1.1% |
| United Kingdom | 20.05 | 22.27 | 11.1% |
| Denmark | 33.80 | 23.66 | -30.0% |
| Germany | 28.70 | 27.31 | -4.8% |
| Greece | .. | 29.50 | |
| Italy | 30.00 | 29.61 | -1.3% |
| Portugal | 29.90 | 40.52 | 35.5% |
| Spain | 39.00 | 43.01 | 10.3% |
| Netherlands | 27.54 | 44.58 | 61.9% |
| Switzerland | 50.20 | 47.38 | -5.6% |
| Belgium | 49.99 | 49.99 | -0.0% |
| Norway | 61.83 | 54.89 | -11.2% |
| France | .. | 66.80 | |
| Estonia | .. | .. | |
| Weighted average | | 34.65 | |

5 SUMMARY

Content and aims of the survey

By conducting a price basket comparison, the survey analyses mobile call and mobile broadband prices in 19 European countries in April 2009. Commensurable price baskets were calculated for each country. Three different price baskets with different user profiles were used for mobile phone subscriptions and one for mobile broadband services. The user profiles are based on the amount of calls made and text messages sent and their directivity and the amount of mobile data transferred. User Profile I depicts low use of a mobile phone, while User Profile III is an example of very intensive mobile phone use.

Country price baskets comprise subscriptions from three largest mobile operators in the countries in question. The most inexpensive consumer subscription that corresponds to the user profile is included from each operator. This way, the results reflect the actual price level of mobile subscriptions for each consumption pattern. The value of a subscription in a country price basket is weighted according to the market share of the operator. The survey includes only contract subscriptions. Prepaid and tie-in sales subscriptions, that are popular in some European countries, were excluded from the survey.

Mobile markets in the survey countries

The combined number of mobile subscriptions in all of the countries included in the survey totalled approximately 494 million at the end of 2008. The subscription volume increased by 6 per cent from the previous year. The largest country in terms of subscription volume is Germany with approximately 102 million subscriptions. Germany's figure constitutes nearly 21 per cent of the total number of subscriptions in the survey countries. After Germany, the countries with largest subscription volumes are Italy and the United Kingdom. Finland's share of the total subscription volume of all the survey countries is 1.4 per cent making it the 13th largest country in the survey.

There were approximately 117 million third generation 3G subscriptions in the survey countries at the end of 2008. The amount has grown by 24 per cent in a year. The number of 3G subscriptions was highest in Italy, nearly 28 million. In Italy, 3G subscriptions constituted 32 per cent of all subscriptions. At least a third of all subscriptions were 3G subscriptions also in Portugal (37%), Spain (34%) and Sweden (33%). In Finland, the share of 3G subscriptions was 30 per cent.

Country price baskets for mobile calls

The general price drop of mobile phone services has continued in Europe. The average values of price baskets have fallen by 14 to 27 within a year. The reduction of prices has been highest with regard User Profiles II and III. The development of price baskets between various countries and user profiles has been inconsistent. For example, price baskets for User Profile III have fallen by four per cent in Finland whereas the value of the price basket for User Profiles I and II have risen a little.

On the basis of the survey, no single country stood out as the least expensive one. Iceland has improved its placing in all three price basket comparisons due to the devaluation of the Icelandic crown. Also, price baskets in the United Kingdom, Spain, Ireland, Austria, Sweden and Estonia have dropped significantly in all three User Profile categories.

The price development of mobile phone services elsewhere in Europe has caught Finland's low price level. Finland's placing came slightly down to the fifth position in all User Profiles. In addition to Finland, the United Kingdom, Iceland, Austria, Sweden and Estonia were inexpensive in all User Profiles.

Table 11 summarises the country price basket values for mobile calls for User Profiles I-III in April 2009.

Table 11. Country price basket values of mobile calls in April 2009 (€/month).

| Country | Price Basket I | | Price Basket II | | Price Basket III | |
|----------------|----------------|--------------|-----------------|--------------|------------------|---------------|
| | Placing | Value | Placing | Value | Placing | Value |
| Netherlands | 7 | 13.50 | 10 | 30.08 | 14 | 115.49 |
| Belgium | 15 | 31.47 | 14 | 46.77 | 13 | 107.72 |
| United Kingdom | 6 | 13.25 | 1 | 17.17 | 2 | 34.90 |
| Spain | 13 | 29.33 | 12 | 40.42 | 16 | 128.47 |
| Ireland | 17 | 34.64 | 13 | 46.71 | 12 | 94.62 |
| Iceland | 1 | 10.81 | 3 | 19.50 | 6 | 56.46 |
| Italy | 16 | 32.09 | 18 | 62.83 | 19 | 201.68 |
| Austria | 4 | 13.01 | 2 | 18.43 | 4 | 42.26 |
| Greece | 14 | 29.41 | 16 | 51.33 | 18 | 155.46 |
| Luxembourg | 10 | 18.12 | 9 | 30.00 | 1 | 34.65 |
| Norway | 8 | 15.44 | 7 | 29.28 | 7 | 61.39 |
| Portugal | 12 | 27.63 | 15 | 51.18 | 15 | 116.21 |
| France | 18 | 36.56 | 17 | 57.40 | 11 | 87.34 |
| Sweden | 2 | 11.48 | 4 | 19.86 | 3 | 39.85 |
| Germany | 11 | 22.16 | 11 | 39.18 | 10 | 86.67 |
| Finland | 5 | 13.08 | 5 | 20.25 | 5 | 49.81 |
| Switzerland | 19 | 38.83 | 19 | 69.76 | 17 | 133.35 |
| Denmark | 9 | 15.71 | 8 | 29.56 | 9 | 73.18 |
| Estonia | 3 | 12.37 | 6 | 27.30 | 8 | 66.76 |
| Average | 7 | 13.50 | 10 | 30.08 | 14 | 115.49 |

In addition to Iceland, the countries with the lowest rates in User Profile I were Sweden, Estonia, Austria and Finland. The value of the Finnish price basket has risen by 3 per cent from last year. The Finnish price basket value is 21 per cent (€2.27) higher than the Icelandic price. The most expensive countries were Switzerland, France and Ireland which had basket prices over three times the Icelandic value. During the past year, the value of price basket I decreased in 17 countries and increased in Finland and Italy only.

In User Profile II, the United Kingdom, Austria, Iceland, Sweden and Finland were inexpensive. The value of the Finnish price basket has risen by two per cent from last

year. The Finnish price basket value is 18 per cent (€3.08) higher than the United Kingdom price. The countries with the highest prices were Switzerland, Italy and France. The value of the price basket dropped in 13 countries and rose in three including Finland.

For second time in a row, Luxembourg was the least expensive when comparing intensive mobile phone use depicted in User Profile III. Other countries with low rates are the United Kingdom, Sweden and Austria. Finland placed fifth. Despite the four per cent drop, the value of Finland's price basket was 44% (€15.15) higher than in Luxembourg. The price differences in country baskets in User Profile III are significantly larger than those in other User Profiles. In Italy, mobile use for a Profile III customer costs nearly six times the price in Luxembourg. Other countries with high rates are the Greece, Switzerland and Spain. The value of the price basket dropped in all other countries except for Greece and Switzerland.

Country price baskets for mobile broadband services

The price basket comparison of mobile broadband services included subscriptions that had a nominal data transmission speed of at least 384 kbit/s downlink, a fixed monthly charge and whose data transmission volume is at least 4 gigabytes a month.

Finland had the least expensive mobile broadband subscriptions for the second time in a row. The value of the country price basket was €9.84 in April 2009. The next lowest price baskets were in Iceland, Sweden and Austria, but for example, in Austria, the value of the Austrian price basket was 75 per cent higher than in Finland. France had the highest price basket value. There a mobile broadband subscription that meets the minimum requirements costs on the average seven times the Finnish price (€66.80). The average of price baskets was 34.65 euros.

When comparing the values of the price baskets for mobile broadband, it is worth paying attention to the fact that the qualities of the subscriptions vary greatly with regard to data transmission speed and the qualities of the modem. Some subscriptions are accessible by mobile phone only and they might have many other restrictions of use besides that regarding data transmission volume.

Evaluation of the survey results

Finnish communications authorities have conducted international price surveys on mobile call prices since 2001. Calculation methods and models used in the price basket surveys are, therefore, well-established. This survey follows the user profile and price basket structure defined in previous surveys. This makes the results more comparable to results from previous years.

For the second time, this survey introduced three different user profiles depicting different kinds of mobile phone use and a user profile for mobile broadband services whereas the previous studies used only one profile. The survey results show that the country and operator price basket values vary between different user profiles in terms of how expensive they are. Therefore, examining several profiles presents more reliable information on the price levels of telecommunications services in different countries.

The mobile phone subscription market is very dynamic in most of the European countries, even though market shares have undergone only minor changes. Names, pricing models of subscriptions and the profiles of call bundle subscriptions change rapidly, and various discount campaigns play a significant role in subscription sales. The present survey did not take momentary discount campaigns into account. Pre-paid subscriptions, which are popular in many countries, are also excluded from the survey. Despite these factors, the survey presents a good and reliable picture of the price level of mobile calls in Europe.

The market for mobile broadband subscriptions has developed much in a year. Nearly all operators in the survey had a subscription fulfilling the minimum restrictions of the survey, which increases the credibility of the price baskets of 2009 compared to the previous year.

The survey examined three mobile operators with the largest market shares from each country. Virtual operators and other mobile operators functioning without their own networks are not among the largest operators, so the price information in the survey is insufficient with regard to the operator field. However, the survey does take into account the more affordable trademarks of the large operators. The operator markets in the survey countries are rather centralised, so that the three largest operators account for the majority of the total subscription volume.

When comparing prices of mobile calls, it should be kept in mind that price baskets measure the call prices at a specific point in time. Market changes may be quick in terms of both subscription types and prices. Changes in the competitive situation can lead to significant and rapid changes in price basket values. The price changes of individual operators, on the other hand, affect the basket value only in proportion to the market share of the operator.

SOURCES

Kauppalehti 2 April 2009

Prices of Mobile Calls in 2008 – International Comparison Publication series of FICORA 5/2008.
<http://www.ficora.fi/attachments/suomiry/5yrQMweCx/ViestintavirastonJulkaisu0805.pdf>.
ENGLANNINKIELINEN TÄHÄN

Websites and financial reviews of mobile operators.

Mobile Communications Europe (2008-2009). Issues 475-491.

Appendix 1. Survey countries

| Country | Abbreviation | Currency | Average rate 1 Apr 2009 | Δ2009/08 |
|--|--------------|----------------|-------------------------|----------|
| Netherlands | NL | euro | | |
| Belgium | BE | euro | | |
| United Kingdom | UK | pound sterling | 1 GBP =€1.0862 | -14.32% |
| Spain | ES | euro | | |
| Ireland | IE | euro | | |
| Iceland | IS | crown | 1 ISK=€0.0034 | -59.04% |
| Italy | IT | euro | | |
| Austria | AT | euro | | |
| Greece | EL | euro | | |
| Luxembourg | LU | euro | | |
| Norway | NO | crown | 1 NOK=€0.1125 | -9.20% |
| Portugal | PT | euro | | |
| France | FR | euro | | |
| Sweden | SE | crown | 1 SEK=€0.0915 | -14.00% |
| Germany | DE | euro | | |
| Finland | FI | euro | | |
| Switzerland | CH | franc | 1 CHF=€0.6620 | +4.19% |
| Denmark | DK | crown | 1 DKK=€0.1343 | +0.15% |
| Estonia | EE | crown | 1 EEK=€0.0639 | 0.00% |
| Sources: Kauppalehti, 2 April 2009; Kauppalehti, 2 April 2008. | | | | |
| *) Member State of the European Union since 1 May 2004. | | | | |
| **) Not a member of the European Union. | | | | |

Appendix 2. Telecommunications operators included in the survey

| Country, subscriptions | Internet service provider | Subscription volume | Market share | | website |
|------------------------------|------------------------------|------------------------|--------------|----------|---|
| | | | % | Δ2009/08 | |
| Netherlands 18 728 430 | KPN-Mobile | 9,285,300 | 49.6% | -1.2% | http://www.kpn.com/ |
| | T-Mobile | 5,309,000 | 28.3% | 0.1% | http://www.t-mobile.nl/ |
| | Vodafone | 4,134,130 | 22.1% | 1.1% | http://www.vodafone.nl/ |
| Belgium 11 341 700 | Belgacom Mobile | 4,916,000 | 43.3% | -0.6% | http://customer.proximus.be/ |
| | Mobistar | 3,738,600 | 33.0% | -0.1% | http://offer.mobistar.be/ |
| | Base | 2,687,100 | 23.7% | 0.7% | http://www.base.be/ |
| United Kingdom 55 417 910 | T-Mobile | 16,786,000 | 22.0% | -1.5% | http://www.t-mobile.nl/ |
| | Vodafone | 16,961,910 | 22.2% | 0.0% | http://shop.vodafone.co.uk/ |
| | O2 | 21,670,000 | 28.4% | 0.8% | http://www.o2.co.uk/ |
| Spain 50 524 520 | Telefonica Moviles | 23,604,800 | 45.8% | -0.6% | http://www.movistar.es/ |
| | Orange | 11,374,000 | 22.1% | -0.4% | http://movil.orange.es/ |
| | Vodafone | 15,545,720 | 30.2% | 0.0% | http://www.vodafone.nl/ |
| Ireland 4 999 600 | Vodafone | 2,239,900 | 41.8% | -2.6% | http://www.vodafone.ie/ |
| | O2 | 1,727,700 | 32.2% | -0.3% | http://www.o2online.ie/ |
| | Meteor Communications | 1,032,000 | 19.3% | 0.3% | http://www.meteor.ie/ |
| Iceland 358 000 | Iceland Telecom | 195,600 | 54.6% | -8.2% | http://www.siminn.co.uk/ |
| | Vodafone | 136,000 | 38.0% | 1.0% | http://www.vodafone.is/ |
| | Nova | 26,400 | 7.4% | 7.2% | http://www.nova.is/ |
| Italy 78 342 500 | Telecom Italia | 34,797,000 | 40.0% | -2.2% | http://www.tim.it/ |
| | Vodafone | 26,645,500 | 30.6% | 0.3% | http://www.vodafone.it/ |
| | Wind | 16,900,000 | 19.4% | 1.2% | http://www.wind.it/ |
| Austria 9 953 600 | Orange (One) | 2,055,300 | 19.5% | -1.3% | http://www.one.at/ |
| | T-Mobile | 3,402,000 | 32.2% | -1.3% | http://www.t-mobile.at/ |
| | Mobilkom | 4,496,300 | 42.6% | 2.1% | http://www.mobilkom.at/ |
| Greece 17 427 000 | Panafon | 4,613,000 | 26.5% | -2.1% | http://www.vodafone.gr/ |
| | Wind Hellas (Stet Hellas) | 5,044,000 | 28.9% | 0.0% | http://www.wind.com.gr/ |
| | Cosmote | 7,770,000 | 44.6% | 2.1% | http://www.cosmote.gr/ |
| Luxembourg 700 590 | P&T | 372,000 | 53.1% | -1.3% | http://www.luxgsm.lu/ |
| | VOXmobile | 80,690 | 11.5% | 0.3% | http://www.vox.lu/ |
| | Tele2 | 247,900 | 35.4% | 1.0% | http://www.tele2tango.lu |
| Norway 5 621 000 | Telenor Mobil | 3,160,000 | 55.9% | -11.7% | http://www.telenor.no/ |
| | NetCom | 2,081,000 | 36.8% | 4.8% | https://netcom.no/ |

| | | | | | |
|-------------|------------------|------------|-------|-------|---|
| | Mobile Norway | 380,000 | 6.7% | | http://www.networknorway.no/ |
| Portugal | TMN | 6,944,000 | 47.5% | -0.2% | http://www.tmn.pt/ |
| 14 634 120 | Optimus | 2,516,540 | 17.2% | -0.1% | http://www.optimus.pt/ |
| | Vodafone | 5,173,580 | 35.4% | 0.4% | https://loja.vodafone.pt/ |
| France | Bouygues Telecom | 9,594,000 | 16.7% | -0.2% | http://www.bouyguestelecom.fr/ |
| 57 391 000 | Orange | 27,022,000 | 47.1% | 0.1% | http://sites.orange.fr/ |
| | SFR | 20,775,000 | 36.2% | 0.1% | http://www.sfr.fr/ |
| Sweden | Telenor | 1,900,000 | 16.5% | -1.1% | http://www.telenor.se/ |
| 10 692 000 | Tele2 | 3,358,000 | 29.1% | -0.3% | http://www.tele2.se |
| | TeliaSonera | 5,434,000 | 47.1% | 0.2% | http://www.telia.se/ |
| Germany | Vodafone | 32,696,780 | 32.2% | -0.9% | http://www.vodafone.de/ |
| 87 314 780 | T-Mobile | 38,623,000 | 38.0% | -0.3% | http://www.t-mobile.de/ |
| | E-Plus | 15,995,000 | 15.8% | 0.8% | http://www.eplus.de/ |
| Finland | Elisa | 2,541,900 | 36.8% | -1.9% | http://www.elisa.fi/ |
| 6 914 900 | TeliaSonera | 2,690,000 | 38.9% | -1.8% | http://www.tele.fi/ |
| | DNA | 1,683,000 | 24.3% | 3.7% | http://www.dna.fi/ |
| Switzerland | Orange | 1,543,000 | 17.5% | -1.3% | http://www.orange.ch/ |
| 8 681 000 | Swisscom Mobile | 5,370,000 | 61.0% | -0.8% | http://en.swisscom.ch/ |
| | TDC | 1,768,000 | 20.1% | 1.2% | http://www.sunrise.ch/index.htm |
| Denmark | TDC Mobil | 3,042,000 | 45.1% | -2.8% | http://tdc.dk/ |
| 6 348 000 | Sonofon | 1,813,000 | 26.9% | -0.5% | http://www.sonofon.dk/ |
| | Telia | 1,493,000 | 22.1% | 1.7% | http://telia.dk/ |
| Estonia | Elisa | 337,700 | 21.9% | -0.2% | http://www.elisa.ee/ |
| 1 542 900 | EMT | 693,000 | 44.9% | -2.3% | http://www.emt.ee/ |
| | Tele2 | 512,200 | 33.2% | 2.9% | http://www.tele2.ee |

Source: Mobile Communications Europe (2009) and the websites of the mobile operators.

Appendix 3. Telecommunications subscriptions included in the survey

| Country | Internet service provider | Profile I subscription | Profile II subscription | Profile III subscription |
|----------------|---------------------------|---------------------------------|---------------------------------|---|
| Netherlands | KPN-Mobile | SIM only 17,50 | SIM only 34.50 | Flexible 130 |
| | T-Mobile | Relax 150 | Relax 300 | Relax 1000 |
| | Vodafone | 2-jarig Vodafone Sim Only 27.50 | 2-jarig Vodafone Sim Only 50.00 | 1-jarig Vodafone Sim Only 100.00 |
| Belgium | Belgacom Mobile | Smile Together 35 | Smile Exclusive 50 | Smile Exclusive 110 |
| | Mobistar | MyFriends15 | MyComfort45 | MaxAll-In |
| | Base | Postpaid 5 | Postpaid 5 | Postpaid 5 |
| United Kingdom | T-Mobile | Solo 15 | Solo 15 | Solo 30 |
| | Vodafone | Price plan 15£ | Price plan 25£ | Price plan 50£ |
| | O2 | In-Store tariffs | In-Store tariffs | In-Store tariffs |
| Spain | Telefonica Moviles | Planazo 19 | Planazo 19 | Total Planazo |
| | Orange | Unico | Plana mini | Plana naveghable |
| | Vodafone | 90x1 a todos | Nuevo plan Super 90x1 | Nuevo plan Super 90x1 |
| Ireland | Vodafone | Perfect Choice 100 | Perfect Choice 200 | Perfect Choice 600 |
| | O2 | O2 Clear 175 | O2 Clear 350 | O2 Clear Unlimited O2 to O2 & Landlines |
| | Meteor Communications | Meteor Talk 60 | Meteor Talk 300 | Meteor Talk 400 |
| Iceland | Iceland Telecom | Better way Best | Better way Unsurpassable | Better way Unsurpassable |
| | Vodafone | Huggulegi gemsinn | Huggulegi gemsinn | Huggulegi gemsinn |
| | Nova | 3G áskrift | 3G áskrift | 3G áskrift |
| Italy | Telecom Italia | Easy TIM new | Easy TIM new | Chiara di TIM |
| | Vodafone | Stile Libero | Stile Libero | Stile Libero |
| | Wind | Wind10 | All Inclusive | All Inclusive Plus |
| Austria | Orange (One) | Team Orange 15 | Team Orange 15 | Team Orange 35 |
| | T-Mobile | FAIRPLAY Easy | FAIRPLAY Austria | FAIRPLAY Europa |
| | Mobilkom | bob vertrag | bob vertrag | bob vertrag |
| Greece | Panafon | Vodafone Flexible 30 | Vodafone Flexible 45 | Surf & Talk 900 lite plus |
| | Wind Hellas (Stet Hellas) | Wind Flexy 30 | Wind Flexy 40 | Wind Max 330 |
| | Cosmote | Cosmote 150 | Cosmote multi 50 | Cosmote 1000 |
| Luxembourg | P&T | Relax | Relax | Relax |

| | | | | |
|-------------|------------------|-----------------------------|---------------------------------------|------------------------------|
| | VOXmobile | All Inclusive 10 | Fox Flat | Fox Flat |
| | Tele2 | KnockOut | EasyTotal | EasyTotal |
| Norway | Telenor Mobil | djuice SIMply | djuice SIMply | SurfPrat L |
| | NetCom | FlexiTalk | FlexiTalk | FlexiTalk + FreeTalk |
| | Mobile Norway | Mobil Basis | Mobil Basis | Kontroll |
| Portugal | TMN | Flat S | Flat M | Flat L |
| | Optimus | Total | Total | Plan 30 |
| | Vodafone | Best total base | Best total plus | Best 91 Top |
| France | Bouygues Telecom | Forfait 2 fois (2h + 2h) | Forfait 2 fois plus SMS illimités 18H | Neo 2. 6H Illimité dès 19h |
| | Orange | Origami star 2h | Origami star 3h | Origami star 6h |
| | SFR | Sur Mesure 3H | Sur Mesure 5H | Illimythics 3G+ 6H |
| Sweden | Telenor | Nya abonnemang | Nya abonnemang | Nya abonnemang |
| | Tele2 | Snackis | Snackis | Snackis |
| | TeliaSonera | Prata på | Prata på | max 25 |
| Germany | Vodafone | Vodafone SuperFlat Mobil | Vodafone SuperFlat | Vodafone SuperFlat Allnet |
| | T-Mobile | Relax 120 | Relax 240 | Relax 1200 |
| | E-Plus | Time & More 150 Web Edition | Time & More 500 Web Edition | Time & More 1000 Web Edition |
| Finland | Elisa | Saunalahti Ykkönen | Saunalahti TuplaPaketti | Elisa Puhepaketti 1000 |
| | TeliaSonera | Perus | Puhepaketti 500 | Koko paketti |
| | DNA | Onni | Ilona | Unelma |
| Switzerland | Orange | Optima 100 | Optima 400 | Maxima |
| | Swisscom Mobile | NATEL® basic liberty | NATEL® pro liberty | NATEL® pro liberty |
| | TDC | Sunrise flat basic | Sunrise zero 50 | Sunrise flat max |
| Denmark | TDC Mobil | Simply | Simply | MaxTale |
| | Sonofon | Selvhenter (SMS-takster) | Selvhenter (SMS-takster) | Shaker Extreme |
| | Telia | Flex 2 timer | Flex 2 timer | Flex 10 timer |
| Estonia | Elisa | Mobiil Pluss 150 | Mobiil Pluss 250 | Mobiil Pluss 500 |
| | EMT | Noova 85 | Noova 75 | Noova 70 |
| | Tele2 | Hinnaliider 59 | Hinnaliider 59 | Hinnaliider 70 |

Appendix 4. Providers of mobile broadband subscriptions and subscriptions included in the survey

| Country | Internet service provider | Subscription name | Price, € |
|----------------|---------------------------|---|----------|
| Netherlands | KPN-Mobile | Snel Mobiel Internet Onbeperkt | 80.00 |
| | T-Mobile | Web´n´walk standard | 9.95 |
| | Vodafone | Zorgeloos | 9.50 |
| Belgium | Belgacom Mobile | Mobile Internet anytime plus | 49.99 |
| United Kingdom | O2 | Mobile Broadband 10Gb | 31.91 |
| | Vodafone | Mobile Broadband 5Gb | 27.16 |
| | T-Mobile | Mobile broadband extra | 32.59 |
| Spain | Telefonica Moviles | Internet Plus | 45.24 |
| | Vodafone | Plana Navega Plus | 45.24 |
| | Orange | Internet everywhere | 39.00 |
| Ireland | Vodafone | Pay monthly Mobile Broadband | 19.99 |
| | O2 | O2 Clear Broadband Plan & contract length | 19.99 |
| | Meteor Communications | Broadband to go | 16.99 |
| Iceland | Iceland Telecom | Netlykill 3 | 16.97 |
| | Vodafone | 3G net | 6.77 |
| | Nova | 3G Internet | 6.77 |
| Italy | Telecom Italia | Mobile Alice 25 Flexi | 25.00 |
| | Vodafone | Internet Facile Senza Limiti | 45.00 |
| | Wind | Mega 15000 | 30.00 |
| Austria | Mobilkom | A1 Breitband Pakete 5 GB | 20.00 |
| | T-Mobile | Mobiles Internet 6 GB | 15.00 |
| | Ornage (One) | Mobiles Internet 15 GB | 20.00 |
| Greece | Cosmote | Cosmote Internet on the go 5Gb | 29.50 |
| | Wind Hellas (Stet Hellas) | ADSM 5gb | 29.50 |
| | Panafon | Mobile Broadband 5Gb | 29.50 |
| Luxembourg | P&T | Ultra | 20.00 |
| | Tele2 | Mobile ADSL illimite | 18.90 |
| | VOXmobile | Data unlimited | 25.00 |
| Norway | Telenor Mobil | Fri Bruk | 56.14 |
| | NetCom | Connect Premium | 56.14 |
| | Mobile Norway | Personlig Bredbånd | 42.64 |
| Portugal | TMN | Internet em qualquer local | 40.50 |
| | Vodafone | Banda Larga 5Mbps | 40.55 |
| | Optimus | Xpress 5 | 40.50 |
| France | Orange | Forfaits illimités 4 Go | 79.90 |
| | Bouygues Telecom | Internet 3G+/EDGE illimité | 29.90 |
| Sweden | TeliaSonera | Mobilsurf extra | 19.95 |
| | Tele2 | Maxi | 13.08 |

| | | | |
|---|---------------------------|-------------------------------|-------|
| Germany | Telenor | FastPris | 20.04 |
| | T-Mobile | web'n'walk L | 34.95 |
| | Vodafone | Vodafone Mobile Connect Flat | 34.95 |
| | E-Plus | E-Plus Laptop Internet Flat | 17.50 |
| Finland | TeliaSonera (TeleFinland) | Tele Finland netti 384 kbit/s | 9.90 |
| | Elisa (Saunalahti) | Elisa Mobiililaajakaista 384 | 9.80 |
| | DNA | DNA Matkanetti 384 | 9.80 |
| Switzerland | Swisscom Mobile | NATEL® data 5 GB | 52.30 |
| | Sunrise (TDC) | T@KE AWAY max | 32.44 |
| Denmark | Orange | Mobile Internet Max | 12.58 |
| | TDC Mobil | Bestil Bredbånd-2-GO Basic | 26.73 |
| | Sonofon | Mobilt Bredbånd 199 | 26.73 |
| Source: The websites of the mobile operators. | | | |