

Tariff Outlook September 2008

Message from the editor

Welcome to Tariff Outlook, a monthly newsletter brought to you Teligen's team of tariff analysts and consultants.

On August 4th 2008 Strategy Analytics Inc acquired Teligen from Harris Interactive. On August 4th 2008 Strategy Analytics Inc acquired Teligen from Harris Interactive. *Strategy Analytics, Inc. is a global research and consulting firm. They provide companies operating at the convergence of information, communications and entertainment technologies with timely insights and strategic business solutions. Strategy Analytics focus is on market opportunities and challenges in the areas of Automotive Electronics & Multimedia, Digital Consumer, Wireless Strategies and Enabling Technologies. Their headquarters are in Boston, MA, and they also have principal offices in England, France and Germany.*

The new president of Teligen, Harvey Cohen said on the occasion "By combining Teligen's pricing expertise with Strategy Analytics' industry analysis, we have created a powerful portfolio of analytics for our telecommunications clients interested in improved competitiveness". We are very excited about the future here at Teligen and strongly believe that this acquisition will help us to strengthen our products and consultancy service alike.

Now to this issue of Tariff Outlook which is brimming with tariff news. Mobile operators in South Korea have been told to respond to downturn in the economy by lowering tariffs. In New Zealand TelstraClear re-enters the mobile market and in the UK O2 now offers iPhone on pay-as-you go tariffs. Eircom and BT have both announced increases to their PSTN charges. These are just some of the stories in this issue.

If these stories, or any others featured in our newsletter are of interest, further details of the tariffs and services can be found in our comprehensive subscription based databases, the T-Products. Go to: www.teligen.com for



This Week's Top Stories...

- Spain - Telefonica to offer triple play via Fiber to the Home (FTTH)
- New Zealand - TelstraClear Re-enters Mobile Market
- Italy - Telecom Italia and Lottomatica strike an agreement
- Netherlands - T-Mobile introduces MyFaves Prepaid
- UK - Pay as you go iPhone for UK Market
- UK - Vodafone Pilots "Connect to Friends" New Messaging Application on Facebook
- South Korea – KT Freetel to Lower Tariffs and Moves in for Top Spot
- Ireland – Eircom shakes up PSTN call charging
- UK – BT Announces Price Changes
- Belgium - Telenet Announces Changes to Broadband Packages
- Sweden – Telia Launches Unique Subscription Service for Computer Games



further details and request a copy of our demo CD. You will also notice that we have included a short case study looking at an example of Teligen's consultancy services – if you are interested in learning more about this, just click on the banner on the right.

Our continuing aim is to provide you with up to the minute pricing news and tariff developments. That being said, Tariff Outlook not only serves as an opportunity for us to communicate with you on a regular basis but equally for you to tell us what you think. As such, we would really appreciate any feedback you may have that will help us deliver a newsletter that provides you with real value.

Please feel free to contact us either to obtain further information about any particular story or to give us your feedback.

We look forward to hearing from you.

Jóhanna Helgadóttir - Senior Consultant

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Need to benchmark prices between different markets and services?

Why not consider T-Basket, the industry recognised tool. T-Basket offers a unique insight into the price relationships between telecom services in OECD (Organisation for Economic Co-operation and Development) member countries. It uses basket methodologies that are OECD based and OECD-authorised, taking pricing information from the Teligen Master Tariff Database. It forms the basis of the official OECD price performance statistics. This unique tool uses proven methodologies to show you numerically and graphically whether an operator's prices are in line with those in the most competitive markets, the most industrialised markets, and those with close geographical or geopolitical proximity.

To find out more or to request a demonstration, http://www.teligen.com/t_basket.asp

MultiPlay

Spain - Telefonica to offer triple play via Fiber to the Home (FTTH)

The Trio Futura package includes 30 Mbps via FTTH with 1 MB of upload, phone services, pay-TV plus a hard disk digital TV recorder. This package includes the Imagenio Familiar service with 60 TV channels, flat rate national voice calls and a personal recording service (DVR) and antivirus.

The fibre network will initially cover 13 autonomous communities, including Madrid, Barcelona and Seville.

In addition, Telefonica is planning to market two other Trio Futura packages in December. These come with speeds of 10 Mbps, with three options: the Imagenio, basic package, the family package and the personal recording service and its 100 Mb package. These packages are currently undergoing testing.

According to Telecom paper The Trio Futura 30MB package will be commercially available in late October - early November. However, the prices are already in force and available to customers on the Telefonica website.

Adriana Rodriguez- Senior Tariff Analyst

Mobile

New Zealand - TelstraClear Re-Enters Mobile Market

On 1st September 2008 TelstraClear heralded its return to the New Zealand mobile market with the launch of a new plan. It offers a free Nokia 6275i and includes 500 SMS messages for a monthly charge of NZD 20. National calls cost NZD 0.29 per minute and calls to landline numbers in Australia, Canada, USA, UK and Ireland are charged at NZD 0.40 per minute. The service is only available on a 24-month contract to the Company's existing fixed line customers.

TelstraClear used to offer a mobile service as an MVNO through Vodafone's network but closed it down in June 2007. This new service uses Telecom New Zealand's CDMA mobile network.

Angela Toal - Tariff Analyst

Italy - Telecom Italia and Lottomatica Strike an Agreement

Telecom Italia Mobile and Lottomatica, the Italian chain of newsagents, have signed an agreement which allows all TIM customers to pay their bills at all Lottomatica Servizi shops. Lottomatica Servizi has around 30,000 outlets all over Italy and the cost of the service is the same as for using the post office 1 Euro.

Astrid Casali - Junior Analyst

Netherlands - T-Mobile introduces MyFaves Prepaid

As of September, T-Mobile Netherlands are now also offering their MyFaves tariffs to prepaid customers. The MyFaves tariff was introduced earlier this year to pay monthly customers.

The new MyFaves PrePaid tariff enables customers to call or send texts to five favourite numbers at charges which are 50% discounted from the standard call charges.

The MyFaves-numbers can be both fixed and mobile phone numbers and can be changed every month.

With the introduction of MyFaves PrePaid, T-Mobile is not offering PrePaid After3 to new customers anymore. The company now offers a choice of three pre-paid plans: 24/7, MyFaves and Standard.

Yilmaz Bakay - Tariff Analys

UK - Pay as you go iPhone for UK Market

O2 UK has announced that Apple iPhone 3G will be available to Pay & Go customers from September 16th in O2 stores, The Carphone Warehouse and Apple stores at £349.99 for the 8GB model and £399.99 for the 16GB model.

iPhone 3G Pay as you go customers will also receive inclusive unlimited data and Wi-Fi for 12 months following activation, At the end of the 12 months costumers can continue to receive unlimited browsing and Wi-Fi for just £10 per month. This service normally is worth £120.

These prices are considerably lower than Vodafone Italia has been offering, Vodafone Italia was the first operator in Europe to offer pay as you go terms for iPhone customers. Italian customers have been able to get the iPhone 3G without a contract at 499EURO for the 8GB and 569EURO for the 16GB models. That is about £402 and £459 respectively at today' exchanges rates.

Teligen Comment:

O2 appears to be reducing subsidies on other top-end handsets to focus on boosting sales of the iPhone. It seems that O2 is confident that its customer base will continue to grow because of high interest in the iPhone and also because of O2's exclusivity with the iPhone. Also, importantly, O2 is very keen to keep said exclusivity on the iPhone so this move can be viewed as an important step in doing so.

Over the past few years UK consumers have been used to getting heavily subsidised handsets from their mobile operators. Customers have been able to update their handsets very frequently to keep up with the latest handset trends. But it seems that this might be coming to an end, certainly for the top-end handsets. To be eligible for the top-end handsets O2's customers now have to spend double on their monthly rental. For example to receive Nokia N95 and Sony Ericsson C902 free customers have to pay £75 instead of £35 before whereas the 8GB iPhone is now free on £45 contracts.

Catherine Arteaga - Tariff Analyst

UK - Vodafone Pilots “Connect to Friends” New Messaging Application on Facebook

Vodafone UK is trialling “Vodafone Connect to Friends” a unique service that allows all UK mobile users to send texts and picture messages from their Facebook profile to friends. In order to use this, service customers need to install the “Vodafone Connect to Friends” application to their Facebook profile.

Users can send messages to Facebook friends and non-Facebook friends and “Vodafone Connect to Friends” can be used by anyone regardless of their choice of UK mobile operator.

The cost of sending texts and picture messages via “Vodafone Connect to Friends” is set at 10p per text and 30p per picture message for the duration of the pilot. An added advantage of this service is that travellers can also text their friends from overseas at UK rates.

Catherine Arteaga - Tariff Analyst

South Korea – KT Freetel to Lower Tariffs and Moves in for Top Spot

The South Korean government has called on mobile operators to lower prices in response to the slowing down of the economy.

South Korea’s second largest mobile operator KT Freetel (KTF) is reacting to this but said that it has plans to recoup revenues with value-added services. Also KTF is looking to be the number one mobile operator as customers make the switch from CDMA to UMTS-based services.

Jóhanna Helgadóttir - Senior Consultant

PSTN

Ireland – Eircom shakes up PSTN call charging

On the 2nd September 2008, Irish incumbent operator Eircom increased call charges for all business and residential customers. This increase is a result of replacing the existing minimum fee charge of 6.65 cent with a fixed call set up charge of 5.95 cent. Duration charges remain unchanged.

The change will result in an average increase to customer’s telephone bill of 3.8%. Subscription prices for Talktime packages and broadband prices are not affected. All charges quoted exclude VAT.

Bernadette Finn - Associate Director

UK – BT Announces Price Changes

BT has announced that call set-up fee for non-inclusive calls from landlines and for non-inclusive Broadband Talk calls will increase from 6p to 7p per call. However, the current call set-up fee for BT Fusion, In-Contact Plus and Light User Scheme and BT Basic customers remains the same at 3p per call.

BT is also going to raise charges for the one-off calling feature services such as, dialling 1471, dialling 1571, ringback, reminder call and 3 way calling services. These are also taking effect on September 16th.

Teligen Comment:

This is an interesting move for BT. Since the liberalisation of the telecoms market BT has been under the watchful eye of Ofcom to keep its pricing competitive. However, in the last year or so BT has in fact been cheaper than its "cheap" rivals. Virgin and Sky already charge 7p call set-up charge and BT's evening calls are at 1.5p per minute against Virgin's 3p per minute.

Jóhanna Helgadóttir - Senior Consultant

Broadband

Belgium - Telenet Announces Changes to Broadband Packages

Telenet has announced an increase to ComforNet and ExpressNet download speeds to respectively 6Mbps instead of 4Mbps and 15Mbps instead of 10Mbps. At the same time, the monthly available volume has increased to 4GB for ComforNet, to 20GB for ExpressNet, to 25GB for ExpressNet Plus and to 60GB for TurboNet.

Telenet has also introduced lower prices for extra volume. Extra volume blocks of 150MB for FreeSurf, BasicNet and ComforNet dropped to EUR 0.23 (Incl VAT) and for Telenet Easy and Telenet Starter to EUR 0.15 (Incl VAT) per extra volume block of 100MB.

Nacera Touileb - Consultant



Sweden – Telia Launches Unique Subscription Service for Computer Games

The Swedish operator Telia has launched “Telia Game Subscription”. This new service allows customers to download them to their computers from Telia’s gaming portal and play as much as they want for a fixed monthly fee. This service is available to Telia customers and non customers alike.

Initially Telia is offering two packages “Telia Game Subscription Family” which includes over 100 games and “Telia Game Subscription Premium” which includes over 200 games at SEK99/month and SEK 189/month respectively.

Jóhanna Helgadóttir - Senior Consultant

Want up-to-date tariff information at the touch of button?

T-World Total is the most advanced information system and calculation tool of its kind. It will answer your questions about tariffs, their structures and levels. It will allow you to compare prices among operators and countries in customisable list formats. In addition it has an in-built Analyser, with an integrated global location database. It allows the user to show price developments of a call with duration, or a circuit with distance and it also allows easy calculation of national distances and corresponding circuit prices. With so much to offer this makes T-World Total the only choice for your market intelligence needs.

To find out more or to request a demonstration, http://www.teligen.com/t_world_total.asp