Communications Market Review

January – June 2008

Malta Communications Authority
Valletta Waterfront,
Pinto Wharf,
Floriana, FRN 1913
Malta

Tel: (+356) 2133 6840
Fax: (+356) 2133 6846
www.mca.org.mt

Contents

Executive Summary

The Malta Communications Authority (MCA) market reviews provide up-to-date quarterly information on key areas of the Maltese electronic communications industry, the postal sector, and e-commerce. Each review also provides a list summarising the main regulatory developments during the reference period.

As from this quarter the MCA is changing the reporting period of this bi-annual review to cover the periods January – June (report to be published by end September) and June – December (report to be published by end March). The MCA believes that this change in reporting periods would be more meaningful for data reporting requirements. The MCA is shortening as much as possible the timeframe for publishing this report (D+90) in order to give a more updated picture of market developments at shorter intervals.

Market Update: Q2 2008

This document covers market and regulatory developments for the period April to June 2008, namely Quarter 2 (Q2) 2008. It provides key indicators on fixed and mobile telephony, broadcasting, internet, post, and consumer affairs. The document then looks at the main regulatory developments in the period under consideration. E-Commerce will be featured in the next review when new survey results will be available.

Data in the statistical annex to this document covers the period starting Q1 2005 up to Q2 2008.

Fixed line telephony

Fixed line subscribers reached 235,795 by the end of Q2 2008, an increase of 1,760 over the previous quarter. On the other hand, outgoing fixed line traffic for Q2 2008 reached 142,852,059 minutes, a figure which is slightly less than that registered in the previous quarter.

During Q2 2008, approximately 1,428 fixed line number portings had been registered.

Mobile telephony

Mobile subscribers reached 374,507 by the end of June 2008, an increase of 2,498 over the previous quarter. Subscribers on a postpaid plan reached 44,287 (11.8% of total), whereas subscribers on a prepaid plan reached 330,220 (88.2% of total).

In line with the increase in mobile subscriptions, the mobile penetration rate went up to 91.3% for Q2 2008. This is 0.6 percentage points higher than in Q1 2007.

Outgoing mobile traffic increased from 60,244,895 minutes in Q1 2008 to 60,959,169 minutes in Q2 2008. On the other hand, SMS declined from 126,680,802 in Q1 2008 to 124,987,412 in the following quarter. MMS traffic also declined during the same period, going down by 17,820 units, representing a fall of 17.1%.

Meanwhile, average revenue per mobile user (ARPU) went up by €5.75 from €65.29 in Q1 2008 to €71.04 in Q2 2008.

During Q2 2008, approximately 3901 mobile number (inward) portings had been reported.

Roaming

Voice traffic originated by Maltese mobile subscribers while roaming abroad reached 1,062,114 minutes in Q2 2008, up from 957,966 minutes registered in the previous quarter.

Correspondingly, total minutes received while roaming in Q2 2008 reached 658,365, up from 582,115 minutes registered in Q1 2008.

Broadcasting

Digital and analogue television subscribers reached 67,134 and 57,541 respectively. Digital TV connections increased when compared to the previous quarter, up from 62,307. On the other hand, analogue TV connections declined by 2,165.

Internet

Subscribers to the Internet reached 96,709 by the end of Q2 2008, an increase of 2.1% over the previous quarter. This change reflects an increase of 2,590 broadband connections which outweighed a decline of 613 dial-up connections.

The MCA notes that as from Q1 2008 it has started defining narrowband subscribers as those having an active dial-up connection. This allows for a more realistic picture of narrowband usage in Malta.

Post

Total mail volumes handled in Q2 2008 declined when compared both to the previous quarter and the corresponding period in 2007.

Quality of Service (QoS) delivery targets on the next day (*D+1*) set by the MCA for the delivery of local ordinary mail (D+1 target: 92%), registered mail (*D+1* target: 97%), bulk mail (*D+1* target: 93%), and inbound priority parcels (*D+1* target: 97%), were all reached by Maltapost.

Consumer affairs

The MCA received 54 complaints in relation to the electronic communications sector and post during Q2 2008. These regarded concerns on quality of service (QoS), internet speed, customer service, offers and practices, migration from one service provider to another, contractual matters, billing, electromagnetic fields, and interference.

Chapter 1 Fixed Line Telephony

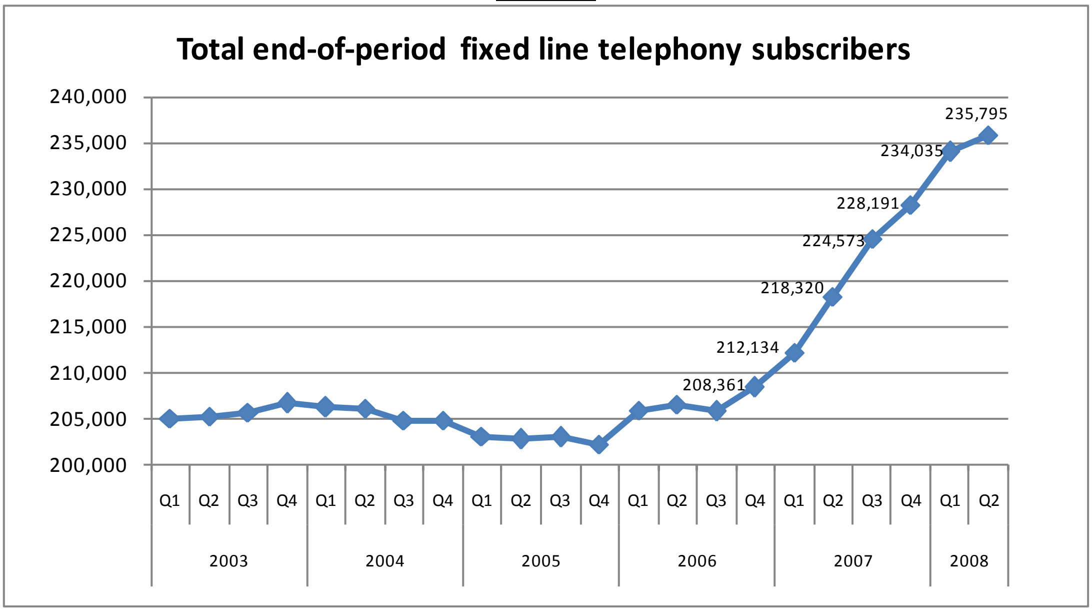
1.1 Fixed line telephony[1]

The fixed line market is characterised by a number of operators, namely the incumbent PSTN operator, GO plc.; the incumbent cable operator, Melita plc., operating a Voice over Broadband (VOB) service; Vodafone (Malta) Ltd, operating a VOB service over its WiMAX network; and a carrier pre-selection operator Sky Telecom Ltd. hosted by GO Plc.

1.2 Fixed line subscriptions

Fixed line telephone operators registered 235,795 subscriptions in Malta as at the end of Q2 2008. This is 0.90 per cent higher than that registered as at the end of Q1 2008.

Chart 1



The number of fixed line telephone subscribers at the end of Q2 2008 was up by nearly 17,475 when compared to the corresponding observation date in 2007. This represents an 8 percentage point increase in fixed line subscriptions.

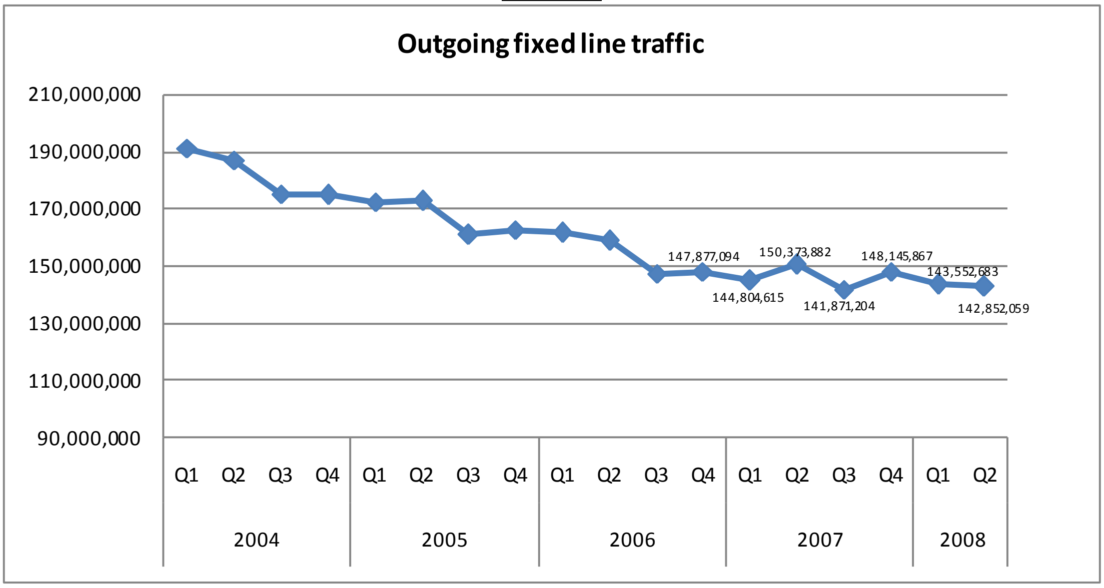
Market shares (based on subscriptions) as at the end of the reference period were as follows: Go plc. at 80.15%, Melita plc. (Hello) at 18.50%, Sky Telecom Ltd. at 1.16%, and Vodafone (Malta) Ltd. at 0.2%.

1.3 Outgoing fixed line traffic (minutes)

Outgoing fixed line traffic has been on the decline over the last few years. This downward trend was also observed in Q2 2008 (see Chart 2 below). Traffic during this quarter was approximately 0.49% lower than in Q1 2008 and 5% lower than that registered in Q2 2007, the latter comparison representing a decline of 7.52 million outgoing fixed line minutes.

[1] Fixed line telephony comprises calls originating from publicly available telephone services provided at a fixed location.

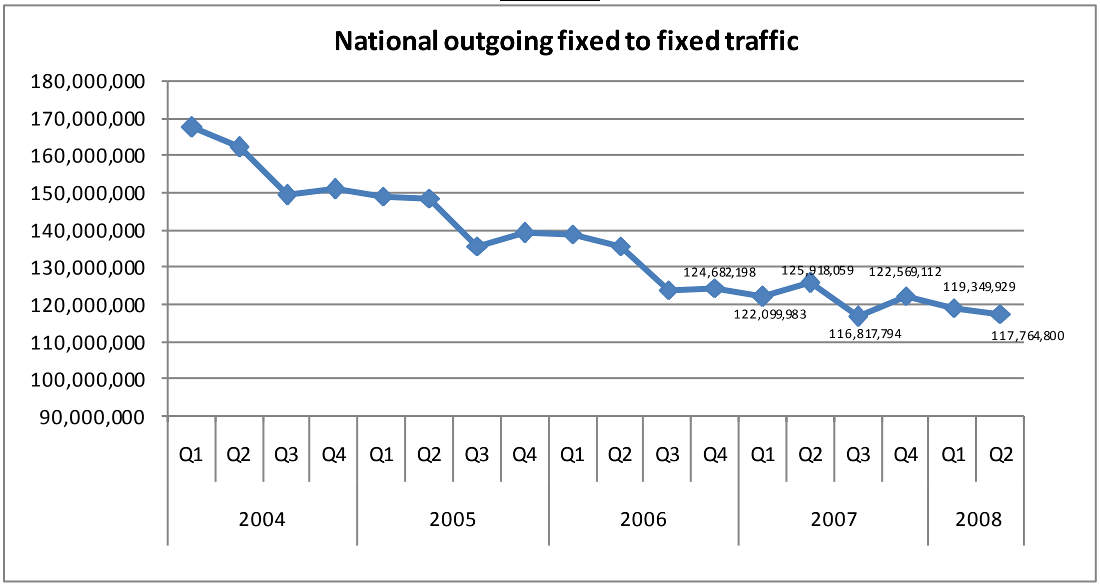
<u>Chart 2</u>



1.4 National outgoing fixed to fixed traffic (minutes)

During Q2 2008, national outgoing fixed to fixed traffic was 1.33% lower than in Q1 2008 and 3.92% lower when compared to traffic reported for Q4 2007.

<u>Chart 3</u>

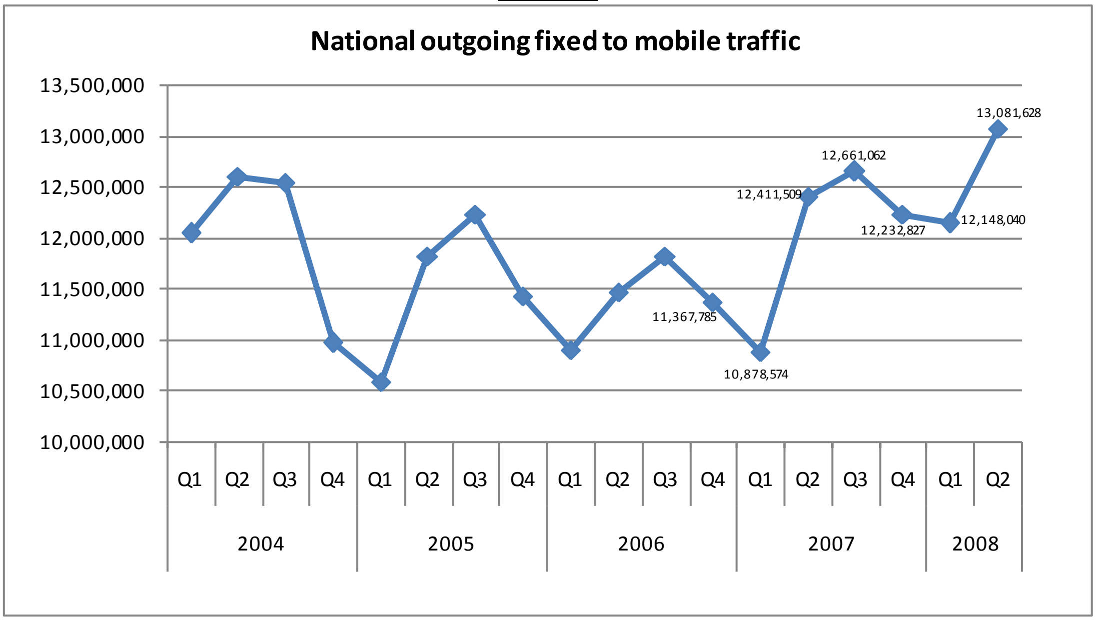


1.5 National outgoing fixed to mobile traffic (minutes)

Chart 4 underlines the seasonal nature of outgoing fixed to mobile traffic. Generally, such traffic peaks on Q3 of each year, subsequently reaching its lowest point in Q1 of the following year.

Fixed line originating traffic terminating on mobile networks reached 13,081,628 during Q2 2008, the highest ever registered for Q2 of any particular year.

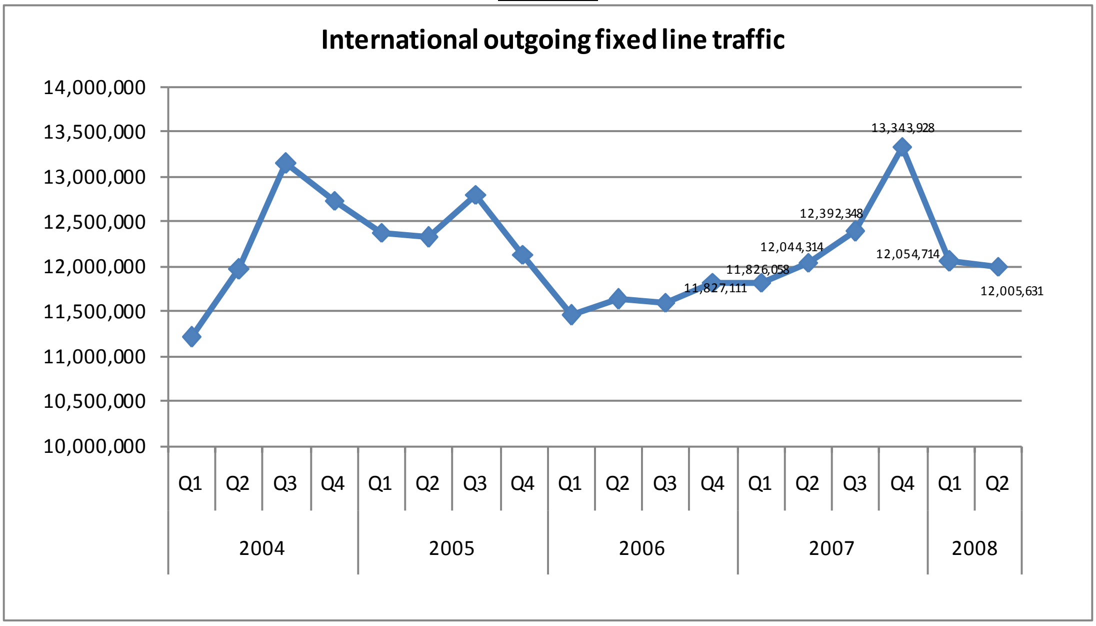
Chart 4



1.6 International outgoing fixed line traffic

This indicator covers the effective fixed line traffic originating in Malta to destinations outside the country. It is reported in number of minutes terminated on international fixed and mobile networks[2].

Chart 5



International outgoing fixed line traffic during Q2 2008 is approximately 0.41% lower than that registered in the previous quarter and 0.32% lower than that observed in Q2 2007.

[2] This indicator sums international outgoing fixed traffic (minutes) reported by Go plc., Melita plc., Sky Telecom Ltd., Vodafone (Malta) Ltd., and third party ISPs.

Chapter 2 Mobile Telephony

2.1 Mobile telephony

During the period under review, mobile telephony in Malta was characterised by two mobile network operators (MNOs), namely Mobisle Communications Ltd and Vodafone (Malta) Ltd. Both MNOs provide 2G and 3G services.

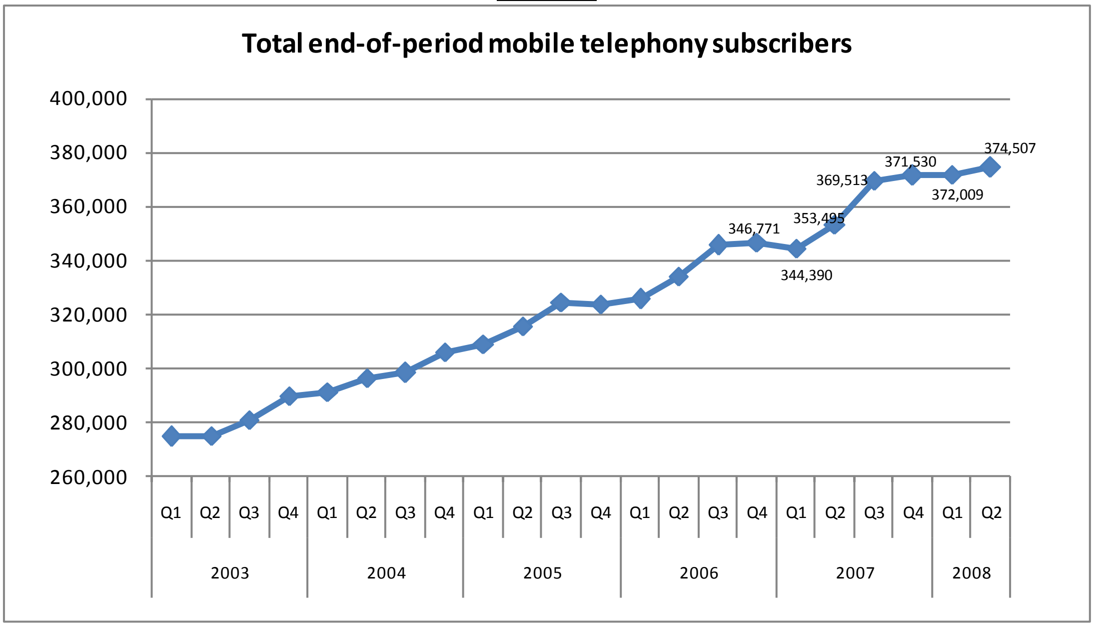
As at the end of Q2 2008 the market shares of mobile subscriptions were as follows: Vodafone (Malta) Ltd. 52.36%, Mobisle Communications Ltd. (Go Mobile) 47.64%.

2.2 Mobile subscriptions

Local mobile subscriptions reached 374,507 by the end of June 2008. This figure is 0.67% higher than that registered by the end of March 2008.

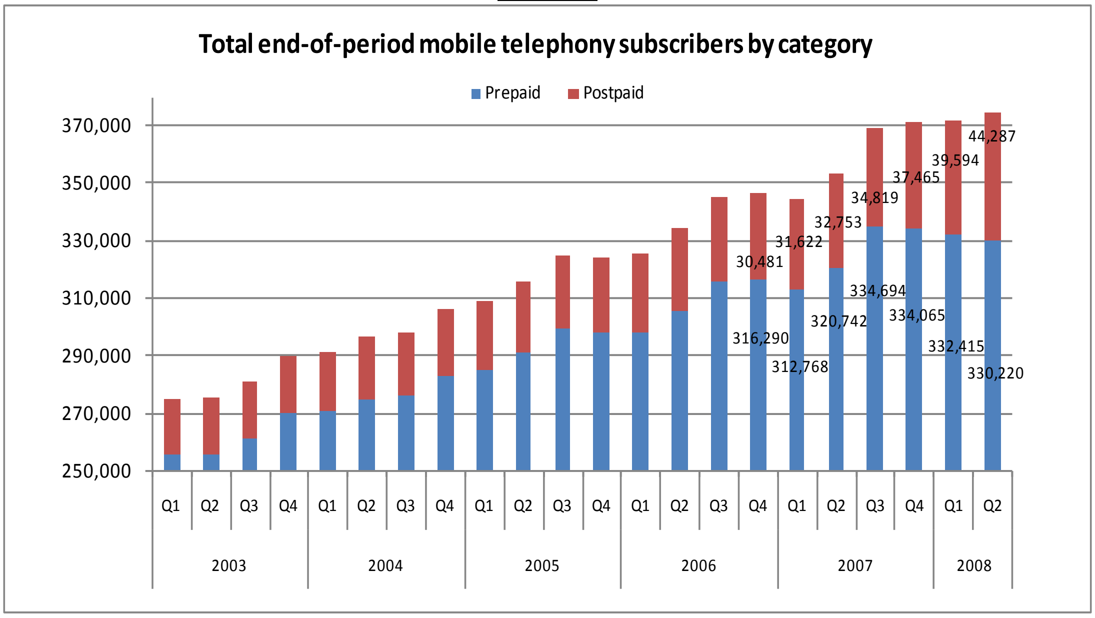
In comparison to the corresponding observable date in 2007, mobile subscriptions as at the end of Q2 2008 were 5.94% higher.

Chart 6



Out of the 374,507 mobile subscribers registered at the end of March 2008, over 88% were on a prepaid tariff plan. Although prepaid schemes remain by far the most popular type of mobile connection, postpaid connections stood at 44,287 as at the end of Q2 2008, representing an increase of 4,693 connections since the end of March 2008.

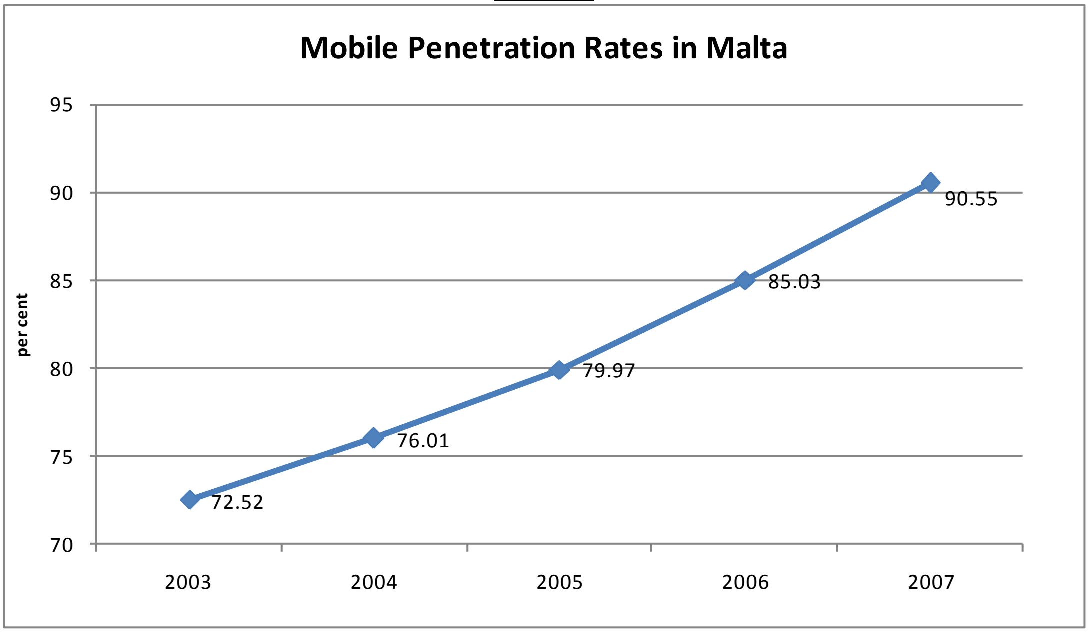
Chart 7



2.3 Mobile penetration rates

As at the end of 2007, the total population in Malta (includes Maltese & foreigners residing in Malta) was 410,290[3]. This results in a mobile penetration rate of approximately 90.55%[4] for 2007.

Chart 8

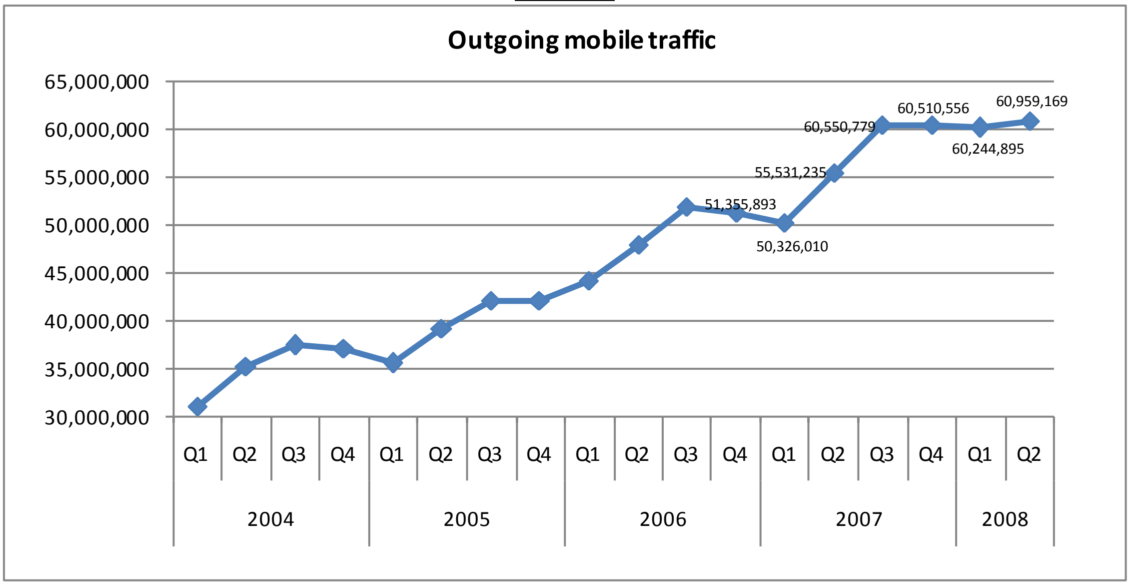


[3] Data obtained from the 'Demographic Review' published by National Statistics Office (NSO) on a yearly basis.
[4] This refers to the proportion of active lines (made/received calls within last 90 days), in relation to the total Maltese population.

2.4 Outgoing mobile traffic

Growth in outgoing mobile traffic continued during Q2 2008.

Chart 9



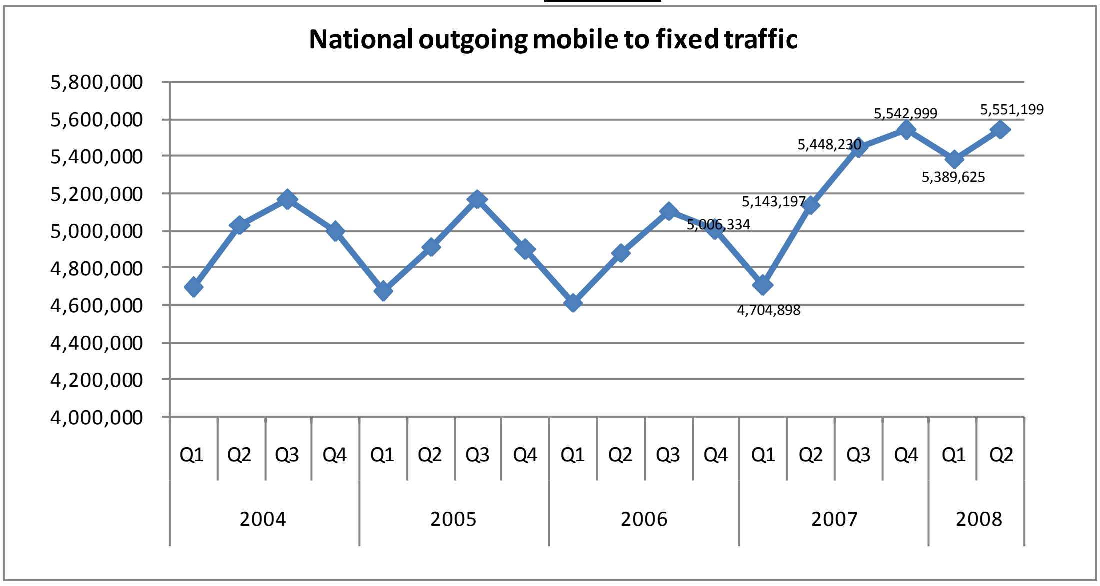
The total number of minutes made by mobile subscribers in Q2 2008 amounted to 60,959,169. This represents a 1.19% increase over the previous quarter, and a remarkable 9.77% over Q2 2007.

2.5 National outgoing mobile to fixed traffic (minutes)

Outgoing mobile traffic to fixed networks is seasonal in nature (see Chart 10 below).

As expected, outgoing mobile traffic to fixed traffic in Q2 2008 was higher than that reported in the previous quarter. More significantly, traffic during Q2 2008 was well above average in comparison to the reference period in the preceding years.

Chart 10

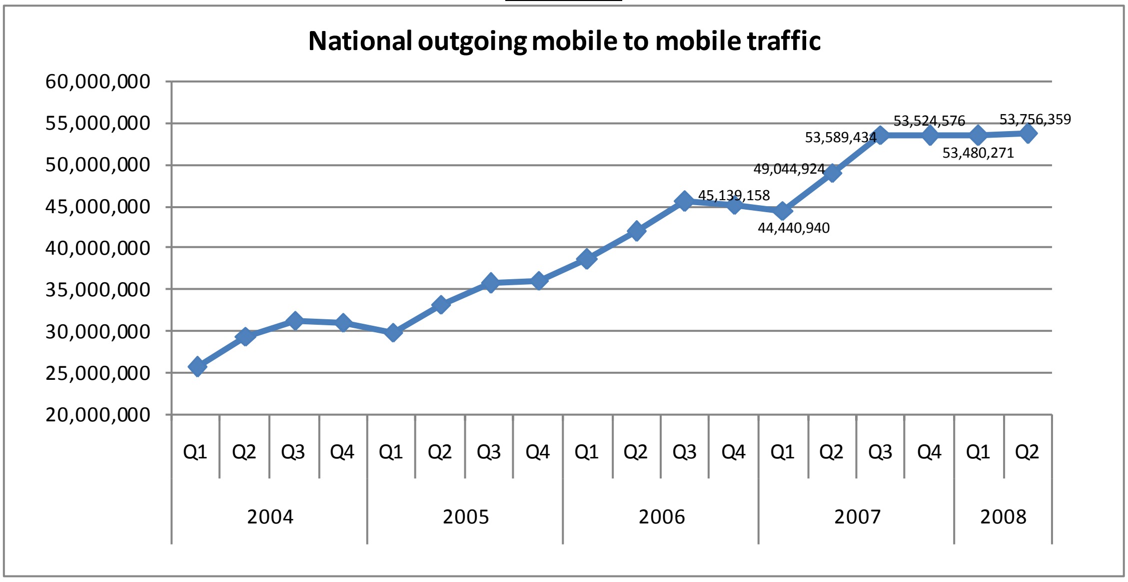


Year-on-year, outgoing mobile traffic to fixed networks in Q2 2008 was 7.93% higher than that observed in Q2 2007.

2.6 National outgoing mobile to mobile traffic (minutes)

No significant changes have been reported for this indicator over a 12-month period. Mobile to mobile traffic during Q2 2008 was only marginally higher than that recorded in the previous quarter. In comparison to Q2 2007, outgoing mobile to mobile traffic registered in Q2 2008 increased by 9.61%.

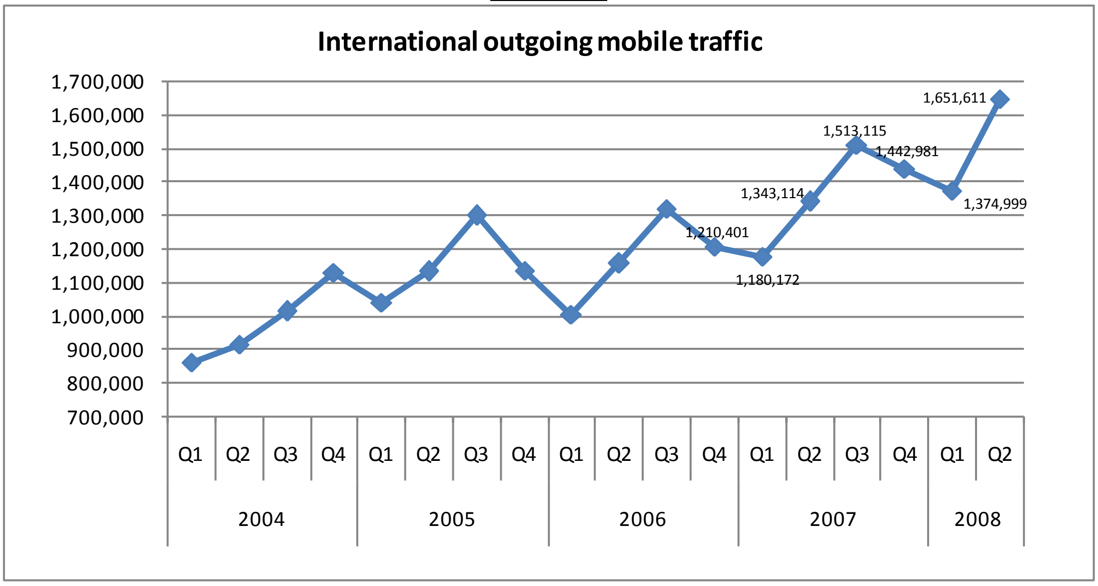
Chart 11



2.7 International outgoing mobile traffic

Chart 12 shows that international traffic originated from local mobile networks registered in Q2 2008 was 20.12% higher than that registered in the previous quarter. This was however expected given the underlying upward trend observed for such traffic and the seasonal nature of this indicator.

Chart 12



2.8 Outgoing SMS traffic

Approximately 125 million text messages were sent between April and June 2008. The volume of text messages declined by approximately 1,693,390 compared to the previous quarter (Q1 2008).

Nonetheless, the number of text messages sent during Q2 2008 was 3.47% higher than the number of text messages sent during the corresponding period in 2007.

Chart 13

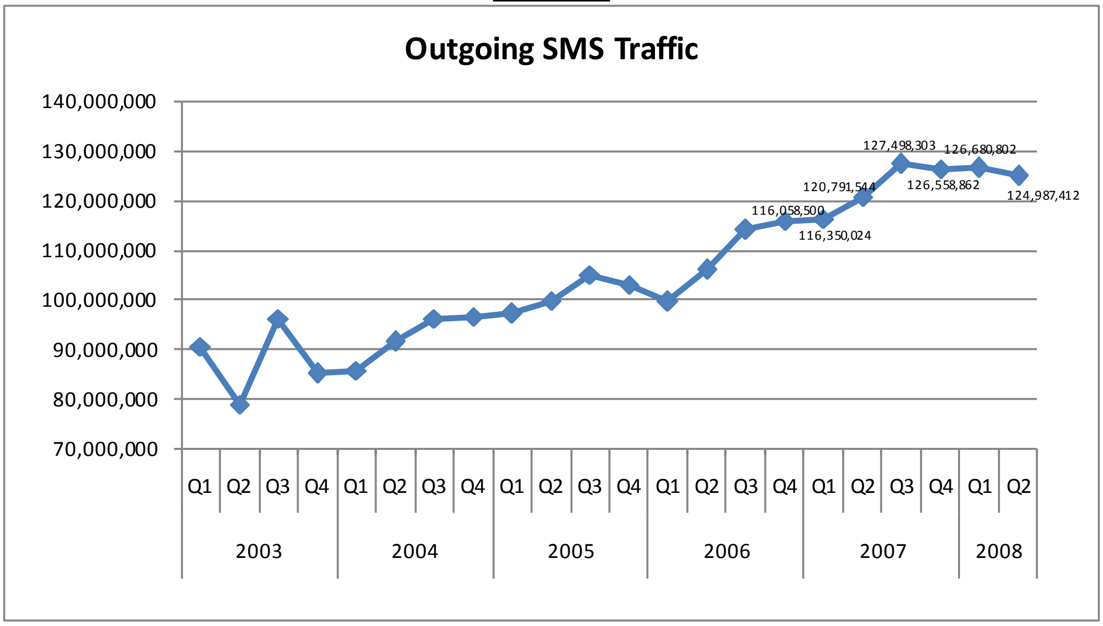
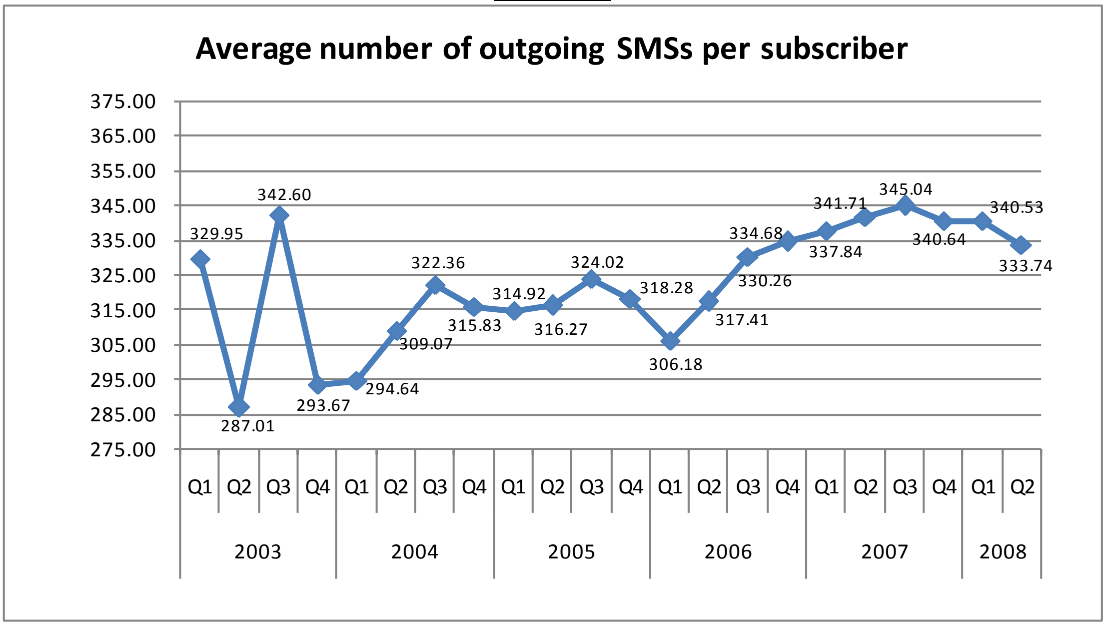


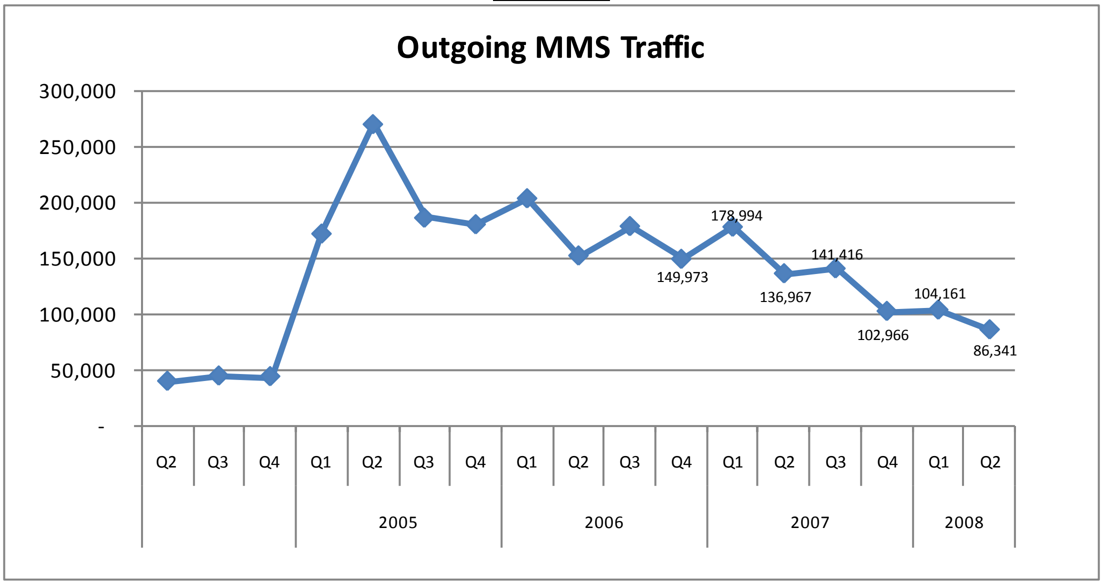
Chart 14



2.9 Outgoing MMS traffic

Approximately 86,341 multimedia messages (MMS) were sent between April and June of 2008.

Chart 15



In comparison to Q2 2007, the number of MMSs sent by local mobile subscribers declined by approximately 50,626 or 36.96%.

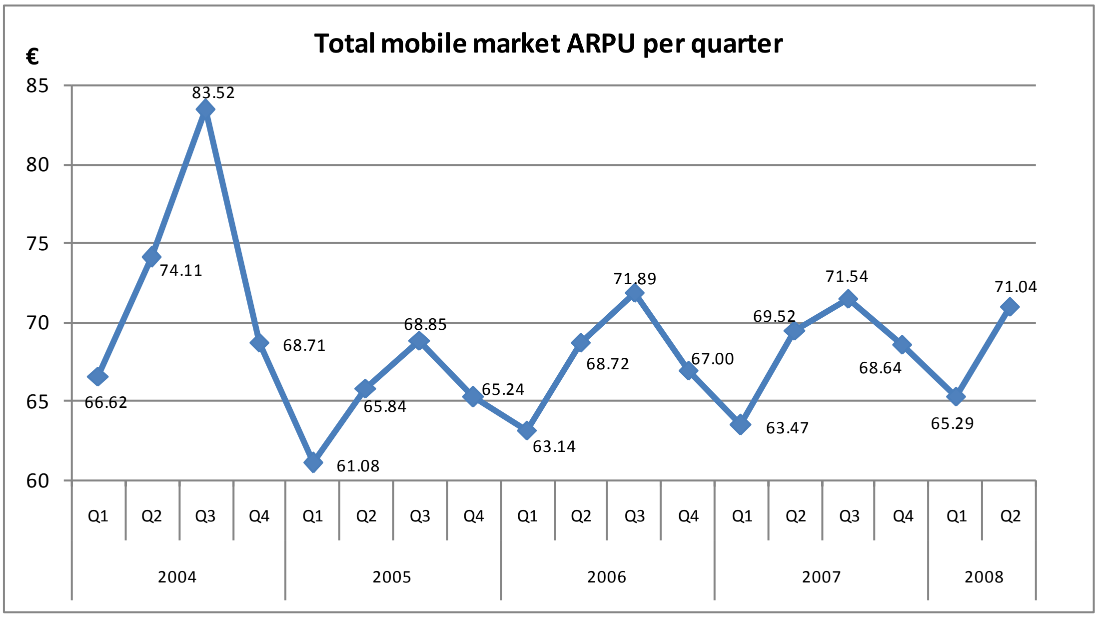
2.10 Average revenue per user (ARPU)

ARPU statistics include revenues generated from outgoing and incoming traffic plus outbound roaming revenues, divided by the number of active mobile subscribers during the quarter. Local ARPU figures are depicted in the Charts below.

Chart 16 depicts the total ARPU per quarter for the period 2004 – Q2 2008 taking into account both prepaid and postpaid subscribers.

In line with seasonal fluctuations, average ARPU for the market experienced an increase in Q2 2008, from €65.29 in the previous quarter to €71.04. This is slightly higher than the average ARPU for Q2 2007, which stood at €69.52.

Chart 16



Seasonal patterns can also be observed in Chart 17 and 18. The maximum prepaid yearly ARPU is reached during Q3 of each year, whereas postpaid ARPU reaches its maximum for the year in Q2.

Chart 17

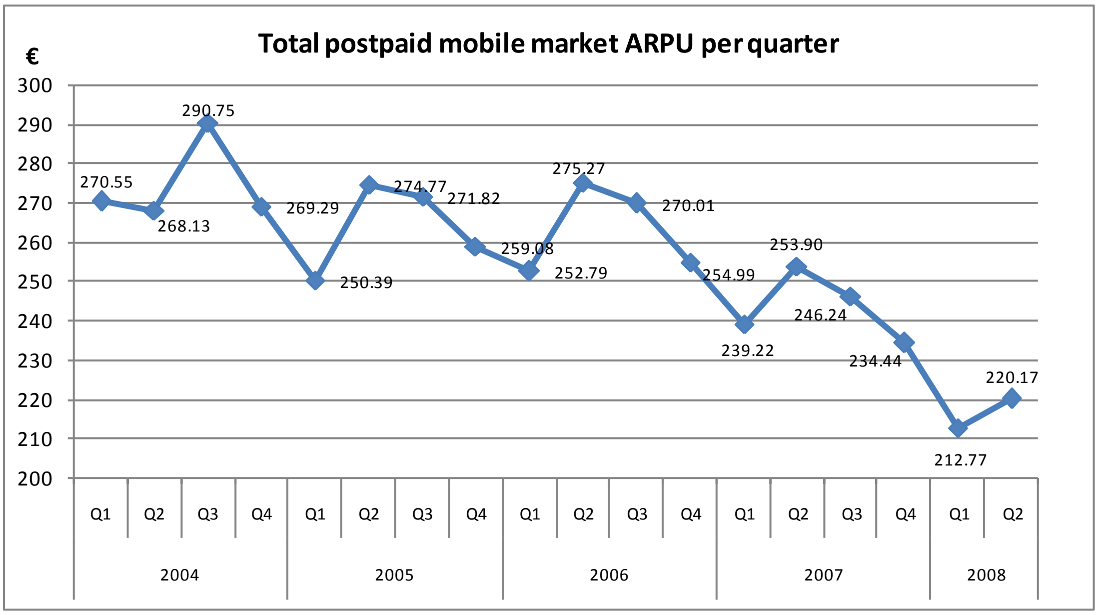
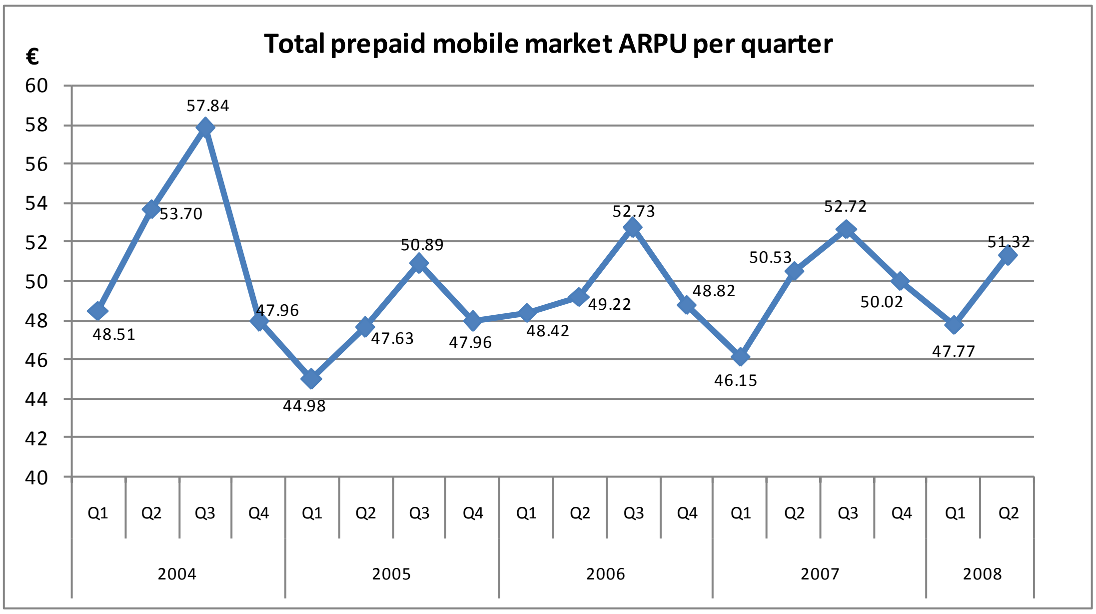


Chart 17 exhibits a downward trend with seasonal fluctuations that seem to be accentuating themselves with time. However, in line with seasonal patterns, the postpaid mobile ARPU for the market increased from €212.77 in Q1 2008 to €220.17 in Q2 2008.

Chart 18



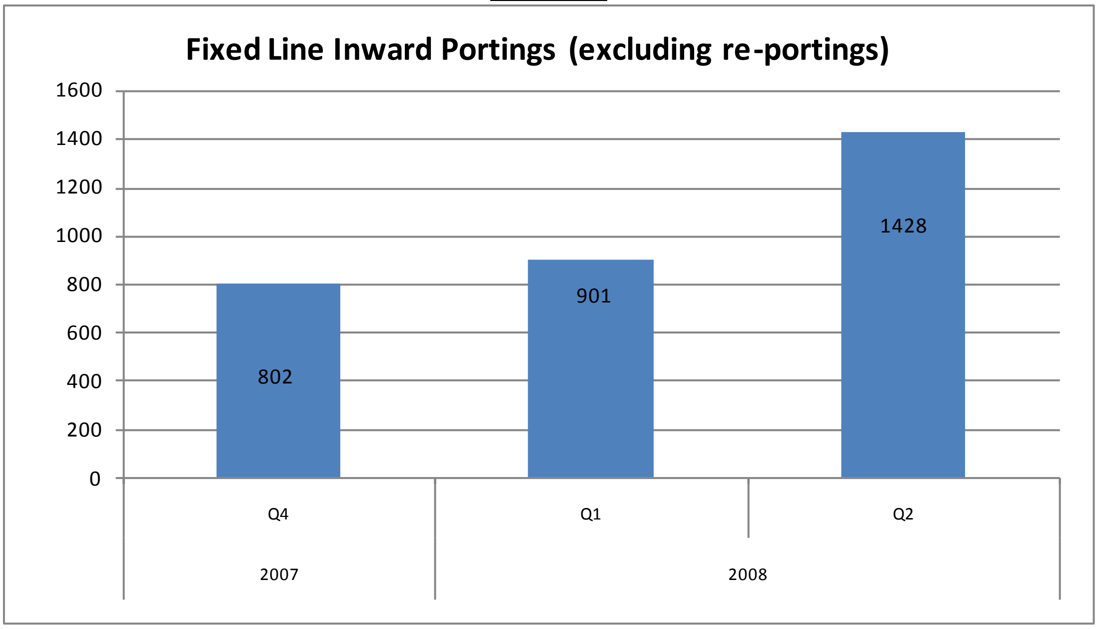
The prepaid mobile market ARPU also increased from €47.77 in Q1 2008 to €51.31 in Q2 2008. Furthermore, ARPU for Q2 2008 is slightly higher than that observed in the corresponding quarter of the previous year.

Chapter 3 Number Portability

3.1 Fixed line number portability[5]

During Q2 2008, 1428 fixed line number portings (excluding re-portings) have been reported. Chart 19 shows that the number of fixed line portings has been increasing quarter on quarter.

Chart 19

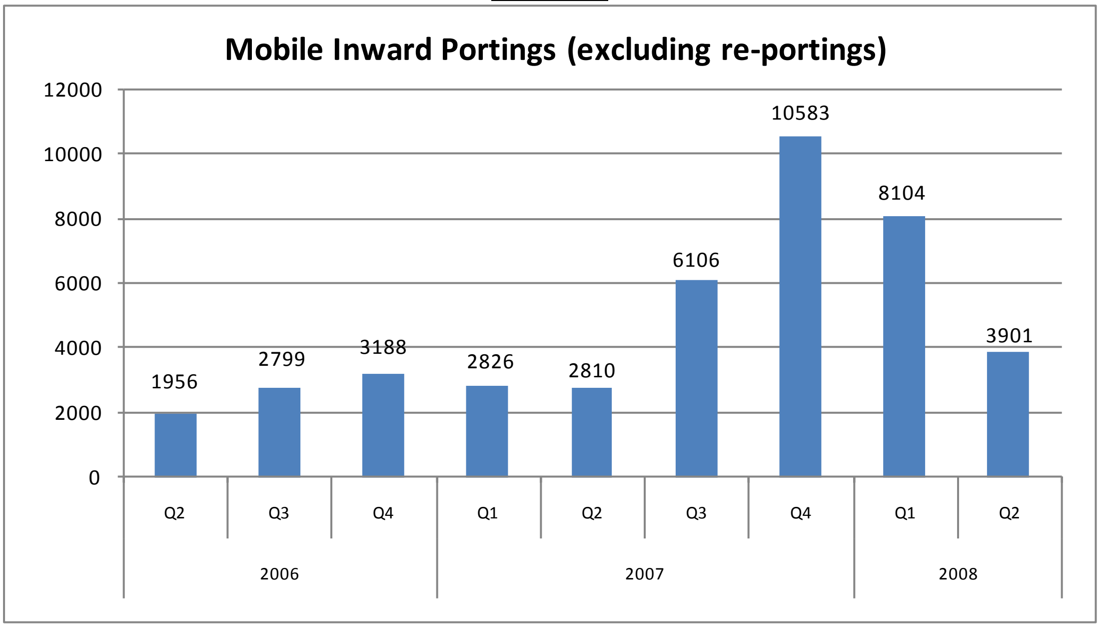


[5] Fixed line number portability is a service that allows fixed line telephone subscribers to keep their telephone number when changing their service provider. Fixed line portability was possible as from February 2007, when the Hello fixed line telephony service was introduced in the market.

3.2 Mobile number portability[6]

Mobile number portings declined for two quarters in a row. Whilst in Q4 2007, 10,583 mobile number portings have been reported, the amount of mobile number portings declined to 3,901 in Q2 2008.

Chart 20



However, it is important to note that in Q4 2007 the number of portings has been influenced positively with the greater number of promotions that both mobile operators launched during the Christmas period.

[6] Mobile number portability was introduced in April 2006, as a facility enabling mobile users to retain their telephone number when changing their mobile operator.

Chapter 4 Roaming

4.1 Roaming activity[7]

Voice traffic generated by Maltese residents roaming abroad, depicted in Chart 21, shows an upward trend with seasonal spikes in Q3 of each year. Total minutes originated while roaming abroad reached 1,062,114 for the period April to June (Q2) 2008. This figure is 19.68% higher than that registered during the corresponding period in 2007.

Chart 21

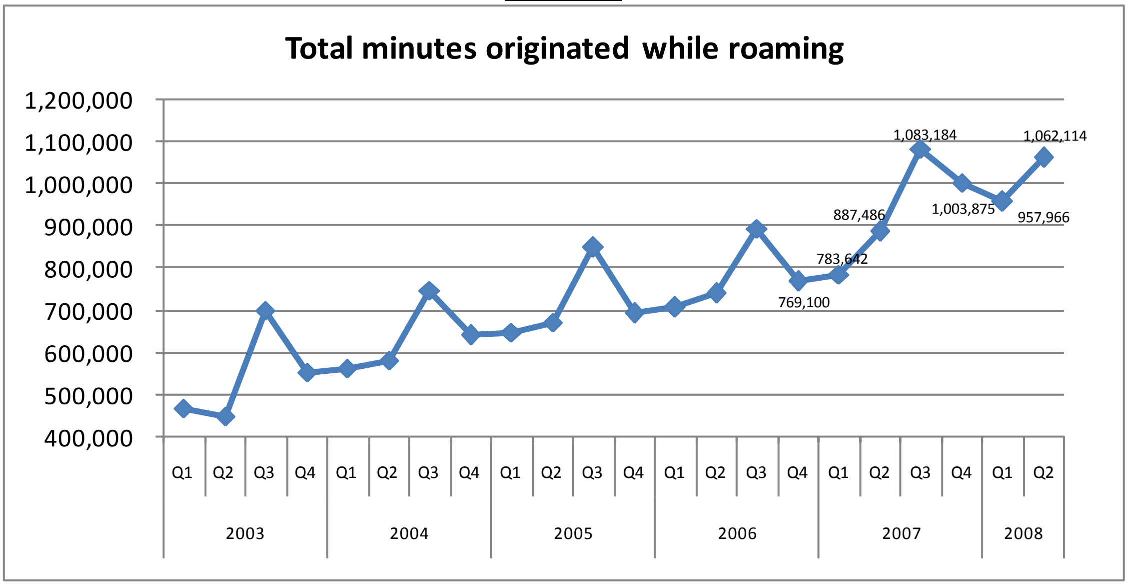
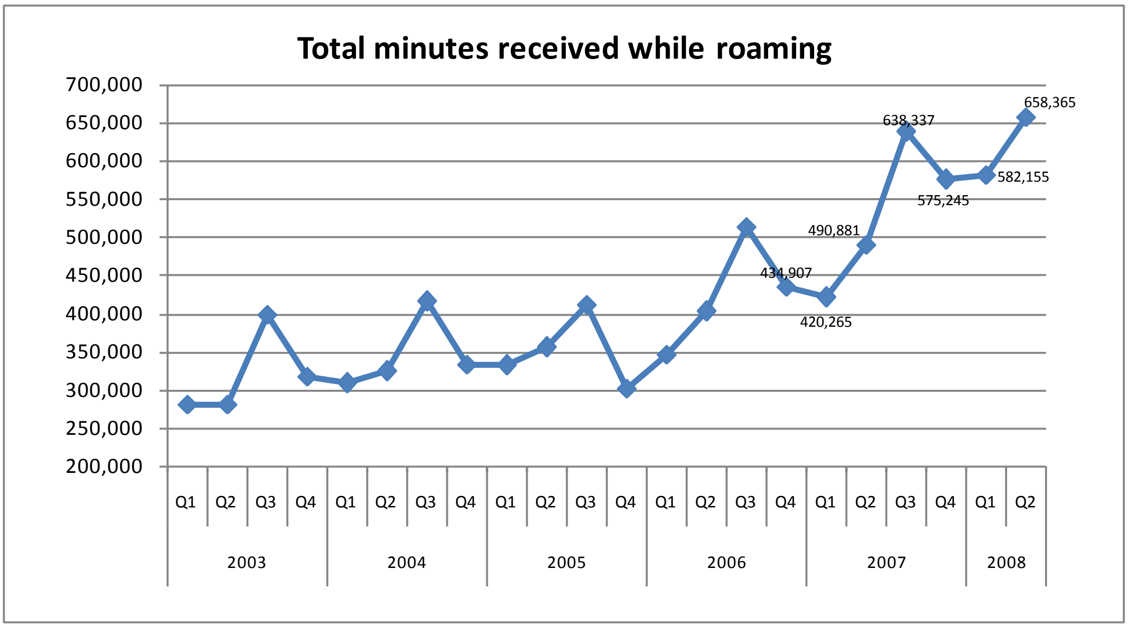


Chart 22



[7] Refers to activity by domestic subscribers generated on foreign networks.

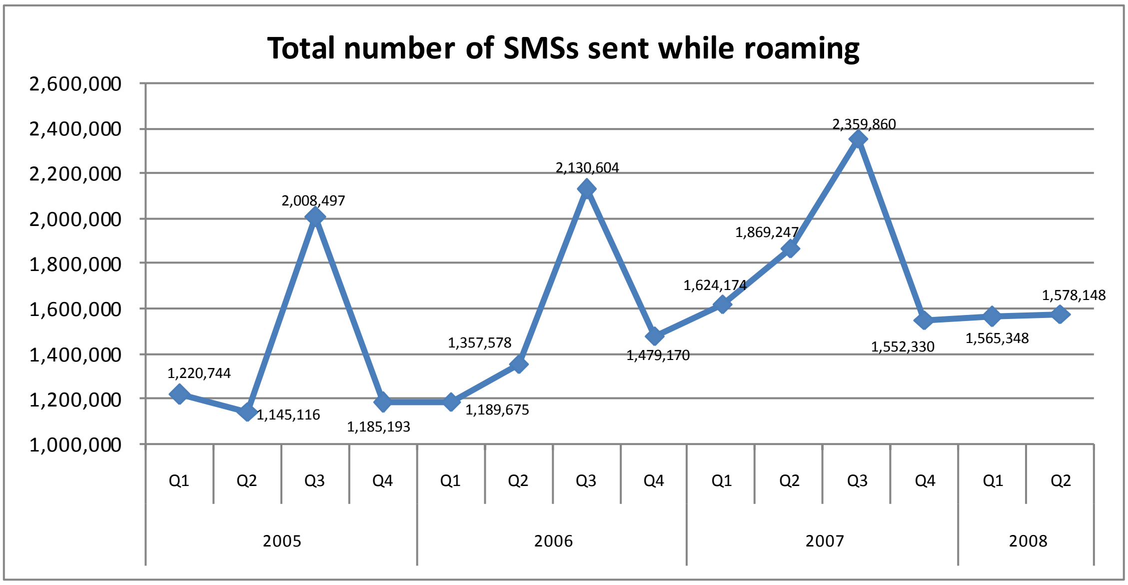
Chart 22 illustrates roaming traffic terminating on local subscribers when travelling abroad. Again, significant seasonal spikes can be observed during the third quarter of each year. Further to the seasonal element, Chart 22 exhibits an underlying upward trend in total minutes received by roamers starting as from 2003.

Total minutes received while roaming in Q2 2008 stood at 658,365 i.e. 34.12% higher than in Q2 2007.

4.2 Outgoing SMSs while roaming

Chart 23 depicts the number of SMSs originated by local subscribers when roaming abroad. In line with observations for voice call traffic volumes while roaming, seasonal spikes can be observed for Q3 of each year. Chart 23 also suggests an underlying upward trend in the total number of SMSs sent by local subscribers while roaming.

Chart 23



SMSs sent while roaming in Q2 2008 increased by 12,800 or 0.81% over the previous quarter. However, compared to Q2 2007, roaming SMSs declined by approximately 291,099 or 15.57%.

4.3 Inbound Roaming (Visitors)[8]

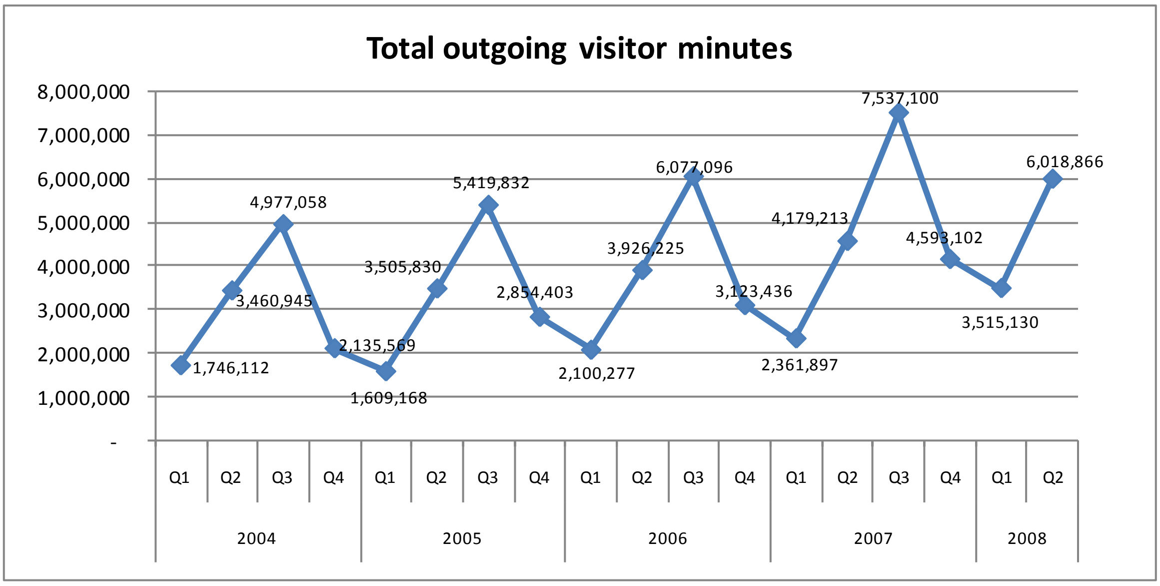
Voice traffic originated by foreigners roaming on domestic mobile networks, depicted in Chart 24, exhibits an upward trend with distinct seasonal fluctuations that seem to be accentuating themselves with time.

Q2 2008 registered an increase of 1,839,653 minutes, equivalent to an increase of 44%, when compared to the same period of 2007.

In line to seasonal fluctuations, roaming voice traffic originated by foreigners in Q2 2008 increase substantially when compared to the previous quarter.

[8] This refers to activity by foreign mobile telephony subscribers (also referred to as visitors), generated on domestic networks.

Chart 24



Incoming visitor minutes, shown on Chart 25, display similar trends to those featured for outgoing visitor minutes. In fact, Chart 25 exhibits a similar upward trend marked by seasonal fluctuations.

Q2 2008 registered an increase of 947,880 minutes, equivalent to 34.94%, when compared to the same period of 2007.

On a quarterly basis, roaming voice traffic originated by foreigners in Q2 2008 increased by 58.45% compared to Q1 2008. Again, this increase could be explained by the seasonality of this variable.

Chart 25

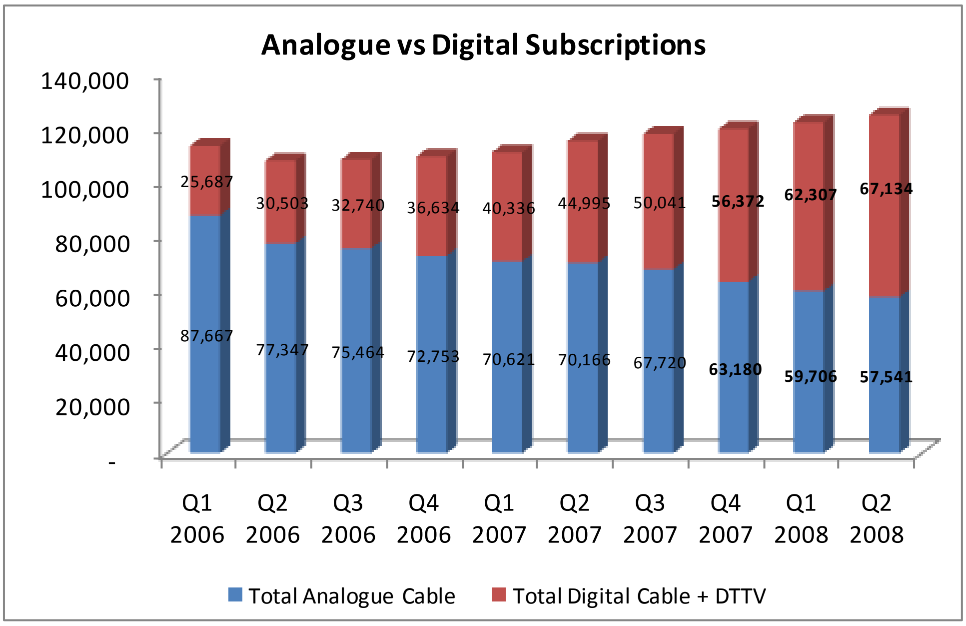
Chapter 5 Broadcasting

Broadcasting in Malta is characterised by digital television broadcasts, namely digital terrestrial television (DTTV) provided by GO plc., and digital cable provided by Melita plc. Melita also offers an analogue cable service.

5.1 Analogue and digital television subscriptions

At the end of March 2008, there were 124,675 registered subscribers for analogue and digital television. This represents an increase of 2,662 or 2.18% since April 2008. Periodic movements in the subscriber base for analogue and digital TV are shown in Chart 26 hereunder.

Chart 26



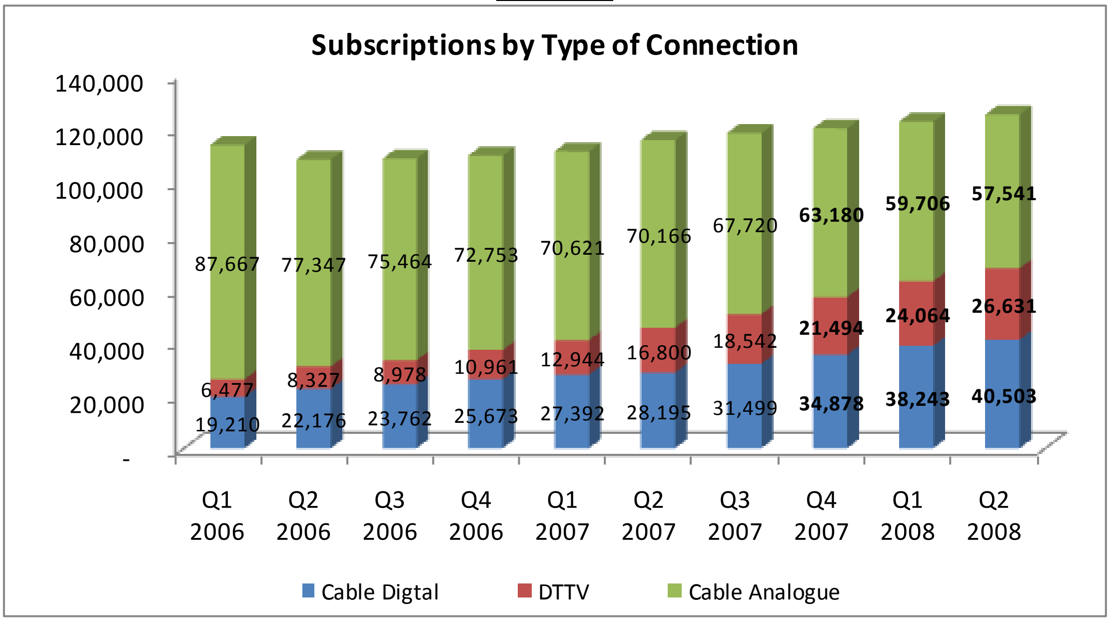
The trend indicates that overall the market for pay television subscriptions is increasing quarter upon quarter. It is interesting to note that digital television subscriptions have surpassed the amount of analogue television subscriptions, suggesting a strong shift by consumers from analogue cable to digital TV. This market outcome was expected given the efforts of the two network operators to push the take-up of digital television by offering increased channels, free set-top boxes, and other price reductions through special offers.

5.2 Television Subscription by Type

Chart 27 depicts the number of cable digital and digital terrestrial connections as well as the analogue cable connections. The two digital platforms registered strong growth during the past 6 months. Digital cable subscriptions increased by 2,260 or 5.91% since January 2008, whilst the digital terrestrial provider increased its subscribers by 2,567 or 10.67% during the same period.

Conversely, analogue cable subscriptions decreased by 2,165 or 3.63% in the last two quarters. This negative trend is expected to continue in the future as more customers opt to switch their analogue cable connection with one of the digital connections available.

Chart 27



Chapter 6 Internet

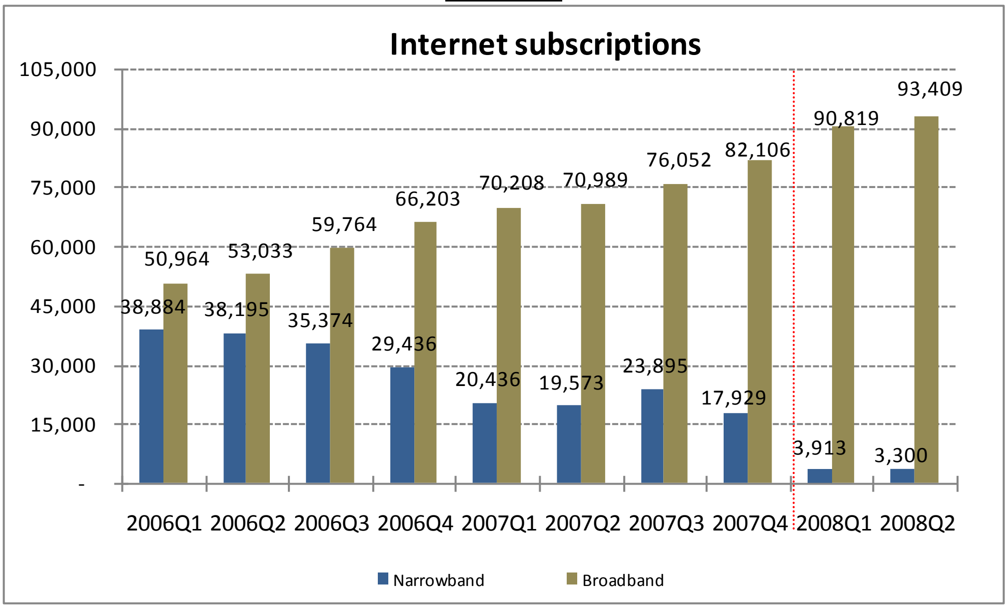
6.1 Internet subscriptions

Internet connections are made up of broadband and narrowband connections. For the purpose of this report broadband includes all the connections which are always-on and have a speed of 144kbps or more, whilst narrowband connections include connections which are not always-on (i.e. requires calling an Internet number) and have speeds less than 144kbps.

As at the end of June 2008, the total number of Internet subscriptions amounted to 96,709. This amount is split between 93,409 broadband connections[9] and 3,300 active narrowband (dial-up) connections. Since the end of December 2007, broadband subscriptions increased by 11,303 which is nearly equivalent to a 14% growth rate.

Conversely, narrowband connections decreased from 3,913 as at the end of Q1 2008 to 3,300 as at the end of Q2 2008.

Chart 28



As at the end of Q2 2008 the broadband penetration rate per population stood at 22.77%. The Internet penetration rate per population stood at 23.57%[10].

6.2 Change in Narrowband Statistics

Up till Q4 2007, narrowband statistics did not differentiate between active and inactive dial-up subscriptions, thereby contributing to a significant overestimation of the respective figures. The situation was however rectified. Since Q1 2008, narrowband statistics only take into account 'active' narrowband subscriptions, including only those subscribers that have made at least one call to any Internet number (2188 or 2186

[9] Broadband statistics have been updated on the 11th of November 2008, in line with amendments for the WiMAX subscriber base as published by Vodafone Malta.

[10] This figure does not necessarily correspond to the number of Internet users. An Internet connection is most of the time accessed by several users.

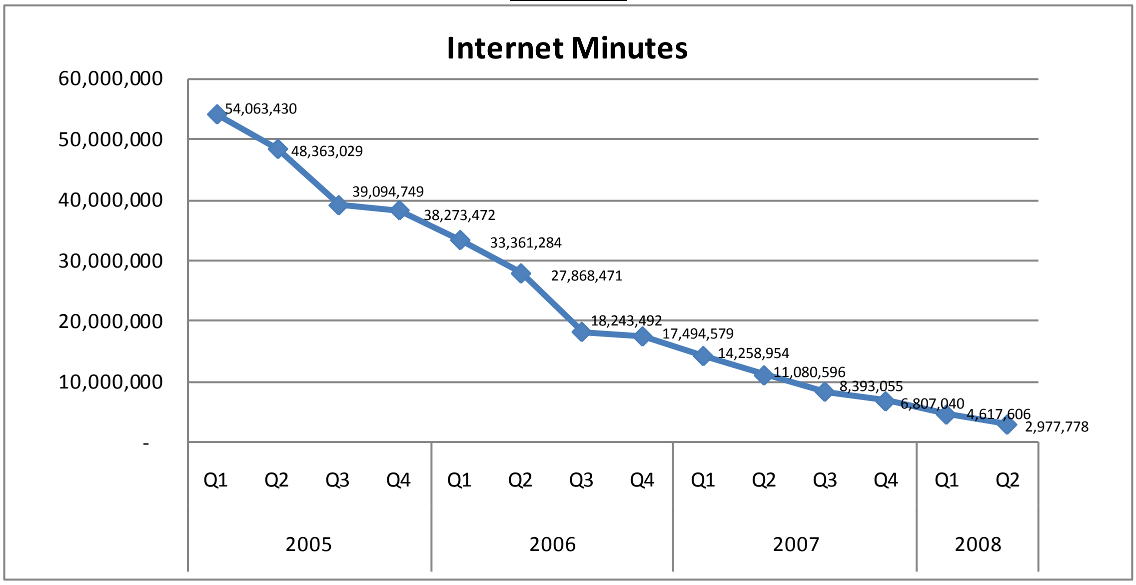
number) during the month[11]. This implies that only those dial-up subscriptions which have been used recently are considered as being active Internet connections.

The dotted red line in the Chart 28 denotes the start of a new series for narrowband users.

6.3 Dial-up Internet Minutes

Internet minutes continued with their sharp decline in Q2 2008. This decline is in line with the reduction in dial-up subscribers being observed quarter on quarter. Based on the number of dial-up minutes and subscribers, the average dial-up subscriber made use of the Internet for approximately 5 hours per month during Q2 2008, down from 6.5 hours recorded in the previous quarter.

Chart 29



6.4 Broadband connections by type and speed[12]

As at the end of June 2008 there were 93,409 broadband connections, of which 51.85% were cable connections, 45.96% DSL connections and the remaining 2.19% were WiMAX connections. Cable and DSL broadband connections registered strong growth in the past six months, although cable gained more connections than DSL.

[11] This new definition adopted by the MCA is not based on any official definition of narrowband services, and is only intended to provide a more accurate figure of active Internet subscriptions in Malta. Other organisations may adopt different definitions and statistics.

[12] Broadband statistics have been updated on the 11th of November 2008, in line with amendments for the WiMAX subscriber base as published by Vodafone Malta.

Chart 30

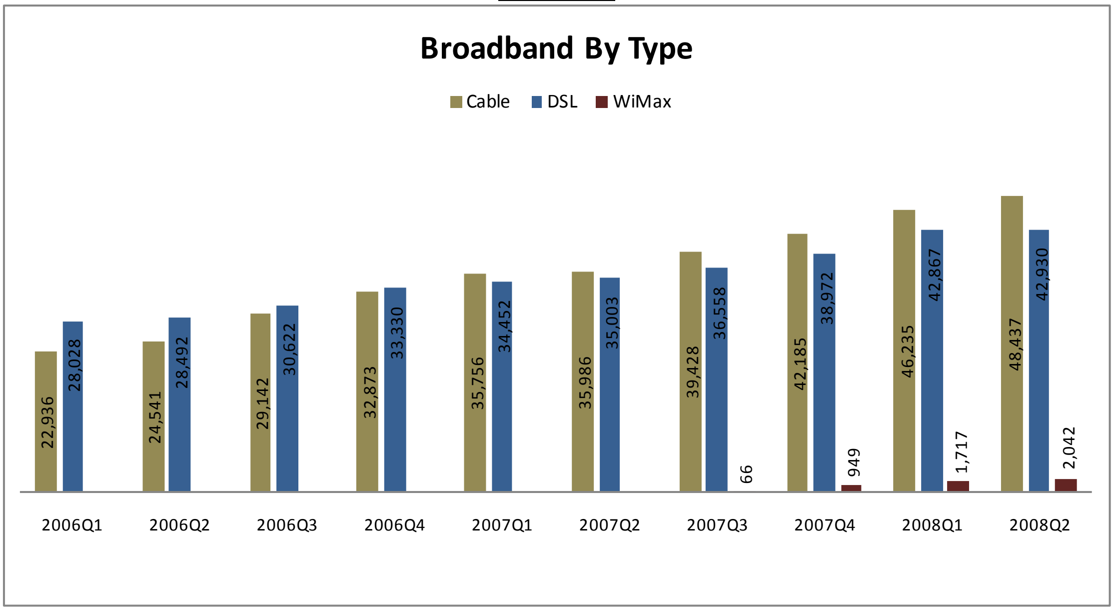


Chart 31

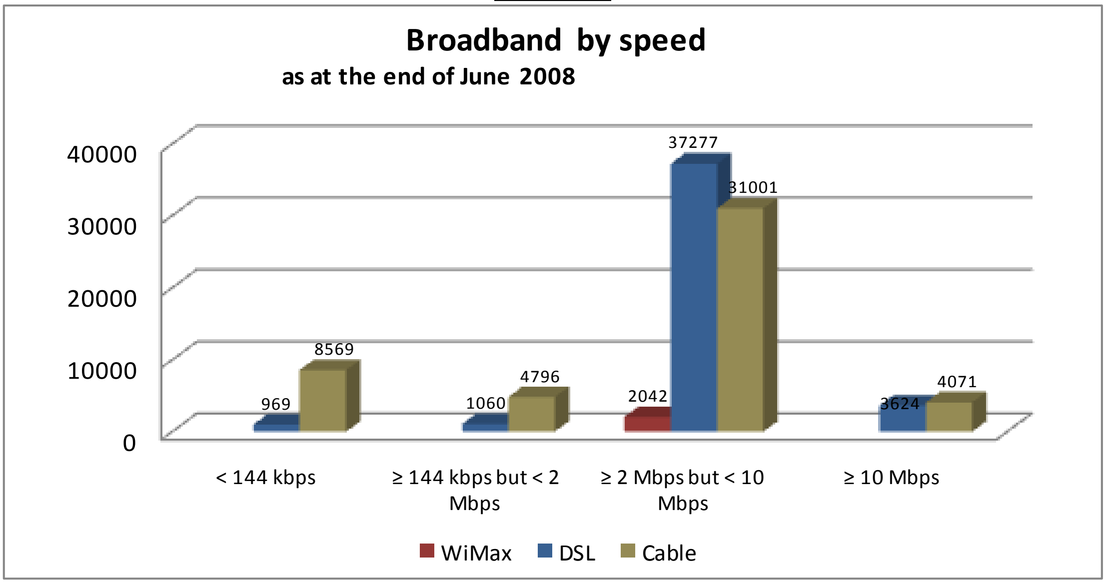
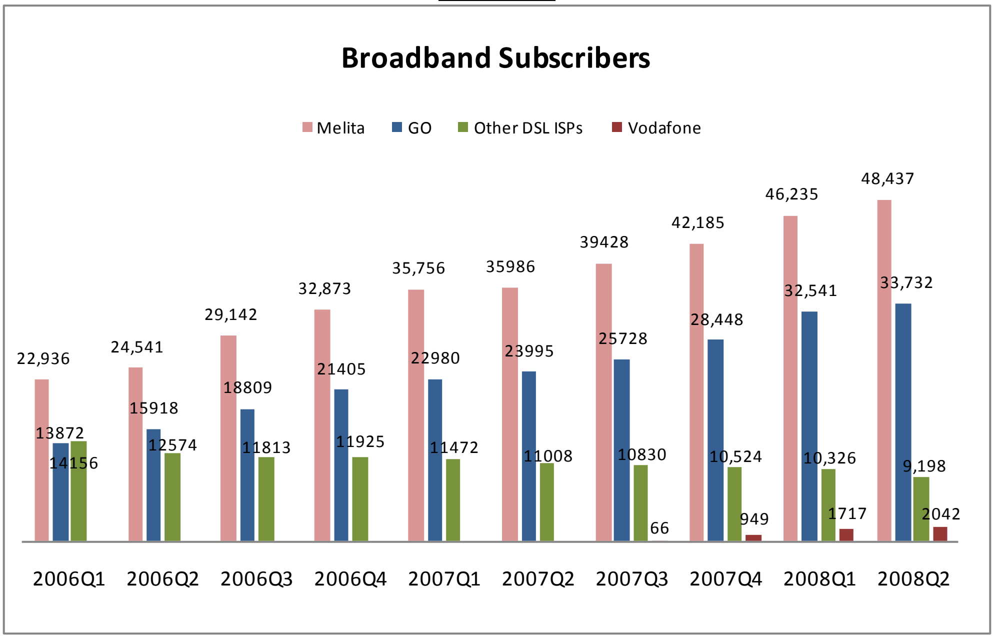


Chart 31 shows that, as at the end of June 2008, approximately 87% of DSL broadband subscribers and 64% of cable broadband subscribers had a connection speed of more than or equal to 2Mbps, but less than 10Mbps. The number of broadband subscribers having a connection speed exceeding 10Mbps reached 7,695, representing 8% of all registered broadband subscribers in the reference period.

6.5 Broadband connections by operator

The Chart below depicts the number of broadband connections by operator.

Chart 32



Melita continues to retain the largest segment of broadband subscriptions with 48,437 connections as at the end of Q2 2008. GO's retail arm holds 33,732 DSL connections whilst independent ISPs share the remaining 9,198 DSL connections. The WiMAX operator Vodafone reported 2,042 connections.

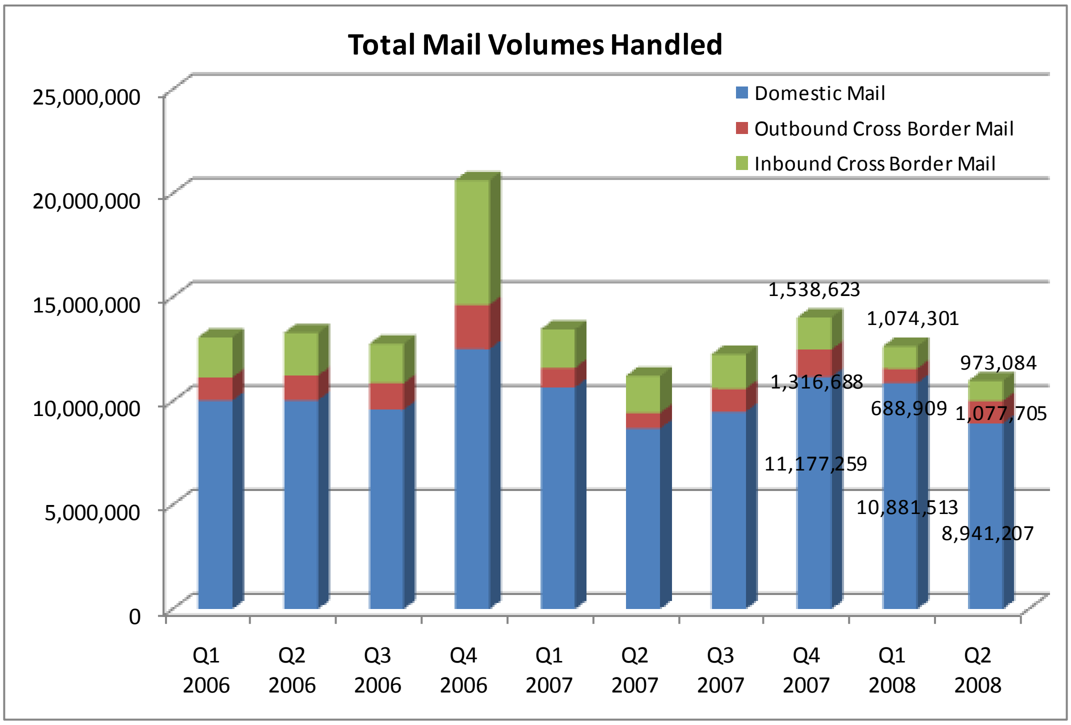
Chapter 7 Post

7.1 Mail Volumes

The main player in the delivery of postal items is Maltapost Ltd. During Q2 2008 *Domestic Mail* and *Inbound Cross Border Mail* registered declines over the previous quarter as depicted in Chart 33. On the other hand, *Outbound Cross Border Mail* increased.

Overall, postal activity in Q2 2008 was lower than that registered in the corresponding period in 2007, mainly on behalf of a 45% decline in *Inbound Cross Border Mail* which outweighed the gains registered for both *Domestic Mail* and *Outgoing Cross Border Mail*.

Chart 33



7.2 Quality of Service for local mail

Under universal service obligations, the MCA has established a number of Quality of Service (QoS) targets that Maltapost Ltd. has to achieve in the delivery of local ordinary and registered mail.

The QoS level for the delivery of ordinary mail on the next day (D+1) has been set at 92%, whilst the target delivery rate for registered mail on the next day has been set at 97%.

Charts 34 and 35 below illustrate the actual performance of Maltapost compared to the established target levels. As it can be seen Maltapost has met its delivery targets in Q2 2008, as it consistently did in previous quarters with the exception of the delivery of registered mail in Q2 2007. During that quarter Maltapost was subject to an industrial action specifically on the delivery of registered mail. This had a negative impact on the performance target of the whole quarter.

Chart 34

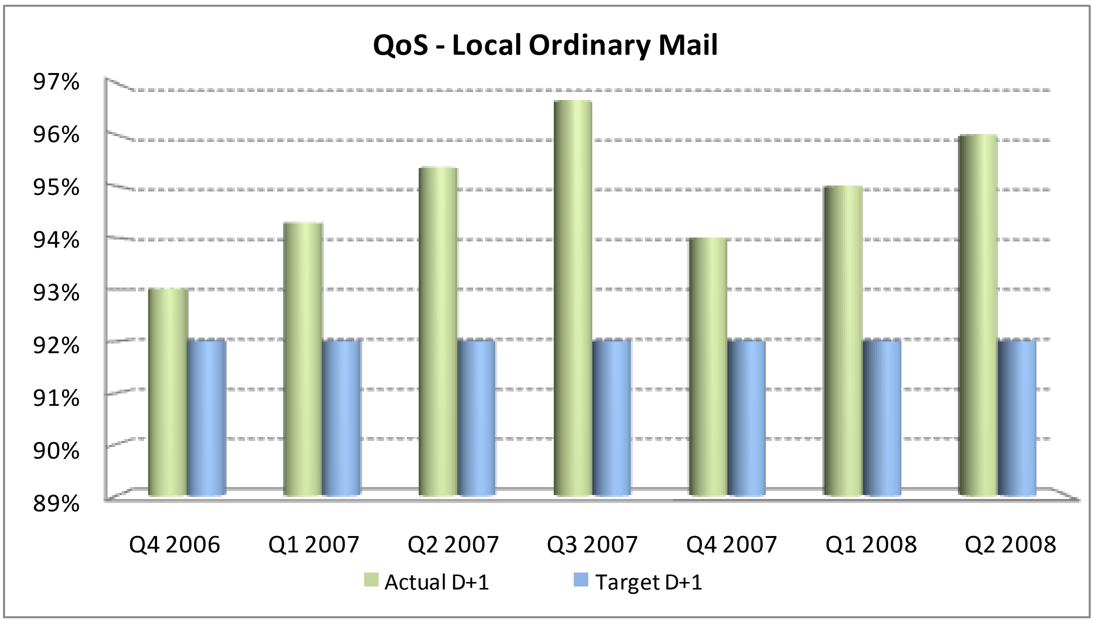


Chart 35

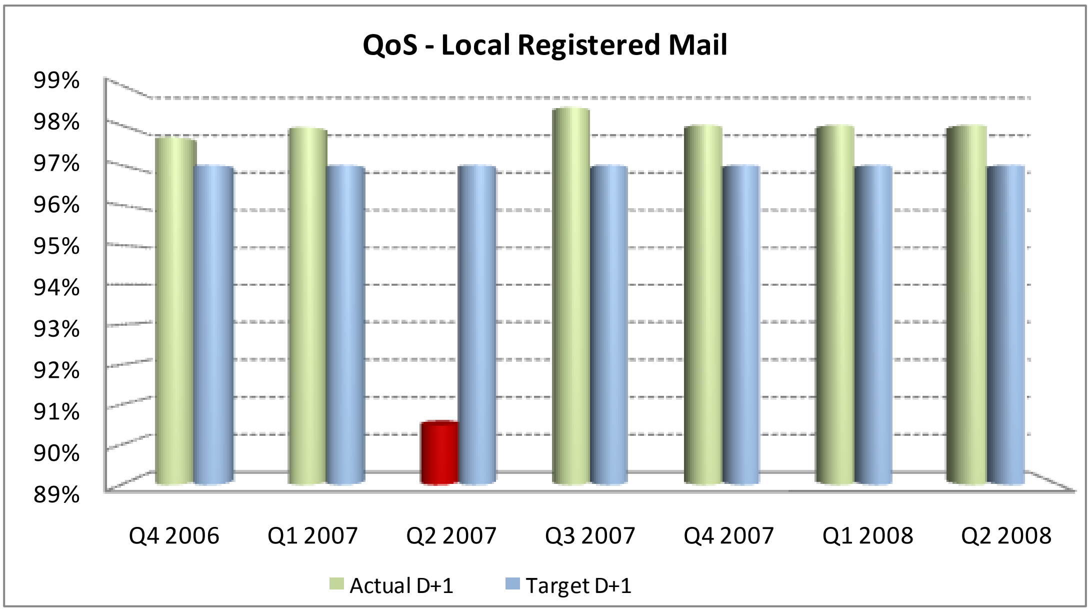


Chart 36

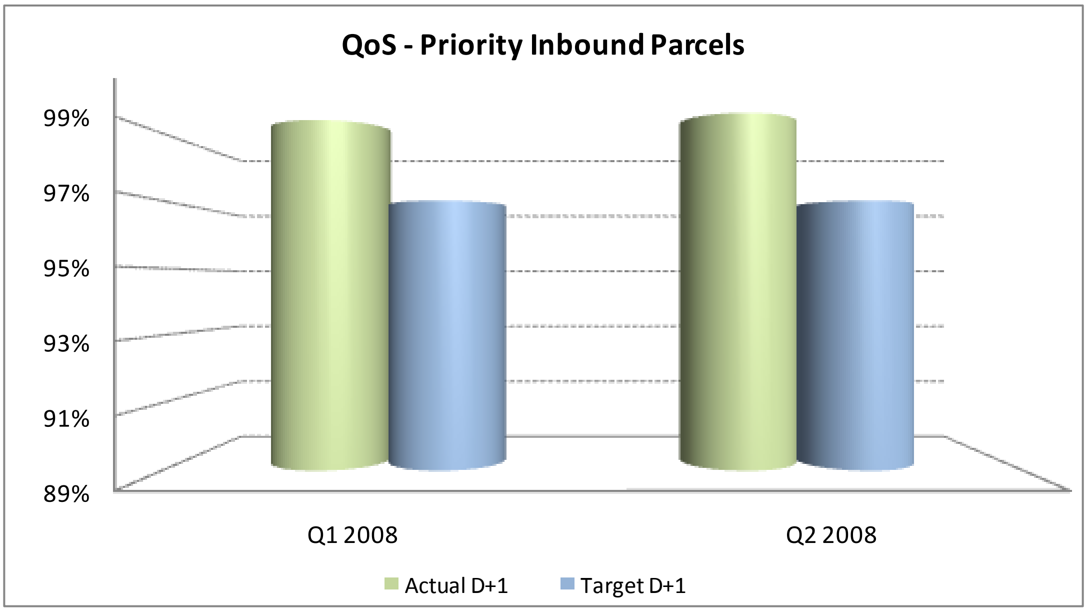
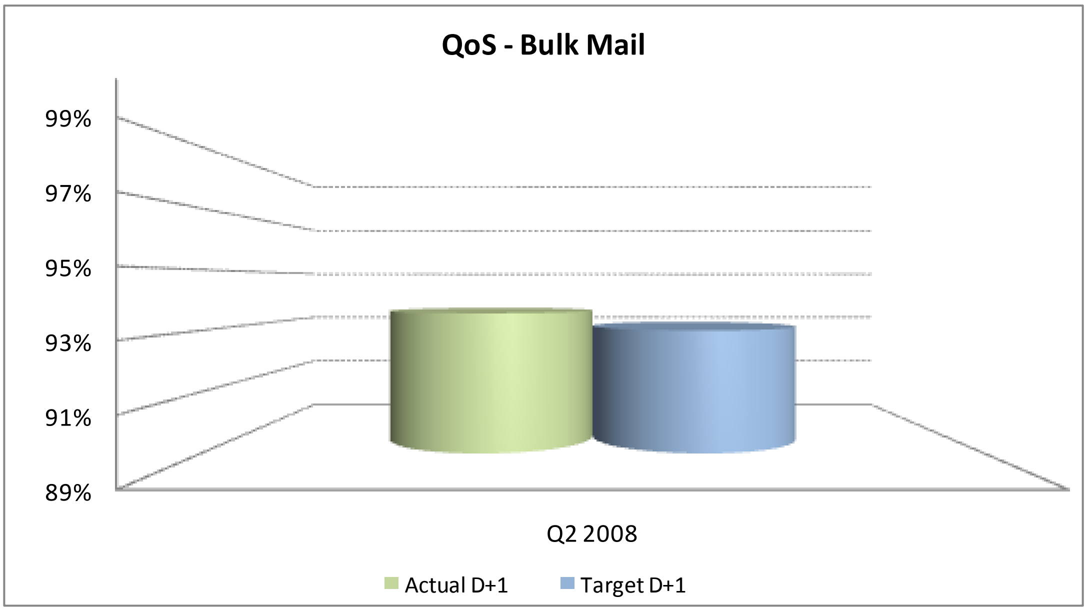


Chart 37



The QoS level for the delivery of import priority parcels on the next day (D+1) has been set at 97%, whilst the target delivery rate for bulk mail on the next day has been set at 93%. The MCA has started compiling data for the former indicator since January 2008. Data compilation for the latter indicator started in April of this year.

Chart 36 and 37 illustrate that Maltapost has met its targets for the delivery of import parcels[13] in Q2 2008, as it did in the previous quarter, and the target for the delivery of bulk mail.

[13] All inbound cross border mail (including parcels) arriving at Maltapost's office of exchange before 19:00hrs between Monday to Friday and 16:30 hrs on Saturdays is to be processed on the same day (i.e. when unloaded from airline in Malta) and delivered within the standards and exceptions as those identified under local ordinary mail.

Chapter 8 Consumer Affairs

During Q2 2008, the MCA received 54 complaints in relation to fixed and mobile telephony, the Internet, TV, post, and e-Commerce.

Breaking down these complaints by sector, Chart 38 illustrates that in Q2 2008 39% of all complaints concerned radiocommunications, particularly the electromagnetic fields (EMF) emanating from mobile phone base stations antennae and radio frequency (RF) interference.

Chart 38

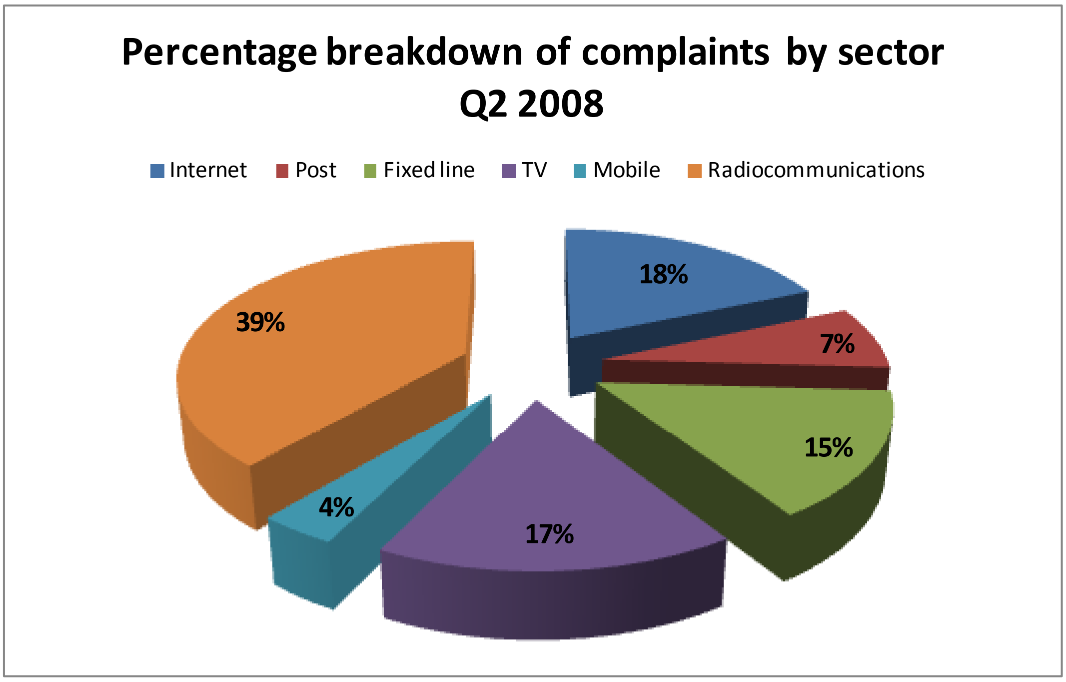


Chart 39

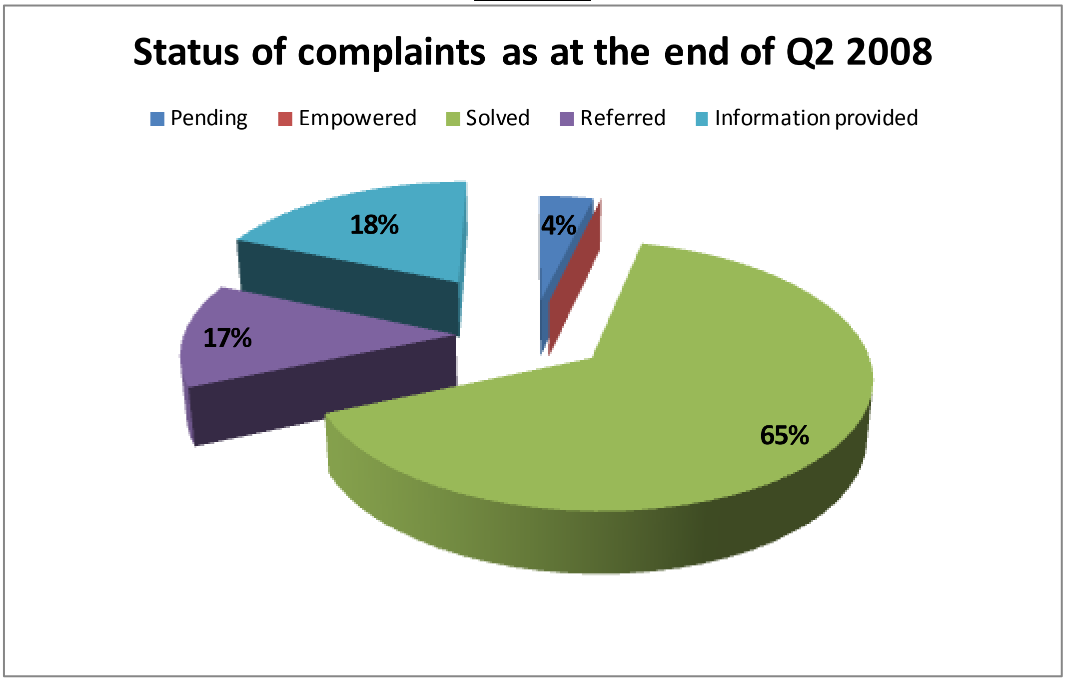
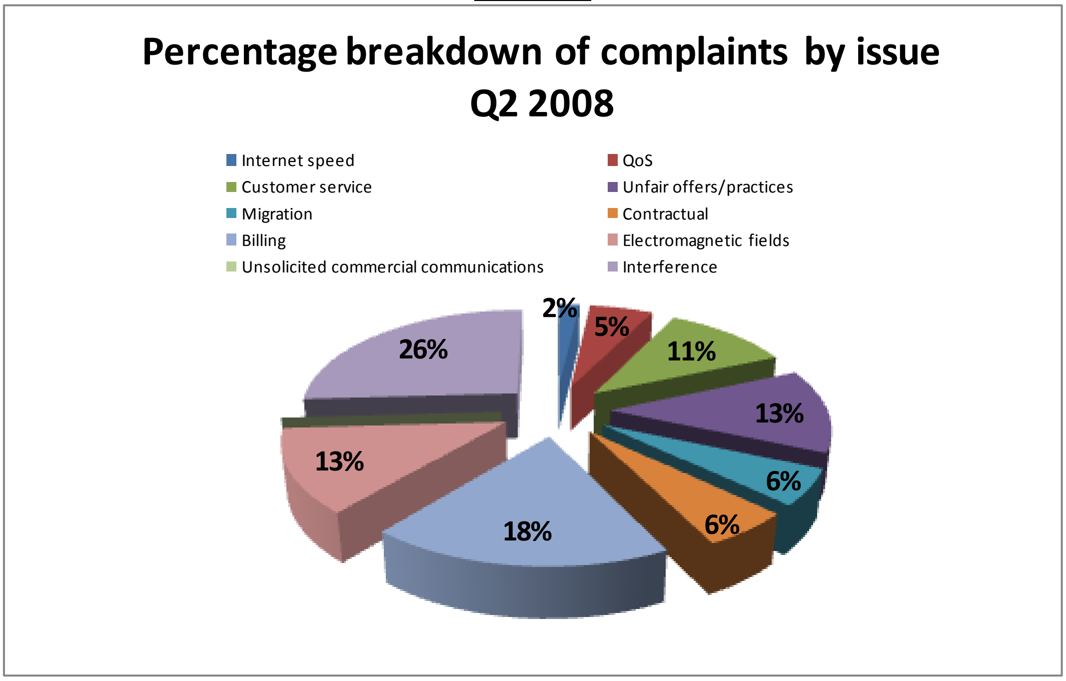


Chart 39 indicates that the MCA managed to solve 65% of all customer complaints. Another 17% have been referred to other entities, whilst in 18% of the cases the MCA managed to provide the necessary information to the relevant parties. Only 4% of all complaints received in Q2 2008 remain pending.

On disaggregating consumer complaints by issue, the MCA identified the following categories:

- internet speed;
- quality of service (QoS);
- customer service;
- unfair offers and practices;
- migration from one service provider to another;
- contractual matters;
- billing;
- electromagnetic fields (EMF);
- unsolicited commercial communications; and
- interference.

Chart 40

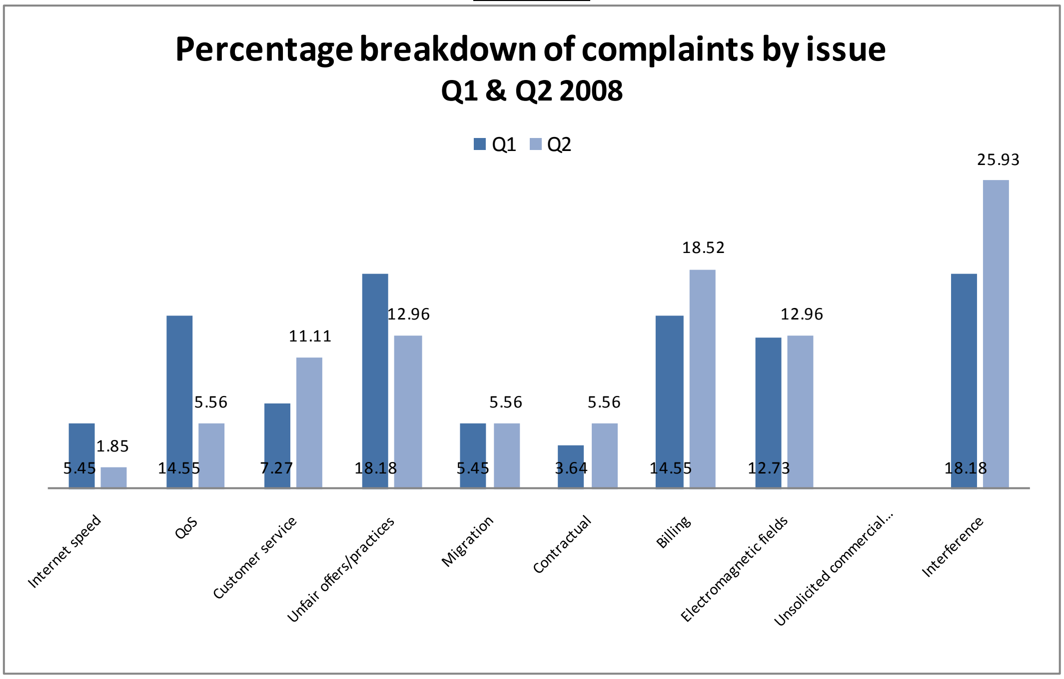


During Q2 2008, interference complaints recurred frequently at the MCA. This is in line to the previous finding indicating that most complaints were related to radiocommunications. Interference accounted for 26% of all complaints registered at the MCA. Billing complaints accounted for 18%, whilst perceived unfair offers/practices accounted for a further 13%. Further information is provided in Chart 40 above.

Chart 41 indicates that the incidence of interference complaints received by the MCA in Q2 2008 increased when compared to the previous quarter. Interference complaints refer to problems that affect radio devices inside homes. The MCA investigates such cases, identifies the source of interference, and takes corrective measures where possible.

The MCA also underlines that, during Q2 2008, the proportion of EMF emission complaints was approximately 8 percentage points higher than that registered in the previous quarter. With respect to EMF emissions, the Authority conducts audits of mobile phone base station antennae positioned nearby homes so as to ensure that the antenna is fully compliant with the authorized emission levels as established by the International Commission on Non-Ionising Radiation Protection (ICNIRP). To date, all sites audited by the MCA were found well below 5% of the ICNIRP threshold.

Chart 41



Chapter 9 Regulatory Developments

Decision Notices

1. **Decision and further consultation on Estimating the Cost of Capital**
   Publish Date: 2.4.08

2. **Local Leased Lines Pricing Review - April 2008**
   Publish Date: 3.4.08

3. **Fixed-line Interconnection Pricing Review - 2008**
   Publish Date: 17.6.08

Consultation Papers

1. **Maltapost plc's Universal Service Obligations - Accessibility, Daily Delivery, Provision of Information**
   Publish Date: 4.4.08

2. **Wholesale Broadband Access Market**
   Publish Date: 11.4.08

3. **Fixed Interconnection Pricing Review - Proposed Decision, April 2008**
   Publish Date: 15.4.08

4. **Commission launches public consultation on the functioning and effects of the EU Roaming Regulation**
   Publish Date: 8.5.08

5. **International Leased Lines Pricing Review 2008 - Consultation Paper**
   Publish Date: 13.5.08

Statistical Annex

	2005				2006				2007				2008	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Mobile Telephony														
Subscriptions	308,929	315,639	324,763	323,890	325,614	334,221	345,486	346,771	344,390	353,495	369,513	371,530	372,009	374,507
Originating minutes	35,566,856	39,226,997	42,230,485	42,126,420	44,243,865	47,965,456	52,038,686	51,355,893	50,326,010	55,531,235	60,550,779	60,510,556	60,244,895	60,959,169
Outgoing SMS	97,288,443	99,826,729	105,229,540	103,087,202	99,696,608	106,084,949	114,101,836	116,058,500	116,350,024	120,791,544	127,498,303	126,558,862	126,680,802	124,987,412
Market ARPU in Euros (€)	61.08	65.84	68.85	65.24	63.14	68.72	71.89	67.00	63.47	69.52	71.54	68.64	65.29	71.04
Mobile penetration rate (%)	76.28	77.93	80.19	79.97	79.84	81.96	84.72	85.03	83.94	86.16	90.06	90.55	90.67	91.28
Roaming														
Minutes originated while roaming	648,291	672,488	848,579	692,405	707,302	740,354	894,533	769,100	783,642	887,486	1,083,184	1,003,875	957,966	1,062,114
Minutes received while roaming	331,859	355,531	411,810	302,315	345,211	402,398	514,246	434,907	420,265	490,881	638,337	575,245	582,155	658,365
SMSs sent while roaming	1,220,744	1,145,116	2,008,497	1,185,193	1,189,675	1,357,578	2,130,604	1,479,170	1,624,174	1,869,247	2,359,860	1,552,330	1,565,348	1,578,148
Outgoing visitor minutes	1,609,168	3,505,830	5,419,832	2,854,403	2,100,277	3,926,225	6,077,096	3,123,436	2,361,897	4,593,102	7,537,100	4,179,213	3,515,130	6,018,866
Incoming visitor minutes	1,033,924	1,970,063	3,610,937	1,682,343	1,845,194	2,245,614	3,987,766	1,716,381	1,361,894	2,712,601	5,295,007	2,798,887	2,310,138	3,660,481
Fixed Line Telephony														
Subscriptions	203,039	202,714	202,932	202,116	205,869	206,580	205,768	208,361	212,134	218,320	224,573	228,191	234,035	235,795
Originating minutes	172,213,592	172,732,178	160,856,193	162,817,403	161,529,952	158,836,748	145,510,982	147,877,094	144,804,615	150,373,882	141,871,204	148,145,867	143,552,683	142,852,059
Internet														
Dial-up Connections	49,667	50,065	46,052	40,225	38,884	38,195	35,374	29,436	20,436	19,573	23,861	17,002	3,913	3,300
Broadband Connections	38,020	39,525	42,768	49,236	50,964	53,033	59,764	66,203	70,208	70,989	76,052	82,106	90,819	93,409
Broadband penetration rate (%)	9.39	9.76	10.56	12.16	12.50	13.00	14.65	16.23	17.11	17.30	18.54	20.01	22.14	22.77
Broadcasting														
Analogue Television Connections	98,587	95,749	93,093	89,514	87,667	77,347	75,464	72,753	70,621	70,166	67,720	63,180	59,706	57,541
Digital Television Connections	1,423	3,822	9,721	14,470	25,687	30,503	32,740	36,634	40,336	44,995	50,041	56,372	62,307	67,134
Post														
Total Mail Volumes Handled	-	-	-	-	13,081,018	13,283,354	12,766,818	20,646,833	13,460,111	11,222,087	12,260,349	14,032,570	12,644,723	10,991,996
D+1 QoS Local Ordinary Mail (%)	-	-	-	-	-	-	-	93.00	94.00	95.00	97.00	94.00	95.00	96.00
D+1 QoS Local Registered Mail (%)	-	-	-	-	-	-	-	97.69	97.94	90.48	98.44	98.00	98.00	98.00
D+1 QoS Bulk Mail (%)	-	-	-	-	-	-	-	-	-	-	-	-	99.38	99.59
D+1 QoS Priority Inbound Parcels (%)	-	-	-	-	-	-	-	-	-	-	-	-	-	93.56
Population	405,006				407,810				410,290				410,290	