
Global Mobile Daily

Global news from the mobile telecoms industry

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O2 sees flat revenues in 3Q08

Telefonica Europe, the parent group of O2, has reported revenues of €10.6 billion (US\$13.4 billion) for 3Q08, down from €10.7 billion for 3Q07. The operator saw its total mobile subscription base increase to 40.4 million at end-3Q08, up 8.6% from 37.8 million at end-3Q07, seeing net additions of 3.2 million in 3Q08.

In its key UK market, O2 saw blended monthly ARPU stall at £30.60 (US\$45.10) in 3Q08, down from £35.70 in 3Q07, though the unit reported net additions of 401,778 in 3Q08, taking its total subscription base to 19 million, up 6.6% from 17.9 million at end-3Q07 (excluding MVNO Tesco Mobile). The unit saw churn fall from 1.7% in 3Q07 to 1.3% in 3Q08.

O2 UK's data ARPU fell from £9.55 in 3Q07 to £8.86 in 3Q08, though it increased from 15.1% of non-SMS ARPU to 21%.

"Telefonica O2 UK's total ARPU in the third quarter was

flat year-on-year in local currency, reflecting the change in the mix of the customer base offsetting the declines in contract and prepay," the operator said.

Telefonica O2 Germany saw blended ARPU fall 16.8% year-on-year in 3Q08, from €20.80 to €17.30, "mainly as a result of the acceleration of migrations from legacy [price plans] to new Genion and Inklusivpakete," O2 said. O2 Germany saw its mobile subscription base increase 31.8% year-on-year in 3Q08, from 12.1 million to 13.9 million, though churn increased from 1.5% to 2%.

O2 Germany saw data ARPU fall from €5.20 to €4.90, though it increased from 25.9% of non-SMS data ARPU to 29.6%.

"One-off tariff promotions launched during the second quarter and lower roaming out activity also impacted in the quarter," the operator said.

Telefonica O2 Czech Republic saw blended ARPU increase from €19.20 in 3Q07 to €21.70 in 3Q08, while its subscription base increased from 4.96 million to 5.18 million. The unit saw churn of 1.6%, up 3 percentage points year-on-year. Data ARPU increased slightly, from €4 to €4.70, and remained relatively flat year-on-year a percentage of non-SMS data ARPU, at 45.7%.

Qualcomm abandons UMB development

US chipset maker Qualcomm is discontinuing development of UMB, CDMA2000 EV-DO Rev C. Qualcomm, which created UMB to be CDMA's 4G play, once had high hopes for edging out WiMAX and positioning UMB to compete directly against LTE. Industry body, the CDMA Development Group (CDG) has yet to comment on this announcement although the CDG was quoted as saying that its driving force going forward will be to foster CDMA as a low-cost network option, especially in developing nations. Qualcomm reportedly still hopes to use CDMA for new networks in Africa, using their own hybrid GSM/UMTS/CDMA chipsets for international roaming when those customers travel abroad