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AUSTRALIAN MOBILE SERVICES MARKET, 2008 REVIEW & 2009-2013 FORECAST

April 2009

Despite a rapidly deteriorating economy and dampened business and consumer confidence, Australia's mobile services market continued to enjoy very healthy growth in 2008. In fact, it recorded a stronger-than-expected expansion and remained the industry's fastest-growing and largest segment, with continuing excitement and innovations around the HSPA+ network upgrades, mobile broadband, and smartphones.

Produced annually as the flagship report in Telsyte's *Market Analysis and Forecast Series*, this study provides a detailed investigation and comprehensive analysis of the Australian mobile market in 2008 and a five-year forecast from 2009 to 2013. Key findings from this study include:

- Australia had 23.6 million mobile users at year-end 2008, a 110% penetration level and year-on-year growth of 8%. Service revenue reached \$11.8 billion, representing 12% annual growth.
- Mobile broadband, whose average prices have declined by 50% in the past 12 months, was the fastest-growing non-voice segment, driven by 2 million users who spent close to \$1 billion on the service last year.
- Telstra remained the largest player both in the overall mobile and 3G markets. After a lukewarm performance in 2007, Optus managed to turn around and became a rising star in the 3G segment last year.
- Vodafone and Hutchison, on the other hand, lost steam in the 3G market, leading to an ARPU decline for both companies, which have announced plans to merge their Australian operations.
- Even though both 2G and 3G ARPUs will each decline, overall market ARPU will continue to rise gradually in the next five years, thanks to the rapid user migration from 2G to 3G services and strong adoptions of mobile broadband.
- Mobile broadband user number will exceed five million in five years' time. Nonetheless, it will hardly make a dent in the fixed broadband market as mobile broadband will mostly be used as a supplementary access technology.
- Carrier network upgrades will see Australia's HSPA networks reach 42 Mbps by year-end 2009, with LTE deployments on-track for 2010/2011, resulting in download speeds up to 100 Mbps in the next couple of years.
- To take advantage of future market opportunities, Telsyte suggests carriers move away from price-based competition as consolidation takes hold, lead the still-nascent mobile ecosystems and leverage IT providers.
- Conclusion and recommendations.

Published simultaneously with this study are two other Market Analysis and Forecast Series reports, namely:

- *Australian Telecom and Fixed Line Market, 2008 Review & 2009-2013 Forecast*, (Publication Number: 80587); and
- *Australian Enterprise Telephony Market, 2007 Review & 2008-2012 Forecast*, (Publication Number: 80586).

Australian Mobile Services Market, 2008 Review & 2009-2013 Forecast is a 50-page report costing \$3,995 (excluding GST) and includes 28 Figures and 10 Tables.

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