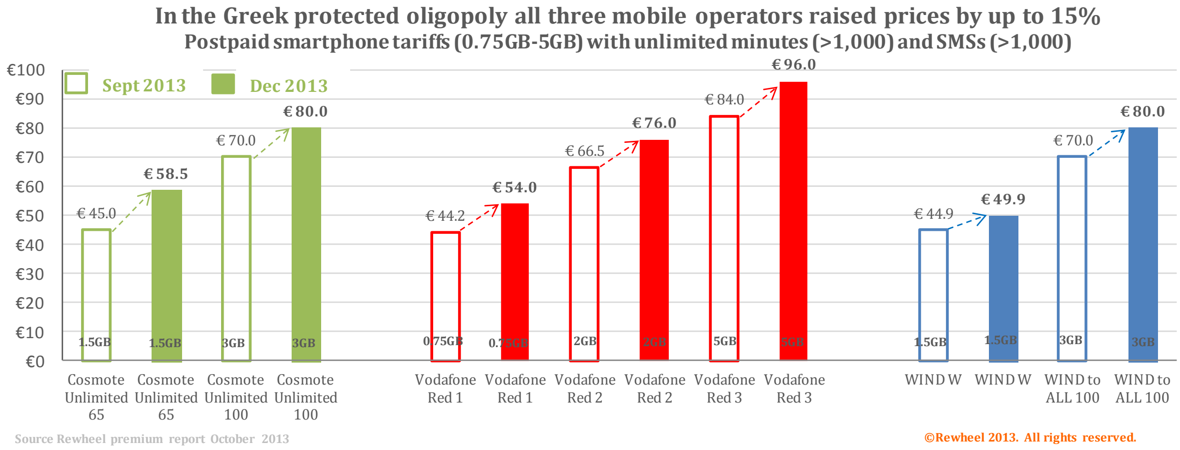
Christmas price hike in the Greek protected telecom oligopoly

Rewheel flash report – December 2013

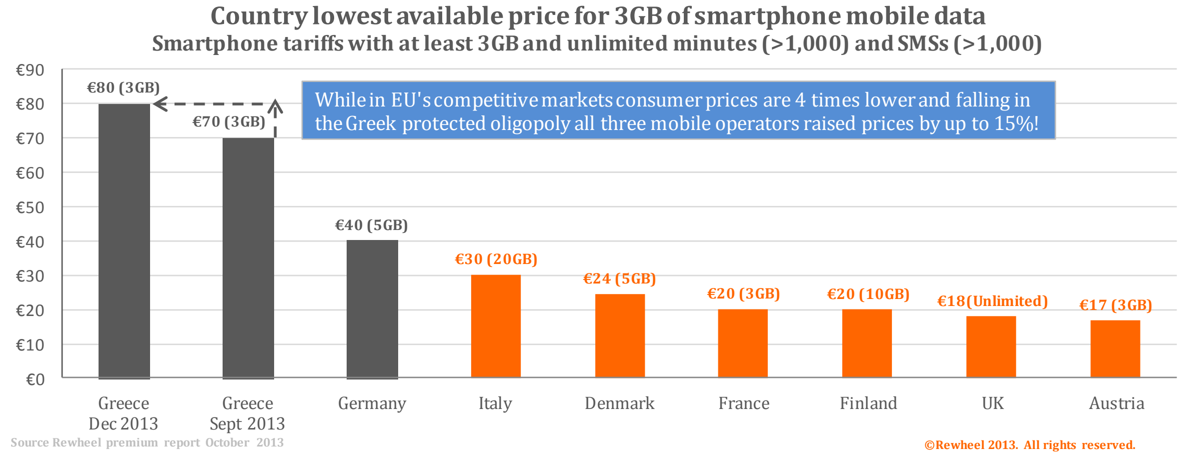
In this flash report we present the most recent price hike in the Greek protected oligopoly telecom market. While in EU's competitive mobile markets consumer prices are falling and gigabyte allowances are increasing, in protected oligopolies, such as Greece, operator pricing practices are defying economic logic. Between October and December 2013, so just ahead of the most important pre-Christmas sales season, **all three** Greek mobile operators have simultaneously hiked the prices of their mass market post-paid smartphone tariffs. We present the details in the four exhibits below which are largely self explanatory.

Exhibit 1: Price hike in the Greek protected oligopoly ahead of the Christmas sales season



Source: Rewheel premium report "*Price benchmark of smartphone tariffs with unlimited minutes & SMSs in EU28, US, Switzerland and Norway*", Updated

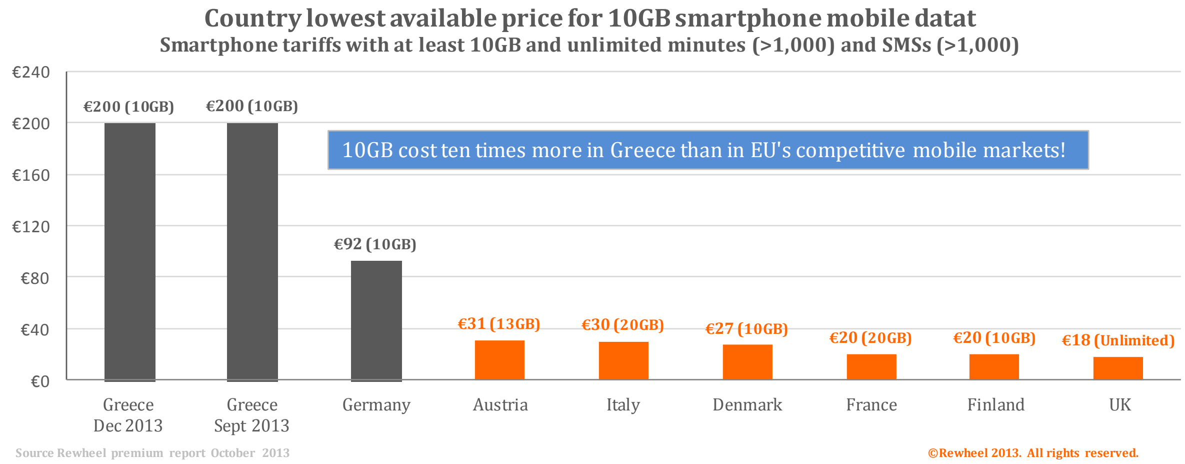
Exhibit 2: Greek 3GB smartphone tariff prices versus prices from EU competitive markets



Source: Rewheel premium report "*Price benchmark of smartphone tariffs with unlimited minutes & SMSs in EU28, US, Switzerland and Norway*", Greek prices updated

The pricing of the 10 Gigabyte basket has not changed, but it had been prohibitively expensive already:

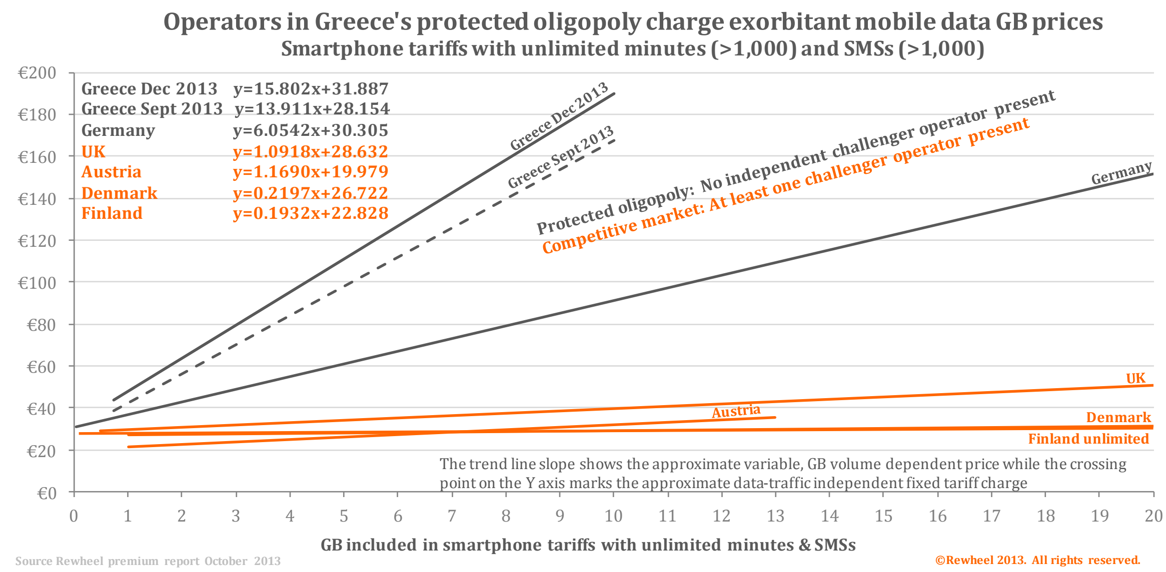
Exhibit 3: Greek 10GB smartphone tariff prices versus prices from EU competitive markets



Source: Rewheel premium report "*Price benchmark of smartphone tariffs with unlimited minutes & SMSs in EU28, US, Switzerland and Norway*", Greek prices updated

With the latest price hike Greek mobile operators (Cosmote part of the Deutsche Telekom group, Vodafone and creditor owned Wind Hellas) have beaten all other 27 member states in charging an exorbitant €16 per GB of incremental data volume in smartphone tariffs, as shown in Exhibit 4 below. To put that into perspective we remind the readers that Finnish and Danish operators charge €0.2 per GB.[1]

Exhibit 4: Operators in Greece's protected oligopoly market charge exorbitant mobile data GB prices



Source: Rewheel premium report "*Price benchmark of smartphone tariffs with unlimited minutes & SMSs in EU28, US, Switzerland and Norway*" Greek prices updated

[1] http://www.rewheel.fi/insights_17.php

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The data used in this comparative analysis are based solely on public information posted on mobile network operator websites. We believe the tariff information posted on mobile network operator web sites to be reliable but no representation is made by us that the row data used are complete, accurate, fully representative, fully fit for purpose, or were up to date at the time of collection. The data collection team made subjective judgments when translating, interpreting and screening for tariff interdependencies in the mobile network operator web sites. Such subjective interpretations and judgments of tariff conditions, Google translations and of our qualification rules were the sole discretion of the data collection team and of the report authors. Rewheel Ltd. accepts no liability for omissions, errors or simply for not being able to discover on the mobile network operator website a tariff with lower price that met the qualification criteria. We welcome feedback and suggestions from mobile network operators for existing or newly launched tariffs that meet our qualification criteria and which were not considered in our analysis. The findings, conclusions and correlations that the authors of this comparative analysis have reached are solely attributable to their subjective interpretations of Google translations, tariff conditions, qualification rule interpretations and mobile network operator classification & clustering rules.

About Rewheel

Rewheel is an independent strategic advisory specializing in data-centric transformation of mobile operators and markets.

We are headquartered in Helsinki, Finland and our main operating footprint is Europe.

Since 2009 we have advised over 10 European mobile operators, including independent challengers as well as Tier-1 OpCos, regulators, competition authorities, a number of private equity and institutional investors and various mobile-data centric start-ups.

Since the onset of the mobile broadband centric 900, 1800 and 2100 MHz license renewal avalanche in 2011 in Europe we have been providing strategy, spectrum valuation and auction theory advice (together with our world class CCA/SMRA auction theorist partners) to five European spectrum authorisation processes (operator or regulator side depending on country), including new entrants and acquisitions as well as license renewals in multi-band (typically 800, 900, 1800, 2100 and 2600 MHz) auctions.

Our advisors' knowledge, experience and insights cover all important aspects of successful progressive data-centric mobile operator business models. Our typical advisory engagements are:

- Mobile-data centric operator business planning end-to-end
- Mobile data pricing strategies
- 3G/LTE mobile infrastructure development strategy and investment planning
- 3G/LTE mobile infrastructure procurement strategy, network infrastructure cost structure competitiveness benchmarking and optimisation (Rewheel is truly network vendor independent)
- Spectrum acquisition strategy and NPV valuation
- Industry expert advisory to policy makers, regulators and competition authorities

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