

## Virgin Media adds 60,000 internet subscribers in three months

*High-speed broadband and Usain Bolt ad campaign help company boost internet customer base to 4.2 million.*



Usain Bolt in a Virgin Media advert – the company added 60,000 new internet subscribers in the three months to September. Photograph: Tom Oldham/Rex

Virgin Media's high-profile ad campaign featuring Olympians Mo Farah and Usain Bolt fuelled a surge in sign ups for superfast broadband to almost 60,000 in the third quarter, the most the cable company has managed in well over two years.

Virgin Media added 56,900 new broadband customers in the third quarter, more than double the number in the same period last year, growing the total internet subscriber base to 4.2 million.

It is the best rate of growth in broadband customers since the first quarter of 2010.

The company said that the number of customers taking its superfast broadband speeds of 30Mb or more grew by almost 453,000 customers to 1.8m, 42% of the total.

More than 40% of new broadband customers chose speeds of 60Mb or faster.

It should be noted that 14,700 customers who have a Virgin Media broadband package, but receive their service through a third party such as BT, left during the quarter. Excluding these customers, Virgin Media added just over 42,000 new subscribers.

"The Olympics was the perfect showcase of the Virgin Media network," said Eamonn O'Hare, chief financial officer at Virgin Media. "We had high-profile Olympians fronting our brand and that resonated with customers. The results show that UK customers want faster speeds and are prepared to pay for it".

O'Hare said that 70% of its TV customers accessed one of the BBC's 24 Olympic channels Virgin struck a deal to carry.

He also added that there had been 50% more downloads of on-demand content, mostly TV shows, year on year this summer as viewers caught up with programming such as the Olympics.

Virgin Media managed to grow its TV subscriber base by just 10,700 new customers – an improvement over the same period last year when the company lost TV customers – taking the total TV base to 3.78 million.

The number of customers subscribing to Virgin Media's TiVo box, a competitor to the recently launched YouView, rose 205,900 to 1.14 million. TiVo customers now represent 30% of the total TV customer base.

O'Hare said that Virgin Media has so far "not seen any impact" from the rival YouView service. "We don't want to be complacent about it, it is going to be a competitive threat," he said. "YouView is getting its act together right now".

He added that in one sense Virgin Media could capitalise on YouView's arrival as to get the best out of the service customers will need high-speed internet connections.

He would not be drawn on whether Virgin has entered discussions in to carrying BT's new pay-TV sports channel, which will carry Premier League football and rugby, but said that he expected BT would see value in doing a deal to reach the cable company's 4m TV households.

Virgin Media has still not struck a deal it feels is commercially viable to carry Sky Atlantic, O'Hare said there were "constant discussions".

Overall, the company grew the number of new cable customers by 39,500 – a number of these customers signed up for two or three products from Virgin Media – the most since 2007. Virgin Media said that just under two thirds of its customer base take three products, such as broadband, TV and telephone.

Average revenue per user, a key metric closely watched by analysts and investors, rose 1.8% to £48.73 in the quarter.

"This has been a quarter where continued strong demand for superfast broadband and TiVo has led to lower churn and meaningful cable customer growth," said Neil Berkett, chief executive of Virgin Media.

The company reported a 2.8% rise in revenues to £1.03m in the third quarter.

Virgin Media increased its telephone customers by 9,400 to 4.16 million, and the mobile customer base rose by 29,000 to 1.67 million.

Marketing costs, for advertising which has recently included Olympians Usain Bolt and Mo Farah, were £46.7m for the quarter.

The company said marketing costs also include agency fees, support and research, public relations and internal communications costs.

**Fonte: The Guardian, Inglaterra, 23 Oct. 2012, Internacional.**