



RCA Benchmark Survey: Glossary of Terms

Annual Subscriber Churn: Calculated by dividing the total number of subscribers that churned off your service within the given year by the average of the beginning of year and end of year subscriber counts

Average Cost per MB for Outbound Data Roaming: Calculated by dividing total outbound roaming data costs for the year by the total outbound data roaming MBs for the year

Average Cost per Minute for Outbound Voice Roaming: Calculated by dividing total outbound roaming voice costs for the year by total outbound voice roaming minutes for the year

Average MB of Data Use per Subscriber: Total MB of data use for the year divided by the average number of subscribers for the year (the average of the beginning of year and end of year subscriber counts)

Average MOU per Subscriber: Total MOU for the year divided by the average number of subscribers for the year (the average of the beginning of year and end of year subscriber counts)

Average Revenue per MB for Inbound Data Roaming: Calculated by dividing total inbound roaming data revenue for the year by total inbound data roaming MBs for the year

Average Revenue per Minute for Inbound Voice Roaming: Calculated by dividing total inbound roaming voice revenue for the year by total inbound voice roaming minutes for the year

Capital Spending: Spending on items with a useful life of more than one year. The price of these items affects the "investing" section of the cash flow statement in the year purchased, and then gets expensed over many years on the income statement via depreciation.

Customer Acquisition Subsidy: Costs related to subsidizing a handset for new customers in order to sign them to a contract

Customer Retention Subsidy: Costs related to subsidizing a new handset for existing customers in order to renew their contract

EBITDA: EBITDA (earnings before interest, taxes, depreciation and amortization) equals amortization plus depreciation plus interest plus net income plus income taxes. The resulting figure is then subtracted from total expense. This final figure is then subtracted from total revenue to arrive at EBITDA.

G&A Costs: General and Administrative costs; Example: Management salaries, accounting expenses, and investment advisor expenses are general and administrative expenses.

Handset Replacement Costs: Costs related to replacing defective, malfunctioning, or otherwise unsuitable customer handsets that are not covered by the OEM warranty

Handset Subsidy Costs: Defined as total handset costs minus total handset revenues; essentially this is the total loss taken on handsets due to subsidies

Inbound Roaming Partner: Companies whose subscribers roam onto your network resulting in roaming revenue for your company

Incoming Voice Minutes: Calls placed from a subscriber on another network to a subscriber on your network

On-Net Voice Minutes: Calls placed from one subscriber on your network to another subscriber on your network

Outbound Roaming Partner: Networks your subscribers roam onto resulting in roaming costs for your company

Outgoing Voice Minutes: Calls placed from a subscriber on your network to a subscriber on another network

Roaming Costs: Total intercarrier roaming fees paid to other carriers; incurred when your subscribers roam onto other carrier networks

Roaming Revenue: Total intercarrier roaming revenue paid to you by other carriers; generated when other carrier's subscribers roam onto your network

Sales and Marketing Costs: Cost incurred to sell (e.g., advertising, salesperson commission) or distribute (e.g., freight-out) service or merchandise. It is one of the types of operating expenses and is a period cost.