LES ACTES DE L'ARCEP

RÉPUBLIQUE FRANÇAISE

03 july 2014

Observatory of the Electronic communications market in France
Observatory of Investment and employment

1st quarter2014 – final results

ARCEP
Autorité de régulation des communications électroniques et des postes
www.arcep.fr

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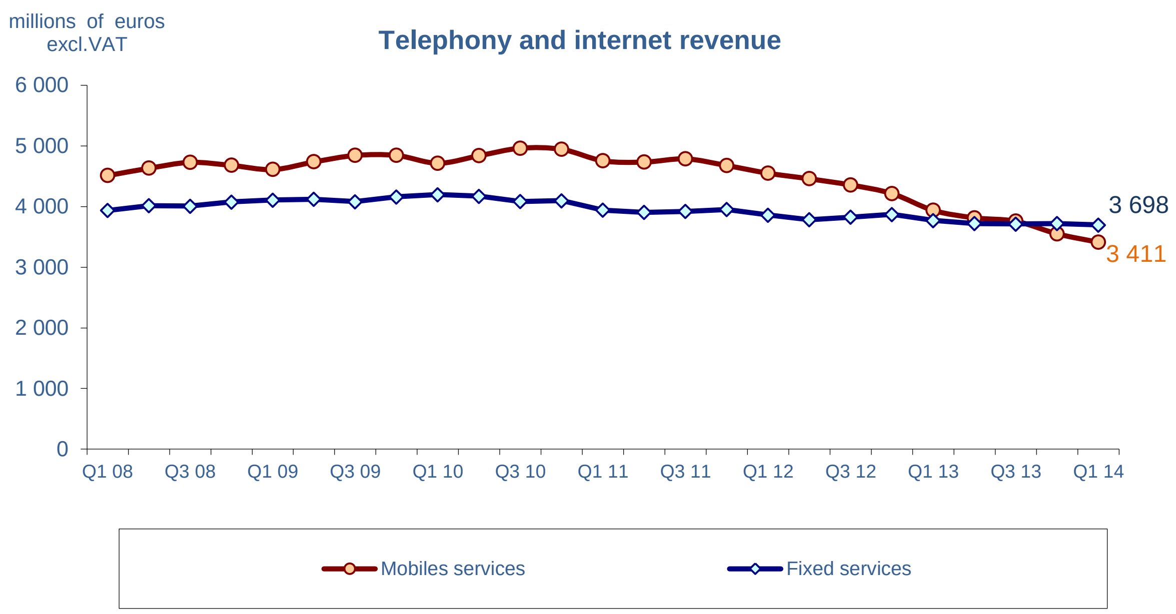
Synthesis

Revenue (millions of euros)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Fixed services	***3 771***	***3 720***	***3 712***	***3 721***	**3 698**	-1,9%
Capacity services	***754***	**750**	**736**	***736***	**746**	-1,0%
Mobile telephony	**3 937**	**3 814**	**3 757**	**3 550**	**3 411**	-13,4%
Advanced services and directory services	***511***	***491***	***499***	***521***	**522**	2,2%
Electronic communications services	***8 973***	***8 775***	***8 703***	***8 528***	**8 377**	**-6,6%**
Others revenues	***692***	***677***	***658***	***930***	**702**	1,5%
Entire market	***9 665***	***9 452***	***9 361***	***9 458***	**9 078**	**-6,1%**

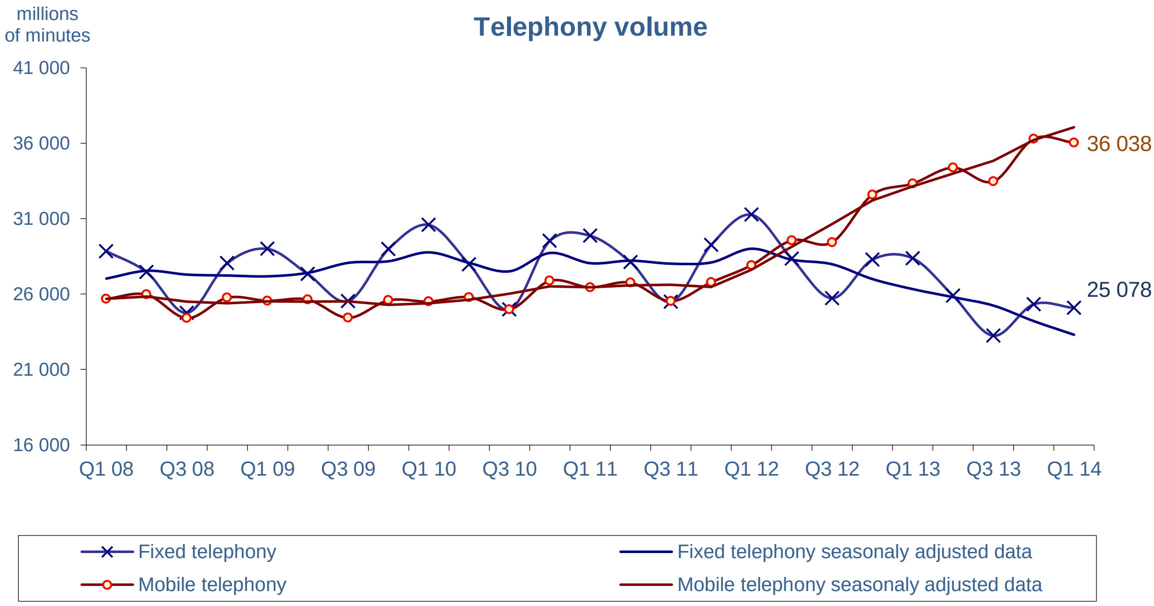
adjusted figures are in italics

Other revenues does not really fall under the telecommunications services market. Since registered operators contribute little to this market, this indicator gives only a partial idea of total figures. This item covers revenues from terminals and equipment, from hosting and call centre management, and from directories and advertising.



Volumes of voice (millions of minutes)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Fixed telephony	*28 374*	*25 897*	*23 239*	*25 326*	25 078	-11,6%
Mobile telephony	33 325	*34 382*	*33 468*	*36 290*	36 038	8,1%
Total voice services	***61 699***	***60 279***	***56 707***	***61 616***	**61 116**	**-0,9%**

adjusted figures are in italics



millions of minutes
Telephony volume
41 000
36 000
31 000
26 000
21 000
16 000
Q1 08
Q3 08
Q1 09
Q3 09
Q1 10
Q3 10
Q1 11
Q3 11
Q1 12
Q3 12
Q1 13
Q3 13
Q1 14
36 038
25 078
Fixed telephony
Fixed telephony seasonaly adjusted data
Mobile telephony
Mobile telephony seasonaly adjusted data

Contents

1 Operators investments

Investments *millions of euros*	2012*	2013**	T1 2014***
Total of investments	**10 034**	**7 210**	**1 400**
of witch excluding mobile licences investments	**7 317**	**7 117**	**1 400**

** Definitive annual publication*
*** provisional annual publication*
*** First provisional estimations - rounded figures*

2 Employment

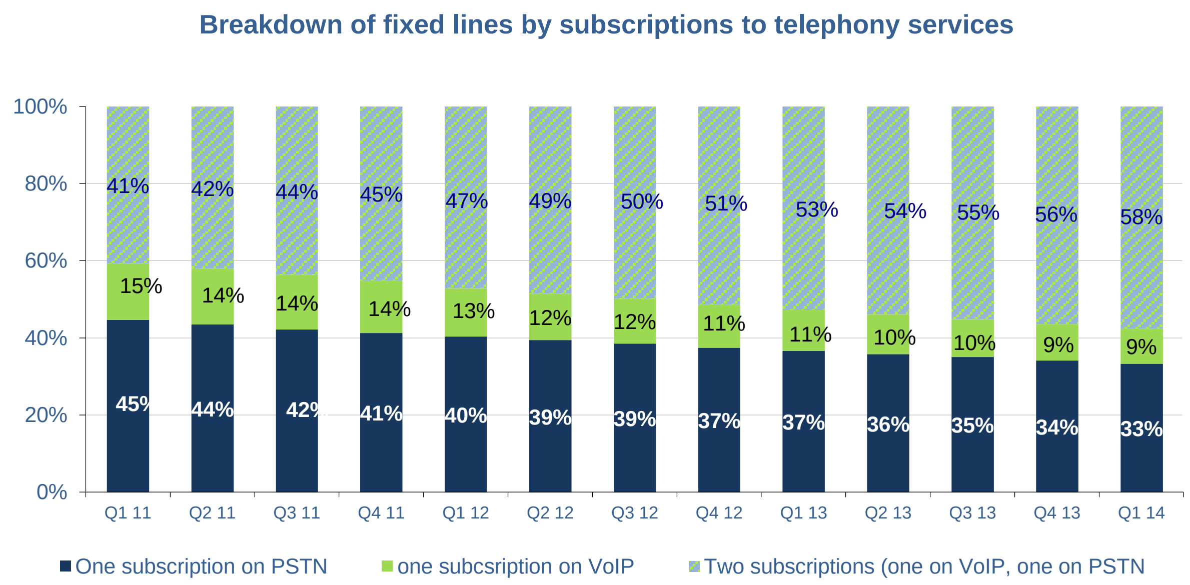
3 Fixed networks services

3.1 Number of fixed lines and subscriptions to fixed networks services

3.1.1 Number of fixed lines

Number of fixed lines (millions of units)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Number of fixed lines	35,768	35,625	35,644	35,712	35,788	0,1%

Note: the number of subscriptions to a fixed telephony service (PSTN and voice over broadband) was reviewed upward due to a better accounting of the number of subscriptions on the business market. This change does not affect the annual change in percentage.



3.1.2 Portability (fixed numbers)

Portability (millions of units)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Number of fixed numbers ported during the quarter	0,660	0,575	0,638	*0,746*	0,730	10,7%

adjusted figures are in italics

3.1.3 Internet access (brodband and ultra-fast broadband)

Internet subscriptions (millions of units)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Broadband	22,534	22,623	22,797	*22,869*	23,009	2,1%
of wich xDSL	22,153	22,252	22,402	22,461	22,585	1,9%
of wich other broadband access	0,381	0,370	0,395	0,409	0,425	11,6%
Ultra-fast broadband	*1,715*	*1,776*	*1,862*	*2,067*	2,216	29,2%
of which with a flow rate between 30 Mbit/s & 100 Mbit/s	0,668	0,658	0,656	*0,745*	0,774	15,9%
of which with a flow rate superior to 100 Mbit/s	0,668	0,692	0,726	0,764	0,804	20,3%
of wich fiber with coaxial cable termination (FTTLA)	*0,379*	*0,426*	*0,480*	*0,558*	0,638	68,3%
Internet subscriptions	***24,248***	***24,399***	***24,659***	***24,937***	**25,225**	**4,0%**

adjusted figures are in italics

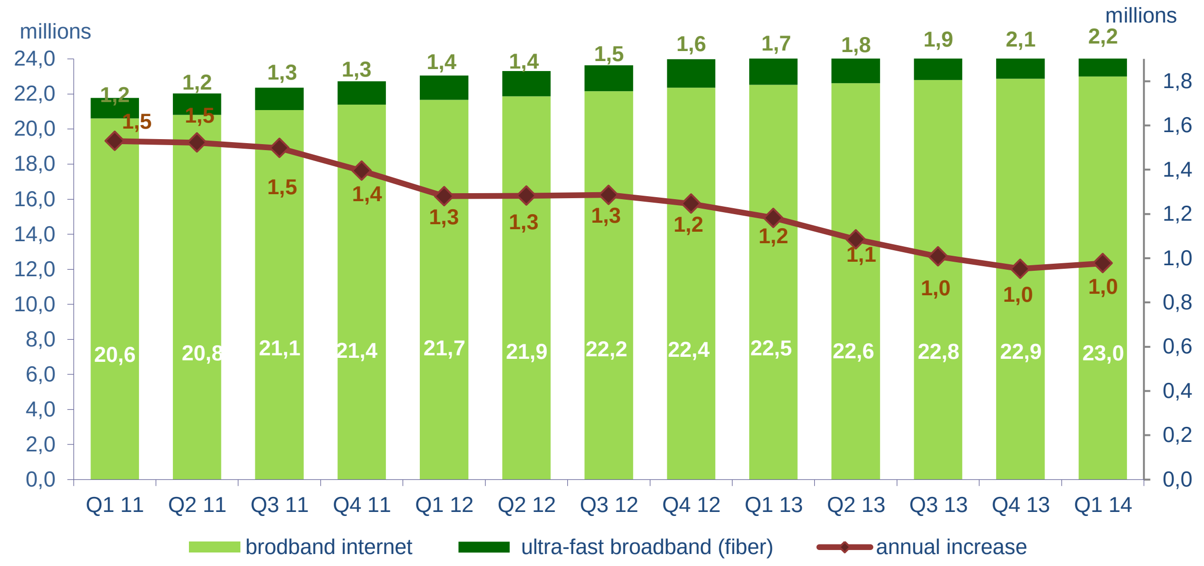
Notes :

- Ultra-fast broadband : are counted as very high-speed subscriptions access to the internet with a flow-rate equal or greater to 30 Mbit/s. These categories include subscriptions on fiber to the home or to the office networks (FttH, FttO), on "hybrid fiber coaxial cable" networks (HFC), on optical fiber with coaxial cable termination networks (FttLA), and VDSL2 subscriptions with a flow-rate equal or greater to 30 Mbit/s. Other subscriptions with a flow rate equal or greater than to 100 Mbit/s is also published.

- There can be a delay between the delivery of an offer in the wholesale market (LLU or bitstream) and its inclusion in retail market figures. Data comparisons for these different markets may reflect this delay.

Overseas subscriptions to internet (millions of units)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Broadband and fiber	0,513	0,518	0,526	0,543	0,547	6,5%

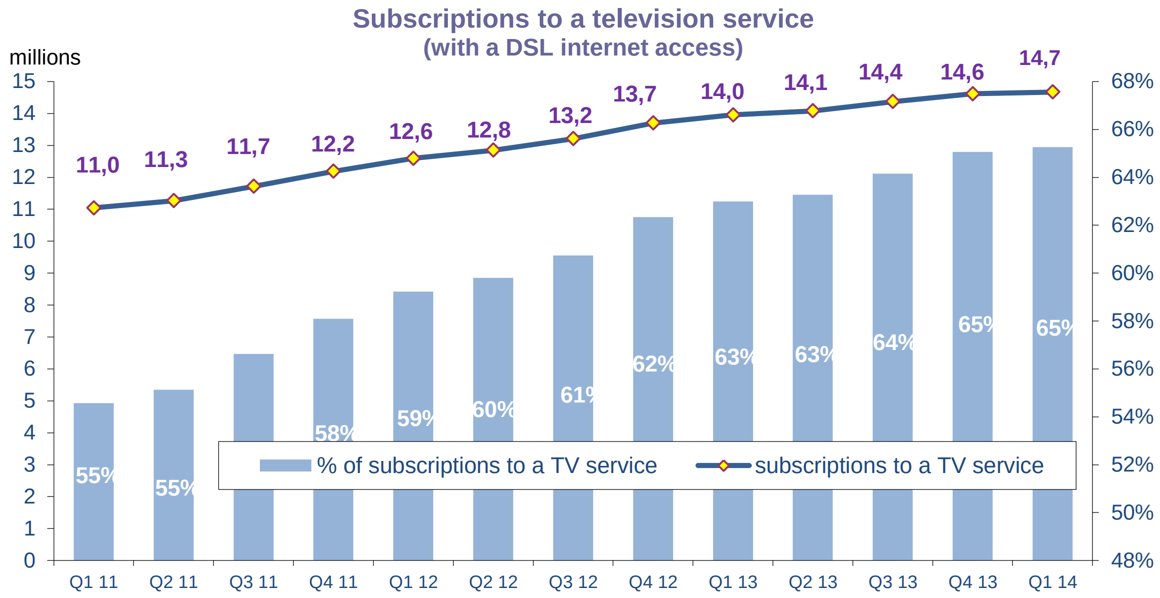
Number and annual increase of subscriptions to broadband internet



3.1.4 Television over ADSL

TV Subscriptions on DSL (millions)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Subscriptions to Internet on DSL	13,956	14,081	14,373	14,615	14,673	5,1%
Subscriptions to television services on DSL	22,153	22,252	22,402	22,461	22,481	1,5%
% of subscriptions to television services	63,0%	63,3%	64,2%	65,1%	65,3%	

Note: This indicator covers subscriptions that include TV over xDSL services that customers have the technical capacity to activate (“eligible” subscriptions) irrespective of the number of accessible channels or the tariff. Taken into account are those subscriptions that were subscribed to separately or as part of a bundled offer that includes access to one or several other services aside from TV (Internet, telephony).



3.2 Telephony services on fixed lines (excluding public pay-phones and cards)

3.2.1 Number of subscriptions to a telephone service

Number of subscriptions to telephone service (millions of units)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Subscription on narrow band access	16,902	16,464	15,994	15,566	15,190	-10,1%
Access resales	1,855	1,594	1,595	1,617	1,662	n.s.
Subscription on broadband access (IP DSL,cable)	22,658	22,855	*23,132*	*23,512*	23,855	5,3%
DSL lines without narrowband access	17,178	17,388	17,810	18,186	18,531	7,9%
Number of subscriptions to telephone service	**39,560**	**39,319**	***39,126***	***39,078***	**39,045**	**-1,3%**

adjusted figures are in italics

Notes :
- The number of subscriptions to a fixed telephony service (PSTN and voice over broadband) was reviewed upward due to a better accounting of the number of subscriptions on the business market. This change does not affect the annual change in percentage.
- The number of subscriptions to the VGAST is impacted from June 2013 by the merger between France Telecom and Orange France. In addition, the level of subscriptions sold by alternative operators has been re-evaluated upward from the publication of third quarter 2013 (approximately 250,000 per quarter compared with earlier publications).
- A subscription to telephone service in VoIP on xDSL without PSTN subscriptions is a subscription on lines where low frequencies are not used as a voice service support (neither Orange nor an alternative operator). This is the case of voice-over-broadband service issued from full unbundling and "naked DSL".

Details on the indicators for IP telephony services

Regarding the terminology used:
IP telephony service indicators in this publication cover voice over broadband regardless of medium (chiefly DSL IP, but also cable IP) and voice over Internet for operators that have declared their activity to ARCEP.
ARCEP defines "voice over broadband" as fixed telephony service using Voice over IP technology on an Internet access network at speeds in excess of 128 kbps where quality is controlled by the operator providing the service. It defines "voice over Internet" as voice communications using the public Internet network where service quality is not controlled by the operator providing the service.

The outgoing Voice over IP calls counted by the Observatory correspond to access services. The indicators do not refer to IP traffic that traverses the IP backbone only. Moreover, the Observatory does not survey operators which have not declared their activity and which support PC-to-PC voice over Internet. These operators are outside the scope of the survey.

Carrier selection (millions of units)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Call by call selection	0,104	0,090	0,079	0,080	0,069	-33,4%
Pre-selection	1,380	1,343	1,203	*1,190*	1,128	-18,3%
Number of indirect connections	**1,483**	**1,433**	**1,281**	***1,270***	**1,197**	**-19,3%**

adjusted figures are in italics

Note :
- the call-by-call selection base includes only active subscriptions; the pre-selection base includes only subscriptions that are in service, minus cancellations. The call-by-call and pre-selection customer bases do not include wholesale line rental (VGAST) subscriptions.

3.2.2 Revenue of subscriptions and calls

Access revenue (millions of euros)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Access fees, subscriptions and additional services	819	811	813	782	781	-4,6%

Note: in addition to income earned from providing access to a telephone service, access revenue includes income from IP telephony subscriptions and from additional services (caller ID, etc...).

Revenue (millions of euros)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
National calls	245	221	204	202	207	-15,5%
International calls	89	90	89	80	79	-11,4%
Calls to mobiles	181	180	168	171	161	-11,3%
All calls from fixed lines	**515**	**491**	**460**	**453**	**446**	**-13,3%**
Of which calls originating on PSTN/ISDN	370	345	321	314	299	-19,2%
Of which calls originating on VoIP services	144	145	139	139	147	2,2%

Note: Although the volume of VoIP calls refers to all end-market traffic, the revenue covers only invoiced VoIP traffic (e.g. over and above bundled service flat rates).

3.2.3 Volume of calls from fixed networks

Volumes (millions of minutes)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
National calls	19 990	17 725	15 877	17 464	17 485	-12,5%
International calls	2 950	2 946	2 676	2 814	2 707	-8,3%
Calls to mobiles	5 290	5 130	4 627	4 997	4 842	-8,5%
All calls from fixed lines	**28 231**	**25 800**	**23 181**	**25 275**	**25 033**	**-11,3%**

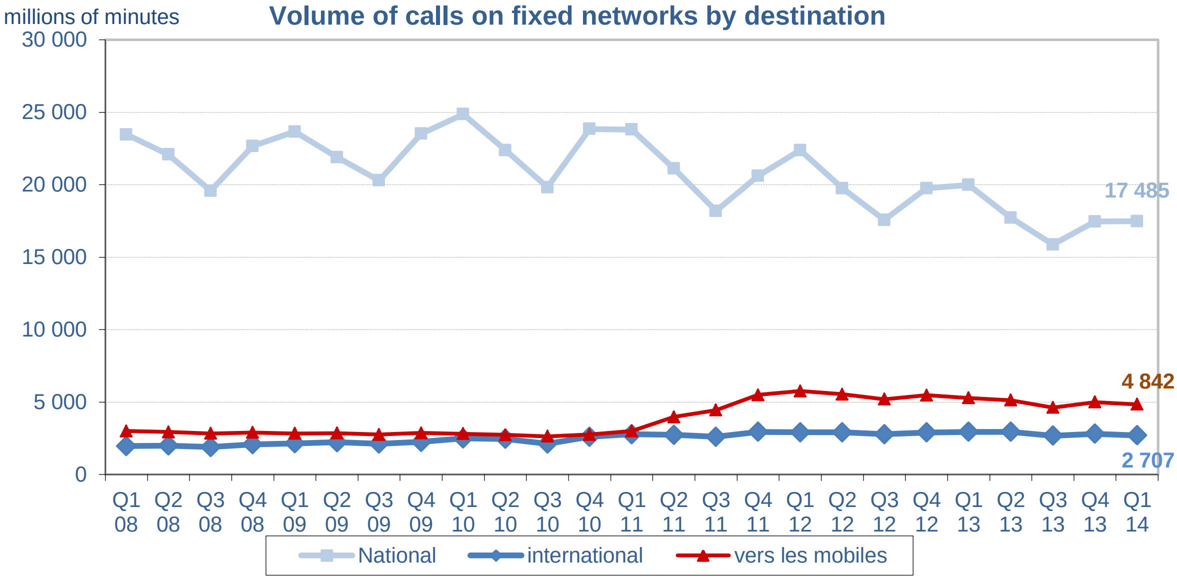
adjusted figures are in italics

Volumes of calls originating on PSTN/ISDN (millions of minutes)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
National calls	*6 516*	*5 803*	*5 264*	*5 631*	5 567	-14,6%
International calls	*338*	*313*	*311*	*292*	286	-15,6%
Calls to mobiles	*1 322*	*1 279*	*1 195*	*1 270*	*1 252*	-5,3%
All calls originating on PSTN/ISDN	***8 176***	***7 396***	***6 770***	***7 192***	**7 105**	**-13,1%**

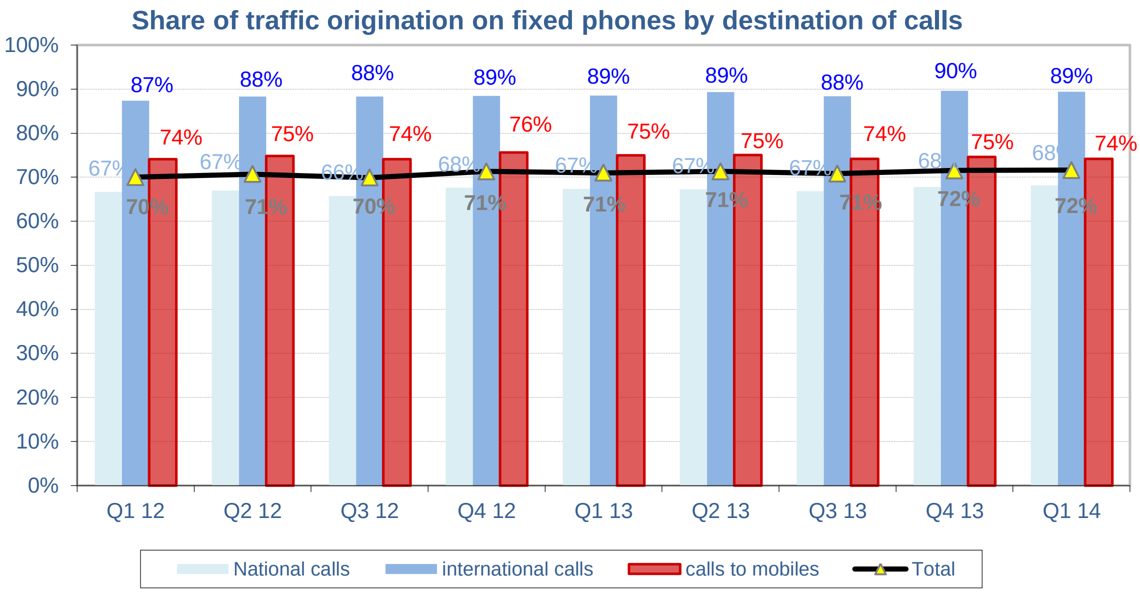
adjusted figures are in italics

Volumes (IP trafic) (millions of minutes)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
National calls	13 465	11 922	*10 613*	*11 834*	11 917	-11,5%
International calls	2 612	2 632	2 366	*2 523*	2 421	-7,3%
Calls to mobiles	3 967	3 851	3 432	*3 727*	3 590	-9,5%
All IP calls	**20 044**	**18 405**	***16 411***	***18 083***	**17 928**	**-10,6%**

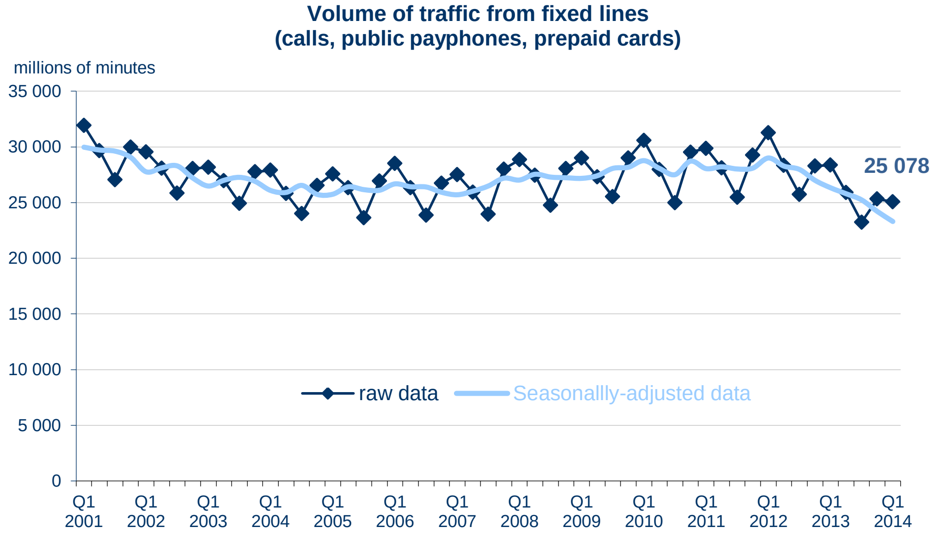
adjusted figures are in italics



millions of minutes
Volume of calls on fixed networks by destination
30 000
25 000
20 000
15 000
10 000
5 000
0
17 485
4 842
2 707
Q1 08
Q2 08
Q3 08
Q4 08
Q1 09
Q2 09
Q3 09
Q4 09
Q1 10
Q2 10
Q3 10
Q4 10
Q1 11
Q2 11
Q3 11
Q4 11
Q1 12
Q2 12
Q3 12
Q4 12
Q1 13
Q2 13
Q3 13
Q4 13
Q1 14
National
international
vers les mobiles



Share of traffic origination on fixed phones by destination of calls
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
87%
88%
88%
89%
89%
89%
88%
90%
89%
74%
75%
74%
76%
75%
75%
74%
75%
74%
67%
67%
66%
68%
67%
67%
67%
70%
71%
70%
71%
71%
71%
71%
72%
72%
Q1 12
Q2 12
Q3 12
Q4 12
Q1 13
Q2 13
Q3 13
Q4 13
Q1 14
National calls
international calls
calls to mobiles
Total



3.3 Public payphones and calling cards

Public telephony	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Number of public payphones at end of quarter (units)	112 658	107 521	101 790	94 455	87 194	-22,6%
Revenue (millions of euros)	4	4	4	3	3	-39,8%
Volumes (millions of minutes)	12	12	12	9	5	-53,3%

Charge and prepaid cards	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Revenue (millions of euros)	12	10	8	7	7	-45,3%
Volume (millions of minutes)	131	85	46	42	40	-69,7%

3.4 Dial-up internet

Internet Dial-up	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Revenue (millions of euros)	4	4	3	3	3	-29,5%
Subscriptions (millions of units)	0,202	0,186	0,165	0,155	0,141	-30,5%
Volumes of dial-up Internet (millions of minutes)	197	177	149	136	120	-39,0%

3.5 Revenue on fixed networks

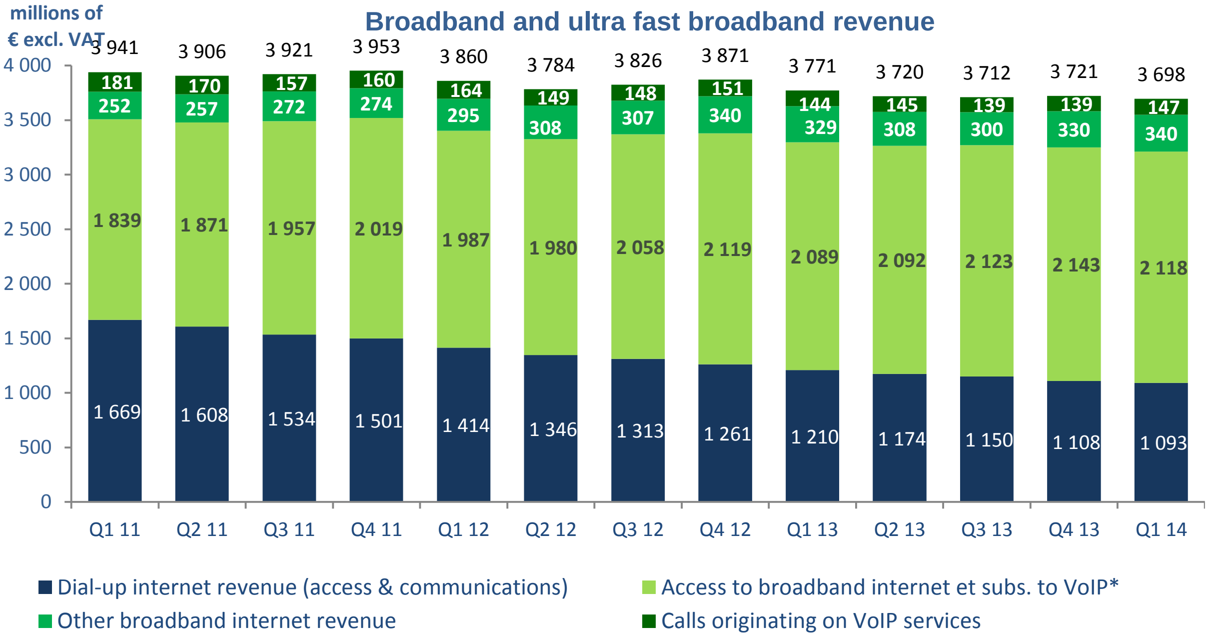
Revenue of fixed networks services (millions of euros)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Narrowband Revenue	***1 210***	***1 174***	***1 150***	***1 108***	**1 093**	**-9,6%**
Subscriptions and calls originating on PSTN/ISDN	*1 189*	*1 156*	*1 134*	*1 096*	1 081	-9,1%
Dial-up Internet	4	4	3	3	3	-29,5%
Public payphones and cards	17	14	12	10	9	-43,8%
Broadband Revenue	***2 561***	***2 546***	***2 562***	***2 613***	**2 605**	**1,7%**
Broadband Internet and VoIP subscriptions	2 089	2 092	2 123	2 143	2 118	1,4%
Calls originating on VoIP services	144	145	139	139	147	2,2%
Other Internet revenue	*329*	*308*	*300*	*330*	340	3,4%
Revenue of fixed lines services	***3 771***	***3 720***	***3 712***	***3 721***	**3 698**	**-1,9%**

adjusted figures are in italics

Notes

- The fixed services segment is composed of fixed telephony services (over the PSTN or VoBB from a fixed terminal, calls originating on public payphones, prepaid cards or calling credits) and Internet access (dial-up, broadband and ultra-fast broadband).

-When they are included in an Internet access flat rate, access to a VoIP services and IP calls are not factored into the revenue directly attributable to fixed telephony, but rather included in the "broadband Internet access revenue" indicator.
- revenue generated by calls originating on an IP connection includes only the amounts that operators might bill for IP calls, over and above bundled service flat rates. This figure does therefore not include the price of the bundled subscription, or access to the voice over broadband service.
- "Other services" refers to related income earned by ISPs on services such as hosting and online advertising revenue. From now on, this line also include revenues connected to a broadband internet access and billed by operators (subscriptions to à TV service, video and music downloading…). Revenue generated by terminal sales and rental is included under "fixed operator and ISP terminal sales and rental".



4 Leased lines and data transport (on fixed networks)

Revenue (millions of euros)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Leased lines	*231*	226	227	222	236	2,1%
Data transport	523	524	509	514	511	-2,4%
Total	***754***	**750**	**736**	**736**	**746**	**-1,0%**
of witch on business marLet	645	647	626	622	620	-3,8%

Note: leased lines revenue can have double accounts in so far as sales between operators are taken into account. Q1 2013 figure is estimated on a constant perimeter (by removing on this quarter the financial flows between France Telecom and Orange France before their merger).

5 Services on mobiles networks

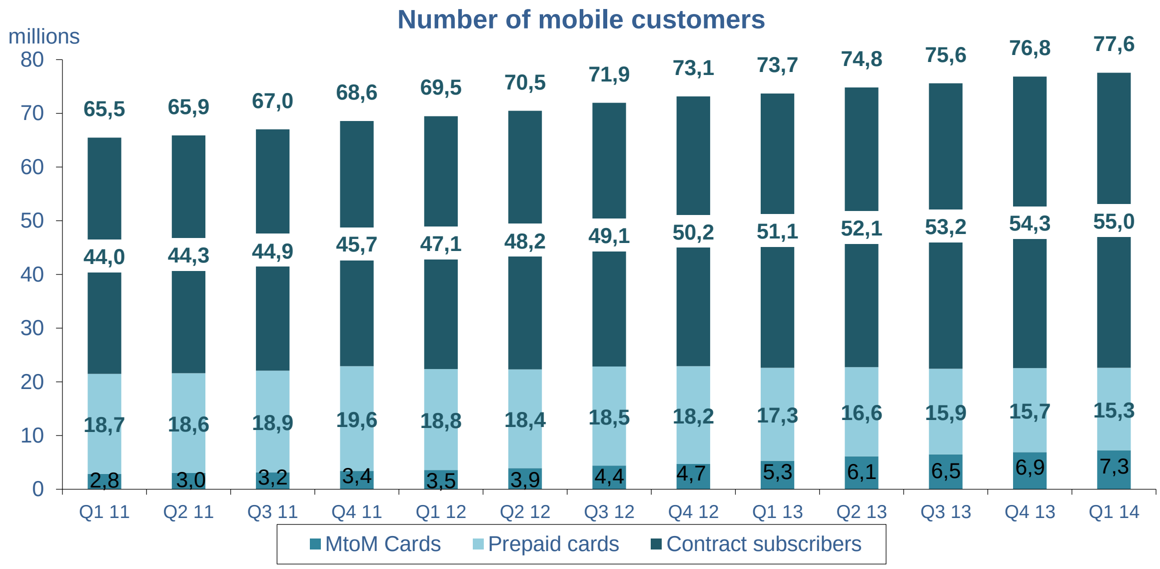
5.1 Subscriptions

5.1.1 Subscriptions to mobiles services

Number of mobile customers (millions of units)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Contract subscribers	51,066	52,079	53,154	54,276	54,980	7,7%
of which with blocked account	8,049	7,507	6,980	6,741	6,126	-23,9%
MtoM SIM cards	5,316	6,091	6,493	6,890	7,276	36,9%
Prepaid cards	17,319	16,639	15,934	15,667	15,324	-11,5%
*of which active prepaid cards **	14,525	13,801	13,092	12,772	12,036	-17,1%
Mobile Telephonie	**73,701**	**74,809**	**75,581**	**76,834**	**77,580**	**5,3%**

adjusted figures are in italics

*A prepaid card is considered active if the customer has made or received at least one call during the past three months. Only telephone calls are considered, w hether free or payable. SMS are not included in the calculation.



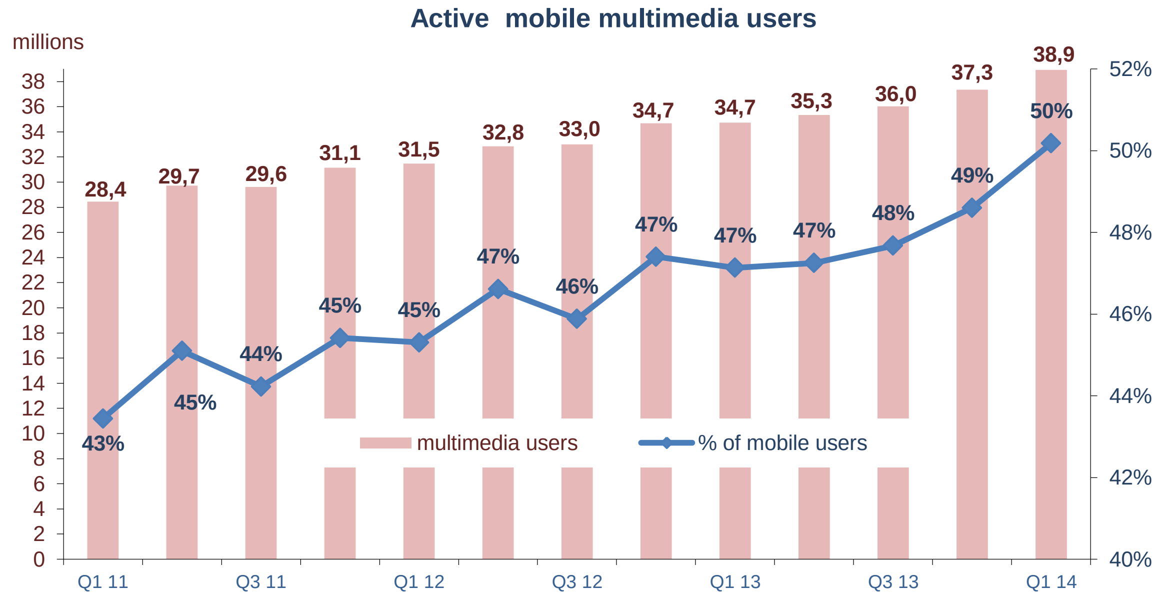
5.1.2 Multimedias and 3G services

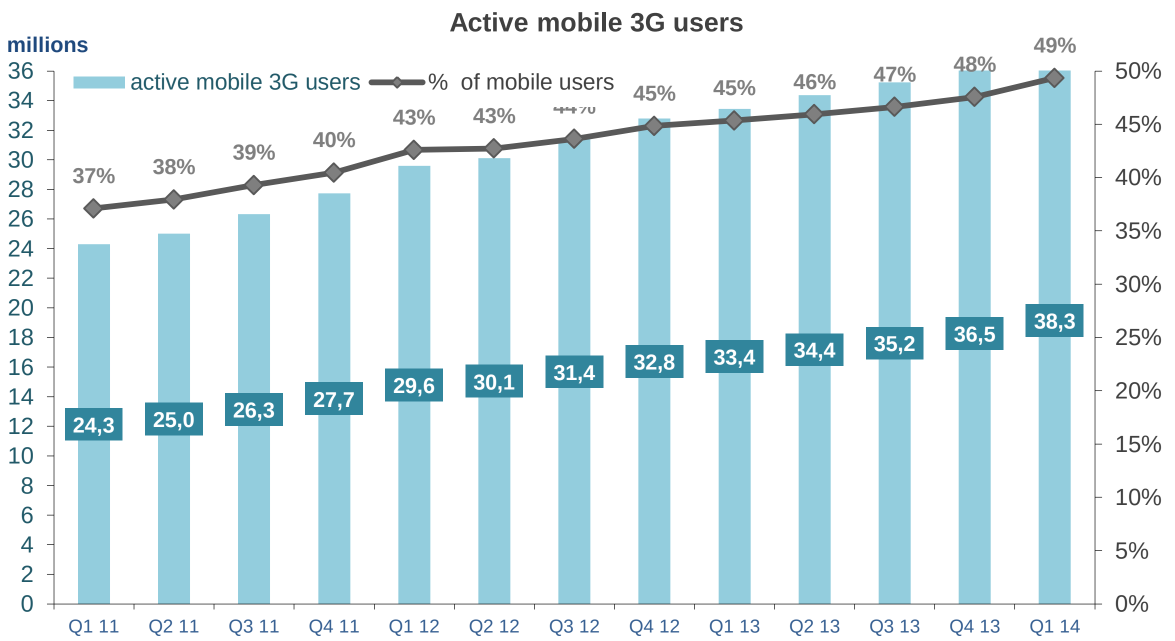
Active multimédia/3G users, internet SIM cards (millions of units)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Active multimedia subscribers	34,739	35,349	36,034	37,343	38,928	12,1%
Active 3G users	33,432	34,368	35,243	36,548	38,283	14,5%

Notes :

- The active multimedia subscriber base is defined as the group of prepaid and post-paid customers who used a WAP, i-mode, MMS or email multimedia service at least once during the previous month (text messages excluded from calculations), and regardless of the supporting access technology (CSD, GPRS, UMTS...). Scope: Metropolitan France and the overseas "départements".

- The active 3G base is defined as the number of customers who have accessed a mobile service (voice, videophony, mobile TV, data transfer, etc.) that uses 3G radio access technology, sometime in the past three months (either transmission or reception).





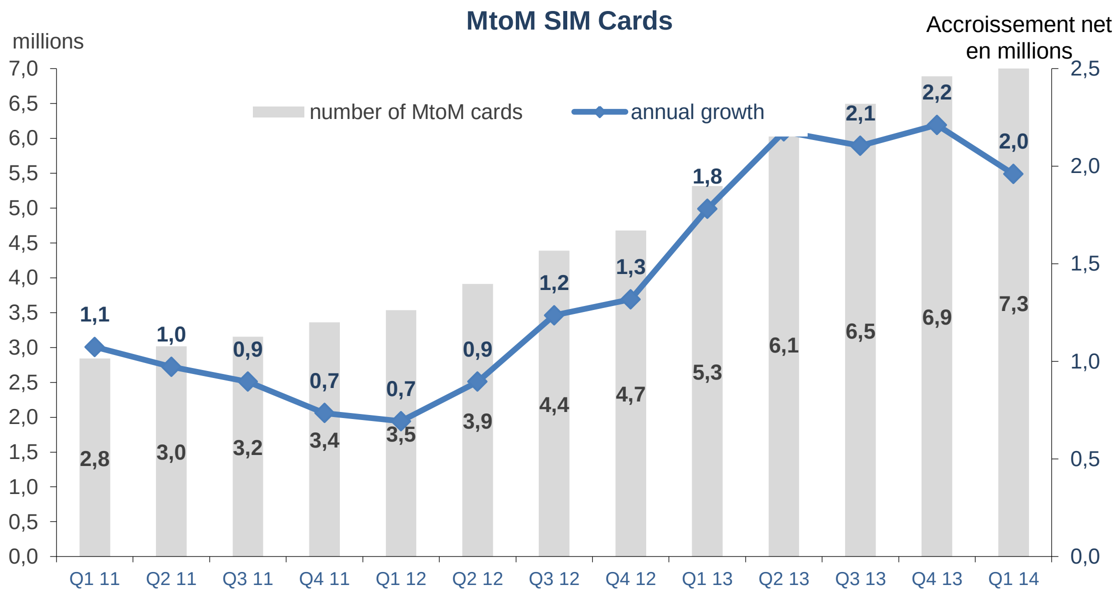
5.1.3 SIM cards "internet and data only" (without telephony)

Active multimédia/3G users, internet SIM cards (millions of units)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Number of exclusive Internet SIM cards	3,470	3,582	3,675	3,645	3,693	6,4%
of which exclusive Internet prepaid cards	0,653	0,671	0,706	0,699	0,712	9,1%

- The number of exclusive Internet SIM cards is defined as the number of SIM cards sold by mobile operators (in the form of subscriptions, flat rates or prepaid cards), to be used solely for accessing the Internet (PCMCIA cards, 3G/3G+ USB keys). These cards cannot be used to make voice calls

MtoM Sim cards (millions of units)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Number of Sim cards used for MtoM communications	5,316	6,091	6,493	6,890	7,276	36,9%

- The number of SIM cards used for MtoM communications is defined as the number of SIM cards employed solely for remote machine-to-machine communications for uses other than person-to-person messaging or accessing the Internet.

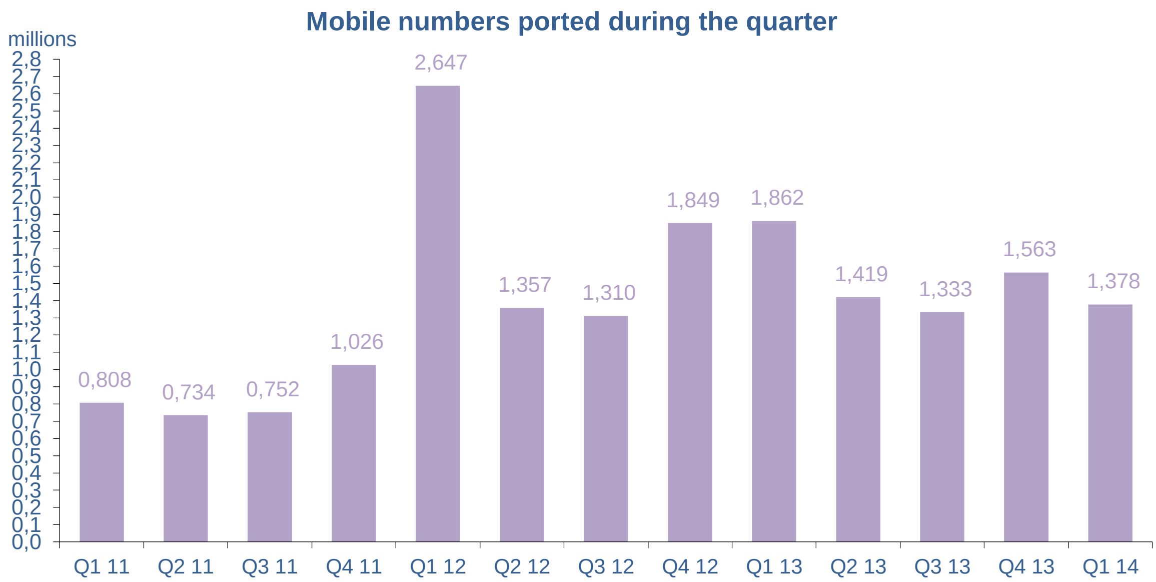


Data SIM cards (millions of units)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Number of exclusive internet Sim cards & MtoM Sim cards	8,786	9,673	10,168	10,535	10,968	24,8%
% of data SIM cards among SIM cards	11,9%	12,9%	13,5%	13,7%	14,1%	+2,2 points

5.1.4 Portability (mobile number)

Portability (millions of units)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Number of mobile numbers ported during the quarter	1,862	1,419	1,333	1,563	1,378	-26,0%

Note: figures for ported numbers refer to the number of at the finalised porting procedures (ported numbers activated by the recipient operator) during the year in question. Scope: Metropolitan France and the overseas "départements".

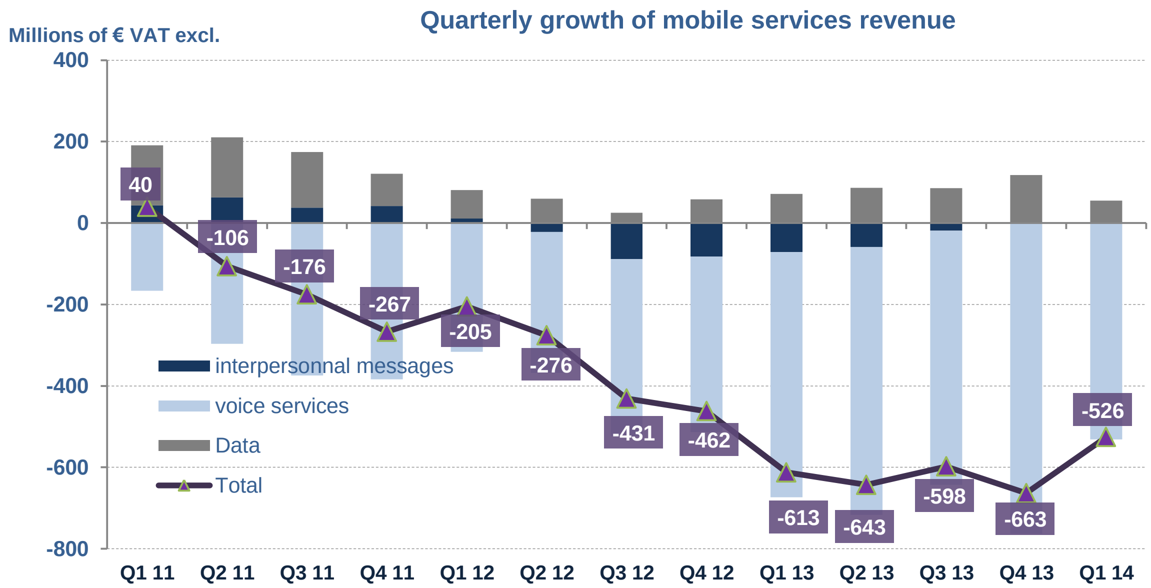


5.2 Retail market revenue et traffic (excluding VAS)

Revenue (millions of euros)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Mobile telephony	2 564	2 464	2 374	2 151	2 033	-20,7%
of which outgoing internationals calls	241	245	257	249	239	-0,8%
Data transport on mobile networks	1 372	1 350	1 383	1 399	1 378	0,4%
of which interpersonal messaging (SMS, MMS)	609	571	581	*565*	559	-8,2%
of which access to mobile Internet & to multimedia services	763	779	802	*834*	819	7,3%
Total mobile telephony and data transport	**3 937**	**3 814**	**3 757**	**3 550**	**3 411**	**-13,4%**

adjusted figures are in italics

Notes : this is about retail market revenue. Revenue from the market between operators (interconnection, wholesale) are not included. Also excluded is revenue from value-added retail services.

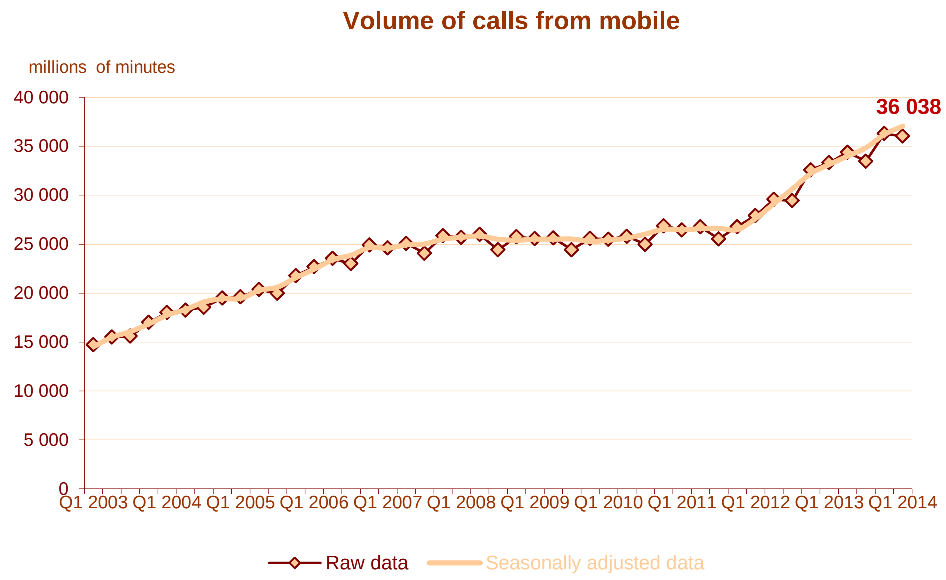


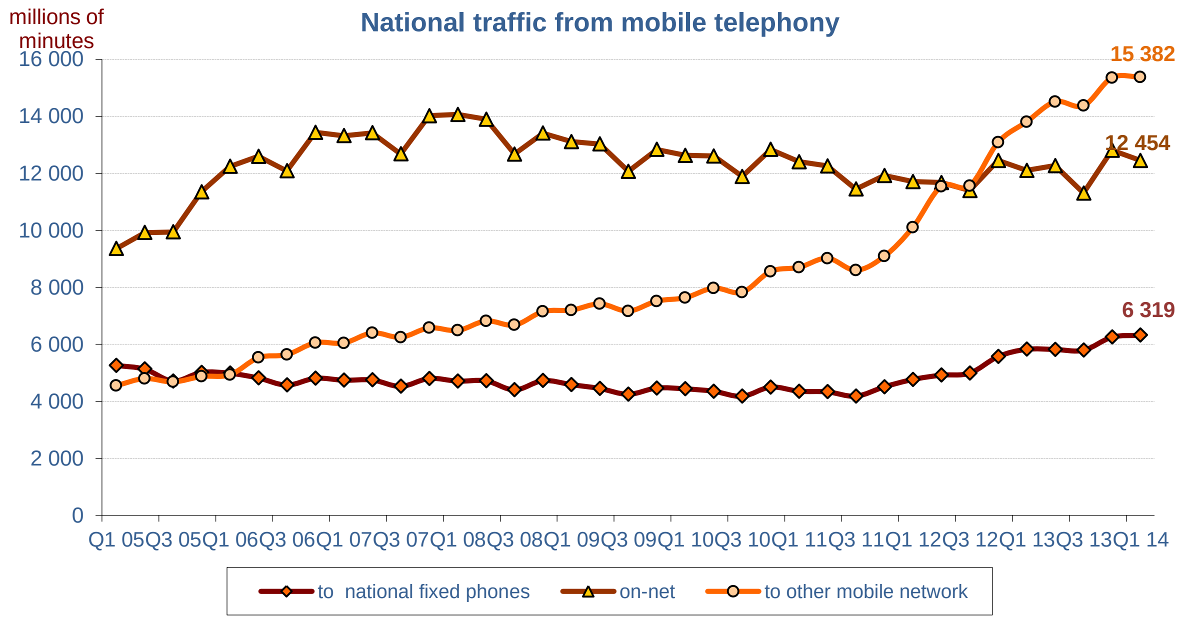
Volumes (millions of minutes)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Calls to national fixed lines	5 826	5 820	5 793	6 252	6 319	8,5%
Calls to mobiles on the same network (1)	12 105	*12 271*	*11 306*	*12 810*	12 454	2,9%
Calls to other networks	13 811	*14 516*	*14 376*	*15 358*	15 382	11,4%
Outgoing internationals calls	1 298	1 441	1 496	1 552	1 578	21,6%
Roaming out (2)	286	334	498	318	305	6,4%
Total mobile telephony	**33 325**	***34 382***	***33 468***	***36 290***	**36 038**	**8,1%**

adjusted figures are in italics

(1) onnet calls on the same network (MNO or MVNO)

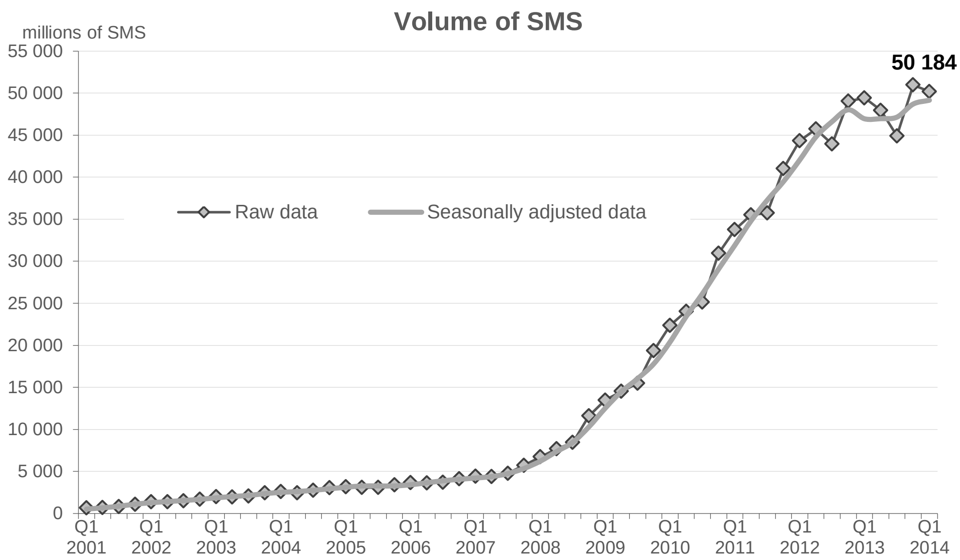
(2) Roaming out corresponds to calls made in other countries by customers of French mobile operators





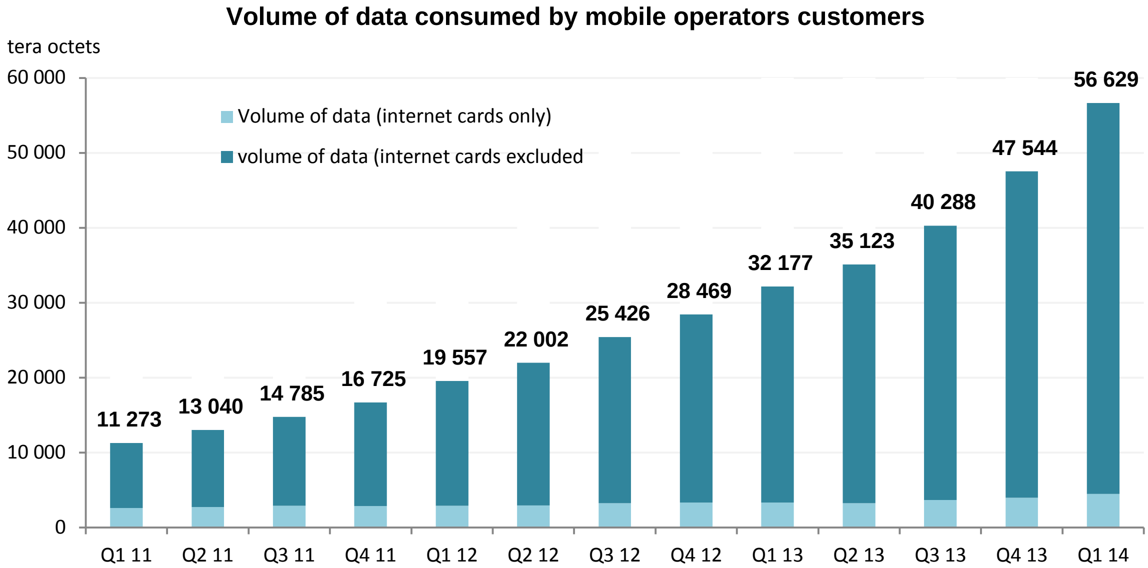
Volumes of interpersonal messages (millions of units)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Number of interpersonal SMS	49 432	47 946	44 907	*50 975*	50 184	1,5%
of witch from contract subscribers	46 254	45 173	42 308	*48 191*	47 374	2,4%
of witch from prepaid cards	3 178	2 773	*2 599*	*2 784*	2 810	-11,6%
Number of interpersonal MMS	549	582	638	656	655	19,5%
Number of messages sent	**49 981**	**48 528**	***45 545***	***51 632***	**50 840**	**1,7%**

adjusted figures are in italics



Volumes of data consumed by the customers (in Teraoctects)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Volumes of data	**32 177**	**35 123**	**40 288**	**47 544**	**56 629**	**76,0%**
of witch from internet exclusive SIM cards	3 337	3 241	3 685	3 974	4 466	33,8%

Note: the volume of data on mobile networks includes voice communications and exchange of interpersonal messages via software (excluding traffic by wifi).



6 Per customers indicators

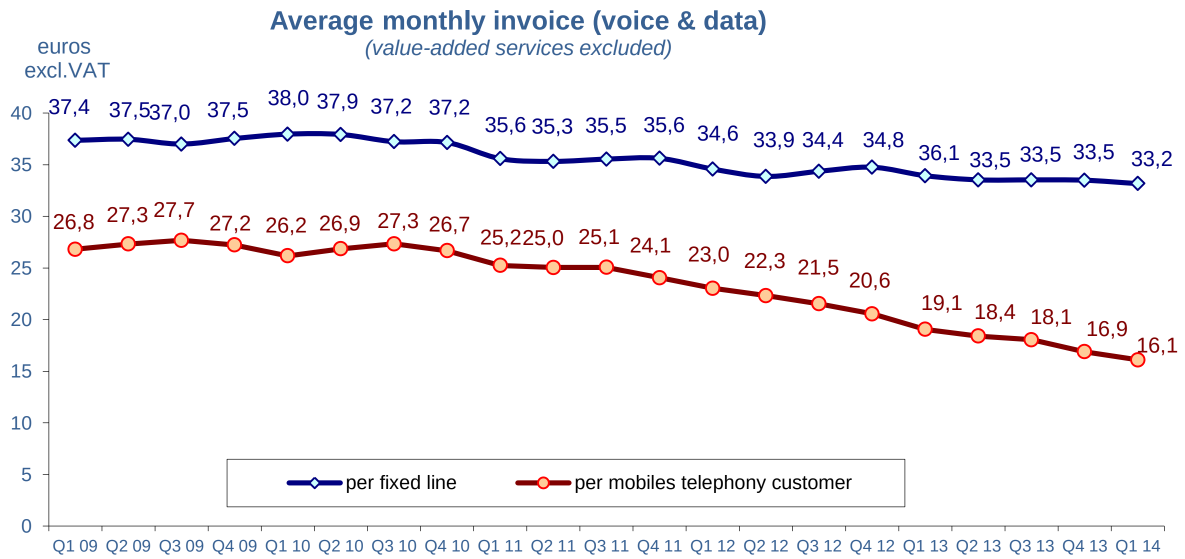
Average monthly revenue (value added services exclude) (in euros -VAT excluded)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Per fixed line : access, communications and Internet	33,9	33,5	33,5	33,5	33,2	-2,3%
Mobile telephony user	19,1	18,4	18,1	16,9	16,1	-15,5%

Notes :

The average invoice per fixed line now refers to what customers pay each month for their telephony and Internet services. The revenue included is therefore:

- revenue generated by access to subscriptions and additional services;

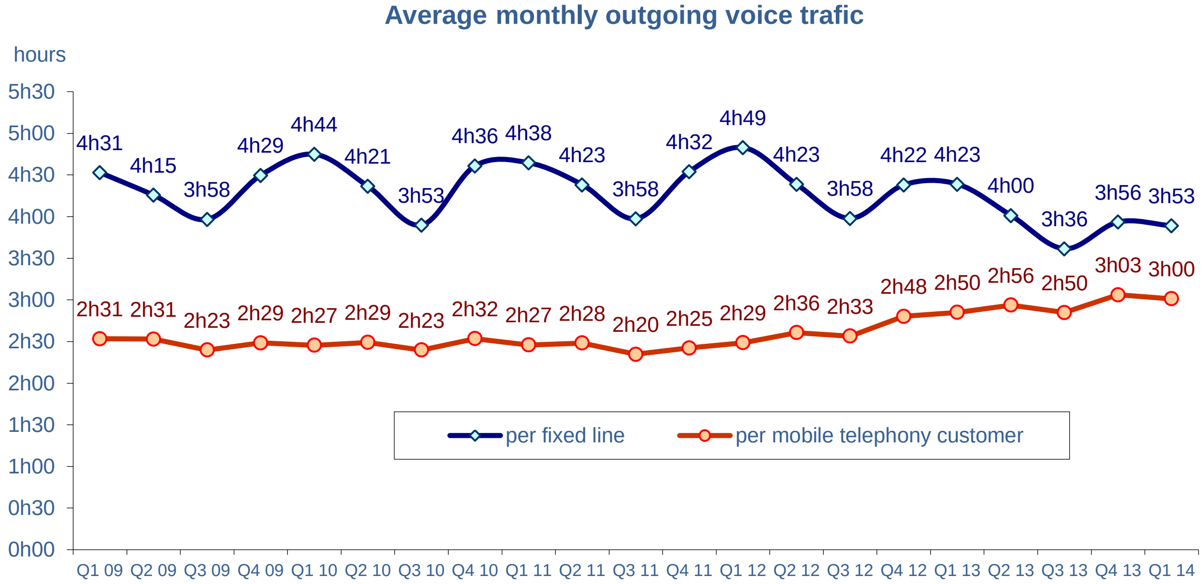
- revenue from calls originating on fixed lines, including IP traffic revenue billed over and above the bundled service flat rate;
- narrowband and broadband Internet access revenue.
Excluded are:
- public payphone and prepaid card revenue;
- revenue generated by other services tied to Internet access, e.g. ISPs' online ad revenue and commissions earned on e-commerce sales;
- VAS and directory assistance services revenue
- <u>The average monthly invoice per mobile customer</u> is calculated by dividing the income from mobile telephony (voice and data revenue, including roaming-out, excluding revenue from incoming calls and MtoM SIM cards) for quarter N by the estimated average number of mobile customers for quarter N, and then by the number of months. This indicator, which does not include interconnection revenue, or those from value-added services, is not the same as the traditional Average Revenue Per User (ARPU) indicator.



Note : The average monthly invoice per mobile telephony customer exclude MtoM cards (in revenue and in number of cards).

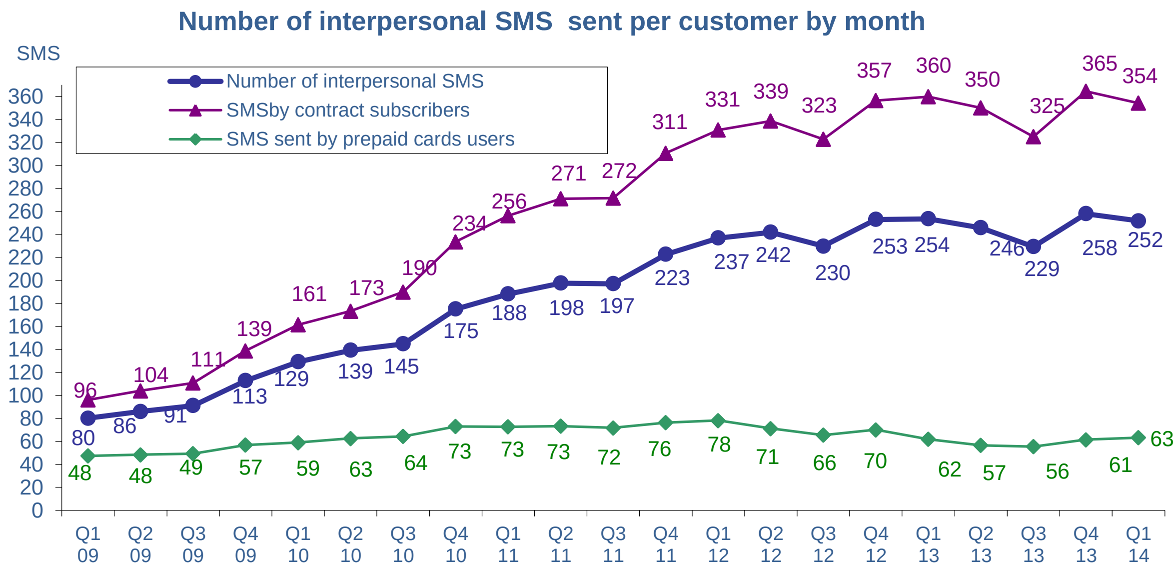
Average monthly outgoing traffic (in hours)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Per fixed lines	4h23	4h00	3h36	3h56	3h53	-11,4%
Mobile telephony user	2h50	2h56	2h50	3h03	3h00	5,7%

Notes :
- <u>The average monthly volume of traffic per fixed line</u> is calculated by dividing the volume of traffic (PSTN and IP) for quarter N by the estimated average number of fixed lines in existence for quarter N, and then by the number of months.
- <u>The average monthly volume of traffic per mobile operator customer</u> is calculated by dividing the volume of mobile telephony traffic (including roaming-out) for quarter N by the estimated average number of mobile customers for quarter N, and then by the number of months. SIM cards that can be used only for data (MtoM and data only cards) are not included in the calculations.



Number of interpersonnal SMS sent per user (units)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Number of SMS sent per user during the quarter	254	246	229	258	252	-0,7%
of witch for contract subscribers	360	350	325	365	354	-1,6%
of witch for prepaid cards	62	57	56	61	63	2,4%

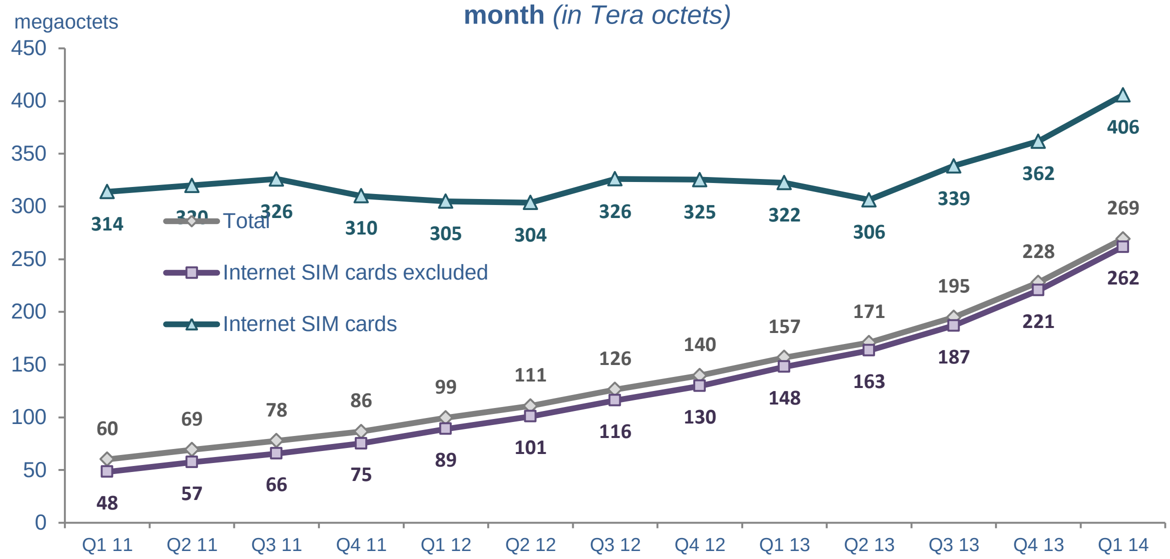
Note: The average number of SMS messages per customer is calculated by dividing the number of SMS messages for quarter N by the estimated average number of customers for quarter N, and then by the number of months. MtoM and exclusive data SIM cards are not taken into account. The number of messages does not include surcharged mini-messages (e.g. sent during a TV programme), of which customers send an average of one a month.



Average monthly volume of data consumed on mobile networks (en mega octets)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
per mobile operator customer	157	171	195	228	269	71,7%
of witch from internet exclusive SIM cards	322	306	339	362	406	25,8%
of witch from other SIM cards	148	163	187	221	262	76,8%

Note: the average monthly volume of data per customer of mobile operators is calculated by dividing the volume of data for the quarter N by the estimated average number of customers for quarter N reported to the month. The volume of data include voice communications, exchange of interpersonal messages through software. "MtoM" cards are not taken into account in the calculation.

Volume of data consumed by the customers on mobiles networks per month *(in Tera octets)*



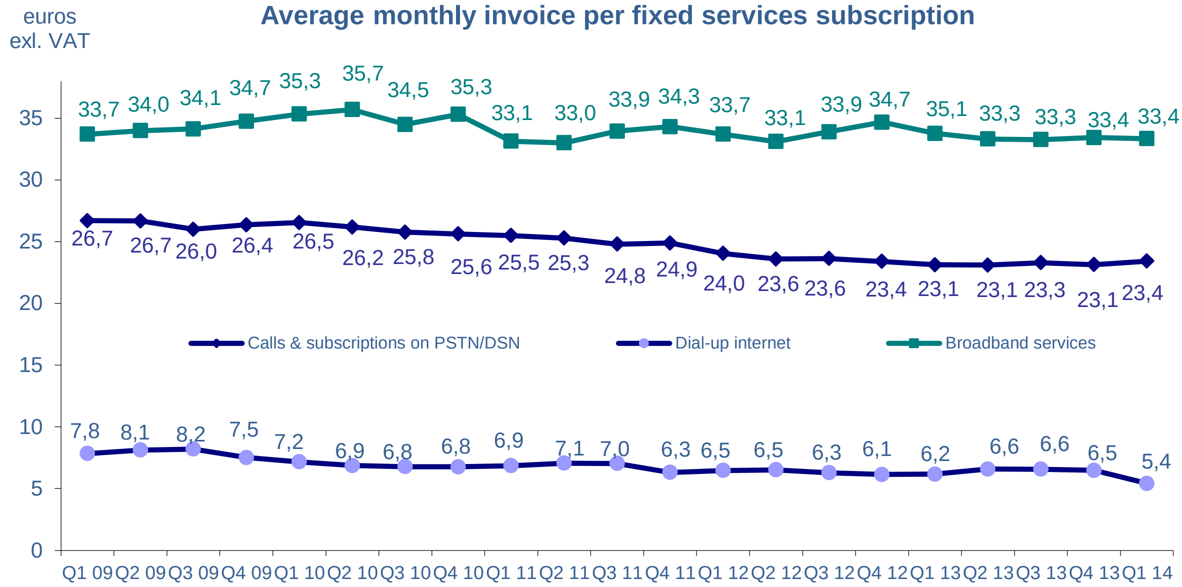
Average monthly revenue per customer (in euros -VAT excluded)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Fixed PSTN/ISDN telephony user	23,1	23,1	23,3	23,1	23,4	1,3%
Dial-up Internet user	6,2	6,6	6,6	*6,5*	5,4	-12,3%
Internet & telephony over broadband	33,8	33,3	33,3	*33,4*	33,3	-1,3%

Notes :

- The average monthly bill for a PSTN line is calculated by dividing the revenue earned on a PSTN based fixed line subscription and calls (i.e. excluding IP CALLS) for Quarter Q by the estimated average customer base for Quarter Q, then dividing the result by three.

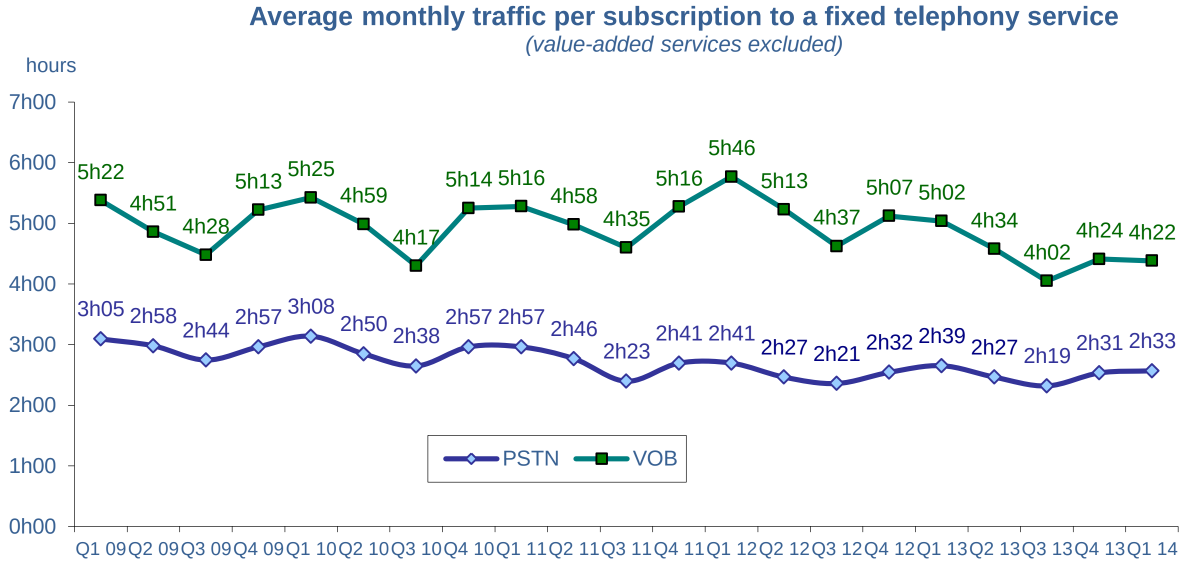
- The average bill for a narrowband subscription is calculated by dividing the revenue earned on narrowband subscription in year N by the estimated customer base for Quarter Q, then dividing the result by 3.

- The average monthly bill for a broadband or ultra-fast broadband access (name Internet and telephony over broadband) is calculated by dividing the revenue earned on calls made over IP on a fixed line (billed over and above a service bundle flat rate) and the revenue earned on broadband subscription for Quarter Q by the estimated average customer base for Quarter Q, then dividing the result by 3.



Average monthly traffic per customer (in hours)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Fixed PSTN/ISDN telephony user	*2h39*	*2h27*	*2h19*	*2h31*	2h33	-3,2%
Fixed IP telephony user	5h02	4h34	4h02	*4h24*	4h22	-13,0%
From dial-up Internet	5h07	5h04	4h43	*4h43*	4h05	-20,2%

- Average monthly volume per fixed line is calculated by dividing the traffic volume (PSTN and IP) for Quarter Q by the estimated average customer base for Quarter Q, then dividing the result by 3.
- Average monthly volume per narrowband subscription is calculated by dividing narrowband volume for Quarter Q by the estimated narrowband customer base for Quarter Q, then dividing the result by 3.



7 Value-added services

Value-added services revenue* (millions of euros)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Value-added "voice" services	284	260	251	264	260	-8,5%
From fixed telephony network	166	148	136	142	131	-21,1%
From mobile telephony network	119	112	115	122	129	9,0%
Value-added "data" services	195	199	215	226	231	18,5%
Directories services	32	32	33	30	31	-3,0%
Value-added services	**511**	**491**	**499**	**521**	**522**	**2,2%**

** This corresponds to all amounts billed to customers by operators, including out payments from operators to service providers. "Data" value-added services include premium-rate services such as those on the Orange "Gallery" portal, push services, chat rooms, weather forecasts, TV game shows, horoscopes, ringtone downloads, etc.…*

Value-added "voice" and "télématic" services volumes (millions of minutes)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
From fixed telephony network	1 569	1 429	1 390	1 492	1 391	-11,3%
From mobile telephony network	360	370	395	*405*	389	7,9%
Number of calls	**1 929**	**1 799**	**1 785**	***1 897***	**1 780**	**-7,7%**

adjusted figures are in italics

Value-added "data" service volumes (millions of units)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Number of messages (SMS+, MMS+)	194	193	179	183	181	-6,7%

Revenue from directory services (millions of euros)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Number of calls (millions of units)	11	11	10	9	8	-25,1%
Volume of calls (millions of minutes)	28	27	26	24	22	-20,9%

Note: Included in directory assistance services are 118xyz format numbers, in service since November 2005, and short numbers that provide access to services such as reverse directories (3288, 3217, and 3200) and international directories (3212).

8 Other revenue

8.1 Hosting and call centre management services

Revenue (millions of euros)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Hosting and call centre management	*65*	*67*	*71*	*77*	*75*	16,2%

8.2 Terminals and equipments

Revenue from terminals and equipment (millions of euros)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
linked to fixed téléphony & Internet services	*176*	*161*	*141*	*146*	164	-7,1%
linked to mobile services	381	339	355	*622*	404	6,1%
Terminals and equipment	***557***	***500***	***496***	***768***	**568**	**1,9%**

adjusted figures are in italics

Note : the revenue excludes commissions paid to distributors.

9 The intermediate market (interconnection and wholesale market)

9.1 The market as a whole

Interconnection services (millions of euros)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Fixed operators	1 136	1 154	1 174	1 197	1 184	4,2%
*of which telephony services **	528	533	550	553	547	3,7%
of which broadband services	608	622	624	644	636	4,7%
Mobile operators	619	634	639	636	637	2,9%
of which SMS termination	358	353	347	360	366	2,2%
Revenue	***1 755***	**1 788**	**1 814**	***1 834***	**1 821**	**3,8%**

adjusted figures are in italics

Interconnection services (millions of minutes)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Fixed operators	*32 732*	*27 662*	*25 920*	*27 281*	27 704	n.s
Internet (dial-up)	122	121	107	107	124	1,1%
Mobile operators	20 997	21 724	21 115	22 162	22 493	7,1%
Volume	***53 852***	***49 507***	***47 143***	***49 550***	**50 321**	**n.s**
Incoming SMS	**31 215**	**30 706**	**29 472**	**31 813**	**31 868**	**2,1%**

adjusted figures are in italics

Notes :

- Interconnection covers all the services provided by one carrier to another under the terms of an interconnection agreement. In cases of mergers or takeovers, some of the revenue streams between the telcos disappear, which might account for decreases in revenue from one quarter to the next.

- Interconnection income and traffic volumes are not calculated on the basis of the same criteria, making a comparison between the two indicators unsuitable for estimating average prices (interconnection income includes fixed income such as charges for connection links and intercarrier services).

- Note that the interconnection figures shown above might be counted twice, particularly in the case of fixed operators.

- From January 1st 2013, the price for call termination on fixed networks is set to 0.08c€/minute against 0.15c€/min since July 1st 2012 (decision 2011-0926) and 0.3c€/min since October 1st 2011.

- Broadband wholesale services include income from unbundling and bitstream or bitstream equivalent services. The tariff of the unbundling is set since February1st 2014 at €9.2 against €8.90.

- Mobile operators' interconnection services include income earned on call and SMS termination and on roaming in. The revenue issued from services of collection for the MVNO / full MVNO or national roaming operators, representing 1300 million € for the whole of the year 2013, are not included.

- From January 1st 2013, the price for call termination on mobile networks is set to 0,8c€/minute for Bouygues Telecom, Orange France and SFR against 1.0€/minute between July 1st 2012 to 30th December 2012 and 1.5€/minute between January1st 2012 to June 30th 2012. The maximum price of the voice call termination on mobile networks is set, from 1st July 2013, at 0.8c€/min for Free mobile (network operator) and the full MVNO against 1.1c€ between1st January 2013 to 30th June 2013 and 1.6c€ since 1st July 2012.

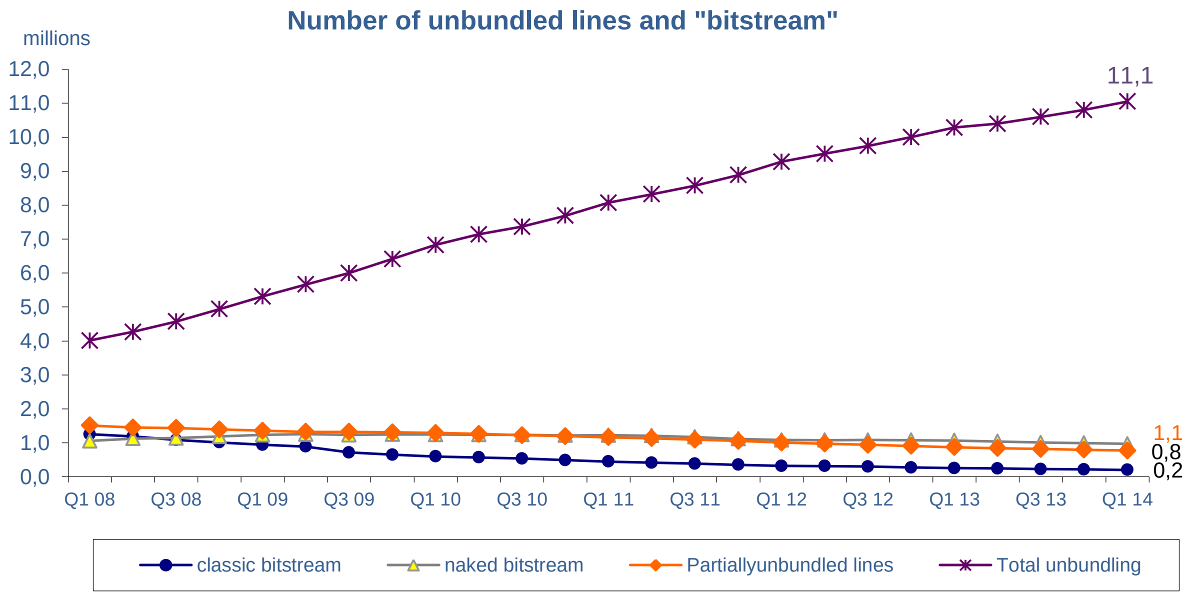
- The price of call termination for SMS is €1.0c for all operators since January 1st 2013.

History of rates is available on the site: http://www.arcep.fr/index.php?id=8080.

Unbundling (millions of units)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Partially unbundled lines	0,871	0,844	0,820	0,793	0,771	-11,5%
Fully unbundled lines	10,287	10,399	10,603	*10,805*	11,052	7,4%
Number of unbundled lines	**11,157**	**11,244**	**11,423**	***11,597***	**11,823**	**6,0%**

"Bitstream" lines (millions of units)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
"naked bistream"	1,069	1,041	1,006	0,993	0,967	-9,5%
"classic bitstream"	0,255	0,242	0,226	0,214	0,201	-21,0%
Number of "bitstream" lines	**1,324**	**1,283**	**1,232**	**1,207**	**1,169**	**-11,7%**

Note : Bitstream is a wholesale solution marketed by the incumbent carrier that allows alternative operators to provide broadband access services to their customers who are located in areas where unbundling is not available, by connecting to one of the incumbent carrier's regional or national connection points.



9.2 Incoming international interconnection

Revenue of incoming international interconnection services (millions of euros)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Fixed operators	42	35	43	39	38	-8,4%
Mobile operators	8	8	10	10	11	33,3%
Revenue	**50**	**43**	**53**	**49**	**49**	**-1,5%**

Volume of incoming international interconnection services (millions of minutes)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Fixed operators	2 231	2 216	2 410	2 353	2 180	-2,2%
Mobile operators	813	893	965	922	899	10,5%
Volume	**3 044**	**3 109**	**3 375**	**3 275**	**3 080**	**1,2%**

*Note: This segment is a sub-set of the total market (cf.*9.1).

9.3 Mobiles operators roaming-in

Roaming in	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	change 1Q14/1Q13
Revenue (millions of euros)	72	79	99	72	60	-16,6%
Volume (millions of minutes)	445	533	707	464	461	3,7%
Volume of SMS (millions)	198	223	344	174	174	-12,6%
Volume of data (teraoctets)	110	160	312	183	217	97,4%

*Note: This segment is a sub-set of the total market (cf.*9.1).

- -Roaming-in refers to French mobile operators' handling of the incoming and outgoing calls made in France by customers of a foreign mobile operator. The revenue corresponds to the remuneration

between the two operators. The relationship between call revenue/volume does not correspond to any set price, nor to any price that is billed to customers.
- Mobile operators have been subject to a ceiling on international roaming tariffs inside the EU since June 2007. This European regulation also includes a multi-annual plan for a steady decrease in this maximum price. As a result, on 1st July 2013, these Euro tariffs went from 0.29€ excl. VAT to 0.24€ excl. VAT for calls made from abroad, and from 0.09€ excl. VAT to 0.07€ excl. VAT for calls received when abroad. SMS tariff on the retail market has been reduced from 0.09€ to 0.08 € excl.VAT per message. The tariff for mobile internet has been reduced from 70c€ to 45c€ per mega octets.
-. On the wholesale market the tariffs have been set since 1st July 2013 to 2cts€ per message for SMS and to 10c€ per minute for voice calls (against 3cts€ per message for SMS and to 14cts€ per minute for voice calls for the period from 1rst July 2012 to 30 June 2013). The tariff is set to 15cts€ per Mo for mobile internet for the period between 1st July 2013 to 1st July 2014 ('against 25 cts€ for the period from 1rst July 2012 to 30 June 2013).
More information at http://www.arcep.fr/index.php?id=8710.