autorité de régulation des communications électroniques et des postes

RÉPUBLIQUE FRANCAISE

ELECTRONIC COMMUNICATIONS SERVICES IN FRANCE

1ST QUARTER 2016

OBSERVATORY OF THE ELECTRONIC COMMUNICATIONS MARKET

07 JULY 2016

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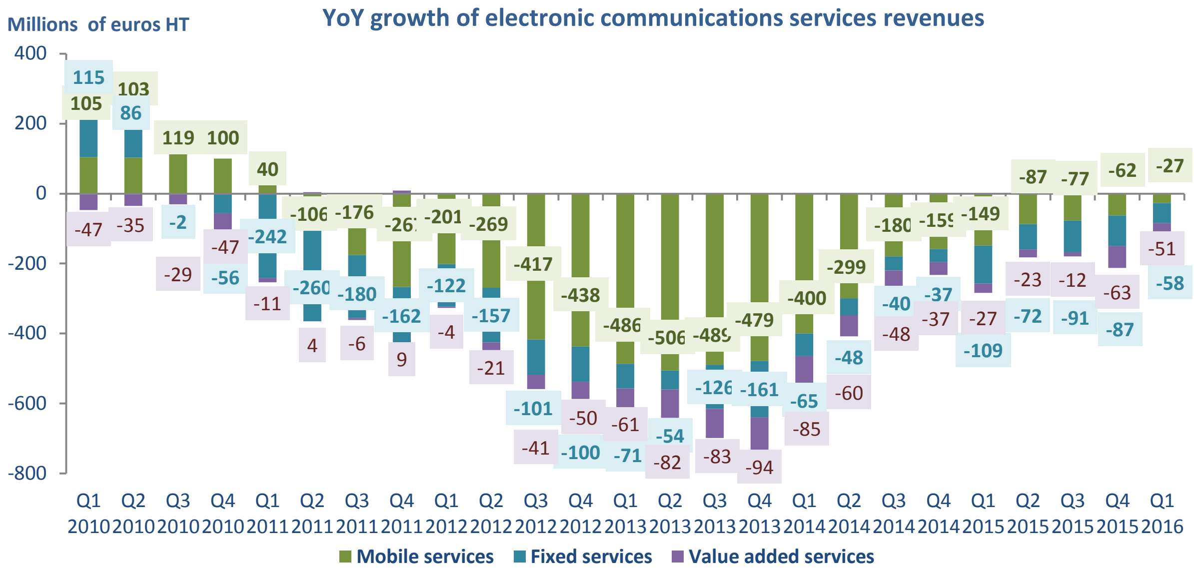
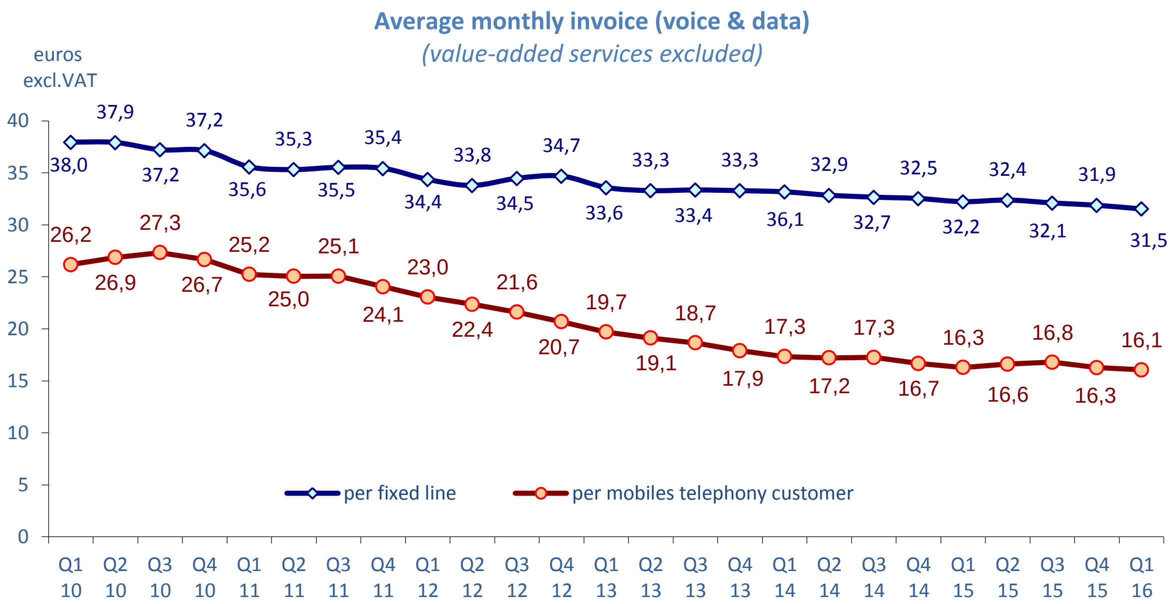
Synthesis

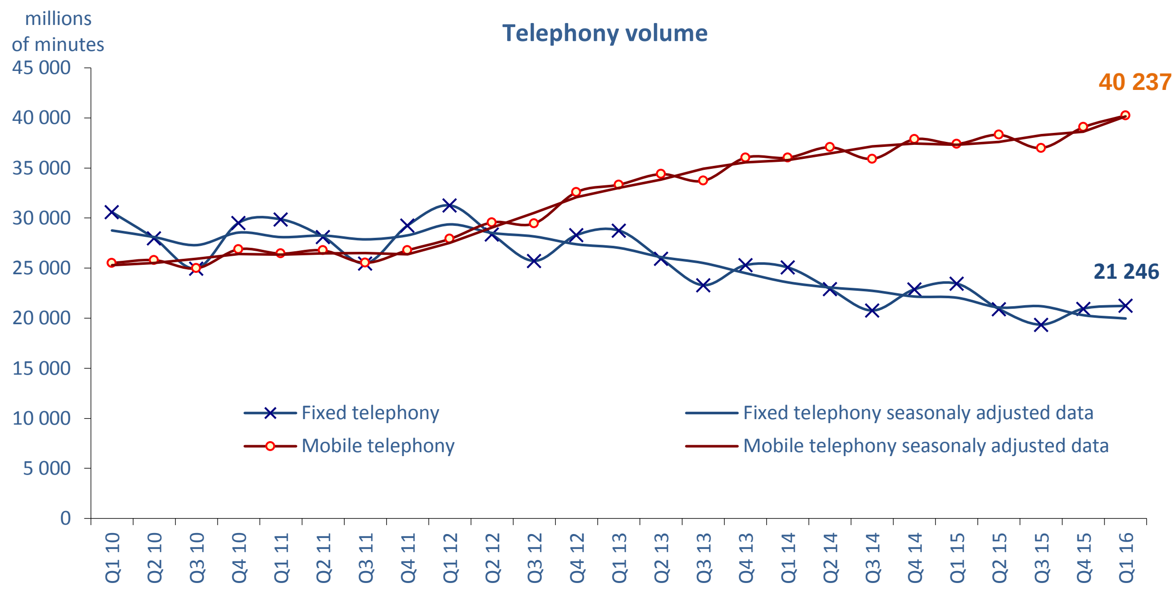
Revenue on the retail market (millions of euros excl.VAT)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	change 1Q16/1Q15
Fixed services (capacity services included)	*4 248*	*4 255*	*4 223*	4 236	4 190	-1,4%
Mobile services (MtoM included)	3 518	3 571	3 622	3 538	3 491	-0,8%
Advanced services and directory services	356	346	349	304	306	-14,3%
Electronic communications services	8 123	8 172	8 194	8 078	7 987	**-1,7%**
Others revenues	718	783	825	1 022	784	9,3%
Entire market	8 841	8 955	9 019	9 100	8 772	**-0,8%**

adjusted figures are in italics

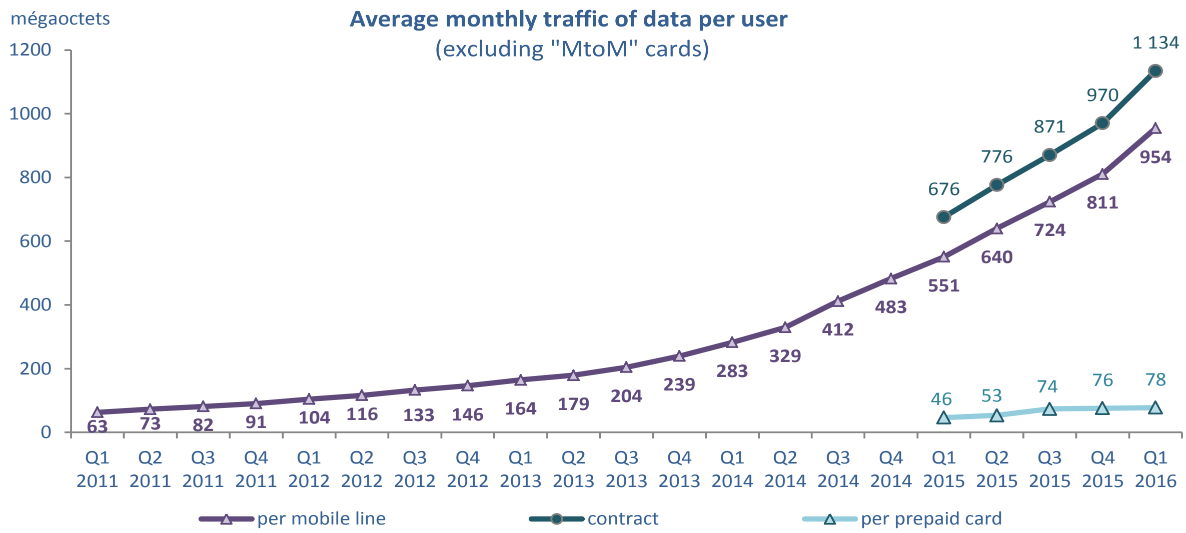
Note: Others revenues do not really fall under the telecommunications services market. Since registered operators contribute little to this market, this indicator gives only a partial idea of total figures. This item covers revenues from terminals and equipment, from hosting and call center management,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



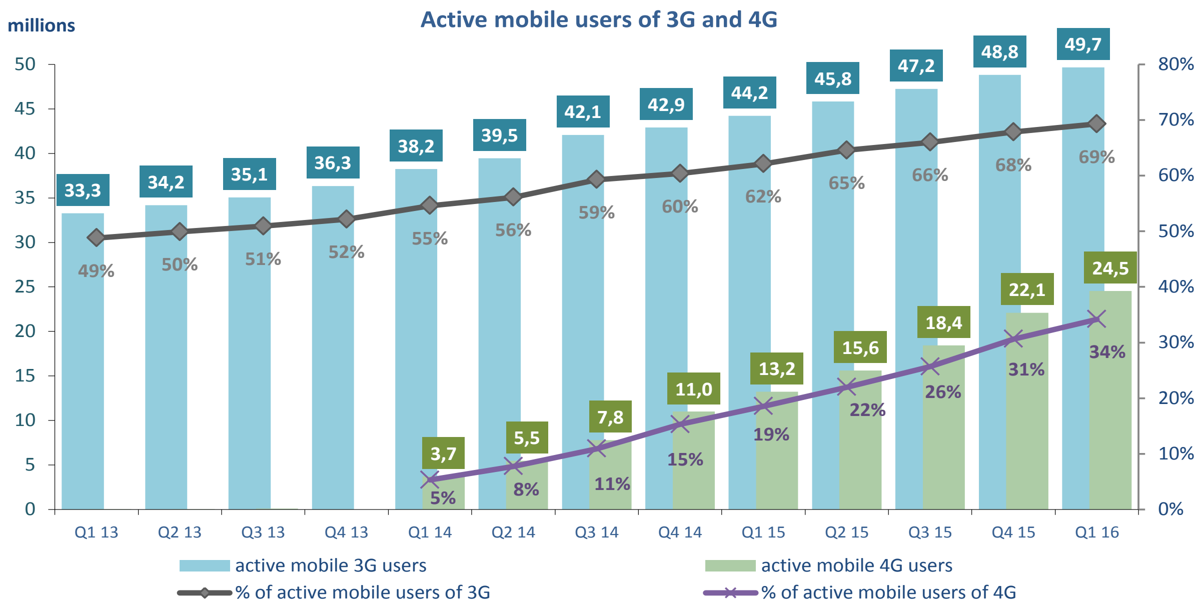


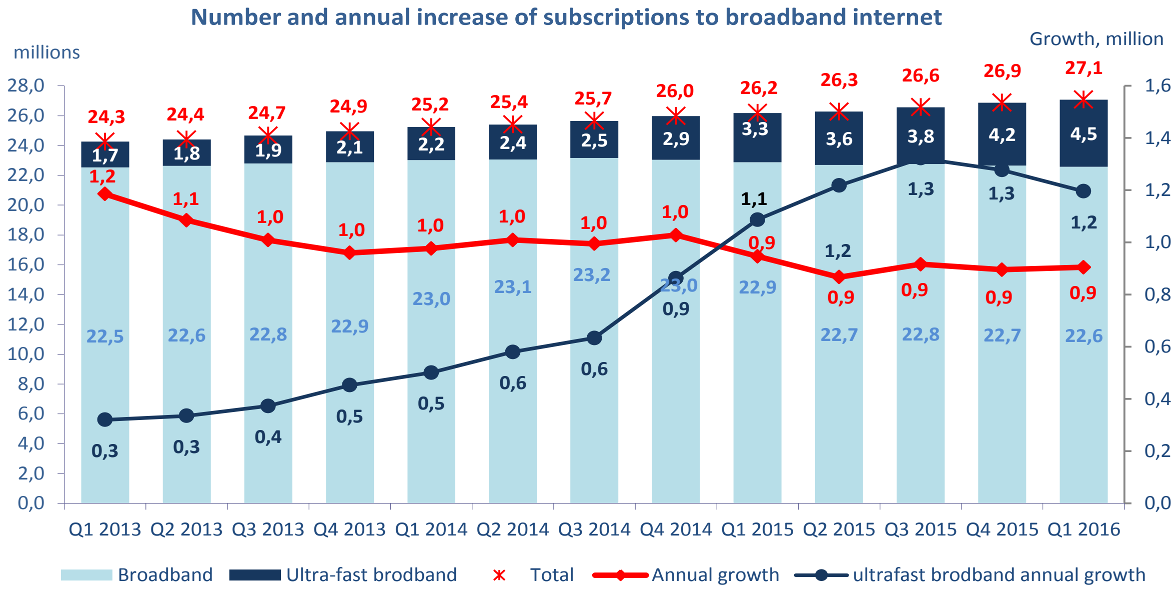


millions of minutes
Telephony volume
40 237
21 246
Fixed telephony
Mobile telephony
Fixed telephony seasonaly adjusted data
Mobile telephony seasonaly adjusted data



mégaoctets
Average monthly traffic of data per user
(excluding "MtoM" cards)
1 134
970
871
776
676
954
811
724
640
551
483
412
329
283
239
204
179
164
146
133
116
104
91
82
73
63
46
53
74
76
78
per mobile line
contract
per prepaid card


Active mobile users of 3G and 4G
millions
active mobile 3G users
active mobile 4G users
% of active mobile users of 3G
% of active mobile users of 4G


Number and annual increase of subscriptions to broadband internet
millions
Growth, million
Broadband
Ultra-fast brodband
Total
Annual growth
ultrafast brodband annual growth

Contents

1 Fixed networks services – retail services

1.1 Internet access and telephony services

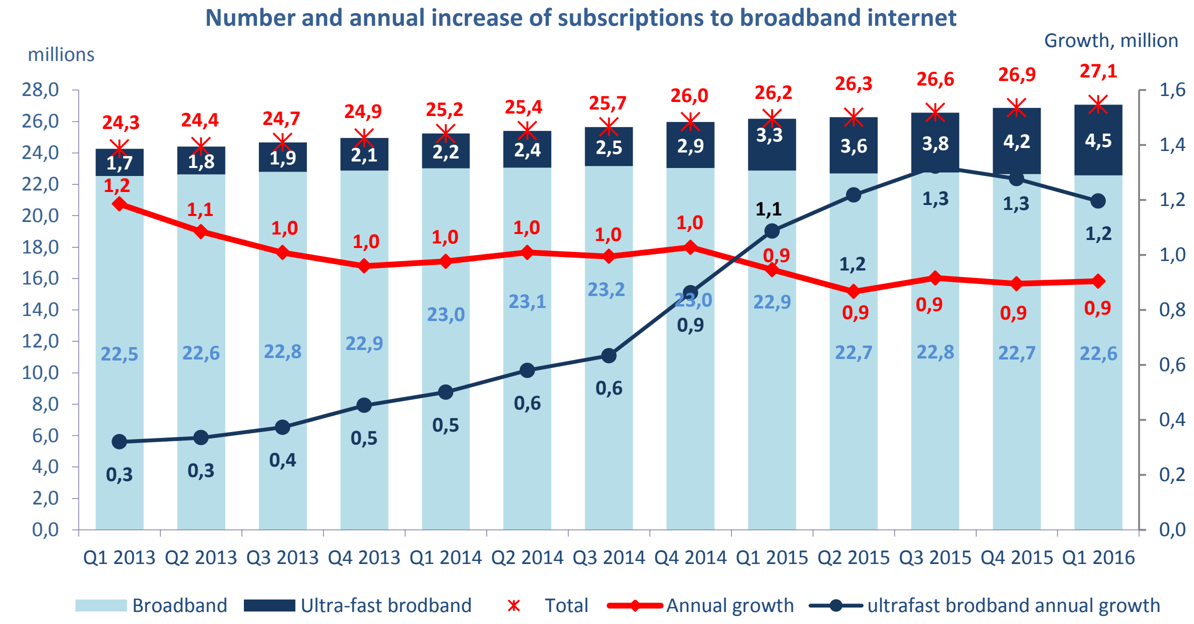
1.1.1 Internet access (broadband and ultra-fast broadband)

Internet subscriptions (millions of units)	**Q1 2015**	**Q2 2015**	**Q3 2015**	**Q4 2015**	**Q1 2016**	**change 1Q16/1Q15**
Broadband	**22,869**	**22,701**	**22,751**	**22,660**	**22,577**	**-1,3%**
of wich xDSL	*22,393*	*22,225*	*22,248*	*22,148*	22,065	-1,5%
of wich other broadband access	0,476	0,476	0,503	0,512	0,512	7,5%
Ultra-fast broadband	**3,306**	**3,574**	**3,820**	**4,207**	**4,502**	**36,2%**
of which with a flow rate superior to 100 Mbit/s	**2,001**	**2,152**	**2,388**	**2,625**	**2,760**	**37,9%**
of wich fiber	1,038	1,141	1,253	1,424	1,585	52,6%
of wich coaxial cable	0,963	1,011	1,135	1,201	1,175	22,1%
of which with a flow rate between 30 & 100 Mbit/s (VDSL2 and coaxial cable)	***1,305***	***1,422***	***1,432***	***1,582***	**1,742**	**33,5%**
Internet subscriptions	**26,175**	**26,274**	**26,571**	**26,867**	**27,079**	**3,5%**

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.*
- *VDSL2 is a technology used by operators since October 1st, 2013, but whose access to the lines in indirect distribution opened October 27, 2014.*

Overseas subscriptions to internet (millions of units)	**Q1 2015**	**Q2 2015**	**Q3 2015**	**Q4 2015**	**Q1 2016**	**change 1Q16/1Q15**
Broadband and fiber	585	590	603	607	612	4,6%

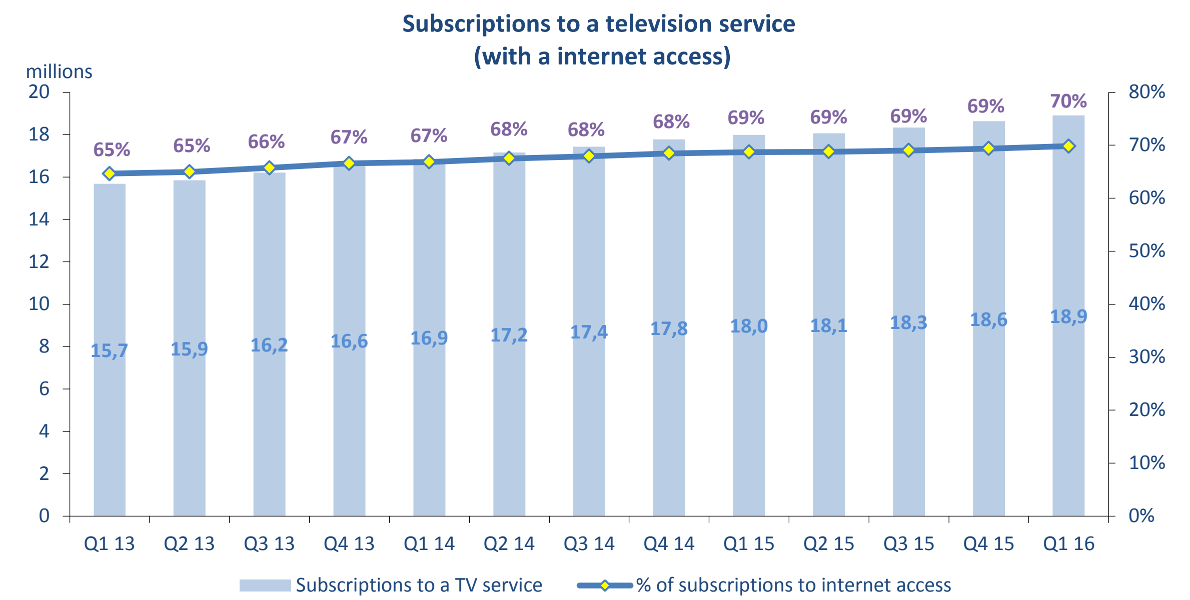


1.1.2 TV subscription tied to internet access

TV subscriptions tied to internet access (millions)	**Q1 2015**	**Q2 2015**	**Q3 2015**	**Q4 2015**	**Q1 2016**	**change 1Q16/1Q15**
TV subscriptions tied to internet access	17,982	18,071	18,340	*18,641*	18,908	5,1%
of which subscriptions to TV on DSL	13,635	13,545	13,685	*13,803*	13,907	2,0%
% of subscriptions to television services	68,7%	68,8%	69,0%	69,4%	69,8%	

adjusted figures are in italics

Note: Taken into account are those subscriptions that were subscribed to separately or as part of bundled offer that includes access to one or several other services aside from TV (Internet, telephony).

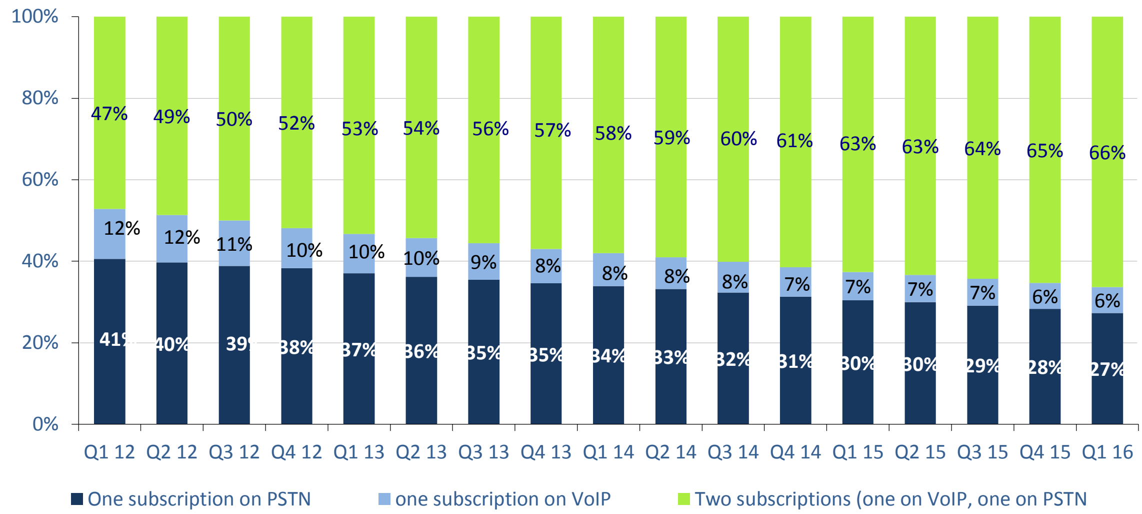


1.1.3 Number of fixed lines

Number of fixed lines **(millions of units)**	**Q1 2015**	**Q2 2015**	**Q3 2015**	**Q4 2015**	**Q1 2016**	**change 1Q16/1Q15**
Number of fixed lines	*36,385*	*36,304*	*36,388*	*36,588*	36,655	0,7%

adjusted figures are in italics

Breakdown of fixed lines by subscriptions to telephony services



1.1.4 Portability (fixed numbers)

Portability (millions of units)	**Q1 2015**	**Q2 2015**	**Q3 2015**	**Q4 2015**	**Q1 2016**	**change 1Q16/1Q15**
Number of fixed numbers ported during the quarter	620	528	528	576	597	-3,8%

1.1.5 Number of subscriptions to a telephone service

Number of subscriptions to telephone service (millions of units)	**Q1 2015**	**Q2 2015**	**Q3 2015**	**Q4 2015**	**Q1 2016**	**change 1Q16/1Q15**
Subscription on narrow band access	*13,597*	*13,302*	*13,003*	*12,679*	12,338	-9,3%
Access resales	1,594	*1,603*	*1,594*	*1,580*	1,555	-2,5%
Subscription on broadband access	*25,301*	*25,425*	*25,792*	*26,241*	26,638	5,3%
DSL lines without narrowband access	*20,189*	*20,220*	*20,408*	*20,568*	20,651	2,3%
Number of subscriptions to telephone service	***38,899***	***38,727***	***38,796***	**38,920**	**38,976**	**0,2%**

adjusted figures are in italics

Note: 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".

Carrier selection (millions of units)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	change 1Q16/1Q15
Number of indirect connections	1,038	1,009	0,965	0,905	0,842	-18,8%

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.

1.1.6 Revenue and traffic of subscriptions and calls

Narrow band access revenue (millions of euros excl. VAT)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	change 1Q16/1Q15
Access fees, subscriptions and additional services	714	710	700	679	659	-7,7%

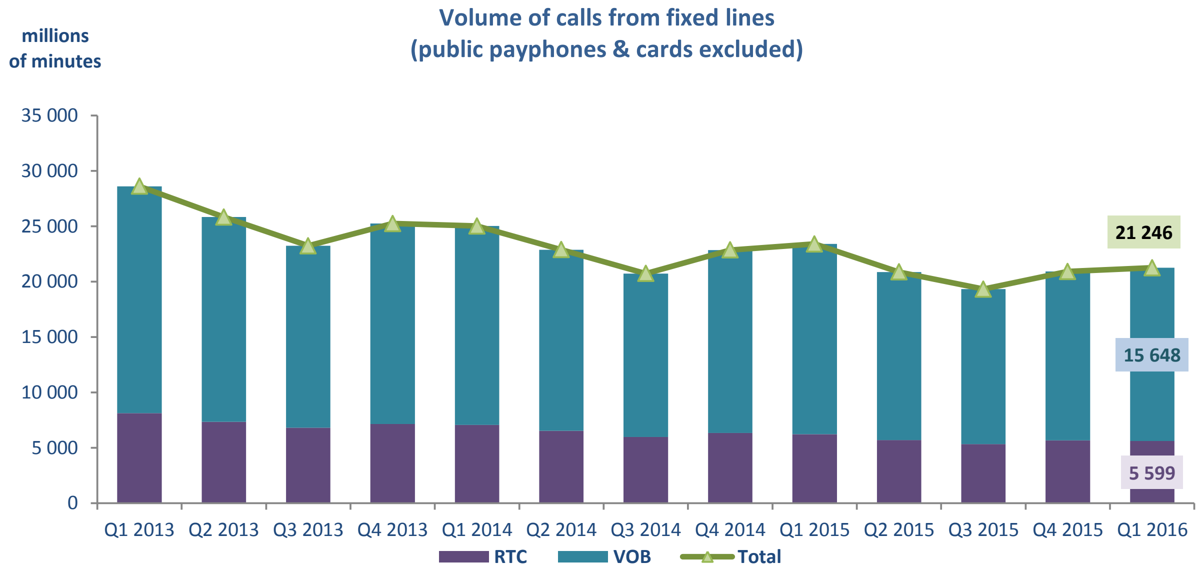
Note: in addition to income earned from providing access to a telephone service, access revenue includes income from IP telephony subscriptions and from additional services (caller ID, etc...).

Revenue of calls (millions of euros excl.VAT)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	change 1Q16/1Q15
National calls	176	166	162	165	172	-2,1%
International calls	71	69	68	60	59	-17,8%
Calls to mobiles	120	118	112	115	111	-7,6%
All calls from fixed lines	**367**	**352**	**342**	**340**	**342**	**-7,0%**
Of which calls originating on PSTN/ISDN	247	232	224	227	229	-7,0%
Of which calls originating on Voice over broadband traffic	120	121	118	112	112	-6,9%

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

Traffics (millions of minutes)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	change 1Q16/1Q15
National calls	*16 132*	13 884	*12 776*	14 218	14 405	-10,7%
International calls	*2 569*	*2 480*	*2 307*	2 317	2 355	-8,3%
Calls to mobiles	4 699	4 506	*4 231*	4 376	4 486	-4,5%
All calls from fixed lines	**23 401**	***20 869***	***19 315***	**20 911**	**21 246**	**-9,2%**
Of which calls originating on PSTN/ISDN	*6 222*	*5 683*	*5 330*	*5 648*	5 599	-10,0%
Of which calls originating on VoIP services	*17 178*	*15 186*	*13 985*	*15 264*	15 648	-8,9%

adjusted figures are in italics

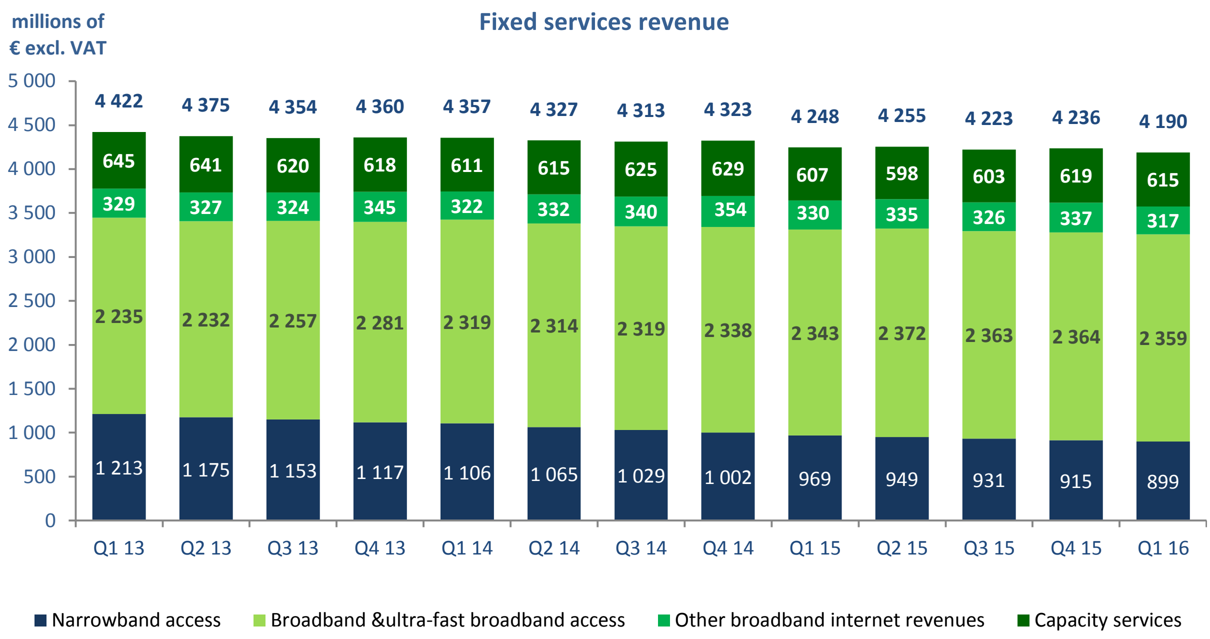


1.2 Revenue of fixed services (retail leased lines and data networking included)

Revenue of fixed networks services (millions of euros excl.VAT)	**Q1 2015**	**Q2 2015**	**Q3 2015**	**Q4 2015**	**Q1 2016**	**change 1Q16/1Q15**
Narrowband Revenue	**969**	**949**	**931**	**915**	**899**	**-7,2%**
Broadband Revenue	***2 672***	***2 707***	**2 689**	**2 702**	**2 676**	**0,1%**
Broadband Internet and VoB subscriptions	*2 343*	*2 372*	*2 363*	2 364	2 359	0,7%
Other Internet revenue	330	335	326	337	317	-3,9%
Retail leased lines and data networking	**607**	**598**	**603**	**619**	**615**	**1,4%**
Total	***4 248***	***4 255***	***4 223***	**4 236**	**4 190**	**-1,4%**

adjusted figures are in italics

Note : "Other internet revenue" refers to related income earned by ISPs on services such as hosting and online advertising revenue. From now on, this line also includes 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".



1.3 Average revenue and consumption per user

1.3.1 Per fixed lines

Average monthly revenue (value added services exclude) (in euros -VAT excluded)	**Q1 2015**	**Q2 2015**	**Q3 2015**	**Q4 2015**	**Q1 2016**	**change 1Q16/1Q15**
Per fixed line : access, communications and Internet	32,2	32,4	32,1	31,9	31,5	-2,2%
Per fixed lines	3h34	3h11	2h57	3h11	3h13	-9,8%

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.
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.
The average monthly volume of traffic per fixed line 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.

1.3.2 By subscription to fixed services

Average monthly revenue per customer (in euros -VAT excluded)	**Q1 2015**	**Q2 2015**	**Q3 2015**	**Q4 2015**	**Q1 2016**	**change 1Q16/1Q15**
Fixed PSTN/ISDN telephony user	23,2	23,3	23,4	23,5	23,7	2,2%
Internet & telephony over broadband	32,7	32,9	32,5	32,2	31,8	-2,6%

Notes :

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

- <u>The average monthly bill for a broadband or ultra-fast broadband</u> access (name Internet and telephony over broadband) is calculated by dividing the revenue earned on VOB calls made 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 2015**	**Q2 2015**	**Q3 2015**	**Q4 2015**	**Q1 2016**	**change 1Q16/1Q15**
Fixed PSTN/ISDN telephony user	2h30	2h20	2h15	2h26	2h29	-0,6%
Fixed VOB telephony user	3h57	3h28	3h11	3h26	3h29	-11,7%

- The average monthly volume per PSTN or VOB fixed line is calculated by dividing the traffic earned on a PSTN or VOB based fixed line subscription and calls for Quarter Q by the estimated average PSTN or VOB customer base for Quarter Q, then dividing the result by three.

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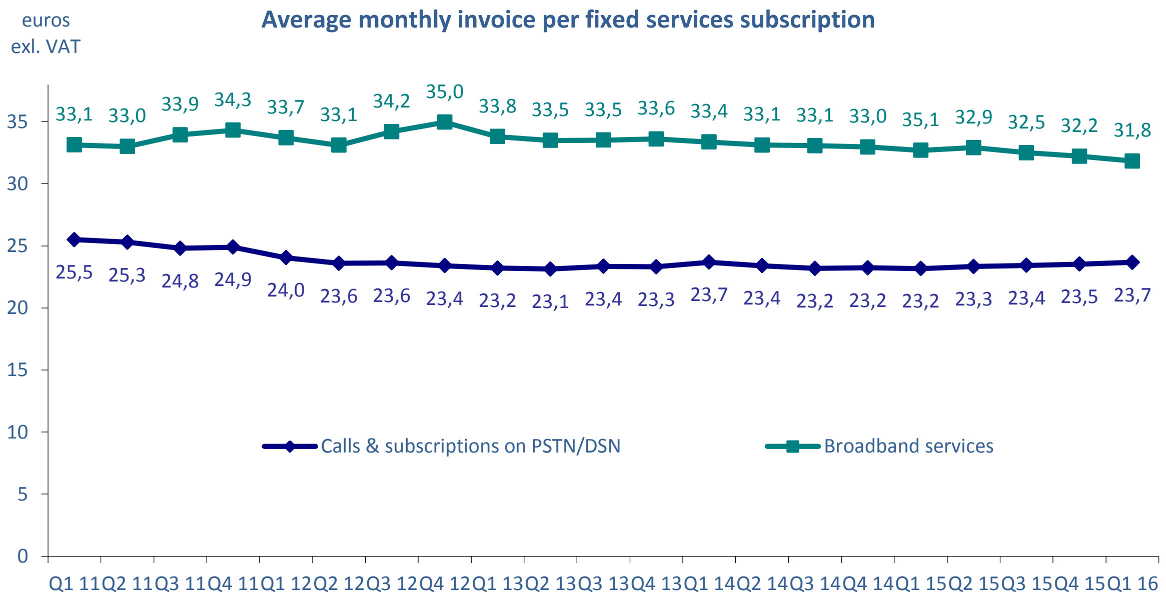
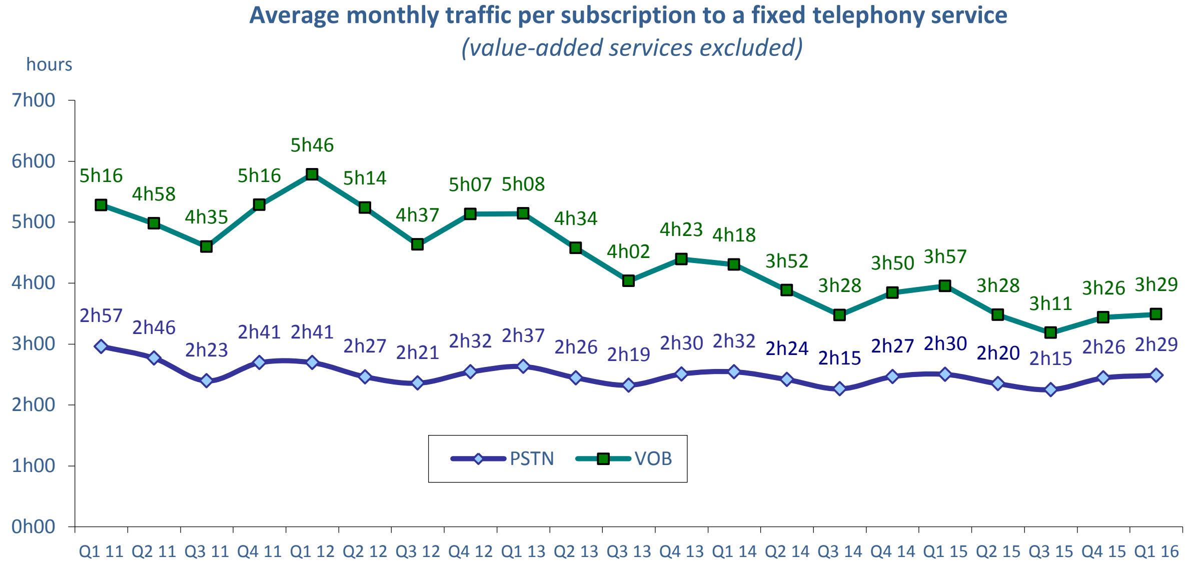




1.4 Dial-up internet, public payphones and calling cards

Other fixed services - narrowband	**Q1 2015**	**Q2 2015**	**Q3 2015**	**Q4 2015**	**Q1 2016**	**change 1Q16/1Q15**
Revenue (internet dial-up, public payphone, cards) *(millions of euros excl.VAT)*	9	8	7	9	11	23,2%
Number of public payphones at end of quarter (units)	62 620	57 309	52 799	45 730	38 500	-38,5%

2 Services on mobiles networks – retail market

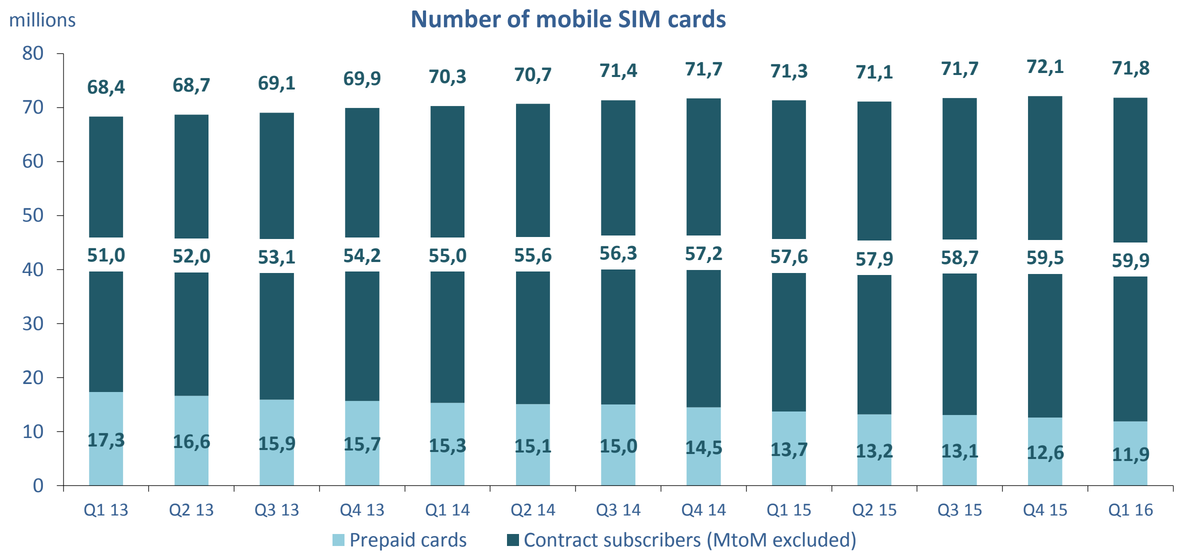
2.1 Mobile phone services

2.1.1 Number of SIM cards

Number of mobile customers (millions of units)	**Q1 2015**	**Q2 2015**	**Q3 2015**	**Q4 2015**	**Q1 2016**	**change 1Q16/1Q15**
Contract subscribers	57,570	57,947	58,654	59,547	59,906	4,1%
Prepaid cards	13,746	13,180	13,091	*12,577*	11,923	-13,3%
*of which active prepaid cards **	10,926	10,834	10,958	*10,225*	9,677	-11,4%
Total number of SIM cards	**71,315**	**71,127**	**71,745**	***72,124***	**71,829**	**0,7%**

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, whether free or payable. SMS are not included in the calculation.



2.1.2 Dedicated data cards

Dedicated data cards (millions of units)	**Q1 2015**	**Q2 2015**	**Q3 2015**	**Q4 2015**	**Q1 2016**	**change 1Q16/1Q15**
Contract subscribers	2,802	2,772	*2,801*	*2,805*	2,762	-1,4%
Exclusive Internet prepaid cards	0,785	0,759	0,770	0,816	0,849	8,2%
of which active prepaid cards *	0,223	0,248	0,311	0,283	0,253	13,6%
Number of dedicated data cards	**3,587**	**3,531**	***3,572***	***3,621***	**3,611**	**0,7%**
% in total number of SIM cards	5,0%	5,0%	5,0%	5,0%	5,0%	0,0 Point

adjusted figures are in italics

Note: The number of dedicated data 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/4G USB keys). These cards cannot be used to make voice calls.

2.1.3 The fixed-mobile convergence

Bundles : mobile subscription tied to fixed service (millions of units)	**Q1 2015**	**Q2 2015**	**Q3 2015**	**Q4 2015**	**Q1 2016**	**change 1Q16/1Q15**
Number of mobile subscription tied to at least one fixed service	16,048	16,549	16,865	17,412	17,948	11,8%
% in total number of SIM cards	23%	23%	24%	24%	25%	+2 Points

Note : plusieurs cartes SIM peuvent être couplées à un même abonnement internet fixe.

2.1.4 3G and 4G actives cards

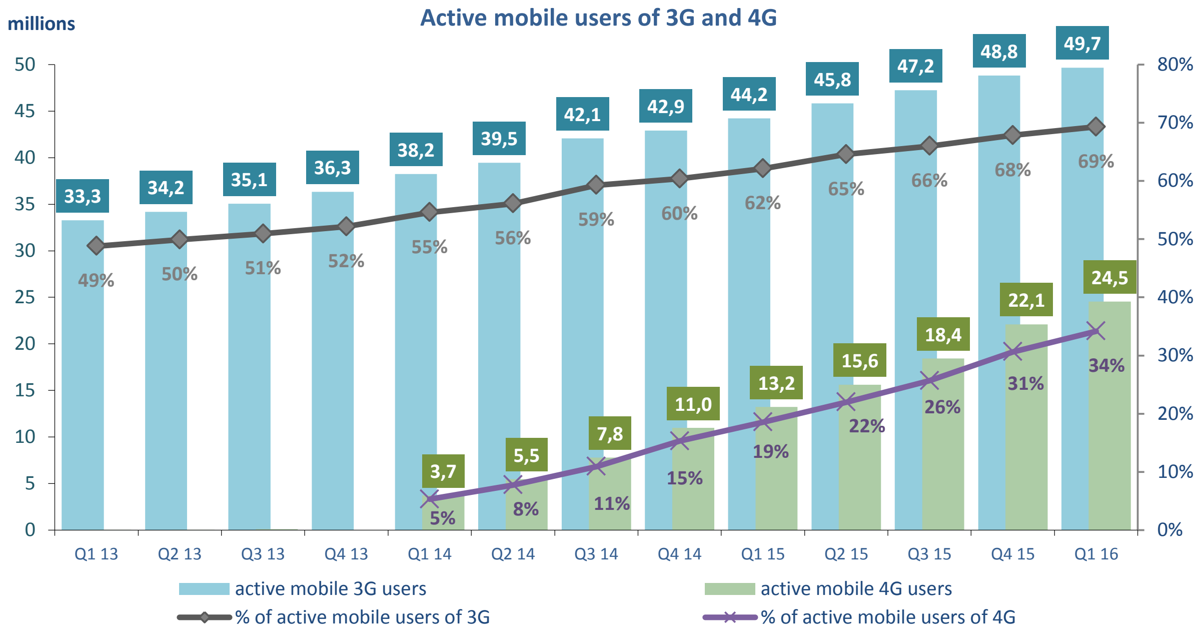
Active 3G and 4G users (millions of units)	**Q1 2015**	**Q2 2015**	**Q3 2015**	**Q4 2015**	**Q1 2016**	**change 1Q16/1Q15**
Active 3G users	*44,217*	*45,823*	*47,243*	*48,831*	49,671	12,3%
Active 4G users	*13,219*	*15,629*	*18,424*	*22,102*	24,544	85,7%

adjusted figures are in italics

Notes :

- 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).

- The active 4G base is defined as the number of customers who have accessed a mobile service (data transfer) that uses 4G radio access technology, sometime in the past three months (either transmission or reception). ARCEP posts here only active customers who have access to 4 G and a compatible terminal. ARCEP attracts the attention of the reader to the fact that this definition may differ from those of financial publications of the operators, which can account, for example, some offers "4G marketed". A client can have such an offer, but not the suitable Terminal, nor 4G coverage.



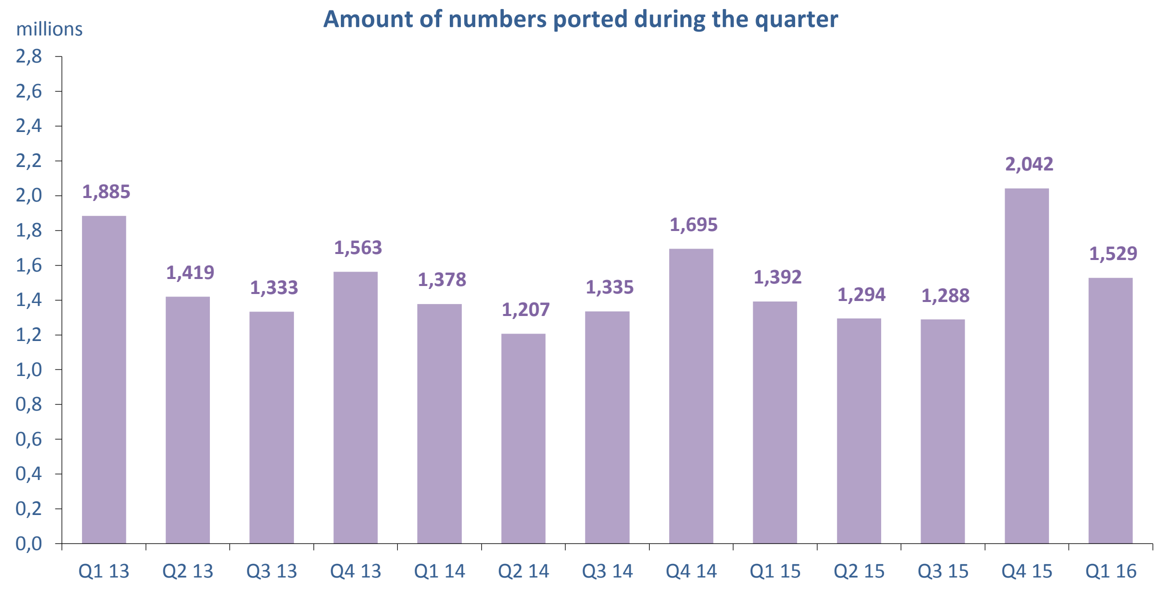
Les ratios sont calculés en excluant les cartes MtoM du total.

2.1.5 Portability (mobile numbers)

Portability (millions of units)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	change 1Q16/1Q15
Amount of numbers ported during the quarter	*1,392*	*1,294*	*1,288*	*2,042*	1,529	9,8%

adjusted figures are in italics

The 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 French "départements".

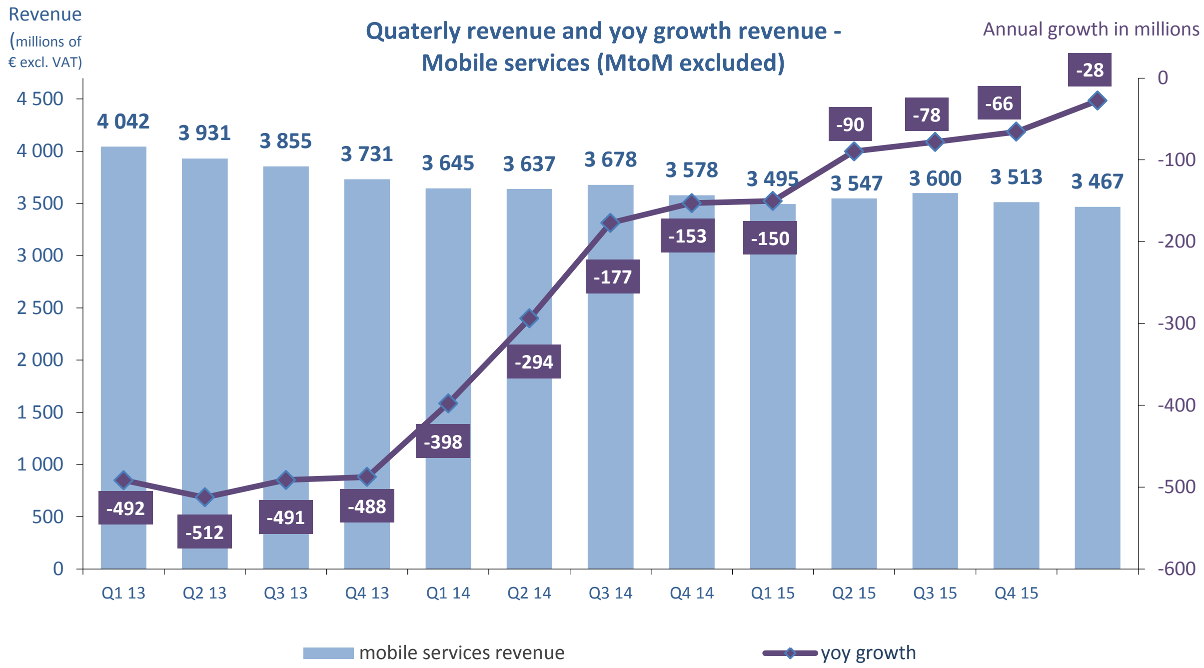


2.1.6 Revenue on retail market (value-added services excluded))

Revenue (millions of euros)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	change 1Q16/1Q15
Contract subscribers	3 227	3 286	3 325	3 261	3 240	0,4%
Prepaid cards	267	262	274	*251*	227	-15,0%
Total mobile telephony and data transport	3 495	3 547	3 600	*3 513*	3 467	-0,8%

adjusted figures are in italics

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

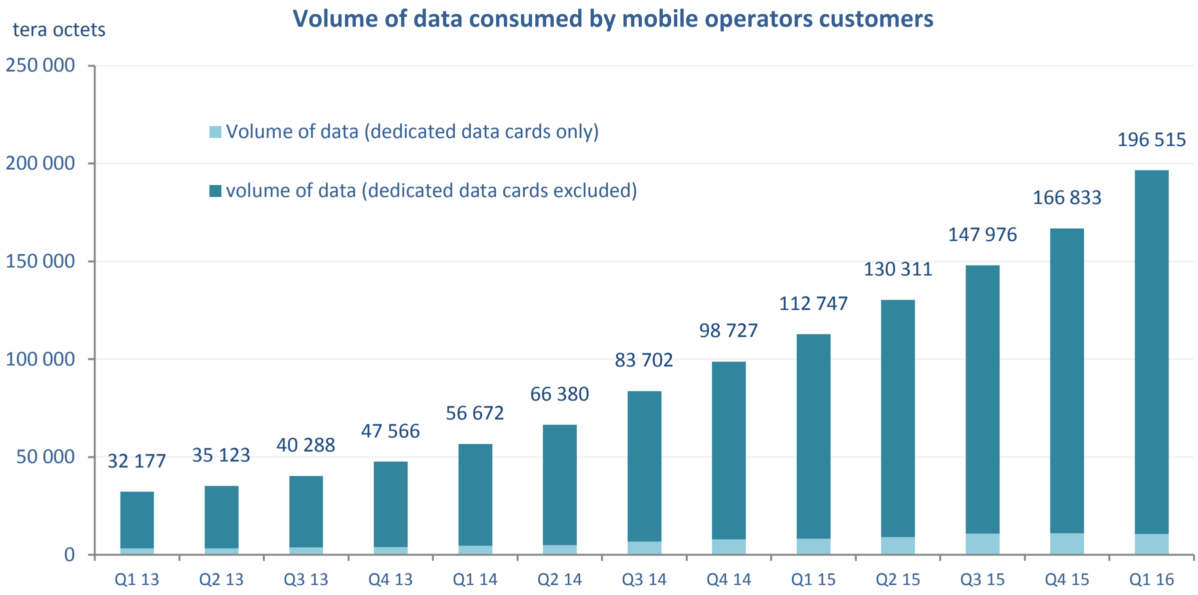


2.1.7 Volume of data consumed by mobile customers

Traffics of data consumed by the customers (in Teraoctets)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	change 1Q16/1Q15
Contract subscribers	*110 869*	*128 264*	*145 211*	164 043	193 798	74,8%
Prepaid cards	*1 877*	*2 047*	*2 765*	2 790	2 717	44,7%
Traffics of data	***112 747***	***130 311***	***147 976***	**166 833**	**196 515**	**74,3%**
of which dedicated data SIM cards	8 177	9 084	10 830	11 043	10 658	30,3%

adjusted figures are in italics

Note : the volume of data on mobiles networks include vocal communications and exchange of interpersonal messages via applications (wifi traffic excluded).



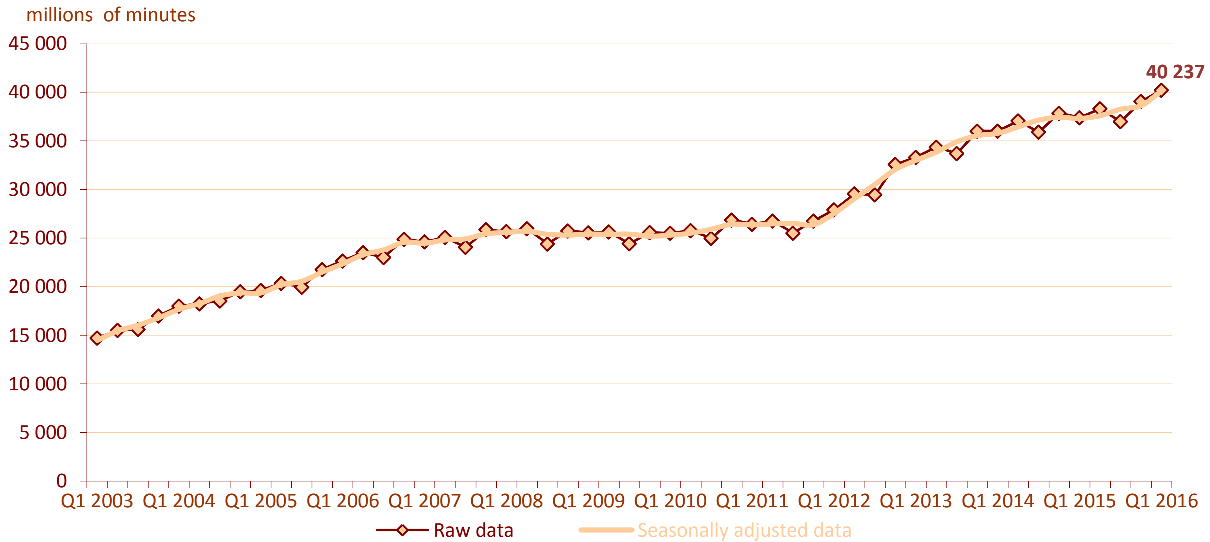
2.1.8 Traffic of mobile telephony

Traffics (millions of minutes)	**Q1 2015**	**Q2 2015**	**Q3 2015**	**Q4 2015**	**Q1 2016**	**change 1Q16/1Q15**
Contract subscribers	34 783	35 673	*34 401*	36 485	37 761	8,6%
Prepaid cards	2 616	2 636	2 591	2 583	2 476	-5,4%
Total mobile telephony	**37 399**	**38 309**	***36 992***	**39 067**	**40 237**	**7,6%**

adjusted figures are in italics

Traffics (millions of minutes)	**Q1 2015**	**Q2 2015**	**Q3 2015**	**Q4 2015**	**Q1 2016**	**change 1Q16/1Q15**
Calls to national fixed lines	6 661	6 548	*6 390*	6 767	6 998	5,1%
Calls to national mobile lines	28 840	29 741	*28 406*	30 325	31 137	8,0%
Outgoing internationals calls	1 518	1 539	1 501	1 475	1 614	6,4%
Roaming out	381	481	696	501	488	28,1%
Total mobile telephony	**37 399**	**38 309**	***36 992***	**39 067**	**40 237**	**7,6%**

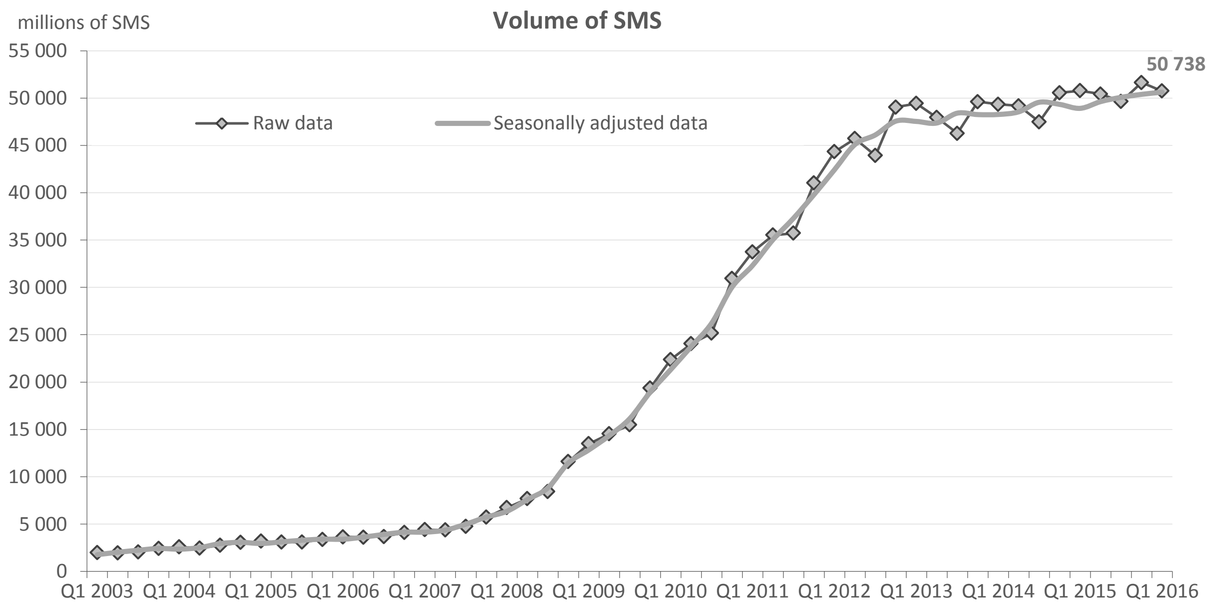
adjusted figures are in italics



2.1.9 Interpersonal messages (SMS, MMS)

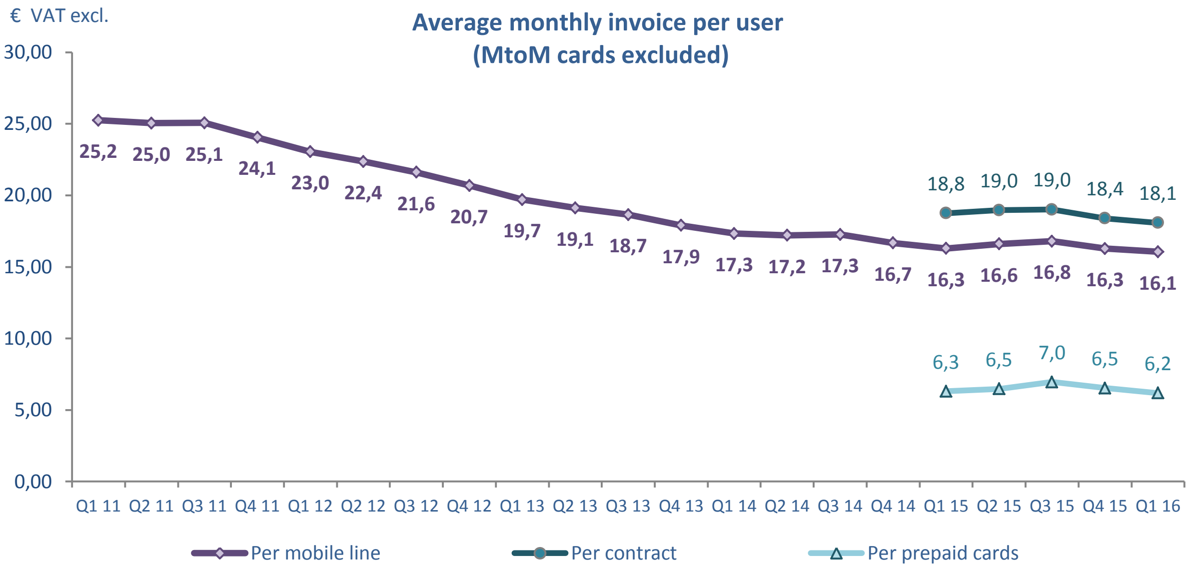
Traffics of interpersonal messages (millions of units)	**Q1 2015**	**Q2 2015**	**Q3 2015**	**Q4 2015**	**Q1 2016**	**change 1Q16/1Q15**
Number of interpersonal SMS	50 783	50 425	*49 633*	51 641	50 738	-0,1%
of which from contract subscribers	48 595	48 289	*47 523*	49 461	48 723	0,3%
of which from prepaid cards	2 189	2 136	2 110	2 180	2 015	-7,9%
Number of interpersonal MMS	954	996	*1 045*	1 051	1 049	9,9%
Number of messages sent	**51 738**	**51 422**	***50 678***	**52 692**	**51 787**	**0,1%**

adjusted figures are in italics



2.1.10 Average revenue and traffic per user

Average monthly revenue (value added services excluded) (in euros -VAT excluded)	**Q1 2015**	**Q2 2015**	**Q3 2015**	**Q4 2015**	**Q1 2016**	**change 1Q16/1Q15**
Mobile telephony user	**16,3**	**16,6**	**16,8**	**16,3**	**16,1**	**-1,5%**
Contract subscribers	18,8	19,0	19,0	18,4	18,1	-3,6%
Prepaid cards	6,3	6,5	7,0	6,5	6,2	-1,9%

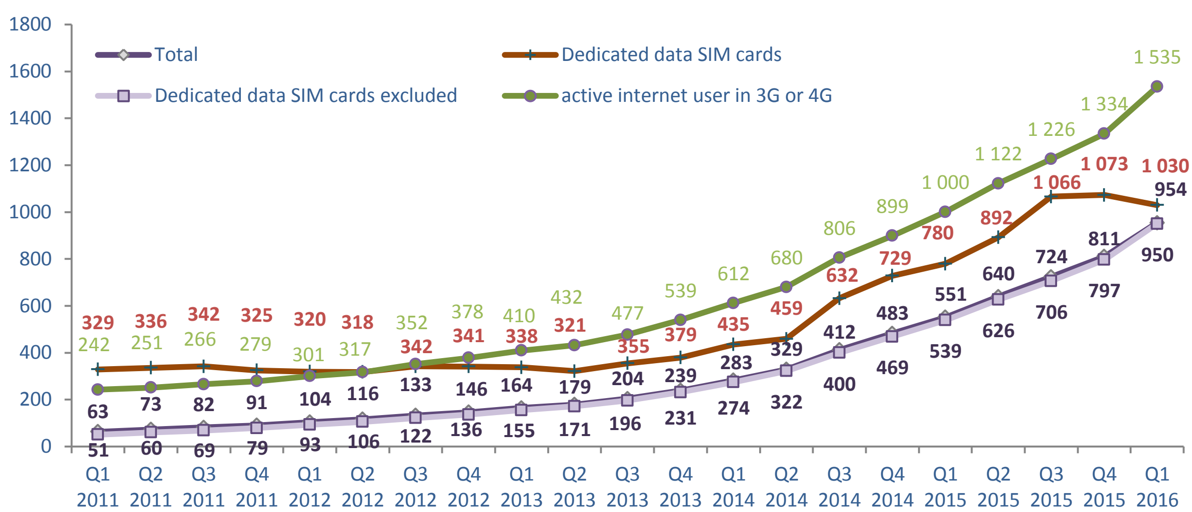


Note: The average monthly invoice per mobile customer is calculated by dividing the income from mobile telephony (voice and data revenue, including roaming-out, excluding revenue from incoming calls and MtoM SIM cards) for quarter N by the estimated average number of mobile customers for quarter N, and 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.

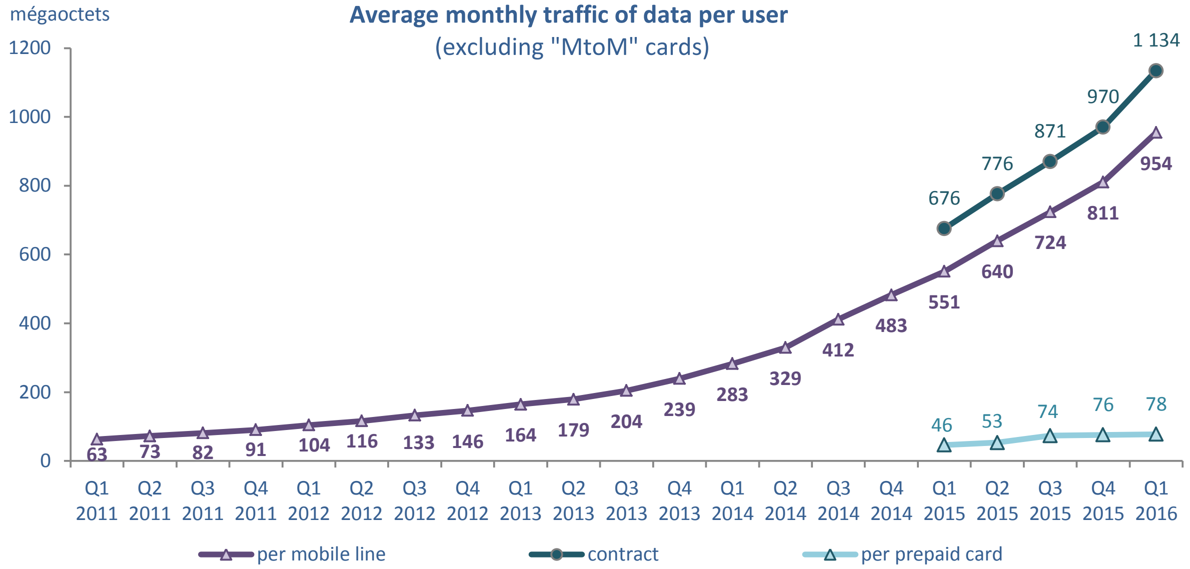
Average monthly Trafic of data consumed on mobile networks (en mega octets)	**Q1 2015**	**Q2 2015**	**Q3 2015**	**Q4 2015**	**Q1 2016**	**change 1Q16/1Q15**
per mobile operator customer	**551**	**640**	**724**	**811**	**954**	**73,1%**
of which dedicated data SIM cards	780	892	*1 066*	*1 073*	1 030	32,1%
of which from other SIM cards	539	626	706	797	950	76,4%
Contract subscribers	676	776	871	970	1 134	68%
Prepaid cards	46	53	74	76	78	67,0%
Active 3G and 4G users	1 000	1 122	*1 226*	1 334	1 535	53%

Note: The average monthly volume of data consumed per mobile operator customer is calculated by dividing the volume of mobile telephony traffic of data 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.

Volume of data consumed by the customers on mobile networks per month
(excluding MtoM cards)

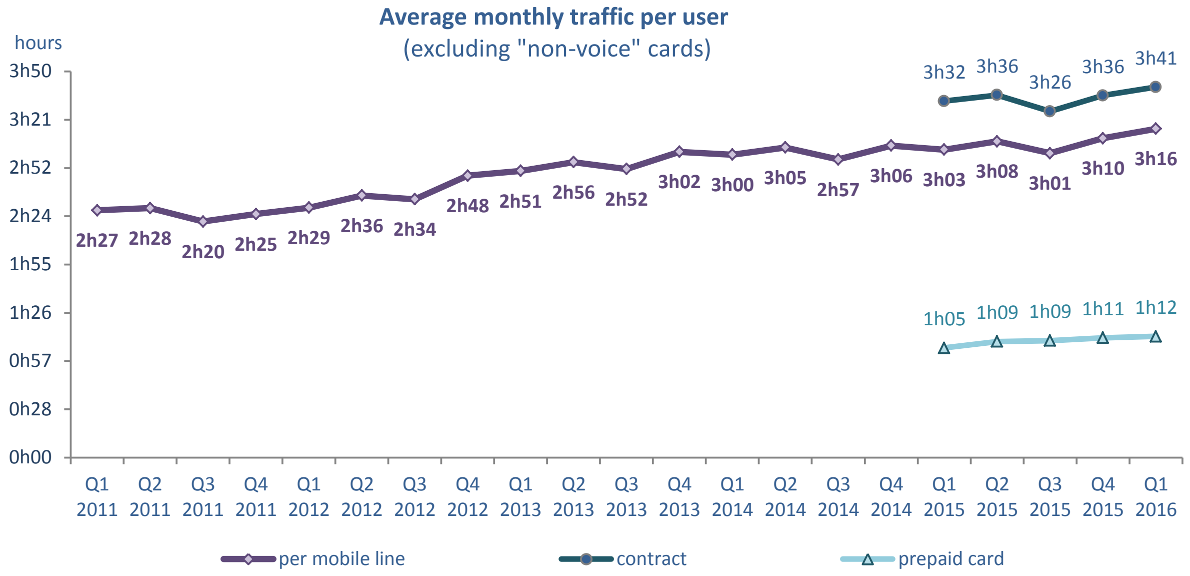


Average monthly traffic of data per user
(excluding "MtoM" cards)

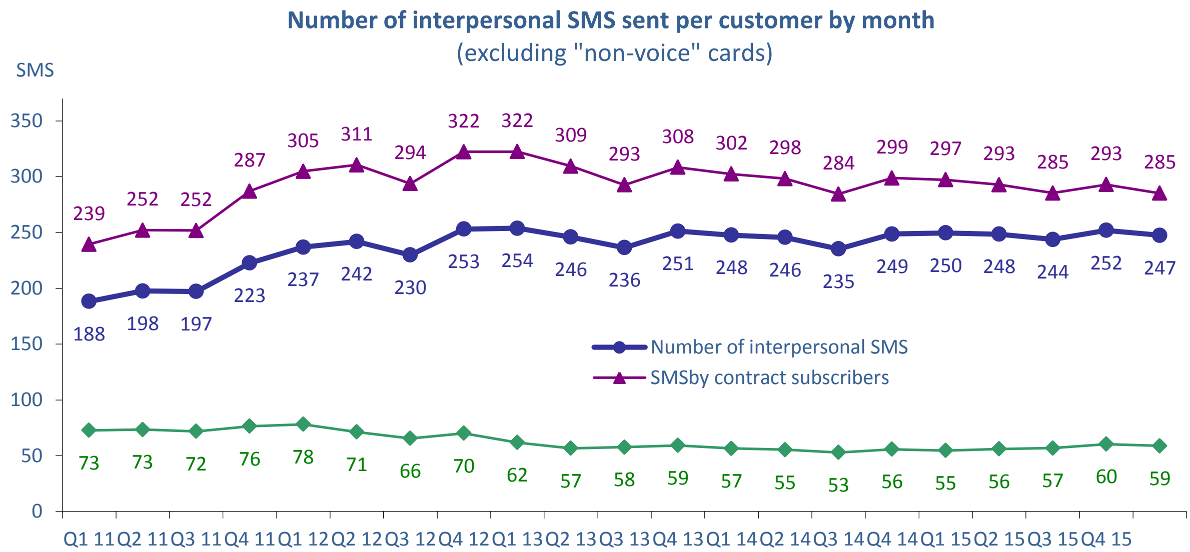


Average monthly outgoing traffic (in hours)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	change 1Q16/1Q15
Mobile telephony user	**3h03**	**3h08**	**3h01**	**3h10**	**3h16**	**6,8%**
Contract subscribers	3h32	3h36	3h26	3h36	3h41	3,9%
Prepaid cards	1h05	1h09	1h09	1h11	1h12	10,5%

Note: The average monthly volume of traffic per mobile operator customer 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 interpersonal SMS sent per user (units)	**Q1 2015**	**Q2 2015**	**Q3 2015**	**Q4 2015**	**Q1 2016**	**change 1Q16/1Q15**
Number of SMS sent per user during the quarter	250	248	244	252	247	-0,9%
of which for contract subscribers	297	293	285	293	285	-4,0%
of which for prepaid cards	55	56	57	60	59	7,5%



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 program), of which customers send an average of one a month.

2.2 Internet of things: MtoM cards

The number of MtoM cards at March 31 2016 has been adjusted versus the figure published May 4 2016 (11,307 millions) in advanced mobile observatory Q1 2016, due to a correction by an operator.

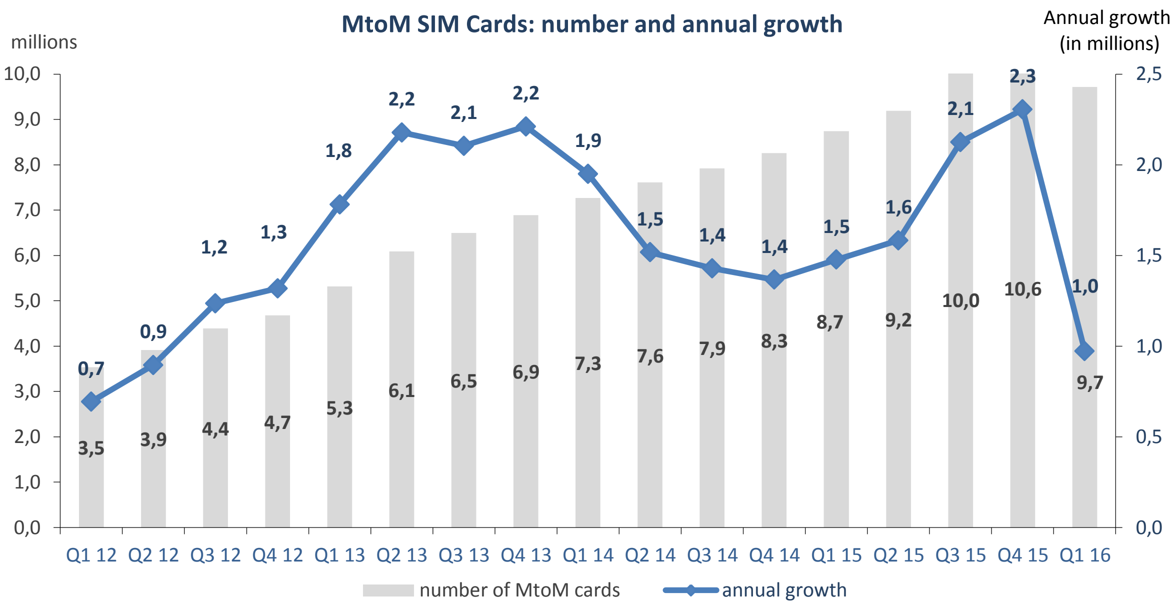
Subscriptions

Dedicated MtoM cards (millions of euros/ units)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	change 1Q16/1Q15
Revenu of dedicated MtoM cards	24	24	23	25	24	4,1%
Number of dedicated MtoM cards	8,742	*9,192*	*10,047*	*10,562*	9,715	11,1%

adjusted figures are in italics

Notes :

- The number of dedicated machine-to-machine cards (MtoM cards) is defined as the number of SIM cards employed solely for remote machine-to-machine communications (remote management of equipment, terminals and servers, fixed or mobile). Are taken into account the SIM cards on "machines", the communication been done only in reception, only upstream or both. The cards used for interpersonal communication and exclusive internet cards must not be included here..



3 Value-added services

Value-added services revenue* (millions of euros excl.VAT)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	change 1Q16/1Q15
Value-added "voice" services	236	235	238	190	193	-18,5%
From fixed telephony network	121	119	120	123	121	0,0%
From mobile telephony network	116	116	118	67	72	-37,7%
Value-added "data" services	93	85	86	89	90	-2,9%
Directory services	27	26	24	24	23	-16,8%
Value-added services	**356**	**346**	**349**	**304**	**306**	**-14,3%**

**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" services Trafics (millions of minutes)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	change 1Q16/1Q15
From fixed telephony network	985	929	947	887	962	-2,3%
From mobile telephony network	415	404	444	459	431	3,7%
Number of calls	**1 400**	**1 333**	**1 391**	**1 346**	**1 393**	**-0,5%**

Traffic from directory services (millions)	T1 2015	T2 2015	T3 2015	T4 2015	Q1 2016	change 1Q16/1Q15
Number of calls (millions of units)	6	5	4	4	4	-38,9%

Note : 118xyz numbers and short numbers giving access to directory services.

4 Other operators revenue

4.1 Hosting and call center management services

Revenue (millions of euros excl.VAT)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	change 1Q16/1Q15
Hosting and call centre management	73	76	76	83	84	15,3%

4.2 Terminals and equipments

Revenue from terminals and equipment (millions of euros excl.VAT)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	change 1Q16/1Q15
linked to fixed téléphony & Internet services	163	163	155	170	167	2,4%
linked to mobile services	435	474	*535*	*720*	502	15,5%
Terminals and equipment	**598**	**638**	**690**	**890**	**669**	**11,9%**

adjusted figures are in italics

Note : the revenue includes commissions paid to distributors.

5 The intermediate market (interconnection and wholesale market

5.1 The market as a whole

Interconnection services (millions of euros excl. VAT)	**T1 2015**	**T2 2015**	**T3 2015**	**T4 2015**	**Q1 2016**	**change 1Q16/1Q15**
Fixed operators	**1 359**	**1 388**	**1 372**	**1 325**	**1 317**	**-3,1%**
*of which telephony services (incl VGA) **	563	592	571	546	551	-2,1%
of which broadband services	669	668	671	659	646	-3,4%
of which Wholesales leased lined product	128	128	130	120	120	-6,0%
Mobile operators	**641**	**666**	**707**	**682**	**667**	**4,0%**
of which voice termination (national and international)	*185*	*194*	*198*	*202*	206	11,9%
of which SMS/MMS termination	*393*	*396*	*389*	*397*	394	0,3%
Roaming in	63	76	119	83	66	4,4%
Revenue (millions of euros)	***2 000***	***2 054***	***2 079***	***2 007***	**1 984**	**-0,8%**

adjusted figures are in italics

** including revenues from dial-up internet services (< 1 million € per quarter)*

Interconnection services (millions of minutes)	**Q1 2015**	**Q2 2015**	**Q3 2015**	**Q4 2015**	**Q1 2016**	**change 1Q16/1Q15**
Fixed operators	26 887	25 720	25 043	25 323	25 687	-4,5%
Mobile operators	*23 693*	*24 180*	*23 253*	*24 485*	24 710	4,3%
Incoming SMS	**33 422**	**33 106**	**32 430**	**33 649**	**32 904**	**-1,6%**

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 2016, the price for call termination on fixed networks is set to 0.078c€/minute against 0.079c€/min since July 1st 2015.

- Broadband wholesale services include income from unbundling and bitstream or bitstream equivalent services. The tariff of the unbundling is set at €9.10 since March 1st 2016 against previously at €9.05 in 2015 (and 9.02€ since February1st 2014 and €8.90 in 2013).

- 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 1.3 billion € for the whole of the year 2015, are not included.

- From January 1st 2016, the price for call termination on mobile networks is set to 0,76c€/minute against 0.78€/minute since January 1st 2015

- 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 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	change 1Q16/1Q15
Partially unbundled lines	0,684	0,665	0,644	0,621	0,595	-13,0%
Fully unbundled lines	11,670	11,660	11,750	11,730	11,581	-0,8%
Number of unbundled lines	**12,354**	**12,325**	**12,394**	**12,350**	**12,176**	**-1,4%**

"Bitstream" lines (millions of units)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	change 1Q16/1Q15
"Naked bistream"	0,864	0,846	0,830	0,938	1,121	29,6%
"Classic bitstream"	0,166	0,160	0,154	0,152	0,151	-9,0%
Number of "bitstream" lines	**1,031**	**1,006**	**0,984**	**1,090**	**1,272**	**23,4%**

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.

5.2 Mobiles operators « Roaming-in »

Roaming in	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	change 1Q16/1Q15
Trafic (millions of minutes)	594	703	846	659	666	12,0%
Trafic of SMS (millions)	179	216	311	158	171	-4,2%
Trafic of data (teraoctets)	598	943	1 678	988	1 247	108,6%

Notes :
- 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 2014, these Euro tariffs went from 0.24€ excl. VAT to 0.19€ excl. VAT for calls made from abroad, and from 0.07€ excl. VAT to 0.05€ excl. VAT for calls received when abroad. SMS tariff on the retail market has been reduced from 0.08€ to 0.06 € excl.VAT per message. The tariff for mobile internet has been reduced from 45c€ to 20c€ per mega octets.
- On the wholesale market the tariffs have been set since 1st July 2014 to 2cts€ per message for SMS and to 5c€ per minute for voice calls (against 3cts€ per message for SMS and to 10cts€ per minute for voice calls for the period from 1rst July 2013 to 30 June 2014). The tariff is set to 5cts€ per Mo for mobile internet from 1st July 2014 ('against 15 cts€ for the period from 1rst July 2013 to 30 June 2014).
More information at http://www.arcep.fr/index.php?id=8710.