

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

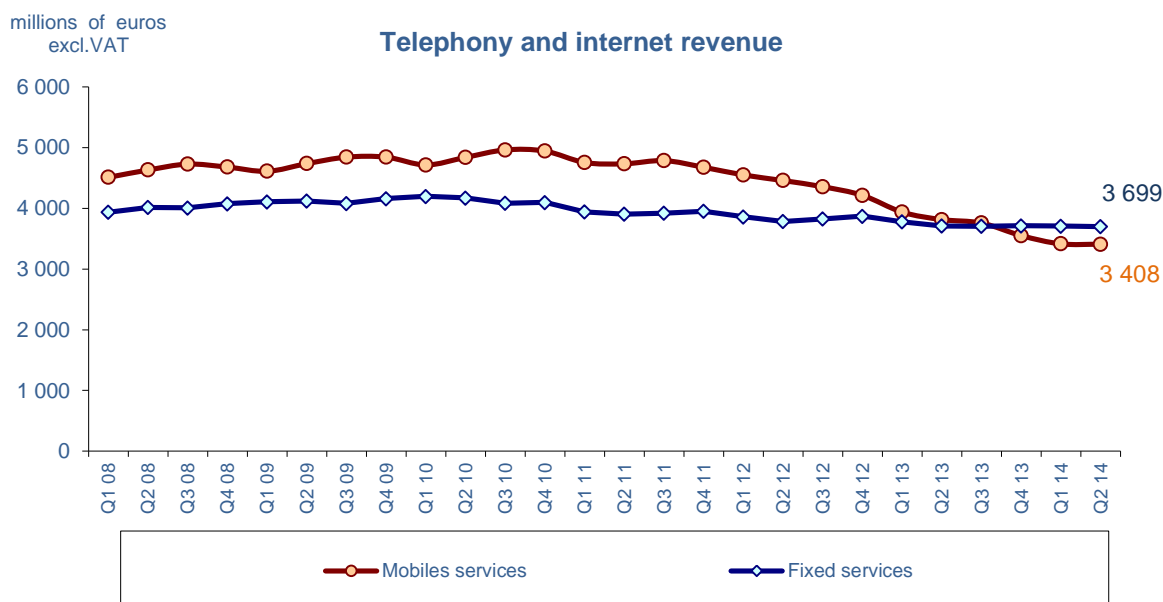
2<sup>nd</sup> quarter 2014 – final results

## Synthesis

Revenue on the retail market (millions of euros)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Fixed services	3 711	3 704	3 712	3 706	3 699	-0,3%
Capacity services	750	736	736	719	722	-3,8%
Mobile telephony	3 814	3 757	3 550	3 414	3 408	-10,6%
Advanced services and directory services	491	498	520	526	514	4,9%
<b>Electronic communications services</b>	<b>8 766</b>	<b>8 695</b>	<b>8 519</b>	<b>8 365</b>	<b>8 344</b>	<b>-4,8%</b>
Others revenues	679	699	930	701	713	5,1%
<b>Entire market</b>	<b>9 444</b>	<b>9 394</b>	<b>9 448</b>	<b>9 066</b>	<b>9 057</b>	<b>-4,1%</b>

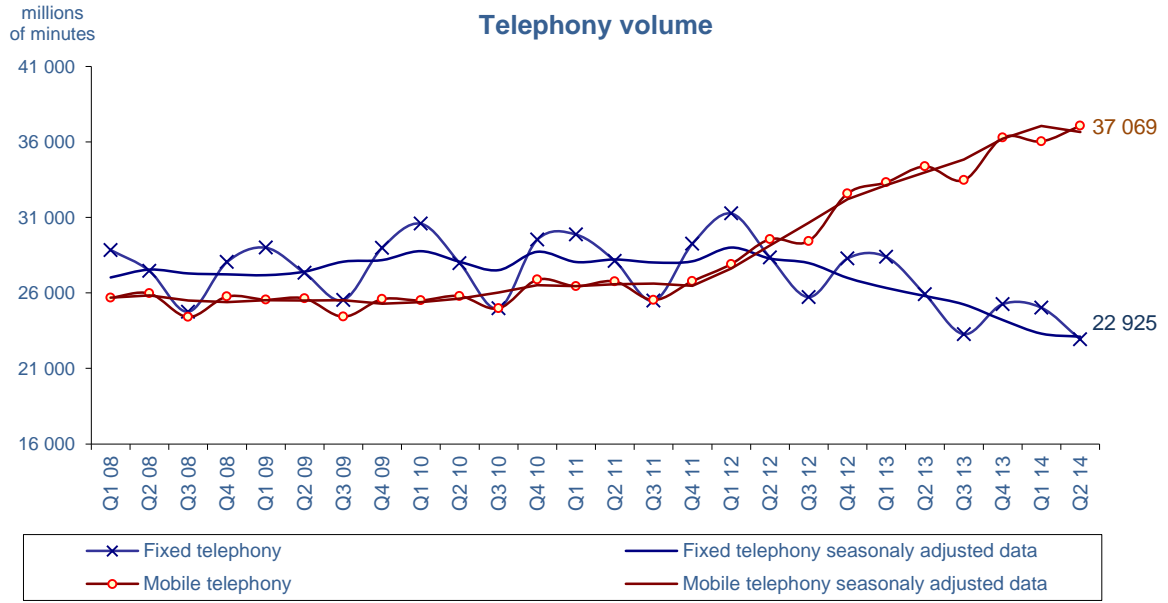
*adjusted figures are in italics*

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)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Fixed telephony	25 904	23 267	25 260	25 022	22 925	-11,5%
Mobile telephony	34 382	33 468	36 290	36 038	37 069	7,8%
<b>Total voice services</b>	<b>60 286</b>	<b>56 735</b>	<b>61 550</b>	<b>61 060</b>	<b>59 994</b>	<b>-0,5%</b>

*adjusted figures are in italics*



## Contents

<b>1</b>	<b><i>Operators investments</i></b> .....	<b>5</b>
<b>2</b>	<b><i>Employment</i></b> .....	<b>5</b>
<b>3</b>	<b><i>Fixed networks services</i></b> .....	<b>5</b>
3.1	Number of fixed lines and subscriptions to fixed networks services.....	5
3.1.1	Number of fixed lines.....	5
3.1.2	Portability (fixed numbers).....	5
3.1.3	Internet access (broadband and ultra-fast broadband) .....	6
3.1.4	Television over ADSL.....	6
3.2	Telephony services on fixed lines (excluding public pay-phones and cards).....	7
3.2.1	Number of subscriptions to a telephone service .....	7
3.2.2	Revenue of subscriptions and calls .....	8
3.2.3	Volume of calls from fixed networks .....	8
3.3	Public payphones and calling cards.....	10
3.4	Dial-up internet.....	10
3.5	Revenue on fixed networks .....	10
<b>4</b>	<b><i>Leased lines and data transport (on fixed networks)</i></b> .....	<b>11</b>
<b>5</b>	<b><i>Services on mobiles networks</i></b> .....	<b>12</b>
5.1	Subscriptions.....	12
5.1.1	Subscriptions to mobiles services.....	12
5.1.2	Multimedias and 3G services .....	12
5.1.3	SIM cards “internet and data only” (without telephony).....	13
5.1.4	Portability (mobile number).....	14
5.2	Retail market revenue et traffic (excluding VAS).....	15
<b>6</b>	<b><i>Per customers indicators</i></b> .....	<b>17</b>
<b>7</b>	<b><i>Value-added services</i></b> .....	<b>22</b>
<b>8</b>	<b><i>Other revenue</i></b> .....	<b>22</b>
8.1	Hosting and call centre management services .....	22
8.2	Terminals and equipments .....	22
<b>9</b>	<b><i>The intermediate market (interconnection and wholesale market)</i></b> .....	<b>22</b>
9.1	The market as a whole .....	22
9.2	Incoming international interconnection .....	24
9.3	Mobiles operators roaming-in .....	24

# 1 Operators investments

Investments <i>millions of euros</i>	2012*	2013**	S1 2014***
<b>Total of investments</b>	<b>10 034</b>	<b>7 210</b>	<b>3 100</b>
of which excluding mobile licences investments	7 317	7 117	3 100

\* 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

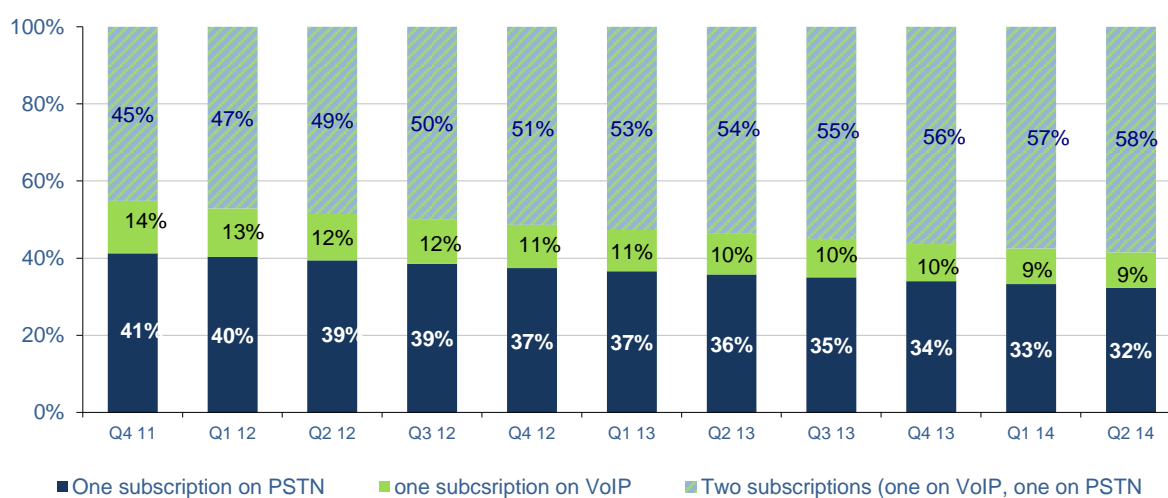
#### 3.1.1 Number of fixed lines

Number of fixed lines <i>(millions of units)</i>	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Number of fixed lines	<i>35,545</i>	<i>35,557</i>	<i>35,646</i>	<i>35,723</i>	<i>35,613</i>	0,2%

*adjusted figures are in italics*

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.

#### Breakdown of fixed lines by subscriptions to telephony services



#### 3.1.2 Portability (fixed numbers)

Portability <i>(millions of units)</i>	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Number of fixed numbers ported during the quarter	0,575	0,640	0,746	0,730	0,617	7,2%

### 3.1.3 Internet access (broadband and ultra-fast broadband)

Internet subscriptions (millions of units)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Broadband	22,623	22,797	22,869	23,009	23,054	1,9%
of wich xDSL	22,252	22,402	22,461	22,585	22,630	1,7%
of wich other broadband access	0,370	0,395	0,409	0,425	0,424	14,5%
Ultra-fast broadband	1,776	1,864	2,067	2,216	2,348	32,2%
of which with a flow rate between 30 Mbit/s & 100 Mbit/s (*)	0,658	0,658	0,745	0,774	0,812	23,4%
of which with a flow rate superior to 100 Mbit/s	0,692	0,726	0,764	0,804	0,821	18,8%
of wich fiber with coaxial cable termination (FTTLA)	0,426	0,480	0,558	0,638	0,714	67,5%
<b>Internet subscriptions</b>	<b>24,399</b>	<b>24,661</b>	<b>24,937</b>	<b>25,225</b>	<b>25,402</b>	<b>4,1%</b>

*including VDSL2 subscriptions with a flow rate  $\geq$  30 Mbit/s*

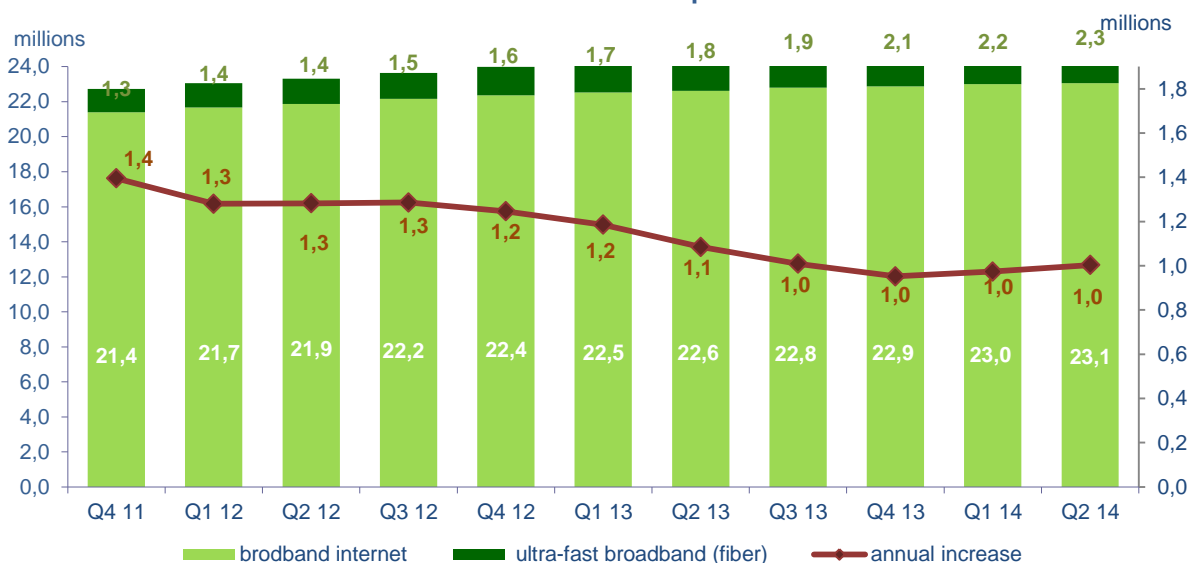
#### Notes :

- *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)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Broadband and fiber	0,518	0,526	0,543	0,547	0,551	6,4%

#### Number and annual increase of subscriptions to broadband internet

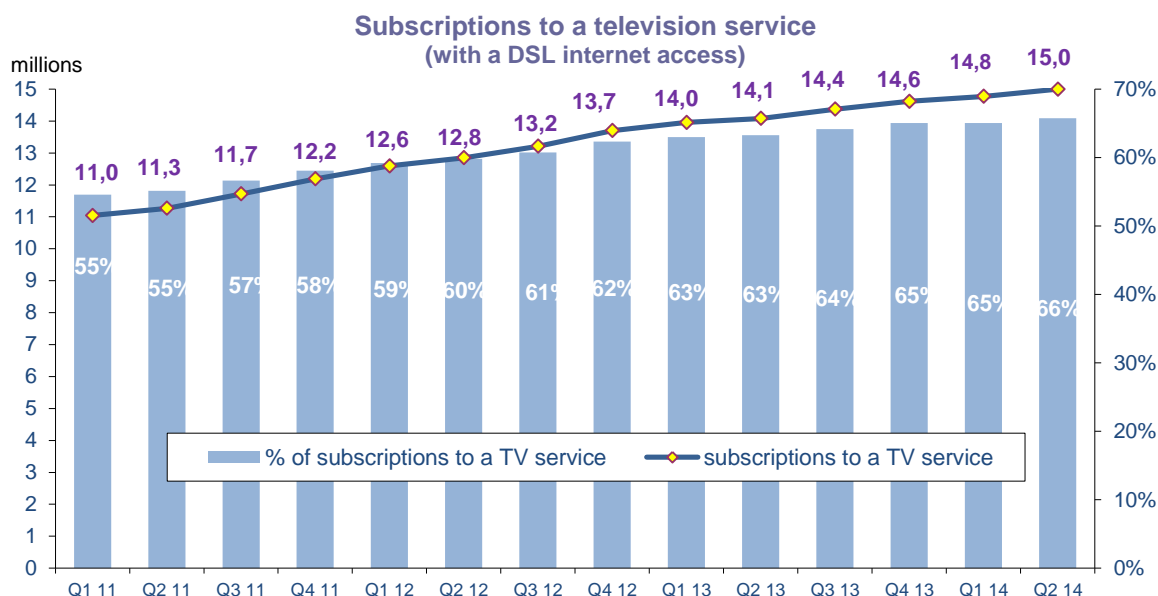


### 3.1.4 Television over ADSL

TV Subscriptions on DSL (millions)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Subscriptions to Internet on DSL	14,081	14,373	14,615	14,773	14,997	6,5%
% of subscriptions to television services	63,3%	64,2%	65,1%	65,0%	65,7%	

*adjusted figures are in italics*

*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)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Subscription on narrow band access	16,469	16,000	15,576	15,202	14,803	-10,1%
Access resales	1,599	1,601	1,624	1,674	1,653	3,4%
Subscription on broadband access (IP DSL, cable)	22,807	23,085	23,487	23,825	24,091	5,6%
DSL lines without narrowband access	17,302	17,717	18,109	18,455	18,669	7,9%
<b>Number of subscriptions to telephone service</b>	<b>39,276</b>	<b>39,085</b>	<b>39,063</b>	<b>39,026</b>	<b>38,894</b>	<b>-1,0%</b>

*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.
- 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.

<b>Carrier selection</b> (millions of units)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Call by call selection	0,090	0,079	0,080	0,069	0,064	-28,7%
Pre-selection	1,339	1,237	1,226	1,157	1,135	-15,2%
<b>Number of indirect connections</b>	<b>1,429</b>	<b>1,316</b>	<b>1,306</b>	<b>1,226</b>	<b>1,200</b>	<b>-16,0%</b>

*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

<b>Access revenue</b> (millions of euros)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Access fees, subscriptions and additional services	816	818	787	788	769	-5,7%

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...).

<b>Revenue</b> (millions of euros)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
National calls	222	205	203	208	196	-11,7%
International calls	90	89	80	78	75	-17,2%
Calls to mobiles	165	154	157	140	132	-19,9%
<b>All calls from fixed lines</b>	<b>478</b>	<b>448</b>	<b>440</b>	<b>426</b>	<b>403</b>	<b>-15,6%</b>
<i>Of which calls originating on PSTN/ISDN</i>	346	322	315	299	278	-19,6%
<i>Of which calls originating on VoIP services</i>	130	126	125	127	125	-4,3%

*adjusted figures are in italics*

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

<b>Volumes</b> (millions of minutes)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
National calls	17 729	15 886	17 396	17 425	15 592	-12,1%
International calls	2 947	2 664	2 815	2 708	2 562	-13,1%
Calls to mobiles	5 131	4 658	4 999	4 844	4 730	-7,8%
<b>All calls from fixed lines</b>	<b>25 807</b>	<b>23 208</b>	<b>25 209</b>	<b>24 977</b>	<b>22 885</b>	<b>-11,3%</b>

*adjusted figures are in italics*

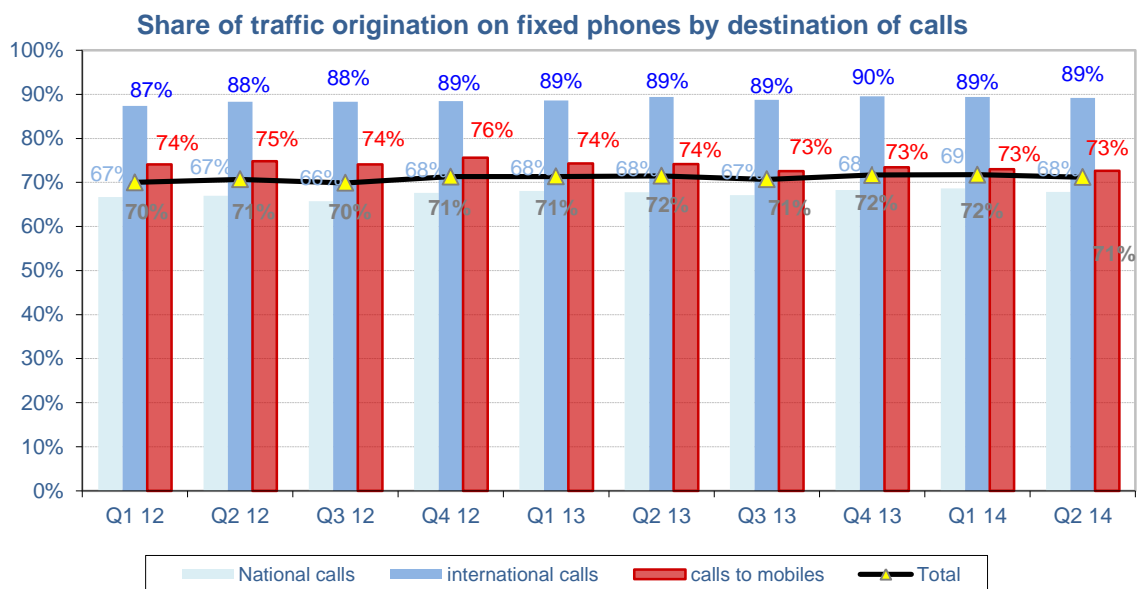
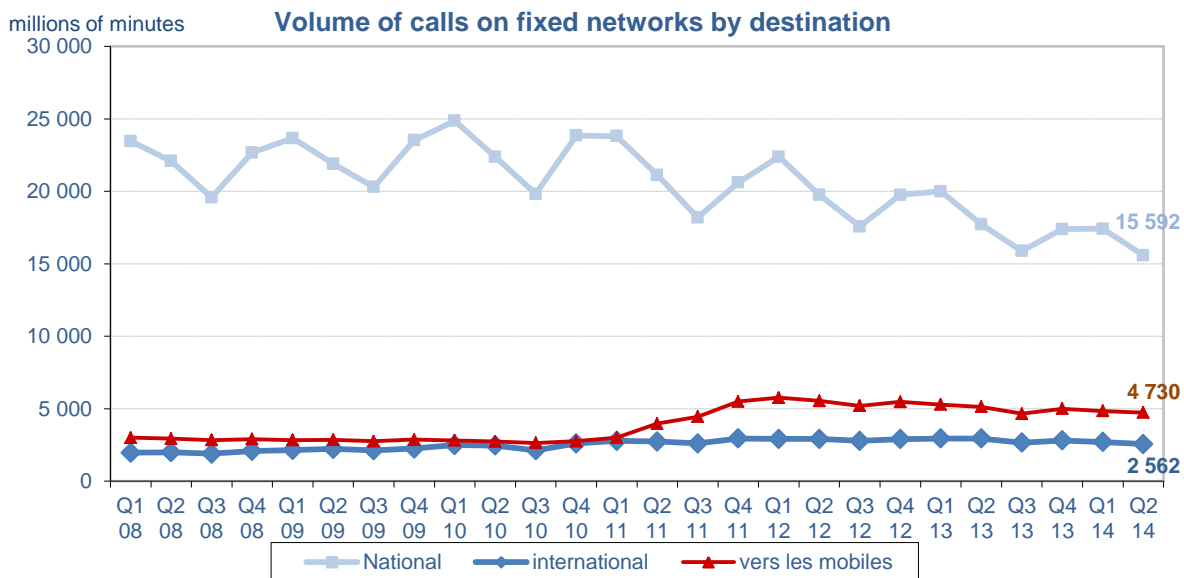
<b>Volumes of calls originating on PSTN/ISDN</b> (millions of minutes)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
National calls	5 716	5 225	5 516	5 458	5 015	-12,3%
International calls	313	299	294	288	276	-11,7%
Calls to mobiles	1 325	1 278	1 327	1 309	1 294	-2,3%
<b>All calls originating on PSTN/ISDN</b>	<b>7 353</b>	<b>6 802</b>	<b>7 137</b>	<b>7 054</b>	<b>6 586</b>	<b>-10,4%</b>

*adjusted figures are in italics*

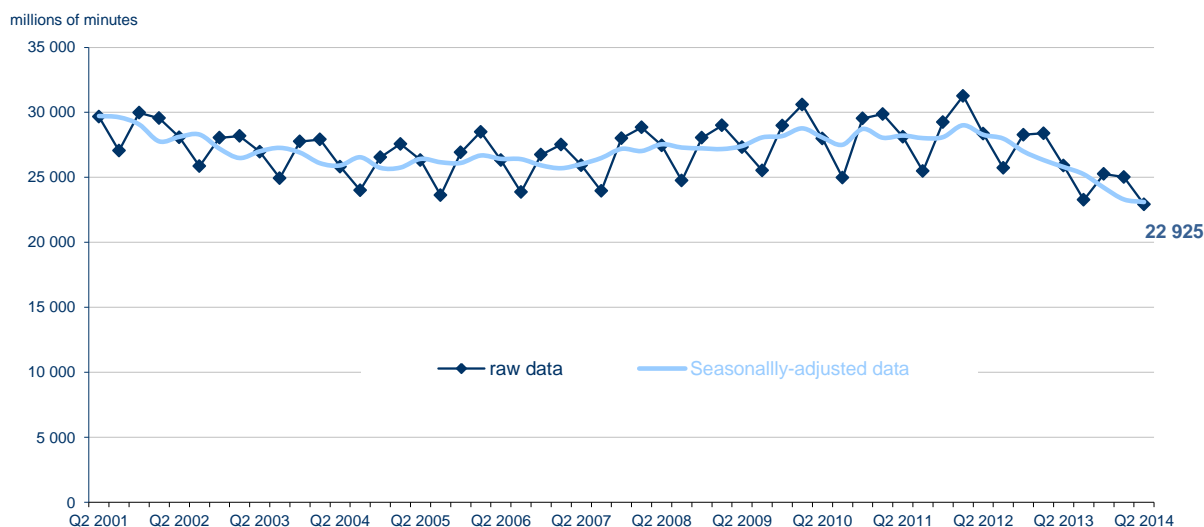
<b>Volumes (IP traffic)</b> (millions of minutes)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
National calls	12 014	10 661	11 880	11 967	10 577	-12,0%
International calls	2 634	2 364	2 521	2 420	2 286	-13,2%
Calls to mobiles	3 806	3 380	3 672	3 535	3 436	-9,7%
<b>All IP calls</b>	<b>18 454</b>	<b>16 406</b>	<b>18 073</b>	<b>17 923</b>	<b>16 299</b>	<b>-11,7%</b>

*adjusted figures are in italics*





**Volume of traffic from fixed lines  
(calls, public payphones, prepaid cards)**



### 3.3 Public payphones and calling cards

#### Public telephony

	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Number of public payphones at end of quarter (units)	107 521	101 790	94 455	87 194	80 242	-25,4%
Revenue (millions of euros)	4	4	3	3	2	-38,3%
Volumes (millions of minutes)	12	12	9	5	7	-44,1%

#### Charge and prepaid cards

	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Revenue (millions of euros)	10	8	7	7	5	-48,1%
Volume (millions of minutes)	85	46	42	40	34	-60,3%

### 3.4 Dial-up internet

#### Internet Dial-up

	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Revenue (millions of euros)	4	3	3	3	3	-27,6%
Subscriptions (millions of units)	0,186	0,165	0,155	0,141	0,136	-26,7%
Volumes of dial-up Internet (millions of minutes)	177	149	136	120	105	-40,9%

### 3.5 Revenue on fixed networks

#### Revenue of fixed networks services (millions of euros)

	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
<b>Narrowband Revenue</b>	<b>1 180</b>	<b>1 156</b>	<b>1 115</b>	<b>1 099</b>	<b>1 058</b>	-10,4%
Subscriptions and calls originating on PSTN/ISDN	1 163	1 140	1 102	1 087	1 047	-9,9%
Dial-up Internet	4	3	3	3	3	-27,6%
Public payphones and cards	14	12	10	9	8	-45,2%
<b>Broadband Revenue</b>	<b>2 531</b>	<b>2 548</b>	<b>2 597</b>	<b>2 608</b>	<b>2 641</b>	4,4%
Broadband Internet and VoIP subscriptions	2 092	2 123	2 142	2 141	2 181	4,2%
Calls originating on VoIP services	130	126	125	127	125	-4,3%
Other Internet revenue	308	300	330	340	336	8,8%
<b>Revenue of fixed lines services</b>	<b>3 711</b>	<b>3 704</b>	<b>3 712</b>	<b>3 706</b>	<b>3 699</b>	-0,3%

*adjusted figures are in italics*

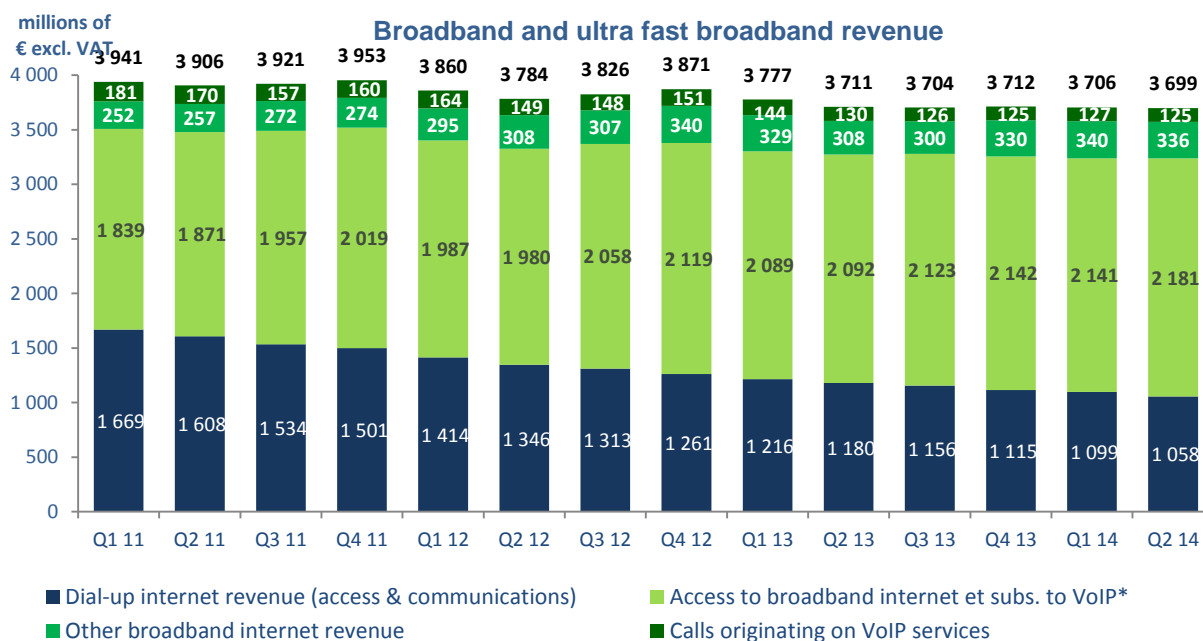
#### Notes

- 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 includes revenues connected to a broadband internet access and billed by operators (subscriptions to a 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)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Leased lines	226	227	222	217	225	-0,4%
Data transport	524	509	514	502	497	-5,3%
<b>Total</b>	<b>750</b>	<b>736</b>	<b>736</b>	<b>719</b>	<b>722</b>	<b>-3,8%</b>
<i>of witch on business marLet</i>	<i>647</i>	<i>626</i>	<i>622</i>	<i>613</i>	<i>618</i>	<i>-4,4%</i>

*adjusted figures are in italics*

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

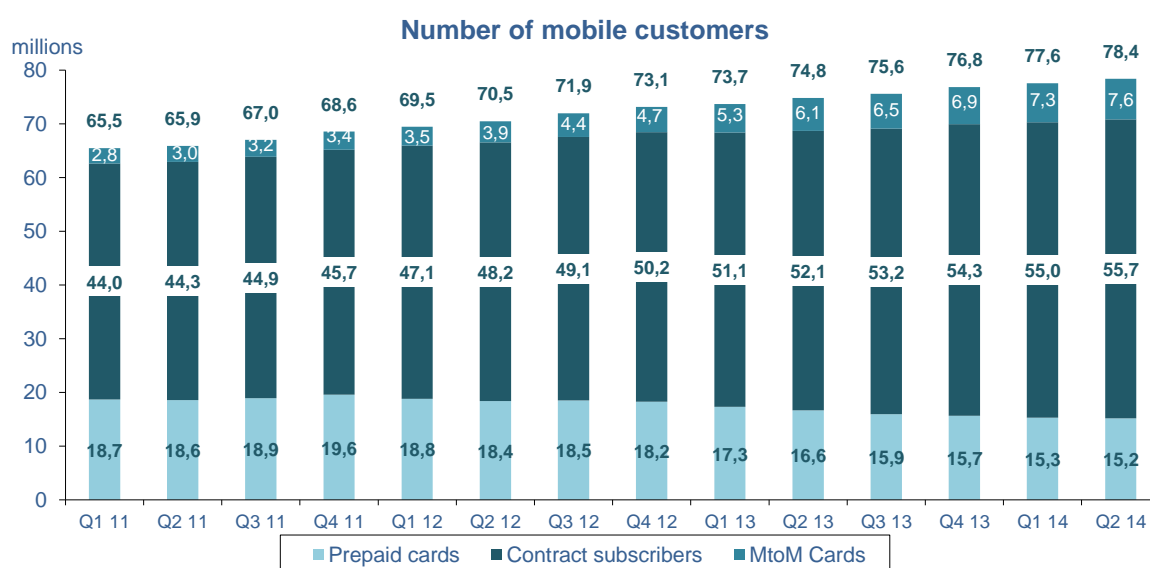
#### 5.1.1 Subscriptions to mobiles services

Number of mobile customers (millions of units)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Contract subscribers	52,079	53,154	54,276	54,984	55,659	6,9%
of which with blocked account *	7,780	7,253	6,741	6,271	5,975	-23,2%
MtoM SIM cards	6,091	6,493	6,890	7,265	7,606	24,9%
Prepaid cards	16,639	15,934	15,667	15,302	15,163	-8,9%
of which active prepaid cards **	13,800	13,092	12,772	12,031	11,947	-13,4%
<b>Mobile Telephonie</b>	<b>74,809</b>	<b>75,581</b>	<b>76,834</b>	<b>77,551</b>	<b>78,428</b>	<b>4,8%</b>

*adjusted figures are in italics*

\* blocked account: packages allow ing not to make calls, send SMS or make internet connections after the full use of the package

\*\*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.



#### 5.1.2 3G, 4G and multimedias services

Active 3G, 4G and multimedia users (millions of units)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Active 3G users	34,368	35,243	36,548	38,349	39,473	14,9%
Active 4G users				3,722	5,450	
Active multimedia subscribers	35,349	36,034	37,343	38,928	39,780	12,5%

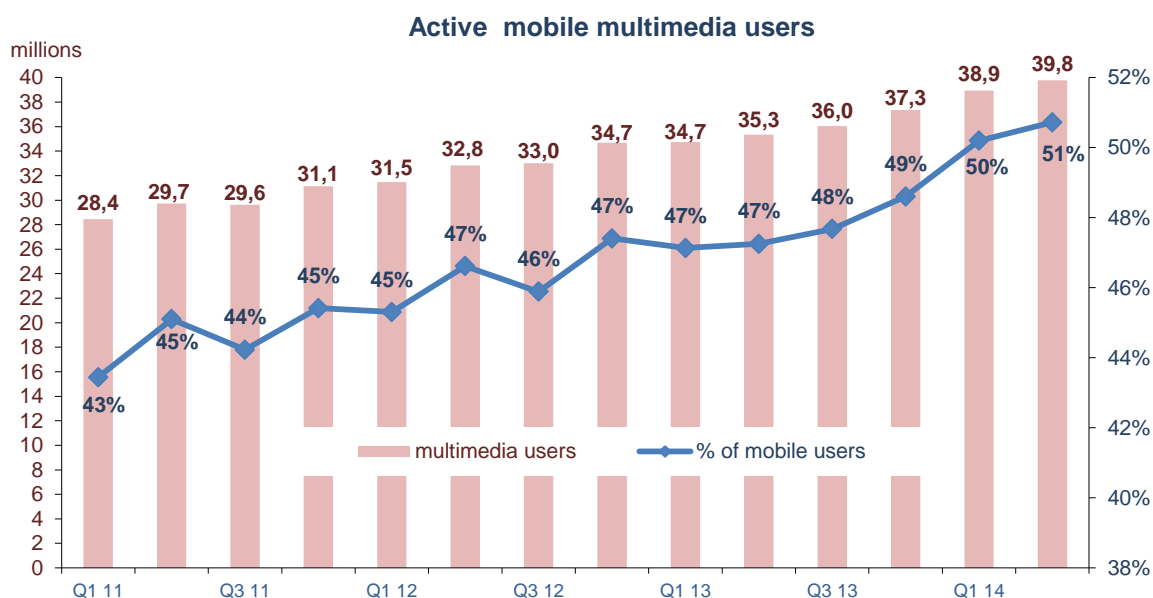
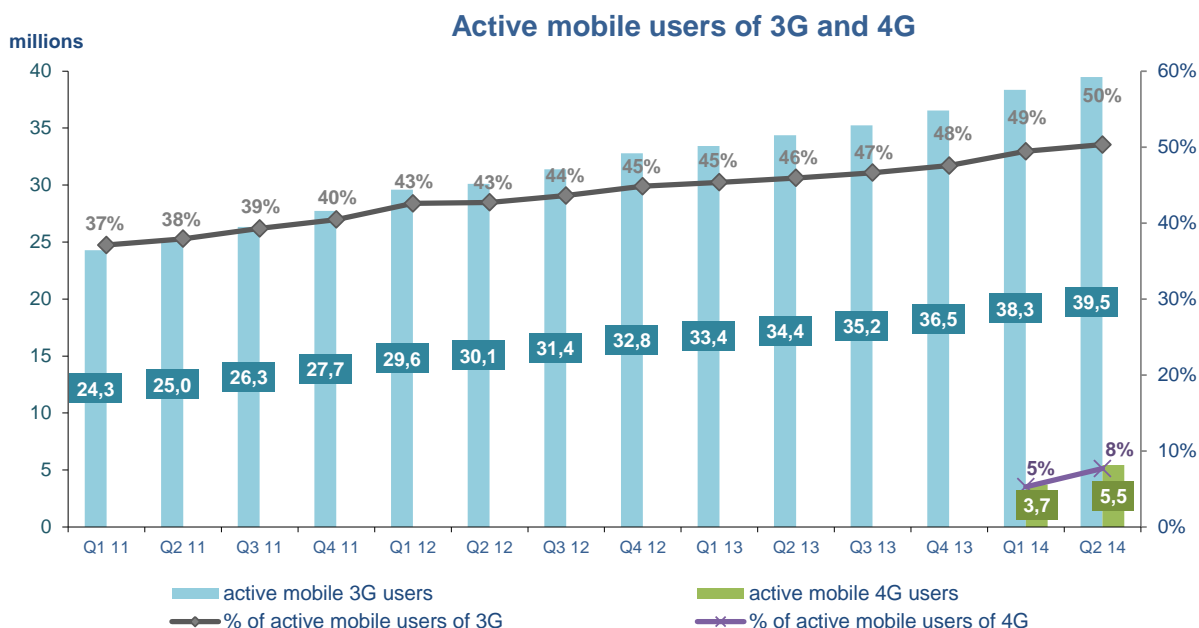
*adjusted figures are in italics*

#### 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).

- 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 4G 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.



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

Active multimedia/3G users, internet SIM cards (millions of units)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Number of exclusive Internet SIM cards	3,582	3,675	3,645	3,691	3,733	4,2%
of which exclusive Internet prepaid cards	0,671	0,706	0,699	0,710	0,759	13,1%

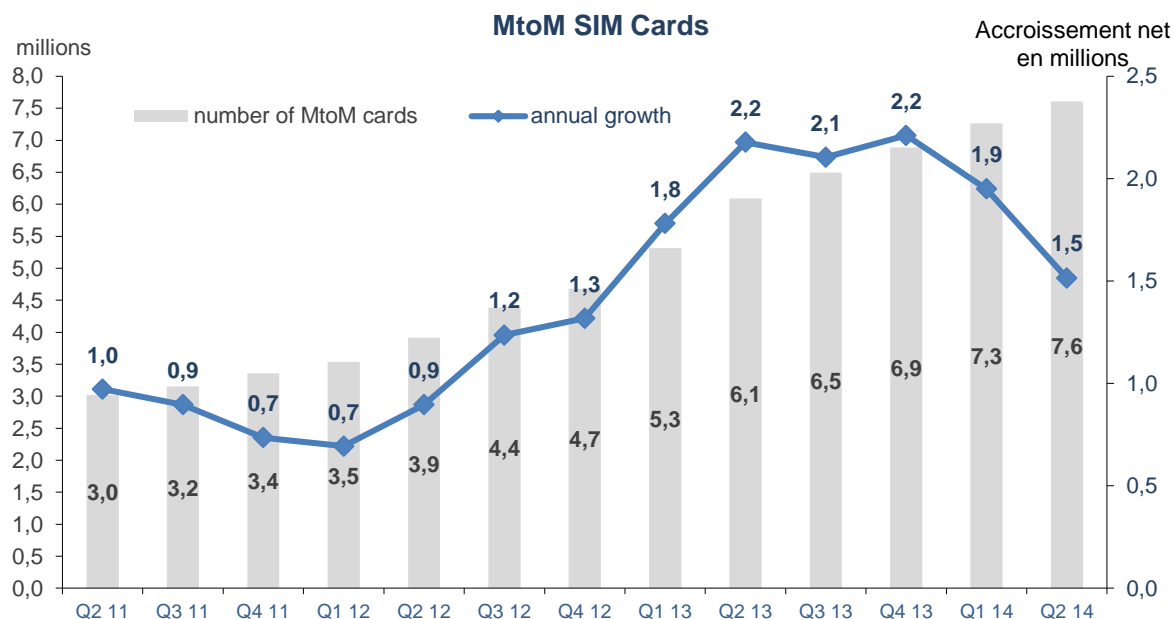
*adjusted figures are in italics*

- 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)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Number of Sim cards used for MtoM communications	6,091	6,493	6,890	7,265	7,606	24,9%

*adjusted figures are in italics*

- 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.



<b>Data SIM cards</b> (millions of units)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Number of exclusive internet Sim cards & MtoM Sim cards	9,673	10,168	10,535	10,956	11,339	17,2%
% of data SIM cards among SIM cards	12,9%	13,5%	13,7%	14,1%	14,5%	+1,5 point

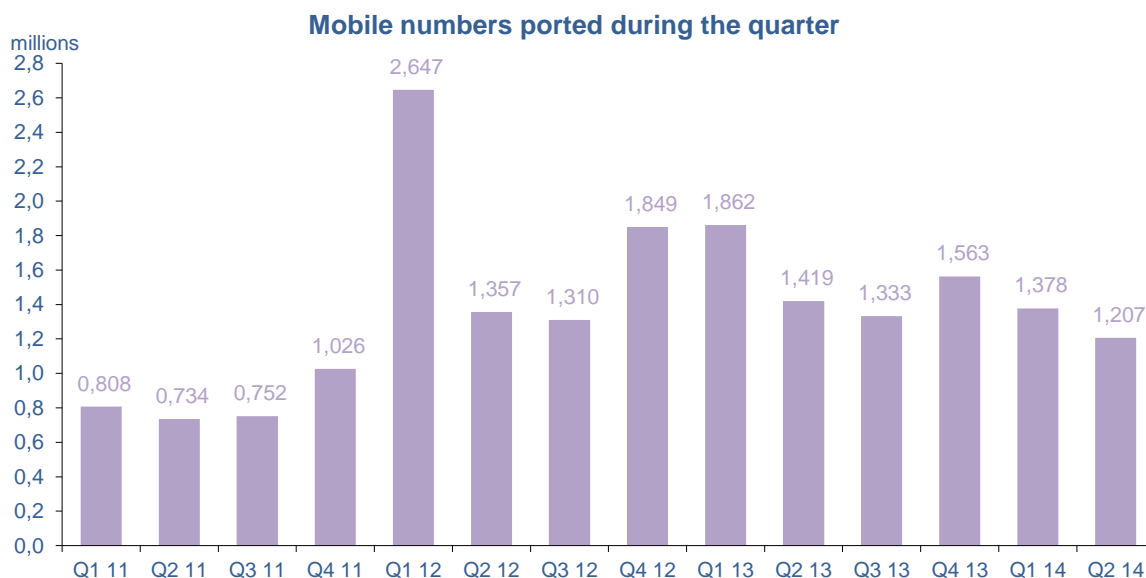
#### 5.1.4 Portability (mobile number)

<b>Portability</b> (millions of units)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Number of mobile numbers ported during the quarter	1,419	1,333	1,563	1,378	1,207	-15,0%

**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 French "départements".

-the portability deadline is 3 working days since November 7, 2011 for metropolitan France and two days from July 31, 2012, for the departments of Réunion and Mayotte, and November 12, 2012 for the departments of Guadeloupe, Martinique and French Guyana as well as for the communities of Saint-Martin and Saint-Barthélemy.

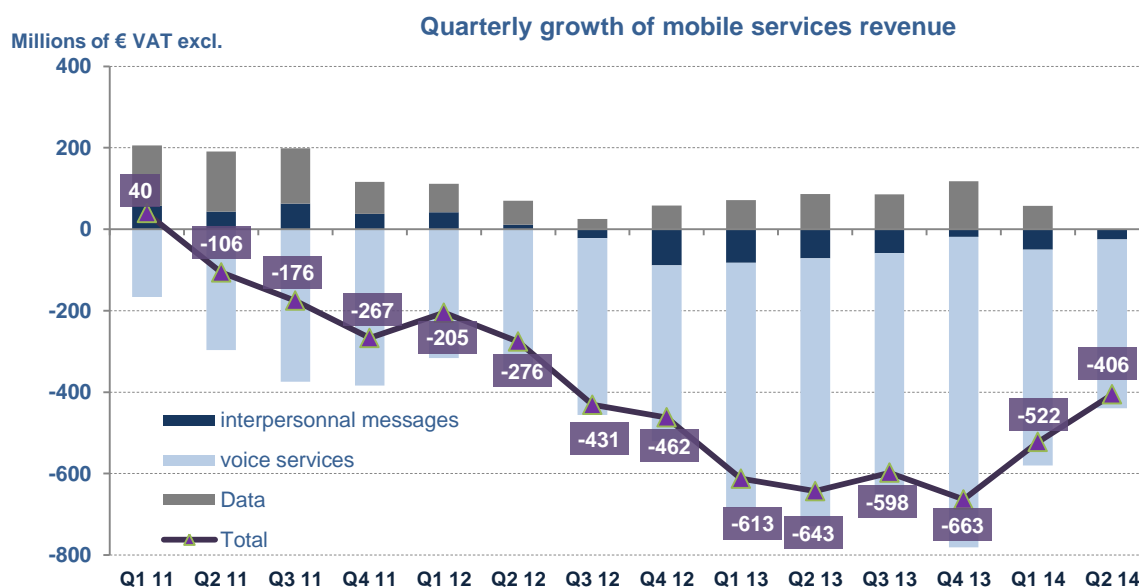


## 5.2 Retail market revenue et traffic (excluding VAS)

Revenue (millions of euros)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
<b>Mobile telephony</b>	2 464	2 374	2 151	2 034	2 050	-16,8%
of which outgoing international calls	245	257	249	239	240	-1,9%
<b>Data transport on mobile networks</b>	1 350	1 383	1 399	1 380	1 359	0,7%
of which interpersonal messaging (SMS, MMS)	571	581	565	559	546	-4,4%
of which access to mobile Internet & to multimedia services	779	802	834	821	813	4,4%
<b>Total mobile telephony and data transport</b>	<b>3 814</b>	<b>3 757</b>	<b>3 550</b>	<b>3 414</b>	<b>3 408</b>	<b>-10,6%</b>

*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.



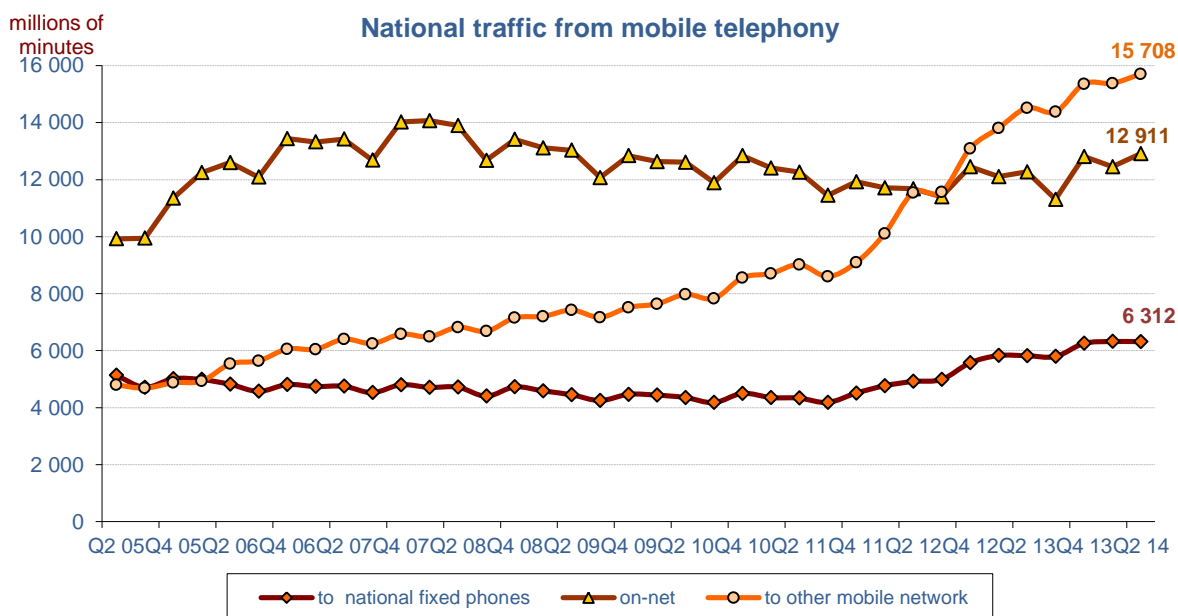
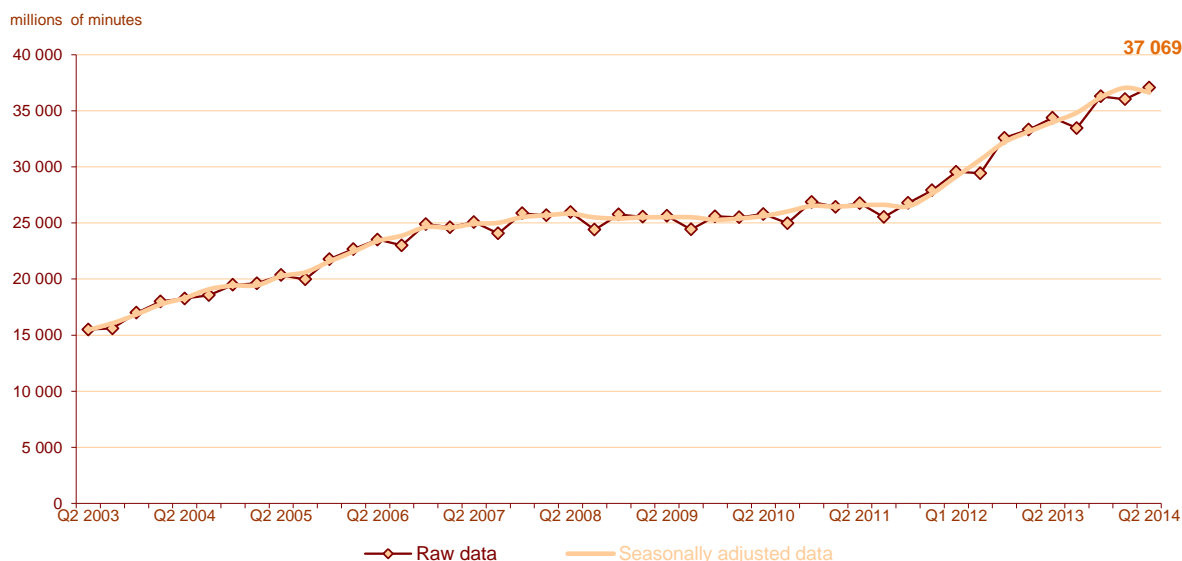
Volumes (millions of minutes)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Calls to national fixed lines	5 820	5 793	6 252	6 319	6 312	8,5%
Calls to mobiles on the same network (1)	12 271	11 306	12 810	12 454	12 911	5,2%
Calls to other networks	14 516	14 376	15 358	15 382	15 708	8,2%
Outgoing international calls	1 441	1 496	1 552	1 578	1 756	21,9%
Roaming out (2)	334	498	318	305	381	14,1%
<b>Total mobile telephony</b>	<b>34 382</b>	<b>33 468</b>	<b>36 290</b>	<b>36 038</b>	<b>37 069</b>	<b>7,8%</b>

*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

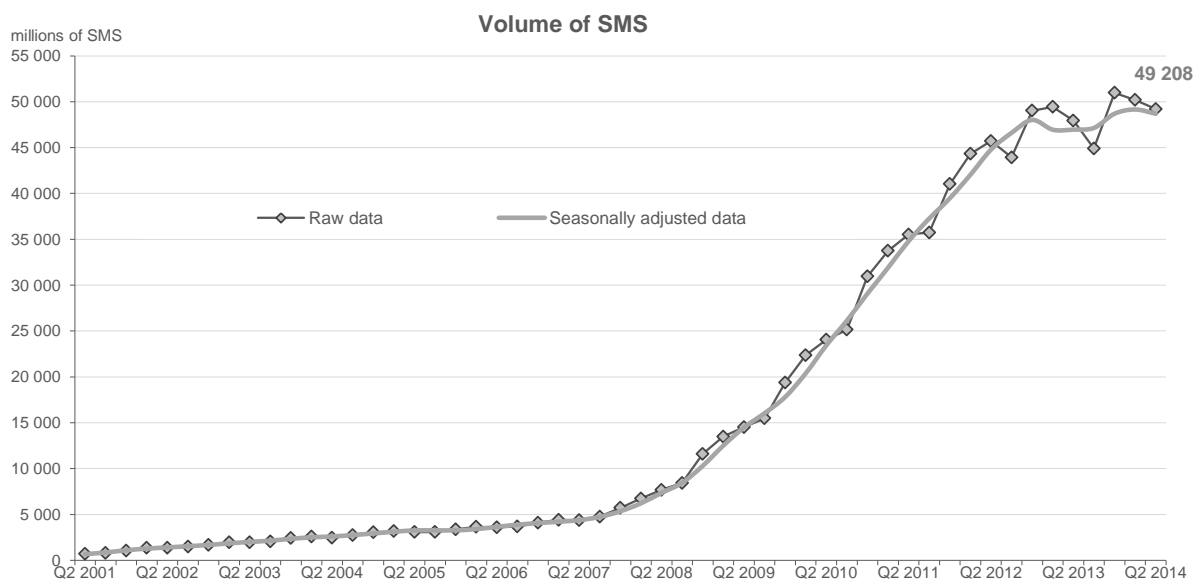
### Volume of calls from mobile



Volumes of interpersonal messages (millions of units)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Number of interpersonal SMS	47 946	44 907	50 975	50 184	49 208	2,6%
of which from contract subscribers	45 173	42 308	48 191	47 374	46 808	3,6%
of which from prepaid cards	2 773	2 599	2 784	2 810	2 400	-13,5%
Number of interpersonal MMS	582	638	656	684	811	39,4%
<b>Number of messages sent</b>	<b>48 528</b>	<b>45 545</b>	<b>51 632</b>	<b>50 869</b>	<b>50 018</b>	<b>3,1%</b>

*adjusted figures are in italics*



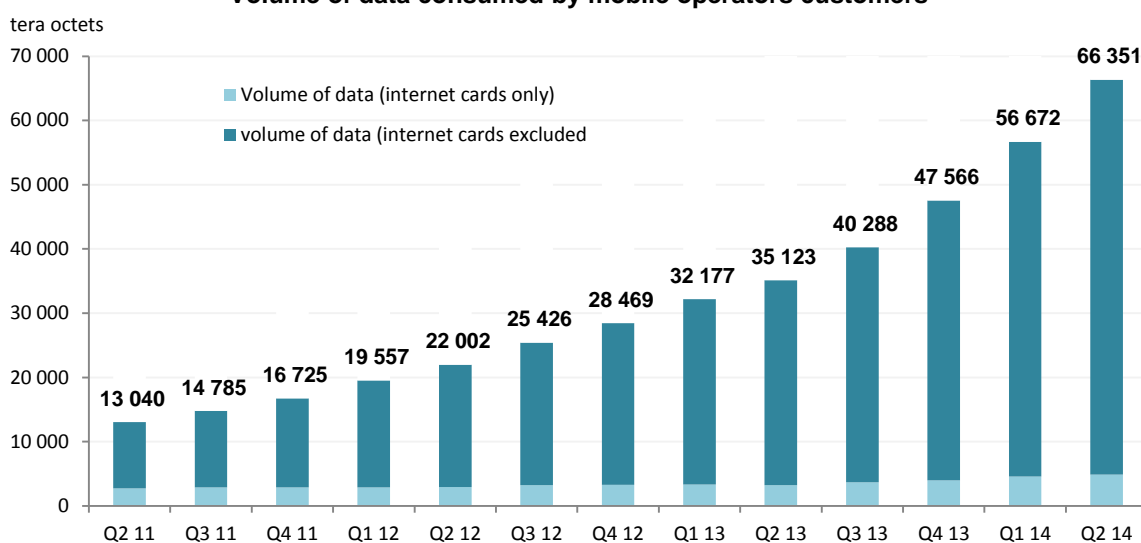


**Volumes of data consumed by the customers** (in Teraoctets)

	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
<b>Volumes of data</b>	<b>35 123</b>	<b>40 288</b>	<b>47 566</b>	<b>56 672</b>	<b>66 351</b>	<b>88,9%</b>
of which from internet exclusive SIM cards	3 241	3 685	3 974	4 567	4 874	50,4%

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

**Volume of data consumed by mobile operators customers**



## 6 Per customers indicators

**Average monthly revenue (value added services exclude)**  
(in euros -VAT excluded)

	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Per fixed line : access, communications and Internet	33,5	33,5	33,5	33,3	33,3	-0,8%
Mobile telephony user	18,4	18,1	16,9	16,1	16,0	-13,1%

*Notes :*

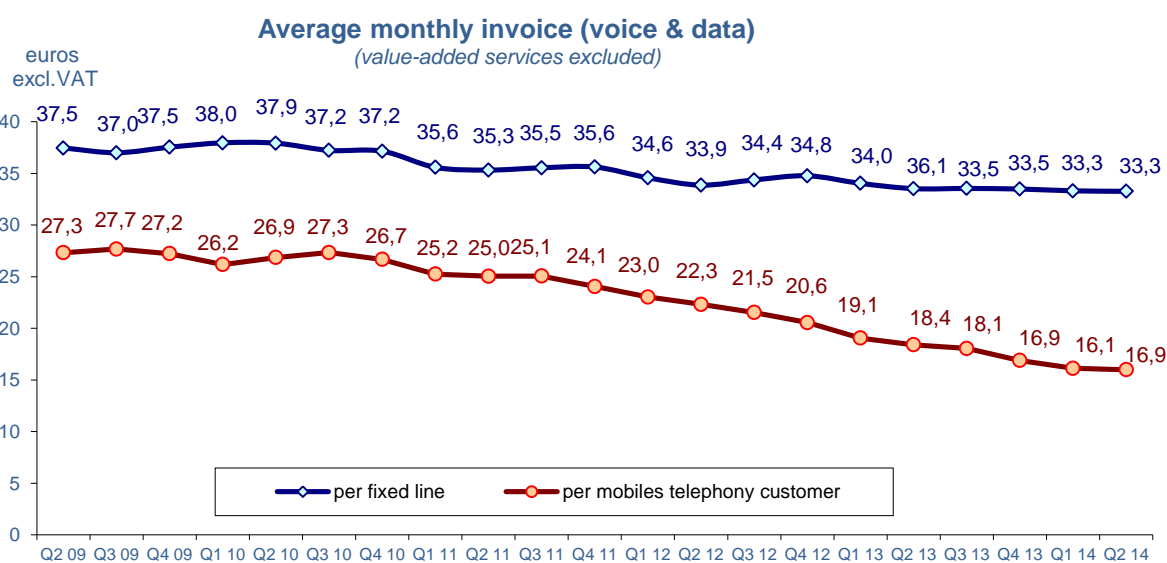
*The average invoice per fixed line now refers to what customers pay each month for their telephony and Internet services. The revenue included is therefore:*

*- 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 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.



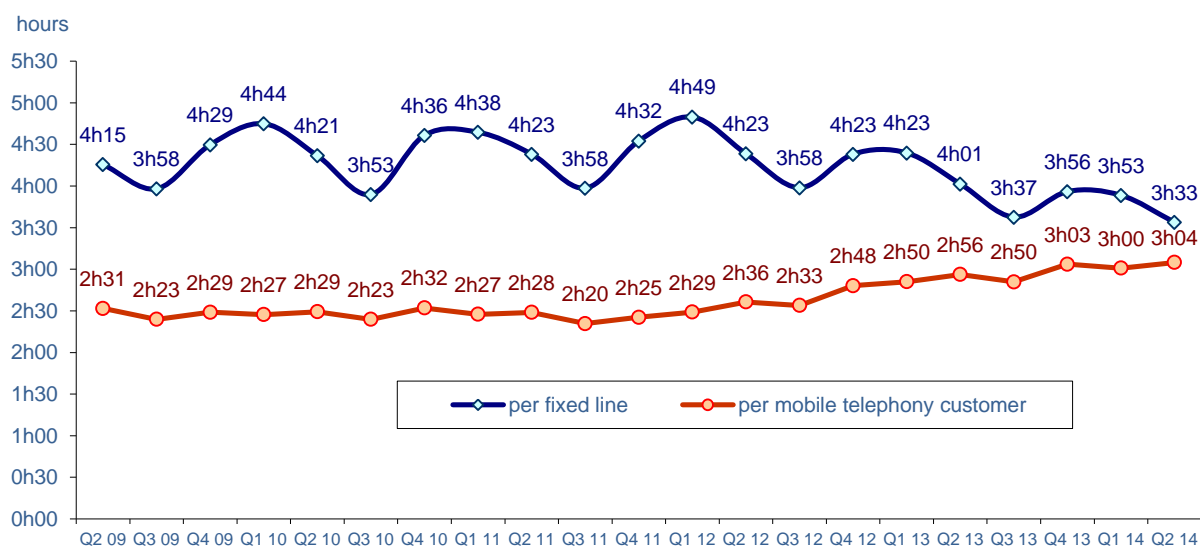
Note : The average monthly invoice per mobile telephony customer exclude MtoM cards (in revenue and in number of cards).

Average monthly outgoing traffic (in hours)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Per fixed lines	4h01	3h37	3h56	3h53	3h33	-11,4%
Mobile telephony user	2h56	2h50	3h03	3h00	3h04	4,9%

Notes :

- 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.
- 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.

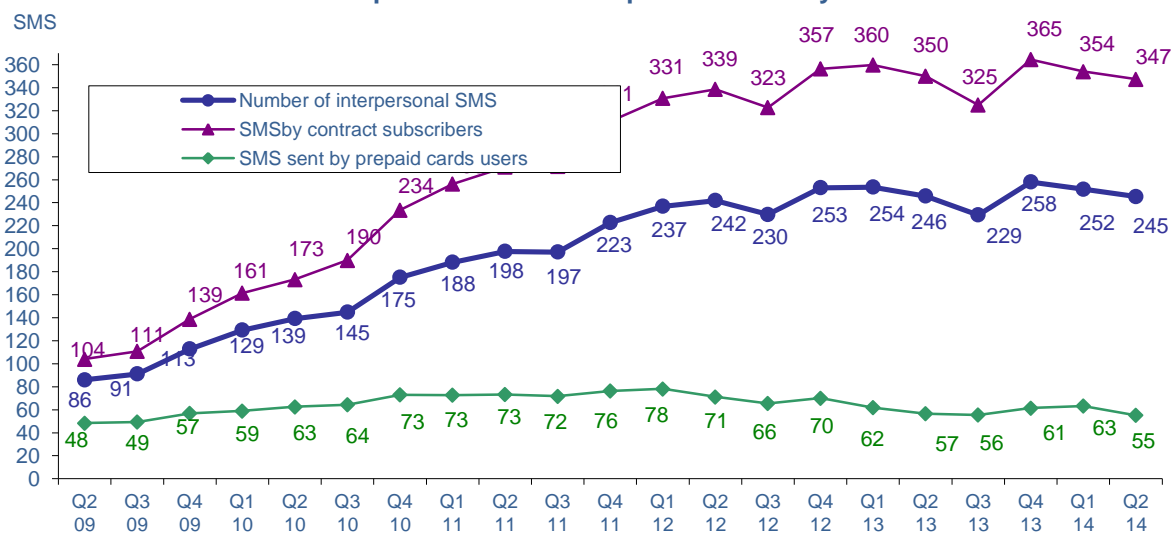
### Average monthly outgoing voice traffic



Number of interpersonal SMS sent per user (units)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Number of SMS sent per user during the quarter	246	229	258	252	245	-0,2%
of which for contract subscribers	350	325	365	354	347	-0,8%
of which for prepaid cards	57	56	61	63	55	-2,6%

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.

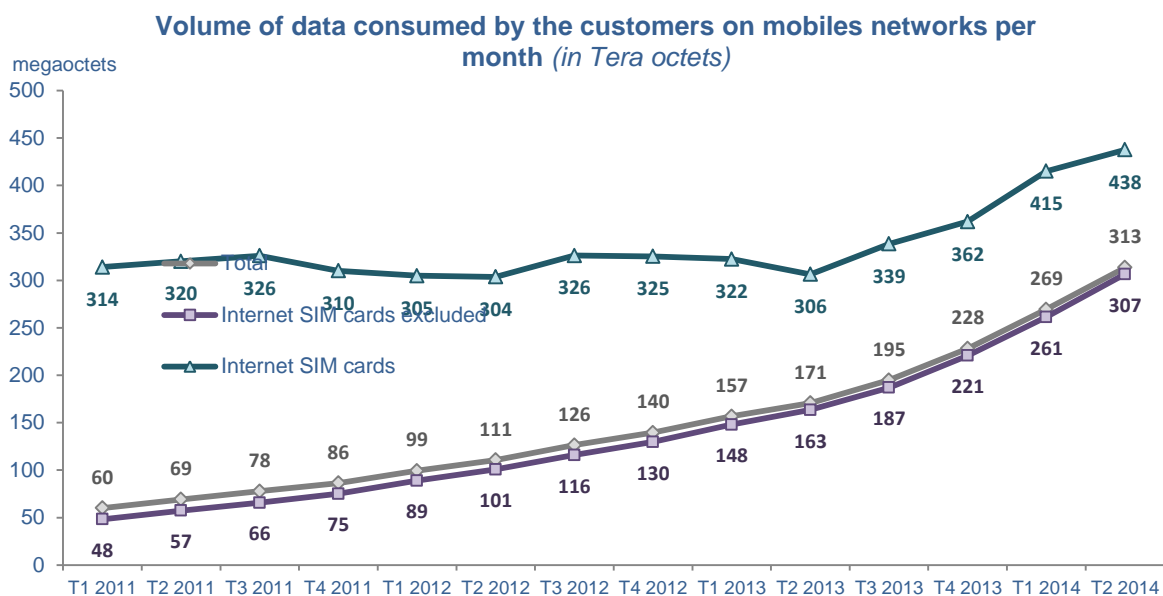
### Number of interpersonal SMS sent per customer by month



Average monthly volume of data consumed on mobile networks (in mega octets)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
per mobile operator customer	171	195	228	269	313	83,6%
of which from internet exclusive SIM cards	306	339	362	415	438	42,9%
of which from other SIM cards	163	187	221	261	307	87,6%

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

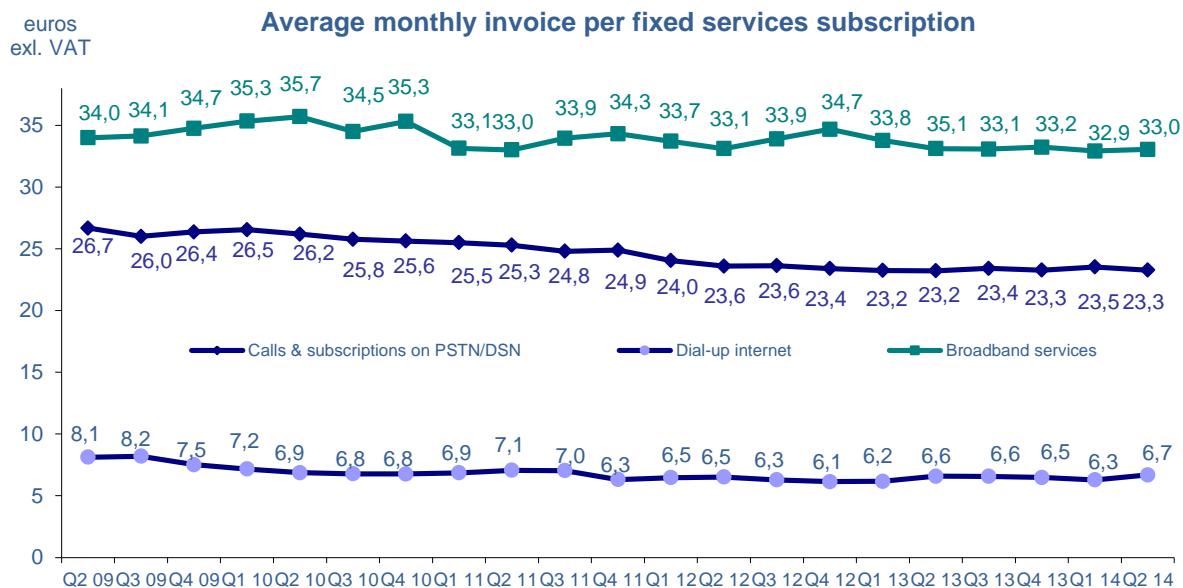
reported to the month. The volume of data include voice communications, exchange of interpersonal messages through software. "MtoM" cards are not taken into account in the calculation.



Average monthly revenue per customer (in euros -VAT excluded)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Fixed PSTN/ISDN telephony user	23,2	23,4	23,3	23,5	23,3	0,2%
Dial-up Internet user	6,6	6,6	6,5	6,3	6,7	1,6%
Internet & telephony over broadband	33,1	33,1	33,2	32,9	33,0	-0,2%

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)

	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Fixed PSTN/ISDN telephony user	2h26	2h19	2h30	2h32	2h26	-0,4%
Fixed IP telephony user	4h35	4h03	4h24	4h19	3h53	-15,4%
From dial-up Internet	5h04	4h43	4h43	4h31	4h12	-17,1%

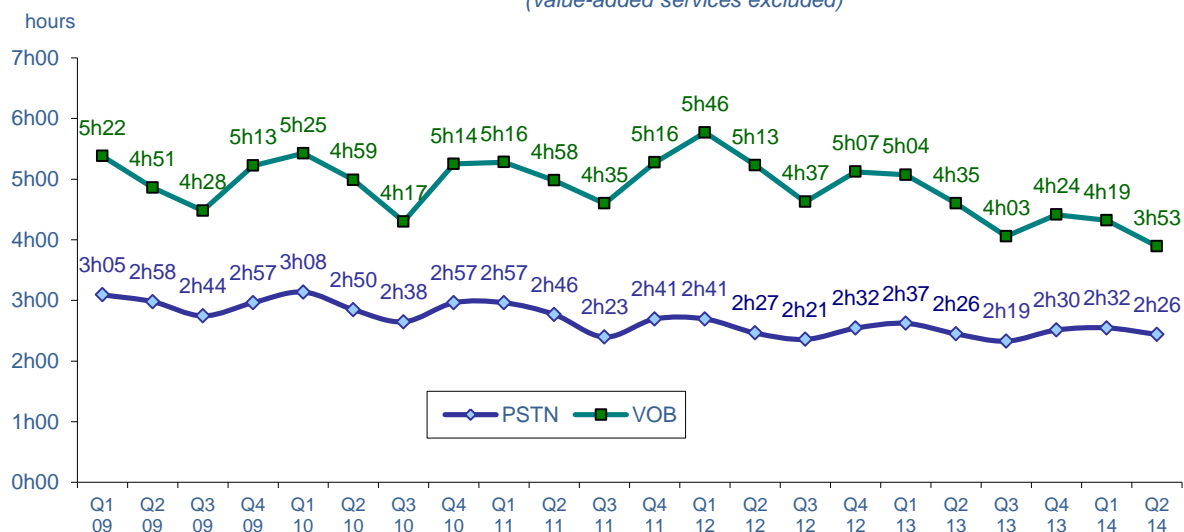
*adjusted figures are in italics*

- 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.

#### Average monthly traffic per subscription to a fixed telephony service

(value-added services excluded)



## 7 Value-added services

<b>Value-added services revenue*</b> (millions of euros)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Value-added "voice" services	260	250	264	264	259	-0,4%
From fixed telephony network	147	135	141	135	141	-4,3%
From mobile telephony network	112	115	122	129	118	4,8%
Value-added "data" services	199	215	226	231	225	13,4%
	32	33	30	31	30	-5,0%
<b>Value-added services</b>	<b>491</b>	<b>498</b>	<b>520</b>	<b>526</b>	<b>514</b>	<b>4,9%</b>

*adjusted figures are in italics*

\* 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....

<b>Value-added "voice" and "télématic" services volumes</b> (millions of minutes)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
From fixed telephony network	1 419	1 381	1 483	1 383	1 402	-1,2%
From mobile telephony network	370	395	405	389	371	0,3%
<b>Number of calls</b>	<b>1 789</b>	<b>1 775</b>	<b>1 888</b>	<b>1 771</b>	<b>1 773</b>	<b>-0,9%</b>

*adjusted figures are in italics*

<b>Value-added "data" service volumes</b> (millions of units)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Number of messages (SMS+, MMS+)	193	179	183	181	150	-22,3%

<b>Revenue from directory services</b> (millions of euros)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Number of calls (millions of units)	11	10	9	8	8	-27,2%
Volume of calls (millions of minutes)	27	26	24	22	22	-20,7%

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

<b>Revenue</b> (millions of euros)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Hosting and call centre management	67	71	77	74	75	11,2%

### 8.2 Terminals and equipments

<b>Revenue from terminals and equipment</b> (millions of euros)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
linked to fixed téléphony & Internet services	163	141	146	164	167	2,5%
linked to mobile services	339	396	622	404	380	12,1%
<b>Terminals and equipment</b>	<b>502</b>	<b>537</b>	<b>768</b>	<b>568</b>	<b>547</b>	<b>9,0%</b>

Note : the revenue excludes commissions paid to distributors.

## 9 The intermediate market (interconnection and wholesale market)

### 9.1 The market as a whole

<b>Interconnection services (millions of euros)</b>	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Fixed operators	1 154	1 174	1 197	1 205	1 262	9,3%
of which telephony services *	533	550	553	547	557	4,5%
of which broadband services	622	624	644	657	705	13,4%
Mobile operators	634	639	636	637	643	1,4%
of which SMS termination	353	347	360	366	370	4,7%
<b>Revenue</b>	<b>1 788</b>	<b>1 814</b>	<b>1 834</b>	<b>1 842</b>	<b>1 905</b>	<b>6,5%</b>

*adjusted figures are in italics*

<b>Interconnection services (millions of minutes)</b>	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Fixed operators	27 668	25 920	27 212	27 710	24 463	-11,6%
Internet (dial-up)	115	107	101	117	83	-27,6%
Mobile operators	21 724	21 115	22 162	22 493	23 187	6,7%
<b>Volume</b>	<b>49 507</b>	<b>47 143</b>	<b>49 475</b>	<b>50 321</b>	<b>47 733</b>	<b>55,5%</b>
<b>Incoming SMS</b>	<b>30 706</b>	<b>29 472</b>	<b>31 813</b>	<b>31 868</b>	<b>31 541</b>	<b>2,7%</b>

*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 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 February 1st 2014 at €9.02 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 30<sup>th</sup> December 2012 and 1.5€/minute between January 1st 2012 to June 30<sup>th</sup> 2012. The maximum price of the voice call termination on mobile networks is set, from 1<sup>st</sup> July 2013, at 0.8c€/min for Free mobile (network operator) and the full MVNO against 1.1c€ between 1<sup>st</sup> January 2013 to 30<sup>th</sup> June 2013 and 1.6c€ since 1<sup>st</sup> July 2012.

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

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

<b>Unbundling (millions of units)</b>	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Partially unbundled lines	0,844	0,820	0,793	0,771	0,753	-10,8%
Fully unbundled lines	10,399	10,603	10,805	11,052	11,204	7,7%
<b>Number of unbundled lines</b>	<b>11,244</b>	<b>11,423</b>	<b>11,597</b>	<b>11,823</b>	<b>11,958</b>	<b>6,3%</b>

<b>"Bitstream" lines (millions of units)</b>	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
"naked bitstream"	1,041	1,006	0,993	0,967	0,951	-8,7%
"classic bitstream"	0,242	0,226	0,214	0,201	0,193	-20,2%
<b>Number of "bitstream" lines</b>	<b>1,283</b>	<b>1,232</b>	<b>1,207</b>	<b>1,169</b>	<b>1,144</b>	<b>-10,9%</b>

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)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Fixed operators	35	43	39	38	43	22,7%
Mobile operators	8	10	10	11	13	63,7%
<b>Revenue</b>	<b>43</b>	<b>53</b>	<b>49</b>	<b>49</b>	<b>57</b>	<b>30,3%</b>

Volume of incoming international interconnection services (millions of minutes)	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Fixed operators	2 216	2 410	2 359	2 130	2 260	2,0%
Mobile operators	893	965	922	899	1 064	19,2%
<b>Volume</b>	<b>3 109</b>	<b>3 375</b>	<b>3 282</b>	<b>3 030</b>	<b>3 324</b>	<b>6,9%</b>

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

## 9.3 Mobiles operators roaming-in

Roaming in	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	change 2Q14/2Q13
Revenue (millions of euros)	79	99	72	60	65	-17,7%
Volume (millions of minutes)	533	707	464	461	586	9,9%
Volume of SMS (millions)	223	344	174	174	214	-3,8%
Volume of data (teraoctets)	160	312	183	217	363	127,1%

*adjusted figures are in italics*

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 1<sup>st</sup> July 2013, these Euro tariffs went from 0.29€ excl. VAT to 0.24€ excl. VAT for calls made from abroad, and from 0.08€ 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 1<sup>st</sup> 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 1<sup>st</sup> July 2012 to 30 June 2013). The tariff is set to 15cts€ per Mo for mobile internet for the period between 1<sup>st</sup> July 2013 to 1<sup>st</sup> July 2014 ('against 25 cts€ for the period from 1<sup>st</sup> July 2012 to 30 June 2013).

More information at <http://www.arcep.fr/index.php?id=8710>.