

L'OBSERVATOIRE

**The electronic communications services market in
France
in the 3rd quarter 2008**

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AUTORITÉ DE RÉGULATION
des Communications électroniques
et des Postes

February 2009

Introduction

Electronic communications operators earned €1.1 billion in revenue on the end market in the third quarter 2008. Interconnection services and sales between operators on the wholesale market generated €2.2 billion in additional revenue during the quarter.

Revenue from just electronic communications services on the end market, i.e. excluding operators' related revenues (terminal sales, directory services, advertising, hosting and call centre management, etc.) were €10.1 billion in the third quarter 2008, up 2.4% over one year.

Telephony services and mobile telephony traffic represented 49.0 billion minutes in the third quarter 2008, growing 2.1% over one year.

Fixed telephony and Internet

There were 40.2 million subscriptions to telephone services at the end of the third quarter 2008. This number rose 2.4% over one year thanks to the continuous growth of broadband telephony services (IP DSL or cable) where the number of subscriptions rose 38.1% over one year, while the number of telephone subscriptions on dial-up access fell 9.4%. With 13.5 million subscriptions at the end of the third quarter 2008, voice on broadband represented one-third of telephone subscriptions. Still, the number of telephone subscriptions on broadband has been growing more slowly for the past two quarters (+0.7 million for the past two quarters, whereas it had been over one million during the previous three quarters).

The proportion of fixed lines supporting only a “traditional” telephone subscription on the PSTN declined to just 61% at the end of the third quarter 2008, compared with 72% a year earlier. A growing number of lines have a subscription to a voice-on-IP offer, replacing, or in addition to, the PSTN subscription.

Certain voice-on-IP offers replace a PSTN subscription entirely. They are created (by alternative operators and by the incumbent) on fully unbundled lines or using “naked ADSL”. Their number has been growing regularly and, at the end of the third quarter 2008, the share of fixed lines supporting just a subscription to a telephone service on IP reached 23% compared with 15% a year earlier. The share of lines on which two telephone subscriptions coexist (a subscription on IP complementing a PSTN subscription), was 16% in the third quarter 2008, and has been holding steady since early 2008.

Revenue directly attributable to fixed telephony (subscriptions and communications) has been shrinking for several years. It was €2.6 billion in the third quarter 2008, declining 5.2% over one year, more sharply than in previous quarters. Revenue from subscriptions represented 57% of fixed telephony revenue (€1.5 billion in the third quarter 2008). This revenue declined for the first time in the third quarter 2008 (-3.8% over one year). This evolution can be explained by the decrease in the number of telephone subscriptions on the PSTN, which has been falling at a rate of 9% since the end of 2007. Revenue from telephone communications (excluding public payphones and cards) has been shrinking for several years. At €1.1 billion in the third quarter 2008, call revenue declined 5.3% over one year.

Traffic originating on fixed phones (excluding public payphones and cards) reached 24.2 billion minutes in the third quarter 2008. It grew just 3.4% over one year, after seeing annual growth rates of close to 6% for three quarters. Growth in the number of minutes sent on IP remains very strong (+37.1% over one year).

At 10.7 billion minutes, IP calls represented 44% of all traffic originating on fixed phones in the third quarter 2008 (compared with 33% a year earlier). The proportion of minutes sent on IP for international calls reached almost two-thirds (64%), and represents almost half of all long-distance calls to fixed phones (46%). On the other hand, just 19% of minutes of fixed-mobile calls are made on IP.

There were 18.3 million Internet subscriptions at the end of the third quarter 2008 with 17.2 million accesses to high speed. The number of high-speed Internet accesses rose by 2.4 million (15.9%) over one year. Although still strong, this growth is still weaker than that observed a year ago (annual growth of 3 million at the end of the third quarter 2007).

Internet revenue rose 16.9% over one year to €1.3 billion in the third quarter 2008, of which almost all (1.2 billion) was attributable to high-speed accesses. The amount of the average monthly invoice of a high-speed Internet subscription (€24.00 excluding VAT in the third quarter 2008) has been stable for the past two years.

Close to 35% of ADSL subscribers (or 5.6 million) now have access to television. The number of subscriptions to a television service on ADSL rose 39% over one year.

Mobile Telephony

There were 56.4 million mobile telephony users in France (number of SIM cards in service) at the end of the third quarter 2008. This number increased by 3.2 million over one year, for an annual increase of 6.0%, although a slight slowdown has been seen since the beginning of the year. The number of flat-rate subscriptions is definitely growing more quickly than the number of pre-paid cards (respectively +8.3% and +1.5% over one year in the third quarter 2008).

Revenue from mobile services (telephony and data transport) was €4.7 billion in the third quarter 2008, rising by 4.5%. For two years, the annual growth rate of this revenue had been between 5 and 6%. Revenue from data transport services (€798 million in the third quarter 2008) rose much more quickly than mobile telephony revenue (+24.7% and +1.2% over one year, respectively) and the contribution of this revenue is on the rise.

Mobile multimedia services (access to Internet mobile, MMS) were used by 17.4 million customers during the quarter. Use of these services has been rising at a rate of 15% per year since the third quarter 2007.

There were 9.4 million active users of third-generation services (voice, videophone, mobile television, data transfers, etc.) at the end of the third quarter 2008, representing more than 4 million additional users over one year. This growth was notably stronger throughout the last six months of the year, with 1 million new users during the second quarter 2008 and 1.8 million during the third quarter 2008.

A full 8.5 billion interpersonal messages were sent during the third quarter 2008. Over one year, the volume of text messages sent grew by 3.7 billion for annual growth of 77.1%. On average, each customer sent 50 SMS per month in the third quarter 2008, or 20 messages more than a year earlier.

Mobile telephony traffic represented 24.4 billion minutes in the third quarter 2008. The annual growth of this traffic (+1.4%) slowed sharply in the third quarter. The volume of mobile-fixed calls was down 2.7% over one year. “On-net” traffic did not grow (-0.2% over one year), while the volume of mobile calls to third-party mobile networks rose 6.9%.

Other market components

Revenue from value-added services was €97 million in the third quarter 2008. Revenue from “voice and telematic” services, which still represented three-quarters of revenue from value-added services, was down (-9.5% over one year in the third quarter 2008) while income from data services grew progressively (+11.2% over one year). Close to 9 out of 10 calls to value-added services are made on fixed phones.

Down since the beginning of 2008, revenue from directory services rose 2.3% over one year in the third quarter 2008 to €42 million. The number of calls to directory services has been declining for two years. Just 30 million calls were made in the third quarter 2008, 3.4 million fewer than in the third quarter 2007. The majority of calls to directory services (about 70%) are made on mobile telephones.

Note: The figures relating to a particular quarter may be revised from one issue to the next as a result of corrections made by operators to their reports. Any discrepancies between annual growth figures expressed as a percentage and the corresponding values are due to rounding.

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1 The electronic communications market in its entirety

1.1 The end customer market

| Revenue (millions of euros) | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|---|---------------|---------------|---------------|---------------|---------------|---------------------|
| Fixed services | 3 906 | 3 948 | 3 910 | 3 967 | 3 955 | 1,2% |
| Fixed telephony (1) | 2 770 | 2 755 | 2 660 | 2 661 | 2 627 | -5,2% |
| Internet | 1 136 | 1 193 | 1 250 | 1 306 | 1 328 | 16,9% |
| Mobile telephony (2) | 4 524 | 4 542 | 4 510 | 4 630 | 4 728 | 4,5% |
| All telephony and Internet | 8 430 | 8 490 | 8 420 | 8 597 | 8 683 | 3,0% |
| Advanced services | 629 | 659 | 644 | 615 | 597 | -5,2% |
| Directory services, directories and advertising | 41 | 41 | 38 | 39 | 42 | 2,3% |
| Leased lines | 349 | 369 | 382 | 372 | 364 | 4,3% |
| Data transport (3) | 456 | 466 | 462 | 467 | 462 | 1,4% |
| Electronic communications services | 9 905 | 10 025 | 9 946 | 10 090 | 10 147 | 2,4% |
| Others revenues (4) | 847 | 1 012 | 761 | 866 | 968 | 14,2% |
| Entire market | 10 752 | 11 037 | 10 707 | 10 956 | 11 115 | 3,4% |

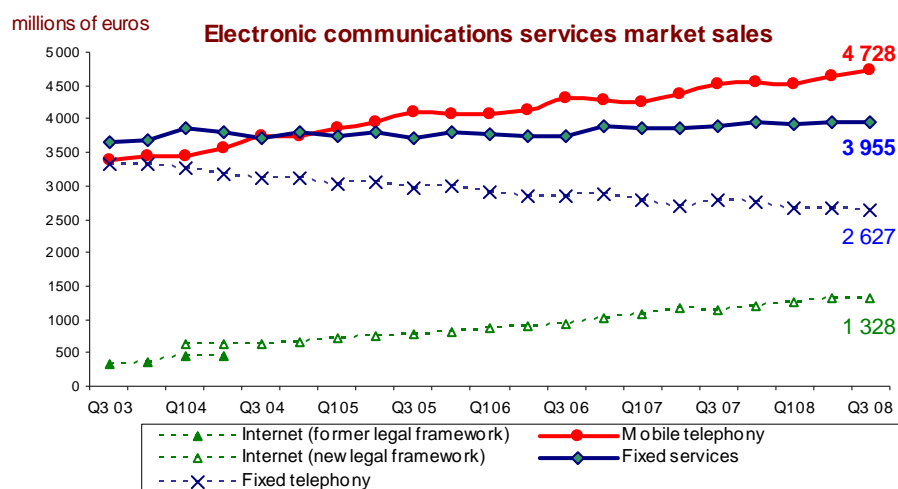
adjusted figures are in italics

(1) This indicator covers revenues from access fees and subscriptions, from calls from fixed lines excluding Internet connection calls, public telephones and cards. Communications from fixed lines included in multiplay flat-rate (VoIP) are not valued .

(2) This item includes data transport on mobile networks (in particular SMS).

(3) The indicator includes only revenue from data transport originating on fixed lines. Data transport on mobile lines is included in the overall total for mobile.

(4) This market 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.



Revenue from electronic communications services sold by operators on the end market (excluding operators' related revenues) reached €10.1 billion in the third quarter 2008, growing 2.4% over one year.

Revenue from fixed services (fixed telephony and Internet) reached close to €4 billion in the third quarter 2008, up 1.2% over one year. Revenue directly attributable to fixed telephony (from subscriptions and telephone calls) was €2.6 billion in the third quarter 2008. It has been slowing for several years, and dipped more strongly in the third quarter 2008 (-5.2% over one year) than in previous quarters. On the other hand, revenue from Internet services (€1.3 billion) saw strong and continuous growth (+16.9% over one year in the third quarter 2008).

Revenue from mobile services was €4.7 billion, or 46.6% of all revenue from electronic communications services. In the third quarter 2008, the 4.5% growth over one year was sharply lower than that which had been measured since early 2008 (close to 6%).

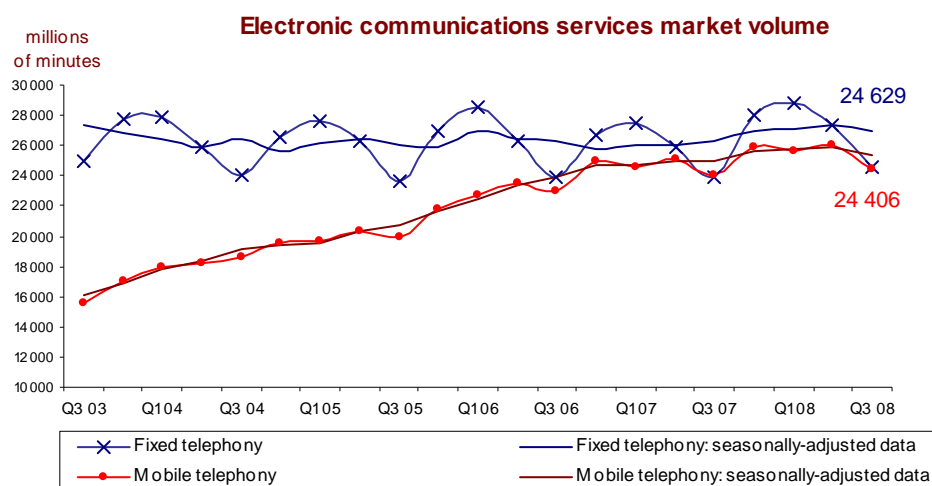
| Volumes (millions of minutes) | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|--|---------------|---------------|---------------|---------------|---------------|---------------------|
| Fixed telephony | 23 955 | 28 007 | 28 802 | 27 318 | 24 629 | 2,8% |
| Mobile telephony | 24 064 | 25 866 | 25 679 | 25 967 | 24 406 | 1,4% |
| <i>Total voice services</i> | <i>48 019</i> | <i>53 873</i> | <i>54 481</i> | <i>53 285</i> | <i>49 035</i> | <i>2,1%</i> |
| Internet (dial-up) | 3 354 | 3 037 | 2 798 | 2 584 | 2 259 | -32,6% |
| Number of SMS sent (millions of units) | 4 762 | 5 712 | 6 732 | 7 680 | 8 432 | 77,1% |

The volume of “voice” services (on fixed and mobile networks) was 49.0 billion minutes in the third quarter 2008, up 2.1% over one year.

The volume of calls made from fixed phones was 24.6 billion minutes in the third quarter 2008. This fixed telephony volume has been growing since the end of 2007 by 4 to 5% per year thanks to the strong development of telephony on IP (which now represents 44% of minutes originating on fixed phones). Growth was weaker in the third quarter 2008 at +2.8%.

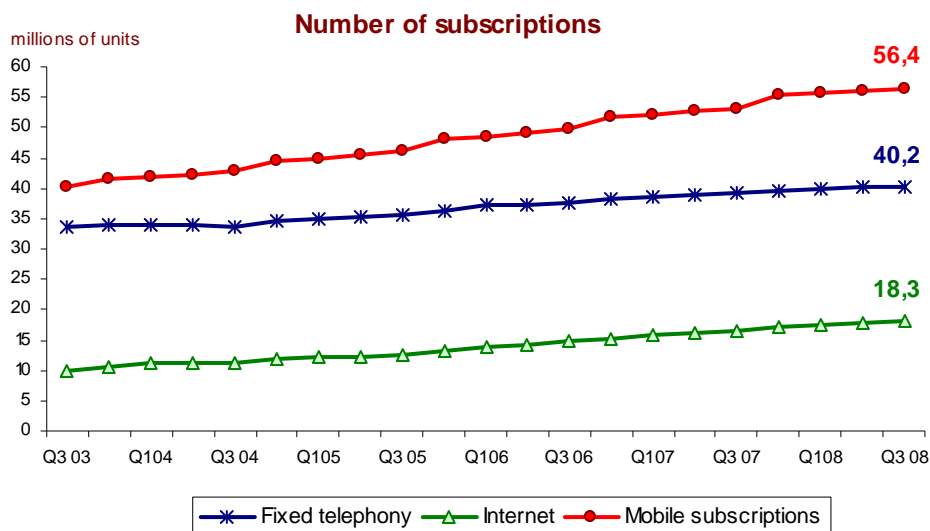
Mobile telephony traffic represented 24.4 billion minutes in the third quarter 2008, rising 1.4% over one year in the third quarter 2008. This growth was weaker than in the three previous quarters when it was close to 4%.

The number of SMS sent in a quarter has been growing strongly for a year. During the third quarter 2008, 8.4 billion interpersonal messages were sent on mobile networks, 3.7 billion more than in the third quarter 2007.



| Number of subscriptions (millions of units) | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|--|---------|---------|---------|---------|---------|---------------------|
| Number of subscription to telephone service | 39,220 | 39,632 | 40,039 | 40,124 | 40,172 | 2,4% |
| Internet subscriptions | 16,511 | 17,059 | 17,582 | 17,877 | 18,268 | 10,6% |
| Number of mobile customers | 53,179 | 55,349 | 55,743 | 56,045 | 56,392 | 6,0% |

adjusted figures are in italics



Clarification on the “fixed services” segment

The fixed segment is composed of fixed telephony and Internet. By convention, the segmentation used in the Observatory covers all revenues from multi-service offers to Internet and includes only directly attributable revenues to fixed telephony revenues. The indicator for revenues directly attributable to fixed telephony services covers revenues from access fees and subscriptions to telephone service (PSTN and VoIP when invoiced separately from Internet service), revenues from calls made on fixed lines explicitly invoiced (PSTN and VoIP invoiced in addition to multiplay packages), revenues from public payphones and cards. Access to a voice-on-IP service and calls on IP, when included in the invoices for high-speed Internet packages, are not covered by this indicator: they are included in the “high-speed Internet access revenues” indicator and, more broadly, in the “Internet revenues” indicator.

1.2 The intermediate market (interconnection and wholesale market)

1.2.1 The total market

Revenue from services exchanged between operators on the intermediate market represented €2.2 billion in the third quarter 2008.

The share generated by fixed network operators represented just over half of the intermediate market and reached €1.1 billion in the third quarter 2008, for growth of 1.6% over one year. This growth was due to the contribution of revenue from wholesale high-speed access services (unbundling, wholesale bitstream offers, etc.) which reached €24 million during the quarter. The rate of growth in the revenue from these services (+10.1% over one year in the third quarter 2008) tended to slow, due primarily to the impact of the decline in tariffs. The reduction in revenue from services related to telephone services (€16 million in the third quarter 2008, or -2.5% over one year) was contained in part by the contribution of income from the wholesale telephone subscription offer.

Fixed operators' global interconnection traffic was down 4.9% over one year, in part because of consolidation on the fixed market (merger of Neuf Télécom, Club Internet and Cegetel, and between Free and Alice) which slashed the number of players on the intermediate market.

Revenue generated by mobile operators' interconnection services (voice and data) was €1.0 billion in the third quarter 2008. The reduction of the wholesale mobile call termination tariff on 1st January 2008 (13% cut for Orange France and SFR and 8% for Bouygues Telecom) led to a decline in the revenue generated by these services (-5.2% over one year in the third quarter 2008), despite a 5.8% increase in the volume of mobile operators' interconnection minutes over one year.

The revenue and volume of dial-up Internet interconnection services are marginal and shrinking significantly (over 30% over one year in the third quarter 2008).

| Interconnection services <i>(millions of euros)</i> | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|---|--------------|--------------|--------------|--------------|--------------|---------------------|
| Fixed operators | 1 127 | 1 142 | 1 156 | 1 151 | 1 145 | 1,6% |
| <i>of which telephony services</i> | 735 | 724 | 727 | 713 | 716 | -2,5% |
| <i>of which dial-up Internet</i> | 8 | 7 | 7 | 5 | 5 | -33,2% |
| <i>of which broadband services</i> | 385 | 412 | 422 | 432 | 424 | 10,1% |
| Mobile operators | 1 077 | 1 040 | 900 | 993 | 1 022 | -5,2% |
| Revenue | 2 205 | 2 182 | 2 055 | 2 143 | 2 167 | -1,7% |

adjusted figures are in italics

| Interconnection services <i>(millions of minutes)</i> | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|---|---------------|---------------|---------------|---------------|---------------|---------------------|
| Fixed operators | 33 314 | 36 223 | 36 018 | 33 090 | 31 691 | -4,9% |
| Internet (dial-up) | 1 813 | 1 724 | 1 652 | 1 337 | 1 230 | -32,2% |
| Mobile operators | 10 631 | 10 954 | 11 014 | 11 400 | 11 246 | 5,8% |
| Volume | 45 758 | 48 901 | 48 685 | 45 826 | 44 167 | -3,5% |

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 revenues from one quarter to the next.

- Interconnection revenues and traffic volumes are not calculated using the same criteria, which makes a comparison between the two indicators unsuitable for estimating average prices (interconnection revenues include fixed revenues such as charges for connection links and intercarrier services).

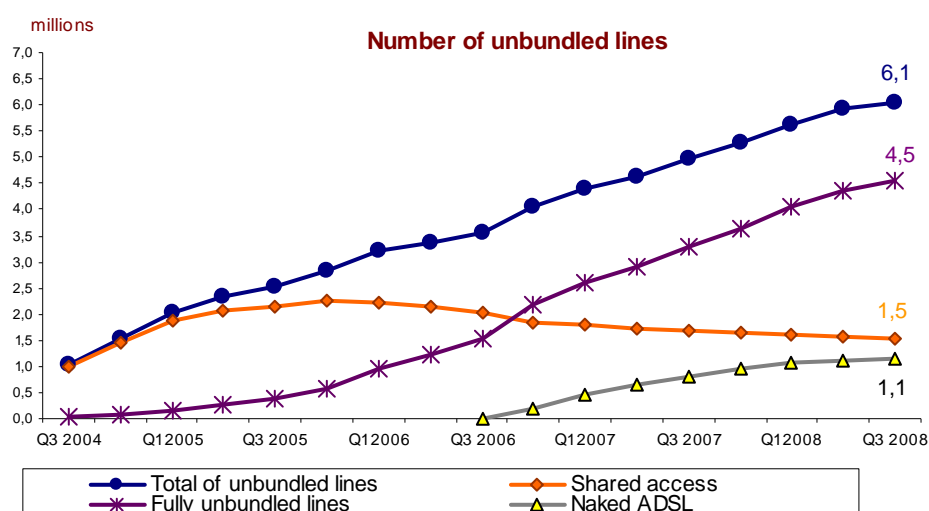
- Please note that the interconnection figures shown above might be accounted for twice, particularly in the case of fixed operators
- Wholesale broadband services include revenues from both LLU and bitstream or equivalent services.

There were 6.1 million unbundled lines at the end of the third quarter 2008, representing more than 17% of all fixed lines. Full unbundling saw sustained growth (+38.0% over one year in the third quarter 2008). Three out of four unbundled lines (4.5 million) are now fully unbundled and their number grew by 1.3 million over one year.

There were 1.5 million partially unbundled lines at the end of the third quarter 2008.

| Unbundling (millions of units) | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|--|--------------|--------------|--------------|--------------|--------------|---------------------|
| Partially unbundled lines | 1,676 | 1,641 | 1,589 | 1,558 | 1,513 | -9,7% |
| Fully unbundled lines | 3,293 | 3,626 | 4,042 | 4,354 | 4,545 | 38,0% |
| Number of unbundled lines | 4,969 | 5,267 | 5,631 | 5,912 | 6,058 | 21,9% |

adjusted figures are in italics



| "Naked ADSL" (millions of units) | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|--|---------|---------|---------|---------|---------|---------------------|
| Number of lines | 0,808 | 0,942 | 1,052 | 1,123 | 1,137 | 40,7% |

At end September 2008, operators had purchased 1.1 million “naked ADSL” lines from the incumbent. The volume of these purchases was up 40.7% over one year.

1.2.2 Incoming international interconnection¹

Operators' income from incoming international interconnection services in the third quarter 2008 was down 2.4% over one year, earning them €160 million.

The global volume of incoming international interconnection traffic was 3 billion minutes. The volume of traffic terminating on French mobile networks represented less than one-quarter of this traffic but grew more quickly than foreign traffic terminating on French fixed networks (annual growth of +12.7% and +3.9%, respectively, in the third quarter 2008).

A European Union rule dated 7 June 2007 requires a progressive price cut in international roaming tariffs over several years. As a result, the price of calls abroad (Eurotarif) has declined from €0.49 excluding VAT on 30 August 2008 to €0.46 excluding VAT for calls to foreign countries and from €0.24 excluding VAT to €0.22 excluding VAT for calls received from foreign countries.

| Revenue of incoming international interconnection services (millions of euros) | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|---|------------|------------|------------|------------|------------|---------------------|
| Fixed operators | 115 | 96 | 93 | 100 | 110 | -4,3% |
| Mobile operators | 49 | 47 | 44 | 45 | 50 | 1,9% |
| Revenue | 164 | 143 | 137 | 145 | 160 | -2,4% |

adjusted figures are in italics

| Volume of incoming international interconnection services (millions of minutes) | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|--|--------------|--------------|--------------|--------------|--------------|---------------------|
| Fixed operators | 2 227 | 2 137 | 2 062 | 2 202 | 2 312 | 3,9% |
| Mobile operators | 610 | 593 | 606 | 641 | 687 | 12,7% |
| Volume | 2 836 | 2 730 | 2 668 | 2 843 | 3 000 | 5,8% |

adjusted figures are in italics

1.2.3 Mobile operators roaming-in²

| Roaming in | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|------------------------------|---------|---------|---------|---------|---------|---------------------|
| Revenue (millions of euros) | 227 | 144 | 136 | 162 | 211 | -7,1% |
| Volume (millions of minutes) | 543 | 366 | 402 | 478 | 596 | 9,8% |

Note: Roaming-in is a service whereby a French mobile operator carries calls made and received in France by customers of foreign mobile operators. Revenues correspond to the out-payments made between operators. The ratio of revenue to volume does not correspond to any specific tariff and particularly not to the price billed to the customer.

¹ This market segment is a subset of the total market (cf. 1.2.1)

² This market segment is a subset of the total market (cf. 1.2.1)

2 Market segments

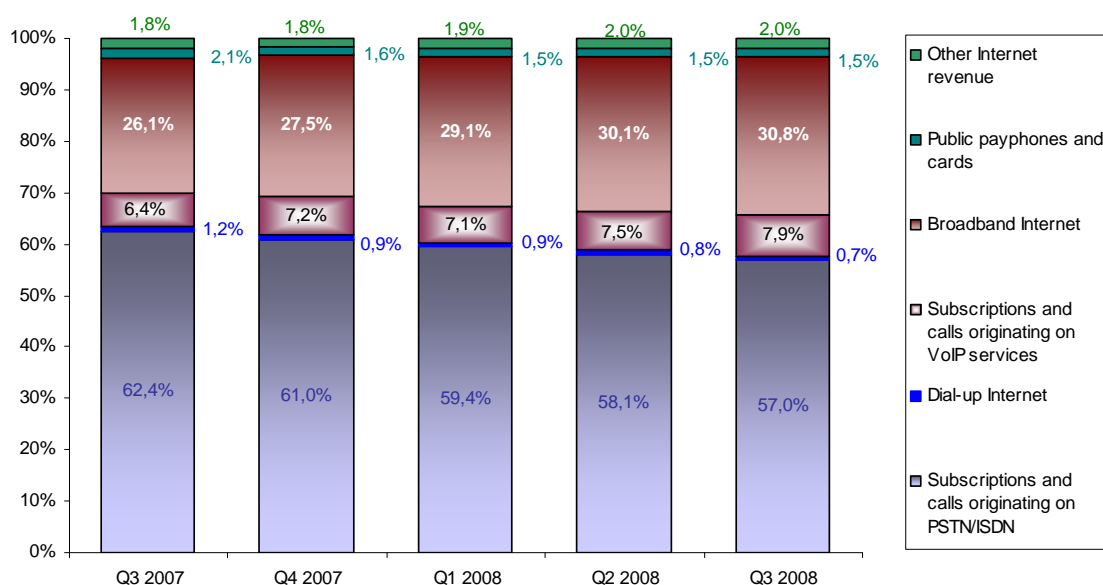
2.1 Fixed networks services

Revenue from high-speed services on fixed networks (fixed telephony on broadband and high-speed Internet) grew 20.5% over one year in the third quarter 2008, representing 38.7% of all revenue from fixed services compared with 32.5% a year earlier. At the same time, revenue from dial-up services on fixed networks (telephony on the PSTN, dial-up Internet) declined 8.0%, and other revenues (public payphones, cards and related Internet access revenues, etc.) fell by 9.1% over the same period.

| Revenue of fixed networks services (millions of euros) | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|---|--------------|--------------|--------------|--------------|--------------|---------------------|
| Narrowband Revenue | 2 482 | 2 445 | 2 360 | 2 334 | 2 284 | -8,0% |
| Subscriptions and calls originating on PSTN/ISDN | 2 437 | 2 408 | 2 324 | 2 304 | 2 255 | -7,5% |
| Dial-up Internet | 45 | 37 | 35 | 31 | 29 | -36,2% |
| Broadband Revenue | 1 271 | 1 372 | 1 417 | 1 492 | 1 532 | 20,5% |
| Subscriptions and calls originating on VoIP services | 250 | 285 | 277 | 298 | 313 | 24,9% |
| Broadband Internet | 1 021 | 1 086 | 1 140 | 1 194 | 1 219 | 19,4% |
| Other revenue | 153 | 131 | 134 | 141 | 139 | -9,1% |
| Public payphones and cards | 83 | 62 | 59 | 60 | 59 | -28,6% |
| Other Internet revenue | 70 | 69 | 75 | 81 | 80 | 13,7% |
| Revenue of fixed lines services | 3 906 | 3 948 | 3 910 | 3 967 | 3 955 | 1,2% |

adjusted figures are in italics

Revenue of fixed networks services



2.2 Fixed telephony

2.2.1 Access, subscriptions and fixed lines

There were 40.2 million subscriptions to a telephone service on fixed lines at the end of the third quarter 2008. Over one year, the number of subscriptions rose 2.4% thanks to the rapid expansion in the number of subscriptions to voice-on-broadband services.

The number of subscriptions to telephony-on-broadband services (IP subscriptions on DSL or on cable) grew rapidly, and they now represent one in three telephone subscriptions. This number jumped 38.1% over one year reaching 13.5 million at the end of the third quarter 2008. Still, growth has been slower for six months, with the increase in the number of subscriptions to voice on IP at just 0.7 million per quarter, whereas it had been more than one million in previous quarters.

Along with the rise in IP access telephony, the number of dial-up access subscriptions (on analogue or digital lines and on cable) has been falling for several years. At 26.7 million subscriptions at the end of the third quarter 2008, this number was down 2.8 million over one year (-9.4%).

Resulting from the wholesale telephone subscription sale offer, 834 000 subscriptions to telephone services on the PSTN (or 3.1% of these subscriptions) were invoiced directly to customers by an operator other than the incumbent at the end of the third quarter 2008.

| Number of subscriptions to telephone service <i>(millions of units)</i> | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|---|---------------|---------------|---------------|---------------|---------------|---------------------|
| Subscription on narrow band access (analogue or digital lines, cable) | 29,454 | 28,743 | 27,946 | 27,309 | 26,682 | -9,4% |
| Access resales | 0,594 | 0,703 | 0,762 | 0,820 | 0,834 | 40,5% |
| Subscription on broadband access (IP DSL,cable) | 9,765 | 10,888 | 12,093 | 12,815 | 13,489 | 38,1% |
| DSL lines without narrowband access | 4,760 | 5,467 | 6,204 | 6,839 | 7,410 | 55,7% |
| Number of subscriptions to telephone service | 39,220 | 39,632 | 40,039 | 40,124 | 40,172 | 2,4% |

adjusted figures are in italics

Note:

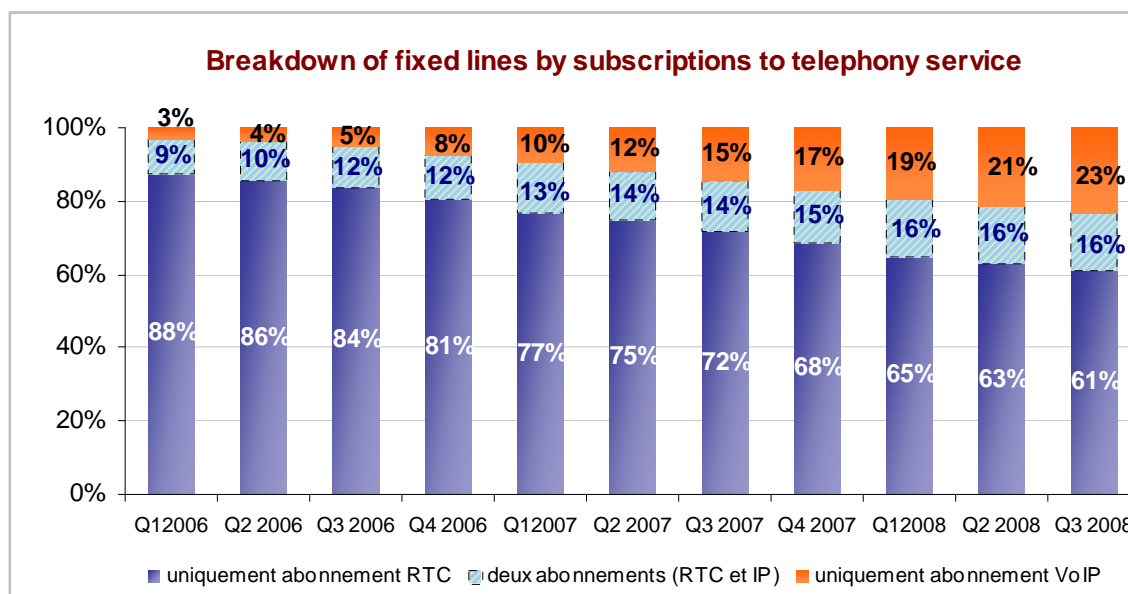
- *Subscription to telephone on IP service on xDSL lines without PSTN subscription: a subscription to telephone service on lines where low frequencies are not used to support voice service (by the incumbent or by an alternative operator). This is the case of offers to broadband voice services resulting from full unbundling and “naked ADSL” offers.*

- *Subscription to telephone on IP service on xDSL lines with PSTN subscription: a subscription to telephone service on lines where low frequencies are also used to support voice service on the PSTN. This is the case of telephone offers resulting from partial unbundling and “bitstream” outside “naked ADSL”.*

A lower percentage—still the majority but shrinking—of telephone lines supports only a subscription to “traditional” telephony on the PSTN (61% of telephone lines at the end of the third quarter 2008 compared with 72% a year earlier). An increasing number of lines now support telephone service on IP. These voice-on-IP offers can be created by operators through:

- fully unbundled lines or “naked ADSL”. The customer has only a subscription to a voice-on-IP service and no longer has a “traditional” telephone subscription on the PSTN. The proportion of these lines has been growing constantly, and represented 23% of all fixed lines at the end of the third quarter 2008, compared with 15% a year earlier.

- partially unbundled lines or based on wholesale “bitstream” offers (excluding “naked ADSL”). Here, the subscription to a voice-on-IP service is in addition to a PSTN telephone subscription, which the user keeps. The proportion of these lines has held steady since the beginning of 2008. At the end of the third quarter 2008, 16% of lines in service supported two subscriptions to telephone service compared with 14% a year earlier.



Further information concerning the IP telephony service indicators

The terminology used:

The IP telephony service indicators referred to in this issue cover broadband voice services, regardless of the type of bearer (primarily DSL IP, but also cable IP) and Internet voice services where the operators are registered with ARCEP.

ARCEP uses the term “broadband voice services” to refer to fixed telephony services which use VoIP technology over an Internet access network with a bandwidth of more than 128 Kbit/s and whose quality is controlled by the operator providing the service, and “Internet voice services” to mean voice call services using the public Internet network and whose quality is not controlled by the operator providing the service.

The Observatory records only VoIP service calls which originate in the access layer. The indicators do not cover traffic which uses IP protocol solely in the core network.

Furthermore, the Observatory does not take into account unregistered operators which offer PC-to-PC Internet voice services. These operators are not covered by the scope of the survey.

Revenues taken into account:

The Observatory distinguishes between calls originating from IP telephony services and other voice calls. However, while the volume of VoIP calls relates to all such traffic on the retail market, recorded revenues cover only billed VoIP traffic (e.g. calls made on top of those included in a multiplay package).

During the second quarter 2008, 444 000 numbers were kept through “porting” between fixed telephony operators.

| Portability <i>(millions of units)</i> | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|---|---------|---------|---------|---------|---------|---------------------|
| Number of fixed numbers ported during the quarter | 0,545 | 0,665 | 0,676 | 0,452 | 0,553 | 1,4% |

adjusted figures are in italics

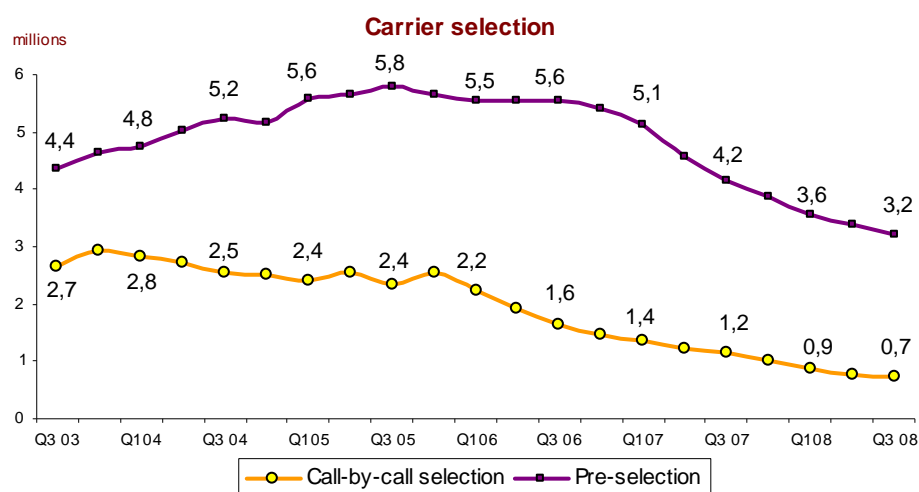
Telephony offers based on carrier selection concerned close to four million customers at the end of the third quarter 2008, or 1.4 million fewer than a year earlier. Competition from telephony-on-IP offers and offers including a telephone subscription has caused the number of subscriptions to these offers to shrink continuously since the beginning of the year 2006.

There were 750 000 subscriptions to call-by-call selection offers at the end of the third quarter 2008. It has been declining at a high annual rate (between -30 and -40 %) for two years (-35.3% in the third quarter 2008).

There were 3.2 million subscriptions to pre-selection by the end of the third quarter 2008, close to one million fewer than one year ago (-22.8%).

| Carrier selection <i>(millions of units)</i> | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|--|--------------|--------------|--------------|--------------|--------------|---------------------|
| Call by call selection | 1,157 | 1,028 | 0,887 | <i>0,751</i> | 0,749 | -35,3% |
| Pre-selection | 4,159 | 3,856 | 3,562 | 3,366 | 3,210 | -22,8% |
| Number of indirect connections | 5,316 | 4,884 | 4,449 | 4,117 | 3,958 | -25,5% |

adjusted figures are in italics



Note: The number of call-by-call selection customers takes into account only active subscriptions, while carrier pre-selection figures take into account only current subscriptions, net of cancellations.

Access and subscription revenues reached €1.5 billion in the third quarter 2008, representing 57.3% of all revenue from fixed telephony services.

This revenue was down 3.8% over one year in the second quarter 2008, due primarily to the decline in the number of telephone subscriptions on the PSTN (at a rate of 9% per year since the end of 2007).

| Access revenue <i>(millions of euros)</i> | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|---|---------|---------|---------|---------|---------|---------------------|
| Access fees, subscriptions and additional services | 1 564 | 1 547 | 1 520 | 1 499 | 1 505 | -3,8% |
| <i>of which from IP subscriptions</i> | 145 | 152 | 139 | 153 | 163 | 12,6% |

adjusted figures are in italics

Note: In addition to revenues relating to access to the telephone service, access revenues also include subscriptions to IP telephony and revenues generated by additional services (such as calling line identification presentation, etc.).

2.2.2 Calls from fixed lines (excluding public payphones and cards)

Revenue directly attributable to telephone calls from fixed lines was €1.1 billion in the third quarter 2008. This revenue declined 5.3% over one year due to the drop in income from calls made on the PSTN (down 10.2% over the same period). Revenue from invoiced calls originating on IP access (€150 million in the third quarter 2008) was up 41.8% over one year. Since most IP calls are included in high-speed Internet packages, they are not included in this revenue. Despite this, revenue from billed IP calls represented 14% of all revenues from calls from fixed lines in the third quarter 2008.

| Revenue (millions of euros) | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|--|--------------|--------------|--------------|--------------|--------------|---------------------|
| National calls | 555 | 558 | 532 | 535 | 520 | -6,4% |
| International calls | 140 | 146 | 135 | 146 | 141 | 1,2% |
| Calls to mobiles | 428 | 442 | 414 | 421 | 402 | -6,1% |
| All calls from fixed lines | 1 123 | 1 146 | 1 081 | 1 102 | 1 063 | -5,3% |
| <i>Of which calls originating on PSTN/ISDN</i> | <i>1 017</i> | <i>1 013</i> | <i>943</i> | <i>957</i> | <i>913</i> | <i>-10,2%</i> |
| <i>Of which calls originating on VoIP services</i> | <i>106</i> | <i>133</i> | <i>138</i> | <i>145</i> | <i>150</i> | <i>41,8%</i> |

adjusted figures are in italics

Note: Revenues from VoIP calls only include the charges billed by operators for such calls made in addition to those included in a multiplay package. Therefore, this amount does not include the cost of the multiplay subscription, nor the charge for connection to a broadband telephone service.

Traffic originating on fixed lines (PSTN and IP traffic) was up 3.4% over one year, representing a total volume of 24.2 billion minutes in the third quarter 2008.

Over 80% of this volume is composed of fixed long-distance calls, whose volume, although previously declining, has been increasing since the fourth quarter 2007 at an annual rate of 4% to 6%. In the third quarter 2008, the annual growth rate levelled off to return to +2.8%. The strong growth in the volume of long-distance calls made on IP (+35.1% over one year in the third quarter 2008, or 2.3 billion additional minutes) continued to offset the decline in long-distance calls made on the PSTN (-14.6% or 1.8 billion fewer minutes over the same period). International traffic rose 18.0% over one year in the third quarter 2008. The development of this traffic was also boosted by the very strong growth in the volume of international calls made on IP (+50.1% over one year in the third quarter 2008), while international call traffic on the PSTN declined 14.2% over the same period. Traffic to mobiles was down slightly (-0.9% over one year in the third quarter 2008).

| Volumes (millions of minutes) | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|--|---------------|---------------|---------------|---------------|---------------|---------------------|
| National calls | 19 013 | 22 625 | 23 427 | 22 015 | 19 547 | 2,8% |
| International calls | 1 567 | 1 858 | 1 946 | 1 991 | 1 849 | 18,0% |
| Calls to mobiles | 2 862 | 3 063 | 3 008 | 2 934 | 2 837 | -0,9% |
| All calls from fixed lines | 23 442 | 27 546 | 28 381 | 26 941 | 24 233 | 3,4% |
| <i>Of which calls originating on PSTN/ISDN</i> | <i>15 626</i> | <i>17 056</i> | <i>16 753</i> | <i>15 284</i> | <i>13 515</i> | <i>-13,5%</i> |
| <i>Of which calls originating on VoIP services</i> | <i>7 815</i> | <i>10 490</i> | <i>11 628</i> | <i>11 657</i> | <i>10 718</i> | <i>37,1%</i> |

adjusted figures are in italics

Note:

- While the volume of VoIP calls covers all of this traffic observed on the end market, revenue covers only invoiced VoIP traffic (for example in addition to a multiplay package).

a) Calls on the PSTN

| Revenue of calls originating on PSTN/ISDN (millions of euros) | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|--|--------------|--------------|------------|------------|------------|---------------------|
| National calls | 552 | 553 | 525 | 527 | 511 | -7,4% |
| International calls | 112 | 103 | 94 | 104 | 98 | -12,1% |
| Calls to mobiles | 354 | 356 | 324 | 326 | 304 | -14,0% |
| All calls originating on PSTN/ISDN | 1 017 | 1 013 | 943 | 957 | 913 | -10,2% |

adjusted figures are in italics

| Volumes of calls originating on PSTN/ISDN (millions of minutes) | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|--|---------------|---------------|---------------|---------------|---------------|---------------------|
| National calls | 12 353 | 13 682 | 13 523 | 12 194 | 10 552 | -14,6% |
| International calls | 783 | 785 | 771 | 707 | 672 | -14,2% |
| Calls to mobiles | 2 490 | 2 589 | 2 459 | 2 383 | 2 291 | -8,0% |
| All calls originating on PSTN/ISDN | 15 626 | 17 056 | 16 753 | 15 284 | 13 515 | -13,5% |

adjusted figures are in italics

Just 13.5 billion minutes of calls were made from the public switched telephone network (PSTN) in the third quarter 2008, dropping 13.5% over one year. Revenue generated by these calls was also down (-9.9% over one year). The volume of calls on the PSTN and related revenues shrank across the board regardless of the type of call (long-distance, international or to mobiles).

b) Calls on IP originating on fixed networks

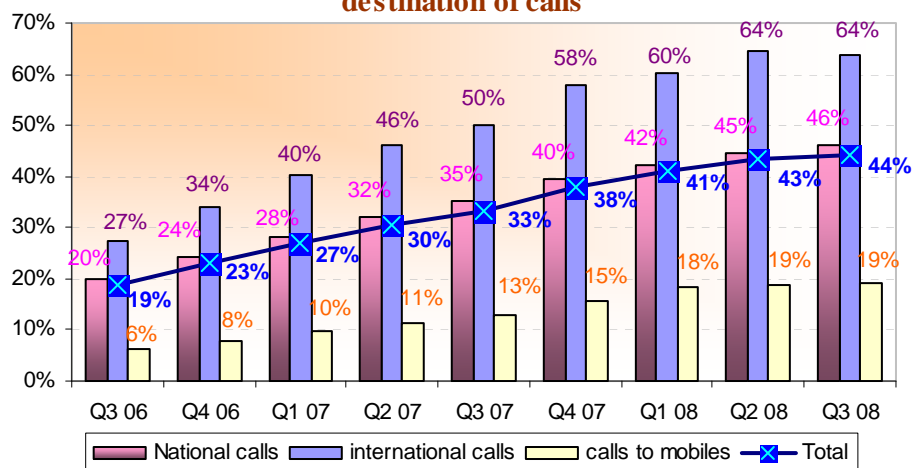
| Volumes (IP traffic) (millions of minutes) | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|---|--------------|---------------|---------------|---------------|---------------|---------------------|
| National calls | 6 660 | 8 944 | 9 904 | 9 821 | 8 995 | 35,1% |
| International calls | 784 | 1 073 | 1 175 | 1 284 | 1 177 | 50,1% |
| Calls to mobiles | 371 | 473 | 549 | 551 | 546 | 47,0% |
| All IP calls | 7 815 | 10 490 | 11 628 | 11 657 | 10 718 | 37,1% |

adjusted figures are in italics

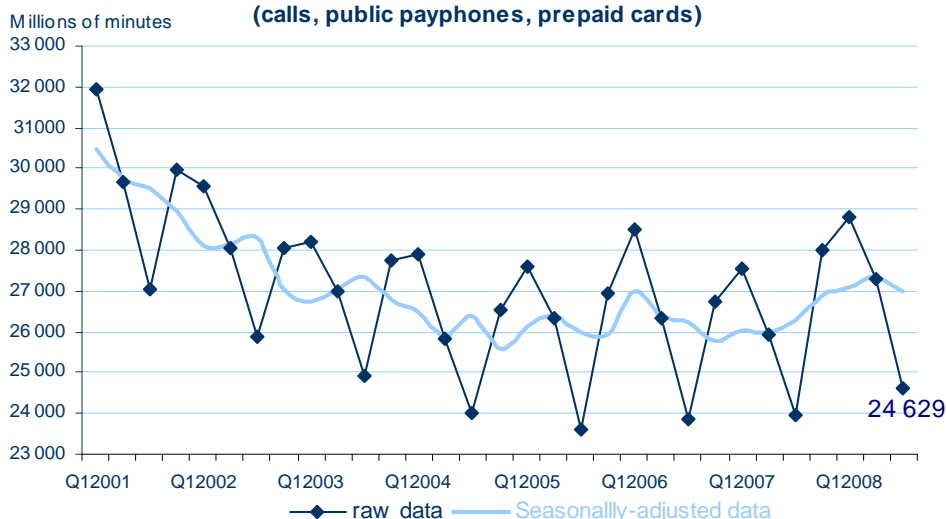
The volume of calls made originating on IP access represented 10.7 billion minutes in the third quarter 2008. Over one year, traffic on IP rose 37.1% and now represents 44% of the total volume of minutes originating on fixed phones compared with 33% a year earlier.

The growth in the proportion of IP traffic in all traffic originating on fixed networks is boosted by the presence of unlimited telephony offers in “multiplay” packages, especially for calls to national and international fixed phones. So, IP telephony dominates international calls with minutes sent on IP representing almost two-thirds (64%) of traffic in the third quarter 2008. Practically half of all traffic from long-distance calls to fixed phones (46%) is now made on IP. The proportion of minutes from fixed-mobile calls made on IP was just 19%, since this type of call does not benefit from unlimited offers.

Shares of IP traffic originating on fixed phones by destination of calls



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



Notes:

- The volume of traffic originating on a fixed line includes calls from fixed telephones, public payphones and prepaid phone cards.
- The seasonally adjusted values for this data can be found in the "Séries chronologiques" spreadsheets available on the ARCEP website

For the past year, the volume of traffic originating on fixed phones has held firm at around 27 billion minutes: in seasonally adjusted data, it was one billion minutes higher than the previous three years.

2.2.3 Fixed telephony cards and public payphones

| Charge and prepaid cards | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|---------------------------------------|---------|---------|---------|---------|---------|---------------------|
| Revenue (<i>millions of euros</i>) | 41 | 31 | 33 | 32 | 29 | -28,9% |
| Volume (<i>millions of minutes</i>) | 380 | 337 | 334 | 288 | 305 | -19,7% |

adjusted figures are in italics

| Public telephony | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|---|---------|---------|---------|---------|---------|---------------------|
| Number of public payphones at end of quarter (<i>units</i>) | 162 267 | 159 799 | 157 656 | 155 114 | 153 744 | -5,3% |
| Revenue (<i>millions of euros</i>) | 41 | 31 | 26 | 28 | 30 | -28,3% |
| Volumes (<i>millions of minutes</i>) | 133 | 125 | 87 | 89 | 91 | -31,7% |

The number of public payphones in service has been falling by about 10 000 phones per year for the past three years (or a 5.3% decline over one year in the third quarter 2008). The decrease in the number of phones in service is mirrored by a drop in revenue and in the volume of calls (-28.9% and -31.7%, respectively).

2.3 Internet on fixed networks

There were 18.3 million subscriptions to Internet access at the end of the third quarter 2008, of which 17.2 million accesses were for high speed. The number of high-speed accesses grew 15.9% over one year in the third quarter 2008, corresponding to 2.4 million additional accesses. While still high, this growth is not as strong as a year earlier when annual growth was greater than 3 million.

Revenue from all Internet accesses was up 16.9% over one year in the third quarter 2008, reaching €1.3 billion. High-speed accesses represented practically all of this revenue (€1.2 billion in the third quarter 2008). Despite this strong growth (and like the number of high-speed accesses), in 2008, high speed revenue has been growing more slowly than in 2007. This revenue grew €198 million over one year in the third quarter 2008, compared with €236 million in the third quarter 2007.

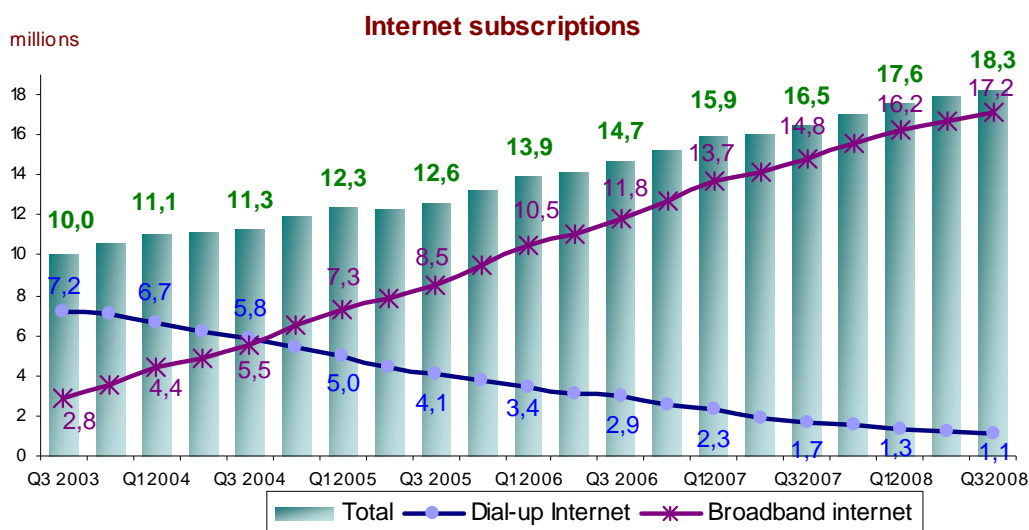
The average monthly invoice for a high-speed Internet subscription has been holding steady for two years. At €4.00 excluding VAT in the third quarter 2008, it was close to three times more than the invoice for dial-up (€3.30 per month excluding VAT).

The number of dial-up Internet accesses (1.1 million at the end of the third quarter 2008) and the volume of traffic generated by these accesses has been declining quickly over the past several years.

| Internet subscriptions (<i>millions of units</i>) | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|--|---------------|---------------|---------------|---------------|---------------|---------------------|
| Dial-up | 1,699 | 1,508 | 1,337 | 1,204 | 1,105 | -35,0% |
| Broadband | 14,812 | 15,551 | 16,245 | 16,672 | 17,163 | 15,9% |
| Internet subscriptions | 16,511 | 17,059 | 17,582 | 17,877 | 18,268 | 10,6% |

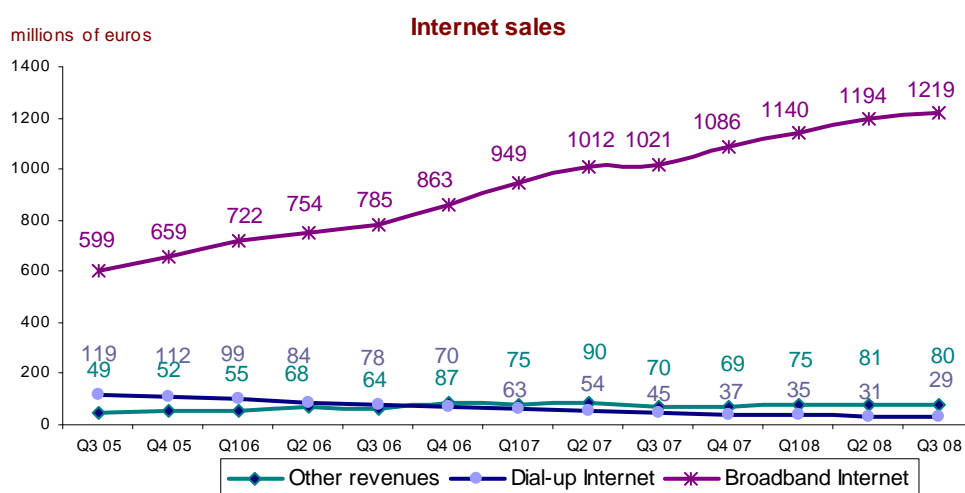
adjusted figures are in italics

Note: There may be a time lag between the delivery of a service on the wholesale market (LLU or bitstream) and its actual availability on the retail market. A comparison between the data relating to these different markets might reflect this.



| Total Internet revenue (millions of euros) | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|--|--------------|--------------|--------------|--------------|--------------|---------------------|
| Dial-up | 45 | 37 | 35 | 31 | 29 | -36,2% |
| Broadband | 1 021 | 1 086 | 1 140 | 1 194 | 1 219 | 19,4% |
| Other revenue | 70 | 69 | 75 | 81 | 80 | 13,7% |
| Total Internet revenue | 1 136 | 1 193 | 1 250 | 1 306 | 1 328 | 16,9% |

Note: The "Other Internet services" item corresponds to related ISP revenues such as web hosting or revenues from online advertising. Income from the sale and rental of telephones and terminal equipment is included in the item "Sale and rental of telephones and terminal equipment by fixed operators and Internet service providers".

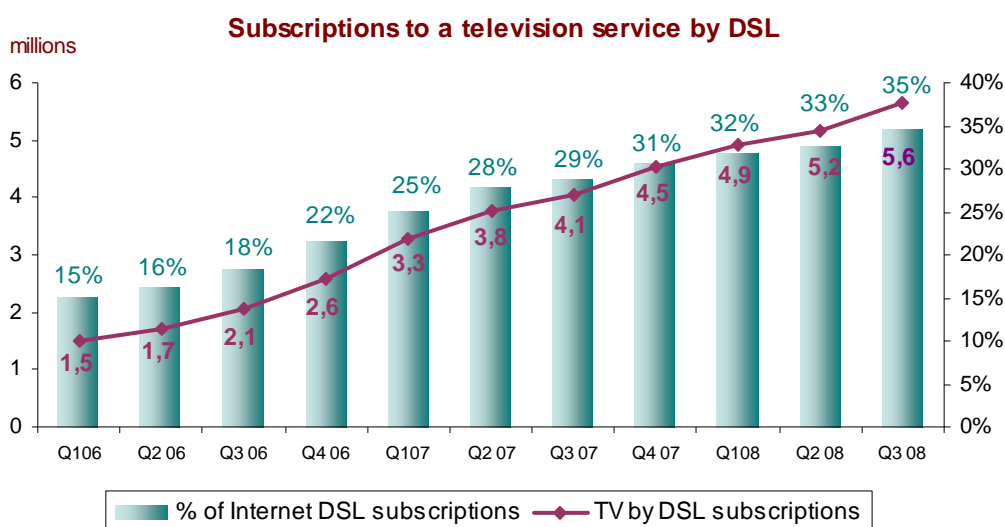


| Volumes of dial-up Internet (millions of minutes) | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|---|--------------|--------------|--------------|--------------|--------------|---------------------|
| Volumes of dial-up Internet | 3 354 | 3 037 | 2 798 | 2 584 | 2 259 | -32,6% |

2.4 Internet and television on ADSL

There were 16.3 million Internet-on-ADSL subscriptions at the end of the third quarter 2008, or 2.2 million more than a year earlier. More than one-third of these subscribers now also use this technology to watch television on ADSL. The number of these subscriptions reached 5.6 million at the end of the third quarter 2008, rising 1.6 million over one year.

| Subscriptions (millions) | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|---|---------|---------|---------|---------|---------|---------------------|
| Subscriptions to Internet on DSL | 14,090 | 14,805 | 15,473 | 15,856 | 16,299 | 15,7% |
| Subscriptions to television services on DSL | 4,059 | 4,534 | 4,920 | 5,167 | 5,643 | 39,0% |
| % of subscriptions to television services | 28,8% | 30,6% | 31,8% | 32,6% | 34,6% | 20,2% |



Note: This indicator covers subscriptions which are “eligible” for television services, i.e. those where subscribers are able to activate this type of service, regardless of the number of channels available or the pricing plan involved. It takes into account both standalone subscriptions and those which are part of a “multiplay” service package that includes access to one or more other services besides television (Internet, telephone service).

2.5 Mobile telephony

2.5.1 Subscriptions

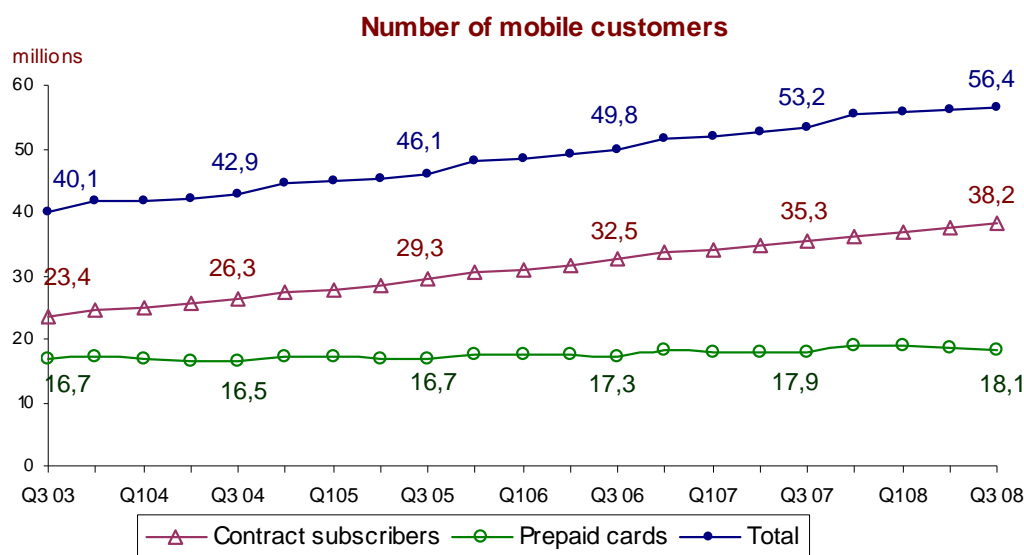
| Number of mobile customers (millions of units) | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|---|---------------|---------------|---------------|---------------|---------------|---------------------|
| Contract subscribers | 35,302 | 36,298 | 36,843 | 37,478 | 38,249 | 8,3% |
| Prepaid cards | 17,878 | 19,051 | 18,901 | 18,567 | 18,143 | 1,5% |
| of which active prepaid cards * | 16,835 | 17,776 | 17,556 | 17,070 | 17,070 | -0,2% |
| Mobile Telephonie | 53,179 | 55,349 | 55,743 | 56,045 | 56,392 | 6,0% |

*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.

ARCEP also publishes a geographic segmentation of these subscriptions and a breakdown by type of customer in its advanced mobile market observatory (Mobile Indicator Monitor [http://www.arcep.fr/index.php?id=9728&L=1tx_gspublication_pi1%5Btypo])

There were 56.4 million users of mobile telephony services (number of SIM cards in service) at the end of the third quarter 2008. This number rose 6.0% over one year, growing by 3.2 million during the period. This growth remains strong although slower (close to 7%) than that observed since the beginning of 2007.

The number of “post-paid” package subscriptions is definitely a majority (67.8%) with respect to “pre-paid card” formulas, and its proportion continues to grow. The number of “post-paid” subscriptions grew 8.3% over one year in the third quarter 2008. The annual growth rate for these subscriptions was over 8% for the third quarter 2007. The annual growth rate for the number of “pre-paid cards” slowed in late 2007 (when it was around 5%); it was 1.5% in the third quarter 2008.



| Multimedia users, 3G users and Internet SIM cards (millions of units) | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|--|---------|---------|---------|---------|---------|---------------------|
| Active mobile multimedia users | 15,189 | 17,190 | 16,804 | 16,881 | 17,449 | 14,9% |
| Active mobile 3G users | 5,260 | 5,879 | 6,611 | 7,583 | 9,356 | 77,9% |
| Number of Internet data SIM cards | - | 0,491 | 0,589 | 0,700 | 0,821 | - |

Notes:

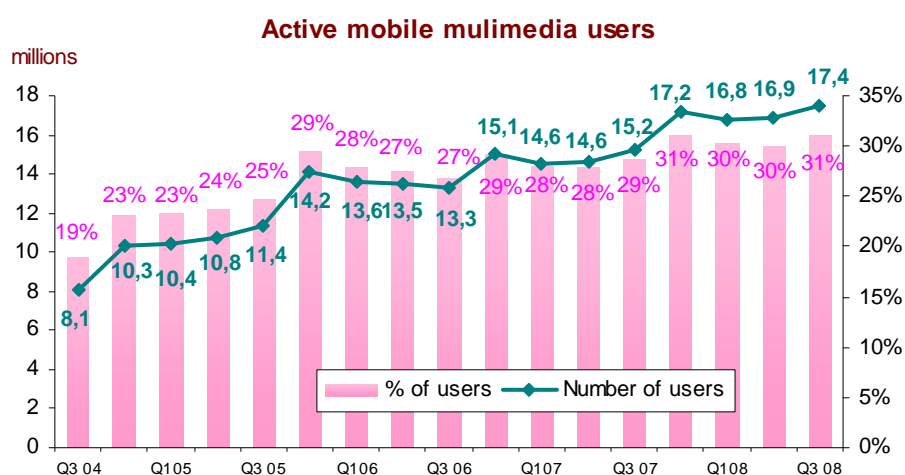
- The number of active multimedia users is defined as the number of customers (contract or prepaid subscribers) who have used a multimedia service such as WAP, i-Mode, MMS or e-mail (text messages are not covered by this definition) at least once in the past month, regardless of the type of bearer technology used (CSD, GPRS, UMTS, etc.). Scope: Mainland France and overseas dependencies.

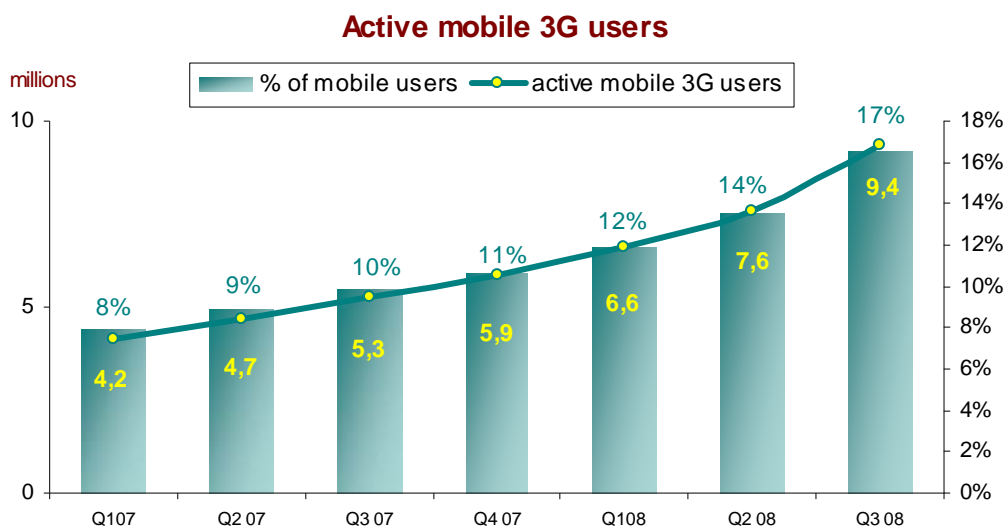
- The number of active 3G users is defined as the number of customers having used (sent or received) a high-speed mobile service (voice, videophone, mobile TV, data transfer, etc.) using 3G wireless technology during the past three months.

There were 17.4 million users of mobile multimedia services (“mobile Internet” services, MMS, etc.) at the end of the third quarter 2008. Since the third quarter 2007, use of these services has risen at a regular rate of around 15% over one year (14.9% in the third quarter 2008).

The services available on third-generation (3G) mobile networks were used at least once during the third quarter 2008 by 9.4 million customers (or 17% of all mobile operator customers). The number of 3G users grew 77.9% over one year in the third quarter 2008, corresponding to over four million additional customers during the period. This increase was stronger during the last two quarters with one million new users during the second quarter 2008 and 1.8 million during the third quarter 2008.

There were 821 000 subscriptions to an “Internet only” service (Internet-only SIM cards) at the end of the third quarter 2008 and this number has been rising by about 100 000 every quarter since the beginning of 2008. These SIM cards are used for mobile Internet connections (using a PCMCIA card, a 3G Internet key, etc.) and cannot be used to make voice calls.





Portability

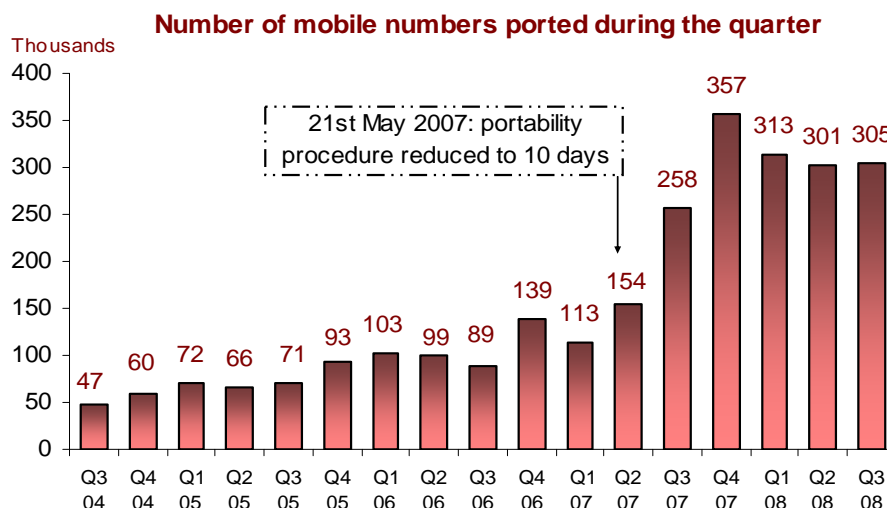
(millions of units)

Number of mobile numbers ported during the quarter

| Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|---------|---------|---------|---------|---------|------------------|
| 0,258 | 0,357 | 0,313 | 0,301 | 0,305 | 18,4% |

Note: The number of ported numbers is defined as the number of telephone numbers effectively ported to another operator (numbers activated by the receiving operator) during the course of the quarter in question. Scope: Mainland France and overseas dependencies.

In the third quarter 2008, 305 000 mobile numbers were ported from one operator to another. The number of numbers ported during a quarter has held steady since early 2008.



2.5.2 Income and volumes indicators

Revenue from mobile services (telephony and data transport) was €4.7 billion in the third quarter 2008, growing 4.5% over one year. This growth remains strong but, at close to 6%, is still lower than that measured since early 2008.

Revenue from data transport services on mobile networks (interpersonal messaging services, mobile Internet access services and multimedia services) represented €798 million in the third quarter 2008. The increase in the revenue generated by data transport services (+24.7% over one year in the third quarter 2008) is definitely stronger than that of mobile telephony (+1.2% over the same period). The share of data transport in revenue from mobile operators reached 17% at the end of the third quarter 2008, compared with 14% a year earlier.

| Revenue (millions of euros) | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|---|--------------|--------------|--------------|--------------|--------------|---------------------|
| Mobile telephony | 3 884 | 3 863 | 3 792 | 3 903 | 3 930 | 1,2% |
| of which outgoing international calls | 175 | 173 | 172 | 173 | 194 | 10,8% |
| Data transport on mobile networks | 640 | 679 | 718 | 728 | 798 | 24,7% |
| of which interpersonal messaging (SMS, MMS) | 415 | 435 | 459 | 451 | 472 | 13,6% |
| of access to mobile Internet & to multimedia services (1) | 225 | 244 | 259 | 276 | 326 | 45,2% |
| Total mobile telephony and data transport | 4 524 | 4 542 | 4 510 | 4 630 | 4 728 | 4,5% |

Notes:

- These are revenues on the retail market. Revenues from the market between operators (interconnection, wholesale) are not included. Also excluded are retail revenues from value-added services.

- Following changes in accounting methods, certain revenues which were previously included with data transfer revenues, are now included with mobile operators' "data" added-value service revenues, in accordance with the Observatory definition. The data in the table below take these corrections into account.

| Volumes (millions of minutes) | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|--|---------------|---------------|---------------|---------------|---------------|---------------------|
| Calls to national fixed lines | 4 525 | 4 803 | 4 708 | 4 719 | 4 402 | -2,7% |
| Calls to mobiles on the same network (1) | 12 494 | 13 812 | 13 823 | 13 695 | 12 473 | -0,2% |
| Calls to other networks | 6 250 | 6 578 | 6 488 | 6 822 | 6 678 | 6,9% |
| Outgoing international calls | 361 | 369 | 363 | 382 | 397 | 10,1% |
| Roaming out (2) | 435 | 303 | 298 | 350 | 455 | 4,8% |
| Total mobile telephony | 24 064 | 25 866 | 25 679 | 25 967 | 24 406 | 1,4% |

adjusted figures are in italics

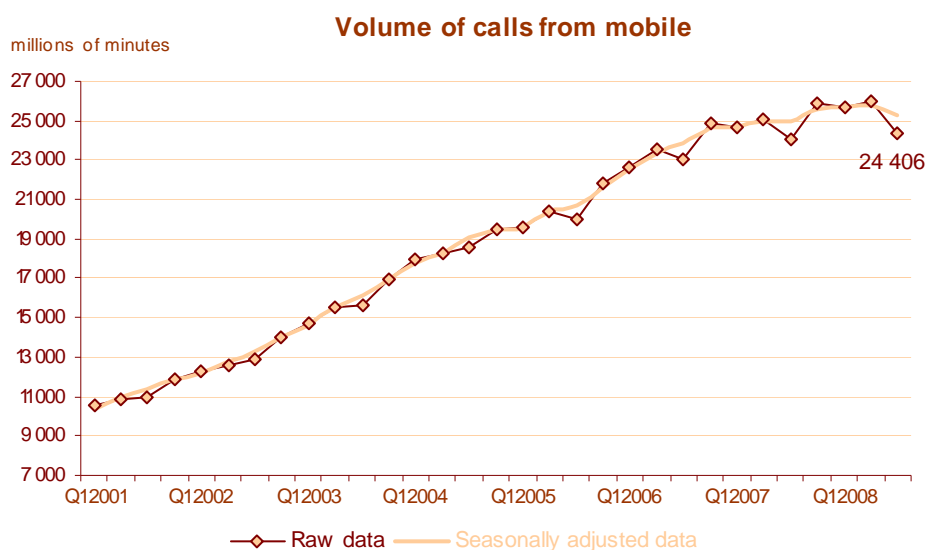
(1) onnet calls on the same network (MNO or MVNO)

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

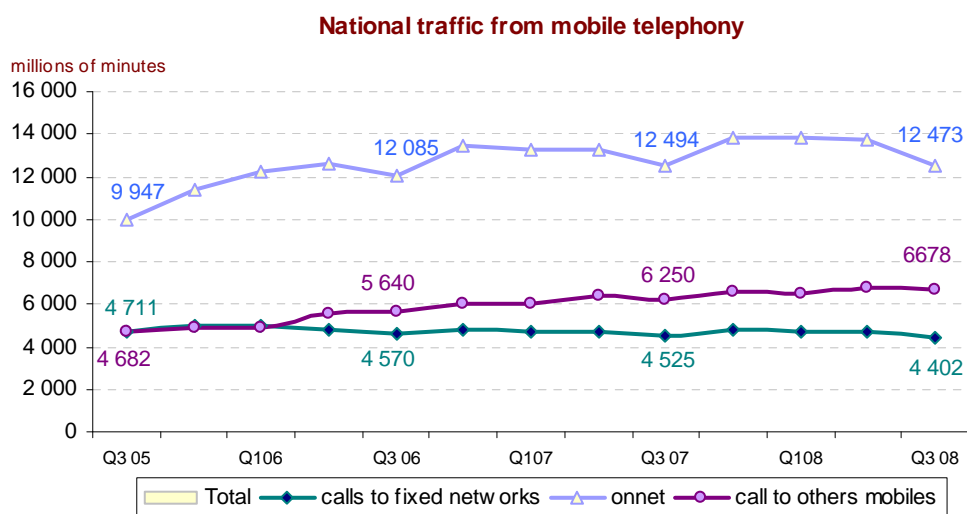
The volume of traffic originating on mobiles was 24.4 billion minutes in the third quarter 2008, rising 1.4% with respect to the third quarter 2007, at a rate sharply lower than that observed over the past year (around 4%).

This slowdown was caused by a drop in traffic to the national fixed network (-2.7% over one year in the third quarter 2008) but above all by the slowdown in the growth in the volume of calls exchanged between mobiles on the same network ("on-net" traffic) over these past two years. "On-net" volume, including calls to voice messaging and operators' short numbers, which represented more than half of the total volume of traffic sent originating on mobiles, did not grow in the third quarter 2008 (-0.2% over one year) after slower growth in 2007, but was still at an annual growth rate of 3% to 4% since the beginning of 2008. The seasonally-adjusted series, down 2% in the third quarter 2008 with respect to the previous quarter, confirms this slowdown in traffic growth.

Following a period of continuous decline (less than 1% in the three previous quarters) the volume of mobile-fixed calls slipped 2.7% over one year in the third quarter 2008. The volume of mobile calls to third-party mobile networks has grown at an annual rate of 7% over one year since the beginning of 2008 (+6.9% in the third quarter 2008).



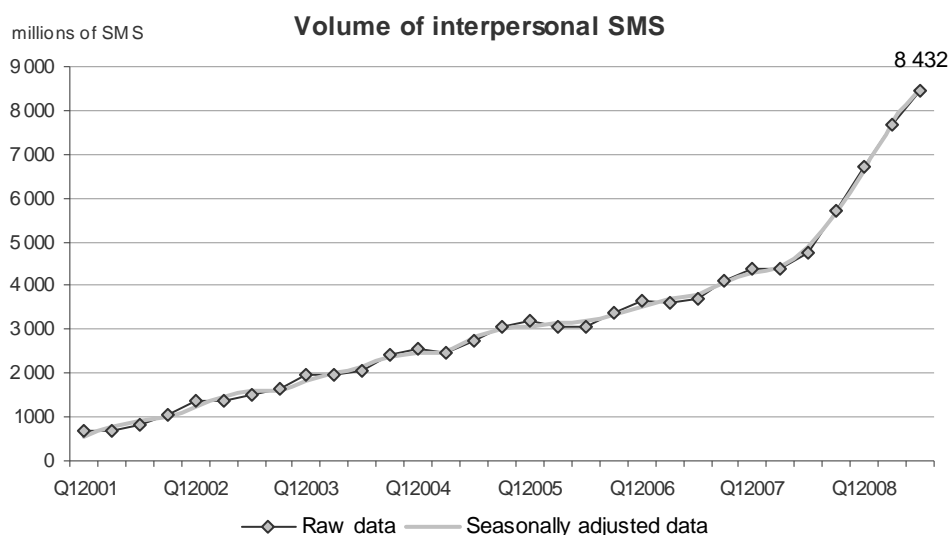
(The seasonally adjusted values for this data can be found in the “Séries chronologiques” spreadsheets available on the ARCEP website)



Mobile operators' customers sent 8.5 billion interpersonal messages (SMS and MMS) during the third quarter 2008. Close to 99% interpersonal messages are text messages (SMS) which have multiplied thanks to mobile operators' "unlimited texting" offers.

The number of SMS has been growing very strongly since the fourth quarter 2007. Growth skyrocketed to 77.1% over one year in the third quarter 2008, representing 3.7 billion additional SMS during the period (or 752 million more SMS during the third quarter 2008). Each mobile operator customer sends 50 SMS on average per month, compared with 30 SMS a year ago. Subscribers having a flat-rate package send on average 26 messages more than customers using a pre-paid formula (58 and 33 SMS per month, respectively).

| Volumes of interpersonal messages (millions of units) | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|--|--------------|--------------|--------------|--------------|--------------|---------------------|
| Number of interpersonal SMS | 4 762 | 5 712 | 6 732 | 7 680 | 8 432 | 77,1% |
| of which from contract subscribers | 3 789 | 4 586 | 5 419 | 6 046 | 6 635 | 75,1% |
| of which from prepaid cards | 971 | 1 125 | 1 313 | 1 633 | 1 797 | 85,1% |
| Number of interpersonal MMS | 67 | 76 | 86 | 87 | 95 | 41,8% |
| Number of messages sent | 4 829 | 5 790 | 6 817 | 7 767 | 8 527 | 76,6% |



(The seasonally adjusted values for this data can be found in the "Séries chronologiques" spreadsheets available on the ARCEP website)

2.6 Revenue and voice traffic of metropolitan mobile operators

Until now, total recurring revenue and total recurring voice traffic indicators were published in the Mobile Indicator Monitor (MIM) one quarter after other indicators in this publication. In order to protect the coherence of the indicator publications for the same quarter, revenue and recurring traffic now appear in this Observatory with the current quarter. Furthermore, on equivalent geographic and service perimeters (indicators for Metropolitan France and including VAS), for recurring revenue and traffic indicators, we now publish total revenue and total traffic indicators for the residential retail market.

2.6.1 Residential retail market (mobile services and value-added services of Metropolitan mobile operators)

| Total revenue of the residential retail market in millions of euros / as a % | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 |
|---|---------|---------|---------|---------|---------|
| Voice and data revenue (including value added services) | - | - | - | - | 4 050 |
| - Year-on-year growth | | | | | |
| o/w revenue from post-paid customers | - | - | - | - | 3426 |
| - Year-on-year growth | | | | | |

Notes: for the residential market only, this indicator includes:

- Revenue from mobile services (telephony and data). This is the “residential” part of the retail market revenue appearing in item 2.5.2.
- Revenue from value-added services (including directory services). This is the “residential” part of the retail market revenue appearing in items 2.7.1 and 2.7.2.

| Total traffic of the residential retail market in millions of minutes / as a % | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 |
|---|---------|---------|---------|---------|---------|
| Voice traffic including value added services | - | - | - | - | 20 135 |
| - Year-on-year growth | | | | | |

Notes: for the residential market only, this indicator includes:

- Mobile telephony services traffic. This is the “residential” part of the retail market revenue appearing in item 2.5.2.
- Value-added services traffic (including directory services). This is the “residential” part of the retail market revenue appearing in items 2.7.1 and 2.7.2.

2.6.2 Total recurring sales and recurring voice traffic of mobiles networks operators (Metropolitan)

| Total recurring sales of mobile networks operators en millions of euros / as a % | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 |
|---|---------|---------|---------|---------|---------|
| Recurring sales | 5 384 | 5 457 | 5 318 | 5 556 | 5 649 |
| - Year-on-year growth | 2,9% | 3,2% | 4,1% | 5,6% | 4,9% |
| - o/w per post-paid customer | 4 576 | 4 738 | 4 648 | 4 799 | 4 827 |
| - Year-on-year growth | 2,1% | 4,2% | 5,7% | 5,6% | 5,5% |
| - o/w per active pre-paid customer | 808 | 720 | 670 | 756 | 823 |
| - Year-on-year growth | 7,6% | -2,8% | -6,2% | 5,5% | 1,8% |

Note: Recurring revenue for a mobile network operator covers all revenues generated by the operator's customers on the retail and wholesale markets, which will not be repaid to third parties. It includes revenues:

- for customer access to mobile services on the retail or wholesale market
- outgoing traffic on the retail market (including roaming out) and on the access and mobile call origination wholesale market by hosted MVNOs
- incoming traffic for call termination (including for calls to the MVNO hosted by the network operator)

Any promotions and discounts granted to customers are deducted from recurring revenue. On the other hand, unpaid invoices are not deducted (in accordance with the IFRS standard).

Connection fees, terminal sales and roaming-in are not included. Recurring revenue excludes repayments to third parties for the quarter and geographic area in question, linked in particular to value-added services (special numbers, SMS+, etc.) or directory services.

***Total recurring revenue** is the total recurring revenue of the various network operators. It is the total of all revenues received from end customers (residential and business) and the total of intermediate revenues exchanged between operators on the wholesale market for call termination.*

Total recurring revenue of network operators does not include revenues received by MVNOs from their customers.

| Total recurring voice traffic in millions of minutes | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 |
|---|---------------|---------------|---------------|---------------|---------------|
| Recurring voice traffic | 33 420 | 35 581 | 35 419 | 35 785 | 33 713 |
| - Year-on-year growth | 9,1% | 7,2% | 5,2% | 3,3% | 0,9% |
| - o/w per post-paid customer | 29 476 | 31 543 | 31 363 | 31 697 | 30 118 |
| - Year-on-year growth | 7,9% | 5,9% | 4,6% | 2,9% | 2,2% |
| - o/w per active pre-paid customer | 3 944 | 4 038 | 4 056 | 4 089 | 3 596 |
| - Year-on-year growth | 19,6% | 18,0% | 9,9% | 6,3% | -8,8% |

Note: Mobile network operators' recurring traffic (in circuit mode) covers all voice traffic, both incoming and outgoing, generated by, or to, the operator's customers and MVNOs. Recurring traffic does not include roaming in. It includes:

- outgoing calls to fixed telephones
- calls to third-party mobiles
- calls to mobiles on the same network, in particular calls to check voice messages, including to virtual mobile operators
- incoming calls from telephony and mobile telephony networks, including traffic to hosted MVNOs
- roaming out

***Total recurring traffic** is the total recurring traffic of the various network operators. Total recurring voice traffic includes double accounting; outgoing minutes to an operator's third-party mobiles are also counted by other operators as incoming minutes. On the other hand, outgoing minutes to mobiles on the same network, or to fixed telephones, are counted just once.*

2.7 Other market components

2.7.1 Value added services (excluding directory services)

Note: Following changes in accounting methods, certain revenues which were previously included with data transfer revenues, are now included with mobile operators' "data" added-value services revenues, in accordance with the Observatory definition. The data in the table below take these corrections into account.

Revenue from value-added services (€597 million in the third quarter 2008) declined 5.2% over one year. Revenue from "voice and telematic" services was down 9.5% during the

second quarter 2008, while revenue from data services grew progressively (+11.2% in the third quarter 2008) and now represents one-quarter of revenue from value-added services.

During the quarter, 1.2 billion calls were sent to “voice and telematic” services, generating traffic volume of 3.1 billion minutes. Close to nine out of ten calls (and 85.2% of the volume of minutes) to these services are made from fixed phones.

| Value-added services revenue* <i>(millions of euros)</i> | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|--|------------|------------|------------|------------|------------|---------------------|
| Value-added "voice" services | 498 | 519 | 518 | 461 | 450 | -9,5% |
| From fixed telephony network | 301 | 317 | 312 | 285 | 262 | -12,9% |
| From mobile telephony network | 197 | 202 | 207 | 175 | 188 | -4,4% |
| Value-added "data" services | 132 | 140 | 126 | 154 | 146 | 11,2% |
| Value-added services | 629 | 659 | 644 | 615 | 597 | -5,2% |

* 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 <i>(millions of minutes)</i> | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|---|--------------|--------------|--------------|--------------|--------------|---------------------|
| From fixed telephony network | 2 921 | 2 945 | 2 845 | 2 705 | 2 613 | -10,6% |
| From mobile telephony network | 441 | 453 | 430 | 428 | 452 | 2,6% |
| Number of calls | 3 362 | 3 399 | 3 275 | 3 134 | 3 065 | -8,8% |

adjusted figures are in italics

| Number of calls to value-added "voice" and "télématic" services <i>(millions of units)</i> | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|--|--------------|--------------|--------------|--------------|--------------|---------------------|
| From fixed telephony network | 1 040 | 1 084 | 1 048 | 1 055 | 1 050 | 0,9% |
| From mobile telephony network | 176 | 177 | 168 | 163 | 167 | -5,1% |
| Volumes | 1 216 | 1 260 | 1 216 | 1 218 | 1 217 | 0,1% |

| Value-added "data" service volumes <i>(millions of units)</i> | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|---|---------|---------|---------|---------|---------|---------------------|
| Number of messages (SMS+, MMS+) | 162 | 198 | 154 | 154 | 150 | -7,4% |

2.7.2 Directory services

Revenue from telephone directory services was €12 million in the third quarter 2008. Growth of this revenue has been slowing since the beginning of 2008, rising just 2.3% over one year in the third quarter.

The number of calls to directory services numbers (30 million calls in the third quarter 2008) is on the decline. Over one year, the number of calls fell 10.1%, representing 3.4 million fewer calls. Most of these calls were sent from mobile networks (representing 65.3% of call minutes to directory services).

| Revenue from directory services <i>(millions of euros)</i> | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|--|---------|---------|---------|---------|---------|---------------------|
| Directory services operators | 41 | 41 | 38 | 39 | 42 | 2,3% |

| Directory services | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|--|---------|---------|---------|---------|---------|---------------------|
| Number of calls <i>(millions of units)</i> | 34 | 33 | 31 | 31 | 30 | -10,1% |
| Volume of calls <i>(millions of minutes)</i> | 69 | 72 | 68 | 69 | 69 | -0,2% |

Note: Directory information services include the 118xyz numbers in use since November 2005 and short numbers used to access reverse lookup directory services (3288, 3217, and 3200) or international directory services (3212).

2.7.3 Leased lines and data transport (fixed operators)

Revenue from leased lines on the end market was €364 million in the third quarter 2008. Just over half of this revenue (€194 million) comes from leased line sales made by operators with other operators.

Data transport revenue was €462 million in the third quarter 2008.

| Revenue (millions of euros) | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|--------------------------------|---------|---------|---------|---------|---------|---------------------|
| Leased lines | 349 | 369 | 382 | 372 | 364 | 4,3% |
| Data transport | 456 | 466 | 462 | 467 | 462 | 1,4% |

adjusted figures are in italics

Note: Revenues from leased lines may be accounted for twice since the figures include operator-to-operator sales. These sales may represent up to 29% of total leased-line revenues

2.7.4 Hosting and call centre management services

| Revenue (millions of euros) | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|------------------------------------|---------|---------|---------|---------|---------|---------------------|
| Hosting and call centre management | 7 | 11 | 11 | 7 | 4 | -49,2% |

2.7.5 Terminals and equipment

Revenue from terminal sales and rentals reached €781 million in the third quarter 2008, growing 20.4% over one year. Mobile operators generated over three-quarters of these revenues (€599 million during the quarter). The launch of new touch-screen terminals in July 2008 helped to significantly boost mobile operators' revenue on this market segment.

| Revenue from terminals and equipment (millions of euros) | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|---|------------|------------|------------|------------|------------|---------------------|
| Fixed & Internet operators | 201 | 214 | 198 | 213 | 181 | -9,9% |
| Mobile operators | 447 | 603 | 439 | 458 | 599 | 34,0% |
| Terminals and equipment | 648 | 817 | 637 | 671 | 781 | 20,4% |

Note: Revenues from terminals and equipment include commissions to distributors.

2.8 Indicators per customer

| Average monthly revenue (value added services exclude) (in euros -VAT excluded) | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|--|---------|---------|---------|---------|---------|---------------------|
| Per fixed line : access, communications and Internet | 36,4 | 36,9 | 36,4 | 36,8 | 36,6 | 0,5% |
| Mobile telephony user | 28,5 | 27,9 | 27,1 | 27,6 | 28,0 | -1,7% |

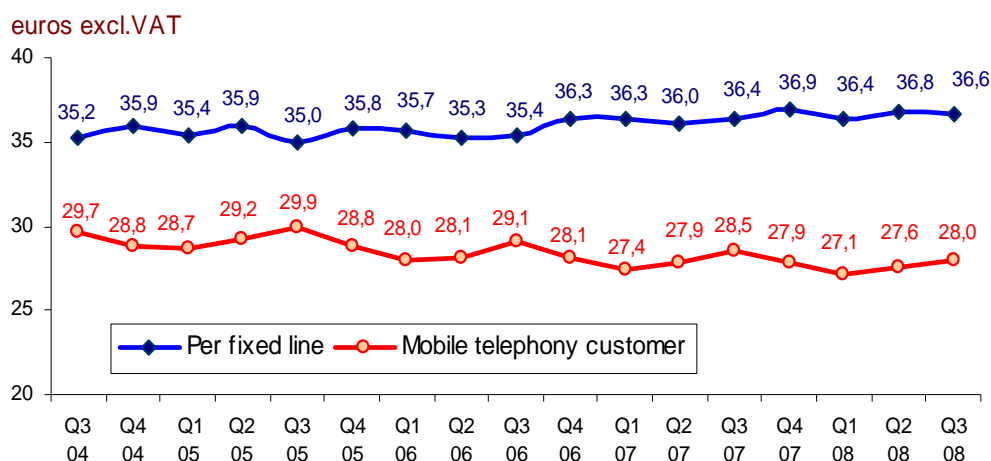
adjusted figures are in italics

The average monthly invoice per fixed line is calculated by dividing the income from calls originating on fixed lines (line rental, call charges and Internet service charges) for quarter N by the estimated average number of fixed lines in existence for quarter N, and then by the number of months. (See the box on page 36 for an explanation of the concept of a “line”)

The average monthly invoice per mobile customer is calculated by dividing the income from mobile telephony (voice and data revenues, including roaming-out, excluding revenue from incoming calls) 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 revenues, or those from value-added services, is not the same as the traditional Average Revenue Per User (ARPU) indicator.

Average monthly revenue (voice and data)

(value-added services excluded)



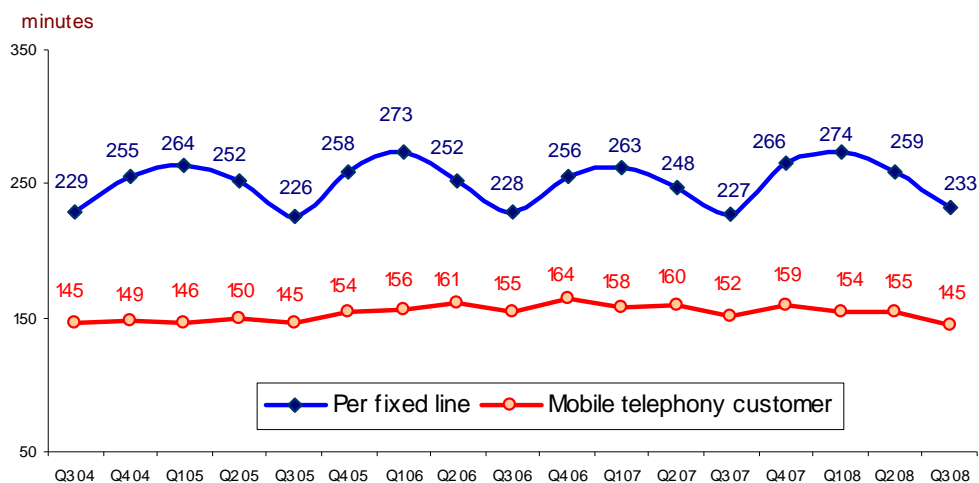
| Average monthly outgoing traffic (in hours) | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|--|---------|---------|---------|---------|---------|---------------------|
| Per fixed lines | 3h47 | 4h26 | 4h34 | 4h19 | 3h53 | 2,2% |
| Mobile telephony user | 2h32 | 2h39 | 2h34 | 2h35 | 2h25 | -4,6% |

adjusted figures are in italics

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.

Average monthly outgoing traffic

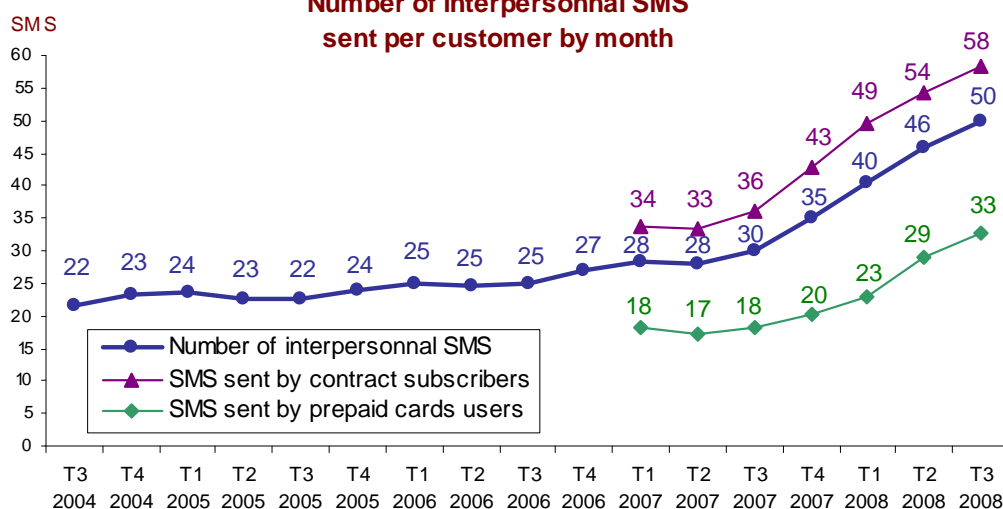


Number of interpersonnal SMS sent per user (units)

| | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|--|---------|---------|---------|---------|---------|------------------|
| Number of SMS sent per user during the quarter | 30,0 | 35,1 | 40,4 | 45,8 | 50,0 | 66,6% |
| of witch for contract subscribers | 36,2 | 42,7 | 49,4 | 54,2 | 58,4 | 61,6% |
| of witch for prepaid cards | 18,0 | 20,3 | 23,1 | 29,1 | 32,6 | 80,9% |

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.

Number of interpersonnal SMS sent per customer by month



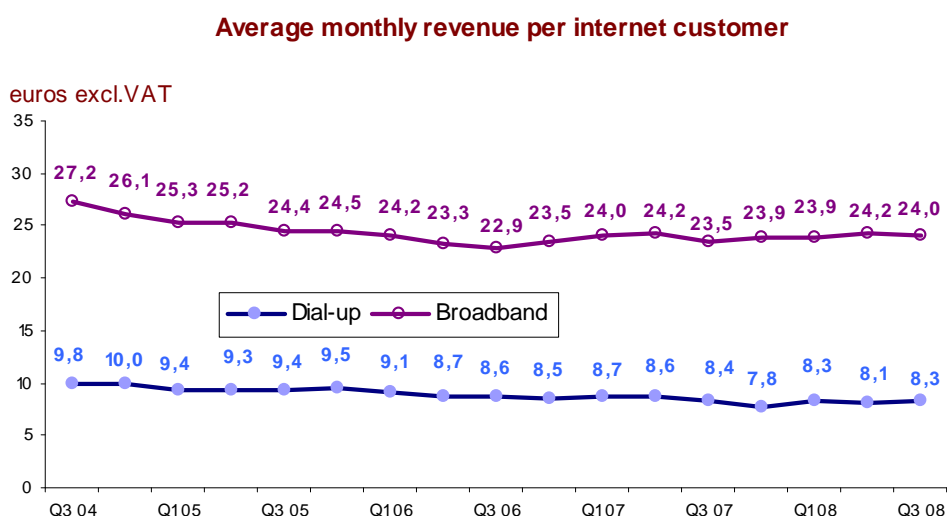
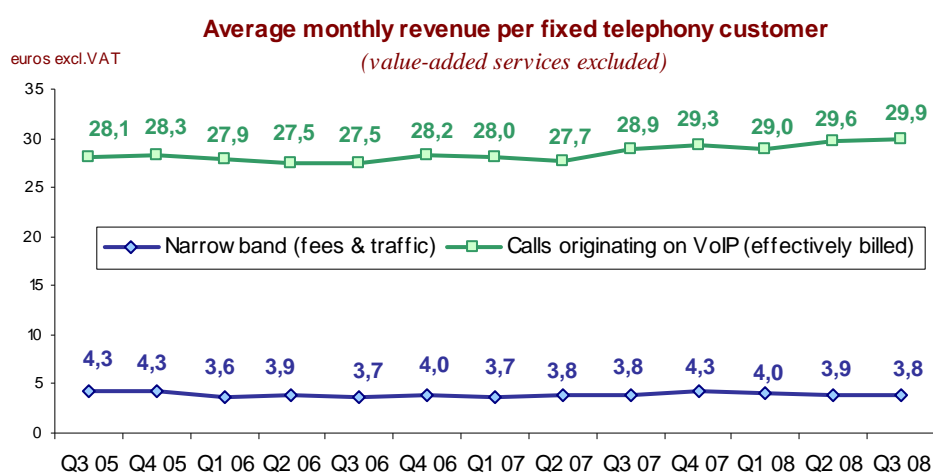
| Average monthly revenue per customer (in euros -VAT excluded) | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|--|---------|---------|---------|---------|---------|---------------------|
| Fixed PSTN/ISDN telephony user | 28,9 | 29,3 | 29,0 | 29,6 | 29,9 | 3,4% |
| Fixed IP telephony user | 3,8 | 4,3 | 4,0 | 3,9 | 3,8 | -0,5% |
| Dial-up Internet user | 8,4 | 7,8 | 8,3 | 8,1 | 8,3 | -0,8% |
| Broadband Internet user | 23,5 | 23,9 | 23,9 | 24,2 | 24,0 | 2,3% |

adjusted figures are in italics

The average monthly invoice per PSTN subscription is calculated by dividing the income from line rental and calls made from PSTN fixed lines (i.e. excluding VoIP revenues) for quarter N by the estimated average number of subscriptions for quarter N, and then by the number of months.

The average monthly invoice per subscription to an IP telephony service is calculated by dividing the income just from IP calls billed (i.e. those made in addition to those included in a multiplay package) for quarter N by the estimated average number of subscriptions for quarter N, and then by the number of months.

The average monthly invoice per dial-up (or broadband) Internet subscription is calculated by dividing the income from the dial-up (or broadband) Internet connections for quarter N by the estimated average number of customers for quarter N, and then by the number of months.

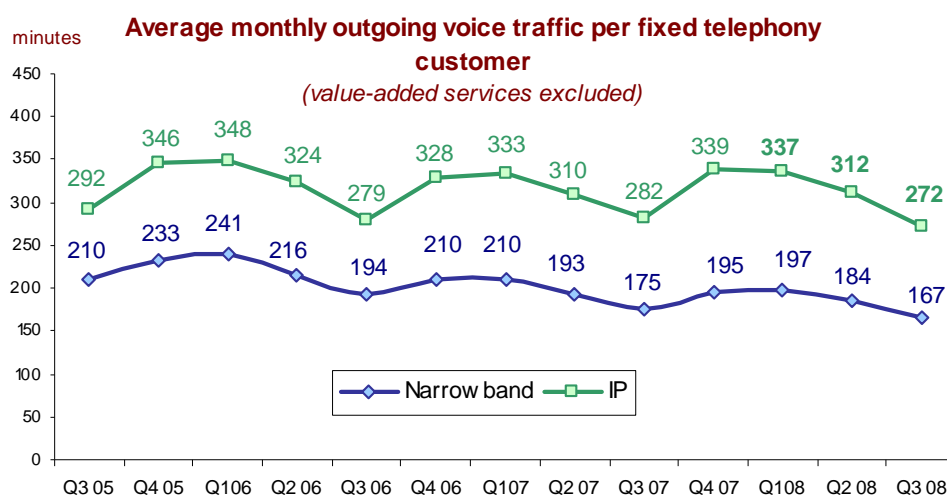


| Average monthly traffic per customer (in hours) | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|--|---------|---------|---------|---------|---------|---------------------|
| Fixed PSTN/ISDN telephony user | 2h55 | 3h15 | 3h17 | 3h04 | 2h47 | -4,5% |
| Fixed IP telephony user | 4h41 | 5h39 | 5h37 | 5h12 | 4h32 | -3,8% |
| From dial-up Internet | 10h23 | 10h31 | 10h56 | 11h18 | 10h52 | 4,7% |

adjusted figures are in italics

The average monthly volume of PSTN (or IP) traffic is calculated by dividing the volume of PSTN (or IP) traffic for quarter N by the estimated average number of subscriptions to a PSTN (or IP) telephone service for quarter N, and then by the number of months.

The average monthly volume of dial-up Internet traffic is calculated by dividing the volume of dial-up Internet traffic for quarter N by the estimated average number of subscriptions to a dial-up Internet service for quarter N, and then by the number of months.



Average number of customers for quarter N: [(total number of customers at the end of quarter N + total number of customers at the end of quarter N-1) / 2]

Further information about indicators per customer

With the growing use of broadband voice services as a second line, it is no longer very useful to use average revenue per subscription as an indicator. In fact, a large number of households now have a second telephone service subscription, usually a VoIP service, but this doesn't mean that they make twice as many calls. So naturally, the average volume of traffic and average bill per subscription is lower. In order to obtain a clearer picture of the indicators reflecting customers' usage of telephone services and their average expenditure, the concept of what constitutes a "line" has been redefined.

Until 2004, the terms "line" and "subscription" were used interchangeably when referring to the number of subscriptions to telephone services.

In the case of telephony over analogue lines, a subscription corresponded to a fixed line. For digital lines, it was accepted practice to take the number of channels subscribed for as the number of fixed lines, i.e. two for BRI lines and up to 30 for PRI lines. In practice, the business customer pays as many monthly line rental charges as the number of channels subscribed for, i.e. two for BRI lines and up to 30 for PRI lines. This convention has been retained.

With the implementation of broadband voice services, operators can provide an IP telephone service over an analogue line which is already used for a PSTN telephone service. In order to facilitate comparisons over time, the number of "lines" indicator has been defined as:

- for digital lines: the number of channels subscribed for, i.e. two for BRI lines and up to 30 for PRI lines;

- for analogue lines: - the number of PSTN subscriptions

- the xDSL line subscriptions without a PSTN subscription

- for cable telephone service subscriptions: the subscription

As far as revenues are concerned, the number of multiservice packages is constantly growing. These include the possibility of making unlimited calls to national fixed lines and to certain international destinations at no additional charge. Consequently, the overall bill covers an increasing range of services, regardless of the number of calls made (as also happens with mobile services). Internet access and telephone services are becoming increasingly inseparable.

The average bill per line reflects what the customer pays per month for both telephone service and Internet access. Revenues taken into account are:

- revenues from service subscription charges and supplementary services

- revenues from calls made from fixed-line telephones, including IP calls made in addition to the multiplay inclusive package

- revenues from dial-up Internet access and broadband Internet access

The following are not taken into account:

- revenues from payphones and phone cards

- revenues from other services linked to Internet access, which correspond to the ISP revenues from online advertising and commissions paid to the ISPs in relation to online trading

- revenues from value-added services and information services

| Number of fixed lines <i>(millions of units)</i> | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
|---|---------------|---------------|---------------|---------------|---------------|---------------------|
| Number of fixed lines <i>adjusted figures are in italics</i> | <i>34,469</i> | <i>34,517</i> | <i>34,594</i> | <i>34,719</i> | <i>34,746</i> | 0,8% |
| Fixed lines revenues <i>(millions of euros)</i> | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 | Change 3Q08/3Q07 |
| Accès fees, internet, communications <i>adjusted figures are in italics</i> | <i>3 753</i> | <i>3 817</i> | <i>3 776</i> | <i>3 826</i> | <i>3 816</i> | 1,7% |

The market Observatory publishes indicators for the **average monthly invoice per subscription for fixed telephony, mobile telephony and Internet**. These indicators correspond to the average subscription and call charges (voice and data) billed by operators to customers.

Revenues from interconnection (incoming calls) are not taken into account. These indicators are not the same as the **ARPU** (Average Revenue Per User) figures which generally correspond to the operators' revenues from all income related to the use of the network. For instance, in the case of mobile operators, the ARPU includes revenues from outgoing calls, data services and value-added services *as well as* revenues from incoming calls (interconnection). It may or may not include revenue from roaming, depending on the operator.

The Observatory also publishes indicators for the **average monthly outgoing traffic per customer**, representing the use consumers make of their telephones.

As with the ARPU, the indicator of average traffic per customer or **AUPU** (Average Usage Per User) is used by certain financial firms and the operators. It covers some or all of the incoming calls in order to create a figure for volume which is comparable to that used for the ARPU. It does not represent the average usage per customer and is considered, rather, as an indicator of the operator's volume of business per customer.

| Average monthly recurring sales per active customer in euros per month / in % | Q3 2007 | Q4 2007 | Q1 2008 | Q2 2008 | Q3 2008 |
|--|-------------|-------------|-------------|-------------|-------------|
| Average monthly recurring sales per customer | 35,8 | 34,8 | 33,8 | 35,3 | 35,7 |
| - Year-on-year growth | -3,3% | -4,4% | -1,9% | 0,4% | -0,2% |
| - o/w per post-paid customer | 44,9 | 44,4 | 42,9 | 44,3 | 43,7 |
| - Year-on-year growth | -6,0% | -5,8% | -3,7% | -2,4% | -2,7% |
| - o/w per active pre-paid customer | 16,6 | 14,4 | 13,7 | 15,4 | 17,1 |
| - Year-on-year growth | 5,4% | -5,4% | -4,9% | 6,6% | 3,5% |

Note: Average recurring monthly revenue per active customer equals recurring revenue for the quarter divided by 3, divided by the average number of active customers ((Number of active customers at the end of the previous quarter + Number of active customers at the end of the quarter in question)/2).

