02 April 2015

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

4th quarter 2014 – final results

ARCEP
Autorité de régulation des communications électroniques et des postes
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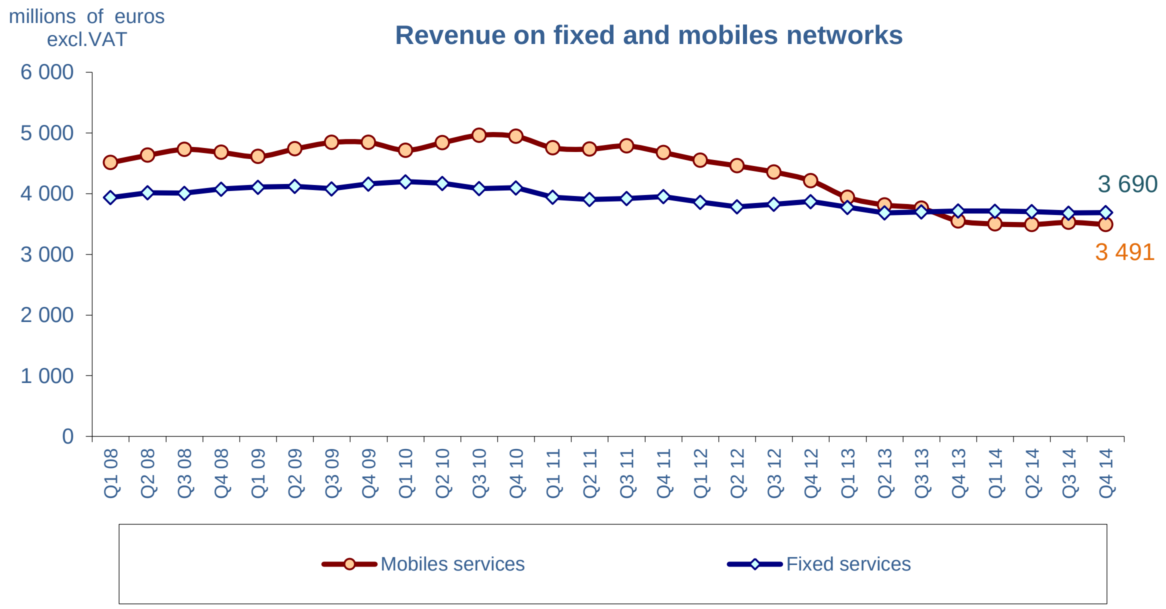
Synthesis

Revenue on the retail market (millions of euros excl.VAT)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Fixed services	3 715	3 713	*3 705*	*3 681*	3 690	-0,7%
Capacity services	*739*	721	724	731	733	-0,9%
Mobile telephony	3 550	*3 500*	*3 490*	*3 526*	3 491	-1,7%
Advanced services and directory services	515	506	505	489	492	-4,4%
Electronic communications services	**8 520**	**8 440**	***8 424***	***8 427***	**8 406**	**-1,3%**
Others revenues	950	701	713	781	947	-0,3%
Entire market	**9 470**	**9 140**	***9 137***	***9 209***	**9 354**	**-1,2%**

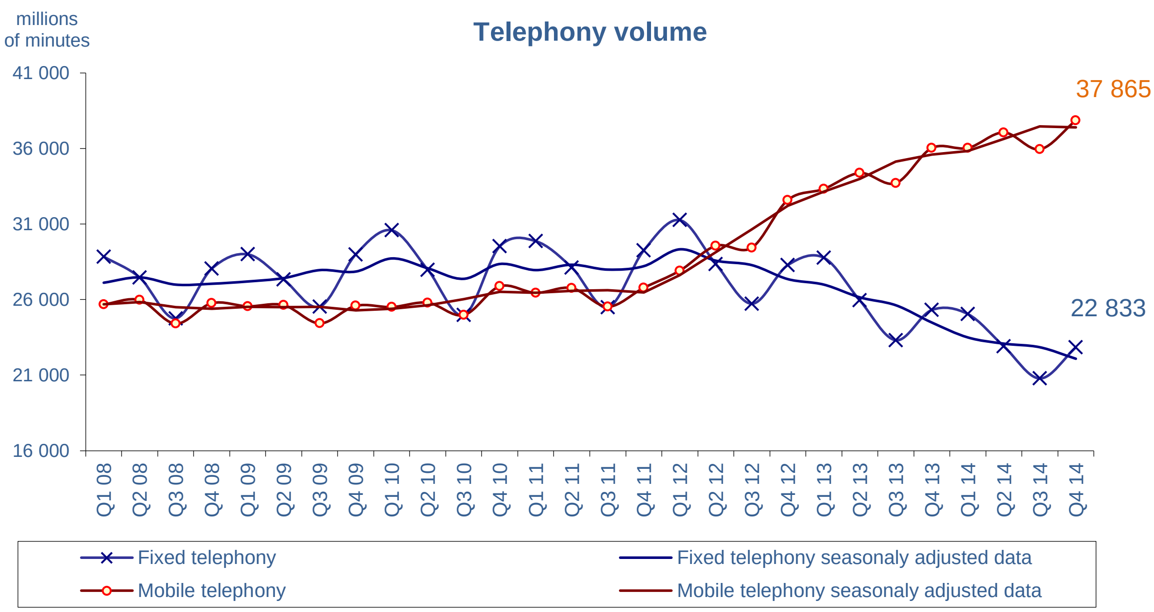
adjusted figures are in italics

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)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Fixed telephony	*25 312*	*25 046*	*22 906*	*20 780*	22 833	-9,8%
Mobile telephony	*36 032*	36 034	37 065	35 954	37 865	5,1%
Total voice services	***61 344***	***61 080***	***59 971***	***56 735***	**60 699**	**-1,1%**

adjusted figures are in italics


millions
of minutes
Telephony volume
41 000
36 000
31 000
26 000
21 000
16 000
37 865
22 833
Q1 08
Q2 08
Q3 08
Q4 08
Q1 09
Q2 09
Q3 09
Q4 09
Q1 10
Q2 10
Q3 10
Q4 10
Q1 11
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Q3 12
Q4 12
Q1 13
Q2 13
Q3 13
Q4 13
Q1 14
Q2 14
Q3 14
Q4 14
Fixed telephony
Fixed telephony seasonaly adjusted data
Mobile telephony
Mobile telephony seasonaly adjusted data

Contents

1 Operators investments

Investments *millions of euros*	**2012***	**2013***	**2014****
Total of investments	**10 034**	**7 252**	**6 900**
of witch excluding mobile licences investments	**7 317**	**7 158**	**6 900**

** Annual publication (provisionnal)*

*** Estimate- rounded figures*

2 Employment

3 Fixed networks services

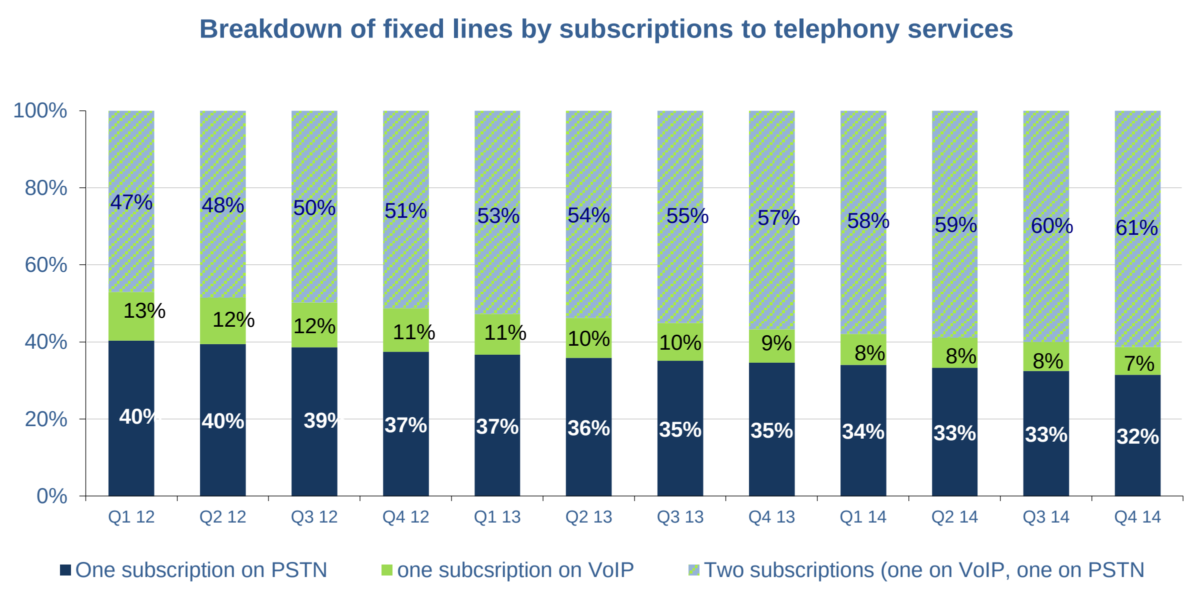
3.1 Number of fixed lines and subscriptions to fixed networks services

3.1.1 Number of fixed lines

Number of fixed lines (millions of units)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Number of fixed lines	*35,967*	*36,075*	*36,007*	*36,090*	36,199	0,6%

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.



3.1.2 Portability (fixed numbers)

Portability (millions of units)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Number of fixed numbers ported during the quarter	745	729	615	629	607	-18,4%

3.1.3 Internet access (brodband and ultra-fast broadband)

Internet subscriptions (millions of units)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Broadband	22,877	23,009	23,052	*23,158*	22,857	-0,1%
of wich xDSL	22,461	22,585	22,628	*22,714*	22,383	-0,3%
of wich other broadband access	0,416	0,425	0,424	0,443	0,473	13,9%
Ultra-fast broadband	2,067	2,219	2,356	2,497	3,113	50,6%
of which with a flow rate between 30 Mbit/s & 100 Mbit/s (*)	0,744	0,775	0,814	0,845	1,287	72,9%
of which with a flow rate superior to 100 Mbit/s	0,764	0,804	0,821	0,851	0,893	16,9%
of wich fiber with coaxial cable termination (FTTLA)	0,559	0,640	0,720	0,801	0,933	67,0%
Internet subscriptions	**24,944**	**25,228**	**25,408**	***25,655***	**25,970**	**4,1%**

including VDSL2 subscriptions with a flow rate>= 30 Mbit/s

Notes :

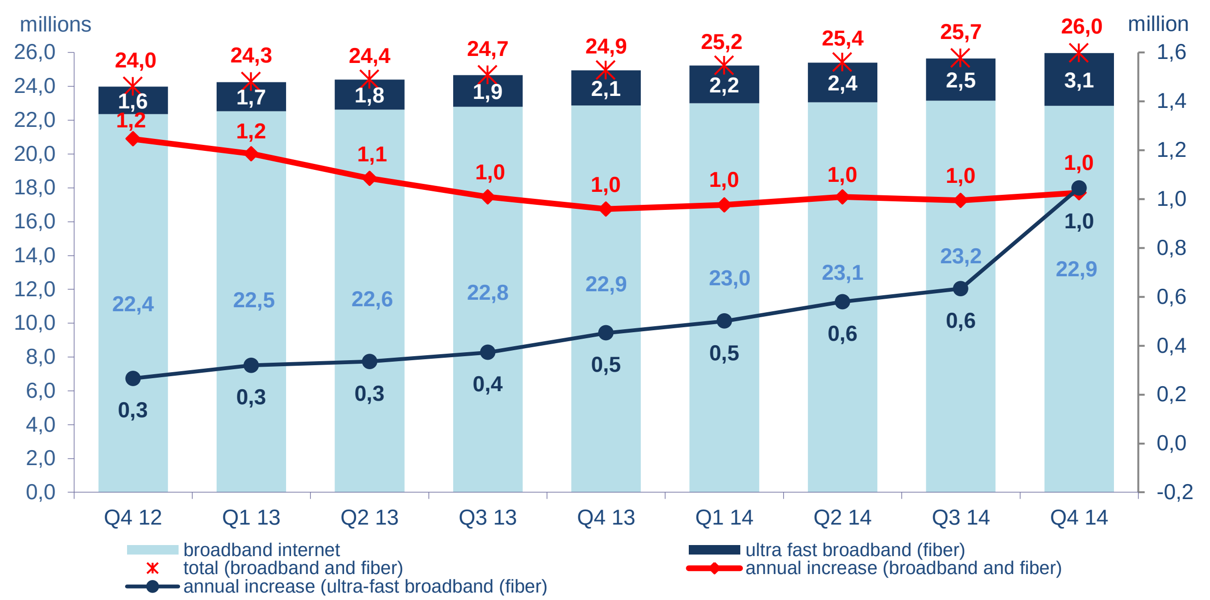
- Ultra-fast broadband : are counted as very high-speed subscriptions access to the internet with a flow-rate equal or greater to 30 Mbit/s. These categories include subscriptions on fiber to the home or to the office networks (FttH, FttO), on "hybrid fiber coaxial cable" networks (HFC), on optical fiber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

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

Overseas subscriptions to internet (millions of units)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Broadband and fiber	543	547	551	*559*	578	6,4%

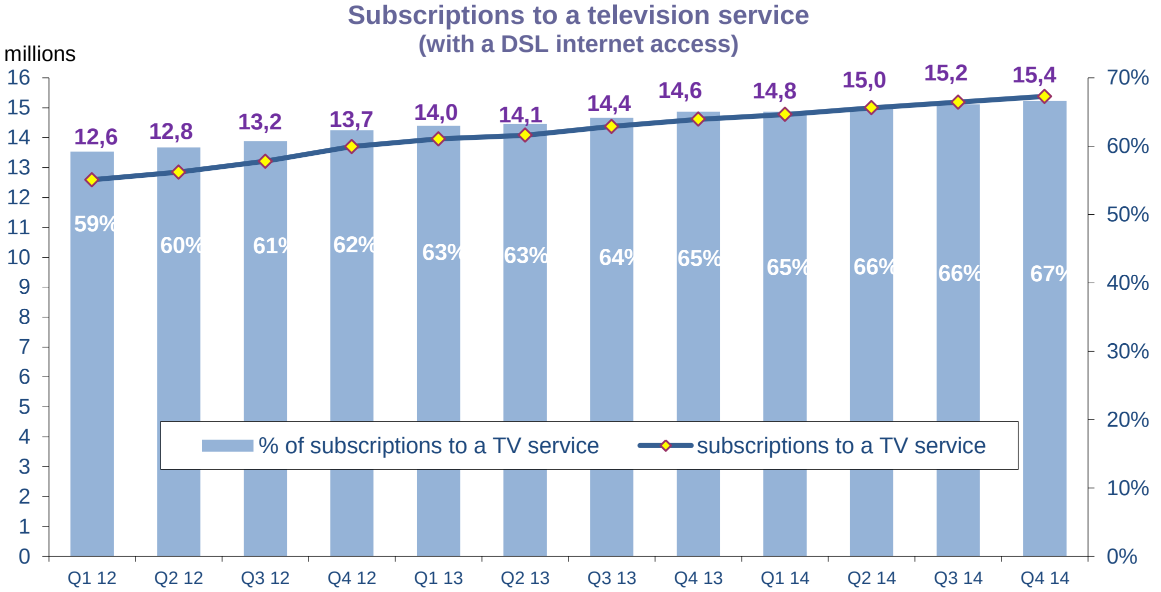
Number and annual increase of subscriptions to broadband internet



3.1.4 Television over ADSL

TV Subscriptions on DSL (millions)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Subscriptions to Internet on DSL	14,615	14,773	14,996	15,187	15,378	5,2%
% of subscriptions to television services	65,1%	65,0%	65,7%	66,1%	66,6%	

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)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Subscription on narrow band access	15,581	15,210	14,813	14,450	14,019	-10,0%
Access resales	1,628	1,682	1,664	1,641	1,610	-1,1%
Subscription on broadband access (IP DSL,cable)	23,497	23,792	24,008	24,358	24,786	5,5%
DSL lines without narrowband access	*18,413*	*18,787*	*19,040*	*19,395*	19,760	7,3%
Number of subscriptions to telephone service	**39,078**	***39,001***	***38,821***	**38,808**	**38,805**	**-0,7%**

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.

Carrier selection (millions of units)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Call by call selection	0,080	0,069	0,064	0,061	0,058	-27,7%
Pre-selection	*1,164*	*1,092*	*1,076*	*1,043*	1,007	-13,5%
Number of indirect connections	***1,244***	***1,161***	***1,141***	***1,104***	**1,064**	**-14,4%**

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.

-The number of pre-selection subscriptions has been revised downward as a result of a correction made by an operator (on the accounting of this indicator).

3.2.2 Revenue of subscriptions and calls

Access revenue (millions of euros excl. VAT)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Access fees, subscriptions and additional services	791	792	773	755	735	-7,2%

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

Revenue of calls (millions of euros excl.VAT)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
National calls	203	208	196	180	179	-11,8%
International calls	80	78	75	78	71	-10,9%
Calls to mobiles	153	140	132	124	125	-18,2%
All calls from fixed lines	**437**	**427**	**403**	**382**	**376**	**-13,9%**
Of which calls originating on PSTN/ISDN	313	299	278	260	255	-18,7%
Of which calls originating on Voice over broadband traffic	124	128	125	122	121	-1,7%

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

3.2.3 Volume of calls from fixed networks

Volumes (millions of minutes)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
National calls	*17 432*	*17 465*	*15 598*	13 941	15 627	-10,4%
International calls	2 819	*2 701*	*2 552*	*2 395*	2 502	-11,2%
Calls to mobiles	5 011	*4 835*	*4 716*	*4 404*	4 674	-6,7%
All calls from fixed lines	***25 262***	***25 001***	***22 866***	***20 740***	**22 803**	**-9,7%**

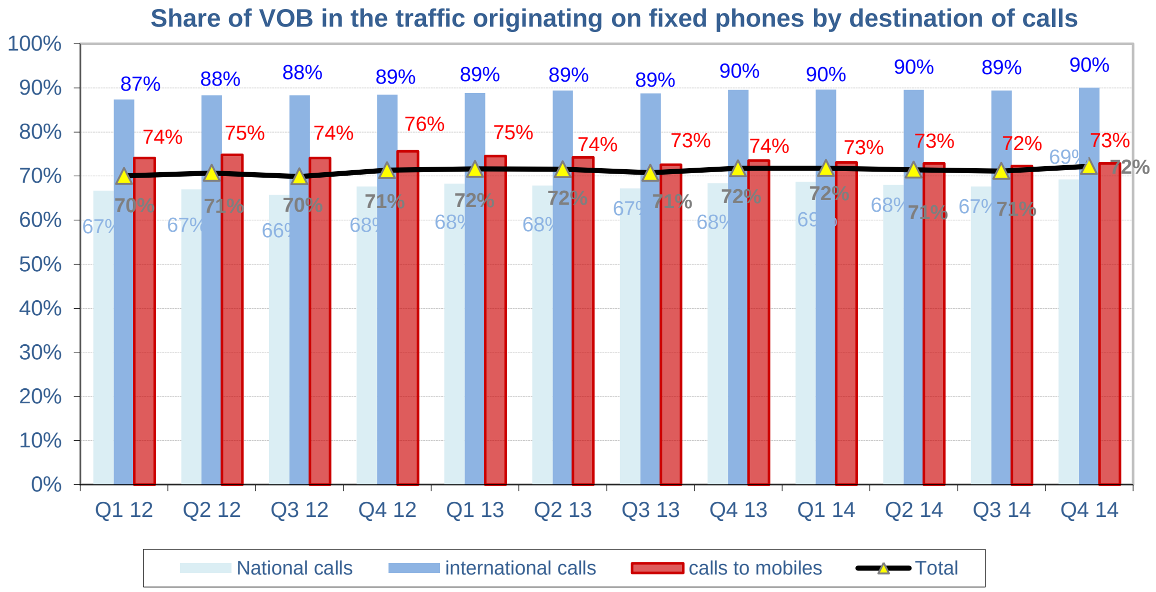
adjusted figures are in italics

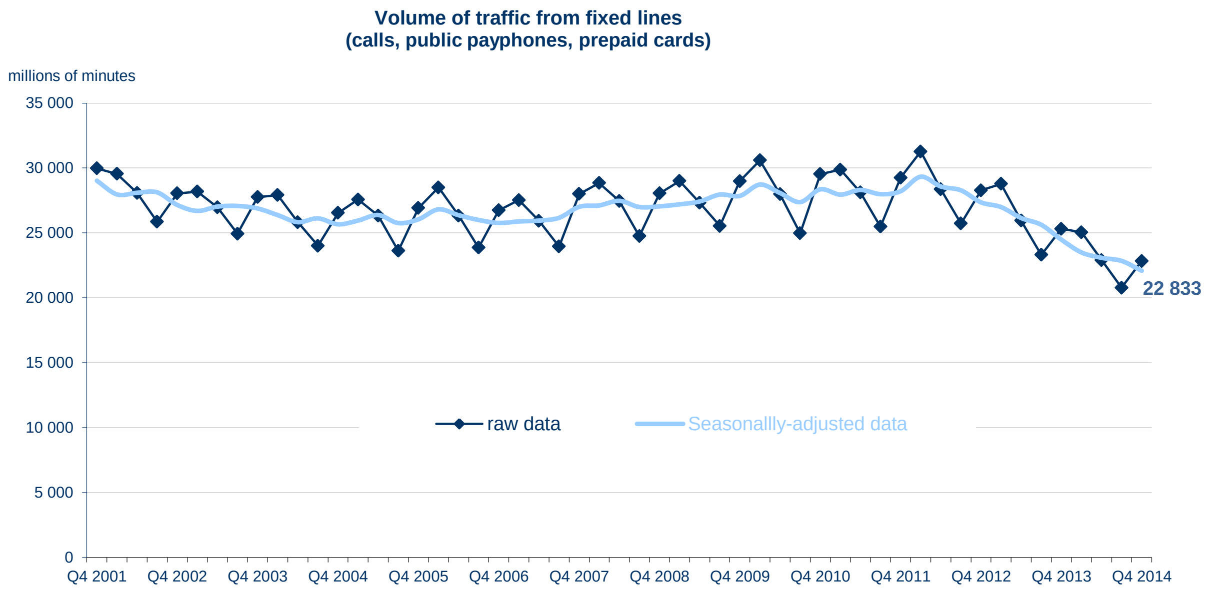
Volumes of calls originating on PSTN/ISDN (millions of minutes)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
National calls	5 516	*5 465*	4 989	4 515	4 813	-12,7%
International calls	294	*280*	*266*	*253*	249	-15,2%
Calls to mobiles	1 327	*1 302*	*1 281*	*1 223*	1 267	-4,5%
All calls originating on PSTN/ISDN	**7 137**	***7 048***	***6 537***	***5 990***	**6 330**	**-11,3%**

adjusted figures are in italics

Volumes (Voice over broadband trafic) (millions of minutes)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
National calls	11 916	12 000	10 608	9 428	10 814	-9,3%
International calls	2 525	2 421	2 286	2 142	2 253	-10,8%
Calls to mobiles	*3 684*	*3 532*	*3 435*	3 182	3 407	-7,5%
All VOB calls	***18 125***	***17 953***	***16 329***	**14 752**	**16 474**	**-9,1%**

adjusted figures are in italics





3.3 Public payphones and calling cards

Public telephony	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Number of public payphones at end of quarter (units)	94 455	87 194	80 242	74 413	69 398	-26,5%
Revenue (millions of euros excl.VAT)	3	3	2	2	2	-36,6%
Volumes (millions of minutes)	9	7	7	6	5	-43,5%

Charge and prepaid cards	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Revenue (millions of euros excl.VAT)	7	7	5	5	5	-29,6%
Volume (millions of minutes)	42	38	34	34	25	-39,9%

3.4 Dial-up internet

Internet Dial-up	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Revenue (millions of euros excl.VAT)	2	2	2	2	2	-17,9%
Subscriptions (millions of units)	155	141	136	126	119	-23,1%
Volumes of dial-up Internet (millions of minutes)	114	99	85	72	67	-40,7%

3.5 Revenue on fixed networks

Revenue of fixed networks services (millions of euros excl.VAT)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Narrowband Revenue	**1 117**	**1 102**	**1 060**	**1 025**	**998**	**-10,6%**
Subscriptions and calls originating on PSTN/ISDN	1 105	1 090	1 051	1 015	989	-10,4%
Dial-up Internet	2	2	2	2	2	-17,9%
Public payphones and cards	10	9	8	8	7	-31,8%
Broadband Revenue	***2 599***	***2 611***	***2 645***	***2 656***	**2 692**	**3,6%**
Broadband Internet and VoIP subscriptions	*2 145*	*2 144*	*2 185*	*2 192*	2 215	3,2%
Calls originating on VoIP services	124	128	125	122	121	-1,7%
Other Internet revenue	330	339	334	342	356	7,9%
Revenue of fixed lines services	***3 715***	***3 713***	***3 705***	***3 681***	**3 690**	**-0,7%**

adjusted figures are in italics

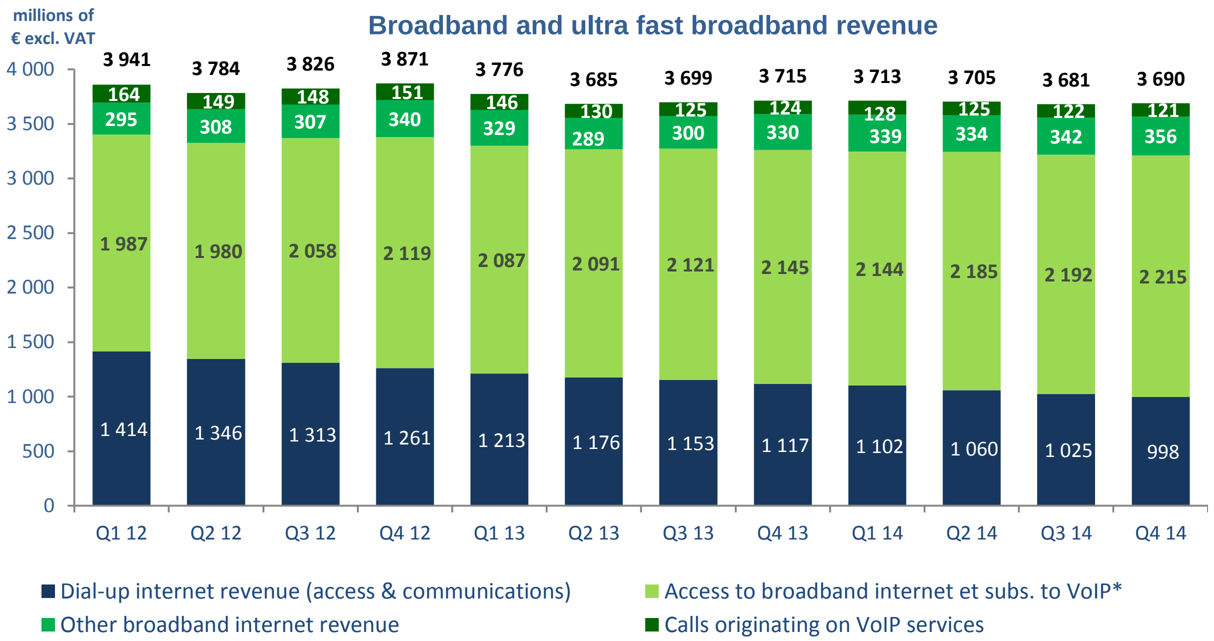
Notes

- 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 à TV service, video and music downloading…). Revenue generated by terminal sales and rental is included under "fixed operator and ISP terminal sales and rental".



4 Leased lines and data transport (on fixed networks)

Revenue (millions of euros excl.VAT)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Leased lines	242	237	242	243	243	0,2%
Data transport	*497*	*483*	482	488	490	-1,4%
Total	***739***	***721***	**724**	**731**	**733**	**-0,9%**
of witch on business market	*618*	*610*	614	624	625	1,3%

adjusted figures are in italics

Note: leased lines revenue can have double accounts in so far as sales between operators are taken into account.

5 Services on mobiles networks

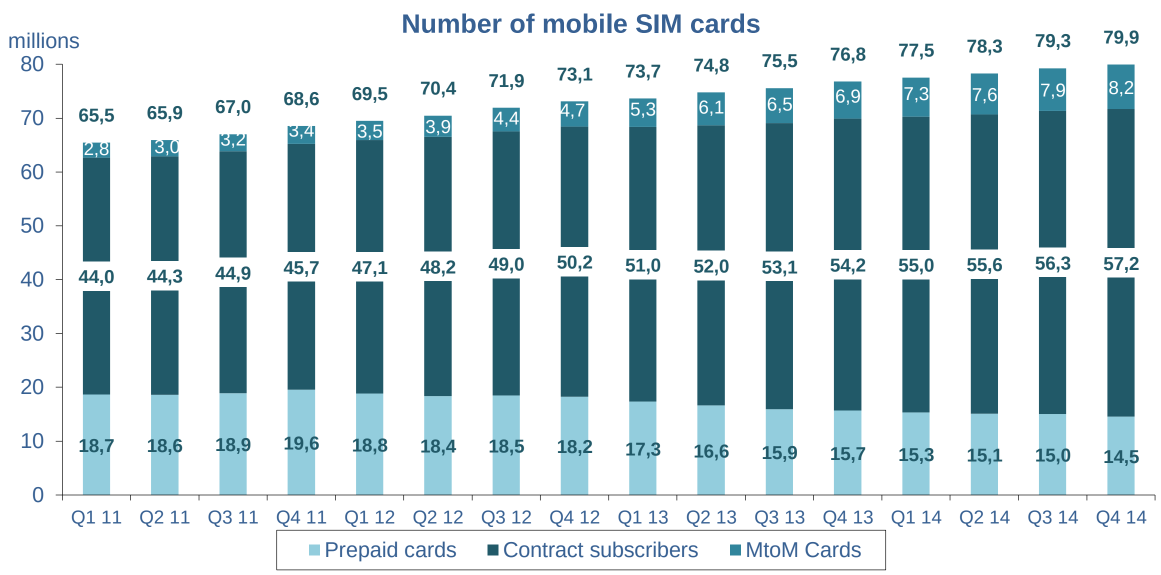
5.1 Subscriptions

5.1.1 Subscriptions to mobiles services

Number of mobile customers (millions of units)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Contract subscribers	*54,244*	*54,951*	*55,594*	*56,310*	57,156	5,4%
*of which with blocked account **	6,741	6,271	5,975	5,721	5,370	-20,3%
MtoM SIM cards	6,890	7,265	7,609	7,922	8,246	19,7%
Prepaid cards	*15,665*	*15,299*	*15,074*	*15,047*	14,539	-7,2%
*of which active prepaid cards ***	12,772	12,031	11,950	11,918	11,459	-10,3%
Total number of SIM cards	***76,800***	***77,516***	***78,278***	***79,279***	**79,941**	**4,1%**

adjusted figures are in italics

* blocked account: packages allowing 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.

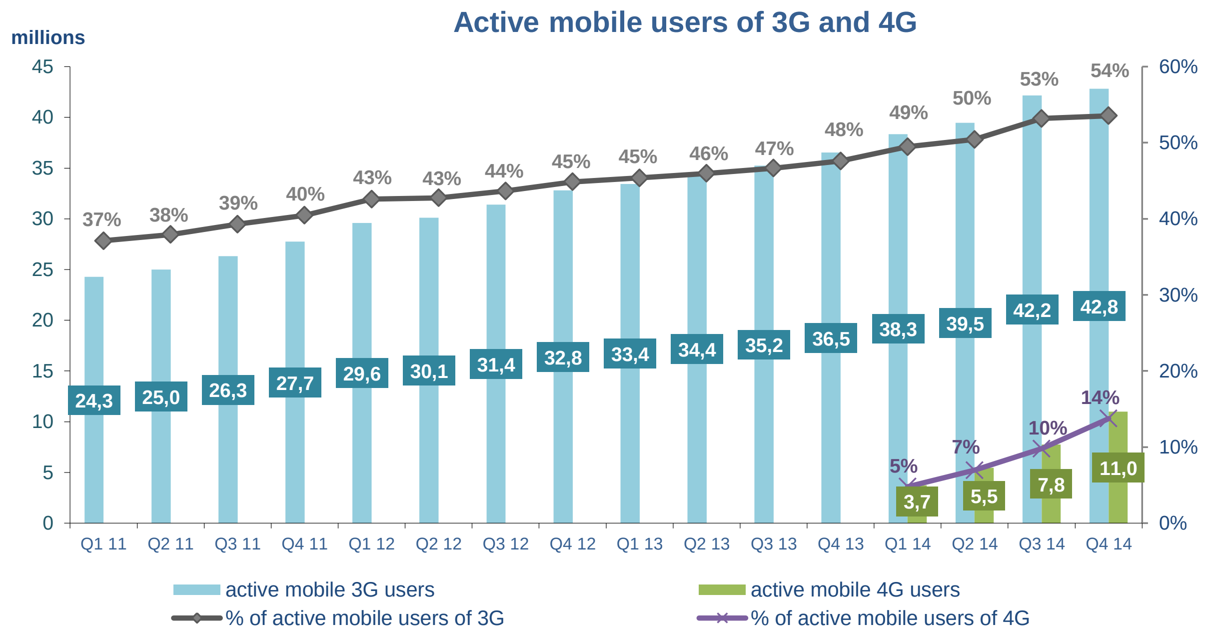


5.1.2 3G and 4G users

Active 3G and 4G users (millions of units)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Active 3G users	36,548	38,349	39,473	42,162	42,810	17,1%
Active 4G users		3,722	5,450	*7,759*	10,996	

Notes :

- The active 3G base is defined as the number of customers who have accessed a mobile service (voice, videophony, mobile TV, data transfer, etc.) that uses 3G radio access technology, sometime in the past three months (either transmission or reception).
- The active 4G base is defined as the number of customers who have accessed a mobile service (data transfer) that uses 4G radio access technology, sometime in the past three months (either transmission or reception). ARCEP posts here only active customers who have access to 4 G and a compatible terminal. ARCEP attracts the attention of the reader to the fact that this definition may differ from those of financial publications of the operators, which can account, for example, some offers "4G marketed". A client can have such an offer, but not the suitable Terminal, nor 4G coverage.



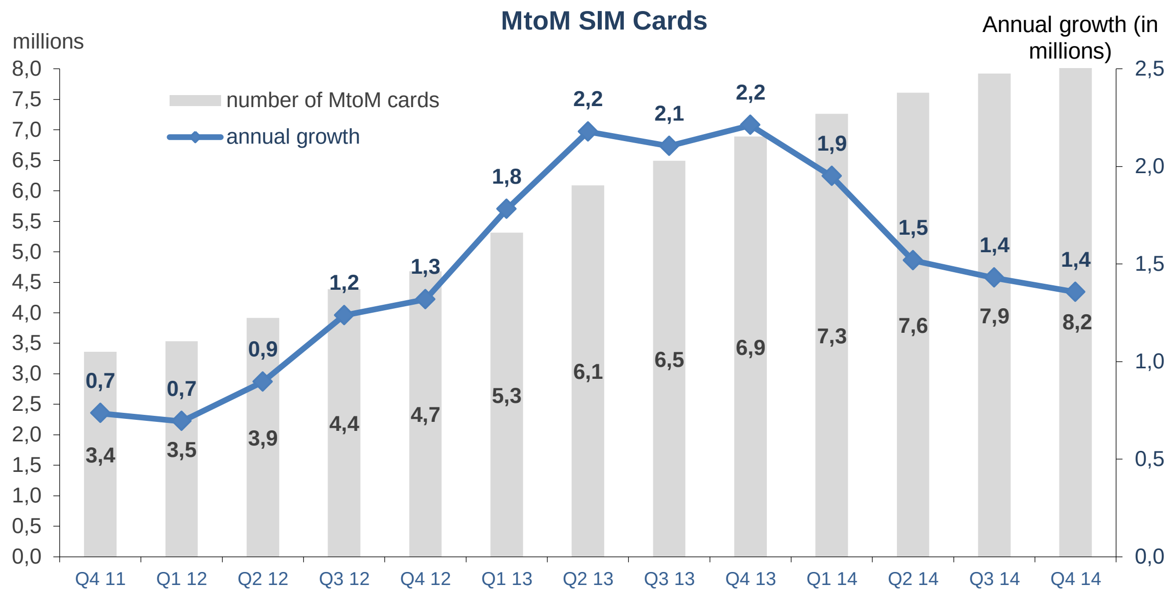
5.1.3 Dedicated data and MtoM cards

Dedicated data cards (millions of units)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Number of dedicated data cards	3,645	3,691	3,731	3,738	3,742	2,7%
of which exclusive Internet prepaid cards	0,699	0,710	0,759	0,774	0,814	16,4%

- The number of dedicated data cards is defined as the number of SIM cards sold by mobile operators (in the form of subscriptions, flat rates or prepaid cards), to be used solely for accessing the Internet (PCMCIA cards, 3G/4G USB keys). These cards cannot be used to make voice calls

Dedicated MtoM cards (millions of units)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Number of dedicated MtoM cards	6,890	7,265	7,609	7,922	8,246	19,7%

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



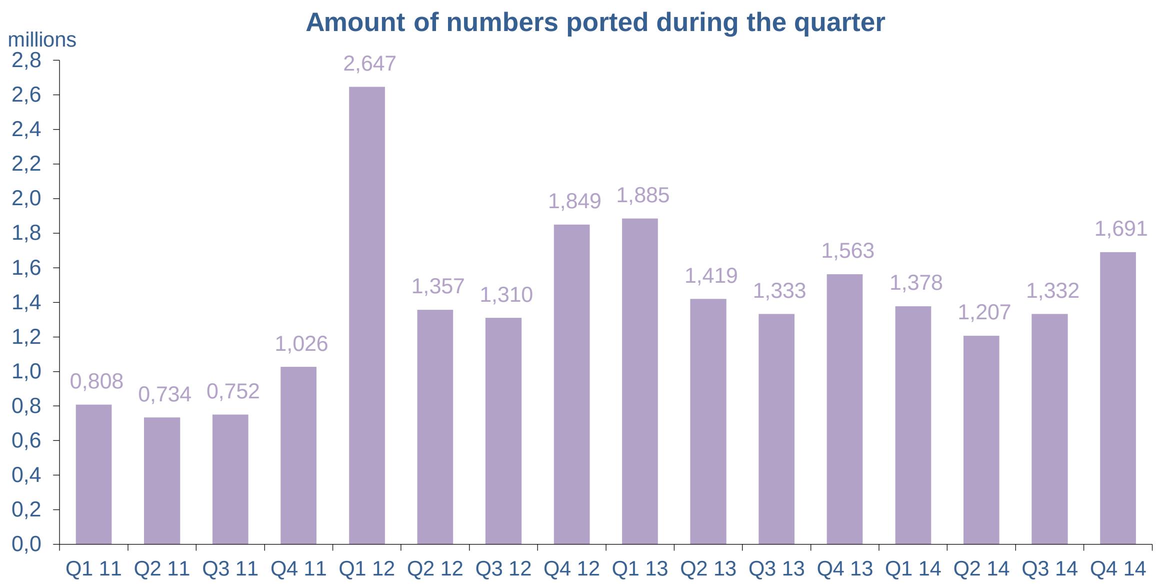
Data SIM cards (millions of units)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Number of exclusive internet Sim cards & MtoM Sim cards	10,535	10,956	11,340	11,660	11,988	13,8%
% of data SIM cards among SIM cards	13,7%	14,1%	14,5%	14,7%	15,0%	+1,3 point

5.1.4 Portability (mobile numbers)

Portability (millions of units)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Amount of numbers ported during the quarter	1,563	1,378	*1,207*	*1,332*	1,691	8,2%

adjusted figures are in italics

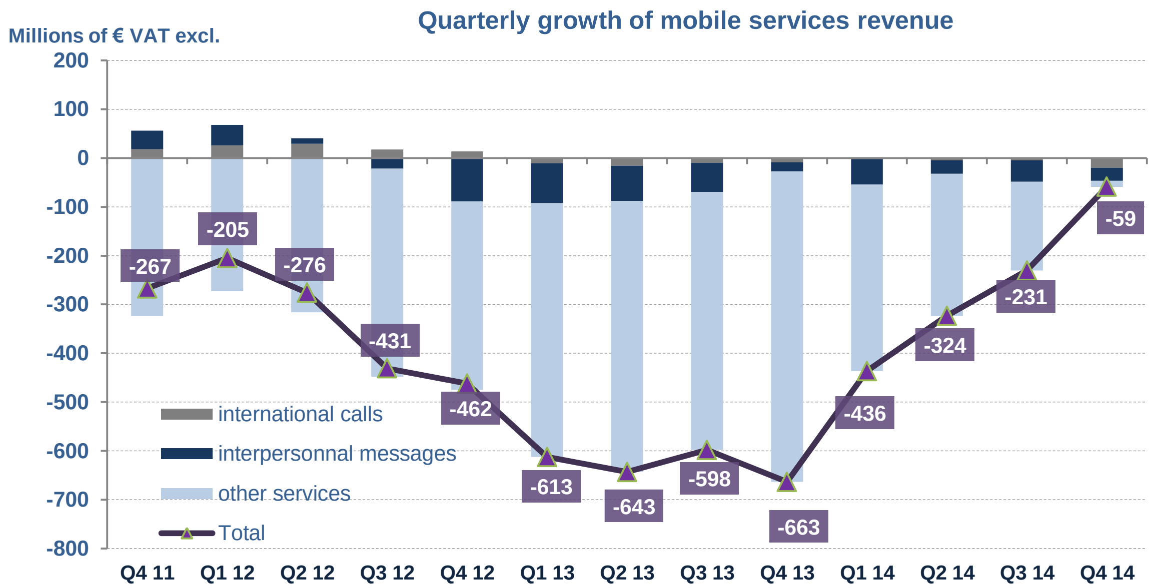
Note:
- figures for ported numbers refer to the number of at the finalised porting procedures (ported numbers activated by the recipient operator) during the year in question. Scope: Metropolitan France and the overseas French “départements”.
-the portability deadline is 3 working days since November 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 value-added services)

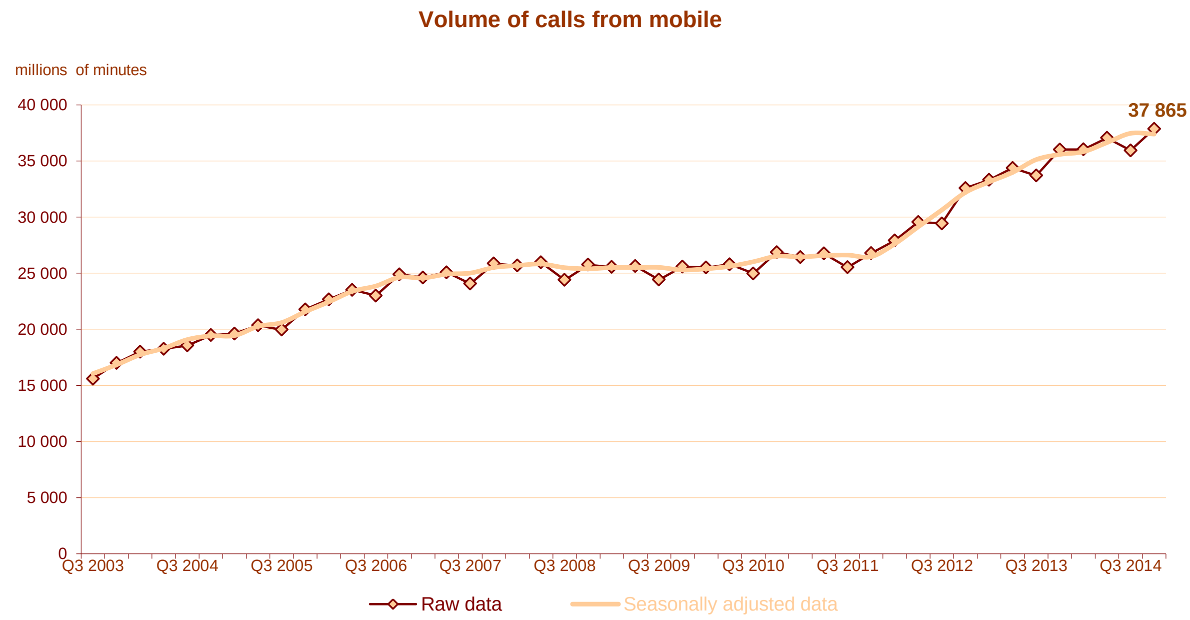
Revenue (millions of euros)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Total mobile telephony and data transport	**3 550**	**3 500**	**3 490**	**3 526**	**3 491**	**-1,7%**
of which outgoing internationals calls	249	239	240	253	230	-7,8%
of which interpersonal messaging (SMS, MMS)	565	557	543	537	538	-4,8%

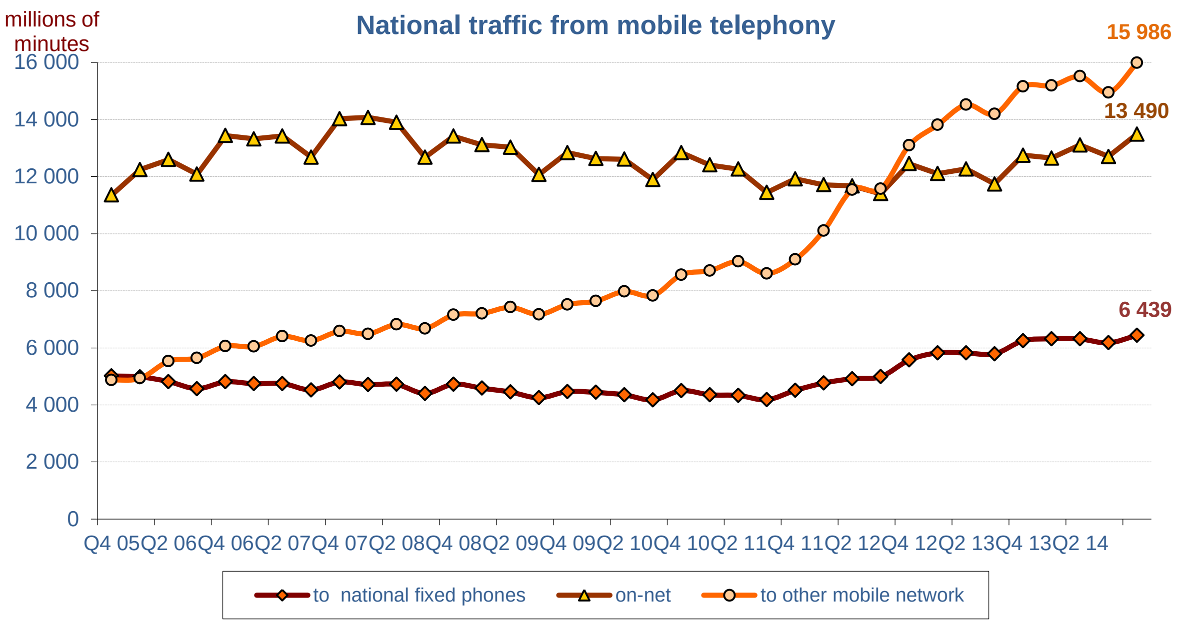
Note: this is about retail market revenue. Revenue from the market between operators (interconnection, wholesale) are not included. Also excluded is revenue from value-added retail services.



Volumes (millions of minutes)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Calls to national fixed lines	6 249	6 316	6 310	6 176	6 439	3,0%
Calls to mobiles on the same network	*12 752*	12 649	13 107	*12 703*	13 490	5,8%
Calls to other networks	15 160	15 186	15 511	*14 945*	15 986	5,4%
Outgoing internationals calls	1 551	1 577	1 756	1 589	1 577	1,6%
Roaming out	318	305	381	541	373	17,3%
Total mobile telephony	***36 032***	**36 034**	**37 065**	**35 954**	**37 865**	**5,1%**

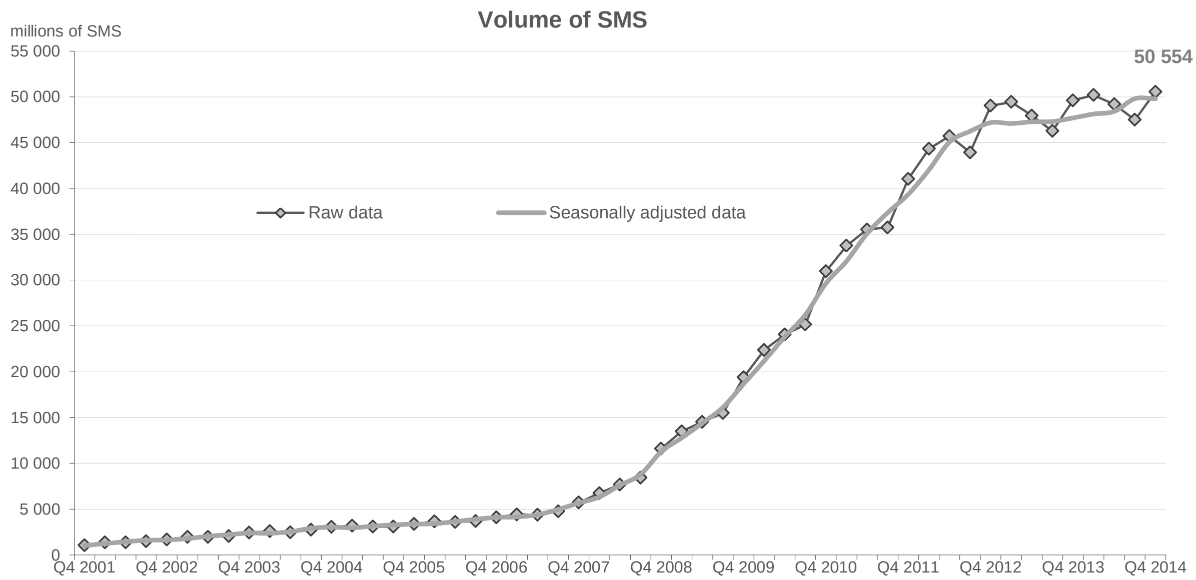
adjusted figures are in italics





Volumes of interpersonal messages (millions of units)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Number of interpersonal SMS	*49 606*	50 184	49 179	47 488	50 554	1,9%
of witch from contract subscribers	*46 921*	47 374	46 779	45 219	48 212	2,7%
of witch from prepaid cards	*2 684*	2 810	2 400	2 269	2 343	-12,7%
Number of interpersonal MMS	656	684	811	833	897	36,6%
Number of messages sent	***50 262***	**50 869**	**49 989**	**48 321**	**51 450**	**2,4%**

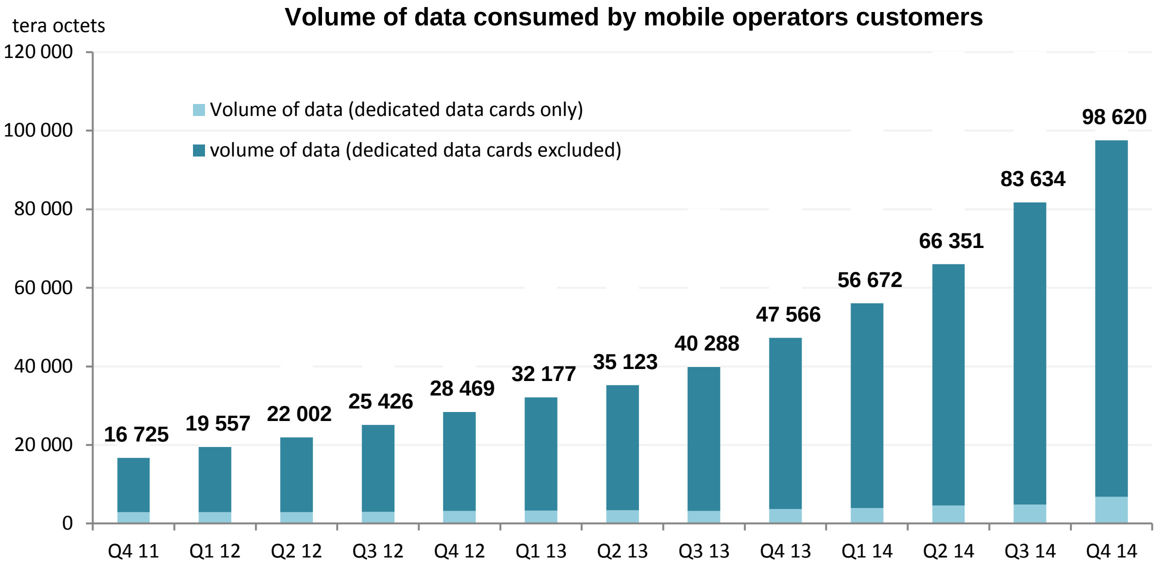
adjusted figures are in italics



Volumes of data consumed by the customers (in Teraoctets)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Volumes of data	**47 566**	**56 672**	**66 351**	***83 634***	**98 620**	**107,3%**
of witch dedicated data SIM cards	3 974	4 567	4 874	*6 754*	7 797	96,2%

adjusted figures are in italics

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



6 Average revenue and consumption per user

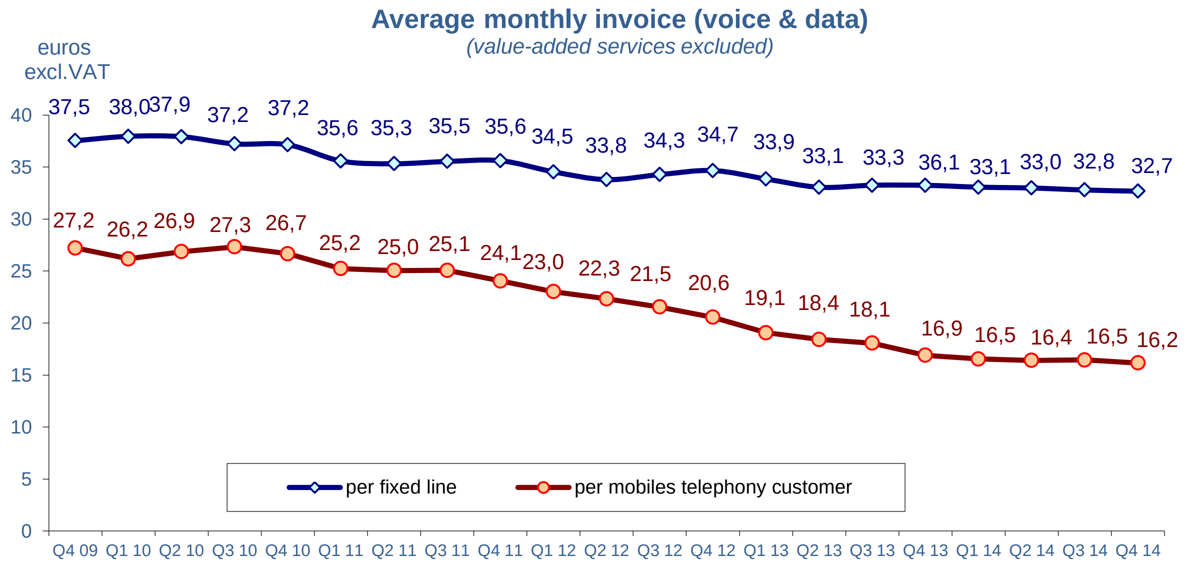
Average monthly revenue (value added services exclude) (in euros -VAT excluded)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Per fixed line : access, communications and Internet	33,3	*33,1*	*33,0*	*32,8*	32,7	-2,0%
Mobile telephony user	16,9	16,5	16,4	16,5	16,2	-4,3%

adjusted figures are in italics

Notes :

<u>The average invoice per fixed line</u> 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.
- <u>The average monthly invoice per mobile customer</u> is calculated by dividing the income from mobile telephony (voice and data revenue, including roaming-out, excluding revenue from incoming calls and MtoM SIM cards) for quarter N by the estimated average number of mobile customers for quarter N, and then by the number of months. This indicator, which does not include interconnection revenue, or those from value-added services, is not the same as the traditional Average Revenue Per User (ARPU) indicator.

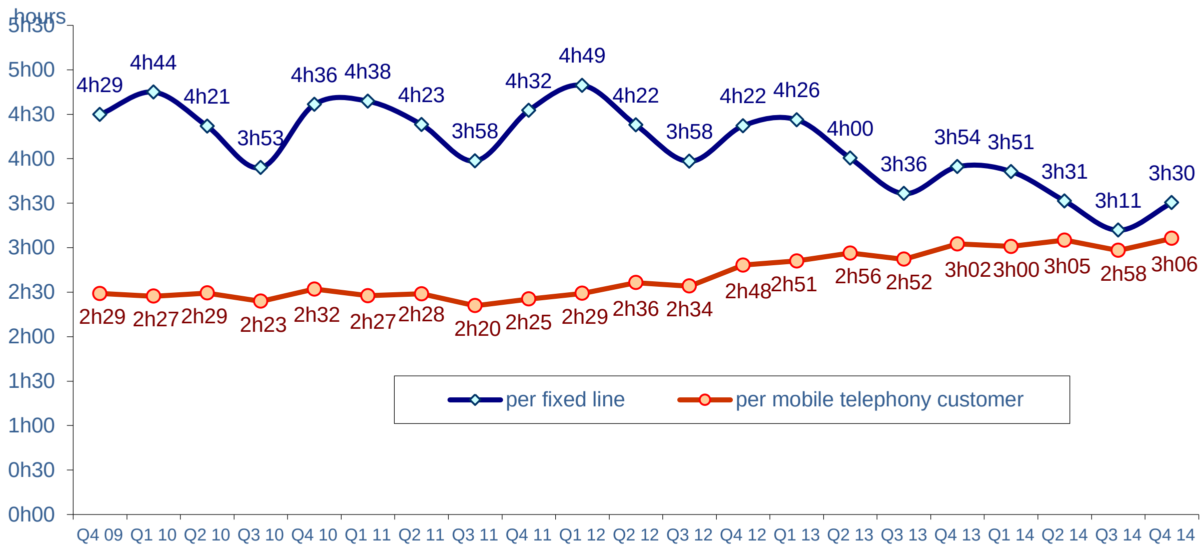


Note : The average monthly invoice per mobile telephony customer exclude MtoM cards (in revenue and in number of cards).

Average monthly outgoing traffic (in hours)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Per fixed lines	3h55	3h51	3h31	3h11	3h30	-10,6%
Mobile telephony user	3h02	3h00	3h05	2h58	3h06	2,0%

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

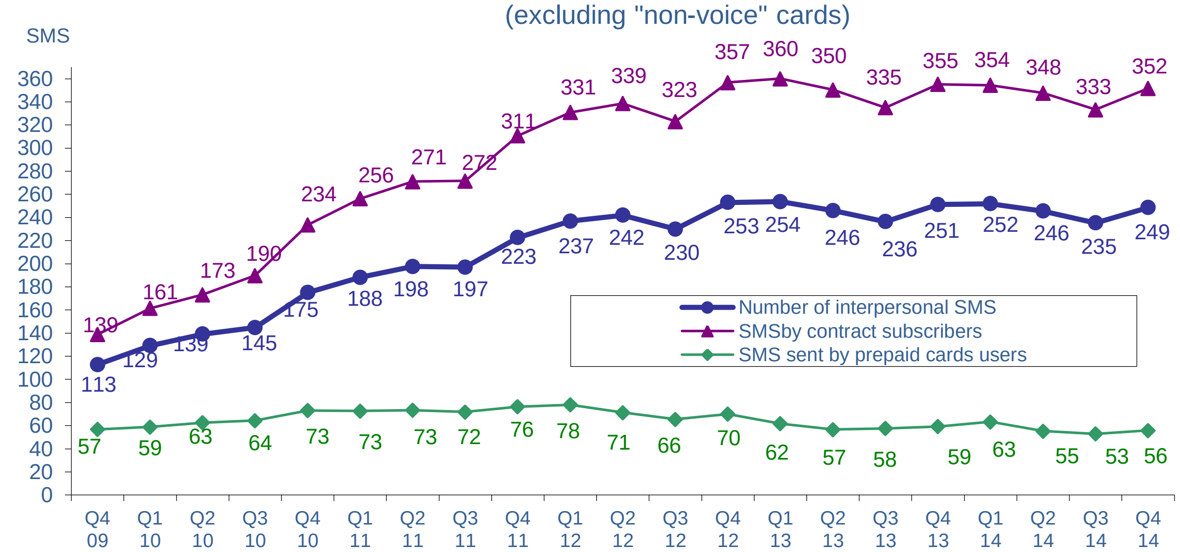
Average monthly outgoing voice trafic



Number of interpersonnal SMS sent per user (units)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Number of SMS sent per user during the quarter	*251*	252	246	235	249	-1,0%
of witch for contract subscribers	*355*	354	348	333	352	-1,0%
of witch for prepaid cards	*59*	63	55	53	56	-5,9%

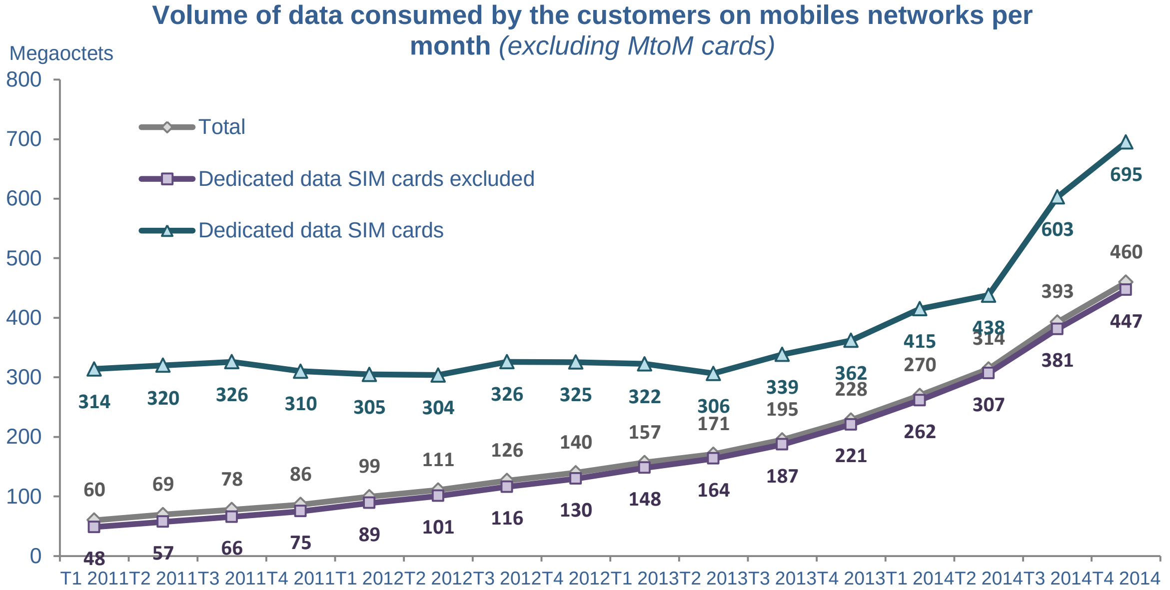
Note: The average number of SMS messages per customer is calculated by dividing the number of SMS messages for quarter N by the estimated average number of customers for quarter N, and then by the number of months. MtoM and exclusive data SIM cards are not taken into account. The number of messages does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

Number of interpersonal SMS sent per customer by month
(excluding "non-voice" cards)



Average monthly volume of data consumed on mobile networks (en mega octets)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
per mobile operator customer	228	270	314	393	460	101,4%
of witch dedicated data SIM cards	362	415	438	*603*	695	92,0%
of witch from other SIM cards	221	262	307	381	447	102,3%

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.*



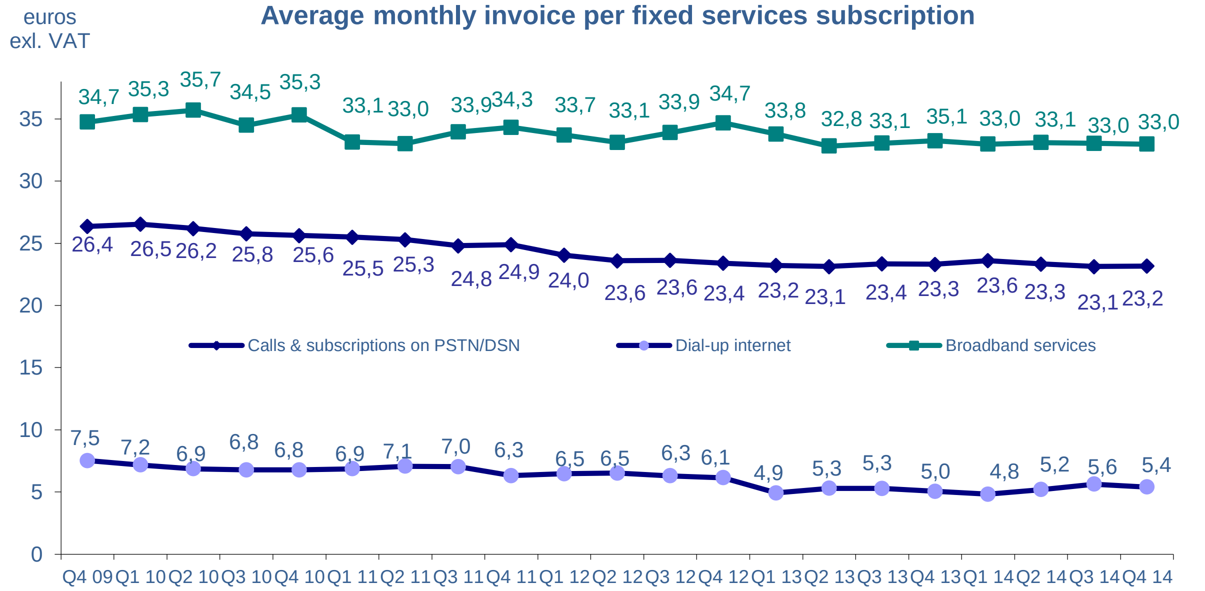
Average monthly revenue per customer (in euros -VAT excluded)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Fixed PSTN/ISDN telephony user	23,3	23,6	23,3	23,1	23,2	-0,6%
Dial-up Internet user	5,0	4,8	5,2	5,6	5,4	7,0%
Internet & telephony over broadband	33,2	33,0	33,1	33,0	33,0	-0,8%

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 VOB) for Quarter Q by the estimated average customer base for Quarter Q, then dividing the result by three.

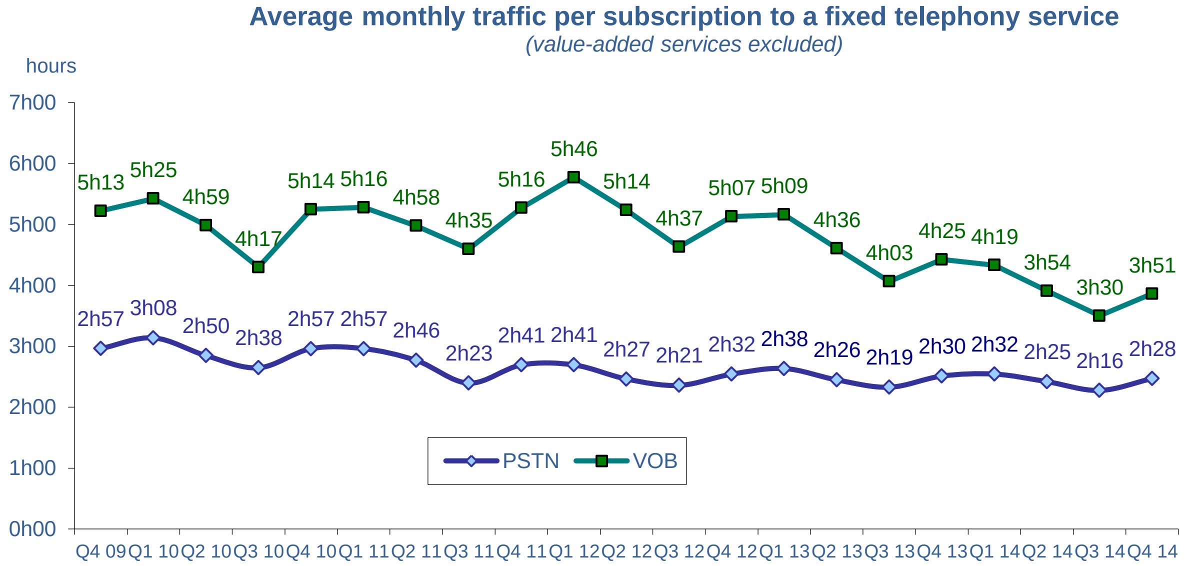
- The average bill for a narrowband subscription is calculated by dividing the revenue earned on narrowband subscription in year N by the estimated customer base for Quarter Q, then dividing the result by 3.

- 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 VOB calls made on a fixed line (billed over and above a service bundle flat rate) and the revenue earned on broadband subscription for Quarter Q by the estimated average customer base for Quarter Q, then dividing the result by 3.



Average monthly traffic per customer (in hours)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Fixed PSTN/ISDN telephony user	2h30	2h32	2h25	2h16	2h28	-1,6%
Fixed VOB telephony user	4h25	4h19	3h54	3h30	3h51	-12,7%
From dial-up Internet	3h57	3h44	3h24	3h04	3h03	-22,8%

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



7 Value-added services

Value-added services revenue* (millions of euros excl.VAT)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Value-added "voice" services	259	259	259	248	256	-0,9%
From fixed telephony network	136	130	141	124	133	-2,3%
From mobile telephony network	122	129	118	124	123	0,6%
Value-added "data" services	226	216	215	212	206	-8,9%
Directory services	30	30	31	30	30	-0,3%
Value-added services	**515**	**506**	**505**	**489**	**492**	**-4,4%**

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

Value-added "voice" services volumes (millions of minutes)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
From fixed telephony network	1 216	1 126	1 145	1 004	996	-18,1%
From mobile telephony network	405	389	371	401	430	6,2%
Number of calls	**1 621**	**1 514**	**1 516**	**1 405**	**1 427**	**-12,0%**

Volumes from directory services (millions)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Number of calls (millions of units)	8	7	7	7	6	-24,0%
Volume of calls (millions of minutes)	22	20	18	17	17	-23,6%

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

8 Other revenue

8.1 Hosting and call centre management services

Revenue (millions of euros excl.VAT)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Hosting and call centre management	76	74	75	72	75	-1,9%

8.2 Terminals and equipments

Revenue from terminals and equipment (millions of euros excl.VAT)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
linked to fixed téléphony & Internet services	167	164	167	165	168	0,3%
linked to mobile services	622	404	380	470	637	2,4%
Terminals and equipment	**789**	**568**	**547**	**635**	**805**	**2,0%**

Note : the revenue includes commissions paid to distributors.

9 The intermediate market (interconnection and wholesale market)

9.1 The market as a whole

Interconnection services (millions of euros excl. VAT)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Fixed operators	1 152	1 127	1 216	1 246	1 243	7,8%
of which telephony services	528	490	532	557	550	4,1%
of which broadband services	624	637	684	688	693	11,0%
Mobile operators	636	637	643	655	655	2,9%
of which SMS termination	360	366	370	362	384	6,6%
Revenue	**1 789**	**1 764**	**1 859**	**1 901**	**1 897**	**6,1%**

Interconnection services (millions of minutes)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Fixed operators	26 887	27 365	26 471	26 842	26 824	-0,2%
Internet (dial-up)	101	117	77	72	73	-28,0%
Mobile operators	23 659	22 493	23 187	22 203	23 350	-1,3%
Volume	**50 648**	**49 976**	**49 735**	**49 118**	**50 246**	**-0,8%**
Incoming SMS	**32 005**	**31 868**	**31 541**	**30 598**	**32 653**	**2,0%**

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.

- Broadband wholesale services include income from unbundling and bitstream or bitstream equivalent services. The tariff of the unbundling is set since February1st 2014 at €9.02 against €8.90 previously.

- 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 1200 million € for the whole of the year 2013, are not included.

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

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

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

Unbundling (millions of units)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Partially unbundled lines	0,793	0,771	0,753	0,733	0,710	-10,5%
Fully unbundled lines	10,805	11,052	11,204	11,391	11,556	7,0%
Number of unbundled lines	**11,597**	**11,823**	**11,958**	**12,124**	**12,265**	**5,8%**

"Bitstream" lines (millions of units)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
"naked bistream"	0,993	0,967	0,951	0,913	0,880	-11,3%
"classic bitstream"	0,214	0,201	0,193	0,184	0,174	-18,9%
Number of "bitstream" lines	**1,207**	**1,169**	**1,144**	**1,097**	**1,054**	**-12,7%**

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

9.2 Incoming international interconnection

Revenue of incoming international interconnection services (millions of euros excl.VAT)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Fixed operators	39	38	46	51	42	10,0%
Mobile operators	10	11	13	15	14	33,5%
Revenue	**49**	**49**	**60**	**66**	**56**	**15,0%**

Volume of incoming international interconnection services (millions of minutes)	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Fixed operators	2 359	2 130	2 260	2 508	2 419	2,5%
Mobile operators	835	899	1 064	1 152	1 075	28,7%
Volume	**3 194**	**3 030**	**3 324**	**3 660**	**3 494**	**9,4%**

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

9.3 Mobiles operators roaming-in

Roaming in	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	change 4Q14/4Q13
Revenue (millions of euros)	78	60	65	81	72	-7,8%
Volume (millions of minutes)	451	461	586	773	566	25,6%
Volume of SMS (millions)	174	174	214	316	168	-3,2%
Volume of data (teraoctets)	183	217	363	778	466	154,9%

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

- *-Roaming-in refers to French mobile operators' handling of the incoming and outgoing calls made in France by customers of a foreign mobile operator. The revenue corresponds to the remuneration between the two operators. The relationship between call revenue/volume does not correspond to any set price, nor to any price that is billed to customers.*
- *Mobile operators have been subject to a ceiling on international roaming tariffs inside the EU since June 2007. This European regulation also includes a multi-annual plan for a steady decrease in this maximum price. As a result, on 1st July 2014, these Euro tariffs went from 0.24€ excl. VAT to 0.19€ excl. VAT for calls made from abroad, and from 0.07€ excl. VAT to 0.05€ excl. VAT for calls received when abroad*. *SMS tariff on the retail market has been reduced from 0.08€ to 0.06 € excl.VAT per message. The tariff for mobile internet has been reduced from 45c€ to 20c€ per mega octets.*

-. On the wholesale market the tariffs have been set since 1st July 2014 to 2cts€ per message for SMS and to 5c€ per minute for voice calls (against 3cts€ per message for SMS and to 10cts€ per minute for voice calls for the period from 1rst July 2013 to 30 June 2014). The tariff is set to 5cts€ per Mo for mobile internet from 1st July 2014 ('against 15 cts€ for the period from 1rst July 2013 to 30 June 2014).
More information at http://www.arcep.fr/index.php?id=8710.