

MOBILE MARKET

1ST QUARTER 2016

TELECOMMUNICATIONS OBSERVATORY

04 may 2016

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The quarterly figures relating to the sales turnover and traffic are published three months after the end of the quarter within the “Telecommunications Observatory in France” to the following address: <http://www.arcep.fr/index.php?id=36>
Except opposite mention, indicators are in millions of units.

A - Mobiles services market - MtoM SIM cards excluded

I. NATIONAL REPORT - total customers and active customers

	March-15	June-15	Sept-15	Dece-15	March-16
Total customers	71,315	71,127	71,747	72,124	71,829
- Quarterly Net Adds	-0,360	-0,188	0,620	0,377	-0,295
- Year on year net growth (in %)	1,5%	0,6%	0,5%	0,6%	0,7%

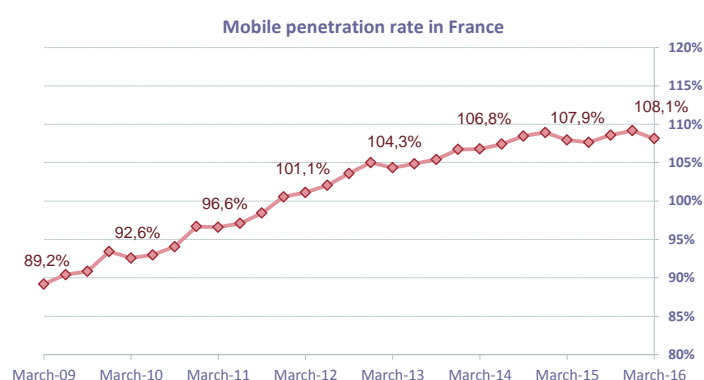
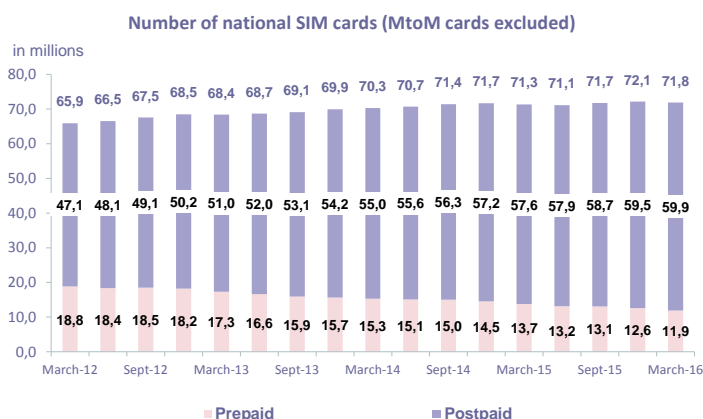
Penetration Rate	107,9%	107,6%	108,6%	109,2%	108,1%
Population at January the 1 st of previous year (source: INSEE)	66,073				66,433

Postpaid customers	57,570	57,947	58,654	59,547	59,906
- Quarterly Net Adds	0,412	0,377	0,707	0,893	0,359
- Year on year net growth (in %)	4,8%	4,2%	4,2%	4,2%	4,1%

Prepaid customers	13,746	13,180	13,091	12,577	11,923
- Quarterly Net Adds	-0,772	-0,565	-0,090	-0,514	-0,654
- Year on year net growth (in %)	-10,2%	-12,6%	-13,0%	-13,4%	-13,3%

	March-15	June-15	Sept-15	Dece-15	March-16
Total active customers	68,495	68,780	69,612	69,772	69,583
- as a % of total customers	96,0%	96,7%	97,0%	96,7%	96,9%
- Quarterly Net Adds	-0,090	0,285	0,831	0,161	-0,189
- Year on year net growth (in %)	2,3%	1,8%	2,0%	1,7%	1,6%

Adjusted figures



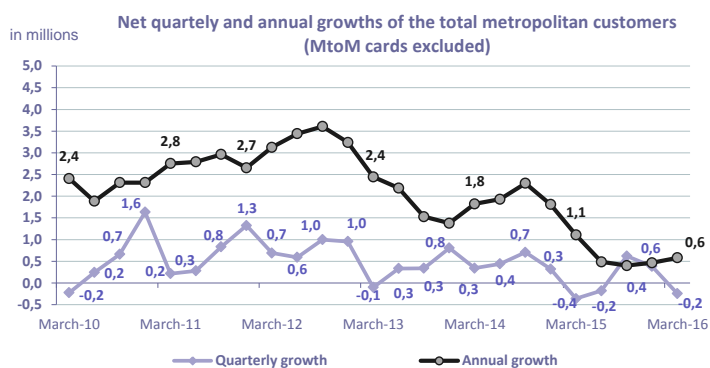
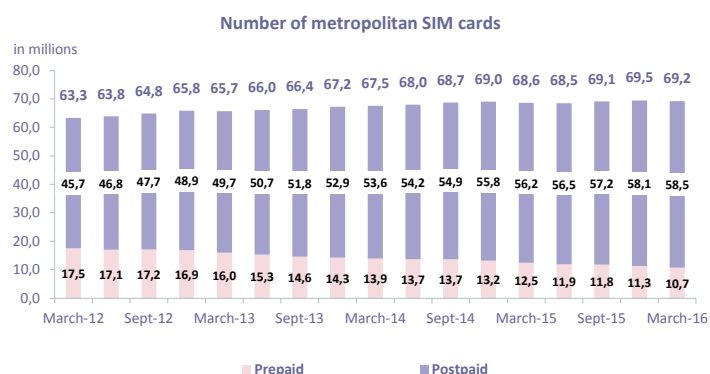
II. METROPOLITAN REPORT



II.1 Total customers segmentation and total active customers (excluding MtoM SIM cards)

	March-15	June-15	Sept-15	Dece-15	March-16
Total customers	68,632	68,452	69,074	69,457	69,212
among which Internet SIM cards	3,536	3,485	3,524	3,576	3,567
- Quarterly Net Adds	-0,360	-0,180	0,621	0,383	-0,245
- Year on year net growth (in %)	1,6%	0,7%	0,6%	0,7%	0,8%
Penetration Rate	107,4%	107,1%	108,1%	108,7%	107,7%
Population at January the 1st of previous year (source: INSEE)	63,920				64,277
Postpaid customers	56,182	56,540	57,243	58,115	58,464
among which Internet SIM cards	2,761	2,734	2,764	2,768	2,726
- Quarterly gross sales	2,839	2,740	2,898	3,918	2,938
- Quarterly Net Adds	0,409	0,359	0,703	0,872	0,349
- Year on year net growth (in %)	4,8%	4,2%	4,2%	4,2%	4,1%
Prepaid customers	12,450	11,912	11,829	11,342	10,747
among which Internet SIM cards	0,775	0,751	0,760	0,808	0,841
- Quarterly gross sales	2,118	2,407	2,308	2,137	1,803
- Quarterly Net Adds	-0,769	-0,538	-0,083	-0,487	-0,594
- Year on year net growth (in %)	-10,5%	-13,2%	-13,8%	-14,2%	-13,7%
Total active customers	66,185	66,472	67,302	67,426	67,236
- as a % of total customers	96,4%	97,1%	97,4%	97,1%	97,1%
- Quarterly Net Adds	-0,070	0,287	0,830	0,124	-0,190
- Year on year net growth (in %)	2,4%	1,9%	2,1%	1,8%	1,6%

Adjusted figures



II.2 Virtual mobile network operators (MVNO) market share



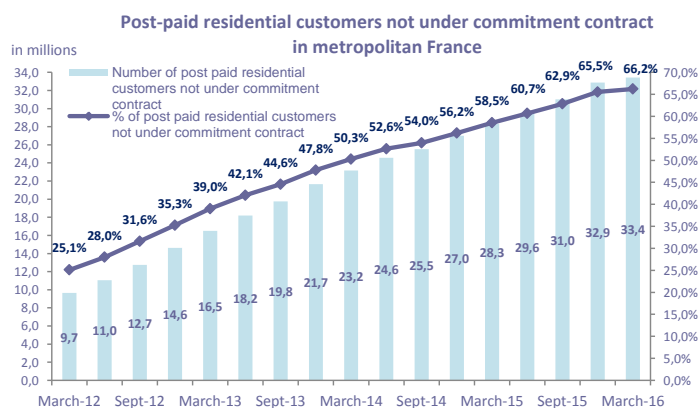
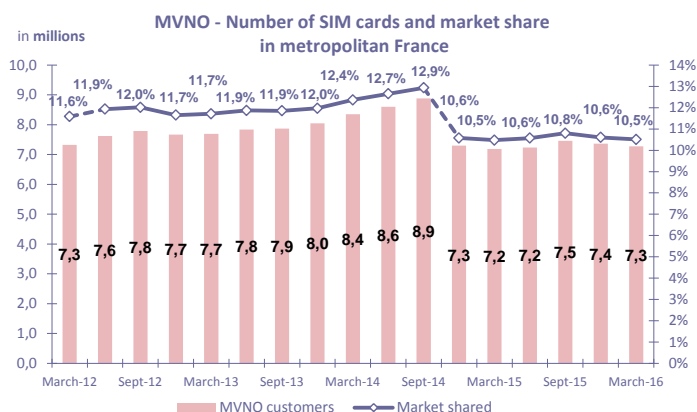
	March-15	June-15	Sept-15	Dece-15	March-16
Mobile networks operators (MNOs) customers	61,441	61,216	61,611	62,092	61,936
- Among which postpaid customers	53,204	53,456	54,098	54,819	55,144
- Quarterly Net Adds	-0,253	-0,226	0,395	0,481	-0,155
- Year on year net growth (in %)	3,8%	3,1%	3,0%	0,6%	0,8%
MVNOs customers	7,190	7,237	7,463	7,365	7,275
- Quarterly Net Adds	-0,107	0,046	0,226	-0,098	-0,090
- Year on year net growth (in %)	-13,9%	-15,8%	-16,0%	0,9%	1,2%
MVNO Market share	10,5%	10,6%	10,8%	10,6%	10,5%
MVNO Market share of gross postpaid sales	9,4%	9,7%	7,8%	9,6%	8,1%
MVNO Market share of gross prepaid sales	52,8%	52,9%	57,3%	50,3%	53,3%

II.3 Market fluidity

	March-15	June-15	Sept-15	Dece-15	March-16
Quarterly postpaid cancellation rate	4,4%	4,3%	3,9%	5,3%	4,5%
Quarterly prepaid cancellation rate	22,2%	24,0%	19,9%	22,4%	21,4%
Numbers ported during the quarter	1,373	1,270	1,265	2,016	1,510
- Year on year net growth (in %)	0,7%	6,6%	-3,9%	20,6%	10,0%
Post-paid residential customers not under commitment	28,320	29,551	31,027	32,875	33,442
- % of customers not under commitment contract	58,5%	60,7%	62,9%	65,5%	66,2%
Post-paid customers not under commitment contract	30,396	31,699	33,217	35,212	35,700
- % of customers not under commitment contract	54,1%	56,1%	58,0%	60,6%	61,1%

Not relevant growth (integration of Numericable et Omea Telecom in the MNOs market)

Adjusted figures



III. METROPOLITAN RESIDENTIAL AND BUSINESS MARKET



III.1 Residential market - Total customers segmentation

	March-15	June-15	Sept-15	Dece-15	March-16
Total residential customers	60,832	60,620	61,190	61,505	61,250
- Quarterly Net Adds	2,387	2,330	2,372	2,434	2,431
- Quarterly Net Adds	-0,441	-0,212	0,570	0,315	-0,255
- Year on year net growth (in %)	1,5%	0,4%	0,3%	0,4%	0,7%

Postpaid residential customers	48,382	48,708	49,361	50,163	50,503
- Quarterly gross sales	2,285	2,349	2,579	3,506	2,571
- Quarterly Net Adds	0,328	0,326	0,653	0,802	0,339
- Year on year net growth (in %)	5,1%	4,4%	4,4%	4,4%	4,4%

Prepaid residential customers	12,450	11,912	11,829	11,342	10,747
- Quarterly gross sales	2,118	2,407	2,308	2,137	1,803
- Quarterly Net Adds	-0,769	-0,538	-0,083	-0,487	-0,594
- Year on year net growth (in %)	-10,5%	-13,2%	-13,8%	-14,2%	-13,7%

III.2 Residential market - Mobile Virtual Network Operators Market share

	March-15	June-15	Sept-15	Dece-15	March-16
MNOs	53,909	53,656	54,008	54,435	54,269
- Quarterly Net Adds	-0,316	-0,253	0,352	0,427	-0,166
- Year on year net growth (in %)	4,0%	3,1%	3,1%	0,4%	0,7%

MVNOs	6,924	6,965	7,183	7,070	6,981
- Quarterly Net Adds	-0,125	0,041	0,218	-0,112	-0,089
- Year on year net growth (in %)	-14,6%	-16,6%	-16,7%	0,3%	0,8%

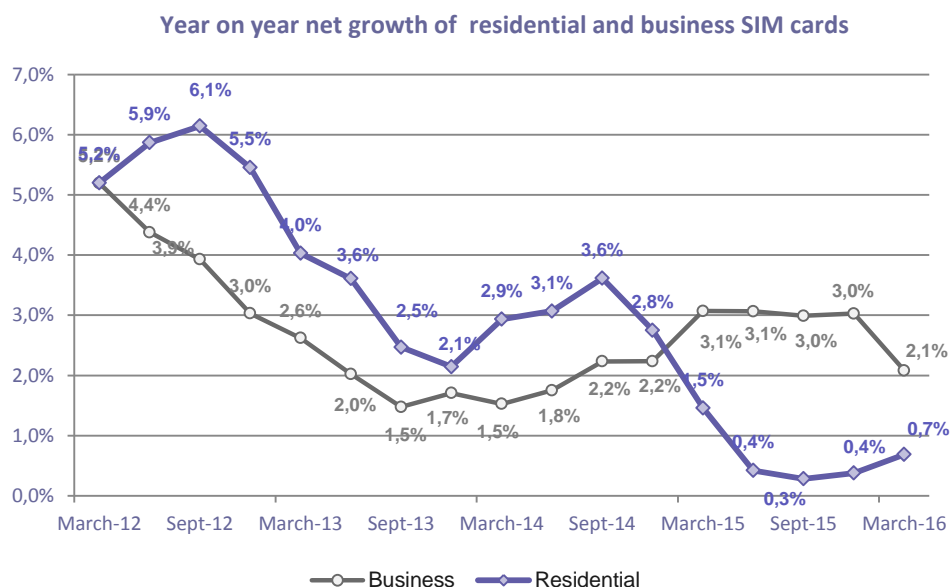
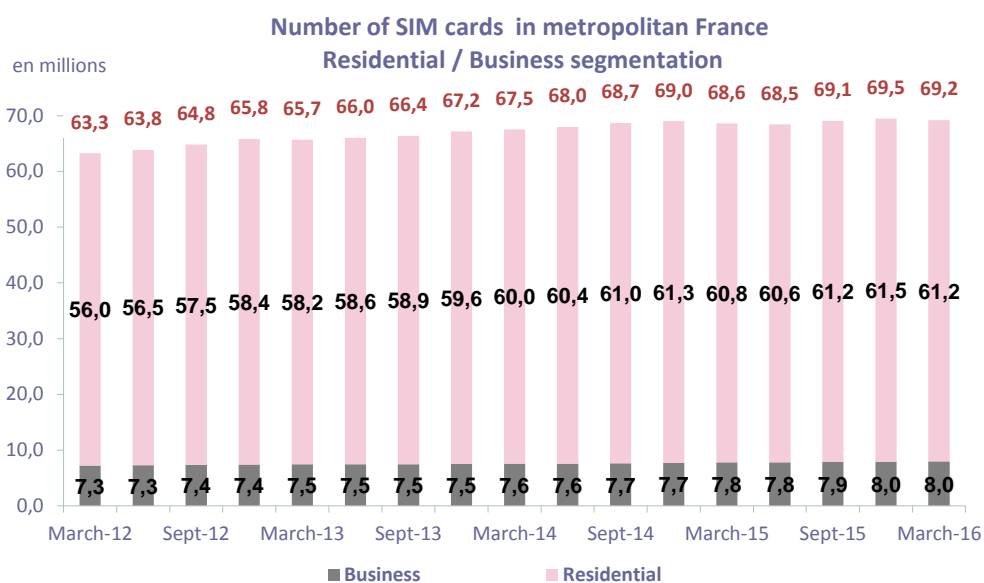
MVNO Market share	11,4%	11,5%	11,7%	11,5%	11,4%
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MVNO Market share of gross postpaid sales	10,0%	10,5%	8,2%	10,0%	8,7%
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Not relevant growth (integration of Numericable et Omea Telecom in the MNOs market)

III.3 Business market - total customers MtoM SIM cards excluded

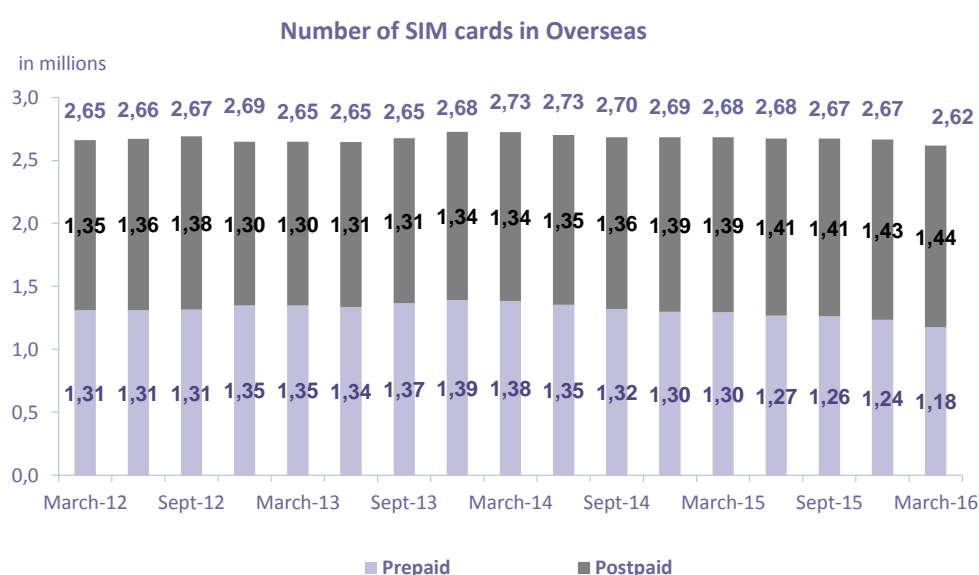
	March-15	June-15	Sept-15	Dece-15	March-16
Postpaid business customers	7,799	7,832	7,882	7,952	7,962
among which Internet SIM cards	1,149	1,155	1,152	1,142	1,136
- Quarterly Net Adds	0,081	0,033	0,050	0,070	0,010
- Year on year net growth (in %)	3,1%	3,1%	3,0%	3,0%	2,1%



IV. OVERSEAS REPORT : DOM, Saint-Martin, Saint-Barthélemy, Saint-Pierre-et-Miquelon

IV.1 Overseas departments: total customers and total active customers segmentation

	March-15	June-15	Sept-15	Dece-15	March-16
Total customers	2,683	2,675	2,673	2,667	2,617
- Quarterly Net Adds	0,000	-0,009	-0,002	-0,006	-0,050
- Year on year net growth (in %)	-1,5%	-1,0%	-0,5%	-0,6%	-2,5%
Penetration Rate	124,7%	124,3%	124,2%	123,9%	121,4%
<i>Population at January the 1st of previous year (source: INSEE)</i>	2,153				2,156
Postpaid customers	1,388	1,406	1,411	1,432	1,442
- Quarterly Net Adds	0,003	0,018	0,005	0,021	0,010
- Year on year net growth (in %)	3,4%	4,2%	3,4%	3,4%	3,9%
Prepaid customers	1,295	1,268	1,262	1,235	1,176
- Quarterly Net Adds	-0,003	-0,027	-0,007	-0,026	-0,060
- Year on year net growth (in %)	-6,4%	-6,3%	-4,5%	-4,9%	-9,2%
Total active customers	2,310	2,309	2,310	2,347	2,347
- as a % of total customers	86,1%	86,3%	86,4%	88,0%	89,7%
- Quarterly Net Adds	-0,020	-0,002	0,001	0,037	0,001
- Year on year net growth (in %)	-1,0%	-0,4%	-1,0%	0,7%	1,6%
Adjusted figures					



IV.2 Guadeloupe, St-Martin, St-Barth. total customers and total active customers segmentation



	March-15	June-15	Sept-15	Dece-15	March-16
Total customers	0,682	0,683	0,668	0,677	0,661
- Quarterly Net Adds	0,003	0,001	-0,015	0,009	-0,016
- Year on year net growth (in %)	-5,1%	-2,5%	-2,8%	-0,3%	-3,2%
Penetration Rate	151,7%	151,9%	148,5%	150,5%	148,1%
<i>Population at January the 1st of previous year (source: INSEE)</i>	0,450				0,446
Postpaid customers	0,322	0,327	0,325	0,328	0,329
- Quarterly Net Adds	0,000	0,004	-0,002	0,003	0,001
- Year on year net growth (in %)	2,7%	3,6%	2,2%	1,8%	1,9%
Prepaid customers	0,360	0,356	0,343	0,349	0,332
- Quarterly Net Adds	0,003	-0,003	-0,014	0,006	-0,017
- Year on year net growth (in %)	-11,2%	-7,5%	-7,1%	-2,2%	-7,7%
Total active customers	0,573	0,575	0,573	0,582	0,588
- as a % of total customers	84,0%	84,2%	85,8%	86,0%	88,9%
- Quarterly Net Adds	-0,001	0,002	-0,002	0,009	0,005
- Year on year net growth (in %)	-0,4%	0,5%	0,8%	1,3%	2,5%
Adjusted figures					

IV.3 Guyane: total customers and total active customers segmentation



	March-15	June-15	Sept-15	Dece-15	March-16
Total customers	0,320	0,325	0,336	0,306	0,298
- Quarterly Net Adds	-0,001	0,005	0,011	-0,030	-0,008
- Year on year net growth (in %)	1,4%	1,6%	6,4%	-4,7%	-7,1%
Penetration Rate	127,9%	130,0%	134,2%	122,3%	116,7%
<i>Population at January the 1st of previous year (source: INSEE)</i>	0,250				0,255
Postpaid customers	0,114	0,115	0,115	0,116	0,116
- Quarterly Net Adds	0,000	0,001	0,000	0,001	0,000
- Year on year net growth (in %)	3,9%	3,7%	2,2%	1,4%	1,7%
Prepaid customers	0,206	0,210	0,221	0,190	0,182
- Quarterly Net Adds	-0,001	0,004	0,011	-0,031	-0,009
- Year on year net growth (in %)	0,1%	0,4%	8,7%	-8,0%	-11,9%
Total active customers	0,257	0,259	0,257	0,260	0,258
- as a % of total customers	80,1%	79,6%	76,6%	85,0%	86,5%
- Quarterly Net Adds	0,000	0,002	-0,002	0,003	-0,003
- Year on year net growth (in %)	1,5%	3,0%	1,1%	1,4%	0,3%
Adjusted figures					

IV.4 Martinique: total customers and total active customers segmentation



	March-15	June-15	Sept-15	Dece-15	March-16
Total customers	0,586	0,580	0,584	0,585	0,557
- Quarterly Net Adds	-0,001	-0,006	0,004	0,001	-0,028
- Year on year net growth (in %)	-0,8%	-2,0%	-0,8%	-0,4%	-5,0%
Penetration Rate	153,8%	152,1%	153,2%	153,3%	147,3%
<i>Population at January the 1st of previous year (source: INSEE)</i>	0,381				0,378
Postpaid customers	0,305	0,307	0,306	0,307	0,308
- Quarterly Net Adds	0,000	0,002	-0,001	0,002	0,001
- Year on year net growth (in %)	1,8%	2,3%	1,1%	0,7%	1,2%
Prepaid customers	0,282	0,273	0,278	0,277	0,248
- Quarterly Net Adds	0,000	-0,009	0,005	-0,001	-0,029
- Year on year net growth (in %)	-3,5%	-6,3%	-2,8%	-1,6%	-11,8%
Total active customers	0,479	0,473	0,471	0,472	0,475
- as a % of total customers	81,6%	81,6%	80,6%	80,7%	85,2%
- Quarterly Net Adds	-0,004	-0,005	-0,003	0,001	0,003
- Year on year net growth (in %)	-1,1%	-1,8%	-3,4%	-2,2%	-0,9%
Adjusted figures					

IV.5 Mayotte: total customers and total active customers segmentation



	March-15	June-15	Sept-15	Dece-15	March-16
Total customers	0,220	0,220	0,223	0,229	0,232
- Quarterly Net Adds	0,003	0,000	0,003	0,006	0,003
- Year on year net growth (in %)	6,6%	7,5%	8,4%	5,3%	5,5%
Penetration Rate	100,0%	100,0%	101,5%	104,0%	102,3%
<i>Population at January the 1st of previous year (source: INSEE)</i>	0,220				0,227
Postpaid customers	0,052	0,052	0,054	0,057	0,059
- Quarterly Net Adds	0,002	0,000	0,002	0,002	0,002
- Year on year net growth (in %)	15,8%	13,1%	13,0%	12,9%	13,4%
Prepaid customers	0,168	0,168	0,169	0,172	0,173
- Quarterly Net Adds	0,001	0,000	0,001	0,003	0,001
- Year on year net growth (in %)	4,0%	5,9%	6,9%	3,0%	3,0%
Total active customers	0,193	0,193	0,197	0,207	0,205
- as a % of total customers	87,6%	87,6%	88,1%	90,3%	88,3%
- Quarterly Net Adds	-0,001	0,000	0,004	0,010	-0,002
- Year on year net growth (in %)	9,5%	8,8%	9,8%	6,8%	6,3%

IV. 6 Réunion: total customers and total active customers segmentation



	March-15	June-15	Sept-15	Dece-15	March-16
Total customers	0,871	0,862	0,858	0,867	0,866
- Quarterly Net Adds	-0,005	-0,009	-0,004	0,009	-0,001
- Year on year net growth (in %)	-2,0%	-2,2%	-3,0%	-1,0%	-0,5%
Penetration Rate	103,0%	102,0%	101,5%	102,6%	102,6%
<i>Population at January the 1st of previous year (source: INSEE)</i>	0,845				0,844
Postpaid customers	0,593	0,602	0,609	0,621	0,627
- Quarterly Net Adds	0,002	0,010	0,006	0,013	0,006
- Year on year net growth (in %)	3,6%	4,9%	4,7%	5,1%	5,8%
Prepaid customers	0,278	0,259	0,249	0,246	0,239
- Quarterly Net Adds	-0,007	-0,019	-0,010	-0,003	-0,006
- Year on year net growth (in %)	-12,3%	-15,5%	-17,8%	-13,8%	-13,9%
Total active customers	0,805	0,804	0,808	0,822	0,818
- as a % of total customers	92,5%	93,3%	94,2%	94,8%	94,5%
- Quarterly Net Adds	-0,015	-0,001	0,004	0,014	-0,003
- Year on year net growth (in %)	-4,3%	-3,3%	-4,0%	0,2%	1,7%

B - Internet of things : MtoM SIM cards

I. MtoM CARDS OF FRENCH OPERATORS

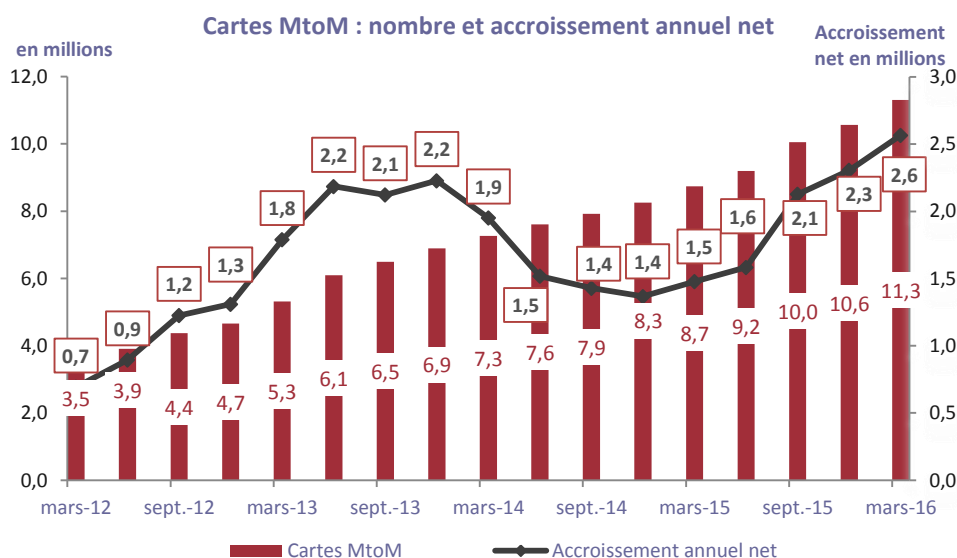
	March-15	June-15	Sept-15	Dece-15	March-16
MtoM SIM cards	8,742	9,192	10,047	10,562	11,307
-Gross sales for the quarter	0,559	0,558	0,909	0,673	0,961
- Quarterly Net Adds	0,485	0,450	0,855	0,514	0,745
- Year on year net growth (in %)	20,3%	20,8%	26,8%	27,9%	29,3%

I.1 MtoM CARDS OF FRENCH OPERATORS - METROPOLITAN

	March-15	June-15	Sept-15	Dece-15	March-16
MtoM SIM cards	8,721	9,170	10,025	10,538	11,283
- Quarterly Net Adds	0,486	0,449	0,854	0,514	0,744
- Year on year net growth (in %)	20,4%	20,8%	26,9%	28,0%	29,4%

I.2 MtoM CARDS OF FRENCH OPERATORS - OVERSEAS DEPARTMENTS

	March-15	June-15	Sept-15	Dece-15	March-16
MtoM SIM cards	0,021	0,022	0,023	0,023	0,024
- Quarterly Net Adds	-0,001	0,001	0,001	0,001	0,001
- Year on year net growth (in %)	5,0%	6,8%	7,4%	7,8%	14,4%



Appendix: DEFINITIONS

Total SIM cards: Total SIM cards registered with an operator's Home Location Register (HLR) at the date in question. So, for business clients, each line is considered as a post-paid contract. Post-paid cards are those whose service is invoiced regularly (packages, metered offers, blocked accounts, etc.). By default, any non-post-paying client is considered to be a pre-paying client.

Internet SIM cards: number of SIM cards sold by mobile operators (flat rates or prepaid cards), to be used solely for accessing the Internet (PCMCIA cards, 3G/3G+ USB keys). These cards cannot be used to make voice calls.

Gross sales: total SIM cards at the end of the quarter which are registered with the HLR during the quarter. They exclude migrations: pre-paid to post-paid migration corresponds to clients asking their operator to replace their pre-paid offer in force at the beginning of the quarter with a post-paid offer; conversely, post-paid to pre-paid migration corresponds to clients asking their operator to replace their post-paid offer in force at the beginning of the quarter with a pre-paid offer.

Cancellation: Total SIM cards at the beginning of the quarter whose registration in the HLR was deleted during the quarter. Modifications to the registration in the HLR are not cancellations. So, this definition does not cover changes in offers within a line, or pre- to post-paid migrations or post- to pre-paid migrations, or service suspensions.

Penetration rate: Penetration rate: it is obtained by dividing the total number of clients by the population. The reference population is 1st January of the year N-1 published by INSEE on the 1st January of the year N. The reference population in 2016, from estimates published in January 2016 (and therefore of the population for January 1st, 2015), includes a metropolitan population 64 277 000 people, to which is added, for the DOM and the COM, a population of 2 155 000 people (446 000 people for Guadeloupe, St-Martin and St-Barthelemy, 255 000 people for Guyana, 378 000 people for Martinique, 227 000 people for Mayotte, 844 000 people for La Réunion and 6 300 for Saint Pierre and Miquelon).

Customers not under commitment contract: a client under a commitment contract is any client having taken out or renewed a contract (out of all or part of the contracts related to mobile service) for a minimum period not having expired at the date in question. A client not under commitment contract is any client not having a contract.

Total active customers: the number of active clients equals to all post-paid customers under contract and pre-paid customers under contract having made or received a telephone call, whether free or paid, sent a SMS, MMS or used a multimedia (e-mail, etc.) service during the past three months (not including incoming SMS).

Number of ported numbers : is calculated as half of the volume of numbers of "in" porting and "out" porting done by all operators. "In" porting is considered to be an effective porting from the receiving operator's point of view. "Out" porting is an effective porting from the donor operator's point of view.

Total MtoM cards: **number** of SIM cards used for communication between remote equipment (remote management of equipment, terminals and servers, fixed or mobile). The communications from these cards are generally carried out without human intervention. These cards are used for example for tracking of objects and tools (fleets of vehicles, machinery, etc.), for purposes of updating of data (surveys at distance of meters, sensors...), for the identification and monitoring of all kinds (alarms, remote actions...), the list of those uses where communication is from "machine to machine" is not limited. Are taken into account the MtoM SIM cards, the communication was done only in downstream, only upstream or both. The cards used for interpersonal communication and exclusive internet cards are not included here.

Operators

Metropolitan mobile network operators: Orange, Société Française du Radiotéléphone (SFR), Bouygues Telecom, Free mobile.

Overseas mobile network operators : Orange Caraïbes, Orange Réunion, Société Réunionnaise du Radiotéléphone (SRR), Digicel AFG, SAS SPM, Globaltel, Dauphin Telecom, Outremer Telecom, Telco OI.

Mobile Virtual Network Operators independent of mobile network operators active on the quarter.