

June 2011

Electronic communications in France: key figures

Figures for 2010



Operator characteristics

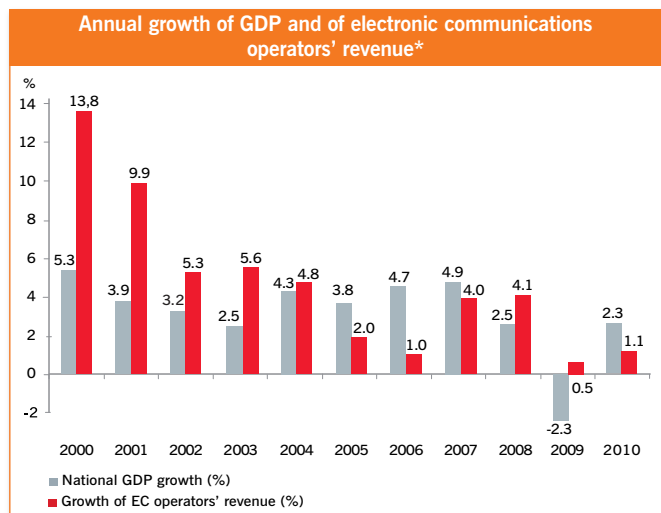
Unless otherwise stated,
the figures in this document
are for 2010.

GENERAL MARKET DATA

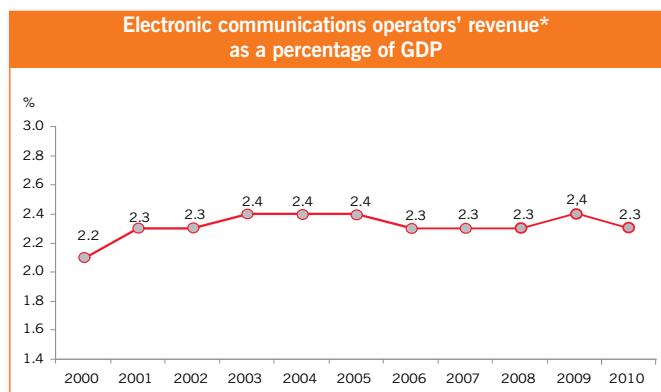
In 2010, businesses producing information and communication technologies (ICT) **goods and services**, which include, computing, the Internet and electronic communications, generated € 97 billion in revenue, or 5% of France's GDP.

This document focuses on the retail market for electronic communication services.

These services generated €41.2* billion in revenue in France in 2010, or 0.5% more than in 2009.



Source: ARCEP, INSEE.



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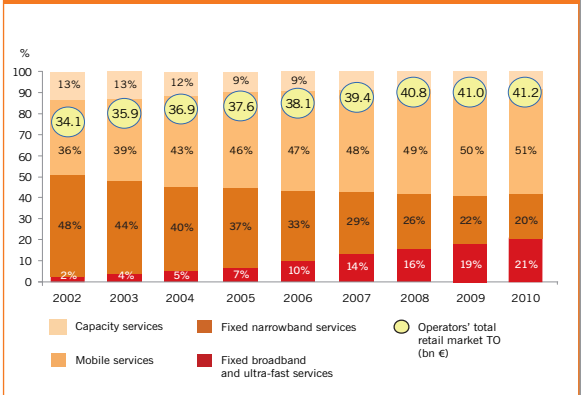
* €45.1 billion in revenue – a 1.1% increase compared to 2009 – which also includes income from terminal sales and rental, hosting and call centre management, printed directories, advertising and file sales.

TURNOVER

Electronic communications services are made up of **four segments**:

- **mobile services which generated €20.9 billion** a 2.6% increase compared to 2009;
- **fixed narrowband services which generated €8.2 billion**, a 9.7% decrease compared to 2009;
- **fixed broadband and ultra-fast broadband services which generated €8.5 billion**, or 8.9% more than in 2009;
- **fixed capacity services (leased lines and data transport) which generated €3.6 billion**, or 3.5% less than in 2009.

Electronic communications services retail TO and breakdown by segment between 2002 and 2010

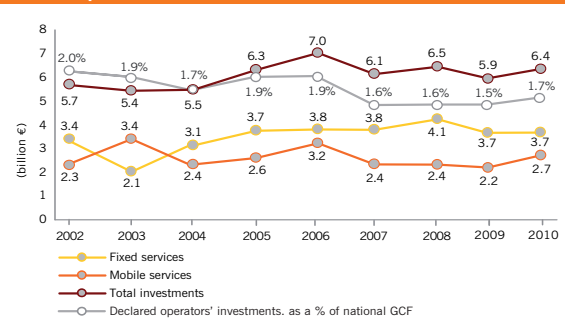


Source: ARCEP.

INVESTMENT

- **The electronic communications sector invested €6.4 billion**, which marks an 8.3% rise compared to 2009 and represents 1.7% of total national spending.
- After having increased between 2003 and 2008, investments in fixed services held steady in 2010, and account for more than half of total expenditures.
- Investments in mobile services rose sharply in 2010, after having decreased by 10% in 2009.

Evolution of electronic communications operators' investments between 2002 et 2010



Source: ARCEP, INSEE.

EMPLOYMENT

- **The electronic communications sector represents 124,000 direct jobs**, which is roughly the same as in 2009.
- Telecom carriers' personnel numbers remained unchanged in 2010, whereas they had been shrinking steadily for over ten years.

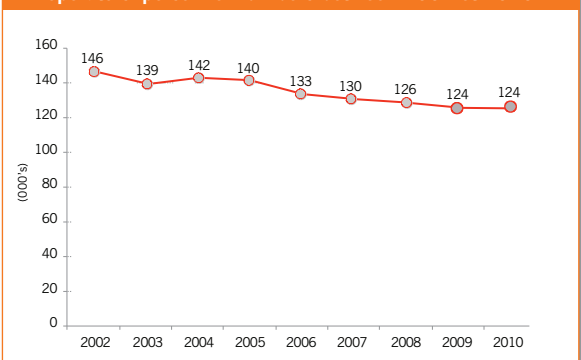
The leading carriers' personnel in France
*in 2010

	Direct jobs
France Telecom	102 000
Groupe SFR Neuf	10 021
Bouygues Telecom	9 182
Groupe Iliad	4 355

* These figures include the employees of French subsidiaries

Source: Operators' reports.

Evolution of electronic communications operators' personnel numbers between 2002 et 2010



Source: ARCEP.

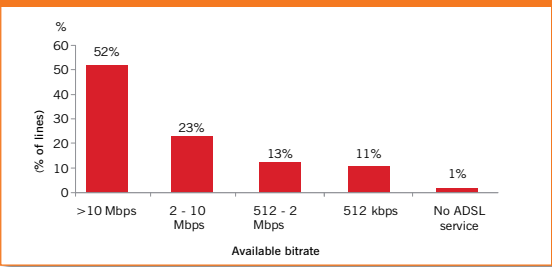
Consumer services

EQUIPMENT

As of 31 December 2010 in France, there are:

- **35.2 million fixed lines supplying a telephone service;**
- **21.3 million broadband and ultra-fast broadband Internet subscriptions, of which 460,000 are ultra-fast broadband accounts;**
- **71% of households with a micro-computer;**
- **63.2 million active mobile subscribers,** which represents a penetration rate of 98% of the population.

Breakdown of the national ADSL base by theoretical throughput



Source: ARCEP

COVERAGE

Fixed services

- 99% of fixed lines are eligible to supply broadband access to the Internet.

Mobile services

- 99.8% of the population are covered by 2G networks.
- 95% of the population are covered by 3G networks (forecast for end of 2011: 98%).

NUMBER PORTABILITY

Fixed services

- **2,5 million fixed numbers were retained** by customers when switching operators.

Mobile services

- **2,3 million mobile numbers were retained** by customers when switching operators.

QUALITY OF SERVICE

Quality of the universal fixed telephone service.

In 2010 :

- the average time it takes to supply an initial connection is 6.1 days (vs. 5.3 days in 2009);
- the unsuccessful call ratio stands at 0.29% (0.2% in 2009) and 21.5% of faults were not resolved within the timeframe stipulated in the customer's contract (vs. 16.3% in 2009).

Mobile services

In 2009 :

- 95% success rate for call completion and maintenance for a duration of two minutes with a perfect and stable quality, the same as in 2008;
- data rates on mobile networks at the end of 2009:
 - download: 2.2 Mbit/s on average, and over 5 Mbit/s for the fastest connections;
 - file transfer: 1.2 Mbit/s on average, and over 1.7 Mbit/s for the fastest connections.

USAGE

In 2010, 217 billion calling minutes consumed, of which 114 billion over fixed lines and 103 billion over mobile lines.

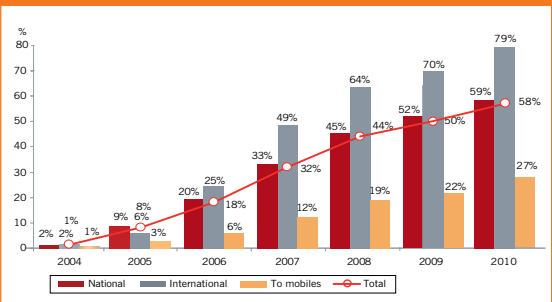
Fixed services

- Voice over IP (excl. software-based solutions like Skype) calls from a triple play box represented 65 billion voice minutes, or 16.3% more than in 2009.
- **10.7 million** subscriptions eligible to receive TV over DSL services, compared to 8.8 million at the end of 2009 (+21%).

Mobile services

- **103 billion SMS and MMS** sent in 2010 compared to 63 billion in 2009 (+63%). This market segment has been growing at a tremendous pace, spurred by mobile carriers' "unlimited" offers.

Share of fixed line calls originating on an IP connection, by call destination



Source: ARCEP

- **There were 22.5 million active 3G subscribers** in France at the end of 2010, a 27% increase over 2009. These users now represent 35% of mobile carriers' customers.

International benchmarks

EQUIPMENT and CONSUMPTION

The broadband penetration rate in France is among the highest in Europe. French mobile carriers continue to report a healthy increase in revenue, and high consumption levels of close to 2.3 hours a month, per subscriber. The mobile telephony penetration rate measures the number of SIM cards as a percentage of the population, and takes account of the fact that some users have more than one mobile line.

Computer, broadband and mobile telephony penetration rates, and revenue growth for 2010, by segment, in the main European markets					
	France	Germany	Spain	Italy	The UK
					
FIXED					
% of households equipped with a computer, end of 2010	71%	80%	69%	58%	77%
Broadband penetration rate, end of 2010 (% of households)	69%	65%	57%	57%	75%
Increase in broadband penetration rate in 2010 (in % points)	+7	+3	+6	+3	+2
MOBILE					
Mobile telephony penetration rate, end of 2010 (tot. pop. - active users)	98%	133%	110%	150%	131%
Increase in the mobile penetration rate in 2010 (in % points)	+4.3	+1.0	+0.9	+3.6	+2.0
Average number of calling minutes per customer, a month	147	78	138	113	129

Source: ARCEP, BNETZA, CMT, AGCOM, OFCOM.

Glossary

- 2G:** second-generation mobile system (GSM).

3G: third-generation mobile system (UMTS). These networks make it possible to provide access to a wide range of new services, particularly high-speed Internet access and TV, thanks to the introduction of packet-switching technology on mobile networks.

Broadband: On wireline networks, a technology is said to be broadband if it makes it possible to achieve data rates above those supplied by narrowband technologies, which are limited to 128 kbps, regardless of access network (ADSL and SDSL, cable, wireless local loop, satellite and Wi-Fi connections). Broadband technologies also enable the simultaneous use of the traditional switched telephone service.

Electronic communications: The transmission or reception of signs or signals, writing, images or sounds over an electromagnetic channel.
- Electronic communications services:** services that consist entirely or primarily of the supply of electronic communications. This does not include services that consist of the production or distribution of communication services to the public over an electronic channel (television, etc.).

Internet: a group of variable-sized networks interconnected by the Internet protocol (IP) over which a wide range of electronic communications services can be provided.

Narrowband fixed services: services provided over the classic telephone network.

SMS (Short message service): text messages which are transmitted over the GSM mobile network signalling channels and have a maximum length of 160 characters. Transmission of these messages on the GSM network is standardised.

VoBB (Voice over broadband): technique that uses the Internet protocol to transport voice over an electronic communications network.



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