arcep autorité de régulation des communications électroniques et des postes

RÉPUBLIQUE FRANCAISE

ELECTRONIC COMMUNICATIONS SERVICES IN FRANCE

3RD QUARTER 2018

ELECTRONIC COMMUNICATIONS MARKET OBSERVATORY

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Synthesis

Revenue on the retail market *(millions of euros VAT excluded)*	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q218
Fixed services (including leased lines and data transport networks)	*4 290*	4 337	*4 266*	4 214	4 215	-1,7%
Mobile services (MtoM included)	3 282	3 306	3 197	3 259	3 319	1,1%
Value-added services and directory services	286	294	258	253	239	-16,4%
Electronic communications services	*7 858*	7 936	*7 720*	7 726	7 774	-1,1%
Others revenues	*1 193*	*1 436*	*1 164*	*1 076*	1 159	-2,8%
Overall market	*9 051*	*9 373*	*8 884*	*8 802*	8 933	-1,3%

adjusted figures are in italics

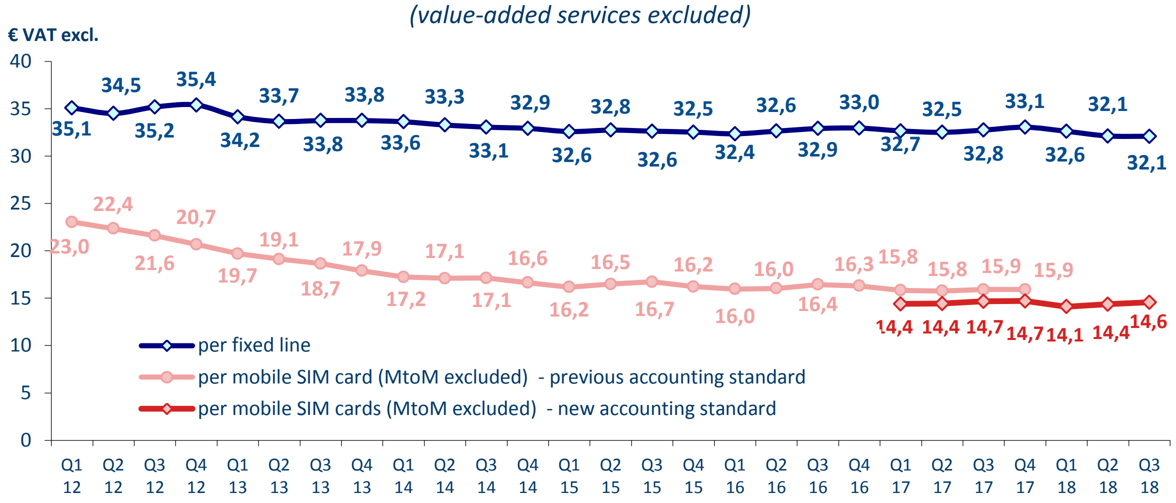
Note: "Others revenues" are not, strictly speaking, part of the electronic communications services market. The contribution reported by the operators gives only a partial view of these market segments. This topic covers the income related to sale and rental of terminals and equipment (fixed, mobile and internet), hosting and management of call centres, paper directories, advertising and file transfer.

The new accounting standard IFRS 15 applied by operators since January 1, 2018, mainly leads to a transfer of revenue from mobile services toward revenue of mobile terminals (line « other revenue »). Revenues in the table above are presented at a constant scope, i.e., after application of the new accounting standard. For more information, see the appendix on p. 39.

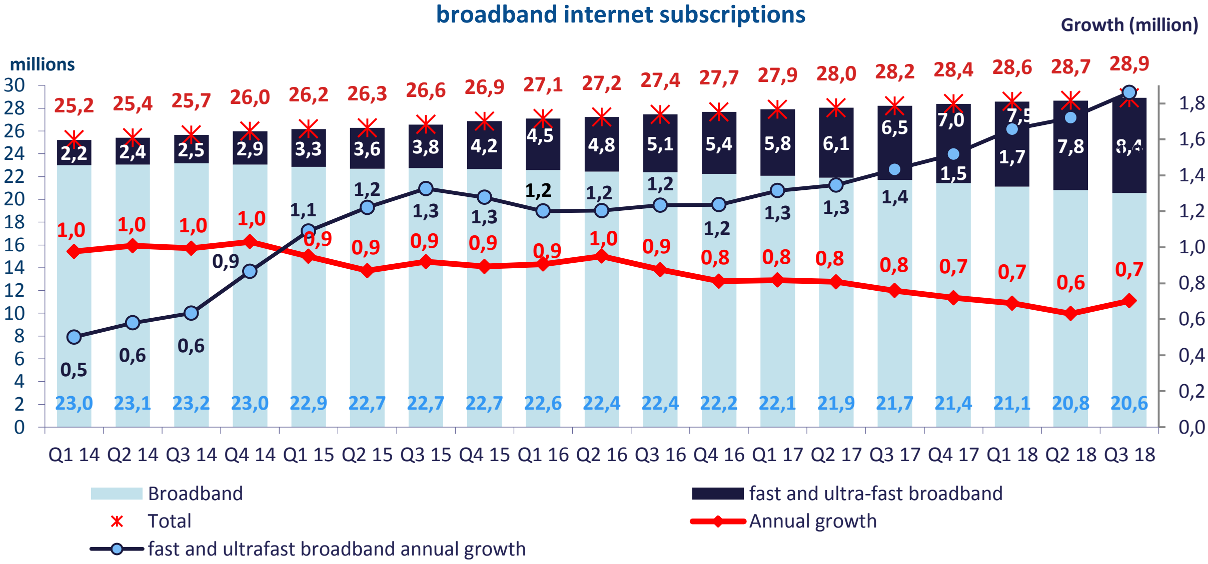
Notes:

- *Potential data revisions for one quarter from one publication to another are explained by corrections made by the operators in their declaration. The discrepancies that may exist between the annual growth in % and the posted levels are related to rounding.*
- *All revenues are exclusive of taxes. All comparisons are for Quarter N compared to the same quarter of the previous year, unless otherwise stated.*
- *Open data can be downloaded in Excel format on the ARCEP website here or on the site data.gouv.fr*

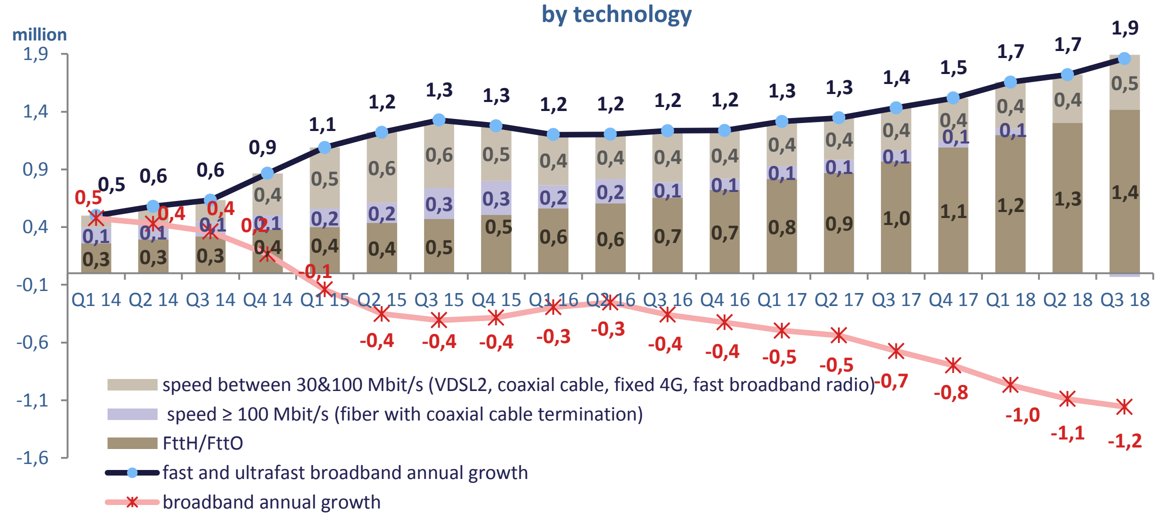
Average monthly bill (voice & data)
(value-added services excluded)

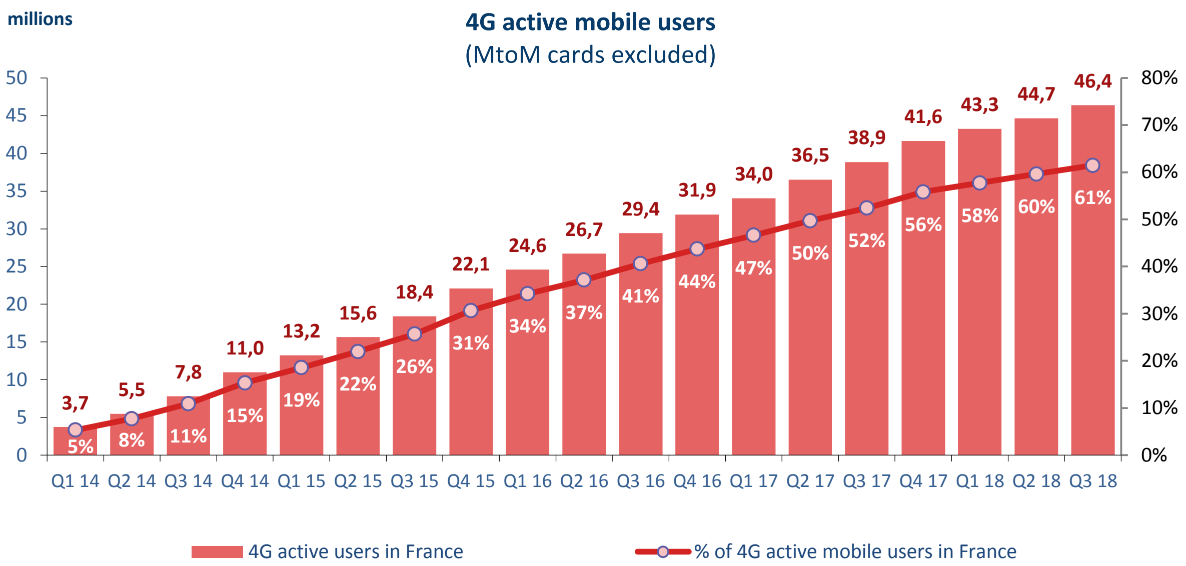


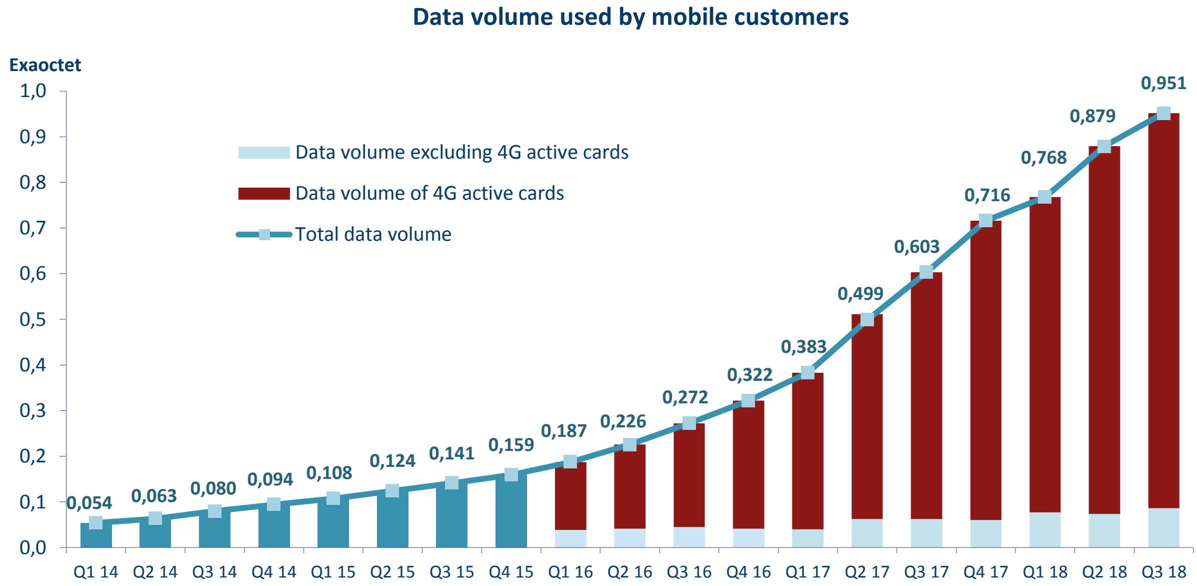
Number and annual increase of broadband internet subscriptions



Annual increase of fast and ultra-fast broadband internet subscriptions by technology




millions
4G active mobile users
(MtoM cards excluded)
4G active users in France
% of 4G active mobile users in France
3,7 5,5 7,8 11,0 13,2 15,6 18,4 22,1 24,6 26,7 29,4 31,9 34,0 36,5 38,9 41,6 43,3 44,7 46,4
5% 8% 11% 15% 19% 22% 26% 31% 34% 37% 41% 44% 47% 50% 52% 56% 58% 60% 61%
Q1 14 Q2 14 Q3 14 Q4 14 Q1 15 Q2 15 Q3 15 Q4 15 Q1 16 Q2 16 Q3 16 Q4 16 Q1 17 Q2 17 Q3 17 Q4 17 Q1 18 Q2 18 Q3 18


Data volume used by mobile customers
Exaoctet
Data volume excluding 4G active cards
Data volume of 4G active cards
Total data volume
0,054 0,063 0,080 0,094 0,108 0,124 0,141 0,159 0,187 0,226 0,272 0,322 0,383 0,499 0,603 0,716 0,768 0,879 0,951
Q1 14 Q2 14 Q3 14 Q4 14 Q1 15 Q2 15 Q3 15 Q4 15 Q1 16 Q2 16 Q3 16 Q4 16 Q1 17 Q2 17 Q3 17 Q4 17 Q1 18 Q2 18 Q3 18

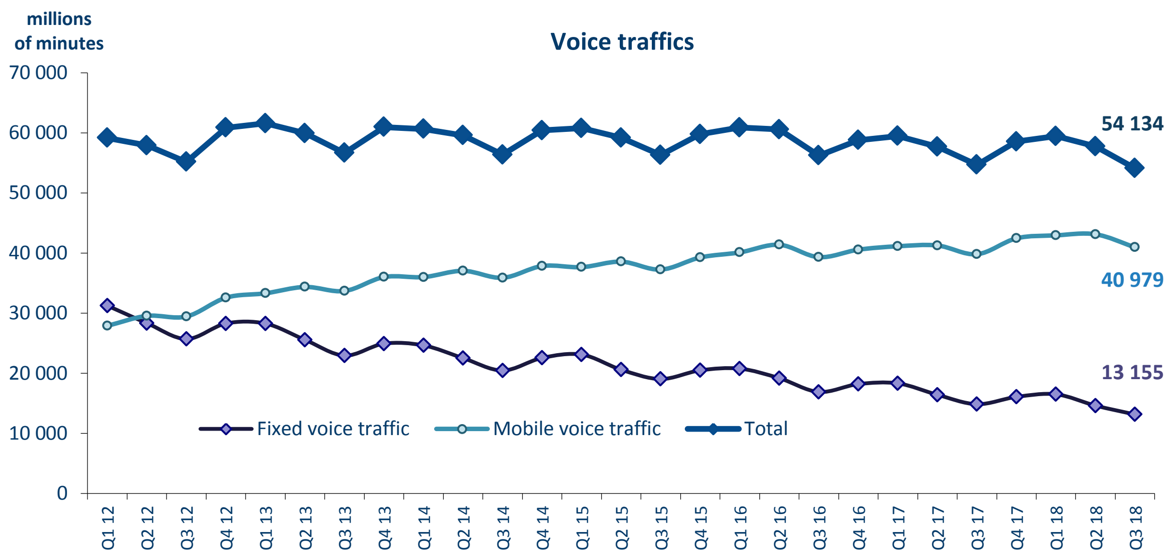

millions
of minutes
Voice traffics
54 134
40 979
13 155
Fixed voice traffic
Mobile voice traffic
Total

Table of contents

1 Fixed networks services - retail market

1.1 Internet access and telephony services

1.1.1 Broadband, fast and ultra-fast broadband Internet access

Broadband subscriptions *(millions of units)*	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Broadband	**21,717**	**21,432**	**21,109**	**20,820**	**20,559**	**-5,3%**
of which xDSL	21,195	*20,895*	*20,576*	*20,283*	19,986	-5,7%
of which other broadband ADcesses	0,522	0,537	0,533	0,537	0,573	9,7%
Fast and ultra-fast broadband	**6,491**	**6,966**	**7,481**	**7,847**	**8,351**	**28,7%**
of which with a speed equal or greater than 100 Mbit/s	**4,242**	**4,597**	**4,948**	**5,255**	**5,626**	**32,6%**
of which fiber to the home and fiber to the office	2,896	3,255	3,615	3,936	4,314	49,0%
of which fiber with coaxial cable termination	1,345	1,342	1,333	1,319	1,312	-2,5%
of which with a speed ≥ 30 and < 100 Mbit/s (VDSL2 & coaxial cable, fixed 4G, fast broadband radio)	**2,249**	**2,369**	**2,533**	**2,592**	**2,724**	**21,1%**
Total number of broadband internet subscriptions	**28,208**	**28,398**	***28,590***	***28,667***	**28,910**	**2,5%**

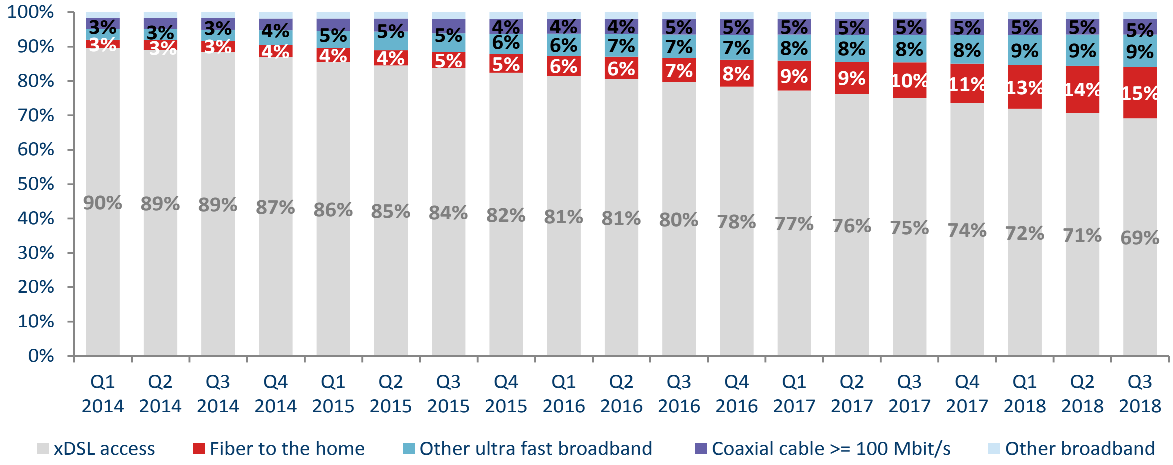
adjusted figures are in italics

Overseas broadband internet subscriptions *(millions of units)*	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Total number of subcriptions	**640**	**642**	**640**	**639**	**636**	**-0,6%**

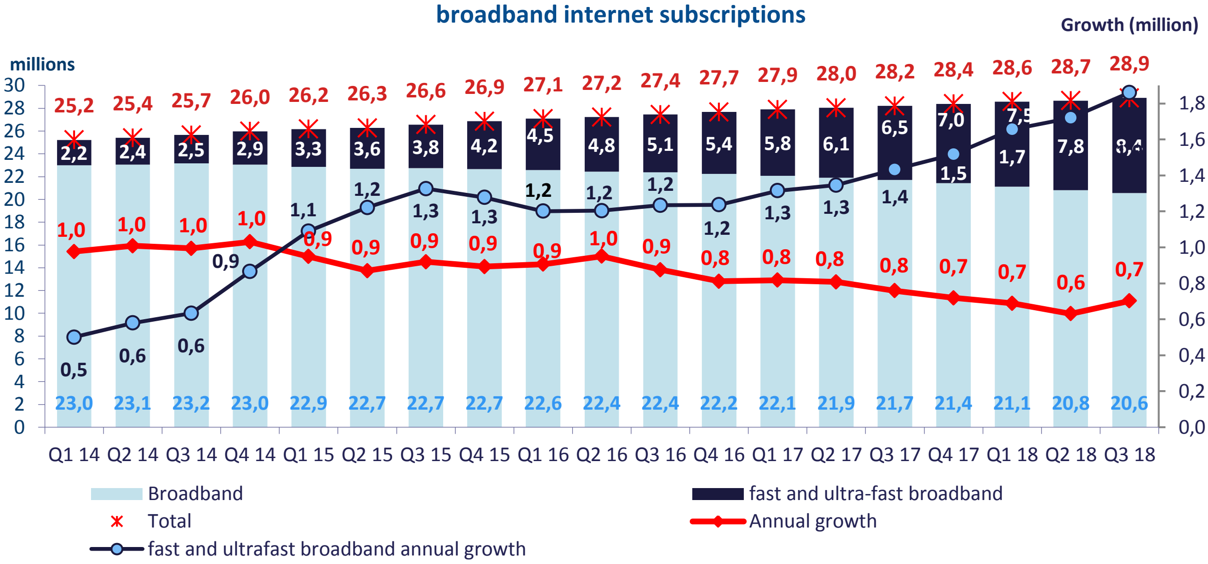
Notes :

- *Broadband subscriptions are counted as fast broadband internet subscriptions when the download speed is greater than or equal to 30 Mbit/s. This category includes fiber to the home or to the office (FttH, FttO) subscriptions, "hybrid fiber coaxial cable" (HFC) subscriptions, fiber with coaxial cable termination (FttLA) subscriptions, and VDSL2 subscriptions with a download speed greater than or equal to 30 Mbit/s. Other subscriptions with a speed greater than or equal to 100 Mbit/s are also published.*
- *4G SIM cards only dedicated to fixed internet usage are also counted in fast broadband accesses. These cards are used by the business customers (routers) and residential customers (4G box) and cannot be used in situation of mobility. These offers needs to be distinguished from other types of technologies, such as wireless networks deployed by some actors in order to provide fixed Internet access services, such as Wimax networks, Wi-Fi or "fast broadband radio" networks, which consists of more bandwidth from Wimax to LTE technology.*
- *There can be a delay between the delivery of an offer on 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, whose access to the lines in indirect distribution opened October 27, 2014.*

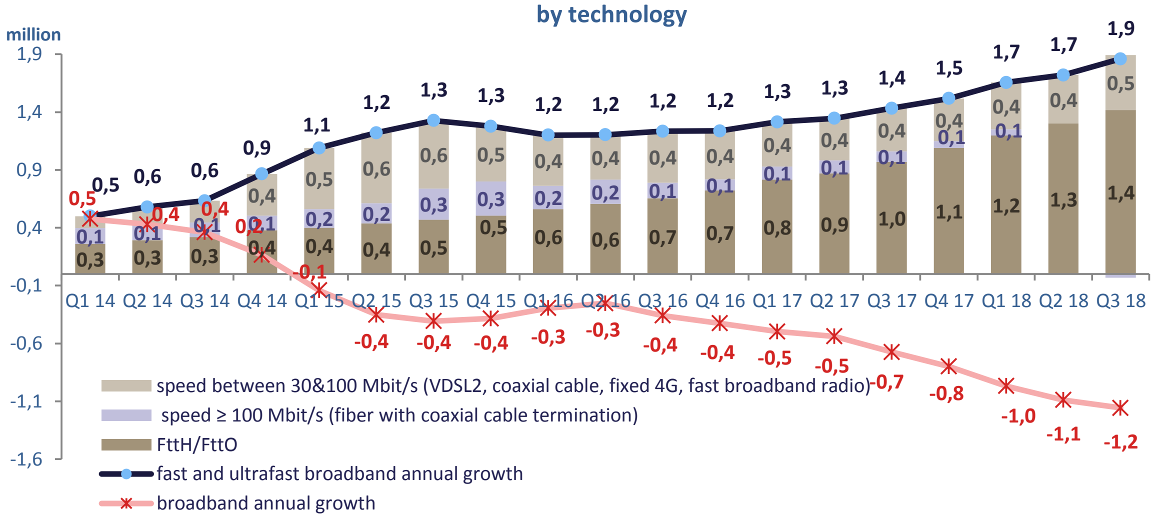
Breakdown of internet broadband subscriptions par flow rate and technology

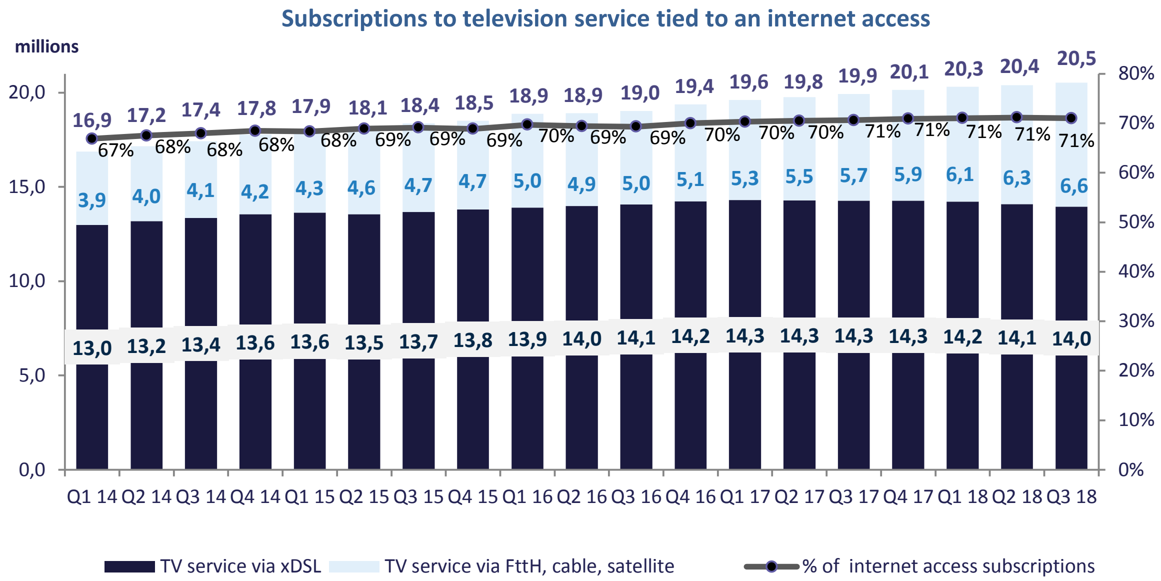


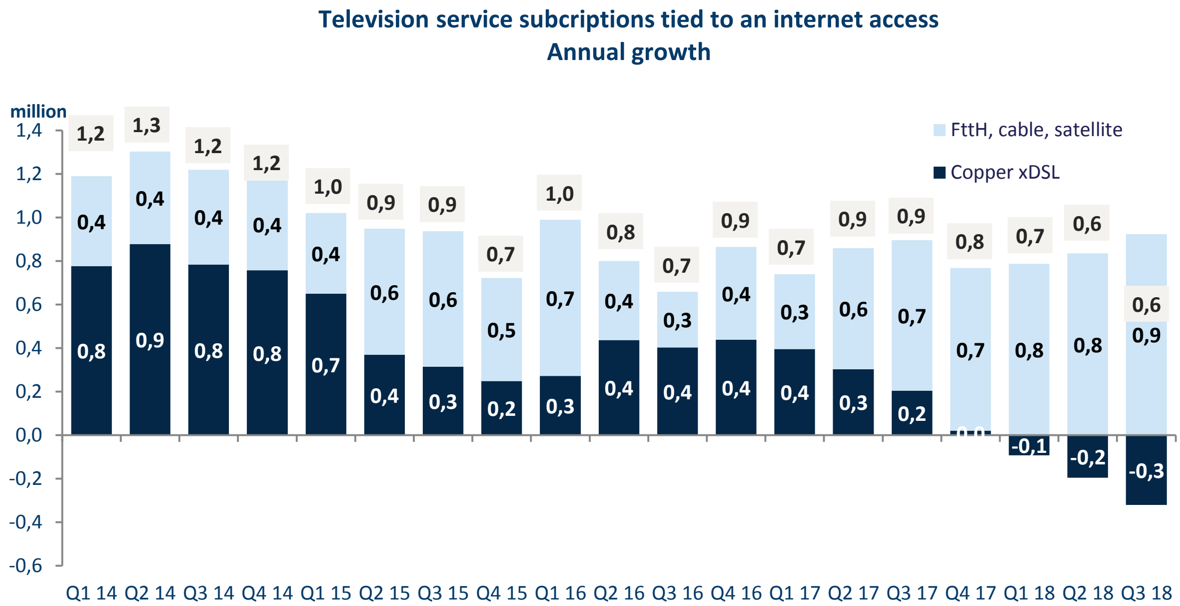
Number and annual increase of broadband internet subscriptions



Annual increase of fast and ultra-fast broadband internet subscriptions by technology




Subscriptions to television service tied to an internet access
millions
16,9 17,2 17,4 17,8 17,9 18,1 18,4 18,5 18,9 18,9 19,0 19,4 19,6 19,8 19,9 20,1 20,3 20,4 20,5
67% 68% 68% 68% 68% 69% 69% 69% 70% 69% 69% 70% 70% 70% 71% 71% 71% 71% 71%
3,9 4,0 4,1 4,2 4,3 4,6 4,7 4,7 5,0 4,9 5,0 5,1 5,3 5,5 5,7 5,9 6,1 6,3 6,6
13,0 13,2 13,4 13,6 13,6 13,5 13,7 13,8 13,9 14,0 14,1 14,2 14,3 14,3 14,3 14,3 14,2 14,1 14,0
Q1 14 Q2 14 Q3 14 Q4 14 Q1 15 Q2 15 Q3 15 Q4 15 Q1 16 Q2 16 Q3 16 Q4 16 Q1 17 Q2 17 Q3 17 Q4 17 Q1 18 Q2 18 Q3 18
TV service via xDSL
TV service via FttH, cable, satellite
% of internet access subscriptions


Television service subcriptions tied to an internet access
Annual growth
million
1,2 1,3 1,2 1,2 1,0 0,9 0,9 0,7 1,0 0,8 0,7 0,9 0,7 0,9 0,9 0,8 0,7 0,6
0,4 0,4 0,4 0,4 0,4 0,6 0,6 0,5 0,7 0,4 0,3 0,4 0,3 0,6 0,7 0,7 0,8 0,8 0,9
0,8 0,9 0,8 0,8 0,7 0,4 0,3 0,2 0,3 0,4 0,4 0,4 0,4 0,3 0,2 -0,1 -0,2 -0,3
Q1 14 Q2 14 Q3 14 Q4 14 Q1 15 Q2 15 Q3 15 Q4 15 Q1 16 Q2 16 Q3 16 Q4 16 Q1 17 Q2 17 Q3 17 Q4 17 Q1 18 Q2 18 Q3 18
FttH, cable, satellite
Copper xDSL

1.1.2 TV subscription tied to internet access

TV subscriptions tied to an internet access (millions)	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
TV subscriptions tied to an internet access	**19,924**	**20,137**	**20,310**	**20,401**	**20,527**	**3,0%**
of which xDSL TV	14,274	14,263	14,211	14,090	13,954	-2,2%
of which FttH, cable, satellite	5,650	5,874	6,100	6,311	6,574	16,3%
% of subscriptions to television services	70,6%	70,9%	71,0%	71,2%	71,0%	+0,4 pt

adjusted figures are in italics

Note : are taken into account the subscriptions that have been subscribed separately or as part of a bundled offer that includes access to one or several other services aside from TV (internet, telephony).

A subscription to TV can be provided by another technology than internet access: for example, a subscription to TV via satellite tied to DSL internet access.

1.2 **Telephone services on fixed lines** (public payphones and telephone cards excluded)

1.2.1 Number of fixed lines

Number of fixed lines (millions of units)	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Number of fixed lines	***36,686***	***36,899***	***36,642***	**36,609**	**36,630**	**-0,2%**
of which lines on a broadband access	26,075	*26,557*	26,784	26,993	27,265	4,6%
of which lines on a narrowband access	*8,583*	*8,514*	*7,976*	*7,808*	7,497	-12,7%
of which lines with two accesses (narrowband & broadband)	2,027	*1,829*	1,882	1,809	1,868	-7,9%

adjusted figures are in italics

1.2.2 Number of subscriptions to a telephone service

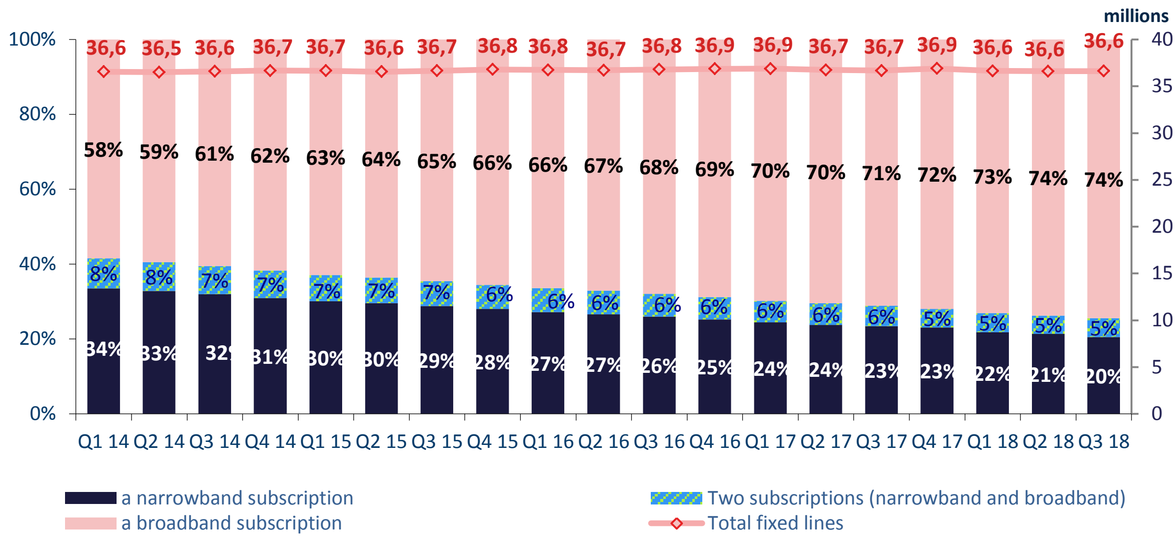
Number of telephone service subscriptions *(millions of units)*	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Subscriptions on narrowband accesses	*10,610*	10,343	9,858	9,616	9,365	-11,7%
Access resales (VGAST)	1,418	1,401	1,380	1,359	1,328	-6,4%
Subscriptions on broadband accesses	28,103	28,386	28,666	28,802	29,133	3,7%
of which on DSL lines	23,106	22,966	22,886	22,701	22,652	-2,0%
of which DSL lines not tied to a narrowband subscription	21,079	21,138	21,004	20,893	20,784	-1,4%
of which on other technologies	4,997	5,419	5,780	6,100	6,481	29,7%
Total number of telephone service subscriptions	**38,713**	**38,728**	**38,524**	**38,418**	**38,498**	**-0,6%**

*Optic fiber to the home, optic fiber with coaxial cable termination, wireless technologies

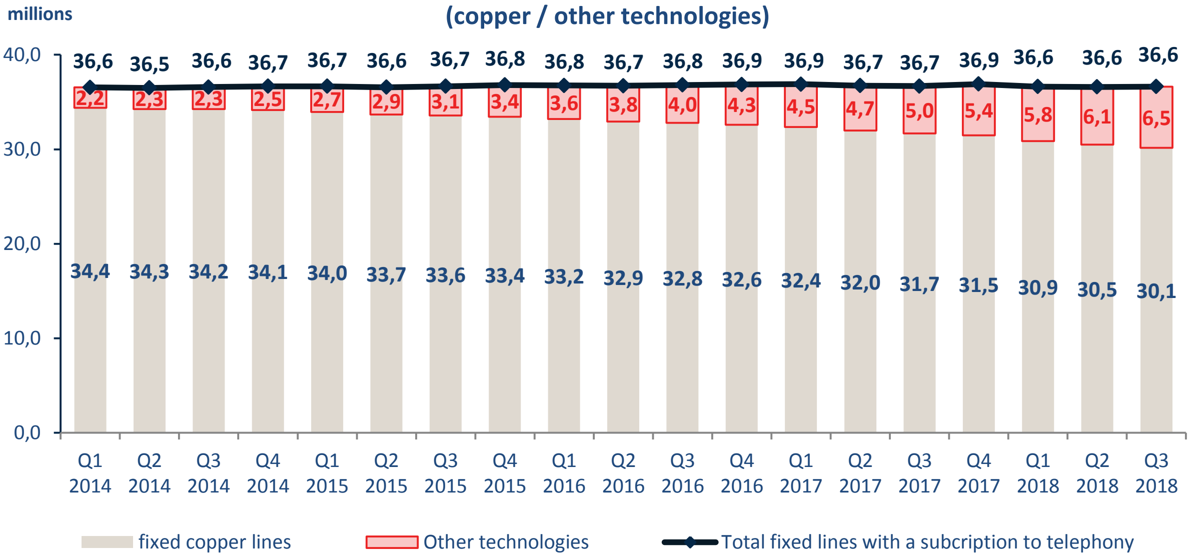
adjusted figures are in italics

Note: a VOB subscription on xDSL technology without a narrowband subscription 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.

Breakdown of fixed lines by subscriptions to telephony services

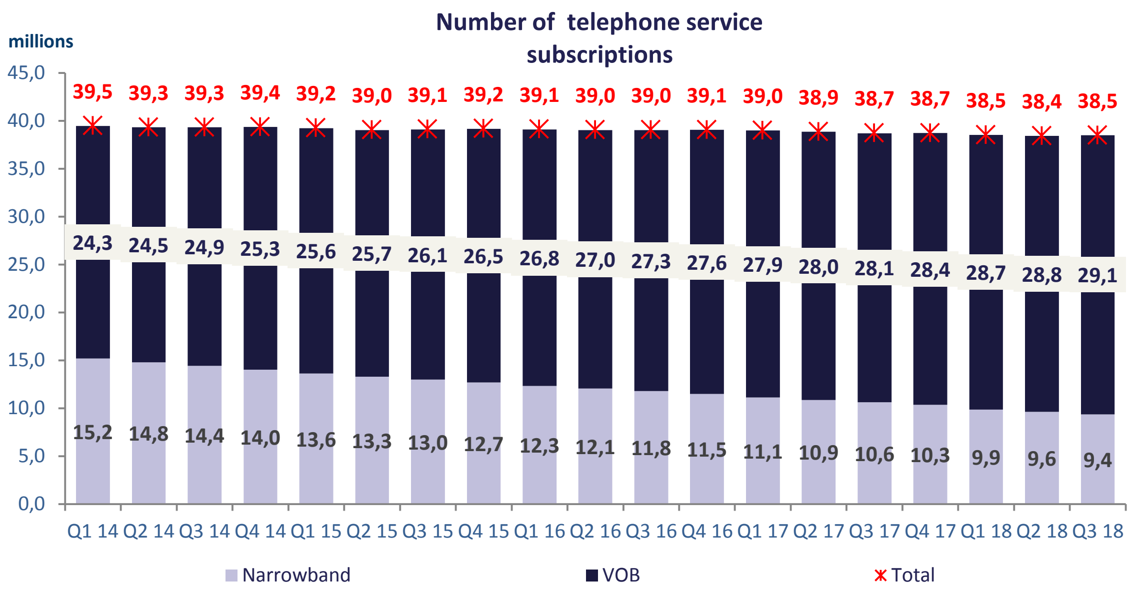


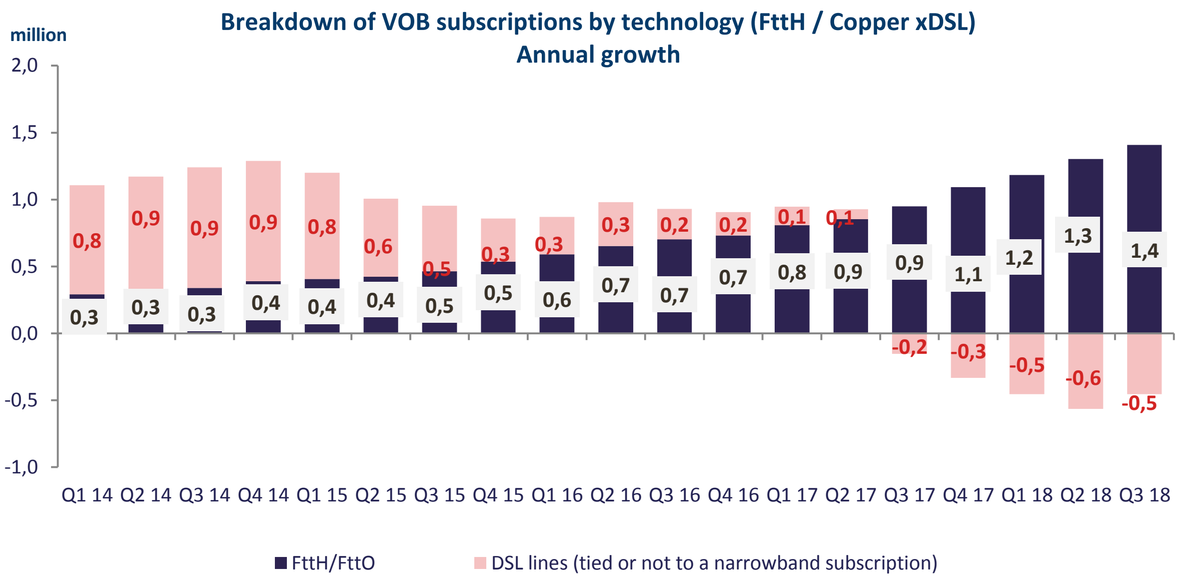
Breakdown of fixed lines by technology (copper / other technologies)



When offers are based on shared unbundling or bitstream accesses, the subscribers possess two fixed telephone subscriptions on the same physical line. The concept of lines refers here to the number of subscriptions without these double subscriptions by counting only one line for customers having both a narrowband and a VOB subscription.

By convention, ***in the case of ISDN lines, as many fixed lines as telephone subscriptions paid by the company are counted****, i.e. 2 lines for a basic access and up to 30 lines for a primary access.*


Number of telephone service subscriptions
millions
Narrowband
VOB
Total


Breakdown of VOB subscriptions by technology (FttH / Copper xDSL)
Annual growth
million
FttH/FttO
DSL lines (tied or not to a narrowband subscription)

1.2.3 Portability of fixed phones numbers

Portability *(millions of units)*	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Number of fixed phone numbers ported during the quarter	**604**	**660**	**670**	**510**	**590**	**-2,3%**

1.2.4 Fixed voice: traffic and revenue (narrowband internet, public payphones and voice traffic cards excluded)

Narrowband access revenue (millions of euros excl. VAT)	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
ADcess fees, subscriptions and additional services	**574**	**560**	**543**	**530**	**514**	**-10,6%**

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…).

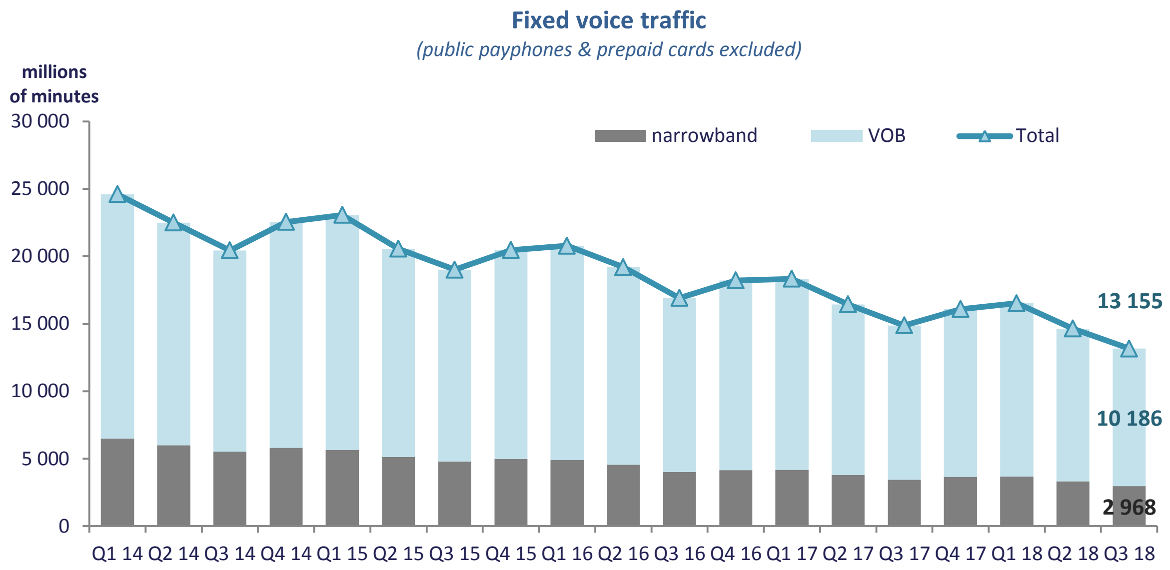
Fixed voice traffic revenue *(millions of euros VAT excluded)*	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
National voice traffic	*145*	*138*	*127*	*123*	116	-20,4%
International voice traffic	43	41	41	40	36	-16,5%
To mobile network	*82*	*88*	90	86	83	0,7%
Total voice traffic revenue	***271***	***267***	***258***	***249***	**234**	**-13,4%**
Of which calls originating from narrowband networks	170	169	162	156	145	-14,3%
Of which calls originating from voice over broadband	*101*	*99*	*96*	*93*	89	-11,8%

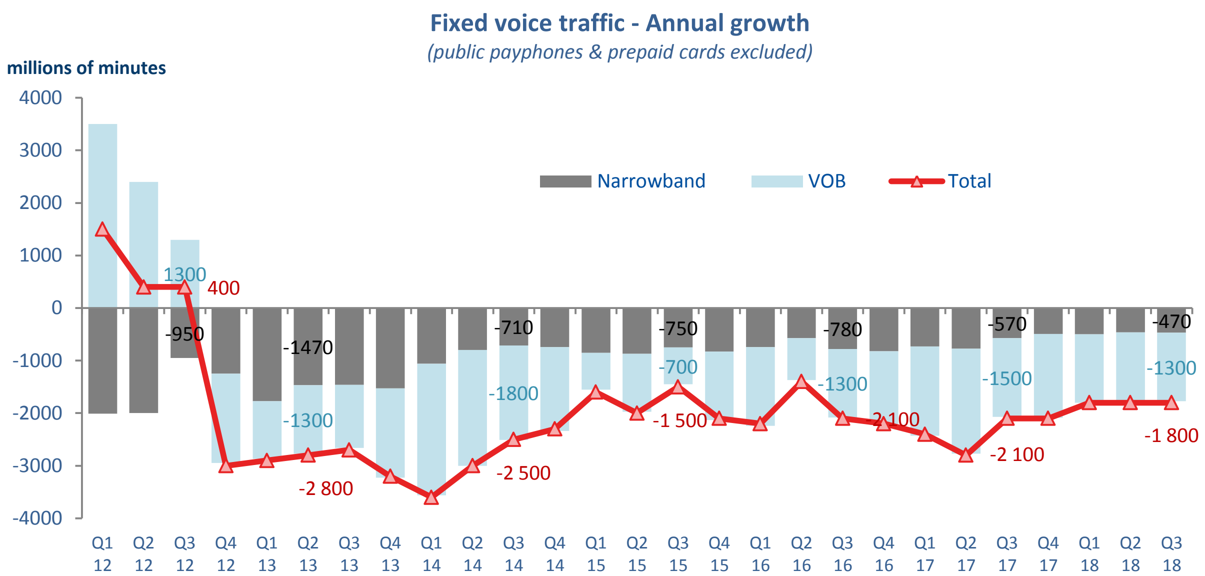
adjusted figures are in italics

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).

Fixed voice traffic *(millions of minutes)*	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
To national fixed voice traffic	*9 730*	*10 716*	*11 160*	*9 619*	8 575	-11,9%
To international fixed voice traffic	*1 472*	*1 533*	*1 459*	*1 347*	1 206	-18,1%
To mobile network	*3 669*	*3 838*	*3 898*	*3 669*	3 373	-8,1%
Total fixed voice traffic	***14 872***	***16 087***	***16 517***	***14 634***	**13 155**	**-11,5%**
Of which calls originating from narrowband networks	3 435	3 655	3 668	3 322	2 968	-13,6%
Of which calls originating from voice over broadband	*11 437*	*12 432*	*12 850*	*11 313*	10 186	-10,9%

adjusted figures are in italics


Fixed voice traffic
(public payphones & prepaid cards excluded)
millions of minutes
30 000
25 000
20 000
15 000
10 000
5 000
0
narrowband
VOB
Total
13 155
10 186
2 968
Q1 14 Q2 14 Q3 14 Q4 14 Q1 15 Q2 15 Q3 15 Q4 15 Q1 16 Q2 16 Q3 16 Q4 16 Q1 17 Q2 17 Q3 17 Q4 17 Q1 18 Q2 18 Q3 18


Fixed voice traffic - Annual growth
(public payphones & prepaid cards excluded)
millions of minutes
4000
3000
2000
1000
0
-1000
-2000
-3000
-4000
Narrowband
VOB
Total
1300
400
-950
-1470
-1300
-2 800
-710
-1800
-2 500
-750
-700
-1 500
-780
-1300
-2 100
-570
-1500
-2 100
-470
-1300
-1 800
Q1 12 Q2 12 Q3 12 Q4 12 Q1 13 Q2 13 Q3 13 Q4 13 Q1 14 Q2 14 Q3 14 Q4 14 Q1 15 Q2 15 Q3 15 Q4 15 Q1 16 Q2 16 Q3 16 Q4 16 Q1 17 Q2 17 Q3 17 Q4 17 Q1 18 Q2 18 Q3 18

1.3 Revenue of fixed services (retail leased lines and data networking included)

Revenue of fixed networks services (millions of euros excl.VAT)	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Narrowband Revenue	**745**	**730**	**707**	**687**	**660**	**-11,4%**
Broadband Revenue	***2 943***	***3 009***	**2 972**	**2 924**	**2 944**	**0,1%**
Broadband Internet, VoB subs.and revenue from VoB calls	*2 276*	*2 322*	*2 322*	*2 312*	2 340	2,8%
Other Internet revenue	666	*687*	*650*	*612*	604	-9,3%
Retail leased lines and data transport networks	**602**	***598***	***587***	**603**	**611**	**1,5%**
Total revenue	***4 290***	**4 337**	***4 266***	***4 214***	**4 215**	**-1,7%**

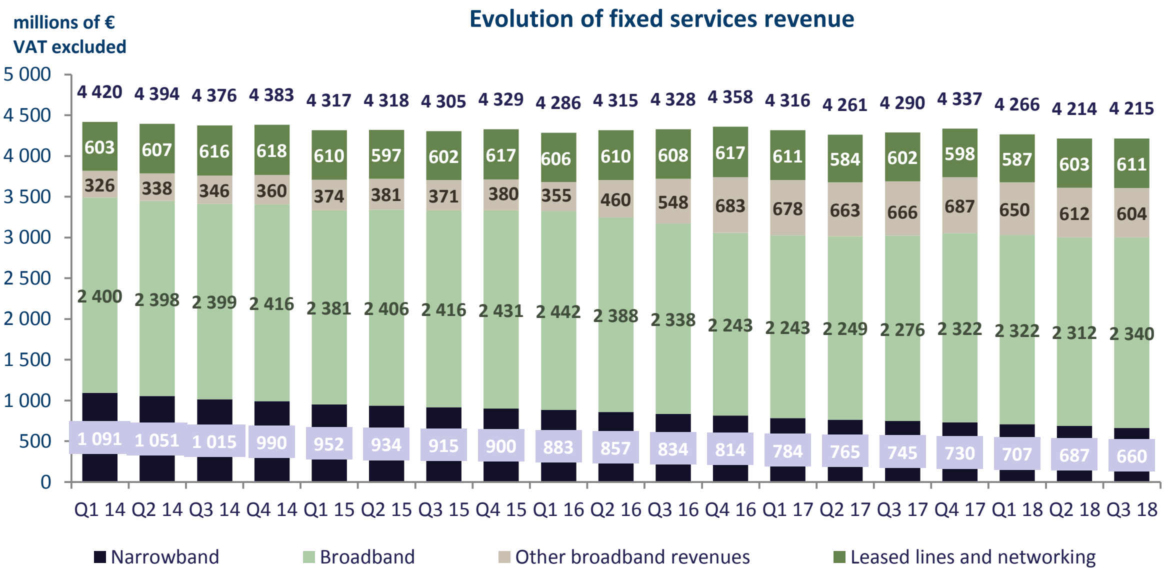
adjusted figures are in italics

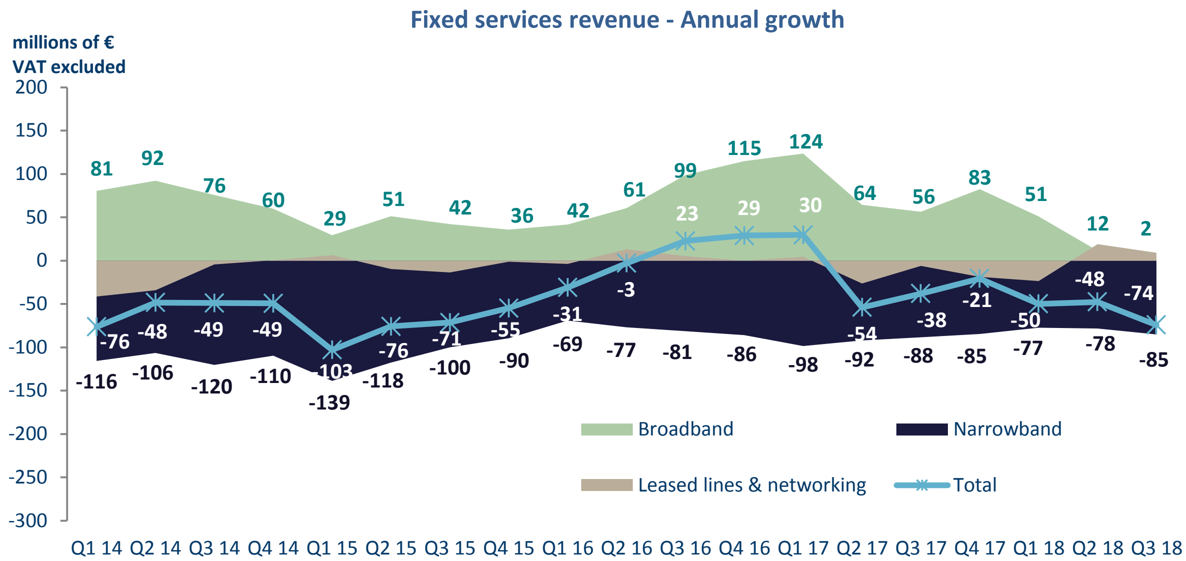
Notes :

- For fiscal reasons, some operators have, in 2016 and 2017, transferred a part of the revenue from multi-service subscriptions (previously fully declared in the "broadband internet revenue" section) to the "other internet revenues".

- *"Other internet revenue" 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".*

- Revenue from telephony cards and public payphones is about one million of euros HT for the third quarter 2018.


Evolution of fixed services revenue
millions of €
VAT excluded
4 420 4 394 4 376 4 383 4 317 4 318 4 305 4 329 4 286 4 315 4 328 4 358 4 316 4 261 4 290 4 337 4 266 4 214 4 215
603 607 616 618 610 597 602 617 606 610 608 617 611 584 602 598 587 603 611
326 338 346 360 374 381 371 380 355 460 548 683 678 663 666 687 650 612 604
2 400 2 398 2 399 2 416 2 381 2 406 2 416 2 431 2 442 2 388 2 338 2 243 2 243 2 249 2 276 2 322 2 322 2 312 2 340
1 091 1 051 1 015 990 952 934 915 900 883 857 834 814 784 765 745 730 707 687 660
Q1 14 Q2 14 Q3 14 Q4 14 Q1 15 Q2 15 Q3 15 Q4 15 Q1 16 Q2 16 Q3 16 Q4 16 Q1 17 Q2 17 Q3 17 Q4 17 Q1 18 Q2 18 Q3 18
Narrowband
Broadband
Other broadband revenues
Leased lines and networking


Fixed services revenue - Annual growth
millions of €
VAT excluded
81 92 76 60 29 51 42 36 42 61 99 115 124 64 56 83 51 12 2
23 29 30
-76 -48 -49 -49 -103 -76 -71 -55 -31 -3 -54 -38 -21 -50 -48 -74
-116 -106 -120 -110 -139 -118 -100 -90 -69 -77 -81 -86 -98 -92 -88 -85 -77 -78 -85
Q1 14 Q2 14 Q3 14 Q4 14 Q1 15 Q2 15 Q3 15 Q4 15 Q1 16 Q2 16 Q3 16 Q4 16 Q1 17 Q2 17 Q3 17 Q4 17 Q1 18 Q2 18 Q3 18
Broadband
Narrowband
Leased lines & networking
Total

1.4 Average bill and traffic per user

Note : several subscriptions to the telephony service may be subscribed on the same fixed line.

1.4.1 Per fixed line

Average monthly bill and telephone calls (value added and directory services excluded)	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Per fixed line : telephone access, voice traffic and Internet access (€ VAT excl.)	32,8	33,1	32,6	32,1	32,1	-2,0%
Per fixed lines (in hours)	2h15	2h25	2h29	2h13	1h59	-11,3%

The average bill per fixed line now refers to what customers pay each month for their telephony and Internet services. It include 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.

Revenues excluded are:

- Public payphone and prepaid card revenue;

- Revenue generated by other services tied to Internet access, e.g. ISPs' online ad revenue and commissions earned on e-commerce sales;

- VAS and directory assistance services revenue.

The average monthly 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.

Average number of fixed lines for quarter N: [(total fixed lines on quarter N + total fixed lines on quarter N-1)/2]

1.4.2 Per subscription to fixed services

Average monthly bill per customer (in euros -VAT excluded)	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Per fixed narrowband telephone subscription	23,1	23,2	23,3	23,5	23,1	0,2%
Per fixed broadband access	33,9	34,4	33,9	33,1	33,2	-2,2%

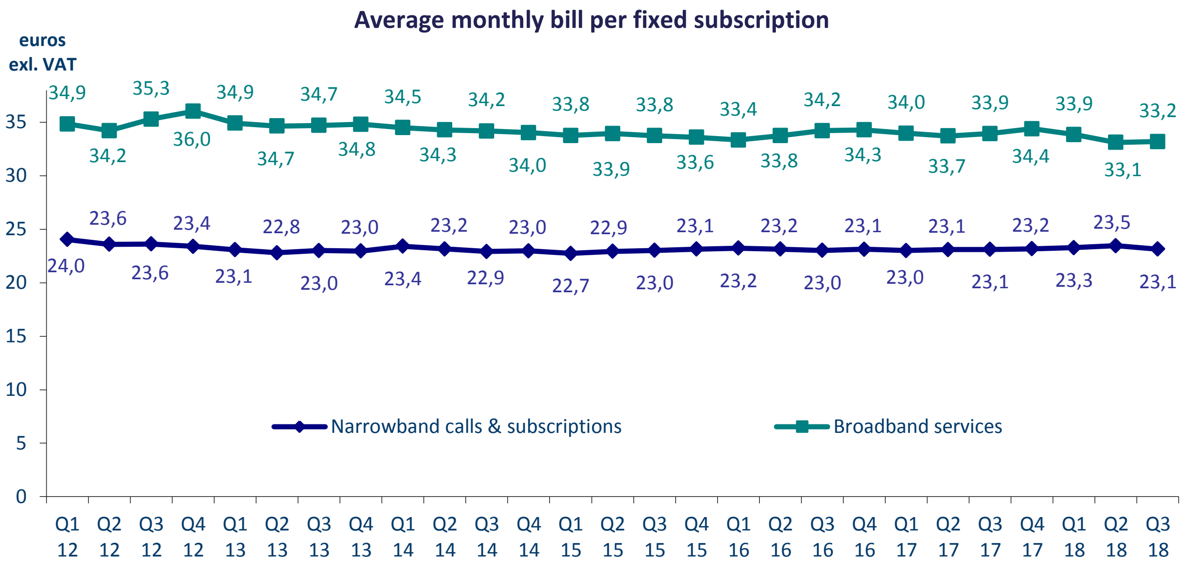
- The average monthly bill for a narrowband line is calculated by dividing the revenue earned on a PSTN based fixed line subscription and calls (i.e. excluding VOB) for Quarter Q by the estimated average customer base for Quarter Q, then dividing the result by three.

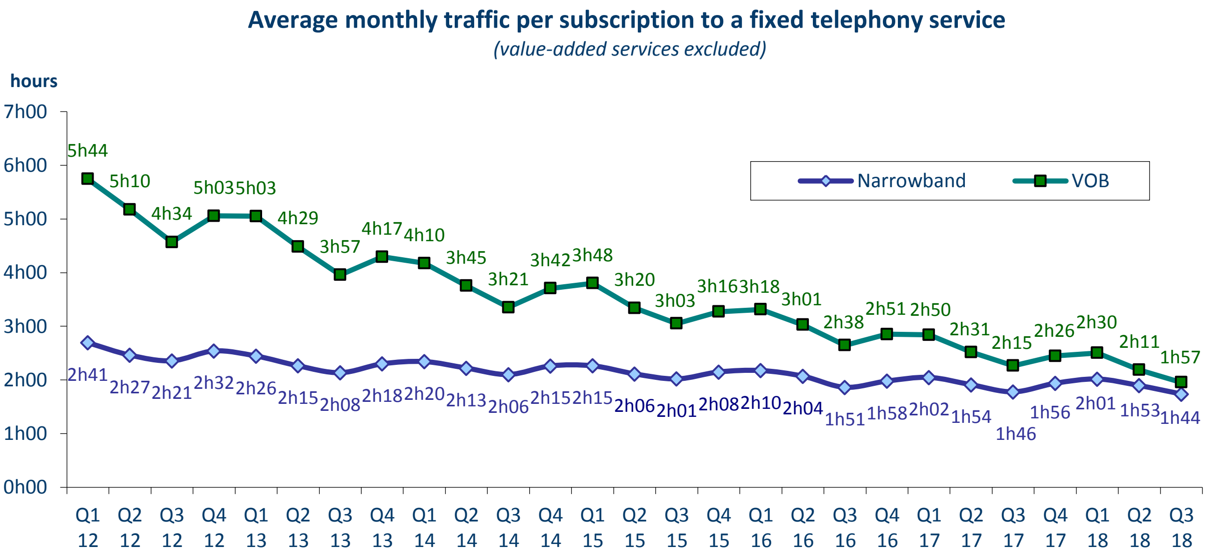
- The average monthly bill for a broadband or ultra-fast broadband access (Internet and telephony over broadband) is calculated by dividing the revenue earned on VOB calls made on a fixed line (billed over and above a service bundle flat rate) and the revenue earned on broadband subscription for Quarter Q by the estimated average customer base for Quarter Q, then dividing the result by three.

Average monthly volume per customer *(in hours)*	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Per fixed narrowband telephone subscription	1h46	1h56	2h01	1h53	1h44	-2,3%
Per fixed VOB subscription	*2h15*	*2h26*	2h30	2h11	1h57	-13,7%

adjusted figures are in italics

- The average monthly volume per fixed line is calculated by dividing the traffic earned on a PSTN or VOB based fixed line subscription and calls for quarter Q by the estimated average customer base for quarter Q, then dividing the result by three.


Average monthly bill per fixed subscription
euros exl. VAT
Narrowband calls & subscriptions
Broadband services


Average monthly traffic per subscription to a fixed telephony service
(value-added services excluded)
hours
Narrowband
VOB

2 Services on mobiles networks - retail market

2.1 Mobiles phone services

2.1.1 Number of SIM cards

Number of mobile subscriptions *(millions of units)*	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Postpaid	**63,467**	**64,328**	**65,017**	**65,376**	**65,989**	**4,0%**
Prepaid	**10,726**	**10,261**	**9,935**	**9,559**	**9,477**	**-11,6%**
of which active prepaid cards	8,235	7,724	7,548	7,221	7,057	-14,3%
Total number of SIM cards	**74,192**	**74,589**	**74,952**	**74,935**	**75,466**	**1,7%**

adjusted figures are in italics

- A prepaid card is considered active if the customer has made or received at least one call during the past three month. Incoming SMS are not included in the calculation.
- Are excluded dedicated active 4G cards for a fixed use (they cannot be use in mobility).These cards are included with fixed internet access.

2.1.2 Dedicated data cards

Dedicated data cards *(millions of units)*	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Postpaid subscriptions	**2,783**	**2,758**	**2,848**	**2,865**	**2,887**	**3,7%**
Prepaid subscriptions	**0,734**	**0,682**	**0,630**	**0,606**	**0,555**	**-24,4%**
of which active prepaid cards	0,293	0,264	0,251	0,187	0,201	-31,2%
Number of dedicated data cards	**3,517**	**3,439**	**3,479**	**3,471**	**3,442**	**-2,1%**
% in total number of SIM cards	4,7%	4,6%	4,6%	4,6%	4,6%	-0,1 Point

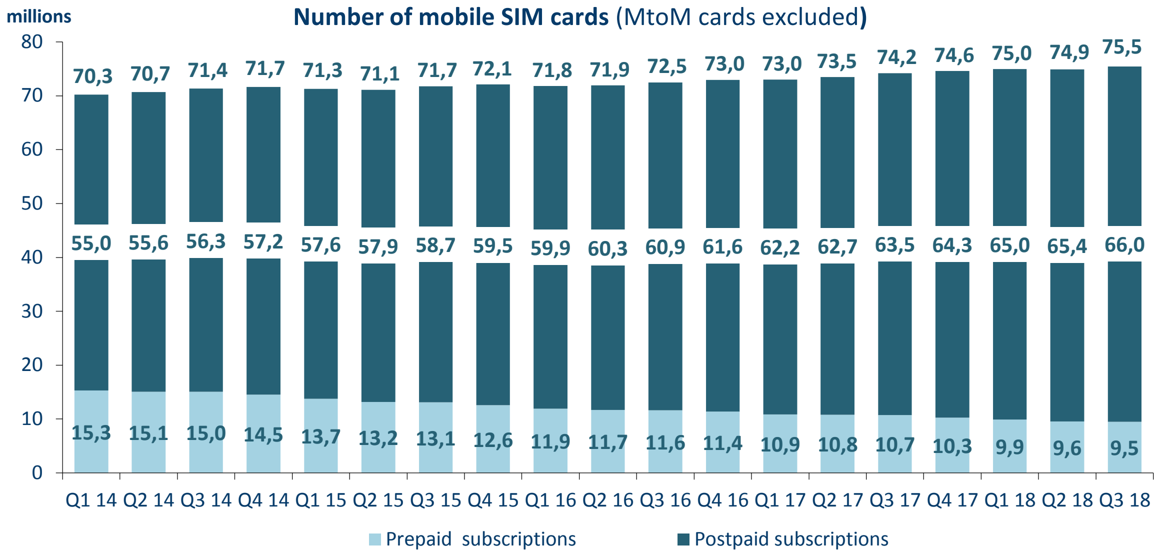
Note: the number of dedicated data cards is defined as the number of SIM cards sold by mobile operators (in the form of subscriptions, flat rates or prepaid cards), used exclusively for accessing the Internet (PCMCIA cards, 3G/4G USB keys). These cards cannot be used to make voice calls. Dedicated active 4G cards for a fixed use are excluded.

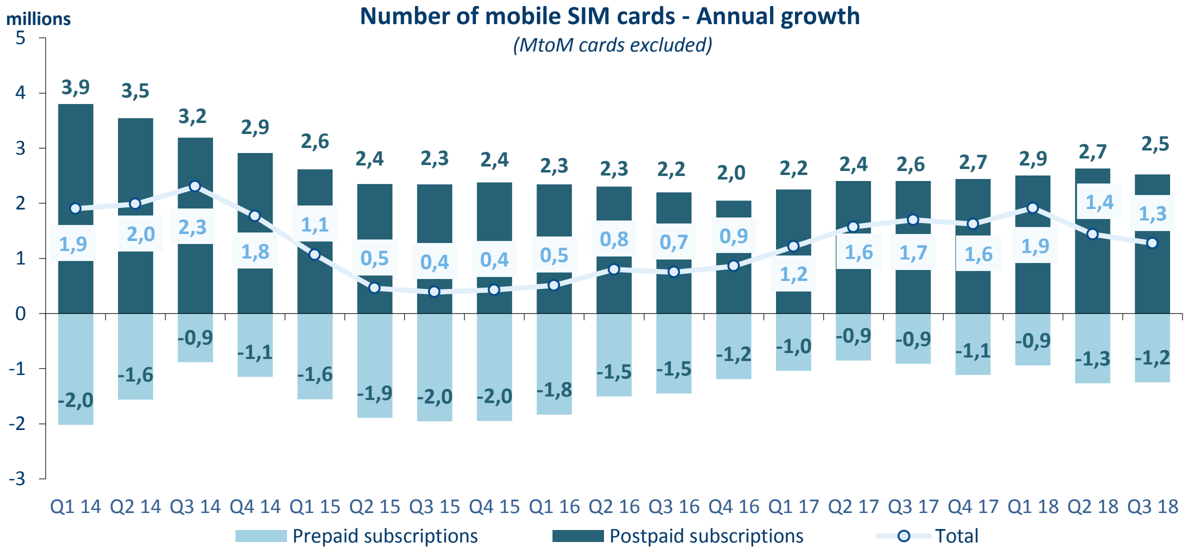
2.1.3 The fixed-mobile convergence

Bundles : mobile subscription tied to fixed services (millions of units)	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Number of mobile subscriptions tied to at least one fixed service	**19,647**	**19,687**	**19,944**	**20,201**	**20,386**	**3,8%**
% in total number of postpaid subscriptions	31%	31%	31%	31%	31%	-0,1 Point
% in total number of SIM cards	26%	26%	27%	27%	27%	+0,5 Point

Notes :

- Fixed-mobile convergence offers are commercialized by the operators by a package of services (several mobile contracts can be included) or by some price cutting applied to one or the others of the services. Several SIM cards can be tied to a fixed service subscription.


millions
Number of mobile SIM cards (MtoM cards excluded)
Prepaid subscriptions
Postpaid subscriptions
Q1 14 Q2 14 Q3 14 Q4 14 Q1 15 Q2 15 Q3 15 Q4 15 Q1 16 Q2 16 Q3 16 Q4 16 Q1 17 Q2 17 Q3 17 Q4 17 Q1 18 Q2 18 Q3 18
70,3 70,7 71,4 71,7 71,3 71,1 71,7 72,1 71,8 71,9 72,5 73,0 73,0 73,5 74,2 74,6 75,0 74,9 75,5
55,0 55,6 56,3 57,2 57,6 57,9 58,7 59,5 59,9 60,3 60,9 61,6 62,2 62,7 63,5 64,3 65,0 65,4 66,0
15,3 15,1 15,0 14,5 13,7 13,2 13,1 12,6 11,9 11,7 11,6 11,4 10,9 10,8 10,7 10,3 9,9 9,6 9,5


millions
Number of mobile SIM cards - Annual growth
(MtoM cards excluded)
Prepaid subscriptions
Postpaid subscriptions
Total
Q1 14 Q2 14 Q3 14 Q4 14 Q1 15 Q2 15 Q3 15 Q4 15 Q1 16 Q2 16 Q3 16 Q4 16 Q1 17 Q2 17 Q3 17 Q4 17 Q1 18 Q2 18 Q3 18
3,9 3,5 3,2 2,9 2,6 2,4 2,3 2,4 2,3 2,3 2,2 2,0 2,2 2,4 2,6 2,7 2,9 2,7 2,5
1,9 2,0 2,3 1,8 1,1 0,5 0,4 0,4 0,5 0,8 0,7 0,9 1,2 1,6 1,7 1,6 1,9 1,4 1,3
-2,0 -1,6 -0,9 -1,1 -1,6 -1,9 -2,0 -2,0 -1,8 -1,5 -1,5 -1,2 -1,0 -0,9 -0,9 -1,1 -0,9 -1,3 -1,2

2.1.4 3G and 4G active cards

3G and 4G active users (millions of units)	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
3G active users	55,654	*56,138*	*56,588*	*57,169*	58,610	5,3%
4G active users	38,865	41,626	43,260	44,672	46,382	19,3%

- The active 3G users are 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). An active 3G card can also be active in 4G or in 2G.

- The 4G active users are defined as the number of customers who have accessed a mobile service (voice or data services) that uses 4G radio access technology, at least once in the past three months (either transmission or reception). Only active customers are counted here, which therefore have both a 4G offer and a compatible terminal. This definition may differ from those of operator's financial publications, which can account, for example, some offers "4G marketed". A client can have such an offer, but not the suitable terminal, nor 4G coverage. A 4G active user may also use 2G or 3G technologies.

- Are excluded 4G active dedicated data cards for a fixed use (they cannot be use in mobility). These cards are included in fixed internet indicators.

2.1.5 Portability of mobile phone numbers

Number Portability *(millions of units)*	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Number of transactions during the quarter	1,804	2,490	2,174	2,097	2,128	18,0%

Note: the figures for ported phone numbers refer to the number of at the finalized porting procedures (ported numbers activated by the recipient operator) during the quarter in question.

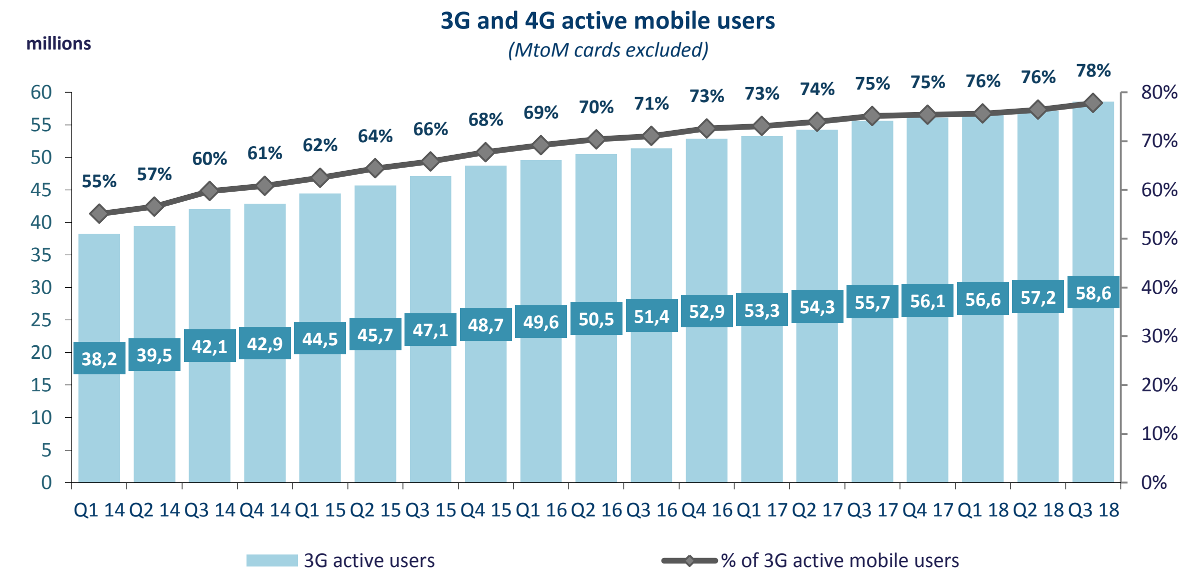
2.1.6 Mobile revenue on the retail market (value-added services excluded)

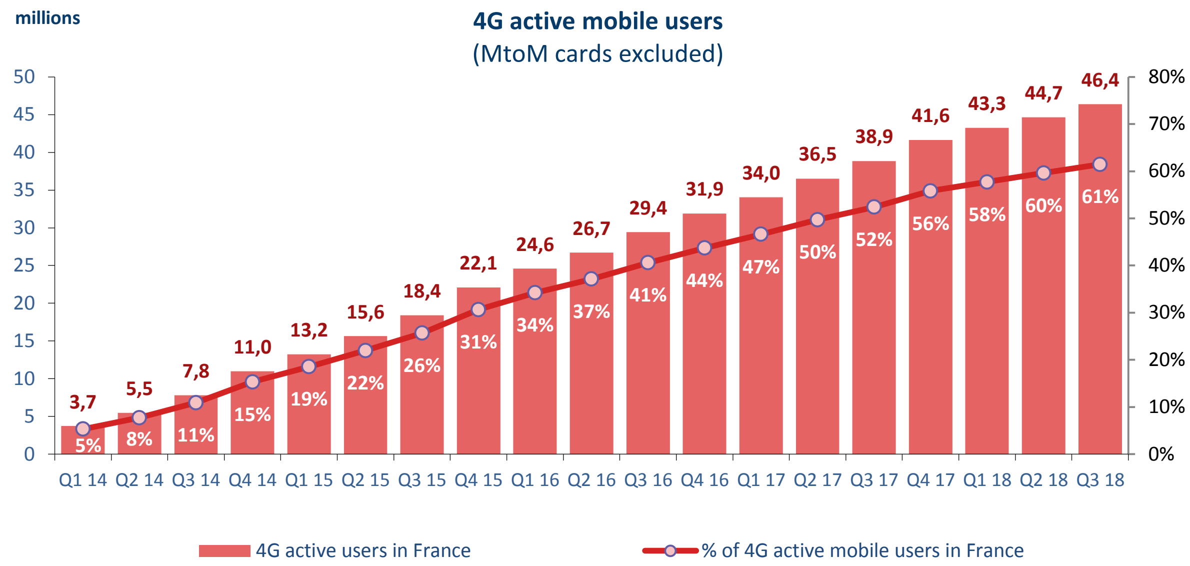
Revenues in the table below are presented at a constant scope, i.e., after application of the new accounting standard. For more information, see the appendix on p. 38.

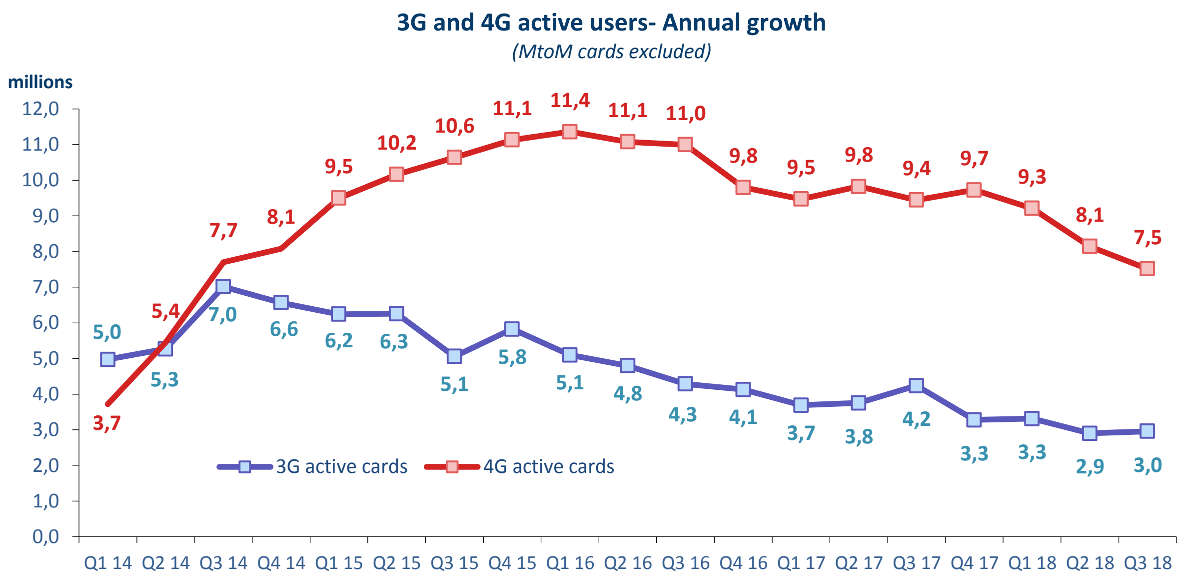
Mobile services revenue *(millions of euros VAT excluded)*	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Postpaid subscriptions	3 069	3 112	*3 015*	*3 081*	3 139	2,3%
Prepaid subscriptions	182	168	152	148	150	-17,8%
Total mobile services revenue (excluding MtoM revenue)	3 251	3 280	*3 167*	*3 229*	3 289	1,1%

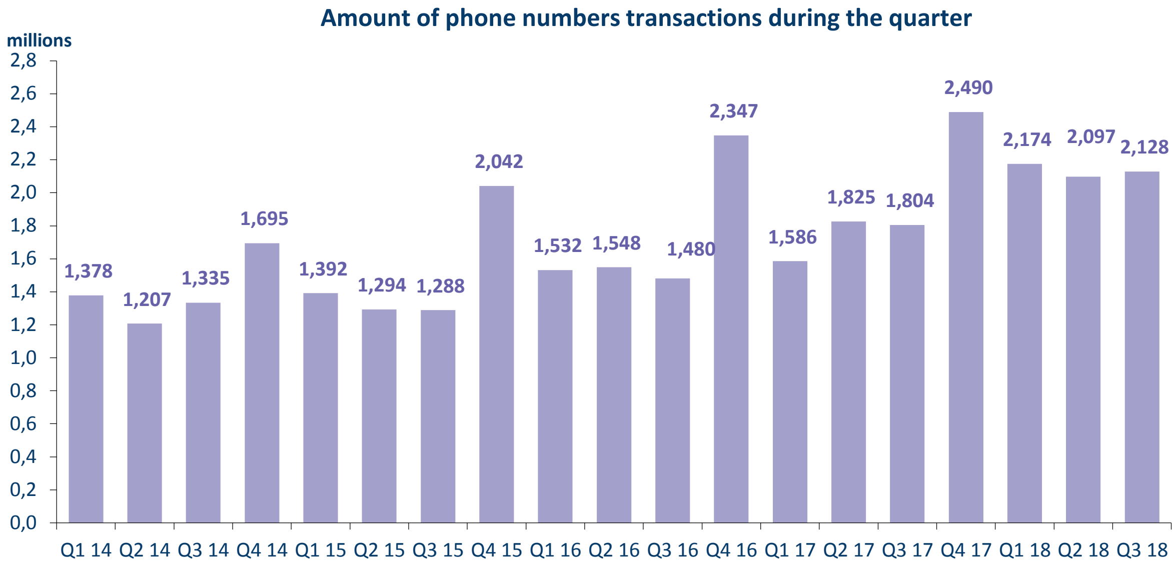
adjusted figures are in italics

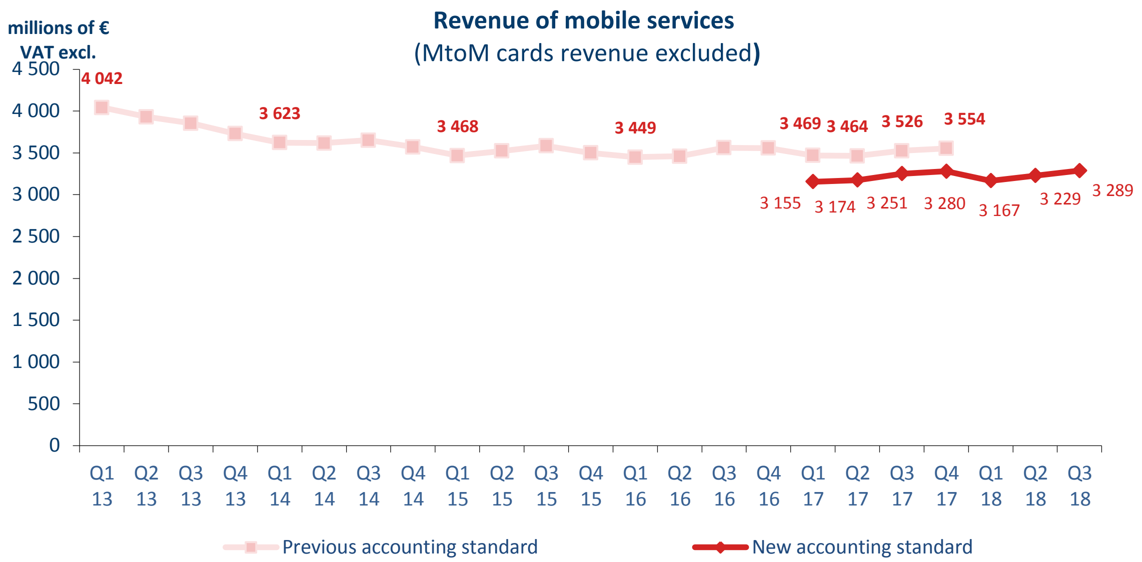
Note: this is about retail market revenue. Revenues from the market between operators (interconnection, wholesale) are not included. Also excluded is revenue from value-added retail services.


3G and 4G active mobile users
(MtoM cards excluded)
millions
55% 57% 60% 61% 62% 64% 66% 68% 69% 70% 71% 73% 73% 74% 75% 75% 76% 76% 78%
38,2 39,5 42,1 42,9 44,5 45,7 47,1 48,7 49,6 50,5 51,4 52,9 53,3 54,3 55,7 56,1 56,6 57,2 58,6
Q1 14 Q2 14 Q3 14 Q4 14 Q1 15 Q2 15 Q3 15 Q4 15 Q1 16 Q2 16 Q3 16 Q4 16 Q1 17 Q2 17 Q3 17 Q4 17 Q1 18 Q2 18 Q3 18
3G active users
% of 3G active mobile users


4G active mobile users
(MtoM cards excluded)
millions
3,7 5,5 7,8 11,0 13,2 15,6 18,4 22,1 24,6 26,7 29,4 31,9 34,0 36,5 38,9 41,6 43,3 44,7 46,4
5% 8% 11% 15% 19% 22% 26% 31% 34% 37% 41% 44% 47% 50% 52% 56% 58% 60% 61%
Q1 14 Q2 14 Q3 14 Q4 14 Q1 15 Q2 15 Q3 15 Q4 15 Q1 16 Q2 16 Q3 16 Q4 16 Q1 17 Q2 17 Q3 17 Q4 17 Q1 18 Q2 18 Q3 18
4G active users in France
% of 4G active mobile users in France


3G and 4G active users- Annual growth
(MtoM cards excluded)
millions
3,7 5,4 7,7 8,1 9,5 10,2 10,6 11,1 11,4 11,1 11,0 9,8 9,5 9,8 9,4 9,7 9,3 8,1 7,5
5,0 5,3 7,0 6,6 6,2 6,3 5,1 5,8 5,1 4,8 4,3 4,1 3,7 3,8 4,2 3,3 3,3 2,9 3,0
3G active cards
4G active cards
Q1 14 Q2 14 Q3 14 Q4 14 Q1 15 Q2 15 Q3 15 Q4 15 Q1 16 Q2 16 Q3 16 Q4 16 Q1 17 Q2 17 Q3 17 Q4 17 Q1 18 Q2 18 Q3 18


Amount of phone numbers transactions during the quarter
millions
2,8
2,6
2,4
2,2
2,0
1,8
1,6
1,4
1,2
1,0
0,8
0,6
0,4
0,2
0,0
1,378
1,207
1,335
1,695
1,392
1,294
1,288
2,042
1,532
1,548
1,480
2,347
1,586
1,825
1,804
2,490
2,174
2,097
2,128
Q1 14 Q2 14 Q3 14 Q4 14 Q1 15 Q2 15 Q3 15 Q4 15 Q1 16 Q2 16 Q3 16 Q4 16 Q1 17 Q2 17 Q3 17 Q4 17 Q1 18 Q2 18 Q3 18


Revenue of mobile services
(MtoM cards revenue excluded)
millions of €
VAT excl.
4 500
4 000
3 500
3 000
2 500
2 000
1 500
1 000
500
0
4 042
3 623
3 468
3 449
3 469
3 464
3 526
3 554
3 155
3 174
3 251
3 280
3 167
3 229
3 289
Q1 13 Q2 13 Q3 13 Q4 13 Q1 14 Q2 14 Q3 14 Q4 14 Q1 15 Q2 15 Q3 15 Q4 15 Q1 16 Q2 16 Q3 16 Q4 16 Q1 17 Q2 17 Q3 17 Q4 17 Q1 18 Q2 18 Q3 18
Previous accounting standard
New accounting standard

2.1.7 Volume of data consumed by mobile customers

Data volumes used by customers (in Exabyte)	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Postpaid subscriptions	**0,596**	**0,708**	***0,759***	**0,870**	**0,937**	**57,2%**
Prepaid subscriptions	**0,007**	**0,008**	**0,009**	**0,010**	**0,014**	**104,4%**
Total data volumes	**0,603**	**0,716**	***0,768***	**0,879**	**0,951**	**57,7%**
of which dedicated data SIM cards	0,015	0,018	0,017	0,019	0,022	47,1%
of which ADtive 4G customers	0,541	0,656	0,691	0,806	0,865	60,0%

Note: the volume of data on mobile networks includes vocal communications and exchange of interpersonal messages via applications (wifi traffic excluded). It does not include the volume of 4G fixed boxes of the mobiles operators.

2.1.8 Mobile voice traffic

Mobile voice traffic *(millions of minutes)*	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Postpaid subscriptions	***37 721***	**40 398**	***41 004***	***41 149***	**39 046**	**3,5%**
Prepaid subscriptions	**2 109**	**2 071**	**1 963**	**1 998**	**1 933**	**-8,4%**
Total mobile voice traffic	***39 830***	***42 472***	***42 967***	***43 147***	**40 979**	**2,9%**

adjusted figures are in italics

Mobile voice traffic *(millions of minutes)*	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
To national fixed lines	6 487	6 897	6 766	6 577	6 202	-4,4%
To national mobile lines	30 837	33 380	33 939	34 119	32 031	3,9%
Outgoing international voice traffic	1 263	1 293	1 353	1 390	1 328	5,1%
Roaming out *	*1 242*	*902*	*908*	*1 061*	1 419	14,2%
Total mobile voice traffic	***39 830***	***42 472***	***42 967***	***43 147***	**40 979**	**2,9%**

(*) Roaming-out : calls sent and received abroad by french mobile operators customers
adjusted figures are in italics

2.1.9 Interpersonal messages (SMS, MMS)

Volumes of interpersonal messages *(millions of units)*	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Number of SMS	**44 878**	**44 329**	**43 471**	**43 033**	**42 631**	**-5,0%**
of which from postpaid subscriptions	43 374	42 892	42 114	41 663	41 304	-4,8%
of which from prepaid subscriptions	1 502	1 436	1 358	1 371	1 328	-11,6%
Number of MMS	**1 307**	**1 264**	**1 225**	**1 327**	**1 404**	**7,5%**
Total number of messages sent	**46 185**	**45 592**	**44 697**	**44 360**	**44 036**	**-4,7%**

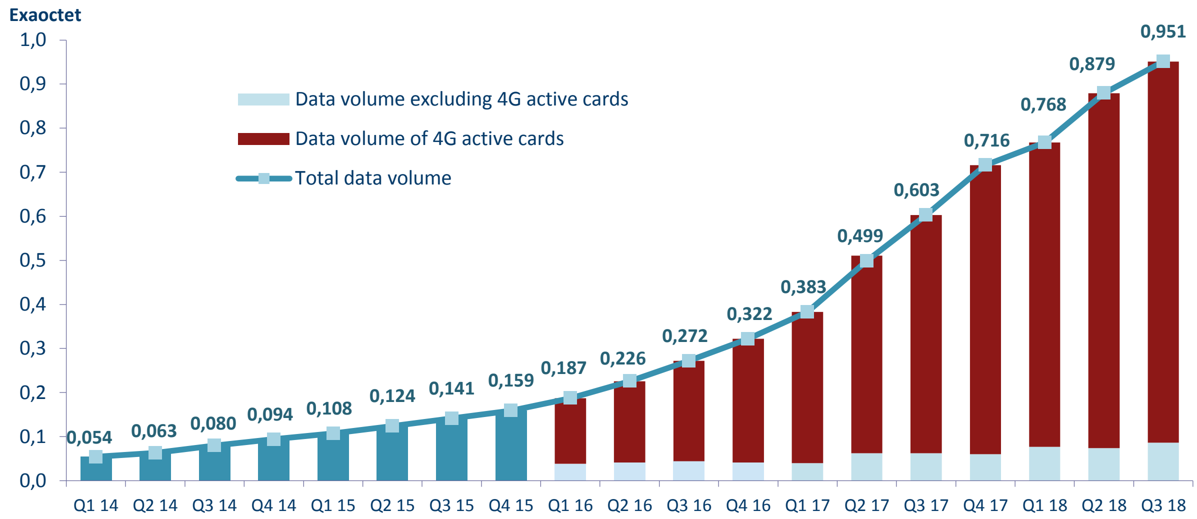
2.1.10 Roaming-out

Roaming-out	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Revenue (voice, SMS, data) (millions of euros)	181	158	*162*	*171*	185	2,5%
Voice traffic (millions of minutes)	*1 242*	*902*	*908*	1 061	1 419	14,2%
SMS traffic (millions)	810	452	414	521	894	10,4%
Data traffic (terabytes)	*19 810*	*10 979*	*11 957*	*17 379*	33 295	68,1%

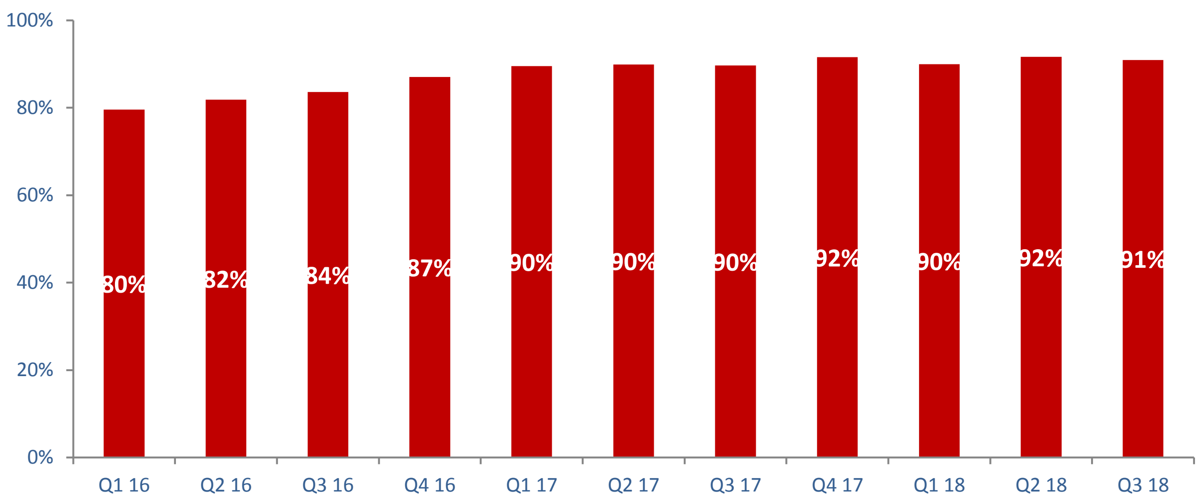
adjusted figures are in italics

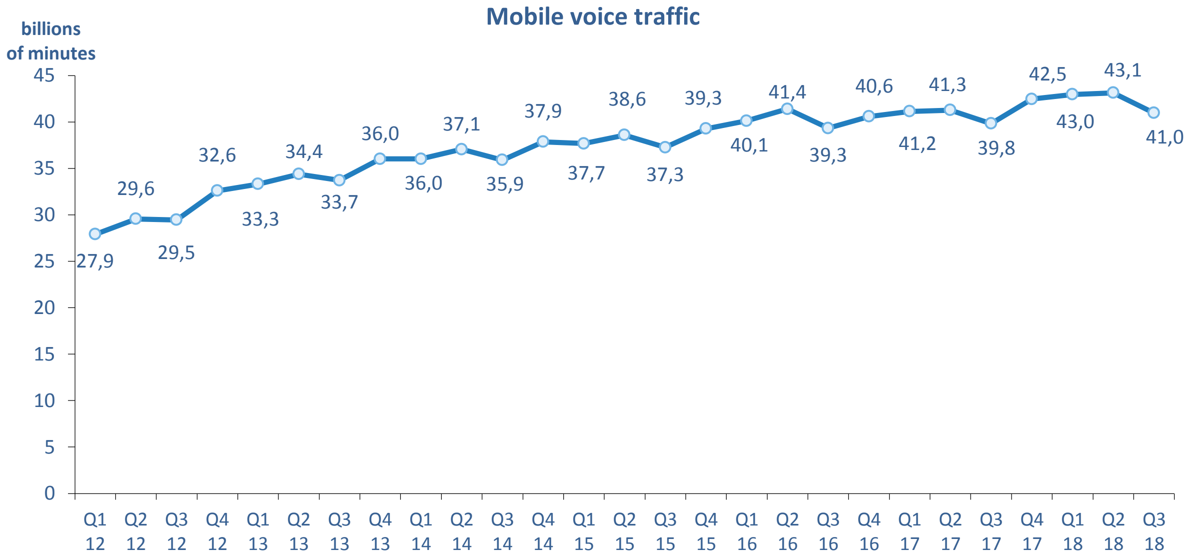
Note: roaming out corresponds to mobile services made abroad by customers of French mobile operators. For the revenue, only the services invoiced, specifically or above the fixed price, are counted to the operator's customers for the roaming services, whatever the service (incoming and outgoing voice calls, messaging services, the internet). Since 15 June 2017, operators have had to offer the national tariffs to their customers traveling within the European Union for calls made or received from a mobile phone. For more information on the evolution of retail tariffs, see the Eurotariff note (section [5.2](#) of this publication).

Data volume used by mobile customers

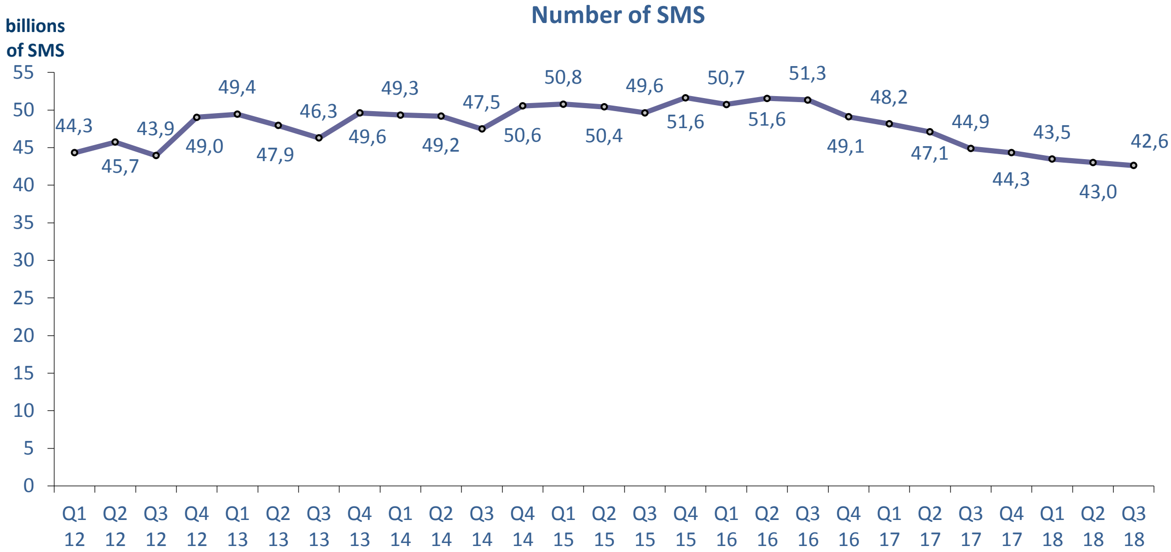


Proportion of volume from active 4G cards in total data volume

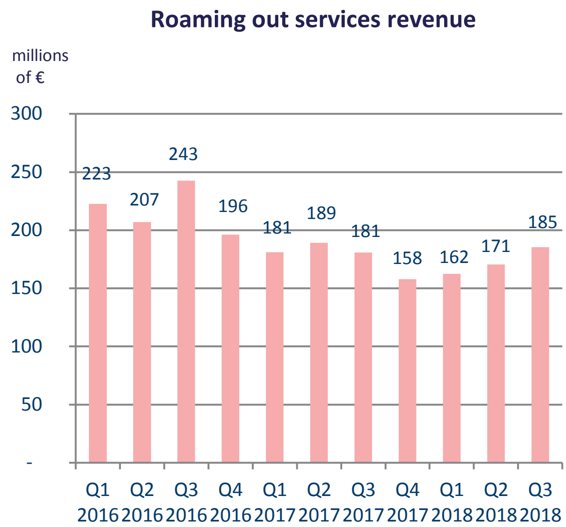


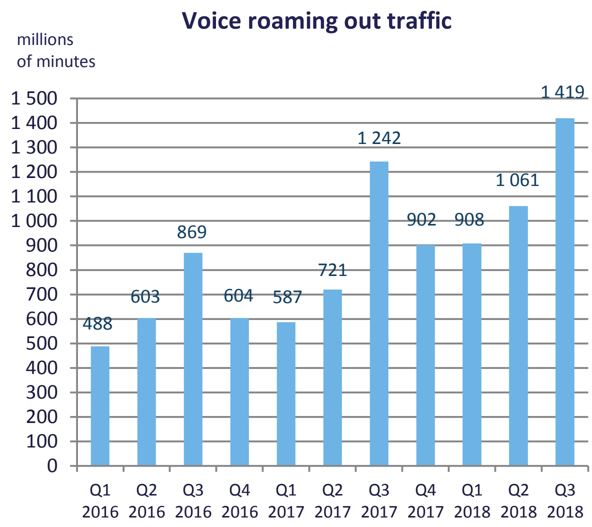


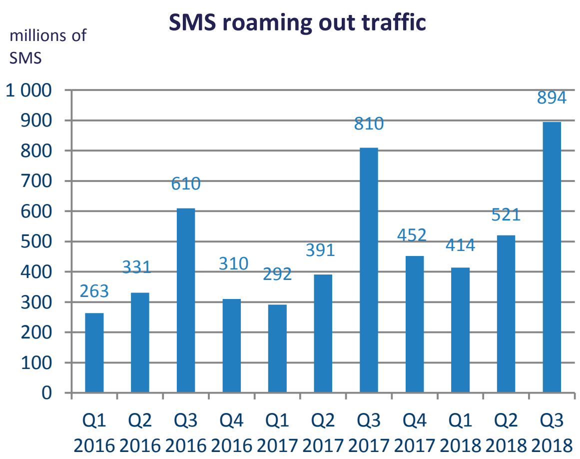
Mobile voice traffic
billions of minutes
45
40
35
30
25
20
15
10
5
0
27,9
29,6
29,5
32,6
33,3
34,4
33,7
36,0
36,0
37,1
35,9
37,9
37,7
38,6
37,3
39,3
40,1
41,4
39,3
40,6
41,2
41,3
39,8
42,5
43,0
43,1
41,0
Q1 12
Q2 12
Q3 12
Q4 12
Q1 13
Q2 13
Q3 13
Q4 13
Q1 14
Q2 14
Q3 14
Q4 14
Q1 15
Q2 15
Q3 15
Q4 15
Q1 16
Q2 16
Q3 16
Q4 16
Q1 17
Q2 17
Q3 17
Q4 17
Q1 18
Q2 18
Q3 18

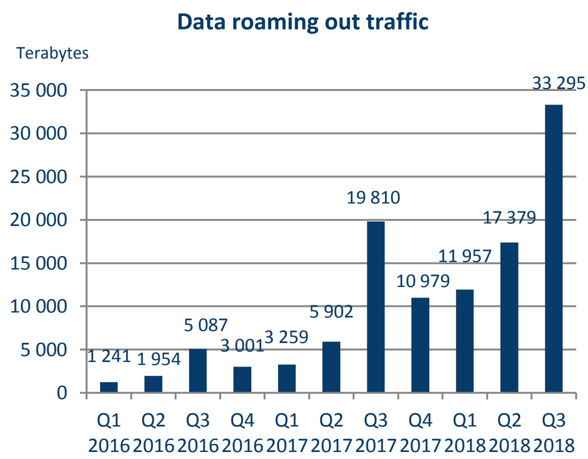


Number of SMS
billions of SMS
55
50
45
40
35
30
25
20
15
10
5
0
44,3
45,7
43,9
49,0
49,4
47,9
46,3
49,6
49,3
49,2
47,5
50,6
50,8
50,4
49,6
51,6
50,7
51,6
51,3
49,1
48,2
47,1
44,9
44,3
43,5
43,0
42,6
Q1 12
Q2 12
Q3 12
Q4 12
Q1 13
Q2 13
Q3 13
Q4 13
Q1 14
Q2 14
Q3 14
Q4 14
Q1 15
Q2 15
Q3 15
Q4 15
Q1 16
Q2 16
Q3 16
Q4 16
Q1 17
Q2 17
Q3 17
Q4 17
Q1 18
Q2 18
Q3 18









2.1.11 Average monthly bill and traffic per user (MtoM cards excluded)

The average monthly bills in the table below are presented at a constant scope, i.e., after application of the new accounting standard. For more information, see the appendix on p. 39.

Average monthly bill (value added services excluded) *(in euros - VAT excluded)*	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Mobile telephony user	**14,7**	**14,7**	**14,1**	**14,4**	**14,6**	**-0,7%**
Postpaid subscriptions	16,2	16,2	15,5	15,8	15,9	-1,8%
Prepaid subscriptions	5,6	5,3	5,0	5,1	5,3	-6,9%

- <u>The average monthly bill per mobile card</u> customer is calculated by dividing the income from mobile telephony (voice and data revenue, including roaming-out, excluding revenue from incoming calls and MtoM SIM cards) for quarter N by the estimated average number of mobile cards 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.

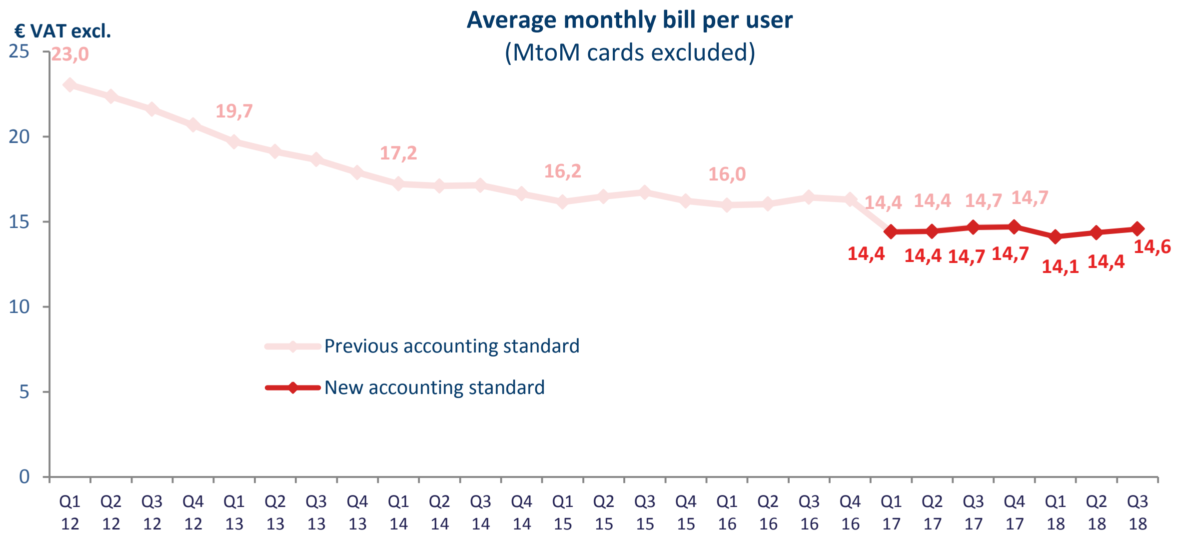
- <u>Average number of mobile cards</u> for quarter N: [(number of mobile cards (MtoM cards excluded) for quarter N) + (number of mobile cards for quarter N-1(MtoM cards excluded)] / 2.

Average monthly traffics of data consumed on mobile networks *(in gigabytes)*	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
of which postpaid subscriptions	3,4	4,0	4,2	4,8	5,1	50,9%
of which prepaid subscriptions	0,2	0,3	0,3	0,4	0,5	131,3%
per mobile operator customer	**2,9**	**3,4**	**3,7**	**4,2**	**4,5**	**54,9%**
Per active internet user	**4,2**	**4,9**	**5,2**	**5,9**	**6,2**	**47,0%**
Per 4G active user	**5,1**	**5,8**	**5,8**	**6,6**	**6,8**	**32,5%**

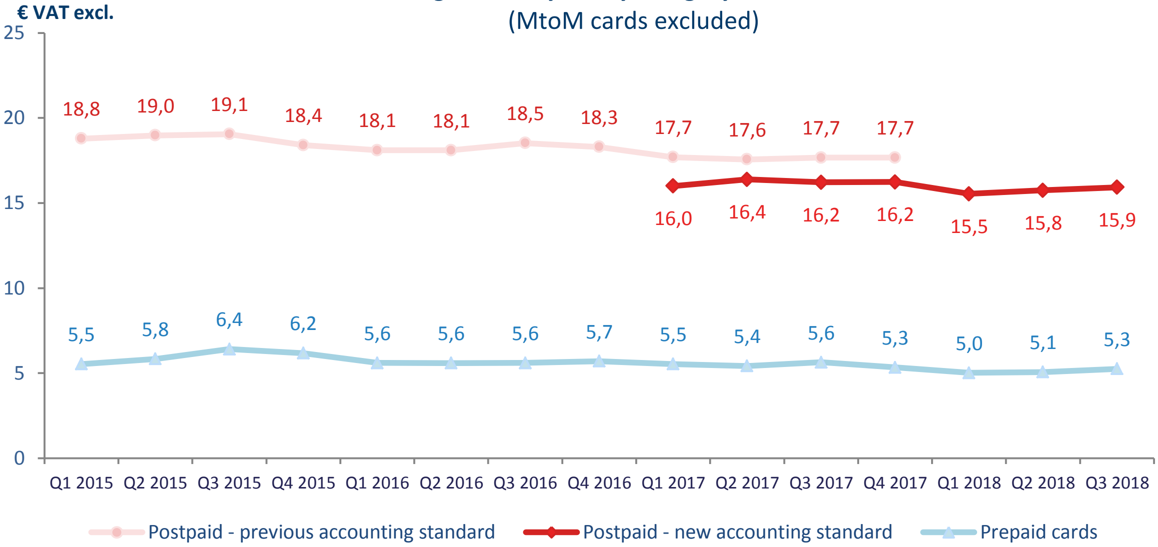
- *The average monthly data volume used by mobile customer is calculated by dividing the volume of mobile telephony traffic of data for quarter N by the estimated average number of mobile cards for quarter N, and then by the number of months. SIM cards that can be used only for data (MtoM and data only cards) are not included in the calculations.*

- *Average number of active internet cards: Active internet cards that used a data service in the last three months via 3G or 4G networks.*

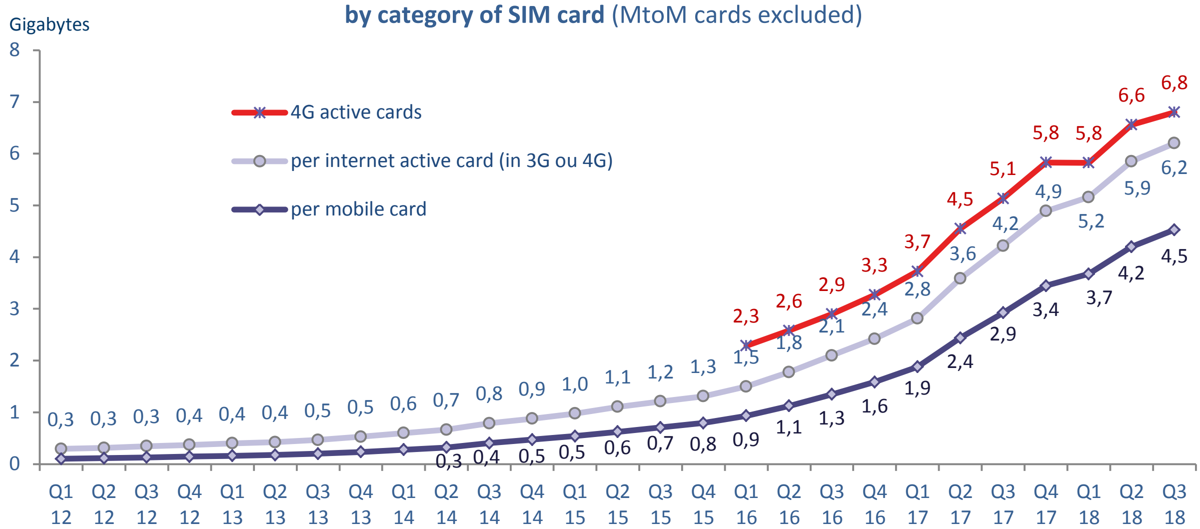
- *Active 4G cards: use of a 4G mobile network during the last three months.*



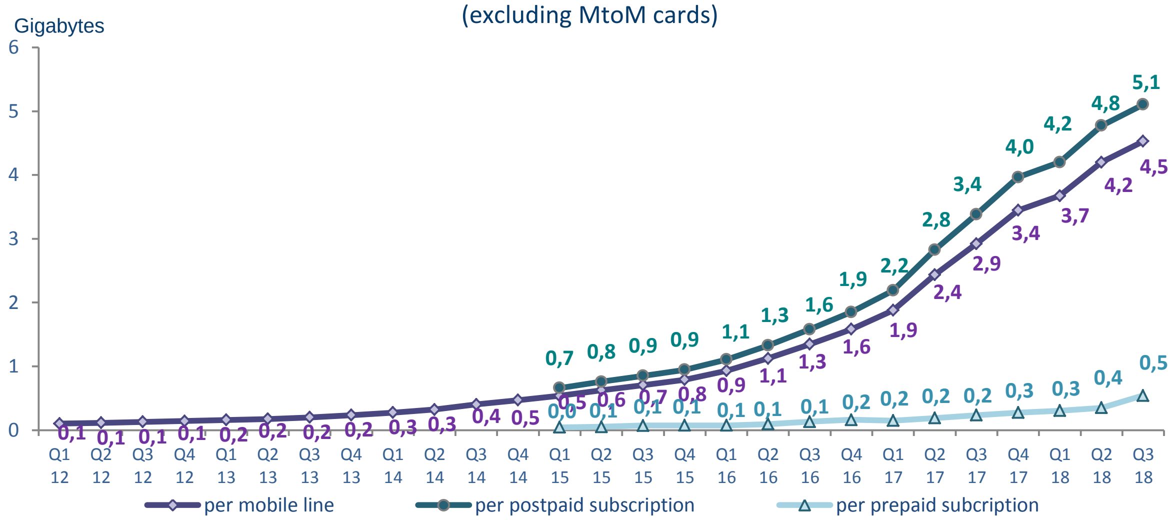
Average monthly bill by category of mobile card
(MtoM cards excluded)



Average monthly volume of data used by customers on mobile networks by category of SIM card (MtoM cards excluded)



Average monthly data volume per user
(excluding MtoM cards)

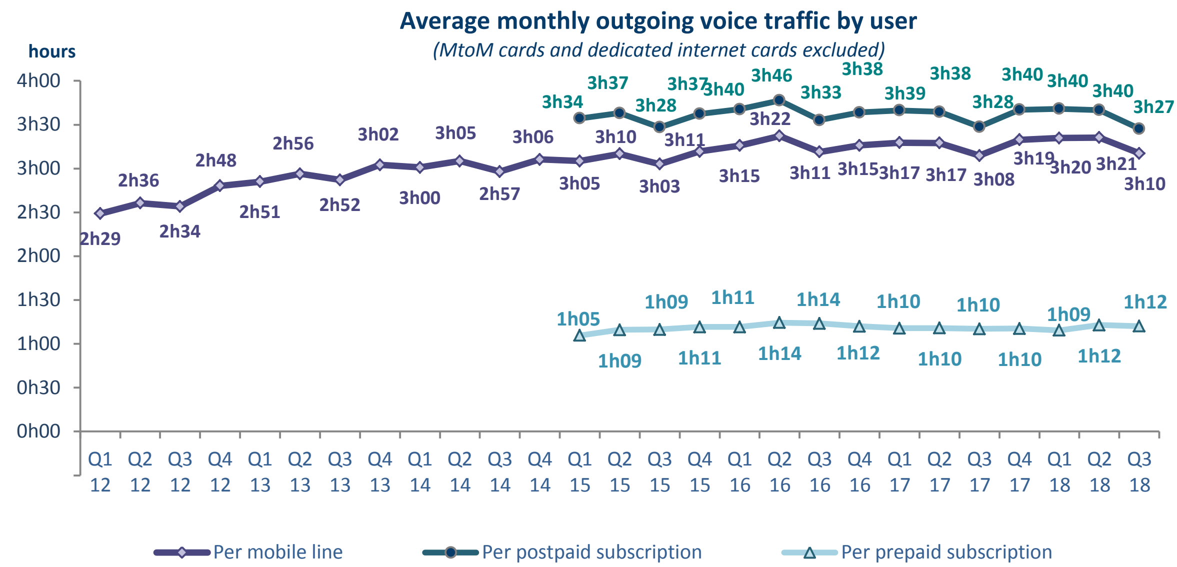


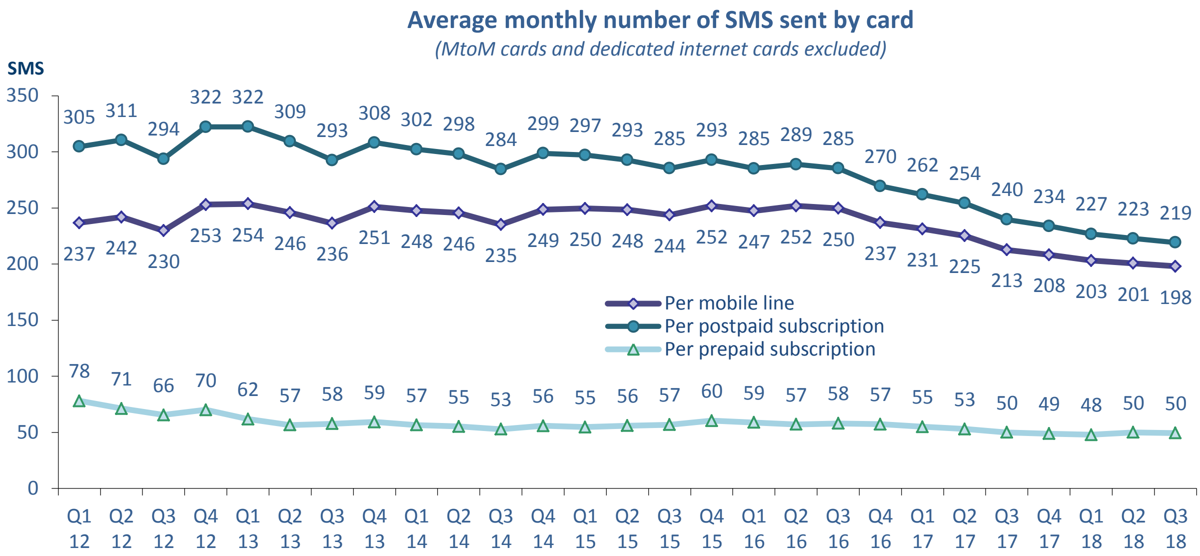
Average monthly outgoing volume *(in hours)*	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Mobile telephony user	**3h08**	**3h19**	**3h20**	**3h21**	**3h10**	**0,8%**
Postpaid subscriptions	3h28	3h40	3h40	3h40	3h27	-0,6%
Prepaid subscriptions	1h10	1h10	1h09	1h12	1h12	2,7%

Note: The average monthly volume of traffic per mobile card is calculated by dividing the volume of mobile telephony traffic (including roaming-out) for quarter N by the estimated average number of mobile cards 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.

Number of interpersonal SMS sent per user *(units)*	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Number of SMS sent per user during the quarter	**213**	**208**	**203**	**201**	**198**	**-6,9%**
Postpaid subscriptions	240	234	227	223	219	-8,6%
Prepaid subscriptions	50	49	48	50	50	-1,0%
Number of MMS sent per user during the quarter	**8**	**7**	**7**	**8**	**9**	**10,4%**
Number of messages sent per user during the quarter	**219**	**214**	**209**	**207**	**205**	**-6,6%**

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

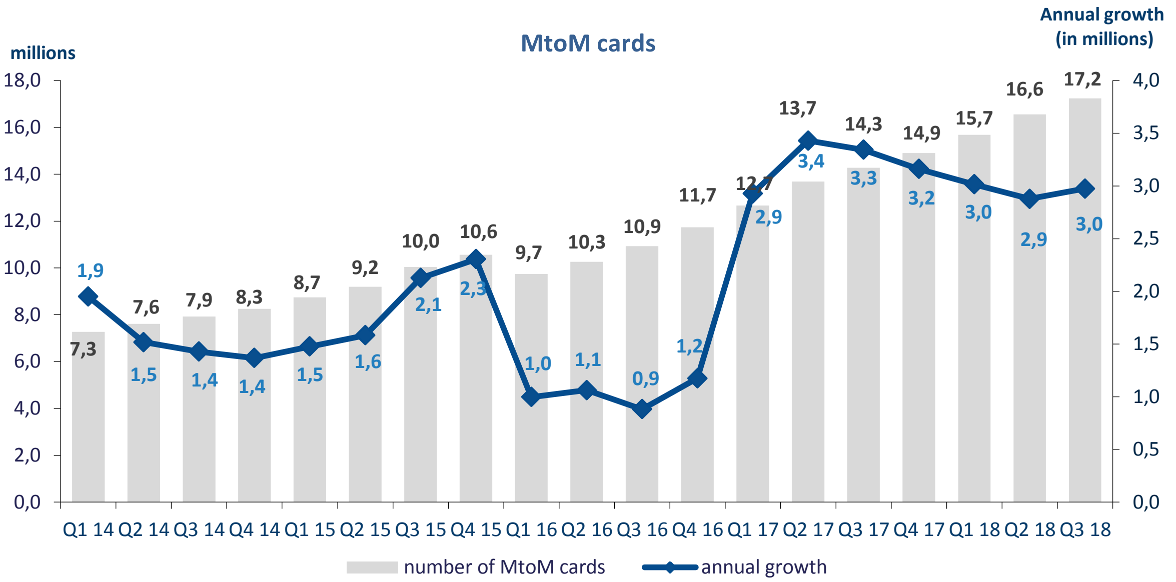

Average monthly outgoing voice traffic by user
(MtoM cards and dedicated internet cards excluded)
hours
Per mobile line
Per postpaid subscription
Per prepaid subscription

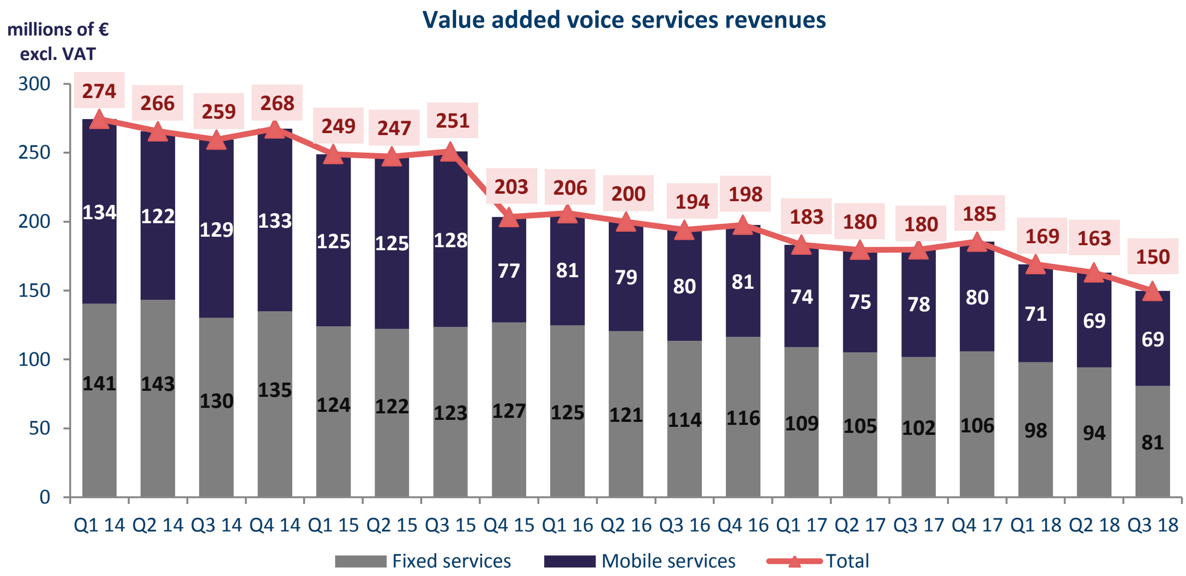

Average monthly number of SMS sent by card
(MtoM cards and dedicated internet cards excluded)
SMS
Per mobile line
Per postpaid subscription
Per prepaid subscription

2.2 Internet of things: MtoM cards

MtoM cards	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Revenue of MtoM SIM cards *(millions of € VAT excl.)*	31	25	30	30	30	-0,7%
Number of MtoM SIM cards *(millions of units)*	14,272	14,899	15,685	16,561	17,246	20,8%

Note: 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). These cards are used mainly on the business sector.





3 Value-added services

Value-added services revenue *(millions of euros excl.VAT)*	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Value-added voice services	**180**	**185**	**169**	**163**	**150**	**-16,7%**
From fixed networks	102	106	98	94	81	-20,5%
From mobile networks	78	80	71	69	69	-11,8%
Value-added data services	**77**	**82**	**73**	**73**	**76**	**-1,4%**
Directory services	**29**	**26**	**15**	**18**	**13**	**-53,9%**
Value-added services	**286**	**294**	**258**	**253**	**239**	**-16,4%**

Notes:

- The pricing reform of calls to value added services, since 1st October 2015, led to distinguish the price of communication (paying the operator) from the price of service (paying the service provider). As a result of this reform, the price of many calls to the SVA is now "unmarked" and the communications part of these calls, previously charged and included in the SVA's revenue, is now directly taken from mobile packages.

- This reform led to a decrease of the revenue since the fourth quarter (approximatively -40% in annual evolution between the fourth quarter of 2015 and the third quarter of 2016).

Value-added voice traffics *(millions of minutes)*	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Voice traffic from fixed network	842	839	853	791	741	-12,0%
Voice traffic from mobile network	444	467	468	438	469	5,6%
Total voice traffics	**1 286**	**1 307**	**1 320**	**1 229**	**1 209**	**-5,9%**

Number of calls from directory services *(millions of units)*	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Number of calls	**5**	**4**	**3**	**3**	**3**	**-30,2%**

Note: are considered as directory services numbers: 118xyz numbers and short numbers giving access to directory services (3288, 3217, 3200, 3212).

4 Other operators revenue

4.1 Hosting and call center management services

Revenue *(millions of euros excl.VAT)*	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Hosting and call center management	**85**	**85**	**83**	**82**	**86**	**1,1%**

4.2 Terminals and equipments

Revenues from mobile equipment in the table below are presented at a constant scope, i.e., after application of the new accounting standard. For more information, see the appendix I.

Revenue from terminals and equipment *(millions of euros excl.VAT)*	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
linked to fixed telephony & Internet services	240	253	240	244	241	0,5%
linked to mobile services	841	1 072	*826*	*725*	814	-3,3%
Terminals and equipment	**1 081**	**1 325**	***1 066***	***968***	**1 054**	**-2,4%**

adjusted figures are in italics

Note: the revenue includes commissions paid to distributors

5 The intermediate market: interconnection and wholesale market

5.1 The overall market

Interconnection services Revenue *(millions of euros)*	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Fixed operators	**1 354**	**1 334**	**1 287**	**1 315**	**1 269**	**-7,5%**
of which telephony services (incl VGA)	486	472	432	422	418	-14,0%
of which broadband services	711	707	703	745	690	-3,0%
of which wholesale leased lines products	157	155	152	148	160	2,4%
Mobile operators	**709**	**661**	**628**	**657**	**703**	**-0,9%**
of which voice termination (national and international)	184	196	199	200	190	3,2%
of which SMS/MMS termination	369	363	351	355	356	-3,6%
Roaming in	156	102	78	102	157	0,6%
Total revenue	**2 064**	**1 995**	**1 915**	**1 972**	**1 972**	**-4,4%**

Interconnection services volumes	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Fixed operators	21 378	23 240	23 023	21 120	21 052	-1,5%
Mobile operators	25 205	26 485	26 699	26 338	25 429	0,9%
Total voice traffics (in millions of minutes)	**46 582**	**49 725**	**49 722**	**47 458**	**46 482**	**-0,2%**
Incoming SMS (in millions)	**29 176**	**28 851**	**27 960**	**27 517**	**27 375**	**-6,2%**

Definitions and tariffs evolutions on the wholesale market

- 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 2017, the price for call termination on fixed networks is set to 0.077c€/minute against 0.078c€/min since January 1st 2016.

- Broadband wholesale services include income from unbundling and bitstream or bitstream equivalent services. The tariff for total unbundling is set at €9.31 since January 1st 2018 against

previously at €9.45 between March 1st 2017 and 31th December 2017 and 9.10€ between March 1st 2016 and 29th February 2017. The tariff for partial unbundling is set to €1.77.

For more information, see: https://www.arcep.fr/?id=6989

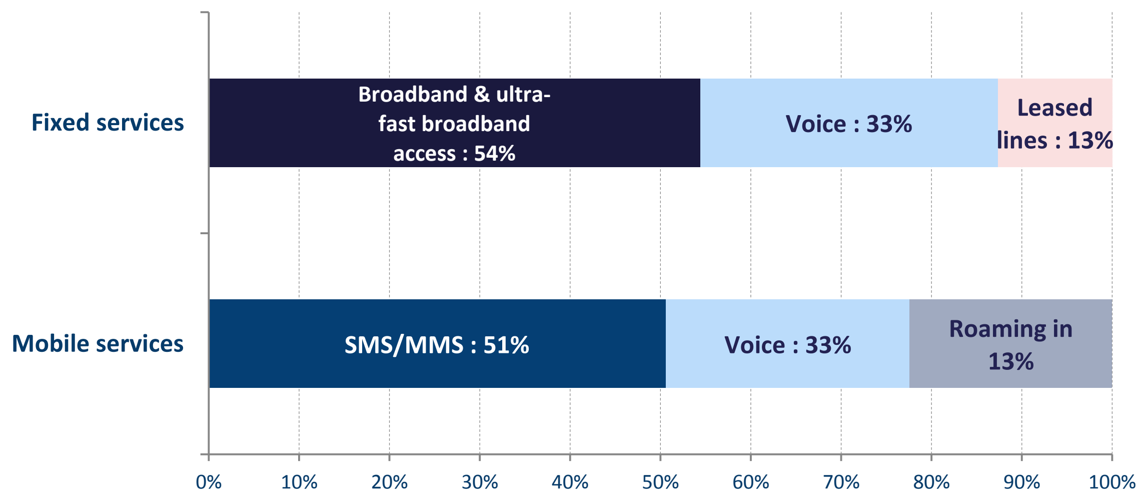
- Mobile operator's interconnection services include income from call termination (voice and SMS) and the roaming in. Are not included revenue from services to MVNO/full MVNO or operators in national roaming (about one billion of euros for the overall of year 2017).

- From January 1st 2017, the price for call termination on mobile networks is set to 0.74c€/minute for all the operators against 0.76c€/min since January 1st 2016.

- From July 1st 2013, the price for SMS termination is set to 1c€/SMS for all the operators (metropolitan and overseas operators).

For price details, see: https://www.arcep.fr/index.php?id=8080

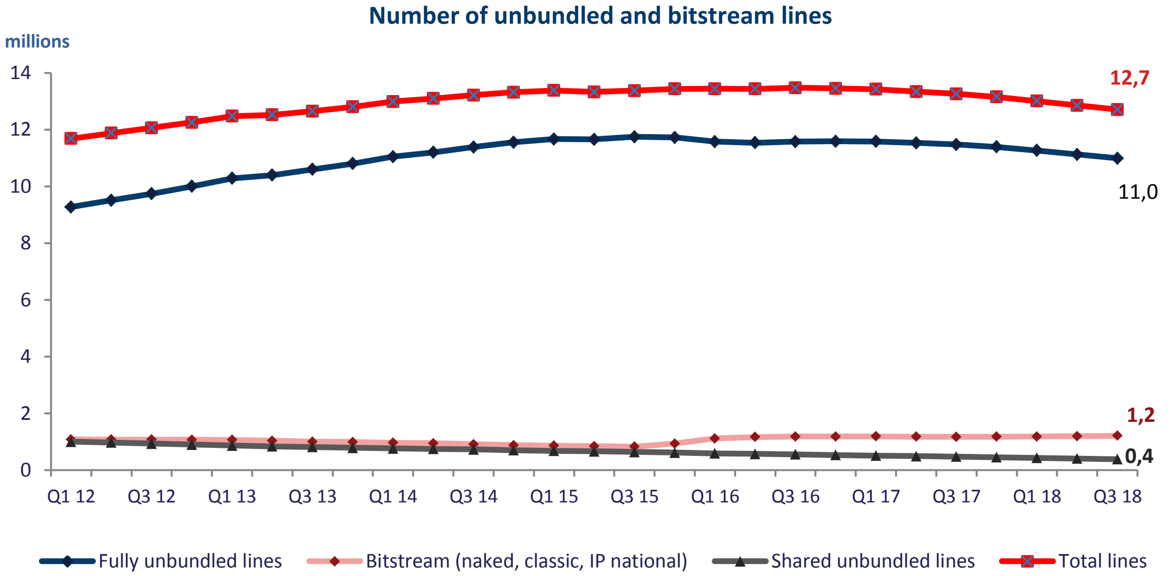
Interconnection services revenue - *Third quarter 2018*

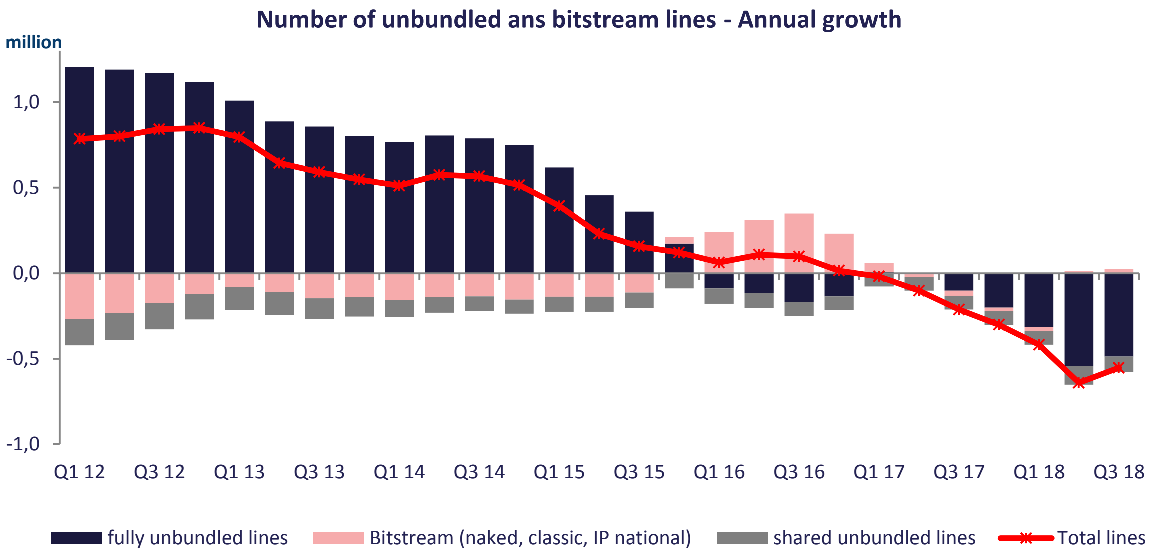


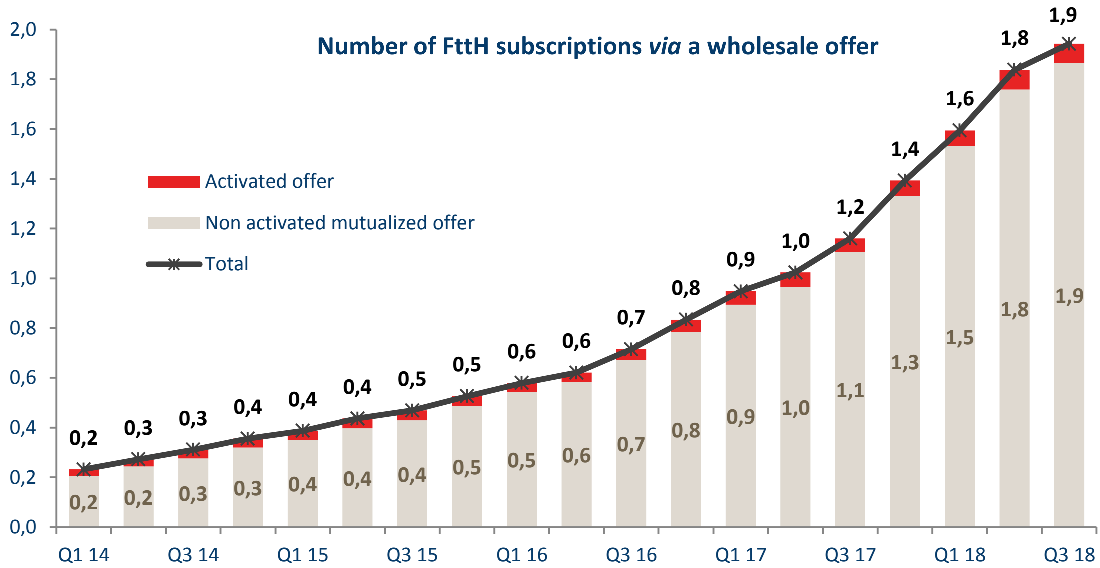
Unbundling *(millions of units)*	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Shared unbundled lines	0,480	0,459	0,435	0,416	0,389	-18,9%
Fully unbundled lines	11,481	11,393	11,273	11,128	10,994	-4,2%
Bitstream (naked, classic and IP national)	1,302	1,302	1,303	1,314	1,327	1,9%
Total number of unbundled lines	**13,263**	**13,154**	**13,010**	**12,858**	**12,710**	**-4,2%**

Number of FttH subscriptions *via* a wholesale offer *(in millions)*	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Subscriptions *via* a passive sharing offer	1,106	1,331	1,533	1,759	1,866	68,7%
Subscriptions via an active wholesale access product	0,054	0,062	0,062	0,079	0,077	42,6%
Total number of subscriptions *via* a wholesale offer	**1,160**	**1,393**	**1,595**	**1,838**	**1,943**	**67,5%**

For more information, see: https://www.arcep.fr/cartes-et-donnees/nos-publications-chiffrees/observatoire-des-abonnements-et-deploiements-du-haut-et-tres-haut-debit/hd-thd-t3-2018.html


Number of unbundled and bitstream lines
millions
14
12
10
8
6
4
2
0
12,7
11,0
1,2
0,4
Q1 12
Q3 12
Q1 13
Q3 13
Q1 14
Q3 14
Q1 15
Q3 15
Q1 16
Q3 16
Q1 17
Q3 17
Q1 18
Q3 18
Fully unbundled lines
Bitstream (naked, classic, IP national)
Shared unbundled lines
Total lines


Number of unbundled ans bitstream lines - Annual growth
million
1,0
0,5
0,0
-0,5
-1,0
Q1 12
Q3 12
Q1 13
Q3 13
Q1 14
Q3 14
Q1 15
Q3 15
Q1 16
Q3 16
Q1 17
Q3 17
Q1 18
Q3 18
fully unbundled lines
Bitstream (naked, classic, IP national)
shared unbundled lines
Total lines


Number of FttH subscriptions via a wholesale offer
2,0
1,8
1,6
1,4
1,2
1,0
0,8
0,6
0,4
0,2
0,0
Activated offer
Non activated mutualized offer
Total
0,2
0,3
0,3
0,4
0,4
0,4
0,5
0,5
0,6
0,6
0,7
0,8
0,9
1,0
1,2
1,4
1,6
1,8
1,9
0,2
0,2
0,3
0,3
0,4
0,4
0,4
0,5
0,5
0,6
0,7
0,8
0,9
1,0
1,1
1,3
1,5
1,8
1,9
Q1 14
Q3 14
Q1 15
Q3 15
Q1 16
Q3 16
Q1 17
Q3 17
Q1 18
Q3 18

5.2 Mobile operators « Roaming-in »

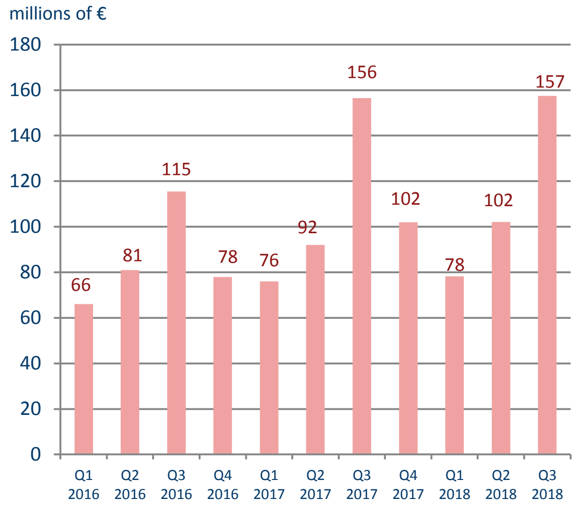
Roaming in	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Voice traffic (millions of minutes)	*1 511*	1 267	1 323	*1 467*	1 664	10,2%
SMS traffic (millions)	392	197	211	241	373	-4,9%
Data traffic (terabytes)	*13 635*	*8 156*	*10 415*	*14 125*	25 326	85,7%

adjusted figures are in italics

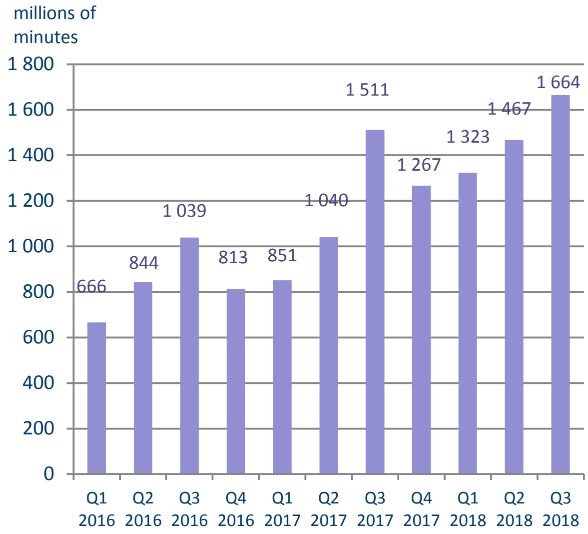
Notes: this market segment is part of the overall market (cf. section ***5.1****).*

- *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.*
- *From April 30, 2016, the ceiling of the retail price for roaming is done by comparison with the national rate, that is, the additional costs compared to national rates cannot exceed the thresholds fixed by the regulation. The maximum amounts of additional costs compared to national rates are: +5 c€ VAT excl. per minute for the calls made from abroad, +1,14 c€ VAT excl. per minute for calls received abroad, +2 c€ VAT excl. for SMS and +5 c€ VAT excl./Mo for mobile internet.*
- *After June 15, 2017, prices of roaming in Europe will be aligned with national prices.*
- *On the wholesale market the tariffs have been set since 15 June 2017 to 1c€ per message for SMS (against 2c€ VAT excl. per message for the period from 1st July 2014 to 14 June 2017); to 3,2c€ per minute for voice calls (against 5c€ VAT excl. per minute for the period from 1st July 2014 to 14 June 2017). The tariff for mobile internet is set to 6,0cts€ VAT excl. /GO from 1st January 2018 (against 7,7ct€ VAT excl. /Go previously).*
- More information at http://www.arcep.fr/index.php?id=8710.

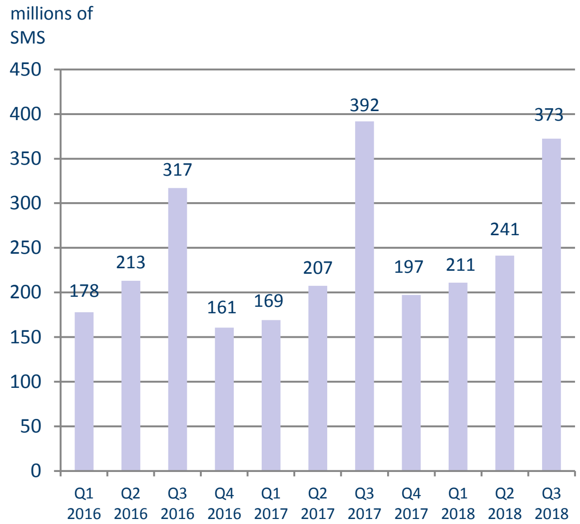
Roaming in services revenue



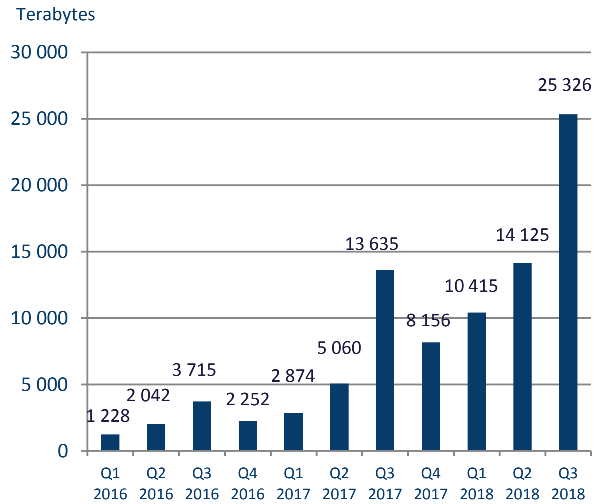
Voice roaming in traffic



SMS roaming in traffic



Data roaming in traffic



Appendix 1: change due to the new accounting standard IFRS15

IFRS 15 revenue recognition principles

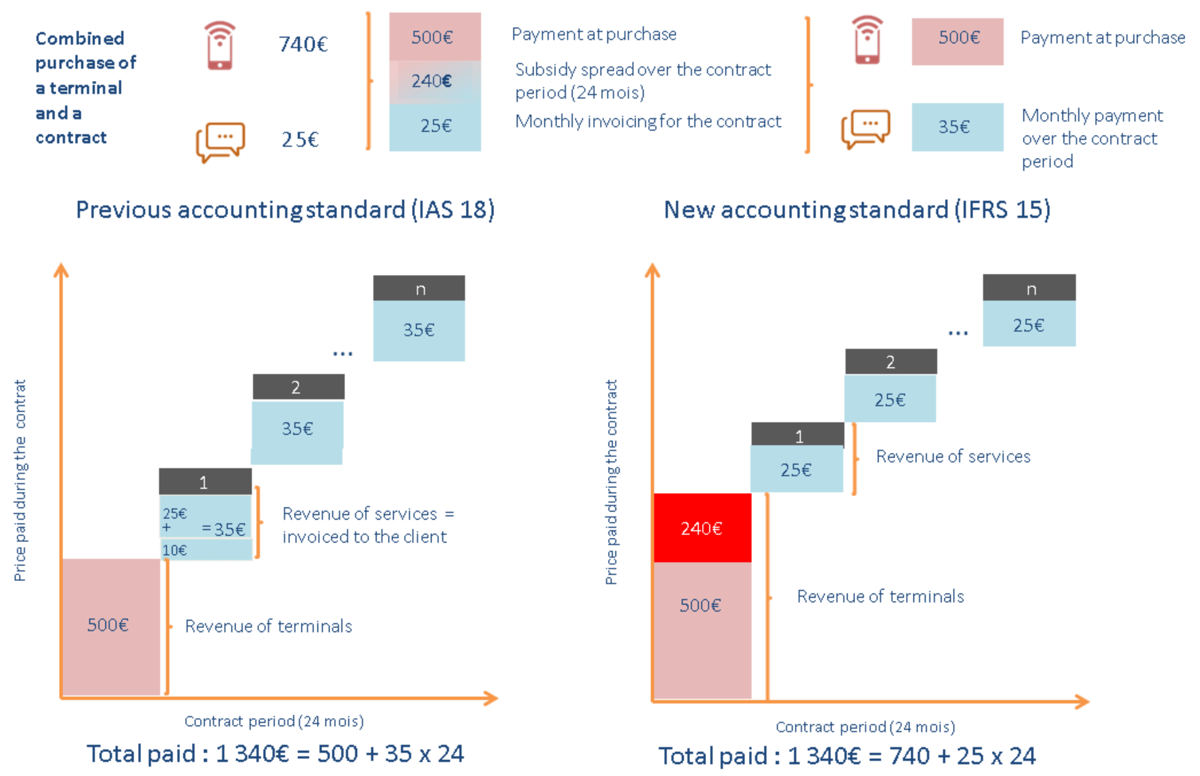
With the application of new accounting standards (IFRS 15) since January 1, 2018, the revenue from mobile postpaid packages, as the revenue of the sale and the rental of terminals, are affected by the change in allocating the part related to the terminal subsidy, which is now accounted in full at the date of its purchase by the customer, in the revenues from terminals. .

Previously, this revenue (the "operator subsidy") was charged to the customer through his monthly subscription, during all his commitment period. After the commitment period, if the customer did not modify his contract, the revenue was allocated to revenue from mobile services.

So, there are several effects:

- *A transfer of revenue between the postpaid packages and the terminals (of the amount of the monthly reimbursement during the commitment period)*
- *An accounting of that revenue at the date of purchase, versus a monthly spreading of this amount (usually 24 months)*

Beyond the commitment period (linked to the reimbursement of the terminal), the full amount of the postpaid package, invoiced each month, is recorded in mobile services revenue (postpaid packages).



1. Revenue indicators on the retail market – previous accounting standard

Revenue on the retail market *(millions of euros VAT excluded)*	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Fixed services (including leased lines and data transport netwo	*4 311*	*4 256*	*4 277*	*4 335*
Mobile services (MtoM included)	3 498	3 492	3 556	3 579
Value-added services and directory services	*290*	*281*	286	294
Electronic communications services	***8 100***	***8 029***	***8 119***	***8 208***
Others revenues	845	848	925	1 128
Overall market	***8 945***	***8 877***	***9 045***	***9 336***

adjusted figures are in italics

Mobile services revenue *(millions of euros VAT excluded)*	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Postpaid subscriptions	3 285	3 288	3 343	3 386
Prepaid subscriptions	185	176	182	168
Total mobile services revenue (excluding MtoM revenue)	**3 469**	**3 464**	**3 526**	**3 554**

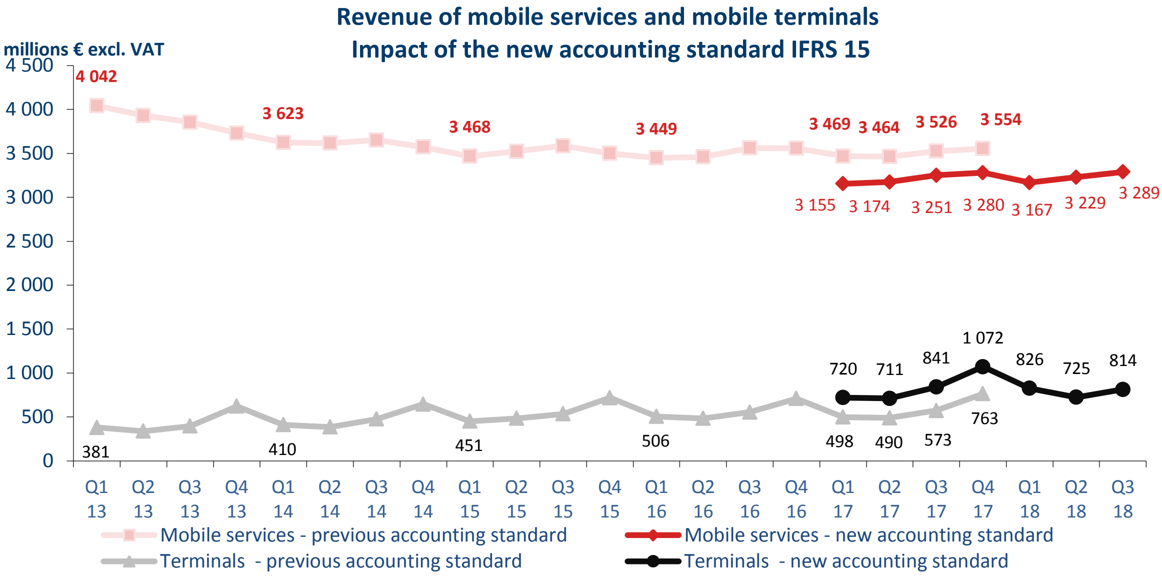
Average monthly bill (value added services excluded) *(in euros - VAT excluded)*	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Mobile telephony user	**15,8**	**15,8**	**15,9**	**15,9**
Postpaid subscriptions	17,7	17,6	17,7	17,7
Prepaid subscriptions	5,5	5,4	5,6	5,3

Revenue from terminals and equipment *(millions of euros VAT excluded)*	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Linked to fixed telephony & Internet services	235	235	240	253
Linked to mobile services	498	490	573	763
Terminals and equipment	**733**	**725**	**813**	**1 016**

2. Revenues from mobile services and sale of mobile terminals – previous and new accounting standards

Revenue from mobile services and sales of mobile terminals *(in millions of euros VAT excluded)*	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Revenue from mobile services (excluded MtoM revenue)	3 469	3 464	3 526	3 554
Revenue from mobile terminals	498	490	573	763
Total of revenue (mobile services & terminals)	**3 968**	**3 954**	**4 099**	**4 317**

Revenue from mobile services and sales of mobile terminals *(in millions of euros VAT excluded)*	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	change Q317/Q318
Revenue from mobile services (excluded MtoM revenue)	3 251	3 280	*3 167*	*3 229*	3 289	1,1%
Revenue from mobile terminals	841	1 072	*826*	*725*	814	-3,3%
Total of revenue (mobile services & terminals)	**4 092**	**4 352**	***3 993***	***3 953***	**4 102**	**0,2%**



Revenue of mobile services and mobile terminals
Impact of the new accounting standard IFRS 15
millions € excl. VAT
4 500
4 000
3 500
3 000
2 500
2 000
1 500
1 000
500
0
4 042
3 623
3 468
3 449
3 469
3 464
3 526
3 554
3 155
3 174
3 251
3 280
3 167
3 229
3 289
1 072
720
711
841
826
725
814
763
381
410
451
506
498
490
573
Q1 13
Q2 13
Q3 13
Q4 13
Q1 14
Q2 14
Q3 14
Q4 14
Q1 15
Q2 15
Q3 15
Q4 15
Q1 16
Q2 16
Q3 16
Q4 16
Q1 17
Q2 17
Q3 17
Q4 17
Q1 18
Q2 18
Q3 18
Mobile services - previous accounting standard
Mobile services - new accounting standard
Terminals - previous accounting standard
Terminals - new accounting standard