RÉPUBLIQUE FRANÇAISE

LES ACTES DE L'ARCEP

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Observatory of the Electronic communications market in France

2nd quarter 2012 – final results

ARCEP
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Contents

1 the electronic market in its entirety

1.1 The end customer market

Revenue (millions of euros)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Fixed services (1)	**3 985**	**3 999**	**4 031**	**3 971**	**3 895**	-2,3%
Mobile telephony (2)	***4 734***	**4 788**	**4 678**	**4 546**	**4 457**	-5,9%
All telephony and Internet	***8 719***	**8 787**	**8 710**	**8 517**	**8 352**	**-4,2%**
Advanced services and directory services	**532**	***534***	***549***	***542***	**525**	-1,3%
Capacity services	**920**	**901**	**924**	**904**	**929**	1,0%
Leased lines	383	381	394	379	387	1,0%
Data transport (3)	537	520	530	525	543	1,0%
Electronic communications services	***10 171***	***10 221***	***10 182***	***9 963***	**9 807**	**-3,6%**
Others revenues (4)	***733***	***702***	***870***	***665***	**726**	-0,9%
Entire market	***10 904***	***10 924***	***11 052***	***10 629***	**10 533**	**-3,4%**

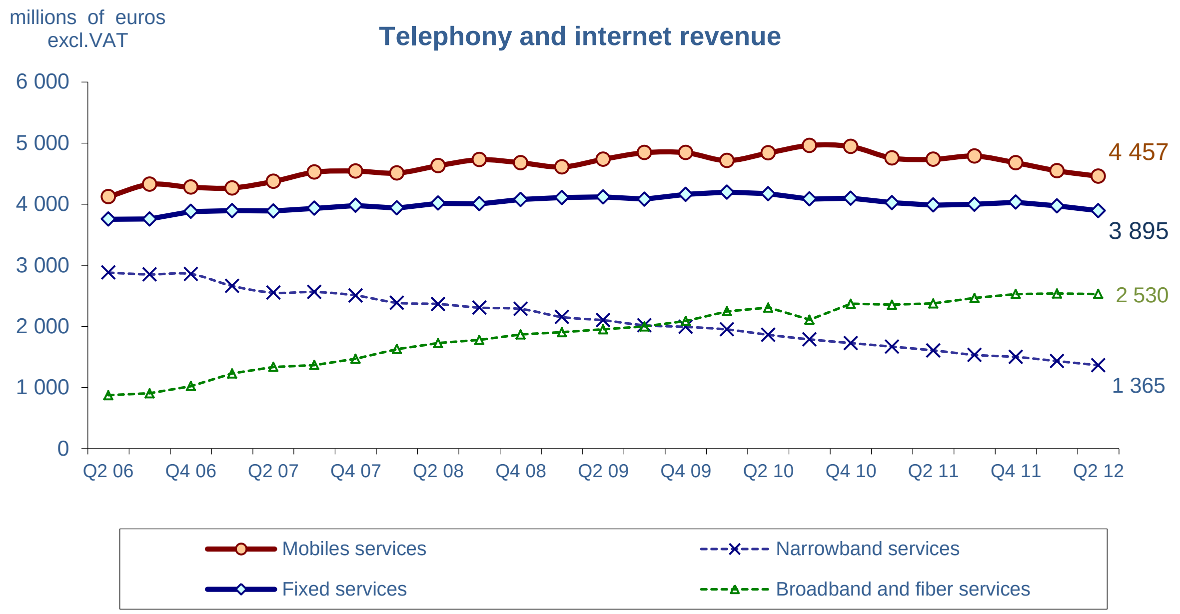
adjusted figures are in italics

(1) This indicator covers revenues from access fees and subscriptions, from calls from fixed lines including Internet connection calls, public telephones and cards, internet subscriptions

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

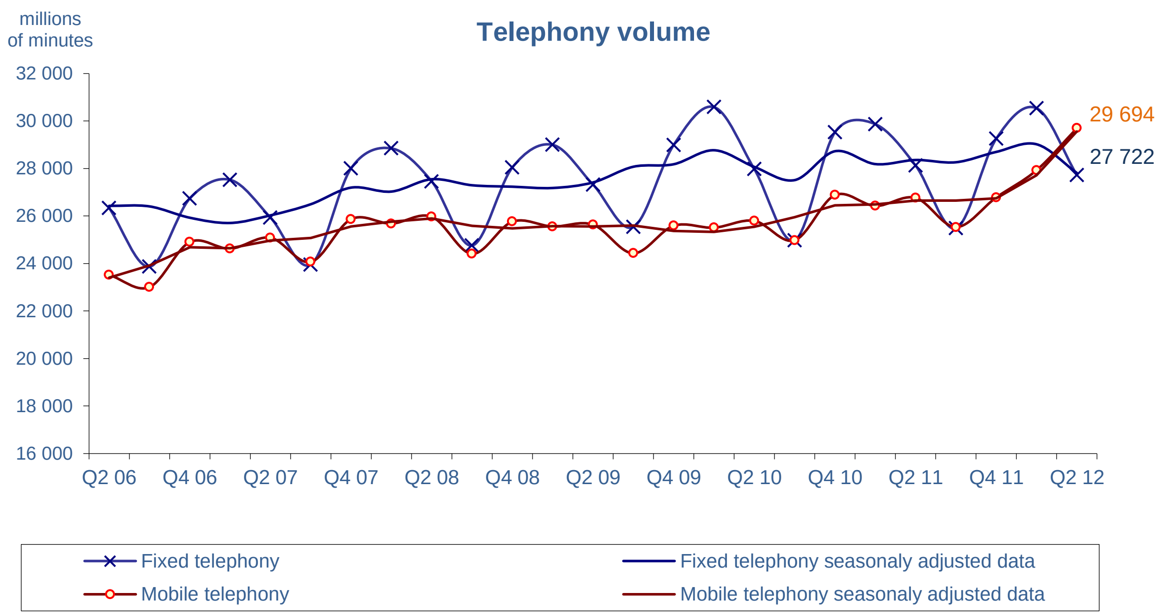
(3) The indicator includes only revenue from data transport originating on fixed lines. Data transport on mobile lines is included in the overall total for mobile.

(4) This market does not really fall under the telecommunications services market. Since registered operators contribute little to this market, this indicator gives only a partial idea of total figures. This item covers revenues from terminals and equipment, from hosting and call centre management, and from directories and advertising.



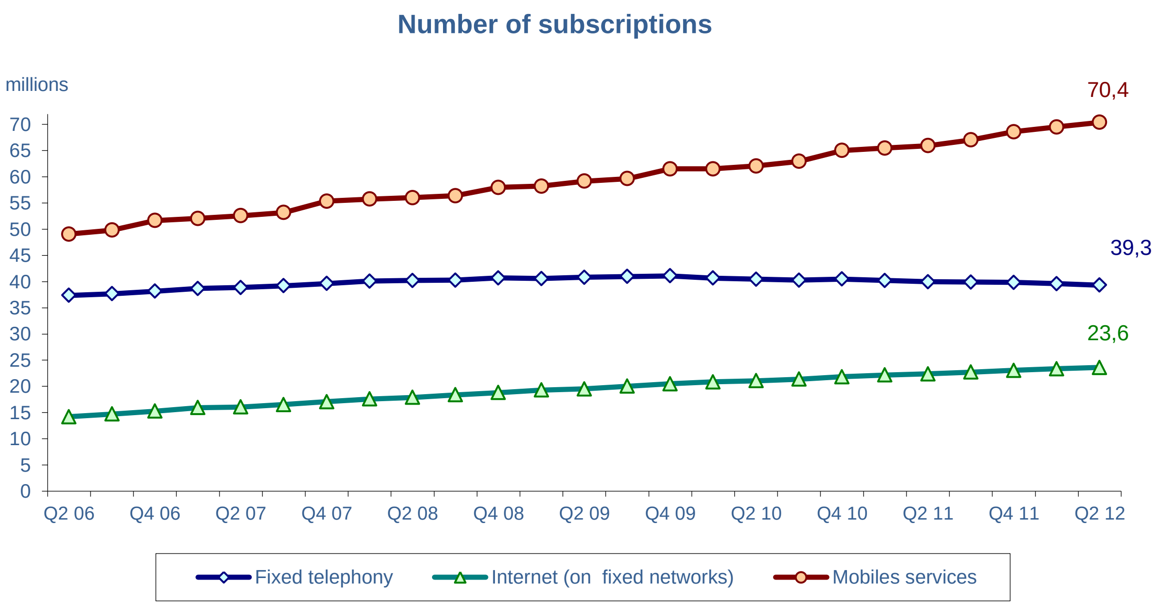
Volumes (millions of minutes)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Fixed telephony	*28 126*	*25 481*	*29 255*	*30 539*	27 722	-1,4%
Mobile telephony	*26 763*	*25 531*	*26 782*	*27 926*	29 694	11,0%
Total voice services	***54 889***	***51 012***	***56 037***	***58 465***	**57 416**	**4,6%**
Internet (dial-up)	620	533	493	452	354	-42,9%
Number of SMS sent (millions of units)	35 520	35 723	41 027	*44 346*	45 747	28,8%
Volume of mobile data (teraoctets)	*13 036*	14 778	16 714	*19 562*	21 977	68,6%

adjusted figures are in italics



Number of subscriptions (millions of units)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Number of subscription to telephone service	*39,958*	*39,901*	*39,863*	*39,601*	39,337	-1,6%
Internet subscriptions	*22,389*	*22,717*	*23,060*	*23,361*	23,595	5,4%
Number of mobile customers	65,949	67,042	68,616	*69,523*	70,426	6,8%

adjusted figures are in italics



1.2 The intermediate market (interconnection and wholesale market)

1.2.1 The market as a whole

Interconnection services (millions of euros)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Fixed operators	*1 294*	*1 279*	*1 277*	*1 266*	1 273	-1,6%
of which telephony services	*746*	*737*	*716*	*722*	704	-5,6%
of which dial-up Internet	1	1	1	1	1	-37,7%
of which broadband services	*547*	*541*	*561*	*543*	568	3,9%
Mobile operators	1 027	809	833	788	846	-17,7%
Revenue	***2 321***	***2 088***	***2 110***	***2 053***	**2 119**	**-8,7%**

Interconnection services (millions of minutes)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Fixed operators	*37 818*	*35 754*	*37 529*	*38 399*	36 711	-2,9%
Internet (dial-up)	218	206	191	174	151	-30,7%
Mobile operators	14 161	14 671	*15 852*	17 740	18 899	33,5%
Volume	**52 197**	**50 631**	**53 572**	**56 313**	**55 761**	**6,8%**
Incoming SMS	**18 950**	**20 082**	**23 293**	**25 465**	**26 998**	**42,5%**

adjusted figures are in italics

Notes:

- Interconnection covers all the services provided by one carrier to another under the terms of an interconnection agreement. In cases of mergers or takeovers, some of the revenue streams between the telcos disappear, which might account for decreases in 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 October 1st 2012, the price for call termination on fixed networks is set to 0.3c€/minute against 0.4c€/min for France Telecom and 0.5c€/min for others operators.

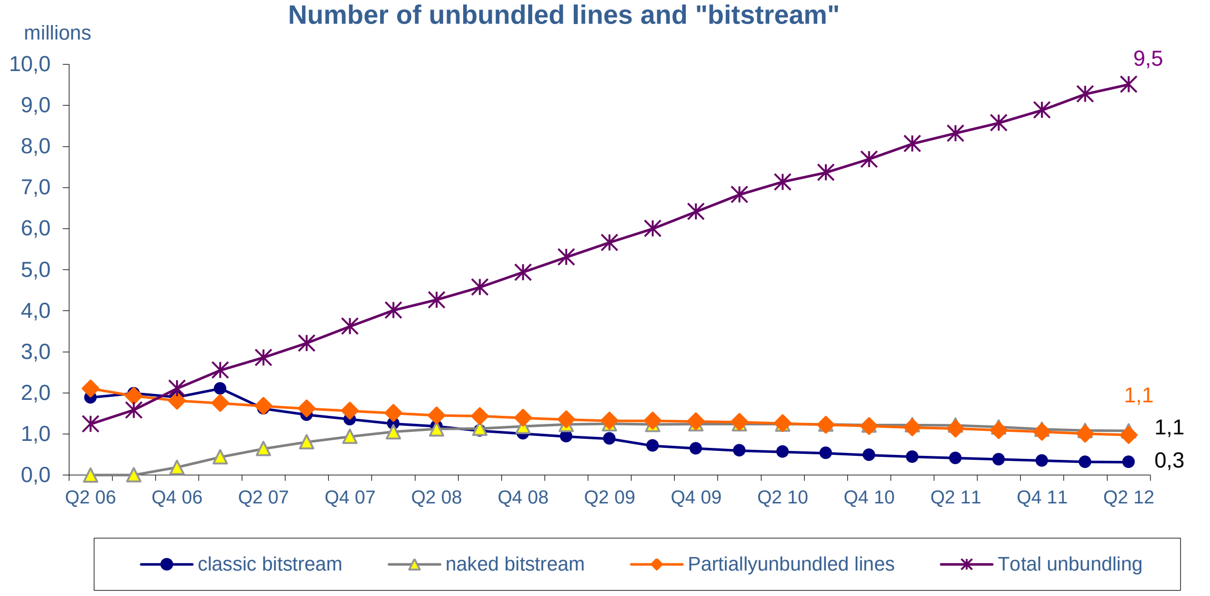
- Broadband wholesale services include income from unbundling and bitstream or bitstream equivalent services. The decision 2012-0007 (January 17 2012), about the rates of wholesale offerings regulated for the year 2012, amended in particular, the tariff of the unbundling which moved to €8.80 against €9.00.

- 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 EUR 539 million for the whole of the year 2011, are not included.

- From January 1st 2012, the price for call termination on mobile networks is set to 1.5c€/minute for Bouygues Telecom, Orange France and SFR against 2c€/minute between July 1, 2011 to July 1, 2012 and at most equal to 3c€/minute for Orange France and SFR and to 3.4 c€/min for Bouygues Telecom for the period between July 1, 2010 to July 1, 2011. The maximum price of the voice call termination on mobile networks is set, from 1st August 2012, at 1.6c€/min for Free mobile (network operator) and the full MVNO.

- The price of call termination for SMS is €1.5c for the 3 operators since July 1, 2011 and until 31 July 2012 (2 c€ /SMS in the DOM), against 2 c€ for Orange France and SFR and 2.17 c€ for Bouygues Telecom since October 1, 2010 and until June 30 2011 (3 c€ /SMS in the DOM). History of rates is available on the site: http://www.arcep.fr/index.php?id=8080.

Unbundling (millions of units)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Partially unbundled lines	1,134	1,093	1,055	1,006	0,976	-13,9%
Fully unbundled lines	8,322	8,577	8,886	9,277	9,513	14,3%
Number of unbundled lines	**9,456**	**9,670**	**9,942**	**10,283**	**10,489**	**10,9%**



"Bitstream" lines (millions of units)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
"naked bistream"	1,212	1,170	1,115	1,085	1,078	-11,0%
"classic bitstream"	0,415	0,384	0,352	0,319	0,316	-23,9%
Number of "bitstream" lines	**1,627**	**1,553**	**1,467**	**1,404**	**1,394**	**-14,3%**

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.

1.2.2 Incoming international interconnection

Revenue of incoming international interconnection services (millions of euros)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Fixed operators	72	66	55	50	51	-29,4%
Mobile operators	23	18	16	12	13	-44,2%
Revenue	**95**	**84**	**71**	**63**	**64**	**-33,0%**

Volume of incoming international interconnection services (millions of minutes)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Fixed operators	*2 476*	*2 466*	*2 270*	*2 255*	2 318	-6,4%
Mobile operators	629	711	637	622	697	10,9%
Volume	***3 105***	***3 178***	***2 908***	***2 877***	**3 016**	**-2,9%**

Note: This segment is a sub-set of the total market (cf.1.2.1).

1.2.3 Mobile operators roaming-in revenue

Roaming in	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Revenue (millions of euros)	129	161	111	88	101	-21,4%
Volume (millions of minutes)	503	649	415	430	498	-0,9%

Note: This segment is a sub-set of the total market (cf.1.2.1).

- -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 1^{st} July 2011, these Euro tariffs went from 0.39€ excl. VAT to 0.35€ excl. VAT for calls made from abroad, and from 0.15€ excl. VAT to 0.11€ excl. VAT for calls received when abroad. SMS tariff on the retail market has been set to 0.11 € excl.VAT per message.
-. On the wholesale market the tariffs have been set (for the period from 1^{rst} July 2011 to 1^{rst} July 2012) to 4cts€ per message, to 18cts€ per minutes for the voice and to 50cts€ per Mo for mobile internet. More information at http://www.arcep.fr/index.php?id=8710.

2 Fixed networks services

2.1 The fixed networks as a whole

2.1.1 Revenue and fixed telephony traffic

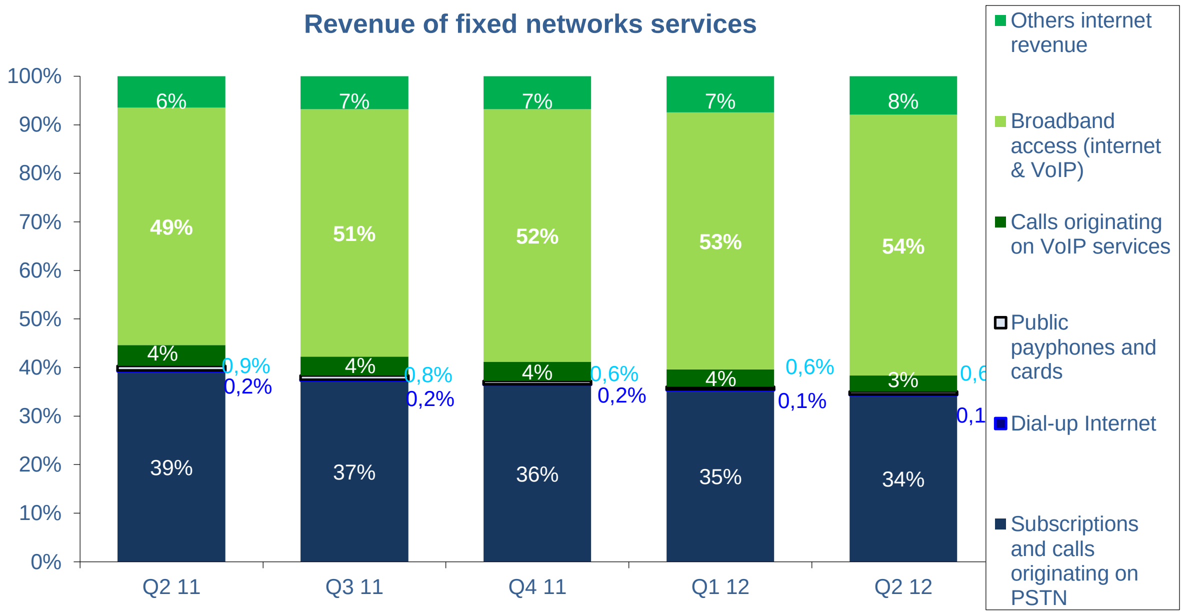
Revenue of fixed networks services (millions of euros)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Narrowband Revenue	**1 608**	**1 534**	**1 501**	**1 433**	**1 365**	**-15,1%**
Subscriptions and calls originating on PSTN/ISDN	1 563	1 493	1 468	1 404	1 338	-14,4%
Dial-up Internet	8	7	6	6	5	-33,4%
Public payphones and cards	37	33	26	23	22	-41,4%
Broadband Revenue	**2 377**	**2 465**	**2 531**	**2 538**	**2 530**	**6,4%**
Broadband Internet	1 950	2 036	2 097	2 102	2 094	7,4%
Subscriptions and calls originating on VoIP services	170	157	160	141	128	-24,7%
Other Internet revenue	257	272	274	295	308	19,9%
Revenue of fixed lines services	**3 985**	**3 999**	**4 031**	**3 971**	**3 895**	**-2,3%**

adjusted figures are in italics

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.
"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 revenue connected to a broadband internet access and billed by operators (subscriptions to à TV service, video and music downloading…).

Volumes (millions of minutes)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Calls originating on PSTN/ISDN	*10 261*	*8 648*	*9 531*	*9 211*	8 168	-20,4%
Public payphones and cards	*276*	*243*	*209*	*198*	176	-36,4%
Calls originating on VoIP services	*17 589*	*16 590*	*19 516*	*21 130*	19 378	10,2%
Volumes from fixed telephony	***28 126***	***25 481***	***29 255***	***30 539***	**27 722**	**-1,4%**

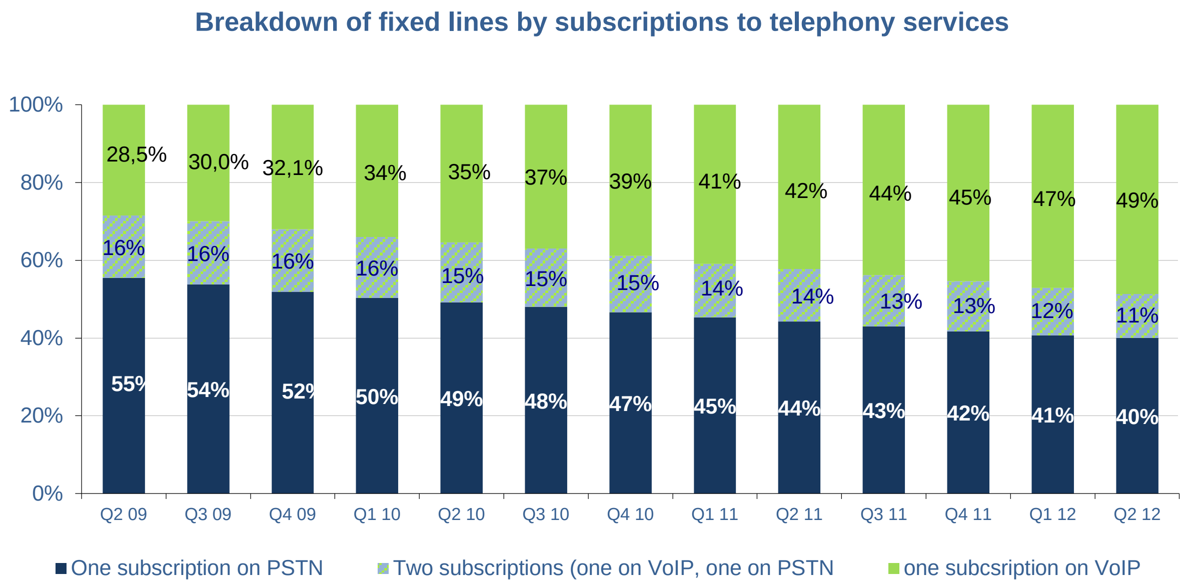
adjusted figures are in italics



2.1.2 Number of fixed lines

Number of fixed lines (millions of units)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Number of fixed lines	*35,200*	*35,252*	*35,301*	*35,313*	35,340	0,4%

adjusted figures are in italics



2.1.3 Portability (fixed numbers)

Portability (millions of units)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Number of fixed numbers ported during the quarter	*0,558*	*0,598*	*0,639*	*0,739*	0,538	-3,6%

adjusted figures are in italics

2.2 Narrowband services

2.2.1 Fixed telephony

a) Subscriptions on the PSTN

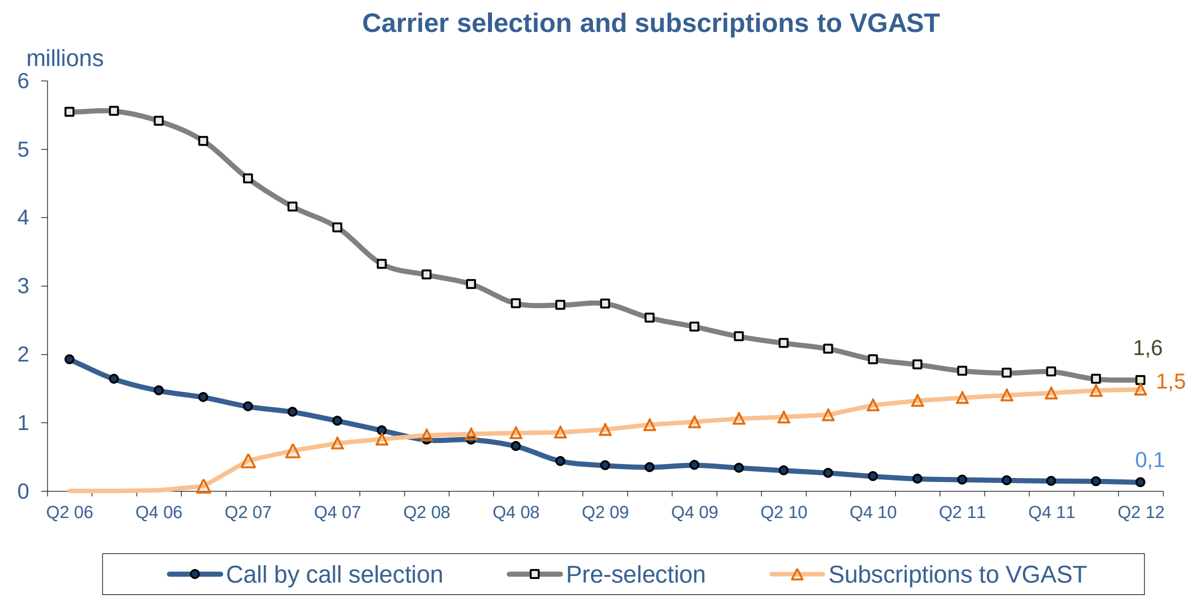
Number of subscriptions to telephone service (millions of units)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Subscription on narrow band access	*20,323*	*19,807*	*19,267*	*18,646*	18,121	-10,8%
Access resales	1,367	1,405	1,436	1,473	1,489	8,9%

adjusted figures are in italics

Carrier selection (millions of units)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Call by call selection	0,168	*0,157*	*0,149*	0,144	0,129	-23,1%
Pre-selection	*1,759*	*1,727*	*1,746*	*1,638*	1,624	-7,7%
Number of indirect connections	***1,927***	***1,885***	***1,895***	***1,783***	**1,753**	**-9,0%**

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.



b) Access revenue, calling revenue and traffic on the PSTN

Access revenue (millions of euros)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Access fees, subscriptions and additional services	1 004	982	958	925	902	-10,1%

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 originating on PSTN/ISDN (millions of euros)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
National calls	301	279	280	268	245	-18,5%
International calls	57	56	50	47	44	-23,4%
Calls to mobiles	200	175	180	164	147	-26,8%
All calls originating on PSTN/ISDN	**559**	**511**	**511**	**480**	**436**	**-22,0%**

Volumes of calls originating on PSTN/ISDN (millions of minutes)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
National calls	*8 046*	*6 659*	*7 288*	*7 357*	6 424	-20,2%
International calls	*428*	*391*	*405*	*373*	348	-18,7%
Calls to mobiles	*1 786*	*1 599*	*1 838*	*1 481*	1 396	-21,9%
All calls originating on PSTN/ISDN	***10 261***	***8 649***	***9 531***	***9 211***	**8 168**	**-20,4%**

adjusted figures are in italics

2.2.2 Public payphones

Public telephony	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Number of public payphones at end of quarter (units)	133 908	131 804	129 391	126 267	123 349	-7,9%
Revenue (millions of euros)	8	9	7	7	6	-24,7%
Volumes (millions of minutes)	30	49	37	26	22	-28,3%

Note: Starting Q2 2011, ARCEP do not publish separate figures for calling card revenue (prepaid and credits). The revenue they do generate will nevertheless be included in total fixed market services revenue.

2.2.3 Dial-up internet

Internet Dial-up	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Revenue (millions of euros)	8	7	6	6	5	-33,4%
Subscriptions (millions of units)	0,361	0,343	0,312	0,283	0,267	-26,1%
Volumes of dial-up Internet (millions of minutes)	620	533	493	452	354	-42,9%

2.3 Broadband services

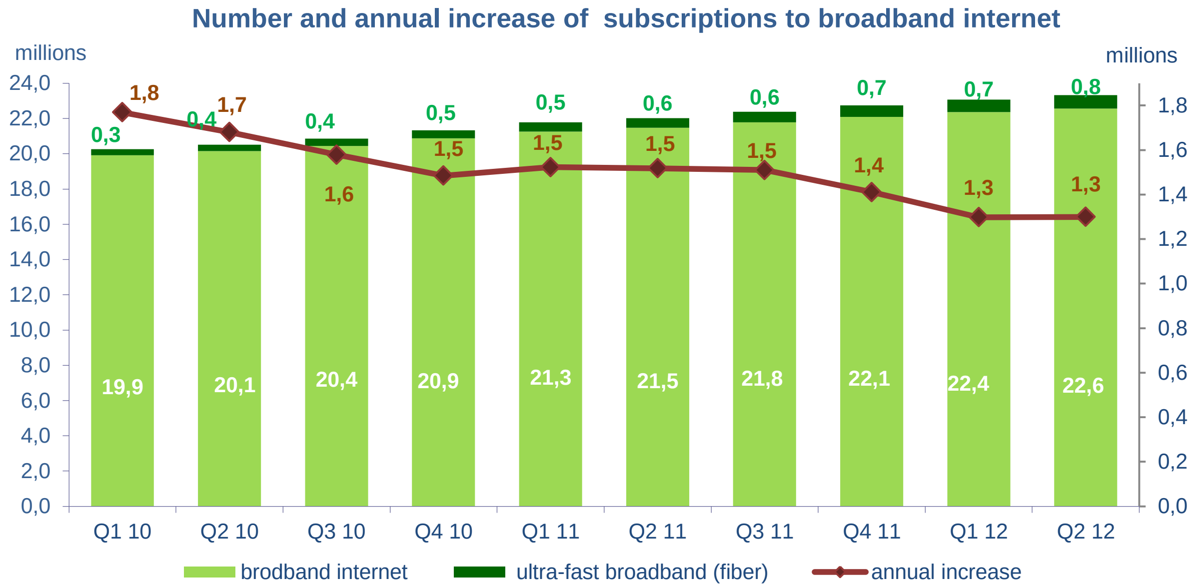
2.3.1 Broadband and ultra-fast broadband

Internet subscriptions (millions of units)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Broadband	*21,474*	*21,778*	*22,084*	*22,365*	22,567	5,1%
of wich xDSL	*20,435*	*20,696*	*20,984*	*21,263*	21,482	5,1%
of wich other broadband access	1,039	1,081	1,100	1,102	1,085	4,5%
Ultra-fast broadband	0,554	0,596	0,664	0,714	0,762	37,5%
of wich fiber with coaxial cable termination	0,153	0,172	0,198	0,217	0,247	61,3%
of wich other fiber (FttH, FttB)	0,401	0,424	0,466	0,497	0,516	28,4%
Internet subscriptions	***22,028***	***22,374***	***22,749***	***23,079***	**23,329**	**5,9%**

adjusted figures are in italics

Note: 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.

Overseas subscriptions to internet (millions of units)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Broadband and fiber	0,427	0,435	0,446	0,455	0,467	9,5%



2.3.2 Fixed telephony on broadband

a) Subscriptions

Number of subscriptions to IP telephone service (millions of units)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Subscription on broadband access (IP DSL,cable)	*19,635*	*20,094*	*20,596*	*20,955*	21,215	8,0%
DSL lines without narrowband access	13,720	14,250	14,779	15,279	15,783	15,0%

adjusted figures are in italics

Note:

-Subscription to an IP telephony service over xDSL lines without a PSTN subscription: telephone subscription on lines whose low frequencies are not used to support a voice service (neither by the incumbent carrier or alternative operators). Such is the case with voice over broadband services enabled by full unbundling and naked ADSL offers.

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.

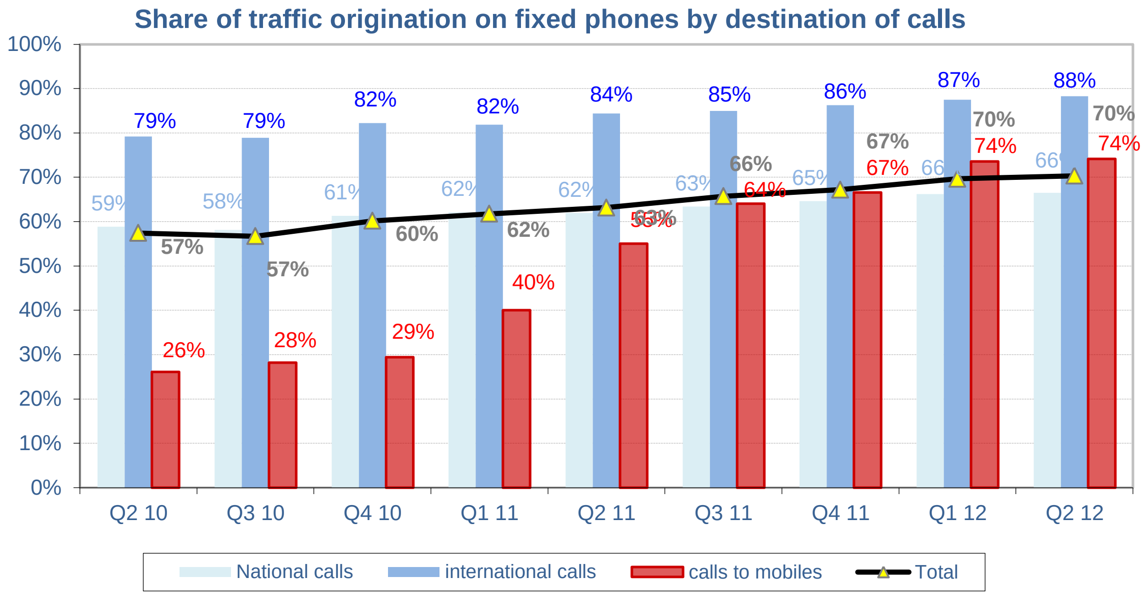
Revenue taken into consideration

The Observatory distinguishes calls originating with IP telephony services from other voice calls. However, while VoIP calling volume includes all traffic observed in the end market, revenue includes only billed VoIP traffic (for example, over and above a service bundle flat rate).

b) Calls over broadband

Volumes (IP trafic) (millions of minutes)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
National calls	*13 088*	*11 530*	*13 317*	*14 401*	12 741	-2,6%
International calls	2 314	2 212	2 543	2 603	2 626	13,5%
Calls to mobiles	2 188	2 847	3 656	*4 125*	4 010	83,3%
All IP calls	***17 589***	***16 590***	***19 516***	***21 130***	**19 378**	**10,2%**

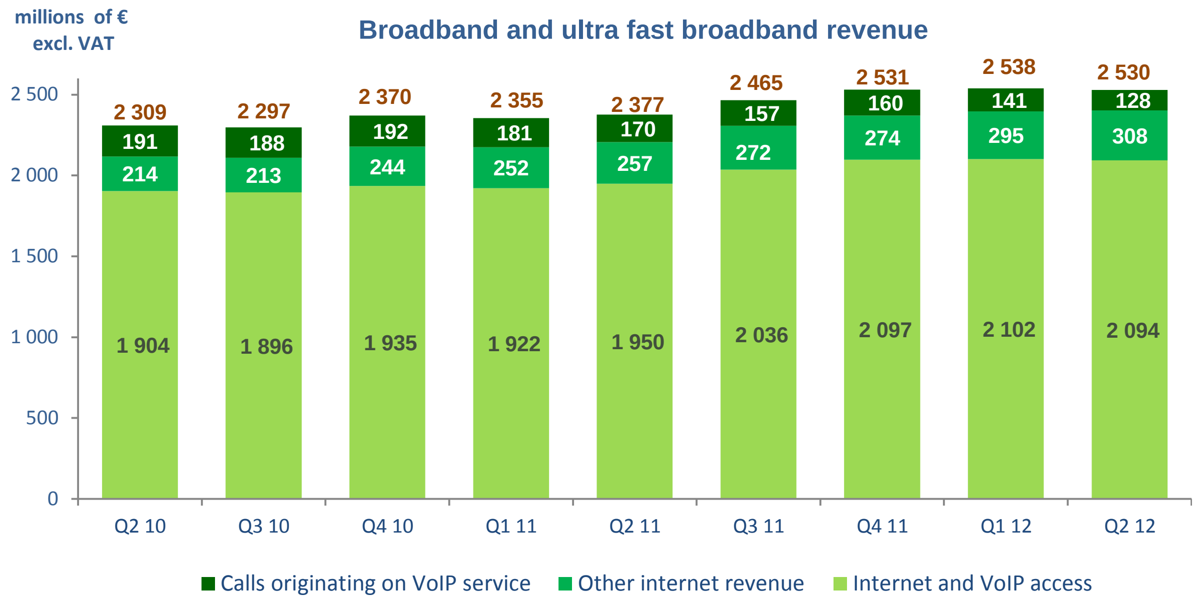
adjusted figures are in italics



2.3.3 *Broadband and ultra-fast broadband revenue*

Total Internet broadband revenue (millions of euros)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Internet access and VoIP subscriptions	1 950	2 036	2 097	2 102	2 094	7,4%
Calls originating on VoIP services	170	157	160	141	128	-24,7%
Other internet revenue	257	272	274	295	308	19,9%
Total Internet revenue	**2 377**	**2 465**	**2 531**	**2 538**	**2 530**	**6,4%**

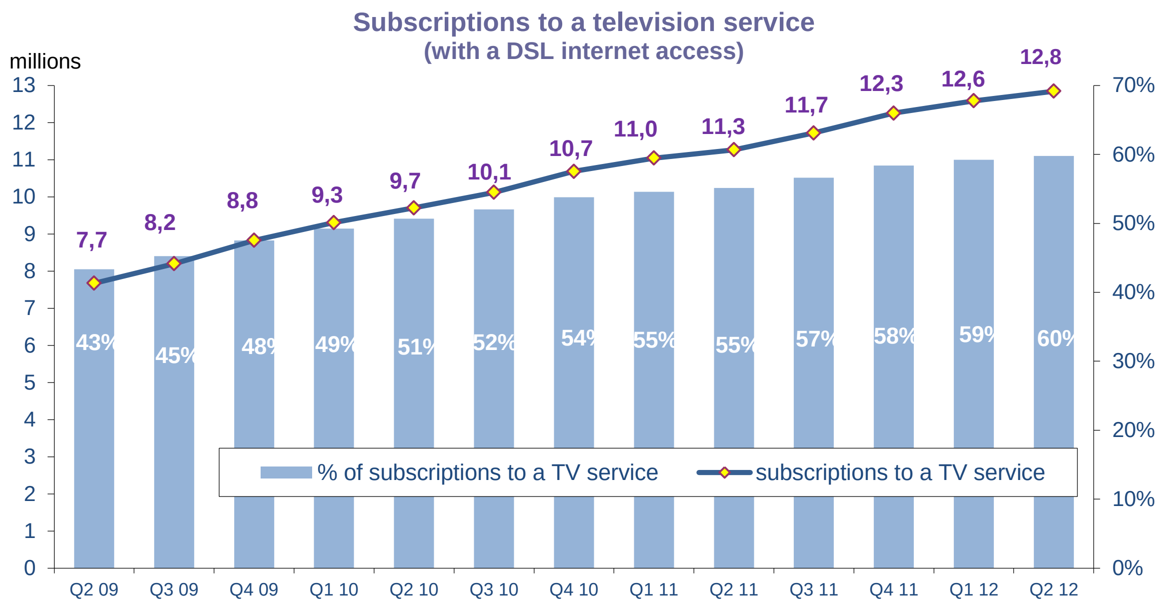
Note: "Other services" refers to related income earned by ISPs on services such as hosting and online advertising revenue. From now on, this line also include revenues connected to a broadband internet access and billed by operators (subscriptions to à TV service, video and music downloading…). Revenue generated by terminal sales and rental is included under "fixed operator and ISP terminal sales and rental".



2.3.4 Internet and TV over ADSL

Subscriptions (millions)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Subscriptions to Internet on DSL	11,267	11,718	12,255	12,589	12,844	14,0%
Subscriptions to television services on DSL	*20,435*	*20,696*	*20,984*	*21,263*	21,482	5,1%
% of subscriptions to television services	55,1%	56,6%	58,4%	59,2%	59,8%	

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).



2.4 Access, subscriptions and calls on fixed lines

2.4.1 Number of subscriptions to a telephone service

Number of subscriptions to telephone service (millions of units)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Subscription on narrow band access	*20,323*	*19,807*	*19,267*	18,646	18,121	-10,8%
Subscription on broadband access (IP DSL,cable)	*19,635*	*20,094*	*20,596*	*20,955*	21,215	8,0%
Number of subscriptions to telephone service	***39,958***	***39,901***	***39,863***	***39,601***	**39,337**	**-1,6%**

adjusted figures are in italics

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

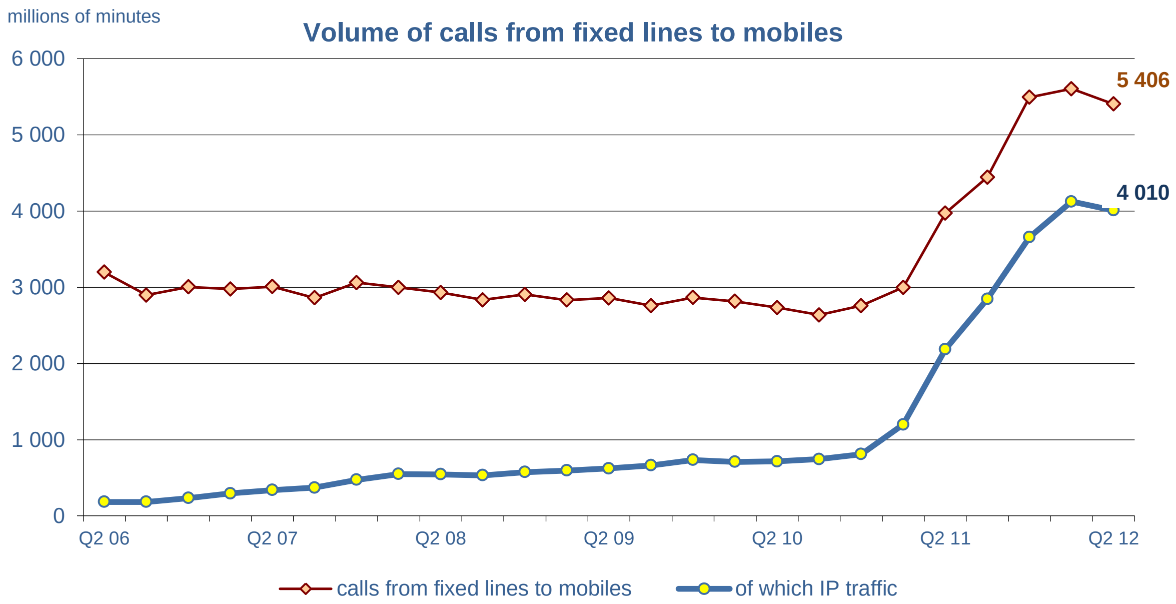
Revenue (millions of euros)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
National calls	308	289	293	280	257	-16,6%
International calls	113	112	108	105	94	-16,7%
Calls to mobiles	308	267	270	235	213	-30,9%
All calls from fixed lines	**729**	**668**	**671**	**620**	**564**	**-22,6%**
Of which calls originating on PSTN/ISDN	559	511	511	480	436	-22,0%
Of which calls originating on VoIP services	170	157	160	141	128	-24,7%

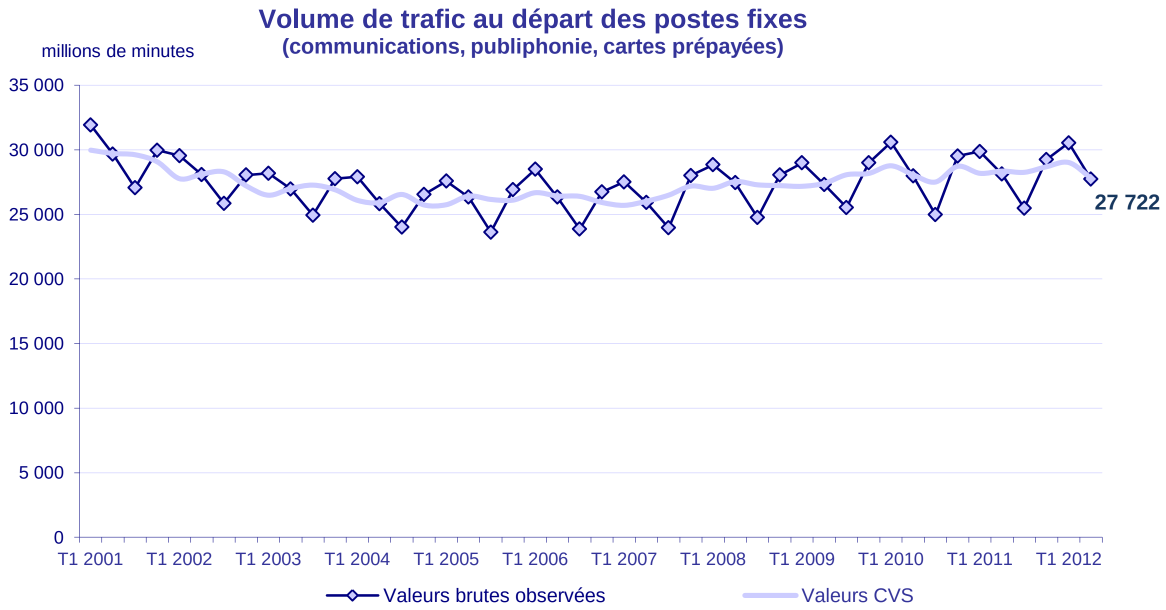
Note: revenue generated by calls originating on an IP connection includes only the amounts that operators might bill for IP calls, over and above bundled service flat rates. This figure does therefore not include the price of the bundled subscription, or access to the voice over broadband service.

Volumes (millions of minutes)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
National calls	*21 134*	*18 189*	*20 605*	*21 758*	19 166	-9,3%
International calls	2 742	*2 603*	2 948	2 976	2 974	8,5%
Calls to mobiles	*3 974*	*4 446*	*5 494*	*5 606*	5 406	36,0%
All calls from fixed lines	***27 850***	***25 238***	***29 047***	***30 340***	**27 546**	**-1,1%**
Of which calls originating on PSTN/ISDN	*10 261*	*8 648*	*9 531*	*9 211*	8 168	-20,4%
Of which calls originating on VoIP services	*17 589*	*16 590*	*19 516*	*21 130*	19 378	10,2%

adjusted figures are in italics

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





- The volume of traffic originating on a fixed line includes calls from fixed telephones, public payphones and prepaid phone cards.

3 Services on mobiles networks

3.1 Subscriptions

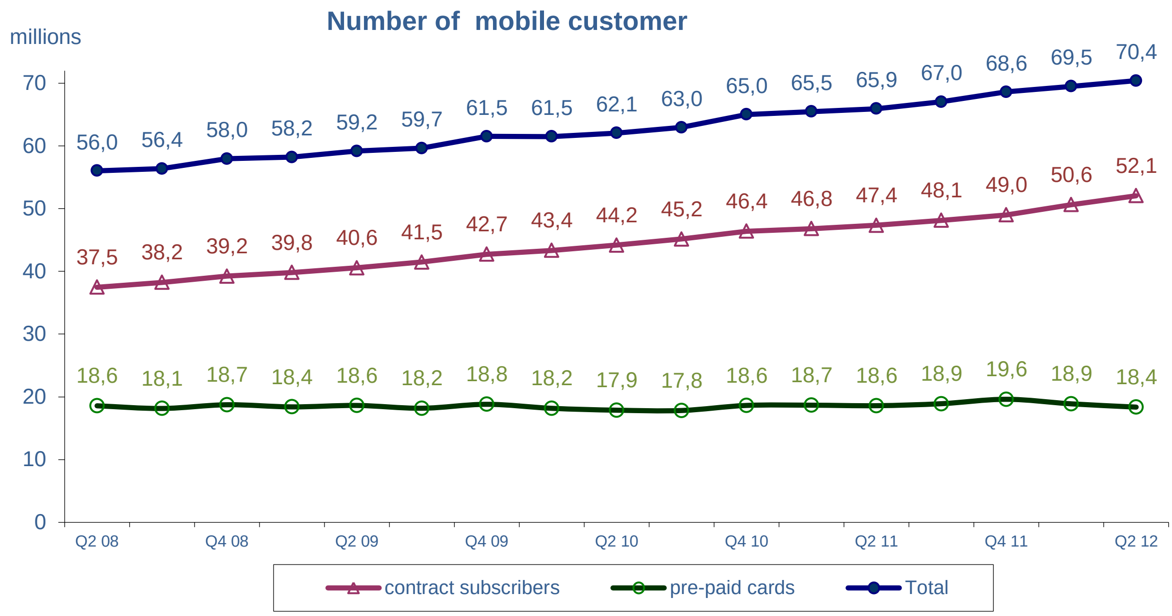
3.1.1 Subscriptions to mobiles mobiles

Number of mobile customers (millions of units)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Contract subscribers	47,366	48,142	49,010	50,643	52,067	9,9%
of which with blocked account	11,128	11,066	10,981	10,194	9,792	-12,0%
Prepaid cards	18,583	18,901	19,606	*18,880*	18,359	-1,2%
*of which active prepaid cards **	16,484	16,798	17,343	*15,885*	15,915	-3,5%
Mobile Telephonie	**65,949**	**67,042**	**68,616**	***69,523***	**70,426**	**6,8%**

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 months. Only telephone calls are considered, whether free or payable. SMS are not included in the calculation.

ARCEP also publishes a geographic segmentation of these subscriptions and a breakdown by type of customer in its advanced mobile market observatory (Mobile Indicator Monitor). [http://www.arcep.fr/index.php?id=35].



3.1.2 Multimedias services

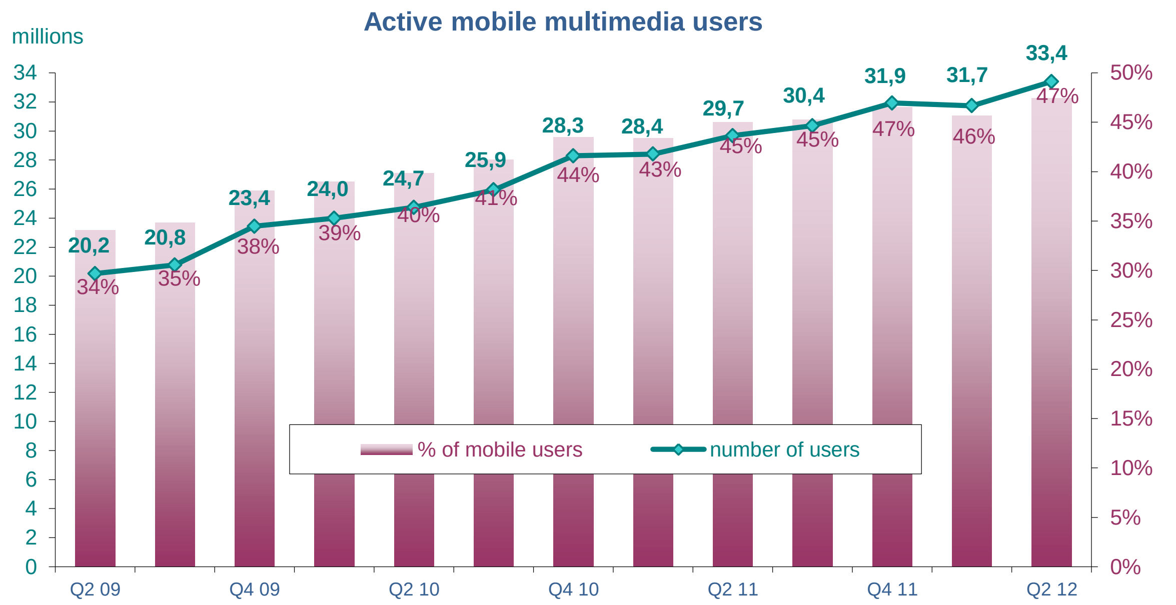
Active multimédia/3G users, internet SIM cards (millions of units)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Active multimedia subscribers	29,674	*30,364*	31,930	*31,741*	33,405	12,6%
Active 3G users	25,009	*26,323*	27,734	*29,588*	30,402	21,6%
Number of exclusive Internet SIM cards	2,877	3,035	3,160	3,196	3,272	13,8%
of which exclusive Internet prepaid cards	0,371	0,426	0,462	0,497	0,539	45,3%

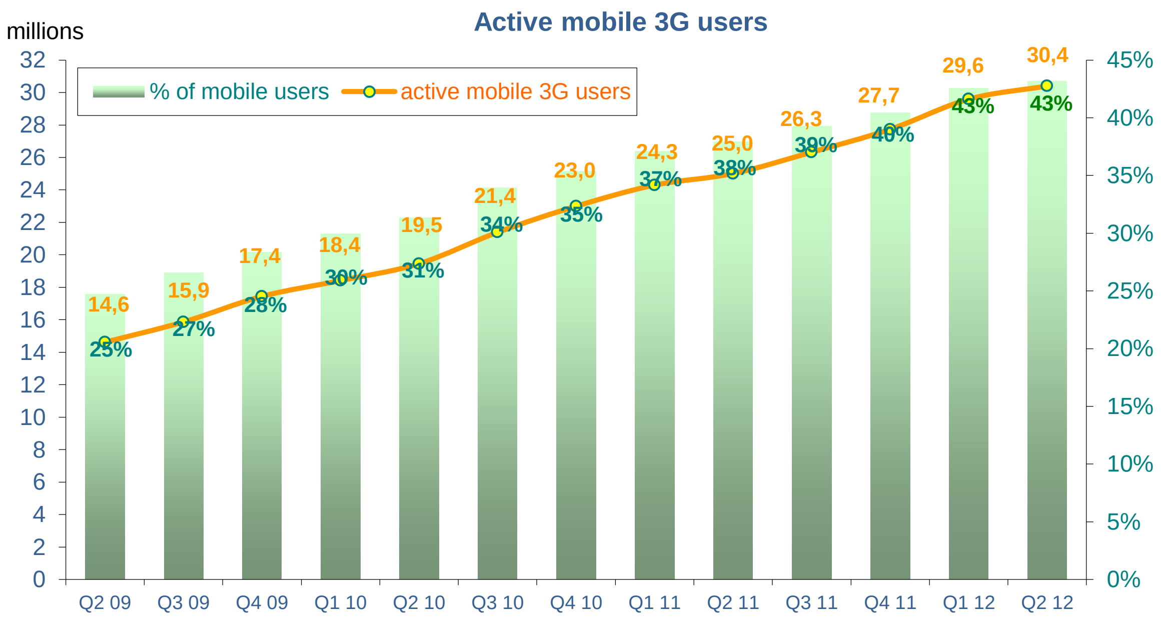
adjusted figures are in italics

Notes :

The active multimedia subscriber base is defined as the group of prepaid and post-paid customers who used a WAP, i-mode, MMS or email multimedia service at least once during the previous month (text messages excluded from calculations), and regardless of the supporting access technology (CSD, GPRS, UMTS...). Scope: Metropolitan France and the overseas "départements".

- 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 number of exclusive Internet SIM 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/3G+ USB keys). These cards cannot be used to make voice calls.





MtoM Sim cards (millions of units)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Number of Sim cards used for MtoM communications	3,018	3,153	3,361	3,535	3,914	29,7%

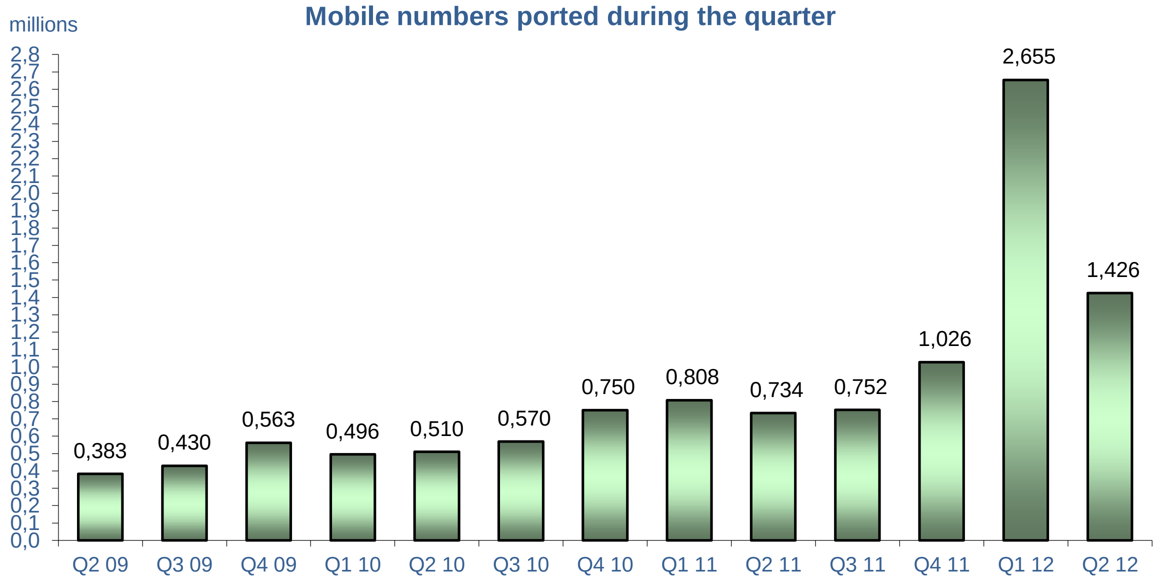
The number of SIM cards used for MtoM communications is defined as the number of SIM cards employed solely for remote machine-to-machine communications for uses other than person-to-person messaging or accessing the Internet.

Data SIM cards (millions of units)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Number of exclusive internet Sim cards & MtoM Sim cards	5,894	6,188	6,521	6,731	7,186	21,9%

3.1.3 Portability (mobile number)

Portability (millions of units)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Number of mobile numbers ported during the quarter	0,734	0,752	1,026	2,655	1,426	94,1%

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 “départements”.

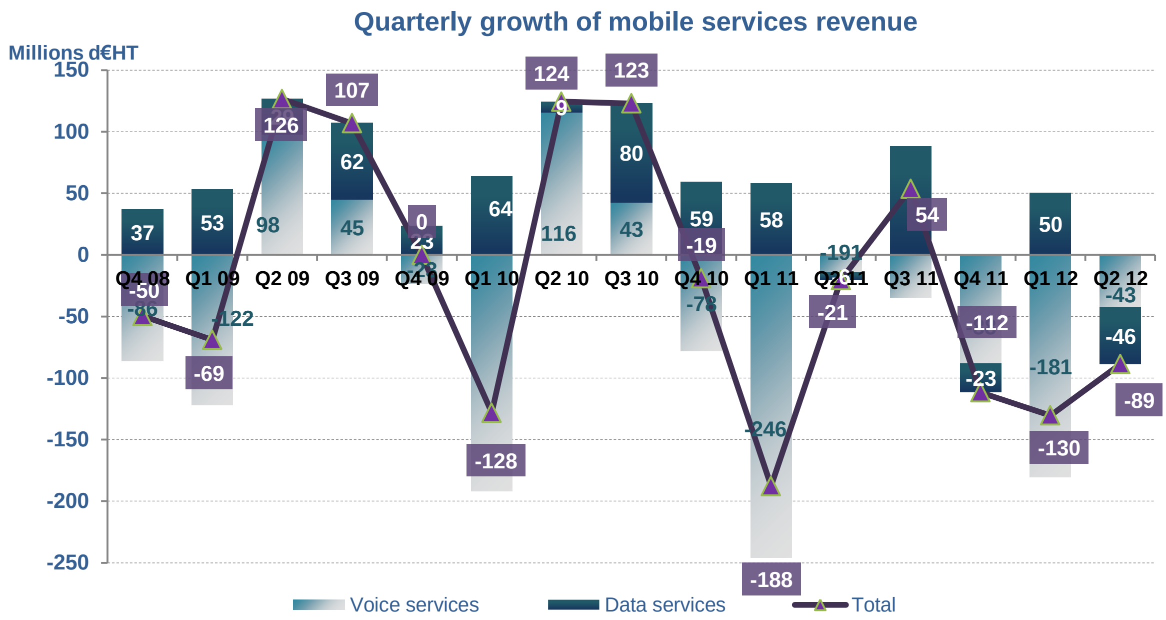


3.2 Retail market income and volume indicators (excluding VAS)

Revenue (millions of euros)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Mobile telephony	*3 469*	3 435	3 346	3 166	3 123	-10,0%
of which outgoing internationals calls	231	250	249	255	262	13,4%
Data transport on mobile networks	1 265	1 354	1 330	1 380	1 334	5,5%
of which interpersonal messaging (SMS, MMS)	632	662	673	689	642	1,5%
of which access to mobile Internet & to multimedia services	633	692	658	692	693	9,4%
Total mobile telephony and data transport	***4 734***	**4 788**	**4 678**	**4 546**	**4 457**	**-5,9%**

adjusted figures are in italics

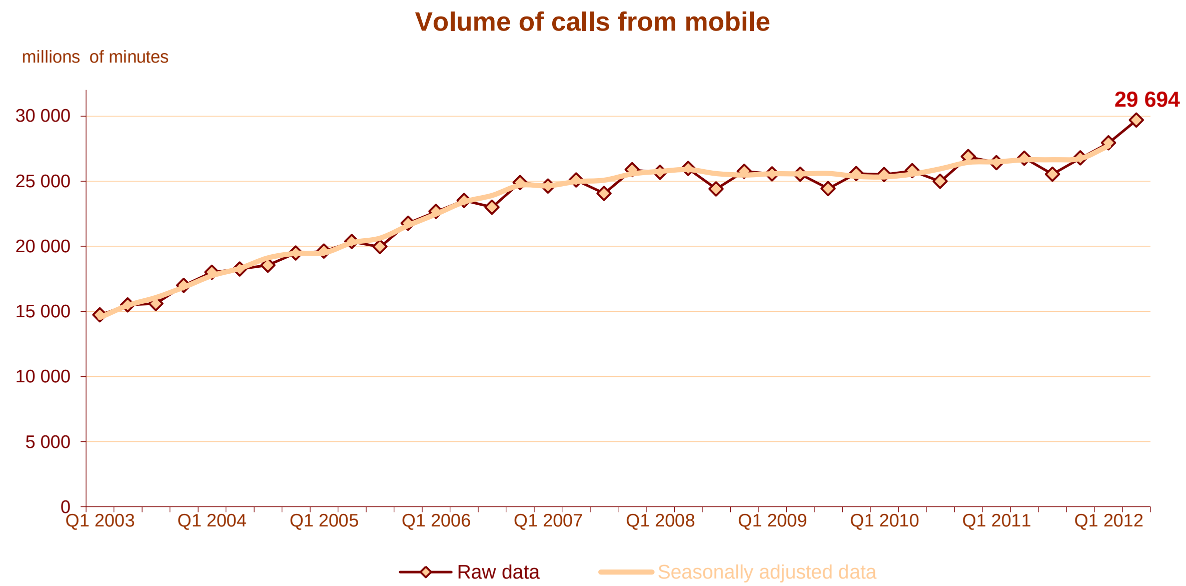
Notes : this is about retail market revenue. Revenue from the market between operators (interconnection, wholesale) are not included. Also excluded is revenue from value-added retail services.

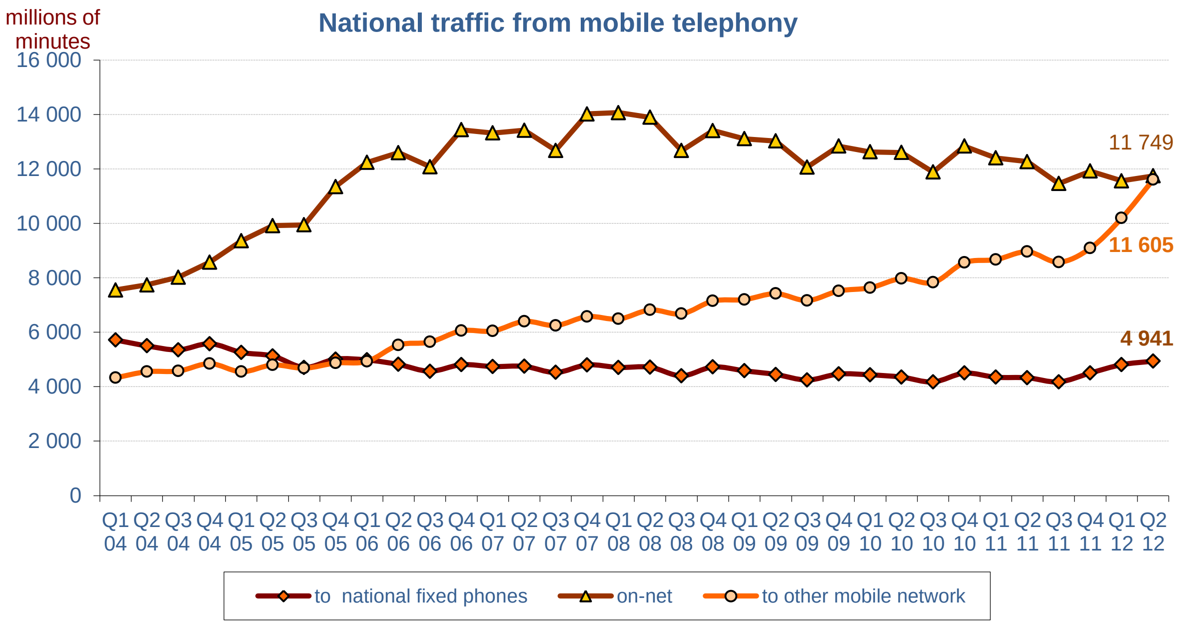


Volumes (millions of minutes)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Calls to national fixed lines	*4 329*	*4 179*	*4 504*	4 811	4 941	14,1%
Calls to mobiles on the same network (1)	*12 271*	*11 463*	*11 923*	*11 565*	11 749	-4,3%
Calls to other networks	*8 961*	*8 578*	*9 088*	*10 198*	11 605	29,5%
Outgoing internationals calls	867	864	965	*1 062*	1 078	24,3%
Roaming out (2)	336	446	301	290	323	-3,9%
Total mobile telephony	***26 763***	***25 531***	***26 782***	**27 926**	**29 694**	**11,0%**

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

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





Volumes of interpersonal messages (millions of units)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Number of interpersonal SMS	35 520	35 723	41 027	*44 346*	45 747	28,8%
of witch from contract subscribers	31 498	*31 772*	*36 723*	*39 954*	41 867	32,9%
of witch from prepaid cards	4 022	3 952	*4 304*	4 393	3 880	-3,5%
Number of interpersonal MMS	235	274	293	339	371	58,2%
Number of messages sent	**35 755**	**35 997**	**41 321**	***44 684***	**46 119**	**29,0%**

adjusted figures are in italics

Volumes of data consumed by the customers (in Teraoctets)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Volumes of data	**13 036**	**14 778**	**16 714**	***19 562***	**21 977**	**68,6%**
of witch from internet exclusive SIM cards	2 722	2 891	2 882	2 908	2 949	8,3%

adjusted figures are in italics

3.3 Revenue and voice traffic of metropolitan mobile operators (including VAS)

Total revenue of the residential retail market (in millions of euros)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Voice and data revenue (including value added services)	**4 050**	**4 034**	**3 932**	**3 827**	**3 733**	**-7,8%**
o/w per post-paid customer	3 571	3 531	3 460	3 400	3 332	-6,7%

Notes: for the residential market only, this indicator includes:
- Revenue from mobile services (telephony and data). This is the "residential" part of the retail market revenue appearing in item 3.2.
- Revenue from value-added services (including directory services). This is the "residential" part of the retail market revenue appearing in items 4.1 and 4.2.

Total recurring voice traffic (in millions of minutes)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Recurring voice traffic	**20 953**	**20 069**	**20 878**	**22 077**	**23 969**	**14,4%**

Notes: for the residential market only, this indicator includes:
- Mobile telephony services traffic. This is the "residential" part of the retail market revenue appearing in item 3.2.
- Value-added services traffic (including directory services). This is the "residential" part of the retail market revenue appearing in items 4.1 and 4.2.

4 Other market components

4.1 Value-added services (excluding directory services)

Value-added services revenue* (millions of euros)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Value-added "voice" services	303	*295*	*304*	*303*	294	-2,9%
From fixed telephony network	201	*189*	*195*	192	183	-8,7%
From mobile telephony network	102	106	109	*111*	110	8,5%
Value-added "data" services	200	207	215	210	201	0,6%
Value-added services	**502**	***502***	***519***	***513***	**495**	**-1,5%**

adjusted figures are in italics

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

Value-added "voice" and "télématic" services volumes (millions of minutes)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
From fixed telephony network	*1 695*	*1 701*	*1 697*	*1 625*	1 454	-14,2%
From mobile telephony network	310	321	313	322	317	2,0%
Number of calls	***2 005***	***2 022***	***2 010***	***1 947***	**1 771**	**-11,7%**

adjusted figures are in italics

Number of calls to value-added "voice" and "télématic" services (millions of units)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
From fixed telephony network	*782*	*774*	*763*	*824*	702	-10,2%
From mobile telephony network	107	106	106	110	130	22,1%
Volumes	***889***	***880***	***869***	***934***	**832**	**-6,3%**

Value-added "data" service volumes (millions of units)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Number of messages (SMS+, MMS+)	168	177	193	233	243	44,1%

4.2 Directory services

Revenue from directory services (millions of euros)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Directory services operators	30	32	30	30	31	2,3%

Directory services	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Number of calls (millions of units)	18	18	16	16	14	-19,9%
Volume of calls (millions of minutes)	42	43	39	38	35	-16,9%

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).

4.3 Leased lines and data transport (fixed operators)

Revenue (millions of euros)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Leased lines	383	381	394	379	387	1,0%
Data transport	537	520	530	525	543	1,0%

Note: revenue from leased lines may be accounted for twice since the figures include operator-to-operator sales.

4.4 Hosting and call centre management services

Revenue (millions of euros)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Hosting and call centre management	40	40	43	43	44	9,3%

adjusted figures are in italics

4.5 Terminals and equipments

Revenue from terminals and equipment (millions of euros)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Fixed & Internet operators	172	167	181	170	165	-3,9%
Mobile operators	*367*	*355*	*519*	*371*	386	5,2%
Terminals and equipment	***539***	***522***	***700***	***541***	**551**	**2,3%**

adjusted figures are in italics

Note : the revenue excludes commissions paid to distributors.

5 Per customers indicators

Fixed networks: further information about lines and subscriptions

With the development of voice over broadband as a second phone line, many households now have a second telephone subscription, generally VoB, as a result of which average traffic and average revenue per subscription are dropping automatically.

To be able to track consumption and average customer spending indicators in a more meaningful way, the notion of “line” needs to be introduced.

Up until 2004, the terms “line” and “subscription” were interchangeable when referring to the number of subscriptions to a telephone service.

For analogue line telephony, a subscription meant a fixed line. Similarly, for digital lines, there were as many fixed lines as there were subscriptions to the phone service, in other words two for basic connections and up to 30 for primary connections. In practice, the client enterprise paid their monthly phone subscription fee for as many subscriptions as it had, i.e. two for basic connections and up to 30 for primary connections. This principle remains unchanged.

With the introduction of voice over broadband, operators can market an IP telephony service over an analogue connection that already delivers a phone service over the PSTN. To facilitate comparisons over time, we have thus defined an indicator for the number of “lines” as follows:

- for digital connections: the number of subscriptions to the phone service, i.e. two for basic connections and up to 30 for primary connections;
- for analogue connections:
- PSTN subscriptions;
- xDSL- based subscriptions with no PSTN subscription
- for telephony over cable subscriptions, the subscription.

As concerns revenue, the number of flat rate service bundles continues to rise, offering customers the ability to make unmetered fixed national calls and calls to a number of international destinations at no extra charge. Customer invoices cover more and more services for a single price, regardless of the volume of calls made (as it is on mobile), and Internet access and telephony are increasingly indissociable.

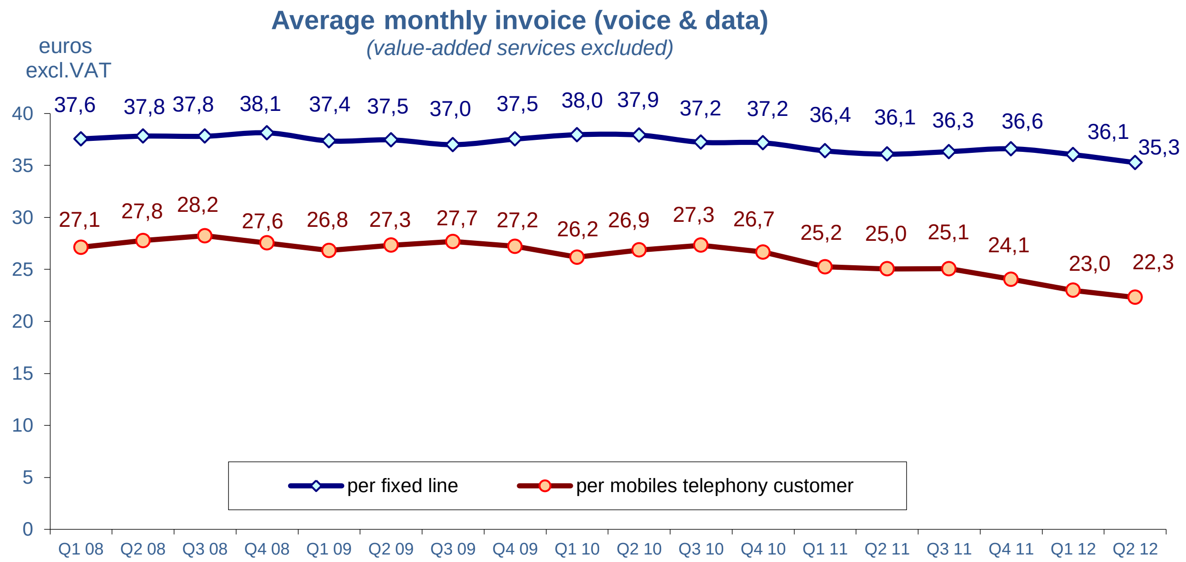
Average monthly revenue (value added services exclude) (in euros -VAT excluded)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Per fixed line : access, communications and Internet	36,1	36,3	36,6	36,0	35,3	-2,3%
Mobile telephony user	25,0	25,1	24,1	23,0	22,3	-10,9%

Note :

<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;

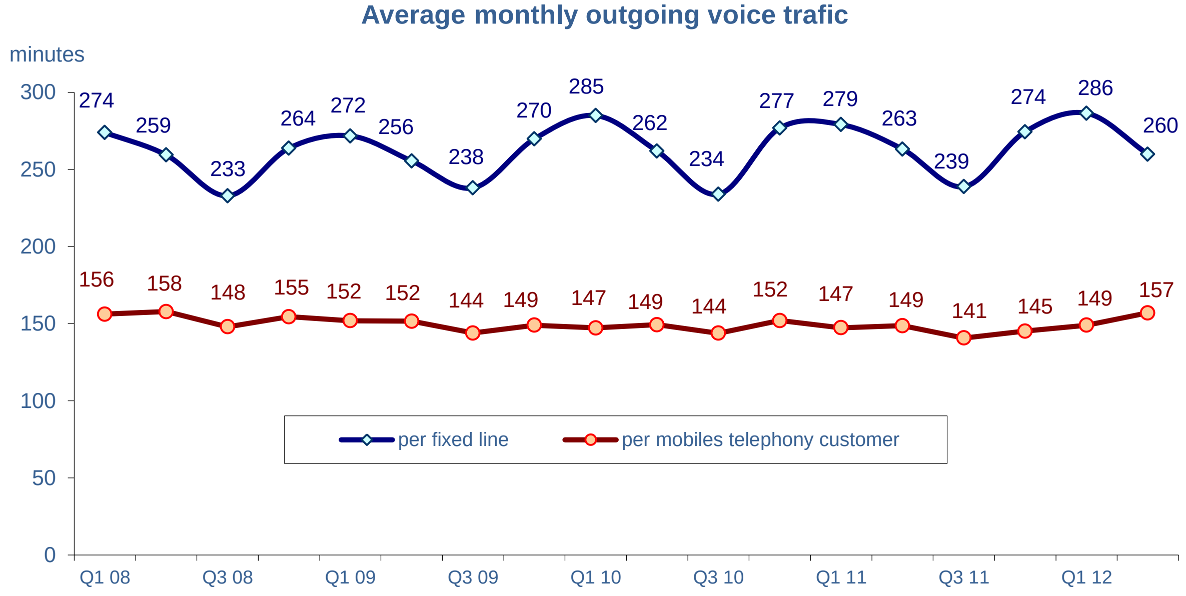
- revenue from calls originating on fixed lines, including IP traffic revenue billed over and above the bundled service flat rate;
- narrowband and broadband Internet access revenue.
Excluded are:
- public payphone and prepaid card revenue;
- revenue generated by other services tied to Internet access, 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).

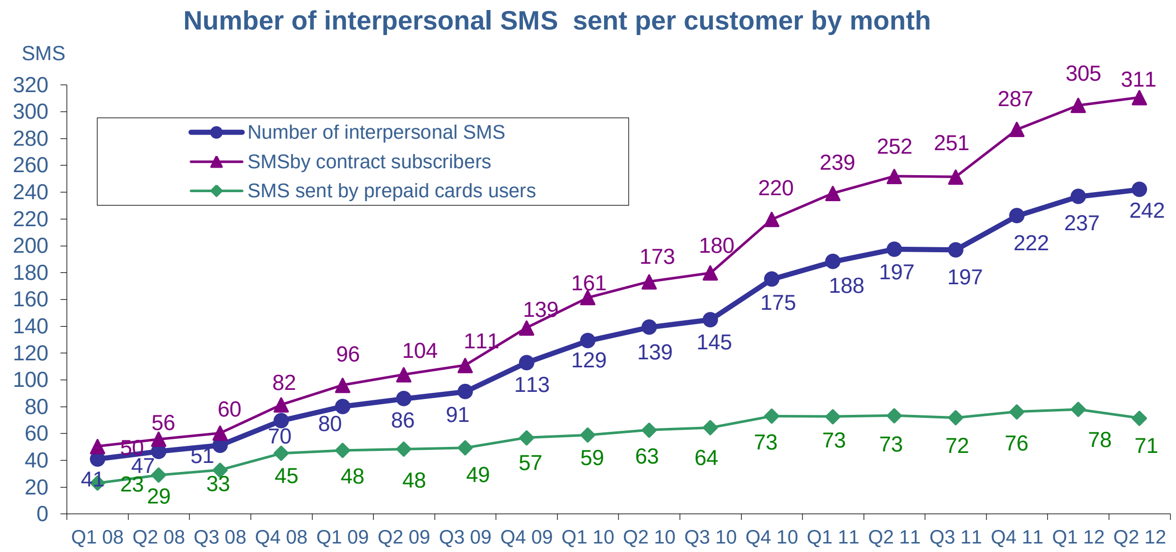
Average monthly outgoing traffic (in hours)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Per fixed lines	4h23	3h59	4h34	4h46	4h20	-1,3%
Mobile telephony user	2h29	2h21	2h25	2h29	2h37	5,6%

- <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.



Number of interpersonnal SMS sent per user (units)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Number of SMS sent per user during the quarter	197	197	222	237	242	22,5%
of witch for contract subscribers	252	251	287	305	311	23,3%
of witch for prepaid cards	73	72	76	78	71	-2,6%

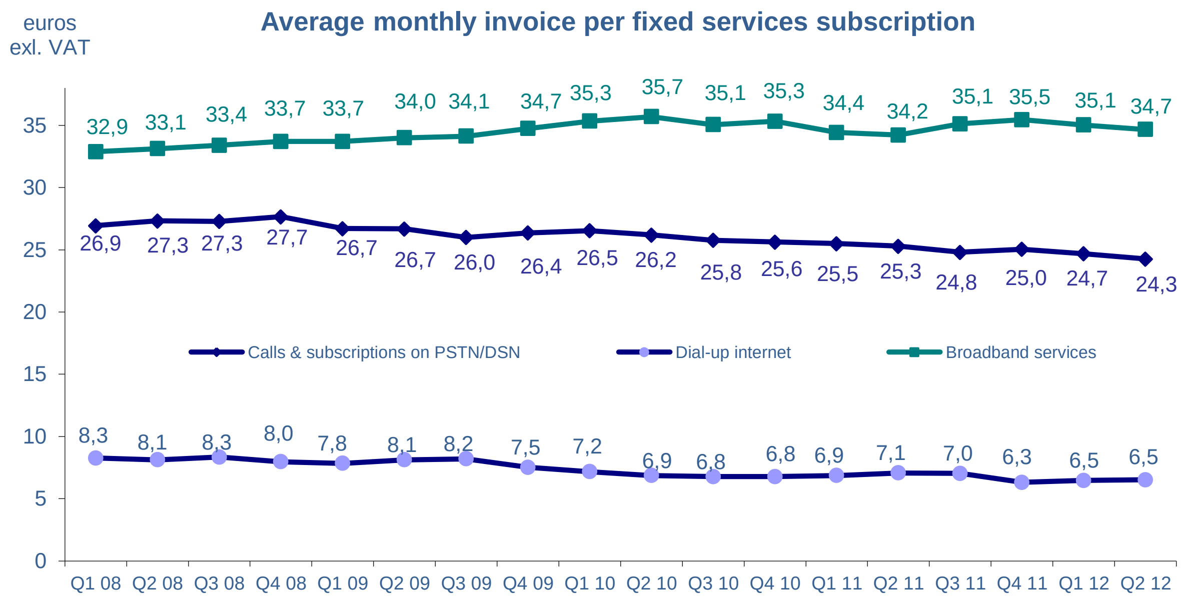
Note: <u>The average number of SMS messages per customer</u> is calculated by dividing the number of SMS messages for quarter N by the estimated average number of customers for quarter N, and then by the number of months. MtoM and exclusive data SIM cards are not taken into account. The number of messages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



Average monthly revenue per customer (in euros -VAT excluded)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Fixed PSTN/ISDN telephony user	25,3	24,8	25,0	24,7	24,3	-4,1%
Dial-up Internet user	7,1	7,0	6,3	6,5	6,5	-7,8%
Internet & telephony over broadband	34,2	35,1	35,5	35,0	34,7	1,3%

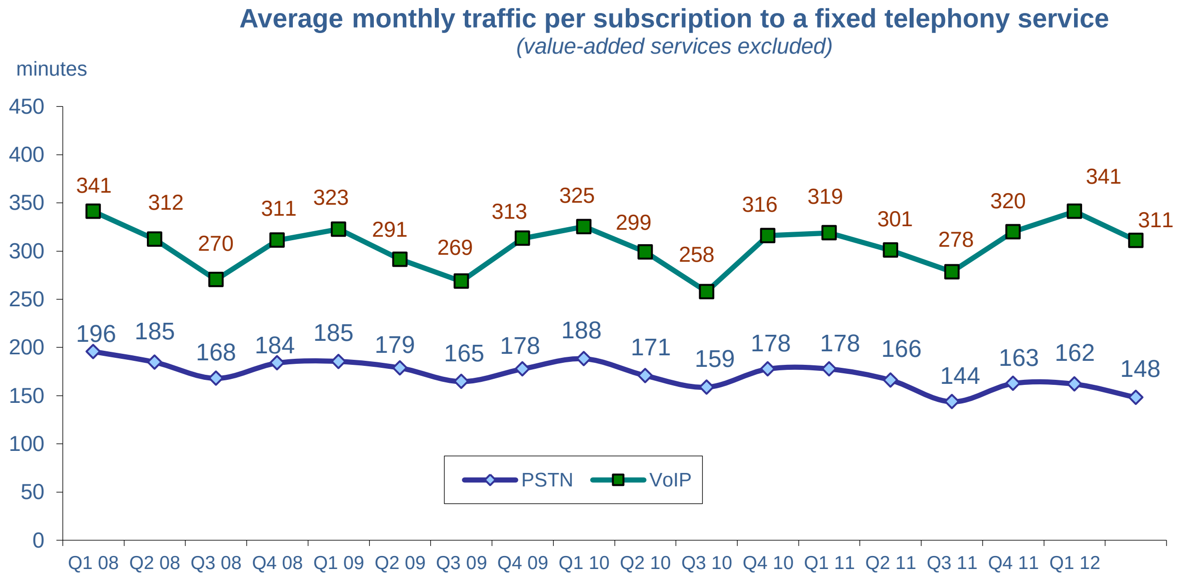
Note:

- *<u>The average monthly bill for a PSTN line</u> is calculated by dividing the revenue earned on a PSTN based fixed line subscription and calls (i.e. excluding IP CALLS) for Quarter Q by the estimated average customer base for Quarter Q, then dividing the result by three.*
- *<u>The average bill for a narrowband subscription</u> 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.*
- *<u>The average monthly bill for a broadband or ultra-fast broadband access</u> (name Internet and telephony over broadband) is calculated by dividing the revenue earned on calls made over IP 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)	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	change 2Q12/2Q11
Fixed PSTN/ISDN telephony user	2h46	2h24	2h43	2h42	2h28	-10,8%
Fixed IP telephony user	5h01	4h38	5h20	5h41	5h11	3,4%
From dial-up Internet	9h04	8h24	8h22	8h26	7h10	-21,0%

- *Average monthly volume per fixed line is calculated by dividing the traffic volume (PSTN and IP) 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.*


Average monthly traffic per subscription to a fixed telephony service
(value-added services excluded)
minutes
450
400
350
300
250
200
150
100
50
0
341
312
270
311
323
291
269
313
325
299
258
316
319
301
278
320
341
311
196
185
168
184
185
179
165
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148
PSTN
VoIP
Q1 08
Q2 08
Q3 08
Q4 08
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Q1 10
Q2 10
Q3 10
Q4 10
Q1 11
Q2 11
Q3 11
Q4 11
Q1 12