LES ACTES DE L'ARCEP

RÉPUBLIQUE FRANÇAISE

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

3rd quarter 2014 – final results

ARCEP
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Autorité de régulation des communications électroniques et des postes

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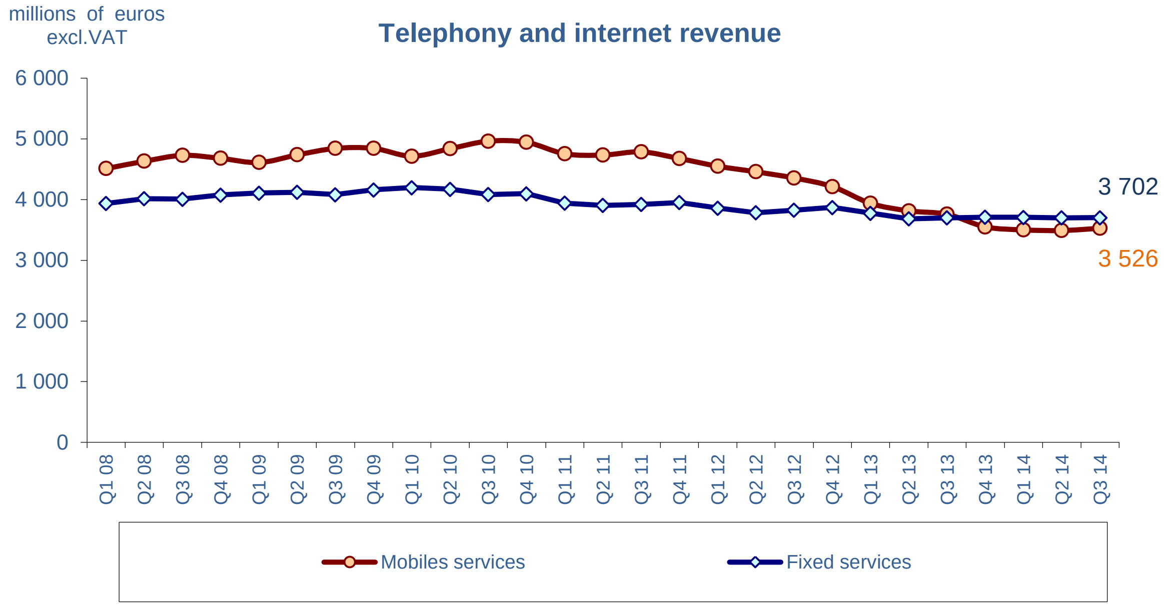
Synthesis

Revenue on the retail market (millions of euros)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Fixed services	**3 699**	**3 711**	**3 708**	**3 700**	**3 702**	0,1%
Capacity services	***744***	***745***	***726***	***724***	**730**	-1,8%
Mobile telephony	**3 757**	**3 550**	***3 500***	***3 490***	**3 526**	-6,1%
Advanced services and directory services	**493**	**515**	**506**	**505**	**489**	-0,7%
Electronic communications services	***8 693***	***8 521***	***8 440***	***8 419***	**8 447**	**-2,8%**
Others revenues	**721**	**950**	**701**	**714**	**781**	8,4%
Entire market	***9 413***	***9 471***	***9 141***	***9 132***	**9 229**	**-2,0%**

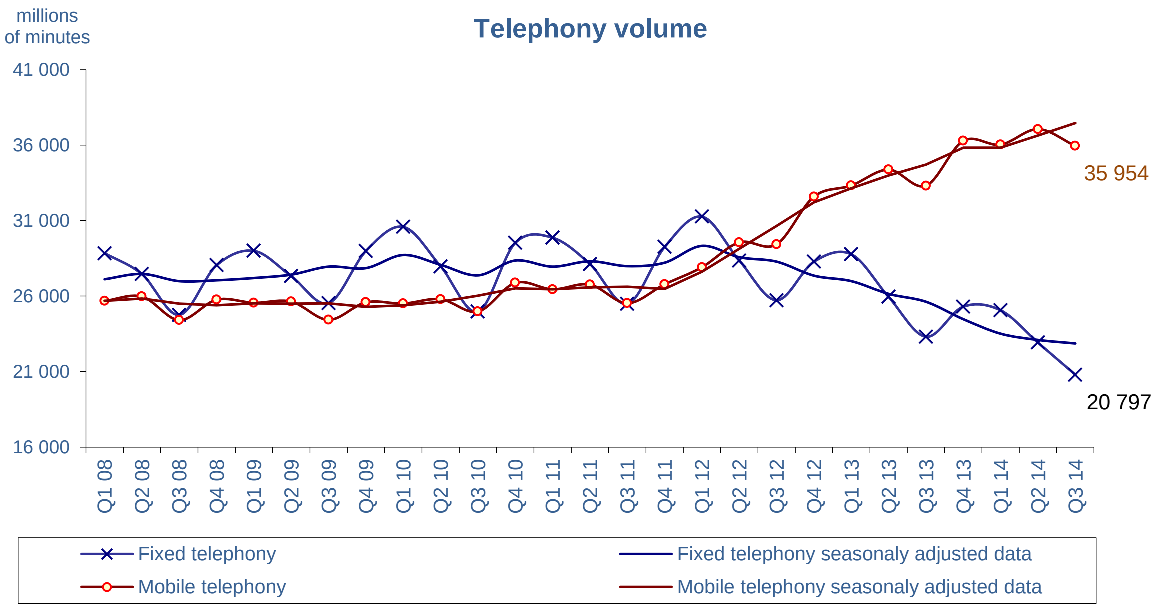
adjusted figures are in italics

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



Volumes of voice (millions of minutes)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Fixed telephony	23 310	25 302	25 061	22 919	20 797	-10,8%
Mobile telephony	*33 315*	36 286	36 034	37 065	35 954	7,9%
Total voice services	***56 625***	**61 588**	**61 095**	**59 984**	**56 751**	**0,2%**

adjusted figures are in italics



millions of minutes
Telephony volume
41 000
36 000
31 000
26 000
21 000
16 000
35 954
20 797
Q1 08
Q2 08
Q3 08
Q4 08
Q1 09
Q2 09
Q3 09
Q4 09
Q1 10
Q2 10
Q3 10
Q4 10
Q1 11
Q2 11
Q3 11
Q4 11
Q1 12
Q2 12
Q3 12
Q4 12
Q1 13
Q2 13
Q3 13
Q4 13
Q1 14
Q2 14
Q3 14
Fixed telephony
Fixed telephony seasonaly adjusted data
Mobile telephony
Mobile telephony seasonaly adjusted data

Contents

1 Operators investments

Investments *millions of euros*	**2012***	**2013***	**9 first months of 2014****
Total of investments	**10 034**	**7 252**	**4 700**
of witch excluding mobile licences investments	**7 317**	**7 158**	**4 700**

** Annual publication*
*** Estimate- rounded figures*

2 Employment

3 Fixed networks services

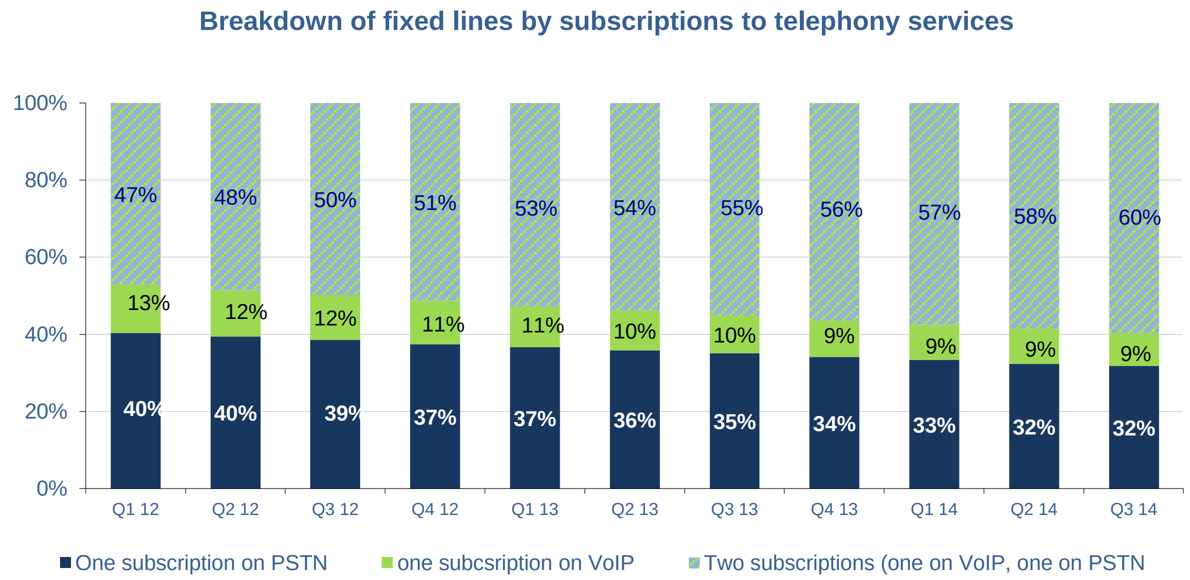
3.1 Number of fixed lines and subscriptions to fixed networks services

3.1.1 Number of fixed lines

Number of fixed lines (millions of units)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Number of fixed lines	*35,611*	*35,695*	*35,780*	*35,685*	35,745	0,4%

adjusted figures are in italics

Note: the number of subscriptions to a fixed telephony service (PSTN and voice over broadband) was reviewed upward due to a better accounting of the number of subscriptions on the business market. This change does not affect the annual change in percentage.



3.1.2 Portability (fixed numbers)

Portability (millions of units)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Number of fixed numbers ported during the quarter	640	746	730	617	629	-1,6%

3.1.3 Internet access (brodband and ultra-fast broadband)

Internet subscriptions (millions of units)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Broadband	22,797	22,877	23,009	23,054	23,167	1,6%
of wich xDSL	22,402	22,461	22,585	22,630	22,723	1,4%
of wich other broadband access	0,395	0,416	0,425	0,424	0,444	12,5%
Ultra-fast broadband	1,864	2,067	2,219	2,356	2,498	34,0%
of which with a flow rate between 30 Mbit/s & 100 Mbit/s (*)	0,658	0,744	0,775	0,814	0,845	28,6%
of which with a flow rate superior to 100 Mbit/s	0,726	0,764	0,804	0,821	0,851	17,3%
of wich fiber with coaxial cable termination (FTTLA)	0,480	0,559	0,640	0,720	0,801	66,9%
Internet subscriptions	**24,661**	**24,944**	**25,228**	**25,410**	**25,664**	**4,1%**

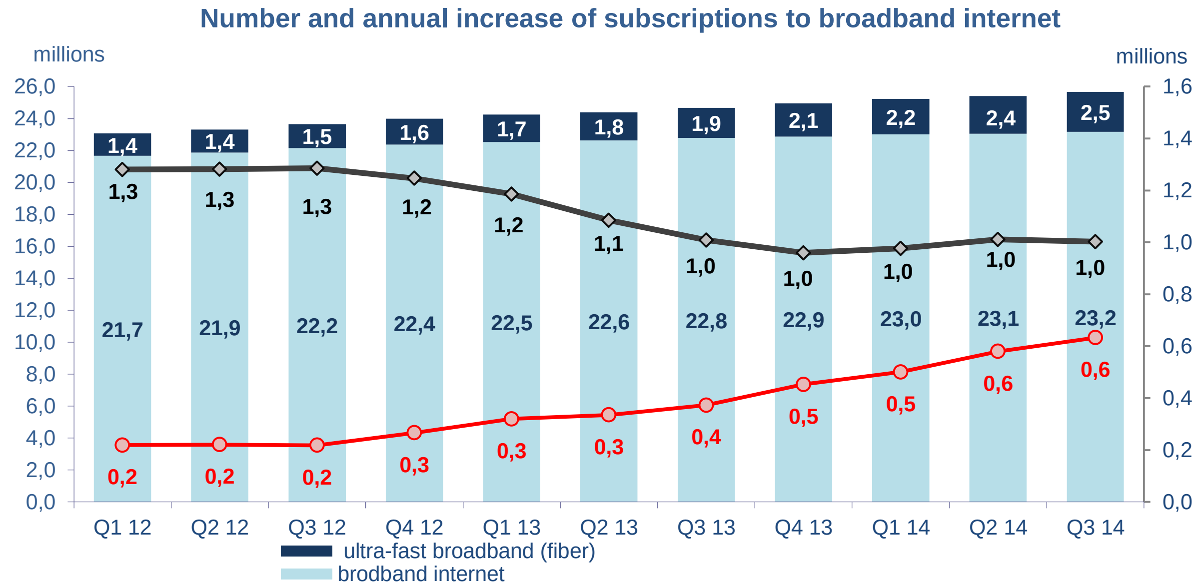
including VDSL2 subscriptions with a flow rate>= 30 Mbit/s

Notes :

- Ultra-fast broadband : are counted as very high-speed subscriptions access to the internet with a flow-rate equal or greater to 30 Mbit/s. These categories include subscriptions on fiber to the home or to the office networks (FttH, FttO), on "hybrid fiber coaxial cable" networks (HFC), on optical fiber with coaxial cable termination networks (FttLA), and VDSL2 subscriptions with a flow-rate equal or greater to 30 Mbit/s. Other subscriptions with a flow rate equal or greater than to 100 Mbit/s is also published.

- There can be a delay between the delivery of an offer in the wholesale market (LLU or bitstream) and its inclusion in retail market figures. Data comparisons for these different markets may reflect this delay.

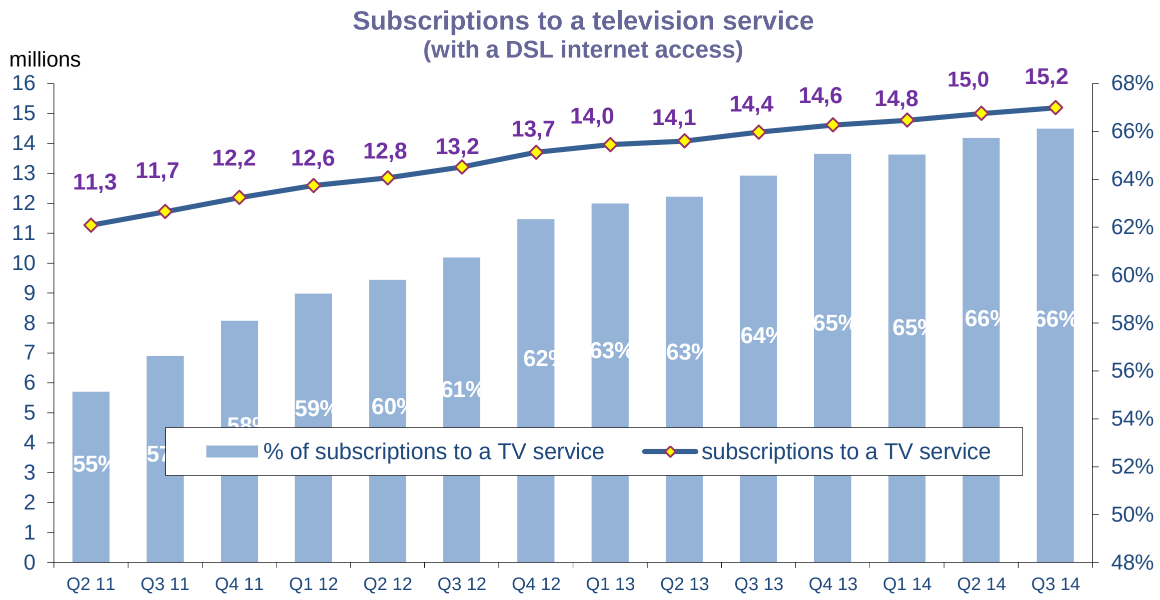
Overseas subscriptions to internet (millions of units)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Broadband and fiber	526	543	547	547	555	5,5%



3.1.4 Television over ADSL

TV Subscriptions on DSL (millions)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Subscriptions to Internet on DSL	14,373	14,615	14,773	14,997	15,189	5,7%
% of subscriptions to television services	64,2%	65,1%	65,0%	65,7%	66,1%	

Note: This indicator covers subscriptions that include TV over xDSL services that customers have the technical capacity to activate (“eligible” subscriptions) irrespective of the number of accessible channels or the tariff. Taken into account are those subscriptions that were subscribed to separately or as part of a bundled offer that includes access to one or several other services aside from TV (Internet, telephony).



3.2 Telephony services on fixed lines (excluding public pay-phones and cards)

3.2.1 Number of subscriptions to a telephone service

Number of subscriptions to telephone service (millions of units)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Subscription on narrow band access	16,003	15,581	15,210	14,813	14,450	-9,7%
Access resales	1,603	1,628	1,682	*1,664*	1,641	2,3%
Subscription on broadband access (IP DSL,cable)	23,094	*23,497*	23,834	*24,105*	24,364	5,5%
DSL lines without narrowband access	*17,769*	*18,153*	*18,504*	*18,731*	19,064	7,3%
Number of subscriptions to telephone service	***39,096***	**39,078**	***39,043***	***38,918***	**38,814**	**-0,7%**

adjusted figures are in italics

Notes :
- The number of subscriptions to a fixed telephony service (PSTN and voice over broadband) was reviewed upward due to a better accounting of the number of subscriptions on the business market. This change does not affect the annual change in percentage.
- A subscription to telephone service in VoIP on xDSL without PSTN subscriptions is a subscription on lines where low frequencies are not used as a voice service support (neither Orange nor an alternative operator). This is the case of voice-over-broadband service issued from full unbundling and "naked DSL".

Details on the indicators for IP telephony services

Regarding the terminology used:
IP telephony service indicators in this publication cover voice over broadband regardless of medium (chiefly DSL IP, but also cable IP) and voice over Internet for operators that have declared their activity to ARCEP.
ARCEP defines "voice over broadband" as fixed telephony service using Voice over IP technology on an Internet access network at speeds in excess of 128 kbps where quality is controlled by the operator providing the service. It defines "voice over Internet" as voice communications using the public Internet network where service quality is not controlled by the operator providing the service.
The outgoing Voice over IP calls counted by the Observatory correspond to access services. The indicators do not refer to IP traffic that traverses the IP backbone only. Moreover, the Observatory does not survey operators which have not declared their activity and which support PC-to-PC voice over Internet. These operators are outside the scope of the survey.

Carrier selection (millions of units)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Call by call selection	0,079	0,080	0,069	0,064	0,061	-22,4%
Pre-selection	1,237	1,226	1,157	1,135	1,101	-11,0%
Number of indirect connections	**1,316**	**1,306**	**1,226**	**1,200**	**1,162**	**-11,7%**

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.

3.2.2 Revenue of subscriptions and calls

Access revenue (millions of euros)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Access fees, subscriptions and additional services	818	791	792	773	754	-7,7%

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 (millions of euros)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
National calls	204	203	208	196	180	-11,9%
International calls	87	80	78	75	78	-10,8%
Calls to mobiles	154	153	140	132	124	-19,2%
All calls from fixed lines	**445**	**437**	**427**	**403**	**382**	**-14,2%**
Of which calls originating on PSTN/ISDN	320	313	299	278	260	-18,6%
Of which calls originating on Voice over broadband traffic	125	124	128	125	122	-2,8%

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

3.2.3 Volume of calls from fixed networks

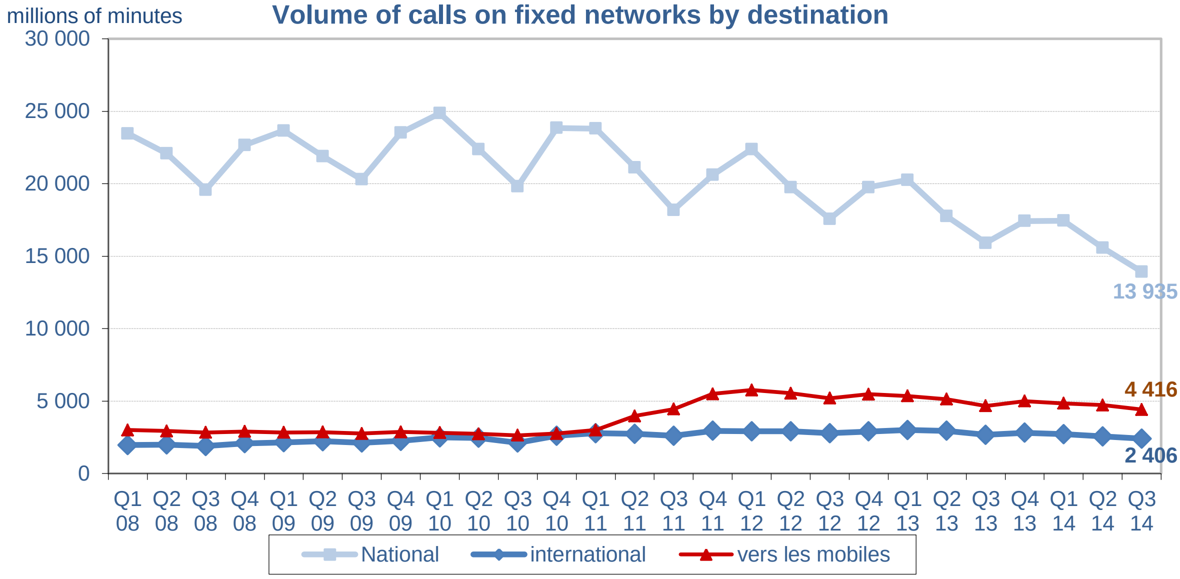
Volumes (millions of minutes)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
National calls	*15 919*	*17 427*	*17 455*	*15 587*	13 935	-12,5%
International calls	2 667	2 818	2 711	2 562	2 406	-9,8%
Calls to mobiles	*4 665*	*5 006*	*4 850*	4 730	4 416	-5,3%
All calls from fixed lines	***23 252***	***25 251***	***25 016***	***22 879***	**20 757**	**-10,7%**

adjusted figures are in italics

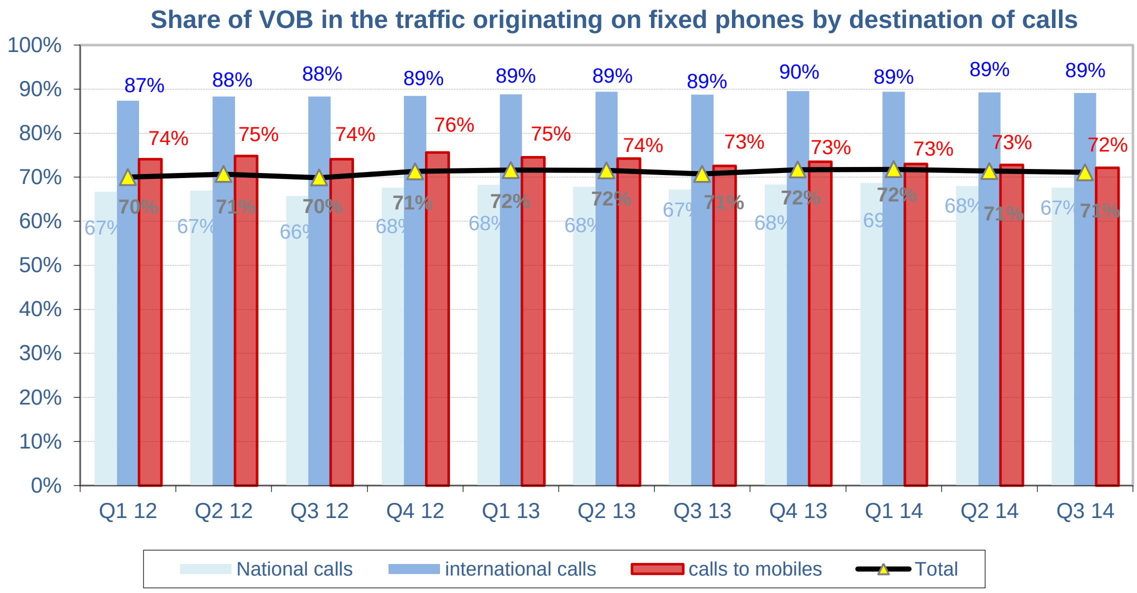
Volumes of calls originating on PSTN/ISDN (millions of minutes)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
National calls	5 225	5 516	5 458	*4 984*	4 512	-13,6%
International calls	299	294	288	274	261	-12,9%
Calls to mobiles	1 278	1 327	1 309	*1 287*	1 229	-3,8%
All calls originating on PSTN/ISDN	**6 802**	**7 137**	**7 054**	***6 545***	**6 002**	**-11,8%**

adjusted figures are in italics

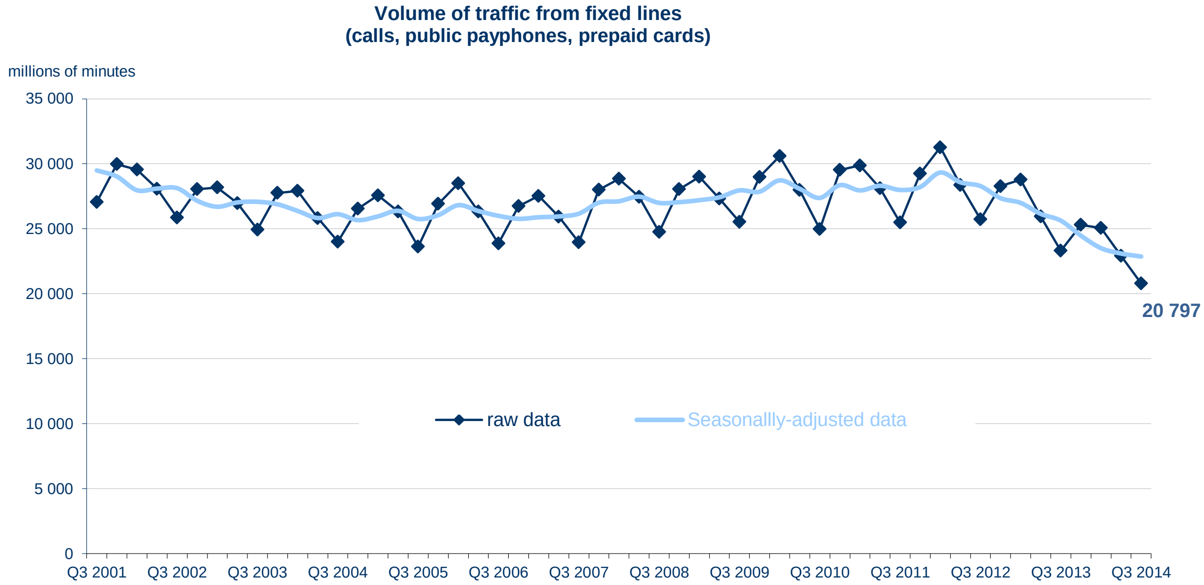
Volumes (Voice over broadband trafic) (millions of minutes)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
National calls	*10 694*	*11 911*	*11 997*	*10 603*	9 423	-11,9%
International calls	2 368	2 524	2 423	2 288	2 145	-9,4%
Calls to mobiles	*3 387*	*3 679*	*3 542*	*3 442*	3 187	-5,9%
All VOB calls	***16 449***	***18 115***	***17 961***	***16 333***	**14 755**	**-10,3%**



millions of minutes
Volume of calls on fixed networks by destination
13 935
4 416
2 406
National
international
vers les mobiles



Share of VOB in the traffic originating on fixed phones by destination of calls
National calls
international calls
calls to mobiles
Total



3.3 Public payphones and calling cards

Public telephony	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Number of public payphones at end of quarter (units)	101 790	94 455	87 194	80 242	74 413	-26,9%
Revenue (millions of euros)	4	3	3	2	2	-45,3%
Volumes (millions of minutes)	12	9	7	7	6	-50,6%

Charge and prepaid cards	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Revenue (millions of euros)	8	7	7	5	5	-32,4%
Volume (millions of minutes)	46	42	38	34	34	-26,2%

3.4 Dial-up internet

Internet Dial-up	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Revenue (millions of euros)	3	2	2	2	2	-20,2%
Subscriptions (millions of units)	165	155	141	136	126	-23,4%
Volumes of dial-up Internet (millions of minutes)	*128*	*114*	*99*	*85*	72	-43,2%

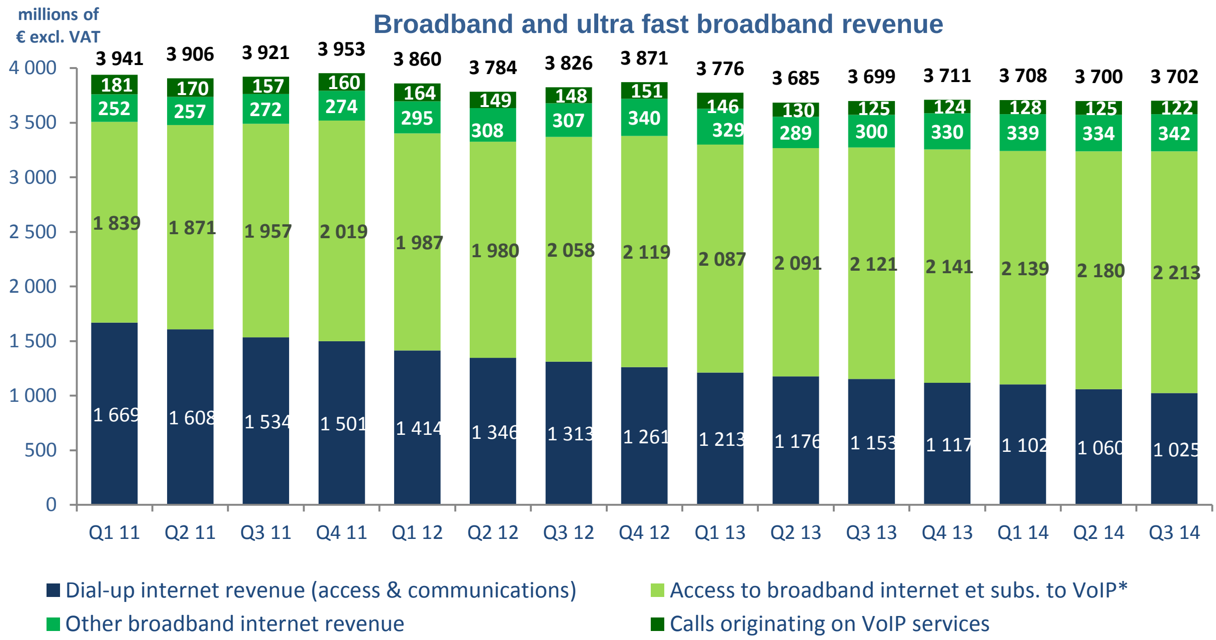
3.5 Revenue on fixed networks

Revenue of fixed networks services (millions of euros)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Narrowband Revenue	**1 153**	**1 117**	**1 102**	**1 060**	**1 025**	**-11,1%**
Subscriptions and calls originating on PSTN/ISDN	1 137	1 105	1 090	1 051	1 015	-10,8%
Dial-up Internet	3	2	2	2	2	-20,2%
Public payphones and cards	12	10	9	8	8	-36,9%
Broadband Revenue	**2 547**	**2 594**	**2 606**	**2 639**	**2 677**	**5,1%**
Broadband Internet and VoIP subscriptions	2 121	2 141	2 139	2 180	2 213	4,3%
Calls originating on VoIP services	125	124	128	125	122	-2,8%
Other Internet revenue	300	330	339	334	342	14,1%
Revenue of fixed lines services	**3 699**	**3 711**	**3 708**	**3 700**	**3 702**	**0,1%**

Notes

- The fixed services segment is composed of fixed telephony services (over the PSTN or VoBB from a fixed terminal, calls originating on public payphones, prepaid cards or calling credits) and Internet access (dial-up, broadband and ultra-fast broadband).

-When they are included in an Internet access flat rate, access to a VoIP services and IP calls are not factored into the revenue directly attributable to fixed telephony, but rather included in the "broadband Internet access revenue" indicator.
- revenue generated by calls originating on an IP connection includes only the amounts that operators might bill for IP calls, over and above bundled service flat rates. This figure does therefore not include the price of the bundled subscription, or access to the voice over broadband service.
- "Other services" refers to related income earned by ISPs on services such as hosting and online advertising revenue. From now on, this line also includes revenues connected to a broadband internet access and billed by operators (subscriptions to à TV service, video and music downloading…). Revenue generated by terminal sales and rental is included under "fixed operator and ISP terminal sales and rental".



4 Leased lines and data transport (on fixed networks)

Revenue (millions of euros)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Leased lines	*243*	*242*	*237*	*242*	243	-0,3%
Data transport	500	503	488	482	487	-2,6%
Total	***744***	***745***	***726***	***724***	**730**	**-1,8%**
of witch on business market	626	624	615	614	623	-0,5%

adjusted figures are in italics

Note: leased lines revenue can have double accounts in so far as sales between operators are taken into account. Q1 2013 figure is estimated on a constant perimeter (by removing on this quarter the financial flows between France Telecom and Orange France before their merger).

5 Services on mobiles networks

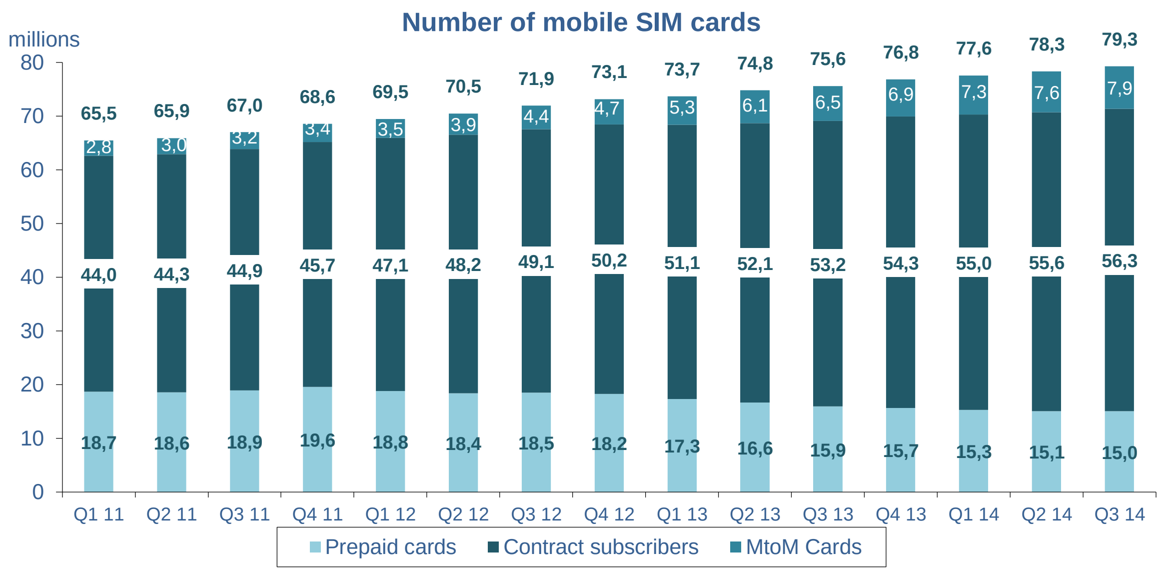
5.1 Subscriptions

5.1.1 Subscriptions to mobiles services

Number of mobile customers (millions of units)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Contract subscribers	53,154	54,277	54,985	55,629	56,345	6,0%
*of which with blocked account **	*7,253*	*6,741*	*6,271*	*5,975*	*5,721*	*-21,1%*
MtoM SIM cards	*6,493*	*6,890*	*7,265*	*7,609*	*7,922*	*22,0%*
Prepaid cards	15,934	15,667	15,302	15,076	15,026	-5,7%
*of which active prepaid cards ***	*13,092*	*12,772*	*12,031*	*11,950*	*11,870*	*-9,3%*
Total number of SIM cards	**75,581**	**76,835**	**77,552**	**78,314**	**79,294**	**4,9%**

adjusted figures are in italics

* blocked account: packages allowing not to make calls, send SMS or make internet connections after the full use of the package
**A prepaid card is considered active if the customer has made or received at least one call during the past three months. Only telephone calls are considered, whether free or payable. SMS are not included in the calculation.



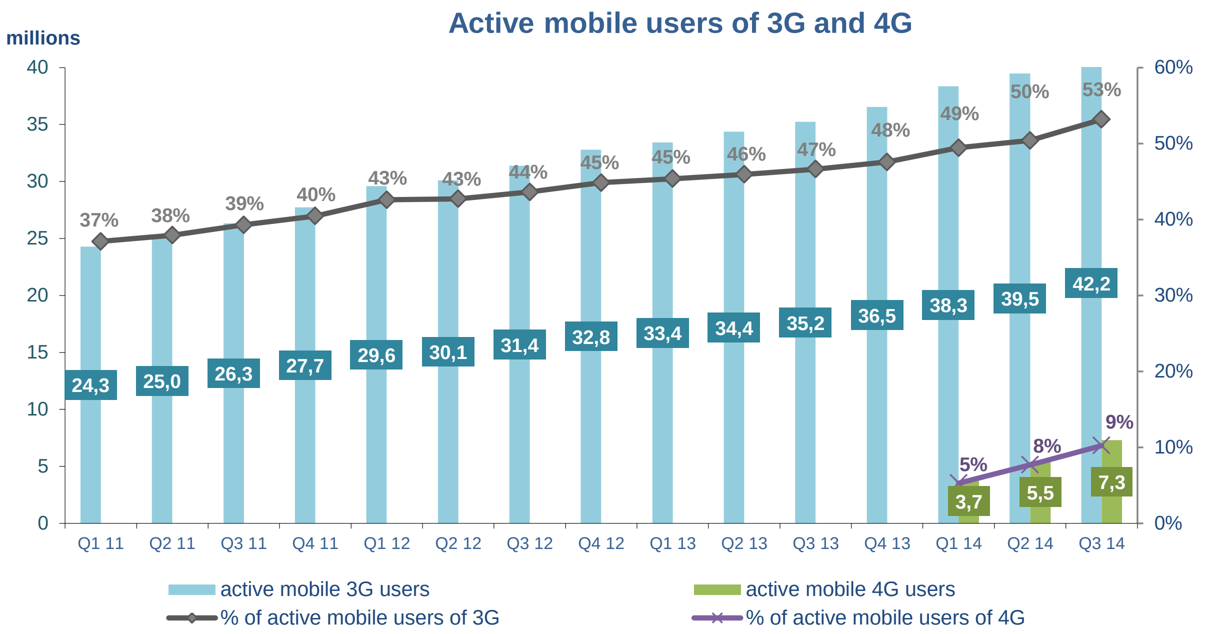
5.1.2 3G and 4G users

Active 3G and 4G users (millions of units)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Active 3G users	35,243	36,548	38,349	39,473	42,162	19,6%
Active 4G users			3,722	5,450	7,309	

Notes :

- The active 3G base is defined as the number of customers who have accessed a mobile service (voice, videophony, mobile TV, data transfer, etc.) that uses 3G radio access technology, sometime in the past three months (either transmission or reception).

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



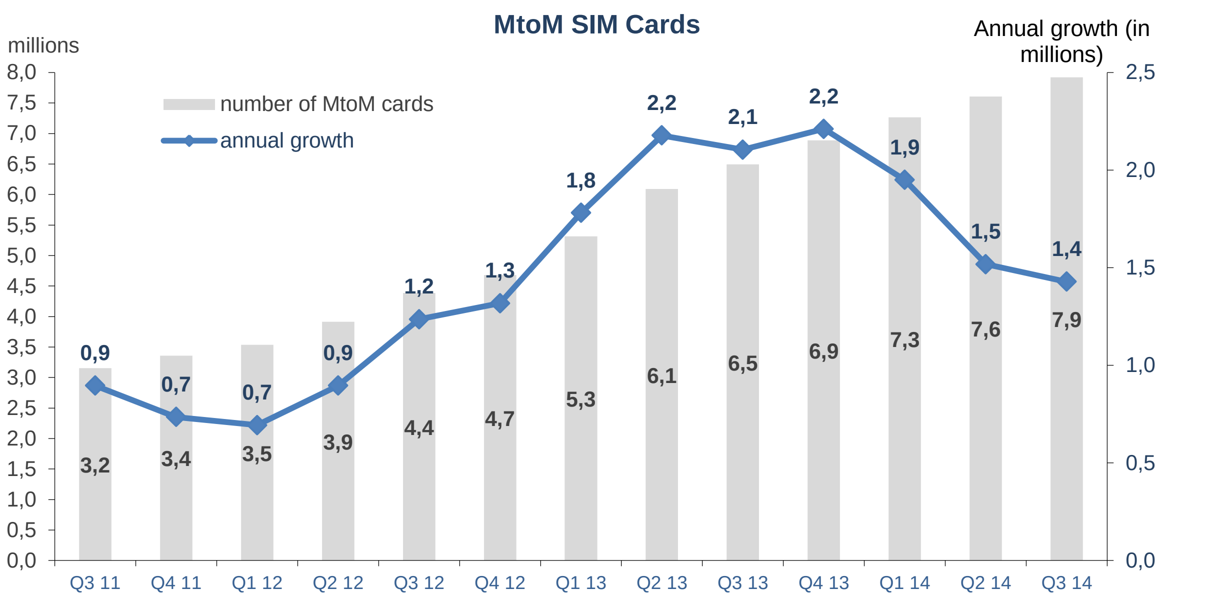
5.1.3 Dedicated data and MtoM cards

Dedicated data cards (millions of units)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Number of dedicated data cards	3,675	3,645	3,691	3,731	3,738	1,7%
of which exclusive Internet prepaid cards	0,706	0,699	0,710	0,759	0,774	9,6%

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

Dedicated MtoM cards (millions of units)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Number of dedicated MtoM cards	6,493	6,890	7,265	7,609	7,922	22,0%

- The number of dedicated MtoM cards 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)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Number of exclusive internet Sim cards & MtoM Sim cards	10,168	10,535	10,956	11,340	11,660	14,7%
% of data SIM cards among SIM cards	13,5%	13,7%	14,1%	14,5%	14,7%	+1,2 point

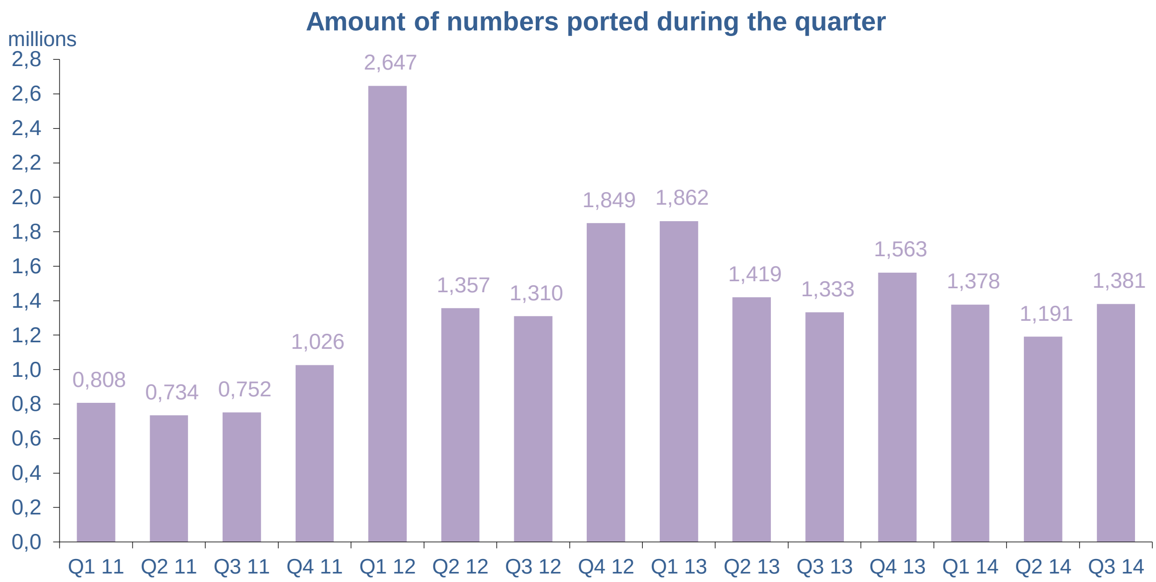
5.1.4 Portability (mobile numbers)

Portability (millions of units)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Amount of numbers ported during the quarter	1,333	1,563	1,378	1,191	1,381	3,6%

Note:

- figures for ported numbers refer to the number of at the finalised porting procedures (ported numbers activated by the recipient operator) during the year in question. Scope: Metropolitan France and the overseas French "départements".

-the portability deadline is 3 working days since November 7, 2011 for metropolitan France and two days from July 31, 2012, for the departments of Réunion and Mayotte, and November 12, 2012 for the departments of Guadeloupe, Martinique and French Guyana as well as for the communities of Saint-Martin and Saint-Barthélemy.

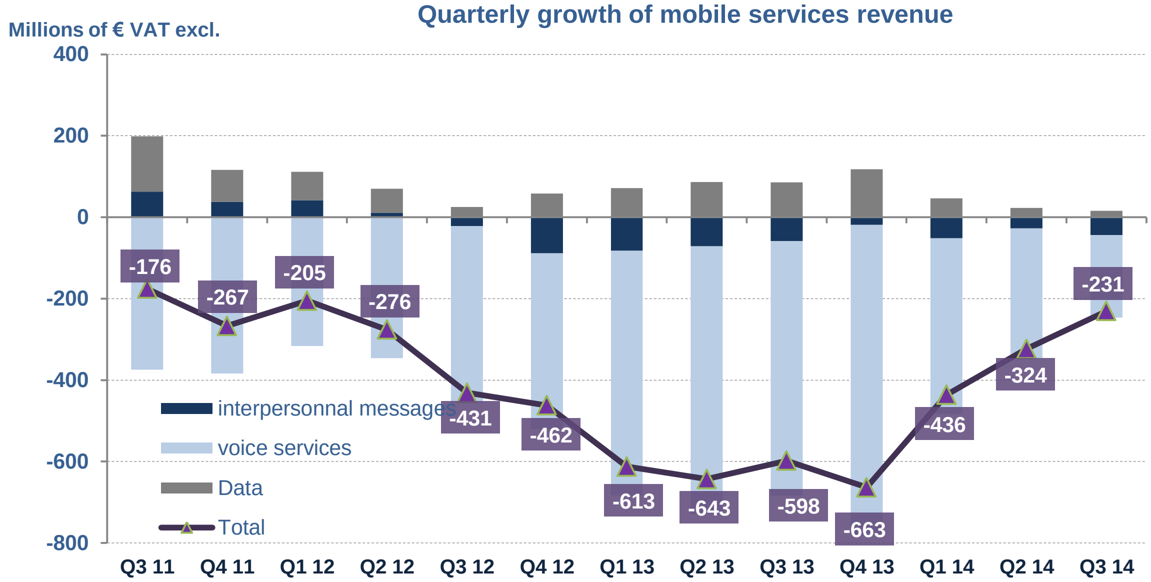


5.2 Retail market revenue et traffic (excluding value-added services)

Revenue (millions of euros)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Mobile telephony	2 374	2 151	*2 134*	*2 146*	2 171	-8,5%
of which outgoing internationals calls	257	249	239	240	253	-1,9%
Data transport on mobile networks	1 383	1 399	*1 366*	*1 345*	1 355	-2,0%
of which interpersonal messaging (SMS, MMS)	581	565	*557*	*543*	537	-7,6%
of which access to mobile Internet & to multimedia services	802	834	*809*	*801*	818	1,9%
Total mobile telephony and data transport	**3 757**	**3 550**	***3 500***	**3 490**	**3 526**	**-6,1%**

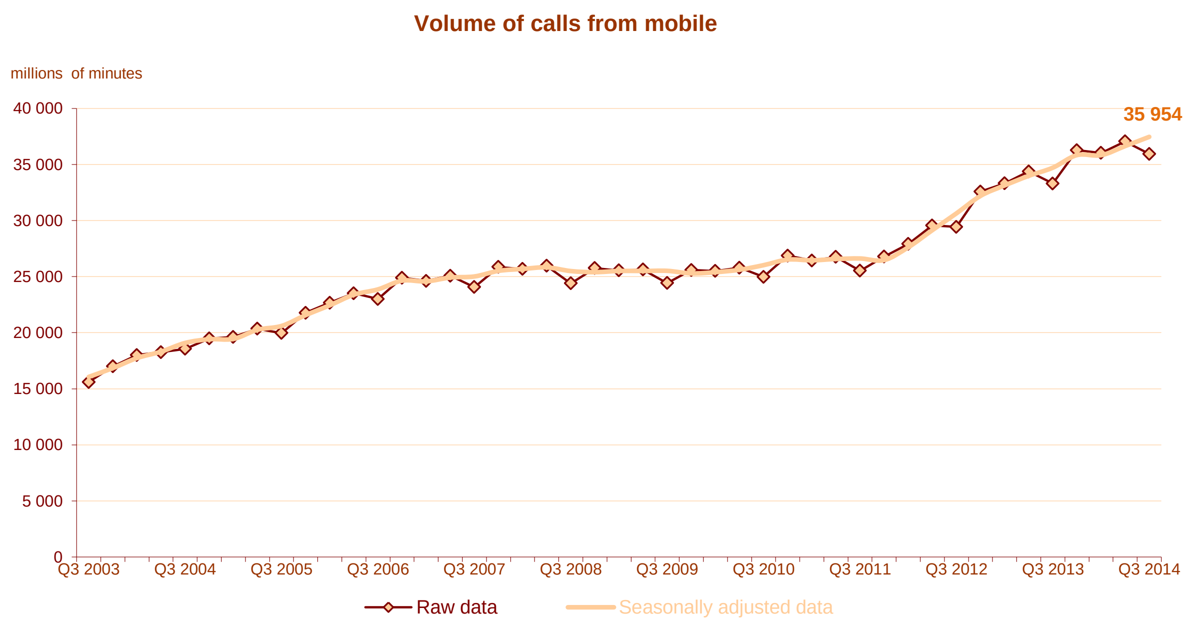
adjusted figures are in italics

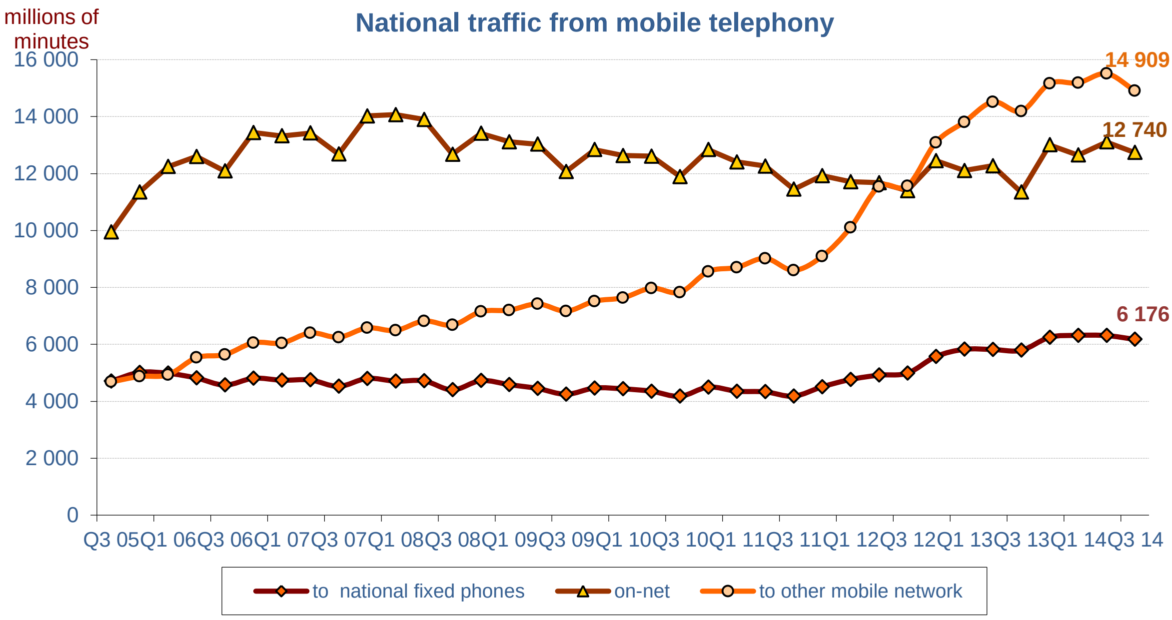
Notes : this is about retail market revenue. Revenue from the market between operators (interconnection, wholesale) are not included. Also excluded is revenue from value-added retail services.



Volumes (millions of minutes)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Calls to national fixed lines	5 791	6 249	6 316	6 310	6 176	6,6%
Calls to mobiles on the same network	11 348	13 007	12 649	13 107	12 740	12,3%
Calls to other networks	14 192	15 160	15 186	15 511	14 909	5,1%
Outgoing internationals calls	1 496	1 551	1 577	1 756	1 589	6,2%
Roaming out	488	318	305	381	541	11,0%
Total mobile telephony	**33 315**	**36 286**	**36 034**	**37 065**	**35 954**	**7,9%**

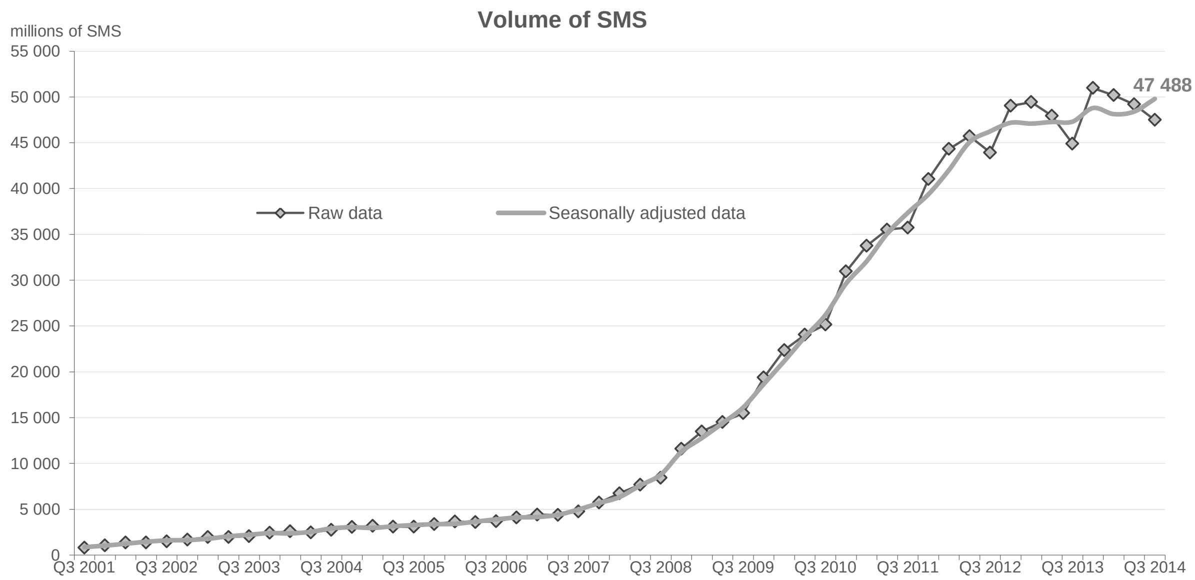
adjusted figures are in italics





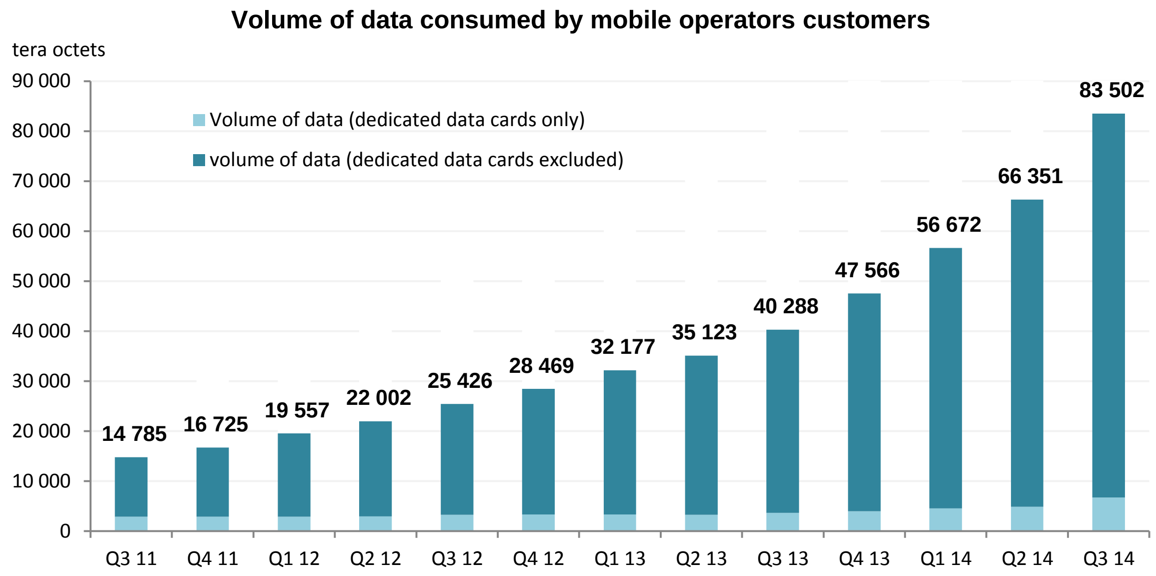
Volumes of interpersonal messages (millions of units)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Number of interpersonal SMS	44 907	50 975	50 184	49 179	47 488	5,7%
of witch from contract subscribers	42 308	48 191	47 374	46 779	45 219	6,9%
of witch from prepaid cards	2 599	2 784	2 810	2 400	2 269	-12,7%
Number of interpersonal MMS	638	656	684	811	833	30,7%
Number of messages sent	**45 545**	**51 632**	**50 869**	**49 989**	**48 321**	**6,1%**

adjusted figures are in italics



Volumes of data consumed by the customers (in Teraoctets)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Volumes of data	**40 288**	**47 566**	**56 672**	**66 351**	**83 502**	**107,3%**
of witch dedicated data SIM cards	3 685	3 974	4 567	4 874	6 721	82,4%

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



6 Average revenue and consumption per user

Average monthly revenue (value added services exclude) (in euros -VAT excluded)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Per fixed line : access, communications and Internet	33,4	33,4	33,3	33,2	33,3	-0,4%
Mobile telephony user	18,1	16,9	*16,5*	*16,4*	16,4	-8,9%

adjusted figures are in italics

Notes :

<u>The average invoice per fixed line</u> now refers to what customers pay each month for their telephony and Internet services. The revenue included is therefore:

- revenue generated by access to subscriptions and additional services;

- revenue from calls originating on fixed lines, including IP traffic revenue billed over and above the bundled service flat rate;

- narrowband and broadband Internet access revenue.

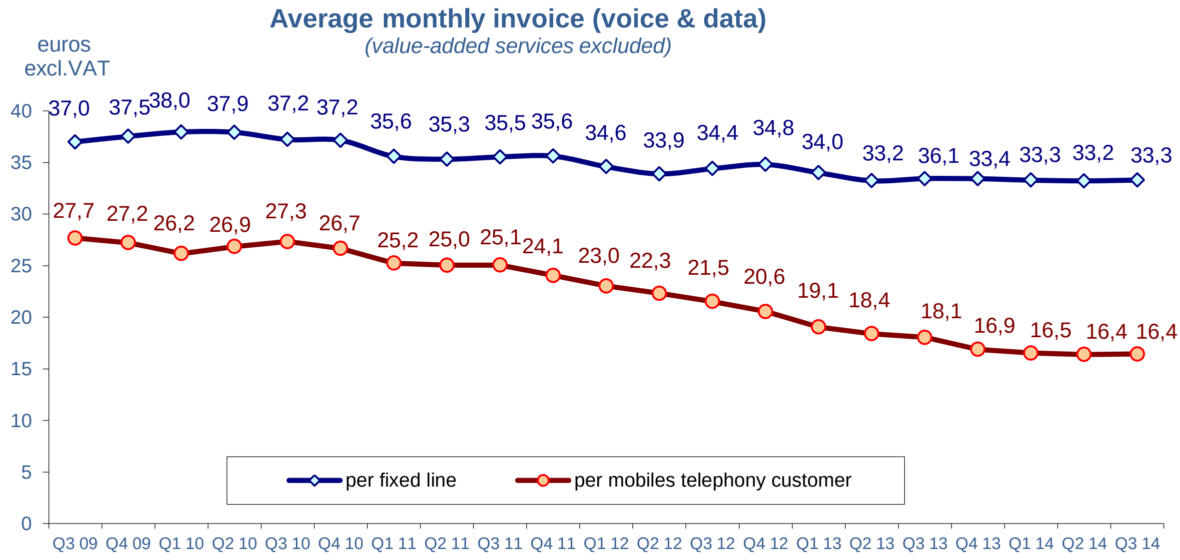
Revenue excluded are:

- public payphone and prepaid card revenue;

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

- VAS and directory assistance services revenue

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



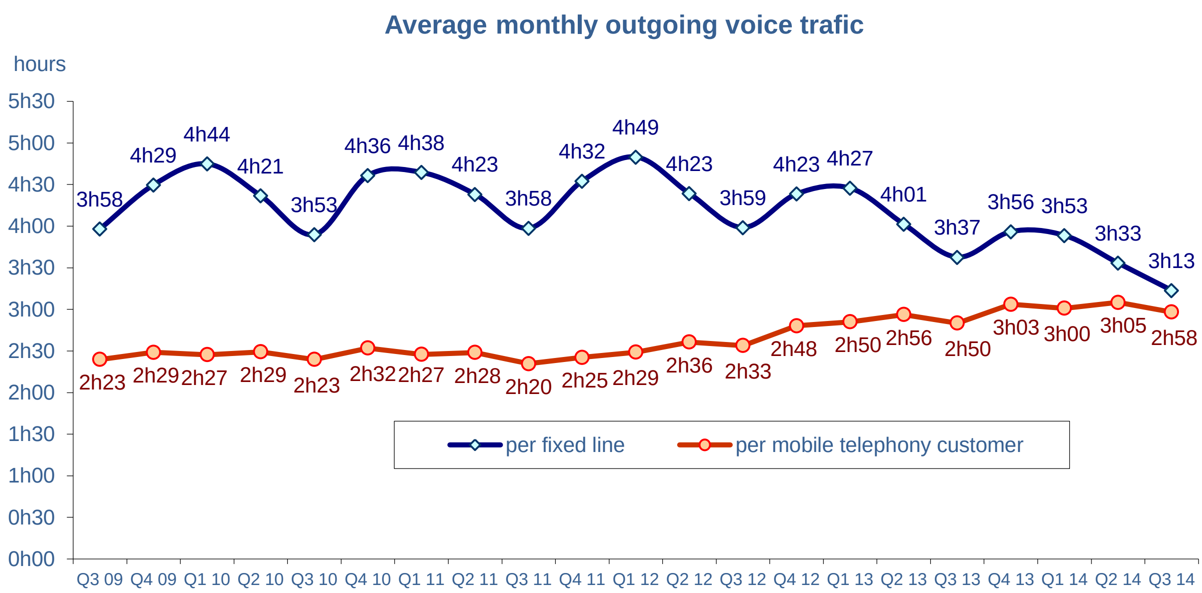
Note : The average monthly invoice per mobile telephony customer exclude MtoM cards (in revenue and in number of cards).

Average monthly outgoing traffic (in hours)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Per fixed lines	3h37	3h56	3h53	3h33	3h13	-11,0%
Mobile telephony user	2h50	3h03	3h00	3h05	2h58	4,7%

Notes :

- <u>The average monthly volume of traffic per fixed line</u> is calculated by dividing the volume of traffic (PSTN and IP) for quarter N by the estimated average number of fixed lines in existence for quarter N, and then by the number of months.

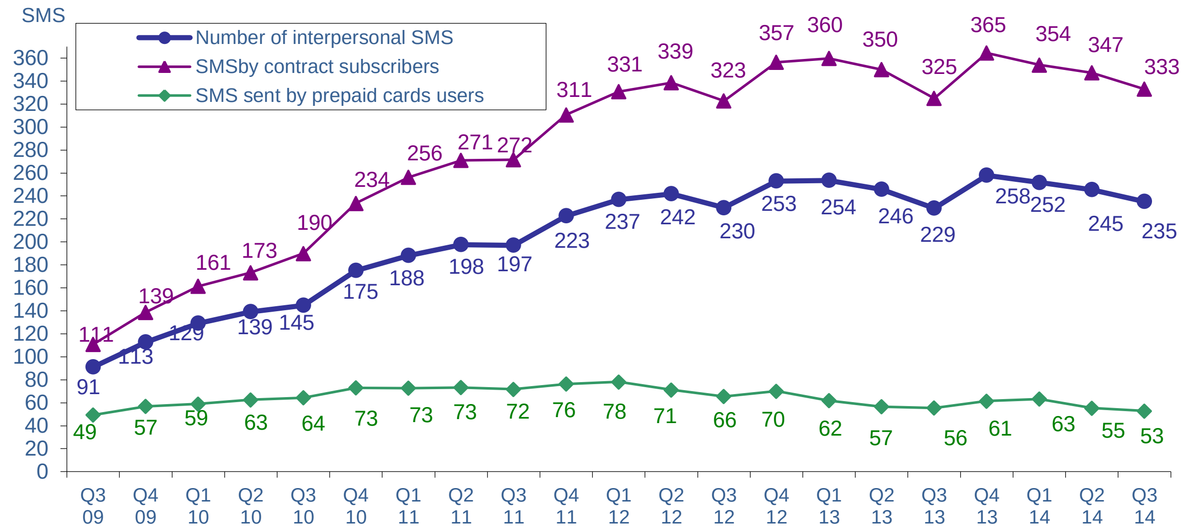
- <u>The average monthly volume of traffic per mobile operator customer</u> is calculated by dividing the volume of mobile telephony traffic (including roaming-out) for quarter N by the estimated average number of mobile customers for quarter N, and then by the number of months. SIM cards that can be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



Number of interpersonnal SMS sent per user (units)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Number of SMS sent per user during the quarter	229	258	252	245	235	2,6%
of witch for contract subscribers	325	365	354	347	333	2,5%
of witch for prepaid cards	56	61	63	55	53	-4,7%

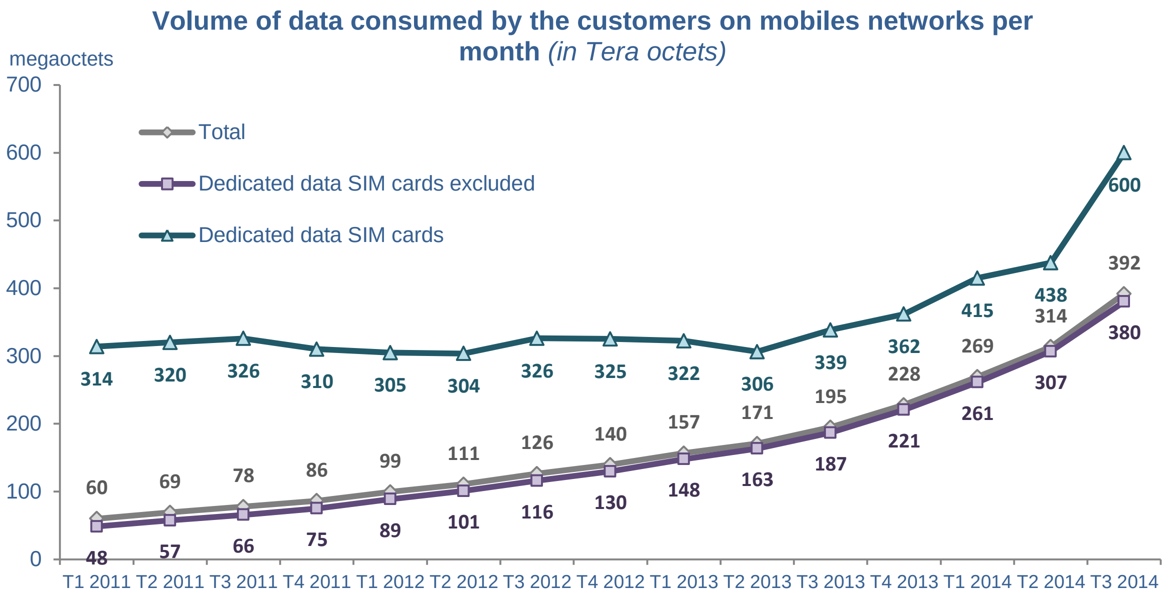
Note: The average number of SMS messages per customer is calculated by dividing the number of SMS messages for quarter N by the estimated average number of customers for quarter N, and then by the number of months. MtoM and exclusive data SIM cards are not taken into account. The number of messages does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

Number of interpersonal SMS sent per customer by month



Average monthly volume of data consumed on mobile networks (en mega octets)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
per mobile operator customer	195	228	269	314	392	101,0%
of witch dedicated data SIM cards	339	362	415	438	600	77,2%
of witch from other SIM cards	187	221	261	307	380	103,4%

Note: the average monthly volume of data per customer of mobile operators is calculated by dividing the volume of data for the quarter N by the estimated average number of customers for quarter N reported to the month. The volume of data include voice communications, exchange of interpersonal messages through software. "MtoM" cards are not taken into account in the calculation.



Average monthly revenue per customer (in euros -VAT excluded)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Fixed PSTN/ISDN telephony user	23,4	23,3	23,6	23,3	23,1	-1,0%
Dial-up Internet user	*5,3*	*5,0*	*4,8*	*5,2*	5,6	6,6%
Internet & telephony over broadband	33,1	33,2	32,9	33,0	33,3	0,7%

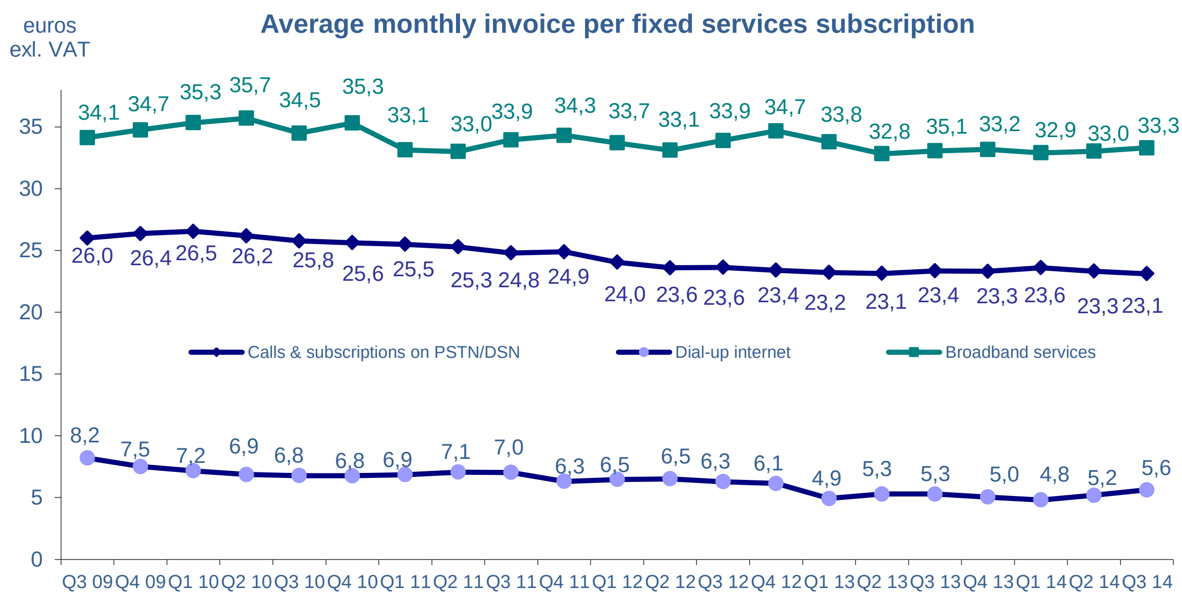
adjusted figures are in italics

Notes :

- <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 VOB) 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.

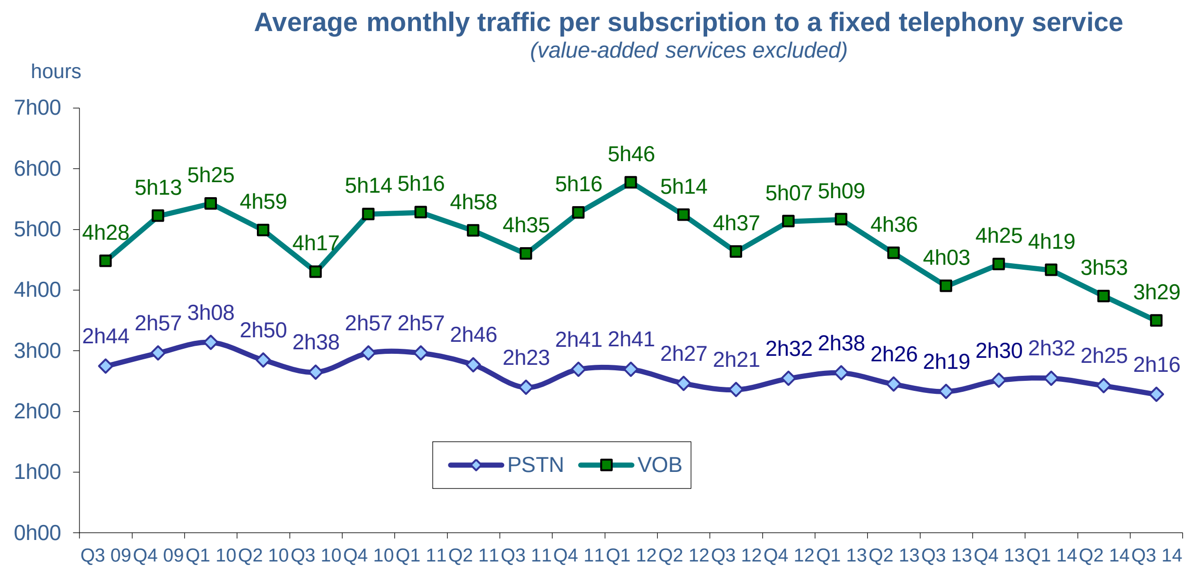
- <u>The average monthly bill for a broadband or ultra-fast broadband access</u> (name Internet and telephony over broadband) is calculated by dividing the revenue earned on VOB calls made on a fixed line (billed over and above a service bundle flat rate) and the revenue earned on broadband subscription for Quarter Q by the estimated average customer base for Quarter Q, then dividing the result by 3.



Average monthly traffic per customer (in hours)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Fixed PSTN/ISDN telephony user	2h19	2h30	2h32	2h25	2h16	-2,1%
Fixed VOB telephony user	4h03	4h25	4h19	3h53	3h29	-14,1%
From dial-up Internet	*4h02*	*3h57*	*3h44*	*3h24*	3h04	-24,1%

adjusted figures are in italics

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



7 Value-added services

Value-added services revenue* (millions of euros)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Value-added "voice" services	*245*	*259*	*259*	259	248	1,1%
From fixed telephony network	*130*	*136*	*130*	141	124	-4,7%
From mobile telephony network	115	122	129	118	124	7,7%
Value-added "data" services	215	226	*216*	*215*	212	-1,5%
Directory services	33	30	30	31	30	-9,1%
Value-added services	***493***	***515***	***506***	***505***	**489**	**-0,7%**

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" services volumes (millions of minutes)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
From fixed telephony network	*1 131*	*1 216*	*1 126*	*1 145*	1 004	-11,2%
From mobile telephony network	395	405	389	371	401	1,5%
Number of calls	***1 525***	***1 621***	***1 514***	***1 516***	**1 405**	**-7,9%**

adjusted figures are in italics

Revenue from directories services (millions of euros)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Number of calls (millions of units)	*9*	*8*	*7*	*7*	7	-28,8%
Volume of calls (millions of minutes)	*24*	*22*	*20*	*18*	17	-27,5%

adjusted figures are in italics

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

8 Other revenue

8.1 Hosting and call centre management services

Revenue (millions of euros)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Hosting and call centre management	71	76	74	75	72	0,6%

8.2 Terminals and equipments

Revenue from terminals and equipment (millions of euros)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
linked to fixed téléphony & Internet services	*162*	*167*	164	167	165	1,9%
linked to mobile services	396	622	404	380	470	18,6%
Terminals and equipment	***558***	***789***	**568**	**547**	**635**	**13,8%**

adjusted figures are in italics

Note : the revenue excludes commissions paid to distributors.

9 The intermediate market (interconnection and wholesale market)

9.1 The market as a whole

Interconnection services (millions of euros)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Fixed operators	1 152	*1 152*	*1 127*	*1 216*	1 246	8,2%
of which telephony services	544	528	490	*532*	557	2,5%
of which broadband services	*608*	*624*	*637*	*684*	688	13,3%
Mobile operators	639	636	637	643	655	2,4%
of which SMS termination	347	360	366	370	362	4,4%
Revenue	***1 791***	***1 789***	***1 764***	***1 859***	**1 901**	**6,1%**

adjusted figures are in italics

Interconnection services (millions of minutes)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Fixed operators	*25 731*	*26 887*	*27 365*	*26 471*	26 842	4,3%
Internet (dial-up)	107	101	117	77	72	-32,5%
Mobile operators	*22 581*	*23 659*	22 493	23 187	22 203	-1,7%
Volume	***48 419***	***50 648***	***49 976***	***49 735***	**49 118**	**64,6%**
Incoming SMS	***29 842***	***32 005***	**31 868**	**31 541**	**30 598**	**2,5%**

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 January 1st 2013, the price for call termination on fixed networks is set to 0.08c€/minute against 0.15c€/min since July 1st 2012 and 0.3c€/min since October 1st 2011.
- Broadband wholesale services include income from unbundling and bitstream or bitstream equivalent services. The tariff of the unbundling is set since February1st 2014 at €9.02 against €8.90.

- 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 1300 million € for the whole of the year 2013, are not included.
- From January 1st 2013, the price for call termination on mobile networks is set to 0,8c€/minute for Bouygues Telecom, Orange France and SFR against 1.0€/minute between July 1st 2012 to 30th December 2012 and 1.5€/minute between January1st 2012 to June 30th 2012. The maximum price of the voice call termination on mobile networks is set, from 1st July 2013, at 0.8c€/min for Free mobile (network operator) and the full MVNO against 1.1c€ between1st January 2013 to 30th June 2013 and 1.6c€ since 1st July 2012.
- The price of call termination for SMS is €1.0c for all operators since January 1st 2013.
History of rates is available on the site: http://www.arcep.fr/index.php?id=8080.

Unbundling (millions of units)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Partially unbundled lines	0,820	0,793	0,771	0,753	0,733	-10,6%
Fully unbundled lines	10,603	10,805	11,052	11,204	11,391	7,4%
Number of unbundled lines	**11,423**	**11,597**	**11,823**	**11,958**	**12,124**	**6,1%**

"Bitstream" lines (millions of units)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
"naked bistream"	1,006	0,993	0,967	0,951	0,913	-9,2%
"classic bitstream"	0,226	0,214	0,201	0,193	0,184	-18,7%
Number of "bitstream" lines	**1,232**	**1,207**	**1,169**	**1,144**	**1,097**	**-10,9%**

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

9.2 Incoming international interconnection

Revenue of incoming international interconnection services (millions of euros)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Fixed operators	46	39	38	46	49	7,8%
Mobile operators	10	10	11	13	15	50,6%
Revenue	**56**	**49**	**49**	**60**	**64**	**15,4%**

adjusted figures are in italics

Volume of incoming international interconnection services (millions of minutes)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Fixed operators	2 421	2 359	2 130	2 260	2 433	0,5%
Mobile operators	840	835	899	1 064	1 152	37,1%
Volume	**3 261**	**3 194**	**3 030**	**3 324**	**3 585**	**9,9%**

adjusted figures are in italics

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

9.3 Mobiles operators roaming-in

Roaming in	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	change 3Q14/3Q13
Revenue (millions of euros)	107	78	60	65	81	-25,0%
Volume (millions of minutes)	707	451	461	586	773	9,3%
Volume of SMS (millions)	344	174	174	214	316	-8,1%
Volume of data (teraoctets)	312	183	217	363	778	149,7%

adjusted figures are in italics

*Note: This segment is a sub-set of the total market (cf.*9.1).
- -Roaming-in refers to French mobile operators' handling of the incoming and outgoing calls made in France by customers of a foreign mobile operator. The revenue corresponds to the remuneration between the two operators. The relationship between call revenue/volume does not correspond to any set price, nor to any price that is billed to customers.
- Mobile operators have been subject to a ceiling on international roaming tariffs inside the EU since June 2007. This European regulation also includes a multi-annual plan for a steady decrease in this maximum price. As a result, on 1st July 2013, these Euro tariffs went from 0.29€ excl. VAT to 0.24€ excl. VAT for calls made from abroad, and from 0.08€ excl. VAT to 0.07€ excl. VAT for calls received

when abroad. SMS tariff on the retail market has been reduced from 0.09€ to 0.08 € excl.VAT per message. The tariff for mobile internet has been reduced from 70c€ to 45c€ per mega octets.
-. On the wholesale market the tariffs have been set since 1st July 2013 to 2cts€ per message for SMS and to 10c€ per minute for voice calls (against 3cts€ per message for SMS and to 14cts€ per minute for voice calls for the period from 1rst July 2012 to 30 June 2013). The tariff is set to 15cts€ per Mo for mobile internet for the period between 1st July 2013 to 1st July 2014 ('against 25 cts€ for the period from 1rst July 2012 to 30 June 2013).
More information at http://www.arcep.fr/index.php?id=8710.