

MOBILE MARKET

4TH QUARTER 2015

TELECOMMUNICATIONS OBSERVATORY

4th February 2016

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

Except opposite mention, indicators are in millions of units.

A - Mobiles services market - MtoM SIM cards excluded

I. NATIONAL REPORT - total customers and active customers

All the indicators are now excluding MtoM SIM cards

	Dec-14	March-15	June-15	Sept-15	Dec-15
Total customers	71,675	71,315	71,127	71,745	72,132
- Quarterly Net Adds	0,318	-0,360	-0,188	0,618	0,387
- Year on year net growth (in %)	2,5%	1,5%	0,6%	0,5%	0,6%

	Dec-14	March-15	June-15	Sept-15	Dec-15
Penetration Rate	108,9%	107,9%	107,7%	108,6%	109,2%
Population at January the 1 st of previous year (source: INSEE)	65,795	66,070			

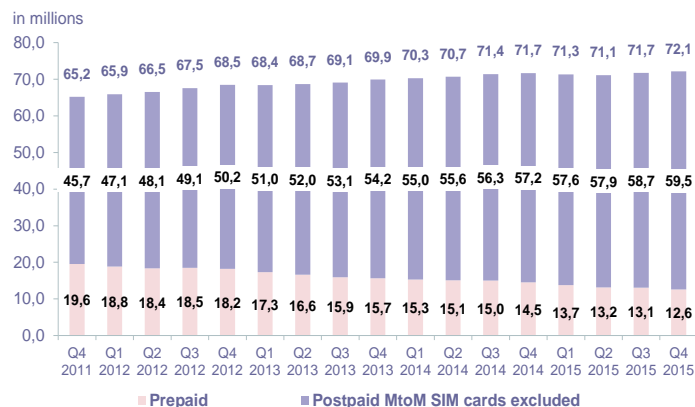
	Dec-14	March-15	June-15	Sept-15	Dec-15
Postpaid customers	57,158	57,570	57,947	58,654	59,547
- Quarterly Net Adds	0,847	0,412	0,377	0,707	0,893
- Year on year net growth (in %)	5,4%	4,8%	4,2%	4,2%	4,2%

	Dec-14	March-15	June-15	Sept-15	Dec-15
Prepaid customers	14,518	13,746	13,180	13,091	12,585
- Quarterly Net Adds	-0,529	-0,772	-0,565	-0,090	-0,506
- Year on year net growth (in %)	-7,3%	-10,2%	-12,6%	-13,0%	-13,3%

	Dec-14	March-15	June-15	Sept-15	Dec-15
Total active customers	68,585	68,495	68,780	69,631	69,780
- as a % of total customers	95,7%	96,0%	96,7%	97,1%	96,7%
- Quarterly Net Adds	0,357	-0,090	0,285	0,850	0,149
- Year on year net growth (in %)	2,3%	2,3%	1,8%	2,1%	1,7%

Adjusted figures

Number of national SIM cards (MtoM cards excluded)



Mobile penetration rate in France



II. METROPOLITAN REPORT

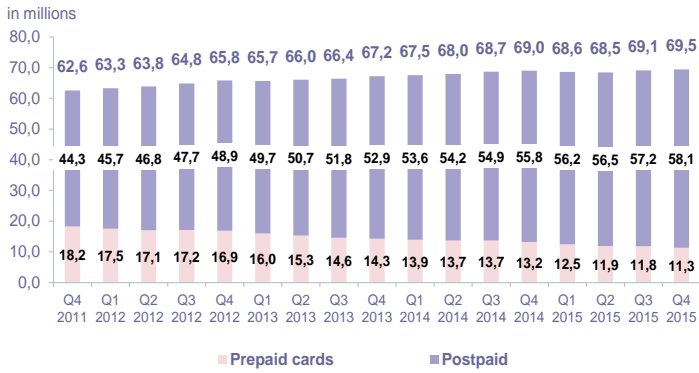


II.1 Total customers segmentation and total active customers (excluding MtoM SIM cards)

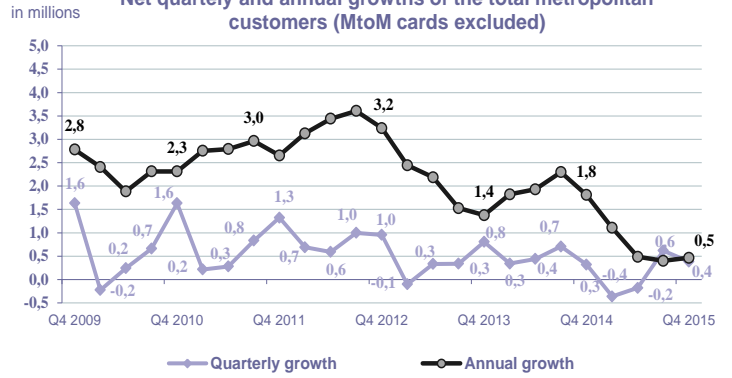
	Dec-14	March-15	June-15	Sept-15	Dec-15
Total customers	68,991	68,632	68,452	69,072	69,457
among which Internet SIM cards	3,690	3,536	3,485	3,534	3,586
- Quarterly Net Adds	0,320	-0,360	-0,180	0,620	0,385
- Year on year net growth (in %)	2,7%	1,6%	0,7%	0,6%	0,7%
Penetration Rate	108,4%	107,4%	107,1%	108,1%	108,7%
<i>Population at January the 1st of previous year (source: INSEE)</i>	63,652	63,920			
Postpaid customers	55,772	56,182	56,540	57,243	58,115
among which Internet SIM cards	2,884	2,761	2,734	2,774	2,779
- Quarterly gross sales	3,541	2,839	2,740	2,898	3,918
- Quarterly Net Adds	0,826	0,409	0,359	0,703	0,872
- Year on year net growth (in %)	5,4%	4,8%	4,2%	4,2%	4,2%
Prepaid customers	13,219	12,450	11,912	11,829	11,342
among which Internet SIM cards	0,806	0,775	0,751	0,760	0,808
- Quarterly gross sales	2,266	2,118	2,407	2,308	2,137
- Quarterly Net Adds	-0,507	-0,769	-0,538	-0,083	-0,487
- Year on year net growth (in %)	-7,4%	-10,5%	-13,2%	-13,8%	-14,2%
Total active customers	66,255	66,185	66,472	67,302	67,426
- as a % of total customers	96,0%	96,4%	97,1%	97,4%	97,1%
- Quarterly Net Adds	0,361	-0,070	0,287	0,830	0,124
- Year on year net growth (in %)	2,4%	2,4%	1,9%	2,1%	1,8%

Adjusted figures

Number of metropolitan SIM cards



Net quarterly and annual growths of the total metropolitan customers (MtoM cards excluded)



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

All the indicators are now excluding MtoM SIM cards



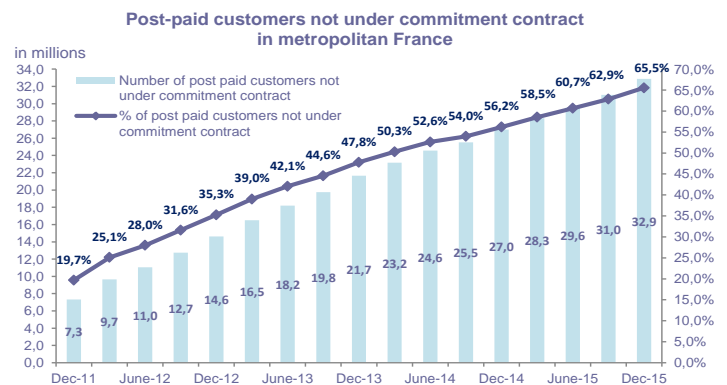
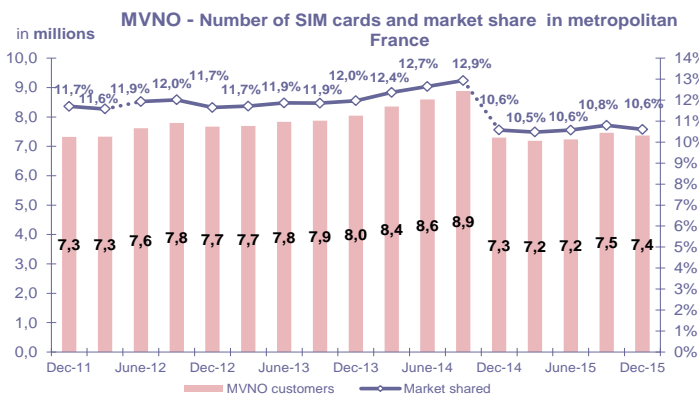
	Dec-14	March-15	June-15	Sept-15	Dec-15
Mobile networks operators (MNOs) customers	61,694	61,441	61,216	61,610	62,092
- Among which postpaid customers	52,886	53,204	53,456	54,097	54,819
- Quarterly Net Adds	1,903	-0,253	-0,226	0,395	0,481
- Year on year net growth (in %)	4,3%	3,8%	3,1%	3,0%	0,6%
MVNOs customers	7,297	7,190	7,237	7,462	7,365
- Quarterly Net Adds	-1,584	-0,107	0,046	0,225	-0,096
- Year on year net growth (in %)	-9,3%	-13,9%	-15,8%	-16,0%	0,9%
MVNO Market share	10,6%	10,5%	10,6%	10,8%	10,6%
MVNO Market share of gross postpaid sales	8,0%	9,4%	9,7%	7,8%	9,6%
MVNO Market share of gross prepaid sales	48,2%	52,8%	52,9%	57,3%	50,3%

II.3 Market fluidity

	Dec-14	March-15	June-15	Sept-15	Dec-15
Quarterly postpaid cancellation rate	5,0%	4,4%	4,3%	3,9%	5,3%
Quarterly prepaid cancellation rate	20,5%	22,2%	24,0%	19,9%	22,4%
Numbers ported during the quarter	1,672	1,373	1,270	1,265	2,016
- Year on year net growth (in %)	8,1%	0,7%	6,6%	-3,9%	20,6%
Post-paid residential customers not under commitment contract	27,004	28,320	29,551	31,027	32,875
- % of post-paid customers not under commitment contract	56,2%	58,5%	60,7%	62,9%	65,5%
Total residential customers not under commitment contract	29,135	30,382	31,684	33,201	35,195
- % of customers not under commitment contract	52,2%	54,1%	56,0%	58,0%	60,6%

Note relevant growth (integration of Numericable et Omea Telecom in the MNOs market)

Adjusted figures



III. METROPOLITAN RESIDENTIAL AND BUSINESS MARKET

All the indicators are now excluding MtoM SIM cards



III.1 Residential market - Total customers segmentation

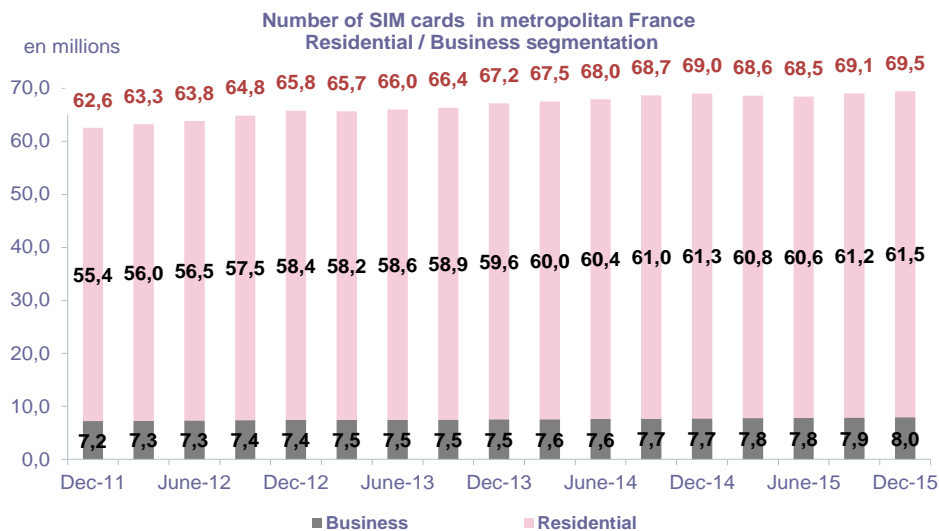
	Dec-14	March-15	June-15	Sept-15	Dec-15
Total residential customers	61,273	60,832	60,620	61,190	61,505
- Quarterly Net Adds	2,546	2,387	2,330	2,372	2,434
- Quarterly Net Adds	0,254	-0,441	-0,212	0,570	0,315
- Year on year net growth (in %)	2,8%	1,5%	0,4%	0,3%	0,4%
Postpaid residential customers	48,054	48,382	48,708	49,361	50,163
- Quarterly gross sales	3,126	2,285	2,349	2,579	3,506
- Quarterly Net Adds	0,761	0,328	0,326	0,653	0,802
- Year on year net growth (in %)	5,9%	5,1%	4,4%	4,4%	4,4%
Prepaid residential customers	13,219	12,450	11,912	11,829	11,342
- Quarterly gross sales	2,266	2,118	2,407	2,308	2,137
- Quarterly Net Adds	-0,507	-0,769	-0,538	-0,083	-0,487
- Year on year net growth (in %)	-7,4%	-10,5%	-13,2%	-13,8%	-14,2%

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

	Dec-14	March-15	June-15	Sept-15	Dec-15
MNOs	54,225	53,909	53,656	54,007	54,435
- Quarterly Net Adds	1,828	-0,316	-0,253	0,351	0,428
- Year on year net growth (in %)	4,8%	4,0%	3,1%	3,1%	0,4%
MVNOs	7,049	6,924	6,965	7,183	7,070
- Quarterly Net Adds	-1,574	-0,125	0,041	0,219	-0,113
- Year on year net growth (in %)	-10,5%	-14,6%	-16,6%	-16,7%	0,3%
MVNO Market share	11,5%	11,4%	11,5%	11,7%	11,5%
MVNO Market share of gross postpaid sales	8,4%	10,0%	10,5%	8,2%	10,0%

Note relevant growth (integration of Numericable et Omea Telecom in the MNOs market)

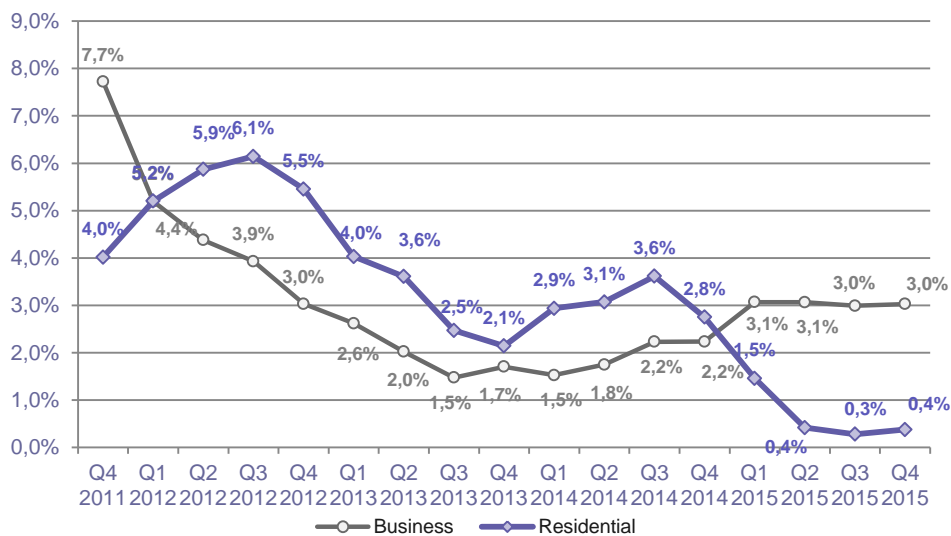
Adjusted figures



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

	Dec-14	March-15	June-15	Sept-15	Dec-15
Postpaid business customers	7,718	7,799	7,832	7,882	7,952
among which Internet SIM cards	1,144	1,149	1,155	1,162	1,152
- Quarterly Net Adds	0,065	0,081	0,033	0,050	0,070
- Year on year net growth (in %)	2,2%	3,1%	3,1%	3,0%	3,0%

Year on year net growth of residential and business SIM cards



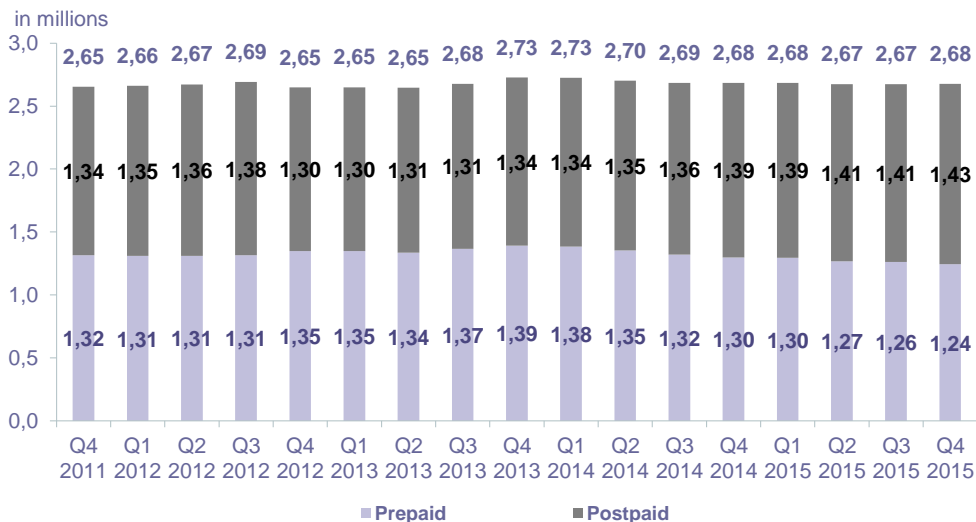
IV. OVERSEAS REPORT : DOM, Saint-Martin, Saint-Barthélemy, Saint-Pierre-et-Miquelon

All the indicators are now excluding MtoM SIM cards

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

	Dec-14	March-15	June-15	Sept-15	Dec-15
Total customers	2,684	2,683	2,675	2,673	2,676
- Quarterly Net Adds	-0,001	0,000	-0,009	-0,002	0,003
- Year on year net growth (in %)	-1,6%	-1,5%	-1,0%	-0,5%	-0,3%
Penetration Rate	125,2%	124,8%	124,4%	124,3%	124,5%
Population at January the 1st of previous year (source: INSEE)	2,143	2,150			
Postpaid customers	1,385	1,388	1,406	1,411	1,432
- Quarterly Net Adds	0,021	0,003	0,018	0,005	0,021
- Year on year net growth (in %)	3,8%	3,4%	4,2%	3,4%	3,4%
Prepaid customers	1,298	1,295	1,268	1,262	1,244
- Quarterly Net Adds	-0,022	-0,003	-0,027	-0,007	-0,018
- Year on year net growth (in %)	-6,7%	-6,4%	-6,3%	-4,5%	-4,2%
Total active customers	2,331	2,310	2,309	2,329	2,354
- as a % of total customers	86,8%	86,1%	86,3%	87,1%	88,0%
- Quarterly Net Adds	-0,004	-0,020	-0,002	0,020	0,025
- Year on year net growth (in %)	0,1%	-1,0%	-0,4%	-0,2%	1,0%

Number of SIM cards in Overseas



IV.2 Guadeloupe, Saint-Martin, St-Barthélemy: total customers and total active customers segmentation



	Dec-14	March-15	June-15	Sept-15	Dec-15
Total customers	0,679	0,682	0,683	0,668	0,682
- Quarterly Net Adds	-0,008	0,003	0,001	-0,015	0,014
- Year on year net growth (in %)	-5,3%	-5,1%	-2,5%	-2,8%	0,5%
Penetration Rate	150,8%	151,7%	151,9%	148,5%	151,7%
Population at January the 1st of previous year (source: INSEE)	0,450	0,450			
Postpaid customers	0,322	0,322	0,327	0,325	0,328
- Quarterly Net Adds	0,004	0,000	0,004	-0,002	0,003
- Year on year net growth (in %)	2,5%	2,7%	3,6%	2,2%	1,9%
Prepaid customers	0,357	0,360	0,356	0,343	0,354
- Quarterly Net Adds	-0,012	0,003	-0,003	-0,014	0,011
- Year on year net growth (in %)	-11,5%	-11,2%	-7,5%	-7,1%	-0,8%
Total active customers	0,574	0,573	0,575	0,591	0,592
- as a % of total customers	84,6%	84,0%	84,2%	88,4%	86,8%
- Quarterly Net Adds	0,006	-0,001	0,002	0,015	0,001
- Year on year net growth (in %)	-0,1%	-0,4%	0,5%	3,8%	3,0%
<i>Adjusted figures</i>					

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



	Dec-14	March-15	June-15	Sept-15	Dec-15
Total customers	0,321	0,320	0,325	0,336	0,310
- Quarterly Net Adds	0,005	-0,001	0,005	0,011	-0,026
- Year on year net growth (in %)	1,5%	1,4%	1,6%	6,4%	-3,4%
Penetration Rate	131,0%	127,9%	130,0%	134,2%	123,8%
Population at January the 1st of previous year (source: INSEE)	0,245	0,250			
Postpaid customers	0,114	0,114	0,115	0,115	0,116
- Quarterly Net Adds	0,002	0,000	0,001	0,000	0,001
- Year on year net growth (in %)	4,6%	3,9%	3,7%	2,2%	1,0%
Prepaid customers	0,207	0,206	0,210	0,221	0,195
- Quarterly Net Adds	0,003	-0,001	0,004	0,011	-0,027
- Year on year net growth (in %)	-0,1%	0,1%	0,4%	8,7%	-5,9%
Total active customers	0,257	0,257	0,259	0,258	0,259
- as a % of total customers	79,9%	80,1%	79,6%	76,8%	83,4%
- Quarterly Net Adds	0,002	0,000	0,002	-0,001	0,001
- Year on year net growth (in %)	1,6%	1,5%	3,0%	1,4%	0,8%

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



	Dec-14	March-15	June-15	Sept-15	Dec-15
Total customers	0,587	0,586	0,580	0,584	0,584
- Quarterly Net Adds	-0,002	-0,001	-0,006	0,004	0,000
- Year on year net growth (in %)	-1,6%	-0,8%	-2,0%	-0,8%	-0,6%
Penetration Rate	152,5%	153,8%	152,1%	153,2%	153,1%
Population at January the 1st of previous year (source: INSEE)	0,385	0,381			
Postpaid customers	0,305	0,305	0,307	0,306	0,308
- Quarterly Net Adds	0,003	0,000	0,002	-0,001	0,002
- Year on year net growth (in %)	2,0%	1,8%	2,3%	1,1%	0,8%
Prepaid customers	0,282	0,282	0,273	0,278	0,276
- Quarterly Net Adds	-0,004	0,000	-0,009	0,005	-0,002
- Year on year net growth (in %)	-5,2%	-3,5%	-6,3%	-2,8%	-2,0%
Total active customers	0,482	0,479	0,473	0,472	0,471
- as a % of total customers	82,1%	81,6%	81,6%	80,8%	80,7%
- Quarterly Net Adds	-0,005	-0,004	-0,005	-0,002	-0,001
- Year on year net growth (in %)	-0,4%	-1,1%	-1,8%	-3,1%	-2,3%

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



	Dec-14	March-15	June-15	Sept-15	Dec-15
Total customers	0,217	0,220	0,220	0,223	0,229
- Quarterly Net Adds	0,011	0,003	0,000	0,003	0,006
- Year on year net growth (in %)	7,2%	6,6%	7,5%	8,4%	5,3%
Penetration Rate	100,0%	101,4%	101,4%	102,8%	105,4%
Population at January the 1st of previous year (source: INSEE)	0,217	0,217			
Postpaid customers	0,050	0,052	0,052	0,054	0,057
- Quarterly Net Adds	0,002	0,002	0,000	0,002	0,002
- Year on year net growth (in %)	18,2%	15,8%	13,1%	13,0%	12,9%
Prepaid customers	0,167	0,168	0,168	0,169	0,172
- Quarterly Net Adds	0,009	0,001	0,000	0,001	0,003
- Year on year net growth (in %)	4,3%	4,0%	5,9%	6,9%	3,0%
Total active customers	0,193	0,193	0,193	0,197	0,207
- as a % of total customers	89,1%	87,6%	87,6%	88,1%	90,3%
- Quarterly Net Adds	0,014	-0,001	0,000	0,004	0,010
- Year on year net growth (in %)	14,2%	9,5%	8,8%	9,8%	6,8%

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



	Dec-14	March-15	June-15	Sept-15	Dec-15
Total customers	0,876	0,871	0,862	0,858	0,867
- Quarterly Net Adds	-0,008	-0,005	-0,009	-0,004	0,009
- Year on year net growth (in %)	-1,7%	-2,0%	-2,2%	-3,0%	-1,0%
Penetration Rate	104,3%	103,0%	102,0%	101,5%	102,6%
<i>Population at January the 1st of previous year (source: INSEE)</i>	<i>0,840</i>	<i>0,845</i>			
Postpaid customers	0,591	0,593	0,602	0,609	0,621
- Quarterly Net Adds	0,010	0,002	0,010	0,006	0,013
- Year on year net growth (in %)	4,2%	3,6%	4,9%	4,7%	5,1%
Prepaid customers	0,285	0,278	0,259	0,249	0,246
- Quarterly Net Adds	-0,018	-0,007	-0,019	-0,010	-0,003
- Year on year net growth (in %)	-12,0%	-12,3%	-15,5%	-17,8%	-13,8%
Total active customers	0,820	0,805	0,804	0,808	0,822
- as a % of total customers	93,6%	92,5%	93,3%	94,2%	94,8%
- Quarterly Net Adds	-0,021	-0,015	-0,001	0,004	0,014
- Year on year net growth (in %)	-2,8%	-4,3%	-3,3%	-4,0%	0,2%

B - Internet of things : MtoM SIM cards

I. MtoM CARDS OF FRENCH OPERATORS

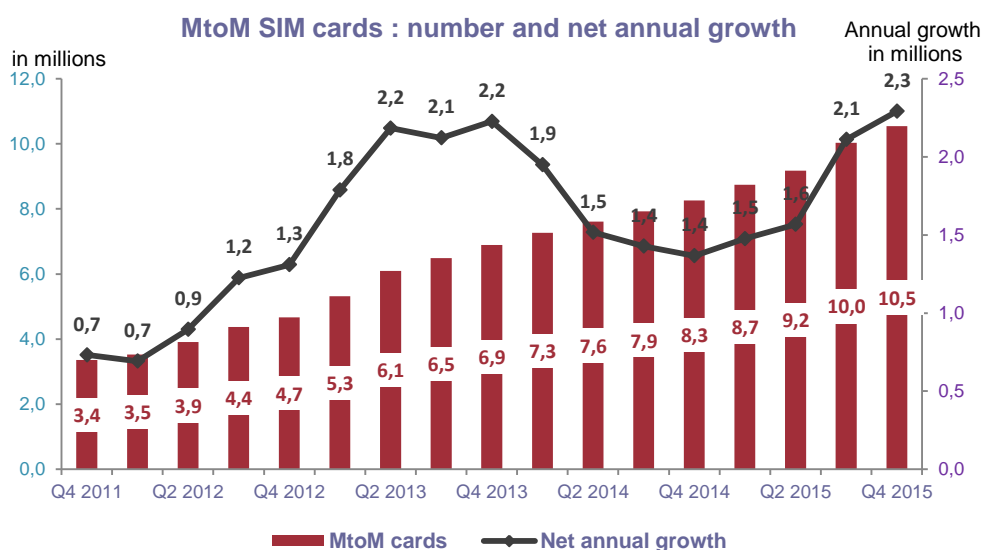
	Dec-14	March-15	June-15	Sept-15	Dec-15
MtoM SIM cards	8,257	8,742	9,177	10,033	10,549
-Gross sales for the quarter	0,397	0,559	0,558	0,909	0,672
- Quarterly Net Adds	0,335	0,485	0,434	0,856	0,516
- Year on year net growth (in %)	19,8%	20,3%	20,6%	26,6%	27,8%

I.1 MtoM CARDS OF FRENCH OPERATORS - METROPOLITAN

	Dec-14	March-15	June-15	Sept-15	Dec-15
MtoM SIM cards	8,235	8,721	9,155	10,010	10,525
- Quarterly Net Adds	0,334	0,486	0,434	0,856	0,515
- Year on year net growth (in %)	19,9%	20,4%	20,6%	26,7%	27,8%

I.2 MtoM CARDS OF FRENCH OPERATORS - OVERSEAS DEPARTMENTS

	Dec-14	March-15	June-15	Sept-15	Dec-15
MtoM SIM cards	0,022	0,021	0,022	0,023	0,023
- Quarterly Net Adds	0,001	-0,001	0,001	0,001	0,001
- Year on year net growth (in %)	9,6%	5,0%	6,8%	7,4%	7,0%



APPENDIX 2: DEFINITIONS

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

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

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

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

Penetration rate: Penetration rate: it is obtained by dividing the total number of clients by the population. The reference population is 1st January of the year N-1 published by INSEE on the 1st January of the year N. The reference population in 2015, from estimates published in January 2015 (and therefore of the population for January 1st, 2014), includes a metropolitan population 63 920 000 people, to which is added, for the DOM and the COM, a population of 2 150 000 people (450 000 people for Guadeloupe, St-Martin and St-Barthelemy, 250 000 people for Guyana, 381 000 people for Martinique, 217 000 people for Mayotte, 845 000 people for La Réunion and 6 000 for Saint Pierre and Miquelon).

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

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

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

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

Operators

- Metropolitan mobile network operators: Orange, Société Française du Radiotéléphone (SFR), Bouygues Telecom, Free mobile.
- Overseas mobile network operators : Orange Caraïbes, Orange Réunion, Société Réunionnaise du Radiotéléphone (SRR), Digicel AFG, SAS SPM, Globaltel, Dauphin Telecom, Outremer Telecom, Telco OI.
- Mobile Virtual Network Operators independent of mobile network operators active on the quarter.