LES ACTES DE L'ARCEP

RÉPUBLIQUE FRANÇAISE

4 July 2013

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

1st quarter 2013 – final results

ARCEP
Autorité de régulation des communications électroniques et des postes
www.arcep.fr

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Contents

1 Observatory of investment

Investments *millions of euros*	2011	2012*	Q1 2013**
Total of investments	8 190	10 001	1 800
of witch excluding mobile licences investments	7 176	7 284	1 800

** Annual publication (provisionnal)*

*** Estimate- rounded figures*

2 Observatory of employment

3 The electronic market

3.1 The end customer market

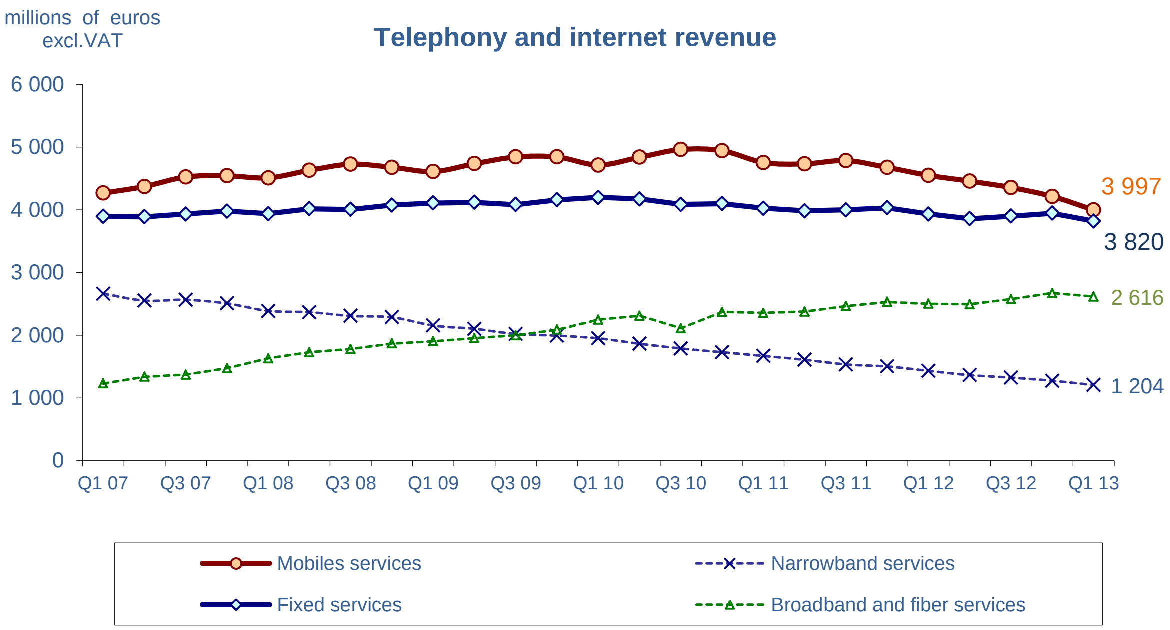
Revenue (millions of euros)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Fixed services	3 933	3 857	3 898	*3 944*	3 820	-2,9%
Mobile telephony	4 549	4 457	4 355	*4 213*	3 997	-12,1%
All telephony and Internet	**8 482**	**8 314**	**8 253**	***8 157***	**7 817**	**-7,8%**
Advanced services and directory services	539	522	*511*	*528*	517	-4,0%
Capacity services	907	932	*913*	*933*	921	1,5%
Electronic communications services	**9 928**	**9 768**	***9 678***	***9 618***	**9 255**	**-6,8%**
Others revenues	665	726	704	905	656	-1,4%
Entire market	**10 593**	**10 495**	***10 381***	***10 523***	**9 911**	**-6,4%**

adjusted figures are in italics

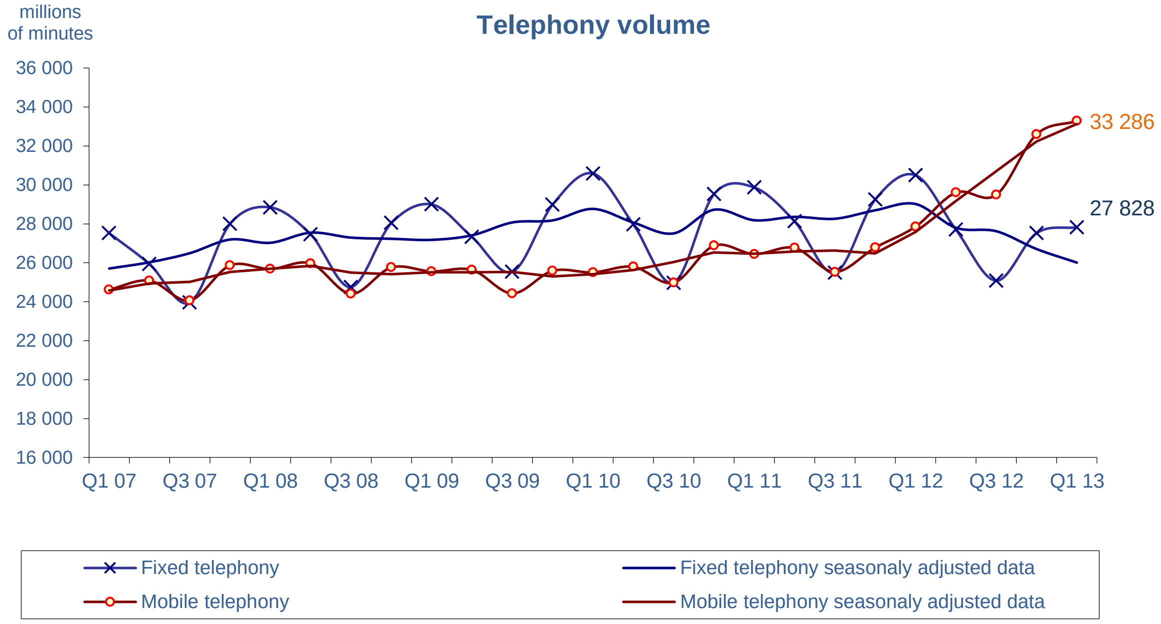
Fixed telephony covers revenues from access fees and subscriptions, from calls from fixed lines including Internet connection calls, public telephones and cards, internet subscriptions (narrow-band and broadband).

Mobile telephony includes data transport on mobile networks (SMS, MMS, mobile internet).

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)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Fixed telephony	30 499	*27 708*	*25 083*	*27 520*	27 828	-8,8%
Mobile telephony	*27 856*	*29 608*	*29 489*	*32 595*	33 286	19,5%
Total voice services	***58 355***	***57 316***	***54 572***	***60 115***	**61 113**	**4,7%**

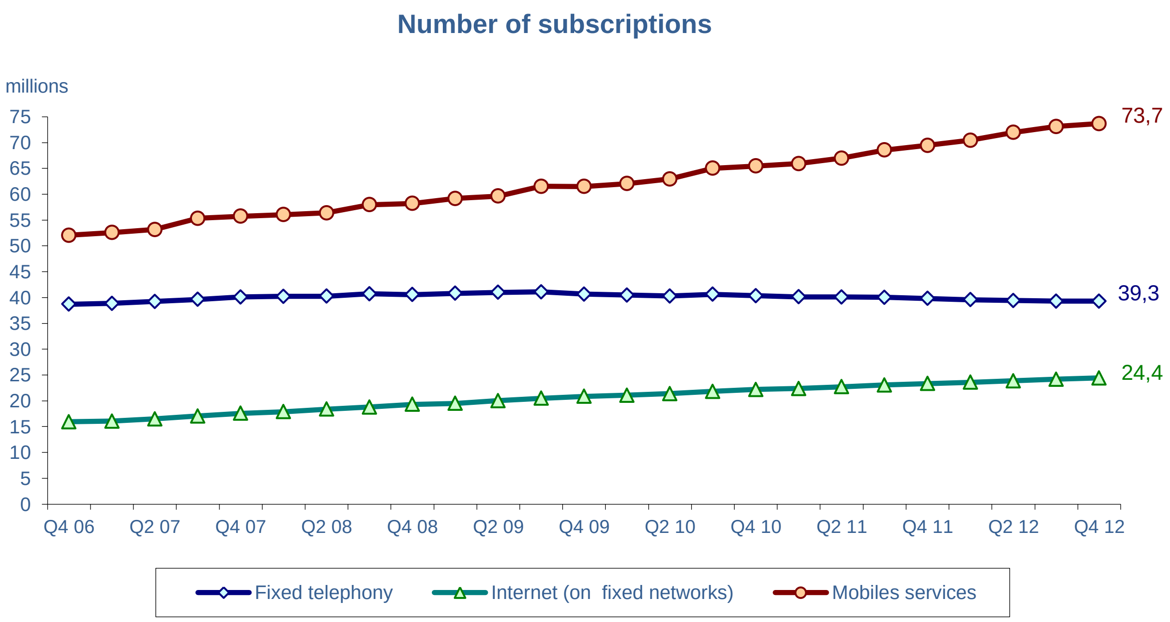


Volumes of data (millions of minutes)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Number of SMS sent (millions of units)	*44 326*	*45 722*	*43 933*	*49 035*	49 432	11,5%
Volume of mobile data (teraoctets)	*19 557*	*22 002*	*25 426*	*28 517*	32 467	66,0%

adjusted figures are in italics

Number of subscriptions (millions of units)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Number of subscription to telephone service	39,818	*39,581*	39,413	*39,308*	39,284	-1,3%
Internet subscriptions	23,350	23,582	23,884	24,183	24,427	4,6%
Number of mobile customers	69,472	70,461	71,970	73,123	73,670	6,0%

adjusted figures are in italics



3.2 The intermediate market (interconnection and wholesale market)

3.2.1 The market as a whole

Interconnection services (millions of euros)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Fixed operators	1 211	1 220	1 185	1 195	1 165	-3,8%
*of which telephony services **	659	644	607	595	557	-15,5%
of which broadband services	552	577	578	600	608	10,1%
Mobile operators	788	845	659	676	621	-21,2%
of which SMS termination	415	441	312	354	359	-13,7%
Revenue	**1 999**	**2 066**	**1 843**	**1 870**	**1 786**	**-10,7%**

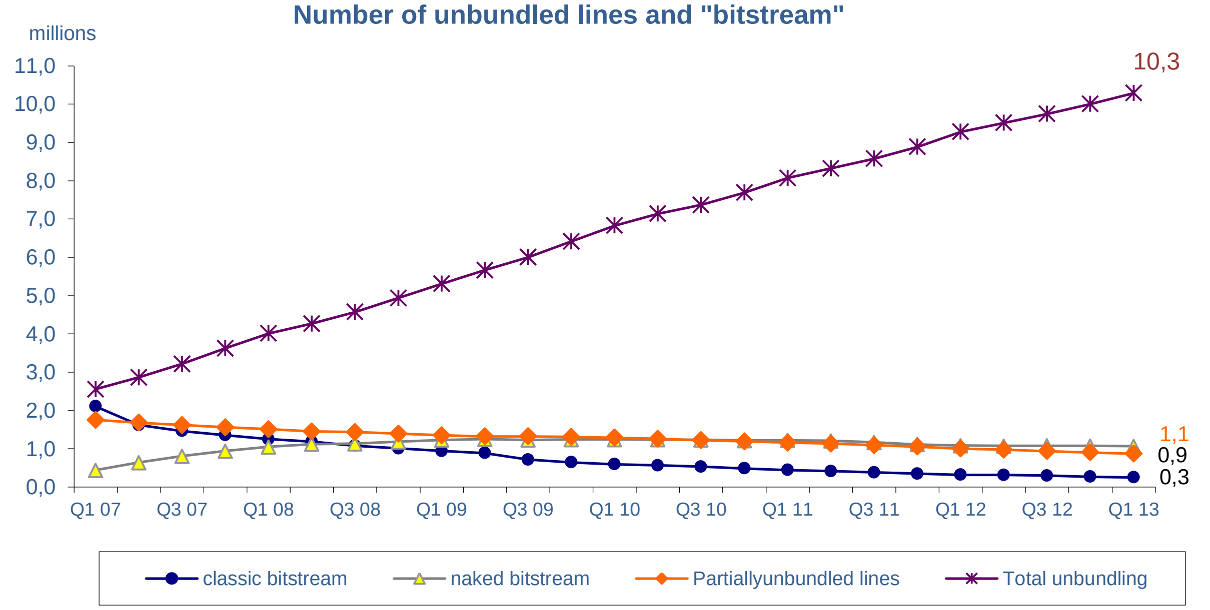
** including narrowband internet interconnection services (< 1 million € per quarter)*

Interconnection services (millions of minutes)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Fixed operators	39 353	37 863	33 611	*37 360*	40 188	2,1%
Internet (dial-up)	174	151	128	122	122	-29,6%
Mobile operators	17 740	18 766	18 822	20 197	20 997	18,4%
Volume	**57 267**	**56 780**	**52 561**	***57 679***	**61 308**	**7,1%**
Incoming SMS	**25 465**	**27 109**	**26 438**	**30 095**	**31 215**	**22,6%**

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 July 1st 2013, the price for call termination on fixed networks is set to 0.08c€/minute against 0.15c€/min since July 1st 2011 (decision 2011-0926) and 3.0 c€/min since October 1st 2011.
- 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 531 million for the whole of the year 2011, are not included.
- From July 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 January 2013, at 1.1c€/min for Free mobile (network operator) and the full MVNO against 1.6c€ since 1st July 2012.
- The price of call termination for SMS is €1.0c for all operators since July 1, 2012, against 1.5 c€ for Orange France, SFR and Bouygues Telecom since July, 1, 2011 and until June 30 2012 (2 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)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Partially unbundled lines	1,006	0,976	0,940	0,906	0,871	-13,4%
Fully unbundled lines	9,277	9,513	9,746	10,004	10,287	10,9%
Number of unbundled lines	**10,283**	**10,489**	**10,686**	**10,910**	**11,157**	**8,5%**



"Bitstream" lines (millions of units)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
"naked bistream"	1,085	1,078	1,080	1,076	1,069	-1,4%
"classic bitstream"	0,319	0,316	0,299	0,271	0,255	-20,1%
Number of "bitstream" lines	**1,404**	**1,394**	**1,379**	**1,347**	**1,324**	**-5,7%**

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.

3.2.2 Incoming international interconnection

Revenue of incoming international interconnection services (millions of euros)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Fixed operators	49	50	43	40	42	-15,6%
Mobile operators	12	13	11	10	8	-32,9%
Revenue	**62**	**63**	**53**	**50**	**50**	**-19,1%**

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

Volume of incoming international interconnection services (millions of minutes)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Fixed operators	2 249	2 319	2 250	2 141	2 264	0,6%
Mobile operators	622	697	863	810	813	30,8%
Volume	**2 871**	**3 016**	**3 114**	**2 951**	**3 077**	**7,2%**

3.2.3 Mobile operators roaming-in revenue

Roaming in	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Revenue (millions of euros)	88	103	124	86	72	-18,2%
Volume (millions of minutes)	430	498	642	439	445	3,4%

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 1st July 2012, these Euro tariffs went from 0.35€ excl. VAT to 0.29€ excl. VAT for calls made from abroad, and from 0.11€ excl. VAT to 0.09€ excl. VAT for calls received when abroad. SMS tariff on the retail market has been set to 0.09 € excl.VAT per message.
-. On the wholesale market the tariffs have been set (for the period from 1rst July 2012 to 1rst July 2013) to 3cts€ per message, to 14cts€ per minutes for the voice and to 25cts€ per Mo for mobile internet. More information at http://www.arcep.fr/index.php?id=8710.

4 Fixed networks services

4.1 The fixed networks as a whole

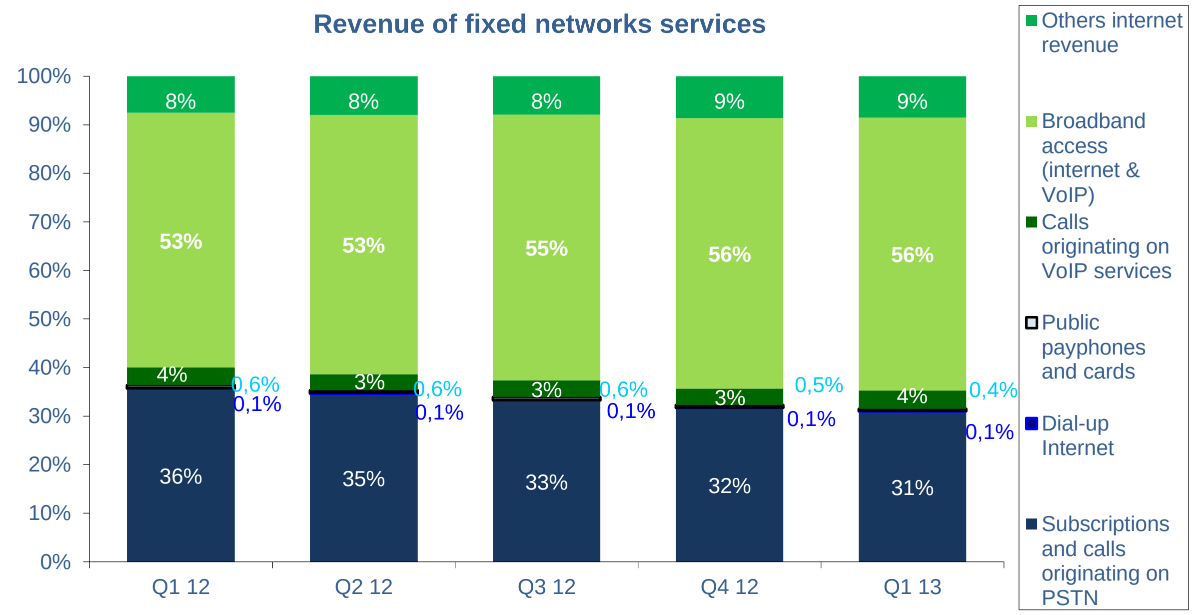
4.1.1 Revenue and fixed telephony traffic

Revenue of fixed networks services (millions of euros)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Narrowband Revenue	**1 431**	**1 363**	**1 323**	**1 273**	**1 204**	**-15,9%**
Subscriptions and calls originating on PSTN/ISDN	1 403	1 336	1 296	1 249	1 183	-15,6%
Dial-up Internet	6	5	5	4	4	-31,5%
Public payphones and cards	23	22	23	20	17	-26,1%
Broadband Revenue	**2 501**	**2 494**	**2 575**	**2 671**	**2 616**	**4,6%**
Broadband Internet and VoIP subscriptions	2 065	2 058	2 135	2 196	2 146	3,9%
Calls originating on VoIP services	141	128	132	134	143	1,7%
Other Internet revenue	295	308	307	340	326	10,5%
Revenue of fixed lines services	**3 933**	**3 858**	**3 898**	**3 944**	**3 820**	**-2,9%**

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)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Calls originating on PSTN/ISDN	9 170	8 156	7 580	7 985	7 744	-15,6%
Public payphones and cards	198	176	174	158	138	-30,6%
Calls originating on VoIP services	21 130	19 376	*17 329*	*19 377*	19 946	-5,6%
Volumes from fixed telephony	**30 499**	**27 708**	***25 083***	***27 520***	**27 828**	**-8,8%**

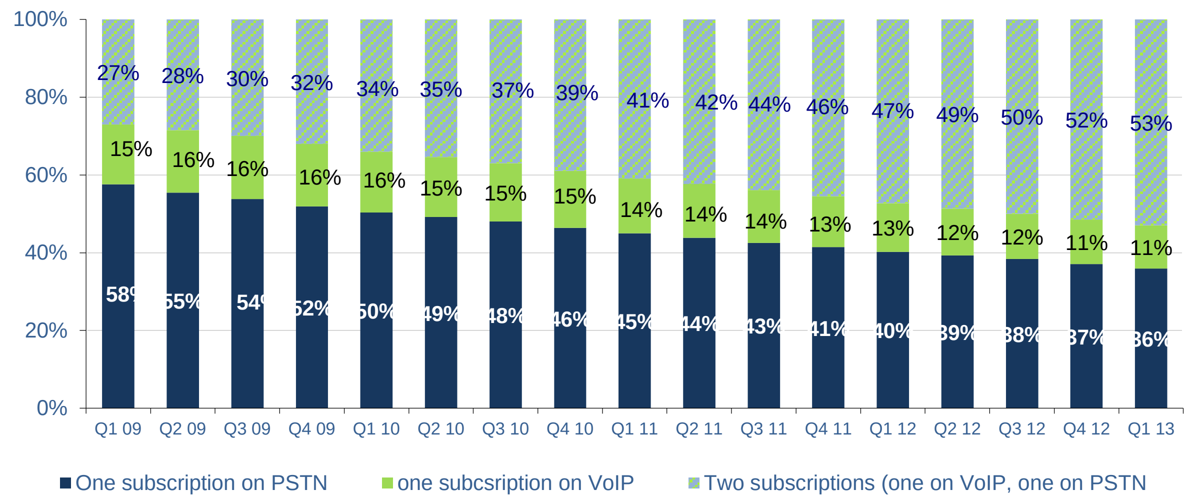
adjusted figures are in italics



4.1.2 Number of fixed lines

Number of fixed lines (millions of units)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Number of fixed lines	35,386	35,328	35,309	*35,282*	35,356	-0,1%

adjusted figures are in italics



4.1.3 Portability (fixed numbers)

Portability (millions of units)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Number of fixed numbers ported during the quarter	0,737	0,543	0,548	0,686	0,655	-11,1%

adjusted figures are in italics

4.2 Narrowband services

4.2.1 Fixed telephony

a) Subscriptions on the PSTN

Narrow band services

Number of subscriptions to telephone service (millions of units)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Subscription on narrow band access	18,654	18,119	17,636	17,094	16,611	-11,0%
Access resales	1,484	1,489	1,502	1,507	1,536	3,6%
					0,053	

Carrier selection (millions of units)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Call by call selection	0,144	0,128	0,115	0,108	0,104	-28,1%
Pre-selection	1,626	1,622	1,469	1,403	1,379	-15,2%
Number of indirect connections	**1,770**	**1,750**	**1,584**	**1,511**	**1,483**	**-16,2%**

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)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Access fees, subscriptions and additional services	925	902	889	846	819	-11,5%

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)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
National calls	267	244	229	231	215	-19,7%
International calls	47	44	39	37	33	-30,5%
Calls to mobiles	163	146	139	135	117	-28,1%
All calls originating on PSTN/ISDN	**478**	**434**	**407**	**403**	**365**	**-23,6%**

Volumes of calls originating on PSTN/ISDN (millions of minutes)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
National calls	7 311	6 419	5 903	*6 317*	6 183	-15,4%
International calls	371	345	343	*342*	309	-16,6%
Calls to mobiles	1 489	1 392	1 334	*1 327*	1 252	-15,9%
All calls originating on PSTN/ISDN	**9 170**	**8 156**	**7 580**	***7 985***	**7 744**	**-15,6%**

adjusted figures are in italics

4.2.2 Public payphones

Public telephony	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Number of public payphones at end of quarter (units)	126 267	123 349	120 129	116 626	112 658	-10,8%
Revenue (millions of euros)	7	6	6	5	4	-35,4%
Volumes (millions of minutes)	26	22	30	15	12	-55,2%

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.

4.2.3 Dial-up internet

Internet Dial-up	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Revenue (millions of euros)	6	5	5	4	4	-31,5%
Subscriptions (millions of units)	0,283	0,267	0,249	0,225	0,202	-28,4%
Volumes of dial-up Internet (millions of minutes)	452	354	260	226	197	-56,4%

4.3 Broadband services

4.3.1 Broadband and ultra-fast broadband

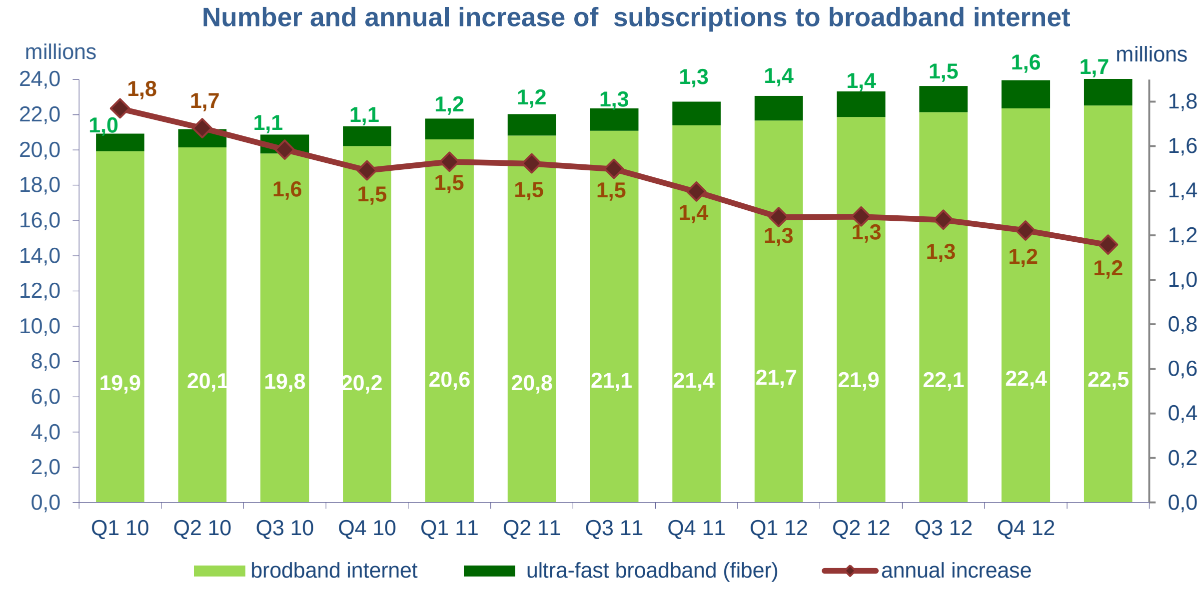
Internet subscriptions (millions of units)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Broadband	21,669	21,875	22,145	22,353	22,517	3,9%
of wich xDSL	21,262	21,480	21,732	21,962	22,132	4,1%
of wich other broadband access	0,407	0,394	0,412	0,391	0,385	-5,3%
Ultra-fast broadband	1,399	1,441	1,491	1,606	1,707	22,0%
of which FTTLA with a flow rate between 30 Mbit/s & 100 Mbit/s	0,685	0,666	0,650	0,670	0,667	-2,7%
of which FTTLA with a flow rate superior to 100 Mbit/s	0,498	0,529	0,570	0,621	0,674	35,4%
of wich fiber with coaxial cable termination (FTTLA)	0,217	0,246	0,271	0,314	0,366	68,8%
Internet subscriptions	**23,068**	**23,316**	**23,635**	**23,959**	**24,224**	**5,0%**

Note:

- In order to comply with the thresholds set down by the European Commission in the framework of its agenda for Europe for 2020, ARCEP have modified since the end of 2012 the definition of ultra broadband. Now, are counted as very high-speed subscriptions access to the internet 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. These categories include subscriptions on fiber to the home networks (FttH), on "hybrid fiber coaxial cable" networks (HFC), on optical fiber with coaxial cable termination networks (FttLA). Only the category "other subscriptions broadband" is impacted. The total number of the broadband and ultra broadband subscribers is not changed;

- 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)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Broadband and fiber	0,455	0,467	0,480	0,503	0,513	12,7%



4.3.2 Fixed telephony on broadband

a) Subscriptions

Number of subscriptions to IP telephone service (millions of units)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Subscription on broadband access (IP DSL,cable)	21,164	*21,461*	21,778	*22,213*	22,673	7,1%
DSL lines without narrowband access	15,344	15,774	16,219	*16,615*	17,064	11,2%

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.

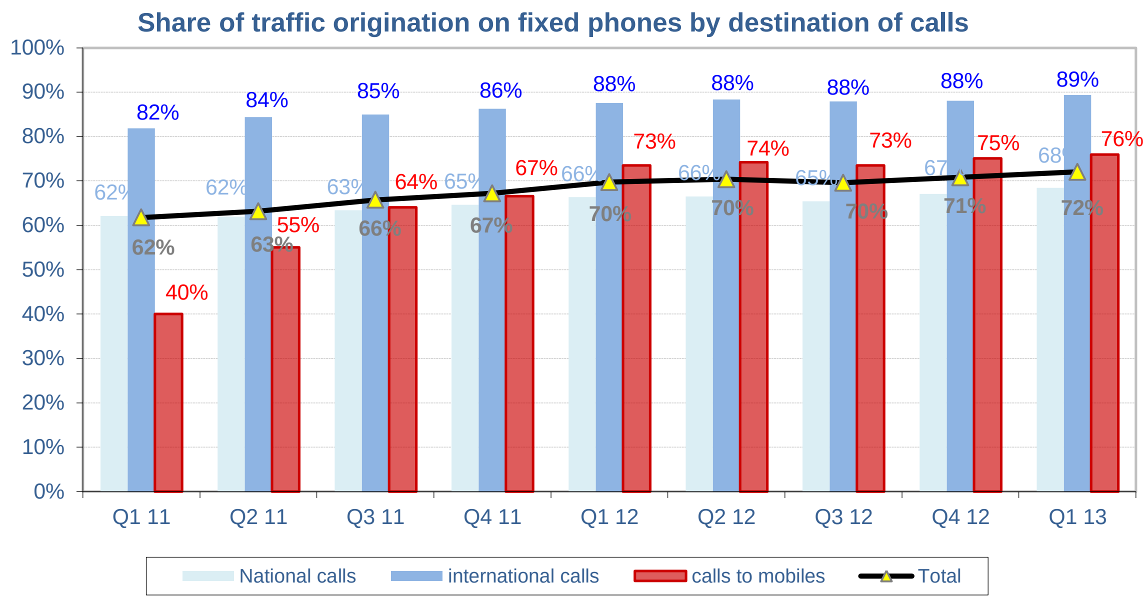
Revenue taken into consideration

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)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
National calls	14 401	12 741	*11 172*	*12 861*	13 394	-7,0%
International calls	2 603	2 626	2 432	2 516	2 603	0,0%
Calls to mobiles	4 125	4 009	3 726	4 000	3 949	-4,3%
All IP calls	**21 130**	**19 376**	***17 329***	***19 377***	**19 946**	**-5,6%**

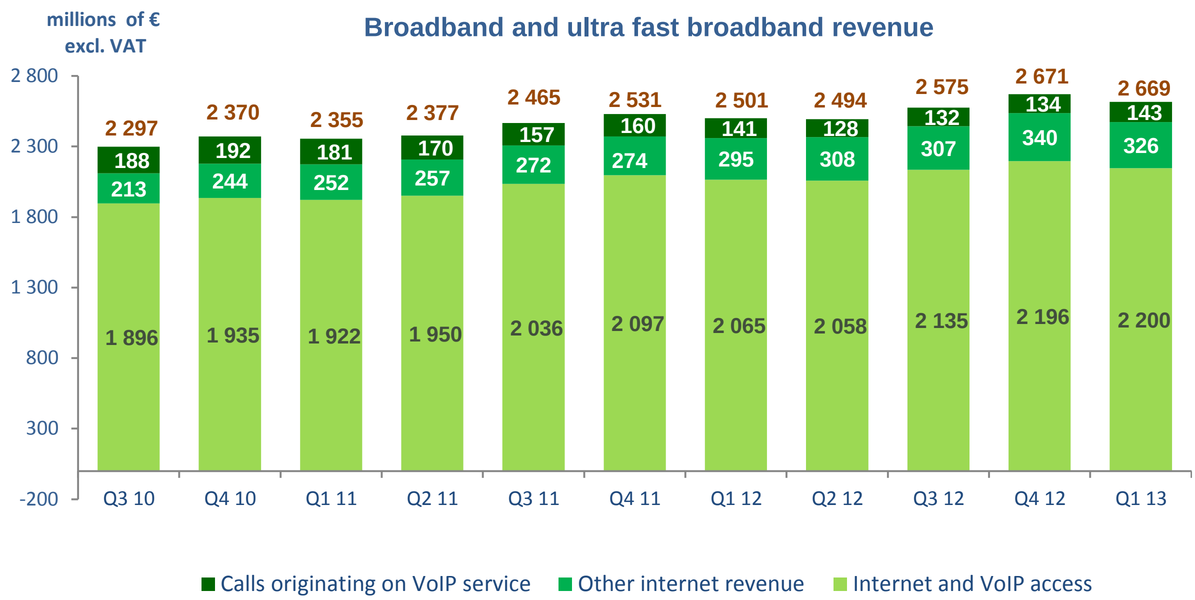
adjusted figures are in italics



4.3.3 Broadband and ultra-fast broadband revenue

Total Internet broadband revenue (millions of euros)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Internet access and VoIP subscriptions	2 065	2 058	2 135	2 196	2 146	3,9%
Calls originating on VoIP services	141	128	132	134	143	1,7%
Other internet revenue	295	308	307	340	326	10,5%
Total Internet revenue	**2 501**	**2 494**	**2 575**	**2 671**	**2 616**	**4,6%**

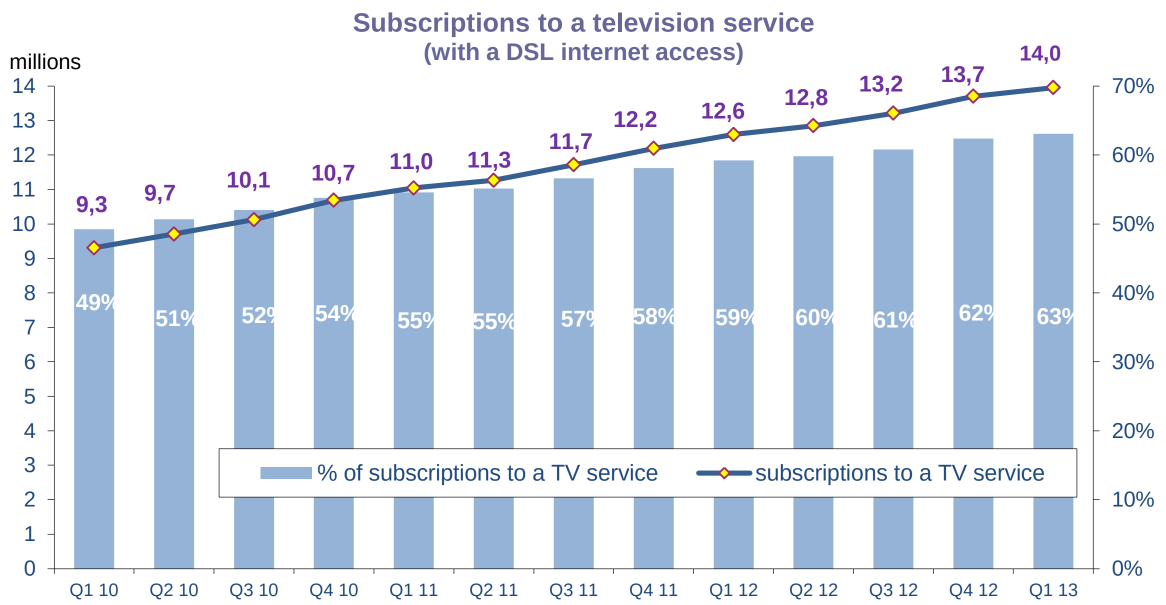
Note: "Other services" refers to related income earned by ISPs on services such as hosting and online advertising revenue. From now on, this line also include revenues connected to a broadband internet access and billed by operators (subscriptions to à TV service, video and music downloading…). Revenue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



4.3.4 Internet and TV over ADSL

TV Subscriptions on DSL (millions)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Subscriptions to Internet on DSL	12,592	12,847	13,211	13,702	13,956	10,8%
Subscriptions to television services on DSL	21,262	21,480	21,732	21,962	22,132	4,1%
% of subscriptions to television services	59,2%	59,8%	60,8%	62,4%	63,1%	

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).



4.4 Access, subscriptions and calls on fixed lines

4.4.1 Number of subscriptions to a telephone service

Number of subscriptions to telephone service (millions of units)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Subscription on narrow band access	18,654	18,119	17,636	17,094	16,611	-11,0%
Subscription on broadband access (IP DSL,cable)	21,164	*21,461*	21,778	*22,213*	22,673	7,1%
Number of subscriptions to telephone service	**39,818**	***39,581***	**39,414**	***39,308***	**39,284**	**-1,3%**

adjusted figures are in italics

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

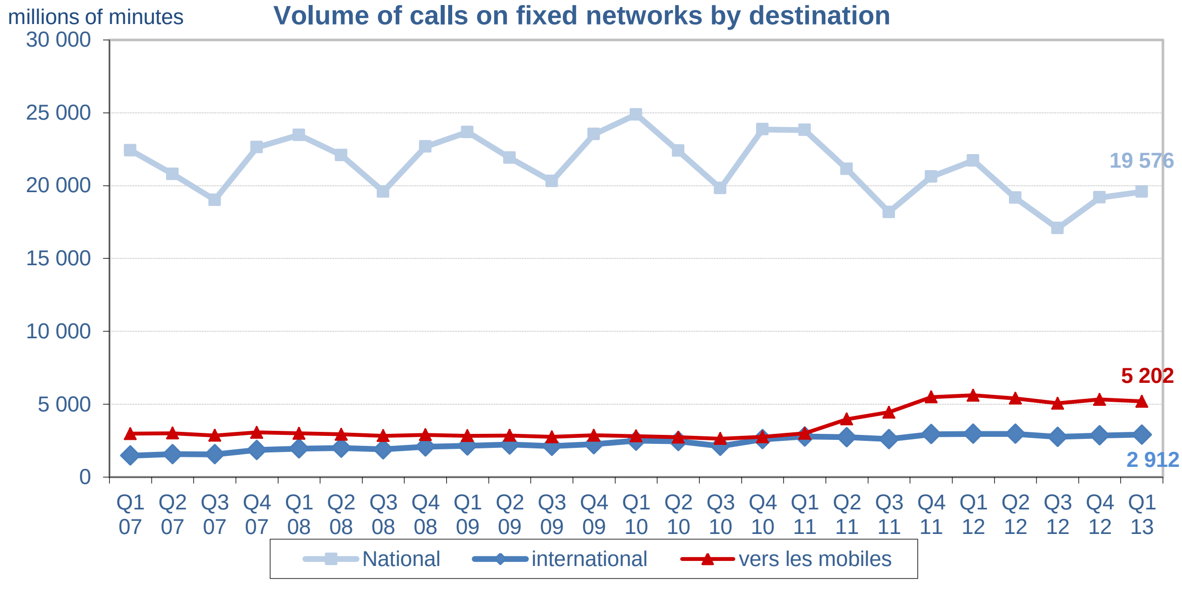
Revenue (millions of euros)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
National calls	279	256	240	244	239	-14,4%
International calls	105	94	98	96	89	-15,8%
Calls to mobiles	234	212	201	197	181	-22,8%
All calls from fixed lines	**618**	**562**	**539**	**537**	**508**	**-17,8%**
Of which calls originating on PSTN/ISDN	478	434	407	403	365	-23,6%
Of which calls originating on VoIP services	141	128	132	134	143	1,7%

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.

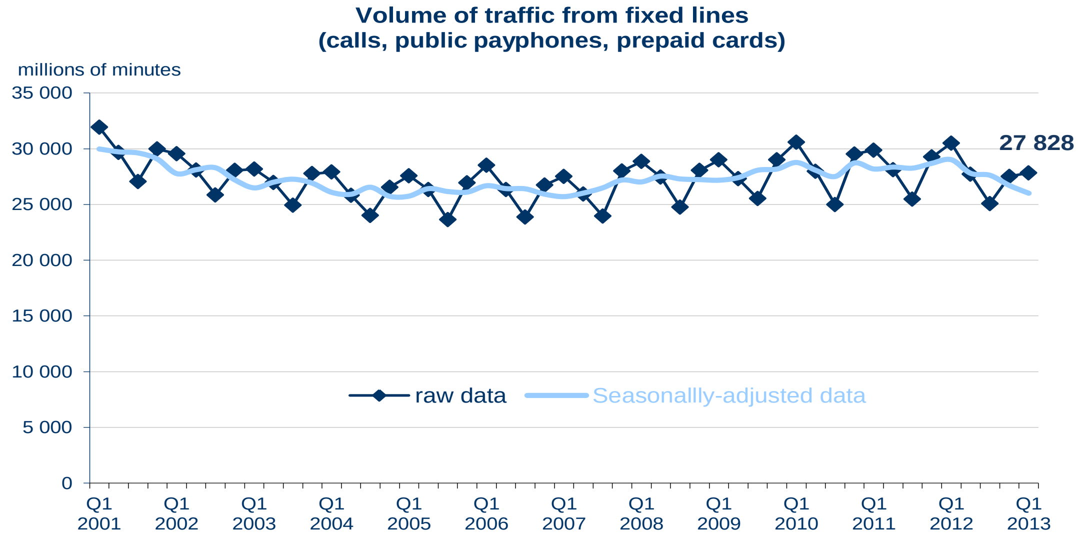
Volumes (millions of minutes)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
National calls	21 712	19 159	*17 075*	*19 178*	19 576	-9,8%
International calls	2 974	2 972	2 766	2 857	2 912	-2,1%
Calls to mobiles	5 614	5 402	5 069	5 327	5 201	-7,4%
All calls from fixed lines	**30 300**	**27 532**	***24 909***	***27 362***	**27 690**	**-8,6%**
Of which calls originating on PSTN/ISDN	9 170	8 156	7 580	*7 985*	7 744	-15,6%
Of which calls originating on VoIP services	21 130	19 376	*17 329*	*19 377*	19 946	-5,6%

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 li



ne

includes calls from fixed telephones, public payphones and prepaid phone cards.

5 Services on mobiles networks

5.1 Subscriptions

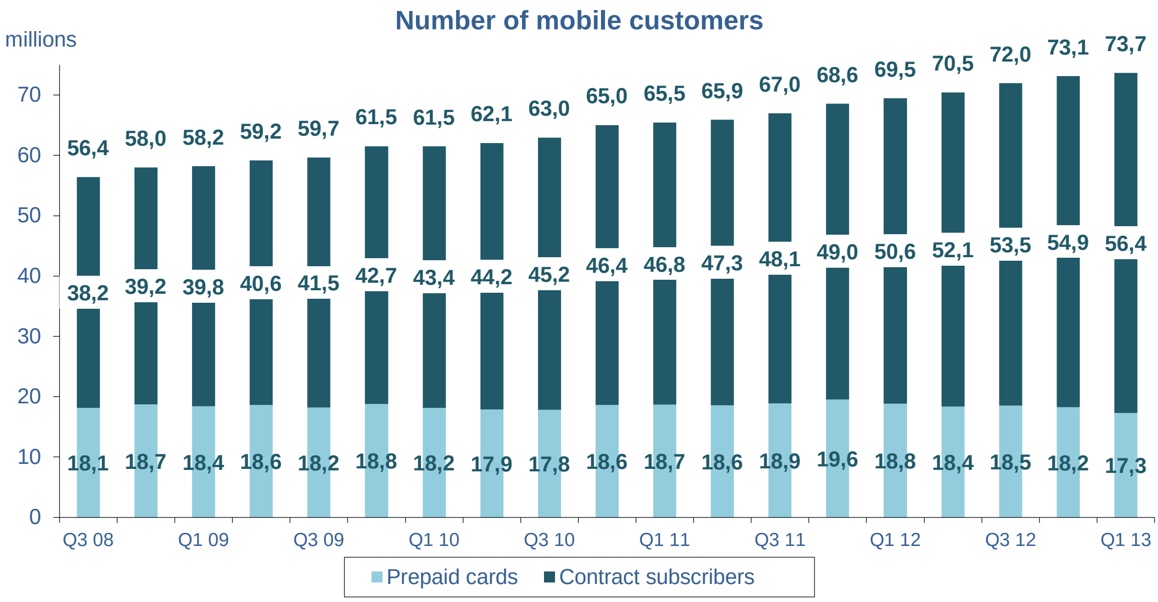
5.1.1 Subscriptions to mobiles mobiles

Number of mobile customers (millions of units)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Contract subscribers	50,644	52,075	53,464	*54,881*	56,351	11,3%
of which with blocked account	10,194	9,792	9,480	*8,786*	8,114	-20,4%
Prepaid cards	18,828	18,386	18,506	18,242	17,319	-8,0%
*of which active prepaid cards **	*16,407*	15,794	15,636	*15,473*	14,613	-10,9%
Mobile Telephonie	**69,472**	**70,461**	**71,970**	**73,123**	**73,670**	**6,0%**

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].



5.1.2 Multimedias services

Active multimédia/3G users, internet SIM cards (millions of units)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Active multimedia subscribers	*31,475*	*32,845*	*33,009*	*34,582*	34,740	10,4%
Active 3G users	29,588	*30,106*	*31,531*	*33,102*	33,413	12,9%
Number of exclusive Internet SIM cards	3,196	3,272	*3,359*	*3,428*	3,456	8,1%
of which exclusive Internet prepaid cards	0,497	0,539	*0,619*	*0,654*	0,653	31,4%

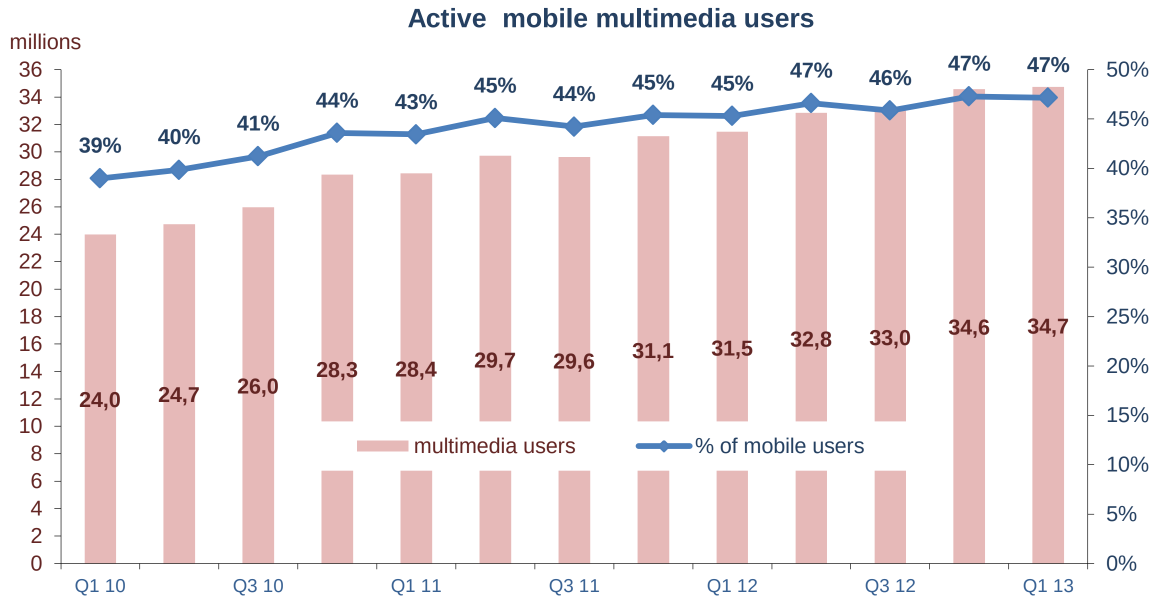
adjusted figures are in italics

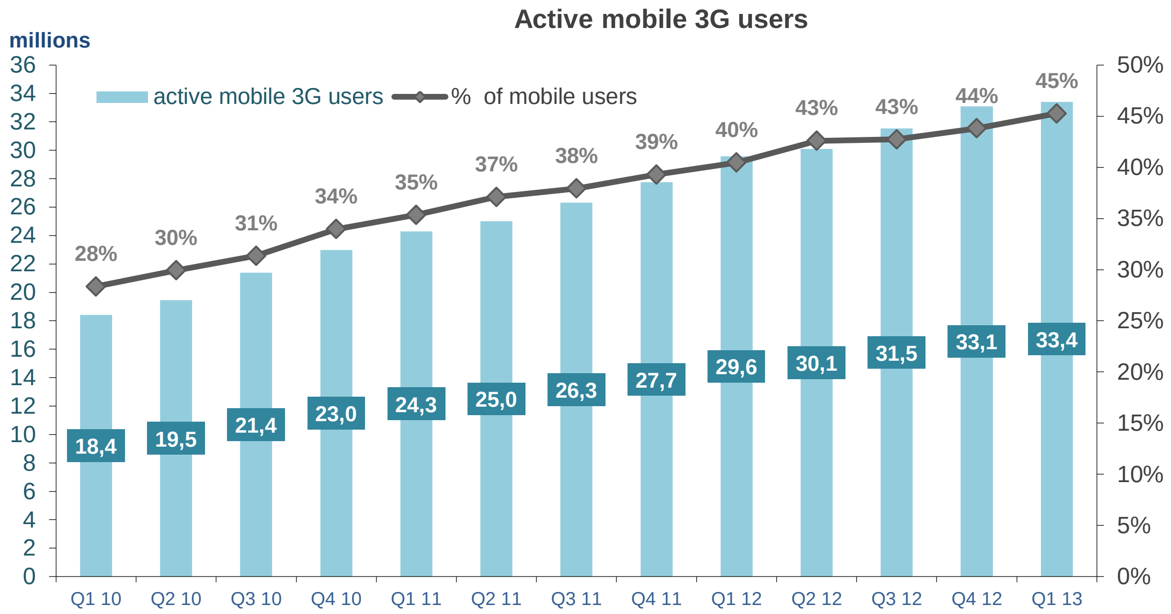
Notes :

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.

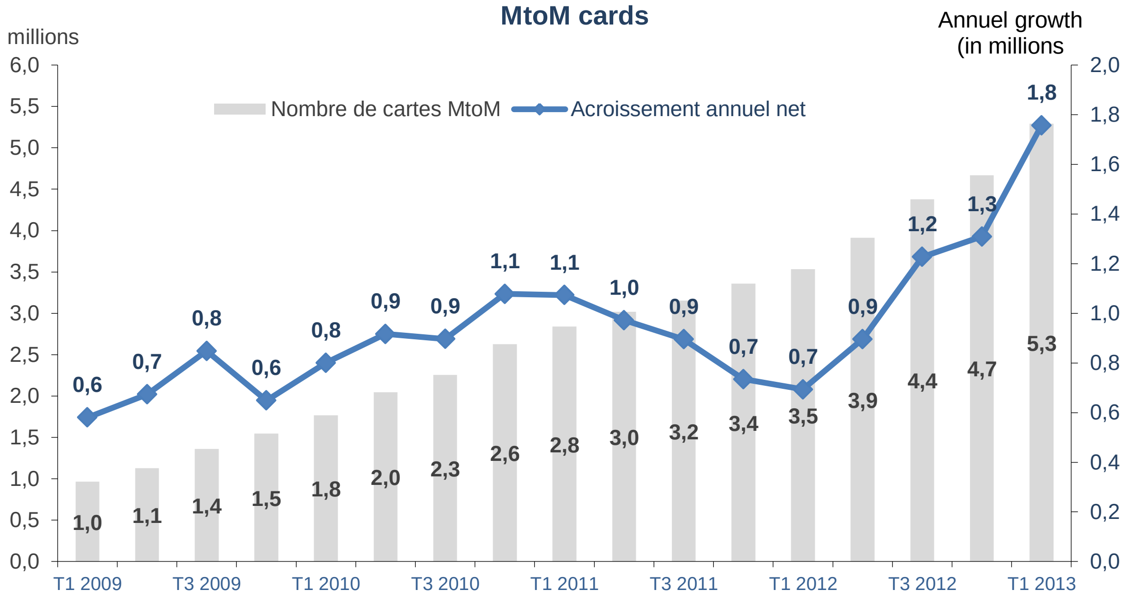




MtoM Sim cards (millions of units)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Number of Sim cards used for MtoM communications	3,535	3,914	4,389	4,679	5,292	49,7%

adjusted figures are in italics

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.

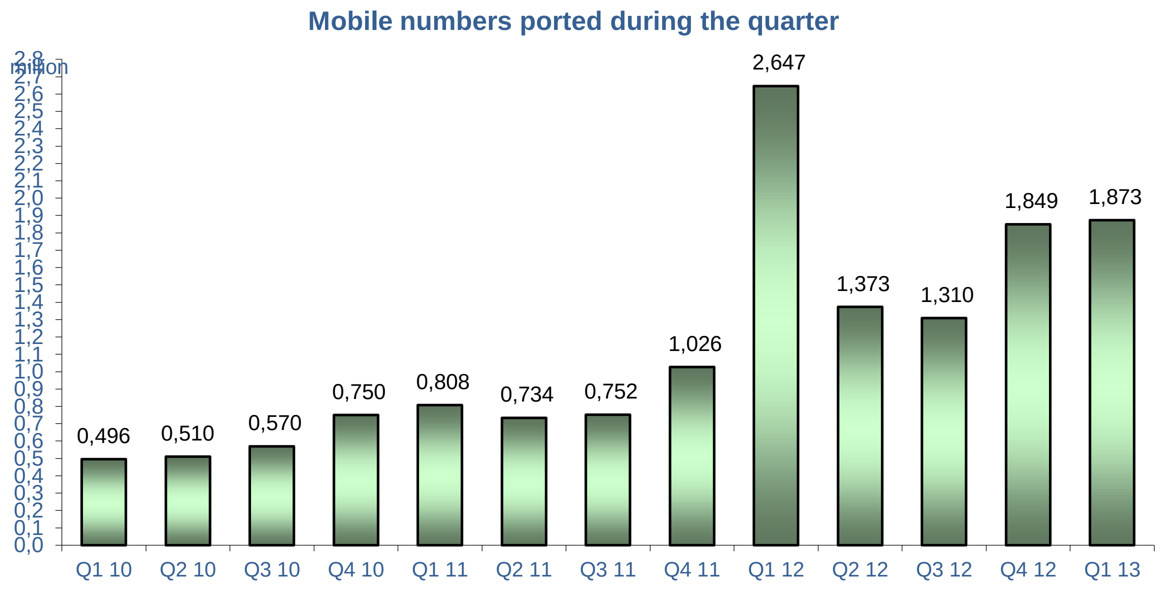


Data SIM cards (millions of units)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Number of exclusive internet Sim cards & MtoM Sim cards	6,731	7,186	7,748	8,107	8,748	30,0%
% of data SIM cards among SIM cards	9,7%	10,2%	10,8%	11,1%	11,9%	+2,2 points

5.1.3 *Portability (mobile number)*

Portability (millions of units)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Number of mobile numbers ported during the quarter	*2,647*	*1,373*	*1,310*	*1,849*	1,873	-29,2%

adjusted figures are in italics



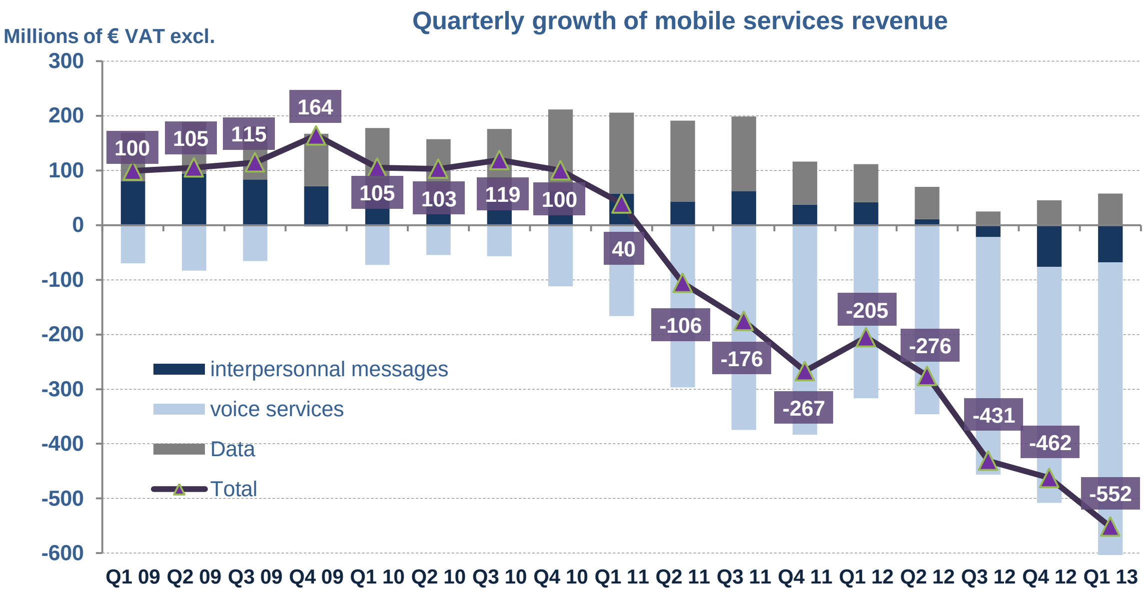
Note: figures for ported numbers refer to the number of at the finalised porting procedures (ported numbers activated by the recipient operator) during the year in question. Scope: Metropolitan France and the overseas “départements”.

5.2 Retail market income and volume indicators (excluding VAS)

Revenue (millions of euros)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Mobile telephony	3 166	3 122	*2 998*	*2 914*	2 624	-17,1%
of which outgoing internationals calls	251	261	*268*	258	241	-4,3%
Data transport on mobile networks	1 383	1 335	*1 357*	*1 299*	1 373	-0,7%
of which interpersonal messaging (SMS, MMS)	*691*	643	*640*	*596*	623	-11,0%
of which access to mobile Internet & to multimedia services	692	692	717	703	750	8,4%
Total mobile telephony and data transport	**4 549**	**4 457**	**4 355**	**4 213**	**3 997**	**-12,1%**

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.

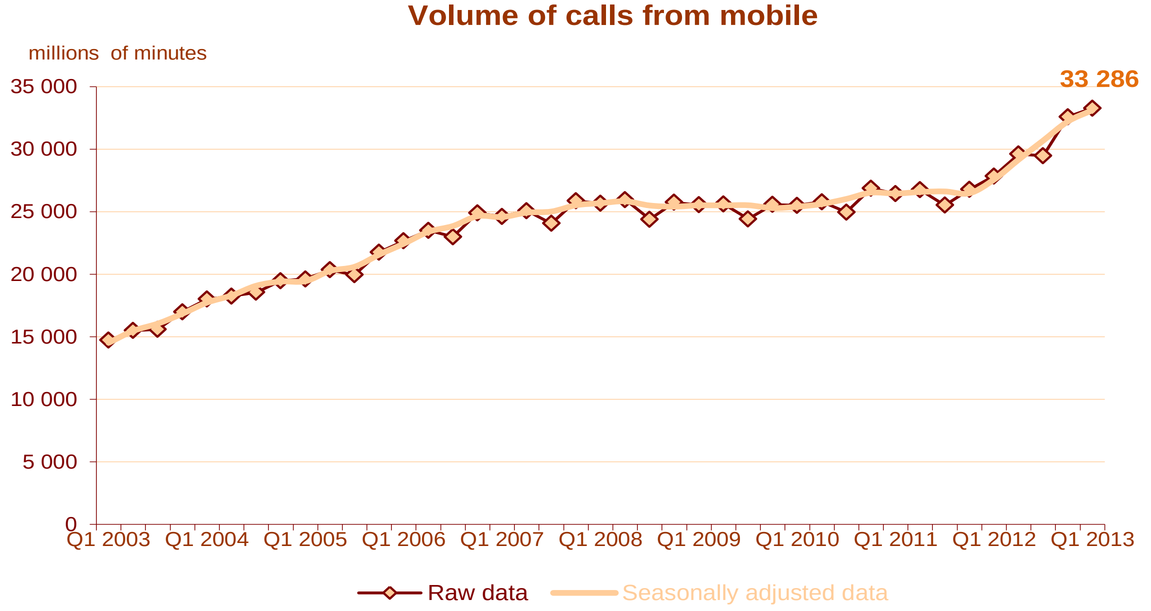


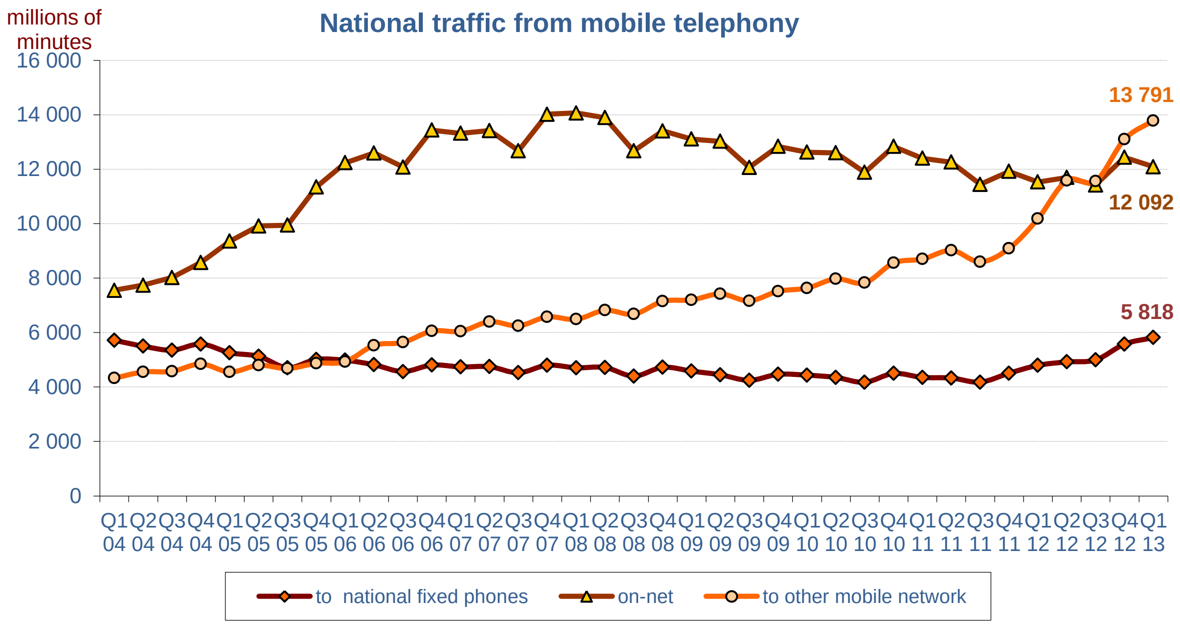
Volumes (millions of minutes)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Calls to national fixed lines	4 798	*4 923*	*4 996*	*5 578*	5 818	21,2%
Calls to mobiles on the same network (1)	*11 534*	*11 703*	*11 427*	*12 442*	12 092	4,8%
Calls to other networks	*10 187*	*11 591*	*11 563*	*13 104*	13 791	35,4%
Outgoing internationals calls	*1 049*	*1 066*	*1 069*	*1 171*	1 298	23,7%
Roaming out (2)	*288*	*323*	*433*	301	286	-0,5%
Total mobile telephony	**27 856**	**29 608**	**29 489**	**32 595**	**33 286**	**19,5%**

adjusted figures are in italics

(1) onnet calls on the same netw ork (MNO or MVNO)

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



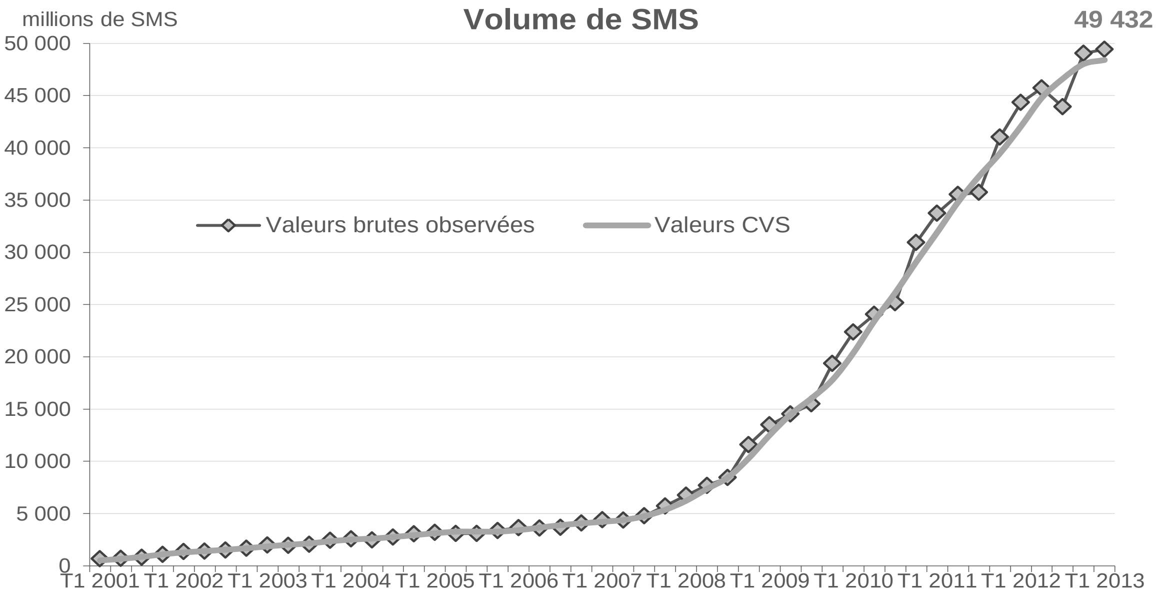


Volumes of interpersonal messages (millions of units)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Number of interpersonal SMS	*44 326*	*45 722*	*43 933*	*49 035*	49 432	11,5%
of witch from contract subscribers	*39 940*	*41 853*	*40 424*	*45 309*	46 265	15,8%
of witch from prepaid cards	*4 387*	3 888	3 509	3 726	3 168	-27,8%
Number of interpersonal MMS	*347*	*372*	*436*	*471*	542	56,3%
Number of messages sent	**44 673**	**46 113**	**44 369**	**49 506**	**49 974**	**11,9%**

adjusted figures are in italics

Volumes of data consumed by the customers (in Teraoctets)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Volumes of data	***19 557***	***22 002***	***25 426***	***28 517***	**32 467**	**66,0%**
of witch from internet exclusive SIM cards	2 908	*2 947*	*3 244*	*3 243*	3 261	12,2%

adjusted figures are in italics



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

Total revenue of the residential retail market (in millions of euros)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Voice and data revenue (including value added services)	***3 815***	***3 720***	***3 669***	***3 494***	**3 331**	**-12,7%**
o/w per post-paid customer	*3 389*	*3 319*	*3 258*	*3 117*	2 992	-11,7%

adjusted figures are in italics

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)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Recurring voice traffic	***22 008***	***23 902***	***24 294***	***26 789***	**27 786**	**26,3%**

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.

6 Other market components

6.1 Value-added services (excluding directory services)

Value-added services revenue* (millions of euros)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Value-added "voice" services	*299*	*291*	*291*	*303*	290	-3,1%
From fixed telephony network	191	183	179	185	171	-10,5%
From mobile telephony network	*108*	*108*	*112*	*118*	*119*	10,0%
Value-added "data" services	210	201	191	196	195	-6,9%
Value-added services	***509***	***492***	***482***	***499***	**485**	-4,7%

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" and "télématic" services volumes (millions of minutes)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
From fixed telephony network	*1 578*	1 441	1 373	1 710	1 677	6,3%
From mobile telephony network	322	317	337	353	360	11,8%
Number of calls	***1 900***	**1 758**	**1 710**	**2 063**	**2 037**	**7,2%**

Number of calls to value-added "voice" and "télématic" services (millions of units)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
From fixed telephony network	*787*	699	722	805	777	-1,2%
From mobile telephony network	110	108	112	133	140	27,1%
Volumes	***897***	**807**	**834**	**938**	**918**	**2,3%**

Value-added "data" service volumes (millions of units)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Number of messages (SMS+, MMS+)	234	243	229	209	194	-16,8%

6.2 Directory services

Revenue from directory services (millions of euros)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Directory services operators	30	31	29	29	32	6,5%

Directory services	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Number of calls (millions of units)	16	14	13	12	11	-32,5%
Volume of calls (millions of minutes)	38	35	32	30	28	-26,3%

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).

6.3 Leased lines and data transport (fixed operators)

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

Revenue (millions of euros)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Leased lines	381	389	393	398	397	4,2%
Data transport	526	543	*520*	*535*	523	-0,5%
Total	**907**	**932**	**913**	**933**	**921**	**1,5%**
of witch on business market	635	650	635	635	642	1,0%

6.4 Hosting and call centre management services

Revenue (millions of euros)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Hosting and call centre management	43	44	40	46	41	-5,5%

6.5 Terminals and equipments

Revenue from terminals and equipment (millions of euros)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
linked to fixed téléphony & Internet services	170	165	164	168	164	-3,4%
linked to mobile services	371	386	382	587	381	2,7%
Terminals and equipment	**541**	**551**	**546**	**755**	**546**	**0,8%**

Note : the revenue excludes commissions paid to distributors.

7 Per customers indicators

Average monthly revenue (value added services exclude) (in euros -VAT excluded)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Per fixed line : access, communications and Internet	35,6	34,9	35,4	35,8	34,8	-2,3%
Mobile telephony user	23,0	22,3	21,5	20,6	19,5	-15,4%

Note :

The average invoice per fixed line 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.

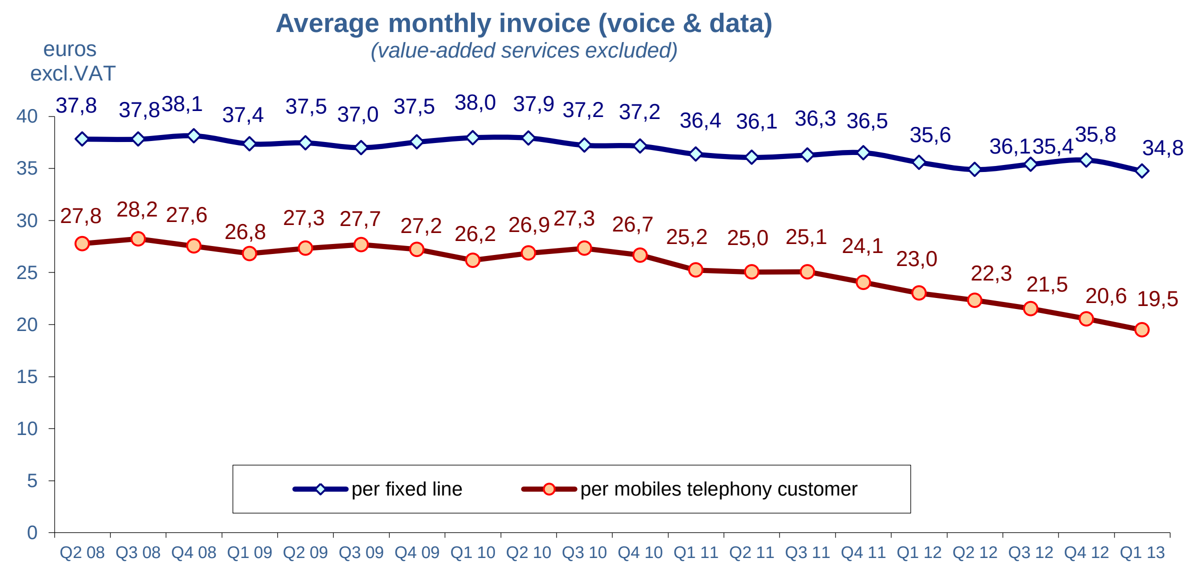
Excluded are:

- 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

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

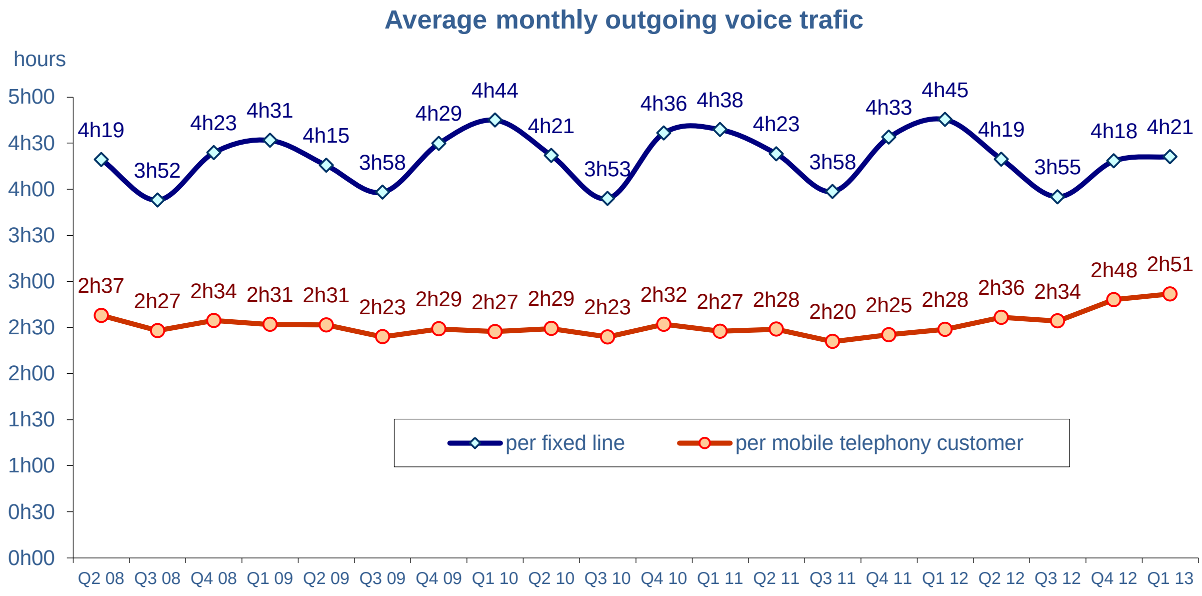


Note : The average monthly invoice per mobile telephony customer exclude MtoM cards (in revenue and in number of cards).

Average monthly outgoing traffic (in hours)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Per fixed lines	4h45	4h19	3h55	4h18	4h21	-8,4%
Mobile telephony user	2h28	2h36	2h34	2h48	2h51	15,5%

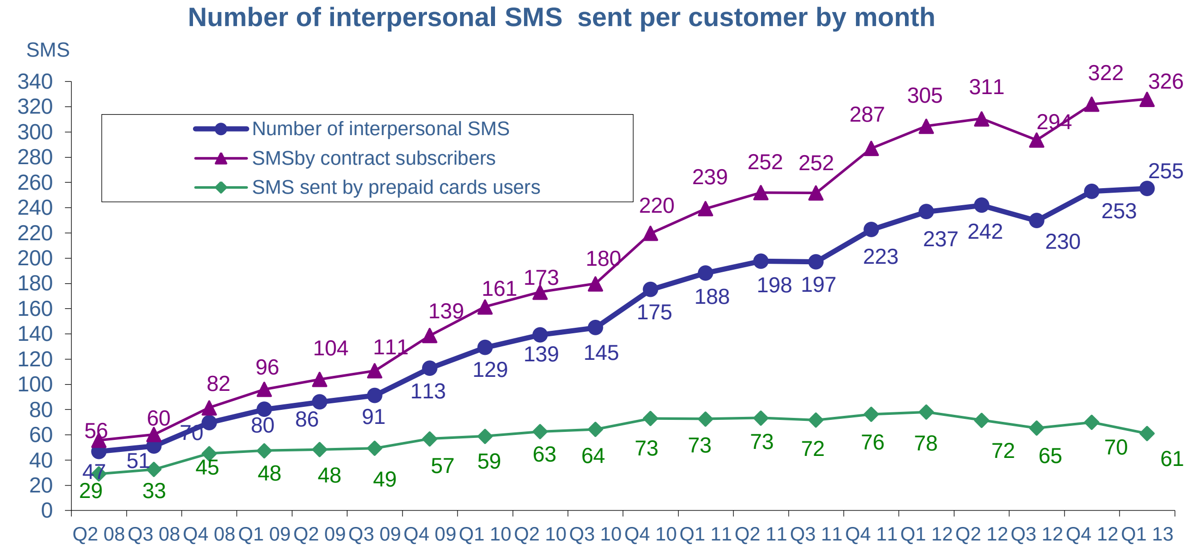
- <u>The average monthly volume of traffic per fixed line</u> is calculated by dividing the volume of traffic (PSTN and IP) for quarter N by the estimated average number of fixed lines in existence for quarter N, and then by the number of months.

- <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.

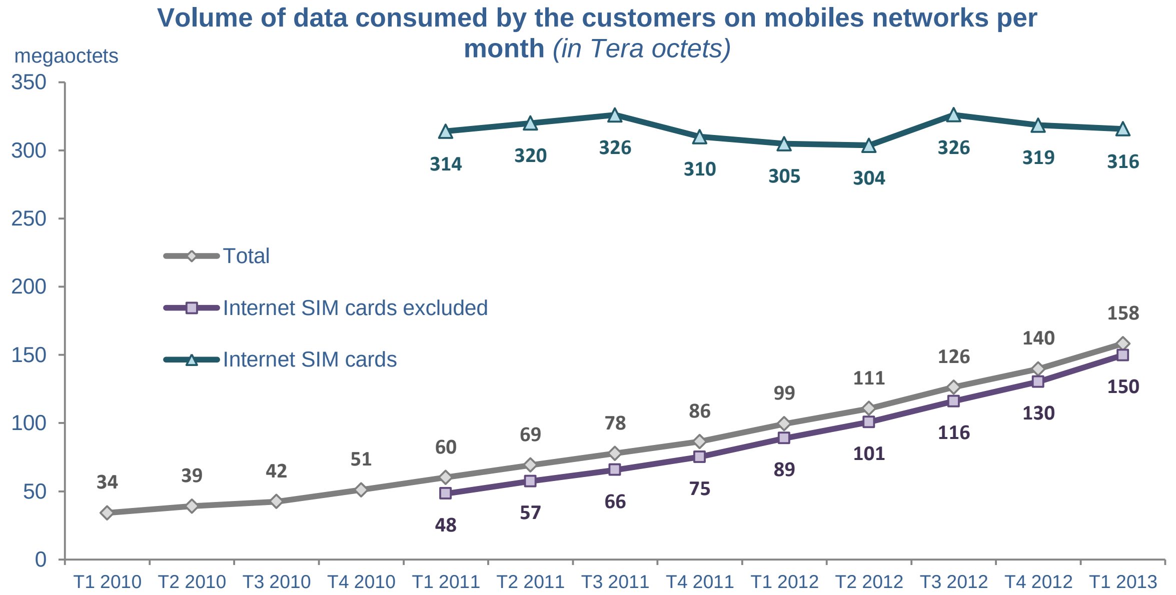


Number of interpersonnal SMS sent per user (units)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Number of SMS sent per user during the quarter	237	242	230	253	255	7,8%
of witch for contract subscribers	305	311	294	322	326	7,0%
of witch for prepaid cards	78	72	65	70	61	-21,8%

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 volume of data consumed on mobile networks *(en mega octets)*	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
per mobile operator customer	99	111	126	140	158	59,1%
of witch from internet exclusive SIM cards	305	304	326	319	316	3,6%
of witch from other SIM cards	89	101	116	130	150	68,5%

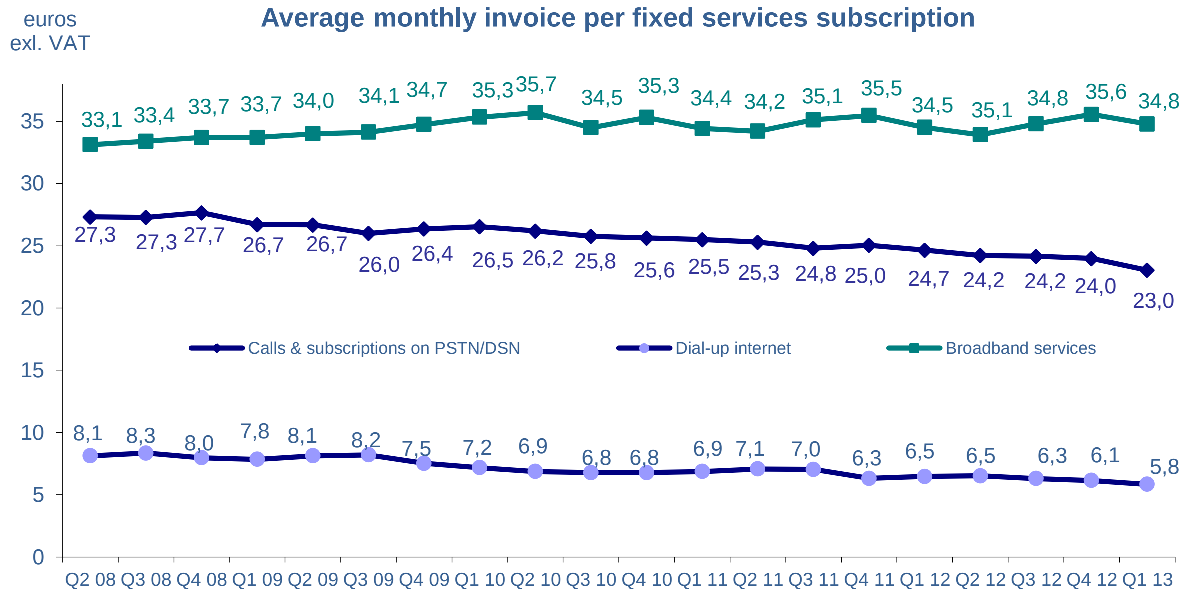


Average monthly revenue per customer (in euros -VAT excluded)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Fixed PSTN/ISDN telephony user	24,7	24,2	24,2	24,0	23,0	-6,6%
Fixed IP telephony user	3,4	3,2	3,1	3,3	3,4	0,7%
Dial-up Internet user	6,5	6,5	6,3	6,1	5,8	-9,8%
Internet & telephony over broadband	34,5	33,9	34,8	35,6	34,8	0,8%

Note:

- *The average monthly bill for a PSTN line 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.*

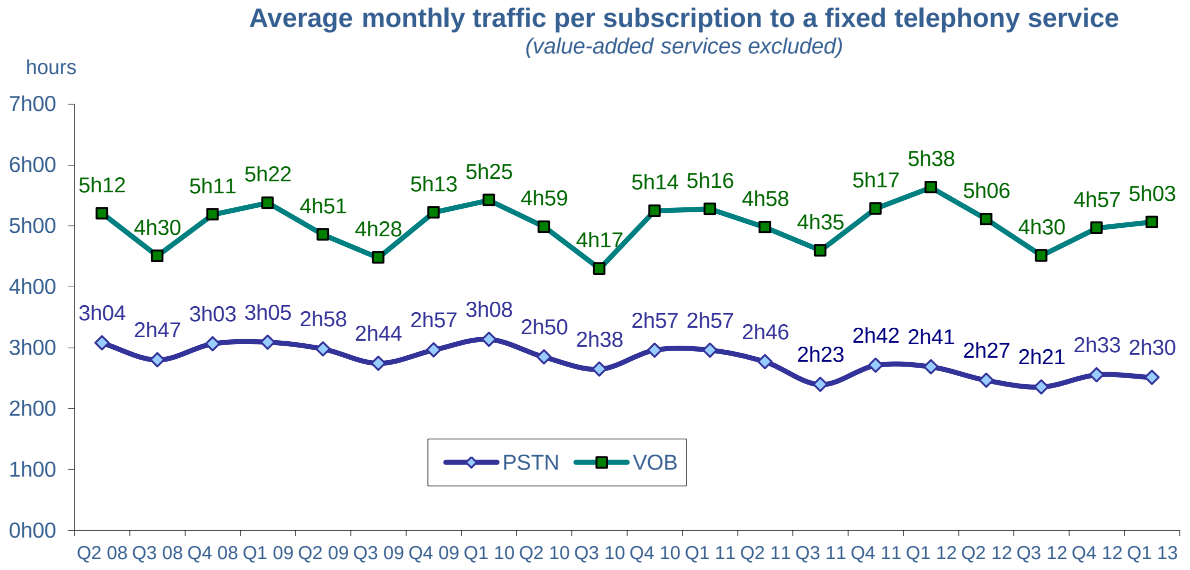
- *<u>The average bill for a narrowband subscription</u> is calculated by dividing the revenue earned on narrowband subscription in year N by the estimated customer base for Quarter Q, then dividing the result by 3.*
- *<u>The average monthly bill for a broadband or ultra-fast broadband access</u> (name 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)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	clange 1Q13/1Q12
Fixed PSTN/ISDN telephony user	2h41	2h27	2h21	2h33	2h30	-6,5%
Fixed IP telephony user	5h38	5h06	*4h30*	*4h57*	5h03	-10,1%
From dial-up Internet	8h26	7h09	5h35	5h18	4h51	-42,5%

adjusted figures are in italics

- 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)
hours
7h00
6h00
5h00
4h00
3h00
2h00
1h00
0h00
5h12 4h30 5h11 5h22 4h51 4h28 5h13 5h25 4h59 4h17 5h14 5h16 4h58 4h35 5h17 5h38 5h06 4h30 4h57 5h03
3h04 2h47 3h03 3h05 2h58 2h44 2h57 3h08 2h50 2h38 2h57 2h57 2h46 2h23 2h42 2h41 2h27 2h21 2h33 2h30
PSTN
VOB
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