RÉPUBLIQUE FRANÇAISE

LES ACTES DE L'ARCEP

09 January 2014

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

3rd quarter 2013 – final results

ARCEP Autorité de régulation des communications électroniques et des postes
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Contents

1 Observatory of investment

Investments *millions of euros*	2011	2012*	9 months of 2013**
Total of investments	8 190	10 034	5 300
of witch excluding mobile licences investments	7 176	7 317	5 300

** Annual publication*

*** Estimate- rounded figures*

2 Observatory of employment

3 The electronic market

3.1 The end customer market

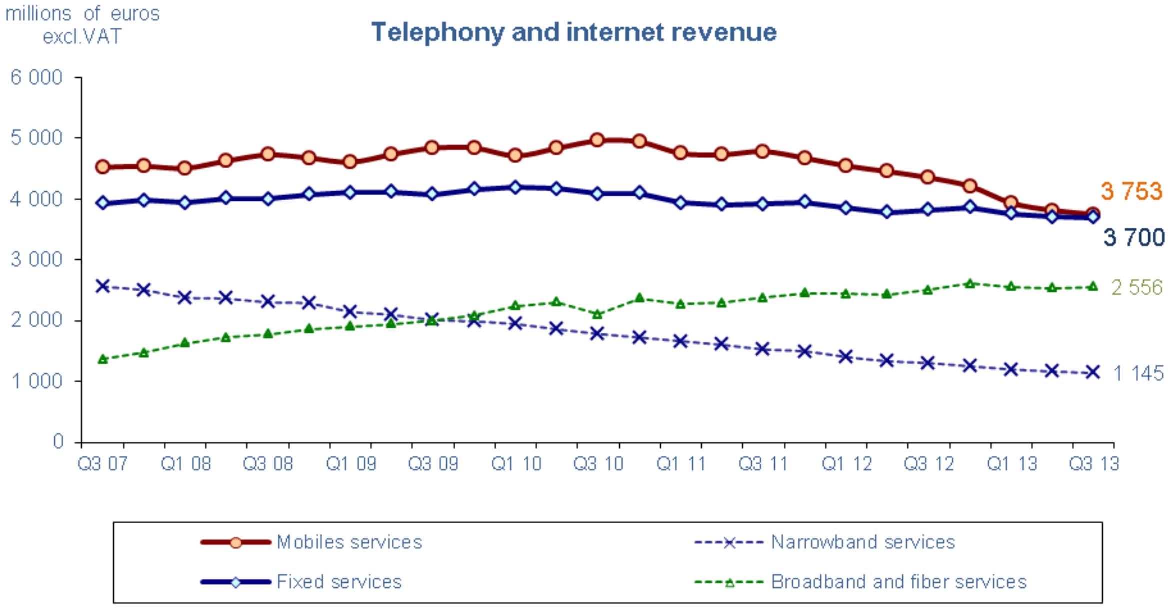
Revenue (millions of euros)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Fixed services	*3 820*	*3 865*	*3 761*	*3 708*	3 700	-3,1%
Mobile telephony	4 355	4 213	3 938	*3 817*	3 753	-13,8%
All telephony and Internet	***8 175***	***8 078***	***7 699***	***7 526***	**7 453**	**-8,8%**
Advanced services and directory services	511	528	517	*497*	503	-1,6%
Capacity services	913	933	920	*765*	735	n.s
Electronic communications services	***9 600***	***9 540***	***9 136***	***8 788***	**8 692**	**n.s**
Others revenues	*724*	*925*	*676*	*663*	647	-10,6%
Entire marLet	***10 323***	***10 464***	***9 812***	***9 451***	**9 338**	**n.s**

adjusted figures are in italics

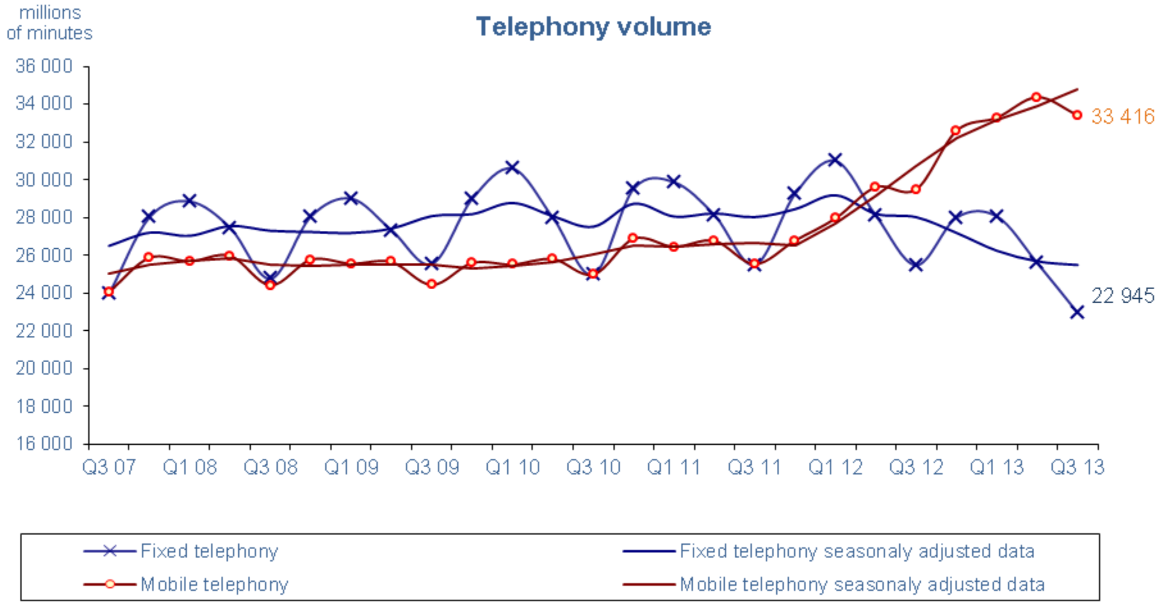
Fixed telephony covers revenues from access fees and subscriptions, from calls from fixed lines including Internet connection calls, public telephones and cards, internet subscriptions (narrow-band and broadband).

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

Other revenues does not really fall under the telecommunications services marLet. Since registered operators contribute little to this marLet, 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 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Fixed telephony	25 476	27 996	28 055	25 585	22 945	-9,9%
Mobile telephony	29 489	32 595	33 286	34 369	33 416	13,3%
Total voice services	**54 965**	**60 591**	**61 341**	**59 955**	**56 360**	**2,5%**

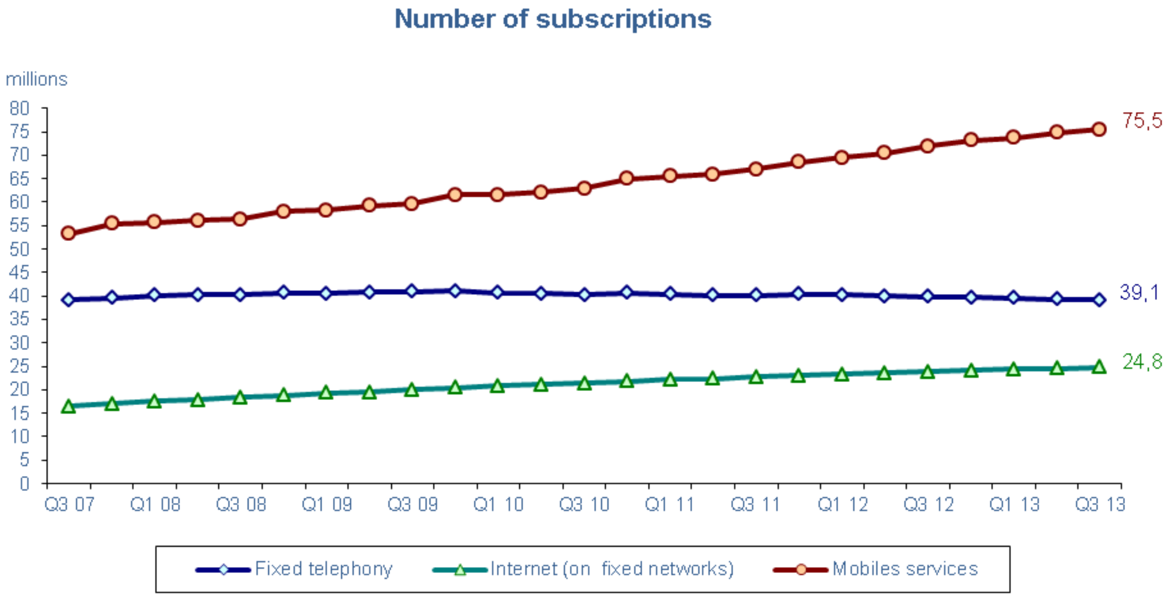


Volumes of data (millions of minutes)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Number of SMS sent (millions of units)	43 933	49 035	49 413	47 944	44 797	2,0%
Volume of mobile data (teraoctets)	25 426	28 517	32 158	35 119	40 286	58,4%

Number of subscriptions (millions of units)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Number of subscription to telephone service	39,806	*39,663*	*39,533*	*39,287*	39,113	-1,7%
Internet subscriptions	23,901	*24,200*	*24,435*	*24,566*	24,802	3,8%
Number of mobile customers	*71,932*	*73,137*	73,678	74,779	75,505	5,0%

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.


Number of subscriptions
millions
80
75
70
65
60
55
50
45
40
35
30
25
20
15
10
5
0
Q3 07
Q1 08
Q3 08
Q1 09
Q3 09
Q1 10
Q3 10
Q1 11
Q3 11
Q1 12
Q3 12
Q1 13
Q3 13
75,5
39,1
24,8
Fixed telephony
Internet (on fixed networks)
Mobiles services

3.2 The intermediate market (interconnection and wholesale market)

3.2.1 The market as a whole

Interconnection services (millions of euros)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Fixed operators	*1 198*	*1 207*	1 190	1 154	1 174	n.s**
*of which telephony services **	*620*	*608*	582	533	550	n.s**
of which broadband services	578	600	608	622	624	8,0%
Mobile operators	659	676	619	634	640	-2,8%
of which SMS termination	312	354	358	353	348	11,6%
Revenue	***1 856***	***1 883***	**1 809**	**1 788**	**1 815**	**n.s****

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

Interconnection services (millions of minutes)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Fixed operators	*30 554*	*34 305*	*32 707*	27 637	26 034	n.s**
Internet (dial-up)	128	122	122	121	107	-16,1%
Mobile operators	18 822	20 197	20 997	21 724	21 115	12,2%
Volume	***49 504***	***54 624***	***53 827***	**49 482**	**47 256**	**n.s****
Incoming SMS	**26 438**	**30 095**	**31 215**	**30 706**	**29 472**	**11,5%**

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 (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.

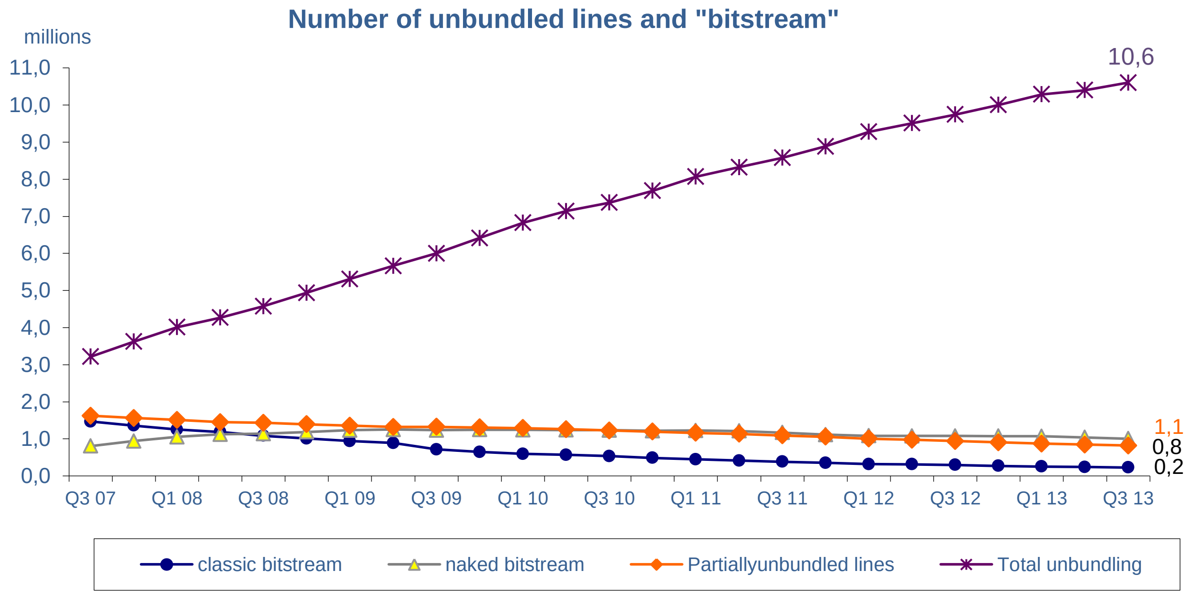
- From January 1st 2013, the price for call termination on mobile networks is set to 0,8c€/minute for Bouygues Telecom, Orange France and SFR against 1.0€/minute between July 1st 2012 to 30th December 2012 and 1.5€/minute between January1st 2012 to June 30th 2012. The maximum price of the voice call 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.

- The merger of France Telecom and Orange France removes financial flows and volumes between these two entities. Previously, the two companies were selling wholesale for interconnection of access and termination benefits.

Unbundling (millions of units)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Partially unbundled lines	0,940	0,906	0,871	0,844	0,820	-12,8%
Fully unbundled lines	9,746	10,004	10,287	10,399	10,603	8,8%
Number of unbundled lines	**10,686**	**10,910**	**11,157**	**11,244**	**11,423**	**6,9%**



"Bitstream" lines (millions of units)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
"naked bistream"	1,080	1,076	1,069	1,041	1,006	-6,9%
"classic bitstream"	0,299	0,271	0,255	0,242	0,226	-24,4%
Number of "bitstream" lines	**1,379**	**1,347**	**1,324**	**1,283**	**1,232**	**-10,7%**

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

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

Revenue of incoming international interconnection services (millions of euros)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Fixed operators	43	40	42	35	43	1,2%
Mobile operators	11	10	8	8	10	-7,8%
Revenue	**53**	**50**	**50**	**43**	**53**	**-0,6%**

Volume of incoming international interconnection services (millions of minutes)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Fixed operators	2 250	2 140	*2 231*	2 216	2 412	7,2%
Mobile operators	863	810	813	893	965	11,8%
Volume	**3 114**	**2 950**	***3 044***	***3 109***	**3 377**	**8,4%**

adjusted figures are in italics

3.2.3 Mobile operators roaming-in revenue

Roaming in	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Revenue (millions of euros)	124	86	72	79	99	-20,3%
Volume (millions of minutes)	642	439	445	533	707	10,0%
Volume of SMS (millions)	340	173	193	219	332	-2,4%
Volume of data (teraoctets)	173	97	110	160	312	80,2%

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 2013, these Euro tariffs went from 0.29€ excl. VAT to 0.24€ excl. VAT for calls made from abroad, and from 0.09€ 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.
-. 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.

4 Fixed networks services

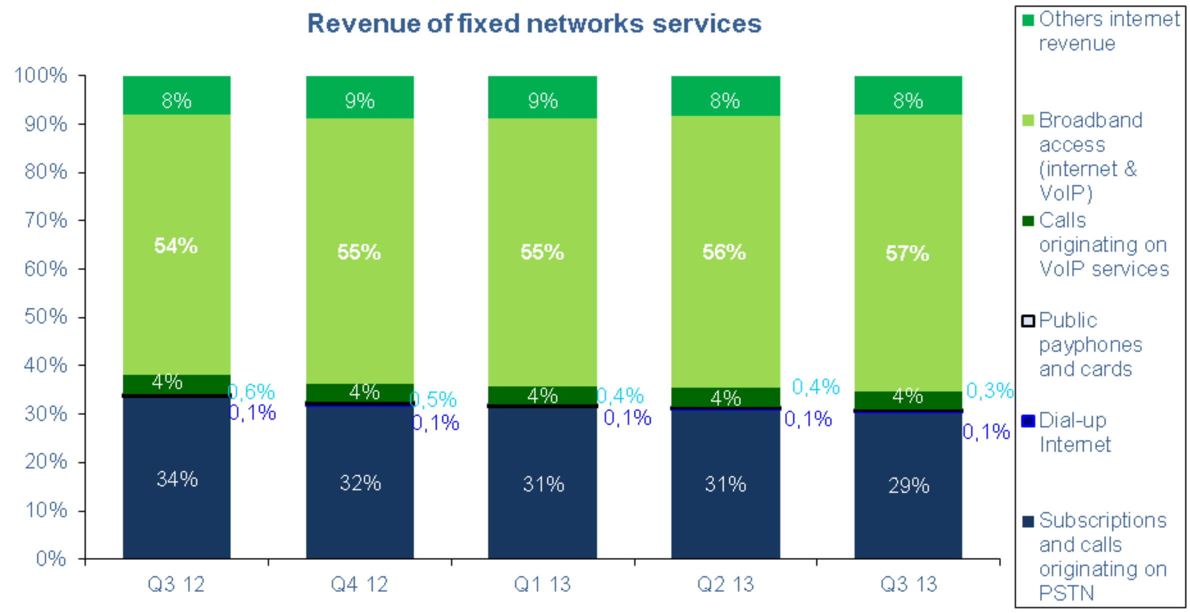
4.1 The fixed networks as a whole

4.1.1 Revenue and fixed telephony traffic

Revenue of fixed networks services (millions of euros)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Narrowband Revenue	**1 308**	**1 256**	**1 204**	***1 169***	**1 145**	**-12,5%**
Subscriptions and calls originating on PSTN/ISDN	1 281	1 233	1 183	*1 151*	1 129	-11,9%
Dial-up Internet	5	4	4	4	3	-28,9%
Public payphones and cards	22	18	17	14	12	-44,5%
Broadband Revenue	***2 513***	***2 610***	***2 556***	***2 540***	**2 556**	**1,7%**
Broadband Internet and VoIP subscriptions	*2 058*	*2 119*	*2 087*	*2 090*	2 120	3,0%
Calls originating on VoIP services	147	150	143	145	139	-5,9%
Other Internet revenue	307	340	326	305	297	-3,2%
Revenue of fixed lines services	**3 820**	**3 865**	***3 760***	**3 709**	**3 700**	**-3,1%**

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)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Calls originating on PSTN/ISDN	7 484	7 824	7 923	7 141	6 530	-12,7%
Public payphones and cards	167	142	143	97	58	-65,3%
Calls originating on VoIP services	17 826	20 030	19 982	18 348	16 357	-8,2%
Volumes from fixed telephony	**25 476**	**27 996**	**28 047**	**25 585**	**22 944**	**-9,9%**

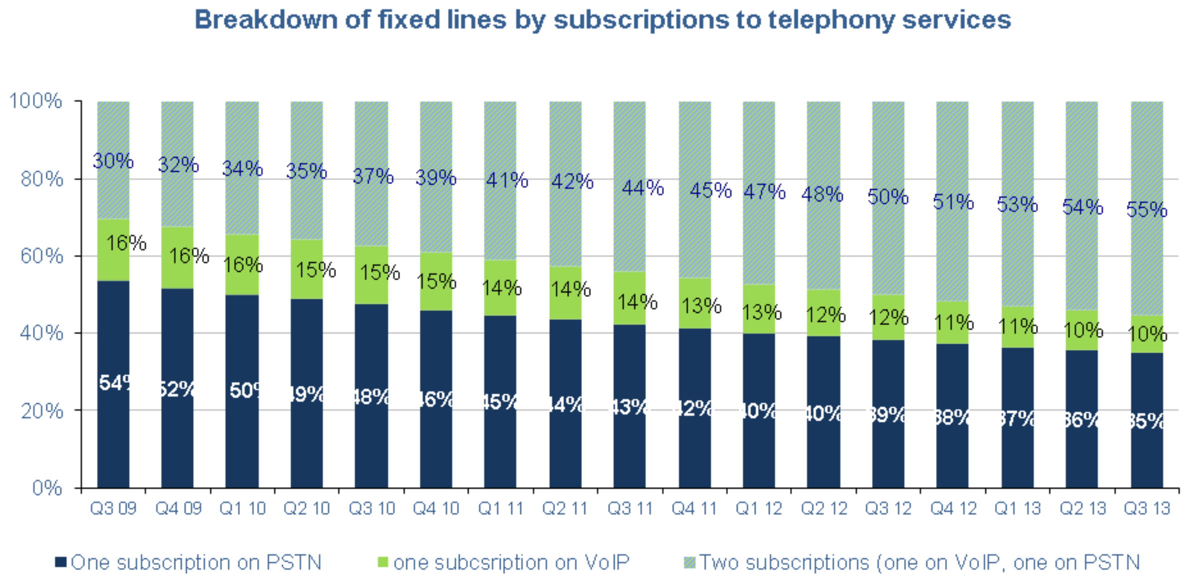


4.1.2 Number of fixed lines

Number of fixed lines (millions of units)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Number of fixed lines	*35,678*	*35,663*	*35,756*	*35,632*	35,645	-0,1%

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.



4.1.3 Portability (fixed numbers)

Portability (millions of units)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Number of fixed numbers ported during the quarter	0,548	0,686	*0,656*	*0,572*	0,635	15,9%

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)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Subscription on narrow band access	*17,898*	*17,366*	*16,902*	*16,464*	15,994	-10,6%
Access resales	*1,764*	*1,787*	*1,855*	*1,594*	1,595	-9,6%

adjusted figures are in italics

Carrier selection (millions of units)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Call by call selection	0,115	0,108	0,104	0,090	0,079	-31,7%
Pre-selection	1,469	1,403	1,380	1,343	1,203	-18,1%
Number of indirect connections	**1,584**	**1,511**	**1,483**	**1,433**	**1,282**	**-19,1%**

Notes :
- 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.
- 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.

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

Access revenue (millions of euros)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Access fees, subscriptions and additional services	889	846	819	811	813	-8,6%

Note: in addition to income earned from providing access to a telephone service, access revenue includes income from IP telephony subscriptions and from additional services (caller ID, etc...).

Revenue of calls originating on PSTN/ISDN (millions of euros)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
National calls	225	226	215	201	188	-16,3%
International calls	36	35	33	31	31	-16,2%
Calls to mobiles	130	126	117	107	97	-25,4%
All calls originating on PSTN/ISDN	**392**	**387**	**365**	**340**	**316**	**-19,3%**

Volumes of calls originating on PSTN/ISDN (millions of minutes)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
National calls	5 858	6 212	6 319	5 609	5 081	-13,3%
International calls	330	328	333	308	306	-7,3%
Calls to mobiles	1 296	1 283	1 268	1 224	1 143	-11,8%
All calls originating on PSTN/ISDN	**7 484**	**7 824**	**7 920**	**7 141**	**6 530**	**-12,7%**

4.2.2 Public payphones and calling cards

Public telephony	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Number of public payphones at end of quarter (units)	120 129	116 626	112 658	107 521	101 790	-15,3%
Revenue (millions of euros)	6	5	4	4	4	-32,6%
Volumes (millions of minutes)	30	15	12	12	12	-59,5%

adjusted figures are in italics

Charge and prepaid cards	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Revenue (millions of euros)	16	13	12	10	8	**-49,4%**
Volume (millions of minutes)	137	127	131	85	46	**-66,6%**

4.2.3 Dial-up internet

Internet Dial-up	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Revenue (millions of euros)	5	4	4	4	3	-28,9%
Subscriptions (millions of units)	0,249	0,225	0,202	0,186	0,165	-33,8%
Volumes of dial-up Internet (millions of minutes)	260	226	197	177	149	-42,5%

4.3 Broadband services

4.3.1 Broadband and ultra-fast broadband

Internet subscriptions (millions of units)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Broadband	*22,161*	*22,369*	*22,530*	*22,617*	22,789	2,8%
of wich xDSL	*21,751*	*21,981*	*22,150*	*22,247*	22,394	3,0%
of wich other broadband access	0,411	0,389	*0,381*	*0,370*	0,395	-3,8%
Ultra-fast broadband	1,491	1,606	1,702	1,763	1,849	24,0%
of which FTTLA with a flow rate between 30 Mbit/s & 100 Mbit/s	0,650	0,670	0,668	0,658	0,656	0,9%
of which FTTLA with a flow rate superior to 100 Mbit/s	0,570	0,621	0,668	0,692	0,726	27,4%
of wich fiber with coaxial cable termination (FTTLA)	0,271	0,314	0,366	0,413	0,467	72,1%
Internet subscriptions	***23,652***	***23,975***	***24,233***	***24,380***	**24,638**	**4,2%**

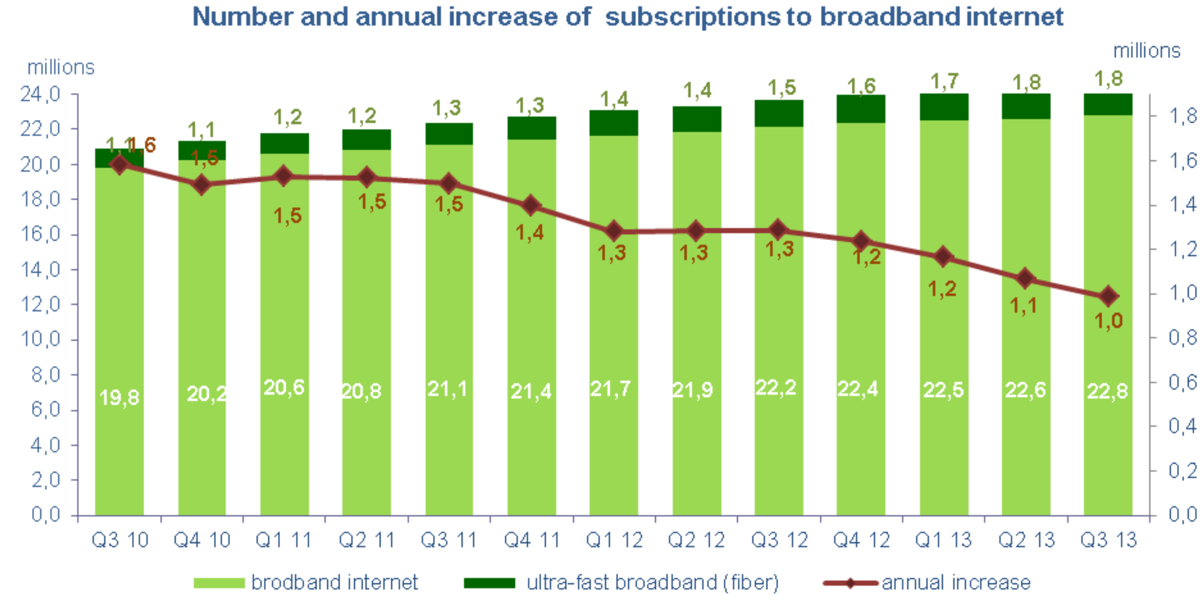
adjusted figures are in italics

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)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Broadband and fiber	0,480	0,503	0,513	0,518	0,526	9,6%



4.3.2 Fixed telephony on broadband

a) Subscriptions

Number of subscriptions to IP telephone service (millions of units)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Subscription on broadband access (IP DSL,cable)	*21,908*	*22,298*	*22,632*	*22,827*	23,118	5,5%
DSL lines without narrowband access	*16,325*	*16,725*	*17,178*	*17,406*	17,811	9,1%

adjusted figures are in italics

Notes:

-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.

- the number of subscriptions to a fixed telephony service on the PSTN 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.

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.

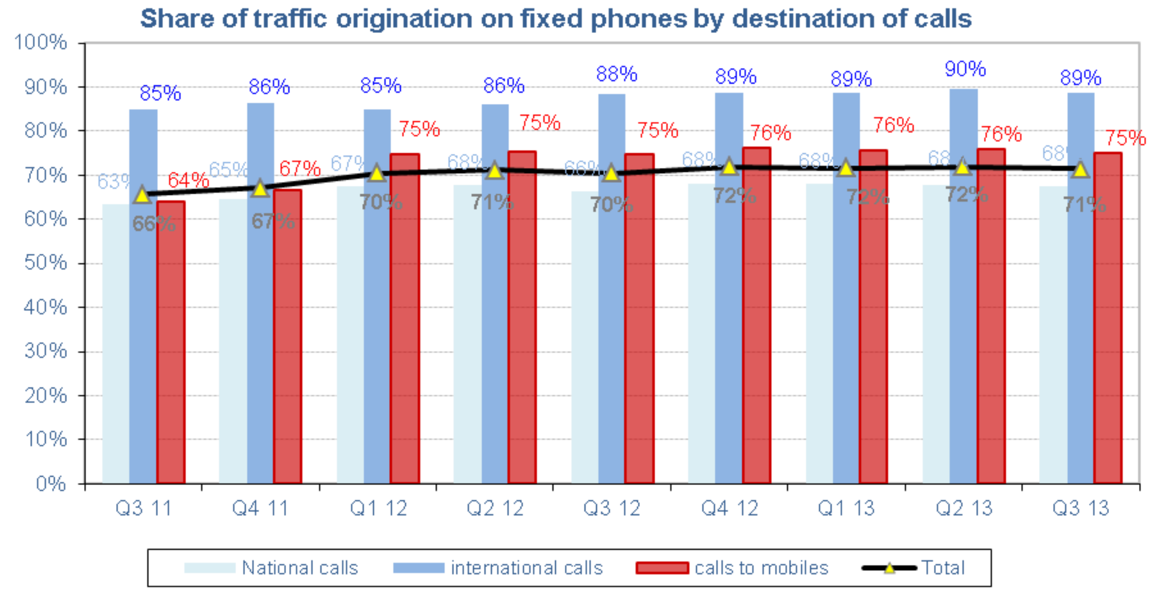
The outgoing Voice over IP calls counted by the Observatory correspond to access services. The indicators do not refer to IP traffic that traverses the IP backbone only. Moreover, the Observatory does not survey operators which have not declared their activity and which support PC-to-PC voice over Internet. 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

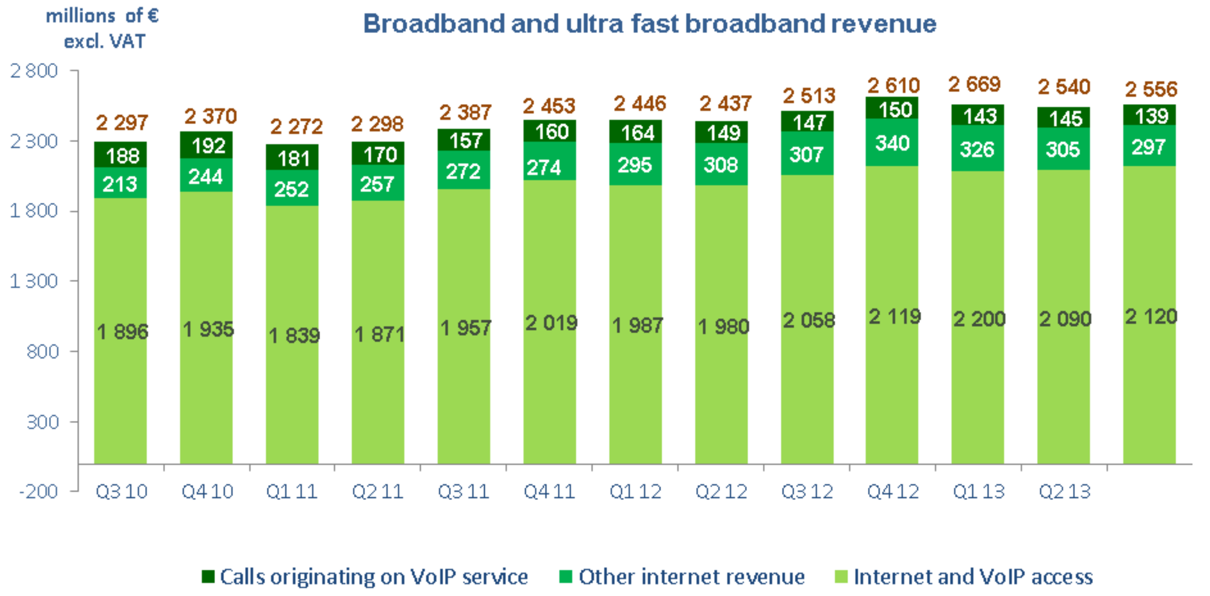
Volumes (IP trafic) (millions of minutes)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
National calls	11 517	13 323	13 407	11 869	10 565	-8,3%
International calls	2 458	2 565	2 610	2 631	2 364	-3,8%
Calls to mobiles	3 851	4 142	3 964	3 848	3 428	-11,0%
All IP calls	**17 826**	**20 030**	**19 982**	**18 348**	**16 357**	**-8,2%**



4.3.3 *Broadband and ultra-fast broadband revenue*

Total Internet broadband revenue (millions of euros)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Internet access and VoIP subscriptions	2 058	2 119	2 087	2 090	2 120	3,0%
Calls originating on VoIP services	147	150	143	145	139	-5,9%
Other internet revenue	307	340	326	305	297	-3,2%
Total Internet revenue	**2 513**	**2 610**	**2 556**	**2 540**	**2 556**	**1,7%**

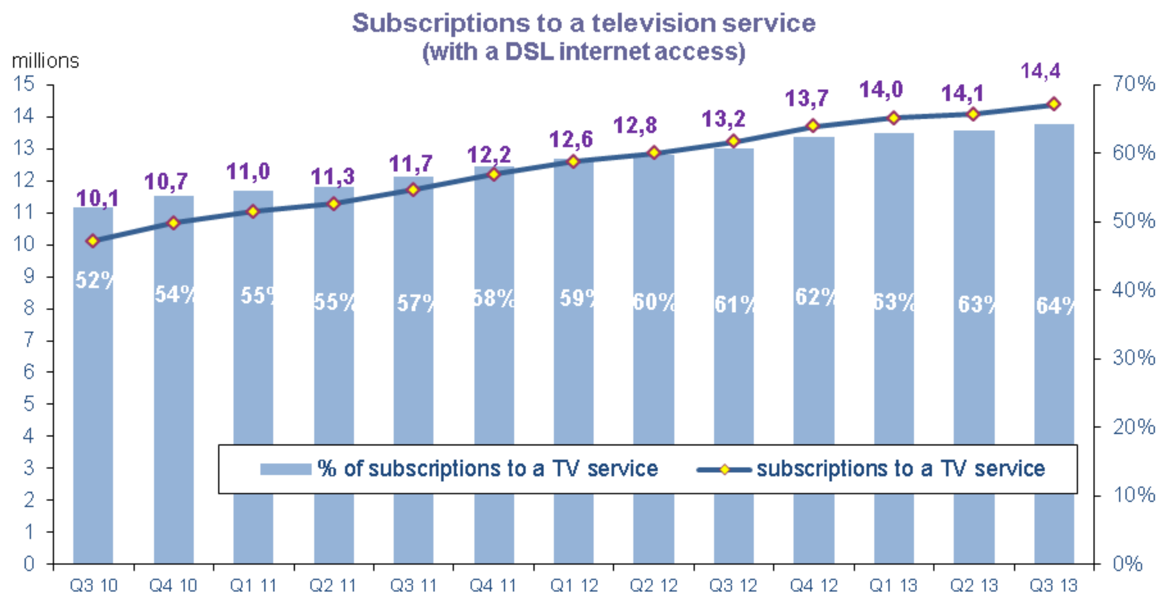
Note: “Other services” refers to related income earned by ISPs on services such as hosting and online advertising revenue. From now on, this line also include revenues connected to a broadband internet access and billed by operators (subscriptions to à TV service, video and music downloading…). Revenue 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)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Subscriptions to Internet on DSL	13,211	13,702	13,956	14,081	14,373	8,8%
Subscriptions to television services on DSL	21,751	21,981	22,150	22,247	22,394	3,0%
% of subscriptions to television services	60,7%	62,3%	63,0%	63,3%	64,2%	

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)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Subscription on narrow band access	*17,898*	*17,366*	*16,902*	*16,464*	15,994	-10,6%
Subscription on broadband access (IP DSL,cable)	*21,908*	*22,298*	*22,632*	*22,827*	23,118	5,5%
Number of subscriptions to telephone service	***39,806***	***39,663***	***39,534***	***39,291***	**39,113**	**-1,7%**

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.

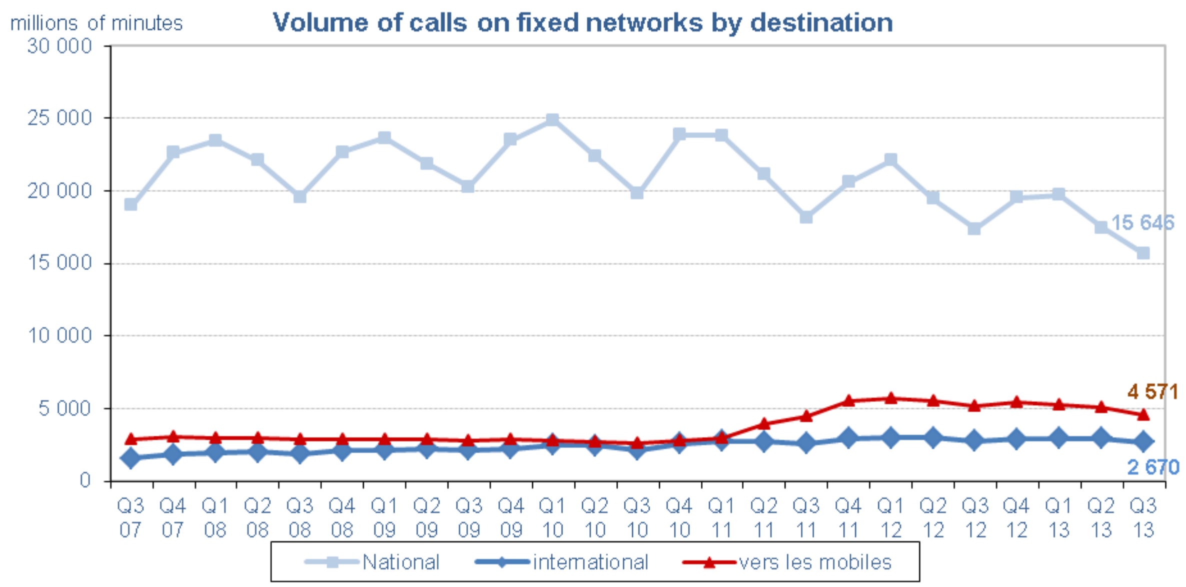
4.4.2 Calls from fixed lines (excluding public payphones and cards)

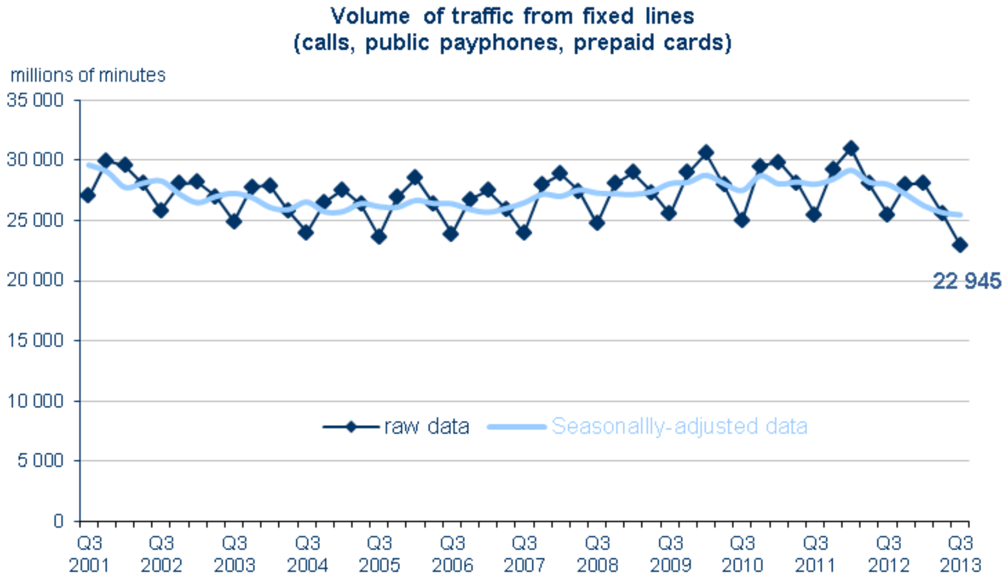
Revenue (millions of euros)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
National calls	240	245	239	215	198	-17,5%
International calls	98	96	89	90	89	-9,7%
Calls to mobiles	201	197	181	180	168	-16,4%
All calls from fixed lines	**539**	**538**	**509**	**485**	**455**	**-15,7%**
Of which calls originating on PSTN/ISDN	392	387	365	340	316	-19,4%
Of which calls originating on VoIP services	147	150	143	145	139	-5,9%

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)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
National calls	17 375	19 535	19 736	17 479	15 646	-10,0%
International calls	2 778	2 893	2 943	2 938	2 670	-3,9%
Calls to mobiles	5 156	5 426	5 233	5 072	4 571	-11,3%
All calls from fixed lines	**25 310**	**27 854**	**27 912**	**25 489**	**22 887**	**-9,6%**
Of which calls originating on PSTN/ISDN	7 484	7 824	7 923	7 141	6 530	-12,7%
Of which calls originating on VoIP services	17 826	20 030	19 982	18 348	16 357	-8,2%

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





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

5 Services on mobiles networks

5.1 Subscriptions

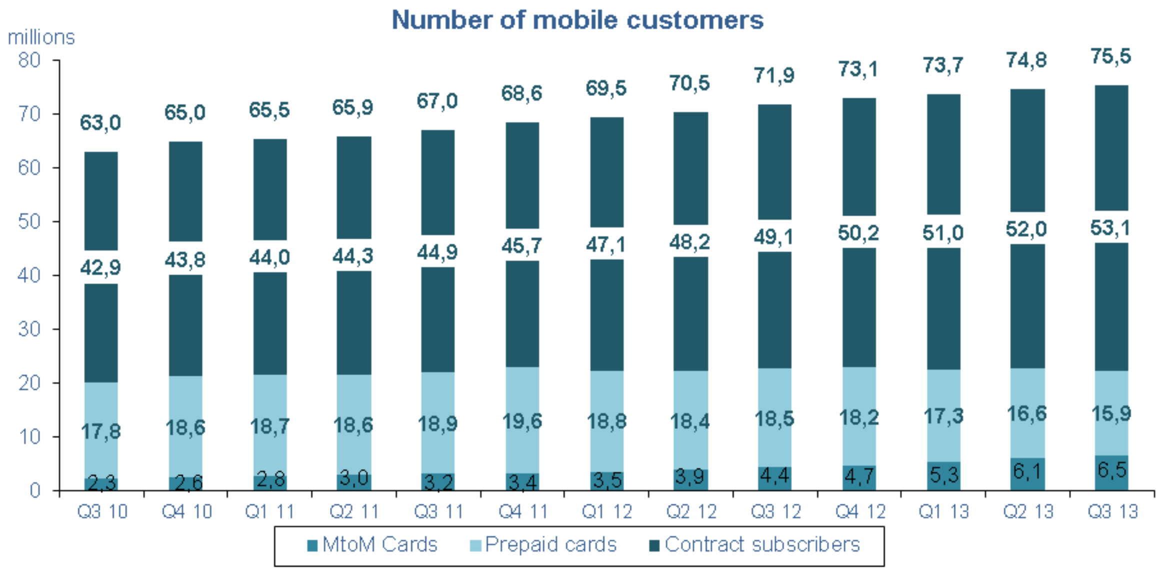
5.1.1 Subscriptions to mobiles mobiles

Number of mobile customers (millions of units)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Contract subscribers	49,068	50,214	51,043	52,048	53,114	8,2%
of which with blocked account	9,473	8,786	8,049	7,507	6,983	-26,3%
MtoM SIM cards	4,389	4,679	5,316	6,091	6,493	47,9%
Prepaid cards	*18,475*	*18,244*	17,319	16,639	15,898	-13,9%
*of which active prepaid cards **	15,530	15,473	14,525	*13,719*	12,964	-16,5%
Mobile Telephonie	**71,932**	***73,137***	**73,678**	**74,779**	**75,505**	**5,0%**

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, w hether 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

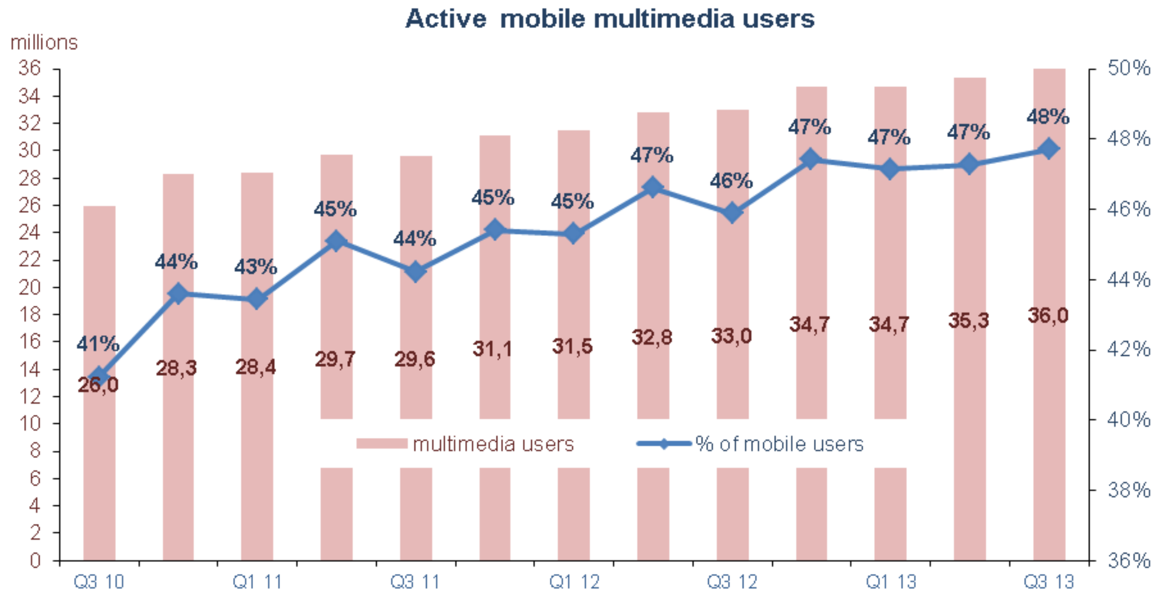
Active multimédia/3G users, internet SIM cards (millions of units)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Active multimedia subscribers	33,009	34,675	34,736	35,346	36,030	9,2%
Active 3G users	31,388	32,800	33,401	34,355	35,230	12,2%

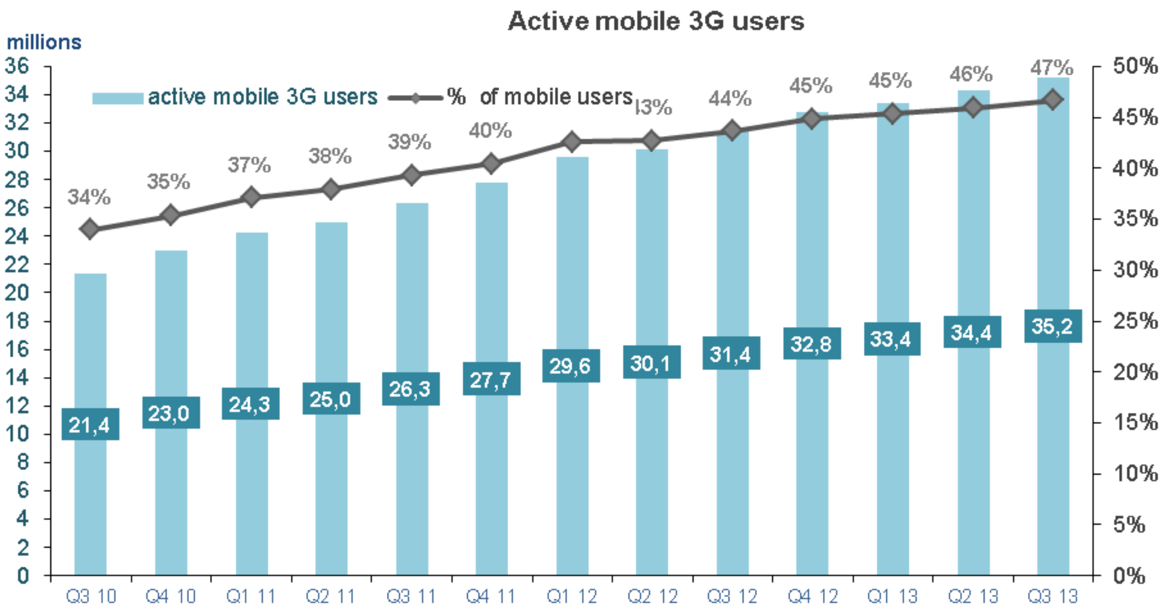
Notes :

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.





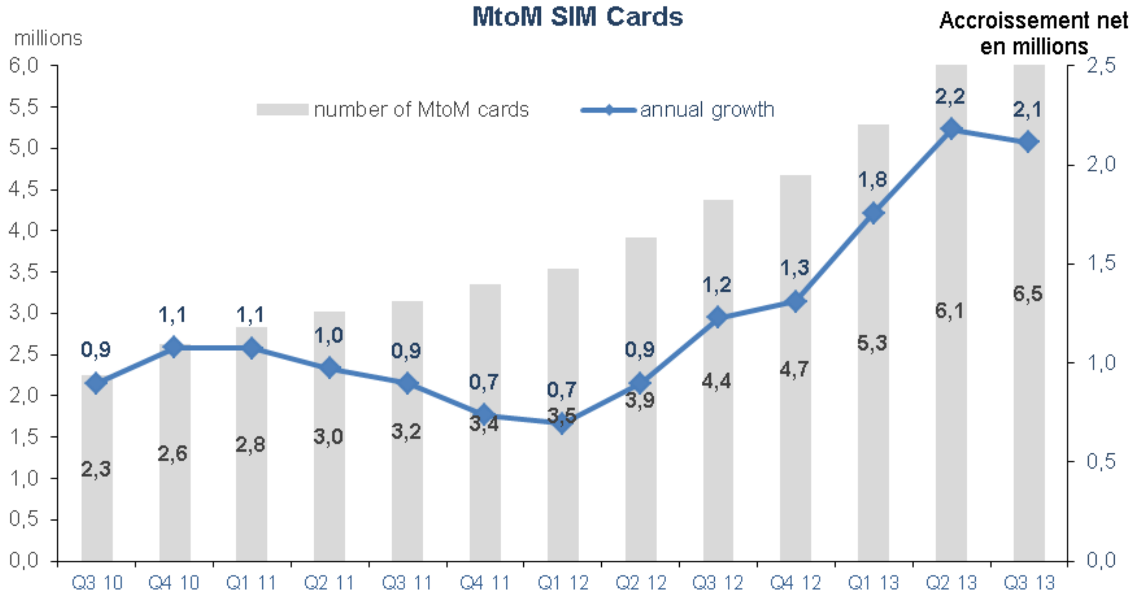
Active multimédia/3G users, internet SIM cards (millions of units)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Number of exclusive Internet SIM cards	3,359	3,428	3,456	3,569	3,662	9,0%
of which exclusive Internet prepaid cards	0,619	0,654	0,653	0,671	0,706	14,1%

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.

MtoM Sim cards (millions of units)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Number of Sim cards used for MtoM communications	4,389	4,679	5,316	6,091	6,493	47,9%

adjusted figures are in italics



Data SIM cards (millions of units)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Number of exclusive internet Sim cards & MtoM Sim cards	7,748	8,107	8,772	9,660	10,156	31,1%
% of data SIM cards among SIM cards	10,8%	11,1%	11,9%	12,9%	13,5%	+2,7 points

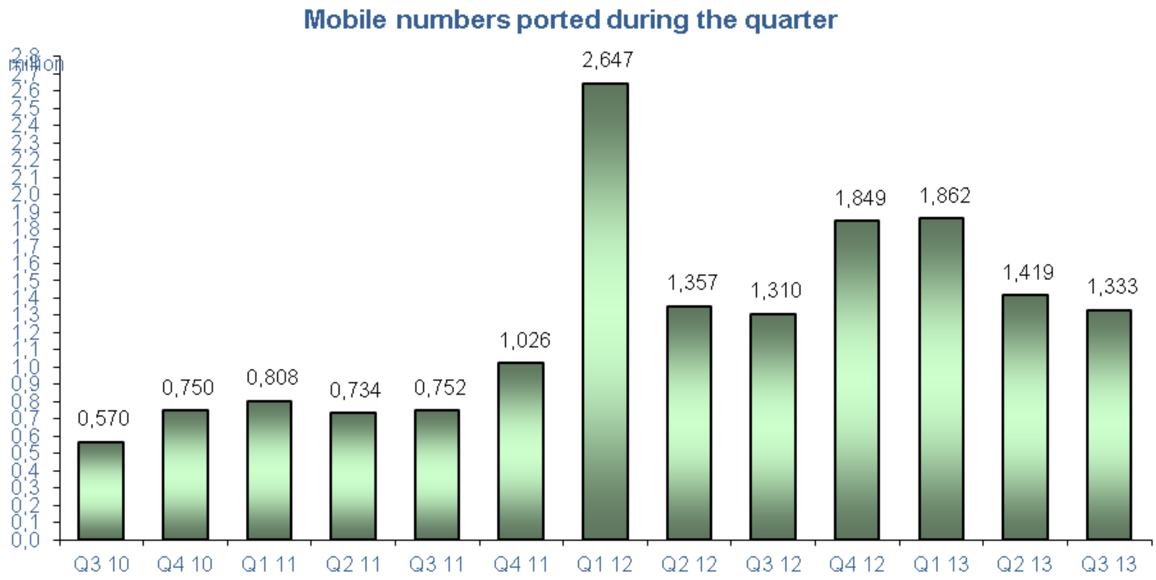
adjusted figures are in italics

5.1.3 Portability (mobile number)

Portability (millions of units)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Number of mobile numbers ported during the quarter	1,310	1,849	1,862	1,419	1,333	1,7%

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”.

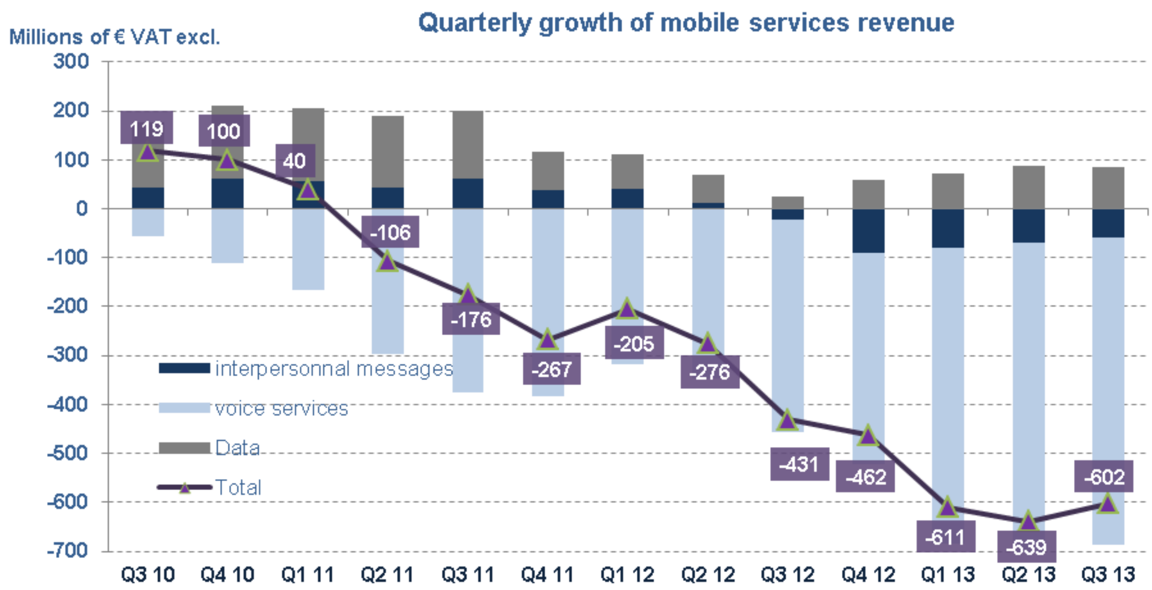


5.2 Retail market income and volume indicators (excluding VAS)

Revenue (millions of euros)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Mobile telephony	2 998	2 914	*2 564*	*2 465*	2 371	-20,9%
of which outgoing internationals calls	268	258	241	245	255	-4,9%
Data transport on mobile networks	1 357	1 299	1 374	1 352	1 382	1,8%
of which interpersonal messaging (SMS, MMS)	640	583	610	573	580	-11,0%
of which access to mobile Internet & to multimedia services	717	716	764	779	801	11,8%
Total mobile telephony and data transport	**4 355**	**4 213**	***3 938***	***3 817***	**3 753**	**-13,8%**

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.

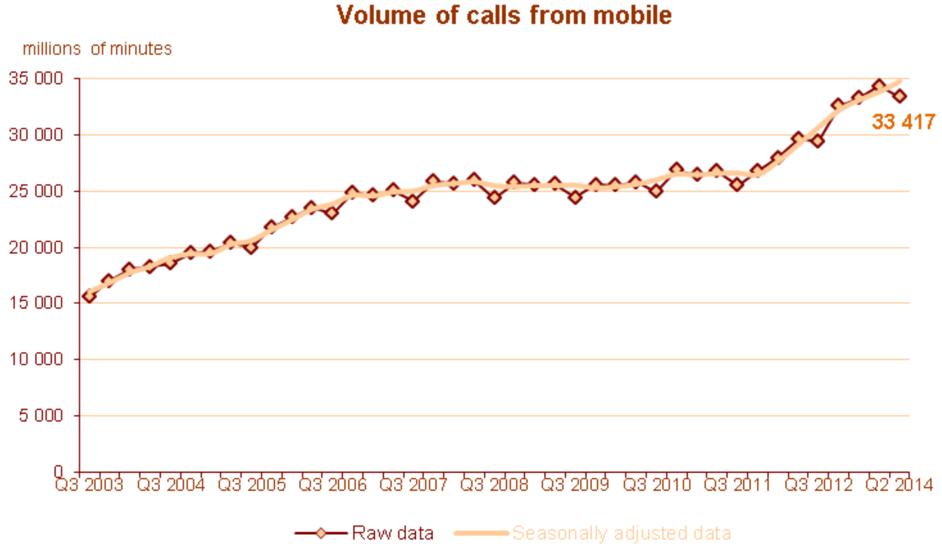


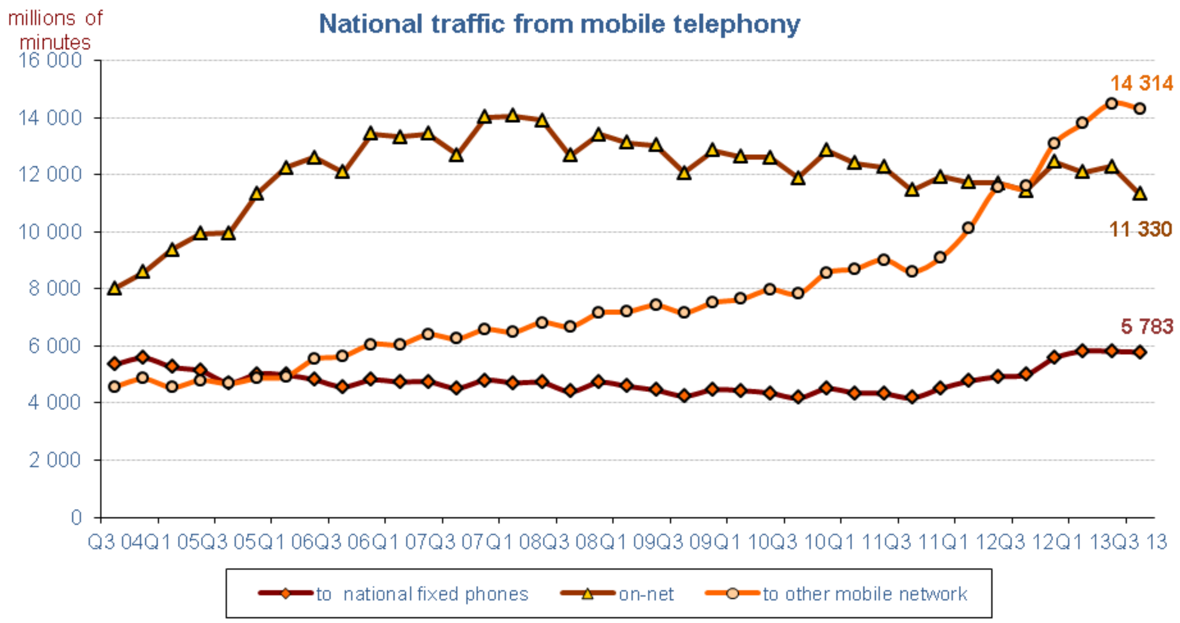
Volumes (millions of minutes)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Calls to national fixed lines	4 996	5 578	5 818	5 813	5 783	15,7%
Calls to mobiles on the same network (1)	11 427	12 442	12 092	12 287	11 330	-0,8%
Calls to other networks	11 585	13 104	13 791	14 495	14 314	23,6%
Outgoing internationals calls	1 069	1 171	1 298	1 441	1 492	39,6%
Roaming out (2)	433	301	286	334	498	14,9%
Total mobile telephony	**29 489**	**32 595**	**33 286**	**34 369**	**33 417**	**13,3%**

adjusted figures are in italics

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

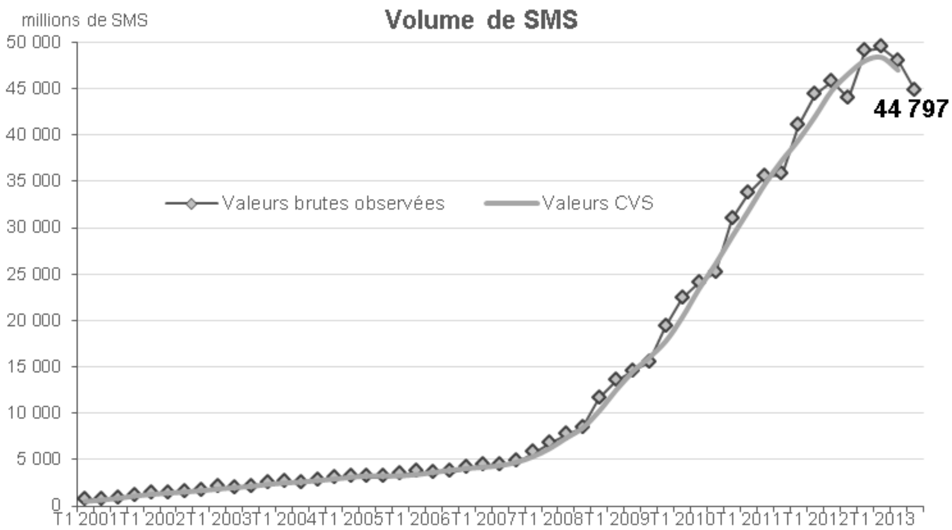
(2) Roaming out corresponds to calls made in other countries by customers of French mobile operators





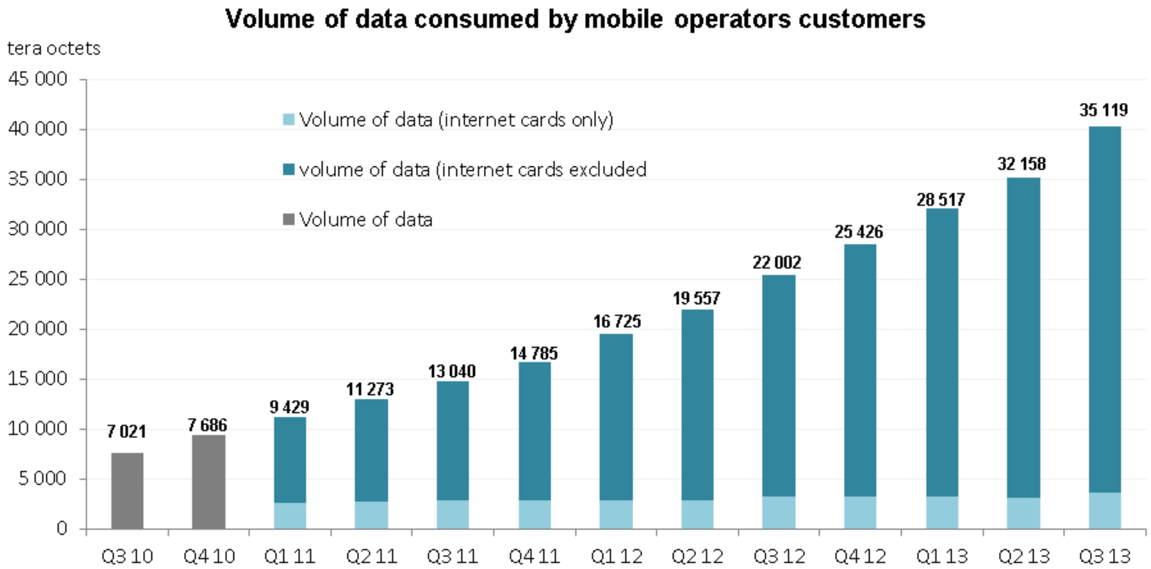
Volumes of interpersonal messages (millions of units)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Number of interpersonal SMS	43 933	49 035	49 413	47 944	44 797	2,0%
of witch from contract subscribers	40 424	45 309	46 244	45 172	42 302	4,6%
of witch from prepaid cards	3 509	3 726	3 168	2 687	2 496	-28,9%
Number of interpersonal MMS	436	471	542	574	623	42,9%
Number of messages sent	**44 369**	**49 506**	**49 954**	**48 519**	**45 420**	**2,4%**

adjusted figures are in italics



Volumes of data consumed by the customers (in Teraoctets)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Volumes of data	**25 426**	**28 517**	**32 158**	**35 119**	**40 286**	**58,4%**
of witch from internet exclusive SIM cards	3 244	3 243	3 261	3 164	3 639	12,2%

adjusted figures are in italics



5.3 Voice traffic of metropolitan mobile operators (including VAS)

Total revenue of the residential retail marLet (in millions of euros)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Voice and data revenue (including value added services)	**3 669**	**3 494**	**3 331**	**3 133**	**3 020**	**-17,7%**
o/w per post-paid customer	3 258	3 117	2 992	2 834	2 860	-12,2%

adjusted figures are in italics

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)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Value-added "voice" services	291	303	290	266	255	-12,2%
From fixed telephony network	179	185	171	154	140	-21,7%
From mobile telephony network	112	118	119	112	115	3,0%
Value-added "data" services	191	196	195	199	215	12,4%
Value-added services	**482**	**499**	**485**	**465**	**470**	**-2,5%**

**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)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
From fixed telephony network	1 373	1 710	1 677	1 531	1 491	8,5%
From mobile telephony network	337	353	360	370	395	17,1%
Number of calls	**1 710**	**2 063**	**2 037**	**1 901**	**1 885**	**10,2%**

Number of calls to value-added "voice" and "télématic" services (millions of units)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
From fixed telephony network	722	805	777	744	783	8,5%
From mobile telephony network	112	133	140	137	130	16,1%
Volumes	**834**	**938**	**918**	**881**	**913**	**9,5%**

Value-added "data" service volumes (millions of units)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Number of messages (SMS+, MMS+)	229	209	194	193	178	-22,0%

6.2 Directory services

Revenue from directory services (millions of euros)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Directory services operators	29	29	32	32	33	12,8%
Number of calls (millions of units)	13	12	11	11	10	-23,5%
Volume of calls (millions of minutes)	32	30	28	27	26	-18,3%

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)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Leased lines	393	398	397	*247*	233	n.s
Data transport	520	535	523	519	503	-3,3%
Total	**913**	**933**	**920**	***765***	**735**	**n.s**
of witch on business marLet	635	635	642	657	626	-1,5%

adjusted figures are in italics

6.4 Hosting and call centre management services

Revenue (millions of euros)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Hosting and call centre management	*60*	*66*	*61*	*64*	69	14,0%

adjusted figures are in italics

6.5 Terminals and equipments

Revenue from terminals and equipment (millions of euros)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
linked to fixed téléphony & Internet services	164	168	164	*150*	132	-19,1%
linked to mobile services	382	587	381	339	355	-7,3%
Terminals and equipment	**546**	**755**	**545**	***490***	**487**	**-10,8%**

adjusted figures are in italics

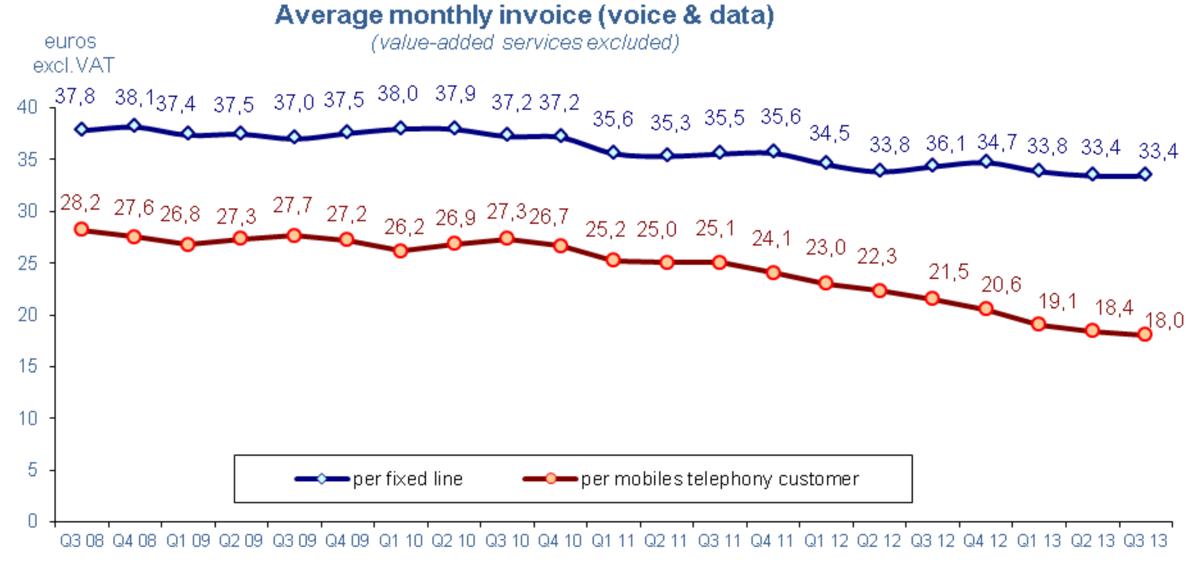
Note : the revenue excludes commissions paid to distributors.

7 Per customers indicators

Average monthly revenue (value added services exclude) (in euros -VAT excluded)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Per fixed line : access, communications and Internet	*34,3*	*34,7*	*33,8*	*33,4*	33,4	-2,6%
Mobile telephony user	21,5	20,6	*19,1*	*18,4*	18,0	-16,4%

adjusted figures are in italics

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.

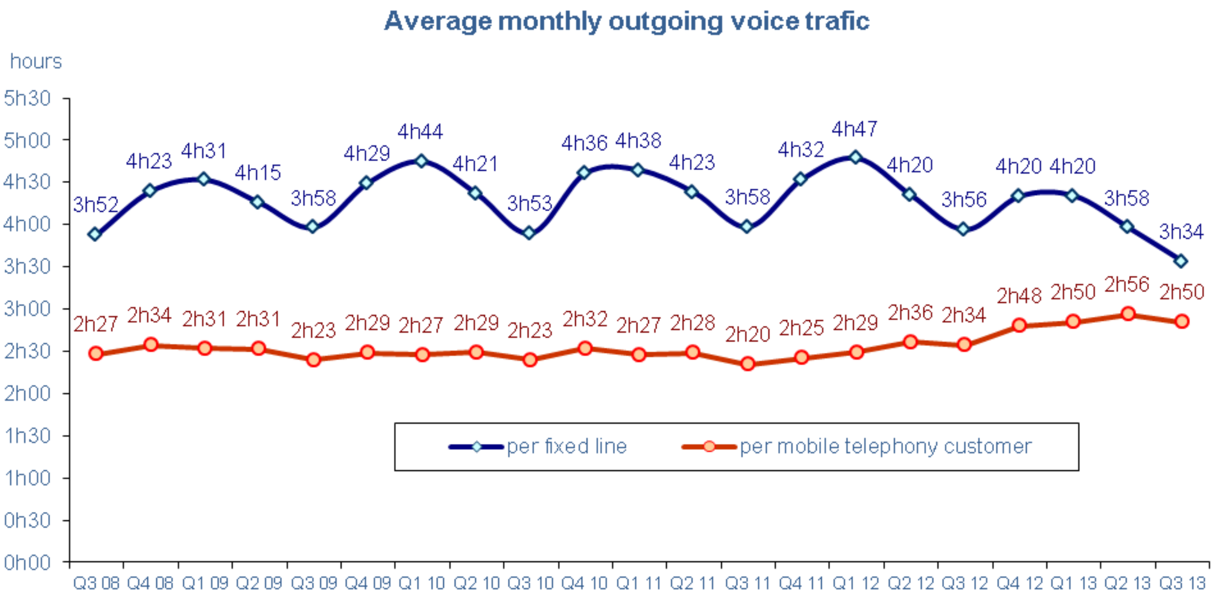


Note : The average monthly invoice per mobile telephony customer exclude MtoM cards (in revenue and in number of cards).

Average monthly outgoing traffic (in hours)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Per fixed lines	*3h56*	*4h20*	*4h20*	*3h58*	3h34	-9,5%
Mobile telephony user	2h34	2h48	2h50	2h56	2h50	10,7%

adjusted figures are in italics

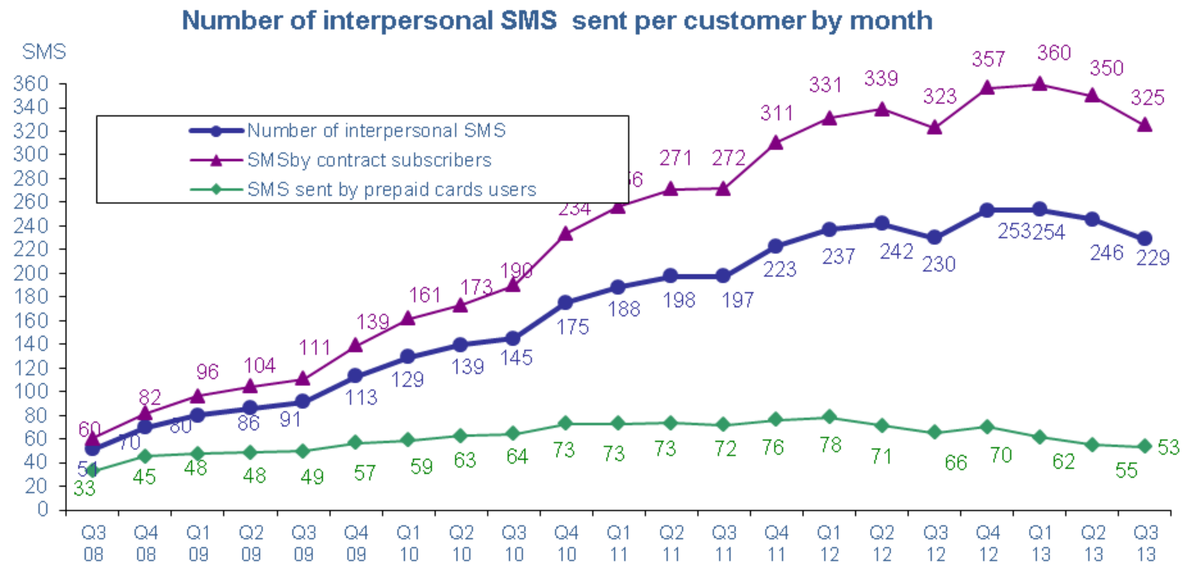
- <u>The average monthly volume of traffic per fixed line</u> is calculated by dividing the volume of traffic (PSTN and IP) for quarter N by the estimated average number of fixed lines in existence for quarter N, and then by the number of months.
- <u>The average monthly volume of traffic per mobile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



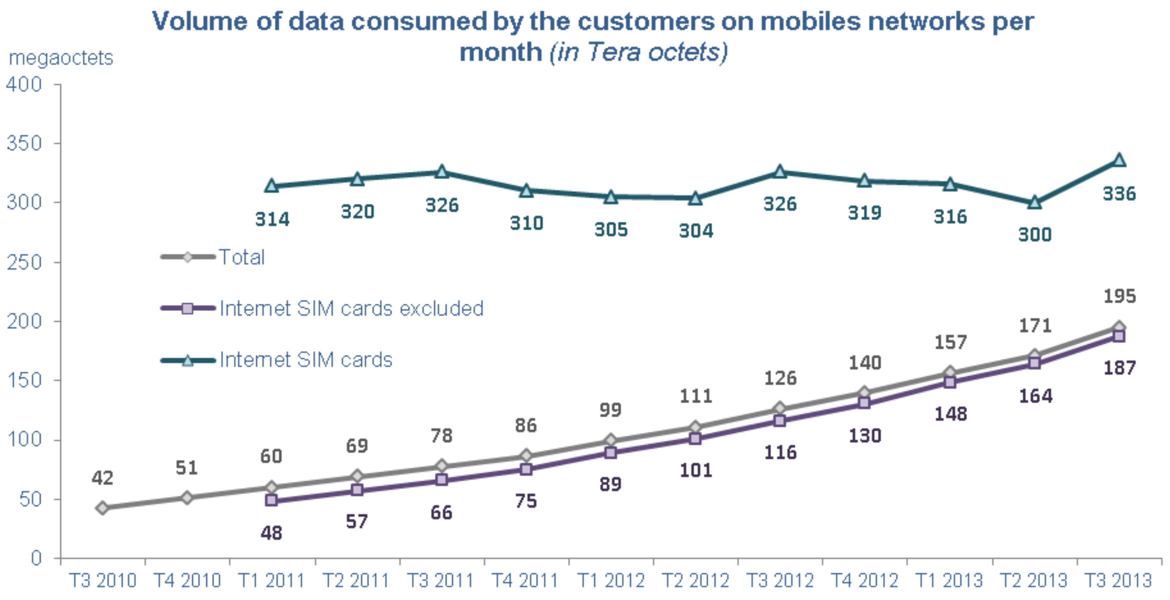
Number of interpersonnal SMS sent per user (units)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Number of SMS sent per user during the quarter	230	253	254	246	229	-0,4%
of witch for contract subscribers	*323*	*357*	*360*	*350*	325	0,7%
of witch for prepaid cards	66	70	62	55	53	-18,5%

adjusted figures are in italics

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.



Average monthly volume of data consumed on mobile networks (en mega octets)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
per mobile operator customer	126	140	157	171	195	54,3%
of witch from internet exclusive SIM cards	326	319	316	300	336	2,9%
of witch from other SIM cards	116	130	148	164	187	61,4%



Facture mensuelle moyenne par abonnement *(en €HT)*	T3 2012	T4 2012	T1 2013	T2 2013	T3 2013	Variation 3T13/3T12
Au service téléphonique fixe RTC (accès et communications)	*23,5*	*23,3*	*23,0*	*23,0*	23,2	-1,5%
A un accès en bas débit à l'internet	6,3	6,1	6,2	6,6	6,3	-0,2%
A un accès en haut débit ou très haut débit (internet, téléphonie)	*33,9*	*34,7*	*33,7*	*33,3*	33,3	-1,7%

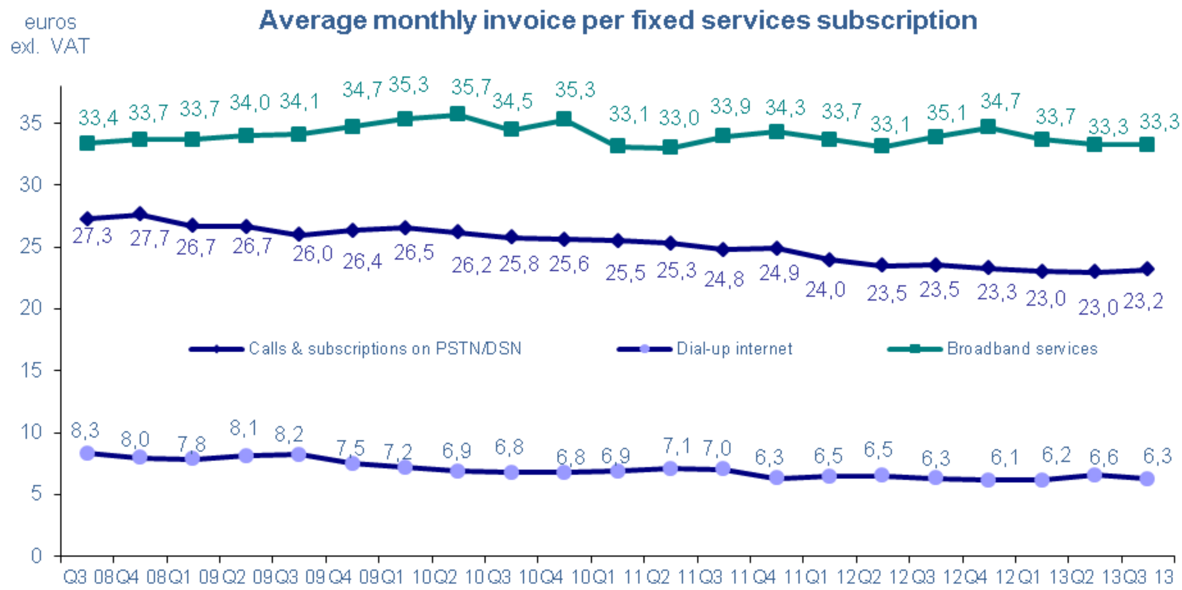
Les chiffres en italique ont été modifiés par rapport à la publication précédente.

Note:

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

- <u>The average bill for a narrowband subscription</u> is calculated by dividing the revenue earned on narrowband subscription in year N by the estimated customer base for Quarter Q, then dividing the result by 3.

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



Average monthly traffic per customer (in hours)	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	change 3Q13/3Q12
Fixed PSTN/ISDN telephony user	*2h17*	*2h27*	*2h34*	*2h22*	2h14	-2,5%
Fixed IP telephony user	*4h36*	*5h06*	5h01	4h34	4h03	-12,2%
From dial-up Internet	5h35	5h18	5h07	5h04	4h43	-15,4%

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.