



## 3Q08 France Mobile Forecast

Orange still the leader in the French market over the next three years, despite the presence of MVNOs





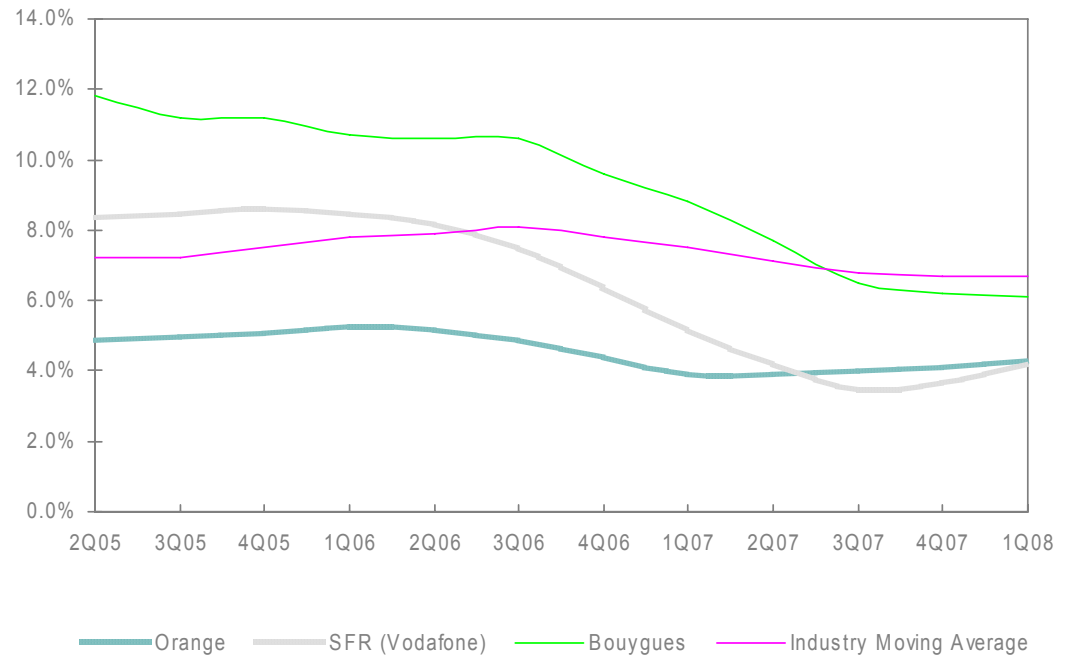
# Subscriber growth stabilizing

**+6.7% moving average subscriber growth in France from 1Q.2007 to 1Q.2008**

## SUBSCRIBER GROWTH RATES IN FRANCE STABILIZING

- Operator-wide subscriber growth continues to stabilize after a small decline from 3Q.2006 to 3Q.2007.
  - Moving average industry-wide subscriber growth was 6.7% in the last four quarters.
- Bouygues still leads France's operators with a moving average subscriber growth rate of 6.1% over the last four quarters.
- SFR's moving average subscriber growth is continuing on its increase started in 3Q.2007, ending 1Q.2008 with 4.2%, a shade behind Orange's 4.3%.

Chart 1: Subscriber Growth (2Q05 – 1Q08), %



\* Data shows 4-quarter Moving Averages

Source: IEMR



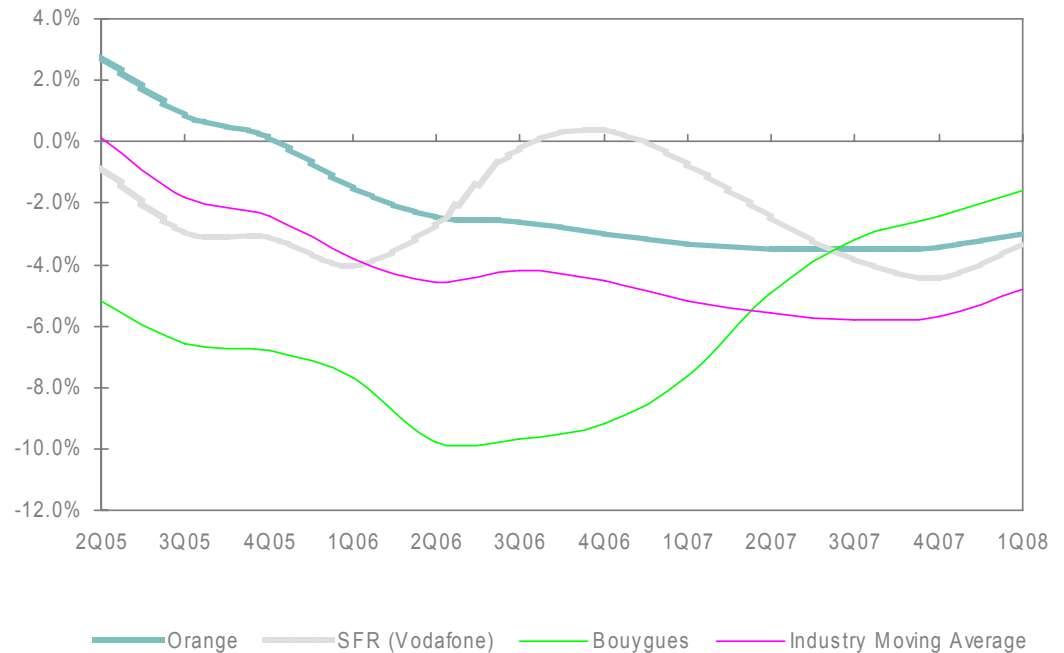
# ARPU levels are stabilizing

**-4.8% operator-wide moving average from 1Q.2007 to 1Q.2008**

## ARPUs ARE STABILIZING OVERALL, BUT STILL IN NEGATIVE TERRITORY

- Decreasing trend in ARPU growth rates has reversed over the last four quarters.
  - The industry moving average climbed back up to -4.8% over the last four quarters
- Bouygues' moving average ARPU growth continues its ascending trend started in 2Q.2006 and has now taken over the lead, despite still being in negative territory, with -1.6% ARPU growth.
- SFR's moving average ARPU growth is on the upswing over the last four quarters after declining from 4Q.2006 to 4Q.2007.

Chart 2: ARPU Growth (2Q05 – 1Q08), %



\* Data shows 4-quarter Moving Averages

Source: IEMR

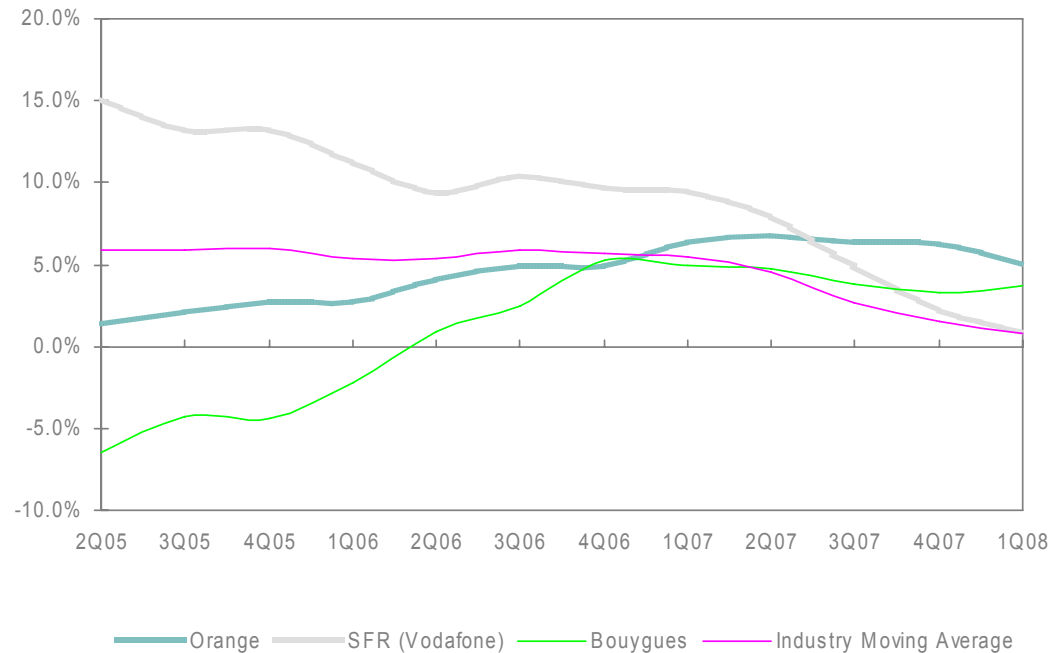


# Minutes of Use per Subscriber increasing at a decreasing rate

## MINUTES OF USE PER SUBSCRIBER ARE INCREASING AT A DECREASING RATE

- The industry MOU/Sub growth moving average from 1Q.2007 to 1Q.2008 was 0.8%.
- SFR continues to see its MOU/Sub growth moving average drop, falling to 0.9% over the last four quarters.
- Bouygues' MOU/Sub growth moving average is on the increase, ending 1Q.2008 at 3.7%.

Chart 3: MOU/Sub Growth (2Q05 – 1Q08), %



\* Data shows 4-quarter Moving Averages



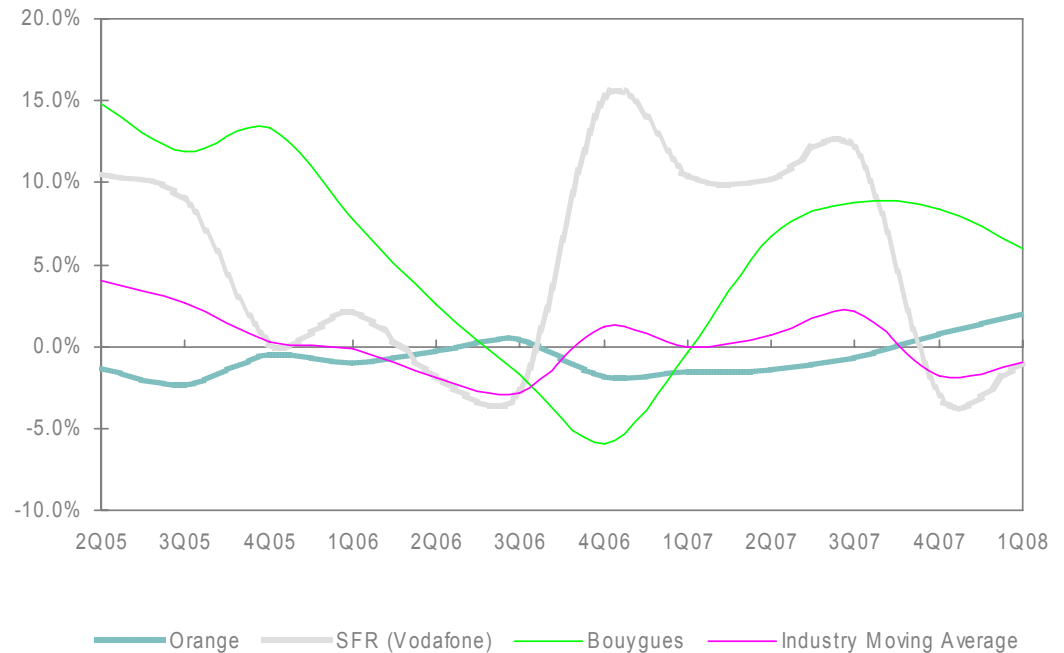
# Operators seeing their EBITDA growth increase

*Industry average EBITDA growth was -1% over last four quarters*

## INCREASE OF EBITDA GROWTH IN FRANCE

- Industry-wide EBITDA growth moving average over last four quarters was -1%.
- EBITDA growth expected to remain between 1% and -1% from 2008 to 2010.
  - Despite being in negative territory, -1% in 1Q.2008, SFR is expected climb up into positive territory from 2008 to 2010.
- Orange continues to see its EBITDA growth moving average increase, 2% in 1Q.2008.

Chart 4: EBITDA Growth (2Q05 – 1Q08), %



\* Data shows 4-quarter Moving Averages



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