

ANALYZE OF THE TELECOMMUNICATIONS SECTOR EVOLUTION AT 31st MARCH 2007

Fixed Telephony Market

At March 31, 2007, the number of subscribers recorded a growth of **27.24%** compared to the previous quarter. The total number of subscribers reached **1 611 0021** (against 1 266 119 at the end of December 2006). This good performance is due to the introduction of fixed telephony services with restricted mobility.

Consequently, the penetration rate of fixed telephony reached **5.39%** at the end of March 2007 against 4.24% in December 2006.

Market size

FIXED TELEPHONY	Mar-06	Dec-06	Mar-07
Market size ¹	1 336 025	1 266 119	1 611 002
Restricted mobility	-	-	337 376
Quarterly growth ²	- 5 131	- 1 003	344 883
Growth (%)³	- 0.38%	- 0.08%	27.24%
Penetration rate	4.47%	4.24%	5.39%

Number of residential subscribers

Residential subscribers	Mar-06	Dec-06	Mar-07
Market size	875 725	813 000	1 153 882
Quarterly growth	- 8 821	- 886	340 882
Growth (%)	- 1%	- 0.11%	41.93%

¹ This figure is calculated on the basis of data communicated by the three operators. It could be modified in the next publications after the adoption of the decision relating to the definition of a subscriber to the Fixed telephony.

² The growth at the quarter N equals to the difference between the market size of N and N-1.

³ % of growth at the quarter N equals to the difference between the market size of N and N-1 divided by the market size of N-1.

Number of Professional subscribers

Professional subscribers	Mar-06	Dec-06	Mar-07
Market size	295 408	295 762	296 860
Quarterly growth	2 889	876	1 098
Growth (%)	0.99%	0.30%	0.37%

Number of Public payphones

Public payphones ⁴	Mar-06	Dec-06	Mar-07
Market size	164 892	157 357	157 736
Quarterly growth	801	- 993	379
Growth (%)	0.49%	- 0.63%	0.24%

⁴ The public payphones includes phone shops, coin and card public telephones.

Mobile Telephony Market

At the end of the first quarter of 2007, the number of mobile subscribers reached 17 125 754, with a growth of **7%**.

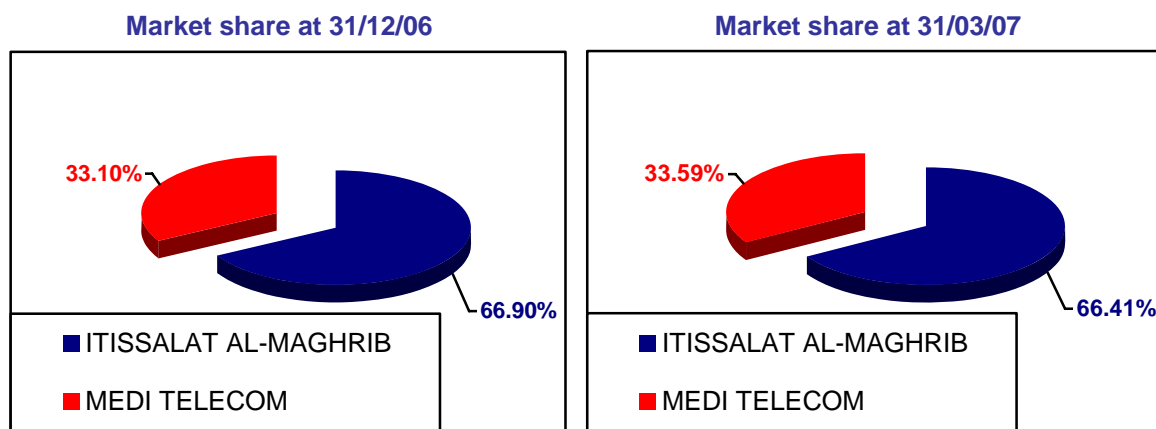
This situation was reflected positively on the penetration rate which reached **56.14%** at the end of March 2007 against 53.54% in December 2006.

Market size

MOBILE TELEPHONY (in thousands)	Mar-06	Dec-06	Mar-07
Market size	12 904	16 005	17 126
Quarterly growth⁵	512	1 105	1 121
Growth (%)⁶	4.13%	7.42%	7%
Penetration rate	43.17%	53.54%	56.14%

Through the analysis of the evolution of the number of mobile subscribers for the two operators, we notice that the number of subscribers of IAM reached 11 372 (in thousands) against 10 708 (in thousands) at the end of December 2006 (a quarterly rise of 6.22%). For the second mobile operator Medi Télécom, the number of subscribers reached 5 753 (in thousands) carrying out an increase of 8.59% compared to December 2006 (5 298 thousands subscribers).

In terms of market share, the incumbent operator holds two thirds of the mobile subscribers with 66.41% of the market and 33.59% for its competitor Medi Télécom which gained a half point during the first quarter of 2007.



⁵ The growth at the quarter N equals to the difference between the market size of N and N-1.

⁶ % of growth at the quarter N equals to the difference between the market size of N and N-1 divided by the market size of N-1.

With regard to the distribution of mobile customers by type of subscription, we notes that there is no change in the structure of the market compared to the last quarter of 2006 and that prepaid always prevails with a share of 95.82% (95.69% at the end of December 2006) against 4.18% for post-paid.

The two types of subscription finished the quarter with a rather rise by recording a **growth of 7.15% for prepaid** and of **3.82% for post-paid** compared to the fourth quarter of 2006.

Post-paid market size evolution

POST-PAID MARKET (in thousands)	Mar-06	Dec-06	Mar-07
Post-paid market size	636	690	716
Quarterly growth	24	9	26
Growth (%)	3.98%	1.34%	3.82%
Penetration rate	2.13%	2.31%	2.35%

Prepaid market size evolution

PREPAID MARKET (in thousands)	Mar-06	Dec-06	Mar-07
Prepaid market size	12 269	15 315	16 410
Quarterly growth	487	1 096	1 095
Growth (%)	4.14%	7.71%	7.15%
Penetration rate	41.04%	51.24%	53.79%

Internet Market

At 31st March 2007, the total Internet subscribers reached 433 399 carrying out an increase of **8.4%** compared to December 2006 (399 720 subscribers) and **37.2%** compared to the same period of 2006.

Market size

INTERNET MARKET	Mar-06	Dec-06	Mar-07
Market size	315 883	399 720	433 399
Quarterly growth	53 559	42 545	33 679
Growth (%)	20.4%	11.9%	8.4%

The number of the narrowband subscribers, including the users of "Internet access without subscription" option moved from 12 376 in March 2006 to **7 663** in March 2007, making state of a **drop of 38.1%**.

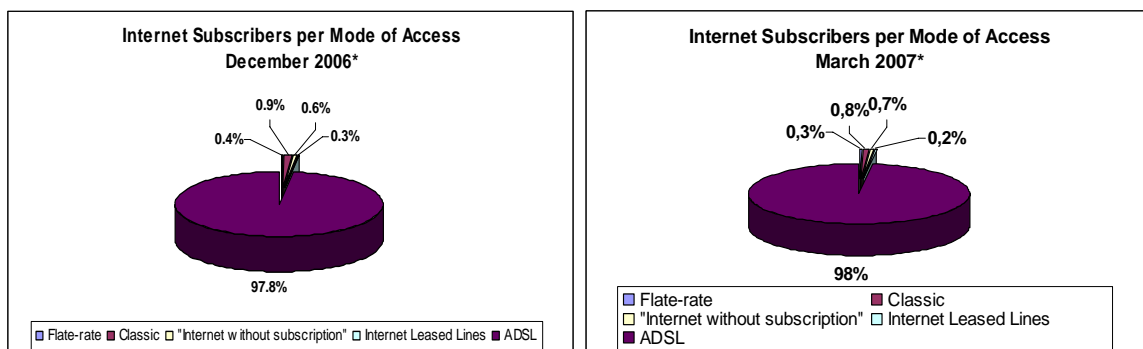
The number of ADSL subscribers is in continuous evolution with a **growth of almost 40.4%** since March 2006 and **350.7%** since March 2005.

The number of Internet access via Leased Lines (LL) is stable. This tendency could be explained by a substitution effect of LL access to the ADSL access.

ADSL market size evolution

ADSL INTERNET	Mar-06	Dec-06	Mar-07
Market size	302 421	390 834	424 713
Quarterly growth	54 410	42 690	33 879
Growth (%)	21.9%	12.3%	8.7%

The distribution of subscribers by access mode is as follows, with a more and more important share for the broadband ADSL accesses (**98%**).



* The number of ADSL subscribers was calculated by adding up The ISP's ADSL subscribers