

ANALYZE OF THE TELECOMMUNICATIONS SECTOR EVOLUTION AT 30th JUNE 2007

Fixed Telephony Market

At JUNE 30, 2007, the number of subscribers recorded a growth of **20.48%** compared to the previous quarter. The total number of subscribers reached **1 940 896¹** (against 1 611 002 at the end of March 2007). This good performance is due to the introduction of fixed telephony services with restricted mobility.

Consequently, the penetration rate of fixed telephony reached **6.36%** at the end of June 2007 against 5.39% in March 2007.

Market size

FIXED TELEPHONY	June-06	Mar-07	June-07
Market size ¹	1 309 619	1 611 002	1 940 896
Restricted mobility	-	337 376	656 784
Quarterly growth ²	- 26 406	344 883	329 894
Growth (%)³	- 1,98%	27.24%	20,48%
Penetration rate	4,38%	5.39%	6,36%

Number of residential subscribers

Residential subscribers	June-06	Mar-07	June-07
Market size	849 475	1 153 882	1 476 648
Quarterly growth	- 26 250	340 882	322 766
Growth (%)	- 3%	41.93%	27,97%

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	June-06	Mar-07	June-07
Market size	298 771	296 860	305 071
Quarterly growth	3 363	1 098	5687
Growth (%)	1,14%	0.37%	1,9%

Number of Public payphones

Public payphones ⁴	June-06	Mar-07	June-07
Market size	161 373	157 736	159 177
Quarterly growth	- 3519	379	1 441
Growth (%)	- 2,13%	0.24%	0,91%

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

Mobile Telephony Market

At the end of the second quarter of 2007, the number of mobile subscribers reached **17 638 077**, with a growth of **2,7%**.

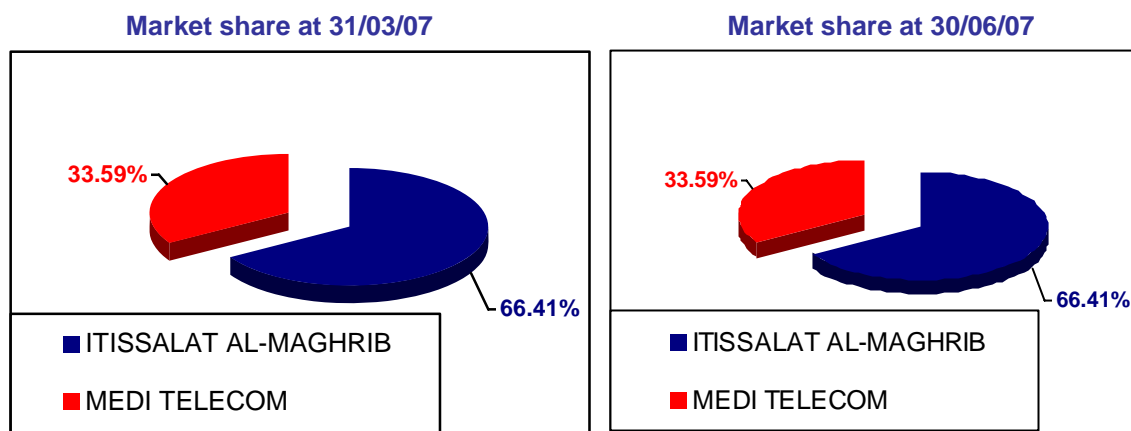
This situation was reflected positively on the penetration rate which reached **57.82%** at the end of June 2007 against 56.14% in March 2007.

Market size

MOBILE TELEPHONY (in thousands)	June-06	Mar-07	June-07
Market size	13 244	17 126	17 638
Quarterly growth ⁵	339	1 121	512
Growth (%)⁶	2,63%	7%	2,69%
Penetration rate	44,31%	56.14%	57,82%

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 11 713 (in thousands) against 11 372 (in thousands) at the end of March 2007. For the second mobile operator Medi Télécom, the number of subscribers reached 5 925 (in thousands) (5 753 thousands subscribers) carrying out a quarterly rise of 3% for both operators compared to March 2007.

In terms of market share, the incumbent operator holds almost two thirds of the mobile subscribers market with 66.41% of the market and 33.59% for its competitor Medi Télécom. There is no change in the market share comparing to the last quarter.



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

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.

the last quarter of 2006 and that prepaid always prevails with a share of 95.75% (95.82% at the end of March 2007) against 4.25% for post-paid.

The two types of subscription finished the quarter with a rather rise by recording a **growth of 2.92% for prepaid** and **of 4.73% for post-paid** compared to the first quarter of 2007.

Post-paid market size evolution

POST-PAID MARKET (in thousands)	June-06	Mar-07	June-07
Post-paid market size	661	716	750
Quarterly growth	25	26	34
Growth (%)	3,94%	3.82%	4,73%
Penetration rate	2,21%	2.35%	2,46%

Prepaid market size evolution

PREPAID MARKET (in thousands)	June-06	Mar-07	June-07
Prepaid market size	12 583	16 410	16 888
Quarterly growth	314	1 095	478
Growth (%)	2,56%	7.15%	2,92%
Penetration rate	42,09%	53.79%	55,36%

Internet Market

At 30th June 2007, the total Internet subscribers reached 476 909 carrying out an increase of **10%** compared to March 2007 (433 399 subscribers) and **39,5%** compared to the same period of 2006.

Market size

INTERNET MARKET	June-06	Mar-07	June-07
Market size	341 859	433 399	476 909
Quarterly growth	25 976	33 679	43 510
Growth (%)	8,2%	8.4%	10%

The number of the narrowband⁷ subscribers, including the users of "Internet access without subscription" option and wireless Internet access moved from 9 053 in June 2006 to **31 269** in June 2007, making state of a **rise of 245%**.

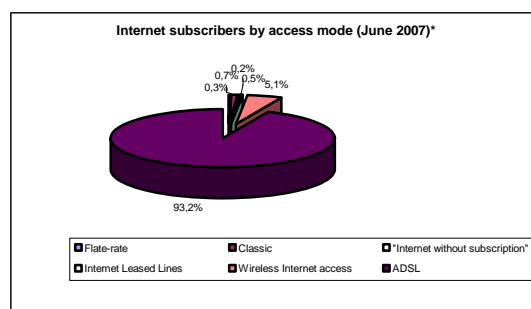
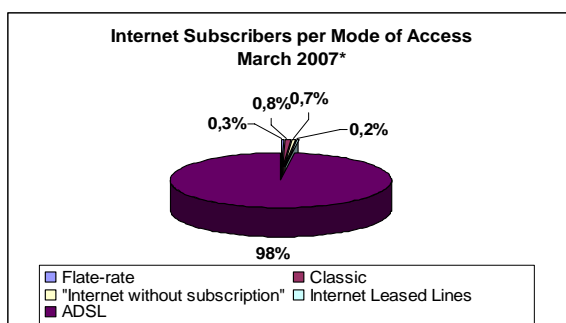
The number of ADSL subscribers is in continuous evolution with a **growth of almost 34%** since June 2006 and **219%** since June 2005.

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	June-06	Mar-07	June-07
Market size	331 746	424 713	444 633
Quarterly growth	29 325	33 879	19 920
Growth (%)	9,7%	8.7%	4,7%

The distribution of subscribers by access mode is as follows, with an important share for the broadband ADSL accesses (**93,2%**).



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

⁷ Starting from June 2007, the total number of Internet subscribers includes also wireless Internet access.