

france telecom

3Q07 results

October 25<sup>th</sup> 2007



## cautionary statement

- this presentation contains forward-looking statements and information on France Telecom's objectives, in particular for 2007. Although France Telecom believes that these statements are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties and there is no certainty that anticipated events will occur or that the objectives set out will actually be achieved. Important factors that could result in material differences between the objectives presented and the actual results achieved include, among other things, changes in the telecom market's regulatory environment, competitive environment and technological trends, the success of the NEXt plan and other strategic initiatives based on the integrated operator model as well as France Telecom's financial and operating initiatives, and risks and uncertainties attendant upon business activity, exchange rate fluctuations and international operations.
- the financial information in this presentation is based on international financial reporting standards (IFRS) and is subject to specific uncertainty factors given the risk of changes in IFRS standards.
- more detailed information on the potential risks that could affect France Telecom's financial results can be found in the Document de Référence filed with the French Autorité des Marchés Financiers and in the Form 20-F filed with the U.S. Securities and Exchange Commission.
- market share figures at September 30, 2007 included in this presentation are France Telecom estimates.
- financial data for the third quarter 2006 and the third quarter 2007 are unaudited.

# 3Q07 Group Highlights

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## **3Q07 highlights** **strong performance in 3Q07**

- 3Q strong performance drivers:
  - continuing good resilience of French activities (including wholesale) and a strong summer season
  - higher mobile revenue growth both in Spain and in the UK
  - sustained performance in growing markets
  - enterprise growth thanks to a slower pace in legacy voice decrease
- resulting in:
  - strong organic revenue growth in 3Q: +3.5% yoy
  - GOM increase by 5.1% leading to a GOM rate of 37.7% (+0.6 pt vs 3Q06)
  - high level of cash flow generation



**FY 2007 should be in line with the first 9 months of 2007, leading us to upgrade FY07 guidance**

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## 3Q07 key financial achievements

### solid 9 months performance

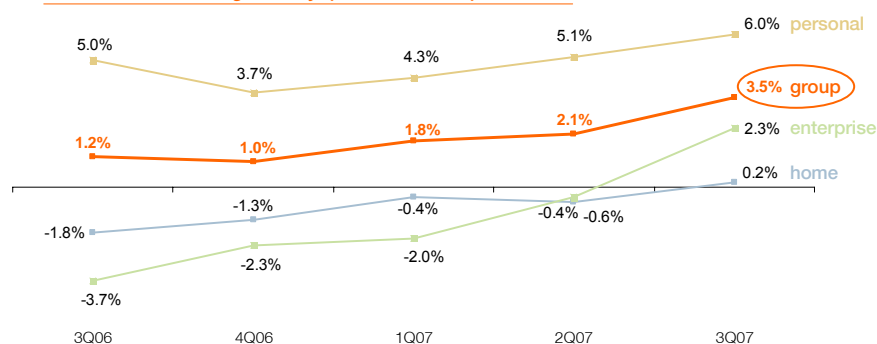
in million of euros	9M06 C.B.	9M07 actual	Δ06/07	key points
<b>revenues</b>	38,471	<b>39,420</b>	+2.5%	▪ sustained revenue growth, with a strong 3Q (+3.5%)
<b>GOM pre-commercial expenses</b> <i>in % of rev</i>	19,609 51.0%	<b>20,210</b> <b>51.3%</b>	+3.1% <b>+0.3pt</b>	▪ cost base kept under control as announced
<b>GOM</b> <i>in % of rev</i>	14,084 36.6%	<b>14,510</b> <b>36.8%</b>	+3.0% <b>+0.2pt</b>	▪ GOM rate increase, in a 3Q favourable environment
<b>CAPEX</b> <i>in % of rev</i>	4,583 11.9%	<b>4,401</b> <b>11.2%</b>	-4.0%	▪ higher level in 4Q should compensate for lower 3Q due to seasonality effect
<b>GOM – CAPEX</b>	9,501	<b>10,110</b>	+6.4%	▪ strong increase mainly driven by GOM rise

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## 3Q07 revenue growth

### strong growth accross all operations

*evolution of revenue growth by quarter on a comparable basis*



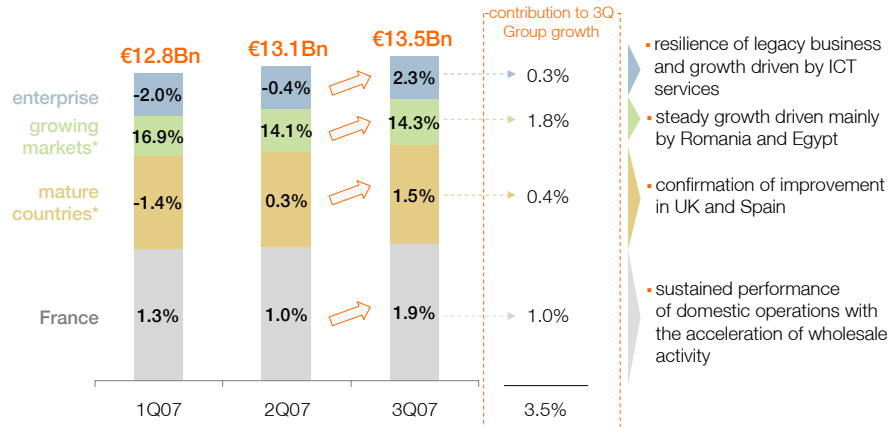
- mobile remains the main growth driver of the Group
- home revenue increase driven by solid activity in France, in Spain and improvement in Poland
- continued improvement of Enterprise trend with a strong revenue growth for 3Q thanks to resilience of legacy business and growth of ICT services

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## 3Q07 revenue growth

all businesses are contributing to Group growth

*evolution of revenue growth by quarter on a comparable basis*

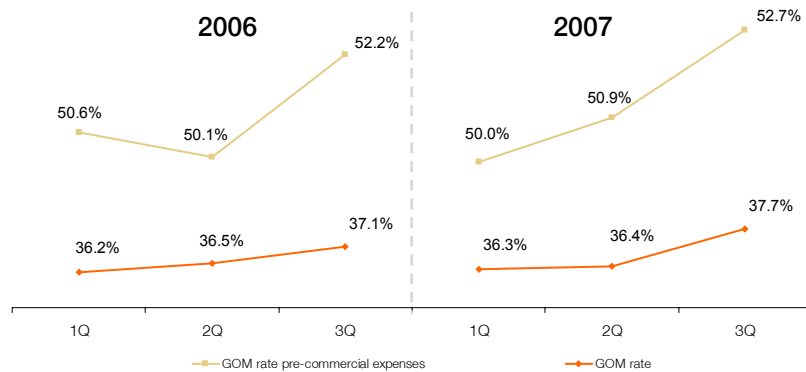


7 \* see glossary

## 3Q07 Gross Operating Margin

improvement over 3Q06 with stable commercial costs in 3Q07

*evolution of margin by quarter on comparable basis*



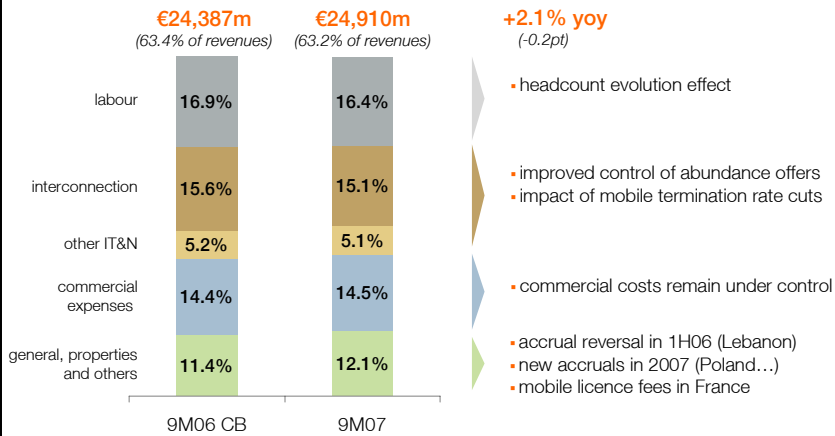
■ GOM drivers in 3Q07:

- roaming regulation impact from September
- subscription fee increase in France (July 3<sup>rd</sup>, 2007)
- stable wholesale tariffs in France
- improved control over operational costs (-0.6 pt yoy as a % of revenues)

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## ongoing improvement of cost structure reductions in interconnection and labour costs

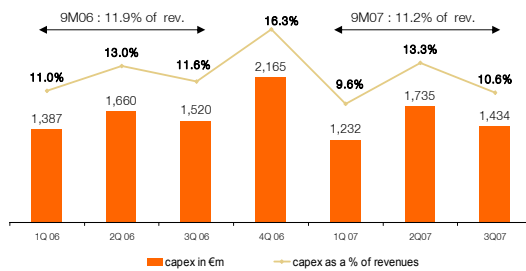
### evolution of opex (in % of revenues)



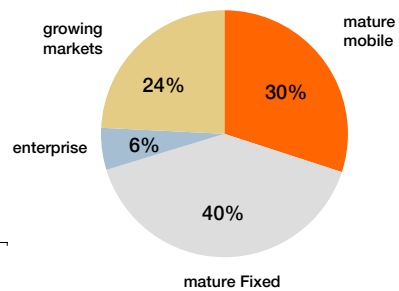
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## capex lower level in 3Q due to seasonality effect

### evolution of capex\* (in million euros)



### capex per item at the end of September (in %)



10 \* 2006 figures on historical basis

# 3Q07 regional performance

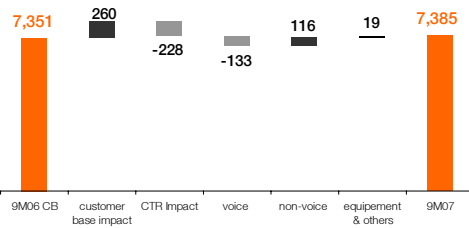
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## 3Q07 personal France

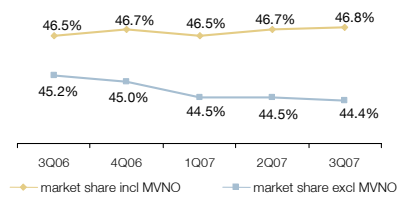
### solid performance in revenue and market share

**9M revenues: +0.5% yoy on a comparable basis (+3.7% excl. CTR)**

(in million of euros)



### Orange market share evolution\*



- sustained revenue growth in 3Q (+1.2% and +4.3% excl. CTR impact)
  - ARPU\*\* stands at €399 (-3.3% yoy, -0.8% excl. CTR impact)
  - non-voice revenue growth, now representing 17% of network revenues
- continuing increase of the customer base at 23.5m (+4.3% yoy) in a more competitive market in 3Q
  - improving contract mix at 65.3%, with 305k contract net adds in 3Q
  - commercial performance in line with our strategy focused on retention (contract churn now below 11%)
  - increase of market share including MVNO customers at 46.8% (1.2m MVNO customers)

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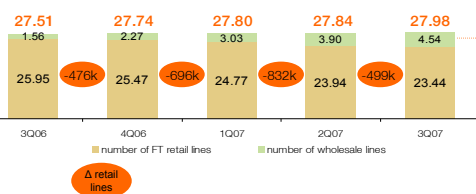
\* Company estimates, \*\*annual rolling ARPU



## 3Q07 home France

### slowdown of retail line losses in an increasing market

*total number of fixed lines (in million)*



	1Q net adds	2Q net adds	3Q net adds	base end of Sept.
full unbundling	442	302	336	3,142
WLR	65	369	143	592
naked ADSL	254	200	163	805

- full unbundling: stabilized pace in 3Q07 with continuing transfer from partial unbundling
- wholesale line rental: following a start in 1Q and a peak in 2Q, strong reduction of lines migrated from pre-selection
- naked ADSL lines: slow down in competitors' acquisitions especially in non-unbundled areas while Orange Naked ADSL subscribers almost doubled in a quarter (+312k in 3Q)

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## France: priorities & outlook

### personal

- meet the challenge of aggressive competitor commercial campaigns via:
  - iPhone launch end of November
  - boosting blockbuster handsets sales
  - ongoing off-net abundance offers
- develop new MVNO and licence revenues

### home

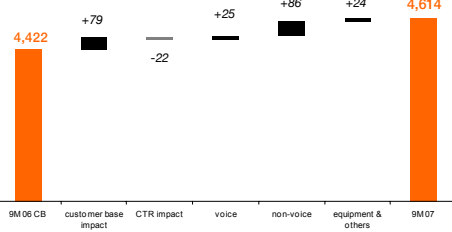
- continue to target new comers in broadband
- control evolution of ADSL churn thanks to the Net offers
- pursue deployment of Net offers in dense areas
- continue to improve customer satisfaction and quality of services
- ongoing FTTH deployment

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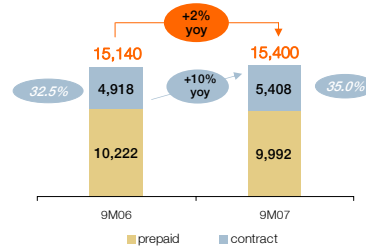
## 3Q07 personal UK acceleration of revenue growth in 3Q (+6.8% yoy)

**9M revenues: +4.3% yoy on a comparable basis  
(+4.9% excl. CTR)**

(in million of euros)

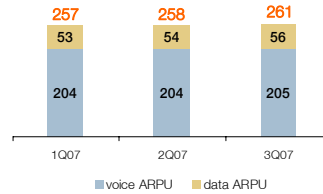


**customer base mix (000s)**



- n°1 operator for consumer contract acquisition in 3Q\*
  - 29% consumer contract gross adds market share\*
  - 224k contract net adds (annual rolling churn reduced at 22.7% as a result of 18 months contract)
- recovering in prepaid market
  - 10k net adds in 3Q
- ARPU growing to £261 as a result of value strategy

**annual Rolling ARPU (GBP)**



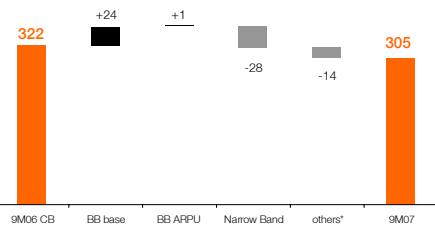
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\* company estimates

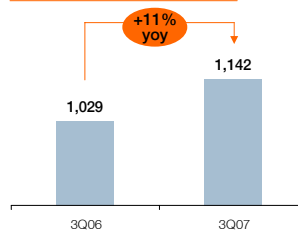
## 3Q07 home UK recovery in broadband sales momentum

**9M revenues: -5.4% yoy on a comparable basis**

(in million of euros)

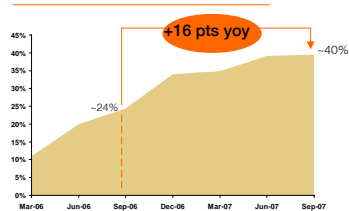


**closing base ADSL (000s)**



- improving customers acquisition performance
  - 52k net additions, twice the level of 3Q06
  - +181% yoy on the converged base (326k customers)
- conversion into new revenues still to come
  - decline in narrowband and search revenues
  - but new search contract signed with Google is effective from October 2<sup>nd</sup>

**LLU population coverage (%)**



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\* including search contract

## UK: priorities & outlook

### new management team announced with three priorities:

- market leader for customer loyalty
- set the benchmark for cost efficiency
- pervasive market presence

### personal

- maintain contract customer growth momentum
- finalize network sharing discussions
- drive improved, sustainable and consistent customer service
- continue to develop new revenue streams – 2 MVNOs announced in 3Q

### home

- further improve customer experience: customer services and network performance
- continue to build the product portfolio: Orange Max (broadband with fixed line voice), launched in September, revised converged products from October, Digital TV trials started
- develop and exploit partnerships: new Google search contract in October

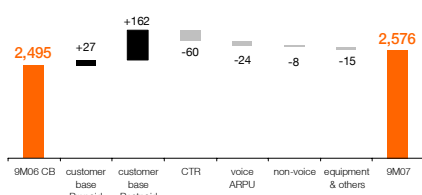
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## 3Q07 personal Spain

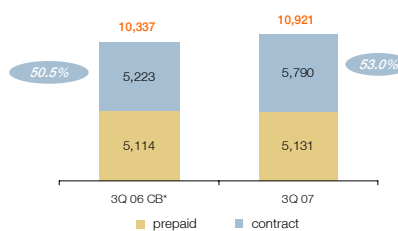
delivery of further revenues growth in 3Q (+4.4% yoy)  
confirms validity of value strategy

**revenues: +3.2% yoy on a comparable basis**  
**(+5.7% excl. CTR impact)**

(in million of euros)



**customer base (000s): +5.6% yoy (cb)**  
**with now 53% of contract subscribers**



- continuous improvement in revenues growth
  - progress acceleration on a quarterly basis: 1Q is +2.3%, 2Q: +3.0%, 3Q: +4.4%
  - value customer acquisition more than compensates for CTR impact and price decrease
- sound customer base growth\*\*
  - +14.6% yoy contract customer growth with major success of value tariffs plan
  - +2.7% yoy prepaid growth

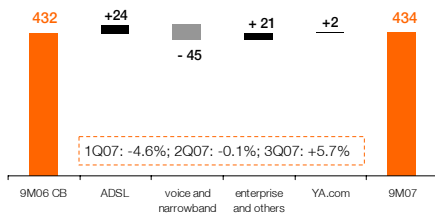
20 \*including prepaid base clean-up (500k); \*\* excluding the Euskaltel impact and including prepaid base clean-up

## 3Q07 home Spain

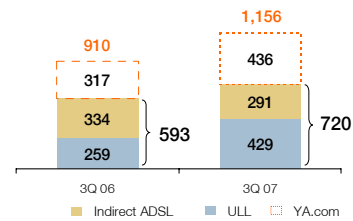
return to revenue growth in 3Q (+5.7% yoy)

**9M revenues: stable yoy on a comparable basis**

(in million of euros)



**+27% in broadband subscriber base (000s) including Ya.com base**



- back to revenue growth in Home with +5.7% yoy in 3Q07
  - acceleration of broadband base increase thanks to a strong churn reduction and strong performance in corporate and wholesale
  - improvement will be further enhanced by the launch of "All in One" 3P offer in September
- integration of YA.com
  - synergies: portal and B2B activities already integrated, common premises in 4Q07, common ULL network coverage roll-out
  - definition of 2-brand common roadmap for 4Q07

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## Spain: priorities & outlook

### personal

- maintain momentum in contract growth (B2B and B2C)
- further improve prepaid performance
- build up 3G and Data services customer base
- reinforce retention performance
- launch new convergent offers (bundle ADSL + Internet Everywhere)

### home

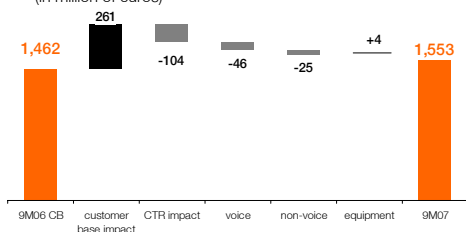
- reinforce ADSL market share through focus on "All in One" and YA.com products sale
- increase Portal audience
- reinforce retention performance
- launch new TV content offers

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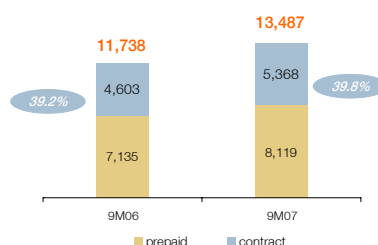
## 3Q07 personal Poland maintaining market leadership in a slowing market

9M07 revenues: **+6.2% yoy on a comparable basis**

(in million of euros)



customer base (000s): **+14.9% yoy**



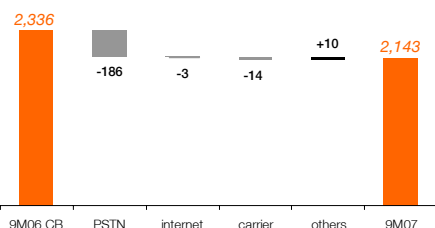
- strong growth of customer base at 13.5m (+14.9% yoy):
  - postpaid and prepaid customer base up by 16.6% yoy and 13.8% yoy respectively
  - decrease of quarterly ARPU (PLN38.2 in 3Q07/ -3.5% yoy) due to CTR, partly offset by higher usage (quarterly AUPU: 104min in 3Q07/+8.3% yoy)
- leadership maintained
  - stable market share in value at 34.3% (33.6% in volume)\*
  - strong level of gross adds in the quarter (39.8% share of conquest)\*

23 \* company estimates

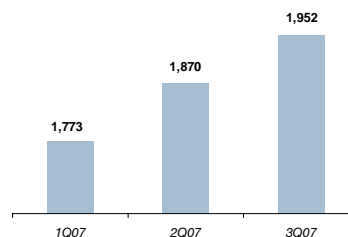
## 3Q07 home Poland slower revenue decrease in a highly regulated and competitive environment

9M07 revenues: **-8.3% yoy on a comparable basis**

(in million of euros)



broadband subscriber base (000s): **+26% yoy**



- slight slowdown of the revenue decline: -8.9% in 1Q07, -9% in 2Q07 and -6.8% in 3Q07
  - PSTN revenues still impacted by Fixed-to-Mobile substitution and CTR
  - increase of fixed voice traffic market share at 79.2% in 3Q07 vs 77.9% in 3Q06
- strong retail ADSL market share (43.1% in 3Q07)
  - growing broadband customer base despite market slow-down
  - growing livebox user base from 5% of ADSL base in 3Q06 to 16% in 3Q07
  - narrowband revenue decrease not yet compensated by broadband revenue growth

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## Poland: priorities & outlook

### personal

- maintain leadership through stronger focus on value market share
  - specific commercial actions to increase acquisitions in contract market
  - stimulate active base in prepaid (Orange music, Christmas promotions)
- increase penetration of mobile broadband in business customer base

### home

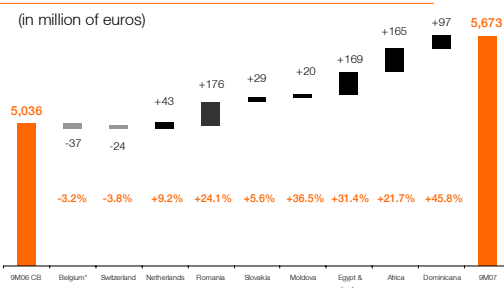
- defend strong position in traditional voice through stimulating usage
- preparation of new concept of TP unlimited offer for business client
- IP TV roll-out to 41 cities as a tool to double its customer base in 4Q
- increase loyalty and ARPU thanks to 3P bundles leveraged by IPTV
- increase data revenues by continuing leadership in IP VPN market

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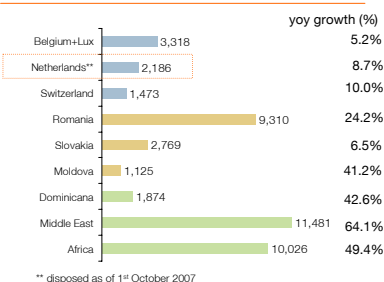
## 3Q07 personal ROW

### sustained revenue growth outside Western Europe

**9M revenues: +12.6% yoy on a comparable basis**  
(+16.5% excl. CTR)



**mobile customer base (000s): +34.7% yoy**



- revenue growth supported by strong increase in customer base growth: highest quarter for net additions (3.3m in 3Q07), particularly in Egypt and Romania
- revenues impacted by
  - CTR in Belgium and in Switzerland
  - intensive competition in Ivory Coast: 5th operator to be launched end of 07, while 7th licence awarded
- rebranding of Jordan mobile, fixed and Internet activities completed in September 2007

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\*incl. Vox Mobile

## 3Q07 home ROW ongoing development of broadband

**9M revenues: +1.7% yoy on a comparable basis**

(in million of euros)



- revenue growth in Jordan and Africa mainly driven by:
  - wholesale and internet development
  - partly compensated by telecenters decrease in Senegal and PSTN decline

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## ROW: priorities & outlook

personal

- maintain growth momentum
  - monitoring ARPU in Africa and Middle East to target new customers segments
  - accelerate roll-out of convergent models in Europe:
    - FTTH launched in Slovakia on 3<sup>rd</sup> Sept, extension of Wimax coverage in Romania to 20 cities, ADSL in Switzerland launched in June,...
  - development of non-voice revenues:
    - strong push on mobile broadband in Romania (HSDPA launched) and Moldova; mobile multimedia services to be launched in Africa
- cost control everywhere
  - pursue cost efficiency program in Western Europe

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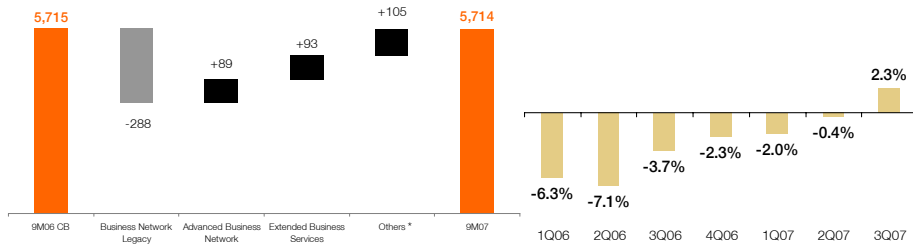
## 3Q07 enterprise

### 3Q07 growth thanks to resilience of legacy and ICT services development

9M revenues: stable yoy on a comparable basis

quarterly revenue evolution yoy (%) on a comparable basis

(in million of euros)



- stabilization of revenue thanks to stronger growth in Network Related Services
  - resilience confirmed in Business Network Legacy both in voice France and in data revenues
  - advanced Business Network revenue growth slowdown as migration towards IP is well under way: IP VPN accesses up 18.1% and BEW up 18.2% yoy
  - ICT services\*\* revenue growth: +16.5% yoy in 9M07, including strong equipment resales
- less favorable seasonality and 4Q06 base effect should mitigate 4Q07 yoy trend

29 \* broadcast and equipment ; \*\* Extended Business Services+Business outsourcing+equipment resale

## enterprise: priorities & outlook

- maintain our strong position on voice and data in France while supporting customer move toward IP
- pursue enhancement of our portfolio on VoIP/ToIP\* and focus on customer experience
- strengthen our commercial development in the emerging areas
  - acquisition of the Enterprise and Managed Services Divisions of GTL in India completed in September 07: will strengthen our presence in India and throughout the region
- continue to grow ICT at high speed while improving profitability
- further streamline cost base

30 \* telephony over IP

# outlook

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## alleged French State Aid

in 2004, the EC stated that the special business tax regime applied to France Telecom from 1991 to 2002 was incompatible with the EU Treaty

- the EC ordered the French State to obtain from FT the amount of aid estimated € 0.8-1.1 billion plus interest
  - both FT and the French State lodged an appeal against the decision
- ⇒ the tribunal decision is still pending

on October 18 2007, the European Court of Justice ruled that the French authorities had failed to execute the Commission's decision of 2004

- To allow the implementation of the Court of Justice of the European Communities' decision, FT has decided to put under escrow an amount corresponding to the minimum net amount estimated, adjusted from the interests and corporate tax (i.e. € 755 millions)
- ⇒ the amount under escrow will be released to FT or to the French State, depending on the tribunal decision
- at this stage, there is no change, for FT, in the treatment of this risk as a contingent liability
  - escrow impact net debt but not the Group organic cash flow

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## full year trend

FY07 should be in line with the first 9 months 07 performance

### growth drivers

- France should continue to enjoy a good level of business
- on going improvement expected in UK and Spain
- slight growth moderation in emerging countries as penetration rate and competition increase
- on going reduction in cost base

### growth mitigators

- full roaming effect in 4Q07
- increased competition level for 4Q07 in Western Europe putting pressure on SACs/SRCs level
- off-net and data/sms abundance offers probable expansion in mature countries
- less favorable seasonality and base effect expected in 4Q for Enterprise

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## outlook

2007 guidance upgraded

	previous	new
<b>GOM margin rate</b>	<ul style="list-style-type: none"><li>▪ near stabilization</li></ul>	<ul style="list-style-type: none"><li>▪ <b>stabilization</b></li></ul>
<b>capex</b>	<ul style="list-style-type: none"><li>▪ around 13% of revenues</li></ul>	<ul style="list-style-type: none"><li>▪ around 13% of revenues</li></ul>
<b>organic cash flow</b>	<ul style="list-style-type: none"><li>▪ €6.8bn</li></ul>	<ul style="list-style-type: none"><li>▪ <b>€7.5bn</b></li></ul>
<b>dividend</b>	<ul style="list-style-type: none"><li>▪ 40% to 45% of organic cash flow</li></ul>	<ul style="list-style-type: none"><li>▪ 40% to 45% of organic cash flow</li></ul>
<b>debt/GOM ratio</b>	<ul style="list-style-type: none"><li>▪ below 2 by the end of 2008</li></ul>	<ul style="list-style-type: none"><li>▪ below 2 by the end of 2008</li></ul>

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# appendices

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## glossary <sup>(1)</sup>

<b>ADSL market share</b>	<ul style="list-style-type: none"> <li>sum of France Telecom ADSL access on the retail market (excluding monopoly usage without high-speed Internet access), the unbundling and ADSL wholesale offers sold to third party operators and Internet access providers (IAPs).</li> </ul>
<b>ARPU</b> (Average Revenues Per User)	<ul style="list-style-type: none"> <li><b>for HCS segment:</b> average monthly revenues on the basis of the last twelve months divided by the weighted average number of customers over the same period.</li> <li><b>for PCS segment:</b> revenues of the network generated over the last twelve months (excluding revenues from mobile virtual network operators – MVNO) divided by the weighted average number of customers over the same period.</li> <li><b>for Internet:</b> connectivity revenues divided by the weighted average number of Internet customers during the same period.</li> </ul>
<b>AUPU</b> (Average Usage Per User)	<ul style="list-style-type: none"> <li><b>for PCS segment:</b> total minutes used over the preceding 12 months (outgoing, incoming and roaming calls, excluding the traffic of Mobile Virtual Network Operators) divided by the weighted average number of customers over the same period. AUPU is expressed in minutes as a monthly usage per customer.</li> </ul>
<b>CAPEX</b> (CAPital EXpenditures)	<ul style="list-style-type: none"> <li>tangible and intangible investments excluding GSM and UMTS licenses and investments through finance lease.</li> </ul>
<b>C.B.</b> (Comparable Basis)	<ul style="list-style-type: none"> <li>data presented with comparable methods, consolidation and exchange rates are presented for the preceding period.</li> </ul>
<b>Churn Rate</b>	<ul style="list-style-type: none"> <li>total number of customers who disconnect or are considered to have disconnected from its network, voluntarily or involuntarily (excluding money-back return and fraudulent connections) for the previous 12 months divided by the weighted average number of customers over the same period.                             <ul style="list-style-type: none"> <li>for Personal UK, migrations between contract and prepaid products are included in individual product churn but not in overall churn. Disconnections occurring either during the money-back guaranteed 14-days trial period or due to fraudulent connections are not included in churn. Prepaid customers are considered churned if they have not made any outgoing calls or received less than 4 incoming calls in the last 3 months.</li> <li>for Personal France, churn includes migrations between contract and prepaid products and those customers upgrading their handsets via an indirect channel as well as prepaid customers are treated as having churned after eight months if they do not recharge their account during this eight-month period.</li> </ul> </li> </ul>
<b>GOM</b> Gross Operating Margin	<ul style="list-style-type: none"> <li>revenues less external purchases, other operating expenses (net of other operating income) and labour expenses. Labour expenses presented in GOM do not include employee profit-sharing or share-based compensation.</li> </ul>

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## glossary <sup>(2)</sup>

<b>Net Financial debt</b>	<ul style="list-style-type: none"> <li>gross financial debt (converted at the year end closing rate), less (i) derivative instruments carried in assets for trading, cash flow hedges and fair value hedges, (ii) cash collateral paid on derivative instruments, (iii) cash and cash equivalent and financial assets at fair market value, and (iv) certain deposits paid on specific transactions, and adjusted for the impact of the effective portion of cash flow hedges.</li> </ul>
<b>Number of Employees</b>	<ul style="list-style-type: none"> <li>active employees at end-of-period: number of persons working on the last day of the period, including both permanent and fixed-term contracts.</li> </ul>
<b>Mature markets</b>	<ul style="list-style-type: none"> <li>France, UK, Spain, Netherlands, Switzerland, Belgium, Luxembourg, Poland Fixed</li> </ul>
<b>Growing markets</b>	<ul style="list-style-type: none"> <li>Poland mobile, Botswana, Cameroon, Dominican Republic, Egypt, Equatorial Guinea, Ivory Coast, Jordan, Madagascar, Mali, Mauritius, Mexico, Moldova, Romania, Slovakia, Senegal, Vanuatu, Vietnam, other countries</li> </ul>
<b>SACs Subscriber Acquisition Costs</b>	<ul style="list-style-type: none"> <li>for PCS segment: Sum of the acquisition costs for the handsets sold and the commissions paid to retailers from which are deducted the revenues received from the sale of handsets, for each new customer.</li> </ul>
<b>SRC Subscriber Retention Costs</b>	<ul style="list-style-type: none"> <li>for PCS segment: sum of the acquisition costs for the handset sold and the commission paid to retailers from which are deducted the revenues received from the sale of handset for each customer renewing his contract.</li> </ul>
<b>Commercial costs</b>	<ul style="list-style-type: none"> <li>external purchases including purchase of handset and other products sold, retail fees and commissions and advertising, sponsoring and brand costs</li> </ul>
<b>IT&amp;N costs</b>	<ul style="list-style-type: none"> <li>external purchases including services fees and inter-operator costs, outsourcing fees relating to technical operation and maintenance and IT expenses</li> </ul>
<b>Labour costs</b>	<ul style="list-style-type: none"> <li>wages and employees benefit expenses excluding employee profit sharing and share based compensation costs – net of capitalized costs.</li> </ul>

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## 3Q07 key operational achievements

in thousands	<b>3Q07 actual</b>	△06/07*
<b>total group customers</b>	<b>167,762</b>	+9.8%
<i>o/w Orange branded</i>	<i>113,710</i>	
<b>mobile customers</b>	<b>106,875</b>	+16.0%
<i>o/w broadband customers</i>	<i>10,535</i>	+170%
<b>ADSL Broadband subscribers</b>	<b>11,441</b>	+27%
<i>o/w with Livebox</i>	<i>50%</i>	+65%
<i>o/w VoIP customers</i>	<i>37%</i>	+101%
<i>o/w IPTV clients</i>	<i>9%</i>	+138%
<b>enterprise</b>		
<i>business everywhere (France)</i>	<i>550</i>	+18%
<i>IP/VPN accesses</i>	<i>285</i>	+18%

38 \* on a comparable basis including the cleaning of the inactive prepaid base in Spain in Q207

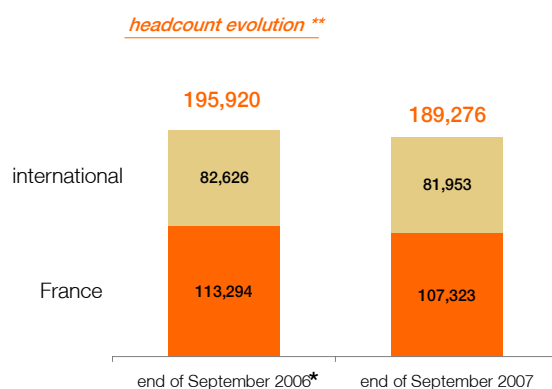
## 3Q07 revenue growth

strong performance mainly driven by RoW, domestic, UK and Spain operations

in million of euros	3Q06	3Q07	9M06*	9M07	Change	
					3Q07/ 3Q06	9M07/ 9M06
<b>group revenues</b>	13,050	13,508	38,471	39,420	3.5%	2.5%
<b>total personal</b>	7,120	7,546	20,594	21,653	6.0%	5.1%
personal France	2,527	2,556	7,351	7,385	1.2%	0.5%
personal UK	1,498	1,599	4,422	4,614	6.8%	4.3%
personal Spain	862	900	2,495	2,576	4.4%	3.2%
personal Poland	531	559	1,462	1,553	5.2%	6.2%
personal ROW	1,775	1,981	5,036	5,673	11.6%	12.6%
<b>total home</b>	5,661	5,672	16,884	16,840	0.2%	-0.3%
home France	4,395	4,478	13,137	13,315	1.9%	1.4%
home Poland	775	722	2,336	2,143	-6.8%	-8.3%
home UK	107	98	322	305	-8.1%	-5.4%
home Spain	157	166	432	434	5.7%	0.5%
home other ROW	281	287	799	841	2.1%	5.3%
<b>total enterprise</b>	1,870	1,914	5,715	5,714	2.3%	0.0%
eliminations	-1,601	-1,624	-4,721	-4,786	1.4%	1.4%

39 \* on a comparable basis, ie adjusted from forex (-60M€) and perimeter and other impact (+91M€)

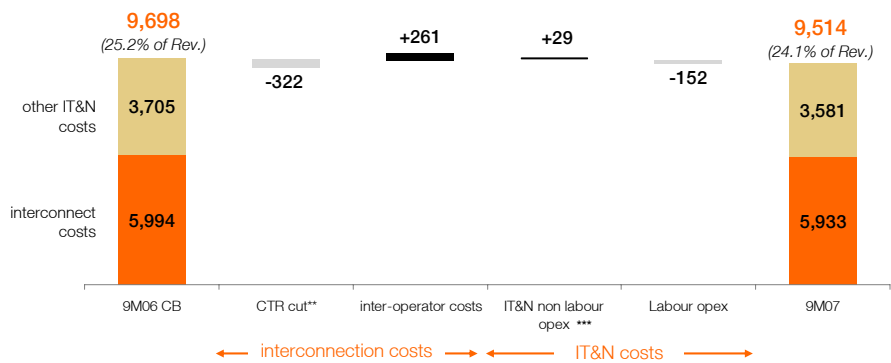
## headcount evolution



40 \* on a comparable basis; \*\* permanent headcount

## interconnect & IT&Networks costs improved by 1.1 ppt yoy

*interconnect & IT&N costs\* evolution (in million of euros)*



41 \* including labour costs related to IT&N, \*\* cut in call termination rate (Mobile operators only), \*\*\* net of capitalized costs