



Appendix

FY05: revenues by segment

Statutory figures



Euro millions

	FY04	FY04 PP*	FY05
Total Group	46,158	47,841	49,038
Total Personal	20,564	21,913	23,535
Personal - France	8,365	9,217	9,773
Personal - UK	5,833	5,786	5,832
Personal Spain		496	536
Personal - Poland	1,247	1,402	1,598
Personal - Rest of World	5,290	5,170	5,991
Eliminations	-171	-159	-195
Total Home	22,440	22,800	22,534
Home - France	18,002	17,914	17,718
<i>ow consumer services</i>	9,886	9,776	9,677
<i>ow carrier services</i>	5,577	5,591	5,504
<i>ow Other Home revenues in France</i>	2,539	2,547	2,537
Home - Poland	3,011	3,380	3,141
Home - Rest of the World	1,584	1,671	1,837
Eliminations	-157	-164	-162
Total Enterprise	8,235	8,227	7,785
Directories	978	1,001	1,061
Eliminations	-6,059	-6,100	-5,877

* See glossary

FY05: G.O.M. by segment

Statutory figures

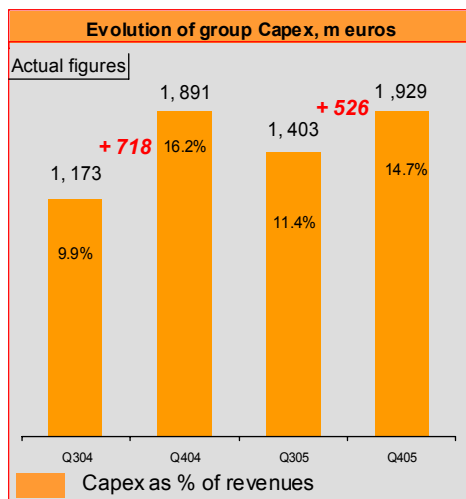


Euro millions	FY04	FY04 PP*	FY05
Total Group	17,923	18,264	18,416
Total Personal	8,076	8,225	8,471
Personal - France	3,682	3,702	3,636
Personal - UK	1,843	1,859	1,651
Personal - Spain	0	116	109
Personal - Poland	464	522	604
Personal - Rest of World	1,980	2,026	2,471
Total Home	7,400	7,602	7,538
Total Enterprise	2,039	2,024	1,949
Directories	407	413	463

* See glossary

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CAPEX analysis



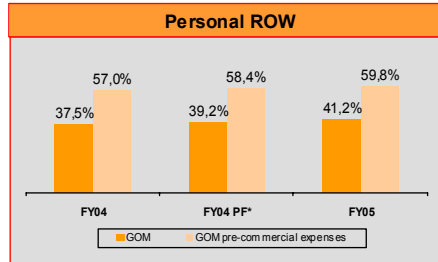
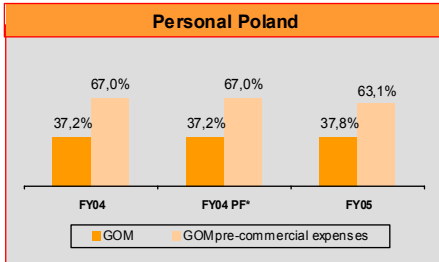
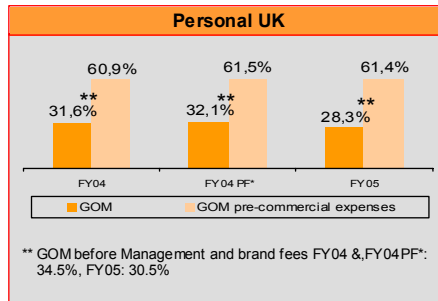
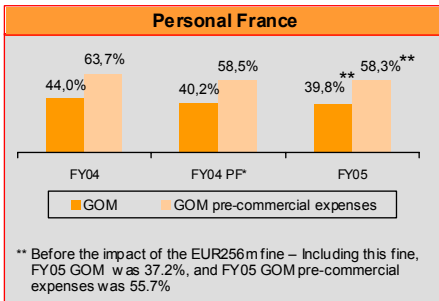
→ 2H05 benefited from a better phasing than in 2004

→ IT & N Capex = 4.8 Bn euros

- of which 3.6 Bn euros of Network capex
- of which 1.15Bn euros of IT capex

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FY 05 G.O.M rate Personal

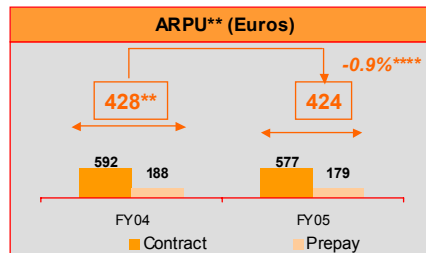
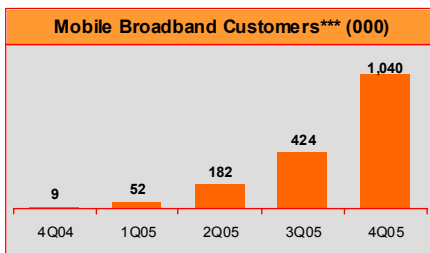
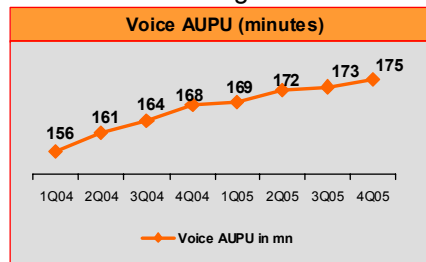
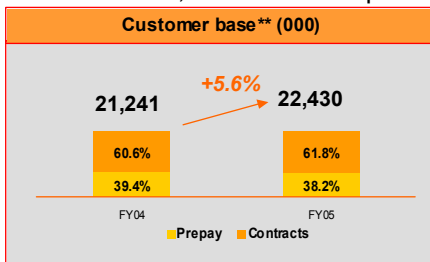


* See glossary

Personal France



Revenues: €9,773m / + 6.0% pro-forma** / + 7.4% excluding CTR* cut

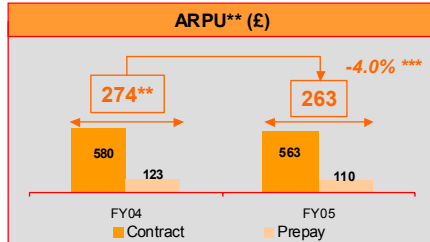
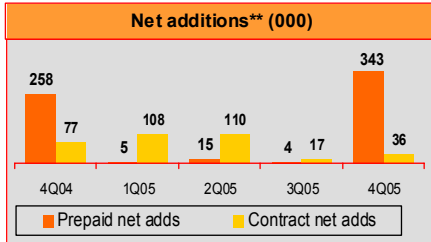
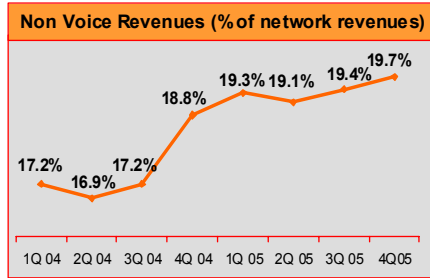
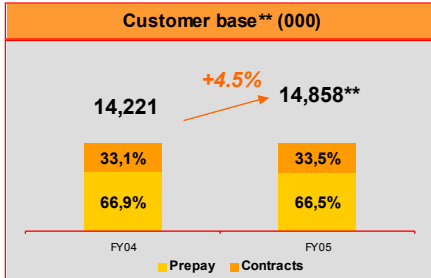


* Call Termination Rate - ** See glossary - *** 3G+Edge - **** +0.6% yoy excluding CTR cut

Personal UK



Revenues: €5,832m / +0.8% pro-forma** / + 5.1% excluding CTR* cut

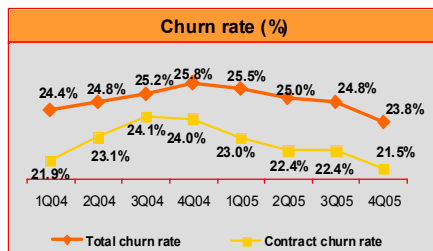
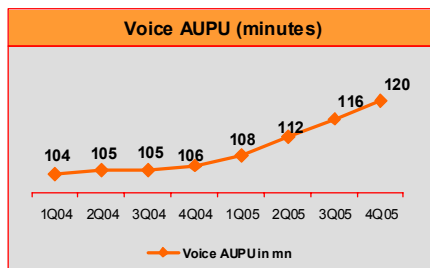
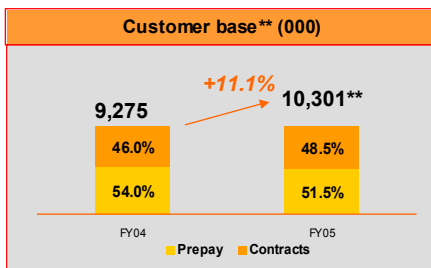


* Call Termination rate - **See glossary, Annual Rolling IFRS ARPU estimated - *** +0.3% yoy excluding CTR cut

Personal Spain



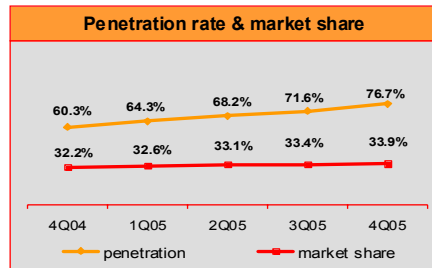
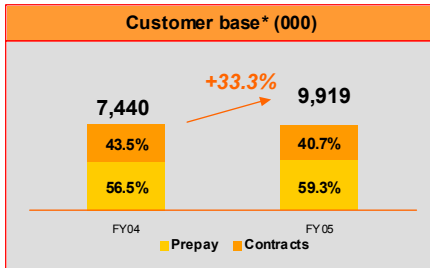
Revenues: €536m* / + 8.0% pro-forma*** / + 11.2% excluding CTR** cut



* 2-months - ** Call Termination rate - *** See glossary

Personal Poland

Revenues: €1,598m / + 28.1% Actual / + 13.9% pro-forma*

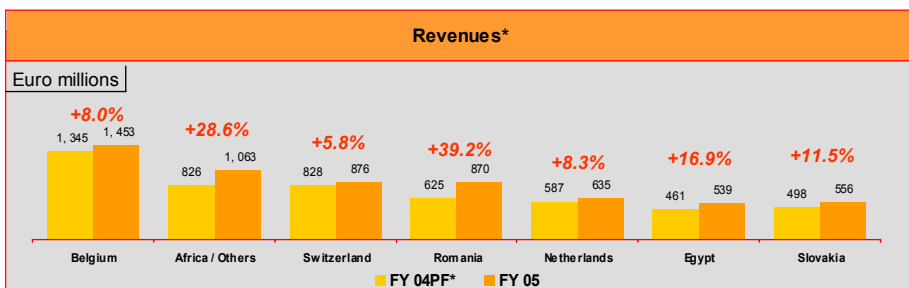
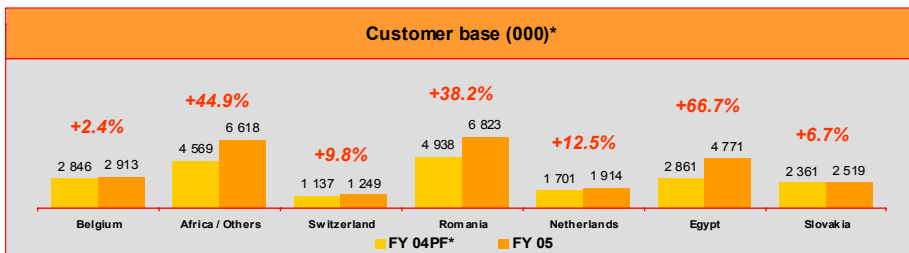


* See glossary

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Personal ROW

Revenues: €5,991m / +13.3% Actual / + 15.9% pro-forma*



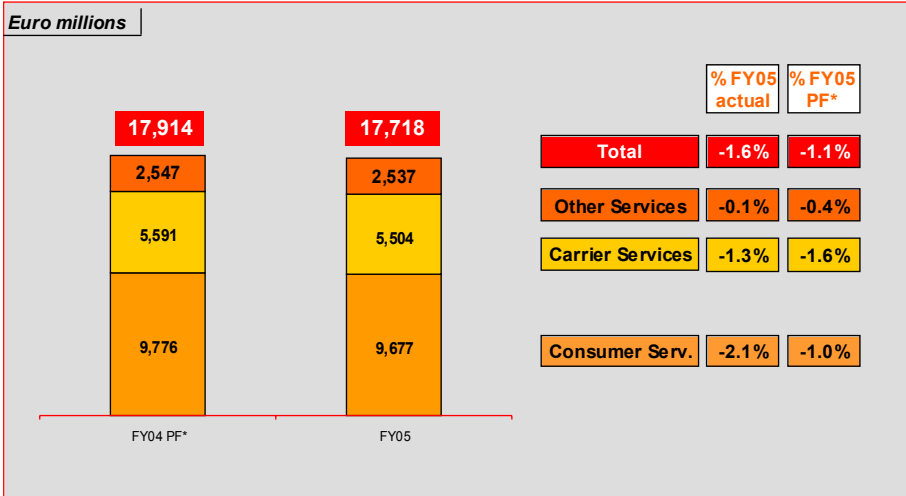
* See glossary

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Home France

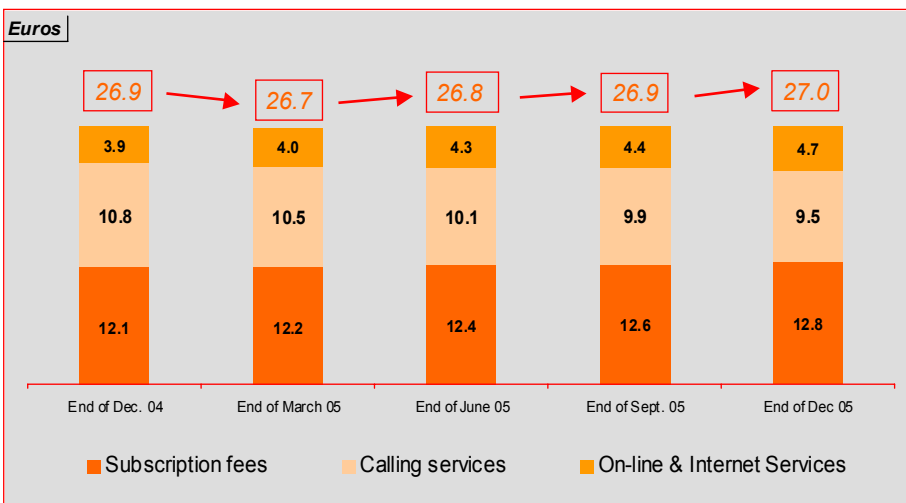


Revenues: €17,718m / -1.6% actual / -1.1% pro-forma*



* See glossary

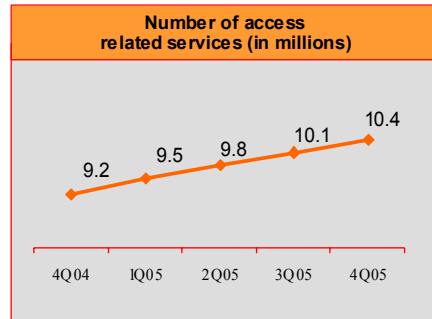
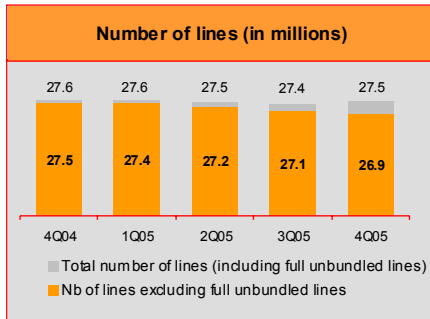
Home France: Consumer Services ARPU*



* See glossary

Home France:

Consumer Service - Subscription fees revenues: +4.2% pf* in FY05

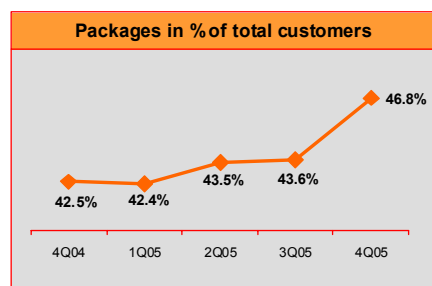
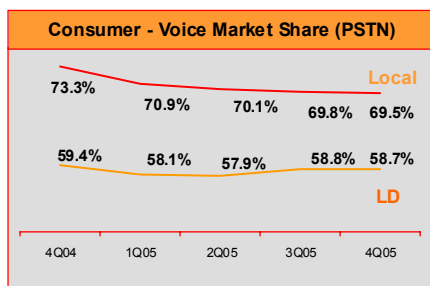


* See glossary

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Home France:

Consumer Services - Calling Services revenues: -13.2% pf* in FY05

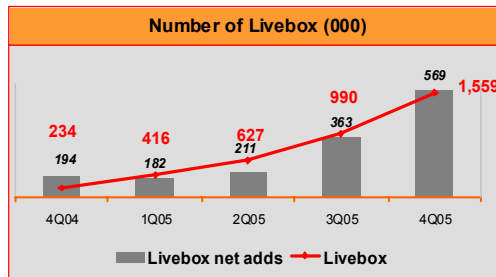
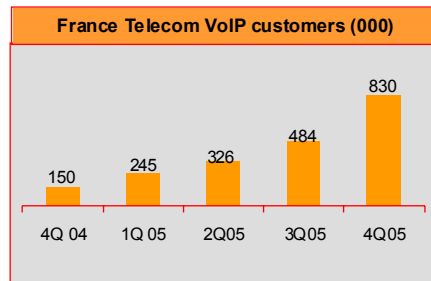
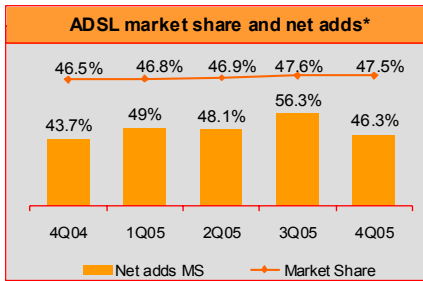


* See glossary

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Home France:

Consumer Services - On Line Services revenues: +18.6% pf* in FY05

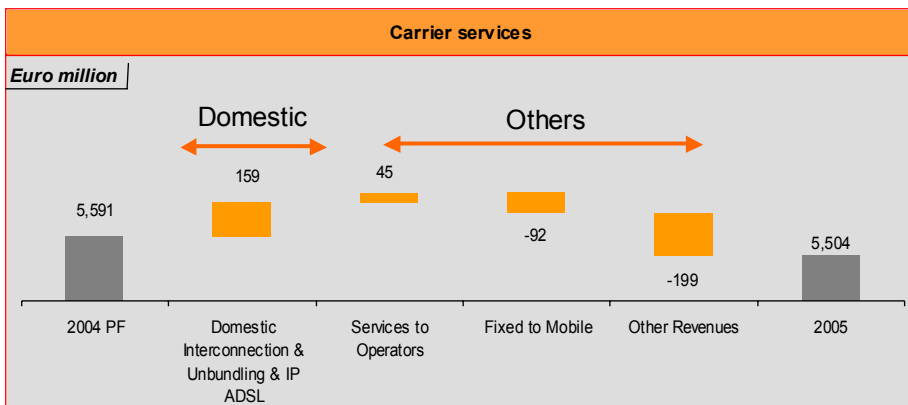


* See glossary

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Home France

Carrier Services revenues: €5,504m / -1.3% actual -1.6% pf*

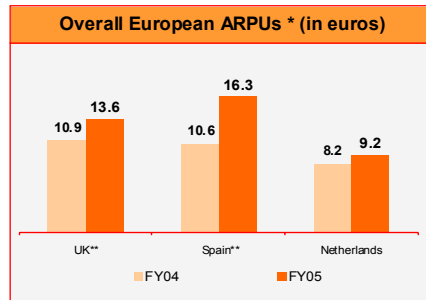
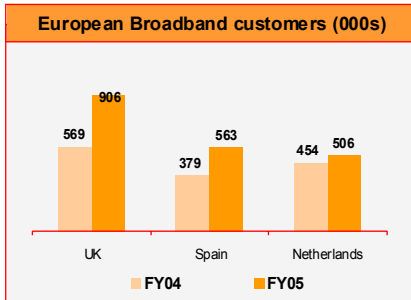


* See glossary

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Home ROW

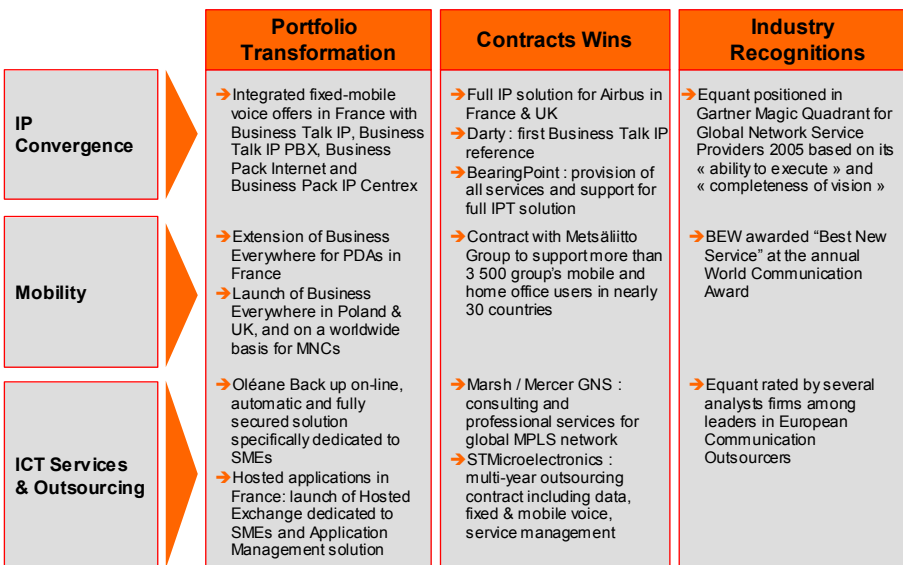
Revenues: €1,837m / +16.0% actual / +9.9% pro-forma ***



* Annual rolling ARPU, ** internet (Narrowband + Broadband) subscribers, *** see glossary

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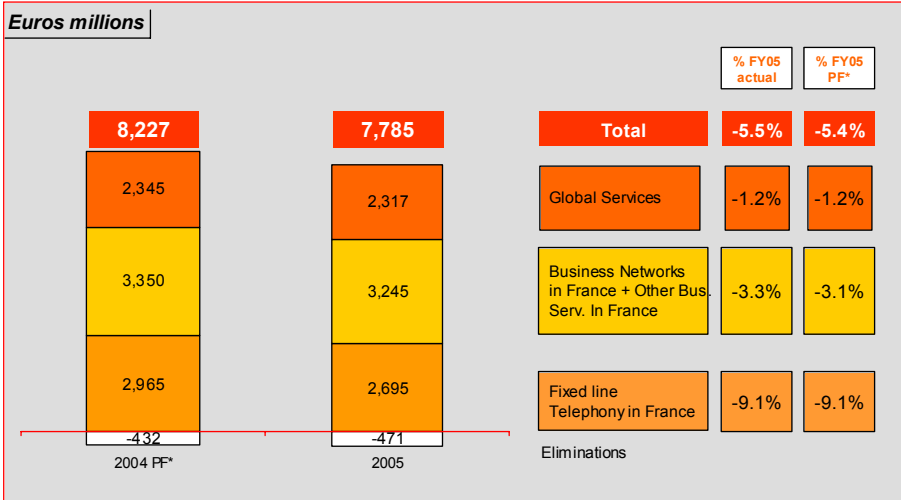
Enterprise – Progress on Business Transformation in 2005



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Enterprise:

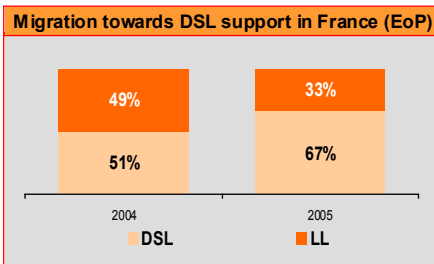
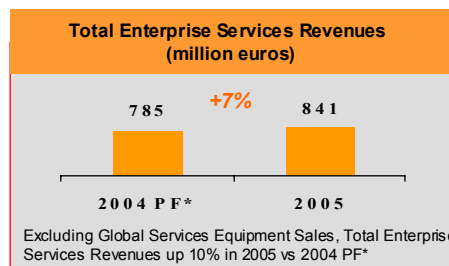
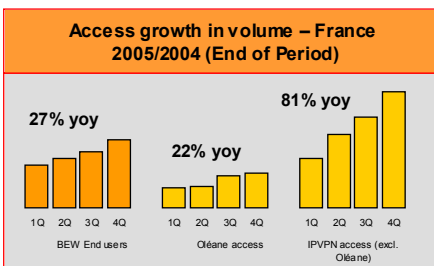
Revenues: €7,785m/ -5.5% actual / -5.4% pro-forma*



* See glossary

Enterprise

On-going transformation of the business model

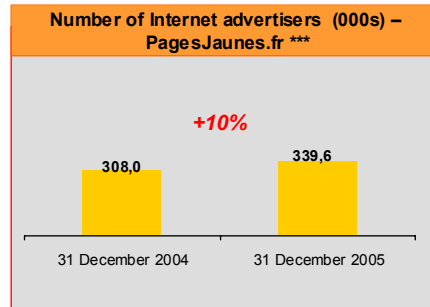
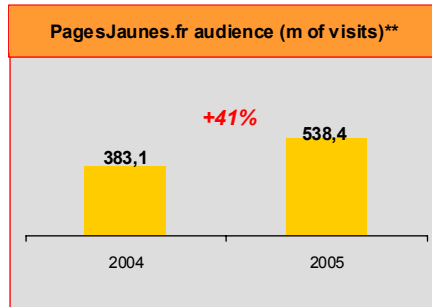


Outsourcing
 Total Enterprise revenues
+19%
 2005 vs 2004 PF*

* See glossary

Directories Revenues

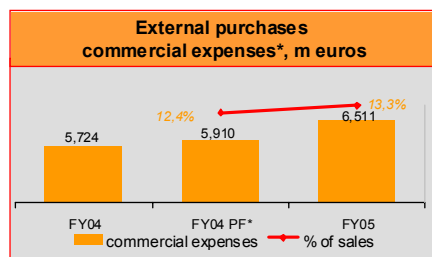
€1,061m / +8.5% actual / +6.0% pro-forma*



* See glossary - **Source: Cybemétrie – Médiamétrie / eStat - ***Source: Nielsen//Netratings – Home & Work – Dec. 2005

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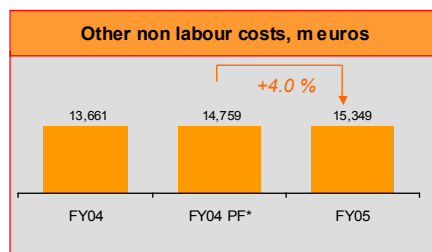
Non labour costs



→ Focus on growth:

- commercial expenses account for 29.9% of total non labour costs

→ 85% of commercial expenses relates to Personal and 30% to Personal UK



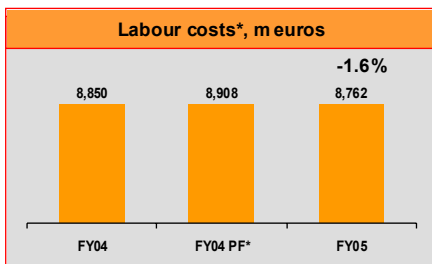
→ Other non labour costs in % of revenues:

- from 30.9% in 2004 pro forma* to 31.3% in 2005

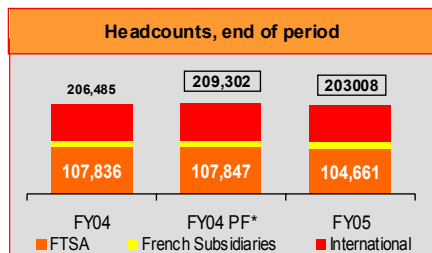
* See glossary

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Labour costs



→ Volume effect:	-3.8%
Headcounts, FTE	-7,739
→ Mix effect:	+0.8%
→ Price effect:	+1.4%
→ Total effect:	-1.6%



Headcounts trends:
(end of period)

	-3.0% yoy pro forma*
	-1.7% yoy
→ FT SA:	-0.3% yoy pro forma*
→ France:	-1.5% yoy pro forma*
→ International:	-3.4% yoy pro forma*

* See glossary

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Exchange rates



1€ =

	Actual 4Q05	2006 forecasts
USD	1.19	1.25
GBP	0.68	0.69
PLN	3.91	4.00

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Glossary (1)



- **Contributive Consolidated Revenues**: consolidated revenues excluding intra-group transactions
- **Pro forma figures**: figures of the preceding period adjusted to reflect the same scope of consolidation and exchange rates as in the current period
- **Market Share of fixed line telephony in France**: calculation based on traffic on the network or interconnected to the network of France Telecom
- **ADSL activated lines**: All ADSL lines in service by end of period including unbundled lines: "Ma Ligne ADSL" lines sold directly to the subscriber whatever his ISP + "IP ADSL" (option 5) and "ADSL Connect ATM" (option 3) lines sold directly or through other telcos to all ISPs to be integrated into the packages (ADSL+IP connectivity) + "Turbo DSL" lines specifically dedicated to large business accounts for their data transmission services + "Ma ligne TV" lines (TV through ADSL) and MaLigne Visio (visiophony through ADSL) when sold without internet access.
- **Network Revenues for mobile services**: include outgoing traffic, incoming traffic, access fees, visitor roaming and value added services.
- **Mobile ARPU**: Mobiles network revenues for the previous twelve months divided by Mobile weighted average customer base for the 12 month period.
Mobile Network revenues include outgoing traffic, incoming traffic, access fees, visitor roaming and value added services and exclude revenues from MVNO. The mobile weighted average customer base for the 12 months period is the average of the monthly average customer bases (calculated as the sum of the opening and closing customer bases for the month divided by two). ARPU is quoted on a revenue per customer per year basis. Since January 1st 2005, Orange France (mainland), as the other French mobile operators, exited from the Bill & Keep system. **The discontinuing use of the B&K system leads to an increase in Orange France revenues, that receives revenues from other French mobile network operators for voice calls from their networks that terminate on Orange France's mainland network as in some other market, in particular the United Kingdom.**
- **Internet ARPU: ARPU (Monthly Average Revenue Per User)**: calculated by dividing year-to-date connectivity revenues by the weighted average number of Wanadoo customers during the same period. The weighted average number of Wanadoo customers during a period is the monthly average customer base for the period. The monthly average customer base is calculated as the sum of the opening and closing number of customers for the month divided by 2.
- **« HOME France Usage » ARPU**: is calculated by dividing the average of the « Home Usage » monthly revenues, for the last twelve months period, by the weighted average customer base for the last twelve months period. The weighted average customer base, for the last twelve months period, is the average of the monthly average customer bases, which is calculated as the sum of the opening and closing customer bases for the month divided by two.

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Glossary (2)



- **Mobile AUPU**: Monthly average usage per user (AUPU) is defined as total usage (including outgoing traffic, incoming traffic and roaming and exclude traffic from MVNOs) for the 12 previous months divided by the weighted average number of Orange Group's customers during the same period. AUPU is quoted in minutes on a usage per customer per month basis
- **Churn**, the measure of customers leaving our networks, is calculated by dividing the total number of customers who disconnect or are treated as having disconnected from our network, voluntarily or involuntarily (excluding money-back returns and fraudulent connections), for the previous 12 months by the weighted average number of our customers during the same period. The way we compute churn differs between Personal UK and Personal France in the following ways:
 - For Personal UK, customers migrating between contract and prepaid products are included in individual product churn but do not impact overall churn as they remain on the Orange UK network. Customer disconnections that occur either during the money-back guaranteed 14-day trial period or due to fraudulent connections are not included in churn. The Company also excludes from churn those connections which, in its view, do not result in active customers, including those as a result of prepaid handset upgrades or the removal of handsets from the UK market. Prepaid customers are treated as having churned if they have not made any outgoing calls and have received less than four incoming calls in the last three months.
 - For Personal France, churn includes those customers leaving the Orange network, migrations between contract and prepaid products and those customers upgrading their handsets via an indirect channel. Prepaid customers are treated as having churned after eight months if they do not recharge their account during this eight-month period.

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Glossary (3)



- **Gross operating margin (GOM):** Revenues minus external purchases, operating costs (net of operating income) and wages and payroll expenses (labour costs). Labour costs presented in GOM do not include employee profit sharing and share-based payment.
- **Capex:** acquisitions of intangible and tangible assets, excluding GSM and UMTS licences.
- **Opex:** includes external purchases, operating costs (net of operating income) and labour costs.
- **Labour Costs:** Labour costs presented in GOM do not include employee profit sharing and share-based payment, and corresponds to the wages and payroll expenses only.
- **Commercial expenses:** external purchases including purchases of handsets and other sold products, distribution commissions, advertising, promotion, sponsoring and brand change
- **Operating working capital requirement:** net stocks, operational receivables, prior to securitisation, operational payables (excl. fixed production)
- **Sourcing:** implementation of a new purchasing policy at group level
- **FCF (Free Cash Flow):** net cash provided by operating activities, less net cash used in investing activities. FCF does not take into account investment of cash in short term marketable securities
- **FCF excluding asset disposals:** net cash provided by operating activities, less net cash used in investing activities, less asset disposals. FCF does not take into account investment of cash in short term marketable securities.
- **Organic CF:** net cash provided by operating activities, less net cash used in investing activities, less asset disposals and less disposals of financial assets. It also corresponds to Net Cash Provided by Activities, less purchase of Tangible and Intangible Assets, and less Proceeds of Sales of Tangible and Intangible Assets