



Disclaimer



This presentation contains forward-looking statements relating to France Telecom's objectives, in particular for 2005. Although France Telecom believes its objectives are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties and should not be regarded as a representation that anticipated events will occur or that stated objectives will be achieved. Important factors that could cause actual results or performance to differ materially from the objectives mentioned in these forward-looking statements include the success of the FT 2005 plan, including the TOP LINE and TOP programmes, the NExt programme and France Telecom's other strategic initiatives based on the integrated operator model as well as other financial and operating initiatives, changes in the competitive environment and the telecom market regulatory environment, and risks and uncertainties attendant upon exchange rate fluctuations, technological trends, business activity and international operations. The forward-looking statements contained in this presentation speak only as of the date of this presentation and France Telecom does not undertake to update any forward-looking statement to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

All information relating to France Telecom's 3Q 2005 revenues and key operational indicators, including historical information, is presented in accordance with International Financial Reporting Standards (IFRS) and is subject to additional specific risks and uncertainties relating to the possibility of changes in IFRS standards prior to December 31, 2005.

More detailed information on the potential risks that could affect France Telecom's financial results is found in the *Document de Référence* filed with the AMF and Form 20-F filed with the U.S. Securities and Exchange Commission.

Agenda



→ 1

Key messages: France Telecom to date

2

3Q 2005 figures

Revenues

TOP

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Conclusion

3

Our key messages



Operations

- Positive trends on major KPIs
- 3Q revenue growth below our objectives
- Full year pro forma revenue growth close to 3%
- Gross Operating Margin on track

Confident to deliver NExT

Strategy & Footprint

- Following the acquisition of Amena**
- Overall footprint completed in Western Europe
 - Possible selective acquisition in fast growing emerging markets
 - Leverage integrated model on all our footprint

No need for major moves in Europe to deploy NExT

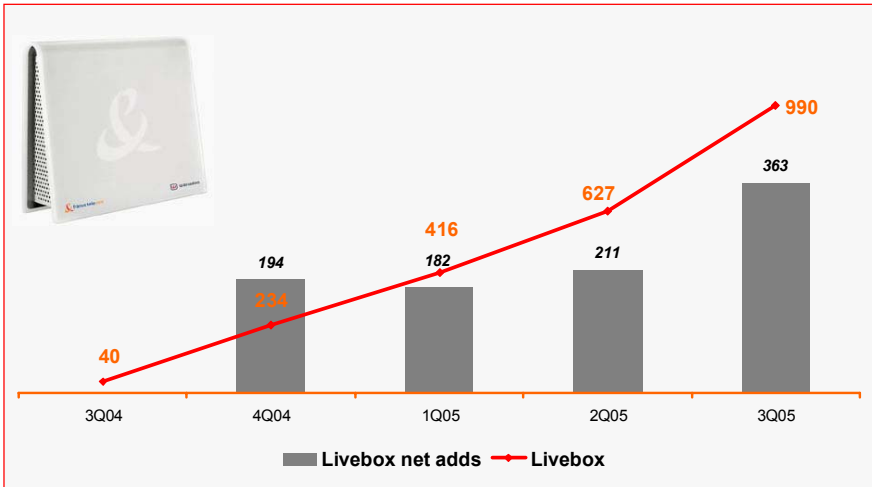
Use of cash

- Deleveraging target on track
- Dividend policy enforced
- Share buy-back under review
- Stringent policy for issuing shares going forward

Toward enhanced shareholder remuneration

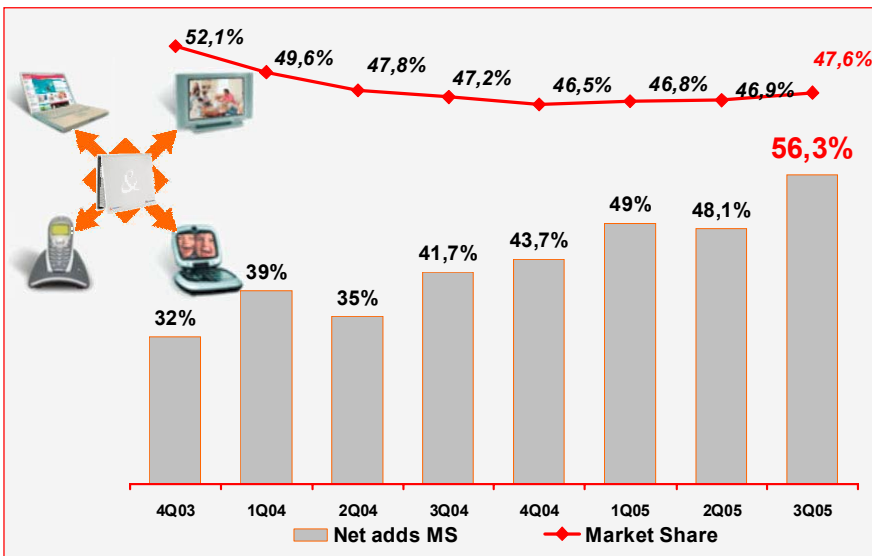
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Home France: strong acceleration of Livebox deployment



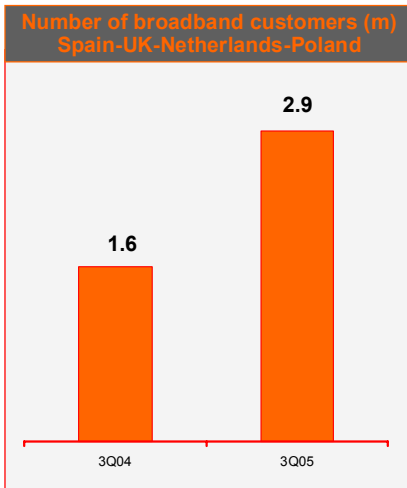
Over 1 million Livebox beginning of october, 1.5 million targeted for year end

Home France: increase of retail broadband market share



Strong success of the new Broadband Multimedia offers

Home: continuous success of broadband roll-out outside France



2.9 million broadband customers, of which 2.6 million ADSL (+90% yoy)

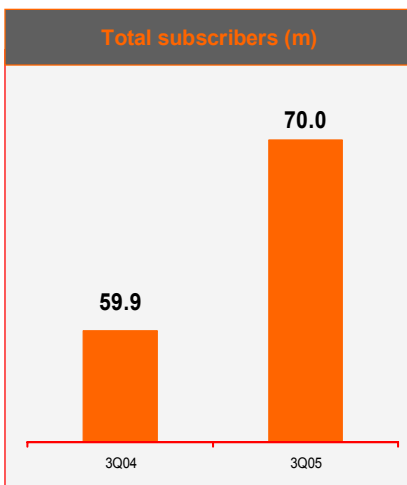
134k Livebox
67k VoIP customers

Acceleration of LLU in all countries
(555 MDF at the end of September)

Acceleration of revenue growth

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Personal: 70 million customers at the end of September (excluding Amena)



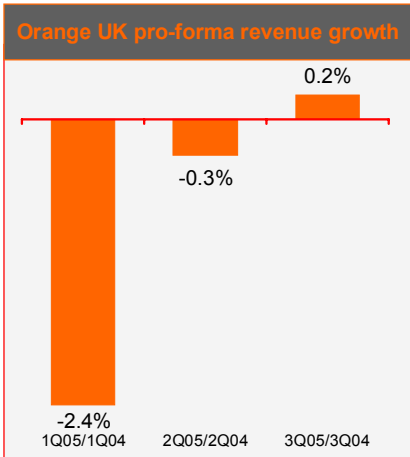
70 million mobile customers, up by 17% yoy

643 000 mobile Broadband customers in Europe

Around 10 million customers of Amena to be added

One of the main growth engines of the group

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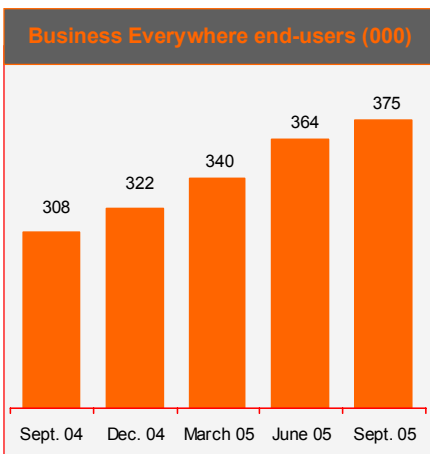
Product portfolio renewed with new PAYG tariffs launched in August & September

First converged offers launched

Brand refresh underway

Cut in CTR impact to disappear in 4Q 2005

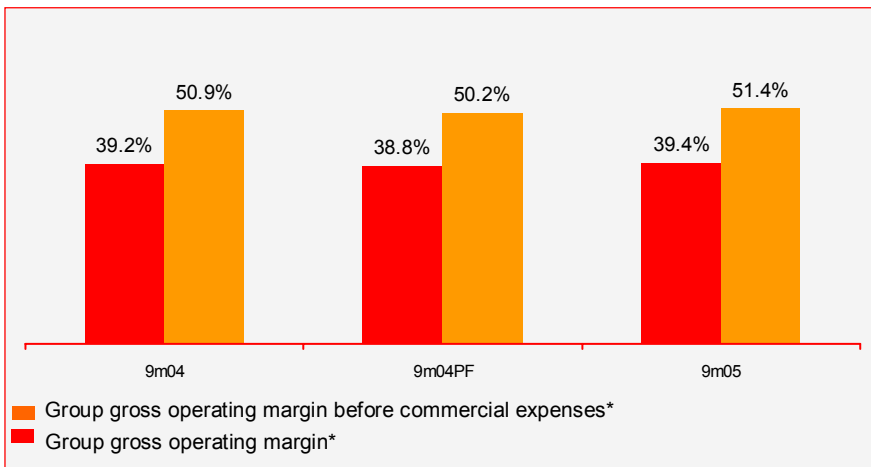
Enterprise: success confirmed for Business Everywhere



Development of IP services:
+ 60% in IP-VPN access
(end of period)

Towards IT and Telecom convergence:
+ 10% in Services revenues (9m 05 vs 9m 04)

Impact of business model transformation



* See glossary

+0.6 pt of Gross operating margin; +1.2 pt of Gross operating margin rate before commercial expenses on a pro forma basis

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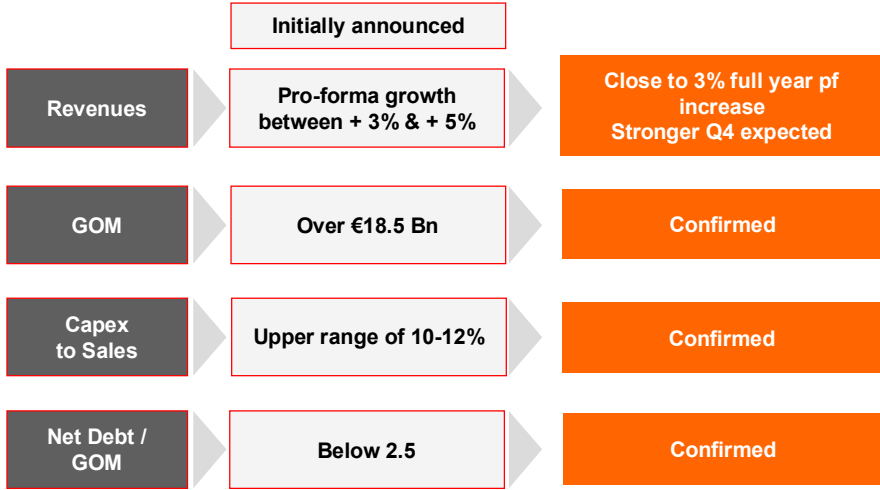
<u>Euros in billions</u>	Actual 3Q04	Pro-forma 3Q04	3Q05	Actual % change	Proforma % chg	9 months Proforma % chg
Revenues	11.818	12.070	12.264	+3.8%	+1.6%	+2.0%
Gross Operating Margin*	4.762	4.819	4.862	+2.1%	+0.9%	+3.6%
As a % of revenues	40.3%	39.9%	39.6%			
G.O.M. rate before commercial expenses	52.0%	51.5%	51.5%			
Capex	1.173	1.196	1.403	+19.6%	+17.3%	+25.1%
As a % of revenues	9.9%	9.9%	11.4%			

* See glossary

Investing in customer base to support future growth

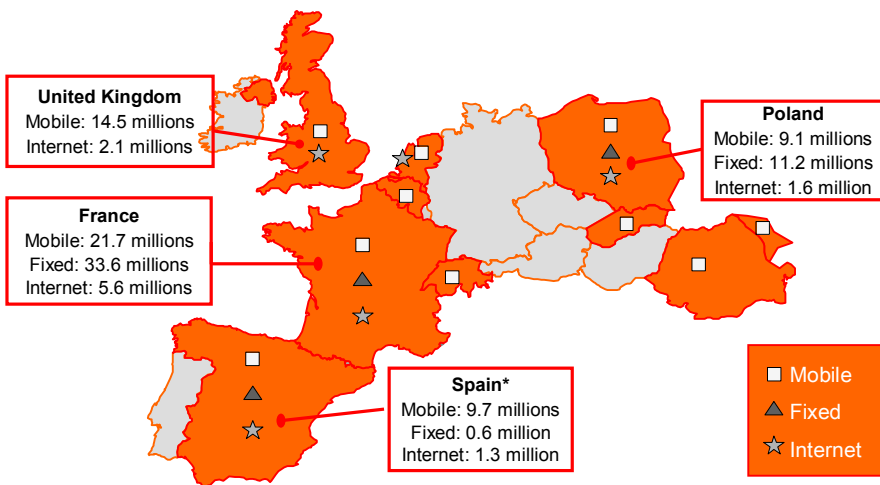
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Full year 2005 objectives



High revenue growth rate expected in Q4, but very challenging revenue objectives
Strong confidence on GOM target

Overall European footprint achieved



Number of customers at the end of September

* Including Amena (figures at the end of June 05)

Scale & Scope achieved to implement NExT strategy

Focus on preparing NExT: converged offers



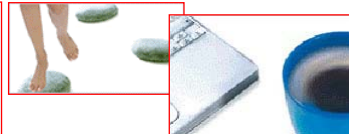
Family Talk
 Around 6,000 offers sold → 18,000 customers taking advantage on unlimited call between fixed & mobile

Orange/Wanadoo UK home broadband offer
 2Meg broadband package for under £10 for Orange customers



Business Talk
 Darty and SFCI Société Française de Construction Immobilière) as first reference

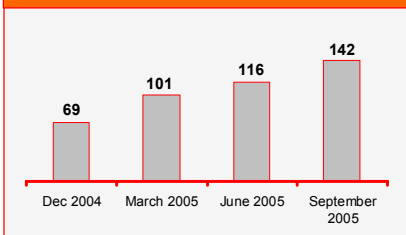
Business Everywhere
 Multimedia extension launched in October
 Business Everywhere offer available in Poland



Focus on preparing NExT: content



MaLigne TV



- Close to 142k subscribers* at the end of September (+106% in 9 months)
- 8.5 million addressable households at the end of September
- Continuous success of multiplay offers
- Introducing PVR for high-end set up boxes

VOD

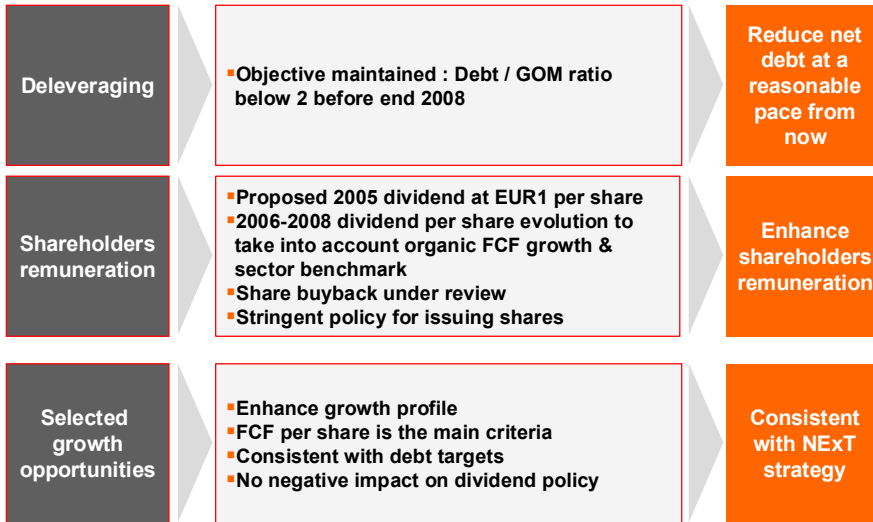
- Simplified and more **customer friendly VOD portal**
- Films available during 24 hours since October 25th

Music

- Concretization of the strategic partnership with Warner : "**Madonna Everywhere**"

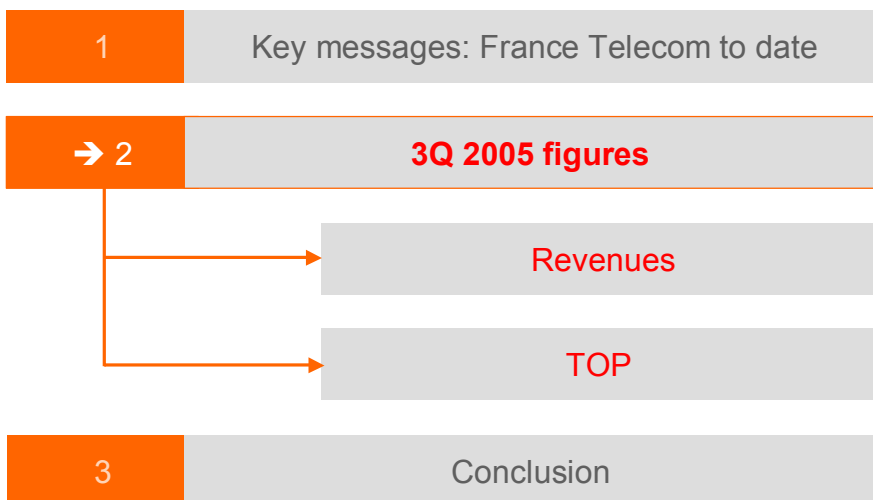
* Billed customers

A use of cash policy focused on all stakeholders



All stakeholders to benefit from NEXt

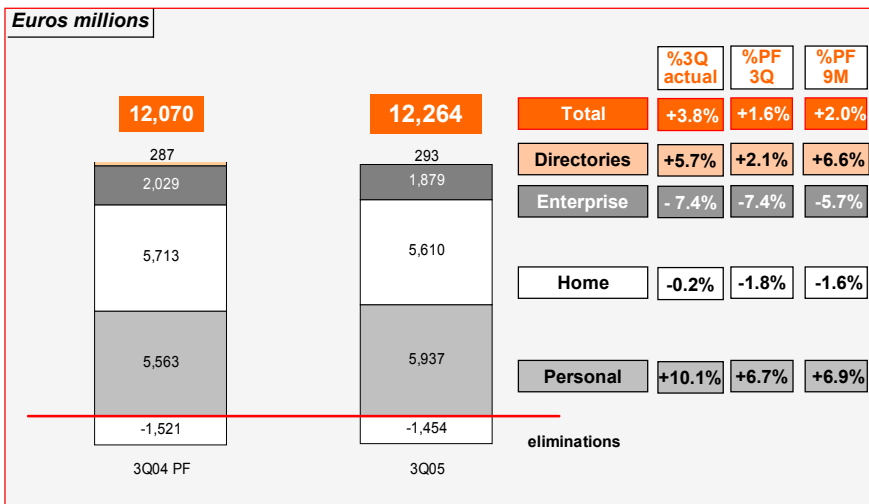
Agenda



3Q 05 Group Consolidated Revenues by segment



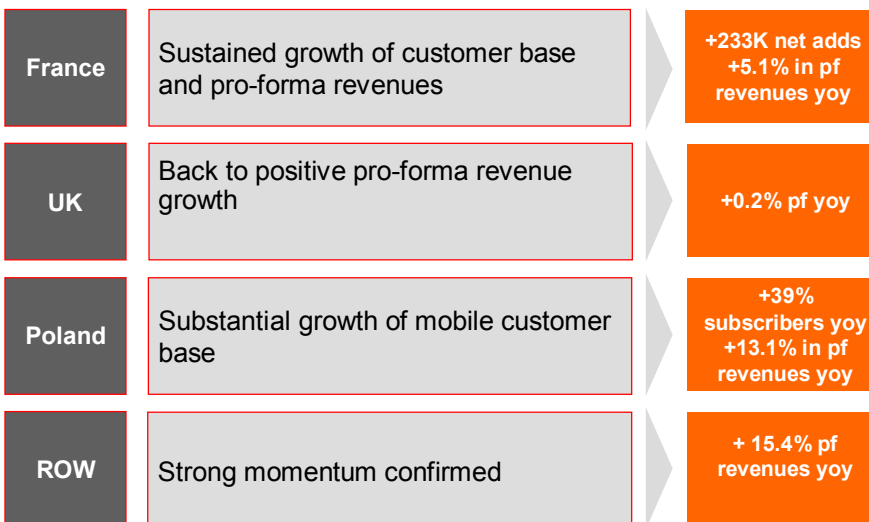
€12,264m / + 3.8% actual / + 1.6% pro-forma



Higher growth expected in Q4

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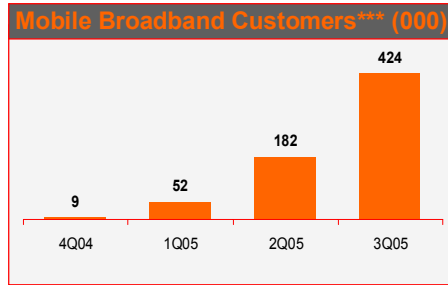
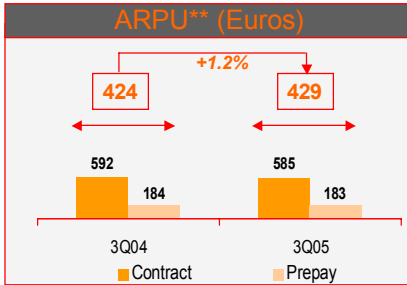
3Q05 Personal Revenues: ROW confirmed as a strong growth driver



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Personal France:

€2,503m / +15.5% actual / +5.1% pro-forma / + 6.5 % excluding CTR



- 233k net adds in 3Q 05, ahead of 3Q 04 (207k) - 100k M6 Mobile customers
- Continued focus on high value customers: 287k contract net adds in 3Q 05
- Total ARPU up 1.2% yoy at 429€ in 3Q 05, underlying growth of 2.1% pre CTR
- Confirmation of mobile broadband*** success with 424k customers at the end of September
- 88k MVNO's customers****
- Sustained level of contract churn at 11.2% in 3Q 05

Call Termination Rate

** See glossary

*** 3G+ EDGE

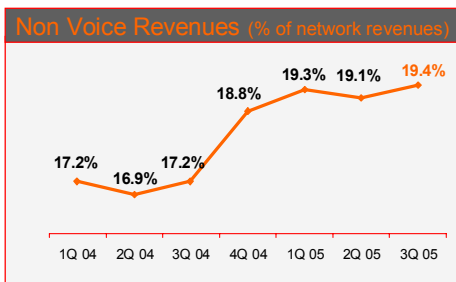
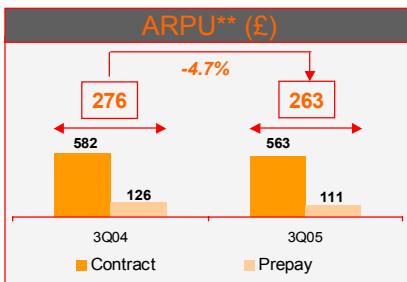
**** not included in subscribers figures

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Strong customer base & revenue growth

Personal UK:

€1,492m / -1.5% actual / +0.2% pro-forma / + 4.5% excluding CTR*



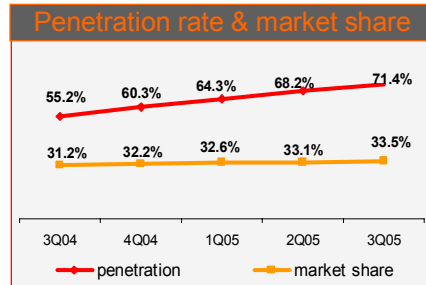
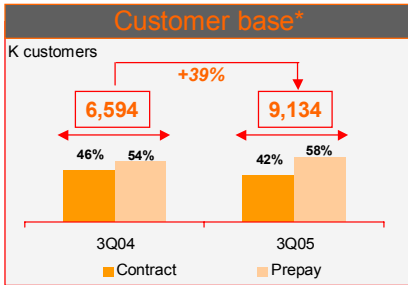
- Underlying Blended ARPU growth of 1.2% yoy pre cut in CTR*
- Major PAYG tariff refresh in August & September, with benefits expected in the coming months
 - New simple core tariffs
 - 14 new "extras"**** bundles
 - New Bonus top up – get up to 50% credit back
- Contract churn: 23.6%
- Strong performance of non voice revenues

* Call Termination rate - **See glossary, **** Extras are packages of voice, text or data which offer customers extra value

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Back to positive pro forma revenues growth

Personal Poland: €415m / +25.1% actual / +13.1% pro-forma



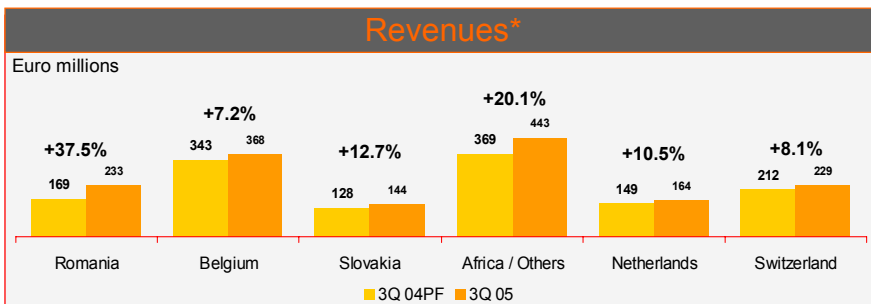
- Increase of Polish mobile market: 71.4% penetration rate at the end of September
- Substantial increase of customer base (+39% yoy) at 9.1 million customers, already above Full Year guidance of over 9 million customers
- Ongoing progression of overall market share to 33.5%
- 43.2% overall net adds market share in 3Q05
- Rebranding under Orange fully completed

* See glossary

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FY customer base guidance already achieved (>9m)

Personal ROW: €1,582m / +10.9% actual / +15.4% pro-forma



- Strong growth of Personal RoW revenues (+15.4% yoy pf)
- Continued dynamic growth of Romania revenues (+37.5% pf)
- 24.7m RoW mobile customers (+32% yoy pro-forma)
- Reinforced position in Dominica and Slovakia through the minorities buy-out

* See glossary

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Double Digit revenue growth

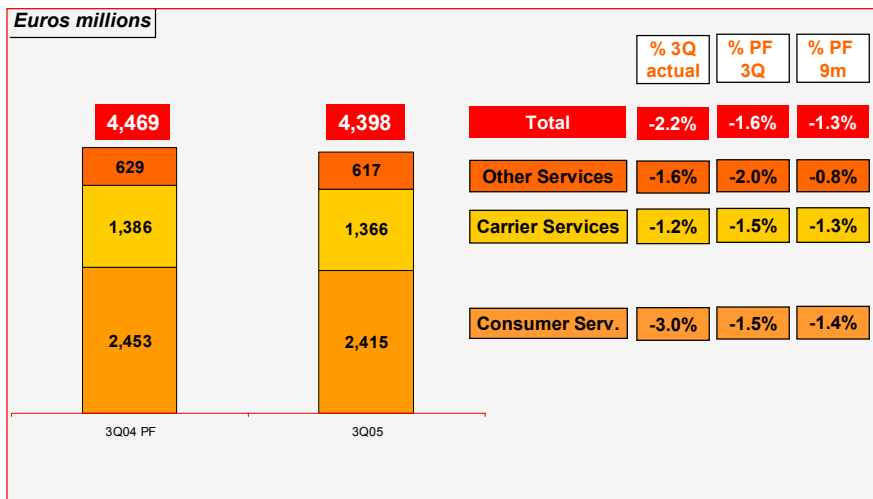
3Q05 Home Revenues: broadband confirmed as the main driver for Home future growth



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Home France

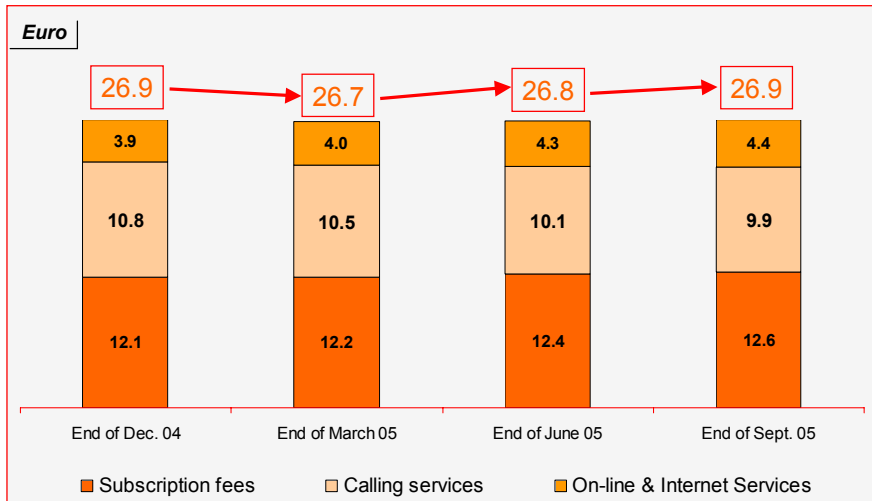
€4,398m/ -2.2% actual / -1.6% pro-forma



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Livebox success & unlimited offers support Fixed-line trends

Home France: Consumer Services ARPU*



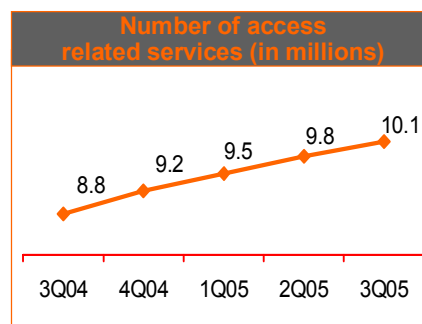
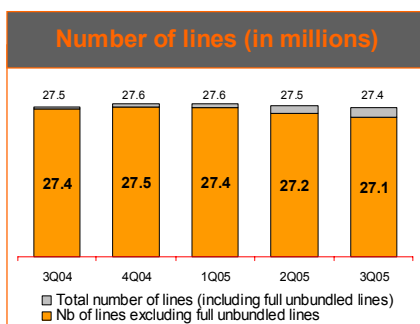
* See glossary

Sequential ARPU increase for the second consecutive quarter

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Home France:

Consumer Service - Subscription fees Revenues: +5.1% pf in 3Q05



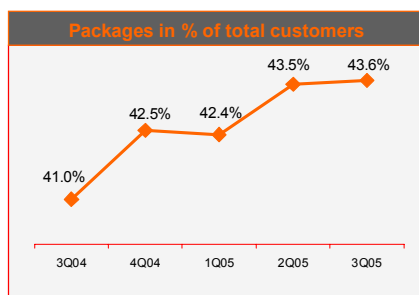
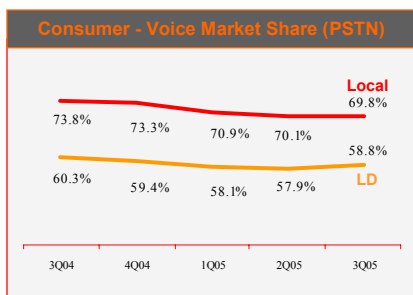
- Stabilisation of total number of lines (-0.3% yoy including unbundled lines)
 - Impact of full unbundling (342k full retail LLU at the end of September 2005)
- Increase of monthly rental impact: + EUR127m in 9 months (EUR17m in 1Q, EUR53m in 2Q and EUR57m in 3Q)
- Confirmed growth of access related services revenues: +15% yoy

Stabilization of total number of access lines confirmed in 3Q

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Home France

Consumer Services - Calling Services revenues: -11.9% pf in 3Q05



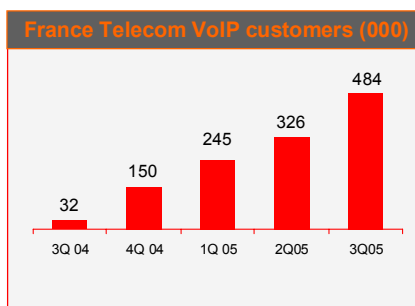
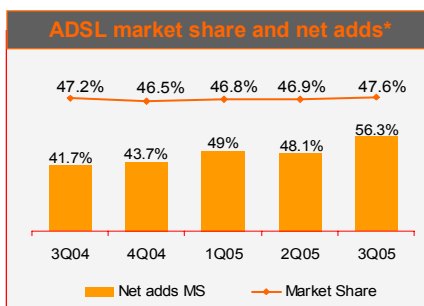
- PSTN Traffic impacted by the development of VOIP
- Market shares stabilised in 3Q05 versus 2Q05 thanks to the launch of new offers:
 - "Atout" launched in August (591k customers, including Unlimited launched in June)
- Negative impact of fixed to mobile cuts (4.8% impact on total calling revenues in 3Q05)

Positive impact of new offers on market shares

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Home France

Consumer Services - On Line Services revenues: +10.9% pf in 3Q05



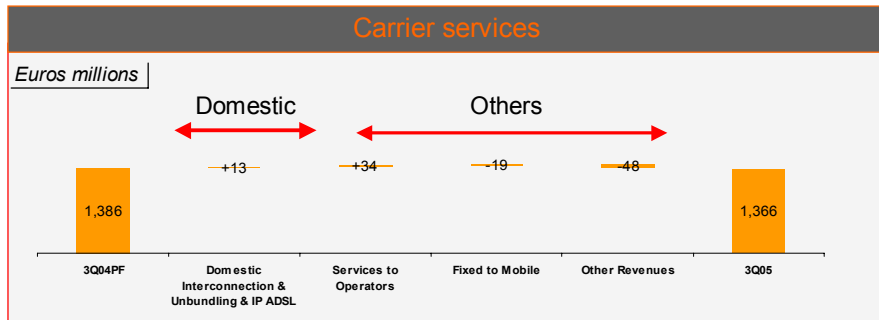
- Strongest ADSL retail market share of net adds (56.3%) since 2003
 - Almost 4 million ADSL customers (+335K customers in 3Q vs + 297K in 2Q)
 - Success of new broadband offers
- Acceleration of VoIP: 484 000 customers at the end of September 2005
- 1 million Livebox at the beginning of October (+57.8% vs 2Q05)
- Strong success of Internet related services (Antispam...) revenues up 86.5% yoy

Acceleration of retail ADSL momentum

30 * See glossary

Home France

Carrier Services: €1,366m / -1.2% actual / -1.5% pro-forma



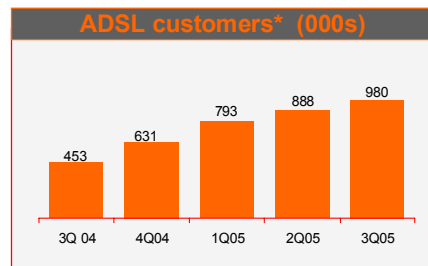
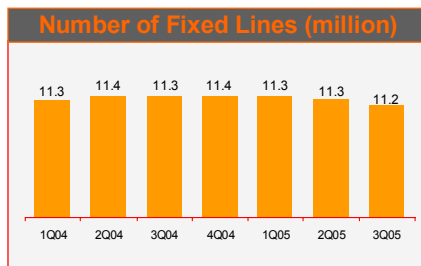
- Revenue growth slowdown in 3Q05 for Domestic Carrier Services mainly due to LLU and interconnection tariffs reductions
- Revenue growth with operators as a result of the boost program (hubbing)

Continuous impact of unbundling and wholesale in France

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Home Poland

€ 778m / +1.3% actual, -7.9% pro-forma



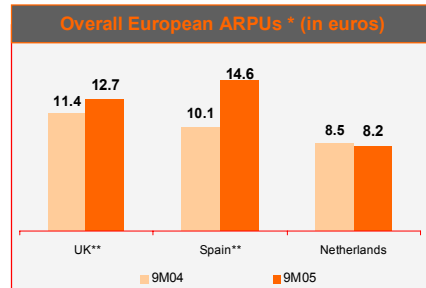
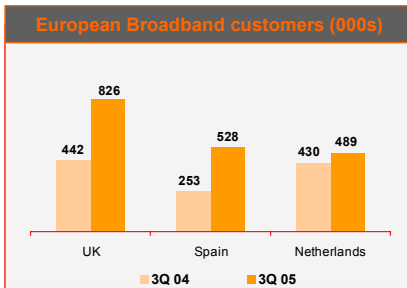
- Negative impact of fixed to mobile substitution
- Growing access revenues due to New Tariff Plans and boosted growth in broadband revenues
- Stabilisation of Fixed ARPU for New Tariff Plans
- Ongoing strong increase in ADSL customer base (+116% yoy) with almost 1 million customers at the end of September

New Fixed tariff plans and ADSL deployment

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Home ROW

€475m / +20.3% actual / +7.6% pro-forma



- Total ROW Broadband customers up 64% yoy and total ROW DSL customers up 78% yoy
- In Spain, 28% of Broadband customer base migrate to LLU
- In the UK, strong increase of ADSL base, success of VoIP (>50k customers) and of Livebox (59k at the end of September)
- In the Netherlands, focus on LLU roll-out and improvement of the quality of services (VoIP and Livebox)

* Annual rolling ARPU
 ** internet (Narrowband
 + Broadband) subscribers

Continuous revenue growth driven by broadband

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Enterprise Revenues: business transformation towards IP and services



- Continued development of IP Convergence
 - Increasing demand for innovative IP services
 - Voice migrations driven by Total Cost of Ownership reduction, standardization and centralization
 - Legacy data substitution

+60%
of IP-VPN
access (end
of period)

- Fixed-mobile convergence
 - Enable business from any location, securely, seamlessly, 24*7, with any mobile device

+ 22%
Business
Everywhere
end users
(end of
period)

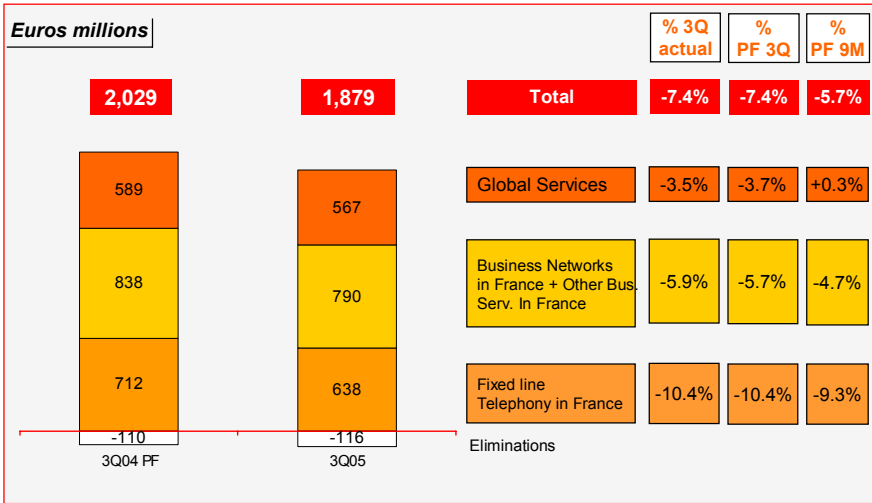
- IT and Telecom convergence
 - Security priorities
 - Increasing complexity of IT infrastructure
 - Increasing dependence of business objectives on critical applications management capabilities

+ 10%
in 9M
Services
Revenues
yoy

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Enterprise:

€1,879m/ -7.4% actual / -7.4% pro-forma

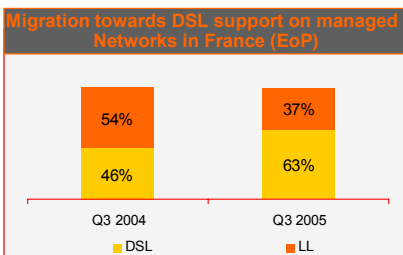
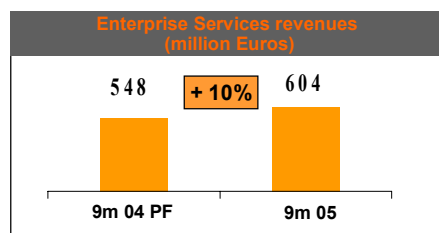
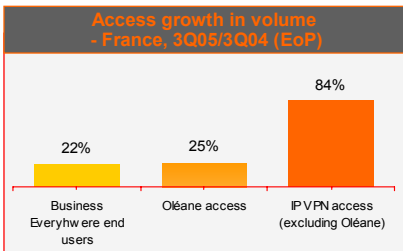


Ongoing impact of business transformation

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Enterprise:

Progress on Business Transformation in 3Q05



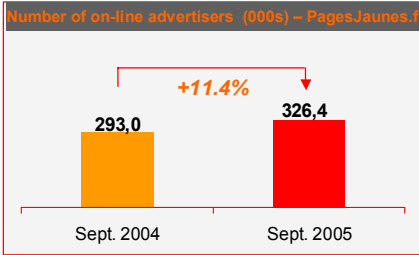
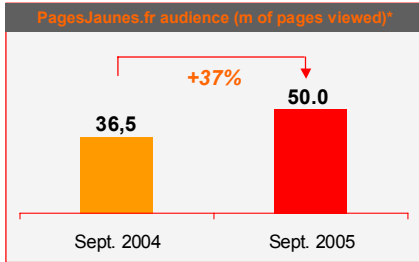
Outsourcing +21%

In total Enterprise revenues 9M 2005 vs 9M 2004 PF

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Directories Revenues

€293M / 5.7% actual / +2.1% pro-forma



- Sustained commercial activity: +15.8% growth in customer base, all media combined, as at Sept. 30, 2005**
- Revenue growth outperforming the advertising market on comparable publication basis:
 - PagesJaunes in France: +5.4%
 - QDQ Media in Spain: +13.3%
- Increased online exposure as a percentage of total YTD revenues:
 - PagesJaunes in France: 30.8%
 - QDQ Media in Spain: 14.5%

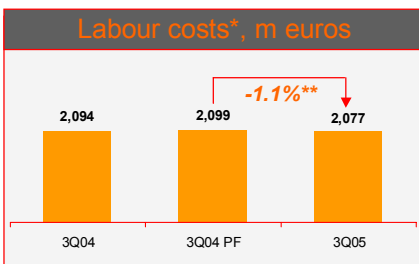
*Source: Nielsen NetRatings

**Gross data (before churn rate) between end Sept. 2004 and end Sept. 2005

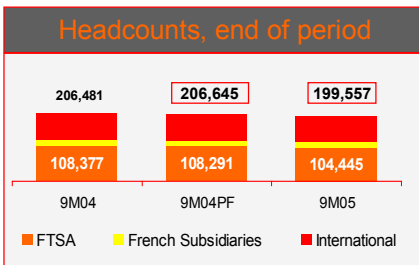
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Sept. 30, 2005 revenue figures in line with FY2005 objectives

3Q 05: Labour costs



Volume effect:	- 4.2%
Headcounts, FTE:	-8,489
Mix effect:	+ 0.1%
Price effect:	+ 3.0%
Total effect:	-1.1%



Headcounts trends: (end of period)	-3.4% yoy pro forma -3.4% yoy
FT SA:	-3.6% yoy pro forma
France:	-3.4% yoy pro forma
International:	-3.5% yoy pro forma

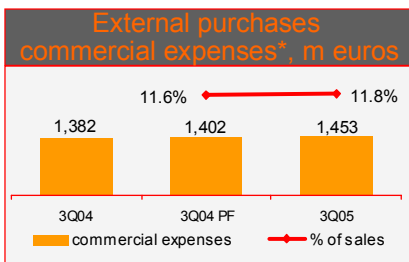
* See glossary

** on a pro-forma basis

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Ongoing control of labour costs

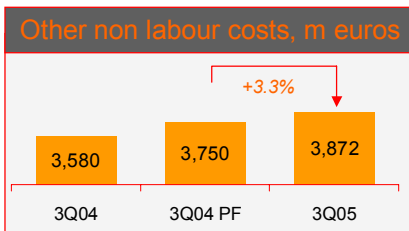
3Q 05: Non labour costs



Focus on growth:

→ commercial expenses account for 27% of total non labour costs

- 85% of commercial expenses relates to Personal and 29% to Personal UK



Other non labour costs as a % of revenues:

→ from 30.9% in 9M04 pro forma to 30.4%

* See glossary

Ongoing improvement of productivity and efficiency in non labour costs

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3Q 05: CAPEX analysis (1)



CAPEX* by key item

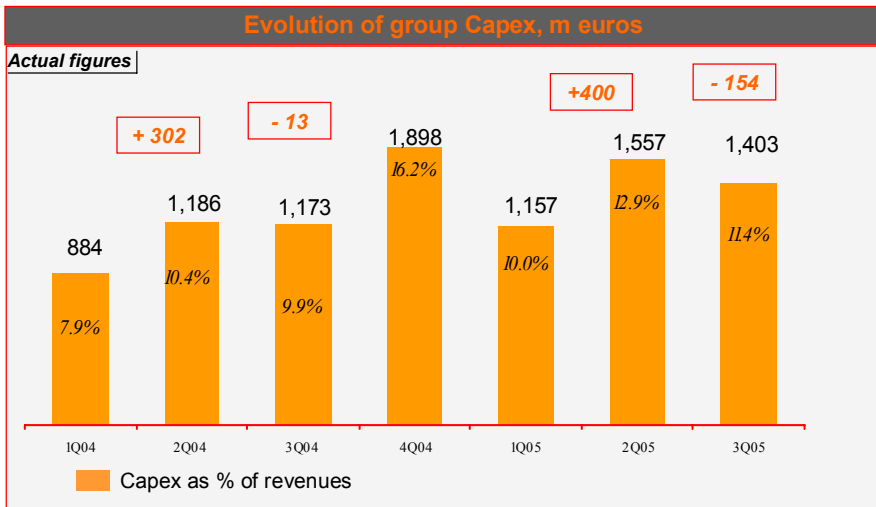
Euros in millions	9M04 pro forma	9M05 actual	9M05/9M04 pro forma
Total Group CAPEX	3,290	4,116	+25.1%
% of revenues	9.3%	11.5%	
o/w 2G - 3G and radio access network	893	1,188	+33.1%
o/w ADSL	136	145	+6.7%
o/w IT	801	797	-0.6%

* See glossary

Strong focus on broadband and mobile

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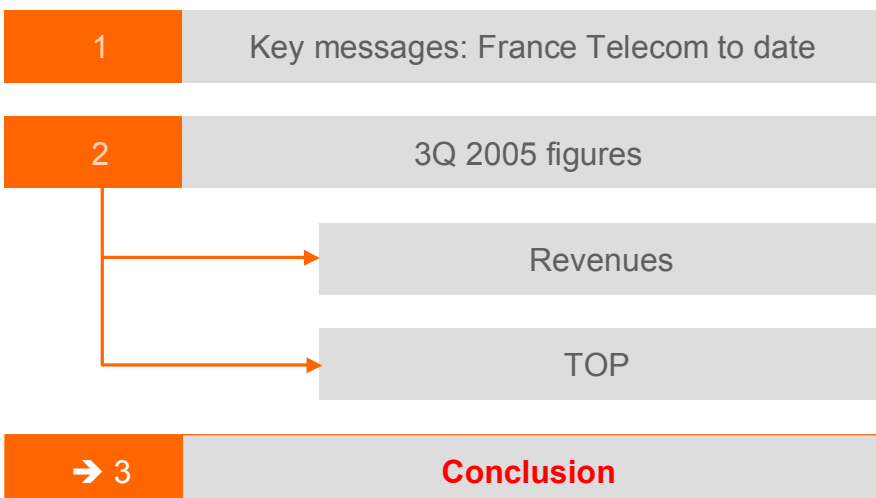
3Q 05: CAPEX analysis (2)



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FY05 objective maintained

Agenda



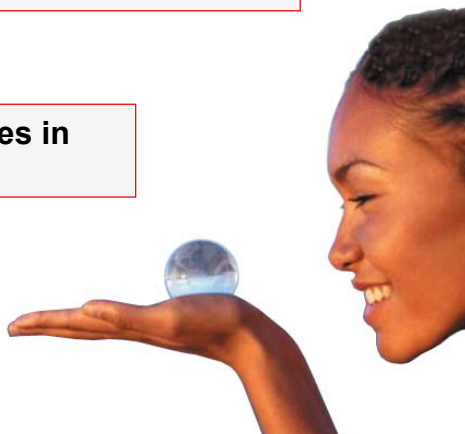
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**Strong commercial success
Profitability on track**

**No need for major moves in
Europe**

**Towards enhanced
shareholder remuneration**



Confident to deliver NExT

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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. The mobiles 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) 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, UMTS licences and investments financed under leasing agreements.
- **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:** includes commissions, advertising and handsets
- **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
- **CF (Cash Flow) excluding asset disposals & minority buy-outs:** Free cash flow, less net cash used in investing activities, less asset disposals, less investments in minority buy-outs. FCF does not take into account investment of cash in short term marketable securities.
- **Organic CF:** Cash Flow, excluding assets disposals and minority buy-out, after payment impact of Equant CVR. Equant CVR have been reimbursed in 2H04.

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France Telecom

Q3 2005 figures

October 27th, 2005