

# investor day 2007

## personal: accelerating momentum

Olaf Swantee  
senior executive VP, personal line of business  
Paris, December 5, 2007



### key messages

- 1 we have delivered against our objectives with solid growth across markets
- 2 we are confident in the growth potential of our markets
- 3 we will capture profitable growth by sustaining operational excellence and leading in innovation
- 4 in summary

1

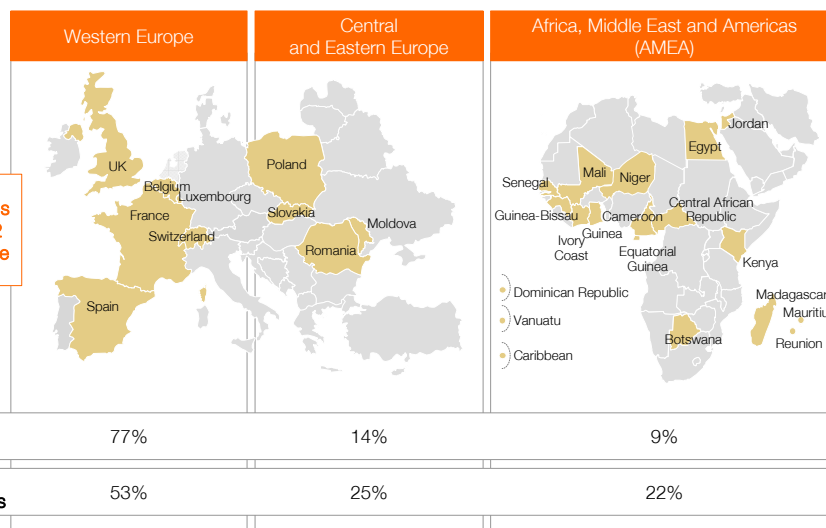
we have delivered against our objectives with solid growth across markets



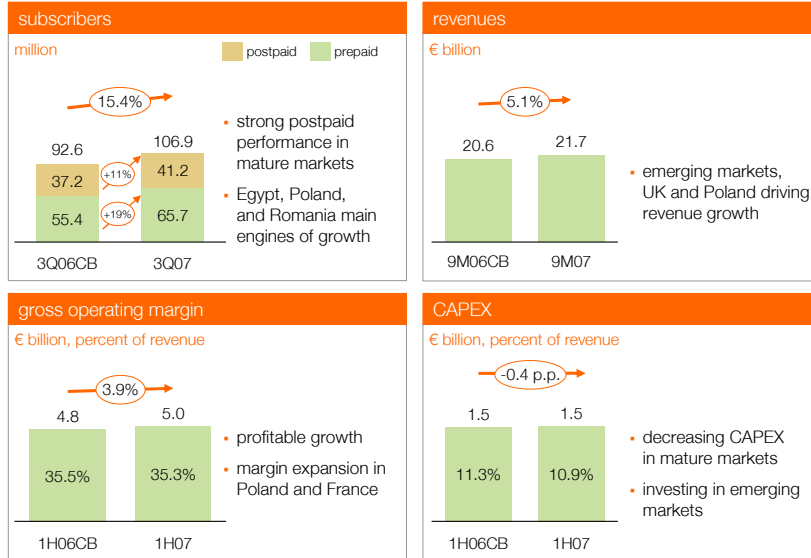
1

mobile presence in 27 countries with 77% of revenues in Western Europe

Orange is solid #2 in Europe

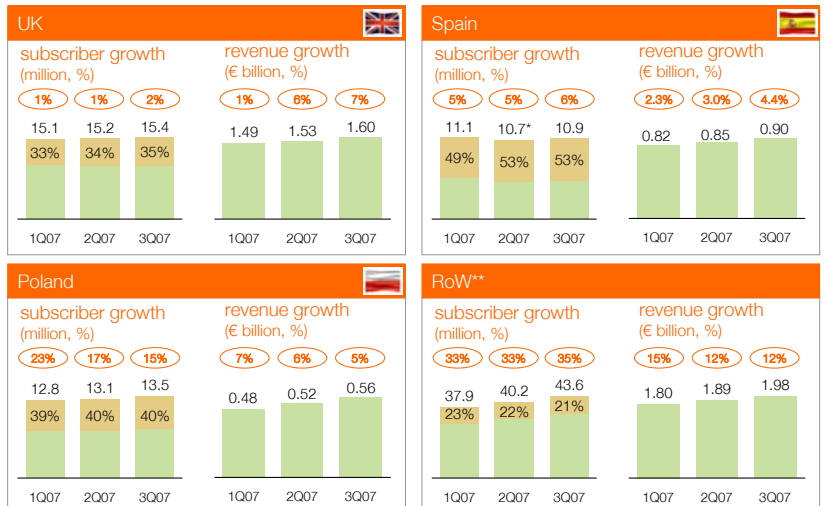


# 1 | our overall 2007 performance continues to be strong



5 note: all financial data includes Netherlands but not Austria and all figures here represent YTD numbers

# 1 | positive signs from across footprint



6 \* -500K subs due to cleaning of prepaid base  
 \*\* includes Africa, Middle East and Caribbean countries as well as Slovakia, Romania, Moldova, Belgium, Switzerland, and the Netherlands  
 note: Spanish growth rates only exclude 500k impact cleaning of the base ; all figures on comparable basis

2

we are confident  
in the growth potential  
of our markets



2

our markets continue to show solid growth potential -  
at different stages of development

key drivers  
of growth

| Western Europe  | Central and Eastern Europe  | Africa, Middle East, and Caribbean   |
|---|---|--|
| <ul style="list-style-type: none"><li>remaining pockets of penetration and new usage</li><li>migration from prepaid to contract</li><li>abundance and convergent offers</li><li>uptake of adjacent data services</li><li>potential in business segments</li></ul> | <ul style="list-style-type: none"><li>solid subscriber growth</li><li>continued growth from core services</li><li>abundance and multimedia services</li><li>rapid development of data cards as substitute of fixed-line</li></ul> | <ul style="list-style-type: none"><li>large penetration potential</li><li>positive economic and political outlook</li><li>wireless technologies filling in lack of fixed infrastructure</li><li>voice and SMS-led growth</li></ul> |

2007-10 CAGR  
total market  
revenues\*

~1%

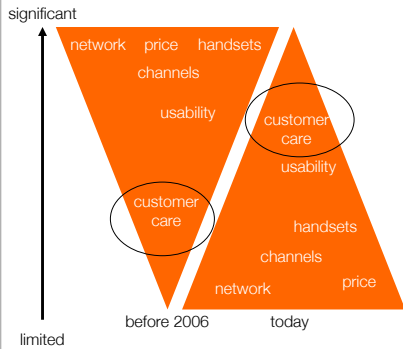
~6%

~20%

## 2 | in mature markets, customer satisfaction is increasingly critical to establish a platform for growth

service quality becoming an increasingly important buying / churning factor...

trends of service provider's ability to differentiate based on service features\*



...and all players striving to improve customer service



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\* source: Yankee Group, July 2006

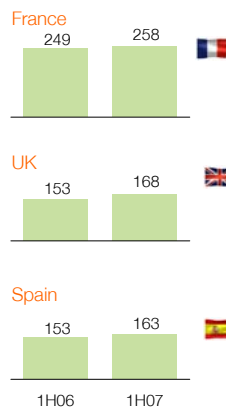
## 2 | ... and abundance is widely offered with positive impacts on retention, acquisition, and customer value

proliferation across European markets



usage increasing

minutes of usage/  
subscriber/market\*



spend and retention impact

decline in churn rate

moved customers into higher value bands

drove gross adds, increased market share

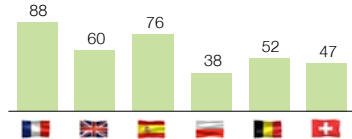
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\* source: Merrill Lynch Wireless Matrix

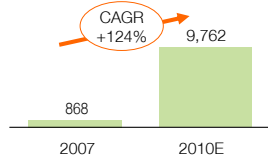
## 2 | convergent services are spreading everywhere throughout Europe

fixed mobile convergence projected to take off...

consumer interest in fixed/mobile bundle, 2007\*  
(% of households willing to bundle access)



projected fixed mobile converged subscriptions in Western Europe\*\*



\* Internal market research and analysis

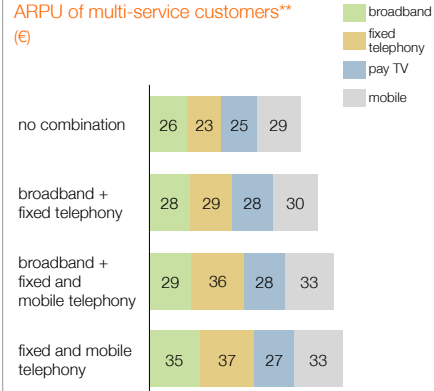
\*\* France, Spain, UK, Switzerland, Italy, the Netherlands, Germany

source: Ovum, 2006 Yankee Group European broadband consumer survey

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... with converged customers spending more

ARPU of multi-service customers\*\* (€)



\* Internal market research and analysis

\*\* France, Spain, UK, Switzerland, Italy, the Netherlands, Germany

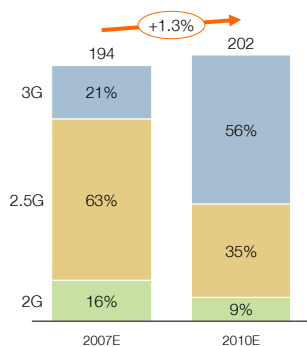
source: Ovum, 2006 Yankee Group European broadband consumer survey

## 2 | 3G supports new usages and boosts demand for data services

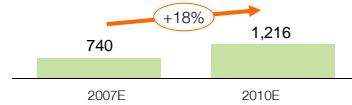
X% CAGR

Western Europe\* mobile market

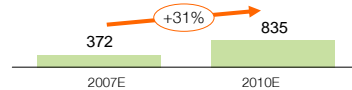
million SIM cards



mobile broadband market\*\* (€ million)



mobile TV market (€ million)



mobile music market\*\*\* (€ million)



\* France, UK, Spain, Belgium, Switzerland

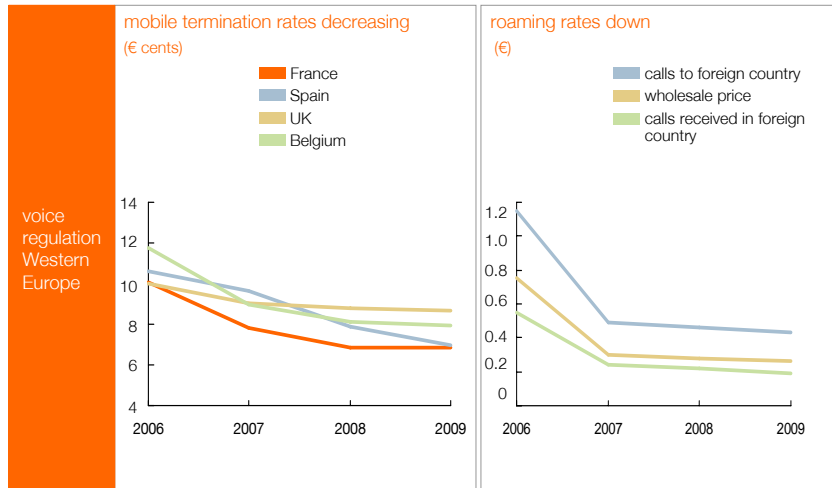
\*\* includes Internet and all other activities accessed using a mobile browser

\*\*\* does not include ringtones which account for large majority of current music market

source: Yankee Group

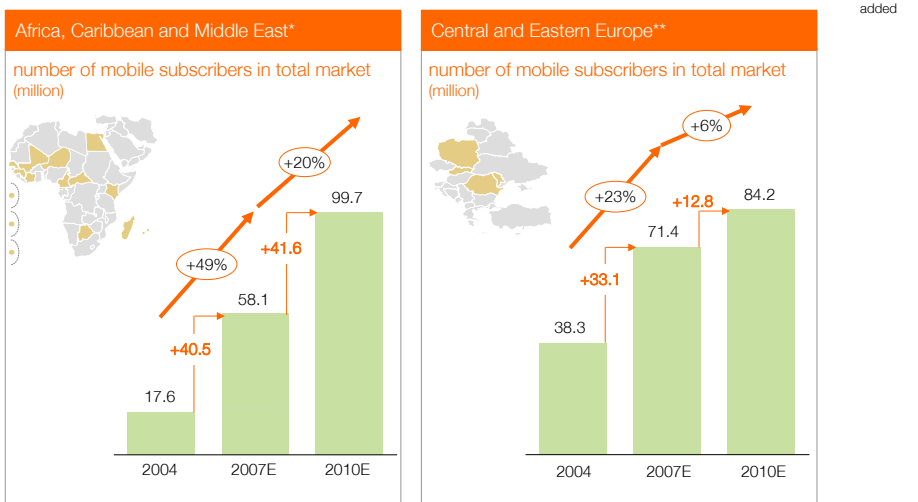
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## 2 | in mature markets, clarity on medium-term regulatory environment for voice although data remains less certain



13 source: internal analysis based on respective national regulation authorities

## 2 | Africa, Caribbean, Middle East and Central and Eastern Europe expected to post significant growth



\* includes AMEA + Egypt  
\*\* Romania, Slovakia, Poland, Moldova  
source: Pyramid, WCIS

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3

we will capture profitable growth by sustaining operational excellence and leading in innovation



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### 4 priorities to enhance profitable growth based on operational excellence and innovation leadership

4 priorities moving forward

1 best at serving our customers

2 optimise market presence

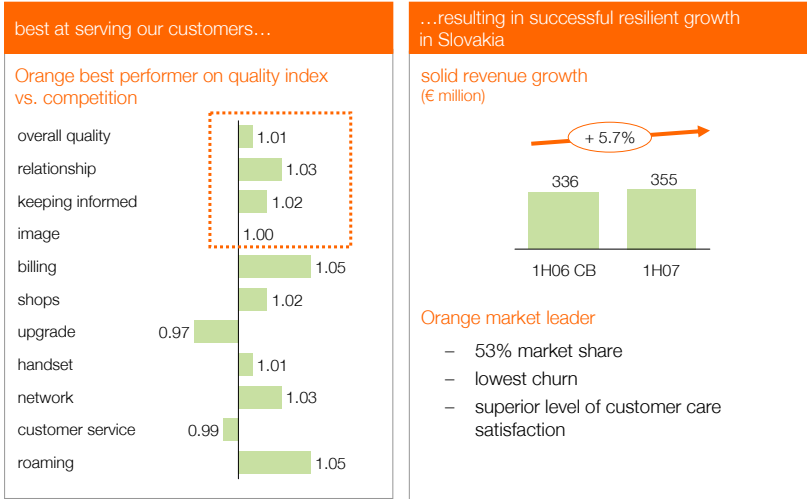


4 drive for efficiency

3 be at the forefront of innovation

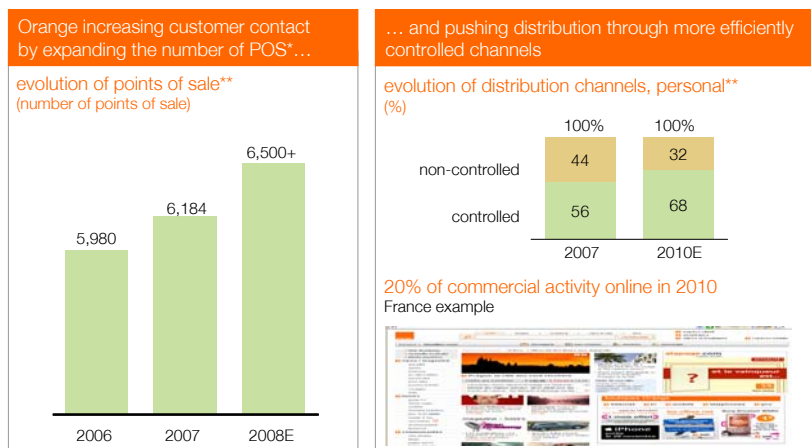
- growth through 4 key priorities
- profitable growth through efficiency programs

### 3 | best at serving our customers - our success story in Slovakia will be replicated across countries





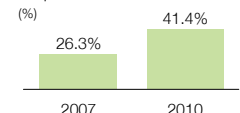
17 source: internal - Orange Slovakia

### 3 | optimise market presence - Orange growing total points of sale and more profitable controlled channels



18 \* defined as controlled points of sale and controlled channels performing at least 1 commercial activity  
 \*\* France, UK, Spain, Belgium, Switzerland, Poland, Romania and Slovakia

### 3 | expanding market presence - Orange continuing solid growth in emerging markets

| we delivered  | differentiation achieved   | enormous future growth potential   |
|---|--|--|
| <ul style="list-style-type: none"> <li>expansion into 19 African, Middle Eastern, and Caribbean countries</li> </ul>  <div style="border: 1px solid orange; padding: 5px; margin-top: 10px;"> <ul style="list-style-type: none"> <li>9% of personal revenues and 22% of personal subscribers (3Q07)</li> <li>59% of personal subscriber growth (3Q07, yoy on a c.b.)</li> </ul> </div> | <ul style="list-style-type: none"> <li>market leader in Africa - #1 or #2 market share in markets* where Orange-brand is currently present</li> <li>brand resonates well</li> </ul>  <ul style="list-style-type: none"> <li>adapted business model to serve low-end (~€15 ARPU) users and high-end with high profitability</li> </ul> | <ul style="list-style-type: none"> <li>penetration expected to grow significantly in Orange African footprint ...</li> </ul> <div style="text-align: center;">  <p>2007      2010</p> </div> <ul style="list-style-type: none"> <li>... and Orange continuously expanding to capture growth</li> </ul> <div style="border: 1px solid orange; padding: 5px; margin-top: 10px;"> <ul style="list-style-type: none"> <li>"france telecom wins kenya telkom ..."</li> <li>"...we are a partner for Africa in the long-term" FT AMEA head as quoted in Financial Times"</li> </ul> </div> |

19

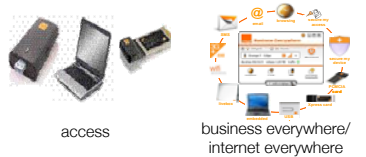




### 3 | be at the forefront of innovation - Orange ahead to capture convergence and multiplay opportunity

| what we have done  | where Orange is going next!  |
|--|--|
| <p>successful launch of Unik</p> <ul style="list-style-type: none"> <li>550k Unik device enabled customers in France</li> <li>significant AUPU/ARPU uplift</li> </ul> <p>leader in converged mobile + broadband in Western Europe* (000s subscribers, 3Q07)</p> <div style="text-align: center;">  <p>514      ~130      ~50</p> <p>orange      closest competitor      3rd place competitor</p> </div> | <p>Wi-Fi extender + Unik</p>  <p>expanding device range</p>  <p>data services on Unik: TV</p>  |

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\* France, UK, Spain, Belgium, Switzerland  
source: Ovum

### 3 innovation - Orange has the most comprehensive data and contents services portfolio and delivers superior user experience

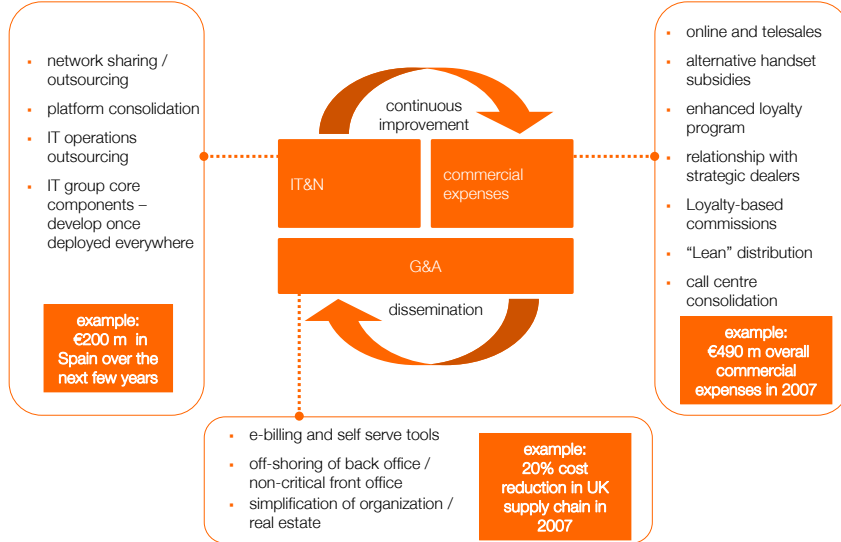
| what we have done  | where Orange is going next   |
|--|--|
| <p><b>mobile broadband</b></p>  <p>access      business everywhere/<br/>internet everywhere</p> | <p>grow BEW/IEW*<br/>(000s subscribers)</p>  <p>+50% CAGR<br/>856      ~ 3,000<br/>2007      2010</p> <p>make mobile BB simple</p>  <p>Flybox</p>                          |
| <p><b>mobile multimedia</b></p>  <p>mobile rewind TV      Orange music</p>                      | <p>foster penetration of signature and multimedia devices (2007-2010)</p>  <ul style="list-style-type: none"> <li>signature devices <b>x 2.5</b></li> <li>3G devices <b>x 3</b></li> <li>music devices <b>x 5</b></li> <li>HDTV devices <b>x 5</b></li> </ul> |

21 \* business everywhere/internet everywhere

### 3 innovation - imagine future "mobile lifestyle" services



### 3 | drive for efficiency - initiatives replicated across all countries



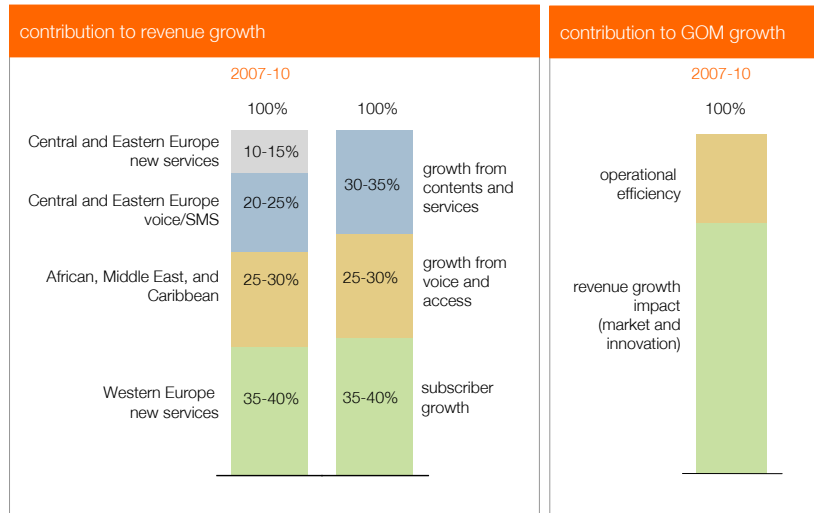
23

### 4

in summary



## 4 | leveraging growth with a targeted approach by market to sustain top and bottom-line growth



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## 4 | wrap-up of our priorities

**we have** delivered against our objectives with solid performance across markets

**we are** confident in the stability of our markets and their growth potential

**we have** paved our way ahead to capture profitable growth over the next 2-3 years



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