France Telecom Orange

investor day conquests 2015

human resources

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This presentation contains forward-looking statements about France Telecom’s business and its "Conquests 2015" industrial plan. Although France Telecom believes these statements are based on reasonable assumptions, the actual occurrence of the forecasted developments is subject to numerous risks and uncertainties, including matters not yet known to us or not currently considered material by us, and there can be no assurance that anticipated events will occur or that the objectives set out will actually be achieved. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among other factors, overall trends in the economy in general and in France Telecom’s markets, the efficiency of the strategy incorporated in the “Conquests 2015” industrial plan and of other strategic, operational and financial plans, France Telecom’s ability to adapt to the ongoing transformation of the telecommunications industry, regulatory developments and related constraints, as well as the outcome of legal proceedings and the risks and uncertainties related to international operations and exchange rate fluctuations.

More detailed information on the potential risks that could affect France Telecom's financial results can be found in the Registration Document filed with the French Autorité des marchés financiers and in the annual report on Form 20-F filed with the U.S. Securities and Exchange Commission. Except to the extent required by law, in particular Articles 223-1 et seq. of the General regulation of the Autorité des marchés financiers, France Telecom does not undertake any obligation to update forward-looking statements.
a new management model to combine economic and social performance

- Creation of a “People charter” for the Group
- Management strategies adapted locally
- New management networks (executives, leaders)

Social performance as a key objective

- Social performance composite indicator (SPCI), a reliable reference index for management quality
- Composed of 5 items on social concerns, and 5 HR indicators

Recognition and incentives

- A free-shares plan conditioned upon the success of Conquests 2015
- An increased weight of profit-sharing*

Diversify profiles

- Gender equality policy
- Diversity promotion
- More international profiles

20% renewal rate of the leaders network

Composition of managers variable part

- SPCI: 20% QoS
- 30% social perf.
- 50% financial perf.

Composition of average remuneration in France in 2010

- 24% profit-sharing*
- 76% fixed

% of women among Orange graduate program recruitment

- 2010: 24%
- 2011: 36% (+12pts)

Economic performance

Social performance

* Variable, incentive payments and exceptional, profit-sharing and employer contributions
after a strong adjustment period, quasi-stabilisation of workforce in France and at Group level by 2015

an acceleration of retirements in France

group pyramid ageing

est. natural attrition in France, in thousands

part time senior plan to anticipate and smooth demographic challenge

2014-2016 ~5k to 6k / year

2011-2013 ~1k / year

2007-2010 -2.7%

France international TEF* (incl. Atento) DT FT

2005 2000 2010 40 60 80 100

96,769 98,112

FT net decrease of 49k over 10 years

The most steady decrease of employees on domestic markets

France average age is 46.8 years while Group's is 43.2 years

30.4k cumulative estimated departures in France due to retirement over 2011 to end 2020

part time senior plan (TPS): a cumulative estimated decrease of around 6.5k FTE over 2010-2015

structural headcount changes already done over the last few years with a -32% net decrease in France between 2000 and 2010

slight reduction of headcount (FTE) at group level and in France in 2010

Group FTE** decreased by 2.7% in 2010

2009 cb France Poland Spain other segments 2010

165,878 67,766 98,112

-1,343 -2,558 -112 -473

161,392 64,623 96,769

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~1k / year 2011-2013

~1.5k to 2k / year 2014-2016

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part time senior plan to anticipate and smooth demographic challenge

outside France

France

international

France

other segments

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other segments
a capacity to allocate and adapt competencies to business priorities

skills allocation better aligned with operational needs at Group level

<table>
<thead>
<tr>
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<th>FTEs in 2010</th>
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<tbody>
<tr>
<td>customers</td>
<td>46%</td>
</tr>
<tr>
<td>IT and networks</td>
<td>34%</td>
</tr>
<tr>
<td>support functions</td>
<td>14%</td>
</tr>
<tr>
<td>content, marketing and innovation</td>
<td>6%</td>
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2010 vs 2007
+1.1pt  -1.0pt  -0.6pt  +0.4pt

majority of training done on customer-oriented functions

<table>
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<th>% of training hours in 2010 in France</th>
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<tr>
<td>customers</td>
<td>55%</td>
</tr>
<tr>
<td>IT and networks</td>
<td>33%</td>
</tr>
<tr>
<td>support functions</td>
<td>9%</td>
</tr>
<tr>
<td>content, marketing and innovation</td>
<td>3%</td>
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5 levers to adapt to business and organisation evolutions

- natural attrition and other departures
- ...or buy
- make...
- training
- recruits

insight
- a dynamic employment policy through internal and external recruitments on the 2010-2012 period
  - 10k external recruitments in France to renew competencies and prepare for demographic challenge
  - ~3.8k recruitments done in 2010 of which ~1.2k recruitments due to in sourcing of strategic competencies in 2010
  - 18k external recruitments out of France to compensate for turnover rate
- competency renewal with focus on customer facing functions and expertise for growth
- 10k managers trained in Orange Campus in 2010