

France Telecom Orange

investor day conquests 2015

healthy assets and
profitable growth
driven by “new”
territories

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May 31st, 2011



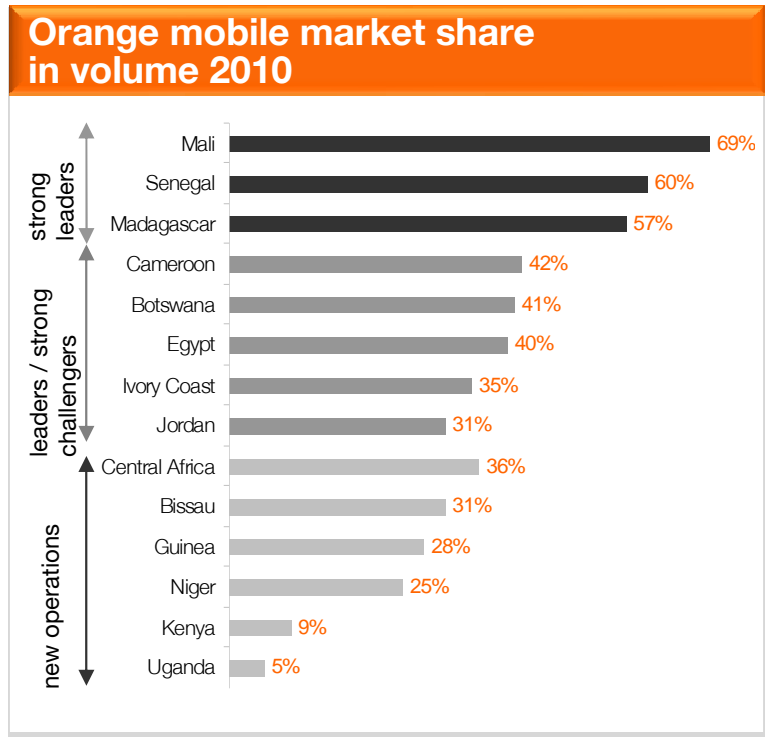
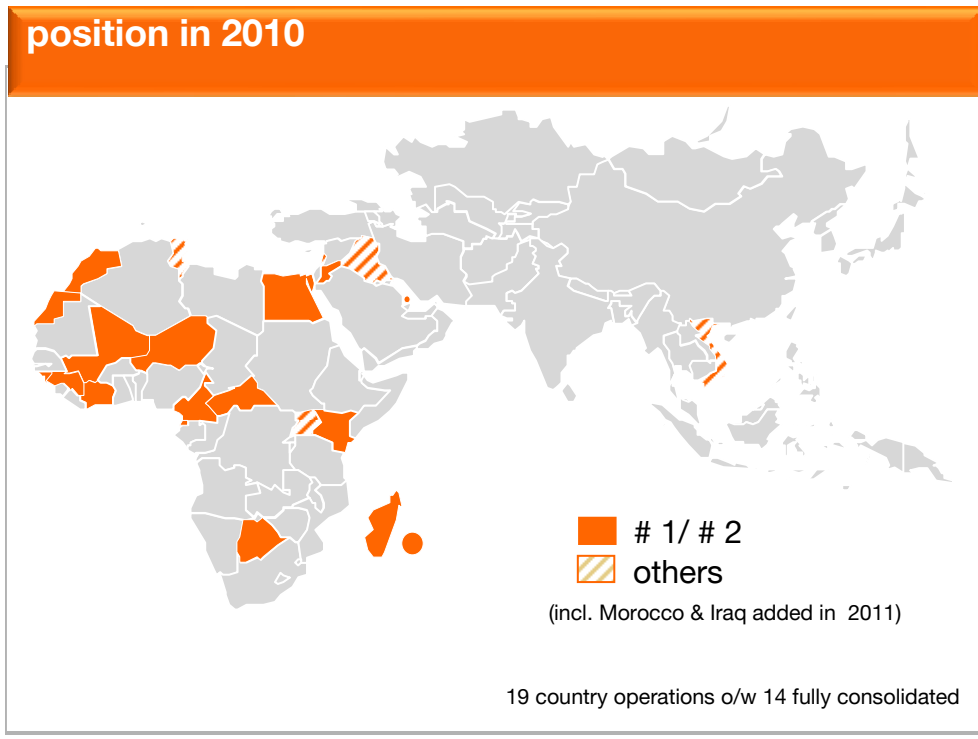
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key messages

- 1 | solid businesses relying on a diversified portfolio and strong market positions**
- 2 | +50% additional contribution to the Group's operating cash flow by 2013**
- 3 | achieve our ambitions by stimulating growth and driving operational efficiencies**

1 | Orange is well established in Africa and Middle East



- **new operations:** Kenya (mobile), Uganda, Niger, Guinea, Central African Republic, Guinea Bissau

- **mobile players:** Cameroon, Mali, Egypt, Madagascar, Botswana, Tunisia, Morocco (2011), Iraq (2011)

- **incumbents:** Senegal, Ivory Coast, Jordan, Mauritius, Kenya, Equatorial Guinea

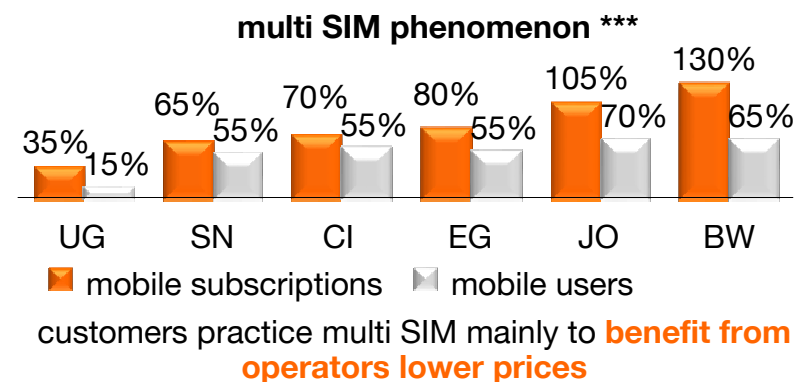


1 | strong growth potential in a region characterized by low ARPU and the dominance of prepaid customers practicing multi-SIM

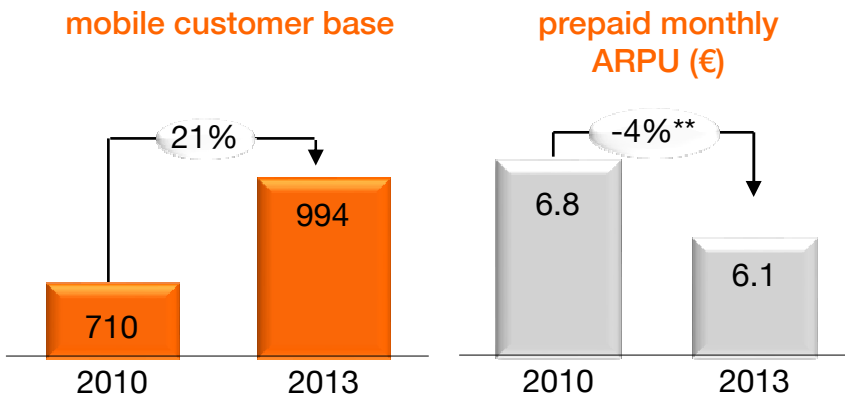
strong reservoir of growth

- the telecommunications market in the region is expected grow in excess of 6%* by 2015
- mobile penetration is expected to grow from 62% in 2010 to 90% in 2015* through the expansion of mobile coverage and continued growth in population
- dominance of prepaid customers in the region due to low incomes and high price sensitivity (> 95% in most of our footprint)

growing of multi SIM practice



declining ARPU counter-balanced by customer base growth *



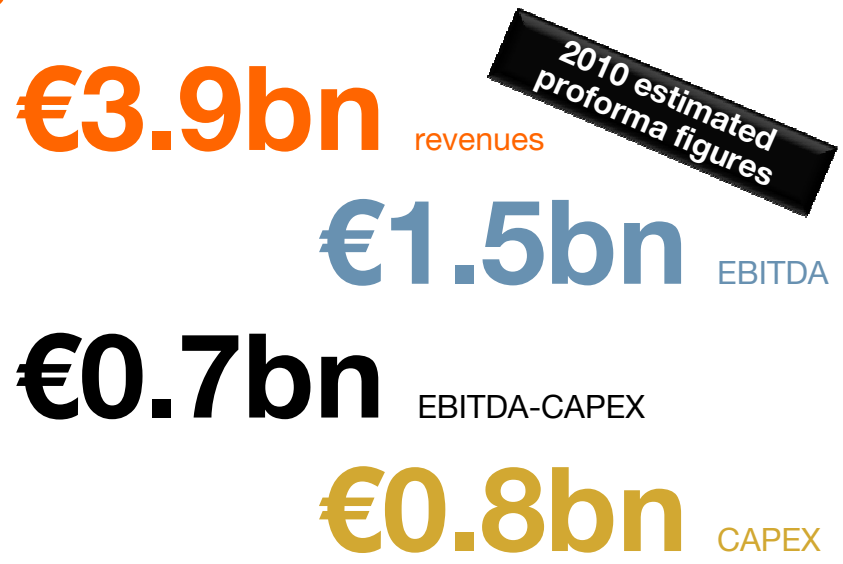
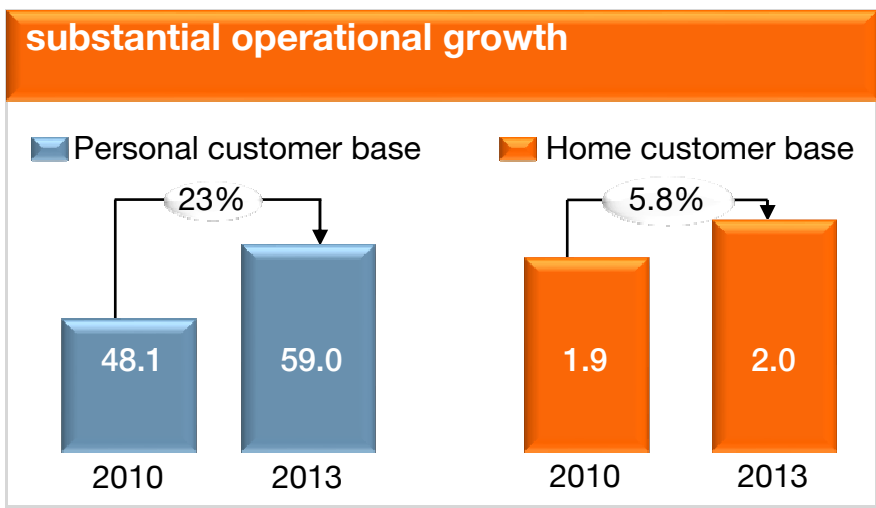
Operators need to be innovative to acquire and retain price sensitive customers e.g.: offer dynamic promotions (e.g. Yield Zone and develop customer base management tools & data services, etc.)

* Source Idate, Strategy Analytics

** CAGR 2010-2013

*** Source: Pyramid, JO: Jordan, EG: Egypt, BW: Botswana, CI: Ivory Coast, UG: Uganda, SN: Senegal.

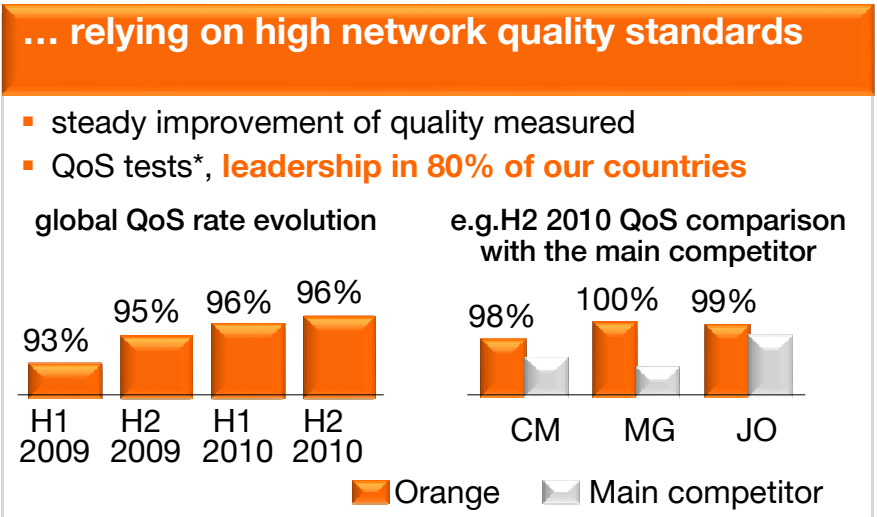
1 | sustainable growth despite current political context in some countries in 2010



business continuity maintained during crisis...

- local and corporate teams are **experienced in crisis management**
- processes were implemented to ensure **business continuity**

maintain **network quality standard**: ~91% Quality Call Rate Completion (CRC) in Ivory Coast in H2 2010 despite crisis



* Quality Of Service, drive tests campaigns

CM: Cameroon, CI: Ivory Coast, JO: Jordan, UG: Uganda



1 | strong corporate social responsibility image already established

Orange CSR initiatives



support agriculture development

- Orange Niger **helps farmers** to control their value proposition by providing them **market agricultural prices** within 18 main food markets

develop health projects

- Orange Madagascar **supports telemedicine** by **providing Internet access** to 3 health centers, which facilitates the diagnosis and the training of medical staff

widen Internet access

- Mauritius Telecom **reduces digital divide** with NetPC launch, a program granting a 12 months **free Internet access** to 200 needy households



key messages

- 1 | solid businesses relying on a diversified portfolio and strong market positions
- 2 | **+50% additional contribution to the Group's operating cash flow by 2013**
- 3 | achieve our ambitions by stimulating growth and driving operational efficiencies

2 | three key ambitions to drive growth across our markets

€7bn

double our revenues in emerging markets by 2015

#1 / #2

be the #1 / #2 everywhere in our footprint by 2015

+50%

+50% additional operating cash flow by 2013*

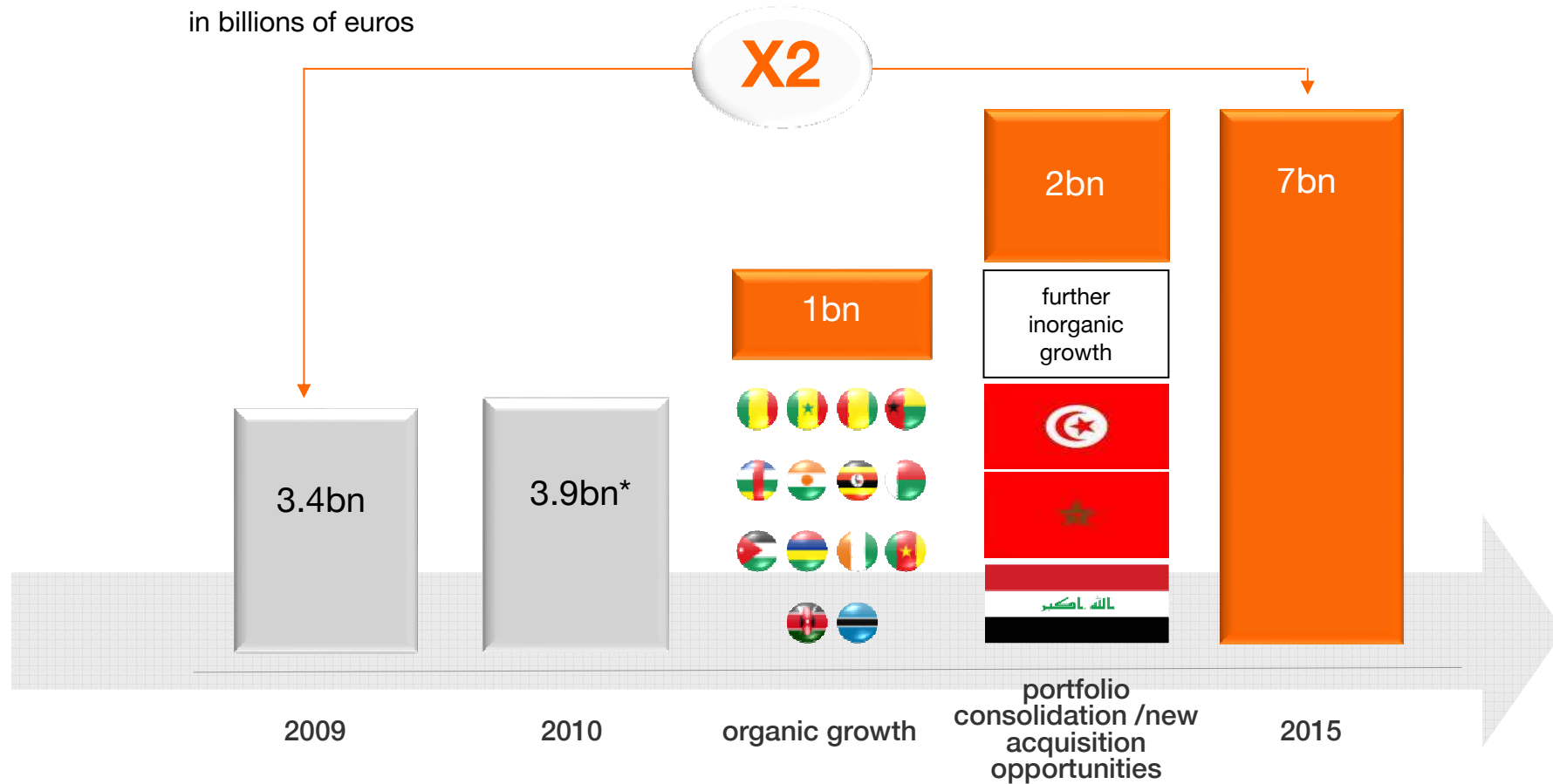
2

double our revenues in emerging markets by 2015

€7Bn

#1 / #2

+50%



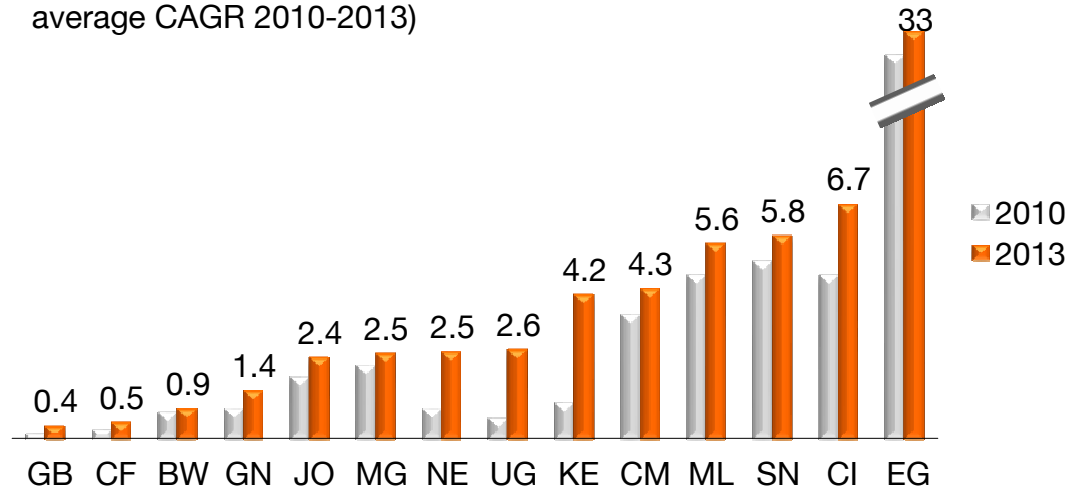
* 2010 estimated proforma figures based on full year consolidated operations

2 | be the n°1 or n°2 everywhere by 2015 and grow faster than the market

€7Bn
#1 / #2
+50%

acquire new customers in fast growing markets...

- in 2015, 5 countries will reach 100% mobile penetration whereas only 2 countries will remain under 40% penetration.
- mobile customer base growth is mainly driven by new operations (38% average CAGR 2010-2013)

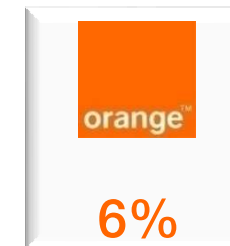


... relying on well balanced growth opportunities within our portfolio

- new operations develop **aggressive strategies**
- mobile players' revenues driven by **network coverage extension** and **customer experience enhancement**.
- incumbents maintain their position and secure revenues thanks to favorable economical environment and sustainable investments

Orange revenues will grow faster than the market on mobile

CAGR 2010-2015



Orange footprint

Orange will reinforce its leadership position

| mobile market position | nb of operations | % of cust. base |
|------------------------|------------------|-----------------|
| #1 / #2 | 12 | 97% |
| #3+ | 2 | 3% |

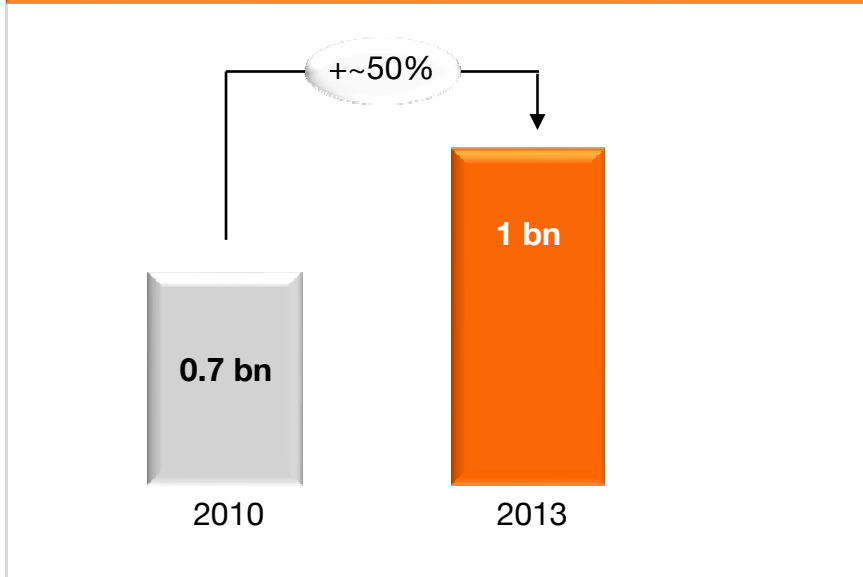
2 | +50% additional operating cash flow by 2013

€7Bn

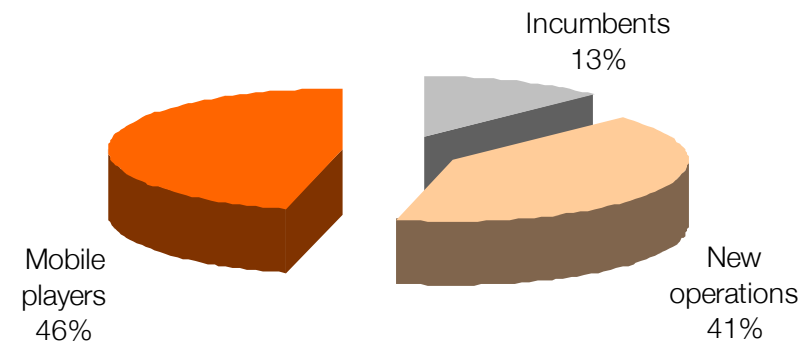
#1 / #2

+50%

operating cash flow



contribution to delta OCF 2010-2013



... relying on well balanced growth opportunities within our portfolio

- New operations will have positive OCF from 2013 relying on significant EBITDA growth (multiplied by 6) and CAPEX reduction (-4% CAGR 2010-2013)
- Mobile players will represent 60% of EBITDA in 2013 and will still play an significant role in AMEA activities
- Incumbents will remain stable

key messages

- 1 | solid businesses relying on a diversified portfolio and strong market positions
- 2 | +50% additional contribution to the Group's operating cash flow by 2013
- 3 | **achieve our ambitions by stimulating growth and driving operational efficiencies**

3 | achieve our ambitions by stimulating growth and driving operational efficiencies

strong assets

leverage on strong Group assets and employees' talent

core business

fuel growth in core business

new growth businesses

rely on new growth businesses to reach our ambitions

operational excellence

achieve operational excellence in all countries

3 | leverage on strong Group assets and employees' talent

strong brand, positively recognized within our footprint

Orange brand holds a **global property in AMEA** with CAF sponsorship, the biggest sponsorship group investment since WC France 98 ...

29 games

51 min of Orange visibility on average/game

25 M€* of media value from pitch-side boards' TV presence (Africa, Europe & Middle East)



...and has **strong positions at local levels.**

ahead competition in Senegal, Mali and Mauritius



highest level of brand affection among customers in Niger



brand perceived as **dynamic and refreshing** in Ivory Coast, Senegal, CAR





be the preferred brand in all our countries

significant group synergies

- **sourcing synergies**
- **3 innovation centers** dedicated to A&ME in Amman, Abidjan and Cairo.
- **core innovation** portfolio deployed in most of our footprint: Orange Money, E recharge - Orange solution, internet everywhere, etc.

to be the employer of choice in Africa and The Middle East

- **efficient talent management:** development and sharing of strong local competencies relying on **regional and international HR programs**
- **highly praised HR policy** in Africa:
 -  Orange Uganda rewarded **employer of choice**
 -  CEO in Côte d'Ivoire formerly in Botswana awarded **Best manager 2010** by Africa Telecom People

3 | fuel growth in core business

1 continue to offer the best-in-class customer experience

all countries measure and monitor customer experience

14,000 clients interviewed

+1.2 pts in customer satisfaction since 2008

75% affiliates outperforming competition, **100% affiliates for 2015 target**

3 accelerate 2G and 3G mobile coverage

Orange roll-out capacity is more important than our competitors

+12% 2G sites per year (CAGR 2010-2013)

X 2.5 3G sites between 2010- 2013

2 capture growth in rural areas

+40 M* addressable people to be equipped in our footprint between 2010 & 2015



4 improve customer value

- **market segmentation:** a common tool to ensure Orange brand consistency and facilitate best practices sharing
- **customer base management:** a value customer base stimulation program on going in all our mature markets

3 | rely on new growth businesses to reach our ambitions

1 | accelerate m-payment expansion

deploy Orange Money in **all our affiliates** and **further improve customers loyalty**



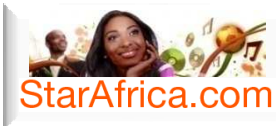
30 M
m-payment customers
in our footprint in 2015

2 | be the champion in Broadband

- push data take-off in Africa and Middle East
- create a core content program for Africa and Middle East and promote local content



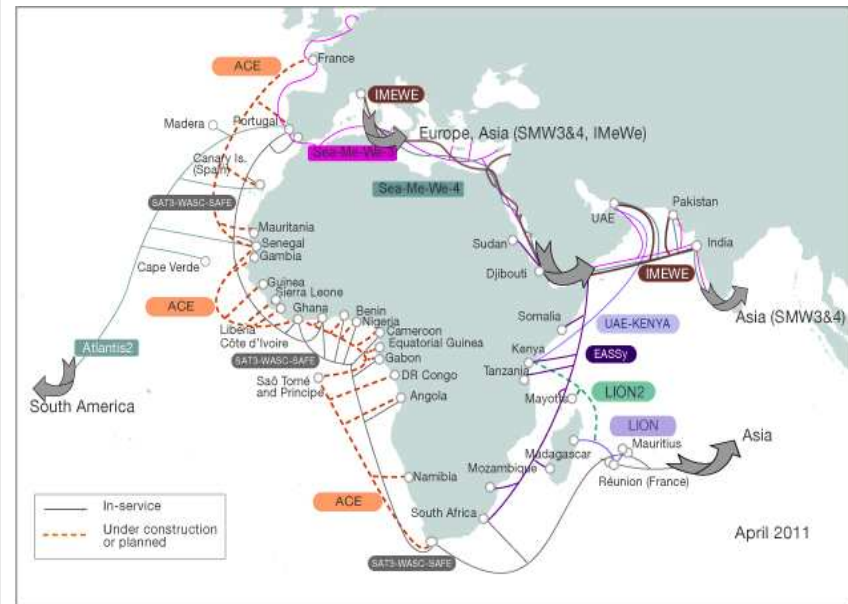
300 M€
revenues, on fixed &
mobile broadband in 2015



3 | open up African continent to develop broadband

Orange is a **leading international cable operator in Africa, unleashing data access & usage**

France Telecom is involved in more than 40 projects worldwide corresponding to an average of 400 000 km of cables



3 | achieve operational excellence in all countries

optimize our costs

- successfully carry out mutualization platforms structure creation
- implement site sharing when possible
- facilitate geographic clustering mutualization & synergies

speed-up synergies

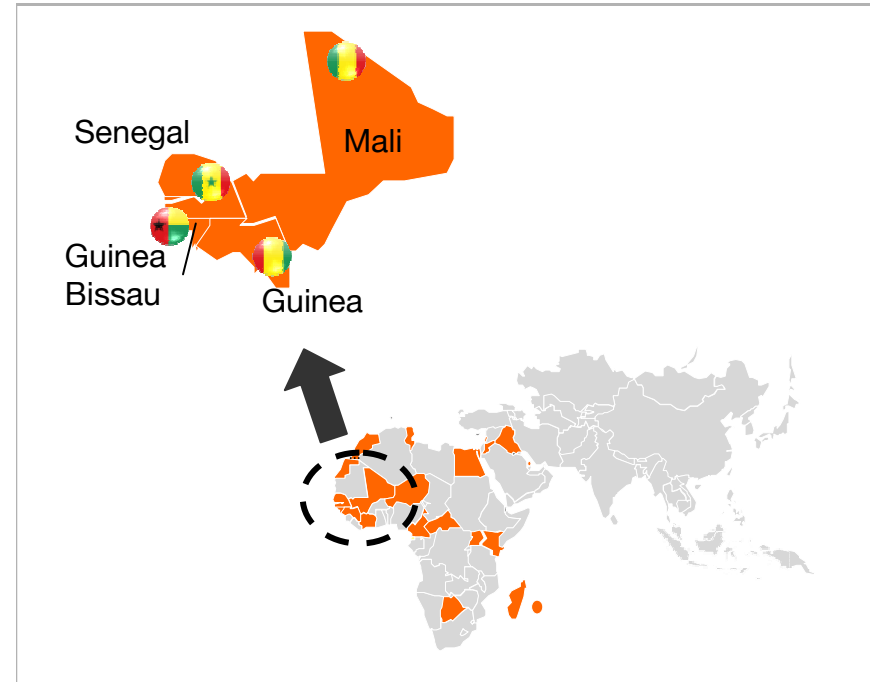
- accelerate best practices detection and industrialization
- improve our capacity of deploying transversal core programs



3 | examples of initiatives driving operational excellence

geographic clustering in West Africa

- **4 West African operations are highly active in mutualization programs** which cover all operators activities (ITN, commercial, support functions).
- Illustrative:
 - Mali commercial launch with Senegal prepaid platform
 - value added services platform mutualized between Guinea and Guinea Bissau
 - common ERP software managed centrally from Senegal for 4 operations
 - common trainings



drive efficiency relying on site-sharing

- passive infrastructure sharing will allow about 25% Capex and about 30% Opex savings (greenfield site)
 - **all of our affiliates** are developing site sharing opportunities (host and/or guest). Our more advanced affiliates are Orange Uganda and Telekom Kenya with over 60% of sites shared.

to sum up : invest in healthy assets and profitable growth driven by “new” territories

Orange has ambitious objectives in Africa & the Middle East

double our revenues



#1 or #2
everywhere
in our footprint



+50% additional operating cash flow



key initiatives to reach 2015 ambitions

1. operational excellence reaching

- further costs optimization
- **best-in-class customer experience** delivery
- synergies boost

2. acceleration of new growth businesses

- m-payment: 30M customers
- broadband: 300M€ revenues

3. sustainable network investments

- +10% sites per year (CAGR 2010-2013)
- submarine cables projects



Senegal



Kenya



Tunisia



Jordan

Thank you



Cameroon



Ivory Coast



Mauritius



Madagascar