



Orange International

23rd March 2005

Sanjiv Ahuja – CEO Orange

&

Brigitte Bourgoïn – EVP Orange International

Cautionary Statement

This presentation contains forward-looking statements about France Telecom. Such statements are not historical facts and include expressions about management's confidence and strategies and management's expectations about new and existing programs, opportunities, technology and market conditions. Although France Telecom believes its expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties. These statements should not be regarded as a representation that anticipated events will occur or that expected objectives will be achieved. Important factors that could cause actual results or performance to differ materially from the results anticipated in the forward-looking statements include, among other things, the success of the announced FT 2005 plan, including the TOP LINE and TOP programs, France Telecom's other strategic, financial and operating initiatives, changes in economic, business and competitive markets, risks and uncertainties attendant upon international operations, technological trends, exchange rate fluctuations and market regulatory factors. More detailed information on the potential factors that could affect the financial results of France Telecom is contained in the *Document de Référence* submitted to the AMF on March 2, 2005 as well as in the filings on Form 20-F with the U.S. Securities and Exchange Commission dated April 16, 2004. The forward-looking statements contained in this document 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.



Agenda : Orange International

Key growth driver for the Group

➤ *Performance*

➤ *Synergies*

“How we make the future happen”

➤ *Strengths*

➤ *Key initiatives in each country*

➤ *Group initiatives*

Conclusion





Key growth driver for the Group

Sanjiv Ahuja

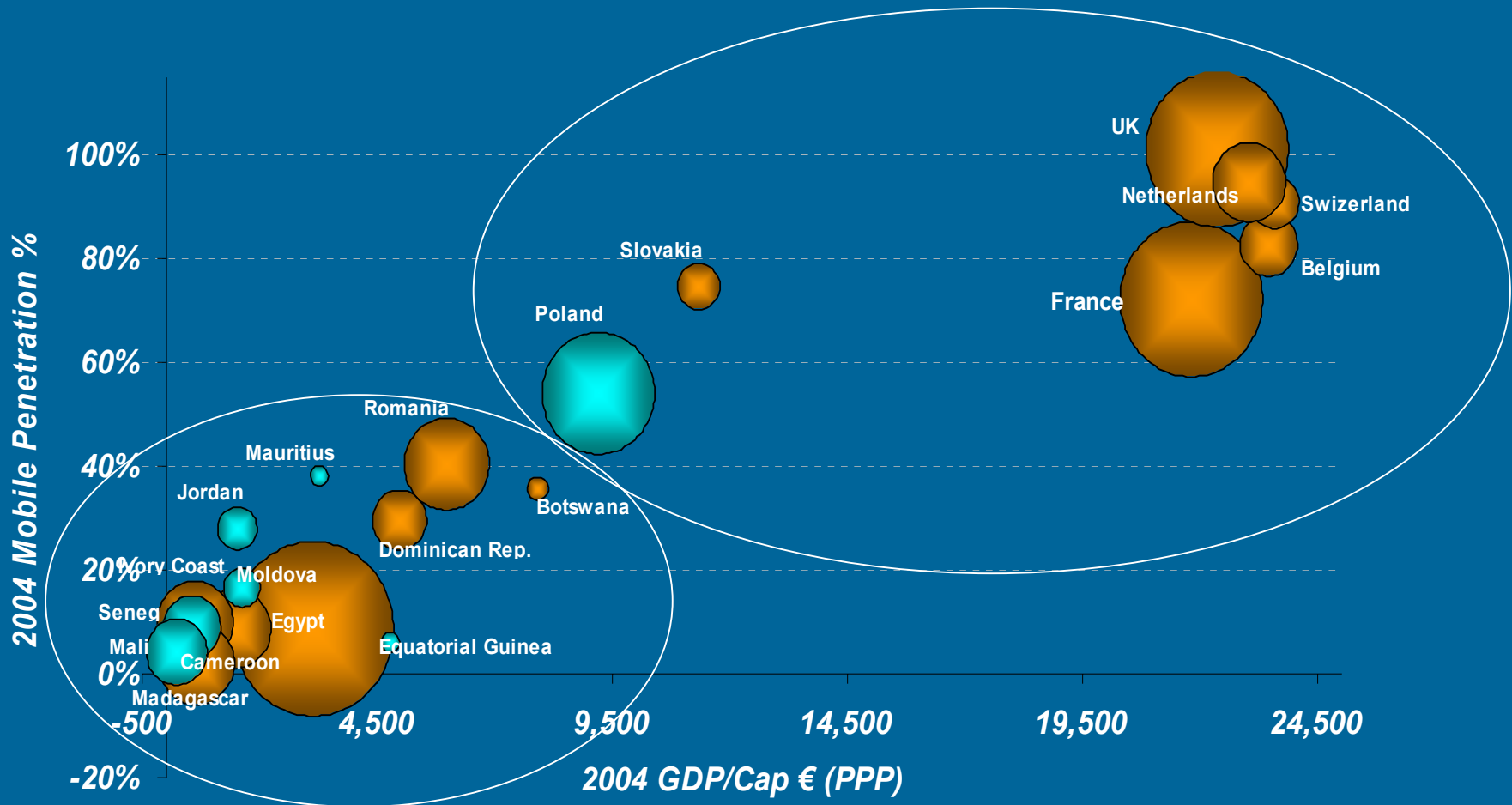
Agenda

Performance

Synergies



International Mobile operations: a balanced portfolio



Balancing long term growth potential with mature, wealthier markets



Orange International Portfolio

	2004 Market Position		Revenue and EBITDA (2004 vs 2003 Pro Forma)		
	Market Share*	Position*	Revenue growth	EBITDA growth	2004 EBITDA margin
Belgium	33.5%	2	15%	30%	42%
Switzerland	18%	2**	9%	30%	31%
Romania	48%	1	47%	55%	54%
Egypt (at 100%)	53%	1	35%	22%	47%
Netherlands	11%	4**	28%	187%	17%
Slovakia	57%	1	18%	25%	45%
Ivory Coast	52%	1	57%	99%	61%
Cameroon	51%	1	41%	32%	49%
Dominicana	31%	2	128%	222%	37%
Botswana	30%	2	19%	2%	30%
Madagascar	51%	1	38%	31%	35%

➤ All businesses are Operating Free Cash Flow*** positive



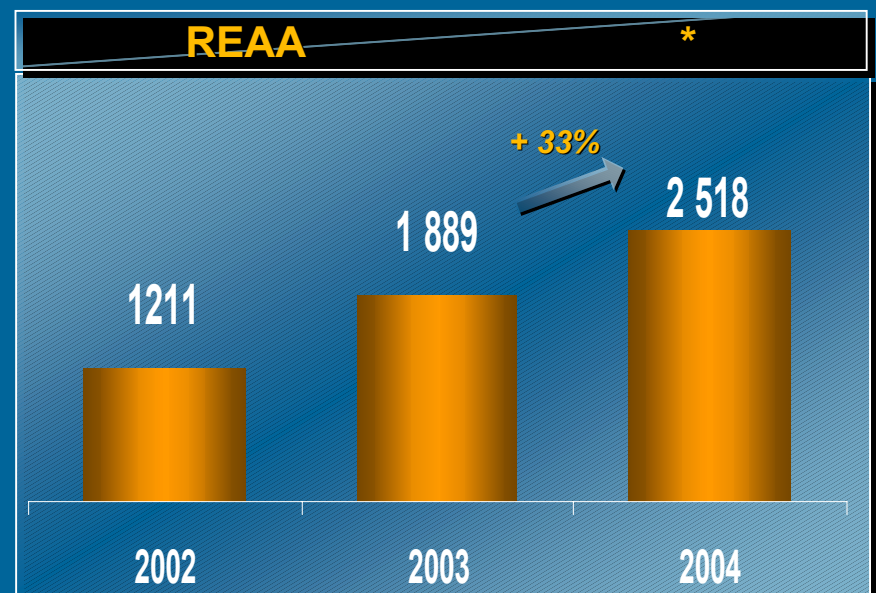
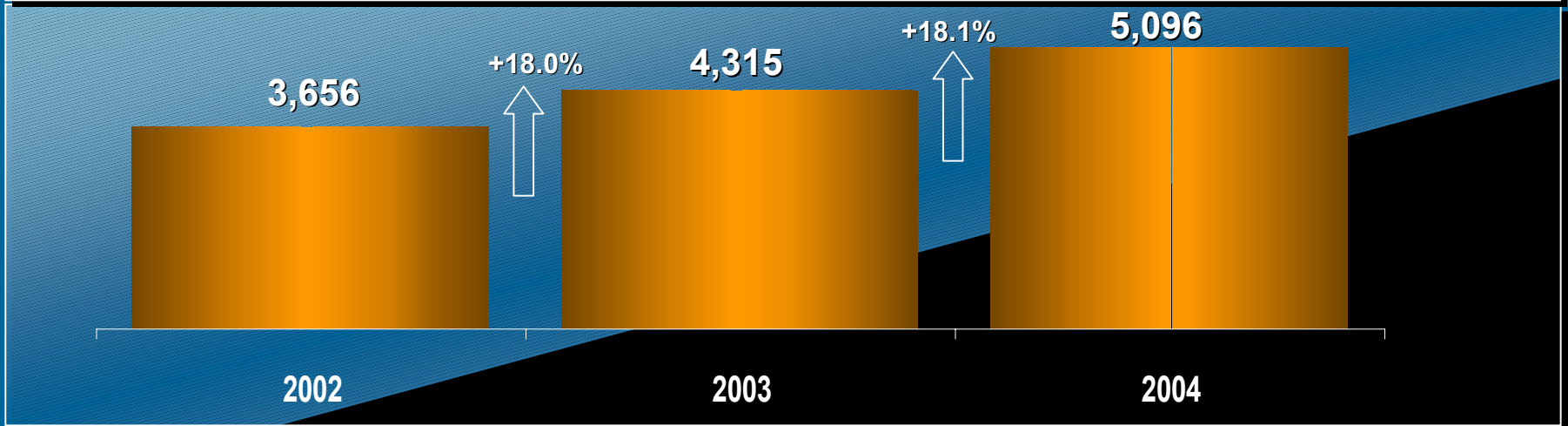
Orange has developed a strong international portfolio



* estimates **Value market share ***REAA-CAPEX

Orange International: operating results

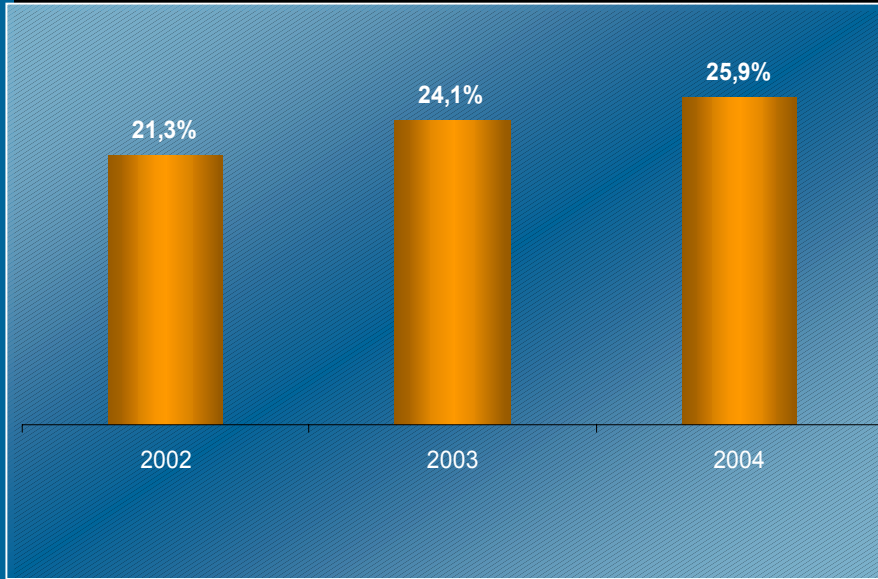
2004 Total Revenues: +18.1% yoy growth (Reported)



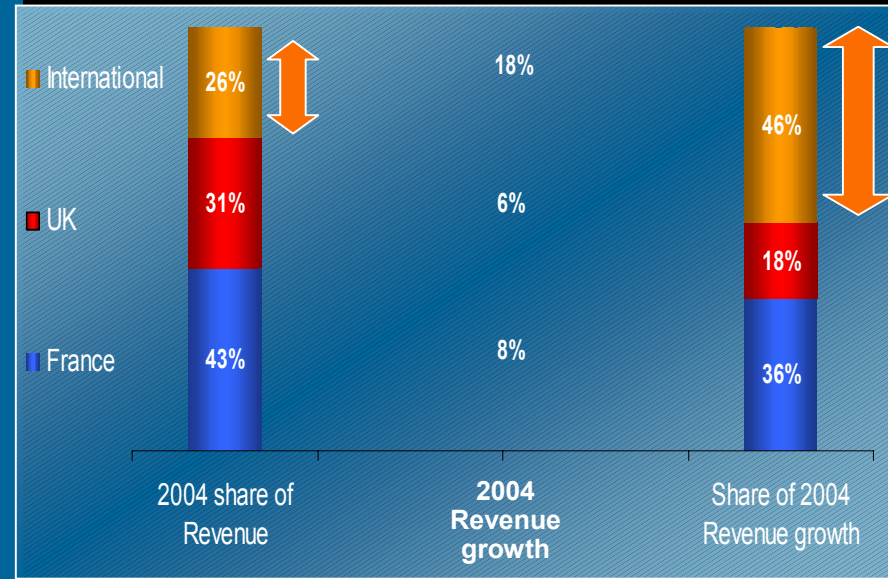
REAA margin increased from 24.1% in 02 to 38.7% in 04

Key revenue growth driver for the Group

Orange International revenues as a %
Orange group total revenues



Orange International's contribution to Orange
group total revenue growth (%)

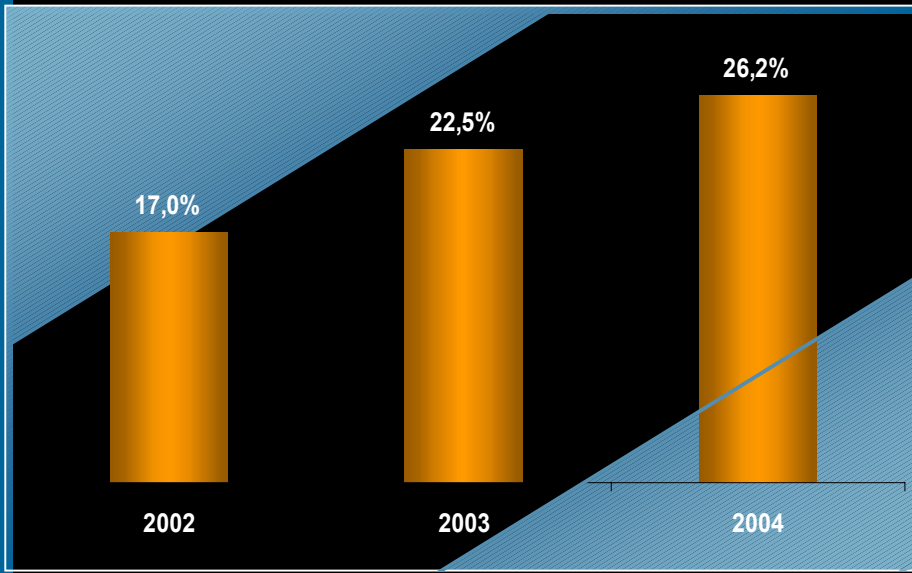


International contributed 46% of Orange Group 2004 revenue growth

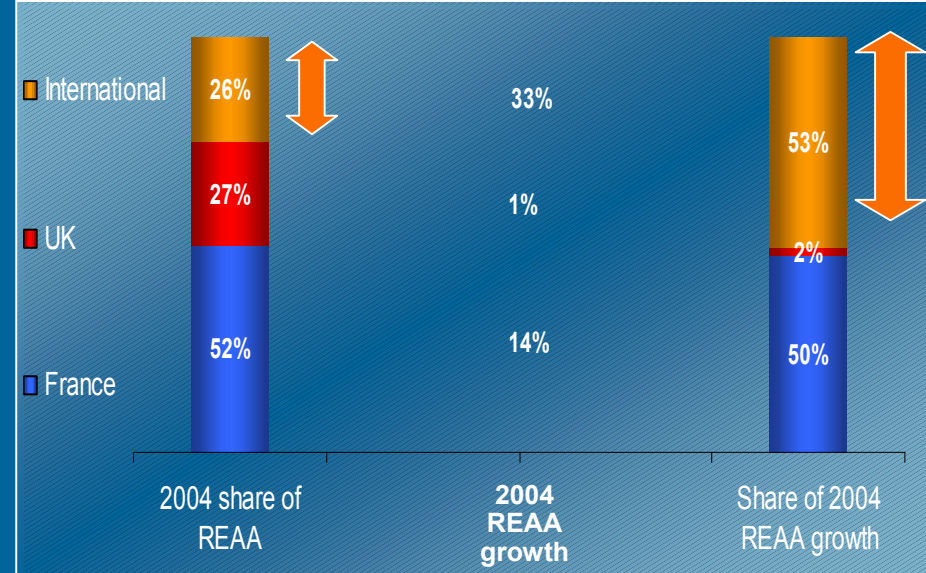


Key REAA growth driver for the Group

Orange International REAA as a %
Orange group total REAA (%)



Orange International's contribution to Orange Group total REAA growth (%)



More than 50% of Orange's 04 REAA growth from Orange International



Agenda

Performance

Synergies



Orange: the formula for International growth

Customer differentiation

Brand

- Common brand values allow consistent delivery of Orange brand

Needs based segmentation

- Segmented propositions around identified needs

User Experience

- A unique Orange user experience

Leverage scale and optimise efficiency

Leverage group scale

- Lower procurement and common infrastructure

Roaming

- Common customer experience

Wireless Broadband

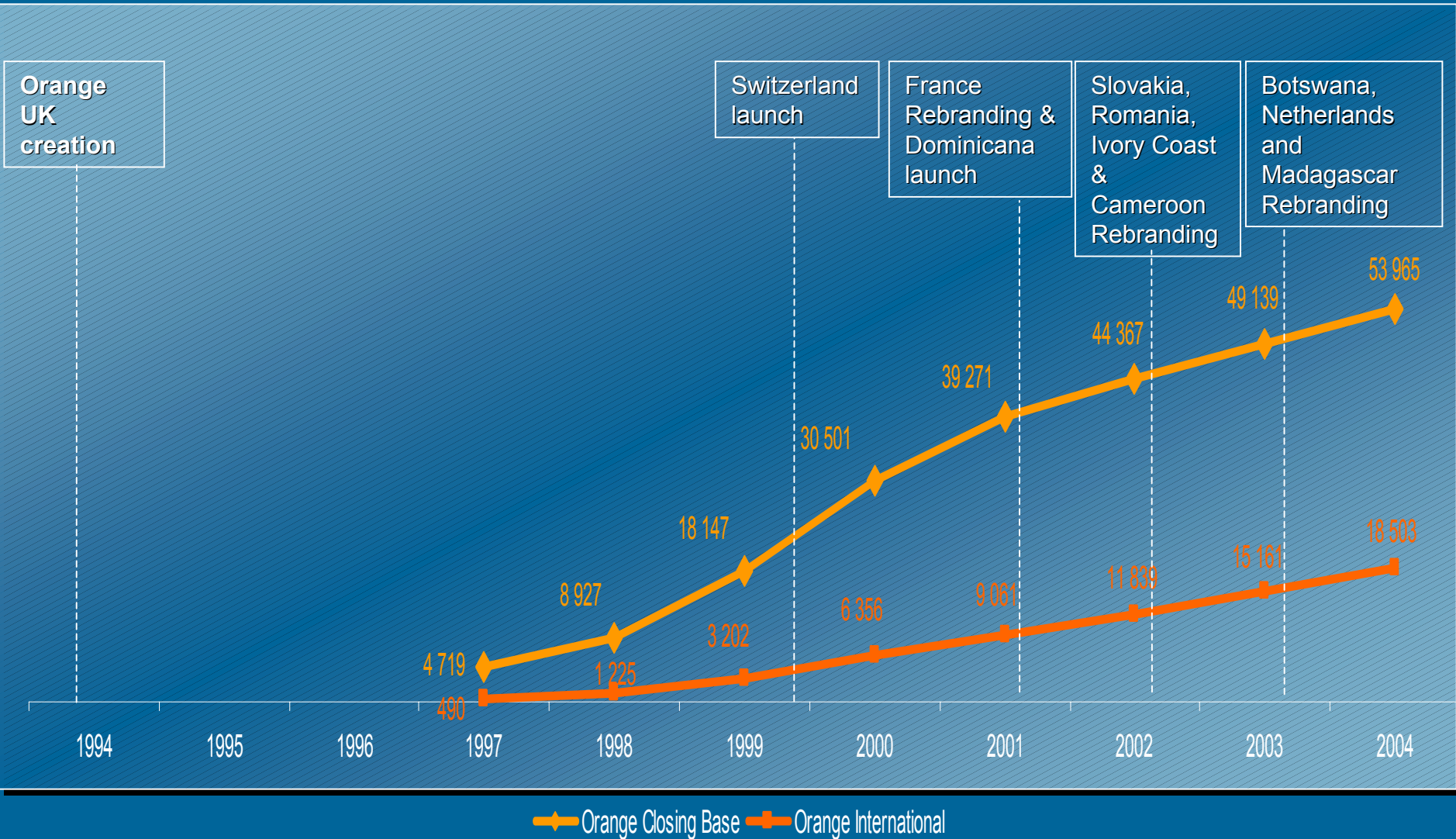
- Optimise network capabilities and costs

Integrated operator strategy :

Adapting the Integrated operator model to the local market

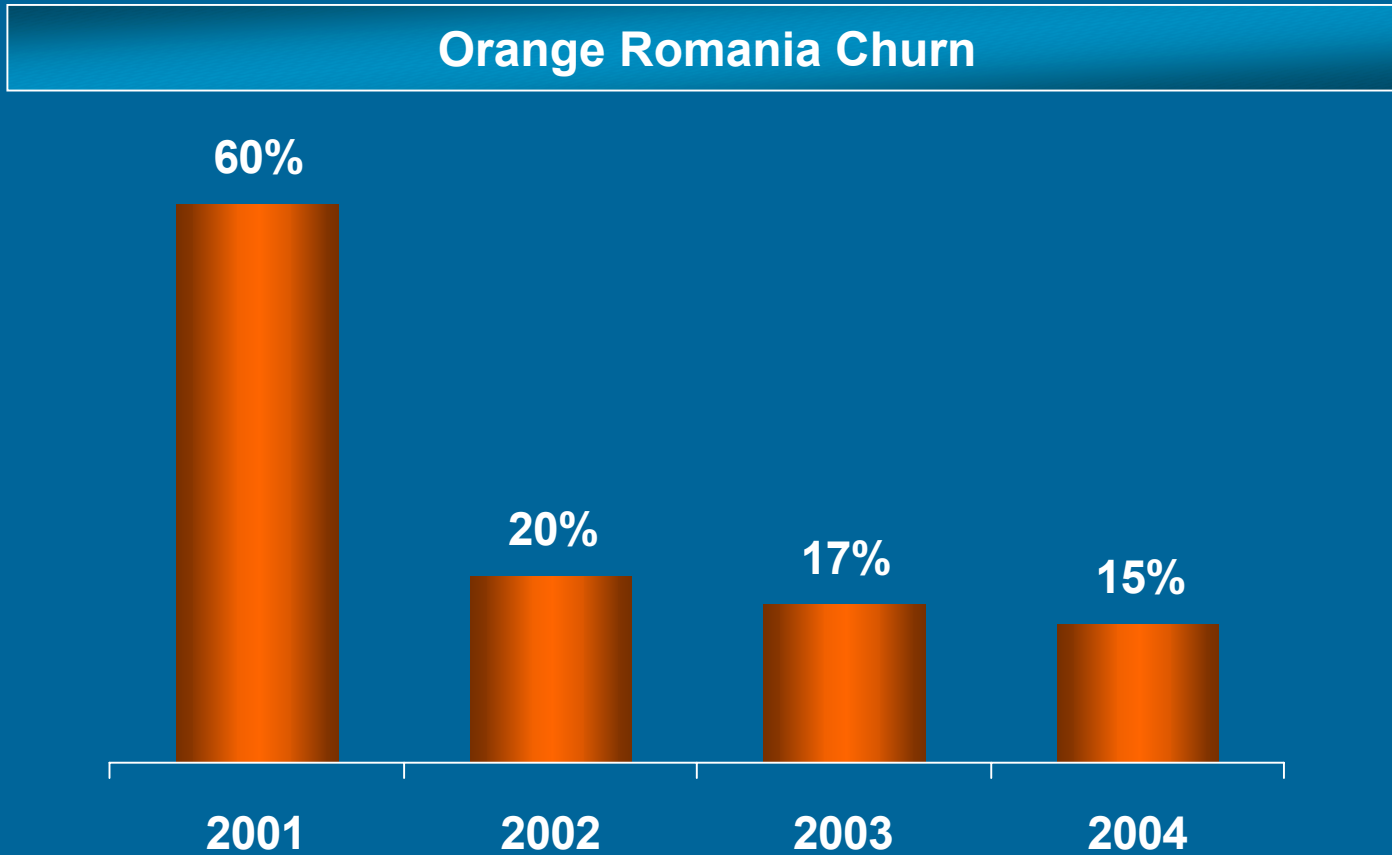


Brand : Common brand positioning across the Group



Common brand values allow consistent delivery of Orange brand

The power of the Orange brand



- Orange Romania rebranded April 2002
- Strong churn reduction after rebrand



Common brand values allow consistent delivery of Orange brand



Needs based segmentation

- Completion of intensive market research program in 2004
- Consumer segments defined, priority segments identified
- Investment in CRM
- CRM databases tagged by segment in Netherlands, Switzerland, Belgium and soon in Slovakia
- Consumer segmentation now driving offer & retail design, customer service operations and direct marketing campaigns
- Orange Premier will be the first value proposition implemented across our international footprint following successful UK trial

Implementation and development of segmented propositions



User Experience



More distinctive and user friendly devices :

- Over 28 new signature phones by year end 2005 including 3G
- 12% of base equipped by year end 2005
- Specific devices to meet requirements of different customer segments

Orange World Multimedia services

- Optimised for Signature phones
- Accessible on all wap phones and smartphones



International customers benefit from Group products and services



Leverage Group scale

Devices & Network equipment

- Common Specifications
- Group volume commitments
- Partnerships with ODMs

Services Platforms & Content

- Shared development costs
- Reduce time to market across the footprint
- Build once, deploy everywhere
- Orange group deals for flagship content *e.g. Star Wars*

IT Applications (CRM, Billing)

- Shared development costs
- Leverage on solution supplier
- Harmonisation of CRM and billing solutions

Lower unit procurement costs



Roaming: common customer experience

- Detailed roadmap to deliver prepaid roaming across and beyond international footprint
- Increasing roaming capture rates through SIM and network upgrades
- Ensure “roam like home” seamless voice and data services across Orange network, Freemove footprint and other key markets
- Orange MNC customers leverage full benefits of Freemove membership



International customers enjoy a consistent Orange roaming experience



Wireless Broadband

- Continue 3G deployment in Europe and launch EDGE selectively
- Alternative technologies under evaluation to deliver best possible customer experience

Enriched customer experience

	2G	GPRS	EDGE	UMTS	
Enriched customer services	Voice/Videotelephony + data				✓
	Videotelephony				✓
	Live TV				✓
	Email		header	reasonable attachment	large attachment
	MMS		<30kb	<150kb	<600kb
	SMS		✓	✓	✓
	Voice		✓		✓

International operations delivering wireless broadband

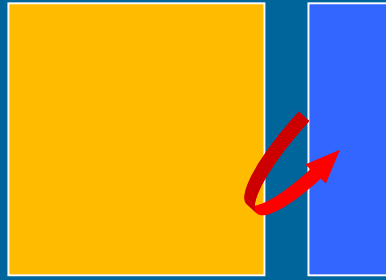


Integrated operator strategy: country-specific

Personal + Home

1 The Netherlands

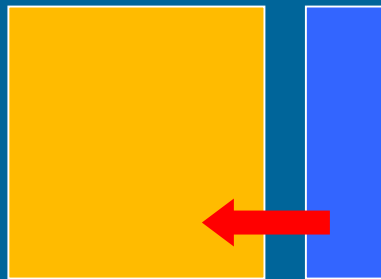
Orange Wanadoo



Leverage assets to provide bundled offers

Customer-centric convergence

Asset-based convergence

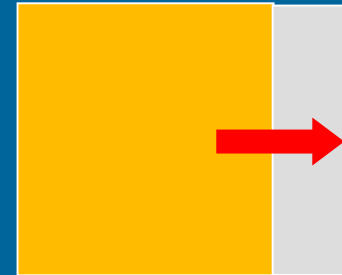


Reduce costs by rationalising asset base

Personal only

2 Switzerland

Orange Internet



Offer bundles (mobile + Internet / VOIP) through own development or partnership



Incremental investments

Adapting the Integrated operator model to fit the local market





“How we make the future happen”

Brigitte Bourgoin

Agenda

Strengths

Key initiatives in each country

Group initiatives



Strength in organisation, management and people

ORANGE INTERNATIONAL TEAM: today's participants

EVP Orange International : Brigitte Bourgoin



• Belgium - Mobistar : Bernard Moscheni



• Switzerland : Andreas Wetter



• Egypt - MobiNil : Osman Sultan



• Netherlands : David Holliday



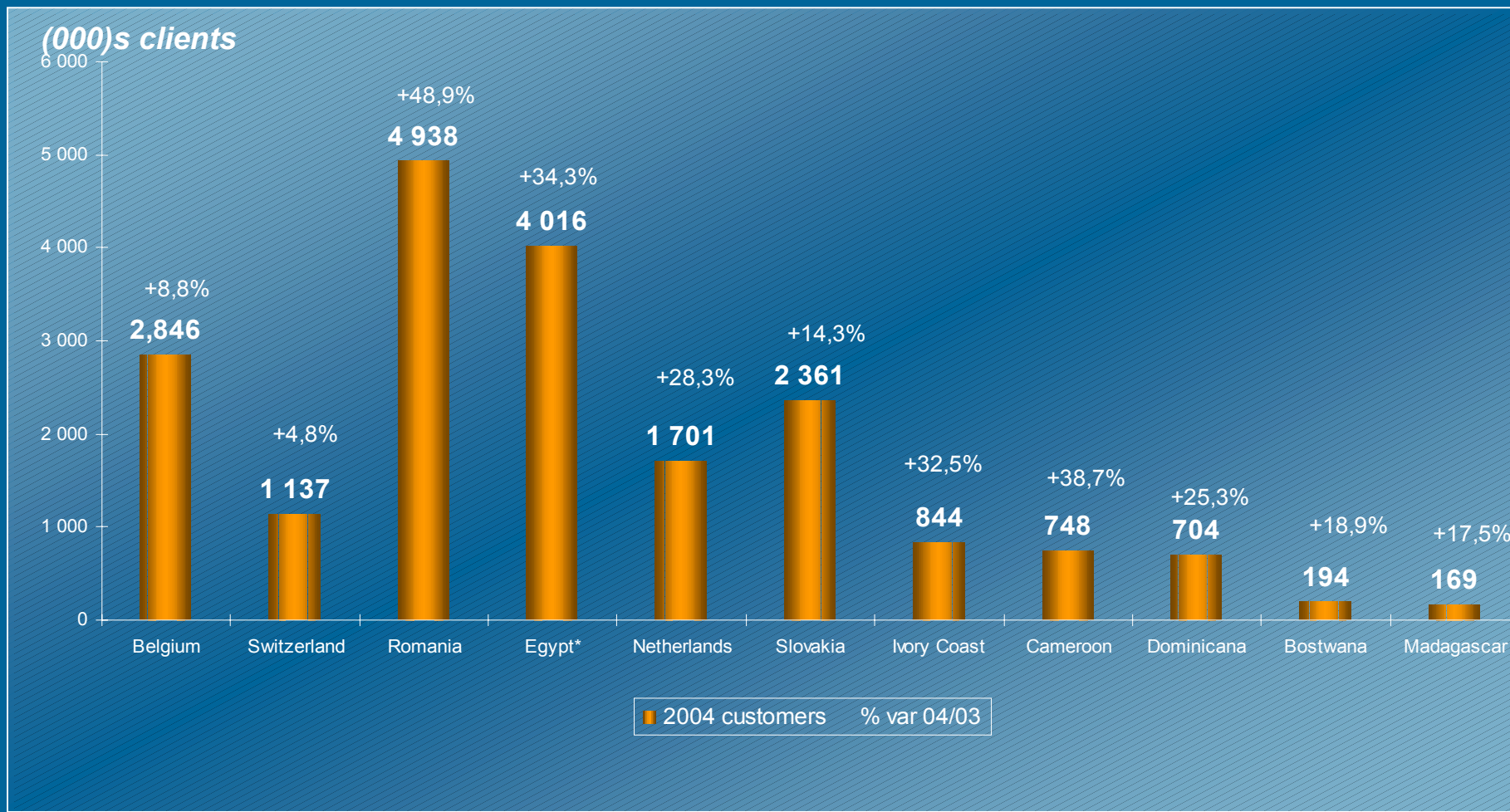
• Slovakia : Pavol Lancaric



• Romania : Richard Moat



Solid operating results: Customers by country



Strong subscriber growth in 2004: +27% ...



* At 100%

Solid operating results: Revenues by country

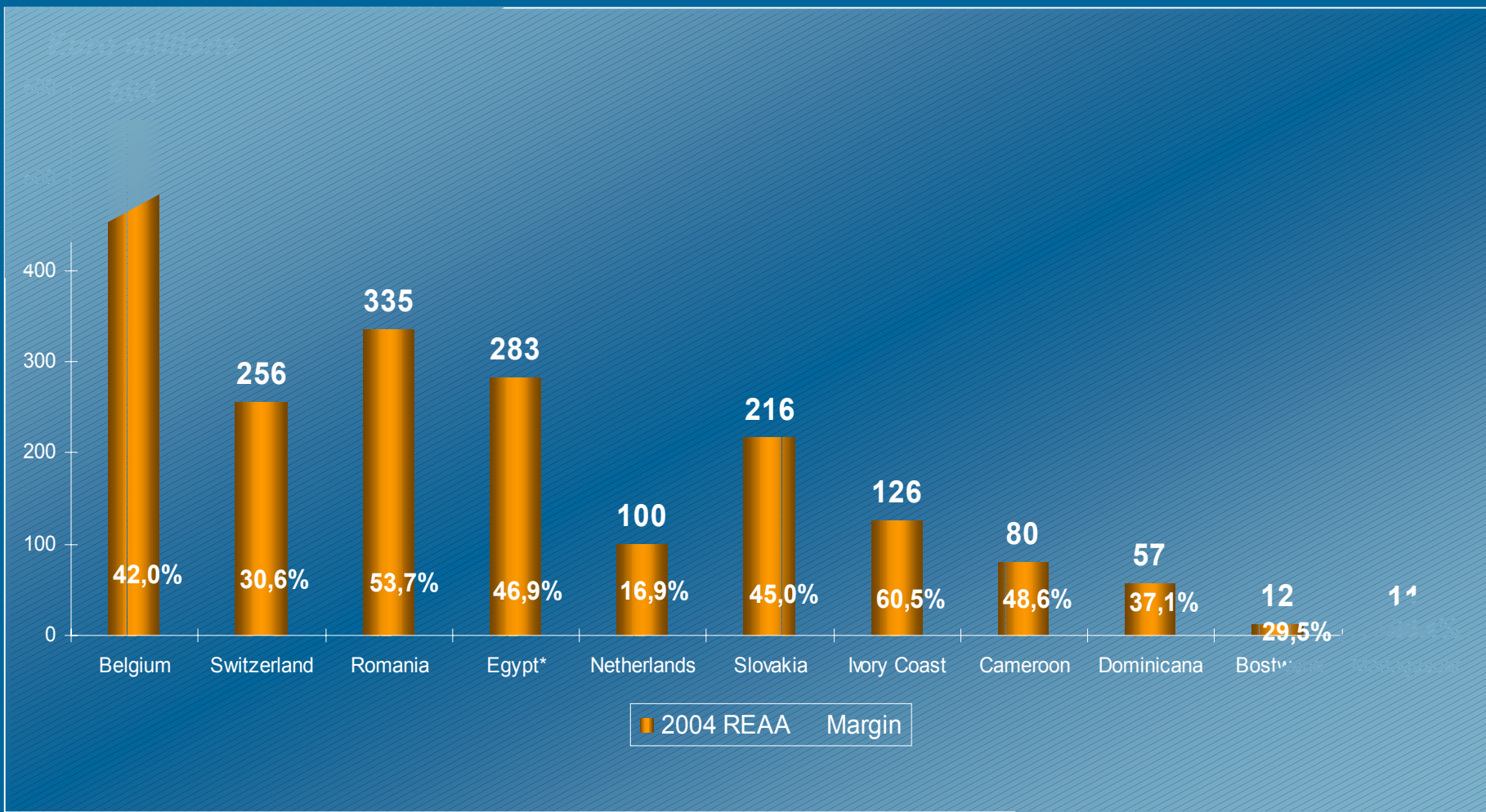


... resulted in strong revenue growth: **+18%**



* At 100%

Solid operating results : REEA by country



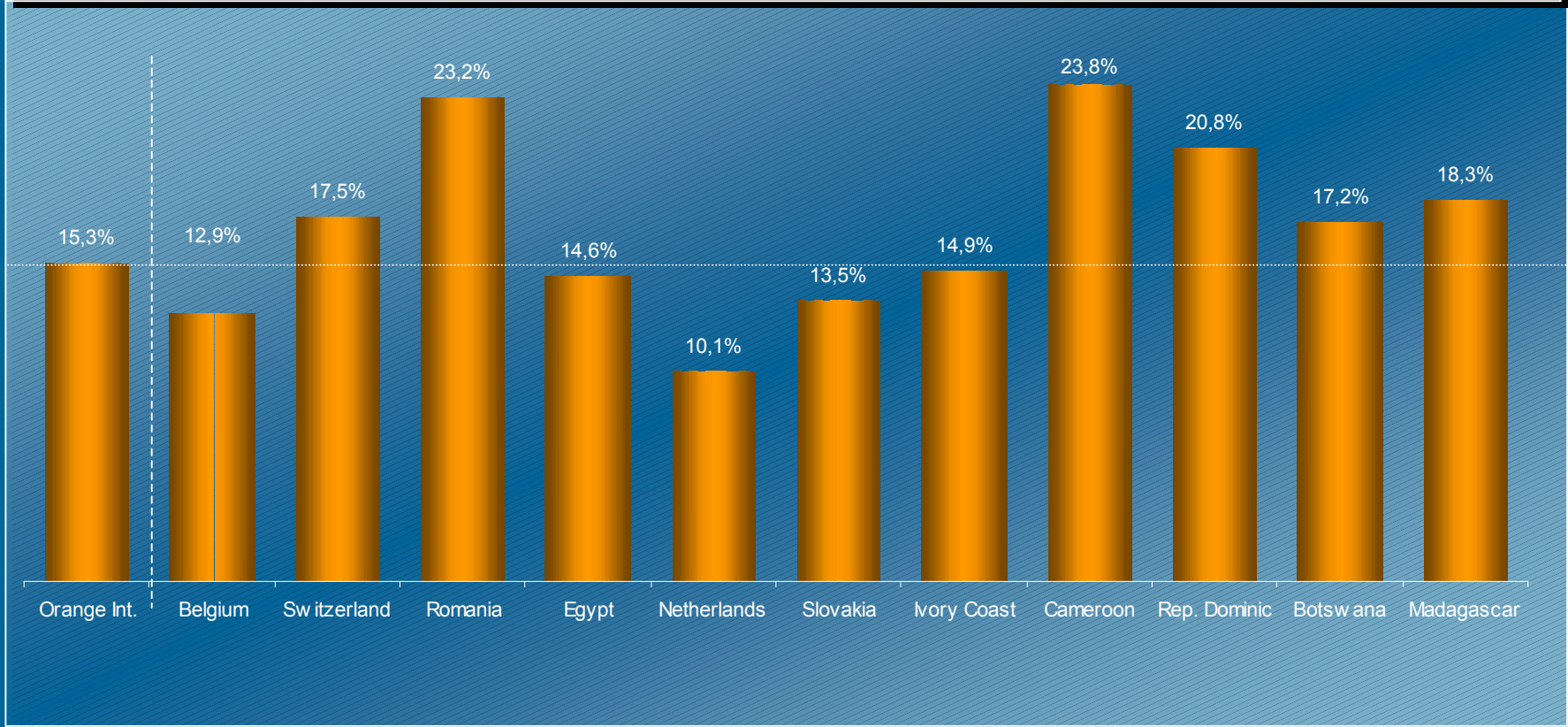
At the same time, Orange International total REEA margin of almost 39%



* At 100%

Strong Investment: Capex

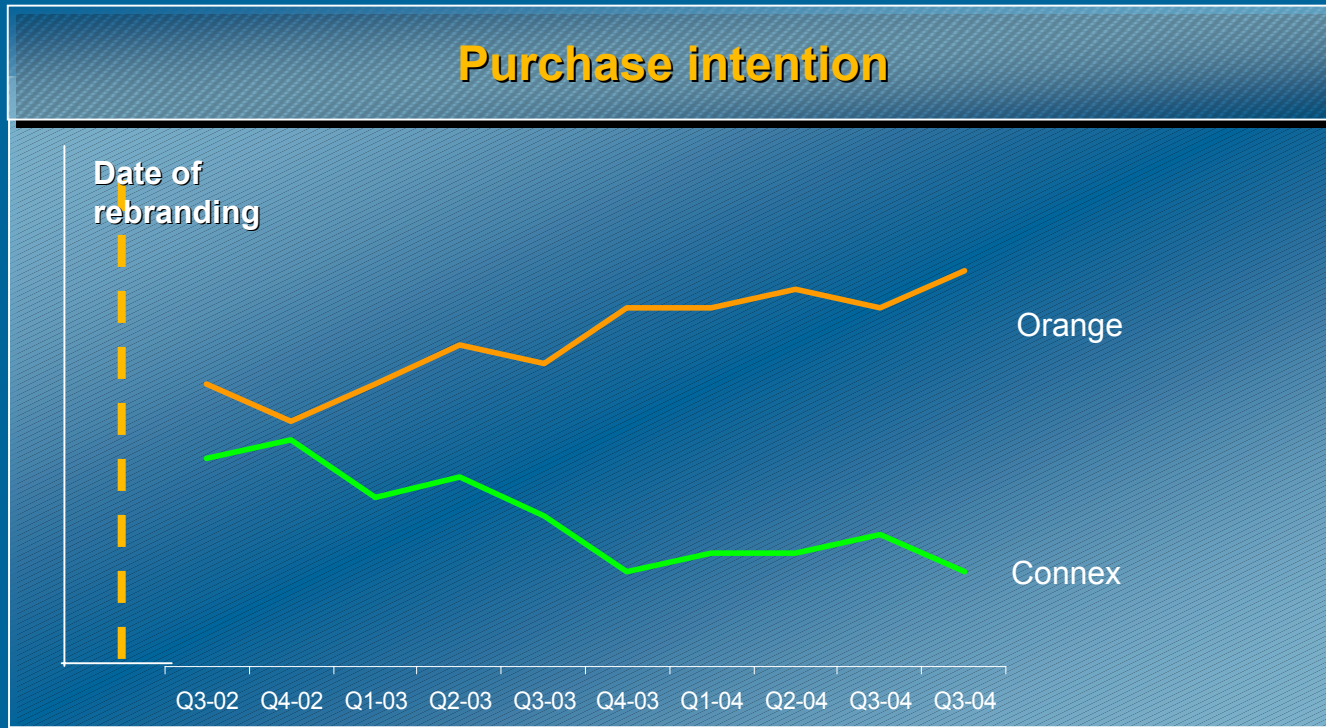
Capex as a % of revenues in 2004



Total capex in 2004: EUR779m, representing 15.3% as of revenues



Strong Brand: Orange Romania



- Two years after re-branding – Orange further increased its leadership in terms of purchase intention: from 50% (end of 2002) to 53% (2004)

Positive impact of rebranding on purchase intention



Agenda

Strengths

Key initiatives in each country

Group initiatives



Growth strategy adapted to local market

Western countries

- Maintain the existing customer base, optimize the customer mix, increase usage and ARPU through innovative products and programs
- Extend market share

Developing countries

- Dedicated approach to acquire market shares, increase usage ... and leverage on Western countries experience

Increase ARPU in Western countries

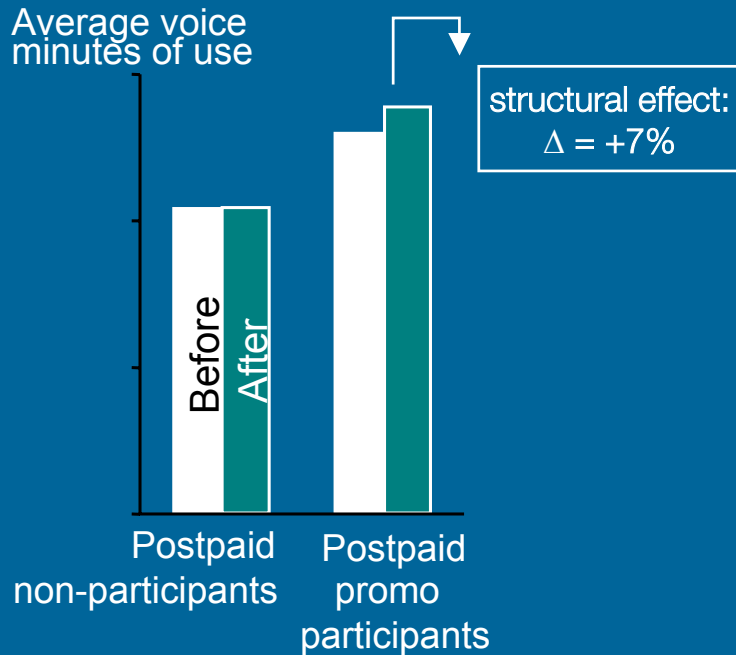
Increase subscriber base in Developing countries



Belgium: Increasing traffic through innovation

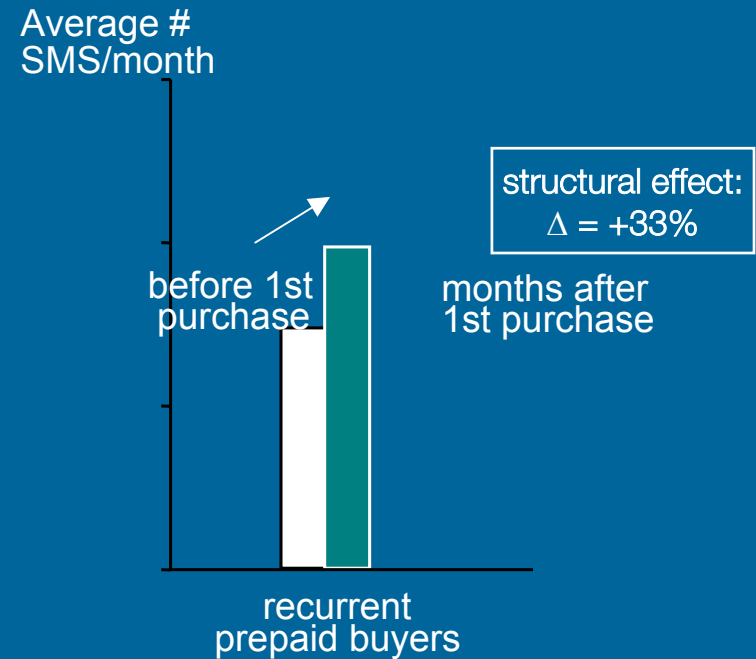
Increasing VOICE traffic...

- **Concept:** End of year promotion for all clients:
 - For 10 € paid per month, you get 10 € top-up call credit per month (for 10 months)



Increasing SMS traffic...

- **Concept:** SMS bundles for all clients with unit prices below that of standard prepaid SMS



Traffic promotions drive structural traffic increase



Netherlands: Customer Services as differentiator

Objectives

- **Premium service to high value customers**
 - CRM generates pre-defined contact moments
 - Ensuring inbound calls are viewed as a ‘contact moment’
- **Exploit contact-moments to**
 - Exceed the customers expectations,
 - Cross-selling, upselling or early retention

Results

- **Increased efficiency**
 - 90% of calls from “High Value” customers answered in 10 sec
- **Improved customers experience:**
 - Customers judge Orange Netherlands No.1 in the market since Q1 2003 on all service-related aspects (source: Mobile Performance Monitor by Research International)

Maximise customer lifetime value



Switzerland: Differentiate through tariffing

Usage
Fluctuation

→ Opportunity in tariffing

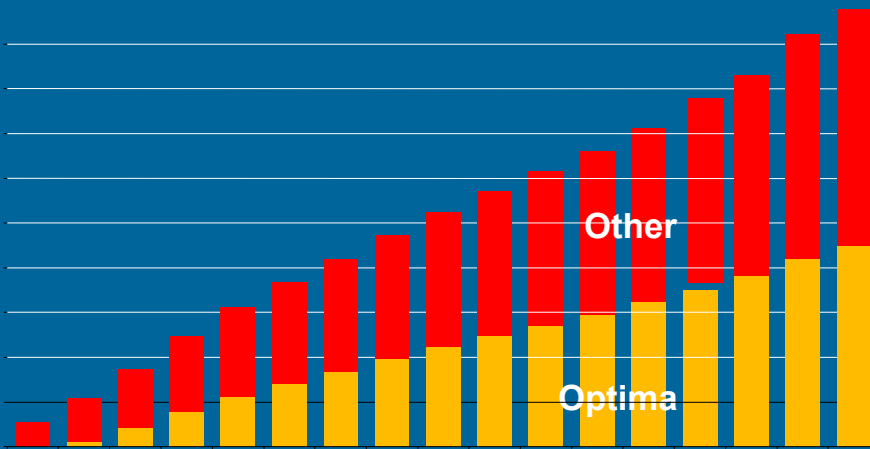
- 50% of customers change their usage by >50% from month to month

Orange
answer

→ Optima offer (launched in September 2004)

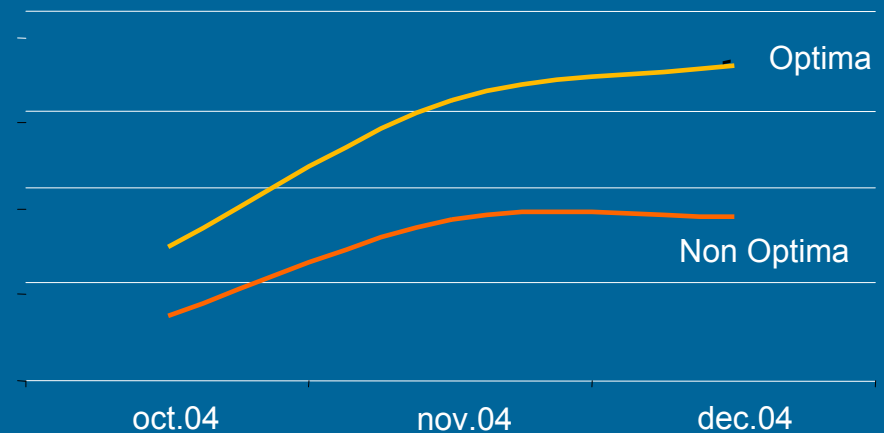
- introduction of bundles of minutes and flexibility of usage during the day

Weekly cumulated gross additions*



*Internal Source

Total bill volume (minutes)

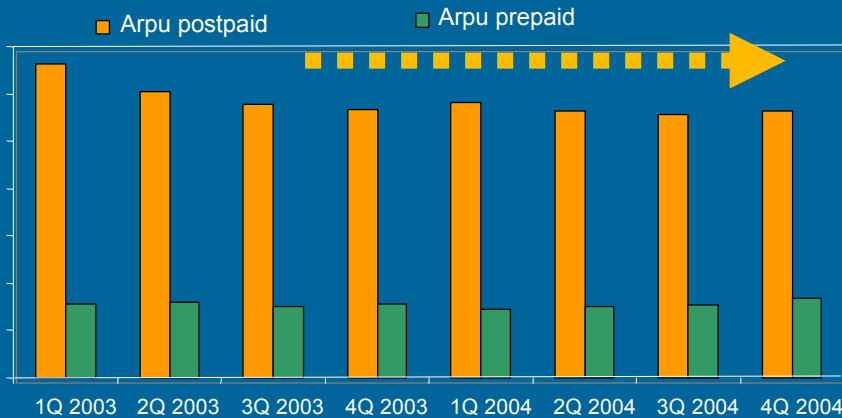


•Usage analysis: Customers who joined in weeks 38 – 42 (i.e. first new Optima GA's); Data source: ACRM flat file Dec '04

Optima offer leads to usage increase

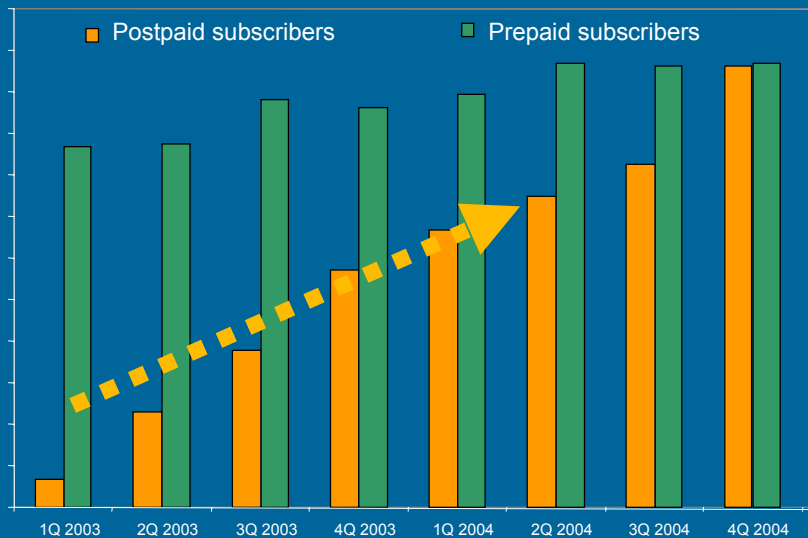


Slovakia: How to increase ARPU



Situation

Stable prepaid and postpaid ARPU



Solution

Overall ARPU increase depends on prepaid/ postpaid share

- migrate prepaid to postpaid
- acquire newcomers directly to postpaid via discounts, subsidies, ..., sales force remuneration
- For fixed-line churners, small competitive postpaid package to direct them to postpaid

Prepaid to postpaid migration

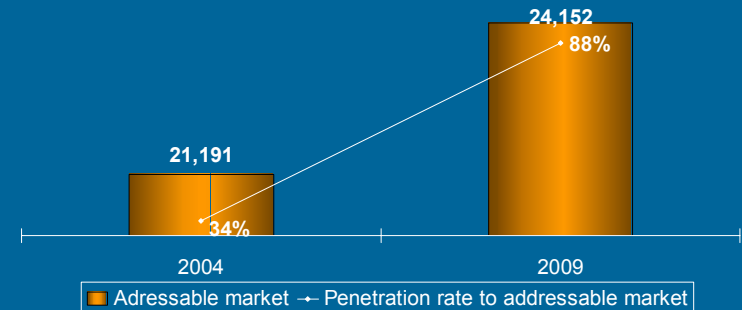


Egypt: opportunity to accelerate growth

Context

- Mobile penetration remains low (11%) compared to the addressable market

⇒ The addressable market should reach 24m by 2009 and penetration to this market 88% (from 34% in 2004)



Mobinil answers

- Launch low-end offers to increase penetration
 - Decreasing upfront cost, lower entry level offers, launch of prepaid bundle
- But cost structure has to be optimized
 - Lower acquisition costs
 - Selective low cost distribution network
 - Low service offering OPEX (Customer care & billing)
 - Low End Network costs

Mobinil's future challenge is to accelerate growth without jeopardizing profitability



Agenda

Strengths

Key initiatives in each country

Group initiatives



Transversal initiatives

B2C Campaign Management

→ Campaign management tools and processes introduced across the Group

- Improved consistency and visibility of offers across all channels
- Roll-out completed at Orange Switzerland, Orange Netherlands and Mobistar

Business Market CRM

→ Specificity of the business market taken into account within our overall CRM strategy

R@ce: revenue and cost engineering

→ Find and exploit opportunities to create sizeable, profitable revenue growth

- Launched in Mobistar in 2003, in Switzerland in 2003, recently in the Netherlands
- Opportunity to deploy R@ce in other markets like Romania, Slovakia...

Each country benefit from Group initiatives





Conclusion

Sanjiv Ahuja

Conclusion

- Balanced footprint to ensure long term growth
- Solid 2004 financial performance
- Key contributor to revenue and REAA growth for Orange / FT Group
- Unique Orange & France Telecom Group strengths support future growth
 - Differentiated customer propositions
 - Operational efficiencies
 - Orange brand
 - France Telecom innovation
 - Benefits of France Telecom Integrated operator strategy



We expect double digit Revenue and REAA growth



the future's bright, the future's Orange

