France Telecom investor day, June 10th 2004:

Building the integrated broadband communication services Group
FT Personal Strategy
FT / Orange Personal Strategy

- Leveraging international assets
- Portfolio development
- Market based segmentation
- New services
- Innovation
- Distribution channels
- One Orange within One FT
- Common infrastructure
- Track record
- Customer focused growth

Top line growth

Operational excellence

Orange commitment to delivering a world class customer experience
FT / Orange Personal Strategy

- leveraging international assets
- portfolio development
- needs based segmentation
- new services
- innovation
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- portfolio strength

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customer focused growth

Orange commitment to delivering a world class customer experience
Fundamentals of Customer Needs Based Segmentation

- Developing greater customer intimacy
  - Implementing needs-based customer segmentation
  - Investing in skills, capabilities and systems
  - Disciplined and segmented market research, CRM

- Differentiation based on customer segmentation
  - All the elements of the value proposition
  - End-to-end touch points of the customer journey

- Innovation to meet customer needs

- Organisation reflecting customer segmentation strategy

Differentiate the customer experience to stimulate usage and increase loyalty
Fundamentals of Customer Needs Based Segmentation

Differentiation across all stages of the customer journey
- Insert video -

Customer segmentation -
Differentiation - Signature Devices

Extension of Signature Series in 2004

- Active involvement in specification and design of phones
- Full multimedia capability
  - Integrated camera
  - Color screen
  - MMS
- Distinctive, user friendly Orange interface
  - One touch access to all key services through common icons
- Over 20 Signature devices by year end
- Tailored devices for each customer segment

Signature devices are easy to use, relevant to the needs of our customers and deliver the best possible customer experience
Differentiation - Signature Devices

Increasing share of new customer contracts
- 28% UK (Mar 2004)
- 15% France (Mar 2004)

Higher ARPU generation than average contract customer
- France: 40% higher
- UK: 25% higher

Continuing co-operation with handset vendors

Increasing penetration of Signature devices driving usage and ARPU
Segmented portal experience

Personalisation “Your Page” is a key feature
  – 23% of Orange France customers personalised their home page
  – 3.5 times more visits to Orange World

Simple/transparent pricing of data bundles
  – Orange France: €6/€10 option
  – Orange UK: £4/£6 option

Commercial success to Q1 2004:
  – 1.3 million customers in France
  – 1.0 million customers in the UK

Roll-out across the footprint over 2004/2005

Orange World multimedia services contribute to data ARPU growth
Differentiation - Orange World Multimedia Services

- **Distinctive icon**
  - One click access to Orange World

- **Dynamic homepage**
  - Constantly updated, content-rich
  - Not a static icon menu
  - “Add to your page” easy personalisation feature

- **Open Browsing**
  - Surf internet without restrictions
  - Innovative “Text to a Friend” service
  - Not a walled garden

Orange World multimedia services clearly differentiated from competitors’ offerings
Increased Usage of New Services

Orange France MMS evolution

Development of user communities drives usage of new services and ARPU growth
Orange first to launch end-to-end solution working with its partners

Web-based pan-European M2M Connect platform

Simple and intuitive with single customer interface

Focused end-to-end solutions to the vending machine industry

M2M Connect platform delivers a tailored, end-to-end solution
Innovation - FT Transversal Dynamic Address Book

1. Choose communication service
2. Select address

1. Check status of contacts (presence, location, availability)
2. Select communication service

Simplifying and enriching the customer experience
Innovation - Needs Based Marketing

- **Innovative marketing campaigns clearly targeted to:**
  - increase ARPU of our existing customers
  - remove barriers to adoption of new services

- **Dedicated in-store Orange Coaches**

- **Highly successful “Learn” campaign**
  - Orange recognised by customers as the only operator in the UK who will, “teach you how to use your mobile phone” (58% agree vs. 26% nearest competitor - Millward Brown research)

- **“Try” campaign drives customer adoption of new services**
  - 801k new “Try” Connections

- **Segmented advertising campaigns**

A results focused approach to marketing
Improved Usage Trends

- ARPU growth in France and UK for more than 4 quarters
- Voice ARPU rising in the UK and stable in France despite price pressures, reflecting increase in usage
- Growth trend in voice usage in the UK (+3.2% y-o-y) and France (+11% y-o-y)

Focus on quality customers is delivering higher usage. Non-voice will be a key driver to top-line growth.
EDGE and 3G will allow a qualitative leap in customer perception of multimedia services

EDGE is a marginal investment on our existing 2G networks allowing national coverage

3G will provide greater capacity and a richer multimedia experience

3G will be introduced progressively

Dual mode EDGE/3G handsets will be prevalent long term

EDGE and 3G are complementary technologies allowing introduction of mobile broadband services without rupture in the business model
Innovation - Mobile Broadband Evolution

**UK**
- Commercial launch in ten major cities, major rail lines and airports,

**France**
- Commercial 3G launch in ten major cities

**Belgium**

**Slovakia**

**Netherlands**

**Switzerland**

**Denmark**

**2004**

**3G launch: UK and France H2 2004**

- **UK 3G Roll-Out**
  - 56% 3G population coverage at launch
  - 64% 3G population coverage by end 2004

- **France 3G Roll-Out**
  - 33% 3G population coverage at launch
  - 20 major cities covered at 3G launch

**EDGE**
- Romania, Slovakia
- Belgium
- France

**2005**
Innovation - Interoperable Videotelephony

- Genuinely new service for customers enabled by 3G
- Community building is the key success factor
  - Orange/France Telecom strongly placed to bring together communities of users
  - 3G Videotelephony interoperability with MaLigne and Wanadoo
  - Faster uptake of videotelephony
- Videotelephony will represent a richer P2P alternative
  - Voice functionality to evolve in a videotelephony environment

Orange and France telecom offering innovative, interoperable services from launch
Market based segmentation
Customer differentiation
Signature devices
OrangeWorld services
Innovation with FT
Needs based marketing
3G service innovation
Leverage FT group

Accelerating
Top-Line Growth
FT / Orange Personal Strategy

- leveraging international assets
- portfolio development
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- top line growth
- portfolio strength
- track record
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- One Orange within One FT
- common infrastructure
- operational excellence

customer focused growth

Orange commitment to delivering a world class customer experience
Focusing on Operational Excellence

- Aggressive focus on productivity and cost reduction is new for mobile operators
  - Orange ahead of the game after successful implementation of TOP program from Q4 2002
  - Continued rationalisation of OPEX to increase investment in marketing

- Leveraging common infrastructure across the FT / Orange group
  - Build once, deploy everywhere
  - Rationalise multiple platforms/functions where it makes sense
  - Single platforms provide basis for integrated services
  - Faster time to market and greater top line growth

Continued delivery of TOP objectives
One Orange within One FT

Achievement of TOP objectives during 2003

- Improved CAPEX management process
- CAPEX benchmarking - Over €900m CAPEX saving in 2003 vs. initial budget
- Roaming capture rate increased 11% y-o-y and International traffic carriage by FT Networks & Carriers increased by 8%
- Group marketing campaigns generated €107m saving

Continuing to deliver operational excellence in 2004 & 2005

- Further CAPEX savings
- 10% expected saving on IT spend in 2005 and 20% expected saving on service platform spend
- Internalisation of OPEX spend within FT group

Reinvestment of savings from rationalisation and centralisation in top line initiatives and customer investment
One Orange within One FT

- common infrastructure
- distribution channels
- track record
- portfolio strength
- portfolio development
- market based segmentation
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- innovation

customer focused growth

top line growth

leveraging international assets

operational excellence

Orange commitment to delivering a world class customer experience
Orange portfolio shows balance between customer driven and usage driven markets, delivering long term top-line growth.
FT/Orange Portfolio

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<th>Country</th>
<th>Market Share</th>
<th>Position</th>
<th>Revenue growth</th>
<th>EBITDA growth</th>
<th>2003 EBITDA margin</th>
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<td>46%</td>
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</tr>
</tbody>
</table>

- All of our operations are achieving #1 or #2 positions except Denmark and the Netherlands (Switzerland #2 by value)
- Rebranding in the Netherlands led to impressive customer growth
- As of Q1 2004, all operations contribute positive Op. FCF

Source: Mobiles Communication / global mobile as of Dec. 31th, 2003

FT/Orange has developed a strong international portfolio
Track Record in International Growth

- Double digit customer and revenue growth in all key RoW operations
- Western European operations still enjoy double digit customer and revenue growth
- Romania is now Orange #3 market in terms of customers

Note: Q1 2004 year-on-year.

International should represent Orange's second highest revenue contribution within the next 2-3 years
Footprint Portfolio Development

- Consolidate / rationalise on existing footprint
- Assess selected growth opportunities
  - New licences
  - Acquisitions
  - Focus on existing regional clusters
- Ensure coherence with France Telecom group footprint

Opportunistic approach to footprint expansion driven by need to create demonstrable shareholder value
Conclusion

Delivering on Commitments and Fixed/Mobile Convergence
Accelerating Profitable Growth
Leadership through Innovation and Integration with FT