

#Q1_2015

Orange financial results



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28th April 2015



disclaimer

This presentation contains forward-looking statements about Orange. Although we believe these statements are based on reasonable assumptions, they are 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 from the results anticipated in the forward-looking statements include, among others: the success of Orange's strategy, particularly with respect to customer relations when facing competition with OTT players, Orange's ability to withstand intense competition in mature markets and business activities, its ability to capture growth opportunities in emerging markets and the risks specific to those markets, the poor economic conditions prevailing in particular in France and in Europe and in certain other markets in which Orange operates, the effectiveness of Orange's action plans for human resources, and the success of Orange's other strategic, operational and financial initiatives, risks related to information and communications technology systems resulting in particular from cyber-attacks, technical failures of or damage caused to networks, loss or theft of data and fraud, health concerns surrounding telecommunications equipment and devices, fiscal and regulatory constraints and changes, and the results of litigation regarding regulations, competition and other matters, the success of Orange's French and international investments, joint ventures and strategic partnerships in situations in which it may not have control of the enterprise, and in countries presenting additional risk, Orange's credit ratings, its ability to access capital markets and the state of capital markets in general, exchange rate or interest rate fluctuations, and changes in assumptions underlying the carrying amount value of certain assets and resulting in their impairment. More detailed information on the potential risks that could affect our financial results will be found in the Registration Document filed with the French Autorité des Marchés Financiers (AMF) on April 7, 2015 and in the annual report on Form 20-F filed with the U.S. Securities and Exchange Commission on April 14, 2015. Forward-looking statements speak only as of the date they are made. Other than as required by law (in particular pursuant to sections 223-1 and seq. of the General Regulations of the AMF), Orange does not undertake any obligation to update them in light of new information or future developments.

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Q1 2015 highlights

Q1 2015 achievements

revenue
€9.7bn

-0.9% yoy
-0.3% ex reg yoy

EBITDA*
€2.9bn

-1.9% yoy
30.1% of revenues

Capex
€1.2bn

12.3% of
revenues

mobile net adds
+2.9m

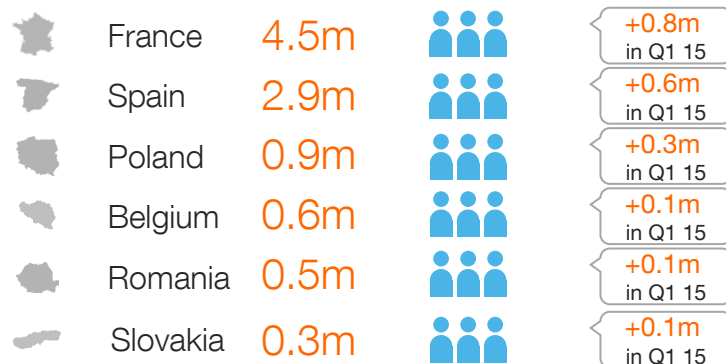
qoq
of which +0.7m
contract

yoy : comparison with the same period of the previous year, on a comparable basis
qoq : comparison with the previous quarter, on a comparable basis

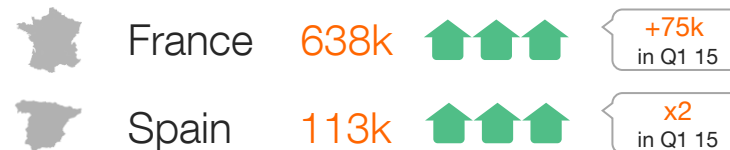
* in this presentation, EBITDA stands for restated EBITDA unless otherwise specified, see slide 25 for EBITDA restatements

Sustained commercial performance across the Group

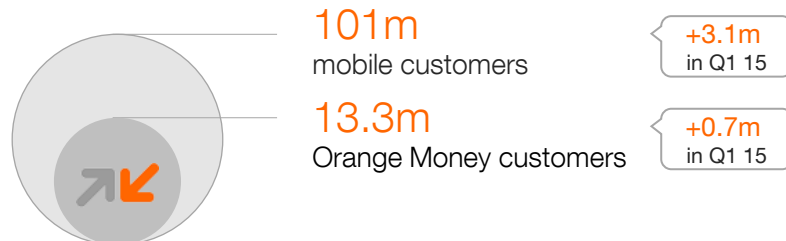
4G customers in millions



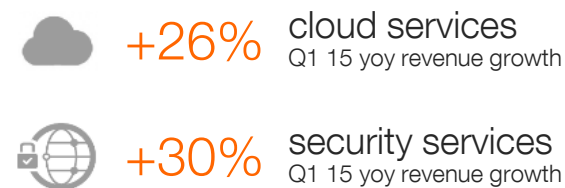
FTTH customers in thousand



Africa & Middle East

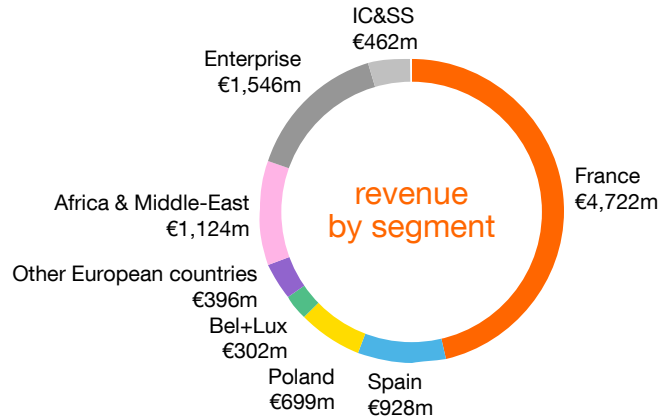


Enterprise

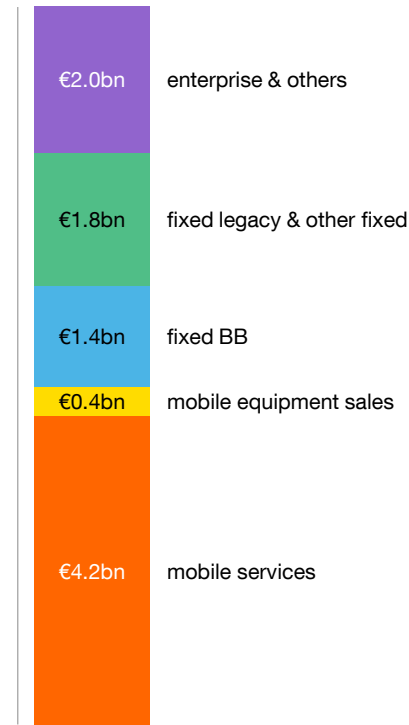


Confirmed improved revenue trend in Europe & sustained growth in Africa and the Middle-East

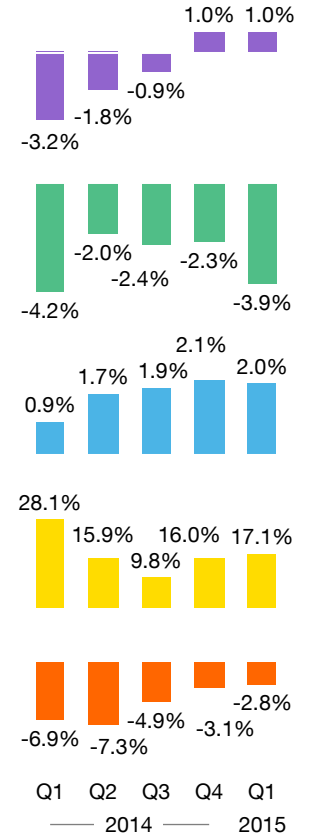
| | | |
|---------------------------------------|-------------------|-------------------|
| Q1'15 revenue €9.7bn | Q1 2015 | Q1 2014 |
| | -0.9% yoy cb | -3.8% yoy cb |
| | -0.3% ex. reg. | -3.0% ex. reg. |



by activity



Q1 2015

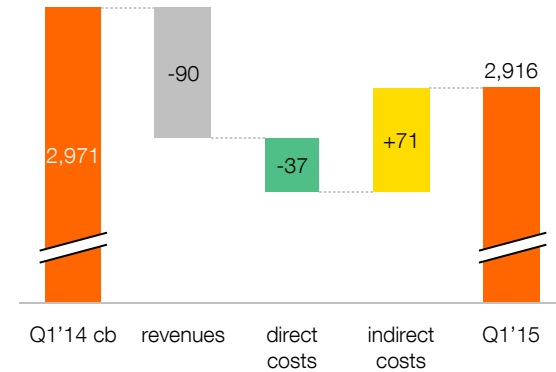


Q1 2015 results, 28th April 2015

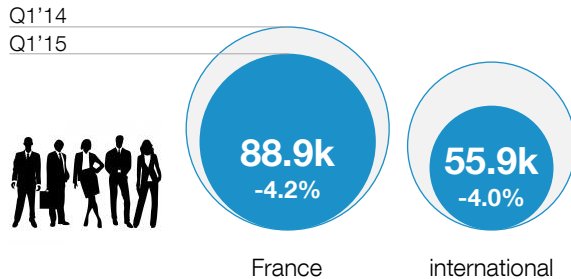
EBITDA decrease halved in absolute value with maintained efforts on cost savings

| | Q1 2015 | Q1 2014 |
|--------------------------------|-----------------|------------------|
| Q1'15 EBITDA | -1.9% yoy cb | -3.8% yoy cb |
| €2.9bn 30.1% of rev. | -€55m yoy cb | -€120m yoy cb |

EBITDA evolution
(in €m)



Group average FTE* down -4.1%** yoy

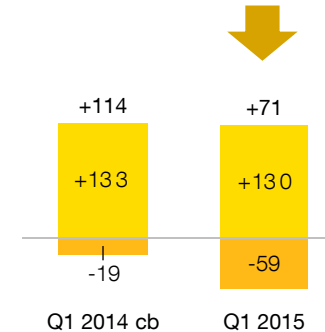


focus on indirect cost savings

(yoy change in €m)

excluding Africa and the Middle-East

Africa and the Middle-East

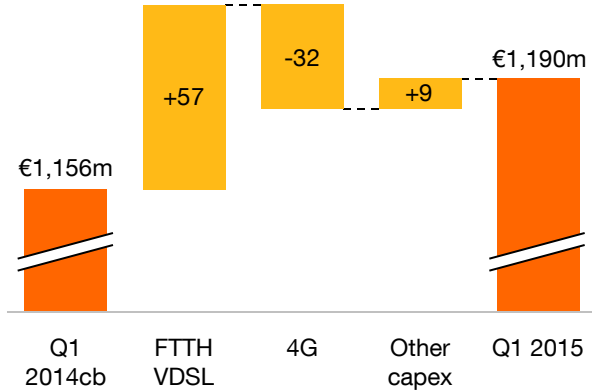
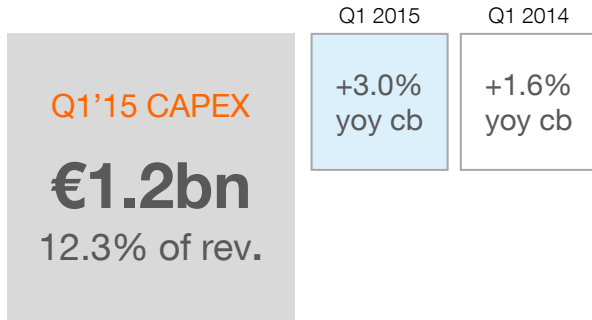


- Sustained efforts on indirect cost savings excl. AME
- Increase in AME to support growth

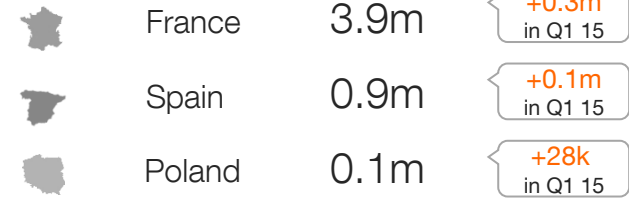
* Full Time Equivalent

** comparable basis; -6.6% historical basis, mainly due to Kenya and the Dominican Republic

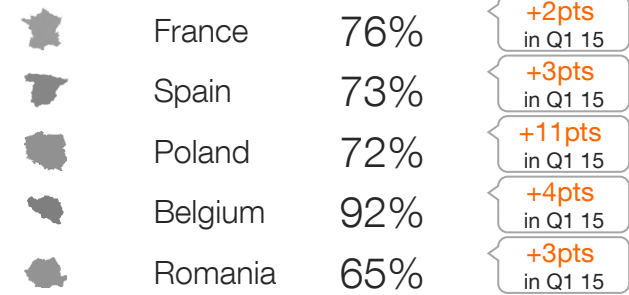
Increased CAPEX on FTTH to support future growth



FTTH homes connectable



4G coverage in % of pop.



2

business review

Q1 2015 France financials

Better revenue trend with fixed and mobile ARPU decrease slowing down

| in €m | Q1 14 cb | Q1 15 actual | change yoy cb |
|------------------|--------------|-----------------|------------------|
| revenues | 4,810 | 4,722 | -1,8% |
| excl. regulation | | | -1,6% |
| mobile services | 1,948 | 1,854 | -4,8% |
| mobile equipment | 119 | 149 | +24,9% |
| fixed services | 2,608 | 2,578 | -1,1% |
| other revenues | 136 | 141 | +4,1% |

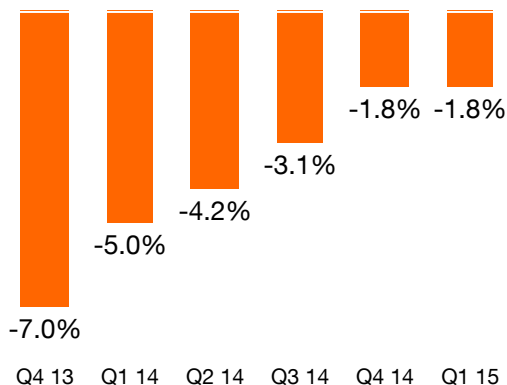
better mobile revenues trend confirmed in Q4

- customer base mix continued to improve supported by 4G/4G+ network coverage
- improved customer loyalty with the lowest contract churn rate since 2010 (14.2%)
- European roaming tariffs cut negatively impacted revenues and EBITDA
- mobile equipment revenues growth

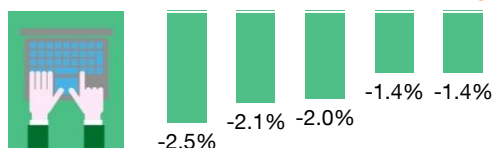
fixed services benefiting from VHBB dynamism

- growing BB customer base (+2.8% yoy) supported by FTTH (+75% yoy)
- convergent offers success continued, negatively impacting BB ARPU (-1.4% yoy)
- wholesale increase due to volume effect of unbundled lines and fiber growth
- -1.3m PSTN lines lost (-12.5% yoy) vs. 1.5m in 1Q14 yoy

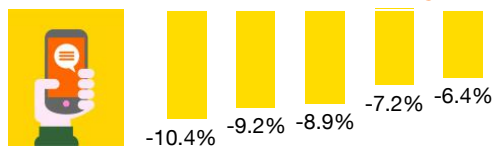
Quarterly revenues evolution (% yoy)



Broadband ARPU evolution (annual rolling, % yoy)



Mobile ARPU evolution (annual rolling, % yoy)



Fixed BB revenues
+1.1% yoy (+€11m)



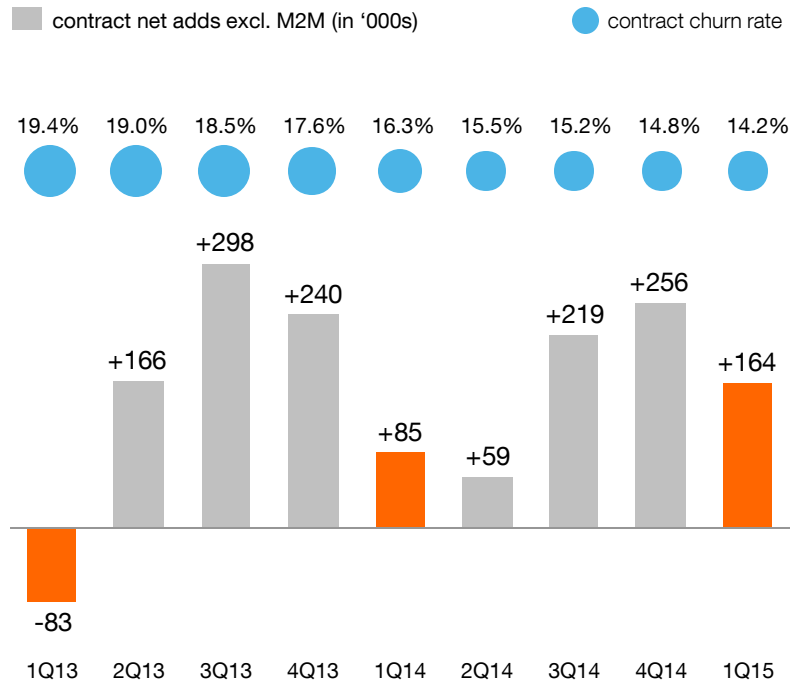
Fixed wholesale revenues
+5.1% yoy (+€48m)



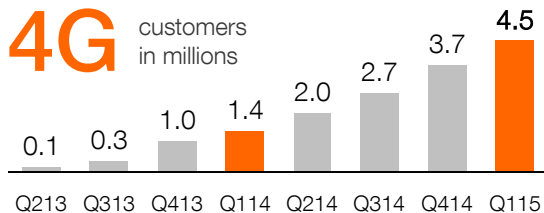
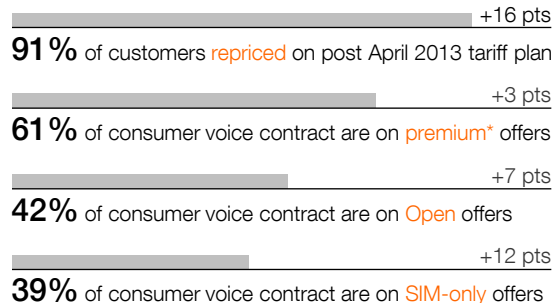
2 Mobile services revenues decrease
divided by 2 in Q1'15
(-€94m vs. -€209m in Q1'14)

Q1 2015 France mobile KPIs

Strong mobile contract momentum with improving loyalty



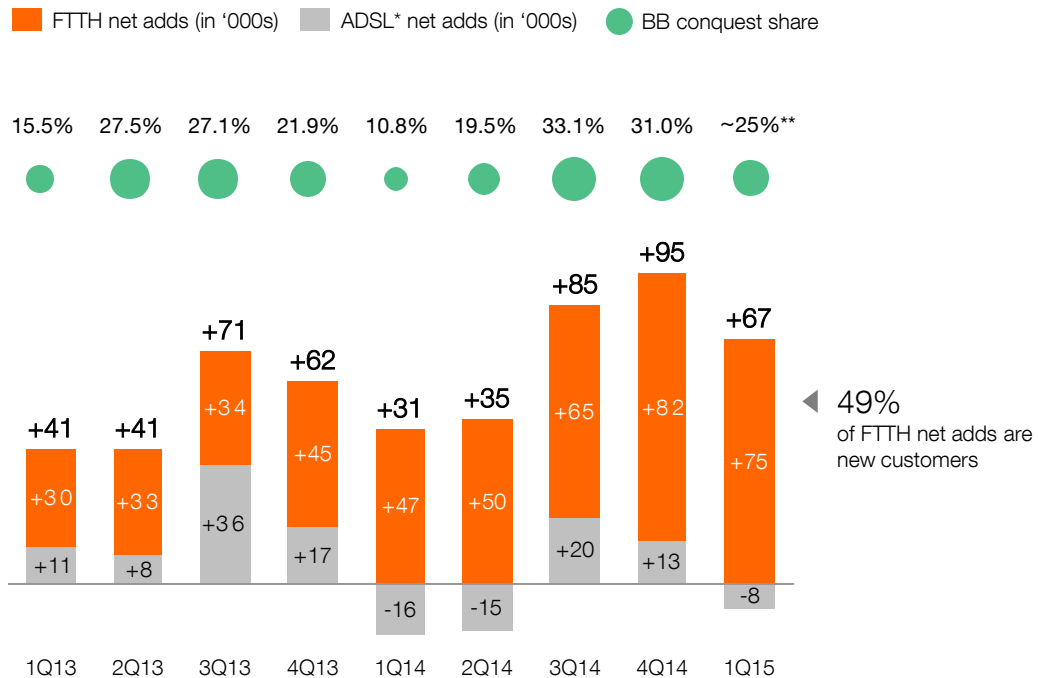
yoy



* Origami & Open

Q1 2015 France fixed KPIs

FTTH accelerating BB customer base growth



10.421m ↑ +2.8% yoy

broadband customers

FTTH ▶ 638k customers ↑ +74.8% yoy

▬ +7 pts yoy
47% of BB customers have a 4P offer

▬ +7 pts yoy
37% of BB customers are on premium*** offers

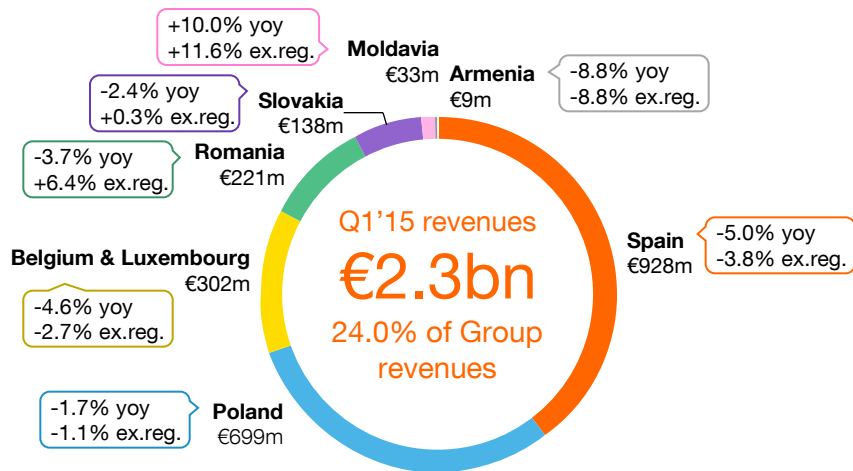


3.932m ↑ +1.2m yoy

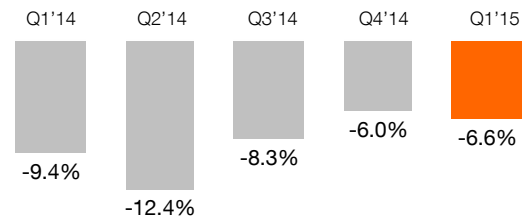
FTTH homes connectable

Q1 2015 Europe

| in €m | Q1 14 cb | Q1 15 actual | change yoy cb |
|------------------|--------------|-----------------|------------------|
| revenues | 2,408 | 2,324 | -3.5% |
| excl. regulation | | | -1.5% |
| mobile services | 1,575 | 1,471 | -6.6% |
| mobile equipment | 192 | 219 | +13.8% |
| fixed services | 611 | 593 | -2.9% |
| other revenues | 30 | 40 | +34.0% |



Mobile services revenues (yoy growth)



Postpaid net adds in Q1



TV customer base



Q1 2015 Spain

Convergence and 4G driving positive commercial performance

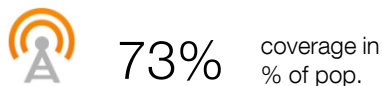
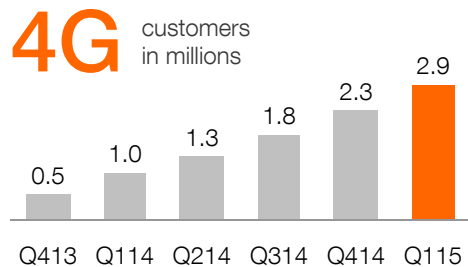
| in €m | Q1 14 cb | Q1 15 actual | change yoy cb |
|------------------|-------------|-----------------|------------------|
| revenues | 977 | 928 | -5.0% |
| excl. regulation | | | -3.8% |
| mobile services | 630 | 569 | -9.6% |
| mobile equipment | 125 | 127 | +2.0% |
| fixed services | 220 | 230 | +4.6% |
| other revenues | 2 | 1 | n.s |

customer base continues to grow driven by positive commercial momentum

- contract customer base growth (+5.8% YoY) with 2.9 million 4G customers
- double-digit FBB customer base growth (+13.4%) in Q1 pushed by convergent tariffs and FTTH

repricing of customer base almost completed

- mobile ARPU trend improving along last 4 quarters
- fixed revenues keep growing thanks to fixed broadband growth (+9.4% YoY)



2.015m
broadband customers

+2.5% qoq

FTTH ▶ 113k customers x2 qoq



yoy
▼

92% of mobile B2C contract customers on **SIMO** +30 pts

80% of fixed broadband customers on **convergent offers** +8 pts

Q1 2015 Poland

Sequentially improving revenue trends in both mobile and fixed

| in €m | Q1 14 cb | Q1 15 actual | change yoy cb |
|------------------|-------------|-----------------|------------------|
| revenues | 711 | 699 | -1.7% |
| excl. regulation | | | -1.1% |
| mobile services | 343 | 326 | -4.9% |
| mobile equipment | 10 | 33 | +218.6% |
| fixed services | 339 | 312 | -8.1% |
| other revenues | 19 | 28 | +52.2% |

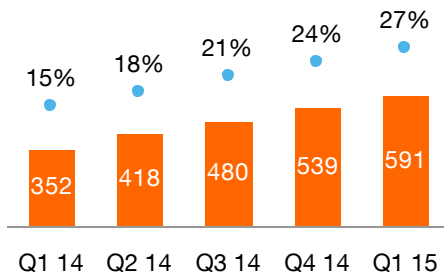
mobile services revenues improving sequentially at -4.9% in Q1 15 after -5.3% in Q4 14

- prepaid ARPU up +1.7%
- postpaid base up +5%

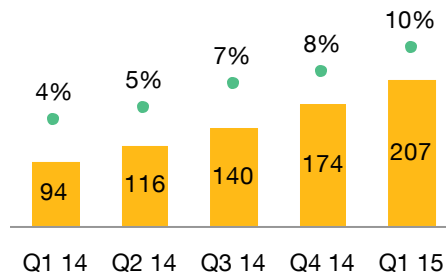
fixed revenues improving sequentially at -8.1% in Q1 15 after -10.0% Q4 14

- continuous growth in VHBB base, with main effort on migration from ADSL
- continued effectiveness of convergence strategy, with +52k Q1 15 net adds in Open customers, resulting in 27% penetration in xDSL base
- +0.5% upturn in broadband ARPU reflecting better customer mix

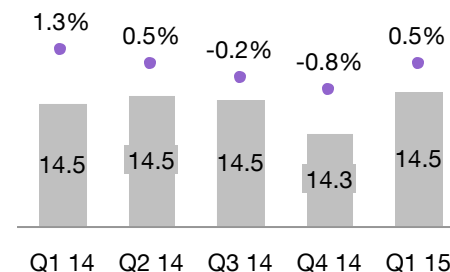
convergence: continuous momentum in open customers in '000s and in % of BB base



fixed: steady growth in VHBB customers in '000s and in % of xDSL base



fixed: upturn in broadband ARPU in €/month and in % yoy evolution



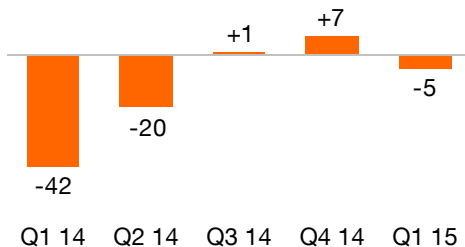
Q1 2015 Belgium & Luxembourg

Revenue trend improving again for the 5th quarter in a row

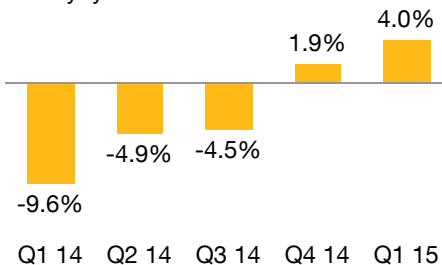
| in €m | Q1 14 cb | Q1 15 actual | change yoy cb |
|------------------|-------------|-----------------|------------------|
| revenues | 317 | 302 | -4.6% |
| excl. regulation | | | -2.7% |
| mobile services | 252 | 247 | -1.9% |
| mobile equipment | 38 | 32 | -15.5% |
| fixed services | 25 | 21 | -15.7% |
| other revenues | 2 | 2 | n.s |

- trend in consolidated revenues ex-reg. improving at -2.7% vs. -9.2% last quarter
- mobile services ex-reg. slightly positive at +0.5% in 1Q15 vs. +0.7% last quarter
 - ex-M2M postpaid net adds : stabilised in B2C, trend further improving in B2B
 - Belgium postpaid ARPU up +4.0% vs. +1.9% in 4Q14
- progress on strategy to create levers for future growth
 - Belgium's leader in 4G coverage with 92% outdoor and 72% indoor
 - Mobistar's 4G postpaid base up +19%, reaching 1 out of 4 postpaid subs

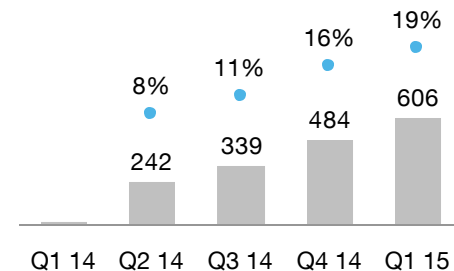
mobile: stabilization in postpaid net-adds (ex. M2M)
in 000s



mobile: improvement in Belgium quarterly postpaid ARPU
in % yoy evolution



mobile: rapid growth in active 4G base
in 000s and in % of total subs



Q1 2015 Other European countries

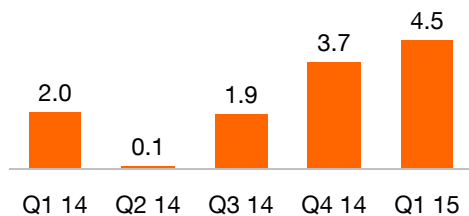
Positive revenues growth ex-reg in Romania, Slovakia and Moldova

| in €m | Q1 14 cb | Q1 15 actual | change yoy cb |
|------------------|-------------|-----------------|------------------|
| revenues | 405 | 396 | -2.2% |
| excl. regulation | | | +4.5% |
| mobile services | 351 | 330 | -6.0% |
| mobile equipment | 19 | 26 | +40.2% |
| fixed services | 27 | 30 | +12.0% |
| other revenues | 8 | 9 | n.s |

- improving ex-reg. revenue growth performance
 - +6.4% in Romania (56% of sub-segment), vs. +4.5% last quarter
 - +0.3% in Slovakia (35% of sub-segment), vs. +1.6% last quarter
 - +11.6% in Moldova (8% of sub-segment), vs. +8.4% last quarter
- trend in mobile services revenues sequentially improving for the 3rd quarter in a row
- churn improving in 3 out of 4 countries

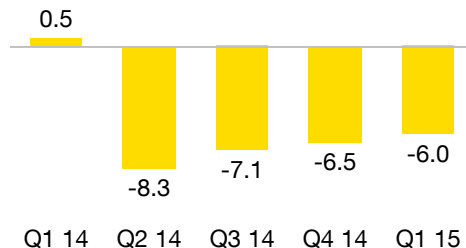
improving ex-reg trend in overall revenues

YoY change (%)



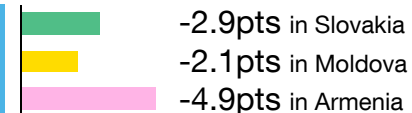
improving trend in mobile services revenues

YoY change (%)



mobile: improving churn in 3 countries out of 4

YoY change (pts)



Q1 2015 Africa & Middle East

Solid revenue growth driven by mobile customer base and data usage

| in €m | Q1 14 cb | Q1 15 actual | change yoy cb |
|------------------|--------------|-----------------|------------------|
| revenues | 1,053 | 1,124 | +6.8% |
| excl. regulation | | | +6.9% |
| mobile services | 824 | 899 | +9.2% |
| mobile equipment | 17 | 17 | 0.0% |
| fixed services | 189 | 185 | -2.1% |
| other revenues | 24 | 24 | n.s |

Sustained revenues growth

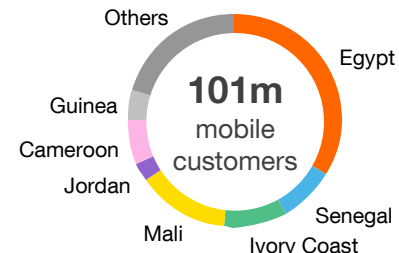
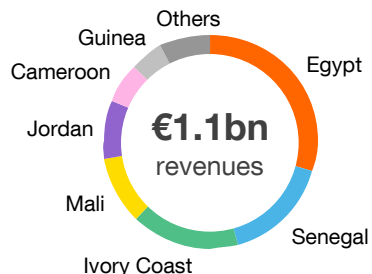
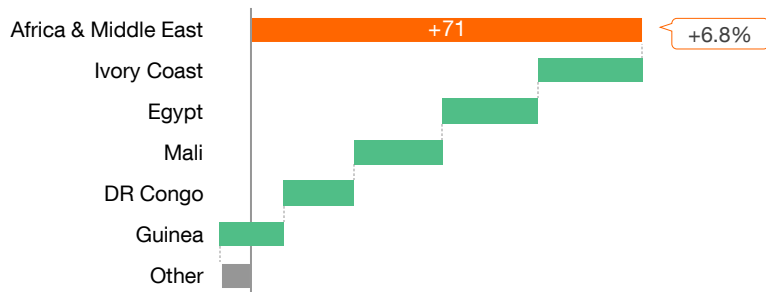
- 6 out of 13 countries with double digit growth
- driven by Ivory Coast, Egypt, Mali, Congo and Guinea
- half of the mobile services yoy growth is coming from data

Commercial

- Thanks to +3.1m mobile customers in Q1'15, >10% yoy mobile customer base at 100.6m with significant growth in Mali, Congo, Ivory Coast, Guinea and Cameroon
- 4G launched in Botswana in February ; 2 countries with 4G end of Q1
- 13.3m Orange Money customers (+48% yoy) generating +84% revenues yoy

Key contributors to revenue growth

Q1 yoy revenue growth in % and €m



Q1 2015 Enterprise

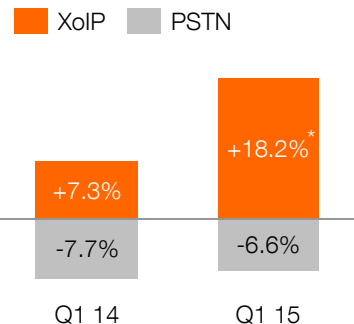
Legacy activities in line with overall 2014 trends

| in €m | Q1 14 cb | Q1 15 actual | change yoy cb |
|---------------------------|--------------|-----------------|------------------|
| revenues | 1,600 | 1,546 | -3.4% |
| voice | 415 | 386 | -7.0% |
| data | 750 | 724 | -3.5% |
| IT & integration services | 435 | 436 | +0.3% |

- **voice** revenues were in line with overall 2014 trend as migrations towards VoIP solutions maintained pressure on the topline
- **data services** revenues were also in line with overall 2014 trends, with price pressure on IPVPN partially compensated by slightly higher volumes
- Growth in **IT & Integration services** slowed down due to deliverables phasing. Security and Cloud services continued to perform well

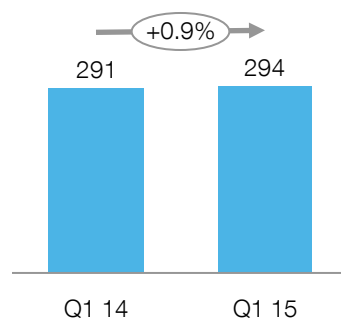
voice services

yoy access growth in France



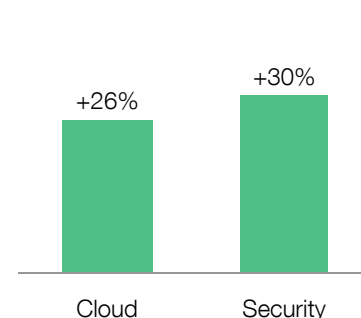
data services

IPVPN accesses in France in thousands



IT services (cloud and security)

Q1 2015 yoy revenue growth



3

2015 guidance

2015 guidance confirmed

2015 Restated
EBITDA
€11.9bn - €12.1bn

net debt / EBITDA*
around 2x in the
medium term

2015 dividend
€0.60**

interim payment
€0.20 in December
2015

selective M&A
policy, focus on
existing footprint

2014 dividend balance of €0.40

subject to the Annual General Meeting of Shareholders approval
ex-date June 8th, record date June 9th, payment date June 10th

* calculated by dividing (A) net financial debt, including 50% of the net financial debt of the EE JV in the U.K., by (B) restated EBITDA including 50% of the EBITDA of EE JV

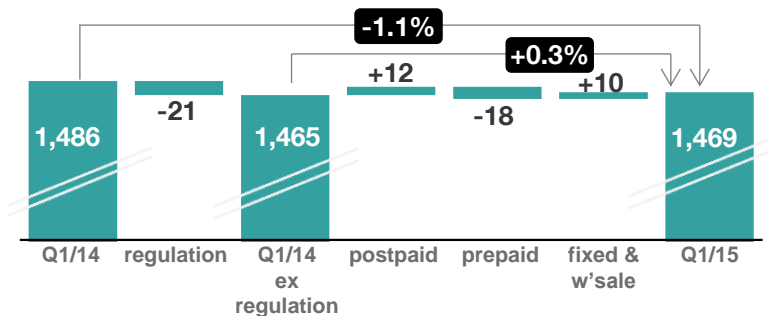
** subject to shareholders' approval



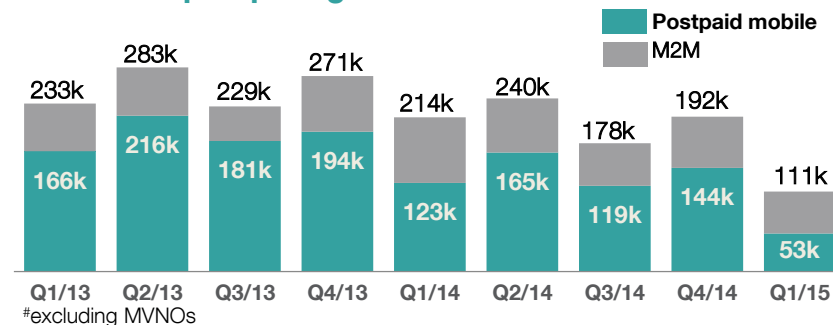
appendices

EE: improving underlying operating revenue and continued strong customer retention

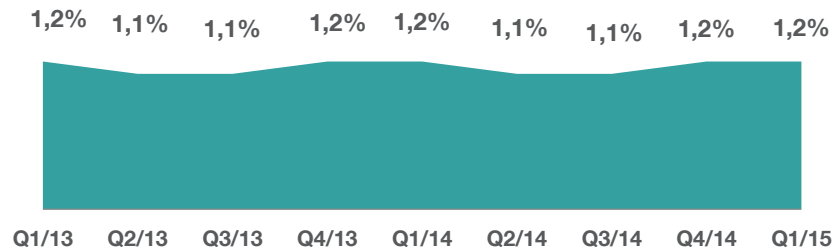
Q1 operating revenue +0.3% ex. regulation, £m



Continued postpaid growth#



Sustained low postpaid churn^a



^a monthly average (3 month rolling)

Insights

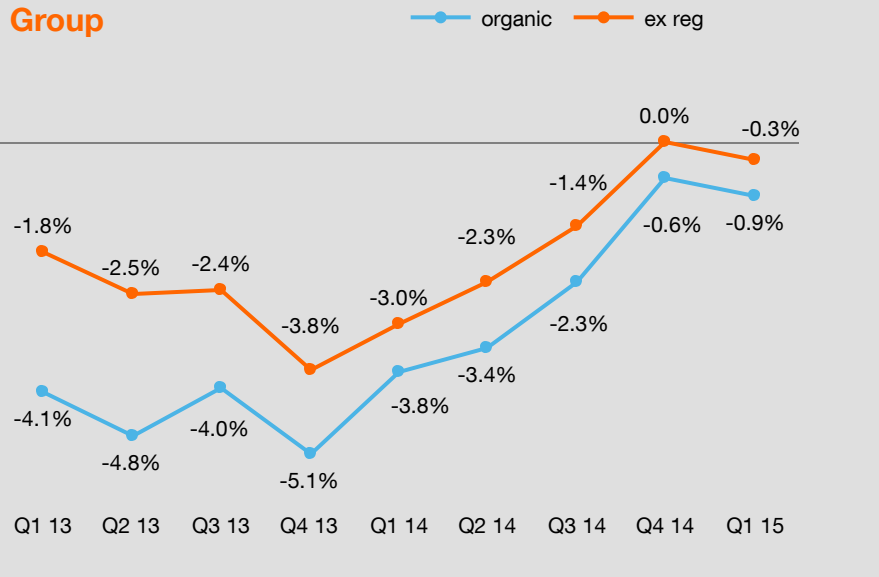
- Q1 underlying operating revenue +0.3% yoy, with postpaid and fixed growth offsetting prepaid decline
- 4G base of 9.3m; addition of 1.7m 4G customers in Q1
- Strong customer retention; churn 1.2%, 16th quarter at 1.2% or below
- Q1 fixed-line 50k net adds, best ever since formation of EE

Initiatives

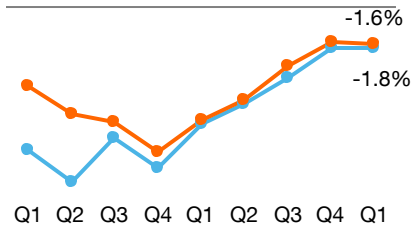
- Announced 3 year £1.5bn investment programme to further improve coverage
- 4G pop. coverage 87%, double-speed 4G of 67%
- Launched WiFi calling to improve in-building coverage

Revenues yoy evolution

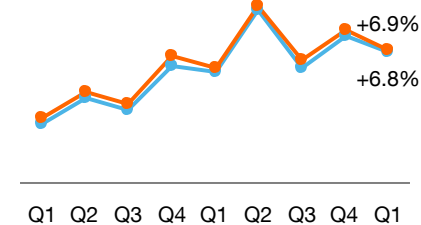
Group



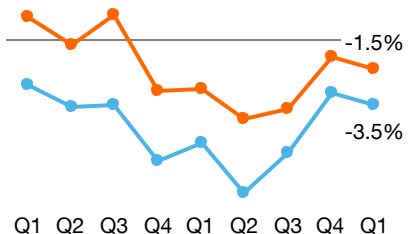
France



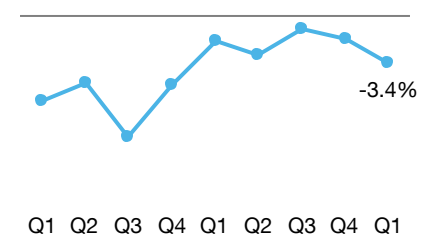
Africa & the Middle-East



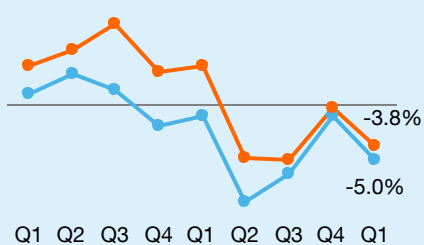
Europe



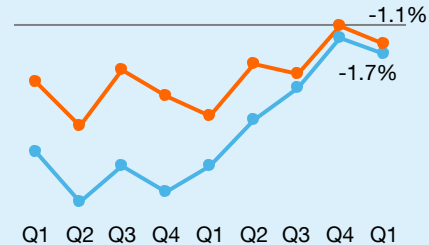
Enterprise



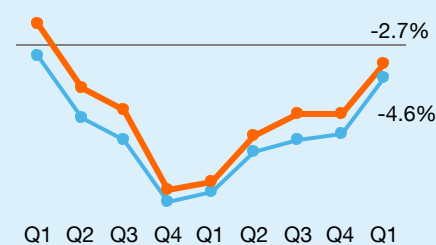
Spain



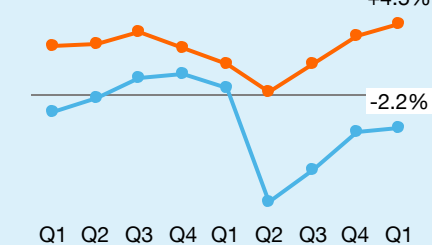
Poland



Belgium & Luxemburg



Other European countries



EBITDA restatements

| in €m | Q1'14 cb | Q1'15 actual |
|------------------------|--------------|-----------------|
| EBITDA restated | 2,971 | 2,916 |
| restructuring | | -14 ① |
| litigations | -300 | -23 |
| labour related | -36 | -71 |
| o\w Senior Part Time | -36 | -38 |
| o\w Holiday pay | | -34 ② |
| EBITDA reported | 2,635 | 2,808 |

① mainly related to distribution network restructuring and to departure plans

② related to new calculation methods on Holiday pay