France Telecom Orange

3Q12 results & outlook

Stéphane Richard, Chairman & CEO
Gervais Pellissier, Deputy CEO & CFO

October 25th, 2012
cautionary statement

This presentation contains forward-looking statements about France Telecom-Orange. Although we believe they are based on reasonable assumptions, these forward-looking statements 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 materially from the results anticipated in the forward-looking statements include, among others: fluctuations in general economic activity levels as well as the level of activity in each of the markets in which we operate; the effectiveness of the strategy reflected in the “Conquests 2015” strategic plan as well as of the other strategic, operating and financial initiatives of France Telecom-Orange and the level of Group investment necessary to pursue this strategy and to adapt its networks; our ability to face intense competition within our sector and to adapt to the ongoing transformation of the telecommunications industry, in particular in France with the arrival on the market of a fourth mobile operator; fiscal and regulatory constraints, in particular in setting wholesale rates; results of current litigation; risks and uncertainties specifically related to international operations; risks related to the impairment of assets; exchange rate fluctuations; and conditions for accessing the capital markets (in particular risks related to liquidity and credit ratings) and counterparty risks. More detailed information on the potential risks that could affect our financial results can be found in the Registration Document filed with the French Autorité des marchés financiers (AMF) on March 29, 2012 and in the annual report on Form 20-F filed with the U.S. Securities and Exchange Commission on April 13, 2012. Except to the extent required by law (in particular pursuant to sections 223-1 et seq. of the General Regulations of the AMF) France Telecom-Orange does not undertake any obligation to update forward-looking statements.
agenda

1. introduction
2. 3Q 2012 financials & operating performance
3. outlook
4. countries outlook
5. Group use of cash policy
introduction

Stéphane Richard
Chairman & CEO
commitments: 2011 achieved & 2012 confirmed

2011
Operating Cash Flow
€9bn

2012
Operating Cash Flow
close to €8bn
commitments: 2011 achieved & 2012 confirmed, thanks to

- mobile customer base resilience in France
- roaming agreement with 4th entrant
- improved retention on PSTN in France
- Spanish market share gains
- sustained AMEA growth

back to mobile customer growth since end 2Q 12

over 1bn€ revenue over 3 years

lowest ever level of PSTN line losses level in 3Q 12

+0.9pt fixed BB and +1.6pt mobile market share in Spain between 2Q 11 and 2Q 12

>4.5% yoy growth ex. reg every quarter
commitments: 2011 achieved & 2012 confirmed, thanks to

- reduced and better targeted commercial costs
- Chrysalid plan achievement slightly above expectations
- labour costs kept under control in an improved social climate
- successful deployment in senior part-time plan (TPS)

- €148m of savings over 9 months 2012
- Chrysalid: €780m cumulated savings as of June 2012
- moderate 2.2% annual wage increase in France in 2012, in line with inflation
- 70% of eligible employees to senior part-time plan took up this option (6,900 employees)
commitments: 2011 achieved & 2012 confirmed, thanks to

- best French mobile network in 2011 and ability to absorb 4th entrant traffic
- successful 4G spectrum auctions
- LTE launch
- leader for FTTH deployment in France, now targeting Spain
- RAN sharing in Spain and Poland

- ARCEP ranking as no.1 network
- global spectrum costs ~2 bn€ cash out 2011-12, mostly LTE
- in 2012: EE first to launch 4G in UK
- x2 FTTH capex in France in 2012 vs 2011
- target of 35% of shared sites in Europe by 2015
commitments: 2011 achieved & 2012 confirmed, thanks to

- from mature to growing telco markets
- new territories for growth
- from content production to aggregation in France

- exit from Switzerland at 6.5x EV/EBITDA multiple
- 94% ownership in Egypt
- acquisition in Democratic Republic of Congo (17% mobile penetration)
- Cloud, NFC, M2M…
- 2nd largest online video site worldwide (Dailymotion)
- end of Orange Sport TV broadcast
3Q 2012 financials & operating performance

Gervais Pellissier
Deputy CEO & CFO
3Q12 performance in line with yearly guidance

- well oriented commercial indicators in France and in other geographies
  - mobile market share stabilised at 37.4% in France, with confirmed positive momentum on contract consumer net adds (positive monthly figures since June)
  - customer base still up in Spain (+104k contract net adds in 3Q)
  - back to strong contract net adds in Egypt (+720k in Q3 vs +255k in 2Q)

- Group 3Q revenues down (-1.1% yoy, excl. reg.)
  - Poland revenues (-3.4% excl. reg.) impacted by the launch of unlimited mobile offers on the market
  - Spain facing tougher macro-economic landscape still outperforming its market
  - sustained growth in emerging markets (+4.6% excl. reg.) notably Ivory Coast and Egypt

- limited 3Q restated EBITDA margin erosion (-1.4pt yoy) attributable to revenue decline
  - sharp management of commercial costs
  - tight OPEX control thanks to the Chrysalid program

3Q12 results fully consistent with “close to €8bn* OpCF” 2012 guidance

*excluding exceptional items but including French pension impacts
### key financials

#### 3Q12 achievements

<table>
<thead>
<tr>
<th></th>
<th>3Q11 cb</th>
<th>3Q12 actual</th>
<th>var. comp basis</th>
<th>9M11 cb</th>
<th>9M12 actual</th>
<th>Var comp basis</th>
<th>key points</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>11,150</td>
<td>10,755</td>
<td>-3.5%</td>
<td>33,425</td>
<td>32,598</td>
<td>-2.5%</td>
<td>• 3Q regulation impact: -€270m</td>
</tr>
<tr>
<td><strong>Restated EBITDA</strong></td>
<td>3,932</td>
<td>3,645</td>
<td>-7.3%</td>
<td>11,441</td>
<td>10,649</td>
<td>-6.9%</td>
<td>• 3Q regulation impact: -€123m</td>
</tr>
<tr>
<td><strong>Operating cash flow</strong></td>
<td>2,668</td>
<td>2,405</td>
<td>-9.9%</td>
<td>7,742</td>
<td>6,949</td>
<td>-10.2%</td>
<td>• 9M OpCF fully consistent with FY guidance</td>
</tr>
</tbody>
</table>

*see slide 44 for restatements*
strong credit profile maintained in a tense debt market

- **balance sheet as of 30 Sept. 2012**
  - € 7.8 bn of cash
  - € 15.2 bn liquidity position
  - ~2.2x expected year end 2012 net debt to EBITDA ratio

**continue to enjoy best-in sector financing conditions...**

- average maturity further increased to 9.4 years (vs. 9.0 years at end 2011) i.e. longest average maturity among European peers
- average weighted cost of debt in bonds down at 5.24% in 3Q12 (vs. 5.29% in 1H12)
- rating:
  - Moody’s A3- neg
  - S&P A-neg
  - Fitch A- neg

**...and to secure future refinancings with attractive conditions**

<table>
<thead>
<tr>
<th></th>
<th>4Q12</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>bonds</td>
<td>0.2</td>
<td>3.5</td>
<td>3.9</td>
<td>3.4</td>
<td>3.0</td>
<td>19.3</td>
</tr>
<tr>
<td>bank loans &amp; other</td>
<td>3.4</td>
<td>2.5</td>
<td>2.8</td>
<td>3.4</td>
<td>3.0</td>
<td>20.1</td>
</tr>
</tbody>
</table>

*excluding TDIRA

comparison of peers financing conditions based on several 2012 Euro bond issues – source: Bloomberg
group top line erosion despite sustained growth in emerging markets

<table>
<thead>
<tr>
<th>in €m</th>
<th>actual</th>
<th>% yoy cb</th>
<th>% yoy cb excl.reg</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group revenue</strong></td>
<td>10,755</td>
<td>-3.5%</td>
<td>-1.1%</td>
</tr>
<tr>
<td>France</td>
<td>5,280</td>
<td>-5.4%</td>
<td>-2.4%</td>
</tr>
<tr>
<td>Spain</td>
<td>1,027</td>
<td>-1.0%</td>
<td>+2.2%</td>
</tr>
<tr>
<td>Poland</td>
<td>840</td>
<td>-5.5%</td>
<td>-3.4%</td>
</tr>
<tr>
<td>ROW</td>
<td>2,047</td>
<td>+0.6%</td>
<td>+3.0%</td>
</tr>
<tr>
<td>Africa &amp; Middle-East</td>
<td>1,059</td>
<td>+4.3%</td>
<td>+4.6%</td>
</tr>
<tr>
<td>“European” countries</td>
<td>843</td>
<td>-3.5%</td>
<td>+1.3%</td>
</tr>
<tr>
<td>other</td>
<td>148</td>
<td>+0.5%</td>
<td>+1.7%</td>
</tr>
<tr>
<td><strong>Enterprise</strong></td>
<td>1,726</td>
<td>-2.9%</td>
<td>-2.9%</td>
</tr>
</tbody>
</table>

3Q growth excl. reg:
- Poland: -3.4%
- France: -2.9%
- Spain: -2.4%
- Group: -1.1%
- Africa & Middle-East: 4.6%
- Europe: 1.3%
- Spain: 2.2%
- AMEA: 4.6%

**insight**

- deteriorating trend of revenue at Group level, as expected:
  - increasing weight of regulatory effects (270m€ in 3Q) following new roaming rules
  - penetration of re-priced tariffs within the customer base in France
  - deceleration of revenue growth in Spain: pressure on usages due to worsening macroeconomic environment
  - Poland revenues impacted by the unlimited mobile offers on the market
- stable trends in emerging countries
  - Africa & Middle East driven by Egypt & Ivory Coast while other emerging countries continue to deliver
- improving trend in European countries & Enterprise
  - European countries improving excl. reg. thanks to Belgium (+3.1%) and Moldova (+5.7%)
  - revenue (excl. equipment resale) trend improving in Enterprise (-1.3%)
sharp control of direct & indirect costs protecting EBITDA

3Q12 restated EBITDA*

- 3,932
- 3,645

3Q11cb  revenue  interco costs  commercial & content costs**  labour opex***  IT&N, property, G&A & other****

3Q insight

- regulatory effects increased
  - EU roaming impact representing more than 50% of regulatory effects
- savings on commercial costs and content, coming from France and all other European countries
  - rationalization of handset subsidies in France and Spain
  - savings on content costs
- good control over labour costs
  - +3.2% yoy reported increase; +1.8% when restated for the impact of the EC decision

*see slide 44 for restatements **o/w €0m of content provision used in 3Q12 vs. €40m used in 3Q11
*** o/w TPS provision of €45m used in 3Q12 vs €25m used in 3Q11 ****o/w €11m of content provision used in 3Q12 vs. €15m used in 3Q11
3Q12 France financials
stable trend in revenue evolution excl. regulation

3Q12 revenue*: -5.4%
(-2.4%* excl. regulatory impacts)

<table>
<thead>
<tr>
<th>in €m</th>
<th>3Q12 var in cb</th>
<th>9m12 var in cb</th>
</tr>
</thead>
<tbody>
<tr>
<td>revenue</td>
<td>5,280 -5.4%</td>
<td>16,106 -4.8%</td>
</tr>
<tr>
<td>personal</td>
<td>2,634 -2.3%</td>
<td>8,019 -1.5%</td>
</tr>
<tr>
<td>service revenue**</td>
<td>-7.5%</td>
<td>-6.0%</td>
</tr>
<tr>
<td>home</td>
<td>3,067 -4.1%</td>
<td>9,261 -4.3%</td>
</tr>
</tbody>
</table>

3Q insight

- mobile service revenue down -7.5%*:  
  - increasing regulation weight due to data roaming tariff cut  
  - excluding regulation:  
    - national roaming agreement nearly offsetting the negative retail impact
- slowdown in declining home revenue trend:  
  - home usages revenue decreasing trend slowing down: -€102m vs. -€112m in 3Q11  
  - broadband customer base growth at +3.7%, fuelled by Open

3Q12 personal revenue*: -2.3% yoy
(+3.8% excl. reg.)

<table>
<thead>
<tr>
<th>in €m</th>
<th>3Q12</th>
<th>var in cb</th>
<th>9m12 var in cb</th>
<th>3Q11 cb</th>
<th>regulatory impacts</th>
<th>customer base</th>
<th>network usage incl. national roaming</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,695</td>
<td>2,634</td>
<td>-157 -1.0% excl. reg</td>
<td>2,634</td>
<td>+120</td>
<td>-45 -1.0% excl. reg</td>
<td>2,634</td>
<td>+21</td>
</tr>
</tbody>
</table>

3Q12 fixed revenue*: -4.1%
(-3.1% excl. reg.)

<table>
<thead>
<tr>
<th>in €m</th>
<th>3Q12</th>
<th>var in cb</th>
<th>9m12 var in cb</th>
<th>3Q11 cb</th>
<th>regulatory impacts</th>
<th>PSTN</th>
<th>broadband</th>
<th>wholesale &amp; others</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,198</td>
<td>3,067</td>
<td>-34</td>
<td>3,067</td>
<td>-€102m</td>
<td>vs. -€112m in 3Q11</td>
<td>-140</td>
<td>+38</td>
<td>+5</td>
</tr>
</tbody>
</table>
3Q12 France personal KPIs
strong commercial momentum and good control over repricing effect

- recovery of the mobile customer base growth
  - continued positive contract net adds (+320k in 3Q o/w 153k excl. M2M)
  - strong commercial activity: contract gross adds excl. M2M up +15% vs. 2Q12 driven by Origami Jet and Sosh
  - quarterly churn down 1.7pts vs. 2Q12
  - prepaid customer base protected (-3k net losses)
- ARPU down -7.8% yoy, in line with expectations for -10% for the end of the year

ARCEP market figures ** company estimates in 3Q

ARPER market figures
* network market share, incl. national roamers
** company estimates in 3Q

annual rolling mobile ARPU evolution

in euros/year

churn improving and positive momentum on contract net adds confirmed

1Q12 2Q12 3Q12
-615
-155
-228 -240
-387
-320
+317
+320
-3
* yoy on cb
3Q12 France home KPIs
encouraging PSTN trends and solid broadband acquisitions in a highly competitive market

**BB ARPU driven by better access mix & content**

- ADSL market & conquest shares
  - ADSL market share
  - ADSL net adds market share

<table>
<thead>
<tr>
<th></th>
<th>4Q11</th>
<th>1Q12</th>
<th>2Q12</th>
<th>3Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td>45.1%</td>
<td>44.8%</td>
<td>44.7%</td>
<td>44.4%</td>
<td></td>
</tr>
<tr>
<td>36.6%</td>
<td>21.5%</td>
<td>26.9%</td>
<td>[22%;25%]*</td>
<td></td>
</tr>
</tbody>
</table>

**quarterly broadband ARPU, in €/month**

<table>
<thead>
<tr>
<th></th>
<th>3Q11cb</th>
<th>better access mix</th>
<th>VoIP out of bundle</th>
<th>content</th>
<th>3Q12</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.2</td>
<td>+0.2</td>
<td>36.0</td>
<td>-0.4</td>
<td>+0.2</td>
<td>36.1</td>
</tr>
<tr>
<td>5.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5.7</td>
</tr>
<tr>
<td>36.1</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

**PSTN line losses slowing down**

-459k
-290
-168
-271
-150
-421k

**3Q insight**

- commercial performance stabilized vs. 2Q12 (+68k internet net adds in 3Q12 vs. +65k in 2Q12), despite higher discounted offers from competitors
- FTTH customer base of 144k (vs. 123k in 2Q12)
- stable quarterly broadband ARPU (up +€0.1 yoy), of €36.1 driven by favourable access mix and content
- PSTN lines decrease slowing down trend confirmed with the lowest quarterly line losses ever recorded: -421k
3 outlook

Stéphane Richard
Chairman & CEO
Digital usages are accelerating: customers demand more connectivity and consume more data.

<table>
<thead>
<tr>
<th>Massive Adoption of Connected Devices</th>
<th>Explosion in Data Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>63% smartphone as % of consumer contract commercial acts in France (1)</td>
<td>+100% worldwide mobile data traffic increase from Q2 2011 to Q2 2012 (4)</td>
</tr>
<tr>
<td>20% of tablet users use them as their principal Internet access device (2)</td>
<td>x25 increase in consumer mobile video traffic between 2011 and 2016 (5)</td>
</tr>
<tr>
<td>24 billion wirelessly connected objects in 2020 (3)</td>
<td>&gt;650 million consumer mobile lines in Africa in 2012 (6)</td>
</tr>
</tbody>
</table>

however, a challenging environment over 2012-13 with a tougher than expected macro-economy...

GDP growth forecast – European Union

-2.3 pts

source: IMF
...a more adverse regulation ...

regulation impact on Group

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue Impact (m€)</th>
<th>EBITDA Impact (m€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>925</td>
<td>392</td>
</tr>
<tr>
<td>2010</td>
<td>902</td>
<td>270</td>
</tr>
<tr>
<td>2011</td>
<td>748</td>
<td>227</td>
</tr>
<tr>
<td>2012e</td>
<td>~1,000</td>
<td>~350</td>
</tr>
<tr>
<td>2013e</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014e</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
... and a tougher competition especially in France, contributing to a lower telco market value than expected.

- French mobile & fixed market
  - €2.8bn in 2015 vs. 2010

- French mobile & fixed consumer market
  - €5.5bn in 2015 vs. 2010

Source: Idate, 2012

Source: Roland Berger, 2012
on mobile and fixed, French prices are the lowest compared to largest European countries and the USA

<table>
<thead>
<tr>
<th>price of a comparable mobile offer*</th>
<th>price of a comparable fixed offer**</th>
</tr>
</thead>
<tbody>
<tr>
<td>in €/month</td>
<td>in €/month</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>32</td>
</tr>
<tr>
<td>38</td>
<td>40</td>
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<tr>
<td>42</td>
<td>43</td>
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<td>50</td>
<td>48</td>
</tr>
<tr>
<td>67</td>
<td>56</td>
</tr>
<tr>
<td>78</td>
<td>77</td>
</tr>
</tbody>
</table>

Source: Arthur D. Little for FFT, 2012

*voice unlimited (min.500 minutes), SMS, MMS, unlimited (min.1000 SMS), Internet 1,2 ou 3Gb-SIMO; operators having a market share > 15%

**fixed national calls unlimited (min 3000 minutes), TV, broadband, except cable.
### Data monetisation as a lever to regain value

#### Mobile

<table>
<thead>
<tr>
<th>Traffic monetisation</th>
<th>+30% increase in number of customers with a data plan in France since January (reaching 7M in Sept 2012)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Speed monetisation</td>
<td>80% of Sosh 25€ customers preferred H+ to a price reduction</td>
</tr>
<tr>
<td>Services monetisation</td>
<td>/2 customers with an active Deezer connection are twice less likely to terminate their Origami offer</td>
</tr>
</tbody>
</table>

#### Fixed

<table>
<thead>
<tr>
<th>Speed monetisation</th>
<th>+5€ price differential between Open-DSL and Open-Fiber offers for consumers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services monetisation</td>
<td>~14€ additional ARPU for pay-TV customers in France</td>
</tr>
</tbody>
</table>

≥ 80% of Origami sales were offers >49€ in Q3 2012

Convergent offers with Open x2 = 2.5M clients since Jan 2012
new territories for growth: portfolio management and innovation

**innovations will support growth**

- Cloud: 500m€ target revenues by 2015
  - forthcoming launch of personal cloud in France
  - investment in a dedicated cloud services company

- M2M: 10m target SIM cards by 2015
  - 43% growth (yoy at end of Q3 2012) on number of SIM cards activated
  - good progress in particular in smart cities and e-health verticals

- NFC & m-payment
  - 2.5* million NFC compatible handsets expected on French market in 2012
  - 4.8 million Orange Money customers in 11 countries in Africa & Middle East in 3Q12
  - Orange Cash launched in Poland and UK

*Source: Association Française du Sans-Contact Mobile (AFSCM)*

**geographic mix drives growth**

<table>
<thead>
<tr>
<th>Group revenue mix</th>
<th>2011</th>
<th>2014e</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>49%</td>
<td>47%</td>
</tr>
<tr>
<td>Europe</td>
<td>32%</td>
<td></td>
</tr>
<tr>
<td>emerging</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>Entreprise</td>
<td>9%</td>
<td></td>
</tr>
</tbody>
</table>

- organic growth only: emerging countries + 3pts of Group revenue by 2014
- possible acceleration with consolidation of stakes (Morocco, Iraq)

*excl. IC&SS
sustained level of investment optimizing legacy to promote VHBB

- **accelerating VHBB deployment for future growth**
  - **maintaining our leadership on 4G investment**
    - # LTE sites: 396 (2011) 2,990 (2013)
    - France
  - **accelerating FTTH deployment in line with commitments**
    - rest of world
    - 4G launched in all our European countries by 2015
    - 3G launched throughout African countries by 2015
    - 1.5M homes and businesses over 4 years in Spain

- **CAPEX optimisation**
  - **RAN sharing**
  - 20% - 50% of site costs reduction by 2015 with Chrysalid

- **CAPEx optimisation**
  - spectrum
  - capex
  - 2010 2011 2012e 2013e
in France, moving from cost containment to cost reduction with ambitions of €800m net savings for 2014

**Direct costs**
- SARC costs: €~4bn
- Content costs & other: €~10bn
- Savings in interconnection
- Sharp management of SARC costs
- Savings from new content strategy

**Indirect costs**
- Labor: €~800m expected total cost base decrease in 2014 vs 2011
- External workforce
- Real estate
- General expenses
- Others (incl. taxes)
- Stabilization of labor costs: +4k recruitments vs. an expected attrition of -11k* over 2013-2015
- Group pyramid ageing
- Further benefits of Chrysalid program, delivering more than expected

* includes headcounts located in France (Orange France, Enterprise, ICSS)
2013 Operating Cash Flow above €7bn
2014 Operating Cash Flow above 2013

**Variation 13 vs 12**
- Higher savings
- Slight increase in labour OPEX
- Declining revenues

**Variation 14 vs 13**
- Similar savings
- Stabilization in labour OPEX
- Improved revenue trend

**Cost Management:**
- From cost management to cost reduction

**Top Line Preservation:**
- Improved revenue trend for 2014
- Declining revenues

**Investment for Value Creation:**
- Sustained level of investment optimizing legacy to promote VHBB
- Positive impact

**New Territories for Growth:**
- Portfolio management and innovation
- Positive impact

**OpCF Guidance:**
- Above €7bn* in 2013
- 2014* > 2013*

*excluding exceptional items but including French pension impacts
countries outlook

Gervais Pellissier
Deputy CEO & CFO
2013 actions to prepare EBITDA stabilization from 2014

Orange actions for improved revenue trend in 2014
- LTE pricing policy: in line with our VHBB monetization objective
- segmented offers for both SIMO & subsidized markets
- new CPEs & increasing fiber penetration
- mobile re-pricing ending early 2014
- home revenues nearly stabilized from 2014
  - PSTN line losses improvement

 prioritize focus on LTE & FTTH investments, stable capex / sales ratio ~ 11% excl. LTE & FTTH

~€800m cost reduction in 2014 vs. 2011
- strong focus on cost control over the period 2011-2014
  - savings on commercial costs
  - stabilization of labour costs
  - ramp-up of Chrysalid program benefits

France EBITDA stabilization from 2014

- LTE: 40% coverage in 2014 / 80% in 2016
- 2010-2015 FTTH investment plan for ~€2bn
- steady investments in CPEs*

Capex to sales ratio excl. FTTH and LTE
Chrysalid delivering faster and more
expected above €1.1bn 2012 cumulated since 2011 fully in line with ambition

ramping up our initial achievements for 2015

performance drivers

<table>
<thead>
<tr>
<th>Country</th>
<th>Performance Drivers</th>
</tr>
</thead>
</table>
| France    | - customer experience improvement  
                        - IT optimization  
                        - channel mix improvement  
                        - operational excellence |
| Europe    | - RAN & network sharing  
                        - cross country mutualisation  
                        - customer care transformation  
                        - on line sales  
                        - IT renewal & optimisation |
| AMEA      | - network sharing & towerco  
                        - services platform mutualisation / industrialisation policy  
                        - synergies within the zone  
                        - commissioning scheme enhancement |
| OBS       | - international network strategy  
                        - sales model evolution  
                        - customer journey simplification |
| ICSS      | - content business model change  
                        - IT corporate optimization  
                        - real estate |

savings in €bn vs 2010 cost base  

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>0.3</td>
<td>0.9-1.1</td>
<td>1.0-1.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>0.4</td>
<td>0.9-1.1</td>
<td>1.1-1.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AMEA</td>
<td>0.02</td>
<td>0.1-0.2</td>
<td>0.2-0.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OBS</td>
<td>0.05</td>
<td>0.2-0.3</td>
<td>0.2-0.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICSS</td>
<td>0.05</td>
<td>0.1-0.2</td>
<td>0.2-0.3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

cumulated savings

<table>
<thead>
<tr>
<th>Year</th>
<th>€1.1bn</th>
<th>€1.5bn</th>
<th>€1.8bn</th>
<th>~€3bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td></td>
<td></td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td>75%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

savings in €bn vs 2010 cost base

cumulated savings 1H 2012

Conquests 2015 (reminder)

reviewed ambition
**Orange Spain maintaining ambition for growth in value share and profitability, outperforming the market**

**be the reference alternative operator**
- maintain current commercial momentum
- develop strong position in the low price market (amena.com)
- accelerate convergence to support growth and loyalty

**continue efficiency improvements**
- continue efficient SARC strategy
- extend network sharing
- further contention of indirect costs

**Orange value shares (%)**
- Mobile
- Fixed broadband

- 18.4% 19.2% 21.0% 22.8%
- 9.0% 8.9% 10.2% 11.7%

**Orange EBITDA evolution**
- Orange EBITDA (m€)
- Orange EBITDA margin

- 18.8% 20.0% 21.0%
- 729 765 893

**leverage mobile and fixed VHBB and market opportunities**
- complete network transformation project with LTE launch
- launch FTTH rollout project
- continue to monitor any move towards Spanish market consolidation

**strong commercial performance and tight cost control still contributing towards solid momentum**
Poland, cost optimization and market leadership in convergence

new portfolio of offers to sustain top line

- win-back plan on B2B
  - price alignment and reorganization of sales force
  - development of ICT activities

- sustain mobile consumer leadership with convergence
  - new set of Animals offers, with specific focus on data
  - segmentation of B2C offers, SIMO proposition
  - capitalizing on a single Orange brand to drive convergence with Open offers
  - innovating solutions, Orange Cash

keep momentum on cost structure adjustment

- commercial cost optimization
- labour costs stabilized in 2013 & down from 2014 onwards
  - headcount reduction: 2,500 FTE over 2012-2013
- TV services partnership

following peak due to BBI, investment rationalized and leadership confirmed

- RAN sharing agreement implementation
- LTE roll-out for launch early 2014
- end of Broadband Investment programme

Orange Poland will still face a highly turbulent market over the coming months, but levers are in place to sustain profitability
rest of Europe: data and convergent offers fuelling growth with further efficiency improvements

back to growth thanks to data revenues

- lighter negative impact of regulation expected (Belgium & Romania & Slovakia: >150m€ revenues preserved 2013 to 2014)
- increased share of data, with more than x2 in Slovakia and Romania over 2011-2015
- focus on convergence in Belgium
- partnership strategy on TV, no investments in content

continuous focus on costs enabling improved EBITDA ratio

- EBITDA margin revitalization thanks to:
  - improved top line trend
  - focus on rationalization and mutualisation of opex

launch of LTE across the footprint

- LTE deployed and launched across the entire European footprint by 2015

after a tough 2013, positive EBITDA trend from 2014
emerging countries, highest area of growth over the next 3 years

Orange revenues expected to grow faster than the market

- promising country mix
  - cluster approach
  - low penetration countries
  - high penetration countries with data demand booming
  - key countries driving growth: Egypt, Ivory Coast, DRC
  - risk spread out over a diversified footprint

- customer loyalty improvement
  - 4.8 million customers (9M12)
  - 30 million customers by 2015

- favourable 3-4 pts spread of GDP growth with rest of the Group

- on-going bilateral infrastructure sharing projects in most countries:
  - passive network sharing in Uganda

- distribution mix optimization
  (commission review & channel mix optimization)

- Groupement Orange Services (GOS): service platform mutualisation

- continue to capture growth in rural areas
- deploy 2G/3G network to support mobile data growth

- increasing demand for mobile data and low penetration will sustain revenue trend

CAGR 2011-2016 mobile revenues

<table>
<thead>
<tr>
<th>Year</th>
<th>Orange Market</th>
<th>Telecom Footprint</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>7.5%</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>5.5%</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Enterprise: transformation of revenue mix confirmed

growth drivers and mix evolution enable to expect top line improvement from 2014

- **growth drivers:**
  - “€1bn revenues with emerging markets by 2015” confirmed
  - close to double-digit growth yoy
  - Conquests ambition of 33% of revenues on services by 2015
    - IT services growth 2012 - 2015 Gartner, Sept. 2012:
      - +2.5% CAGR in France
      - +3.0% CAGR for Western Europe
  - cloud: strong momentum (+33% in 2012) over 350 Flexible computing customers in France
    - recent cloud deals:
      - flexible computing express deal with TIENS
      - Cricket Australia: offer to manage bets in Australia

- **revenue trends**

  ![Revenue Trends Diagram]

  - networks:
    - mature networks: supported by steady IPVPN trend
    - growing networks: products such as VoIP
    - legacy decline compensated in 2015

continuous focus on costs

- **network strategy:** optimization of domestic network costs per country and access
- **footprint rationalization:** portfolio optimization and synergies with local group entities
- **customer management:** reduced process intermediation and simplified internal production model

transformation of revenue mix confirmed
5

Group use of cash policy

Stéphane Richard
Chairman & CEO
**use of cash policy reflecting cash generation momentum**

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Keep a strong balance sheet and secure access to debt market</td>
<td>Close to 2x net debt / EBITDA by year-end 2014</td>
</tr>
<tr>
<td>Sustainable and yield oriented dividend policy adapted to cash generation profile</td>
<td>Dividend of at least €0.80* for 2012 &amp; for 2013</td>
</tr>
<tr>
<td>Careful and selective M&amp;A policy</td>
<td>Focus on in-market consolidation while strictly respecting leverage ratio guidance</td>
</tr>
</tbody>
</table>

* France Telecom SA will bear the additional 3% contribution related to corporate tax referring to 2012 dividend balance and 2013 dividend payments.
6 appendix
despite these challenges, we maintain strong market positions

N° 1 or N° 2 in 15 out of 18 countries of AMEA, in 7 out of 9 countries in Europe
## Details on Revenue

<table>
<thead>
<tr>
<th></th>
<th>3Q11 CB</th>
<th>3Q12</th>
<th>%*</th>
<th>% excl. Regul*</th>
<th>9M11 CB</th>
<th>9M12</th>
<th>%*</th>
<th>% excl. Regul*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group revenue</strong></td>
<td>11,150</td>
<td>10,755</td>
<td>-3.5%</td>
<td>-1.1%</td>
<td>33,425</td>
<td>32,598</td>
<td>-2.5%</td>
<td>-0.5%</td>
</tr>
<tr>
<td><strong>France</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5,583</td>
<td>5,280</td>
<td>-5.4%</td>
<td>-2.4%</td>
<td>16,915</td>
<td>16,106</td>
<td>-4.8%</td>
<td>-2.1%</td>
</tr>
<tr>
<td>personal</td>
<td>2,695</td>
<td>2,634</td>
<td>-2.3%</td>
<td>+3.8%</td>
<td>8,141</td>
<td>8,019</td>
<td>-1.5%</td>
<td>+3.9%</td>
</tr>
<tr>
<td>home</td>
<td>3,198</td>
<td>3,067</td>
<td>-4.1%</td>
<td>-3.1%</td>
<td>9,681</td>
<td>9,261</td>
<td>-4.3%</td>
<td>-3.2%</td>
</tr>
<tr>
<td>eliminations</td>
<td>(311)</td>
<td>(421)</td>
<td></td>
<td></td>
<td>(907)</td>
<td>(1,175)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Spain</strong></td>
<td>1,038</td>
<td>1,027</td>
<td>-1.0%</td>
<td>+2.2%</td>
<td>2,979</td>
<td>3,016</td>
<td>+1.2%</td>
<td>+3.9%</td>
</tr>
<tr>
<td>personal</td>
<td>862</td>
<td>836</td>
<td>-3.0%</td>
<td>+0.8%</td>
<td>2,464</td>
<td>2,453</td>
<td>-0.4%</td>
<td>+2.8%</td>
</tr>
<tr>
<td>home</td>
<td>176</td>
<td>191</td>
<td>+9.0%</td>
<td>+9.0%</td>
<td>515</td>
<td>562</td>
<td>+9.0%</td>
<td>+9.0%</td>
</tr>
<tr>
<td><strong>Poland</strong></td>
<td>888</td>
<td>840</td>
<td>-5.5%</td>
<td>-3.4%</td>
<td>2,622</td>
<td>2,534</td>
<td>-3.4%</td>
<td>-1.9%</td>
</tr>
<tr>
<td>personal</td>
<td>470</td>
<td>448</td>
<td>-4.7%</td>
<td>-0.7%</td>
<td>1,371</td>
<td>1,346</td>
<td>-1.8%</td>
<td>+1.1%</td>
</tr>
<tr>
<td>home</td>
<td>483</td>
<td>463</td>
<td>-4.0%</td>
<td>-3.7%</td>
<td>1,436</td>
<td>1,389</td>
<td>-3.3%</td>
<td>-3.1%</td>
</tr>
<tr>
<td>eliminations</td>
<td>(65)</td>
<td>(72)</td>
<td></td>
<td></td>
<td>(185)</td>
<td>(201)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ROW</strong></td>
<td>2,034</td>
<td>2,047</td>
<td>+0.6%</td>
<td>+3.0%</td>
<td>6,112</td>
<td>6,191</td>
<td>+1.3%</td>
<td>+2.9%</td>
</tr>
<tr>
<td><strong>Enterprise</strong></td>
<td>1,778</td>
<td>1,726</td>
<td>-2.9%</td>
<td>-2.9%</td>
<td>5,361</td>
<td>5,215</td>
<td>-2.7%</td>
<td>-2.7%</td>
</tr>
<tr>
<td><strong>International carrier &amp; SS</strong></td>
<td>407</td>
<td>391</td>
<td>-3.9%</td>
<td>-3.9%</td>
<td>1,171</td>
<td>1,208</td>
<td>+3.1%</td>
<td>+3.1%</td>
</tr>
<tr>
<td>eliminations</td>
<td>(578)</td>
<td>(556)</td>
<td></td>
<td></td>
<td>(1,735)</td>
<td>(1,671)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* yoy on cb
sharp control over direct & indirect costs protecting EBITDA

3Q12 & 9M12 restated EBITDA*

3Q insight
- 3Q negative regulatory effects increased
  - EU roaming impact representing more than 50% of 3Q regulatory effects
- savings on commercial costs and contents coming from France and all other European countries
  - rationalization of handset subsidies in France and Spain
  - savings on content costs
- good control over labour costs
  - +3.2% yoy reported increase in 3Q; +1.8% when restated for the impact of the EC decision

9M insight
- increasing regulatory pressure with 9M regulatory effects twice as much as for H1
- savings on commercial costs and content
- good control over labour costs
  - +3.4% yoy reported increase in 9M; +2.1% when restated for the impact of the EC decision
- IT&N, property, G&A & other increase driven by
  - IT expenses (+5.3% yoy) to enhance customer relationship management and overall internal processes
  - property costs (+5.2% yoy) as a result of inflation & growing number of mobile sites

*see slide 44 for restatements **o/w €0m of content provision used in 3Q12 vs. €40m used in 3Q11
*** o/w TPS provision of €45m used in 3Q12 vs. €25m used in 3Q11 ****o/w €11m of content provision used in 3Q12 vs. €15m used in 3Q11
## EBITDA restatements

<table>
<thead>
<tr>
<th>in €m</th>
<th>3Q11cb</th>
<th>3Q12</th>
<th>9m11cb</th>
<th>9m12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA restated</strong></td>
<td>3,932</td>
<td>3,645</td>
<td>11,441</td>
<td>10,649</td>
</tr>
<tr>
<td><strong>litigation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>major litigations</td>
<td>-</td>
<td>-3</td>
<td>-</td>
<td>+41</td>
</tr>
<tr>
<td>litigation EU TPSA</td>
<td>-</td>
<td>-</td>
<td>-115</td>
<td>-</td>
</tr>
<tr>
<td><strong>labour related</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>free share plan</td>
<td>-23</td>
<td>-13</td>
<td>-23</td>
<td>-39</td>
</tr>
<tr>
<td>part-time senior plan</td>
<td>-19</td>
<td>-11</td>
<td>-32</td>
<td>-190</td>
</tr>
<tr>
<td><strong>other</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orange Switzerland disposal</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>+92</td>
</tr>
<tr>
<td>OTMT indemnity</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-116</td>
</tr>
<tr>
<td><strong>EBITDA reported</strong></td>
<td>3,890</td>
<td>3,617</td>
<td>11,271</td>
<td>10,438</td>
</tr>
</tbody>
</table>
5.1 Q3 results by countries (excl. France)
3Q12 Spain
strong commercial performance containing top line decline in 3Q

3Q12 revenue* (+2.2% excl. regulatory impacts)

<table>
<thead>
<tr>
<th></th>
<th>3Q12</th>
<th>var in cb</th>
<th>9M12</th>
<th>var in cb</th>
</tr>
</thead>
<tbody>
<tr>
<td>revenue</td>
<td>1,027</td>
<td>-1.0%</td>
<td>3,016</td>
<td>+1.2%</td>
</tr>
<tr>
<td>personal</td>
<td>836</td>
<td>-3.0%</td>
<td>2,453</td>
<td>-0.4%</td>
</tr>
<tr>
<td>home</td>
<td>191</td>
<td>+9.0%</td>
<td>562</td>
<td>+9.0%</td>
</tr>
</tbody>
</table>

* yoy on cb

insight

- 3Q mobile revenues +0.8% excluding regulation driven by steady contract base growth and data boost:
  - strong portability balance (+88k) with decreasing contract churn (+18.6%, -1.7pt YoY)
  - mobile internet base multiplied by x1.9 yoy (up to 38% penetration)

- 3Q fixed revenues +9% fuelled by customer base (double-digit growth) and ARPU (increasing VoIP penetration)

mobile : strong contract base growth driven by mobile internet tariffs

<table>
<thead>
<tr>
<th>customer base in 000’s</th>
<th>internet users in 000’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>3Q11</td>
<td>3Q12</td>
</tr>
<tr>
<td>11,602</td>
<td>11,854</td>
</tr>
<tr>
<td>4,157</td>
<td>3,905</td>
</tr>
<tr>
<td>7,445 (64%)</td>
<td>7,949 (67%)</td>
</tr>
</tbody>
</table>

fixed broadband : double digit customer base growth with increasing ARPU

<table>
<thead>
<tr>
<th>customer base in 000’s</th>
<th>ARPU €/month</th>
</tr>
</thead>
<tbody>
<tr>
<td>3Q11</td>
<td>3Q12</td>
</tr>
<tr>
<td>1,225</td>
<td>1,359</td>
</tr>
<tr>
<td>732 (19%)</td>
<td>897 (15%)</td>
</tr>
<tr>
<td>5.2</td>
<td>5.2</td>
</tr>
<tr>
<td>26.8 (84%)</td>
<td>27.8 (86%)</td>
</tr>
</tbody>
</table>

* yoy on cb
3Q12 Poland
adjusting to a rapidly deteriorating and disrupted operating environment

### 3Q12 revenue* (-3.4% excl. regulatory impacts)

<table>
<thead>
<tr>
<th></th>
<th>3Q12</th>
<th>var in cb</th>
<th>9M12</th>
<th>var in cb</th>
</tr>
</thead>
<tbody>
<tr>
<td>revenue</td>
<td>840</td>
<td>-5.5%</td>
<td>2,534</td>
<td>-3.4%</td>
</tr>
<tr>
<td>personal</td>
<td>448</td>
<td>-4.7%</td>
<td>1,346</td>
<td>-1.8%</td>
</tr>
<tr>
<td>home</td>
<td>463</td>
<td>-4.0%</td>
<td>1,389</td>
<td>-3.3%</td>
</tr>
</tbody>
</table>

* yoy on cb

### Insight

- **3Q mobile revenues** under pressure (-0.7% excl. reg)
  - launch of unlimited offers by all players, deteriorating B2B mobile market
  - growth of mobile BB customer base with postpaid data ARPU up +8.2% yoy

- **3Q fixed revenues** impacted by customer base and PSTN ARPU decrease
  - slowdown of PSTN customers attrition with controlled migrations to 3P offers with VoIP
  - BB growth with simplification of offers driving revenues up by +2.4% yoy

### Mobile: solid base while retail ARPU under pressure from unlimited offers

- Customer base in k: 14,614 (3Q11) to 14,758 (3Q12)
  - Prepaid: 7,641 (48%) to 7,864 (47%)
  - Contract: 6,973 (48%) to 6,894 (47%)

- Monthly ARPU in PLN: 38 (3Q12) vs. 41 (3Q11)

### Fixed broadband: ARPU stabilized thanks to increased penetration of 3P

- Customer base in k – ARPU* in PLN
  - 3Q12: 2,338
  - 3Q11: 2,332
  - 4Q11: 2,346
  - 1Q12: 2,348
  - 2Q12: 2,344

*ARPU :BB, TV & VolP
# 3Q12 Rest of the World

Emerging markets are continuing to fuel growth while the situation is improving in Europe.

## 3Q12 revenue* : +0.6% (+3.0%* excl. regulatory impacts)

<table>
<thead>
<tr>
<th></th>
<th>3Q12</th>
<th>var in cb</th>
<th>9M12</th>
<th>var in cb</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total ROW</strong></td>
<td>2,047</td>
<td>0.6%</td>
<td>6,191</td>
<td>1.3%</td>
</tr>
<tr>
<td><strong>Africa &amp; Middle East</strong></td>
<td>1,059</td>
<td>4.3%</td>
<td>3,079</td>
<td>5.3%</td>
</tr>
<tr>
<td><strong>European countries</strong></td>
<td>843</td>
<td>-3.5%</td>
<td>2,686</td>
<td>-2.6%</td>
</tr>
<tr>
<td><strong>other countries</strong></td>
<td>148</td>
<td>0.5%</td>
<td>438</td>
<td>-0.2%</td>
</tr>
</tbody>
</table>

## Insight

- **European countries:**
  - Positive revenue growth excl. reg. with +1.4% in 3Q and +0.4% over 9M.
  - In Romania, 2nd quarter in a row with revenue growth excl. reg., fuelled by +40% mobile multimedia revenues.
  - In Belgium, strong handset sales thanks to iPhone.
  - Market share stabilized in Slovakia after the revamp of offers in May.

- **Africa & Middle East:**
  - Positive revenue trend of +4.3% in 3Q mainly driven by Ivory Coast (+19.7%, contributing to half of emerging markets revenue growth, Egypt (+2.0%).
  - Back to strong contract net adds in Egypt and ongoing better churn (+720k vs. +255k in 2Q12).
  - Revenue growth also sustained by continued good performances by Cameroon and Niger.

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* yoy cb
3Q12 enterprise financials

slight improvement in trends excluding equipment resale, weakening market momentum overall

### 3Q12 enterprise revenue* : -2.9%

(-1.3% excl. equipment resale)

<table>
<thead>
<tr>
<th></th>
<th>in €m</th>
<th>3Q12</th>
<th>var in cb</th>
<th>9M12</th>
<th>var in cb</th>
</tr>
</thead>
<tbody>
<tr>
<td>total enterprise</td>
<td>1,726</td>
<td>-2.9%</td>
<td></td>
<td>5,215</td>
<td>-2.7%</td>
</tr>
<tr>
<td>legacy networks</td>
<td>454</td>
<td>-12.0%</td>
<td></td>
<td>1,422</td>
<td>-13.5%</td>
</tr>
<tr>
<td>mature networks</td>
<td>730</td>
<td>+2.8%</td>
<td></td>
<td>2,164</td>
<td>+1.9%</td>
</tr>
<tr>
<td>growing networks</td>
<td>96</td>
<td>+9.8%</td>
<td></td>
<td>294</td>
<td>+8.9%</td>
</tr>
<tr>
<td>services</td>
<td>446</td>
<td>-4.1%</td>
<td></td>
<td>1,335</td>
<td>+1.0%</td>
</tr>
</tbody>
</table>

### insight

- **legacy networks**: adverse but improved trend supported by Voice, with higher traffic than in 2Q12.
- **mature networks**: robust growth thanks to IPVPN increasing number of connections and bandwidth upgrades
- **growing networks**: performance driven by double digit growth on VoIP and Image services
- **services**: decline due to very high equipment resale in 3Q11 offsetting a strong performance of integration services. Excluding equipment resale, services grew by +3.7%

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**VoIP revenues fuelled by VoIP migration**

- 9M11 cb: 143 €m
- 9M12: 161 €m
- +12.3%

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**worldwide IPVPN accesses**

- 9M11 cb: 315 000s accesses
- 9M12: 323 000s accesses
- +2.5%
5.2 France outlook
improved revenue trend in France from 2014

Orange France ambitions for 2013-2014

**Mobile**
- growing contract customer base from June 2012
- mobile repricing ending early 2014
  - most of the customer base expected to move to new offers by year-end 2013
  - mix low price / premium equilibrium managed
  - no further major tariff revamp
  - increased elasticity in data roaming usages for B2B customers
- stable national roaming agreement contribution

**Fixed**
- home revenues nearly stabilized from 2014
  - steady BB ARPU growth maintained thanks to
    - better mix
    - increasing content contribution
    - FTTH penetration
  - increasing BB net additions
    - driven by convergent offers
    - new CPE’s
  - PSTN line losses improvement
  - wholesale driven by continued increasing unbundled accesses

Reprice spreading within a growing customer base

Home retail revenues

BB growth almost offseting PSTN losses from 2014
CAPEX focus to maintain network leadership

2010-2015 FTTH investment plan of ~€2bn reiterated

- fibre deployment has started in 229 cities, including 112 in very dense areas
- Palaiseau 100% Fibre: “know how” to manage a full fibre-network experimentation
- return on investments secured with the new regulatory framework
- possible VDSL launch from 2H 2013 to complement FTTH

 Investments in LTE: key priority for differentiation

- steady level of LTE Capex
  - 5 cities covered by year end 2012 (Marseille, Lyon, Nantes, Lille, certain areas of Paris)
  - 40% coverage by 2014 / 80% by 2016 commercial launch in 1H 2013
- monetization booming bandwidth usage
  - premium on H+ pricing: springboard to LTE monetization

Pursue investment in network capacity

- ~30% of investment in networks allocated to capacity improvement (incl. FTTH & LTE investments)
emphasize our differentiation, being leader on customer experience, segmentation and innovation

**leader in customer experience:** internet and mobile are essential for a majority of French people

- best network: mobile and broadband
- leader on service and news discovery

35,000 people in contact with our customers over the phone, in our 1,200 boutiques, orange.fr, facebook and twitter

**leader on segmentation** to respond to diversifying customer needs (grouping, sim only)

- a portfolio of brands
- segmented offers adapted to everyone and to the family

**leader in innovation** by offering new entertainment experience to our clients and by responding with Orange cloud and very high broadband to multi screens needs & speed of digital clients who multi-equip

- the best of entertainment (TV and games) and applications
- services available on all screens by Orange Cloud
- leader on very high broadband mobile and fibre to accompany the need of bandwidth demanded by multi equipment and usages development

**new box**

**leader in VOD**

**partnerships**

**applications**

12% of the French are now equipped with a mobile and a tablet

**services available on all screens by Orange Cloud**

- the best of entertainment (TV and games) and applications

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5.3 EE results
EE: strong postpaid net adds and sustained low postpaid churn

Mobile service revenue +3.1% ex regulation, £m

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Regulation</th>
<th>Postpaid ex regulation</th>
<th>Prepaid</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3/11</td>
<td>1,542</td>
<td>1,451</td>
<td>-36</td>
<td>1,496</td>
</tr>
</tbody>
</table>

Insights

- Underlying service revenue driven by +9ppts yoy increase in postpaid smartphone penetration; postpaid mix 51%
- Targeted acquisition, smartphones 92% of new postpaid handset connections
- Sustained low churn; renewals up 32%; customers selecting high value plans; continued average access fee growth

Initiatives

- Good momentum with compelling propositions including Full Monty and Orange “The Works”
- Focused promotion of best-selling smartphones

Strong postpaid net adds

<table>
<thead>
<tr>
<th>Quarter</th>
<th>1Q/11</th>
<th>2Q/11</th>
<th>3Q/11</th>
<th>4Q/11</th>
<th>1Q/12</th>
<th>2Q/12</th>
<th>3Q/12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net adds</td>
<td>160k</td>
<td>235k</td>
<td>185k</td>
<td>313k</td>
<td>151k</td>
<td>150k</td>
<td>250k</td>
</tr>
</tbody>
</table>