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 relation when facing competition with OTT players, Orange's ability to withstand intense competition in mature markets, its ability to capture growth opportunities in new 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 generally, in particular technical failures of networks, 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 or 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 asset impairments. 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 29, 2014 and in the annual report on Form 20-F to be filed with the U.S. Securities and Exchange Commission on April 30, 2014. 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.
Different technology lifetimes

copper  fiber

2G  3G  4G  5G
Total CAPEX

Network investments over 2015 - 2018

€15bn

CAPEX as % of revenues

~16%

2014 2015 2016 2017 2018
Total CAPEX

network investments over 2015 - 2018

€15bn

€4.5bn in FTTH
Very dense area
100% coverage
6m

Medium dense area
100% coverage
14m

Very dense area
100% coverage
6m

Medium dense area
6m

Less dense area
Mix of technologies including partial coverage with FTTH

(*) connectable homes in private investment area (ZTD + AMII)
Increasing share of customer connection capex starting 2017
CAPEX in FTTH: shared vs. non shared

dense areas

Orange optical network node

shared poles and ducts

above 12 dwelling units

connected customer

connecting point

vertical shaft

shared access

less dense areas

Orange optical network node

connected customer

vertical shaft

shared access
Market share win-back in very dense areas thanks to fiber

ARPU uplift of FTTH vs. ADSL customers

Share of convergent BB customers

FTTH
ADSL

+5€ in 2015
+7€ in 2018

45% in 2014
>60% in 2018
Increasing wholesale revenues by 2018 supported by fiber roll-out
Expected IRR of FTTH
Capex per year of deployment always above WACC

FTTH IRR

Country WACC

2014

2018

year of deployment