

France Telecom Orange

investor day
conquests 2015

new territories

Elie Girard

Senior Executive Vice-President
Strategy & Development

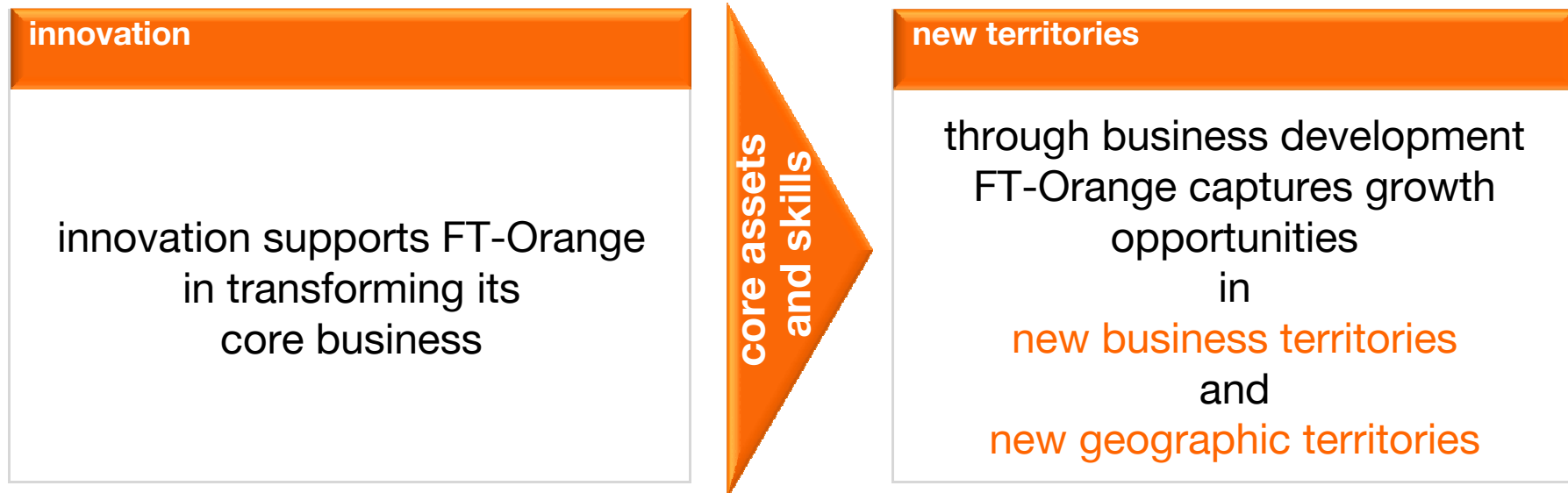
May 31th, 2011



cautionary statement

- This presentation contains forward-looking statements about France Telecom's business and its "Conquests 2015" industrial plan. Although France Telecom believes these statements are based on reasonable assumptions, the actual occurrence of the forecasted developments is 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 other factors, overall trends in the economy in general and in France Telecom's markets, the efficiency of the strategy incorporated in the "Conquests 2015" industrial plan and of other strategic, operational and financial plans, France Telecom's ability to adapt to the ongoing transformation of the telecommunications industry, regulatory developments and related constraints, as well as the outcome of legal proceedings and the risks and uncertainties related to international operations and exchange rate fluctuations.
- More detailed information on the potential risks that could affect France Telecom's financial results can be found in the Registration Document filed with the French *Autorité des marchés financiers* and in the annual report on Form 20-F filed with the U.S. Securities and Exchange Commission. Except to the extent required by law, in particular Articles 223-1 et seq. of the General regulation of the *Autorité des marchés financiers*, France Telecom does not undertake any obligation to update forward-looking statements.

FT-Orange growth recovery is sustained by innovation in core business and business development in new territories

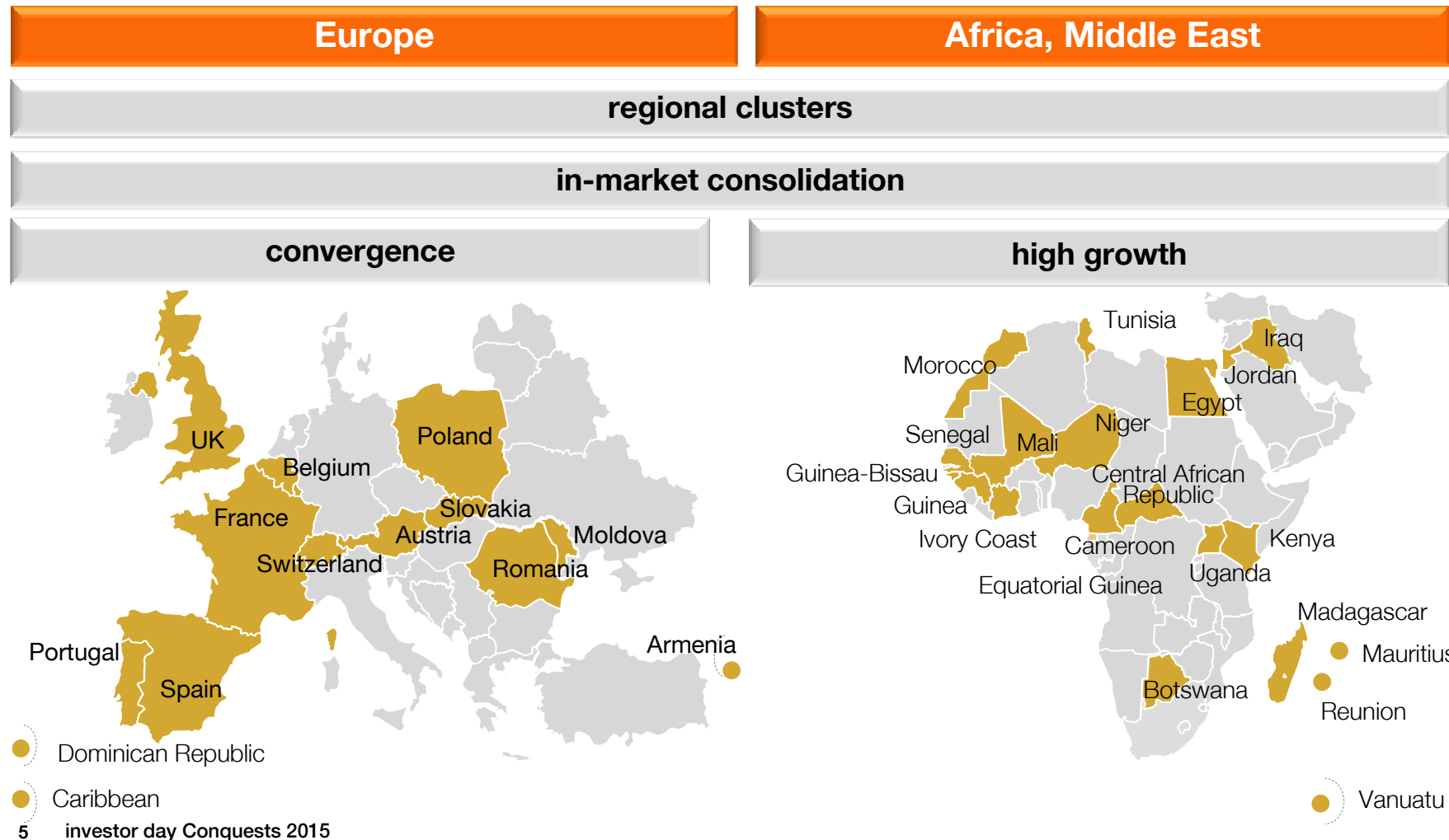


new business territories translate into new business models

new business territories	new business models	adressable market by 2015
payment and contactless (incl. NFC, Orange Money...)	B2B2C service partnerships	~ € 20 bn
smart networks for wholesale (incl. CDN, network as a service...)	new peering modes carrier pricing innovation	~ € 5 bn
smart cities (utilities, transportation)	B2B2C partnerships	~ € 10 bn
B2B cloud computing	SAAS partnerships	~ € 8 bn
digital coach & customer intimacy	support services, assistance	retention + cross-sell

on track to reach Conquests 2015 targets for international development

- objective to double revenues in emerging markets to €7bn almost achieved assuming new consolidations and €1bn organic growth



leading positions and value creation in emerging markets, while managing country risks

strategic rationale

- strong market potential (+8,9%/year GDP growth* ; 39% of population below 15 year old)
- synergies from geographic clusters
- synergies and market power from in-market consolidation
- to become number 1 or number 2 in each country

financial rationale

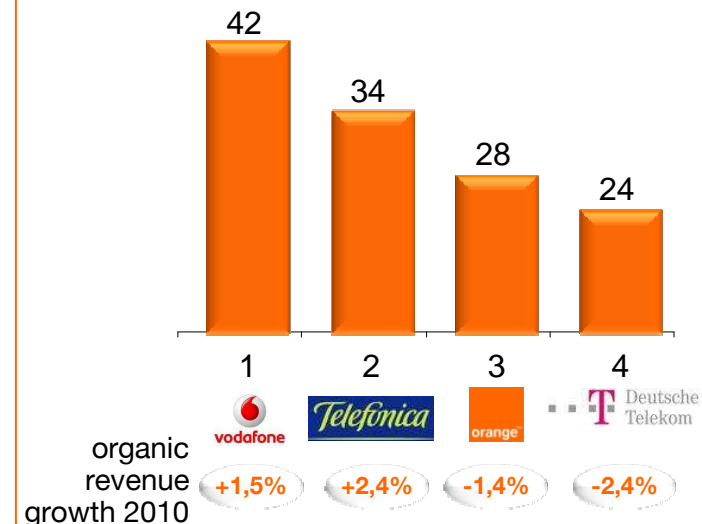
- significant security margins on valuation of future returns (ROCE, IRR...) vs. Wacc and price paid to ensure value creative M&A

risk rationale

- mitigation policy to ensure tight risk control and growth rewards: Orange country risk exposure below main peers (except DT)
- despite political crisis (Tunisia, Egypt, Ivory Coast), Orange has kept operations running
- in case of integration of Morocco, Tunisia and Iraq, FT-Orange exposure to remain in the lower end of peers' range

Euromoney indicator factors in :

- country economic development
- financial risk
- political risk



*CAGR 2010-2015, source: IMF