

France Telecom 2010 results

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cautionary statement

this presentation contains forward-looking statements about France Telecom's business, in particular for 2011. Although France Telecom believes these statements are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, including matters not yet known to France Telecom or not currently considered material by France Telecom, 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, overall trends in the economy in general and in France Telecom's markets, the effectiveness of the "Conquests 2015" action plan and other strategic, operating and financial initiatives, France Telecom's ability to adapt to the ongoing transformation of the telecommunications industry, regulatory developments and 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* on April 28, 2010 and in the Form 20-F filed with the U.S. Securities and Exchange Commission on May 5, 2010. Except to the extent required by law, in particular sections 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.

agenda

1 highlights & conquests 2015 milestones

2 financial performance

3 business review

4 outlook

1 highlights & conquests 2015 milestones

a successful year 2010 which is the first step towards “conquests 2015”

- conquests 2015 implementation started with some significant achievements already
- all targets and commitments reached, notably €8bn organic cash-flow
- over 1% of growth for Group revenue excluding regulation during H2, with improving trends across the board
- 2010 characterized by high net adds in H2 thanks to dynamic marketing initiatives and innovative offers, while managing and limiting margin erosion as expected
- a sound year in 2010, allowing us to build up momentum in 2011 towards Conquests 2015

2010 conquests significant achievements

4 strategic axes

main 2010 steps

first conquest

our employees – HR as a key factor of success

second conquest

our networks – being the champion of very high speed

third conquest

our customers – orange, an innovative leader

fourth conquest

international development - double our emerging market exposure

February ● FTTH CAPEX program of €2bn for 2010-2015

March-May ● signature of 5 social agreements

April/May ● launch of animals in Poland and Spain

May ● launch of Orange Tunisia operations

June ● launch of new internet offers in France

● Competition Authority authorizes FT to cross-sell

● construction agreement on new submarine cable ACE

July ● Orange best mobile network in France according to ARCEP

● 100% consolidation of Mobinil (LinkDotNet in September)

August ● launch of Open quadplay offers

September ● agreement to acquire a 40% stake in Meditel in Morocco

● 200 million customers reached

● new social contract

● social performance indicator included in Group top management incentive

October ● new internet tariffs in Poland






● new Origami plans

● UK 2G roaming effective launch

December ● adjustment to the seniors agreement

● TPSA announce its intention to create a 50/50 JV with PTC in order to share its RAN

France Telecom Orange reached all 2010 business trends and guidance

in €m	2009 CB	2010 actual	trends & guidance	
revenue	46,132	45,503 +0.6% ex. reg	ex. reg growth slightly positive	
EBITDA restated*	16,275	15,642		
in % of rev	35.3%	34.4% -0.9pts	-1pt maximum	
CAPEX	5,316	5,522		
in % of rev	11.5%	12.1%	around 12%	
adjusted Organic Cash Flow**	8,218	8,110	8,000	
leverage and net debt	1.95x 32,534	1.95x 31,840	around 2x net debt / EBITDA ratio	

7 *2010 EBITDA restated for DPTG litigation (-€266m), part time senior plan (-€492m) and « content editor » provision (-€547m) ** please refer to slide 21

thus delivering on shareholder value and reinforcing the financial structure

commitment on dividend

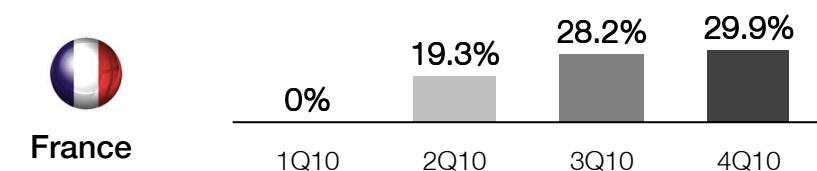
- strong commitment taken in July for a 3 year-period
- €1.40 dividend per share for each fiscal year from 2010 to 2012

debt optimisation

- 2010 refinancing of over €3.7bn of debt at very attractive levels and maintaining an “A-” rating from all 3 major agencies
- average maturity of net debt at year end: 8.5 years vs. 7.4 years end of 2009

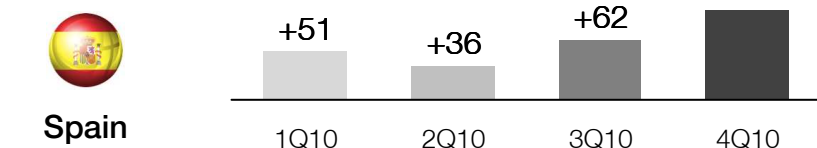
strong acceleration in 2010 of commercial recovery in major countries

broadband share of net adds acceleration

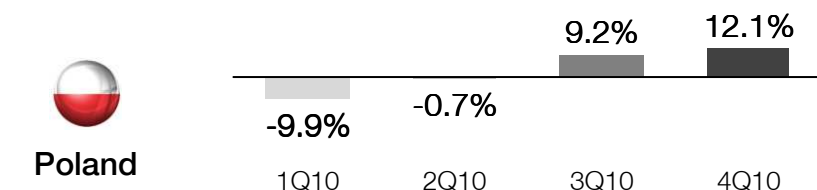


unprecedented positive portability win-back

in thousands of mobile customers

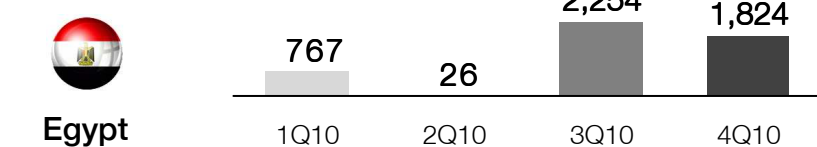


broadband share of net adds back to positive momentum



more than 4m mobile net adds in H2

in thousands of mobile customers



209.6 million customers

150m personal customers
59m home customers

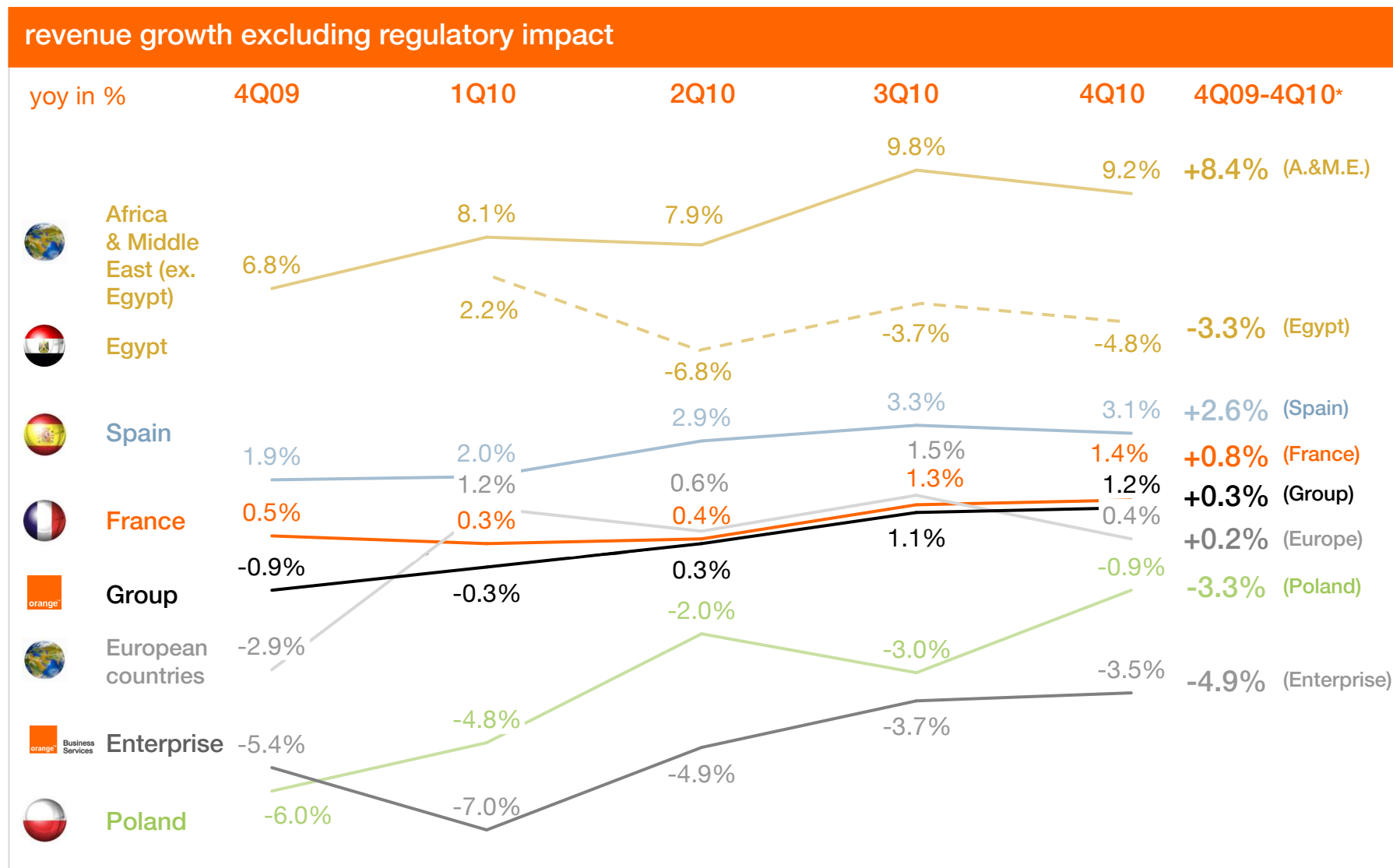
+6%
of customer base growth yoy

over 66%
are Orange branded

13.7 million
home broadband customers

+6 million
net Personal customer
adds in 4Q stand-alone

back to revenue growth in H2



2

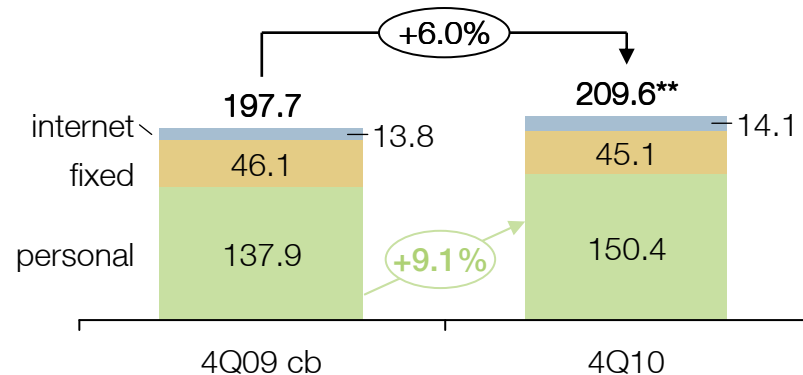
2010

financial performance

Group customer base up by +6.0% to almost 210 million

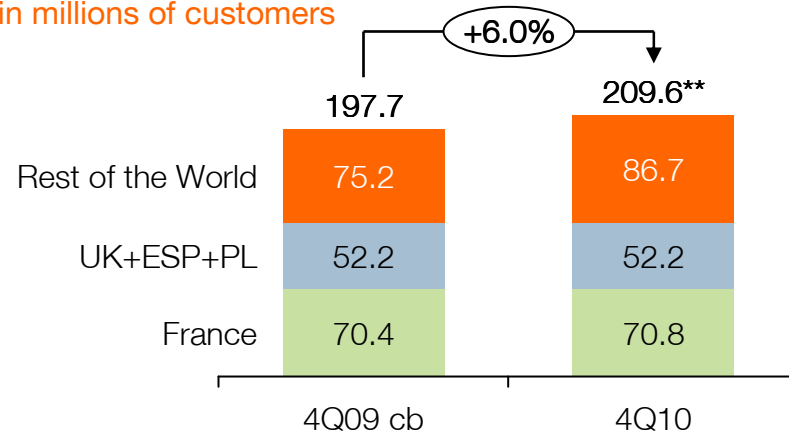
Group customer base up by +6.0%* ...

in millions of customers



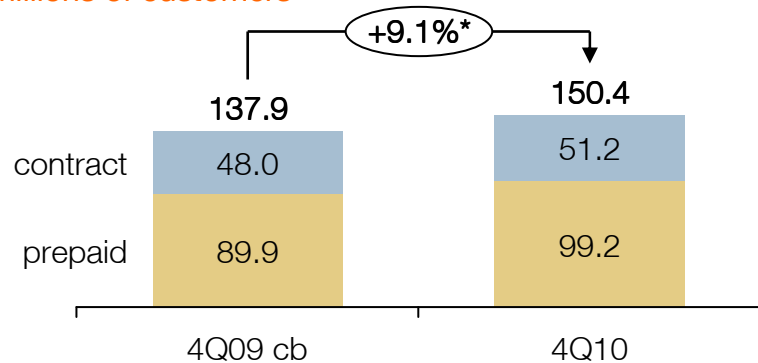
... with a widespread geographic base

in millions of customers



personal customer growth driven by prepaid in A&ME and by value customers elsewhere

in millions of customers



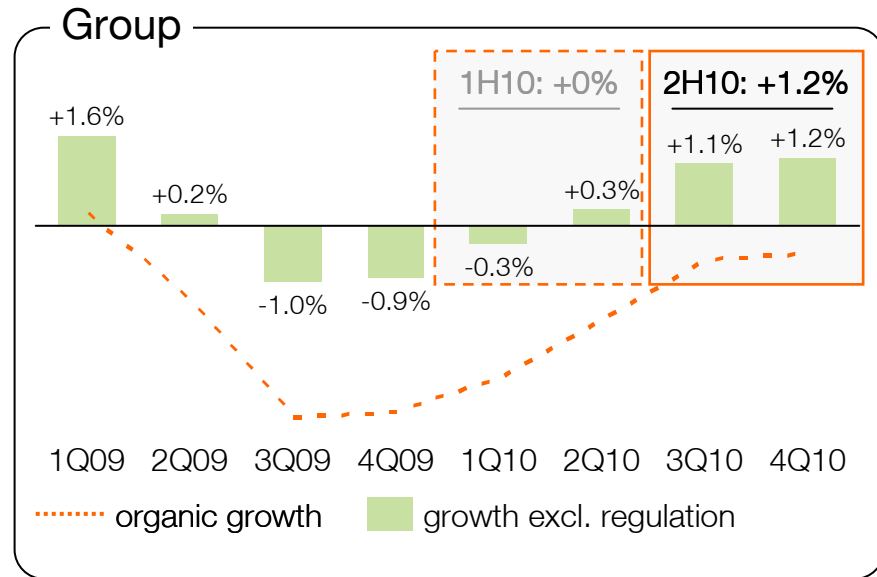
insight

- ongoing strong growth in the Group's customer base, driven by a yoy increase of more than 12 million personal customers with +23% growth in Africa & the Middle-East
- smartphones represented over 90% of mobile devices sold with a value contract in the fourth quarter in France
- increase in the personal contract customer base in all mature geographies

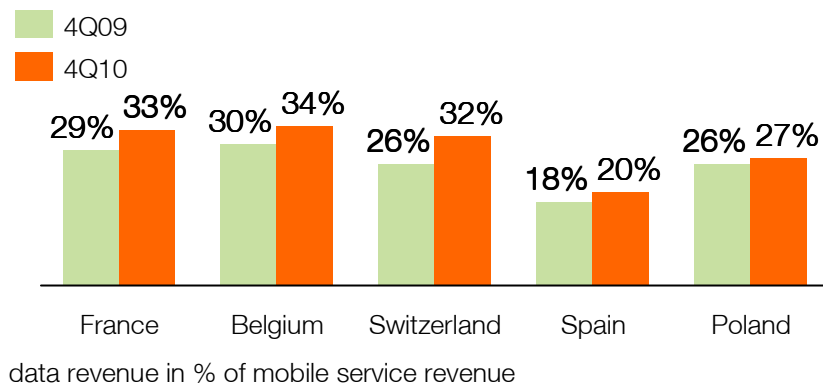
top line: back to growth excluding regulation in H2

2010

in €m	actual	% yoy cb	% yoy cb excl.reg
Group revenue	45,503	-1.4%	+0.6%
France	23,308	-1.4%	+0.8%
Spain	3,821	-1.1%	+2.8%
Poland	3,934	-5.1%	-2.7%
ROW	8,248	+1.4%	+3.2%
Africa & Middle-East	3,212	+4.9%	+5.5%
European countries	4,472	-1.6%	+0.9%
other	576	+5.6%	+6.1%
Enterprise	7,216	-4.8%	-4.8%



increased weight of mobile data revenue



insight

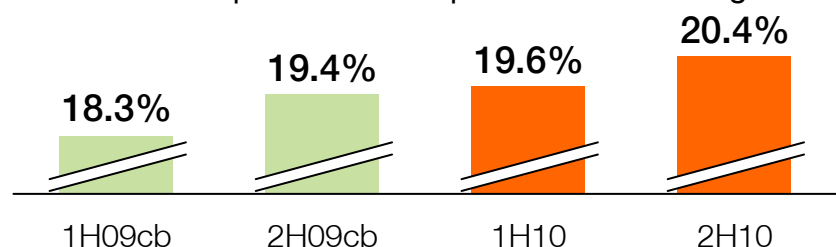
- regulation impact on revenue trend: -2pts
- excluding regulation group revenue growth driven by personal revenue
- continuous strong growth in Africa & Middle-East: +7.9% yoy cb excluding Egypt
- ongoing increase in data revenue in mature operations*: +13.8%**

EBITDA margin erosion limited to -0.9 pts, thanks to improving trends in key geographies

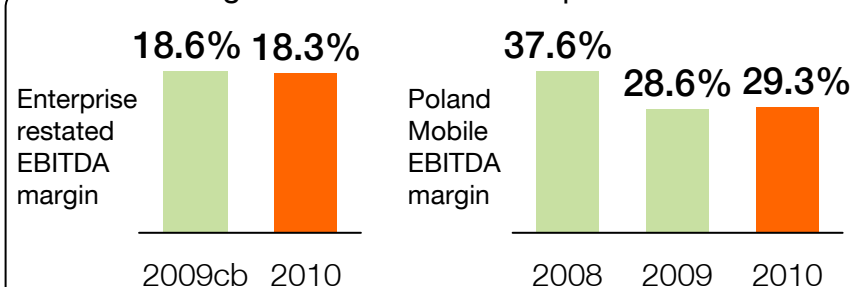
2010

in €m	actual	margin	Δ vs 09cb
Group restated EBITDA*	15,642	34.4%	-0.9 pts
France	9,213	39.5%	-1.8 pts
Spain	765	20.0%	+1.1 pts
Poland	1,445	36.7%	-1.4 pts
ROW	2,941	35.7%	-2.6 pts
Enterprise	1,317	18.3%	-0.3 pts
IC & SS	-39	-2.5%	na

continuous improvement in Spanish EBITDA margin



EBITDA margin stabilization in Enterprise and Poland

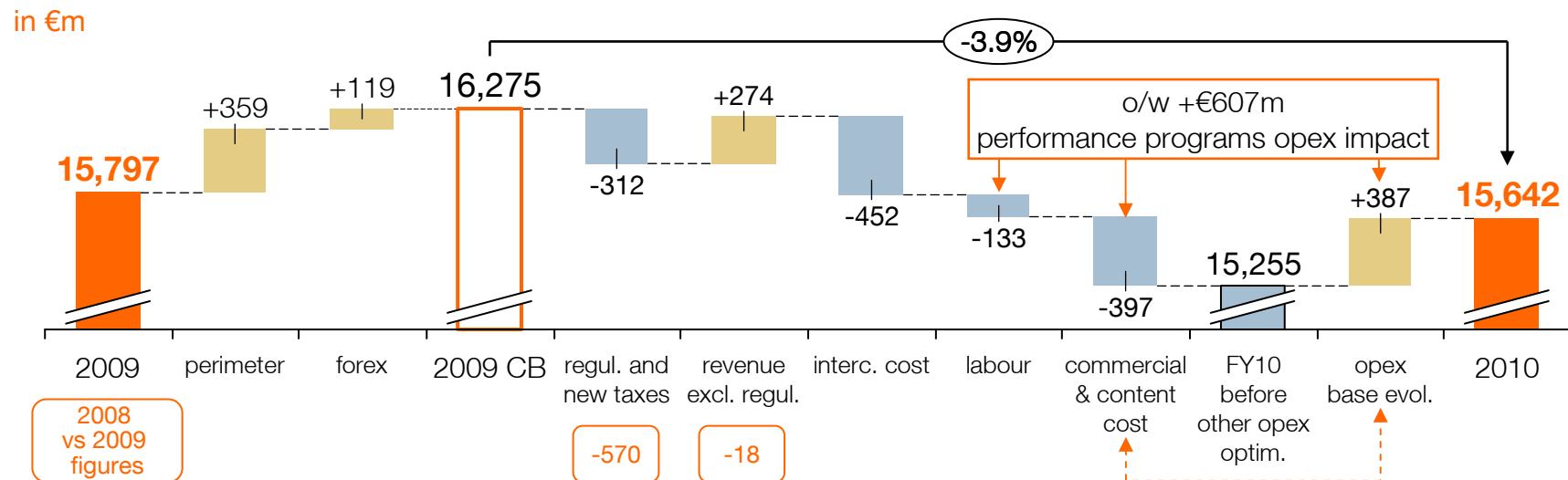


insight

- EBITDA margin in Spain up by +1.2 pts in 1H & by +1.0 pt in 2H, despite a significant increase in Smartphone sales (including the iPhone) in 2H
- Poland EBITDA margin proved to be more resilient thanks to mobile margin improvement
- value protection strategy for Enterprise ongoing with an EBITDA margin almost stable despite the decrease in revenue
- contrasted effects on ROW EBITDA margin with:
 - preserved margin in western Europe and EBITDA margin under pressure in Eastern Europe due to deteriorated economic environment notably in Romania, offsetting good performances in Moldova and Slovakia
 - AMEA EBITDA margin reflecting increased competition

favorable revenue trend and cost structure management limiting margin erosion

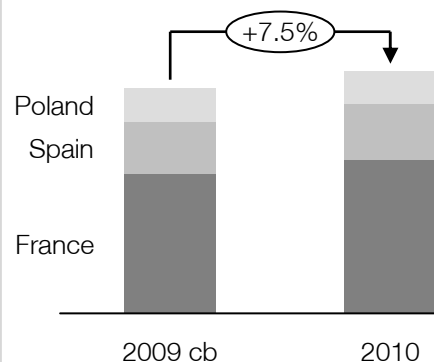
restated EBITDA evolution in FY10*



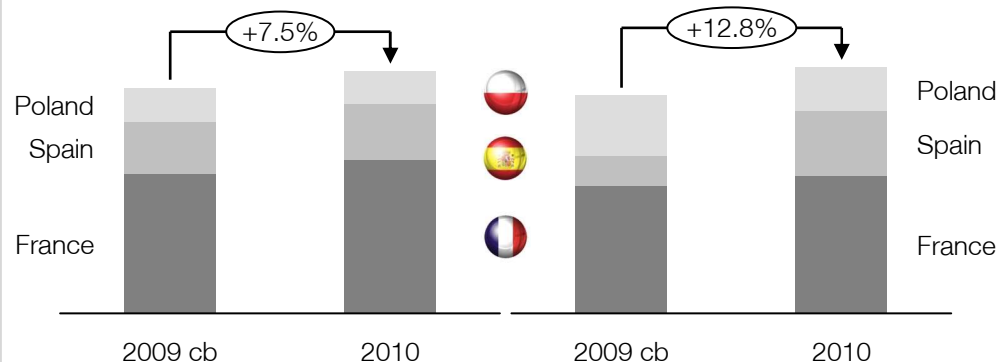
insight

- commercial investments contributed to yoy increase in the smartphone penetration rate of contract customers for these countries:
 - France: +11pts to 26%
 - Spain: +14pts to 23%
 - Poland: +3pts to 16%

commercial costs



contract net adds in thousands



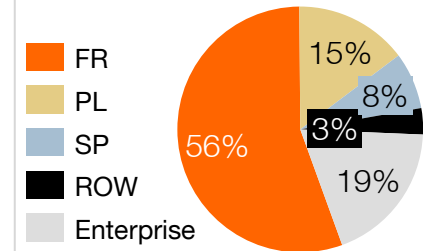
performance programs savings as a lever to limit margin erosion, €1.2bn over 2 years

network €163m	distribution & sales €93m	G&A €77m
cost efficiency (outside France) €179m	Group performance €620m in 2010 o/w OPEX: €607m o/w CAPEX: €13m	customer care €41m
real estate €29m	IT €31m	marketing & advertising €8m

steady effort on cost efficiency over 2 years

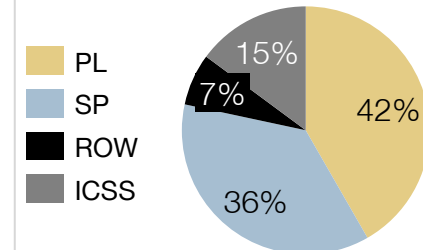
networks +€361m*

- infrastructure sharing programs (Belgium with Base, Spain with Vodafone, Poland with PTC upcoming**)
- domestic network maintenance & operations optimization



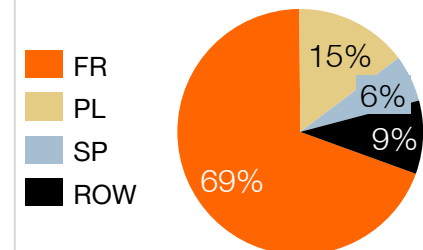
cost efficiency (outside France) +€252m*

- “wireline efficiency program” in Spain resulting in positive Home EBITDA
- comprehensive end-to-end program launched in Poland



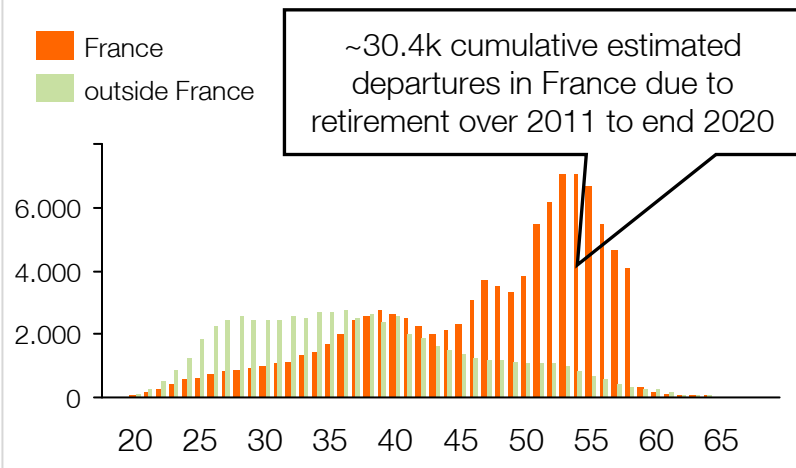
distribution & sales +€198m*

- channel mix improvement: e-shop and own stores programs
- continuous roll out of best practices on supply chain



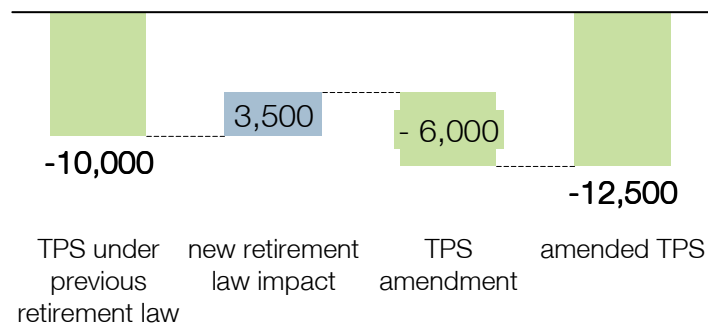
building on existing core competencies as well as adding new skills

Group pyramid ageing – dec 2010



est. entries in TPS (Part-Time for Seniors)

in number of employees



insight

- natural attrition bound to increase in France due to pyramid ageing
 - France average age is 46.8 years while Group's is 43.2 years
 - change in retirement law in France as of 01/01/2011 adding up to 2 years (legal retirement age at 62 years instead of 60)
- implementation of part time senior plan
 - agreement of a 3 year plan for employees eligible for retirement within 3 years, enabling employees to work on a 50% part time basis at a higher pay rate for a period of at least 1 year
 - provision of €1.26bn
 - o/w €569m booked in FY2009 accounts
 - o/w €492m booked in FY2010 accounts
 - o/w €197m to be booked between 2011 and 2017 based on residual length of employment
 - neutral impact on group cash flow (after taking into account our commitment for recruitments)
- training programs
 - competencies renewal secured through tutoring and apprentices program
 - multiplication by 3 yoy of DIF* (Individual Right to Training) to 10,000 sessions in 2010

28% increase of the net income over 2009 excluding UK JV build up capital gains

in €m	2009 historical	2010 actual	
reported EBITDA	14,264	14,337	1
depreciation & amortization	-6,234	-6,461	
remeasurement resulting from business combinations	0	336	2
impairment of goodwill & assets	-518	-636	3
share of profit (losses) of associates	138	-14	4
operating income	7,650	7,562	5
financial result	-2,206	-2,000	
tax	-2,242	-1,755	
net result of discontinued operations	200	1,070	
net income	3,402	4,877	
minority interests	384	-3	
net income Group share	3,018	4,880	

▪ Egypt fair value reevaluation

▪ mainly Egypt (-€471m)

▪ volume effect: +€101m
 ▪ rate effect: +€42m
 ▪ change effect: +€98m
 ▪ other: -€35m

▪ 2010 tax in France offset by deferred tax asset recognition

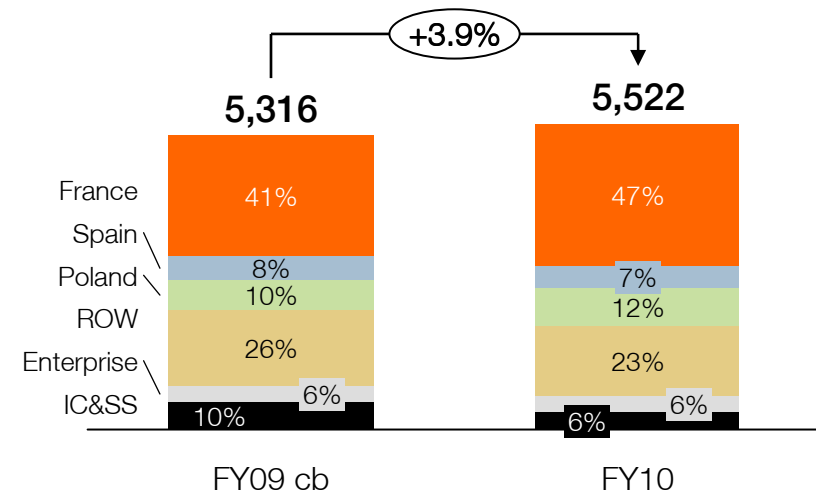
▪ mainly net result from the UK JV build up

▪ reminder: ECMS, Getesa, Mauritius Telecom equity method starting Jan. 1st. UK from discontinued operations to equity method
 ▪ Medi Telecom equity method starting Dec 1st

2010 guidance achieved with 12.1 % of CAPEX to sales

FY10			
in €m	actual	CAPEX to sales	var.vs FY09cb
Group	5,522	12.1%	+3.9%
France	2,568	11.0%	+18.9%
Spain	397	10.4%	-9.7%
Poland	679	17.2%	+25.3%
ROW	1,248	15.1%	-8.8%
Enterprise	318	4.4%	+6.2%
IC&SS	312	19.5%	na

strong CAPEX increase in France and Poland



insight

- in France, increase of CPE's* investments driven by the success of Open offers and related to the focus on QoS through boxes. 80% of 2010 €60m FTTH investments made in H2
- in Poland, increase of DSL coverage investments within the frame of UKE agreement. Specific business projects on CRM, billing and customer care
- in Spain, focus on mobile investments related to RAN sharing operations. RAN renewal program launched in 4Q enabling QoS improvement and bandwidth capacity level
- investments in new operations coming back to a more normal trend after important roll-outs in 2009 in Armenia and Uganda

FY10 cash flow guidance achieved

in €m	FY09*	FY10	
EBITDA – CAPEX (incl. UK in 1Q)	9,795	8,884	<div>1</div> <ul style="list-style-type: none"> dividend received from UK €369m in 2009, TDIRA repurchase and currency swap unwinding: positive exceptional impact of €563m
net interest expense cash out	-1,491	-1,422	1
income taxes cash out	-576	-535	2
change in WCR	771	-646	2
licences & spectrum	-80	-474	3
variation of fixed assets suppliers	-401	112	4
proceeds from sale of assets	92	64	3
other (cash and non cash items)	108	717	4
organic cash flow, consolidated	8,218	6,700	5
- organic cash flow, Group share	7,618	6,080	5
- organic cash flow, minorities share	600	620	6
litigation “Taxe Pro” and licenses/spectrum		1,410	6
adjusted organic cash flow	8,218	8,110	6

1

- dividend received from UK €369m
- in 2009, TDIRA repurchase and currency swap unwinding: positive exceptional impact of €563m

2

- excluding taxe professionnelle payment of €964m, WCR improved notably due to better cash collection

3

- includes €285m French 3G spectrum paid in June 10, Egypt license €145m and €16m Belgium

4

- in 2010, higher level of CAPEX in 4Q

5

- includes the non monetary provisions such as DPTG, part time senior plan and content

6

- €964m of taxe professionnelle litigation and €446m licenses (France, Egypt and Belgium)

income tax evolution: no income tax payment expected in France before 2012

income tax cash out

based on present taxation rules & excluding exceptional items

- France
 - FY normalized income tax for France expected to be around €1.6bn per year
 - cash out for income tax in France : none expected in 2011, half a year in 2012, full year in 2013
- outside France for 2011-2012: income tax cash out impact is ~€600m per year

VAT increase in France

- VAT increase passed on for Broadband and Quadplay offers
- revenue impact of -€130m in 2011

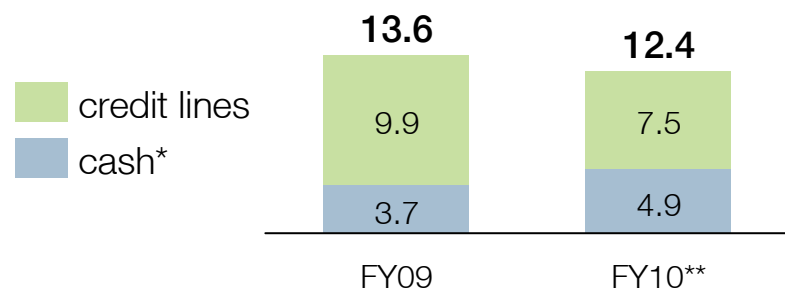
tax to finance public TV

- total TV tax since implementation :
 - France = -€152m for 2010 (vs -€139m in 2009)
 - Spain = -€26m
 - ongoing proceedings at the European Commission

France Telecom Orange continues to refinance its debt at best-in-sector conditions and to enjoy a very strong liquidity

Group liquidity position

in €bn



* including bank overdrafts

**with new €6bn back-up facility vs. €14.4bn as at 31st December 2010 with previous €8bn facility

insight

- strong liquidity position at approx. €12.4bn. Very competitive new back up facility of €6bn signed on January 27th 2011
- best-in-sector refinancing conditions
 - €4bn raised in 2010 at a 3.43% average cost and 10.7 years average maturity
 - diversification on the Samurai market (~€0.5bn)
- €3.7bn liability management transactions in 2010 to take advantage of low interest rates
- average maturity of net debt has increased from 7.4 years end of 2009 to 8.5 years end 2010

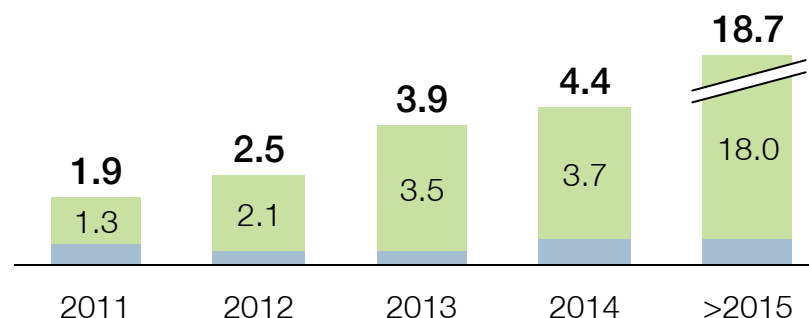
debt structure

Moody's / S&P rating	A3/A-
% of net debt with a fixed rate	98%
% of bond debt in €* (*after derivatives)	86%
% of gross debt in bonds	86%
average maturity of net debt end 2010	8.5 years
average maturity of net debt end 2009	7.4 years
average cost of gross debt for 2010	5.69%

bonds*/bank loans/leases repayments end of 2010 – after 2H10 liability management

in €bn

■ bonds ■ bank loans & other



*excluding TDIRA

3 business review

- France
- Spain
- Poland
- ROW
- Enterprise
- Everything Everywhere

more segmentation and value propositions in 2011 to prepare mid-term

2011 and +

our
customers
first



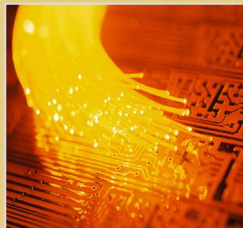
- new loyalty approach
- leverage customer experience
- multi channel transformation to integrate care in our value proposition
- develop usage and TV/VOD ARPU

digital
for
everyone



- enrichment of Open
- segmentation of broadband offers
- new data tariffs to capture potential market value
- increase smartphone penetration

network
leader



- 98% 3G+ coverage of population by the end of 2011
- HSPA+ up to 42 Mb/s
- upgrade of broadband network
- ramp up deployment of fibre

renewed broadband

- new segmented offer launch in 2Q11 targeting 3 mains segments:
 - seniors: simple offer and care
 - families: entertainment and communication
 - digitals: maximum bandwidth with a complete services set and new TV experience



- personalisation with a large range of options

smartphone and tablet

- data on every screen:
 - democratize double screen mobile data consumption by serving the emerging need for tablet connection
 - set a new model, your personal data to connect any screen you want



FY10 France financials

revenue driven by sustained trend in mobile revenue in 2H

FY10 key financials

(revenue +0.8% excl. regulatory impacts)

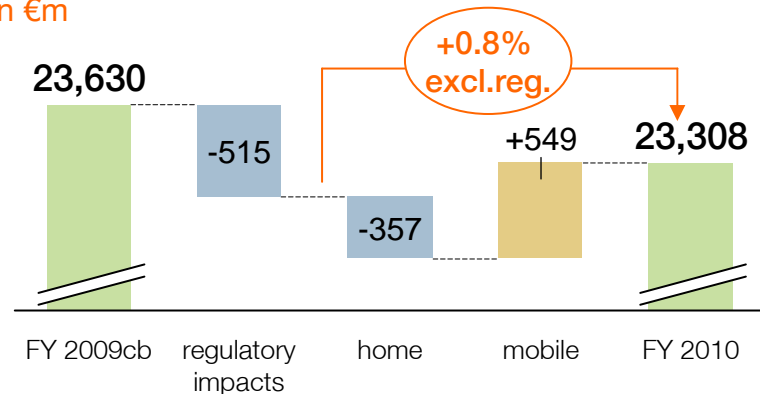
in €m	4Q10	var in CB	FY10	var in CB
revenue	5,877	-0.8%	23,308	-1.4%
personal	2,779	+2.6%	10,832	+0.6%
home	3,376	-3.1%	13,536	-3.0%
restated EBITDA margin*			39.5%	-1.8pts
personal			35.8%	-1.3pts
home			39.4%	-2.0pts

insight

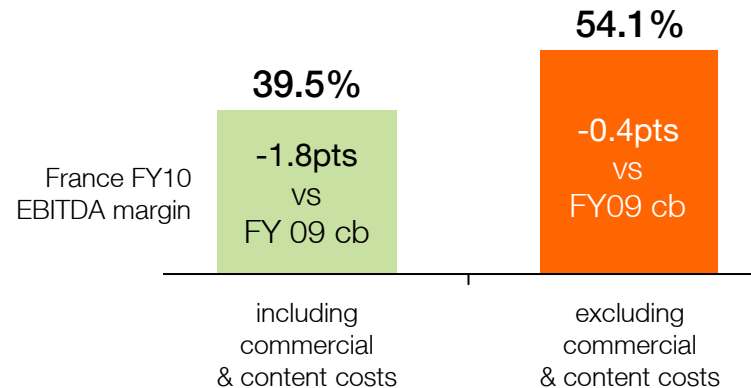
- 4Q10 organic revenue growth higher than in 1Q, 2Q and stable compared to 3Q, highly impacted by regulatory effects of €515m
- mobile revenue growth driven by Open success, data revenues, MVNO and equipments (growing part of smartphones)
- broadband revenue growth not enough to offset PSTN revenue decrease
- strong investment in commercial costs to increase value market share

improving mobile revenue offsetting declining home revenue

in €m



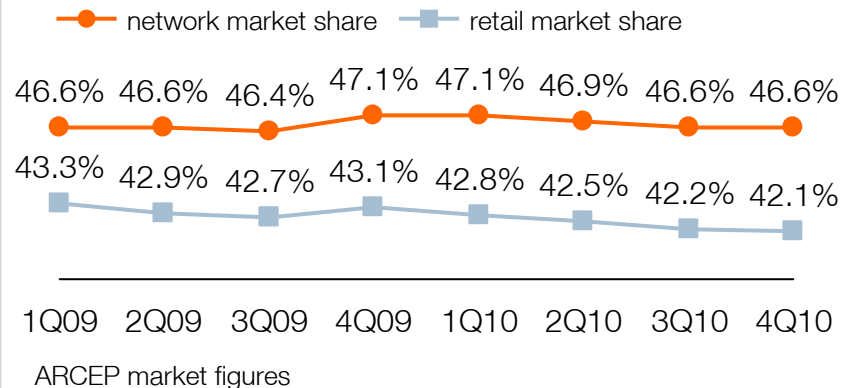
preserved EBITDA* margin excl. commercial costs & contents



FY10 France personal KPIs

stabilized market share and ARPU excl. reg. +1.2%

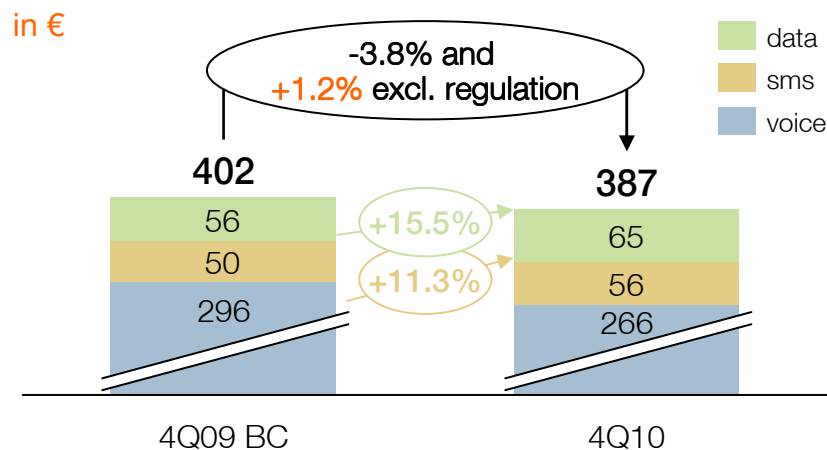
Orange mobile market share stabilized



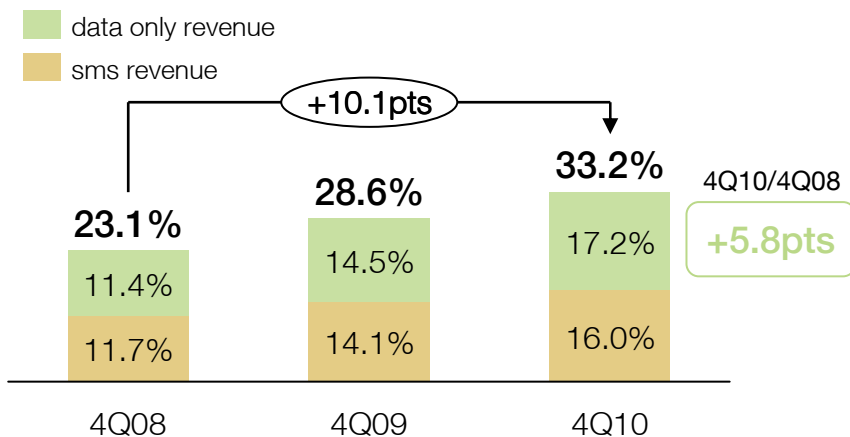
insight

- annual rolling mobile ARPU increase excluding regulation +1.2% (higher than 3Q +0.7%) thanks to data revenue over compensating decrease of voice
- data take-off allowed by 95% 3G coverage, 26% of smartphones in the contract customer base
- customer base has reached 26,9 million customers of which 70.5% are contract customers in 4Q

annual rolling mobile ARPU* increase of +1.2% excl. reg.



data revenue now representing 33.2% of personal service revenues

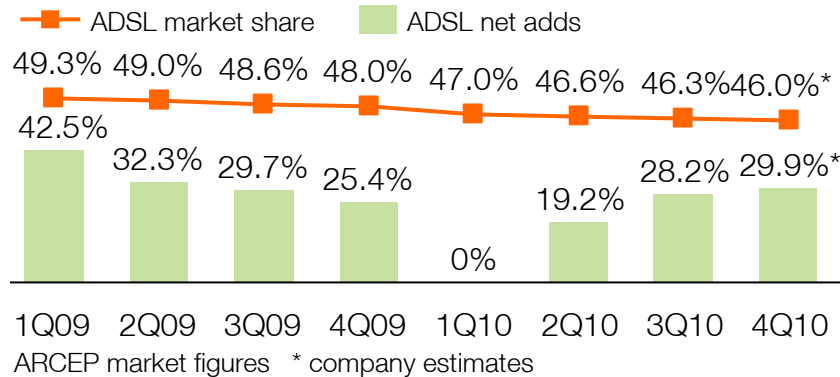


* ARPU excluding Machine to Machine (revenue and customer base)

FY10 France home KPIs

commercial reconquest confirmed

ADSL market share & conquest share stabilized

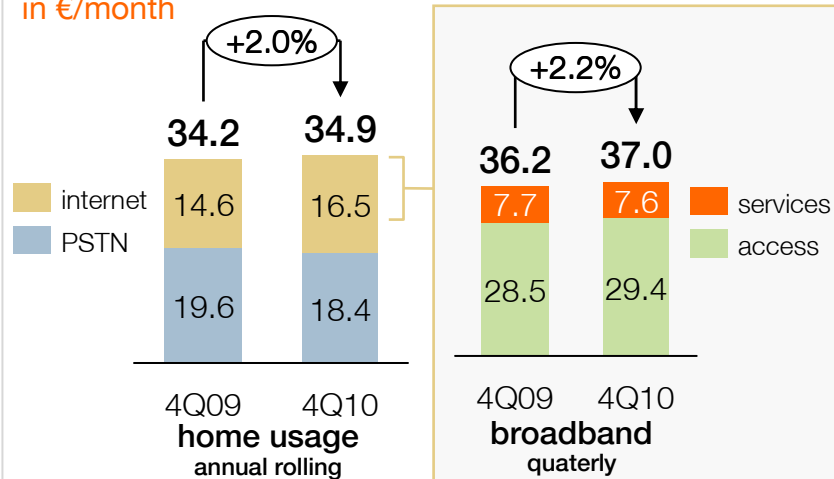


insight

- home usage ARPU growing by 2.0% driven by online and internet revenue
- broadband ARPU growing by 2.2% at €37
 - positive naked DSL customer base penetration mostly
 - increase of TV (mainly VOD) and contents
- increasing number of naked ADSL lines due to high level of migration of customers to Net+ offer

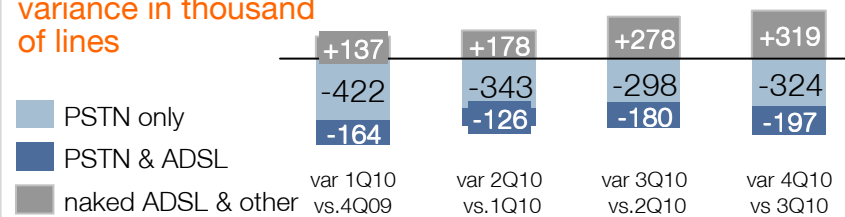
improving ARPU home usage driven by better broadband mix

in €/month

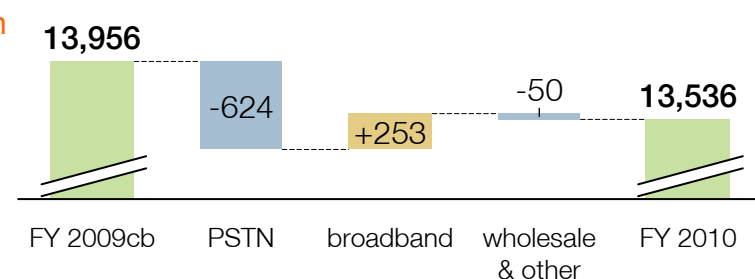


variance of Orange retail fixed line stabilized and change in home revenue

variance in thousand of lines



in €m



FY10 Spain financials

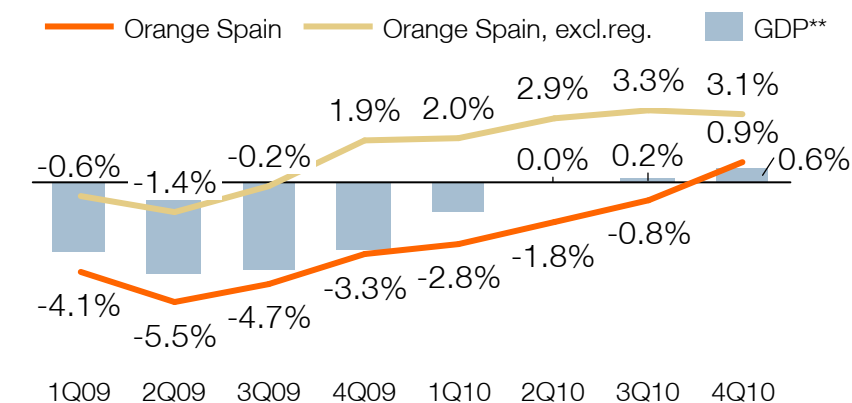
1st quarter of top line growth with continued EBITDA improvement

FY10 key financials

(revenue +2.8% excl. regulatory impacts)

in €m	4Q10	var in CB	FY10	var in CB
revenue	963	+0.9%	3,821	-1.1%
personal	797	+0.4%	3,158	-1.2%
home	166	+3.4%	663	-0.5%
EBITDA margin			20.0%	+1.1pts
personal			24.2%	-0.7pts
home			0.2%	+9.7pts

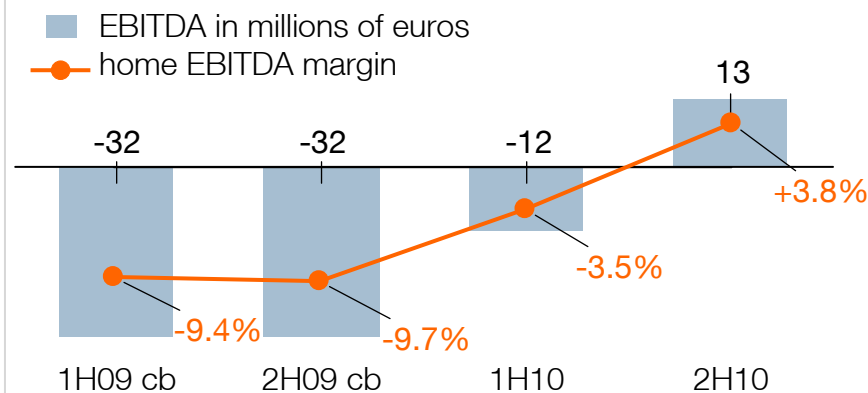
revenues growth evolution*



insight

- back to positive yoy revenues growth in 4Q after 6 quarters of trend improvement
- FY mobile revenues increase by +3.6% excluding regulatory impact driven by contract customer base growth, non voice revenues and MVNOs
- EBITDA margin up to 20% thanks to
 - FY personal EBITDA margin stable at 24.9% excluding new TV tax impact
 - FY home EBITDA breakeven driven by revenues upturn and costs reduction

turning the home EBITDA margin positive



FY10 Poland financials

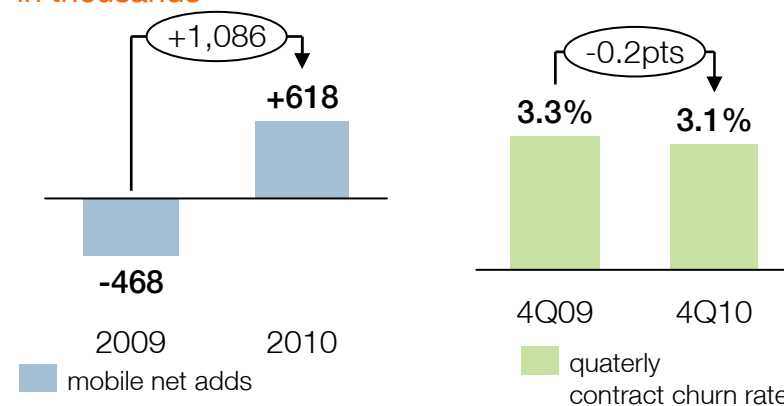
significant trends improvements all along 2010

FY10 key financials (revenue -2.7% excl. regulatory impacts)

in €m	4Q10	var in CB	FY10	var in CB
revenue	998	-1.2%	3,934	-5.1%
personal	505	+6.3%	1,930	-0.5%
home	558	-6.9%	2,260	-8.4%
restated EBITDA margin*			36.7%	-1.4pts
personal			29.3%	+0.6pts
home			38.9%	-2.7pts

booming net adds, improved contract churn

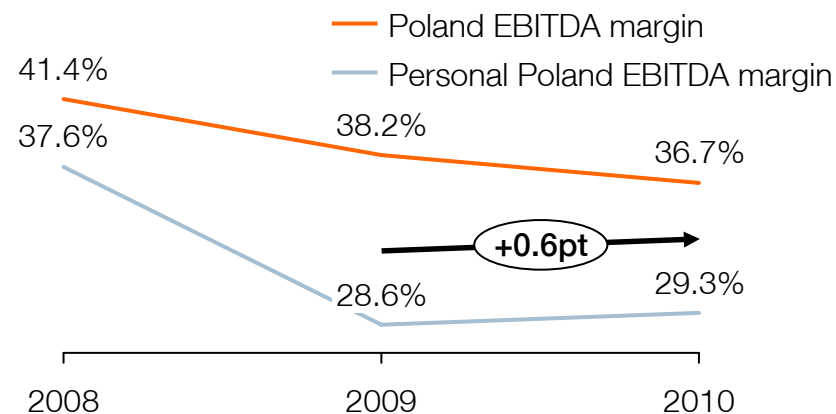
in thousands



insight

- revenues trend still improving with -1.2% in 4Q
 - back to growth for personal revenues in 4Q and stable revenues trend in FY with 3.1% excluding regulatory impacts supported by strong net adds
 - home revenues also showing improving trend all along 2010, with -6.9% in 4Q
- restated EBITDA margin erosion limited to -1.4pts thanks to efficient cost transformation programs generating €120m opex savings
- 618k mobile net adds in 2010, ie almost 1.1m more than the previous year. 54% of these net adds are on contract

restated EBITDA* margin drop slowing down and growing back on personal

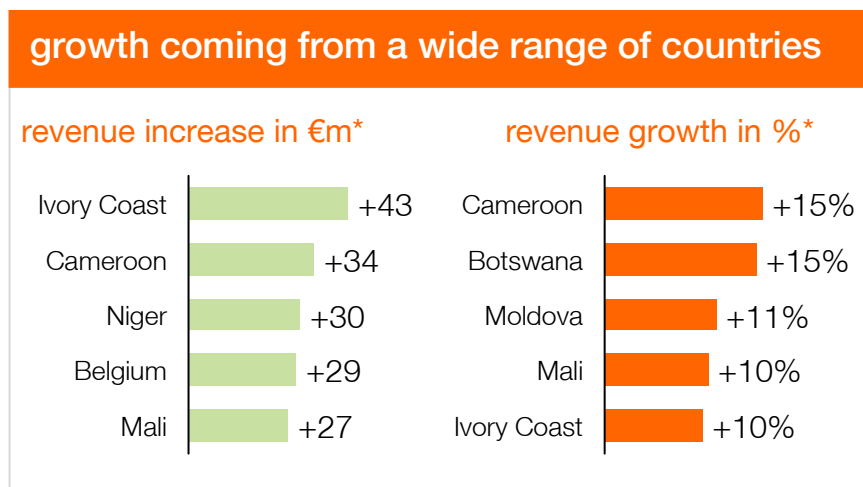


*EBITDA 2010 is restated from DPTG litigation for €266m on Home sub-segment

FY10 Rest Of the World financials

sustained growth in Africa & Middle East combined with value protection in Europe countries

FY10 revenue* : +1.4% (+3.2% excl. reg.)				
in €m	4Q10	var	FY10	var
total ROW revenue	2,294	+0.5%	8,248	+1.4%
Africa & Middle East	1,003	+3.6%	3,212	+4.9%
European countries	1,145	-3.2%	4,472	-1.6%
other countries	149	+7.8%	576	+5.6%
EBITDA margin			35.7%	-2.6pts



insight

- **Africa & Middle East:** solid yoy revenue growth of +4.9% driven by very strong commercial performances in countries such as the Ivory Coast, Cameroon & Mali and in more recently launched operations such as Niger & Guinea, offset by Egypt (-4.2%) which suffered from a very high level of price competition
- **European countries:** revenue contraction of -1.6% turns to growth of +0.9% when regulatory effects are excluded, with non-voice, non-sms revenues up by +2.3pts to 9.4% of overall revenues
 - leading market positions in both volume & value across the footprint with 5 of the 8 country operations ranked #1 or #2, contributing to both profitability & predictability
 - almost 70% of commercial acts are done through controlled channels, increasing their cost efficiency & value, with an increasing part of these controlled channels being owned
 - smartphone & dongle (data) revenues across the 5 leading countries increased by over +20% & now represents more than €350m
- EBITDA margin, at 35.7%, remains above that of the Group but was affected by the intense level of price competition in Egypt (-€67m) & the ongoing but slowing economic slowdown in Romania (-€55m)

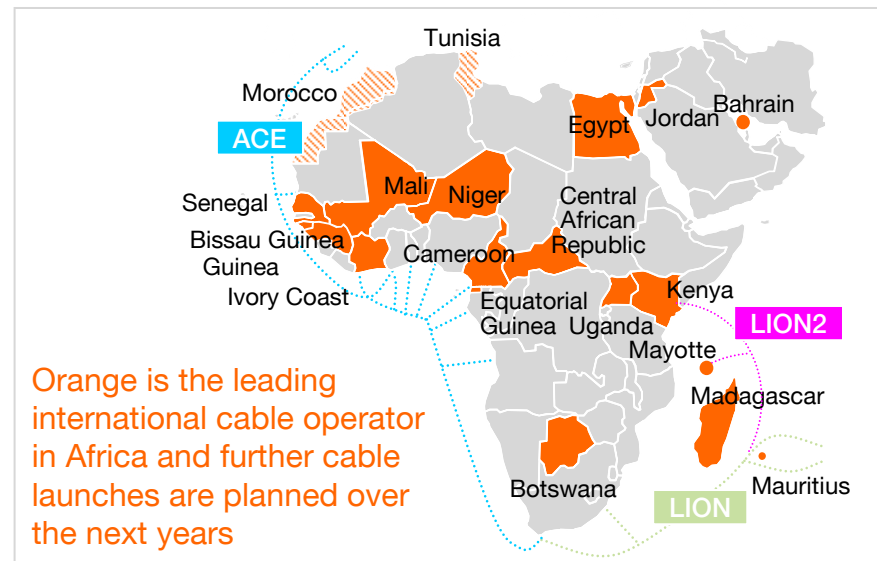
59 million mobile customers in Africa & the Middle-East

97% of customers in operations positioned as #1 or #2 volume market share

mobile customer base up by +23%*

in millions of customers

		M/S**	rank
total	59.0		
Egypt	30.2	~40%	2/3
Ivory Coast	5.5	~35%	1/5
Senegal	5.1	~60%	1/3
Mali	4.7	~69%	1/2
Cameroon	3.6	~42%	2/3
Madagascar	2.2	~57%	1/3
Others	7.7	N/A	N/A



comment

- strong dispersal of our risk profile with operations in a wide range of countries across Africa and the Middle-East
- within Africa and the Middle-East, Egypt represents about 1/3rd of the revenue. no other country has a weight > 20%.
- the value of these assets represents slightly more than 5% of the estimated value** of the Group's assets and around 9% of the Group's revenues. The associated WACCs include a country risk premium
- revenue growth and EBITDA rate of the Africa & The Middle-East zone are superior than the Group's average rate
- France Telecom Orange has had operations in the African & Middle-Eastern region for over 20 years and has a significant level of experience in managing operations during periods of political instability

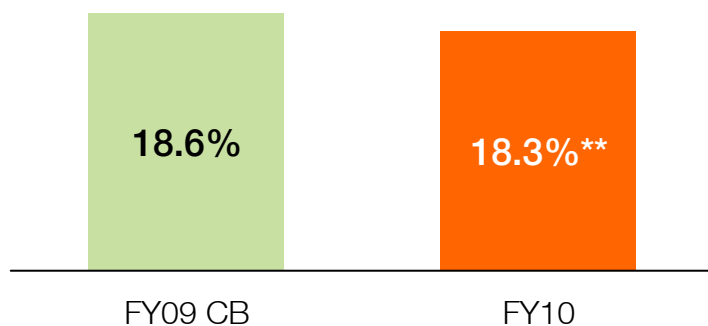
FY10 enterprise financials

continued improvement in revenue trend for 3rd quarter in a row

FY10 key financials*

in €m	4Q10	var	FY10	var
total revenue	1,860	-3.5%	7,216	-4.8%
legacy	611	-14.5%	2,588	-12.6%
others, incl. ERS	269	+16.2%	892	+4.1%
advanced	596	+0.3%	2,334	+0.5%
extended	384	-1.0%	1,402	-2.5%
EBITDA margin**			18.3%	-0.3 pt

FY10 restated EBITDA margin stabilized*

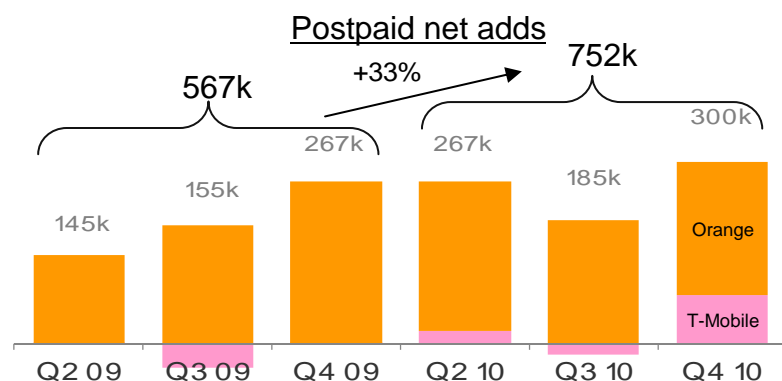


insight

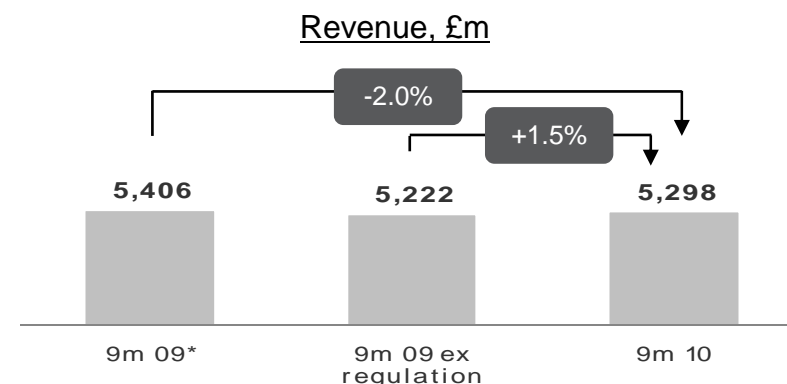
- continued improvement in revenue trend with 4Q at -3.5% versus -3.7% in 3Q driven by growing international revenues and recovery on services
 - business network legacy:**
revenue still impacted by migrations to new technologies, competition and customer rationalization moves
 - others, incl. ERS:**
favorable trend driven by key customer deal deliveries in 4Q10
 - advanced business services:**
IPVPN's maturity offset by double-digit growth in VoIP & high-speed solutions
 - extended business services:**
gradual improvement of the trend with 4Q at -1.0% after 3Q (-1.9%) reflecting a pick-up in signings
- despite the revenue shortfall, the EBITDA margin is stabilized and remained at the high-end of the industry range.

EE: 2010 9 months results, mid-term transition begins

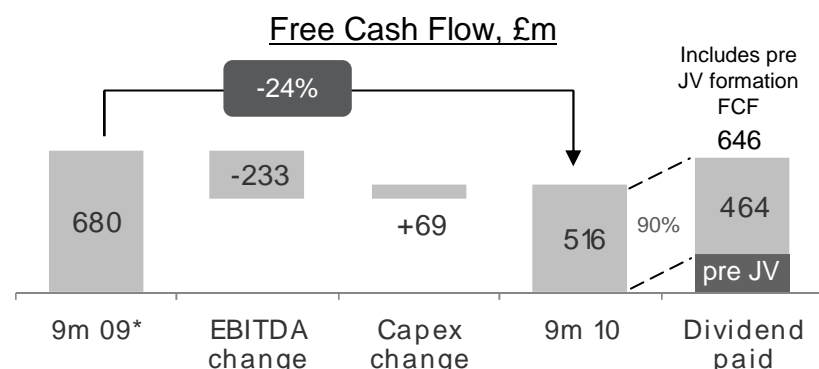
Strong postpaid net adds, T-Mobile inflection



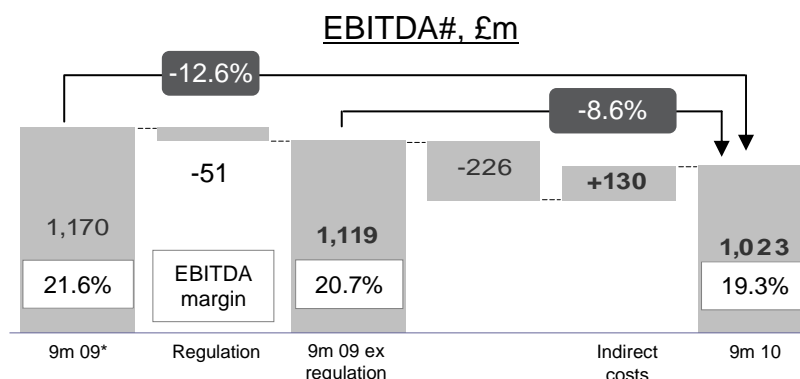
1.5% underlying revenue growth



£646m dividend paid out of Free Cash Flow



Planned reduction in margin to fuel commercial recovery



*Pro forma unaudited figures. ^ ebitda less capex

34 #, EBITDA = EBITDA less restructuring costs, Brand & Management fees

everything
everywhere



4 | outlook

2011 FY business trends & guidance

revenue

- slightly positive trend over full year, excluding regulation

EBITDA

- erosion limited to around minus 1 pt of EBITDA margin

CAPEX ratio

- around 13% of revenues, in line with mid-term strategy



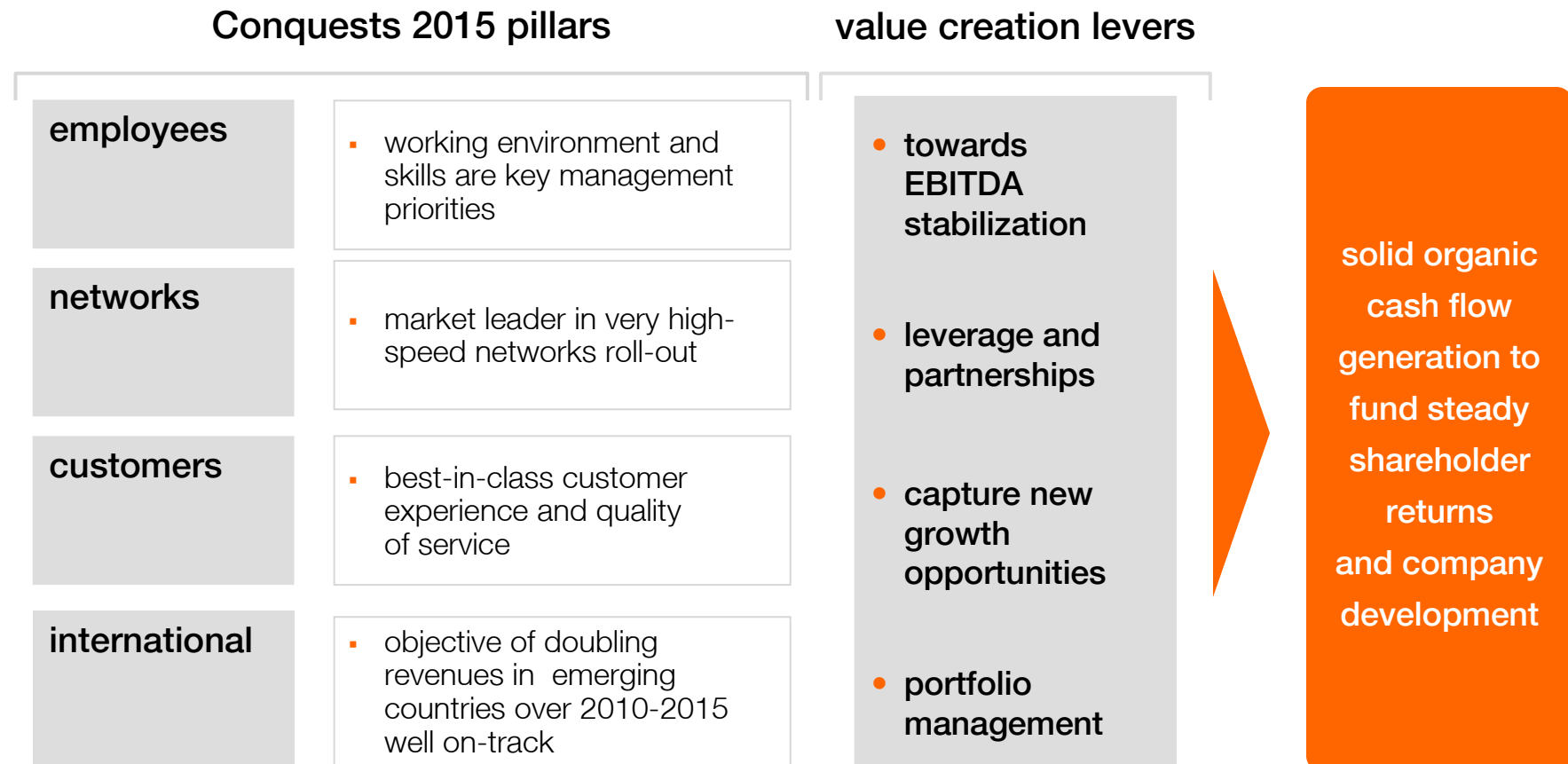
organic cash flow guidance

- €8bn confirmed, excluding licenses & spectrum and other exceptional items

dividend

- €1.40 dividend payment for 2011 and 2012 fiscal years

Conquests 2015 strategic and financial priorities will be presented on May 25th



France Telecom 2010 results

Q&A

Gervais Pellissier
Deputy CEO & CFO

22nd March, 2011

