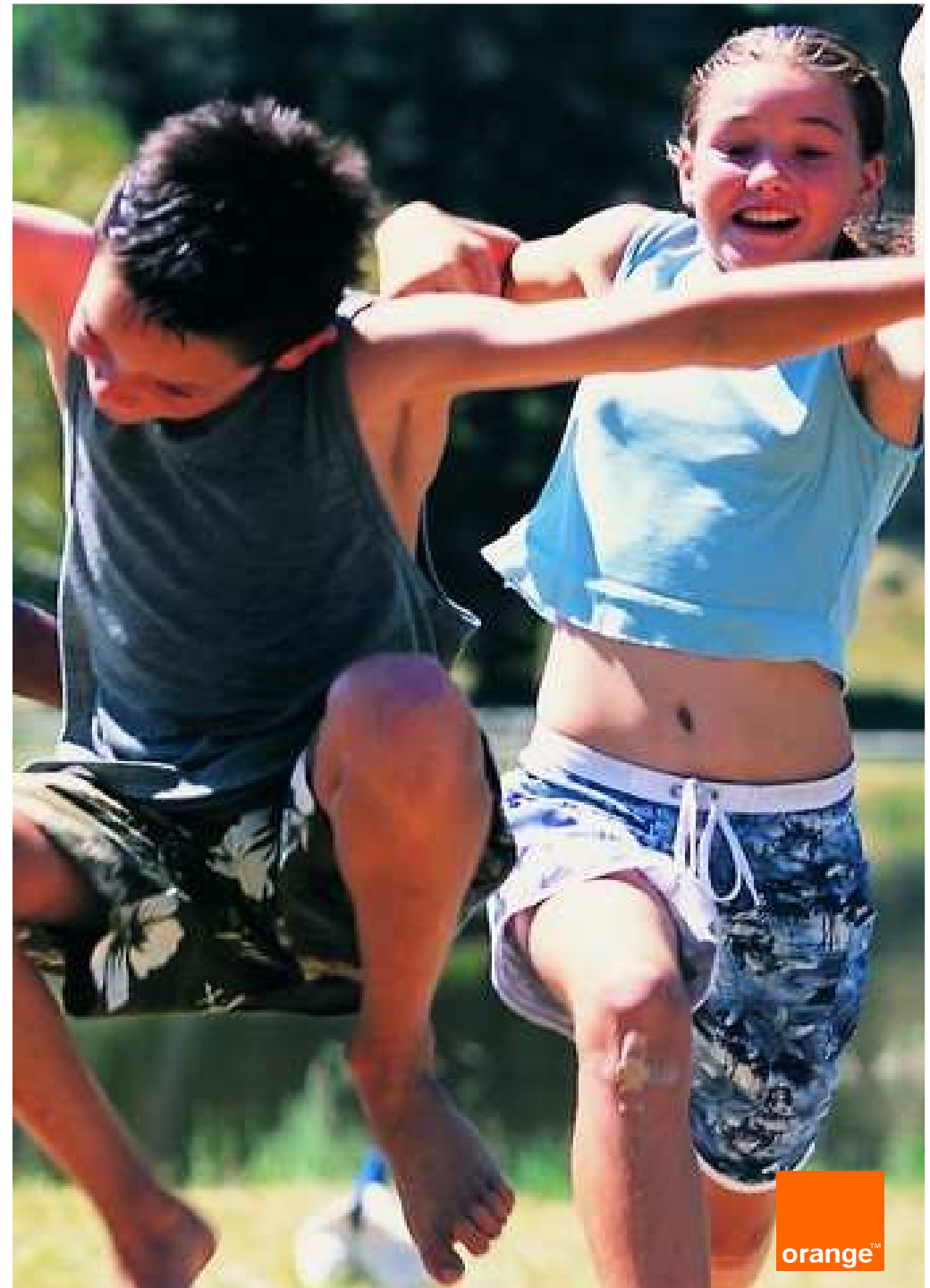


Orange strategy in content and web services vision + focus on TV

Morgan Stanley investor conference
London, June 24th 2010

Raoul Roverato – New Growth Businesses
France Telecom



cautionary statement

this presentation contains forward-looking statements about France Telecom's business, in particular for 2010 and 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 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, overall trends in the economy in general and in France Telecom's markets, the effectiveness of the integrated operator strategy including the success and market acceptance of the Orange brand 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* and in the Form 20-F filed with the U.S. Securities and Exchange Commission. Except to the extent required by law, France Telecom does not undertake any obligation to update forward-looking statements.

the digital revolution is driving the proliferation of new contents and services on increasingly connected screens...

a multiplication of screens that are nomadic, connected, multi-function, and that are used for entertainment, communication and practical life



an offering of
products and
services that is:

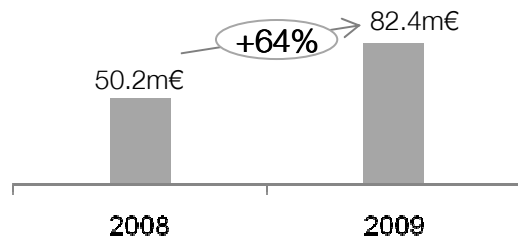
- complex
- unaggregated
- often dedicated to a single device/terminal

...leading to increasingly intertwined TV and web services

Internet services are coming to the TV set

VOD

VOD market in France



91% of VOD consumption is through IPTV

Source: GFK-NPA 2010

Sky TV



source: company website

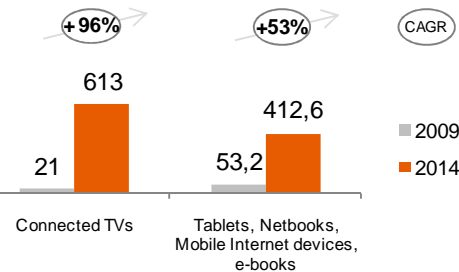
- direct access to sporting bet events through Skysport with one click
- in 2009, SkyBet generated revenues of £48M
- for Big Brother 5, 2.6 million votes out of a total 14 million were made via Sky remote controls

Connected TV

global installed base of connected devices (M units)



- Google TV in partnership with Sony, Logitech and Intel
- launch of Intel/Yahoo! web TV widget platform



source: Strategy Analytics 2010, Ovum 2010

TV shows are reaching the Internet and mobile universe



- 84m monthly requests for TV programmes
- 1m daily users requested TV content
- 68 minutes of streamed video/user/week

Source: BBC iPlayer Monthly Performance Pack March 10



- premium TV content:
 - FOX, CBS, NBC series: 24, Prison Break...
 - films from 20th Century Fox and Universal Pictures

market

- 2.1m users/month watch TV or video on mobile (France)
- 942k watch mobile VOD or TV programming (France)

Source: Comscore 2010 figures are 3 month average ending Dec 2009

- 3rd most popular video-sharing site in the US in May 2009:
 - 400 millions streams/m, 35 million unique users
- \$120m est. advertising revenues in 2009

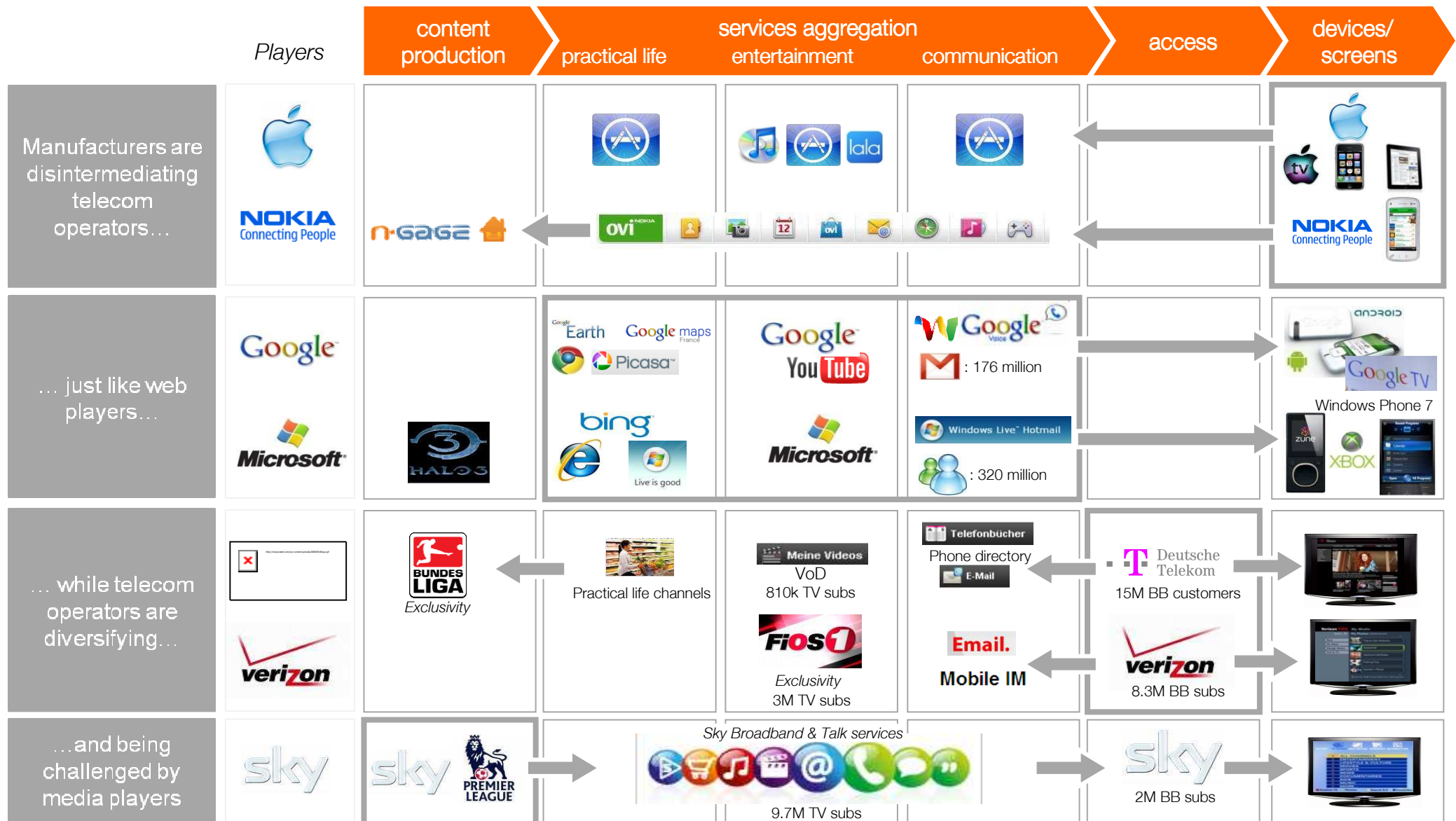
Source: Comscore, Orange Analysis

in the long run, on any connected screens, TV will be a service among others



all major players have adjusted their positioning in order to best answer the market's demand for multi-screen content and services

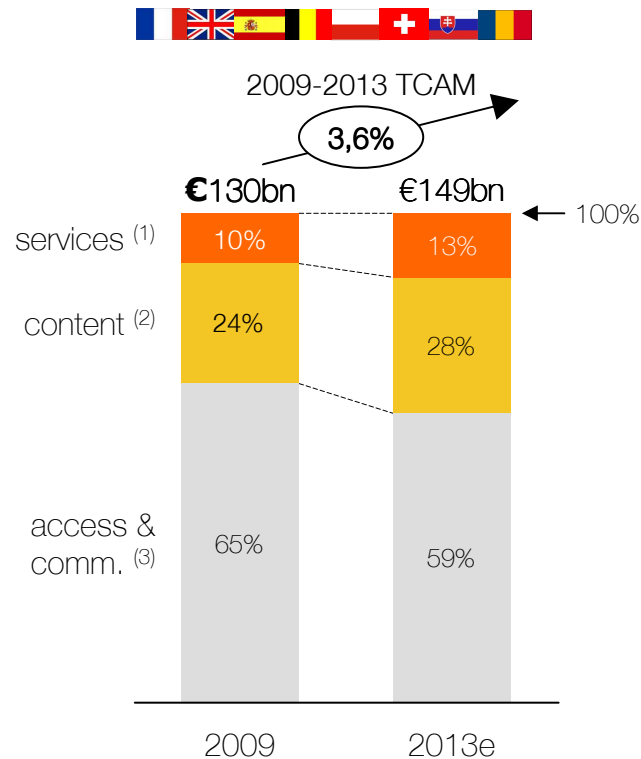
new players from the Internet world are encroaching on communication services and are directly addressing customers
→ telcos are increasingly disintermediated



surprisingly, this abundance of connected screens will not significantly contribute to developing the access market and is leading telcos to rethink their strategic positioning

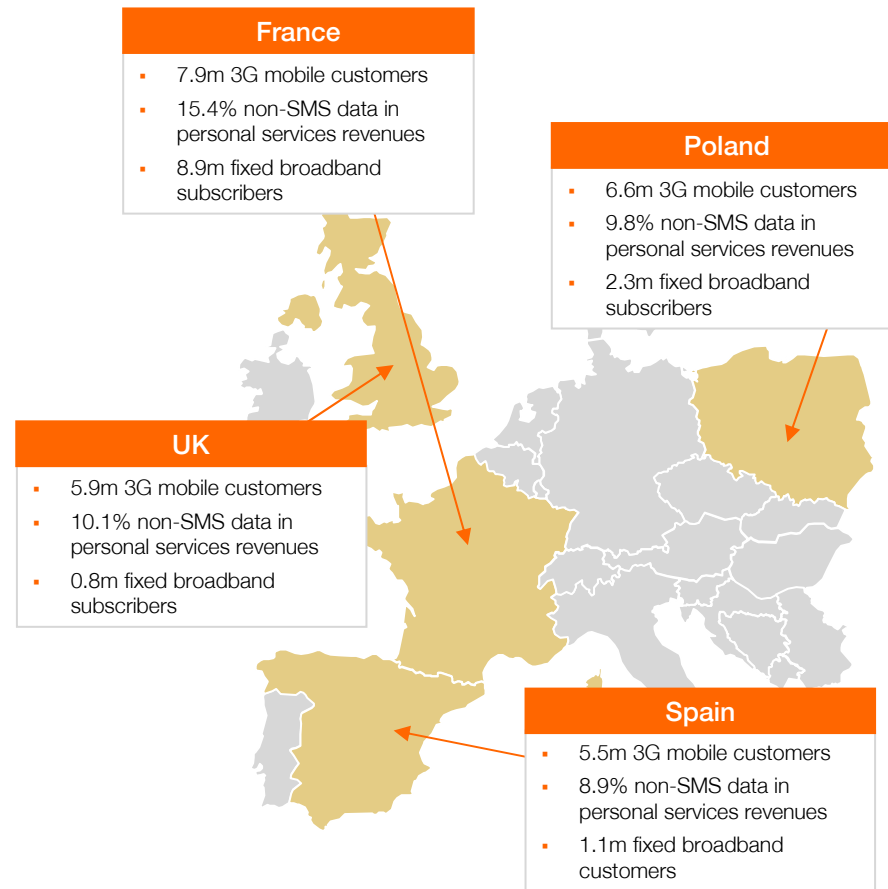
the market for content and services is continuing to expand as a proportion of total market

telco & media addressable consumer market



(1) Content includes TV advertising, Pay TV/Video, Gaming/Gambling, Music, Photo and digital books
 (2) Services include search and portals (paid and advertising) IT assistance and services, health, device insurance, contactless, payment, home automation and location based services
 (3) Access & Communication only includes outgoing revenues
 Source: Orange

France Telecom / Orange has achieved significant positions in fixed & mobile broadband data (4)



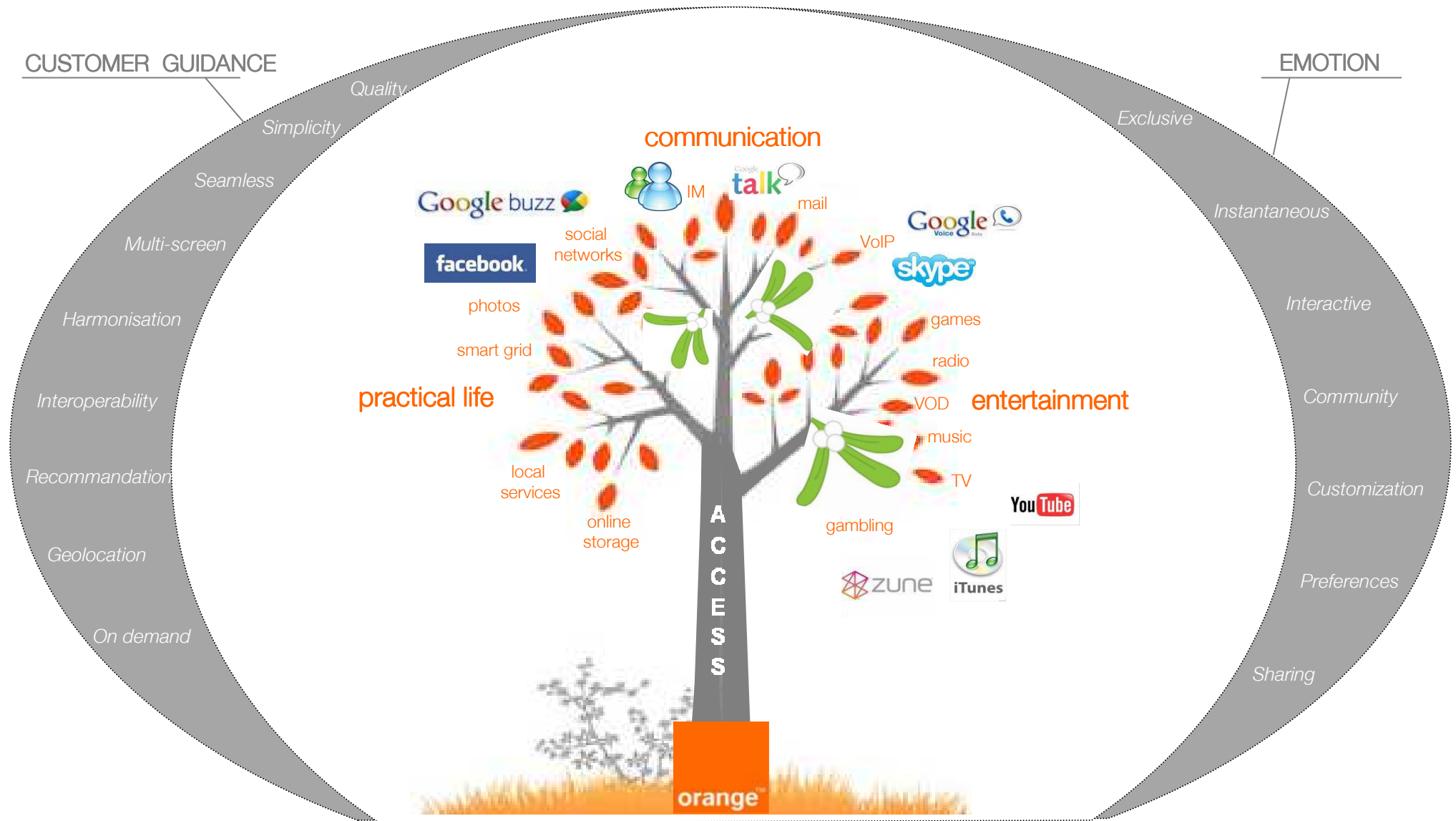
(4) end of Q1 2010 figures

concentrate on operational excellence on core activities ... and risk becoming disintermediated as a simple provider of bandwidth

OR

combine operational excellence and diversification on new services (with business models from the Internet world)

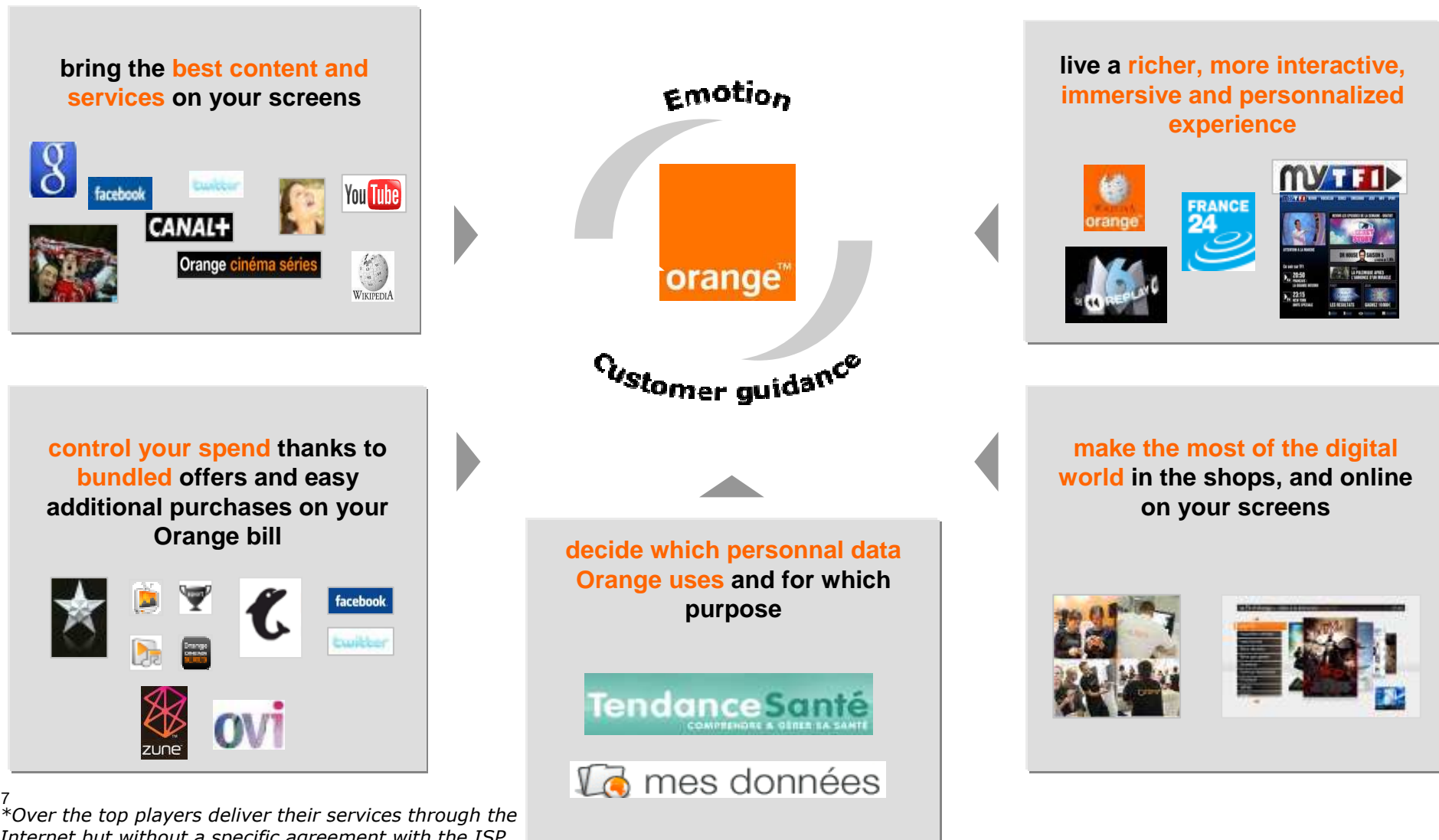
our vision: make Orange best loved operator by offering the best of digital life



give value to core telecom activities
while creating and developing new sources of growth

make Orange best loved operator by offering the best of digital life will allow us to take a bigger share of these growing markets while protecting us from disintermediation by over the top* communication services

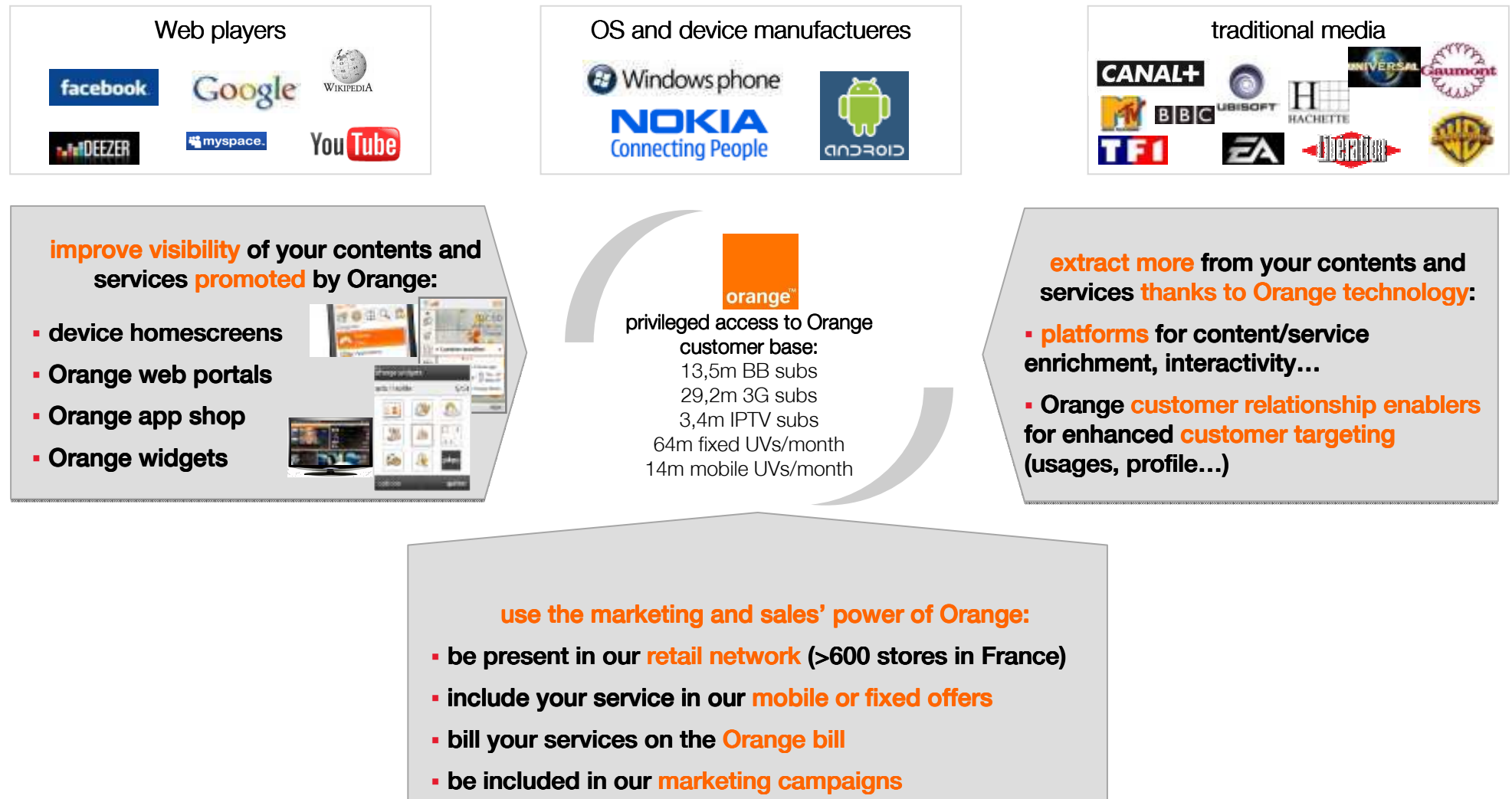
benefits for customers / differentiating from other telcos, traditional medias and over the top players



7
*Over the top players deliver their services through the Internet but without a specific agreement with the ISP

in order to offer our customers the best of digital life, we will make Orange the preferred partner of the best players in the web, techno and media industries

benefits for partners



as part of its corporate social responsibility policy,
Orange wants its partner to foster in a sustainable ecosystem

so Orange develops jointly with our partners a universe of content and services that are integrated in our telco offerings and deployed on all connected screens



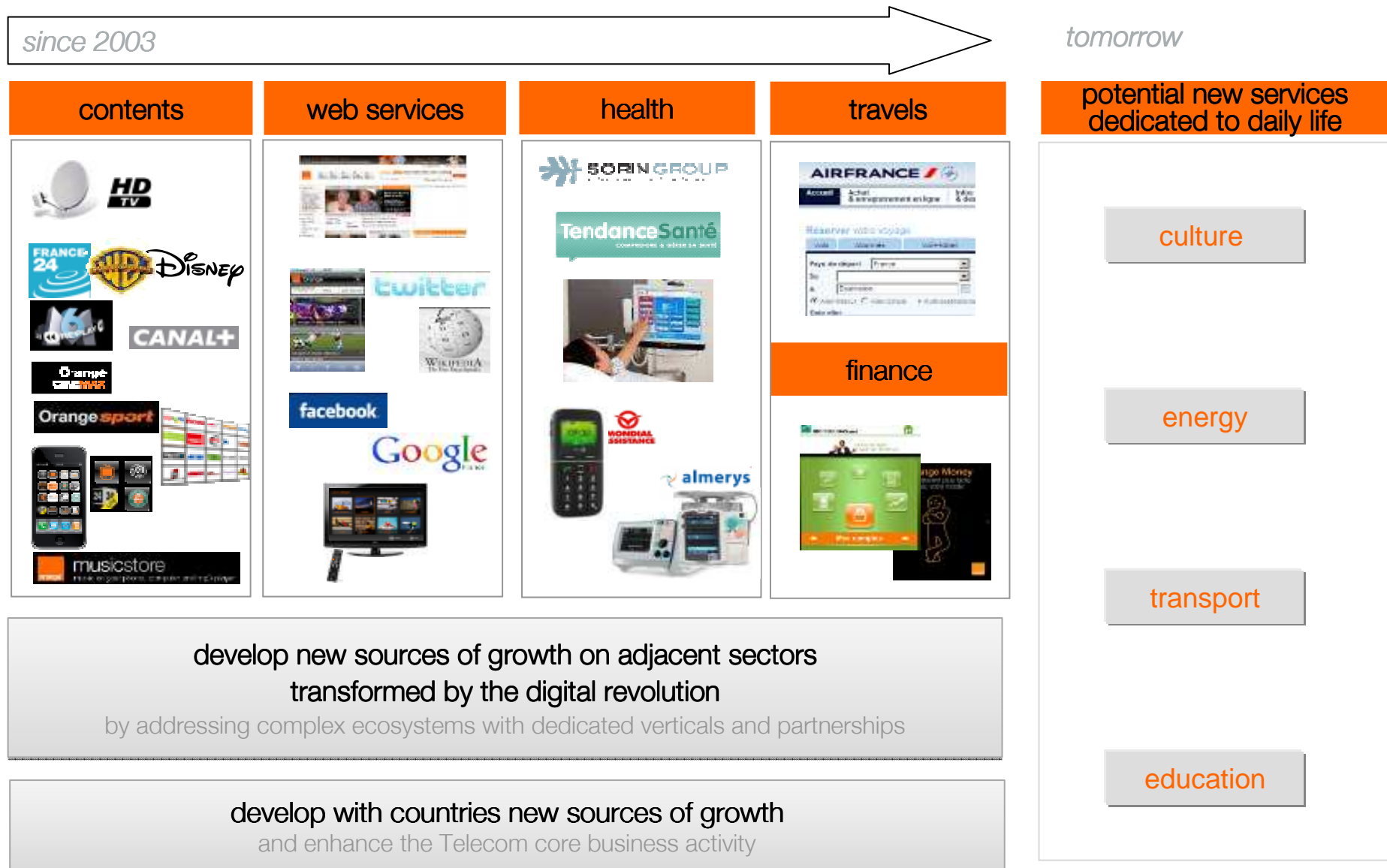
Dolphin, Monkey : content and services included for free for our prepaid customers who spend the most



Origami: content and services that are included in the telo offering

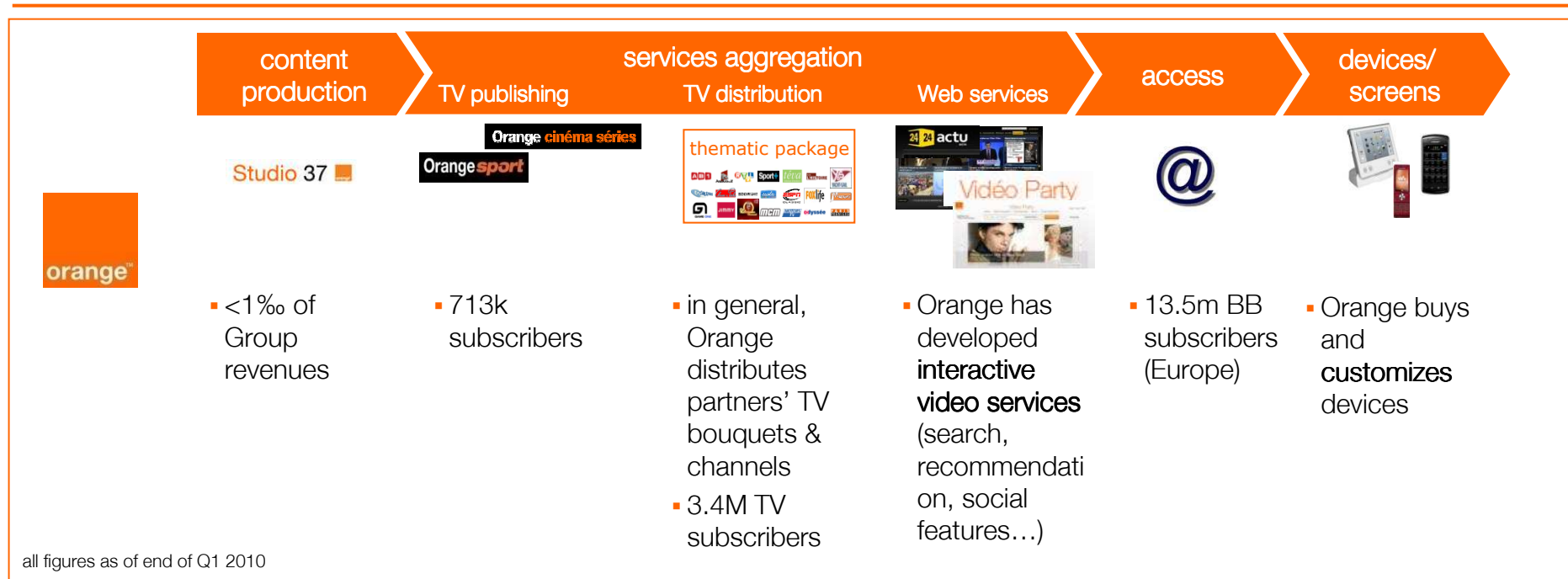


beyond content and services, Orange guides its customers and partners along the digital revolution

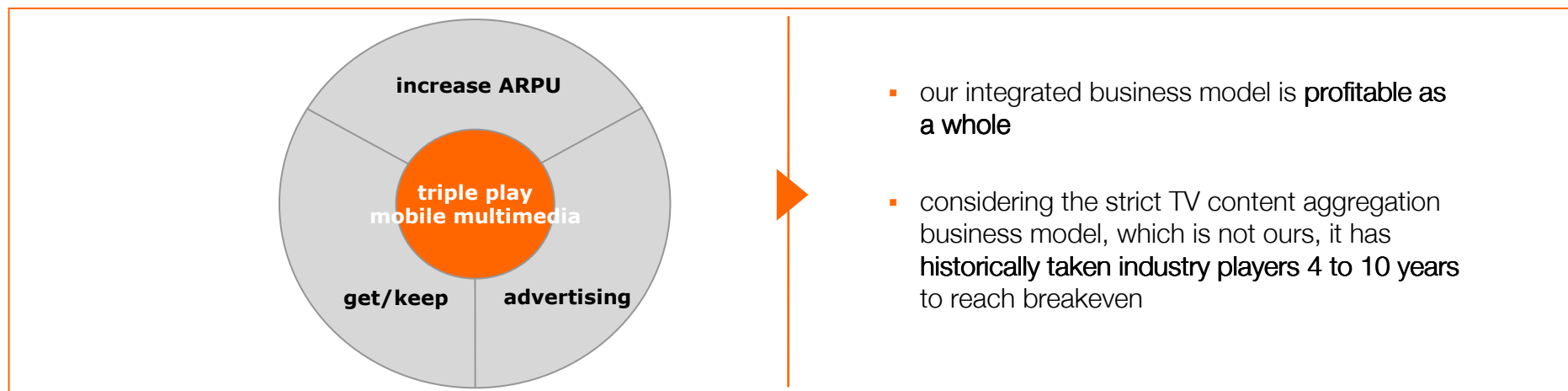


Orange has been a pioneer in the convergence of TV and Internet services since 2003

Orange focuses on distributing TV channels and developing interactive services



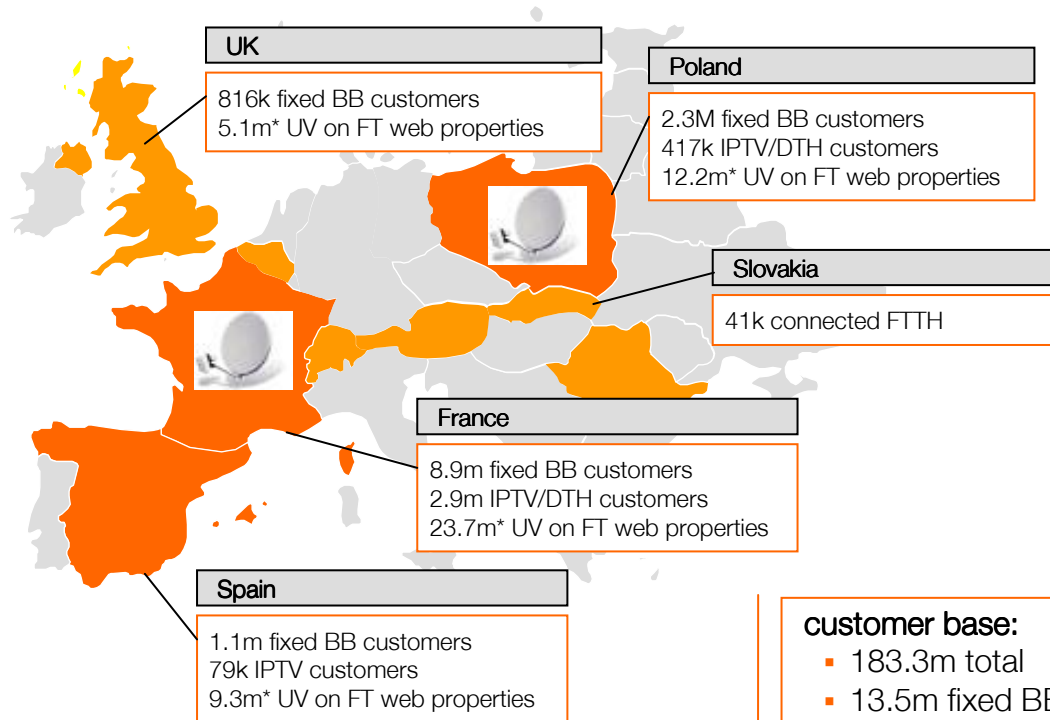
Orange has an integrated TV/access economic model



... and is now a leading international IPTV player with 3.4m subscribers worldwide

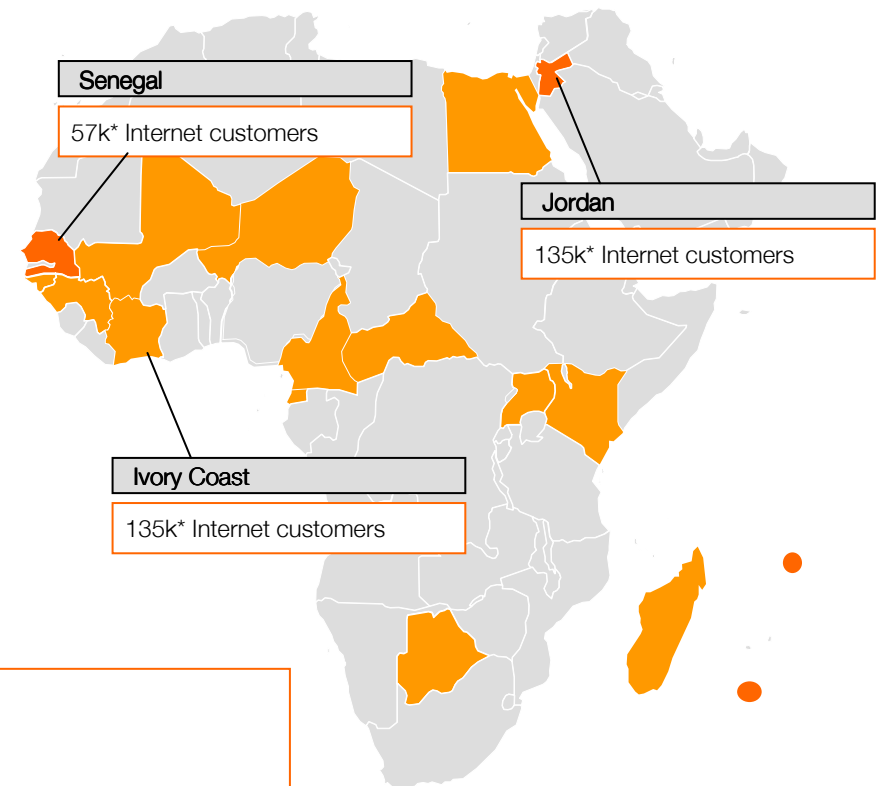
IPTV

3.4m subscribers
of which 900k hybrid IPTV/DTH
1.6m pay TV subscriptions
8.1m paid / 25M viewed VOD*



mobile TV/video

3m active users*
140m streams*



Orange
group
worldwide

customer base:

- 183.3m total
- 13.5m fixed BB
- 3.4m IPTV
- 123.7m mobile (29.2m on 3G)

Web

- 62.2m* UV on our web properties
- 14m* UV on our mobile portals
- ~160m* UV on our ad network

Orange countries

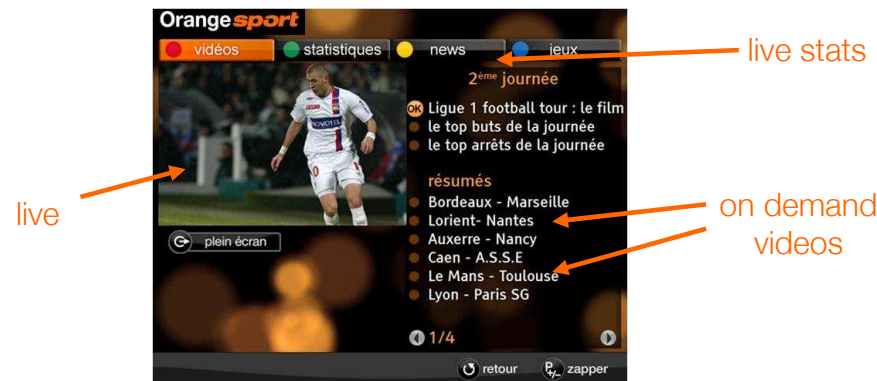
Orange countries with IPTV

UV : unique visitors

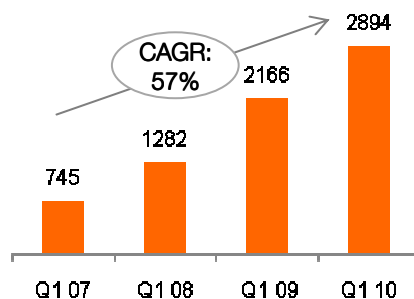
all figures for Q1 2010
(except when tagged with *: end 2009)

in France in particular, Orange has launched several cutting edge TV services and which are setting the future market standards...

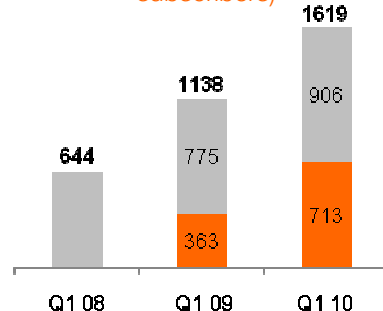
Orange sport / Orange cinéma séries



French IPTV Customer Base
(k subscribers)



French PayTV Customer Base (k subscribers)



key results :

- authorities have questioned Vivendi's exclusive rights to distribute their TV channels, which could potentially lead to more value for Orange
- interactive services of Orange sport and Orange cinéma séries are now a standard of the market, fostering interactive TV usages
- 50% of Orange cinéma séries use catch-up services

connected TV



Direct access to Orange portal from LG TV remote control

key results :

- as of March 31 2010, Orange is now present in **new distribution networks** (i.e. TV aisles of retail stores)
- **showroom services** driving telco subscriptions and stimulating usage of Orange TV services

mobile TV



key results :

- more than **3M subscribers** to our Origami star package (40% choose TV)
- **>1M downloads** of our mobile TV application on the iPhone

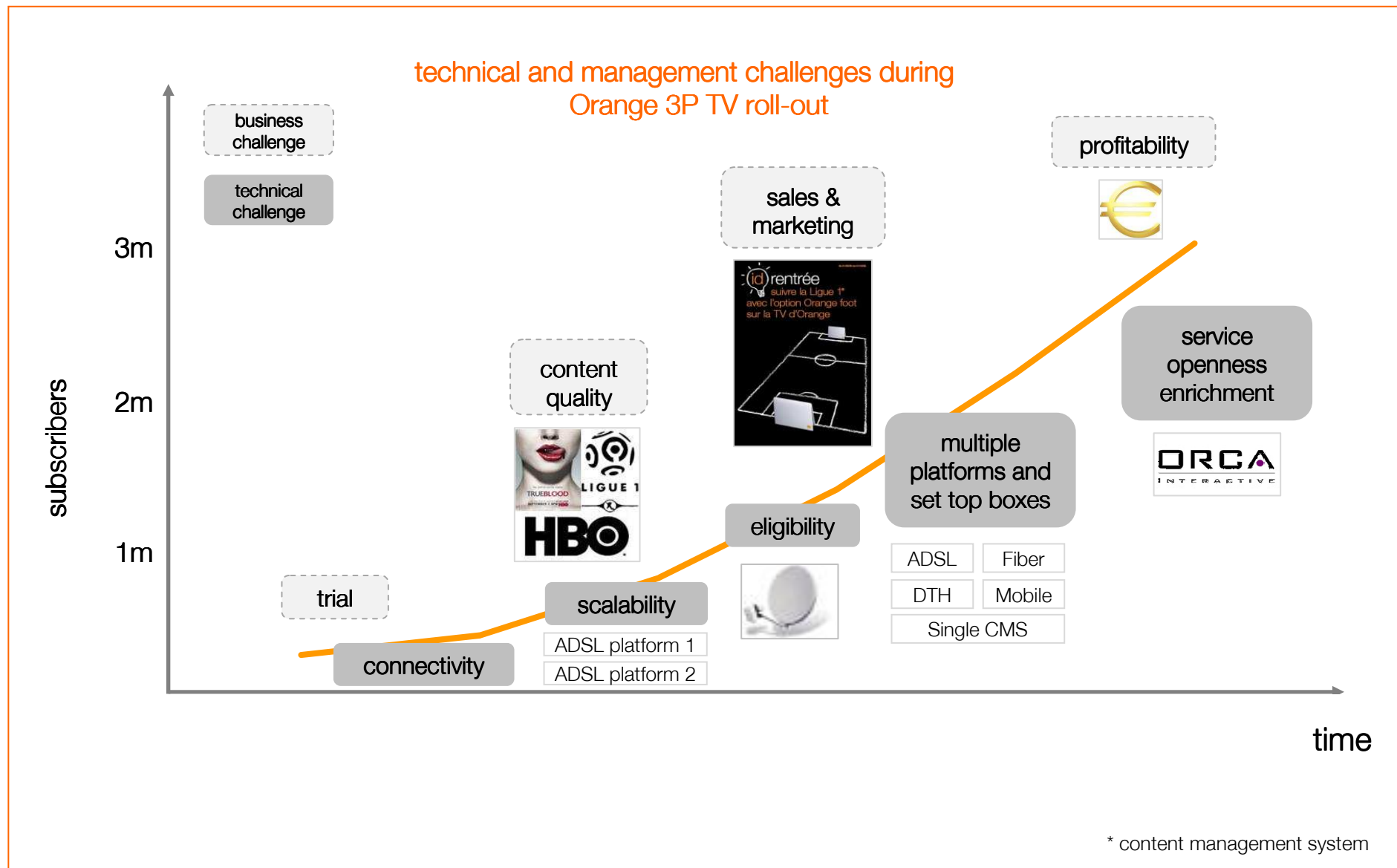
videoparty



key results :

- Orange **present on PCs** beyond its networks, with showroom services
- will provide Orange TV customers with **enhanced web video** services (search, recommendation, sharing, remote programming...)
- 1.7M monthly UV on Orange web video properties

...staying ahead on the IPTV learning curve by overcoming all the business and technical challenges of the past 7 years



thank you