France Télécom Orange

roadshow in Tel Aviv

Gervais Pellissier
CEO Delegate & CFO

June 2012

Agenda

1 introduction to France-Telecom Orange, one of the global leaders in Telecoms

2 a clear strategic and industrial vision

3 « conquest 2015 » strategic plan: a path to shareholder value creation

4 latest results and main financials

France Telecom-Orange : key highlights

A Global Leader in Telecoms	226m customers, 35 countries
One of the Most Solid Capital Structure in the Sector	2x net debt/EBITDA
Attractive Yield Supported by Fundamentals	40-45% OCF payout / OCF 2012 guidance: €8bn
Clear Strategic and Industrial Vision in Changing Environment, both in France and Globally	driving new business models
Conquest 2015: a Roadmap Focused on Shareholder Value Creation	execution on track

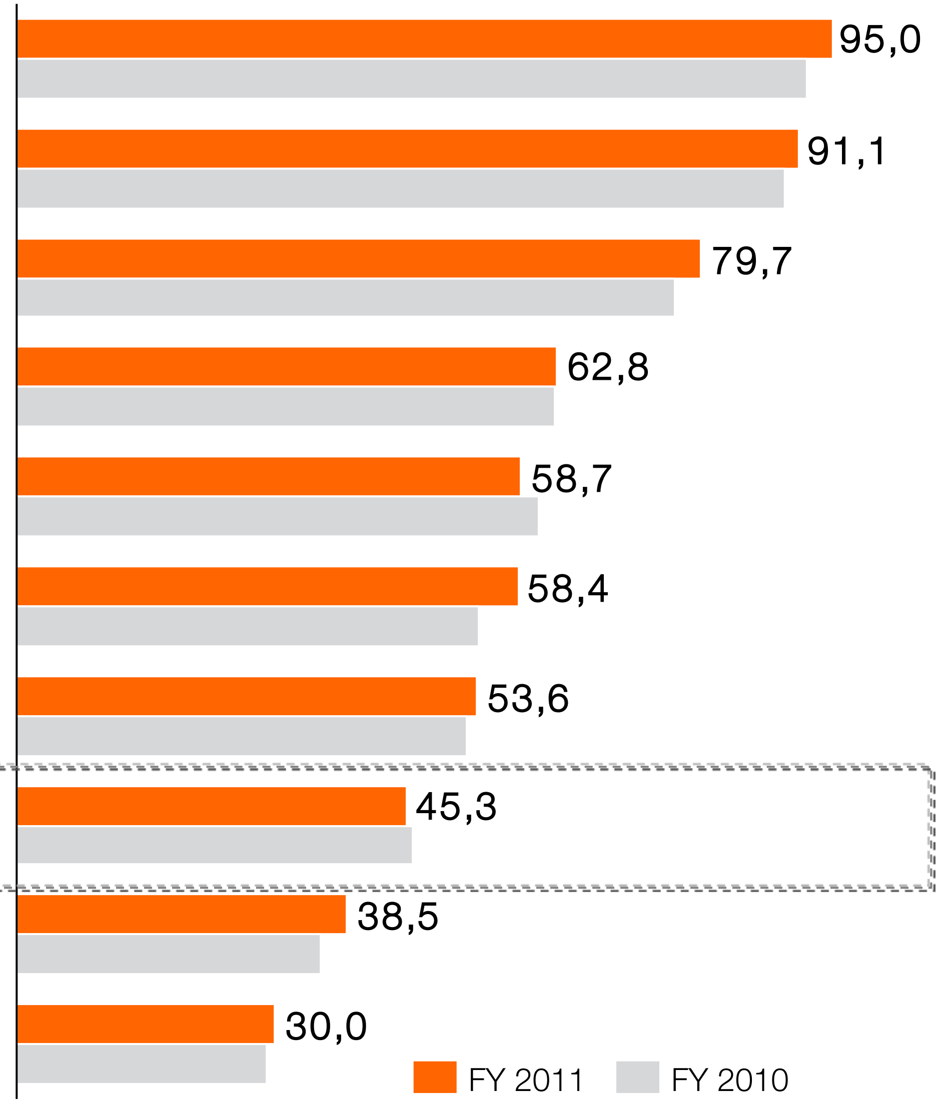
1 introduction to France-Telecom Orange, one of the global leaders in Telecoms

France-Telecom Orange is one of the major telecom companies around the world

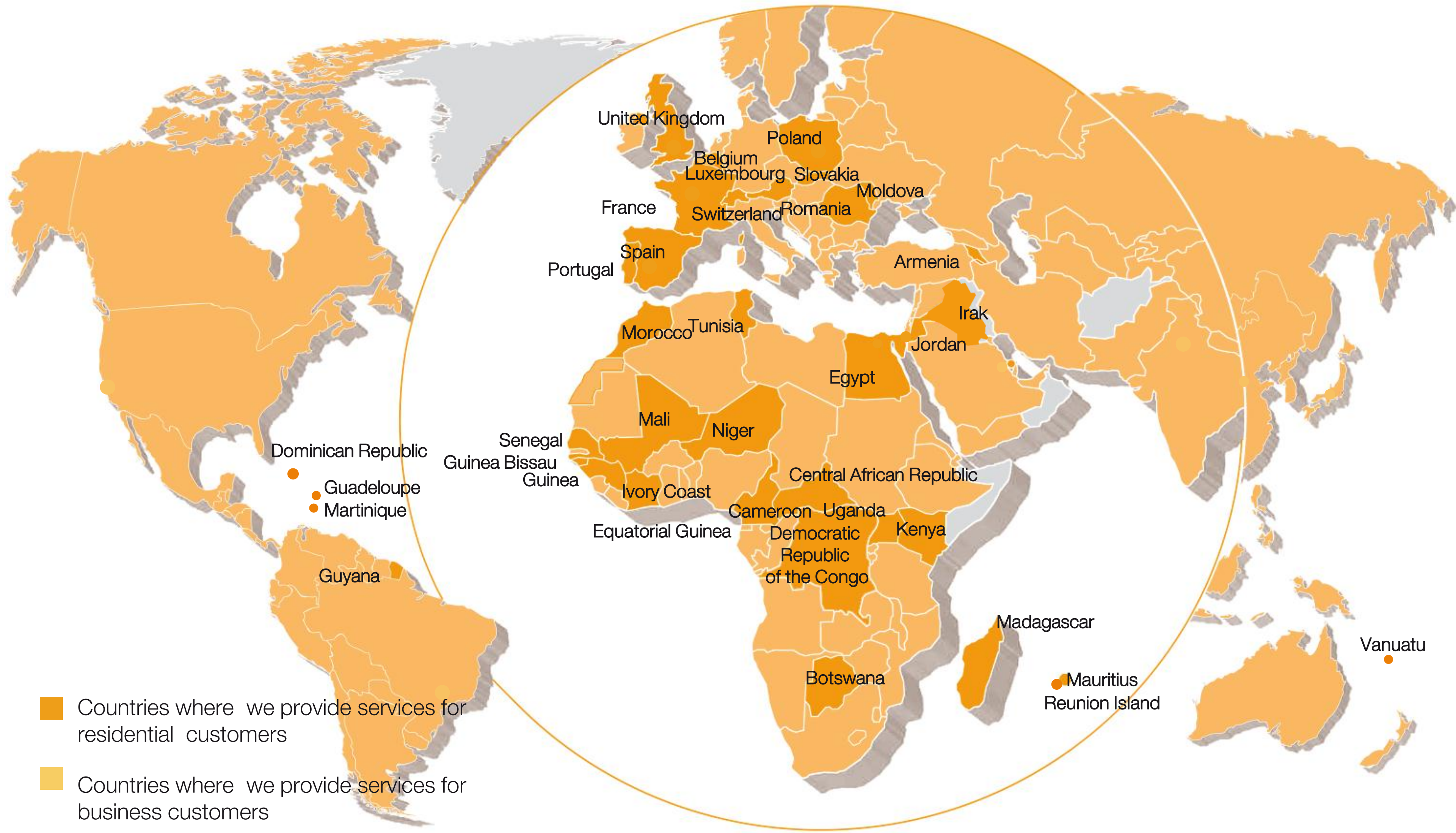
Subscribers

	Company	m	YoY
1	NTT	88	-0,4%
	at&t	161	+2,7%
	verizon	141	+10,1%
	Telefónica	307	+6,6%
	Deutsche Telekom	180	-0,3%
	中国移动通信 CHINA MOBILE	650	+11,2%
	vodafone	398	+10,9%
8	orange	226	+8,0%
	américa móvil	300	+8,4%
	TELECOM ITALIA	140	+34,3%

Reported sales in € billions (actuals)



it serves 226 million customers in 35 countries …



our Group provides services for residential customers in 35 countries
and for businesses in 220 countries and territories

… with 172k employees delivering 4 key business lines

mobile

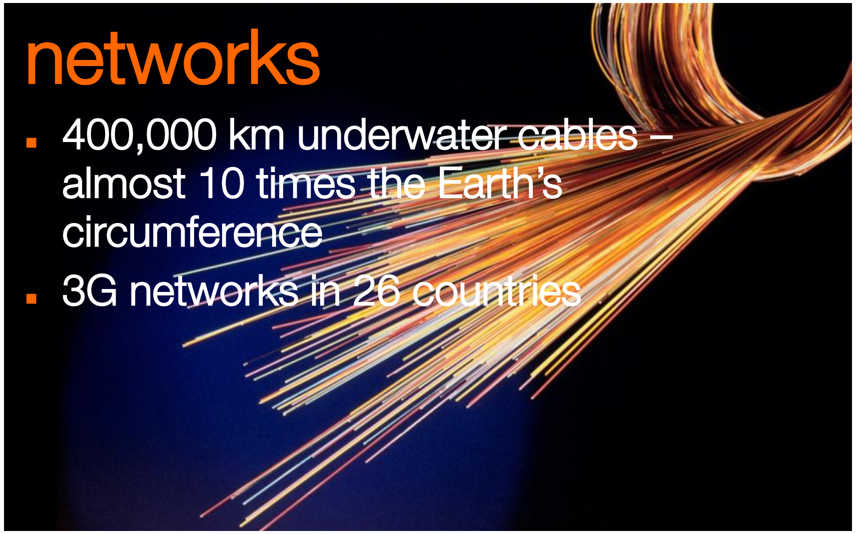
- 35 countries
- 157 million customers worldwide

businesses

- 3,750 multinationals
- 2.7 million professionals and small, medium and large businesses in France
- 28 dedicated customer service centres

internet and fixed-line

- 9.2 million Liveboxes
- 8.3 million internet telephony customers
- 4.1 million internet TV customers



networks

- 400,000 km underwater cables – almost 10 times the Earth's circumference
- 3G networks in 26 countries

the Group has a diversified portfolio of activities and a footprint with complementary dynamics

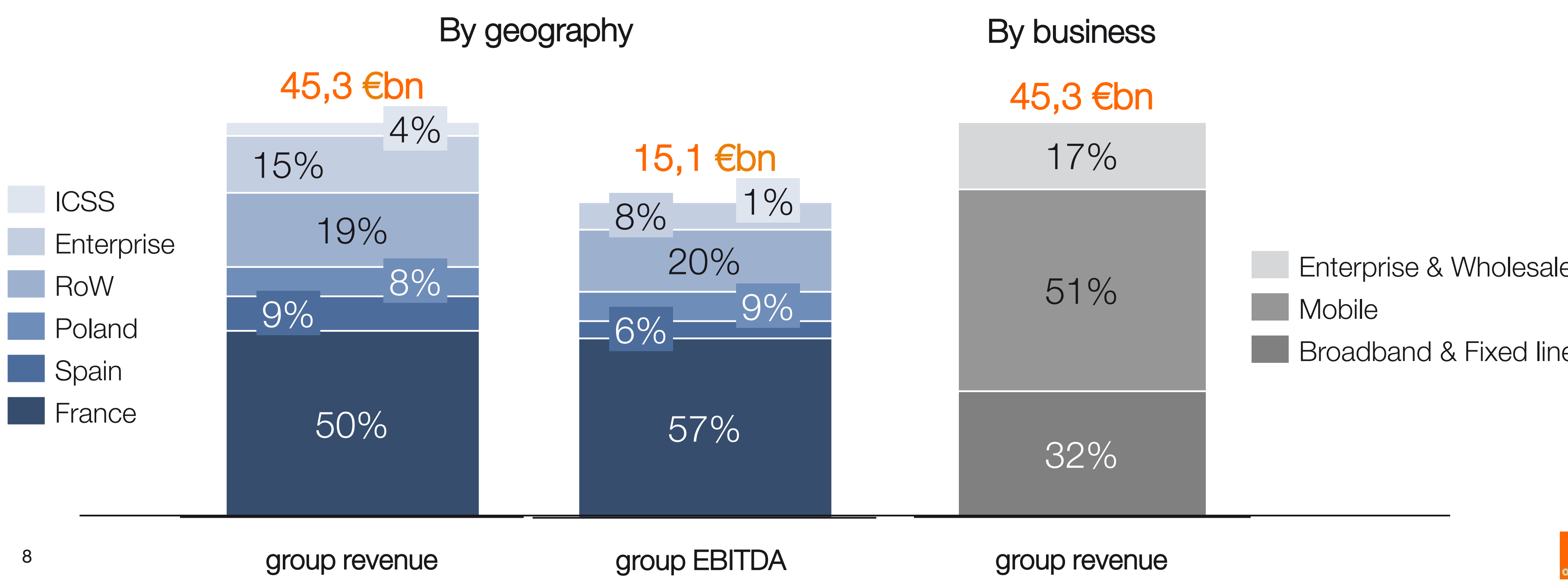
€45.3 billion
revenue

€15.1 billion
restated EBITDA

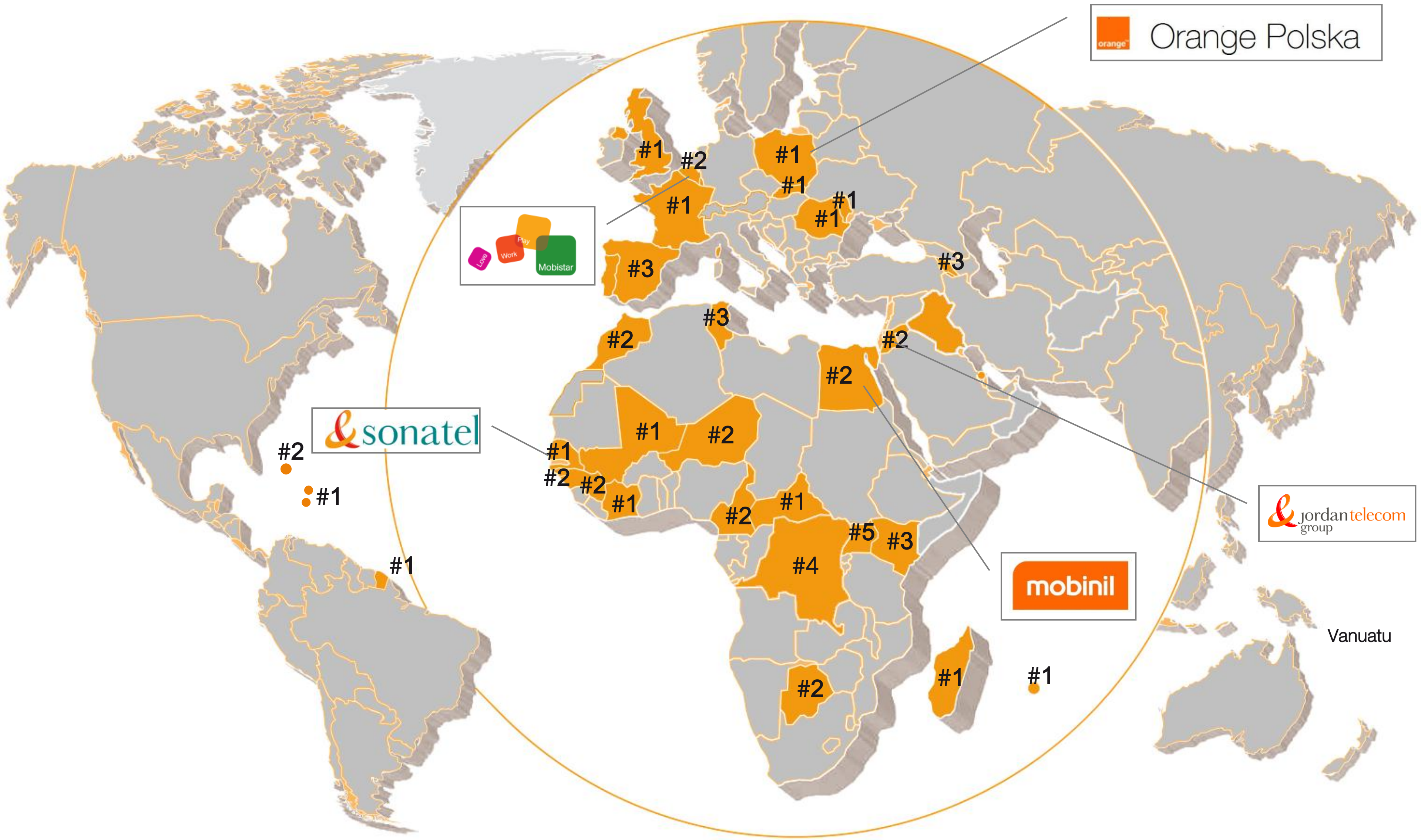
€5.8 billion
capital expenditure

€9.3 billion
operating cash flow

Overview on 2011 financials



managing strong market positions across the footprint



Countries where we provide services for residential customers

mobile market position

Main listed subsidiaries

since French market opening to competition in 1998, France Telecom has proactively kept growing in an increasingly global context

- **1988** — domestic telecommunication operations called France Telecom after being grouped under the name "PTT" (Post, Telegraph, Phone) since 1971
- **1991** — France Telecom separated from the Ministry of Telecommunications, became a public operator
- **31 Dec 1996** — new law : FT was incorporated as a French *Société Anonyme,* 100% state owned ✓
- **20 Oct 1997** — IPO of 25% of the company (250m of shares). The company is listed on the Paris (Euronext Paris) and the New York Stock Exchanges (NYSE). The share is part of the CAC 40 Index.
- **since 1st Jan 1998** — almost all telecommunications services opened to competition in France
- **1998** — launch with Orascom Telecom of Mobinil in Egypt
- **Dec 1998** — Sell of additional stake by the French State and capital increase. State holding ~62% ✓
- **July 2000** — France Telecom issued 129 m shares to partly finance the acquisition of Orange PLC owned by Vodafone. French state stake at 56%
- **Jun 2001** — acquisition of Equant (Enterprise Business)
- **2002** — completion of the acquisition of 49% of Telekomunikacja Polska S.A (started a few years before)
- **Dec 2003** — act on telecommunication public service obligations and on France Telecom which authorized the State to own less than 50% of FT'shares
- **Sep 2004** — privatization of France Telecom. French state stake now at 43% ✓

✓ Major sale of stake by the French State

Major steps in international development

orange

in 15 years, France Telecom has expanded globally and built leading positions over a balanced footprint

Jun 2005 — French State stake decrease to 35% ✓

Sep 2005 — France Telecom capital increase to acquire 80% of the capital of Spanish mobile operator Amena. French state stake at 33% percent

2006 — "Orange" becomes the single brand of the Group for Internet, television and mobile services

Jun 2007 — French State stake decreased to 27% ✓

Since 2007
- selected acquisitions policy mainly focused on emerging markets
- Greenfield in Central African Republic, Guinea Bissau, Guinea and Niger: 2007, 51% stake of Telkom Kenya: 2007, Uganda: 2008, Greenfield in Armenia in 2009 and in Tunisia in 2010, 40% stake in Meditel (Morocco) in 2010, 44% stake with a partner in Korek (Iraq) and 100% in CCT (DRC) in 2011

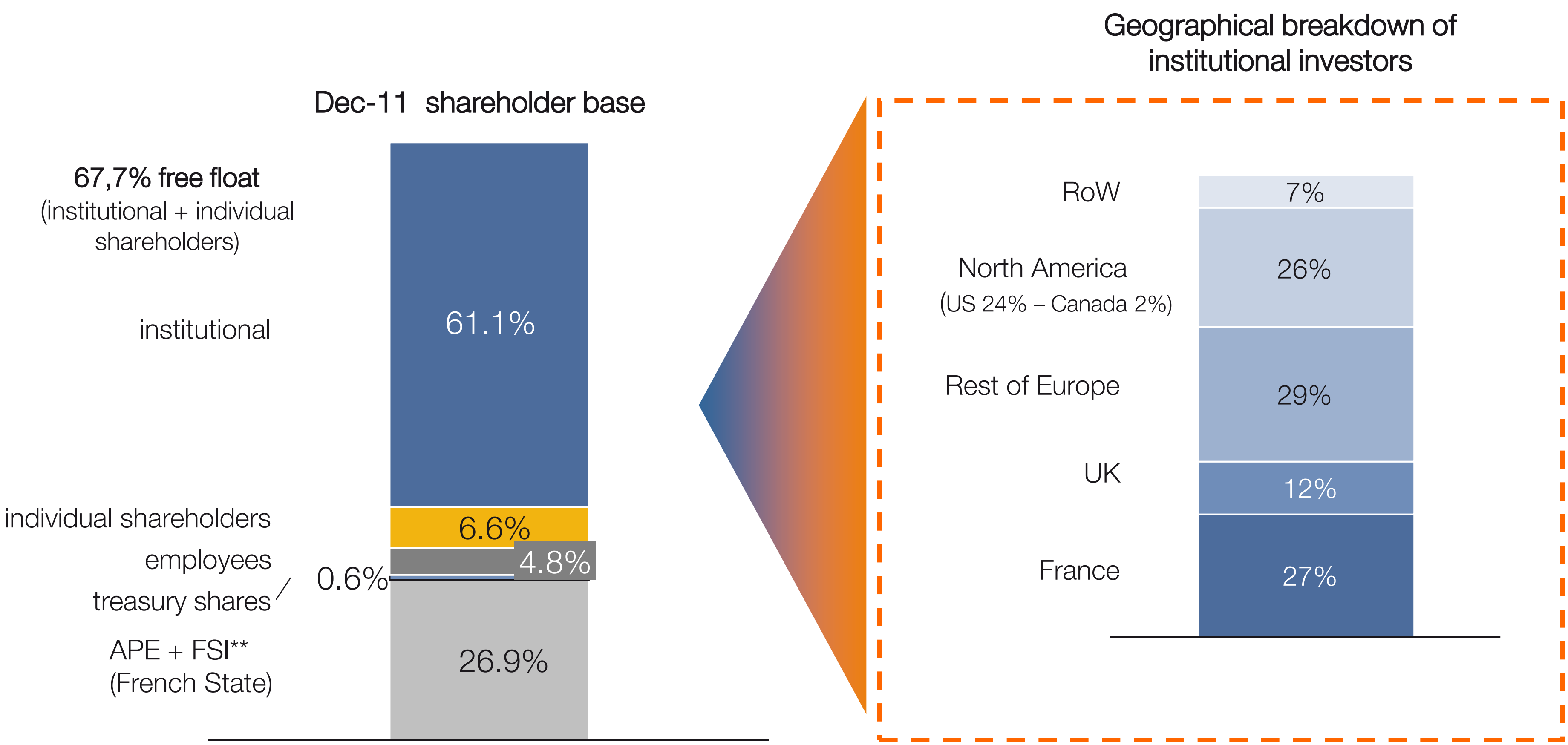
Apr 2010 — establishment with Deutsche Telekom of the joint venture Everything Everywhere in the United Kingdom

Jul 2010 — new strategic plan, "Conquests 2015"

Dec 2011 — disposal of Orange Switzerland

Major step in international development

France Telecom is now a major telecom group, listed in Paris and New-York* and benefiting from a robust and diversified shareholders base



* Around 100 millions ADR share

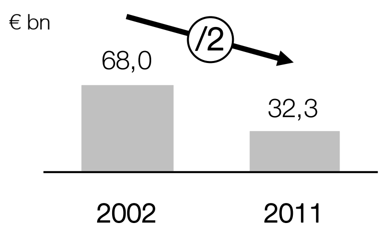
** o/w 13.4% owned by APE (Agence de Participations de l'Etat), 13.5% owned by FSI (French sovereign fund)

Number of shares
31st December 2011 : **2 648 885 383**

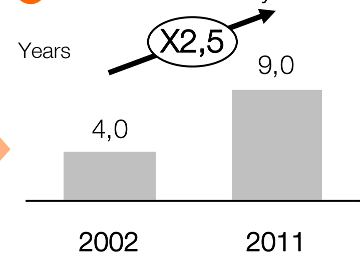
since 2002, France-Telecom Group has managed to restore a strong balance sheet while maintaining investment and remunerating shareholders

strengthening balance sheet

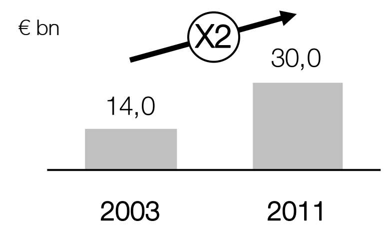
1 Debt divided by two



2 Increased maturity

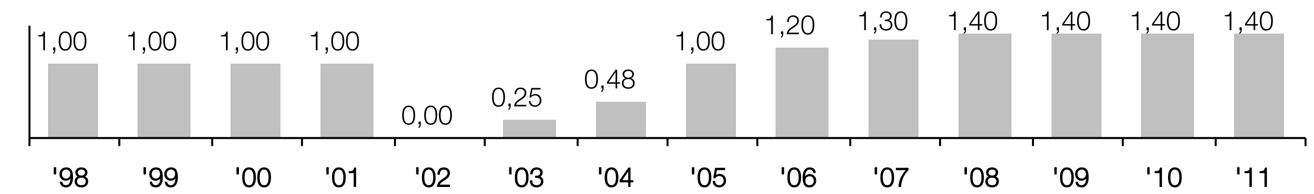


3 Equity doubled



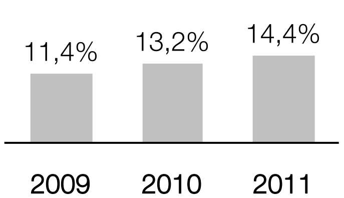
delivering attractive shareholder remuneration

DPS (in €)



maintaining the right level of investment

CAPEX (spectrum included) /revenue (%)



- Despite revenue pressure, CAPEX maintained at the appropriate level to continue delivering performance
- Domestic market shares at the end of 2011 close to 40% on mobile and above 45%

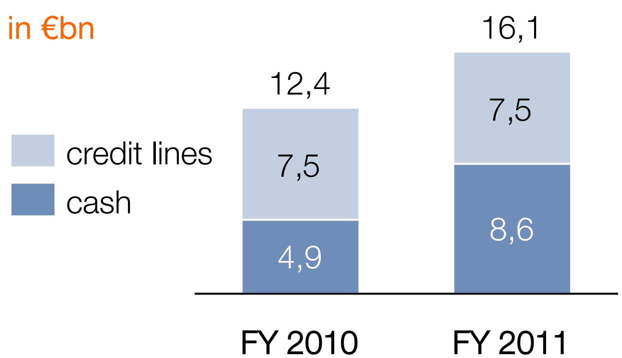
France Telecom has secured a solid liquidity position at very attractive conditions

insight

- €6.1bn debt raised since January 2011(1) with a wide diversification: 10 different markets tapped in total
- very attractive cost of funding at 3.82%
- 96% of the €6bn back up line successfully extended by 1 year to January 2017, demonstrating continued strong support from a wide range of 29-core banks
- very strong liquidity position at approx. **€16bn**
- low dependence on bank funding with 88% of outstanding debt directly from debt capital markets

(1) including $ 900m + JPY 7.5bn in January 2012

Group liquidity position



* including bank overdrafts; **with new €6bn back-up facility vs. €14.4bn as of 31st December 2010 with previous €8bn facility

main debt raising transactions in 2011 and early 2012

2012

June
- €1bn 10-year bonds at 3%

January
- USD 900m raised, maturity 2042 @ 4.88% (after swap in €)

2011

December
- € 520m raised (TEC10, Schuldschein, HKD)

November
- £250m raised, maturity 2050 @ 4.76% (after swap in €)
- Samuraï JPY 44.3bn
- €355m securitisation of trade receivables (extension from 2 to 3 years)

October
- €525m raised across different segments (HKD, CMS, CHF benchmark)
- €500m securitisation of trade receivables (extension from 2 to 5 years + doubling of size)

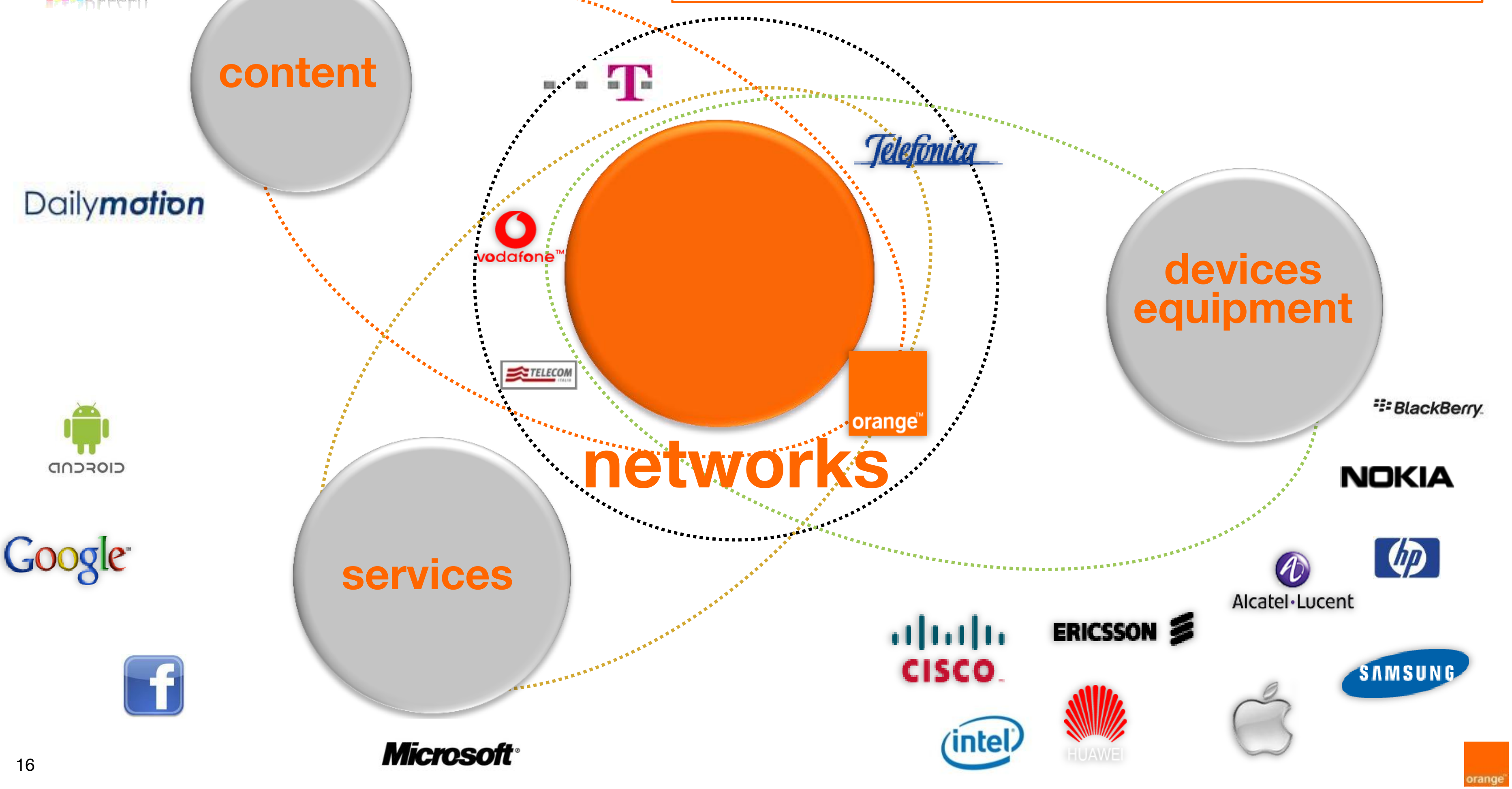
September
- $2bn Yankee
  - $1bn 5-year @ 2.75%,
  - $1bn 10-year @ 4.125%

1st semester
- €1.250bn opportunistic issuances
  - €580m exchange of a structured bond into a vanilla bond
  - €670 m dual tap

2 a clear strategic and industrial vision

telco operators benefit from a central position between OTT players, hardware and software providers : convergence calls for shift from competition to “co-opetition”

▬	with telcos	optimization of asset base
▬	with OTTs	alliances & partnerships
▬	with content providers	aggregation strategy
▬	with device manufacturers	strategic partnerships



France Telecom-Orange has demonstrated its ability to adapt to its rapidly changing environment

1995 +

mobile voice

- IPO
- international development

2000 +

Internet at home

- Fixed VoIP
- IPTV

2005 +

Internet on the move

- mobile BB offers
- very high broadband

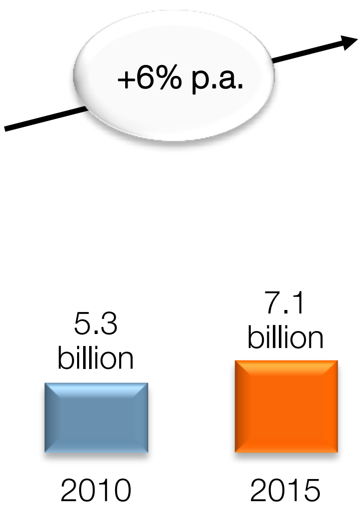
2010 +

Internet of things

- NFC, M2M …

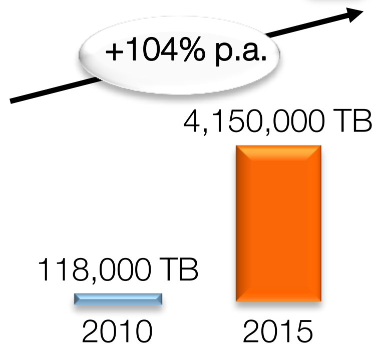
booming customers appetite for data traffic generates significant monetization opportunities…

connected terminals[1]

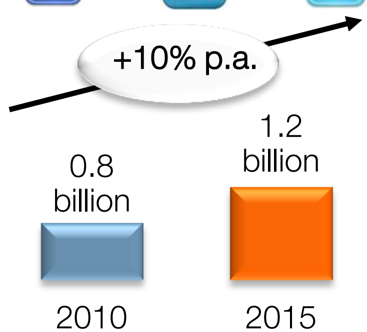


usage

video[2]

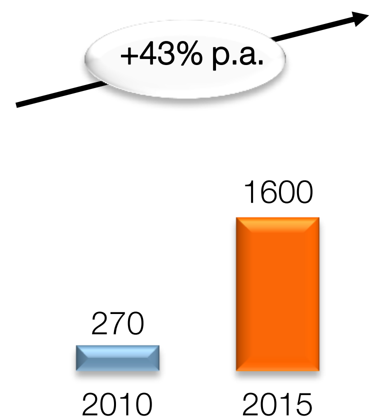


social networks [3]…



data traffic

per mobile broadband subscriber[4]



MB per month

sources: (1) IDC (2) Cisco VNI (3) Radicati Group (4) IDATE

… as new business territories translate into new business models

products and services

innovate in our current activities

innovate in emerging growth opportunities

communication services

20 million RCS** handsets*

monetization of data services

multiply data revenues by 2.5*

safety, security and privacy

10 million Orange Money customers*

cloud services

€500m revenues*

internet of things

10 million M2M SIM cards*

core assets

Orange universe

7 million convergent customers

smart networks

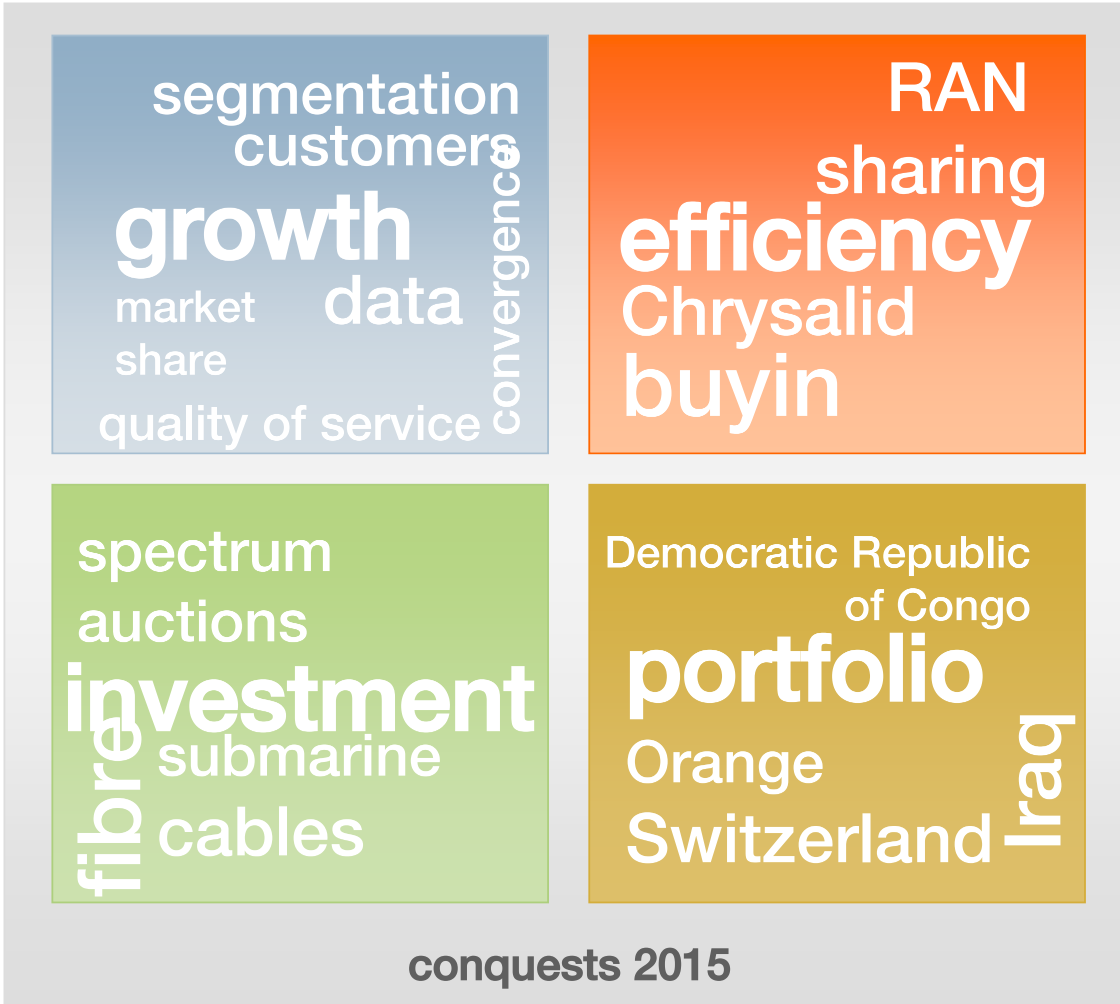
LTE launched in all European countries, 3G in all AMEA countries

improve time-to-market innovation thanks to a review of internal processes

*2015 targets **rich communication suite

3 « conquest 2015 » strategic plan: a path to shareholder value creation

four key levers to tackle today and tomorrow's challenges



translating into geography-specific strategies

france: best customer offering to defend leadership

best offers

cross selling

new segmentation/price mix strategy

quad-play (i.e. Open)

best content in music & video (Deezer, Dailymotion)

best networks

best mobile network following ARCEP

98% 3G+ coverage of population by end of 2011

fibre rollout

best service

1,200 shops nationwide

flagships in large cities

39,000 frontline employees in France

europe, AMEA & Enterprise: attractive growth prospects

strong prospect in Europe

be n°2 in Spain
triple our mobile data revenues by 2015
double our fixed broadband revenues by 2015

+12% fixed broadband subscribers (2010-13 CAGR)

growth in AMEA

double our revenues by 2015
be the n°1 or n°2 everywhere by 2015
capture growth in rural areas
accelerate 2G/3G mobile coverage

+8% customer accesses (2010-13 CAGR)

develop new areas in Enterprise

develop new growth areas: cloud, video
generate 1/3 of our revenues in services in 2015
double our emerging market revenues by 2015
enable digital society through partnerships

€ 1bn Enterprise emerging markets revenues in 2015

growth
efficiency
investment
portfolio

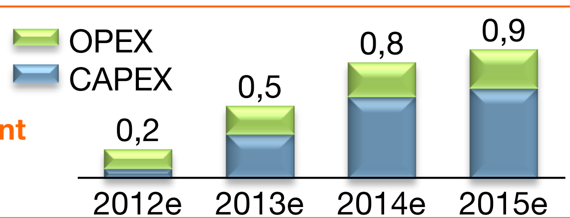
orange

focus on operational perfomance: at least €3bn in annual savings by 2015, boosted by the procurement JV

performance program and procurement JV benefits (€bn)

annual savings in €bn	2010 actual vs. 2008 cost base*	2015 planned vs. 2010 cost base
France	0.36	0.9-1.1
Europe	0.55	0.9-1.1
AMEA	-	0.1-0.2
OBS	0.17	0.2-0.3
ICSS	0.16	0.1-0.2
total group	1.2	2.5, of which more than 60% by 2013

savings from procurement JV with DT



2011-2015 performance levers

France
- customer experience improvement
- operational excellence
- IT improvement
- channels automation
- content business model change

Europe
- RAN & network sharing
- near-shoring
- customer care transformation
- IT renewal & optimisation

AMEA
- services platform mutualisation / industrialisation policy
- synergies within the zone
- customer journey excellence

OBS
- international network profitability
- sales performance improvement
- G&A improvement

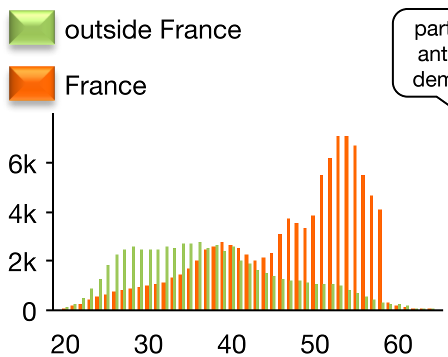
IC & SS
- productivity gains on labour costs

* original performance program was targeting €1.5bn savings over 2009-2011

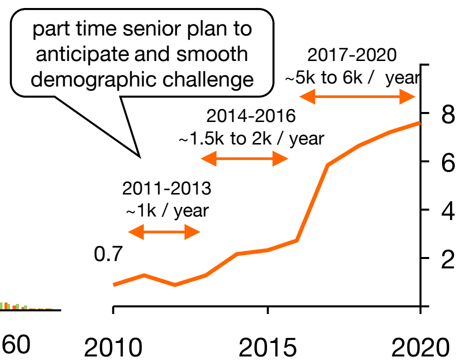
quasi-stabilisation of workforce in France and at group level by 2015

an acceleration of retirements in France

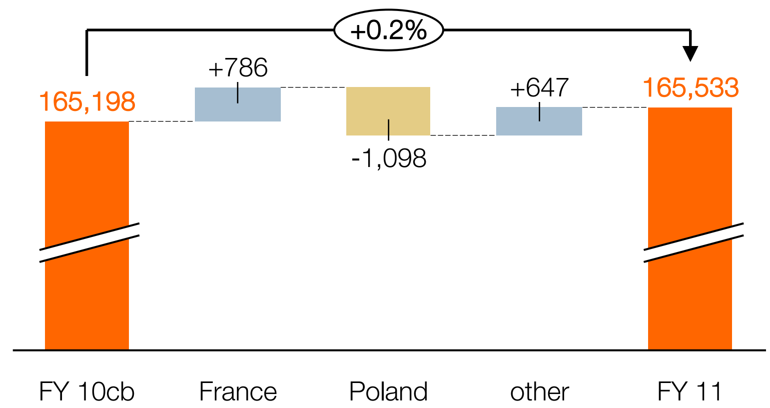
group pyramid ageing



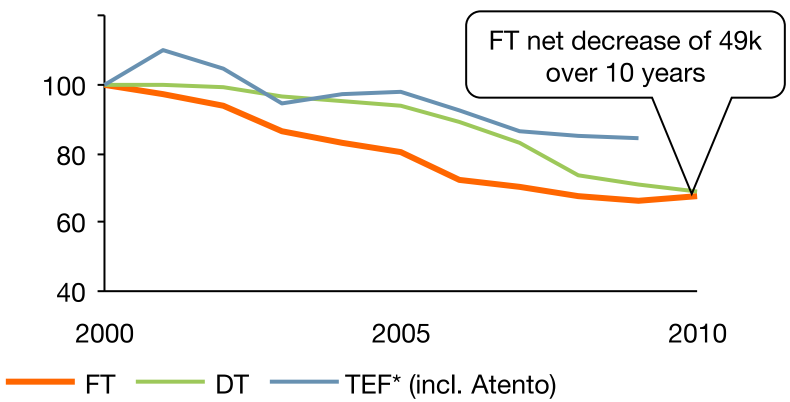
est. natural attrition in France, in thousands



group headcount evolution (FTE)**



the most steady decrease of employees on domestic markets



〉insight

- France average age is 46.8 years while Group's is 43.2 years
- 30.4k cumulative estimated departures in France due to retirement over 2011 to end 2020
- part time senior plan (TPS): a cumulative estimated decrease of around 6.5k FTE over 2010-2015
- structural headcount changes already done over the last few years with a -32% net decrease in France between 2000 and 2010
- slight reduction of headcount (FTE) at group level and in France in 2010

*estimated in 2000; ** full time equivalent

capex under control and focused on growth: customer satisfaction and next generation network

priorities

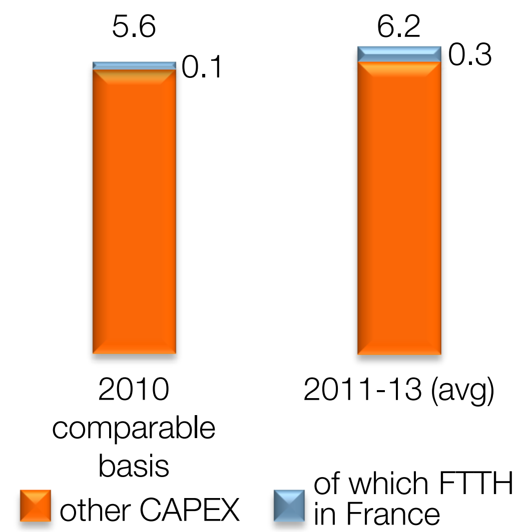
invest in customer satisfaction
IT, networks capacity & modernisation, front-line

proactive leadership in VHBB networks
with expectation of more predictable regulation

tight management of CAPEX

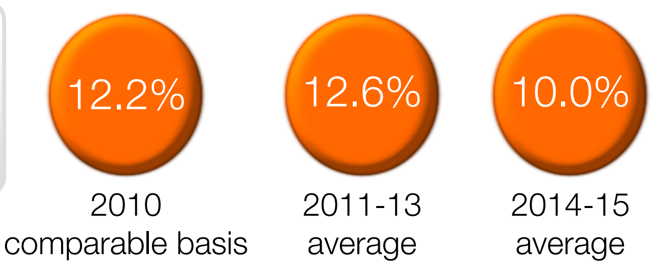
CAPEX optimization program
joint sourcing with DT, swap 2G/3G, network sharing, etc.

CAPEX evolution
in € billion



> CAPEX to peak in the 2011-13 period

as % of revenues excluding FTTH in France

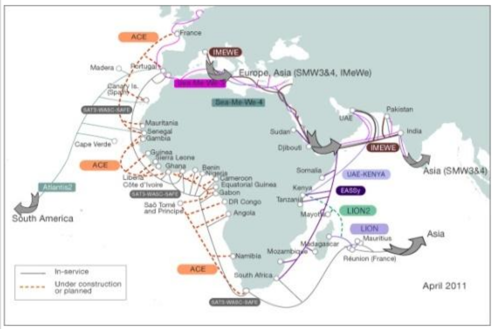


growth
efficiency
investment
portfolio
orange

fixed and mobile networks : our main asset to generate value

deploying networks in the AMEA zone

accelerate 2G and 3G mobile coverage
+12% 2G sites per year (CAGR 2010-2013)
X 2,5 3G sites between 2010- 2013



open up African continent to develop broadband…

contributing to economies development through fibre deployment – France

11 millions homes passed by 2015

€2bn CAPEX plan over 2010-2015

ambition to be **#1**

developing infrastructure to extend coverage of fixed and mobile networks across the footprint

population coverage end of 2010	France	Europe excl. France	AMEA
2G	~100%		>66%
3G+ HSPA+	95% of which 55% with HSPA 14.4	74% from HSPA 7.4 to HSPA+42	3G launched in most countries
MDF DSLAM coverage	100%	99% in Poland **ULL in Spain and Belgium**	> 600k fixed broadband users
IP TV / DSL coverage	**62%**	**57% in Poland**	

Orange mobile and fixed networks at the forefront of competition which will accelerate with LTE and FTTx transformations

highly selective and flexible M&A policy (2011 achievements)

	acquisitions	disposals
core business	▪ Congo: 100% stake in CCT, 21st AMEA country, price: €153m ▪ Iraq, partnership with Agility to take a 44% stake in Korek Telecom, path to control by 2015, price: €177m ▪ February 2012: Egypt, on-going negotiation with OTMT for an early buy-out of their shares and on a new shareholding structure.	▪ Orange Switzerland, €1.6bn enterprise value ▪ February 2012: Austria, announcement of sale to Hutchinson, €70m net proceeds expected
non-core business		▪ Emitel, gain on disposal €197m and cash proceeds €410m

content strategy focused on partnerships, aggregation and distribution

acquisitions	disposals
Dailymotion Orange cinéma séries ▪ acquisition of 49% Dailymotion ▪ OCS change in business model, agreement with Canal+ taking a 33% stake	Orange sport ▪ no bid on soccer rights ▪ ~€200m cash savings on a full year basis

4 latest results and main financials

strong set of results in 2011 despite most challenging environment

FY11

in €m	FY10 cb	FY11 actual	var. comp basis	key points
revenue	46,020	**45,277**	-1.6%	▪ regulation impact: -€748m ▪ FY excl. regulation: +0.0% yoy
restated EBITDA*	15,846	**15,083**	-4.8%	▪ regulation impact -€227m ▪ impacts from VAT in France + Egypt & Ivory Coast crisis -€288m
in % of rev	34.4%	**33.3%**	-1.1pts	▪ limited erosion thanks to management of commercial costs in H2
CAPEX	5,584	**5,770**	+3.3%	▪ CAPEX ratio ramp-up in FY11 in line with 2011-2013 trends
in % of rev	12.1%	**12.7%**	+0.6pts	
operating cash flow (restated EBITDA – CAPEX)	10,261	**9,313**	-9.2%	▪ double adverse effect: lower EBITDA and higher CAPEX in FY11 than in FY10
net debt (net debt/EBITDA)	31,840 1.95x	**32,331**** **2.09x****		• mid-term target leverage ratio of ~2x

*see slides 64 for restatements **including January 2012 cash out for DPTG litigation & 800 MHz auction in France

orange

1Q12

resilient group revenue thanks to international portfolio contribution & strong commercial dynamics in a transforming French market

- sustained mobile and fixed broadband acquisitions in a transforming French market
  - high level of mobile gross adds (+1% yoy)
  - data-only revenues at 20.7% of mobile service revenues, +10% yoy (i.e +2.2pts)
  - fixed broadband share of net adds maintained at ~20%
- continuous financial and commercial outperformance of Orange Spain
  - leader in mobile portability at +110 k
  - revenue growth of +2.3%
- European countries revenue growth ex reg (+0.4%) & emerging countries back to growth
  - positive swing in Romania (ex reg)
  - +6.3%* growth in emerging countries with notable recoveries in Egypt and Ivory Coast
- EBITDA margin erosion of -1.7 pts*
  - initial impact of our roaming hedge in France
  - tight control of commercial and content costs, flat at group level and opportunistic management between acquisition and retention
- pursuing CAPEX trend to pave future growth, despite macro-economic headwinds
  - launch of H+, upcoming experimentation of 4G & FTTH deployment in France
  - ongoing 3G deployment elsewhere: Spain, Egypt…
- preserving balance sheet strength
  - M&A focus on footprint consolidation: increasing stake in Egypt under better financial conditions than previously agreed, with no impact on balance sheet
  - continuously demonstrating a solid liquidity position and an attractive credit profile

* yoy cb

summary of 1Q 2012 achievements

1Q12

1Q12 achievements

in €m	1Q11 cb	1Q12 actual	var. comp basis	key points
revenue	11,124	**10,922**	-1.8%	▪ regulation impact: -€195m Q1 excl. regulation: -0.1% yoy vs -0.2% in Q4 11
restated EBITDA*	3,689	**3,432**	-7.0%	▪ regulation impact -€54m
in % of rev	33.2%	**31.4%**	-1.7pts	
CAPEX	1,073	**1,097**	+2.2%	▪ CAPEX in line with our anticipation
in % of rev	9.6%	**10.0%**	+0.4pts	
operating cash flow (restated EBITDA* – CAPEX)	2,616	**2,335**	-10.7%	▪ coherent with our FY guidance

balance sheet position as of March 2012

€9.4bn of cash
covering more than 2012 & 2013 debt redemptions

€16.9bn
liquidity position

9 years
net debt average maturity as of Year End 2011, again extended thanks to 900mUSD raised on January 2012 with a 30 years maturity

5.3%
weighted average cost of debt in bonds**

*see slide 24 for restatements **source Bloomberg

1Q12

flat revenue ex. regulation thanks to international portfolio contribution

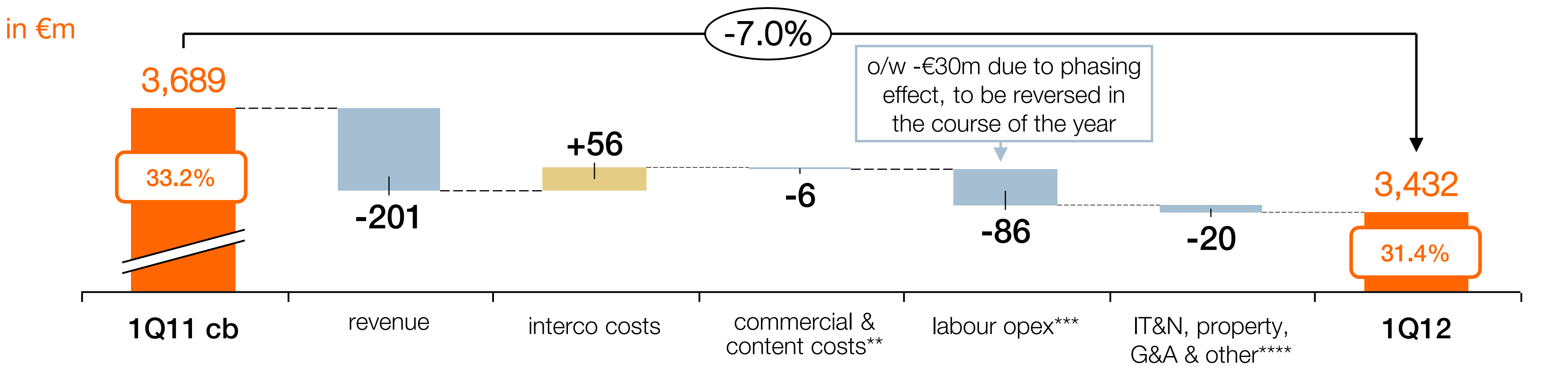
in €m	1Q12 actual	Δ vs 1Q11cb	Δ vs 1Q11cb excl. reg.	1Q12 segment contribution to group revenue yoy* evolution, excluding regulation, in €m	% of Group revenue**	yoy* Δ
France	**5,401**	-4.2%	-1.7%	-93	47.4%	-1.0pt
Spain	**981**	+2.3%	+4.5%	+42	8.9%	+0.4pt
Poland	**832**	-3.4%	-2.3%	-20	7.5%	-0.1pt
ROW	**2,134**	+2.0%	+3.1%	+65 o/w +€63m from Africa & ME	18.7%	+0.7pt
Enterprise	**1,734**	-3.1%	-3.1%	-56	14.9%	-0.2pt
ICSS	**410**	+10.2%	+10.2%	IC&SS +38	2.6%	+0.3pt
eliminations	**-569**	-3.0%	-3.0%	eliminations +18		
Group revenue	**10,922**	-1.8%	-0.1%	-7		

*cb; ** based on contributive revenues

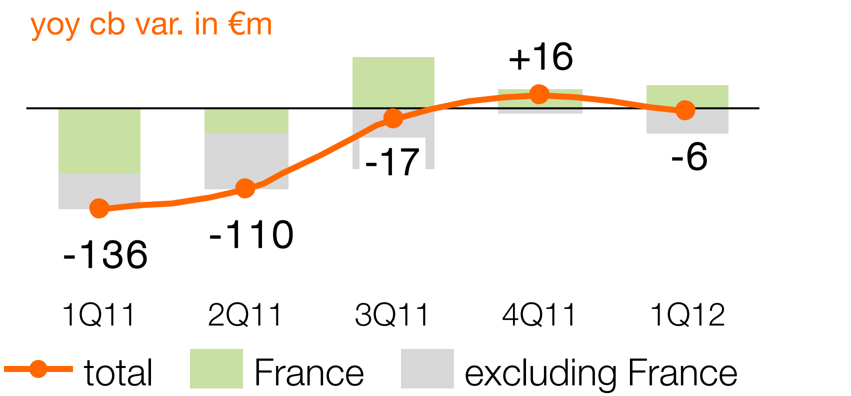
1Q12

pressure on EBITDA mainly coming from revenue decrease

restated EBITDA* evolution in 1Q12



commercial & content costs quasi flat since 2H11 without impacting sales performance



insight

- the increase in labour opex, ex one-off, is coming
  - from an underlying 2011 price effect
  - and from recent recruitments (social commitment)
- in France
  - the recently agreed 2012 salary increase is below the 2011 level, in-line with our wage-restraint policy
  - no "exceptional" profit sharing expected for employees in 2012
  - since the beginning of 2010 : ~ 6,000 employees have entered the TPS

*see slide 24 for restatements **o/w €59m of content provision used in 1Q12 ; *** o/w TPS provision of €37m used in 1Q12 ; ****o/w €18m of content provision used in 1Q12

orange

focus on france : successful commercial counter-attack & wholesale hedge ramping-up

1Q12

commercial success of our reactive offers…

Trading up from prepaid to postpaid
x4 in March yoy

Mobile by Orange

les éditions spéciales
Origami 24/7

Sosh

210k Sosh
+183k net adds in Q1
o/w 1/3 acquisition

1.7 million
Open customers
+66%
gross adds yoy
in Q1

… demonstrated by strong consumer contract gross adds in the 2nd half of the quarter

first half of the quarter:	-19% yoy
second half of the quarter:	+31% yoy

wholesale: 2G/3G roaming agreement

- a strategic and pragmatic financial decision: it represents a partial hedge vs. Free mobile retail impact
- contract is technically effective since the 10th of January 2012
- contract is covering voice & data roaming with a security cap in usages. Orange guarantees the QoS of its network
- first revenue estimate (at contract signing as of March the 3rd, 2011): €1bn over 6 years
- revenue estimates* after two months of contract implementation: could increase to above €1bn over 3 years
- traffic from Free mobile customers could be substantially higher than expected, without harming the QoS for Orange customers

*revenue estimates depend on different factors, mainly Free mobile ramp up in terms of number of customers and network roll out

orange

1Q12

focus on france : portability requests back to pre-4th entrant launch level

impact of 4th mobile entrant on net adds

Orange net adds
from the 1st of January to the 15th of February 2012

+ 837k new customers	-1,038k churners	i.e. -201k net customers losses

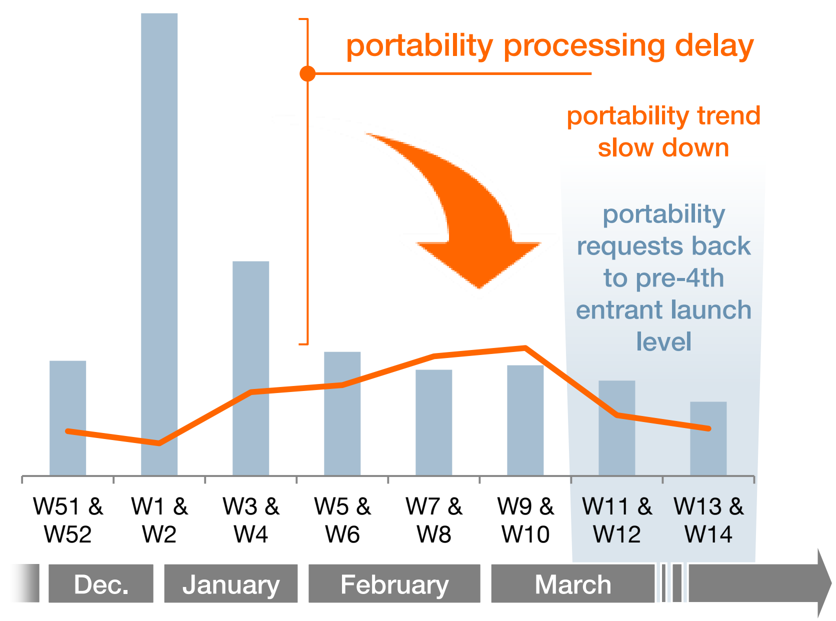
Orange net adds
from the 16th of February to the 31st of March 2012

+ 860k new customers	-1,274k churners mostly due to January portability requests backlog & prepaid	i.e. -414k net customers losses

Orange net adds in Q1

+ 1 697k new customers	-2 312k churners	i.e. -615k net customers losses, (equal to -2,3% of customer base)

contract churn impacted by massive portability requests in January & early Feb.



portability requests

disconnections from portability requests

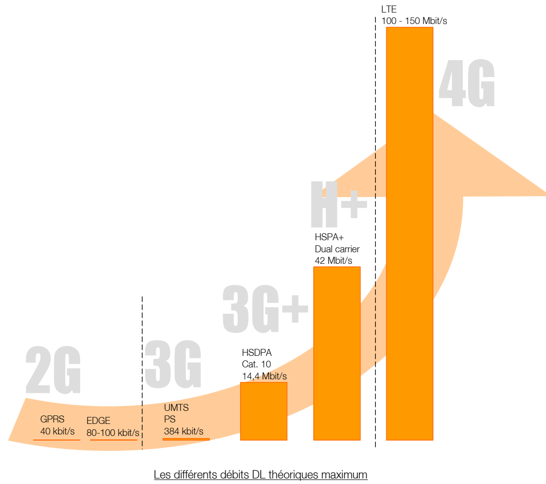
(more than **54%** of the total quarter portabilities result from January requests)

CAPEX to sales ratio at 10.0% in 1Q12, up +0.4pt yoy

1Q12

investing for differentiation & value

en route towards new generation access in France for a new customer experience



- Orange triples the speed of its 3G+ network by moving to HSPA+ (H+) technology at 42 Mb/s for an additional fee of 10€
- > 50 % of the population covered with H+ since 24 November 2011, including 40 major urban cities
- acceleration of LTE investments in France
- Marseille first pilot city for 4G starting in June 2012
- continued ramp up in FTTH investments & in customer acquisitions: more than 100k so far.

insight

Spain

- higher investments due to RAN renewal

Poland

- investments on fixed broadband program on track as agreed with Polish regulator
  - 912 k lines cumulatively delivered

RoW

- coming back to a normal level after a strong activity on 3G and submarine cables in Africa
  - LION2 cable launched on April 12th
  - ACE expected to be launched in 2012

* maximum theoretical speed.

1Q12 France financials

1Q12

mobile revenue down as anticipated, but successful counter-attack

1Q12 France revenue*: -4.2%
(-1.7% excl. regulatory impacts)

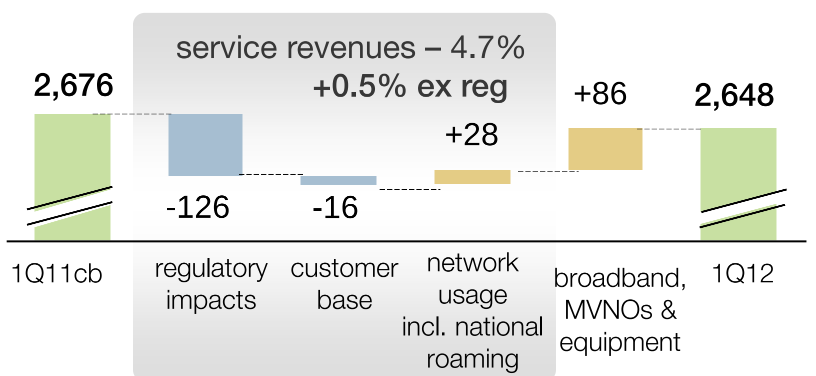
in €m	1Q11 cb	1Q12	var cb
revenue	**5,636**	**5,401**	**-4.2%**
personal	2,676	2,648	-1.1%
home	3,250	3,112	-4.2%
eliminations	-290	-359	

insight

- as anticipated, personal revenue down -1.1%*, in a strong competitive market
  - increasing regulation weight (up 29%*) only partially compensated by positive effects such as:
  - national roaming agreement partially hedging the negative retail impact (personal service revenue growth ex-reg)
  - Open broadband revenue driving «BB, MVNOs & equipment» revenue
- annual broadband revenue growth recovery at +5.6%, +3.7pt yoy
  - end of the negative 2011 reprice effect
  - sustained broadband customer growth at +3.9%, fuelled by Open

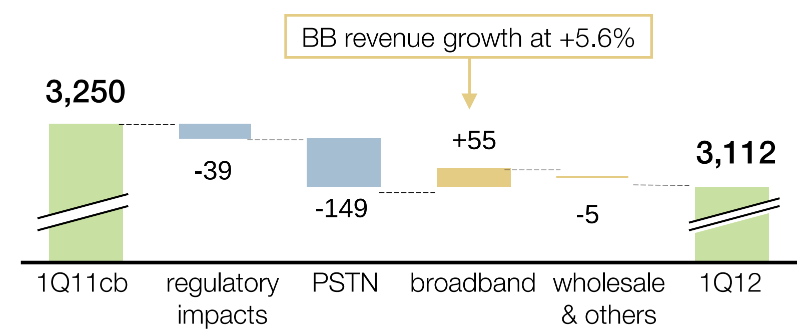
1Q12 personal revenue *: -1.1%
(+3.8% excl. reg.)

in €m



1Q12 home revenue*: -4.2%
(–3.1% excl. regulatory impacts)

in €m



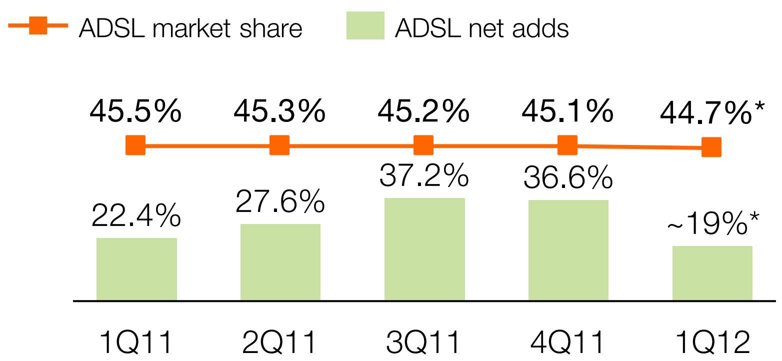
* yoy cb

1Q12 France home KPIs

good commercial performance confirmed

1Q12

ADSL market & conquest shares



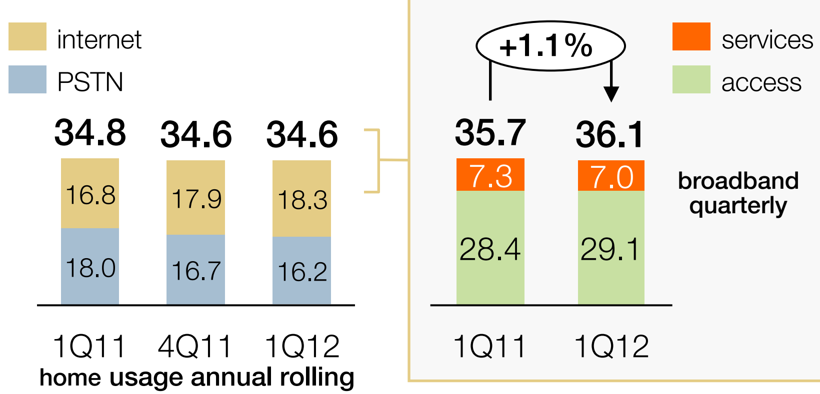
ARCEP market figures

insight

- strong commercial performance with +60 k net adds; ~19% share of net adds thanks to churn control
- strong contribution of Open (+312k net adds) to our BB gross adds (30% of gross adds), an efficient weapon facing other bundled offers attractiveness
- broadband ARPU at €36.1, +€0.4 yoy driven by a favorable access mix effect
- decreasing PSTN line loss trend thanks to marketing actions

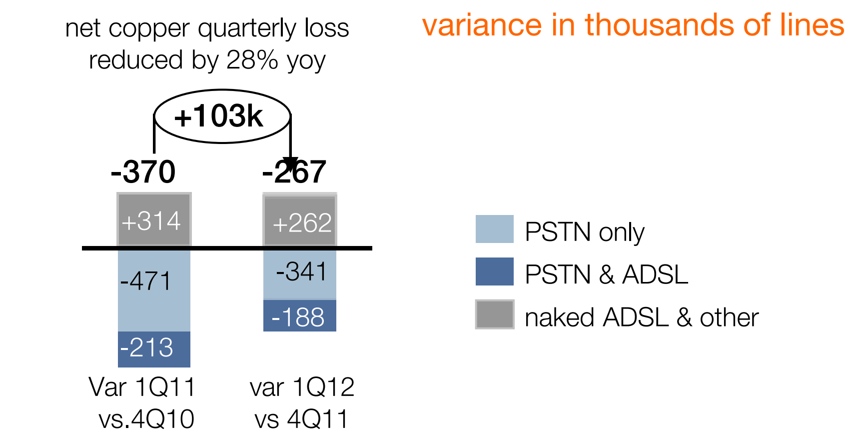
ARPU home usage driven by better broadband mix

ARPU, in €/month



PSTN line losses slowing down

variance in thousands of lines



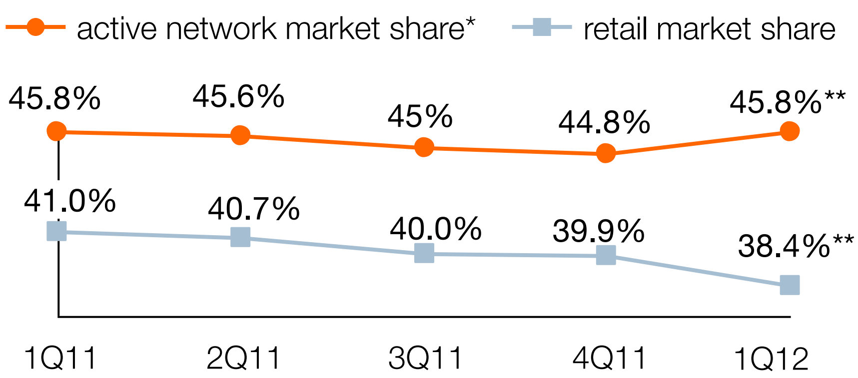
* company estimates

1Q12 France personal KPIs

robust mobile gross adds

1Q12

network market share growth



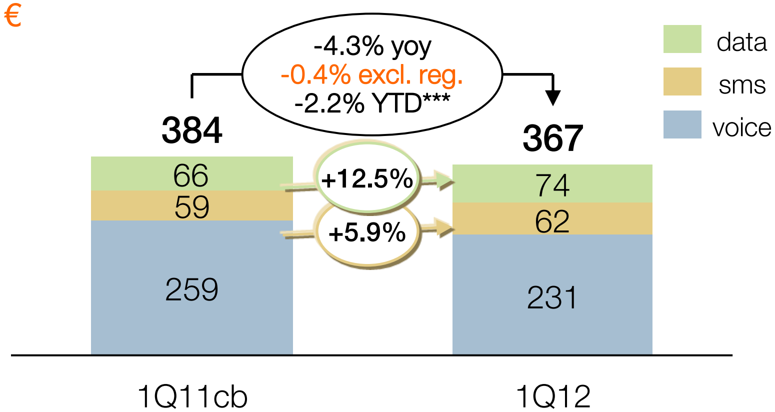
ARCEP market figures

insight

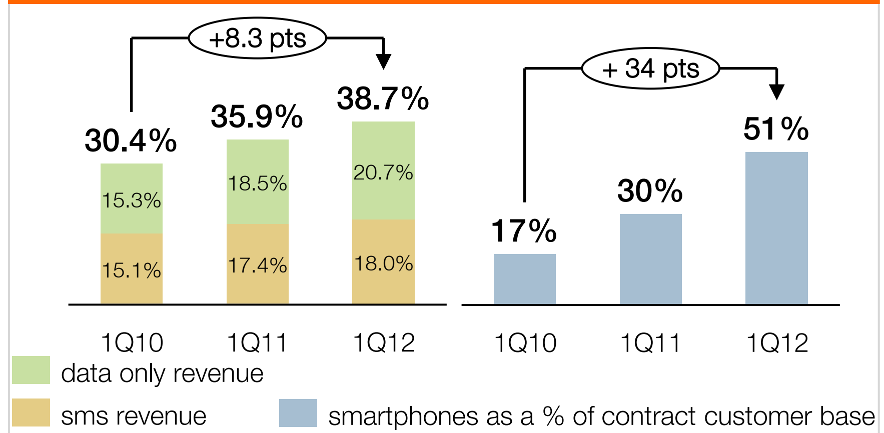
- marketing strategy to protect value-customer base
  - strong commercial performance in a very active market led by Open, limited editions and Sosh offers
  - -1.5pt of market share o/w 0.5pt linked to double SIM equipment & prepaid losses
  - contract customers mix +1.1 pts yoy
  - 81% of voice contract customers under commitment
- -0.4% ARPU variation yoy excl. regulation: thanks to a managed reprice effect
- -2.2% sequential ARPU***, -0.3% excl. regulation
- data ARPU continues to grow driven by smartphone penetration

annual rolling ARPU evolution

in €



data revenue growth & smartphone penetration



* network market share, incl. national roamers ** company estimates ***sequential defined as 1Q12 vs 4Q11cb – 12m rolling ARPU

1Q12 Spain

top line growth driven by commercial performance despite economic environment

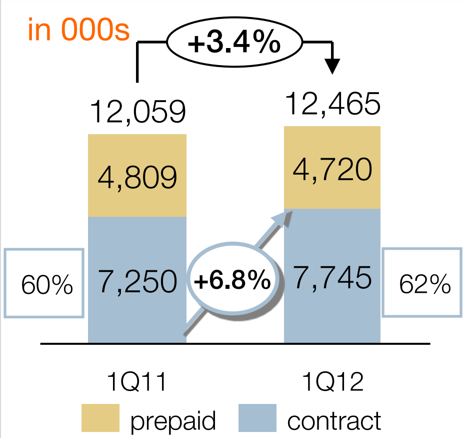
1Q12 Spain revenue*: +2.3%
(+4.5% excl. regulatory impacts)

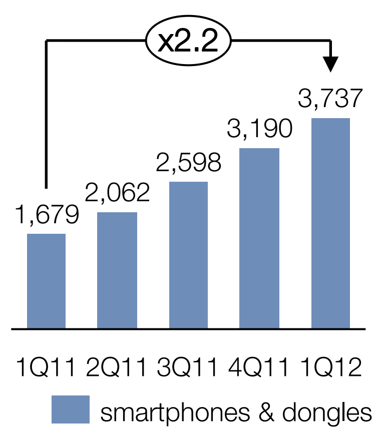
in €m	1Q11 cb	1Q12	var cb
revenue	**959**	**981**	**+2.3%**
personal	789	797	+1.0%
home	170	184	+8.6%

insight

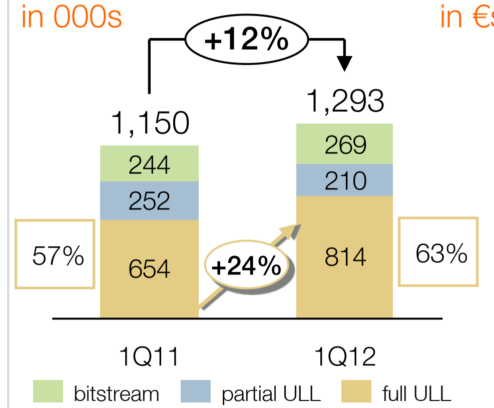
- mobile revenue up +3.5% ex-reg. driven by contract customer base increase & data revenue
  - contract churn down to 19.7% (-0.6 pts yoy) and mobile data customers up by x2.2
  - continued leadership in mobile portability in Q1'12
- home revenue up +8.6% with fixed broadband revenues up +17%
  - driven by ADSL base expansion and ARPU growth, with 63% of VoIP customers

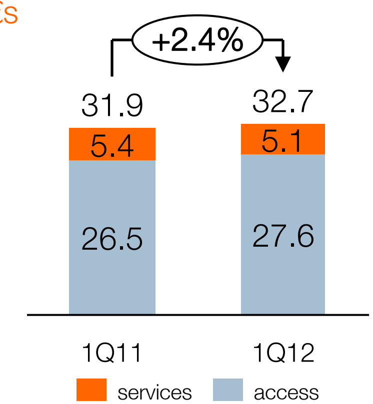
strong contract customer base growth driven by the success of mobile data offers





improving ADSL customer base, access mix & ARPU





* yoy cb

1Q12 Poland
revenue driven by mobile and promising commercial indicators in BB

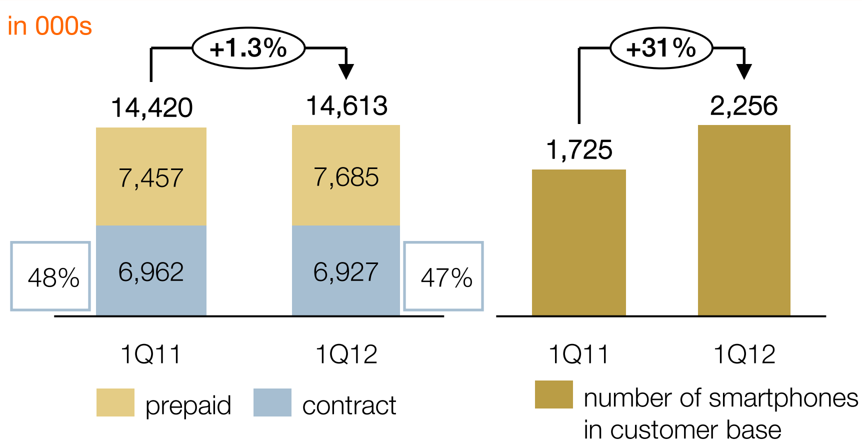
1Q12 Poland revenue*: -3.4% (-2.3% excl. regulatory impacts)

in €m	1Q11 cb	1Q12	var cb
revenue	**862**	**832**	**-3.4%**
personal	439	440	+0.3%
home	481	455	-5.4%
eliminations	-58	-63	

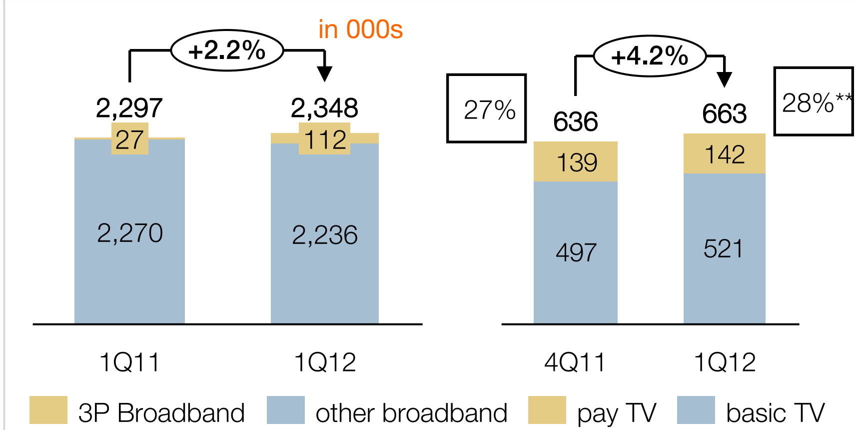
insight

- mobile revenue up +2.6% ex-reg. with a +1.3% increase in the customer base
  - focus on defending our #1 value market share position (30%***)
  - +31% yoy increase of smartphones in the base helping to drive contract data ARPU up +20%
- home revenue down -5.4% with ongoing decline in PSTN due to lower usage & fixed-to-mobile substitution partially offset by improving trends in broadband
  - new 3P offer driving fixed broadband growth: +57 k net adds in Q1 and +4.2% qoq growth in TV customers

smartphone base up +31% yoy driving a +20% increase in contract data ARPU



increase in the customer base brings broadband revenues back to growth



* yoy cb; ** TV penetration in retail BB customers; ***company estimates

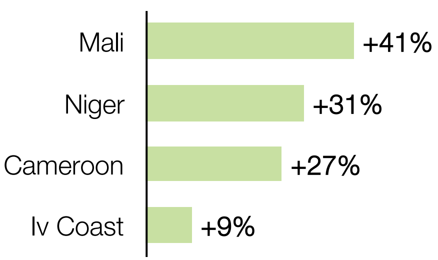
1Q12 Rest of the World
growth fuelled by emerging countries including IC & Egypt

1Q12 revenue* : +2.0% (+3.1% excl. reg.)

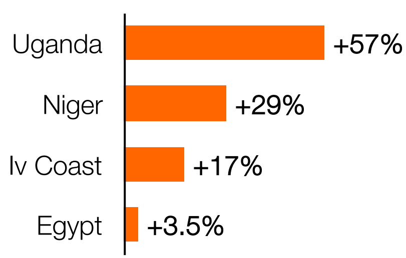
in €m	1Q11cb	1Q12	var cb
total ROW revenue	2,091	2,134	+2.0%
European countries	1,009	994	-1.5%
Africa & Middle East	941	1,001	+6.3%
o/w Egypt	*308*	*319*	*+3.5%*
other countries	144	142	-1.6%

growth coming from Africa and Middle East

mobile customer base growth, yoy



revenue growth in %*



insight

- **European countries**: revenue up +0.4% excl. reg.
  - **Belgium**: revenue up +2.3% ex-reg
    - following aggressive competition
    - objective of re establishing market position following the recent launch of Animals offers
  - **Romania**: swing to revenue growth +0.1% excl reg
    - good commercial momentum on prepaid
  - **Moldova & Armenia**:
    - contract customer base increase fuelling revenue growth
- **Africa & Middle East countries**: revenue back to growth (+6.3%*) after 4 quarters in a row of stability due to political headwinds
  - region's mobile customer base increased by +16%**
  - revenue growth helped by recovery trend in Egypt (+3.5%*) & Ivory Coast (+17%*)
  - strong contribution of Cameroon (+14%*) and operations in countries such as Uganda (+57%*) & Niger (+29%*)
- **Egypt:** growing customer base up +7.5%*
  - high level of gross adds (+44%*) even if high churn
  - increasing penetration of smartphones and rising demand for internet and data services underpinning revenues

* yoy cb; **yoy

1Q12 enterprise

solid IPVPN and growing networks performance but impending phasing-out of some legacy networks

1Q12

1Q12 enterprise revenue* : -3.1%

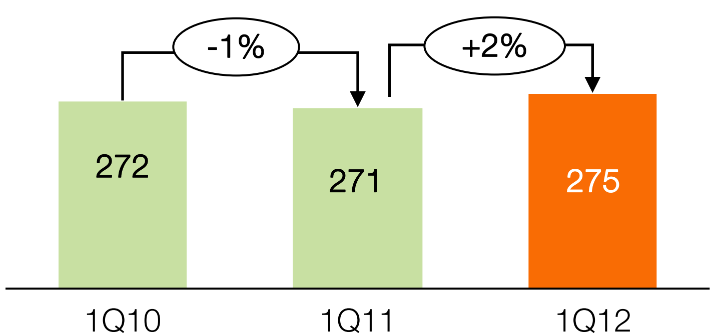
in €m	1Q11cb	1Q12	var cb
total enterprise	1,790	1,734	-3.1%
legacy networks	576	497	-13.8%
mature networks	704	709	+0.7%
growing networks	88	97	+11.0%
services	423	431	+2.0%

insight

- legacy networks: sharper decline in legacy data as some products (e.g. x25 product) are about to be phased-out
- mature networks: IPVPN supported by robust demand in international markets, compensating the termination of analogue broadcasting
- growing networks: growth driven by VoIP and satellite accesses
- services: growth driven by customer contact solutions and integration services, while market activity for large IT projects has slowed down

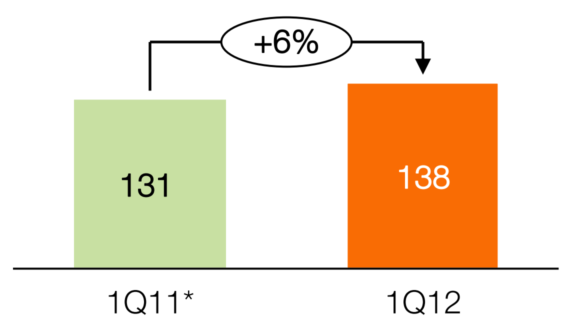
mature networks: IPVPN accesses in France

in thousands



revenues with emerging markets still growing

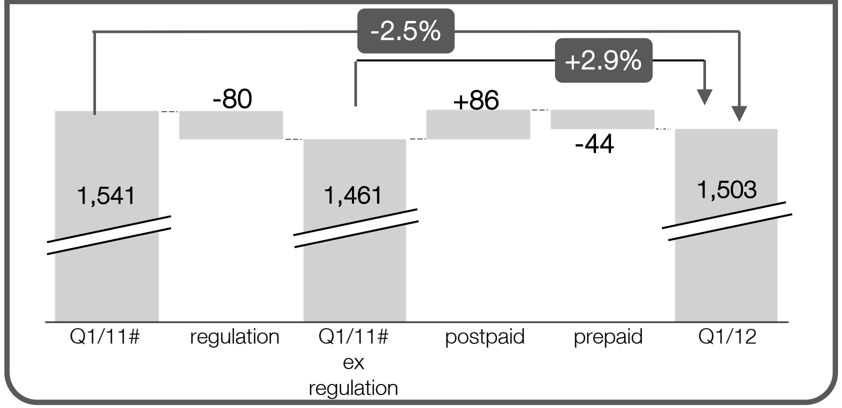
in €m



*yoy cb

EE: solid share of postpaid net adds and industry leading postpaid churn

Mobile service revenues +2.9%* ex regulation, £m



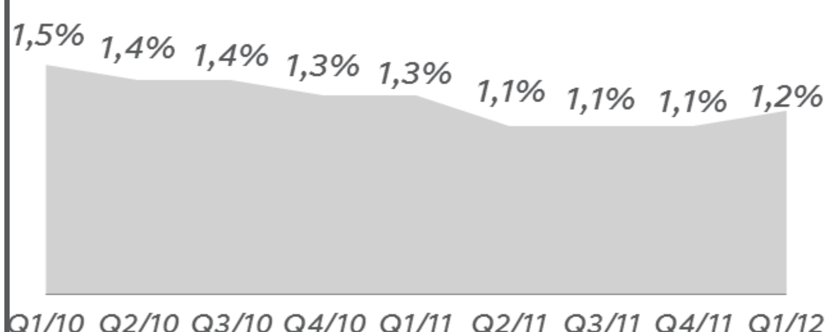
Insights

- Underlying mobile service revenue driven by growth in postpaid base, 886k net adds in last 12m
- Postpaid, focus on retention as market slows after very active Q4/11
- Investing in future value; 77% (Q1/11: 63%) of postpaid base on 24m contracts

Initiatives

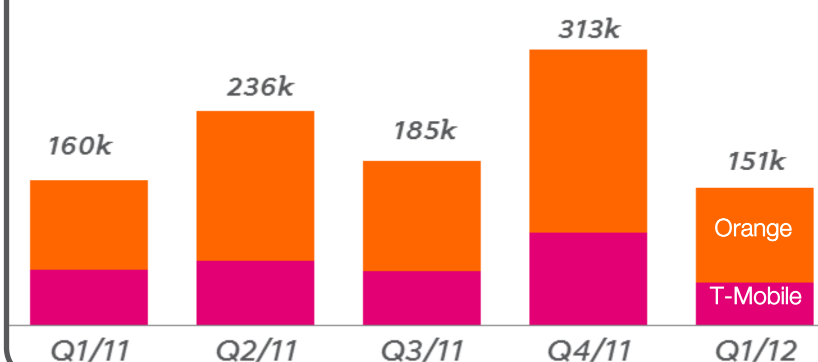
- More network improvements with 3G "Smart Signal" giving Orange & T-Mobile customers seamless use of both networks, and rollout of 3.5G (HSPA+ 21Mb/s)
- Strong brand differentiation; T-Mobile Full Monty launch and Orange Swapables promotion

Industry-leading postpaid churn*



* monthly average (3 month rolling)

Solid market share of postpaid net adds



\# accounting for bundled fixed broadband revenues and service provider revenues changed in Q1/12 , Q1/11 restated on a comparable basis, see EE press release appendix for details

* Using revised accounting for Q1/12 and Q1/11, +2.6% on the previous basis

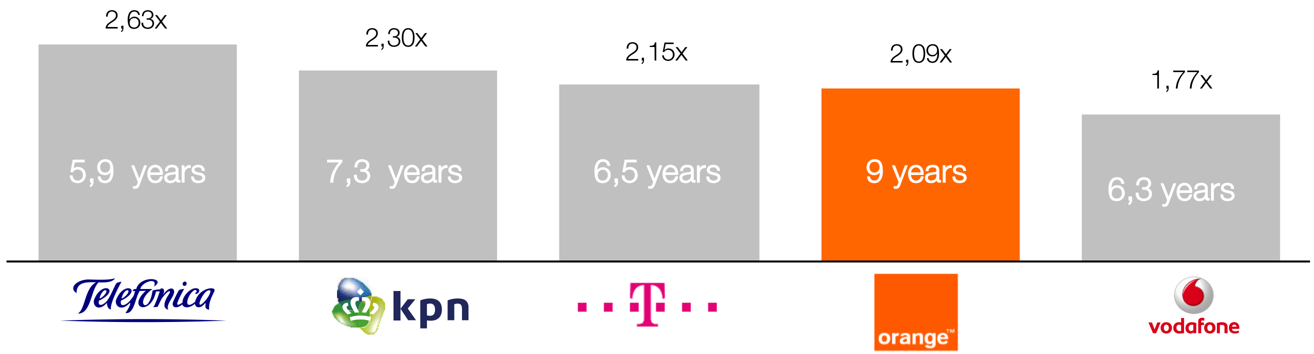
financial objectives summary

France Telecom-Orange will continue to implement a strict financial policy in order to preserve its balance sheet

France Telecom

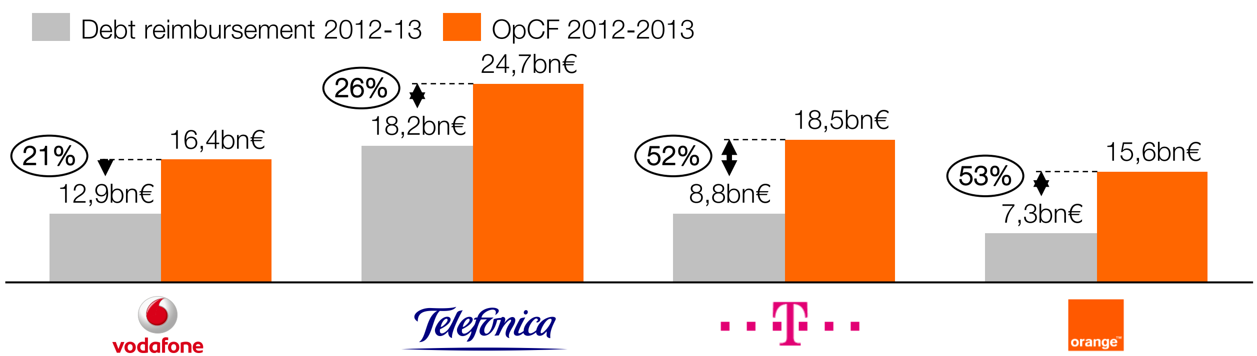
... has a debt ratio at the lowest and a debt maturity at the longest among European peers...

Net debt / EBITDA ratio (1) and average maturity(1)



...maintain a solid liquidity position ...

Debt reimbursement and cumulated Operating Cash-Flows 2012-13 (2)



...and enjoys the highest rating in the sector ...

	orange		Telefonica		vodafone		T		kpn	
Moody's	A3	Stable	Baa1	Negative	A3	stable	Baa1	stable	Baa2	Negative
S&P	A-	Negative	BBB	Negative	A-	stable	BBB+	stable	BBB	stable
Fitch	A-	Negative	BBB+	Stable	A-	stable	BBB+	stable	BBB	Negative

Legend: Rating changes since January 2012

Source :
(1) S&P Telecoms Investor Event 2012 Paris, May 22nd 2012, end of december 2011data (except Vodafone, september 2011) – average maturity of bonds as of 31/12/11 (source: Bloomberg
(2) OpCF FT (FT consensus) – OpCF other operators (ThomsonOne)
(3) Source Bloomberg

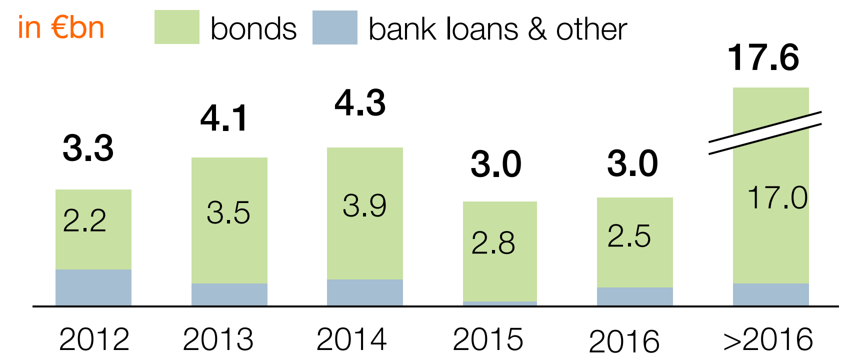
the Group has reinvested credit quality into the extension of the average maturity and the reduction in cost of debt

insight

- debt raised since January 2011 with 11.7 years average maturity
- emblematic series of 3 transactions placed since November 2010 for €1.3bn at 30-40 years maturity with 4.75% average rate [(1)]
- best in class average maturity of 9.0 years (and 11.3 years with TDIRA [(2)])

(1) return swapped back into €
(2) when assigning a 50 years maturity assumption to this perpetual convertible debt

Bonds[(3)]/bank loans/leases repayments end of 2011



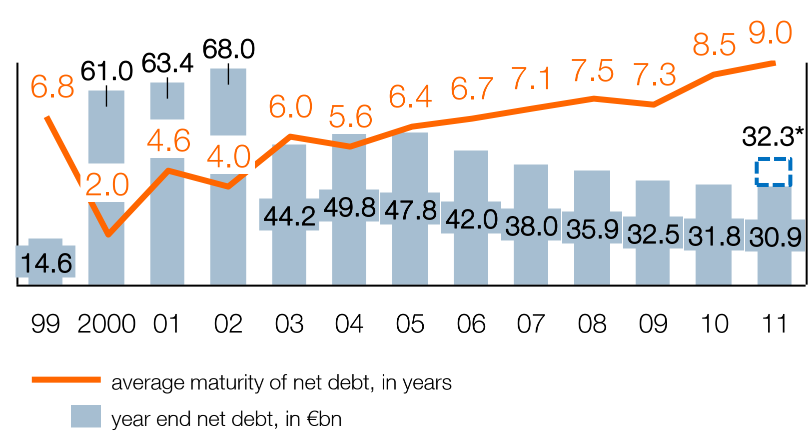
(3) excluding TDIRA

debt structure

Moody's / S&P / Fitch rating	**A3/A-/A-**
% of net debt with a fixed rate	113%
% of bond debt in €* (*after derivatives)	87%
% of gross debt in bonds	88%
average maturity of net debt end 2011	9.0 years
average maturity of net debt end 2010	8.5 years
average weighted cost of debt in bonds **	
- end of 2011	5.28%
- end of 2010	5.59%

**source Bloomberg

average maturity [(4)] and net debt evolution



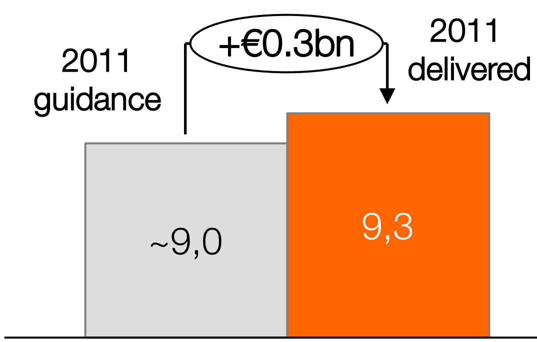
(4) TDIRA: € 1.8bn outstanding of perpetual convertible bonds, not included in average maturity of net debt. if assigned a 50 years maturity, net debt average maturity including TDIRA would be 11.3 years * Net debt as of year end 2011 incl DPTG and 800 Mhz spectrum cash out

adapt to conquer phasing reiterated: 2012 will remain the low point in terms of OpCF

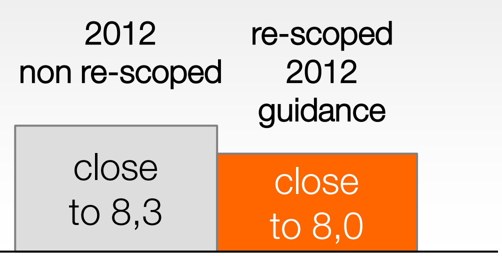
2012 ········ 2013 ▶

OpCF guidance

	2012	2013
OpCF guidance	close to €8bn* (re-scoped) re- scoped for (mainly) Switzerland, Emitel, CCT and forex. total impact of ~0.3bn€	update will be given in 2H12 re- scoping impact of ~0.4bn€ compared to initial guidance



new indication



2011 and 2012 OpCF
(in €bn)

2011 ········ 2012 ▶

*excluding exceptional items, such as state employees unemployment insurance

orange

the shareholder return policy has become flexible to preserve a strong balance sheet

	2011	2012	2013
	guidance met leverage 2.09x return confirmed	uncertain environment priority to financial structure variable return based on performance	
dividend policy	1.4€ DPS FY 2011 dividend balance of 0.8€ paid in June 2012	40 to 45% OpCF pay-out Interim 2012 payment of 0.6€ to be paid in September 2012	40 to 45% OpCF pay-out

in a deteriorated macro and financial market environment, our priority is to preserve a safe leverage ratio, i.e. ~2x net debt/EBITDA in the medium term. The Group does not intend to make any share buy-back in 2012

appendix

France-Telecom Orange – Investors' Checklist

Potential Concerns	Mitigants	FT-Orange specifics
« France » Risk?	▪ France has proven resilient since 2009 with no quarter of GDP contraction[(1)] ▪ Strong consumer defensive characteristics: reduced household leverage and relatively stable unemployment rate	▪ No more than 50% of revenues from France ▪ France Telecom Orange is more resilient than "France Sovereign" and its CDS is lower
Telecom Sector Under Structural Threat?	▪ Digital technologies usage is booming with data traffic rising, tablets, globalization ▪ Telecom network operators hold the key to these consumer-driven evolutions	▪ FT-Orange keeps increasing its subscribers ▪ Usage of FT-Orange services keeps growing ▪ FT-Orange balanced geographic footprint and complete product offering will allow it to drive and fully benefit from these evolutions
Euro is at risk? Or Overvalued?	▪ Euro currency and Eurozone stability have held up despite several quarters of risks, news and Greek crisis development ▪ Consensus EUR/USD forecasts stable at around 1.29[(2)]	▪ FT is not 100% Euro exposed

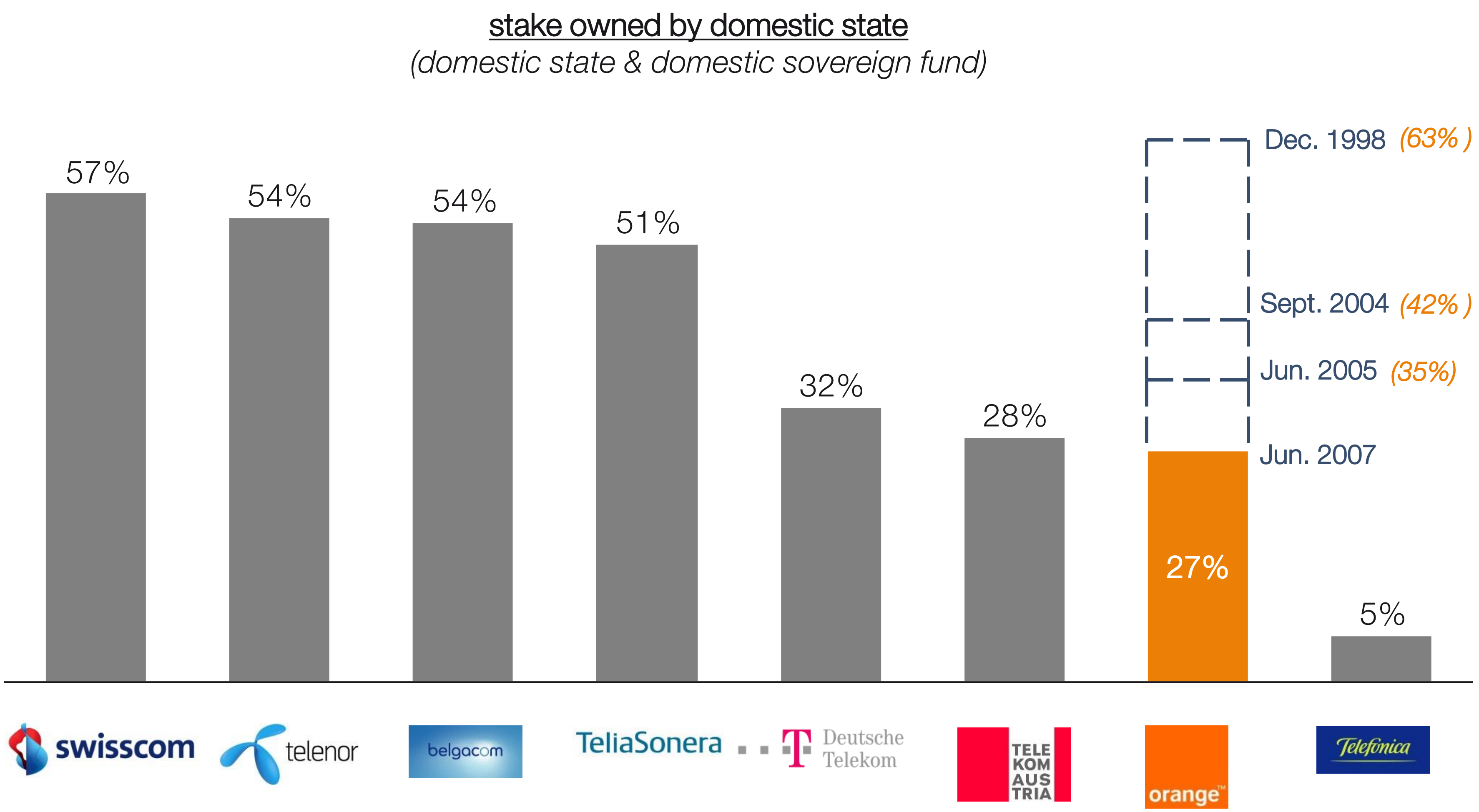
(1) Based on OECD statistics
(2) Bloomberg consensus as at 02 May 2012

benchmark on guidance and shareholders' remuneration

	2011	2012	Dividends / OpCF
vodafone	• £6.0-6.5 bn FCF • £6.8bn share buy back (on £15bn China Mobile and SFR disposals) • 7% growth in DPS	• £5.5 – 6.5 bn FCF • 7% growth in DPS • special £2bn dividend (re. Verizon Wireless)	2011a 52% 2012e 81%
Deutsche Telekom	• adj. EBITDA of ~ €19.1 bn (constant forex) • stable to slightly growing FCF from €6.5 bn in 2010 • €3.4 bn remuneration / year for 2011-2012 with a minimum DPS of €0.70 and the rest via SBB	• adj. EBITDA ~ € 18 bn (constant forex) • FCF ~ € 6 bn • €3.4 bn remuneration and €0.7 minimum DPS • execution and timing of SBB not yet decided by the management	2011a 29% 2012e 31%
kpn	• EBITDA growth • Capex < € 2bn • FCF growth • DPS at least € 0.85 • new €1bn SBB	• EBITDA € 4.7 - 4.9bn • Capex € 2.0 - 2.2bn • FCF € 1.6 - 1.8bn • DPS € 0.90 • no SBB in 2012	2011a 38% 2012e 48%
Telefónica	• revenue growth up to 2% • OIBDA margin in the upper 30s, with limited erosion yoy • ~€9 bn CAPEX • €1.60 DPS	• revenue growth >1% (constant forex) • lower OIBDA margin decline than in 2011 • similar CapEx/sales as in 2011 • € 1.30 DPS • SBB € 0.20 / share	2011a 51% 2012e 47%
vivendi	• slight increase in adjusted net income excluding NBC Universal • maintain a high cash dividend	• 12% to 15% decrease in EBITDA* • CFFO close to €1.7bn • cash dividends to represent ~45% to 55% of adjusted net income from 2012 onwards	2011a 34% 2012e 32%

source : group disclosure, consensus Thomson Reuters Knowledge

stake owned by French state in the Group ranks lowest among European operators



Month. Year (xx%): *sale of FT stake by the French stake / xx% representing the state's stake after sale*

France Telecom-Orange share main features on the stock market

	Market Cap
2009	45,783
2010	40,426
2011	37,594
2012	29,725

Top 5 market cap in the Stoxx Telecom index	
Vodafone	32,35%
Telefonica	13,16%
Deutsche Telekom	10,26%
BT Group	8,84%
France Telecom	8,03%

	Index Weight	Position
CAC 40	3,20%	10
Stoxx Telecom	8,03%	5
Euro Stoxx 50	1,47%	28

Dividend	
2011	1,40 €
2012	1,40 €

Dividend yield	
2011	9,86%
2012	12,48%

a responsible governance support

Stéphane Richard, Chairman and CEO

Gervais Pellissier, CEO delegate and CFO

board of directors

15 board members*

- **7** independent members
- **3** employee representatives
- **3** representing the French State
- **1** representing the employee shareholders

3 board committees

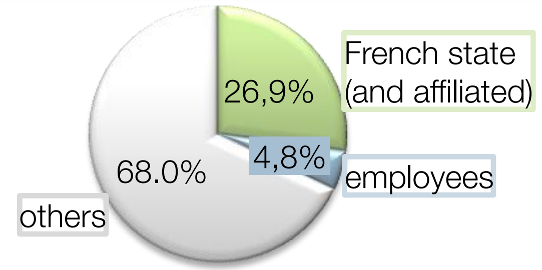
- audit committee
- governance & CSR** committee
- strategy committee

executive committee

13 executive members***

7 main governance committees

〉shareholding structure



〉insight

- renewal and feminisation at the heart of our governance strategy
- 5 women board members
- active governance in 2011 with:
  - 10 board of directors meetings
  - 8 audit committee meetings
  - 9 governance & CSR** committee meetings
  - 1 strategy committee meetings

*including Chairman **corporate social responsibility *** including CEO

orange

thank you