Conquests 2015 together, we can do more

analysts conference call

July 5th, 2010





cautionary statement

this presentation contains forward-looking statements about France Telecom's business, in particular for 2010 to 2015. 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.

agenda

- conquests 2015 highlights
- 2. focus on France
- 3. profitable growth in AMEA
- 4. 2010-2011 use of cash policy

conquests 2015: toward a convincing equity story for investors

4 strategic second conquest: our networks

first conquest: our employees

axes | third conquest: our customers

fourth conquest: international development

Key excellence in execution **SUCCESS** | managerial room for manoeuvre factors running the business with a stronger operational focus

conquests: our employees and our networks

our employees

- management empowered for best execution at local levels
- HR as an essential pillar of our company's development
- upgrade internal processes and information systems
- manage ahead for future skills requirements

our networks

- increase bandwidth and coverage to meet demand
- build up network quality of service
- adjust pricing to best monetize connectivity services
- prepare for the integration of new services
- step up « green telecoms » program (also in Africa)

conquests:

our customers and our international development

our customers

- become n°1 for quality of service
- simplify products & services portfolio, and leverage customer knowledge
- improve customer experience, innovate in customer relations and loyalty
- capture opportunities in adjacent businesses
- partnerships with content providers always based on technology

our international development

- grow our group customer base to 300 millions by 2015
- double revenues in emerging countries by 2015
- leverage network coverage and innovation for competitive advantage
- dedicated CSR programs per country

in France, solving an unprecedented social crisis

issues

solutions

tools

loss of purpose

 the Group project will provide clear objectives and purpose simplified and flexible IT system

confidence in management

- build a sustainable new management model to improve employee satisfaction and efficiency
- empowered management

improve corporate support to local operations

turn customer focus and quality of service into competitive advantage

conquests 2015: first growth/performance benefits and costs in France

first growth & operational benefits

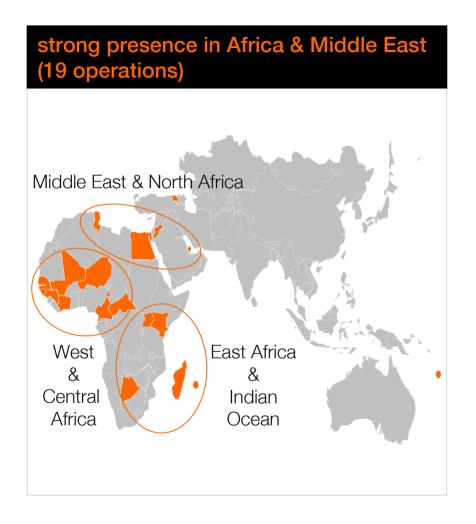
- win employees' commitment
- best-in-class customer experience
- increase our market share
- return to revenues growth

2010-2012 impacts

- €900m over 2010-2012, of which
 - €320m for recruitments (10,000 hires)
 - €220m for employee benefits
 - €360m for improved working conditions
- excluding cost savings from TPS* program and natural attrition

^{*} French part-time senior plan

AMEA, an opportunity for profitable growth



strong market positions foster profitability

mobile market position	# operations	% of cust. base
#1	8	85%
#2	6	13%
#3 or 4	3	2%

Internet services in all operations, 6 as incumbents

	% revenues 2009	Δ revenues 2008-2009
fixed	18.5 %	0.4 %
mobile	75.4 %	10.5 %
Internet	6.1 %	10.4 %

Orange business model for emerging markets

operating model adjusted to local market

- use of segmentation to design offers, prepaid lifecycle monitoring
- extend mobile coverage thanks to innovative low cost solutions
- accelerate VAS platforms sharing (Orange Money, mobile TV, mail, VoIP, e-Recharge ...)

best network reach as a competitive differentiator

- best rural coverage
- extensive use of solar-powered base stations
- deploy submarine cables to extend Internet access through mobile

Orange brand

- all new operations launched under Orange brand
- Uganda & Armenia rebranded in 2009; Tunisia in 2010
- 11 brandings or re-brandings in 2 years

positive contribution to Group performance

customers 50 m

revenues € 3.4bn, +5.2% proforma vs. 2008

EBITDA margin 42%

CAPEX to sales 24%

2009 results

use of cash policy for 2010-2011

- on track to reach €8bn organic free cash flow in 2010
- reiterated target of €8bn organic free cash flow in 2011
- the above takes into account the first growth & performance benefits and cost of conquests 2015
- confirmed current attractive shareholder remuneration : objective to return at least 45% of organic cash flow
- the resulting room-for-manoeuvre created will be used for disciplined / value creative M&A while sticking to medium term target of 2X net debt to EBITDA ratio

M&A policy confirmed

- objective is to increase weight of growth assets in corporate portfolio
- two focus areas
 - emerging markets, with specific effort in AMEA
 - target is to double revenues within 3-5 years (FY09 revenues were €3.4bn including Egypt)
 - revenues growth within current perimeter assumed 5-6% CAGR
 - approx. €2.5bn of new revenues acquired externally for a net total €5-7bn consideration
 - consolidation in markets where we already operate (consumer and enterprise markets)
- no transformational nor equity deal currently envisaged
- rigorous value creation criteria applied, while keeping our current market leadership objective of #1 or #2 position in all footprint countries

next steps

July 29th, 2010

• 1H10 results

October 28th, 2010

3Q10 results

Nov.-Dec. 2010

 investor conference on conquests 2015 strategic plan