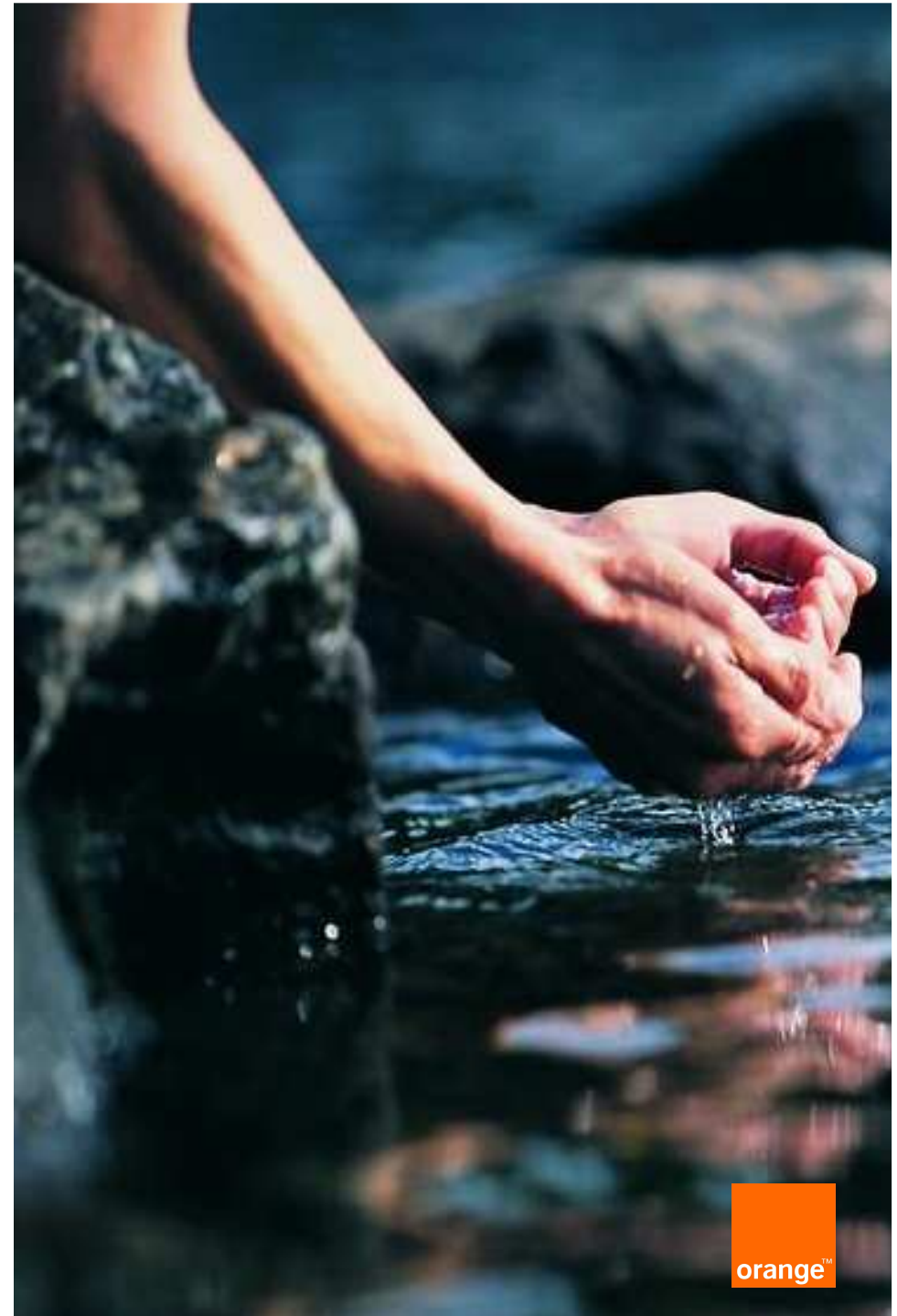


France Telecom

2009 results

Didier Lombard, Chairman & CEO
Stéphane Richard, CEO designate
Gervais Pellissier, Deputy CEO & CFO

February 25th 2010



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.

agenda

1 FY09 Group highlights

2 FY09 results & financial outlook

3 business performance

4 France performance

5 conclusion

1 FY09 Group highlights

Didier Lombard
Chairman and CEO

2009 highlights

dynamic commercial trends	<ul style="list-style-type: none">▪ fixed broadband base at 13.5m (+4.1% yoy)<ul style="list-style-type: none">– o/w 23.8% IPTV & satellite customers▪ mobile base at 132.6m (+8.8% yoy)<ul style="list-style-type: none">– o/w 20.2% mobile broadband customers
limited EBITDA margin erosion	<ul style="list-style-type: none">▪ limited margin erosion (-0.6pt*) thanks to dynamic cost management
organic cash flow delivered	<ul style="list-style-type: none">▪ organic cash flow slightly above guidance, at €8.35bn▪ a 1.4 € dividend for FY09 will be proposed to the General Assembly of June 9th and the 0.8€ balance will be paid on June 17th, 2010
2 major in-market deals	<ul style="list-style-type: none">▪ joint venture with T-Mobile in the UK▪ acquisition of Sunrise in Switzerland▪ FT Espana minorities buy out▪ new operations launched in Uganda and Armenia, Tunisia on track
French social negotiations are underway	<ul style="list-style-type: none">▪ part-time senior plan signed▪ new social contract: ongoing signature of agreements▪ nearly 4,800 apprentices hired

2009 commercial success across our footprint

France

- 26.3m mobile customers, 47% network market share
- FY09 mobile net adds: +1,133k (+16% vs 08)
- 1m iPhone sold
- +7% yoy fixed broadband subscribers at 8.9m

Poland

- 13.7m mobile customers, stabilised market share at 30%
- FY09 mobile contract net adds: +456k
- mobile contract customer base +7.4% yoy
- +4% yoy fixed broadband subscribers at 2.3m

UK

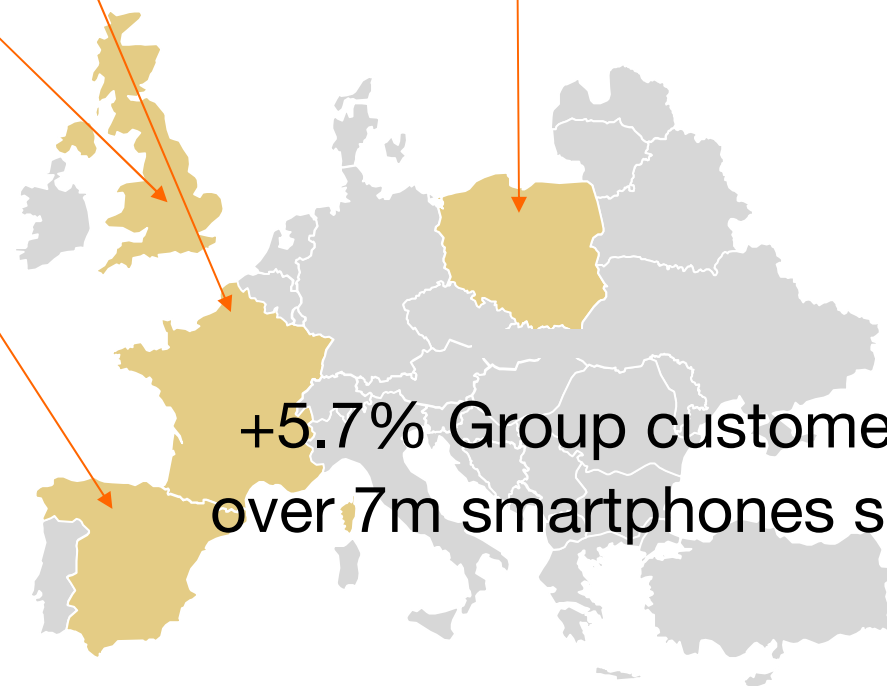
- 16.5m mobile customers
- FY09 mobile net adds: +519k (+47% vs 08)
- 222k iPhone sold during 4Q09

Spain

- 11.9m mobile customers
- FY09 mobile net adds: +505k (+78% vs 08)
- 1.1m fixed broadband customers

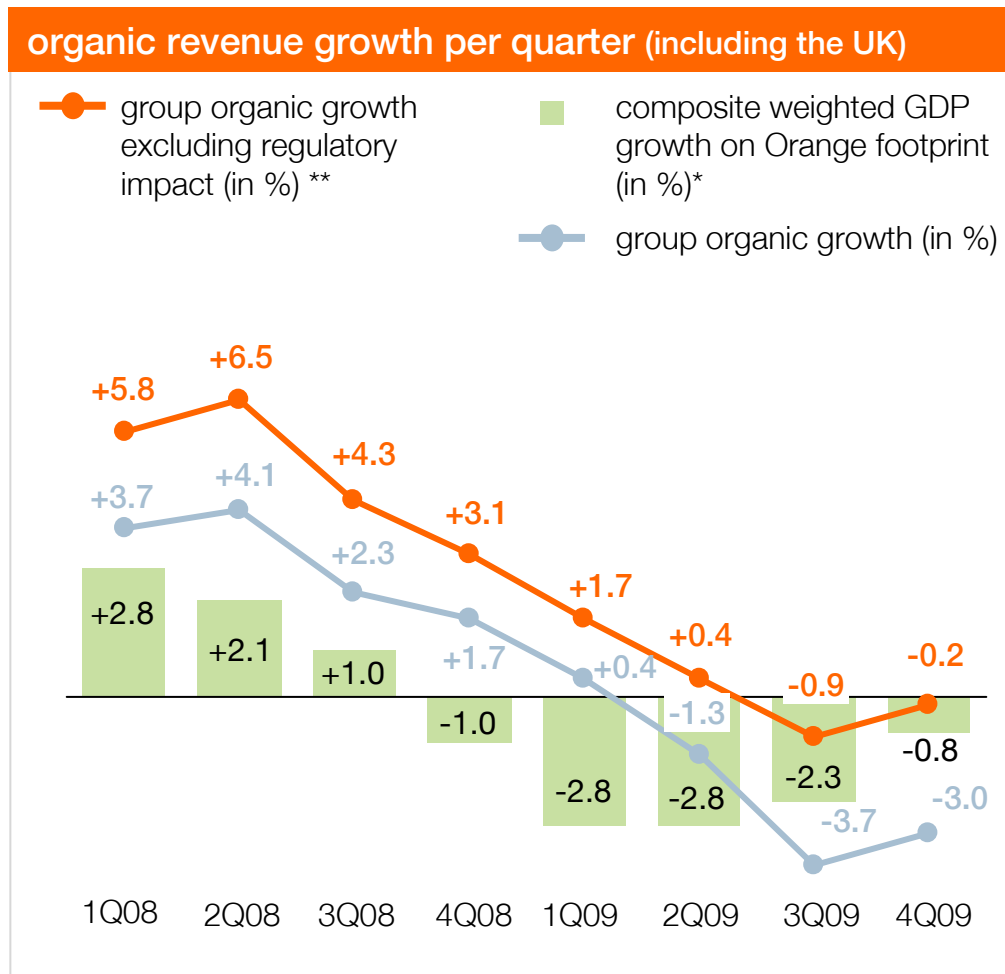
Row

- 64.2m mobile customers +16.5% yoy
- FY09 mobile net adds: +9.1m
- +40% fixed broadband subscribers at 374k



+5.7% Group customers
over 7m smartphones sold

revenues stabilized in 4Q in spite of increasing weight of regulation



insight

- total regulatory impact on revenue of -€364m in 4Q09, in line with 3Q09
- 2H09 significantly more impacted than 1H09 due to regulatory MTR cuts in France and Poland from July

* source: IMF, France Telecom estimates

** regulatory impact: Mobile Termination Rate decrease, wholesales and retail prices and roaming

2009 financial performance above expectations

in m€	2008 comp. basis	2009 incl. UK	var. comp basis	key points
revenue	51,957	50,952	-1.9%	<ul style="list-style-type: none"> FY excl. regulation: +0.2% yoy (1H09: +1.0% and 2H09: -0.6%) 4Q09: -3.0% yoy and -0.2% excl. regulation
EBITDA restated*	17,913	17,254	-3.7%	<ul style="list-style-type: none"> FY EBITDA margin erosion limited to -0.6pt thanks to better 2H
in % of rev	34.5%	33.9%	-0.6pt	<ul style="list-style-type: none"> excluding regulation, EBITDA margin would have been flat
CAPEX	6,688	5,659	-15.4%	<ul style="list-style-type: none"> continued controlled CAPEX, adjusted to the level of traffic in the different countries
in % of rev	12.9%	11.1%	-1.8pts	
organic cash flow	8,016	8,350	+4.2%	<ul style="list-style-type: none"> cash-flow slightly above guidance due to capex phasing

separation of functions as of 1st of March

Didier Lombard

Chairman of France Telecom

- ensures corporate bodies are respecting best governance practices
- contributes to the definition of technological strategy
- may represents the Group in high level discussions with government authorities, partners and clients

Stéphane Richard

CEO of France Telecom

- in charge of general management and chairs the executive committee
- acts on behalf of the Company
- responsible for the periodic reporting of the Group's results and the outlook to shareholders and reports on significant Group activities to the Board

15 board members
of which

7

independent members

4

employees representatives

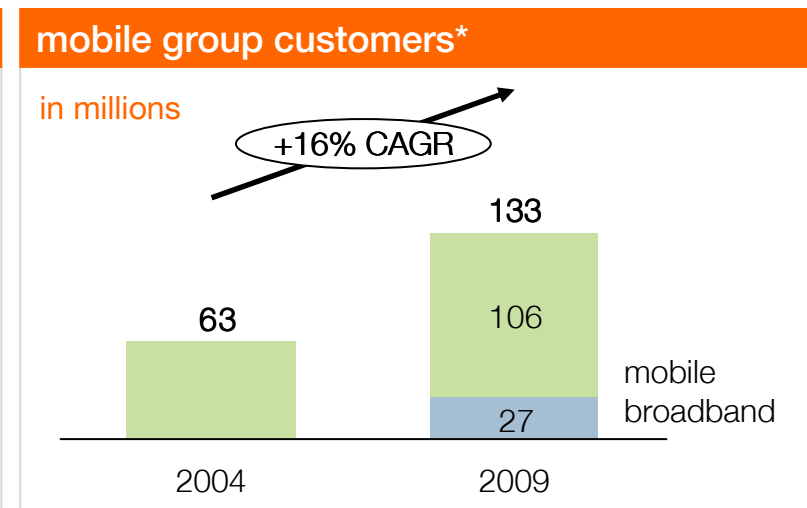
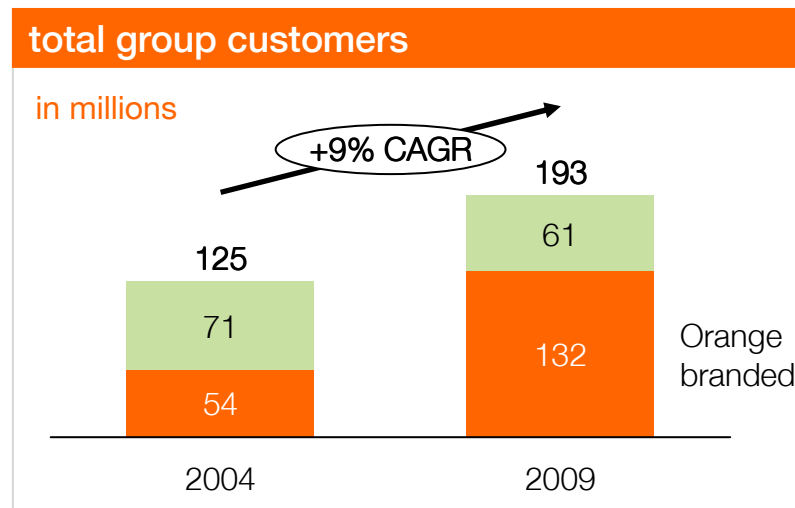
3

representing the French State

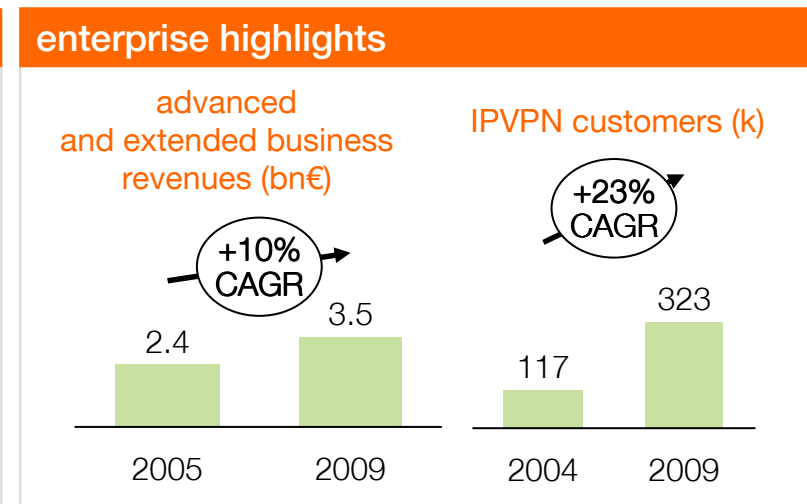
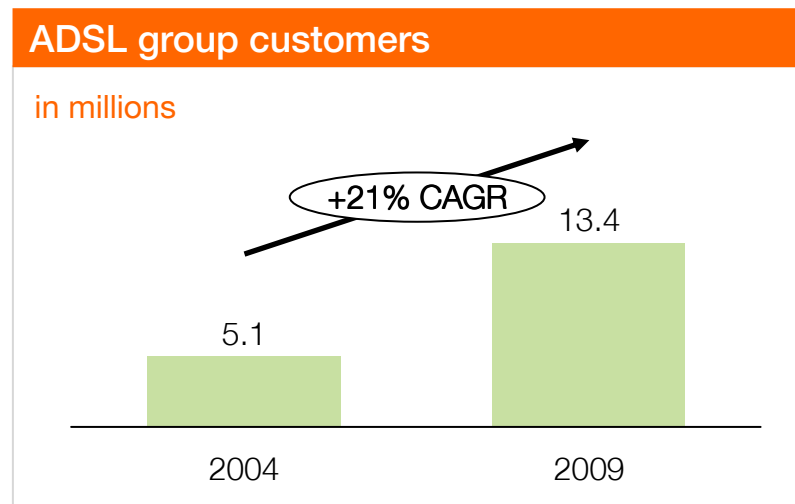
new

executive
committee

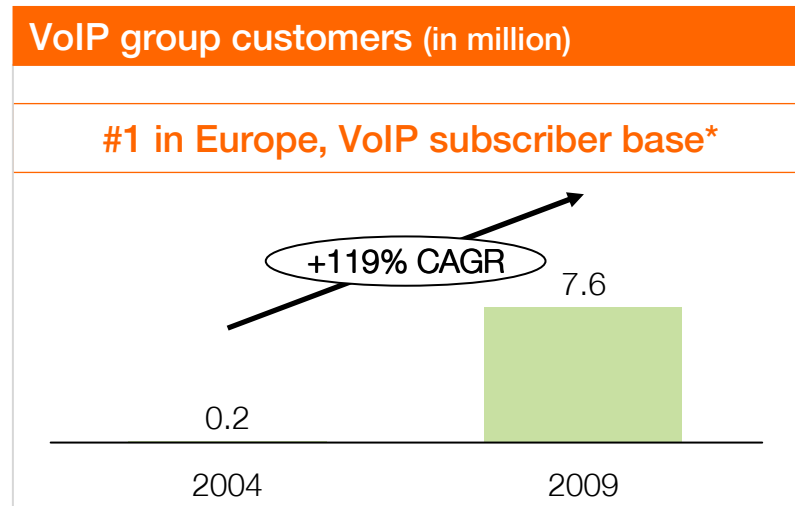
sustained customer acquisition in fixed and mobile



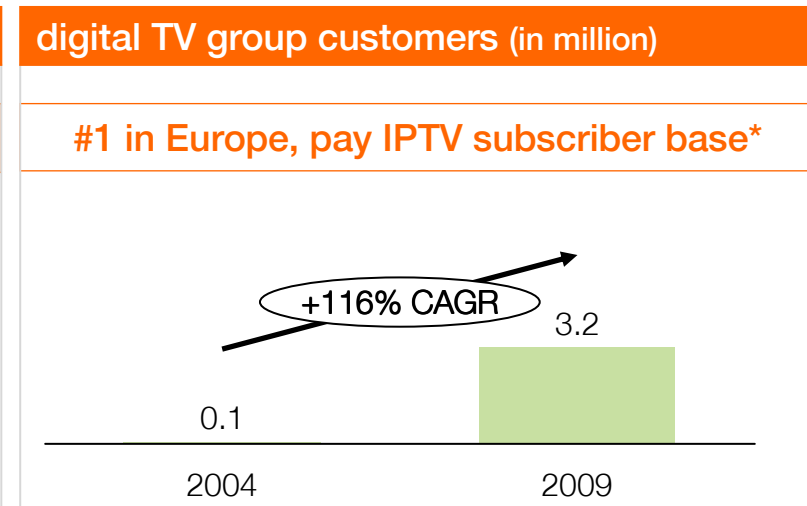
* excluding MVNOs customers



the group is ahead of peers in core business renewal and recognized as the innovation leader in key technologies



* source : Idate, end of 2008 ranking



* source : Idate, end of 2008 ranking

landmark convergent offers

Internet Everywhere	1 800 000 customer
Business Everywhere	1 400 000 customers
Flybox	launched in 7 countries

in 28 countries

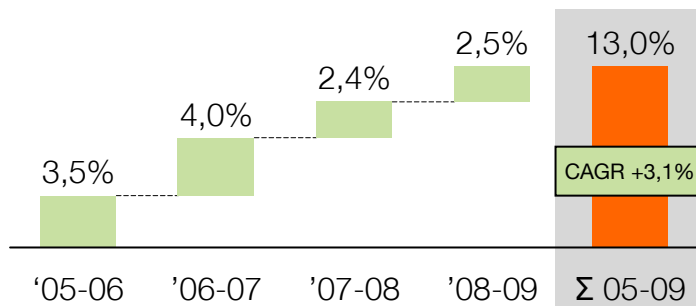
global Orange labs presence

GLOBAL MOBILE AWARDS 2010
best technology breakthrough for Orange mobile high definition (HD) voice

over 2005-2009, the Group has significantly improved the compensation and training offered to its employees

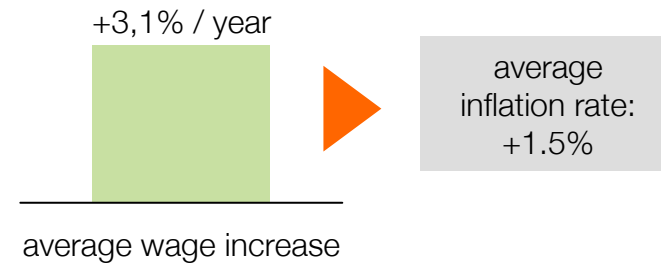
evolution of average employee wage, Group

2005-2009 period, proforma yearly change



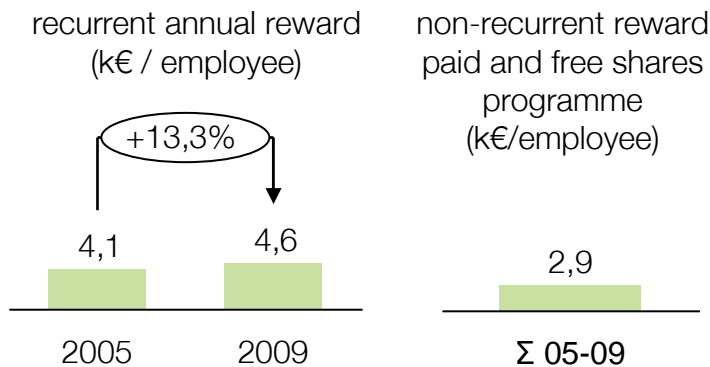
evolution of average employee wage, France

2005-2009 period



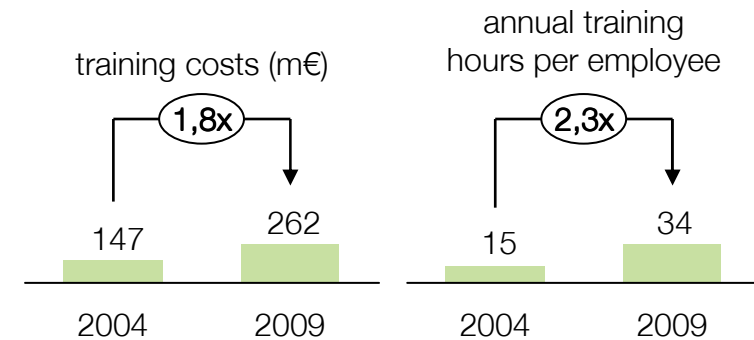
evolution of collective incentives in France

2005-2009 period



evolution of investment in training, FTSA

2004-2009 period

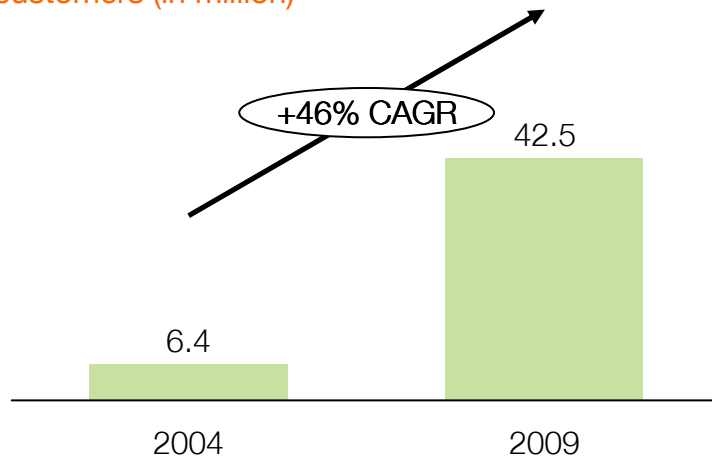


steady international development

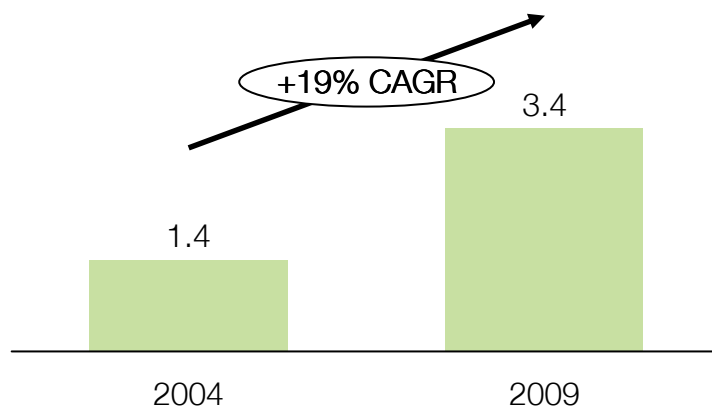
serving consumers in 32 countries in 2009, up from 19 in 2004

Africa and Middle East development

customers (in million)

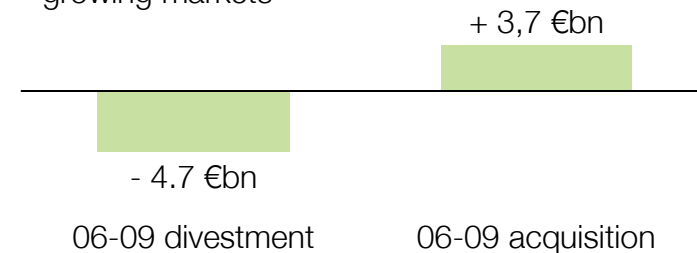


total revenues (in bn €)



net M&A investment over 2006-2009

- selective and cautious M&A with a focus on fast growing markets



main transactions over 2006-2009

greenfield operations & footprint extension

- Guinea (2007)
- Guinea-Bissau (2007)
- Niger (2007)
- RCA (2007)
- Kenya (2007)
- Uganda (2008)
- Armenia (2008)
- Tunisia (2009)

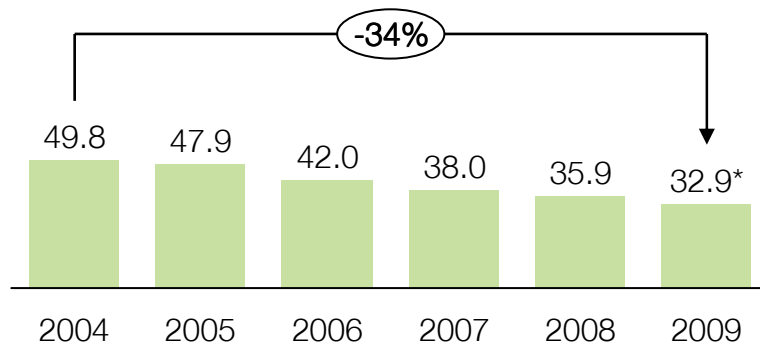
acquisition of new skills

- Diwan (2006)
- Neocles (2006)
- Silicomp (2007)
- ya.com (2007)
- Orca (2007)
- GTL (2007)
- Cityvox (2008)
- Unanimis (2009)

a high financial performance

net debt

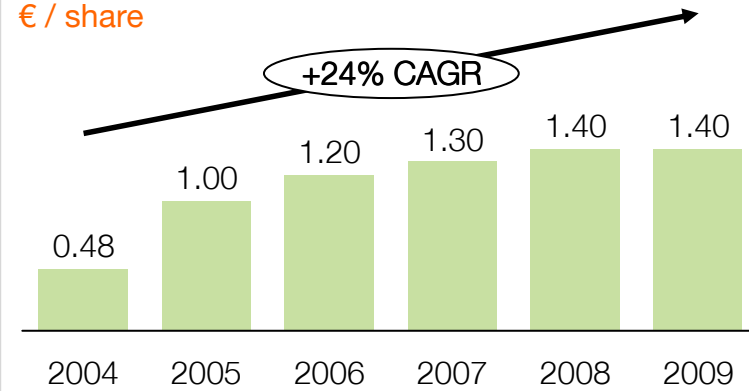
in bn€



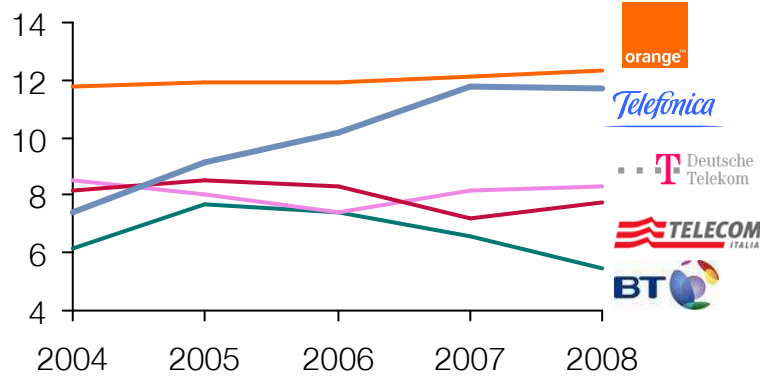
* excluding commitment on ECMS offer

dividend

€ / share



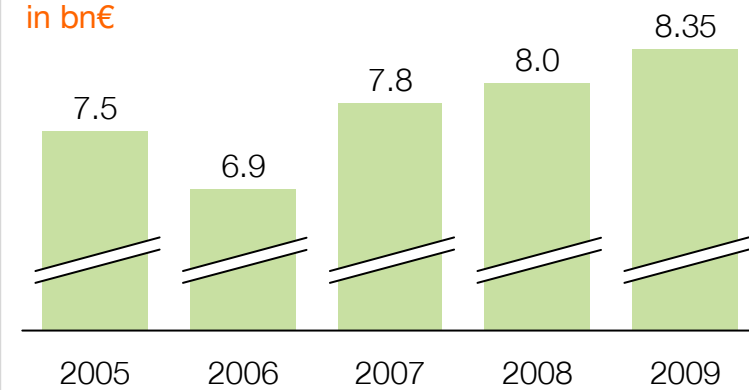
return on invested capital* (%)



* ROI is HOLT CFROI expressed in nominal terms ;
source : Credit Suisse ValueSearch™, February 2010

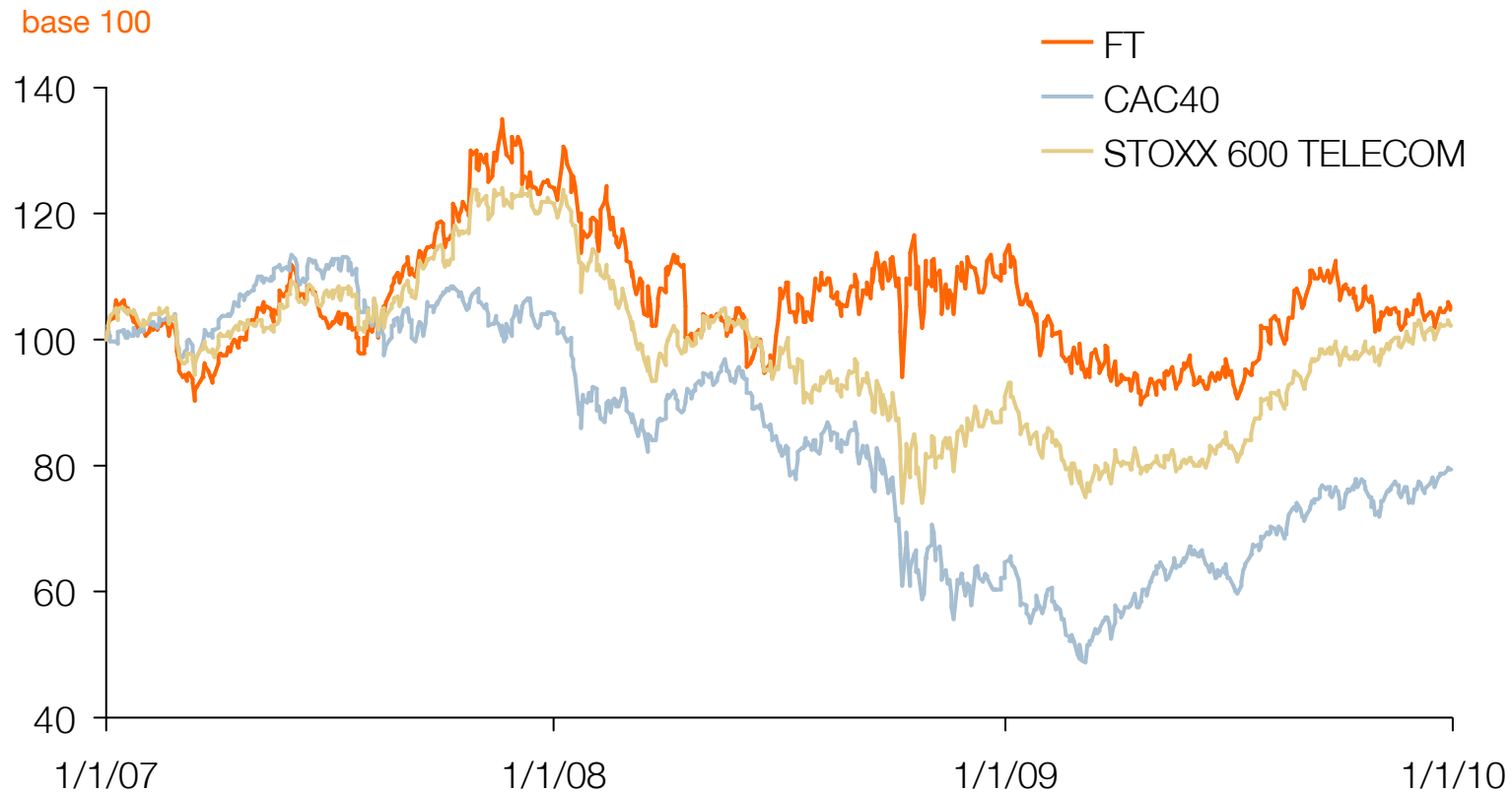
organic cash flow*

in bn€



* without PagesJaunes and with Amena and UK operations

over the last three years, total shareholder return for France Telecom stock over-performed the CAC40 and matched the STOXX Telecom



source: TSR for FT and for CAC40 is Datastream return index for FT and for CAC40; TSR for STOXX 600 Telecom is Datastream return index for the individual stocks composing the STOXX Telecom weighted for each stock market capitalization as of end of 2006.

2

FY09 results & financial outlook

Gervais Pellissier
Deputy CEO & CFO

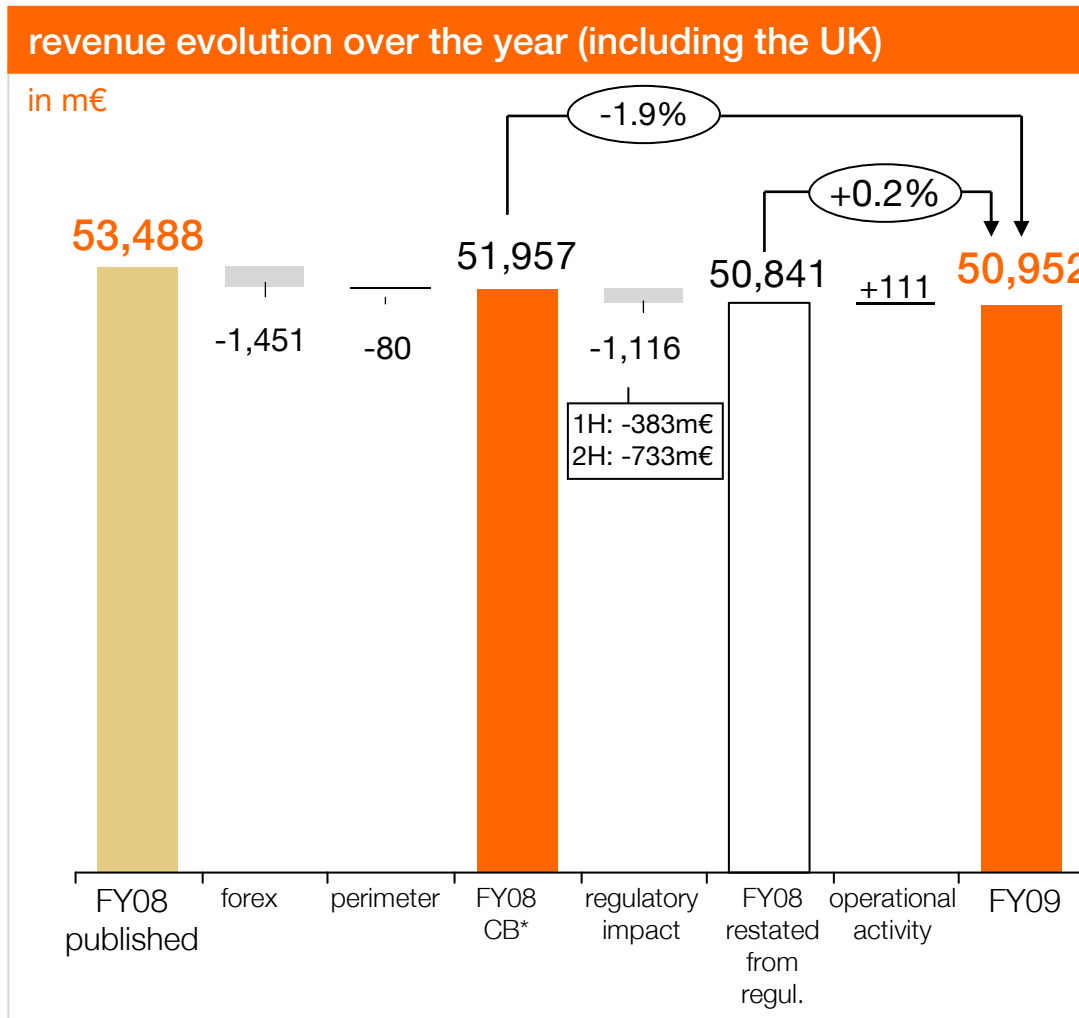
main impacts on accounts of perimeter changes

in m€	including UK			excluding UK – IFRS 5 application		
	2009 <i>actual</i>	2008 comp. basis	2008 historical	2009 <i>actual</i>	2008 comp. basis	2008 historical
revenue	50,952	51,957	53,488	45,944	46,800	47,699
restated EBITDA (*)	17,254	17,913	18,328	16,327	16,832	17,083
CAPEX	5,659	6,688	6,867	5,304	6,283	6,414
OCF	8,350		8,016	8,350		8,016

insight

- in 2009 and 2010 before UK closing: push down of all revenues and expenses of UK operations at the bottom of the P/L for all periods until closing on a separate line “consolidated net income after tax of discontinued operations“
- in 2010 all proportionate consolidated affiliates (ECMS, Orange Mauritius and Getesa) will be equity accounted in separate line “share of profits & losses of associates“
- UK will be accounted in discontinued activities till the closing and in “share of profits & losses of associates“ after the closing

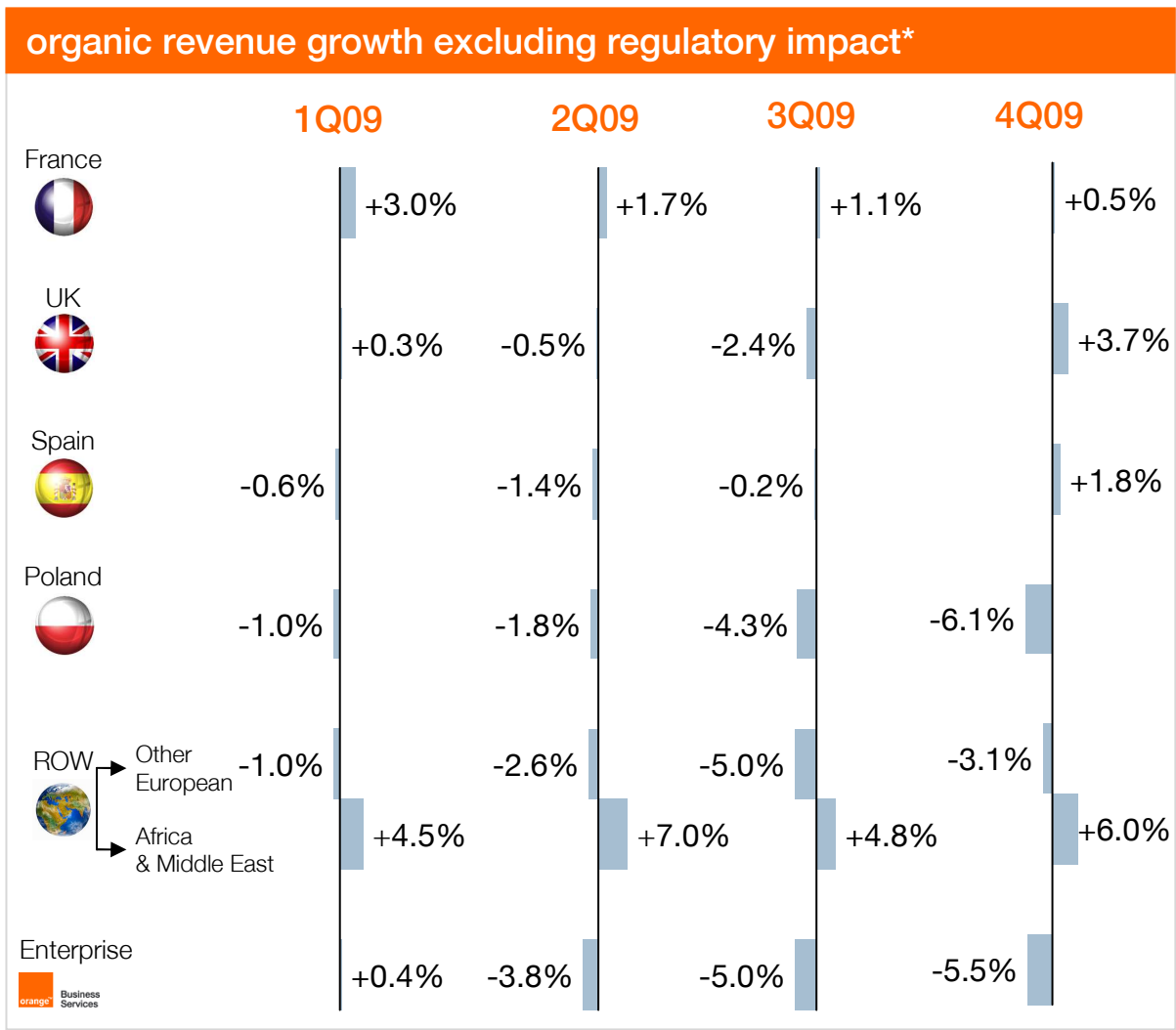
FY 09 stable underlying revenues versus FY08



insight

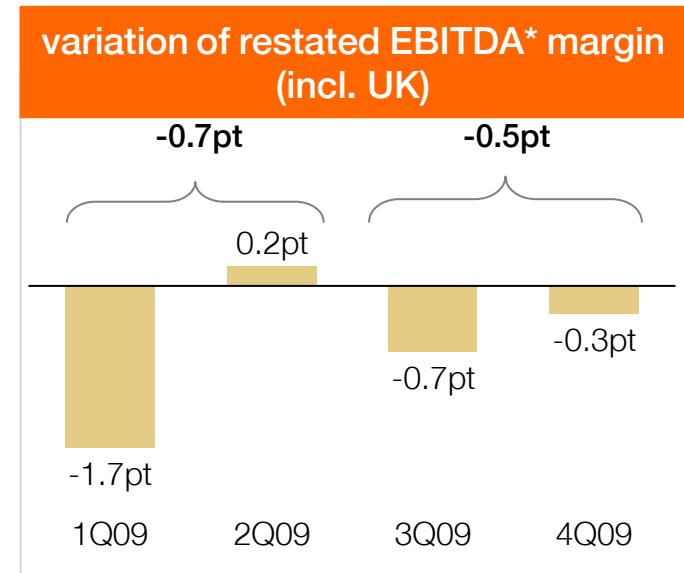
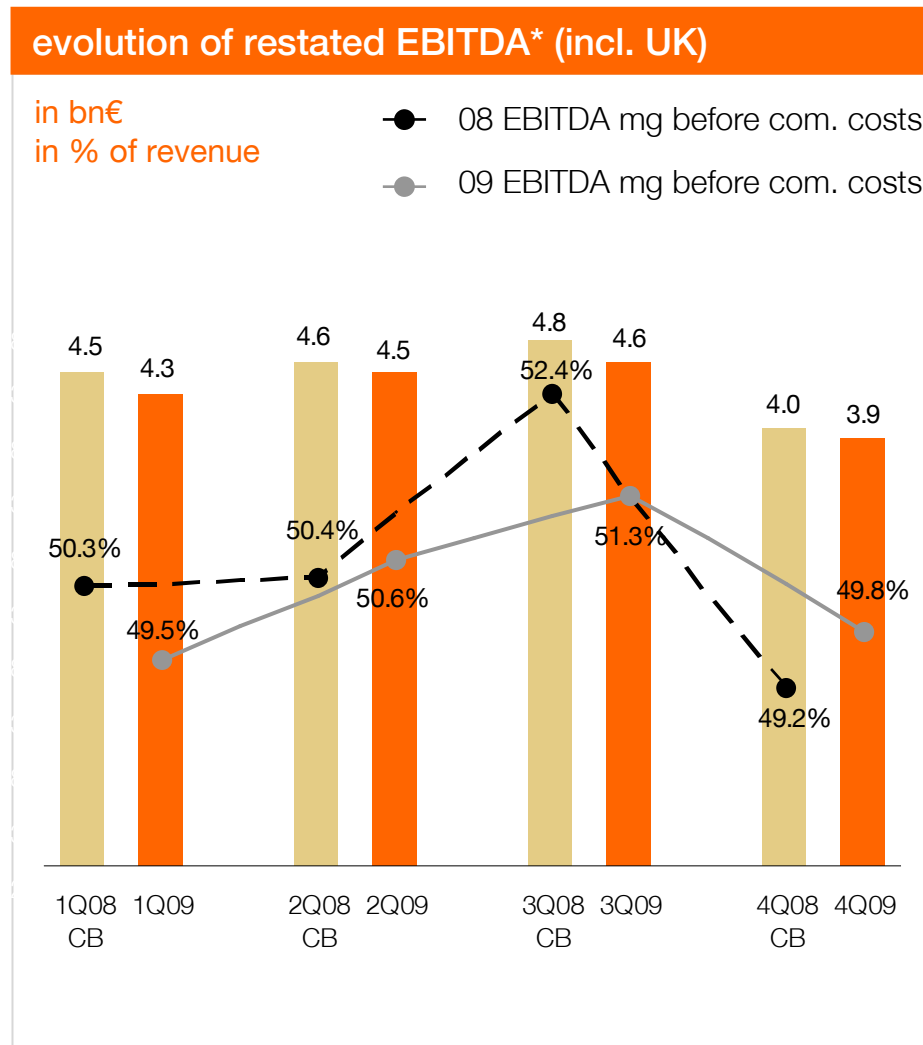
- revenue impacted by adverse forex effect (-€973m from Zloty and -€647m from Sterling)
- stronger impact of regulation in 2H09 vs 1H09
- positive operational activity performance in 2009 despite difficult macroeconomic situation
 - growth in France and Africa & Middle East
 - mitigated by tough environment in other regions in particular in Poland

improved revenue trends in 4Q in most of our footprint



- resilient revenues with home stabilizing
- personal in 2H impacted by slight ARPU drop
- significant top line recovery in 4Q due to volume effect, equipment revenues and MVNOs
- in a depressed environment, outperformance vs competitors in mobile offsetting declining fixed activities
- prepaid price war started in 1Q spreading to contracts in 2H
- fixed voice erosion fuelled by fixed to mobile retail price cut in Nov. 09
- significant improvement in mature markets in 4Q, confirmed growth in Africa thanks to Egypt, Mali and Ivory Coast
- challenging trends in 2H in legacy and continued slowdown in services

contained EBITDA margin erosion

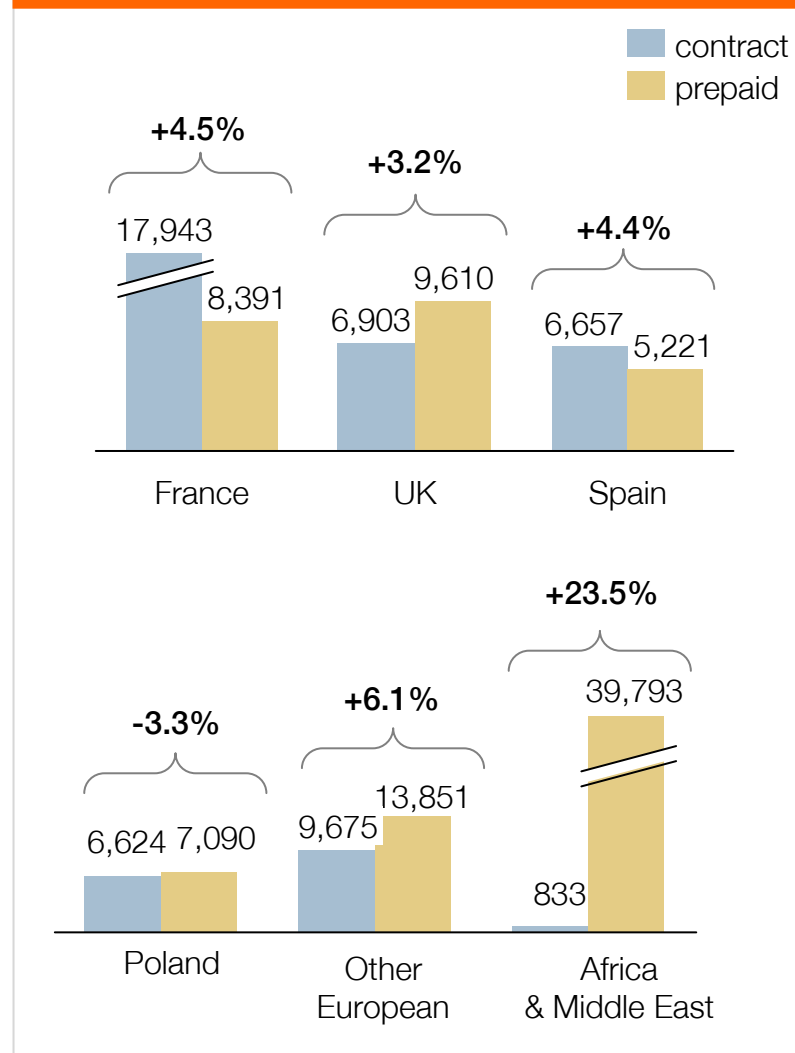


insight

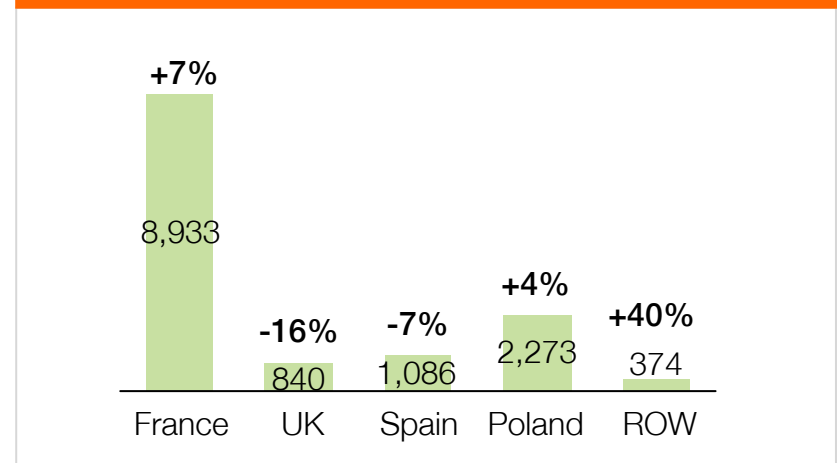
- limited FY09 EBITDA margin erosion due to cost control and lower restructuring costs
- 4Q EBITDA margin ahead of expectations in spite of strong commercial efforts

sustained commercial performance in all countries

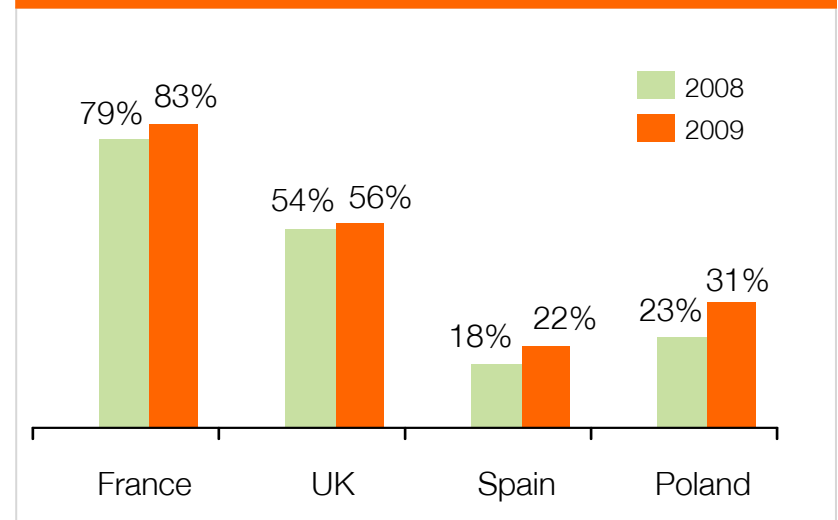
mobile customer base (000'), end of 09: +8.8% yoy



broadband customer base (000'), end of 09: +4.1% yoy



% of livebox/ ADSL base



limited revenue erosion with resilience of domestic operations

in m€	FY09 actual	var on comp. basis
France	23,639	+0.1%
personal	10,757	+2.6%
home	14,076	-1.5%
eliminations	-1,194	
UK	5,108	-3.4%
personal	4,931	-2.9%
home	235	-14.9%
eliminations	-58	
Spain	3,887	-4.4%
personal	3,216	-4.3%
home	671	-4.9%
Poland	3,831	-8.8%
personal	1,792	-10.2%
home	2,281	-5.3%
eliminations	-242	
ROW	8,308	-1.2%
Enterprise	7,559	-3.5%
International carrier & SS	1,388	+3.2%
group eliminations	-2,768	
revenue incl. UK	50,952	-1.9%
UK deconsolidation	- 5,008	
revenue	45,944	-1.8%

- ▶ **France:** excluding regulation, revenue +1.6%. Still challenging home trends but good mobile dynamic
- ▶ **UK:** mobile recovery in 4Q with the iPhone improving growth ahead of JV with T-Mobile UK
- ▶ **Spain:** revenues flat excluding regulation, mobile trend benefiting from good customer acquisition
- ▶ **Poland:** value strategy focused on contracts, prepaid recovery in 4Q, ongoing fixed erosion in a competitive market
- ▶ **ROW:** sustained dynamic in Africa & Middle-East over-compensated by mature European countries in a difficult environment especially Romania
- ▶ **Enterprise:** satisfactory resilience in a late-cyclical activity for Enterprise

stabilized EBITDA margin in France and Enterprise, improvement in Spain

in m€	FY09 actual EBITDA restated	% rev	var in pts
France*	9,713	41.1%	-0.3
personal	4,005	37.2%	+0.1
home*	5,708	40.6%	-0.6
UK	939	18.4%	-2.0
personal	1,029	20.9%	-1.5
home	-90	-38.3%	-18.8
Spain	729	18.8%	+3.7
personal	794	24.7%	+1.1
home	-65	-9.7%	+15.9
Poland	1,462	38.2%	-3.2
personal	513	28.6%	-9.0
home	949	41.6%	+0.5
ROW	3,237	39.0%	-2.5
Enterprise**	1,529	20.2%	+0.1
International carrier & SS ***	-355	-25.6%	+2.1
EBITDA restated incl. UK	17,254	33.9%	-0.6
UK deconsolidation	-927	-18.4%	
EBITDA	16,327	35.5%	-0.5

- **France:** margin rate maintained vs 08 excluding exceptional *
- ▶ personal stabilized and home impacted by content & taxes
- **UK:** lower margin due to higher commercial costs (loyalty and iPhone)
- ▶ **Spain:** substantial margin improvement due to commercial cost optimization and lower network opex
- ▶ **Poland:** adverse regulation weighed on margin but solid cost management
- ▶ **ROW** profitability impacted by new operations, economic difficulties (Romania, Madagascar) and price war in Egypt
- ▶ **Enterprise:** protection of EBITDA margin thanks to G&A optimisation and improved productivity

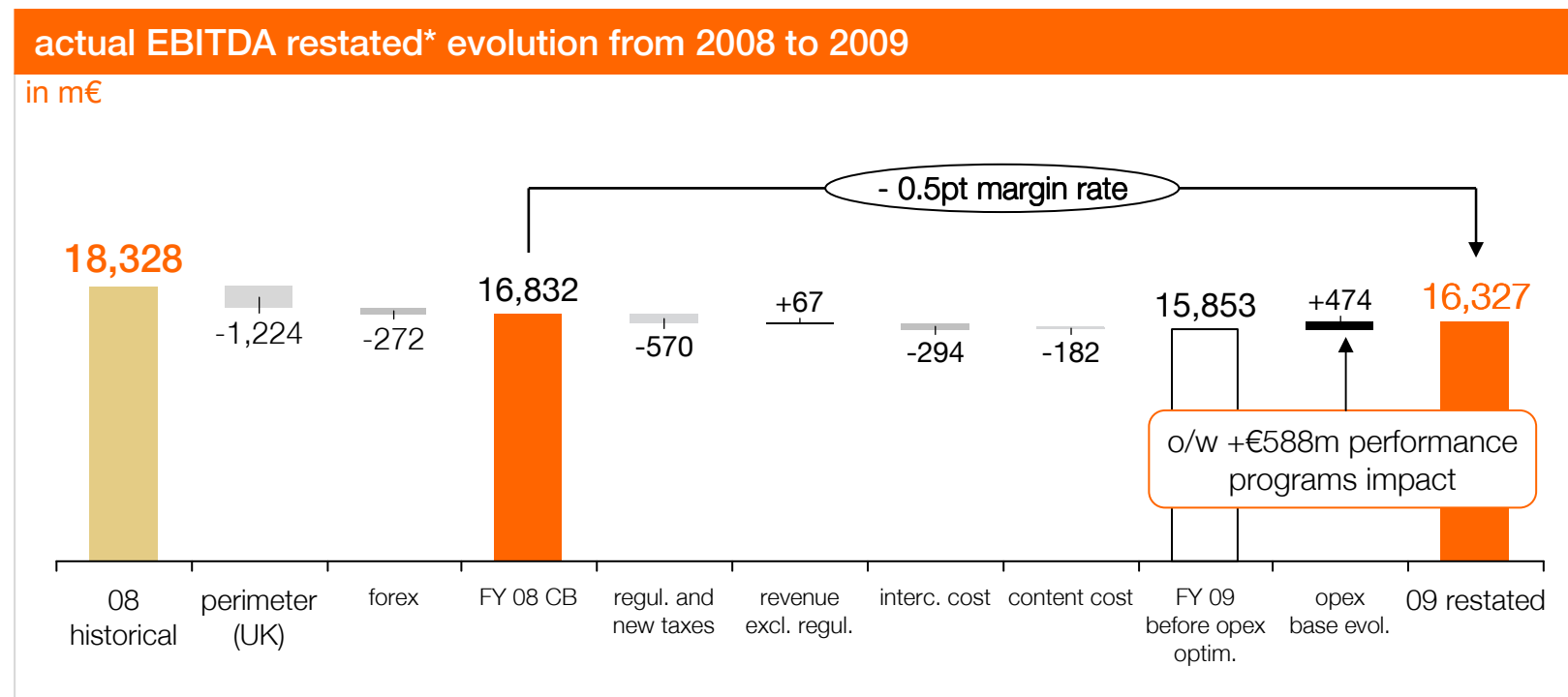
FY09 EBITDA margin slightly better than expectations

in m€
in % of revenue (excl. UK)

	FY08 CB	FY09 actual	
revenue	46,800	45,944	▶ regulatory impact of -€924m o/w -€606m in 2H
labour costs	(8,405) 18.0%	(8,525) 18.6%	▶ increase of average wage and extra employee incentive schemes
o/w profit sharing & share base payments	(399)	(350)	
interconnection	(6,444) 13.8%	(6,206) 13.5%	▶ regulatory price decrease (+€532m o/w +€352m in 2H) absorbed by higher usage and development of unlimited off-net offers
other IT&N	(2,701) 5.8%	(2,660) 5.8%	▶ increasing costs of new operations in emerging markets
general, properties and others	(5,651) 12.1%	(5,470) 11.9%	▶ TV tax & Chatel law impact (-€178m) ▶ lower restructuring
o/w restructuring	(411)	(213)	▶ contingency plan and performance program
o/w disposals of assets and associates	(244)	19	▶ depreciation of Sonaecom stake in 08
EBITDA* pre com. & content	23,599 50.4%	23,083 50.2%	
commercial expenses & content costs	(6,766) 14.5%	(6,756) 14.7%	▶ good management of commercial expenses ▶ full impact of content in 09: -€182m vs 08
EBITDA* restated	16,832 36.0%	16,327 35.5%	▶ regulatory and new taxes EBITDA impact: -€570m (EBITDA margin +0.1pt)

* restated from EUR 569m accrual for the French part-time senior plan within labour costs and from EUR 964m litigation from tax professionnelle within general, properties and others

substantial benefits from performance programs



insight

- FY EBITDA restated margin is down -0.5pts vs 2008 CB, better than our expectations
- organic revenue growth and opex base optimization almost compensated full regulation, interconnection and content costs
- 2009 performance programs impact (+588m€) allowed to absorb mix and volume effects

* restated from EUR 569m accrual for the French part-time senior plan within labour costs and from EUR 964m litigation from taxe professionnelle within general, properties and others

limited decrease in comparable net income, in spite of overall economic slowdown

in m€ and excl. UK	FY08 historical	FY09 actual	
EBITDA restated		16,327	
French tax professionnelle and part time senior plan		-1,533	
actual EBITDA	17,083	14,794	
depreciation & amortization	-6,859	-6,417	1
impairment of goodwill & assets	-279	-518	2
operating income	9,945	7,859	
financial results	-2,957	-2,299	3
tax	-2,899	-2,295	4
net income of discontinued operations	403	200	5
non controlling interests	-423	-468	
net income Group share	4,069	2,997	
other (provision restatement)	370	1,366	
impairment of goodwill	470	445	
exceptional on deferred tax	215	0	
accrual for employees free share program	57	41	
comparable net income Group share	5,181	4,849	

1

- lower depreciation & amortization benefiting from forex for €216m

2

- impairment test of -400m€ in Poland

3

- 08 Spain liquidity mechanism impact
- debt and cost of debt reduced to 6.54% vs. 6.66% end of 08

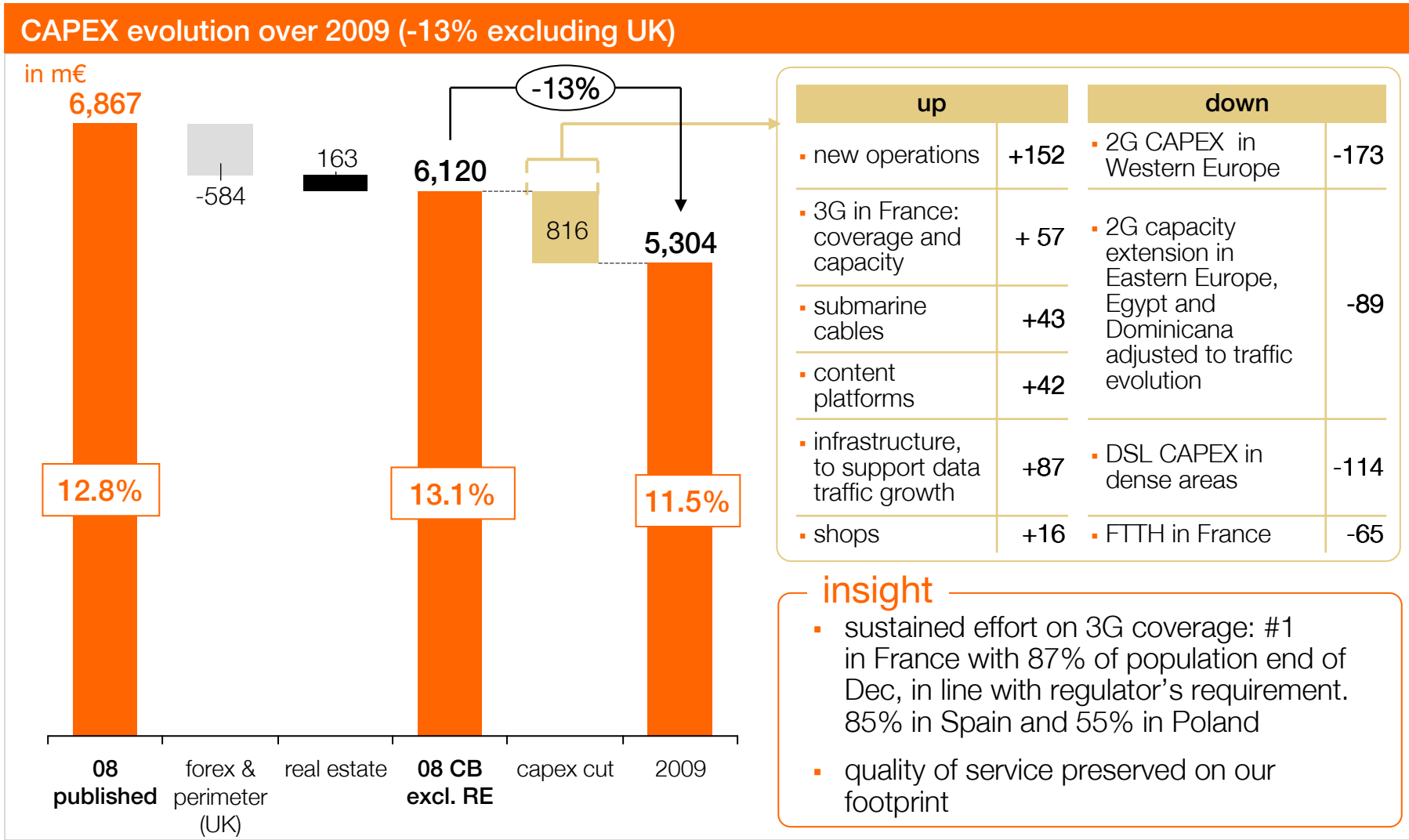
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- drop on tax due to lower profit and 08 differed tax asset lowered in Spain

5

- UK net income is down mainly due to income taxes effect: -43m€ in 09 vs +106m€ in 08

CAPEX have been optimized adapting to customers demand and favouring growth areas



cash flow slightly above guidance due to Q4 CAPEX phasing

in m€	FY08 published	FY09 actual	
EBITDA	18,328	15,721	1 <ul style="list-style-type: none"> TDIRA repurchase and currency swap unwinding: positive exceptional impact of €563m decrease of net interests paid
CAPEX	6,867	5,659	
EBITDA – CAPEX (incl. UK)	11,461	10,062	
net interest expense cash out	-2,262	- 1,589	1
income taxes cash out	-878	-620	2
change in WCR	159	775	3
licences & spectrum	-209	-93	3
variation of fixed assets suppliers	-140	-375	4
proceeds from sale of assets	233	93	4
other (cash and non cash items)	-348	97	5
- o/w early retirement plan cash out	-661	-484	5
organic cash flow, consolidated	8,016	8,350	2 <ul style="list-style-type: none"> lower tax due to lower results in some subsidiaries (Poland, ...)
- organic cash flow, Group share	7,253	7,617	3 <ul style="list-style-type: none"> include tax professionnelle for €964m, to be paid in Jan10
- organic cash flow, minorities share	763	733	4 <ul style="list-style-type: none"> CAPEX reduction impact on fixed asset suppliers
			5 <ul style="list-style-type: none"> o/w €569m of non cash senior part time incl. in EBITDA

taxes evolution: no income tax payment in France before 2012

income tax

- 2010-2011: income tax cash out impact is €600-700m per year outside France
- the Group should pay income tax in France in 2012

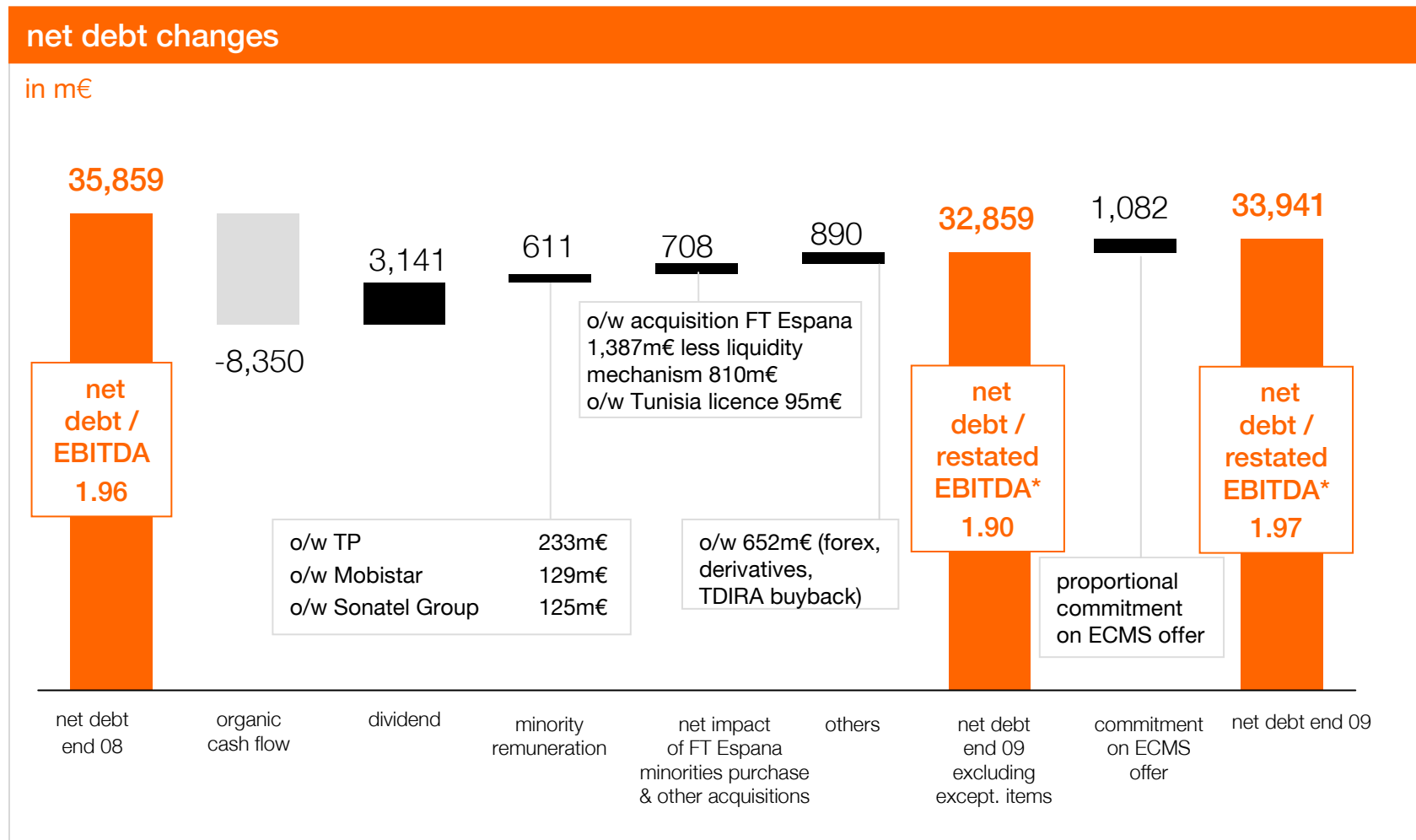
French tax professionnelle

- in 2009, the French “Taxe Professionnelle” has been replaced by two new taxes that have a neutral impact in short term:
 - the CET (Contribution Economique Territoriale) based on real estate and added value
 - the IFR (Imposition Forfaitaire sur les Entreprises de Réseau), a tax on mobile base station & copper lines

tax to finance public channels

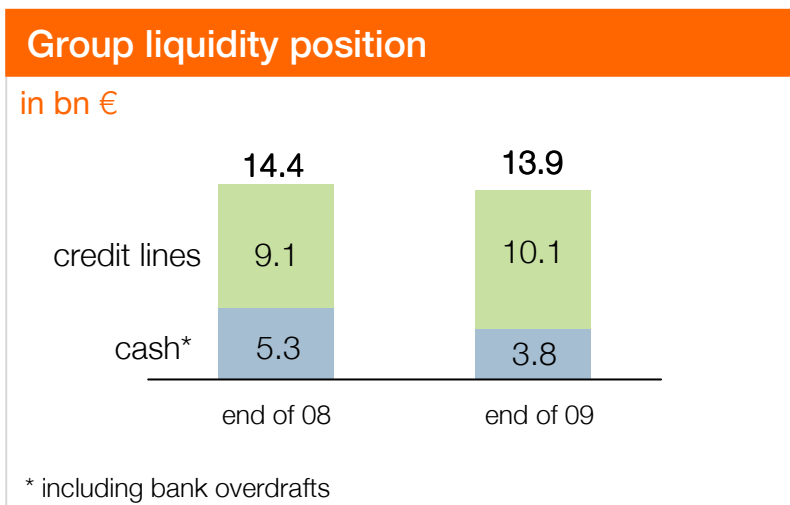
- in France, TV tax voted in Feb 2009 has been applied since March (0.9% of retail revenues, ie 150m€ on a full year basis) without re-invoicing it to customers. In Spain, the TV tax application is currently blocked
- these 2 countries are under scrutiny by the European Commission on this subject

net debt/EBITDA* ratio stable confirming Group debt financial policy



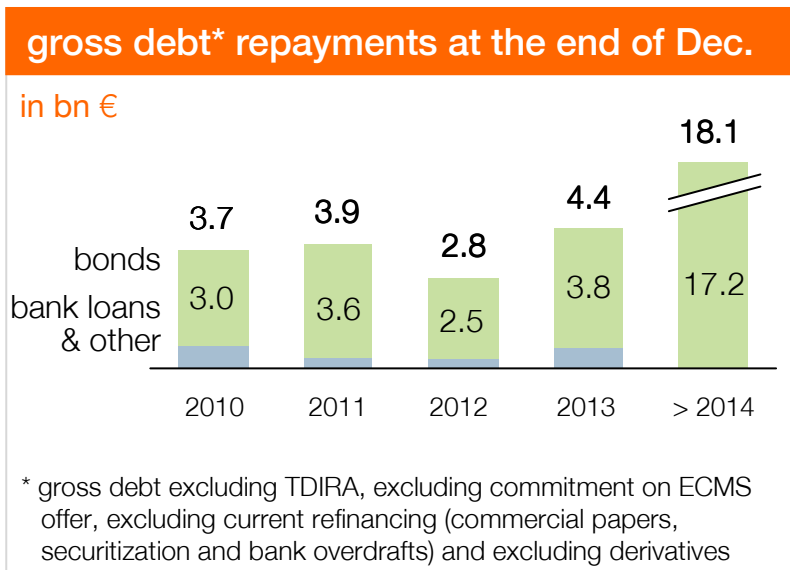
* EBITDA: including UK

debt management: France Telecom continues to optimize its debt and to enjoy a strong liquidity position



insight

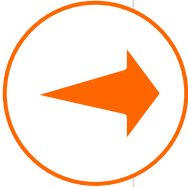


- **strong liquidity position at approx. €14bn**
- **best-in-sector refinancing conditions**
 - €5.3bn raised in 2009 at a 4.7% average cost
 - good diversification : 68% of 2009 financing tapped from sources other than the € bond market
- **debt optimisation**
 - €2.4bn debt repurchased (ow €1.4bn TDIRA, €0.7bn UK leases and €0.3bn opportunistic bond buy back)



debt structure

Moody's / S&P rating	A3/A-
% of net debt with a fixed rate	81%
% of net debt in €	84%
% of gross debt in bonds	87%
average maturity of net debt	7.3 years
average cost of debt for 2009 (vs. 6.66% for 2008)	6.54%

2010 business trend & guidance

revenue	<ul style="list-style-type: none">▪ underlying trend should be flat▪ expected regulatory measures should impact revenue by almost €1bn	
EBITDA margin	<ul style="list-style-type: none">▪ same impact from regulation as 2009▪ performance program will partially offset margin pressure and commercial cost dynamic	
CAPEX rate	<ul style="list-style-type: none">▪ ramp-up of FTTH program in France, around €100m▪ around 12% including FTTH program in France	
organic cash flow guidance	<ul style="list-style-type: none">▪ confirmed 2009-2011 ambition (3 x €8bn)▪ €8bn in 2010:<ul style="list-style-type: none">– excluding licenses & spectrum– excluding litigation on French “Taxe Professionnelle”	

financial policy

confirmed dividend policy

- shareholder remuneration of €1.4 per share for FY09
 - dividend balance of €0.8 will be paid in cash on June 17th*
- interim dividend will be decided depending on 1H10 results and paid in September

M&A

- no transformational deal contemplated
- in-market consolidation
- emerging markets focusing on Africa & Middle-East

net debt

- keep net debt/EBITDA ratio below 2 in the mid-term

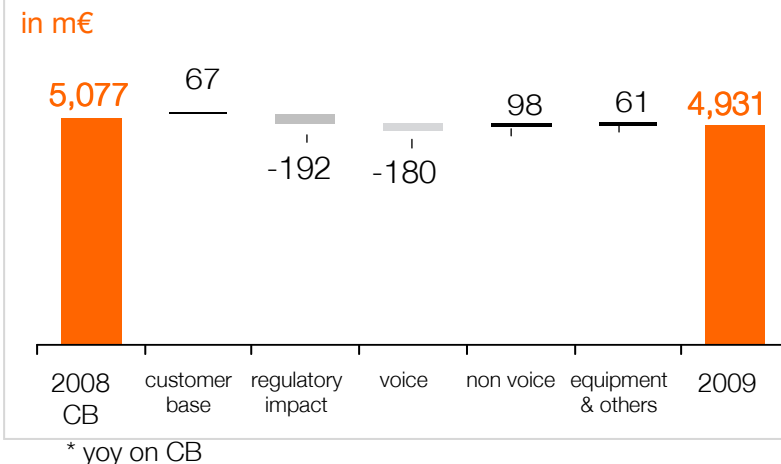
3 business performance

Gervais Pellissier
Deputy CEO & CFO

FY09 UK financials

robust mobile year-end performance improves 2010 prospects

FY09 key financials					FY09 mobile revenues*: -2.9% (+0.9% excl. regulatory impact)	
in m€	4Q09	var in CB	FY09	var in CB	in m€	
revenues	1,290	-1.2%	5,108	-3.4%	5,077	67
personal	1,248	-0.7%	4,931	-2.9%		
home	55	-12.9%	235	-14.9%		
eliminations	-14		-58			
EBITDA margin			18.4%	-2.0pts		
personal			20.9%	-1.4 pts		
home			na	na		

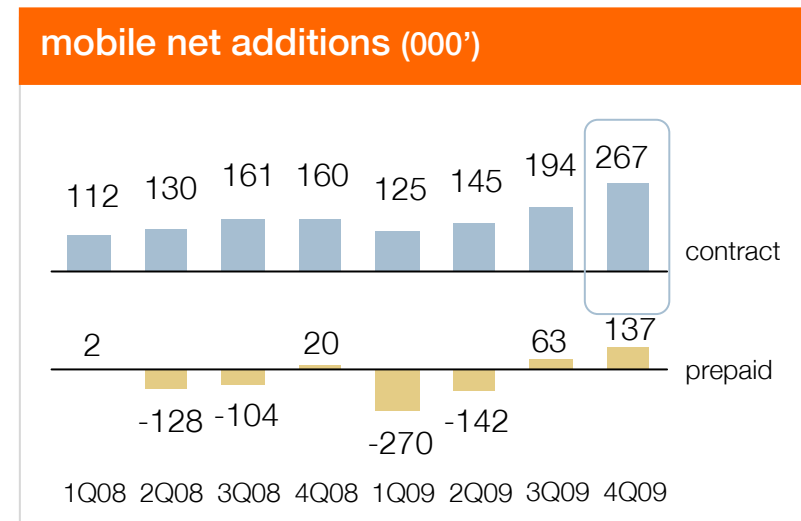
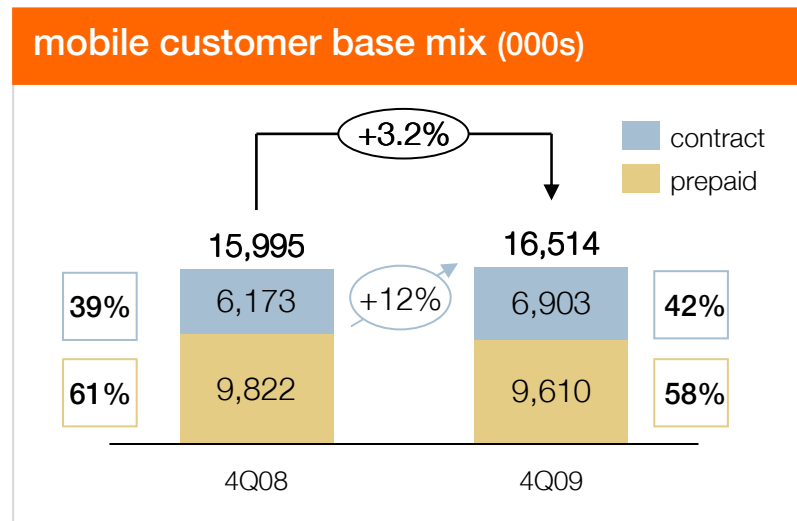


insight

- FY09 revenues up +0.2% excluding regulation with an improved trend in the second part of the year
 - mobile revenues up +0.9% excluding regulation with an acceleration in 4Q (**+4.4% excluding regulation**) thanks to a focus on high-end customers (24 months contracts and from November 09, the successful launch of the iPhone)
 - home revenues decline by €41m due to lower base and reduced portal search volumes
- FY09 EBITDA at €939m and 18.4% margin (-2.0 points versus FY08)
 - mobile EBITDA at €1,029m with a margin down by -1.4 points
 - with substantial commercial investments in high value subscribers leading to higher acquisition and retention costs (-1.2 pts)
 - other opex have been stabilized
 - home EBITDA stabilized at -€90m

FY09 Personal UK KPIs

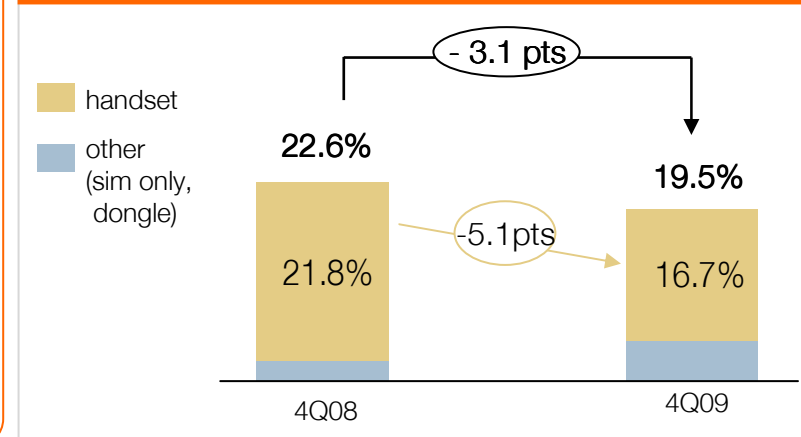
strong commercial momentum - best ever quarter for contract net adds



insight

- 267k contract net adds in 4Q:
 - iPhone successfully launched in November (222 k sold by the end of 2009)
 - 80% of 4Q09 handset sales on 24 month contracts vs 11% in 4Q08
 - direct distribution increase (417 shops end of 09, +17% yoy)
- quarterly contract churn down to 19.5% vs. 22.6% 4Q08
 - strong handset churn performance
 - offset by penetration of short term SIM only base

quarterly annualised contract churn



UK JV on track

regulation

- JV document filled to EU on January 11th
- remedies under discussions
- Office of Fair Trade asked for referral on February 3rd
- March 1st: clearance from EC expected
- **deal closing in 1H 10**

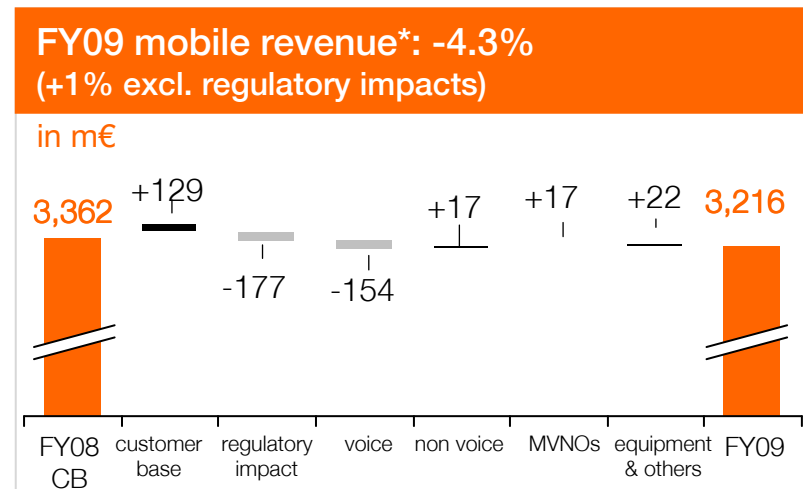
business

- strong focus kept on day to day business
- businesses continue to be managed independently with products, services, distribution strategy and network management unchanged
- JV management team will be selected by the end of 1Q10
- **£3.5 bn synergies confirmed**

FY09 Spain financials

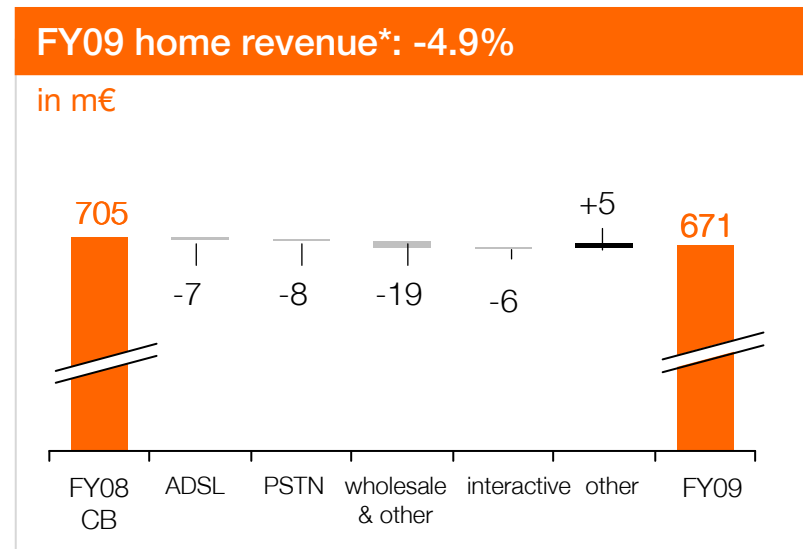
strong EBITDA improvement despite difficult economic environment

FY09 key financials				
in m€	4Q09	var in CB	FY09	var in CB
revenues	961	-3.3%	3,887	-4.4%
personal	799	-1.7%	3,216	-4.3%
home	162	-10.3%	671	-4.9%
EBITDA margin			18.8%	+3.7pts
personal			24.7%	+1.1pts
home			-9.7%	+15.9pts



insight

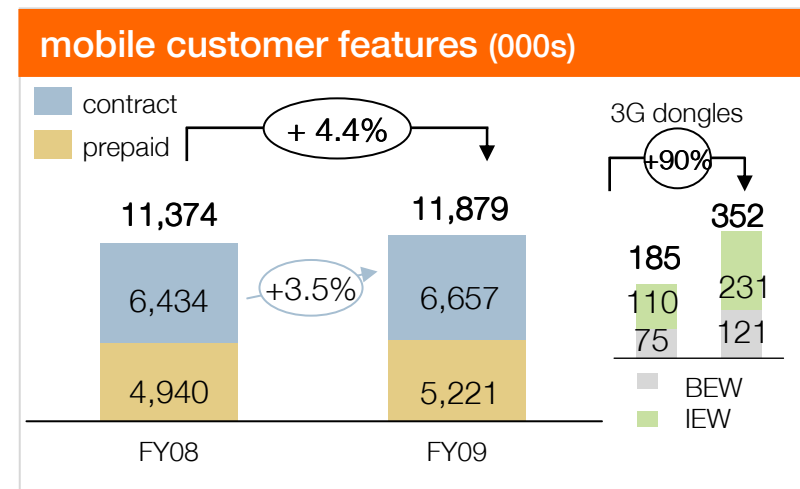
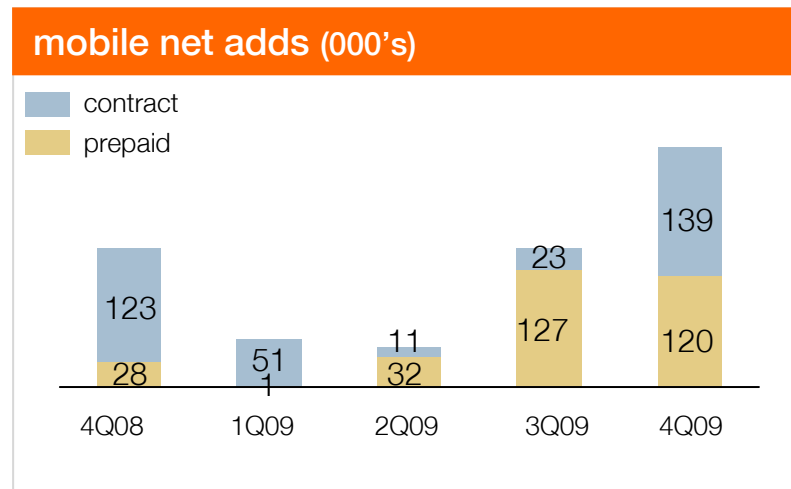
- ongoing recovery in yoy revenues trend (-3.3% in 4Q vs. -4.7% in 3Q and -5.5% in 2Q)
- mobile customer base growth drove revenue recovery. Excluding regulation, 4Q mobile revenues increased by +4.7% (-1.7% after regulation impact)
- FY home revenues -4.9% yoy impacted by PSTN, enterprise & wholesale activity decline
- +19% yoy growth in EBITDA thanks to opex optimization (-8.6% yoy) including lower network costs (better ADSL mix)



* yoy on CB

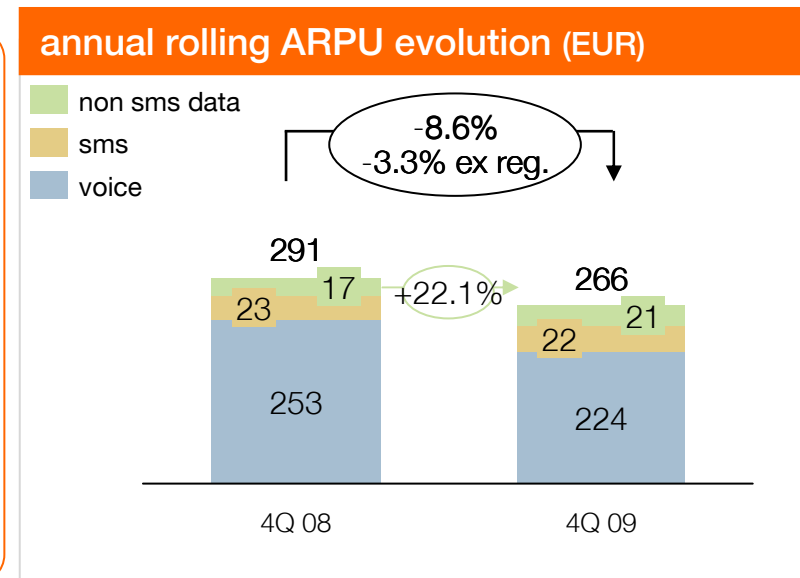
FY09 Personal Spain KPIs

increasing mobile customer base with data take-off



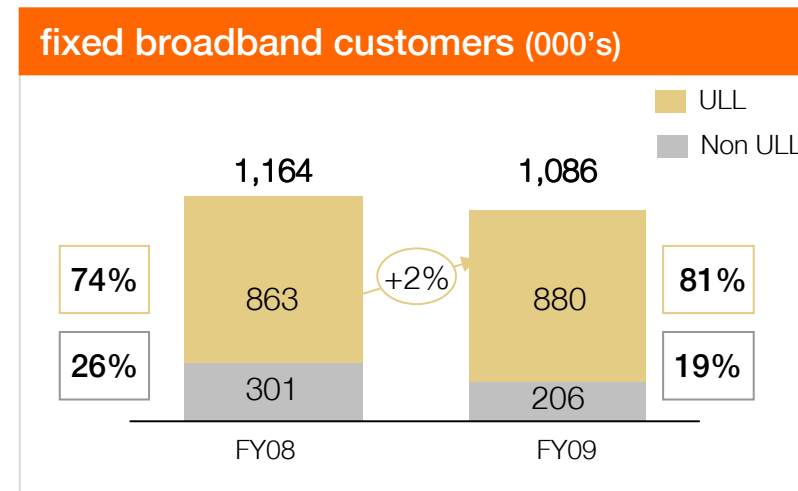
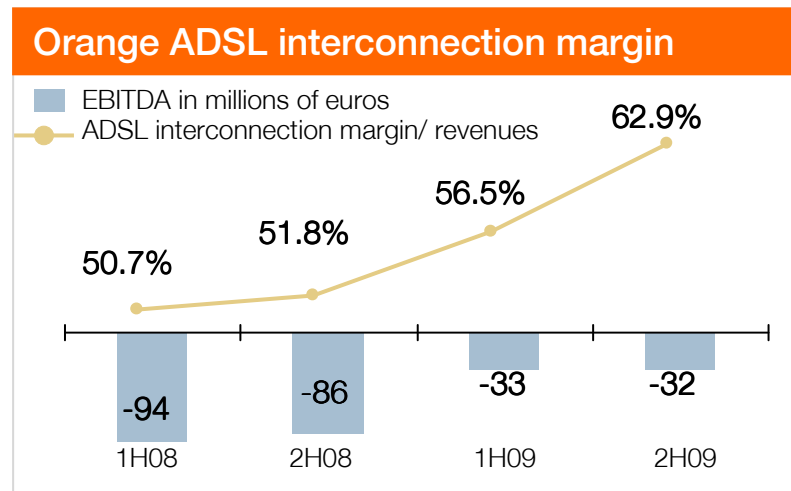
insight

- continuous customer base increase (+4.4%)
 - strong contract net adds in 4Q (+13% vs. 4Q 08) driven by higher gross adds and churn stabilization
 - prepaid net adds continue positive trend initiated in 3Q: 2H09 net adds up to +247k vs. -14k in 2H08
- ARPU -3.3% excluding regulatory impact
 - voice ARPU decreased by 10.7% due to MTR impact and price reduction
 - non sms data ARPU increase by +22% thanks to mobile broadband penetration (352k 3G dongles end of 2009, +90% yoy)



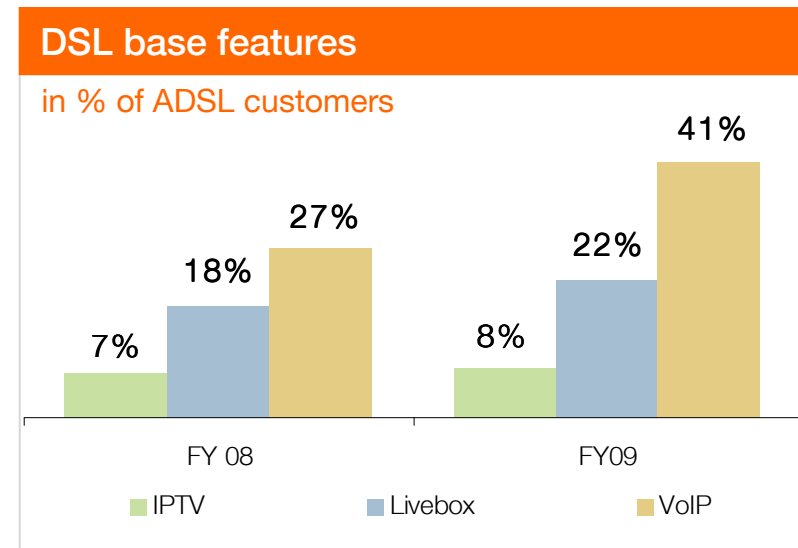
FY09 Home Spain KPIs

improved ADSL mix and increased VoIP penetration



insight

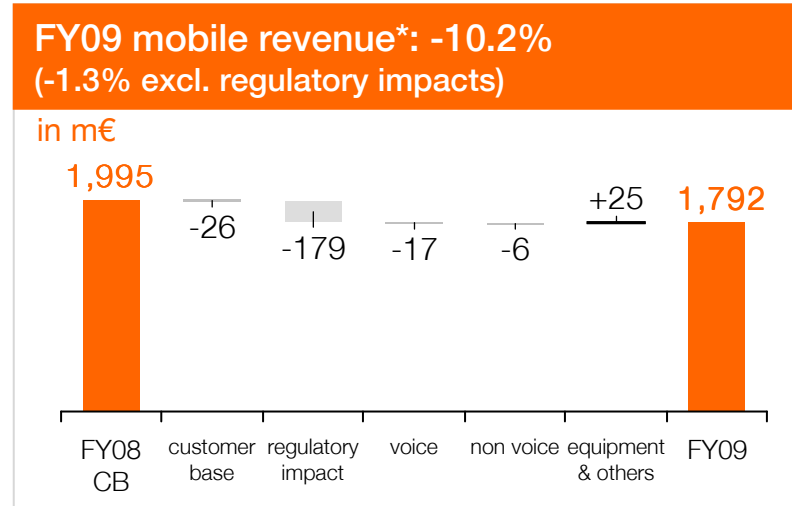
- ADSL customer base reduces by -6.7% yoy. Customers under ULL access increase by +2%, now representing 81% of total customer base (+7pts yoy)
- VoIP customers up to 446k end of 09 (+42.5% yoy). Service penetration +14 pts yoy to 41%
- significant EBITDA improvement driven by lower access costs (better mix and wholesale prices) in broadband services and opex reduction



FY09 Poland financials

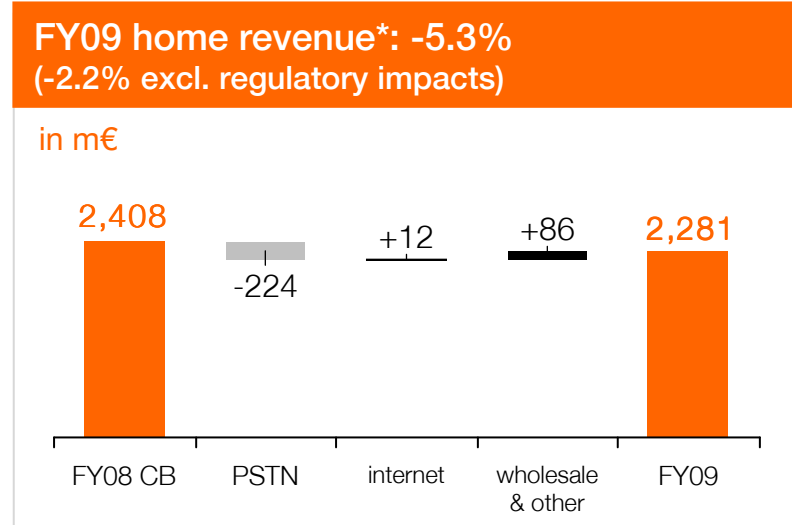
regulatory pressure and increasing competition weigh on financial results

FY09 key financials				
in m€	4Q09	var in CB	FY09	var in CB
revenues	961	-12.4%	3,831	-8.8%
personal	451	-14.3%	1,792	-10.2%
home	570	-9.2%	2,281	-5.3%
eliminations	-61		-242	
EBITDA margin			38.2%	-3.2pts
personal			28.6%	-9.0pts
home			41.6%	+0.5pts



insight

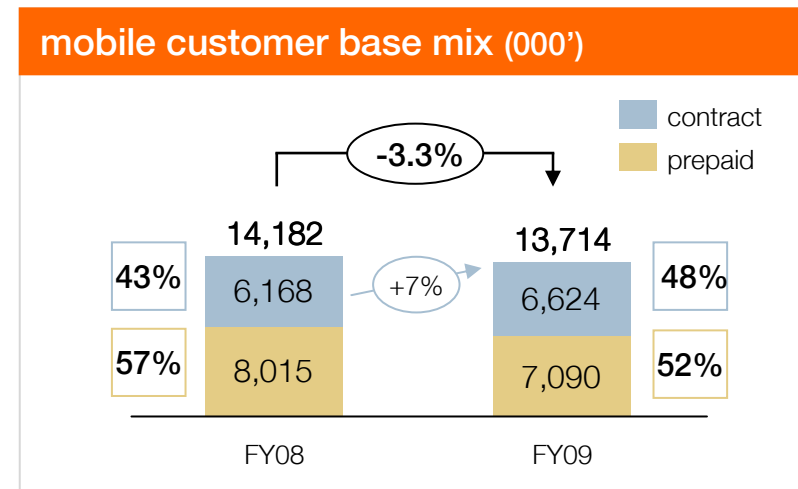
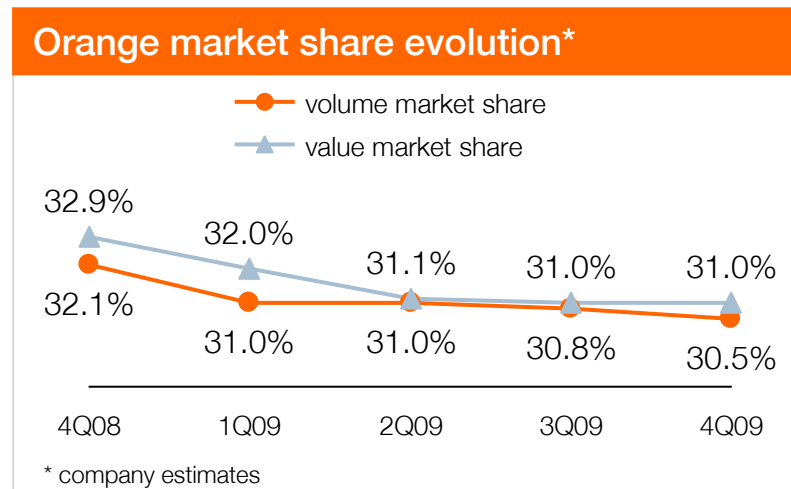
- revenues down by -12.4% in 4Q09 with:
 - personal revenues suffering from price war, MTR cuts & market maturity
 - home revenues impacted by fixed-to-mobile substitution and a further regulated cut (-21%) in fixed-to-mobile prices (Nov 09)
- full year revenues down by -8.8% but EBITDA margin erosion limited to -3.2 pts due to solid cost management in a challenging environment



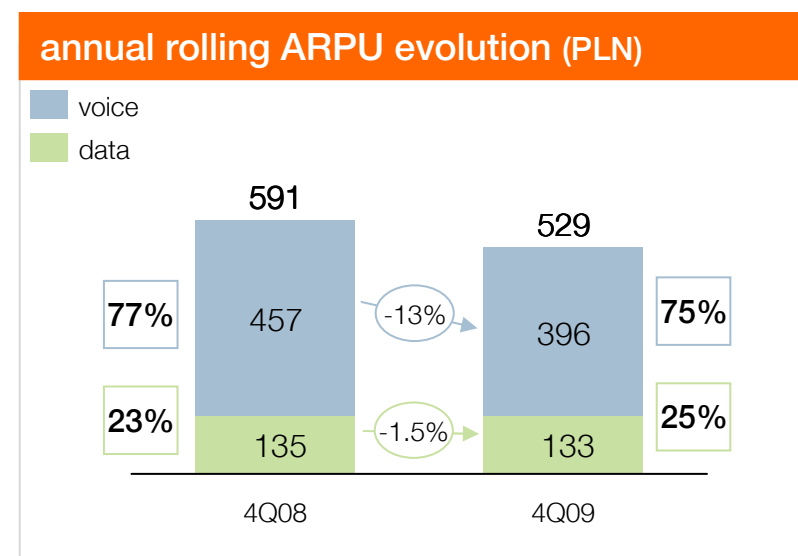
* yoy on CB

FY09 Poland personal KPIs

improved customer base mix in a mature and competitive market

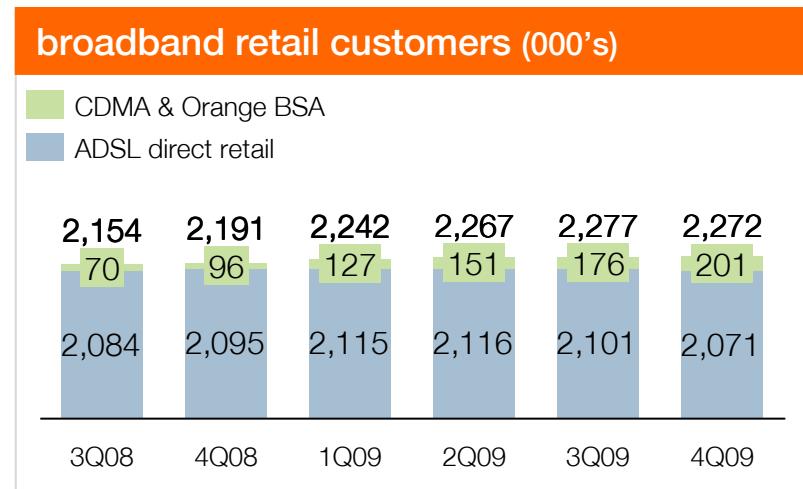
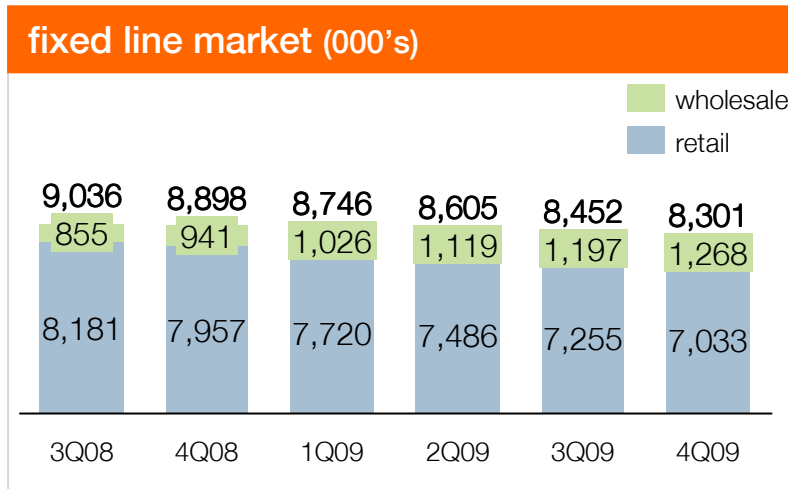


- ### insight
- market share maintained in a very competitive market
 - better customer mix with +456 k contract net additions o/w +116 k in 4Q09
 - high-ARPU contract customers now represent 48.3% of the customer base
 - steady data ARPU limited the erosion of annual rolling ARPU: non voice revenues now represent 25% of 4Q09 ARPU
 - 5.5 million (40%) of customers are now mobile broadband enabled (2.5/3G)



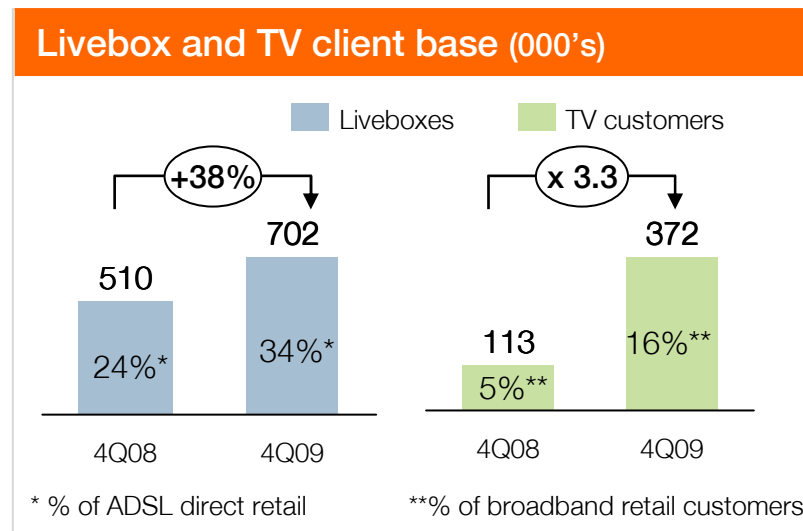
FY09 Poland home KPIs

increased take-up in Livebox usage & TV customers



insight

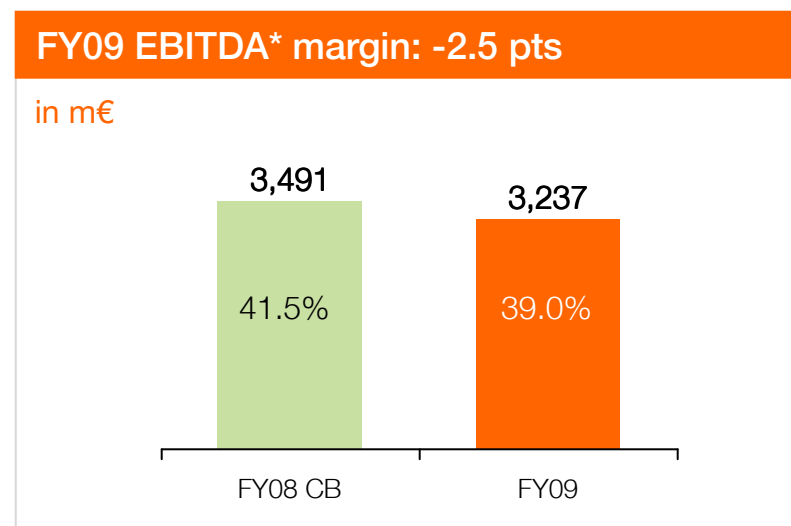
- active fixed lines continued to decline due to fixed-to-mobile substitution
- economic slowdown delayed the take-up of broadband services
- further increases in internet feature usage with Livebox penetration now at 34% of the retail ADSL base and IPTV customers up to 372 k



FY09 Rest Of the World financials

sustained growth in Africa & Middle East, value leadership maintained in Eastern Europe

FY09 revenues*: -1.2%			
in m€	FY08 CB	FY09	var in CB
total ROW	8,409	8,308	-1.2%
▪ Africa & Middle East	3,210	3,376	+5.2%
▪ Europe	4,683	4,414	-5.7%
▪ other countries	548	540	-1.5%
eliminations	-32	-23	



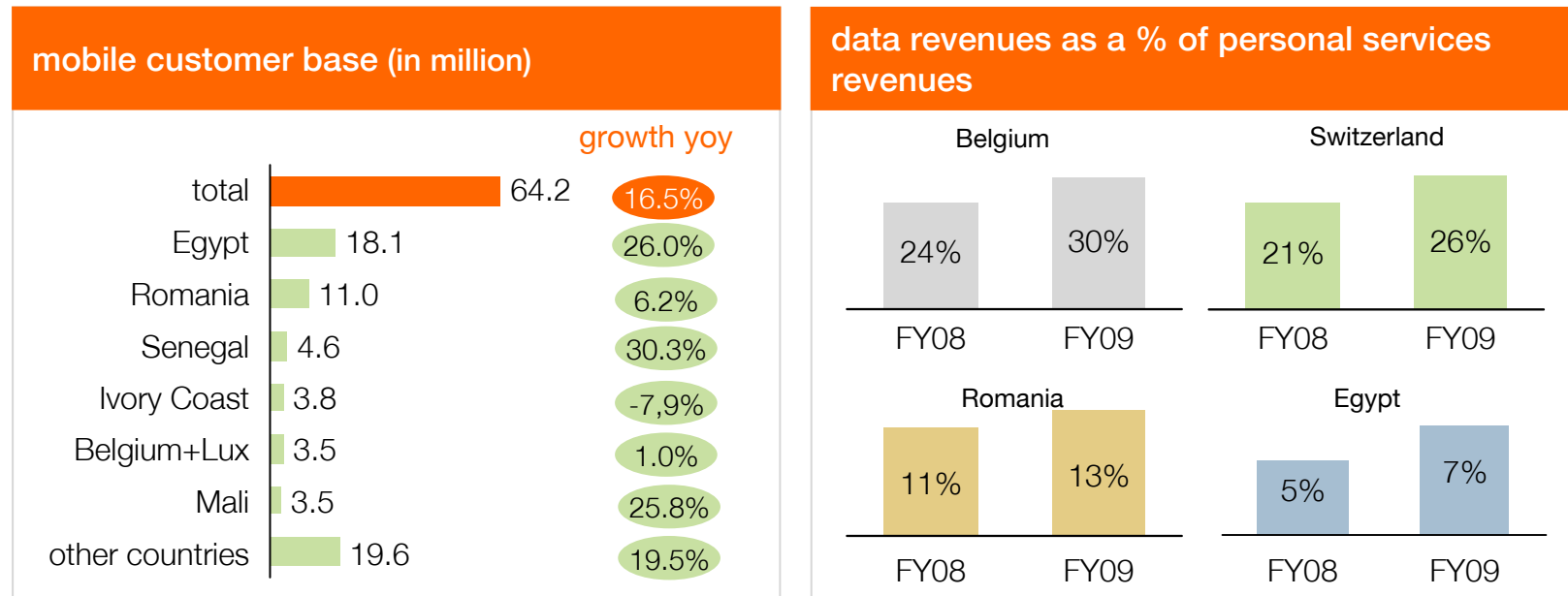
* yoy on CB

insight

- **Africa & Middle East:** growth of +5.2% yoy driven by Egypt (+€74m), Mali (+€25m), Ivory Coast (+14 m€) and by new operations but reduced by Madagascar (-€12m), impacted by political instability
- **European countries:** slowdown in revenues of -5.7% yoy impacted by both regulatory effects (excl. regulatory effects, revenues down by -3.0%) as well as the difficult economic situation:
 - revenues -19.5% yoy in Romania driven by the local economic situation (-10.4% restated from currency pricing/billing effect)
 - revenue growth in Mobistar (+2.2%) and in Moldova (+11.8%) offset lower revenues in Slovakia (-5.6%)
 - value leadership maintained across Romania, Slovakia and Moldova
- EBITDA margin down by -2.5 pts yoy, mainly due to the downturn in Romania (-185 m€), start-up costs at new operations (Kenya, Uganda, Armenia, ...) and regulatory effects

FY09 Rest Of the World KPIs

double digit growth in mobile subscriber base



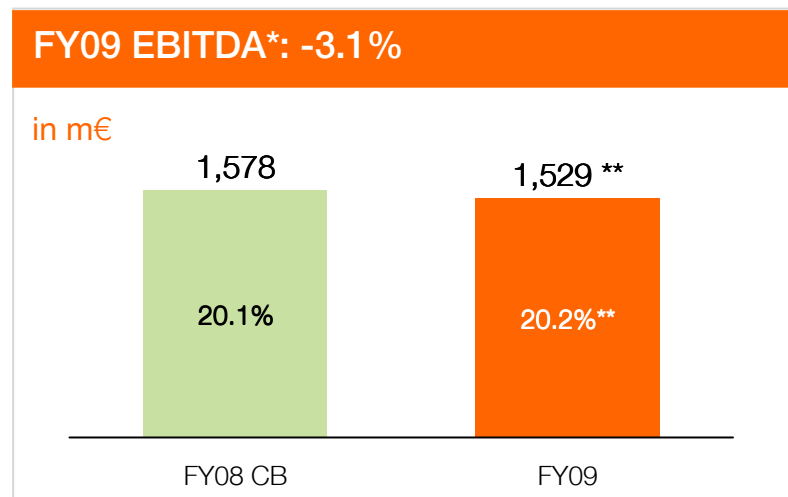
insight

- customer base: strong growth driven mainly by non-European operations such as Senegal, Egypt, Mali and new operations
- market share: leading positions with more than 95% of the customer base in market position #1 or #2
- new services: 150 k customers for “Orange Money” in the Ivory Coast with launch preparations ongoing in Senegal & Mali. 3G licenses obtained in Jordan and Mali
- data revenues: becoming more significant in both mature & emerging markets
- new operations: Orange Uganda launched in 1Q, Orange Armenia in 4Q, planned launch of an integrated fixed/mobile operator in Tunisia with a local partner in 1Q'10

FY09 enterprise financials

EBITDA margin maintained despite growing impact of macro crisis on 2H revenues

FY09 revenues*: -3.5%			
in m€	FY08 CB	FY09	Var in CB
total enterprise	7,834	7,559	-3.5%
business network legacy	3,459	3,167	-8.4%
advanced business network	2,081	2,166	+4.1%
extended business services	1,349	1,371	+1.6%
others	945	856	-9.5%



insight

- stabilization of revenue decline in 4Q09 at -5.5% yoy (-4.2% excluding equipment resale), in line with 3Q09 (-5.0%)
 - **legacy**: continuing significant decline in 4Q09 (-11.2% yoy) reflecting changes in customers' behaviors in a very challenging environment
 - **advanced**: good growth in 4Q09 (+4.6% yoy) driven by VoIP, high speed solutions as well as IP VPN despite market maturity
 - **extended**: marked revenue decrease in 4Q09 (-3.4% yoy) reflecting lower level of contracts signed this year and exit from unprofitable contracts
- EBITDA margin remains stable, at the high end of the industry range, thanks to:
 - productivity efforts
 - reduction of general expenses and
 - exit from unprofitable businesses

4

France performance

Stephane Richard

CEO designate & Head of France

FY09 France financials

maintained EBITDA margin and stabilized revenues

FY09 France key financials

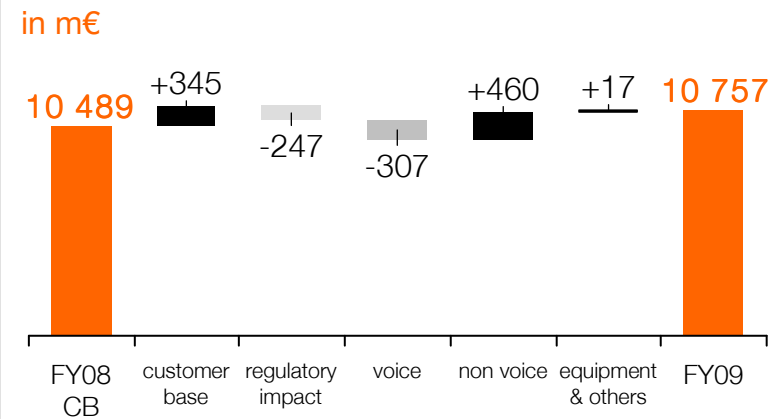
in m€	4Q09	var in CB	FY09	var in CB
revenues	5,919	-1.6%	23,639	+0.1%
personal	2,704	-1.4%	10,757	+2.6%
home	3,507	-1.8%	14,076	-1.5%
eliminations	-292		-1,194	
EBITDA margin*	-	-	41.1%	-0.3pt
personal	-	-	37.2%	+0.1pt
home **	-	-	40.6%	-0.6pt

* excl. provision for part time senior of 461m€ (otherwise, margin at 39.1%)
 ** excl. part time senior provision of 461m€ (otherwise, margin at 37.3%)

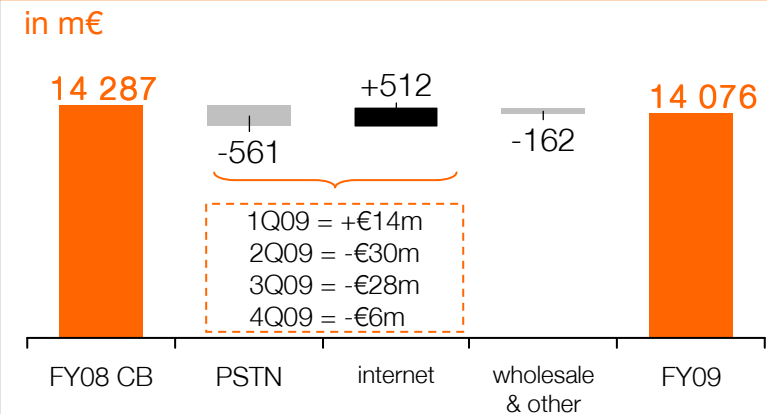
insight

- FY09 revenues up +1.6% yoy excl. regulation
 - mobile revenues up by 5.0% excl. regulation driven by volume effect and non voice revenue increase
 - home revenues nearly stable -0.4% excl. regulation with broadband growth almost offsetting PSTN decline
- FY09 EBITDA margin excl. exceptional: -0.3pts yoy
 - personal margin up +0.1pt yoy, thanks to efficient G&A management
 - home margin down -0.6pts yoy excl. part time senior provision: content & tax rises partly balanced by G&A and lower IT costs

FY09 mobile revenue: +2.6% yoy on CB (+5.0% excl. regulatory impacts)

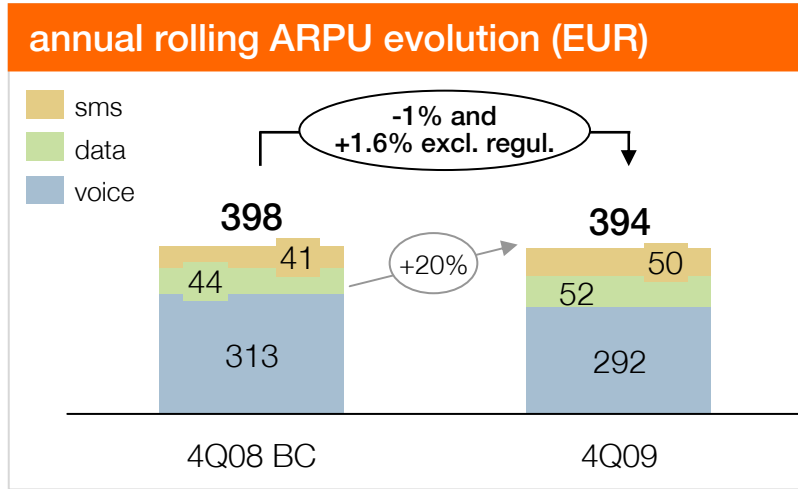
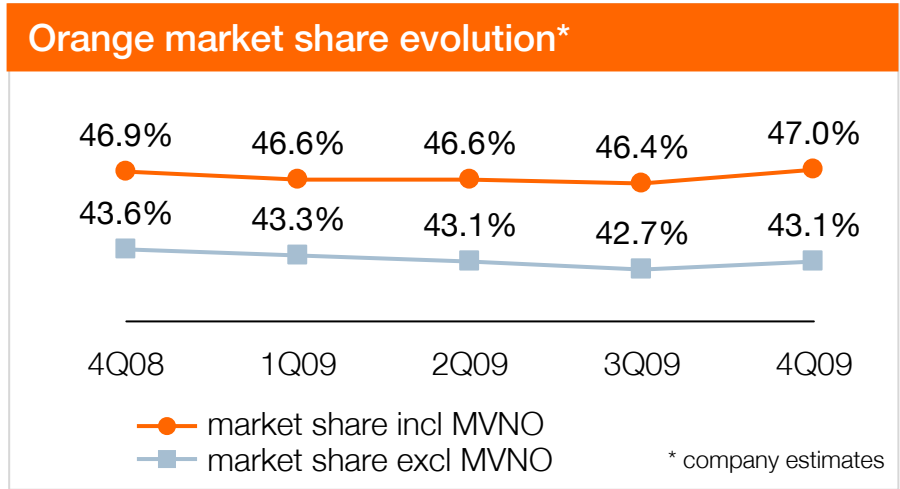


FY09 home revenue: -1.5% yoy on CB (-0.4% excl. regulatory impacts)

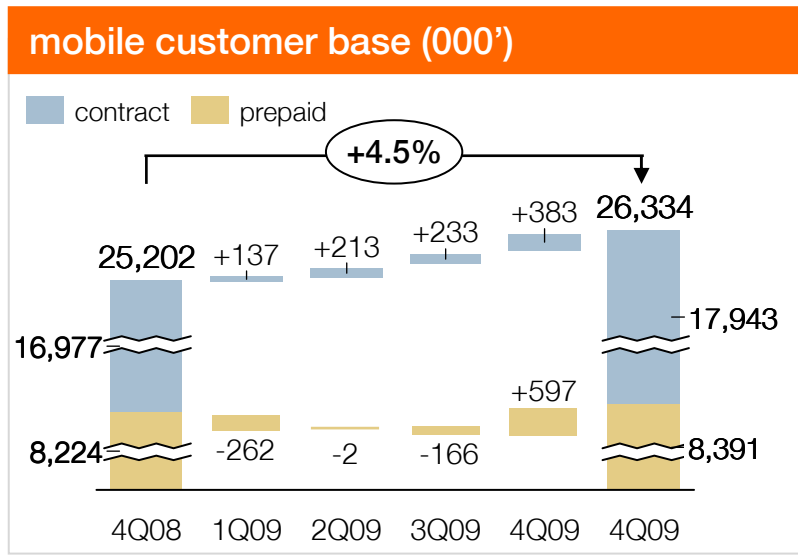


FY09 France personal KPIs

best commercial performance since 2000



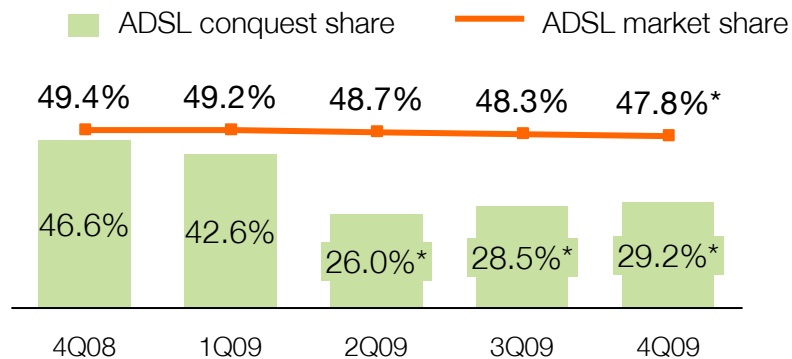
- insight**
- improved market share incl. MVNOs at 47%
 - MVNO customer base: +30% yoy at 2.4m
 - highest number of com. acts since 2000 (1.8m dec 09)
 - strong success in 2009 of Origami offers
 - 1 million new contract customers over 2009
 - +383k contract net adds in 4Q leading to an estimated conquest share of 51% in 4Q
 - good resilience of ARPU despite MTR cut thanks to data
 - non voice revenues: 28.2% of service revenues in 4Q09 (+5.5pt yoy) sustained by mix offer and smartphones penetration
 - 1.1m internet/business everywhere users (x2 yoy)
 - 1.7m iPhone at the end of December



FY09 France home KPIs

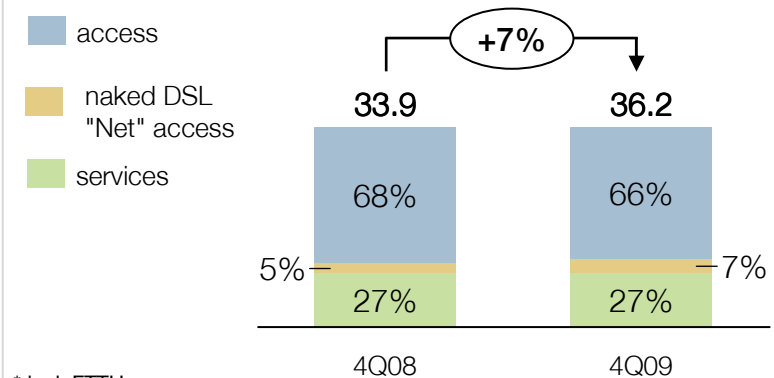
growing broadband ARPU in a maturing and competitive market

ADSL market share & conquest share



nb: ARCEP figures: 32% in 2Q vs 30% in 3Q, * FT estimates

quarterly broadband ARPU evolution (EUR)*

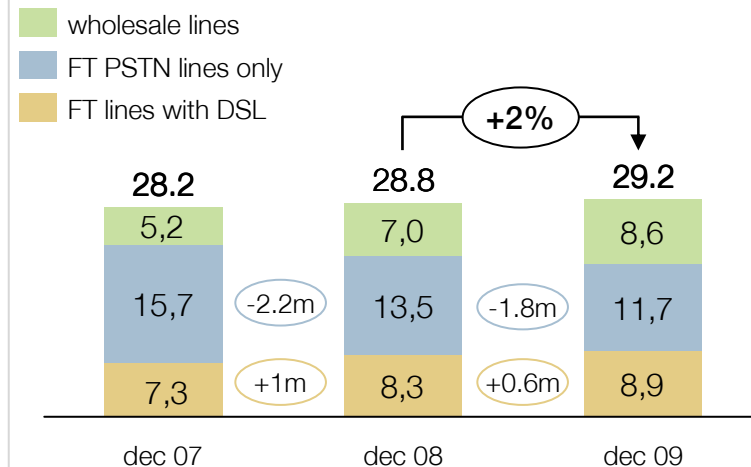


* incl. FTTH

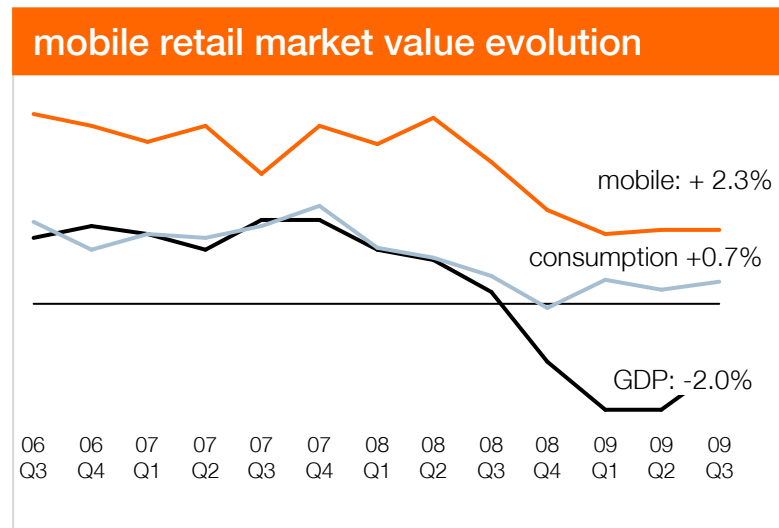
insight

- total number of fixed lines still increasing: +2% yoy
 - improving trend of FT line losses in 2009 vs 2008
- stabilization of ADSL conquest market share
 - 116k new ADSL customers in 4Q09 leading to an estimated share of conquest of 29.2% in 4Q
 - promotions on broadband in 4Q ("Net" naked DSL offers)
 - special offers though web channels
- quarterly broadband ARPU +7% yoy:
 - acceleration of naked ADSL offers (32% of ADSL base)
 - 2.8m IPTV subscribers (+45% yoy)
 - success of pay TV packages (1.1m at the end of 09)
 - o/w 663k Orange Sport & Cinema Series customers

copper line market (in million)

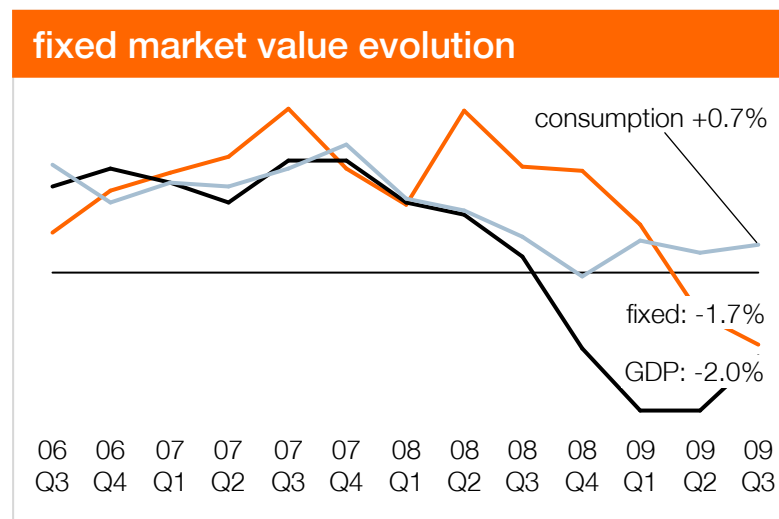


2010 French telco market should continue to be resilient



key market trends

- expected retail mobile growth: +2/+3%
- concentration on high end and low end handsets
- second wave of sharp data increase
- quality of service – specially for data - should be a key differentiator
- 4th entrant: anticipation but no pricing disruption in 2010
- MVNOs become the 4th block with a clear aggressiveness in contract



- expected broadband growth: +8%
- churning market rather than new comers
- intensification of competition with 4 players
- de-linearized TV take off (VOD, catch-up, ..)
- quad play offers ramp up
- no trend change in PSTN

preparing market changes by optimizing our positioning



mobile



fixed broadband

more segmented approach

- new segments targeted with enriched Origami range:
 - low prices and low cost
 - family propositions
- development of data usage

- more segmented approach:
 - launch of an entry lower price proposition
 - premium
 - quadruple play

optimal targeting of commercial subsidies

- focus on Customer Life Time value
 - revamped version of 'mobile change program'
 - price discounts designed by value segment

- set top box range depending on customer potential
- optimization of commercial investments by channel mix

service: a new market standard for customer experience

- customer tailored solutions for mobile, home and internet
- all channels (web, outlets, CS) are integrated

innovation

cutting edge handsets
3D image
exclusive contents

coaching and advice

personal appointments
with our technical coaches

reliability

transfer and back-up
of personal data

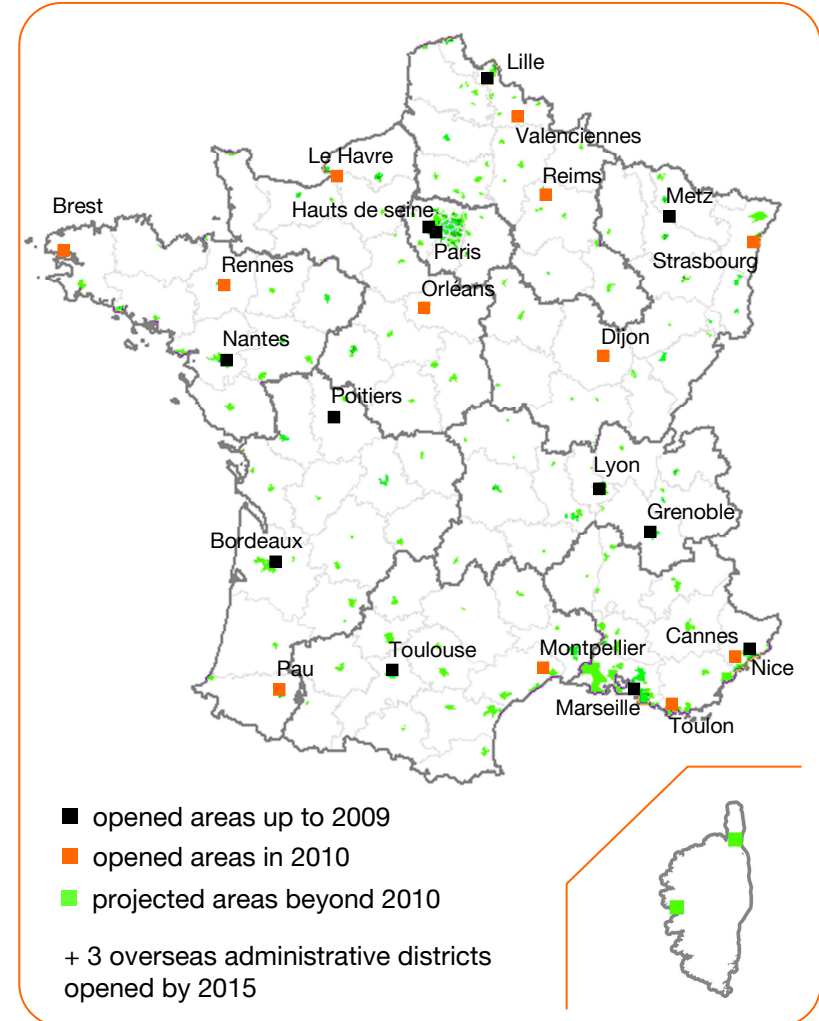
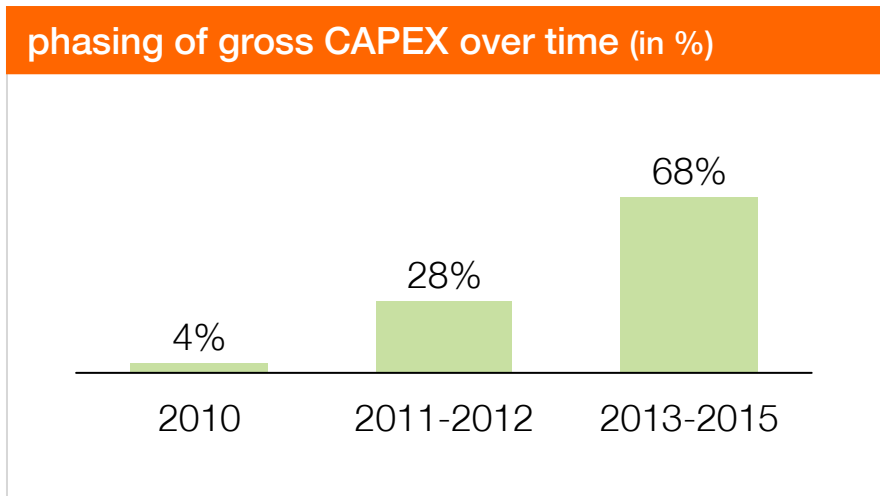
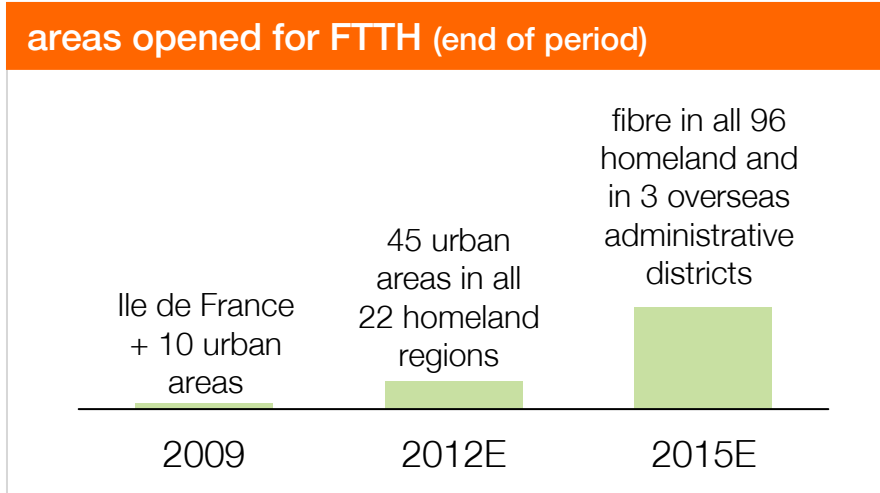
enhanced services

handset cleaning, possibility
to test latest handsets
experience of redesigned TV

FTTH roll-out plan announced in France

- regulatory framework for very high broadband has been clarified
- customers needs have evolved beyond the capabilities of ADSL or cable
- plan geared toward new applications, customer win-back and retention
 - as the most upward scalable technology, FTTH will be deployed in dense areas (zone 1 and denser part of zone 2)
 - open approach to partnerships with other operators and local authorities
- new commercial offer for fiber will be announced at the mid-year

a new ambition for FTTH with areas opened in all regions for a CAPEX of approx. €2bn



large mobilization of employees and managers to rebuild a strong management culture

Technologia audit and employees forum

- questionnaire sent to our 102,000 French employees → answer rate 80%
- individual interviews: 1,000 employees
- create new expression dynamics: more than 2,500 local meetings

on going negotiations with employee representatives

- mobility
- work life balance
- working conditions
- review employee's representatives governance
- organization of work
- stress at work

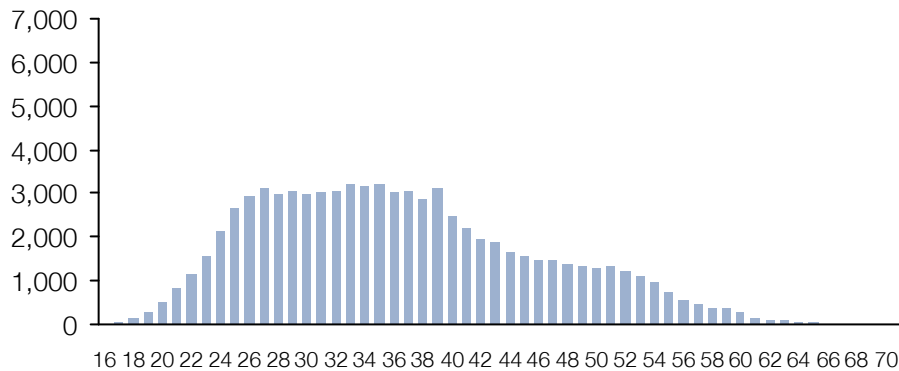
new employees agreement under construction

- **first immediate measures**
 - reinforce the Human Resources structure
 - actions to improve working conditions
 - additional hirings
- **first agreement on senior part-time plan signed in Nov 2009**
- **mobility and work life balance under signature**

natural attrition will accelerate in the coming years

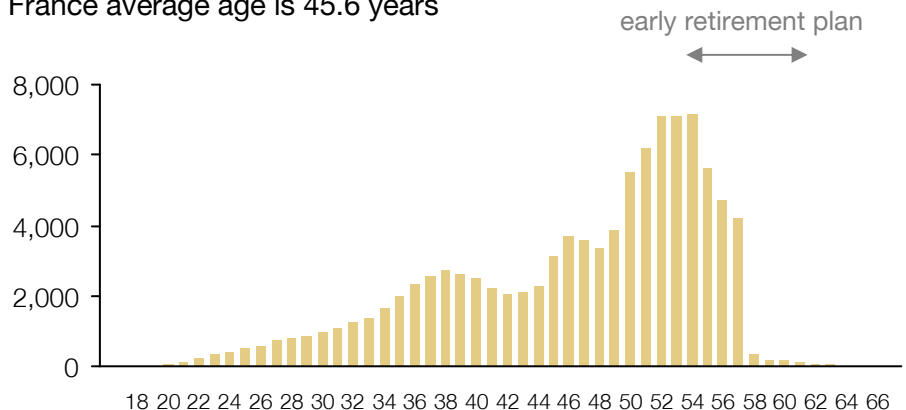
pyramid ageing outside France – dec 2009

Group average age is 41.6 years



France pyramid ageing – dec 2009

France average age is 45.6 years



insight

- four packages from 65% of pay to 80% mixing part-time work and freed-up time
- 14,000 employees eligible over 2010-2012: 10,000 will probably adhere
- provision of €700m, of which €569m accounted in 2009
- impact of this agreement on the Group's cash-flow is neutral

new social agreement will bring soon positive effects

local teams empowerment

empower front-line people and simplify customer relation organization
to improve responsiveness and quality of service

comfort at work

improve working condition **to increase productivity and efficiency**

restore social dialogue

offer a better social dialogue in order to pursue permanent adaptation
of our organization **and processes**

employer of choice

become one of the preferred employers of choice in France in order
to retain competences and attract best talents required for the next decade

5

conclusion

Stephane Richard
CEO designate

Group Executive Committee



Stéphane Richard

Chief Executive Officer
French Operations



Jean-Yves Larrouturou

Deputy Chief Executive Officer
International



Gervais Pellissier

Deputy Chief Executive Officer
Finance, Information Systems,
United Kingdom JV



Jean-Philippe Vanot

Deputy Chief Executive Officer
Quality
Corporate Social Responsibility



Christine Albanel

Executive Vice President
Communication, Philanthropy,
Content Strategy



Vivek Badrinath

Executive Vice President
Enterprise Communication Services



Olivier Barberot

Executive Vice President
Human Resources



Thierry Bonhomme

Executive Vice President
Networks, Carriers and
Research & Development



Jean-Paul Cottet

Executive Vice President
Marketing



Delphine Ernotte

Executive Vice President
Deputy for French Operations



Pierre Louette

Executive Vice President
General Secretary



Bruno Mettling

Executive Vice President
Jobs and Skills
Orange Campus



Georges Penalver

Executive Vice President
Strategic Initiatives and Partnerships



Raoul Roverato

Executive Vice President
New Growth Businesses



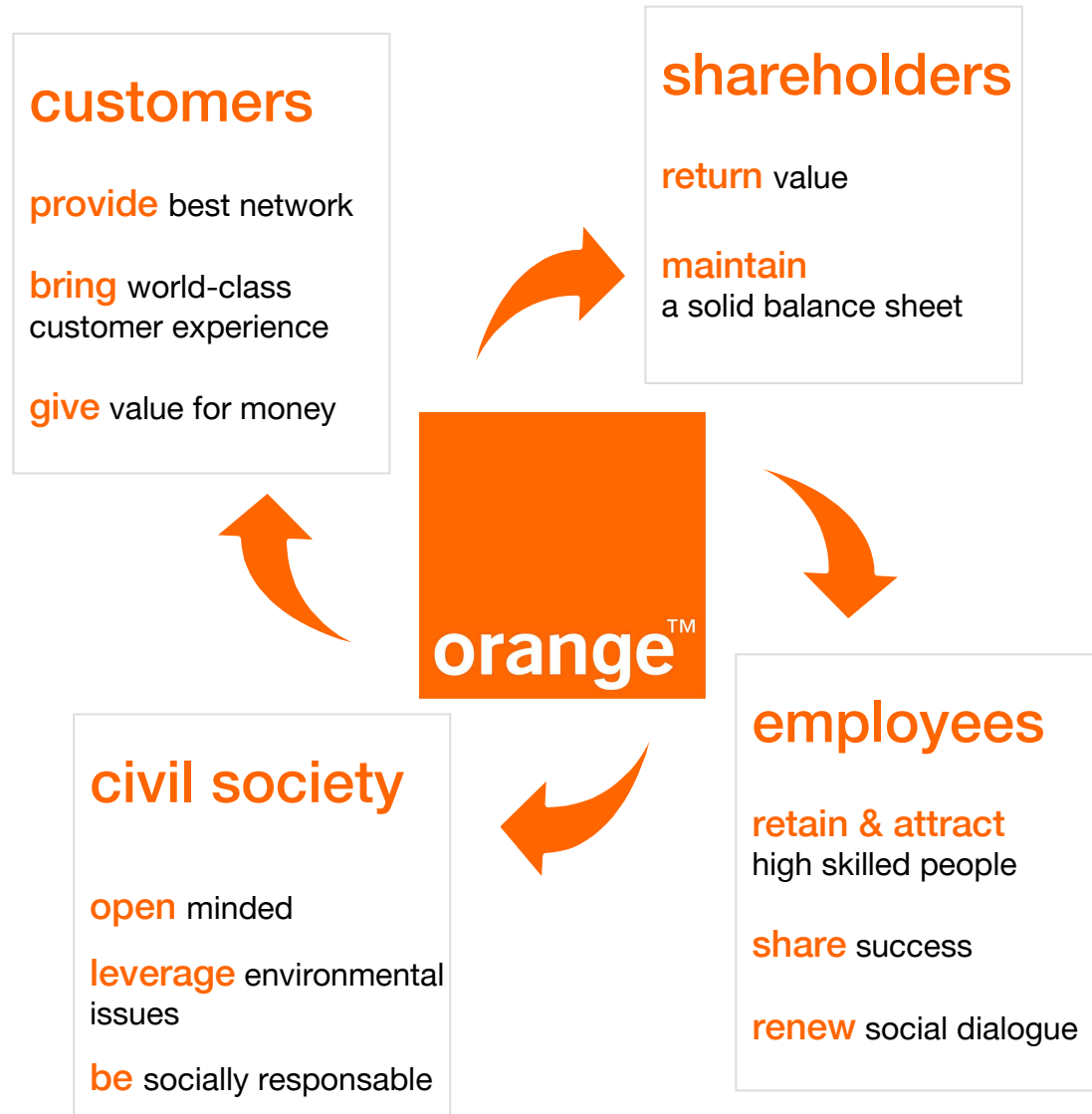
Olaf Swantee

Executive Vice President
Europe (in International Division)
Sourcing

next steps

March 5 th	deadline for the signature of the first social agreement
March 25 th	action plan for French operations announcement
April 6 th	new organization team taking effect
before summer	presentation of the project : press conference and internal roadshows
3Q 2010	presentation of the project to investors

Orange, the company of choice, creating value for all the stakeholders



appendix

application of IFRS 5 on discontinued activities will impact both UK operations and proportionate consolidated affiliates* like ECMS

