

France Telecom Orange

fixed income roadshow in Tokyo

Jean-Michel Thibaud,
Group Treasurer

Hervé Labbé,
Group Treasury, Head of dealing room and
chief economist

Amélie Laroche-Truong,
Investor Relations

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SoshTM

cautionary statement

this presentation contains forward-looking statements about France Telecom's business, in particular for 2011, 2012 and 2013. 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 "Conquests 2015" Action Plan and other strategic, operating and financial initiatives, France Telecom's ability to adapt to the ongoing transformation of the telecommunications industry, regulatory developments and constraints, as well as the outcome of legal proceedings and the risks and uncertainties related to international operations and exchange rate fluctuations.

more detailed information on the potential risks that could affect France Telecom's financial results can be found in the Registration Document filed with the French Autorité des Marchés Financiers and in the Form 20-F filed with the U.S. Securities and Exchange Commission. Except to the extent required by law, in particular sections 223-1 et seq. of the General regulation of the Autorité des Marchés Financiers, France Telecom does not undertake any obligation to update forward-looking statements.

agenda

1 company highlights

2 strategic directions

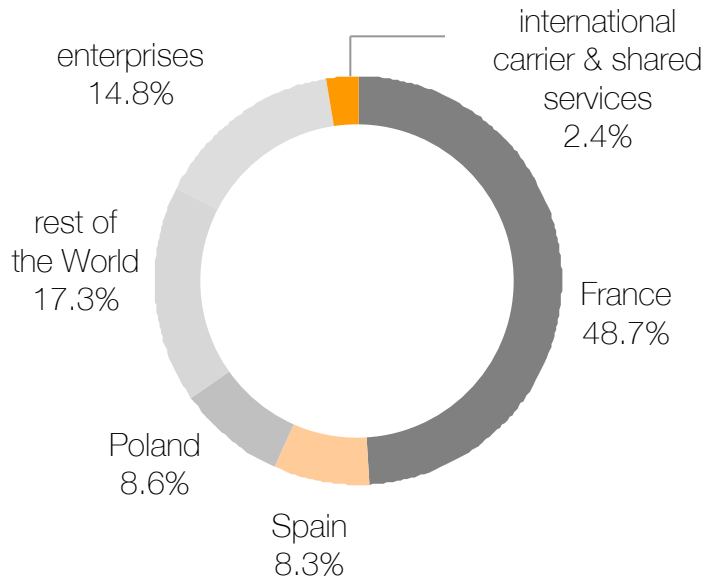
3 3Q11 results

4 debt management

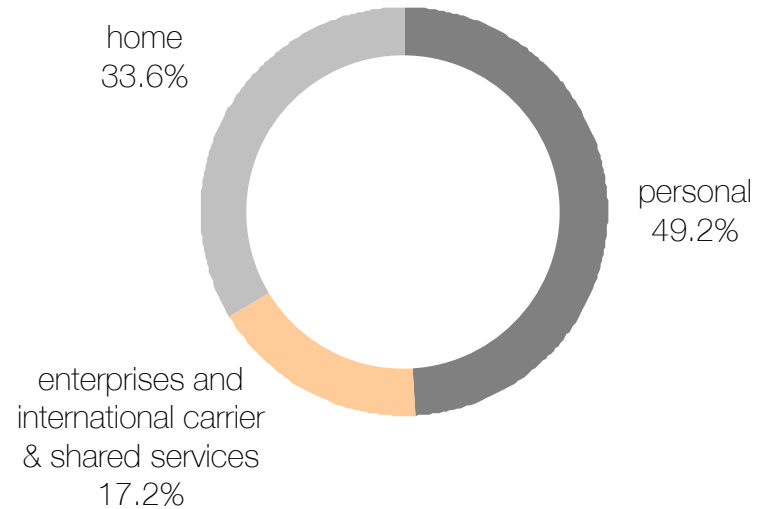
France Telecom-Orange is a convergent telecom operator with a diversified footprint and portfolio of activities

45.5 billion euros revenues in 2010

per geographic area



per line of business

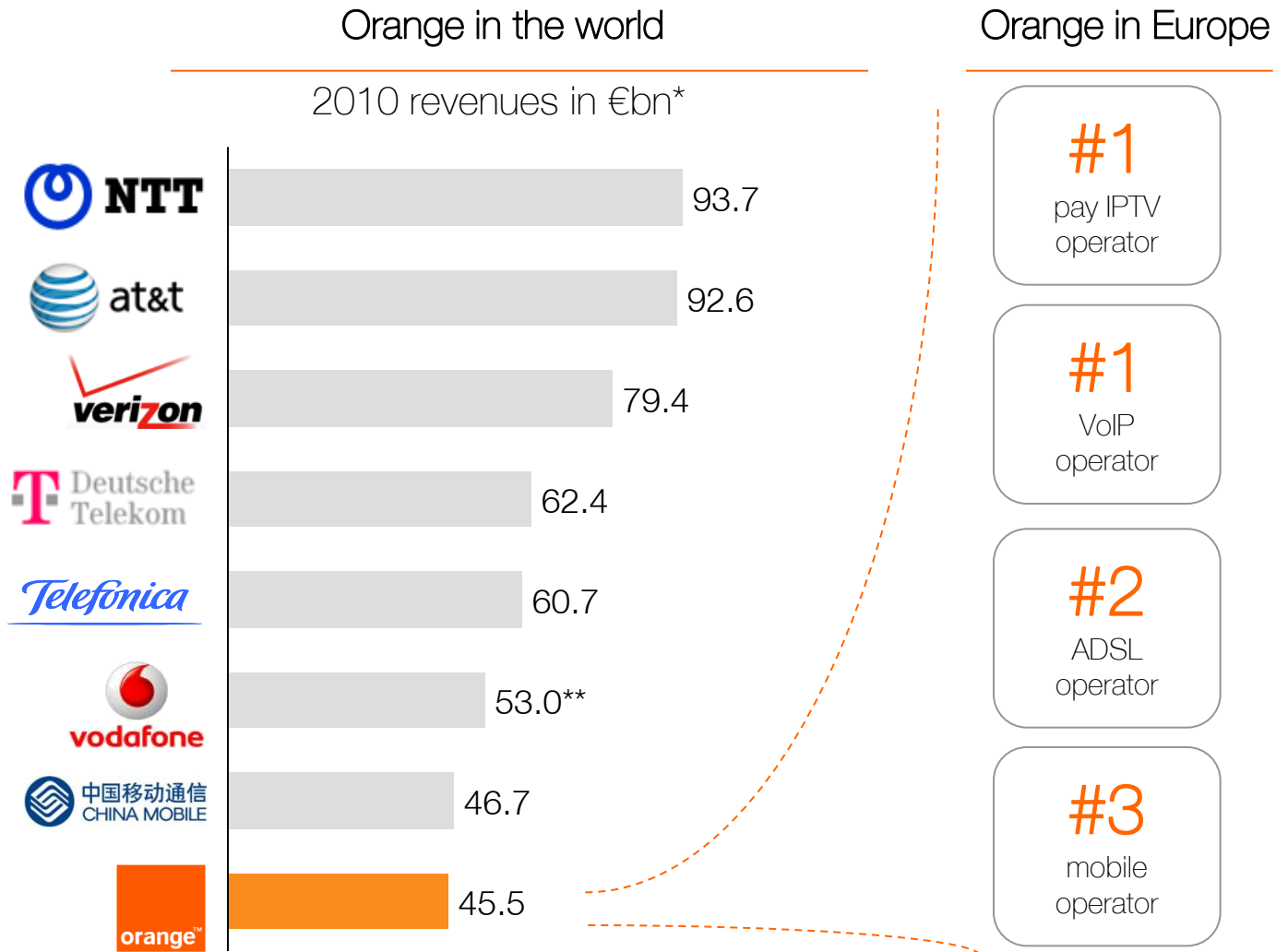


1 699 thousand employees in 36 consumer countries & 220 enterprise countries & territories

world's 7th telecoms brand¹

¹ Millward Brown

8th worldwide telecom operator



* exchange rates as of 31/12/2010 from Datastream

** Reuters consensus estimates as of March 2011 for full year ending March 2011

221 million¹ customers worldwide



our Group provides services for the residential customers in 36 countries and for businesses in 220 countries and territories

innovation is part of our DNA

expertise

- 7,892 patents in our portfolio
- 327 patent applications filed in 2010
- 3500 people working on innovation on the Group

investments

- €845 m invested in 2010
- 1.9% of revenues

rewards

- 2011 award for Best Mobile Technology for Emerging Markets
- 2010 award for Best Technological Advance in Mobile Telephony
- 2010 award for Best Project Management (Orange Business Services)



a responsible governance support

Stéphane Richard, Chairman and CEO

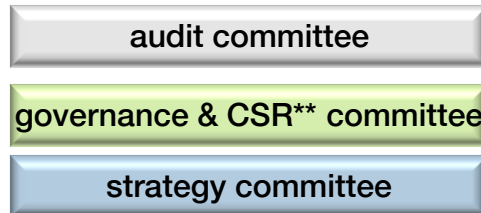
Gervais Pellissier, CEO delegate and CFO

board of directors

15 board members*

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

3 board committees

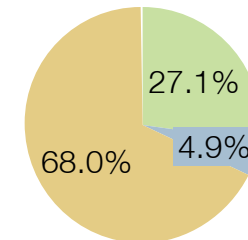


executive committee

13 executive members***

7 main governance committees

shareholding structure



30th of September 2011

- French state (and affiliated)
- employees
- others

insight

- active governance in 2010 with:
 - 11 board of directors meetings
 - 13 audit committee meetings
 - 7 governance & CSR** committee meetings
 - 3 strategy committee meetings

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Conquests 2015

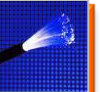
our strategic and industrial project, co-constructed by **over 2,000 of our staff**, aims at **combining** economic performance **and** social progress for the benefit of all stakeholders

our people



- management empowered for best execution at local levels
- human resource 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)

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 million by 2015
- double revenues in emerging countries by 2015
- leverage network coverage & innovation for competitive advantage
- dedicated CSR programs per country

capturing new growth opportunities

drive data monetization



- tiered data pricing schemes
- differentiated classes of service to customers
- yield management
- efficient network usage

strategic partnerships

- best content in music & video (Deezer, Dailymotion)
- optimization of asset base and value extraction out of cost base (e.g. RAN* sharing & sourcing cooperation with DT)



new territories



- **payment and contactless** (incl. NFC**, Orange Money...)
- **smart networks for wholesale** (incl. CDN***, network as a service...)
- **smart cities** (utilities, transportation)
- B2B cloud computing
- digital coach & customer intimacy

convergence



- continue to develop convergence in Europe including inorganic moves and key partnerships in fixed and push 4P

* radio access network **near field communication ***content delivery network

adapt to conquer: our Conquests 2015 ambition*

OpCF (EBITDA – CAPEX)

adapt	conquer
Σ 2011-2013	2013-2015
~€27bn guidance (excl. exceptional items)	9% CAGR

revenues

adapt	conquer
2010-2013	2013-2015
0.6% CAGR	2.7% CAGR

EBITDA

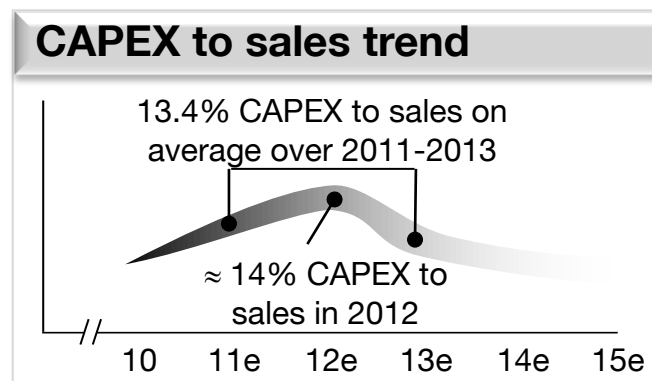
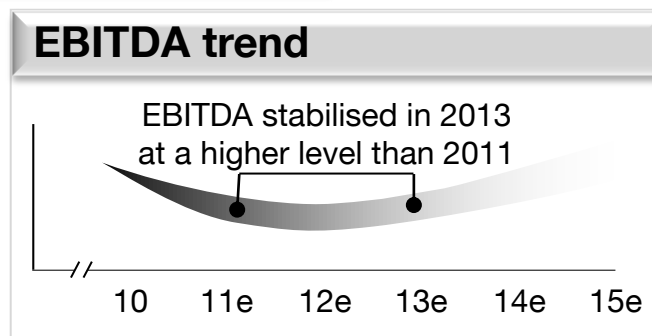
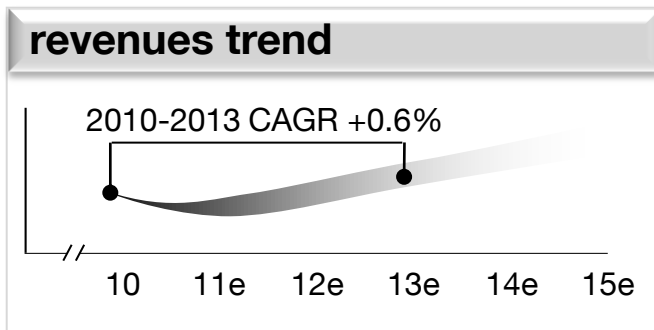
adapt	conquer
Σ 2011-2013	2013-2015
~€45 bn	3.4% CAGR

CAPEX

adapt	conquer
Σ 2011-2013	Σ 2014-2015
~€18.5bn (12.6% CAPEX to sales excl. FTTH in France)	~€10.8 bn (10.0% CAPEX to sale excl. FTTH in France)

* figures are extracted from the Conquests 2015 operating plan which was completed recently; operating plans evolve continuously and are presented as an indication, not as a further guidance

2011-2013 cumulated OpCF guidance is supported by underlying trends...



* OpCF (EBITDA – CAPEX) excluding exceptional items

... and by strong focus on performance programs to improve operational efficiency

main initiatives and ambitions

Chrysalid 2011-2015

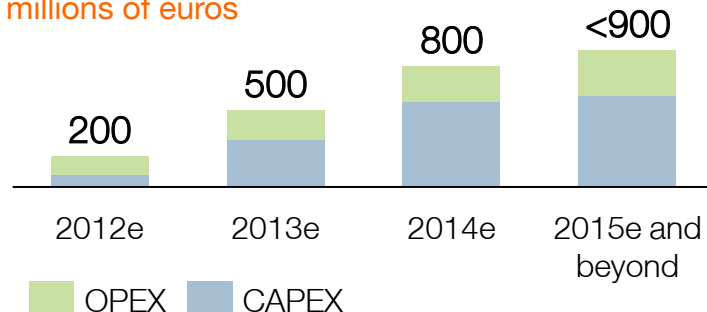
	2015 annual savings planned vs. 2010 cost base, in €bn	2015 average obj. % of achievement*
France	0.9-1.1	
Europe**	0.9-1.1	
AMEA	0.1-0.2	
OBS	0.2-0.3	
ICSS	0.1-0.2	
Group	€2.5bn, of which more than 60% by 2013	

3Q first achievements

- FY 2011 savings expected between 15-20% of 2015 target
- first implementations launched:
 - **France:** reduction of field interventions in broadband
 - **Spain:** RAN-renewal and mobile backhaul refresh
 - **Poland:** RAN-sharing program with PTC, gradual roll out starting in 2012
 - **AMEA:** solar stations on radio sites
 - **Europe:** RAN-renewal, IT architecture improvement, energy consumption of networks and buildings, near-shoring (Moldova)
 - **Enterprise:** network cost optimisation (in particular access)

Buyin, sourcing JV with DT

in millions of euros



- JV operations started from Oct. 17th, implementation in group entities and with suppliers from 4Q
- expected areas of savings:
 - terminal devices, with ~70 million devices to be bought / year
 - mobile communications networks
 - fixed-network equipment
 - service platforms

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sustained commercial performance in 3Q while protecting EBITDA

confirmed sustained commercial performance

throughout the Group with customer base up by **8.6%*** to over 221 million customers

new steps in offers segmentation implemented in France driving successful momentum

share of broadband net adds at **35.3%****, stabilised market share on mobile at **40.5%**** and data revenue as a % of personal services revenues increase by **+5.0 pts** yoy to **36.7%**

operational outperformance in Spain confirmed

+4.8% revenue growth in 3Q*** (+7.4% excl. regulation***)

and improving trend in Poland

+1.3 pts of revenue growth vs 2Q***

as anticipated, underlying revenue stability

with 9m growth of **+0.1%***** (excl. regulation)

3Q11 contained restated EBITDA margin erosion trend***

at **-1.2pts** after **-1.5pts** in 1H thanks to a disciplined and efficient commercial costs policy

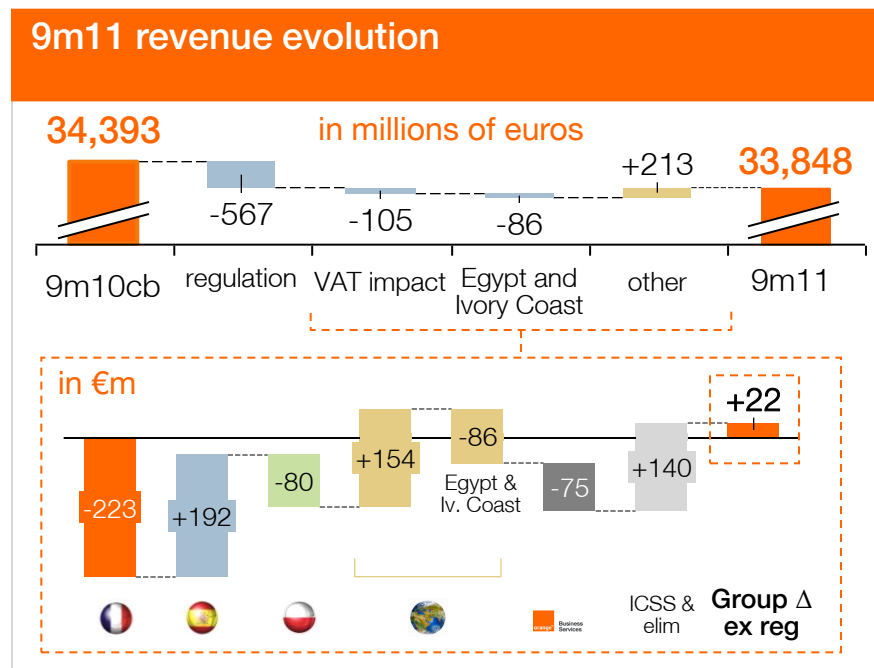
FY 2011 guidance of operating cash flow: expected slightly above €9bn

key financial achievements

in €m	9m10cb	9m11 actual	9m var. cb	3Q11 actual	3Q var. cb	key points
revenue	34,393	33,848	-1.6%	11,280	-2.1%	<ul style="list-style-type: none"> regulation impact: -€567m, o/w -€188m in 3Q
excl. regulation			+0.1%		-0.5%	<ul style="list-style-type: none"> VAT impact: -€105m, o/w -€29m in 3Q as anticipated, slowdown in 2H
EBITDA*	12,275	11,611	-5.4%	3,998	-5.2%	<ul style="list-style-type: none"> regulation impact: -€171m, o/w -€58m in 3Q VAT impact: -€129m, o/w -€29m in 3Q
in % of rev	35.7%	34.3%	-1.4pts	35.4%	-1.2pts	<ul style="list-style-type: none"> erosion trend contained in 3Q in line with FY Group trends
CAPEX	3,469	3,731	+7.5%	1,262	+2.1%	<ul style="list-style-type: none"> in line with 2011 indication of ~13% of revenue with catch up expected in 4Q
in % of rev	10.1%	11.0%	+0.9pt	11.2%	+0.5pt	
EBITDA* – CAPEX	8,806	7,880	-10.5%	2,735	-8.3%	<ul style="list-style-type: none"> Group FY operating cash flow guidance slightly above €9bn

9m11 Group revenue stability excluding regulation

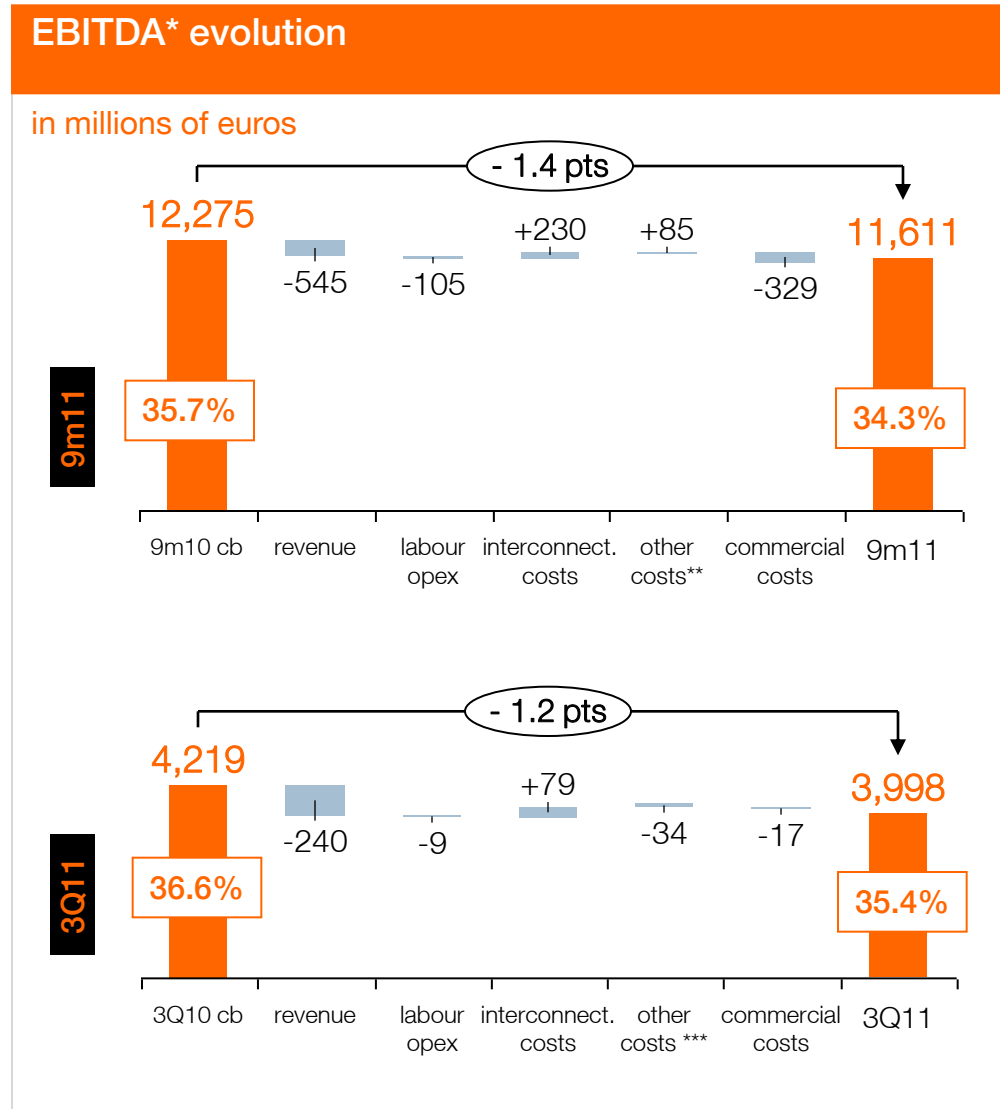
in €m	9m10cb	9m11		3Q11			
		actual	Δ vs 9m10cb	Δ vs 9m10cb excl. reg.	actual	Δ vs 3Q10cb	Δ vs 3Q10cb excl. reg.
Group revenue	34,393	33,848	-1.6%	+0.1%	11,280	-2.1%	-0.5%
France	17,411	16,873	-3.1%	-1.3%	5,569	-4.6%	-2.8%
Spain	2,858	2,982	+4.3%	+6.9%	1,039	+4.8%	+7.4%
Poland	2,923	2,801	-4.1%	-2.8%	899	-3.7%	-1.7%
ROW	6,578	6,503	-1.1%	+1.0%	2,222	-1.0%	+0.7%
Enterprise	5,357	5,282	-1.4%	-1.4%	1,734	-1.1%	-1.1%



insight

- 9m11 revenue stability (+0.1%) excl. regulatory effects resulting from a diversified and balanced portfolio of assets with complementary dynamics
- regulation impact on revenue -1.7 pts ytd, impact in line with 2011 anticipations of a lower amount than in 2010
- compared to H1, France revenue trend was mostly impacted in 3Q by lower equipment revenue, smaller growth of incoming traffic and reprice effect from Open
- Spain confirmed its outperformance with a 9m growth of +6.9% excl. regulation, and a 4th quarter of growth in a row incl. regulation
- Africa & Middle East 9m revenue growth at +6.5% excluding Egypt and Ivory Coast

commercial costs stabilizing allowing to contain margin erosion in 3Q11



insight

9m11

- EBITDA* impacted by regulation -€171m and VAT episode -€129m
- labour opex increase, mainly due to price effect in France
- interconnection costs savings due to lower termination rates more than compensating usage and “off-net” traffic growth
- efficient control of commercial costs in 3Q11 after a high level of investment in 1H11

3Q11

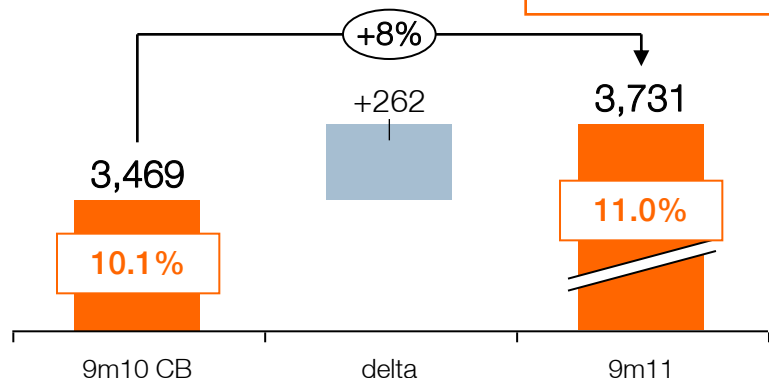
- margin erosion contained at -1.2pts
- after 4 quarters in a row of increase, commercial costs stabilization in 3Q with a decrease in France

CAPEX acceleration to enhance customer satisfaction, network evolution and future growth

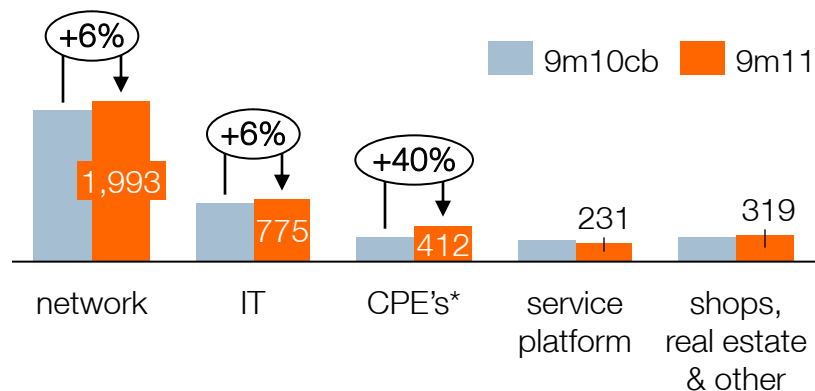
CAPEX evolution

in millions of euros

in % of revenues



strong 9m CAPEX increase on networks, IT and CPE's



insight

- increased CAPEX/sales ratio by +0.9pt in 9m11 at 11.0%, in line with 2011 indication of ~13% of revenue



France

- increase of CPE* investments driven by the success of Open, new Livebox offers and box renewals
- acceleration of FTTH investments in France (€104m ytd, +€68m yoy)



Spain

- increase of CAPEX related to CPE's, DSL coverage & capacity driven by the success of fixed broadband offers



Poland

- acceleration of high speed mobile broadband
- sustained investments in fixed broadband network aiming to increase triple play penetration



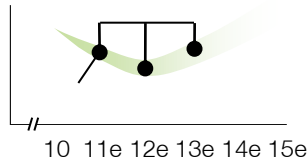
ROW

- Ivory Coast: network recovery plan boosting Q3 capex after events in Q2
- acceleration of mobile roll out in Mali, Niger and Kenya mainly linked to launch of 3G offers
- higher investments on submarine cables driven by ACE and LION2

guidance

guidance 2011-2013

operating cash flow (restated EBITDA-Capex)



- 2011-2013 cumulated ~€27bn guidance (excl. exceptional items)
- €9bn in 2011

dividend

- €1.40 dividend payment for 2011 and 2012 fiscal years

net debt / EBITDA

- continuation of the current leverage policy: ~2x net debt to EBITDA in the medium term

FY 2011



- increased to slightly above €9bn in 2011



- dividend confirmed



- 1.91x end of June 2011

agenda

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4 debt management

debt management virtuous circle enabling FT-Orange to constantly improve its credit profile

FT-Orange's debt management virtuous circle

robust cash flows

- €5.1bn operating CF 1H11
- op CF increased slightly above €9bn in 2011

stable balance sheet policy

- medium term net debt / EBITDA ~ 2x
- net debt / EBITDA 1.91x as of 1H 11

prudent debt management

- 105% of net debt fixed
- 8.2 years average maturity
- €3.8bn opportunistic issuances

prudent liquidity management

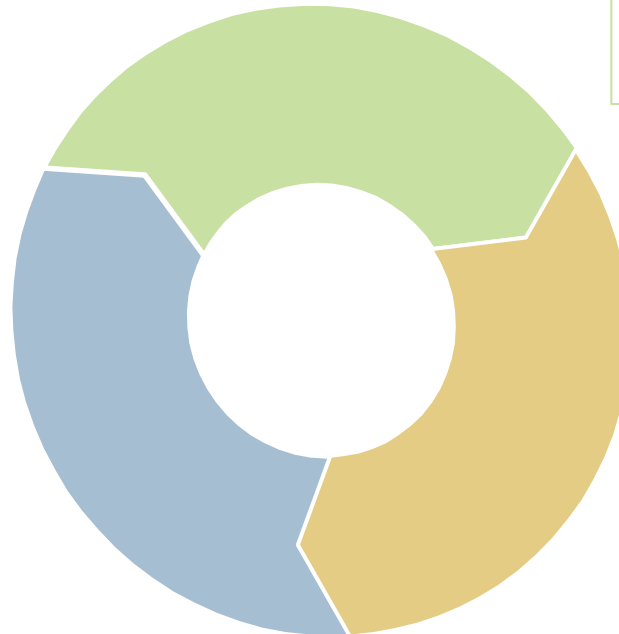
- liquidity position at €12.7bn
- new back up facility of €6bn

diversification

- 55% of 2009/10 bonds in non-€ markets
- various currencies : \$, £, JPY, CHF, \$CAD
- debt capital markets, ECAs, EIB etc

debt disintermediation

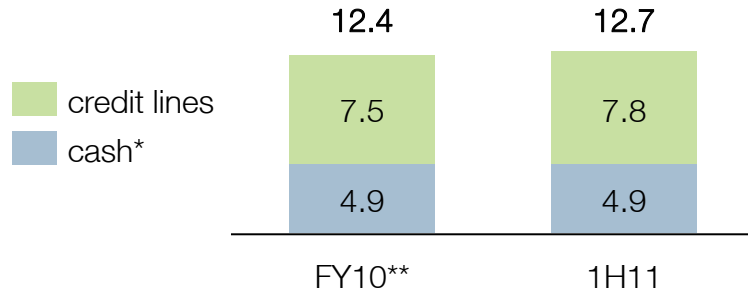
- bonds around 87% of drawn debt



France Telecom Orange continues to enjoy a robust credit profile and a strong liquidity position

group liquidity position

in €bn



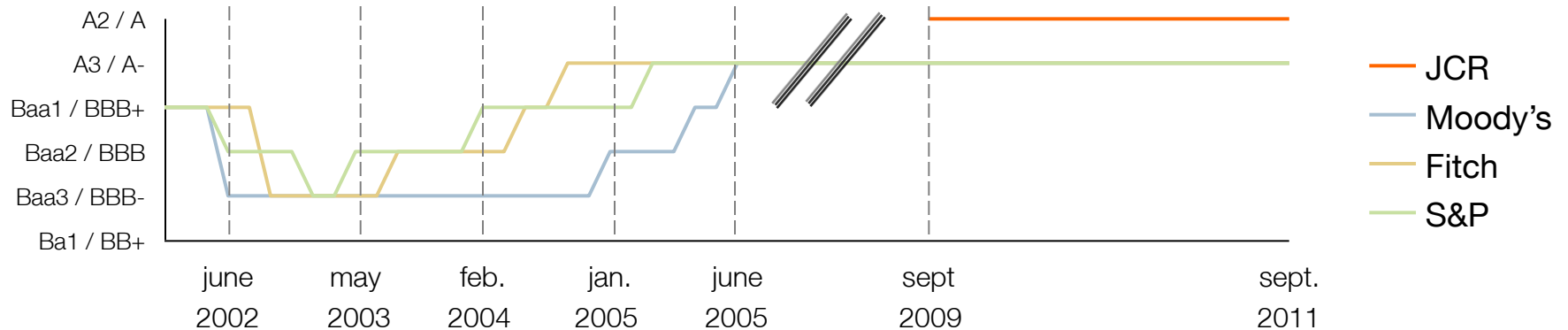
* including bank overdrafts

**with new €6bn back-up facility signed in January 2011

insight

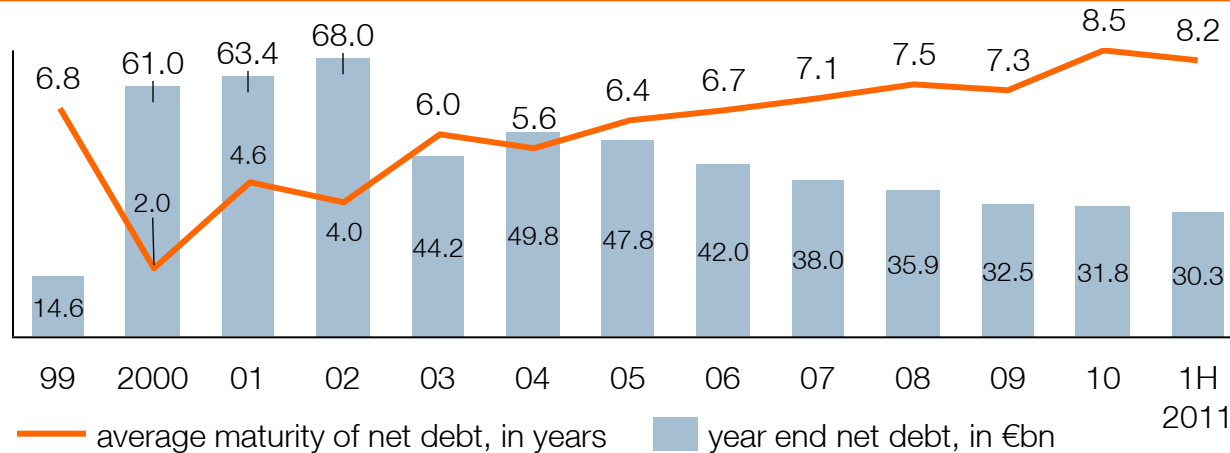
- strong and stable liquidity position, reinforced with the competitive new back up facility of €6bn (renewed until 2016)
- continuing building of a safer debt maturity profile
 - zero bond redemption remaining in 2011
 - average maturity 8.2 years
- JCR / Moody's / S&P / Fitch rating A/A3/A-/A- with the last 2 having confirmed their ratings during summer

credit ratings



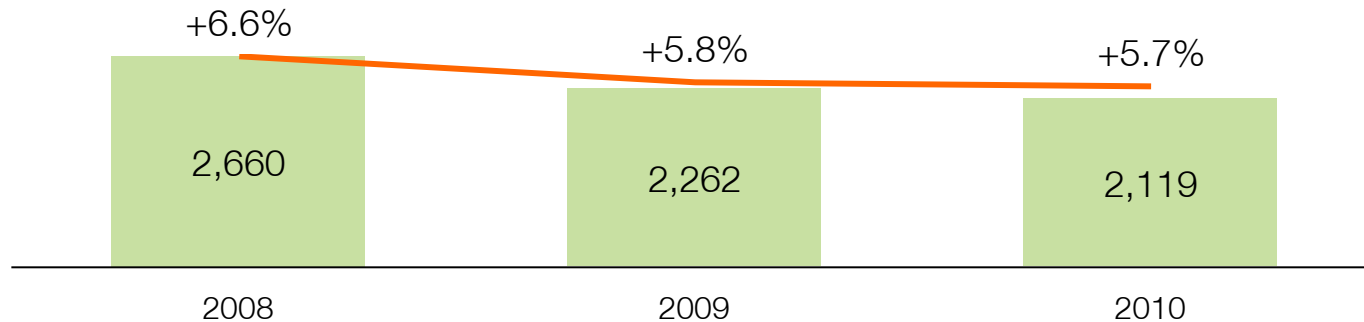
a strong deleverage combined with an increase in net debt average maturity and a reduction in cost of debt

average maturity and net debt evolution



- 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 10.7 years

interest expenses and average cost of gross debt

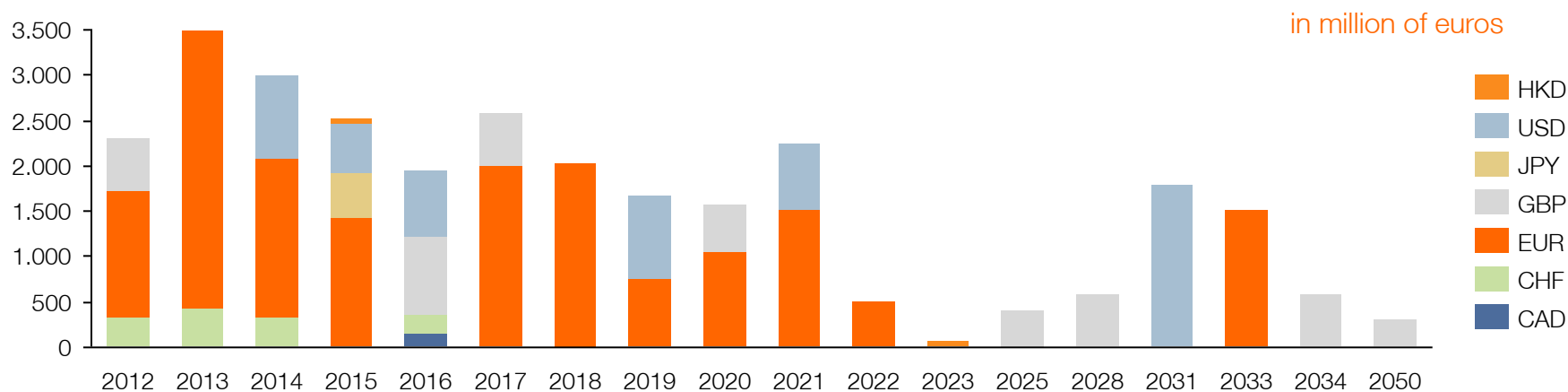


— average cost of gross debt ■ interest expenses*

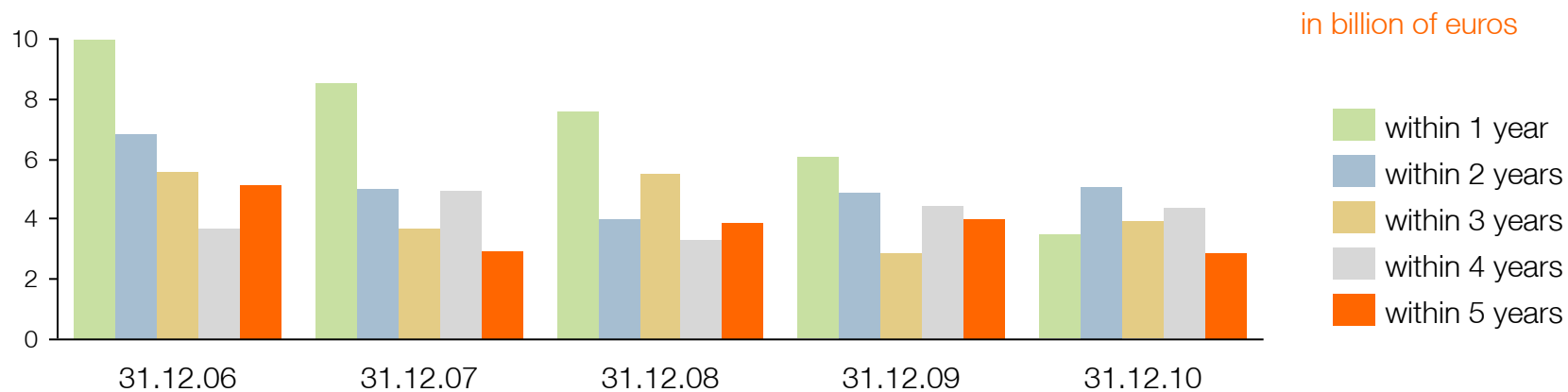
*excluding discounting expenses, foreign exchange gain/losses

France Telecom Orange has designed a very smoothly spread bond debt schedule

regular bond repayments scheduled up to 2050*



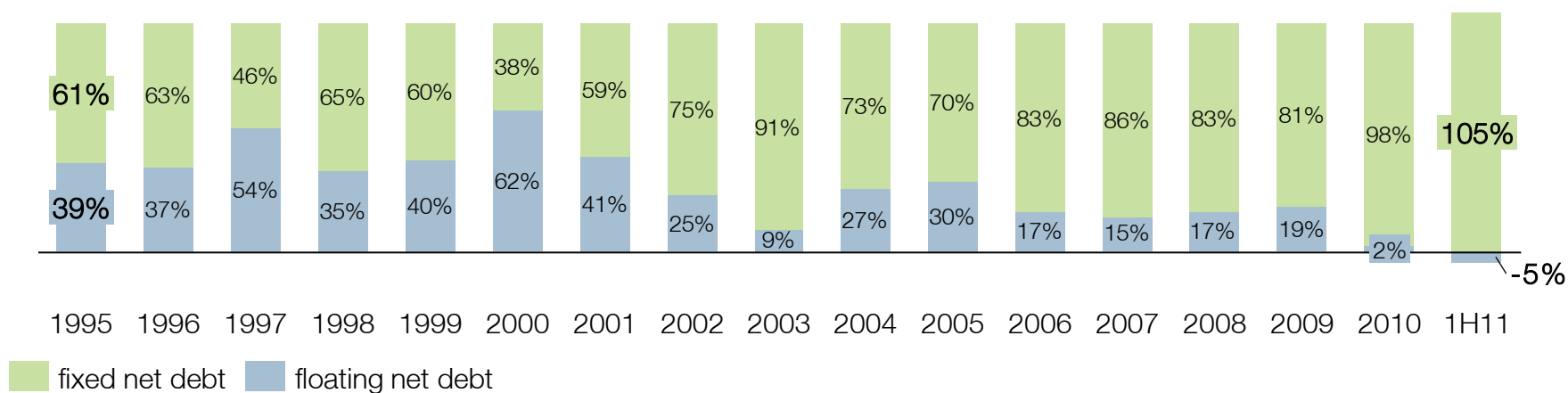
5 years debt redemptions from 2006 to 2010



*figures as of 25th October 2011

net debt is 105% fixed and highly euro denominated

net debt allocation: fixed, floating and by currency (after derivatives)



majority of outstanding net debt is euro denominated (figures as of 12/31/2010)

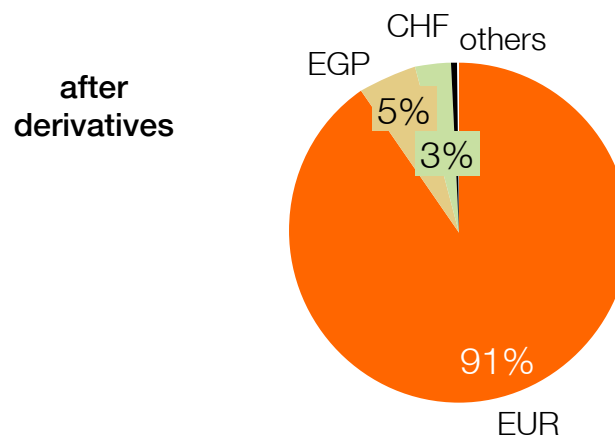
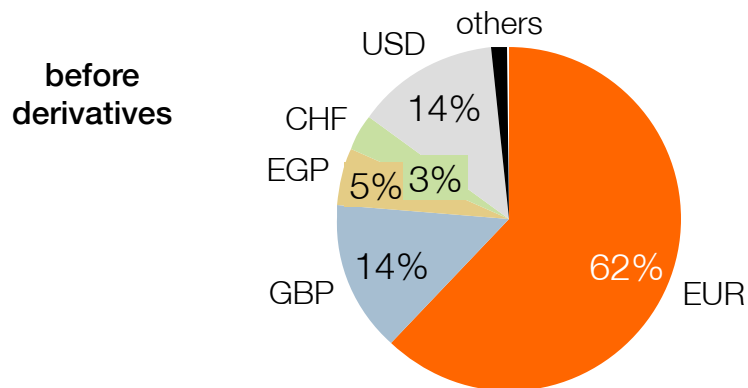
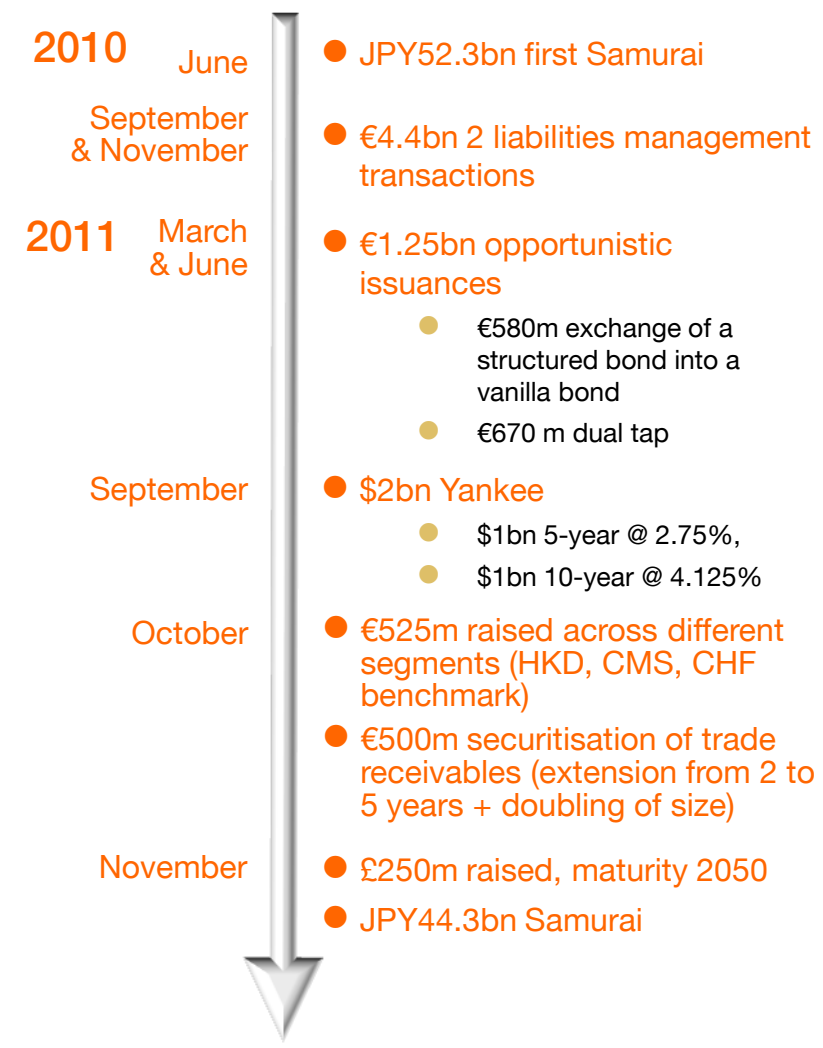
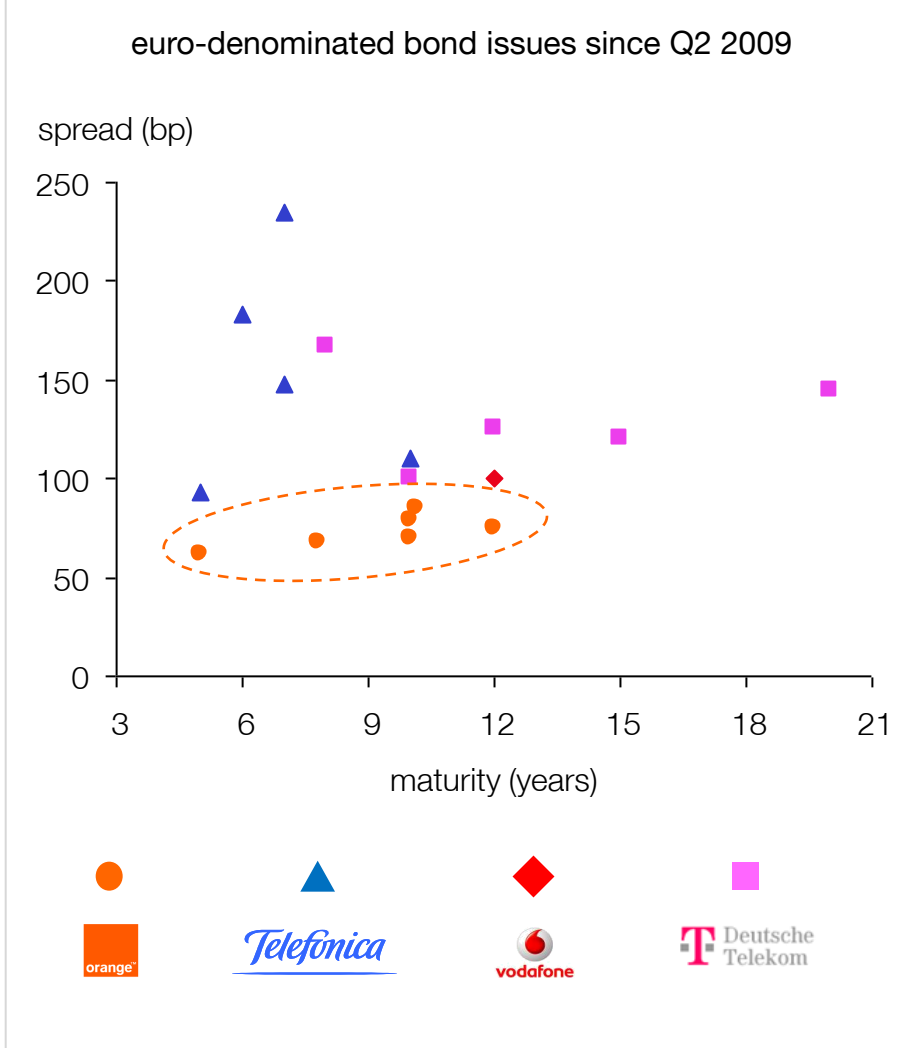


illustration of these principles on deals execution

main debt raising transactions since June 2010



best in class credit profile used to capture longer term maturities and better pricing than peers



appendix

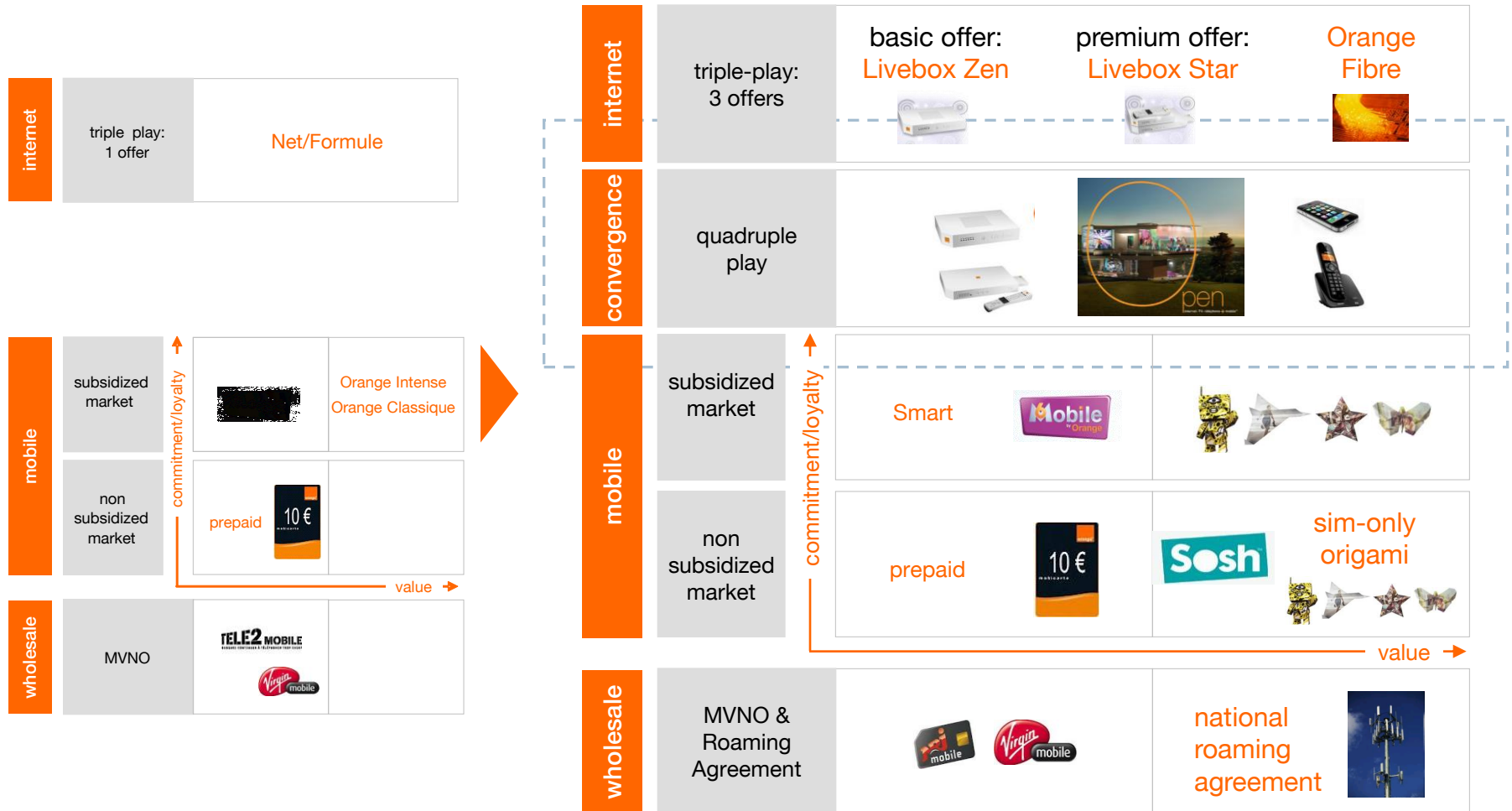
EBITDA restatements

in €m	1H10cb	1H11	3Q10cb	3Q11	9m10cb	9m11
EBITDA restated	8,056	7,613	4,219	3,998	12,275	11,611
litigations						
DPTG			266		266	
EU fine on TPSA		115				115
labour related						
free share plan				23		23
part-time senior plan	37	13	33	19	70	32
other						
Emitel disposal		(197)				(197)
EBITDA reported	8,019	7,681	3,920	3,956	11,939	11,637

France marketing: segmentation preserves value

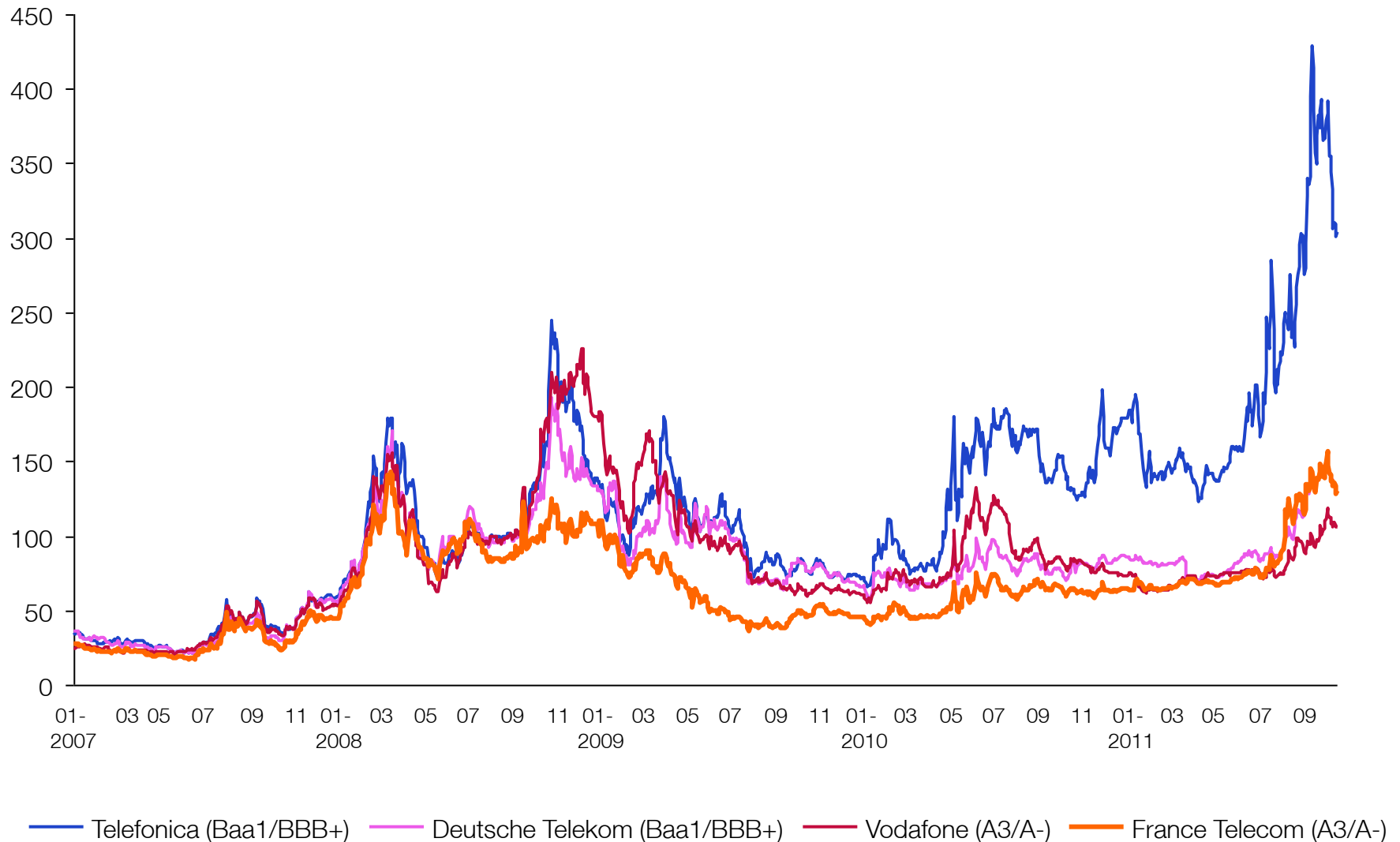
2007/2008

2011



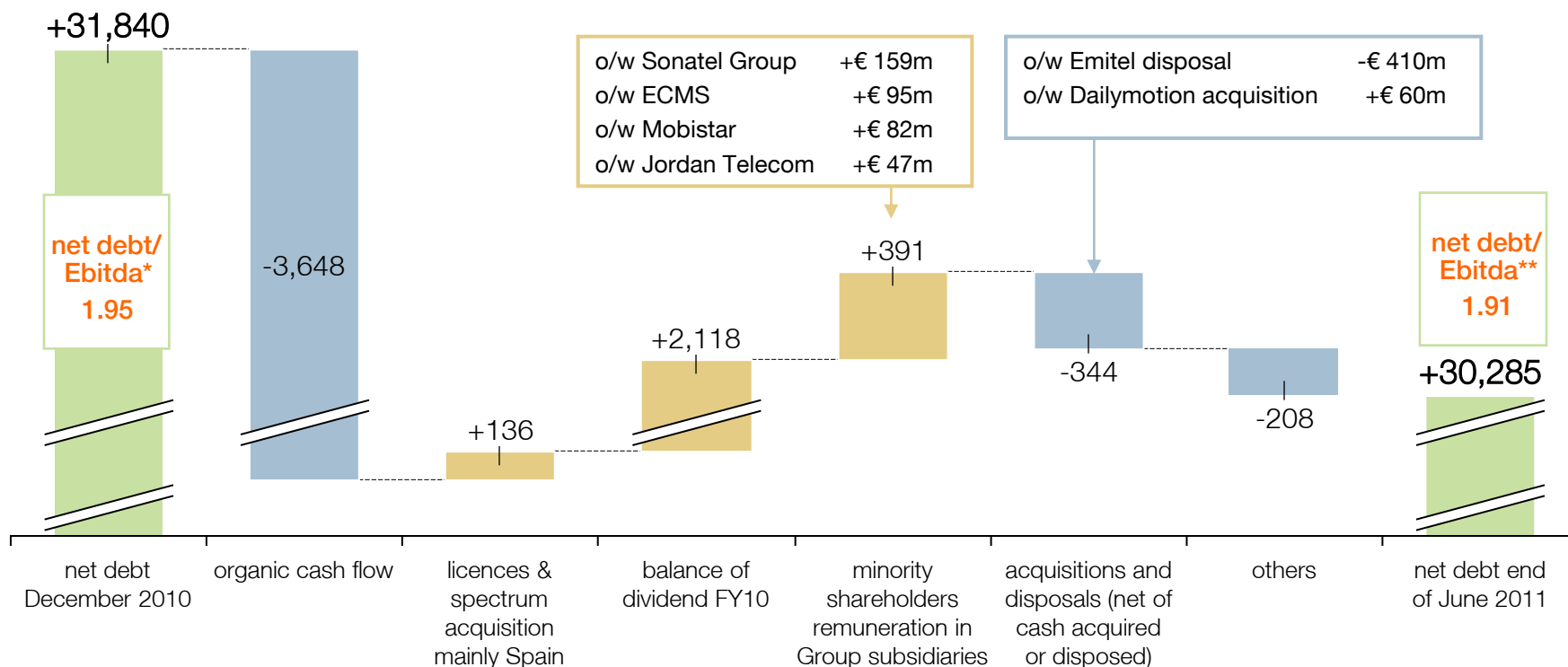
▶ since 2007/2008, segmentation has allowed the rebalancing of commercial costs while protecting the whole customer base from a reprice effect

5 years CDS evolution of main European telcos



net debt/EBITDA ratio within mid term target confirming Group debt financial policy

in €m



*Ebitda restated from DPTG dispute, senior part time plan, content activities' restructuring costs and including 50% of EBITDA of Everything Everywhere and ECMS 1H10 EBITDA; net debt restated by adding 50% of Everything Everywhere net debt **Ebitda restated from part-time senior plan (-€13m in 1H11, -€37m in 1H10), from Emitel gain on disposal (+€197m in 1H11) and from additional provision following EU fine on TPSA (-€115m in 1H11), and including 50% of EBITDA of Everything Everywhere; net debt restated by adding 50% of Everything Everywhere net debt