France Telecom

Roadshow Japan

October 2008

cautionary statement

- this presentation contains forward-looking statements about France Telecom’s business, in particular for 2008. 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 telecom markets, the effectiveness of the integrated operator strategy including the success and market acceptance of the “NExT” plan, 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 to update forward-looking statements.

France Telecom Team :

Jean-Michel Thibaud : Group Treasurer

Hervé Labbe: Head of Dealing Room

Charlotte Labroue: Investor Relation

introduction: group positioning

a transformed leader with strong momentum

	from 2004…	…to 2007	
revenues	EUR 47.2 bn	EUR 52.9 bn	
subscribers outside France	63 million	> 100 million	more international
number of countries of presence, consumer	19 countries	28 countries	
subscribers with Orange brand	48 million	115 million	more unified
global products	not relevant	>100	
 livebox** deployed	264,000	> 6,000,000	more customer centric / convergent
unique visitors to Orange portals*	19 million/month	31 million/month	

* France, UK, Spain / ** home gateway
Source : Nielsen, August 2007

guidance over-achieved in 2007

	2006			2007		
commitment	target	achievement		target	achievement	
GOM rate	-1/-2 pts	-1.4 pt vs 2005 GOM rate*	✓	upgraded from "near stabilization" to "stabilization"	+0.2 pt vs 2006 GOM rate*	✓
CAPEX to sales ratio	around 13%	13%	✓	around 13%	13.2%	✓
organic cash flow	€6.8bn**	€6.9bn**	✓	upgraded from €6.8bn to €7.5bn	€7.8bn	✓
net debt / GOM	<2 in 2008	2.27		<2 in 2008	1.99	✓

* comparable basis: see glossary
** excl. PagesJaunes disposal

home serves 37 million retail customers in 13 countries* in 2007

#1 Telco in Europe in wireline subscribers

€22.5 billion of revenues worldwide**

Western Europe	Central and Eastern Europe	Africa, Middle East and Americas (AMEA)

	Western Europe	Central and Eastern Europe	AMEA
share of revenue	80%	16%	4%
share of customers	71%	25%	4%

* mobile only countries excluded, consumer market only

** as of December 31, 2006; €16.8 billion as of September 30, 2007 (9 months)

mobile presence in 28 countries with 110 million customers in 2007

FT/Orange is solid #2 in Europe

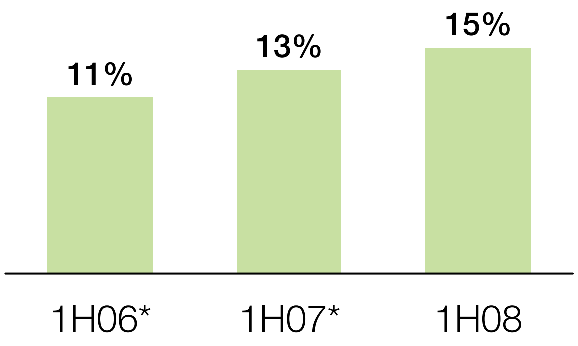
	Western Europe	Central and Eastern Europe	Africa, Middle East and Americas (AMEA)
share of revenue	77%	14%	9%
share of subscribers	53%	25%	22%

growth momentum sustained by the strategy implemented since 2005

geographical diversification

- presence in 30 countries with a growing share of emerging countries
  - recent acquisition of license in Guinea, Guinea-Bissau, Niger and an operator in Kenya
  - balanced presence between mature and emerging countries

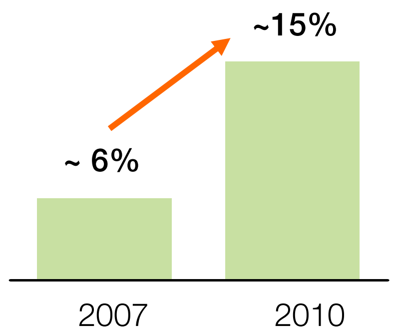
emerging countries contribution in Group revenues



activity diversification

- FT: an internet and convergent services provider
- new sources of revenues :
  - content services
  - audience and advertising
  - health

growth initiatives share in Group revenues



* actual basis

1H08 highlights : on track to achieve full year guidance

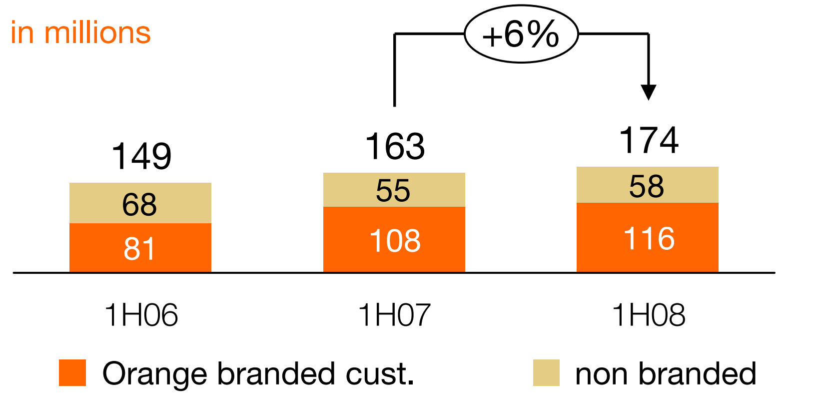
1H08 results on track to achieve full year guidance

revenues	▪ **strong performance in 1H08 at 3.9%** – +4.1% in 2Q08 after +3.7% in 1Q08 – mature countries performance (+2.5%) – emerging countries maintained a sustained growth (+11.2%)
GOM	▪ **GOM growth (+4.7%)** – thanks to revenue growth and opex control – +0.3pt for the GOM rate to 36.8% in 1H08
organic cash flow	▪ **growth of 11.8% to € 3.6 Bn** ▪ GOM increase and positive contribution of working capital
net debt	▪ **stable in the first half at 38 Bn€** ▪ net debt to GOM ratio at 1.97

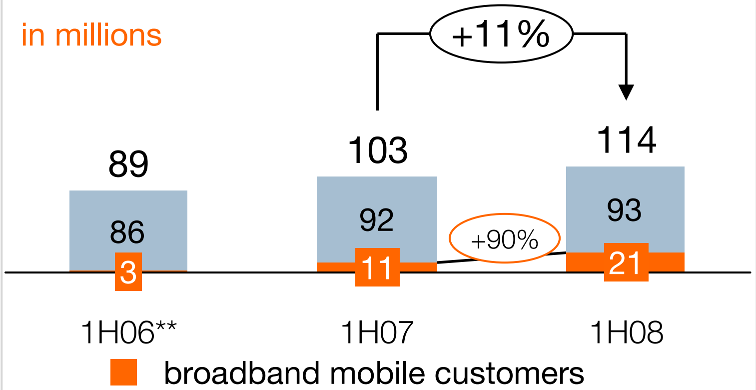
1H08 key KPIs

continued customer base growth, particularly in mobile and fixed broadband

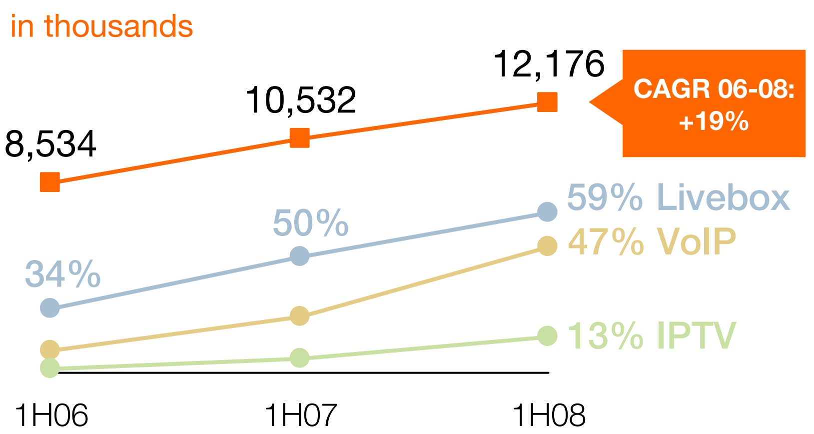
Group customers*



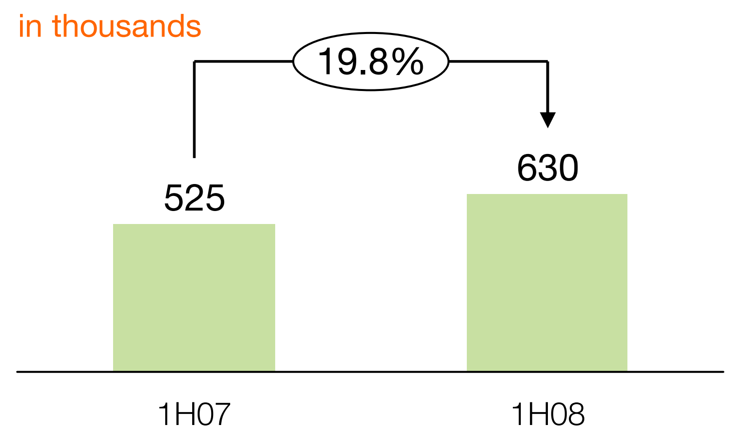
Group mobile customers*



ADSL Group accesses in Europe*



enterprise Business EveryWhere clients***



* actual basis, ** published, ***in France

all activities posted revenue growth in 1H08

enterprise

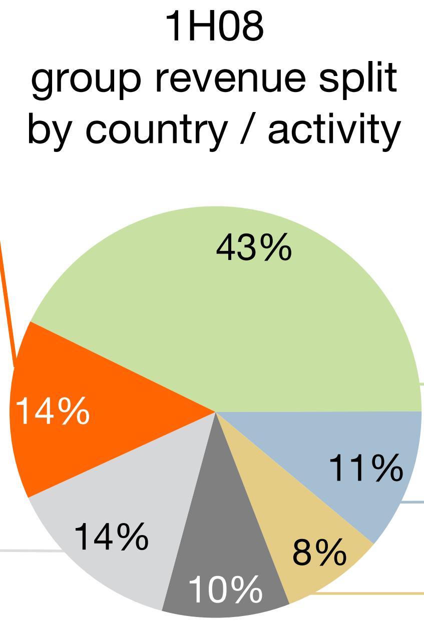
- resilience of legacy activities
- good performance of all the activities and geographic areas
- transformation towards services is under way

rest of the world

- sustained growth of mobile customer base and revenues
- high level of penetration in European countries

Poland

- improvement of value market share in mobile and continuous growth of data
- progression of internet BB customer base with IPTV take off and lower PSTN erosion



France

- strong mobile growth driven by better mix and higher data revenues
- contained PSTN line losses
- increased ADSL market share at 49.5% driven by NET offers

UK

- +9.7% mobile revenue growth with mobile value strategy paying off (37% of contracts) and ARPU increase (+5%)
- development of LLU and trialling in IPTV

Spain

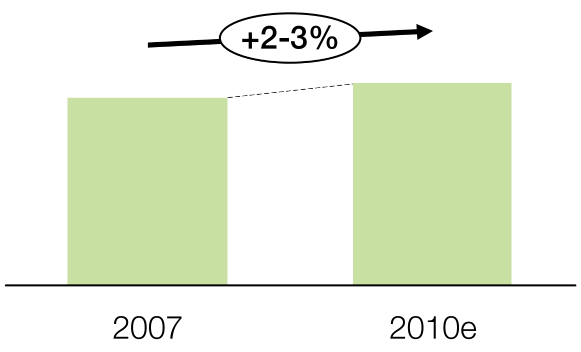
- on going mobile growth with improved customer mix (56% of contracts)
- 22% DSL revenue growth yoy

outlook

2008 outlook

Group FY08 revenue trend should remain above average market growth in spite of expected market growth slowdown in some countries

market growth forecast as of December 07



source: France Telecom Investor Day, Dec. 07

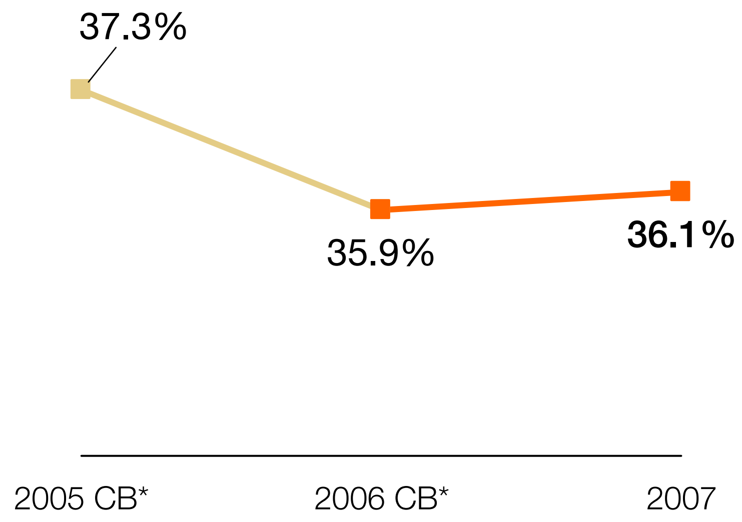
main 2nd half business trends

- France: resilience of activities in a lower growth context
- UK: performance closer to market trend
- Poland: revenue guidance revised from ~ -1% to nearly flat
- Spain: level of improvement subject to overall economy evolution
- emerging countries: trend unchanged vs 1H08

2008 outlook

guidance on GOM stabilization is unchanged

evolution of GOM rate



GOM rate stability for FY 2008 vs 2007 CB*

- free hotline regulation impact (Chatel law**) for both retail and enterprise activities in France
- keep room of manoeuver in commercial costs to face increasing competition on mobile markets
- iPhone 3G customer investment and accounting of content rights purchased in 1H08 in France
- continued control on labour and non labour costs

•comparable basis, see appendix 4

** Chatel law in France enforced free of charge waiting time for hotlines

full year 2008 guidance is confirmed

GOM rate	▪ stability
CAPEX to sales	▪ around 13%
organic cash flow	▪ higher than € 7.8 bn

M&A policy

M&A policy for non transformational deals

- reinforce footprint
  on emerging markets
- strengthen when appropriate activities
  in Western Europe
- acquire complementary competencies in some key businesses

M&A criteria for transformational opportunities

strategic criteria

- positive contribution to growth
- reinforced exposure to emerging markets
- strengthened positions in new products and services
- compatibility of business models and/or strategic alignment

financial criteria

- synergy potential / ability to implement
- consistency with financial criteria set for the group:
  - leverage: maintain 2.0x medium-term net debt to GOM ratio
  - shareholder value creation
  - maintain current dividend distribution policy

dividend policy unchanged

the Board has decided to distribute an ordinary interim dividend of €0.6 per share

while keeping in the medium term a net debt to GOM ratio below 2 under current market conditions

- possibility for the Board to distribute above 45% of organic cash flow vs. 40-45% before

  → change in ordinary dividend payment terms with the establishment of an interim dividend

- in addition, the Board will consider annually additional remuneration depending on cash flow projections and investment plans

  → additional remuneration to be examined in Feb 09

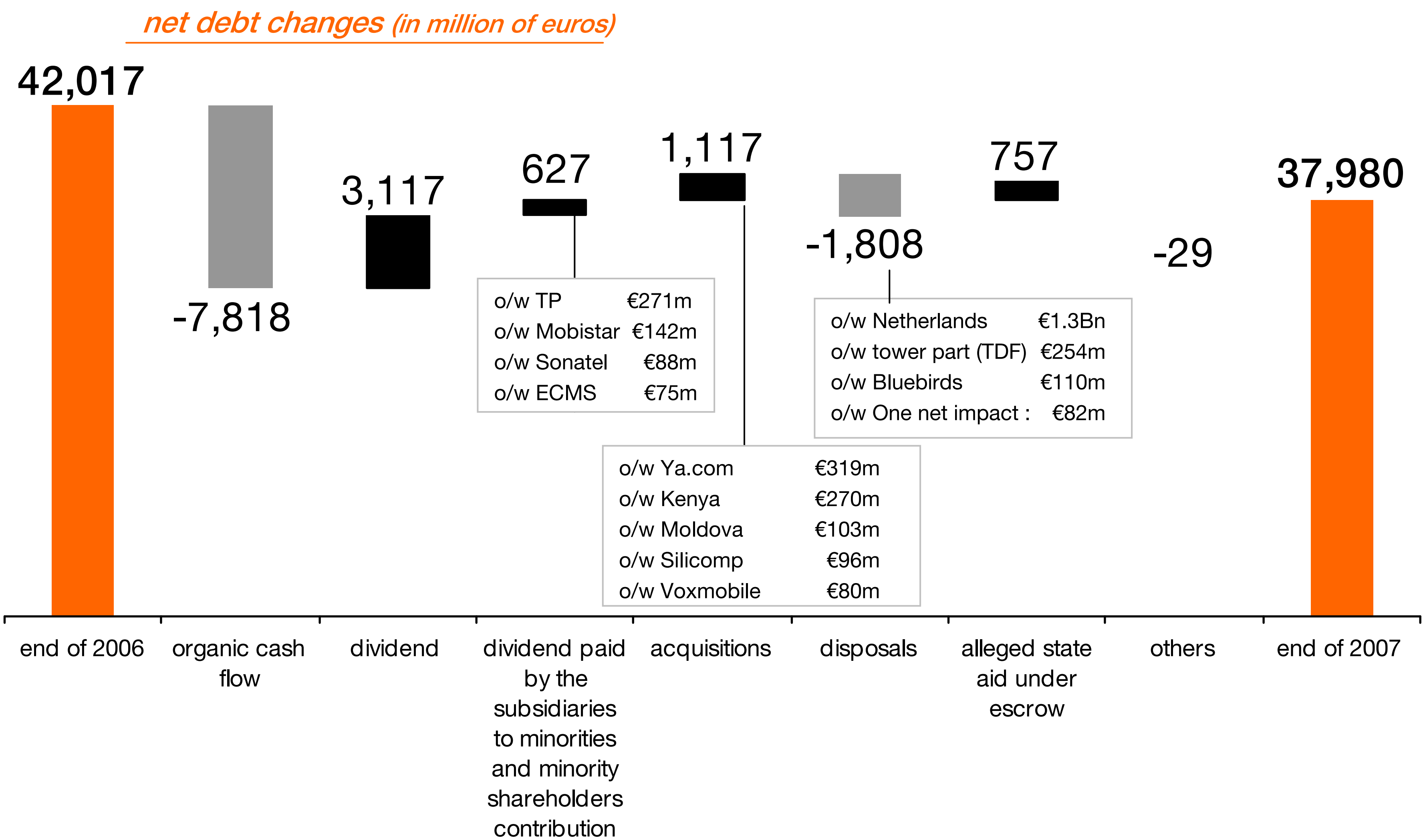
- decision to distribute €0.6 per share of interim ordinary dividend to be paid as of September 11, 2008*

- FY08 ordinary dividend indication confirmed to be above €1.3/share to be decided in Feb 09

* record date: market before payment date, ex-dividend date: 3 days before payment date

debt profile

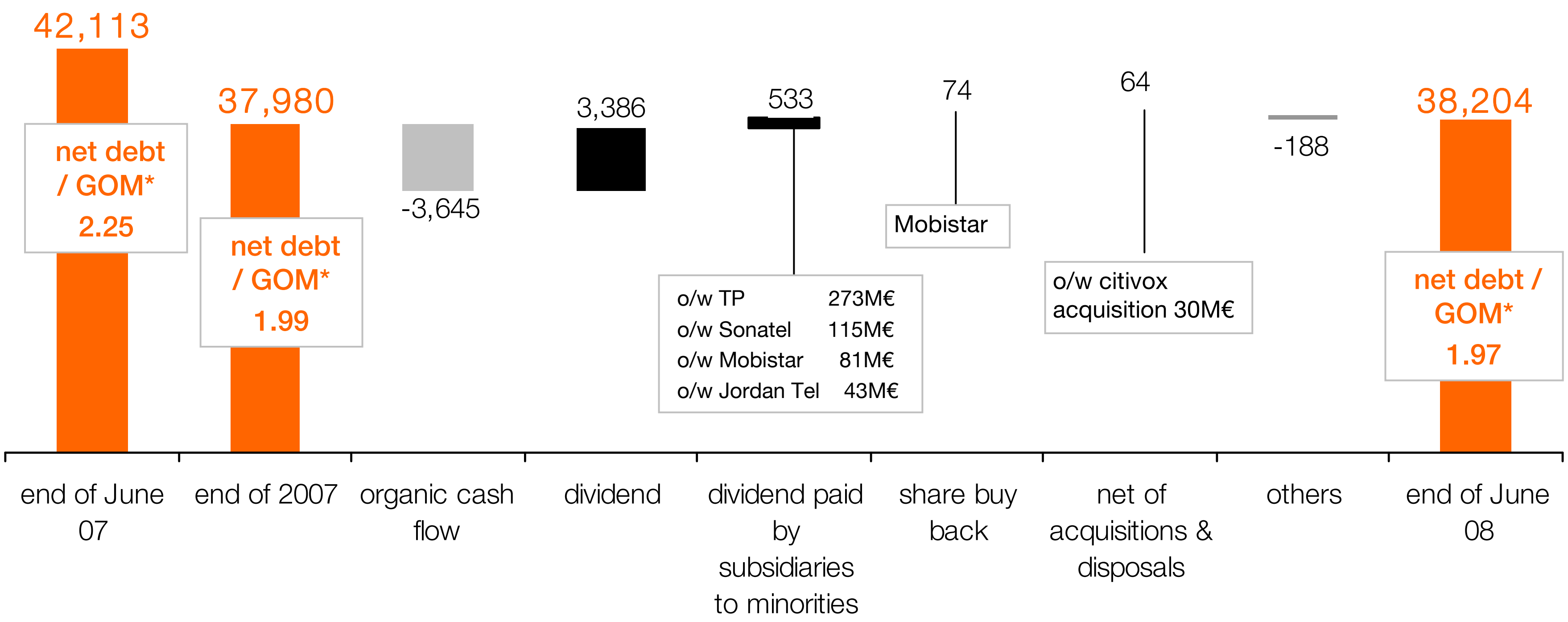
net debt: 2008 target achieved in advance thanks to high organic cash flow generation and divestments



1H08 net debt decrease yoy: net debt/GOM ratio drop from 2.25 to 1.97

net debt changes

in millions of euros



* net debt to GOM ratio, GOM basis on 12 months rolling

financial structure optimization pursued in 1H08

France Telecom keeps attractive financing conditions in a general context of interest rate increase

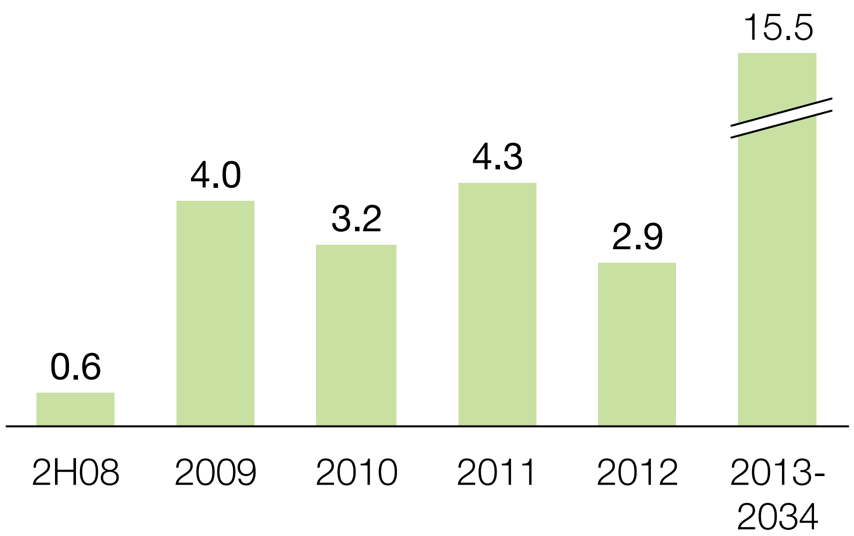
June 08 net debt	**€38.2Bn**
June 08 gross debt*	€43.1Bn
% of debt with a fixed rate**	86%
% of debt in €**	78%
average maturity	7.2 years

YE07 S&P rating	**A3/A-**
1H08 average cost of debt	6.41%

spread***: among the lowest of the sector

FT SA. bonds repayment schedule as of June 08*

in billions of euros

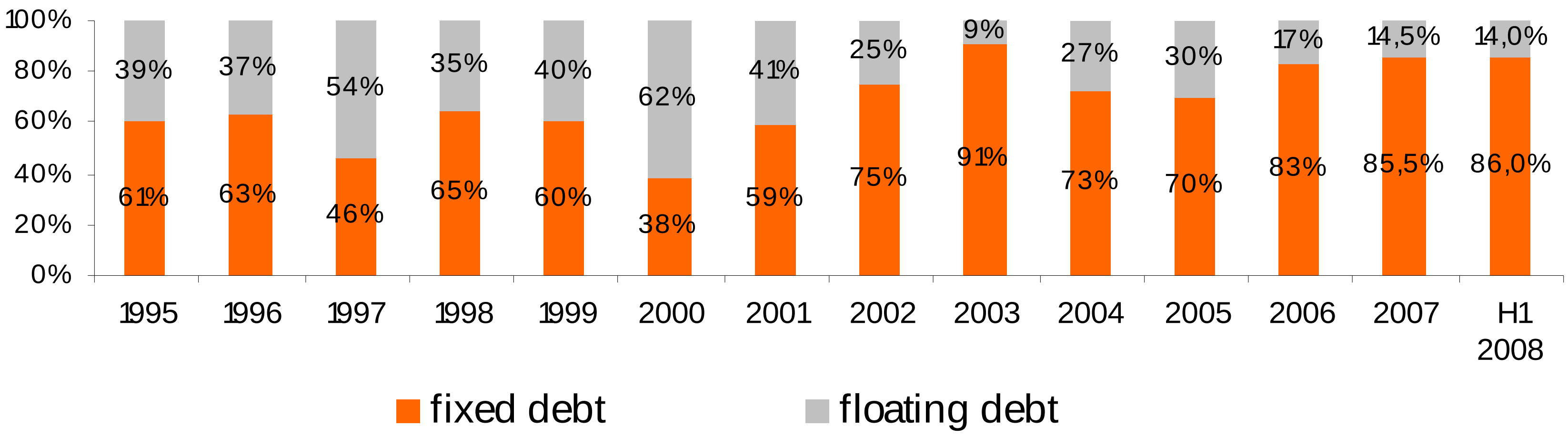


insight

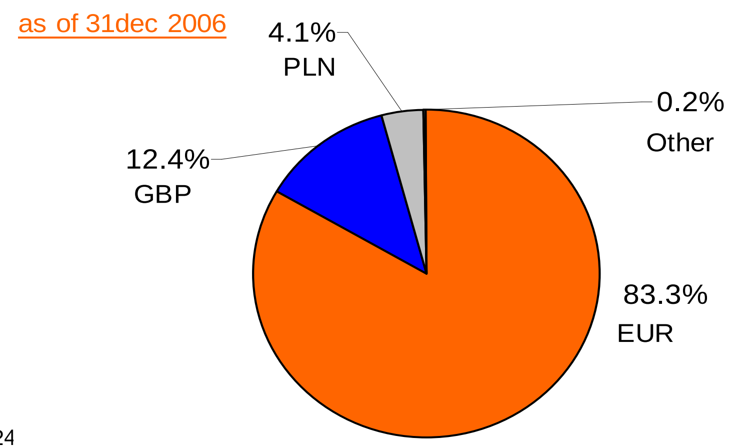
- debt repayment almost fully refinanced for 08 with attractive conditions, below average cost of debt:
- TDIRA buy back of 609M€ in March and July resulting in:
  - financial costs savings
  - 0.7% potential dilution eliminated

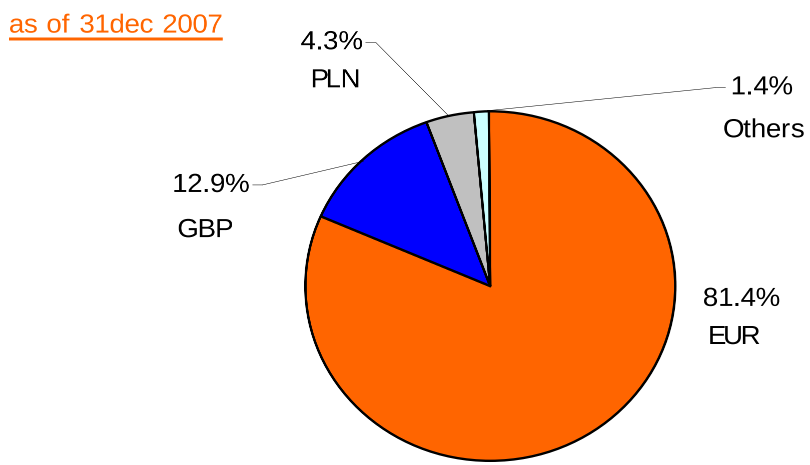
* the difference with the gross debt as of June 08 is due to other debt element such as subsidiaries debt, perpetual bonds mandatory redeemable in shares (TDIRA) securitization, leasing, accrued interests, liquidity mechanism and minority put, etc. ** after swap and including accrued interest *** measured by Credit Default Swap

Net Debt Allocation: Fixed - Floating - by Currency (after derivatives)

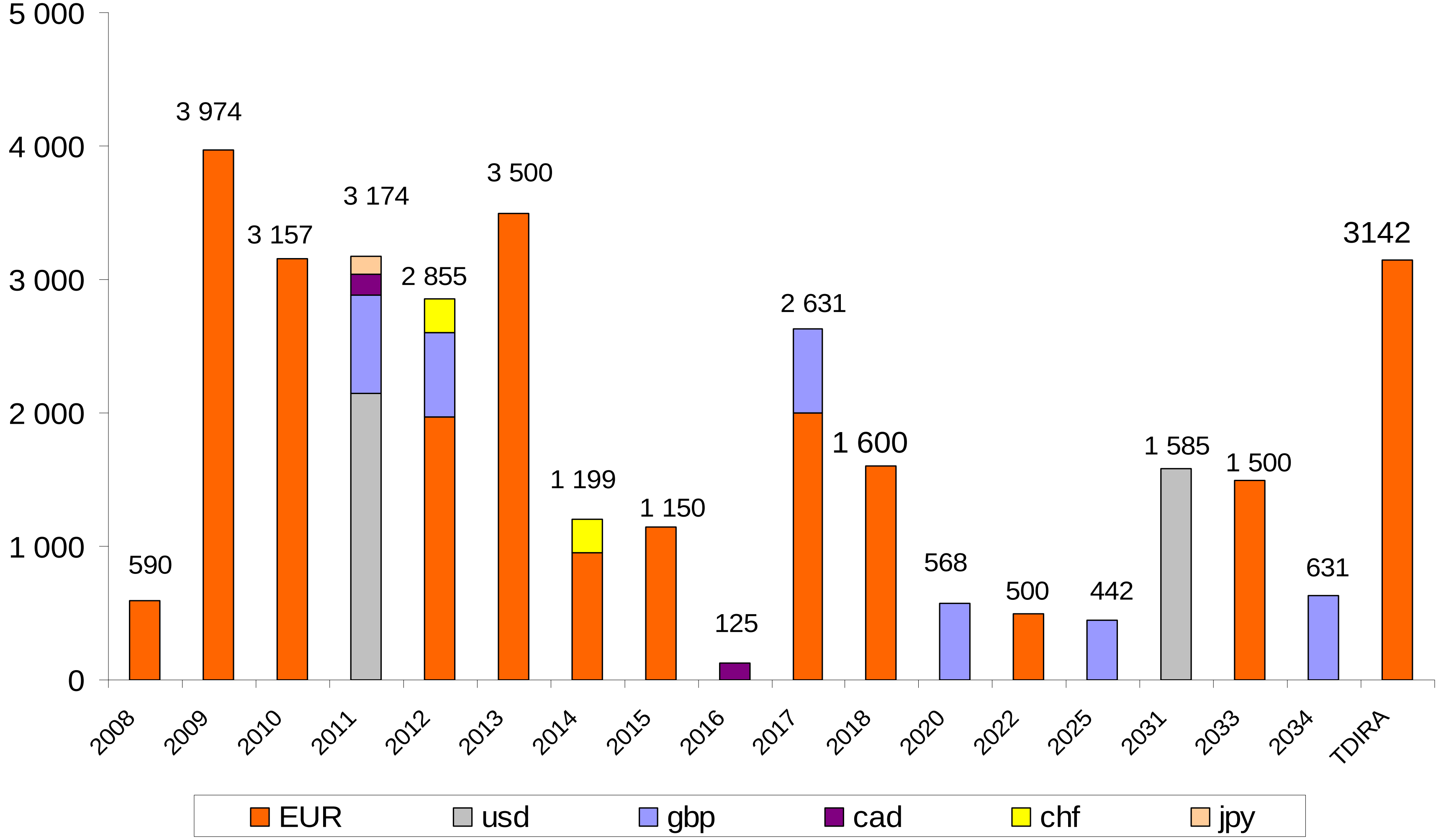


Majority of Outstanding Debt is Euro Denominated (after swaps)

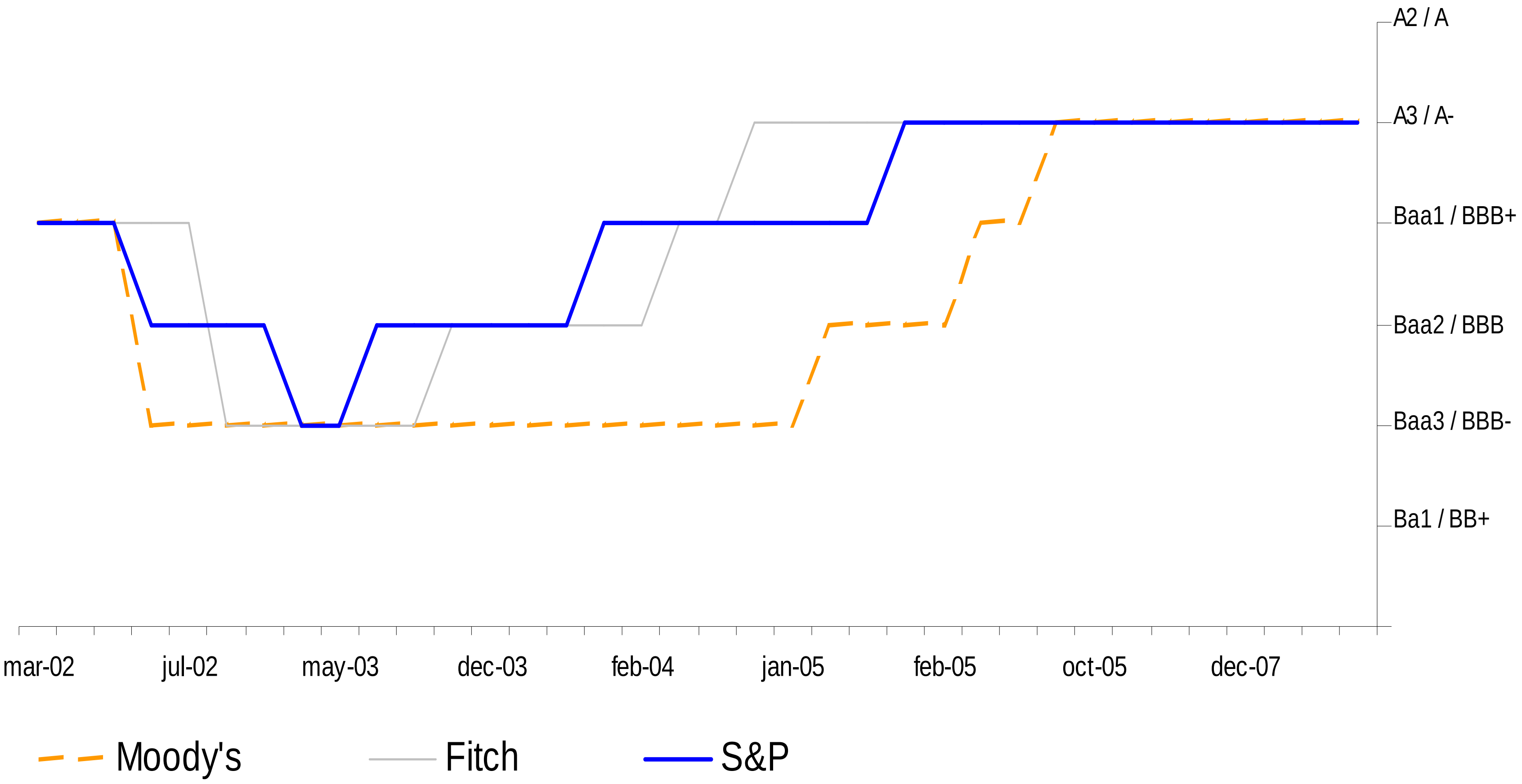




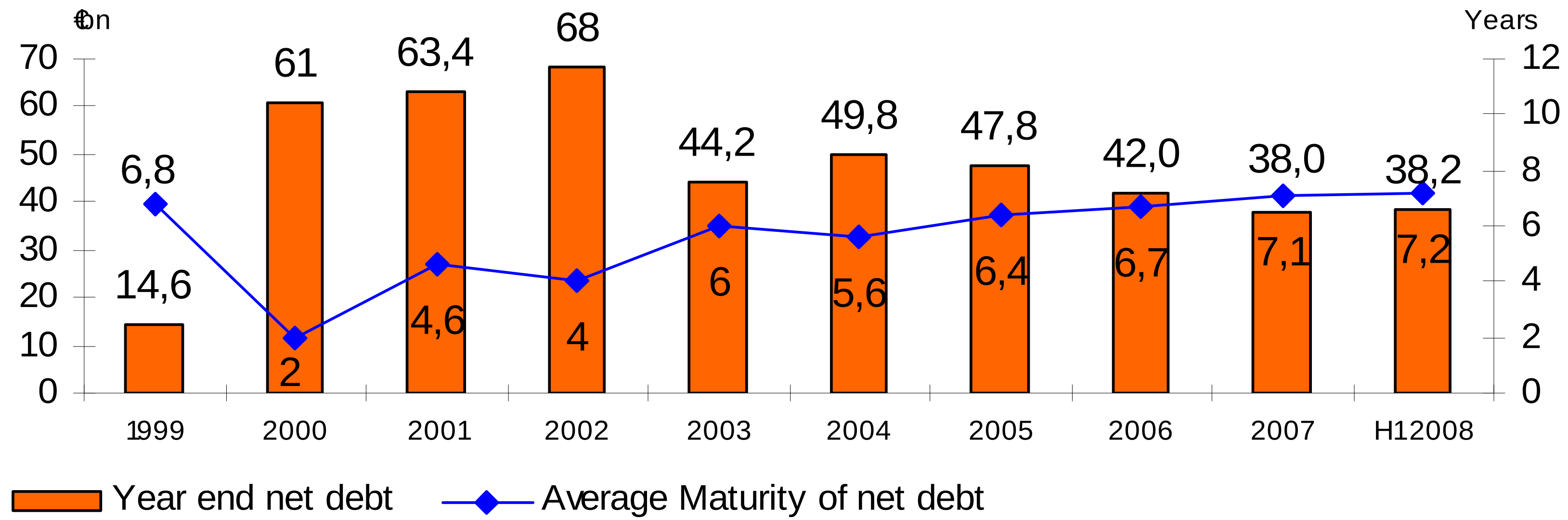
France Telecom SA Bond Debt Distribution as of 30-06-2008 (including inflation-linked bond)

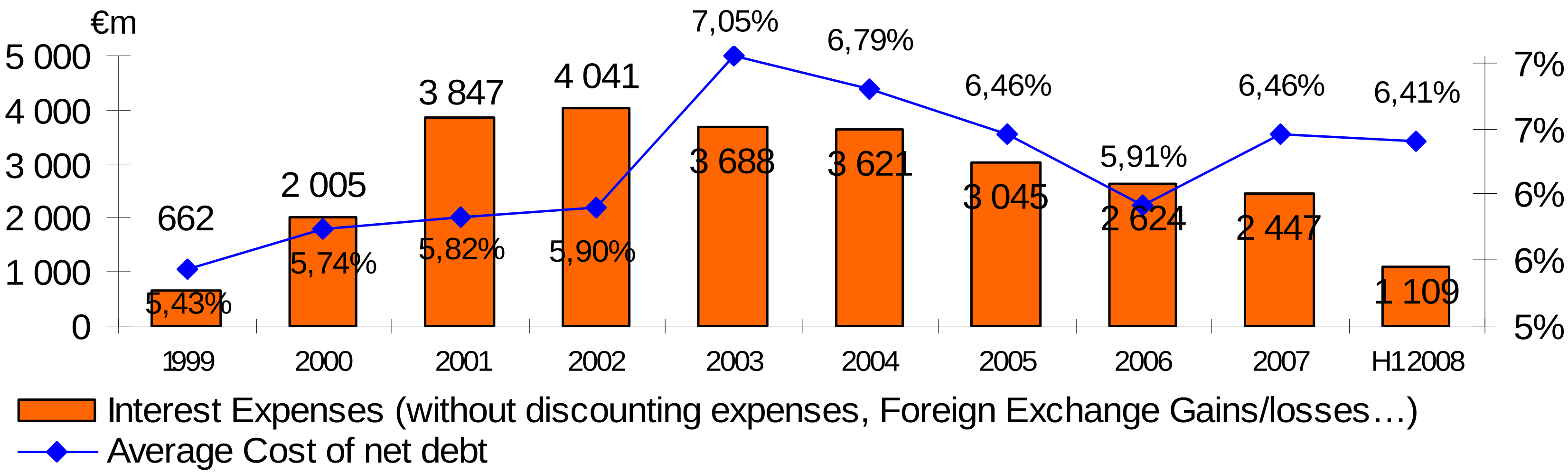


S&P, Moody's and Fitch Ratings



Net Debt Evolution





2008 Funding policy - 3.3 Billion € raised including :

Tap in april :

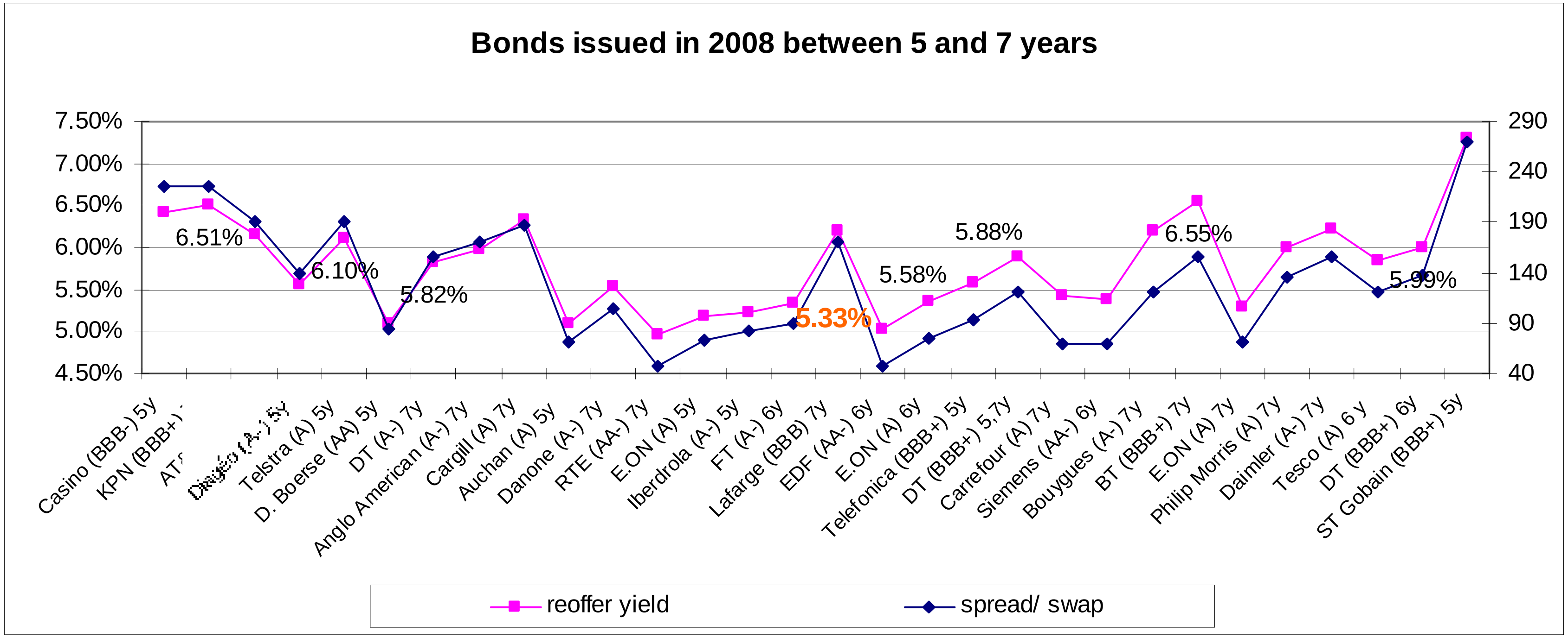
- EUR 225 million, due 21 february 2012 with a 4,75% coupon
- EUR 150 million due 14 october 2015 with a 3,625% coupon
- EUR 400 million due 21 fébruary 2017 with a 4,75% coupon

Benchmark in may :

- EUR 750 millions due 22 may 2014 with a 5,25% coupon (ms +90 bp)
- EUR 1 250 million due 22 may 2018 with a 5,625% coupon (ms +110 bp)

Inflation-linked bond in august :

- EUR 350 millions due 25 july 2018 with a 3%+inflation coupon



5yr CDS Evolution of main European Telecom Companies

Source: Markit

appendice:
performance in 1H08

2Q08 stronger growth in all segments

in millions of euros	1Q08	△%*	2Q08	△%*	1H08	△%*
Group revenues	**13,027**	+3.7%	**13,276**	+4.1%	**26,304**	+3.9%
total personal	**7,064**	+6.8%	**7,317**	+7.3%	**14,381**	+7.0%
personal France	2,468	+3.3%	2,594	+6.3%	5,061	+4.8%
personal UK	1,443	+9.5%	1,438	+10.0%	2,881	+9.7%
personal Spain	827	+2.9%	852	+1.7%	1,679	+2.3%
personal Poland	586	+13.0%	627	+9.4%	1,213	+11.1%
personal ROW	1,775	+8.9%	1,842	+7.8%	3,617	+8.3%
total home	**5,649**	0.0%	**5,722**	+0.7%	**11,370**	+0.3%
home France	4,478	+1.3%	4,490	+1.0%	8,967	+1.2%
home Poland	740	-3.7%	769	-3.6%	1,509	-3.7%
home Spain	167	-6.2%	195	+10.6%	362	+2.2%
home UK	88	-7.3%	78	-8.1%	166	-7.7%
home other ROW	248	+3.9%	267	+7.6%	515	+5.8%
total enterprise	**1,902**	+2.0%	**1,938**	+3.9%	**3,840**	+2.9%
eliminations	-1,587		-1,700		-3,287	-

* yoy variation on a comparable basis, ie adjusted for forex (-336M€) and perimeter and other impact (-267M€) for 1H08

GOM increased by 4.7% especially driven by mobile and enterprise activities

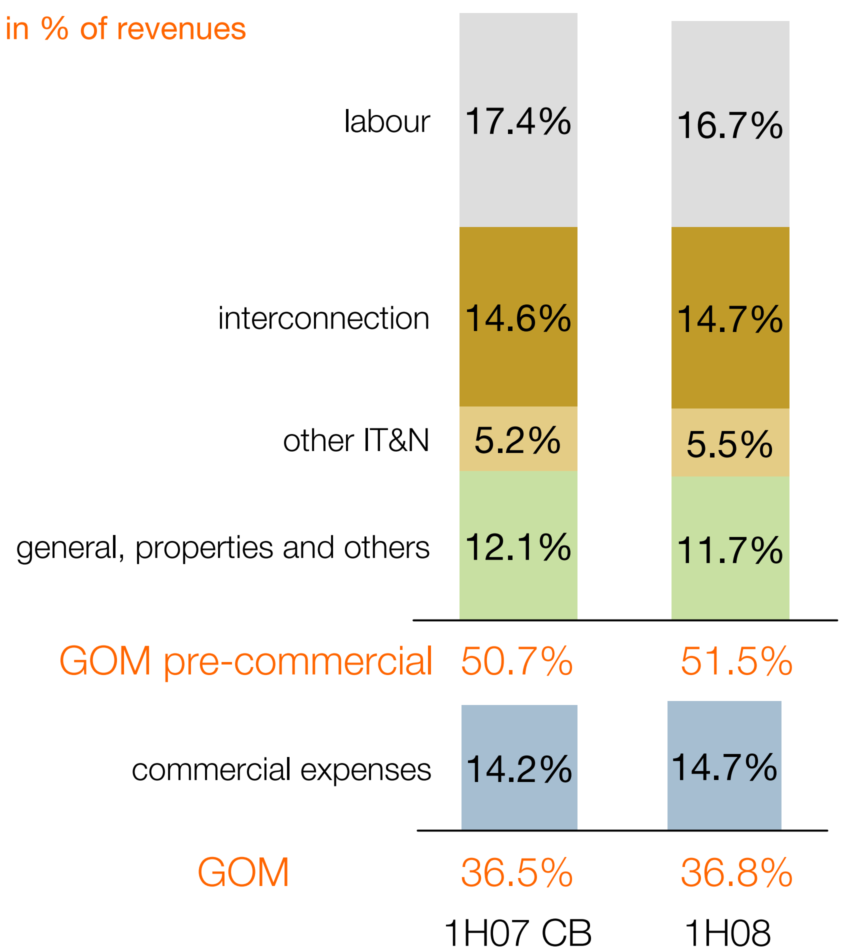
in millions of euros	1H07*	*in % of revenues*	1H08	*in % of revenues*	△%	△ in % pts
Group GOM	**9,237**	***36.5%***	**9,675**	***36.8%***	**4.7%**	**+0.3pt**
total personal	**4,794**	***35.7%***	**5,054**	***35.1%***	**5.4%**	**-0.6 pt**
personal France	1,941	*40.2%*	1,997	*39.5%*	2.9%	-0.7 pt
personal UK	598	*22.8%*	685	*23.8%*	14.5%	+1.0 pt
personal Spain	376	*22.9%*	379	*22.6%*	0.9%	-0.3 pt
personal Poland	422	*38.6%*	472	*38.9%*	11.8%	+0.3 pt
personal ROW	1,457	*43.7%*	1,522	*42.1%*	4.4%	-1.6 pt
total home	**3,815**	***33.7%***	**3,875**	***34.1%***	**1.6%**	**+0.4 pt**
home France	3,139	*35.4%*	3,172	*35.4%*	1.0%	-
home Poland	643	*41.1%*	661	*43.8%*	2.8%	+2.7 pts
home ROW	33	*3.2%*	41	*4.0%*	26.9%	+0.8 pt
total enterprise	**629**	***16.9%***	**746**	***19.4%***	**18.7%**	**+2.5 pts**

* on a comparable basis, ie adjusted from forex (-57M€) and perimeter & other impacts (-122M€) for 1H08

ongoing improvement of cost structure

cost rebalancing to enhance market positions

evolution of opex



- -70bp on labour opex resulting from headcount reduction, on track with 06-08 forecast
- master development of abundance offers benefiting from MTR cuts
- temporary sub-contracting to support DSL base increase
- tight management of general expenses
- 1H07 negative one-off items

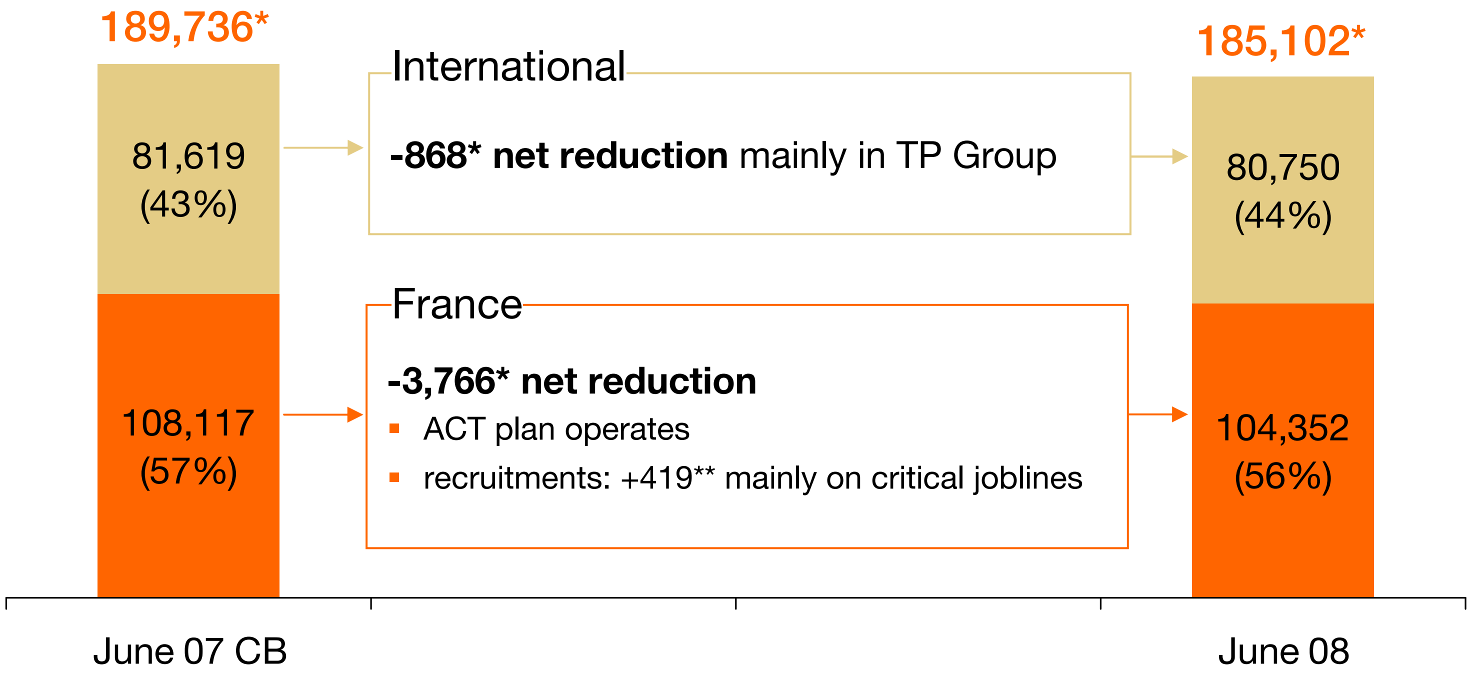
+0.8pt

- higher commercial costs in most countries to support revenue growth and market share

+0.3pt

headcount evolution

on track to achieve Group 06-08 forecast



- Group headcount down by 4,634 people, ie -2.4% vs 1H07 on a comparable basis
- in France, 1,923 net departures** in 2008: 87% of our 06-08 forecast achieved in 2.5 years
- 1H08 variation in line with forecast, leading to reduced labour costs by 0.7 pt in % of revenue

* active headcount end of period ** permanent headcount on NExT perimeter

+4.4% of net income Group share on comparable terms

in millions of euros	1H07	1H08
gross operating margin (GOM)	9,416	9,675
depreciation & amortization	- 4,007	**- 3,841** 1
disposal of assets	409 2	**10**
restructuring costs	- 45	**- 202** 3
operating income	5,463	5,471
financial results	- 1,296	**- 1,209** 1
tax	- 543	**- 1,266** 2
minorities interest	- 316	**- 321**
net income Group share	3,308	2,675
gain on asset disposals and result of discontinued activities	*- 409*	***- 10***
exceptional on deferred tax	*- 611*	***- 170***
accrual for employees free share program	*128*	***27***
net income Group share on comparable terms*	*2,416*	*2,522*

1 less accelerated depreciation in 08

2 07 disposals of TDF and Eutelsat

3 more restructuring actions in Spain and UK

1 financial charges decrease in accordance with net debt reduction

2 lower deferred tax assets recognition in 08 without cash impact

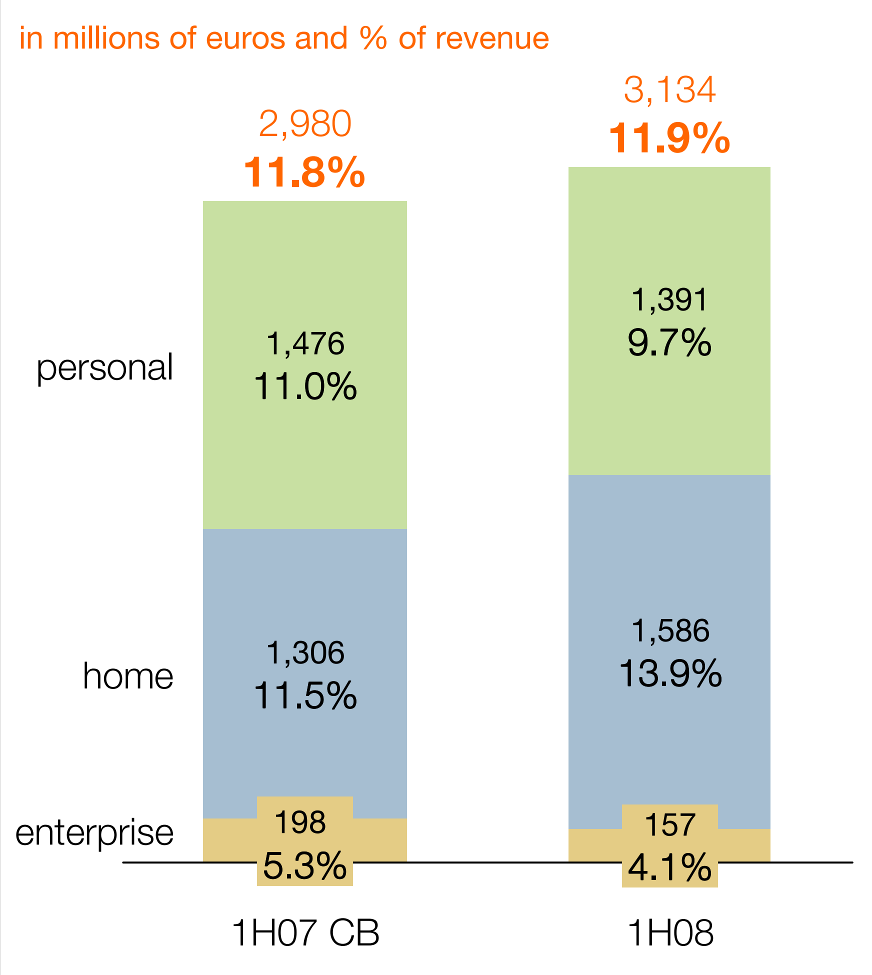
* adjusted for main elements impacting the comparability

organic cash flow increasing by 11.8% yoy, on track with FY guidance

in millions of euros	1H07	1H08	
gross operating margin (GOM)	9,416	9,675	+2.8%
net interest expense cash out	-1,459	**-1,360**	
employee profit sharing cash out	-346	**-359**	
income taxes cash out	-467	**-445**	
early retirement plan cash out	-485	**-351**	
restructuring costs cash out	-134	**-160**	
change in Working Capital Requirement	-34	**137**	
others (other cash out and non cash items)	61	**89**	
net cash provided by operating activities	6,552	7,226	+10.3%
capex	-2,967	**-3,134**	
licences	-	**-194**	
increase or decrease due to fixed asset suppliers	-376	**-287**	
proceeds from sale of tangible and intangible assets	51	**34**	
organic cash flow, consolidated	3,260	3,645	+11.8%
o/w organic cash flow, part of the Group	*2,945*	***3,434***	***+16,6%***

1H08 capex on track with FY guidance

CAPEX evolution and trend



personal capex slowdown:
- main 3G roll out completed in mature countries
- first benefits from network sharing agreements
- continuous investments and network deployment in emerging countries

home capex increase:
- platform services and IT investments
- real estate operation on technical buildings for 163M€
- FTTH roll out (73M€ for the Group)

enterprise capex decrease in line with business model evolution:
- lower equipment renewals required vs 07