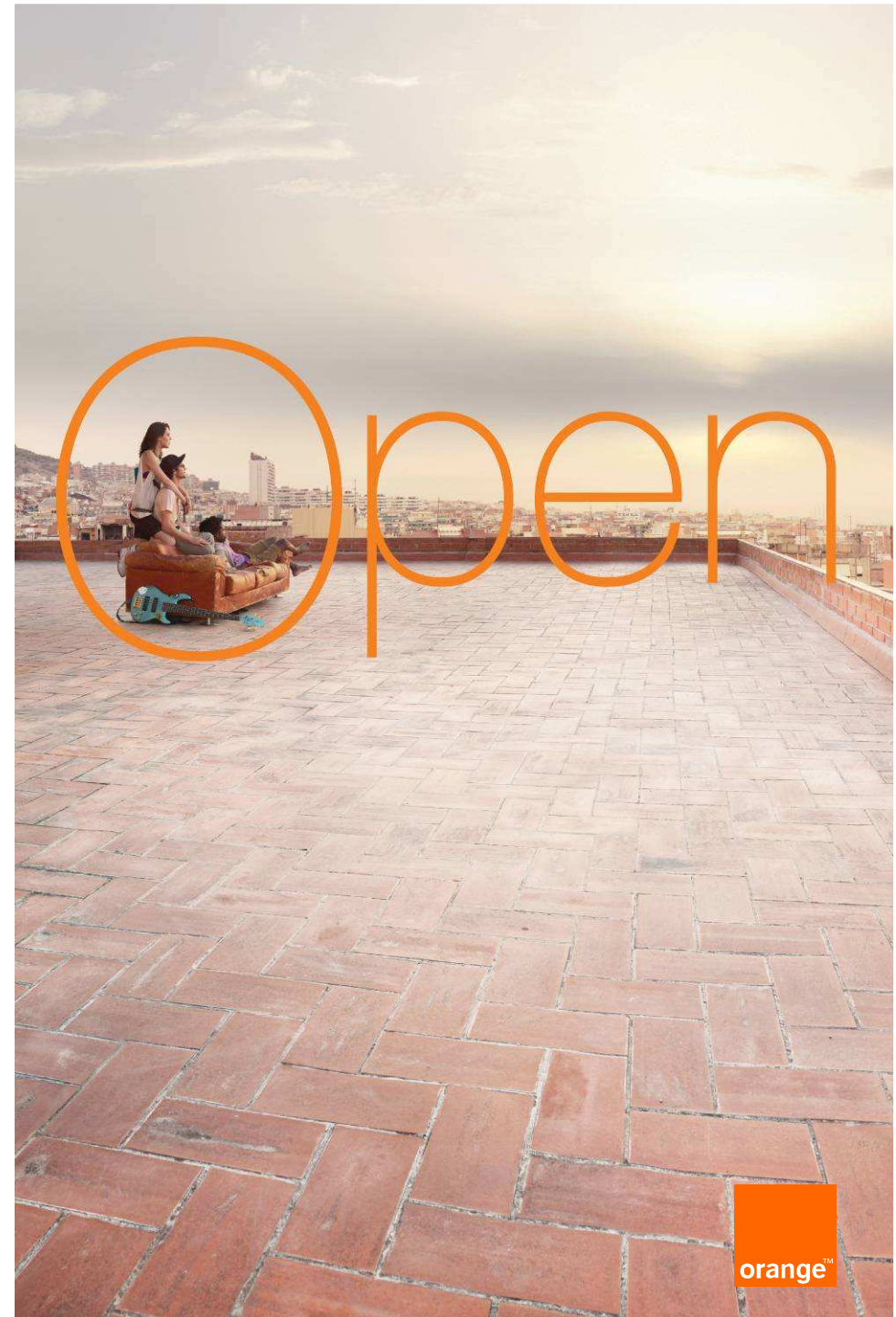


France Telecom

3Q10 results

Stéphane Richard
CEO

Barcelona TMT conference
November 17th, 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 "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, France Telecom does not undertake any obligation to update forward-looking statements.

agenda

1. 3Q10 highlights

2. country business review

3. outlook and conclusion

1. 3Q10 highlights

sound 3Q10 results & successful commercial momentum in France on both fixed and mobile

- **solid commercial performance** throughout the Group with customer base up by 5.1%
- **successful momentum in France**: broadband net adds at **32.8%*** and stable market share on mobile
- underlying **improvement** on revenue with a 3Q growth of +1.1% excluding regulation thanks to our value strategy and mobile data take-off
- 9 month **margin erosion limited** at -0.8pt while building on the Group's strengthened commercial positioning in 3Q
- **increased CAPEX** level in 3Q10, FY guidance confirmed at around 12% of revenues

significant acceleration in 3Q commercial dynamic

203.4 million customers
145 m personal customers
59 m home customers

5.1%
of customer base growth yoy

33.5 million
mobile 3G customers

13.3 million
home broadband customers

+4.8 million
3Q10 mobile net additions

some achievements
in 3Q10 vs 2Q10



Egypt:
28.4m mobile
customers, **+2,3m**



Moldavia:
+9.7% revenue
increase to **€43m**



France: broadband
net adds **x2** to **32.8%**



Spain:
+4.5% 3G
customers to **6m**



Ivory Coast:
+18.6% mobile
customers to **5m**

ongoing implementation of conquests 2015

international development

Egypt consolidation: ECMS starting in July, Linkdotnet starting September, +19 million additional customers from 3Q10

partnership with Meditel in Morocco: 10 million customers*



customers

Open, 1st Orange 4play offer in France

iPhone launch in Spain

mobile segmented offers being replicated throughout Europe

Deezer partnership providing Premium music services to Orange customers

new tagline: today changes with Orange



today changes with 



networks

Lion 2 new submarine cable, Indian Ocean

global business alliance on cloud computing between OBS, Cisco, EMC and VMware

Elettra acquisition, reinforcing Group position as a major cable ship operator



employees

social contract summarizing the main outcome from social negotiation communicated to all employees in France

social performance indicator becomes part of leading managers incentive-plan

Orange campus launch, specific program for management empowerment

key financial achievements

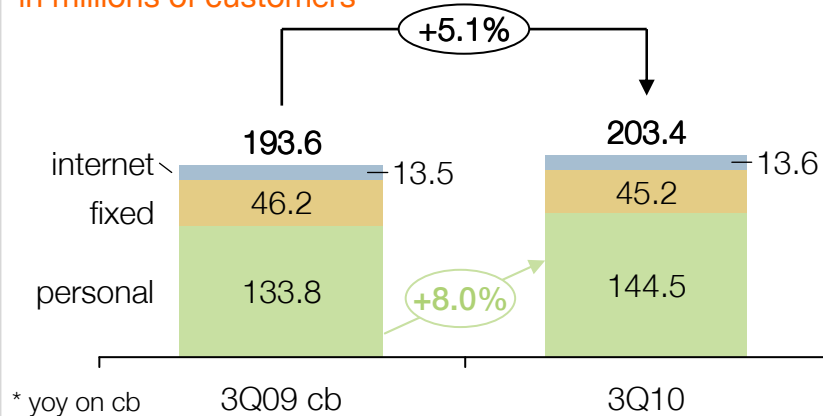
positive YTD underlying revenue growth and margin erosion contained

in €m	9m09 CB	9m10 actual	var. comp basis	key points
revenue	34,344	33,772	-1.7%	<ul style="list-style-type: none"> ▪ +0.4% excluding regulatory impact, better than expected trend ▪ trends strongly improving in France, Spain and Enterprise
EBITDA restated*	12,529	12,042	-3.9%	<ul style="list-style-type: none"> ▪ in line with FY Group trends ▪ sustained commercial activity in 3Q
in % of rev	36.5%	35.7%	-0.8pt	
CAPEX	3,437	3,374	-1.8%	<ul style="list-style-type: none"> ▪ in line with FY guidance “around 12% of revenue” ▪ catch up expected in 4Q
in % of rev	10.0%	10.0%	-0.0pt	
EBITDA restated* – CAPEX	9,092	8,668	-4.7%	<ul style="list-style-type: none"> ▪ in line with Group FY OCF guidance

Group's customer base up by +5.1% to more than 200 million

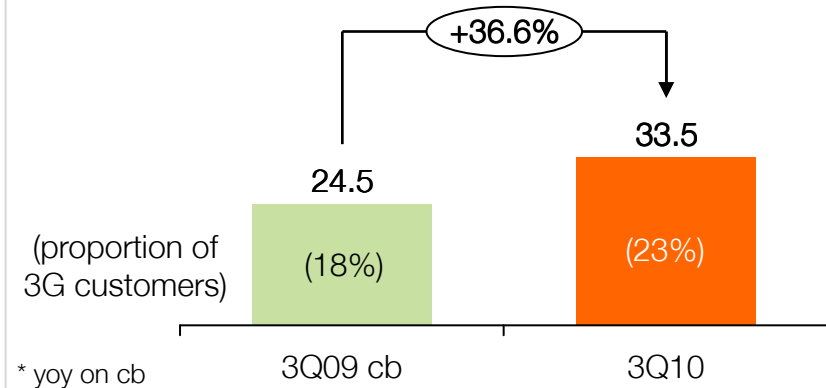
Group customer base +5.1%*

in millions of customers



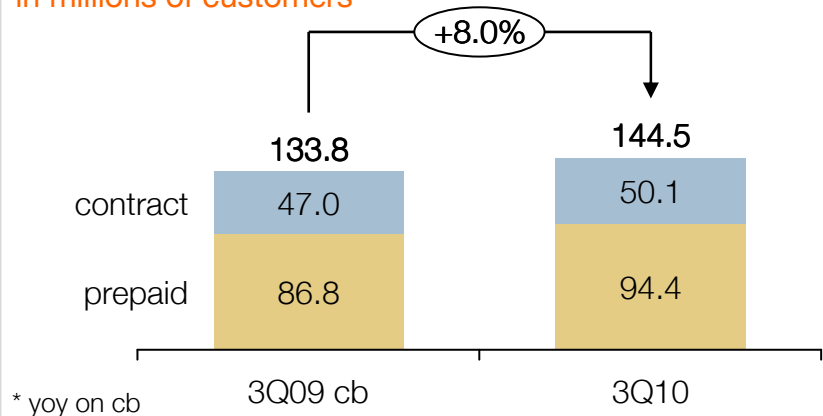
3G customer base +36.6%*

in millions of customers



personal growth driven by both value & volume

in millions of customers

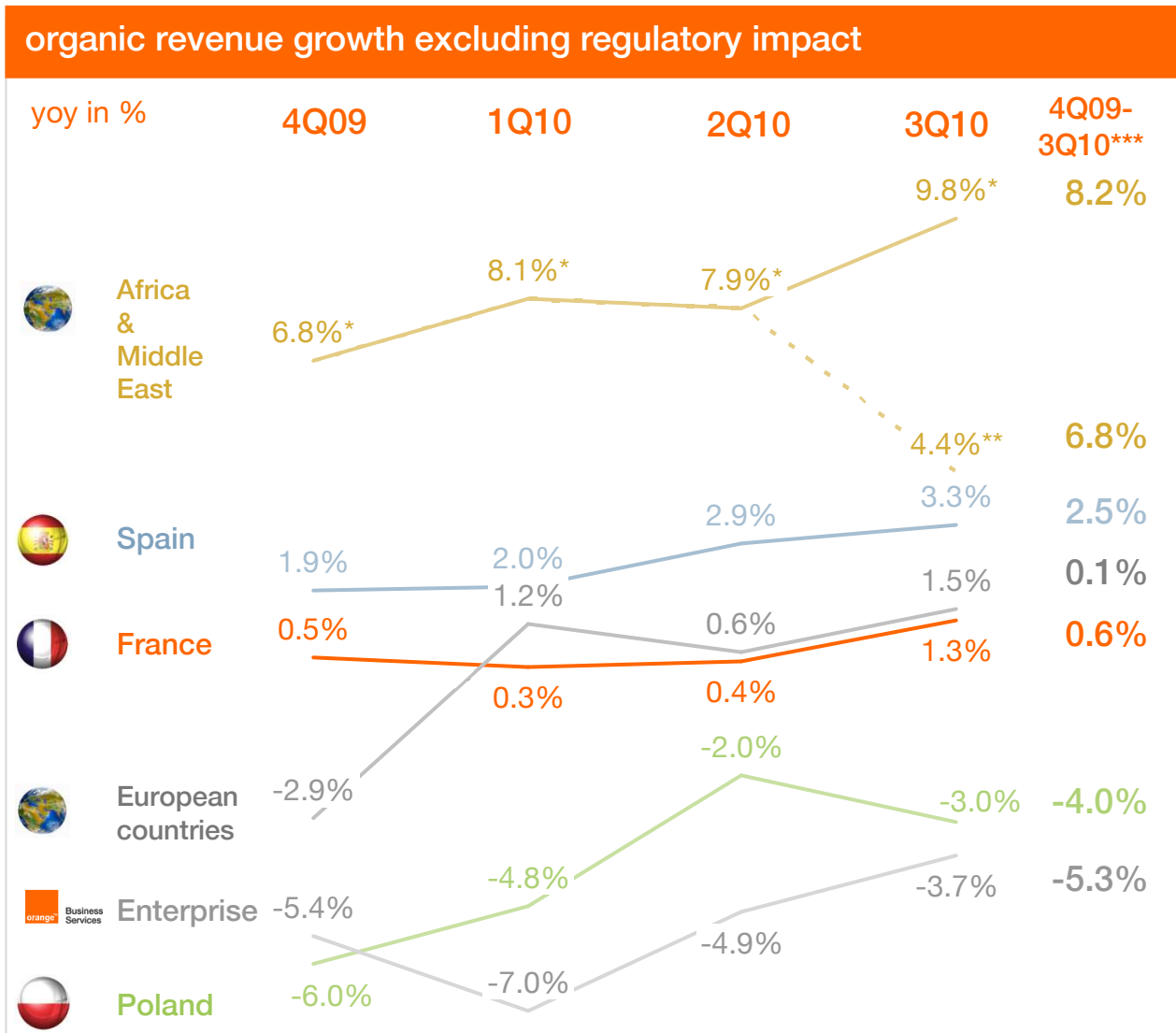


insight

- increasing coverage of the Orange brand with:
 - 63% of Group customers now Orange-branded, still leaving significant further growth potential
- Smartphones now representing close to 50% of mobile devices sold in 3Q in mature markets*
- value strategy driving growth in contract customer base in mature markets
- emerging markets driving customer base volume growth

* all countries excluding AMEA & Rep. Dom.

revenue trend progresses in key geographies

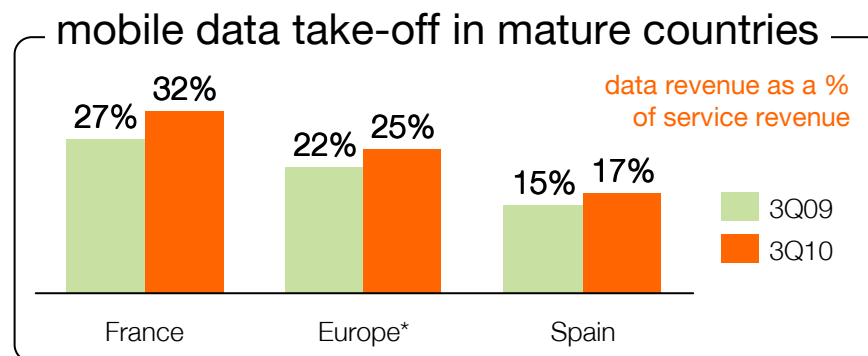
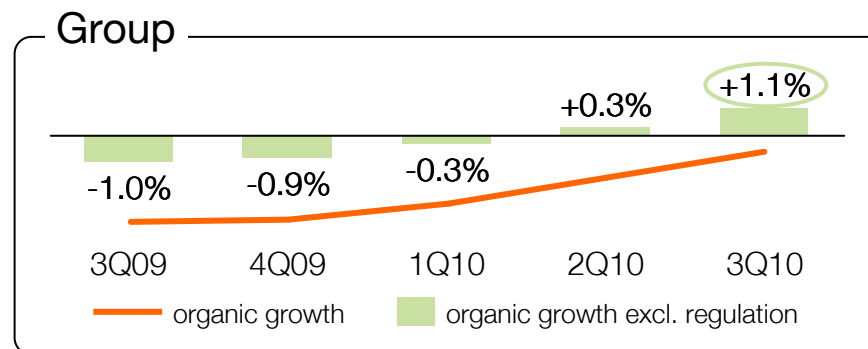


key messages

- Africa and Middle East: sustained growth driven by Cameroon and Ivory Coast
- Spain: confirmation of improving operational and financial performance, success of the iPhone, launched end of July
- France: strong mobile growth mainly driven by stable market share and data traffic take-off
- European countries: Belgium and Switzerland dynamic partially off-set by Central Europe
- Poland: mobile revenue increase thanks to customer base growth
- Enterprise: continued improvement in revenue trend

top line increase fuelled by personal and mobile data usage

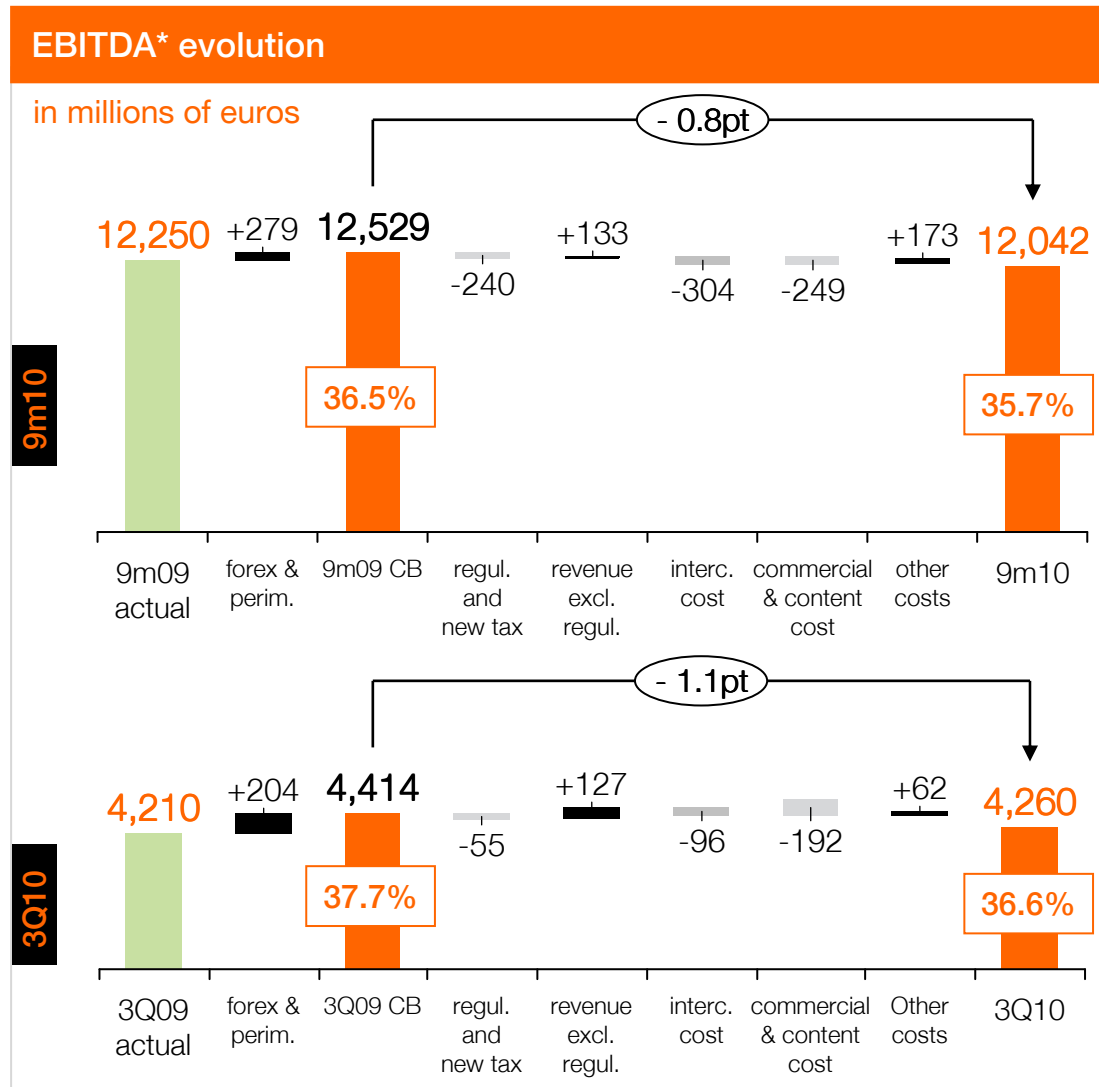
in €m	actual	% yoy cb	% yoy cb excl.reg
			9m10
Group revenue	33,772	-1.7%	+0.4%
France	17,431	-1.6%	+0.6%
Spain	2,858	-1.8%	+2.7%
Poland	2,936	-6.4%	-3.3%
ROW	5,954	+1.8%	+3.4%
Africa & Middle-East	2,209	+5.5%	+6.3%
European countries	3,327	-1.1%	+1.1%
other	427	+4.9%	+5.3%
Enterprise	5,356	-5.2%	-5.2%



insight

- organic growth excluding regulation strongly positive in 3Q at +1.1%. Regulation impact decreasing at -€198m in 3Q (-€507m in 1H)
- data take-off in all our mature countries: reaching more than 30% of service revenue in France, Belgium and 28.5% in Switzerland
- growth driven by personal services with a strong performance in 3Q in all major geographies
- enterprise yoy cb revenue trend improved in 3Q at -3.7% vs -4.9% in 2Q and -7% in 1Q

dynamic commercial investments with a contained margin erosion in 3Q10



insight

9m10

- EBITDA negatively impacted by regulation and new taxes
- positive impact of revenue (excl. regulation) mainly due to 3Q
- interconnect costs increase due to the success of bundles and unlimited offers
- ongoing favorable OPEX base evolution thanks to cost management

3Q10

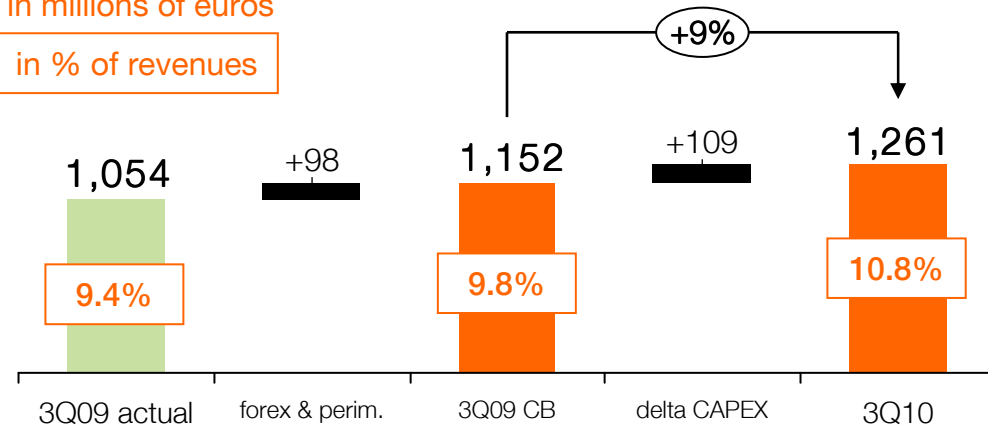
- commercial & content costs increase in 3Q driven by sustained commercial activity
- a margin erosion contained at -1.1pt

CAPEX acceleration in Q3 to support customer satisfaction, network capacity and future growth

CAPEX evolution in 3Q

in millions of euros

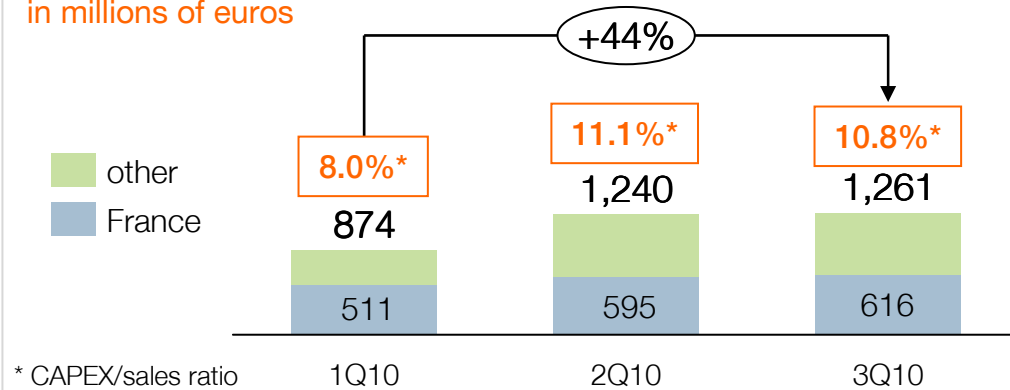
in % of revenues



Group CAPEX ramp-up over 2010

in millions of euros

other
France



* CAPEX/sales ratio

insight

- increased CAPEX/sales ratio by 1.0pt in 3Q10 at 10.8% vs 3Q09, around 12% FY guidance confirmed
- France:
 - ramp-up of FTTH investments
 - increase of investments mainly driven by CPEs with the success of Open
- Poland:
 - speed up in Poland of the DSL coverage program related to UKE arrangement
 - ramp-up of mobile investments in Poland and first investments related to HSPA+
- increase of Group IT investments and launch of multiplay offer in Belgium
- acceleration of mobile network investments in Switzerland

2. country business review

3Q10 France

target of 30% ADSL net adds during 2H already reached, mobile market share stable

3Q10 revenue* (3Q revenue +1.3% excl. regulatory impacts)

in €m	3Q10	var	9m10	var
revenue	5,841	-0.7%	17,431	-1.6%
personal	2,738	+2.1%	8,053	-0.1%
home	3,351	-3.4%	10,160	-3.0%

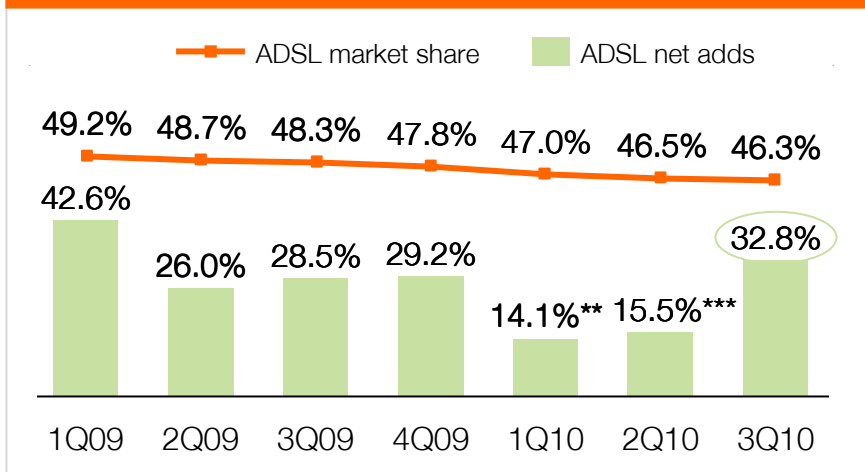
* yoy on cb

insight

- 3Q10 organic revenue growth higher than in 1Q and 2Q thanks to mobile
- broadband market share increased at 32.8%, best level since 1Q09: enriched triple play offer, Open 4P successfully launched
- mobile revenue growth driven by mobile data revenue, MVNO and equipment sales
- broadband monthly ARPU growth, reaching €36.1 (+€1*), annual rolling mobile ARPU +0.7%**

* yoy on cb ** excluding regulation

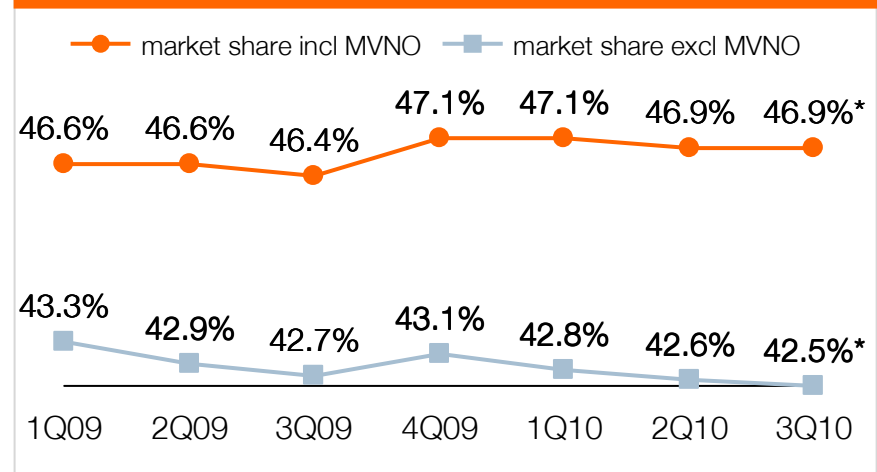
ADSL market share & conquest share*



* company estimates ** 0% after customer base cleaning (ARCEP)






*** ARCEP figures 19%

Orange mobile market share evolution

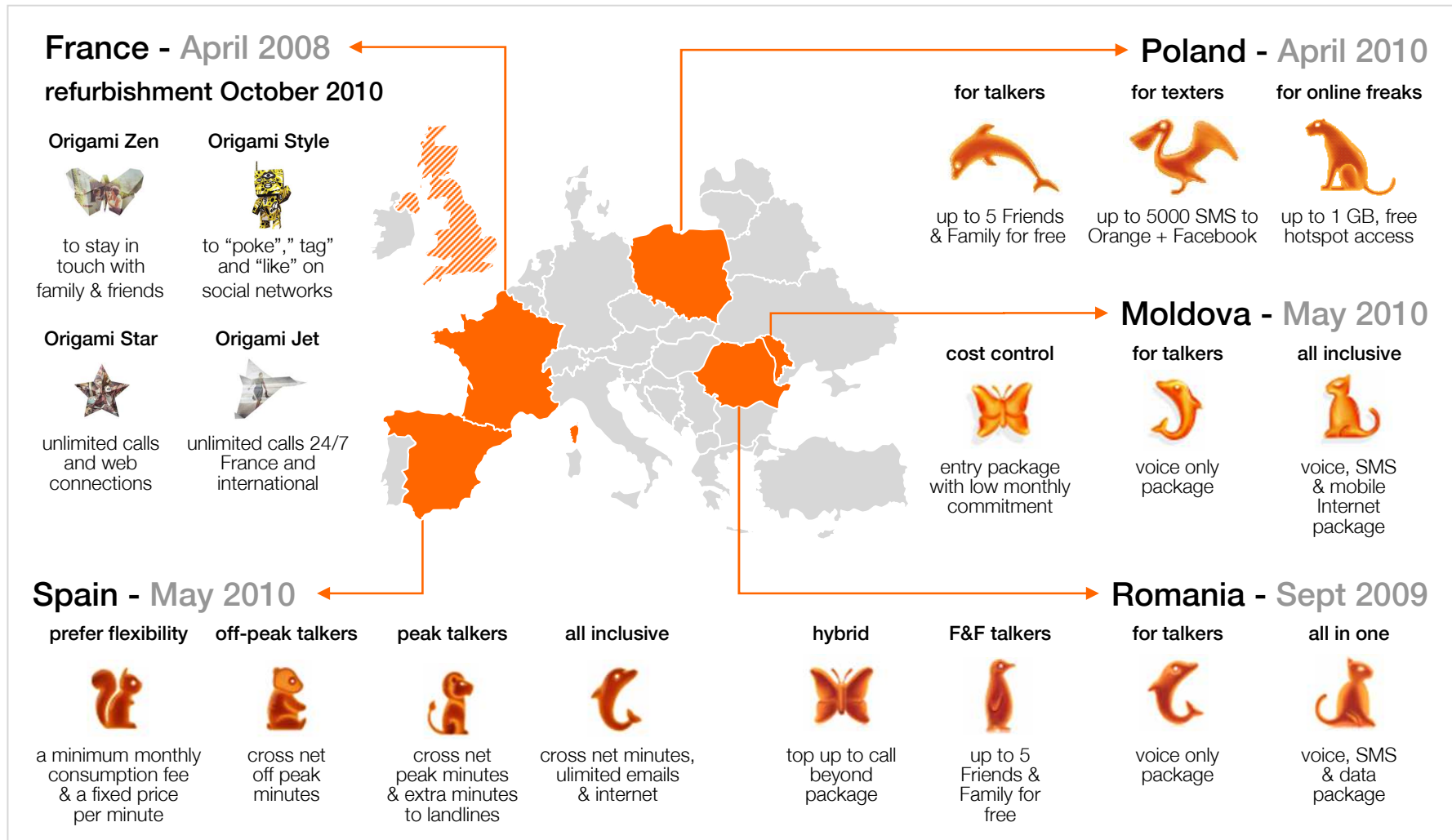


* company estimates




a strong marketing mix in order to benefit from the Christmas period

	broadband	mobile	convergent	
offers	<p>best enriched adsl offer (priced at €34.9 since mid-June) in the market (incl. 1h call to mobiles in the Net and Formule plus offer)</p>	<p>complete renewal of Origami contract portfolio Origami Style targeting digitals and unlimited calls to preferred numbers for all offers</p>	<p>strong momentum on “Open”, due to simplicity and price attractiveness</p> 	
CPEs	 <p>generalisation of livebox 2 and HD set-top box</p>	<p>HTC Mozart (Win7) iPhone 4</p>  <p>smartphones and tablets for everyone at market price Windows 7 & renewed Android handsets, Blackberry torch, iPhone 4, dedicated offers for Samsung galaxy and other tabs</p>	<p>Samsung galaxy</p> 	
marketing mix	<p>fostering of our services approach to build up differentiation</p> <ul style="list-style-type: none"> ▪ cross-selling campaigns ▪ quality of services (external notation improving from 7.3 to 7.7 since the beginning of the year; study done on 500 ADSL customers) ▪ opening of service oriented flagship city center stores in medium sized cities 			

ongoing successful roll-out of 'animals' mobile postpaid tariffs segmentation



Spain, Poland and rest of Europe: better overall trend in the last quarter

3Q10 key financials*				
revenue in €m	3Q10	var	9m10	var
 Spain	991	-0.8%	2,858	-1.8%
personal	825	-1.0%	2,361	-1.8%
home	166	+0.4%	497	-1.8%
 Poland	972	-4.0%	2,936	-6.4%
personal	485	+1.7%	1,426	-2.7%
home	553	-7.6%	1,702	-8.9%
 Rest of Europe	1,143	-1.0%	3,327	-1.1%

* yoy on CB

Spain

- 5th quarter of sequential improvement at -0.8%, with a positive growth for home
- 9m revenue increase excluding regulatory at 2.7% driven by personal growth at 3.8%.
- positive home EBITDA expected for FY

Poland

- continued improvement of revenue trend for the 3rd quarter, for both personal and home
- mobile: +1.7% growth in 3Q driven by a strong commercial performance (+144k net adds vs 3Q09)
- fixed line revenues impacted by fixe to mobile price cuts of November 2009

Rest of Europe

- 3Q revenue increase excluding regulatory at +1.5% yoy (vs +0.6% in Q2). Sustained strong performance of Mobistar (+3.6% vs 9m09cb) and Moldova (+11.5% vs 9m09cb)
- ongoing improvement in Slovakia (-5.4% in Q3 vs -7.5% in Q2 and -8.5% in Q1) Romania still strongly impacted by the economic downturn (25% cut of salaries in public sector) and tax increase (5% increase of VAT)

Orange Business Services

gradual improvement in 3Q10 revenue in a challenging environment

3Q10 revenue: -3.7%*

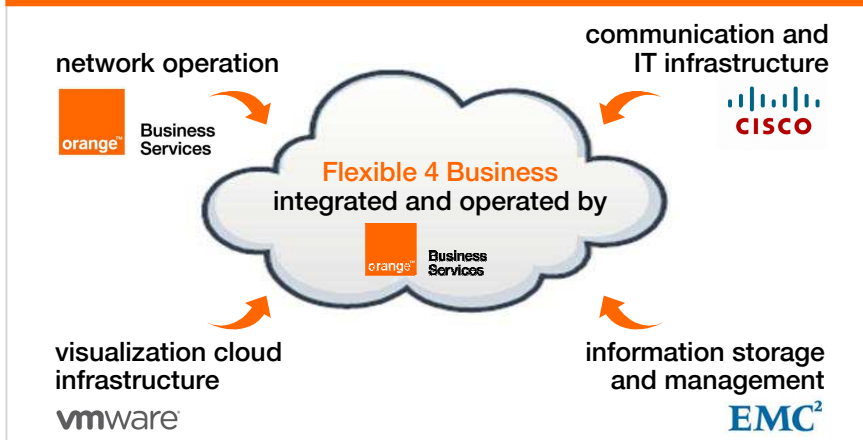
in €m	3Q10	var	9m10	var
total entreprise	1,781	-3.7%	5,356	-5.2%
legacy	636	-10.5%	1,977	-12.0%
others, incl. ERS	213	+5.5%	623	-0.4%
advanced	589	+0.3%	1,738	+0.5%
extended	343	-1.9%	1,018	-3.0%

* yoy on cb

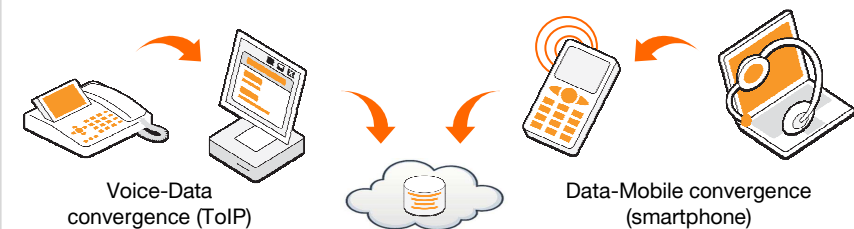
insight

- improvement in revenue trend with 3Q at -3.7% versus 2Q at -4.9% and 1Q at -7.0%
 - **legacy**: revenue still impacted by migrations to new technologies, competition and customer rationalization moves, similar to 2Q
 - **others**: favorable trend driven by equipment resale at +6.8% and Broadcast services at +3.1%
 - **advanced**: 3Q better than 2Q, IPVPN and Nomadism offsetting double-digit growth in VoIP & high-speed solutions
 - **extended**: trend in 3Q similar to 2Q (-2.0%) but improving versus 1Q (-5.2%) with recovery essentially in France

Global business alliance on cloud computing “Flexible 4 business”



cloud computing: to be a partner in the companies transformation process



Workplace of the futur:

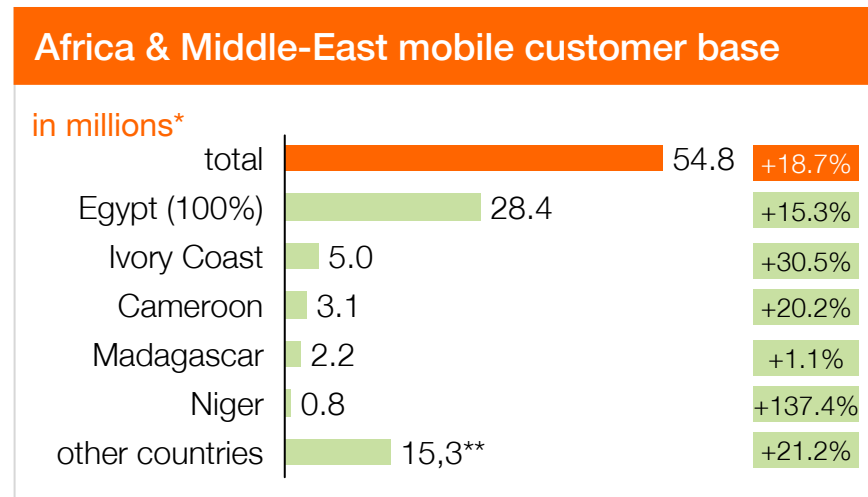
- multi-terminal
- communicating and mobile
- cloud-ready

3Q10 Africa & Middle-East financials

sustained revenue & customer growth in emerging markets

3Q10 revenue*: +4.3%				
in €m	3Q10	var	9m10	var
total AMEA & other	1,151	+4.3%	2,636	+5.4%
Africa & Middle East	1,008	+4.1%	2,209	+5.5%
other countries**	143	+6.2%	427	+4.9%

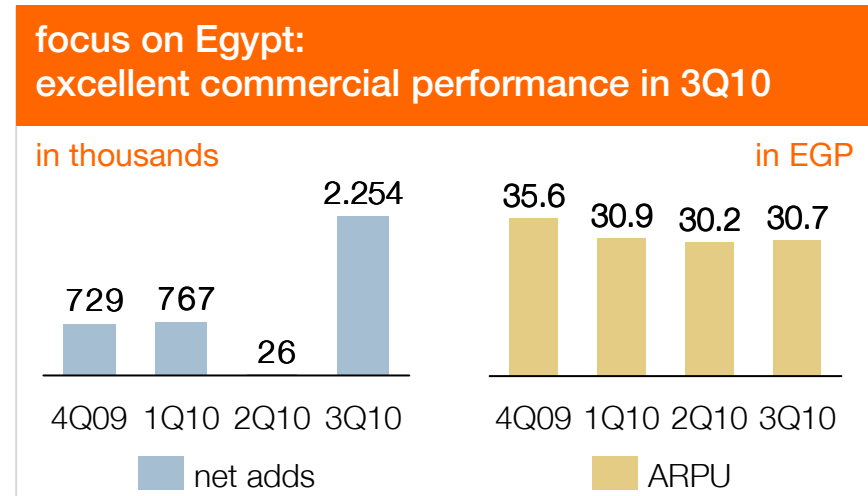
* yoy on cb ** including Dominican Rep. & Sofrecom



* yoy on cb ** including Senegal & subs and Jordan

insight

- Africa & Middle East: strong increase in 3Q10 (+9.8%** excluding Egypt after 7.9%** in 2Q10) driven by the growth of new operations and western African countries
- focus on Egypt:
 - after a Q2 at -7.0% in Egypt, the trend improves with a decrease of -3.7%. Strong commercial performance in 3Q despite scarcity of dials (1m new dials made available both in June and October)
 - despite the ongoing pressure on price, ARPU is stabilized for the third quarter in a row



3Q10 Africa & Middle-East market operations

developing strong country positions

1

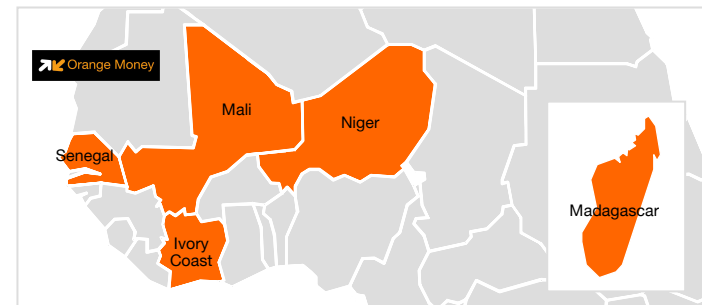
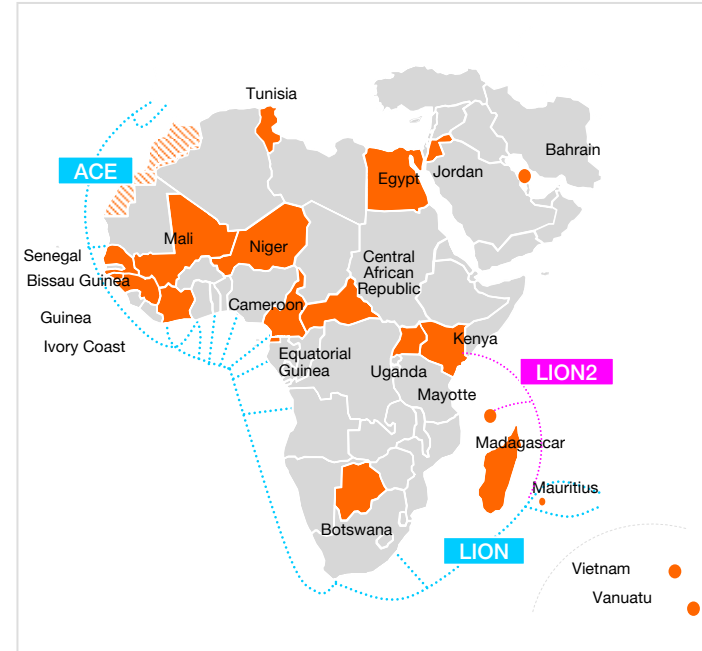
- **developing our existing customer base**
 - increase of our **penetration rate** in young markets by bringing mobile in rural areas with low costs solutions
 - management of **customer value** through a global segmentation for the whole area
 - **#1 or #2** in 14 countries out of 17

2

- **an increasing development of internet (mobile and fixed)**
 - bringing **high bandwidth** through major infrastructure projects (sub-marine cable as a backbone with recently launched ACE and LION2 projects)
 - **3G and 3G+** deployment in our more mature positions
 - **iPhone** for all countries (inc. Morocco in 2011)

3

- many offers and products **specifically designed** for African countries such as Orange money which is now offered in 6 countries: Ivory Coast (2008), Senegal, Mali, Madagascar, Niger (2010) and Kenya (last week) with other countries to follow. Over 700k registered users at the end of September and now 1 million.



3. outlook and conclusion

a prioritised use of cash policy

shareholder return

- a commitment of €1.4 per share dividend for the next three fiscal years (2010 → 2012)

maximising the Group's long-term value

- disciplined M&A with two main focus areas:
 - emerging markets, with a target to reach about €7bn of revenues by around 2015
 - strengthen our position in markets & regions where we already operate (consumer and enterprise markets)
- opportunistic management of the Group's overall portfolio
- no transformational or equity deals envisaged

insight

mid-term net debt to EBITDA ratio target of 2x

confirmed FY 2010 business trends & guidance

revenue	<ul style="list-style-type: none">▪ underlying trend will be slightly positive▪ expected regulatory measures will impact revenue by less than €1bn
EBITDA margin	<ul style="list-style-type: none">▪ -1pt max of EBITDA margin erosion while sustaining commercial activity
CAPEX ratio guidance	<ul style="list-style-type: none">▪ around 12% of revenue confirmed▪ higher level of capex in 4Q10 vs. 9m10



organic cash flow guidance	<ul style="list-style-type: none">▪ 2010 €8bn confirmed*▪ 2011 €8bn confirmed* <p>* excluding licenses & spectrum, litigation on “Taxe Professionnelle” for 2010 and other exceptional items</p>
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upcoming events

FY results presentation 24th Feb. 2011 followed by an investor day

France Telecom

3Q10 results

Q&A

Barcelona TMT conference
November 17th, 2010

