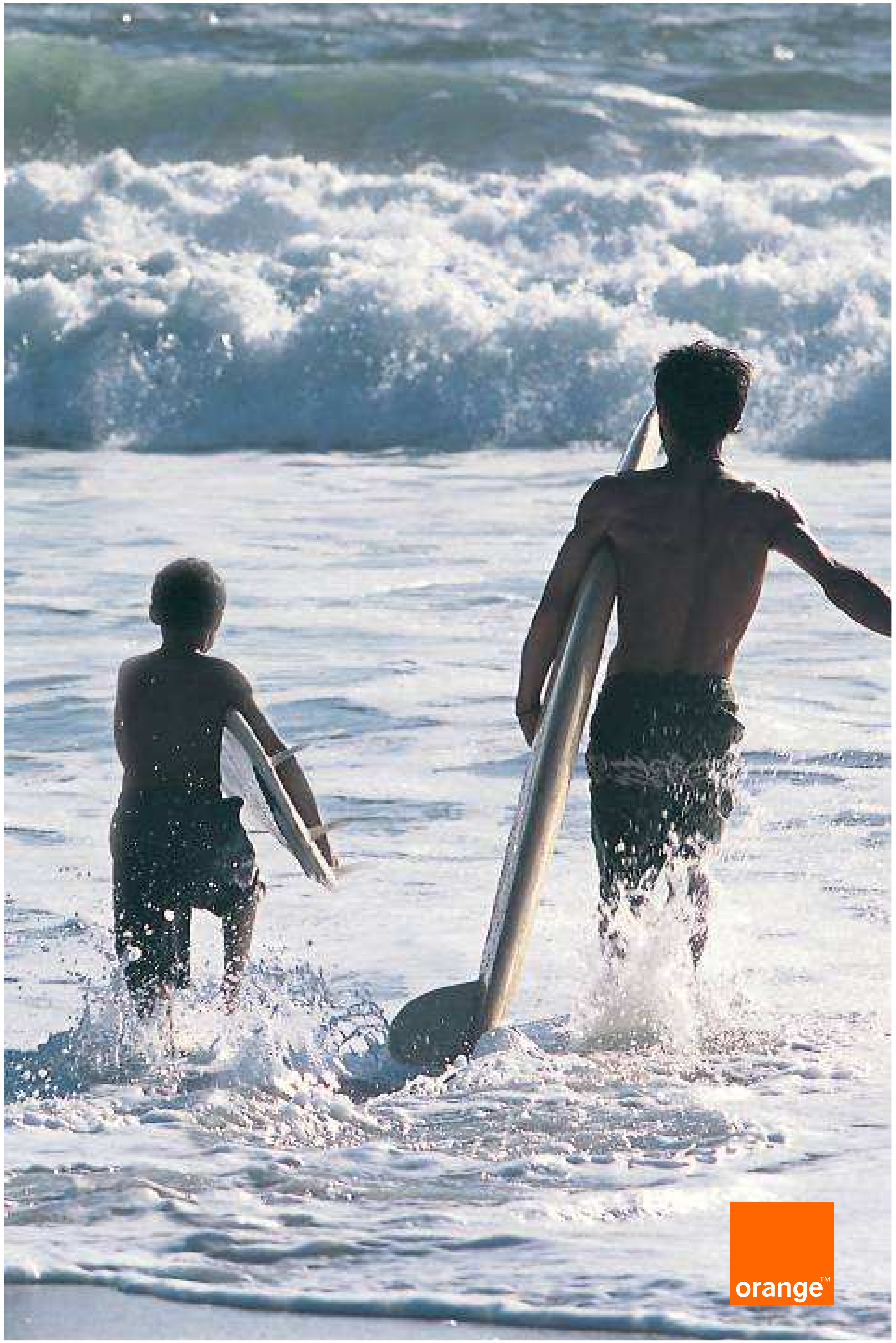
France Telecom

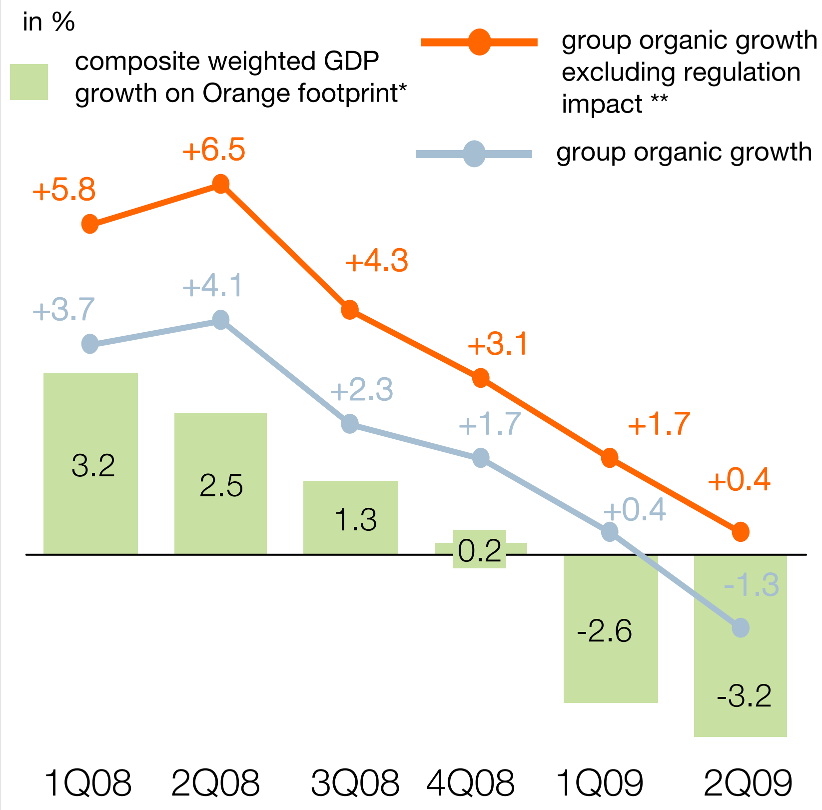


Gervais Pellissier
Deputy CEO and CFO
October 1st 2009

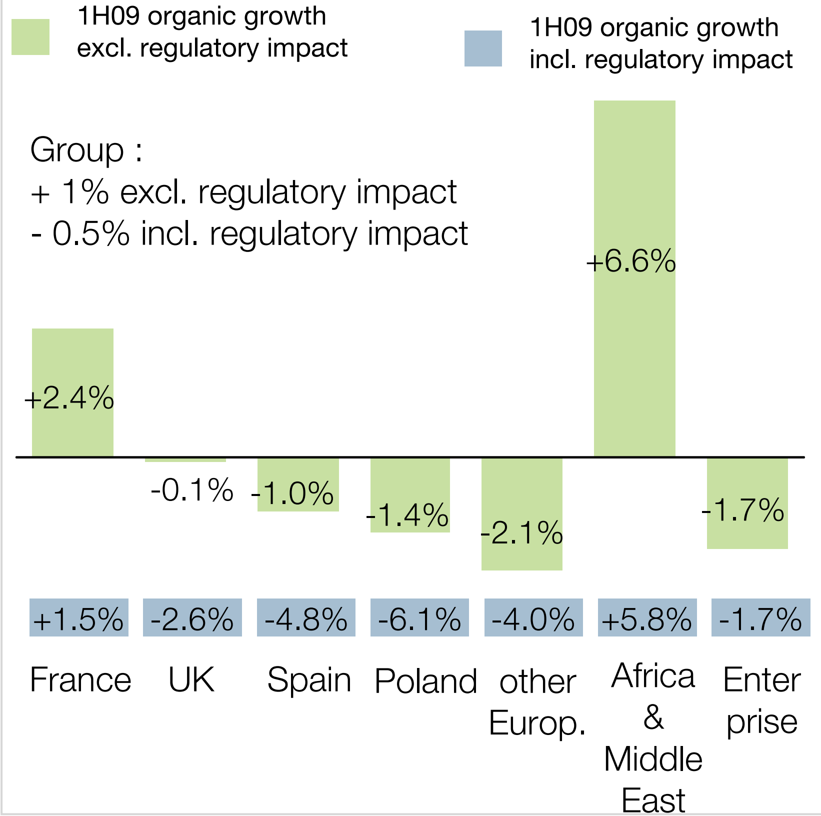
france telecom

revenue growth for the Group continues to outperform GDP evolution with different performance among the geographies

organic revenue growth per quarter vs weighted GDP growth



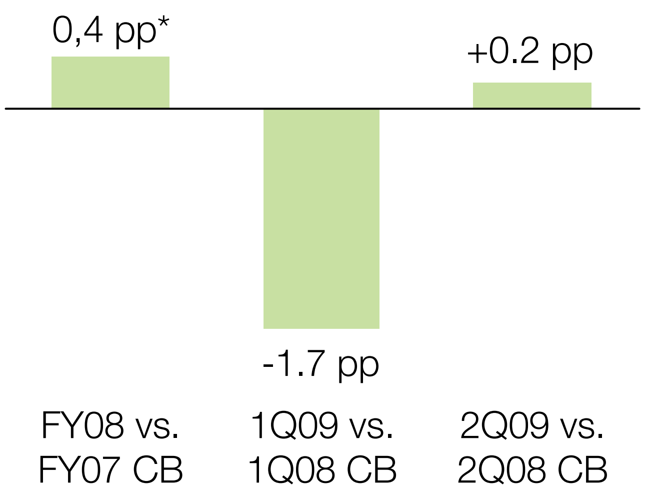
organic revenue growth per geography in 1H09



* source: IMF, France Telecom estimates
** Regulatory impact: Mobile Termination Rate decrease, wholesales prices

in spite of lower revenues, strong cost control leading to EBITDA margin recovery in 2Q

EBITDA margin evolution (in ppt)



* excluding restructuring costs, gain/loss on disposals of assets, and share of profit/loss of associates

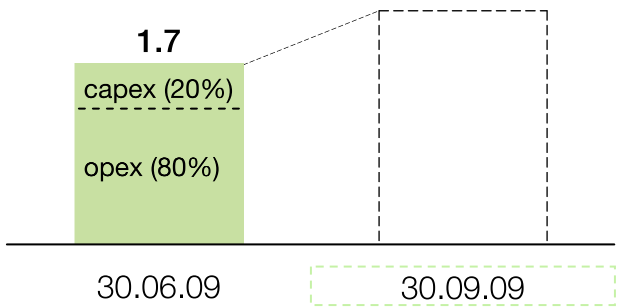
insight

- FY08 margin improvement due to continued growth resilience (+2.9%) and cost optimisation in Spain, UK and Enterprise
- 1Q09 decrease mainly driven by lower revenue growth (+0.4%), higher interconnection and content costs
- 2Q09 improvement reflects lower restructuring costs and better cost monitoring (contingency plan) despite lower revenues (-1.3%) and higher content costs

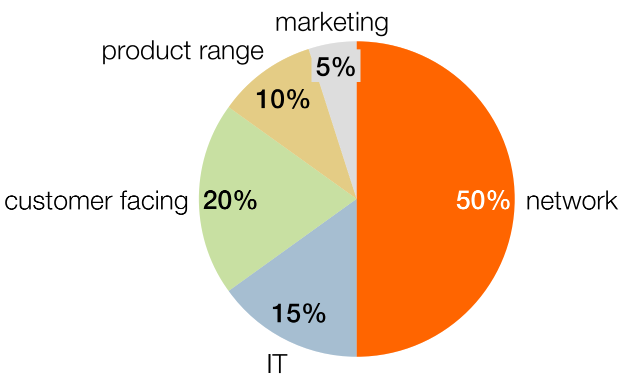
EBITDA delivery is sustained by Orange 2012 transformation plan that will deliver €1.5bn savings

savings by 2011 in current portfolio (pipe)

in billions of euros



type of savings in current portfolio

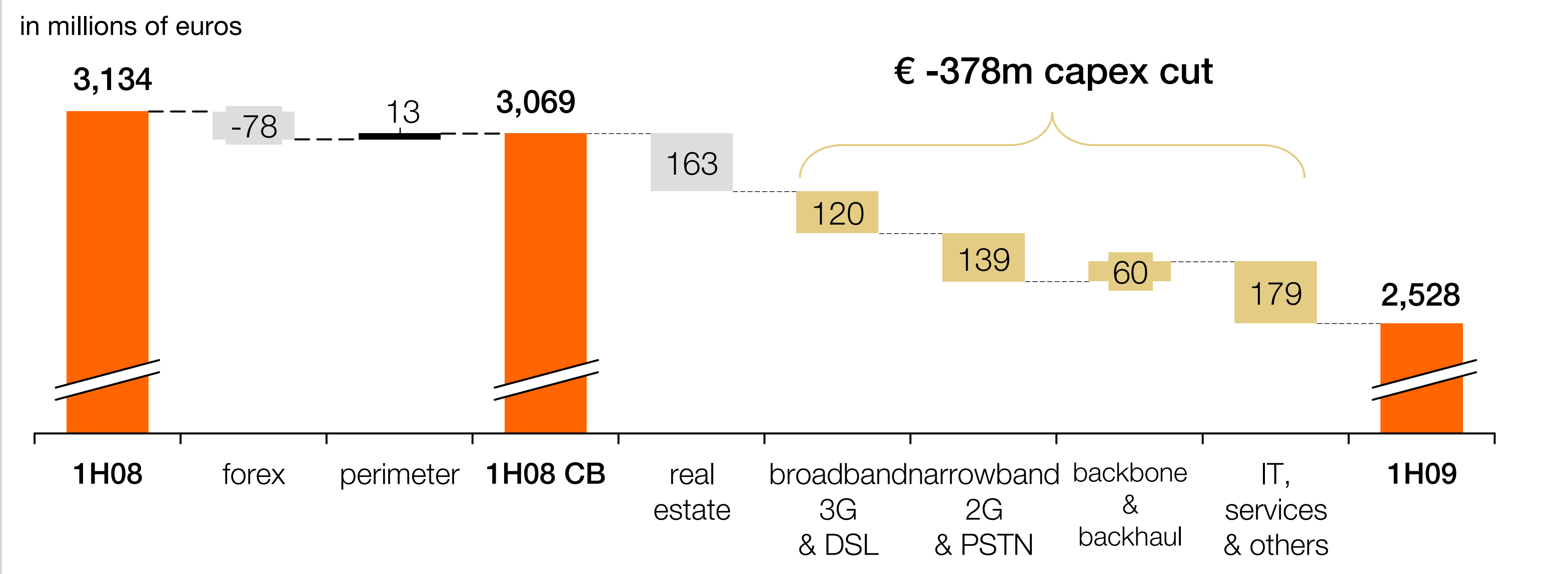


insight

- plan managed at Group level with dedicated country teams feeding project portfolio
- beyond cost cutting, transformation is a structural change of processes
- OPEX and CAPEX savings measured against 2008 actual base and net of transformation costs
- processes are in place to make €1.5bn savings over 2009-2011 and significant savings in 2009

limited impact of capex reduction on growth capacities, thanks to tight prioritization and following strong investment levels over the last 3 years

CAPEX evolution



insight

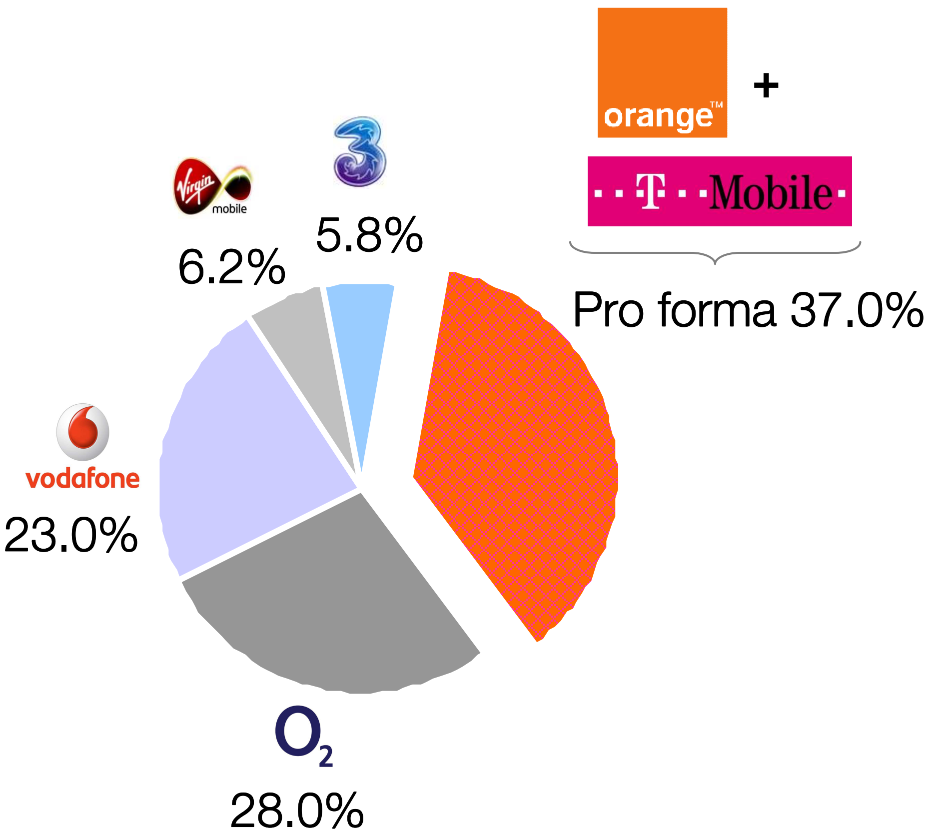
- 1H09 CAPEX reduced : -13% yoy, excl. forex impact and real estate investments in 1H08
- end of investment cycles in DSL (France, Spain) and narrowband (2G & PSTN)
- continued investment in growth areas in France, UK and Spain, and in backbone & backhaul to support IP traffic growth
- FTTH investment on hold pending regulatory decisions

2009 cash flow guidance and 2009-2011 ambition all confirmed

2009 organic cash flow guidance	▪ maintain the level of 2008 organic cash flow: 8bn€ (before possible spectrum acquisition) ▪ capex to sales ratio should be slightly below 12%
2009 dividend and debt policy	▪ ordinary dividend will be equal or above 45% of Group organic cash flow with a stable interim dividend of €0.6 per share paid on September 2009 ▪ net debt will continue to decrease with a net debt / EBITDA ratio below 2
2009-2010 ambition	▪ cash flow maintained at 2008 level -€ 8 billion- over 2009-2011 based on current economic outlook and excluding spectrum acquisition ▪ ongoing transformational programs to absorb identified and potential adverse factors

joint venture between France Telecom and Deutsche Telecom will create the new #1 player in the UK mobile market

UK mobile subscribers market shares (2008PF combined)[1]



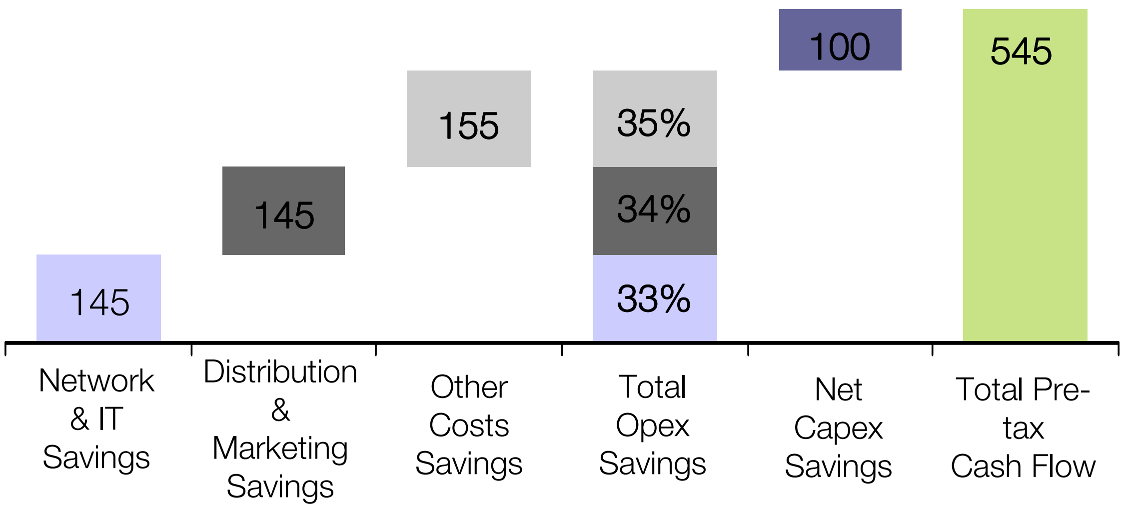
insight

- clear market leader with pro forma 37% market share (>28 m subs)
- best customer offering with enhanced coverage quality and distribution network
- significant value creation due to synergies with a NPV of £3.5 Bn through integration and scale effect, mainly in network and IT
- world class management team
- strong value creation

Source: Ofcom "The Communications Market 2008", company filings [1] T-Mobile UK excluding wholesale via Virgin Mobile [2] Company reporting as of the respective last fiscal year end
[3] Adjusted for national interconnect revenues between T-Mobile UK & Orange UK

over £3.5bn NPV of synergies, net of integration costs

annual run-rate opex and net capex savings (£m) post 2014



- over £3.5 Bn of net opex and capex savings :
  - ✓ opex run rate of synergies £445m per annum
  - ✓ capex run rate of synergies of £100 m per annum

insight

- long term EBITDA margin superior to current margins of best in class operators in the UK
- best in class capex efficiency

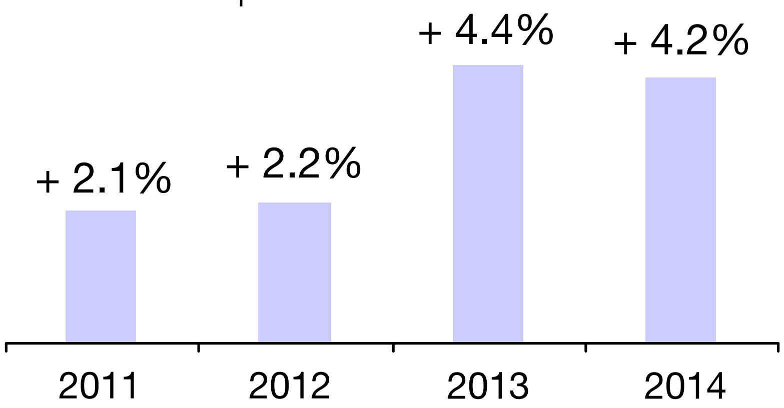
key governance principles – joint control and streamlined decision making

board of directors	▪ equal representation from France Telecom and Deutsche Telekom ✓ 2 representatives from France Telecom, 2 representatives from Deutsche Telekom ✓ 2 executive directors (CEO and COO) ▪ Deutsche Telekom nominates first Chairman of the Board
key management functions	▪ all appointments according to principle of “best person for the job” ▪ CEO: Tom Alexander ▪ COO: Richard Moat
stability and long term commitment	▪ shareholders’ interests aligned in all respects ▪ governance designed to create a stable, long term ownership structure
operational autonomy awarded to JV	▪ governance designed to allow management to focus on operations ▪ extensive operational decision making with JV management
dividend policy	▪ maximum cash flows to be channeled to the parent companies ▪ distribution of 90% of cash flow to shareholders

strong value creation for shareholders

FCF per share accretive from 2010 [1]

Free cash flow per share



EPS accretive since 2011 [1]

- double digit EPS accretion from 1st full year of operation (2011)
- circa 11% accretion by 2014

value creation for share-holders

- joint ownership of a larger, more profitable asset
- nearly immediate EPS and FCF accretive
- maximisation of cash to the parent companies through a distribution of 90% of the JV's free cash flow
- no impact on FT debt and dividend policy

[1] Basé sur le consensus des brokers. Prévisions intégrant les coûts d'intégration de la JV, mais excluant les impacts potentiels d'éléments liés au Purchase Price Accounting ou d'autres éléments comptables et non cash liés à la transaction. En prenant l'hypothèse d'un bouclage de l'opération au S1 2010.