France Telecom Orange

investor day conquests 2015

Enterprise

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cautionary statement

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leveraging our Enterprise assets to benefit from growth opportunities

strong position in B2B markets

- an extensive product portfolio
- leader in France
- among the best global players

leveraging key assets

- global delivery capabilities
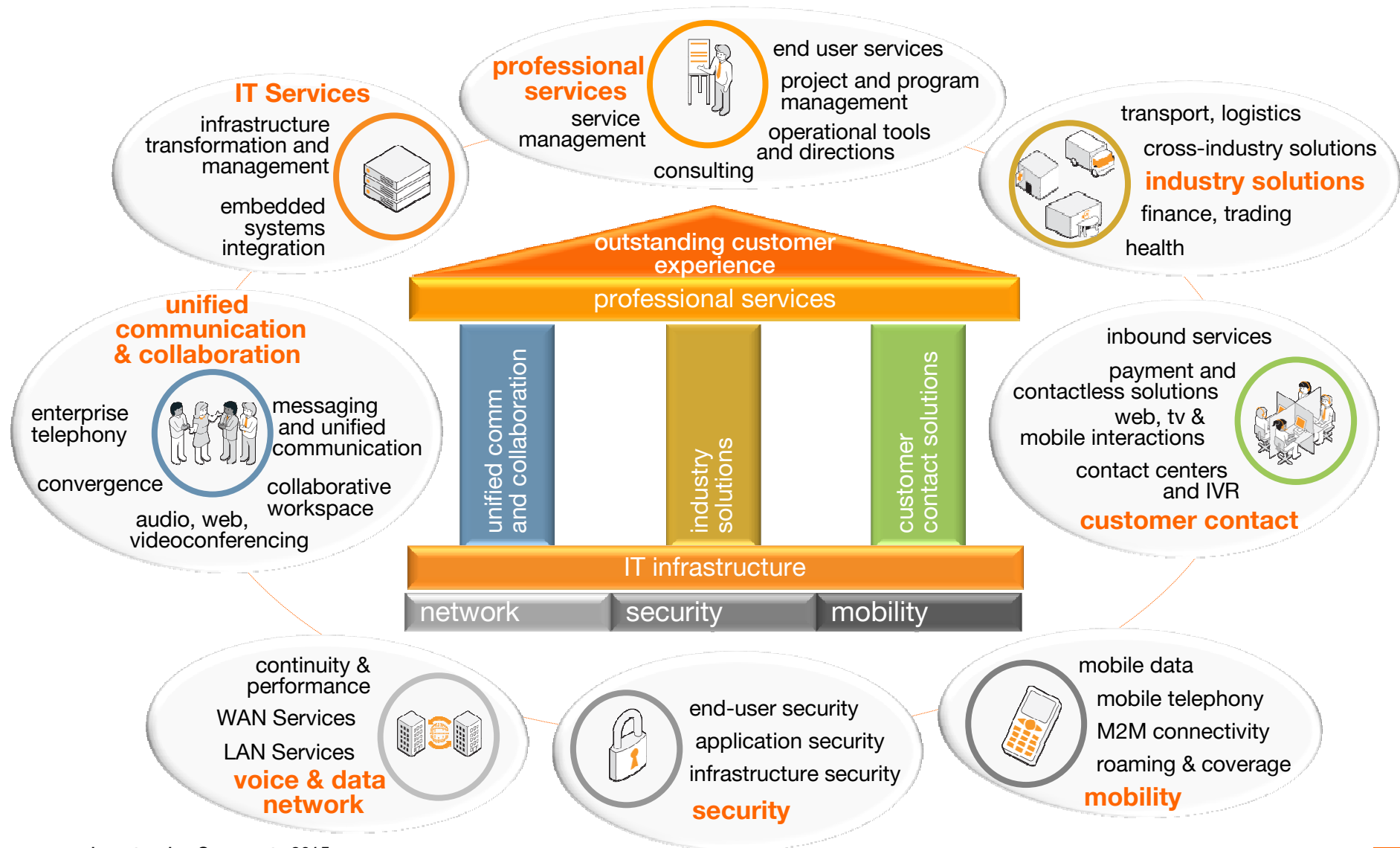- best-in-class customer experience
- engagement of our employees

conquests 2015 ambition

- back to growth
- maintaining EBITDA
- transforming our business

growth areas

- very high broadband, cloud, video
- emerging markets
- b2b2c opportunities

Enterprise,
# an extensive product portfolio to support businesses

IT Services
infrastructure transformation and management

embedded systems integration

professional services
service management

end user services

project and program management

operational tools and directions

consulting

transport, logistics

cross-industry solutions

industry solutions

finance, trading

health

unified communication & collaboration

enterprise telephony

messaging and unified communication

convergence

collaborative workspace

audio, web, videoconferencing

outstanding customer experience

professional services

unified comm and collaboration

industry solutions

customer contact solutions

IT infrastructure

network

security

mobility

inbound services

payment and contactless solutions

web, tv & mobile interactions

contact centers and IVR

customer contact

continuity & performance

WAN Services

LAN Services

voice & data network

end-user security

application security

infrastructure security

security

mobile data

mobile telephony

M2M connectivity

roaming & coverage

mobility

orange

Enterprise, a strong position in B2B markets

Enterprise France **+** **Enterprise International (MNCs)**	**2010** **revenue €7.2bn** **EBITDA margin* 18.3%** **EBITDA - Capex €1.0bn**

leader in France

- serving SMEs and LNA (Large National Accounts) with telecommunications and services
- maintained strong market shares in Fixed Voice and Data services
- consistent strategy in developing connected IT services
- recognized** player in the IT Services market in France for several years
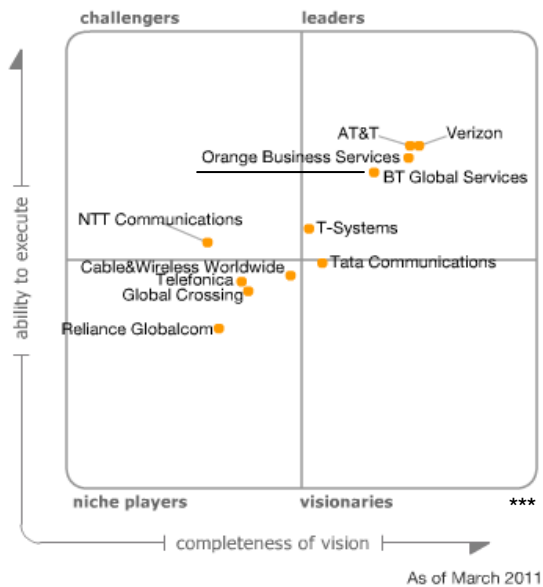
among the best global players

- ~3,700 multinational customers (MNCs)
- 320,000+ IP VPN access points worldwide
- presence in 160 + countries
- positioned as a leader in the Gartner "Magic Quadrant for Global Network Service Providers" - March 2011 ***

challengers | leaders
ability to execute
AT&T | Verizon
Orange Business Services
BT Global Services
NTT Communications
T-Systems
Cable&Wireless Worldwide
Telefonica | Tata Communications
Global Crossing
Reliance Globalcom
niche players | visionaries | ***
completeness of vision
As of March 2011

* restated for Part-Time senior agreement

** PAC (Pierre Audouin Consultants) 2010 ranking: Orange is Top 6 in the IT services market

*** Publication Date: 31 March 2011 ID Number: G00210099 © 2011 Gartner, Inc. Magic Quadrant for Global Network Service Providers Neil Rickard, Robert F. Mason. This Magic Quadrant graphic was published by Gartner, Inc. as part of a larger research note and should be evaluated in the context of the entire report. The Gartner report is available upon request from Orange Business Services.
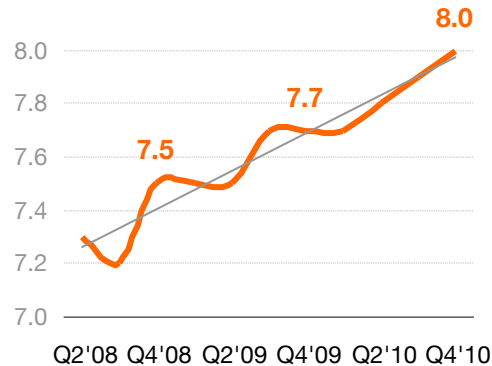
Enterprise leverages key assets
best-in-class customer experience & employees' engagement

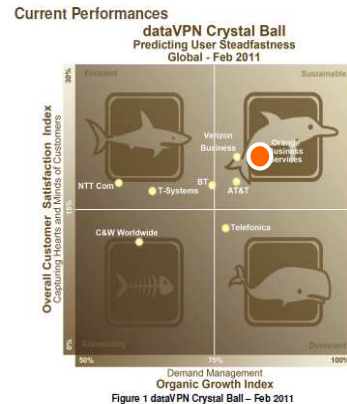### customer loyalty #1 priority

- continuous improvement in our Customer Loyalty Index
- loyalty is key factor for growth as it impacts pipeline

8.0
7.7
7.5
8.0
7.8
7.6
7.4
7.2
7.0

Q2'08 Q4'08 Q2'09 Q4'09 Q2'10 Q4'10

best-in-class player

- Orange rated best-in-class global data VPN provider by customers (Telemark benchmarking survey)

Current Performances

dataVPN Crystal Ball
Predicting User Steadfastness
Global - Feb 2011

Overall Customer Satisfaction Index
Capturing Hearts and Minds of Customers

Focused — Sustainable

NTT Com BT T-Systems AT&T Verzion Business Orange Business Services

C&W Worldwide Telefonica

Demand Management
Organic Growth Index
Figure 1 dataVPN Crystal Ball – Feb 2011
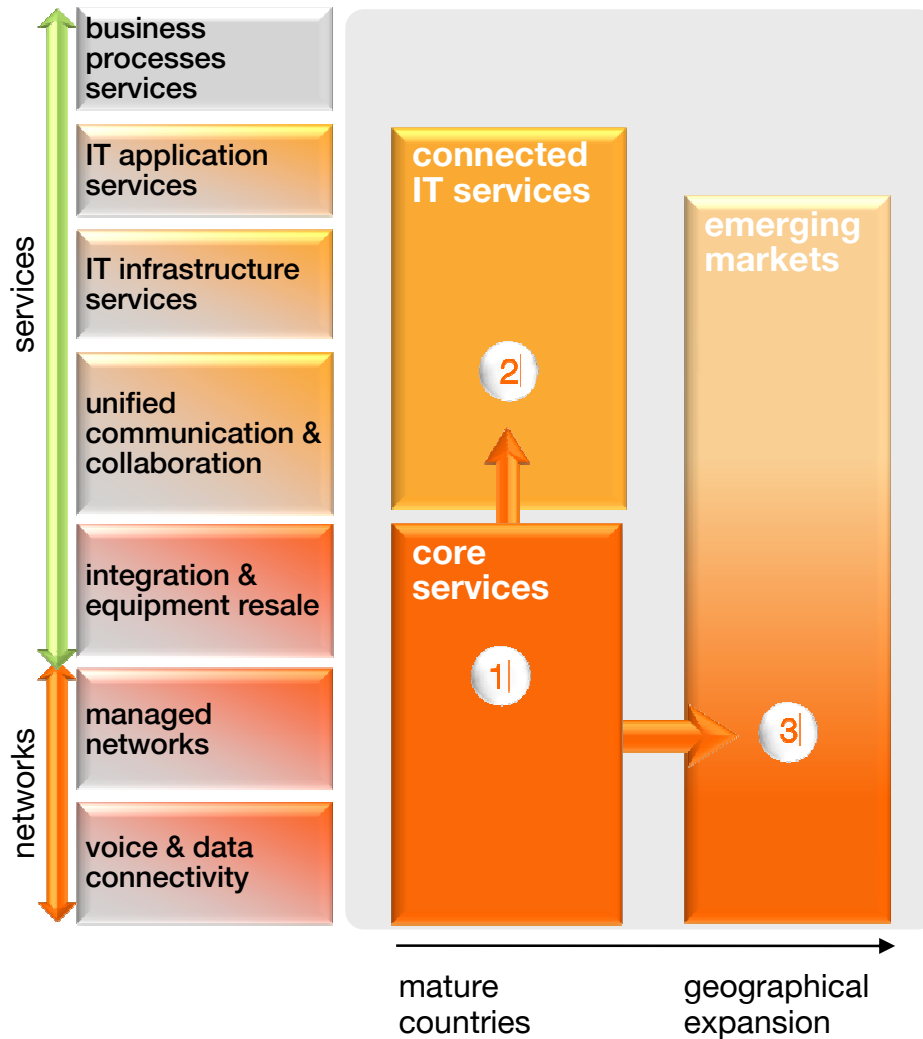
recognized capabilities in delivery

- 4 highly qualified Major Services Centers (MSCs) in Egypt, India, Brazil and Mauritius (3,000 staff)
- field Operations, Customer Service Management, Customer facing experts (2,400 staff in 115 countries)
- ability to deliver worldwide

the expertise and engagement of our employees are our key asset

- 21,000 employees of which 3,000 are new, professional services skilled, who joined through acquisitions in France and India
- 5,000+ certifications tracked across 30+ different vendors and topics (Cisco, Microsoft, Nortel, Alcatel-Lucent, ITIL practice…)
- to get our employees fully aligned on the strategy: "Conquests 2015 Journey" training
- Enterprise has successfully adapted to crisis conditions in Egypt in order to maintain MSC service: business continuity plan

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our key strategic moves to grow revenue by €300+m by 2015

business processes services

IT application services

IT infrastructure services

unified communication & collaboration

integration & equipment resale

managed networks

voice & data connectivity

services

networks

connected IT services

core services

emerging markets

1

2

3

mature countries

geographical expansion

1 | develop core services

- help our customers "IP transform"
- very high broadband
- video services

2 | develop connected IT services

- cloud offers on all the market segments
- become the leader of IT convergence with French SMEs
- leadership position to develop unified communication and collaboration
- focus on selected verticals
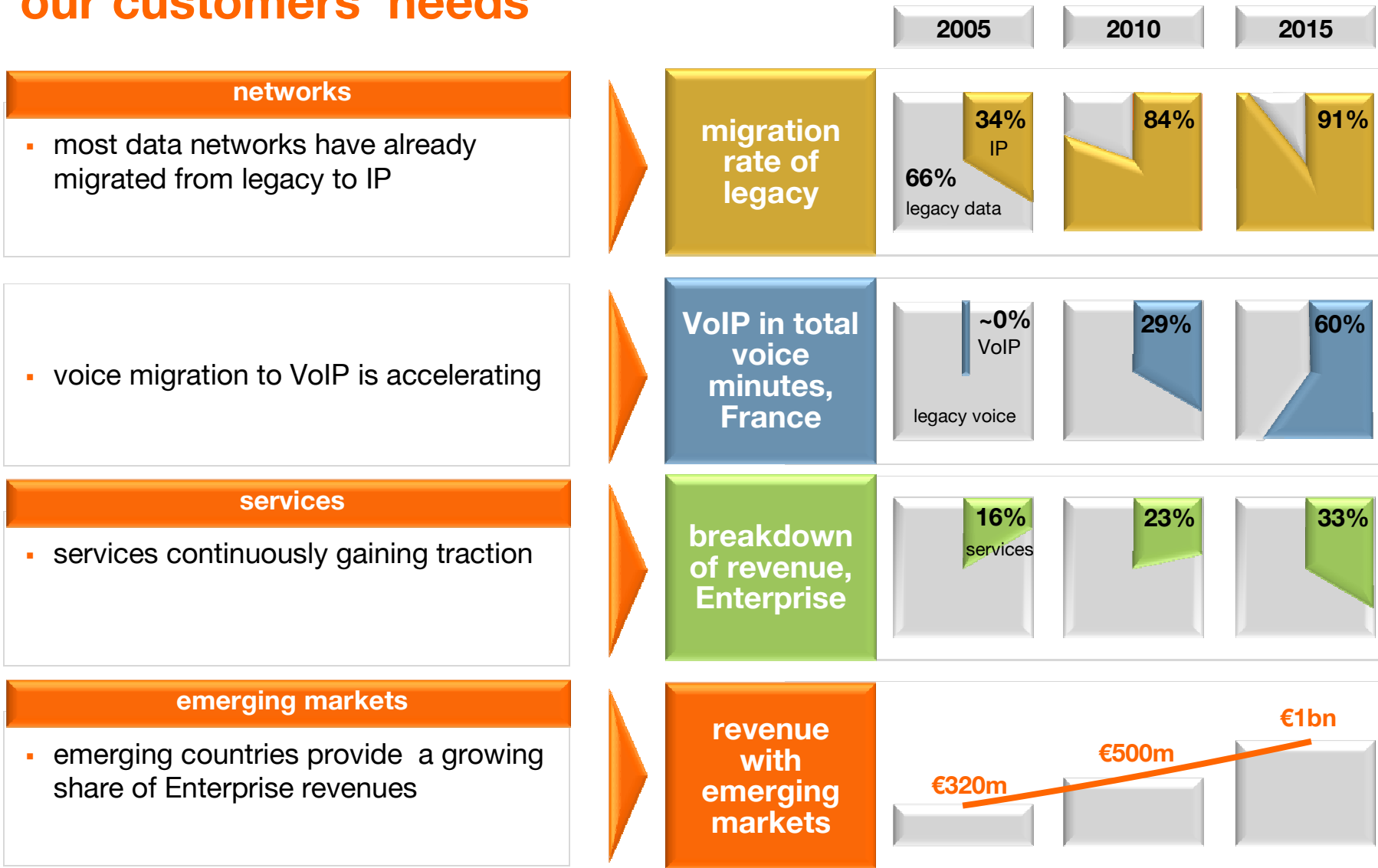- b2b2c as the next wave

3 | reach €1bn with emerging markets

- help our customers go into emerging markets
- help companies from emerging markets go global
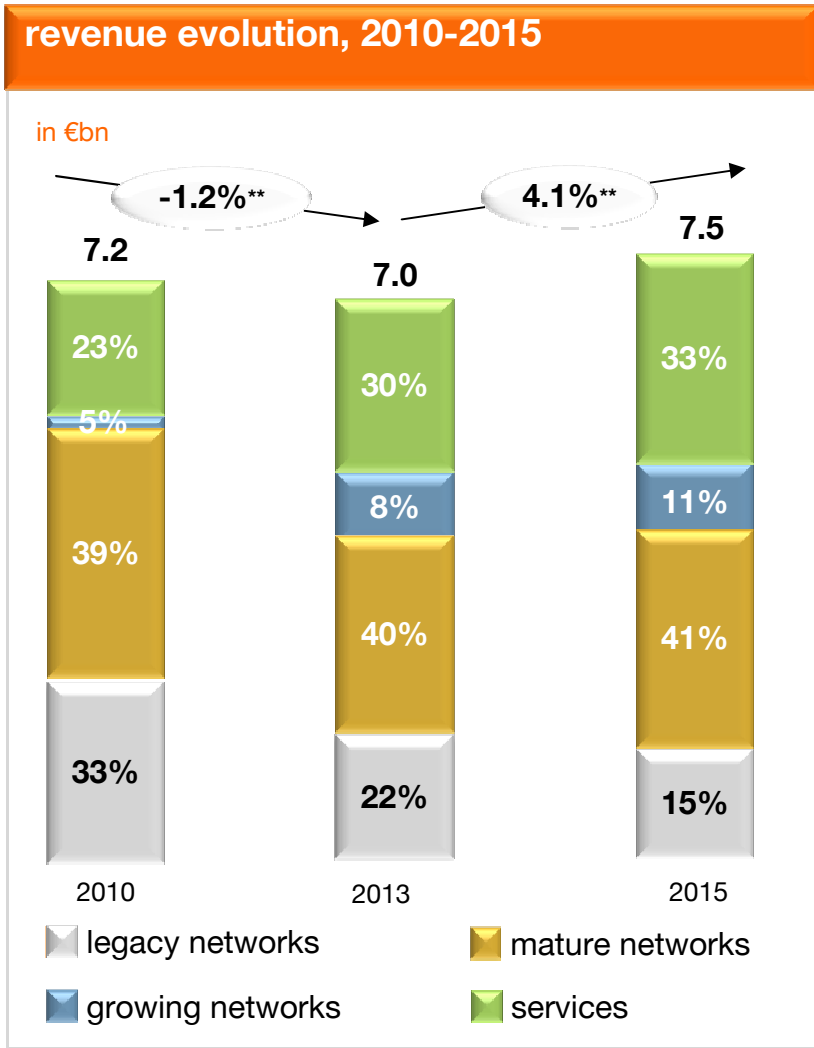
orange

our key strategic moves to maintain EBITDA

business processes services

IT application services

IT infrastructure services

unified communication & collaboration

integration & equipment resale

managed networks

voice & data connectivity

services

networks

connected IT services

emerging markets

2

core services

1

3

mature countries

geographical expansion
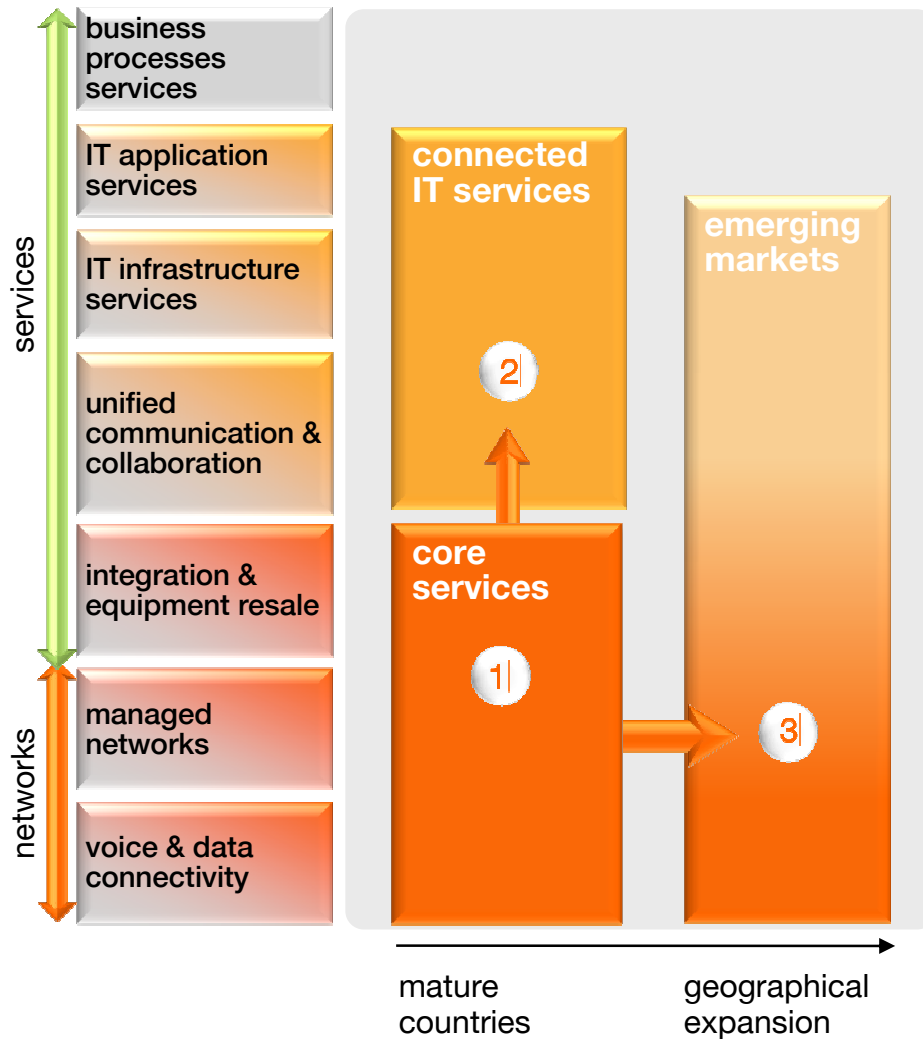
1 | protect core services

- protect the value of our networks thanks to very high bandwidth and value added services
- partnerships to reduce international access costs

2 | develop connected IT services

- platform services with a higher proportion of recurring revenue
- synergies with Orange France (cloud…)
- strong profitability management on a per contract basis

3 | reach €1bn with emerging markets

- prioritize key countries
- synergies with Orange countries
- higher margins for services delivered in emerging markets

4 | keep improving our cost structure

- reshaping corporate activities
- simplifying our portfolio
- focus on margin control

we are transforming our business to support our customers' needs

	2005	2010	2015

networks

- most data networks have already migrated from legacy to IP

migration rate of legacy

- 2005: 34% IP, 66% legacy data
- 2010: 84%
- 2015: 91%

- voice migration to VoIP is accelerating

VoIP in total voice minutes, France

- 2005: ~0% VoIP, legacy voice
- 2010: 29%
- 2015: 60%

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services

- services continuously gaining traction

breakdown of revenue, Enterprise

- 2005: 16% services
- 2010: 23%
- 2015: 33%

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emerging markets

- emerging countries provide a growing share of Enterprise revenues

revenue with emerging markets

- €320m
- €500m
- €1bn

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growth areas will provide an increasing share of our revenue

revenue evolution, 2010-2015

in €bn

-1.2%**   4.1%**

7.2

	2010	2013	2015
	7.2	**7.0**	**7.5**
services	23%	30%	33%
growing networks	5%	8%	11%
mature networks	39%	40%	41%
legacy networks	33%	22%	15%

- legacy networks
- mature networks
- growing networks
- services

services

- unified communication & collaboration (UC&C)
- IT services and solutions
- cloud services
- customer contact solutions
- security solutions
- verticals (health…)
- b2b2c

+ €0.8 bn*

growing networks

- IP voice
- video
- mobility management
- satellite

+ €0.5 bn*

mature networks

- IP networks including very high broadband
- broadcast

+ €0.2 bn*

legacy networks

- legacy voice and data

- €1.2 bn*

+€0.5 bn*

growth with emerging markets

* between 2010 and 2015
** CAGR

zooming in on main growth areas
the enterprise market continues to hold solid opportunities

very high broadband
- FTTH / FFTO
- Ethernet
- satellite for remote areas

cloud computing
- pay-per-use, scalable
- IaaS (Infrastructure): network, storage, back-up, computing
- Unified communications As A Service
- SaaS: more software vendors are on-line

security
- remote access
- security suite: desktop, etc.
- device protection
- identity management
- certification
- compliance

e-health / b2b2c
- eHealth
- smart metering
- connected cars
- e-gov/e-administration
- smart cities

unified comm
- voice/data & fixed/mobile convergence
- collaborative applications: messaging, conferencing, document sharing
- collaboration 2.0: social platforms, content prod & sharing with Generation Y workers

customer contact solutions
- multi-channels interactions: web, voice, video, mobile
- call collection
- transactions platform with new payment usages
- cloud or premise based solutions

video
- "seeing is believing"
- telepresence, video conference: intra & inter enterprise
- video content for enterprise: content management, B2C reach

emerging
globalization of the economy

reshaping of trading routes, esp. South-South

most promising emerging countries as trade hubs: China, Russia, Saudi Arabia, India, South Africa, Brazil

cloud computing services a strong opportunity
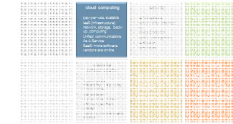
cloud computing services

conquests 2015 ambition

€500+m
revenue in 2015

€50m
revenue in 2010

market trends

- an addressable market growing faster than the software and IT Services market (2010-15CAGR > 20%; €6 bn in 2010)
- that allows easier penetration of IT Services for newcomers, especially for network operators who can articulate network + IT cloud services

where we stand

- comprehensive portfolio of IT infrastructure and applications delivered "as a service" to serve SMEs in France and multinational customers
- fast growing pipeline in the last five months

customer successes

- Collaboration as a Service: +70 customers and 40k users in 1 year
- Security as a Service: 60k users – up 60% since launch in Sept'09

Orange levers

- a business for telcos: economies of scale, capex intensive, security, pay per use practice are critical success factors
- Orange network capabilities are key to provide end to end delivery to CIOs
- Enterprise plans investments in ww infrastructure with major partners

help our customers go into emerging markets
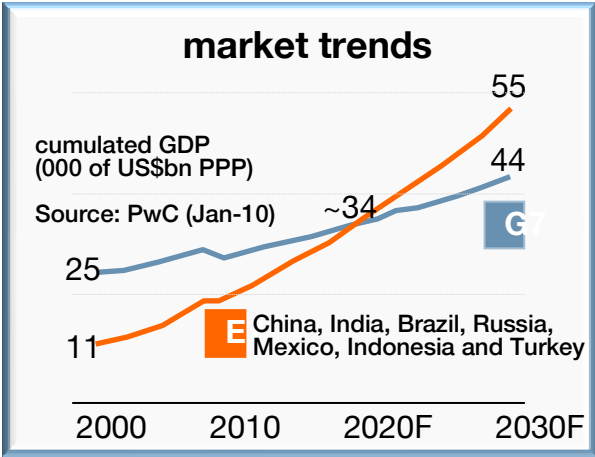# help companies from emerging countries go global
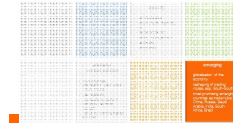
emerging markets

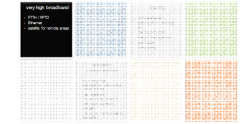**conquests 2015 ambition**

€1bn
organic revenue in 2015

€500m
revenue in 2010

market trends

cumulated GDP
(000 of US$bn PPP)

Source: PwC (Jan-10)

55

44

~34

25

11

E China, India, Brazil, Russia, Mexico, Indonesia and Turkey

G7

2000   2010   2020F   2030F

where we stand

- double digit revenue growth of emerging regions
- strong in Russia
- Africa #1 plan for MNCs
- focused acquisitions to complement organic growth and ensure resource availability in the most relevant geographies

customer successes

- strong presence in selected verticals:
  – transport (SITA …)
  – Ministries of Foreign Affairs
  – shipping
  – mining, oil&gas

KINGDOM OF BELGIUM
Foreign Affairs,
Foreign Trade and
Development Cooperation

Auswärtiges Amt

Orange levers

- unrivalled presence in emerging markets
- our 4 Major Service Centers are located in emerging countries (3,000 staff)
- strong synergies with Orange footprint in MEA

very high broadband
to free up new possibilities for our customers

very high broadband

conquests 2015 ambition

€600+m

revenue in 2015

€320m

revenue in 2010

market trends

- consolidation of datacenters
- outsourcing of infrastructures and applications (cloud…)
- video a growing part of collaborative tools

volumes exchanged in enterprise networks will be multiplied by 4 in the next 4/5 years

where we stand

- VHB revenue includes fiber access to Internet, VPN and Ethernet solutions
- 16% of our VPN revenue in France generated from fiber accesses
- Ethernet coverage in 62 Countries (of which 30 in emerging countries)

customer successes

- Legrand : 1 ultra secured access 1G + 5 accesses 100M in France, 1 site in Italy with International Ethernet Link 100M

legrand®

Orange levers

- a cloud and image ready network
- new pricing policy for fiber based IPVPN in France to boost customer demand
- extension of FTTO coverage: from 3,100 cities in 2010 to 4,500 cities in 2015
- leveraging FTTH deployment to upgrade the ADSL accesses of our customers
- further extensions of international Ethernet coverage to emerging countries

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videoconference: visual communication needs our high performance network

video conference

conquests 2015 ambition

€150m

revenue in 2015

€50m

revenue in 2010

market trends

- CAGR: 20 % 2011- 2015
- a worldwide market worth €5bn in 2012 (source Gartner)
- growth is mainly coming from services and immersive solutions

where we stand

- 400 telepresence rooms sold worldwide (immersive)
- 7,000 end points – meeting rooms
- revenues: +14% in 2010
- + 40% YoY in 1Q 2011

customer successes

- AkzoNobel 16-site fully managed Cisco TelePresence 24/7 end-to-end managed services in 3 continents
- Technip: Telepresence interoperated with Tata

AkzoNobel
Tomorrow's Answers Today

Technip

Orange levers

- one customer journey whatever the video technology and equipment
- interoperability: any equipment, any network
- extensive network and delivery footprint

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unified communication
to facilitate collaboration
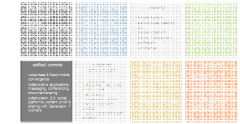
unified comm

conquests 2015 ambition

€1.5bn
revenue in 2015

€ 1.1bn
revenue in 2010

market trends

- CAGR 2011-2015: 14% in unified communications & collaboration infrastructure
- UC&C as a Service will gain market traction in the 2nd half of 2011.

where we stand

- building complete UC&C solutions with the leading vendors as enablers : Microsoft, Cisco,Avaya,Alcatel-Lucent
- #1 unified communications integrator in France
- launched "all in one" ready solution for French SMB market including broadband, voice and collaborative tools powered by Microsoft

customer successes

- integrated IP Telephony + managed Call Center services for up to 10,000 ports
- fully managed, hosted Microsoft solution for unified communication & collaboration for 21,000 users

Orange levers

- value added by bringing interoperability, quality of service and a seamless experience whatever the type of access
- combining Orange assets and technologies of selected partners

Enterprise ambitions for 2013 and beyond

top line

back to growth

from 2013 onwards

revenue with emerging markets

€0.7bn in 2013

€1bn in 2015

services

30% of overall revenue in 2013

operating cash flow

2015 similar to 2011

investor day Conquests 2015

orange