# Orange
## FY 2013 results

Stéphane Richard, Chairman and CEO

Gervais Pellissier, Deputy CEO and CFO

March 6th, 2014

# disclaimer

This presentation contains forward-looking statements about us. Although we believe these statements are based on reasonable assumptions, they 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: intense competition in the telecommunications industry, our ability to find growth opportunities in new markets and activities, deterioration of the general economic and business conditions in the markets served by us, or the failure of such conditions to improve, overall trends in the economy in general and in our markets, the effectiveness of the Conquests 2015 industrial project, including, but not limited to, the success of the action plans regarding human resources and information technologies, network development, customer satisfaction and international expansion, as well as the effectiveness of other strategic, operating and financial initiatives, our ability to adapt to the ongoing transformation of the telecommunications industry, in particular to technological developments and new customer expectations, legal and regulatory developments and constraints, and the outcome of legal proceedings related to regulation and competition, the success of our domestic and international investments, joint ventures and strategic relationships, risks related to information and communication technology systems generally, exchange rate fluctuations and interest rate fluctuations, our ability to access the capital markets and the conditions of capital markets in general. More detailed information on the potential risks that could affect our financial results can be found in the Registration Document filed with the French *Autorité des Marchés Financiers* (AMF) on March 27, 2013 and in the annual report on Form 20-F filed with the U.S. Securities and Exchange Commission on April 12, 2013. Except to the extent required by law (in particular pursuant to sections 223-1 and seq. of the General Regulations of the AMF), Orange does not undertake any obligation to update forward-looking statements.

# agenda

1 2013 highlights

2 2013 financial and business performance

3 2014 outlook and conclusion

1

# 2013 highlights

Stéphane Richard
Chairman and CEO

# FY 2013 performance*

**revenues (€bn)**

41.0 -4.5%
-2.6% excl. reg.

**operating cash flow (€bn)**

7.0 -11.4%

**EBITDA** (€bn)**

12.6 -7.5%

as % of revenues
30.9% -1.0pt

**net income Group share (€bn)**

1.9 x2.3

**CAPEX (€bn)**

5.6 -2.0%

as % of revenues
13.7% +0.4pt

* yoy evolution in comparable basis

** in this presentation, EBITDA always refers to "restated" EBITDA unless specified

# 2013 targets achieved …

2013
OpCF ≥ •7bn

net debt / EBITDA*
around 2.2x**
end of 2013

2013
dividend ≥ 0.80•

selective portfolio
review

* calculated by dividing (A) net financial debt, including 50% of the net financial debt of the EE JV in the U.K., by (B) restated EBITDA including 50% of the EBITDA of EE JV

** excluding tax litigation

# operating cash flow guidance achieved

2013
Operating
Cash Flow
of at least

• 7 bn

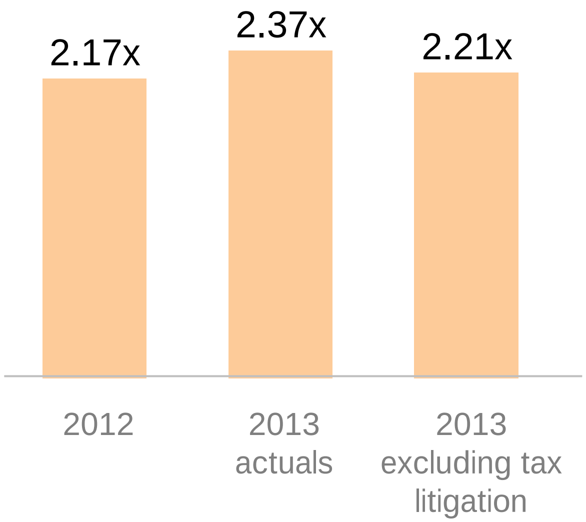
• 7,019m

Operating Cash flow = restated EBITDA-Capex

# balance sheet strength preserved

2013
net debt / EBITDA*
around

2.2x




* excluding 2005 tax litigation

# dividend policy adapted to cash generation

2013
dividend ≥ •0.80

•0.30 interim paid on December 11, 2013
balance of •0.50* to be paid in June



* subject to the Annual General Meeting of Shareholders approval; ex-date June 2nd, record date June 4th, payment date June 5th

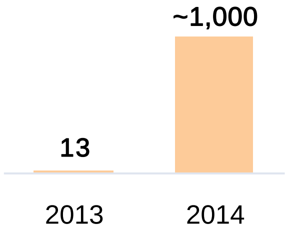
# portfolio review focused on existing footprint, while respecting leverage ratio guidance

selective portfolio review

signings in 2013:

+ acquisition of remaining 51% of Dailymotion
– disposal of Orange Austria
– disposal of Etrali
– disposal of Sonaecom
– disposal of Orange Dominicana
– disposal of Wirtualna Polska
– disposal of Arkadin

related cash impact*
in €m



## … thanks to 4 levers

agile marketing segmentation driving commercial momentum

modernization and digitalization of the company

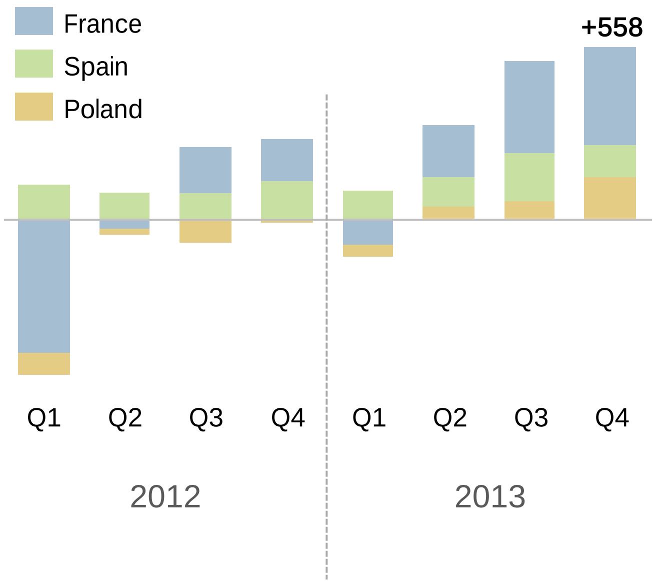
sustained level of investments

strong employee engagement

# accelerating commercial momentum in mobile with 4G take off confirmed

## mobile contract net adds

(excl. M2M, in thousands)




4G Sosh ...

1m 4G customers at the end of 2013
best year since 2009 in contract net adds (+699k FY13 / +316 Q4'13)
63% of gross adds in Q4 on premium offers (+8pts yoy)

+10% yoy mobile contract base growth
+1.8 pts* in contract market share in 2013 (#2 in residential)
> 500k 4G customers, leading 4G market (>100k monthly run rate)

+169k contract net adds in Q4, highest result since 2009
nju.mobile brand success underscored by 353k clients

+5.6% yoy mobile contract base growth and
2m 4G customers, one of the fastest adoption rates in the world

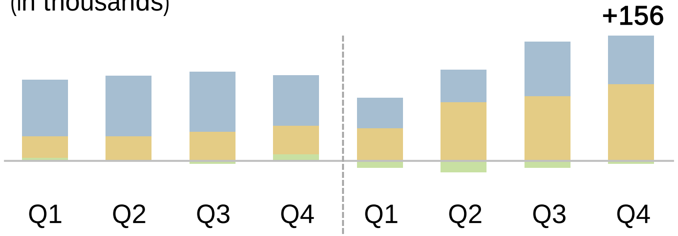
~9m Orange Money customers (x1.6 yoy)
+5.7% customer growth in Rest of the World
>100m** mobile customers in Africa & Middle East at the end of 2013

* CNMC Q3 13 report

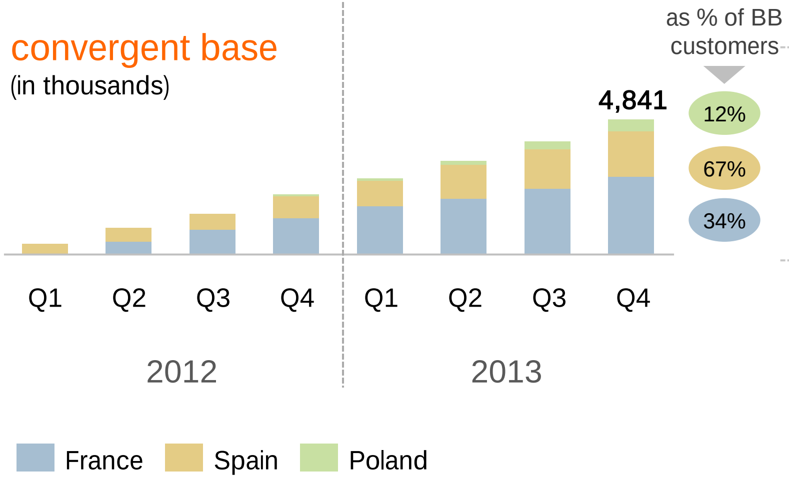
** including 100% of customers in affiliates consolidated under equity method

# fixed broadband dynamism sustained by convergence and network investments

## broadband net adds
(in thousands)




## convergent base
(in thousands)




Orange TV ...

319k FTTH customers end of 2013 (x1.8 yoy; Q4 at +17% vs Q3)

3.4m Open customers

38%* VHBB conquest share over 2013

#2 in volume BB market share since Q3 2013 (+1.3 pts** yoy)

+21% yoy broadband base growth

highest ever ADSL net adds (+98k) in Q4

286k Open customers (x9 yoy)

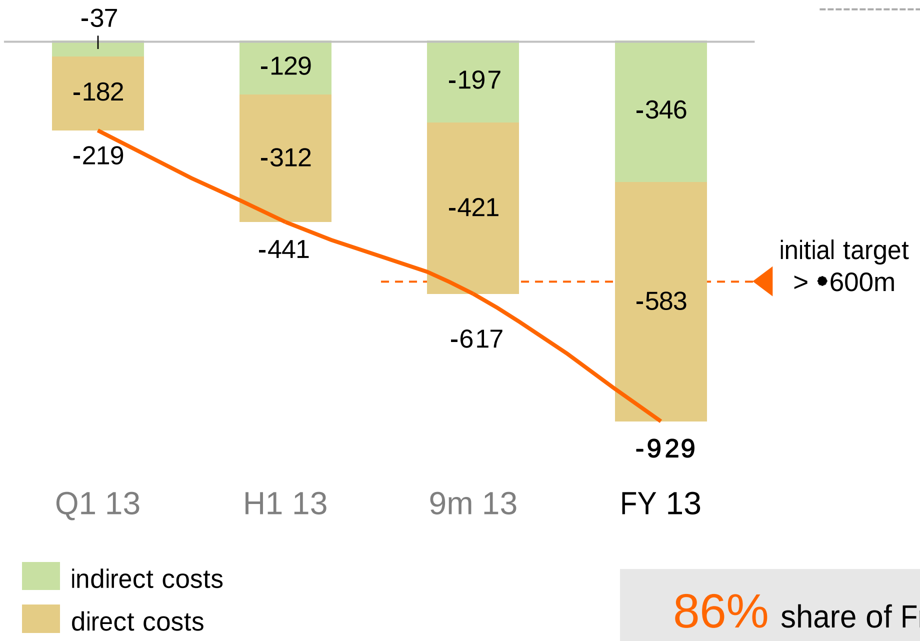
58% of new Open customers buy an additional fixed or mobile service

PSTN lines loss reducing (-345k in 2013 vs. -590k in 2012)

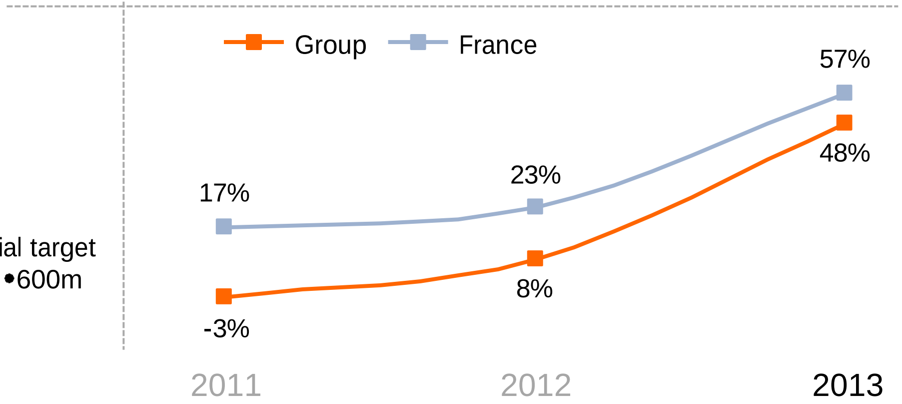
* company estimates ** CNMC Q3 13 report

# accelerating the modernization of the company to mitigate revenue pressure

## yoy change in Group Opex base
(in €m)




## revenue decline offset by opex savings
(in % of revenue decline)



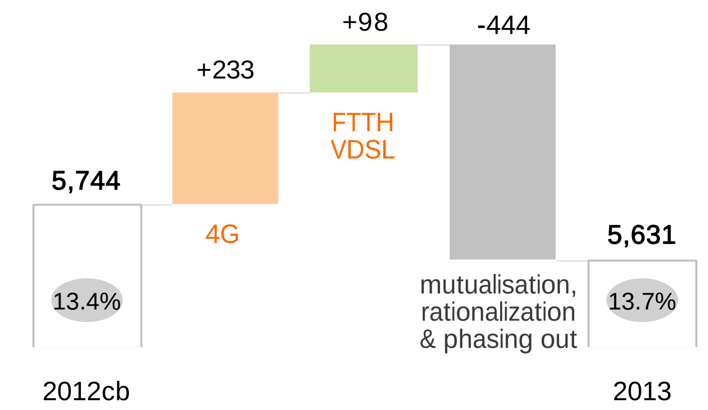

**86%** share of France in total FY 2013 Opex reduction

# increased CAPEX on 4G and FTTH to support future growth

## investment in very high speed networks x2 yoy

(CAPEX evolution over 2013, in •m)

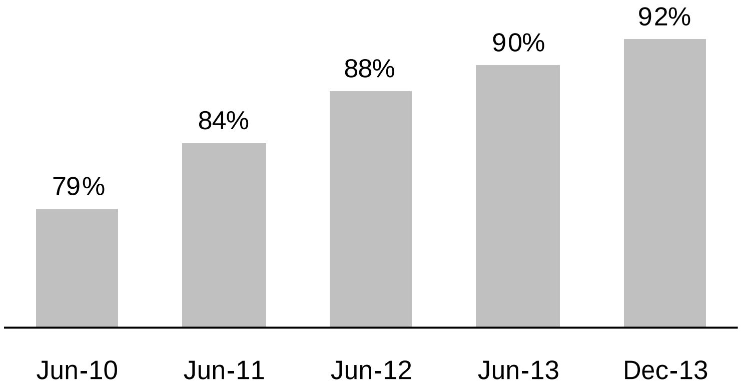
xx% CAPEX as % of revenues




| end of 2013 | CAPEX evolution (in % yoy) |
|---|---|
| > 4,200 4G sites, covering 50% of population<br>2.6m FTTH homes connectable<br>5m VDSL-ready lines<br>> •0.5bn CAPEX dedicated to VHBB | +4.5% |
| > 1,600 4G sites, covering 30% of population<br>ramp up of FTTH in partnership with Vodafone (800k homes connectable by end of Q1 14) | +18.8% |
| completion of memorandum with UKE<br>8,200 sites shared with T-Mobile of which 877 4G sites covering 16% of population<br>2.9m VDSL-ready lines | -18.2% |
| 3G in 17 countries out of 21 Africa & Middle East countries<br>4G already launched in several countries, including Luxembourg, Moldova and Romania | -6.0% |

# strong employee engagement facilitating the modernization of the company

## ongoing improvement in French employee satisfaction




% of Orange employees who declared that their working environment was at least as good as in other companies

## top employer awards received in 2013

top EMPLOYERS 2013 EUROPE
CERTIFIED BY THE CRF INSTITUTE

- France
- Spain
- Poland
- UK (OBS)
- Belgium
- Romania
- Slovakia

top EMPLOYER AFRICA 2014
CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

- Senegal
- Ivory Coast
- Uganda
- Mali
- Egypt (OBS)

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# 2013 financial and business performance

Gervais Pellissier
Deputy CEO and CFO

2.1

# 2013 Group financial performance

# FY 2013 performance

| in •m | Q4 13 actual | var. cb | FY 13 actual | var. cb | key points |
|---|---|---|---|---|---|
| revenues | 10,216 | -5.1% | 40,981 | -4.5% | ▪ >40% of revenue decrease (-•1,9bn vs. 2012) is due to regulation<br>▪ 236m customers, +3.8m in Q4, with momentum confirmed in France, Spain and Poland |
| excl. regulation | | -3.8% | | -2.6% | |
| restated EBITDA* | 2,867 | -7.8% | 12,649 | -7.5% | ▪ regulatory impact: -•279m over the year<br>▪ opex down by •929m, of which •346m come from indirect costs |
| in % of rev. | 28.1% | -0.8pt | 30.9% | -1.0pt | |
| CAPEX | 1,882 | -10% | 5,631 | -2.0% | ▪ almost •535m FTTH & 4G in France<br>▪ 50% 4G population coverage and 2.6m FTTH homes connectable (+55% yoy) in France |
| in % of rev. | 18.4% | -1.0pt | 13.7% | +0.4pt | |
| operating cash flow (restated EBITDA* – CAPEX) | 984 | -3.4% | 7,019 | -11.4% | ▪ consistent with FY guidance |

*see slide 45 for EBITDA restatements

**•7bn OpCF guidance achieved**

# Q4 and FY 2013 revenues

## slight increase in fourth quarter revenue contraction as mobile retail and convergent offer repricing moves through our customer base

| revenues - in €m | Q4 13 | %yoy cb | ex.reg | FY 13 | % yoy cb | ex.reg |
|---|---|---|---|---|---|---|
| Group | 10,216 | -5.1% | -3.8% | 40,981 | -4.5% | -2.6% |
| France | 4,954 | -7.0% | -6.2% | 20,018 | -6.6% | -4.8% |
| Spain | 992 | -1.9% | +2.7% | 4,052 | +0.6% | +4.4% |
| Poland | 755 | -9.4% | -4.0% | 3,079 | -8.6% | -3.9% |
| Resr of the World | 1,971 | -1.9% | -0.8% | 7,792 | -0.5% | +1.3% |
| *European countries* | 795 | -10.9% | -9.2% | 3,195 | -6.2% | -2.8% |
| *Africa & Middle-East* | 1,044 | +6.1% | +6.6% | 4,060 | +4.3% | +4.7% |
| Enterprise | 1,658 | -4.5% | -4.5% | 6,513 | -5.3% | -5.3% |
| IC&SS | 428 | +3.5% | +3.5% | 1,702 | +5.2% | +5.2% |
| elims | -542 | -2.8% | -2.8% | -2,175 | -1.9% | -1.9% |

### focus on Q4 revenue trend

**France**
- drop in mobile services revenues trend
  - ongoing drop in blended ARPU following Q2 repricing
  - increasing importance of Open offers
- slower yoy contribution from national roaming & wholesale
- steady trend in fixed services

**Spain**
- sharp fall in market prices and business model shift towards SIMO with slowdown in mobile services revenues, offset by growth in handset sales
- strong but slower growth in Fixed (increasing importance of discounted convergent offers)

**Poland**
- steady underlying trend in Q4 revenue once adjusted for a one-off ICT equipment sale in Q4'12

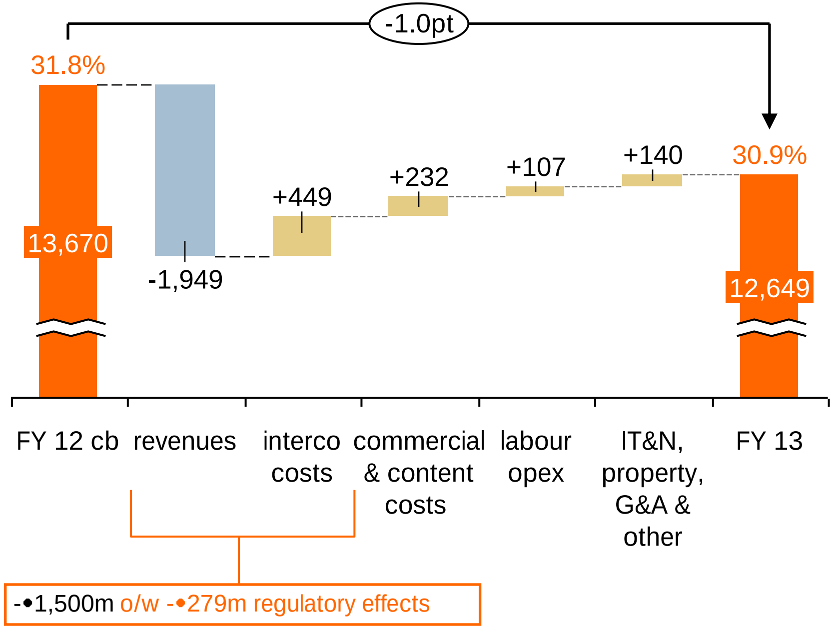
**Rest of the World**
- high level of competitive pressure in Belgium with Q4 revenues down by -21% following the launch of new tariffs in the summer
- favorable growth in Romania at +4.9% yoy sustained by mobile data
- strong performance in emerging markets over Q4

**OBS**
- strong Q4 in Enterprise revenues driven by an increase in non-equipment services revenues

# FY 2013 Group EBITDA

## reduction of direct and indirect costs mitigating ~50% of revenue pressure

change in EBITDA*
in •m




- overall Opex down by •929m to •28,332m (-3.2%)
- regulatory pressure still weighing on profitability (~27% of EBITDA drop)
- direct costs down by •583m to •10,249m (-5.4%)
  - commercial costs down •116m while handset sales up •211m
- indirect costs down by •346m to •18,083m (-1.9%)
  - savings in IT&N, property, G&A & other costs

* see slide 45 for EBITDA restatements

# FY and H2 2013 EBITDA evolution by segment

## stable trend at the Group level with Opex savings offsetting revenue pressures

| restated EBITDA - in •m | H2 13 actual | var. cb | FY 13 actual | var. cb |
|---|---|---|---|---|
| Group | 6,232 | -7.4% | 12,649 | -7.5% |
| in % of rev. | 30.6% | -0.9pt | 30.9% | -1.0pt |
| France | 3,469 | -8.2% | 7,130 | -7.9% |
| in % of rev. | 34.9% | -0.7pt | 35.6% | -0.5pt |
| Spain | 570 | +14.7% | 1,038 | +9.2% |
| in % of rev. | 28.0% | +3.7pt | 25.6% | +2.0pt |
| Poland | 485 | -12.3% | 972 | -15.8% |
| in % of rev. | 32.2% | -1.4pt | 31.6% | -2.7pt |
| RoW | 1,217 | -5.7% | 2,456 | -7.8% |
| in % of rev. | 31.1% | -1.5pt | 31.5% | -2.5pt |
| Enterprise | 516 | -12.4% | 1,033 | -12.5% |
| in % of rev. | 16.0% | -1.2pt | 15.9% | -1.3pt |
| IC&SS | -23 | na | 19 | na |

### Group
- cost reduction efforts accelerates in 2013, especially in France and Poland, containing the EBITDA margin contraction
- Spain positively contributes to EBITDA generation

### France
- almost stable trend, with Opex efficiency offsetting mobile repricing (offers revamp in April) – margin erosion limited to -0.5pt after -2.0pts in 2012

### Spain
- accelerating trend, achieved together with a strong commercial performance – EBITDA margin +2.0pts yoy

### Poland
- improving trend, through Opex efficiency (-4.8% yoy cost decrease)

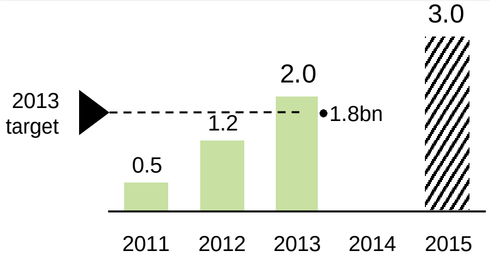
### RoW
- improving trend, helped by the increased weighting of emerging markets

### OBS
- stable trend, with ongoing repricing and migration of customers to IP-based services

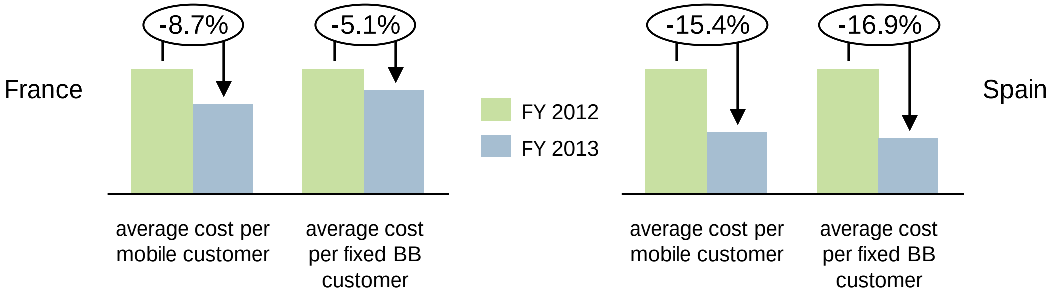
# Chrysalid drives the modernisation of the company processes and helps cost reduction

2 representative initiatives

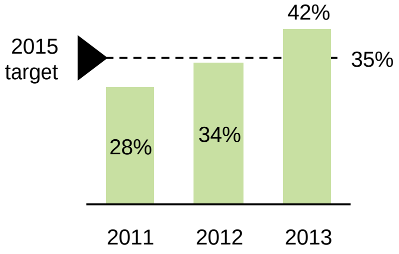
## Chrysalid gross savings in •bn



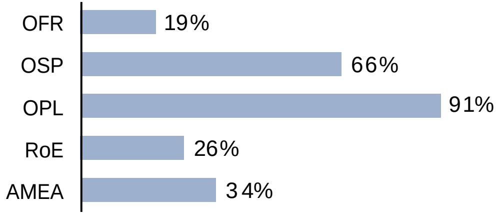

## decreased unitary cost of customer management in France and Spain




## sites sharing : reduced operating costs per site with increased coverage



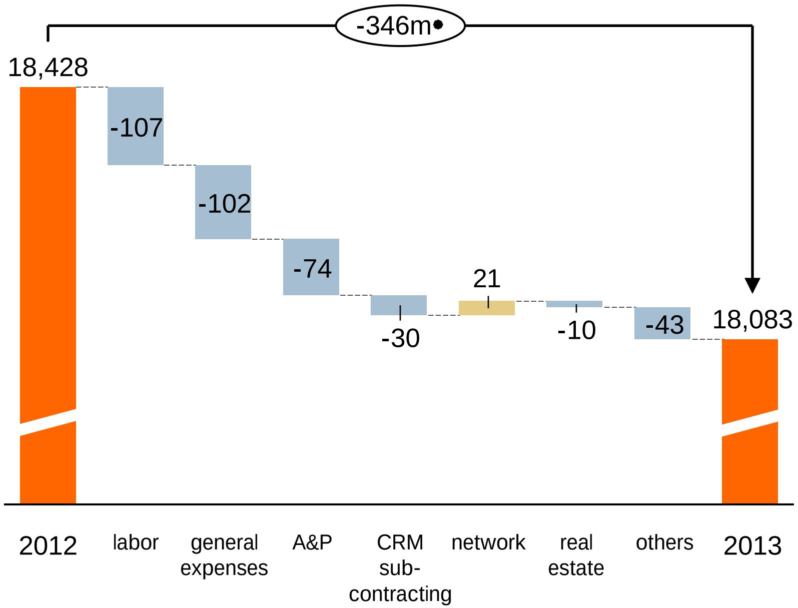

% of Group sites shared*




* RAN & infrastructure sharing

# indirect cost reduction across nearly all costs lines

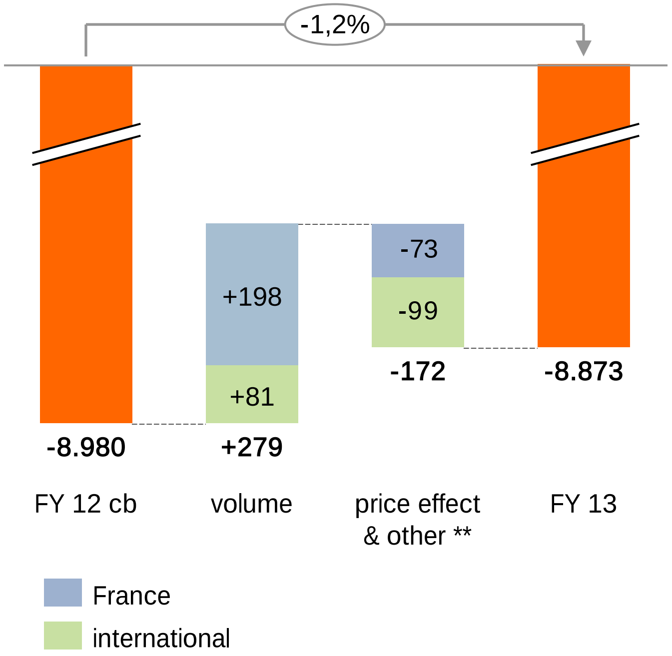
## yoy indirect cost reduction
in €m



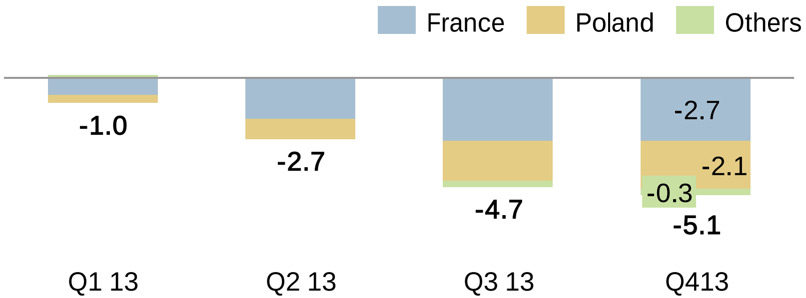

- labour cost savings despite internalization of activities relating to distribution, customer management, network and IT
- general expenses decreased by -7% thanks to reduced consulting costs and more digital solutions
  - e-billing
  - telepresence
- advertising and promotion
  - synergies with Animals offers in Europe and pan-African campaigns in AMEA
  - mix improvement with more use of digital channels
- flat network costs
  - favourable price effect of RAN sharing and RAN renewal
  - while increasing coverage, traffic and number of sites

# first decrease of labour expenses

## FY Group labour expenses down •107m
in •m




## Group headcount* down 3.0% over 2013
(cumulative variation, in '000s)



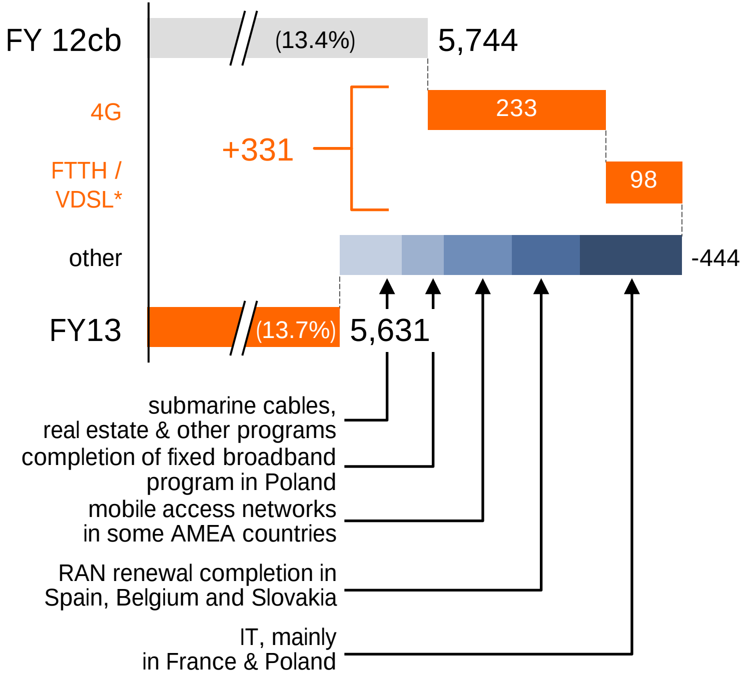

- •107m reduction in labour expenses over 2013 (after a •147m increase in 2012***) helped by a significant volume effect of •279m and the •79m gain on employee tax offsets in France (CICE)
- headcount end of period down by -3.0% over 2013, with
  - France : -2.7k (-2.6%) to 102.1k
  - international : -2.4k (-3.6%) to 63.4k
- moderate impact of salary policies on labour costs per FTE
  - +2.1% in France
  - +3.9% outside of France

* active, end of period; ** o/w profit sharing; *** before EC decision and "forfait social" increase

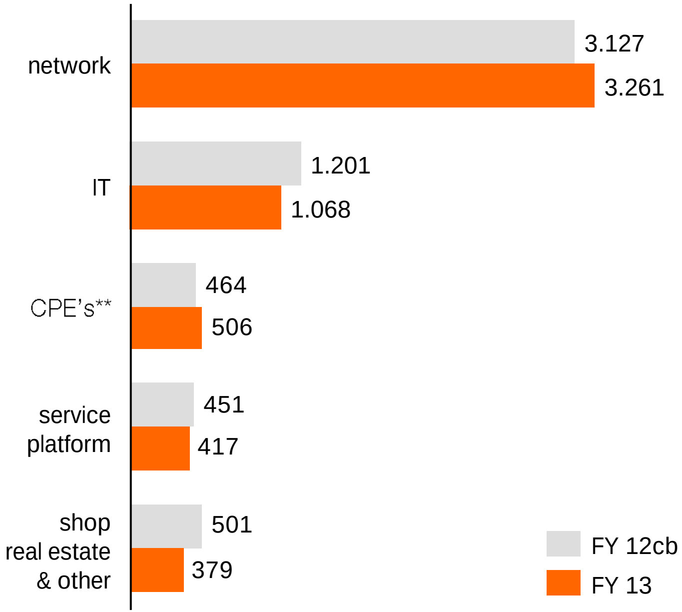
# FY 2013 CAPEX

## sustained investment in VHBB to consolidate network leadership

in •m and in % (CAPEX / sales)




58% of group CAPEX allocated to networks (+4pts yoy)




* of which >•0.5bn for FTTH /VDSL and 4G in France
** customer premises equipment

# net income

## increase in net income due to a lower level of impairments

| in •m | 2012 historical | 2012 cb | 2013 actual | |
|---|---|---|---|---|
| EBITDA restated | | 13,670 | 12,649 | |
| restatements* | | -1,381 | -414 | |
| EBITDA reported | 12,495 | 12,289 | 12,235 | |
| depreciation & amortization | -6,329 | -6,239 | -6,052 | 1 |
| impairment of goodwill & assets | -1,841 | -1,731 | -636 | 2 |
| share of profit (losses) of associates | -262 | -258 | -259 | 2 |
| operating income | 4,063 | 4,061 | 5,288 | |
| financial result | -1,728 | | -1,750 | 3 |
| tax | -1,231 | | -1,405 | 4 |
| net income | 1,104 | | 2,133 | |
| minority interests | 284 | | 260 | |
| net income Group share | 820 | | 1,873 | |

1 termination of customer base amortization in Spain

2 impairment of goodwill in Belgium (•408m), in DRC (•89m) and Morocco (•148m)

3 improvement of financial result by •220m excl. the gain in 2012 on the revaluation of the fair value of the commitment to purchase Mobinil's minorities for •242m

4 favorable impact of deferred tax gain in 2012 thanks to senior part time in France

* see slide 45 for EBITDA restatements

# cash flow statement

| in •m | 2012a | 2013 | |
|---|---|---|---|
| restated EBITDA* – CAPEX | 7,967 | 7,019 | |
| licences & spectrum | -1,255 | -449 | 1 |
| net interest expense cash out | -1,370 | -1,566 | 2 |
| income taxes cash out | -1,145 | -3,287 | 3 |
| change in WCR | -56 | -110 | |
| other operational items | -969 | -344 | 4 |
| dividends paid to owners of parent company | -3,632 | -1,314 | |
| dividends paid to non controlling interests | -583 | -359 | |
| purchase of own shares | -94 | -24 | |
| acquisitions and disposal | 1,518 | -27 | 5 |
| other financial items | -36 | 280 | |
| variation in net debt | 345 | -181 | |
| net debt | -30,545 | -30,726 | |
| net debt/EBITDA** | 2.17x | 2.37x | |
| 2005 tax litigation | | 2,146 | |
| adjusted net debt/EBITDA** excluding tax litigation | 2.17x | 2.21x | 6 |

1 mainly Romania (-•164m) and Belgium (•-135m)

2 2012 positively impacted by exceptional dividend received from EE (•450m vs •270m in 2013)

3 includes •2,146m tax litigation

4 2013 includes •299m of restructuring provision
2012 -•550m related to DPTG litigation settlement

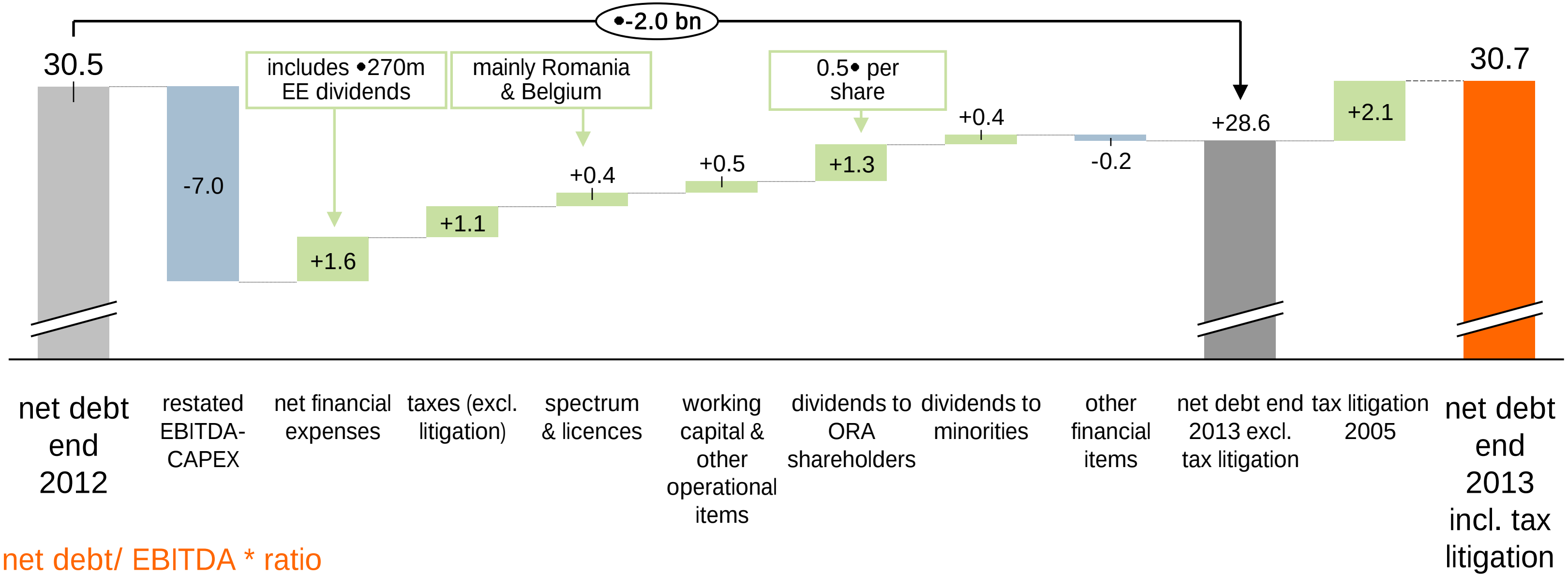
5 includes the sale of Orange Austria, Etrali and the acquisition of the remaining shares of DailyMotion

6 tax litigation represents a +0.16x increase on the adjusted net debt/EBITDA ratio

* see slide 45 for EBITDA restatements
** calculated by dividing (A) net financial debt, including 50% of the net financial debt of the EE JV in the U.K., by (B) restated EBITDA including 50% of the EBITDA of EE JV

# net debt kept stable despite •2.1bn tax litigation

## net debt evolution
(in •bn)




net debt/ EBITDA * ratio

2.17x

2.21x

2.37x

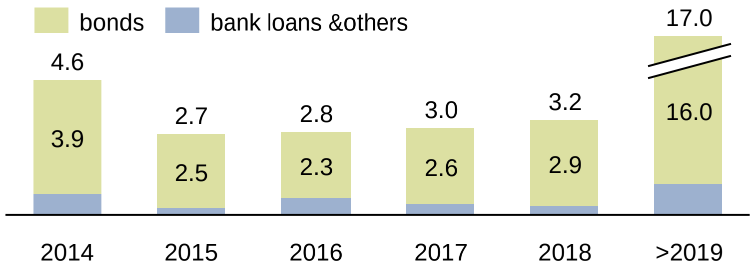
*calculated by dividing (A) net financial debt, including 50% of the net financial debt of the EE JV in the U.K., by (B) restated EBITDA including 50% of the EBITDA of EE JV

# debt

## high liquidity combined with a smooth repayment profile

### bonds*/bank loans/leases repayments end of 2013

in •bn

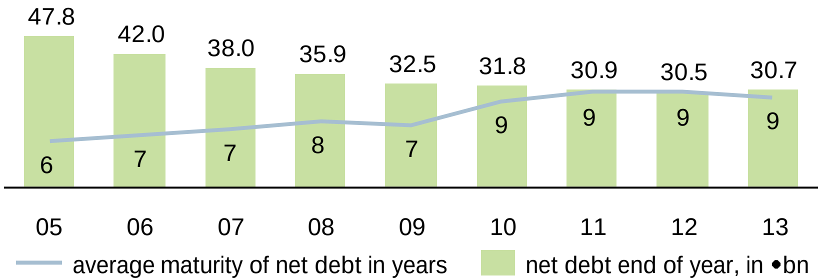



- high liquidity position of •12.3bn as of December 31, 2013 including •5.9bn in cash
- in addition opportunistic issuances early 2014 with attractive conditions (hybrid bonds of •2.8bn and USD1.6bn notes issued in January, 2014) providing further balance sheet robustness while lowering cost of debt
- best-in-class average maturity

### debt structure

| | |
|---|---|
| Moody's / S&P / Fitch ratings | Baa1 stab / BBB+ neg / BBB+ neg |
| % of net debt with fixed rate | 100% |
| % of bond debt in •* (after derivatives) | 92% |
| % of gross debt in bonds | 87% |
| Av. weighted cost of debt in bonds** | |
| - end 2013 | 4.83% |
| - end 2012 | 5.25% |

### average maturity* and net debt evolution




*excluding TDIRA **source Bloomberg

2.2

# 2013 business performance

# FY 2013 France financials

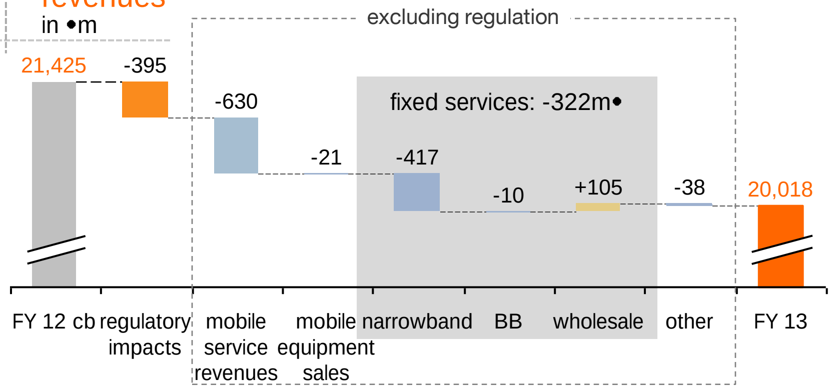
## EBITDA margin approaching stabilization thanks to cost reduction

| in €m | 4Q13 | var in cb | FY 13 | var in cb |
|---|---|---|---|---|
| revenues | 4,954 | -7.0% | 20,018 | -6.6% |
| excl. regulation | | -6.2% | | -4.8% |
| mobile services | 1,980 | -12.1% | 8,348 | -10.3% |
| mobile equipment | 184 | -1.4% | 538 | -3.7% |
| fixed services | 2,654 | -3.4% | 10,613 | -3.6% |
| other revenues | 136 | -0.2% | 519 | -6.9% |
| restated EBITDA* | | | 7,130 | -7.9% |
| restated EBITDA margin | | | 35.6% | -0.5pt |

- mobile ARPU at -11.5% yoy (-8% excl. reg.)
  - end of 2013, 85% contract customer base on a post-2011 offer
- fixed services revenues trend improvement
  - -2.9% excl. reg. vs. -3.6% ex reg in FY 12
  - ARPU decrease by -2.7% only due to convergence discount
- EBITDA margin at -0.5pt yoy (vs. -2.0pts in 2012)
  - direct costs decrease without impacting commercial performance
  - market mix adaptation with a value centric retention policy
  - indirect costs reduction driven by improvement of both customer and intervention processes

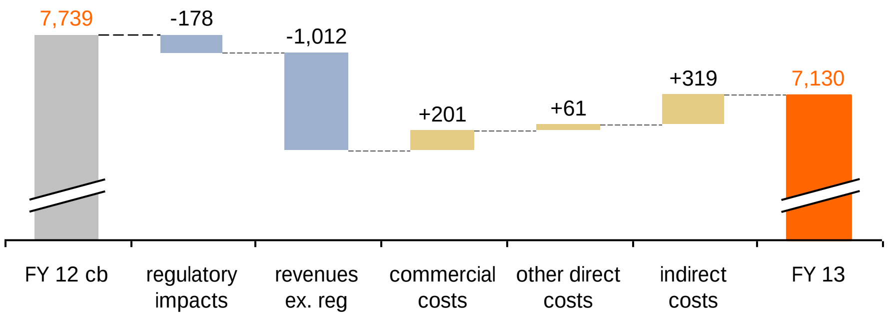
### revenues

in •m




### restated EBITDA

in •m






*see slide 45 for EBITDA restatements

# FY 2013 Spain

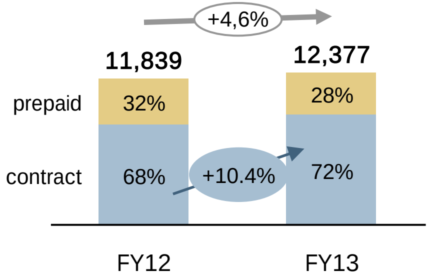
## growth in revenues with strong EBITDA improvement (+9.2%)

| in •m | 4Q13 | var in cb | FY13 | var in cb |
|---|---|---|---|---|
| revenues | 992 | -1.9% | 4.052 | +0.6% |
| excl. regulation | | +2.7% | | +4.4% |
| mobile services | 651 | -15.0% | 2.843 | -8.0% |
| mobile equipment | 123 | +205.3% | 354 | +112.5% |
| fixed services | 215 | +8.0% | 842 | +12.5% |
| other revenues | 2 | -58.7% | 13 | -33.1% |
| restated EBITDA* | | | 1.038 | +9.2% |
| restated EBITDA margin | | | 25.6% | +2.0pt |

- sustained commercial momentum …
  - strong Q4 mobile contract net adds (+152 k) pushed by 4G success
  - market leader in ADSL with highest ever Q4 net adds (98k)
  - #2 in FBB customers with FBB convergent penetration of 67% end of 4Q13 (vs. 38% end of 4Q12)
- … fueling FY13 total revenues growth
  - growth in fixed broadband and mobile handset sales offsetting fall in mobile service revenues
- … and significant YoY growth in EBITDA and EBITDA margin (+2.0 pts in cb)
  - commercial costs optimization and increasing efficiency

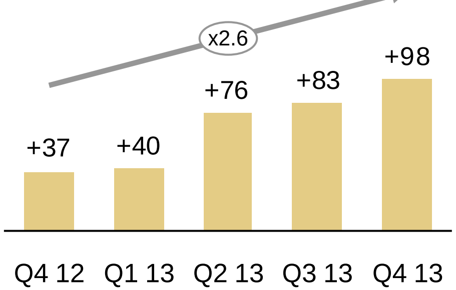
### double digit growth in mobile contracts

mobile customers in 000s

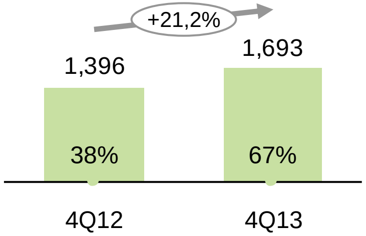



### record fixed broadband customer base growth driven by convergence

net adds in 000s




BB customers (in 000s) and share of convergent (in %)




*see slide 45 for EBITDA restatements

# FY 2013 Poland

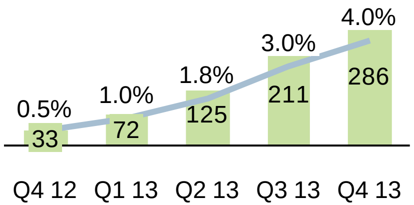
## improving commercial momentum in mobile helps alleviate full year revenue erosion

| in €m | 4Q13 | var in cb | FY13 | var in cb |
|---|---|---|---|---|
| revenues | 755 | -9.4% | 3,079 | -8.6% |
| excl. regulation | | -4.0% | | -3.9% |
| mobile services | 352 | -11.2% | 1,456 | -10.8% |
| mobile equipment | 10 | +3.8% | 35 | +5.7% |
| fixed services | 356 | -6.6% | 1,443 | -8.1% |
| other revenues | 37 | -18.9% | 145 | +8.0% |
| restated EBITDA* | | | 972 | -15.8% |
| restated EBITDA margin | | | 31.6% | -2.7pts |

- commercial momentum continuously improving…
  - convergence strategy on track with +75k 4Q13 net adds in Open customers, adding to a 286k base
  - momentum building up in entry level SIMO offer, with +150k 4Q13 net adds in Nju.mobile, up to 353k customers
  - fixed voice line losses in 4Q13 down -31% YoY
- … helping to moderate FY revenue trend
- cost savings plan on track
  - 1.7k FTE applied for voluntary departure, in line with 2013 target
  - new agreement for 2.95k FTE voluntary departures over 2014-2015

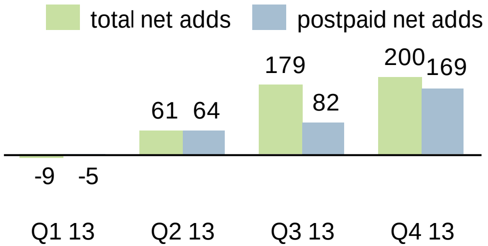
### convergence: momentum in open customers

in 000s and in % of mobile postpaid base



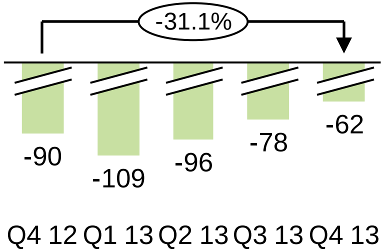

### mobile: acceleration in customer net adds

in 000s



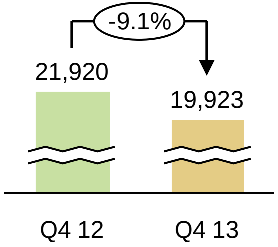

### fixed lines: improvement in fixed voice line losses

in 000s




### headcount

FTE end of period






*see slide 45 for EBITDA restatements

# FY 2013 Rest of the World

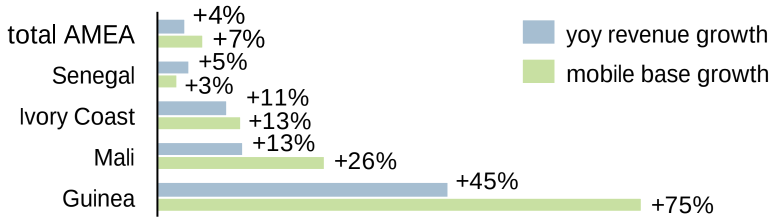
## revenue growth in emerging markets offsetting difficulties in Europe

| in •m | 4Q13 | var in cb | FY13 | var in cb |
|---|---|---|---|---|
| total ROW revenues | 1,971 | -1.9% | 7,792 | -0.5% |
| excl. regulation | | -0.8% | | +1.3% |
| Africa & Middle East | 1,044 | +6.1% | 4,060 | +4.3% |
| European countries | 795 | -10.9% | 3,195 | -6.2% |
| other countries | 138 | -1.9% | 554 | +1.2% |
| restated EBITDA* | | | 2,456 | -7.8% |
| restated EBITDA margin | | | 31,5% | -2.5pt |

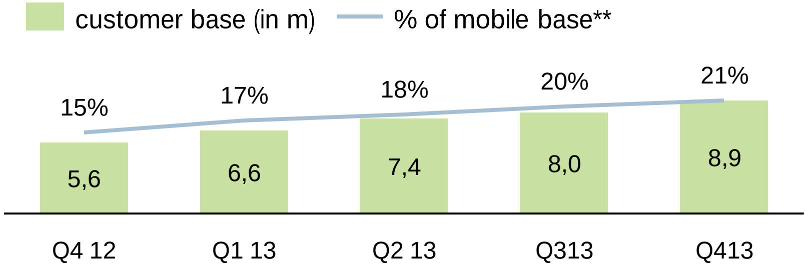
### European and other countries

- in Q4, European revenues down -11%, with
  - Belgium at -19% excl. reg. due to significant market repricing and lower equipment sales
  - strong performance in Romania, at +4.9% excl. reg. (best since 2010) driven by strong growth in mobile data
- … over 2013, 5 of the 7 countries delivered positive revenue growth with data revenues +16% yoy
- Animals portfolio now launched across the European footprint

### increase of mobile customer base contributing to growth in emerging markets




### strong Orange Money customer base growth




** customer base in countries where Orange Money was launched

*see slide 45 for EBITDA restatements

# FY 2013 Enterprise

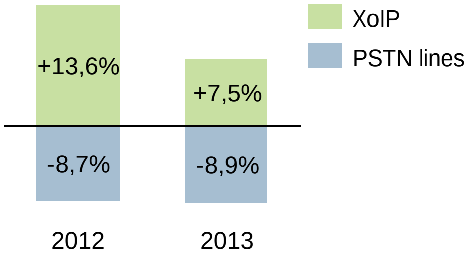
## despite unfavorable macro-environment in 2013, revenue decrease slowdown in Q4 vs. Q3

| in •m | Q4 13 | var in cb | FY13 | var in cb |
|---|---|---|---|---|
| total enterprise revenues | 1,658 | -4.5% | 6,513 | -5.3% |
| legacy networks | 408 | -12.7% | 1,687 | -13.3% |
| mature networks | 678 | -3.5% | 2,730 | -2.0% |
| growing networks | 110 | 2.3% | 413 | 3.5% |
| services | 462 | 0.6% | 1,684 | -3.9% |
| restated EBITDA* | | | 1,033 | -12.5% |
| restated EBITDA margin | | | 15.9% | -1.3pt |

- ongoing pressure on prices in parallel with migrations to IP solutions
- IPVPN customer base continues to grow but pressure on revenues coming from contract renegotiations
- solid growth of IT services such as Cloud & Security, which are going to be further boosted by the acquisition of InovenAltenor and Atheos
- a sluggish market momentum negatively impacted the equipment resale
- FY EBITDA down •-148m as revenue shortfall (•-368m) significantly offset by cost decrease, transformation and increased international profitability

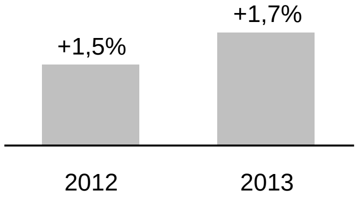
### voice services

yoy access growth in France



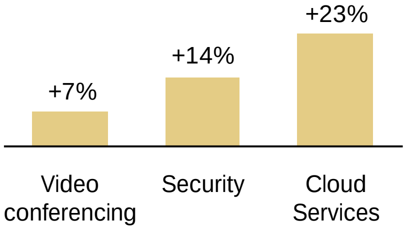

### data services

IPVPN accesses in France, yoy growth




### IT services

FY 2013 yoy revenue growth






*see slide 45 for EBITDA restatements

3

# 2014 outlook and conclusion

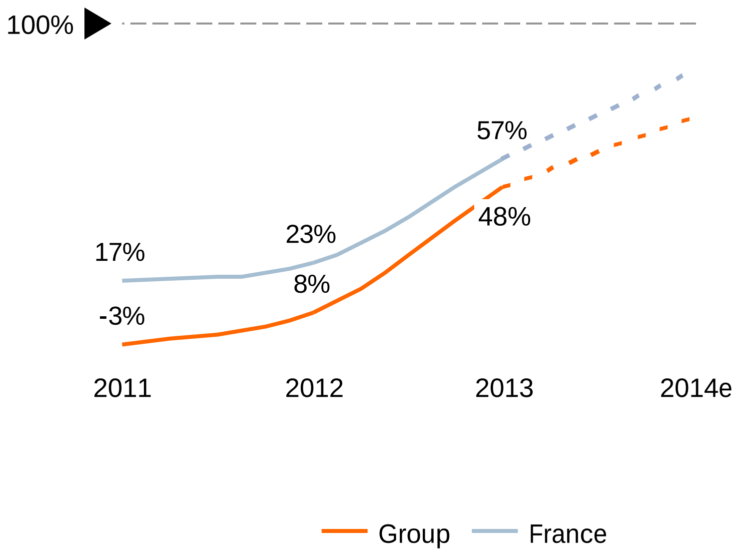
Stéphane Richard
Chairman and CEO

# leveraging on sector transformation to fuel future revenue…

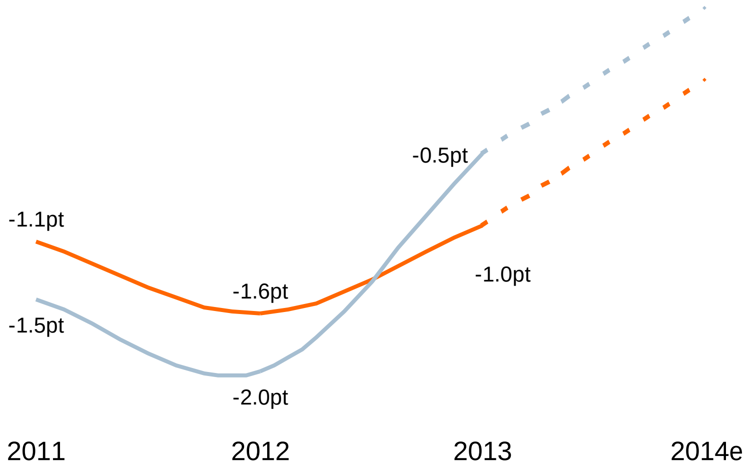
| trends | | | our levers to adapt |
|---|---|---|---|
| 1 | increasing penetration of SIMO and convergent offers | ▶ | adapted marketing segmentation to keep value leadership |
| 2 | increasing usage requiring more speed, everywhere | ▶ | sustained investments in Very High Speed networks and network quality<br>new roaming offers |
| 3 | increasing need for services and digital experience | ▶ | innovation in services<br>digitalisation of customer relationship |
| 4 | in-market consolidation | ▶ | network sharing<br>selective M&A policy |

# … while continuing cost reduction efforts to reach **EBITDA margin stabilization**

## % of revenues decline offset by Opex savings




## targeting a stabilization in the Group's restated **EBITDA margin for FY 2014**




> •250m indirect costs decrease in 2014

# 2014 guidance

2014 restated EBITDA*
•12.1bn - •12.6bn

stabilised EBITDA* margin rate

net debt / EBITDA** closer to 2x by year-end 2014 and

around 2x in the medium term

2014 dividend
•0.60

interim payment
•0.20 in December 2014

selective M&A policy, focus on existing footprint

* restated EBITDA and before Orange Dominican Republic disposal from Q2 2014 – estimated impact of around €100m
** calculated by dividing (A) net financial debt, including 50% of the net financial debt of the EE JV in the U.K., by (B) restated EBITDA including 50% of the EBITDA of EE JV

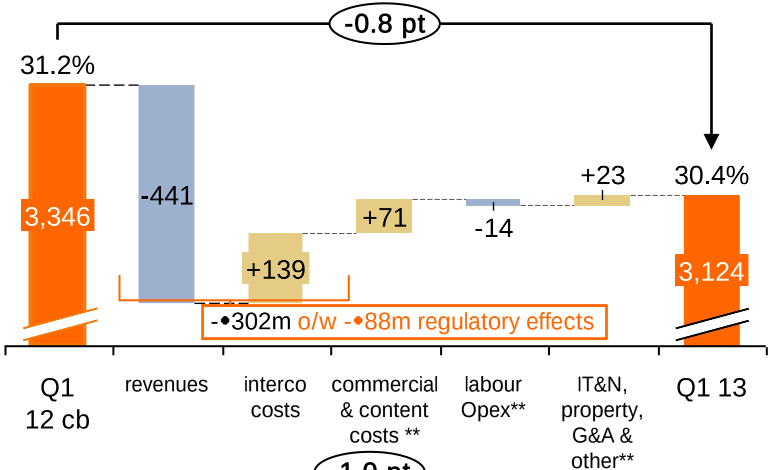
# thank you

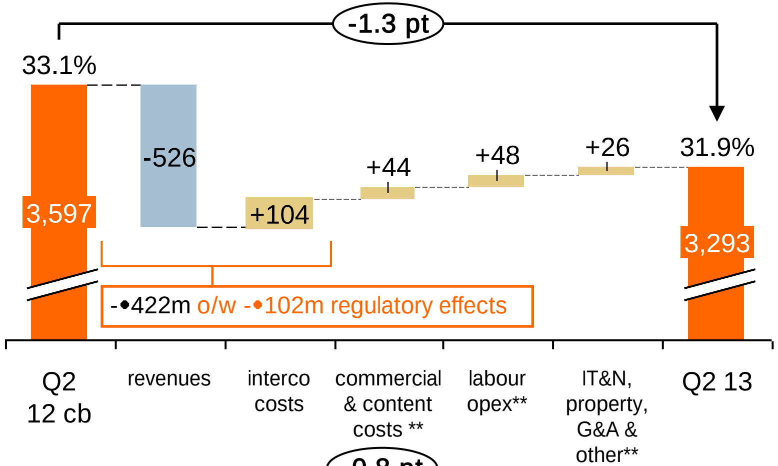
# appendices

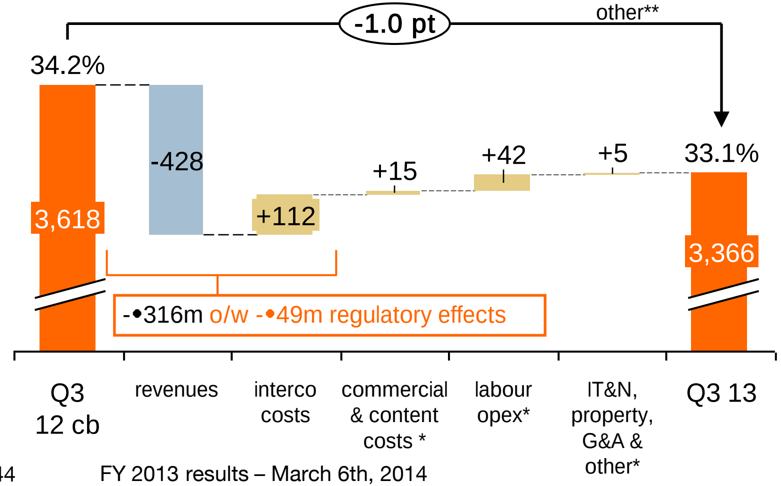
# details on revenues

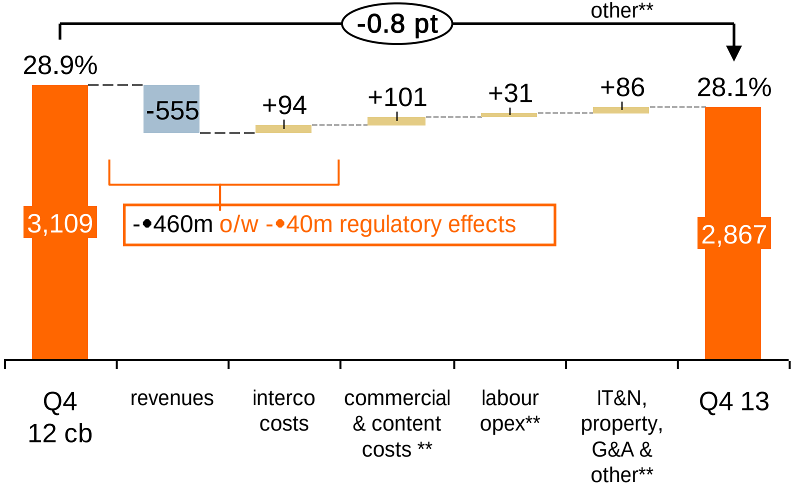
| | Q4 13 | | | FY 13 | | |
|---|---|---|---|---|---|---|
| in •m | actual | % yoy cb | % yoy cb excl.reg | actual | % yoy cb | % yoy cb excl.reg |
| **Group revenues** | **10,216** | **-5.1%** | **-3.8%** | **40,981** | **-4.5%** | **-2,6%** |
| France | 4,954 | -7.0% | -6.2% | 20,018 | -6.6% | -4,8% |
| mobile services | 1,980 | -12.1% | -11.0% | 8,348 | -10.3% | -7,0% |
| handset sales | 184 | -1.4% | -1.4% | 538 | -3.7% | -3.7% |
| fixed services | 2,654 | -3.4% | -2.9% | 10,613 | -3.6% | -2,9% |
| other | 136 | -0.6% | -0.6% | 519 | -6.9% | -6.9% |
| Spain | 992 | -1.9% | 2.7 % | 4,052 | 0.6% | 4,4 % |
| mobile services | 651 | -15.0% | -9.7% | 2,843 | -8.0% | -3,6% |
| handset sales | 123 | 205.3% | 205.3% | 354 | 112.5% | 112.5% |
| fixed services | 215 | 8.0 % | 8.0 % | 842 | 12.5% | 12,5 % |
| other | 2 | -58.7% | -58.7% | 13 | -33.1% | -33.1% |
| Poland | 755 | -9.4% | -4.0% | 3,079 | -8.6% | -3,9% |
| mobile services | 352 | -11,2% | -2.2% | 1,456 | -10.8% | -2,6% |
| handset sales | 10 | 3.8% | 3.8% | 35 | 5.7% | 5.7% |
| fixed services | 356 | -6.6% | -4.1% | 1,443 | -8.1% | -6,4% |
| other | 37 | -18.9% | -18.9% | 145 | +8.0% | +8.0% |
| RoW | 1,971 | -1.9% | -0,8% | 7,792 | -0.5% | +1.3% |
| European countries | 795 | -10.9% | -9.2% | 3,195 | -6,2% | -2,8% |
| Africa & Middle-East | 1,044 | 6.1 % | 6.6% | 4,060 | 4,3 % | 4,7 % |
| other | 138 | -1.9% | -1.5% | 554 | 1,2 % | 1,7 % |
| Enterprise | 1,658 | -4.5% | -4.5% | 6,513 | -5.3% | -5,3% |
| IC&SS | 428 | 3.5% | 3.5 % | 1,702 | 5.2% | 5,2 % |
| eliminations | -542 | -2.8% | -2.8% | 2,175 | -1.9% | -1,9% |

# quarterly Group EBITDA over 2013



# EBITDA restatements

| in •m | 2012 cb | 2013 actual | |
|---|---|---|---|
| EBITDA restated | 13,670 | 12,649 | |
| restructuring | | -299 | |
| o/w optimization of the internal and external workforce | | -78 | 1 |
| contents | | -87 | 2 |
| distribution networks | | -102 | 3 |
| other | | -32 | 4 |
| litigations | | | |
| major litigations | 27 | -33 | |
| labour related | | | |
| free share plan & other | -5 | | |
| senior part time | -1,287 | -155 | |
| other | | | |
| Orange Austria disposal | | 73 | |
| OTMT indemnity | -116 | | |
| EBITDA reported | 12,289 | 12,235 | |

1 mainly Poland and France

2 onerous contracts in France

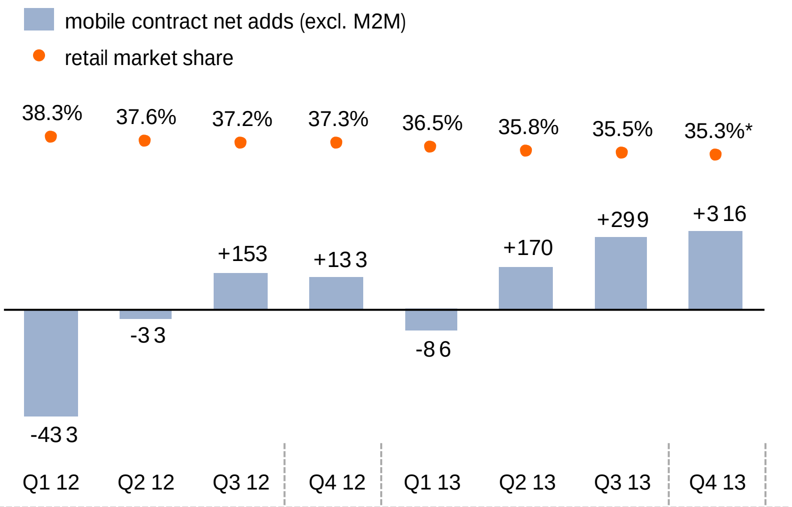
3 optimization of network distribution in France and Belgium

4 optimization of real estate

# FY 2013 France mobile KPIs

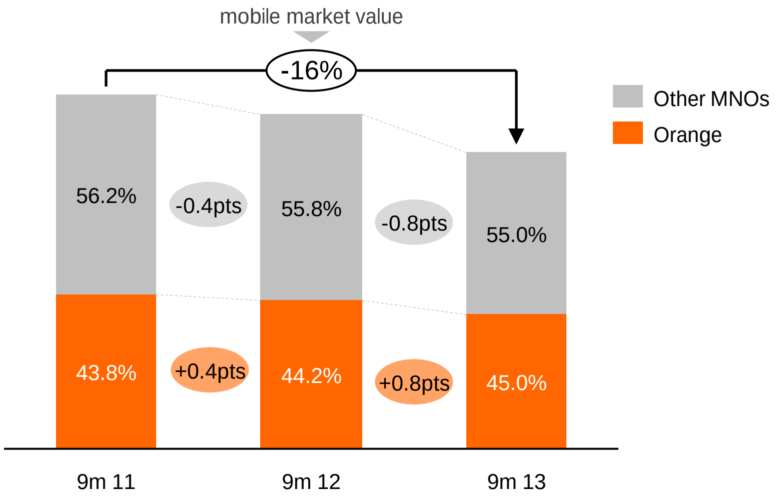
## strong mobile contract performance with1 million 4G customers

### best contract net adds excl. M2M since 4th player launch with mix rebound towards premium offers (Origami + Open)




| | Q4 12 | Q4 13 |
|---|---|---|
| premium** offers as % of contract mass market base | 51% | 57% |
| premium** offers as % of contract mass market sales | 55% | 63% |

### increasing value share in a contracting market



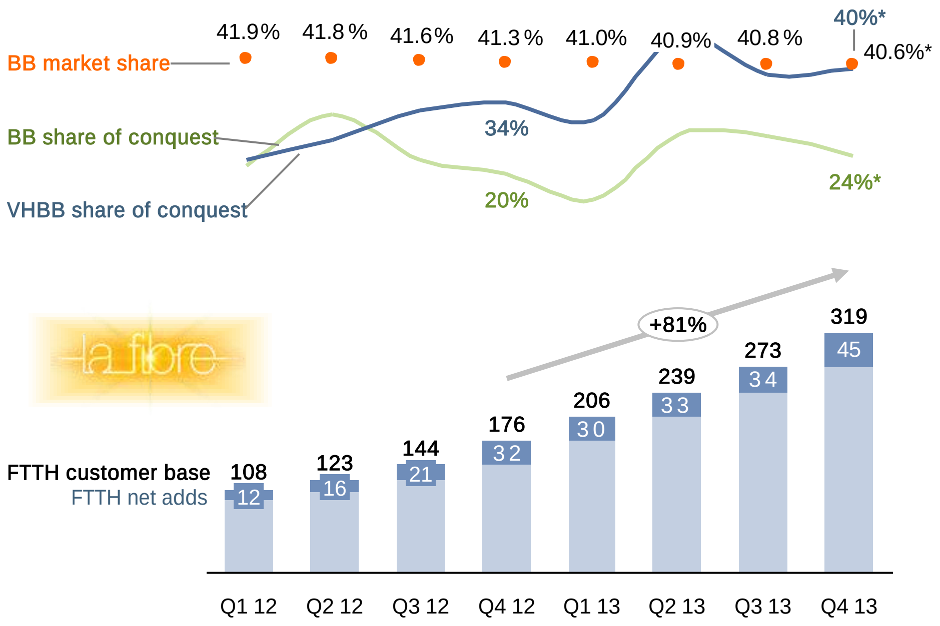

*including wholesale and inter-operators revenues*

*company estimates ** premium offers : Origami + Open

# FY 2013 France fixed KPIs

## fixed broadband dynamism confirmed with increasing share of fibre

### FTTH net adds ramp-up, contributing to increasing VHBB share of conquest at 38%* in 2013

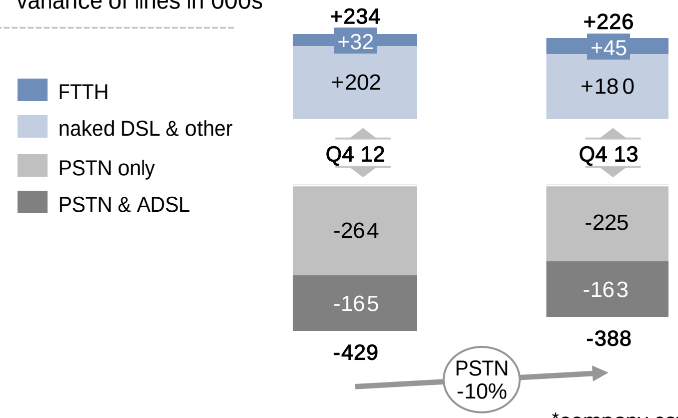



### increasing Open penetration with favorable impact on both fixed and mobile churn

| | Q4 12 | Q4 13 |
|---|---|---|
| share of Open in BB customer base | 24% | 34% |
| churn rate gap with mobile contract | -13pts | -10pts |
| churn rate gap with BB | -1pt | -3pts |

### PSTN line losses slowing down

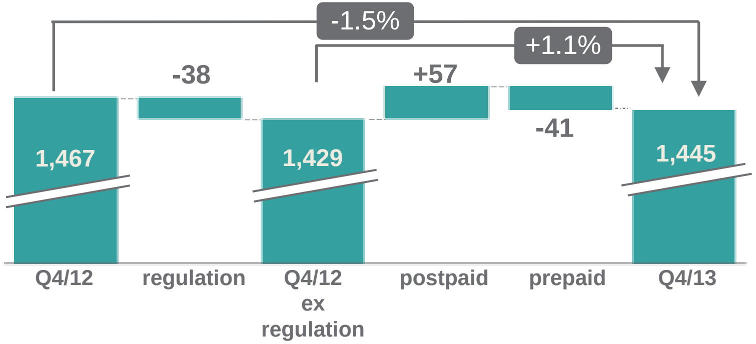
variance of lines in 000s



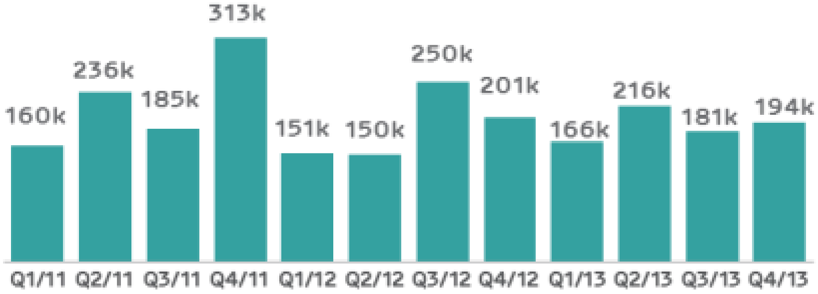

*company estimates

# EE: FY adj. EBITDA* margin improving to 24.3%, +1.1% underlying service revenue growth in Q4, c. 2m 4G subs

## Q4 mobile service revenue grows 1.1% ex regulation, £m

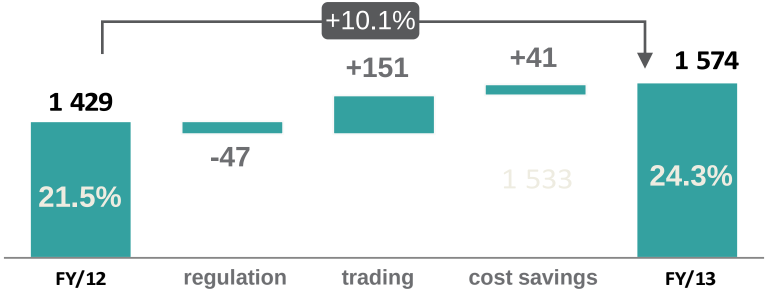



## Solid postpaid net adds**

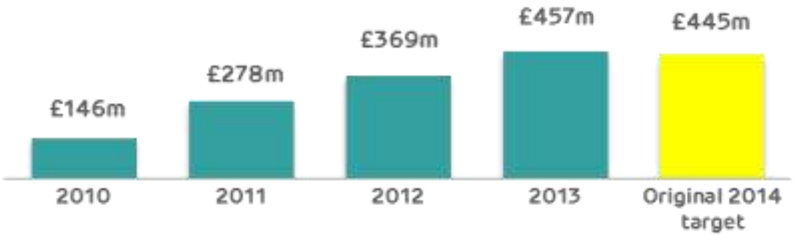



** excluding MVNOs and M2M

## FY adj. EBITDA* margin improved to 24.3%, £'m




## Synergy target of £445m annual gross opex savings exceeded




* Adjusted EBITDA is EBITDA before Management and Brand Fees and Restructuring Costs.; restated to reflect line by line consolidation of MBNL accounts.