

1

Q1 2014 highlights

restated EBITDA margin stabilised at 30.8%

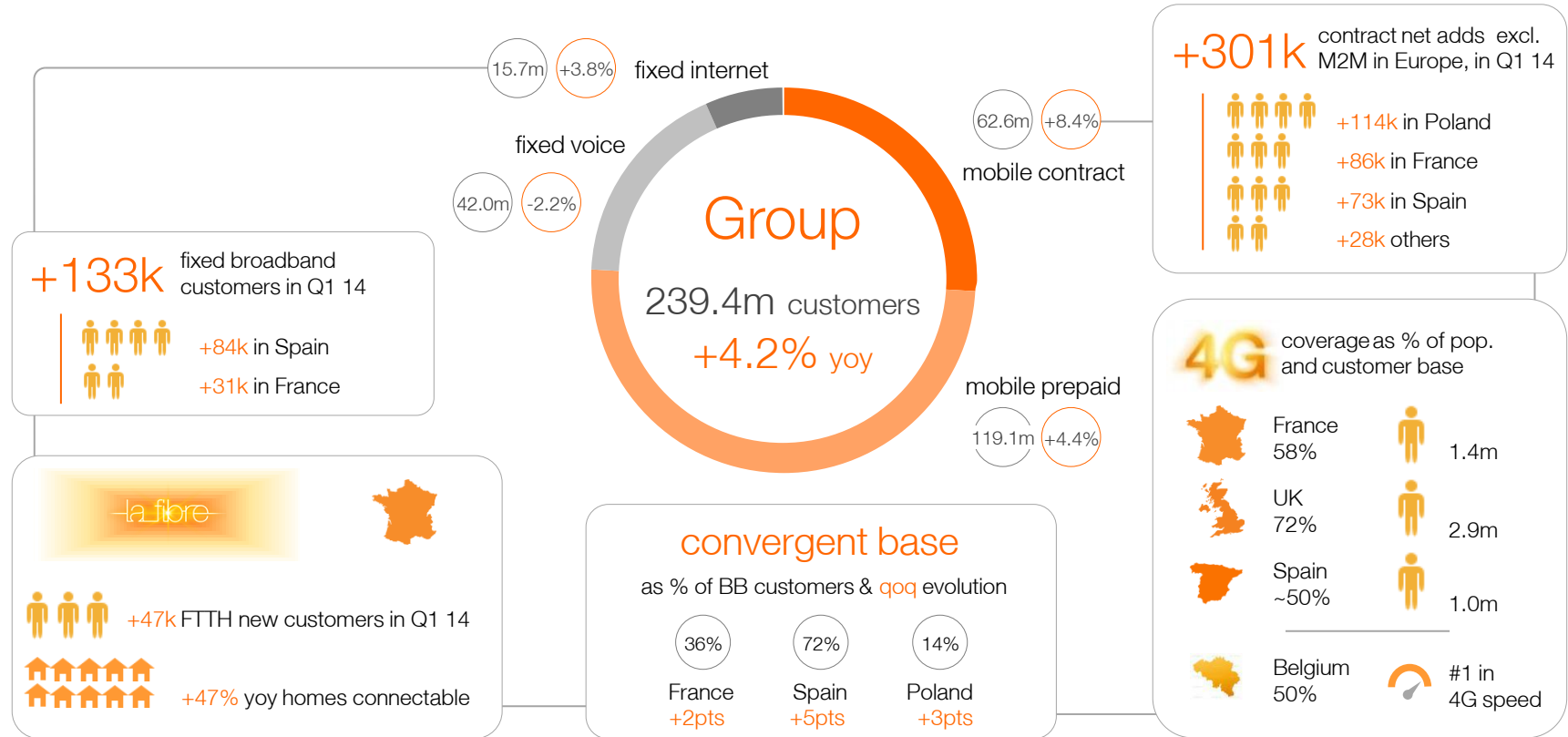
thanks to slower revenue decrease and ongoing cost reduction

in €m	Q1 13 cb	Q1 14 actual	% yoy cb	key points
revenues	10,192	9,804	-3.8%	<ul style="list-style-type: none"> ▪ better trend than Q4 13 (-5.1% and -3.8% ex. reg.) ▪ regulatory effect represented only €89m, mainly from Spain
excl. regulation			-3.0%	
restated EBITDA*	3,138	3,017	-3.8%	<ul style="list-style-type: none"> ▪ indirect cost reduction €114m, confirming our guidance of at least €250m decrease for 2014 ▪ stable EBITDA margin, in line with FY guidance
in % of rev.	30.8%	30.8%	0.0pt	
CAPEX	1,143	1,161	+1.6%	<ul style="list-style-type: none"> ▪ 58% dedicated to network (+5 points yoy)
in % of rev.	11.2%	11.8%	+0.6pts	

solid commercial performance across the Group

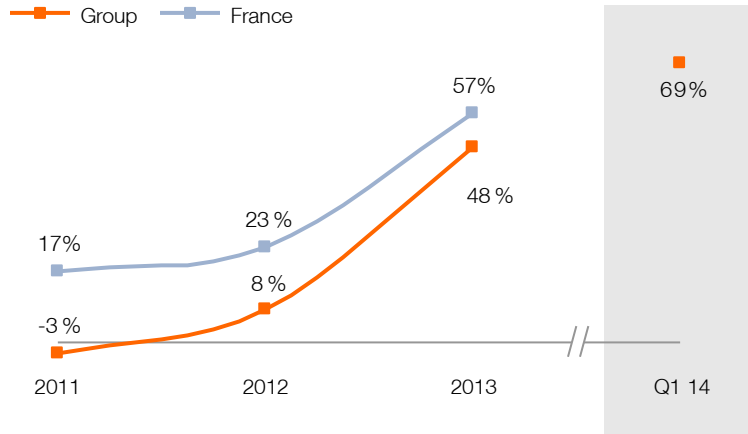
very high broadband and convergence as key drivers

of clients ● yoy growth

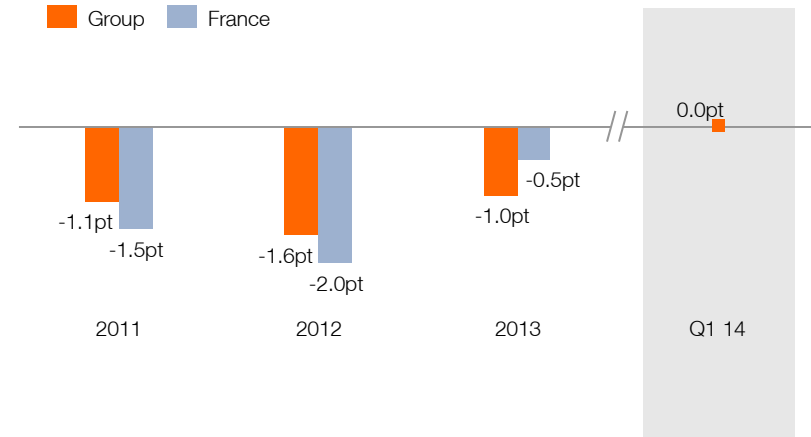


ongoing cost reduction enabling stable EBITDA margin with 69% of revenue attrition compensated by Opex savings

revenue decline offset by opex savings
in % of revenue decline



stabilizing Group restated EBITDA margin for Q1 2014

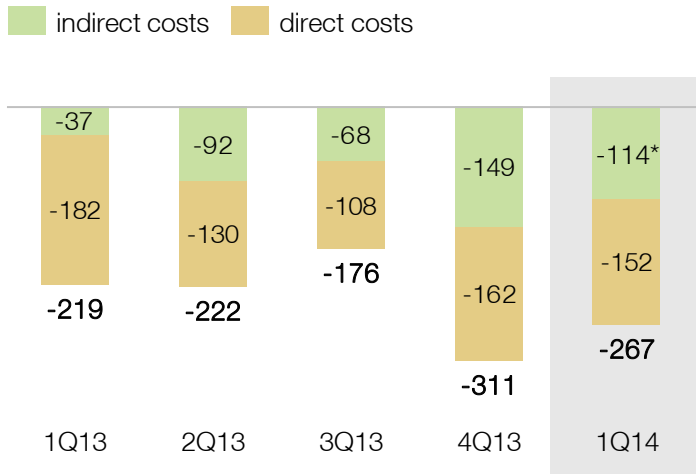


FY 2014 Group restated EBITDA margin stabilization confirmed

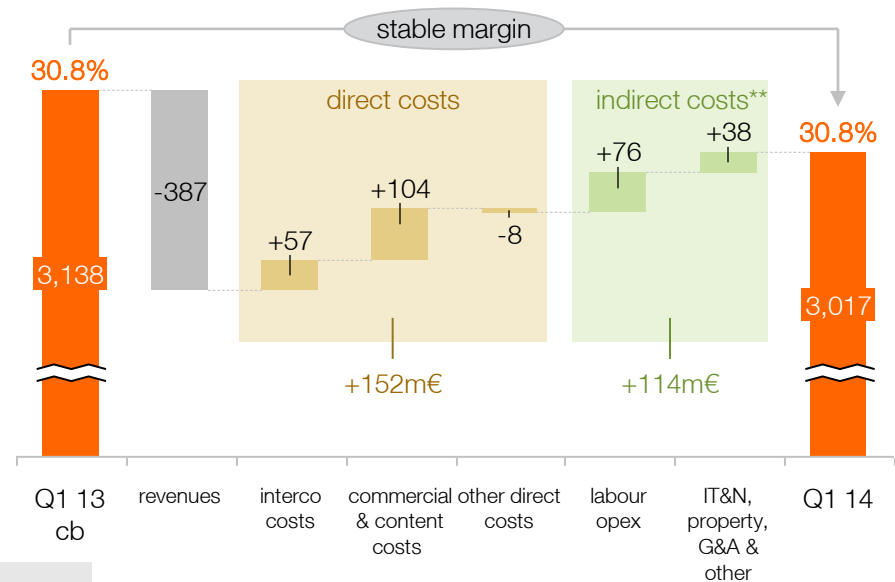
improving Q1 2014 Group restated EBITDA trend

EBITDA down -€120m vs. -€222m in Q1 2013

yoy change in Group Opex base
in €m



change in EBITDA*
in €m



confirming guidance of >€250m indirect costs decrease in 2014

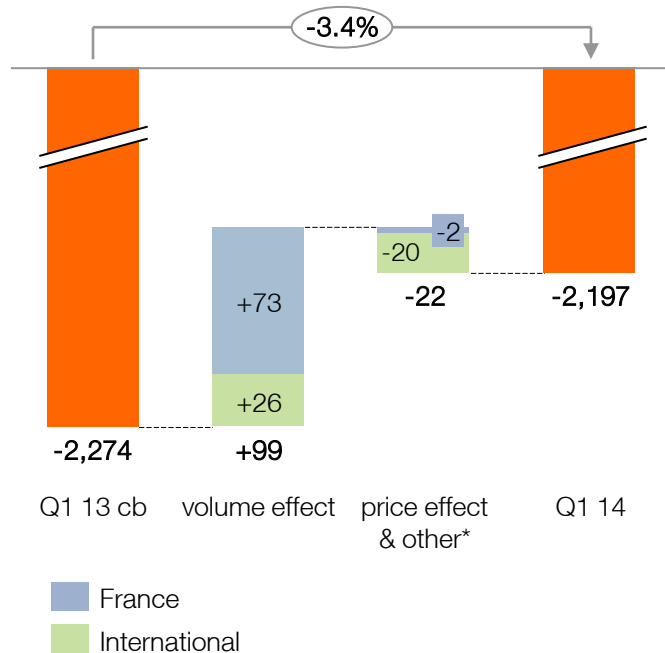
* see slide 25 for EBITDA restatements

** underlying indirect costs yoy improvement of €92m after excluding gain from Arkadin disposal

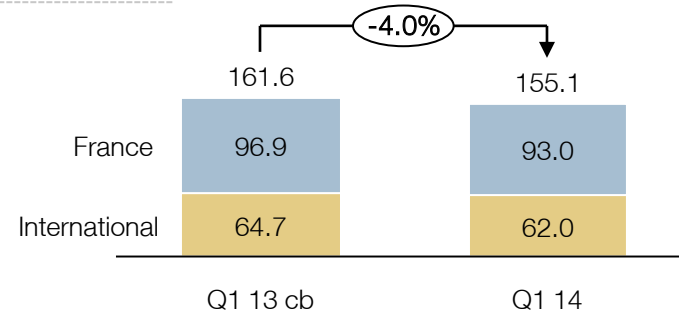
confirmed decrease of labour expenses

with a significantly positive volume effect boosted by yoy phasing differences

Group labour expenses down €76m
in €m



Group average FTE** down -4% in 1 year
(in '000s)

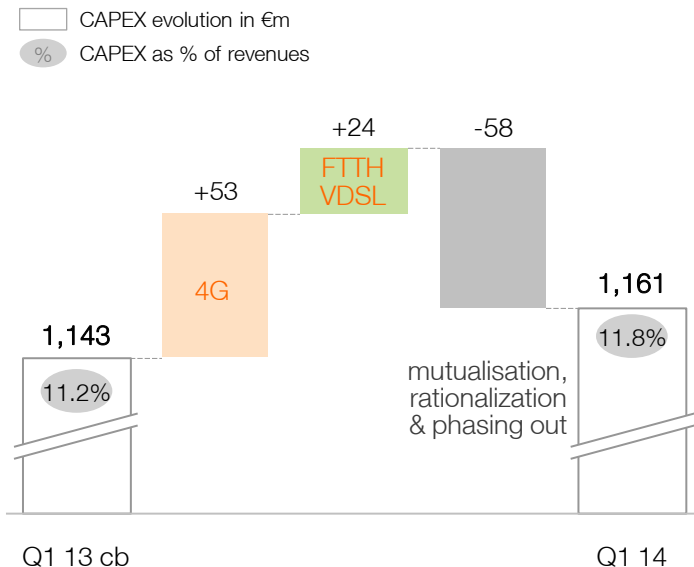


€76m reduction in labour expenses in Q1 14 impacted by :

- a significant volume effect of almost €100m
 - driven by a 4% yoy drop in the average number of full-time employees
 - evenly spread across both France & International (especially Poland)
- moderate impact of salary policies on labour costs per FTE
 - with France at +1.9%, helped by employee tax offsets in France (CICE) for €12m yoy
 - International at +3.7%

increased CAPEX on 4G and FTTH to support future growth

investment in very high speed networks (4G, FTTH and VDSL) up +66% yoy



as of Q1 2014



> 5,400 4G sites, covering **58%** of population, up 8pp from 50% end of 4Q13

+171k FTTH homes connectable despite adverse weather conditions



> 2,400 4G sites, covering around **50%** of population targeting 66% population coverage by end 2014



8,700 sites shared with T-Mobile
> 2,000 4G sites covering **29%** of population



€207m invested in Q1 14 or +€51m yoy

Mobistar, independently recognized as having best network*, commercially launched 4G March 31st, with **50%** population coverage

active management of balance sheet and liquidity through portfolio optimization and opportunistic issuances

portfolio optimization

+€1.04bn

result of disposal before tax* of Orange Dominicana

reinforcement of the balance sheet

+€2.8bn

4.90%**

subordinated perpetual bonds, accounted as equity under IFRS... with an attractive cost, in line with the average cost of existing bonds

active and opportunistic management of debt

+\$1.6bn

-\$1.2bn

bond issuance with a maturity up to 30 years, combined with... bond early redemption announced simultaneously



acceleration of deleveraging while maintaining a strong liquidity profile



reduction of debt servicing cost while maintaining the maturity at a high level



smooth repayment profile

* ~\$230m tax (equivalent to approx €166m)

** average blended cost and Euro equivalent

2

business review

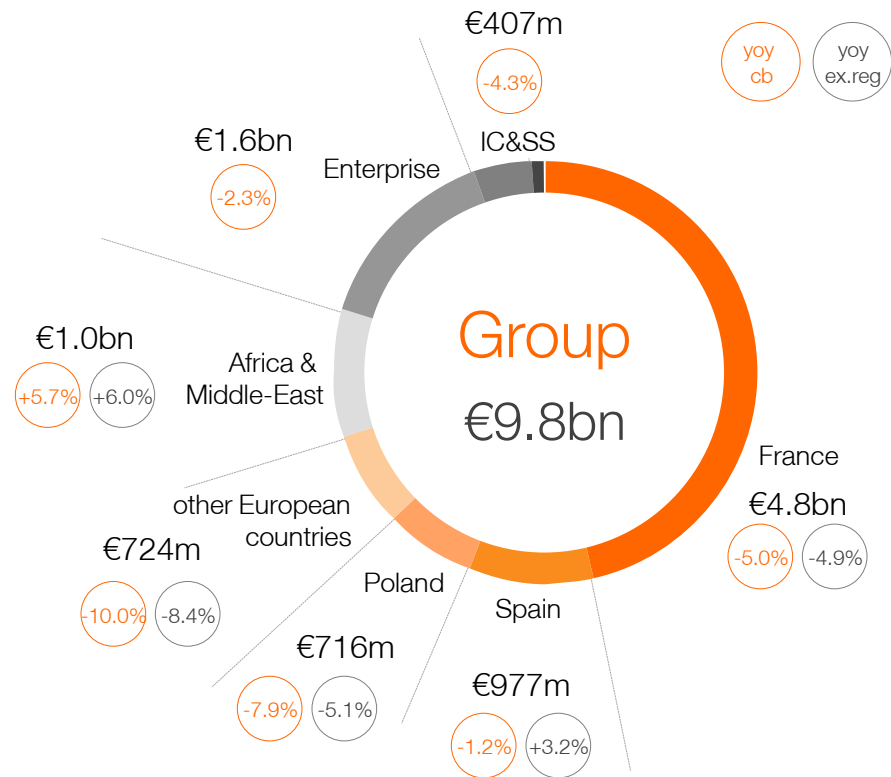
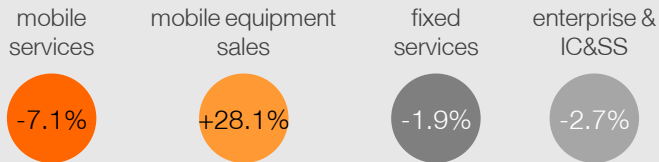
Q1 2014 revenues

lighter regulatory pressure and good 2013 commercial performance contributing to slower revenue decrease

Group revenue evolution

	Q4 2013	Q1 2014
% yoy cb	-5.1%	-3.8%
% yoy cb excl. reg	-3.8%	-3.0%

Group revenue evolution by activity, yoy



Q1 2014 France financials

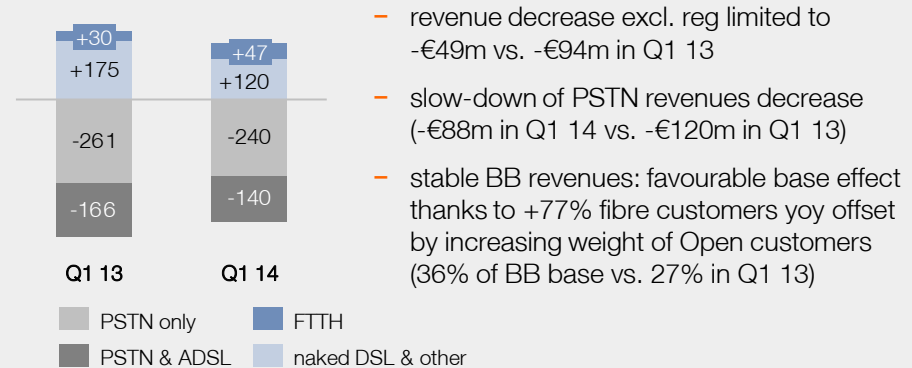
improving fixed revenue trend and additional repricing of the mobile base

in €m	Q1 13 cb	Q1 14 actual	% yoy cb
revenues	5,065	4,810	-5.0%
excl. regulation			-4.9%
mobile services	2,157	1,948	-9.7%
mobile equipment	119	119	+0.3%
fixed services	2,662	2,620	-1.6%
other revenues	128	123	-3.7%

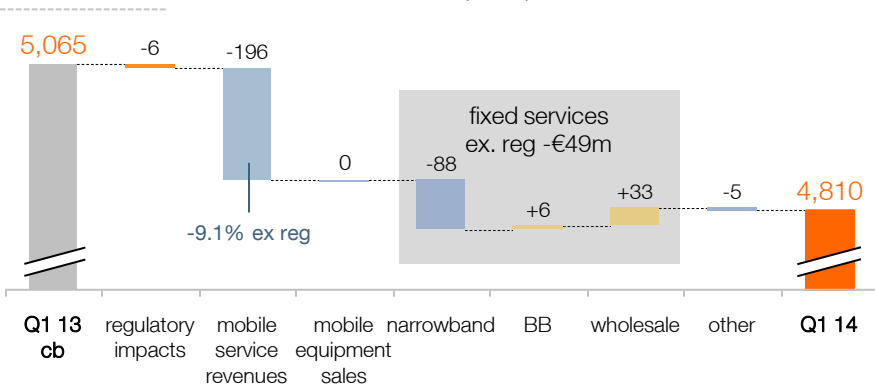
mobile service revenues mirrored further repricing and SIMO/convergent offers penetration

- 79% of the contract customer base on a 2013 offer
- annual rolling ARPU evolution at -10.4% after -11.5% in Q4 13
- improved value drivers with growing share of 4G (reaching 8% of contract voice customer base) and convergent customers

fixed revenues trend keeps improving at -1.6% in Q1 14
net adds, in '000s



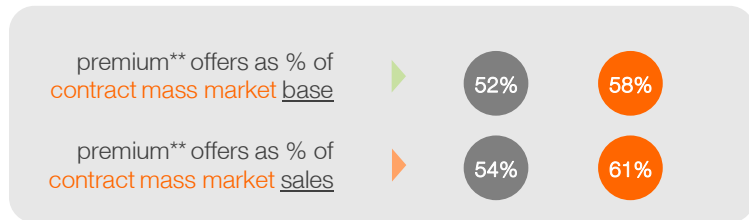
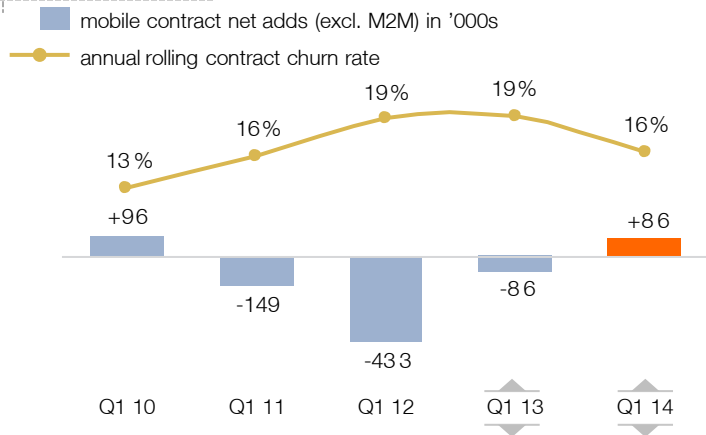
revenues evolution breakdown (in €m)



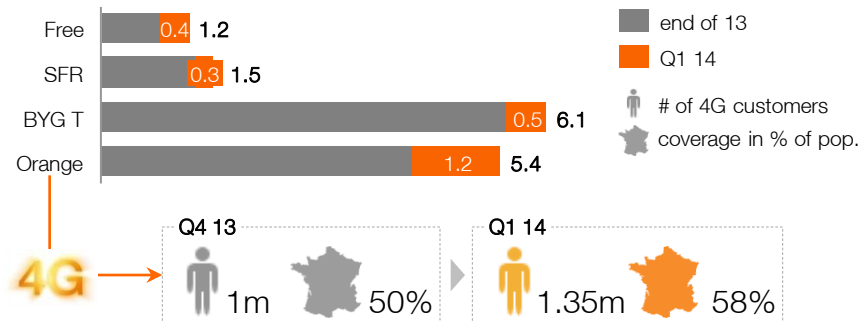
Q1 2014 France mobile KPIs

positive contract net adds with improving mix and 4G acceleration

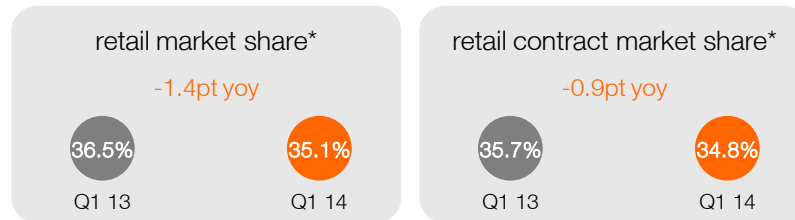
1st positive Q1 contract net adds** excl. M2M since 2010 with improved mix towards premium*** offers



Orange leads 4G roll-out with 1,180 sites activated in Q1 14... 4G sites activated (in thousands, source ANFR)



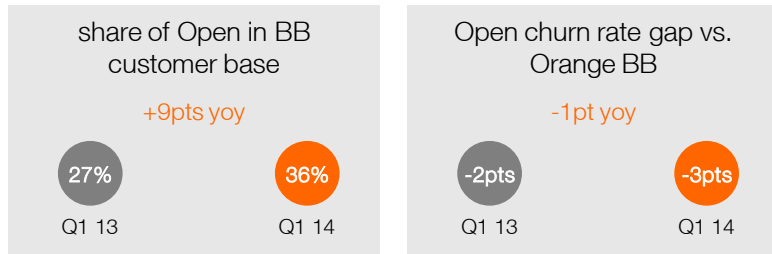
...preserving mobile contract base



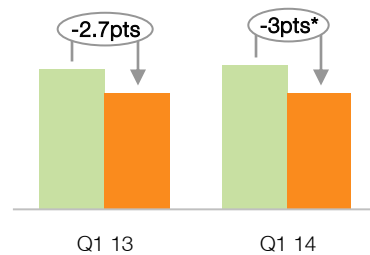
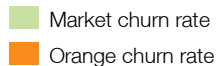
Q1 2014 France Broadband KPIs

very high broadband share of conquest > 50% thanks to continuous fiber growth

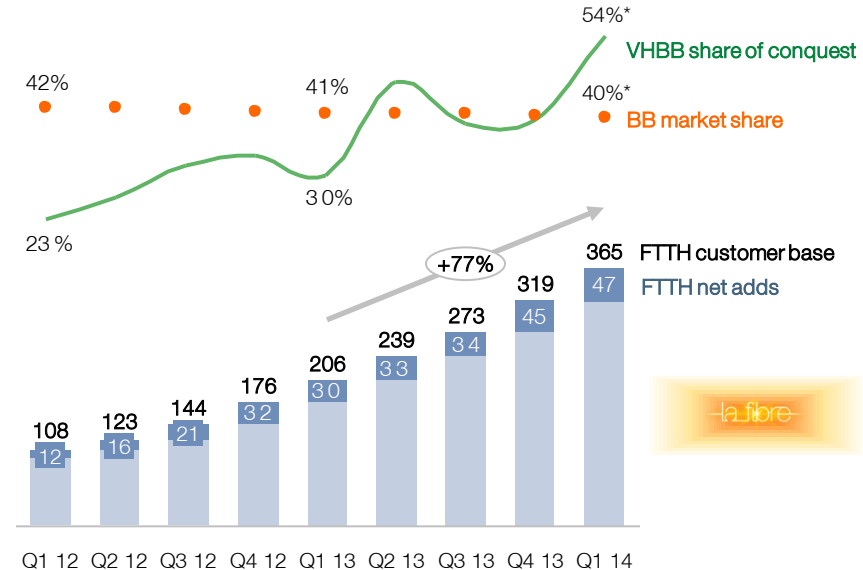
growing share of Open offers driving churn below market average



Orange churn rate gap vs. France BB market



fastest ever fiber customer base growth, improving very high broadband** share of conquest net adds in 000s



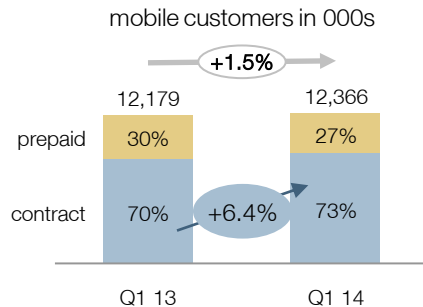
Q1 2014 Spain

continuous growth in customer base driving improvement in revenue trend

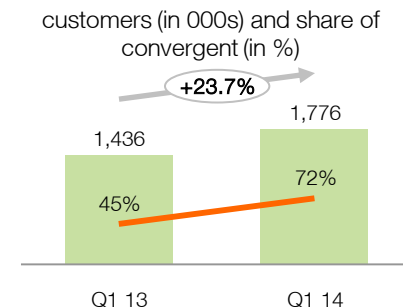
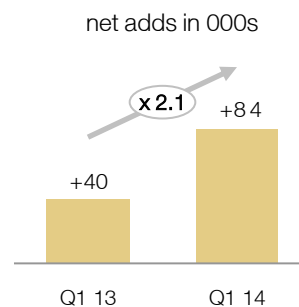
in €m	Q1 13 cb	Q1 14 actual	% yoy cb
revenues	989	977	-1.2%
excl. regulation			+3.2%
mobile services	741	621	-16.2%
mobile equipment	36	125	+251.3%
fixed services	209	229	+9.9%
other revenues	4	2	-46.9%

- ongoing commercial momentum through increasing penetration of convergence...
 - strong ADSL net adds (+84k)
 - strong mobile contract net adds (+95k)
- ...drives improvement in underlying (ex-regulation) revenue growth...
 - +3.2% in Q1 14 vs. +2.7% in Q4 13
- ... with growth in fixed broadband and mobile equipment revenues compensating contraction in mobile services revenues

mobile: strong growth in contract customers



fixed broadband: customer base growing 24%, now 72% convergent



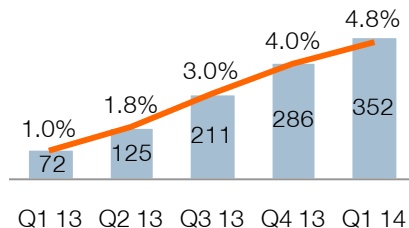
Q1 2014 Poland

good commercial momentum and a sequentially improving revenue trend

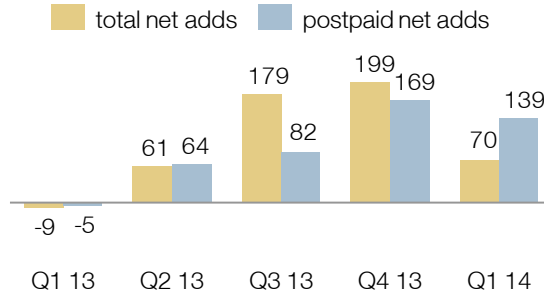
in €m	Q1 13 cb	Q1 14 actual	% yoy cb
revenues	777	716	-7.9%
excl. regulation			-5.1%
mobile services	366	344	-6.2%
mobile equipment	8	10	+31.2%
fixed services	371	340	-8.6%
other revenues	31	22	-28.7%

- good commercial momentum
 - positive Mobile Number Portability balance in Q1 14, the first quarter since 2008
 - convergence strategy proving effective, with +67k Q1 14 net adds in Open customers, resulting in a 352k base
 - continuing momentum in entry level SIMO offer, with +126k Q1 14 net adds in nju.mobile, up to 479k customers
 - fixed voice line losses continuously down: -50% vs. Q1 13 and -10% vs. Q4 13
- sequentially improving revenue trend at -7.9% in Q1 14 vs. -9.4% in Q4 13

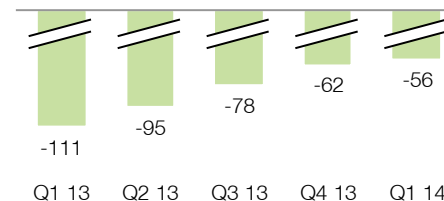
convergence: continuous momentum in open customers in '000s and in % of mobile postpaid base



mobile: sustained customer net additions in '000s



fixed lines: steady reduction in fixed voice line losses in '000s



Q1 2014 Rest of the World

stable underlying revenues with growth in emerging markets offsetting significant repricing in some European countries

in €m	Q1 13 cb	Q1 14 actual	% yoy Cb
revenues	1,887	1,865	-1.2%
excl. regulation			-0.2%
Africa & Middle East	959	1,014	+5.7%
European countries	805	724	-10.0%
other countries	126	131	+3.5%

- European countries: ongoing positive trend in Romania (+4.9%) not enough to offset portfolio repricing in Belgium (-19.6%, with 94% of the base now repriced) and Slovakia (-9.7%)
- Africa and Middle-East growth driven by Mali, Guinea, Ivory Coast and Egypt

Africa & Middle East mobile
customer base

+11.4% yoy

n°1 or n°2 in volume
market share in

16 out of **21**
emerging market countries

revenues in Romania

+4.9% yoy
+25% growth in data
revenues

Orange Money customers

9.9m
+48% yoy

Q1 2014 Enterprise

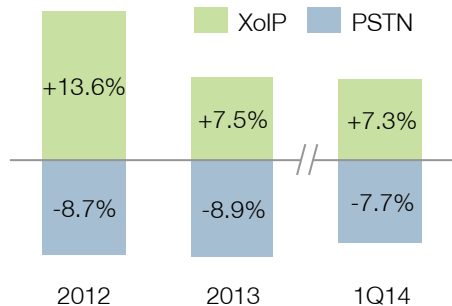
revenue decrease slowdown in Q1, fueled by a lower price pressure on IPVPN and solid IT growth engines such as Cloud, Security and Image

in €m	Q1 13 cb	Q1 14 actual	% yoy cb
revenues	1,602	1,565	-2.3%
voice	448	417	-7.1%
data	751	727	-3.1%
IT & integration services	403	421	+4.6%

- voice decreased less strongly than in previous quarters but remained impacted by migrations towards VoIP solutions
- slightly improved trend on data, with less price pressure intensity in Q1 on IPVPN
- IT & integration services supported by solid growth of Security, Cloud and Image products, further boosted by acquisitions in a dynamic entities portfolio management

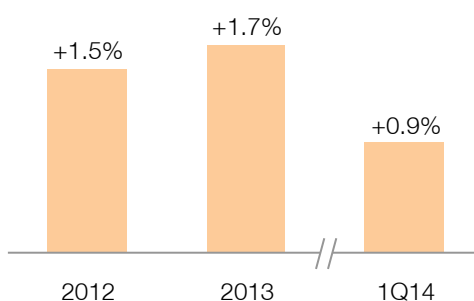
voice services

yoy access growth in France



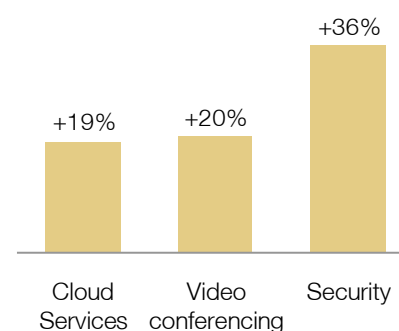
data services

IPVPN accesses in France, yoy growth



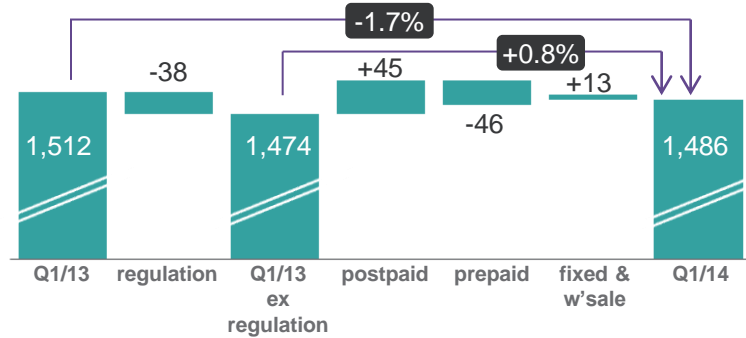
IT services

Q1 2014 yoy revenue growth

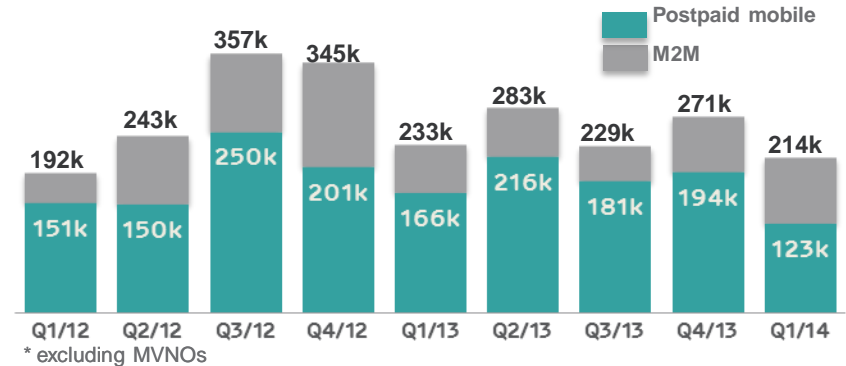


EE: growing demand for double speed 4G, as total 4G base grows c. 900k to 2.9m; on target to exceed 6m 4G customers by end of 2014

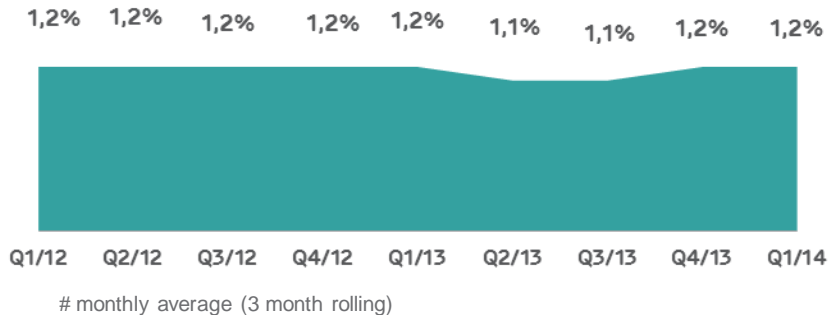
Q1 operating revenue grows 0.8% ex. regulation, £m



Continued postpaid growth*



Sustained low postpaid churn#



Insights

- 4G rolled out in 200 cities (72% population), with double speed 4G (only offered in the UK by EE) in UK's 20 largest cities (25% population)
- 50% of new and renewing (Orange and T-Mobile) postpaid customers selected 4G, with strong uptake of 4GEE Extra plans
- ranked UK's #1 network for voice, text, mobile internet and reliability by RootMetrics®

Initiatives

- New entry-level 4G postpaid plans (from £13.99 per month)
- New, EE branded affordable 4G smartphone "Kestrel"

3

2014 guidance confirmed

2014 guidance

2014 restated
EBITDA*
€12.0bn - €12.5bn

stabilised EBITDA*
margin

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

✓ 2013 dividend balance of €0.50

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

** 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
Q1 2014 results – April 29th, 2014

* restated EBITDA and after Orange Dominican Republic disposal from Q2 2014

thank you

appendices

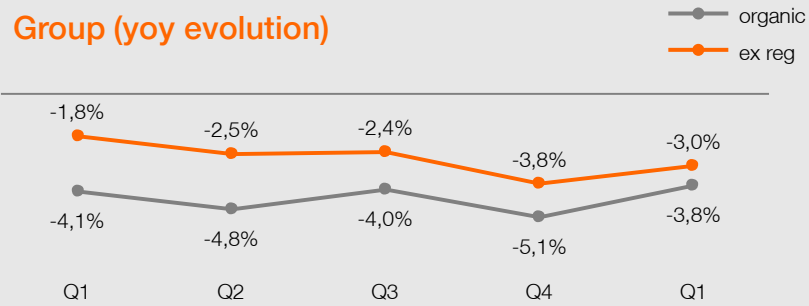
EBITDA restatements

in €m	Q1 13 cb	Q1 14 actual
EBITDA restated	3,138	3,017
restructuring	-4	0
litigations	0	-333
labour related	-39	-36
other		
disposal of Wirtualna Polska	0	68
EBITDA reported	3,094	2,716

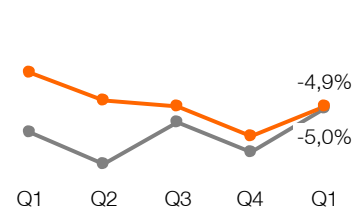
- 1 The Ebitda for Q1 14 was impacted by a charge of €333m related to events which occurred post the 6th of March, 2014 relating to litigations both in France and at the Group level.

revenues evolution

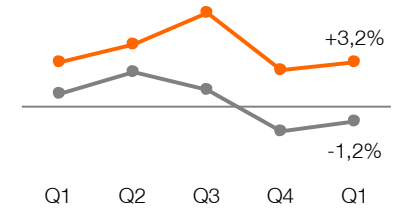
Group (yoy evolution)



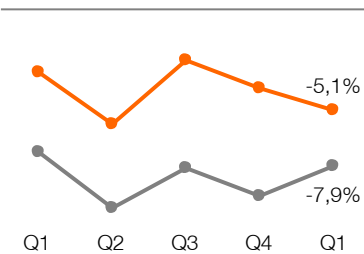
France



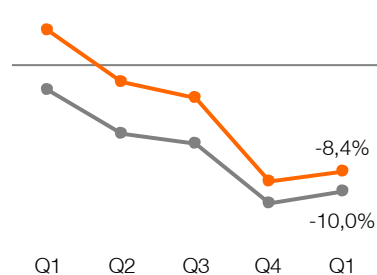
Spain



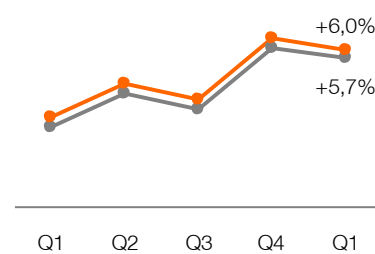
Poland



Rest of Europe



Emerging markets



Enterprise

