

#H1_2015

Orange financial results

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disclaimer

This presentation contains forward-looking statements about Orange. 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 from the results anticipated in the forward-looking statements include, among others: the success of Orange's strategy, particularly with respect to customer relations when facing competition with OTT players, Orange's ability to withstand intense competition in mature markets and business activities, its ability to capture growth opportunities in emerging markets and the risks specific to those markets, the poor economic conditions prevailing in particular in France and in Europe and in certain other markets in which Orange operates, the effectiveness of Orange's action plans for human resources, and the success of Orange's other strategic, operational and financial initiatives, risks related to information and communications technology systems resulting in particular from cyber-attacks, technical failures of or damage caused to networks, loss or theft of data and fraud, health concerns surrounding telecommunications equipment and devices, fiscal and regulatory constraints and changes, and the results of litigation regarding regulations, competition and other matters, the success of Orange's French and international investments, joint ventures and strategic partnerships in situations in which it may not have control of the enterprise, and in countries presenting additional risk, Orange's credit ratings, its ability to access capital markets and the state of capital markets in general, exchange rate or interest rate fluctuations, and changes in assumptions underlying the carrying amount value of certain assets and resulting in their impairment. More detailed information on the potential risks that could affect our financial results will be found in the Registration Document filed with the French Autorité des Marchés Financiers (AMF) on April 7, 2015 and in the annual report on Form 20-F filed with the U.S. Securities and Exchange Commission on April 14, 2015. Forward-looking statements speak only as of the date they are made. Other than as 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 them in light of new information or future developments.

Section one

H1 2015 highlights

H1 2015 achievements

Revenue
€19.6bn

-0.6% yoy
stable ex. reg. yoy

EBITDA*
€5.8bn

-€73m yoy
stable ex. reg. yoy

Capex
€2.7bn

+6.5% yoy
13.7% of rev.

H1 mobile net adds
+4.5m

of which +1.8m
contract net adds

yoy : comparison with the same period of the previous year, on a comparable basis
qoq : comparison with the previous quarter, on a comparable basis

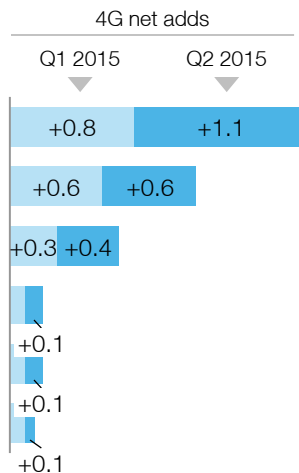
* in this presentation, EBITDA stands for restated EBITDA unless otherwise specified, see slide 28 for EBITDA restatements. Historical and actual figures reflect change in IFRIC 21 interpretation

Continued solid commercial performance across the Group



+4.3m 4G customers and +0.3m FTTH customers since end of 2014

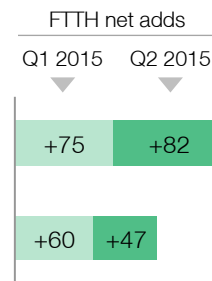
4G customers in millions

 France	5.6m
 Spain	3.5m
 Poland	1.3m
 Belgium	0.7m
 Romania	0.6m
 Slovakia	0.4m




FTTH customers in thousand

 France	720k
 Spain	159k



Enterprise

 cloud services
H1 15 yoy revenue growth

+23.5%

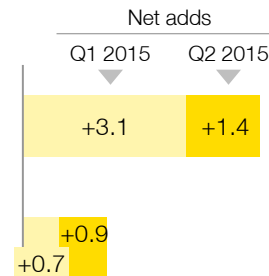
 security services
H1 15 yoy revenue growth

+24.2%

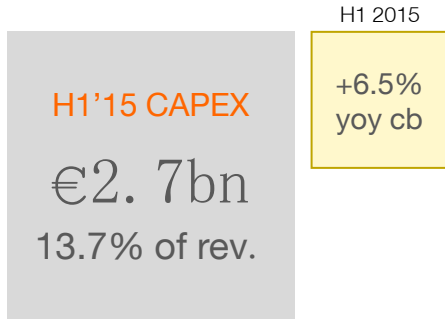
Africa & Middle East

 102m
mobile customers

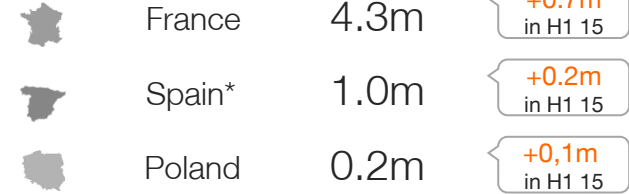
 14.2m
Orange Money customers



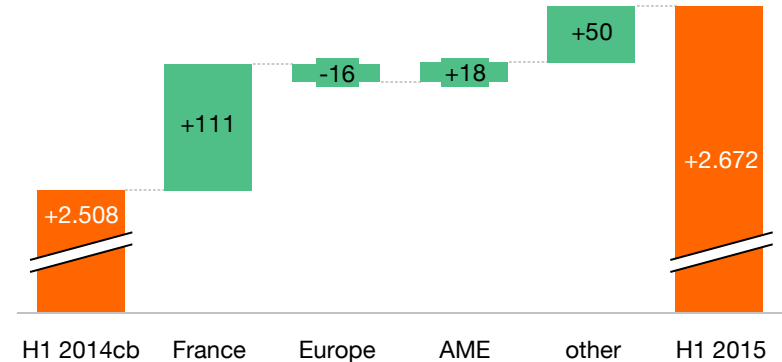
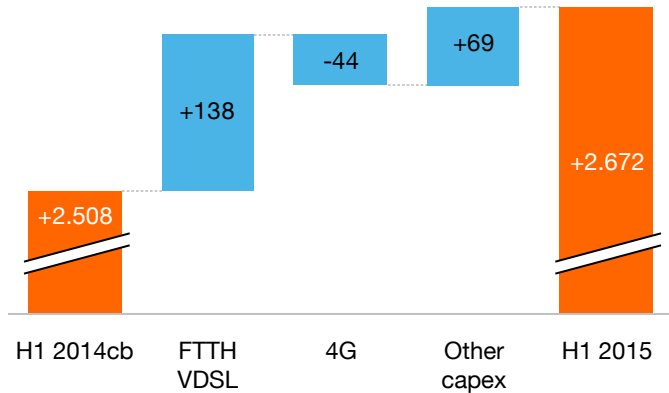
Consistent with Essentials2020, increased CAPEX in FTTH to support future growth



FTTH homes connectable



*excluding Jazztel



Active portfolio management consistent with our leverage ratio guidance



JAZZTEL



Disposal of
Orange Armenia
and 80% of Dailymotion



consolidation

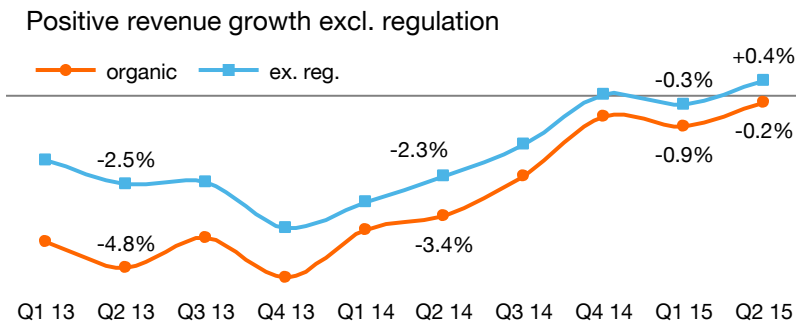
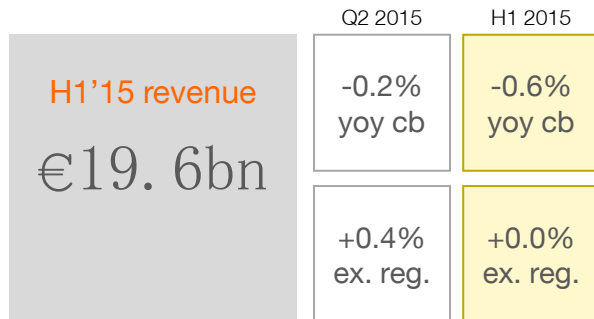


Exclusive negotiation for the
acquisition of Airtel's subsidiaries
in Burkina Faso, Chad, Congo
Brazzaville and Sierra Leone

Section two

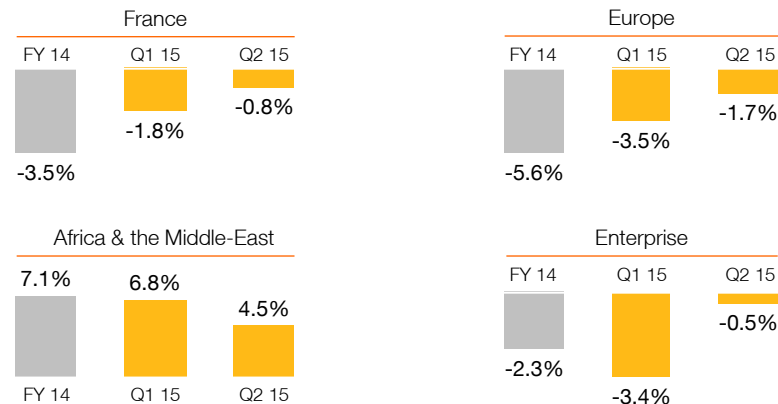
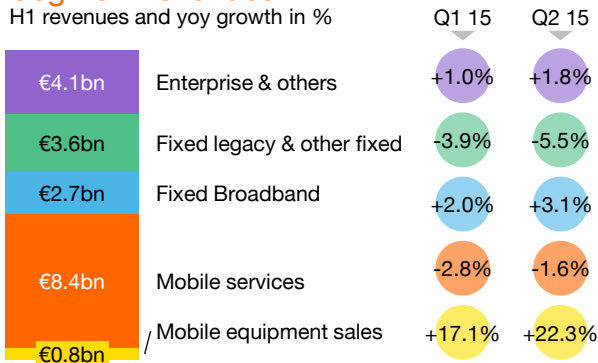
Financial results overview

Improving revenue trend confirmed in Europe & sustained growth in Africa and the Middle-East



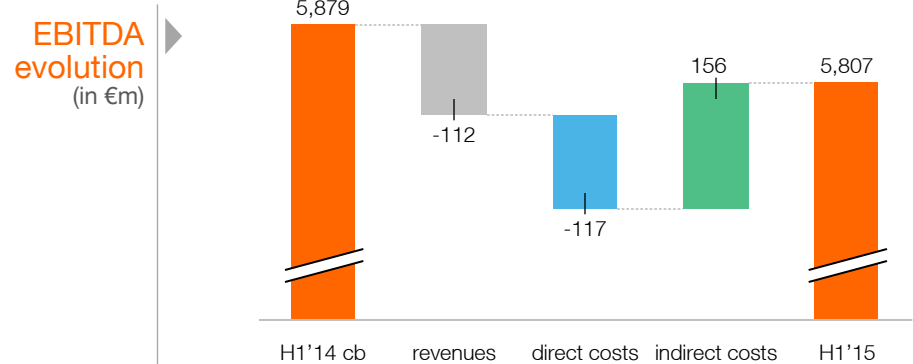
Segment revenues

H1 revenues and yoy growth in %

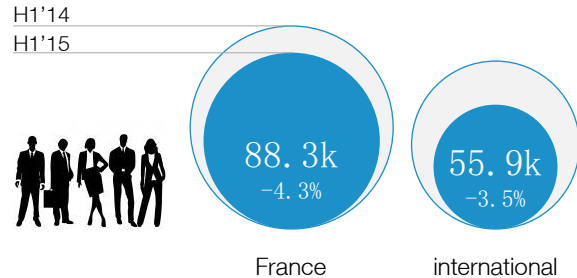


EBITDA close to stabilization in Q2 with continuous indirect costs decrease

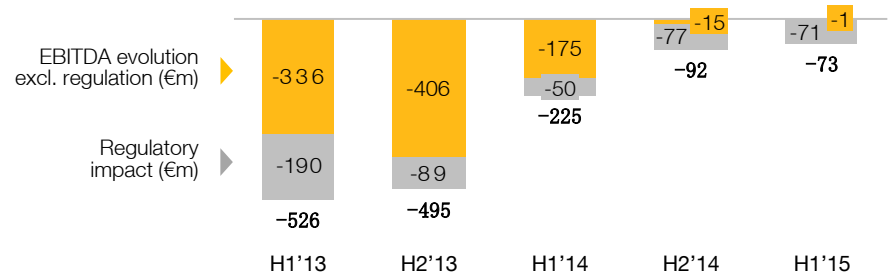
H1'15 EBITDA €5.8bn 29.7% of rev.	Q2 2015	H1 2015
	-0.4% yoy cb (€-12m)	-1.2% yoy cb (€-73m)
	+0.9% ex. reg.	-0.0% ex. reg.



Group average FTE* down -4.0%** yoy



EBITDA decrease divided by 3 vs. H1 2014 and quasi stable excluding regulatory impact



* Full Time Equivalent

Net income Group share multiplied by close to 2

in €m	H1 2014 historical	H1 2014 cb	H1 2015 actual
EBITDA restated	5,877	5,879	5,807
restatements*	-223	-539	-498
EBITDA reported	5,654	5,340	5,309
depreciation & amortization	-2,988	-3,018	-3,040
impairment of goodwill & assets	-271	-233	-25
share of profit (losses) of associates	-19	-15	20
operating income	2,376	2,074	2,264
financial result	-861		-839
tax	-788		-594
net income from continuing activities	727		831
net income from discontinued activities	1		442
net income from consolidated Group	728		1,273
minority interests	147		174
net income Group share	581		1,099

①

impairment of Belgium in H1 2014

②

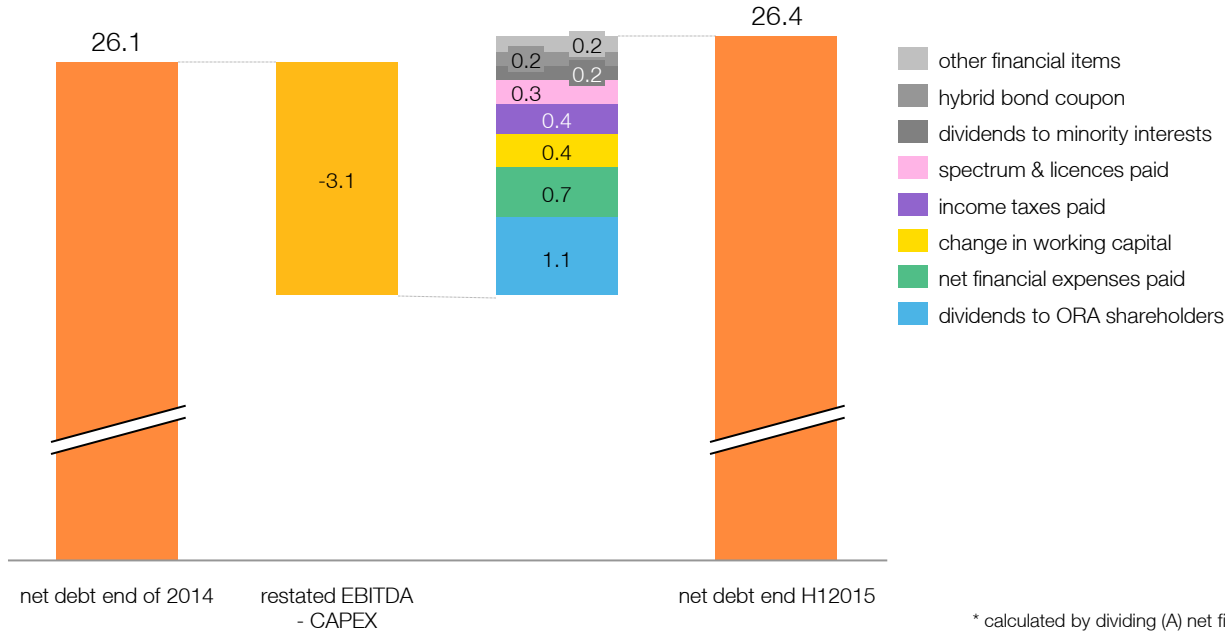
in 2014, 172m€ of tax paid related to Orange Dominicana disposal

③

mostly related to the dividends received from EE, as EE is accounted for discontinued activities since December 2014

Net debt broadly stable in H1 2015

Net debt evolution in €bn



- other financial items
- hybrid bond coupon
- dividends to minority interests
- spectrum & licences paid
- income taxes paid
- change in working capital
- net financial expenses paid
- dividends to ORA shareholders

as of June 30th, 2015

€12.1bn

strong liquidity position

does not include an additional €2.9bn escrow deposit in the context of the acquisition of Jazztel

4.78%

av. weighted cost of debt in bonds

9.7 years

*average maturity***

2.09x net debt / EBITDA * ratio 2.13x

* 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 (adjusted in 2014 from the administration of Phones 4u impact of €336m for 100%)

** excluding TDIRA

Section three

Business review

Q2 2015 France financials

Improving revenue trend with fixed and mobile ARPU decrease slowing down

in €m	Q2 15	yoy cb	H1 15	yoy cb
Revenues	4,763	-0.8%	9,485	-1.3%
excl. regulation		-0.4%		-1.0%
mobile services	1,878	-2.7%	3,732	-3.8%
mobile equipment	164	+47.4%	312	+35.8%
fixed services	2,584	-1.8%	5,162	-1.5%
other revenues	137	+4.6%	279	+4.4%
EBITDA			3,315	-0.7%
EBITDA margin			35.0%	+0.2pt

Mobile services and equipment sales revenues stabilized in Q2'15 yoy

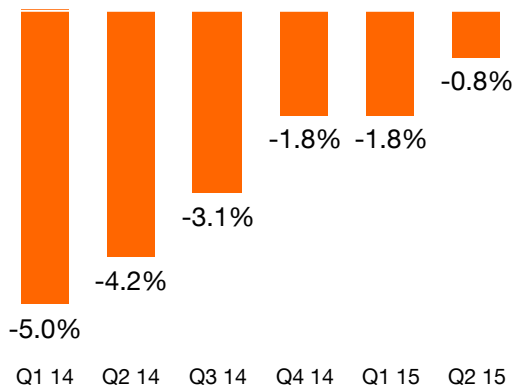
- supported by 4G/4G+ network investments that allowed higher net sales compared to Q2'14, an improved customer mix, keeping customer loyalty at a strong level as contract churn rate was at 14.4% at the end of June 2015
- strong mobile equipment revenues growth due to installments and naked handsets sales development
- despite European roaming tariffs cut negatively impacted revenues and EBITDA

Fixed services benefiting from VHBB dynamism

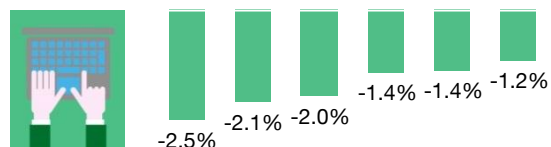
- growing BB customer base (+3.2% yoy) supported by FTTH (+73% yoy)
- the ULL base has started to contract with -10k lines decrease in Q2 2015

H1 EBITDA almost stabilized at €3,3bn and EBITDA margin improved

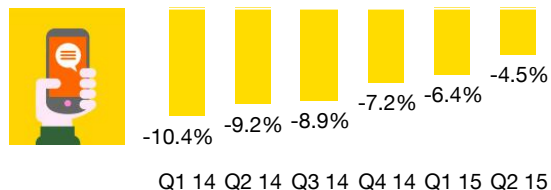
Quarterly revenues evolution (% yoy)



Broadband ARPU evolution (annual rolling, % yoy)



Mobile ARPU evolution (annual rolling, % yoy)



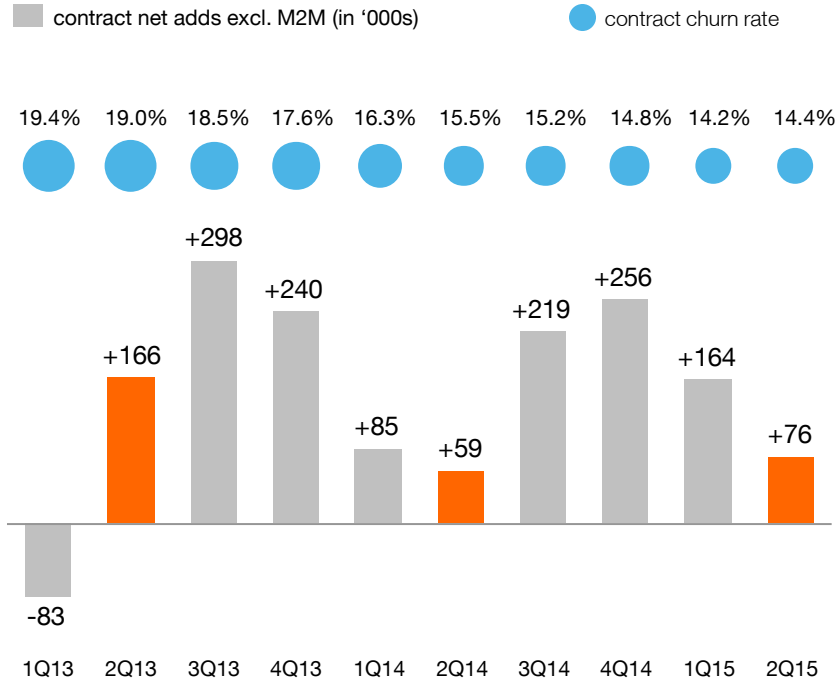
EBITDA decrease (in €m) divided by 5 yoy



82% of revenue loss offset by costs decrease

Q2 2015 France mobile KPIs

+1,1 million 4G customers leading to a strong mobile contract momentum



yoy

+10 pts

92% of customers repriced on post April 2013 tariff plan

+2 pts

61% of consumer voice contract are on premium* offers

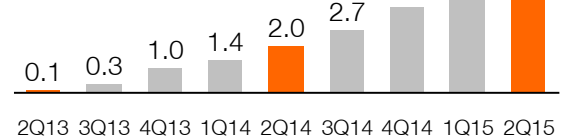
+6 pts

43% of consumer voice contract are on Open offers

+15 pts

44% of consumer voice contract are on SIM-only offers

4G customers in millions



7,591
4G activated sites

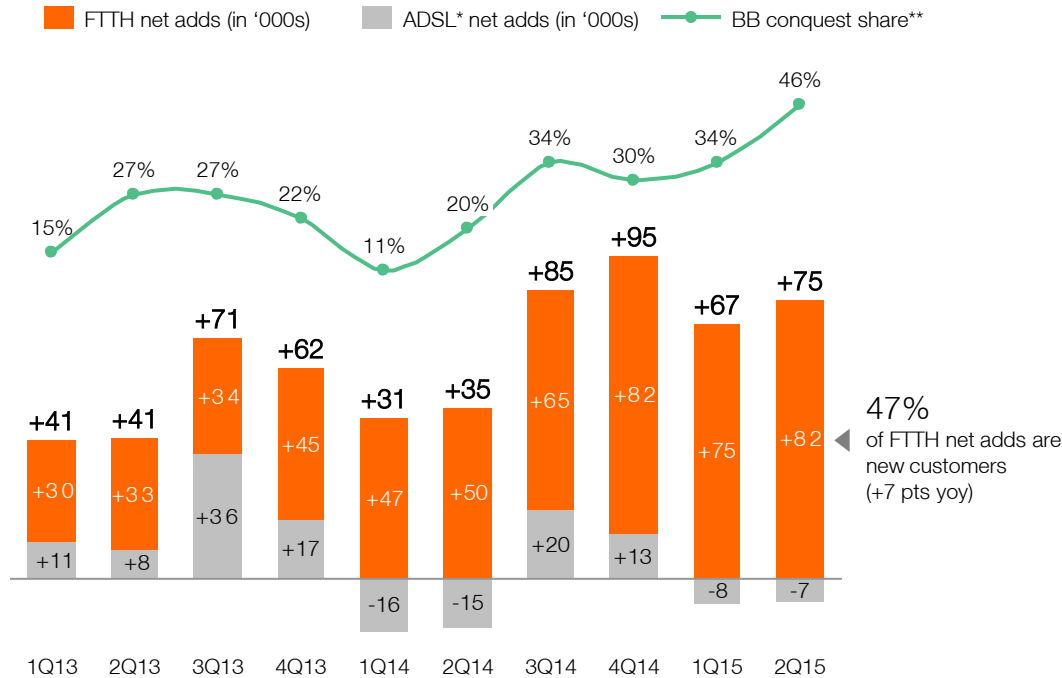
76.5%
coverage in % of pop.

17
towns covered with 4G+

* Origami & Open

Q2 2015 France fixed KPIs

FTTH accelerating BB customer base growth with doubling BB net-adds yoy



10.497m +3.2% yoy

broadband customers

FTTH 720k customers +73.3% yoy

+6 pts yoy

47% of BB customers have a 4P offer

+5 pts yoy

37% of BB customers are on premium*** offers



4.314m +1.3m yoy

FTTH homes connectable

Q2 2015 Spain

Improved revenue trend with sustained commercial performance driven by 4G and FTTH

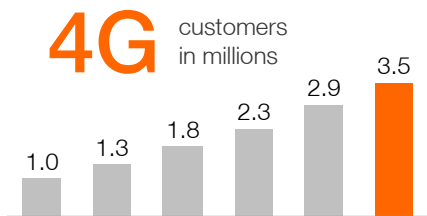
in €m	Q2 14	yoy cb	H1 15	yoy cb
Revenues	920	-2.5%	1.847	-3.8%
excl. regulation		-0.4%		-2.1%
mobile services	576	-6.6%	1.145	-8.1%
mobile equipment	111	1.0%	238	1.5%
fixed services	232	8.3%	463	6.4%
other revenues	1	-74.8%	1	-65.5%
EBITDA			420	-9.0%
EBITDA margin			22.7%	-1.3pt

Revenue trend recovery: -2.5% in Q2 after -5.0% in Q1

- mobile service revenues (-6.6% in Q2 vs -9.6% in Q1) driven by improving ARPU trend
- fixed revenues keep growing with convergent penetration reaching 81% of FBB base

Positive commercial performance with steady customer base growth

- mobile contract customer base growth (+6.3% yoy) driven by strong net adds in Q2 (+157k), positive mobile portability and decreasing churn
- double-digit FBB customer base growth (+11.5%) despite negative impact of Telefonica installer strike, thanks to Canguro offers and FTTH



Q114 Q214 Q314 Q414 Q115 Q215



80%

coverage in % of pop.



2.041m

broadband customers



+11.5% yoy

FTTH

159k customers



x1.4 qoq



yoy



96% of mobile B2C contract customers on SIMO +24 pts

81% of fixed broadband customers on convergent offers +6 pts

Q2 2015 Poland

EBITDA margin improving +0.3pt, unchanged trends in mobile and fixed revenues

in €m	Q2 15	yoy cb	H1 15	yoy cb
Revenues	737	-2.3%	1,436	-2.0%
excl. regulation		-1.6%		-1.3%
mobile services	338	-5.2%	664	-5.1%
mobile equipment	36	+37.2%	69	+87.9%
fixed services	316	-7.0%	627	-7.5%
other revenues	48	+48.1%	76	+49.6%
EBITDA			463	-1.1%
EBITDA margin			32.3%	+0.3pt

Stable trend in mobile services revenues at -3.9% yoy ex-reg in Q2 (-3.8% in Q1)

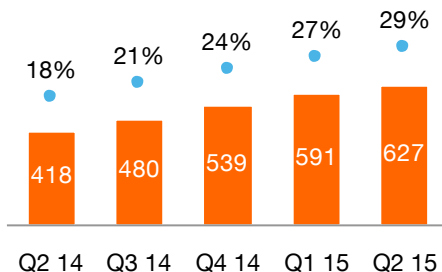
- customer base up +0.8% yoy, improving contract mix at 51% of total, up 2pts yoy
- strong +170k contract net adds in Q2, after +99k in Q2 14 and +48k in Q1 15

Continuing pressure in fixed revenues at -6.9% yoy ex-reg in Q2 (-7.9% in Q1)

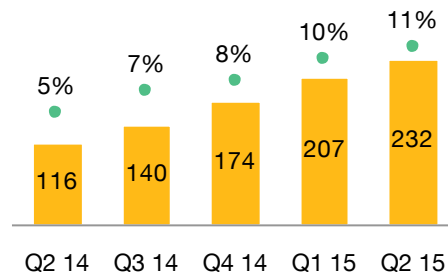
- broadband base continues to suffer in regulated zones, despite efforts to migrate customers from ADSL to VHBB and to fixed LTE (into mobile base)
- better performance in deregulated areas, with 1H gross adds up +7% yoy

H1 EBITDA down -1.1% yoy, with cost savings initiatives supporting +0.3pt of EBITDA margin improvement yoy at 32.3%

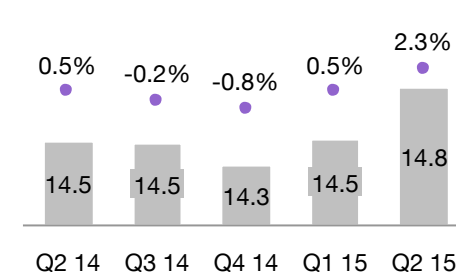
Convergence: continuous momentum in Open customers in '000s and in % of BB base



Fixed: steady growth in VHBB customers in '000s and in % of xDSL base



Fixed: upturn in broadband ARPU in €/month and in % yoy evolution



Q2 2015 Belgium & Luxembourg

Revenue almost stable ex-reg in 2Q, EBITDA up +1.2% in H1, margin up +1.1pt yoy

in €m	Q2 15	yoy cb	H1 15	yoy cb
Revenues	304	-2.5%	607	-3.5%
excl. regulation		-0.4%		-1.5%
mobile services	248	-3.7%	495	-2.8%
mobile equipment	30	+6.7%	63	-6.0%
fixed services	21	-15.9%	42	-15.8%
other revenues	5	+242.4%	7	+125.1%
EBITDA			142	+1.2%
EBITDA margin			23.4%	+1.1pt

Consolidated revenues ex-reg. almost stable at -0.4% vs. -2.7% last quarter

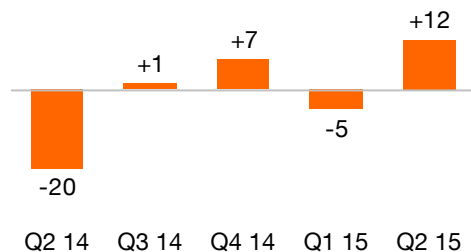
Strong commercial performance, improving sequentially in all mobile segments

- +12k postpaid net adds ex-M2M, vs. -20k in Q2 14 and -5k in Q1 15
- quarterly contract ARPU up 0.6% yoy
- annual contract churn in Belgium sequentially down -5.5pts in B2C and -1.0pt in B2B

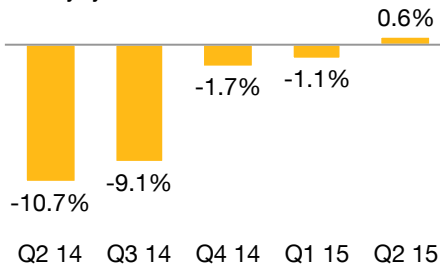
Steady progress on strategy to create levers for future growth

- Belgium's leader in 4G coverage with 95% outdoor and 77% indoor
- Mobistar's 4G postpaid base almost X3 yoy, reaching approx. 1 out of 4 postpaid subs

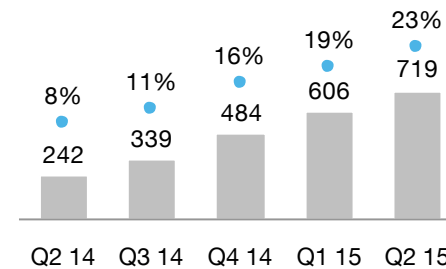
mobile: upturn in postpaid net-adds (ex. M2M)
in 000s



mobile: continuing improvement in Belgium postpaid ARPU
in % yoy evolution



mobile: rapid growth in active 4G base
in 000s and in % of total subs



Q2 2015 Other European countries

Revenues back-to growth in Q2, driven by Romania's outperformance at +6.4% yoy

in €m	Q2 15	yoy cb	H1 15	yoy cb
Revenues	409	+1.8%	805	-0.2%
excl. regulation		+3.1%		+3.7%
mobile services	342	+0.4%	671	-2.9%
mobile equipment	24	+17.4%	50	+28.3%
fixed services	33	+5.8%	63	+8.7%
other revenues	11	+7.4%	20	+11.0%
EBITDA			286	-6.9%
EBITDA margin			35.5%	-2.6pts

Revenue trend turned positive in Q2 at +1.8% yoy for the 1st time since Q2 14

- Romania rising +6.4% yoy (57% of sub-segment), vs. -3.7% in Q1
- Slovakia eroding -5.2% yoy (33% of sub-segment), vs. -2.4% in Q1
- Moldova up +2.2% yoy (9% of sub-segment), vs. +10.0% in Q1

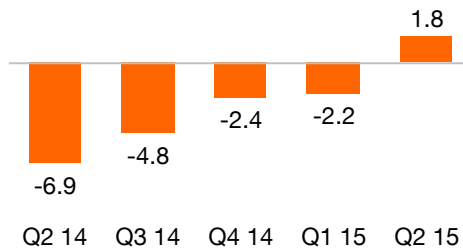
Churn improving in 3 out of 4 countries

H1 EBITDA margin down -2.6pts yoy

- direct costs up (mostly in Romania, for customer equipment)
- indirect costs down, non-labour (mostly in Romania) and labour

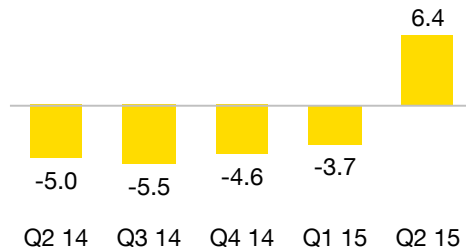
Overall revenues trend now turning positive...

YoY change (%)



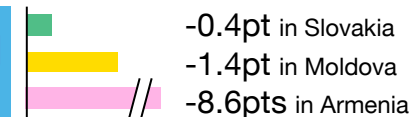
...driven by Romania outperformance in overall revenues

YoY change (%)



Mobile: improving churn in 3 countries out of 4

YoY change (pts)



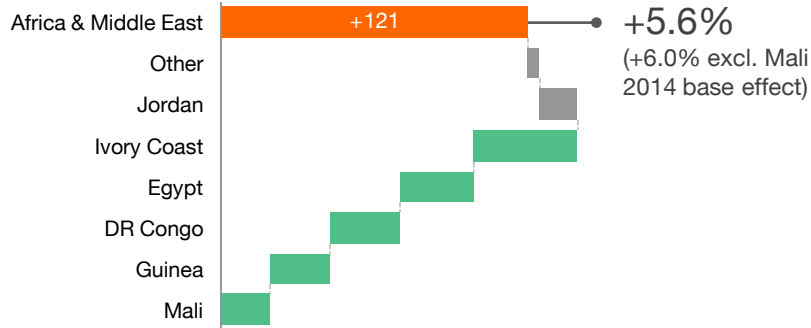
Q2 2015 Africa & Middle East

Profitable revenue growth driven by mobile customer base and data usage

in €m	Q2 15	yoy cb	H1 15	yoy cb
Revenues	1,159	+4.5%	2,283	+5.6%
excl. regulation		+4.7%		+5.8%
mobile services	926	+6.7%	1,825	+7.9%
mobile equipment	21	+7.4%	37	+4.0%
fixed services	187	-6.3%	372	-4.3%
other revenues	25	+13.0%	49	+5.7%
EBITDA			777	+6.1%
EBITDA margin			34.0%	+0.2pt

Key contributors to revenue growth

H1 yoy revenue growth in % and €m



Sustained revenues growth

- revenue growth driven by billed mobile services
- main contributors : Ivory Coast, Egypt, Congo, Guinea and Mali
- Q2 revenue slowdown partly due to 2014 Mali exceptional prepaid revenues recognition

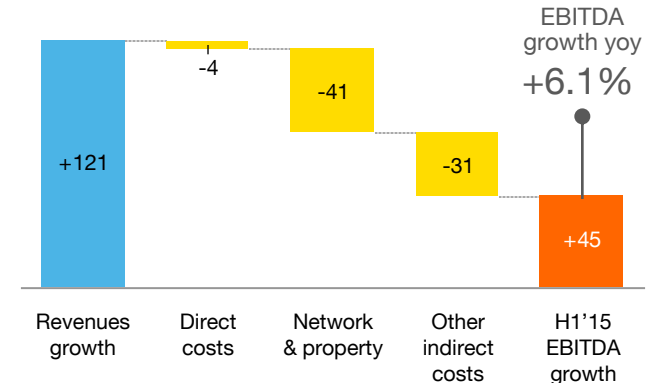
Ebitda growing +0.2pt, at 34% of revenues

- EBITDA growth driven by revenues generated from increased number of network sites
- growth in indirect costs due to network sites roll-out (+1,653 sites or +10% yoy)

Commercial

- 102m mobile customers thanks to +4.5m in H1'15, >11% yoy mobile customer base with significant growth in Congo, Mali, Ivory Coast, Cameroon and Guinea
- 4G launched in Morocco and Jordan in Q2 ; 4 countries with 4G end of H1
- 14.2m Orange Money customers (+37% yoy) generating +76% revenues yoy

Contribution to EBITDA growth in €m

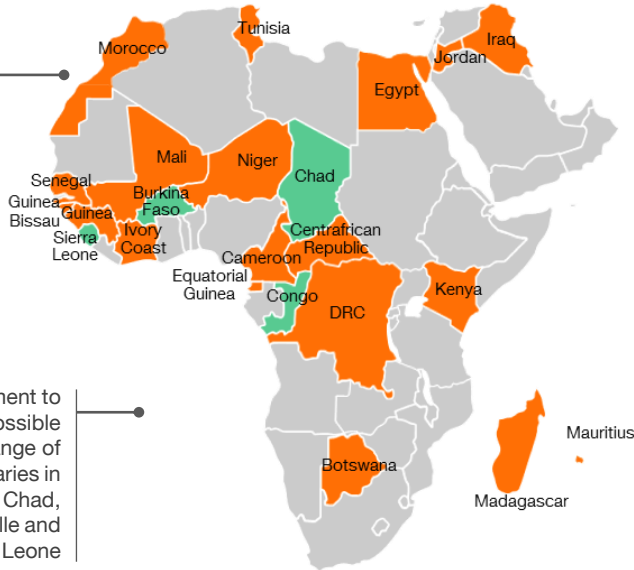


Q2 2015 Africa & Middle East

AME is a territory of growth for Orange

méditel

consolidated as of July 1st, 2015



Exclusive agreement to explore the possible acquisition by Orange of Airtel's subsidiaries in Burkina Faso, Chad, Congo Brazzaville and Sierra Leone

Africa & the Middle East holding* created

- improved internal processes
- more agility

AME as a specific communication segment

- Growing share of Group's revenues (+0.7pt yoy to 11.7% in H1 2015)
- Ebitda growing +6.1% yoy and at 34% of revenues in H1, above Group's average

Meditel consolidated as of July the 1st, 2015

- Up to 49% of the share capital and the rights acquired in 2010
- FY 2014 key figures (in €m**) : €503m revenues, €170m Ebitda and €104m Capex

Exclusive discussions with Bharti to acquire four Airtel subsidiaries

- 9m customers and €600m revenues
- opportunity to roll-out the winning Orange operating model
- cross-border synergies

* Kenya, Iraq and Mauritius are not integrated in the holding

Q2 2015 Enterprise

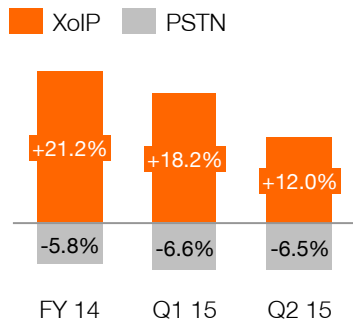
Improvement in revenue trend at -0.5% in Q2 versus -3.4% in Q1, mainly driven by IT Services growth

in €m	Q2 15	yoy cb	H1 15	yoy cb
Revenues	1,626	-0.5%	3,171	-1.9%
voice	387	-5.2%	773	-6.1%
data	745	-2.0%	1,469	-2.7%
IT & integration services	493	+6.1%	930	+3.3%
EBITDA			461	-1.3%
EBITDA margin			14.5%	+0.1pt

- slowdown in **voice** revenue decrease confirmed in 1H15 vs 2014 as the product mix shifted towards VoIP solutions
- **data** revenues in line with last quarters trend, with price pressure compensated by volume increases especially outside France
- **IT & integration services** grew in line with 2014 trend, still supported by Security and Cloud and further boosted by strategic acquisitions
- **EBITDA** margin kept at 14.5%, with revenue decline offset by cost decrease and dynamic portfolio management

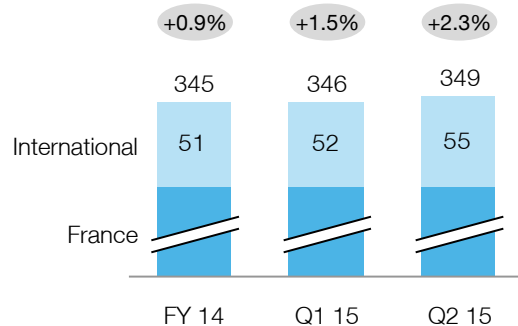
voice services

yoy access growth in France



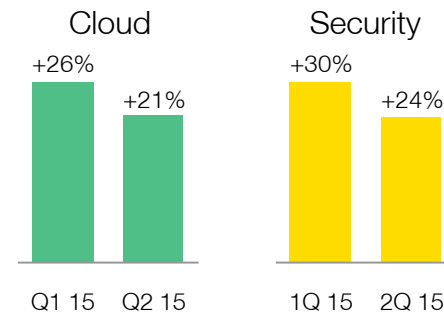
data services

IPVPN accesses in thousands; yoy growth in %



IT services (cloud and security)

H1 2015 yoy revenue growth



Section four

2015 guidance

2015 guidance confirmed

2015 Restated
EBITDA
€11.9bn - €12.1bn

net debt / EBITDA*
around 2x in the
medium term

2015 dividend
€0.60**

interim payment
€0.20 in December
2015 ***

selective M&A
policy, focus on
existing footprint

2015 guidance does not take into account yet recent perimeter change

* 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

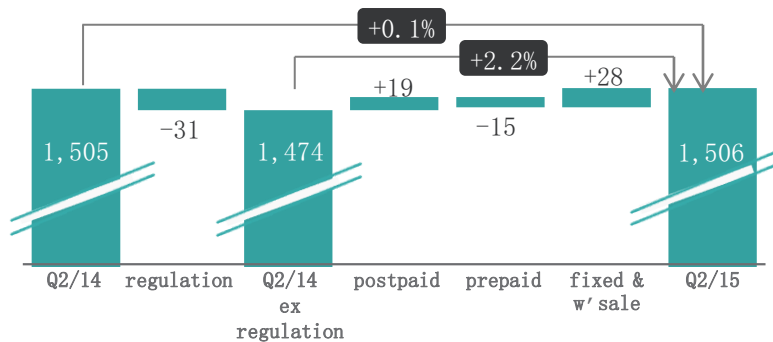
** subject to shareholders' approval

*** ex-date December 7th, record date December 8th, payment date December 9th

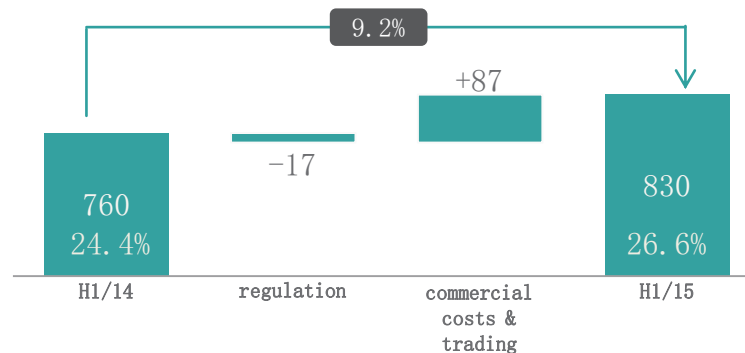
Appendices

EE: Q2 operating revenue returning to growth, record H1 adj EBITDA margin, continued postpaid growth and network leadership

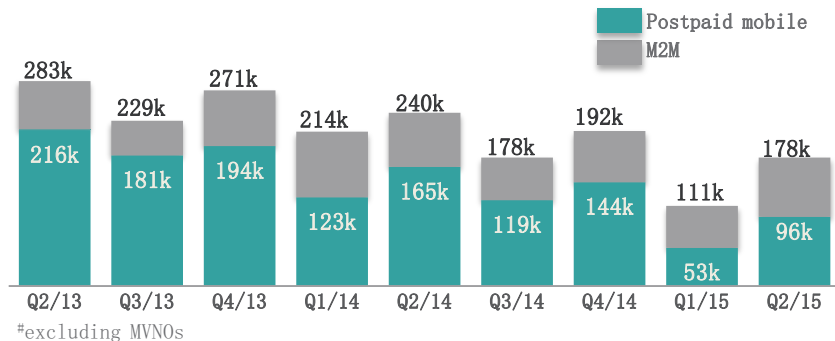
Q2 operating revenue grows +0.1%, +2.2% ex. regulation, £m



H1 adj EBITDA margin improved to 26.6%, £'m

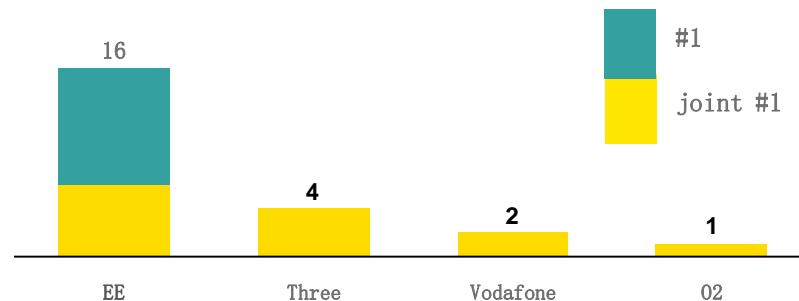


Continued postpaid growth#



#excluding MVNOs

Network leadership: Ranked #1 or joint #1 by Rootmetrics in all 16 cities tested in H1/15



EBITDA restatements

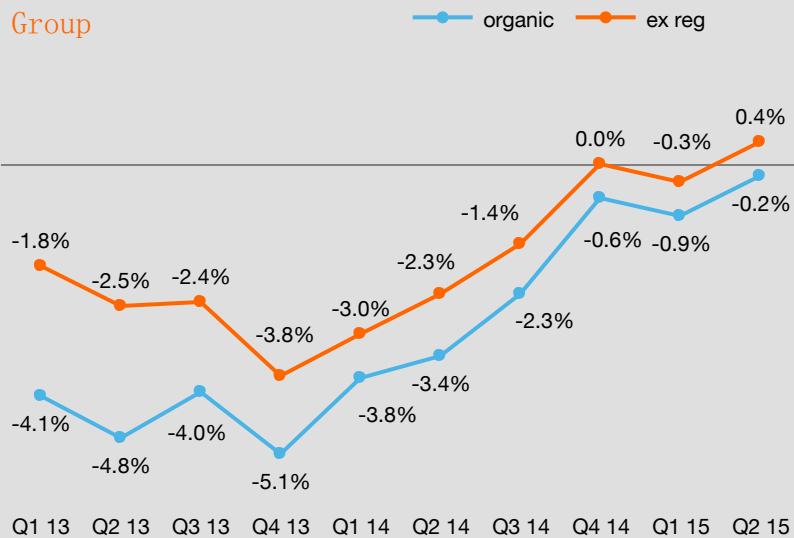
in €m	H1'14 cb	H1'15 actual
EBITDA restated	5,879	5,807
restructuring	-56	-34
portfolio review	-	57
litigations	-300	-413
labour related	-183	-108
o\w Senior Part Time	-111	-73
o\w Cap Orange	-72	
o\w Holiday pay		-35
EBITDA reported	5,340	5,309



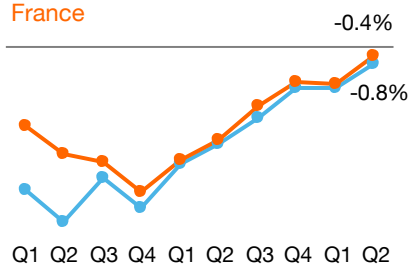
Revised provision for litigations in France and International

Revenues yoy evolution

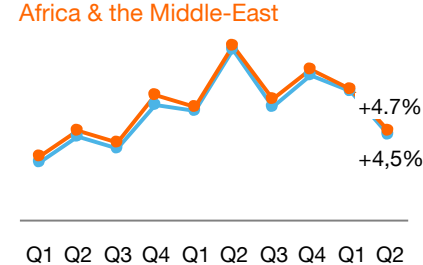
Group



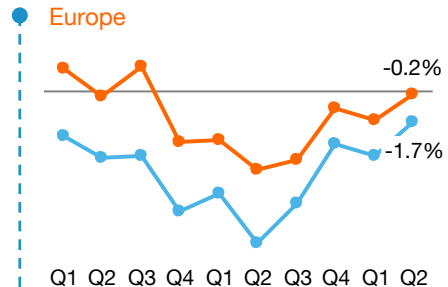
France



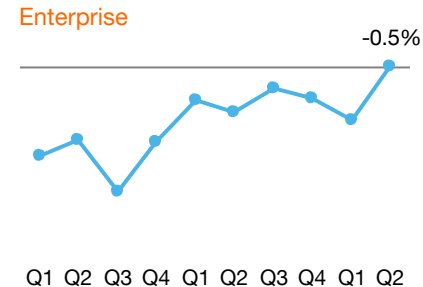
Africa & the Middle-East



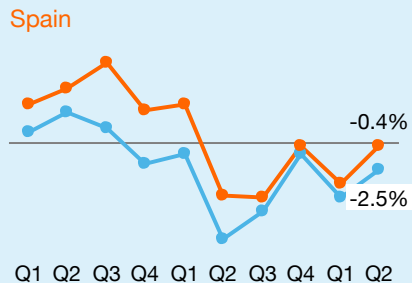
Europe



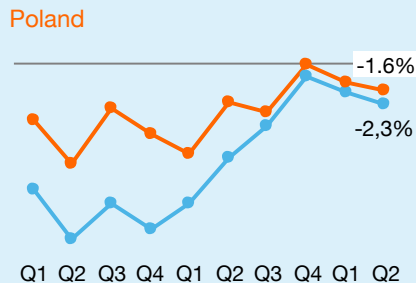
Enterprise



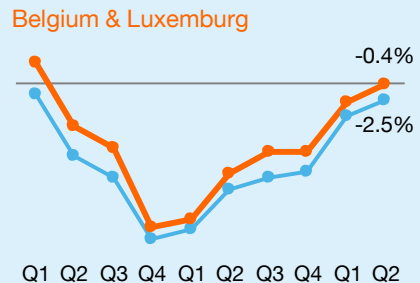
Spain



Poland



Belgium & Luxemburg



Other European countries

