

Q1

Q2

Q3

Q4

2016

Orange financial results

Ramon Fernandez
Deputy CEO, Chief Financial and Strategy Officer

26 April 2016



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 its ability to maintain control over 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, 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, risks related to information and communications technology systems generally, including networks or software failures due to cyberattacks, damage to networks caused by natural disasters, voluntary acts or other reasons, loss or disclosure to third parties of customers data, health concerns surrounding telecommunications equipment and devices, 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 and in the annual report on Form 20-F filed on April 4, 2016 with, respectively, the French Autorité des Marchés Financiers (AMF) and the U.S. Securities and Exchange Commission. 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

Q1 2016 highlights

Q1 2016 achievements

Revenue

€ 10.0 bn | +0.6% yoy

Restated EBITDA¹

€ 2.6 bn | -1.6% yoy
+0.3% yoy
excl. Group employee
share plan

Capex

€ 1.5 bn | +10.4% yoy
supporting VHBB

M&A



Closing of Liberia*

Closing of DRC*

Closing of EE



Signing of Groupama*



Investment in AIG*



Closing of LexSi*

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

1) see slide 23 for EBITDA restatements.



Solid commercial performance with convergence as the cornerstone



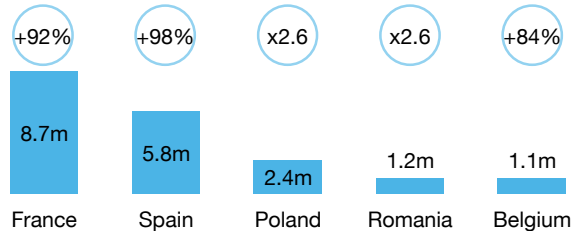
4G ^{x2.0 yoy}
customer base
20m

FTTH ^{x2.1 yoy}
customer base
2.2m

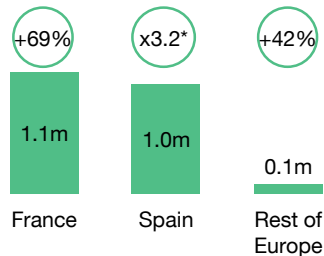
IPTV ^{+10% yoy}
8.2m

Convergence ^{+14% yoy}
9.3m

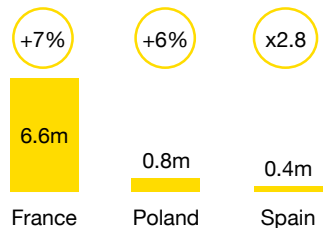
4G base and yoy growth ▶



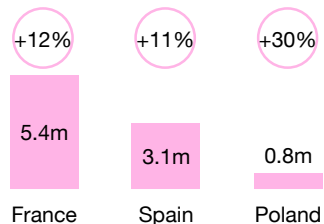
FTTH base & yoy growth ▶



IPTV base & yoy growth ▶



Convergent base & yoy growth ▶



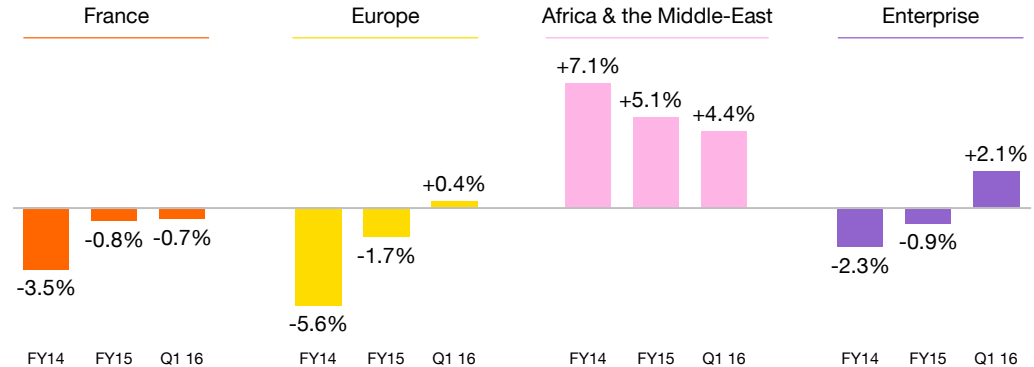
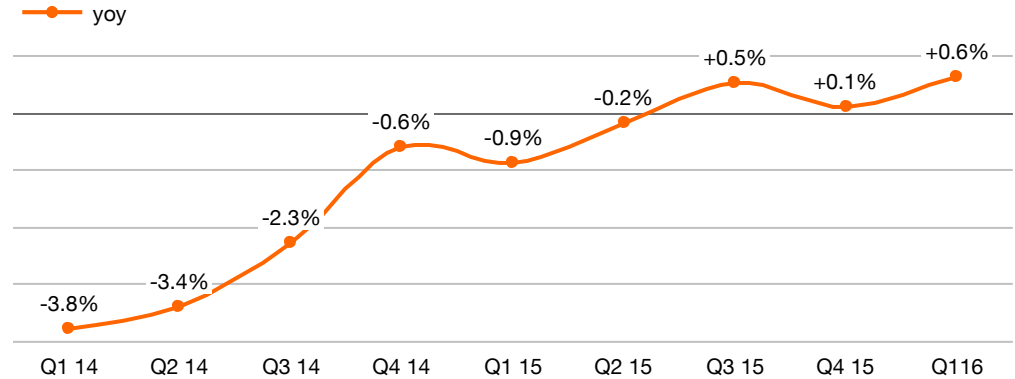
* cb, including Jazztel

Section two

Financial results overview

Third quarter of revenue growth in a row

Group revenue growth yoy



Q1 2016 revenue

€10.0bn

Q1 2016

+0.6%

+€59m

Restated EBITDA driven by revenue growth and cost control

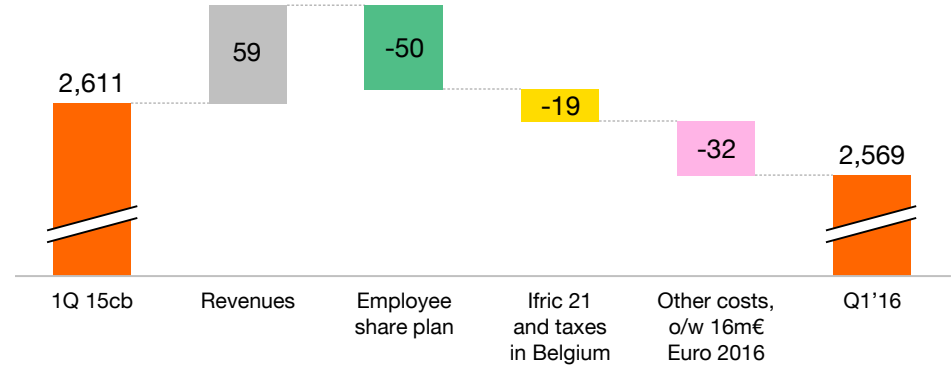
Q1 2016
Restated EBITDA

€2.6bn
25.7% of rev.

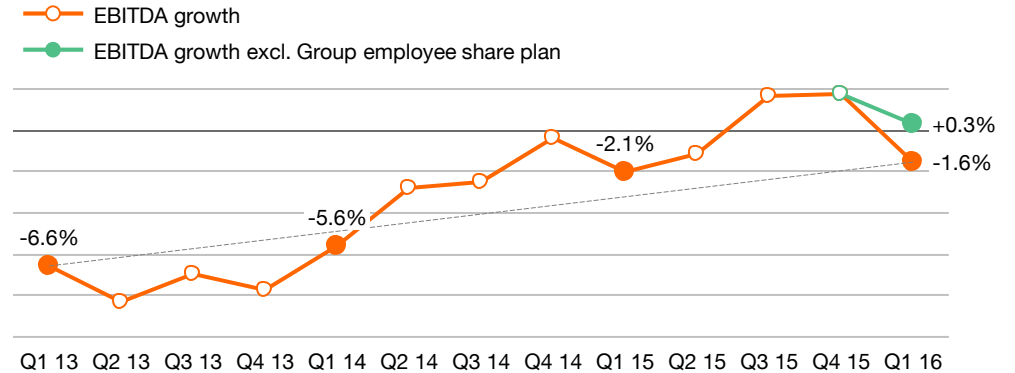
Q1 2016

-1.6%
-€43m

Restated EBITDA evolution (in €m)

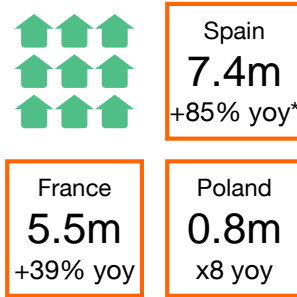


Improvement in 1st quarter trend yoy



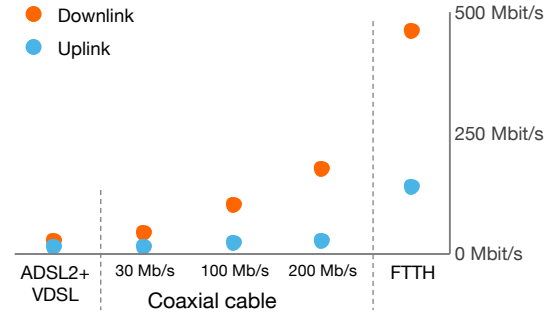
Our investment efforts allow us to offer the best connectivity to our customers

FTTH connectable homes

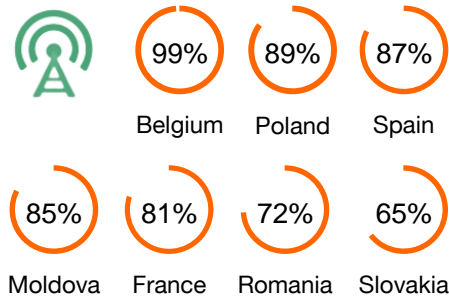


Internet access QoS in France

Short-link average speed (Arcep, April 2016)

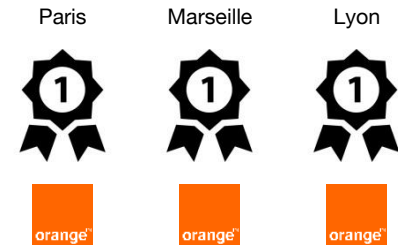


% of population covered by 4G



2G/3G/4G mobile QoS in France

Rootmetrics ranking, April 2016



Q1 2016 CAPEX

€1.5bn
14.6% of rev.

Q1 2016

+10.4%

+€137m

* cb, including Jazztel

Section three

Business review

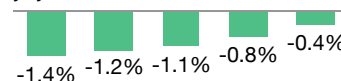
Q1 2016 France financials

Strong operational performance supported by ARPU trend improvement

in €m	Q1 15 cb	Q1 16	yoy cb
Revenues	4,725	4,691	-0.7%
o/w mobile services	1,854	1,809	-2.4%
o/w mobile equipment	149	165	+11.2%
o/w fixed services	2,578	2,581	+0.1%
o/w others	144	136	-5.9%

33.0 BB ARPU
€/month

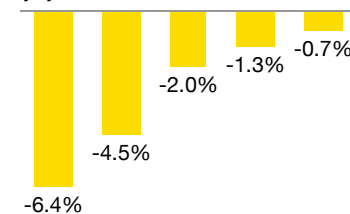
yoy in %



Q1 15 Q2 15 Q3 15 Q4 15 Q1 16

22.4 Mobile ARPU
€/month

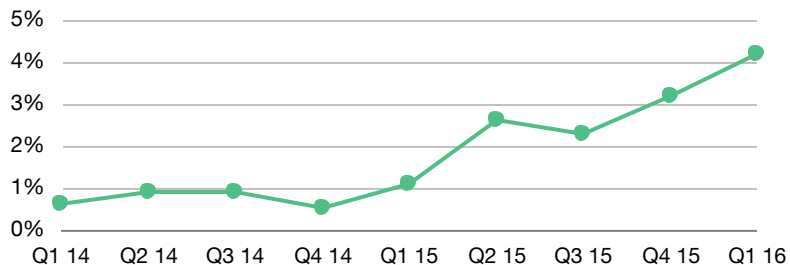
yoy in %



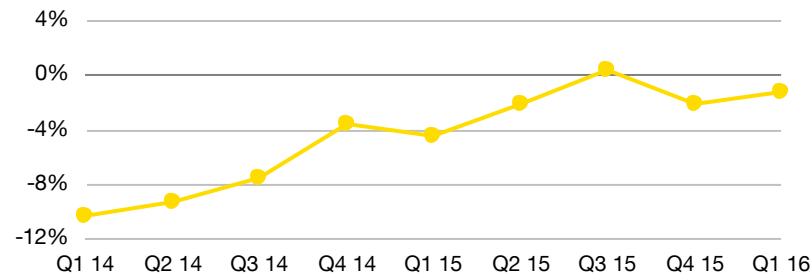
Q1 15 Q2 15 Q3 15 Q4 15 Q1 16



Fixed Broadband revenues evolution (yoy in %)

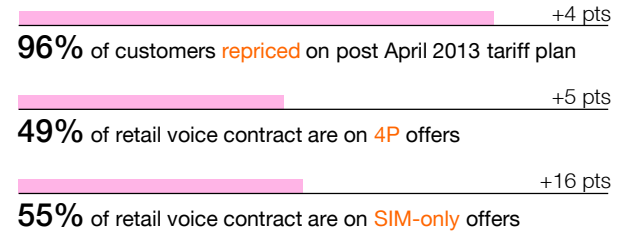
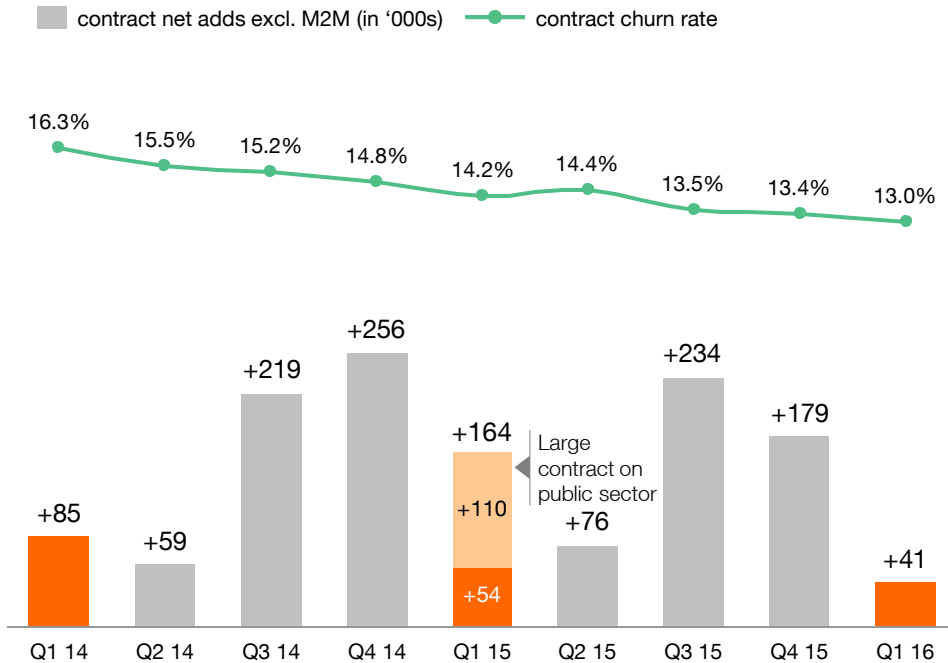


Mobile services excl. national roaming (yoy in %)



Q1 2016 France mobile KPIs

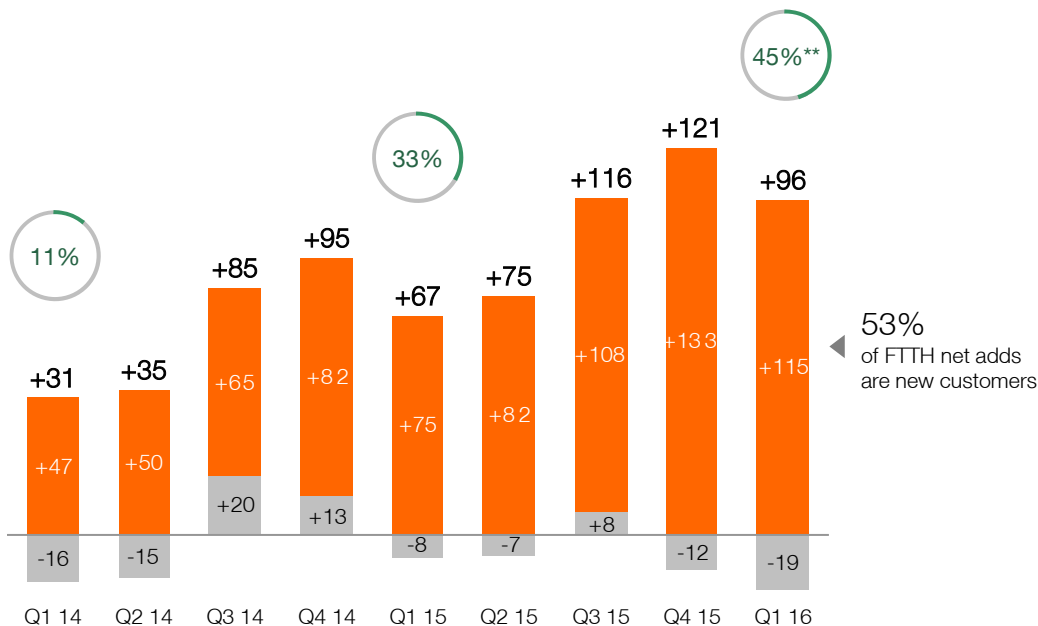
Mobile contract base (excl. M2M) up 2.7% yoy, leveraging on premium strategy



Q1 2016 France fixed KPIs

FTTH accelerating BB customer base growth

■ FTTH net adds (in '000s)
 ■ ADSL* net adds (in '000s)
 ○ BB conquest share



10.8m

↑ +3.9% yoy

broadband customers

▬ +4 pts yoy

50% of BB customers have a 4P offer

▬ +3 pts yoy

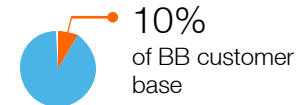
40% of retail BB customers are on high-end*** offers

▬ -1 pt yoy

57% of retail FTTH customers are on high-end*** offers

1.1m

FTTH customers



▬ 5.5m FTTH connectable homes

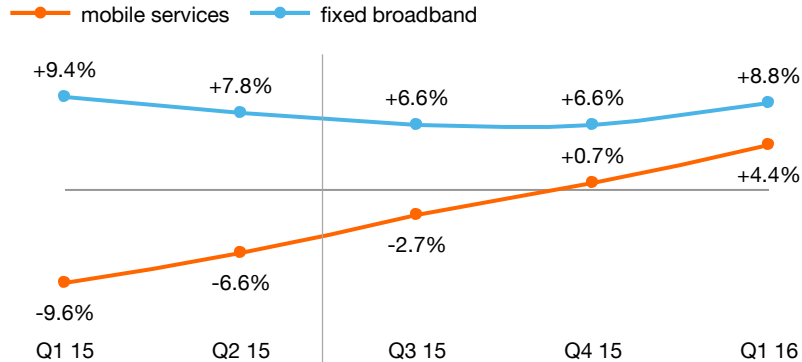
▬ 20% FTTH adoption rate

Q1 2016 Spain

Top line back to growth thanks to strong commercial performance in FTTH and 4G

in €m	Q1 15 cb	Q1 16	yoy cb
Revenues	1,168	1,189	+1.8%
o/w mobile services	590	616	+4.4%
o/w mobile equipment	140	119	-15.1%
o/w fixed services	433	454	+5.0%
o/w others	6	0	-98.8%

Quarterly revenues evolution (% yoy)



Including Jazztel from the 1st of July 2015



5.8m 4G customers



86.7% coverage of pop.

3.8m BB customers



7.4m FTTH connectable homes

1m FTTH customers

x3.2 yoy*

365k TV customers

x2.8 yoy

+3.7pts yoy

82% of fixed broadband customers on **convergent offers**

+18 pts yoy

27% of fixed customers are **FTTH** customers

+15 pts yoy

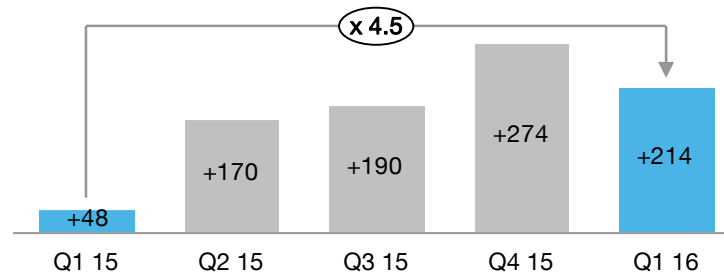
38% of mobile customers are **4G** customers

Q1 2016 Poland

Targeted commercial spend yielding better net adds trends in mobile and VHBB

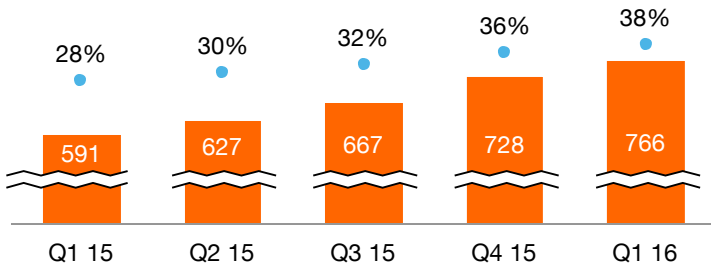
in €m	Q1 15 cb	Q1 16	yoy cb
Revenues	670	642	-4.2%
o/w mobile services	312	306	-2.1%
o/w mobile equipment	32	44	+39.6%
o/w fixed services	299	273	-8.7%
o/w others	27	19	-28.7%

Improving momentum in mobile contract net adds in '000s



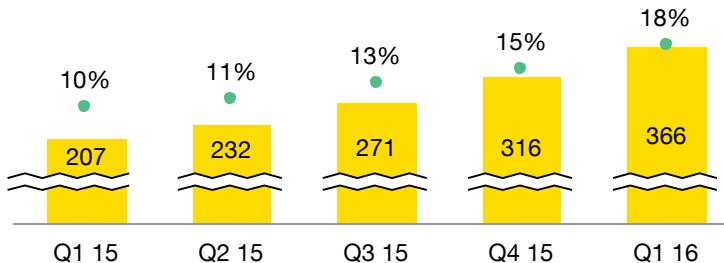
Continuous momentum in convergent customers

in '000s and in % of BB base, excl. CDMA



Steady growth in fixed VHBB customers

in '000s and in % of ADSL + VHBB base

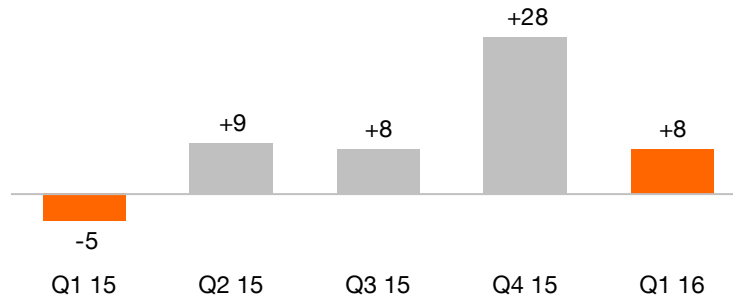


Q1 2016 Belgium & Luxembourg

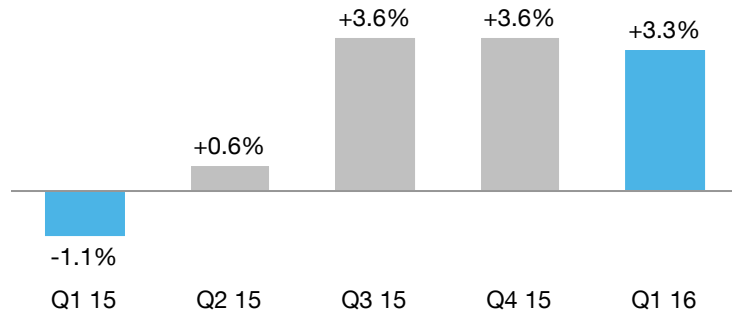
Another quarter of solid growth

in €m	Q1 15 cb	Q1 16	yoy cb
Revenues	302	309	+2.3%
o/w mobile services	247	254	+2.9%
o/w mobile equipment	32	31	-3.7%
o/w fixed services	21	18	-13.8%
o/w others	2	6	+201.5%

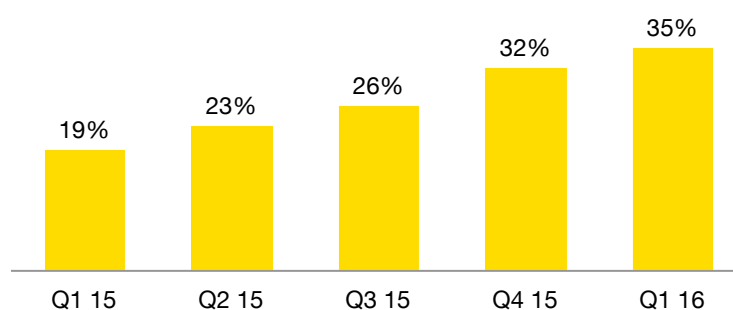
Solid contract net-adds in Belgium (excl. M2M) in 000s



Steady improvement in Belgium contract ARPU in % yoy



Rapid growth in Belgium 4G user base 4G users as a % of total base



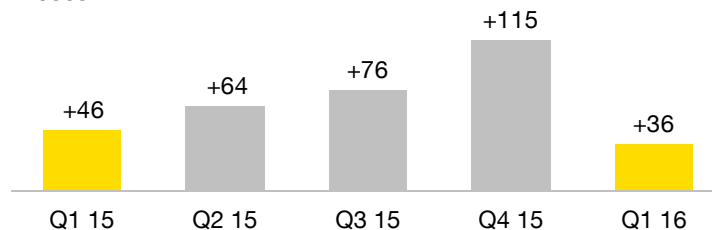
Q1 2016 Central European countries

Sustained revenue growth, driven by Romania's solid performance at +6.5% yoy

in €m	Q1 15 cb	Q1 16	yoy cb
Revenues	384	395	+2.8%
o/w mobile services	318	326	+2.5%
o/w mobile equipment	26	25	-1.9%
o/w fixed services	30	33	+9.2%
o/w others	10	10	+6.5%

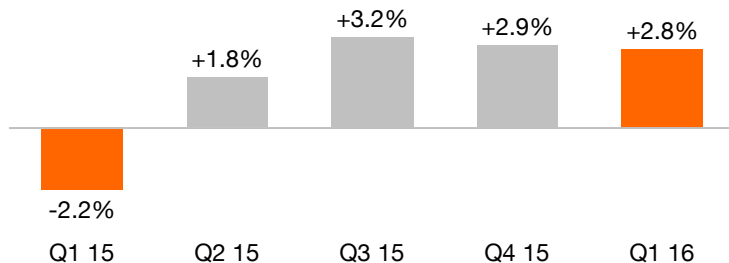
Mobile contract net-adds in line with last year performance (excl. M2M)

in 000s



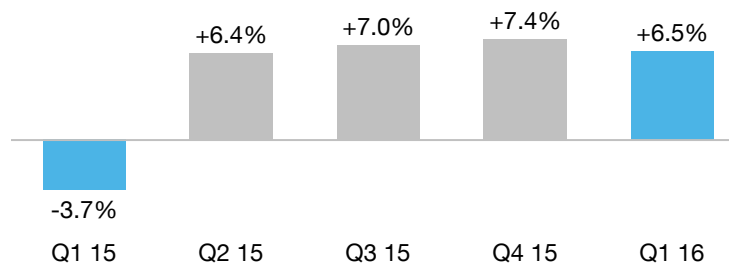
Sustained revenue growth...

YoY in %



...driven by Romania solid revenue performance


YoY in %




Q1 2016 Africa & Middle East


Steady revenue growth at +4.4% yoy


in €m	Q1 15 cb	Q1 16	yoy cb
Revenues	1,218	1,271	+4.4%
o/w mobile services	987	1,038	+5.1%
o/w mobile equipment	17	19	+10.8%
o/w fixed services	190	192	+1.2%
o/w others	24	22	-6.9%

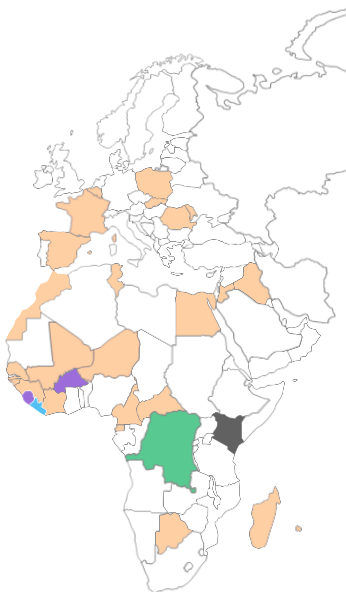
 Shareholding stake in AIG, operating in 23 African countries, in April

 Closing of Cellcom Liberia in April

 Closing of Tigo in DRC in April

 Acquisition of Airtel's subsidiaries in Burkina Faso and Sierra Leone*

 Disposal of Telkom Kenya**



17.8m  +34% yoy
 Orange Money customers ***



16,108  +30% yoy
 3G activated sites

3,156  x85 yoy
 4G activated sites

 **+42%**
 Data revenue growth yoy

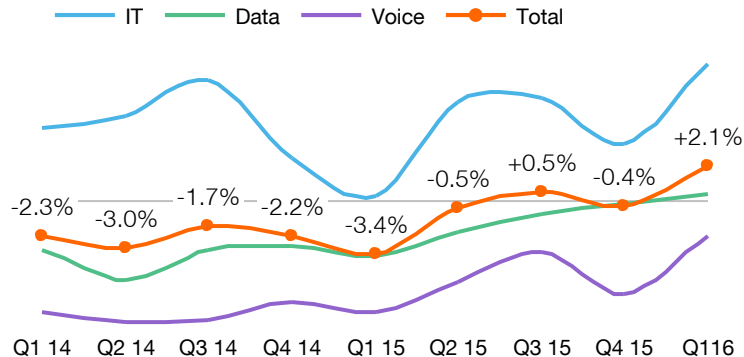
Q1 2016 Enterprise

Revenue back to growth driven by IT Services

in €m	Q1 15 cb	Q1 16	yoy cb
Revenues	1,550	1,583	+2.1%
voice	386	378	-2.3%
data	707	710	+0.4%
IT & integration services	457	496	+8.6%

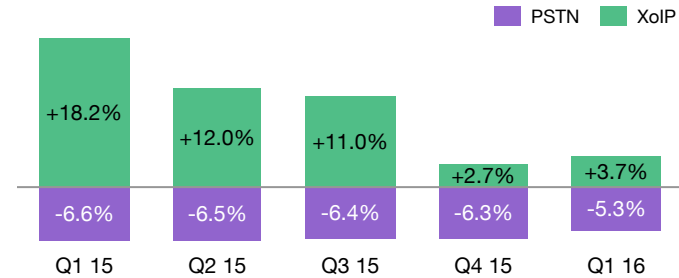
Revenue per segment

yoy in %



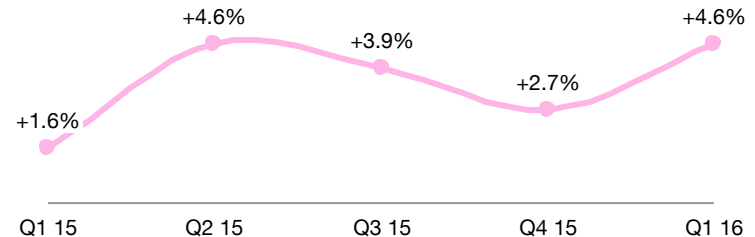
Voice services

yoy access growth in France



International revenues excl. equipment resale

yoy in %



Section four

2016 guidance



2016 guidance confirmed

* subject to shareholders' approval

**subject to the Annual General Meeting of Shareholders approval
ex-date June 21th, record date June 22th, payment date June 23rd



Restated
EBITDA

Net debt /
Restated
EBITDA

Dividend

M&A
policy

2016 > 2015

 comparable basis

Around 2x in the medium term

2016 dividend
€0.60*



June 23rd, 2016
2015 dividend
balance of € 0.4**



December 2016
2016 interim
payment of €0.20

Selective with focus on existing
footprint

Appendices

EBITDA restatements

in €m	Q1'15 cb	Q1'16 actual
EBITDA restated	2,611	2,569
restructuring	-14	-113
litigations	-23	39
labour related	-71	-30
o/w Senior Part Time	-37	-30
o/w Holiday pay	-34	
others		-16
EBITDA reported	2,503	2,449

①

mainly related to departure plans in Spain

Revenues yoy evolution

