

#Q3_2017

Orange financial results

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26 October 2017



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, risks related to banking activities, loss or disclosure to third parties of customers data, Orange's ability to withstand intense competition in mature markets, networks or software failures due to cyberattacks, damage to networks caused by natural disasters, terrorist acts or other reasons, various frauds affecting Orange or its clients, Orange's ability to retain the necessary skills given the high level of employee retirements and the development of new needs, difficulties in integrating newly acquired businesses as part of the telecommunication sector's consolidation in Europe, its ability to capture growth opportunities in emerging markets and the risks specific to those markets, possible adverse health effects associated with the use of telecommunications equipment, risks related to the single brand strategy, the eruption of a global financial or economic crisis, fiscal and regulatory constraints and changes, the results of litigation regarding regulations, competition and other matters, disagreements with its co-shareholders in companies that Orange does not control, the terms of access to capital markets, interest rate or exchange rate fluctuations, Orange's credit ratings, changes in assumptions underlying the accounting value of certain assets resulting in their impairment, and credit risks or counterparty risks on financial transactions. More detailed information on the potential risks that could affect our financial results is included in the Registration Document filed on April 6, 2017 with the French Autorité des Marchés Financiers (AMF) and in the annual report on Form 20-F filed on April 7, 2017 with 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, Orange does not undertake any obligation to update them in light of new information or future developments.

Section one

Financial results overview



Q3 2017 Group achievements

yoy : comparison with the same period of the previous year,
on a comparable basis unless otherwise specified

All Group level mentions include both telecom and banking
activities. Conversely, all mentions excluding Orange bank
are explicitly called "Telecom"

** see slide 25 for EBITDA adjustments

Revenue

€ **10.3** bn

Q3 2017*	9m 2017*
+0.9%	+1.0%
+€95m	+€317m

Adjusted
EBITDA**

€ **3.6** bn

Q3 2017*	9m 2017*
+2.1%	+2.2%
+73€m	+203€m

Capex

€ **1.6** bn

Q3 2017*	9m 2017*
+2.5%	+2.8%
+39€m	+134€m

Group
Customers

269 m

Q3 2017*
2.4%

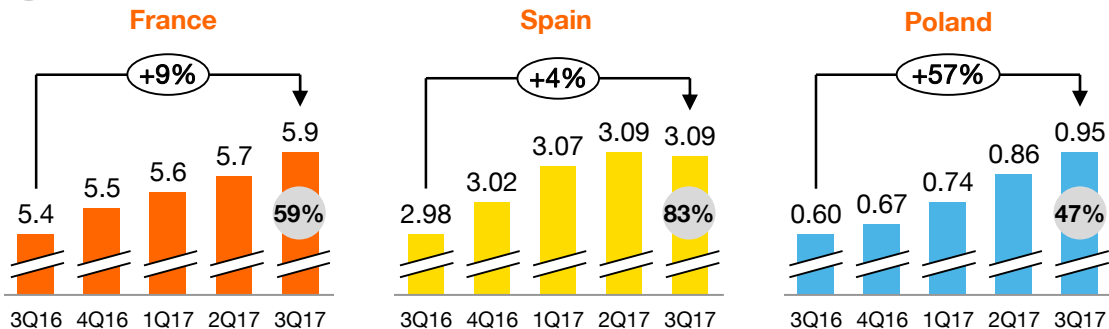
Convergence, the bedrock of our commercial performance

Convergence: client with an offer combining at least one broadband access (xDSL, FTtX or LTE4Fixed with cell-lock) and a mobile voice contract.



Convergent B2C customer base in m

● % of broadband B2C customer base



Churn improvement with convergence*

-4pts

-9pts

-2pts

B2C billed services quarterly ARPCO (Average Revenue Per Convergent Offer), in €/month

€62.5
+0.0% yoy

€58.7
+7% yoy

€24
-16% yoy**

Convergent billed service revenue B2C yoy growth

+9%

+12%

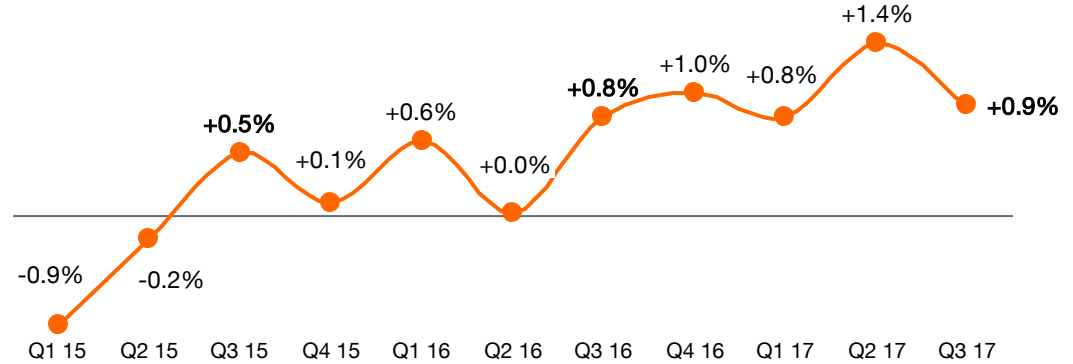
+31%**

* Churn differential between convergent B2C customers and total fixed BB B2C customers

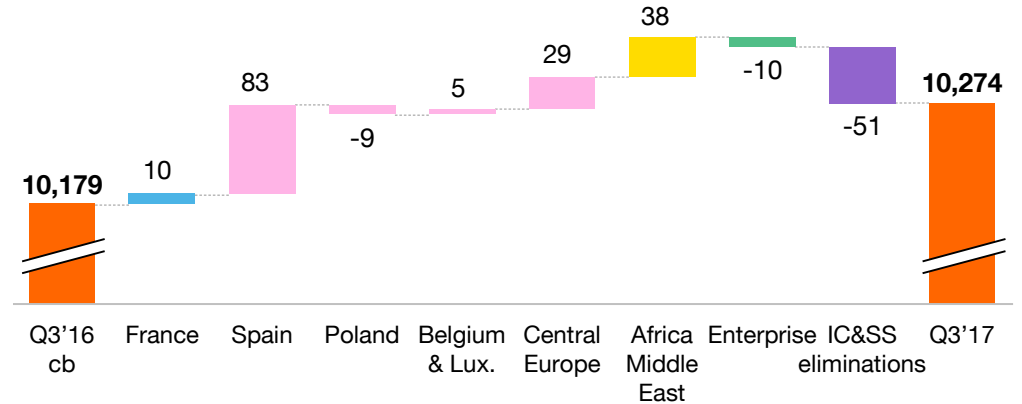
** YoY evolution calculated in local currency

Continued revenue growth in most of our footprint

Group revenue growth yoy



Q3 revenue evolution, telecom (in €m)

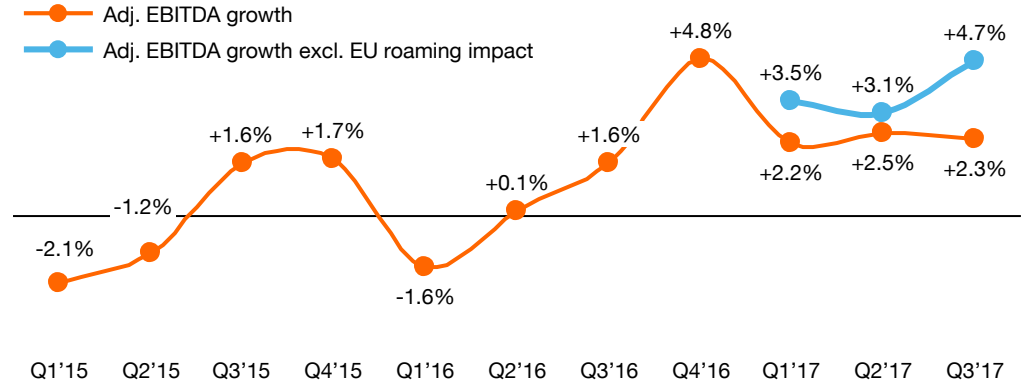


	Q3 2017	9m 2017
Q3 2017 revenue*	+0.9%	+1.0%
	+€95m	+€317m
€10.3bn		

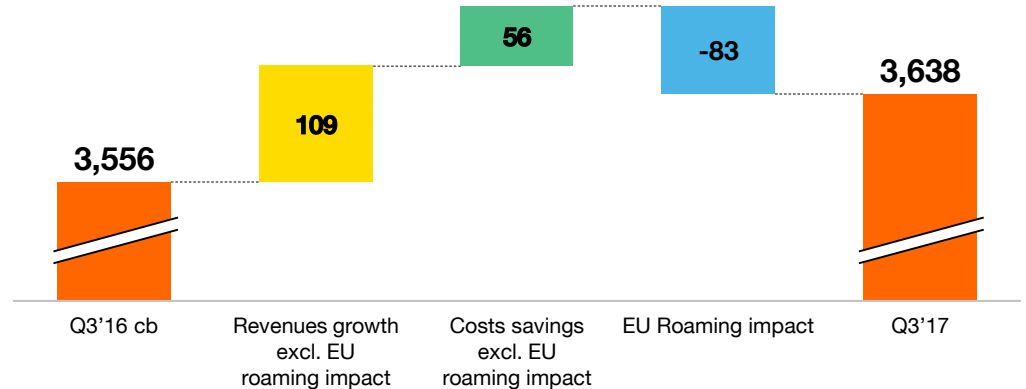
* Orange Bank Net Banking Income is not included in Group revenues but in Group other operating income

Strong growth in adjusted EBITDA, underlying trend more than offset EU roaming impact

Adjusted Ebitda growth (telecom, yoy in %)



Adjusted EBITDA evolution (telecom, in €m)



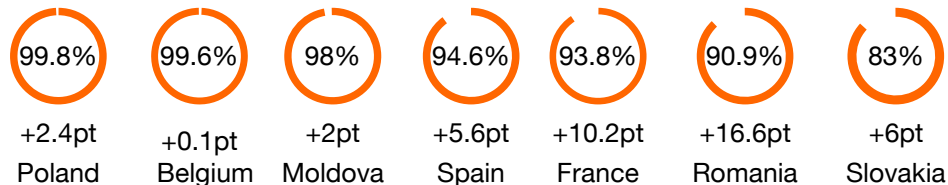
	Q3 2017	9m 2017
Q3 2017 Adjusted EBITDA (telecom)	yoy +2.3% +€82m	yoy +2.4% +€222m
€3.6bn	As % of rev. 35.4% +0.5pt yoy	As % of rev. 31.6% +0.4pt yoy

Sustained investment efforts to keep our competitive advantage in connectivity

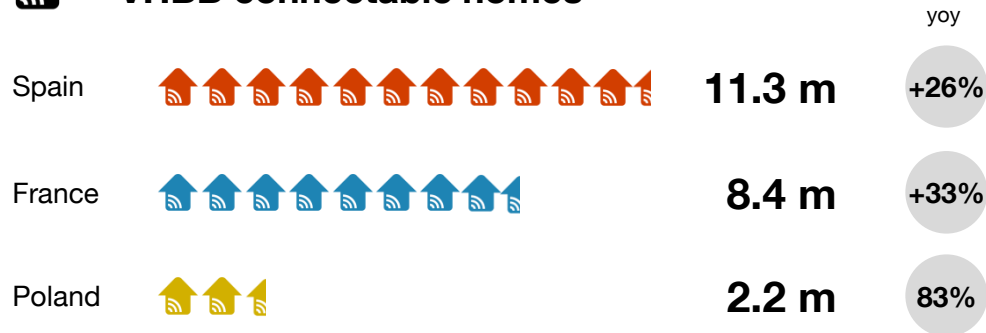


4G coverage

Population covered in %, yoy evolution in pp



VHBB connectable homes



9m 2017

9m 2017
CAPEX
(telecom)

€4.8bn

yoy
+2.0%
+€97m

As % of rev.
15.8%
+0.2pt yoy

Section two

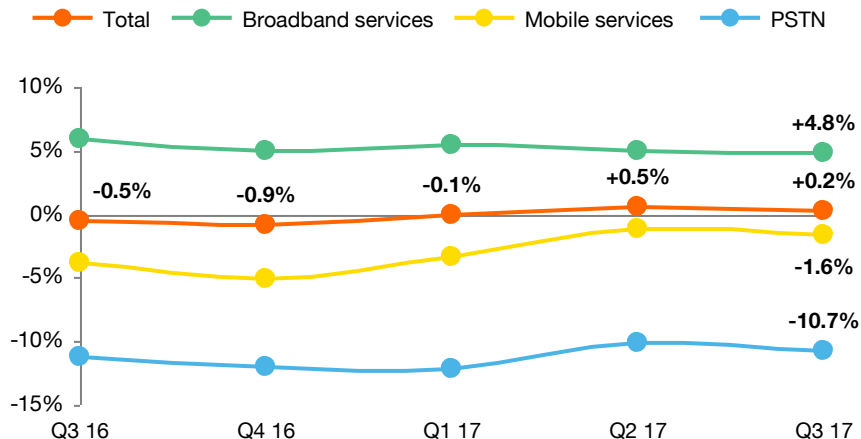
Business review

Q3 2017 France

Total revenues growth confirmed, with growth in fixed compensating pressure in mobile

in m€	Q3 17	yoy cb	9m 17	yoy cb
Revenues	4,529	+0.2%	13,408	+0.2%
mobile services	1,635	-1.6%	4,800	-2.0%
mobile equipment	175	-0.8%	478	+4.4%
fixed services	2,581	+1.9%	7,718	+1.5%
other revenues	138	-6.7%	412	-2.4%

Revenue evolution (yoy in %)

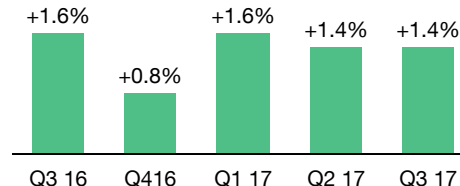


Broadband ARPU

Quarterly ARPU YoY evolution



33.9€

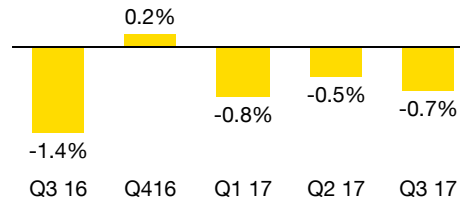


Mobile ARPU

Quarterly ARPU YoY evolution



22.3€



Convergence (B2C)

Quarterly billed services ARPCO, €/month

€62.5 +0.0% yoy

o/w Open : **€65.0** ; +0.5% yoy



Revenues Q3 yoy
+9%

Number of mobile lines per convergent offer

1.53 +0.04 yoy

o/w Open : **1.58** ; +0.05 yoy



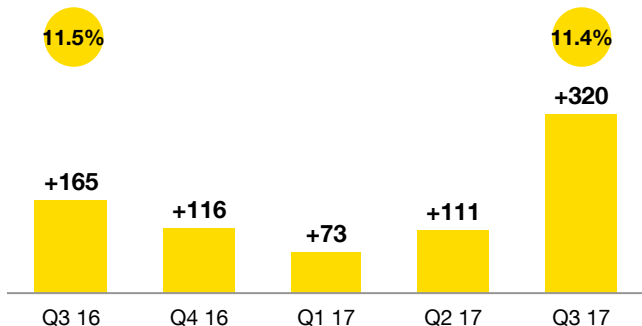
Churn differential*
-3.8 pts

* Churn differential between convergent B2C customers and total fixed BB B2C customers


Q3 2017 France commercial performance

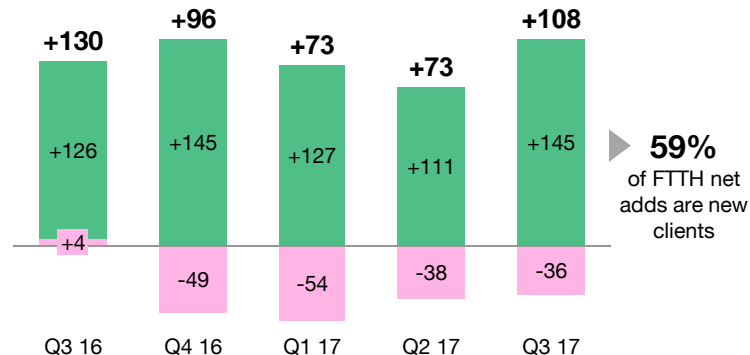
Outstanding commercial performance on mobile net adds, mostly on high end offers

 Mobile contract net adds (in '000s) and churn rate
■ net adds excl M2M ● quarterly churn rate in %



59%
of broadband B2C customers are on **convergent** offers (+3pt yoy)

 Fixed BB net adds (in '000s)
■ FTTH ■ ADSL and others



4G 94% of 4G population coverage (+10pts yoy) **#1 position**

69% of B2C **voice contract** customers have a **4G plan** (+12pts yoy)

73% of B2C mobile-voice contracts are on **SIM-only** offers (+11pts yoy)

8.4m of **FTTH** connectable homes (+33% yoy)

1.8m of **FTTH** customers (+40% yoy)

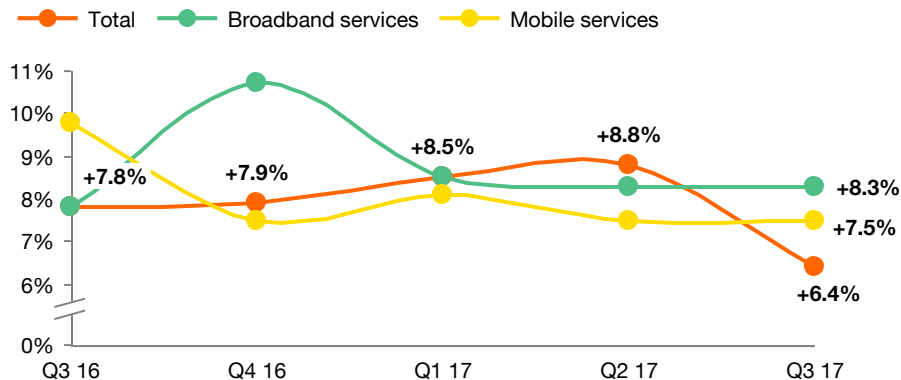
42% of retail BB customers are on **high-end offers*** (+3pts yoy)

Q3 2017 Spain

Solid revenue growth driven by growth in customer base and ARPU

in m€	Q3 17	yoy cb	9m 17	yoy cb
Revenues	1,371	+6.4%	3,999	+7.9%
mobile services	734	+7.5%	2,070	+7.7%
mobile equipment	136	+7.2%	407	+11.0%
fixed services	501	+4.8%	1,519	+7.2%
other revenues	0	-	2	-

Revenue evolution** (yoy in %)

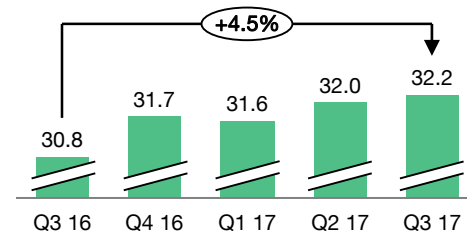


Broadband ARPU

Quarterly ARPU, €/month



32.2€

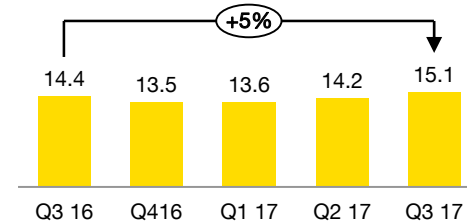


Mobile ARPU

Quarterly ARPU, €/month



15.1€



Convergence (B2C)



Quarterly billed services ARPCO, €/month

€58.7 +7% yoy



Revenues Q3 yoy

+12%



Number of mobile lines per convergent offer

1.9 +0.03 yoy




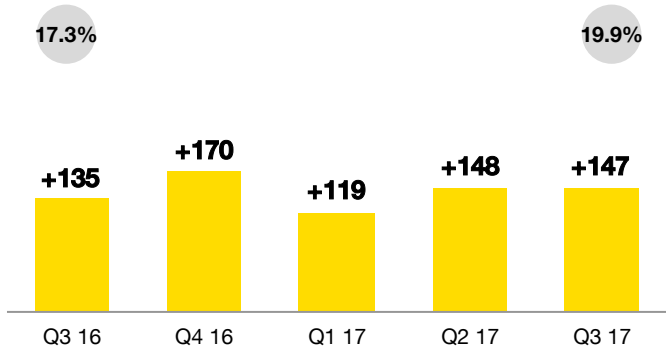
Churn differential*

-8.6 pts


Q3 2017 Spain commercial performance

A balanced value vs. volume approach on a very competitive environment



 Mobile contract net adds and churn rate
■ net adds in '000s ● quarterly churn rate in %






83%
of broadband B2C customers are on **convergent** offers (2pt yoy)

 Fixed BB net adds (in '000s)
■ FTTH ■ ADSL and others



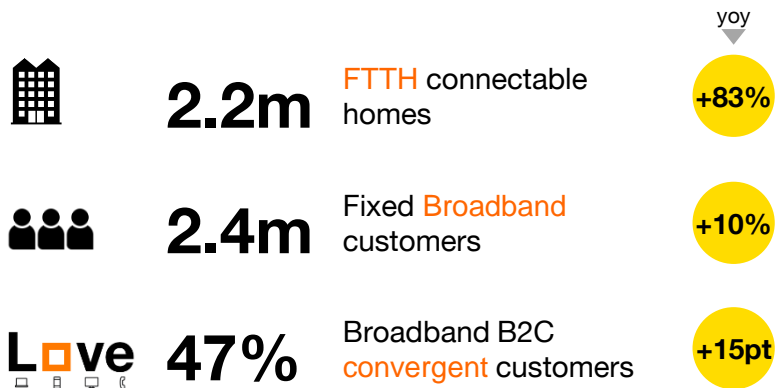
- 4G** 9.0m **4G** customers (+25% yoy)
-  **99%** of B2C mobile voice contract are on **SIM-only** offers
-  **3.1m** B2C **broadband convergent** customers (+106k yoy)

-  **11.3m** **FTTH** connectable homes (+2.3m yoy)
-  **2.1m** **FTTH** customers (x1.5 yoy) 50% penetration of the FBB base
-  **593k** **TV** customers 14% penetration of the FBB base

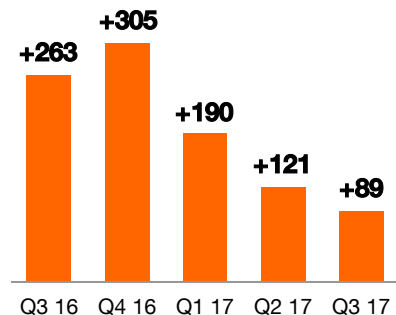
Q3 2017 Poland

Fixed BB performance reflects the success of VHBB strategy and convergent offers

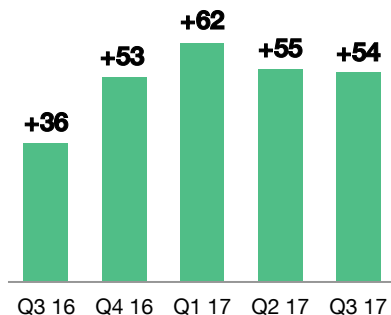
in m€	Q3 17	yoy cb	9m 17	yoy cb
Revenues	661	-1.3%	1,986	-1.0%
mobile services	288	-7.1%	873	-6.6%
mobile equipment	65	+13.3%	211	+28.7%
fixed services	271	-1.7%	802	-3.8%
other revenues	37	+39.0%	99	+35.3%



Mobile contract net adds*
in '000s



Fixed broadband net adds*
in '000s



Convergence (B2C)

Quarterly billed services ARPCO, €/month
€24.0 -16% yoy***

Revenues Q3 yoy***
+31%

Number of mobile lines per convergent offer
1.9 +0.1 yoy

Churn differential**
-2.4 pts

Q3 2017 Belgium & Luxembourg

Solid customer net adds driven by convergence and attractive data offers

in m€	Q3 17	yoy cb	9m 17	yoy cb
Revenues	316	+1.7%	934	+1.5%
mobile services	259	+0.6%	771	+1.2%
mobile equipment	29	+4.4%	82	-1.9%
fixed services	23	+27.7%	64	+19.2%
other revenues	5	-31.3%	16	-20.8%



2.3m

Mobile contract customers in Belgium excl. M2M

yoy
+2.2%



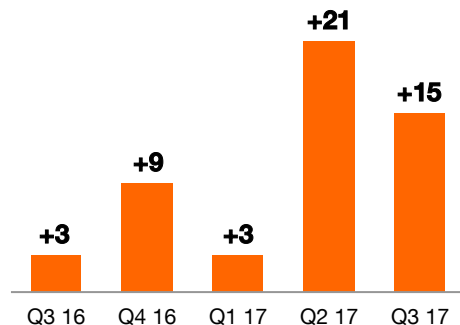
56%

% of smartphone penetration

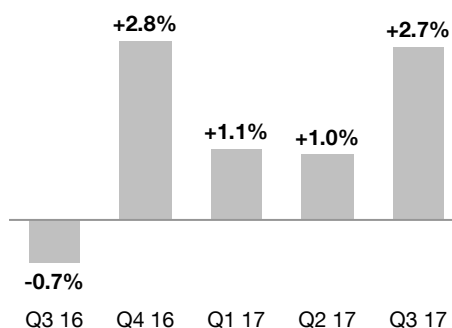
+12pts



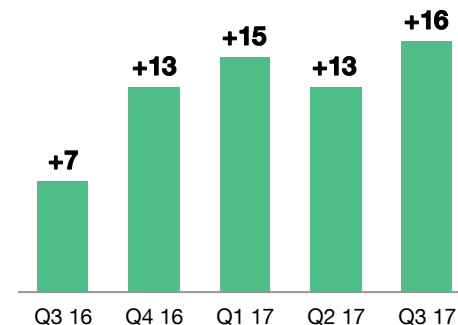
Belgium mobile contract net adds in '000s excluding M2M



Belgium contract ARPU Quarterly ARPU yoy growth



B2C Convergent net adds in '000s



Q3 2017 Central European countries

Solid service revenue growth boosted by data monetization and equipment sales

in m€	Q3 17	yoy cb	9m 17	yoy cb
Revenues	447	+6.9%	1,290	+5.8%
mobile services	353	+2.6%	1,026	+2.0%
mobile equipment	41	+44.8%	113	+40.7%
fixed services	38	+17.1%	112	+12.4%
other revenues	14	+12.5%	38	+14.1%



4.2m 4G customers

yoy

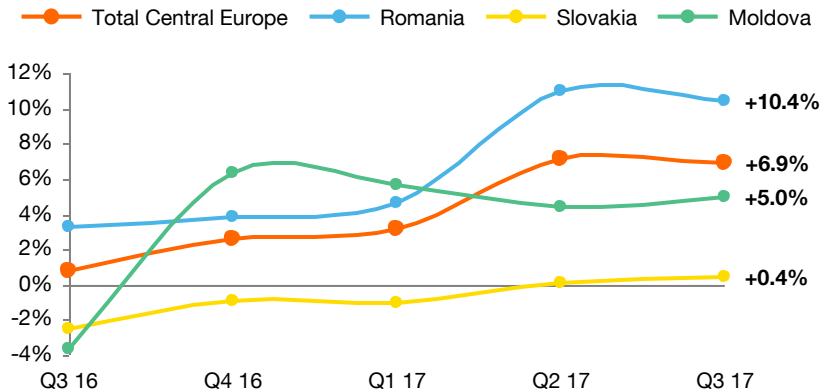
+48%



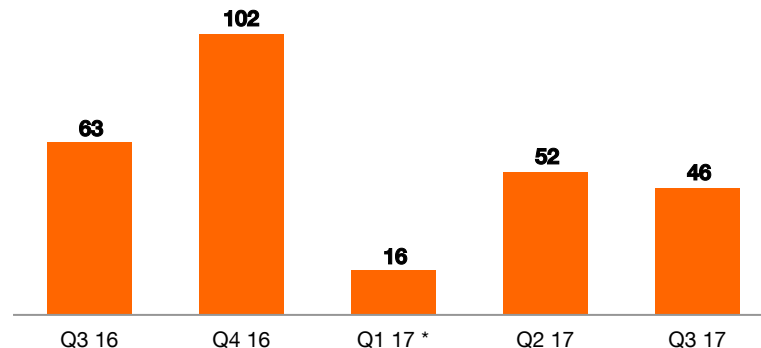
357k Fixed Broadband customers

+25%*

Revenue growth boosted by Romania (yoy in %)



Central Europe mobile contract net adds (excl. M2M) in '000s



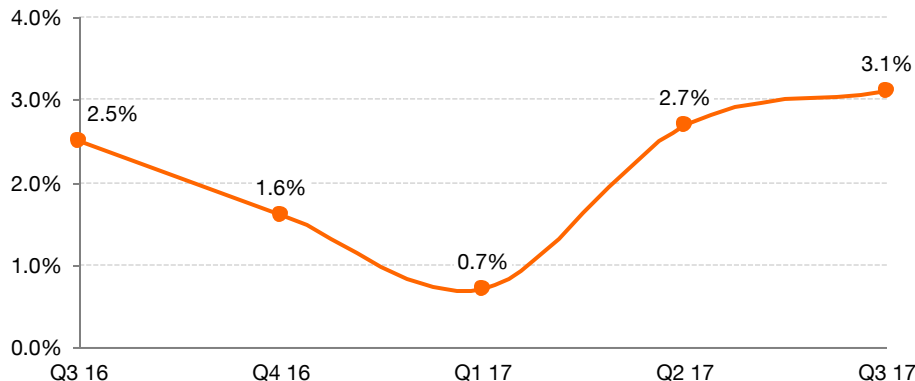
Q3 2017 Africa & Middle East

Revenues growth kept improving driven by Data and Orange Money

in m€	Q3 17	yoy cb	9m 17	yoy cb
Revenues	1,264	+3.1%	3,756	+2.2%
mobile services	1,062	+4.7%	3,151	+4.0%
mobile equipment	17	+36.1%	53	+16.5%
fixed services	167	-7.4%	499	-9.4%
other revenues	17	-6.8%	52	+8.4%



Revenues growth yoy in %



New business drivers continue to sustain growth

+38%

Data revenue growth yoy in Q3

4G 11 countries*

with **4G available**



10m customers

+60%

Orange Money revenue growth yoy in Q3



34.6m customers

10.7m active customers in last 30 days

Q3 2017 Enterprise

Revenues almost stabilized, sustained by mobile equipment growth

in m€	Q3 17	yoy cb	9m 17	yoy cb
Revenues	1,778	-0.5%	5,393	-1.3%
voice	362	-3.4%	1,090	-4.5%
data	666	-3.8%	2,040	-3.3%
IT&IS	488	+0.8%	1,515	+2.3%
mobile	263	+10.7%	748	+2.5%



Cyberdefense

Q3 revenue growth

+17% yoy

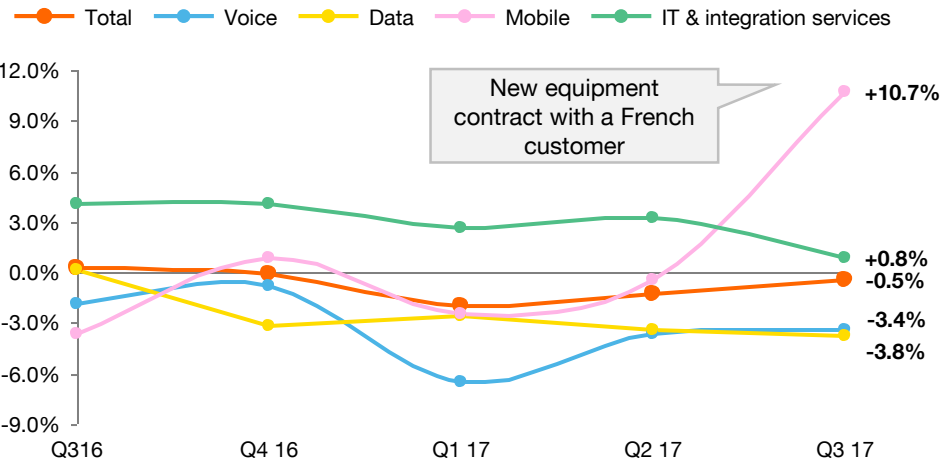


Cloud

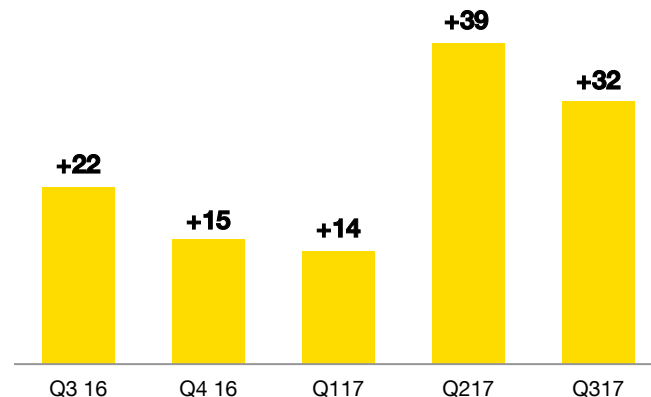
Q3 revenue growth

+37% yoy

Revenues per segment (yoy in %)



Mobile contract net adds excl.M2M (mostly in France)



Section three

2017 guidance



2017 guidance confirmed

*subject to shareholders' approval
**ex-date December 5th, record date December 6th,
payment date December 7th



Group
adjusted
EBITDA

Net debt /
Adjusted
EBITDA
Telecom

Dividend

M&A
policy

2017 > 2016 comparable
basis

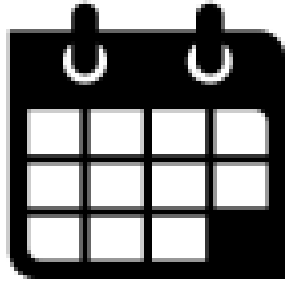
Around 2x
in the medium term

2017 dividend*

€0.65

 December 7th, 2017**
2017 interim of €0.25 

**Selective with focus on existing
footprint**



Investor Day

7 December 2017

Appendices

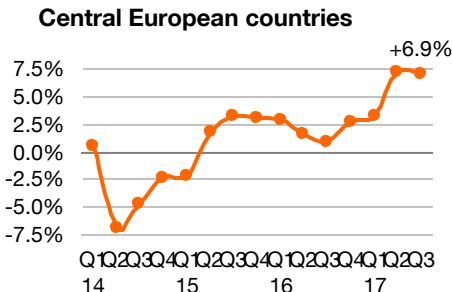
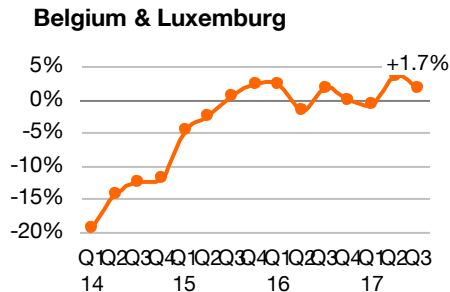
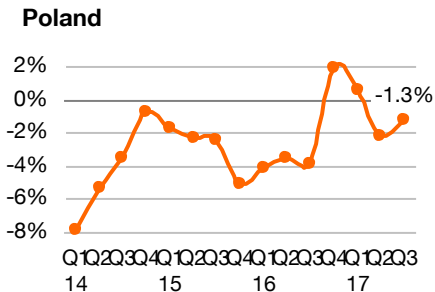
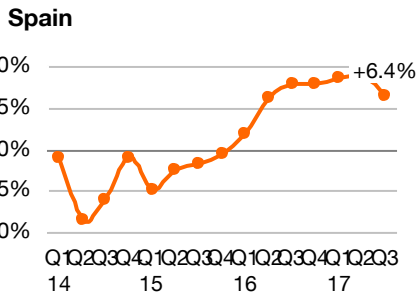
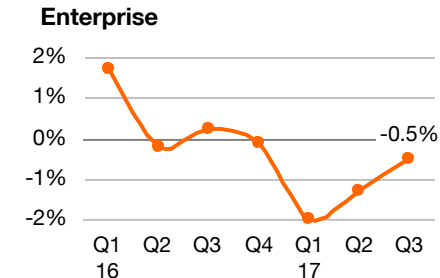
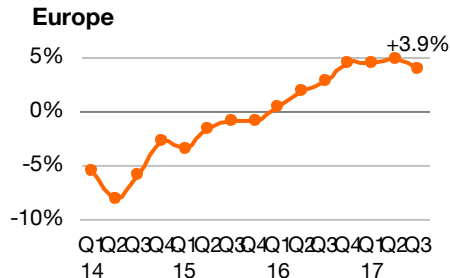
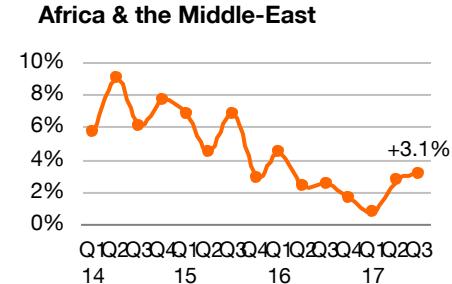
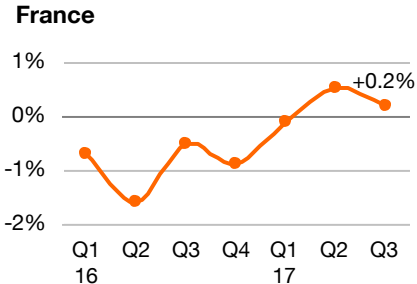
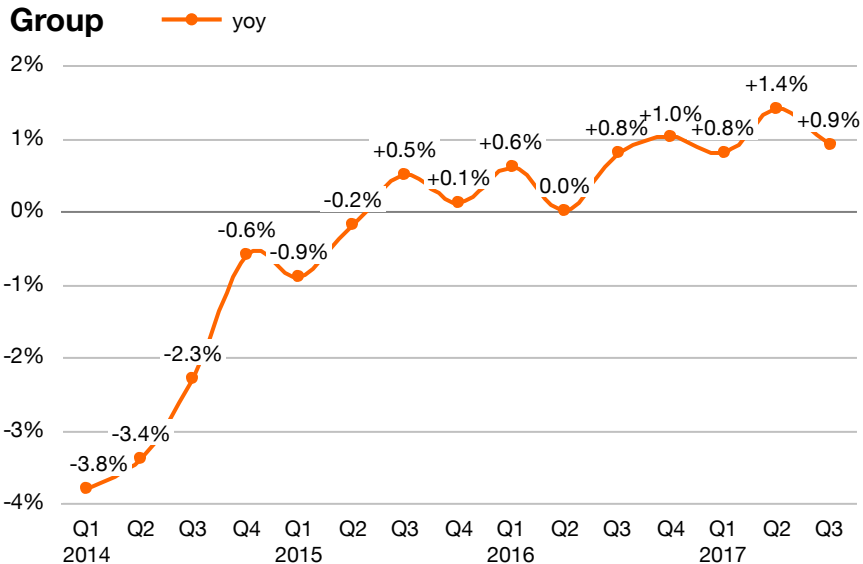
Appendix: B2C + B2B Orange customers in France

Mobile KPIs (in thousands)	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17
Mobile customers (excl. MVNOs)	28,612	28,966	29,508	30,033	30,489	31,150	31,624
Contract	24,581	25,069	25,759	26,486	27,090	27,842	28,433
M2M	4,277	4,611	5,115	5,711	6,228	6,829	7,068
Excluding M2M	20,305	20,457	20,644	20,775	20,862	21,012	21,365
Prepaid	4,030	3,897	3,748	3,547	3,398	3,308	3,191
Mobile volume market share (in %)*	35.1%	35.3%	35.4%	35.5%	35.6%	35.8%	35.9%

Fixed KPIs (in thousands)	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17
Broadband customers	10,830	10,923	11,056	11,151	11,220	11,290	11,402
o/w xDSL	9,698	9,686	9,693	9,643	9,587	9,548	9,517
o/w FTTH customers	1,075	1,181	1,308	1,452	1,579	1,690	1,835
Broadband market share (in %)*	40.0%	40.1%	40.3%	40.2%	40.2%	40.2%	40.3%
Net adds broadband market share (in %)*	45.3%	64.2%	58.1%	36.8%	30.3%	49.5%	50.0%

* Numbers for the latest quarter are company estimates.

Revenues yoy evolution



EBITDA adjustments

in €m	Q3'16 cb	Q3'17 actual	9m'16 cb	9m'17 actual
Adjusted EBITDA	3,548	3,622	9,397	9,599
Restructuring and integration	-10	-	-350	-75
Litigations	-3	-	37	-61
Labour related	-34	-29	-114	-87
o\w Senior Part Time	-34	-29	-114	-106
Portfolio review and others	-	-	-8	-5
Reported EBITDA	3,501	3,593	8,962	9,371