

#FY_2017

Orange financial results

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21 February 2018



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

2017 highlights

2017 Guidance achieved

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"

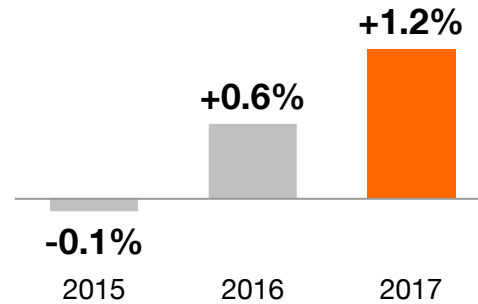
* see slide 29 for EBITDA adjustments

** subject to shareholders' approval; ex-date June 5th, record date June 6th, payment date June 7th for the €0.40 2017 balance



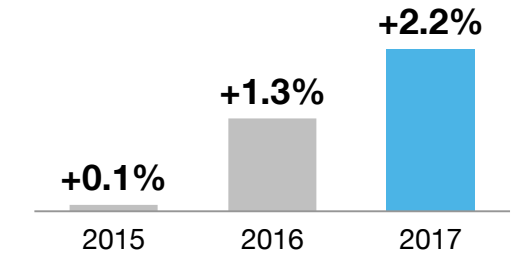
Revenue

€ **41.1** bn



Adjusted EBITDA*

€ **12.8** bn



CAPEX

7.2
€ billion

OpCF

+0.8%
yoy

Net debt /
Adj. EBITDA
(telecom)

1.85x

Dividend
2017**

€0.65

2017 guidance achieved

Outstanding year for customer acquisition driven by VHBB

VHBB > 100 Mbps



VHBB customers

4.7m

↗ **+43% yoy**

4G customers*

46m

↗ **+50% yoy**

FY 2017 performance

Record year in FTTH net-adds in France
+546k

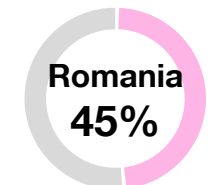
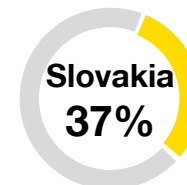
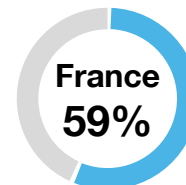
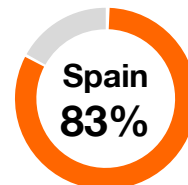
Leader in FTTH net-adds in Spain
+650k

Mobile net-adds in Africa & ME
+10m

New TV customers
+583K

Orange Bank
+55k customers

Share of convergent broadband B2C customers



* excluding operations under equity method

Focus on 2017 investments

VHBB > 100 Mbps



FY 2017
Capex

VHBB*
connectable
homes

21
4G countries
in 2017

Spectrum
acquisition

Rebranding

+3.4% yoy

+31% yoy

New 4G countries in 2017



Egypt



Madagascar



Mali



Jordan



Mali



Burkina Faso



Liberia



Sierra Leone

Section two

**Financial results
overview**

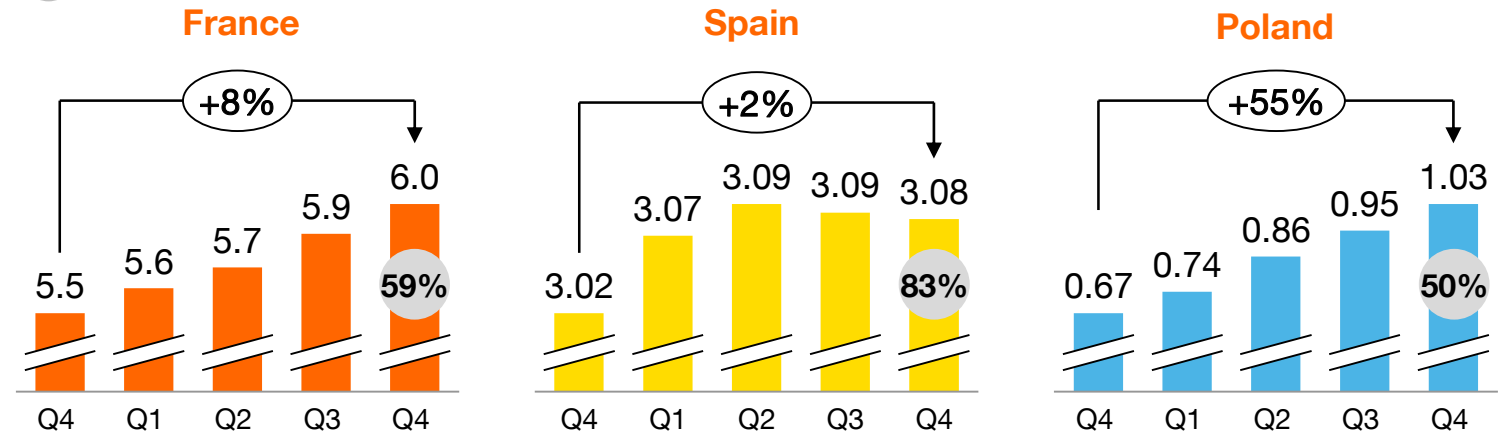
Convergence, the bedrock of our commercial performance

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 in Q4*

-3pts

-9pts

-4pts

B2C billed services quarterly ARPCO (Average Revenue Per Convergent Offer), in €/month in Q4

€65.1
+5.2% yoy

€58.3
+6.7% yoy

€24.1
-13.5% yoy**

Convergent billed service revenue B2C (Q4 yoy growth)

+15%

+9%

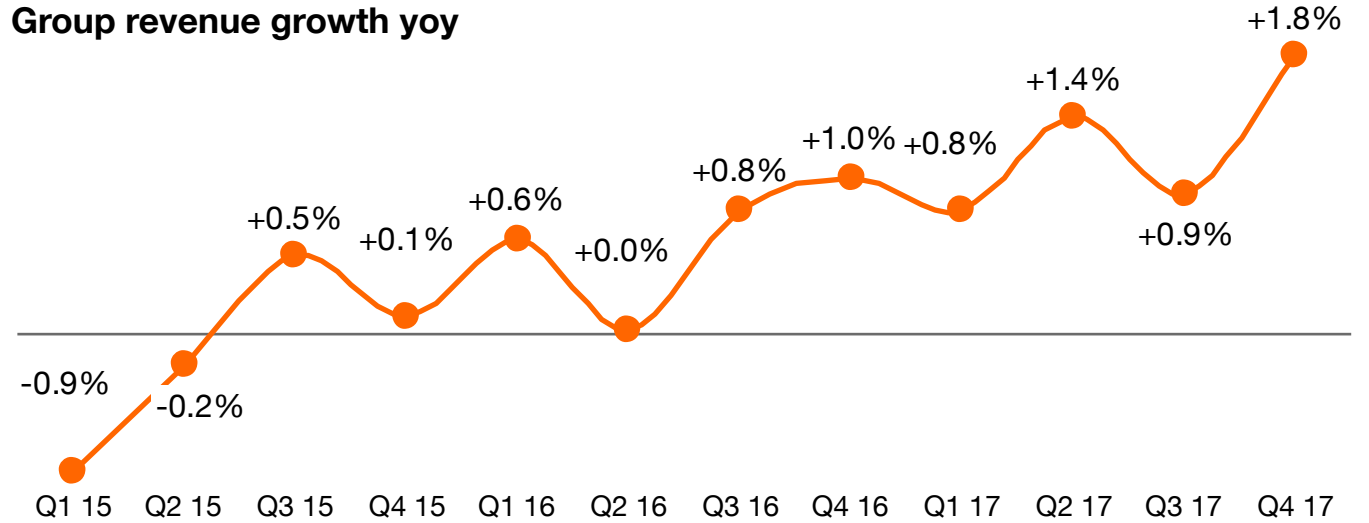
+35%**

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

** YoY evolution calculated in local currency

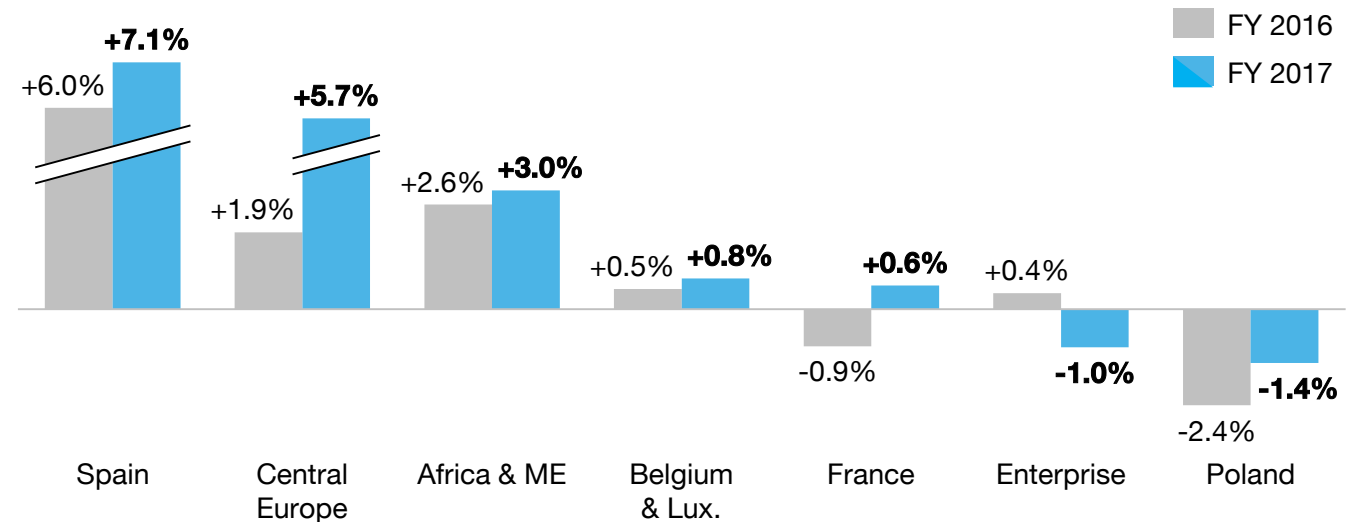
Accelerated revenue growth, mainly driven by Spain, MEA, France and Central Europe

Group revenue growth yoy



Higher revenue growth in almost all segments in 2017

yoy growth in %



	Q4 2017	FY 2017
yoy	+1.8%	+1.2%
revenue	+€185m	+€503m

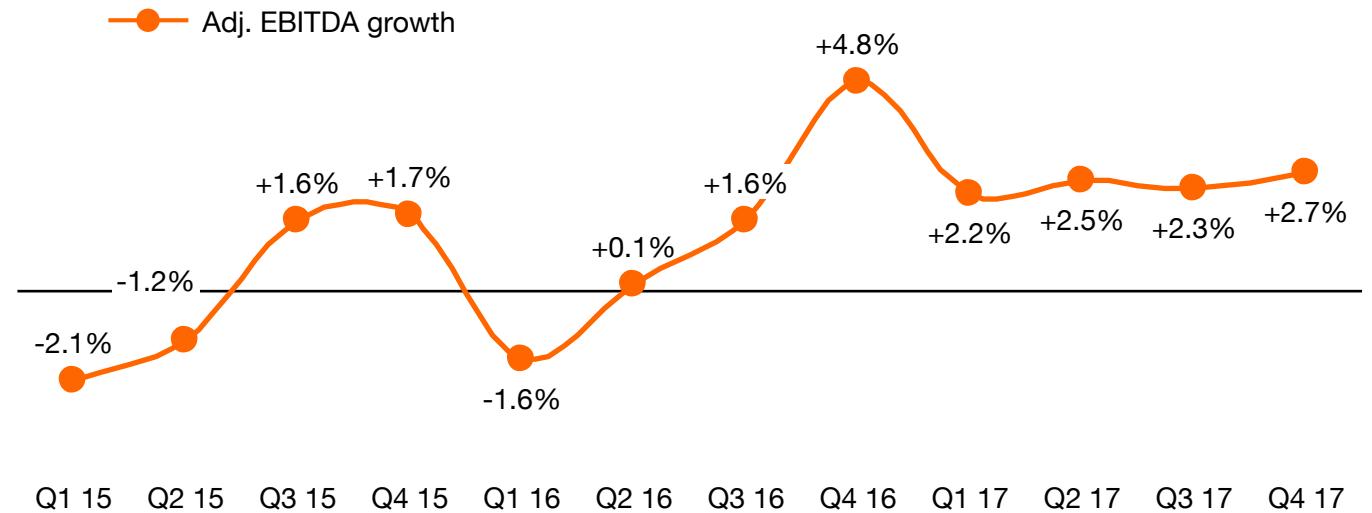
Q4 2017 revenue*

€10.5bn

* Orange Bank Net Banking Income is not included in Group revenues but in "Other operating income", that is below the revenue line and feeds directly into consolidated Adjusted EBITDA.

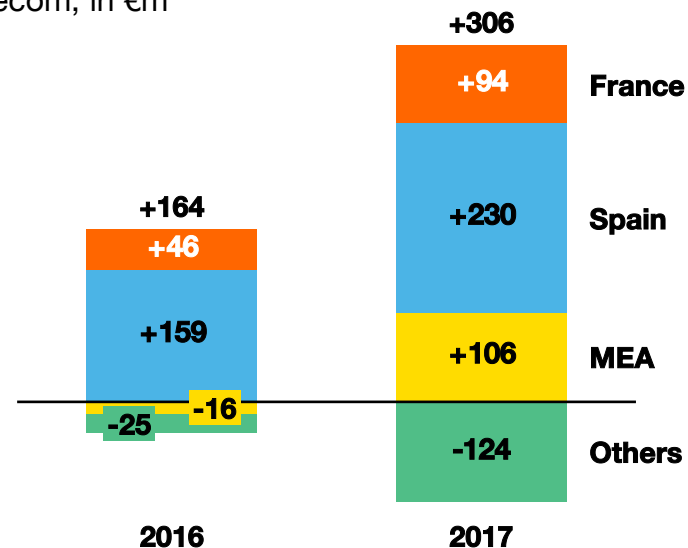
Adjusted EBITDA (telecom) growth rate doubled in FY 2017

Adjusted Ebitda growth (telecom, yoy in %)



YoY increase in FY adjusted EBITDA

Telecom, in €m



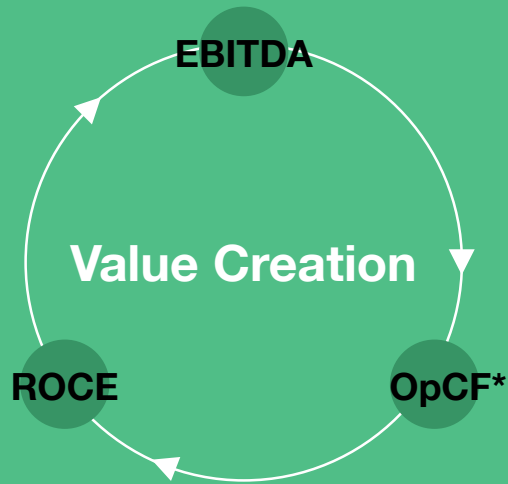
Gross saving achieved in 2017

€934m

(€751m OPEX)

	Q4 2017	FY 2017
FY 2017 Adjusted EBITDA (telecom)	yoy +2.7% +€84m	yoy +2.4% +€306m
€12.9bn	As % of rev. 30.7% +0.3pt yoy	As % of rev. 31.3% +0.4pt yoy

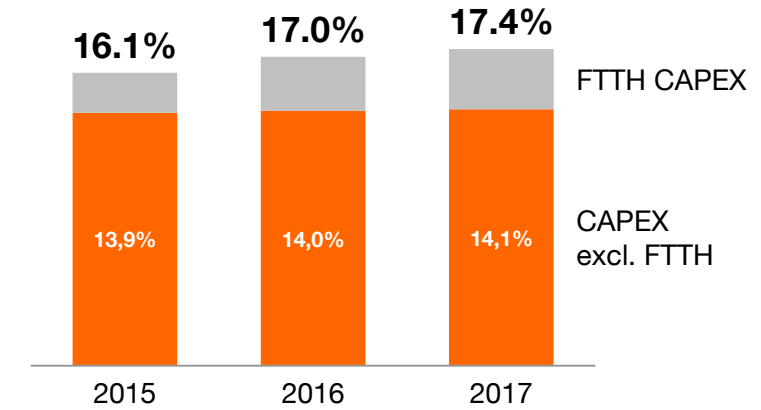
OpCF is growing for the first time since 2009 even as FTTH accelerates



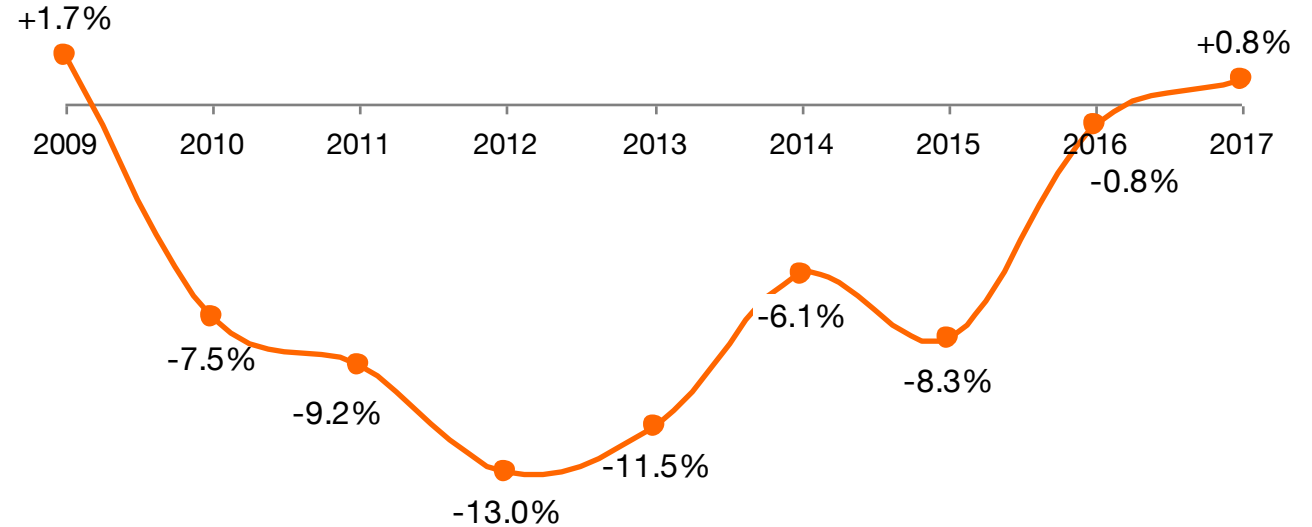
Group CAPEX FY17

€7.2 bn
↗ +3.4% yoy

Capex to Sales (telecom, in %)



Group OpCF* yoy % evolution



*Adjusted EBITDA – CAPEX

Net income from continuing activities multiplied by 2

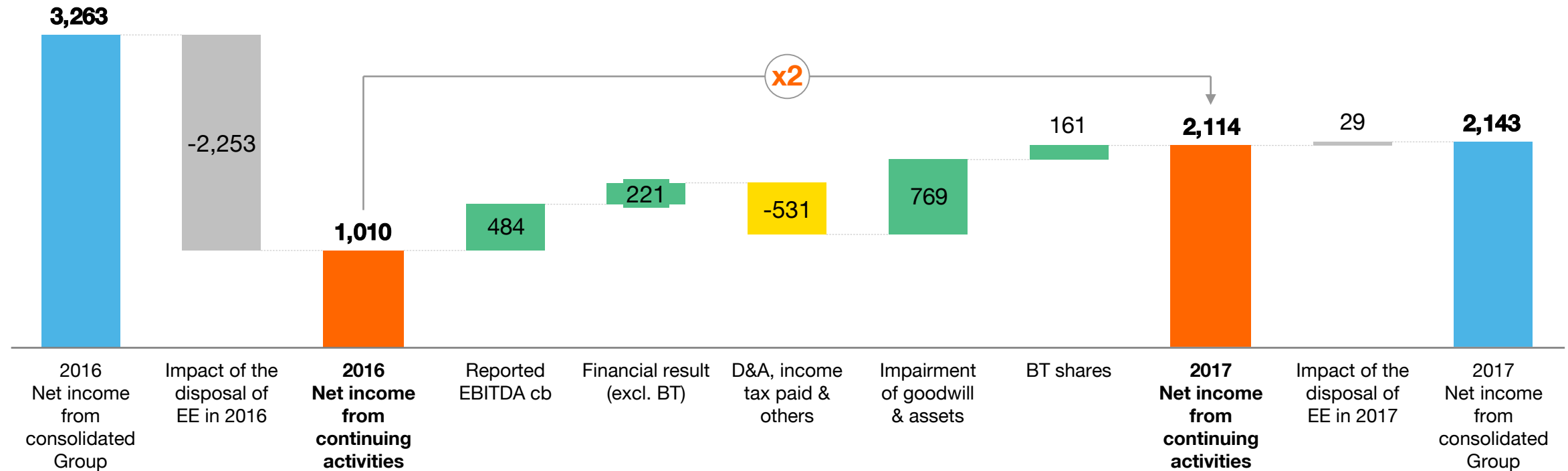
Net income* from consolidated Group

€ 2.1 bn

Net income* from continuing activities evolution

x2 yoy ↗

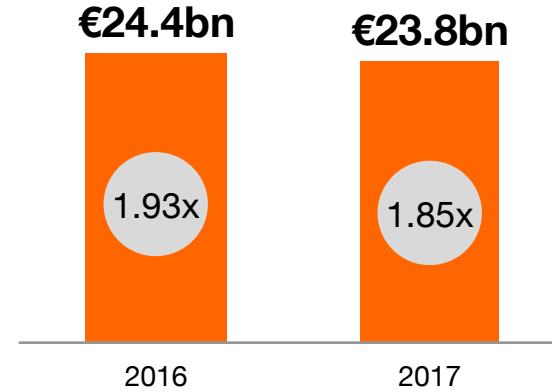
In €m



Net debt to Adjusted EBITDA ratio in line with the medium term guidance

Net debt* – telecom activities

● Net Debt / Adjusted EBITDA Telecom

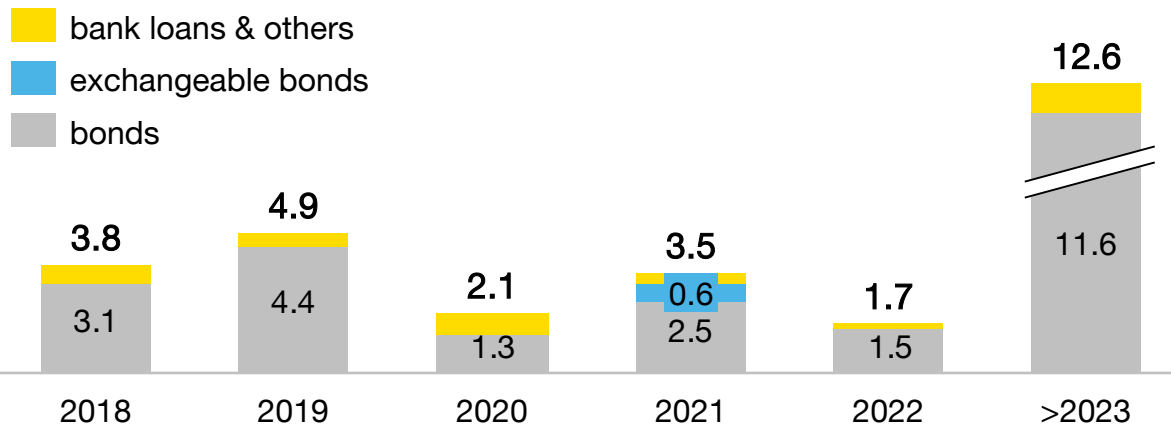


Slight decrease in Net Debt including notably:

- Sale of 1/3 of stake in BT for €433m in June 2017
- €0.05 dividend increase for fiscal year 2017 paid in December 2017, representing a €133m increase in dividend paid to Orange shareholders (subject to shareholders' approval)

Maturity profile** as of 31 December 2017 - telecom activities

in €bn, excluding 2018 issuance



Liquidity position (telecom activities)

€ **14.1** bn

o/w €8bn in cash

Section three

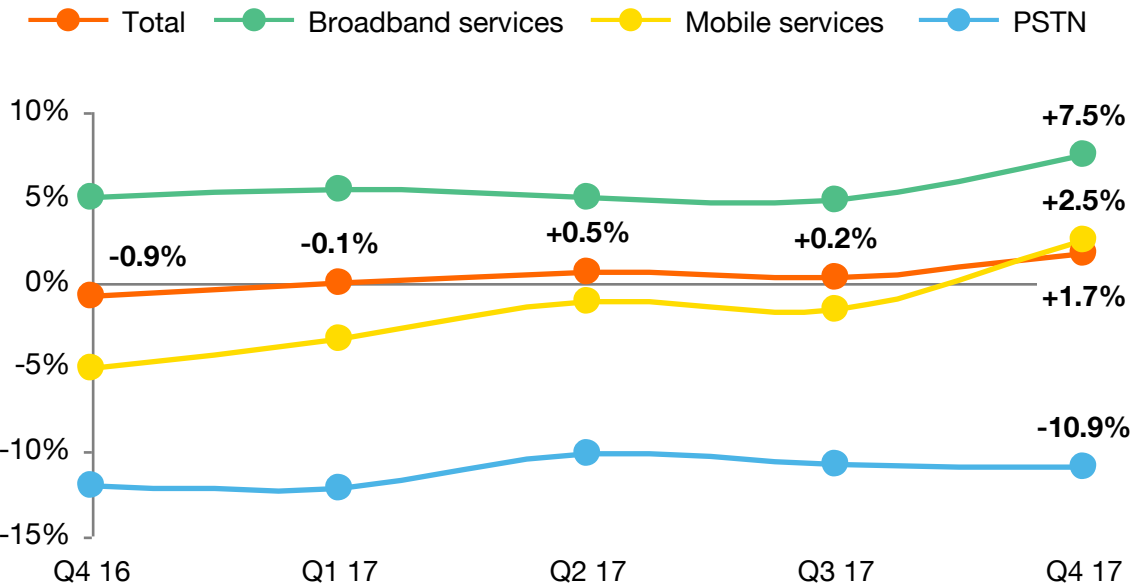
Business review

Q4 2017 France

3rd quarter of revenues growth, with growth in mobile for the 1st time since 2011

in m€	Q4 17	yoy cb	FY 17	yoy cb
Revenues	4,644	+1.7%	18,052	+0.6%
mobile services	1,650	+2.5%	6,450	-0.9%
mobile equipment	249	+10.0%	727	+6.3%
fixed services	2,597	+0.8%	10,315	+1.3%
other revenues	148	-4.5%	560	-3.0%
Adjusted EBITDA			6,901	+1.4%
Adjusted EBITDA margin			38.2%	+0.3pt
CAPEX			3,451	+0.6%
CAPEX/revenues			19.1%	-0.0pt

Revenue evolution (yoy in %)

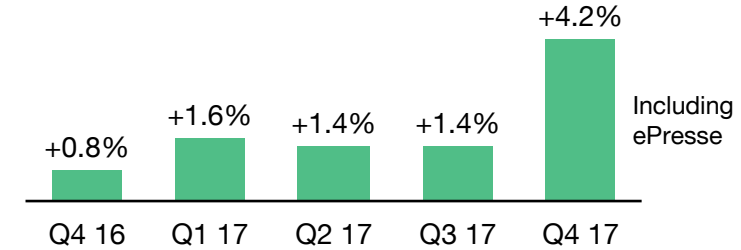


Broadband ARPU

Quarterly ARPU YoY evolution



34.9€

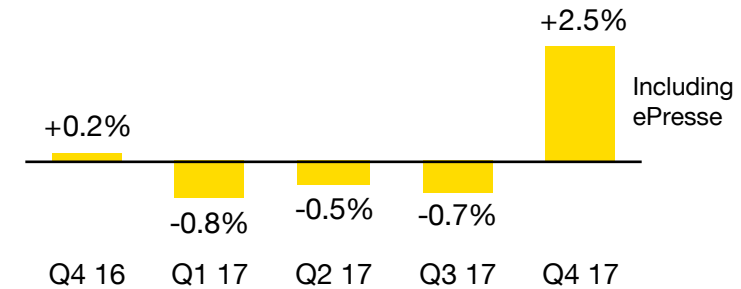


Mobile ARPU

Quarterly ARPU YoY evolution



22.4€



Convergence (B2C)



Quarterly billed services ARPCO, €/month

€65.1 +5.2% yoy

o/w Open : **€67.8** ; +5.9% yoy



Revenues, Q4 yoy

+15%



Number of mobile lines per convergent offer

1.5 +0.05 yoy

o/w Open : **1.6** ; +0.05 yoy



Churn differential*

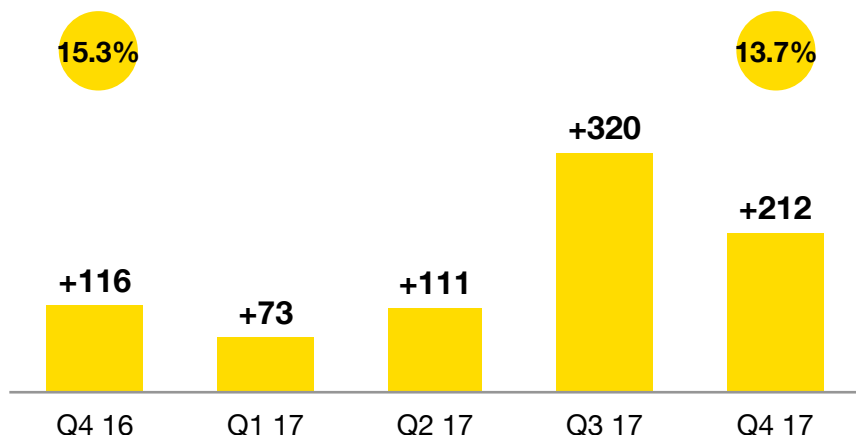
-3 pts


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

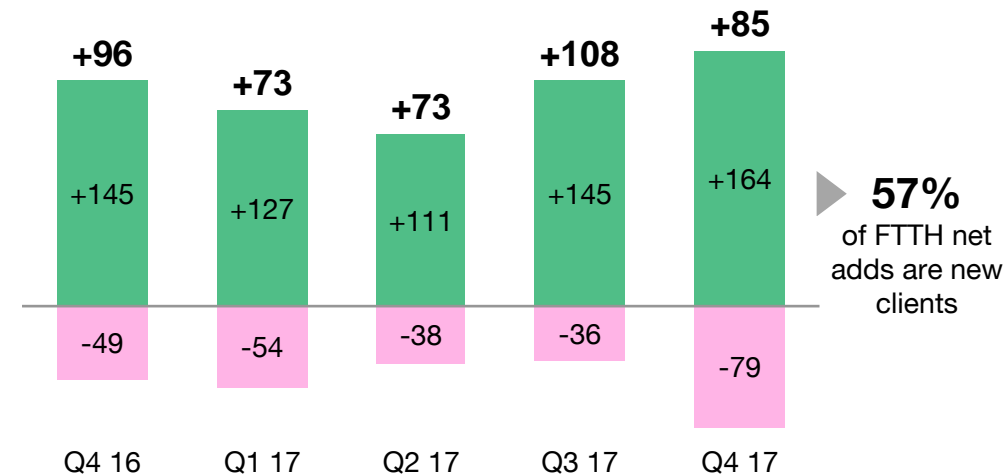
Q4 2017 France commercial performance

Strong mobile and broadband net adds in a very promotional environment

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



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



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

- 4G 96%** of 4G population coverage (+8pts yoy) #1 position
- 73%** of B2C voice contract customers have a 4G plan (+11pts yoy)
- 73%** of B2C mobile-voice contracts are on SIM-only offers (+8pts yoy)

- 9.1m** of FTTH connectable homes (+32% yoy)
- 2.0m** of FTTH customers (+38% yoy)
- 43%** of retail BB customers are on high-end offers* (+3pts yoy)

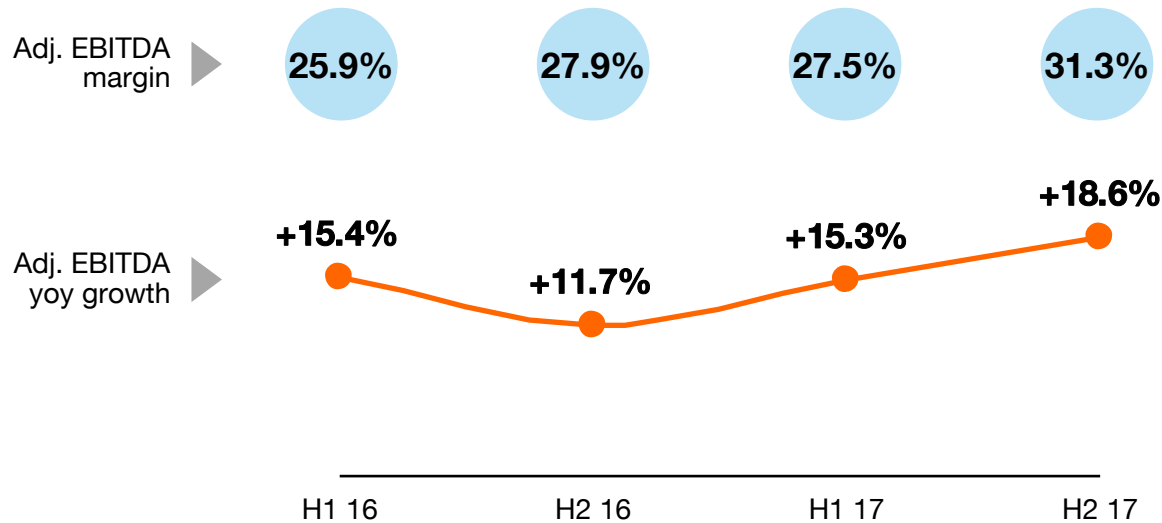
*Play and Jet

Q4 2017 Spain

A solid quarter in revenue growth, supporting a record adjusted EBITDA growth in full year

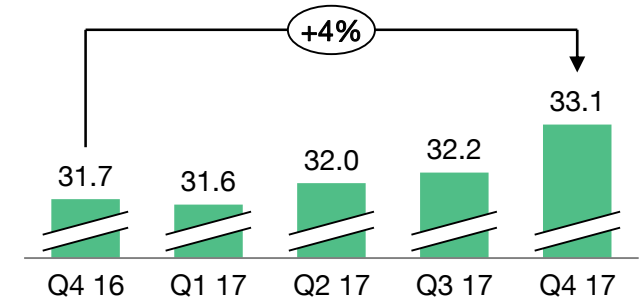
in m€	Q4 17	yoy cb	FY 17	yoy cb
Revenues	1,373	+5.0%	5,371	+7.1%
mobile services	698	+6.1%	2,769	+7.3%
mobile equipment	153	+7.6%	559	+10.1%
fixed services	521	+3.1%	2,041	+6.2%
other revenues	0	-	3	-
Adjusted EBITDA			1,582	+17.0%
Adjusted EBITDA margin			29.4%	+2.5pt
CAPEX			1,115	+2.7%
CAPEX/revenues			20.8%	-0.9pt

Adj. EBITDA evolution



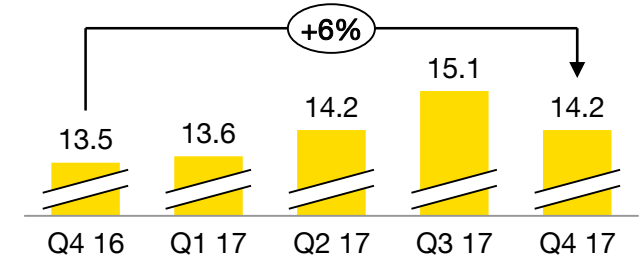
Broadband ARPU

Quarterly ARPU, €/month



Mobile ARPU

Quarterly ARPU, €/month



Convergence (B2C)

Quarterly billed services ARPCO, €/month

€58.3 +6.7% yoy

Number of mobile lines per convergent offer

1.9 +0.04 yoy

Revenues Q4 yoy


+9%

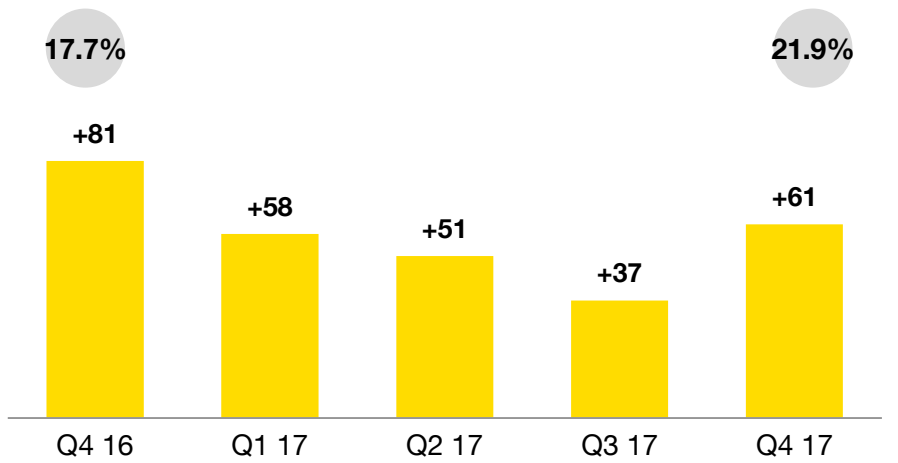
Churn differential*

-9 pts


Q4 2017 Spain commercial performance

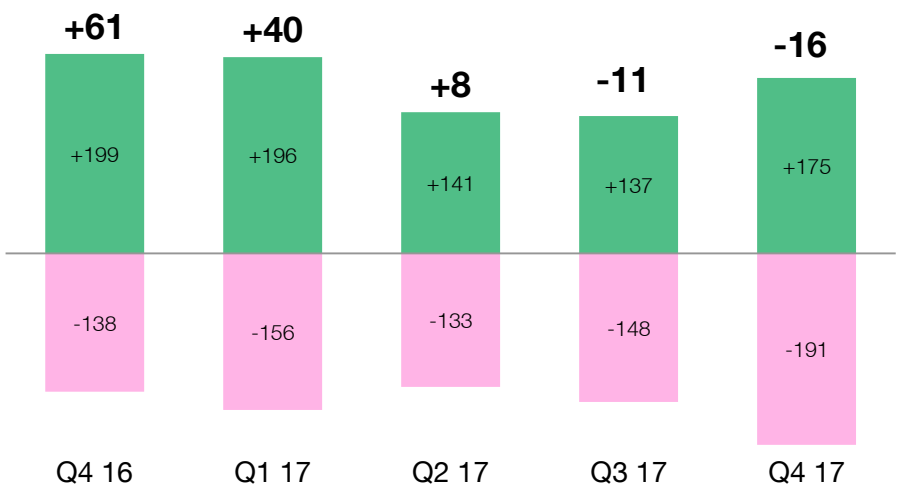
A value driven approach on a very competitive environment

Mobile contract net adds and churn rate
 net adds excl M2M in '000s quarterly churn rate in %



83%
of broadband B2C customers are on **convergent** offers (+1.7pt yoy)

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



4G 9.3m **4G** customers (+18% yoy)

99% of B2C mobile voice contract are on **SIM-only** offers

3.1m B2C **broadband convergent** customers (+57k yoy)

12m **FTTH** connectable homes (+2.4m yoy)

2.3m **FTTH** customers (x1.4 yoy) 54% penetration of the FBB base

626k **TV** customers 15% penetration of the FBB base

Q4 2017 Poland

Fixed broadband performance reflects the relevance of VHBB and convergent strategy

in m€	Q4 17	yoy cb	FY 17	yoy cb
Revenues	688	-2.4%	2,674	-1.4%
mobile services	287	-5.9%	1,160	-6.4%
mobile equipment	72	-12.8%	283	+14.8%
fixed services	272	-1.2%	1,074	-3.1%
other revenues	58	+35.1%	157	+35.2%
Adjusted EBITDA			707	-4.8%
Adjusted EBITDA margin			26.4%	-1.0pt
CAPEX			443	-4.9%
CAPEX/revenues			16.6%	-0.6pt



2.5m

FTTH connectable homes

yoy
+68%



214k

FTTH customers

+143%

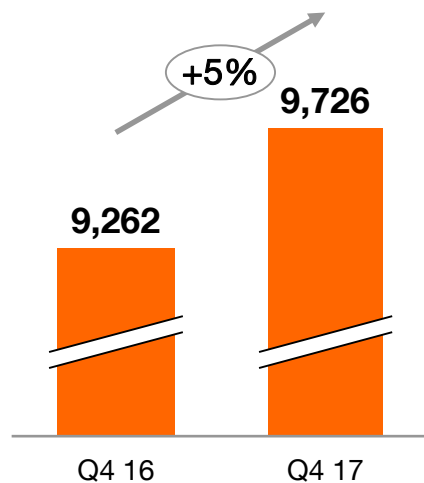


50%

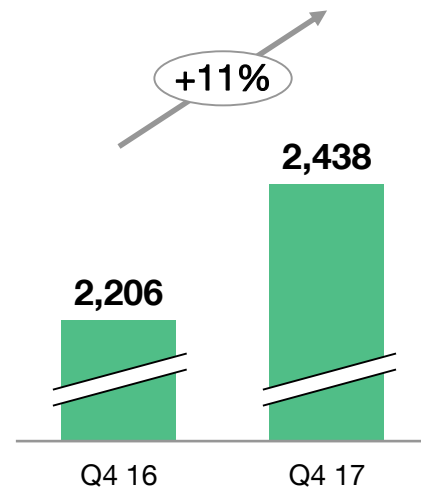
Broadband B2C convergent customers

+15pts

Mobile contract customer base
in '000s



Fixed broadband customer base
in '000s



Convergence (B2C)

Quarterly billed services ARPCO
€/month
€24.1 -13% yoy*

Revenues Q4 yoy *
+35%

Number of mobile lines
per convergent offer
1.9 +0.1 yoy

Churn differential**
-4 pts

* YoY evolution calculated in local currency

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

Q4 2017 Belgium & Luxembourg

Solid customer net adds driven by convergence and attractive data offers

in m€	Q4 17	yoy cb	FY 17	yoy cb
Revenues	318	-1.3%	1,251	+0.8%
mobile services	250	-3.3%	1,021	+0.1%
mobile equipment	35	-7.3%	117	-3.6%
fixed services	25	+29.2%	89	+21.8%
other revenues	8	+22.1%	24	-10.8%
Adjusted EBITDA			302	-4.3%
Adjusted EBITDA margin			24.2%	-1.3pt
CAPEX			188	+12.4%
CAPEX/revenues			15.1%	+1.6pt



2.3m

Mobile contract customers in Belgium excl. M2M

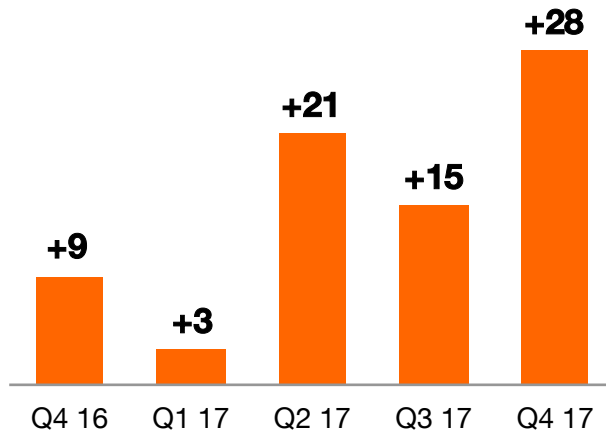


109k

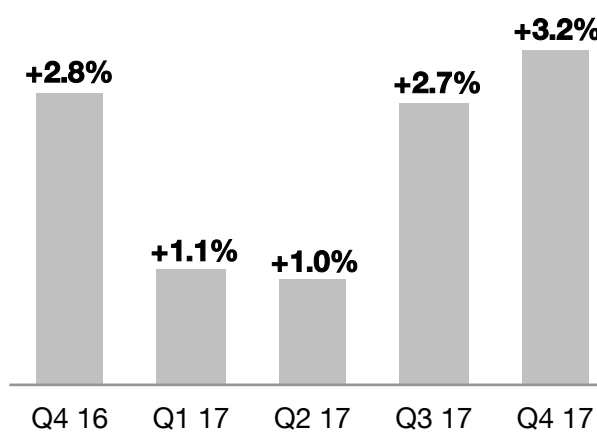
Fixed Broadband customers in Belgium



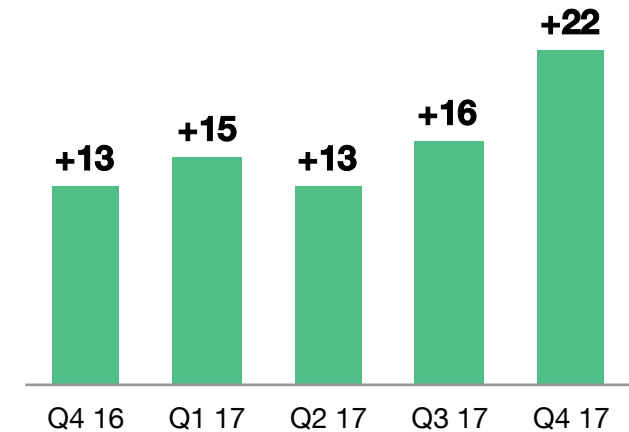
Belgium mobile contract net adds in '000s excluding M2M



Belgium contract ARPU evolution Quarterly ARPU yoy growth



Convergent B2C net adds in '000s



Q4 2017 Central European countries

Data monetization and convergence maintain a high level of revenues growth

in m€	Q4 17	yoy cb	FY 17	yoy cb
Revenues	459	+5.6%	1,749	+5.7%
mobile services	350	+1.7%	1,376	+1.9%
mobile equipment	53	+24.8%	166	+35.2%
fixed services	38	+11.5%	150	+12.2%
other revenues	18	+29.9%	56	+18.7%
Adjusted EBITDA			547	-1.7%
Adjusted EBITDA margin			31.3%	-2.3pt
CAPEX			266	+5.6%
CAPEX/revenues			15.2%	-0.0pt



4.6m

4G customers

yoy
+44%

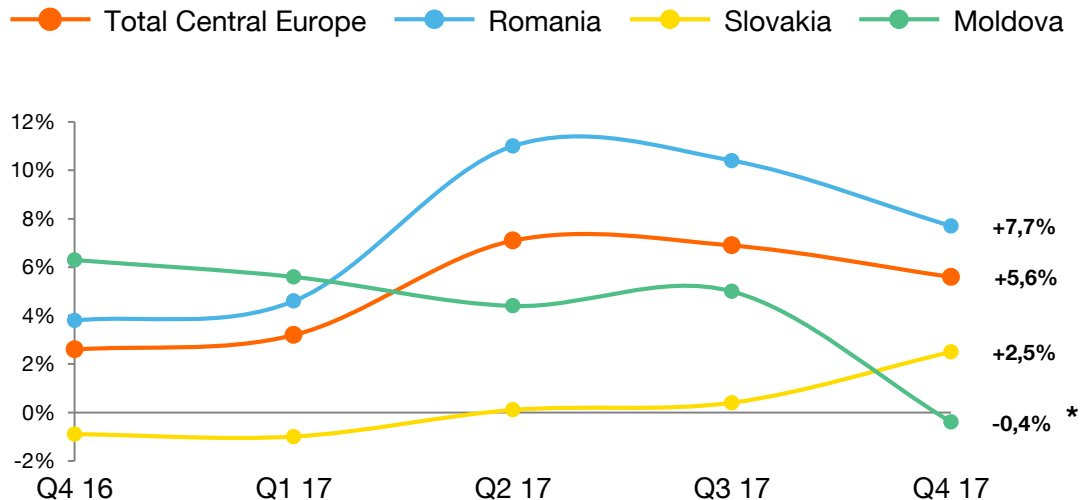


394k

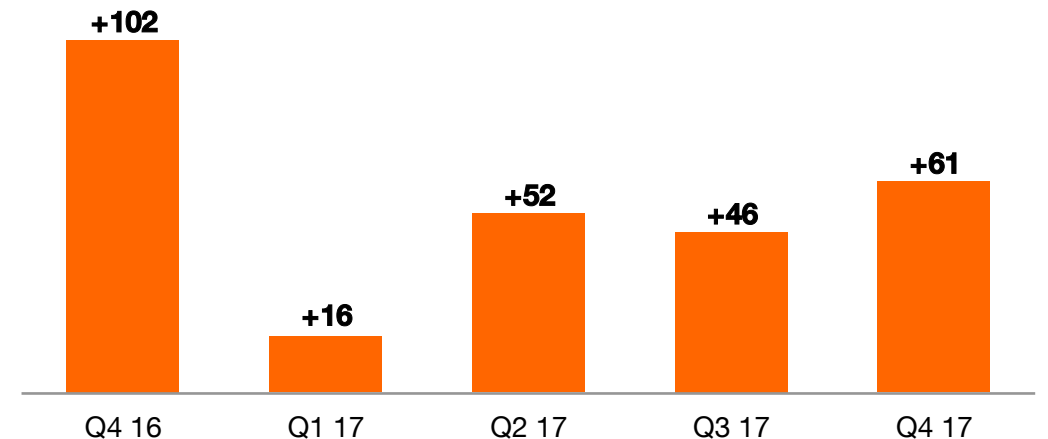
Fixed Broadband customers

+29%**

Revenue growth driven by Romania (yoy in %)



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



* Due to Sun perimeter effect

** At comparable base as wireless for fixed is reported in fixed broadband starting Q1 2017

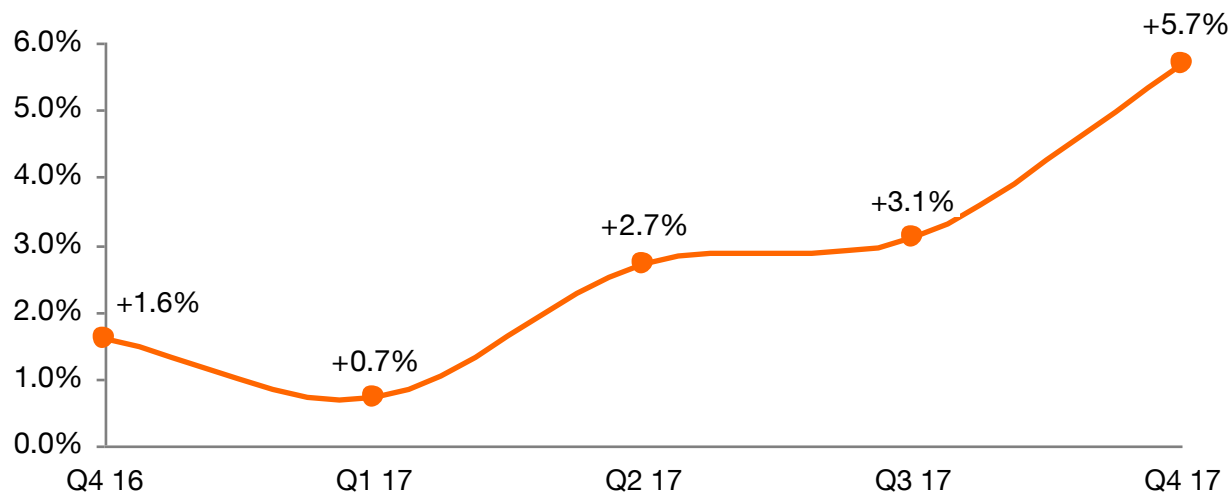
Q4 2017 Africa & Middle East

Revenues accelerated growth at +5.7% driven by Data, Orange Money, and B2B

in m€	Q4 17	yoy cb	FY 17	yoy cb
Revenues	1,274	+5.7%	5,030	+3.0%
mobile services	1,056	+6.8%	4,207	+4.7%
mobile equipment	26	+42.0%	79	+23.7%
fixed services	173	-6.0%	672	-8.6%
other revenues	20	+34.8%	72	+14.5%
Adjusted EBITDA			1,612	+7.0%
Adjusted EBITDA margin			32.1%	+1.2pt
CAPEX			1,021	+7.0%
CAPEX/revenues			20.3%	+0.8pt



Revenues growth yoy in %



New business drivers continue to fuel growth

+36%

Data revenue growth yoy in Q4

4G 11m customers*

+58%

Orange Money revenue growth yoy in Q4

36.9m customers **12.1m active customers in last 30 days**

~1/3

B2B contribution to annual revenue growth

Q4 2017 Enterprise

Revenues almost stabilized, thanks to continuing growth in IT&IS and mobile equipment

in m€	Q4 17	yoy cb	FY 17	yoy cb
Revenues	1,859	-0.1%	7,252	-1.0%
voice	362	-3.6%	1,452	-4.3%
data	660	-2.3%	2,700	-3.0%
IT&IS	576	+3.6%	2,092	+2.6%
mobile	260	+3.0%	1,008	+2.6%
Adjusted EBITDA			1,307	-2.3%
Adjusted EBITDA margin			18.0%	-0.2pt
CAPEX			382	+13.9%
CAPEX/revenues			5.3%	+0.7pt



Cyberdefense

Q4 revenue growth

+17% yoy

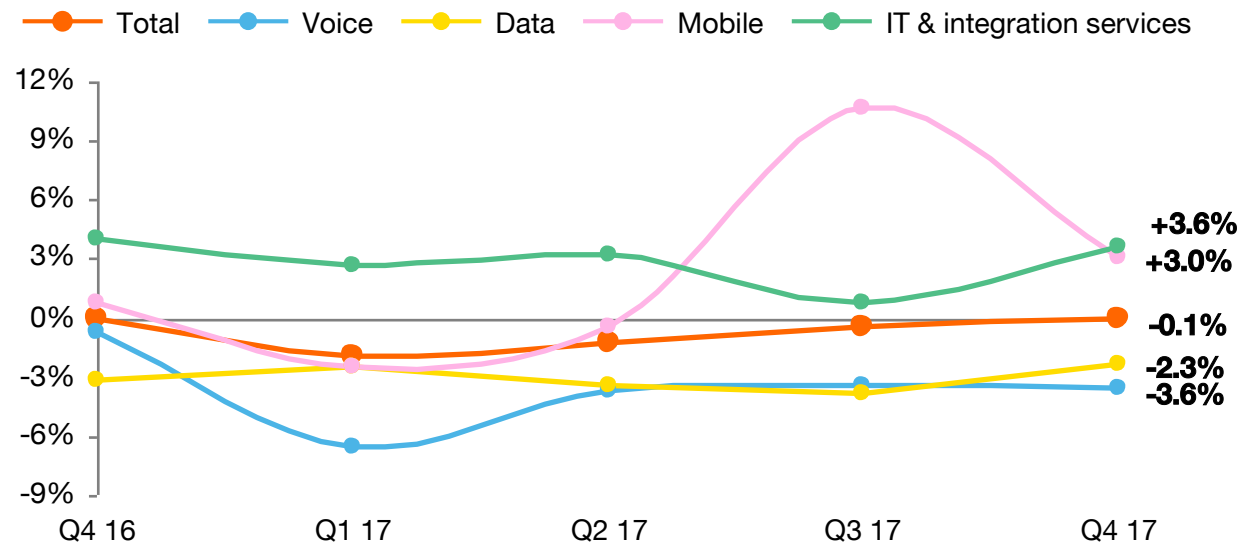


Cloud

Q4 revenue growth

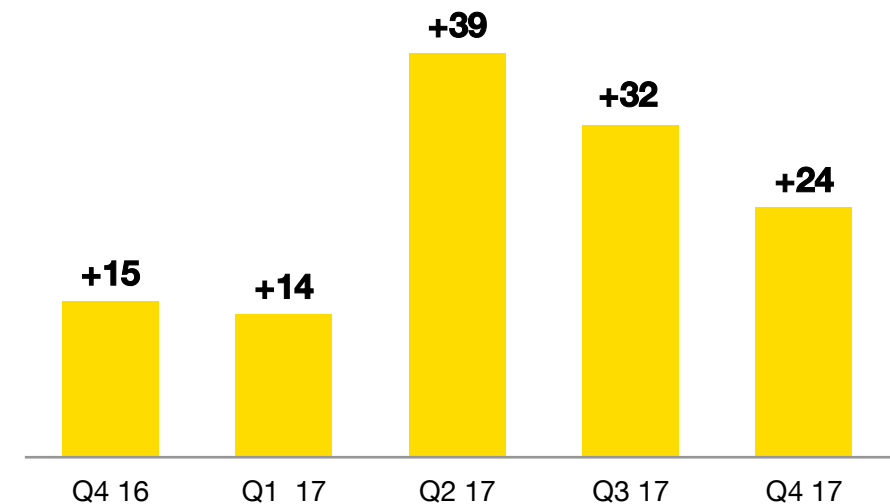
+15% yoy

Revenues per segment (yoy in %)



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

in '000s



Section four

2018 guidance

Short and mid-term guidance

2018

2019-2020

	2018	2019-2020
Adjusted EBITDA	Higher growth rate vs 2017	Growth
CAPEX	€7.4bn (peak)	Decrease
Operating Cash Flow *	Higher growth rate vs 2017	Growth
Net debt / Adjusted EBITDA (telecom)	Around 2x in the medium term	
Dividend	€70 cent (📈 +€5 cent)	New floor of €70 cent

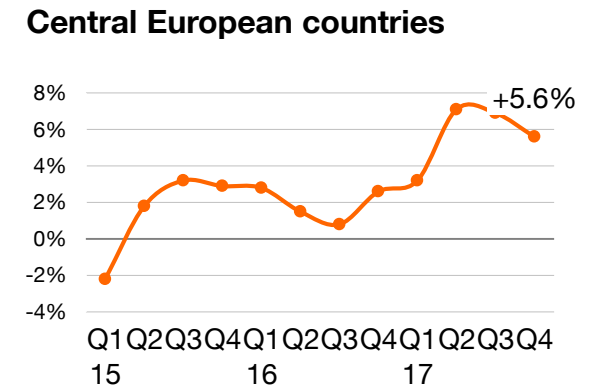
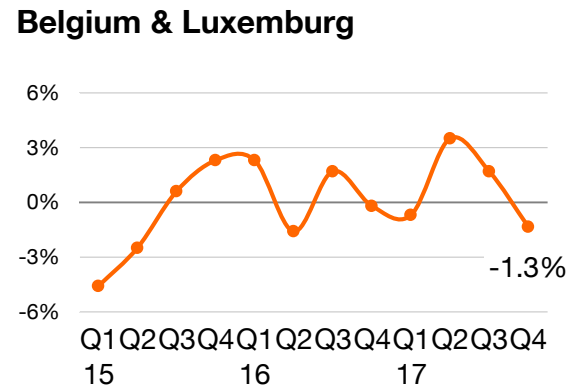
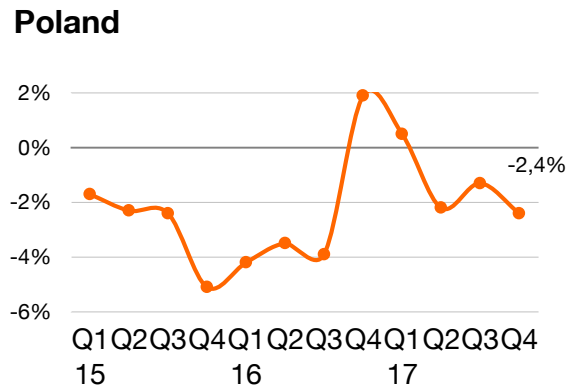
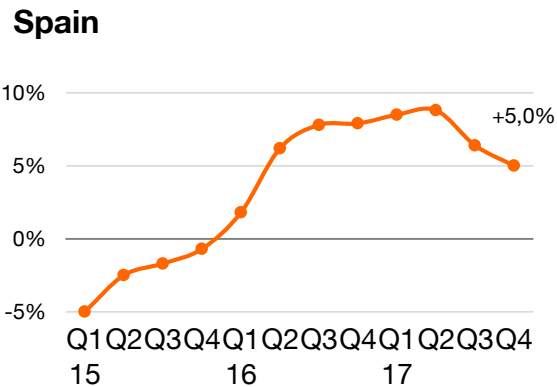
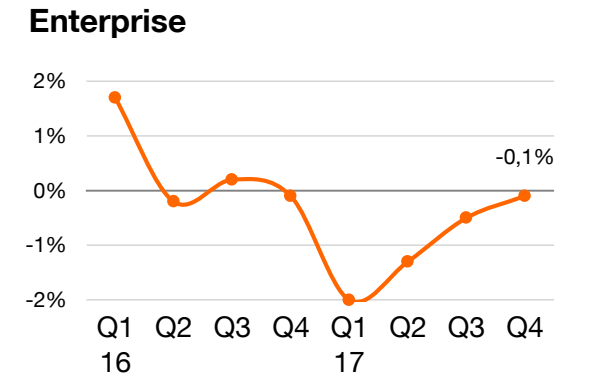
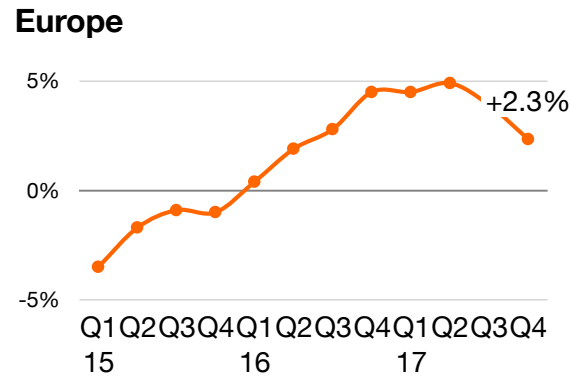
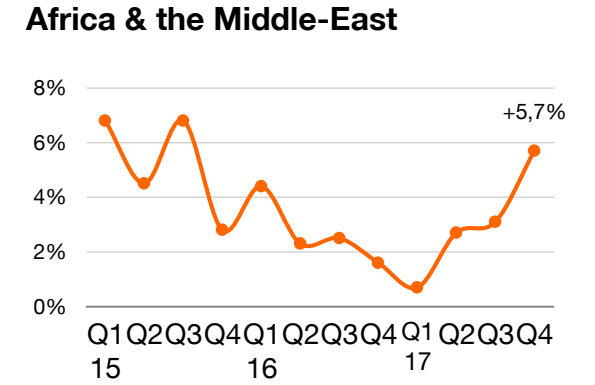
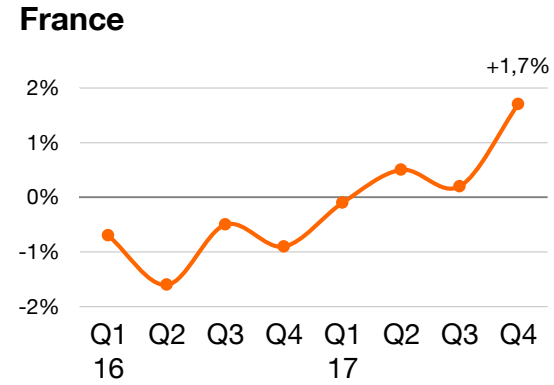
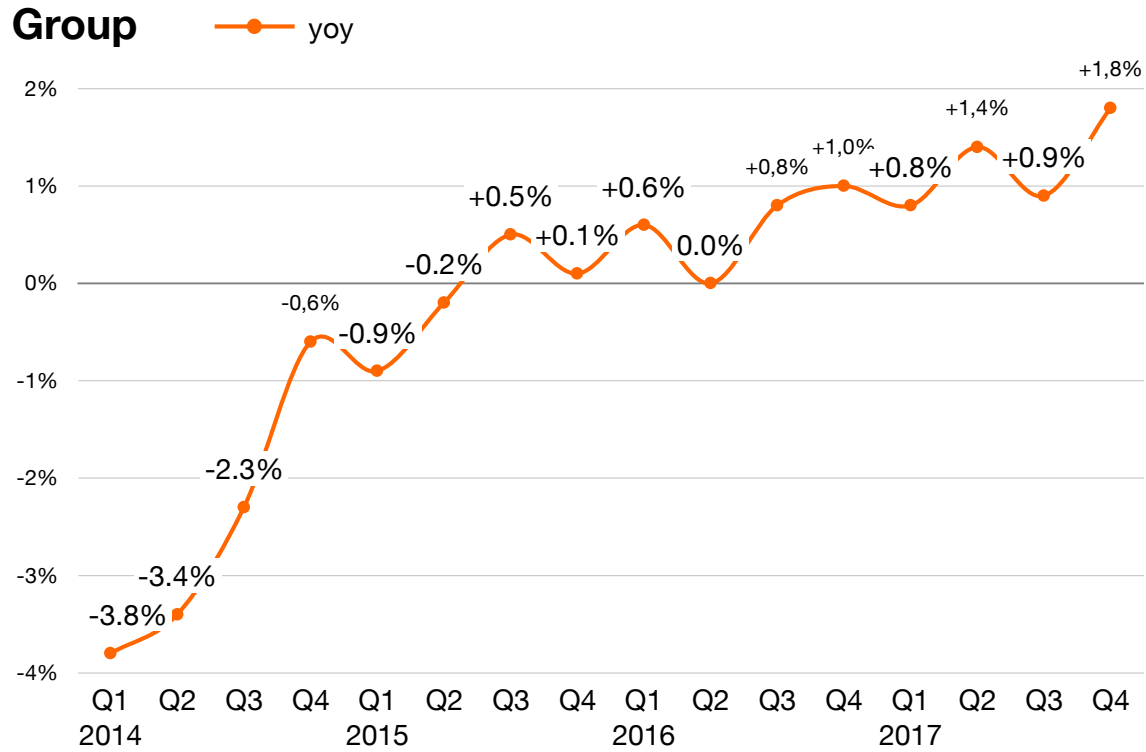


Section five

Questions & answers

Appendices

Revenues yoy evolution



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	Q4 17
Mobile customers (excl. MVNOs)	28,612	28,966	29,508	30,033	30,489	31,150	31,624	31,777
Contract	24,581	25,069	25,759	26,486	27,090	27,842	28,433	28,821
M2M	4,277	4,611	5,115	5,711	6,228	6,829	7,068	7,220
Excluding M2M	20,305	20,457	20,644	20,775	20,862	21,012	21,365	21,601
Prepaid	4,030	3,897	3,748	3,547	3,398	3,308	3,191	2,956
Mobile volume market share (in %)*	35.1%	35.3%	35.4%	35.5%	35.6%	35.8%	35.8%	35.5%

Fixed KPIs (in thousands)	Q1 16	Q2 16	Q3 16	Q4 16	Q1 17	Q2 17	Q3 17	Q4 17
Broadband customers	10,830	10,923	11,056	11,151	11,220	11,290	11,402	11,485
o/w xDSL	9,698	9,686	9,693	9,643	9,587	9,548	9,517	9,438
o/w FTTH customers	1,075	1,181	1,308	1,452	1,579	1,690	1,835	1,999
Broadband market share (in %)*	40.0%	40.1%	40.3%	40.2%	40.2%	40.2%	40.4%	40.4%
Net adds broadband market share (in %)*	45.3%	64.2%	58.1%	36.8%	30.3%	49.5%	60.6%	42.1%

* Numbers for the latest quarter are company estimates.

EBITDA adjustments

in €m	Q4 16 cb	Q4 17	FY 16 cb	FY 17
Adjusted EBITDA	3,141	3,220	12,538	12,819
restructuring and integration	-148	-92	-497	-167
litigations	-27	-210	10	-271
labour related	-411	-287	-525	-374
o\w Senior Part Time	-411	-288	-525	-395
portfolio review and others			-8	-5
Reported EBITDA	2,555	2,631	11,518	12,002

Change in net income

(in millions of euros, on a historical basis)	2016 historical	2016 cb	2017 actual
Adjusted EBITDA	12,682	12,538	12,819
Adjustments*	(963)	(1,020)	(817)
Reported EBITDA	11,719	11,518	12,002
Depreciation & amortization	(6,728)		(6,846)
Impairment of goodwill & assets	(979)		(210)
Share of profit (losses) of associates	(46)		6
Other income / (charge)	111		(35)
Operating income	4,077		4,917
Effects resulting from BT shares	(533)		(372)
Financial result (excluding BT)	(1,564)		(1,343)
Tax	(970)		(1,088)
Net income from continuing activities	1,010		2,114
Net income from discontinued activities	2,253		29
Net income from consolidated Group	3,263		2,143
Minority interests	328		237
Net income Group share	2,935		1,906

Change in net debt

(in millions of euros, on a historical basis)	2016 historical	2017 actual
Adjusted EBITDA - CAPEX (telecom activities)	5,738	5,732
Change in working capital requirements	(428)	(64)
Change in CAPEX payables	305	307
Licences and spectrum paid	(1,800)	(617)
Net interest paid (including dividends received)	(1,109)	(1,273)
Income taxes paid	(906)	(584)
Other operational items	(1,146)	(910)
Dividends paid to owners of parent company	(1,596)	(1,729)
Dividends paid to non-controlling interests	(259)	(236)
Coupons on subordinated notes	(291)	(282)
Net of acquisitions and disposals	3,298	432
Other financial items	302	(175)
Change in net debt	2,108	601
Net financial debt*	(24,444)	(23,843)
Ratio of net financial debt / Adjusted EBITDA	1.93x	1.85x

* Net financial debt as defined and used by Orange does not include the activities of Orange Bank, for which this concept is not relevant.

** As at December 31 2017, the amount does not take into account the effect of the escrowed amount of approximately 346 million of euros in February 2018 related to the Digicel litigation.