

*everything
everywhere*[™]



Q3 2011 Results

26th October 2011

Reaffirm Everything Everywhere strategy

Our Customers Market Leadership & Customer Loyalty

- *Improve customer value with growth of pay monthly base*
- *Maintain lowest churn in the market*
- *Deliver best data network and device experience*
- *Focus on delivering exceptional customer service through retail networks, customer operations and online channels*

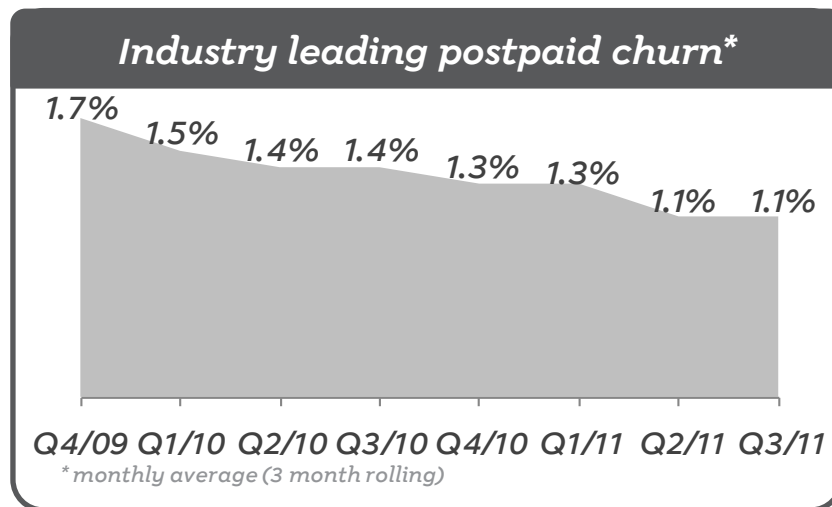
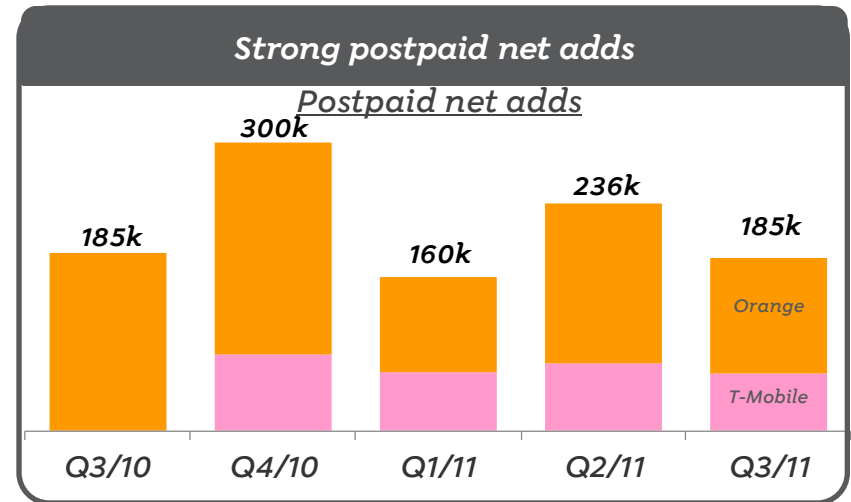
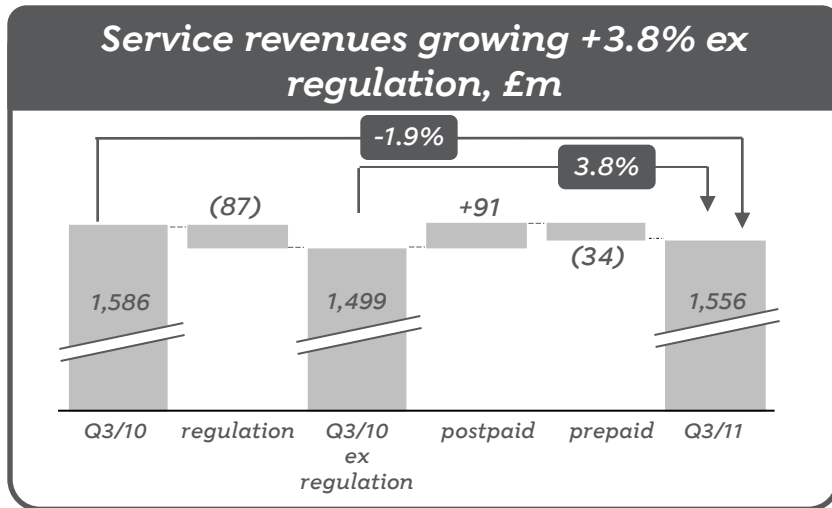
Our Company Operational Excellence

- *Deliver agreed cost savings / synergies*
- *Create simplified and flexible IT architecture to enable fast delivery*
- *Become a high performance organisation and outstanding workplace, with emphasis on frontline operations*

Our Future Platforms for Growth through Data

- *Profitably monetise mobile data growth (access & new services)*
- *Focus on profitable growth segments (B2B, Home, M2M)*
- *Expand into select markets opportunities (m-advertising & transactions)*

Customer loyalty: strong postpaid net adds and sustained low churn in postpaid



Insights

- Underlying service revenue growth driven by growth in postpaid base, 881k net adds in the last 12m
- Consistent turnaround in T-Mobile postpaid base
- Focus on future value through investment in postpaid growth and longer term commitments, 70% (47% Q3/10) of postpaid base on 24m contracts

Initiatives

- Improving network with 3G roaming from October
- Introduced T-Mobile YouFix tariff with spend control to drive pay monthly adoption
- Increase loyalty with Orange Film-to-Go on iTunes

Operational Excellence: new CEO and senior management team; business simplification

High performance organisation

- *Leadership team reduced from 26 to 10*
- *Senior management team structure across business reduced by 25%*

Delivering synergy plans

- *Business simplification: number of IT applications reduced by 22%; outsourced IT testing capability*
- *Streamlining supplier relationships, reduced by 25%+*
- *On track for £3.5bn+ in synergy savings by 2014*

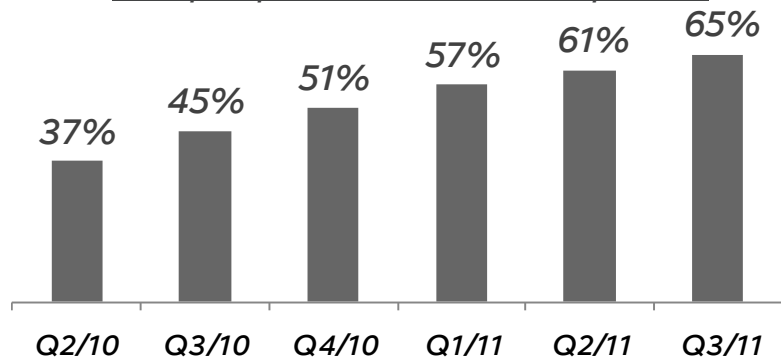
Home business

- *99.8% of customers migrated from legacy network to BT fixed network at end of October*
- *Paves way for full decommissioning of legacy network by year end*

Platforms for growth: leveraging the data opportunity

Increasing postpaid smartphone base

% of postpaid base with smartphones

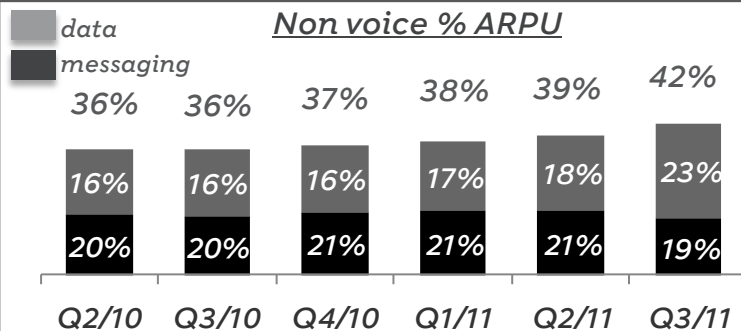


Mobile blended monthly ARPU growth



Exploiting data opportunity

Non voice % ARPU



Insights

- Blended ARPU post regulation increases by 2.2% yoy, with postpaid access fees up 3% yoy
- Increasing smartphone data usage drives non-voice revenues, with data revenues up 35% yoy
- Fixed-broadband base growth in September

Initiatives

- Launched Orange Swapables multi-media apps to strengthen value proposition for high-end tariffs
- In October launched first UK 4G live customer trials
- Launched Machine to Machine (M2M) platform
- Partnership with M2M enabler RACO Wireless