

2010 annual investor's conference

Johannesburg, October 4-5 th

1. introducing Sonatel group

1 key considerations

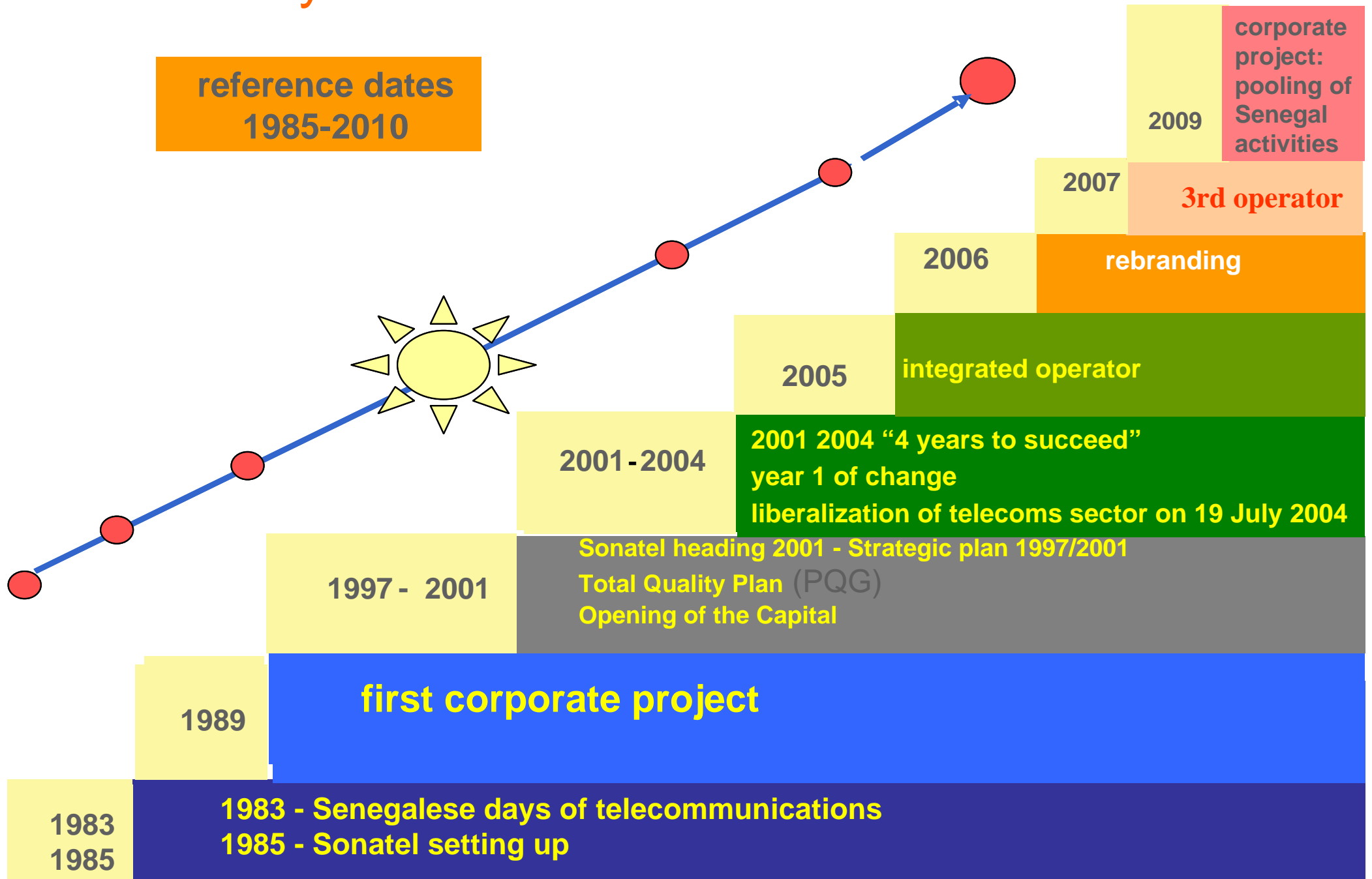
an integrated, innovative operator, leading player in west African sub-region

- operating in 4 countries with a population of 40 million inhabitants
- running fixed, mobile, Internet and TV activities
- serving 10.1 million subscribers at the end of June 2010
- strong mobile subscriber growth +25% in H1 2010
- confirmed leadership in all its historical markets
- a stable good profitability: Ebitda margin of 56% and net margin of 32%
- included in the AI 40 African Investor index
- 42% owned by France Telecom (one of the largest operators worldwide) and backed up by the senegalese government
- listed on the Brvm in Côte d'Ivoire since 1998 and first value at Brvm stock exchange and CAGR +30% share price growth over the past 3 years
- 73% pay-out ratio and a dividend yield of 10% for 2009
- a low debt level
- 1st investor and biggest tax payer in Senegal and euro 593 million of Capex (over the past 3 years) in our markets (Senegal, Mali, Bissau and Guinea)

strong growth prospects

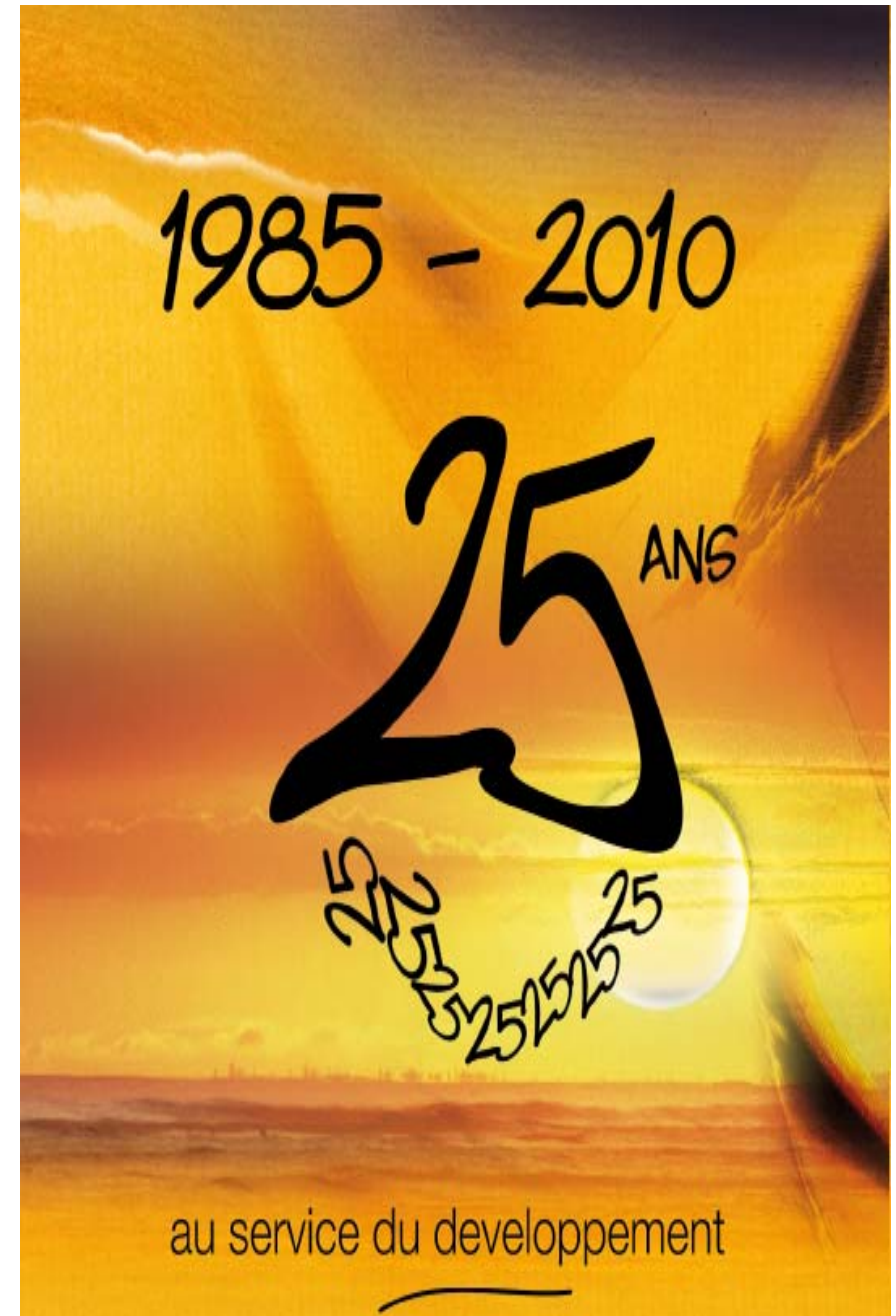
- growth prospects thanks to new operations in Guinea and Guinea Bissau and other regional players that could be added to Sonatel's footprint

1 our history



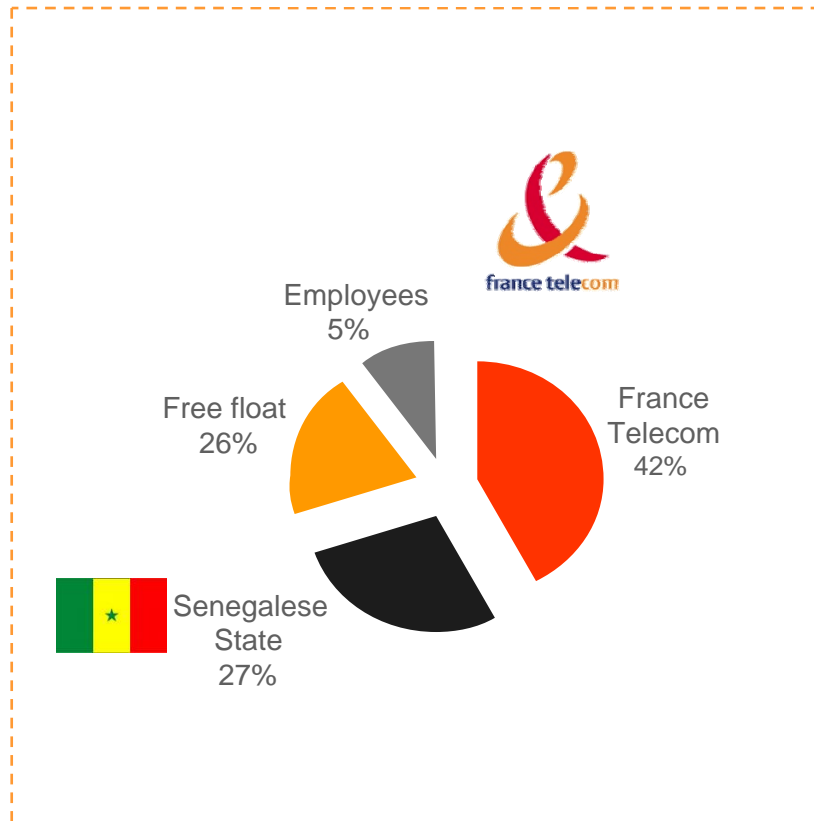
1 our history

- 1985** setting up of Sonatel
- 1996** setting up of Sonatel Mobiles with the brand Alizé
- 1997** privatization of Sonatel
- 1998** listing of Sonatel at the BRVM Stock Exchange
- 2001** setting up of Sonatel Multimedia with the brand Sentoo
- 2002** setting up of the Foundation of Sonatel
starting of the activities in Mali
inauguration of submarine cable SAT3/WASC/SAFE
- 2004** setting up of CGE Solutions specialized in business solution services
- 2006** Sonatel distributes Orange brand in Senegal and Mali
- 2007** starting of the activities in Guinea and in Bissau



1 shareholding and governance

shareholders



governance

- Board of directors
- Audit Committee
- Strategic Committee
- Investment Committee
- Procurement Committee

2. environment overview

2 markets trends and specifications

	Senegal				Orange Mali	Orange Guinea Bissau	Orange Guinea Conakry
subsidiaries	fixed	mobile	multimedia integration				
number of operators	2	3	5	5	2	3	5
position	1	1	1	1	1	2	2
penetration rate	2.1%	63%	-	NA	37%	35%	30%
value of the market (billion Fcfa)	150	278	-	-	-	-	-
market share (value)	98%	79%	-	-	-	-	-
market share (subscribers)	100%	63%	95%	-	73%	26,4%	24%
market trend	stability	growth	growth	growth	growth	growth	growth
market environment	<ul style="list-style-type: none"> increasing competition around abundance and renewal of dynamism of the competitors controversial decision of the government to entrust a technical partner with the management of the international traffic by introducing a surtax on the entering international traffic beginning of maturation of the market 				<ul style="list-style-type: none"> maintaining global leadership on the market and innovation in spite of new competition 	<ul style="list-style-type: none"> stabilized political environment 	<ul style="list-style-type: none"> progressive stability of the political and institutional situation

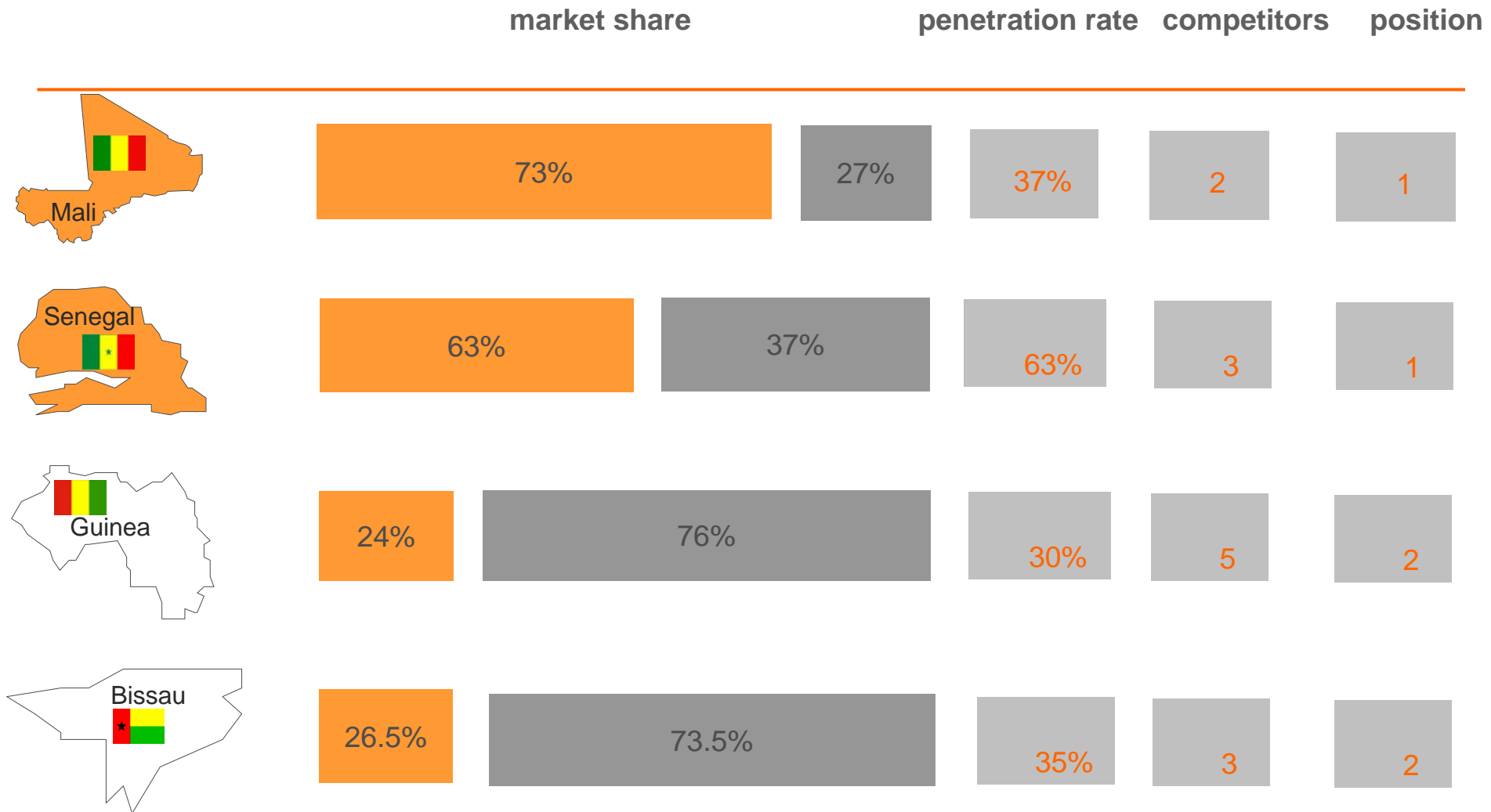
2 regulation

- increase in the rate of the Rutel from 2% to 5% as of August 2010
- issuing of new license to Globacom for the construction of a point of gateway of submarines cables in Senegal as of June 2010 (Globacom obtained a license of mobile telephony in the Gambia as of August 2010)
- Tigo: evolution in a confusing legal environment as regards the international traffic
- about the decree introducing surtax
 - a) decree introducing a surtax on the international calls entering Senegal as of August 1st, 2010
 - b) declaration of the Regulation Public Market Agency (ARMP) about the private contract involving Regulatory Agency (ARTP) and Global Voice
 - c) lodging of an appeal of Sonatel at the supreme court of Senegal in cancellation of decree 2010-632 of May 28th, 2010 instituting the new tax
 - d) cancellation of the private contract involving Regulatory Agency (ARTP) and Global Voice by the Regulation Public Market Agency (ARMP)
 - e) waiting for cancellation of the decree

3. results

3 strong positions in our main markets

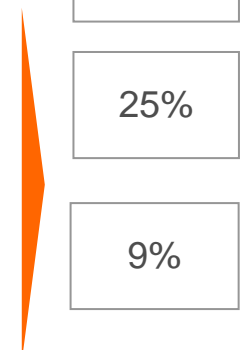
slight drop of our market shares in Senegal and Mali due to competition and maintaining of the market shares in Guinea and Guinea Bissau



3 subscribers: 10 million/+24%/S1 2009

*growth of the total number of subscribers on all segments fixed lines, mobile and Internet.
launching of a plan to boost growth of broadband Internet subscribers*

<i>number of subscribers</i>	2008	June 2009	2010	var. % 2009/2008	June var. % 2010/2009
fixed lines	255.044	241.214	269.436	-5%	12%
mobile	5.836.361	7.854.284	9.795.715	35%	25%
Internet	48.352	64.839	70.762	34%	9%
total	6.139.757	8.160.337	10.135.913	33%	24%



3 subscribers: the growth continues

90% mobile subscribers located in Senegal and Mali

<i>number of mobile subscribers</i>	2008	June 2009	2010	var. % 2009/2008	June var. % 2010/2009
Senegal	3.038.205	4.037.783	4.782.735	33%	18%
Mali	2.359.014	3.113.762	4.076.305	32%	31%
Guinea	398.000	615.382	783.292	55%	27%
Bissau	41.142	87.720	153.383	113%	75%
total	5.836.361	7.854.647	9.795.715	35%	25%

3 arpu

impact of the development of abundance offers, regulatory measures and the rise in the number of subscribers in Senegal and in Mali, the increase in tariffs in Guinea and development of the club effect in Guinea Bissau

six month arpu (in KcfaF)	30 Juin			30 Juin	
	2008	2009	2010	var. % 2009/2008	var. % 2010/2009
fixed lines	497	571	554	14,9%	-2,9%
<i>mobile prepaid</i>					
Senegal	44	33	26	-25%	-20,9%
Mali	32	27	22	-15,6%	-18,5%
Guinea	17	19	23	11,7%	21,1%
Bissau	18	18	21	0%	-16,7%
<i>mobile postpaid</i>					
Senegal	497	317	246	-36,2%	-22,4%
Mali	348	427	392	22,7%	-8,1%
Bissau	469	269	293	-42,6%	8,9%

3 distribution network and strategy



- 7 agencies
- 1 entreprise and big accounts agency
- 38 Orange direct shops
- 125 Orange shops with logistics support and subsidies
- 47 wholesalers
- 700 PPO (Promoteurs Puces Orange): individual vendors and retailers
- 40 000 indirect points of sales Orange
- churn and winback unit
- new distribution partnership with Kirène through «Kirène mobile by Orange»



3 high contribution to the economy and a socially responsible group



ISO 9001 certification 2008 version obtained for the system of management set up in all the activities for Sonatel Mobiles, Sonatel Multimedia, Orange Mali and on the network, support and management for Sonatel SA.



- 185 direct jobs created in 2009 including 35 in Mali and more than 75.000 indirect jobs via network indirect distribution and providers including 35.000 in Mali



- 12.4% of tax revenues of Senegal trickle down effects on other activities or sectors and 48 billion Fcfa tax and duties paid to the State of Mali



- 10.5% of the exports in Senegal and 8% in Mali

- 125 billion Fcfa of global purchases to suppliers established in the countries where we are present including 31 billion Fcfa for Mali



- more than 88% of the population of Senegal covered by the mobile and more than 94% of the villages of more than 500 inhabitants in Senegal are covered by the mobile signal



- more than 64 solar stations installed in Senegal

3 a good financial performance

a satisfactory mid year result with a steady growth of revenue and a high level of margin; growth compared to 2009 marked by exceptional elements and unfavorable regulation measures

in million of CfaF	June			June			
	2008	2009	proforma* 2009	2010	var. % 09/08	var. % 10/09	var. % 10/pro 09
revenue	259.149	279.587	279.587	295.416	8%	6%	6%
Ebitda	140.400	164.969	152.969	165.415	17%	0%	8%
operating result	86.027	119.409	107.409	115.815	39%	-3%	8%
net result	61.503	101.133	89.133	94.452	64%	-7%	6%
investments	62.200	31.469	31.469	30.167	-49%	-4%	-4%

* recovery of provisions affecting Ebitda





3 maintaining a high level of margin

good control of the operating expenses, good level of operating and net margins despite the accelerated depreciation of various equipments

	2008	2009	June proforma 2009	2010	var. % 09/08	June var.% 10/09	var. % 10/pro 09
Ebitda margin	54%	59%	55%	56%	+5	-3	+1
operating margin	33%	43%	38%	39%	+10	-4	+1
net margin	24%	36%	32%	32%	+12	-4	-
rate of investment	24%	11%	11%	10%	-13	-1	-1





3 constant investments

an investment rate of 10% mainly dedicated to densification of mobile network

<i>in millions of CfaF</i>	June 2010				
	consolidated	Senegal 	Orange Mali 	Orange Guinea 	Orange Bissau 
fixed networks	6.718	6.718	-	-	-
mobile networks	20.516	7 587	10.541	2.062	326
information system	1.387	1.123	222	30	12
others	1.546	843	502	134	67
total	30.167	16.271	11.265	2.226	405

3 contribution by country

positive contribution to the results/performance from all the entities of the group

	June 2010				
	consolidated	Senegal 	Orange Mali 	Orange Guinea 	Orange Bissau 
<i>in millions of CfaF</i>					
business	295.416	64%	30%	5%	1%
Ebitda	165.415	62%	34%	3%	1%
exploitation result	115.815	58%	39%	3%	0%
net result	94.454	49%	49%	2%	0%
investments	30.167	54%	37%	7%	2%

3 benchmark with african competitors

compared with other regional telecom operators, Sonatel ranks higher in terms of:

- & EBITDA margins
- & EBIT margins
- & Net result margins

	Country	EBITDA margin	EBIT margin	Net Result margin
Sonatel	Senegal	56%	39%	32%
Maroc Telecom	Morocco	68%	43%	29%
Sudatel	Sudan	28%	11%	24%
Millicom	Luxemburg	44%	26%	15%
Orascom Telecom	Egypt	42%	14%	7%
MTN	S. Africa	43%	30%	17%

Sonatel compared with market capitalization, VE/EBITDA and PER

- & the group's high levels of profitability
- & the growth potential of the countries where it operates

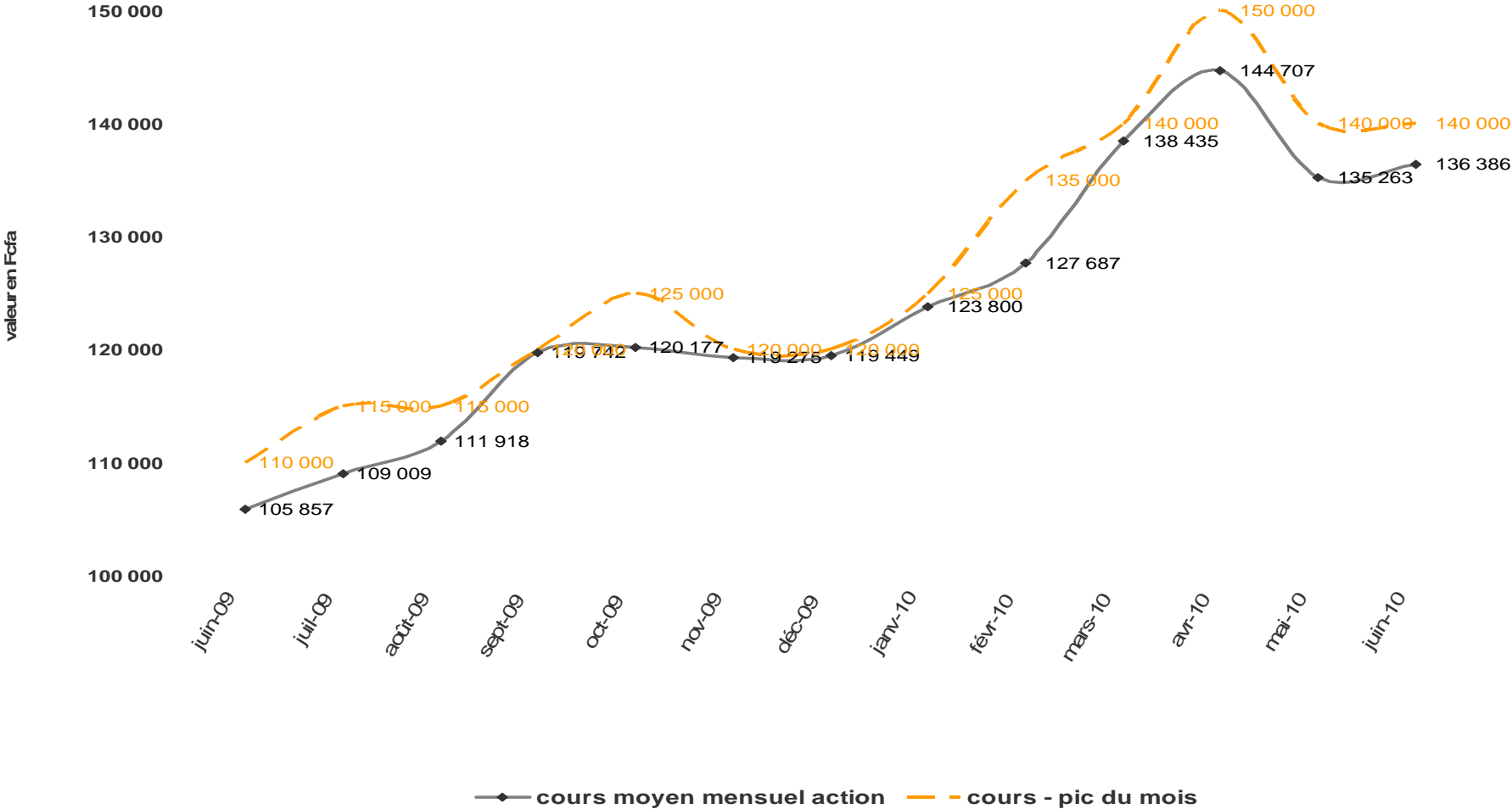
in million \$	Country	Market Cap.	VE/EBITDA	PER
Sonatel	Senegal	2,79	4,2x	8.2x
Maroc Telecom	Morocco	15,514	7.1x	13.1x
Sudatel	Sudan	1,088	6.2x	7.3x
Millicom	Egypt	6,283	5.3x	12.1x
Orascom Telecom	Egypt	5,488	4.6x	18.3x
MTN	S. Africa	28,822	5.6x	14.9x

Sonatel shows a strong financial performance compared to its african peers but seems undervalued

Source Reuters

3 stock price

renewal of interest for the Sonatel share led to a rise of the stock price during the 1^{er} semester



3 good level of dividend distribution

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
gross dividend (in billion Fcfa)	29	29	29.6	44	56.5	69	88.3	110	130	135
net dividend per share	2 610	2 610	2 669	3 960	5 085	6 210	7 947	9 900	11 700	12 150
dividend growth	2%	0%	2%	48%	28%	22%	28%	25%	18%	4%
distribution rate	61%	55%	57%	69%	66%	65%	68%	65%	73%	73%

- a yield of **10%**
- a pay out ratio of **65% and more** over these five last years
- a **growing** dividend

4.future prospects and opportunities

4 prospects

- more favorable first semester than expected in particular regarding revenues growth
- unfavorable regulation measures recorded in 2009 and over the first six-month period 2010 will heated debates mainly the issue regarding the cancellation of the decree introducing a surtax on the entering international traffic
- competition will remain tough with the continuation of the development of the abundance offers on our main markets but we expect to keep our strong positions
- our policy remains centered around:
 - supply of a good quality of technical and commercial service
 - loyalty policy for our best customers
 - development of innovative, friendly users offers
 - improvement of the customer relationship around the values of the Orange brand with the implementation of our new CRM
- we will maintain the strong level of our profitability
- we will develop synergies with the other Sonatel subsidiaries such as France Telecom group in the African sub region
- our offers will be centered around:
 - the development of high speed, mobile data and multi play offers
 - the development of the added value services and contents
 - extension of the coverage of our networks to make up for the residual potential of penetration in Mali, in Guinea and Guinea Bissau
- we work to have new subsidiaries added to the Sonatel footprint

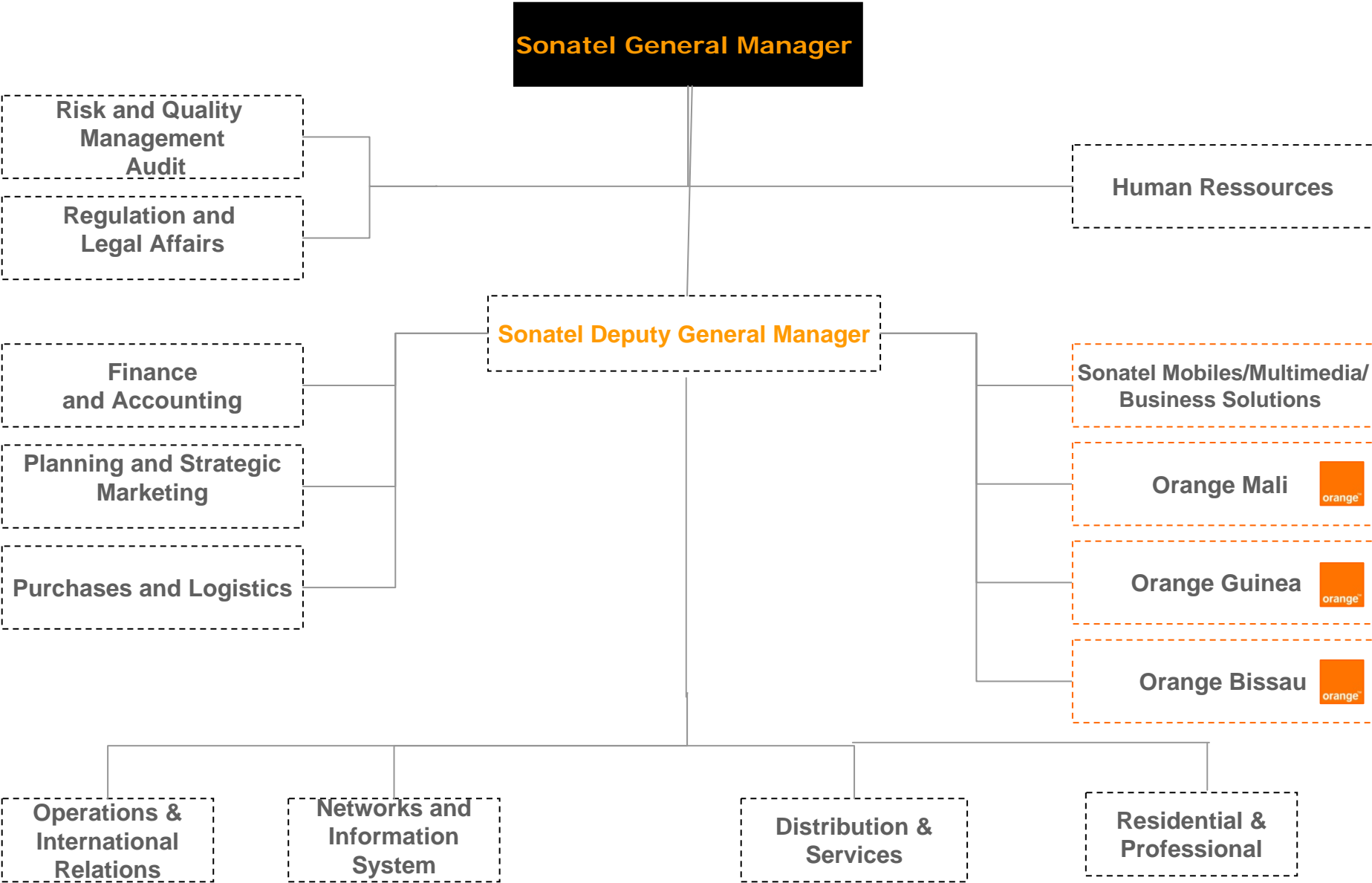
5. additionnal information

5 board of directors

members

- Marc Renard, Chairman
- Christophe Eouzan, Administrator, FT representative
- Michel Monzani, Administrator, FT representative
- Jean Philippe Vanot, Administrator, FT representative
- Cheikh Sidya El Moctar Bèye, Administrator representing the State of Senegal (Department of Economics and Finances)
- Thierno Ousmane Sy, Administrator representing the State of Senegal (Presidency of the Republic)
- Thierno Fall, Administrator representing the State of Senegal (Ministry of the Army)
- Abdoulaye Camara, representing Financial Control of the State of Senegal
- Ibrahima Konté, Administrator representing the staff of Sonatel
- Victor Gorom Ndiaye, independant Administrator

5 company chart



5 Senegal overview



overview of country economic evolution

- GDP 12.7 billion \$, GDP growth: 1.7% (2008)
- GDP by sector: agriculture 13.8%, industry 23.3% and services 62.9%
- population below poverty line: 54%
- inflation rate H1 2009: -1%

overview of population dynamics

- population: 14 million, growth rate: 2.68%
- urban population: 42% of total, urbanization rate: 3.1%
- literacy: 39.3% of total population

specificities of the telecom market

- fiber-optic network
- 2/3 of fixed line service connections are in Dakar
- fixed-line service in rural areas needed
- mobile-cellular service is expanding rapidly
- international: SAT-3/WASC fiber optic (Europe and Asia), Atlantis-2 (South America) and satellite earth station-1 Intelsat (Atlantic Ocean)

Source Facbook 2010

5 Mali overview



overview of country economic evolution

- GDP 8.8 billion \$, GDP growth: 4%
- GDP by sector: agriculture 45%, industry 17% and services 38%
- population below poverty line: 36.1%
- inflation rate H1 2009: 2.5%

overview of population dynamics

- population: 13.7 million, growth rate: 2.6%
- urban population: 32% of total, urbanization rate: 4.8%
- literacy: 46.4% of total population

specificities of the telecom market

- domestic system unreliable but improving, provide only minimal service
- fixed lines availability is gradually increasing, number of subscribers remains under 1 per 100 persons
- mobile-cellular number of subscribers has increased sharply over the last years
- international: satellite earth stations-2 intelsat (Atlantic and Indian Ocean)

Source Facbook 2010

5 Guinea overview



overview of country economic evolution

- GDP 4.4 billion \$, GDP growth: -2.5%
- GDP by sector: agriculture 24.2%, industry 38.5% and services 37.3%
- population below poverty line: 47%
- inflation rate: 9%

overview of population dynamics

- population: 10.3 million, growth rate: 2.6%
- urban population 34% of total, urbanization rate: 3.5%
- literacy: 29.5% of total population

specificities of the telecom market

- inadequate system of open-wire lines, small radiotelephone communication stations and new micro wave radio relay system
- Conakry reasonably well covered, coverage elsewhere remains inadequate.
- mobile-cellular number of subscribers has increased sharply over the two last years
- 6 competitors in mobile service
- international: Satellite earth stations-1 intelsat (Atlantic Ocean)

Source Facbook 2010

5 Guinea Bissau overview



overview of country economic evolution

- GDP 443 million \$, GDP growth: 2.9%
- GDP by sector: agriculture 62%, industry 12% and services 26%
- inflation rate: 3.8%

overview of population dynamics

- population: 1.565 million, growth rate: 2.004%
- urban population 30% of total, urbanization rate: 3.2%
- literacy: 42.4% of total population

specificities of the telecom market

- small system
- combination of microwave radio relay, open wire lines
- radiotelephone and cellular communication fixed line teledensity under 1 per 100

Source Facbook 2010

5 Senegal - competitors



Sentel

Parent co. et brand

MIC

Millicom International Cellular S.A.



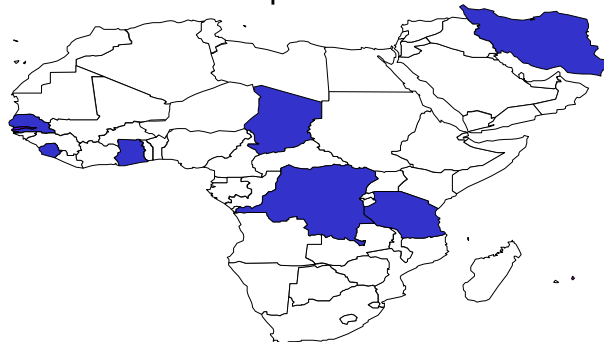
SENTEL
A Millicom International Cellular Operation

tigo

Sentel's brand

- **Millicom International ownership**
- **license of 20 years in July 1998**
- commercial launch in 1999
- **rebranded** in Tigo on December 2005
- **financial data (Millicom)**
 - sales of US\$ m: 814 (Q2 09)
 - EBITDA margin: 42% (Q2 09)
- **GSM Subscribers**
 - & 2 600 000 (June 2010)
 - & 34% market shares
- **GSM 900 Network**

Milicom
7 operations



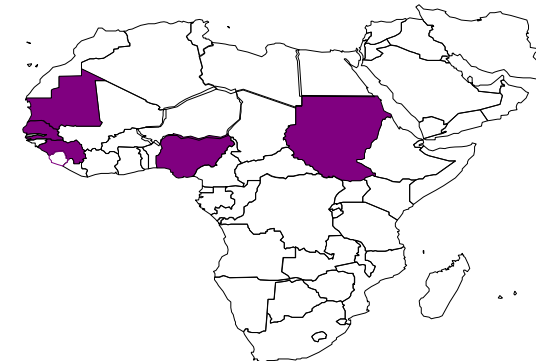
3rd license in Senegal



global license (fixed, mobile and international) for Sudatel on September 2007 for US\$ 200 million (Bintel - US\$ 152 million, Celtel - US\$ 105 million)

- Sudatel began its operations at the beginnings of 2009 through Expresso brand
- **Subscribers**
 - & 236 000 (June 2010)
 - & 3% market shares (June 2010)

Sudatel
5 operations



5 Mali - competitors



- **ownership**

- & state of Mali (49%)

- & Maroc Telecom (51%)

- & set up in 1989

- **commercial launch in 1990**

- **Malitel as mobile operator (1999)**

- **GSM subscribers**

- & 1 500 000

- & 27% of market share

- **GSM 900 network**

- **3G license obtained at the privatization**

- Maroc Telecom bought 51% stake in Mali phone company Sotelma for 275 millions euros (\$382.8 million) the deal was realised on July 8th 2009

- Maroc Telecom, which is 53% owned by France's Vivendi and 30% by the Moroccan State, has expanded into Mauritania, Burkina Faso and Gabon since 2006 through acquisitions

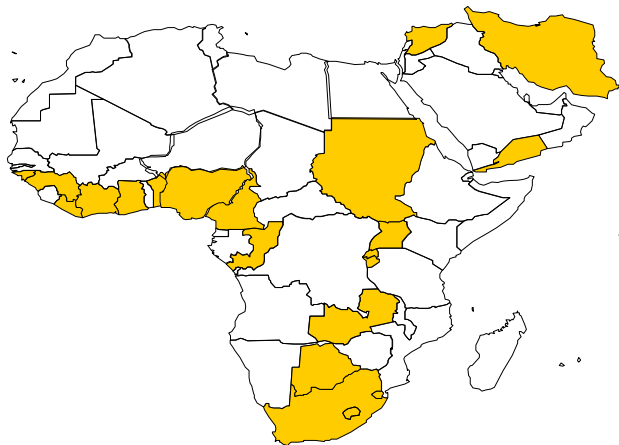
- social plan financed by the Malian State for 600 persons admitted

5 Guinea - competitors



- **ownership**
 - & MTN (75%)
- commercial launch in April 2005
- **GSM subscribers**
 - & 1 290 000 subscribers
 - & 37% market share

MTN
21 operations



- **ownership**
 - & State of Guinea (100%)
- **commercial launch in 1993**
- **GSM subscribers**
 - & 560 000
 - & 16% market share
- **privatization in 2009 or 2010: 60% of the capital to be sold**

Cellcom

- **560 000** subscribers, launched in 2008
- **16%** market share

Intercel

- ownership Teylium (100%)
- **167 000** subscribers, launched in 2006
- **5%** market share

5 Guinea Bissau - competitors



- **shareholding**
 - & state of Bissau (50%)
 - & Portugal Telecom (40%)
 - & staff (10%)
- set up in 1995
- **GSM Subscribers**
 - & 32 000
 - & 5% market share



- **shareholding**
 - & MTN (100%)
- **commercial launch in June 2004**
- **GSM subscribers**
 - & 400 000
 - & 69% market share



thank you