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Mobinil (Egypt): France Telecom gets approval from the Egyptian market authorities for its offer on ECMS shares

The Egyptian Financial Supervisory Authority (EFSA) has authorized France Telecom, through its subsidiary Orange Participations, to launch a formal offer to buy ECMS shares for a price of 245 Egyptian pounds per share. This represents a premium of 18.9% compared with the closing share price on 10 December 2009, 17.7% compared with the average for the last six months, and 63.3% compared with the closing price on 5 April 2009 (last share price before the arbitration ruling was announced). The offer submitted on 10 December, concerning the 48,968,270 ECMS shares not held by Mobinil, will be open for the period from 15 December 2009 to 14 January 2010.

Obtaining this approval was the only condition set by the Egyptian authorities that would enable the Trading Committee of the Cairo and Alexandria stock exchange to authorize the execution of the arbitration ruling that was handed down by the Arbitration Court of the International Chamber of Commerce to settle the dispute between Mobinil's two shareholders, France Telecom and Orascom Telecom. Today, this condition has been fulfilled.

In consequence, France Telecom has contacted Orascom Telecom with a view to definitively resolving the disagreements between the two groups.

Background information

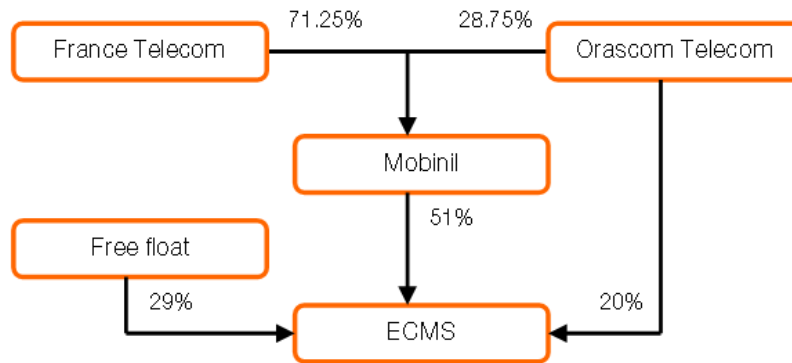
In March 2009, the Arbitration Court of the International Chamber of Commerce ruled in favor of France Telecom, which has a 71.25% stake in Mobinil, authorizing it to acquire the 28.75% interest in Mobinil held by Orascom Telecom.

Mobinil owns 51% of ECMS, Egypt's leading mobile operator, which markets its services under the Mobinil brand. This company is listed on the Cairo and Alexandria stock exchange. Orascom Telecom directly owns a 20% stake in ECMS.

With a view to applying the arbitration ruling, France Telecom and Orascom Telecom submitted, in accordance with the rules in force, the documents necessary to execute the transfer of the Mobinil shares held by Orascom Telecom to France Telecom. This file was registered on 15 April 2009 with the relevant authority, the Trading Committee of the Cairo and Alexandria stock exchange. However, it was not immediately examined pending a formal offer by France Telecom (which also had to be approved by the Egyptian market authorities) to buyout the ECMS shares not held by Mobinil. It should also be noted that the arbitration ruling, which has not been subject to any appeal within the legal timeframe, is binding, as confirmed on 7 May by the District Court of Geneva, the headquarters of the Arbitration Court.



Furthermore, France Telecom has confirmed its commitment before the Egyptian authorities to keep ECMS listed on the Cairo and Alexandria stock exchange, where it represents one of the main capitalizations, as well as its full commitment to upholding the Egyptian roots of the company and its management.



About France Telecom

France Telecom, one of the world's leading telecommunications operators, had consolidated sales of 53.5 billion euros in 2008 (38.1 billion euros for the first nine months of 2009) and, at 30 September 2009, a customer base of almost 190 million customers in 32 countries. Orange, the Group's single brand for Internet, television and mobile services in the majority of countries where the company operates, now covers 126 million customers. At 30 September 2009, the Group had 128.8 million mobile customers and 13.4 million broadband Internet (ADSL) customers worldwide. Orange is the number three mobile operator and the number two provider of broadband Internet services in Europe and, under the brand Orange Business Services, is one of the world leaders in providing telecommunication services to multinational companies.

The Group's strategy, which is characterized by a strong focus on innovation, convergence and effective cost management, aims to establish Orange as an integrated operator and benchmark for new telecommunications services in Europe. Today the Group remains focused on its core activities as a network operator, while working to develop its position in new growth activities. To meet customer expectations, the Group strives to provide products and services that are simple and user-friendly, while maintaining a sustainable and responsible business model that can be adapted to the requirements of a fast-paced and changing eco-system.

France Telecom (NYSE:FTE) is listed on Euronext Paris (compartment A) and on the New York Stock Exchange.

For more information: www.orange.com, www.francetelecom.com, www.orange-business.com

Press contacts +33 1 44 44 93 93

Beatrice Mandine, beatrice.mandine@orange-ftgroup.com

Bertrand Deronchaine, bertrand.deronchaine@orange-ftgroup.com

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