

**Not for distribution in the USA or Italy****France Telecom successfully closes its EUR 1 billion bonds tender offer and issues a 10-year bond for EUR 750 million**

The tender offer for bonds launched by France Telecom closed on 18 November with EUR 1.963 billion of orders received representing a high hit rate of 36% of the total targeted bonds (4.625% January 2012, 4.375% February 2012 and 7.25% January 2013).

In line with its initial objective, France Telecom has limited the amount of bonds bought back to EUR 1 billion (EUR 160 million due January 2012, EUR 416 million due February 2012 and EUR 424 million due January 2013).

Moreover, France Telecom has finalised the refinancing of this EUR 1 billion tender with the placement today of a EUR 750 million 10-year bond. This placement followed that of 16 November of a GBP 250 million 40-year bond swapped into EUR at 4.46%.

The conditions for this placement are as follows:

Currency	Format	Term	Notional	Coupon	Re-offer spread
EUR	Fixed rate	January 2021	750 million	3.875 %	m/s + 85 bp

This tender offer and the two new placements were carried out in line with the liability management strategy initiated by the Group one year ago with, in particular, the early redemption in September 2010 through a make-whole call of its 7.75%-USD bonds, which were due to reach maturity in March 2011. In total, this debt optimization strategy represents a volume of more than EUR 5 billion of bonds as of today and allows the Group to continue to take advantage of very low interest rates while extending its average debt maturity, which has now been increased by 0.6 years.

BNP Paribas, Crédit Suisse and Société Générale acted as bookrunners of the EUR bond issue while BNP Paribas and Société Générale acted as dealer managers of the tender offer.

**About France Telecom**

France Telecom, one of the world's leading telecommunications operators, had total sales of 44.8 billion euros in 2009 (33.7 billion euros for the first nine months of 2010). At 30 September 2010, the Group had a customer base of 203 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 over 131 million customers. At 30 September 2010, the Group had 144.5 million mobile customers and 13.3 million broadband internet (ADSL, FTTH) customers worldwide. Orange is one of the main European operators for mobile and broadband internet services and, under the brand Orange Business Services, is one of the world leaders in providing telecommunication services to multinational companies.

With its industrial project, "conquests 2015", Orange is simultaneously addressing its employees, customers and shareholders, as well as the society in which the company operates, through a concrete set of action plans. These commitments are expressed through a new vision of human resources for employees; through the deployment of a network infrastructure upon which the Group will build its future growth; through the Group's ambition to offer a superior customer experience thanks in particular to improved quality of service; and through the acceleration of international development



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