



press release
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France Telecom-Orange and SFR announce agreement to deploy optical fiber beyond very dense areas

France Telecom-Orange and SFR signed an agreement today that marks a major step forward in the deployment of optical fiber outside very densely-populated areas of France.

The agreement is an important milestone because out the 11 million households outside very dense areas that are covered by the fiber deployment plans drawn-up by France Telecom-Orange and SFR, 9.8 million are in *agglomerations* where both operators have redundant deployment projects. Under the agreement, SFR will serve 2.3 million of these households and France Telecom-Orange will serve 7.5 million.

The initiative by the two groups is a new step following the deployment plans that each submitted to the *Commissariat Général à l'Investissement* (the State investment agency) in response to the latter's request for detailed information on its plans to invest in Very High-Speed Broadband networks (*Appel à Manifestation d'Intention d'Investissements*).

The agreement solidifies the two group's deployment goals. To avoid project duplication, the agreement designates the operator responsible for deployment in each *commune* in a way that ensures the best deployment schedule and network coverage with regards to the interests of consumers and local authorities.

To offer diversified services to all consumers, France Telecom-Orange and SFR have made a commitment to maintaining a commercial presence in the areas covered by the agreement, each buying wholesale services from the group that will ultimately deploy the local network. In line with the conditions set-out by the French regulator ARCEP, other market players will also be able to obtain access to the infrastructure deployed by either operator, including through co-financing projects, for their own very high-speed broadband offers.

Each party agrees to cover each *commune* no later than five years after the deployment process has started.

In the coming days, France Telecom-Orange and SFR will contact representatives of the local authorities concerned by these very high-speed broadband projects. This will enable them to organize the necessary discussions at a local level to ensure the appropriate balance between public and private deployment plans.

In total, including deployment in very densely-populated areas, fiber will reach nearly 60% of all French households by 2020, thanks to private-operator investment.

Each group is prepared to cooperate with local authorities to choose from among many solutions for reaching the remaining 40% of households, in an approach favoring complementary deployment plans and overall efficiency.

About Orange

France Telecom-Orange is one of the world's leading telecommunications operators with 170,000 employees worldwide, including 102,000 employees in France, and sales of 33.8 billion euros in the first nine months of 2011. Present in 35 countries, the Group had a customer base of 221 million customers at 30 September 2011, including 145 million customers under the Orange brand, the Group's single brand for internet, television and mobile services in the majority of countries where the company operates. At 30 September 2011, the Group had 162 million mobile customers and 14 million broadband internet (ADSL, fibre) 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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About SFR – www.sfr.com

SFR is France's second largest telecommunications operator, with 12.6 billion euros in revenues in 2010. A full service operator, SFR meets the needs of consumers, professionals, businesses and operators, whether for mobile, fixed, Internet or television services. As the owner of its fixed and mobile infrastructure and backed by a high level of IP expertise (Internet Protocol), SFR has the resources to achieve its goal: to be an open, responsible player whose mission is to bring the best of the digital world to each person and each business.

As of the end of June 2011, SFR served more than 21 million mobile customers, including nearly 16 million subscribers, and 4.9 million household subscribers to broadband Internet. SFR is wholly owned by the Vivendi group and has close to 10,000 employees.

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