



press release  
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## Orange to launch a voluntary offer to buy the Spanish operator Jazztel

Orange announces today that the Group will launch a friendly voluntary cash tender offer for the acquisition of 100% of the capital of Jazztel, a company listed in Spain (BMAD:JAZ). Through this transaction, Orange will create the second biggest fixed-line broadband operator and one of the most dynamic players in the mobile segment in Spain, thereby accelerating the movement of its customers towards convergent offers. In an economic context that has continued to recover, this operation will enable Orange to accelerate its growth in a highly-competitive market.

This offer will enable shareholders of Jazztel to receive 13 euros per share in cash, a premium of 34% compared to the volume weighted average closing price over the last 30 trading days. This offer values Jazztel at an Enterprise Value / EBITDA 2015-multiple of 8.6x<sup>1</sup> after accounting for the synergies generated by the integration of the two entities. The price of 100% of Jazztel's capital amounts to 3.4 billion euros.

The offer is conditional on the acceptance of at least 50.01% of Jazztel's capital, excluding shares for which an irrevocable undertaking agreement has been signed. The lead shareholder, Mr Leopoldo Fernandez Pujals, who holds 14.5% of the capital, has made a commitment to participate in the offer. Other executive members of Jazztel's Board of Directors, Mr José Miguel Garcia Fernandez, CEO, and Mr José Ortiz Martinez, General Secretary, have also agreed to the offer.

Jazztel is a major player on the Spanish telecom's market and is one of the most dynamic competitors in the triple play and mobile services segments. This operation will generate estimated global synergies for the combined entity of up to 1.3 billion euros, in particular thanks to savings in operational expenditure and investments in networks.

In order to preserve its balance sheet strength, Orange SA will issue a combination of financial instruments: securities giving access to its share capital for a maximum amount of two billion euros and perpetual subordinated hybrid bonds. The equity credit of such a financing package, as granted by rating agencies, is planned to equal the total consideration eventually paid to Jazztel shareholders. Given the solidity of the Group's balance-sheet, the cash tender offer is not conditional upon the obtention of financing.

In this context, Orange confirms its financial objectives.

This transaction remains subject to the approval of the relevant authorities.

The offer will be subject to the shared jurisdiction of the Spanish Securities Commission (the "CNMV") and the UK Takeover Panel on Takeovers and Mergers in the UK (the "UK Takeover Panel"). The UK Takeover Panel has shared jurisdiction with the CNMV on the basis that Jazztel has its registered office in the UK and its securities are admitted to trading on the Spanish market (which is a regulated market in a member state of the European Economic Area) but not on a regulated market in the UK). The CNMV will be responsible for matters relating to the consideration offered (in particular the price) and matters relating to the offer procedure and the UK Takeover Panel will be responsible for matters relating to employee information and company law matters (in particular the percentage of voting rights which confer control and any derogation from the obligation to launch a mandatory offer, as well as the conditions under which Jazztel may undertake any actions which might result in the frustration of the offer).

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<sup>1</sup> Based on research-analyst consensus.

The UK Takeover Panel has confirmed that Rule 8 of the UK Takeover Code, which requires certain public disclosures of holdings and dealings in Jazztel securities during the course of the offer, will not apply.

**about Orange**

Orange is one of the world's leading telecommunications operators with sales of 41 billion euros in 2013 and has 161,000 employees worldwide at 30 June 2014, including 101,000 employees in France. Present in 30 countries, the Group has a total customer base of more than 236 million customers at 30 June 2014, including 179 million mobile customers and 16 million fixed broadband customers worldwide. Orange is also a leading provider of global IT and telecommunication services to multinational companies, under the brand Orange Business Services.

Orange is listed on the NYSE Euronext Paris (symbol ORA) and on the New York Stock Exchange (symbol ORAN).

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This press release contains Orange's estimates and other forward-looking statements that involve risks and uncertainties, including references concerning expected future synergies, as well as its future growth and profitability, which could cause actual results to differ materially from those contained in such estimates and forward-looking statements.

Many of these risks and uncertainties are related to factors that Orange can neither control nor estimate with precision, such as future market conditions, approvals to be granted by relevant competent authorities or the responses from shareholders, investors or other market actors.

In this press release, all information relating to Jazztel has been based on or extracted from public information. Any statements made in this release that are not statements of historical fact, including statements about Orange's beliefs and expectations and statements about Orange's proposed acquisition of Jazztel, are forward-looking statements and should be considered as such.

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Orange does not undertake, and specifically disclaims, any obligation or responsibility to update or amend any of the information above except as otherwise required by law.

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