



press release
Paris, 5 February 2015

Orange and Deutsche Telekom reached an agreement with BT for the divestment of 100% of their shares in EE

Orange and Deutsche Telekom AG announced today that they have reached an agreement with BT Group plc (BT) to sell 100% of their shares in EE, their joint venture in the United Kingdom.

In line with the terms of the exclusivity agreement, the parties agreed on an enterprise value of £12.5 billion (approx. €16.7bn), corresponding to a multiple of 7.9x EE 2014 adjusted EBITDA. As a result of the transaction, and following the issue of new BT shares to Orange and DT, Orange will receive approx. £3.4bn (approx. €4.6bn) in cash and a 4% stake in the combined BT/EE entity. The final amount of cash received by Orange will be subject to customary adjustments at the time of closing.

The proposed transaction represents an attractive financial proposal for Orange and its shareholders, crystallizing the value of the successful creation and development of EE since its formation as a JV uniting Orange UK and T-Mobile UK. In holding a 4% stake in the new BT/EE, Orange remains exposed to further upside through the realization of synergies and more generally through the commercial success of the company. A lock-up period of 12 months for in market sales has been agreed for the BT shares held by Orange.

The transaction is subject to approval by the shareholders of BT and clearance by the relevant authorities. It is expected to close by March 2016.

Upon completion, the combination of BT and EE will create UK's leading communications provider, offering customers innovative, seamless services that combine the power of fibre broadband, with wi-fi and advanced mobile capabilities.

Orange Chief Executive Officer Stéphane Richard said: "This agreement with BT enables us to successfully monetize more than five years of effort to create, together with our partner Deutsche Telekom, Britain's leading mobile operator, EE. For Orange, this operation will enable us to reinforce our balance sheet, thereby providing us with additional room for manoeuvre across our markets. By retaining a significant stake in BT, we will also stand to benefit from the synergies of this operation that will lead to the creation of the leading convergent fixed and mobile operator in the UK."

EE was formed in 2010 from the merger of Orange and DT's operations in the UK: Orange UK and T-Mobile UK. The company posted revenues of £6.3bn in 2014, has approximately 13,000 employees and 580 retail stores, and serves more than 30 million customers across its mobile, fixed and wholesale businesses.

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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The forward-looking statements contained in this press release are made as of the date hereof.

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