



Press release  
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## New interpretation of IFRIC 21

IFRIC 21 clarifies which obligating event gives rise to a liability related to a levy, and when this liability is to be recognized.

This interpretation has no effect on annual financial statements, nor on cash flows. The impact is only on interim results in France, reflecting the change in phasing of the accounting recognition of some levies.

There is a limited numbers of levies whose accounting is modified by the interpretation, namely only those for which the obligation event is at a specific point in time (for example land or building ownership). This is particularly the case of IFER and property taxes in France.

Because the Group is listed in United States, it had to apply IFRIC 21 in 2014 i.e. earlier than most of other French and European groups for which the compulsory application was 2015. So, waiting for a standard practice to emerge, the Group has chosen to limit the effects from IFRIC 21 in interim financial statements by keeping a linear accounting of the levies whose obligation event is set at January 1st of the year. In 2015, the annual charge is estimated at €495 million for IFER and €38 million for property taxes.

To align with the standard practice which emerged during the first quarter 2015, Orange has modified its IFRIC 21 accounting approach in its interim accounts as at June 30, 2015. Therefore, the annual costs of these levies are now accounted when the obligation event occurs (i.e. on January the 1st).

To provide comparability of its interim financial statements between past and future periods, the Group has restated its previously disclosed interim financial statements. These changes in accounting policy, which have no effects on annual financial statements, will be further described in our 2015 half-year financial report.

The presentation prepared for financial analysts is available on Orange's website at <http://www.orange.com/en/investors/financial-presentations>.

### About Orange

Orange is one of the world's leading telecommunications operators with sales of 39 billion euros in 2014 and 155,000 employees worldwide at 31 March 2015, including 98,000 employees in France. Present in 29 countries, the Group has a total customer base of 247 million customers worldwide at 31 March 2015, including 188 million mobile customers and 16 million fixed broadband customers. Orange is also a leading provider of global IT and telecommunication services to multinational companies, under the brand Orange Business Services. In March 2015, the Group presented its new strategic plan "Essentials2020" which places customers' needs at the heart of its strategy with the aim of allowing them to benefit fully from the digital universe and the power of its new generation networks.

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

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