

**FINAL TERMS**

14 September 2010

**FRANCE TELECOM**

**Issue of EUR 500,000,000 3.375 per cent. Fixed Rate Notes due September 2022 (the "Notes")  
under the EUR 30,000,000,000**

**Euro Medium Term Note Programme**

**PART A- CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 26 November 2009 which received visa No. 09-353 from the *Autorité des marchés financiers* (the **AMF**) on 26 November 2009 and the supplements to the Base Prospectus respectively dated 22 March 2010, 1 April 2010 and 7 September 2010, which received visa No. 10-061, visa No. 10-080 and visa No. 10-308, respectively, from the AMF on 22 March 2010, 1 April 2010 and 7 September 2010 respectively, which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus, as so supplemented. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus, as so supplemented. Copies of such Base Prospectus, the supplements to the Base Prospectus and these Final Terms are available for viewing on the websites of the Issuer ([www.francetelecom.com](http://www.francetelecom.com)) and of the AMF ([www.amf-france.org](http://www.amf-france.org)) and from the head office of the Issuer and the specified offices of the Paying Agents.

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|----|-----------------------------------|--|
| 1. | Issuer:                           | France Telecom                                   |
| 2. | (a) Series Number:                | 114  |
|    | (b) Tranche Number:               | 1  |
| 3. | Specified Currency or Currencies: | Euro (" <b>EUR</b> ")                            |
| 4. | Aggregate Nominal Amount:         |  |
|    | (a) Tranche:                      | EUR 500,000,000                                  |
|    | (b) Series:                       | EUR 500,000,000                                  |
| 5. | Issue Price:                      | 99.350 per cent. of the Aggregate Nominal Amount |
| 6. | (a) Specified Denomination:       | EUR 50,000                                       |
|    | (b) Calculation Amount:           | EUR 50,000                                       |
| 7. | (a) Issue Date:                   | 16 September 2010                                |
|    | (b) Interest Commencement Date:   | Issue Date                                       |
| 8. | Maturity Date:                    | 16 September 2022                                |
| 9. | Interest Basis:                   | 3.375 per cent. <i>per annum</i> . Fixed Rate    |

- |     |   |                   |
|-----|---|-------------------|
| 10. | Redemption/Payment Basis:   | Redemption at par |
| 11. | Change of Interest Basis or Redemption/Payment Basis:                     | Not Applicable    |
| 12. | Put/Call Options:   | Not Applicable    |
| 13. | (a) Status of the Notes:  | Senior Unsecured  |
|     | (b) Date of <i>Chief Executive Officer's</i> decision to issue the Notes: | 13 September 2010 |
| 14. | Method of distribution:   | Syndicated        |

**Provisions Relating to Interest (if any) Payable and to Index Linked Redemption**

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|-----|--|---|
| 15. | Fixed Rate Note Provisions:  | Applicable  |
|     | (a) Rate of Interest:  | 3.375 per cent. <i>per annum</i> payable annually in arrear     |
|     | (b) Interest Payment Dates:  | 16 September in each year up to and including the Maturity Date |
|     | (c) Fixed Coupon Amount:   | EUR 1,687.50 per Calculation Amount                             |
|     | (d) Broken Amount:   | Not Applicable  |
|     | (e) Day Count Fraction:  | Actual/Actual (ICMA)  |
|     | (f) Determination Dates:   | 16 September in each year                                       |
|     | (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: | Not Applicable  |
| 16. | Floating Rate Note Provisions:   | Not Applicable  |
| 17. | Zero Coupon Note Provisions:   | Not Applicable  |
| 18. | Index Linked Note Provisions:  | Not Applicable  |
| 19. | Dual Currency Note Provisions:   | Not Applicable  |

**Provisions Relating to Redemption**

- |     |   |                                      |
|-----|---|--------------------------------------|
| 20. | Issuer Call:  | Not Applicable                       |
| 21. | Investor Put:   | Not Applicable                       |
| 22. | Final Redemption Amount:  | 100 per cent. per Calculation Amount |
| 23. | Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if |                                      |

different from that set out in Condition 6(e)): Not Applicable

### General Provisions Applicable to the Notes

24. Form of Notes:
- (a) Form: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event
- (b) New Global Note: Yes
25. Additional Business Centre(s) or other special provisions relating to Payment Dates: TARGET2
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): No
27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: Not Applicable
28. Details relating to Instalment Notes:
- (a) Instalment Amount(s): Not Applicable
- (b) Instalment Date(s): Not Applicable
29. Redenomination applicable: Not Applicable
30. Other final terms: Not Applicable

### Distribution

31. (a) If syndicated, names and addresses and underwriting commitments of Managers:
- Banco Bilbao Vizcaya Argentaria, S.A.**  
Via de los Poblados s/n  
28033 Madrid  
Spain
- Underwriting Commitment: EUR 166,667,000
- Merrill Lynch International**  
Merrill Lynch Financial Centre  
2 King Edward Street  
London EC1A 1HQ  
United Kingdom
- Underwriting Commitment: EUR 166,667,000

**The Royal Bank of Scotland plc**  
 135 Bishopsgate  
 London EC2M 3UR  
 United Kingdom

Underwriting Commitment: EUR 166,666,000

Each of the above a Joint Lead Manager

- (b) Date of Subscription Agreement: 14 September 2010
- (c) Stabilising Manager: Not Applicable
32. If non-syndicated, name and address of relevant Dealer: Not Applicable
33. Total commission and concession: 0.325 per cent. of the Aggregate Nominal Amount
34. U.S. Selling Restrictions: Regulation S Category 2, TEFRA D
35. Non-exempt Offer: Not Applicable
36. Additional selling restrictions: Not Applicable

#### **PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue and admission to trading on the regulated market of Euronext Paris of the Notes described herein pursuant to the EUR 30,000,000,000 Euro Medium Term Note Programme of France Telecom.

#### **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of France Telecom:

By:

*Duly authorised*



**Jean-Michel Thibaud**  
 Group Treasurer

**PART B– OTHER INFORMATION**

1. LISTING AND ADMISSION TO TRADING

Listing and Admission to trading:

Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of Euronext Paris, with effect from 16 September 2010.

2. RATINGS

The Notes to be issued have not been rated.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the offer:

On 7 September 2010 France Telecom issued a press release announcing that it is exercising its option to redeem all of its outstanding US Dollar 7.75% Notes due 2011 (the "2011 Notes"). As of 7 September 2010, the outstanding nominal amount of the 2011 Notes is USD 3,374,170,000. France Telecom intends to use the net proceeds from the offering in partial payment of the 2011 Notes.

(ii) Estimated net proceeds:

EUR 495,125,000

(iii) Estimate of total expenses:

EUR 12,700

5. **YIELD (Fixed Rate Notes Only)**

Indication of yield:

3.476 per cent.

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. HISTORIC INTEREST RATES

Not Applicable

7. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

Not Applicable

**8. PERFORMANCE OF RATES OF EXCHANGE**

Not Applicable

**9. OPERATIONAL INFORMATION**

(i) ISIN Code: XS0541453147

(ii) Common Code: 054145314

(iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): Euroclear France

(iv) Delivery: Delivery against payment

(v) Names and addresses of Additional Paying Agent(s) (if any): Not Applicable

(vi) Intended to be held in a manner which would allow Eurosystem eligibility: Yes

Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

(vii) Address and contact details of France Telecom for all administrative communications relating to the Notes: 6, place d'Alleray  
75505 Paris Cedex 15

Telephone: (+33) 1 44 44 91 60

Telex: 202520

Facsimile: (+33) 1 40 43 04 52

Attention: Direction du Financement et de la Trésorerie