

**FINAL TERMS**

12 September 2012

**FRANCE TELECOM****Issue of EUR 500,000,000 2.50 per cent. Fixed Rate Notes due 1 March 2023 (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 7 June 2012 which received visa No. 12-249 from the *Autorité des marchés financiers* (the **AMF**) on 7 June 2012 and the supplement to the Base Prospectus dated 6 September 2012 which received visa No. 12-432 from the AMF on 6 September 2012, which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC, as amended, including by Directive 2010/73/EU) (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. Copies of the Base Prospectus are available for viewing on the websites of the Issuer ([www.orange.com](http://www.orange.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. Copies of these Final Terms are available for viewing on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)).

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|----|-----------------------------------|---|
| 1. | Issuer:                           | France Telecom                                  |
| 2. | (a) Series Number:                | 128   |
|    | (b) Tranche Number:               | 1   |
| 3. | Specified Currency or Currencies: | Euro ("EUR")                                    |
| 4. | Aggregate Nominal Amount:         |   |
|    | (a) Tranche:                      | EUR 500,000,000                                 |
|    | (b) Series:                       | EUR 500,000,000                                 |
| 5. | Issue Price:                      | 99.12 per cent. of the Aggregate Nominal Amount |
| 6. | (a) Specified Denominations:      | EUR 100,000                                     |
|    | (b) Calculation Amount:           | EUR 100,000                                     |
| 7. | (a) Issue Date:                   | 14 September 2012                               |
|    | (b) Interest Commencement Date:   | Issue Date                                      |
| 8. | Maturity Date:                    | 1 March 2023                                    |
| 9. | Interest Basis:                   | 2.50 per cent. Fixed Rate                       |

b

- |     |   |   |
|-----|---|---|
| 10. | Redemption/Payment Basis:                             | Redemption at par   |
| 11. | Change of Interest Basis or Redemption/Payment Basis: | Not Applicable  |
| 12. | Put/Call Options:                                     | Make-whole Redemption by the Issuer (further particulars specified below) |
| 13. | (a) Status of the Notes:                              | Senior Unsecured  |
|     | (b) Date of corporate decision to issue the Notes:    | 10 September 2012   |
| 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(s) of Interest:   | 2.50 per cent. per annum payable annually in arrear  |
|     | (b) Interest Payment Date(s):  | 1 March in each year up to and including the Maturity Date, with a short first coupon on 1 March 2013. |
|     | (c) Fixed Coupon Amount:   | EUR 2,500 per Calculation Amount (except for the Interest Payment Date falling on 1 March 2013).       |
|     | (d) Broken Amount(s):  | EUR 1,150.68 per Calculation Amount, payable on the Interest Payment Date falling on 1 March 2013.     |
|     | (e) Day Count Fraction:  | Actual/Actual (ICMA), Unadjusted   |
|     | (f) Determination Date(s):   | 1 March in each year   |
|     | (g) Other terms relating to the method of calculating interest for Fixed Rate Notes:   | None   |
|     | (h) Party responsible for calculating Interest Amounts (if not the Calculation Agent): | 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. | Make-whole Redemption: | Applicable |
|-----|------------------------|------------|

- (a) Quotation Agent: **BNP Paribas**  
10 Harewood Avenue  
London NW1 6AA  
United Kingdom
- (b) Discounting basis for purposes of calculating sum of the present values of the remaining scheduled payments of principal and interest on Redeemed Notes in the determination of the Make-whole Redemption Amount: Annual
- (c) Benchmark Rate: For the purposes of Condition 6(d), the Benchmark Rate shall be determined by the Quotation Agent based on the rate per annum equal to the annual yield to maturity or interpolated yield to maturity of the Benchmark Security, assuming a price for the Benchmark Security (expressed as a percentage of its nominal amount) equal to the Benchmark Security Price for the relevant Make-whole Redemption Date.

In this paragraph:

"**Benchmark Security**" means the *Obligations assimilables du Trésor* issued by *Agence France Trésor* due April 2023 (ISIN: FR0000571085) or any other *Obligations assimilables du Trésor* issued by *Agence France Trésor* maturing on or about the Maturity Date in the event that the *Obligations assimilables du Trésor* issued by *Agence France Trésor* due April 2023 (ISIN: FR0000571085) are no longer in issuance; and

"**Benchmark Security Price**" means the arithmetic average, as determined by the Quotation Agent, of the bid and offered prices for the Benchmark Security (expressed as a percentage of its nominal amount) at 11:00 a.m. Central European time (CET) on the Calculation Date.

- (d) Make-whole Margin: 0.05% per cent. per annum.
- (e) Person(s) to be notified by Issuer of Make-whole Redemption Date and Make-whole Redemption Amount, in accordance with Condition 6(d): **Citibank N.A.**  
13<sup>th</sup> Floor, Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom
- BNP Paribas Securities Services**  
Corporate Trust Services  
Les Grands Moulins de Pantin  
9 rue du Débarcadère

93500 Pantin  
France

**BNP Paribas S.A.**  
16 boulevard des Italiens  
75009 Paris  
France

21. Issuer Call: Not Applicable
22. Investor Put: Not Applicable
23. Final Redemption Amount: EUR 100,000 per Calculation Amount
24. 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(f)): As per Condition 6(b)

**General Provisions Applicable to the Notes**

25. 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
26. Additional Business Centre(s) or other special provisions relating to Payment Dates: Not Applicable
27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): No
28. 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
29. Details relating to Instalment Notes:
- (a) Instalment Amount(s): Not Applicable
- (b) Instalment Date(s): Not Applicable
30. Redenomination applicable: Not Applicable

31. Any applicable currency Not Applicable  
disruption/fallback provisions:

32. Other final terms: Not Applicable

### **Distribution**

33. (a) If syndicated, names of Managers:
- BNP Paribas**  
10 Harewood Avenue  
London NW1 6AA  
United Kingdom
  - Deutsche Bank AG, London Branch**  
Winchester House,  
Great Winchester Street  
London EC2N 2DB  
United Kingdom
  - Goldman Sachs International**  
Peterborough Court  
133 Fleet Street  
London EC4A 2BB  
United Kingdom
  - Banco Santander, S.A.**  
Ciudad Grupo Santander  
Avenida de Cantabria s/n  
Edificio Encinar,  
28660, Boadilla del Monte,  
Madrid,  
Spain
- Each of the above a Joint Lead Manager
- (b) Stabilising Manager(s) (if any): Not Applicable
34. If non-syndicated, name of relevant Dealer: Not Applicable
35. U.S. Selling Restrictions: Regulation S Category 2 TEFRA D
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*

## 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 Euronext Paris with effect from the Issue Date.

Estimate of total expenses relating to admission to trading: EUR 7,000

### 2. RATINGS

The Notes to be issued have been rated:

Standard & Poor's ("S&P"): A-  
Moody's: A3

S&P and Moody's are established in the European Union and registered under Regulation (EC) No 1060/2009 as amended by Regulation (EC) No 513/2011 (the "CRA Regulation"). As such S&P and Moody's are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

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

Save for any fees payable to the Dealer(s), 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:      | General corporate purposes |
| (ii) Estimated net proceeds:    | EUR 493,850,000            |
| (iii) Estimated total expenses: | Not Applicable             |

### 5. YIELD

Indication of yield: 2.598 per cent. per annum.

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

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

Not Applicable

### 7. PERFORMANCE OF RATE[S] OF EXCHANGE

Not Applicable

## 8. OPERATIONAL INFORMATION

- (i) ISIN Code: XS0827999318
- (ii) Common Code: 082799931
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): Not Applicable
- (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) Names and addresses of additional Paying Agent(s): Not Applicable

- (viii) Address and contact details of France Telecom for all administrative communications relating to the Notes: 78 rue Olivier de Serres  
75505 Paris cedex 15

Telephone: (+33) 1 44 44 91 60  
Telex: 202520  
Facsimile: (+33) 1 45 40 04 52  
Attention: Direction du Financement et de la Trésorerie