

Press release

Clermont-Ferrand, October 10, 2007

Auvergne region chooses France Telecom to implement the first large-scale public-private partnership (PPP) in the field of telecommunications: "Auvergne Haut Débit" (broadband)

As a supplement to the 'Broadband for All' plan, the Auvergne PPP will enable almost all the region's lines (99.6%) to be made eligible for ADSL.

Meeting in Vulcania on Wednesday October 10, the Auvergne Regional Council and France Telecom signed a public-private partnership, *Auvergne Haut Débit* (Auvergne Broadband) for the reabsorption of grey areas not served by broadband*. It is an original and innovative solution, which has made it possible to quickly come up with a customised response with balanced risk sharing, in territories without private investor potential, while preserving the customer's right to choose their Internet access provider, as is the case in the rest of Auvergne. The entire process was carried out in close partnership with the Allier, Cantal, Haute-Loire and Puy-de-Dôme Councils.

In December 2005, the Presidents of the Departments and Auvergne Region signed an deal to work together to find a technical and financial solution to ensure that dozens of local municipalities and several thousands of Auvergne inhabitants would not be forgotten by broadband, with each party convinced of the attractiveness of this digital development, both for individuals and for economic activities.

Less than two years on, the solution has been found and the pledge made to cover these grey areas by the end of 2008 is approaching fulfilment, with the financial support of the State and the European Union.

Marking this occasion, **Didier Lombard**, Chairman & CEO of France Telecom declared "After the success of the Broadband for All plan, giving 98% of the French population access to ADSL and making France a European leader, we had to find a solution in association with the local authorities for the reabsorption of the remaining grey areas. This has now been done in Auvergne, thanks to this PPP, which, in the next 18 months, will enable us to take broadband to virtually the entire population. This remarkable initiative by the Region is a first in France and France Telecom is proud to be its partner."

For **René Souchon**, President of Auvergne Regional Council, "Auvergne had to wait for its motorways and is still waiting for its high-speed train but, in less than two years, we will have completed a fundamental stage in abolishing the digital divide. Speed is the characteristic of our era and waiting for broadband or limiting access to certain areas would have penalised the entire region. We fought together, the Region and the four Departments, with the support of Europe and the State, to come up with a practical solution that could be quickly implemented and which puts Auvergne at the head of the French regions for its total broadband coverage. Even those who don't use it will see the benefits, as this performance boosts our attractiveness and, hence, our entire economy. This is another example of what we call the volcano effect!"

The official signing ceremony at Vulcania will provide an opportunity to present the system and its deployment, which will be operated in a record 18 months, to the elected officials of the 298 local authorities concerned.

Thanks to this operation, more than 13,800 phone lines in grey areas will now be given broadband access, ranging from 512 kb/s to 20 Mb/s. After the implementation of the contract signed today and the natural development of the network without the intervention of the local authorities, 99.6% of phone lines will have broadband access in Auvergne, placing our region amongst the leaders in terms of broadband coverage of its population.

The signatories of the Auvergne broadband PPP contract

René Souchon, President of Auvergne Regional Council, project owner on behalf of the five local authorities,

Didier Lombard, Chairman of France Telecom

Bruno Janet, Director of relations with local authorities for France Telecom

In the presence of

Gérard Dériot, President of Allier Conseil Général

Vincent Descoeur, President of Cantal Conseil Général

Jean-Yves Gouttebel, President of Puy-de-Dôme Conseil Général

Gérard Roche, President of Haute-Loire Conseil Général

and Dominique Schmitt, Préfet of Auvergne Region, Préfet of Puy-de-Dôme

About France Telecom

France Telecom, one of the world's leading telecommunications operators, serves more than 163 million customers in five continents as of June 30, 2007, of which two thirds are Orange customers. The Group had consolidated sales of 51.7 billion euros in 2006 and 25,9 billion euros for the 1st half of 2007. At June 30, 2007 the group had 102.5 million mobile customers and 10.5 million broadband internet (ADSL) customers. Launched in June 2005, the NEXt program (New Experience in Telecommunications) will enable the Group to pursue its transformation as an integrated operator and make France Telecom the benchmark for new telecommunications services in Europe. In 2006, Orange became the Group's single brand for Internet, television and mobile services in the majority of countries where the company operates, and Orange Business Services the brand name for services offered to businesses worldwide. France Telecom is the number three mobile operator and the number one provider of broadband internet services in Europe and one of the world leaders in providing telecommunication services to multinational companies.

France Telecom (NYSE:FTE) is listed on Euronext Paris and on the New York Stock Exchange.

For more information : www.orange.com, www.francetelecom.com, www.orange-business.com

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(Local authority and region press)

* France Télécom's offer was selected following consultation and competitive dialogue among several candidates.

