# notice of meeting
# combined shareholders' meeting
# France Telecom

Tuesday, June 5, 2012 at 4:00 pm CET
Palais des Congrès de Paris
2, place de la Porte Maillot
75017 Paris – France

# contents



This translation has been prepared for the convenience of English-speaking readers.
The original French version alone is binding.

# information and practical modalities

## HOW DO I GET INFORMATION?

**For all information on France Telecom and its annual shareholders' meeting, the shareholders relations department is at your service:**

on the Internet: **www.orange.com/gm**

by e-mail: conseiller.actionnaire@orange.com

by telephone: **1010** or **0800 05 10 10** – Toll-free call from an Orange landline from 9:00 a.m. to 7:00 p.m., Monday through Friday or +33 (0)1 60 95 87 24 from outside France.

by post: **France Telecom**
**BP 1010**
**75721 Paris Cedex 15**
**France**

Corporate responsibility is an integral part of France Telecom's strategy.

Respect for the environment is one of the major commitments of corporate social responsibility, a policy based on the Group's Code of Ethics, which may be consulted at the following address:
www.orange.com/en_EN/group/governance/serving-performance

The annual shareholders' meeting is the occasion to associate France Telecom shareholders with this effort, notably, by trying to limit the mass mailing of paper documents (notice of meeting, reference document, etc.). In this respect France Telecom proposes that its shareholders favor the communication of information by Internet, e-mail or telephone.

The documents relating to the annual shareholders' meeting (depending on their date of publication) may be consulted entirely on the website: www.orange.com/gm.

By using electronic means of communication, France Telecom shareholders will actively participate in the environmental goal that their company has set itself.

Find more information on the annual shareholders' meeting broadcast on the website:

**www.orange.com/gm**

# HOW DO I PARTICIPATE IN THE SHAREHOLDERS' MEETING?

The France Telecom combined shareholders' meeting will be held on **Tuesday, June 5, 2012 at exactly 4:00 p.m.** (registration starting at 2:30 p.m.) at the Palais des Congrès de Paris – 2, place de la Porte Maillot – 75017 Paris – France.

You may attend the meeting in person or vote by mail or by proxy. Whatever the case, you will use the "vote by mail or by proxy" form attached to this notice of meeting to indicate your choice. You also have the option of voting by Internet prior to the shareholders' meeting.

Regardless of your method of participation, you must provide proof that you are a France Telecom shareholder.

## how do I prove that I am a shareholder?

- **For your registered shares:** you must be listed in the share register (pure registered or administered registered shares) by midnight Paris time of the third trading day preceding the meeting, *i.e.* **by Wednesday, May 30, 2012 at midnight.**
- **For your bearer shares:** you must have a certificate of participation (shareholding certificate) drawn up by the financial intermediary that manages your securities account. To be taken into account, this certificate must be dated May 31, 2012 at the latest and be received by BNP Paribas Securities Services, the centralizing bank for the France Telecom shareholders' meeting, **by 3:00 p.m. on Monday, June 4, 2012 (deadline for receipt).**

# HOW DO I VOTE?

I am a France Telecom shareholder as of the meeting date. I am using the voting/participation form *(see sample on p. 8).*

## 1. I wish to use the attached form to attend the meeting, vote by mail or grant a proxy to the Chairman or another person

### I WISH TO ATTEND THE MEETING

**I hold registered shares**

(pure registered or administered registered account)

1. I check **box A** on the form.
2. **I date and sign at the bottom of the form.**
3. I return the form to **BNP Paribas Securities Services** in the pre-paid envelope provided.
   BNP Paribas Securities Services must receive my form by 3:00 p.m.on Monday, June 4, 2012.

**BNP Paribas Securities Services will send me my admission card if my request is received before May 31, 2012.**

**I hold bearer shares**

1. I check **box A** on the form.
2. **I date and sign at the bottom of the form.**
3. I return the form as quickly as possible to the financial intermediary (bank, brokerage firm or online broker) that manages my account. My financial intermediary sends the form along with a certificate of participation to:

**BNP Paribas Securities Services**
**CTS Service aux émetteurs – Assemblées –**
**Les Grands Moulins de Pantin**
**9, rue du Débarcadère – 93761 Pantin Cedex – France**
BNP Paribas Securities Services must receive my form by 3:00 p.m. on Monday, June 4, 2012.

**BNP Paribas Securities Services will send me my admission card if my request is received before May 31, 2012.**

#### I BRING MY ADMISSION CARD TO THE MEETING.

*If my request is received by BNP Paribas Securities Services **after 3:00 p.m. on May 31, 2012,** my card will be held at the "actionnaires sans carte" window the day of the meeting.*

*If you have not requested your admission card:*

- *as a registered shareholder, you may participate in the shareholders' meeting by presenting proof of identity at the appropriate window at the entrance to the meeting;*
- *as a bearer shareholder, you may participate in the shareholders' meeting by presenting a certificate of participation drawn up by your financial intermediary and proof of identity at the appropriate window on the day of the meeting.*

### I WISH TO VOTE BY MAIL OR BE REPRESENTED AT THE SHAREHOLDERS' MEETING

**I am voting by mail**

1. I check **box B** on the form.
2. I check the "I am voting by mail" box and indicate my vote.
   If you wish to vote "against" a resolution or "abstain" (an abstention is considered as a vote against the resolution), shade the box corresponding to the number of the resolution.
   Do not shade any box if you are voting "for" each resolution.
3. I date and sign at the bottom of the form.

**I have cast my vote.**

**I grant a proxy to the Chairman**

1. I check **box B** on the form.
2. I date and sign at the bottom of the form.
3. I do not shade any boxes.
4. My votes will be added to those of the Chairman.

**I have cast my vote.**

**I grant a proxy to my spouse or another shareholder**

1. I check **box B** on the form.
2. I check the "I grant a proxy" box.
3. I indicate the identity (full name and address) of the person who will represent me.
4. I date and sign at the bottom of the form.

**I have cast my vote.**

IF I HOLD REGISTERED SHARES: *I return the form to BNP Paribas Securities Services in the pre-paid envelope provided.*

IF I HOLD BEARER SHARES: *I send the form to the financial intermediary (bank, brokerage firm or online broker) that manages my account. My financial intermediary sends the form along with a certificate of participation dated May 31, 2012 at the latest, to:* ***BNP Paribas Securities Services – CTS Service aux émetteurs – Assemblées – Les Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex France.***

## 2. I wish to use the Internet to attend the meeting, vote by mail or grant a proxy to the Chairman or another shareholder

We have set up a secure bilingual website (French and English) that gives you all the necessary options: request an admission card, vote by mail, grant a proxy to the Chairman or to your spouse or another shareholder.

- Access to the site requires an ID and is password-protected.
- Exchanges are encrypted to ensure that your vote is confidential.

### How do I vote by Internet?

I log on to the France Telecom shareholders' meeting website before 3 p.m. on June 4, 2012:

http://www.orange.com/gm

or https://gisproxy.bnpparibas.com/francetelecom.pg

### I HOLD REGISTERED SHARES

**I hold pure registered shares**

You may access the Internet voting system by entering the ID and password that you already use to consult your registered account on the PLANETSHARES website.

**I know my ID and password**

On the home page of the dedicated website
Click on **Accès 1**

**If I have lost my ID and/or password**

Same procedure as "I hold administered registered shares" below.

**I hold administered registered shares**

- Locate your ID on your voting ballot.

Example:

On the home page of the dedicated website
Click on **Accès 2**

**CADRE RESERVE** / For company's use only

| Identifiant/Account | 01010 / | A1234567Z |
|---|---|---|
| | **CHAMP 1** | **CHAMP 2** |

On the connection screen, enter your ID number in the first two spaces and your zip code in the third space.

Click on OK.

- After this first connection, you will receive a secure letter containing your ID and password. You will receive this letter within three days (routing times).

### I HOLD BEARER SHARES

**I hold bearer shares**

Shareholders who wish to vote online, prior to the shareholders' meeting, must make their wishes known to the establishment that maintains the account (bank, brokerage firm, online broker).

- I ask my financial intermediary to prepare a certificate of participation for the quantity that I specify (equal to not more than the number of shares I own) and I give the intermediary my email address. My financial intermediary follows the standard procedure and sends the participation certificate, along with my email address, to:

**BNP Paribas Securities – CTS Service aux émetteurs – Assemblées – Les Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex – France.**

- I receive my ID by email which, along with the number of shares that correspond to the certificate of participation, will allow me to log on and obtain my password.

On the home page of the dedicated website
Click on **Accès 3**

- On the connection screen, enter your ID in the first two spaces and the number of shares for which you requested a certificate of participation in the third space.

Click on OK.

Your alphanumeric password is displayed. Make a note of it and pay attention to upper and lowercase characters. Click on the Back button.

- Enter your ID and password and click on OK to access the site.

## 3. I wish to revoke, prior to the shareholders' meeting, the proxy I granted to another person

The two stages – email and confirmation of request – described hereunder are indivisible. No request for the revocation of a proxy will be born in mind by BNP Paribas Securities Services if one of the two stages of the process is not fulfilled.

In order to be born in mind, the requests for the revocation of a proxy must reach BNP Paribas Securities Services before 3:00 p.m. on June 4, 2012.

### I HOLD REGISTERED SHARES

#### I hold pure registered shares

- I must send a revocation email stipulating my surname, name, address, name of the company of which I am a shareholder and the nominative account number, as well as the surname, name and address of the proxy to the following address: paris.bp2s.france.cts.mandats@bnpparibas.com.

  **Any incomplete request will not be born in mind by BNP Paribas Securities Services.**

- I must then confirm my request by re-registering this information on the PLANETSHARES (www.planetshares.bnpparibas.com) website, using my usual username and password: I click on "My shareholder space – My general meetings", and then select "I give or dismiss my proxy".

#### I hold administered registered shares

- I must send a revocation email stipulating my surname, name, address, name of the company of which I am a shareholder and the bank details of my administered nominative account, as well as the surname, name and address of the proxy to the following address: paris.bp2s.france.cts.mandats@bnpparibas.com.

  **Any incomplete request will not be born in mind by BNP Paribas Securities Services.**

- I must then get in touch with the financial intermediary who manages my administered nominative account, so that it sends written confirmation of my request to the BNP Paribas Securities Services shareholders' meeting.

### I HOLD BEARER SHARES

#### I hold bearer shares

- I must send a revocation email stipulating my surname, name, address, name of the company of which I am a shareholder and the bank details of my securities account, as well as the surname, name and address of the proxy to the following address: paris.bp2s.france.cts.mandats@bnpparibas.com.

  **Any incomplete request will not be born in mind by BNP Paribas Securities Services.**

- I must then get in touch with the financial intermediary who manages my securities account, so that it sends written confirmation of my request to the BNP Paribas Securities Services shareholders' meeting.

FOR TECHNICAL PROBLEMS RELATED TO INTERNET VOTING, CALL +33 (0)1 55 77 65 00.

*A registered shareholder's ID and password remain valid for all subsequent France Telecom shareholders' meetings that use the same voting website.*
*The dedicated secure website for France Telecom shareholders' meetings will be open by no sooner than* ***May 16, 2012.***
*It will be possible to vote by Internet prior to the shareholders' meeting until 3:00 p.m. Paris time on Monday, June 4, 2012, the day before the meeting.*
*To prevent congestion on the dedicated website, and especially the risk of votes not being counted, shareholders are advised not to wait until June 4, 2012 to cast their vote.*
*For additional information call 1010 or 0800 05 10 10 (Toll-free call from an Orange landline from 9:00 a.m. to 7:00 p.m., Monday through Friday) or +33 (0)1 60 95 87 24 if you are calling from outside France.*

# HOW DO I COMPLETE THE FORM ATTACHED TO THIS DOCUMENT?

Do not send your form directly to France Telecom.

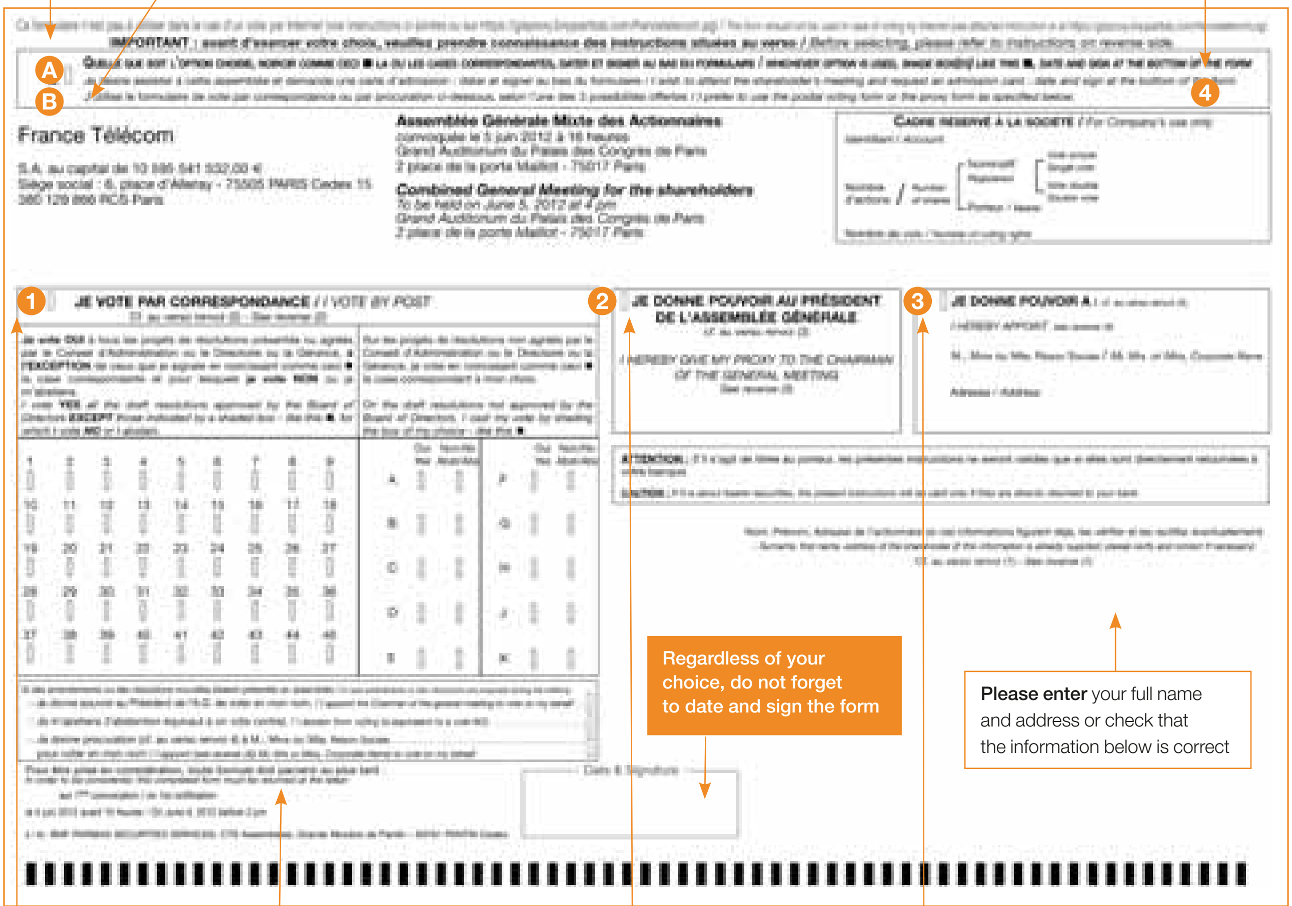
All activities related to the shareholders' meeting are handled by BNP Paribas Securities Services, the centralizing bank for the France Telecom shareholders' meeting.

**BNP Paribas Securities Services – CTS Service aux émetteurs – Assemblées – Les Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex – France.**

**To receive your admission card in order to attend the meeting in person,** check box A

**To be represented at the meeting,** check box B

ID of registered shareholders (internet voting)




**To vote by mail,** check box 1

**To be taken into account,** your form must be received by BNP Paribas Securities Services **by 3:00 p.m. on June 4, 2012**

**To grant a proxy to the Chairman** of the shareholders' meeting

**To grant a proxy to your spouse or another shareholder**

# the France Telecom - Orange group in 2011

## OVERVIEW OF THE GROUP'S 2011 KEY FIGURES

### selected consolidated financial information

| | |
|---|---|
| revenues | 45.277 billion euros |
| EBITDA | 15.129 billion euros |
| restated EBITDA* | 15.083 billion euros |
| operating income | 7.948 billion euros |
| consolidated net income after tax, attribuable to equity holders of France Telecom S.A. | 3.895 billion euros |

* EBITDA restatements are described in the EBITDA part below.

#### revenues

The France Telecom - Orange group had revenues of 45.277 billion euros in 2011, down 1.6% year on year on a comparable basis. Excluding the impact of regulatory measures (-748 million euros), revenues were generally stable compared with the preceding year, despite the impact of the increase in VAT in France and the situation in Egypt and in Ivory Coast.

Spain and the Rest of World segment (excluding Egypt and Ivory Coast) had very strong growth. This growth trend is producing a new balance between operations in France, which represented 47.6% of the Group's revenues in 2011, and the other business segments.

On an historical basis, 2011 revenues fell 0.5% compared with 2010, which included:

- a favourable impact of changes in the scope of consolidation (+1.7 points), chiefly related to the full consolidation of the Egyptian operator Mobinil from July 2010 and the acquisition of the KPN Belgium Business by Mobistar, consolidated since June 2010;
- a negative foreign exchange impact (-0.6 points), mainly related to the drop in the value of the Egyptian pound, Polish zloty and US dollar, partially offset by the strengthening of the Swiss franc.

The Group had 226.3 million customers at December 31, 2011 (excluding MVNOs), an 8.0% year-on-year increase, with 16.7 million net additions over twelve months, primarily related to the growth of mobile services in Africa and the Middle East.

In mobile services, the Group had a total of 167.4 million customers at December 31, 2011 (excluding MVNOs), which represented year-on-year growth of 11.3% and 17.0 million net additions.

Africa and the Middle East combined had 74.6 million customers at December 31, 2011, a 26.4% increase, with 15.6 million net additions. Orange Money is now marketed in eight African countries and had 3.2 million customers at December 31, 2011.

In Europe, customers with smartphones increased 57% to 16.2 million at December 31, 2011.

The Group had a total of 14.4 million customers for fixed broadband services at December 31, 2011, an increase of 5.0% year on year, with 691,000 net additions, including 391,000 in France, 230,000 in the other European countries (notably Spain, Poland and Belgium), and 70,000 in Africa and the Middle East (notably Egypt, Jordan and Senegal).

Digital TV (IPTV and satellite) was up 24.8% in Europe, with 5.138 million subscribers at December 31, 2011, mainly in France and Poland.

Finally, Deezer, the online music service included in Orange's ADSL and mobile offers, had 1.2 million customers at December 31, 2011.

## EBITDA

Restated EBITDA was 15.083 billion euros in 2011 versus 15.846 billion euros in 2010 on a comparable basis. Restated EBITDA margin was equal to 33.3% of revenues, a decrease of 1.1 points, in line with the Group's anticipation of margin erosion being contained at about -1 point on a comparable basis. Significant improvement was reported during the fourth quarter, with erosion limited to -0.3 point, after -1.2 points in the third quarter and -1.5 points in the first half of 2011.

The year was negatively affected by the partial pass-through of the VAT increase that took place on January 1, 2011 in France (-0.2 point) and by the situation in Egypt and Ivory Coast (-0.1 point). Restated EBITDA also included the impact of regulatory measures estimated at -227 million euros in 2011.

Commercial expenses, which had risen strongly at the beginning of 2011, particularly in France, stabilized in the third and fourth quarters, allowing quarterly EBITDA margin erosion to be contained. Commercial expenses represented 15.5% of revenues for the full year of 2011.

The EBITDA restatements relate to the following exceptional events:

- a total negative amount of 47 million euros in 2011 for:
  - income from assets disposals of 197 million euros related to the sale by TP S.A. of its subsidiary TP Emitel;
  - an additional provision of 115 million euros related to the European Commission fine on TP S.A., for misure of its dominant position on the broadband market in Poland;
  - an expense of 37 million euros related to the 2011-2015 Bonus Share plan;
  - a provision reversal of 29 million euros for the Part Time for Seniors plan in France;
  - an additional provision of 19 million euros related to the restructuring of the Orange Sport and Orange Cinema Series businesses;
  - an additional provision of 8 million euros for the DPTG dispute in Poland.
- a total positive amount of 1.317 billion euros in 2010 for:
  - a provision of 547 million euros related to the restructuring of the Orange Sport and Orange Cinema Series businesses;
  - an additional provision of 492 million euros for the Part Time for Seniors plan in France;
  - an additional provision of 266 million euros for the DPTG dispute in Poland;
  - a provision of 13 million euros related to the European Commission fine on TP S.A. for misuse of its dominant position on the broadband market in Poland.

The trends for other operating-expense ratios to revenues on a comparable basis were as follows:

- the ratio of service fees and inter-operator costs was 13.0%, an improvement of 0.4 point compared with 2010. The decrease in call termination rates and roaming tariffs (positive impact of 521 million euros) was partially offset by the growth in traffic with other operators, particularly for mobile data services;
- the ratio of restated labour expenses was 19.5%, compared with 19.1% in 2010. The average number of full-time equivalent employees was slightly up in 2011 (+0.2%) on a comparative basis to 165,533, compared with 165,198 in 2010;
- all other expenses (restated) was to 8.463 billion euros in 2011, a decline of 69 million euros from 2010, tied primarily to lower content costs.

### operating income

Group operating income was 7.948 billion euros in 2011, an increase of 5.1% on an historical basis (+386 million euros) linked to an increase in EBITDA of 792 million euros and the reversal of the cumulative translation adjustment from liquidated entities of 642 million euros. In 2011, the Group ceased certain activities in the UK. This transaction generated a positive impact of 642 million euros by the reclassification of cumulative translation adjustment of these entities.

These positive items were partially offset by:

- increased impairment of goodwill and fixed assets (-355 million euros), particularly related to Egypt, Romania, Armenia and certain subsidiaries operating in East Africa;
- the impact of the revaluation in 2010 of the historical interest held in Mobinil in Egypt (-336 million euros);
- an increase in depreciation and amortization (-274 million euros);
- the decline in the share of income from associates (-83 million euros), principally related to the impairment of shares in Sonaecom, a mobile operator in Portugal (-47 million euros).

## net income

Net income from continuing operations rose to 3.828 billion euros in 2011, compared with 3.807 billion euros in 2010, an improvement of 21 million euros. The increase in operating income of 386 million euros was partly offset by the increase in corporate tax of 332 million euros, while net financial income remained essentially stable (-33 million euros compared with the preceding year), thanks to the decrease in the cost of gross financial debt.

Net income from discontinued operations of 1.070 billion euros in 2010 was primarily related to the disposal of assets due to the creation of the Everything Everywhere joint venture on April 1, 2010 (960 million euros).

Overall, consolidated net income after tax for the France Telecom - Orange group was 3.828 billion euros in 2011, versus 4.877 billion euros in 2010, a decline of 1.049 billion euros.

Net income attributable to owners of the parent was 3.895 billion euros in 2011, versus 4.880 billion euros in 2010, a decrease of 985 million euros.

Net income attributable to non-controlling interests (minority interests) was -67 million euros in 2011 versus -3 million euros in 2010, a reduction of 64 million euros.

## capital expenditure on property, plant and equipment and intangible assets (CAPEX)

CAPEX rose 3.3% on a comparable basis to 5.770 billion euros in 2011. The ratio of CAPEX to revenues was 12.7%, in line with the medium-term strategy for 2011-2013.

Investment in networks, representing 55% of the Group's CAPEX, rose 2%, in particular due to:

- increased investment in mobile networks by most European countries as the equipment upgrade programme to improve service quality and reduce costs was implemented;
- accelerated deployment of 3G mobile networks in Africa;
- investment in submarine cables in Africa (ACE) and in the Indian Ocean (LION2);
- growth of fibre optics (FTTH) in France.

Investment in information systems (20% of total CAPEX) rose 4% with the development of customer service improvement programmes, the preparation of new commercial offers and information system modernization.

Investment in customer equipment for fixed broadband services rose strongly (+16%), mainly in France, led by the success of multiplay offers and upgrade programmes for Livebox and TV decoders. The Group is also strengthening the retail networks, most notably in France and Spain, with a corresponding increase in investment of 10%.

## operating cash flow

Operating cash flow, which is EBITDA less CAPEX, rose to 9.313 billion euros in 2011, based on restated EBITDA. This indicator was slightly higher than the annual target of 9.0 billion euros for operating cash flow, and was consistent with the upward revision of the annual target announced during the financial results release of the third quarter.

## net financial debt

France Telecom had net financial debt of 30.890 billion euros at December 31, 2011 versus 31.840 billion euros at December 31, 2010, for a year-on-year reduction of 950 million euros. Taking account of certain exceptional items, which increased disbursements made in January 2012 (from engagements made in 2011), it stood at 32.331 billion euros.

On this basis, the restated ratio of net debt to EBITDA was 2.09 at December 31, 2011, in line with Group expectations for a net debt to EBITDA ratio of about 2 over the medium term.

## change to portfolio of operations

In connection with the review of its asset portfolio in Europe, the Group announced on December 23, 2011 that it had signed an agreement to sell 100% of Orange Communication S.A. ("Orange Switzerland") based on an enterprise value of 1.6 billion euros, corresponding to 6.5 times the Subsidiary's estimated EBITDA in 2011.

The Group also announced on February 3, 2012 the signature of an agreement for the sale of its 35% interest in Orange Austria, which should bring France Telecom - Orange around 70 million euros.

## 2011 dividend

On June 5, 2012, the Board of Directors will recommend to the annual shareholders' meeting the payment of a dividend of 1.40 euro per share for 2011. Taking into account the payment of an interim dividend of 0.60 euro on September 8, 2011, the balance due of 0.80 euro per share will be paid in cash on June 13, 2012.

## outlook for 2012

In an environment already marked this year by a deterioration in macro-economic indicators, the expectation of increasingly stringent regulations, a higher tax burden, and more intense competitive pressures, particularly in France with the arrival of the fourth mobile operator in January 2012, the Group has set a target for operational cash flow (restated EBITDA less CAPEX) of close to 8 billion euros (excluding exceptional items and excluding the payment of unemployment insurance for employees of France Telecom in France with civil servant status).

Confirming its strategy of "adapting to conquer", the Group will continue to implement its 2011-2015 plan, intensifying activities aimed at improving operational efficiency connected with the Chrysalid programme and the Buyin joint venture and optimizing its commercial costs while reinforcing its business performance.

The Group wants to preserve a strong financial structure and is targeting a net debt to EBITDA ratio of around 2.0 in the medium term, and it will consequently maintain a policy of seeking attractive returns for shareholders aligned with generating operating cash flow.

The amounts allocated to the 2012 dividend will fall in a range of 40% to 45% of operating cash flow generated. France Telecom will propose to the Board of Directors the payment in September 2012 of an interim dividend of 0.60 euro per share for the fiscal year 2012.

The Group does not intend to buy back shares in 2012, but it reserves the right to do so at a later date (subject to the approval of the shareholders' meeting).

# FRANCE TELECOM S.A. FIVE-YEAR HIGHLIGHTS

| | Dec. 31, 2011 | Dec. 31, 2010 | Dec. 31, 2009 | Dec. 31, 2008 | Dec. 31, 2007 |
|---|---|---|---|---|---|
| **Share capital at period end** | | | | | |
| Share capital (in euros) | 10,595,541,532 | 10,595,434,424 | 10,594,839,096 | 10,459,964,944 | 10,457,395,644 |
| Number of outstanding ordinary shares | 2,648,885,363 | 2,648,858,606 | 2,648,709,774 | 2,614,991,236 | 2,614,348,911 |
| **Operations and results for the year** (in millions of euros) | | | | | |
| Revenues before sales tax | 21,423 | 22,402 | 22,500 | 22,820 | 22,108 |
| Income before income tax, employee profit-sharing, depreciation, amortization and provisions | 6,941 | 2,159 | (9,695) | 15,115 | 5,451 |
| Income tax | 656 | 1,214 | 1,274 | 1,517 | 1,517 |
| Employee profit-sharing | (164) | (263) | (234) | (267) | (290) |
| Income after income tax, employee profit-sharing, depreciation, amortization and provisions | 3,714 | 1,067 | (1,416) | 3,234 | 7,331 |
| Net income distributed (including portion in treasury shares) | (1) | 3,707 | 3,705 | 3,654 | 3,386 |
| **Per share data** (in euros) | | | | | |
| Income after income tax and employee profit-sharing but before depreciation, amortization and provisions | 2.81 | 1.17 | (3.27) | 6.26 | 2.55 |
| Income after income tax, employee profit sharing, depreciation, amortization and provisions | 1.40 | 0.40 | (0.53) | 1.24 | 2.80 |
| Dividend per share | (1) | 1.40 | 1.40 | 1.40 | 1.30 |
| **Employee** (in millions of euros, except employee numbers) | | | | | |
| Average number of employees during the year (full-time equivalents) | 89,940 | 89,229 | 90,492 | 93,333 | 95,857 |
| Total payroll costs | 4,087 | 4,075 | 4,054 | 4,297 | 4,325 |
| Amount paid in respect of employee benefits (social security, social welfare, etc.) (2) | 2,268 | 2,185 | 2,273 | 2,272 | 2,350 |

(1) Subject to approval at the annual shareholders' meeting on June 5, 2012.
(2) Including incentive payments.

# combined shareholders' meeting of June 5, 2012

## AGENDA OF THE COMBINED SHAREHOLDERS' MEETING

### resolutions within the competence of the **ordinary meeting**

- Board of Directors Management Report.
- Statutory Auditors Reports on the Annual Accounts for the financial year ended December 31, 2011.
- Statutory Auditors Special Report on the agreements referred to in Article L. 225-38 of the French Commercial Code.
- Approval of the annual financial statements for the financial year ended December 31, 2011.
- Approval of the consolidated financial statements for the financial year ended December 31, 2011.
- Allocation of the income for the financial year ended December 31, 2011, as stated in the annual financial statements.
- Agreements referred to in Article L. 225-38 of the French Commercial Code.
- Appointment of directors.
- Authorization to be granted to the Board of Directors to purchase or transfer France Telecom's shares.
- Ratification of the transfer of the registered office.

### resolutions within the competence of the **extraordinary meeting**

- Board of Directors Report.
- Statutory Auditors Report.
- Amendments of the Bylaws: amendments of Article 9, 16 and 21 of the Bylaws.
- Delegation of powers to the Board of Directors to issue shares reserved for persons that signed a liquidity contract with the Company in their capacity as holders of shares or stock options of Orange S.A.
- Delegation of powers to the Board of Directors to proceed with the free issuance of option-based liquidity instruments reserved for those holders of stock options of Orange S.A. that have signed a liquidity contract with the Company.
- Authorization to the Board of Directors to allocate free shares.
- Delegation of authority to the Board of Directors to proceed with capital increases reserved for members of saving plans.
- Authorization to the Board of Directors to reduce the share capital through the cancellation of shares.
- Powers for formalities.

# DRAFT RESOLUTIONS TO BE SUBMITTED TO THE COMBINED ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING TO BE HELD ON JUNE 5, 2012

## resolutions within the competence of the ordinary meeting

### first resolution

**(approval of the annual financial statements for the financial year ended December 31, 2011)**

The shareholders at the annual shareholders' meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the Management Report of the Board of Directors as well as the Statutory Auditors' Report, hereby approve the annual financial statements for the financial year ended December 31, 2011, as presented, as well as the transactions reflected in the annual financial statements and summarized in these reports. The shareholders at the annual shareholders' meeting hereby fix the income for the financial year at an amount of 3,713,937,252.46 euros.

### second resolution

**(approval of the consolidated financial statements for the financial year ended December 31, 2011)**

The shareholders at the annual shareholders' meeting, acting under the conditions of quorum and majority required for ordinary shareholders' meetings, having reviewed the Management Report of the Board of Directors as well as the Statutory Auditors' Report on the consolidated financial statements, hereby approve the consolidated financial statements for the financial year ended December 31, 2011, as presented, as well as the transactions reflected in the consolidated financial statements and summarized in these reports.

Beware: pursuant to Article R. 225-71 of the French Commercial Code, the "France Telecom Actions" Mutual Fund's Supervisory Board has asked to place on the agenda a new resolution in order to amend the third resolution. This new resolution appears as resolution "A", immediately after the third resolution submitted to your vote. The shareholders' attention is pointed out on the fact that the amount of the dividend which is proposed in the third resolution and the resolution A are different (1.40 euro per share for the third resolution, 1.00 euro per share for the resolution A).

The shareholder will have to choose to vote for either of these two resolutions.

### third resolution

**(allocation of the income for the financial year ended December 31, 2011, as stated in the annual financial statements)**

The shareholders at the shareholders' meeting, acting under the conditions of *quorum* and majority required for ordinary shareholders' meetings, having reviewed the Management Report of the Board of Directors as well as the Statutory Auditors' Report on the annual financial statements:

**(i)** decide to allocate, out of 3,713,937,252.46 euros of income for the financial year, an amount of 10,710.80 euros to the statutory reserve account, which will bring the total amount of this reserve to 1,059,554,153.20 euros;

**(ii)** note that the distributable income for the financial year, after allocation of 10,710.80 euros to the statutory reserve account and taking into account "Retained earnings" totaling 4,260,317,207.02 euros (before the deduction of the interim dividend provided for in (iv) hereinafter), comes to 7,974,243,748.68 euros;

**(iii)** decide to distribute to the shareholders, as a dividend, an amount of 1.40 euro per share and to allocate the balance of the distributable income to the "Retained earnings" account; and

**(iv)** note that, considering the interim dividend of 0.60 euro per share paid on September 8, 2011, the balance of the dividend to be paid amounts to 0.80 euro per share.

The ex-dividend date shall be June 8, 2012 and the balance of the dividend payable shall be paid on June 13, 2012.

The shareholders at the annual shareholders' meeting grant full powers to the Board of Directors to determine the total dividend amount, it being specified that shares held by the Company on June 13, 2012 will not be entitled to the payment of the balance of the dividend, and, consequently, to determine the amount of the balance of the distributable income that shall be allocated to the "Retained earnings" account.

It is specified that the entire dividend (interim dividend and balance to be paid) is eligible for the 40% tax allowance pursuant to Article 158-3-2° of the French General Tax Code *(Code Général des Impôts)*, benefiting individuals residing in France for tax purposes, unless these individuals opt for the withholding tax (*prélèvement libératoire*) pursuant to Article 117 *quater* of the French General Tax Code.

Dividends paid with respect to the last three financial years were as follows:

| Financial year | Number of shares (excluding treasury shares) | Dividend per share | Share of dividend eligible for the 40% tax allowance |
|---|---|---|---|
| 2008 | 2,613,555,198 | €1.40 | 100% |
| 2009 | 2,646,101,556 | €1.40 | 100% |
| 2010 | 2,647,645,604 | €1.40 | 100% |

## resolution A

**(amendment of the third resolution (allocation of the income for the financial year ended December 31, 2011, as stated in annual financial statements) submitted by the Board of Directors to the combined ordinary and extraordinary shareholders' meeting of June 5, 2012)**

France Telecom's decrease in the income for financial year 2011, otherwise in line with its objectives, had an immediate effect on employees' profit sharing, with a decrease of wages and salaries from 2012 on for a total average amount of 1,000 euros per employee. The shareholders shall be impacted in 2013.

For a better profit sharing out between employees and shareholders of the Company's income, and in order to invest in new projects, instead of the dividend amount proposed in the third resolution, the shareholders meeting decides:

**(i)** to distribute to the shareholders, as a dividend, an amount of 1.00 euro per share and to allocate the balance of the distributable income to the "Retained earnings" account; and

**(ii)** note that, considering the interim dividend of 0.60 euro per share paid on September 8, 2011, the balance of the dividend to be paid amounts to 0.40 euro per share.

## fourth resolution

**(agreements referred to in Article L. 225-38 of the French Commercial Code *(Code de commerce)*)**

The shareholders at the annual shareholders' meeting, acting under the conditions of *quorum* and majority required for ordinary shareholders' meetings, having reviewed the Statutory Auditors' Special Report, acknowledge the conclusions of this report and that no agreement referred to in Article L. 225-38 of the French Commercial Code was entered into during the financial year 2011.

## fifth resolution

**(appointment of a director)**

The shareholders at the annual shareholders' meeting, acting under the conditions of *quorum* and majority required for ordinary shareholders' meetings, note that the term of office as a director of Ms. Claudie Haigneré will expire at the end of the present meeting and decide, as proposed by the Board of Directors and in accordance with the terms provided for in Article 13 of the Bylaws, to appoint Ms. Claudie Haigneré as a director, for a new four-year period expiring at the close of the annual shareholders' meeting approving the financial statements for the financial year ended on December 31, 2015.

## sixth resolution

**(appointment of a director)**

The shareholders at the annual shareholders' meeting, acting under the conditions of *quorum* and majority required for ordinary shareholders' meetings, note that the term of office as a director of Mr. Jose-Luis Duràn will expire at the end of the present meeting and decide, as proposed by the Board of Directors and in accordance with the terms provided for in Article 13 of the Bylaws, to appoint Mr. Jose-Luis Duràn as a director, for a new four-year period expiring at the close of the annual shareholders' meeting approving the financial statements for the financial year ended on December 31, 2015.

## seventh resolution

**(appointment of a director)**

The shareholders at the annual shareholders' meeting, acting under the conditions of *quorum* and majority required for ordinary shareholders' meetings, note that the term of office as a director of Mr. Charles-Henri Filippi will expire at the end of the present meeting and decide, as proposed by the Board of Directors and in accordance with the terms provided for in Article 13 of the Bylaws, to appoint Mr. Charles-Henri Filippi as a director, for a new four-year period expiring at the close of the annual shareholders' meeting approving the financial statements for the financial year ended on December 31, 2015.

## eighth resolution

**(authorization to be granted to the Board of Directors to purchase or transfer shares of the Company)**

The shareholders at the annual shareholders' meeting, acting under the conditions of *quorum* and majority required for ordinary shareholders' meetings, having reviewed the Management Report of the Board of Directors, authorize the Board of Directors, pursuant to Articles L. 225-209 *et seq.* of the French Commercial Code, to buy shares of the Company up to a maximum number of shares representing 10% of the share capital outstanding on the day of this meeting:

- the maximum purchase price shall not exceed 40 euros per share, it being specified that in the event of transactions affecting the share capital, in particular by capitalization of reserves followed by the issuance and free allocation of shares, and/or through a stock split or reverse stock split, this price will be adjusted accordingly;
- the maximum amount of funds allocated to the share buyback program is 10,595,541,532 euros;
- acquisitions carried out by the Company pursuant to this authorization may in no event cause it to hold, directly or indirectly, at any time, more than 10% of the shares comprising the share capital;
- acquisitions or transfers of shares may be carried out at any time, except during a public offering involving shares of the Company, in compliance with applicable legal and regulatory provisions;
- acquisitions or transfers of shares may be carried out by any means, in particular on the regulated markets, multilateral trading systems or over-the-counter, including through block sales or purchases or by use of derivative securities traded on the regulated markets, multilateral trading system or over-the-counter;
- the present authorization is valid for a period of eighteen months.

These share acquisitions may be carried out for any purpose permitted by law, the objectives of this share buyback program being:

**(i)** to comply with obligations related to:

**a.** stock option plans and other allocations of shares to the employees of the Company or affiliates and notably to allocate shares to employees of the Company and entities of its group, in particular as part of (i) the Company's profit sharing scheme, (ii) any stock purchase or stock option plan or program, including any free stock grants, including any transfer of shares provided for under Article L. 3332-24 of the French Labor Code (*Code du travail*) for the benefit of the employees and corporate officers or some of them, including former holders of stock options in respect of Wanadoo's shares, under the conditions provided in the second resolution of the combined ordinary and extraordinary shareholders' meeting of September 1, 2004, or (iii) liquidity agreements signed between the Company and the holders of Orange S.A.'s shares or stock options, in order to carry out any hedging transactions relating to these transactions,

**b.** securities giving access to shares of the Company (including to carry out any hedging transactions as a result of the obligations of the Company relating to these securities), including to the securities subscribed for by employees or former employees of the Company and entities of its group (such as, in particular, option-based liquidity instruments);

**(ii)** to ensure the liquidity of the share of the Company by a financial services provider *(prestataire de services d'investissement)* pursuant to a liquidity contract compliant with the Code of Ethics approved by the French stock market authority ("AMF", *Autorité des Marchés Financiers*);

**(iii)** to keep shares for subsequent exchange or for payment as part of potential external growth transactions;

**(iv)** to reduce the capital of the Company in accordance with the seventeenth resolution of this shareholders' ordinary meeting, subject to its adoption.

The shareholders at the annual shareholders' meeting grant full authority to the Board of Directors, with the right to delegate in accordance with the conditions provided for by the law, to decide and implement the present authorization, to clarify its terms and to decide details, to place all market orders, enter into all agreements, draw up all documents, in particular those providing information, carry out all formalities, including to allocate or reallocate the shares acquired for the different objectives sought, and make all declarations to all organizations and, generally, do whatever is necessary.

The delegation granted by the shareholders at the combined ordinary and extraordinary shareholders' meeting held on June 7, 2011 in its ninth resolution is terminated, with immediate effect, with respect to its unused portion.

## ninth resolution

### (ratification of the transfer of the registered office)

The shareholders at the annual shareholders' meeting, acting under the conditions of *quorum* and majority required for ordinary shareholders' meetings, having reviewed the Management Report of the Board of Directors, ratify, in accordance to Article L. 225-36 of the French Commercial Code the transfer of the registered office from 6 place d'Alleray, 75015, Paris, France, to 78 rue Olivier de Serres, 75015, Paris, France, with effect from the end of this shareholders' meeting, on June 5, 2012, such as decided by the Board of Directors at its meeting on March 21, 2012.

# resolutions within the competence of the extraordinary meeting

## tenth resolution

### (amendment of Article 9 of the Bylaws)

The shareholders at the annual shareholders' meeting, acting under the conditions of *quorum* and majority required for extraordinary shareholders' meetings, having reviewed the Management Report of the Board of Directors, decide to amend Article 9 of the Bylaws (Legal Forms of the Shares) in order to align them with the new time limit provided for in Article R. 233-1 of the French Commercial Code for declaration of the legal thresholds crossings as amended by Decree no. 2009-557 of May 19, 2009.

Consequently, point 3 of Article 9 is modified as follows:

*"In addition to the legal obligation to report to the Company of when the thresholds of 5%, 10%, 20%, 33%, 50% and 66% of the share capital or voting rights are crossed, any individual or legal entity, acting alone or in concert with others, who acquires directly or indirectly (as defined by Articles L. 233-7 et seq. of the French Commercial Code), a number of shares, voting rights or securities representing shares equal to 0.5% of the share capital or voting rights in the Company, must report the total number of shares, voting rights and securities giving rights to the share capital that such person or entity holds via registered mail with return receipt to the Company, no later than by the close of business on the fourth trading day following the day of the threshold crossing."*

The remainder of Article 9 is unchanged.

## eleventh resolution

### (amendment of Article 16 of the Bylaws)

The shareholders at the annual shareholders' meeting, acting under the conditions of *quorum* and majority required for extraordinary shareholders' meetings, having reviewed the Management Report of the Board of Directors, decide to delete the provisions of Article 16 of the Bylaws (powers of the Board of Directors) which have become obsolete, relating to consultative commissions in charge of the markets control.

Consequently, point 3 and 4 of Article 16 of the Bylaws are deleted.

The remainder of Article 16 is unchanged.

## twelfth resolution

### (amendment of Article 21 of the Bylaws)

The shareholders at the annual shareholders' meeting, acting under the conditions of *quorum* and majority required for extraordinary shareholders' meetings, having reviewed the Management Report of the Board of Directors, decide to amend:

**1)** point 6 of the paragraph 1 of Article 21 of the Bylaws (shareholders' meetings) to have it complying with Article L. 225-106 of the French Commercial Code, as amended by Order no. 2010-1511 of December 9, 2010.

Consequently, point 6 of paragraph 1 of Article 21 of the Bylaws is modified as follows:

*"Any shareholder may, in accordance with legal and regulatory requirements, vote from a distance or be represented by any natural or legal person of its choice."*

**2)** point 9 of paragraph 1 of Article 21 of the Bylaws to have it complying with Articles R. 225-77 and R. 225-79 of the French Commercial Code, as amended by Decrees no. 2010-684 of June 23, 2010 and no. 2011-1473 of November 9, 2011.

Consequently, point 9 of paragraph 1 of Article 21 of the Bylaws is modified as follows:

*"The forms for sending in a vote or a proxy, as well as the certificate of attendance, can be completed in electronic format duly signed in the conditions specified by the applicable laws and regulations. For this purpose, the recording of the electronic signature on the certificate can be made directly on the Internet site established by the organizer of the meeting."*

**3)** point 2 of paragraph 2 of Article 21 of the Bylaws to have it complying with Articles R. 225-69 of the French Commercial Code, as amended by Decree no. 2010-684 of June 23, 2010.

Consequently, point 2 of paragraph 2 of Article 21 of the Bylaws is modified as follows:

*"Subject to exceptions provided by law, notices must be given at least 15 days before the date of the meeting. When the shareholders' meeting cannot deliberate due to the lack of the required quorum, the second meeting and, if applicable, the second postponed meeting, must be called at least ten days in advance in the same manner as used for the first notice."*

**4)** point 3 of paragraph 3 of Article 21 of the Bylaws to have it complying with Articles L. 225-105 and R. 225-71 of the French Commercial Code, as amended respectively by Order no. 2010-1511 of December 9, 2010 and Decree no. 2010-1619 of December 23, 2010.

Consequently, point 3 of paragraph 3 of Article 21 of the Bylaws is modified as follows:

*"One or more shareholders representing the percentage of capital required by law, and acting in accordance with legal requirements and within applicable time limits, may request the inclusion of items or proposed resolutions on the agenda."*

The remainder of Article 21 is unchanged.

## thirteenth resolution

**(delegation of powers to the Board of Directors to issue shares reserved for persons that signed a liquidity contract with the Company in their capacity as holders of shares or stock options of Orange S.A.)**

The shareholders at the annual shareholders' meeting, acting under the conditions of *quorum* and majority required for extraordinary shareholders' meetings, having reviewed the Management Report of the Board of Directors and the Statutory Auditors' Special Report, delegate to the Board of Directors, for a period of 18 months, the powers to carry out, on one or more occasions, the issuance of the Company's shares which may be subscribed in cash or by offsetting of debts and decide to cancel the preferential subscription right of shareholders to these shares and to reserve the right to subscribe for the shares to holders of stock options or shares of Orange S.A. that signed a liquidity contract with the Company.

The nominal amount of the Company's capital increase resulting from all issuances carried out pursuant to this delegation shall not exceed 25,000,000 euros, without taking into account the adjustments that may be carried out to protect the interests of beneficiaries of a liquidity contract, in accordance with legal and regulatory provisions as well as with applicable contractual terms. The amount of the capital increases realized pursuant to the present delegation will be charged against the maximum established by the eighteenth resolution adopted by the combined ordinary and extraordinary shareholders' meeting of June 7, 2011.

The issuance share price carried out pursuant to this delegation will be equal to the average prices recorded for shares of the Company on the Euronext Paris market over twenty consecutive trading days, chosen from among the last forty-five trading days preceding the decision to issue new shares, after adjustment, if needed, of this average to take into account a difference in the date from which the shares carry the right to dividends.

The Board of Directors, with the right to delegate in accordance with the conditions provided for by the law, will have full authority to implement this delegation and in particular to prepare the list of beneficiaries based on the list of holders of stock options or shares of Orange S.A. that have signed a liquidity contract and to decide on the characteristics, amount and terms and conditions of any issuance, the number of shares to be issued for the benefit of each beneficiary, and the subscription price of the said shares.

The delegation granted by the shareholders at the combined ordinary and extraordinary shareholders' meeting held on June 7, 2011 in its sixteenth resolution is terminated with immediate effect in respect of the unused portion.

## fourteenth resolution

**(delegation of powers to the Board of Directors to proceed with the free issuance of option-based liquidity instruments reserved for those holders of stock options of Orange S.A. that have signed a liquidity contract with the Company)**

The shareholders at the annual shareholders' meeting, acting under the conditions of *quorum* and majority required for extraordinary shareholders' meetings, having reviewed the Management Report of the Board of Directors and the Statutory Auditors' Special Report, delegate to the Board of Directors, for a period of 18 months, the powers to proceed, on one or more occasions, with the free issuance and allocation of option-based liquidity instruments (*instruments de liquidité sur options* or "ILO") comprised of warrants that may be exercised in cash and/or existing shares and/or new shares of the Company and for which the Company's shares will be paid, if applicable, by offsetting of debts, and decide to cancel the preferential subscription rights of shareholders to these ILOs and to reserve the right of allocation for the holders of stock options of Orange S.A. that have signed a liquidity contract with the Company.

The nominal amount of the Company's capital increase resulting from all the issues carried out pursuant to this delegation shall not exceed 250,000 euros, without taking into account the adjustments that may be carried out to protect the interests of ILO holders in accordance with the legal and regulatory provisions as well as the applicable contractual terms. The amount of the capital increases realized pursuant to this delegation will be charged against the maximum established by the eighteenth resolution adopted by the combined ordinary and extraordinary shareholders' meeting of June 7, 2011.

The subscription price of the shares issued upon exercising the ILOs will be equal to the average price fixed for shares of the Company on the Euronext Paris market over twenty consecutive trading days prior to the date for filing the notification for exercising the ILOs, after adjustment, if needed, of this average to take into account a difference in the date from which they carry the right to dividends.

The Board of Directors, with the right to delegate in accordance with the conditions provided for by the law, will have full power to implement this delegation and in particular to prepare the list of beneficiaries based on the list of holders of stock options to purchase shares of Orange S.A. that have signed a liquidity contract, and to determine the number of ILOs to be issued for the benefit of each beneficiary and to decide on the characteristics, amount and terms and conditions of any ILO issue.

The delegation granted by the shareholders at the combined ordinary and extraordinary shareholders' meeting held on June 7, 2011 in its seventeenth resolution is terminated, with immediate effect, in respect of the unused portion.

## fifteenth resolution

### (authorization given to the Board of Directors to allocate free shares)

The shareholders at the annual shareholders' meeting, acting under the conditions of *quorum* and majority required for extraordinary shareholders' meetings, having reviewed the Management Report of the Board of Directors and the Statutory Auditors' Special Report, authorize, pursuant to Articles L. 225-197-1 *et seq.* of the French Commercial Code, the Board of Directors to proceed, in one or several occasions, with the allocation for free shares of the Company.

The beneficiaries shall be employees and corporate officers (as defined by Article L. 225-197-1 of the French Commercial Code) of the Company or of related companies or groups as defined by Article L. 225-197-2 of the French Commercial Code.

This authorization is granted for a period of 38 months as of the date of this annual shareholders' meeting.

The total number of shares allocated for free pursuant to this resolution shall not represent more than 1% of the capital of the Company as of the date of this annual shareholders' meeting.

The shareholders at the annual shareholders' meeting decide, as the case may be, any allocation decided by the Board of Directors pursuant to this resolution will be in full conditional upon the reaching of one or more performance conditions fixed by it.

The shareholders at the annual shareholders' meeting decide that the allocation of the said shares to their beneficiaries will become definitive for all or some of the shares allocated:

- at the end of an acquisition period that shall not be less that four years, with no minimum lock-up obligation; or
- at the end of an acquisition period that shall not be less than two years, it being specified that the beneficiaries must then retain said shares for a minimum additional lock-up period of two years from the date of the definitive allotment of said shares.

In case a beneficiary becomes disabled, as this condition is defined by law, the final allocation of the shares may occur before the end of the acquisition period.

The existing shares available for allocation under this resolution shall be acquired by the Company either under Article L. 225-208 of the French Commercial Code or, as the case may be, in connection with the share buyback program authorized by the eighth resolution submitted to this annual shareholders' meeting pursuant to Article L. 225-209 of the French Commercial Code, or any earlier or later share buyback program.

The shareholders at the annual shareholders' meeting acknowledge and decide, as may be needed, that this authorization carries with it, for the benefit of beneficiaries of share allocations, waiver by the shareholders of any right over the free shares allocated under this resolution.

The annual shareholders' meeting confers full powers on the Board of Directors for purposes of:

- setting the conditions and, if required, the criteria for allocation of shares;
- subject to the conditions and limits prescribed by law, setting the dates on which free allocations shall take place;
- determining the identity of the beneficiaries, the number of shares allocated to each of them, the terms and conditions of allocation, and specifically, the acquisition and lock-up periods of the free shares thus allocated;
- deciding on the conditions under which the number of shares allocated shall be adjusted; and
- more generally, with the right, within the limits prescribed by law, to sub-delegate, to enter into all agreements, draw up all documents, carry out all formalities and official declarations and take all other necessary actions.

The delegation granted by the shareholders at the combined ordinary and extraordinary shareholders' meeting held on May 26, 2009 in its twenty-first resolution is terminated, with immediate effect, with respect to its unused portion.

## sixteenth resolution

### (delegation of authority to the Board of Directors to proceed with capital increases reserved for members of savings plans)

The shareholders at the annual shareholders' meeting, acting under the conditions of *quorum* and majority required for extraordinary shareholders' meetings, having reviewed the Management Report of the Board of Directors and the Statutory Auditors' Special Report, delegate to the Board of Directors, for a period of 26 months, the authority to decide, on one or more occasions, the issuance of shares or securities which may give access to either existing shares or shares to be issued of the Company, reserved for members of the Company savings plans (and/or members of any other plan for which Article L. 3332-18 of the French Labor Code allows a capital increase to be reserved in accordance with like terms) set up within the Company or its group.

For purposes of this delegation, group means the Company and French or foreign companies consolidated in the Company's financial statements under Articles L. 3344-1 and L. 3344-2 of the French Labor Code.

The nominal amount of an immediate or future capital increase of the Company resulting from all issuances carried out pursuant to this delegation is set at 500 million euros, without taking into account the nominal value of the shares to be issued, to preserve, in accordance with the law, the rights of the holders of the securities giving access to the shares.

The subscription price of the new shares shall be equal to the average of the share prices listed during the twenty trading sessions preceding the day of the decision establishing the opening date of the subscriptions, reduced by the maximum discount provided for by law on the day the Board of the

Directors makes its decision; it being specified that the Board of Directors can reduce this discount if it so deems appropriate, in particular in the event of an offer to the members of a corporate savings plan on the international market and/or abroad in particular in order to meet the requirements of the applicable local laws.

The Board of Directors may allocate, free of charge, to the aforementioned beneficiaries, in addition to the shares or securities giving access to shares to be subscribed for in cash, shares or securities giving access to existing shares or shares to be issued, of the same type or not as those to be subscribed for in cash, as a replacement for all or part of the above-mentioned discount and/or employer's contribution, it being understood that the advantage resulting from this allocation cannot exceed the applicable legal or regulatory limits. The nominal amount of any immediate or future capital increase resulting from the allocation of shares or securities giving access to shares to be issued, will be charged against the maximum amount referred to above (500 million euros).

The shareholders at the annual shareholders' meeting decide to cancel the preferential subscription rights of the shareholders to the securities to be issued pursuant to this delegation in favor of the aforementioned beneficiaries, the said shareholders waiving any right to the securities allocated for free pursuant to this delegation (including to the part of capitalization of reserves, income or premiums due to the allocation of said securities made pursuant to the present delegation).

The Board of Directors, with the right to delegate in accordance with the conditions provided for by the law, shall have full powers for the purpose of implementing this delegation and in particular to:

- determine the characteristics, amount and terms of each issuance of securities;
- determine that the issuances may be made directly in favor of the beneficiaries or through the intermediary of employee saving UCITS (OPCVM) [1] or alike bodies;
- decide the list of companies or groups whose employees and former employees may subscribe for the shares or securities issued;
- determine the nature and terms and conditions of the capital increase, as well as the terms of issuance;
- acknowledge the completion of the capital increase;
- determine, if applicable, the amount of the sums to be capitalized up to the limit set above, the equity capital account(s) from which they are drawn as well as the date from which the shares thus issued carry the right to dividends;
- if it deems appropriate, charge the costs for the capital increases against the amount of premiums related to these increases and take from this amount the amounts required to bring the statutory reserve account to the tenth of the new share capital after each increase; and
- take all measures to complete the capital increases, carry out the formalities as a consequence thereof, in particular those relating to listing of the securities issued, and amend the Bylaws in relation to these capital increases, and generally do whatever is necessary.

The delegation granted by the shareholders at the combined shareholders' meeting held on June 7, 2011 in its twenty-first resolution is terminated, with immediate effect, in respect of the unused portion.

## seventeenth resolution

### (authorization to the Board of Directors to reduce the share capital through the cancellation of shares)

The shareholders at the annual shareholders' meeting, deciding under the conditions of *quorum* and majority required for extraordinary shareholders' meetings, having reviewed the Management Report of the Board of Directors and the Statutory Auditors' Special Report:

- delegate, for a period of 18 months, to the Board of Directors full powers for the purpose of cancelling, on one or more occasions, up to a maximum of 10% of the Company's share capital, by periods of 24 months, all or part of the Company's shares acquired as part of the authorized share buyback programs in the eighth resolution submitted to this shareholders' meeting or as part of share buyback programs authorized before or after the date of this shareholders' meeting;
- decide that the surplus of the purchase price of the shares over their nominal value will be charged to the "Additional paid-in capital" account or to any account of available reserves, including the statutory reserve, within a the limit of 10% of the capital reduction carried out;
- delegate full powers to the Board of Directors, with the right of delegation in accordance with the law, to carry out the capital reduction resulting from the cancellation of the shares and the aforementioned charging, as well as to amend the Bylaws accordingly;

The delegation granted by the shareholders at the combined ordinary and extraordinary shareholders' meeting held on June 7, 2011 in its twenty-second resolution is terminated, with immediate effect, in respect of the unused portion.

## eighteenth resolution

### (powers for formalities)

The shareholders at the annual shareholders' meeting confer full powers on the holder of an original, a copy or an extract of the minutes of this annual shareholders' meeting for the purpose of carrying out all legal or administrative formalities and making all filings and public disclosures provided by under current law.

*(1) Organismes de placement collectif en valeurs mobilières.*

## COMPANY RELATED DOCUMENTS

The documents required by Article R. 225-88 of the French Commercial Code (documents sent to shareholders who request them prior to the annual shareholders' meeting) other than those included in this brochure are available in the Registration Document available on the website dedicated to France Telecom's annual shareholders' meeting, at **www.orange.com/gm**

(See correspondence table no. IV of the Registration Document page 612)

## NOTES

Designed & published by Labrador +33 (0)1 53 06 30 80

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France Telecom combined shareholders' meeting **of June 5, 2012**

# request for documentation

By using electronic means of communication, France Telecom shareholders will actively participate in the environmental goal that their company has set itself.

To receive documents relating to the annual shareholders' meeting as well as the webzine, the periodic electronic information document of France Telecom shareholders by Internet, you must return this document duly completed to:

**France Télécom – Service des Assemblées**
**BP 1010 – 75721 Paris Cedex 15 - France**

Said documents are also available on the website **www.orange.com/gm**

Moreover, the holders of registered shares may, pursuant to Article R. 225-88 of the Commercial Code, obtain in a single request that the Company send or supply the documents and information referred to in Articles R. 225-81 and R. 225-83 at the time of each of the future annual shareholders' meetings. Please note: the Company's Registration Document included in these documents is exceeding 600 pages.

***Please tick the boxes corresponding to your requests and the address to which documents are to be sent or supplied:***

☐ Pursuant to the provisions of Article R. 225-88 of the Commercial Code, I request France Telecom to send me or supply me with all documents and information relating to the combined ordinary and extraordinary shareholders' meeting of June 5, 2012, as listed in Article R. 225-83 of said Code

☐ As a **holder of registered shares,** I also request that a proxy form and the documents and information referred to in Article R. 225-81 and R. 225-83 of the Commercial Code be sent to me or supplied to me at the time of each of the future annual shareholders' meetings

☐ either in electronic form at the following address:...................................................................@...............................................

☐ or through the postal services at the address mentioned below.

☐ The **holders of bearer shares** must prove their capacity for said purpose:

Name and address of the financial intermediary: ..........................................................................................................

Authorized intermediary,

and that the participation certificate issued by said intermediary, recording the locking up of shares registered on an account until the date of the meeting, has been filed with BNP Paribas Securities Services, the depository named in the notice of meeting (Articles R. 225-85 and R. 225-88 of the Commercial Code).

Shareholder's contact information (to be completed, regardless of the method of sending or supply chosen):

Mr./Ms.

Last name, First name: ............................................................................................................................................

Address: .....................................................................................................................................................................

.....................................................................................................................................................................................

Postcode: .................................... Town/city: .........................................................................................................

Place .........................................................................., on ...................................... 2012

**Shareholder's signature**

# how do I get information?

To get information on the France Telecom
June 5, 2012 combined shareholders' meeting:

- on the internet: www.orange.com/gm
- by e-mail: conseiller.actionnaire@orange.com
- by telephone: 1010 or 0800051010 – toll-free call from an Orange landline, from 9:00 am to 7:00 pm Monday through Friday or +33 (0)1 60 95 87 24 from outside France
- by post: France Telecom
  BP 1010 – 75721 Paris Cedex 15 – France

As part of its Corporate Social Responsibility policy, Orange will make available at the shareholders' meeting collection points for the recycling of your old mobile handsets.

France Telecom
Shareholders relations department – BP 1010 – 75721 Paris Cedex 15
Corporation with a total share capital of 10,595,541,532 euros – RCS Paris 380 129 866