



Press release  
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## Orange successfully completes the sale of BT shares and secures financing at a negative interest rate

Orange has taken a balanced approach which allows it to reduce the Group's exposure to BT Group plc (BT), while keeping exposure to a potential future share price increase through its residual stake:

- Sale of 133 million BT shares through a private placement by way of an accelerated bookbuilding, of which circa 64 million shares sold to eligible institutional and qualified investors and circa 69 million shares acquired by BT and its Employee Share Ownership Trust.
- Simultaneous issuance of bonds exchangeable into BT shares at a negative interest rate after hedging in euro for an amount of GBP 517 million due June 2021.

Orange thus sells approximately 1.33% of the share capital of BT for around GBP 383 million, corresponding to a selling price of 288 pence per share which represents a very tight discount of 0.59% on the closing price.

The exchangeable bonds, with a maturity of 4 years (except in the case of early redemption), will be issued on 27 June 2017 with an initial exercise price of 389 pence, corresponding to a premium of 35% on the selling price of shares part of the accelerated bookbuilding.

Issued in sterling, they will bear a coupon of 0.375%, corresponding to a negative interest rate of -0.50% after hedging in euro. An application will be made for their admission to trading on the Marché Libre d'Euronext Paris.

The exchangeable bonds holders may exercise their exchange right at any time from 7 August 2017 until the 55<sup>th</sup> calendar day before the maturity date of the bonds.

For their repayment, Orange will have the flexibility to settle in cash, deliver ordinary shares of BT or a combination thereof.

The proceeds of these transactions will be used for the general corporate purposes of Orange.

### About Orange

Orange is one of the world's leading telecommunications operators with sales of 40.9 billion euros in 2016 and 154,000 employees worldwide at 31 March 2017, including 95,000 employees in France. Present in 29 countries, the Group has a total customer base of 265 million customers worldwide at 31 March 2017, including 203 million mobile customers and 19 million fixed broadband customers. Under the Orange Business Services brand, Orange is also one of the world leaders in providing telecommunication services to multinational companies. In March 2015, the Group presented its new strategic plan "Essentials2020" which places customer experience at the heart of its strategy with the aim of allowing them to benefit fully from the digital universe and the power of its new generation networks.

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

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- a) to "qualified investors" within the meaning of the Prospectus Directive;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined by the Prospectus Directive) in each Member State; or
- c) in circumstances falling within Article 3(2) of the Prospectus Directive,

and provided that no such offer of Securities referred to in (a) to (c) above shall require Orange or the Managers to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

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The Bond Issue will not require the publication of the prospectus subject to the French *Autorité des Marchés Financiers*.

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