

19 December 2011

**FRANCE TELECOM**  
**Issue of EUR 272,000,000 CNO-TEC 10 Index Linked Notes due December 2021**  
**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 2011 which received visa No. 11-204 from the *Autorité des marchés financiers* (the **AMF**) on 7 June 2011 and the supplement to the Base Prospectus dated 30 August 2011 which received visa No. 11-375 from the AMF on 30 August 2011, 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 such Base Prospectus, the supplements to the Base Prospectus and these Final Terms 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.

1.	Issuer:	France Telecom
2.	(a) Series Number:	123
	(b) Tranche Number:	1
3.	Specified Currency or Currencies:	Euro (“EUR”)
4.	Aggregate Nominal Amount:	EUR 272,000,000
	(a) Tranche:	EUR 272,000,000
	(b) Series:	EUR 272,000,000
5.	Issue Price:	100.00 per cent. of the Aggregate Nominal Amount
6.	(a) Specified Denominations:	EUR 100,000
	(b) Calculation Amount:	Specified Denomination
7.	(a) Issue Date:	21 December 2011
	(b) Interest Commencement Date:	Issue Date
8.	Maturity Date:	Interest Payment Date falling in or nearest to December 2021
9.	Interest Basis:	Index Linked Interest (further particulars specified below)
10.	Redemption/Payment Basis:	Redemption at par

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|-----|---|-------------------|
| 11. | Change of Interest Basis or Redemption/Payment Basis:       | Not Applicable    |
| 12. | Put/Call Options:   | Not Applicable    |
| 13. | (a) Status of the Notes:                                    | Senior, unsecured |
|     | (b) Date of <i>Président's</i> decision to issue the Notes: | 19 December 2011  |
| 14. | Method of distribution:                                     | Non-syndicated    |

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

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|-----|--|--|
| 15. | Fixed Rate Note Provisions:  | Not Applicable   |
| 16. | Floating Rate Note Provisions:   | Not Applicable   |
| 17. | Zero Coupon Note Provisions:   | Not Applicable   |
| 18. | Index Linked Note Provisions:  | Applicable   |
|     | (a) Index/Formula  | <p>The Rate of Interest in respect of each Interest Period shall be determined by the Calculation Agent in accordance with the following formula</p> <p><b>(TEC10 + 0.5%)</b></p> <p>where TEC10 (<i>Taux de l'Échéance Constante à 10 ans</i>) means the rate as it appears on the Reuters page TREAStEC10 (the "Relevant Screen Page") as of 10:00 a.m. Paris time on each second Business Day prior to the start of each Interest Period (the "Interest Determination Date").</p> |
|     | (b) Calculation Agent  | <p>Agency &amp; Trust - SFS Operations<br/>Citigroup Global Transaction Services<br/>First Floor<br/>DUB-01-11<br/>1 North Wall Quay<br/>Dublin 1<br/>Ireland</p>  |
|     | (c) Party responsible for calculating the redemption amount (Index Linked Redemption Notes) and/or interest (Index Linked Interest Notes) due (if not the Agent):    | <p>Agency &amp; Trust - SFS Operations<br/>Citigroup Global Transaction Services<br/>First Floor<br/>DUB-01-11<br/>1 North Wall Quay<br/>Dublin 1<br/>Ireland</p>  |
|     | (d) Provisions for determining Coupon (Index Linked Interest Notes) and/or redemption amount (Index Linked Redemption Notes) where calculation by reference to Index | <p>For each Note, the amount of interest is calculated by multiplying by 100,000 the value determined in accordance with paragraph (a) above.</p> <p>If on any Interest Determination Date the TEC10 rate</p>  |

and/or Formula is impossible or impracticable does not appear on the Relevant Screen Page, such rate will be determined on the basis of the mid-market prices for each of the two reference *Obligations Assimilables du Trésor* which would have been used for the calculation of the rate which appears on the Relevant Screen Page, quoted by five *Spécialistes en Valeur du Trésor* excluding Deutsche Bank at approximately 10:00 a.m. Paris time on this concerning Interest Determination Date. The Calculation Agent will request the principal Paris office of each of the *Spécialistes en Valeurs du Trésor* to provide a quotation of its price. The rate for that Interest Determination Date will be the redemption yield of the arithmetic mean of such prices as determined by the Calculation Agent after discarding the highest and lowest quotations

- (e) Specified Period(s)/Specified Interest Payment Dates: Quarterly on 21 March, 21 June, 21 September and 21 December of each year and on the Maturity Date with the first Interest Payment Date on 21 March 2012
- (f) Business Day Convention Following Business Day Convention
- (g) Additional Business Centre(s) Not Applicable
- (h) Minimum Rate of Interest: Not Applicable
- (i) Maximum Rate of Interest Not Applicable
- (j) Day Count Fraction Actual/360

19. Dual Currency Note Provisions: Not Applicable

#### Provisions Relating to Redemption

- 20. Make-whole Redemption: Not Applicable
- 21. Issuer Call: Not Applicable
- 22. Investor Put: Not Applicable
- 23. Final Redemption Amount: Specified Denomination
- 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)): EUR 100,000 per Calculation Amount

#### General Provisions Applicable to the Notes

- 25. Form of Notes:
  - (a) Form: Permanent Global Note exchangeable for Definitive Notes only upon an Exchange Event (as defined in "Form of Notes" in the Base Prospectus)
  - (b) New Global Note: Yes
- 26. Additional Business Centre(s) or other Not Applicable

special provisions relating to Payment Dates:

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: Not Applicable
30. Redenomination applicable: Redenomination not applicable
31. Other final terms: Not Applicable

### **Distribution**

32. (a) If syndicated, names of Managers: Not Applicable
- (b) Stabilising Manager(s) (if any): Not Applicable
33. If non-syndicated, name of relevant Dealer: Deutsche Bank AG, London Branch  
Winchester House  
1 Great Winchester Street  
London EC2N 2 DB  
United Kingdom
34. U.S. Selling Restrictions: Regulation S Category 2, TEFRA C
35. 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.

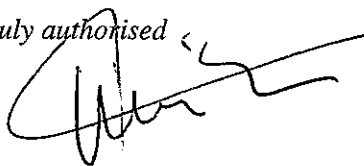
### **RESPONSIBILITY**

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

Signed on behalf of France Telecom:

By: **Jean-Michel Thibaud**  
Group Treasurer

*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: 10.000 Euros

### 2. RATINGS

The Notes to be issued have not been rated.

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

Save for any fees payable to the 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 purpose

(ii) Estimated net proceeds: Not Applicable

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

Indication of yield: Not Applicable

### 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: XS0720083244

(ii) Common Code: 072008324

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