

10.E TAXATION

The discussions set forth in this section are based on French tax law and U.S. federal income tax law, including applicable treaties and conventions, as in effect on the date of this annual report. These Tax laws, and related interpretations, are subject to change, possibly with retroactive effect. This section is further based in part on representations of the depository and assumes that each obligation in the deposit agreement and any related agreement will be performed in accordance with its terms.

10.E.1 French Taxation

The following is a general summary of the material French tax consequences of owning and disposing of the shares of France Telecom. This summary may only be relevant to you if you are not a resident of France and you do not hold your shares in connection with a permanent establishment or a fixed base in France through which you carry on a business or perform personal services.

This discussion is intended only as a descriptive summary. It does not address all aspects of French tax laws that may be relevant to you in light of your particular circumstances.

If you are considering buying shares of France Telecom, you should consult your own tax advisor about the potential tax effects of owning or disposing of shares in your particular situation.

Taxation on sale or disposal of shares

Generally, you will not be subject to any French income tax or capital gains tax when you sell or dispose of shares of France Telecom if both of the following apply to you:

- you are not a French resident for French tax purposes, and
- you have held not more than 25% of France Telecom dividend rights, known as *droits aux bénéfices sociaux*, at any time during the preceding five years, either directly or indirectly, and, as relates to individuals, alone or with relatives;

unless you are established or domiciled in a jurisdiction listed as a non-cooperative state or territory by the French administration, in which case you will be subject to a 50% tax on capital gain.

If a double tax treaty between France and your country contains more favorable provisions, you may not be subject to any French income tax or capital gains tax when you sell or dispose of any shares of France Telecom, even if one or both of the above statements does not apply to you.

If you are a resident of the United States who is eligible for the benefits of the income tax treaty between the United States of America and France (the "U.S. France Treaty"), you will not be subject to French tax on any capital gain if you sell or exchange your shares or ADSs unless you have a permanent establishment or fixed base in France and the shares or ADSs sold or exchanged were part of the business property of that permanent establishment or fixed base.

Special rules apply to individuals who are residents of more than one country.

Subject to specific conditions, foreign states, international organizations and a number of foreign public bodies are not considered French residents for these purposes.

If you transfer listed shares using a written agreement, that agreement must generally be registered. In principle, and unless agreed otherwise, the purchaser will be required to pay a registration duty of 3% of either the purchase price or the market value of the shares transferred, whichever is higher. The maximum duty is 5,000 euros per transfer. However, in some circumstances, if the agreement is executed outside France, you will not be required to pay this duty.

Taxation of dividends

Under French domestic law, French companies must generally deduct a 25% French withholding tax from dividends (including distributions from share capital premium, insofar as the company has distributable reserves) paid to non-residents. Under most tax treaties between France and other countries, the rate of this withholding tax may be reduced in specific circumstances. Generally, a holder who is a non-French resident is subsequently entitled to a tax credit in his or her country of residence for the amount of tax actually withheld at the appropriate treaty rate.

However, if you are established or domiciled in a jurisdiction listed as a non-cooperative state or territory by the French administration, a higher withholding tax rate of 50% will be applied on any dividends paid to you by French companies.

Under some treaties, a shareholder who fulfills specific conditions may generally apply to the French tax authorities for a lower rate of withholding tax, generally 15%. Under some tax treaties, the withholding tax is eliminated altogether.

If the arrangements provided for by any of such treaties apply to a shareholder, France Telecom will withhold tax from the dividend at the lower rate, provided that the shareholder complies, before the date of payment of the dividend, with the applicable filing formalities. Otherwise, France Telecom must withhold tax at the full rate of 25%, and the shareholder may subsequently claim the refund of excess tax paid.

Also, under the treaties that provided for the transfer of the tax credit (*avoir fiscal*) to non-resident individual shareholders, a tax credit attached to the dividends paid by French companies (of 50% of the amount of the dividend capped at 115 euros for single individuals and 230 euros for couples taxed jointly) may be transferred to non-resident individual shareholders under specific conditions.

If you are a resident of the United States who is eligible for the benefits of the U.S. France Treaty, French dividend withholding tax is reduced to 15% if your ownership of the shares or ADSs is not effectively connected with a permanent establishment or a fixed base that you have in France and certain other requirements are satisfied. In particular, you will have to comply with the formalities set out in section 10.5.3 "Procedure for Reduced Withholding Rate". If you fail to comply with such formalities before the date of payment of the dividend, France Telecom shall deduct French withholding tax at the rate of 25%. In that case, you may claim a refund from the French tax authorities of the excess withholding tax.

Certain tax exempt U.S. entities (such as tax-exempt U.S. pension funds, which include the exempt pension funds established and managed in order to pay retirement benefits subject to the provisions of Section 401(a) of the Internal Revenue Code (qualified retirement plans), Section 403(b) of the Internal Revenue Code (tax deferred annuity contracts) or Section 457 of the Internal Revenue Code (deferred compensation plans), and various other tax-exempt entities, including certain state-owned institutions, not-for-profit organizations and individuals with respect to dividends which they beneficially own and which are derived from an investment retirement account) may be eligible for the reduced withholding tax rate of 15% on dividends. Specific rules apply to them as further described below in Section 10.5.3 "Procedure for Reduced Withholding Rate".

Estate and Gift Tax

France imposes estate and gift tax where an individual or entity acquires shares of a French company from a non-resident of France by way of inheritance or gift. France has entered into estate and gift tax treaties with a number of countries. Under these treaties, the transfer by residents of those countries of shares of a French company by way of inheritance or gift may be exempt from French inheritance or gift tax or give rise to a tax credit in such countries, assuming specific conditions are met.

Under the "Convention Between the United States of America and the French Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Estates, Inheritance and Gifts of November 24, 1978", French estate and gift tax will not apply to you if you are a resident of the United States and if you transfer your shares or ADSs by gift, or they are transferred by reason of your death, unless you are domiciled in France at the time of making the gift of the shares or ADSs or at the time of your death, or you used the shares or ADSs in conducting a business through a permanent establishment or fixed base in France, or you held the shares or ADSs for that use.

You should consult your own tax advisor about whether French estate and gift tax will apply and whether an exemption or tax credit can be claimed.

Wealth Tax

You will not be subject to French wealth tax, known as *impôt de solidarité sur la fortune*, on your shares of France Telecom if both of the following apply to you:

- you are not a French resident for the purpose of French taxation, and
- you own less than 10% of France Telecom capital stock, either directly or indirectly, provided your shares do not enable you to exercise influence on France Telecom.

If a double tax treaty between France and your country contains more favorable provisions, you may not be subject to French wealth tax even if one or both of the above statements applies to you.

The French wealth tax generally does not apply to shares or ADSs if you are a resident of the United States for purposes of the U.S. France Treaty.

10.E.2 U.S. Taxation of U.S. Holders

The following discussion is a general summary of certain U.S. federal income tax considerations relevant to the ownership and disposition of France Telecom shares and ADSs. The discussion is not a complete description of all tax considerations that may be relevant to you, and it does not consider your particular circumstances. It applies to you only if you are a U.S. Holder, you hold the shares or ADSs as capital assets, you use the U.S. dollar as your functional currency and you are eligible for the benefits of the U.S. France Treaty. It does not address the tax treatment of investors subject to special rules, such as banks, tax-exempt entities, insurance companies, dealers, traders in securities that elect to mark to market, U.S. expatriates or persons who directly, indirectly or constructively own 10% or more of the shares or ADSs, have a permanent establishment in France or hold shares or ADSs as part of a straddle, hedging, conversion or other integrated transaction.

In compliance with U.S. Treasury Department Circular 230, we notify you that this advice was written to support the promotion and marketing of the shares and ADSs. As a result you cannot rely on the statements herein to avoid U.S. tax penalties. You should seek advice from an independent tax advisor about the tax consequences under your own particular circumstances of investing in the shares or ADSs under the laws of France, the United States and its constituent jurisdictions, and any other jurisdictions where you may be subject to tax.

U.S. Partnerships

A U.S. partnership generally can claim benefits under the U.S. France Treaty only to the extent its income is taxable in the United States as the income of a resident, either in the hands of such partnership or in the hands of its partners. The French tax authorities have however conceded that the benefits of the U.S. France Treaty may still be claimed if one or several members of the U.S. partnership are themselves U.S. partnerships (and up to six tiers of interposed partnerships) to the extent of the income taxable in the United States as the income of a resident in the hands of the ultimate partner or partners.

Specific rules apply to U.S. partnerships and their partners. Partnerships and their partners should consult their tax advisors concerning the French tax consequences of the acquisition, ownership and disposition of the shares or ADSs.

As used here, a “U.S. Holder” means a beneficial owner of the shares or ADSs that is for U.S. federal income tax purposes (i) an individual citizen or resident of the United States, (ii) a corporation or other business entity taxed as a corporation that is created or organized under the laws of the United States or its political subdivisions, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust subject to the primary supervision of a U.S. court and the control of one or more U.S. persons or that has elected to be treated as a domestic trust.

The U.S. federal income tax treatment of a partner in a partnership that holds shares or ADSs will depend on the status of the partner and the activities of the partnership. Partnerships should consult their tax advisors concerning the U.S. federal income tax consequences of the acquisition, ownership and disposition of the shares or ADSs.

U.S. Holders of ADSs generally will be treated for U.S. federal income tax purposes as owners of the shares underlying the ADSs.

France Telecom believes, and this discussion assumes, that France Telecom is not and will not become a passive foreign investment company (“PFIC”) for U.S. federal income tax purposes.

Dividends

Distributions on France Telecom shares and ADSs, including French tax withheld and the gross amount of any payment on account of a French tax credit, will be includable in income as dividends from foreign sources when actually or constructively received. The dividends will not be eligible for the dividends received deduction generally allowed to U.S. corporations. Under existing law, the dividends received by noncorporate U.S. Holders, however, will be taxed, as qualified dividends, at the same preferential rate allowed for long-term capital gains, because the shares and ADSs are readily tradable on the New York Stock Exchange.

The U.S. dollar amount of a dividend received on the shares or ADSs will be based on the exchange rate for the currency received (if the dividend is paid in a currency other than U.S. dollars) on the date you recognize the dividend for U.S. federal income tax purposes, whether or not you convert the payment into U.S. dollars. You will have a basis in the currency received equal to the U.S. dollar amount of the dividend you realized. Any gain or loss on a subsequent conversion or other disposition of the currency generally will be ordinary income or loss from U.S. sources.

Subject to generally applicable limitations, you may claim a deduction or a foreign tax credit for tax withheld at the lowest withholding rate to which you are entitled. In computing foreign tax credit limitations, noncorporate U.S. Holders eligible for the preferential tax rate applicable to qualified dividend income may take into account only the portion of the dividend effectively taxed at the highest applicable marginal rate. You should consult your own tax adviser about your eligibility for benefits under the U.S. France Treaty including a reduced rate of French withholding tax and for applicable limitations on claiming a deduction or foreign tax credit for any French tax withheld.

Dispositions

You will recognize gain or loss on disposition of France Telecom shares or ADSs in an amount equal to the difference between the amount you realized and your adjusted tax basis in the shares or ADSs. Your adjusted tax basis in a share or ADS will generally be the amount you paid for it measured in U.S. dollars. The U.S. dollar cost of a share or ADS purchased with foreign currency will generally be the U.S. dollar value of the purchase price. The gain or loss generally will be from sources within the United States. The gain or loss will be long-term capital gain or loss if the holder held the shares or ADSs for at least one year. Deductions for capital losses are subject to limitations.

If you receive a currency other than U.S. dollars upon disposition of the shares or ADSs, you will realize an amount equal to the U.S. dollar value of the currency received on the date of disposition (or, if you are a cash-basis or electing accrual basis taxpayer, the settlement date). You will have a tax basis in the currency received equal to the U.S. dollar amount you realized. Any gain or loss on a subsequent conversion or disposition of the currency received generally will be U.S. source ordinary income or loss.

Deposits or withdrawals of shares in exchange for ADSs will not be taxable transactions subject to U.S. federal income tax.

U.S. Information Reporting and Backup Withholding for U.S. Holders

Your dividends on the shares or ADSs and proceeds from the sale or other disposition of the shares or ADSs may be reported to the U.S. Internal Revenue Service unless you are a corporation or you otherwise establish a basis for exemption. Backup withholding tax may apply to amounts subject to reporting if you fail to provide an accurate taxpayer identification number or otherwise establish a basis for exemption. You can claim a credit against your U.S. federal income tax liability for amounts withheld under the backup withholding rules and a refund for any excess.

10.E.3 Procedure for reduced withholding rate

If you are eligible for benefits under the U.S. France Treaty, you will be entitled to reduce the rate of French withholding tax on dividends by filing the applicable form(s) with the depositary or other financial institution managing your securities account in the United States, or failing that, the French paying agent, if the financial institution managing your securities account or the French paying agent receives the form(s) before the date of payment of the dividend. If you fail to submit the applicable form(s) in time to avoid withholding, you may claim a refund for the amount withheld in excess of the U.S. France Treaty rate.

In order to have taxes on dividends withheld at the reduced amount, you generally must provide the depositary, or other financial institution managing your securities account in the United States, with a certificate of residence before the dividend is paid. If this certificate is not stamped by the U.S. Internal Revenue Service, the depositary or other financial institution managing your securities account in the U.S. must provide the French paying agent with a document listing certain information about the U.S. Holder and its shares or ADSs and a certificate whereby the financial institution managing your securities account in the United States takes full responsibility for the accuracy of the information provided in the document.

Tax exempt U.S. pension funds, charities or other tax exempt organizations must also provide a certificate from the U.S. Internal Revenue Service setting out that they have been created and operate in compliance with the Internal Revenue Code of 1986, as amended. Tax exempt organizations may obtain this certification by filing a U.S. Internal Revenue Service Form 8802. Similar requirements apply to REITs, RICs and REMICs.

Collective trusts of pension funds may apply for the withholding tax reduction on behalf of their members if they provide a complete list of their members, the required certificate from the IRS for each member which is a tax exempt U.S. pension fund and a certificate setting out the dividend to which each tax exempt U.S. pension fund which is a member is entitled.

The relevant French forms will be provided by the depositary to all U.S. Holders of ADSs registered with the depositary and all U.S. Internal Revenue Service Forms are also available from the U.S. Internal Revenue Service. The depositary will arrange for the filing with the French paying agent and the French tax authorities of all forms completed by U.S. Holders of ADSs that are returned to the depositary in sufficient time.

You should consult your own independent tax advisors about the availability and applicability of the reduced rate of French withholding tax.

10.F DIVIDENDS AND PAYING AGENTS

Not applicable.

10.G STATEMENT BY EXPERTS

Not applicable.

10.H DOCUMENTS ON DISPLAY

We are subject to the reporting requirements of the U.S. Securities Exchange Act of 1934 (the "Exchange Act") applicable to foreign private issuers. In connection with the Exchange Act, we file reports, including this Form 20-F, and other information with the Securities and Exchange Commission. Such reports and other information are available on the SEC's website at www.sec.gov, and may also be inspected and copied at prescribed rates at the public reference facilities maintained by the SEC at its Public Reference Room, 100 F Street, N.E., Washington, D.C. 20549.

All documents provided to shareholders as required by law may be consulted at France Telecom's registered offices at 6 Place d'Alleray, 75015 Paris, France.

In addition, the bylaws of France Telecom are available on France Telecom's website at www.orange.com.

France Telecom's consolidated financial statements for the past three years are also available on its website.

10.I SUBSIDIARY INFORMATION

Not applicable.

ITEM 11 Quantitative and qualitative disclosures about market risk

See Item 18 *Financial Statements* - Note 28 to the consolidated financial statements.

ITEM 12 Description of securities other than equity securities

12.A DEBT SECURITIES

Not applicable.

12.B WARRANTS AND RIGHTS

Not applicable.

12.C OTHER SECURITIES

Not applicable.

12.D AMERICAN DEPOSITARY SHARES

France Telecom's American Depositary Receipt ("ADR") facility is maintained by the Bank of New York Mellon ("the Depositary"). A copy of our form of Amended and Restated Deposit Agreement ("the Deposit Agreement") among the Depositary, owners and beneficial owners of American Depositary Shares ("ADSs") evidenced by ADRs issued under the Deposit Agreement and France Telecom was filed with the SEC as an exhibit to the post effective amendment N°1 to our Form F-6 filed on March 26, 2008. Société Générale ("the Custodian") acts as agent of the Depositary for the purposes of this Deposit Agreement.

Fees and charges payable by a holder of ADSs

Under the Deposit Agreement, the Depositary collects fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The Depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of the distributable property to pay the fees. The charges of the Depositary payable by investors are as follows:

Depositary actions:	Fee:
• Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property	\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)
• Cancellation of ADSs for the purpose of withdrawal, including if the Deposit Agreement terminates	\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)
• Any cash distribution to ADS registered holders	\$.02 (or less) per ADS
• Distribution of securities distributed to holders of deposited securities which are distributed by the Depositary to ADS registered holders	A fee equivalent to the fee that would be payable if securities distributed to holders of deposited securities had been shares and the shares had been deposited for issuance of ADSs
• Depositary services	\$.02 (or less) per ADSs per calendar year
• Transfer and registration of shares on the Depositary's share register to or from the name of the Depositary or its agent when depositing or withdrawing shares	Registration or transfer fees
• Cable, telex and facsimile transmissions (when expressly provided in the Deposit Agreement)	Expenses of the Depositary
• Converting foreign currency to U.S. dollars	Expenses of the Depositary
• As necessary	Taxes and other governmental charges the Depositary or the Custodian have to pay on any ADS or share underlying an ADS, for example, stock transfer taxes, stamp duty or withholding taxes
• As necessary	Any charges incurred by the depositary or its agents for servicing the deposited securities

Fees and payments made by the Depositary to the issuer

No direct or indirect payments were made to France Telecom by the Depositary during the financial year ended December 31, 2009.

The Depositary has agreed to reimburse the Company for expenses the Company incurs that are related to establishment and maintenance expenses of the ADR facility. The Depositary has agreed to reimburse the Company for its continuing annual stock exchange listing fees. The Depositary has also agreed to pay the standard out-of-pocket maintenance costs for the ADRs, which consist of the expenses of postage and envelopes for mailing annual and interim financial reports, printing and distributing dividend checks, electronic filing of U.S. Federal tax information, mailing required tax forms, stationery, postage, facsimile, and telephone calls. It has also agreed to reimburse the Company annually for certain investor relationship programs or special investor relations promotional activities. In certain instances, the Depositary has agreed to provide additional payments to the Company based on any applicable performance indicators relating to the ADR facility. The amount of reimbursement available to the Company is not necessarily tied to the amount of fees the Depositary collects from investors.

PART II

ITEM 13 Defaults, dividend arrearages and delinquencies

As of the date of this Form 20-F and to France Telecom's knowledge, there has been no material default in the payment of principal or interest or any other material default not cured within 30 days relating to indebtedness of France Telecom or any of its fully consolidated subsidiaries.

ITEM 14 Material modifications to the rights of security holders and use of proceeds

None.

ITEM 15 Controls and procedures

15.A DISCLOSURE CONTROLS AND PROCEDURES

In 2003, France Telecom created a Disclosure Committee whose mission is to ensure the accuracy, compliance with applicable laws and regulations and recognized practices, and the consistency and quality of the financial information disclosed by France Telecom. The Disclosure Committee reviews all financial information distributed by the Group and related documents such as press releases, presentation to financial analysts and management reports. The Disclosure Committee is chaired by the Chief Financial Officer and includes the Executive Director for Communications and Brand and the relevant directors within the accounting, legal, internal audit, management control and investor relations departments.

France Telecom's Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of the Group's disclosures controls and procedures (as defined by Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of December 31, 2009, have concluded that, as of such date, France Telecom's disclosure controls and procedures were effective. France Telecom's disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed in the reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the specified time periods, and that such information is made known to the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

15.B MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

France Telecom's management is responsible for establishing and maintaining adequate internal control over financial reporting of the company (as defined by Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934).

France Telecom's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

The Company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company management conducted an evaluation of the effectiveness of internal control over financial reporting based on the framework presented in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on this evaluation, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2009. The effectiveness of the Company's internal control over financial reporting as of December 31, 2009 has been audited by Deloitte et Associés and Ernst & Young Audit, independent registered public accounting firms, as stated in their report which is included herein.

15.C REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRMS

To the Board of Directors and Shareholders of France Telecom:

We have audited France Telecom and subsidiaries (the "Group") internal control over financial reporting as of December 31, 2009, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO"). The Group's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Group's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Group maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009, based on the COSO criteria.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the 2009 consolidated financial statements of the Group and our report dated February 25, 2010 expressed an unqualified opinion thereon.

/s/ DELOITTE & ASSOCIES

/s/ ERNST & YOUNG AUDIT

Represented by Vincent de La Bachelerie

Neuilly-sur-Seine and Paris la Défense, France

February 25, 2010

ITEM 16 [reserved]

ITEM 16A Audit committee financial expert

At its meeting held on February 5, 2008, France Telecom's Board of Directors determined that a member of its Audit Committee, Mr. Charles-Henri Filippi, is an Audit Committee financial expert as defined in Item 16A(b) of Form 20-F. Charles-Henri Filippi is "independent" as defined by Rule 10A-3(b)(1)(ii) of the Securities Exchange Act of 1934, as amended (see Item 6 Directors, Senior Management and Employees).

ITEM 16B Code of ethics

France Telecom's board of directors has adopted a Code of Ethics that applies to all France Telecom employees, including the Chief Executive Officer, Chief Financial Officer, principal accounting officer and persons performing similar functions. A copy of France Telecom's Code of Ethics is available on France Telecom's website at www.orange.com.

ITEM 16C Principal accountant fees and services

The information set forth under note 35 *Fees paid to statutory auditors* to the consolidated financial statements, on page 463 of the 2009 Registration Document is incorporated herein by reference.

ITEM 16D Exemptions from listing standards for audit committees

France Telecom's Audit Committee consists of six directors including three directors who meet the independence requirements under Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and three who are exempt from such requirements pursuant to Rule 10A-3(b)(1)(iv) of the Exchange Act. The Audit Committee members exempt from the independence requirements include Messrs. Bezard and Michel, who meet the exemption requirements under Rule 10A-3(b)(1)(iv)(E) of the Exchange Act relating to foreign government representatives, and Mr. Guillot, who meets the exemption requirements under Rule 10A-3(b)(1)(iv)(C) of the Exchange Act relating to non-executive employees. France Telecom's reliance on such exemptions does not materially adversely affect the ability of the Audit Committee to act independently.

ITEM 16E Purchase of equity securities by the issuer and affiliated purchasers

The information set forth in section 21.1.3 *Treasury shares held by the issuer in its name or by its subsidiaries - Share buyback program*, on page 522 of the 2009 Registration Document is incorporated herein by reference.

The table below presents additional information on the purchases of treasury shares in 2009:

Period	Total number of shares purchased	Weighted average gross price per share (€)	Total number of shares purchased as part of publicly announced programs	Maximum number of shares that may yet be purchased under the programs ⁽¹⁾
January 2009	735,836	19.49	735,836	260,276,341 ⁽²⁾
February 2009	440,000	18.03	440,000	259,926,341
March 2009	1,565,000	17.31	1,565,000	258,361,341
April 2009	891,000	16.83	891,000	257,470,341
May 2009	361,000 ⁽³⁾	16.73	361,000 ⁽³⁾	261,499,124 ⁽⁴⁾
June 2009	744,971	16.19	744,971	263,924,284
July 2009	451,930	16.14	451,930	263,930,454
August 2009	1,036,500	17.30	1,036,500	263,930,454
September 2009	609,800	18.25	609,800	263,930,454
October 2009	1,909,600	17.79	1,909,600	263,806,614
November 2009	4,557,500	17.22	4,557,500	263,931,910
December 2009	3,498,500	17.32	3,498,500	262,932,430
Total	16,801,637		16,801,637	

(1) Measured at month end.

(2) Under the 2008 Share buyback program approved by the Annual Shareholders' Meeting of May 27, 2008 for up to 10% of the share capital, which expired on May 26, 2009.

(3) All shares were purchased under the 2008 Share buyback program.

(4) Under the 2009 Share buyback program approved by the Annual Shareholders' Meeting of May 26, 2009 for up to 10% of the share capital for a period of 18 months.

ITEM 16F Change in Registrant's Certifying Accountant

Not applicable.

ITEM 16G Corporate governance

France Telecom has endeavored to take into account the New York Stock Exchange corporate governance standards. However, as a non-US company, France Telecom is not obliged to comply with the majority of these rules and may choose to follow rules applicable in France.

The table below discloses the significant ways in which France Telecom's corporate governance practices differ from those required for U.S. companies listed on the New York Stock Exchange.

NYSE Standards	Corporate Governance Practices of France Telecom
Board Independence	<p>France Telecom has chosen to follow the criteria for independence used in France in the Afep/Medef Report (October 2003). The Afep/Medef Report provides that one-third of board members should be independent. According to these criteria, seven members (out of the total of 15 current board members) are independent.</p> <p>France Telecom has not tested the independence of its board members under the NYSE standards; a majority of the board may not be independent under those criteria.</p> <p>The criteria of independence as provided in the Afep/Medef Report are set forth in section 14.1.2.2 <i>Independent Directors</i> of the 2009 Registration Document, which is incorporated herein by reference.</p>
Executive Sessions/ Communications with the Presiding Director or Non- Management Directors	<p>French law does not require (and France Telecom does not provide for) non-management directors to meet regularly without management and nothing requires non-management directors to meet alone in an executive session at least once a year. However, if the directors decide to meet in such session, they may do so.</p> <p>French law does not mandate (and France Telecom does not provide for) a method for interested parties to communicate with the presiding director or non-management directors.</p>
Compensation/Nominating/ Corporate Governance Committee	<p>France Telecom has a combined Governance and Corporate Social Responsibility Committee. The Committee consists of three directors, including two independent directors. The NYSE standards provide for the implementation of two separate committees (a Nominating Committee and a Compensation Committee) composed exclusively of independent directors. In terms of internal mechanics, while the Committee has a written charter, it does not comply with all the requirements of the NYSE.</p>
Audit Committee	<p>France Telecom's Audit Committee consists of six directors including three independent directors.</p> <p>Of these, two members are representatives of the French government and one is an employee who is not an executive officer of the issuer. While not meeting the definition of independence set forth in Rules 10A-3 (b) (1) of the Securities Exchange Act of 1934, as amended, they fall within the exceptions under Rule 10A-3(b)(1)(iv) (C) relating to non executive employees and Rule 10A-3(b)(1)(iv) (E) relating to foreign government representatives. For its part, the Afep/Medef Report recommends that two-thirds of an audit committee's members should be independent.</p> <p>The Committee is responsible for organizing the procedure for selecting the statutory auditors. It makes a recommendation to the board of directors regarding their choice and terms of compensation. As required by French law, the actual appointment of the statutory auditors is made by the Shareholders' Meeting.</p> <p>According to its charter, the Committee has the authority to engage advisors and determine appropriate funding for payment of compensation to an accounting firm for an audit or other service.</p>
Equity Compensation Plans	<p>Under French law, France Telecom must obtain shareholder approval at a Shareholders' Meeting in order to adopt an equity compensation plan. Generally, the shareholders then delegate to the Board of Directors the authority to decide on the specific terms and conditions of the granting of equity compensation, within the limits of the shareholders' authorization.</p>
Adoption and disclosure of corporate governance guidelines	<p>France Telecom has adopted corporate governance guidelines (the "Internal Guidelines", available on its website at www.orange.com) as required by French law.</p> <p>These corporate governance guidelines do not cover all items required by NYSE guidelines for U.S. companies.</p>
Code of Ethics	<p>France Telecom has adopted a Code of Ethics to be observed by all its directors, officers and other employees that generally meets the requirements of the NYSE.</p>

PART III

ITEM 17 Financial statements

Not applicable

ITEM 18 Financial statements

The information set forth in section 20.1.1 *Consolidated financial statement, segment information, Notes to the consolidated financial statements* on pages 344 to 470 of the 2009 Registration Statement is incorporated herein by reference.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRMS

To the Board of Directors and Shareholders of France Telecom:

We have audited the accompanying consolidated statements of financial position of France Telecom and subsidiaries (the "Group") as of December 31, 2009, 2008, 2007 and January 1, 2007, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2009. These financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group at December 31, 2009, 2008, 2007 and January 1, 2007, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2009, in conformity with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

Without qualifying the above opinion, we draw your attention to Note 1.2 that sets out the change in accounting policy relating to the application, since January 1, 2009, of new standards and interpretations, namely IFRS 8 "Operating Segments", IAS 36 "Impairment of assets" amended by IFRS 8 and IAS 1 revised "Presentation of financial statements".

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Group's internal control over financial reporting as of December 31, 2009, based on the criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 25, 2010 expressed an unqualified opinion thereon.

/s/ DELOITTE & ASSOCIES

/s/ ERNST & YOUNG AUDIT

Represented by Vincent de La Bachelerie

Neuilly-sur-Seine and Paris la Défense, France

February 25, 2010

ITEM 19 List of exhibits

- 1.1 Bylaws (statuts) of France Telecom, as amended on February 24, 2010.
- 2.1* 8 billion euro syndicated credit agreement dated June 20, 2005 among France Telecom and the several parties named therein.
- 2.3** Indenture dated March 14, 2001 between France Telecom and, inter alia, Citibank, NA as Trustee.
- 8.0 List of France Telecom's subsidiaries (see Note 36 to the consolidated financial statements).
- 10.1 Consent of Deloitte & Associés as auditors of France Telecom.
- 10.2 Consent of Ernst & Young Audit as auditors of France Telecom.
- 12.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 12.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 13.1 Certification of Chief Executive Officer pursuant to Section 18 U.S.C. section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002.
- 13.2 Certification of Chief Financial Officer pursuant to Section 18 U.S.C. section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002.

* Incorporated by reference to France Telecom's annual report on Form 20-F for the year ended December 31, 2005, as filed with the Commission on May 22, 2006.

** Incorporated by reference to France Telecom's annual report on Form 20-F for the year ended December 31, 2000, as filed with the Commission on May 29, 2001.

Signature

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

FRANCE TELECOM

/s/Gervais Pellissier

Name: Gervais Pellissier

Title: Chief Financial Officer

Paris, France

May 5, 2010