10.5 Taxation

10.5.1 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. It is based on the laws, conventions and treaties in force as of the date of this report, all of which are subject to change, possibly with retroactive effect, or different interpretations.

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.

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 applies to you.

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. You will be required to pay a registration duty of 1% of either the purchase price or the market value of the shares transferred, whichever is higher. The maximum duty is €3,049 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

In France, companies may only pay dividends out of income remaining after tax has been paid. When shareholders resident in France receive dividends from French companies, they are generally entitled to a tax credit, known as the *avoir fiscal*.

The amount of the *avoir fiscal* is generally equal to:

- 50% of the dividend paid for (i) individuals and (ii) companies which own at least 5% of the capital of the French distributing company and meet the conditions to qualify under the French parent-subsidiary regime; or
- 15% of the dividend paid for the other shareholders who used the *avoir fiscal* in 2002, and 10% of the dividend paid for such other shareholders who use the *avoir fiscal* as of January 1, 2003.

In addition, if the distribution of dividends by France Telecom gives rise to the *précompte*, shareholders entitled to the *avoir fiscal* at the rate of 15%, and then 10%, are generally entitled to an additional amount of *avoir fiscal* equal to:

- 70% of the *précompte* paid in cash by France Telecom for shareholders entitled to use the *avoir fiscal* at the rate of 15%; and
- 80% of the *précompte* paid in cash by France Telecom for shareholders entitled to use the *avoir fiscal* at the rate of 10%.

As indicated below, the *précompte* is a tax which is paid by French companies when they distribute dividends out of certain profits and such dividends carry an *avoir fiscal* (see paragraph below relating to the *précompte*).

Under French domestic law, French companies must generally deduct a 25% French withholding tax from dividends paid to non-residents and shareholders who are not resident in France are not eligible for the *avoir fiscal*. 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. Under some tax treaties, the withholding tax is eliminated altogether.

The following countries, French overseas territories, known as *Territoires d'Outre-Mer*, and other territories have entered into income tax treaties with France that provide for the arrangements summarized below:

Australia	Ghana	Mali	Singapore	*French Territoires d'Outre-Mer and Other:*
Austria	Iceland	Malta	South Korea	Mayotte
Belgium	India	Mauritius	Spain	New Caledonia
Bolivia	Israel	Mexico	Sweden	Saint-Pierre et Miquelon
Brazil	Italy	Namibia	Switzerland	
Burkina Faso	Ivory Coast	The Netherlands	Togo	
Canada	Japan	New Zealand	Turkey	
Estonia	Latvia	Niger	Ukraine	
Finland	Lithuania	Norway	United Kingdom	
Gabon	Luxembourg	Pakistan	United States	
Germany(1)	Malaysia	Senegal	Venezuela	

(1) According to a common statement of the French and German tax authorities dated July 13, 2001, German resident holders other than individuals are no longer entitled to the *avoir fiscal* for dividends paid as of January 1, 2001. As regards German resident individuals, a supplementary agreement to the tax treaty between France and Germany was signed by the French Republic and the Federal Republic of Germany on December 20, 2001, which provides that German resident holders, including German resident individual holders, should no longer be entitled to the *avoir fiscal*. Such supplementary agreement has been adopted but not yet been published and, when published, should apply retroactively as of January 1, 2002.

Under these treaties, a shareholder who fulfills specific conditions may generally apply to the French tax authorities for the following:

- a lower rate of withholding tax, generally 15%, and
- a refund equal to the *avoir fiscal*, after deduction of withholding tax payable on the *avoir fiscal*.

Except for the United States, none of the countries or territories listed above has a treaty granting benefits to holders of ADSs, as opposed to shares. Accordingly, this discussion of treaty benefits does not apply to ADS holders.

If these arrangements provided for by any of the above-listed treaties apply to a shareholder, France Telecom will withhold tax from the dividend at the lower rate, provided that the shareholder has established, before the date of payment of the dividend, that he or she is entitled to the lower rate and has complied with the filing formalities. Otherwise, France Telecom must withhold tax at the full rate of 25%, and the shareholder may subsequently claim the excess tax paid.

Some of the countries and territories listed above impose additional conditions for corporate entities wishing to receive the avoir fiscal. In other countries and territories, individual residents may receive the *avoir fiscal* but corporate entities may not.

The précompte

Provided the distributed dividends carry any *avoir fiscal*, a French company must pay an equalization tax known as the *précompte* to the French tax authorities if it distributes dividends out of:

- profits which have not been taxed at the ordinary corporate income tax rate, or
- profits which have been earned and taxed more than five years before the distribution.

The amount of the *précompte* is equal to 50% of the net dividends before withholding tax.

A shareholder that is not a French resident for French tax purposes may generally obtain a refund of all or part of the *précompte* France Telecom actually pays in cash, net of applicable withholding tax, in two cases:

- if the shareholder is entitled to the benefits of a tax treaty but the treaty does not provide for a refund of the *avoir fiscal*, or
- if the shareholder is entitled to the benefits of a tax treaty but is not entitled to a refund of all of the *avoir fiscal*.

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. 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.

10.5.2 Taxation of US investors

The following is a general summary of the material US federal income tax and French tax consequences of owning and disposing of France Telecom shares or ADSs. This discussion applies only to US Holders. You will be a US Holder if you are the beneficial owner of shares or ADSs and all of the following five points apply to you:

- You own, directly, indirectly or by attribution, less than 10% of the outstanding share capital or voting power of France Telecom;
- You are any one of the following: an individual who is a citizen or resident of the United States for US federal income tax purposes; a US corporation or certain other entities created or organized under the laws of the United States; an estate the income of which is subject to US federal income tax regardless of its source; or a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more US persons have the authority to control all substantial decisions of the trust;
- You are entitled to the benefits of the Convention between the Government of the United States of America and the Government of the French Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital, signed August 31, 1994 (the “US-France Income Tax Treaty”) under the “Limitation on Benefits” article of that treaty;
- You hold your shares or ADSs of France Telecom as capital assets; and
- Your functional currency is the US dollar.

If a partnership holds shares or ADSs, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. If you are a partner in a partnership that holds France Telecom shares or ADSs, you are urged to consult your own tax advisor regarding the specific tax consequences of owning and disposing of your France Telecom shares or ADSs.

Special rules may apply to US expatriates, insurance companies, tax-exempt organizations, financial institutions, persons subject to the alternative minimum tax, brokers or dealers in securities or currencies and persons holding their shares or ADSs as part of a hedging transaction, straddle or conversion transaction, among others. Those special rules, except certain rules applicable to certain tax-exempt investors, are not discussed in this report. Furthermore, this discussion is based upon current US and French law and practice. This summary is subject to any changes to US or French law or practice occurring after the date hereof, and such changes may have retroactive effect. In addition, this summary is based, in part, upon representations made by the depositary to France Telecom and assumes that the deposit agreement, and all other related agreements, will be performed in accordance with its terms. Investors of shares or ADSs of France Telecom should consult their own tax advisors concerning the US federal income tax consequences of the ownership and disposition of such shares or ADSs in light of their particular situations as well as any consequences arising under the laws of any other taxing jurisdiction.

Taxation of Dividends
Withholding Tax and Avoir Fiscal

In France, companies may only pay dividends out of income remaining after tax has been paid. When shareholders resident in France receive dividends from French companies, they are generally entitled to a tax credit, known as the *avoir fiscal*.

The amount of the *avoir fiscal* is generally equal to:

- 50% of the dividend paid for (i) individuals and (ii) companies which own at least 5% of the capital of the French distributing company and meet the conditions to qualify under the French parent-subsidiary regime; or
- 15% of the dividend paid for the other shareholders who used the *avoir fiscal* in 2002, and 10% of the dividend paid for such other shareholders who use the *avoir fiscal* as of January 1, 2003.

In addition, if the distribution of dividends by France Telecom gives rise to the *précompte*, shareholders entitled to the *avoir fiscal* at the rate of 15%, and then 10%, will generally be entitled to an additional amount of *avoir fiscal* equal to:

- 70% of the *précompte* paid in cash by France Telecom for shareholders entitled to use the *avoir fiscal* at the rate of 15%; and
- 80% of the *précompte* paid in cash by France Telecom for shareholders entitled to use the *avoir fiscal* at the rate of 10%.

As indicated below, the *précompte* is a tax which is paid by French companies when they distribute dividends out of certain profits and such dividends carry an *avoir fiscal* (see paragraph below relating to the *précompte*).

Under French domestic law, French companies must normally deduct a 25% French withholding tax from dividends paid to non-residents, and shareholders who are not resident in France are not eligible for the *avoir fiscal*. Under the US-France Income Tax Treaty, this 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.

Additional provisions apply if you are considered an “eligible” US holder of shares or ADSs. You are “eligible” 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 any one of the following four points applies to you:

- You are an individual or other non-corporate holder that is a resident of the United States for purposes of the US-France Income Tax Treaty,
- You are a US corporation, other than a regulated investment company,
- You are a US corporation which is a regulated investment company, provided that less than 20% of your shares are beneficially owned by persons who are neither citizens nor residents of the United States, or
- You are a partnership, estate or trust that is a resident of the United States for purposes of the US-France Income Tax Treaty, but only to the extent that your partners, beneficiaries or grantors would qualify as “eligible” under point 1 or point 2 above.

If you are an eligible US holder, France Telecom will withhold tax from your dividend at the reduced rate of 15%, provided that you have previously established that you are a resident of the United States under the US-France Income Tax Treaty in accordance with the following procedures:

- You must complete French Treasury Form RF I A EU-No. 5052 and send it to the French tax authorities before the date of payment of the dividend. If you are not an individual, you must also send the French tax authorities an affidavit attesting that you are the beneficial owner of all the rights attached to the full ownership of the shares or ADSs, including, among other things, the dividend rights.

- If you cannot complete Form RF I A EU-No. 5052 before the date of payment of the dividend, you may complete a simplified certificate and send it to the French tax authorities. This certificate must state all of the following five points:

1. You are a resident of the United States for purposes of the US-France Income Tax Treaty,
2. Your ownership of France Telecom’s shares or ADSs is not effectively connected with a permanent establishment or a fixed base in France,
3. You own all the rights attached to the full ownership of the shares or ADSs, including, among other things, the dividend rights,
4. You fulfill all the requirements under the US-France Income Tax Treaty to be entitled to the reduced rate of withholding tax and to be entitled to receive the *avoir fiscal*, and
5. You claim the reduced rate of withholding tax and payment of the *avoir fiscal*.

If you are not an eligible US holder, or if you have not completed Form RF I A EU-No. 5052 or the five-point certificate before the dividend payment date, France Telecom will 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.

If you are an eligible US holder, you may also be entitled to a payment from the French Treasury equal to the *avoir fiscal*, which you may claim by completing Form RF I A EU-No. 5052 and sending it to the French tax authorities before December 31 of the second year following the year during which the dividend is paid. You will be entitled to a payment equal to the *avoir fiscal*, less a 15% withholding tax on the *avoir fiscal*. As noted below, you will not receive this payment until after the close of the calendar year in which the dividend was paid. To receive the payment, you must submit a claim to the French tax authorities and attest that you are subject to US federal income taxes on the payment of the *avoir fiscal* and the related dividend. For partnerships, estates or trusts, the partners, beneficiaries or grantors must make the attestation.

Specific rules apply to the following:

- tax-exempt US 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.

Entities in these two categories are eligible for the reduced withholding tax rate of 15% on dividends, subject to the same withholding tax filing requirements as eligible US holders, except that they may have to supply additional documentation evidencing their entitlement to these benefits. These entities are not entitled to the full *avoir fiscal*. However, such entities may claim a partial *avoir fiscal* equal to 30/85 of the gross *avoir fiscal*, less withholding tax on such amount, provided that they own, directly or indirectly, less than 10% of France Telecom’s capital and they satisfy the filing requirements specified in Internal Revenue Service regulations.

The *avoir fiscal* or partial *avoir fiscal* and any French withholding tax refund are generally expected to be paid within 12 months after the holder of shares or ADSs files Form RF I A EU-No. 5052. However, they will not be paid before January 15 following the end of the calendar year in which the dividend is paid.

The Form RF I A EU-No. 5052 or the certificate, together with its respective instructions, will be provided by the depositary to all US Holders of ADSs registered with the depositary and are also available from the United States Internal Revenue Service. The depositary will arrange for the filing with the French tax authorities of all Forms or Certificates completed by US Holders of ADSs that are returned to the depositary in sufficient time.

For US federal income tax purposes, the gross amount of any distribution and any related *avoir fiscal* (including any French tax withheld) will be included in your gross income as ordinary income when any such payment is received by you (or the depositary, if you hold ADSs), to the extent they are paid or deemed paid out of France Telecom’s current or accumulated earnings and profits as calculated for US federal income tax purposes. To the extent, if any, that the amount of any such distribution exceeds France Telecom’s current and accumulated earnings and profits as calculated for US federal income tax purposes, it will be treated first as a tax-free return of capital and thereafter any excess will be treated as capital gain. Dividends paid by France Telecom will not give rise to the dividends received deduction generally allowed to US corporations with respect to dividends received from other US corporations. Dividends generally constitute foreign source “passive” income for foreign tax credit purposes (or, for some holders, foreign source “financial services” income).

Further, for US federal income tax purposes, the amount of any dividend paid in euro (including any French tax withheld) will be equal to the US dollar value of the euro amount received calculated by reference to the spot rate in effect on the date the dividend is received by you, in the case of shares, or by the depositary, in the case of ADSs, regardless of whether the payment is in fact converted into US dollars. If you do not convert any such foreign currency that is distributed to you into US dollars on the date you receive it, you will have a basis in that foreign currency equal to its US dollar value on the date of receipt. Any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend is includible in your gross income to the date such payment is converted into US dollars will be treated as US source ordinary income or loss. You may also be required to recognize foreign currency gain or loss if you receive a refund under the US-France Income Tax Treaty of tax withheld in excess of the treaty rate. This foreign currency gain or loss generally will be US source ordinary income or loss.

French withholding tax imposed on the dividends you receive and on any *avoir fiscal* at 15% under the US-France Income Tax Treaty is treated as payment of a foreign income tax. You may take this amount as a credit against your US federal income tax liability, subject to complex conditions and limitations, or you alternatively may choose to deduct all foreign taxes paid by you in a particular year as an itemized deduction.

The Précompte

Provided the distributed dividends carry an *avoir fiscal*, a French company must generally pay an equalization tax known as the *précompte* to the French tax authorities if it distributes dividends out of:

- profits which have not been taxed at the ordinary corporate income tax rate, or
- profits which have been earned and taxed more than five years before the distribution.

The amount of the *précompte* is equal to 50% of the net dividends before withholding tax.

If you are not entitled to the full *avoir fiscal*, you generally may obtain a refund from the French tax authorities of any *précompte* paid by France Telecom with respect to dividends distributed to you. Under the US-France Income Tax Treaty, the amount of the *précompte* refunded to US residents is reduced by the 15% withholding tax applicable to dividends and by the partial *avoir fiscal*, if any. You are entitled to a refund of any *précompte* which France Telecom actually pays in cash, but not to any *précompte* which France Telecom pays by off-setting French and/or foreign tax credits. To apply for a refund of the *précompte*, you should file French Treasury Form RF I B EU-No. 5053 before the end of the second year following the year in which the dividend was paid. The form and its instructions are available from the United States Internal Revenue Service or from the French *Centre des Impôts des Non-Résidents* whose address is 9, rue d'Uzès, 75094 Paris Cedex 2, France.

For US federal income tax purposes, the gross amount of the *précompte* will be included in your gross income as ordinary income in the year you receive it. It generally will constitute foreign source "passive" income for foreign tax credit purposes (or, for some holders, foreign source "financial services" income). The amount of any *précompte* paid in euro (including any French withholding taxes) will be equal to the US dollar value of the euro amount received on the date the *précompte* is included in income which, for a US holder of ADSs, will be the date of receipt by the depositary, regardless of whether the payment is in fact converted into US dollars. Any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend is includible in your gross income to the date such payment is converted into US dollars will be treated as US source ordinary income or loss.

Taxation of Capital Gains

If you are a resident of the United States for purposes of the US-France Income Tax 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 you 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.

In general, for US federal income tax purposes, you will recognize capital gain or loss if you sell or exchange your shares or ADSs in an amount equal to the US dollar value of the difference between the amount realized for the shares or ADSs and your basis (determined in US dollars) in the shares or ADSs. Such gain or loss generally will be US source gain or loss, and will be treated as a long term capital gain or loss if your holding period in the shares or ADSs exceeds one year at the time of disposition. The deductibility of capital losses is subject to significant limitations. If you are an individual, any capital gains generally will be subject to US federal income tax at preferential rates if you meet specified minimum holding periods.

Deposits or withdrawals of shares by you for ADSs will not be subject to US federal income tax.

French Estate and Gift Taxes

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", if you transfer your shares or ADSs by gift, or if they are transferred by reason of your death, that transfer will only be subject to French gift or inheritance tax if one of the following applies:

- you are domiciled in France at the time of making the gift 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.

French Wealth Tax

The French wealth tax generally does not apply to shares or ADSs if the holder is a “resident” of the United States for purposes of the US-France Income Tax Treaty.

10.5.3 United States information reporting and backup withholding

Dividend payments made to you and proceeds paid from the sale, exchange, redemption or disposal of your shares or ADSs may be subject to information reporting to the Internal Revenue Service and possible US federal backup withholding at a current rate of 30%. Certain exempt recipients (such as corporations) are not subject to the information reporting requirements. Backup withholding will not apply to a holder who furnishes a correct taxpayer identification number or certificate of foreign status and makes any other required certification, or who is otherwise exempt from backup withholding. US persons who are required to establish their exempt status generally must furnish Internal Revenue Service Form W-9 (Request for Taxpayer Identification Number and Certification). Non-US holders generally are not subject to US information reporting or backup withholding. However, such holders may be required to provide certification of non-US status in connection with payments received in the United States or through US-related financial intermediaries.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against your US federal income tax liability. You may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the Internal Revenue Service and furnishing any required information.

10.6 Where You Can Find More Information

France Telecom is subject to the informational requirements of the Exchange Act, and files periodic reports and other information with the Commission. France Telecom has filed and will continue to file its annual reports on Form 20-F and its interim reports on Form 6-K. You may read all or any portion of that information without charge at, and obtain copies thereof at prescribed rates from, the public reference facilities of the Commission’s principal office at 450 Fifth Street, N.W., Washington, D.C. 20549, USA. The public may obtain information on the operation of the Commission’s public reference facilities by calling the Commission in the United States at 1-800-SEC-0330. In addition, the Commission maintains an Internet site at http://www.sec.gov that contains reports and other information regarding issuers that file electronically with the Commission. These filings are also available to the public from commercial document retrieval services.

Corporate documents that are made available to shareholders as required by applicable law may be read at France Telecom’s offices at 208, rue Raymond Losserand, 75014 Paris, France, Department of Legal and Fiscal Affairs. Michel Combes, Senior Executive Vice President, Finance, is the person responsible for financial information at France Telecom.

10.7 Documents on Display

The documents filed by France Telecom with the Commission can be read at the Commission’s public reference facilities at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, or on the Commission’s Internet site at http://www.sec.gov.

10.8 Matters Related to Auditors

Ernst & Young Audit and RSM Salustro Reydel were appointed as the auditors of France Telecom by an interministerial order on September 18, 1991. Their appointments were renewed for a period of six years by an interministerial order on May 14, 1997. Their term will expire at the end of the general shareholders’ meeting for the fiscal year 2002.

The following table presents the aggregate fees for professional audit services and other services performed for France Telecom in 2002.

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Auditors of France Telecom's Financial Statements

(in € millions)	Ernst & Young	% of fees	RSM Salustro Reydel	% of fees	Auditors' total	Others	Total
Statutory audit, certification and audit of individual and consolidated financial statements	17.0		5.3		22.3	7.9	30.2
Audit-related fees	5.1		0.4		5.5	0.3	5.8
Sub-total (audit fees)	22.1	76%	5.7	100%	27.8	8.2	36.0
As a % of the auditors	80%		20%		100%		
Information technology	—		—		—	0.1	0.1
Internal audit	0.3		—		0.3	0	0.3
Legal tax-related and social fees	4.5		—		4.5	3.4	7.9
Other services	2.1		—		2.1	3.2	5.3
Sub-total (other fees)	6.9	24%	—	0%	6.9	6.7	13.6
As a % of the auditors	100%		0%		100%		
Total fees	**29.0**	**100%**	**5.7**	**100%**	**34.7**	**14.9**	**49.6**
As a % of the auditors	84%		16%		100%		

Ernst & Young and RSM Salustro Reydel's respective amounts can be explained by the distribution of the auditing functions of the subsidiaries of France Telecom. In particular, Ernst & Young and RSM Salustro Reydel are the co-auditors of Wanadoo SA. Ernst & Young and RSM Salustro Reydel are also co-auditors of TP SA. Ernst & Young and PricewaterhouseCoopers are co-auditors of Equant and Orange. RSM Salustro Reydel is a co-auditor of Orange France.