

6.1 Share capital

6.1.1 Amount and history of the share capital

At December 31, 2016, the share capital of Orange SA was 10,640,226,396 euros. It was divided into 2,660,056,599 fully-paid shares with a nominal value of four euros each. The share capital amount increased on May 31, 2016 following the share employee

shareholding plan "Orange Ambition" offered to Group employees. Share capital had not changed in the previous two fiscal years.

6.1.2 Securities giving access to the capital

Under the terms of the agreement ending the partnership with MobilCom to develop the mobile business in Germany, Orange issued on March 3, 2003 perpetual bonds redeemable for shares (*TDIRA*) for an overall amount of 6,073 million euros, reserved for members of the banking syndicate and for equipment suppliers of MobilCom. See Note 11.4 *TDIRA* to the consolidated financial statements.

Potential issue of new shares

The table below shows the number of new shares which would be issued if all securities giving access to capital, outstanding as at December 31, 2016, were converted or redeemed in shares and all stock options existing on the same date were exercised, as well as the number of shares that would make up the Company's capital following the issue of these shares.

	Corresponding shares	% of the capital (on a fully diluted basis)
Perpetual bonds redeemable for shares ⁽¹⁾	52,079,350	1.91
Stock options ⁽²⁾	8,001,000	0.29
Sub-total	60,080,350	2.21
Capital at December 31, 2016	2,660,056,599	97.79
Total	2,720,136,949	100

(1) See Note 11.4 to the consolidated financial statements (Section 4.1).

(2) See Section 5.3.1 and Note 6.3 to the consolidated financial statements.

Note 13.7 *Earnings per share* to the consolidated financial statements (Section 4.1) presents the weighted average number of shares outstanding and diluted, calculated in accordance with IAS 33 *Earnings per share*.

6.1.3 Authorized capital increases

The Orange SA Shareholders' Meeting of May 27, 2015 authorized the Board of Directors, for a period of 26 months, to increase the Orange SA capital, including in the event of a public exchange offer, by issuing shares or other securities, for a maximum total nominal amount of 2.5 billion euros, with preferential subscription rights and a priority time period that may be granted to shareholders.

The Shareholders' Meeting also delegated authority to the Board of Directors to perform capital increases reserved for the participants of the Orange group's savings plan.

Currently valid delegations granted to the Board of Directors by the Shareholders' Meeting in terms of capital increases and the use made of these delegations are mentioned in Section 6.4 *Report of the Board of Directors on the resolutions*.

The Shareholders' Meeting of June 1, 2017, will be called to vote on new authorizations granted to the Board of Directors to conduct capital increases (see Section 6.4).

6.1.4 Treasury shares – Share buyback program

The Shareholders' Meeting of June 7, 2016 renewed the share buyback program for 18 months with a limit of 10% of the share capital outstanding at the time of the Meeting. The Board of Directors of March 22, 2017 decided to propose to the Shareholders' Meeting of June 1, 2017 the renewal of this authorization under the same conditions.

A description of the program for 2017 appears in the Report of the Board of Directors on the fifteenth resolution submitted to the

Shareholders' Meeting of June 1, 2017 (see Section 6.4 *Report of the Board of Directors on the resolutions*).

Moreover, the share liquidity contract entered into by Orange with an investment services provider on May 9, 2007, remained in force in 2016. The initial resources allocated to the liquidity account amounted to 100 million euros. At December 31, 2016 this totaled 122.7 million euros (as of the execution date).

Summary of purchases and sales of treasury shares during the 2016 fiscal year

Objective of the purchases	Number of shares held at 12/31/2015	Number of shares purchased	Gross weighted average price (in euros)	Number of shares sold	Gross weighted average price (in euros)	Number of shares held at 12/31/2016	% capital
Shares allocated to employees	27,663	0	0	5,240 ⁽¹⁾	0	22,423	0.0002%
Liquidity contract	0	51,172,166	14.44	51,172,166	14.48	0	-
Total	27,663	51,172,166		51,177,406		22,423	0.0002%

(1) Grants of free shares in accordance with Article L. 225-197-3 of the French Commercial Code to the heirs and assignees of beneficiaries of the 2011 free share award plan who died before the end of the plan's vesting period (July 26, 2015).

6.2 Major shareholders

6.2.1 Distribution of capital and voting rights

Holder	Dec. 31, 2016			Dec. 31, 2015			Dec. 31, 2014		
	Number of shares	% of the capital	% of voting rights	Number of shares	% of the capital	% of voting rights	Number of shares	% of the capital	% of voting rights
Bpifrance Participations ⁽¹⁾	254,219,602	9.56%	8.29%	254,219,602	9.60%	9.60%	307,197,309	11.60%	11.60%
State	356,194,433	13.39%	21.00%	356,194,433	13.45%	13.45%	356,194,433	13.45%	13.45%
Total Public Sector	610,414,035	22.95%	29.29%	610,414,035	23.04%	23.04%	663,391,742	25.04%	25.04%
Group Employees ⁽²⁾	142,857,760	5.37%	8.43%	132,266,948	4.99%	4.99%	134,509,713	5.08%	5.08%
Treasury shares	22,423	0.00%	0.00%	27,663	0.00%	0.00%	41,017	0.00%	0.00%
Float	1,906,762,381	71.68%	62.28%	1,906,176,737	71.96%	71.96%	1,850,942,911	69.88%	69.88%
Total	2,660,056,599	100%	100%	2,648,885,383	100%	100%	2,648,885,383	100%	100%

(1) Public financing and investment group for companies, resulting from the merger of OSEO, CDC Entreprises, FSI and FSI Régions.

(2) Includes shares held as part of the Group's savings plan, in particular via *Cap'Orange* and *Orange Actions*, or in registered form. Does not include bearer shares.

As at the date of this document, no shareholder other than the French State, Bpifrance Participations and Group Employees (in particular via the *Cap'Orange* mutual funds which held as at March 31, 2017, 4.88% of the share capital and 7.85% of the voting rights), held, to Orange's knowledge, directly or indirectly, more than 5% of the capital or voting rights.

Following the entry into force of the Florange Law on March 29, 2014, the French State and *Cap'Orange* have double voting rights for their shares held in registered form for over two years (see Section 7.3.6 *Rights, preferences and restrictions attached to shares*).

6.2.1.1 Changes in the distribution of capital over the last three fiscal years

In October 2014, Bpifrance Participations disposed of approximately 50 million shares representing 1.9% of capital in a private placement to institutional investors.

On July 29, 2015, Bpifrance Participations disposed of approximately 53 million shares representing 2% of capital also in a private placement to institutional investors.

In the last three years, Orange SA carried out two shareholding plans for Group's employees: In July 2014, the Company sold 16 million shares to employees under the *Cap'Orange* shareholding plan and in April 2016, employees subscribed to 11.2 million shares under the *Orange Ambition 2016* shareholding plan (see section 5.6.1.2 *Compensation*).

To Orange's knowledge, there has been no major change in the distribution of the capital and voting rights since December 31, 2016.

6.2.1.2 Information on shareholders' agreements

On February 23, 2016, the AMF was notified of the execution, on February 18, 2016, of a new shareholders' agreement between the French Republic and Bpifrance Participations. This agreement replaces the previous shareholders' agreement signed between the same parties on December 24, 2012, formalizing the existing joint action between them with respect to their shareholding in Orange.

The shareholders' agreement has been established for a period of two years (renewable), and stipulates that the parties will:

- consult each other on the vote of Shareholders' Meeting resolutions: commit to exchange their respective views and seek a common position on the resolutions, without being under obligation to reach a common position;
- consult each other on the form (within the meaning of Article L. 228-1 of the French Commercial Code) of their Orange securities.