# Orange integrated 2016 annual report

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1. Profile
A French public limited company *(société anonyme)* since 1996

€40.9 billion
2016 Group revenues

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What we do

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<th>Landline</th>
<th>Mobile</th>
<th>Broadband Internet</th>
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<td>Wholesale</td>
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<td>Enterprise communication services</td>
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<th>Content</th>
<th>Connected objects</th>
<th>Mobile financial services</th>
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Operating in 29 countries worldwide

Serving 263 million customers

Thanks to our 155,000 employees
Operating networks, creating digital experiences

Our customers

**Residential.** Orange is providing enriched connectivity services for 263 million customers in 29 countries.

**Businesses.** We are supporting over 2 million professionals and SMEs and more than 3,000 multinationals on every continent with our digital transformation facilitation solutions.

**Operators.** More than 1,000 landline and mobile carriers, Internet service providers, other service providers and Internet content suppliers have chosen our wholesale deals.

What we do

**Landline, mobile and broadband Internet,** the Group’s legacy core business. Orange designs, develops and operates landline and mobile networks in Europe, Africa and the Middle East. We are constantly harnessing high-speed and very high-speed broadband technology (ADSL, Fibre, 3G, 4G, etc.), and the new possibilities it is opening up, to enrich connectivity, enable unmatched experiences packed with added value, and bring people closer to the things that matter to them, i.e. their homes, wellbeing, entertainment and work.

**Wholesale.** Our extensive worldwide networks, and in particular our submarine cable laying and operating capabilities, rank Orange among the leading players in the wholesale market and enable us to tailor our solutions to other operators’ requirements.

**Enterprise communication services.** Orange Business Services and our specialist teams provide infrastructure services, integration services and digital solutions covering large and small companies’ requirements in every area, including employee productivity, customer relationships, project management and security.

**Content.** Convergence is gathering pace, content is gaining prominence as a result, and Orange is playing an important role on this front, bringing its customers best-in-class services encompassing TV, VOD, cinema, series, music, games and more.
Connected objects. Orange is active throughout this forward-looking sector's value chain: we distribute and connect objects, and provide value-added services in areas ranging from healthcare and wellbeing to connected homes and beyond. We are also developing platforms to collect the raw data that these new ecosystems are generating and bundle it into smart solutions.

Mobile financial services. Orange is pushing ahead with its strategic diversification into this sector, developing transactional services (such as Orange Money in Africa), contactless payment solutions (Orange Cash) and an all-new, all-round mobile banking solution, Orange Bank.

Communities. We partner communities in all areas hosting Orange operations because we are aware that expanding digital infrastructure and introducing innovative services and new ways of using technology are now central to an area’s appeal and its economic and social momentum.

Our teams

The 155,000 women and men working at Orange share a unique kind of responsibility: they support our customers, and make their digital lives more convenient, around the world. They join forces and pool their expertise spanning a wide variety of fields, to imagine the most compelling products and services, build and bring to life state-of-the-art networks and information systems, lead research projects, nurture relationships with customers, and build partnerships within an extensive international ecosystem.
Our international footprint

Europe
- Belgium
- France
- Luxembourg
- Moldova
- Poland
- Romania
- Slovakia
- Spain

Africa and Middle East
- Botswana
- Burkina Faso
- Cameroon
- Central African Republic
- Côte d’Ivoire
- Democratic Republic of the Congo
- Egypt
- Equatorial Guinea
- Guinea
- Guinea-Bissau
- Iraq
- Jordan
- Liberia
- Madagascar
- Mali
- Mauritius
- Morocco
- Niger
- Senegal
- Sierra Leone
- Tunisia

Orange provides end-to-end enterprise connectivity services in 220 countries and territories under its Orange Business Services brand.
Revenue breakdown

€40.9 billion in 2016 (Group)

<table>
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<tr>
<th>Country / Service</th>
<th>Revenue Percentage</th>
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<tbody>
<tr>
<td>France</td>
<td>44.6%</td>
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<td>Spain</td>
<td>12.2%</td>
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<tr>
<td>Poland</td>
<td>6.4%</td>
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<tr>
<td>Belgium and Luxembourg</td>
<td>3.0%</td>
</tr>
<tr>
<td>Central Europe</td>
<td>4.0%</td>
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<tr>
<td>Africa and Middle East</td>
<td>12.1%</td>
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<tr>
<td>Enterprise services</td>
<td>14.8%</td>
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<tr>
<td>International carriers &amp; shared services</td>
<td>2.9%</td>
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</table>
The worldwide telecommunications services market – encompassing network access, hardware and use – continued to grow at a healthy pace in 2016, and its overall revenues rose 1.7% to €1,130 billion. Macroeconomic situations around the globe, however, varied. Internet services are now fuelling one third of the growth in the broader information and communication technology (ICT) sector, and telecommunications services now account for 12% of that sector’s expansion – again, notwithstanding wide disparities from one region to another. The value of the telecommunications services market increased a scant 0.2% in Europe (after shrinking for five years) and 0.5% in North America in 2016. The trends in emerging areas are more buoyant: the market grew 3.1% in Asia Pacific and a significant 2.9% in Africa and the Middle East, where the Group has chosen to build its footprint into its second largest worldwide, behind Europe. (Source: IDATE.)

France
Orange’s mobile customer base grew 2.5% year on year to 30 million, including 3.3 million Sosh clients. Meanwhile, 4G coverage has reached 88% of the population, and 11.3 million customers are using this technology daily, ranking Orange as the market leader. The Group’s landline broadband customer base grew 3.9% to 11.2 million at year end, and fibre network rollout stepped up, reaching 6.9 million connectable households. Almost 1.5 million customers are now enjoying the full benefit of very high-speed broadband access from their fibre connections. Lastly, 7.8 million customers had signed up for Orange’s Open (convergence) deal at end-2016.

Spain
Mobile services gained ground as Orange expanded its 4G coverage and enhanced its deals, and we had 7.9 million 4G customers at 31 December 2016 (1.5x year on year). A total of 3.9 million customers have signed up for landline broadband services (up 5% year on year), and their ARPU is now 7.5% higher, following rapid development in Fibre and TV services. Fibre has reached 1.6 million customers (2x year on year) and accounts for 41% of Orange’s landline broadband client base, while 507,000 customers now subscribe to its TV services (1.7x year on year).

Poland
Mobile plans grew 13% year on year, and the number of people using 4G rocketed 110% to 4.3 million at end-2016. Landline services declined over the full year but embarked on an upswing in the second half of 2016, with a significant increase in net sales of very high-speed VDSL and Fibre deals (44,000 in Q3, 56,000 in Q4). By end-2016, a total of 492,000 customers had very high-speed broadband access, including 88,000 with fibre connections, following 65% growth over the year. The number of people who had signed up for BtoC convergent deals rose 23% to 566,000 in 2016.

Belgium and Luxembourg
Mobile services recorded 2.0% growth in Q4 2016, despite the decline in international
roaming fees in Europe. The number of customers on mobile plans increased 1.9% to 2.3 million, and landline services grew 3.1% in Q4, buoyed by the convergent deals we recently launched in Belgium. By end-2016, Orange Belgium had a total of 33,400 customers on convergent Internet and IPTV deals, and 56,700 on mobile plans.

Central Europe
Orange had 15.1 million mobile customers at 31 December 2016. Its 8.2 million customers on mobile plans (up 4.2% year on year) account for 54.1% of its mobile customer base (up 2.4 points year on year). Its 4G mobile customer base doubled in 2016 to 3.2 million (i.e. 41% of the customers on plans, excluding machine-to-machine connections). It had 212,000 landline broadband customers, including 123,000 with very high-speed connections, at end-2016.

Africa and Middle East
Revenues increased 2.6% on a comparable basis. Orange enlisted 7.2 million new mobile customers in Q4, after branching into Burkina Faso and Sierra Leone, placing the total at 120.7 million at 31 December 2016. Mobile data services soared 31% over the same quarter. Orange Money had 28.9 million customers and recorded a 58% increase in revenues at end-2016.

Enterprise services
IT & integration services saw 3.9% growth in Q4, following a 4.5% increase in this segment over the first nine months of 2016. Security and Cloud services respectively surged 26% and 20% in Q4. Growth in VoIP and customer relationships services offset some of the decline in the legacy telephony segment. Data services shrank 2.8% in Q4, including an 11.3% drop in broadcasting.

International carriers & shared services
Revenues declined 2.2% on a comparable basis. Growth at Orange Marine (which lays and maintains submarine cables) counterbalanced part of the decrease in voice services for international operators.
Highlights

Coding and coaching #SuperCoders gains traction

The Group ran its third #SuperCoders workshop, to introduce 9- to 13-year-olds to coding, in October and November 2016, around EU Code Week. More than 1,000 employees in 17 Orange countries coached youths pro bono during this operation. In December, #SuperCoders won first prize at the European Commission’s Digital Skills Awards, rewarding Orange’s efforts to advance digital education.

Technology
VoLTE and VoWiFi reach Europe

Orange announced that it was introducing VoLTE and VoWiFi (Voice over Wi-Fi) calls in Europe in early 2016. These two technologies, which drastically shorten connection times and improve indoor reach, are bringing customers the best voice-call experience on the market today.

Show Hello
The new Livebox kickstarts a home revolution

The new Livebox was purpose-engineered to treat customers to the full wealth of possibilities that fibre technology is opening up. It was unveiled at Show Hello, then reached the French market in May 2016. It unleashes ultrapowerful connectivity on every screen in every room and is eco-designed: we have made it more compact, optimised its power consumption, and used less packaging and more vegetable-based inks.
Very high-speed broadband
Fibre clears the 3 million customer milestone

Orange’s Fibre deals recorded 75% growth in 2016, with take-up rates increasing especially fast in Spain and France, and reached 3.3 million customers at the end of the year.

Mobile financial services
Orange acquires 65% of Groupama Banque

In early October, Orange became majority shareholder of Groupama Banque after attaining approval from European and French regulatory and prudential authorities. This move was one step towards introducing Orange Bank, an innovative banking model, with 100% mobile offer. Ultimately, Orange Bank aims to have more than 2 million customers in France.

Startups
Go Ignite’s first call for candidates

Orange, Deutsche Telekom, Singtel and Telefónica teamed up in the Go Ignite alliance, to interconnect their worldwide startup ecosystems, in February. Go Ignite’s programme will put the best startups on a development fast-track, shorten time to market for their innovative products and services, enable them to tap into the alliance members’ resources, and potentially put them in touch with over 1 billion mobile customers on every continent.

Stakeholders
Orange receives first prize for diversity

In 2016, Orange embarked on an eight-month-long conversation about diversity and equal opportunity with its stakeholders in France, India, Jordan, Romania, Russia and Senegal. It held face-to-face interviews with more than 120 specialists outside the Group and asked more than 700 employees for their views. In December, Orange won Diversity Conseil’s Grand Prix 2016 de la Diversité, rewarding the Group’s diversity policy in general, and this conversation in particular.
Orange Gardens
An eco-campus for innovation

Stéphane Richard inaugurated Orange Gardens on 8 June, at a ceremony attended by François Hollande, President of France. This new four-building complex near Paris spans over 72,000 sq.m. and brings together over 3,000 employees working on research and innovation. It was designed to fast-track our strategy – by pooling ideas and expertise, fostering agility and facilitating interaction with partners – while addressing environmental challenges.

Orange Foundation
130,000 pupils at the École numérique

In September, 130,000 African schoolchildren from families that cannot afford books started receiving high-quality education thanks to kits from the Orange Foundation. This programme, which we prepared in partnership with local education ministries, has already reached 500 schools in 12 countries, and involves supplying classes with educational content on a mini-server connected to 50 tablets.

Cybersecurity
Acquisition of a European leader

In April, Orange Business Services acquired 100% of Lexsi, a leading cybersecurity specialist in Europe. This takeover is sharpening Orange Cyberdefence’s expertise, which more than 600 French and international businesses already trust.
Brand
Orange branding takes over in 3 new countries

The Orange brand’s momentum continued to grow in 2016, when Méditel became Orange Morocco, Mobilin became Orange Egypt and Mobistar became Orange Belgium. The companies that the Group has acquired in Sierra Leone, Liberia and Burkina Faso over the past few months should be switching to Orange livery in 2017.

A digital and caring employer
An agreement to support digital transformation

Orange and trade unions signed their first agreement to support digital transformation in September. This agreement ties in with the Group’s pledge to be an employer that combines digital advances with a human approach, which in this case involves leveraging digital technology to spur transformation and thereby foster progress, improve quality of life in the workplace, and enable its people to grow.

Connectivity
SEA-ME-WE5 lands at La Seyne-sur-Mer

Orange Marine laid the SEA-ME-WE5 cable’s section under the Mediterranean Sea, and has completed the works to land it at La Seyne-sur-Mer, France. This new 20,000 km submarine cable is now operational, and connects France to 17 countries in the rest of Europe, the Middle East and Asia.

Orange Money
€2 billion in transactions per month

The Orange Money mobile payment service is seeing double-digit growth. Its monthly transaction volume cleared the €1 billion mark in June 2016 and the €2 billion mark at end-2016.
2.
Stéphane Richard
First mobile phone owned
1994

Chairman and Chief Executive Officer, Orange

Twitter followers (@srichard)
32,000+

Favourite novel
*All That Is*
by James Salter
“Our Essentials2020 strategy is delivering results.”
What do you see when you look at Orange’s 2016 figures?
I see that we are almost two years into our Essentials2020 plan and that our strategy, i.e. investing and enriching customers’ experiences to sharpen our competitive edge, is delivering results. Our revenues are trending up again: they grew for five straight quarters to the end of 2016 and rose 0.6% over the year. This shows that our strategy makes sense, and that we are rolling it out efficiently and effectively, even though competition is still fierce – and the fact that our attempt to consolidate the French market failed when our talks with Bouygues got to an end is only making it fiercer. We ramped up our investments in 2016, boosting our sales: as a result, our Fibre customer base grew 75% to 3.3 million and our Europe-wide 4G customer base grew 58% to 28 million. The figures in Spain, where our restated EBITDA is up 13.4%, show that fixed-mobile convergence is driving growth. Jazztel integration made Orange a leading pan-European convergent operator, with over 9 million Mobile/TV/Internet customers on the continent today. In Africa and the Middle East, our investments in 3G and 4G – which is now available in 10 countries – is fuelling growth and bringing data services to a constantly growing number of people.

What are the main challenges for 2017?
We will be pushing ahead with our strategy, i.e. building ever larger and more powerful networks, reinventing our relationships with customers, and providing the value-added services that they expect – or, in a nutshell, providing an unmatched customer experience. Orange is investing more than most other operators (17% of our revenues in 2016), we are funnelling a lot of that investment into the networks of the future (20 million homes are now fibre-ready, and we have 4G coverage in 18 countries), and we will be doing more of the same going forward. At the same time, Orange is more invested than any other operator when it comes to helping its customers make the most of digital technology. We are doing that in our Smart Stores, on “My Orange” application (which we are enhancing non-stop with new features), and by simplifying our customers’ journey. We want to put the magic back into our customers’ experiences, put the full plethora of digital innovations at their fingertips, and provide tailored support to each and every one of them. And, naturally, we strive to do all that in a secure environment, where they know that we are protecting their privacy and know exactly how their data is being used. Thanks to our strong financials, we have the means to roll out this bold investment policy and prepare the future. I am talking about Fibre and 4G (and, soon, 5G), of course. But I am also talking about the IoT and about Orange Bank, the innovative bank we are launching this year. This launch will clearly be a key step to develop mobile financial services for Orange.

And where do you want to lead Orange over the longer term?
I want our Group to continue to excel, by delivering sound business performance while honouring its social responsibility, day after day. We are aware that our society is anxious about the future, about the deep-reaching ongoing technological and ecological

“...
to enrich our projects or fine-tune several of our investment decisions. We are already seeing results on many of our initiatives for our customers (helping families use the Internet, for example), for our society (with the Orange Foundation’s programmes leveraging digital technology to help people in the most vulnerable circumstances), for the environment (reducing our CO2 emissions and having recycled almost 10 million mobile phones in the past six years), and for emerging countries (fine-tuning the essential services that will spur their development). And, beyond these initiatives, our Group as a whole has a duty to build a safe and exciting digital world for our customers. Digital innovation isn’t good or bad per se. It is what we do with it that matters. It is up to us to choose to make a positive difference in everyone’s life – and then make it happen. That is also why we have started talking about our philosophy – Orange’s Human Inside dimension. This philosophy directs every decision we make and everything we do. Innovation isn’t a cold, soulless machine: it is brimming with the knowledge, creativity and emotions of real women and men; women and men who have a story to tell, uncompromising ethical standards, and a vision for the future. And our vision at Orange is that innovation only triggers progress when it serves people.

How are you planning to make this vision materialise?
We have an organisation that has embraced our vision. We reach out to stakeholders wherever we go and use their feedback transformation; that there is a risk that our society will withdraw into a more parochial worldview. So we have a duty to answer the questions that people are asking – rightly so – about digital technology and we also have a duty to stand by our customers, and by society at large, through this transformation. Our services are making a real, tangible difference, far beyond our reach. We are thinking about how we can do more to address everyone’s wants and needs as our lifestyles move further into the digital realm. We are also working on solutions that will contribute to the ecological and energy transition, bring about pioneering business models, and nurture enterprising attitudes in every area, including the social and solidarity economy.

“I want our Group to continue to excel while honouring its social responsibility.”
3. Philosophy
Human Inside

Demographic trends, natural resources, climate change and the digital divide are a few of the issues we are grappling with individually and on a planetary scale. The digital revolution, in particular, is raising questions about production and consumption models going forward, privacy, and the trust that underpins trade and all other forms of social interaction. Orange is a responsible stakeholder at the crux of this revolution, and our Essentials2020 strategy takes a strong stand on these crucial challenges facing society. That is what our Human Inside philosophy is all about: everything we do starts and ends with people. We have clear views on digital transformation: technology only brings about innovation when it serves a purpose, and innovation only spurs progress when it is accessible to as many people as possible. That is why we are determined to help everyone harness digital technology and every possibility it opens up.

1. Better me

2. Smarter society

3. Augmented planet

4. Digital citizen
Better me
Unleashing everyone’s potential

Technology can help us all unleash our full potential. The digital world overflowing with new opportunities to quench our thirst for knowledge, experiences and wellbeing.

Uses
Connected objects, data and artificial intelligence are intertwining with our personal and professional lives. They are enhancing our perception and interactions by providing non-stop access to the collective intelligence abounding in our social networks and vast compendiums of knowledge. If – and only if – everyone can use these technologies, they bear the promise that they can heighten our ability to act, communicate, learn and interact more simply and effectively.

Ubiquity
Technology is freeing us from more time and space constraints every day. Today, we can talk to people halfway across the planet without a glitch. Tomorrow, our smart digital assistants will be able to represent us simultaneously in different places – for example taking part in meetings or carrying out simple tasks for us.

Customisation
Robotics and the intelligence embedded in objects are opening the door to unprecedented life-enhancing possibilities. For example, e-healthcare solutions are helping elderly people remain self-reliant for longer or overcome physical disabilities and sensory impairments. This has nothing to do with turning people into machine-like hybrids, which is an illusion at any rate: the long-term goal is to channel digital flows into more bespoke services that will benefit everyone, narrow digital divides, and nurture freer, more diverse and more creative personalities.
Smarter society
Building a more intelligent, responsible and open society

The transformation that digital technology is triggering is reshaping business, jobs, families, organisations, the way we fulfil our duties and exercise our rights as citizens, the way we access education and culture, and every other sphere of society. And all this is raising our hopes that we can build societies based on more open, transparent and collaborative organisations.

Trust
Trust is one of the key components in our digital economy, and a sine qua non for any contract or interaction. To nurture that trust, innovation needs to provide cybersecurity as well as virtuous practices that keep data about people, communities and businesses intact and confidential.

New models
Automation and shorter value chains are reshuffling jobs. Booming mobile financial services and alternative digital currencies are spawning new trading mechanisms, where paperless contracts and transactions are reducing costs and debottlenecking economic flows. Established models are being called into question and entirely new models are emerging around new ways of producing, consuming and offering services in an increasingly decentralised economy that may generate more local windfall.

Education
Knowledge has never been as abundant and available as it is today. The Internet, however, is not within everyone’s reach. As more and more initial as well as advanced training content transfers online, the key challenge is to expand connectivity and services that will open doors to that knowledge, on a large scale, while ensuring everyone is familiar with at least the basic uses, regardless of their initial digital literacy.
Augmented planet
Helping to build a more connected, and more balanced, planet

A digital planet is coming together before our very eyes. Digital technologies are spreading around the world, bringing comprehensive, intelligent and ramified connectivity with them. This augmented planet, where the physical and digital worlds have started intermingling, offers a wealth of opportunities including more connections, smoother flows, greater proactivity and increased efficiency.

Efficiency
Artificial intelligence, algorithms, robotics and connected objects are ushering the world further and further into the digital realm. This shift is feeding models and simulators that are predicting, regulating and optimising ever more facets of human activity – for instance cities, transport, farming and energy – more accurately and efficiently.

Environment
These technological breakthroughs consume resources and energy. At the same time, they are bringing about amazing opportunities to use the planet’s finite natural resources more cleverly and carefully. We want to support this sustainable vision with smart solutions for cities and mobility, and solutions that will help everyone optimise energy consumption, while curbing our own environmental impacts.

Resilience
One big risk, however, is that our smarter planet will become ever more reliant on an increasingly complex and powerful worldwide “information system”. That is why we want our innovation to ensure this global information system is always on, secure, resilient and teeming with different – and even rivalling – digital ecosystems.
Digital citizen
Choosing the digital society we want

This challenge interlocks with all the others: the choices we make vis-à-vis the transformation that digital technology has set in motion. Digital systems are facing us with our choices for society, and challenging us to think time and again about our notion of citizenship. These are questions we are broaching at Orange. And these are the challenges we want to tackle in order to harness digital power for human progress.

Control
On its scale and in its position, our Group is striving to give everyone the tools they need to understand the ways in which digital technology is impacting their lives. Because we all – especially young people – need control over our digital identity, which is now inseparable from the rest of our life. And the key to doing that is understanding the codes: that way, we will be able to enjoy the best it has to offer.

Inclusion
Digital education is not within everyone’s reach. The Orange Foundation is working to spread the benefits of digital technology as widely as possible, starting with the people in the most fragile circumstances, by providing access to learning and training in general, and to online courses, open encyclopaedias, educational videos, FabLabs and other possibilities in particular.

Debate
These questions about the digital life we choose are momentous and legitimate. We are asking them too, openly and collectively, for example by supporting research and spurring public debate on these issues at the Digital Society Forum, an Orange initiative, and in the professional associations and consultation bodies we are involved in.

Governance
Governance over digital technology – and indeed digital technology as a new tool for governance – are raising questions across the board, especially in the public sphere. Public and private organisations are functioning in new ways, and new practices need to be regulated. This calls for informed citizenship in the digital age.
4. Creating value
Meeting our stakeholders’ expectations

Orange’s operations and footprint influence numerous stakeholders’ activities and operations on global and local scales. We listen to them all, start constructive dialogues and design projects together to create value for everyone.

| Businesses
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<td>Customers (BtoB)</td>
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<td>Large accounts</td>
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<td>SMEs/microbusinesses</td>
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<td>Entrepreneurs</td>
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<td>Finance</td>
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<td>Shareholders</td>
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<td>Networks construction and maintenance</td>
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<td>Handset manufacturers</td>
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<td>Industry and energy</td>
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<td>Information and communication</td>
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<td>Enterprise services</td>
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<td>Sheltered sector</td>
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<td>Owners</td>
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<td>Public and private real-estate owners</td>
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<td>Professional associations</td>
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<td>Telecoms associations</td>
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<td>Business federations</td>
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<td>Education</td>
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<td>Schools and universities</td>
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<td>Research chairs</td>
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<td>Telecoms partners</td>
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<td>Incubators and startups</td>
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<td>Recycling channels</td>
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<td>Distribution</td>
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<td>Distributors and wholesalers</td>
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<td>Orange partner stores and franchises</td>
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<td>Retailers</td>
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<td>Preowned handset brokers</td>
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<th>Public sphere</th>
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<td>Ministries</td>
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<td>Telecommunications and digital</td>
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<td>Employment</td>
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<td>Culture and communication</td>
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<td>Local elected officials</td>
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<td>Regulatory bodies</td>
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<td>Telecoms regulators</td>
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<td>Standards organisations</td>
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<td>Oversight bodies</td>
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<td>International organisations</td>
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<td>World Health Organization</td>
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<td>United Nations</td>
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<td>International Telecommunication Union</td>
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<tr>
<td>Institut de recherche pour le développement</td>
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<table>
<thead>
<tr>
<th>Civil society</th>
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<tbody>
<tr>
<td>General public (BtoC)</td>
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<tr>
<td>Urban professionals</td>
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<td>Rural professionals</td>
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<tr>
<td>Job-seekers</td>
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<tr>
<td>Students</td>
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<tr>
<td>Senior citizens</td>
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<tr>
<td>Opinion leaders</td>
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<td>Political leaders</td>
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<tr>
<td>Influencers, artists, activists, etc.</td>
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<tr>
<td>Networks of influence</td>
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<tr>
<td>Community representatives</td>
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<tr>
<td>Organisations driving social and economic development</td>
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<td>Environmental agencies</td>
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<td>Networks of social entrepreneurs</td>
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<td>Development NGOs</td>
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<tr>
<td>Media</td>
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<tr>
<td>Traditional and online</td>
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<tr>
<td>Influencers: bloggers, social networks</td>
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<tr>
<td>Experts</td>
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<tr>
<td>Think-tanks focusing on digital and social developments</td>
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<tr>
<td>Sociologists, psychologists</td>
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<tr>
<td>ICT experts</td>
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<tr>
<td>Non-profits</td>
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<tr>
<td>Child welfare</td>
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<tr>
<td>Consumers/users</td>
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<tr>
<td>Healthcare</td>
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<tr>
<td>Organisations assisting disabled, disenfranchised and marginalised populations</td>
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<tr>
<td>Human rights</td>
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<tr>
<td>Neighbouring communities</td>
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<th>Employees</th>
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<td>Business lines</td>
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<td>Marketing</td>
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<td>Sales</td>
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<td>HR</td>
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<td>Technology</td>
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<td>Customer service</td>
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<td>Management</td>
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<td>Executive Committee</td>
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<td>Executives</td>
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<td>Leaders</td>
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<td>Management committees</td>
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<tr>
<td>Partners in industrial dialogue</td>
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<tr>
<td>Employee representatives</td>
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<td>Unions</td>
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</table>
Creating value

Our assets

<table>
<thead>
<tr>
<th>Essentials2020</th>
<th>€40.9 billion</th>
<th>Group revenues in 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>155,000 employees</td>
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</table>

263 million customers

€2.9 billion Attributable net income

A digital, efficient and responsible company

Our direct impacts

<table>
<thead>
<tr>
<th>Investments</th>
<th>€7.0 billion</th>
</tr>
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<tbody>
<tr>
<td>Purchases</td>
<td>€18.3 billion</td>
</tr>
<tr>
<td>Investments in research and innovation</td>
<td>€705 million</td>
</tr>
<tr>
<td>Labour expenses</td>
<td>€8.9 billion</td>
</tr>
</tbody>
</table>

17% Investment in telecommunications out of consolidated revenues

€2.8 billion Taxes

4,523 GWh Electricity consumed, releasing 1.42 million tonnes of CO₂ (scopes 1 and 2)

What we do for our stakeholders

Businesses

We help enterprises and entrepreneurs embrace digital transformation, and enable them to tap into the possibilities that digital technology is opening up.

Public sphere

We work with central and local governments to bring innovative services, and invest to upgrade connectivity and thereby enhance appeal in local areas.

Civil society

We harness technology so that everyone can enjoy its benefits, and give everyone the tools they need to understand the ways in which digital technology is changing their life.

Employees

We provide digital, caring and unique experiences for everyone who works for us.

More facts and figures in the enclosed poster

And on rai2016.orange.com/en
Orange creates value for all its stakeholders

We do what we do because we believe it creates value and serves the interests of those around us. And we believe we can do this in several ways, for example bringing our 263 million customers closer to the things that matter to them.

Investing to invigorate economies
Digital technology can do more to boost a community’s social and economic momentum than any other amenity. It drives growth by enabling large and small businesses to step up their productivity, and spurs economic growth across the board. A 2013 survey by the McKinsey Global Institute, for example, estimates that the Internet could contribute as much as $300 billion to Africa’s GDP by 2025. Digital capabilities are also bringing about social progress by providing catalysts for value-added services in critical sectors including education, healthcare and agriculture, and building bridges for communities to overcome exclusion.

Redistributing the value we create
We also create value through our economic footprint. Orange’s business generates revenues, and we redistribute those revenues to our direct stakeholders, indirect stakeholders and further. Our Group employs over 155,000 people directly, and our purchases, outsourcing and taxes indirectly increase purchasing power throughout local economies.
We are also playing a significant role in an ecosystem of digital startups and entrepreneurs, and actively supporting non-profits via the Orange Foundation.
Creating value

At Orange, we are helping to create value throughout an ecosystem of enterprises, customers and partners, that are leveraging our support and services to invent digital solutions for their markets, upgrade their productivity and grow their business.

Supporting enterprises
Supporting businesses and professionals through their digital transformation is one of the focus areas in our Essentials2020 strategy. We create value by designing and delivering digital solutions that will help our customers work more dynamically and collaboratively, and optimise their customers’ experiences in turn, with secure, reliable and flexible network and IT infrastructure they can count on.

Supporting entrepreneurs

For several years now, Orange has been building a comprehensive programme to support and assist innovative startups and SMEs, which in turn are contributing to social and economic development in their local areas. In France, for instance, Orange is sponsoring #FrenchTech, a public-sector and regional initiative, as an active player in digital ecosystems in 13 large cities and French Tech focus groups. Incubators are now up and running in five African countries. In February 2016, the Group online Entrepreneur Club, a forum supplying information specifically for entrepreneurs in Africa and the Middle East. The Orange Social Venture Prize in Africa and the Middle East, which we have organised for the sixth year running, is rewarding entrepreneurs who supply digital products or provide digital services geared to populations’ requirements in sectors such as healthcare, agriculture and education.
Orange teams up with local and central political and administrative authorities in France and around the world. Our Group is for example sharing its expertise as a carrier on public-interest projects led by the United Nations.

Partnering central and local governments
Orange is the French Government’s main partner on its plan to provide very high-speed broadband access countrywide by 2022. This plan, which the government set in motion in 2013 and the Group is working on with local authorities, will bring new and/or essential public services to rural and mountainous areas, among others, and thereby spread digital services to a constantly growing number of people.
Elsewhere in Europe and in Africa, Orange is active in GSMA, ETNO and other trade associations and consultation forums. Our Group also works with authorities in its host countries on projects that involve rolling out networks or introducing novel services in healthcare, education or agriculture, liaising with the relevant ministries and government agencies. It is contributing to the Digital Wallonia project in Belgium, and leading Alba Iulia’s Smart City project in Romania, to list only two of its many endeavours in Europe and beyond.

A worldwide commitment
We are closely involved in efforts to achieve the United Nations’ Sustainable Development Goals (SDGs), which officially came into force in January 2016. Orange is playing its full role in efforts to find solutions that will empower people, foster inclusion, protect the environment and tap into enterprising drive to spur innovation-fuelled economies.
Creating value

The overarching goal, beyond mainstreaming digital technology and connecting as many people as possible to it, is to improve our customers’ daily lives and to significantly speed up social, economic and cultural development in communities.

Improving our customers’ daily lives
The first to benefit, naturally, are our customers – and everyone else using new digital services. The connectivity and digital experiences we are providing for 263 million private customers worldwide are changing their personal and professional lives, in cities and rural areas, across the generational and social spectrum (for example including working professionals, students, job-seekers and senior citizens).

Serving communities
The Orange for Development programme is the Group’s way of bringing best-in-class information and communication technology (ICT) to communities. Doing this involves enhancing connectivity in local areas and ensuring ICT reaches as many people as possible, supporting entrepreneurial ecosystems, and providing essential services tailored to local requirements (covering healthcare, education and so forth). One of the best examples of this approach is Orange Money, which is providing a useful service in many countries where few people have bank accounts. In Mali, for instance, estimates suggest that transactions via Orange Money account for as much as 25% of the country’s GDP. In France, serving communities involves a different approach: the “Ma ville dans ma poche” (“My city in my pocket”) app, which is now available in several large cities, is one example.

Protecting the environment
Ecology, another central concern for civil society, is also at the core of Orange’s CSR drive. We are as keen on optimising the energy we consume on our operations as we are on helping the general public to tackle the same challenge. One of our initiatives involves building recycling channels and promoting them: in 2016, for instance, the Group collected over 1.8 million used mobile phones from a large number of drop-off points including 2,000 in France. Orange also opened a mobile-waste collection workshop in a sixth African country, Cameroon, earlier this year.
Orange’s aim to build an employer model that combines digital advances with a human approach shapes every aspect of its relationships with its employees. Being a digital and caring employee became one of its key focus areas in 2016 and is embedded in its Essentials2020 strategy. We see high-quality relationships with employees as a prerequisite for individual and collective performance. Our goal for 2018 is that 90% of our employees recommend working for Orange. And the figure in France at end-2016 was 88%.

The employee experience at the centre of our initiatives
Orange is rolling out its first Group-wide initiative aimed at building a unique employee experience, as part of its pledge to be a digital and caring employer. Digital, here, means we want people to make the most of the new opportunities arising from digital transformation, by developing trailblazing working methods that empower them and others, and encourage teamwork. And caring means we stand by our teams, have constructive, human conversations, understand each employee’s wants, needs and aspirations, and constantly strive to enhance quality of life in the workplace and to nurture people. We will be delivering on this pledge in three ways, mainly: building useful skills for the future, boosting our collective agility and fostering individual dedication.

Building ties
Listening to employees is another central component in this relationship. To do this, the Group is opening up channels to talk about diversity and equal opportunity, digital transformation, skills recognition and workloads, for example. And its European and Worldwide Works Councils are tasked with building dialogue among all employees.
5. Essentials 2020
Treating our customers to an unmatched experience

With its strategic project, Essentials2020, Orange has set itself the task of ensuring it is ever-present to connect every individual to what is essential to them, and to provide a unique daily customer experience by designing the digital services that allow all our customers to enjoy securely, what is essential to them.
Offering enriched connectivity

Our challenges

Upgrading our networks to meet our customers’ expectations
Enhancing our networks is one key component in our ongoing drive to cater to evolving habits, technology leaps and customer demand for ever more bandwidth, higher quality and superior services. At Orange, we are constantly investing in our networks and in latest-generation technology to optimise our infrastructure and provide new services for an enriched connectivity experience.

Boosting connectivity performance across all areas
Enriching connectivity, which is one of the central promises in our Essentials2020 strategy, requires to constantly boost our network’s performance, meaning its coverage, bandwidth and quality of service.

Greater energy efficiency
Besides improving connectivity, we are aiming to shrink our environmental footprint from our networks and information systems, which accounted for 74% of the Group’s CO2 emissions and 72% of its energy consumption in 2016. This challenge is included in our Green ITN 2020 action plan.

Connectivity beyond borders
Narrowing the digital divide is another of Orange’s central aims. We have pledged to considerably expand our coverage with plans to build extensive high-speed broadband networks in all the areas we serve.
Our levers for action and achievements

Orange’s network ranks among the best in both France and Europe

Our investment strategy for very high-speed broadband networks is bearing fruit, especially in France, where Arcep (the country’s Regulatory Authority) ranked Orange’s mobile network number one nation-wide in 2016, for the sixth year running. The Group is pushing ahead with its strategy to develop 4G/4G+ networks in all European countries. In Belgium and Poland, for instance, Orange’s 4G coverage has reached practically 100% of the population. And its Fibre base grew 75% to 3.3 million customers, including 1.6 million in Spain and 1.5 million in France, in 2016.

Very high-speed mobile broadband in Africa and the Middle East

Orange stepped up its 4G network rollout in this region in 2016: this technology reached 4 new countries last year, and is now available in 10 of the 21 countries where the Group is operating.

Packing more power into the new Livebox

Orange launched its new Livebox and TV set-top box in metropolitan France in May 2016, bringing customers unparalleled connections – with up to four times faster Wi-Fi than the previous generation. Orange’s Fibre customers can enjoy Wi-Fi bandwidths reaching 1.9 Gbit/s in total.

Improving connectivity in sparsely populated areas

The Group is speeding up high-speed and very high-speed landline and mobile coverage in France’s rural areas via its “Orange Territoires Connectés” programme. The goal is to upgrade bandwidths in 2.5 million households by end-2019. We have similar plans elsewhere in Europe: in Poland, for example, where Orange is investing more than any other carrier in Fibre rollout, and in Romania, where the Group is bolstering its 4G coverage in the countryside, while offering deals and handsets suited to the population’s purchasing power.
Our outlook

Preparing 5G mobile technology
Orange is actively preparing the next generation of mobile telephony standards ahead of 5G implementation, due in 2020-2022. Tests in partnership with Ericsson, for instance, have pushed bandwidths beyond 10 Gbit/s.

The next step: virtualising and automating networks
We are engineering solutions based on software defined network (SDN) and network function virtualisation (NFV) technologies, which enable to automate a network’s behaviour and to give customers the opportunity to manage themselves their connectivity services via software applications.

Pioneering new connectivity
Orange Digital Ventures, the Group’s corporate investment fund, is investing in trailblazing startups that are imagining connectivity experiences tomorrow, today. Veniam, a startup combining mesh networks (using moving vehicles) with smart-city services to create the roving IoT, is one example.

The future with IoT
The Group is gradually rolling out a network based on LoRa® technology to round off its connectivity deals in France, and preparing to embed LTE-M technology in its mobile networks. The IoT is also a focus area at Orange Digital Ventures, which has inter alia invested in a stake in Actility.
Nicole Goueta

Expert

Mayor of Colombes
France

Very high-speed access has implications for democracy too

Very high-speed access has economic and social implications. But, as I see it, it has very real implications for democracy too. It is ushering in new ways of administrating, governing and living in cities. Furnishing institutions with digital infrastructure helps them become more efficient public stewards and improve the quality of many of the services they provide for the people in their areas. And the people use this very high-speed access to produce information, i.e. tell us what they need, the problems they are dealing with and what they want us to improve.

Log on to rai2016.orange.com/en

More testimonials on parolesdelus.com
Reinventing the customer relationship

Our challenges

Customer experiences that give us an edge
Customers are at the core of our Essentials2020 strategic plan, and our goal is to treat them to experiences that put us in a league of our own. We need to excel at every touchpoint. That is why we want to build digital relationships, but also human relationships, with our customers.

Adding a more personal touch
Customers expect simple relationships, and the answer they need, when they need it. They want to speak to someone who is on their same wavelength, and want to speak their minds. From where we’re standing at Orange, this means we have to provide bespoke answers that tally with the ways in which customers use our products and services, and with their past experiences with us through every channel. This involves sharpening our customer-knowledge management tools and our skills on our in-house processes.

Revamping our retail outlets
Sales outlets are at the heart of our distribution operation. Our 6,000 points of sale, meaning the Group’s bricks-and-mortar bases, are where our products, services and relationships with customers come to life, and give us a decisive edge. Orange is also rolling out a new concept – Smart Stores – which combine state-of-the-art digital technology and human contact into cutting-edge experiences for customers. These stores are all about the ways in which customers use our products and services, and are arranged according to their interests, to showcase technology clearly, simply and intuitively. We are reinventing the customers’ digital experiences before, during and after their time in our stores.

Moving interaction deeper into the digital realm
Smartphones are becoming the channel that customers prefer, and our Group is shifting in sync with the trend by enhancing its digital interactions, while keeping customer relationships consistent overall and ensuring clients can transition seamlessly between online and in-store experiences.
Our levers for action and achievements

Simplification is delivering results
Orange started centring its operations around its customers’ paths in 2016. This involved working on several pivotal projects – for example upgrading the mobile and Internet path in France – which, combined, have already resulted in a 10% decrease in the rate of calls to customer service centres in Europe.

Essential Voices: listening to customers
Essential Voices, a programme we are running in all Orange countries and business lines, is our way of tuning into our customers and employees, and doing more to heed their messages. Orange Poland’s “listening-responding” programme, for instance, overhauled elderly customers’ experiences: the teams took time to listen carefully to these customers, and understood that they would rather sidestep the voice server and spend more time talking to a human advisor instead. A team of advisors volunteered to cater specifically to these customers, satisfaction rates rose significantly and loyalty followed suit in this category, which accounts for about 15% of Orange’s customer base in Poland.

“My Orange” is the kingpin in digital relationships
The Group’s interaction with its customers is clearly shifting towards mobile devices, which now carry more than 50% of the connections to our sites in France and in several other European countries – and 70% of connections to Orange’s mobile apps and site in Spain. “My Orange”, an app that enables users to manage their services and account self-reliantly from their mobile handsets, is Orange’s response to this vigorous trend. And customers like it: the number of active users soared 25% to almost 13 million in 2016, and it is now available in all Orange countries in Europe and in 16 countries in Africa and the Middle East.
Reaching out beyond social networks
At the end of 2016, Orange started running trials on interfaces that make customer support even more convenient, with an even more intuitive, everywhere and everyday approach. Customers can now talk to the Group via messaging, which we tested for three months with 100,000 users in France, via “My Orange”. This service is now also live in Spain (as “Mi Orange”) and Poland, and will be reaching other Orange countries soon.

Our outlook

Further push our Smart Store drive
Orange kicked off its Digital Retail 2020 programme, which combines with its Smart Store rollout, in 2017. The goal is to develop digital features in stores and add variety to customer paths. By 2018, 20% of the Group’s outlets in Europe, including 100 in France, will be Smart Stores.

On personal data: trust is key
As trust is naturally essential in relationships between carriers and their customers, Orange introduced the Trust Badge in 2016 to give mobile customers more control over the way in which their personal data is used. The Group is also ramping up to meet the new requirements in the European Data Protection Directive when it takes effect in 2018.

Enhancing connections with stores
Our customers will soon be able to check online whether products are available at Orange stores that are more and more connected, and pick up their purchases the same day. We will be stretching these digital capabilities to enable customers to sign up for all our deals on this channel.
FRANCE HERINGER-JALLOT
Senior VP Quality, Customer Experience and Sales
Orange

**The same experience standards across the board**

Today, 80% of our customers' journeys – whether they are buying something, looking for an answer or trying to solve a problem - start online. Social networks are becoming relationship channels where we interact with our customers – and where they are interacting with each other! At the same time, our customers are expecting more: they want to do everything hassle free, when and where they want it, enjoying a personalized, pleasant experience, even having fun doing it. Digital is ushering in the same experience standards across the board, and customers are expecting those standards from their telcos, their banks, their public services...

Log on to rai2016.orange.com/en
Building a company model that is both digital and caring

Our challenges

A unique employee experience...
Employees are our main ambassadors. So, in 2016, Orange made its pledge to build a company model that is both digital and caring. This strategy, developed by over 1,000 employees and embraced throughout the Group, forms a new foundation for building the relationship between the company and its employees, and is a defining principle in our Essentials2020 strategic plan. We want to secure the skills needed for the future, develop our collective agility and foster individual commitment.

... built on digital technology
Digital technology offers an incredible opportunity to simplify the employee experience by creating ways for employees to work both more autonomously and more collaboratively. We want digital technology to steer transformation towards progress, quality of life in the workplace, and employee development. The Group’s culture of innovation and digital expertise must underlie both the employee experience and the customer experience.

... while keeping the focus on people
Being a people-driven employer means maintaining close relationships with teams and looking out for each individual to make sure they all enjoy quality of life in the workplace and benefit from opportunities to take an active role in their development. The men and women that form the company are the Group’s richest resource. Orange wants to continue to rely on the dedication of its employees to bring its customers an unmatched experience.
Our levers for action and achievements

**Strengthening commitment with employee shareholding**
To increase the proportion of the share capital owned by Group employees, in 2016 Orange launched an employee shareholding programme, Orange Ambition 2016, in which 11.2 million shares were subscribed by 45,000 employees. In early 2017, employees held 8.4% of the company’s voting rights.

**The first agreement on the digital transformation**
In 2016, Orange signed the first collective agreement with employee representatives aimed at supporting employees through the digital transformation while providing guarantees, such as the right to disconnect and the proper use of personal data. The agreement follows on directly from the training initiatives launched in recent years, such as the Digital Academy, a programme that continues to offer new in-house massive open online courses (MOOCs) on a regular basis.

**Orange certified as Top Employer Global**
Awarded for the first time in 2016, Orange’s Top Employer Global certification was renewed in 2017. Once again, Orange is the only telecoms operator among the 10 award winners. This certification commends the best policies and practices in human resources and covered all countries where Orange operates. The certification process is based on a detailed, evidence-based questionnaire and a comparative audit conducted in every country.
Orange has also been certified under the Gender Equality European International Standard, or GEEIS, since 2011. This demonstrates the Group’s commitment to promoting gender equality, especially on matters of equal pay, work-life balance, gender diversity and women’s access to senior management positions.

- **27.3%** women in our management networks
  Target: 35% in 2020

- **33.3%** women on the Orange Executive Committee

- **89%** of employees recommend Orange as a good place to work in France
  (85.16% internationally)

- **115,000** employees in 8 countries involved in Orange Learning initiatives

- **5,138** employees on work-learning contracts and **2,600** trainees working in France at end-2016

- **> 40%** of new hires on permanent contracts in France were formerly employees on work-learning contracts or trainees
Our outlook

Securing the skills needed for the future
We want to guide our employees towards new fields, including very high-speed broadband, data, cyberdefence, to name just a few. We will also hire people with these skills to make sure this knowledge is passed down. In France, Orange plans to recruit 7,000 employees between 2016 and 2018, of which nearly 3,000 in 2017. And we are taking action to diversify the profiles of the people we hire. The development of women technician classes aims to create entire graduating classes of women on professional training contracts in key fields of expertise.

Developing our collective agility
We rely on digitisation, innovation and experimentation to transform our organisational approaches and work methods. In 2017, we will create additional spaces to promote wellbeing in the workplace and help people work together more easily. And, through digital technology, we will continue to bring employees closer together on Plazza, our enterprise social network created for the Group’s 155,000 employees.

Fostering individual commitment
We want to encourage everyone to become more independent and take more initiative, drawing on values such as participatory innovation and intrapreneurship. In 2016, the Orange Ambition 2016 employee shareholding offer and the agreement signed to guarantee an adapted workload for each employee were the first steps towards building greater trust between the Group and employees.
We put people first in everything we do, whether it is business, innovation or sustainable development. That is one of the fundamental principles of our responsibility as a company. In our HR policy, this primarily means listening carefully to what our employees want and reshaping the employee experience in line with technological change. And that means another important challenge: creating a digital work environment that can bring about a true change in culture.

Digitisation offers new ways of motivating our teams, fostering employee engagement and bringing out their initiative. Digital technology is an amazing way to enhance the employee experience, especially with apps designed for instant messaging or collaborative projects. It is one of the instruments we use to promote and relay some of Orange’s core values among our employees: encouraging them to think creatively, experiment, innovate, express their opinions, etc.
Supporting the transformation of business customers

Our challenges

New ways of working
Whether working at the office or on the move, alone or in a team, employees should have access to all the work-related information they need. Tablet workstations, business applications, communication and collaborative solutions: Orange Business Services supports companies in setting up new, personalised virtual workspaces to boost the mobility of their teams and their performance.

Transforming the customer experience
End customers are more connected and want a smooth, bespoke experience. The Internet of Things, big data and 360-degree customer relationships are essential tools in helping companies better understand and meet these needs. Orange Business Services has brought together all of its experts in these three areas under a single entity, Orange Applications for Business.

Technology for smoother projects
Information systems remain the key component in digital transformation. It is through information systems that innovations reach customers, employees and businesses. Success, therefore, is built on three pillars: network infrastructure for enhanced connectivity, cloud technology for greater flexibility and the all-important aspect of security.
Our levers for action and achievements

Increased expertise in cybersecurity
To be able to process data, a crucial component to any modern business, companies must invest heavily in cybersecurity. That is why in April 2016 Orange acquired Lexsi, a French cybersecurity company specializing in threat intelligence.

A step ahead on new network technologies
Orange Business Services launched its Easy Go Network solution for multinationals, an on-demand network designed to connect company sites around the world. Available in 75 countries, Easy Go Network provides network function virtualisation (NFV) solutions using software-defined networking (SDN) technology to meet organisations’ need for a more flexible infrastructure to support their businesses and their innovations.

Orange Cyberdefence’s partnership with Microsoft
The agreement signed in 2016 covers training for incident response experts to lead operations to restore Active Directory (AD) domains following a cyberattack. AD is a centralised identity and authentication service on computers operating in a Windows environment. It is used by 95% of companies, with 550 million active users worldwide and 1.4 billion users authenticated every day.

Innovative projects in healthcare
As part of a partnership announced in April 2016, Orange and Harmonie Mutuelle unveiled the first version in a new generation of e-healthcare services: the Phony remote assistance box. The device is embedded with sensors to better protect people living in isolation who are at risk of fainting or falling and their loved ones, with a fire and flood home protection service and emergency call system. This solution is built on technology from Datavenue – the cloud, data and Internet of Things platform designed by Orange for businesses.
Our outlook

Greater connectivity
AT&T and Orange signed a multiyear agreement in 2016 to foster the development of SDN/NFV virtualised networks with joint initiatives involving open source and standardisation. Through this partnership, along with continuing to rollout LoRa® technology networks and developing fibre and hybrid networks, Orange can provide its business customers with ever more reliable, agile and flexible connectivity.

Strengthening the skills of the future
After buying the cybersecurity specialist Lexsi and Log’in Consultants to expand our workstation virtualisation and cloud-based solutions, we will continue our policy of gaining new skills and know-how in a number of critical areas to bring companies ever-growing expertise that will guide them through their digital transformation.

Supporting businesses in Africa and the Middle East
In 2016, we reinforced our commitment to African enterprises by opening a sales office in Lagos, Nigeria. We plan to grow Orange Business Services in this potentially high-growth region by reaching out to companies operating technology as well as more traditional industries such as agriculture.

Our target: increase by 10 percentage points the share of services in the Orange Business Services revenue mix by 2020
Before you can talk about digital transformation, you have to experience it and do it! At GE, we are profoundly digitising our company so that we can meet our customers’ digital needs. In the future, we won’t just be a machine manufacturer, but a digital industrial company that supplies machines, data and software. And conquering digital technology can’t be done by one company alone. It will happen with the support of partners, and that’s exactly why we’ve teamed up with Orange.
Diversifying by capitalising on our assets

Our challenges

Identifying tomorrow’s high-growth markets
We want to take the steps necessary to explore new areas to stay a step ahead of our customers’ needs and prepare our future growth drivers. Connected objects and mobile banking are two major transformations in the daily lives of our customers. We have decided to focus on these two areas, where we can capitalise on our assets.

Mobile, a new way of banking
Diversification in mobile financial services provides an opportunity to attract new customers and build customer loyalty while tapping into a growth driver for the Group. Mobile money offers huge potential in Africa, where, in some countries, only 10% of the population has a bank account, but 60% has a mobile phone. The solution was also launched in Romania, another future growth market, as mobile technology is a part of the day-to-day lives of an increasing number of Europeans.

IoT, the next Internet revolution
As a global telecoms operator and European leader in machine-to-machine (M2M) services for over ten years, Orange already has the expertise to move into the Internet of Things. We want to help this ecosystem flourish and serve the entire value chain to become a leading IoT operator in Europe.

- **85%** of interactions with banks are via smartphone
- **54%** of Europeans regularly use mobile payments, up from 18% in 2015
- **Over 20 billion** connected objects worldwide in 2020
Our levers for action and achievements

Orange Money confirms its success
Launched in 2008 in Côte d’Ivoire and available in 17 countries, Orange Money is an electronic bank account attached to a mobile number. Orange Money confirms its success with revenues up 58% in 2016 and transaction volume at nearly €2 billion a month.

Laying the groundwork for mobile banking
Orange signed an agreement with Groupama in October 2016 to buy a 65% interest in Groupama Banque, with plans to launch Orange Bank in France in 2017. The offer will include a bank account, a debit card, overdraft protection and an interest-bearing savings account, along with other services such as loans and insurance. The Group later intends to roll out Orange Bank in Spain.

Continuing to roll out the LoRa® network
Orange continues to roll out its ultra-low speed network using LoRa® (Long Range) technology for the Internet of Things. This network currently serves 120 French towns in 18 urban areas, and offers connectivity both inside and outside buildings. In 2016, the Group joined the Board of the LoRa® Alliance, bringing together more than 400 member organisations to drive the global success of the LoRaWAN™ protocol.
Our outlook

Going further in the development of m-commerce
Orange has begun acquiring a stake, which will eventually come to a €75 million investment, in the e-commerce group Jumia to create synergies and develop new growth opportunities for Orange Money. This strategic investment gives Orange the means to play a pivotal role in the fast-growing e-commerce sector in Africa.

Expanding possibilities in Africa
Orange and Engie are moving forward in their commitment to bring electricity to rural areas in Africa. These industry leaders launched a plan in 2016 to roll out solar energy kits in Senegal, Côte d’Ivoire and Cameroon. Payment for use is simple and remote via mobile. This is one way they are applying their technological expertise to sustainable progress and social and economic development in Africa.

Blockchain, a step ahead
Orange Digital Ventures participated in a funding round for Chain, specialised in the cutting-edge blockchain technology. This investment from Orange’s corporate fund is aimed at supporting the company’s international development and extending the use of blockchain technology to other areas, such as Internet of Things and telecommunications services. And it’s a leap into the future!
These days, sub-Saharan Africa has a head start in the mobile money sector. The region has developed retail solutions that are beginning to draw attention from Europe and China. This comes as no surprise, as the penetration rate of mobile phones is inversely proportional to the use of banking services. Mobile technology is an easy way to access basic financial services, such as being paid a salary, paying a bill, saving, borrowing, etc. These transactions are essential to the development of trade and consumption and, more generally, to social and economic development.
6. Key figures
<table>
<thead>
<tr>
<th>Become and remain No. 1 in Net Promoter Score for 3 out of 4 customers by 2018</th>
<th>Improve Orange’s Brand Power Index in our different markets by 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Triple average data throughput of our customers on both fixed and mobile networks by 2018 compared with 2014</td>
<td>Conduct 50% of customer interactions via digital channels in Europe by 2018</td>
</tr>
<tr>
<td>Reach 90% of employees recommending Orange as an employer in 2018</td>
<td>Increase the share of IT &amp; integration services in the Orange Business Services revenue mix by 10 percentage points by 2020</td>
</tr>
<tr>
<td>Successfully diversify into new services that will contribute more than €1 billion in revenues in 2018</td>
<td>Generate higher revenues in 2018 than in 2014</td>
</tr>
<tr>
<td>Achieve higher adjusted EBITDA in 2018 than in 2014</td>
<td>Offer 50% of training modules including a digital mode in 2018</td>
</tr>
<tr>
<td>Reduce CO₂ emissions by 50% per customer usage by 2020 compared with 2006</td>
<td>Increase the number of entrepreneurs supported by our initiatives in favour of local economic and social development by 15% per year</td>
</tr>
<tr>
<td>Reach 35% of women in our management networks in 2020</td>
<td>Collect 30% of customers’ used mobile phones by 2020 in Europe</td>
</tr>
<tr>
<td>Set supplier audit rates within the Joint Audit Cooperation (JAC) programme (tier 1: 10%, tier 2: 35%, tier 3: 50%, tier 4: 5%) by 2020</td>
<td></td>
</tr>
</tbody>
</table>
# Our Essentials2020 indicators

<table>
<thead>
<tr>
<th>Driver</th>
<th>Target</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cross-business</strong></td>
<td>Become and remain No. 1 in Net Promoter Score for 3 out of 4 customers by 2018</td>
<td>The Net Promoter Score (NPS) is the customer satisfaction metric that most accurately reflects perceptions of a brand and the degree of customer loyalty. It is measured by asking customers whether they would recommend a company to family or friends. This score is calculated by deducting the percentage of detractors from the percentage of promoters broken down by country and relevant segment. Each segment is weighted according to the number of customers in the Group’s percentage.</td>
</tr>
<tr>
<td><strong>Cross-business</strong></td>
<td>Improve Orange’s Brand Power Index in our different markets by 2018</td>
<td>This indicator is measured using the Brand Equity model developed by the specialised consultancy Millward Brown. The indicator shows predisposition for the brand independent from specific commercial factors, taking into account how meaningful, different and prominent the brand is in customers’ minds. It is a means of measuring the power of the Orange brand and the engagement of consumers.</td>
</tr>
<tr>
<td><strong>Offering enriched connectivity</strong></td>
<td>Triple average data throughput of our customers on both fixed and mobile networks by 2018 compared with 2014</td>
<td>Calculated in Mbps based on average data throughputs delivered respectively by our 3G, 4G and fixed Internet networks (ADSL and Fibre) and measured by independent third parties. Average data throughputs reflect our capacity to offer our customers richer connectivity, in line with growing data usage (streaming, HDTV, etc.).</td>
</tr>
<tr>
<td><strong>Reinventing the customer relationship</strong></td>
<td>Conduct 50% of customer interactions via digital channels in Europe by 2018</td>
<td>The share of digital out of all interactions (purchase, management, service) with our customers in France and the rest of Europe across all our channels (digital, call centre, stores).</td>
</tr>
<tr>
<td><strong>Building a company model that is both digital and caring</strong></td>
<td>Reach 90% of employees recommending Orange as an employer in 2018</td>
<td>Orange is committed to building a people-oriented and digital employer model with regular measurement in employee surveys of the percentage of employees who recommend Orange as an employer, both in France and other countries. This rate has been measured since 2010 in a twice-yearly survey of 4,000 employees worldwide conducted by an outside firm.</td>
</tr>
<tr>
<td><strong>Supporting the transformation of business customers</strong></td>
<td>Increase the share of IT &amp; integration services in the Orange Business Services revenue mix by 10 percentage points by 2020</td>
<td>Orange wants to be the trusted partner for companies in the digital revolution that is currently reshaping their business models, services and offers. Orange will measure the success of the transformation of its enterprise business model in light of the share of IT &amp; integration services in the Orange Business Services revenue mix.</td>
</tr>
<tr>
<td><strong>Diversify by capitalising on our assets</strong></td>
<td>Successfully diversify into new services that will contribute more than €1 billion in revenues in 2018</td>
<td>Orange is diversifying and exploring new areas in order to better anticipate the key needs of its customers and develop new services, in particular mobile financial services and the Internet of Things.</td>
</tr>
</tbody>
</table>
Orange is diversifying and exploring new areas in order to better capitalise on our assets. Diversify by transforming our business and offering new services that will contribute more than €1 billion in revenues by 2020.

### Resources

<table>
<thead>
<tr>
<th>By focusing on our clients and employees in our decisions and initiatives.</th>
<th>Percentage of customers who rank Orange as their No. 1 recommendation:</th>
</tr>
</thead>
<tbody>
<tr>
<td>By offering all customers services and prices aligned with their expectations.</td>
<td>– 2015: 47%</td>
</tr>
<tr>
<td>By improving the quality of the network and its perception by each of our customers.</td>
<td>– 2016: 55%</td>
</tr>
<tr>
<td>– 2018: 75%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>By deploying our new brand identity in all our host countries.</th>
<th>Number of countries where BPI is improving:</th>
</tr>
</thead>
<tbody>
<tr>
<td>– By providing customers with concrete proof of improvements in their Orange customer experience.</td>
<td>– 2014: base year</td>
</tr>
<tr>
<td>– By improving the quality of our network in critical areas for our customers.</td>
<td>– 2015: 8/9 (broadband and convergent) and 14/23 (mobile)</td>
</tr>
<tr>
<td>– By covering 95% of Europe in 4G.</td>
<td>– 2016: 6/9 (broadband and convergent) and 11/23 (mobile) vs 2014</td>
</tr>
<tr>
<td>– By launching 4G in countries in Africa and the Middle East.</td>
<td>– 2018: showing continuous progress</td>
</tr>
<tr>
<td>– By continuing the rollout of FTTH in Europe and the number of customers connected to fibre.</td>
<td>– 2015: 32.2%</td>
</tr>
<tr>
<td>– By targeting the rollout of fibre in Africa and the Middle East.</td>
<td>– 2016: 88.9% (France) and 86.2% (international)</td>
</tr>
<tr>
<td>– By offering a personalised and especially digital customer relationship, but always providing support if the customer needs it.</td>
<td>– 2018: 90% (France and internationally)</td>
</tr>
<tr>
<td>– By rethinking our store experience adding in digital and omni-channel.</td>
<td>Percentage of employees who recommend Orange as a good place to work in France and internationally:</td>
</tr>
<tr>
<td>– By making it easier for customers to manage all their services from their smartphone.</td>
<td>– 2014: 85% (France) and 84.3% (international)</td>
</tr>
<tr>
<td>– By developing online chat services for customer support.</td>
<td>– 2015: 86.9% (France) and 86.2% (international)</td>
</tr>
<tr>
<td>– By securing the skills needed for the future (training).</td>
<td>– 2016: 88.9% (France) and 85.2% (international)</td>
</tr>
<tr>
<td>– By developing our collective agility thanks to simplified processes and more collaborative work methods (Piazza).</td>
<td>– 2018: 90% (France and international)</td>
</tr>
<tr>
<td>– By fostering individual commitment (employee shareholding, participative innovation).</td>
<td>Percentage of employees who recommend Orange as a good place to work in France and internationally:</td>
</tr>
<tr>
<td>– By enriching connectivity services for enterprises.</td>
<td>– 2014: 30%</td>
</tr>
<tr>
<td>– By helping business customers through the transformation of their IT systems as they migrate toward to the Cloud.</td>
<td>– 2015: 32.5%</td>
</tr>
<tr>
<td>– By providing applications for customer relations, Internet of Things and data analysis.</td>
<td>– 2016: 40%</td>
</tr>
<tr>
<td>– By proposing flexible, mobile, collaborative environments.</td>
<td>– 2018: 50%</td>
</tr>
<tr>
<td>– By protecting customer networks and applications.</td>
<td>– 2014: 28%</td>
</tr>
<tr>
<td>– By developing new connectivity solutions and services for businesses and by offering BtoC customers a range of connected objects and services (e.g. for smart homes).</td>
<td>– 2015: 30%</td>
</tr>
<tr>
<td>– By becoming a major actor in the connected objects ecosystem.</td>
<td>– 2016: 32.2%</td>
</tr>
<tr>
<td>– By offering a broader range of mobile financial services, including through the launch of Orange Bank.</td>
<td>– 2020: 38%</td>
</tr>
</tbody>
</table>

### Data

- 2018: €228 million in revenues
- 2016: €323 million in revenues
- 2018: €1 billion in revenues
## Our Group indicators

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Generate higher revenues in 2018 than in 2014</td>
<td>Revenues for France, Europe and Africa and the Middle East regions include: mobile services, mobile devices sales, fixed services, and other revenues. This figure also includes revenue lines from the Enterprises sector and from International carriers &amp; shared services.</td>
</tr>
<tr>
<td>Achieve higher adjusted EBITDA in 2018 than in 2014</td>
<td>Adjusted EBITDA is operating income before depreciation and amortisation, before remeasurement resulting from business combinations, before impairment of goodwill and fixed assets, and before share of profits (losses) of associates and joint ventures, less any non-recurring items.</td>
</tr>
<tr>
<td>Offer 50% of training modules including a digital mode in 2018</td>
<td>Orange aims to bring its employees the same high-quality experience it delivers for customers. This experience is based on developing skills, creating expertise in new areas and facilitating career growth.</td>
</tr>
<tr>
<td>Reduce CO₂ emissions by 50% per customer usage by 2020 compared with 2006</td>
<td>Orange has been actively committed to controlling and reducing the environmental impact of its operations since 2007. Orange set a new objective at the COP21 climate conference in late 2015. Starting in 2016, the CO₂ emissions of the 10 main countries which account for 90% of the Group’s internal emissions (networks, buildings, vehicles) are calculated based on customer usage (base year: 2006). The method for calculating this indicator has been devised and audited by independent bodies. The indicator measures different types of usage (voice, data, TV, Internet, etc.).</td>
</tr>
<tr>
<td>Increase the number of entrepreneurs supported by our initiatives in favour of local economic and social development by 15% per year</td>
<td>As part of our position as a socially-engaged operator in our host communities and regions, Orange supports the development of new forms of business and entrepreneurship at the local level, in addition to our Open Innovation programme. Support is provided directly through targeted actions by Orange, as well as indirectly by contributing to the momentum of local digital ecosystems.</td>
</tr>
<tr>
<td>Reach 35% of women in our management networks in 2020</td>
<td>Ensuring access to management positions for women is a top priority in our workplace diversity policy.</td>
</tr>
<tr>
<td>Collect 30% of customers’ used mobile phones by 2020 in Europe</td>
<td>Natural resources are not limitless, which is why Orange has embedded the concept of a circular economy directly in its processes. This means recycling or reusing equipment and terminals, especially used mobile phones. Percentages refer to the number of mobiles collected out of the number of mobiles sold in Europe.</td>
</tr>
<tr>
<td>Set supplier audit rates within Joint Audit Cooperation (JAC) by 2020:</td>
<td>In 2011, Orange set up the Joint Audit Cooperation (JAC), an association of telecoms operators, and submits to audits. The JAC verifies, assesses and develops corporate social responsibility (CSR) implementation by Orange suppliers, including corrective action plans when necessary. The KPIs were reworked in 2016 to steer audits more towards covering the deepest levels of the supply chain, which are often where most cases of non-compliance are found. Tier 4 will be covered as of 2018. Working more closely with tier 1 suppliers could naturally lead to a reduction in the number of audits at this level. The tier 1 percentage could be adjusted based on the findings of audits performed at this level between 2017 and 2019.</td>
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<td>Tier 1: 10%; Tier 2: 35%; Tier 3: 50%; Tier 4: 5%.</td>
<td>The KPIs were reworked in 2016 to steer audits more towards covering the deepest levels of the supply chain, which are often where most cases of non-compliance are found. Tier 4 will be covered as of 2018. Working more closely with tier 1 suppliers could naturally lead to a reduction in the number of audits at this level. The tier 1 percentage could be adjusted based on the findings of audits performed at this level between 2017 and 2019.</td>
</tr>
<tr>
<td>Resources</td>
<td>Data</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| – By capitalising on our assets, developing new services, and winning new markets. | – 2014: €39.4 billion  
                              – 2015: €40.2 billion  
                              – 2016: €40.2 billion (+0.6% on a comparable basis)  
                              – 2018: higher than 2014 |
| – By controlling direct and indirect costs to ensure profitable growth.   | – 2014: €12.2 billion  
                              – 2015: €12.4 billion  
                              – 2016: €12.7 billion (+1.3% on a comparable basis)  
                              – 2018: higher than 2014 |
| – By developing e-learning, MOOCs, serious gaming and the My Skills internal job mart. | – Data prior to 2015: not disclosed  
                              – 2018: 50% |
| – By monitoring network energy use and sharing equipment with other operators. | Reduction in CO₂ emissions per customer usage:  
                              – 2016: –48.23%  
                              – 2020: –50% |
| – By cutting the CO₂ emissions of buildings, vehicles and travel.        |                                                                      |
| – By engaging with international standards organisations (ITU, ETSI, Cenelec, etc.). |                                                                      |
| – By embedding circular economy principles in our processes by 2020.      |                                                                      |
| – By supporting the economic and regional development of La Ruche, a collaborative co-working space for startups that want to make a social impact. | – 2015: 150  
                              – 2016: 239 |
| – By providing impetus for the creation of business incubators in Africa. |                                                                      |
| – By organising the annual Orange Social Venture Prize since 2011 in Africa and the Middle East. |                                                                      |
| – By helping create venture funds. The strong growth between 2015 and 2016 results from the opening of new sites. Average annual growth is expected to come to 15% by 2020. |                                                                      |
| – By deploying multiple initiatives to identify new female talents.      | – 2014: 24.5% women  
                              – 2015: 25.2% women  
                              – 2016: 27.3% women  
                              – 2020: 35% women |
| – By training managers to combat decision bias and the impact of stereotypes. |                                                                      |
| – By ensuring gender balance within talent pools (as part of Orange Graduate Programme recruitment, for example). |                                                                      |
| – By working with suppliers to extend the lifetime and maximise the reuse of network hardware thanks to a modular approach. | – 2014: 12.5% of used mobile phones collected  
                              – 2015: 14% of used mobile phones collected  
                              – 2016: 15.3% of used mobile phones collected  
                              – 2020: 30% of used mobile phones collected |
| – By offering commercial incentives and organising eco-citizenship initiatives across our distribution networks and with partners (public authorities, business customers, etc.). |                                                                      |
| – By cooperating with the Joint Audit Corporation, enabling Orange to benefit from a larger panel of audited suppliers. | – Average before 2015: tier 1: 40%, tier 2: 49%, tier 3: 5%  
                              – 2016: tier 1: 16%, tier 2: 55%, tier 3: 29% |
| – By working with level 1 and 2 suppliers to reach the more distant levels in the production chain. |                                                                      |
| – By implementing a full audit process across our own portfolio of suppliers. |                                                                      |
7. Resources
## Profil du Groupe

- **Around €17 billion investment in networks (2015-2018)**
- **8,000 employees working in research and innovation**

### Investments
- Coverage
- Convergence
- Rural areas
- Content
- Asset portfolio

### Innovation
- Local presence
- Collaboration and emulation
- Agility and skills sharing
- Research

### Open innovation
- Orange Fab
- Orange Digital Ventures
- Incubators
- Orange Developer
- Cooperative projects

### Brand
- A powerful Group asset
- Banner
- Promise

### Other Statistic
- **235 startups fast-tracked by Orange Fab and investments from Orange Digital Ventures**
- **$21.5 billion (over €19 billion) Current value of the Orange brand**
Multiple device ownership, mainstream use of online video and customers’ growing demand for online services and content have caused the boom in mobile uses and data traffic. To meet customers’ connectivity requirements, Orange is investing about €17 billion in its networks between 2015 and 2018. These investments are primarily being channelled into enhancing the customer experience, developing fixed and mobile very high-speed broadband, upgrading networks and expanding content.

- **Coverage**
  Our Group invests everywhere it operates, dense and less dense regions alike. In addition to extending its mobile network to cover more regions where people live, Orange is actively expanding connectivity. For example, in France service is developing along 12 motorways and the Paris-Lyon and Paris-Lille-Calais high-speed rail lines.

- **Convergence**
  Orange is the leading convergent operator in Europe, boasting 10 million customers with bundled offers covering fixed high-speed broadband, TV, mobile and other services. Since the acquisition of the cable TV operator Sun Communications in Moldova in June 2016, the Group offers convergent solutions in every European country where it is active.

- **Rural areas**
  We are developing digital infrastructure in rural areas in France through the “Orange Territoires Connectés” programme. The targets of the programme include improving the speed of fixed broadband service for 1 million households between December 2015 and December 2016, and for 2.5 million households by end-2019, and providing 4G coverage for 5 million more people over one year.

- **Content**
  In Europe, the Group renewed its partnership with Deezer in France and bought broadcast rights to air Spain’s Liga football matches. In Africa, Orange was the first operator to launch TV via ADSL and Fibre in Côte d’Ivoire at the end of 2016 and was selected in mid-December to operate a pay DTT licence through the joint venture set up with its partner Canal+ Overseas. Orange is also the first French operator to move into virtual reality with dedicated content via Orange VR Experience and by investing in startups such as Wevr.

- **Portfolio of assets**
  Orange bolstered its operations in Africa with the acquisition of Cellcom in Liberia, Tigo in the Democratic Republic of Congo, and Bharti group operations in Burkina Faso and Sierra Leone.
Our research and innovation teams form a vast community offering a wide range of expertise from nearly 8,000 employees, including researchers, engineers, designers, developers, data scientists, sociologists, graphic designers, marketers and cybersecurity experts. What do they all have in common? They all do jobs of the future.

■ **Local presence**
   These teams are located in 12 countries across four continents – from Silicon Valley to India, with innovation hubs in Africa and the Middle East. Each centre is integrated into a geographical ecosystem of its own, working closely with local markets. Teams work in network mode with local startups, companies, universities, research laboratories, etc., and with international collaborative bodies and projects.

■ **Collaboration and emulation**
   Imagining, leading and producing change to innovate takes the right management and mindset. It requires smooth dialogue and strong interpersonal relations. Orange wants to strengthen the concept of the integrated project by de-siloing disciplines to reward individual contribution and boost the Group’s innovation performance.

■ **Agility and skills sharing**
   Implementing agile work methods often involves rethinking ergonomics, offices and flows within innovation sites, especially at the new eco-campus, Orange Gardens. Work space has been organised by universe and by floor, with a platform structure to promote teamwork.

■ **Research**
   Orange research covers 650 employees (of which 140 doctoral or post-doctoral students) tasked with identifying technological disruptions and preparing the Group for them. The Orange Research Fair, the annual headline event, was held at Orange Gardens in 2016, welcoming nearly 3,000 visitors for some 40 demonstrations in five strategic areas:
   - 5G and its promise of “ambient connectivity”;
   - merge between Cloud and network, with the construction of an increasingly flexible, independent and intelligent software infrastructure;
   - the emergence of a “Web of Things” for intelligent, large-scale cooperation between objects, users and services;
   - artificial intelligence technology increasingly used in homes, on the move and at the office, and;
   - digital trust, a key component in building a digital and caring future, starting now.
Innovations from Orange invariably arise from the continuous dialogue between Group employees. Innovating also means working within an open ecosystem. Meeting, sharing and working together. This structure, open to the partners, customers and startups that make up today’s digital world, will enable us to bring our customers the simple, intuitive and useful innovations they want.

**Orange Fab**
This startup accelerator created in Silicon Valley in 2013 was rolled out in Senegal and Cameroon in 2016, and the network is now active in 12 countries across four continents. Startups are selected and supported by Orange in developing their business, and in some countries also receive funding and assistance with logistics. To date, more than 220 startups have been or are being fast-tracked by Orange Fab.

**Orange Digital Ventures**
Established in 2015 with funding of €100 million, the Group’s early-stage investment fund invests in innovative startups able to transform practices or anticipate disruptive business models in the Internet of Things, FinTech (financial technology), new forms of connectivity and other segments. In 2016, the fund invested in BandwidthX (connection marketplace) and KissKissBankBank (crowdfunding).

**Incubators**
Orange has co-founded startup incubators in five African countries: CTIC in Senegal in 2011, Ebene in Mauritius in 2013, Cipmen in Niger in 2014 and, in 2016, Saboutech in Guinea and Createam in Mali. These independent entities have already supported 31 startups and offered coaching for more than 1,000 young innovative companies. In France, Orange has supported the social incubator La Ruche since 2014, promoting the positive economy and its deployment across French regions.

**Orange Developer**
Under this programme, we open our service platforms to application developers to bring our customers more innovative services. At the end of 2016, some 40 application programming interfaces (APIs) were freely available in three areas: identification, payments and Cloud communications; Internet of Things and local services; and services for Africa and the Middle East.

**Cooperative projects**
As part of its significant involvement in joint-research programmes, Orange contributes to 10 business clusters and more than 80 cooperative projects both at the national level in France (FUI, ANR, Investissements d’Avenir programme) and at the European level (seventh European Commission framework programme, EUREKA/CETLIC, Horizon 2020, PPP FI, PPP 5G, etc.).

---

**Open innovation**
The Orange brand is a key asset for the Group, that differentiates it from the rest. It has evolved considerably over the years, keeping pace with our changing world and the development of social media. The Orange brand was created in 1994, before the world went digital. Today, it is present in 29 countries and serves 263 million customers every day.

A powerful Group asset
The Orange brand is currently valued at $21.5 billion (over €19 billion) by the firm Brand Finance, an increase of 13% compared with 2015. It ranks as the 51st most powerful brand worldwide and is the most valuable French brand.

Banner
The Orange brand is also the symbol that unites all 29 Orange countries and 155,000 employees serving more than 263 million customers daily. The Orange family welcomed three new countries in 2016: Belgium (formerly Mobistar), Egypt (formerly Mobinil) and Morocco (formerly Méditel), representing more than 50 million new Orange customers.

Promise
In the 21st century, a brand means more than its colour, or the shape of its logo, or even what it conveys in its promotional campaigns. A brand is built on experience. It is the culmination of the small day-to-day interactions it has with its customers. That is why the Orange brand has grown and developed to serve the Group’s goal focused on the customer experience. In this digital revolution that we shape every day, Orange wants to play an essential and meaningful role in people’s lives, by developing close relationships with them and focusing on what is essential for everyone. Every country upholds this promise that brings us together: “Helping with what’s essential”. From now on, each product, service and interaction meets these three principles:
- we are attentive to anticipate what our customers want so that they know we have heard them;
- we act rapidly and appropriately to fulfil our customers’ needs so that they see that we always meet their needs;
- we simplify our actions to concentrate on what really counts for our customers so that they know that we remain focused on what is essential for them.
8. Governance
## Board of Directors

<table>
<thead>
<tr>
<th>Chairman and Chief Executive Officer</th>
<th>7 independent directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 director representing employee shareholders</td>
<td>3 directors representing the public sector</td>
</tr>
<tr>
<td>3 directors representing employees</td>
<td></td>
</tr>
</tbody>
</table>

## Executive Committee

<table>
<thead>
<tr>
<th>Stéphane Richard</th>
<th>Ramon Fernandez</th>
<th>Pierre Louette</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman and Chief Executive Officer</td>
<td>Chief Executive Officer Delegate, Finance and Strategy</td>
<td>Chief Executive Officer Delegate, General Secretariat of the Group, Orange Wholesale France and Purchases</td>
</tr>
<tr>
<td>Gervais Pellissier</td>
<td>Christine Albanel</td>
<td>Jérôme Barré</td>
</tr>
<tr>
<td>Chief Executive Officer Delegate, Europe (excl. France)</td>
<td>Senior Executive Vice-President, Corporate Social Responsibility, Diversity, Partnerships and Inclusiveness</td>
<td>Senior Executive Vice-President, Human Resources</td>
</tr>
<tr>
<td>Thierry Bonhomme</td>
<td>Fabienne Dulac</td>
<td>Mari-Noëlle Jégo-Laveissière</td>
</tr>
<tr>
<td>Deputy Chief Executive Officer, Orange Business Services</td>
<td>Senior Executive Vice-President, Orange France</td>
<td>Senior Executive Vice-President, Innovation, Marketing and Technology</td>
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<tr>
<td>Béatrice Mandine</td>
<td>Bruno Mettling</td>
<td>Marc Rennard</td>
</tr>
<tr>
<td>Senior Executive Vice-President, Communication and Branding</td>
<td>Deputy Chief Executive Officer, Africa and the Middle East (MEA)</td>
<td>Deputy Chief Executive Officer, Customer Experience and Mobile Banking</td>
</tr>
</tbody>
</table>
Governance

Principles and governing bodies

Orange’s governance is in keeping with its constant concern for quality, efficiency, responsibility, balance and risk management. Its corporate governance structure reflects these guiding principles. To apply them, Orange refers to the recommendations set out in the corporate governance code for listed companies (Afep-Medef Code).

Orange Board of Directors
The Board of Directors, which met 11 times in 2016, presides over all decisions relating to the Group’s major strategic, economic, corporate, financial and technological policies implemented by Orange’s senior management. The current Board of Directors comprises 15 members: the Chairman, seven independent directors, three directors representing the public sector, three directors elected by employees and one director representing employee shareholders. Their term of office is four years. The Board appoints a senior independent director whose main role is to ensure smooth relations between the Board of Directors and the senior management at Orange.

Role of specialised committees
The Board of Directors is guided in its work by three specialised committees. Their mission is to provide informed input for the Board’s discussions and facilitate decision-making. These committees meet as often as necessary, and in 2016 met 19 times. Each committee is chaired by an independent director.

Composition of the Board of Directors
Chairman and Chief Executive Officer
Stéphane Richard

Director representing employee shareholders
Hélène Marcy

Directors representing employees
Daniel Bertho
Ghislaine Coinaud
Daniel Guillot

Independent directors
Alexandre Bompard
José-Luis Durán
Charles-Henri Filippi
Helle Kristoffersen
Bernard Ramanantsoa
Mouna Sepehri
Jean-Michel Severino

Directors representing the public sector
Nicolas Dufourcq
(representative of Bpifrance Participations)
Anne Lange
Lucie Muniesa
Audit Committee
This committee ensures that risk management and internal control systems are in place, and that their effectiveness is monitored. It also reviews the management reports and accounts, and that the information provided to shareholders is clear and reliable.

Governance and Corporate Social and Environmental Responsibility Committee
Its three main areas of expertise are the appointment and remuneration of corporate officers, corporate social responsibility and governance. The Committee applies this expertise and, in line with the Group’s strategy, reviews the main guidelines of the human resources and corporate social and environmental responsibility policy, based on discussions with the Group’s stakeholders. It also makes sure that the Group’s Code of Ethics is adhered to and is informed about the implementation of compliance programmes covering ethics, anticorruption, international economic sanctions and mobile financial services.

Innovation and Technology Committee
This committee was set up to contribute to informing the opinion of the Board of Directors about issues involving innovation and value creation. The Committee also reviews the Group’s objectives for innovation and research.
Management

Orange’s General Management Committee is composed of the Chairman and Chief Executive Officer, Stéphane Richard, and 11 other Executive Committee members.

Executive Committee

The Executive Committee steers the Group and coordinates the implementation of its strategy. It monitors the Group’s progress towards achieving operational, social and technical targets, and the allocation of financial resources.

Several specialised committees have been set up to report to the Executive Committee. The main objective of these committees is to manage the risks involved in honouring the Group’s financial commitments, thereby limiting its overall exposure:

– the Group Investment Committee focuses on reviewing the Group’s financial commitments;
– the Treasury and Financing Committee defines the framework for managing the Group’s financing and debt;
– the Tax Committee looks into the Group’s principal tax issues to determine the impact, if any, on the Group’s books;
– the Claims and Commitments Committee studies the Group’s main disputes and contractual obligations to ensure that any risks related to them are covered in the form of accounting provisions;
– the Risk Committee reviews the Group’s primary risks and submits recommendations to the Executive Committee pertaining to risk management and internal control;
– the Employment and Skills Committee plays a special role in implementing the Group’s employment policy;
– the Disclosure Committee checks the completeness, accuracy, consistency and quality of Orange’s financial disclosures and their compliance with applicable laws, regulations and best practices.

Composition of the Executive Committee

1. Stéphane Richard
   Chairman and Chief Executive Officer

2. Ramon Fernandez
   Chief Executive Officer Delegate, Finance and Strategy

3. Pierre Louette
   Chief Executive Officer Delegate, General Secretariat of the Group, Orange Wholesale France and Purchases

4. Gervais Pellissier
   Chief Executive Officer Delegate, Europe (excl. France)

5. Christine Albanel
   Senior Executive Vice-President, CSR, Diversity, Partnerships and Inclusiveness

6. Jérôme Barré
   Senior Executive Vice-President, Human Resources

7. Thierry Bonhomme
   Deputy Chief Executive Officer, Orange Business Services

8. Fabienne Dulac
   Senior Executive Vice-President, Orange France

9. Mari-Noëlle Jégo-Laveissière
   Senior Executive Vice-President, Innovation, Marketing and Technology

10. Béatrice Mandine
    Senior Executive Vice-President, Communication and Branding

11. Bruno Mettling
    Deputy Chief Executive Officer, Africa and the Middle East

12. Marc Rennard
    Deputy Chief Executive Officer, Customer Experience and Mobile Banking
Risk management

Orange takes a continuous improvement approach to internal control and risk management. The system is structured into a set of procedures and controls applied by the General Management and all employees and overseen by the Board of Directors.

These processes aim to provide reasonable assurance as to the achievement of the Group’s operational targets, its compliance with laws and regulations and the reliability of financial reporting. The system is designed to comply with the US Sarbanes-Oxley law, France’s Financial Security Law of 17 July 2003, the French Government order of 8 December 2008, which transposed the eighth European Company Law Directive, and the order of 17 March 2016, which transposed the European Audit Directive 2014/56/EU to amend the 2006 directive on statutory audits of annual accounts and consolidated accounts. It also includes policies and systems covering insurance programmes, ethics, compliance and security.

The Group’s General Inspection department reports directly to the Chairman and performs checks and inspections on any Group entity solely on his request. It is informed of work carried out by the general control and internal audit teams and can seek their assistance. The Group General Inspector chairs the Risk Committee.

In application of the Board’s internal regulations, the Audit Committee, which reports to the Board of Directors, is responsible for making sure that the efficiency of the internal control and risk management systems is monitored.

For more information about Orange’s governance, please refer to the 2016 Registration Document online: www.orange.com
9. Ethics and Responsibility
Orange is committed to conducting its business activities in a healthy and ethical business environment that complies with the laws and regulations applicable to our Group. The goals in our Essentials2020 strategic plan, especially as regards international growth and the development of new services, make our commitment to ethics even more necessary, especially when it comes to anticorruption and human rights issues, and as a responsible purchaser and taxpayer.
Business conduct and anticorruption

Orange pledges to conduct its business activities in accordance with rules of ethics and an uncompromising anticorruption policy. By rigorously applying these rules, we want to foster and develop trust with all our stakeholders, starting with our employees and customers.

Consolidation of our ethics policy
Group employees can find out about ethics and compliance through the set of guidelines laid down in our Code of Ethics. In France, this code is available for all employees on a special intranet site, Ethics and Compliance. The procedure for declaring conflicts of interest was revised in 2016, after which the “Practical guide for identifying, preventing and managing conflicts of interest” was issued. Its implementation began in Q4 2016. E-learning modules on ethics and anticorruption are also available on the Group intranet and website pages developed by divisions and countries.

Moving forward in preventing corruption
Taking its anticorruption policy further, in 2016 Orange started rolling out its new due diligence procedure to review its partners, called “iDDfix”, covering fraud and compliance in three countries. The procedure is designed to protect the company and its stakeholders, gaining a deeper understanding of our partners and the risks involved in doing business with them. Meanwhile, Orange reworked some of its chief procedures to boost their efficiency and consistency, for example the self-assessment questionnaire on the maturity of local anticorruption policies. The anticorruption audit programme was also considerably strengthened.

Tax transparency
The Group is committed to upholding tax transparency and releases a full list of parent company Orange SA’s consolidated companies and companies accounted for under the equity method. We provide information on the taxes and levies paid in our Registration Document. In line with our commitment to tax transparency, the Group released detailed information in 2016 about taxes paid in each country.
Responsible purchasing

The Group’s responsible purchasing policy must contribute to the economic performance of the company and its subsidiaries while ensuring smooth, sustainable relationships with our suppliers and contractors. Our action to promote responsible purchasing is primarily reflected in our involvement, as a founding member, in the Joint Audit Cooperation (JAC), a global industry initiative launched by telecoms operators to raise transparency standards within the ICT supply chain.

Intense activity in the JAC
In 2016, JAC members conducted 69 audits, covering 70,000 employees in all. The organisation held its forum in China in January 2016, drawing 115 representatives from the ICT chain of contractors. A new smartphone-enabled auditing solution was presented at this event aimed at bringing operators closer together with their tier 1 suppliers and enhancing relations between them. The end goal is to jointly steer audits further into the supply chain to detect and correct cases of non-compliance.

Driving development
Orange contributes to regional development and local employment, making it easier for companies from the sheltered sector and innovative SMEs to participate in our tenders. The Group has implemented a simplified purchasing process for the 236 SMEs and startups involved in its open innovation projects, covering €135 million in purchases. Along the same lines, Orange offered SME contractors a collaborative reverse factoring solution, offering them financing options through a special online platform. At end-2016, 15 suppliers had signed up to the programme, for a total of €41 million in receivables.
Human rights and freedom of expression

Orange firmly believes in the importance of promoting the values of respect and humanism, for its employees and all its other stakeholders. This commitment is reflected in its involvement in international initiatives for human rights. As a telecoms operator, we take steps to ensure that human rights are respected in the use of digital technology, especially in terms of freedom of expression and personal data protection. That is why we participated in creating the Telecommunications Industry Dialogue (TID), under which we defined 10 guiding principles addressing freedom of expression and privacy issues in the information and communication technology (ICT) industry.

Focusing on human rights
In 2016, the TID joined forces with the Global Network Initiative (GNI), another organisation that shares a deep concern for freedom of expression and personal data protection. As a result of their collaboration, Orange now has official observer status within the GNI. In France, the Group has actively contributed to defining France's national action plan to apply the United Nations Guiding Principles on human rights. To maintain transparency standards, Orange has published its third report listing government requests for wiretapping and requisitions.

Freedom of expression: a crucial issue
In 2016, we participated for the second time in the assessment process led by the organisation Ranking Digital Rights on freedom of expression and privacy to evaluate the 20 largest ICT companies worldwide. The findings will be used to optimise our procedures and enhance dialogue at Orange concerning the issue of freedom of expression.
Ecological transition

Orange deploys solutions and ambitious action plans to guide the ecological and energy transition in the areas of climate change, management of natural resources and waste, and protection of biodiversity.

A systemic approach
At the end of 2016, ISO 14001 certification covered 66.87% of the Group's scope, surpassing the target set at 60%. All previously certified entities passed their recertification or monitoring audits, and Orange France joined the other fully certified subsidiaries in Spain, Slovakia, Romania, Egypt and Mali, along with Orange Marine and the Group's headquarters. In line with the commitment made at the COP21 climate change conference to integrate circular economy principles into our processes by 2020, a special committee was set up and had its first meeting in November 2016. Discussions on the issue were held with stakeholders until March 2017, focusing on four countries: France, Poland, Egypt and Spain.

Reducing our carbon footprint
Orange reduced all its CO₂ emissions by 48.23% per customer usage between 2006 and 2016. Information systems and networks represented almost 68.2% of the Group's CO₂ emissions and 72% of its energy consumption over the year. A number of advances were made in 2016 in the vast action plan launched in 2008, Green ITN 2020: stronger cooperation with suppliers to develop energy-efficient telecommunications equipment, energy audits performed at 13 major technical sites, continued rollout of solar energy at radio sites in Africa and the Middle East with more than 2,800 sites in operation.
These measures saved 3.5 TWh in electricity between 2010 and 2016, representing 77% of our annual electricity consumption or the equivalent of more than 217 million litres of fuel. For its office buildings and fleet of vehicles, the Group continued rolling out multi-fluid meters (installed at 120 sites as at end-2016) and had deployed 650 shared vehicles at the end of 2016. In 2017, the target is to bring over 1,000 additional vehicles into what is already the largest private carsharing fleet in France.

**Natural resources**

To increase the amount of equipment collected and sorted for reuse, and to improve waste recycling, traceability and recovery, Orange has upgraded and optimised its waste management systems and encourages the collection of customers’ mobile phones.

In 2016, 54,852 tonnes of waste were recovered (8.3% more than in 2015). In Europe, a centralised process was set up to reuse network equipment. In parallel, a project is being tested in Senegal on 45.3 tonnes of waste electrical and electronic equipment from the network. It features optimised financial and environmental advantages with high component traceability (electronics, ferrous and non-ferrous metals).

In 2016, 15.3% of used mobile phones were collected from our customers (up 9% from 2015). This increase is mainly due to the strong performance in Romania, where the collection rate comes to 34%, France (19.3%) and Slovakia (15.9%). Across the Group, 1.8 million mobile phones were collected in 2016, for a total of almost 10 million since 2010.
Orange Foundation

Thirty years of philanthropy to help millions of people in difficulty to get off to a new start in life. Through its Foundation, Orange has been working selflessly for men and women who would otherwise miss out on the essentials: schools, work and healthcare. The Orange Foundation helps them get back on their feet in this world, with the help of 8,000 dedicated employee volunteers.

Digital education
Digital technology has become essential and should represent an opportunity for everyone. That is why in France and in the 29 countries where Orange operates, the Orange Foundation implements digital outreach programmes aimed at young, unskilled workers, needy children, children who do not attend school, and women living in social precarity. Many of them have already benefited from the main programmes: 8,000 jobless young people have been or are being trained in digital production at our 61 Solidarity FabLabs, while 11,000 unskilled women attend our 118 Digital Centres to improve their employability. And 130,000 school children without books or the Internet have regained access to school resources through our offline digital education kits.

Cultural sponsorship
The Orange Foundation contributes to discovering young talent and promoting choirs, orchestras and groups of singers. More than 120 musical groups have benefited from the Foundation’s sponsorship. It also supports festivals, operas and academies that play an active role in spreading music and making it accessible to the widest possible audience. And finally, the Orange Foundation is the leading corporate sponsor of live transmissions of opera in cinemas and open-air theatres.

Healthcare programmes
The only corporate foundation committed to helping people with autism and their family, the Orange Foundation supports research, finances care centres, develops digital applications to facilitate learning, and acts for the inclusion of people with autism in sports, music and the workplace. In nine African countries where Orange is active, the Orange Foundation helps mothers and children under five access treatment in urban health centres, and has also provided 55 isolated villages with a water point, a health centre and a school. Nearly 400,000 people benefit from it.
10. Performance
Share performance in 2016

After surpassing indexes in the first half of the year, the Orange share showed a less stellar performance but remained above the average for telecoms industry stocks over the year. The dividend payment of €0.60 per share in respect of 2016 has been confirmed, subject to the approval of the Annual General Meeting of Shareholders, but a higher dividend of €0.65 will be proposed for 2017.

€0.60
dividend per share for 2016
(subject to the approval of the AGM)
2016 operational and financial figures

€40.9 billion
consolidated revenues

% per country
44.6 France
12.2 Spain
6.4 Poland
3.0 Belgium & Luxembourg
4.0 Central Europe
12.1 Africa and the Middle East
14.8 Enterprises & International operators & shared services

263 million
customers in 29 countries

28.1 million
4G customers in Europe
28.9 million
Orange Money customers
3.3 million
Fibre customers

17.0% investment in telecommunications out of consolidated revenues

€12.682 billion
adjusted EBITDA
€3.263 billion
net income

1.93 x ratio of net debt to adjusted EBITDA for telecoms businesses
17.0%
investment in telecommunications out of consolidated revenues

€12.682 billion
adjusted EBITDA

€3.263 billion
net income

1.93x
ratio of net debt to adjusted EBITDA for telecoms businesses
### 2016 extra-financial figures

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>11</strong></td>
<td>Board of Directors meetings in 2016</td>
</tr>
<tr>
<td><strong>8</strong></td>
<td>Audit Committee meetings in 2016</td>
</tr>
<tr>
<td><strong>7</strong></td>
<td>Governance and Corporate Social and Environmental Responsibility Committee meetings in 2016</td>
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<tr>
<td><strong>4</strong></td>
<td>Innovation and Technology Committee meetings in 2016</td>
</tr>
</tbody>
</table>

1.42 million tonnes of CO₂ emitted in 2016 (scopes 1 and 2)
155,000 employees

% by business line

<table>
<thead>
<tr>
<th>Business Line</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and customer services</td>
<td>48.9</td>
</tr>
<tr>
<td>Innovation and development</td>
<td>2.3</td>
</tr>
<tr>
<td>Management and support</td>
<td>13.1</td>
</tr>
<tr>
<td>Content and multimedia production</td>
<td>0.4</td>
</tr>
<tr>
<td>IT and information systems</td>
<td>9.1</td>
</tr>
<tr>
<td>Technical and networks</td>
<td>23.9</td>
</tr>
<tr>
<td>Other</td>
<td>2.3</td>
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</tbody>
</table>

% per country

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>61.6</td>
</tr>
<tr>
<td>Spain</td>
<td>4.7</td>
</tr>
<tr>
<td>Poland</td>
<td>10.3</td>
</tr>
<tr>
<td>Africa, the Middle East and Asia</td>
<td>9.9</td>
</tr>
<tr>
<td>Europe</td>
<td>4.6</td>
</tr>
<tr>
<td>Orange Business Services</td>
<td>7.4</td>
</tr>
<tr>
<td>Rest of the World</td>
<td>1.5</td>
</tr>
</tbody>
</table>
Contacts

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Individual shareholders
orange@relations-actionnaires.com
orange.com/en/Individual-shareholders

Useful links

Integrated Orange annual report
rai2016.orange.com/en

Orange Group corporate website
orange.com

Orange Business Services
orange-business.com

Registration Document
orange.com/en/Group/Investors/Regulated-information

CSR information
orange.com/csr

Careers with Orange
orange.jobs

Healthcare
healthcare.orange.com/en

Orange Foundation
fondationorange.com/en

Digital Society Forum
digital-society-forum.orange.com

“Bien vivre le digital” forum
bienvivreledigital.orange.fr

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