

# Orange notebooks 2012

challenges

simplicity

innovation

talents

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profile

commitment





# challenges



Stéphane Richard, Chairman and Chief Executive Officer



Orange demonstrated impressive resilience in 2012 amidst very significant competitive and regulatory pressures. We have a clear roadmap and we are more committed than ever to meeting the challenges ahead.

Our 2012 results allow us to invest in the future and continue to innovate for the benefit of everyone. We contained the decline in revenues and reached our operating cash flow target while increasing investments. The Group's 170,000 people serve 231 million customers, a number that continues

to grow. This performance is the result of an effective commercial strategy, the high quality of our services and our excellent networks.

We begin 2013 with a sustained focus on bringing customers a distinctive difference while continuing rigorous management of finances. We

recognize that major challenges lie ahead in 2013, but we also know we have the assets to meet them, first and foremost the talented people of our Group. Our capacity for innovation, our networks and our vast international reach are all strengths that will let us win this battle. Most importantly, we

will win while  
remaining true to our  
values, the values  
of an engaged and  
responsible enterprise  
committed to  
supporting its  
customers in the  
digital world.

Thank you for your  
confidence.

# launched in 2010, our conquests 2015 project has reached the midpoint

∞

Based on four pillars, this initiative has helped establish more harmonious labour relations and consolidated Orange's market positions, especially by emphasising the distinctive quality advantages of our network and customer experience. At the same time, it has accelerated our international development. This progress has been achieved despite the economic crisis in Europe and has been accompanied by the "chrysalid programme" to boost operational efficiency and optimise costs designed to achieve savings of three billion euros by 2015.

## **the Group's people are a major asset**

Orange's 170,000 people around the world are all mobilised behind conquests 2015. Their engagement is essential to the Group's performance and success. Orange aims to be the benchmark operator in terms of delivering the best customer experience, which is only possible thanks to the talent and well-being of our teams. When employees feel fulfilled in their work and confident in the future, they are able to apply their skills and guarantee customer satisfaction.

A social contract in France and the Orange people charter in 23 countries underpin this confidence and support the development of employees. Through this initiative Orange intends to figure among the preferred employers in all the main countries where we operate. We pursue our objectives through a proactive employment policy that provides visibility for each individual and enhanced working conditions, along with greater responsibilities and recognition for managers. These efforts have already had tangible results:

- 50% of employees believe that the quality of their working environment is superior to that at other companies (compared with 28% in 2010);
- Orange received the Top Employer award in Belgium, Spain, France, Poland, the Dominican Republic, Romania and Slovakia;
- 58% of the Group's managers have taken part in Orange Campus training sessions, and the first Asia-Pacific hub has been created in India to train managers in the region.

### **high-performance fixed and mobile networks provide broadband access for all**

Because networks constitute the foundation of our business, they are more central than ever to all our challenges. Orange boasts world-class expertise in networks with powerful, ultra-modern infrastructures that act as true growth drivers. As more and more people around the world stay connected via multiple devices and data volumes keep growing exponentially, networks must continually deliver more bandwidth to accommodate this revolution in uses. Without networks, there is no streaming video, no networked games, no photos attached to email.

The rise in multimedia content makes it essential to provide more bandwidth. To meet this challenge, our network strategy revolves around four priorities: expand our coverage and increase speeds, continually improve service quality, leverage the value of our data transport services, and last but not least, limit the economic and ecological

impacts of our network operations.

We have already achieved significant advances within the framework of conquests 2015:

- 3G has been deployed in 15 countries in Africa and the Middle East;
- there are now 1.7 million households eligible for fibre in France and FTTO (Fibre To The Office) coverage has expanded with the connection of 5,000 cities;
- over a million broadband lines were connected in Poland in 2012;
- the upgrade programme for the mobile access network is 65% completed in a dozen countries, including Belgium, Spain, Egypt, France, Poland, Romania and Slovakia;
- the ACE (Africa Coast to Europe) submarine cable partially entered service, bringing high-speed Internet access to a first group of 13 countries.

### **making the digital lives of our customers simple and convenient with new services and the best possible experience**

Orange aims to be the preferred choice for our customers, and to achieve this goal we invest in the future and innovate for everyone. We believe we can establish our difference in a fiercely competitive market by guaranteeing the absolute best quality of service, by listening closely to our customers, and by satisfying their needs and expectations. Our strategy spans three dimensions: we support customers in their digital lives with solutions that are simpler and more reliable, we continually enrich our content offering through partnerships with leading content providers, and we develop innovative services.

As part of conquests 2015 we recorded a number of achievements:

- 4G offers were launched in June 2012 in France, Moldova and Luxembourg;
- Orange Money already counts 5.6 million customers in 13 countries across Africa and the Middle East;
- the new customer service centre opened in Oviedo, Spain;
- 60,000 customers have signed up for Cloud Pro in France, voted the best cloud

service (WCA);

- nearly 3 million SIM cards sold for the Internet of things;
- launch of new “Animals” mobile plans in Armenia, Belgium, Moldova, Poland, the Dominican Republic and Romania;
- 100 customer fulfilment processes simplified in 24 countries;
- over 600 offers were tested in 25 customer test centres.

### accelerating our international development

Orange is targeting 300 million customers worldwide by 2015. We have focused our development on emerging markets with significant potential thanks to robust growth in consumer purchasing power and working population. Our goal is to generate

7 billion euros in revenues in emerging countries by 2015, concentrating on Africa and the Middle East, where we are already a major player. This development will build on the deployment of new technologies for both the consumer and business markets. We are already No. 1 or No. 2 in the mobile market in 75% of our markets in Europe and 83% of the countries where we operate in Africa and the Middle East. We now count a total of 231 million customers worldwide. Since the launch of conquests 2015 we have recorded continuous progress:

- purchased or acquired equity interests in Tunisia, Morocco, Iraq and the Democratic Republic of the Congo;
- acquired 100% of Simyo, an MVNO operator in Spain with 380,000 customers.



ensure the development of **our people**

develop our **growth opportunities**

rely on more efficient and better shared **operating models**

– **the social contract in France and the Orange people charter**

– a renewed innovation chain: **nova+**  
– **6 strategic programmes**, among our strategic priorities

– **chrysalid**: a 3 billion euros operational efficiency programme  
– **customer experience 2015**



# major campaigns for 2013

Networks and customers are the two key challenges where we are focusing our efforts to build our distinctive difference. We are doing this by deploying best-in-class, reliable networks that offer continually faster speeds. But also by winning and retaining customers who above all want quality, security and value-added services.

# our networks make difference

We want our customers to enjoy access to all the services they need wherever they are, any time and from any device. That's why we continually work to enhance the performance of our networks with better coverage, more bandwidth, reduced latency, plus greater security and reliability, all while optimizing costs to meet the challenges of burgeoning traffic volumes.

## **deploying very-high-speed mobile networks**

Data services are expanding at exponential rates. To accommodate this growth, mobile networks are readying deployment of 4G with LTE (Long Term Evolution) technology. 4G creates exciting benefits for customers thanks to higher speeds, greater capacity and faster response times. Orange is

investing in all its host countries to roll out 4G at precisely the right time to ensure adequate terminal availability and superior network quality from day one. By 2015 we aim to deploy 4G networks in particular in the European countries where we operate. This 4G programme has already begun in: – Luxembourg, Moldova and Romania, where we introduced the first 4G mobile

services in capital cities in late 2012;

- France, where Orange 4G has been deployed in major cities including Paris (Opéra district), Marseille, Lyon, Lille and Nantes. We were the first operator to market an offer for small and large business customers in 2012. Deployment will accelerate in 2013 as 4G is rolled out in 15 more cities in April;
- Belgium and Spain, where technical deployments have been launched;
- the United Kingdom, where EE offers 4G in twenty of the country's largest cities, including London, since October 30, 2012. The objective is to cover 98% of the British population by the end of 2014;
- 4G services have been launched as well in Mauritius and the Dominican Republic.

In the interim we continue to optimize service for customers by boosting the performance of mobile networks in Europe with H+. In addition, Orange launched a 3G network in Côte d'Ivoire in June 2012, bringing the total number of 3G/3G+ networks in the AMEA region to 15. Ongoing network enhancements also let us introduce value-added services such as digital content offers, and ensure the ongoing success of strategic initiatives with partners like Dailymotion or Deezer.

### **connecting a maximum number of customers to very-high-speed fixed networks**

In today's ever-more connected world, optical fibre is the technology best able to support constantly rising information flows and the explosion in new uses, ensuring that everyone enjoys a unique digital experience with optimal comfort. This is why we are actively deploying fibre networks that will revolutionize use in both homes and offices. We are pursuing this objective by accelerating programmes to connect more and more customers:

- in France, we launched an ambitious fibre buildout program two years ago, representing 2 billion euros in planned investments by 2015. At the end of 2012 we already counted 176,000 fibre customers and reached 1.7 million connectable households.

We also launched a pilot programme in the Paris suburb of Palaiseau, France's first 100% fibre city, and Orange Business Services already covers all French cities with over 50,000 inhabitants and expanded its very-high-speed connections offering for businesses in small and mid-size towns;

- in Spain we continue to deploy fibre as part of public and private partnerships in Madrid, Barcelona and Valencia. We also announced an ambitious four-year investment plan in 2012 to cover 1.5 million homes in the country's major cities;
- in Poland, we continued to build a high-speed broadband network that already comprises 1.2 million lines;
- in Slovakia, Orange already has 56,000 fibre-optic accesses.

### **connecting continents with submarine cables**

As a stakeholder in over 40 major cable systems and consortiums, Orange has to date contributed to laying more than 450,000 kilometres of fibre-optic submarine cable around the world. This high-capacity network lets us handle increases in traffic while guaranteeing service quality. These networks also help end the digital isolation of the African continent, especially thanks to two new submarine cables that were lit in 2012:

- ACE (Africa Coast to Europe), a 12,000-kilometre cable that links 13 countries in Africa and Europe. Two landlocked countries, Mali and Niger, will also enjoy service thanks to a terrestrial extension. Nigeria will also be connected to the cable in 2013. This launch is the first phase of the ACE cable, which will ultimately cover 17,000 kilometres. ACE makes an important contribution to democratising access to broadband Internet in Africa. In the second phase almost a dozen more countries will be connected, including South Africa;
- LION2, which for the first time brings broadband to Mayotte and strengthens connectivity for Kenya. The service launch of LION2 completes the second phase in the Group's project to bring broadband Internet services to the Indian Ocean region.

# winning the battle for customers

Because telecommunications markets are more competitive than ever, we constantly sharpen our commercial and distribution efficiency and strive to earn the confidence of our customers.

## **be the leader in customer experience**

While pricing is an essential and decisive element in winning customers, it is not the only factor. We offer extremely competitive rates segmented to meet the needs of every customer profile. Our Sosh offer, for example, has already recruited 800,000 customers in France after just 15 months.

This battle is above all won with quality customer relations. We believe that a local physical presence and personalized relations

are decisive for customers who place a premium on service and value-added advice. Our 360° customer contact channels – phone, stores, Web chat or e-mail – let us deliver a unique experience. Our objective is to focus on enhancing the quality of this experience to secure loyalty and lay foundations for future growth. Recognizing and rewarding the loyalty of our best customers is essential through selected offers like “Best Plan” in the UK or “Orange Garancia” in Slovakia.

**monetizing data is a fundamental imperative**

Mobile Internet must become a major source of revenue for the Group in the coming three years. Revenue streams from voice and SMS are subject to pressures from competition, regulation and the emergence of new Web-based communication services. What's more, growing data traffic volume requires permanent investments in our networks. Our challenge is to convert this data consumption into revenue.

To do this, we're developing new models that integrate quality, consumption volume and applications, (including, for instance, making smartphones easily available for everyone) and tailored data plans.

Our "Animals" segmented rate plans have been a huge success throughout Europe. Monetizing data also means establishing a more balanced Internet business model since this will impact our future performance. This new model must in particular ensure fair sharing of value between operators and the service providers who currently use our networks without making a significant contribution to financing this infrastructure. We need to do all this while providing greater security and confidence for our customers through services such as contactless payment or parental control solutions.

**marketing products and services attuned to local needs**

Innovation is a major lever for winning customers, so long as it leads to useful services introduced when people truly want them. This is why our innovation is 100% customer-centric. We offer technological innovations to be among the first to introduce applications that make life simpler and create real added value. One example is "joyn", a person-to-person communication service that lets people share files or videos while chatting. Another is Livebox Play, an exciting, more powerful and simpler multimedia experience thanks to dual-band Wi-Fi for optimal sharing of bandwidth within the home. Useful innovation also means solutions that let business customers better manage their operations and enhance relations with their own customers. We also provide them with cloud computing and telepresence offers that make businesses more versatile and cost-efficient, plus forward-thinking connectivity services (M2M). Innovation applies to marketing as well, with segmented offers to enable each customer to find the solution tailored precisely to their usage and budget. Our ability to offer a range of choices and adapt our offering to customers' use is thus a critical success factor. Upstream, this requires intimate understanding of customer expectations and anticipation of market trends to roll out attractive offers at the right time and the right place.

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# simplicity

# simplify the digital lives of our 231 million customers

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More than 70,000 Orange employees are available every day in our stores, online and via our call centres to assist customers. In our extremely competitive, constantly changing environment, we believe that delivering the best possible customer experience at each contact-point makes all the difference. This is why Orange strives to deliver even more in addition to our technically advanced solutions, attractive tariff plans and innovative services.

Customer service is one of our core strengths. It reflects our ability to listen carefully and act on customers' issues, and demonstrates our employees' genuine commitment to offering personalised solutions to individual needs. Our goal is to become the standard of excellence in customer service at every level. Orange has launched a number of initiatives in all countries to help us go the extra mile and set us apart from our competitors and strengthen customer loyalty in all markets.



Simplicity is our top priority. Everywhere in the world, Orange is committed to offering customers the solutions and services they need and the care they expect throughout their digital lives.

# provide the best possible customer experience



This means being the best at every stage in the customer experience – when a customer first contacts us, walks through the door at an Orange store, calls one of our call centres, or purchases one of our products or services. We have numerous assets that put us ahead of our competitors. An unrivalled sales network, efficient call centres and well-staffed teams of service technicians mean that we work in close geographic proximity to our customers. We operate a powerful and reliable state-of-the-art network. Plus, we maintain a relentless focus on research and innovation through a 5,000 strong dedicated staff community around the world. In 2013, we are focusing on bringing customers the benefits of the latest technological advances in mobile services and connected solutions for the home, spurred by new-generation fibre-optic and 4G networks.

## priority on simplicity

In an ever-changing, increasingly high-tech world, customers want products and services that are immediately available and

make their daily lives easier. At Orange, we transform complex technology into simple solutions. We do this by addressing the vast diversity of needs and uses with a more compact portfolio of easier to understand offers, an enhanced customer experience, more customised services and reliable, flexible and responsive network architectures.

This focus on simplicity is reflected at every level:

### **offers**

Over the last three years, Orange has introduced a range of converged packages which combine fixed and mobile telephone, TV and Internet, such as our Open quadruple play offer in France. Equally successful in several other countries is our segmented Animals range which is tailored to individual needs and profiles. In 2012, we launched the Ballena tariff plan in Spain, which offers a second SIM card to customers with a mobile phone and tablet device. Our Origami and other ranges in France have been simplified to make them easier to understand and better aligned with customers' needs;

### **innovation and technology choices**

The Group's Technocentre and Orange Labs around the world develop and deploy

solutions to help make everyday lives easier. They include Orange Cloud, contactless technology (NFC) and RCS (Rich Communication Suite), which is poised to revolutionise the mobile use. Following the launch in Spain, Orange will become the first operator in France to offer RCS-enhanced handsets as from summer 2013;

#### **customer experience paths**

We are rethinking the way we engage with customers to create a simpler, smoother experience at every level. A Group-wide programme, already implemented at 24 subsidiaries, has flowed through to over 100 initiatives that enhance the customer experience. These include a Web-based “moving home” support service in France, the “my first smartphone” path launched in four countries, new customer services in Kenya and enhanced electronic billing for customers in Poland. For businesses, the Group deployed 15 segmented customer experience paths in 2012.

## make quality of service our hallmark

Quality of service and good customer relations play a fundamental role in improving customer satisfaction and loyalty. A Group-wide continuous improvement initiative ensures tangible ongoing enhancements in three areas:

#### **quality networks**

For the third consecutive year, Orange was ranked as France’s best mobile network by French regulator ARCEP. This technological quality leadership is also a powerful differentiator in African and Middle East markets. In 2012 we invested 3.2 billion euros to sustain the superior quality of our networks. We continually monitor network quality of service and run regular customer tests as we build out current

infrastructure and deploy next-generation networks to pave the way for new services. These include the deployment of fibre in France, 3G/3G+ in Africa and the Middle East, and H+ and 4G very-high broadband mobile services, which are expanding fast in Europe, Mauritius and the Dominican Republic;

#### **quality customer relations**

The growing number of Orange customer test centres is one of the main tangible outcomes of efforts in this area. Following the opening of facilities in Armenia, Belgium, Jordan and Mauritius, Orange and Orange Business Services now operate a network of 25 test centres in countries which have adopted “time to market” business processes. Kenya and Tunisia will open test centres in 2013.

In 2012, customers tested and shared recommendations for more than 600 offers (10% more than the previous year). Orange has also stepped up deployment of self-help applications, such as “Orange et moi”, “Orange Wi-Fi Connect” and “Assistance Livebox”. These apps enable customers to perform their own checks and fix issues regarding the status of services and connections. Following launches in France, Spain and the Dominican Republic, “Orange et moi” was introduced in Slovakia, Poland and Belgium in 2012. This easy-to-use app lets customers manage their account and keep close watch on their mobile bill. Customers in Romania can stop in one of our five Orange Care Centres.

This groundbreaking concept blends assistance and sales to help people get the most out of their new smartphones and resolve any potential issues;

#### **quality worldwide support for business**

Our five business customer care centres (the most recent opened in France in 2012) provide daily service for customers on four continents, guaranteeing uninterrupted follow the sun support.



# 231

million customers worldwide



# 70,000

front line employees for daily customer care



# 172

million mobile customers worldwide



# 15

million broadband Internet customers worldwide

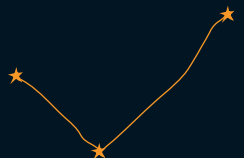


# 1,200

offers phased out in 2012 to simplify the portfolio

# 5.6

million Orange Money customers





# 800,000

Sosh customers in France

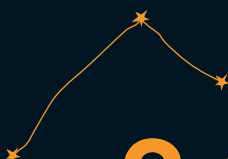


# 25

customer test centres

# 3

million Open customers in France



# 3,000

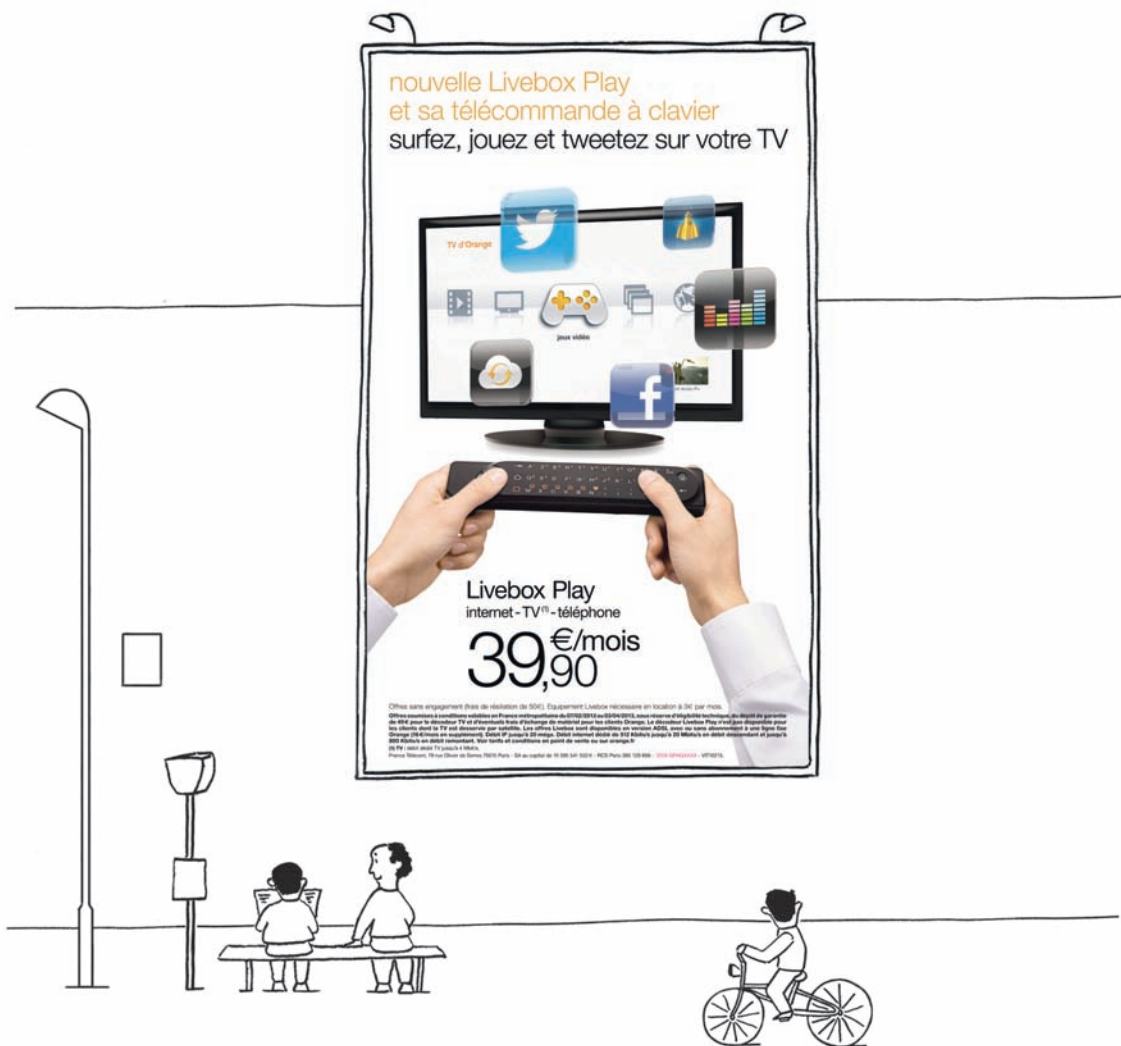
multinational business customers



# 2

million small business and enterprise  
customers in France





### Orange TV

Orange TV is available at home and on all types of mobile devices, allowing customers to enjoy an unprecedented viewing experience. The exceptionally rich line-up includes packages of general interest and specialist channels, a rich catalogue of on-demand content (up to 16,000 programmes per month), plus up to 130 video games for the entire family.

**5.9** million TV customers in Europe in 2012



## Sosh

Available exclusively in France, Sosh is the Group's Web-only mobile brand that offers user community-supported, commitment-free plans at highly competitive prices. Targeting the young, always connected generation who are extremely active on the Web and social networks, Sosh attracted 800,000 customers in less than a year and a half.

**+300%** new Sosh customers in 2012



### Animals

Orange Animals tariff plans reflect the diversity of individual needs. Available in a large number of countries including Spain, Poland, Belgium, Romania, Moldova, Armenia and the Dominican Republic, these segmented offers are easy to understand, simple to use and allow customers to keep a check on their spending. The Animals line has proved highly successful and new features are added every year to accommodate evolving uses.

# +6.4%

increase in the number of Orange Spain mobile contracts in 2012





11

simplicity

### **Business Together as a Service**

Integrating voice telephony, instant messaging, video, Web and audio conferencing along with availability indicators, Business Together as a Service provides company staff with a full suite of collaborative solutions allowing them to work from anywhere, on any device – laptops, smartphones or tablets. The service, managed end-to-end by Orange Business Services and hosted at our data centres, was named “Best Cloud Service” at the 2012 World Communication Awards.

**+30**

large  
business  
customers

our offers



### Orange Money

Orange Money is changing the daily lives of people in countries where access to bank services is limited. Some 5.6 million customers in Africa and the Middle East now use their mobile phone to securely perform financial transactions, such as international transfers, paying bills and topping up mobile phone airtime.

**+2.4** million Orange Money customers in 2012



**Orange Selection** opens up a whole world of useful apps that can be quickly and easily downloaded via Orange App Shop, the Orange mobile portal, or from selected partners. Customers can tune into their favourite radio with Liveradio, catch up with the news on Revue Orange Actu, locate the latest trendy restaurants with Orange Maps, and much more.

**23** million Orange applications downloaded in Europe in 2012



Thanks to **Cineday**, every week Orange customers in nine countries can invite a person of their choice to join them for a movie. Taking advantage of the offer couldn't be easier: they simply send a text message to order a Cineday code via the mobile app.

In Poland, Orange partnered with mBank and MasterCard Europe to launch **Orange Cash**,

a new service that lets mobile customers purchase goods or services using their mobile phone.

In Spain, the Orange Animals range expanded with the addition of **Ballena** a plan that provides a second SIM card for customers who need large data capacity and fast Internet access. The new offer has proved popular among customers



who use both a mobile and tablet. Rolled out in 2010, **Open** is Orange's flagship converged services package. Combining simplicity with competitive rates, Open has revolutionised uses with an all-in-one offer that includes Internet, TV, a fixed home line and mobile services, with up to four mobile plans available per household. By the end of 2012, Open had attracted three million customers in France.

Orange is stepping up deployment of **fibre**, offering very high speed broadband (ten times faster than ADSL) and spurring development of new online and multimedia services. Two billion euros will be invested by 2015 to connect ten million households in 3,600 cities in France. In addition, the Fibre Entreprise offer is available from Orange Business Services for cities with a population of at least 50,000.

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# innovation

# Orange innovation, making life simpler at home, at work and on the move

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Innovation is embedded in our DNA. For over forty years, Orange's history has been marked by technological advances that have transformed the daily lives of millions of people. It all begins with our global networks, without which innovation would not be possible. Our innovation is designed to drive the development of products and services that are useful, dependable and available to everyone. Innovation is also the key that drives our future growth. In 2012, Orange devoted 812 million euros to research and innovation and filed 291 patents filed.

Every day, our 5,000 researchers, engineers, technicians, designers and marketers invest their energy and share their expertise to serve our customers.

As part of our broader policy of open innovation, we also develop numerous partnerships with major players in the digital world, as well as with start-ups and universities. To sharpen our effectiveness, Orange completely revamped its innovation chain in 2012 with the Nova+ programme. Our new approach to innovation is anchored by key principles: deeper synergies between Group entities to design products and services more closely aligned with the diversity of customer needs around the world and the competitive environment in each country; and faster time-to-market for these new products and services thanks to a simplified organisation spanning research, anticipation and design/deployment.



Innovation is a state  
of mind shared by  
everyone at Orange.  
Our innovations are  
with you everywhere,  
at home, at work or  
on the move.

## customer-centric innovation

Orange believes that innovation only makes sense if it offers genuine benefits for all in their day-to-day lives. Our ambition is to make life simpler and more fun. Innovation has enabled multiconnectivity and revolutionized the usage pattern. And this is just the start — Orange is working hard to unlock the potential of numerous new technologies and make them ubiquitous. Examples include NFC (near-field communication), the Internet of things (M2M), fibre-optic connections and 4G. Beyond technological innovation, in which Orange is a recognised leader, we want to be the “digital coach” for our customers, helping them get the most out of these new products and services, tailored to every need and profile.

Orange innovation is focused on seven priority areas: communication services (RCS, mobile VoIP, instant messaging, etc.), data monetisation, safety (security, privacy, etc.), cloud services, the Internet

of things, plus smart networks and the Orange universe (multi-screen, multi-access).

## priority on collaborative innovation

In 2012, Orange concluded key partnerships with some of the leading players in the marketplace, including Facebook, Microsoft, Intel and TCL, as well as with Lookout, Family & Co and other start-ups. Orange also works with other players to develop a wider range of mobile applications, in particular through its Orange Partner programme. Last year, we also launched the Start-Up Programme in partnership with the Orange-Publicis investment fund, to help develop future digital economy leaders by providing funding for promising new companies. The Group's research and innovation efforts are spearheaded by the expertise network of Orange Labs and by the

Technocentre, spanning China, Côte d'Ivoire, France, India, Japan, Poland, Romania and the United Kingdom as well as Egypt, Jordan and Tunisia. Closely integrated with their local ecosystems, the Orange Labs and Technocentre sites are ideally positioned to anticipate disruptive developments in the telecoms sector, meet local needs more closely and bring new products and services to market more quickly. In addition, Orange Silicon Valley, our development centre, provides the Group with strategic vision around this region.

## tomorrow in the making

Alongside the many concrete innovations that Orange is bringing to market to enhance the daily lives of customers, several fundamental research programmes have been launched to prepare for the future and keep pace with evolving usage patterns. They include:

- research on the new High Efficiency Video Coding (HEVC) compression standard,

which will halve current bandwidth demand to visibly improve quality at the customer end. Orange is pushing for rapid industry adoption of HEVC and has already signed a partnership agreement with Samsung, and premiered the new standard at CES 2013 in Las Vegas;

- research in network management and services. The objective is to secure the necessary expertise in protocols and technologies to shape the design of the virtualised network operating systems of tomorrow. This development will let us simplify the way networks are managed, make them more flexible, so they can adapt more dynamically to user demand, and seamlessly roll out new services;
- a research programme devoted to ultrafast fixed and mobile broadband networks and advanced web content, conducted through the B-com Technological Research Institute (IRT), of which Orange is a founding member. Projects will focus in particular on network dependability and energy efficiency, improvement to 4G performance and preparation for 5G, evolved cloud architectures and very-high-quality video and audio.

# hello!

innovations  
showcased at Docks  
de Paris event











hello!



“Innovation only makes sense if it is simple, relevant and benefits all our customers.”

Stéphane Richard, Chairman & CEO  
Opening presentation at the show – 21 November 2012





Guided tour of an  
innovative show!



**“Hello”** was the aptly named title of the Orange innovation show at the Docks de Paris on 21 November 2012.

Over 700 guests were on hand for this celebration of innovation, welcomed by Stéphane Richard.

# our creativity is recognised the world over

A journey in the Orange universe is a 4D experience, where innovation makes life simpler and easier for all our customers.

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## my communications

It all began with voice transmission between two fixed terminals.

Communications then became mobile, enriched with text messages (SMS), data (email) and images (videoconferencing).

More recently, social networking has amplified this momentum. At Orange, we bring all the wealth of these technologies to our 231 million customers around the world — a world we want to make more open and interconnected. This year, we are particularly proud of three offerings incorporating some major innovations:

**joyn (Rich Communication Suite)**, the new communication standard for an enriched, user-friendly experience, whether videoconferencing, sharing photos or simply chatting via smartphone; **LibOn**, an app for VoIP communication, instant messaging and smart voicemail; and **Party Call**, our telephone conference call solution developed with Facebook. All these innovations are designed to enrich our daily lives and have one thing in common – they are as intuitive and universal as a simple telephone call.

## my data

Mobile telephony, social networks, electronic payments, documents and online applications – personal data is everywhere. It is part of our digital identity and memory. The question is how best to organise, store and protect our personal data and use it to make our daily lives simpler. Orange has responded with a range of practical, dependable and universal solutions to handle and organise all the personal data that makes up our lives. These include the **Orange Cloud**, a secure, private storage space, and **NFC** technology, which, coupled with SIM card security, allows information to be exchanged with compatible readers for hassle-free contactless payment and other routine transactions. Orange innovation is also reflected in the wide array of applications designed by our developers. Practical, fun and informative, they invite each customer to push the boundaries of their digital world.

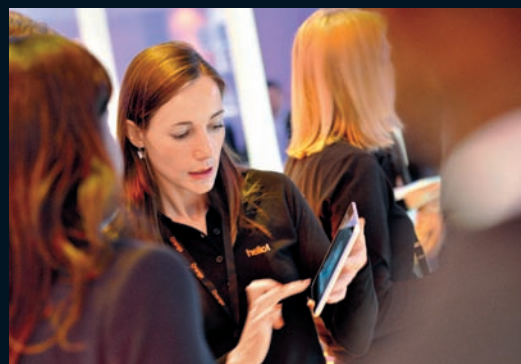




Stéphane Richard was joined on stage by some of the women and men who drive innovation at Orange. “Hello” participants were then transported

to an “Orange City” – specially conceived for the occasion with its main street, cultural space, town square, model home and business centre.





The programme featured a myriad of demonstrations, round tables and a full-scale exhibition of the latest services and creative solutions poised

to impact our daily lives in 2013, reflecting Orange's core strengths. There was also a live broadcast and offsite link-up.

# our creativity is recognised the world over

A journey in the Orange universe is a 4D experience, where innovation makes life simpler and easier for all our customers.

16

## my communications

It all began with voice transmission between two fixed terminals.

Communications then became mobile, enriched with text messages (SMS), data (email) and images (videoconferencing).

More recently, social networking has amplified this momentum. At Orange, we bring all the wealth of these technologies to our 231 million customers around the world — a world we want to make more open and interconnected. This year, we are particularly proud of three offerings incorporating some major innovations:

**joyn (Rich Communication Suite)**, the new communication standard for an enriched, user-friendly experience, whether videoconferencing, sharing photos or simply chatting via smartphone; **LibOn**, an app for VoIP communication, instant messaging and smart voicemail; and **Party Call**, our telephone conference call solution developed with Facebook. All these innovations are designed to enrich our daily lives and have one thing in common – they are as intuitive and universal as a simple telephone call.

## my data

Mobile telephony, social networks, electronic payments, documents and online applications – personal data is everywhere. It is part of our digital identity and memory. The question is how best to organise, store and protect our personal data and use it to make our daily lives simpler. Orange has responded with a range of practical, dependable and universal solutions to handle and organise all the personal data that makes up our lives. These include the **Orange Cloud**, a secure, private storage space, and **NFC** technology, which, coupled with SIM card security, allows information to be exchanged with compatible readers for hassle-free contactless payment and other routine transactions. Orange innovation is also reflected in the wide array of applications designed by our developers. Practical, fun and informative, they invite each customer to push the boundaries of their digital world.

### my home life

The wave of new technologies in recent years has had a profound impact on our lifestyles, including inside our homes.

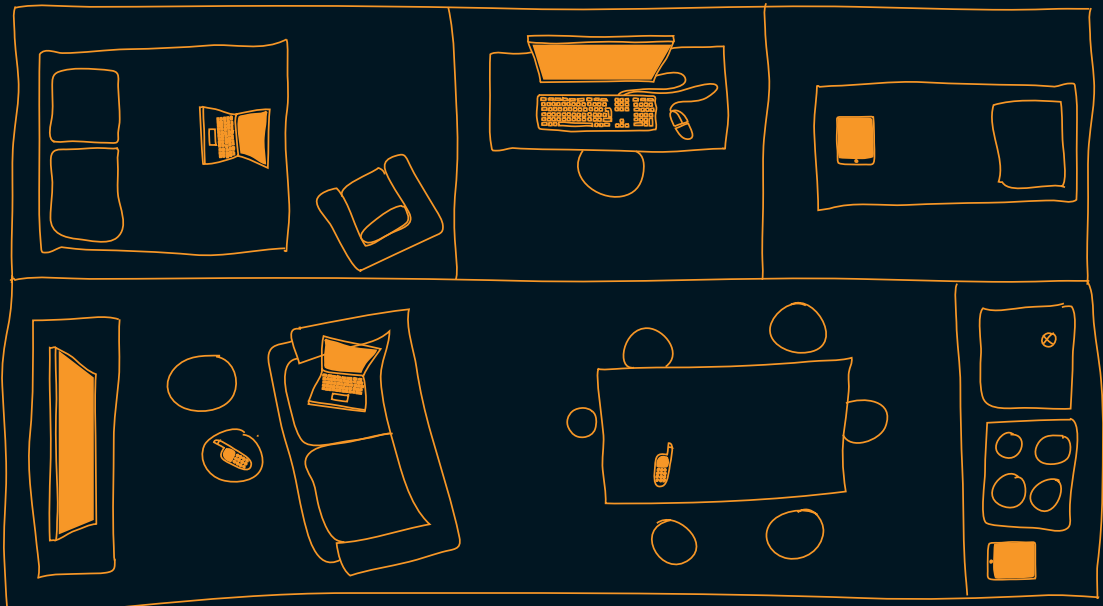
Broadband internet has become the norm, and most families have multiple connected devices. Laptops, IP-enabled TVs, smartphones and digital tablets are ubiquitous and are converging. More than ever, the home is at the crossroads of our digital lives. Orange is enriching the home experience with more options for networking and entertainment, but also with practical services for the smarter, more eco-friendly ultra-connected home. These usage patterns are diversifying and are increasingly organised around a shared gateway for the entire family.

To this end, the new **Livebox Play** offers a simpler and more powerful multimedia experience. At the same time, the Livebox Play TV set-top box is poised to transform the way we watch television. It lets people play streaming games, interact with friends on social network sites and watch their favourite programmes whenever they want, on whatever screen they want. Another Orange innovation for 2013 is **My Plug** – a smart, communications-enabled mains plug which lets you monitor your home while you're away.

### my networks

We'll say it again – without networks, no digital innovations would see the light of day. Indeed, networks are the backbone of new usage trends such as mobile videoconferencing, online gaming, mobile television and contactless payment using NFC technology. Networks are the Group's core business and part of our DNA, and we devote a large part of our investments and innovation resources to optimising current networks and rolling out the infrastructure of the future. The challenge is to carry ever-greater volumes of data traffic at ever-higher speeds to constantly improve performance and deliver a safer, more secure and more dependable experience for our customers. We continue to innovate and invest in **fibre**, the **H+ mobile network**, **4G**, **Wi-Fi** and **submarine cables**. At Orange, today's digital lifestyle is advancing at very high speeds!

# Livebox Play



## Livebox Play is the latest-generation

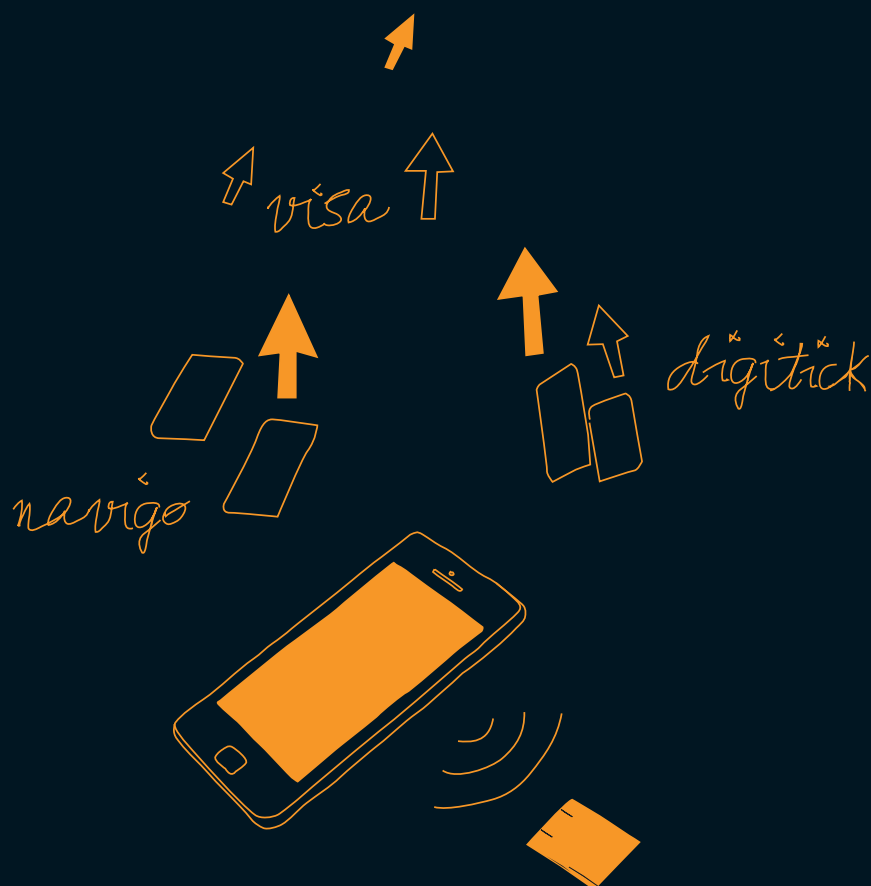
**box**, packed with state-of-the-art technologies to bring customers all the benefits of the digital world. With its sleek design, powerful processor and high-definition quality, it lets users surf at ultrahigh speed, share files between all devices around the home, play games and interact via social networking sites. What's more, they can use a dedicated app on their smartphone or tablet to configure their box and control how children access the internet. You told us what you want, and Orange delivers!





# NFC

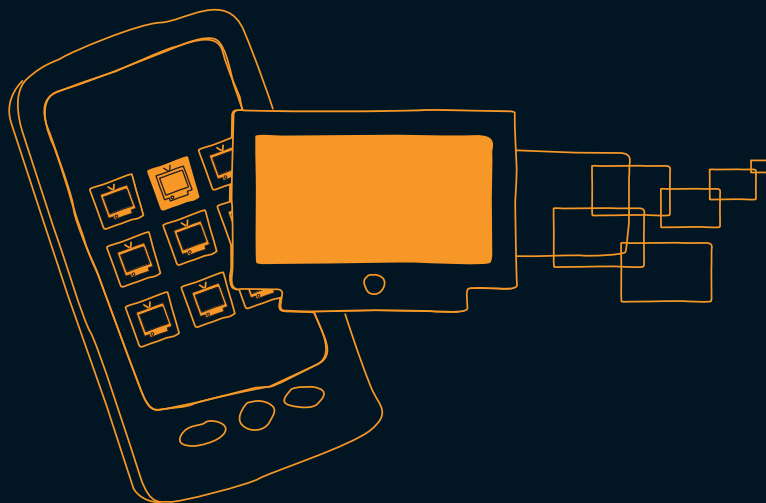
innovation



NFC (Near Field Communication) is a contactless technology which, combined with SIM card security, lets mobile phones interact with other devices in their immediate environment. The SIM card is transformed into a bank card, travel pass, hotel key, loyalty card or payment method for entertainment tickets and more. Orange and its partners are playing a leading role in the rollout of NFC to design the associated ecosystem, with all the necessary layers of security. With Orange, life keeps getting smoother and more seamless.



# very high speed mobile



20

Watch live HDTV on the train or in the street, or videoconference with friends via your smartphone, wherever you happen to be – Orange's powerful H+ network creates unprecedented freedom. The network already covers 60% of the French population and is also being rolled out in other European countries where the Group operates.

In 2012, Orange launched the first 4G services in France, starting with enterprise solutions, as well as in Mauritius, Luxembourg, Moldova, the Dominican Republic, Romania and the United Kingdom, with EE. The future keeps looking superfast!

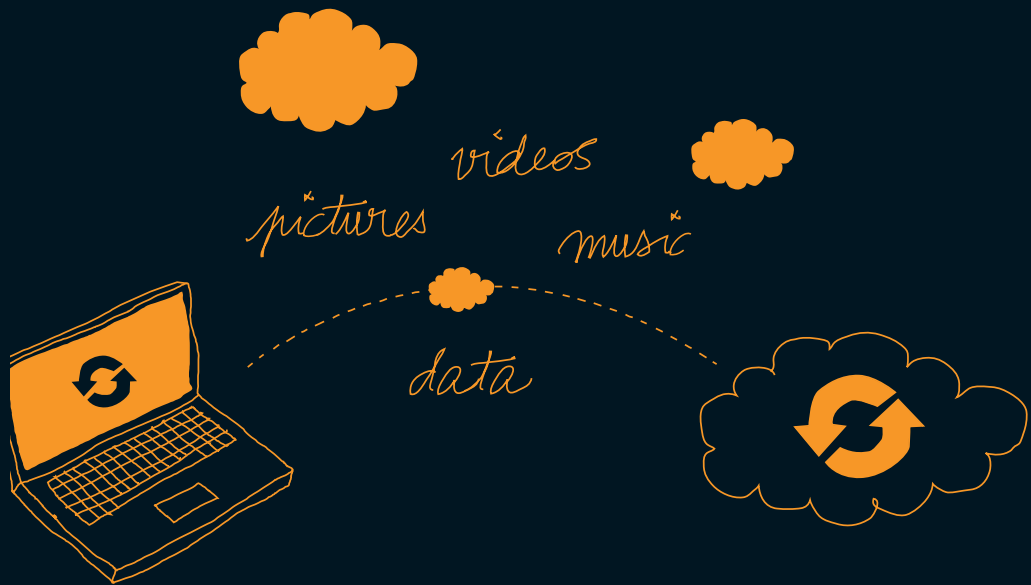




Fibre optic connections bring very high speed to homes and businesses alike, opening up an exciting range of new possibilities. Fibre allows simultaneous calls and other applications with multiple users, 3D online gaming and smooth, seamless workflows with unprecedented quality. By 2015 Orange will invest 2 billion euros and connect 3,600 cities. Orange's fibre-optic network currently reaches more than 1.7 million households in France, and 20,000 business sites are connected to the enterprise fibre service. After major cities, our focus is now on the mid-sized towns. Welcome to Orange!



# the Orange Cloud



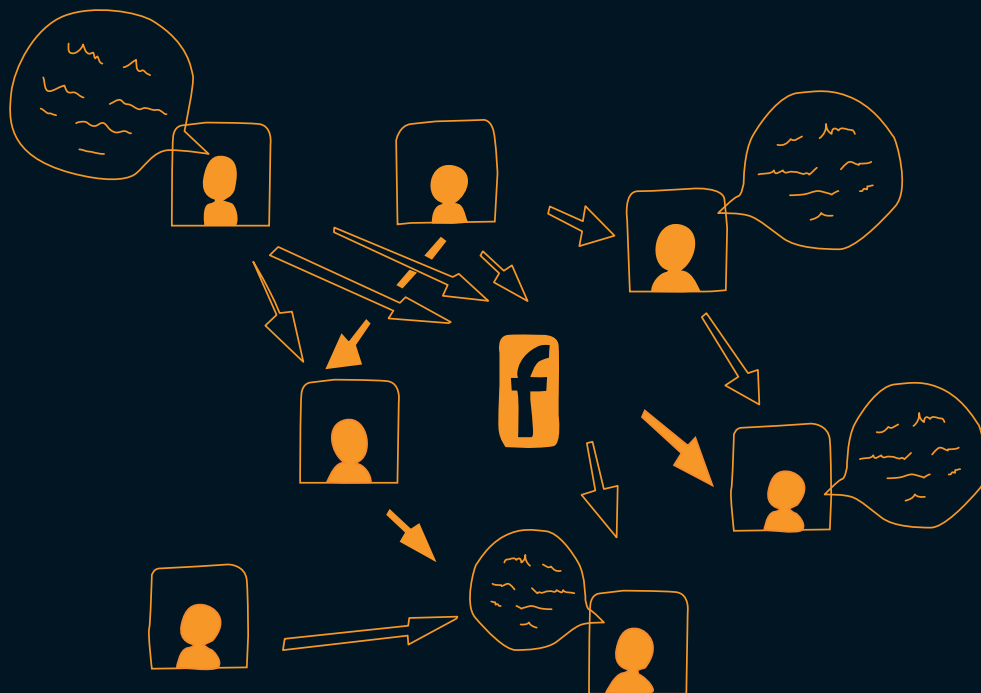
**Orange offers its customers secure online storage for all their personal data:**

pictures, videos, messages, music, contacts and more. With the Orange Cloud, customers have access to all their digital content, categorised and sorted by date or format, whenever they want and from any device. This secure private space offers 50 GB of storage – equivalent to 10,000 tunes and 20,000 pictures – and up to 100 GB for fibre customers. Designed for your peace of mind.



# Party Call

innovation



**With Party Call, voice calls come to Facebook.** This social calling service lets Facebook users call their friends and make group calls, without needing to know or use each other's mobile numbers. This new solution, the fruit of a partnership between Orange and Facebook, is the first conference call service for the "friends", scheduled to launch in September 2013.



# joyn

## RCS – Rich Communication Suite



**joyn is an interpersonal mobile communication service, set to change the daily lives of millions of users.** By adopting this new RCS standard, Orange will be the first operator in France to natively integrate it on new compatible handsets from summer 2013. Orange Spain marked a world first in 2012, launching joyn with other local operators. In just a click, users can simultaneously switch from a voice call to chat, video and on-call content sharing. Orange believes in magic.



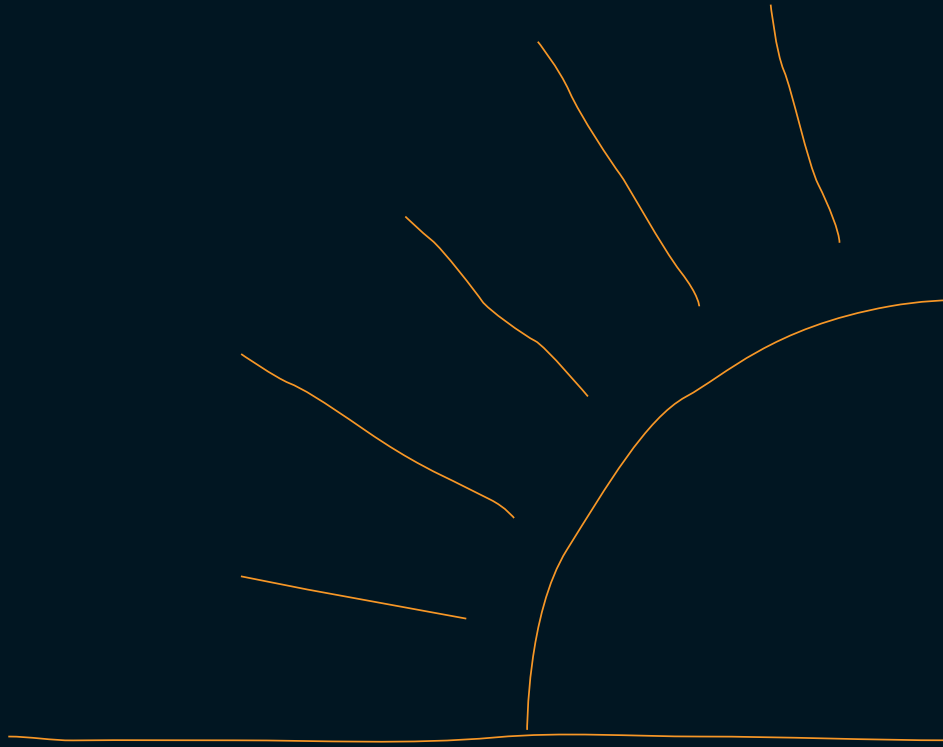


**LibOn is a multi-operator mobile app,** rolled out in 100 countries, which allows HD VoIP communication and instant messaging on smartphones anywhere in the world. Calls between LibOn users are free. LibOn is available for both iPhone and Android platforms. What's more, its visual voicemail feature lets you set up custom greetings for different types of callers as well as text transcription of voicemails for easier checking. Download the app today!



# and there's more

26



## **Birth declaration**

Birth declaration lets village authorities in Senegal register births via an Orange mobile app. At Orange, innovating to bring people closer also means bridging the distance in countries with isolated populations.



## **Device Management Express**

To make life simpler for businesses and boost productivity, Orange Business Services has launched Device Management Express. This secure web interface makes managing fleets of mobile phones a breeze.



## **Smart Cities**

Tomorrow's cities will be smart. One of the Group's six strategic programmes, Smart Cities focuses on utilities (electricity, water and gas distribution) and transportation (connected cars and public transportation).





### Cloudwatt

Cloudwatt is a joint venture with Thales to provide a secure, high-performance cloud computing infrastructure serving every sector of the French economy. New solutions are in the pipeline.



### Shared Medical Imaging

This money-saving, productivity-boosting solution uses virtual technologies to store and archive X-ray, MRI and other imaging data and allow access to examination records and secure, seamless sharing of data among healthcare professionals.



### Orange Money

This mobile payment service has met with tremendous success. Rolled out in 13 countries across Africa and the Middle East, it has attracted some 5.6 million customers to date.



challenges

simplicity

innovation

talents

markets

profile

commitment

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# talents

# an environment and conditions that let everyone in the company flourish

2

In the fast-moving telecommunications industry, Orange continually anticipates future needs. Our swift responsiveness is critical to the sustained success of our business and allows us to offer employees the best possible conditions for rewarding and successful careers. The cornerstone of these commitments is the Orange people charter and the social contract in France, coupled with a socially-responsible human resources policy. This proactive approach

translated into a pledge to make 4,000 new hires in France between 2013 and 2015 and offer 5,000 work/study schemes and 2,500 internships each year. At the same time, a range of measures are in place to give employees a clear picture of opportunities and empower them to develop professionally at any stage in their career, regardless of job category or geographic location.

The people of Orange are one of the four pillars of our conquests 2015 project. We prepare for the future today by fostering employability and developing the skills and talents of all employees.

# in 2012 we continued to respect our commitments in line with the Orange people charter and our social contract in France

Significant progress was achieved in helping all employees realise their full potential.

4

## **provide a clear vision of future opportunities**

It is our responsibility to provide employees with the resources and information they need to plan their career development. To stay ahead of fast-paced changes in the telecoms sector, we help employees review their current position and map out objectives for the future. In France, Orange introduced a new application in 2012 called “mon itinéraire”, which allows employees to find out about job openings in their region and opportunities to move to a different

skillset. All employees also have access to information about requirements for each job category and how to go about upskilling through training.

Another noteworthy initiative is the “Skills anticipation” programme developed at Orange Business Services to plan for the jobs and skills needed tomorrow. Key areas include cloud computing, data security and machine-to-machine (M2M). This led to the launch of the Cloud Academy in 2012 as well as an “IT upskilling” programme in India and Egypt.

### **support employees at every stage of their careers**

Our human resources policy ensures access to training for all employees, taking into account individual needs and the skills required for the future. This is especially important for emerging network technologies, improving the customer experience and developing Orange's forward-facing management culture. When they are over 45 years, employees sit down for in-depth career interviews to review their path and objectives. We also provide opportunities for staff to build on their skills throughout their career. Skills acquisition programmes, for example, allow employees to acquire the additional knowledge and skills required if they wish to change jobs.

In several countries in Europe, including Poland, Romania and Slovakia, Orange has opened "Sales Academies" for staff who have direct contact with customers. Spain has set up "Orange Summer Schools" to provide English and French language coaching for employees during the summer break.

### **promote workplace diversity**

Diversity is a tremendous source of strength for an organisation. Attracting and retaining people from diverse social and

cultural backgrounds and of all ages contributes directly to business performance. As well as reflecting our dynamic, outward facing approach, employee diversity mirrors that of our 231 million customers, ensuring that we stay in tune with their expectations and emerging lifestyles.

Several events organised in 2012 illustrate the effectiveness of our diversity policy:

- "Semaine de l'Hangagement", aimed at raising awareness and combating preconceived notions among staff by spotlighting non-visible disabilities;
  - the "Capital Filles" programme, which encourages girls from "Education Priority Areas" or rural districts in France to pursue education in science and technology.
- Outside France, the "Shadowing Days Program" set up by Orange Business Services gave 60 female students in Brazil, the United States, Singapore, India, Italy and other countries a chance to discover the roles of women working in technology;
- during the second "Journée Nationale des Jeunes", sponsored by Orange, the company opened its doors to young people eager to learn about career opportunities;
  - "Passerelles vers l'emploi durable", France's first speed interviewing event, held in Paris, was also sponsored by Orange.

## Orange: exemplary leadership in employment

We have achieved significant progress in two years and remain committed to going even further.



**170,000**  
employees in more than  
**100** countries



### **provide the best possible workplace environment**

Twice a year we conduct surveys to take the pulse of employee satisfaction and measure the impact of corporate decisions. The sixth Employee Satisfaction Survey confirmed a clear improvement in workplace morale. Almost half of respondents believe that their quality of life at work is better than in other companies, while the percentage who feel that it is worse has dropped more than five-fold since 2010. The results showed marked improvements since 2010 in all five main survey areas (management, quality of life at work, strategy and CSR, recognition and rewards, professional development), with a notable two-point increase since mid-2012. Another survey was conducted in 2012 on workplace stress. Three years after the first survey on this topic, the latest findings show an easing of stress levels and a real perception by employees that things have improved. Positive change drivers include 10,000 new hires in three years, an end to compulsory job mobility, easier-to-use IT applications and improvements in customer relations... The survey shows considerable positive feedback but also spotlights the complex nature of the work and the need to support employees facing the greatest difficulties. Orange set up a Health, Safety and Quality of Life in the Workplace department in February 2012 to oversee policies and promote best practices.

### **deploy a proactive employment policy to maximise opportunities**

Orange is committed to actively supporting employment levels and preparing for the future, despite difficult economic conditions. One of the main challenges ahead is anticipating the large number of employees who will retire in France in coming years. Our efforts are focused

on three main areas:

- Recruit 4,000 full-time, permanent staff between 2013 and 2015.
- Welcome 5,000 young trainees (80% as part of work/study or apprenticeship schemes and 20% as part of skills acquisition programmes) to allow them to gain a foothold in the job market.
- Pursue our policy of ensuring job stability for senior employees by adapting their tasks and responsibilities. More than 8,000 seniors today benefit from these flexible arrangements.

Equally important, to attract and retain the most talented young graduates, the Group deploys active employer brand communication and nurtures long-term relationships with higher education institutions to establish Orange as a preferred employer. An innovative digital resource is available on [www.orange.jobs](http://www.orange.jobs) for mobiles, tablets and social networks (60,000 application downloads to date).

### **acclaimed human resources policy**

Orange earned the “Top Employers 2012” label in Belgium, Spain, France, Poland, the Dominican Republic, Romania and Slovakia in 2012. In addition, Orange Business Services was named as a “Great Place to Work” in Brazil. These distinctions recognise the quality of measures deployed as part of the Orange people charter and the social contract in France. The Group also received a Special Prize for its compensation practices, especially measures which allow all employees to share in the value we create. These include employee savings plans, incentive bonuses and profit-sharing, as well as free-share award plans. Lastly, Orange was awarded the top prize in the 2012 Diversity Trophy Awards in recognition of our worldwide diversity policy.



**Bogdan and Constantin** form a great team. In the store, one greets and advises customers in the store. Better still, their service comes with a smile!



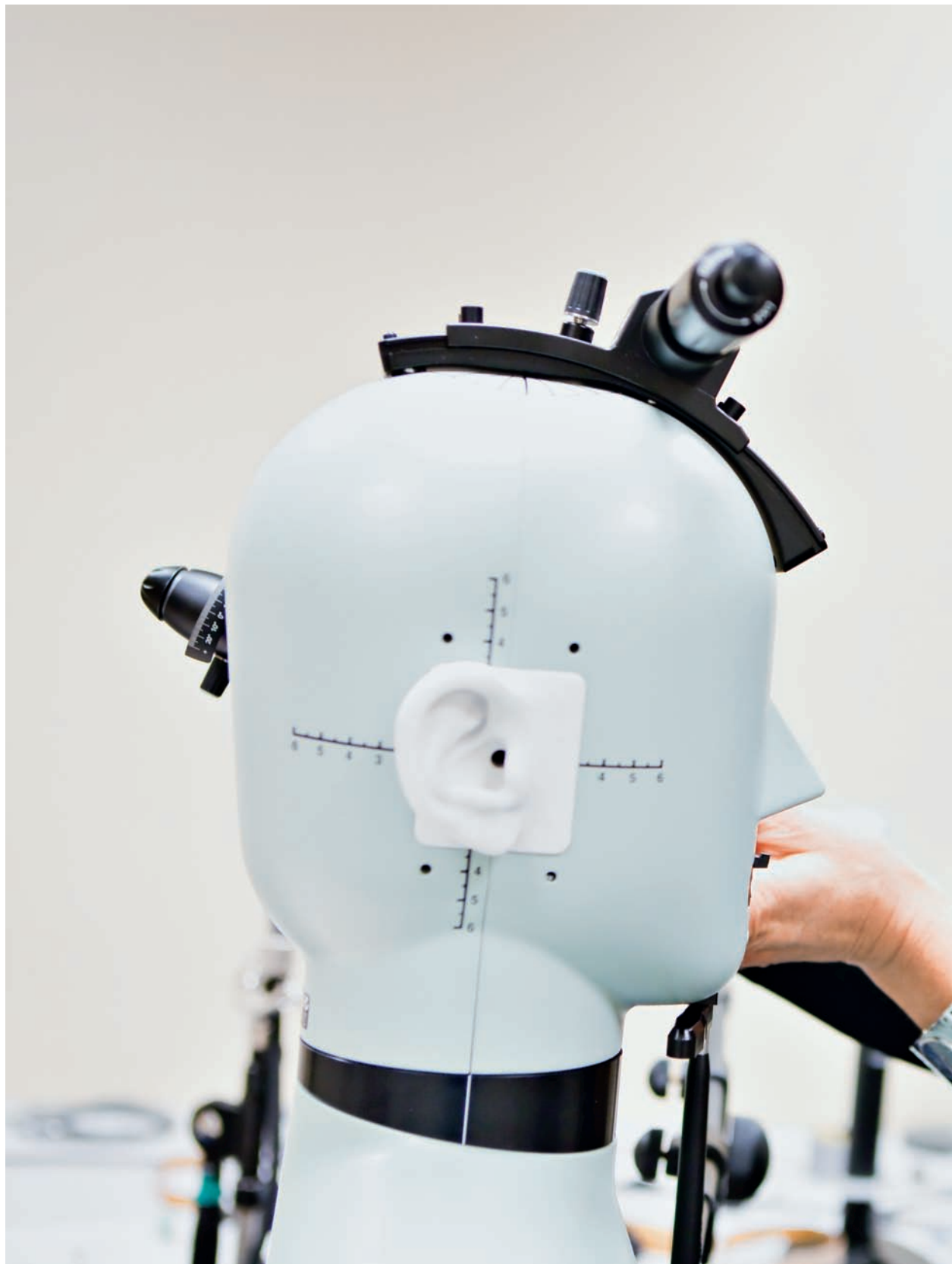
on the best solutions to meet their needs, while the other resolves any technical issues, right there





**Joël** is a technical manager and IT expert. His role is to develop and enhance complex network the benefit of customers.





**Valérie** is an audio and voice processing project manager, who has clearly found her voice in the 5,000 people around the world working on innovative new ways to create an incomparable customer





passion and expertise she brings to research, testing and perfecting new solutions. Orange counts experience.



**Roberto** is a technician and a true wizard when it comes to networks. Even at dizzying heights, The expertise of our teams is central to our credibility and customer satisfaction around the world.





he stays focused on keeping people connected and measuring network performance.



**Charlotte, Jean-Baptiste and Dominique** are human resources project managers ensuring satisfaction for both staff and our customers.





and health & safety prevention officers. Everyday, they help make Orange a great place to work,



**Yanna** is a call centre advisor. Customers can “hear” the smile in her voice as she offers insightful 7,000 employees in over 160 countries make sure our business customers are always satisfied.



advice and helps them make the right choice. A simple smile that makes all the difference. Every day,

challenges

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# markets



# continuing growth and accelerating change shape the telecommunications market

2

The global telecommunications services market continued to grow significantly in 2012, just as in 2011, climbing 2.7% in value. Ongoing change in the sector was driven by technological breakthroughs and the proliferation of new uses, against a backdrop of increasingly fierce competition and growing regulatory pressure.

Market expansion was spurred by dynamic mobile penetration in emerging countries, particularly in Africa and the Middle East, regions where the Group has a strong presence, and by the explosion in multiple device uses, coupled with faster fixed and mobile networks.



Growth in traffic volumes, new and evolving uses, technological advances and increasingly fierce competition require continual anticipation to stay ahead in a market experiencing unceasing upheaval.

# 6.3

billion mobile accesses worldwide (including 1.1 billion in China and 936 million in India)

more than

# 20

billion devices connected to the Internet by 2020 (IMS Research)

# 70%

growth in global mobile data traffic in 2012 (Cisco)

# 720

million smartphones sold around the world in 2012 (up 46% on 2011) (IDC)

# 2.3

billion Internet users worldwide as of early 2012 (UIT)

4

The value of the global market for telecommunications services was estimated at 1,115 billion euros in 2012, an increase of 2.7% compared with the previous year. This situation masks major regional disparities, as a decline in Europe and limited growth in North America contrasted with the continued buoyancy of markets in the rest of the world, notably Africa and the Middle East.

### uneven growth

Against a backdrop of deteriorating macro-economic conditions, a still unfavourable regulatory framework – notably concerning call termination rates and international roaming – and increasingly fierce competition, the European market contracted by 1.2% (with a 2.4% decline in the EU) in 2012.

The picture is different in the rest of the world: the market grew in North America (by 2.4%), Asia-Pacific (4.2%), Latin America (5.1%) and Africa and the Middle East (8.5%). Outside Europe, mobile services continue to be the primary growth driver, increasing in value by 5.1% in 2012, equivalent to 59% of total market revenues. In the fixed services segment, the continuing decline in conventional telephone services in 2012 (down 7.2% in value) was partly offset by strong growth in revenues from Internet services and data transmission for businesses, which rose 5.8%. Revenues from fixed services declined by 0.6% overall.

### en route for universal connectivity

At the end of 2012, the total number of mobile phone accounts worldwide for the first time came close to matching the Earth's population. Global mobile penetration stands at 94% (up by 6% on the previous year), compared with around 60% in 2008.

The ubiquity of access to telecommunications services is illustrated by three key figures: there are now 6.3 billion mobile accesses, 1.4 billion fixed access lines and 2.3 billion Internet users globally – one-third of the world's population.

This trend is accompanied by the diversification and increasing performance capabilities of mobile devices. Sales of smartphones (720 million handsets sold in 2012) and tablets (128 million) have skyrocketed, mainly in mature markets. The number of smartphones sold in France outstripped sales of conventional handsets in 2012. Meanwhile, new-generation tablets and affordable smartphones are gaining ground in major

emerging markets. Better aligned with local purchasing power, they help boost numbers of mobile broadband subscribers and Internet access.

In Europe, digital tablets now account for almost half of all computer sales. Never in the history of telecommunications has a new device gained market traction at such a rapid pace.

### explosive growth in data traffic and IP services

Strong growth in data traffic continued in 2012, driven by the boom in Internet-enabled devices, both mobile (primarily tablets) and fixed (connected televisions). The expansion of image-based services on mobile networks (video, TV, videoconferences, etc.) fuelled a 70% increase in data traffic in Europe in 2012. This growth is also driven by mobile communications services (instant messaging, social networks, VoIP, etc.), which are increasingly joining voice and text messaging. Lastly, more and more businesses continue to make the transition from traditional voice and data services to IP services.

### enriched services offering

New services for home, mobile and business use are emerging and expanding at a dizzying pace. In 2012, cloud computing became an established tool for business users, and began to be adopted by consumers. In personal communications services, daily use of social networks, particularly by businesses, continued to expand. New-generation services also confirmed their potential in 2012. Machine-to-machine (M2M) applications, for example, also known as "the Internet of things", are already a feature of our daily lives. Examples include vehicle fleet tracking and geolocation systems for transport applications, smart meters used by energy companies, and the healthcare sector (telemedicine). Such applications rely on the capillarity of the mobile network and M2M SIM cards, of which Orange has already sold 3 million units.

# 66%

market share of smartphones out of all phones sold in December 2012 (Mobile Marketing Association)

# 128

million tablets sold in 2012, 78% up on 2011 (IDC)

# 837

million unique visitors to Facebook in December 2012 (Comscore)

# 1.1

billion Google users worldwide in December 2012

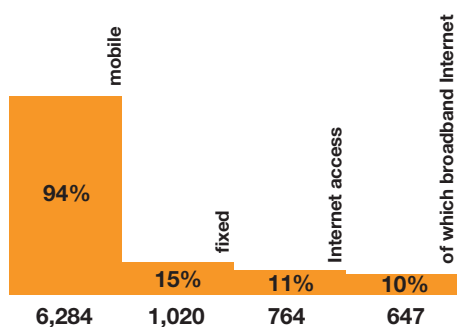
Mobile payment services continued to see growing success, especially in emerging markets. Orange Money in Africa, for example, had 5.6 million customers by the end of 2012. Contactless mobile payment solutions (based on NFC technology), meanwhile, represent a genuine technological breakthrough that will revolutionise our day-to-day lives. Telecommunications services continue to grow and to penetrate all sectors of the economy – from business to banking to microfinance – as well as our society as a whole (including healthcare, education and social networks).

### **network upgrades become imperative**

Spectacular market growth – in terms of customers, applications and traffic volumes – is what makes the telecommunications sector so attractive and unique. To meet the challenges posed by such growth, infrastructure needs to be

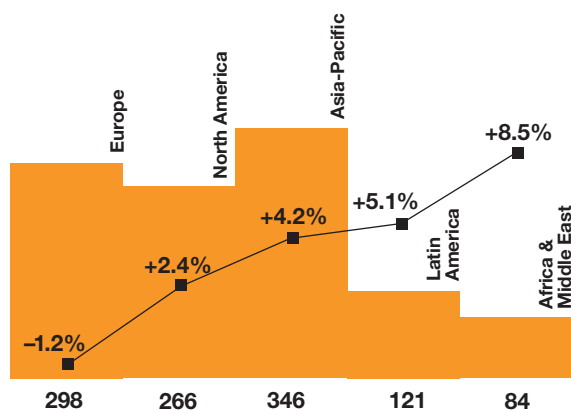
upgraded to make networks faster, more powerful and more reliable. Mature countries must step up the pace of investment in fibre optic networks as well as H+ and 4G very-high-speed mobile broadband. In emerging markets, meanwhile, rollout of 3G and 3G+ mobile networks must continue. In 2012, Orange extended coverage in 15 countries in Africa and the Middle East, while continuing to build out intercontinental infrastructure. The launch of the first phase of our ACE (African Coast to Europe) submarine cable in 2012 will change the lives of customers by enabling them to access the full range of services available on the global Internet. Orange aims to play a leading role in nurturing the ongoing growth of the telecommunications sector and unlock the vast promise of industrial, economic and social opportunities.

Unless otherwise mentioned the source of all data is Idate.



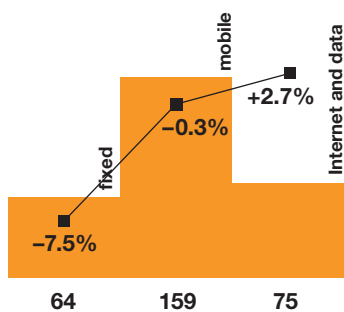
## global telecommunications services in 2012

in millions of accesses and penetration as a % of the population



## global market for telecommunications in 2012

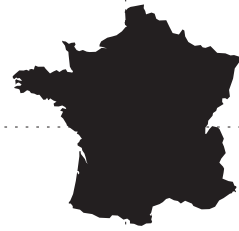
2011-2012 growth rate (%) and value (billions of euros)



## European market for telecommunications services in 2012

2011-2012 growth rate (%) and value (billions of euros)

# France



52°N

48°

2°

19.59°E

∞

France is Orange's largest market, accounting for nearly 50% of Group revenues. Faced with unprecedented competition, strong regulatory pressures, and the profound economic crisis that shook Europe, Orange France responded with a structured strategy in 2012 that leveraged its numerous assets.

21.4

billion euros in revenues in 2012

7.8

billion euros in restated EBITDA

9.9

million ADSL broadband customers

27.2

million mobile customers

5

million TV d'Orange customers  
(IPTV and satellite)

17.6

million fixed-line subscribers

# a year of battles

2012 was a challenging year for Orange France in a number of areas. The economy remained sluggish, with a continuing rise in unemployment and pressure on purchasing power, while regulatory pressures increased, notably with regards to roaming and lower call termination charges. Customers have to make increasingly difficult choices in weighing quality and price. Although the majority do not choose on price alone, they are becoming more selective. The most notable event in 2012 was the shock to the market created by the arrival of a fourth mobile operator, which changed the landscape by offering very aggressive rates, triggering significant jockeying for position among all market players. Despite this climate, digital usage in France continued to grow, driven by sales of increasingly sophisticated devices. According to estimates, French households now have an average of 6.3 screens, including mobile phones, computers, televisions and tablets.

## our structured response

Orange responded to these challenges as a market leader, bringing to bear resourceful expertise and versatile responsiveness. First, a roaming agreement was signed with the fourth mobile operator to capitalise on growth in the wholesale market. Next, a segmented marketing strategy was deployed, with the launch of the Web-only Sosh offer in late 2011, targeted at price-sensitive digital customers, proving an immediate success. Orange also updated its premium Origami and Open offers for customers seeking comprehensive, high-end service. Other assets leveraged as part of the Group's strategic response include innovation (Cloud Orange, NFC, Orange Apps, etc.),

network performance, and customer relations, evidenced in a dedicated customer satisfaction campaign with the tagline "le service Orange, satisfait quand vous l'êtes" (Orange Service, satisfied when you are).

Ultimately, despite the fact that 2012 revenues in France declined 2.3% on a comparable basis, excluding regulatory impact, Orange remains the market leader in every segment, backed by market-leading capabilities:

- 1,200 stores, including 18 megastores and 250 service corners;
- quality and personal support: a regional call centre organization was introduced in 2012 to ensure localized relations with customers;
- reliable network performance and comprehensive national coverage;
- flagship offers (Open, Origami, Sosh, Deezer, etc.);
- original services such as Cinéday (2.1 million cinema tickets offered since its launch);
- innovations (Cloud, Livebox Play, etc.).

## stabilising our share of the mobile market

Orange, like all mobile operators, felt significant impact from the arrival of the fourth player in the French market. Despite this offensive, Orange finished 2012 with a modest upturn in mobile customers (27.2 million). Network performance is a key factor in this resilience: French regulator ARCEP confirmed that the Orange mobile network was the best in France for the third consecutive year in 2012.

Our capability for innovation also gives us a distinct competitive advantage. In June 2012, for example, Orange launched 4G coverage in Marseille, before rolling it out in Nantes, Lille, Lyon and Paris (Opéra district). Our 4G network will be extended to a further 15 cities from April 2013. Finally, our share of the consumer mobile phone market was



maintained thanks to the success of our segmented offers: Sosh signed up 800,000 customers in fifteen months, while Open totals 3 million customers.

## growth in fixed broadband

Orange captured 24% of new fixed ADSL broadband customers during 2012 (representing 9.9 million customers and a 5.2% increase in revenues). At the start of 2013, Orange launched Livebox Play and its new TV set-top box, equipped with one of the most powerful processors in the market. Packed with innovations designed to enhance the customer experience, Livebox Play offers an exciting new world of home entertainment to our 5 million digital TV subscribers.

Open, the quadruple play solution from Orange, continues to go from strength to strength, with over 3 million customers at the end of 2012, and high loyalty rates. Open meets the needs of families who want simplicity, combining Internet, TV, a fixed home line and mobile telephone services in a single subscription, with one bill. Overall revenues from the residential segment were down 2.9% on a comparable basis, excluding regulatory impact, to 12.4 billion euros, hit by the contraction in the fixed telephony market. To offset this structural downturn, Orange successfully launched a new premium range called "optimale" that has performed strongly to date, and is available in three packages offering calls to mobiles and access to services such as Cinéday.

## networks remain our number one asset

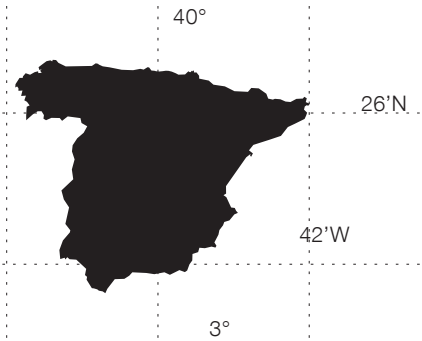
ARCEP again ranked the Orange mobile network as far and away the best in France in 2012, placing it first and joint first in more

categories than any of its competitors. To sustain our leadership for the benefit of our 27.2 million mobile customers, we boosted investments in France by 3.5% to 2.7 billion euros in 2012, with a focus on continued rollout of H+ mobile broadband (already available to 60% of the French population) as well as 4G coverage. We are also continuing to roll out fibre optic networks at a rapid pace to support the sea change in usage. Our ambition is to bring fibre to 3,600 cities by 2015 and extend coverage to 60% of the French population by 2020. Fibre is already present in over 200 cities (including Lyon, Marseille, Metz, Nantes, Toulouse and Paris). In 2012, we also signed an agreement with the French government and local authorities in Alsace to connect 73 towns in the region. One of many examples.

## Orange leads the domestic wholesale market

Our domestic wholesale business provides operators and partners with access to our catalogue of telecommunications services for their own customers. These services include fixed and mobile interconnection, broadband access (local loop unbundling or wholesale subscriptions), very-high-speed services (fibre optic networks for instance), MVNO contracts, and brand licenses for mobiles. At the end of 2012, the wholesale business served 12.6 million fixed wholesale accesses, and 2.3 million MNVO customers. Orange's expertise in the segment, and the quality of our network enabled us to sign a 2G/3G roaming agreement with the new mobile operator.

# Spain



Orange is the third-largest mobile and fixed-line broadband operator in Spain, an impressive achievement considering the pressures that have impacted the market for several years, in addition to price wars. More than ever, we are the most credible alternative operator in Spain.

4

billion euros in revenues in 2012

951

million euros in restated EBITDA

11.8

million mobile customers

1.4

million ADSL broadband customers

# delivering sound performance in a very difficult market

Spain has been struggling with a severe economic crisis since 2008. Unfortunately, 2012 saw more of the same, with a 1.5% drop in GDP and a 26% increase in unemployment to another record high. As a result, household consumption declined by 4.5%. Against this backdrop, revenues in the telecommunications sector fell by 7.7% in 2012. Price competition among operators is intense, with unlimited-voice mobile plans, as well as new combined fixed/mobile packages, being offered at very low rates. Although the overall number of mobile customers rose, average revenue per customer (ARPU) declined by 5.1%. In this difficult context, Orange Spain was the only operator in the market to increase revenues (by 3.6%, excluding regulatory impact, to 4 billion euros), in addition to boosting profitability and growing its customer base. We captured more than 170,000 new mobile customers and over 130,000 new ADSL broadband customers during the year.

# multiple initiatives in the mobile market

Orange is Spain's third-largest mobile operator, with a market share of over 21.5% in 2012, a figure that has shown steady growth. Our dynamic commercial performance in the mobile market in 2012 was backed by continued high levels of service and quality, reflected in Orange Spain's top ranking for portability in 2012, achieved for the first time. We marketed a range of new rate offers

tailored to the specific needs of different customer profiles who want to keep an eye on their budgets. In June, we launched the Web-only Amena.com brand, available in three attractively priced plans, including one that offers voice calls at 1 euro cent per minute plus unlimited Internet and text messages for just 9 euros per month. This structure allows subscribers to carefully manage their expenses while still enjoying unlimited Internet access.

We also capitalised on the success of our Animals line of mobile offers with the launch of the new Ballena offer, which features a second SIM card for fast Internet browsing. Customers using both mobile and tablet platforms welcomed the new offer enthusiastically. In addition, we strengthened our presence in Spain through the acquisition of 100% of the MVNO Simyo (380,000 subscribers). This gives Orange Spain a total mobile customer franchise of 11.8 million subscribers at the end of 2012, and it is now the only operator to continue subsidising iPhones for new customers.

# Internet market share continues to rise

The Internet segment in Spain is dominated by double-play (phone and Internet) offers. Orange is the third-largest operator in the Spanish market, out of five major players, but ranked second in 2012 in terms of recruiting new customers. The Orange brand has steadily increased its market share since the end of 2007, reaching 12.3%. In 2012, we added over 130,000 new ADSL customers, and boosted our revenues in the Internet segment by 8.8% (on a comparable basis). Orange also launched "Mi Fijo", a 10 euros per month plan that provides customers with a second number, and allows them to make very low cost calls to landline numbers while also benefiting from

the lowest charges on the market for calls to mobile phones. Our new “SIM Mundo” service has also been welcomed by customers. It lets them make calls to 20 international destinations (including Colombia, Peru and Argentina) for just 1 euro cent per minute. Launched two years ago, our combined fixed/mobile offer “Combina y Ahorra” continues to perform very well. In 2012, the offer was joined by a new “all-play” package, encompassing mobile, ADSL, and unlimited calls between Orange mobiles as well as between Orange mobiles and landlines for 42.95 euros per month.

## networks and services: our key differentiating assets

Offering competitive prices is vital, but it takes more than that to secure customer loyalty. That is why we continue to invest in our networks and services in Spain. In June 2012, for example, we announced the rollout of a new-generation fibre optic network. Over the next four years, 300 million euros will be targeted to connecting 1.5 million households and businesses in Spain’s major cities. Our services suite, meanwhile, continually aims to make life simpler for our customers. The “Tranquilidad” offer for mobile, landline and Internet customers, providing peace of mind thanks to insurance against mobile phone theft, loss or breakage, plus a dedicated customer service number and a contacts backup feature. To help customers activate their new smartphones, we created “Arranca tu smartphone” and “Tu experto”. Finally, we opened a new customer service centre in Oviedo, investing over 3.5 million euros to make this new facility one

of the most modern of its kind in Spain. Some 25% of our internal workforce is now dedicated to customer relations.

# Poland



21°

13'56"N

00'30"E



# 6.4

million fixed-line subscribers

16

Orange is among the leaders in the mobile, broadband and enterprise markets in Poland. However, 2012 was marked by a deteriorating economic situation and even fiercer competition.

3.4

billion euros in revenues in 2012

1.2

billion euros in restated EBITDA

14.9

million mobile customers

2.3

million ADSL broadband customers

## a difficult market

The Polish telecom market is complex, with a highly restrictive regulatory framework and fierce competition between telecommunications operators and other players. In addition, 2012 was a year of austerity for the Polish economy, with GDP rising by just 2%, well below the previous year.

While three operators, including Orange, count for the majority of the mobile market, the Internet market is split among a number of very diverse players, including telecoms operators and cable operators, as well as entertainment services and content providers. Despite the strong performance achieved by the mobile business, revenues in the telecommunications market fell slightly in 2012, reflecting the decline in fixed-line activity. Converged multi-device offers matched to growing data consumption requirements continued to gain ground in the market.

## Orange in Poland

Orange operates in the Polish market through its subsidiary Telekomunikacja Polska (TP), in which it holds a stake of over 50%. Since April 2012, all our products and services have been marketed under the Orange brand. The name change clearly boosted our profile, making us a more attractive proposition to customers. Orange is Poland's leading operator in the mobile, broadband and enterprise markets, and is also one of the country's premier pay TV providers. Our value share of the mobile market stood at 29.8% in 2012. We experienced a 2.5% drop in revenues (excluding regulatory impact) in 2012, mainly due to a decline in the fixed-line sector. The company's cost control programme and continued good

performance in the mobile market helped contain the erosion of margins.

## Orange, number one in the mobile market

Despite strong competitive pressures, Orange consolidated its leadership position in the mobile market in 2012, with a share of 30% (in value), thanks partly to the success of segmented offers. At the end of 2012, the company had nearly 15 million mobile customers, an increase of 237,000 over the previous year. The number of prepaid customers, meanwhile, grew by 4%, topping 8 million. We enhanced our Animals range with three new offers (Multi, Halo and Mix) designed to meet the flexibility expectations of customers with smartphones. Since November 2012, our customers have been the first in Europe to be able to make payments with their mobile phones. Orange Cash is a new service in partnership with mBank and MasterCard Europe that allows all Orange Poland customers to buy products and services easily via contactless mobile payments using NFC technology.

## resilience in fixed, Internet and TV

Total revenues in the fixed and Internet segment – down by 2.9% excluding regulatory impact – were hit by the 18% decline in fixed-line business. To challenge the dominant position of cable operators, we propose convergent multiplay offers such as Neostrada and FunPack, which include TV services. The simplicity and competitiveness of the FunPack offer enabled us to recruit significant numbers of new customers in 2012.



Last year also saw the launch of our combined fixed/mobile offer Orange Open in conjunction with the transition to Orange branding in Poland. Orange Open is the only package in the country to combine fixed and mobile telephone services. Thanks to strong performance in the pay TV market, meanwhile, we now have a total of over 700,000 TV customers (as at the end of 2012), and our TV/IPTV customer base has grown by 11% as a result of the agreement signed with TVN to create a platform allowing the two partners to enrich content and share costs.

## Orange, official partner of UEFA Euro 2012

Poland and Ukraine co-hosted the UEFA Euro 2012™ football tournament in June and July last year. As the official provider of telecommunications infrastructure for this global event, Orange broadcast every match live, and our dedicated 6,000-km network carried a total of 4 billion megabytes of data between the two host countries at a rate of 130 gigabytes per second. The official Euro 2012™ mobile application developed by Orange to enable football supporters to watch every match live from their mobile phones was downloaded by 2.3 million fans in 11 European countries, making it the top sports app on iOS and Android platforms in several countries.

# Europe and other countries

21

million mobile customers

Belgium



Luxembourg

20



Dominican  
Republic

The “Europe and other countries” zone comprises seven very diverse markets (Armenia, Belgium, Luxembourg, Moldova, Romania, Slovakia, and the Dominican Republic) in terms of size and geography. Despite this diversity, however, all countries in the region were impacted by growing pressure on prices and a difficult regulatory environment in 2012.

3.6

billion euros in revenues in 2012



7

countries



Slovakia

Romania



Moldova



Armenia



8,859

employees

# the benchmark operator in 7 countries

In 2012, despite an increasingly fierce price war and growing regulatory pressure, Orange maintained its strong position as the leading or number two operator in five out of the seven countries in the region. In a market characterised by expanding uses, faster speeds and growing demand for converged offers, Orange gains a competitive advantage by continuously improving the quality of its networks and customer service. This ensures that Orange is continued to be recognized as the benchmark operator in all seven countries, and enables us to withstand the price erosion that continues to impact all markets.

In countries where we are mainly present in the mobile market, we meet customers' expectations through our range of converged offerings, as well as innovations such as "Mobile eID" in Moldova. Our customers across the region are constantly seeking to combine suited prices with solutions that meet their ever-increasing data consumption needs, fuelled by the boom in smartphones. Finally, we sold our 35% stake in Orange Austria in 2012, generating proceeds of 70 million euros.

## Armenia

Since launching in Armenia in late 2009, Orange has captured 17% of the mobile market. 2012 was an excellent year for our local business, with revenues up by 48%, thanks in particular to the breakthrough achieved by our Animals range, which allows customers in Armenia to obtain a subsidised handset under a contract plan for the very first time. Despite aggressively priced competition from other operators, our mobile broadband offers won over Armenian customers.

Orange leads the Armenian market thanks to the quality of our network. To ensure that we stay ahead of the competition and are able to accommodate sustained growth in traffic, we have targeted investments to extend our network capacity and coverage, with 22 new mobile base sites coming on stream. In another example of Orange's capacity for innovation, we also opened a travelling store in November 2012 to boost our commercial presence in remote rural areas.

## Belgium

At the end of 2012, Mobistar was Belgium's second-largest mobile provider, with 34.9% of a highly competitive, strongly regulated market, representing 4.3 million mobile customers (including 890,000 MVNO customers) – as well as the country's widest range of smartphones.

Mobistar also provides fixed telephony services for 233,000 customers, including 70,000 Internet customers who benefit from the converged Internet/telephone offerings that are fast becoming the new market standard. We also lead the way in the "Internet of things" (M2M) market, with 518,000 SIM cards activated.

To energize growth in the Belgian market, Orange is supporting changes in usage by investing in the networks of the future. In 2012, for example, we deployed a 4G network in pilot city Antwerp.

## Luxembourg

Despite unfavourable economic conditions, Orange's revenues in Luxembourg advanced by 14.8% in 2012, thanks in particular to the success of our converged offers. At the end of 2012, Orange Luxembourg had a total of 105,805 active mobile customers, an increase of 6.6%. The company's M2M customer base expanded considerably, with 15,900 cards activated at the end of December 2012, compared with 5,947 at the end of 2011.

## Moldova

Orange Moldova strengthened its position as the country's no. 1 mobile provider, with 2 million customers and 52.7% of the market by volume. Despite a still-recovering economy, and fierce competition, particularly in the broadband Internet segment, Orange succeeded in boosting revenues by 1.6%, and adding 10,000 new customers. Following the "Magic Zone" initiative in 2011, we launched "Mobile eID", an innovative system which breaks new ground for Orange by allowing customers to access a range of applications using their SIM card for authentication purposes. We have also rolled out extensive 4G coverage in the Moldovan capital, Chisinau, to meet strong customer demand for new uses and services.

## Romania

The Romanian telecommunications market contracted further by almost 2% in 2012, mainly due to regulatory changes. Despite stiff competition, Orange Romania consolidated its leadership position in 2012 with over 39% of the market by volume, thanks to dynamic commercial results (including 200,000 new contract customers) that far outpaced competitors. Excluding regulatory impact, revenues climbed 1.4% compared with 2011, thanks notably to 45% growth in mobile data volumes, fuelled by the boom in smartphone adoption by our customers. 2012 also saw the completion of the rural network upgrade programme which extended 3G coverage to 99.8% of the population. Orange's network is now recognised as the best in the country. What is more, Orange Romania launched 4G coverage in Bucharest and other cities in late December 2012.

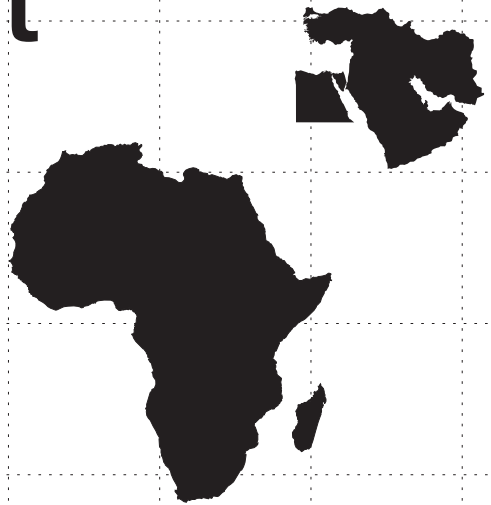
## Slovakia

Orange Slovensko is the country's undisputed no. 1 mobile operator with almost 46.5% of the market by volume, despite the fact that the national telecommunications market has been declining in value for several years. 2012 saw the successful launch of the company's unbundled fixed Internet offer in areas not covered by its fibre optic network, which has already signed up 55,600 customers. Orange TV was added to Orange Slovensko's offering in November 2012. Our customers can now watch their favourite programmes wherever they want, or on any of their screens. They can also access a seven-day catch-up TV facility and purchase video-on-demand services. In June 2012, we launched "WoW", a new portfolio of commercial offers that marks a major innovation compared with the existing offering thanks to a range of plans that bundle voice, text and data services in an attractive pricing schemes.

## Dominican Republic

Orange Dominicana operates in the consumer and enterprise mobile and Internet markets. The company's mobile market share climbed to 38.4% (3.2 million customers) in 2012. Revenues grew by 2.7%, thanks in particular to a surge in income from data services (up 37%). New offers were introduced to develop voice and data uses, including emergency credit, favourite numbers and data services options. Despite intense competition in the prepaid market, our customer base grew by 3.5%. In line with Group strategy, we invested in networks to sustain growth in voice and data traffic. In particular, we rolled out the country's first 4G network, as well as 254 new mobile base sites.

# Africa, Middle East



Orange has a presence in 21 countries in the Africa/Middle East region, with over 83 million customers. We have ambitious goals in a region that is enjoying strong economic growth, a growing population, and where the majority of Internet access is via mobile devices. Africa and the Middle East provide a uniquely fertile environment for the Group's culture of innovation.

4.1

billion euros in revenues in 2012



21

countries in the region



82

million mobile customers  
(up 9.4% in a year)



# Africa and the Middle East, a market with vast potential

Africa alone counts over a billion inhabitants – with a population that is expected to double by 2050 – underpinning robust growth in telecommunications services across the continent. In addition to dynamic demographics, the region as a whole offers attractive commercial opportunities in data and mobile payment. Despite significant economic and social disparities among countries, the telecommunications market is characterized by the size of the mobile segment, explosive growth in mobile Internet, the predominance of voice and text messaging services, a preference for prepaid services, rapid expansion in sharing of services, and swapping of SIM cards from several different operators. Despite risks linked to political instability and sharp competition, this remains an attractive market, with an average mobile penetration rate of 80%. However, this rate varies significantly from one country to the next, ranging from 118% in Tunisia to just 26% in the Democratic Republic of the Congo.

## Orange, a longstanding player in telecoms

Orange has been active in the Africa and Middle East region for several decades, and is the leading or number two operator in most of the 21 countries in which it has a presence. The Group owes its strong positions in Africa

to a programme of sustained investment in networks and a targeted innovation strategy designed to meet the highly specific needs of local populations.

### networks

The Group achieved an important milestone in 2012 with the commissioning of two new submarine cables: LION2, which brings broadband Internet to Mayotte and strengthens Kenya's connectivity to international networks; and the first phase of the ACE cable, which connects 13 countries in Africa (Mauritania, Senegal, Gambia, Guinea, Sierra Leone, Liberia, Côte d'Ivoire, Ghana, Equatorial Guinea, Gabon, São Tomé and Príncipe) and Europe (France and Portugal). These cables provide international connectivity for the countries concerned, supporting their economic growth. Orange is also making massive investments in mobile networks, with all countries in the region scheduled to receive 3G+ coverage by the end of 2013. What's more, 2012 saw the launch of 4G in Mauritius.

### innovation

Innovation is a second key growth driver for the Group in this part of the world, acting as a vital catalyst for business. Orange designs and proposes innovative services adapted to the region's distinctive economic and geographical conditions for applications in all sectors of the economy – from commerce and banking to microfinance – as well as society as a whole, including healthcare, education and social networks.

A stream of innovative new services has changed the lives of people in the region, such as Emergency Credit, which has recruited numerous users. There are equally successful premium services like Internet Everywhere and other solutions that facilitate access by younger customers to Orange's Deezer (winner of Most Innovative Service at the AfricaCom Awards in November 2012). Another hugely successful innovation is the Orange Money mobile banking solution, which allows over 5.6 million customers in Africa and



the Middle East to conduct financial transactions securely from their mobile phones. But also a lot of services that change everyday life.

## 2012: a year of growth and of commercial dynamism

Orange grew its revenues in Africa and the Middle East by 5.3% in 2012. Despite an uneven picture across the region (revenue growth was 24.3% in Côte d'Ivoire and 1.5% in Egypt), Orange recorded excellent overall momentum, with an increase of almost 10% in our mobile customer base (7 million new customers), and a 74% climb in Orange Money users as the mobile banking service continued to perform well. Effort was also focused on securing the loyalty of customers, many of whom swap between SIM cards from several different operators. Attractive offers like Bonus Zone, strengthen this loyalty by proposing discounts targeting particular areas, based on traffic levels on the local network.

Orange has also gained a competitive advantage by accelerating the number of pooled marketing campaigns that run across multiple subsidiaries in the region, including targeted offers during Ramadan or the Orange Africa Cup of Nations, for which the brand is the official partner. 2012 saw the launch of the Orange brand in the Democratic Republic of the Congo, following the purchase of local operator CCT in late 2011, while the Group also increased its stake in its Mobinil subsidiary in Egypt to 94%. At the same time, Orange strengthened its presence in the enterprise segment in the region with the launch of operations in Saudi Arabia. Already a valued partner of many public and private sector organisations in the

Kingdom, Orange supports customers across the Gulf Cooperation Council, the political and economic alliance of countries in the region.

Despite intense competition and risks linked to political instability, Orange is pursuing a strategy of measured, sustainable growth in the Africa and Middle East region. The Group aims to continue growing in the enterprise segment, while also building on the success of Orange Money, and gaining a stronger position in mobile broadband through the rollout of 3G+ and sales of smartphones priced from 100 euros. Another noteworthy and original initiative in 2012 was the launch of Orange Horizons. This new subsidiary explores business opportunities in countries in which the Group has not previously had a presence as an operator for consumer services. Rolled out in South Africa, Orange Horizons will seek business development not only in Africa, but also Europe and South America.

# enterprises

more than

# 21,600

employees, almost half of whom are outside France



The world of business also benefits from innovations powered by the digital revolution. With a presence in over 160 countries and the world's largest seamless network, Orange Business Services makes a genuine difference for its customers, from SMEs to multinationals.

7

billion euros in revenues in 2012

1.2

billion euros in restated EBITDA

over

2

million small business and  
enterprise customers in France

29

over

3,000

multinational customers outside France

## best global operator

New information and communications technologies are transforming the way businesses work, sharpening performance while enhancing employee comfort and improving customer relations. Orange Business Services is a global leader in telecommunications services for enterprises, providing cutting-edge communication solutions and delivering best-in-breed customer experience and support. This position was recognised by three prestigious wins at the World Communication Awards 2012: Best Global Operator, Best Cloud Service (for our "Business Together as a Service" solution) and Users' Choice.

## growth drivers

With a focus on innovation and investment, Orange Business Services is pursuing eight growth drivers: networks and very-high-speed solutions, cloud computing, the new workspace, mobile fleet management, videoconferencing, the Internet of things, customer relationship solutions, and security. In 2012, Orange's healthcare business was folded into Orange Business Services in order to industrialize the offering and position Orange as the benchmark technology partner in healthcare.

For example, our Connected Hospital offer is a communications platform that improves patient comfort, facilitates communications among medical staff, enhances the safety and security of people and equipment, and reduces the burden of administrative tasks. The new Metz-Thionville regional hospital, which opened in December 2012, is fully embedded with Orange communications systems.

## network performance

Orange Business Services is investing in ever more powerful, high-performance networks, which are a vital asset in providing a richer suite of services. Fibre has now been deployed in over 5,000 cities in France, covering 77% of businesses with more than 20 employees, and we are the first operator to propose 4G services for enterprises. Internationally, our seamless voice and data network covers 220 countries and territories. We are also world's no. 1 in connectivity, with over 326,000 IP VPN accesses.

## cloud computing

Cloud computing is both a technology and a service. It provides remote, on-demand access to IT resources such as software or data storage. For businesses, this is a cost-effective way to optimize information system performance. Orange Business Services had revenues of 113 million euros in this market in 2012, a rise of 33%, led by:

- our Cloud Pro offer, which topped 60,000 customers providing a suite of collaborative solutions for SMEs;
- creation of Cloudwatt in partnership with Thales and Caisse des Dépôts, to develop secure public cloud infrastructure for the benefit of French and then European economies;
- a growing portfolio of flexible, secure cloud solutions available anywhere in the world.

## the new workspace

As the frontier between work and home life continues to disappear, employees are using their own devices for work applications, and taking company devices home. We support them by making their workspace available anywhere, on any device.

## mobile fleet management

In 2012, we launched “Device Management” offers to help firms manage increasingly diverse fleets of mobile devices with multiple operators, addressing the imperatives of security and confidentiality.

## video-conferencing

Images are increasingly pivotal to the way businesses communicate today. To become the leader in France and a major player worldwide, we focus on simplifying videoconferencing to make it conveniently accessible, regardless of the operator or hardware, especially for “mobile” participants. We have concentrated in particular on the continuity of the experience between immersive videoconferencing (in a “telepresence room”) and non-immersive configurations from users’ personal computers, tablets or smartphones, from any location.

## the Internet of things

When machines communicate with each other, businesses enjoy significant gains in productivity. In France, Orange Business Services recorded almost 50% growth in this segment in 2012. We launched a new portal that lets our customers manage their M2M (machine-to-machine) subscriptions more effectively, including incident diagnostics and budget control. We also deploy innovative solutions designed to help customers revamp their business models. Nespresso, for example, has revolutionised after-sales service of its range of coffee machines for professionals.

## customer relationship

As an expert in 360-degree customer relationship management, we offer a wide range of solutions and services (public access numbers, Web portals, contact centres, message broadcasting, etc.) that enable enterprises to forge effective customer relationships and deliver superior customer service. This quality has earned success in export markets too as more and more international enterprises choose Orange Business Services. In 2012, we launched Flexible Contact Center worldwide. This secure, multi-channel and scalable contact centre solution, based on cloud computing, is available in 110 countries.

## security

In 2012, we were ranked the no. 1 managed security services provider in France, and figures among the top five internationally. Data is a high-value asset for our enterprise customers, and the security of their is our top priority. Our teams support more than 600 multinationals around the world in nearly 200 countries, making service excellence a daily reality.

markets

31

enterprises

# international carriers and shared services

This segment encompasses wholesale trading in voice, Internet and data capacity among operators, as well as content-, audience- and healthcare-related activities. A vital part of the digital landscape for our customers, it generates significant revenues.

## wholesale

### a key component for seamless service

Our wholesale solutions ensure continuity of voice, Internet and data traffic between countries, and allow fixed and mobile operators to guarantee roaming services. In concrete terms, millions of minutes of wholesale capacity are sold in blocks to fixed, mobile or ISP operators, who then bill these minutes at retail rates to consumers and business customers.

### a year of growth

Orange moved up towards the top of the league table to become the third-largest global operator for voice traffic in 2012, transporting over 27 billion minutes annually. This success is driven primarily by the Group's powerful networks – especially 450,000 kilometres of submarine cables – without which our wholesale business would simply not exist. International wholesale generated nearly 1.4 billion euros in revenues in 2012, with volume growth

of 5.6% in wholesale voice.

Orange also won the highly prestigious Best Global Wholesale Carrier award in 2012, in recognition of the growth and innovation achieved in our voice services as well as the expansion of our operations in emerging countries, notably in Africa.

### innovative offers

The Group ensures continuity of international services for over 1,000 customers (fixed, mobile and ISP operators) by designing innovative offers such as the “Roaming Hub”, which simplifies roaming agreements among mobile operators, “@first”, the first comprehensive anti-fraud offer, and “Multiservice IP eXchange”, which provides more efficient interconnectivity between networks.

In France, as the leader in the segment, we offer an extensive range of wholesale services, including interconnection for operators, access to broadband and very-high-speed services, MVNO offers, and national mobile roaming solutions, including the Group's six-year agreement with Free Mobile. To make life simpler for our customers, we have developed a new flat-rate roaming offer for Europe that combines voice, data and text for occasional users, and a text-based usage alert system for other countries in which we have a presence. We have also created a new application,

“Orange Travel”, that lets users check their data consumption anywhere in the world, giving them greater control over expenditures.

## content

### custom-tailored service

The digital experience is above all about content. To meet our customers' demand for custom-tailored services that they can access anywhere, we are continually enriching our content offerings for all devices (TV, PC, smartphone and tablet). Orange has strengthened its role as an aggregator and broadcaster of content by establishing partnerships with major publishers and producers specialising in different areas, such as Deezer, Europe's leading music streaming service, and Dailymotion, the world's second-largest online video site. Orange increased its stake in Dailymotion to 100% in January 2013.

### a rich TV offering, and on-demand

To provide top-quality TV packages, Orange teams with industry leaders such as TF1, adding several general and sports channels in 2012, and BeIN SPORT, which allows sports fans, especially football lovers, to enjoy their passion to the fullest. TV d'Orange's on-demand content offering is continuously being expanded to keep pace with new consumption habits, with up to 16,000 programmes now available every month. Our portfolio includes the MyTF1 on-demand portal, the Extra bundle (with 40 themed channels), and the OCS 100% cinema and series bundle (which now has over one million subscribers). We also propose an array of video-on-demand options, with a total of 82 catalogues and 7,000 titles available every month.

### new-generation TV

In 2012 Orange launched the new TV interface, which transforms the viewing experience thanks to simple and intuitive navigation, direct control and the ability to transform the TV into a multimedia screen. TV d'Orange can now be enjoyed

on any screen in the house that is connected to Livebox via Wi-Fi.

The experience is enriched even further by the new Livebox Play package, with its latest-generation TV set-top box.

In October 2012, we added video games to the TV d'Orange menu. Customers both young and old are eagerly signing up to join the fun via our cloud gaming service, which offers over 130 games. Orange was on hand at Paris Games Week in late 2012, France's first consumer video games event.

## audience

Monetisation of data and Internet services figure at the heart of our audience-related priorities. We rank 22<sup>nd</sup> in the world in terms of Internet audience (source: Top Audience Bulletin, October 2012), evidence that our strategy of supporting changes in our customers' digital uses is bearing fruit. The success of our portals (Orange.fr, StarAfrica.com, etc.) and our ever broader, more innovative and more customised range of services, available via different platforms such as Orange's personal cloud, make us more attractive to on-line advertisers and generate significant revenues.

Our digital business units and subsidiaries proved resilient in a difficult economic context, including Orange Advertising Services in Spain, which successfully enriched its offering.

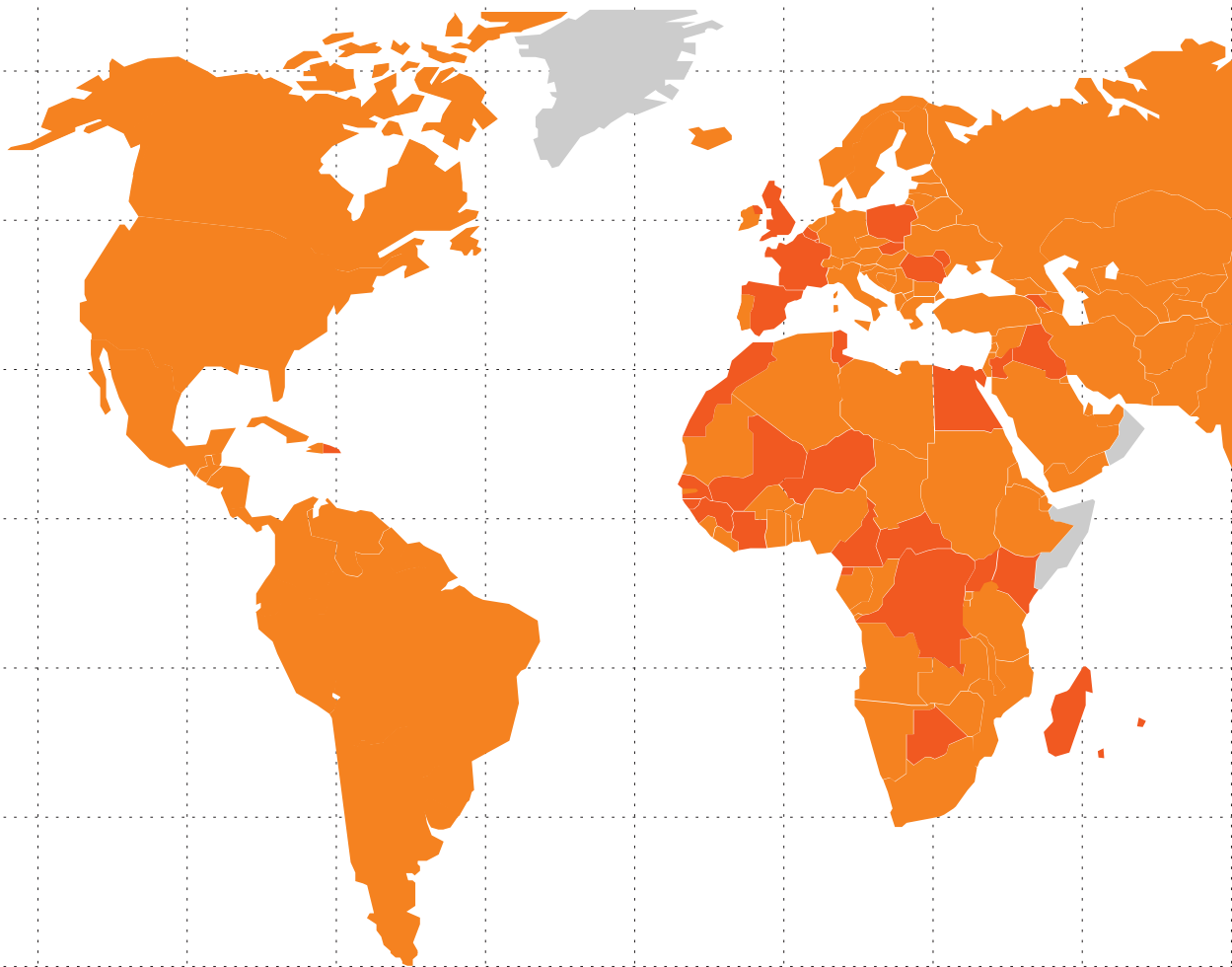
markets

33

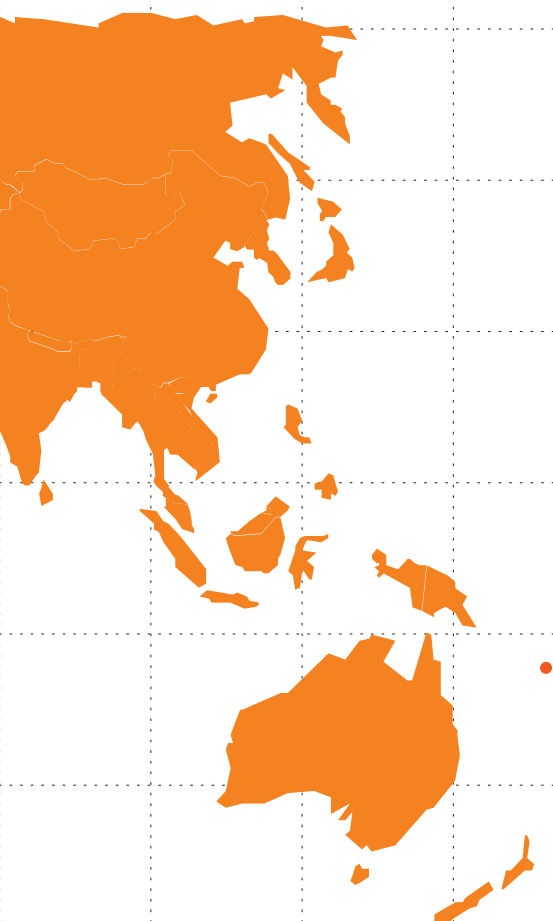
international carriers and shared services

+12 h





**global presence**  
at 31 December 2012



presence in

**160**

countries

seamless network in

**220**

countries and territories

 enterprise business

Armenia  
Belgium  
Botswana  
Cameroon  
Central African Republic  
Côte d'Ivoire  
Democratic Republic of the Congo  
Dominican Republic  
Egypt  
Equatorial Guinea  
France  
Guinea  
Guinea-Bissau  
Iraq  
Jordan  
Kenya  
Luxembourg  
Madagascar  
Mali  
Mauritius  
Moldova  
Morocco  
Niger  
Poland  
Romania  
Senegal  
Slovakia  
Spain  
Tunisia  
Uganda  
United Kingdom  
Vanuatu

 consumer/enterprise business

markets

35

global presence

challenges

simplicity

innovation

talents

markets

profile

commitment



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Orange – 78, rue Olivier de Serres – 75015 Paris – France – 33 (0)1 44 44 22 22 – Corporate Communication and Brand – SA with a capital of 10,595,541,532 euros – RCS Paris 380 129 866  
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# profile

# Orange reached its operating cash flow target 2012 while increasing investments and containing the decline in revenues

2

The Group's resilience confirms the success of an offensive commercial strategy and a resolute focus on building tomorrow's networks, international development, innovation and customer service quality. Orange continues to prepare for

the future while pursuing an ambitious programme to control costs and remain agile. This strategy is anchored in respect for the communities we serve and the environment, and a commitment to complete transparency with all our stakeholders.

France Telecom-Orange provides market insights, overview of our strategic vision and results, enabling all stakeholders to assess the performance and efficiency of our business.

# five telecoms industry benchmarks for 2012



**+2.7%**

growth in value for the global  
telecommunications services market  
(1,115 billion euros)



**+46%**

growth in the number  
of smartphones worldwide  
(720 million)



over

**64%**

of Internet users access Facebook  
from their mobile phone



**2.3**

billion Internet users, one-third  
of the world's 2012 population



**+78%**

growth in digital tablets sold (128 million)



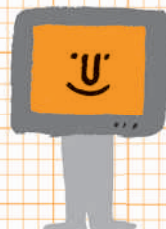
# five Group benchmarks for 2012

profile



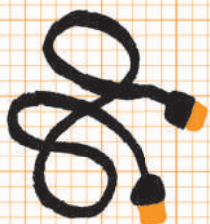
**231**

million customers worldwide  
(+3%)



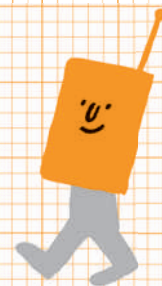
**5.9**

million digital TV subscribers in Europe  
(+15%)



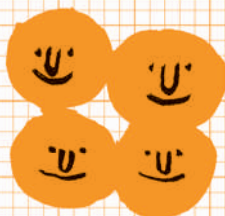
**14.9**

million fixed broadband customers  
(+3.4%)



**172**

million mobile customers  
(+4.5%)

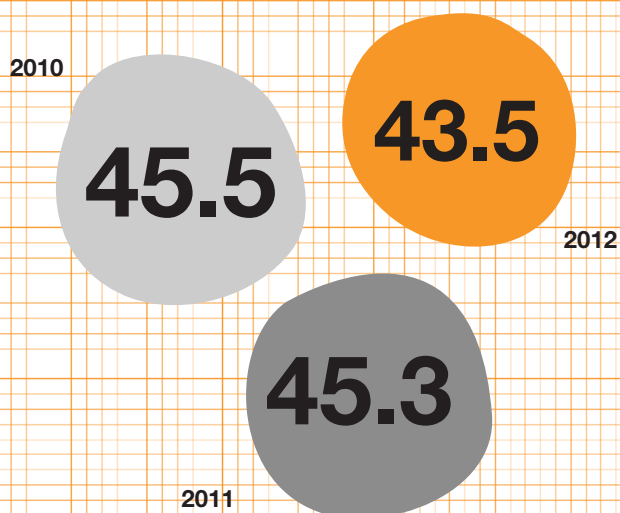


**170,000**

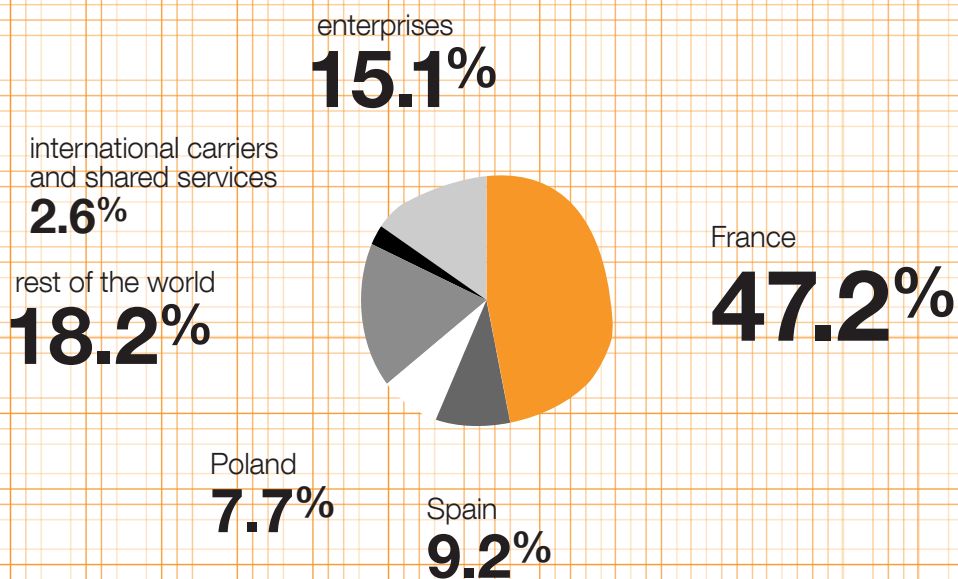
employees

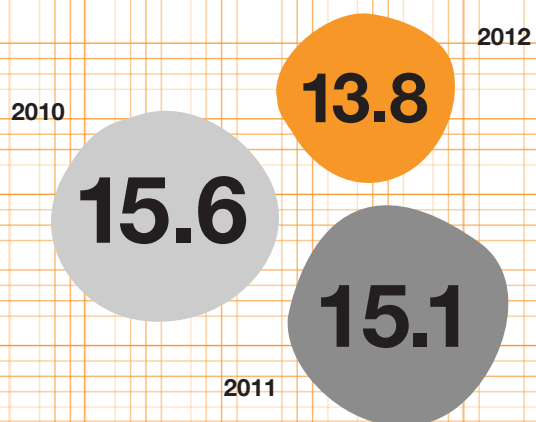
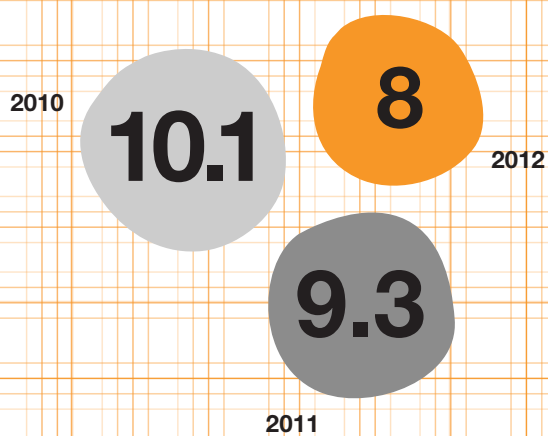
# key financial figures

**consolidated revenues** in billions of euros



**breakdown of revenues** by geographic zone

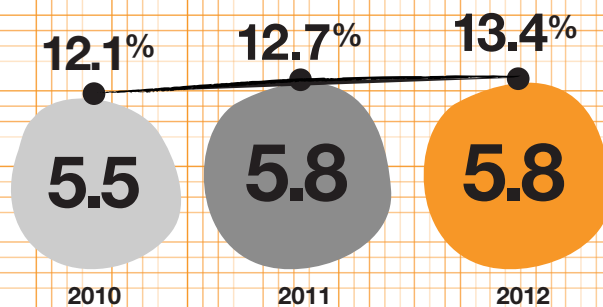


**EBITDA, restated** in billions of euros**operating cash flow<sup>(1)</sup>** in billions of euros

(1) EBITDA restated – CAPEX

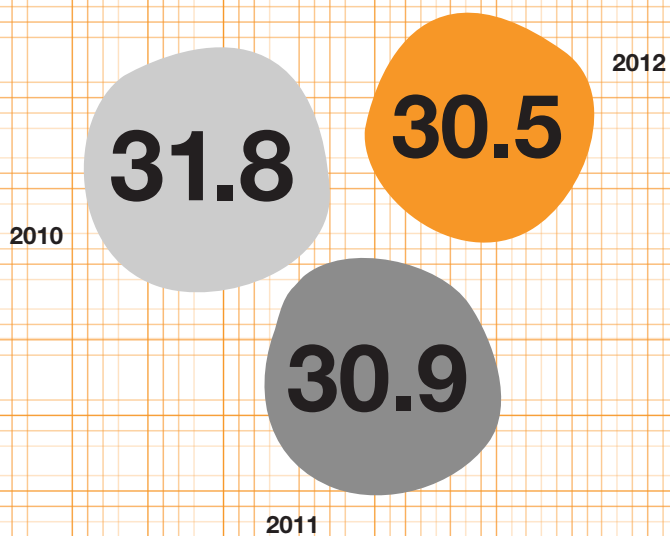
## capital expenditure (CAPEX)

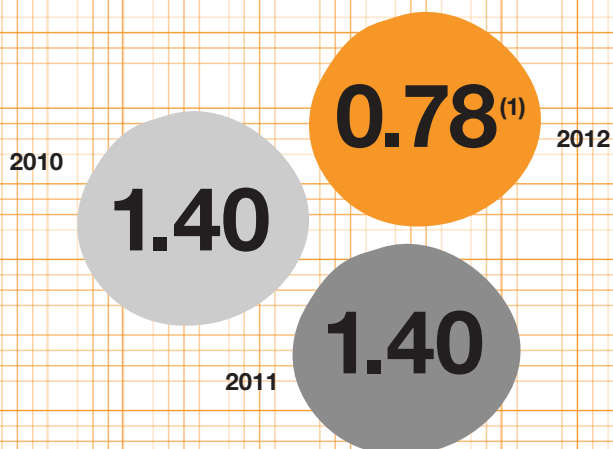
in billions of euros and % of revenues, excluding licenses



## net financial debt

in billions of euros, historical basis



**dividends** in euros per share

(1) proposed to Annual General Meeting of Shareholders on 28 May 2013

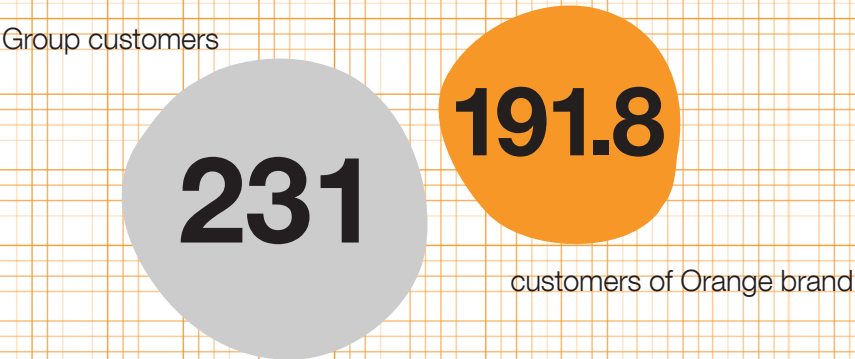
**net income Group share** in millions of euros\*

\* On historical basis. On a comparable basis, the net income Group share stood was 3.4 billion euros.

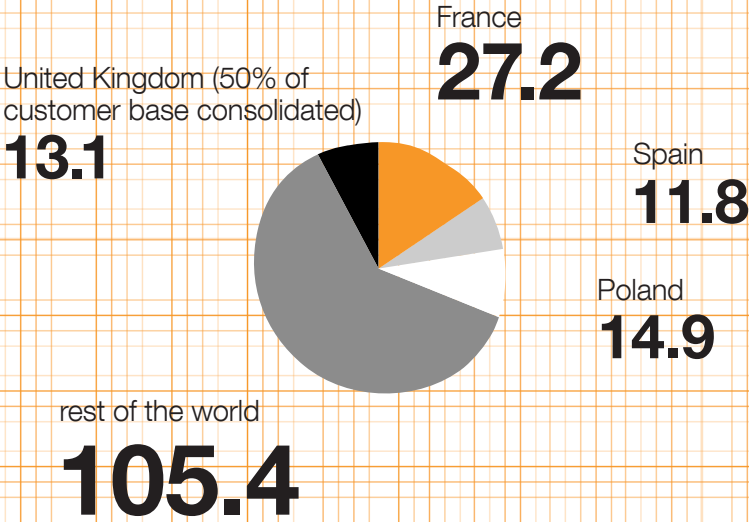
Complete consolidated financial statements are posted on [www.orange.com](http://www.orange.com) and are available on request from the company.

# operational key figures

customers in millions



mobile customers in millions (excluding MVNO)



**residential customers** in millions

total lines  
(copper and fibre)

**43.2****15.1**

Internet  
customers

**5.9**

Digital TV customers in Europe

**enterprise customers** in millions

IP VPN accesses

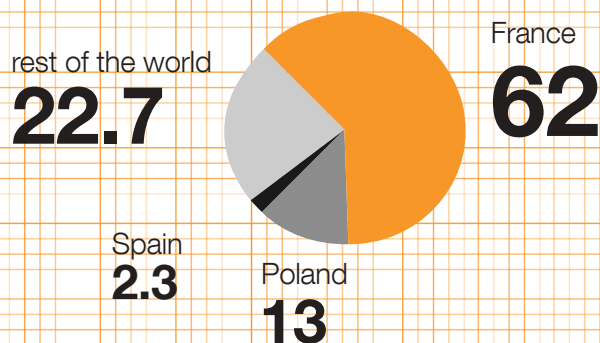
**0.3****1.8**

Business Everywhere users

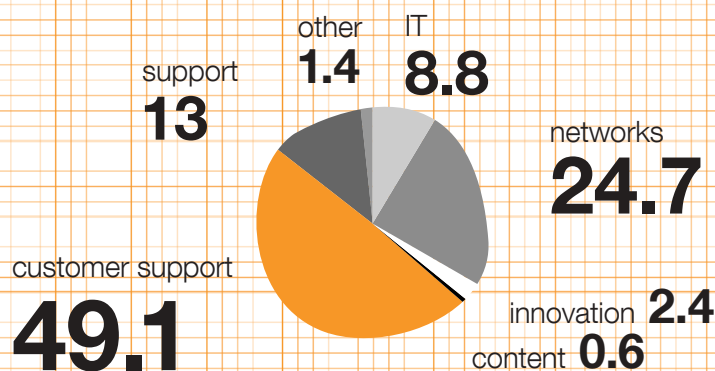


# extra-financial key figures

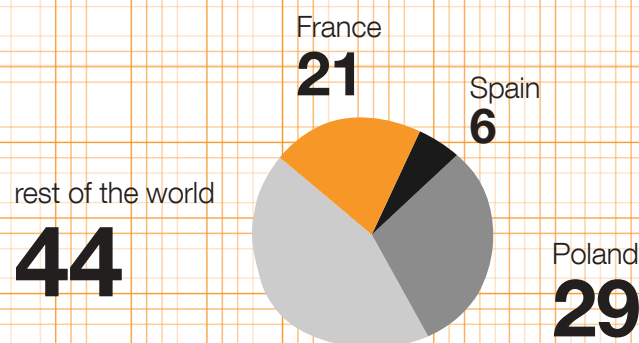
breakdown of Group workforce by geography (in %)



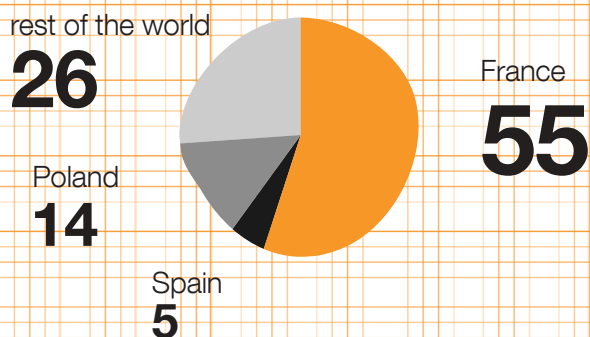
breakdown of Group workforce by job category (in %)



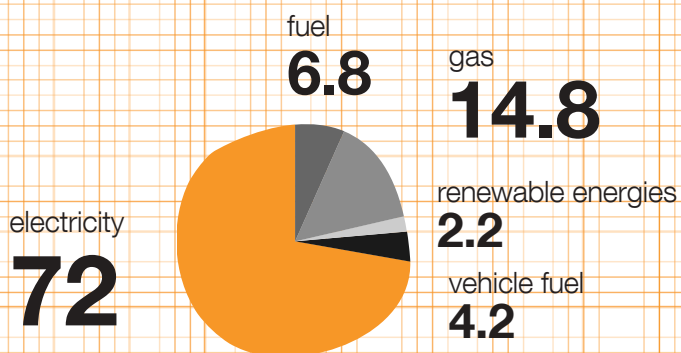
CO<sub>2</sub> emissions by geography (in %)  
1.52 million tonnes of CO<sub>2</sub>



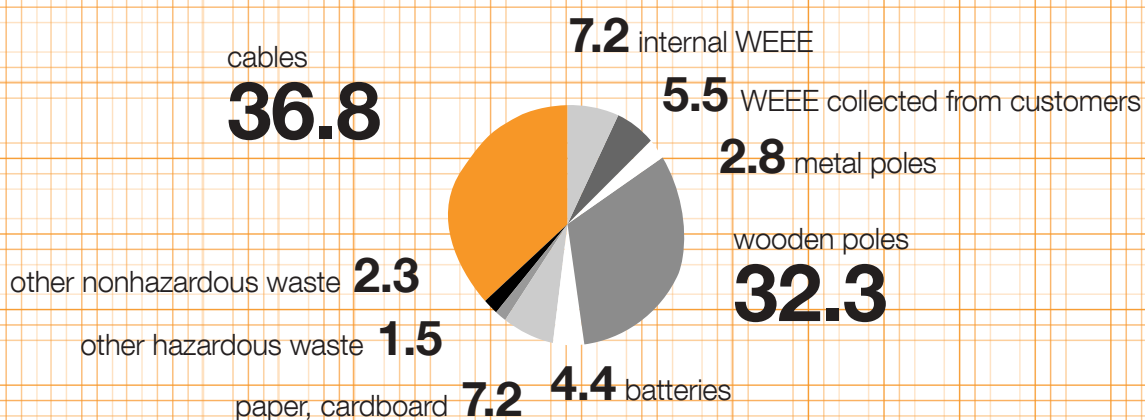
### energy consumption by geography (in %) 1.25 million tpe (tonnes petroleum equivalent)



### energy consumption by type of energy (in %)



### main waste categories recovered by the Group excluding common waste (in %)



# governance

The Board of Directors oversees the efficient management of the Group. The Executive Committee is responsible for operational management of the company under the authority of the Chief Executive Officer, assisted by the Chief Executive Officer Delegate. These two bodies constitute the pillars of the Group's governance. Stéphane Richard is Chairman of the Board of Directors and Chief Executive Officer and Gervais Pellissier is Chief Executive Officer Delegate.

## Board of Directors of France Telecom

### **role**

The Board of Directors is a collective decision-making body responsible for

overseeing senior management decisions, establishing the strategic orientations of the company and ensuring that it functions efficiently. The Board approves financial statements and financial information and ensures that operational objectives are achieved, and that they comply with applicable legislation and regulations. It presides over all major strategic, economic, human resources, financial and technological decisions and ensures application of decisions by Group senior management, whose members compose the Executive Committee.

### **composition of the Board of Directors**

Board members are elected by the Shareholders' Meeting, by employees or appointed by the French government. They are voluntarily selected to ensure a diversity of profiles: active managers, executives who have retired from major

companies or institutions and senior civil servants. They represent a variety of sectors, including finance and economy, technology and development. Their diversity, commitment and exchanges of viewpoints provide a rich source of input for the Group. In 2012, the Board of Directors of France Telecom met nine times, in addition to the 15 meetings of specialized board committees. The board also held a strategy seminar with members of the Executive Committee. The Group is committed to greater internationalisation and to balanced representation of women on the Board to reflect the diversity of the company. The Board of Directors currently has a total of five women members elected by the Shareholders' Meeting or employees, representing over 33% of board members, and four members elected by or representing employees.

### **appointment of Board members**

The number of Board members is established by the company bylaws. At 31 March 2013 the Board of Directors was composed of:

- eight members elected by the Shareholders' Meeting;
- two members designated by the French government;
- three members elected by employees;
- one member elected by the Shareholders' Meeting to represent employee shareholders.

The following changes recently occurred in the Board's composition:

- on 5 June 2012, the Shareholders' Meeting reappointed Claudie Haigneré, Charles-Henri Filippi and José-Luis Duran as independent directors;
- following the resignation on 25 July 2012 of Marc Maouche, the Director representing employee shareholders, his replacement, Jean-Luc Burgain, joined the Board as of that date;
- by government decree issued on 26 September 2012, Olivier Bourges was named representative of the French government on the board, replacing

Jean-Dominique Comolli. His term ended on 5 March 2013;

- by government decree issued on 18 February 2013, Henri Serres was named representative of the French government on the board, replacing Pascal Faure. Board members serve a four-year term and receive attendance fees. The aggregate annual amount of attendance fees that can be paid to directors is set by the Annual Shareholders' Meeting and allocated by the Board of Directors based on attendance and membership on Board Committees. The Annual General Meeting of 27 May 2008 set this sum at 600,000 euros, an amount that has not changed since that date.

### **role of Board members**

Board members receive a detailed agenda and related documents for each item prior to each meeting of the Board. During the meetings they ask questions and discuss issues. They review different stages in the company's functioning, in particular financial and extra-financial performance, the budget and the main risks to which the Group may be exposed as it pursues development. The Board of Directors approves the financial statements, prepares the annual management report and convenes Shareholders' Meetings. It evaluates the status of members as independent directors and reviews the functioning of the Board and of Board committees. Tracking of improvements in governance has also been introduced.

### **deliberations**

The Board also makes decisions concerning important transactions by the Group and on issues such as the compensation paid to directors and officers or the payment of an interim dividend. In 2012 the Board reviewed strategic development opportunities, including the acquisition of a controlling interest in Mobinil in Egypt and Dailymotion. The disposal of the Orange Switzerland subsidiary was also submitted to the Board.

## **composition of the Board of Directors at 31 March 2013**

### **– directors appointed by the Annual Shareholders' Meeting**

#### **Stéphane Richard**

Chairman and Chief Executive Officer

Date appointed: 9 June 2010

Term ending: 2014<sup>(1)</sup>

#### **Bernard Dufau**

Former Chairman and Chief Executive Officer of IBM France

Independent director

Date appointed: 25 February 2003

Term ending: 2015<sup>(1)</sup>

#### **José-Luis Duràn**

Chairman of the Management Board of Devanlay

Independent director

Date appointed: 5 February 2008

Term ending: 2016<sup>(1)</sup>

#### **Charles-Henri Filippi**

Chairman of Citigroup France

Independent director

Date appointed: 5 February 2008

Term ending: 2016<sup>(1)</sup>

#### **Claudie Haigneré**

Chairman of Universcience

Independent director

Date appointed: 21 May 2007

Term ending: 2016<sup>(1)</sup>

#### **Helle Kristoffersen**

Director of Strategy and Economic Intelligence of the Total group

Independent Director

Date appointed: 7 June 2011

Term ending: 2015<sup>(1)</sup>

#### **Muriel Pénicaud**

Group Director of Human Resources, head of social innovation and member of the Executive Committee of Danone

Independent Director

Date appointed: 7 June 2011

Term ending: 2015<sup>(1)</sup>

#### **Jean-Michel Severino**

Former Director of French International Development Agency (AFD)

Independent Director

Date appointed: 7 June 2011

Term ending: 2015<sup>(1)</sup>

### **– directors representing the French State\***

#### **Henri Serres**

Ingénieur général des Mines, Vice-Chairman of the General Council for Industry, Energy and Technology (CGEJET)

Ministry of the Economy and Finance

Ministry of Industrial Renewal

Date appointed: 18 February 2013

Term ending: 17 February 2017

#### **Pierre Graff**

Former Chairman and Chief Executive Officer of Aéroports de Paris

Date appointed: 14 December 2010

Term ending: 13 December 2014

### **– directors elected by employees**

#### **Caroline Angeli**

Corporate networks manager

Date appointed: 3 December 2009

Term ending: 2 December 2013

#### **Ghislaine Coinaud**

Support Function

Date appointed: 3 December 2009

Term ending: 2 December 2013

#### **Daniel Guillot**

Director of relations with local authorities

Date appointed: 3 December 2009

Term ending: 2 December 2013

### **– director elected by the Annual Shareholders' Meeting representing employee shareholders**

#### **Jean-Luc Burgain**

Senior manager, Sales and Customer Service Agency, Eastern France

Date appointed: 25 July 2012

Term ending: 2014<sup>(1)</sup>

*Thierry Franchi attends meetings of the Board of Directors in his capacity as representative of the Central Works Committee.*

*(1) Term of office ends at the shareholders' meeting to be convened to approve the financial statements for the previous year.*

*\* The Board member proposed by the FSI will be submitted for approval by the annual shareholders' meeting on 28 May 2013.*

# committees of the Board

The Board of Directors is supported by expertise from three specialized Board Committees, which provide informed input for the Board's discussions and assist in preparing its decisions. These committees meet as often as is necessary. Their functioning and their areas of responsibility are set out in the Internal Guidelines of the Board of Directors, which were established in 2003 and amended several times since then. In line with the recommendations of the Afep-Medef code of corporate governance for listed companies, independent directors are given significant responsibilities. The committees submit reports on their work to the Board of Directors.

## **the Audit Committee**

meets regularly with senior management and executives of the Group's Finance Department, Audit and Internal Control Departments. It reviews draft financial statements and management reports. The Committee met eight times in 2012. It comprises five members who are appointed for an indefinite term by the Board of Directors on the recommendation of the Governance and Corporate Social Responsibility Committee. The Chairman of the Audit Committee (Bernard Dufau) is chosen from the independent directors.

## **the Governance and Corporate Social Responsibility Committee**

examines in particular the primary components of the Group's human resources and corporate social responsibility policy. It comprises four members appointed by the Board of Directors on the recommendation of its Chairman (Muriel Pénicaud, independent director). The Governance and Corporate Social Responsibility Committee met six times in 2012. Among the issues examined were compensation of directors and corporate

officers, review and oversight of the process for periodic evaluation of the work of the Board of Directors and Board Committees, examination of corporate social responsibility policy and review of specific subjects including the programme to prevent corruption, the Group's contribution to economic and social development in Africa and the Middle East, the Group's environmental footprint and gender equality.

## **the Strategy Committee**

held a one-day strategy seminar for members of the Board of Directors and the Executive Committee in December 2012. The committee comprises four members appointed by the Board of Directors on the recommendation of its Chairman (Stéphane Richard).

# Group management

Stéphane Richard has been Chairman and Chief Executive Officer of the Group since 2011. Given the Group's size and importance, a second corporate officer was named to represent the company. Gervais Pellissier has been Chief Executive Officer Delegate since November 2011, retaining his responsibilities as Executive Director in charge of Finance and Information Systems.

## **Executive Committee**

Placed under the authority of the Chairman and Chief Executive Officer, the Executive Committee has 12 members with effect from 1 May 2013. The members are the Chief Executive Officer Delegate, the four Deputy CEOs and the six Group Executive Directors in charge of divisions and Group functions. The Executive Committee meets weekly to manage and coordinate implementation of strategy and oversee the achievement of operational, labour relations and technical objectives, as well as those relating to the allocation of financial resources.



# Executive Committee



**Stéphane Richard,**  
Chairman and Chief Executive Officer







**Delphine Ernotte Cunci,**  
Deputy CEO  
Executive Vice-President Orange France



**Gervais Pellissier,**  
Chief Executive Officer Delegate  
Group Chief Financial Officer

**Bruno Mettling,**  
Deputy CEO  
Group Human Resources  
and Internal Communication



**Pierre Louette,**  
Deputy CEO  
Group General Secretary





**Vivek Badrinath,**  
Deputy CEO  
Innovation, Technology,  
and Customer Experience





**Christine Albanel,**  
Executive Director  
CSR, Events, Partnerships and Philanthropy  
Executive Vice President of the Orange Foundation

**Élie Girard,**  
Executive Vice-President  
Group Strategy and Development







**Thierry Bonhomme,**  
Executive Vice-President  
Enterprise Communication Services



**Béatrice Mandine,**  
Executive Vice-President  
Communication and Brand





**Marc Rennard,**  
Executive Vice-President  
Africa, Middle East and Asia



**Benoît Scheen,**  
Executive Vice-President  
Europe

# a sustained commitment to quality information for the financial community

## the share in 2012

Stock market trends in Europe reflected easing investor concerns following measures taken by international monetary authorities. These actions began having a positive impact from the second quarter, leading to better visibility of growth potential in the U.S. economy, as well as a dissipation of fears surrounding the euro zone. Cyclical stocks thus enjoyed a rebound at the end of the year. France's CAC 40 index ended 2012 up 15%, with 33 of the 40 companies in the index posting gains versus their January levels. The year was nevertheless marked

by a downturn in the outlook for telecommunications operators, negatively impacting their stock market value.

Changes in dividend policies in the sector amplified this trend.

The European telecommunications sector (DJ Stoxx Telecom index) ended the year down 11%, the weakest performance among the DJ Stoxx 600 sectoral indexes, up 14%. In this general climate the France Telecom share, weakened by greater competition in France, fell 31% for the year. Including dividend reinvestment, this performance was below that of the Stoxx Telecom index, falling 21% compared with 11% for the broader index.

## share information

**markets:** Eurolist A – Euronext, New York Stock Exchange

**ISIN code:** FR0000133308

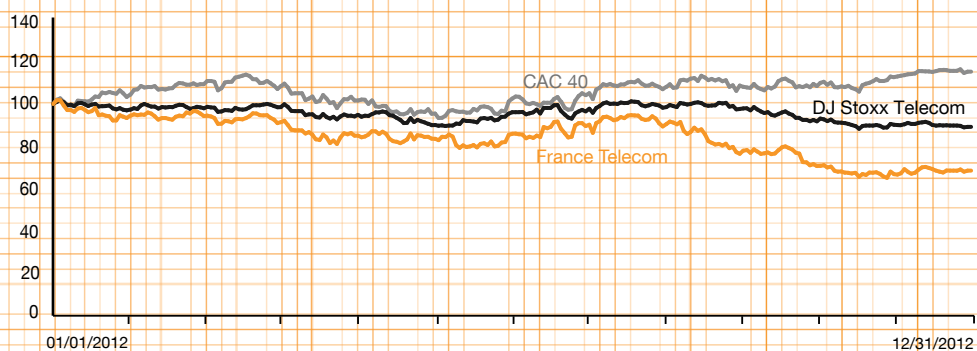
**stock code:** FTE

**par value:** 4 euros

**included in the following indices:** CAC 40, Euronext 100, DJ Stoxx Telecom, FTSEurofirst 100, FTSEurofirst 80, SBF 120, MSCI Euro Index, FTSE Eurotop 100 Index  
Eligible for deferred settlement service (SRD) and investment savings accounts (PEA)

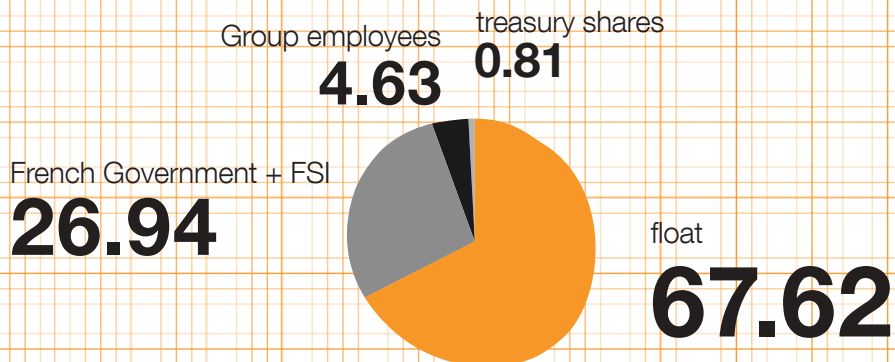
**number of shares** at 31 December 2012: 2,648,885,383

## France Telecom share price



base 100 at 1 January 2012, including dividend reinvestment

## distribution of share capital (in %) at 31 December 2012



# investors

## **institutional**

The Investor Relations team maintains ongoing dialogue with analysts and institutional investors and regularly meets with them. The Group strengthened this contact in 2012 against the backdrop of a particularly difficult environment.

This dialogue is structured by four scheduled announcements of financial results.

- Stéphane Richard, members of the Executive Committee and senior Group executives presented the Group's full-year 2012 results to investors in Paris and London during a duplex conference on 20 February 2013.
- The Group organizes conference calls with investors for the other three announcements of interim financial results (24 April, 25 July and 23 October 2013). Announcements are followed by road shows in France and other countries to nurture direct relations with the entire investment community.

The Group also regularly takes part in general or industry conferences organized by banks and financial institutions, providing an opportunity for contacts with current and future investors. In addition, private meetings are scheduled throughout the year at the request of analysts or investors.

In 2012, members of Group management and investor relations met with over a thousand investors in 32 cities around the world during 80 days of road shows, 50% more than in 2011. A special Investors Day at the end of October 2012 provided an opportunity to present third-quarter results and discuss the outlook for 2013-2014.

## **individual**

Fresh momentum in relations between the Group and its nearly one million individual shareholders marked 2012. To strengthen dialogue and local contacts in addition to a dozen meetings across France, Orange helped initiate the Shareholders' Village event in Paris in September, attended by Stéphane Richard.

Orange also took an innovative approach to investor education by presenting its 2011 annual report as an invitation to discover the company from A to Z. This initiative earned several awards, including "Communication et Entreprise", *Stratégies* magazine and a Top Com prize.

Each year the Group invites its shareholders to the Annual General Meeting in Paris (28 May 2013). The event is covered in a live webcast and available from tablets or mobile phones via [www.orange.com](http://www.orange.com)

Shareholders have access to a vast range of information sources on the Group across multiple channels. In addition to a twice-yearly shareholder newsletter, there are quarterly webzines, a Shareholders' Club that proposes over 150 events each year, and email or text message alerts. A team of advisors is available to answer questions from shareholders Monday through Friday from 9 am to 7 pm (via the 1010 number from France).

## **employee**

The Group encourages employee engagement through different savings plans and ownership of direct registered shares. Some 170,000 employees (including former and retired employees) benefit from these schemes and currently hold 4.63% of the company's equity.

Employees can own shares in their company through several vehicles:

- in France, by investing in the France Telecom Actions mutual fund within the scope of the company savings plan, thus benefiting from annual matching funds;
- by subscribing share offerings reserved for employees, or free share award plan.

In 2012 the Group offered a new employee savings scheme for retirement planning, creating a new collective retirement savings plan (Perco Intégral) that guarantees availability of capital invested by employees at the term selected.

The Group provides clear and regularly updated information for employees concerning these different measures in France via an intranet (@noo/epargne salariale), a hotline (0 800 20 20 20) and a special section on [www.orange.com/finance](http://www.orange.com/finance). Online training, backgrounder kits and special information meetings for employee shareholders were also widely deployed during the year.

## contacts

### **investors and analysts**

Patrice Lambert de Diesbach  
email: [investor.relations@orange.com](mailto:investor.relations@orange.com)  
Web: [www.orange.com/finance](http://www.orange.com/finance)

### **individuals and employees**

Bertrand Deronchaine  
email: [conseiller.actionnaire@orange.com](mailto:conseiller.actionnaire@orange.com)  
Web: [www.orange.com/finance](http://www.orange.com/finance)  
telephone: +33 1 60 95 87 24 from outside France  
mail: BP 1010 – 75721 Paris Cedex 15 – France

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# commitment

**Inspired by ethical  
and social values  
the Group fosters  
dialogue and  
commitment  
to secure its  
responsibility  
roadmap** over the  
long-term and to  
address the current  
and future challenges  
facing society.



#### **Mali, Senegal/healthcare**

The fruit of a partnership with health authorities, private health insurance providers and NGOs, the Djobi mobile application improves communication between mothers from remote rural areas and medical centres, helping to prevent diseases such as malaria. The target is to reduce under-five child mortality by 30% in six pilot regions.



Orange Cam





# mpus

## Madrid



### **Spain/management**

A veritable incubator for nurturing our new managerial culture, Orange Campus is a platform for sharing experience and best practices. More than 220,000 hours of training were provided to staff in 2012. Some 73% of the Group's managers have attended Orange Campus events since it was created in 2011.









### **Slovakia/protecting children**

25,000 Slovakian children have been educated in risks of unsafe Internet use since the introduction in 2008 of a special Orange programme for schools in the country. The Group organises numerous information and awareness campaigns in most of its host countries.









### **Moldova/eco-citizenship**

In May 2012, the “Hai, Moldova” initiative brought more than 100,000 people together for local clean-up and recycling operations. Orange partnered the event, giving gifts to customers who brought in used mobile phones to stores or dropped them off at special collection points. A thousand handsets were collected in six days!



# International Idea

10<sup>th</sup> of October 2012, Bucha





# as Festival

rest



## Romania/innovation

Bucharest hosted the 3<sup>rd</sup> International Ideas Festival, an internal Orange event held annually which pays tribute to our employees' ground-breaking ideas across all fields and functions. In 2012, 43 projects were selected and submitted to a panel of experts, which awarded prizes to the winning ideas in four categories. A special prize was also awarded to the employees' favorite idea.





**Côte d'Ivoire/community**

In Côte d'Ivoire, the Orange Foundation has launched its Village project, which equips villages with a water supply point, a school and a medical centre.





#### **France/digital inclusion**

The Orange Foundation supports 120 digital solidarity projects that promote social and professional inclusion and strengthen ties between generations.





# four fundamental commitments

Orange deploys its corporate social responsibility (CSR) policy as a cornerstone of our development, a source of innovation and a powerful differentiator with our competitors. We aim to be the benchmark operator in CSR. We are constantly seeking to create value for all our stakeholders, working with them to build a more people-focused digital world that is increasingly trustworthy, eco-friendly and accessible to everyone.

## people

### **recognise and support our employees**

Our commitment to employees is the first pillar in our CSR policy. Our objective is to be recognised as a preferred employer in all the main countries where we operate by 2015. We have deployed the Orange people charter to promote our ongoing focus on quality of life at work and nourish renewed dialogue with our employees to strike a balance between economic performance and social performance. In a sector where technology and usage evolve at a fast pace, we strive to develop and recognise the skills of our people with the support of our managers, unified by the corporate culture promoted through Orange Campus training. Because the diversity of our teams is key to our growth, we have introduced numerous initiatives to promote gender equality and access to employment for

young people and people experiencing hardship, as well as special employment programmes for seniors and people with disabilities.

## confidence

### **ensure transparency, quality and security for our customers**

Our goal is to bring our customers the best possible telecommunications experience in all our markets by 2015, underpinned by unmatched service quality and support that make their digital lives easier. We also provide clear and relevant answers in response to customers' concerns regarding privacy, child protection and radio waves in order to build their confidence in the digital world. This commitment led to the launch of our "Customer Experience 2015" programme, in addition to our many initiatives to promote safe and responsible use of digital services.

## access for everyone

### **share the benefits of the digital world with the greatest number for people**

We are committed to reducing the digital divide on every front. Our technologies contribute directly to economic and social development, especially in emerging countries where telecommunications help

to create jobs and improve healthcare, education and access to banking services. Our priorities include developing networks, particularly in isolated areas, and supporting innovation through the development of “m-agriculture” and “m-health” services, among others. We also aim to foster social entrepreneurship in emerging economies and improve access to our services by elderly and disabled people.

## environment

### find innovative solutions for a greener world

In a world with limited natural resources, we believe that reducing our environmental impact is a prerequisite for sustainable

growth and competitiveness. We have made ambitious commitments to curb the environmental impact of our operations, improve the eco-performance of our products and offer our customers innovative solutions that allow them to reduce their own carbon footprint. We are focusing on all three areas to make a relevant contribution to the fight against climate change and the recycling of end-of-life electronic equipment. Orange has defined an ambitious road map to meet these major challenges. Our goal is to reduce our greenhouse gas emissions by 20% and our energy consumption by 15% by 2020 compared with 2006. These targets have been set out in our conquests 2015 plan and are tracked quarterly by the Group Executive Committee using a specific dashboard.

**1,200** people surveyed by Orange France about their expectations for a better society as part of our half-yearly CSR barometer

**24** countries engaged in our programme to simplify the customer experience

**15,500** technical facilities in 15 countries now benefit from an innovative air-conditioning system that cuts energy consumption by up to 80% compared with conventional air-conditioning

**10,000** adults and children took Orange classes on safe and secure Internet use in 2012

# 2012 highlights

## **support for freedom of expression**

A founding member of the telecoms sector initiative "Industry Dialogue" in 2011, Orange and seven other member companies drafted a set of guiding principles governing freedom of expression and privacy rights in the information and communications technologies sector. Signed on 12 March 2013, these principles provide a common platform to define policies and processes concerning this major issue.

## **supplier engagement**

The Group carried out a total of 160 CSR audits in 2012, increasing the percentage of strategic or at-risk suppliers evaluated to 46%. In addition, the Joint Audit Cooperation (JAC) programme, launched by Orange in 2010 with two major European operators, has been joined by six other operators. JAC now monitors 83 production centres owned by the main suppliers to the telecommunications sector, compared with 39 in 2011. A total of 59 audits were conducted in 2012, including 35 on-site audits, in China, Brazil, India, Mexico, Slovakia, Poland and Turkey.

## **linking Europe and Africa**

The African Coast to Europe (ACE) submarine cable was inaugurated on 19 December 2012. The initial stage of the cable links France to São Tomé et Príncipe. Currently 12,000 kilometres long, it improves international connectivity and boosts bandwidth for the first 13 countries connected, while enhancing traffic security between Europe and West Africa. The new cable will accelerate economic and social development in these countries.

## **improved ratings for working environment**

The Group Employee Satisfaction Survey is conducted twice a year among a representative sample of 4,400 employees. The results of the sixth survey, carried out in the second half of 2012, confirmed the improvement noted since the end of 2010, especially in terms of recognition, clarity of our strategy and our employees' perception of quality of life at work. 54% of employees surveyed felt that workplace quality was better than in other companies, compared with 49% in June 2012 and 28% in October 2010.

## **Orange Campus spreads its reach**

Active in France, Poland and Spain, Orange Campus opened a new centre in Senegal in early 2013. This international management development platform for the Group's 20,000 managers also opened a centre in India last December. In addition to virtual platforms, Orange Campus also organized "off Campus" training in over 27 countries around the world, including the Democratic Republic of the Congo in April 2012.

## **connected communities**

People can connect entire villages to the telecoms network using an antenna, a mobile handset and a solar charger. These micro-businesses, dubbed Orange Community Phones, are now deployed in Madagascar and Cameroon, joining Mali, Niger, Côte d'Ivoire and the Central African Republic. Over 2,500 previously isolated villages had been connected by end-2012.

**services trialled with customers**

The Group now boasts 25 customer test centres after new centres were opened in 2012. These centres are designed to optimise and improve the reliability of products and services prior to their launch by testing them with customers. Some 600 offers were tested in 2012.

**best mobile network**

For the third year in a row, French telecom regulator ARCEP ranked the Orange network as the leader for the quality of mobile voice and data services.

**pioneering data centre**

The Group's new data centre in Normandy, in France, employs a technique known as "free cooling" that uses outside air to cool its servers. Each year, the facility will save the equivalent of the annual consumption of a town with a population of 15,000.

**Orange entered Carbon Performance Leadership Index**

Orange's proactive approach to reducing its carbon emissions has led to its inclusion in the list of 33 companies that have demonstrated a strong approach to climate strategy within the FTSE Global 500. Orange is one of only two operators worldwide to earn this distinction.

**award-winning offer in Uganda**

With "Internet for all", Orange Uganda has extended its 3G coverage to rural areas using satellite dishes. This innovative service picked up an award in the "Best Network Improvement" category at the AfricaCom Awards 2012.

**committed to child protection**

Orange is a founding member of the CEO Coalition to Make the Internet a Better Place for Kids, an initiative launched in late 2011 by Neelie Kroes, Vice-President of the European Commission. We are also actively involved in a number of other similar initiatives. We announced a list of commitments that will underpin our online child protection policy from 2013.

**millions using Orange Money**

Rolled out in 2012 in Uganda, Jordan, Guinea and Mauritius, the Orange Money mobile payment service has signed up more than 5.6 million customers in 13 countries.

**a second life for mobile handsets**

The number of mobile phones collected rose by 50% in the space of a year to 1.4 million handsets in 2012, equivalent to 10% of all new mobiles sold.

This performance reflects the Group's increasingly proactive old phone collection policy, boosted by customer-awareness and by-back campaigns in ten countries in Europe and Africa.

**customers**

Following France, Romania and Spain, Armenia now offers environmental labelling of the phones sold in its stores, providing customers with simple and transparent buying criteria.



## a multi faceted commitment to people with disabilities

By hiring and retaining people with disabilities, purchasing goods and services from the sheltered sector, adapting its solutions to different types of disabilities and promoting access to culture for everyone, Orange is actively combating the exclusion of people with disabilities in every domain.

Through its “Mission Insertion Handicap”, Orange pursues a proactive disability policy which extends beyond the employment of 4,000 disabled people in its entities in France. In 2011, the Group signed a three-year agreement with three unions which included an ambitious programme to hire and integrate people with disabilities. Orange undertakes to fill a minimum of 325 permanent positions and 150 internships with people with

disabilities, and to promote part-time working arrangements for disabled employees nearing the end of their careers. A total of 500 employees benefited from these special provisions in 2012. Our goal is to attain a rate of 5% disabled employees by the end of 2013, including greater use of the sheltered employment sector. Since 2011, our purchasing departments have had a target of at least 15 million euros in business with the sheltered sector annually – a target that has since been exceeded. Over the years, Orange has entrusted a diverse range of activities to the sector, starting with cleaning and garden maintenance services before adding back-office, printing and network services. Our long-standing engagement with the sector and our thorough understanding of how it works have enabled us to establish beneficial long-term relationships with sheltered workshops. For example, we helped one of our service providers, Altéréos, to acquire the skills required to develop its business.

The Group’s Accessibility Department factors access issues into Orange products and services with the latest technology from the Technocentre and develops a special range dubbed “Autonomy offers”



for different types of impairments, available notably in France and Spain. Our new application development programme underscores our commitment to innovation. Colourcall, for instance, is a mobile app that uses colour, flashing lights or vibrations to alert deaf or hard-of-hearing users to a call. Likewise, the Group has launched a major programme to audit its main websites and make them accessible to people with disabilities, taking on the role of digital coach for all its customers. Our customer service is accessible to all customers through a network of 238 “Autonomy” stores in France and 20 in Spain. We also operate a website and a toll-free number available in real time via the Internet with the option of subtitles or sign language. What’s more, we train our employees in France and Spain in providing product information and welcoming people with disabilities. In Spain, we carried out an extensive training programme for 4,000 sales staff in 2012. Orange has developed an array of initiatives to make its stores accessible to people

with disabilities, including special signage and interactive terminals with voice output. In Spain and Poland, icons designate the best solutions adapted to different types of impairment. Orange maintains ongoing dialogue with all disability stakeholders in order to promote greater access, acceptance and autonomy.

The Orange Foundation forges cultural partnerships to make culture accessible to everyone. In France, the Quai Branly Museum and the Louvre’s Islamic Art wing in Paris have been adapted for people with sensory disabilities and now include touch tours and digital applications. In Romania, our support for the “Museum for All” project at the Grigore Antipa Museum of Natural History helped to adapt the museum for people with disabilities. Featuring signs in Braille, audio guides, adapted tours for the hearing impaired and special workshops, the different exhibition rooms in this magnificent museum can now be enjoyed by all visitors, without exception.



# entrepreneurial spirit and innovation in Africa

Information and communications technologies (ICT) play a decisive role in the social and economic development of emerging countries. According to a 2009 study by the Boston Consulting Group, a 10% increase in the Internet penetration rate in their economies translates into progressive GDP growth of between 1% and 2%. Present in numerous countries across Africa and the Middle East, Orange has addressed this challenge by investing in networks, offering products and services tailored to local needs and supporting new businesses and innovation.

Dakar is home to a dedicated business incubator called CTIC. Its goal is to establish a business model and an ecosystem that foster the emergence and sustainable growth of companies operating in the ICT sector. Sonatel, the Group's subsidiary in Senegal, is a founding partner of the initiative, supporting startups by implementing and financing the connection solutions

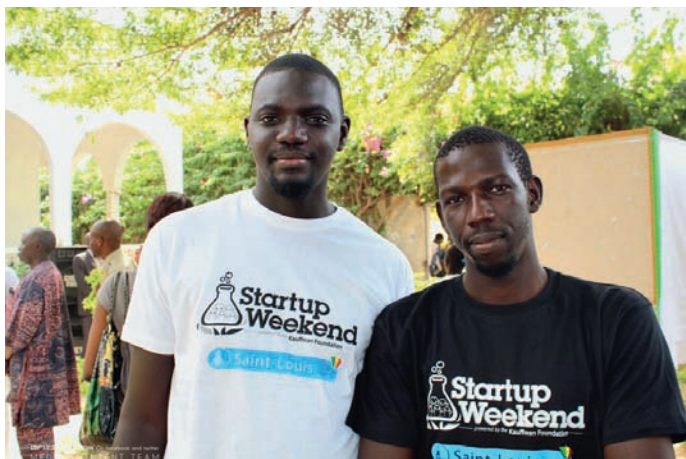
they need for their business. CTIC's encouraging results in its first year of operation continued throughout 2012 and the companies it supports have recorded average growth rates of 75%, making the future look very bright indeed! Talks are currently under way with the ambitious objective of expanding the initiative across Senegal and in four other countries.

Alongside CTIC, Sonatel was also an active participant in the Startup Weekends held in Dakar and Saint-Louis, engaging with students and young entrepreneurs and encouraging them to develop their entrepreneurial spirit. Presented during the AfricaCom Awards, the Orange Social Venture Prize has a similar goal. The three prize-winners in 2012 – the second year the prize was offered – receive both financial assistance and specialist support from Group employees. Attracting 450 submissions in 2012, the prize aims to support the development of entrepreneurship and startups offering solutions that use ICT to meet the needs of local populations. The first prize was awarded to Vivus Limited for its mobile technology that allows agricultural or farm produce vendors to better adjust supply to demand. Information and communications technologies are innovation drivers, spawning applications that foster the social



and economic development of a country, including healthcare, education, energy and trade. In Tunisia, Orange has launched a programme to support young developers of mobile apps that are mostly free and community-oriented. Orange's support allows them to create high value-added content locally for smartphones and digital

tablets. In Uganda, a mobile app competition is held for applications that help improve people's lives in local communities. Building on the resounding success of the first two editions, a third competition will take place in 2013. These are just some of the many possible outlets for growth unleashed by ICT.



## child protection: Orange supports parents

The digital world is not without risk for children and teenagers. Cyberbullying, shocking images, excessive use and overexposure of private life are just some of the risks children face in today's digital society. Our challenge is to help protect children from these risks, without limiting their access to all the opportunities the digital world has to offer in terms of learning, playing and exploring. Our main focus has been on actively helping parents to promote judiciously controlled use of the Internet.

And because many Group employees are also parents, we believe they are the best ambassadors for our initiatives to encourage child protection and raise awareness of correct Internet use.

In Spain and Poland, many of our employees have taken on the role of teachers. In partnership with Protégés, a child protection organisation, 258 Orange Spain employees have gone into schools to educate 2,200 pupils about the risks of uncontrolled Internet use and to teach them to take precautions online. In Poland, 76 volunteers have spoken to 1,900 school children. In Romania, Internet safety workshops have been held for staff members' children. Orange Slovakia was a pioneer in the field, devising a programme for schools in conjunction with psychologists in 2008.

France is equally active. In 2012, Orange launched a unique training initiative for customers in Orange stores. Some 1,500 parents registered a total of 134 parent training sessions in 19 cities, with a satisfaction rate of 98%. Orange ran three campaigns – in March, June and October – for two training programmes. These covered parental controls for the Internet, TV and mobile phones and responsible use of social networks, including advice on protecting personal data and adjusting privacy settings. The initiative will be repeated in 2013 to the great satisfaction of Orange customers.

Child protection also features strongly in the information we send out to our customers, keeping parents up to date through the Group's catalogues, websites and newsletters. In Spain, the Navega

Seguro website launched in late 2012 offers targeted information and tips for parents and educators. The site presents the latest advances in child protection and promotes initiatives. Special material has also been produced in other countries, including the "Agir au quotidien" CSR mini-site in France, the Safe Media handbook and educational material (video and tutorials) designed in Poland alongside the Nobody's Children Foundation and a selection of Internet safety tips produced in Romania with Save the Children Romania (Salvati Copii).

Orange engineers and technicians constantly strive to improve our parental control systems in each of our media. With convergence across different terminals, the risks extend concurrently to PCs, mobile phones and TVs and require a holistic approach to effectively address this issue.





# stakeholder dialogue drives effective innovation

Corporate social responsibility is about engaging with all the people that make up a company's ecosystem and addressing their needs and expectations. It requires nurturing constant and open dialogue with identified stakeholders and creating a trust-based relationship between organisations and people.

In each country, from Côte d'Ivoire to Poland, Orange maps out its stakeholders and then finds the most relevant partners for dialogue. Through this series of productive exchanges, we are able to identify the risks and opportunities surrounding the issues that are important to stakeholders in the country. Carefully listening to members of civil society helps to detect the "weak signals" in society and act accordingly. For example, Orange was able to detect growing concerns over child protection on the Internet well upstream and swiftly take appropriate actions. Local entities in all the Group's host countries in Europe were asked to step up their communications and support for parents and educators in the correct use of these technologies. In many countries, such as the Dominican Republic and Belgium in 2012, members of our subsidiaries' executive committees have taken part in Orange-facilitated stakeholder dialogue sessions.

These aim to build CSR action plans based on feedback from stakeholders both inside the company (employees) and outside (customers, suppliers, local communities, public authorities, etc.). This approach to fruitful dialogue is replicated in the majority of Orange countries. In Poland, for example, we have added a component,

providing feedback to our stakeholders. Three public meetings were held in 2012 with 80 members of the local ecosystem and we came back to them with concrete action plans in response to the expectations expressed during our first meeting in 2011.

In France, we built on our comprehensive nationwide stakeholder engagement policy in 2012 with a regional focus. Some 30 stakeholders, including politicians, the company's business partners and members of civil society from the media were consulted in each of the regional departments in mainland France and overseas. Constantly engaging with our stakeholders means that we can align our own CSR objectives and projects with the expectations of our stakeholders each year and in each country. This listening and dialogue also help identify innovation opportunities that meet the specific needs of populations and countries. One concrete example is the development of e-agriculture, with pilot schemes in Côte d'Ivoire and Mali in 2012, following a successful debut in Niger in 2011. Orange, scientific communities, farmers and the public authorities in these countries work together to optimise the agricultural sector thanks to information and communications technologies.





## enhancing environmental management and measuring progress for better outcomes

In the space of just two years, Orange has doubled the scope of its activities with ISO 14001 certification, the international standard for environmental management. During this same period, our global certification rate doubled from 17% to 34%, underscoring our proactive environmental risk management policy. We aim to obtain certification for 60% of the Group's activities by 2015.

In France, six new sites and two processes were added to the scope of our Environmental Management System (EMS) certification – bringing us one step closer to full certification, which we hope to

achieve by 2015. Deployment has been stepped up in all countries where the Group operates. ISO 14001 certification now covers all of Spain's operations (except for a call centre acquired in July), Poland's mobile business, Romania's entire operations and 14 of Sonatel's biggest sites in Senegal.

France Telecom Marine, our subsidiary specialised in submarine cable laying and maintenance, has received certification for all its installations and ships. Orange Business Services has prioritised certification for its highest-impact sites. Following Cesson-Sévigné in 2011, the Major Service Centre (MSC) in Cairo, Egypt and the Saint-Denis headquarters building certified their Environmental Management Systems in 2012. In Egypt, waste collection solutions and temperature restrictions inside buildings encourage recycling and reduce the use of air-conditioning. In a country where this type of initiative is not as widespread as in Europe, our certification project is truly a pioneering programme.

The environmental impact of our buildings is another focus of our commitment and drive for innovation. In France, the Group Real Estate Department installed smart

meters at more than 50 office sites in 2011 and 2012. These meters helped us to identify priorities, such as immediately fixing leaks responsible for excessive water consumption and monitoring our heating and air-conditioning usage outside of working hours.

Our network infrastructure and technical facilities account for two-thirds of the Group's energy consumption. Our new data centre in Normandy stands out in particular as a pioneer. Designed to support the development of Orange Business Services in cloud computing, the ultragreen, ultramodern facility boasts outstanding economic and environmental performance. Certified to the High Environmental Quality

our initiatives focus on solar energy (with more than 2,300 solar-powered base stations in 20 countries, including 15 in Africa and the Middle East) and on reducing the number of servers by boosting their performance. On a global scale, the Group fully assumes its responsibility in facing the challenges of climate change. While the digital revolution has made undeniable progress for society and the environment, rising data traffic volumes and usage have put greater pressure on networks and data centres, leading to more equipment and higher energy consumption. Keenly aware of the stakes, Orange has set very ambitious goals to meet these challenges.



(HQE) standard, this data centre features a "free cooling" system that uses outside air to cool equipment housed in the centre almost all year round. Compared with traditional air-conditioning systems, each year the facility will save the equivalent of the annual consumption of a town with a population of 15,000. This investment is part of our Energy action plans designed to optimise energy consumption in our facilities in 22 Group countries. In addition to air-conditioning,

We have committed to reducing our greenhouse gas emissions by 20% and our energy consumption by 15% by 2020 compared with 2006.

In 2012, the Group consumed 5,935 GWh of electricity and emitted 1.47 million tonnes of CO<sub>2</sub>.

# the Orange Foundation has spearheaded the Group's philanthropy programme for more than 25 years

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**The Orange Foundation continued to pursue its philanthropic endeavours around the world in 2012.**

Local actions are carried out in a long-term perspective in partnership with charities and NGOs in 30 countries. The Orange Foundation sets up local corporate foundations for more effective management, implementation and monitoring of local projects. Two new foundations were created in 2012, in Botswana and Romania, joining the 13 existing foundations.

In global emergencies, the Orange Foundation acts swiftly to provide support to countries. In 2012, 180 tonnes of supplies were distributed in Mali and Niger.

**The Orange Foundation provides funding for a vast range of projects to meet the local needs of populations**

in the areas of education, health, culture and access to employment, harnessing digital technology whenever possible as a powerful facilitator. A total of 2,400 volunteer employees in France ran 1,000 introductory workshops to reduce the digital divide in 2012. 120 other digital solidarity projects were organised throughout the Group to promote social and professional inclusion.

**In Africa, the Orange Foundation focuses its initiatives on women and the health and education sectors.**

In Côte d'Ivoire, the Foundation has launched its Village project in September 2012. Five villages now have a water supply point, a school and a medical centre. In Madagascar, the Akbaraly Foundation, which raises funds to develop the early detection of gynaecological cancer, received the Foundation's support in the form of equipment and technology. In Fianarantsoa, diagnoses are now performed using a high-speed telemedicine system. Also in Madagascar, the Foundation supports the EAST Association, which won the Women for Education Prize from the Women's Forum for its initiatives targeting women, education and improved access to healthcare. The Foundation also works in partnership with AMREF on the first pilot telemedicine programme in West Africa. Four hospitals in isolated rural communities now enjoy remote medical assistance.

**In Europe, the Foundation's commitment to health has been focused on autism for more than 20 years.** In 2012, the Foundation organised a scientific congress devoted to the latest research in autism, welcoming parents,

carers and researchers. The Orange Spain Foundation organised the first international congress on new technologies for people with autism. In 2012 the Orange Foundation supported 94 projects to improve the lives of people with autism.

Loyal to its longstanding commitment to vocal music, the Orange Foundation nurtures discovery of new talents and repertoires, providing funding for 50 music projects and 20 festivals, ranging from classical to world music to jazz. More than 1,300 Group employees are very actively engaged in this area as members of 33 choirs under the "Orange Sings" programme, including five new choirs in African countries formed last year. Employee volunteer involvement is a pillar of our efforts in France and other countries. Over 6,000 Orange staff provide support for charitable initiatives across 17 countries; their action was recognised during Orange Volunteering Week. In 2012, 239 projects initiated by employees in France were supported by the Foundation, which encourages staff participation and promotes skills sharing in the area of digital technology and to aid young people.

# 1,000

**participants** in  
Orange Digital  
Solidarity Workshops

# 6,000

**employees** involved  
in the Group's  
solidarity initiatives

# 239

**projects initiated**  
by employees and  
supported by the  
Foundation in France



challenges

simplicity

innovation

talents

markets

profile

commitment



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