



#thedigitaldifference

orange.com

To present Orange's activities and achievements in 2015, we have taken a fresh approach that is more open, more ambitious and more responsible.

This first integrated annual report is designed for all our stakeholders, aligned with best practices in reporting and the Group's commitment to exemplary corporate responsibility. The report spotlights the many ways we make a meaningful contribution to society, well beyond our financial and commercial performance.

Through this report, we invite you to discover how the people of Orange are helping accelerate digital transformation, developing forward-thinking business practices and laying foundations for the future with a clear ambition: create value by providing effective solutions in every area – economic, social and environmental – and by making a positive difference in everyday life.

**Orange.
The digital difference.**



Over **3 billion**
The number of Internet users
worldwide.

Over **4.3 billion**
The number of people on the planet
who still do not have Internet access,
90% of whom live in developing
countries.

Why is the digital revolution about people as much as technology?

Over **190,000**
The number of apps
downloaded each minute.

150 times a day.
The frequency with
which people check their
smartphones in France.

7 out of 10
The percentage of people
in France aware of the
contribution businesses
make to economic
and social development.

2,600
The number of solar-powered
mobile phone base stations
deployed by Orange in isolated
areas without electrical power.



**“Digital technologies
change our lives.
But the real challenge
behind technology
is people.”**

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

What we call the “digital transformation” is sometimes hard to fully grasp, because this phenomenon is at the same time incredibly spectacular and extremely normal. It is spectacular because we have seen unprecedented progress in our technological capabilities in less than fifteen years when measured in terms of computing power, network coverage and bandwidth, the volume of information produced and transported or the number of applications invented – plus the many advances that not too long ago seemed to fall into the realm of science fiction. And yet this transformation seems completely normal, because today you can slip the digital revolution into your pocket with a smartphone, and because so many changes go unnoticed as part of our everyday lives while ushering in a world of instant communication and access to continually richer and convergent content.

Our Group thus finds itself at the intersection of two intimately linked dimensions: the technology that drives the digital revolution and, of course, the human dimension. Orange has a pivotal role to play in this transformation, in particular when it comes to the proliferation of new uses made possible by this revolution. Because while technology is by definition neutral, the meaning we choose to give technology is not. We have made a clear choice at Orange. Thanks to our legacy business as a telecom operator, our history, the expertise of our teams and our investments, we believe we can make an essential contribution to ensure that these changes positively impact our world.



“Thanks to our legacy business as a telecom operator, our history, the expertise of our teams and our investments, we believe we can make an essential contribution to ensure that these changes positively impact our world.”

In 2015 this choice led to the launch of our Essentials2020 strategy, which revolves around listening and openness. Our approach aims to understand and anticipate the expectations and needs of our stakeholders and better meet them in conducting our business as an operator, and in fulfilling our responsibilities as an employer and a company with deep roots in a diverse array of geographies, communities and cultures.

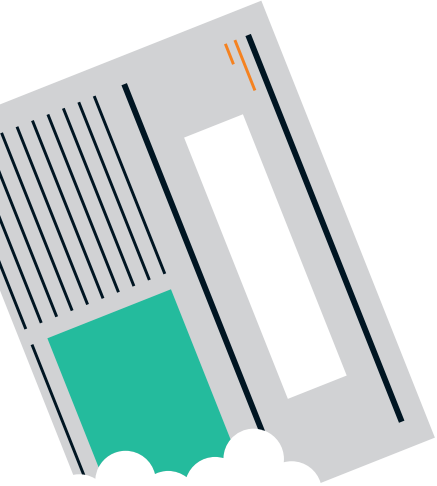
We have also chosen to focus on what is essential to our customers – their family, home, work, fun and wellbeing – in order to bring them an incomparable experience. To do this we are concentrating on five key drivers. By offering enriched connectivity we are focusing on our core business to serve more people with increasingly powerful networks. By reinventing the customer relationship, Orange creates a distinctive difference by bringing customers an experience that is continually improved at every touchpoint, whether digital or physical. At the same time we are building an employer model that combines digital advances with a human approach to sustainably improve both the performance of the company and the fulfilment of our employees. We are supporting the digital transformation of our corporate customers too, becoming a trusted partner by providing them with digital solutions in addition to connectivity. Lastly, we are diversifying by capitalising on our assets as we move into promising new areas such as connected objects or mobile financial services to offer our customers a steady stream of innovative services. More broadly, we want all our different initiatives to contribute to new and more equitable business models.

“This success is reflected in our results for the year.”

Throughout 2015, the employees of Orange created dynamic momentum across a digital enterprise that is both efficient and responsible, achieving success that is reflected in our results for the year. These results are detailed in this first “integrated” annual report. It covers our financial results, as well as our corporate social responsibility performance. Companies such as ours are now evaluated, including by financial analysts, from a broader perspective that includes not only financial figures, but also respect for the ethical rules that guide our business practices. We are pursuing the ambitious objectives of our Essentials2020 plan on the strength of another year of revenue growth on a comparable basis, stable restated EBITDA that is a year ahead of our previously announced target, and an optimized portfolio of assets, reflecting the divestment of EE in the United Kingdom and the acquisition of Jazztel in Spain, coupled with continued development in Africa and the Middle East. With robust fundamentals and a clear vision, Orange is steadily keeping to our roadmap for 2020 and we are on track to generate a virtuous circle of value creation, with balanced distribution among all stakeholders. This is how we mark our distinctive difference, by enabling more and more people to benefit each day from an incomparable digital experience, and by making sure this human and technological revolution accelerates progress for everyone.



Our solutions



Understanding new behaviours

The explosive growth of digital technologies changes everything, the way we access information and knowledge, how we communicate, and how we make things. Between the promise of progress and inevitable resistance to change, a new world is emerging. Orange is at the heart of this revolution, driving and facilitating new developments while listening closely to user expectations and tracking new behaviours. This is a role and a responsibility that we take very seriously, along with a commitment to making positive contributions to these advances, drawing on our expertise, our values and the engagement of our employees. This is the spirit that defines our Essentials2020 strategic plan.

Mobility

This is the most visible aspect of the digital revolution, the ability that networks give us to communicate instantly with anyone, anywhere and at any time, send and receive information and, increasingly, access all our services, applications and content whenever and wherever we want. At home, at work and on the move, the boundaries between the different aspects of our lives are blurring: domestic and public, private and professional, local and global... The catalysts of this change are smartphones, the Internet and telecom networks. All of this is underpinned by the ability of an operator like Orange to invest in order to connect customers at every moment in their day-to-day lives by constantly expanding fixed and mobile network coverage, increasing connection speeds and ensuring service interoperability across networks and countries.

Speed and personalisation

New technologies have had a profound impact on our relationship with time. The incredible growth of the Internet, multiple device ownership, from smartphones and tablets to connected televisions, combined with faster mobile broadband speeds and the rollout of Cloud-based services have led to "always-on" lifestyles where people are connected all the time, wherever they are. This is nothing short of a revolution which is permanently transforming the way we communicate, work and more. Yet, despite these technological advances, there are still only 24 hours in a day. Digital is a powerful driver of innovation, creativity and citizenship, but it's not without its drawbacks. Social psychologists and sociologists are unanimous in noting that we have more information than ever, but less and less time to analyze and filter it. This information overload or "infobesity" can lead to distraction and constantly jumping between tasks, resulting in impaired concentration and a certain devaluing of human relationships. Instead of this glut, consumers need just the right, relevant information at the right time. Such personalization is made possible by digital technologies, processing power and the informed use of data for the benefit of individuals.

Collaboration

Since the 2000s, the huge popularity of social media has led to a paradigm shift: from passive consumers of the Web, users have become empowered creators, posting content and actively engaging with the material posted by others by liking, sharing and commenting on it. More broadly, mass consumption has been challenged by the rise of the sharing economy, based on digital platforms designed to bring individuals together and structure transactions between them, whether or not money changes hands. This open interaction is becoming the new norm for personal communications. It is also having an increasingly significant impact on the world of work, with collaborative tools such as document sharing, videoconferencing and corporate social networks, leading to more fluid hierarchies and efficient teamwork, as illustrated by the unified communication solutions marketed by Orange Business Services.

Insights into the future

Orange research teams help all of us to better understand and anticipate these new digital-driven trends. At Orange Labs, close to 700 people are involved in research, working closely with the innovative ecosystems at universities, institutions and the private sector, both locally and around the world. Orange also welcomes over 150 PhD students every year. Our research focuses on nine priority areas: digital privacy, ambient connectivity, digital society, software infrastructure, digitally emerging countries, Internet of Things, digital enterprises, data and knowledge, trust and security. Orange's research aims not only to feed the company's innovation programmes, but also to shed light on the future, identify risks and disruptive factors, and create opportunities.

New uses, new opportunities

The power and coverage of networks today is a fantastic enabler of innovation in a myriad of areas, with the potential to transform our daily lives. Used effectively, the digital technologies provided by Orange foster collaboration, creativity and initiative. For us, the challenge is no longer simply to deliver a high-performance network and plug-and-play operation for everyone, but also to offer services reflecting the reality of today's digital lifestyles, meeting the aspirations of our customers for seamless and secure connectivity as well as a high degree of personalisation, while naturally ensuring value for money. Orange's role is to be "always there" and ready to connect everyone to their essentials.

Content

Movies, TV series, sport, music, information, video games, live shows and entertainment – the way we experience content has changed radically. Thanks to streaming, smart TV, content sharing on smartphones, tablets, televisions and desktops, social apps and recommender algorithms, content consumption is now personalised, available on-demand via live or catch-up channels and enriched with social and interactive functions. These are just some of the possibilities offered by Orange TV in France, further enhanced with the functionality of the new Livebox router and TV set-top box, unveiled at the Hello show in March 2016.

Payment

Even mundane things like paying for purchases at a high street store have been transformed by digital technology. Smartphones can already serve as an online wallet and will soon become a fully fledged financial platform, combining wide-ranging services, such as banking, credit and insurance, including new models, from micro-lending and savings to money transfers. These advances provide yet another opportunity for Orange to deliver innovative, future-facing solutions to meet customer demand for payment and financial services on their mobile devices.

Connected homes

Digital technologies are having a tangible impact in the home too. Domestic appliances and equipment are progressively becoming connected, not just electronics and multimedia, but also lighting, heating, remote surveillance and more. All these services are made possible by Homelive – the Orange platform that lets you manage your home from your smartphone. The objective is to make daily life simpler, improve security, make maintenance easier and reduce household consumption and bills. The new smaller and more energy-efficient Orange Livebox is the nerve center of this domestic ecosystem, improving the home network to make optimal use of Wi-Fi with the My Livebox app.

Cities

Smart and connected cities offer huge scope for innovation, making life easier for citizens and reenergizing both the local and broader economy. By interconnecting urban infrastructure, such as transportation systems and utilities, for example, and by analyzing the usage data they generate, it's possible to improve services, investments and the use of public resources, while reducing energy and environmental impacts. Orange is the digital partner of Eiffage for the Smartseille project – a 58,000-sq.m. eco-district of housing and offices in Marseilles, where daily life for residents will be simplified by innovative services such as an e-concierge, dynamic displays, shared parking and community applications.

Education

Thanks to digital solutions, knowledge and learning are more accessible than ever. Initiatives are multiplying to transform schools, with connected whiteboards and digital schoolbags, and make knowledge available on a huge scale via MOOCs, or massive open online courses. Orange is also making learning fun with the #Supercoders programme, which introduces children aged 9 to 14 to the basics of computer programming through hands-on workshops. The operation grew considerably in 2015, with 1,400 youngsters attending 60 workshops in four European countries (Spain, France, Poland, Romania) and five African nations (Côte d'Ivoire, Egypt, Mali, Senegal, Tunisia), with an equal number of boys and girls.

Development

Equally important, digitally-enabled services are making a vital contribution to economic and social development. For example, new solutions are emerging to improve administration and public services (transition from print to electronic documents, multi-service cards, etc.), agriculture (improved yields thanks to weather information on mobile phones, instant local market price information, etc.) and healthcare (remote patient monitoring, epidemiology data collection). Whereas public policies have often been developed on the basis of field studies that are difficult to conduct, macroscopic analysis of anonymous usage data from mobile networks can provide a much more precise picture of interactions within a population, country attractiveness, etc. This is the principle behind the Data 4 Development challenge, which makes anonymous datasets available to the international research community to support socioeconomic development. As an extension of this pioneering initiative, Orange has been asked to contribute to the United Nations Data Revolution for Development programme.

Our solutions



58,000 sq.m.

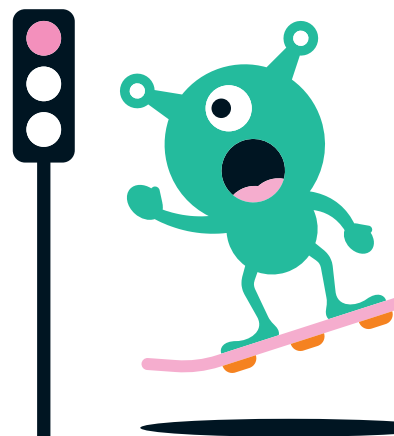
The size of the Smartseille eco-district of the future.

1,400

children attended the #Supercoders festival in 2015.

51

solidarity FabLabs supported by the Orange Foundation in nine countries.



Almost
350 million
identities stolen
online in 2014.

6
Orange Cyberdefense
centres worldwide.



Trust becomes a must

We cannot all be experts in everything. And it can be challenging to master every aspect of our digital lives. That's why Orange has made trusted support for its stakeholders a strategic pillar, and why we take every possible step to ensure that our services are dependable and secure, while enabling everyone to adopt best practices for safe and responsible digital citizenship.

Reliability

The first element of trust that an operator must provide for customers – whether residential, businesses, government or other operators – is an ability to guarantee the availability and quality of their connections. As the world's economy and people's lives and livelihoods rely increasingly on services delivered via networks, reliability is critical. This is why Orange is investing massively in the development and operation of its infrastructure, deploying technologies and expertise to continually improve quality of service and anticipate and resolve problems before customers become aware of them.

Security

The rise of cybercrime appears to be an inevitable result of an increasingly interconnected world, with exponential volumes of data carried by operator networks every day. This is an essential challenge for Orange and its customers, particularly our enterprise customers, which is why we've made cybersecurity a top priority. In January 2016, we created a new entity called Orange Cyberdefense, which encompasses all our extensive security expertise. The market leader in France and a major global player in corporate security services, Orange Cyberdefense employs over 1,000 people at 6 operating centres around the world and has already earned the trust of more than 600 client businesses.

Privacy

Given the growing role that digital services play in our lives, users are rightful to be concerned about the integrity and confidentiality of the personal information they share. Responding to these concerns, Orange has made clear commitments to protect the personal data of its customers and keep it confidential. Measures include the recent launch of the Trust Badge app, which gives users information about and control over how partner application developers use their data. Orange has also innovated with DataShare, the equivalent of the Trust Badge for the world of connected devices, which will be launched in 2016.

Peace of mind

Younger users tend to approach new digital technologies from the perspective of the social and entertainment opportunities they offer, whereas older generations are typically more aware of the risks. This results in rigorous and sometimes contradictory requirements that a trusted operator like Orange must address as it helps families make safe and responsible use of technologies. The objective is to give parents the controls they need and ensure that children benefit from a better, safer Internet. In 2015, Orange has once again launched a series of new initiatives in this area: promotion of the parental control app in our sales channels, courses for parents in France and Poland, development of the "Bien vivre le digital" (enjoying digital technology) website in France and awareness sessions for junior high school pupils in Romania.



Digital benefits for everyone

At the heart of a vast industrial and economic ecosystem, with strong positions in Europe, Africa and the Middle East and a customer base of 263 million people, Orange is committed to making digital technologies a source of progress for everyone.

Partnering with local communities

Orange works closely with local and regional authorities to help them expand digital infrastructure and deliver the innovative services and uses their citizens expect, from economic attractiveness, administrative procedures and transportation to improved waste collection or development of local cultural heritage. In France, for example, Orange has prepared a set of guides for elected officials called “Paroles d’élus” and has launched the paroledelus.com platform, in partnership with the main national associations of elected representatives. The initiative showcases the huge diversity of innovative digital projects conducted by local/regional authorities and illustrates how digital technologies can meet the needs and expectations of local communities in a wide range of areas: childcare, support for vulnerable people, management of the local environment, schools, security, solidarity, culture and citizen involvement.

Bridging geographic and economic divides

Access to digital technologies is unequal at a variety of levels. To help bridge the geographic divide, Orange is investing over €15 billion between 2015 and 2018 to extend the coverage of its fixed and mobile networks, speed up the rollout of fiber and 4G in Europe, Africa and the Middle East, wherever customers need it, and reduce the number of “white zones” without coverage. In France, Orange signed an agreement with the country’s other mobile operators in 2015 to ensure that the administrative and historic centres of all rural communities have 3G coverage by mid-2017. By the end of 2015, Orange had already brought fibre-optic broadband to almost 13 million homes in France, Spain, Poland and Slovakia.

In addition to deploying undersea cables, Orange is also bridging the digital divide by improving electricity supplies in rural and isolated areas, particularly in Africa. Thanks to its solar-powered mobile sites, Orange is extending mobile coverage while providing the energy needed to meet basic requirements, such as lighting and refrigeration, plus a wide range of essential digital services, including communications, e-education and e-healthcare. In November 2015, Orange and the Engie group signed an agreement to accelerate rural electrification and improve power supply for telecoms infrastructure in Africa. Among the solutions tested are individual solar kits and local mini-grids, with services billable via mobile phones using the Orange Money app.

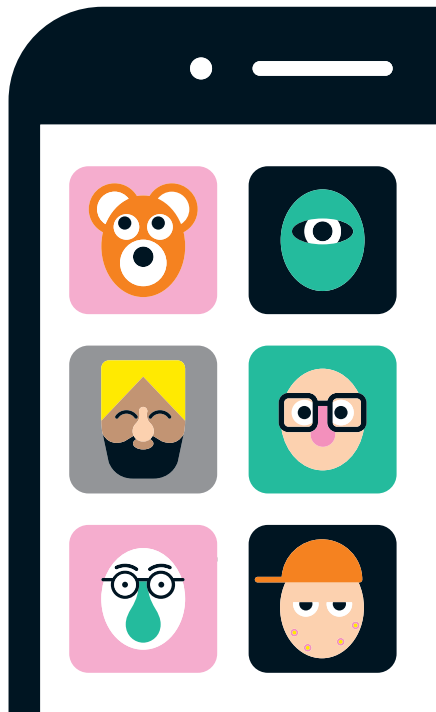
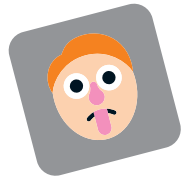
Support for inclusion

To bridge the digital divide for senior citizens and people with disabilities, alongside measures to make 95% of its stores in France accessible to people with disabilities and special training for staff, Orange is contributing to accessibility standards and has adopted a “design-for-all” strategy. The objective is to adapt Orange products and services to meet the requirements of senior citizens and people with disabilities and design specific products combining innovation, simplicity and ease of use. While less visible at first glance, digital disparities due to education or cultural factors can nonetheless hinder people’s access to employment and a better quality of life. To counter these inequalities, Orange pursues an active policy of inclusion, notably through initiatives supported by the Orange Foundation to raise awareness and provide equipment and facilities. Four outreach programmes are providing a springboard into the digital world for young people and women: Solidarity FabLabs, Together for Youth Integration, Digital Centres and Digital Schools. Through these programmes, the Orange Foundation has provided NGOs and charities with digital tools and educational content as well as the support of its 8,000 employee volunteers. As a result, over 8,000 women and 8,000 young people in difficult circumstances have been trained in the use of digital technologies.

Encouraging eco-responsibility

Another key question raised by the digital revolution is the energy and environmental impact of these new technologies and practices. In a world where natural resources are limited, and the issue of climate change is increasingly pressing, Orange believes that digital technologies are part of the solution and can positively contribute to the ecological and energy transition. The company presented its case at the COP21 climate conference in Paris, giving a number of talks and demonstrations. As well as reducing its own footprint, Orange is working to minimize the life-cycle impacts of its products and services, from eco-design approaches and eco-friendly labelling to recovery of used devices. Digital technologies can also help reduce carbon footprints by enabling more energy-efficient practices, such as homeworking, paperless procedures and smart management of buildings, networks and cities. A wide range of solutions is already available for Orange’s enterprise customers, designed to improve their operational and environmental performance by optimizing employee travel with vehicle fleet management tools, videoconferencing services and new concepts such as Stop & Work – connected telecommuting centres, where employees and self-employed entrepreneurs have access to open or private workspaces and professional services. Business information systems are another key area where energy savings can be made, thanks to Cloud solutions, which pool infrastructures and enable optimal use of resources.

Our solutions



A map of our stakeholders

No one party can alone resolve a social, economic or environmental issue that affects entire populations.

Orange is part of a complex ecosystem where our activities have an impact on, and are impacted by, numerous stakeholders, both individuals and organisations in the private and public spheres.

In order to align our actions and initiatives with the expectations of all stakeholders, Orange is committed to constructive and transparent dialogue with all parties concerned.



Business

Finance

- ↳ Microfinance institutions
- ↳ Investment funds

Suppliers

- ↳ Network
- ↳ Terminals
- ↳ Call centres
- ↳ General suppliers
- ↳ Communications agencies

Owners

- ↳ Public and private property owners

Professional associations

- ↳ Telecoms associations
- ↳ CSR associations

Education

- ↳ Training centres
- ↳ Schools and universities

Business partners

- ↳ Telecoms partners
- ↳ Incubators

Shareholders

- ↳ Shareholders
- ↳ Investors

Distribution

- ↳ Distributors – wholesalers
- ↳ Orange partner stores and franchises
- ↳ Formal and informal vendors
- ↳ Internet cafes

Customers (BtoB)

- ↳ Key accounts
- ↳ SMEs/microbusinesses
- ↳ Entrepreneurs



Internal

Orange employees

- ↳ Marketing, sales, HR, technology, customer service, etc.
- ↳ Employees, managers, management committees, union representatives



Civil society

Opinion leaders

- ↳ Community leaders
- ↳ Political leaders
- ↳ Influential people, doctors, artists, activists, etc.
- ↳ Religious representatives
- ↳ Networks

Development players

- ↳ Environmental agencies
- ↳ Networks of social entrepreneurs
- ↳ NGOs related to development

Media

- ↳ Traditional media
- ↳ New media (online, bloggers, social networks, etc.)

Experts

- ↳ Sociologists
- ↳ ICT experts in development and social change

Associations

- ↳ Child care
- ↳ Consumers/users
- ↳ Health
- ↳ Disability assistance
- ↳ Assistance for disadvantaged or marginalised groups
- ↳ Human rights
- ↳ Neighbouring communities

Consumers (BtoC)

- ↳ Urban professionals (employees, managers), men and women
- ↳ Rural professionals (farmers), men and women
- ↳ Unemployed people
- ↳ Students



Administration

Ministries (examples)

- ↳ Ministry of Telecommunications
- ↳ Ministry of Employment
- ↳ Ministry of Health
- ↳ Ministry of Agriculture
- ↳ Ministry of Education
- ↳ Ministry of Environment
- ↳ Ministry for the Promotion of Women

Local authorities

- ↳ Local community representatives

International organisations (examples)

- ↳ WHO
- ↳ UN

Regulatory bodies

- ↳ Telecoms regulators
- ↳ Various control organisations
- ↳ Standardisation bodies

Indicators

Customer experience, strategy, environmental responsibility... Our indicators let us measure the impact of our actions against the concrete objectives we have set in order to benefit all our stakeholders.

Become and remain No. 1 in Net Promoter Score for 3 out of 4 customers by 2018

Conduct 50% of customer interactions via digital channels in Europe by 2018

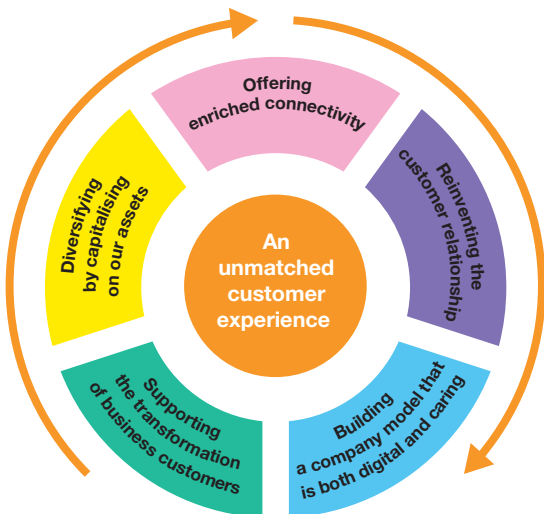
Improve Orange's Brand Power Index in our different markets by 2018

Reach 90% of employees recommending Orange as an employer in 2018

Triple average data throughput of our customers on both fixed and mobile networks by 2018 compared with 2014

Increase the share of IT & integration services in the Orange Business Services revenue mix by 10 percentage points by 2020

Successfully diversify into new services that will contribute more than €1 billion in revenues in 2018



A digital, efficient and responsible company

Generate higher revenues in 2018 than in 2014

Offer 50% of training modules including a digital mode in 2018

Restated EBITDA higher in 2018 than in 2014

Reduce CO₂ emissions by 50% per customer usage by 2020 compared with 2006

Yearly increase by 10% the number of entrepreneurs supported by our initiatives in favor of local economic and social development

Perform at least 65 on-site supplier audits per year via the Joint Audit Cooperation (JAC) from 2016

Reach 35% of women in our management networks in 2020

Collect 30% of customers' used mobile phones by 2020



134% in Europe.
87% in Africa and the Middle East.
Mobile services penetration in 2015
(in % of the population).

25% in Europe.
2% in Africa and the Middle East.
Fixed broadband Internet penetration
in 2015 (in % of the population).

How are Orange's markets evolving?

25 billion
Connected objects expected
worldwide in 2020.

Over 50%
Emerging countries account
for half of global growth in
the ICT market.

Over €1,100
billion. Global telecom services
revenues in 2015.

+5.1%
Orange's revenue growth in 2015
in the Africa and Middle East
region (comparable basis).



Insights from our managers



Europe

“Europe – where we are proud to be the leading convergent operator in terms of number of customers – remains a cornerstone of Orange’s business, as well as a global benchmark for network infrastructure performance. The expansion in fixed and mobile high-speed broadband coincides with strong demand from customers for higher-quality digital uses and a richer digital experience. Orange is meeting these expectations by rolling out an increasing number of fibre and 4G network development projects in the different countries where we operate, pending the advent of 5G. In the environmental arena, Europe leads the way in the collection and recycling of mobile phones, with well-established systems now in place. We are currently expanding this effort to include recycling of our network equipment.”

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

France

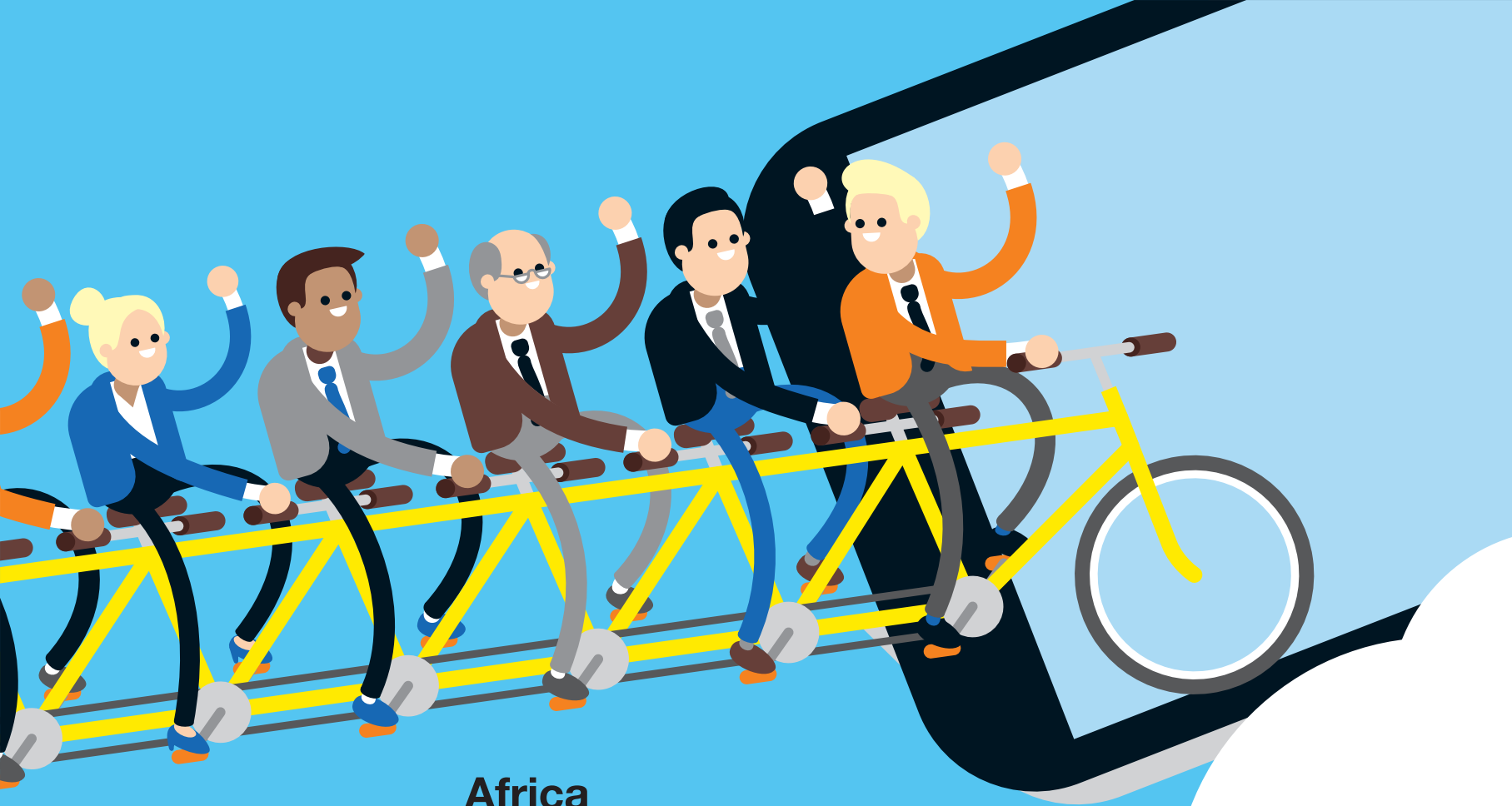
“Digital uses by our customers are developing at an extraordinary pace. Smartphones are part of everyday life, leading to the emergence of new customer behaviours and requirements. We surveyed more than 6,000 of our customers, and we have listened to their needs by delivering enriched connectivity in the home, as well as an overall customer experience that gives us a distinctive difference. We are dedicated to helping people navigate the digital world via new societal initiatives such as ‘parent classes’, which help families use the Internet safely and securely. Customers trust us: thanks to the strength of our offering, we have attracted good levels of new business despite continued fierce competition. We have a robust strategy of investing in networks wherever coverage really matters for customers. We are meeting demand for broadband and high-speed broadband among French private users and businesses: 80% of the population now has 4G coverage, and 8 million customers are using 4G on a daily basis. We are also speeding up the rollout of Orange Fibre: more than a million customers have signed up, out of a total of over 5 million connectable households.”

Fabienne Dulac,
Senior Executive Vice-President,
Orange France

Spain

“Having been particularly hard hit by the financial crisis of 2008, Spain is recovering at a strong pace, with GDP growth of 3.1%, although unemployment is still close to 20%. This positive trend is also reflected in our market, where the growth rate improved from -8% to -3.7% in one year. This recovery has been driven by the boom in fixed and mobile high-speed broadband, and in convergent offers, which have now become the norm. Against this backdrop, Orange’s acquisition of Jazztel in August 2015 strengthened our positions by boosting our combined market shares in the fixed and mobile segments. As a major operator in our market, we focus especially on supporting young people to creatively engage with their digital future while using the internet safely and responsibly. In 2015, for example, we organized three #SuperProgramadores (#SuperCoders) workshops to familiarize 7- to 14-year-olds with computer coding, robotics and best practices for accessing digital technologies.”

Laurent Paillassot,
Chief Executive Officer,
Orange Spain



Africa and the Middle East

Poland

“Poland is going digital – fast. Consumers are flocking to embrace new technologies, and at the same time becoming increasingly demanding in terms of new services and quality levels. Orange Polska launched a slew of initiatives designed to meet these needs in 2015, with the rollout of fibre and 4G networks as well as new fixed/mobile convergence offerings that make Orange the only genuinely convergent operator in the Polish market. In a country that is highly dependent on fossil fuels for power generation, Orange Polska has upped the pace of initiatives aimed at reducing energy consumption and CO₂ emissions, focusing for example on ventilation systems for technical facilities as well as equipment replacement and infrastructure sharing programmes.”

Jean-François Fallacher,
Chief Executive Officer,
Orange Polska

“The creation of the holding company Orange MEA is designed to raise Orange’s profile as well as our capacity for growth in this region. The company is positioning itself as a strategic partner capable of supporting its 110 million customers in their digital transformation by:

- providing the digital infrastructure needed to enjoy the full range of services. The expansion of 3G coverage is key: now rolled out in all of our host countries following recent launches in countries like Cameroon and Guinea-Bissau, 3G has driven strong growth in data services (up by 55% in 2015);
- supporting the development of companies thanks to previously unavailable capabilities, notably in terms of connectivity;
- delivering innovations that benefit society as a whole, notably in fundamental areas such as healthcare and agriculture. Examples include an SMS-based health hotline in Cameroon and Côte d’Ivoire, access to information and ‘mobile agriculture’ services, and access to financial services via Orange Money.”

Bruno Mettling,
Deputy Chief Executive Officer,
Africa and the Middle East (MEA)

Enterprises

“In an ultra-competitive global marketplace, Orange Business Services stands out thanks to the sheer power and reach of our networks, which cover almost 220 countries and territories, coupled with the locally-based expert support provided by our teams. In 2015, we scored major successes in all of our strategic focus areas – customer experience, the Internet of Things (IoT), the workspace, connectivity, Cloud services, and cyberdefence) – all key drivers in the digital transformation of enterprise customers. In addition to boosting the operational performance of companies, these new technologies optimize infrastructure utilization, and enable pooling of computing power within more eco-friendly datacentres, thereby delivering significant reductions in energy and environmental costs for our customers.”

Thierry Bonhomme,
Deputy Chief Executive Officer,
Orange Business Services

**Yves Gassot,
Managing Director,
IDATE**

**“The Internet
of Things, big data
and connected
robotics will all
have a huge impact
in the future.”**



Telecommunications services are vitally important. They represent €1,111 billion, almost 30% of the value of the global ICT market.

Growth

Notwithstanding the sheer size of the market, growth in the sector has been quite weak during the past two years, standing at just 1%. However, this situation could well mask significant turnarounds in different markets, depending on their specific dynamics. Europe is currently enjoying a recovery, with improved margins and dynamic growth in mobile data (up 50-60% year-on-year) thanks to smartphones and the success of 4G. The South American market is suffering from the unfavourable macroeconomic situation, while in North America growth in mobile revenues is slowing due to aggressive competition and the dominance of cable operators in the fixed broadband market. In Asia, meanwhile, revenues in Japan and South Korea have stabilized thanks to the completion of high-speed broadband rollout in record time, while China is seeing rapid growth in 4G – although revenues remain stagnant – and mobile telephony continues to see dynamic performance in India. Finally, in Africa and the Middle East, the market should continue to grow, although more slowly than before.

Innovation

Highlights of 2015 included a number of spectacular mergers and acquisitions, such as AT&T's purchase of DirecTV, ranked number two in the US pay TV market, and, in the UK, the acquisition by BT Group (the market leader in fixed services) of EE, the country's leading mobile network operator. In terms of innovation, 4G proved increasingly successful, with penetration rates among mobile customers exceeding 70% in South Korea and 60% in the United States, and reaching around 30% in Europe. Coupled with 4G, the increased penetration of smartphones should keep traffic growth at around 50%, while providing fertile ground for the

successful introduction of differentiation strategies. Speeds available via fixed connections also rose steadily. As ADSL technology begins to lose ground across several markets, the range of high-speed broadband solutions deployed is fairly extensive, including FTTH in Spain, Portugal and France, and hybrid VDSL solutions for BT, DT and Proximus (in varying degrees of competition with DOCSIS3 cable technologies). As streaming becomes a much more widespread way to watch TV, leading operators are moving quickly to invest in offering their own content via fixed and mobile platforms. In the enterprise market, migration to Cloud solutions remains at a high level, although many SMEs have yet to make the move. Operators have opted to extend Machine-to-Machine communication technology to the Internet of Things by deploying dedicated networks (such as LoRa® and Sigfox®) in parallel with solutions that utilize their own mobile networks. All major companies are embarking on the digital transformation process, which has become a vital issue across a wide range of sectors, from automobiles and advertising to hotels. What's more, 2015 saw a boom in fintech startups specializing in financial services such as mobile payment, crowdfunding and blockchain, highlighting the enormous potential for innovation and competition in the financial industry.

Strategies

The outlook for operators in Europe is mixed, although all of the key legacy players retain leadership positions in their domestic markets, in both the mobile and fixed broadband segments. They look set to benefit from the stabilizing effect on markets of the consolidations announced in Italy and the UK, although cross-border consolidation does not seem to be on the horizon just yet. The major moves expected between Liberty and Vodafone, which could have opened the door to this phase, did not materialize. A fairly marked contrast can also be observed in the strategic choices made by major operators at international level. Deutsche Telekom's growth, for example, is largely driven by T-Mobile US. Vodafone, while facing

problems in its two main European markets (Germany and the UK), is counting on its operations in India. Telefónica, which is likely to withdraw from the UK market by selling O2, is retaining its operator in Germany, and especially its Latin American businesses. Orange has consolidated in Spain, with the acquisition of Jazztel, and designated Africa as a strategic priority. Telecom Italia, the operator with the highest debt load, looks set to pull out of Argentina and probably, when the time is right, Brazil. Out of 200 operators in Africa, meanwhile, several groups have a presence in a number of markets, including MTN of South Africa, Etisalat (UAE), and STC (Saudi Arabia), as well as European operators like Vodafone, Orange and Millicom, and certain operators from the BRIC countries such as Bharti Airtel. Economic and political conditions vary widely, and are impacted to differing degrees by conflicts or by falling raw materials prices. However, leading players should benefit from a trend toward consolidation driven by the need for investment. While techno-pessimists might worry about the premature demise of digital innovation, and even though clear business models have not yet emerged, the transformations associated with the Internet of Things, big data, virtual reality, artificial intelligence and connected robotics still lie largely in the future.

Read the full interview with Yves Gassot on rai2015.orange.com

Founded in 1977, IDATE is a think tank specializing in the digital economy, media, Internet and telecommunications. It performs market research and provides consulting solutions for its customers. IDATE's activities are structured around three key domains: consulting, research, and cross-industry initiatives (via the DigiWorld Institute).

Between stabilization and growth

The Information and Communication Technologies (ICT) sector, which includes telecoms, is currently experiencing significant global growth of 4.8%. Although the situation varies according to country and region, the key challenge facing Orange remains the same: how to adapt in order to establish a leadership position in its markets. In line with our Essentials2020 strategy, the Group is continuing its sustained investment policy, increasing capital expenditures by 9.3% in a single year to €6.486 billion (16.1% of revenues). The rollout of fibre in Europe (and especially in France), with investments up by 55% in a single year, accounts for a significant proportion of this effort, which lies at the heart of an investment strategy focused on delivering an unmatched customer experience.

In 2015, the global ICT market generated total revenues of €3,813 billion, thanks in part to value and growth drivers – targeted by Orange as strategic priorities – such as the Cloud, big data, mobile financial services and the Internet of Things. Revenue from telecoms services also rose by 2.1%, below the aggregate growth rate recorded across ICT as a whole.

Growth driven by emerging countries

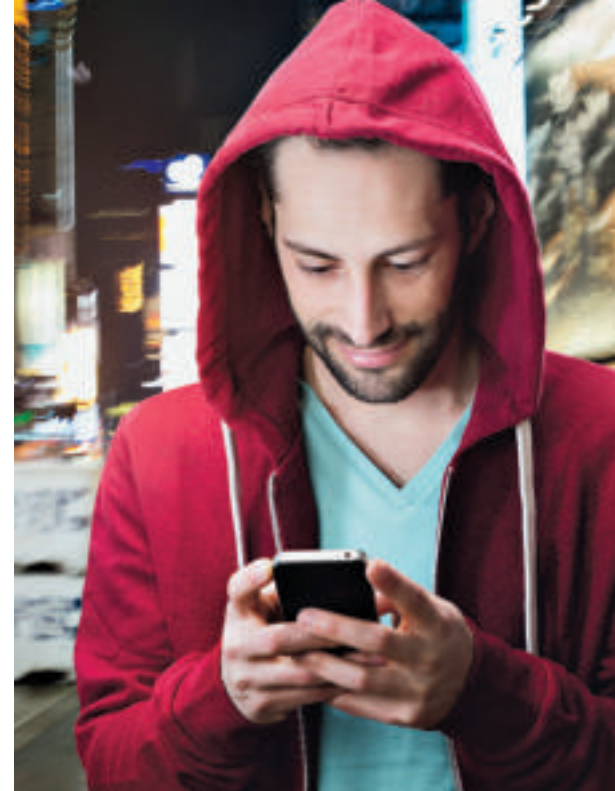
The key players in the rise in ICT revenues are emerging countries, which account for more than 50% of worldwide growth. Given the considerable untapped potential for growth in Africa, Orange has boosted its presence in Liberia, Burkina Faso, Sierra Leone and the Democratic Republic of Congo in 2016. The strength of the brand, anchored in the solid, widely recognised profile of Orange Money, is a key asset in making this expanded presence work. Launched back in 2007, Orange Money continues to expand its offering in order to meet customer expectations more effectively. In 2015, for example, Orange Mali launched its Sini Tonon service, the Group's first "mobile for women" solution, which provides a micro-insurance policy for pregnant women via the Orange Money platform. In a region where network infrastructure is less advanced than elsewhere, Orange's subsidiaries in Africa have also made faster speeds and expanded coverage strategic priorities.

European market stabilizes

Network quality is a key differentiator for customers, which is why Orange is making significant investments in the development of fixed and mobile high-speed broadband. Already a leader in 4G coverage in several European countries, the Group aims to consolidate its positions through infrastructure development, in line with the Essentials2020 goal of offering richer connectivity. The number of 4G customers reached the 18 million mark by the end of 2015, and Orange is targeting 4G coverage of over 95% by 2018 across all its European markets.

Record sales for Orange France

Competition in the French market remains intense. Although 2015 got off to a quiet commercial start, the year ended with an array of major promotional and price campaigns by all players. Against this backdrop, Orange delivered solid commercial successes. Thanks to our ability to differentiate across all market segments, net sales of mobile plans remained sustained in the fourth quarter, posting an increase of 179,000 customers, and 4G customers totalled 8 million at 31 December 2015, up by 1.4 million in the last quarter of the year. In the fixed broadband market, fibre marketing efforts proved successful and the customer franchise surged by 71% compared with 2014. The symbolic one-millionth high-speed broadband customer signed up in early 2016. In response to widespread customer demand for greater autonomy, Orange has made the digitization of the customer relationship a key strategic focus, resulting in more and more purchases made on the Internet or via smartphone. Customers are increasingly using their mobiles for day-to-day tasks like shopping. The French spend an average of 2 hours 27 minutes per day on their smartphones, indicative of customers' desire for greater freedom to manage their lives via their phones.



Orange is making significant investments in the development of fixed and mobile high-speed broadband in Europe.

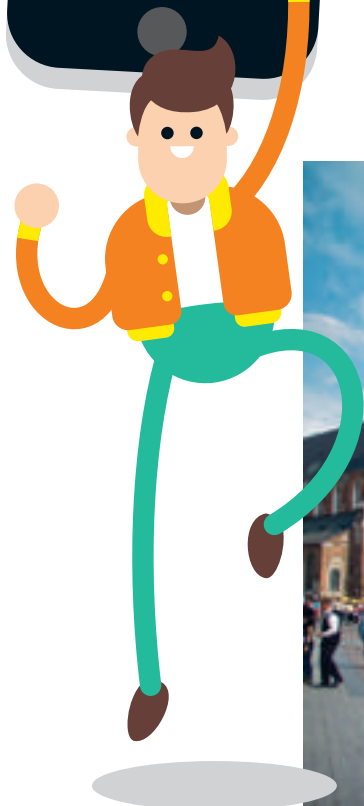
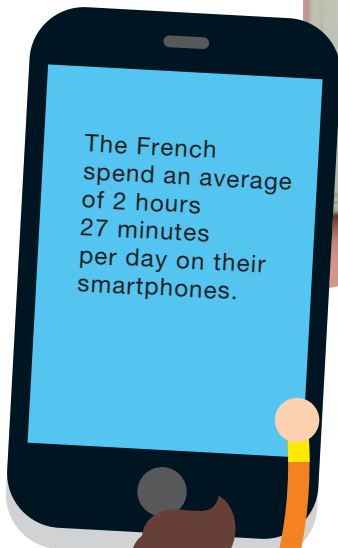


Emerging countries account for half of global growth in ICT.





Orange Business Services provides carrier services in 220 countries and territories.



The Group continued its sustained investment policy in 2015. Capital spending was up 9.3% in a single year to €6.486 billion.

A new Orange in Spain

The successful integration of Jazztel, significantly boosting the potential of Orange's 4G and FTTH networks, was a highlight of the year in Spain. The acquisition strengthens Orange's position in a market showing tangible signs of recovery. Mobile services returned to growth at year-end (up 0.7% in the fourth quarter) thanks to an effective marketing campaign and pricing adjustments. Orange now leads the market in net sales, with a franchise of 15 million mobile customers (an increase of 5.2% compared with 2014), including more than 5 million 4G customers. Fixed broadband services also posted an increase (+6.7% in one year, on a comparable basis in terms of number of customers), driven by the success of convergent offers – which account for 81% of the customer base – and rapid growth in fibre, where customer numbers almost quadrupled in one year (809,000 new connections sold at the end of 2015).

Stable performance in Poland

Poland is the Group's third-largest market in terms of revenues, after France and Spain. Orange Polska's revenues stabilized, declining 3% in 2015. The trend toward more digital uses and behaviours has led to a significant upturn in mobile data consumption, driven mainly by multimedia content and social network usage. To meet this demand, and boost its 4G network coverage, Orange Polska purchased five frequency blocks in the 800 and 2,600 MHz bands in the 2015 auction, representing a total of around €700 million, and is planning to invest up to €51 million per year in network rollout in 2016 and 2017.

Enterprises: a competitive global market

Orange Business Services operates in demanding markets characterized by a large number of players, including alternative operators, major suppliers and international groups from emerging countries, all competing in the 220 countries and territories where OBS connectivity services are provided. To effectively steward their digital transformation – from integration of big data technologies to the Internet of Things – businesses need suppliers of integrated solutions who are capable of offering them dedicated, custom-tailored support. Orange Business Services solutions are anchored in a unique ability to deliver swift, effective responses and support at both the local and global levels, thanks to teams of experts covering every need, including the most specialized areas. The Orange Business Services value proposition encapsulates this position: "The trusted partner for your digital transformation".

Bringing down barriers between fixed and mobile markets

From the boom in mobile uses and the expansion of 4G to the ubiquitous spread of smartphones across the globe, the telecommunications sector has long been characterized by evolutions and disruptions that shape future-facing strategies for operators. One such game-changing trend is convergence, a development that dictates strategies capable of altering the telecoms landscape.

Convergence comes to the home...

Customers, especially in Europe, want solutions that make it easier to access and manage their services. This trend encourages convergence, allowing operators such as Orange, with both fixed and mobile network infrastructures, to differentiate themselves and secure customer loyalty thanks to a holistic approach to home services. These convergent solutions include quadruple play (broadband, voice, TV and mobile) via the Orange network in France; bundled offers (voice, broadband, TV and mobile) as part of the regulated cable service in Belgium; or mobile/TV offers in Romania, which will soon add voice and broadband under an agreement with the incumbent

operator. The most recent development in the convergence arena is Voice over Wi-Fi, which Orange will roll out in Europe in 2016 to enhance network coverage in the home for mobile customers.

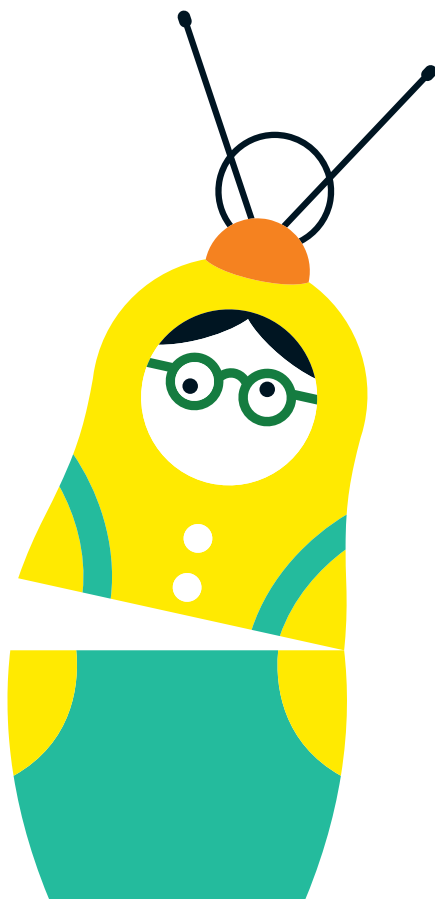
... driving consolidation

In Europe, as in the US, telecoms players are positioning themselves to meet consumer demand for convergent services. This is one of the key drivers behind the substantial wave of consolidation seen in recent years. Europe, for example, has seen a series of mergers and acquisitions since 2014, including Altice's purchase of SFR and Virgin Mobile in France, as well as Portugal Telecom; the acquisition of Base by Telenet in Belgium; the acquisitions in Spain of Ono by Vodafone and Jazztel by Orange; and EE's sale to BT Group in the UK.

Share of convergent offers in Orange's broadband customer base

48.8%
in France.

81%
in Spain.



Mobile financial services gain traction

Like many other industries, banking has undergone a transformation in recent years linked directly to the development of digital technologies and mobile devices. In developed countries, banking customers expect simplicity combined with instant access. A different equation applies in emerging markets, where the penetration of mobile phones and smartphones is increasing, but, as a rule, few people have bank accounts, despite a rise in the number of account holders in recent years. According to the Global Findex 2014 report, 34% of adults in sub-Saharan Africa had a bank account, compared with 24% in 2011. At a global level, meanwhile, 38% of the adult population do not use any financial services. Orange has included mobile financial services in its Essentials2020 strategic plan, and is rolling out services in three areas: mobile money, mobile payment and mobile banking.

Successful offerings

New technologies play an important role in achieving greater financial inclusion, a priority for the United Nations and the World Bank. As a major player in telecommunications with a powerful capacity for innovation, Orange makes a pivotal contribution to the development of mobile financial solutions. In 2008, the Group launched its mobile money service Orange Money in Côte d'Ivoire, before subsequently rolling it out across the continent. Now present in 14 countries, Orange Money has 16.4 million customers, who made a total of 360 million transactions in 2015. The Group aims to reach 30 million Orange Money users by 2018.

The Orange Cash mobile payment offer, launched in partnership with Visa, and rolled out in Spain and across France in 2015, has already proven a tremendous success. Orange Cash users can pay for their purchases simply and securely wherever contactless payment is available, as well as on websites that accept Visa. Finally, in the mobile banking segment, which encompasses a comprehensive array of financial services (including current accounts, savings, credit, insurance and payments), Orange took the first steps toward successfully establishing a position with the launch of its Orange Finanse solution in Poland in late 2014. The Group aims to introduce a mobile banking offer in France in 2017, before subsequently bringing it to other European countries, including Spain and Belgium. To support this initiative Orange announced its plans to acquire a 65% stake in Groupama Banque in April 2016.



More than
16.4 million
Orange Money customers
in 14 African countries make
35 million transactions
each month.

The digitization of healthcare and education

The digital transformation of fundamental public services is an important challenge for modern societies in the years ahead. In healthcare and education in particular, the widespread use of new technologies harbors vast potential for simplified, optimized access to services.

e-health for better public health

e-health is defined as the application of new information and communication technologies to the healthcare sector with the aim of improving patient care. The array of potential new services includes remote consultation, remote diagnosis, and remote monitoring. To address pressing healthcare issues such as an ageing population and increasing public health expenditure, e-health can deliver tailored solutions to improve patients' day-to-day lives, and enable caregivers and healthcare professionals to work more effectively, thereby offering better healthcare while keeping costs under control. To consolidate its presence in e-health, Orange set up the Orange Healthcare subsidiary in 2007. Orange Healthcare focuses in particular on improving healthcare delivery, supporting the digital transformation of the healthcare industries, and offering secure data hosting solutions. The Group has launched a series of initiatives in this market to accelerate deployment of underlying principles and forward-facing e-health solutions, including engagement with strategic healthcare planning and decision-making at the public policy level. In 2015, for example, Orange Healthcare

submitted a white paper in France on "Ageing well: a revolution" (La Révolution du bien vieillir) to the French Secretary of State responsible for the family and the elderly, and took part in the mHealth Grand Tour, an event designed to spotlight the benefits of new mobile health technologies for diabetes patients.

Enriching education through ICT

e-education takes teaching to a whole new level in terms of range and scope, allowing young people in isolated situations or locations to access educational content remotely, while at the same time ushering in completely new ways of teaching and learning. As an international operator and supplier of connectivity solutions, Orange is right at the heart of the e-education ecosystem – notably as a participant in the mEducation Alliance, leading members of which include USAID, the World Bank and UNESCO. The Group offers end-to-end capabilities that span the entire value chain, encompassing content creation, service design, network support, terminals and marketing.



500 schools

Among its many education initiatives, the Orange Foundation has distributed tablets to 500 schools, supporting a total of over 40,000 school children as part of the "digital schools" programme.

The age of connectivity

The world currently has a total of 2 billion PCs and 7 billion mobile telephones. By 2020, 25 billion connected objects will form part of our everyday lives. At a time when consumers are demanding even more in terms of autonomy, mobility and instant access to services, connectivity is more vital than ever before.

A presence across the entire value chain

Orange's ability to provide innovative solutions for the Internet of Things, machine-to-machine (M2M) and big data, while meeting network data security and integrity requirements, places it right at the centre of this revolution. Connected objects are a top diversification priority in the Essentials2020 strategic plan. We are leveraging key assets, such as our networks and our local presence, to help customers benefit from the Internet of Things and support the digital transformation of our enterprise customers. The Group is deploying its expertise across the entire value chain to help develop an active and profitable ecosystem. Key areas of focus include the supply of connectivity solutions, the distribution of connected objects, the supply of value-added services based on objects – particularly for the connected home – and the design of an ecosystem for the Internet of Things via the Datavenue programme.

Connecting and networking objects

With nearly a decade of experience as an operator in machine-to-machine (M2M) communications with its 2G/3G/4G mobile networks, Orange is now broadening its connectivity offer by adapting it to the Internet of Things, with a new network set to be rolled out in 2016. Based on Long Range (LoRa®) technology, this infrastructure

will be used in particular for connecting sensors in industry and in smart cities, applications which require narrowband connectivity with low energy consumption. A trial network set up in Grenoble in 2015 demonstrated the benefits of the system, and confirmed the ability of LoRa® technology to provide an effective solution for the connectivity of objects. The LoRa® network will be rolled out to 17 urban areas around France in the first half of 2016. Orange is also actively engaged in the R&D and standardization efforts that will allow 2G, 4G and eventually 5G networks to go even further in future in terms of coverage, reliability and reduced consumption. The Group's research teams are also anticipating future uses related to the Internet of Things, looking for example at the way users surrounded by objects connected in "cyber-physical" systems will interact with new services via those objects or their digital avatars. In addition, Orange researchers are developing algorithms, technical building blocks and privacy-friendly platforms for big data and artificial intelligence applications.

Orange is rolling out its LoRa® network for connected objects to

17

urban areas in France.



Wholesale: a strategic asset

Like all carriers, Orange must make sure that its networks have the capacity to accommodate burgeoning needs in terms of connectivity, mobility and data traffic. Wholesale buying and selling of network capacity enables operators to build their own networks or use other operators' networks to connect their customers and meet their traffic needs.

A strategic business

Orange's wholesale business helps the Group meet its commitment to guaranteeing that customers enjoy the best possible connectivity, wherever they are in the world. As well as making a direct contribution to the Essentials2020 strategic plan, wholesale provides a significant source of revenues for the Group. In a global market whose aggregate value is shrinking, Orange is the only carrier positioned for growth, thanks largely to the quality of our networks, both in France and internationally, notably 450,000 kilometres of submarine cables. The wholesale business is divided into two distinct parts: the domestic markets in individual countries, and the international market that allows data traffic and calls to be routed around the globe.

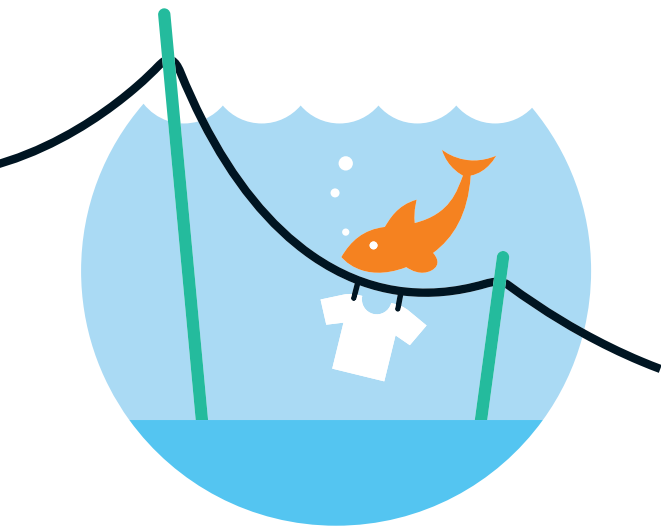
Leader in an active domestic wholesale market

Orange's domestic wholesale business has seen sustained growth for the past five years, especially in France. With more than 300 client operators in wholesale fixed and high-speed broadband, and €3.9 billion in revenues in the fixed segment alone, Orange leads a domestic market that has been energized by the arrival of new players such as public initiative networks (PINs).

The Group's domestic wholesale offering revolves around access to fixed networks, services to operators, mobile virtual network operator (MVNO) hosting, interconnection and roaming. It is currently being diversified thanks to the development of fibre networks, PINs and services for Cloud/IoT operators. Wholesale activities make a pivotal contribution to the development of fixed high-speed broadband and the services of the future.

A dynamic international market

Orange International Carriers provides international communications services for over 1,000 telecoms operators and Internet players. In 2015, international wholesale generated more than €1.5 billion in revenues, an increase of 1.8% over the previous year on a comparable basis. Orange is building strong positions to maintain this profitable growth dynamic thanks to new anti-fraud services, as well as security, Cloud and cybersecurity solutions. The Group's international wholesale offering is expanding in 2016 to include Cloud and cybersecurity services.



4th

For the 4th year in a row
Orange won the "Best
Global Carrier" award.

1st

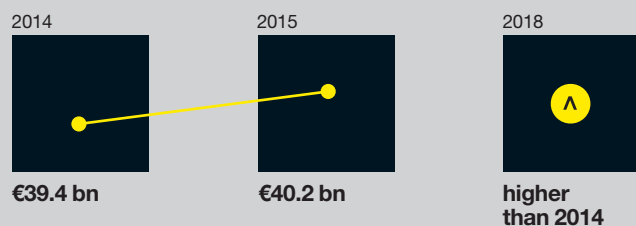
Orange is ranked the No. 1 global
wholesale carrier for voice.

€3.9 billion

Revenues from fixed wholesale
services in France in 2015.

Group indicators

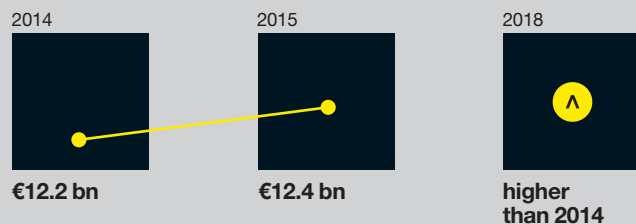
Generate higher revenues in 2018 than in 2014



Revenues for France, Europe and Africa & Middle East regions include: mobile services, mobile devices sales, fixed services, and other revenues. This figure also includes revenue lines from the Enterprises sector and from International Carriers and Shared Services.

By capitalizing on our assets, developing new services, and winning new markets.

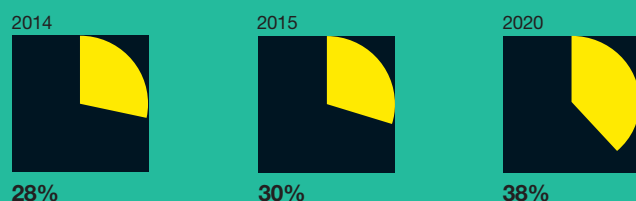
Restated EBITDA higher in 2018 than in 2014



Restated EBITDA is operating income before depreciation and amortization, before remeasurement resulting from business combinations, before impairment of goodwill and fixed assets, and before share of profits (losses) of associates and joint ventures, less any non-recurring items.

By controlling direct and indirect costs to ensure profitable growth.

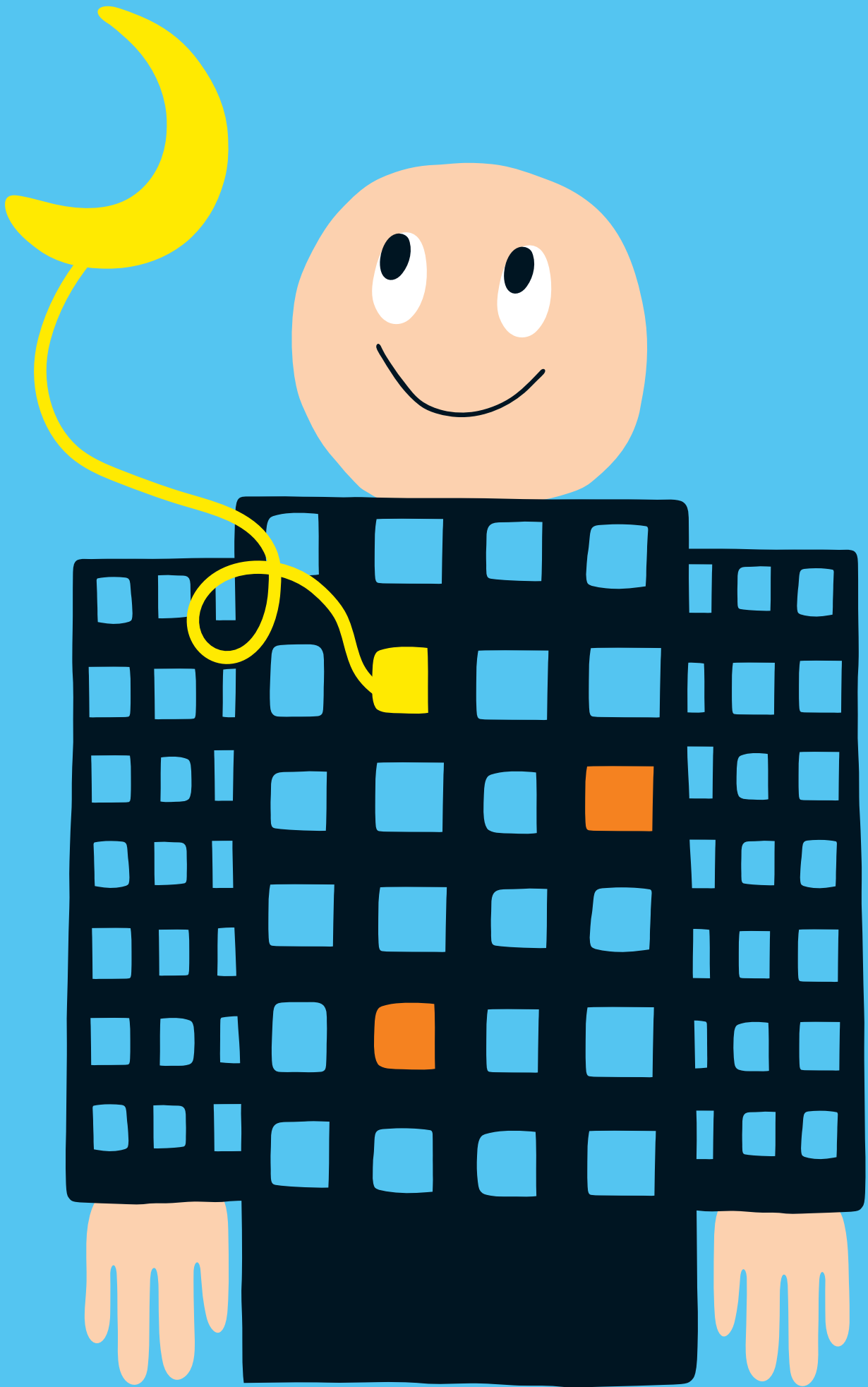
Increase the share of IT & integration services in the Orange Business Services revenue mix by 10 percentage points by 2020



Orange wants to be the trusted partner for companies in the digital revolution that is currently reshaping their business models, services and offers.

Orange will measure the success of the transformation of its enterprise business model toward the share of IT & integration services in the Orange Business Services revenue mix.

- By enriching connectivity services for enterprises.
- By developing flexible Cloud computing infrastructures.
- By supporting new sectoral processes via solutions related to the Internet of Things (healthcare, smart cities, customer relations, logistics, etc.).
- By proposing flexible, mobile, collaborative environments.



x 4,000

The explosion in mobile data traffic in the past ten years.

450,000 km

The length of the international submarine cable network operated by Orange.

How do networks meet surging demand for greater connectivity?

€15 billion

Orange investments in networks between 2015 and 2018.

18 million

Orange 4G customers in Europe.

1.9 million

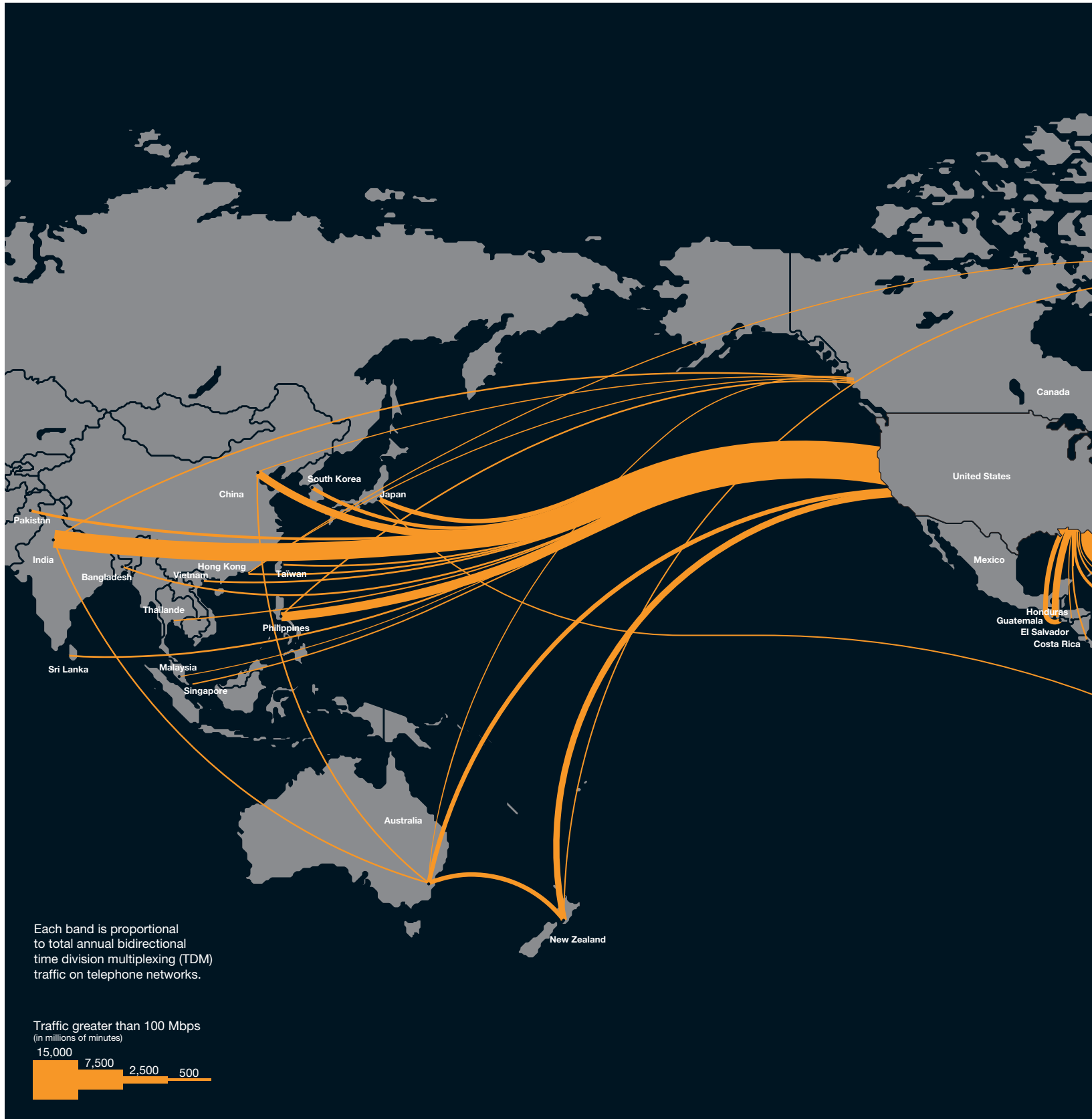
Orange fibre customers in France, Spain, Poland and Slovakia.

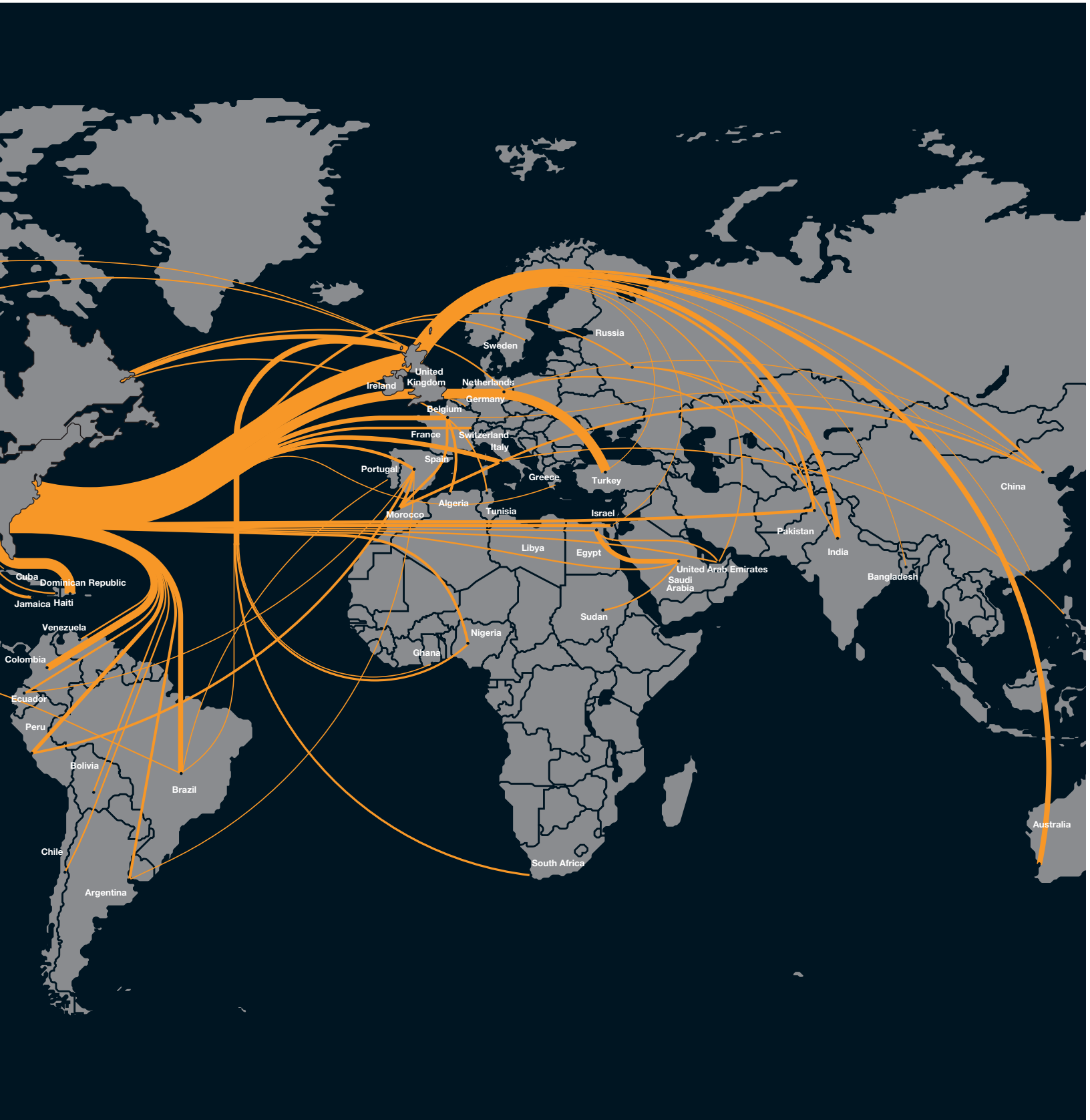
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Countries now covered by Orange 4G networks.



Highest volume voice traffic routes





Source: TeleGeography. See www.telegeography.com for additional information regarding the international voice traffic data and maps.

**Mats Granryd,
Director General
of the GSMA**

**Alain Maloberti, Senior
Vice President of Orange
Labs Networks**

Major technology challenges



- 1. What challenges do operators face as a result of the huge increase in user needs?**
- 2. Are connectivity needs the same across the globe?**
- 3. What technological innovations are operators working on to combine quality, reliability and security?**
- 4. What solutions do you envisage for the networks' complex environmental equation?**
- 5. What will the networks look like in 2020?**

1.

Mats Granryd: In today's digital economy, the mobile network is now the main connection and innovation platform for individuals and businesses. It provides broadband connectivity and enables services to be delivered to users around the world. The growing number of smartphones and other innovative devices has fuelled the growth of data-intensive applications – especially video streaming – on mobile networks. Smartphones accounted for 45% of mobile connections in 2015 (compared to just 8% in 2010), and 2.6 billion new smartphone connections are expected over the next five years, mainly due to rising smartphone adoption in the developing world. This has required mobile operators to invest heavily in mobile broadband networks and spectrum: €788 billion was invested between 2010 and 2015, primarily to fund the roll-out of 3G/4G networks. Operators are expected to invest a further €806 billion over 2016-2020. With the rise in digital usage, mobile operators have become the guardians of their customers' online identity and personal data, which only adds to the challenge of providing sufficient network capacity, reliability, security and coverage. The mobile industry now has a responsibility to connect everything and everyone to a better future. Our industry was the first to publicly support the 17 UN Sustainable Development Goals to transform the world by 2030, and we are working to ensure that connectivity plays a key role in the fight against poverty, climate change and inequality.

Alain Maloberti: There are two aspects to this issue. First, the volume of data carried by networks is rising at a rapid pace. Mobile traffic is growing by about 50% each year. Second, users constantly need faster speeds in order to be able to enjoy data-intensive services and applications such as video streaming. These trends require all operators to upgrade their access networks – to offer improved coverage and speeds – and their mobile transport networks to hook up with the rest of the world. One way of preventing

our networks from getting saturated is obviously to introduce new technology and standards. In fixed networks, Orange has opted to focus on FTTH and we now have a clear roadmap for increased speeds and capacity which we will be offering in the years ahead. In mobile networks, we can manage the increasing numbers of users in the short term, gradually reallocating 2G frequency to 4G. In the longer term, we're working with the International Telecommunication Union (ITU) to be assigned new frequency bands. It is important for us to anticipate future needs as far upstream as possible, especially in terms of new frequency bands. That's what we did prior to the arrival of 4G and we're now in active talks with the ITU about 5G.

2.

M.G.: The gap between the mobile markets of the developed and developing worlds is rapidly narrowing: almost half of live 4G networks, for example, are located in emerging countries where the smartphone take-up rate has topped 40%. The rise of 4G is still in its infancy in sub-Saharan Africa, for various reasons including a lack of available frequencies. However, the challenge in connecting the last pockets of people who are still off-network goes beyond merely extending coverage: we also need to be able to offer affordable rates, to educate people in digital practice and uses and to ensure that content and services meet the needs of currently unconnected populations.

A.M.: Demand is the same just about everywhere in the world. Even though every region isn't at the same stage technology-wise, disparities are declining. 4G is arriving in Africa and everyone wants to be able to connect to Facebook and YouTube. Unfortunately, the regions where content is produced aren't always the same regions where content is consumed. Data must be transported around the world. This is particularly true of Africa, where there aren't many servers but a lot of content from North America and Europe is consumed. To handle data traffic, we are working on developing international connectivity with our submarine cables. In landlocked countries like Mali and Niger, we're building terrestrial fibre optic infrastructure.

3.

M.G.: The transition to 5G is underway and promises a leap forward in technological capabilities, providing a next-generation platform that will underpin the Internet of Things and provide solutions to many of the network challenges we see today. Much of the 5G "vision" under discussion already forms part of the network innovations being undertaken by operators. For example, technologies such as network function visualization (NFV), software-defined networking (SDN), HetNets and Low Power, Low Throughput networks are already being

deployed within the 4G environment, setting an evolutionary path towards 5G. However, the biggest challenge in meeting future requirements may not be a technical one, but a shortage of suitable spectrum.

A.M.: We're experiencing a major transformation driven by big data technology, like NFV. We're optimising performance by pooling resources on shared machines rather than operating equipment separately (mobile router, VoIP management, etc.). We've also started to deploy SDN technology to allow us to automatically process network data and offer services such as capacity on demand (COD) – just like the new VPN solution Orange Business Services will be releasing in 2016. We're working in two main areas to ready ourselves for the Internet of Things: LoRa® technology for applications requiring lower speeds, wider areas and low power consumption, such as the machine-to-machine networks employed by utilities, and 4G solutions for applications in the automotive and healthcare industries that need faster data speeds and lower latency rates. Big data and artificial intelligence will allow complex data analysis and correlation of a sender's identity and location to verify that access requests to a network and data are legitimate and fully compliant.

4.

M.G.: Mobile technologies can make a significant contribution in the fight against climate change. According to the GeSI⁽¹⁾ mobile carbon impact report, the CO₂ emissions abatement enabled by mobile communications technology today is approximately five times greater than the carbon emissions from mobile networks. The overall network energy bill for operators is over €15 billion per year. Many of them have made energy efficiency and reducing their CO₂ emissions a strategic priority. At the GSMA, we have also launched a specific programme to help operators to assess their energy efficiency, identify potential savings and devise action plans. To date, over 40 operators have taken part in this initiative.

A.M.: Our main focus is on working with our suppliers to reduce the energy consumption of our network infrastructure. We want our infrastructure to be "passive", meaning it doesn't use any energy if there's no traffic. We're campaigning to get these environmental requirements incorporated into the new standards and they will be a big component of the 5G specifications. At Orange, we've made a commitment to halve our CO₂ emissions per customer usage between 2006 and 2020. That's an ambitious goal, which all our employees and suppliers are committed to achieving under our "Green ITN" programme. It involves improving the energy efficiency of our infrastructure – ventilation in our data centres, solar-powered base stations, etc. –

designing more energy-efficient products and services, and upgrading the equipment installed in our customers' homes and offices – like powering off the Wi-Fi connection automatically if it's not being used.

5.

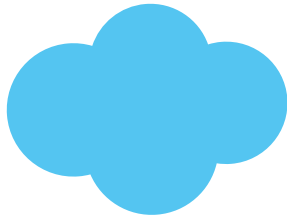
M.G.: By 2020 we will be living in the hyperconnected society made possible by 5G, with exciting new uses cases around low-latency remote services, augmented reality, the "immersive" Internet and many other areas. Innovations that are at the cutting edge today – such as self-driving cars – may be a commercial reality by 2020. 5G is different to previous generational steps (such as 3G and 4G), which have typically focussed on a faster data-rate and lower latency radio technology: 5G is being defined more as an ecosystem. This ecosystem will provide multiaccess connectivity across a range of different network technologies, including LTE-Advanced, Wi-Fi and Low-Power Wide-Area Networks (LPWA). Traffic will be automatically routed to a particular mode of access to a specific network, depending on the service requested and on that service's specific needs in terms of performance and quality.

A.M.: NFV and SDN technologies will make our networks easier to program, less dependent on physical infrastructure and capable of instantly responding to each customer's needs. Some functions, like content access, will be located closer to the customer, but others will be centralised for improved operational and energy efficiency. Most importantly, fixed and mobile networks will be fully integrated. VoIP can be carried just as well over cell networks as Wi-Fi and it will be a lot easier for customers to have just one number and one log-in for all their devices as they switch seamlessly from fixed to mobile networks throughout the day.

(1) GeSI is an association of public and private digital stakeholders committed to sustainable development.

The GSM Association represents the interests of mobile operators worldwide, uniting nearly 800 operators with more than 250 companies in the broader mobile ecosystem, including handset and device makers, software companies, equipment providers and Internet companies, as well as organisations in adjacent industry sectors.

February



Teaming up with Nokia Networks on Telco Cloud

Orange and Nokia Networks announced the Telco Cloud partnership to leverage the benefits of virtualization applied to IP multimedia subsystems (IMS) for fixed and mobile multimedia services. The project paves the way for interoperability and smart networks of the future, including self-healing and automated operations for networks, more agile service launches and adaptation for capacity on demand offerings.



May



A network for the Internet of Things

Orange has been trialling a LoRa® network with more than 30 businesses under real-world conditions in Grenoble, France since May 2015. The goal is to validate the network's main functions, like collecting data from sensors and controlling and locating objects. The Group is gradually rolling out a LoRa® network in France which will be operational in 17 cities in the first half of 2016. Orange continues to standardize future cell networks (2G/4G) for the Internet of Things which will come on stream in 2017.

June

Successful tender offer for Jazztel

After acquiring 100% of Jazztel, Orange became the No. 2 fixed operator and one of the most dynamic players in Spain's mobile and convergent services market. By September 2015, nearly 600,000 Jazztel customers had access to Orange's 4G network. The next step is to reach 10 million households eligible for FTTH in 2016 and bring 4G network coverage to 95% of the Spanish population by end-2017.



June



Orange TV on the move

Following the successful launch in Romania under the "TV Stick" brand, the "clé TV" device was released in France to meet customer demand for multi-screen TV and mobile content. The "clé TV" device can be plugged into the HDMI port of a TV set for smartphone access to multimedia content. It can be used anywhere to watch TV channels live or on demand or view photos, videos and other content saved on a smartphone.

July

Orange named top quality mobile network in France

For the fifth year in a row, Orange scored above-average results in 153 of the 210 criteria in ARCEP's 2015 survey on the "Quality of Voice and Data Services of Mobile Network Operators in Metropolitan France". Orange boasts the best mobile service quality in everyday usage and was ranked No. 1 or joint No. 1 for call and text messaging quality, 3G and 4G mobile broadband quality, and, most importantly, call and mobile broadband quality in public transport and on motorways.

ACE brings Europe and Africa closer

On 2 July 2015, Benin and the Canary Islands were connected to the Africa Coast to Europe (ACE) submarine cable. Orange and the members of the ACE consortium announced in November that work would start on the extension from São Tomé-e-Príncipe to Cape Town. 12,000 kilometres of fibre optic currently connect 18 countries in Europe and Africa to the international broadband network using advanced secure technology. ACE will ultimately cover 17,000 kilometres and 23 countries.

September

Looking ahead to 5G

In September, ARCEP authorized Orange to begin the first trials of extremely high-frequency bands in Belfort, France in early 2016 under Europe's 5G-PPP programme. This technology will underpin the future development of 5G mobile applications. The trial will be conducted with equipment specially developed by the Group to measure the way in which millimetre-wave frequencies react to weather and changes in the natural environment. The test results will be shared in full with all operators and equipment manufacturers to speed up the development of 5G in these high-frequency bands.



October

Building energy-efficient networks

Orange stepped up initiatives in 2015 to implement network infrastructure which will help achieve its goal of halving its CO₂ emissions per customer usage by 2020. Three projects illustrate the Group's commitment. Orange and industry players like Huawei are working together to design and build new high energy-efficiency telecommunications networks by 2020. Orange signed a partnership agreement with Engie to expand the rural electricity grid and optimize energy supply to Orange's infrastructure in Africa. Orange held its Research Fair during the COP21 climate conference in December to showcase its research work to further reduce network energy consumption, especially for upcoming 5G networks.



November



Frequencies to boost very high-speed mobile broadband

Orange France was awarded two blocks of 5 MHz (a total of 10 MHz) in France as part of a spectrum auction in the 700 MHz band for €954 million. This major industrial investment will enable Orange to improve its service quality, particularly indoors and in rural areas, and prepare for the introduction of 5G technology. Orange is now the only operator in France to own 30 MHz of low-range frequencies. Meanwhile, in Poland Orange Polska acquired two blocks in the 800 MHz frequency band in an auction and three other blocks in the 2,600 MHz frequency band for a total of around €700 million.

December

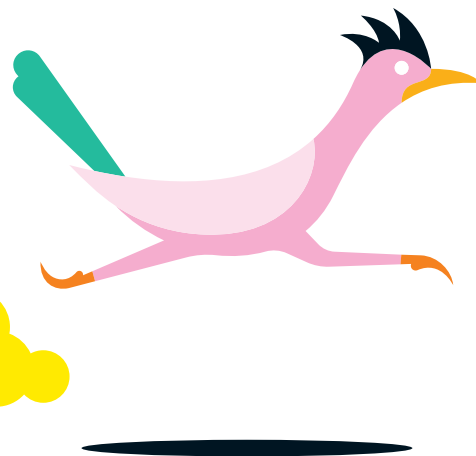


Fiber speed record

Orange, Coriant, the two SMEs Ekinops and Keopsys, and Socionext set a world record in optical transmission at 38.4 terabits per second over the 762-kilometre Lyon-Marseille-Lyon link as part of the EU's Celtic-Plus SASER (safe and secure European routing) research project. The trial was carried out to test the compliance of Orange's most advanced optical transport solutions with the operational requirements of a "live" optical transport network. The findings were presented at Orange's Research Fair.

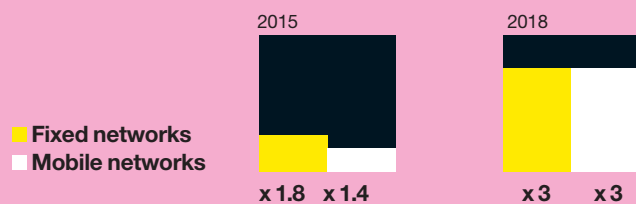
Expanding 4G networks

Orange continued to expand its 4G and 4G+ networks in Europe, Africa and the Middle East in 2015 to meet the needs of the growing numbers of smartphone users. Orange now offers 4G services in 13 countries, including Jordan, Morocco and Botswana. In Belgium, Spain, France, Moldova, Poland and Romania, Orange's 4G network covers more than 70% of the population. In France, the Group has over 8 million 4G customers and 17 French cities enjoy 4G+ coverage. The goal in Europe is to have more than 95% 4G coverage across the Group's footprint in 2018.



Indicators

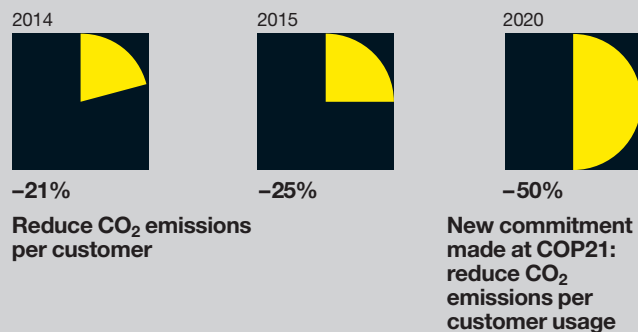
Triple average data throughput of our customers on both fixed and mobile networks by 2018 compared with 2014



Calculated in Mbps and measured by third party across all our access technologies (2G, 3G, 4G, ADSL, VDSL, FTTH, etc.) in proportion to their respective traffic, average data throughputs reflect our capacity to offer our customers richer connectivity, in line with growing data usage (streaming, HDTV, etc.).

- By improving the quality of our network in critical areas for our customers.
- By covering 95% of Europe in 4G.
- By launching 4G in 13 countries in Africa and the Middle East.
- By increasing the number of homes connected to fibre to more than 12 million in France.
- By continuing the rollout of FTTH in Europe.
- By increasing the number of homes connected to fiber to more than 14 million in Spain by the end of 2020.

Reduce CO₂ emissions by 50% per customer usage by 2020 compared with 2006



Orange has been actively committed to controlling and reducing the environmental impact of its operations since 2007. Orange set a new objective at the COP21 climate conference in late 2015. Starting in 2016, the CO₂ emissions of the 10 main countries which account for 90% of the Group's emissions will be calculated based on customer usage. The method for calculating this new indicator has been devised and audited by independent bodies. The indicator is a more objective way of measuring different types of usage (voice, data, TV, Internet, etc.).

- By monitoring network energy use and sharing equipment with other operators.
- By cutting the CO₂ emissions of buildings, vehicles and travel.
- By extending ISO 14001 certification to the Group's entire scope.
- By engaging with international standards organizations (ITU, ETSI, CENELEC, etc.).



**2 hours
27 minutes**

Average time spent by the French
on smartphones every day.

263 million

Orange customers at end-2015,
including 201 million mobile
customers and 18 million fixed
broadband customers.

What is an unmatched customer experience in today's digital world?

600 million

visits to Orange stores
each year.

600 million

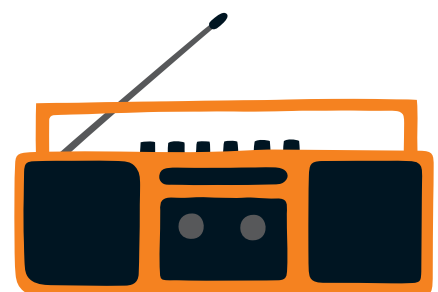
calls handled by Orange
call centers each year.

4.4 billion

customer visits to Orange
websites each year.

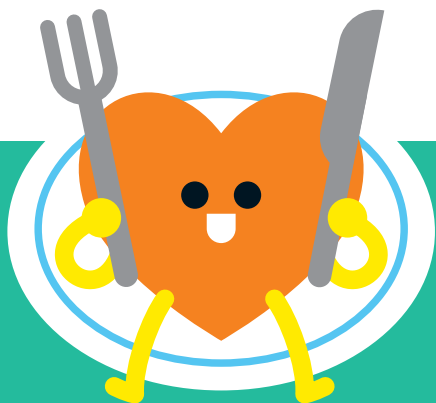
33%

of interactions with customers
conducted via digital channels.



Personal experiences that meet personal expectations

We all have our individual personality, wants and needs, and this diversity is inevitably reflected in what we expect from digital technologies. As a leading operator, Orange is committed to understanding these expectations in order to offer our 263 million customers a truly unmatched experience. So, what type of customer are you? Take this fun quiz to find out!



It's Valentine's Day! How do you celebrate?

- A meal at a Michelin-starred restaurant.
- A weekend getaway package.
- ✗ A blind date.
- ▲ A candlelit dinner at home.

Standing in the supermarket checkout queue, you:

- Look to see which queue is moving fastest.
- Wait until your favourite cashier is free.
- ✗ Head straight to the self-service checkout.
- ▲ Count your discount coupons while you wait.



How do you travel to work?

- In the comfort and warmth of your own car.
- By public transport to avoid traffic jams.
- ✗ You car pool with colleagues.
- ▲ By bike – come rain or shine!



Saturday night is movie night...

- On a giant 3D screen at your local megaplex.
- A family movie with the kids.
- ✗ You watch home movies with friends.
- ▲ There's always a good film to watch on TV.





What essentials would you take to a desert island?

- A king-size bed and portable shower.
- Sunblock, mosquito repellent and water filter.
- ✕ A satellite phone.
- ▲ All the books you've never had time to read.




What's your ideal social scene?

- Club meetings.
- Birthday parties.
- ✕ Flash mobs organised via Facebook.
- ▲ Meals with friends.

What are your next holiday plans?

- Nothing less than a four-star hotel.
- Relaxing at your parents' home.
- ✕ A randomly picked destination and couchsurfing.
- ▲ A complete package at a resort hotel.



Darn... Your old TV just gave up the ghost. Do you:

- Smile, because at last you can get a home cinema.
- Immediately start browsing TV comparison websites.
- ✕ Shrug it off, your tablet works fine.
- ▲ Head down to the TV repair shop.



Hurray! It's sales time.

- What's the big deal?
- Deep discount alerts soon start popping up on your smartphone.
- ✕ You've already received VIP invitations to private sales.
- ▲ Perfect excuse for taking a day off.



If you moved, it would be to:

- Live in a bigger house.
- Escape from your noisy neighbours.
- ✕ Move to the other side of the world.
- ▲ Pay less rent.



Results

Mostly ■ Only the best will do

You value quality, reliability and convenience most of all: technology appeals to you if it simplifies your life, and you're willing to pay the price to enjoy the best possible service.

Mostly ● Trust matters most

You're drawn to proven technology and are a loyal customer of reliable services but are willing to change, provided you're convinced of the expected benefits and get the support you need.

Mostly ✕ The future is now

You enjoy exploring the latest trends ahead of the crowd – and then sharing them with as many people as possible. What matters to you is staying continually connected everywhere.

Mostly ▲ Sharp business sense

Your priority is getting value for money. You're always on the lookout for a bargain and are willing to switch contracts or even provider if you think you'll be getting a better deal.

Hello Smart Store

Hello and welcome to your Orange Smart Store! A friendly, inviting and above all connected next-generation store, where our expert staff are on hand to deal with all your questions or requests in a completely digitized new-look retail space.



It's pretty busy today but you won't need to queue. If you've planned your visit to the store, head straight for the desk and pick up the smartphone you ordered online. If you want to talk to a sales assistant, we'll let you know as soon as one is free. While you're waiting, feel free to take a look around the store and explore the wealth of digital solutions on offer for your home, wellbeing, entertainment and work.



Make yourself at home and do whatever you please – browse around, take a seat and read an e-book, or plug in your mobile

or tablet. Fancy trying out a connected device, seeing how Homelive manages your home, sampling Deezer or playing the latest game available on the Livebox? You can explore all our products and services via in-person demos – either alone or with the expert advice of one of our digital coaches. When it's your turn you'll enjoy a seamless retail experience thanks to the tablets used by our savvy store assistants, who can review all your needs and help you manage your Orange account.



If you're not yet a customer, it will take just a couple of minutes to sign up, and we'll help you get your account up and running while you're in the store. And rest assured: if you have any problems in the first few days, our after-sales experts will be more than happy to help you find a solution. Before you leave, don't forget to take a look

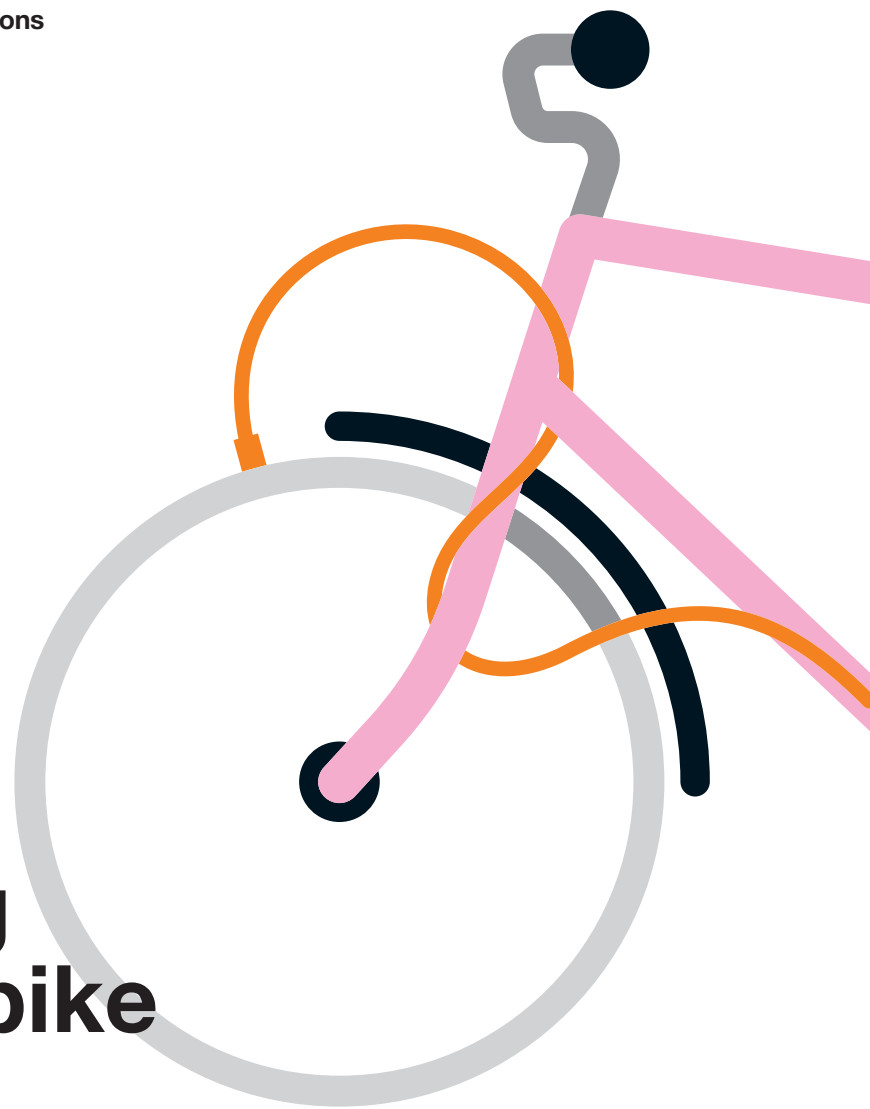
around our self-service areas, where you might just fall for one of our stylish multicolor phone cases or designer headphones! Thanks for stopping by! We hope to see you again soon.







Our solutions



Charlotte

— Riding
a smart bike
is easy!



Carole

— I'm not really into videogames,
but I enjoyed trying one with
a little help from a coach.

An unmatched customer experience

Our Essentials2020 strategy centres on our core commitment to offering all customers an unmatched experience. It also reaffirms our goal of being the most recommended operator among three quarters of our 263 million customers in the 28 countries where we operate. To begin with, this means settling for nothing less than excellence in all our business fundamentals. In other words, offering customers powerful and reliable networks and the ability to communicate and stay connected where it matters most.

This is their number one expectation – and we must be exemplary in delivering on it. No matter what time of day or night, whether they are at home, at work, or traveling between the two, quality of service must be perceived to be flawless. But we don't intend to stop there. Orange also strives to delight our customers by consistently exceeding their expectations. This means taking personalisation to an unprecedented level. Each customer will be recognised in all their interactions with Orange and guided throughout their digital lives. Whenever they need us, we will be there to meet our customers' expectations and even anticipate their needs. And because we make it our business to stay ahead of the curve, we will offer customers the chance to explore new digital uses to enrich and make their everyday lives simpler.

Leveraging the power of the Orange brand

Thanks to the reliability of our networks and high-quality customer relationships, Orange further strengthened its position in 2015 as France's most valuable brand: the Orange brand was valued at €17.6 billion, an increase of 7% compared with 2014. Seven more countries – France, Spain, Poland, Romania, Moldova, Luxembourg and Jordan – adopted our new brand identity in 2015, which embodies the “listening/responding” focus of our Essentials2020 strategy as well as its visual dimensions. The Group's global rebranding strategy continues to move forward. Our businesses in Egypt and Belgium adopted the Orange brand at the start of 2016 and Morocco is slated to follow by the end of the year.

“Orange commitments”

Our fresh approach to redefining the customer experience is set out in our “Orange commitments” initiative, which has now been rolled out in 24 countries. Each commitment is endorsed by “reasons to believe”, or concrete actions that show customers exactly what they can expect. In other words, clear, tangible and relevant proof of how Orange can make a difference to people's lives. Focusing on six essential expectations, we are committed to helping customers in order to bring them an unmatched experience:

- connectivity: offer all customers the best possible connectivity wherever they are;
- simplicity: make all our solutions enjoyable and simple to use;
- recognition: recognise each customer individually at every touchpoint, whether digital or physical, and ensure immediate access to their entire history with our brand;

- availability: ensure that we are immediately available at all times to listen to each customer's queries and offer a clear response time;
- adaptation: meet each individual customer's needs by offering the most relevant plan, solution and service at each stage in their life, with the freedom to choose what they want, try something new – and change their minds;
- anticipation: be prepared to address customers' changing expectations, needs and issues.

Networks, the cornerstone of the customer experience

Connectivity – the Group's core business and the starting point for an unmatched customer experience. Connectivity has become an essential and increasingly vital requirement for people everywhere, and it is our mission to ensure the highest standards in terms of quality, reliability, and continuity, while tailoring services to each individual customer. In addition to delivering a superior network experience, Orange is equally committed to making this quality of service perceptible to the customer. This focus on our value-added services is embedded in our Essentials2020 strategy.

Orange now ensures network quality on an individual customer basis. As part of this new approach, Orange deployed a customer experience management (CEM) tool in France, Spain, Mali and Cameroon in 2015. Scheduled for rollout in more countries in 2016, the CEM measures the quality of service actually experienced by individual customers in real time. This allows us to identify problems the moment they occur and target priority areas for improvement – and the resulting investment priorities – using solutions fully aligned with the real needs of customers.

In 2015 several of our host countries outlined their priorities and implemented initiatives to achieve them, including “Ma vie sans coupure” (my seamless life) in France. Another key goal is to increase data speeds on our networks to deliver 4G coverage and support new uses. In the last year alone, fixed network speeds have been increased by a factor of 1.8 and mobile speeds by 1.4.

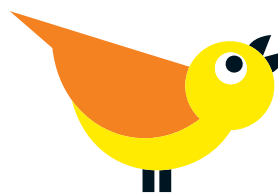
Simplicity for everyone

Simplicity doesn't just mean peace of mind and greater clarity for customers, but also more efficiency for our business. By making our rate plans simpler to understand and our products easier to use, Orange can more effectively manage every stage in the customer journey and deliver the high level of quality expected.

To achieve this, a dedicated strategic initiative has been underway for several years in order to streamline the Orange product catalogue. This “pruning” has reduced the number of different plans available by 60% in Spain, 30% in France and 30% in Romania. At the same time, more dynamic product portfolio management has been implemented in a number of countries in Europe (France, Spain), Africa and the Middle East. Recognising that today's consumers want to be able to manage their accounts themselves, Orange is also providing greater scope for self-service channels that are simple to use to meet their everyday needs. These include optimized



Our solutions



Charles

— Trying out music services right in the store is ideal to make sure I choose what I want.



Estelle

— I'm quite busy, so the seamless transition between the app and the store, plus being able to make an appointment saves me a lot of precious time!



Our solutions

billing interfaces on the “Orange et moi” service application in Spain, Romania, France, and Egypt, while customers in France can now change addresses for their fixed contract directly on the Web portal. These initiatives have proved highly effective, resulting in a significant drop in the number of calls to Orange’s European call centres.

Leverage digital solutions for an enhanced customer relationship

Another top priority for Orange is the digital customer experience, firmly in line with consumer expectations and that way they use digital tools. As mobile usage continues to expand, smartphones are becoming the preferred method for contacting us.

In Spain, 70% of connections on the Orange website are made via mobile devices. The “Orange et moi” app had almost 10 million active users in the last quarter of 2015, almost 60% up on the previous year.

To accommodate this shift in behaviour and meet customers’ expectations, Orange has rolled out Mobile First, aimed at reinventing or creating entirely new all-digital customer experiences and services. For example, as the Orange brand evolves, our websites are being adapted for mobile. Another programme, called “Digital Assisted”, has been introduced to help customers use digital tools to contact Orange, via social media, user communities or online chat services.

Orange, your digital coach

Quality customer relationships also include learning how to use digital technologies and follow best practices. Here, many customers benefit from more hands-on assistance. In France, Orange provides individual coaching sessions at its stores where people can come along to learn how to manage their digital lives. What’s more, to promote the safe and responsible use of digital technology, Orange organises free classes for parents to teach them how to keep their children safe online. More tips and advice are available via videos and guidelines on bienvivreledigital.orange.fr, a dedicated site developed by Orange to share digital best practices.

Next-generation Smart Stores

These digital initiatives, developed to simplify, personalise and enrich the customer experience, are joined by Orange’s actions to enhance physical channels. Fulfilling our goal of offering a seamless customer experience across physical and digital touchpoints, the Orange Smart Store unveiled in 2015 ushers in an entirely new concept designed to delight and surprise customers – and make the store a destination in itself. Orange opened 20 Smart Stores in 2015, in France, Poland, Romania, Jordan and Moldova. Between now and 2018, 20% of the Group’s stores in Europe will be refurbished according to the new concept, the aim being to deploy at least one Smart Store in every country as of 2016. Designed to bridge customers’ physical and digital experiences, the Orange Smart Store features themed spaces – home, work, wellness, etc. The best of digital technologies are showcased, with expert advisors available to guide customers. For customers, this new concept offers a more seamless, simplified, interactive and personalised experience, translating into greater satisfaction, while for Orange it means more efficient sales processes. At the first Orange Smart Store, opened in the Romanian city of Cluj, customer waiting time was cut by 40%, and the net promoter score (NPS, a customer satisfaction and loyalty metric) jumped to 88%. In France, the new store concept has been recognised by the French Institute of Design, which honored the brand with the Janus award for collaborative business initiatives aimed at enhancing wellbeing.

Identify and recognise each customer

To ensure the long-term effectiveness of these efforts, Orange has launched a transformation process centred around two key drivers. The first leverages advanced technology to build a detailed, accurate profile of each individual customer. As well as personalising interactions with the customer and developing more personalised offers, the goal is to more closely monitor network quality. To achieve this, a reference guide, entitled “The 360-Degree View”, was produced and distributed in 2015 explaining the benefits of this vision and its impact on the customer experience. “The 360-Degree View” provides a complete picture of each customer, tracking their entire history with Orange across all touchpoints. In Africa and the Middle East, four projects based on the 360-degree view of the customer have been launched to transform customer relationship management (CRM). The Group’s goal is have a 360-degree view of all customers across all touchpoints by 2018.

Creating a new customer culture

The second key driver has a more cultural, human dimension. Orange embarked on a full-fledged transformation process in 2015 with Essential Voices, a Group-wide programme aimed at systematically making listening more closely to both customers and employees an integral part of all areas of business. The goal is to develop more relevant and effective customer interactions and marketing strategies. This will help strengthen customer loyalty and drive business performance, and at the same time raise employee awareness of how important it is to listen to and integrate customer feedback into all their decisions and initiatives. Essential Voices is a cross-cutting programme involving all our business lines, markets and countries, along with our 156,000 employees as well as contractors and service providers. Continuous improvement experts are supporting all these stakeholders in the transformation process.

Essential Voices, year one

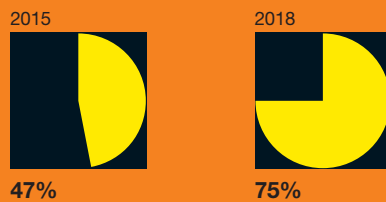
In just one year, the programme has delivered a number of concrete achievements and supports the sharing of best practices between the countries where Orange is present. In Poland, relationships with senior customers aged 70+ have been completely rethought and simplified on the basis of feedback gathered. Orange Polska uses large print for all correspondence with these customers to make it easier to read. And if they have difficulty using the interactive voice response server, they can arrange to contact staff who are themselves over 50 (who sign up on a voluntary basis) to get a more personalised response to their needs. In Africa and the Middle East, almost all touchpoints between Orange and its customers prompt customers to complete a satisfaction survey. What's more, in a growing number of countries unsatisfied customers are systematically called back, allowing the brand to follow up with corrective actions when necessary.



Indicators

Become and remain No. 1 in net promoter score for three out of four customers by 2018

% of customers who rank Orange as their No. 1 recommendation



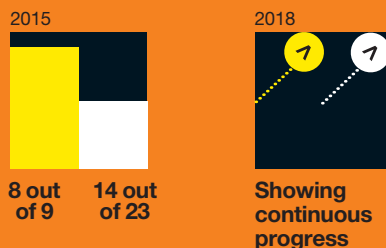
The net promoter score (NPS) is a customer satisfaction metric that most accurately reflects perceptions of a brand and the degree of customer loyalty. It is measured by asking customers whether they would recommend a company to family or friends. The score is calculated by deducting the percentage of those who would not recommend a brand from those who would, broken down by country and relevant segment. Each segment is weighted according to the number of customers.

- ↳ By focusing on our clients and employees in our decisions and initiatives.
- ↳ By offering all customers services and prices aligned with their expectations.
- ↳ By improving the quality of the network and its perception by each of our customers.
- ↳ By personalising customer interactions.

Improve the Orange Brand Power Index across all its markets by 2018

Number of countries where BPI improves
 ■ Broadband and convergent services⁽¹⁾
 ■ Mobile

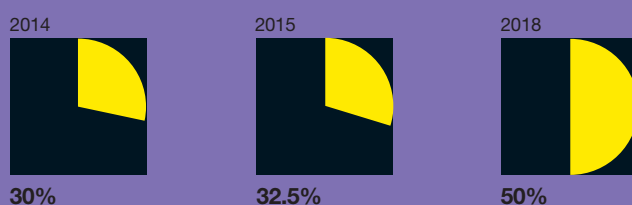
(1) Offer bundling Internet, television, fixed and mobile telephony. Prior to 2015 there was one BPI per segment and per country.



This indicator is measured using the Brand Equity model developed by the specialised consultancy Millward Brown. The indicator shows predisposition for the brand independent from specific commercial factors, taking into account how meaning, different and prominent the brand is perceived. It is a means of measuring the power of the Orange brand and the engagement of consumers.

- ↳ By deploying our new brand identity in all our host countries.
- ↳ By providing customers with concrete proof of improvements in their Orange customer experience.

Conduct 50% of customer interactions via digital channels in Europe by 2018



The share of digital interactions by our customers in France and the rest of Europe covering all sales or services contracts, including call centres, stores and in customer homes.

- ↳ By making it easier for customers to manage all their services from their smartphone.
- ↳ By developing online chat services for customer support.



156,000

Orange employees worldwide.

154,000

Orange employees who can connect to the company's Piazza enterprise social media network.

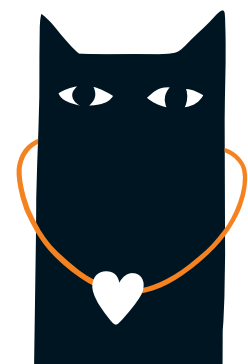
How can we better support our employees in today's digital world?

6,000

Orange employees work from home – more than 7% of our workforce in France.

86,000

people have signed up for MOOC developed by Orange, including a large number of employees.



The changing face of the office

Then

The office was once little more than a room with a basic piece of furniture – the desk – whose main purpose was to provide a flat surface to write on, together with space for keeping paper, documents, books and supplies. And for decades, “the office” was the nerve centre of any business operation. In fact, it served such a strategic function that a whole category of professions became known as “office jobs”. The “office” represented a major component in the working world, the place where administrative, managerial, intellectual, and also certain commercial, technical and creative tasks were conducted. Above all, it played a crucial role as a centre for all communications (letters sent in envelopes, corded landline

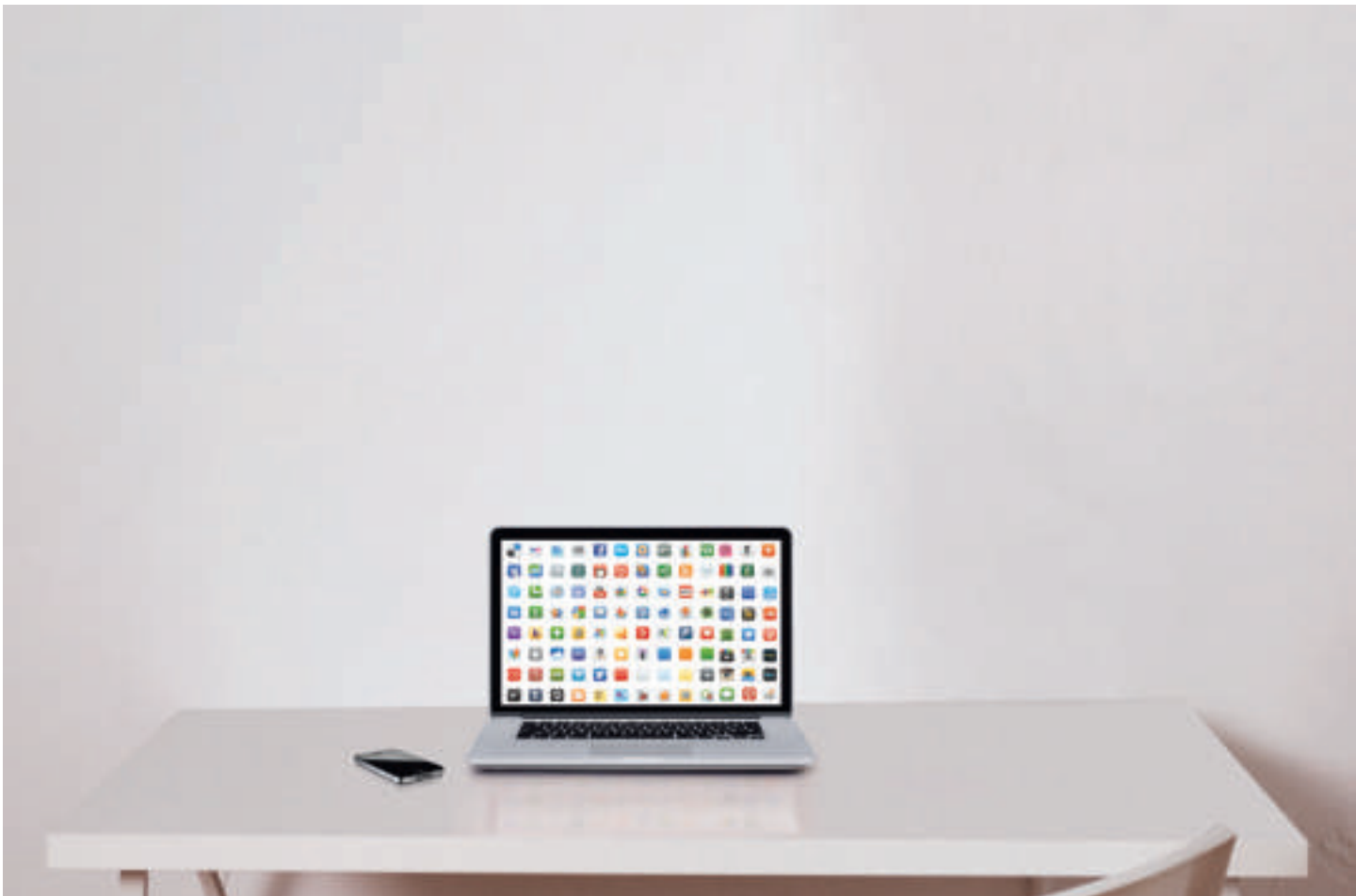
phones). The office was where the company sent correspondence and contacted people, issued memos, held meetings and welcomed visitors. Over the years, of course, the office changed to keep pace with the world of work and technology: fountain pens gave way to typewriters, which in turn were traded for computers. Meanwhile, a raft of new devices and equipment steadily took up more and more space, including answering machines, calculators, copiers, fax machines, printers, computers, keyboards and mice, scanners and paper shredders...



Today

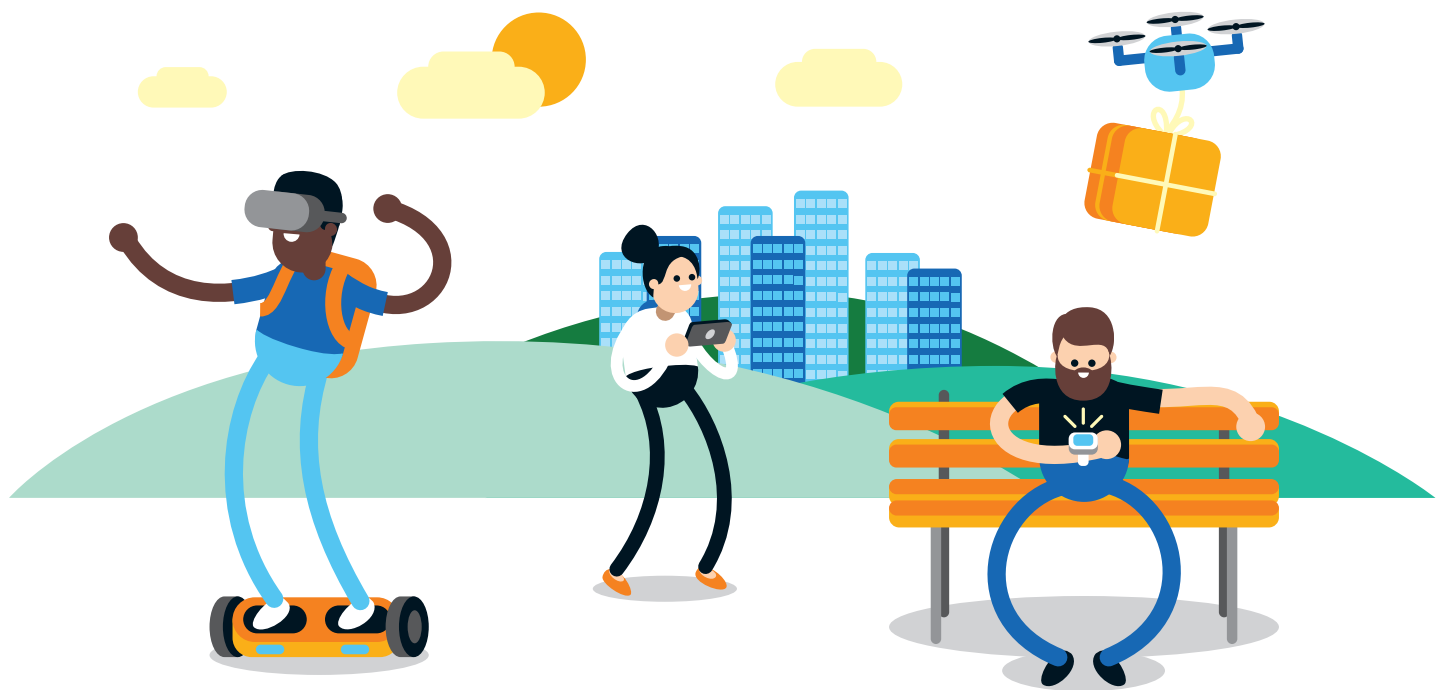
The advent of the personal computer in the late 1970s gradually led to a shift away from physical desks and offices, as the user interface centralised all tasks: the concept of the “desktop” was born. As work became increasingly computer-based, the office was no longer a physical location. Mobile phones and laptop computers meant that employees could work and communicate outside the office by taking their desktop with them, dropping by at the physical office every now and again. Today, we are edging ever closer to the all-digital office – paper-free and uncluttered by office automation devices. There isn’t a single type of document that can’t be stored and shared in the Cloud; not a business application that can’t be

accessible remotely over the Internet or a virtual private network; not a voice, text or image-based communications tool that can’t be lodged inside a smartphone. Thanks to the power and reach of today’s networks, you can access everything on your desktop from anywhere, anytime, using any device.



**Diana Einterz,
Executive Vice-President,
Major Accounts,
Orange Business Services**

Insights



**“HR teams are
the ambassadors
and drivers of these
essential changes.”**

Everyone talks about “digital transformation”, although sometimes people don’t realize just how much these changes really impact every aspect of an organisation’s operations and work methods.

It’s important to understand that the proliferation of digital technologies and their expanding role in the workplace have far greater repercussions than simply digitizing processes. Today, digital technology is part and parcel of our working lives. In fact, these technologies are reshaping the way work is organised. And this is true for absolutely all businesses, large and small alike, in all industries. Paradoxically, it is the digital habits of consumers that are driving the digital transformation, especially among self-employed professionals and small and medium-sized companies, for whom these technologies create exciting growth opportunities.

Change

When it comes to large corporations and multinationals, digital acculturation tends to be slower, and there is also significant disparity as far as maturity is concerned. Despite that, executive committees across industry have put the challenge of digital transformation squarely on the agenda, and a growing number of organisations have recognized the importance of appointing a chief digital officer (CDO) to steer this evolution. Aware that they are lagging behind, many blue-chip firms are investing extensively in technology to retain digital leverage in their markets. According to research by MIT and Capgemini Consulting, organisations which have

successfully tapped into digital transformation opportunities are achieving 26% above-average profitability. At Orange, top management’s commitment to driving the digital transformation is evidenced in the dedicated Orange Digital Leadership Inside (ODLI) programme, spearheaded by human resources. Our model has been endorsed as a benchmark by several major Orange Business Services customers who have benefited from the expertise of our HR teams to implement digital transformation strategies at their organisation.

Guide

Because the digital revolution impacts on each and every person at every layer of an organisation – from junior staff to senior managers – no one is better placed than human resource executives to act as ambassadors and stewards of this change. They draw on their intimate understanding of digital technology and their cross-cutting position within the company to establish an optimum framework and best practices, coordinate projects that affect all aspects of the business, and ensure that these digital advances integrate seamlessly with existing IT functions. But like Rome, this transformation will not be completed in one day! Agile exploration is the key, through a “test-and-learn” approach.

Engage

The success of a digital transformation strategy hinges on a combination of key factors, among them: senior management buy-in and leadership, seamless integration into corporate strategy, and enhanced awareness and ongoing support for teams. Above all, the users – both employees and managers – must figure at the heart of the project, at all stages from design

to deployment. It is this studied balance between satisfying HR and IT objectives that lies behind the success of Orange’s ODLI initiative. By engaging teams across all our business lines, we have set in motion a clearly defined and shared commitment to building a 3.0 digital enterprise. We have been able to convey the huge potential as well as the practical gains for employees – better work/life balance, more collaborative work, etc. – and for the company, namely enhanced agility, performance and openness. Two other essential factors must also be taken into account: avoiding any negative effects on employee wellbeing (stress, etc.) and protecting confidential company information.

Support

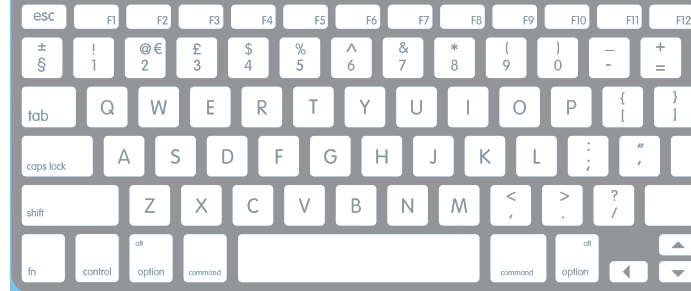
To help businesses to succeed in their digital transformation and to develop disruptive business models to retain their edge in today’s fiercely competitive global marketplace, Orange Business Services offers a complete range of services and proven solutions tailored closely to their specific needs and strategic objectives.

The digital transformation, seen from the inside

At Orange, we are what we do, say and deliver, hence our belief that an unmatched customer experience is intimately linked to a high-quality employee experience. This conviction is reasserted in our Essentials2020 strategy and underpins the Group's people-oriented and digital employer model that we strive to deliver in our day-to-day operations. Our investments in networks and services for businesses make Orange one of the leading contributors to the digital economy. The digital transformation is impacting every sector of industry, starting with Orange itself. All our teams are experiencing first-hand the transition underway and its direct impact on their workplace and work methods. Orange's Essentials2020 strategy provides a framework for empowering employees to actively drive this digital transformation, fostering a high-quality employee experience that will flow through to an unmatched customer experience.

Accelerate the Group's digitization

The Orange Digital Leadership Inside (ODLI) programme was launched at the end of 2013 to step up digital transformation across the company. The goal is to progressively embrace digital technology in all aspects of management and work methods. The programme revolves around raising awareness, training and equipping employees through cross-cutting projects, and is geared to adapting solutions to each target, avoiding the creation of a digital divide, and helping employees achieve a better work-life balance. In 2015, the ODLI initiative won the Human Capital award, which was created seven years ago by the consultancy Michael Page and French daily newspaper *Le Monde* to recognise companies that implement innovative human resources policies. ODLI was given the prize for the digital transformation programme delivering the greatest benefits to employees.



Towards a new enterprise model

Orange is actively engaged in forward-thinking initiatives for building tomorrow's digital world. As one of our nine strategic areas of focus for research, the "digital enterprise" programme aims to develop innovative new tools and agile, collaborative and responsible organisational approaches and work methods to help businesses become more efficient, caring and responsible through their digital transformation.

Roundtable on employment and digital technology

Orange draws on the insights of economic and academic experts in the field to build on this thinking. As part of these efforts, the Group organised a roundtable discussion with Stéphane Richard, Chairman and Chief Executive Officer, in February 2016 on how the digital revolution is changing the professional world. Held at the symbolic Musée de l'Homme (museum of mankind) in Paris, the half-day of exchanges brought together representatives from academia with top business leaders and digital-native firms, and was attended by more than 150 people. The session supplemented the "Digital and Employment" feature article available on Orange's Digital Society Forum. A number of priorities emerged from the discussions, including the need for all stakeholders to address the changes in the workplace. Companies must prepare to support the transformation of certain job categories, embrace new skills, and develop new ways of working.

Broadening understanding

Orange has commissioned and contributed to several studies and reports in this area. In March 2015, Bruno Mettling, at the time Senior Executive Vice-President in charge of Human Resources, was asked by the French Ministry of Labour, Employment, Vocational Training and Social Dialogue to examine the issue of the digital transformation of the workplace. Presented in September 2015, the report sheds light on changing forms of employment, how the digital transition is being experienced within companies, and how it can help employees find meaning at work and lead more fulfilling careers.

Tracking digital usage

In partnership with Orange and its Digital Society Forum, French research institute BVA has set up a digital monitoring unit to conduct three annual polls on French people's perceptions of the impact of digital technology on their everyday lives. The first of these polls asked what working French people thought about the impact of digital technology on employment. Among the findings, 7 in 10 people said technology had already affected their jobs. A large majority think that technology will have a positive impact on their career (79%) and on employment (82%). A large majority of respondents (74%) also consider training to be the best way to adapt to technology-driven change, echoing Orange's priority focus for achieving its own digital transformation.



79% of the French working population think that digital technology will have a positive impact on their career.



74% of the French working population consider training to be the best way to adapt to changes introduced by digital technology.

The borderless office

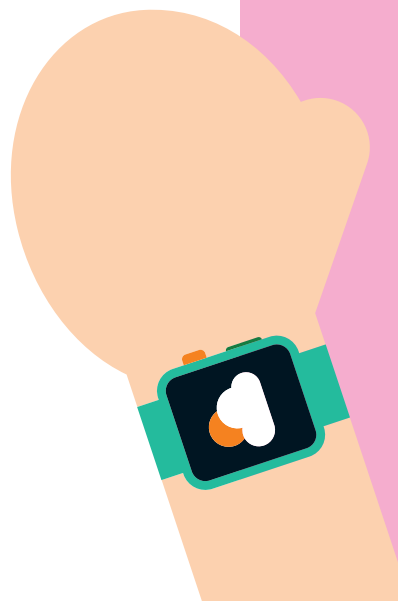
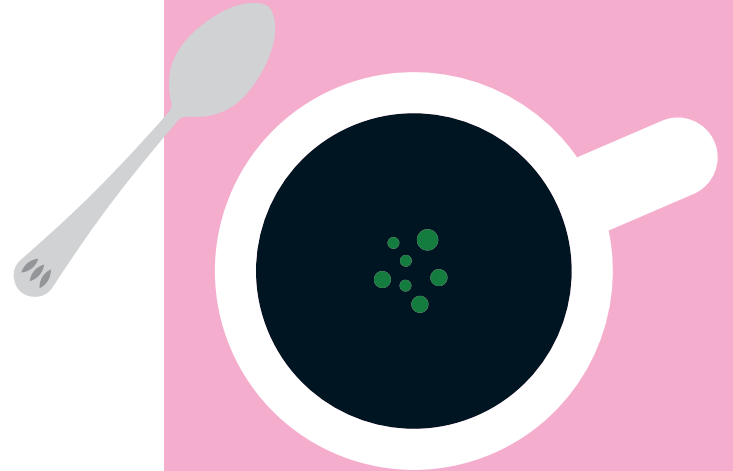
Alongside ongoing research, Orange has launched several pilot projects to create a culture of technology adoption in the workplace. We are taking two main pathways. The first aims to facilitate the development of home working and working on the move, addressing all the different dimensions involved, including the impact on organisation, management, business process monitoring, IT systems, and workplace layout. The second focus is rethinking the next generation of Orange Contact Centres, considering new ways of working, organising workspaces and adopting collaborative tools. Innovative new operating procedures have already been rolled out on a trial basis.

Tapping the benefits of co-working

Orange has launched La Villa Bonne Nouvelle, a new co-working space in Silicon Sentier, the heart of the Paris startup scene. Mirroring digital incubators, Orange staff work collaboratively in cross-functional project teams with people from outside partners, pooling experiences and providing hands-on support. The goal is to develop optimized work methods within a digital work culture and learn how this type of environment helps create a more social enterprise and at the same time improve business performance.

Embedding a digital culture

A trial operation is underway at Orange to break down traditional organisational silos and instill a more digital culture in conventional work environments. Employees are designated as digital adopters, or coaches, a half-day a week, to provide one-to-one coaching for other team members as well as group sessions to show them how technology can improve their work life.



Harnessing digital technology

Gauging employees' attitudes and developing their awareness of digital technology is the first step to achieving this goal. Orange invited all managers to take part in an external survey to assess their degree of interest and understanding of digital technology. Our managers showed keen interest, with more than 50% taking part in the survey, compared with 20% from most other companies that were polled.

Involving teams...

To encourage teams to share and promote digital initiatives rolled out at entities worldwide – and in doing so contribute to the company-wide digital drive – Orange launched an in-house Digital Awards programme in 2014. The awards single out the most popular creative digital projects developed by employees.

... all the way to the top!

As we move toward the digital enterprise, ongoing changes in the workplace concern everyone – including top management itself. With this in mind, members of the Orange Executive Committee attended a training session delivered by Simplon.co, a network of 12 “digital executive schools” that Orange has supported since its founding. Participants were taught basic coding to help them understand the fundamental notions of programming, as well as the principles involved in connected objects, which the Group has identified as an area for diversification in its Essentials2020 strategy.



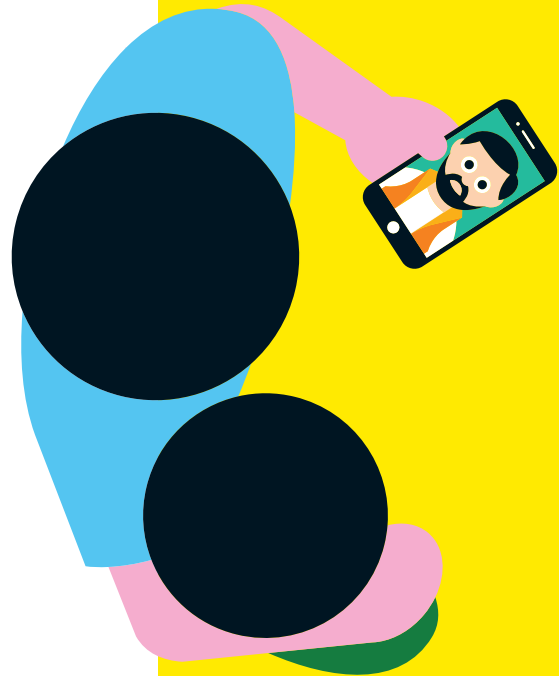
Train to transform

The Digital Academy is a key component in Orange's Digital Leadership Inside programme. This in-house training programme enables everyone in the company to acquire a common grounding in digital know-how. Innovative, social-media inspired learning methods, consisting primarily of online content, allow each employee to complete a "digital for all" course at their own pace. The Academy has been a huge success, with employees endorsing their favourite modules with "likes", thousands of quiz entries received and some videos viewed more than a million times! It provides independent learning resources in addition to training provided by specialised schools and the Orange Campus for managers. Since the Academy was set up in 2014, more than 91,000 digital passports have been attained by employees upon successful completion of training, involving members of all teams, from all countries. What's more, the Digital Academy won the top award for Digital HR initiatives in the Digital Industry Trophies programme organised by French business magazine *L'Usine Nouvelle*. These awards celebrate innovative France-based projects, startups and leaders.

MOOC & COOC

Massive open online courses (MOOC) are often open free courses by some of the world's leading universities and industry experts. An eloquent example of the digitization of the workplace, along with corporate open online courses (COOC), they offer powerful learning resources to help employees grow in today's increasingly connected world. As part of our commitment to allow employees to benefit from continuous learning and innovative professional development opportunities, Orange launched two MOOC at the end of 2014: "Devenir webconseiller" (become a Web consultant) and "Décoder le code" (decoding code). Another MOOC, "Bien vivre le digital" (make digital work for you), has also been created, mainly offering content produced by the Digital Society Forum.

In addition, Orange launched a Digital Learning Agency in July 2015 to develop courses in line with its quality requirements and actively support employees as we pursue our digital transformation. This in-house agency produces content for modules delivered by the Digital Academy and also contributes to COOC and MOOC developed by the Group.



The right tools to grow

The “equip” component of Orange Digital Leadership Inside (ODLI) programme aims to provide the company’s 156,000 employees with 4G smartphones, and more generally move toward a digital workplace. As part of this effort, the “Tous en 4G” initiative was rolled out in France in July 2015 to bring all employees 4G mobile broadband coverage, and is currently being extended to the rest of Europe. In addition, an in-house app store is being developed for employees in France. All HR applications will be installed on employees’ smartphones for a seamless, optimized mobile experience. Meanwhile, in line with the Group’s employee training commitments, the Orange Learning digital platform was launched in 2015 to facilitate skills development in all geographies. The platform will come on line in eight countries in 2016, reaching 110,000 employees.

Salsa ups the sales tempo

At Orange Business Services, the Major Accounts division has launched a new digital workspace for its sales teams. Known as “Salsa”, the workspace introduces a fresh approach to customer engagement. Sales executives are equipped with tablets preloaded with dedicated business apps for a more compelling sales pitch. This initiative marks a significant step forward for Orange Business Services with staff acting as ambassadors for digital transformation by experiencing it themselves firsthand and showing customers how it can change their lives, too.

Plazza, second generation

Enterprise social networks have ushered in a whole new approach to internal communications and are one of the key dimensions of the digital transformation of businesses. At Orange, the Plazza platform lets employees engage collaboratively, connecting and sharing content and knowledge to keep their projects moving forward. In June 2015, Orange rolled out the second generation of Plazza, which celebrated its fifth anniversary a few months later in December. The major innovation in this new version is enhanced accessibility. Now, all Orange employees worldwide can interact on projects from all devices (PC, Mac, smartphone, tablet), including personal devices. The platform is based on the Business Together Sharespace enterprise social network integrated into the workspace by Orange Business Services.

110,000
employees in 8 countries
are involved in Orange
Learning initiatives.

With **85,000**
active LinkedIn members,
Orange is the most
represented French
company on this popular
professional network.

Sharing experience

As well as building an employer model that combines digital advances with a human approach, Orange is also supporting the digital transformation of our corporate customers. This strategy is embedded in our Essentials2020 plan and leverages the integration and operator expertise of Orange Business Services. Orange Business Services activities are continually evolving to address growing demand for seamless IT and connectivity services and to deliver the advanced technical solutions businesses needed to accomplish their digital transformation.

Facilitating collaborative working

Business Together Sharespace, the innovative enterprise social network from Orange Business Services, promotes the development of cross-functional collaboration by sharing knowledge, promoting skills and deepening employee engagement. Available worldwide to companies with more than 500 users, the solution integrates directly into the user workspace, allowing people to interact on projects and share information in real time with colleagues, partners and customers.

Communicating more effectively

Also in 2015, Orange Business Services expanded its offer of seamless Cloud-based collaboration solutions in alliance with Microsoft. Business Together as a Service builds upon Microsoft collaboration and unified communications products using Lync (Skype for Business) to create digital, mobile, Cloud-enabled workplaces for organisations with between 500 and 5,000 employees in Europe.

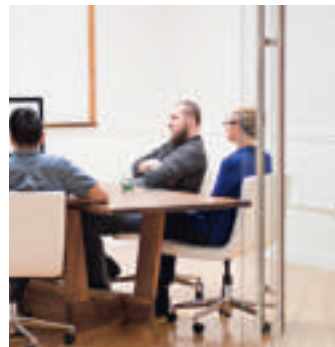
The future is in the Cloud

Launched in 2011, Business VPN Galerie is the secured Cloud services hub from Orange Business Services. In 2015, Orange Business Services and Google Cloud Platform announced the interconnection of Business VPN Galerie with Google Cloud Interconnect. The integration of Google Cloud Interconnect means that enterprises can use Google Cloud Platform services with higher availability and lower latency connections without having to traverse the public Internet. The past year also saw Orange Business Services join forces with Gemalto, the world leader in digital security, to provide customers with highly secure access to Cloud-based applications by integrating Gemalto's SafeNet Authentication Service with Business VPN Galerie.

Internet Business VPN Internet Accelerate is another new service introduced in 2015 to provide customers with up to tenfold faster access to cloud applications, such as customer relationship management (CRM) and enterprise resource planning (ERP).

Technology for lifelong learning

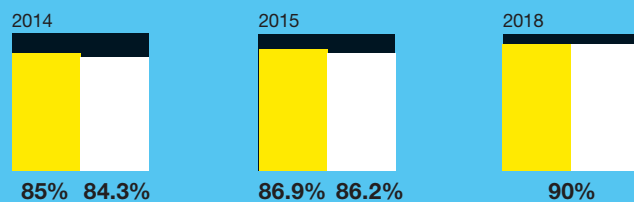
In February 2015 Orange and the French adult education organisation AFPA (Association nationale pour la formation professionnelle des adultes) signed a five-year partnership to contribute to the digital transformation of lifelong learning in France. The two partners are combining their technological and educational strengths and expertise to offer more digital learning experiences, notably through the development of an e-learning platform. Lastly, the Group further expanded its Solerni platform launched in 2014. This social media inspired platform facilitates the publication of MOOC courses by companies engaging with French-speaking audiences. Proposed as a social learning opportunity, Solerni combines community functions such as forums and collaborative content creation tools with other devices to help students develop their independent learning skills.



Indicators

Reach 90% of employees recommending Orange as an employer in 2018

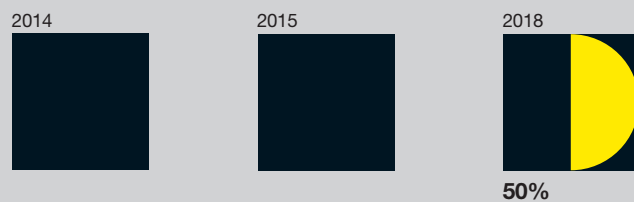
% of employees who recommend Orange as a good place to work
 ■ in France ■ international



Orange is committed to building a people-oriented and digital employer model with regular measurement in employee surveys of the percentage of employees who recommend Orange as an employer, both in France and other countries. This rate has been measured since 2010 in a twice-yearly survey of 4,000 employees worldwide conducted by an outside firm.

- ↳ By securing the skills needed for the future (training).
- ↳ By developing our collective agility thanks to simplified processes and more collaborative work methods (New Piazza).
- ↳ By fostering individual commitment (employee shareholding, participative innovation).

Offer 50% of training modules including a digital mode in 2018



Orange aims to bring its employees the same high-quality experience it delivers for customers. This experience is based on developing skills, creating expertise in new areas and facilitating career growth.

- ↳ By developing e-learning, MOOC, serious gaming and the My Skills internal job mart.



Yes

90%

of the world's people without Internet access live in emerging countries.

10%

of adults in Sub-Saharan Africa have a bank account.

Do digital technologies drive economic and social development?

€15 billion

Orange investments in fixed and mobile networks between 2015 and 2018.

€100 million

fund managed by Orange Digital Ventures, the Orange corporate investment fund.

608

projects in competition for the Orange Social Venture Prize in Africa and the Middle East in 2015.

51

FabLabs supported in France and worldwide.



**Boutheina Guerhazi,
ICT Practice Manager,
World Bank**

“Being able to roll out the latest technology is an advantage, but it is not in itself a guarantee of success in the new digital economy.”





How can we reduce the digital divide in developing countries?

Reducing the connectivity gap and the digital divide in developing countries will require significant capital, innovation and new business models, especially when it comes to providing services in rural areas. According to ITU estimates, it will cost around \$500 billion to provide Internet access for the citizens of the world who are still unconnected. To a large extent, these capital requirements will be borne by the operators and the markets, except where the financial and operating risks are deemed to be too high, profitability is uncertain or tariffs are insufficiently affordable. We can see these dampers in developing countries, particularly small island states and those that are landlocked and fragile. In order to roll out ICT in these challenging environments, we need to get the operators on board; but in some cases, we also need to offer innovative business models in terms of sharing risk and investment as part of public-private partnerships involving governments, donors, international financial institutions and private operators. It is also clear that, in order to attract operators and private capital into developing countries, a sufficiently favourable environment must be in place. This includes rules to ensure fair competition; regulatory instruments that give operators control over their investment costs by sharing infrastructure; systems to enable optimal use of the spectrum; and a global tax policy that does not overtax the sector. Operators can make a significant difference by working closely with regulators and policymakers to update existing regulations and policies, in order to encourage innovation and investment in the booming digital economy.



The developing regions are showing enormous dynamism in digital innovation: what are the drivers and what barriers remain to be lifted?

It is often said that innovation is born of necessity, and this is a useful way of understanding why so many digital applications are appearing in Africa and

other developing regions. Several innovations are related to price sensitivity, such as the practice of “flashing” (calls that are not meant to be taken), or the use of prepay arrangements – originally used with mobile phones, but now also with solar panels, for example. Another driver of innovation is the lack of an alternative. For example, “mobile money” has been most successful in economies with the fewest bank accounts. And in e-commerce, the principle of cash-on-delivery developed where credit card take-up is low. Of course, the barriers include the failure of innovation ecosystems and global approaches to provide adequate support for entrepreneurship and digital marketing innovations. In some cases, there is not enough space for entrepreneurs to get themselves noticed in sectors that continue to be dominated by large global players. This can sometimes kill local competition and constrain innovation going forward.



What are the major social areas where technological innovation is most likely to make a difference in people’s lives?

Mobile finance is probably the most transformative application, particularly in East Africa. In Somalia, for example, although no formal arrangements have been put in place nationally, call minutes are widely resold and used as a substitute for money. These applications also impact on gender equality, because women are less likely to be without a mobile phone than other status symbols, and the fact that it can be used as money is a real plus. The impact is less noticeable in other sectors of the economy, in part because of high investment costs (to equip schools with computers, for example) or the lack of compatibility between terminals, which makes it expensive to develop applications that can be used with different operating systems. But essentially, though the many e-government systems have not yet yielded the expected results, at the local level at least, the impact of ICT can be considerable, such as with agricultural information delivered over mobile devices.



Can digital technology be a game-changer in countries that are lacking in infrastructure?

Infrastructure development is crucial if the countries we are following are to be able to participate effectively in the booming digital economy. But while the current lack of infrastructure presents some challenges, it also offers opportunities for developing countries: the fact that they do not have to manage the legacy of obsolete networks means that they can build latest-technology networks from the outset; for example, they can roll out 5G without having to go through the long period of migration from one technology to another that developed countries had to endure. Ideally, this could produce a higher quality of services at a lower cost for the inhabitants of these countries. Being able to roll out the latest technology is an advantage, of course, but it is not in itself a guarantee of success in the new digital economy. We recently released our latest World Development Report, a World Bank flagship report that this year focuses on “digital dividends”. The report shows that the new digital technologies, especially mobile and Internet, can be transformational where they promote inclusion, efficiency and innovation. But technology will not solve all development problems; we also need to ensure there is the “analogue” counterpart that digital technologies need, not least the combination of skills and best practice that will enable people to get the full potential out of their phones, tablets and PCs.

Established in 1944, the World Bank Group has two ambitious goals: end extreme poverty within a generation and boost shared prosperity. It is a family of five institutions run by their member states and has 10,000 employees in more than 120 offices worldwide. It is headquartered in Washington, DC.

Digital services to drive development

Information and communication technologies (ICTs) enable solutions that impact countless facets of social and economic life. Around the world, ICTs are proving their utility in some of the most strategically important sectors of domestic growth. In Africa and the Middle East, for example, Orange Money has enabled over 16 million people to access banking services via their mobile phones, reducing their reliance on the conventional banking networks, where local branches may be few and far between. As part of its Orange for Development (O4D) programme, Orange is committed to developing services as enablers of progress in agriculture, education, healthcare and a host of other areas.

Contributing to regional development

In France and across Europe, digital technologies are playing a vital role in the economic development of rural regions. Fixed and mobile superfast broadband and the digital revolution are key strategic priorities for France. This is why Orange has put the rollout of fibre-optic infrastructure at the heart of its Essentials2020 strategic plan and intends to invest €4.5 billion in fibre from 2015 to 2018. Of this, €3 billion will be spent in France, where the company has set a target of 12 million connectable homes by 2018. By 2022, Orange fibre will be available to 20 million homes in France (60% of the total) in over 3,600 communities.

At 31 December, 2015, we had already begun rollout to 719 communities, 469 of them eligible for different offers, including in French overseas departments and territories. With a presence throughout France, Orange works closely with local and regional authorities, supporting their efforts

to expand digital services by providing the technology solutions they need, such as radio equipment and satellite connectivity through our NordNet subsidiary. As the leading partner of public authorities, Orange is stepping up investments to improve access to digital services in remote areas. In late 2014, for example, the company launched the Connected Agriculture programme in partnership with FNSEA, France's national farming union. Over a year later, 18 pilot farms now have satellite broadband with a fast enough connection for work-related applications.

More and more connected farmers

Since the launch of its Labaroun Kassoua mobile service in 2011, which delivers market price information to farmers in Niger, Orange has been progressively extending the functional and geographic scope of its "m-Agri" solutions. By the end of 2015, the company had rolled out 11 m-Agri services in Niger, Mali, Madagascar, Côte d'Ivoire, Senegal and Egypt. They serve three objectives: increase revenues for farmers, boost agricultural productivity and strengthen the overall value chain. Introduced last year, the m-Louma platform, for example, provides farmers, producers and buyers in Senegal with information about crop prices and creates a virtual marketplace where they can better promote their produce across new sales channels and find buyers without having to travel.





\$170 billion

The GSM Association has calculated that efforts to accelerate digital and financial inclusion for women could add \$170 billion to the economies of emerging countries between 2015 and 2020.

14%

Widespread access to ICTs for women via mobiles would boost per capita income by 14% by 2020 and 20% by 2030.



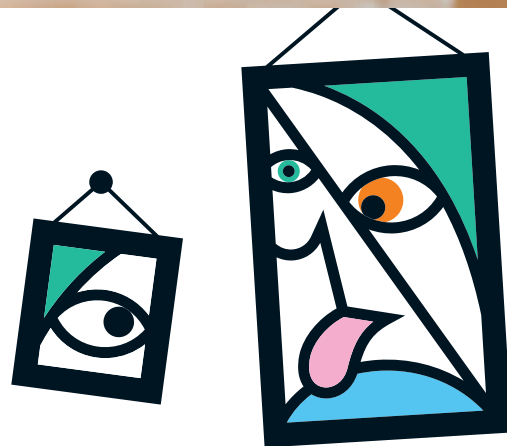
Creating value for healthcare systems

With the increased prevalence of chronic diseases, combined with budget restrictions, public healthcare is a sector where ICTs can make a substantive contribution. Through its Orange Healthcare division, Orange is keen to identify opportunities in e-healthcare (or m-healthcare) and deliver value-added products and services. Committed to helping healthcare professionals do their jobs better and improving access to care for as many people as possible, Orange last year launched My Healthline, a text message-based health information service, as well as an API service for African companies.

m-Women puts women at the heart of the digital equation

Launched in 2015 with the goal of adapting mobile services to the specific needs of women to help empower them, the m-Women initiative has already been rolled out in several African countries. In January, the first m-Women products were unveiled in Mali. Called “Sini Tonon” and “Tin Nogoya”, they are aimed at expectant mothers in particular, enabling them to use their mobile phone and Orange Money account to save money and access life insurance cover with a childbirth complications option.





The social utility of new technologies

While digital tools play a decisive role in global economic growth, they are also generating solutions to address some of the major social issues of our time, improving access to employment, education, healthcare and culture. The Orange Foundation, in conjunction with the Orange for Development programme, is committed to driving change in these and other areas through the socially useful application of ICTs.

Giving everyone keys to the digital world

In the digital age, billions of people around the globe still don't have access to digital technologies or benefit from the development prospects they offer. Orange has launched several digital outreach programmes to remedy this situation and give people the keys to the digital world, focusing in particular on young people and women. Through its network of 51 Solidarity FabLabs in France and other countries, Orange is working with 15- to 25-year-olds who have dropped out of school, rekindling a desire to learn and giving them a chance to express

their talents through 3D printing workshops and other digital projects. And with its Digital Schools programme, the Orange Foundation is equipping schools in Africa with a mini-server connected to a set of tablets. To date, it has provided 40,000 pupils at 500 schools in eight countries with direct access to digital educational content.

Digital help for people with autism

The UN Convention on the Rights of Persons with Disabilities calls for equal access to information and communication technologies for all. To act on this principle, Orange and the Orange Foundation are pursuing a range of actions. For example, the Foundation has provided hardware for more than 500 host organisations to date, combined with support in the use of digital technologies. In 2015, Orange also helped set up the RAN network (Réseau Autisme Numérique) in France, which provides a forum for professionals to discuss issues relating to autism and digital technologies. It also supported the TSARA project, which has produced the first-ever learning game for caregivers of people with autism.

Our solutions



Culture and learning for all

Orange designs innovative digital solutions to support access to culture, an essential factor in human, economic and social development. Working with its partners, Orange is paving the way for new forms of cultural and artistic discovery for audiences everywhere. A pioneer in the design of cultural MOOCs (massive open online courses) in France, Orange launched two free courses in 2015 based on its proprietary Solerni social learning platform: the “Picasso” MOOC, developed with the RMN-Grand Palais national museums organisation, the Picasso-Paris museum and the Pompidou Centre; and the “Louis XIV at Versailles” MOOC, in partnership with the Château de Versailles. These online courses have proved hugely popular, especially on social networks, with over 86,000 people enrolled to date. The Orange

Foundation is also supporting vocal music in France, with initiatives to identify and support young artists and build partnerships with festivals, opera houses, choirs and orchestras, as well as digital music projects with a social and educational focus.

More initiatives on the fondationorange.com website

8,000 young people

in France benefit from the Solidarity FabLabs and Together for Youth Integration programmes.

8,000 women

trained in digital technologies at Digital Centres in France and Africa.





Supporting digital talent and businesses

Today's hyperconnected world makes it easier to collaborate with a broad diversity talented people, inspiring creative and effective innovation that benefits large numbers of people. Through a research and innovation network spanning 12 countries around the globe, Orange is championing this dynamic, working closely with the leaders of the digital economy, other operators, researchers, entrepreneurs, NGOs and charities, students and startups. Our goal is to help create a more conducive ecosystem for innovation in France, Europe, the United States, the Middle East and Africa, combined with actions to identify, support and promote digital talent.

Identifying innovative early-stage startups

Launched in 2013 in Silicon Valley, the Orange Fab international startup accelerator is now present at 10 locations on 4 continents. Calls for applications are organised locally each year. To date, over 150 early-stage companies with innovative products or services have been selected. Those accepted into the programme benefit from three months of mentoring, plus co-working spaces, training, expert advice and, depending on the country, funding of up to €15,000. In September 2015, Orange also joined Deutsche Telekom, Singtel and Telefónica to form the Go Ignite alliance. Aimed at startups with international potential, it gives them access to the resources and markets of the four partners, equivalent to over one billion mobile customers across complementary geographic regions.



Our solutions



Interfacing with developers

Through the Orange Partner programme, Orange enables developers to plug into its APIs in order to accelerate the development of new services for the benefit of its customers. Since 2014, the Orange Developer online platform has made over 20 application programming interfaces (APIs) freely available for enriched services, such as the Orange Cloud and Datavenue APIs, combined with a personalised support programme and wide-ranging resources to help ensure the success of their projects.

Investing in startups

Orange Digital Investment (ODI) brings together the company's startup investment activities, with the dual objective of generating a revenue stream and improving the solutions offered to customers. ODI manages Orange's investments in external funds, its corporate development activities for digital technologies, and

the Orange Digital Ventures internal corporate investment fund. Established in 2015 with funding of €100 million, it invests in innovative startups able to transform practices and/or anticipate disruptive business models in the Internet of Things, FinTech (financial technology), new connectivities and other segments. At the end of 2015, ODI had already supported seven startups, providing funding and access to Orange's expertise and customer base.

AMEA: supporting creativity for a mobile continent

In Africa and the Middle East, micro-businesses, SMEs and startups are strategically important because they actively contribute to economic and social development through the emergence of innovative solutions in such key areas as commerce, healthcare, security, education and electronic payment. To support these businesses,



Our solutions



Orange has set up incubators in Senegal (CTIC), Mauritius (EBENE), Niger (CIPMEN), Mali (CREATEAM) and Guinea (SABOUTECH), based on a highly original and inclusive model involving the public sector, private sector and civil society. In March 2016, through its local subsidiary Sonatel, Orange launched Teranga Capital, the first capital venture fund dedicated to SMEs in Senegal. Teranga Capital will offer innovative solutions to the needs of these companies, with funding of €75,000 to €300,000 per project.

Inspiring entrepreneurship

Each year since 2011, the Orange Social Venture Prize in Africa and the Middle East has recognised and rewarded entrepreneurial projects that leverage technology to improve quality of life in fields as diverse as healthcare, agriculture, education, energy, industry and commerce. To date, 16 winners have benefited from grants and support to grow their businesses. They include the Télé-irrigation project in Niger, Chifco in Tunisia, PassDocteur in Senegal, Station Énergie in Côte d'Ivoire, Bassita in Egypt, UpOwa in Cameroon and MyAgro in Mali. In February 2016, Orange formed the Entrepreneur Club, a new information forum in French and English dedicated

to business entrepreneurs in Africa and the Middle East. This Web platform offers tools and practical information about how to set up a business and provides access to Orange's diversity of resources and initiatives to support entrepreneurship.

A virtuous circle of social entrepreneurship

The emergence of SMEs with a social mission to create jobs in French regions is another key focus. To support them, Orange decided in 2014 to sponsor La Ruche, a recognized player in the French ecosystem which provides shared facilities for people to work on social enterprise projects. Under this agreement, Orange sponsored the opening of new La Ruche centres in Bordeaux in 2014 and in Montreuil and Marseilles in 2015. In addition, Orange is collaborating with businesses started or developed with the help of La Ruche. In partnership with HelloAsso, for example, Orange launched Orange Collecte, the first mobile crowdfunding platform in West Africa. The Group is also working with Claria, which has developed a talking smartphone solution for blind and visually-impaired users, which Orange has been distributing since 2015.

**Orange Social Venture Prize:
a shining success story**

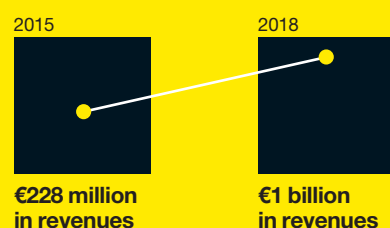
23 projects supported
since 2011, plus 117,855 votes
registered online for the
"favourite project" awards.

100 million
young people in Africa
and the Middle East use
Facebook every month
via their mobile phones.



Indicators

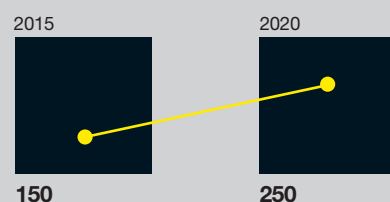
Successfully diversify into new services that will contribute more than €1 billion in revenues in 2018



Orange is diversifying and exploring new areas in order to better anticipate the key needs of its customers and develop new services, in particular mobile financial services and the Internet of Things.

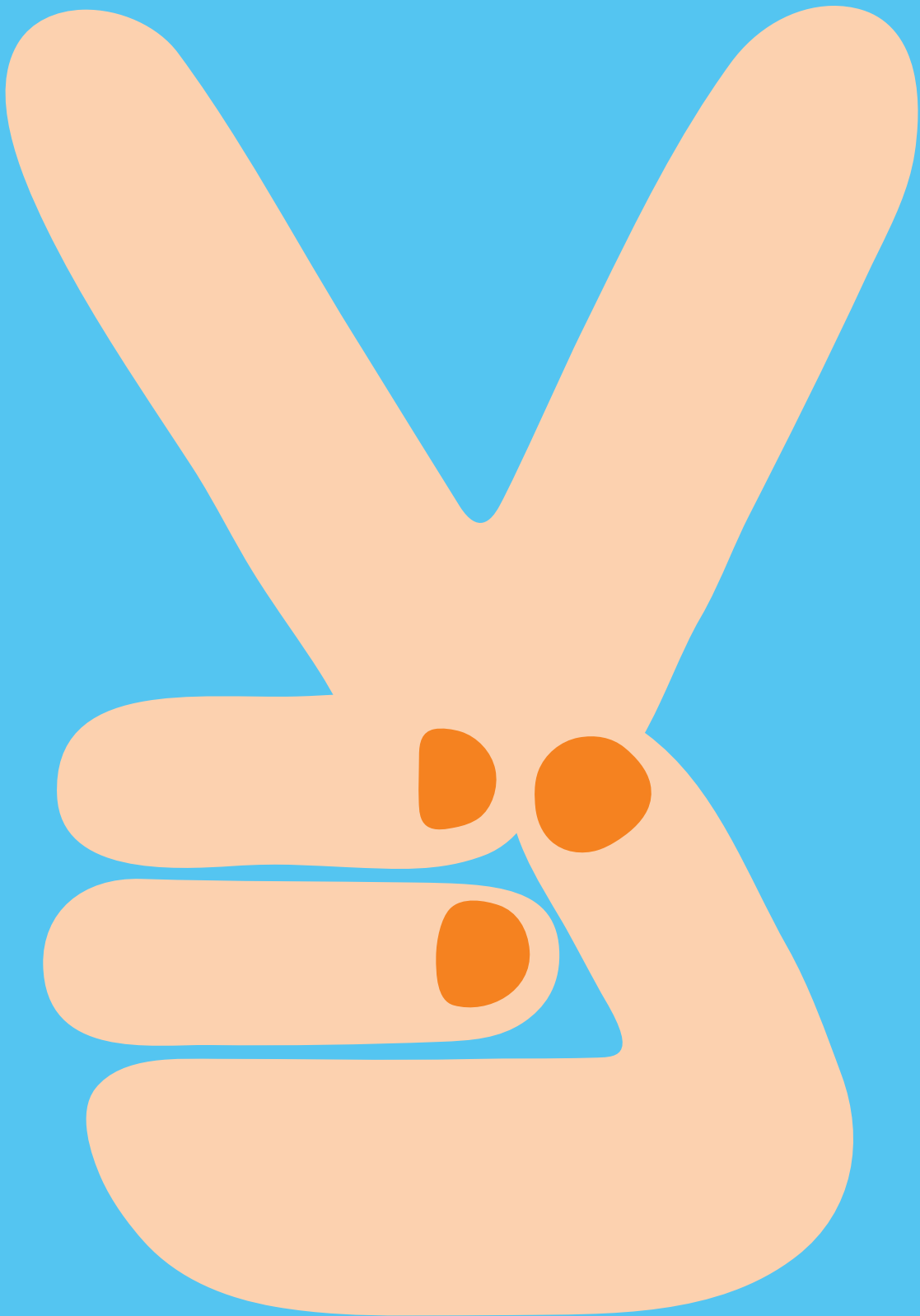
- ↳ By developing new connectivity solutions and machine-to-machine services.
- ↳ By becoming a major actor in the connected objects ecosystem.
- ↳ By offering a broader range of mobile financial services, launching mobile banking solutions in three European markets.

Yearly increase by 10% the number of entrepreneurs supported by our initiatives in favour of local economic and social development



As part of our position as a socially-engaged operator in our host communities and regions, Orange supports the development of new forms of business and entrepreneurship at the local level, in addition to our Open Innovation programme. Support is provided directly through targeted actions by Orange, as well as indirectly by contributing to the momentum of local digital ecosystems.

- ↳ By supporting the development of new La Ruche incubator centres in Paris, Montreuil, Bordeaux and Marseilles.
- ↳ By providing impetus for the creation of business incubators in Africa.
- ↳ By organising the annual Orange Social Venture Prize since 2011 in Africa and the Middle East.
- ↳ By helping create Teranga Capital, the first capital venture fund dedicated to entrepreneurs in Senegal.



93%

of employees say they're proud to work at Orange, according to the 12th employee satisfaction survey, published in January 2016.

5,650

people on work-study placements at 31 December 2015 (5.8% of the total headcount in France).

Can governance be both effective and socially responsible?

50%

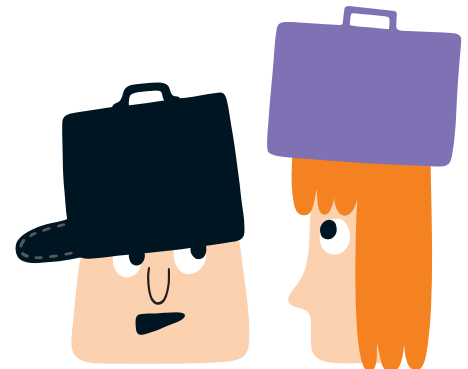
reduction in CO₂ emissions per customer usage between 2006 and 2020.

61

audits conducted in 2015 to evaluate the CSR practices of Orange suppliers as part of the Joint Audit Cooperation (JAC) with other telecom operators.

30%

of used mobile phones collected for recycling by 2020 (compared with 14% in 2015).



Members of the Executive Committee answer...



"To be effective, governance cannot be approached from a short-term perspective, but must be an integral part of a company's long-term vision, with a balanced approach designed to benefit all stakeholders – customers, employees and the broader environment. Orange has clearly understood this and our Essentials2020 strategic plan embeds the concepts that are inseparable from our business momentum as we strive to be a human, digital and responsible enterprise."



"In a changing world, efficiency and responsibility are perfectly compatible and combine to create long-term value. The digital revolution pushes businesses to be both dynamic and responsive. Orange has successfully adapted to technological upheavals without compromising the trust that underpins our customer relationships. This confidence and sense of responsibility figure among our most important assets."



"Responsible governance creates a framework for informed discussion, ensuring a diversity of skills and gender equity. It ensures that the different bodies involved act independently and objectively and contributes to the quality of decisions made. This is not simply an integral part of effective governance, it is a prerequisite."



"As our Group has expanded into international markets and into new businesses, it has learned to manage diverse ownership structures with respect for rights and responsibilities specific to different contexts. Balanced governance and respect for the interests of all stakeholders is a constant imperative for Orange and a key factor that anchors stability and confidence in the management of our holdings."



"The COP21 conference showed that the context has changed and that society expects businesses to make meaningful commitments and propose concrete solutions. We believe that digital technologies will help our societies and our customers engage with more effective and responsible growth models. This what leading the digital revolution is truly about."



"We believe that positive employee relations are key to business performance and that the wellbeing and engagement of our employees are essential to our success. This is why our strategic plan places priority on building a people-oriented model providing employees the same unmatched digital experience we seek to bring our customers."



"Just as our commitments are underpinned by deep convictions, the quality of our governance is vital to our business. All our major corporate customers expect us to be exemplary in our ethics, and in meeting our environmental and social responsibilities. This was particularly clear during the COP21 conference, and our customers would find it unacceptable if we failed to include these issues in our governance."



"Responsibility is inseparable from our actions. As executives we are responsible for the long-term success of the company, and our decisions always shape the future. We are responsible for our social and environmental impact on future generations. Effective governance balances the need for long-term planning with the near-term initiatives essential in a continually changing market like ours."



"As digital technologies drive accelerated transformations, effectiveness and responsibility are intimately linked to the values of transparency and trust. This is reflected in day-to-day operations with flatter organisations and more direct responsibility for decisions, coupled with management of the business consistent with the company's strategic plan."



"Communication contributes to good governance by ensuring the consistency of messages and optimizing expenditures. But governance can only be responsible if decisions regarding organisations are guided by pragmatism and good sense. This is the case with our seamless integration of digital practices, eliminating barriers between different areas of communications expertise."



"Effectiveness and responsibility are pillars for our Orange for Development programme. We are a major company in many countries in Africa and the Middle East and we are very proud to support local populations, businesses, institutions, foundations and NGOs to drive economic and social progress."



"Governance is like the air we breathe: we live better and longer if the quality is good. Our environment dictates that we be more transparent and justify our choices. This is a good thing because it rewards organisations that are able, as Orange is, to address these issues in depth, whether in Paris, Dakar, Casablanca or Warsaw."



Stéphane Richard
Chairman and Chief Executive Officer



Ramon Fernandez
Chief Executive Officer Delegate, Finance and Strategy



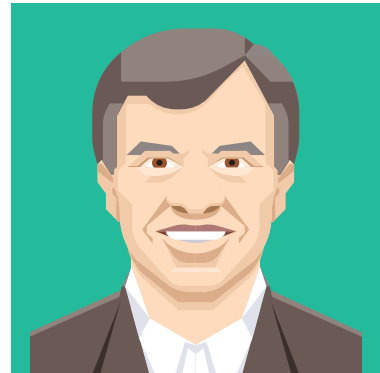
Pierre Louette
Chief Executive Officer Delegate, General Secretariat of the Group, Orange Wholesale France and Purchases



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



Christine Albanel
Senior Executive Vice-President, Social Responsibility, Diversity, Partnerships and Inclusiveness



Jérôme Barré
Senior Executive Vice-President, Human Resources



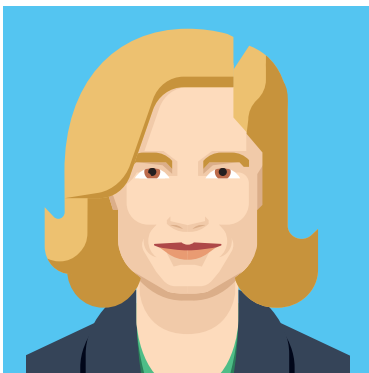
Thierry Bonhomme
Deputy Chief Executive Officer, Orange Business Services



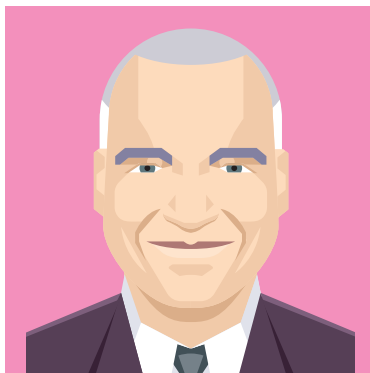
Fabienne Dulac
Senior Executive Vice-President, Orange France



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



Béatrice Mandine
Senior Executive Vice-President, Communication and Branding



Bruno Mettling
Deputy Chief Executive Officer, Africa and the Middle East (MEA)



Marc Rennard
Deputy Chief Executive Officer, Customer Experience and Mobile Financial Services

A responsible, people-oriented company

Orange is committed to being a responsible, people-oriented digital employer. Labour-management dialogue is the cornerstone of our employee relations policy. This focus was a central issue on agenda at the three meetings of the European Works Council and the annual meeting of the Worldwide Works Council, which is made up of 31 members representing employees from 21 countries. We held our first Group-wide stakeholder dialogue event on the topic of diversity in September 2015 with the participation of the Executive Committee.

Dialogue and co-construction of Essentials2020 strategic plan

Stakeholder dialogue and engagement defined the process leading up to the drafting and implementation of the Essentials2020 plan. It took us just over one year. After defining our main priorities and assessing the outcomes of the previous business plan, we reached out to some 100 executives for input in preparing the new plan. They became active ambassadors throughout the company, facilitating understanding and implementation of the plan at the front line level. The Executive Committee set out the objectives of the Essentials2020 plan and its five levers, which were adapted locally by the management teams in other countries. The strategic plan will be updated

each year to reflect developments in our business environment. Conform to the Group's governance principles, the strategic plan is submitted annually to the Central Committee of the Orange Works Council (CCUES in French). The CCUES provides input on the plan to the Board of Directors, represented by the Chairman Stéphane Richard, and the members of the Executive Committee.

Intergenerational enterprise

A new intergenerational agreement was signed in France in 2015 for the period from 2016 to 2018. The agreement aims to integrate young people in permanent employment, retain older employees and transfer knowledge and skills. A total of 6,000 people will be hired on permanent contracts by 2018, end-of-career provisions will be made for older employees and family-friendly measures will be introduced for employees with children.

Pathways to employment

We have exceeded our initial objective of welcoming at least 5,000 people on work-study contracts each year. At 31 December 2015, there were more than 5,650 employees on work-study contracts, accounting for 5.8% of the total workforce under the scope



Our solutions

of the Group agreement in France. What's more, some 1,900 people who were previously on work-study contracts were hired in the period from 2013 to 2015, in accordance with the professional integration agreement signed with trade unions. We continued our initiatives to support young people in the workplace, welcoming a large contingent of interns each year. In 2015, they numbered 2,400.

Stepping up our diversity policy

Orange's diversity policy is now fully certified Group-wide and in all European countries under the Gender Equality European and International Standard. Our subsidiaries in Poland, Slovakia, Moldova, Luxembourg and Romania certified in 2015 and Egypt received certification in early 2016. At end-2015, women accounted for 25.2% of our management networks and our objective is for women to account for 35% in 2020. The Group's Board of Directors is made up of 41.7% women, as specified in the AFEP-MEDEF Code. The Professional Equality Strategy Committee – one of the Group's six governance bodies – decided to extend the Charter on Work-Life Balance to all the Group's operations, in line with the proposals of the French Minister of Women's Rights.

Improving equal opportunity

In October 2015 Orange became one of the first signatories to the Charter "Business and Disability", of the International Labour Organisation's Global Network. The aim is to promote the employment of people with disabilities at all the Group's subsidiaries. In France, people with disabilities account for 6% of our total workforce. Several initiatives were organised in France to encourage equal opportunity in 2015. "Capital Filles", a programme to attract women to technical jobs, was launched in Romania. Meanwhile, the "Passeport Avenir" organisation set up a programme in Morocco to help young people from underprivileged backgrounds to access high-quality education opportunities and mentoring from Orange managers.

World-class "Top Employer"

Orange was awarded "Top Employer Global" certification for the first time in 2016 in recognition of our HR policy and practices. Only eight companies in the world can claim this certification and Orange is the only telecom operator. The Group had previously received "Top Employer" certification on three continents in 2015: Europe, Africa and Asia (India) thanks to Orange Business Services. In 2016, 29 countries and territories spanning every continent where the Group operates were involved in the initiative.





Balancing the Group's environmental equation

Digital technology is bringing change to every sector of the economy and usage is growing fast. At Orange, we are committed to reducing our own ecological footprint and at the same time helping other sectors to reduce theirs. We prioritize technology that reduces environmental impact, while ensuring the quality of our investments to deliver high-performance services to our customers. In addition to deploying an environmental management system across our entire geographical scope, we implement a number of action plans involving different areas of our organisation to achieve our ambitious environmental objectives: reducing our energy consumption and CO₂ emissions, collecting and recycling electronic waste and eco-designing our products and services.

COP21 in review

Orange was an official partner of the 21st Climate Conference, COP21, held in Paris in December 2015. The event enabled us to showcase our initiatives to the general public and commit to the Lima-Paris Action Agenda (LAAA), which brings together a large number of non-state players. Orange unveiled an ambitious new

objective at the event: to reduce our CO₂ emissions by 50% per customer usage by 2020 compared with 2006. This strengthens the commitment we made in 2006 to cut our CO₂ emissions by 20% and our energy consumption by 15% over the same period. These figures were not a true reflection of our business operations. Since then, we have witnessed the rapid growth of smartphones and tablets and an increase in our customer base and their usage (voice, TV, Internet). Our new objective in terms of customer usage will enable us to report on our environmental impacts more precisely, using audited methods. Between 2006 and 2015, we lowered our CO₂ emissions per customer and our energy bill (74% was attributable to networks and information systems, 19% to buildings and 7% to vehicles and business travel).

Certification renewed

The ISO 14001 standard sets out the criteria for defining, implementing and evaluating the effectiveness of an environmental management system. In 2015, we achieved our annual objective by extending our ISO 14001-certified scope, which tripled in the space of five years to 50.2% in 2015 from 17% in 2010. To date, Orange organisations



in a dozen countries have been awarded ISO 14001 certification. The Group's Olivier de Serres headquarters building in Paris obtained ISO 14001 certification in July 2015. Thus joining the other Group headquarters already certified in Senegal, Spain, Egypt, Slovakia and Romania.

Moving towards a circular economy

We joined the Circular Economy 100 (CE100) programme of the Ellen MacArthur Foundation in early 2015 to reaffirm our commitment to the improved management of resources through initiatives such as collecting used mobile phones, eco-design and recovering the electronic equipment we use in-house and that of our customers. CE100 brings together 100 members who share a strong ambition to transition to a circular economy. In 2015, Orange signed agreements for battery recycling in Mali and e-waste collection in Senegal and deepened partnerships for pre-owned mobile phone collection and recycling in Niger. Within the framework of the LPAA at COP21, we made a commitment to accelerate our transition to a circular economy. We set an objective of collecting 30% of customers' used mobile phones by 2020, compared with 14% or 1.7 million mobile phones

in 2015. Other initiatives include developing the sale of used or refurbished handsets and maximizing the re-use of our network equipment – like installing a 3G tower which has been dismantled in France in another country where it can be put to good use.

Promoting biodiversity

Orange signed a three-year partnership agreement with the Alpine Ecosystems Research Centre (CREA) in Chamonix, France to put Mont Blanc on the map as an international hub for climate change observation. We provide access to our towers in high-altitude mountainous areas for data collection and contribute to data modelling. We also support the volunteer technicians who carry out the maintenance of the CREA's 60 climate stations in addition to their day-to-day work on the network. Some of them also take part in natural environment observations.

Building trust and transparency

Responsible governance is essential to guarantee that the digital revolution benefits all stakeholders. This means implementing clear and efficient processes to ensure protection of our customers' personal information and privacy, and to ensure that we always conduct our businesses transparently, ethically and in compliance with the legal and regulatory framework.

Oversight by governance bodies

The Board of Directors oversees all decisions relating to the Group's major strategic, economic, employment, financial and technological policies and monitors the implementation of these policies by General Management through the Audit Committee, the Innovation and Technology Committee, and the Governance and Corporate Social and Environmental Responsibility Committee (CSER). The CSER Committee examines the human resources and CSR policies which are drafted after consulting the Group's stakeholders. Each year, the CSER Committee also reviews the Ethics Committee's report on the Group's ethics policy and compliance programmes.

Protecting personal data

The Group's commitments to protecting the confidentiality of personal information are laid out in the Orange charter for

the protection of personal data, which was signed by the Chairman in November 2013. We are also committed to letting our customers access and manage the personal information they provide to our customer support platforms. We developed two solutions which we unveiled at the 4th Hello Show in March 2016. Our Trust Badge service notifies mobile app users immediately if their personal information is being used. Orange launched an open-source developer kit for the Trust Badge and more than 30 companies have agreed to integrate the service in their apps, displaying standard screens with information specific to each app. In summer 2016 we also plan to add the DataShare service to our Datavenue platform, which is designed to collect, aggregate, store and secure Internet of Things data. DataShare is a single interface that makes it easy for users to decide what information they would like to share with their connected devices and services.

Respecting and promoting respect for human rights

In accordance with the UN Guiding Principles on Business and Human Rights, Orange is committed, alongside the Telecommunications Industry Dialogue, of which it is a founding member, to respecting the 10 guiding principles relating to freedom of expression, the protection of human



Our solutions

rights by states and the respect of human rights by operators. The Group released its first transparency report in 2015 on government requests for customer interception and data. As a member of the Telecommunications Industry Dialogue, Orange has observer status for the Global Network Initiative, which promotes the sharing of information and best practice among telecom operators and Internet service providers and civil society. Orange issued several international alerts and on several occasions declined to comply during crisis situations to unlawful government requests that did not conform to applicable rules and regulations. The Group also worked in conjunction with French NGO Entreprises pour les droits de l'homme to develop an e-learning programme which will be available to employees in 2016.

Zero tolerance of corruption

We reaffirmed our commitment to zero tolerance of corruption in 2015 in a document signed by Stéphane Richard and the entire Executive Committee. Corruption risk was added to the main risks facing the Group and an e-learning programme in four languages covering our anti-corruption policy has been deployed since 2012 as part of our compliance policy, in addition to the Group-wide corruption prevention programme.

Compliance and tax transparency

We are committed to conducting our operations in a healthy business environment in accordance with the regulations and legislation of the countries in which we operate and the OECD's Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations. Our tax practices are regularly evaluated under a stringent oversight process. The Group's tax compliance charter states that tax practitioners can offer the most favourable tax options provided that they act professionally, honestly, objectively and lawfully. Each year, Orange releases a full list of parent company Orange SA's consolidated companies and companies accounted for under the equity method and provides information on the taxes and levies paid in the Registration Document. To further enhance our tax transparency, we will release detailed information in 2016 about taxes paid in each country as part of our CSR reporting.





Nurturing the value chain

Doing business responsibly means looking closely at every aspect of our operations, both within our organisation and beyond, especially in our relations with our suppliers. This is why we focus on monitoring our suppliers and conducting on-site audits, as well as training our staff in CSR. We support our suppliers in adopting ethical behaviour and complying with CSR criteria. Our responsible purchasing policy includes a commitment to regional development and local employment, making it easier for companies from the sheltered sector and innovative SMEs to participate in our tenders.

Raising the awareness of all market players

We introduced several CSR training courses in 2015 at our professional training institutes for sales and marketing staff. A wide range of workshops, training sessions and webinars were organised for our buyers in France and our logistics teams, as well as all our subsidiaries' purchasing CSR correspondents and all our buyers in four countries in Europe, Africa and the Middle East. In addition to building our employees' skillsets, we promoted CSR principles among our suppliers and equipment manufacturers and monitored and assessed their policies, developing corrective action plans where necessary. The Group founded the Joint Audit

Cooperation (JAC) association in 2010 together with Deutsche Telekom and Telecom Italia. At the end of 2015 the JAC had 10 members, all international carriers. In 2015, 61 audits were carried out at supplier production facilities and 84% of the audits covered their subcontractors. The number of CSR issues resolved increased by 10% and the percentage of production facilities with no CSR issues rose from 39% to 46%.

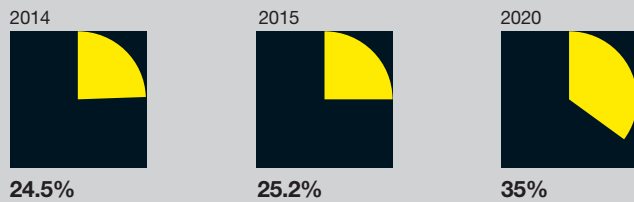
Responsible purchasing

Orange's certification for responsible supplier relations was renewed for the 2016-2018 period and we are actively seeking our subcontractors' commitment to the principles outlined in the Responsible Supplier Relations Charter. Of the 1,600 signatories at end-2015, 86 groups were direct Orange suppliers, accounting for nearly 21% of our purchasing.

In 2015, the Group also renewed its commitment to sourcing at least €15 million per year from the sheltered sector, which employs people with disabilities. There were more than 440 businesses from the sheltered sector working with Orange at end-2015, accounting for €16.4 million in purchases.

Indicators

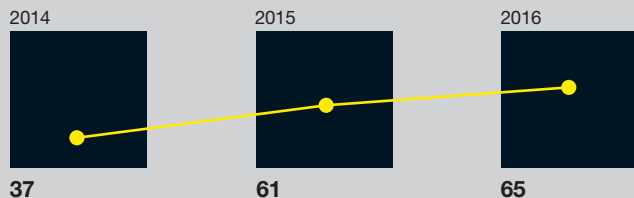
Reach 35% of women in our management networks in 2020



Ensuring access to management positions for women is a top priority in our workplace diversity policy.

→ By deploying multiple initiatives to identify new female talents, by training managers to combat decision bias and the impact of stereotypes, by ensuring gender balance within talent pools (as part of Orange Graduate Programme recruitment, for example).

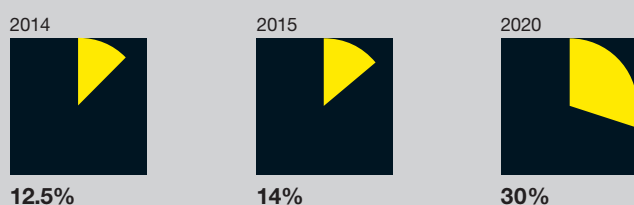
Perform at least 65 on-site supplier audits per year via the Joint Audit Cooperation (JAC) from 2016



Orange will participate in audits within the framework of the Joint Audit Corporation (JAC), an association of telecom operators that verifies, assesses and develops corporate social responsibility (CSR) implementation by Orange suppliers, including corrective action plans when necessary.

→ By cooperating with the Joint Audit Corporation, enabling Orange to benefit from a larger panel of audited suppliers.
 → By implementing a full audit process across our own portfolio of suppliers.

Collect 30% of customers' used mobile phones by 2020



Natural resources are not limitless, which is why Orange has embedded the concept of a circular economy directly in its processes. In particular, this means recycling or reusing equipment and terminals, especially used mobile phones.

→ By working with suppliers to extend the lifetime and maximize the reuse of network hardware thanks to a modular approach.
 → By offering commercial incentives and organising eco-citizenship initiatives across our distribution networks and with partners (public authorities, business customers, etc.).

2015 operational figures

€40.2 billion in revenues

Breakdown of revenues by country/segment (%)



France
45.7%



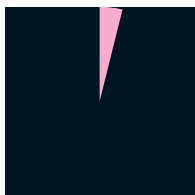
Spain
10.5%



Poland
7.0%



**Belgium and
Luxembourg**
3.0%



Central Europe
4.0%



**Africa and
Middle East**
11.4%



Enterprises
15%



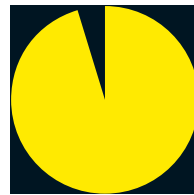
**International
carriers and
shared services**
3.3%

263

million customers
worldwide, including

16.4

million Orange Money
customers in 14 countries



201 million
mobile customers



and 18 million
fixed broadband
customers

13

countries around the world
covered by Orange's 4G service

18.8

million new customers
in 2015

Nearly

1.9

million fiber customers

2015 financial figures

€6.5 billion
in investments (Orange group)

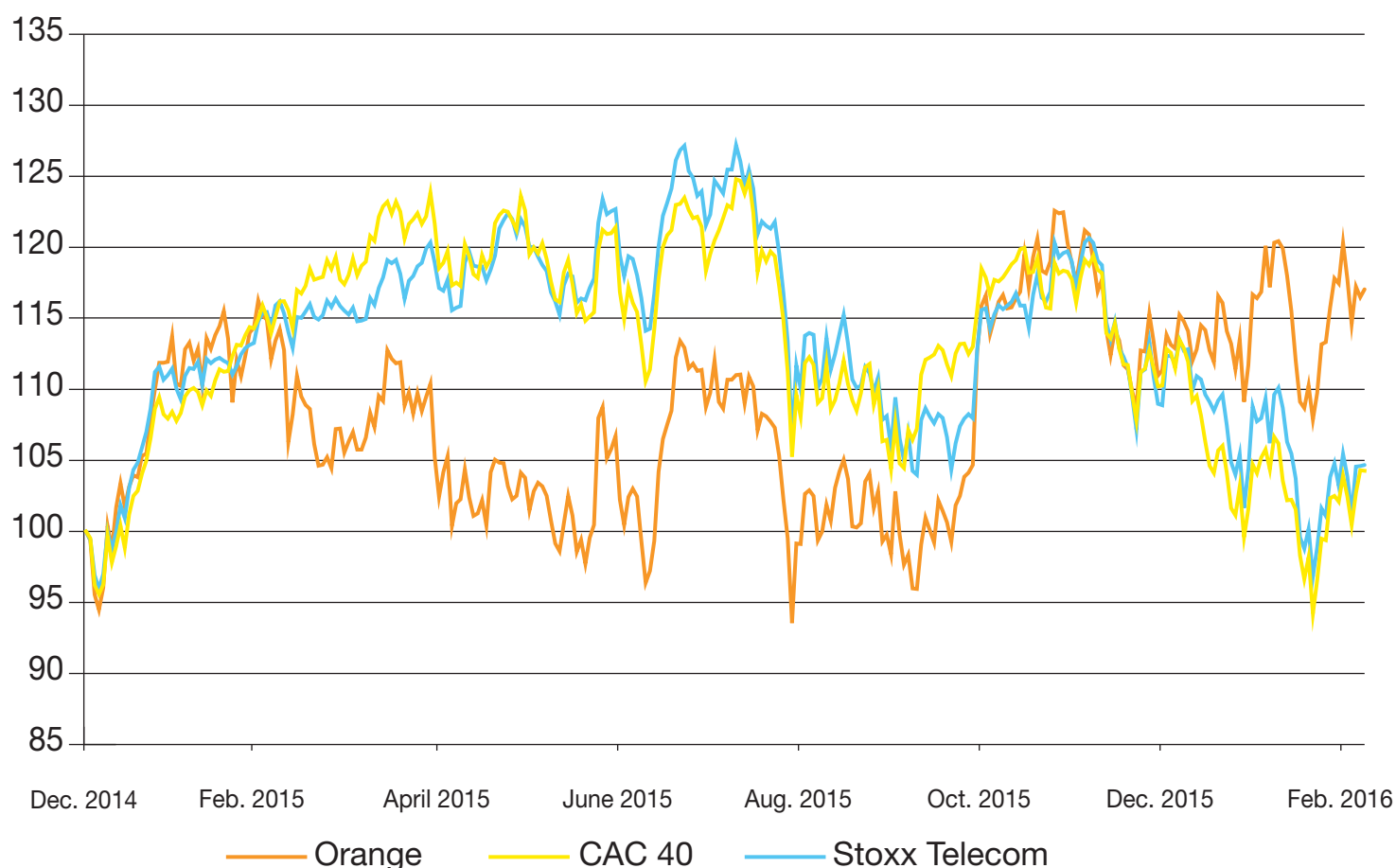
+55%
Increase in investments in fibre
in Europe compared with 2014

€12.4
billion in restated EBITDA

2.01x
Ratio of net debt to restated EBITDA

€2.958
billion in net income

Shareholder information



Share performance

The Orange share **gained 14%** in 2015 (including dividend reinvestment). The dividend payment of **€0.60 per share** in 2015 has been confirmed, subject to the approval of the Annual General Meeting of Shareholders.

Share information

Markets: Eurolist A – New York Stock Exchange Euronext

ISIN code: FR0000133308

Stock code: ORA

Par value: €4

Eligible for deferred settlement service (SRD) and investment savings accounts (PEA)

Number of shares at 31 December 2015: 2,648,885,383

2015 extra-financial figures

12

Board of Directors meetings in 2015

4

meetings of the Innovation and Technology Committee

9

meetings of the Audit Committee

8

meetings of the Governance and Corporate Social and Environmental Responsibility Committee

1,461,742

tonnes of CO₂ emitted in 2015

156,000

Group employees worldwide

Employees by geographical area



France
62%



Spain
4.5%



Poland
10.9%



**Africa and
Middle East**
9.6%



**Other European
countries**
4.4%



**Orange Business
Services**
7.2%

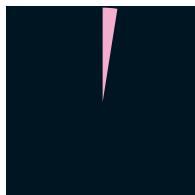


Rest of the World
1.4%

Employees by business line



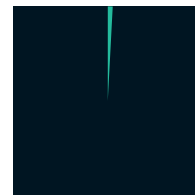
**Sales and
customer services**
46.7%



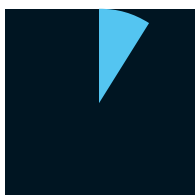
**Innovation
and development**
2.3%



**Management
and support**
13.0%



**Content and
multimedia production**
0.5%



**IT and information
systems**
8.7%



**Technical
and networks**
23.9%



Other
4.9%

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orange.com/2015IAR

Orange Group corporate website

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Orange Business Services

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Registration Document

<http://www.orange.com/en/Investors/Regulated-information>

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