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Useful links and contacts

Useful links

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[Corporate website](#)

[Orange Business Services](#)

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orange.com/shareholders

21 stakeholders, 47 participants and five major topics — we are delighted to present **21 à la Une**, the Orange stakeholder review.

We hope you enjoy it.

Summary

- P. 8 to 25**
- Orange at a glance
 - Orange is strong and accelerating its transformation, by Stéphane Richard
 - Creating shared value for the long term
 - Key considerations
 - Social and economic impact

- P. 26 to 67** **Our areas of excellence today**
- We've come a long way since launching the Essentials2020 plan and our hard work has paid off. Today, Orange is one of the largest telecoms operators in the world with a foundation of ever-more efficient network infrastructure and unmatched expertise in customer and employee experience. Our success is based on an inclusive approach to innovation and robust financial performance.
- Cutting-edge networks
 - Unmatched customer experience
 - Digital and caring employer
 - Transforming innovation into progress each day
 - Highlights
 - Financial results
 - Non-financial results
 - Performance in 2018

- P. 68 to 103** **Our choices for a better tomorrow**
- We will continue to create value, leveraging our areas of excellence to deploy our multi-service operator strategy.
- Working to develop digital inclusion and responsible uses
 - Investing and innovating in networks
 - Guiding businesses through their own digital transformation
 - Taking mobile financial services to the next level
 - Creating and distributing content for tomorrow's world
 - Shaping smart services for everyday living
 - Helping to drive the environmental and energy transition

- P. 104 to 115** **Governance**
- Strong corporate governance
 - Balanced compensation for senior executives
 - Our ethically responsible commitment

- P. 116 to 125** **Our integrated approach**
- Stakeholder dialogue
 - Identifying the most relevant issues for Orange and partners
 - Risk management

- P. 126 to 133** **Indicators**

Part I

Our areas of excellence today

Part II

Our choices for a better tomorrow

Orange at a glance

6 business activities

- Connectivity for individuals and businesses
- Digital transformation for businesses
- Operator services
- Cybersecurity
- Mobile financial services
- Content

2018 revenues	Employees	Customers	Homes connectable to very high-speed broadband
€41.4 billion	151,000	264 million	32.5 million
4G customers worldwide	Retail customers with broadband and mobile convergence packages	Mobile network quality in France	Homes using Orange TV services in Europe
56.2 million	10.9 million	No.1	9.6 million
Active Orange Money customers	Orange Bank customers in France	Investment excluding licences	Investment in research and innovation
15.1 million	248,000	€7.4 billion	€700 million



27 countries across the world

We operate in Europe (Belgium, France, Luxembourg, Moldova, Poland, Romania, Slovakia and Spain) and Africa and the Middle East (Botswana, Burkina Faso, Cameroon, Central African Republic, Côte d'Ivoire, Democratic Republic of the Congo, Egypt, Guinea-Bissau, Guinea, Jordan, Liberia, Madagascar, Mali, Mauritius, Morocco, Niger, Senegal, Sierra Leone and Tunisia).
Orange Business Services is available worldwide.



Orange is strong and accelerating its transformation



Stéphane Richard
Chairman and Chief Executive Officer



Orange 2018 Integrated Annual Report



Stéphane Richard ✓

@srichard

#FY_2018 has been a year of **#acceleration** of our revenue growth and adjusted EBITDA, in a highly competitive environment. This performance illustrates the superiority of our networks and the quality of our services. Congrats and thank you to all **@orange** teams 🚀

08:00 - 21 Feb 2019

The outstanding quality of our networks has made us the number one operator for convergence in Europe.

Our results in 2018 confirmed the effectiveness of our strategy – based on leveraging the quality of our networks and enhancing our services. We are now in a position to build on these two strengths and the success of our Essentials2020 strategic plan in order to take the Group’s growth and transformation to the next level.

The huge amount of work we have undertaken since launching the Essentials2020 plan has delivered solid results. We are back on track for growth thanks to the two fundamental decisions that have set Orange apart from other European operators.

The first choice was very high-speed fixed and mobile broadband. In fixed services, Orange was the first European operator to make the clear and decisive choice to roll out Fibre to the Home (FTTH), bringing very high-speed fixed broadband to customers in all its operating countries. In France, we are the only operator so far to have massively invested in very high-speed fixed broadband, building nearly 70% of the country’s fibre network. The second significant choice we made, also before any of our competitors, was convergence. Years ago, we realised that the European market would increasingly, and more rapidly, gravitate towards fixed/mobile convergence. The idea behind it is simple: it makes a lot of sense for a family or business to have one carrier that provides all their landline and mobile services. And

for us, this naturally presents a fantastic opportunity to nurture customer loyalty. You can see the effects of these two pioneering decisions regarding fibre and convergence in our figures.

Orange has been the fibre optic leader in Europe for three years now and today has 29 million homes connectable to FTTH. We have also invested substantially in mobile networks. We are a leading provider of 4G, with more customers than any of our competitors in seven of our eight operating countries in Europe. We have set up 4G networks in 12 countries in Africa and the Middle East, and, in 2018, topped the mobile network ranking in France for the eighth year running. The outstanding quality of our networks has made us the number one operator for convergence in Europe, where this strategy has become widespread. We now provide convergence packages in all our operating countries in Europe and have almost 11 million contracts so far.

It was our solid performance in all these countries that helped us bounce back in 2016. Our revenues, EBITDA and operating cash flow continued to pick up pace in 2018, despite persistently fierce competition.

Going forward, we will be speeding up the roll-out of very high-speed fixed and mobile broadband. It is a powerful driver for our company’s growth and

■ ■ ■



Stéphane Richard ✓

@srichard

The main strength of a company like @orange is its employees. So when I meet people that are as motivated and full of energy as those I met in Bordeaux today, I feel extremely confident for our company’s future. 😊👍

10:38 – 7 May 2018

We broadened our range of services, making bold moves to diversify into several forward-looking sectors.

a big part of our commitment to society alongside the French State and local authorities. In the mobile segment, Orange is preparing the ground for 5G, a disruptive technology that will open the door to new uses, with 10 times faster throughput than 4G. We are doing this in several ways, such as by carrying out new large-scale pilots in Europe with our technology specialist partners. We started trialling 5G on the ground in 2018 and will be carrying out other tests between now and 2020 to prepare to bring 5G to our individual and business customers.

By tapping into the quality of our networks, we broadened our range of services, making bold moves to diversify into several forward-looking sectors.

We have upgraded Orange Business Services' business model and expanded our expertise by making targeted acquisitions in strategic areas, such as cloud and cybersecurity technology. Fully aware of data security threats, we set up Orange Cyberdefense in 2016, leading the field in France within two years. The acquisition of British group SecureData in January 2019 also sets us on a path to becoming one of Europe's leaders in cybersecurity provision.

We also notched up several success stories in 2018 as regards our content. OCS celebrated its 10th anniversary, with almost 3 million customers, and our improved sports packages in Spain have significantly boosted sales. We have a clear strategy,

based on offering a wealth of content by partnering with key players such as HBO and Netflix.

Lastly, the mobile financial services business also performed well last year. Orange Bank had signed up 248,000 customers in France by the end of 2018, after opening a record number of accounts in the fourth quarter, representing a major success. I believe in this new business line, and our unique approach – an entirely mobile bank, combined with the convenience of the Orange store network. Meanwhile, Orange Money has become one of the world's most popular mobile payment solutions, with more than 15 million active customers – partly driven by Mowali, the platform we set up with MTN to enable pan-African mobile payment interoperability.

The quality of our networks, our diversification strategy and our renewed management team are three of the reasons why we're feeling confident about 2019. It will be a pivotal year for the Group, as we will be presenting our new strategic plan for 2025. We live in a world where 3.9 billion people – more than half the global population – still aren't connected to the internet. That is why we will be ramping up our efforts to bring safe and smart networks and services to everyone, wherever they are.



Stéphane Richard ✓
@srichard

Yesterday @orange brought #5G another step closer, making France's first-ever interoperable data call using the #5G standard. More than ever, @orange is leading the way to the mobile network of the future. 🚀

10:53 - 26 Oct 2018

Creating shared value for the long term

Customer confidence is key to everything we do

Our core business at Orange is to provide efficient and intelligent global networks for customers while ensuring their data is secure and protected. Building on this foundation of technology and trust, we provide connectivity solutions to individuals and businesses. We deliver network resources and enriched services to our operator customers both in France and abroad, in addition to guiding business customers through their own digital transformation. We are also developing new offers in content, mobile financial services and cybersecurity.

Digital technology to serve an advanced, informed and free society

At Orange, our goal is to harness the potential of digital technology to ensure meaningful progress for people, society and the planet. We are aware of, and have an influence on, the technological, economic and social considerations associated with our operations, and help our stakeholders to navigate this changing environment. Our business model is based on subscriptions, rather than exploiting value from the data generated by our 264 million customers, comprising individuals, businesses, local authorities and operators. That is one significant commitment we are making to our customers; the other is to offer them an unmatched experience. Today, we are leveraging our connectivity, assets, expertise, technology and skills to diversify into new markets. As a trusted operator, we must also take into account the deep inequalities that characterise the digital world. That's

why Orange defines and implements innovation in an inclusive and responsible way. We owe the success of our strategy to the commitment of our 151,000 employees across the world. We therefore stand by our digital and caring employer promise to deliver a unique employee experience to match the experience we aim to give to customers.

Creating value for all our stakeholders

The following figure presents the indicators that illustrate the financial and non-financial value we are creating for our stakeholders and for the Group itself. Our large and highly-skilled workforce is one of our greatest assets and we are a leading employer in several countries. The result of an effective innovation and investment policy, our industrial and intellectual assets set us apart from our competitors. The strength of our brand and the extent of our distribution network also provide a competitive advantage. Furthermore, outstanding sales performance across the Group, combined with operational efficiency, have produced excellent financial results. With operations in 27 countries, Orange invests extensively in networks and therefore plays an essential role in regional development and people's daily lives. We maintain excellent relationships with our suppliers and partners, promoting responsible and ethical collaboration at every stage of the value chain. Moreover, the commitments we have made and the actions we have taken to reduce our carbon footprint and develop a circular economy demonstrate our determination to reduce our environmental impact.

Our business model

Technological considerations
Connectivity, network virtualisation, artificial intelligence, big data and Internet of Things

Economic considerations
Macroeconomic context, digital security and sovereignty, regulation, competition and key suppliers



Social considerations
Digital inclusion, climate change, human rights, privacy and data protection, and regional development

Our assets

- 151,000 employees across the world
- 75,000 customer relationship employees
- 34,000 employees supporting our networks
- 2,400 digital developers, integrators and experts
- 30.4 hours of training per Orange SA employee

People

- €7.4 billion net investment excluding licences
- €700 million investment in Research & Innovation
- 6,857 patents including 222 inventions
- 450,000 km of submarine cable and six cable ships owned or co-owned

Industrial and intellectual assets

- A powerful brand with strong customer loyalty: ranked 65th in the BrandZ Top 100 most valuable global brands
- Present locally with 5,326 stores across the world, including 883 Smart Stores
- Orange Money distribution network with 160,000 points of sale

Brand equity and commercial assets

- Significant equity: €33.2 billion
- Moderate net financial debt: €25.4 billion
- A stable and long-term shareholder base: 23% public sector, 5.50% employees and former employees

Financial assets

Our ecosystem

- 27 countries for consumer services and a global presence with Orange Business Services
- Six new agreements signed in 2018 for Public Initiative Networks
- National and local stakeholder dialogue

Regions and society

- €19.6 million paid for goods and services from companies in France's sheltered employment sector
- 116 CSR audits conducted in 2018 under the Joint Audit Cooperation (JAC)
- Orange contributes to over 50 development projects in France and Europe
- 13 research chairs funded

Suppliers and partners

- Energy consumption: 5,697 GWh (Scope 1 and 2)
- CO₂ emissions: 1.4 billion tonnes (Scope 1 and 2)
- Environmental management (ISO 14001) certification for 60% of the Group's scope
- Energy management (ISO 50001) certification in France

Environment

Value created and shared

A major employer

- €9.1 billion in wages and employee benefit expenses (22% of revenues)
- 81% of Group employees recommend Orange as an employer
- 73% of employees in France are Orange shareholders
- 11,000 recruitments on unlimited contracts across the Group, including 3,200 in France
- Gender Equality European and International Standard (GEEIS)
- 29.8% of women in management networks

Leading the field

- 264 million customers, including 3,000 multinationals outside France
- No.1 in fibre optics in Europe: 29 million connectable homes
- 56 million 4G customers (coverage in Europe greater than 95%)
- No.1 in convergence in Europe: 10.9 million customers
- No.1 mobile network in France for the 8th year running (ARCEP)
- 15.1 million active Orange Money customers and 248,000 Orange Bank customers

A customer experience that makes the difference

- No.1 in customer recommendations in 15 countries
- No.1 in customer recommendations in France across all segments
- 52% of customer interactions in Europe conducted on digital channels
- Average broadband speed for fixed internet network users 7.6 times faster than in 2014
- Average broadband speed for mobile internet network users 3.1 times faster than in 2014

Solid financial performance

- Revenues: €41.4 billion (up 1.3% from 2017)
- Adjusted EBITDA: €13 billion (up 2.7% from 2017)
- Operating cash flow (adjusted EBITDA-CAPEX): €5.6 billion (up 1.7% from 2017)
- Dividends: €2.1 billion

Contribution to society and regional development

- €2.2 billion in operating taxes and licences paid
- €0.9 billion in corporate taxes paid
- €4.6 billion in network investments
- €260 million invested to support entrepreneurship over the last 10 years
- €23 million invested by the Foundation in young people and women in difficulty
- Contribution to wealth creation: 11% of GDP in Senegal and Côte d'Ivoire, 2.8% in Niger
- Orange is a member of the Global Network Initiative

Responsible and ethical working relationships throughout the value chain

- €18.6 billion in external purchases (suppliers, etc.)
- Responsible supplier relations label in France
- 264,000 people employed by our suppliers impacted by Joint Audit Cooperation action plans

Towards carbon neutrality and a circular economy

- Reduction of 3.2% in CO₂ emissions and 3.2% in energy consumption between 2016 and 2018
- Energy efficiency: 56.6% reduction in CO₂ rate per customer usage compared with 2006
- €800 million saved in energy costs in networks and IT since 2010
- 15.4% of unwanted mobile devices collected at Group level



Key considerations

In just a few decades, digital technology has dramatically changed our daily lives and the entire economy. Although these changes continue to provide us with great opportunities for future growth, they also create new risks and inequalities. As an operator, Orange finds itself at the heart of the major technological, economic and social challenges that will shape the future of society. Drawing on our expertise and our position as a leader in the market, we possess all of the necessary assets to seize these new opportunities and meet potential challenges while contributing to sustainable social and economic development.

Technological considerations

We are using an increasing number of screens, professional apps that enable us to work on the move and connected devices and appliances. As a result, our needs for connectivity are growing, which calls for the development of fixed and mobile networks that are more agile and easier to use and access. Artificial intelligence has progressed as a result of big data, more sophisticated algorithms, low-cost processing power and investment from a variety of sources, predominantly from the US and Asia. Artificial intelligence improves operational efficiency across almost all of the Group's business

lines by optimising networks, resolving user problems in IT services and tailoring service delivery to individual needs. It also powers new, value added services for customers such as virtual assistants.

Economic considerations

Consolidation in Europe has slowed since the mergers of 2014 and 2015, even though there are considerably more telecommunications operators in the region compared with America or China, for example. Global competition is extremely fierce and certain operators are generating new revenue streams by monetising data. Despite this trend, managing personal data has become an increasingly important consideration. In 2018, the European Union's General Data Protection Regulation (GDPR) came into force, providing Member States with a new legal framework for data management. Lastly, cybersecurity is another increasingly important area, requiring a strategy to protect against the growing threats of cyberattacks and service disruptions.

Social considerations

In 2018, half of the world's population still did not have access to the internet and e-illiteracy continued to be widespread amongst many of those who did have access. Digital exclusion makes it difficult for people to access essential services, information and knowledge; nor can they enjoy its economic benefits, such as job opportunities and increased purchasing power. Furthermore, companies nowadays have a responsibility to protect human rights that goes far beyond their own actions. They must also ensure that this same responsibility is also met by their suppliers and subcontractors. In order to position ourselves as a trusted operator, we have placed freedom of expression and data protection as the foundation for our customer relationships. These considerations are no less important than network quality and reliability. The rise of extreme weather events and the publication of a report by the Intergovernmental Panel on Climate Change (IPCC) brought the immediate consequences of climate change closer to home, underlining the need for individuals and businesses to reduce their carbon footprint.

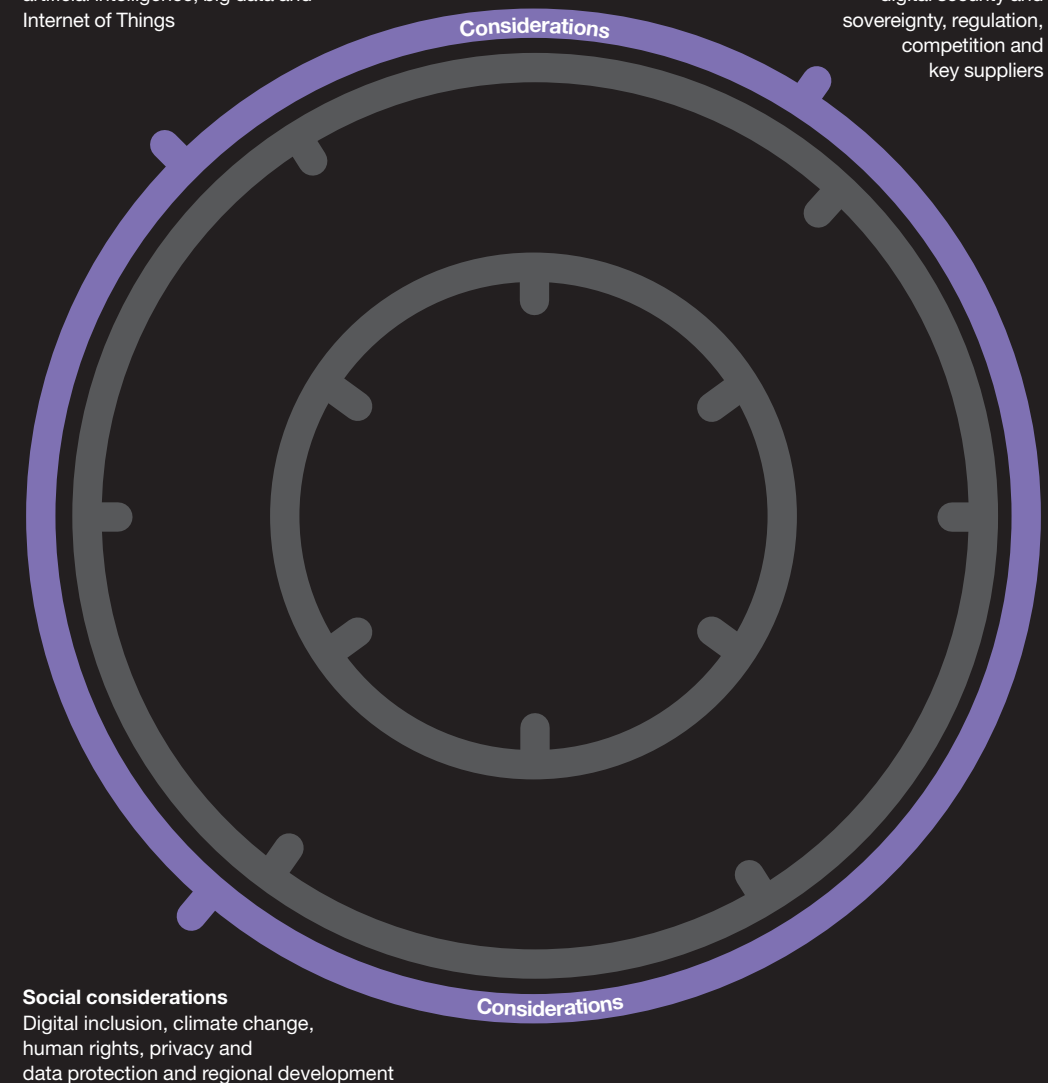
Risks and Opportunities

Technological considerations

Connectivity, network virtualisation, artificial intelligence, big data and Internet of Things

Economic considerations

Macroeconomic context, digital security and sovereignty, regulation, competition and key suppliers



Technological considerations

Opportunities

Risks*

- | | |
|---|---|
| <ul style="list-style-type: none"> ■ Reduction of network equipment and maintenance costs ■ Revenues from new business uses (5G, IoT) ■ Consolidation of leadership (network coverage and quality) ■ New customers (extended network coverage) ■ Convergence and new services
 ■ Revenues from data analysis ■ Service differentiation/customisation ■ Cost reductions (making the customer journey digital) ■ Creation of new professions ■ Promotion of the Orange ecosystem ■ Optimisation of network resources
 ■ Revenues from specialised IoT service platforms | <ul style="list-style-type: none"> ■ Increased investments in new network technologies (5G and fibre) ■ Rise in network operating costs (4G/5G, FTTx, LoRa® and LTE-M) ■ Increasingly complex networks due in particular to their virtualisation
 ■ Less direct customer contact due to virtual assistants ■ Cost and scarcity of skills ■ Greater outsourcing needs ■ Supplier dependency
 ■ Security breaches in networks, service platforms or devices |
|---|---|

- **Connectivity and network virtualisation**
- **Artificial intelligence and big data**
- **Internet of Things**

Social considerations

Opportunities

Risks*

- | | |
|---|--|
| <ul style="list-style-type: none"> ■ Additional revenues ■ New customers (extended network coverage) ■ Social utility
 ■ Development of climate-compliant solutions ■ Environmental responsibility
 ■ Reduction of excessive usages ■ Social acceptability
 ■ Strengthening the trusted third party role ■ Cybersecurity services for business customers
 ■ New customers and revenues (network coverage and quality) | <ul style="list-style-type: none"> ■ Social divides ■ Digital divides (unequal access/e-illiteracy)
 ■ Natural disasters and impact on infrastructure
 ■ Infringement of human rights by a third party with direct or indirect links to Orange ■ Inability to adapt to new ways of working ■ Health and safety (incl. electromagnetic fields) ■ Infringement of fundamental freedoms due to injunctions from local authorities
 ■ Disclosure, usurpation, inappropriate storage of personal data ■ Technology providers accessing company data
 ■ Quality of essential services (fixed and mobile networks, internet and related key services) |
|---|--|

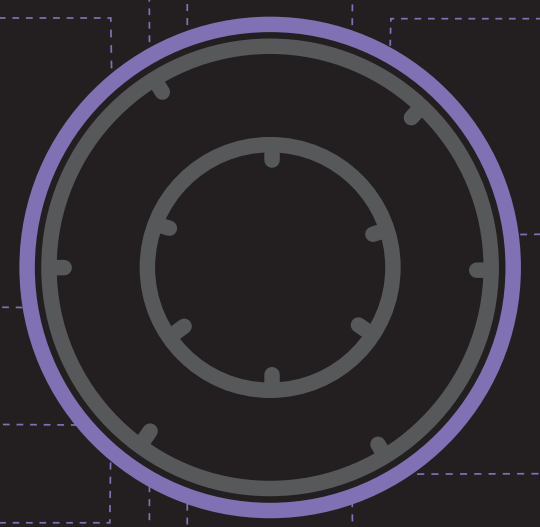
- **Digital inclusion**
- **Climate change**
- **Human rights**
- **Privacy and data protection**
- **Regional development**

Economic considerations

Risks*

Opportunities

- | | |
|---|--|
| <ul style="list-style-type: none"> ■ Geopolitical instability ■ Economic crisis in one of Orange's operating countries
 ■ Mandatory investment in networks ■ Licence costs ■ Tax increases ■ Drop in regulated prices ■ Compliance with GDPR/ environmental standards ■ Additional constraints
 ■ Price pressure ■ Race to deploy fixed networks (fibre) and mobile networks (4G/5G) ■ Lack of new skills ■ Disintermediation by digital companies ■ Disruptive innovation
 ■ Dominant position of certain suppliers or partners ■ Scarcity of essential natural resources
 ■ Business interruption ■ Deterioration of service quality ■ Unlawful access to data/ cyberattack | <ul style="list-style-type: none"> ■ Economic growth ■ New sources of financing (Socially Responsible Investors)
 ■ Revenues from the coverage and quality of the networks deployed ■ Costs of priority network access for established operator and/or the challenger ■ Low-carbon and circular economy products and services
 ■ Investment in skills ■ Improved agility and operational efficiency ■ Revenues from innovative services
 ■ Purchase price reductions through volume ■ Co-developing solutions with suppliers
 ■ Development of cyberdefense activities ■ Consolidation of internal expertise |
|---|--|



* We explain how we identify, manage and govern our risks in the "Integrated Approach" section of this report on page 122.

Social and economic impact

Conducting socio-economic impact studies enables us to measure our contribution to the development of the countries in which we operate. After conducting studies in France and Niger in 2017, we extended the initiative to five other countries in Africa: Cameroon, Côte d'Ivoire, the Democratic Republic of the Congo, Guinea and Senegal. The studies look beyond the Group's local presence alone, measuring the impact of the social and economic footprint on several levels.

The analysis framework

Simple economic footprint (local expenditure)

The input-output method, based on the work of Wassily Leontief for which he won the Nobel Prize in Economics, is used to analyse the extent to which the monetary flows generated by our operations locally drive economic activity and employment nationally (purchases, wages and tax).

Extended economic footprint

This wider measure builds on the above method, enabling us to measure the impact of:

- **our CSR actions**, or the value created by our corporate social responsibility programmes such as device recycling and Orange Foundation initiatives to set up and manage Orange villages. The method estimates the impact of these programmes on the purchasing power of beneficiaries who may be offered free access to a new service or save on household essentials, for example;
- **the use of our products and services**, estimating the value created for businesses and individuals using our infrastructure, products and services, which increase productivity, accelerate regional development and contribute to national GDP growth.

The results

Simple economic footprint

The monetary flows generated by our operations multiplied local value added by two, and in some cases three, in the countries studied. The results expressed in terms of induced jobs were also significant and present even more marked variations between countries (x180 in Guinea and x80 in Cameroon), which predominantly reflect wage differences between the countries.

Total footprint

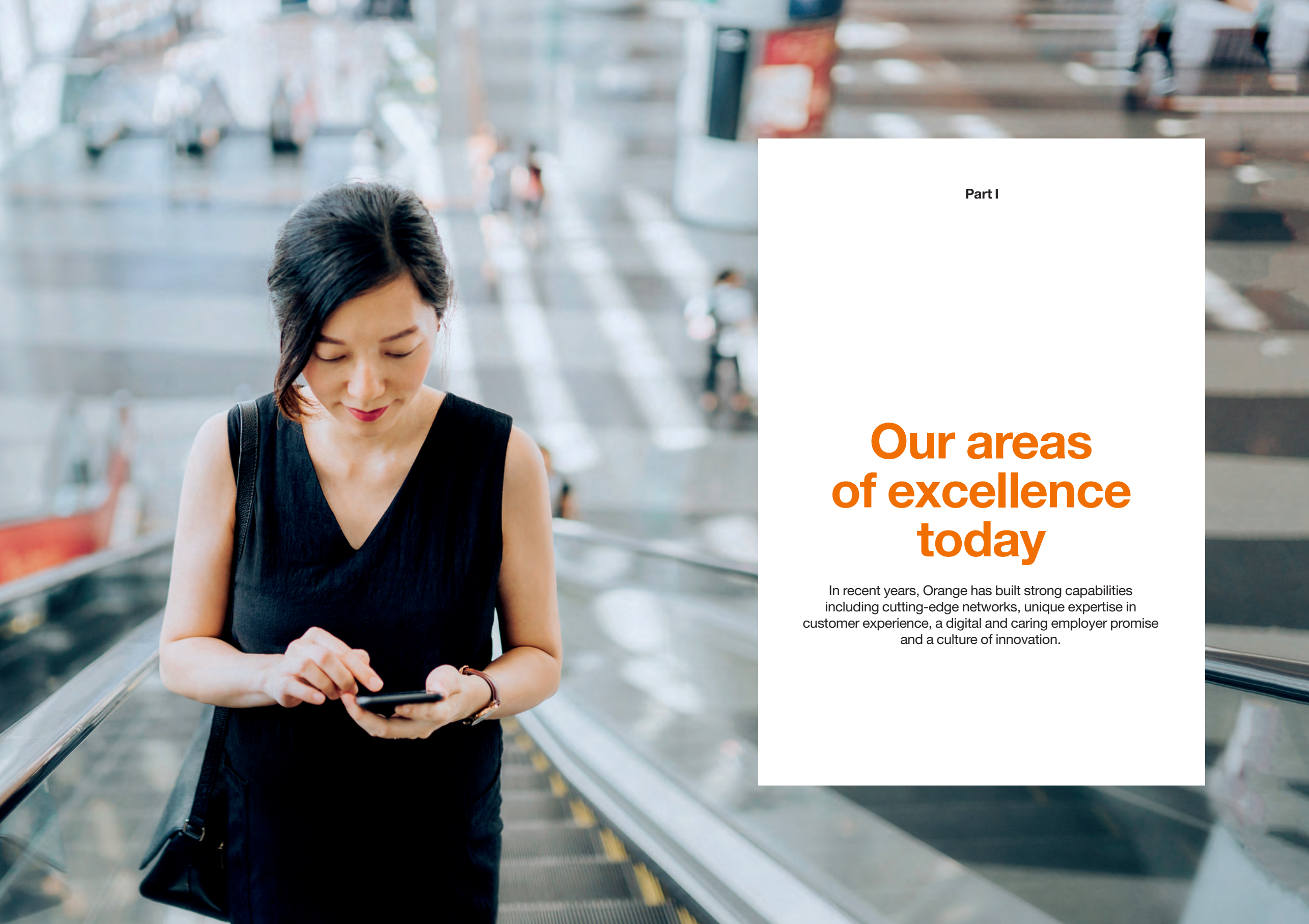
The total footprint is the sum of the local, simple and extended footprints, expressed here as Orange's contribution to GDP per country. This was considerable: boosting GDP in Cameroon by 7.8%, in Guinea by 8% and as much as 11% in Côte d'Ivoire. KPMG prepared a reasonable assurance report to verify the Group's social value calculation and the results obtained for Niger and Senegal, countries of very different sizes. Both the verification and a methodology note by the consultancy firm that supported Orange with the analysis, Goodwill Management, are available on www.orange.com.

Orange 2018 Integrated Annual Report

Orange's footprint in six African countries

	Local footprint		Simple economic footprint		Total footprint* % of GDP
	Value added in millions of euros	Direct jobs	Value added	Induced jobs	
Cameroon	107	601	x3	x80	7.8%
Côte d'Ivoire	530	1,965	x2.1	x46	11%
Democratic Republic of the Congo	49	580	x3.5	x150	1.5%
Guinea	112	350	x1.8	x180	8%
Niger	37	531	x1.8	x42	2.8%
Senegal	387	1,789	x2.3	x37	11%

* Source: Goodwill Management



Part I

Our areas of excellence today

In recent years, Orange has built strong capabilities including cutting-edge networks, unique expertise in customer experience, a digital and caring employer promise and a culture of innovation.

Cutting-edge networks

Offering optimum connectivity

We guarantee our customers the best connectivity, with optimum throughput, volume and quality through a mix of submarine cables, land networks, fibre and radio. Between 2015 and 2018, we invested €17 billion in our networks to meet a growing range of emerging needs, including increasing numbers of screens, VOD services, professional mobile apps, the Internet of Things and artificial intelligence. We have primarily focused on extending 4G coverage in Europe and in Africa and the Middle East, continuing to deploy fibre and building a submarine information superhighway.

Stepping up fibre deployment for very high-speed broadband

Orange is boosting connectivity at home with FTTH (Fibre to the Home) technology, which makes it possible to offer individuals data throughput of up to 1 Gbit/s, which will increase to 10 Gbit/s through equipment upgrades. At the end of 2018, Orange calculated that 32.5 million homes around the world were connectable to very high-speed broadband. We provide broadband and very high-speed broadband to 14 million homes in Spain and 12 million homes in France through our fibre networks. In Slovakia, a total of 467,000 homes now receive FTTH. At the end of 2018, we carried almost 70% of all the fibre optic rolled out throughout the whole of France and signed six new agreements for Public Initiative Networks with local authorities. In Africa and the Middle East, fibre is distributed in Jordan, Egypt, Côte d'Ivoire, Morocco, Senegal and Mali. Still on the subject of very high-speed broadband, but this time in space, in 2018,

Orange finalised an agreement with Eutelsat to offer high quality internet access via satellite to all its customers in Europe, especially people living in rural areas.

4G for everyone

Orange consolidated its footprint in European 4G and 4G+ networks, increasing its coverage to nearly 100% in certain countries like Belgium and Poland. We are the leading operator in terms of customers in seven of our eight operating countries in Europe. In Slovakia, Orange 4G is available to 94% of the population. We also signed an agreement with the government and two other operators to provide country-wide broadband coverage by 2020.

Orange offers the most widespread mobile coverage in France, reaching 99% of the population via 3G+ and over 98% via 4G. By the end of 2019, we will have finished upgrading almost all of our 3G radio sites into 4G. In Africa and the Middle East, 4G has outpaced 3G in terms of network data traffic volumes, now totalling over 2 GB per month per customer. 4G is currently used by nearly 17 million customers across 12 countries. By 2019, Orange 4G covered 93% of the population in Egypt, 62% in Senegal and 50% in Botswana.

We will continue to roll out the network, primarily in Burkina Faso and Sierra Leone. At the same time, we have deployed a radio network in six countries in Africa and the Middle East using Long-Term Evolution-Time Division Duplex (LTE-TDD), a 4G telecommunications technology, to bring fixed internet connectivity to homes that are not connected via ADSL or fibre.



56 million 4G customers around the world

Our 4G coverage reaches an average of over 95% of Europe's population (99.8% in Poland - 99.7% in Belgium - 98.6% in France - 98% in Moldova - 96.9% in Spain - 96.9% in Romania - 94% in Slovakia).

“Our situation is rather unusual, given that most of our people are based out at sea. By improving connectivity on our ships, the crews can now access the internet more easily, which facilitates business communication but also helps them to stay in touch with their friends and family. That makes a huge difference on board.”

René Kofod-Olsen
Chairman and Chief Executive Officer, Topaz



“Operators need to invest heavily to extend and improve network quality and capacity (4G, 5G, fibre, etc.).”

Alexandre Iatrides
Analyst at ODDO BHF Securities

“To attract and retain a hyperconnected audience, the network has to work flawlessly, even when you’re three floors underground!”

Isabelle Hervouet
Director of Digital in Europe,
Unibail-Rodamco-Westfield



No.1 mobile network in France for the 8th year running in the ARCEP ranking

69% of fibre roll-out in France completed by Orange

29 million homes connectable to FTTH in Europe

190 thousand kilometres of fibre optic submarine cable installed by Orange Marine since 1985

34,000 employees working solely on networks throughout the world

Convergence at the heart of our strategy

In Europe, deploying our very high-speed broadband has given us a competitive advantage in fixed/mobile convergence – an area that we are already spearheading with 10.9 million customers at end-2018. The greater pace of growth in mobile contract and fixed broadband customers was driven by the success of our Love convergence offers on the continent. In Poland for example, Orange Love is the most popular package for homes, exceeding the 1 million customer mark in October 2018.

France heading towards full IP

Orange is currently upgrading its landline network in France to better satisfy changing customer needs and guarantee the highest possible quality of service. Telephony services currently use the old fixed switched telephone network (STN), but are increasingly moving towards Internet Protocol (IP) technology, which has emerged as a global standard. Since the end of 2018, new fixed telephone lines have been built using Voice over IP (VoIP) technology. The STN will continue to run for all existing lines, with gradual migration scheduled to begin around the end of 2023.

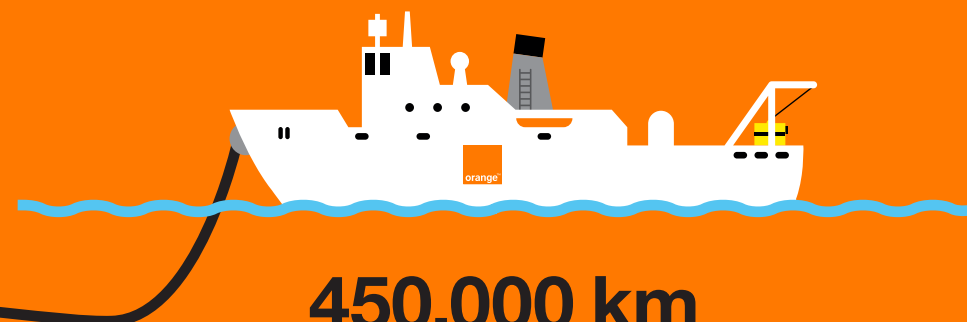
Connectivity and operator services

Orange sells connectivity solutions to specialist telephony providers, domestic and international operators in the wholesale and retail markets as well as content and internet service providers. In 2018, we brought all these solutions together within a single entity named Wholesale International Networks. Our long-distance land, submarine and satellite network

infrastructure, as well as our local presence throughout the world, enables us to offer connectivity to over 200 internet service providers serving end users in over 220 countries. In 2018, in order to make internet traffic routes more secure and meet ever-increasing customer demand, we:

- opened a single access point between Asia, the Middle East and West Africa by connecting several submarine cables via a new land connection between Marseille and Penmarch in France;
- signed an agreement to invest in the MainOne submarine cable to boost growth in our fixed and mobile services in Africa, especially in Côte d'Ivoire and Senegal;
- pooled our resources with Google for the new Dunant submarine cable that will connect France to the US and consolidate our position as market leader on the international wholesale capacity market;
- finalised a partnership with PCCW Global to deploy the PEACE submarine cable (Pakistan & East Africa Connecting Europe), which will strengthen ties between the world's three most populated continents, connecting Pakistan, Djibouti, Kenya, Egypt and France.

In 2018, we celebrated 40 years of satellite communications at Bercenay-en-Othe in France, a strategic facility that provides connectivity services for a wide range of business customers. We are also developing enriched data and connectivity services for operators. For example, Ethernet Now provides bandwidth on demand for our wholesale customers, allowing them to manage their Ethernet connections via an online platform.



450,000 km of submarine cable

Orange is a leading provider of intercontinental internet traffic and owns or co-owns 450,000 km of submarine cable throughout the world. That's enough to wrap around the Earth 10 times!

Unmatched customer experience

The “customer-first” reflex

Our goal is to give our 264 million customers an unmatched omni-channel experience combining human and digital resources. Day in, day out, our frontliners demonstrate ingenuity and commitment to do just that in our stores, call centres, online, in our offices and in our customers’ homes. We always aim to further simplify our services, digitise customer journeys and customise our responses. At the end of 2018, Orange was the company the most likely to be recommended by its customers in 15 out of 23 consolidated countries.

883 Smart Stores across the world

Orange has opened Smart Stores in 16 countries offering a combination of sales channels for a fluid and seamless digital-physical experience. The interactive points of sale, with shop floors ranging from 20 m² to 1,000 m², offer customers innovative services and digital support. To complement our stores, we are continuing to develop an omni-channel distribution experience with our digital retail programme, deploying a multitude of initiatives throughout the world including GPS store localisation, online stock visibility, in-store collection and online sign-up. In Jordan for example, the Sweifieh Smart Store uses electronic price tags to save time and money and reduce the risk of error. In Egypt, employees are using multi-service tablets in around 20 stores.

Round-the-clock customer service with the My Orange app

Using their smartphones, our customers have a simple way to contact us, safe in the knowledge that someone is always available to help. This is what the My Orange app provides for 18.5 million active users across the world. Customers are empowered and have the answers at their fingertips. The app allows them to access important information such as their data usage and contract details and upgrade or change their tariff. Our customers in France can now contact an advisor directly via live chat on the My Orange app.

The Chatbot and AI revolution

We are convinced that customer service is one of our main competitive advantages, particularly with the use of artificial intelligence and chatbot technology. In 2018, we launched customer relationship chatbots in Romania, Jordan and Poland following the successful launches by Orange Bank in France and our customer experience teams in Spain. At Orange Bank, all customer requests made via the mobile app are first processed by our virtual assistant Djingo, which passes them on to an advisor if necessary. Since it was launched, Djingo has had over 1.5 million conversations with our customers. Similarly, the chatbot on the Orange Spain app and website handled around 125,000 conversations on average per month. Altogether, Orange chatbots engaged in almost 3 million conversations in 2018. In 2019, we are aiming for 8 million!



7 times faster broadband

In 2018, we exceeded the objectives we had set for Essentials2020, giving our customers smoother and faster internet access on both fixed and mobile networks. Between 2014 and 2018, we multiplied average broadband speed for fixed internet network users by seven and average speed across mobile networks by three.

“To respond to changes in our customers’ purchasing habits and behaviours we have transformed the way we develop our services. We needed to maintain our customer-first reflex, but also to think ‘digital’. We have adapted the Group’s Digital Ready training programme to our needs here in Senegal.”

—
Fatoumata Sene
Head of marketing and sales, Orange Senegal



“An operator’s main source of value is people. We have to build relationships based on trust, both with our employees and our customers. Without loyal customers and committed employees, you just don’t have a business.”

—
Frédéric Colard
Director of Operations at Générale de téléphone

“The support I received in an Orange accessibility store taught me to use a mobile phone and the internet.”

—
Martine Hermans
Member of the charity Rétina France and a visually impaired person



264

million customers worldwide

18.5

million active users of the My Orange app, including 3.5 million in Africa and the Middle East

34%

increase in users of the My Orange app in Africa and the Middle East in 2018

883

Smart Stores Group-wide, including 269 in France, 535 in Europe and 79 in Africa and the Middle East

78%

of requests submitted to Djingo at Orange Spain were resolved without any human intervention

Listening and responding to improve customer experience

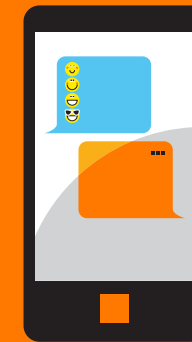
We have fully transformed the way we operate to place the customer at the centre of our business and to apply our listening and responding principle across the Group. Our Essential Voices programme challenges all employees, whatever their role in the business, to place greater importance on customer feedback. The programme was developed through Group-wide collaboration and, in 2018, shared best practice feedback initiatives from Egypt, Spain and Poland and Orange Business Services. For example, Orange Business Services Egypt trained all 2,000 employees on how to document the customer feedback collected in order to share it across the company and follow up with concrete actions. This focus on listening has a positive impact on the customer journey. The AXiOM programme, which was launched in 2016 and adopted in all countries that provide Orange Money services, has allowed us to analyse and redesign the way customers use our mobile money transfer and payment system. We put ourselves in their position and acted on their feedback – for example by making it easier to open an account and enabling customers to deposit money anywhere and at any time. AXiOM has also helped to bring down the monthly cost of Orange Money-related calls on the helpline in Mali and has halved the number of calls to unlock PIN codes in Madagascar. The listening and responding principle is applied across the entire business to improve customer experience, as testified in the “Customer Experience is Everyone’s Responsibility” video series in which the camera follows members of the Executive Committee for a day in the life at Orange.

Analysing data to sharpen customer insight

To provide an unmatched customer experience tailored to the individual, we need to know who we are talking to and understand the way they use our services. That is what why we collect, process and analyse customer data. Thanks to our Customer Experience Management systems, our advisors have access to information on network issues a customer may have experienced such as telephone or data service problems in a given area or past network incidents. This information enables them to provide personalised answers and advice and also helps our marketing and technical departments make informed decisions about where best to invest to improve the customer experience.

Developing our skills

The importance we give to actively listening to our customers and responding accordingly is embodied by agile working practices and design thinking. For example, 1,000 employees from Orange Business Services completed the CX Makers customer experience training programme. They receive support from CX partners to integrate this priority right from the project development stage (proposals, processes, etc.). Similarly, to keep people at the centre of a world undergoing widespread digital transformation, Orange is looking to develop the interpersonal skills of its employees. The Orange in Touch training programme covers two main aspects of the customer relationship: the mindset and how to do and say things. More than 14,000 employees have completed the programme in 15 of the Group’s countries and businesses. In 2019, we will concentrate efforts on training managers.



3 million conversations

In 2018, customer relationship chatbots at Orange handled 3 million conversations. In 2019, we aim to reach 8 million.

A digital and caring employer

An employee experience to match the customer experience

That is the digital and caring employer promise Orange made to its 151,000 employees to ensure that each individual feels fully engaged in the shared ambitions of the Group. Delivering on our promise means leveraging the appropriate technology to accelerate progress in the workplace, prioritising career development and ensuring working conditions meet the everyday needs of our employees. The promise demonstrates how we place people unequivocally at the centre of our business and requires each individual to be able to see positive change in their daily lives.

A learning organisation

In 2017, we signed an agreement to champion employee skills and qualifications. In keeping with this, we're continuing to develop the key skills we'll need for the future and enhance employability by preparing people for shifts in their professions. This will enable them to develop soft and hard skills (listening and responding, using and securing data etc.) and priority expertise (cybersecurity, data and artificial intelligence) according to their needs and activities. Orange Campus – the Group's training centre for managers – will open its doors to all employees in 2019 to help everyone prepare for their future workplace, helping them access training in new professions and even receive certifications or qualifications. The Group is also developing

new learning experiences by collaborating with leading partners (schools, universities, businesses, start-ups etc.) to deliver easy, permanent access to e-learning via a range of mobile, immersive and adaptive learning formats.

Collaboration and collective agility

We want our workplaces to encourage collaboration, collective agility and creativity. That's why we're transforming our offices into modular workspaces that promote new ways of working. Opened in 2018, the Orange Business Services offices in the La Défense business district near Paris are a prime example, as is the new Orange Spain head office, as well as programmes open to start-ups and co-working solutions like La Villa Bonne Nouvelle in the French capital. Piazza, our corporate social network, is used regularly by one in every two employees, which also helps to stimulate a collaborative working environment and break down barriers to information. The Oz employee innovation programme offers employees the opportunity to express their ideas and make them a reality to improve the customer experience or their own experience at work.

Listening to employees and labour relations

We conducted our first Group-wide "Your Employee Barometer" survey in 2017 to evaluate the extent to which employees feel we are respecting our digital and caring employer promise, which helps to improve quality of life at work. In 2018, over half of all employees took part in the survey, and we collected more than 18,000 additional comments. Furthermore, Orange employees in France take part in a survey assessing working conditions and psychosocial risk factors, which is conducted once every three years. The Group also continues to sign and renew agreements with trade unions. In France, for example, the new intergenerational agreement, which was signed in 2018 for the 2019-2021 period, includes measures to recruit young people, help older employees prepare for retirement and ensure knowledge transfer.



Top Employer Global

Orange was awarded Top Employer Global certification in February 2019 for the fourth year running. The certification recognises excellence in the conditions that employers create for their people. Orange is the only telecoms operator among the 14 Top Employers in the Global category.

“To make equal opportunities a reality, we need to talk more about equality. We must lift the censorship we impose on ourselves and give young people the chance to grasp the corporate culture and the way things are done so they can progress quicker.”

—
Amélie Kanagasabai
Orange Graduate Programme,
Deputy Manager Rouen Megastore

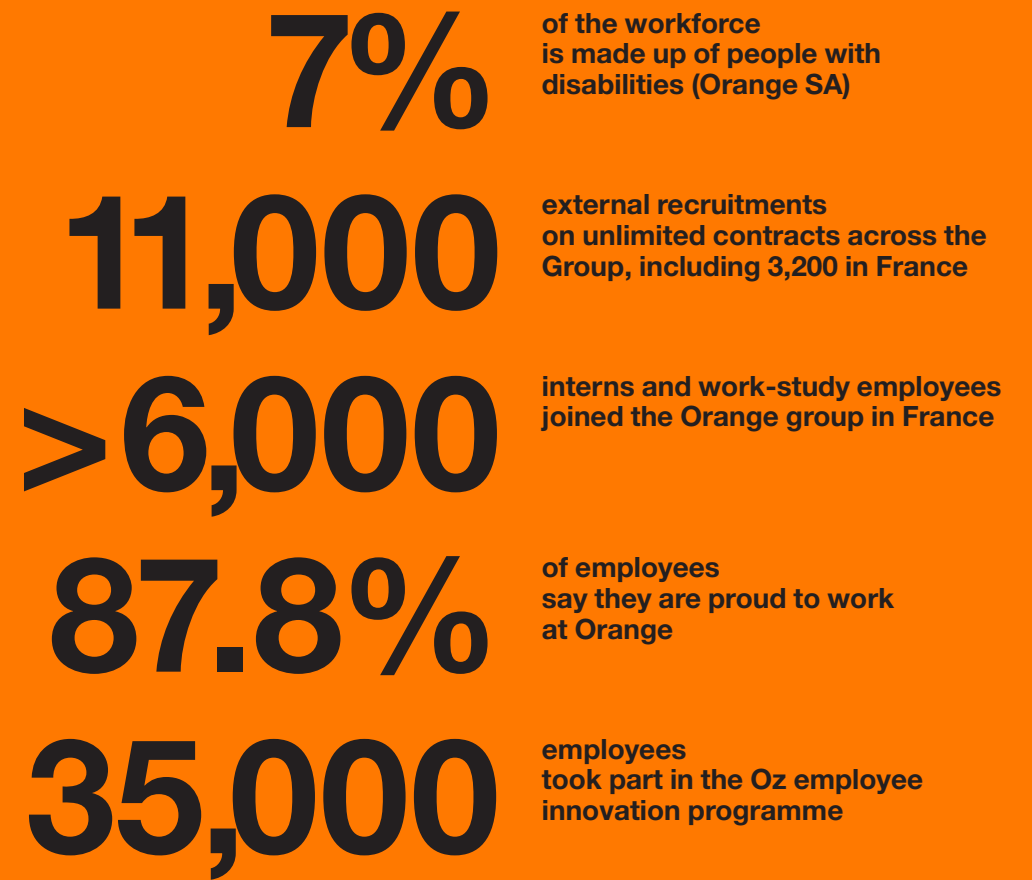


“The things you learn at school aren’t enough to take you through your whole career. Everyone – students, employees, entrepreneurs and self-employed people – has to keep learning and expanding their knowledge every day.”

—
Carolina Diaz-Lönborg
Business Developer, Kokoroe

“The way workplaces are set up is the tangible demonstration of the employer’s commitment. The office has become a stage for the employee experience, a place where they can engage and find fulfilment.”

—
Flore Pradère
Intelligence Manager and Business Development,
Offices for the Future JLL



Diversity and gender equality in the workplace

Orange has been committed to improving gender equality in the workplace for over ten years. Today, women account for 36% of the workforce. We are concentrating on equal pay, work-life balance, access for women to managerial positions and gender balance at all levels and in all areas of the business, particularly in more technical roles. The fifth Gender Equality and Work-Life Balance agreement for 2018-2020 was signed unanimously by trade unions in 2018. All the Group's operating countries are working to promote diversity and gender equality in the workplace. Five subsidiaries obtained the Gender Equality European and International Standard (GEEIS) in 2018, which brought the total number of entities certified to 17. Stakeholder dialogue for diversity and equality in the workplace was also deployed in nine countries in 2018 including Spain and Tunisia. Lastly, Poland launched Razem. One at the end of 2018. The initiative aims to raise awareness of the positive impact of gender equality on business.

Promoting disability inclusion

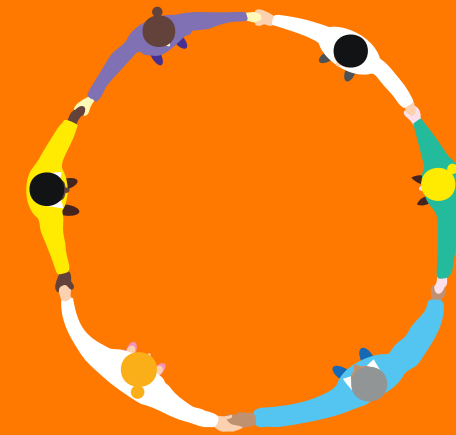
In December 2018, we signed a partnership agreement with the French national employment agency Pôle emploi to promote the employment of people with disabilities, who now account for 7% of the workforce. Orange SA is committed to pursuing its inclusion policy and recruiting 150 disabled workers between 2017 and 2019. This commitment, which is shared across the entire Group, was the motivation behind many Orange subsidiaries and sites taking part in the United Nations International Day of Persons with Disabilities.

Equal opportunities and professional integration

More than 800 employees at Orange are supporting young people from underprivileged backgrounds into the world of work. In France and Romania, the Capital Filles initiative is helping hundreds of girls from disadvantaged or rural areas find jobs. In France and Morocco, the Article Un initiative is providing young people from underprivileged backgrounds the opportunity to access high-growth industries. In France, we are also supporting the non-profit Energie Jeunes to tackle the problem of school dropout rates and have created the Nos Quartiers ont des Talents initiative to help qualified young people from disadvantaged areas into employment.

Recruiting tomorrow's talent

Orange is deploying an increasing number of innovative initiatives to recruit the talent that will ensure the Group's success for years to come. In May 2018, we presented our services and diverse range of career opportunities to the public, students, partners and local authorities in 11 towns in France at the Hello Jobs fair. In September 2018, we launched our first social media recruitment campaign, #LifeAtOrange, which encouraged our employees to share the reasons they believed applicants should join the Group. Lastly, Orange Middle East and Africa is promoting its diversity policy with a programme designed to attract and train employees and external candidates with high potential for management positions in the region. These initiatives are yielding results because, for the third year running, Orange topped the #HappyCandidates survey, which measures overall satisfaction with the recruitment process among more than 1,000 employees.



Bloomberg 2019 Gender Equality Index

Orange is ranked among the 230 top performers for gender equality in the workplace.

Transforming innovation into progress each day

Inclusive innovation

Orange takes a positive, human and responsible approach to technology. We believe the digital revolution brings a wealth of opportunity, as long as it is inclusive and benefits both society as a whole and the planet. That's the only way it will achieve progress for the entire population. All new products and services have to be designed to be useful, easy-to-use and accessible to all. People have to be the focal point of any development. We have to take future users into account right from the start and all the way through to the end stages of everything we do. Users should not have to adapt to technology; it's up to us to make it accessible.

IoT, AI, 5G – networks and data driving meaningful progress for people

Such innovation has fostered developments in many parts of the digital sector. We strive to make connectivity accessible in any place, at any time, in particular by rolling out 5G. We aim to optimise and enrich people's digital experiences through the Internet of Things (IoT), data and artificial intelligence (AI). To achieve this goal, we structure our efforts around three strategic areas of focus.

Maintaining standards of excellence in our core technology, our networks, to offer users the best possible connectivity, whether they are at home, on the move or at work. We are conducting tests and trials alongside our partners to prepare for the launch

of 5G in France and Europe. In 2019, we will move into a pre-commercial phase to gradually roll out the 5G network in 17 cities throughout Europe (particularly in France, Poland, Belgium, Luxembourg and Romania), and as a pilot project in Spain. This will allow thousands of customers to get a first taste of 5G technology.

Making customer relationships even more practical and streamlined, through AI development. Virtual assistants are powerful tools that enable us to build unmatched customer relationships. At the same time, we are applying breakthroughs in AI to redesign the business of the future, network management and mobile banking.

Putting together an offering that makes sense for our customers, with easy-to-use and effective communication services – such as those used in connected homes, smart cities and autonomous vehicles – and services to businesses that leverage IoT and Networks as a Service (NaaS).

Influential innovation

Orange has a role to play in the digital and technology race, in particular by taking part in global organisations such as the GSMA (the trade body that represents the interest of mobile operators), where we spearhead matters relating to interoperability and identity. The Group is also involved in deploying ambitious and fast-paced European innovation policies for ongoing digital development, which has led to a number of highly productive research collaborations. The smart speaker Djingo developed with Deutsche Telekom as part of the European AI Alliance is a great example of such collaboration.

Combining local agility and global strength

On a global scale, the strength of the Group gives its entities access to resources, skills and expertise for making informed decisions, especially when it comes to technological choices. Our international status enables our entities to access the partnerships established with global giants such as Google, Facebook and Amazon. Our approach to innovation meets the needs that are emerging locally within our operating countries and adapts to issues being raised in local markets and regional economies.

Show Hello
 Show Hello
 Show Hello
 Show Hello
 Show Hello
 Show Hello
 Show Hello

Inclusive innovation

Orange's answer to the risk of digital exclusion – to the high-tech gadgets that only a select few can afford – is inclusive innovation.

This inclusion is native to our innovation in every area: IoT, artificial intelligence and even networks.

Integrated research

Research at Orange into disruptive technologies, new usages and alternative economic models is shaping the future. Our researchers, working closely with our own innovators and innovation communities, are cultivating strategic assets in the form of skills, intellectual property, standards and partnerships. This was the framework for our integrated research in 2018. We were involved in over 50 projects in France and Europe, including the AI4EU initiative that unifies Europe's artificial intelligence community. We are also taking part in the European 5G Infrastructure public-private partnership, which in 2018 launched 5G-CroCo, a collaborative pan-European project to trial 5G technologies for connected and autonomous vehicles on motorways.

- **640 researchers including 140 at doctorate or post-doctorate level**
- **222 patents filed in 2018**
- **Identified as a Key Innovator by the European Commission's Innovation Radar**
- **Winner of two Gold Awards at the fourth annual Trophées du Droit (intellectual property)**

Accessibility to facilitate communication for all

One of our top priorities is to design ways for people to communicate, along with new interfaces that improve access to digital technologies. We are committed to enabling digital inclusion for elderly and disabled people and develop products and services for the common good. For example the Dot Watch, a connected watch designed for people with visual impairments, receives and displays messages and notifications from a great many applications through a braille interface.

Spaces and resources to innovate together

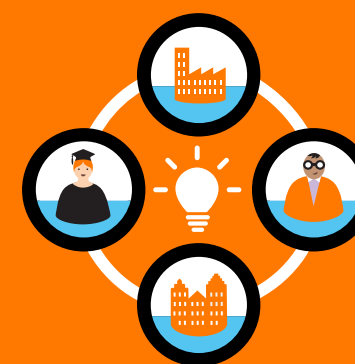
Orange believes that innovation is most effective when the people who will use it are involved in its development. In 2018, Orange Business Services opened a space in its new offices, the Digital Customer Innovation Centre, dedicated to collaborative development with customers, businesses, start-ups and partners. Orange technical engineers facilitate product and service development through the Orange Developer programme.

- **60 application programming interfaces (APIs)**
- **3,000 developers using our APIs each month**

Our start-up ecosystem

The Group aims to support 500 start-ups around the world between now and 2020 through programmes tailored to their stage of maturity, from the early days to scaling up through to maturity. We help them through a variety of programmes, such as the Orange Fab France start-up accelerator, hackathons and the Orange Social Entrepreneur Prize Africa and Middle East, which recognises start-up projects that help improve the living conditions of local people through digital. Our corporate fund, Orange Digital Ventures, invests in around 20 start-ups that have reached maturity. In 2018, the African branch, Orange Digital Ventures Africa, selected Africa's Talking and Yoco to make its first-ever investments. Within the Group, Orange offers its employees the possibility of expressing their entrepreneurial flair by creating spin-offs or within the Intrapreneurs Studio.

- **16 countries in which the Orange Fab network is present throughout the world**
- **First class of graduates from the Women Start programme run by Orange Fab France in 2018**
- **Over €430 million raised for start-ups backed by Orange Digital Ventures**



€700 million invested in research and innovation

At 31 December 2018, we held a portfolio of almost 7,000 patents in France and around the world.

Highlights

Business Three strategic acquisitions in data, cloud and healthcare technology

Orange Business Services has strengthened its expertise in data analytics and governance through the Business & Decision acquisition. Basefarm has solidified our strategic position in the cloud market with cutting-edge technologies to manage critical applications and data analysis, big data and multi-cloud services. While Enovacom has enhanced Orange Healthcare's range of solutions for IT system interoperability and security.

Mobile financial services All-mobile personal loans from Orange Bank

Orange Bank has expanded its product range with a pioneering personal loan solution. Customers can now apply for a loan using the mobile app and release the funds whenever they wish up to six months after their request is approved. This deal is a first on the market – and another example of the innovative, simple and helpful services we provide for everyone.

Content OCS turns 10!

Happy anniversary, OCS! Over the past decade, it has grown into a key player in France's audiovisual landscape, and almost 3 million customers now enjoy its four channels (OCS Max, OCS City, OCS Choc and OCS Géants). Such success is down to the care we take to provide subscribers with unmatched content through high profile partnerships with HBO and Netflix.



Orange Wholesale & International Networks is up and running

In 2018, this new division was created to develop our wholesale business in France and around the world, supporting growth in our BtoC and BtoB activities, and building network infrastructure with a view to cementing our strategic position among the world's leading operators.

Highlights

Africa Solar power from Orange Energy

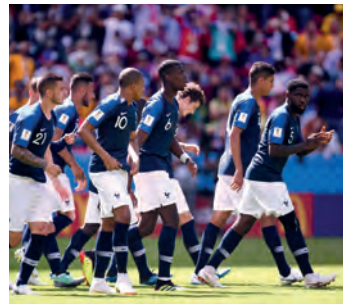
Access to energy is one of the essential needs we are looking to meet in Africa. By the end of 2018, Orange Energy kits for homes and businesses were available in seven countries (Burkina Faso, Côte d'Ivoire, Democratic Republic of the Congo, Guinea, Madagascar, Mali and Senegal). These portable systems are a sustainable source of energy that everyone can use. Orange Energy won the AfricaCom award for the most innovative service in November 2018.

Networks Orange is number one for fibre in Europe

We continued to roll out our fibre network at a very brisk pace in 2018. We now have more than 29 million FTTH-connectable homes in Europe, ranking us in first place for the third year running. Our business results have also hit a record high with almost 600,000 net sales in France, 623,000 in Spain and 152,000 in Poland.

Partnership Alongside the World Cup winners

In May 2018, Orange became a prime partner to the Fédération Française de Football for a four-year period. So we were alongside the French national team, every step of the way to ultimate victory, at 2018 FIFA World Cup Russia™. We are also National Supporter of FIFA Women's World Cup France 2019™, and partner of the Confederation of African Football since 2008 and until 2024.



Road safety

Orange is helping to keep its customers safe with advice on how to use their phone responsibly on the road. Our television and cinema campaign, *Vous Rapprocher de l'Essentiel* ("It's all about what matters to you") in France and seven other countries using the hashtag #LaBonneConduite (meaning driving safely) raised awareness of the dangers associated with using phones while driving, riding and walking.

2018 financial results

2018 was marked by accelerating growth in revenues and adjusted EBITDA, up for the third consecutive year. This progression, along with excellent commercial performance across all of our geographic regions, confirmed our strategic focus on fibre, 4G and convergence has been effective.

Revenues

Orange Group revenues totalled €41.4 billion in 2018, an increase of 1.3% compared with 2017. In Africa and the Middle East, revenues rose by 5.1%. Driven by convergence, revenues progressed in Spain by 2.2%, in Europe by 1.7% and in France by 0.9%. Revenues from bundled services, which were deployed across all European countries, grew 10% in 2018, consolidating our position as the leading operator for convergence in Europe. Revenues from IT and integration services accelerated sharply (up 7.2%), driven by cloud and cyberdefense revenues in the Enterprise market.

Adjusted EBITDA and CAPEX

In 2018, Orange recorded adjusted EBITDA of €13 billion, a 2.7% improvement on 2017 as a result of the Group's growing revenues and cost savings made under our operational efficiency plan. Between 2015 and 2018, the plan achieved gross savings of €3.5 billion. The Group's capital expenditure (CAPEX) increased by 3.5% in 2018 to €7.4 billion. Investment was channelled mainly into the deployment of fibre and mobile services.

Net income

In 2018, Orange's consolidated net income totalled €2.2 billion, €118 million more than the previous year.

This growth was due to a €51-million rise in operating income and a €353-million improvement in net finance costs, despite a €257-million rise in corporate income tax eroding part of this income.

Net financial debt

The Group's net financial debt equalled €25.4 billion at the end of 2018, which was €1.6 billion more than the previous year as a result of our strategy to invest in developing very high-speed broadband networks and transforming the services we offer to businesses. The ratio of net financial debt to adjusted EBITDA from telecoms activities was 1.93x. This is in line with our medium-term objective to maintain a ratio of around 2x.

Dividend

The Board of Directors confirmed the payment of a €0.70 per share dividend for the 2018 financial year.* The Board will propose the same amount for the 2019 financial year.

2019 Outlook

The implementation of IFRS 16, which is applicable from 2019, has prompted us to review our indicators. Adjusted EBITDA will become EBITDAaL ("after lease") and CAPEX will become eCAPEX (economic CAPEX). The application of the standard does not change the commitments communicated at the Investor Day in December 2017.

- 2019 EBITDAaL growth will be slightly slower than 2018 on a comparable basis due to competitive markets, particularly in France and Spain, and losses in online press services and audiobooks.
- 2019 eCAPEX will be down slightly on 2018 CAPEX on a comparable basis.
- Operating cash flow in 2019 will exceed that achieved in 2018 on a comparable basis.
- The target ratio of net debt** to EBITDAaL for telecoms activities will remain at around 2x in the medium term.

Percentage differences are expressed on a comparable basis
* Subject to the approval of the Annual Shareholders' Meeting
** Excluding IFRS 16 leases



Key Performance Indicators

Annual data

In millions of euros	2018	2017 comparable basis	2017 historical basis	Change comparable basis	Change historical basis
Revenues	41,381	40,837	40,859	1.3%	1.3%
Of which:					
France	18,211	18,048	18,046	0.9%	0.9%
Spain	5,349	5,232	5,231	2.2%	2.3%
Europe	5,687	5,593	5,578	1.7%	2.0%
Africa & Middle East	5,190	4,940	5,030	5.1%	3.2%
Enterprises	7,292	7,308	7,251	(0.2)%	0.6%
International Carriers & Shared Services	1,534	1,633	1,651	(6.1)%	(7.1)%
Intra-Group eliminations	(1,882)	(1,917)	(1,928)	-	-
Adjusted EBITDA*	13,005	12,660	12,680	2.7%	2.6%
Of which telecom activities	13,151	12,721	12,741	3.4%	3.2%
As % of revenues	31.8%	31.2%	31.2%	0.6 pts	0.6 pts
France	7,076	6,879	6,878	2.9%	2.9%
Spain	1,700	1,568	1,567	8.4%	8.5%
Europe	1,508	1,460	1,456	3.3%	3.6%
Africa & Middle East	1,667	1,585	1,612	5.2%	3.4%
Enterprises	1,245	1,306	1,306	(4.7)%	(4.6)%
International Carriers & Shared Services	(45)	(77)	(78)	39.7%	40.6%
Of which Orange Bank	(147)	(62)	(62)	(136.3)%	(136.3)%
Operating income	4,829	4,778	4,778	1.1%	1.1%
Of which telecom activities	4,997	4,870	4,870	2.6%	2.6%
Of which Orange Bank	(169)	(93)	(93)	(80.9)%	(80.9)%
Consolidated net income	2,158	2,040	2,040	5.8%	5.8%
Net income attributable to equity owners of the Group	1,954	1,843	1,843	6.0%	6.0%
CAPEX (excluding licences)	7,442	7,191	7,209	3.5%	3.2%
Of which telecom activities	7,406	7,131	7,148	3.9%	3.6%
As % of revenues	17.9%	17.5%	17.5%	0.4 pts	0.4 pts
Of which Orange Bank	36	60	61	(40.4)%	(40.4)%
Operating cash flow	5,563	5,469	5,471	1.7%	1.7%

31 December 2018

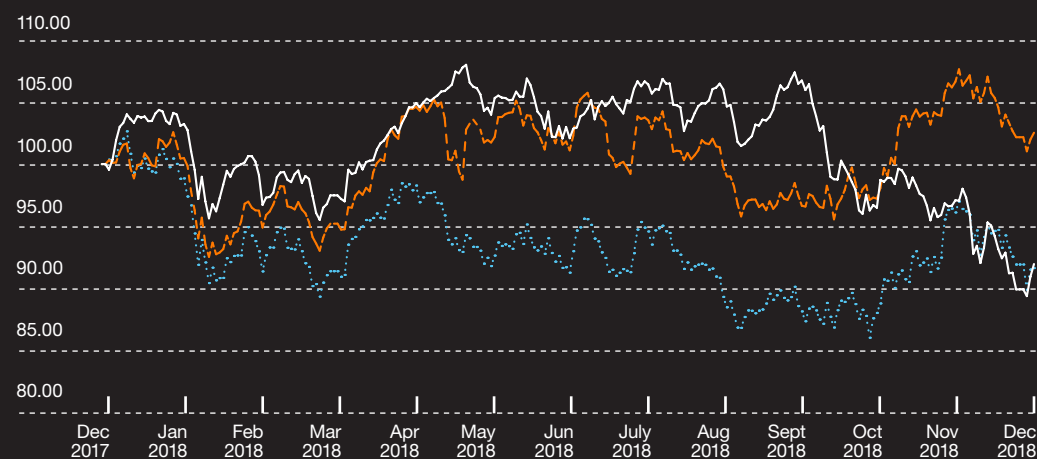
31 December 2017

Net financial debt	25,441	23,843
Ratio "net financial debt/Adjusted EBITDA for telecom activities"	1.93x	1.87x

Consolidated revenues

France	42.6%
Spain	12.8%
Europe	13.5%
Africa & Middle East	12%
Enterprises	16.7%
International Carriers & Shared Services	2.4%

Share performance in 2018 Total shareholder return*



Share price at 31/12/2018 - €14.16

— France CAC 40
- - Orange
... Stoxx Europe 600 Telecom

*Base 100: 1 January 2018 (dividends reinvested)

2018 non-financial results

Non-financial criteria are vital to long-term performance. That's why Orange places corporate social responsibility at the heart of its strategy and takes into account the impacts of its operations on employees, society and the environment. Orange also ensures that human rights are protected not only internally, but also externally by customers and suppliers.

Human rights

Orange was one of the first companies to sign the United Nations Global Compact in 2000 and it actively strives to promote human rights and labour standards, protect the environment and fight corruption. We have made strong commitments with our trade unions to protect the fundamental rights of employees in all our operating countries. As we are well aware, we have a responsibility to ensure everyone within our sphere of influence – suppliers and service providers in particular – complies with our high standards, and as such we were a founding member of the Joint Audit Cooperation (JAC) initiative. The initiative brings together 16 telecoms operators to monitor, assess and develop CSR implementation throughout the telecoms supply chain. Lastly, to address growing concerns over freedom of expression and internet privacy, we are part of the Global Network Initiative, which aims to protect online privacy in a context of growing surveillance.

Employees

In 2018, we hired 11,152 people on unlimited contracts, 12% more than the previous year. At year-end, the Group had 150,711 active employees, with 147,123 on unlimited contracts and 3,588 on temporary contracts. With 4,887 people on work-study contracts in France in 2018, we are also supporting the professional integration of young people. Our diversity policy is in line with our digital and caring employer promise. Gender equality, disability inclusion and equal opportunities are priorities across all our entities.

Society

Digital technologies are a strong driver of social and regional development. At Orange, we are expanding our network coverage, but also working to overcome the digital divide often created by age, vulnerability and disability. We also support entrepreneurs in all our operating countries and subsidiaries, particularly through our Orange Fab network that comprises 16 start-up accelerators across four continents. Lastly, our connectivity solutions enable us to deliver essential services in finance, energy access, agriculture, health and online education.

The environment

We are reducing the environmental impact of our products and services across their entire life cycle by integrating the circular economy in all our processes and operations. By 2020, we aim to collect 30% of unwanted mobiles from customers in Europe. In 2018, we reached 15.4%, which took the total number of mobiles collected since 2010 to 13 million. We are also working to minimise the impact of our networks and IT systems that represent 82.1% of our energy use and 80.2% of CO₂ emissions. The Green ITN 2020 programme, which has been deployed across most of our operating countries, has slowed the growth of our energy consumption (Scope 1 and 2) to 0.45% compared with 2017 levels, despite a continuing rise in usages (4% in the most representative countries).

29.8%

of women
in management networks
(executive and leadership)

120

Chief Compliance Officers
and Compliance Officers
and 70 Ethics Advisors
and Coordinators

≈ 500

start-ups
supported by Orange
programmes

83.3%

Group waste recovery rate in 2018,
up 1.2 points on 2017

116

CSR audits
carried out in 2018 under
the Joint Audit Cooperation

Environmental performance

Environmental performance (energy)	Units	2018			2017	2016
		France ⁽¹⁾	Rest of the world	Group Values	Group Values	Group Values
Facilities presenting a risk						
Fuel tank units	units	1,886	2,369	4,255	4,228	5,150
Energy consumption – Scope 1						
Fuel oil (all buildings and all uses)	m ³	14,867	52,064	66,931	72,163	68,219
Gas	m ³	16,312,785	3,682,356	19,995,141	17,884,871	20,237,227
Coal	tonnes	NA	56	56	71	52
Gasoline-LPG for company cars	litres	2,117,244	3,880,188	5,997,432	3,408,576	3,963,869
Diesel for company vehicles	litres	19,336,065	10,706,507	30,042,572	31,845,400	32,569,408
Total Energy Scope 1	GWh	556	784	*1,340	1,373	1,365
CO ₂ emissions from fuel oil, gas and coal	tonnes CO ₂	72,545	146,776	219,321	229,349	223,045
CO ₂ emissions from vehicles	tonnes CO ₂	58,213	38,678	96,891	95,687	99,000
Scope 1 CO ₂ emissions (energy only)	tonnes CO ₂	130,758	185,454	316,212	325,036	322,045
CO ₂ emissions from greenhouse gases (refrigerants)	tonnes CO ₂ e	0	17,478	17,478	6,723	5,516
CO ₂ not emitted due to carbon mitigation	tonnes CO ₂ e	0	(2,229)	(2,229)	(2,154)	(2,185)
Scope 1 CO₂ emissions	tonnes CO₂	130,758	200,703	*331,461	329,606	325,376
Energy consumption – Scope 2						
Electricity	GWh	2,190	2,168	*4,357	4,299	4,523
Of which green energy	GWh	0	526	526	493	451
Scope 2 CO ₂ emissions	tonnes CO ₂	100,732	942,411	*1,043,144	1,001,900	1,094,090
Total CO₂ emissions (Scope 1 + Scope 2)	tonnes CO₂	231,491	1,143,114	1,374,605	1,331,506	1,419,466
Energy consumption – Scope 3						
Distance travelled by plane	km	155,693,541	90,870,556	246,564,097	250,765,793	253,654,993
Distance travelled by train	km	78,416,014	12,617,816	91,033,830	94,097,363	106,460,338
Scope 3 CO ₂ emissions	tonnes CO ₂	28,770	17,401	*46,170	47,041	47,517
Total CO₂ emissions (Scope 1 + 2 + 3)	tonnes CO₂	260,261	1,160,515	*1,420,775	1,378,547	1,466,983

NA: non applicable.

As the values have been rounded to the nearest million, Group data may not represent the sum exact of the data published for France and the Rest of the World.

(1) Data for France includes Orange France, head office, Orange Marine and entities of Orange Business Services operating in France.

* Data reviewed by KPMG: reasonable assurance.

Employee distribution

Employees by business line

	2018	2017	2016
Customers	49.7%	49.3%	48.9%
Innovation	2.4%	2.4%	2.3%
Support departments	13.3%	13.6%	13.1%
Content & multimedia	0.3%	0.4%	0.4%
IT systems	9.7%	9.4%	9.1%
Networks	22.5%	23.4%	23.9%
Others	2.1%	1.5%	2.3%

Employees by geographical area

	2018	2017	2016
France	60.9%	62.1%	62.9%
Spain	3.8%	3.6%	3.4%
Poland	9.0%	9.9%	10.3%
Other European countries	8.3%	7.3%	6.8%
Africa	11.6%	11.2%	10.7%
Asia-Pacific	4.0%	3.7%	3.5%
Americas	2.4%	2.2%	2.4%

Gender equality in the workplace

	2018	2017	2016
% of women in the active workforce	36.1%	36.1%	36.1%
% of women in managerial positions	30.6%	29.9%	29.4%
% of women in management networks	29.8%	28.5%	27.3%

Performance in 2018

France

Orange France generated revenues of €18.2 billion in 2018 (up 0.9%*), posting growth for the second year running. This performance, which represented 42.6% of the Group's consolidated revenues, was driven by the success of our convergence services, which grew by 10.2%.* The convergence customer base in France also rose to 6.1 million, up 2.6% on the previous year.

The Group is leading the high-speed and very high-speed fixed and mobile broadband markets. Orange was the first operator to have invested massively in fibre, and it continues to accelerate the roll-out of very high-speed broadband. At the end of 2018, we had 2.6 million FTTH customers (up 29.7% year on year), with growth concentrated mainly in rural areas and public initiative networks. In 2018, we signed six new agreements with local authorities to operate fibre optic networks.

While subscriber numbers continued to rise, downward price pressure accentuated competition in the mobile market. This resulted in a 2.6%* drop in revenues despite a rise in net sales for both the Orange and Sosh brands. We continued to roll out 4G in 2018, achieving network coverage of 98.6% (2.7 points higher than the previous year). For the eighth year running, the French telecoms regulator ARCEP ranked our 4G network as the best in France. It is the scale of this network investment that sets us apart from our competitors, totalling €9 billion between 2015 and 2018.

Despite persistently aggressive pricing, adjusted

EBITDA in France grew for the fourth year running to reach €7 billion (up 2.9%*).

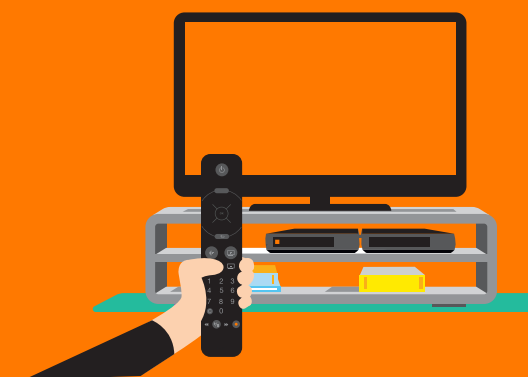
In October 2018, Orange launched a new HD TV set-top box that delivers high definition content. The box is ultra-compact, and its recycled plastic case, sustainable cardboard packaging and small size illustrate our approach to eco-design, optimising material use and transport. It is also designed to be easy to refurbish and recycle, thereby halving its carbon footprint.

Europe

Orange operates in seven European countries outside France generating total revenues of over €11 billion. We have almost 50 million mobile customers in the region (up 1.7% year on year), and 7.4 million fixed broadband customers (up 4.4% year on year). Underpinning this strong performance are the ongoing rollout of very high-speed mobile and fixed broadband, the introduction of new offers and our convergence strategy. Orange's convergence customer base now stands at 4.8 million, 9.6% higher than in 2017.

Revenues in Spain, where we have operated for 20 years, grew by 2.2%* to €5.3 billion. Our multi-brand strategy, coupled with a strong focus on convergence packages and the rollout of cutting-edge networks continued to yield excellent results.

*Change on a comparable basis



A new eco-design set-top box

In France, Orange has launched a new TV HD set-top box that delivers high-definition content. The ultra-compact box is designed to be easy to repair and recycle, thereby halving its carbon footprint.

The number of very high-speed broadband customers grew by 27.6% to nearly 2.9 million, driven by national and international football-themed TV packages and excellent net sales in fibre. The Orange FTTH (Fibre to the Home) customer base was the fastest growing on the market. We launched Orange Series, which holds exclusive broadcast rights to a range of series, some in 4K. We also signed new agreements to further enhance our offers in content, for example with the FlixOlé platform. Adjusted EBITDA rose substantially by 8.4%* to reach €1.7 billion.

In Poland, where Orange celebrated 20 years of service, 1.2 million customers had signed up to the Love mobile, TV and internet package, up around 20% on 2017. We continued rolling out our FTTH network, with nearly 3.4 million homes now fibre-ready. Revenues were back on the rise in the last two quarters of 2018 based largely on mobile services, equipment sales and electricity sales through Orange Energia.

In Belgium, we enriched our convergence package with TV content via the Orange TV app. With Love internet and TV, the Group is now the first operator in Belgium to offer a cable package to customers across the country. In Luxembourg, Love now includes a 1Gbit/s high-speed fibre package and an LTE fixed Home Box package.

In Central Europe, Orange Romania won several awards in 2018 for network quality and has extended 4G coverage to 96.9% of the country, 3.6 points higher than the previous year. We are

also leading the field in innovation, ground testing the first 5G network in Europe in Cluj and launching Alex, the only chatbot on the Romanian market. In Slovakia, we concentrated on expanding high-speed broadband coverage, particularly via the FTTH network with 467,000 fibre-ready homes, while continuing to develop our 4G network. In Moldova, the Group focused on developing fixed services and convergence packages and confirmed its leadership in the mobile market.

Africa and the Middle East

Orange operates in 17 countries in Africa and the Middle East, 19 including joint ventures. The Group is present on mobile markets, except in Senegal, Côte d'Ivoire, Jordan and Morocco where it also delivers fixed broadband and landline telephone services to nearly 123 million customers. One in every ten people in Africa is an Orange customer. With revenues of €5.2 billion in 2018, up 5.1% on a comparable basis, Orange consolidated a return to growth for the second year running. Driving this performance were robust sales in mobile services, particularly Orange Money and data, which rose by 7.6% in 2018 and accounted for 73% of revenues. Growth in the region was largely boosted by the development of data usage, made possible by the rollout of 4G in 12 countries in the region, connecting 16.7 million customers, and the deployment of fibre networks in six countries.

*Change on a comparable basis

Orange 2018 Integrated Annual Report

€11 billion of revenues in Europe (excluding France)

4.8 million retail convergence customers in Europe (excluding France)

122.6 million mobile customers in Africa and the Middle East, including 16.7 million 4G customers

2 billion transactions completed via Orange Money

1 person in 10 in Africa is an Orange customer

Orange invests €1 billion each year in networks in Africa and the Middle East. Orange Money, the mobile financial service that was launched in 2008, contributed significantly to the Group's performance. The service is available in 15 countries in Africa and has 15.1 million active customers, up 35% and generating almost 2 billion transactions in 2018. New initiatives in the region accounted for a third of this growth. Revenues in Egypt and Morocco grew in 2018 by 8.7% and 4.1%, respectively. Côte d'Ivoire also returned to growth, with revenues up 1.8% in the fourth quarter.

Our ambition is to be a multi-service operator and key partner in our operating countries as businesses in Africa and the Middle East enter the digital age. Already established among the region's leading telecoms operators, Orange aims to meet the population's essential needs in financial services, education, agriculture, health and energy.

Enterprises

Year-on-year growth remained relatively flat for Enterprises, which recorded revenues of €7.3 billion in 2018 (down 0.2%), with a 1.2%* increase on 2017 figures in the fourth quarter. Conventional telephony and data services dropped 2.4%,* as did annual revenues from mobile services (2.3%),* however performance bounced back in the fourth quarter of 2018, with a 2.5% improvement on the same period in the previous year.

Revenues from IT and integration services were up by 4.8%,* spurred on by strong growth drivers like

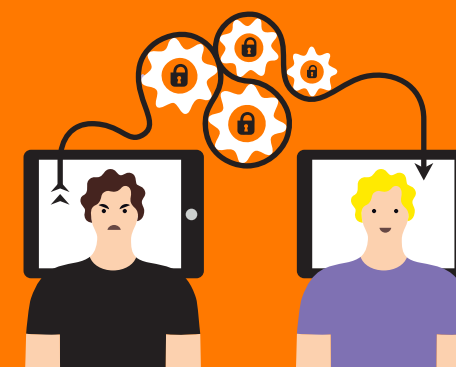
cyberdefense and the cloud, which rose by 12% and 10%, respectively. In 2018, Orange confirmed its leadership position in SD-WAN networks when it signed a major agreement with Siemens. Nova Veolia and its subsidiary Birdz also chose to place their trust in Orange Business Services to support their move to digitise Veolia's remote smart watermeter reading services in France. We also signed a contract with Enedis to manage and improve the security of their wide area network.

Furthermore, we continued to pursue our strategy to diversify into new services when in early 2019 we acquired the UK-based company SecureData in an effort to become one of Europe's leading cybersecurity providers.

International Carriers & Shared Services

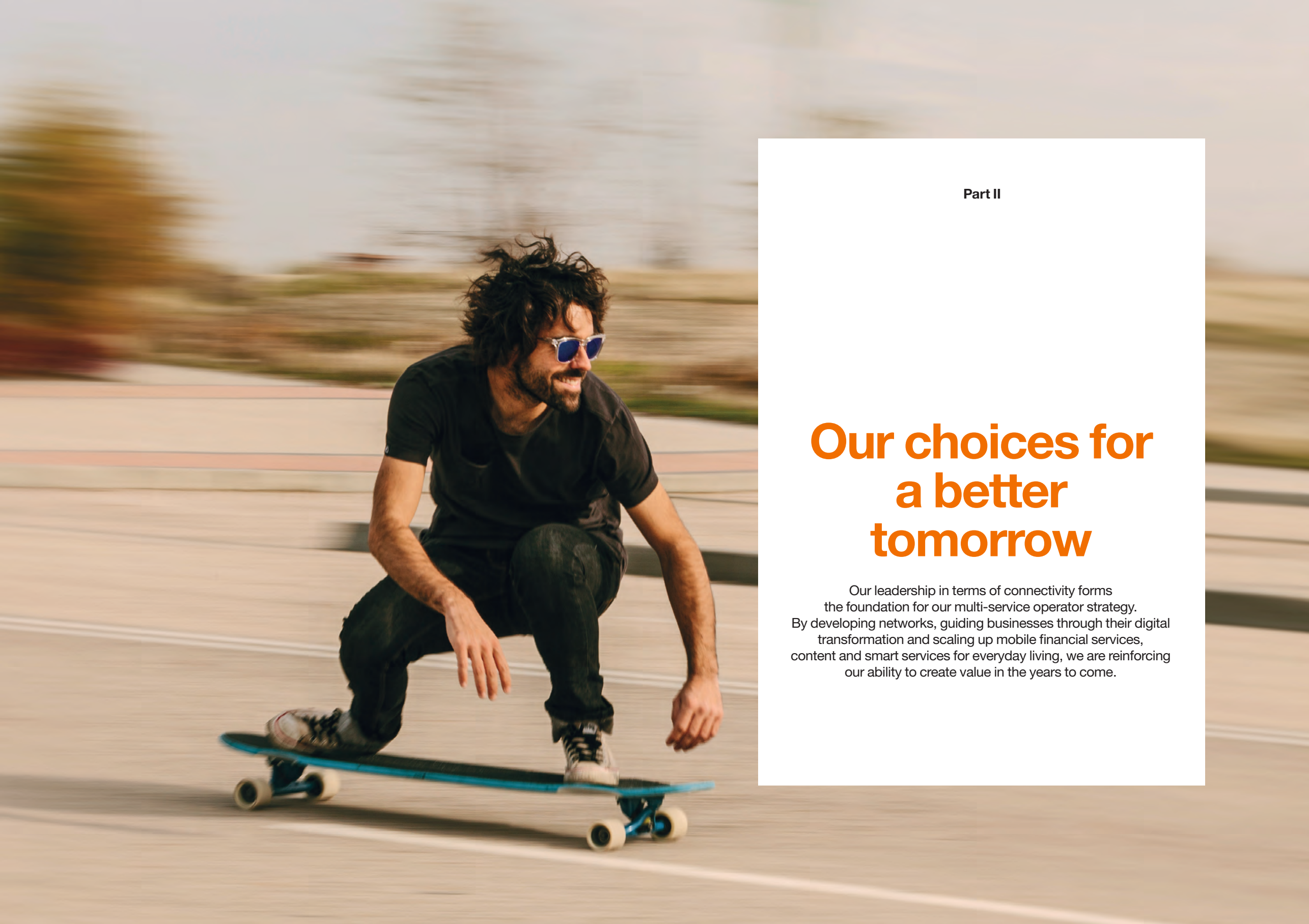
International Carriers & Shared Services generated revenues of €1.5 billion in 2018. The 6.1%* drop (down 2.7%* in the fourth quarter) reflected the slowdown in international carrier voice services to Africa and Maghreb. CAPEX rose by 11.9% due, in part, to increasing investment in submarine cables, including the Kanawa cable that connects French Guiana, Martinique and Guadeloupe. In broadband and data transmission services, Orange has deployed new points of presence (PoPs), particularly in Romania, to expand broadband coverage and enhance connection speed and security.

*Change on a comparable basis



Cybersecurity: Orange invests in Morphisec

Orange Digital Ventures is investing in the start-up Morphisec in order to promote the development of proactive and simple solutions to emerging digital threats. The Morphisec solution will be rolled out in certain Orange operating countries to protect network security.



Part II

Our choices for a better tomorrow

Our leadership in terms of connectivity forms the foundation for our multi-service operator strategy. By developing networks, guiding businesses through their digital transformation and scaling up mobile financial services, content and smart services for everyday living, we are reinforcing our ability to create value in the years to come.

Working to develop digital inclusion and responsible uses

In a world where new technologies are becoming more prevalent each day, limited internet access and e-illiteracy create a form of exclusion. As the range of uses increases, additional support is required to avoid people falling victim to excessive use and addiction. At Orange, we're doing our bit to improve accessibility and make it safer to use digital technologies.

Empowering people through inclusion

Digital technologies can contribute significantly to individual and collective transformation, provided they are accessible and controlled. Orange has developed a number of initiatives to widen access, empower people through acquiring useful skills and promote a safe and worry-free digital experience in our operating countries. We offer a broad range of digital applications that benefit all individuals in their daily lives. It was these deep-rooted beliefs that drove us to launch Orange Money inclusive financial services in Africa ten years ago. Today, millions of people excluded from the banking system are able to make transactions using their mobile phones.

Stakeholder dialogue and collaborative exchange for more effective action

As part of our stakeholder dialogue, we launched a consultation in France in 2018 on Vulnerability and Digital Technologies (Précarité et numérique). We measured expectations and put in place concrete actions such as developing an offering for the most vulnerable people. Inclusion is also one of the 13 topics covered by the cross-sector Digital Society Forum, created by the Group to bring together experts, businesses, charities and individuals to explore the impact of digital technology on society.

Universal connectivity

To ensure that everyone can enjoy the benefits of digital technology, Orange continues to develop regional coverage and connect up the most isolated areas. One example is the Public Initiative Networks scheme to bring broadband to rural areas in France. We are also extending and improving the quality of our global internet network by investing in 450,000 kilometres of submarine cable. Through inclusive design, we are developing products and services that are as intuitive and accessible as possible to meet the needs of the elderly and people with disabilities. Our Autonomy programme, which is unique in Europe, and run through 259 Autonomy-certified stores in France, brings accessibility into the 21st century by developing dedicated services, training advisors and adapting the distribution network.

In 2018, Orange Spain launched Serena, an emergency remote assistance service for the elderly that can be accessed through an app or via a button on the handset. Orange Polska runs tech workshops and helps elderly customers master digital technologies throughout the year. Lastly, we have signed the French digital inclusion charter and channelled funds into a number of programmes including a government initiative to improve access to training for the digitally excluded.

Orange 2018 Integrated Annual Report



One in two people have no access to the internet

We are expanding our network coverage, supporting education and training initiatives and developing digital services to address essential universal needs in all our operating countries.

Offering essential services adapted to the needs of users

Digital technologies are being used as the basis for a growing number of initiatives in areas such as health or agriculture. Orange Egypt launched the M-Diabetes mobile app in 2014 in collaboration with the health and telecommunications ministries and the International Telecommunication Union to help combat diabetes and high blood pressure. In April 2018, a web and mobile-based platform called M-Makity was made available in Guinea to enable farmers to access advice, monitor prices and buy and sell products among themselves. The m-Women programme offers mobile services to empower women, addressing their essential needs in agriculture, health, education and personal finance.

Using digital technology in education, training and professional integration

Five years ago, the Orange Foundation launched its Digital Schools programme in 12 countries in Africa. More than 130,000 children can now access core educational content using tablets. #SuperCoder workshops that initiate young people to coding have been deployed in 20 countries with the support of Orange employees who have coached more than 10,000 young people since 2014. Through the Grande école numérique africaine programme launched this year, we are going further to promote the development of digital skills in Africa. Two initiatives have been rolled out so far — the Sonatel Academy, the first free coding school in Senegal for 18- to 30-year olds and the Orange Developer Centre in Tunisia, which is also free and teaches young

people software development. We are also helping children with autism to communicate better by designing tablet-based learning tools. And lastly, the Orange Foundation uses digital technology to empower unqualified young people and women looking to break out of long-term unemployment to access work.

- **532 schools in Africa have received interactive educational kits since 2014**

Promoting digital solidarity

Employees can sponsor people, volunteer or share their skills. In 2018, three programmes — Digital Centres for vulnerable women, Solidarity FabLabs and Local Missions for young people in difficulty — trained nearly 60,000 people across the world.

- **700 skills-based volunteering missions in 2018**

Supporting safe and worry-free digital usage

The misuse of digital technologies can result in abusive practices and negative consequences, particularly for teenagers. Orange offers technical solutions such as parental control and special children's tariffs, and provides information for both young people and their parents. Orange France has created the website *Bien vivre le digital* (making digital technology work for you), which presents advice and best practice for digital technology. Orange Spain set up a similar initiative in 2018 called FamilyON, which promotes the safe and responsible use of technology, encourages parents and children to talk to each other and helps families develop digital skills.

Orange 2018 Integrated Annual Report



8,000 employees voluntarily support the Orange Foundation

8,000 employees, working with the Orange Foundation, take part in training, mentoring and promoting inclusion of young people and the most vulnerable across 30 countries.

Investing and innovating in networks

Orange wants to offer the most advanced connectivity to its customers anytime, anywhere. We are now the leading operator in seven of our eight European operating countries, a position we're aiming to maintain with our 5G network. We are also looking to offer smooth and enriched digital experiences via network virtualisation, the Internet of Things, artificial intelligence and data.

Leading the European market in 5G

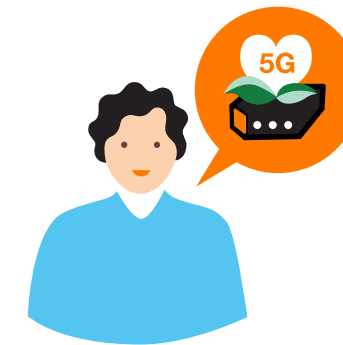
5G will make new video formats (4K, 8K and 360°) more accessible and promote new experiences using virtual, augmented and mixed reality, for instance. It will enable new everyday applications across all sectors of the economy and smart cities. It also offers an alternative way for people to access very high-speed internet in countries where fibre infrastructure is not widespread. Throughout Europe, Orange trialled a number of real-life usage scenarios to demonstrate the way in which this technology will completely revolutionise the customer experience. In 2018, we conducted an initial field test alongside Samsung and Cisco for very high-speed internet in the home via 5G to complement existing fibre in Romania.

In partnership with Ericsson and the vehicle testing group UTAC CERAM, we also trialled 5G in smart and autonomous vehicles. At the same time, Orange opened its 5G Lab to its partners so they could test their products and services. In addition, Orange Polska and Orange France successfully trialled the first commercial 5G base station to verify equipment capacity and integration into the network. 5G will be gradually rolled out across existing 4G radio sites so that it will eventually be operational in 17 cities around Europe in 2019, including in France, Spain, Poland, Belgium, Luxembourg and Romania. This will allow thousands of customers to get a first taste of 5G technology in 2019, before it is commercially available from 2020 onwards when smartphones are compatible.

Network virtualisation and automation

We are looking to make our networks virtual in order to satisfy the growing demand from our business customers for flexibility and responsiveness in the face of changing uses. These changes to the infrastructure will, among other things, improve agility and the speed of implementation and adaptation. The technology separates the hardware from the software, transforming network functions into software, which makes it possible to automate, program, and control the network in a centralised and remote way. We are therefore deploying infrastructure with standardised servers that host network functionalities as software. We have already started to virtualise networks in our operating countries and will continue to do so over the coming years, in particular with cutting-edge 5G services. Orange Business Services supports many of its business customers through the process, such as Siemens AG, which adopted an SD-WAN network in 2018 to bolster the quality of its communication activities across its 1,500 sites spread over 94 countries. At the same time, we are working to automate the design and operation of our networks by using probes, robots and AI algorithms to improve the quality of how we monitor and manage the customer experience. Such features are described as a Self-Organising Network (SON) and are deployed in state-of-the-art mobile networks.

Orange 2018 Integrated Annual Report



Data throughput 10 times greater with 5G than with 4G

5G will bring about the speed and data capacity necessary to further develop and extend ground-breaking commercial applications, services and opportunities such as virtual reality, augmented reality and autonomous vehicles.

“Used in conjunction with other technology, the Internet of Things helps to improve the quality of life of patients suffering with chronic illnesses. We used artificial intelligence and IoT to create a connected wristband that detects and predicts epileptic fits and sends alerts to friends, family, doctors and paramedics in real time.”

—
Firas Rhaïem
Founder and CEO, Epilert (Tunisia)



“The single most important factor hampering a region’s prospects is digital isolation. The Kanawa submarine cable has brought us very high-speed broadband, which goes one step towards providing citizens with better connectivity.”

—
Antoine Karam
French Guiana senator

“We are keen to continue offering a greater quality of service and customer experience by developing new applications, in particular 5G connectivity and improving our IoT solutions to support the growth of businesses.”

—
Olga Surugiu
International Operations Director, Orange Moldova



17

million devices and appliances
are connected to our networks

300

business customers
use our LoRa® network

6

agreements
for Public Initiative Networks

17

cities in Europe
will be equipped with 5G in 2019
in France, Spain, Poland, Belgium,
Luxembourg and Romania

2020

when 5G
will begin commercial
deployment

Setting the bar in Europe for the Internet of Things

The Internet of Things is a major focus in the Group's diversification strategy. We aim to establish a solid presence across the entire value chain of connected devices and appliances, including connectivity solutions, distribution, value added services and data management. We support our individual and business customers by deploying networks that meet the needs of connected devices. Built using LoRaWAN™ and LTE-M (Long-Term Evolution for Machines) technology, they help in particular to minimise the amount of energy used by connected devices and appliances by improving network access from inside buildings. LoRaWAN™ technology covers 95% of the population in mainland France, five cities in Slovakia and several areas of Romania. Orange is also pursuing its strategy to develop LTE-M in Europe; after its initial launch in France, Romania and Belgium, it will be available in Spain in 2019. These developments in our 4G network make it easier to transfer enriched data to mobile devices inside buildings and at underground locations. We also sell connected devices in our bricks and mortar and online points of sale, and offer people in Europe services in the connected home, healthcare and well-being. Lastly, Orange Business Services supports its business customers through their changing ways of working to boost efficiency and innovation by offering end-to-end IoT solutions adapted to their field. In 2018, Orange Business Services launched "Smart Tracking", a range of solutions to locate and track goods and equipment, both inside and outside buildings.

Extending our footprint to boost inclusion

In France, Orange is committed to increasing very high-speed network coverage in all regions in order to reduce digital exclusion and inequalities. This is how we help improve inclusion in sparsely populated areas through Public Initiative Networks (PINs) – projects run by local authorities to put a communication network in place, most often using fibre optics. Orange is proactively pursuing an ambitious investment strategy, sometimes drawing on its own equity, which is proving successful. In 2018, five new fibre optic operating agreements were signed with local authorities in France (Bourgogne-Franche-Comté, Gironde, Vienne-Deux-Sèvres, Orne and Var). We were also selected following a tender process in Guadeloupe, the only PIN project with submarine cable. At end-2018, our PINs had installed 345,000 connectable sockets – 100,000 more than the previous year. In terms of mobile networks, since the Orange Connected Territories programme was launched in 2016, nearly 10 million people living in rural and sparsely populated areas have gained access to Orange 4G. Furthermore, as agreed in the New Deal signed with the French State in January 2018, we are working alongside other operators to deploy a further 5,000 4G sites in rural areas and 500 sites to improve 4G services. In line with this vision to reducing the digital divide, the Kanawa submarine cable connected in 2018 makes it possible to anticipate increased traffic and diversify connection points in order to ensure a better quality of service in the French overseas territories of French Guiana, Martinique and Guadeloupe.

Orange 2018 Integrated Annual Report



450 million pieces of data processed

Orange plays a key role in developing the Internet of Things in Europe, processing 450 million pieces of data every minute.

Guiding businesses through their own digital transformation

We believe innovation is essential to grow a business. We position our customers at the heart of everything we do and work with them to develop a more secure and connected digital landscape. Drawing on our dual focus as both a network operator and digital services integrator, we bring together the range of expertise necessary to support them throughout their data “journey”.

Orange strongly believes that businesses will draw greater value from the way they use innovations in data, artificial intelligence and soon 5G, as well as their ability to apply such progress to their business models, than from the technology itself.

Developing new services with IoT

The Internet of Things (IoT) has made it possible to collect data and monitor business activity more easily than ever before, which in turn has led to the creation of new, more flexible and more responsive services. Birdz, a subsidiary of Veolia, has chosen Orange's LoRa® network to connect a total of more than 3 million smart water meters throughout France to improve services and help its customers bring down the cost of their utility bills. The goal is to connect over 70% of meters to enable remote reading by 2027. In 2018, Orange Business Services launched Datavenue Market, Europe's first IoT marketplace selling IoT components and connectivity with the LoRa® network.

- **120,000 connected vehicles enabled by Orange**

Transporting data via smart virtual networks

Orange Business Services pioneers Software-Defined Wide Area Network (SD-WAN) solutions through the cloud using specific software to centrally operate them.

This lets our customers orchestrate their own networks from end to end, connect to the cloud, adjust their bandwidth, download and activate virtual network features (such as security, BGP and acceleration) in real time through a dynamic gateway. That's what Siemens did when they asked us to transform their network infrastructure. This helps to facilitate their migration to the cloud and roll out an IoT setup connected to their industrial equipment.

- **220 countries and regions covered by Orange's IP VPN network**

Helping businesses migrate to the cloud

An increasing number of companies are using a multi-cloud environment (public, private and hybrid) to store data and applications. We aim to become one of the world's leading suppliers of multi-cloud services and generate over 50% of our revenues from the cloud outside France by 2022. This is why we've set up strategic partnerships with other key providers in the industry, including VMware and Microsoft Azure. The acquisition of Basefarm in August 2018 strengthened our strategic position by enriching our expertise in state-of-the-art technology for data management, critical application management, big data and multi-cloud services.

- **No.1 supplier of cloud services in France**
- **2,200 cloud experts**

Orange 2018 Integrated Annual Report



Five keys for the future transformation of companies

The future of networks
The future of work
Artificial intelligence data analysis
Cyberdefense
Sector-specific innovation

“We chose Orange Business Services because we see it as a prime partner with the ability to deliver seamless worldwide SD-WAN coverage with the highest degree of security standards. We also focus on providing quality of service, local support and an attractive price-performance ratio.”

—
 Frederik Janssen
 Head of Siemens IT Infrastructure Portfolio
 and Strategy



“The savings from Orange Business Services’ IoT solution will have a significant impact on our bottom line, as around half of a vessel’s operating costs are related to fuel.”

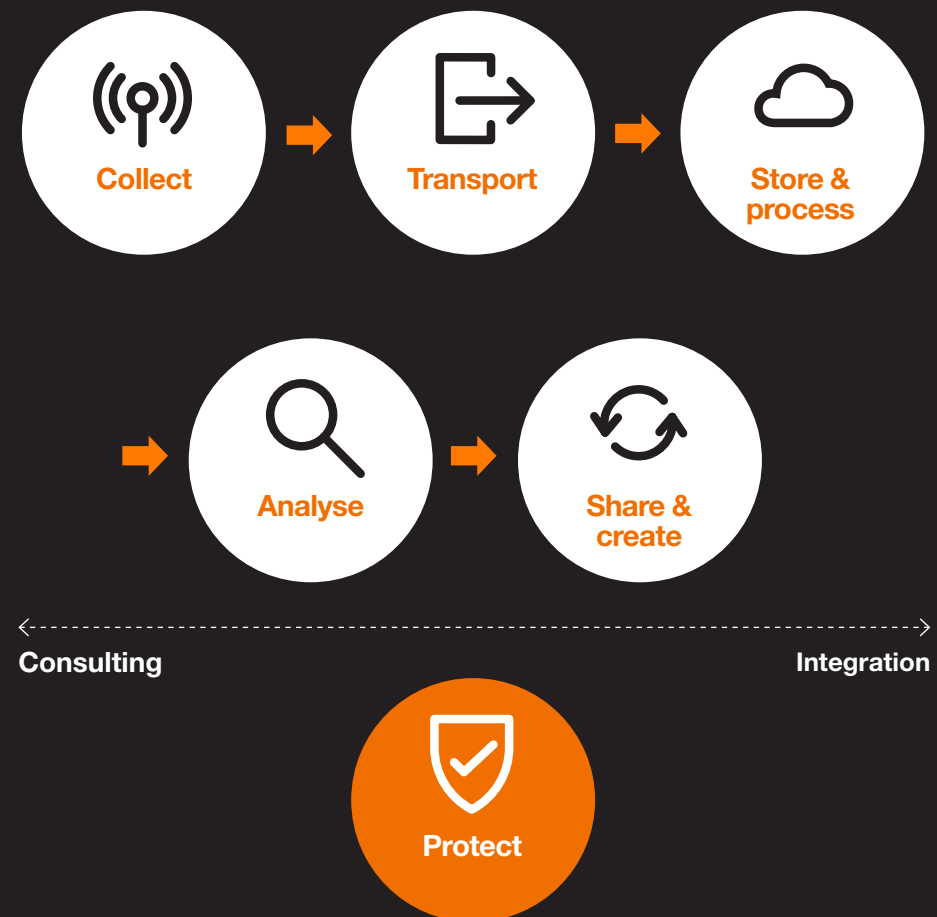
—
 Evgeny Stepanov
 Chief Technology Officer, Dobroflot

“Migrating to the cloud with support from Orange Business Services led to a technological breakthrough that allowed IT to focus even more on serving the different entities and boosting the business.”

—
 Emeric Jego
 Cloud Infrastructure and
 IT Support Manager, Logic-Immo



Solving our customers’ key data challenges so they can thrive in new business ecosystems



Unlocking the potential of data

Organisations and companies see data as an essential asset. To realise the full potential of data, it is essential to choose the right analytical tools. We developed Live Data Hub by tapping into our expertise in the fields of smart cities and data. The solution was launched in 2018 to guide local authorities through the implementation of their data strategy. They are able to better understand their area by collecting, aggregating, analysing and visualising all their data on a secure platform hosted in France. In partnership with Sanoia, Orange Healthcare leverages machine learning to monitor chronic health problems. Patients suffering from rheumatoid arthritis were asked to wear special movement sensors, which collected a total of 15 million data sets. Analysing this information made it possible to accurately detect flare-ups 96% of the time. In June 2018, we finalised the takeover of Business & Decision, bolstering our skills in data analysis and governance in France and around the world and forging our position as one of Europe's leading data service providers.

- **2,400 IoT and data experts**

Working together to share and create value

We deploy solutions that enable our customers to interact and work together, both in their teams and on the move, in the most flexible and effective way. Orange Business Services has set up a collaborative platform in the cloud for ICADE, with instant messaging, voice services, online conferencing, an interactive whiteboard and secure document sharing. On behalf of Carsat, France's regional retirement and occupational health fund, we organised 67 creathons

during which 1,500 people took part in defining new managerial strategies, furthering collaborative development and encouraging bottom-up suggestions. Our healthcare solutions help to improve the patient experience. Enovacom, acquired by Orange Healthcare in 2018, launched ENOVACOM Data Repository to bring together patient information on a single technological base that is able to communicate with all the software used by healthcare facilities.

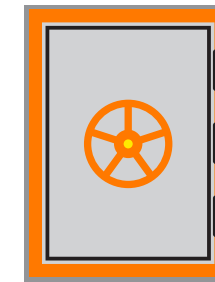
- **800 experts integrating communication and collaborative solutions**

Anticipating threats to protect critical assets

Workplaces are implementing increasingly complex technology, and cyberattacks are becoming more and more elaborate and intrusive. This is why it is essential to possess the most effective detection capabilities possible. Orange Cyberdefense screens over 50 billion events each day so as to be able to react swiftly. This data is fed into our machine learning databases to draw up a variety of different attack scenarios that inform analysts in our monitoring centres. In 2018, New Zealand's cybersecurity unit CERT NZ chose Orange Cyberdefense to optimise its strategy with automated threat intelligence services. Building on this strong momentum, we announced last year that we would soon be entering the market in Morocco to meet the needs of companies located in French-speaking countries in Africa. Orange also continued to develop its acquisition strategy by taking over the British-based company SecureData.

- **No.1 cyberdefense operator in France**
- **1,500 cybersecurity experts**

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Qualified to support critical operators

This accreditation granted by the French State authorises us to support France's critical network operators (including energy, transport and other essential services for people) to detect security incidents.

Taking mobile financial services to the next level

Mobile financial services are key to our multi-service operator strategy. Our goal is to provide simple financial solutions, along with a smooth and bespoke customer experience accessible to all.

A decade of innovation in financial services

Introduced in 2008, Orange Money set us on our path to becoming a multi-service operator. A decade on, millions of people in Africa and the Middle East are using it to carry out financial transactions from their mobile phones. Orange Money is a digital wallet linked to a mobile telephone number that can be used to carry out financial transactions from mobile phones. Our customers can keep their money safe in their digital wallet, transfer funds, pay utility bills, taxes and school fees and, in some countries, take out insurance and loans. In 2017, we launched Orange Bank, a pioneering service fully developed in-house for telecoms and mobile uses. Orange Bank is a one-stop shop combining all the financial services that our rivals – traditional banks, online banks, neo-banks, fintech companies, supermarkets, hypermarkets and GAFAM – have to offer. We are also teaming up with and investing in several fintech start-ups through Orange Digital Ventures. In 2018, for instance, we acquired stakes in Aire in the United Kingdom (solvency analysis), Yoco in South Africa (payment terminals and solutions for small retailers) and Africa's Talking in Kenya (communication and payment APIs). Also in 2018, Orange and NSIA applied for a banking licence from the Central Bank of West African States, with a view to expanding the choice of mobile financial services we offer.

Suited to the varying maturity of each market

We adapt our mobile financial service strategy, and the range of existing solutions, to each operating country. In countries with a lot of banking services on offer (France, Spain, Belgium, Poland and Slovakia), we offer a comprehensive range of digital services through Orange Bank. In countries where banking is less developed like in Romania, we provide payment and credit services using solutions based on Orange Money. And in countries where only a small percentage of the population has a bank account (in Africa and the Middle East), we meet customers' basic banking needs by offering daily services to make deposits, transfers, withdrawals and payments. In some countries, we are also using Orange Money's solid reputation to offer microcredit, savings and insurance solutions in partnership with microfinance institutions. Orange Money, which was initially introduced as a way to enhance customer loyalty, is now used for up to 20% of our mobile phone top up sales.

Synergies across the business

Our diversification into mobile financial services, in particular with Orange Bank, is increasing customer loyalty and opening up new revenue streams by promoting sales of connected devices (smartphones, smart watches, etc.) at a time when sales of SIM-only plans are on the rise. Meanwhile,

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“The Group’s strengths as a telecoms operator and its marketing strategy adapted to each of its operating countries put Orange in an unrivalled position compared to traditional banks and neo-banks.”

Paul de Leusse
Deputy Chief Executive Officer
for mobile financial services

“Regulation in general and GDPR in particular have had a strong impact on the banking sector, kick-starting extensive change throughout the industry. Banks are now extracting greater value from their data, providing ever-more online services, and investing in their customers’ trust.”

—
Aurélie Goncalves
Banking Sector Manager, Business & Decision



“Djingo is ushering in a new age of customer relationships. It speaks to customers in natural language, and provides an optimal service as a result.”

—
Jean-Philippe Desbiolles
VP Watson France

“Helping to improve financial inclusion in Africa is one of the pillars of our strategy as a multi-service operator.”

—
Alassane Diene
Director of mobile financial services
Orange MEA



160,000

Orange Money points of sale worldwide

€2

average monthly additional ARPU generated by active Orange Money customers

200

Orange stores authorised as intermediaries in banking operations and payment services in France

1,000

Orange advisors and managers certified to act as intermediaries in banking operations and payment services in France

€350

million raised by the fintech companies in which Orange Digital Ventures has invested since 2015

we are also taking advantage of the strength of our brand and the reach of our store network to market and distribute mobile financial services. Furthermore, we use data from our telecoms and banking customers, in accordance with European, national and banking-sector regulations, to offer bespoke services that simplify account opening procedures and help swiftly approve personal loans for example.

Orange Money – a catalyst for inclusion

In 2018, Orange went even further by teaming up with PAMF (Première Agence de Microfinance) in Madagascar to use Orange Money to provide savings and credit services. More than 350,000 loans have been granted.

Interoperability is key to boosting mobile money transactions, reinforcing financial inclusion and assisting Africa's economic development. To accelerate the continent's development and interoperability, Orange and MTN set up a joint venture, Mowali, in 2018, with the aim of simplifying money transfers.

Mowali makes financial exchanges between individuals and States, non-governmental organisations and companies smoother and safer. In 10 years, Orange Money has become a world leader of mobile money. Our distribution network consists of 160,000 points of sale throughout Africa that serve 39.2 million Orange Money customers, including 15.1 million monthly users.

Orange Bank, the bank for right now

Orange Bank provides financial services that are suited to what customers want (including bank accounts, standard and premium bank cards, authorised overdrafts, a complementary insurance package and savings accounts). These banking services harness the unique possibilities of mobile technology. For example, customers can pay with their card or mobile phone, temporarily block their card, check their balance in real time and ask questions, which our virtual assistant Djingo answers 24/7. Orange Bank's point of differentiation also comes from its Orange store network, where customers can speak to advisors who have trained as intermediaries in banking operations and payment services. In 2018, Orange Bank added a new personal loan service enabling customers to go through the entire process – from applying for the loan to using the funds – on the app. After having been extended to the French overseas territories of Martinique, Guadeloupe, French Guiana, Mayotte and Reunion Island, Orange Bank will be launching in Spain in 2019.

- **Over 1.5 million conversations between our customers and Djingo since it was launched**
- **248,000 Orange Bank customers at end-2018**



Orange Money celebrates its 10th anniversary!

Almost 2 billion transactions were made using Orange Money in Africa and the Middle East in 2018.

Creating and distributing engaging content for tomorrow's world

As a content operator and distributor, the Orange group makes outstanding content available across communities. Orange Content connects people throughout the world to their interests in increasingly innovative ways.

Aggregator-distributor

As a content aggregator and distributor, Orange is well positioned to satisfy its customers' appetite for entertainment. We aggregate our own pay-TV packages while also working with partners to provide access to the most popular third-party content (Canal+, beIN SPORTS and Netflix). At the end of 2018, 9.6 million homes in Europe had signed up to Orange TV services. As a result, content distribution in TV, VOD, music and gaming is a key aspect of our convergence strategy, helping to showcase our very high-speed broadband access, fibre and 4G services.

Cinema and series production, co-production and publishing

In 2007, the Orange group created its cinema subsidiary, Orange Studio, to pursue its ambition to co-produce independent, diverse content and acquire the rights to French and European films. In 2018, we invested in two international series, The Name of the Rose and Devils, which are to be broadcast on OCS in 2019. These new series, which

mark the beginning of the Orange Studio-OCS alliance to create original content, are the first "OCS Originals". Orange Studio is also pursuing efforts to expand its catalogue and has begun distributing films internationally under an agreement with UGC. Furthermore, it is taking proactive steps to identify and support audiovisual and film talent in Africa. Ten years after it was set up, OCS now provides four themed series and cinema channels and an on-demand service to its 2.9 million subscribers. The OCS package is dedicated entirely to films and series. Its success is the result of alliances with the best production studios, well-defined themes and outstanding series such as those produced by HBO, for which OCS is the exclusive broadcaster in France (Game of Thrones and Westworld). OCS also supports independent French drama with its OCS Signature label, a collection of 26-minute episodes made by directors given the opportunity to work with complete creative freedom. Orange reaffirmed that support at the end of 2018, when its subsidiary OCS signed an agreement with the film industry to invest €125 million over a three-year period (2019-2021) in French and European film production and open the way to reforming the French release window, enabling OCS to broadcast films sooner.

TV, music and gaming content distribution

The Orange group is developing content services in Europe, particularly for television, which form part of our convergence offer. We are deploying Netflix across our operating countries under the framework agreement signed at the end of 2017. In Spain, we have renewed distribution rights with the Spanish football league (La Liga) and the UEFA Champions League to offer customers football-themed TV packages. We have also launched Orange Series, which holds exclusive broadcast rights to a range of series, some in 4K. Our other European businesses are developing their content services too. In Slovakia, for example, a satellite service and Orange Sports channel were launched in August 2018. In Africa, we are expanding our TV services and have taken our first steps in the world of production; a highlight being in Senegal with Diamond House. Orange also maintains distribution partnerships with subscription VOD services in the region.

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"In entering distribution and co-production, Orange is present at every stage of the value chain, upstream with Orange Studio and downstream with OCS."

David Kessler
Managing Director, Orange Content

“Content distribution is no longer enough. Nowadays, creating value for our customers and subsidiaries means integrating new digital technologies and creating social, intuitive, engaging and unique experiences for our customers.”

—
Serge Laroye
Deputy Director, Orange Content



“Consumers have never had more freedom of choice when it comes to audio content. A single, customised, premium audio service through any platform makes it easier than ever before to enjoy a highly personalised experience, wherever you are.”

—
Hans-Holger Albrecht
CEO, Deezer

“OCS is proud to broadcast the final season of one of the biggest series of the last 10 years, Game of Thrones.”

—
Guillaume Jouhet
CEO, OCS



9.6

million homes connected to Orange TV in Europe

2.9

million people signed up to OCS

14

films co-produced in 2018 by Orange Studio, including nine distributed or co-distributed

3

projects won grants from the Orange XR fund, which recognises augmented, virtual or mixed reality writing projects

€15

million invested by Orange Studio to co-produce films, acquire rights to film catalogues, acquire or develop series and distribution rights

In France, Orange has developed close ties with the Canal+ group and has renewed its distribution agreement with beIN Sports. 2018 also saw the release of a brand new ultra-compact set-top box compatible with the latest technologies (TV Ultra HD, Dolby Atmos and Wi-Fi connection to the Livebox). In 2018, Orange continued to enhance its video game streaming service on Orange TV. Unlimited packages and freemium games (free to play, but charges for additional features) on mobile went from strength to strength. As a result, Orange Juegos was reintroduced in Spain and Orange Jeux continued to perform well in nine African countries, where it now has more than a million subscribers. The music market continued to gain ground in 2018 with growth driven by streaming services. Pursuing a partnership that was first established in 2010, Orange reinvested in Deezer, whose paying customer numbers in Spain, Romania, Luxembourg and Côte d'Ivoire continue to rise. The Group is also deploying its Orange Radio service in 17 countries, including 14 in Africa and the Middle East.

Support for the arts

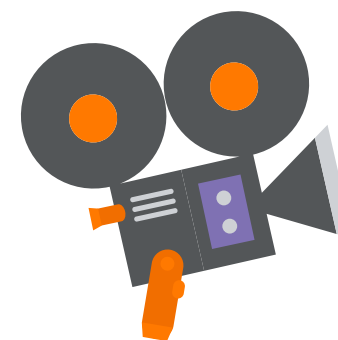
In 2017, Orange invested €601 million in support for the arts, €100 million of which was channelled into cinema. Our focus is to provide support for screenwriting, an essential link in the production chain, through grants or endowment funds created with the SACD (association of authors and composers working in creative production) in

France and the French-language young creators' fund established by the French Cultural Centre in Yaoundé at the end of 2017. In 2018, the SACD and OCS launched the SACD/OCS Signature fund to discover new screenwriting talent for television.

Tomorrow's content and immersion

Offering customers a unique, cutting-edge content experience has always been a priority for Orange. This is why we work with start-ups and give them a chance to test their ideas on potential customers. Wevr, for example, is a virtual reality video hosting platform funded by Orange Digital Ventures. We are also actively developing virtual reality. The "Orange VR Experience" content distribution portal offers a selection of the best 360° videos from Hollywood and independent studios. The Orange XR grant, which supports immersive reality screenwriting projects, awarded grants to three projects in 2018 at a Cannes Film Festival fringe event. Lastly, Orange continues to support the rise in popularity of eSports, particularly in Africa where the Group organised the Orange eSports Experience in 2018, the first Pan-African video game tournament, which brought together 12 countries for the finals in Dakar. In 2018, we also became one of the largest eSports operators in Belgium when we signed a partnership with the Sector One team and GameForce Masters, the largest eSports tournament in the Benelux.

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€100 million

will be invested over the next five years in international co-production to create original content.

Shaping smart services for everyday living

Orange draws on its expertise in IoT, artificial intelligence, 5G and cybersecurity to develop smart services that make people's lives easier by responding to their everyday needs.

Connected Home, Protected Home

Orange is now offering Connected Home and Protected Home, a comprehensive offer for a smooth-running, secure home.

The **Connected Home** package helps families control their home devices remotely, for example managing heating and lighting or programming household appliances from a single mobile app or using our voice-controlled virtual assistant, Djingo. The service, which is integrated into the new Livebox, requires no subscription or additional equipment. It can be used with a broad range of connected devices and appliances sold through Orange or partners including Philips Hue, Bosch and Netatmo.

The **Protected Home** package was developed in response to one of our customers' major concerns: home security. Homes are connected to a remote surveillance station that will trigger an emergency call-out to the address in case of an intrusion. The package includes six services – round-the-clock surveillance by an approved remote station, the provision and professional installation and

maintenance of security equipment, the mobile app, emergency or security call-out for confirmed incidents and a guard and access control service if required.

Djingo

Djingo is a virtual assistant that offers an intuitive and secure voice interface for services provided by Orange and its partners. It is controlled via a smart speaker, microphone-equipped remote control or smartphone. In France today, customers can ask Djingo to access information and entertainment services such as Deezer, Orange Radio, Orange TV and Météo France weather. In the future, they will also be able to access services provided by trusted partners selected by Orange. Djingo will also allow people to access Amazon's virtual assistant Alexa, to offer a wide range of additional services. Lastly, Djingo will offer services to businesses – taking and producing notes, emailing them out and ultimately managing business communication services such as call distribution, telephone conference organisation and appointment bookings.

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2.6 million homes

in France will be eligible for the Connected Home and Protected Home packages when they are launched.

Telemedicine

Telemedicine is the practice of consulting a doctor remotely via videoconference. Since 2018, five telemedicine procedures in France have been eligible for the same State health insurance cover as traditional procedures. Orange Healthcare has developed a number of projects under the French Government's digital health programme that aims to modernise the health system using innovative technology and services. We provide partners with technological expertise in everything from document transfer to managing critical emergencies. 5G, the preferred system for state-of-the-art telemedicine, will better enable remote services through faster connections and smoother communication for videoconference consultations, but also for critical uses such as emergency triage. But our actions are not limited to 5G. We are providing healthcare stakeholders with comprehensive technical support including data hosting, interoperability of IT systems, security, network infrastructure and project management.

Digital citizenship

We have developed a civic tech service that encourages people to participate in and contribute to non-profit organisations and companies at a local, regional and national level. "Le Vote" is a free mobile app for users and a website for polling organisers. The service offers a transparent and secret virtual ballot, without storing any personal data on the

service's data base. Decentralised blockchain technology ensures both the organisation and the results of polls are secure. The service enables local councils to send notifications to local voters, inviting them to take part in advisory polls.

Solar energy

Nearly 600 million homes and businesses in rural Africa have no access to electricity. Orange Energy is fulfilling essential needs on the continent, bringing power, communication and access to information to people's homes. The service uses solar energy to enable people to study, work and access all the entertainment and online services they require. With an Orange solar kit, a family can light their home, charge mobile phones and power a radio or even a television. To subscribe to the service, customers must have an Orange SIM and pay a usage fee. The kit is then installed in their home. Customers pay for what they use, can see how much credit they have left and recharge using Orange Money. Orange Energy was first launched in 2017 in the Democratic Republic of the Congo and Madagascar, before being rolled out in Côte d'Ivoire, Guinea, Mali, Senegal and Burkina Faso at the end of 2018. We aim to sell 50,000 kits in Africa by the end of 2019.

- **2 in 3 people in Africa have no access to electricity**
- **10,000 solar kits sold in 2018**
- **7,500 Orange Energy customers in five countries at the end of 2018**

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350,000 Orange Energy customers by 2021

As nearly 600 million homes and businesses in rural Africa have no access to electricity, we aim to reach 350,000 Orange Energy customers by 2021.

Helping to drive the environmental and energy transition

The rapid growth of digital uses presents a challenge in terms of sustainability. By optimising equipment, using renewable energies and developing the circular economy, we are rising to this challenge because we firmly believe that we can reduce the impact of digital technologies.

One of the commitments we made at COP21 was to reduce CO₂ emissions per customer usage by 50% between 2006 and 2020. In 2017, we achieved that objective and in 2018 we exceeded it, having reduced these emissions by 56.6%. We also reduced our overall carbon footprint by 3.2% in the two years to 2018.

Reducing overall energy consumption

Our networks consume energy and generate CO₂ emissions. To tackle these issues, we are deploying the Green ITN 2020 programme that drives the development of energy efficient solutions. In Africa and the Middle East, our Energy Services Company (ESCO) programme helps avoid 80,000 tonnes of CO₂ emissions each year and we are aiming to fulfil over 30% of our energy requirements from renewable sources by 2030. In addition, Orange has deployed an environmental management system that has been recognised with ISO 14001 certification across two thirds of the Group's global businesses. We are also working to increase the energy efficiency of our

buildings and transport, looking particularly at limiting business travel.

- 2.7 million tonnes of CO₂ emissions avoided between 2010 and 2018
- 2,800 solar power stations supply our mobile telephone systems in Africa
- The largest company car-sharing pool in Europe

Pursuing our circular economy strategy

Our strategic steering committee for the circular economy has defined an action plan to reduce the environmental impact of our projects and services throughout their lifecycle. In 2018, we created an exchange platform to redeploy set-top boxes and boost second-hand mobile sales. We have also opened an internal repair centre in Senegal and put in place systems to collect and recycle unwanted devices that are customised to handle different types of waste and adapt to different markets.

- 1.6 million unwanted mobiles collected in Europe
- 20,000 set-top boxes repaired in Poland and redeployed in Senegal

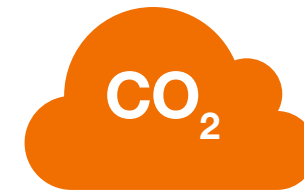
Driving the transition with digital technology

Digital technologies hold the key to monitoring, reading and analysing consumption and enable us to offer customers innovative and sustainable alternative solutions, such as urban services adapted to people's needs, company car pool management, energy efficiency in buildings, street light optimisation, etc.

Preserving biodiversity

Orange supports a number of scientific programmes such as the Mont-Blanc Research Centre for Alpine Ecosystems, which studies the impact of climate change on biodiversity. As a partner of the Euro-Argo project, our cable ships are installing autonomous profiling floats to monitor oceans in real time. We also prioritise wildlife conservation when deploying our networks, for example taking into account the tortoise nesting season in the installation schedule for the Kanawa submarine cable in Guiana.

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Working towards carbon neutrality in 2050

Orange is actively involved with international organisations such as the International Telecommunications Union to ensure the industry contributes to limiting global warming to 1.5°C. We also participate in business networks like the Net Zero Initiative, which is working to establish a common benchmark for corporate carbon neutrality that is approved by an independent scientific committee.

Governance

To achieve its long-term performance goals, Orange has put in place a stable, robust and balanced governance structure that incorporates corporate social responsibility at every level.

Strong governance

Orange has put in place a stable, robust and experienced governance team to steer the Group's strategy and achieve its long-term performance goals. Every level of governance is structured in a balanced way that includes independent directors and directors representing our main shareholders (public sector and employees). Members are chosen to ensure a more diverse range of skills, international experience and a more balanced representation of men and women.

Core and complementary expertise on the Board of Directors

The Board of Directors sets the Group's major strategic, economic, social, financial and technological policies and oversees their effective implementation by senior management. At the end of 2018, the Board was made up of 15 members, each appointed for a four-year term of office. Together they bring the general business skills and specialist areas of expertise required to achieve the Group's strategy and ambitions.* Such complementarity and diversity enrich the Board's discussions and guarantee its strength. The French Works Council representative has also been joined this year by a representative from the Global Works Council. They both sit on the Board as non-voting members. At the end of 2016, the independent director Charles-Henri Filippi was also appointed lead director. In this capacity, he ensures that the Board is able to carry out its responsibilities effectively and maintains smooth relations with senior management. He is responsible, in particular, for identifying potential conflicts of interest, ensuring the governance system is able to manage crisis situations and is involved in evaluating the Board. The lead director is the point of contact for senior management in compliance-related matters and

reports to all members of the Board on the effectiveness of the compliance procedures and risk levels. He also attends a meeting of the Risks Committee each year and engages with the Group's investors and shareholders. In 2018, in addition to its regular activities – which include assessing operational performance, financial results, risk factors, the budget and setting the compensation of the Group's corporate officers – the Board concentrated on the "New Deal" agreement to deploy very high speed fixed and mobile broadband in France, the Basefarm acquisition to accelerate the international development of the Group's cloud activities and bids for 5G licences in Spain. As set out in its Internal Guidelines, the Board also conducted a self-assessment of its operating practices and its committees in 2018. The assessment confirmed that the various governing bodies work effectively together and that their members are highly engaged. The recommendations mainly concerned growing the business, monitoring succession planning of its corporate officers, ensuring the diversity of profiles on the Board and providing support to directors on important areas of innovation.

*For more information on the duties of the Board of Directors, see Section 5.2.1.3 of the 2018 Registration Document

The Board of Directors in 2018

Average number of years of service	3.8 years
Average age	54.3 years
Number of meetings	11 (8 in 2017)
Collective attendance rate	91.5%
Gender representation	41.5% women / 58.5% men
Committee meetings	8 for the Audit Committee, 7 for the Governance and Corporate Social and Environmental Responsibility Committee, 3 for the Innovation and Technology Committee

Composition

Chairman and Chief Executive Officer	Stéphane Richard
Independent directors	Alexandre Bompard Charles-Henri Filippi Christel Heydemann Helle Kristoffersen Bernard Ramanantsoa Mouna Sepehri Jean-Michel Severino
Directors representing the public sector	Bpifrance Participations (represented by Nicolas Dufourcq) Hélène Dantoine* Anne Lange
Directors representing employees	Sébastien Crozier Fabrice Jolys René Ollier
Director representing employee shareholders	Luc Marino**

*replacing Lucie Muniesa from 14 March 2019

**replacing Hélène Marcy from 4 May 2018

Active specialised committees

Three committees provide proposals, recommendations and opinions in their respective areas of expertise to inform the Board of Directors' discussions and decisions. They are the Audit Committee, the Governance and Corporate Social and Environmental Responsibility Committee and the Innovation and Technology Committee. The members of the committees are chosen to reflect the principles of balance and diversity that apply within the Board. These three committees are chaired by independent directors, two by women, and all include one director representing employees and one representing the public sector. In 2018, the Audit Committee worked on financial reporting, internal control, risk management, the Code of Ethics and strategic development projects, including interests in Africa and the Middle East. The Governance and Corporate Social and Environmental Responsibility Committee assessed the compensation of the Group's corporate officers, the governance system and the effectiveness of the Board of Directors. It also continued to review the Group's corporate social responsibility actions. The Innovation and Technology Committee focused on our digital identity, rich communication services (RCS), the relationship with Google and the way artificial intelligence is transforming our relationships with customers.

A renewed Executive Committee dedicated to our strategy

The Executive Committee coordinates the implementation of Group's strategy, monitors operational, social and technical targets and optimises the allocation of resources. The Committee has 15 members (see next page). The Chairman and Chief Executive Officer works alongside two

Delegate Chief Executive Officers with clearly defined areas of expertise and a lead director with important responsibilities and significant authority, ensuring robust corporate governance that strives for efficiency and performance while guaranteeing a balance of power.

To accelerate the implementation of our multi-service operator strategy, seven new members joined the Executive Committee in 2018, bringing expertise in the key areas of cybersecurity, digital transformation and mobile financial services. The new team is also more international, with the addition of directors from high-growth regions such as Spain and the Middle East and Africa. Through an approach based on dialogue and collaboration, the Executive Committee has identified the priorities to ensure it is prepared for the challenges ahead. We have developed a transformation plan which is broken down into tangible projects, each of which is steered by a member of the Committee. Every two months, the Committee invites Business Unit directors to its meetings to maintain regular and direct communication with operations across the world.

Beyond Orange SA: the Orange programme for directors

As well as placing great importance on governance at Group level, Orange also strives for excellence within its entities. To consistently improve the management and supervision of its subsidiaries and joint ventures, Orange continuously maintains a dynamic programme — including training courses, conferences and debates, tools and shared standards highlighting best practices — for members of its local boards of directors and supervisory boards. Orange firmly believes that by applying the highest standards of governance, it can improve performance.



“Renewing our management team is a decisive step in Orange’s transformation. Today, we are pushing back the boundaries of digital services by confirming our goals of diversification into financial services, cybersecurity and the connected home.”

—
Stéphane Richard
Chairman and Chief Executive Officer



5 6 1 2

9 12



4 1

14 7 3

10 15 13 8



1. **Stéphane Richard**
Chairman and Chief Executive Officer
2. **Ramon Fernandez**
Delegate Chief Executive Officer, CEO Finance, Performance and Europe
3. **Gervais Pellissier**
Delegate Chief Executive Officer, Group Transformation and President of Orange Business Services
4. **Fabienne Dulac**
Deputy Chief Executive Officer, Orange France
5. **Mari-Noëlle Jégo-Laveissière**
Deputy Chief Executive Officer, Technology and Global Innovation
6. **Laurent Paillassot**
Senior Executive Vice-President, Orange Spain
7. **Christine Albanel**
Senior Executive Vice-President, Corporate Social Responsibility, Diversity, Partnerships and Inclusiveness, Deputy Chairwoman of the Orange Foundation
8. **Jérôme Barré**
Senior Executive Vice-President, Orange Wholesale and International Networks
9. **Hugues Foulon**
Senior Executive Vice-President, Strategy and Cyber Security activities
10. **Nicolas Guérin**
Senior Executive Vice-President, Group General Secretary and Secretary of the Board of Directors
11. **Valérie Le Boulanger**
Senior Executive Vice-President, Human Resources
12. **Béatrice Mandine**
Senior Executive Vice-President, Internal and External Communication for the Group and Brand
13. **Alioune Ndiaye**
Senior Executive Vice-President, Orange Middle East and Africa
14. **Helmut Reisinger**
Senior Executive Vice-President, Orange Business Services
15. **Paul de Leusse**
Deputy Chief Executive Officer, Mobile Financial Services

Compensation balanced equally between financial and non-financial performance targets

The Orange compensation policy for senior executives reflects the desire to integrate a focus on corporate social responsibility in the Group's governance, strategy and performance targets for the short, medium and long term.

A considered compensation policy

Each year, the compensation of Orange's corporate officers is assessed by the Board of Directors on the basis of recommendations made by the Governance and Corporate Social and Environmental Responsibility Committee. It is also subject to approval at the annual Ordinary Shareholders' Meeting as part of shareholders' Say on Pay.

Another way we implement our Corporate Social Responsibility (CSR) strategy is by incorporating non-financial performance criteria into the compensation packages of corporate officers and members of the Executive Committee. These criteria include workforce participation rates for

women, the Employee Barometer and the change in CO₂ rate per customer usage since 2019. They help to better reconcile short-term operational profitability targets with longer-term objectives to create value and defend shareholder interests. The policy applies to all senior executives in order to ensure they are working towards the same targets, which are aligned with the strategy.

The three pillars of executive compensation

The compensation of Orange's corporate officers is made up of three components.

Fixed compensation

The fixed compensation of corporate officers is determined based on the level and complexity of their responsibilities, their experience and professional background, and market analysis for comparable positions.

Variable compensation

Variable compensation is intended to give corporate officers an incentive to fulfil the annual performance targets set by the Board of Directors in line with the corporate strategy. The variable component is split into levels of performance with a balanced weighting between financial (50%) and non-financial (50%) criteria. The variable component is determined using specific objectives and quantitative performance measures, including for non-financial indicators.

Multi-year variable compensation in cash or performance shares

Corporate officers benefited from two cash-based long-term incentive plans (LTIPs), which ended in 2017 and 2018, respectively. In 2017, the Board of Directors decided to update their approach to LTIPs in order to improve retention of corporate officers and more closely connect their interests with those of the company and the expectations of shareholders. The plan now awards performance shares, which vest on the basis of criteria that take into account the direct contribution of executives to the long-term overall performance of the company. It is also open to employees in key positions throughout the Group.

Compensation of corporate officers: quantitative, measurable criteria

Chairman and Chief Executive Officer

Fixed component
50%

Long-term incentive plan
20%

Annual variable component
30%



Delegate Chief Executive Officers

Fixed component
45.9%

Long-term incentive plan
17.4%

Annual variable component
36.7%



Annual variable compensation

Financial criteria

30% Operating cash flow
20% Change in revenues

Non-financial criteria

33% Employee experience indicators
17% BtoC and BtoB customer experience indicators

Our ethically responsible commitment



In an increasingly demanding business environment where regulation is becoming increasingly stringent, where stakeholders have higher expectations and more closely scrutinise business conduct, and where penalties are becoming harsher, Orange is helping to build trust into tomorrow's world.

Our Ethics & Compliance policy

The Executive Committee leads our ethics and compliance policy. The approach we take to managing non-compliance risks is consistent with the requirements of anti-corruption laws in France (Sapin II Law), the United States (Foreign Corrupt Practices Act) and the United Kingdom (Bribery Act). Our network of Chief Compliance Officers and departmental Compliance Officers oversees the implementation of action plans at Group, divisional and entity level. We develop tools, procedures and programmes that all employees can refer to and use to learn more about the issues and do the right thing when dealing with situations relating to transparency. These include our Code of Ethics, Anti-Corruption Policy, a specific intranet site, awareness-raising e-learning modules and other literature, an application for declaring gifts and other benefits received or offered, information about preventing

and dealing with conflicts of interest, a Group whistleblowing mechanism and a method to assess third parties. In 2018, we introduced new training and awareness tools including booklets on the prevention of corruption and the UN-Orange e-learning module for anti-corruption certification. We continued to tighten and adapt our internal control procedures as part of our continuous improvement process, and Sofrecom, an Orange group consulting firm, earned ISO 37001 certification for its anti-bribery management system.

Duty of care

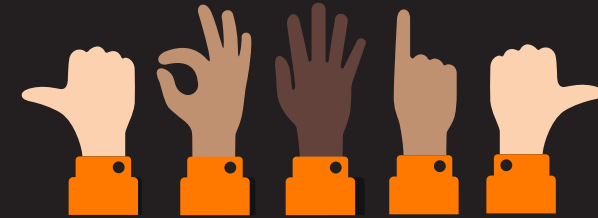
Orange's Duty of care plan fulfils the requirements signed into French law on 27 March 2017 regarding corporate duty of care. It is primarily geared to identifying and assessing the risks generated by our business and preventing or mitigating those risks. It also includes procedures for evaluating subsidiaries, subcontractors and suppliers, and for assessing whistleblowing mechanisms. A kit has been sent to the Group's 15,000 managers to familiarise them with this law and raise awareness with their teams.

Responsible purchasing

We require our suppliers to meet our ethical, social and environmental standards, and apply similar standards throughout their own supply chains, in particular through a Charter of Commitments and Supplier Code of Conduct. Orange was one of the 128 companies awarded a place on the 2019 Supplier Engagement board by the Carbon Disclosure Project for their efforts to reduce the environmental impacts of their supply chains.

Data protection

As a trusted operator, Orange believes it is especially important to protect personal data. Changing regulatory framework has given Orange the opportunity to strengthen the technical and organisational measures that it has adopted, and further share a culture of data protection. A network of data protection delegates and points of contact in the different business lines offer guidance in the implementation of these protective measures.



Five ethical principles

All Group executives, managers and employees are required to behave with integrity, quality and impartiality in their dealings with customers and suppliers; protect corporate assets; refrain from engaging in or enabling insider trading; report breaches to Orange's anti-corruption policy; and avoid conflicts of interest.

Our integrated approach

To ensure our approach is consistent with our stakeholders' expectations, we underpin our strategy with dialogue.

This helps to identify and prioritise the risks involved in implementing the strategy and take targeted measures to prevent them.

Stakeholder dialogue

develop strategies to combat digital exclusion and put together a plan for the most vulnerable people. In 2018, the scope of the Group-level consultation on diversity and gender equality in the workplace was extended to Spain and Tunisia following their Gender Equality European and International Standard (GEEIS) certifications. The next Group-level dialogue will explore the theme of young people and business, inviting stakeholders to reflect on their expectations, fears and desires.

Country and entity-level consultations

Country-level consultations are conducted by our national subsidiaries to identify their own internal and external CSR priorities. The process may be renewed in certain countries to adjust policies to any new risks or opportunities identified. In some cases, an entity may initiate a consultation, as was the case with the Orange Bank CSR policy consultation launched in October 2018.

Regular and structured dialogue

Underpinning our CSR strategy with dialogue ensures our approach is consistent with our stakeholders' expectations. So far, we have conducted more than 50 consultations to identify and prioritise the risks associated with social and environmental issues affecting our operating countries. Picking up on the "weak signals" is particularly important to this process. Stakeholder dialogue is also an excellent way to seize innovation opportunities and anticipate potential growth areas, proposing solutions to support local economic and social development.

Group-level consultations on strategic priorities

Group-level consultations are conducted on strategic issues that are transversal to Orange. Universal action points are adopted throughout the business as a result. For example, we established a roadmap and a strategic monitoring committee for the transition to a circular economy following the 2017 consultation. Similarly, the consultation on vulnerability and digital technology enabled us to

The Digital Society Forum, a "think-and-do tank" exploring the impact of digital technology on society

The Digital Society Forum is an open, collaborative platform, launched by Orange in 2013 to give everyone the chance to understand and better adapt to digital life. As a think-and-do tank, it brings together universities, businesses and representatives of civil society to explore the main themes affecting people's everyday lives. These diverse points of view are shared with the public through participative regional and international workshops to generate new ideas for concrete courses of action. More than 1,000 suggestions have been collected in France over the last five years. All the content produced is published on the forum's special website. In 2018, the Digital Society Forum continued its international development launching in Côte d'Ivoire. In 2017, Senegal also held its first regional participative workshops. Furthermore, the forum has integrated a new theme, digital inclusion, which was discussed in France at the 13th round table in November 2018 and in Morocco at the launch of the Digital Society Forum in April 2019.

Orange 2018 Integrated Annual Report

Our stakeholders



Identifying the most relevant issues for Orange and partners

Orange engages in structured and continuous dialogue with internal and external stakeholders. This identifies the issues that matter most to our various audiences and determines our strategic decisions and commitments.

A standardised approach

Our approach to stakeholder dialogue is based on the principles of the AA1000 standard:

- Inclusivity — identifying active local stakeholders
- Materiality — identifying the most relevant issues for both Orange and its partners
- Responsiveness — forming action plans for the short, medium and long term

We use the salient points from this dialogue to develop the materiality matrix (see opposite). By comparing the importance of these issues for stakeholders and their impact on our own performance, we are able to identify our key priorities more easily.

Developments in 2018

Our 2018 materiality matrix incorporates the growing focus of stakeholders on environmental and regulatory issues as well as matters relating to emerging technologies (5G, Internet of Things, etc.). The matrix reflects these shifts in two ways:

A number of issues have been repositioned. For example, stakeholders' concerns over climate change were accentuated as a result of increasingly frequent extreme climate events in 2018. At Orange

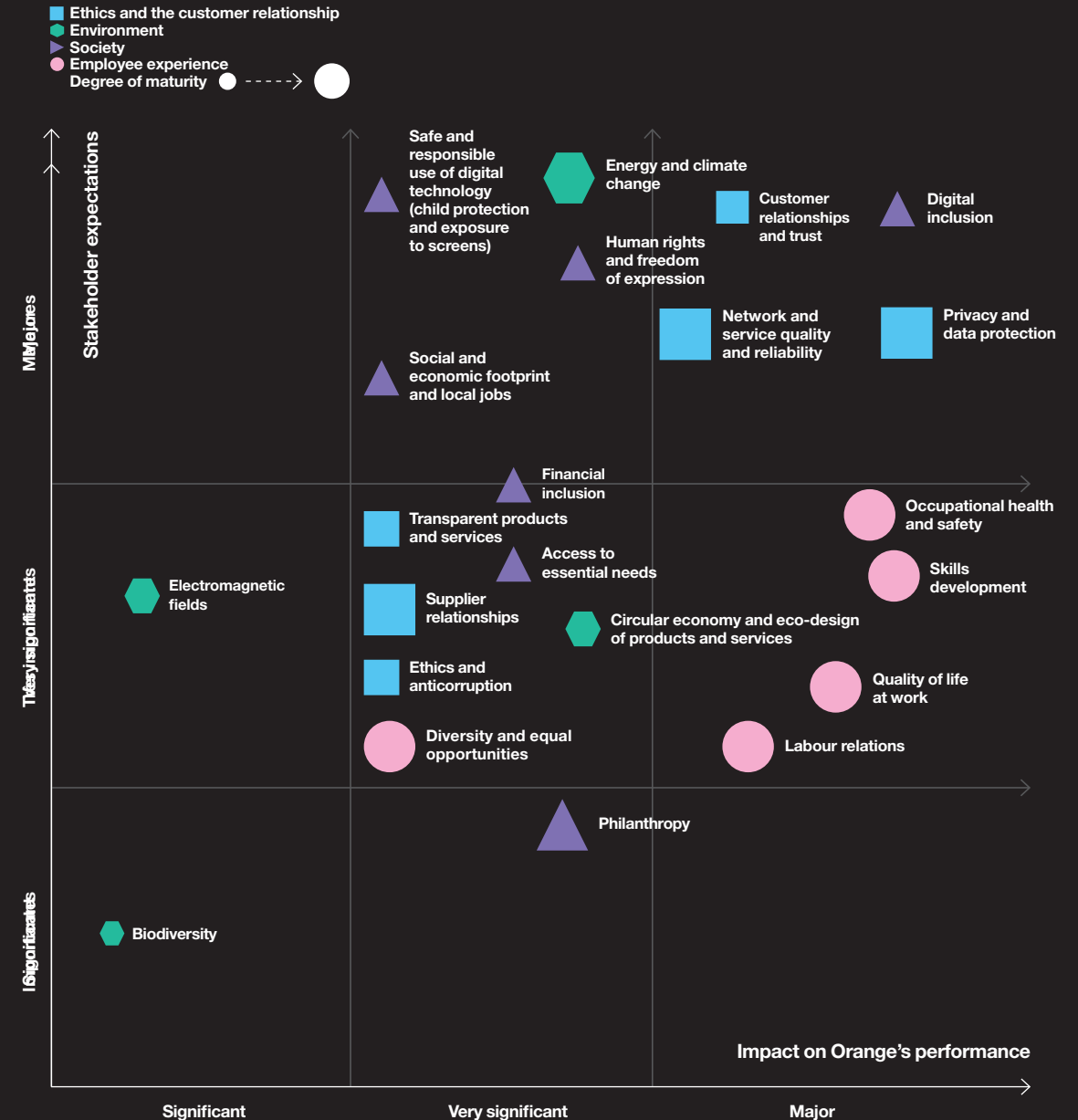
too, climate change has been given greater importance with the Group's commitment to achieving carbon neutrality. Digital inclusion, which has become a pillar of our identity and sustainable performance, is now positioned as a high priority for the Group.

Certain titles have been reworded to better reflect the core issues. For example, "Safe and responsible use of digital technology (child protection and exposure to screens)" more accurately represents the priority Orange gives to protecting children. Last year's title "Human rights and digital services" has become "Human rights and freedom of expression", which better expresses the responsibility of digital services to protect democracy and prevent misinformation.

The maturity factor

This year, we added an additional angle to the materiality matrix: the Group's maturity in each of the issues identified. The maturity assessment was predominantly based on the findings of three leading ratings agencies (ISS oekom, Vigeo and EcoVadis). We then incorporated our Carbon Disclosure Project (CDP) climate change score and an assessment provided by our internal experts. Orange was deemed mature, performing well in the areas of employee experience and network quality and reliability. We continue to develop greater maturity in other priority areas such as digital inclusion and customer relationships and trust, to ensure we meet our objectives.

Our materiality matrix



Managing risks to support sustainable performance

Our strategy and operations expose us to a number of risks* that can affect our stakeholders, prevent us from achieving our targets, invoke legal liability or undermine trust in our brand. Several years ago, we put in place a structure, procedures and systems to detect risks and take targeted measures to prevent and mitigate them.

Our internal control and risk management systems address the various operational, legal, financial and non-financial risks we face (see table on the following page). They are based on an organisation and procedures that have been put in place by Senior Management, the Executive Committee and employees. The goal is to provide reasonable assurance that we will meet our operating targets, comply with current laws and regulations and disclose reliable financial and non-financial information. The systems are defined, deployed, managed and assessed by the Group Audit, Control and Risk Management Department (DACRG) based on processes certified under the ISO 9001 quality management standard.

Group-wide involvement

Within this integrated approach to audit, control and risks, the DACRG sets out the Group's risk management strategy and implements it by:

- anticipating risks relating to the strategic plan and identifying emerging risks;
- leading the risk mapping and assessment process on behalf of the Executive Committee's Risk Committee;
- supporting subsidiaries and entities when they prepare their own risk maps and following up their action plans. It does this in conjunction with the relevant departments (in particular the Group CSR Department regarding non-financial risks), and the network of risk managers and internal control officers in the subsidiaries and entities.

At least once a year, each department identifies and maps the risks faced by its stakeholders within its scope and prepares additional action plans to mitigate those risks more effectively. Progress on these plans, the list of significant events and updates to the risk map are discussed during internal control reviews in each department.

At the same time, subsidiaries and entities roll out and continuously improve their risk management system by:

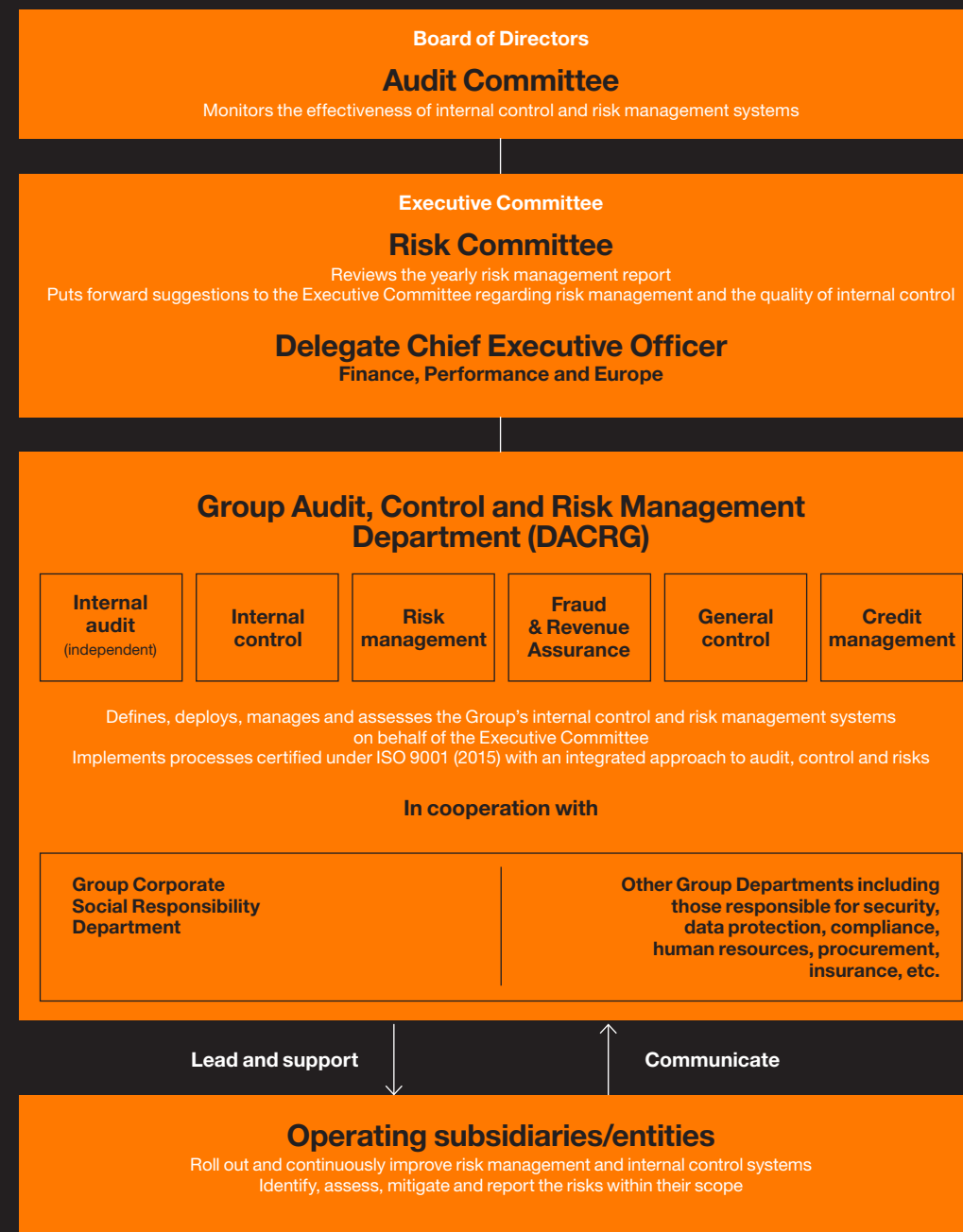
- training subsidiary directors and CEOs in risk management;
- aligning internal audit scopes with the principal risks;
- circulating policies and practices defined and identified by the Group;
- setting up self-assessment processes.

The Executive Committee's Risk Committee also examines the Group's risk management system once a year. The Board of Directors' Audit Committee is tasked with ensuring the effectiveness of internal control and risk management systems (including those relating to financial security laws).

Under the French Afep-Medef Code as amended in June 2018, the Audit Committee now also reviews exposure to social and environmental risks.

* For more information about risks, see the Duty of care plan and Section 2.1 (Risk factors) of the 2018 Registration Document.

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Risk

Description & impact

Breach of integrity or confidentiality of data or information

Unlawful access through cyberattacks or injunctions from authorities may compromise data integrity, confidentiality or storage and potentially invade individuals' privacy or compromise business continuity

Ethical breach

Damage to the Group's image and reputation due to non-compliance with internal and external rules
Sanctions against the company and/or its employees
Damage to Group property and assets

Overreliance on a supplier

Deterioration in quality or performance due to failure on the part of a key supplier
Contractual terms imposed by a monopoly supplier
Business interruption or the need to review our strategy, in particular regarding new technologies

Disruptive business models or innovation

Infrastructure obsolescence
Loss of contact with customers
Drop in performance due to disruptive technology, business models or regulation that could affect the appeal or profitability of our products and services

Failure to adapt and/or diversify

Financial losses
Decline in employee morale
Damage to our image and reputation

Geopolitical and macroeconomic instability

Threat to the security and safety of people and property
Breaches of fundamental freedoms resulting from injunctions from local authorities
Decline in financial performance

Major business disruption

Loss in quality or disruption or interruption of services provided due to a technical malfunction, operational failure, cyberattack, damage to our infrastructure or injunctions from authorities

Lack of key or rare skills

Delayed launch or discontinuation of new businesses or transformation initiatives
Major business interruption
Increased reliance on suppliers
Decline in employee morale

Non-compliance with laws, regulations or obligations (contractual or otherwise)

Additional costs to achieve compliance, in particular in areas where the legal framework remains in flux (IoT, AI, blockchain, etc.)
Litigation, administrative, civil or criminal sanctions at either the local or international level, revocation of business licences

Health and safety of people

Deterioration in working conditions
Physical and mental harm to employees, customers and partners
Exposure of people to phenomena that science has not conclusively ascertained to be entirely safe (electromagnetic waves, prolonged exposure to screens, etc.)
Restrictions on the use of mobile devices, jeopardising the telecommunications sector's business model, litigation

Examples of protection/prevention measures

The Group Security Department oversees a comprehensive security system. It also contributes to improving measures to protect infrastructure, products and services by implementing a Security by Design approach (to address security issues right from the design phase) and rolling out targeted mechanisms to protect and supervise networks and the IT system. The Data Protection Officer coordinates all privacy-related programmes and measures. The Group helps develop cybersecurity skills at the Orange Cyberdefense Academy.

The Group is improving digital inclusion and addressing other social issues by expanding its network and developing specific packages and services, and through the Orange Foundation and Duty of care plan. It runs employee training and awareness programmes on a regular basis, and the Governance and Corporate Social and Environmental Responsibility Committee ensures employees adhere to charters and policies and oversees compliance programmes (ethics, anti-corruption, CSR, etc.). The associated management and control systems undergo regular internal and external assessments.

The purchasing policy, steered by the Global Procurement & Supply Chain Department, includes a risk assessment in the supplier selection and monitoring process. The Group conducts regular audits of its suppliers and closely monitors suppliers at risk of bankruptcy. The Group updates its procurement strategy and frequently reviews its choice of suppliers in light of market threats and opportunities.

The Group's investment policy focuses heavily on research and innovation. The Technology and Global Innovation Department, based at Orange Gardens (the Group's eco-campus for internal and open innovation), gathers strategic intelligence on the digital ecosystem, takes part in standard-setting bodies (e.g. GSMA) and supports the Group's large-scale transformation projects.

The Group continues to make progress towards its strategic development goals, led by the various relevant departments including its new Transformation Department. The practical measures it is taking to do so include entering into partnerships with key industry stakeholders, investing in ventures that will further our strategic innovation and diversification priorities, and working on projects aimed at improving the Group's working methods.

Orange uses monitoring systems to anticipate a number of eventualities (including national conflicts, international tensions, financial crashes, etc.) and to take appropriate steps to avoid or mitigate the risks and protect people and assets.

Orange factors resilience into its solutions right from the design phase, using a variety of mechanisms (Secure by Design, backups, thorough acceptance tests, etc.). The Business Continuity Management System (BCMS) run by the Security Department is deployed across our business units. The system includes backup sites, system redundancy, business recovery plans, etc.

The Group implements a strategic workforce planning policy and is reinforcing job-related training (Cyberdefense Academy, Sonatel Academy, etc.) to make sure it has the new expertise it needs. As and when required, it also invests in or acquires specialised businesses.

The Group Legal Department supervises all our regions and business operations, including special programmes and units focusing on present and future key issues, e.g. the European General Data Protection Regulation, duty of care, compliance with international economic sanctions, international anti-corruption laws, Task Force on Climate-related Financial Disclosures (TCFD), etc.

The Group pursues a proactive risk prevention policy with its own budget and special agreements. The policy has led to the application of the social contract and our pledge to be a digital and caring employer, the occupational health office's initiatives and the implementation of our Duty of care plan.

The Group ensures its equipment and devices meet all current health requirements and supports public and private epidemiological research programmes (conducted by the WHO, SCENIHR, etc.). It develops tools to measure wave intensity and circulates safety information to employees and customers, in particular through programmes on the responsible use of technology and websites designed to support families (betterinternetforkids.eu, bienvivreledigital.fr, etc.).

Our Essentials2020 indicators

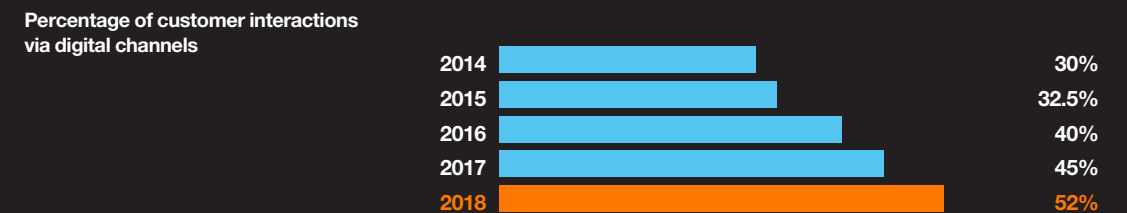
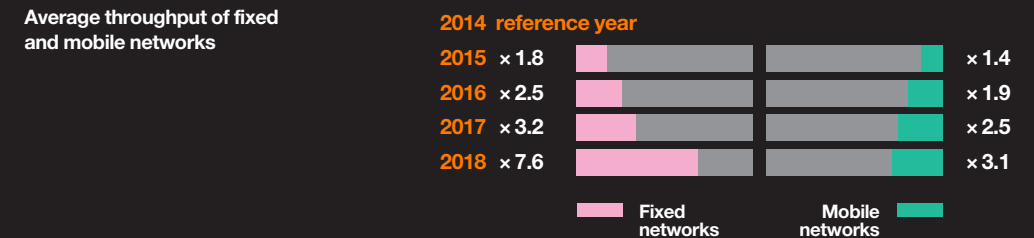
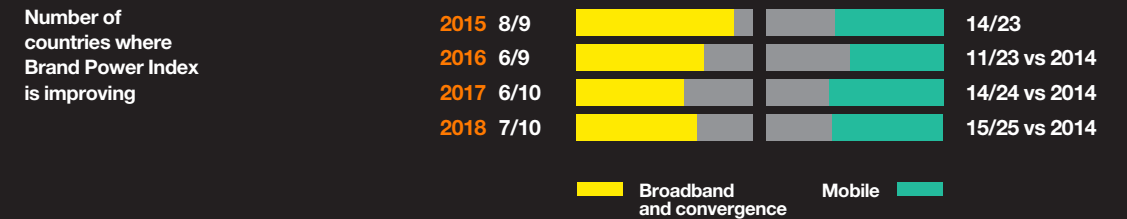
Indicator	Objective	Description	Actions
Customer experience	Become and remain No.1 in Net Promoter Score (NPS) for 3 out of 4 customers by 2018	NPS is the customer recommendation metric that most accurately reflects the degree of customer loyalty to a brand. It is measured by asking customers whether 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 (detractors) from those who would (promoters), broken down by country and relevant segment. The indicator reflects the percentage of customers in countries and segments where Orange ranks as the No.1 recommended operator.	<ul style="list-style-type: none"> Deployment of networks that can keep up with customer usage Innovative and competitive services Digital tools for simple and smooth customer interactions
Customer experience	Improve Orange's Brand Power Index (BPI) in our various markets by 2018	This indicator is measured using the Brand Equity model developed by the specialised consultancy firm Millward Brown. It shows predisposition for the brand after stripping out specific commercial factors, taking into account how meaningful, different and prominent the brand is in customers' minds. It is a means of measuring the power of the Orange brand and the engagement of consumers.	<ul style="list-style-type: none"> Unification of the brand identity across the world Consistency between communication campaigns, the brand identity and customer experience
Offering enriched connectivity	Triple the average data throughput of our customers on both fixed and mobile networks by 2018 compared with 2014	<p>Calculated in Mbps:</p> <ul style="list-style-type: none"> Based on external and independent measurements of average data throughputs delivered by our 3G and 4G networks, respectively. Based on queries to fixed internet databases of active customers (ADSL and fibre), and measurement of the data throughput configured for each. <p>Average data throughputs reflect our capacity to offer our customers richer connectivity, in line with growing data usage (streaming, HDTV, etc.).</p>	<ul style="list-style-type: none"> Deployment of mobile networks to improve quality and increase coverage where customers need it Deployment of very high-speed broadband networks to meet the needs of individuals
Reinventing the customer relationship	Conduct 50% of customer interactions in Europe via digital channels by 2018	The share of digital in all customer interactions (purchase, management, service) in France and the rest of Europe across all channels (digital channels, call centres, stores).	<ul style="list-style-type: none"> Tools and processes for a bespoke experience in stores, online and in call centres Digital tools for simple and smooth customer interactions

Orange 2018 Integrated Annual Report

Results



*The objective of 75% was not met overall, but the Group remains leader in 15 countries out of 23 (scores not measured in Luxembourg or the Central African Republic). Orange also scores particularly well in France where it is No. 1 across all segments (mobile, broadband, convergence and low cost).



Indicator Objective Description

Actions

Building a company model that is both digital and caring

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

Orange is committed to building a caring and digital employer model. It conducts employee surveys both in France and around the world to measure the percentage of employees who would recommend Orange as an employer. This percentage has been measured twice a year since 2010 in a survey conducted by an independent firm. In 2017, for the first time in France, all employees were asked to take part in an online Employee Barometer. Previously, only a sample of 4,000 employees answered the survey by phone. This survey was implemented outside of France in 2011. The questionnaire – 49 questions structured into the 3 priorities that make up the Orange promise – has been adapted and standardised to apply to all Group employees.

- Developing new skills
- Improving collective agility by simplifying processes and facilitating more collaborative working methods
- Enhancing employee engagement through employee share ownership, contributing to innovation and intrapreneurial programmes

Guiding businesses through their own digital transformation

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 undergoing digital transformation that requires them to reshape their business models, services and offers. Orange will measure the success of the transformation of its enterprise business model through the share of IT and integration services in the Orange Business Services revenue mix (excluding the mobile segment in France).

- Support to business customers on IT migrations to the cloud
- Skills development in artificial intelligence and data analysis
- Delivery of cybersecurity solutions for customer infrastructure

Diversifying by capitalising on our assets

Successfully diversify into new services to exceed €1 billion in revenues in 2018

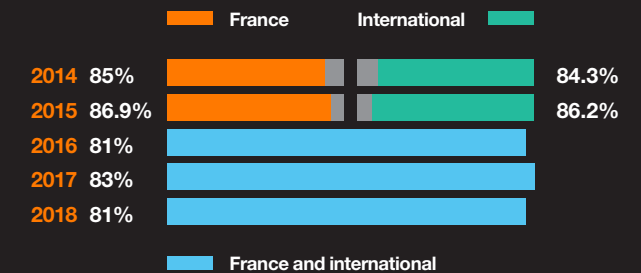
Orange is diversifying and exploring new regions in order to better anticipate the key needs of its customers and develop new services (in particular financial and IoT-related services).

- Development of complete solutions based on connected devices and appliances and service platforms (smart cities, connected cars, smart homes)
- Broadening the scope of Orange Bank mobile financial services in France
- Launch of Orange Bank outside France

Orange 2018 Integrated Annual Report

Results

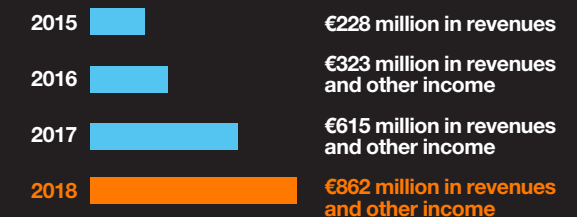
Percentage of employees who would recommend Orange as a great place to work in France and around the world



Share of IT & integration services in the Orange Business Services revenue mix



Revenues from new services



Group indicators

Indicator	Definition	Actions
Financial indicators		
Increase adjusted EBITDA in 2018 versus 2017 on a comparable basis	Adjusted EBITDA corresponds to operating income before depreciation and amortisation, before impacts related to acquisitions of controlling interests, before impairment of goodwill and assets, and before share of profits of associates and joint ventures, adjusted for major disputes, specific labour expenses, review of the portfolio of shares and operations, and restructuring and consolidation costs.	Revenue growth and further progress in our operational efficiency plan
Increase operating cash flow in 2018 versus 2017 on a comparable basis	Operating cash flow is equal to adjusted EBITDA minus CAPEX (on tangible and intangible assets excluding telecommunication licences and investments through finance leases).	Our continued efforts to reduce costs and tightly control investments
Maintain the ratio of net financial debt to adjusted EBITDA in telecom activities at around 2x in the medium term	Net debt is calculated as the amount of financial liabilities, excluding operational liabilities (converted into euros at the exchange rate at the end of the reporting period), including derivatives (assets and liabilities), minus cash collateral deposits, cash and cash equivalents and investments at fair value.	Growth in adjusted EBITDA and careful management of our balance sheet
Non-financial indicators		
Reduce CO₂ emissions by 50% per customer usage between 2006 and 2020	Orange has actively controlled and reduced the environmental impact of its operations since 2007. Orange set a new objective at the COP21 climate conference in late 2015. From 2016, the CO ₂ emissions generated by the 10 main countries accounting for 90% of the Group's internal emissions (networks, buildings, vehicles) are calculated based on customer usage (base year: 2006). The method for calculating this indicator has been devised and audited by independent bodies. The indicator measures different types of usage (voice, data, TV, internet, etc.).	<ul style="list-style-type: none"> ■ Monitoring the energy used by networks and pooling equipment with other operators ■ Cutting CO₂ emissions generated by buildings, vehicles and travel ■ Extending ISO 14001 certification across the entire Group ■ Engaging with international standards organisations (ITU, ETSI, Cenelec, etc.) ■ Embedding circular economy principles in our processes by 2020


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Data

Adjusted EBITDA

2018  **€13 billion**
(up 2.7% on a comparable basis)





Operating cash flow

2018  **€5.6 billion**
(up 1.7% on a comparable basis)

Net debt/adjusted EBITDA of telecom activities

2018  **1.93x**

Reduction of CO₂ emissions per customer usage

2016		48.23%
2017		50.03%
2018		56.59%
2020		50%

Indicator

Definition

Actions

Increase the number of entrepreneurs supported by our initiatives to boost local economic and social development by 15% per year

As part of our position as an operator engaged in the communities of our operating regions and in addition to our Open Innovation programme, we support the development of new forms of business and entrepreneurship at the local level. We provide support directly through targeted actions implemented by Orange, as well as indirectly by helping to drive momentum in local digital landscapes.

- Promoting the creation of business incubators in Africa
- Supporting emerging start-ups in Africa and the Middle East through the annual Orange Social Entrepreneur Prize since 2011
- Helping create venture funds
- Supporting start-ups with a number of tools for guidance (Orange Fabs, etc.)

Increase the involvement of women in our management networks to 35% by 2020

Ensuring women are able to access managerial positions is a top priority in our workplace diversity policy.

- Deploying a range of initiatives to identify new talent among women
- Training managers to limit unconscious bias and the impact of stereotypes
- Ensuring gender balance within talent pools (as part of Orange Graduate Programme recruitment, for example)

Collect 30% of unwanted mobiles from customers in Europe by 2020

Natural resources are finite, 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 handsets, especially unwanted mobiles. Percentages refer to the number of mobiles collected as a proportion of the number of mobiles sold in Europe.

- Working with our suppliers to extend lifecycles and reuse the maximum amount of network hardware by taking a modular approach
- Offering commercial incentives and organising eco-citizenship initiatives across our distribution networks and with partners (public authorities, business customers, etc.)

By 2020, conduct supplier audits as part of the Joint Audit Cooperation (JAC) as follows:

- Tier 1: 10%
- Tier 2: 35%
- Tier 3: 50%
- Tier 4: 5%

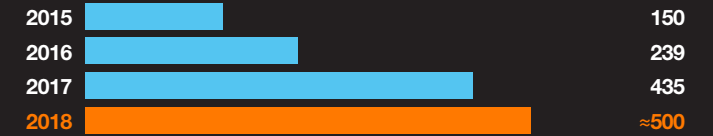
In 2011, Orange decided to set up an association of telecoms operators, known as the Joint Audit Cooperation (JAC). We also agreed to be audited by the JAC. It verifies, assesses and improves the way suppliers implement CSR principles by drawing up corrective action plans when necessary. The KPIs were reworked in 2016 to steer audits more towards covering the deepest levels of the supply chain, which are often where most cases of non-compliance are found. Tier 4 was covered in 2018. Working more closely with Tier 1 suppliers naturally led to a reduction in the number of audits needed, allowing us to focus on the next levels.

- Cooperating with the JAC, which helps us benefit from a larger panel of audited suppliers
- Working with our Tier 1 and 2 suppliers to reach the deeper levels of the supply chain
- Implementing a full audit process across our own portfolio of suppliers
- Creating the JAC Academy in 2018 to train our Tier 1 suppliers in JAC audits to further spread the initiative among their own suppliers

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Data

Numbers of entrepreneurs supported by our social and economic development initiatives



Percentage of women in our management networks



Percentage of unwanted mobiles collected



Pre-2015 average

	2015	2016	2017	2018	2020
Tier 1	40%	Tier 1 21%	Tier 1 16%	Tier 1 31%	Tier 1 10%
Tier 2	49%	Tier 2 48%	Tier 2 55%	Tier 2 45%	Tier 2 35%
Tier 3	5%	Tier 3 31%	Tier 3 29%	Tier 3 24%	Tier 3 50%
				Tier 4 1%	Tier 4 5%

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