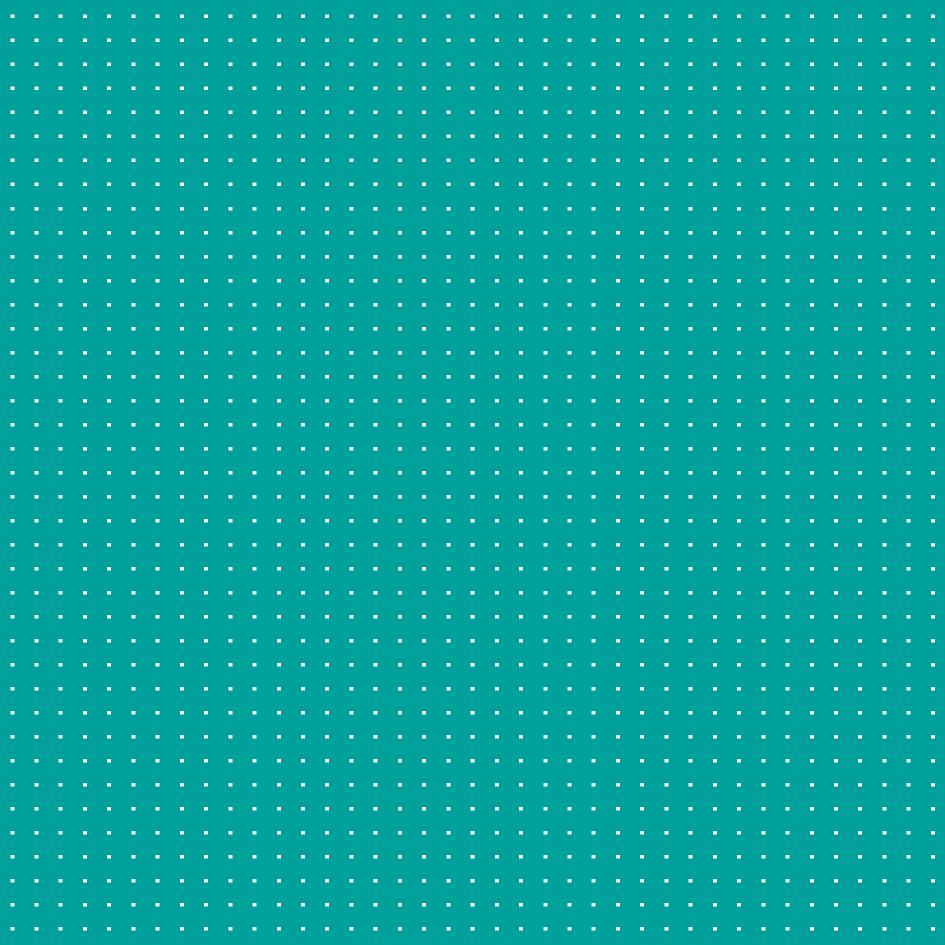


BACK TO THE ROOTS

#AvecVousPourVous





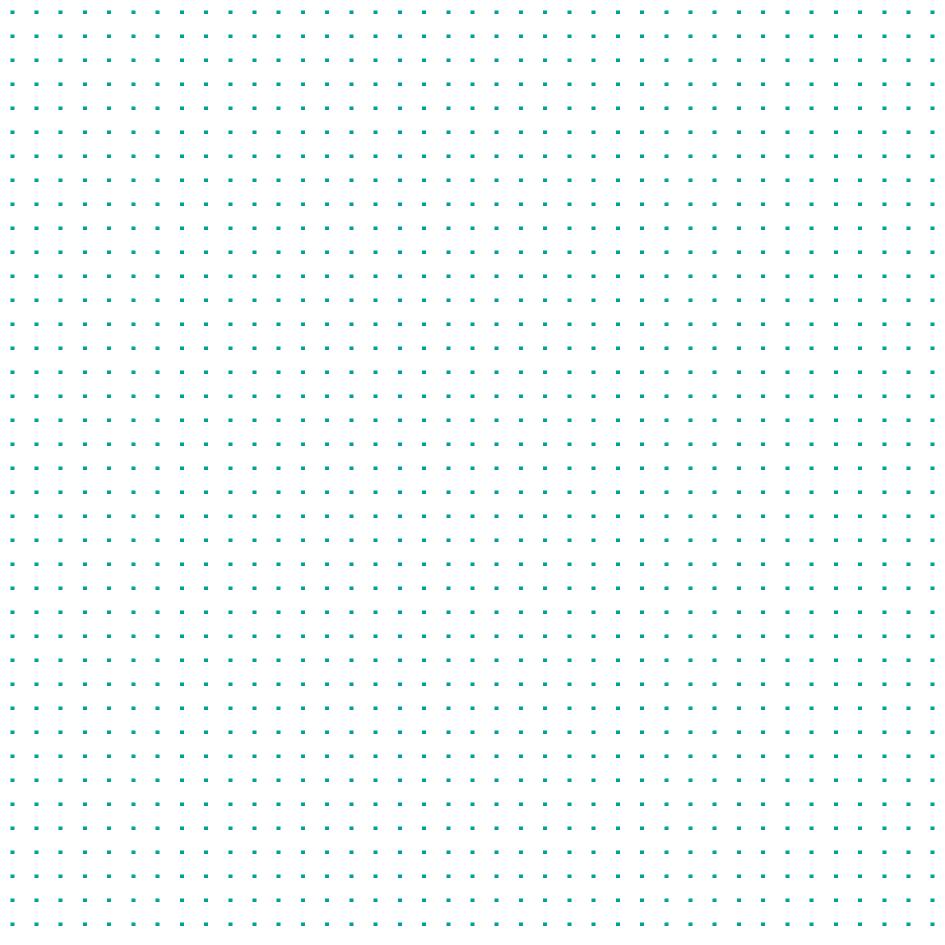
In a world where the digital blurs borders and carries ideas at the speed of light, Man must find its place, its balance between the modernism that creates its daily life and the traditions that shape it.

Indeed, new technologies make sense only when at the service of humanity! With them, we discover others, their cultures, their lives, their passions, their humor, their love, and their perspective. Origins, traditions and customs are more than ever synonymous with wealth: we show them, we post them, we share them, we "like" them!

"Back to the roots" is a tribute to our cultures, to the strength of our roots and their infinite capacity of resurgence.

The staged portraits showcase the ethnic groups of our regions and countries by revisiting their dress codes with a digital approach thus transporting them to an oneiric future.

Here, innovation is at the service of human creativity!



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LETTER FROM THE CHAIRMAN

With a sustained investment policy, the Sonatel Group reconfirmed its leadership and excellent operational results in all its countries of presence for 2017.

The integration of its new subsidiary Orange Sierra Leone and the great commercial momentum with an 8.7% growth of its customer base to 30.2 million have been key elements in this successful year. Despite an increasingly competitive environment and hardening regulations and taxations, the Group can proudly display its 972.9 billion XOF of turnover.

Roughly, 334 billion XOF went to investments during the year with 150 billion for the purchase of 4G licenses in Senegal and Mali. These investments highly contributed to the strengthening of operational excellence and favored the development of new services.

In addition to a growth in revenues, the trajectories of profitability improved, reflected by the growth recovery of the EBITDA.

Nevertheless, the net profit of the Group decreased by 6.8% to 202.2 billion XOF; this can be explained by significant currency exchange effects and a significant growth in amortizations following the important investments in the last 3 years for the amount of 800 billion XOF to modernize and extend the networks as well as to renew licenses and acquire 4G frequencies.

The Sonatel Group maintains its position as a key player in the creation of wealth in all 5 countries of presence. We can also cite social action programs that were undertaken by the Group in regards to corporate social responsibility; also drivers of important economic returns. The Sonatel Group will continue on and reinforce its investments and its adaptation efforts in this continually mutating environment, with structuring evolutions of the telecom sector in the consolidation scope. The Group will further its actions to accelerate digital development and inclusion in West Africa; as well as, to progress in the areas of value-added services, mobile financial services and business and governmental services. Confident in the dynamism to follow and in the solidarity of the financial structure of the Group, the Board of Directors proposed at the General Assembly of April 17, 2018, a net dividend of 1 500 XOF per action.

In my name and that of the members of the Board of Directors, we extend our congratulations to all of the collaborators of the Sonatel Group in all of our countries of presence for the good results in addition to encouragement for the new challenges to come. I would like to also recognize the quality of the management teams and each of the subsidiaries, which provide the Group with robust assets for the coming transformations.

I am confident that the mobilization and commitment of everyone to serve clients and all stakeholders will allow the Group to always anchor itself in lasting success.

MESSAGE FROM THE MANAGING DIRECTOR



Alioune NDIAYE

Managing Director

In 2017, the Sonatel Group once more consolidated its solid operational and financial performances. The heavy investments realized during the year have enabled us to enhance customer experience and to continue our efforts towards technical service quality and our customers' loyalty policy.

The consolidated turnover of the Sonatel Group is at 972.9 billion XOF for the 2017 fiscal year, a +7.5% growth. This increase is even more valued as the Group has had to face adverse impacts in an increasingly competitive, regulatory and fiscal environment.

The Group has been able to maintain its leadership by pursuing its recruitment momentum and the resumption of its base growth despite intensified competition and the tightening of the identification requirements. The continuance of this good commercial momentum particularly with mobile recruitment has led to a management of the churn as shown by a consolidation of the market shares in all countries.

The growth of the customer base is mostly pulled by the mobile base (29.7 million), thanks in particular to the revamping of the prepaid offer and a good 4G recruitment momentum in Senegal and Mali as well as coverage extension in Guinea.

The good commercial momentum continues to be sustained thanks to the development in mobile data usage, Orange Money activity and Value-Added Services (VAS). Accordingly, we note acceleration in

the growth in mobile data users (9.2 million or a 44.1% growth). The Sonatel Group remains a key player in the creation of wealth by contributing for close to 502 billion XOF to the budgetary revenues of the Governments in all 5 countries of presence.

In terms of the development of the local private sector, the activities of the Group generated for local businesses over 247 billion XOF in turnover.

For the balance of payments, the Group positively contributed in all countries of presence through the traffic balance, representing net exports of over 160 billion XOF.

In regards to job creation, the activities of the Group generated over 3 500 direct jobs and more than 100 000 indirect jobs thanks to a commercial distribution extended to outsourcing and different dynamic partners.

I am even more convinced today that leadership of our Group has been reinforced by our capacity to contribute to the economic and social development of our countries of presence. Indeed, the efforts made to remain close to the concerns of the stakeholders through our corporate social responsibility are an asset.

The Foundations of the Sonatel Group are also guarantees of our citizen engagement and allow through flagship projects such as the "Village Project" from Sonatel and Orange Mali foundations to open remote localities through the construction of a health post, a school and a water point.

We will continue in 2018 the actions planned towards our Strategic plan "Horizons 2020" in order to deliver our commercial promise which is to offer unparalleled experience to our customers. Our leading role in the digital ecosystem is a motivating factor to continue activating the transformation and adaptation projects in an environment with constant fluxes.

These excellent performances are the fruits of a great engagement of the women and men of the Sonatel Group and I thank them deeply.

Thus, it is with pleasure that I invite you in discovering all the results for the operational and financial performances for the year 2017 in this annual report whose creativity was resolutely oriented towards the human being.





Rules of good governance ■ Board of Directors
 ■ Audit Committee

Since 05 May 2014, the coming into effect of the new Uniform Act of OHADA related to the Law of Commercial Companies and the Economic Interest Grouping (AUSCGIE), all commercial companies have a legal obligation to put to the attention of their shareholders a number of information relating in particular to the governance of their company.

These new rules are laid down in Articles 547-1, 831-2 and 831-3 of the above-mentioned Uniform Act.

SONATEL did not wait for the implementation of these provisions to inform its stakeholders on its governance.

Thus, as usual, SONATEL shares with its shareholders the following information.

TERMS OF PARTICIPATION OF SHAREHOLDERS at a general meeting of SONATEL

The right to participate in Shareholders' meetings is subject to the registration of the shareholder's name in the registry of registered shares, 5 days before the meeting.

The registration of shares on behalf of the shareholder or the interim on his behalf registered in his/her account, on the third business day preceding the Meeting at midnight local time in the share bearer records held by the Stock Exchange (BRVM) also justifies the right to participate in general meetings.

Any shareholder (or group of shareholders) representing at least one hundred (100) shares may participate or be represented at Annual General Meetings. Regardless of the number of shares held, any

shareholder may participate or be represented at Extraordinary General Meetings.

Any shareholder may be represented by his spouse or by a representative of his choice, shareholder or non-shareholder himself.

Every shareholder has as many voting rights as shares he owns and represents. The representative of a shareholder has the voting rights of its mandate under the same conditions and the same limit.

1.2

UPDATE ON THE STATUS OF EMPLOYEES'S

hare investments on 31 december

SONATEL gives a particular importance to its staff shareholder and it is for this purpose that since its initial public offering in 1998, all its employees are shareholders.

The staff shareholder format of the Sonatel Group is now cited as an example, with each staff feeling more involved in the future of his/her company.

This example is now replicated in many companies.

As of 31 December 2017, SONATEL had 1 830 employees in Senegal (foreign subsidiaries not taken into account). On 31 December 2017, 1 823 employees of the SONATEL Group are shareholders representing a stake in the share capital of 6.40%.



1.3

BOARD OF DIRECTORS of SONATEL

As at December 31, 2017, the Board of Directors of SONATEL is composed of the following 10 members (09 directors and one representative of the Financial Controller):

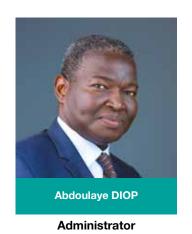


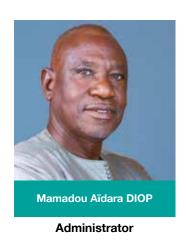
Bruno METTLING

Chairman of the Board of Directors







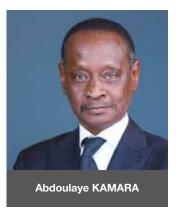












State Financial Controller

THE MANAGEMENT COMMITTEE of the Group





M Thierry MARIGNY Deputy Managing Director



Managing Director



Managing Director Orange Guinea



Managing Director Orange Bissau



Managing Director



Managing Director of Sonatel Mobiles, Consumer Marketing Director



Managing Director of Sonatel Multimedia Strategy and Development Director



Information Systems Director



Sales Director



Corporate
Communications and
External Relations

Director



Audit Risk and Quality Director



Regulatory and Legal Affairs Director



Accounting and Financial Director



Customer Services Director



Human Resources Director



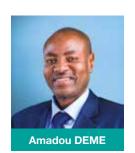
Network and Platforms Services Director



International Operations and Operators Director



Corporate Director



Logistics and Procurement Director

1.5

CONDITIONS FOR THE PREPARATION

and organization of the works of sonatel's board of directors

The rules governing the preparation and organization of the Board's works are set by the statutes and the rules of procedures of Sonatel.

Actions of continuous improvement are also promoted on the sidelines of these texts.

Thus, the President establishes henceforth, before the beginning of each year, the annual calendar of meetings of the Board of Directors.

Previously, a biannual schedule was established before the start of the semester.

Notices of board meetings, specifying the agenda shall be made by registered mail, by e-mail of the President, at least fifteen (15) days before the date of the meeting or at least three (3) days before the date of the meeting in case of an emergency.

The urgency of the decision or decisions to be taken is left to the discretion of the Chairman of the Board of Directors.

Documents relating to items on the agenda shall be communicated to the Directors at least:

- Ten (10) days prior to any meeting in the case of documents submitted for decision-making,
- Five (5) days (including one weekend) prior to any meeting in the case of documents submitted for information purposes.

The Chairman of the Board of Directors may invite members of SONATEL management team, after consultation with the Managing Director, depending on the items to be dealt with in the agenda.

In any event, the Board of Directors may, in the event of an emergency, and at the proposal of the Chairman, deliberate any matter not on the agenda that is communicated to it.

The Board's deliberations are recorded in minutes drawn by the Chairman of the meeting and the secretary and signed by the Chairman of the meeting and at least one Director.

APPLYING GOVERNANCE CODES on the ISA AND the SCCP

Sonatel is referring since 2011 to the Business Governance Code developed by the Senegalese Institute of Directors (ISA).

The purpose of this code is to promote good governance practices in companies of both public and private sectors.

The provisions of the code, inspired by the OHADA law are a set of rules of good conduct for companies.

The Sonatel Board of Directors has chosen to follow the rules defined by this code because these texts highlight the code of good governance practices. We The social responsibility by a commitment beyond can mention among the rules enacted:

- Therelationship between Sonatel and its shareholders resulting in fair treatment of shareholders as well as the transparency and quality of the information transmitted.
- Rules relating to the roles, missions, composition, functioning of Board Committee.
- The relationship between the Board, the General Management and Executives.
- The Board and the auditors.
- The Board and other stakeholders.

Sonatel since 2012 also refers to the Code of Conduct for Private Sector Enterprises in Senegal developed by the Private Sector Coalition against Corruption (SCCP) which was set up by the Government of Senegal and the World Bank which see corruption as a limiting factor for economic and social development of Senegal.

Sonatel has adhered to the Code of Conduct which:

- Establishes guidelines and rules of conduct destinies fight against corruption.
- Promotes ethics and good corporate governance in the private sector companies, and in relations between companies from the private sector, and between them and the government, customers, consumers.

This Code is based on three guiding principles:

- The Ethics by its definition and the implementation of policies and development strategies consistent with ethical principles.
- the purpose of profit, to build a responsible corporate citizen concerned about its social environment.
- Corporate governance by applying the basic principles of the Senegalese Institute of Directors (ISA), in particular the integrity of leaders, the respect of clear definition of roles between the Assembly of Shareholders, the Board of Directors and the General Management and finally the rights of shareholders and equality in their treatment.

The codes are available at these institutions.





1.7

PRINCIPLES AND RULES FOR THE DETERMINATION

of compensation and benefits granted to corporate officers

The Remuneration and benefits of Corporate Officers are determined in accordance with the provisions of AUSCGIE. It is an initial decision of the Board of Directors.

The duty allowances of the Directors set by the Board of Directors shall however be approved at the Annual General Meeting.

Upstream of this legal procedure, Sonatel has implemented since April 2008 a Nomination and Remuneration Committee whose responsibilities include making such proposals to the Board on:

- Duly allowances for the Directors.
- The remuneration policy for Sonatel corporate officers.
- Remuneration, mobility of executives and the Sonatel employee shareholding policy.

The Committee thus makes a proposal to the Board who will take the decision.

The Board of Directors No. 141 dated 2 February 2012 had fixed the duty allowances which are paid to Directors present at relevant meetings (Boards of Directors, Audit Committee).

An overall budget was allocated by Sonatel General Assembly of 08 April 2009.

This envelope is equal to 65 million XOF per year.

REMUNERATION AND BENEFITS of any kind paid to each Sonatel Director

met six (6) times, the Audit Committee two (2) times.

During the year 2017, the Sonatel Board of Directors Directors and Audit Committee) or their delegate in the following proportions:

During fiscal 2017, the duty allowances were paid to the Directors present at meetings (Board of

administrators	Board of Directors	Audit Committee	Total
M. Abdoulaye DIOP	4 800 000 FCFA		4 800 000 FCFA
M. Thierno FALL	4 000 000 FCFA		4 000 000 FCFA
Mme Fatoumata SARR DIENG	4 000 000 FCFA		4 000 000 FCFA
M. Cheikh Tidiane DIOP	3 200 000 FCFA	1 600 000 FCFA	4 800 000 FCFA
M. Bassirou Samba NIASSE	800 000 FCFA		800 000 FCFA
M. Mamadou Aidara DIOP	4 800 000 FCFA		4 800 000 FCFA
M. Fabrice ANDRE	4 800 000 FCFA		4 800 000 FCFA
M. Ludovic PECH	4 000 000 FCFA	1 600 000 FCFA	5 600 000 FCFA
M. Bruno METTLING	8 400 000 FCFA		8 400 000 FCFA
M. Thierry BRETON	4 000 000 FCFA		4 000 000 FCFA
Total Général	42 800 000 FCFA	3 200 000 FCFA	46 000 000 FCFA

The above repartition is consistent with the overall SONATEL's Ordinary General Assembly of April 08, annual budget of 65 million XOF allocated by the 2009.

COMMITMENTS TAKEN in favor of corporate officers

No commitment was made by Sonatel for the benefit of its corporate officers for the 2016 fiscal year.

LIMITATIONS OF THE MANAGING Direcotor's Powers

The Managing Director is vested with the broadest powers to act in all circumstances on behalf of the company. He exercises his powers within the limits of the corporate purpose and subject to those that also was also enshrined in Article 13bis of the Articles the law and the rules of procedure of the Board of Directors expressly attributed to him.

The Board, however, since 1997, has established a ceiling for commitments of the Managing Director

beyond which prior approval of the Board is required.

This limitation of the powers of the Managing Director of Sonatel.

INTERNAL CONTROL PROCEDURES

and risk management in force

Sonatel has implemented for years a process for / Systematic review of procedures to ensure the internal control and risk management.

The activities, the results of this process of internal control and risk management are controlled by the Audit Committee.

For effective and efficient management of this process, structures and follow-up committees exist in Sonatel:

- A dedicated department for risk management and internal control having as main responsibilities:
- / The development and regular updating of risk mapping linked to the activities of all Sonatel processes (identification, treatment, assessment and prioritization of risks),
- / Piloting the top risks (priority risks and unacceptable risks) defined by the General Management,
- / Risks analysis related to strategic offers and projects,

- integration of the internal control systems covering risks,
- / Support for businesses for the development and ownership of internal control,
- / The annual verification of compliance with the financial security laws and the Sarbanes Oxley Act applicable to listed companies in the United States because of the ownership of Sonatel to the Orange Group (review of guestionnaires on the internal control environment review by the Statutory accounts for validation),
- / Piloting and animation of the compliance with the implementation and monitoring of a mechanism against corruption and conflicts of interests, in order to ensure compliance with the Sonatel Group's zero tolerance policy on corruption.

- A specific entity for ethics and compliance management:
- / A CSR, Ethics and compliance committee chaired by the General Director that meets quarterly,
- / A Chief Compliance Officer appointed by the General Director: Head of Audit, Risks and Quality, in charge of coordinating and supervising the efficiency of the compliance actions within the Sonatel Group,
- / An ethical sponsor: the Head of Human Resources, / A CSR, Ethics and Compliance network with a coordinator, moderators by areas and correspondents by direction.
- An Internal Audit department in charge of assessing the internal control system (tests to ensure the correct application and the effectiveness of the internal control system documented). Internal Audit has as main responsibilities:
- / The development and implementation of an annual audit program covering strategic issues and challenges of Sonatel in all areas including those exposed to critical and unacceptable risks,
- / The monitoring of the implementation of recommendations of internal and external audits.
- A general inspection unit responsible for:
- / Realizing the investigation missions following the generating facts impacting Sonatel or a third party:
 - Fraud or suspected internal or external fraud,
 - Theft and diversions of assets.
 - Corruptions or attempts to bribe and ethics violations.
 - Non-compliance with laws, regulations, contracts, policies and procedures causing prejudice to Sonatel or a third party,
 - Human or major technical failures,
- / Follow up on the recommendations of the investigations.
- / Ensure the reporting level group on investigations.

- A risk committee chaired by the Managing Director and consists of all Directors and Heads of safety, revenue assurance and risk management and internal control departments. This committee, which meets every semester, has for missions to:
- / Analyzingthetoprisks(priorityrisks and unacceptable risks) defined by executive management to ensure their control,
- / Identification and impulse of the necessary synergies between the various functions involved in risk management,
- / The preparation of internal control reviews and follow-up to the review.
- A committee for risks review related to strategic projects and offers of Sonatel whose role is to:
- / Ensure the consideration of the risk dimension in the projects or sites before they are reviewed by the validation committee,
- / Ensure that projects must pass a validation milestone which incorporates adequate and necessary controls to achieve the various objectives and to circumvent, predict, correct or reduce the impact of identified risks.

The results obtained to date are positive and ongoing monitoring is realized to effectively contribute to the sustainability of the activity of Sonatel.





HUMAN RESOURCES

Under the salaried seal of the digitalization and the experience

Our organization faces deep transformations accelerated by the digital revolution. This digital revolution incites strongly the group Sonatel to adopt a more agile politics in the management of its human resources.

Conscious of opportunities to be seized, the Human resources department pursues and accelerates the industrialization of its processes to anticipate better and meet the needs of stakeholders and particularly of the Main things of the Staff.

So, these measures were worth him the renewal of its certificate **Top Employer**, who is a world gratitude regarding best practice regarding human resources. It is the gratitude of the quality of the HR policy of Sonatel regarding working conditions and regarding consideration of the human resources.



DEVELOPMENT OF THE SKILLS pledges of sustainable performance for a company

THE PRIORITY FOR TRAINING AND DEVE-LOPMENT OF THE SKILLS OF THE GROUP, IS TO MAKE LIVE TO EVERY COLLABORA-TOR A UNIQUE EXPERIENCE OF LEARNING.

It is the reason why year 2017 was rich in transmission of the knowledges, thanks to the support of the internal skills of the group and the experimented external partners.

The training plan was successfully unwound and adjusted in the course of the year with the integration of new trainings concerning essentially the digital in particular «to Accompany the digital transformation» or «The Community management ».

Several careers were thrown in particular routes: project manager (a module On-line); marketing B2B;

certification of the School of the customer service; fiber optics and Vita' Vente.

Some key figures of 2017:

- 16 713 days pupils (I) were realized against 14 608 in 2016 is an evolution of + 2 105 I;
- The average number of hours of training by employee is of 59.67 hours on a staff of 1707 against an average from 49.86 hours to 2016 on a staff of 1713;
- An accumulation of 101 862 hours of training was obtained against 88 155 hours in 2016;
- 1293 employees on a staff of 1707 followed at least a training course in 2017 against 1283 in 2016 is a 75.75% rate.



 As for the development of the skills managerial, the Pack manager program was able to establish 40 groups of managers and 8 groups of managers of the managers and to hold 10 Round Tables concerning managerial themes livened up by identified referents.

Eleven groups of the Pack Manager buckled their works of «collective evaluation» and made recommendations being able to be implemented in the strategy of the company. Which establishes a good performance.

Year 2017 was also marked by the trainings personalized by the Pack Manager with the holding of 6 sessions shop windows, the animation of the program via Plazza but also by the program of English spread in the form of « seminary of training » buckled in April, 2017 with realized 1350 hours of training.



Skill Center MEA Sonatel Dakar

Sales Academy of sales MEA Dakar consolidates its fame within the group and positions as an important device of professionalization and gratitude of the trainers of the job by the sale, and also as a reference center in the distribution of the contents job intended for the collaborators and the managers of the sale.

- 16 trainers of the French-speaking subsidiaries Orange MEA, having followed the certifying formative route(course), obtained the certification trainer organizer(presenter) Paris faculty of political science.
- 127 days of training(formation) realized in Senegal and with subsidiaries with an average rate of satisfaction of 9/10.

REGARDING CAREER MANAGEMENT

offer to every collaborator a unique and personalized route

Always in the dynamics to accompany his collaborators in all the stages of their professional life, Sonatel set up various devices:

- The Projected Management of Jobs and the Skills to guarantee the useful skills of tomorrow;
- The System of Improvement of the Performances to estimate and analyze the individual performances, and watch the adequacy over profile/post of all the collaborators and the career management of all the collaborators;
- The implementation of the sector expert, real alternative in the managerial way;

 The program "Digital Inside" to accompany the collaborators in the digital transformation by the raising awareness, the training and the equipment.

The classic programs in particular, the mercato of the mobility, the reference table of the careers, the sharing talent and the expatriation win in maturity due to the already obtained results.

These politics will be strengthened by the next finalization of the program "Talent management" which aims at identifying and at managing in a differentiated way, the collaborators with very high potential.

2.3 HEALTH AND WELL-BEING IN THE WORK to listen to to act better

The significant innovations registered in 2017 in the deployment of the politics Health and Safety in the work carry mainly on:

- The implementation of the cell of listening and strengthening of the human performance which is a device of support, listening and support. It has for mission to favor the well-being and the quality of life of the collaborators by:
- / The development of better relational capacities and communicationnelles; / a bigger emotional intelligence to manage better the conflicts and the stress;/a consideration of the psychology-diversity (management of the individualities).
- / A good adaptation to the change.

Two hundred and ninety seven (297) sessions of coaching individualized were counted with the programming of 560 agents.

- The arrangement of the spaces of relaxation: pursuing its firm will to improve the well-being of his workers, the HR DEPARTMENT proceeded to the opening of the spaces of relaxation which allows every collaborator to proceed to withdrawals.
- At the level of the IPM Sonatel, the popularization of the new version of the Card O', in support for the Corporate management will be a major innovation for Sonatel. Indeed, it is about the first solution of dematerialization of the route health to Senegal and in the sub-region.

Beyond these strong stakes bound to our brand image and our capacity of innovation, the piece of news Version of the Card O' will allow Sonatel to develop a new niche of market (IPM, insurances etc.) to increase our income on Growth drivers.





The complementary health insurance of the Retired people (MSR) announced in 2016 started with a lot of enthusiasm with the main redeemed beneficiaries. A medical examination balance sheet also has was offered to more than 600 retired people of Sonatel.

We call back that:

- / This device which dresses a major importance in the management of the health of the retired people is the fruit of an excellent collaboration between the Head office, the Social Partners and ANARCHISTS (National Association of the Retired people Sonatel).
- / The mutual car its main income according to the principle of an intergenerational solidarity between assets and retired people and those brought by the Head office in term of annual subsidy.

The classic activities bound to the curative and preventive management of the health continue to be taken care well:

On the curative plan, we recorded in 2017, 21.503 compound acts of:

- 9.721 consultations,
- 11.000 nursing,
- 284 vaccinations,
- 498 TMS.

As regards the prevention, the annual balance sheet of health was made on all the sites of Dakar and regions. So, at the end of June, 2017, 1 675 permanent agents were consulted on 1 702. Six hundred and sixty three temporary (663) and trainees take care.

Also, the COMMITTEE FOR HEALTH AND SAFETY AT WORK (CHSCT) pursues its activities for the control of the risks SST through: the visits of sites, analyses further to occupational accidents, the tests of emergency situation, the incentive in the sports practices, the follow-up of holding of the meetings of establishment and the sessions of raising awareness and training.

The program « to relieve to be in peak condition « arouses a lot of interest and is widened in regions.

One of highlight of the animation SST concerns the holding of the annual seminary of the CHSCT with two symposia livened up by eminent specialists:

Symposium 1: quality of life in the work

- Food and cardiovascular diseases.
- Gynéco-mammary Cancers

Symposium 2: health and Quality of life in the work

- Of the positive psychology in the well-being in the work.





Ensemble, Réinventons Sonatel

Sonatel / 2017 Annual Report

CORPORATE DEVELOPMENT PLAN 2020

« Let us Walk together, let us show solidarity and let us unite to create a positive and profitable growth for SONATEL and to perpetuate our company ».

One of the major facts raised over the year 2017 is - The culture customers, concerning the message of mobilization pronounced by the Managing director during the launch of the Corporate development plan 2020 on May 26th, 2017.

This meeting recorded the strong participation of the directors and the Department Heads, Ambassadors of the Corporate development plan and the social partners.

Big was the mobilization of the Staff during year 2017 through the meetings with directors, formations of managers, waterfalls and focuses group which had for main objectives to exchange and to collect the contributions of every Sonatélien on them

- Deep breaks of our environment pulled by the digital revolution which impacts on all our activities and on our businesses plans;
- Stakes and the strategic solutions declined in the Strategic Plan «Horizon2020»

We call back that the Corporate development plan 2020 joins in a dynamics of «Reinvention of Sonatel».

This ambition required a big raising awareness on the obligation to strengthen:

- The agility of Sonatel through axes: anticipation, Innovation and Cooperation.
- The roles of the Manager 2020 (Reliable generator, Creator of sense, agile Performeur, Emulator of innovation, Unifier and Talented revelation)
- The characteristics of the universal leadership (Copy, Confidence, Culture result, Empathy, Commitment, Cooperative, Intelligence of situation, Audacious and Creator of solutions)

These actions supported by a good internal communication plan declined through video messages, challenges, notes and SMS of internal communication allowed:

- To strengthen the commitment and the membership of the Staff
- To create a strong team spirit;
- And to contribute to the quality of the social dialog.

One of the key factors of success was the co-construction with the entire staff and the implication of labor and management.

The elaboration of the action plan which is in progress and the agreement planned during the 1st quarter 2018 will allow to finish the construction phase.







3.1 SONATEL, COMMITTED OPERATOR TO SOCIAL AND

economic development in its countries of presence

Our corporate social responsibility policy has been embodied since its inception by a set of principles and values that are in line with our development, to the benefit of stakeholders under well-defined basis: **community well-being, good governance, economic growth and development, environmental protection.**

With this responsible commitment, the Sonatel Group works to meet the expectations of its stakeholders, after listening to their concerns through several well-established outlets.

Thus, this year again, multiple actions were conducted in all of our countries of presence.

3.1.1

Citizen Engagement in Senegal

■ Community well-being

Contribution to the development of local communities and to the amelioration of the quality of life of the populations

This year again, in its desire to support local communities, the Sonatel Group has continued its "Sonatel clean cities" concept or "And defar suu gox" in the localities of Saint-Louis, Pire, Mékhé and Kolda.

The cleaning operations were completed thanks to the mobilization of the populations, notably the women's groups and the Youth associations.

This program was also rolled out in the collectivities housing the main religious events.

M-DIABETE

Sonatel renewed this year its support to the M-Ramadan campaign, an important component of "M-Diabète", which is at its 4^{th} edition.

This action is part of the World Program Be healthy, Be mobile, in partnership with the Ministry of Health and Social Action, the World Health Organization and the International Union of Telecoms ("UIT"), all initiators of the "M-Diabète" program.

M-Diabète aspires to put in place, on a large scale, an efficient program to fight against chronic diseases, such as diabetes or high blood pressure, thanks to mobile telephony.

Sonatel participates actively through free SMS transmission of information and personalized advices on diabetes to its client base. To complete its support, the Sonatel Group also hosted a "Jeudi de la RSE", special Health around the theme "Health and Ramadan" in June 2017, with the participation of Health experts.

FIGHT AGAINST CANCER

In addition, the Sonatel Group got involved in the fight against cancer, through a partnership with "LISCA". This support was translated into a financial contribution to assist cancer patients, especially for surgery and chemotherapy. A fundraiser via mobile, through SMS, was also implemented.

WELL-BEING AT WORK

Aware that a happy employee is an efficient employee, the Sonatel Group gives a great importance to well-being, health and quality of life at work. As a precursor in this domain, Sonatel serves as an example to others businesses.

It is in this context that it participated last October at the King Fahd Palace in Dakar to "Préventica International": the 1st international forum on the global mastery of the risks in West Africa; the forum welcomed thousands of guests from Senegal and the sub-regions.

Over a hundred firms operating in the health and security sector or having health, hygiene and security approach at work held exhibition stands and/or moderated forums.

It is in this framework that Dr. Babacar Fall, head of the department of Health and Hygiene at work, co-hosted the forum on "the global agreement on health and security at work of France Telecom Group" with Mr. Luc Godard, assistant director in charge of social relations at Orange France, Mrs. Marie Claude Peltier from the Lévia Group in Montreal and Sonatel's social partners.





FREE WIFI IN SOME NEIGHBOURHOODS IN PILOT PHASE

Sonatel launched the project called **Sonatel Wi-Fi** Zone in Rufisque, Parcelles Assainies and Sacré Coeur/Mermoz which are the benefiting municipalities during this pilot phase.

Sonatel Wi-Fi Zone allows for open and free Wi-Fi access to the populations in the public spaces identified in each municipality.

Sonatel installed the equipment (router, Access Point, ADSL, switch according to the configurations), as well as has safeguarded the Hotspot, authenticated the connections as well as the time restrictions, and supported the benefiting municipalities for 6 months in the service operation.

This project intends to sustain the digital expansion of the local collectivities with free Wi-Fi access in public areas.

ROAD SAFETY

Sonatel accompanied the mayor of the city of Thiès in the context of accident prevention.

100 safety helmets and 500 fluorescent life vests were offered as security equipment by the Sonatel Group to support the mayor's office in Thiès in order to reinforce road safety actions, thus reaffirming its corporate citizenship role.

The offered equipment should allow reinforcing our actions in terms of road safety by decreasing the risks for road accidents.

The official equipment awarding ceremony was held on Thursday, October 26, 2017 at the Thiès Mayor's office, in the presence of its Mayor Mr. Talla Sylla, the administrative authorities and the National President of Moto-taxi conductors.

It is in the same framework that the support for the new road safety was renewed this year.

Through these actions, Sonatel reaffirms its support to the Government and the local collectivities in road safety for the reduction of risks for road accidents.



■ Good governance

The reinforcement of the relation with stakeholders through the implementation of forums such as: the organization of "Pencum Sonatel", a listening and exchange platform on themes related to the telecom sector.

With the consumer associations, Sonatel has initiated periodic meetings with the aim to inform them on the business's main activities and to give early information regarding new products launches. These meetings also offer the opportunity to expedite claims through the implementation of an efficient management and support process.

■ Growth and economic development

In the area of digital economy, we want to be recognized as a digital partner of the Government and of the incubators/enablers. This engagement shows through multiple actions carried in 2017.

/ Involvement in the "Digital Senegal 2025" program

Sonatel contributed to the drafting of the "Digital Senegal 2025" strategy which aims through the acceleration of the development of the sector for access for a greater number of people to affordable and higher quality internet.

Thus, in 2017, the Sonatel Group served its Act I to meet the objective of reducing internet prices by 50% as fixed by the Government by 2019. Act I was a first step with an average decrease in Orange Internet tariffs by 15 to 24%.

Through this first step, in addition to an accelerated 4G deployment program in the regional capitals and access to optical fiber, the Sonatel Group contributed in realizing this ambition approach of the Government to lift Senegal among the first five best connected African countries.

/ Assistance to the actors of the digital ecosystem

Like every year, the Sonatel Group reinforced its position as a catalyst of the digital ecosystem through is support during certain events such as the "JIFTIC" program (young girls and ICT) organized but the Ministry of Post, Telecommunications and Digital Economy, the 1st Women in Africa forum, and "les Mardis du Numérique" among others.

2017 was also the year to launch the Better Internet for Kids program, whose objective is to promote better Internet for the youth, their parents and the educational community and to encourage responsible online behavior.

We can cite other supporting activities to the ecosystem partners that were deployed. We have notably the participation to the international fair of the Professionals of the Digital Economy and to the "journées économiques" of the North with the introduction of MLOUMA and AAWDI, two startups supported by Sonatel following competitions organized for SME/SMI using ICTs in their activities.



The Sonatel Group directly supported the SME/SMI in the ecosystem thanks to the implementation of challenges and contests, notably the Orange Prize for Social Entrepreneurship in Africa and Middle East ("POESAM"), the "Linguère" Digital Challenge (LDC), as well as the development of tools such as the exchange and sharing platform with Senegalese startups "buzz startup!"

The Orange Prize for Social Entrepreneurship in Africa and Middle East ("POESAM")

Through this challenge, the objective of the Sonatel Group is to encourage the use of technologies for development purposes. The notoriety of this prize is becoming increasingly important, as shown by the growing number of candidates that went from 43 in 2015, 91 in 2016 to 126 in 2017. For this year's edition, the Sonatel Group rewarded 3 businesses:

- Ownlabs : 1st prize (5 000 000 XOF) - Eyone : 2nd prize (4 000 000 XOF) - ApiAfrique : 3rd prize (3 000 000 XOF).

The winner is also given the opportunity to compete at an international level with contestants from other African countries and the Middle East where the Orange brand is present.

The "Linguère Digital Challenge (LDC)

Sonatel rewarded, among 105 applications received this year, three startups with trophies for the best Senegalese businesses headed by women and using the new technologies in their activity.

The 1st prize of the 2017 LDC for 10 000 000 XOF (startup package included) went to the startup Awelebiz, an e-commerce platform.

"Les Gourmets", an online agro-food platform received **2**nd **prize** and **5 million XOF** (startup package included) whereas the **3**rd **prize with 4 million XOF** (startup package included) went to Dakar Lives, a creative platform and cultural hub.

The startup package which was received by each recipient consisted of a one-year accompaniment by Sonatel and its partners with available coaching, mentoring, services and technologies to support the development of their activity.



/ Free internet for public establishments

Since 2014, the Sonatel Group and the Ministry of National Education signed a partnership for free internet access to promote the introduction of the ICTs in the school community.

Indeed, the improvement of the educational skills in the public schools at the primary, middle and secondary levels in Senegal via the ICTs goes through, among others, free internet access for all the public educational institutions.

The solution offered by Sonatel consists of:

- 1 Mo high debit internet access
- "My Orange Office" for each establishment consisting of a domain name, 100 email addresses and web site hosting.

1 126 educational institutions have already benefited from this program of a 10 billion budget for a 5-year period.

 Launch of the 1st coding school for free in Senegal: Sonatel Academy, a modern training school, adapted to today's digital context

Inaugurated in November 2017, Sonatel Academy's main mission is to improve the employability of the young people and to allow them mastering "e-competences" they will need to prosper in the digital economy of the 21st century.

The goal is to train young people, job seekers and under-represented profiles (notably women) to digital technical professions and to enable them through skill development to enter the labor market or to set up their own activities; and, thus complete the existing ministerial scheme through "digital jobs" paths.

Sonatel Academy proposes free and short training programs as part of "FPEC" (professional training for job readiness and competitiveness) specialization

certificate framework from the Ministry of Professional Training, apprenticeship and craftsmanship.

Such a specialized school in the new digital competences such as website and mobile applications development or IT integration thereby:

- reinforces the diversity and quality of the available comprehensive training offer in Senegal;
- encourages and supports the key actors in the Senegalese sector dedicated to the promotion of digital competences and talents;
- supports the Government's expansion policy for a digital economy, in particular its strategy "Digital Senegal 2025".

The first promotion of 50 learners began its training program in November 2017 and will graduate in June 2018.

In order to give the opportunity to a greater number of youngsters to benefit from the Sonatel Academy program, an online format will be launched in 2018.





Coding for better life www.sonatelacademy.sn

/ 2nd edition of the Digital Society Forum: "Digital for health"

The 2nd edition of the Digital Society Forum (DSF) relating to "Digital for health" was held on October 25, 2017 in conjunction with the Dakar Digital Show and was very successful. This collaborative, open and important platform brought together more than 140 participants around leading health and digital experts, among which our partners from MSAS, IUT, WHO and 10 high-level experts (comprising socio-anthropologist, economist, psychotherapist and cardiologist).

The purpose was to troubleshoot and define solution paths aimed at better taking into account the digital challenges in health-related strategies at great length from the bottom up and benefiting populations and communities.

The Forum also proposed decentralized workshops to open the dialogue to the other actors of the ecosystem in an inclusive manner in order to gather as many issues and ideas for the implementation of appropriate solutions.





■ Protection of the Environment

Sustainable development addresses the present needs without compromising future generations' capacities in meeting theirs. The Sonatel Group with that understanding played a genuine role in taking responsible steps.

This is reflected through the strong will of Sonatel to assume on one hand the impacts of its decisions and activities on the society and the environment; and, on the other hand to take account for them.

The Sonatel Group also hosted in December 2017 as part of the thematic meetings called **"Jeudi de la RSE"** an edition on the subject of the environment. This event is an opportunity for exchanges, awareness and the sharing of

experiences between high-level partners on issues and current topics; and, was attended by our partners from the Ministry of Environment and Sustainable Development (MEDD), including the Center for the Management of Air Quality (CGQA), the unit for the collection and the management of solid wastes (UCG) from the departments of Pikine-Guédiawaye, Proplast Industries, the Nebeday Association and the Association Clean Senegal.

Exchanges around the behaviors to adopt for a better preservation of the environment in Senegal have been fruitful. Questions related to energy saving, return management among which DEEE (Electric and Electronic waste) and the ISO26000 and 14001 certifications were addressed.







N° 2009/34174.8

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- ETUDE, REALISATION ET MAINTIEN EN CONDITIONS OPERATIONNELLES D'INFRASTRUCTURES CLOUD POUR L'ACCES A DES APPLICATIONS METIERS
- ETUDE. REALISATION ET MAINTIEN EN CONDITIONS OPERATIONNELLES D'INFRASTRUCTURES RESEAU POUR L'ACCES A LA TELEPHONIE FIXE, AU TRANSPORT IP ET AU TRANSIT INTERNET A HAUT DEBIT.
- ETUDE, REALISATION ET COMMERCIALISATION DE SOLUTIONS DE TELEPHONIE FIXE, DE TELEPHONIE MOBILE, ADSLIET SERVICES ASSOCIES EN DIRECT AUX CLIENTS UTILISATEURS
 - PAR LES AGENCES ORANGE ET EN INDIRECT AUX BOUTIQUES ET DISTRIBUTEURS PARTENAIRES.
 - ETUDE, INTEGRATION, COMMERCIALISATION DE SOLUTIONS ET SERVICES INTERNET ET MULTIMEDIA A VALEUR AJOUTEE SUR ADSL ET TELEPHONIE MOBILE, SERVICE CLOUD.
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Franck LEBEUGLE <u>Directeur Général d'AFNOR Certification</u> Managing Director of AFNOR Certification





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- ETUDE, REALISATION ET MAINTIEN EN CONDITIONS OPERATIONNELLES D'INFRASTRUCTURES RESEAU POUR L'ACCES A LA TELEPHONIE FIXE, AU TRANSPORT IP ET AU TRANSIT INTERNET A HAUT DEBIT.
- ETUDE, REALISATION ET COMMERCIALISATION DE SOLUTIONS DE TELEPHONIE FIXE, DE TELEPHONIE MOBILE, ADSL ET SERVICES ASSOCIES, EN DIRECT AUX CLIENTS UTILISATEURS PAR LES AGENCES ORANGE
 - ET EN INDIRECT AUX BOUTIQUES ET DISTRIBUTEURS PARTENAIRES. - FTUDE INTEGRATION COMMERCIAL ISATION DE SOLUTIONS ET SERVICES INTERNET ET MULTIMEDIA
- A VALEUR AJOUTEE SUR ADSL ET TELEPHONIE MOBILE, SERVICE CLOUD. - ETUDE, INTEGRATION ET COMMERCIALISATION DE SOLUTIONS DE COMMUNICATION PRIVEES D'ENTREPRISE.
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Franck LEBEUGLE

<u>Directeur Général d'AFNOR Certification</u>

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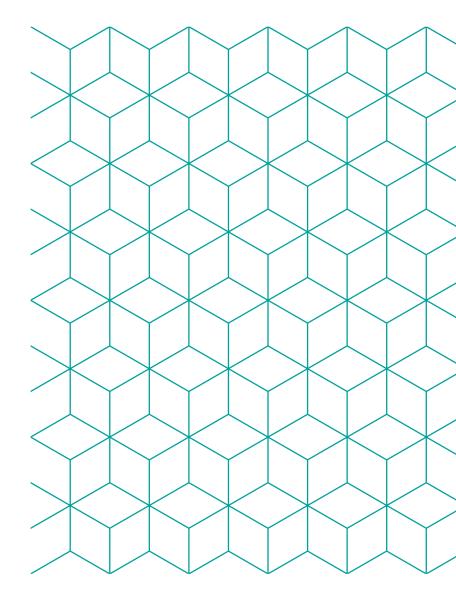
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/ Reforestation in Joal with the Nebeday Association

Pursuing its actions for the preservation of the environment which is one of the major components of the CSR policy, the Sonatel Group was committed alongside the Nebeday Association to further raise the populations' awareness and to contribute to the fight against desertification and deforestation in Senegal.

As part of the operation for the reforestation of 300 000 trees, Sonatel's employees mobilized as one in October 2017 to actively participate to this activity.

The 300 000th tree was planted by the staff in the mangroves of Joal.



/ The Green Ambassadors Colons

During the month of August, awareness workshops for the children of the staff of Sonatel on the preservation of the environment and the concept of sorting and recycling were organized in order to introduce the children to acts of green and for them to become Green Ambassadors:

- A recycling workshop from used papers to reusable objects such as bags with our partner the «Sénégal proper» association;
- A field trip to Thiès to visit facilities that collect, sort and recycle plastic objects from street recycling bins, in partnership with Proplast Industries;
- An initiation workshop to micro-gardening, with Mama Africa.

/ Sonatel celebrated the World Environment Day

Celebrated on June 5th of every year, this proclaimed day by the United Nations Development Program (UNDP) is intended for the protection of the environment and its consequences on the quality of life of the populations. At Sonatel, actions carried out daily contribute to «bringing people closer to the nature», which was the theme for the 2017 edition.

Thus, in collaboration with local partners, Sonatel deployed important technical and human means to assist in the activities of the Institute of Environmental Sciences of the University of Cheikh Anta Diop from June 1st to June 5th, during which sessions on reforestation, expositions, panels, «set setal» and awareness caravans were organized.

/ Accompaniment of the Direction of the Environment and Classified Establishments (DEEC)

Like each year, Sonatel supported the Ministry of Environment and Sustainable Development in the task of measuring air quality, in partnership with the Direction of the Environment and Classified Establishments. A newsletter is sent out daily to over 150 organizations. Sonatel's support also extends to «COP», the Conference of the Parties on climate change under the United Nations Framework Convention.



/3.1.2

Citizen Engagement in the subsidiaries

In Mali, a sustained and durable corporate social responsibility policy

With Orange Mali, innovation is at the service of economic and social development. Our objective is to provide Malians with innovative, simple and practical products and services that ease their daily activities.

■ GARBAL: ICTs at the service of the farmers from the North of Mali

Orange Mali launched GARBAL which is an information service for the nomadic people of the North of Mali on water and pasture quality (transhumance), in partnership with the NGOs «SNV», Action against Hunger, the TASAGHT program, and the National Signals Intelligence Organization (Netherlands) which is in charge of data. GARBAL is also a service which aims to improve the resilience of farmers-pastoralists affected by the weather events thanks to access to and the use of satellite data. During its pilot phase (planned on 3 years), 75 000 farmers-pastoralists from the regions of Gao and Ménaka are expected to actively use the service.

The service is accessible via the call center at 37333 and by USSD at #222#3#. It allows farmers to have information on:

- Availability of the biomass,
- Quality of the biomass,
- Groundwater availability,
- Livestock concentration,
- Prices of cereals and livestock in different markets.

Through GARBAL, Orange Mali has continued its commitment to harness innovation for development and increased its leadership in terms of Corporate Social Responsibility in the sector of m-Agri.

■ Senekela: technological innovation for Malian agriculture

Senekela is a product dedicated to farmers with 2 services:

- A call center for farmers for support from agricultural engineers;
- A market price service via USSD.

This year, Orange Mali reinforced its support to Malian agriculture by developing and extending the Senekela service: consequently, farmers can have access to the prices of more than **160 agricultural products in 60 markets spread across 7 regions.**

SuperCoders

Orange Mali developed the project SuperCoders which is an entertaining program that accompanies kids through digital culture and initiates them to computer encoding in a simple manner; thus, allowing them creating their own virtual universe through animations. The objective of this training is to show kids that the digital is a source of practically unlimited creativity and that such an universe is also available to them: it gives to the kids an instrumental role in the digital sphere. It is also a way for Orange Mali to strongly contribute to improving knowledge of the digital world by kids and also to contribute to the reduction of the digital gap.

Support for entrepreneurship

- 75 Malians applications submitted to the Orange Prize for Social Entrepreneurship in Africa,
- Launch of the CREATEAM incubator,
- Participation to and sponsoring of major events for the development of startups: Startup Weekend, Night of Entrepreneurship, ICTs Awards.

■ Signature of a partnership agreement between Orange Mali and C2D Services (Canada) for the project Technologies for the sector of Craftsmanship in Mali ("TSAM")

The TSAM project focuses on improving the governance and engagement of artisans in the life of umbrella organization through the ICTs.

It is the product of a contribution agreement signed on March 3, 2017 between C2D Services and the Ministry of Foreign Affairs, Commerce and Development of Canada.

The project aims to:

- enhance the mobilization of the branches of the National Federation of the Artisans of Mali ("FNAM") by means of technology;
- increase the representation of all the artisans that are members of the "FNAM" including women and marginalized groups;
- reinforce the utilization practices of the information and communication technologies (ICT) by the artisans that are numbers of "FNAM";
- improve networking, communication and information access through a mobile telephony services portal;
- allow for a better identification by the public institutions of the needs and rights of the artisans as actors of development.

The TSAM project was realized with the financial support of the Canadian Government for three million four hundred nineteen thousand five hundred and fifty-four Canadians dollars (or 1.4 billion XOF).

■ Implementation of discussions m-Agri stakeholders

With the aim to:

- Capture the key issues in Mali around Orange's responsibility themes;
- Evaluate the level of general satisfaction of the stakeholders on those themes;
- Collect the new expectations of the stakeholders;
- Identify the innovation opportunities opening new perspectives for the development of Mali and the growth of Orange Mali.

In Guinea, the 7th edition of the Orange Prize for Social Entrepreneurship in Africa and the Middle East ("POESAM") 2017 was organized with prizes awarded to 3 contestants in the national level. Support to digital entrepreneurship has continued on with the Hackaton from 2015 to 2017. This contest for the development of mobile and web applications and for the enhancement of startups and developers recorded more than 400 candidates in the course of the different editions and 6 contestants were rewarded and assisted via training sessions and incubation at Saboutech.

In Guinea Bissau, corporate social responsibility focused on Gender advocacy, supporting entrepreneurship among women and young people; as well as, the preservation of the environment through the following actions:

- Supply of stands to Baracas' owners (popular restaurants) during the Orange "CAN" Village thus helping them in achieving a turnover 15 times higher than what they used to make for the same period;
- Celebration of Women's Day with the involvement of the women of Orange and its subcontractors and partners during the parade of the women serving in the military (financial assistance to women serving in the military);
- Supporting a women's association of retailers during the "FIDAK" (Dakar's International Fair), thus offering them assistance in displaying agricultural and craft products from Guinea Bissau;
- Accompaniment of the 1st incubator/accelerator in Guinea Bissau with training sessions for young people followed by a "hackathon" via sponsorships and prizes for the winners;
- Launch of a local contest for the Orange Prize for Social Entrepreneurship in Africa and the Middle East ("POESAM");
- Annual program for the solarization of the technical sites for network coverage (75% of sites);
- Supporting the Ministry of Culture for the embellishment of the city of Bissau for the year-end celebrations;
- Support to the Mayor's office of Bissau for a clean-up campaign of the neighborhoods in Bissau.

SPONSORSHIP: Citizen Engagement in favor of disadvantaged populations

■ In Senegal...

Since 2002 which is its year of creation, the Sonatel Foundation has worked tirelessly, everywhere in Senegal in three key areas that are essential for a country's development; in this case, health, education and culture. the Sonatel Foundation has thus undertaken major realizations on those 3 domains.

Construction and equipping of a health post in Mermoz with an overall cost of roughly 200 million XOF

The Sonatel Foundation equipped the population of Mermoz and its surroundings with a new health post as part of its sponsorship actions for better health care for the populations.

Through this action, Sonatel expresses once again its engagement to be closer to the populations and their close neighbors; and also, but mostly the foundation's desire to support the populations in a sector as sensitive as health.

Continuation of the « Village Project »

After Thicatt Woloff in 2015, the 2nd Village Project was inaugurated in SOB2 in January 2017. This development project consists of the delivery of basic socio-economic infrastructures in that locality in rural area, in the municipality of Dya, department and region of Kaolack.

The Village Project aims at being a solution to the challenges of the rural regions and consists of building a school, a health post and a water point in a village chosen based on criteria as the lack of infrastructures in the previously cited areas. On top of basic infrastructures, the benefiting communities are also assisted in income generating activities.

The 3rd Village project was realized in 2017 in Mbakhna in the region of Matam and will be delivered in early 2018. This locality was provided with:

- The construction and equipping of a school with 6 classrooms;
- The construction and equipping of a health post;
- The implementation of solar energy;
- The construction of a well;
- The passage from a Green School concept to that of a Green Village;
- The implementation of income generating activities for the local populations.





An increase in the number of merit scholarships in medical specialties in 2017

The priority in human resources development in the health sector and the lack of specialists in the regions (as there is a strong concentration in Dakar) guided the Sonatel Foundation in their choice.

Accordingly, the Foundation felt it necessary to conduct a reflection that led to the proposal of the above cited resolution in partnership with the Ministry of Health and Social Action in order to contribute to improving the public health policy in Senegal through training.

In 2017, the number of scholarship holders went from 15 to 20, amounting to over 300 million XOF that were mobilized by the Sonatel Foundation since 2015 in order to enable Senegal in having more specialists in the regions.

The beneficiaries are doctorates in medicine with admissions to specialties in Surgery, Gynecology and Obstetrics, Oncology, Anesthesia, Psychiatry, Cardiology, Biology, Radiotherapy, Nephrology, Intensive care, Emergency and Geriatric medicine.

Rehabilitation and equipping of the building E at the Malick Sy College in Thiès for an overall cost of 100 million XOF

The Malick Sy College of Thiès is of the first institutions built in Senegal in the wake of the independence and has been for decades the pride of the country with its excellent results as well as the quality of its education. After 50 years of existence, the college had not known

any significant renovation work and needed to be accompanied.

Keeping up with the policy to better the conditions of studies and learning for the students, the Sonatel Foundation has been sensitive to the situation of the college and decided to assist the college by rehabilitating and equipping of the building E; which was ready for the school year of 2017/2018.

Launch of the 1st Digital House: Digital access to encourage the training and the autonomy of women

The Sonatel Foundation inaugurated in December 2017 in partnership with the Orange Foundation its first Digital House to provide education to a greater number of girls and empower women even more. Implanted on the suburb of Dakar, it has allowed forty out-of-school (40) girls and women between the ages of 16 and 25 years old to be trained for free in the usage of digital tools applied to office automation, project management and entrepreneurship thanks to the accompaniment of volunteers from the Association and Orange.

The Digital House is a concept of the foundation of the Orange Group intended at supporting the organizations that promote the social and professional inclusion of women in need; and, is equipped with digital material (micro-computers, tablets, video projectors, printers, ...) graciously offered by the Foundation.

IN MALI

The Orange Mali Foundation: always closer to the Malians

The implementation of a formalized sponsorship policy under the corporate foundation was realized by Orange Mali for a decade now (in 2006). In 2017, to support the Malians authorities in their policy defined under the fight against poverty and social exclusion, the Orange Mali Foundation has realized a number of solidarity actions for the well-being of the populations in the areas of health, education, culture as well as support of basis needs.

The realization of the Foundation comes to roughly 700 million XOF with 50 million from the Orange Group Foundation.

We can cite certain key actions accomplished by the Foundation in different areas of sponsorship.

In healthcare:

- The 12th edition of the free ophthal mology caravan from Orange Mali foundation in the localities of Kéniéba, Barouéli, Koutiala and Djenné realized 5 314 visits and 531 free cataract surgeries. The caravan is opened to everyone with priority given to elders;
- A donation of health-care materials to the neonatology unit and the emergency unit of the University Hospital of Point G, the Mali Hospital, the two "CSCOMS" of Sélingué (Kangaré and Carrière) and the health center that hosts women victims of obstetric fistula in Sikasso was offered by the Orange Foundation;
- Supporting the second phase of the cervical cancer screening campaign in Bamako by the «Amicale des Femmes» of Orange Mali in six health centers of reference and 27 community health centers;
- Assistance to 600 kids and 200 infants under antiretroviral treatment from the pediatric

- center of excellence from the Gabriel Touré hospital;
- Supporting the fight against numerous pandemic, tropical and infectious diseases (malaria, sickle cell anemia, diabetes, AIDS, etc.).

In education:

- The completion of two new villages in Kérouané and N'Tentou bringing the total number of villages built in Mali to 5. As a reminder, an «Orange village» consists of: a school, a water point and a health center, three key aspects to the development of a community;
- The pursuit of the deployment of the Digital schools program in Bamako and the regions.
 50 digital schools will be installed by the end of 2018. Moreover, the equipment was offered by the Foundation of the Orange Group;
- Continued sponsoring of the education of 1 410 disadvantaged kids in Bamako and the regions;
- The accompaniment of the SOS Children's village in Mali with the sponsoring of 55 kids.

In culture:

The Foundation also promotes culture for the purpose of supporting the local economy and to develop the artistic and cultural wealth of Mali through dance, cultural programs and many cultural events: Dogon cultural festival, festival of Ouagadou, the «nights of Kamalen N'GONI» festival, the international festival of Jazz, the festival of Kurukanfuka, the «Caurie» festival, the Mask festival of Bobofings in Mouni, the Music schoom of Kirina, etc.

In solidarity:

- The Solidarity Day of the Orange Mali Foundation hosted each year in October with important in-kind donations gifted to the sanitary structures, women's associations, guidance centers for vulnerable children and disabled people and is intended at supporting the Government. The contribution of the Foundation during the 2017 edition was over 91 million XOF;
- Solidarity towards families victims of the GAO attack with the distribution of supplies and food in partnership with the Ministry of Solidarity and Humanitarian Action;
- Dietary support for 1 300 kids through the distribution of food products in 11 welcome centers for vulnerable children;
- The delivery of toys to 24 structures that welcome disadvantaged children, during the holiday season.

Orange, official sponsor of the big sporting and cultural events in Mali

Orange Mali has known a rich year in 2017. It capitalized on its historical sponsoring and partnerships contracts for two major sport federations in Mali (Soccer and Basketball) and also reinforced its ties with the Ministry of Culture during the major events in the country, while implementing for the first time a forum for dialogue and exchange with the various stakeholders from the institutions and the Civil Society.

The latter demonstrates the genuine desire of Orange Mali to assert itself as an actor of reference in the socio-economic development of the country.

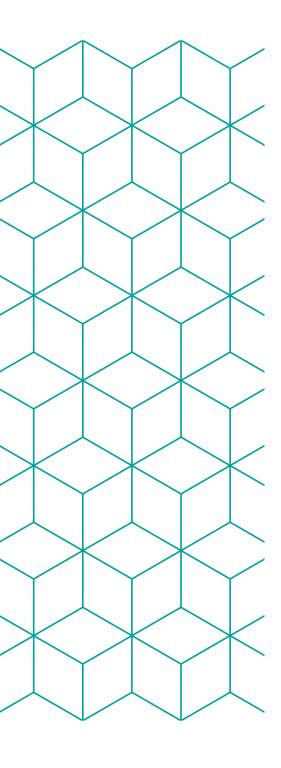
Orange Mali ensured that national selections took part to different international competitions under optimal conditions. Moreover, its contribution (both financial and technical) has been invaluable in the success in both areas on the continental spectrum:

- Africa U17 Basketball Championship (Girls 2017)
- Africa U17 Soccer Championship (Boys 2017)
- 3rd place at the 2017 Women Afro-Basket

Parallel to sport, Orange Mali as a major partner in the domain of culture has given its support in the organization of major festivals in the country, such as: the Sélingué festival, Festival on Niger, Acoustik Festival of Bamako. In addition to those events, Orange signed a contract with the Ministry of Culture for the organization of the biggest cultural event in Mali: «the 2017 artistic and cultural biennial».

Orange also offered to the Malian public concerts from the greatest stars in music both in Africa and around the world: Davido, Magic System, etc.





■ IN GUINEA

As in Senegal, the first Digital House was inaugurated in Guinea by the Foundation: a house equipped with kits (tablets and servers) to initiate and train women (alphabetization among others) as part of the plan to empower women. Accordingly, 15 women and 15 will benefit from the program every year in the city of Coyah.

In the domain of health, the Orange Guinea Foundation has supported the Charity missionaries in the **purchase of medications** for the named center that provides health services to dozens of women from the regions every day; and, takes care of various diseases. Foutah also benefited from actions from the Foundation with the **construction of a health center for the over 10 000 inhabitants**. For the Orange Village project, Kenende laid the first stone of its infrastructures that will help improve the everyday life of the over 10 000 inhabitants. In 2016, it was Wallia that benefited from the project.





■ IN BISSAU GUINEA

Development of the Corporate Social Responsibility policy

This year, Orange Bissau reinforced its civic activities through important CSR initiatives. It supported important programs in the domain of health, education and social peace:

/ Health

- Presentation of prizes to orphanages (SOS Village) during the International Children's Day.

/ Culture

- Sponsoring of Orange Férias ao vivo as part of the youngsters' Holiday break program and the promotion of culture with contests in traditional dance, modern dance, singing, modeling, etc.
- Organization of Orange 72H Chrono: 3 days of outreach activities, listening sessions and distribution of gifts to clients. It was also the occasion to host a major exhibition for craftsmen and vendors of artworks. The event ended with a big concert.
- **Annual** partnership contract between Orange and the French Cultural Center.
- Sponsoring of numerous concerts year-round to help and encourage artists.

/ Sport

- Orange is the main sponsor of soccer in Bissau Guinea as it sponsored the Soccer Federation for 2 years during its first time participation to the African Nations Cup.
- Orange hosted an «African Nations Cup» Village for the public transmission of the games throughout the competition.
- Sponsoring of the popular Soccer Championship (Bola Na Bantaba). Orange Bissau Guinea accompanied the federations of the local communities in the cities and villages of Guinea Bissau during the 3 months of summer.

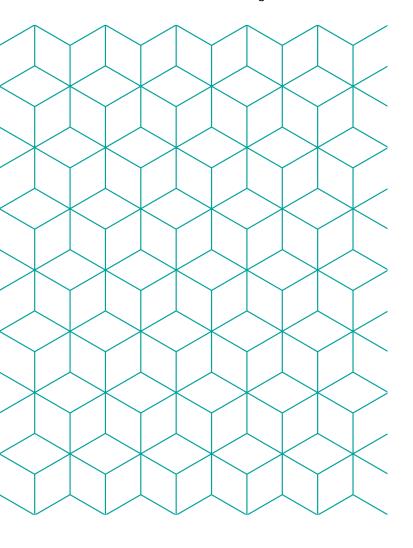




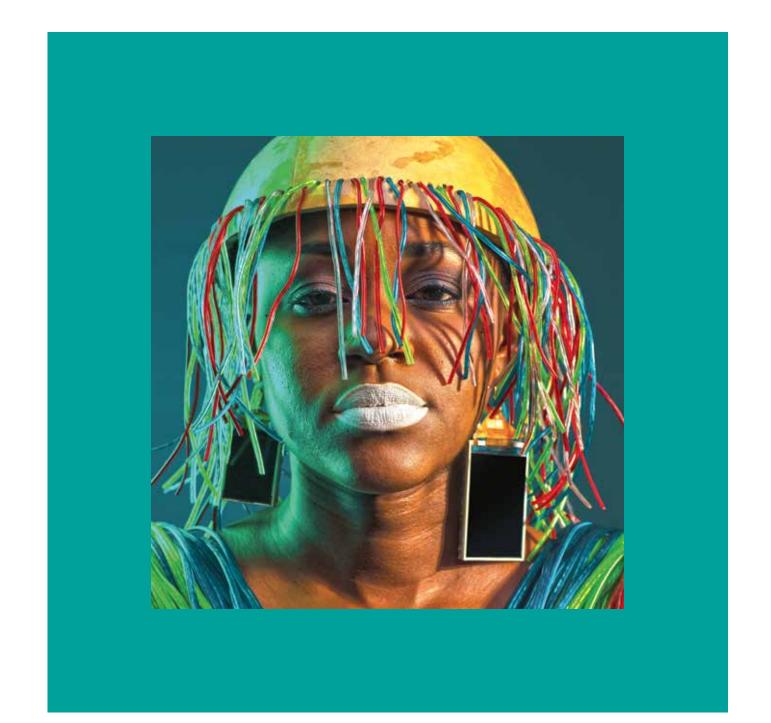
■ AND IN SIERRA LEONE

Citizenship engagement continues

In Sierra Leone, an important and dynamic operation in terms of Corporate Social Responsibility was deployed with financial and material donations to the Government by Orange Sierra Leone and its employees to support the victims from the floods and landslides last August (500 million SLL). Other events to mention are the participation to awareness campaigns against breast cancer (marathon), the Ebola Kids Christmas: organization of a recreational day for the Ebola orphans, the distribution of food packs to the disadvantaged population via mosques and churches during the Ramadan, and the accompaniment of the «Music for Girl initiative» movement in the fight against child marriages and sexual offences against children.











4.1 IN SENEGAL

4.1.1

Mobile: Orange maintains its leadership on the mobile market with a market share of over 54.4%

Despite a high level of mobile penetration, Orange has preserved its leadership in the mobile market with a market share of over 54.4% and a mobile base of roughly 8.344 million subscribers. To facilitate exchanges and support the dynamics of the economic activities, Orange has launched in the course of year 2017 multiple strong actions.

Extended 4G coverage in Dakar and the regions

Launched in July 2016 in Dakar, Saly and Touba, the 4G was reinforced in the cited cities and extended in many others: Saint-Louis, Tivaouane, Ziguinchor, the new city of Diamniadio, Kaolack and Thiès.





■ Make the Internet more accessible to everyone

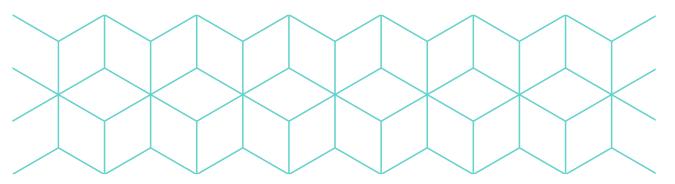
In February 2017, Orange initiated a support program for the «Stratégie Numérique 2025», through which it took the engagement to reduce Internet prices by 50% within the next 3 years. This requires a number of actions.

/ A revision of the mobile Internet offer

The Internet Pass tariffs and Internet packages have been revised for more volume for the same price. The latter helped reduce on average over 20% of the average price.

/ A smartphone for everyone, to better live Internet and to foster a green economy

For a better mobile Internet experience in 2017, subscribers with 2G phones were able to exchange them against a 3G smartphone in Orange agencies and shops, sold at 9 900F with an Internet Pass of 1Go offered. Beautiful models are proposed year-long: Pixi 3.5-inch, iTel 1655, Halona.



■ The mobile range reinvented

To further comply with subscribers' usages which now have a more diversified use of the mobile, Sonatel revisited its prepaid Orange range commercialized under Diamono and Kirene with Orange.

/ Diamono becomes Jamono

More than a new way of spelling the name, Jamono is a reinvention of the mobile spirit. Three formulas are proposed, answering to the true utilization for each, combined with a new range of «Illimix» (calling, text and Internet packages):

- Jamono Allo suits those who rather place calls, but are starting to be interested in mobile Internet;
- Jamono New S'cool fits those between 15 and 30 years old, who love the Internet, social networks, chatting and talking with their friends regardless of the Orange formula of the latter, plus preferential tariffs among them 1F/s and 5F/s;
- Jamono Max is adequate for the ones that call a lot and use Internet as much.









Et si on inventait une nouvelle vie ensemble?

TannSaJamono.sn



■ Family is what matters: Family offer

The family offer was put in place to promote exchange between parents and kids. Parents can subscribe for their children between the ages of 10 and 15.

Communications between the family units are at preferential tariffs: calls at 0.5 F/s and text at 5 F instead of 20 F.

The parent (Jamano Allo or Jamono Max formula) can transfer all or part of his/her Internet Pass, bonus or phone credits to his/her child.

■ Ease of use with Orange

The change in Jamono formula can be done via the app «Orange et Moi» and through #605#.

Orange subscribers have the possibility to purchase their solutions via the same app or through Orange Money (see Orange Money activities).

Another ease of use is that subscribers can verify the lines under their name with the possibility to cancel those they do not wish to keep. In that case, the line is automatically suspended then terminated by Orange services, in compliance with the measures on mobile subscribers' identification.

Kirene with Orange celebrate a decade and get a fresh look

Orange also revamped the Kirene with Orange offers with new prices and package offers even more favorable for its 10 years:

- Wotel 100 XOF: With 100 XOF, the customer enjoys 10 minutes of calling to all networks.
 The counting of minutes is continuous and not transferable.
- Wotel 390 XOF: With 390 XOF, the customer can make 40 minutes of calling to all networks.
 The counting of minutes is continuous and not transferable.
- Konec'Tel 490 XOF: With 490 XOF, the customer has 20 minutes of calling open to all networks, more than 30 minutes of megabytes for Internet connection plus 20 text messages. The counting is transferable on the 24h following the purchase.



■ The fixed line gets younger with new offers

Orange also transformed the fixed line in 2017, which translated into an increase in subscribers' base.

/ Home and Home+, and the launch of the Keurguibox offer, with the model «satisfied or your money back»

In February 2017, the fixed line was also revised:

- The introduction of an Internet offer based on the mobile technology which allows for a fixed line number and high speed Internet. With the Keurguibox offer, the subscriber can be refunded within 15 days if he/she is not satisfied with the performance of the solution.
- Faster Internet and the reduction of the monthly subscription charge for the Keurgui offer
- The monthly subscription charge for the Home and Home+ offers have been decreased, now at respectively 24 900 XOF from 29 900 XOF/month and 34 900 XOF from 39 900 XOF.

/ Launch of the optical fiber

In November 2017, Orange opened its fiber network, thus writing with its subscribers and partners a new page for the Internet. Constant and stable flows await and the first to take advantage of it are the Plateau and Keur Gorgui neighborhoods. Other areas are in the process to have installations to quickly offer very high speed Internet to a greater number of people. Home Fiber is proposed to residential clients at 34 900 XOF/month.

Businesses are not left out and can opt for the Fiber Office at 39 900 XOF/month, or the Fiber Office Intense at 69 900 XOF and customized fiber solution with a symmetrical flow starting at 5M.





■ The smartphones Tecno Phantom 8 and Camon CX reinforce the portfolio of terminals alongside the main ones Samsung and IPhone

In 2017, Orange has enriched its 4G smartphones catalog by launching the terminals Tecno Phantom 8 and the Camon X. The latter stand alongside the Samsung and IPhone ranges, which have been present in the catalog for many years. Orange subscribers are thus able to benefit from a wider range: Samsung (S8, S8+, and Note), IPhone 8, 8+, X, etc.

■ Phone directory back-ups to secure its contacts database

To stay serene even in the event of a lost or stolen phone, Orange subscribers can back-up the contacts recorded on their Orange SIM card any time, and with complete autonomy.

4.1.2

Orange Money continues its development and innovations

Mobile banking remains at the heart of the strategy of the Group. Thus, Orange Money, supported by Orange Finances Mobile Senegal, has continued its growth and the diversification of proposed services.

■ Transfer with code

The transfer goes outside of the Orange Money account perimeter with the Transfer with code, by allowing sending money to everyone, whether the recipient has an Orange Money account or just a Senegalese mobile number.

■ Transfer to Guinea Bissau

Orange Bissau is an addition to the recipients outside of Senegal. Orange money subscribers could already transfer money to Orange Mali, Côte d'Ivoire, Niger, and Burkina Faso.

Purchase of Orange solutions via Orange Money

In addition to buying phone credit, Orange Money subscribers can now purchase other Orange solutions: Internet pass, Illimix, Keurguibox, Flybox. This possibility gives to the client the chance to enjoy a better experience with the opportunity to directly buy offers without passing by the purchase of phone credit.



■ The strengthening of the partnerships

On top of services, a number of partners have joined the Orange Money ecosystem: Auchan, Elton, Ecobank.

This dynamism demonstrates the anchoring of Orange Money in the daily lives of the Senegalese people.

4.1.3

Corporate services: more proximity with the professionals

Orange Business Services consists of 300 passionate experts mindful of the requirements of the business world.

They accompany the Senegalese businesses on a daily basis in their digital transformation, regardless of their size and their sector of activity, with the aim to facilitate their day-to-day work in order to be more efficient.

From brainstorming to implementation, from counseling to the development of innovative and tailored services, the SMEs/SMIs, SoHo and large businesses can rely on the commitment of the Group to put the performances, security and agility of its solutions at their service for their success.

■ 13 outreach spaces, devoted to the professionals

The «Espaces Pros» are spaces devoted to professionals where they can exchange on their IT challenges, receive advices from professionals to professionals, and subscribe to pro offers. They are a total of 13 spread across Dakar and the regions.

The professional clients benefit from an assistance to better develop their activity.

■ Shared spaces and meetings to help professionals better understand the challenges in their sector

In addition to the «Espaces Pros», meetings (seminars, workshops) are organized regularly with the professional clients in a friendly atmosphere to better understand the challenges of their sector of activities as well as their constraints and expectations in order to propose them customized solutions and a greater support in their development.

■ Invent a new way of working together

Attentive to their clients, Orange Business Services has written a new page in the history of the mobile business offers. To the image of the name of the offers, the new Teranga line is more generous but also more complete and innovative. It addresses the needs in mobility for Pro, SMEs and large account clients regardless of their size and domain of activity.

An online simulator is available to help chose the most suitable offer: http://tannsateranga.sn/.

Very high speed to boost their activity

With the fiber, Sonatel Group proposes high speed internet solutions to companies wishing to benefit from a smooth, stable and secured Internet connection of up to 200 Mo and sufficient comfort to share large files, to back-up data, for video conference, and access to cloud applications, etc. The professionals will be able to enhance their performance thanks to the fiber.

■ Signatures of partnerships for a better development

To support and assist professionals in equipment for telecom solutions, Orange Business Services has signed conventions with ONECCA (National Order of the chartered accountants and approved accountants of Senegal) which has 171 members.

4.1.4

Contents: development and innovation

In 2017, Sonatel Group, through its subsidiary Multimedia, positioned itself as key player in the area of contents. Our main challenges revolved around 2 axes: on one hand in B2C, to possess the richest and most innovative content offer in the market; and on the other hand, to be the applicative partner of reference for the B2B customers in their digital transformation.

The digital meeting of the year: the Dakar Digital Show (DDS)

The Sonatel Group set up the first West African salon on contents and the digital, the Dakar Digital Show. The latter intends to develop a veritable platform for B2B meetings, by providing professionals in the sector with a context of exchange in order to highlight the business perspectives and to unite the actors of the digital and contents sector in Africa and the whole world.

Building on the success of the 1st edition in 2016, the 2017 Dakar Digital Show was held October 24 and 25 under the central theme «Disruptive innovations».

This edition brought together actors of the local and international ecosystem around themes such as: contents streaming, virtual reality – augmented reality, gaming & E-Sport, E-commerce/M-commerce, Objects Internet, Fintechs, Digital Workspace...

The Dakar Digital Show is a not-to-be-missed event combining conferences and demonstrations in an agile and rich style, thus allowing a large panel of actors (digital content publishers, software developers, social media actors, investors, project leaders, startups, etc.) to live an unforgettable experience.

Throughout the 2017 two-day event, 6 masterclasses addressing the trends and forecasts in terms of innovations were held. A series of 5 practical workshops were moderated by experts in different areas.

In addition to the master-classes and workshops, one of the main innovations of the event was the organization of a Success Conf to learn Entrepreneurial mechanisms and to transform setbacks into success.

With the aim to support the cultural industry, a contest for an audiovisual pitch has allowed accompanying a startup and realizing production projects in the following genres: series, full-length movie, documentary, music and mobile movie.

Finally, with the ambition to be a leader in gaming in Africa, the first E-sport tournament rounded up 290 gamers and 130 visitors. This vibrant competition took place during the two days of the forum and gamers competed for the championship title in the following games: Arena of valor, PES 18 and Asphalt Extreme.



■ The launches

A redesign of the Text offers was done thus allowing to better reposition our multimedia subsidiary and particularly to respond to the competition that is more and more aggressive on our push SMS offers.

Thereby, our subscribers have benefited from a substantial decrease in our SMS tariffs as well as a new prepaid offer directed to low-income subscribers wishing for cost control (SME, SMI and SMB).

This redesign was accompanied by the creation of a landing page on our SMS Pro offers, allowing prospects to have access to the SMS Pro line catalog.

Promotions and animations

As is customary, animation activities were held with a positive impact on usages

/ Megawin game: launched in May 2015, the so-called "Megawin" game allows each player to pocket prizes through a drawing lot. The game that ended in December 2017 was attended by 400 000 players and has generated a turnover of 381 965 878 XOF (HT and Lonase).

/ E-Sport tournament: four (4) E-Sport tournaments, among which the Dakar Digital Show, were organized in 2017 in order to animate the offers for the Gameloft game and to recruit gamers on mobile to accompany 4G usages. During those tournaments, over 500 gamers participated and 20 among them were rewarded with prizes going up to 1 million XOF.

The business impact has been positive with a turnover of 277 740 700 XOF or +794% compared to the set targets.

/ Commercial periods or «Perco»: in recent years, the Sonatel Group invites its clients during the important periods of the year to benefit from specific promotions. They have been deployed this year too.

The digital «perco» provided the opportunity to launch the Orange détente app that has become the channel for a more digitized target seeking a fun application that proposes paid contents (music, wallpapers, SMS contents). It has also allowed holding an E-Sport tournament at Sea Plaza.







The Ramadan «perco» is a response to our clients' expectations in this specific period. Sonatel offered a 25% decrease on the prices for religious videos on demand («VoD»). As a result, there was a 453% increase in the downloads of religious contents. The portal Magik #111 # was animated through the services prayer times, Duas and Hadith.

During the Findan «perco», an E-Sport tournament to which 74 gamers participated was organized at the Cheikh Anta smart store with prizes comprising the latest smartphones. All the services of the portal Magik #111 # were at promotional prices.

Production and acquisition

We make rich local contents available to our clients to address the needs of the populations through services such as Video on Demand on Orange TV, Dalal Tones and content management.

■ Mobile applications

To accompany the launch of some projects and the optimization of certain usages, a number of mobile applications had been developed. Among them are:

- An outlet for the expression of interest for clients wishing to have the **optical fiber** installed at home, thus optimizing deployment based on the most targeted areas and installation for qualified subscribers;
- The mobile application "Orange & Moi" with the integration in the system of new pass subscriptions and new lines of Illimix offers.

4.1.5

Pursuit of the transformation of the commercial service: digital and human

Year 2017 has been marked by a significant improvement of the customer experience thanks to the pursuit of the digitalization of our agencies and more proximity through the reinforcement of field actions in all of Senegal.

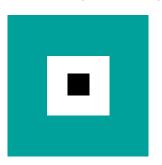
The main actions from the Department of Sales for 2017 are:

■ Opening of the first smart center in West and Central Africa

The smart store, a new boutique concept as part of the «Essentiels 2020» project, offers a friendly and original experience organized by environment: home, family, work, money, well-being, recreation, etc.

The smart store subtly brings together human relations warmth and the digital power to create an entirely personalized experience.

The smart store makes it possible to better answer the expectations and needs of the customers and to accompany them all along the digital revolution, by giving them access to new digital applications. It also offers an unparalleled experience around essential uses for our customers.







■ The generalization of the digital equipment and of the Right Queue Management in all of our agencies

Started for almost a year, the establishment of dynamic supports in all the agencies of the direct network (in Dakar and in the regions) continued in 2017. About forty active terminals and tactile totems were deployed to ameliorate the customer experience in the agency.

The interest in such a framework is diverse:

- A simpler customer journey;
- Digital interactions, thus easier;
- An interactive and educational communication;
- The discovery of our catalogs and applications like Phone advisor, «Orange & moi», etc.

Likewise, the Right Queue Management (RQM) tool has been mainstreamed in agencies of the direct network in Dakar and in the regions (21 agencies).

The Right Queue Management is a global management solution in queue lines that integrates the satisfaction level of the customer right out of the agency. It is a flexible tool to deploy, and usable via Cloud and compatible with mobile and tablets from all operating systems (Android, Windows Phone, IOS, etc.). It allows to:

- To personalize and know the client from first contact;
- To measure the satisfaction of the client in real time;
- To remotely book appointments;
- To use a more dynamic communication;
- To manage multiple services and multiples sites;
- To offer a queue monitoring system via SMS.

More accessible products thanks to the enhancement of the on-the-field sale and more proximity with the customers during the animations

To be closer to our customers everywhere in Senegal, a new structure in charge of the animation and of on-the-field sales was created in 2017, driving the creation of 737 new indirect employments. Moreover, in its desire to accompany young people in their professionalization, the Sonatel Group has financed the acquisitions of business registries (RCCM) and NINEA for its on-the-field vendors.

■ The enhancement of the professional clients sales power

Still with the aim of proximity, actions have been deployed for the business customers:

- Creation and reinforcement of the on-the-field sale power (on-the-field vendors for businesses and for fiber);
- Creation of pro corners (an additional position) at the smart store agencies Médina and Parcelles;
- Implementation of an online team dedicated to businesses.

4.1.6

Ambition of the project «Enterprise»: Making customer experience the main differentiating driver to make Orange the favorite

As a reminder, Sonatel launched end of 2013 its Transformation Project on the customer service perimeter. Year 2017 has been one for the reinforcement of previously obtained significant results.

/ Confirmation in February 2017 of the certification obtained under the COPC norm in 2016

This certification was obtained two years in a row for following international standards of high performance specific to the profession of customer service; and, undeniably consolidated our rank as a telecommucation operator of reference and gets us closer every year to a unique customer experience.





/ Pursuit of the digital transformation project of the customer service

The digital board, launched in June 2016, obtains to date remarkable performances in terms of accessibility, availability, efficiency, response time and support quality. The declared ambition is to doubly impact customer experience and cost control.

With the aim to accelerate momentum, the primary stream is dedicated in 2018 to the digital transformation of the customer service.

Other structuring actions had been realized in 2017 as part of the ambition to revolutionize customer service:

/ Global transformation program of the customer service

Enriched with new projects as part of annual update of the Customer Service Director Scheme, this program recorded in 2017 satisfactory results on the execution of priority projects.

The 2018 action plans on the priority projects have been finalized, consistent with the strategic plan of the corporation.

/ 2017 global program for cultural transformation

A number of Quick Win actions were conducted in the customer service scope: conception of the strategic deliverables, listening and awareness caravan, trainings on Orange Customer Culture in Touch baseline, models, etc.

The expansion of the program, on one hand to all directions in strong direct or indirect interaction with the customers, and on the other hand to major partners, will intensify in 2018.

/ Continued deployment of the Contact Centers tools

The deployment of new tools and the advancement operated on existing tools continued during the 2017 period, in compliance with our ambition to equip collaborators in charge of customers' interactions with tools and high technology.

In 2018, other actions are expected to go even further, to ensure a better insight of the profile of our customers and also a better addressing of the major expectations.

/ Consolidation of the prevention approach for dysfunctions

A number of Quality Amelioration groups on dysfunctions impacting and/or recurring were animated in 2017, within the framework of a preventive approach and of reoccurrence control; the program began in 2013 and is now industrialized.

/ Reinforcement of the control device for performance

Around the ambitious objectives of the COPC norm, a robust system for regular measurements and close control of the individual and collective performance were put in place end-to-end on the entire scope of the customer service (customer claims, service disturbance, order delivery, assistance/information, etc.).

4.2

...IN OUR SUBSIDIARIES

4.2.1

Orange Mali: license renewal for 15 years by the Malians authorities with a noted annual growth

Orange Mali accelerated its action for the development of Mali with the renewal of its licenses, also extended to 4G.

With 2G and 3G licenses expiring end of July 2017, an agreement was concluded with the authorities of Mali and approved by the cabinet council on July 19, 2017 to renew the licenses for the company on a 15-year period and to also extend to 4G technology. Orange Mali invested 100 billion XOF in this operation which has also been the opportunity to acquire capacities in new frequencies in the 1800, 800 bands and also 700 MHz.

The acquired frequencies and licenses will allow Orange Mali to offer to its customer's unique connectivity at very high speed.

In 2017, Orange Mali has known a year of growth despite a hard economic and security context in Mali.

Orange Money recorded an exceptional development. The distribution network expanded in a regular and structured way to ensure the availability of physical recharge cards and of Nafama (electronic recharges) everywhere and every time. The market for businesses seized new opportunities by developing the bandwidth for very innovative Internet solutions.





An ambitious company at the heart of economic development of Mali

Besides the renewal of the 2G/3G licenses and the obtainment of the 4G license, important investments were realized in 2017 carrying the total amount of investments to five hundred and forty-eight (548) billion XOF since the creation of Orange Mali and to 1 685 the total number of radio sites built to this day.

Market development following these investments has allowed Orange Mali SA to achieve the below results:

/ over 98% rate coverage;

/ 17 965 localities covered in Mali;

/ 1 685 built radio sites to this day;

/ 3 202 km of optical fiber deployed totally of which 37.70 km in 2017 for the opening-up of Mali / roll-out of the 4G in the capital city Bamako;

/ access for Mali expanded to the ACE submarine cable co-owned by the Sonatel Group: 3 outputs for Mali's access to the submarine cable – one output towards Ivory Coast and two outputs towards Senegal (Kidira and Moussala).

Orange Mali, digital and humane employer

At Orange Mali, the start of the pledge to be a digital and humane employer was translated into a broad awareness campaign and an active involvement of the personnel in the implementation of innovative projects supporting the pledge. The aim is to offer to each employee a unique experience every step of his/her professional life and at all keys moments in his/her everyday life.

Thus in 2017, we have maintained the course for the consolidation of our achievements and went even further with the enhancement of a service catalog (in terms of activities, initiatives and tools).

The development of competences through trainings, professionalization of the employees, investments in the security and medical coverage of the employees and their families constitute the base for Orange Mali, a digital and humane employer.

Development of financial inclusiveness thanks to Orange Money

The rate in terms of the use of bank accounts is estimated at 14.67% (source: BCEAO 2015). With such a low rate, Orange Mali has allowed a thousand of Malians to benefit from financial services with ease thanks to:

- The accessibility and force of the distribution network;
- The rich variety of available services.

End of year 2017, Orange Money in Mali consists of around 3.9 million accounts and an effective presence in more than 27 000 deposit/withdrawal locations spread across the country from North to South.

Innovative products and services pour 12.5 million residential and business customers

- Prepaid and postpaid offers on voice and mobile data;
- Internet offers for all, both for residences and businesses: in August 2017, Orange Mali launched the 4G technology thus offering to its subscribers mobile connectivity at very high speed;
- A catalog of innovative offers and services with integrative solutions dedicated to professionals and businesses, SME, NPO and institutional structures.

■ Mobile: over 4% in voice turnover increase and 135% increase in Data turnover

Orange Mali made available to the population products and services adapted to all needs in terms of telecommunications. 98% of the population is covered by the Orange Mali network.

An Internet solution for each Malian

- 4G: access via smartphones and tablets, 4G keys, Wimo (portable WIFI for everyone);
- Flybox with the Premio and Conforto offers allowing Malians families to surf at low cost and also reach their relatives, friends and partners at very competitive tariffs;
- Optical fiber: access starting at 100 Mbps for businesses.

■ Terminals: more than 4 300 000 smartphones connected to the network in 2017

Orange Mali has a large variety of smartphones and tablets: IPhone 6s, IPhone 6s plus, IPhone 7, IPhone X, Samsung Galaxy, Tecno, Tablets, Pixi 2 Max, Idol mini, Idol Alpha, YUV smart, Pop 7, Pixi 7, etc.

■ Business solutions: innovative products

- Integration of the services: turnkey solutions end-to-end (engineering, connections, equipment, services);
- Interconnection offer for the international site (RAFIA);
- Business telephony offer with the Micro PBX functionality (Business Orange Box);
- Machine 2 Machine offer: offer for geolocation and security;
- Information and alerts by SMS offers (Wed SMS).



Orange Guinea maintains its leader position

Main events for the environment

2017 was Orange Guinea tenth year. The Guinean subsidiary remains leader in the market, with 379 employees, a +1.3% increase compared to 2016.

Here too, the operator faced strong regulatory pressures: infrastructure sharing, percentage of the spectrum allocated to Orange Guinea (22% for a 63% market share).

Despite promises of funding by lenders, various strikes have shaken the banking sector at the beginning of the year, followed by the education sector, to then result in demonstrations.

Finally, we noted the depreciation of the Guinean Franc GNF by 10% compared to the Euro and XOF. VAT was put back to 18% effective immediately in January 2017.

In spite of a difficult environment, Orange Guinea has managed to preserve value thanks to the implementation of zoning (decrease in the distributors' rebates) and the decrease in Orange Money commission rate by -11 points.

■ Mobile: preservation of value

Orange Guinea reinforced its leadership with a volume and value market share of roughly 62% end of December 2017, despite increased competition (release by MTN of new voice, SMS and data offers).

The Mobile base for active subscribers is at 6 783 000 subscribers end of December 2017, a +12.4% growth compared to 2016. Such a growth is explained by the extension and densification of the network and by the accompanying commercial actions.

We also have to note the commencement of free roaming between the 7 countries of the ECOWAS since end of March 2017 and the cancellation of the surtax on international incoming calls for the countries signatory of the protocol of agreement on free roaming.

■ Mobile Internet: a "data" base in full growth

On the broadband (penetration rate of 25.7%), the mobile data base (1 963 subscribers) has grown by +33.05% compared to 2016, thanks to the densification of the 2G sites to 2G/3G ones in the regions, to the redesign of the prices for Pass and to the high usage of smartphones in the network (+21.9%).

Innovative products and services

Multiple innovative offers have been put in the market such as:

- SOS Internet:
- Internet transfer:
- Purchase of Internet Pass for a third party;
- Purchase of pass via Orange money;
- Launch of new voice, SMS and data offers

This roll-outs came out with commercial actions (exceptional Orange Guinea 10 years promotion, etc.) and the support of Orange Guinea to Guinean sport (renewal of the sponsoring contract with FEGUIFOOT).

Orange Money

Orange Money continues to grow with an active base of 900 000 subscribers, +69.9% compared to 2016, thanks to commercial actions and the private sector.

This growth can be explained by the strengthening of the distribution network (deployment of booths throughout the country), commercial actions (new service offers such as Bank to Waller and the deployment of merchant payments) and the reinforcement of the partnership with the Senegalese Government (sale of stickers and graduates' enrollment to the university). The dynamism is enhanced by the launch of online payments via Orange Money.

Investments: network coverage extension in the territory, technological evolution

In the course of 2017, 200 sites have been put into service raising the network to 1 315 sites among which 989 sites for 2G/3G. Major developments are also to be noted, notably with the opening of a new range of numbering and the acquisition of a new PQ «627».

In order to achieve better quality of the technical service (QoS), action plans have been deployed:

- The densification and extension of the network to level the poor coverage and the congestion (major accessibility issue);
- The optimization of the QoS of the network (optimization of the network settings), drive tests and the analysis of the network reflux by the customers);
- Regular analysis of the QoS indicators and the drafting of avenues of improvement;
- Analysis of the major incidents in the network during the review meetings.



4.2.3

Orange Bissau, leading operator in Guinea Bissau

■ Investments in the modernization and extension of the network

2017 has been marked by important works for the modernization of the mobile network. In the regions, all 122 sites with the Alcatel technology have been replaced by a new Nokia network as part of the Mosaic project.

Within the 2017 extension program, 11 3G sites have been deployed in the regions and 15 4G sites in Bissau. This program allowed for 100% network coverage of the capital Bissau in 4G.

To continue with this development and maintain its leadership, Orange Bissau will pursue in 2018:

- The modernization and securitization of its network;
- The development of its network and capacities to sustain the growth of the mobile data;
- The development of the B2B market with the implementation of an optical fiber loop;
- The development of the Orange Money service.

Mobile

Orange Bissau's active base on December 31, 2017 grew by 8% compared to 2016.

Orange Bissau is leader in its market, with a volume market share of 55.39% and a value market share of 54.3%.

Internet

On December 31, 2017, the active base for the mobile data grew by 53% compared to 2016.

Orange Bissau was the first operator to launch the 3G (2015) and the 4G (2016) in Guinea Bissau. The capital Bissau is fully covered in 3G and 4G networks, and the main cities in the regions in 3G.

Several innovations have been initiated in 2017 on mobile data, among which the SOS Data service, smartphones Orange Rise 32 and Tecno N9, or even the MBB Airbox and Flybox devices.

The roll-outs were accompanied by important field animations, notably during the sponsoring of the 2017 CAN or during the mobile Digital Villages.

Concerning the fixed internet, Orange Bissau migrated its entire Wimax network to more recent technologies: Proxim and FH. The swap that ended in December 2017 has improved the quality of service in terms of fixed Internet connection for 853 customers.

Orange Money

The Orange Money service was rolled out on January 6, 2017 in Guinea Bissau. On December 31, 2017, the active base was of 5 156 subscribers. In order to develop the service, multiple actions have been conducted during 2017:

/ The launch of the IRT WAEMU Senegal corridor;

/T he roll-out of the payment for subscription renewals for Canal+ & Rook+ with Orange Money;

/ The realization of the first Orange Money Bissau Audit

- Animation actions:
- Organization of «Orange Money month» in March 2017, with numerous animations, field

- deployment, customer and distributor raffles, internal challenge;
- On-site animation around sale points with Orange Money promoters;
- Organization of an Orange Money Champions League: personal Ambassador of the Orange Money product;
- Organization of the day All Vendors, special Orange Money: customer pedagogy on the Orange Money service, customer focus and sale of related products;
- Regular promotions on the service: bonus on credit purchase, reimbursement of transfer fees, etc.



Innovative products and animations

2017 has been marked by the commercial launch of Orange Money in Guinea Bissau, as well as the extension of the mobile data coverage in Bissau and the regions.

Various animations gave an outlet to Orange products and services to be brought forward during the year:

/ sponsoring of the 2017 CAN: deployment of a CAN village for 25 days with booths and broadcast of games on large screens;

/ mobile digital villages in Bissau and the regions;

/ celebration of the 10 years of Orange Bissau in May 2017;

/ Orange Ferias ao Vivo:

/ 72H with Orange.

4.2.4

Sierra Leone Airtel becomes Orange: UNA KUSHE!

On October 18, 2017, the subsidiary Airtel Sierra Leone became Orange Sierra Leone. This large-scale operation impacted all the internal and external components of the new subsidiary.

- / public relations: presence of Mr. Bruno Mettling (Chairman of the Board Sonatel) and Mr. Alioune Ndiaye (managing director of Sonatel), press conference, meeting with the Head of State;
- / marketing and communication: successful communication campaign with a rebranding (brand change) of the arteries and the most important sites (airports, bridges, etc.);
- / human resources: a successful strategic transformation from Airtel to Orange;
- / events: VIP dinner, trilogy of shows in Freetown, Makeni and BO (more than 70 000 people participated).



Confirmed contribution to the economy of Sierra Leone

/ Investments in the modernization and extension of the network

Following the same momentum from 2016, Orange Sierra Leone continued in 2017 its investment program to ensure the modernization of the network and the opening of new sites.

The investment program, amounted to 33 million dollars (around 19 billion XOF) since the acquisition, has allowed for significant progress in 2017:

- Modernization of the passive infrastructure;
- Modernization of the 2G & 3G access network;
- Implementation of a new data center;
- Implementation of a new intelligent network for billing and the management of prepaids;
- 45 new sites, among which 26 with 3G, put in service in 2017.

/ Investments in the modernization and extension of the network

19 collaborators have joined Orange Sierra Leone in 2017 (for a total of 182 employees at the end of the year). The company also confirmed the improvement of the situation of temporary employees in order to ensure for them a better social coverage via a temporary employment agency.

Activities from the human resources have been more dynamic in 2017 with:

- Donation from the staff (financial and equipment) to flood victims in August 2017 (around 500 deaths and 500 injured reported);
- Establishment of ambassadors for the Orange brand;
- The implementation of gift baskets for the staff for the New Year holidays;
- The restart of the trainings for the staff after a 6-year interruption;
- The implementation of shared bonuses for the staff;
- A monthly reward and recognition for the best performing employees:
- The availability of an insurance against work accidents for the agents of the partners operating in the booths and tricycles from the distribution network.

■ Solutions for 1.5 million customers, residential and businesses

- The introduction of billing by the second for the prepaid customers;
- The redesign of the Internet bundles with a 58% decrease of the customer tariff and the introduction of a variety of bundles meeting all budgets and needs in terms of internet usage;
- The launch of unlimited voice bundles for all the prepaid customers;
- The launch of «My Orange»;
- The launch of a full range of smartphones (4G ready);
- The design of 9 Orange boutiques to ensure a warm welcome of our customers;
- The availability of digital solutions for customers (Facebook, My Orange, Instagram, new website, Twitter).

■ A turnover that increased by 15%

Growth was sustained by the increase in tariffs, the roaming (opening of the prepaid roaming), international incoming, mobile data and Orange Money.

Voice remains the heart of the growth as much in terms of international usage as in local usage, whereas data offers represents a significant growth potential with a 25% growth in bundles revenues and a 44% growth in revenues from data.

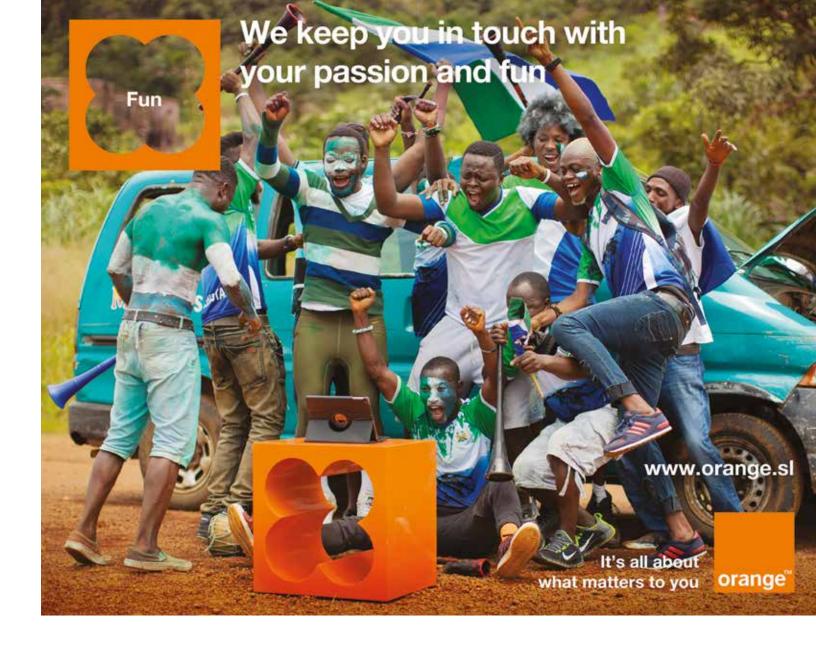
However, we note that Africell remains the market leader with a 59% market share against 41% for Orange Sierra Leone.

■ Orange Money confirms its position as a leader in the market

A position that confirms the sharp increase of the operational indicators compared to 2016:

- Revenues +82%;
- Number of transactions +26%;
- Value of transactions +78%;
- Number of sale points +12%;
- Active sale points +37%;
- Active subscribers for over 30 days totaled 223 000, a 32% increase compared to 2016.





■ 2018 prospects

For 2018, Orange Sierra Leone will:

- Further improve the quality of the service (network and customer experience);
- Continue with the launch of numerous voice and data offers, and launch the 4G;
- Deploy new site (30 are planned for 2018).



NETWORKS AND INFORMATION SYSTEMS

MODERNIZATION OF THE MOBILE NETWORK

Sonatel, mindful of always having a mobile network with a state-of-the-art technology, has carried important works for the modernization and extension of the mobile network.

■ Deployment of latest-generation equipment supporting 2G/3G/4G

New equipment has reduced power consumption and contributed to the environmental policy of Sonatel. The modernization covered 469 sites in 2017 in the big cities such as: Saint-Louis, Matam, Thiès, Kaolack, Tivaouane and Touba (4G). The project will be continued and finalized in 2018 with a program for 458 sites notably in Louga, Petite Côte, Fatick, Diourbel and the religious areas (Touba, Darou Mousty and Popenguine).

Pursuit of the modernization of the core network, service platforms, IP and transmission

- / Mobile data core network to support traffic growth.
- / CS (circuit switched) core network: implementation of a new IN platform (transition to 4 200 CAPS on the SCP per site and 32 000 TPS on OCS), swap of the old MSC/MGW with equipment with more capacity, and the launch of a new SDM/NgHLR project with more capacity and resilience.
- / Progressive migration of the subscribers to new TV platforms with advanced functionalities and a full IP head network.
- / Multiservice IP core network in all the areas with high traffic or strategic potentials for the «all in IP» migration.
- / Transmission network with the replacement of aging fibers on the Northern, Central and Southern loops in order to go from 2.5 Go to 100 Go:
- Laying of 36 FO cable between Kolda and Bignona on a distance of roughly 232 Km;
- Ongoing laying of another 36 FO of cable between Tambacounda and Kolda on a distance of about 260 Km.

CONTINUED DEPLOYMENT OF THE 4G in Sénégal

4G is present on 320 sites in the region of Dakar, 10 sites in Petite Côte – Saly, 34 sites in Touba, 10 sites in Ziguinchor, 21 sites in Kaolack, 20 sites in Thiès, 13 sites in Saint-Louis, 5 sites in Richard Toll, 4 sites in Sébikhotane, 3 sites in Ndiass (AIBD), 2 sites in Mekhé, 14 sites in Tivaouane, 2 sites in Kédougou, 3 sites in Kolda, 4 sites in Diamniadio, 4 sites in the Northern area, 1 site in Matam and 1 site in Diourbel. The extension of theG coverage will continue in 2018 with 728 new sites. The total base will be of 1 194 sites by the end of 2018.

By providing speed ten times stronger both uplink and downlink than that of the 3G+ network in addition to greater flexibility in terms of traffic capacity, 4G will revolutionize customer experience on high speed mobile. As an example, downloading a 5 Mo music file takes 2 minutes on 3G, 8 seconds on 3G+ and 1 second on 4G. To download an album of 50 Mo, it takes 19 minutes and 30 seconds on 3G, 1 minute and 15 second on 3G+ and 10 seconds on 4G. The same goes for movie downloads: for a 650 Mo movie, the customer will wait 4 hours on 3G, 16 minutes on 3G+ and only 2 minutes with 4G.



Orange customers with access to the 4th generation network will be able to:

- Benefit from vital functions nowadays, combining quality and speed: consulting a website, listening to online radio, watching a video, downloading a file or application, etc;
- Simultaneously gain access to several Internet services without degradation of the quality, for example: watching a video while browsing the Internet;
- Explore new usages such as mobile Cloud computing which offers the possibility to work while on the move, as if you were still at the office; Cloud gaming that allows playing HD console games from a mobile or tablet everywhere from any device; mobile to mobile HD video to for example make videoconferences from a mobile, with excellent image and sound quality, and the possibility to view documents directly from the mobile screens.

Moreover, all of the Orange mobile data offers are 4G compatible and usable by customers meeting the requirements: mobile TV, mobile Internet (browsing, streaming), on-the move E-mail, Business Everywhere, Internet everywhere, etc.



LAUNCH OF THE OPTICAL FIBER

project for customers

Sonatel rolled out in 2017 its optical fiber project to customers beginning with Keur Gorgui and Plateau. At the end of year 2017, the total number of equivalent connectable homes was at 6 350 among which 2 330 at Keur Gorgui and 4 020 at Plateau. The Plateau (equivalent remaining), Point E, Fann Residence, Mermoz and Almadies areas will be supplied by the end of April 2018.

In 2018, the program will continue with Sicap, Hann Maristes, Sud Foire, Ouest and Nord Foire, Ngor and Yoff.



5.4

IMPLEMENTATION OF A Tier-III+ Data center

Sonatel inaugurated in 2017 its Tier-III+ data center in Rufisque. This infrastructure will promote the development of the Cloud in Senegal and the sub-region with a "green" solution that optimizes energy use and allows companies to have access to a variety of rich Cloud services at low-cost.





5.5

MODERNIZATION OF THE FIXED

line network

Sonatel introduced in 2017 the IMS solution (IP Multimedia Sub-system) to modernize its fixed line network in order to:

- Resolve the obsolescence issue related to fixed centrals (kickoff with the migration of the subscribers' of the central in Mbacké);
- Insure the migration to the Full IP with the emulation of PSTN residential and business services (Business Trunking);
- Allow marketing to generalize Dual play and triple play offers by introducing the Livebox as the base terminal for fixed telephony;
- Set up new services: multimedia conferencing (audio, video, data), IP Centrex.

5.6

3G CAPACITY INCREASE

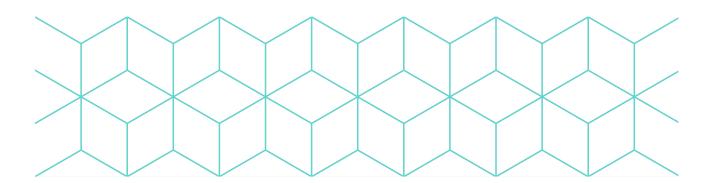
2017 was marked by the introduction in urban areas of U900 technologies and the fourth U2100 grid for the extension of the 3G network capacity. The U900 was deployed in all the sites in Dakar, Tivaoune, Kaolack, St-Louis, and Thies; and, the fourth grid in 623 urban sites. In 2018, the U900 and the fourth U2100 grid will be widespread in the all the remaining urban areas. The 6-sectors solutions, which is intended to double the capacity of 3G sites, was deployed in 2017 in a few hotspots sites in Touba and Dakar. 35 additional are planned for 2018.



DEPLOYMENT OF THE OPTICAL FIBER TO

collect 3G/4G

Year 2017 was characterized by the **deployment of 276 optical fiber** sites among which 86 sites in Dakar and 190 sites in the regions. The program will be extended in 2018.



Sonatel pursued its investment policy in the rural areas with the deployment of 31 new sites in 2017 and 106 additional ones are forecasted for 2018 to better the coverage for localities with more than 500 inhabitants and the high-priority routes.

5.9

EVOLUTION OF THE IP CORE NETWORK,

Mobile voice, national and international transmission, and service platforms

The network underwent many other important evolutions during the year:

- Extension of the IP/MPLS core data to 100G between the core sites of Medina, Technopole, Ouakam and Grand-Dakar:
- Extension of the Backbone of the regions to 40G between the sites in Thiès, Kaolack, Médina and Technopole;
- Extension of the Internet output with the replacement of the CRS-1 throug the setup of 4 Gateway Internet routers with 2 in Medina and 2 in Ouakam;
- Transition to 100G via the DPIs between the MS routers and the Gateway Internet routers;
- Establishment of a routing gateway for Diameter DRF messages (Diameter router function) to facilitate the opening of 4G roaming;
- Extension of the capacity of the service platforms with value-added services: Pretups (transition to 300 TPS HW capcacity) and USSD (finalization of the HW and SW upgrade project to respectively 2 400 MPS and 2 000 MPS);
- Continued expansion of the optical fiber backbone with the ongoing laying of 72 FO on the following axes: Thiaroye-Thiès axes (70 kms), Thiaroye-Somone-Saly-Mbour (100 kms) and Touba-Darou Mousty-Kébémer (100 kms);
- Optical fiber securing of the religious sites in Darou Mousty, Popenguine, Ndiassane and Tivaoune;
- Integration and securing of the sites of the new airport AIBD.



Datacenter

On June 20, 2017, the Sonatel Group launched the 1st datacenter in Senegal and 1st of this magnitude in West Africa. This datacenter proposes world-class securing of data as it is of Tiers 3+ level. Built on an overall surface of more than 3.5 hectares, it cost close the ten (10) billion XOF in terms of infrastructure.

It will allow to a number of businesses and institutions to externalize their computer servers with the guaranty to preserve their data under international security standards within the Senegalese territory.

This datacenter is thus a major innovation in the digital ecosystem of Senegal, and will mark a significant progress in the storage and securing of data for public and private businesses.

A response to technological evolution

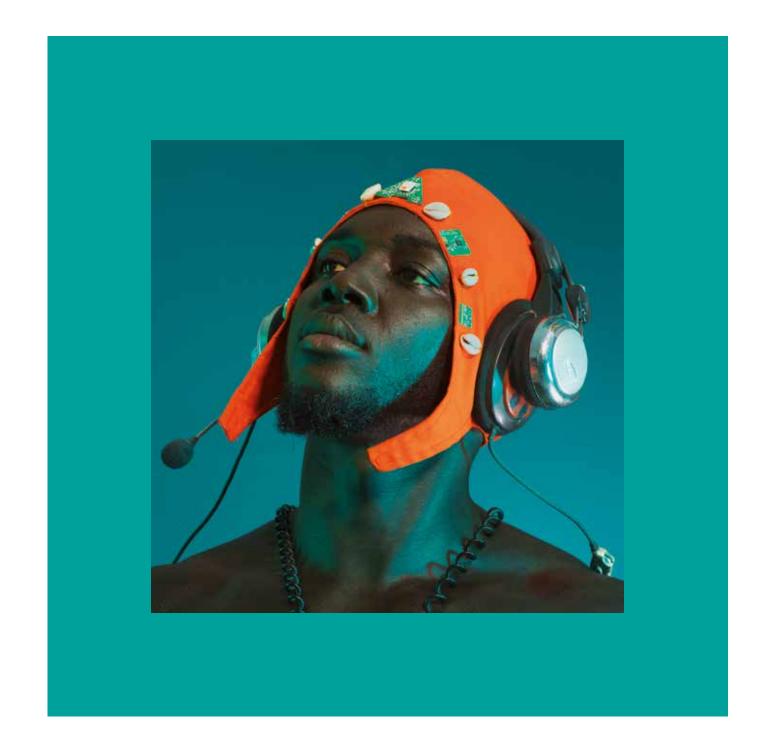
A datacenter - data processing center - is a site where equipment constituting the information system of the business is gathered (servers, storage arrays, network and telecommunication equipment, etc). Sonatel's datacenter is a massive structure based in Rufisque and will be able to accommodate millions of bits of information in the computer servers that are exploited to respond to the needs of our customers (general public and businesses) as well as our own needs.

Sonatel is also planning for the future and expects a significant growth of these types of needs to position itself in the future of IT and to deploy cloud computing architectures for today and tomorrow.

This datacenter is already functional and has hosted in the recent months part of Sonatel's equipment. It will soon welcome its first customers.

In this regard, visits were organized to allow professionals of the ICTs to experience the Sonatel datacenter. Thus, the OPTIC club («Organisation des Professionnels des Technologies de l'Information et de la Communication» - Organization of the Professionals of the Information and Communication Technologies) visited the datacenter in October 2017.

This project is also of the main actions of the Sonatel Group in its willingness to accompany the major ICT projects of the Senegalese government and the implementation of the «Plan Senegal Emergent» (as these needs cannot be relocated offshore). Thus, the development of local contents with the repatriation of portals hosted overseas and the implementation of an ecosystem for developers - PaaS (Platform as a Service) are also contributing factors to a digital economic growth.







SONATEL ABROAD

6.1 2017 HIGHLIGHTS

Decrease in international revenues (incoming and hubbing) are still threatened by the SIMBOX fraud and the OTT bypass

Year 2017 has been an exception to the negative impact of the simbox fraud notably Off-net (detected from competitors' networks) and the OTT bypass in international revenues. The decrease in revenues noted these last years are still news despite the prevention of the On-net simbox fraud.

The On-net simbox fraud is indeed practically non-existent on the Sonatel network. The determining factors of this near-disappearance reside in the reliability efforts completed in the SIMs, blocking detected SIMs, and the geo-tracking operations on fraudulent boxes and the arrest of fraudsters thanks to the assistance of the forces of the police and the gendarmerie.

For 2017, the detection of fraudulent numbers operated by Sonatel and confirmed by ARTP reveal that fraud via Off-net simbox has grown exponentially.

Simbox fraud through competitors' networks increased by over 70% between the months of November 2016 and December 2017, leading to a loss of nearly 7.4 billion XOF by Sonatel.

These numbers illustrate the strong impact of the fraud on the businesses of Sonatel and on the public finances where again the urgency for the Regulator to act to help in stopping the financial drain.

To preserve the revenues of the activity, the fight has to intensify with the support of the Regulator through the implementation by all the stakeholders (operators as much as Regulator) of tools for effective detection (traced calls, usage and behavioral analysis), rigorous network control non-related to the sale of SIMs, rigorous customer identifications, geo-tracking. Actions are being put in place in that direction.

Among the 2017 highlights, we can note:

- Free roaming: the Free Roaming has become effective in Senegal on March 31, 2017 with Mali, Guinea Republic, Burkina Faso and Togo following an agreement signed by the Regulator on November 2016. With the implementation of the latter initiative, customers in Roaming benefit in those countries of free inbound calls of up to 300 minutes on a 30 day period. They are also billed locally in the visited country following the principle of "Roam like a Local". Free inbound calls in addition to the entailed fraud have led to shortfall in gain end of December 2017 for over 85 billion XOF, a 22% increase compared to November. Actions are being put in place to limit those effects.

However, the surtax on roaming traffic between signatory countries has been suppressed.

As a reminder, the Orange country did not wait for Free Roaming to propose attractive offers for the customers in roaming. Sonatel Group had already implemented the Orange zone offer since 2007.

- Innovative offers:

/ Orange Travel packages: Orange travel package deals intended to prepaid customers to meet their needs during their travels. The Voice and message package deals and Internet bundles are available in 3 foreign zones for a total of 23 countries:

- ECOWAS zone
- Africa, central Asia and Middle East
- Europe
- Dubai, Saudi Arabia and Italy
- Orange Data travel packages: On December 19, 2017, the line in travel package deals has been expanded to mobile postpaid customers (new Teranga variety, mobile deals, Orange Teranga, etc.). The travel deals, usable in roaming, were up to then only available to prepaid and hybrid (blocked packages) customers.

These travel packages, exclusive for Internet connection in roaming, are usable in 4 zones: ECOWAS, countries in central Africa and the Middle East, European countries as well as some top destinations acclaimed by business customers.



La bonne affaire pour voyager

Avec les **Pass Voyage**, restez en contact avec vos proches tout au long de votre séjour à l'étranger en gardant votre numéro.

Profitez des meilleurs tarifs pour appeler et vous connecter à Internet à partir de 1000 F dans les pays de la CEDEAO et 5000 F dans le reste du monde.



Vested nameM to do dot 17 PSS* Three types of packages are offered, 10 000 XOF VAT incl., 20 000 XOF VAT incl. ad 40 000 XOF VT incl., with varying connection volume and validity periods depending on the visited zone.

Travel packages will allow our customers to stay connected regardless of their destination.

Customers can directly subscribe via the USSD code #166# or on the website www. orangebusiness.sn.

Our objectives through these new deals are to develop Roaming usage through the usage rate of Data travel Pass, to allow our Roaming customers to be connected with peace of mind as well as to reduce the level of complaints.

- Corridors

In 2017, Sonatel put in place bidirectional corridors (both incoming and outgoing) with Orange Mali, Orange Côte d'Ivoire, Orange Niger, Orange Bissau and Orange Guinea, the internalize and boost traffic in the sub-region.

Unidirectional corridors (incoming only) with Wind, SYMA and Libon to boost incoming traffic in European countries with important Senegalese presence (France, Italy, Spain).

The corridors have allowed for a good level in volume and a good limitation of the decrease in turnover: -20% decrease in corridor against -24% outside corridors end of December 2017.

- Offers for holy places: Rome 2017

For many years now, Sonatel accompanies Christian pilgrims to holy places. Bishop Paul Abel MAMBA, president of CINPEC («Comité Interdiocésain National des Pèlerinages Catholiques») and Bishop of Ziguinchor, received Mr. Thierry MARIGNY, Sonatel Deputy Managing Director, on August 22, 2017 at Dakar Cathedral.

Agreements signed with partner operators have allowed launching offers at preferential rates during the pilgrimage, especially in Israel. Orange Travel Passes are also available in France, Spain and Portugal for phone calls, messages and Internet.

Our Christians pilgrims have been able to take advantage, for the first time, of subsidization on tariffs on phone calls in Israel, this being the first and main step in their course and also with the highest tariffs.

Measures have been implemented from a technical point of view to guarantee service availability during the pilgrimage. The marketing team as a whole sought to be present at the airport on the day of departure (August 24) to accompany the pilgrims and to provide necessary support for the configuration and the change to 4G SIMs.





- Offers for holy places: Mecca 2017

From registration to the day of departure, Sonatel has been present to provide all the necessary support to the Muslim pilgrims. 2017 represents the 9th consecutive year of accompaniment of the pilgrims. The Group made available to them promotional and competitive tariffs to facilitate communication and also enable them to keep in contact with their relatives.

The 2017 rate package has been of the most interesting.

In Saudi Arabia, thanks to the agreements with our Saudi partners, we have able to offer to our pilgrims a 80% decrease compared to the retail price, on for example calls from Saudi Arabia to Senegal and -50% compared to last year.

In addition, Orange Travel Passes were available for prepaid with tariffs starting at 2 500 XOF, plus for the first time a data Pass of 1 gig for the Emirates and the launch of more attractive Europe Passes (France, Portugal, Spain and Italy).

This pilgrimage offer has made a significant contribution this year to attaining goals on the Roaming activity with a growth in turnover of over 180% compared to 2016.

- Growth in the engineering consultancy:

Since 2012, engineering consultancy is considered by Sonatel as a growth activity. Today, Sonatel expertise is sought after more and more by operators in the sub-region and service providers on all areas: HR, Training, Finances, IT, Quality, Roaming, SI, TTM process, Multimedia contents and Internet solutions, Collaboration, Customer relationship management, Equipment and infrastructures, Virtualization and data storage, Business valuations, Mobile license acquisition.

Qualified, competent and engaged experts are available to operators. For 2017, let's note the accompaniment of our subsidiaries, among which Orange Sierra Leone, Orange DRC for the deployment of Oracle E-Business with an estimated budget of over 1.5 million Euro (over 1 billion XOF), excluding Orange CAR for the CBM accompaniment.

AVAILABLE AND SECURED CAPACITIES and services of quality

In 2017, Sonatel Group maintained its policy to increase capacities and to secure the Internet bandwidth («BPI»). In less than a year, the Internet bandwidth has doubled, thus passing from 40 Go in 2016 to 80 Go in 2017, thanks to the activation of a 10 Go capacity (STM64) on its network, the latter replaces certain STM16 links usually in service.

Related to the international connectivity, the second semester of 2017 has been marked by the updrade#5 of the SAT3 submarine cable during the month of October.

Sonatel plays a pioneering role by engaging in the promotion and the development of networks of submarine cables thereby allowing Senegal to have an international connectivity among the best in sub-Saharan Africa and to also anticipate on the growing demand for the Internet bubble with an available 130 Go to be deployed in the coming years.

6.3 CONTRIBUTION TO THE SUCCESS OF BIG international events

■ West Africa com

Like every year, Sonatel participated to the West Africa Com. This important and strategic event took place in Dakar on the 11 and 12 of July at the Radisson Blu Hotel.

Africa Com is part of the international activities and events held by the Sonatel Group. It brings together the whole telecommunication community in West and Central Africa with more than 700 participants of different backgrounds: more than forty countries, over 250 companies operating in the TIC sector among which around fifty telecom operators, dozens of senior managers. Important and strategic themes and subjects were discussed of during the two work days.

For the 2017 edition, des « Sonatéliens » honored Sonatel. Thus, the opening remarks were given by Mr. Birago Diène Moctar BEYE, Director of the Operators and International Relations at Sonatel, while Mr. Cheikh Ahmadou Khadim TOURE moderated the panel «Assessing the impact of free roaming on mobile network operator strategies in West Africa» and Rokhaya Solange Ndir, the roundtable on «Women in Tech» and «Powering the West African Startup Ecosys-tem».



"CMDT-17"

(2017 Global conference of the Telecommunication Development sector of «UIT»): participation to the development process of the contribution of the Africa Group to the 2020/2023 action plans of «UIT-D».

■ "CMR-19" preparation

(Radio communication Global Conference): participation to the development process of the national contribution: workshops and validation of the Senegal final document, 2nd Africa preparatory meeting of Dakar, preceded by a workshop for the reinforcement of the capabilities of our experts on mobile and satellite-based technologies.

■ Meeting of the ACE sub-committees (Africa Coast to Europe)

Sonatel was called upon by the Consortium to host the I&ASC sub-committees on December 5 and 6, the R&CSC on December 7 and 8, and the F&ASC on December 8 and 9 in preparation for the next Management Committee.

As a reminder, the Africa Coast t Europe submarine cable was born of an idea from Sonatel and France Telecom. The first agreement for the construction of the submarine cable was signed in November 2008 in Dakar.

Steerco Roaming

Two Steerco were organized in 2017 in Dakar from April 25 to 27 and in Marrakech from December 5 to 8.

The Steerco in Dakar was co-chaired by Mr. Birago Diene Moctar BEYE, Sonatel, and Mrs. Wassila ZITOUNE, VP Group Roaling and InterConnect (GRI); it was attended by over a dozen member countries of the Orange Group: Bostwana, Cameroon, France (GRI), Guinea Republic, Jordan, Mali, Niger, Democratic Republic of Congo, Senegal, Sierra Leone.

This meeting has been a setting to exchange Group marketing and commercial strategies related to Roaming with the objective to be more competitive on our «wholesale» offers (operators) and «Retail» (general public).

A number of bilaterals were held on aspects related to roaming and interconnexion, subjects notably on fraud, «steering» (traffic redirection), recovery, regulation impacts and «retail offers» among others were also mentioned.

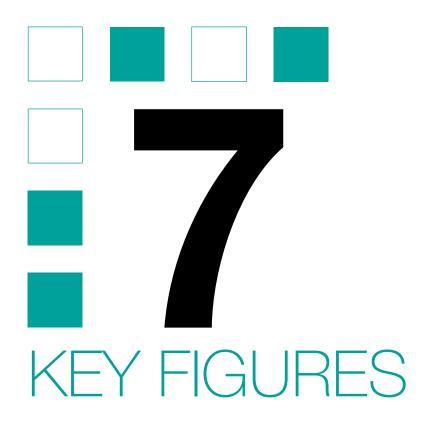
The 2nd Steerco Roaming took place in Casablance December 5 to 8 on the invitation of Orange Maroc. All the countries present at the Steerco in Dakar were also present in Morocco.

The meeting mainly focused on aspects related to roaming (wholesale and retail), regulation and Orange Roaming offers called «GO AMEA».

Sonatel took advantage of this event to share with the subsidiaries the good performances of the «Mecca promo».

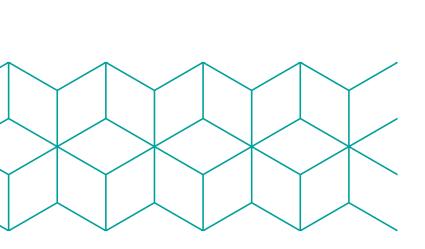


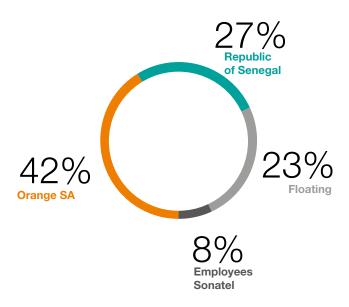




SONATEL:

integrated telecommunication operator





(Countries	Companies	Type of ownership	Ownership
	Senegal	Sonatel SA		Parent company
		Sonatel Mobile	Direct	100%
		Sonatel Multimedia	Direct	100%
		Sonatel Business Solutions	Direct	100%
		Orange Finances Mobiles Senegal	Direct	100%
	Mali	Orange Mali	Direct	70%
		Orange Finances Mobiles Mali	Indirect	70%
	Guinea	Orange Guinea	Direct	89%
		Orange Finances Mobiles Guinea	Indirect	89%
-	Bissau	Orange Bissau	Direct	90%
	Sierra Leone	Orange Sierra Leone	Direct	50%
		Airtel Mobile Transfert	Indirect	50%
		Aiterl Mobile Commerce	Indirect	50%

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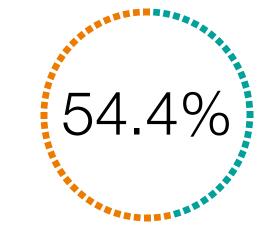


MARKET AND COMPETITION

Market share

Senegal

Position: Leader



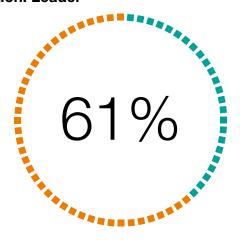




Market share

Mali

Position: Leader

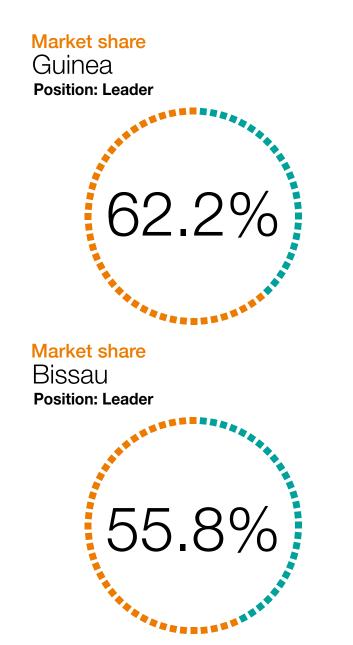


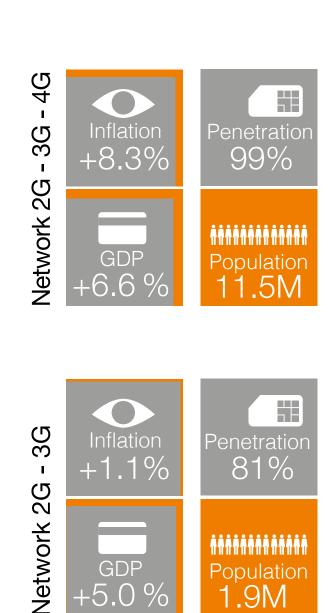






MARKET AND COMPETITION





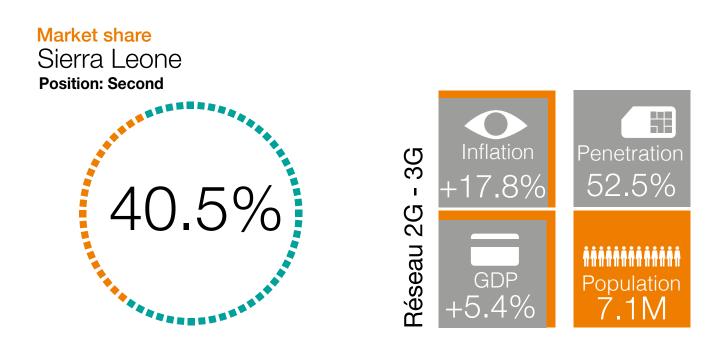
GDP

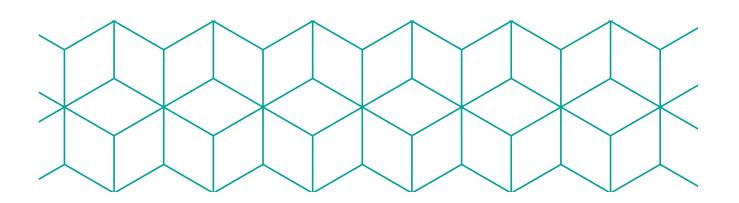
+5.0 %

Population

1.9M

MARKET AND COMPETITION





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KEY OPERATIONAL FIGURES



billion (+5.3%)

Ebitda



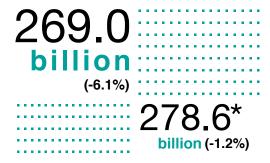
EBITDA Rate 46.5% (-2,2 pts) 47.6%* (-1,0 pts)

Net income

202.2 billion (-6.3%) 203.0* billion (-4.6%)

Net margin 20.8% (-3.1 pts) 21.7%* (-2.2 pts)

Free cash flow



* Group scope excluding contribution of Orange Sierra Leone

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KEY OPERATIONAL FIGURES

Subscribers

30.2 million (+8.7%) 28.7* million (+9.6%)

Mobile: 29.7 / 28.3* million Fix: 285 thousand Internet: 145 thousand

Mobile data

9.2
million
(+32.2%)
Active subscribers

Turnover: 135.6 billion (+65.3%)
Weight on turnover: 13.9% (+4.9 pts)
Contribution to turnover growth: 78.9% (+1.9 pt)

Orange Money

4.5
million
(+44.1%)
Active subscribers

Turnover: 46.1 billion (+70.5%) **Weight on turnover:** 4.7% (+1.8 pt)

Contribution to turnover growth: 28.1% (-1.1 pts)

Capex



Capex / Turnover: 18.9% (+1.9 pt)

* Historical scope (excluding Orange Sierra Leone)



GLOBAL CUSTOMER BASE

Global customer base of 30.2 millions subscribers, with an increase of 8.7% compared to 2016.

Park	2015	2016	2017	16/15	17/16
	283 140	277 859	285 294	-1.9%	2.7%
	27 679 665	27 319 568	29 736 083	-1.3%	8.8%
	131 644*	143 620*	144 753	9.1%	0.8%
	28 094 449	27 741 047	30 166 130	-1.3%	8.7%

Mobile: 8.7% growth in customer base driven by:

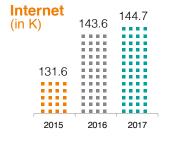
- Growth in the customer base in Senegal following a redesign of the prepaid offers
- Good dynamism of recruitment in Mali and Guinea
- An expansion of subscribers base in Bissau

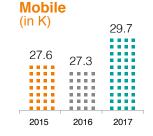
Fixed line: Recovery of the subscribers base (+2.7%).

High-speed internet: Slowing growth of the customer base (0.8% compared 9.1% in 2016) with the migration of the residential subscribers towards the Flybox offers.

Evolution







^{*} Integration of Flybox subscribers in Mali

MOBILE BASE

Growth of the mobile customer base driven by the recovery of Mali's mobile base following the negative impacts of the compliance requirements on customer identification, and a good recruitment trend.

Mobile base	2015	2016	2017	16/15	17/16
Senegal	8 413 127	7 900 150	8 344 083	-6.1%	5.6%
Mali	11 898 450	11 262 654	12 539 918	-5.3%	11.3%
Guinea	5 275 668	6 032 667	6 783 073	14.3%	12.4%
Bissau	558 375	600 384	646 573	7.5%	7.7%
Sierra Leone	1 534 045	1 523 713	1 422 436	-0.7%	-6.6%
	27 679 665	27 319 568	29 736 083	-1.3%	8.8%

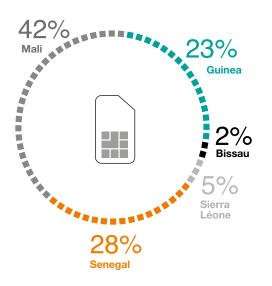
Senegal : Recovery of the mobile customer base (+5.6%) through a repositioning of the prepaid mobile offers, a good dynamism of recruitment for the 4G and the strengthening of data usage offers despite constraints posed by the compliance requirements on customer identification.

Mali: 11.3% increase in customer base thanks to the launch of the 4G and the Mosaic project following negative impacts in 2016 from compliance requirements imposed on the customer base.

Guinea : Maintained pace of recruitment (+12.4%) resulting from the opening of new sites, 3G coverage, and commercial animations, despite constraints from the identification of subscribers.

Bissau : Enhancing of the customer base (+0.2 point with 46 189 subscribers) through 3G coverage extension and an improvement of the QoS.

Sierra Leone : 6.6% decrease in the mobile base due to a delay in deployment.





Favorable evolution of ARPUs in most countries of presence

ARP Monthly, b		2015	2016	2017	16/15	17/16
Senegal (XOF)	Fix	100 672	95 084	94 838	-5.6%	-0.3%
Sellegal (AOF)	Prepaid mobile	2 627	2 661	2 794	1.3%	5.0%
Mali (XOF)	Prepaid mobile	1 667	1 912	1 618	14.7%	-15.4%
Guinea (GNF)	Prepaid mobile	25 500	26 006	26 448	2.0%	1.7%
Bissau (XOF)	Prepaid mobile	2 892	2 842	2 832	-1.7%	-0.4%
Sierra Leone (SLL)	Prepaid mobile	_	18 230	19 542	_	7.2%

Drop in ARPU in Mali and Bissau due to a recovering mobile base following the impacts from compliance requirements regarding identification and a growth in revenues lesser important than that of the customer base

Rise in ARPU in Senegal, Guinea and Sierra Leone thanks to the strong performance of the growth relays through strengthening usage.

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7 Orange Money

Continuing momentum for Orange Money activities (+1.1M active subscribers, +70,5% growth on revenue)

Turnover

46.1 billion (+70.5%)

Weight on turnover

4.7% (+1.8 pt)

Contribution to turnover growth

28.1%

Subscribers

10.5 million (+17.1%)

Active subscribers

4.5 million (+44.1%)

Transaction volume

467 million (+86.8%)

Value of transactions

5 201 billion (+65.2%)

Value of transaction / GDP

20.4% (+5.4 pts)

Senegal

Turnover: 9.3 billion; +168% Subscribers: 4.1 million; +16.6% Active subscribers: 1.5 million; Transaction volume: 137.3 million Transaction value: 1 227 billion

Bissau

Turnover: 4 million Subscribers: 53 thousand Active subscribers: 5 thousand Transaction volume: 225 thousand Transaction value: 838 million

Mali

Turnover: 29.6 billion; +37% Subscribers: 3.9 million: +12.5% Active subscribers: 1.8 million; Transaction volume: 188.9 million Transaction value: 2 704 billion

Sierra Leone

Turnover: 1.5 billion Subscribers: 0.3 million; -21.4% Active subscribers: 0.2 million Transaction volume: 22.3 million Transaction value: 203 billion

Guinea

Turnover: 5.7 billion; +179% Subscribers: 2.1 million; +35.4% Active subscribers: 0.9 million Transaction volume: 118.4 million Transaction value: 1 067 billion



Strong growth in customer base (+33%), revenues (65.3%) and usage, launching of 4G in Mali.

Turnover

135.6 billion (+65.3%) Weight on turnover

13.9% (+4.9 pts) Subscribers delta 2.1 million

Contribution to turnover growth

78.9%

4G / Senegal 1 024 K Clients équipés (346 sites) Active subscribers
9.2
millions
(+32.2%)

Senegal

Turnover growth: 56.2% Subscribers: 3.0 millions; +38.3% Turnover (billion): 65.0 ARPU monthly: 1 795

Bissau

Turnover growth: 65.9% Subscribers: 89 214 Turnover (billion): 2.7 ARPU monthly: 2 500

Mali

Turnover growth: 78.5% Subscribers: 3.5 millions; +38.3% Turnover (billion): 43.8 ARPU monthly: 1 052

Sierra Leone

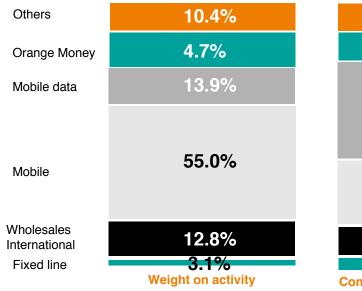
Turnover growth: - 45.5% Subscribers: 625 824 ; +0.8% Turnover (billion) : 4.2 ARPU monthly: 558

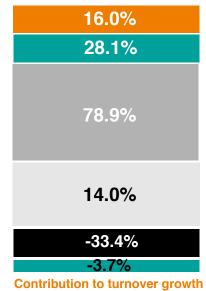
Guinea

Turnover growth: 39.6% Subscribers: 2.0 millions; +17.4% Turnover (billion): 19.9 ARPU monthly: 844

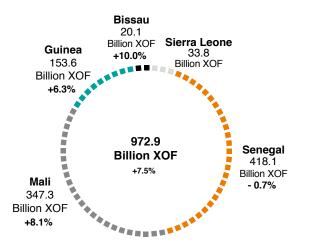


Increase in revenues with the development of growth relays, but slowed with a decrease in international incoming traffic



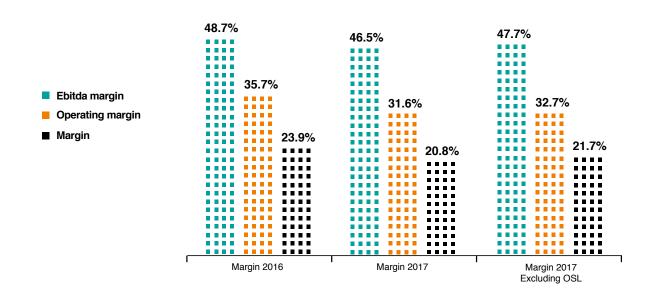


Revenue growth mainly driven by the mobile services through data usage, value-added services and the development of Orange Money services. However, this trend is slowed by the declining international revenues and a drop in fixed activities. The maintenance of a strong commercial position is boosting growth in revenues to mitigate the declines.



MARGINS

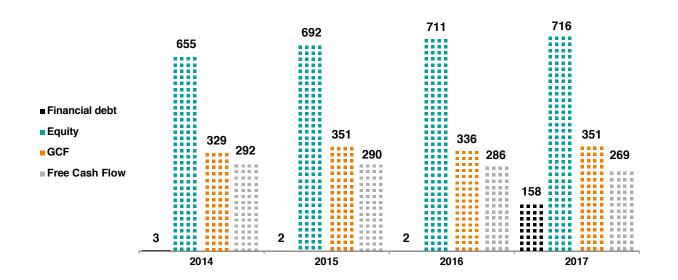
Dilutive effects on margins due to the currency depreciation and the integration of Orange SL



Slight decreases due to the currency exchange rate but also by the strengthening of lower margin income lines of revenue (Mobile data, Orange Money, and value added services).

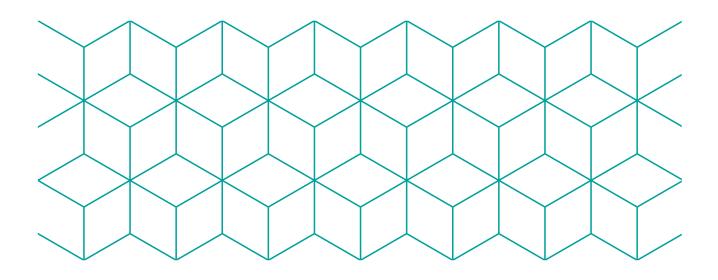
FINANCIAL INDICATORS

Financial indicators	2014	2015	2016	2017
Financial debt	3	2	2	158
Equity	655	692	711	716
Global cash flow	329	351	336	351
Free Cash Flow	292	290	286	269
Debt ratio	0.5%	0.3%	0.3%	22.1%
Debt / Free Cash Flow Ratio	1%	1%	0.7%	58.7%



WORKFORCE

SONATEL GROUP	2014	2015	2016	2017	2016/ 2015	2017/ 2016
SENEGAL	1 751	1 807	1 788	1 773	-1.0%	-0.8%
MALI	530	540	583	609	7.9%	4.5%
GUINEA	324	354	374	379	5.6%	1.34%
BISSAU	85	85	88	92	3.5%	4.6%
SIERRA LEONE	-	-	-	182	-	-
TOTAL	2 690	2 786	2 833	3 035	3.6%	7.1%

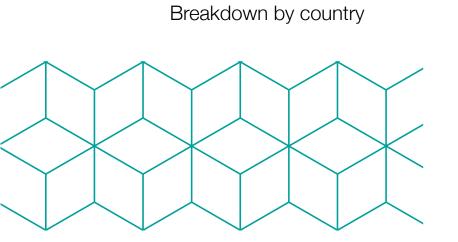


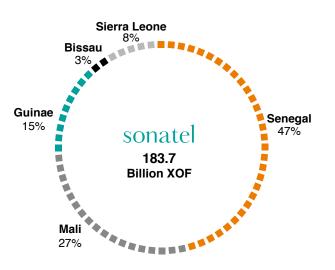


Higher level of investments (19% of turnover) reinforced by network investments mainly in Senegal and Sierra Leone.

Billion XOF	2016	2017	variation 17/16
Network	135.6	163.6	+20.6%
Others	18.3	20.1	+9.8%
Total Capex	153.9	183.7	+19%
Capex rate	17%	19%	+2 pts

Network investments accounted for 89% of total Capex. The renewal of the access networks and the increased density of networks with the development of data usage constitute the bulk of the investments.

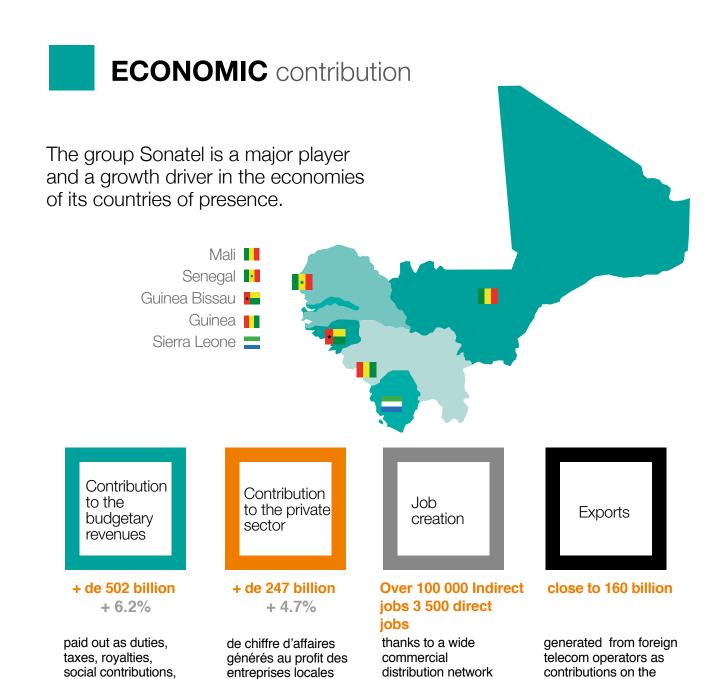




customs duties and

countries of presence

dividends in the



and dynamic

partners

balance of payments

dans les pays de

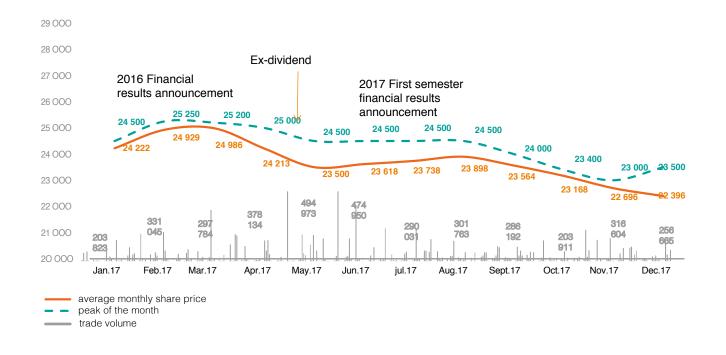
présence





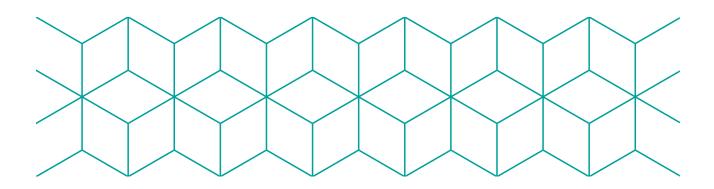
Stock price stabilized at around 23000 XOF

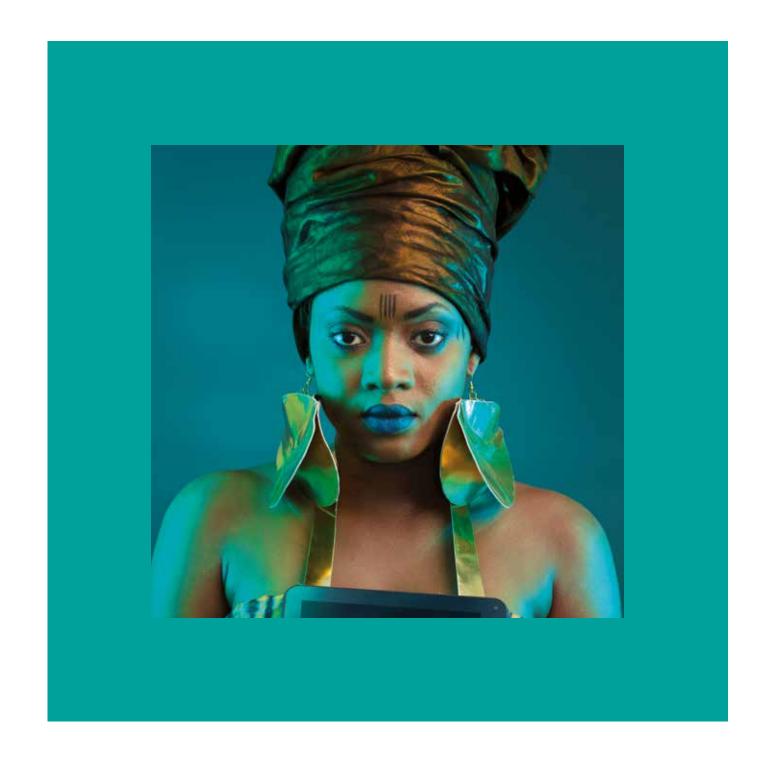
- First BRVM's market capitalization (2 350 billion XOF on 12/31/2017)
- Over 27 000 shareholders around the world
- 23% of the shares traded at BRVM
- Represents 53% of the BRVM10 index and 43% of the Composite index



DIVIDEND POLICY

EXERCISES	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Share price on 31/12	17 500	13 000	12 000	15 400	12 000	14 500	20 050	22 800	25 000	25 000	23 500
Dividend (billion XOF)	110	130	135	140	145	150	155	160	167	167	167
Net dividend per shar	990	1 170	1 215	1 260	1 305	1 350	1 395	1 440	1 500	1 500	1 500
Dividend growth rate	25%	18%	3.85%	3.7%	3.6%	3.5%	3.3%	3.2%	4.2%	0%	0%
Dividend yield	6%	9%	10%	8%	11%	9%	7%	7%	6%	6%	6.4%
Payout rate (%) Sonatel SA	122%	77%	91%	82%	114%	87%	106%	92%	106%	108%	102%
Payout rate (%) Group	68%	83%	73%	76%	94%	88%	82%	73%	76%	77%	82%





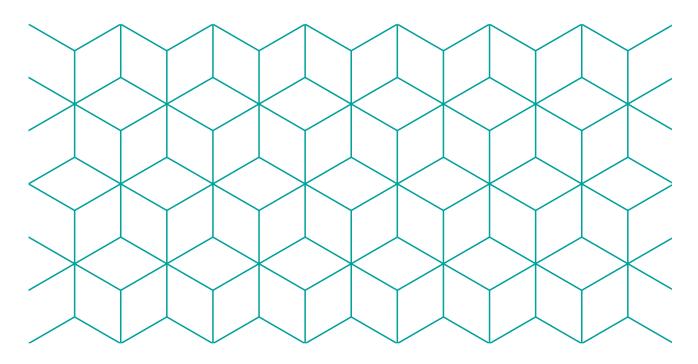




NOTE TO READERS

The consolidation scope for SONATEL Group includes the following subsidiaries:

Со	untries	Companies	Type of ownership	Ownership	
9	Senegal	Sonatel SA Sonatel Mobile Sonatel Multimedia Sonatel Business Solutions Orange Finances Mobiles Senegal	Direct Direct Direct Direct	Parent company 100% 100% 100% 100%	
	Mali	Orange Mali Orange Finances Mobile Mali	Direct Indirect	70% 70%	
1	Guinea	Orange Guinea Orange Finances Mobiles Guinea	Direct Indirect	89% 89%	Entry in 2017
-	Bissau	Orange Bissau	Direct	90%	
	Sierra Leone	Orange Sierra Leone Airtel Mobile Transfert Airtel Mobile Commerce	Direct Indirect Indirect	50% 50% 50%	Entry in 2017



INTRODUCTION

A favorable macro-economic environment in all countries of presence contributed to the realization of strong operational and financial performances, reinforced by the integration of Orange Sierra Leone in the consolidation scope of Sonatel Group.

The Group reinforced its leadership while strengthening its already strong commercial positions in Guinea (62%), Mali (61%), Bissau (55%) and Senegal where it regained market share (54%). The subscribers' base has recovered in 2017 thus annulling the negative effects from the client identifications in 2016. At the same time, the competitive environment has intensified around abundance (voice and data), and the business market segment and data around aggressive pricing offers deployed by competitors.

The marketing initiatives in response to the competition aggressive have supported the development in voice and mobile data usage, the penetration of the data (9.2 million users, 32.2% of the active mobile base), the growth recovery of fixed broadband as well as the development of the services around Orange Money (increase by +1.4 million active subscribers compared to 2016). The sustained commercial momentum particularly on mobile recruitment (growth recovery of +8.8% on the base in 2017 compared to a decrease by -1.3% in 2016) allowed for a maintenance of the churn reflected by the gains in volume market share (Guinea +4.6 points, Senegal +2.2 points, Mali +1.7 points, Bissau +1.1 points). The expansion of international corridor offers in the countries of the sub-region contributed to the slowdown in revenue declines from international incoming

traffic, which is strongly impacted by the acceleration in volume drops and amplified by the SIMBOX fraud (from competitors' networks) and the OTT phenomenon. The terminal policy has been more expansive in 2017 notably through the popularization of smartphones via terminal SWAP programs (2G to 3G partly funded) and the introduction of "good market" references in support of the development of an equipped subscribers' base.

The Group reported acceleration in turnover growth in 2017 despite adverse depreciation impact of the Guinean Franc and the Leone. In nominal, the turnover growth reached 7.5% compared to 2016 when accounting for the turnover for Orange Sierra Leone which integrated the consolidation scope in 2017. The consolidated turnover growth in the comparable basis is +9.1% compared to 2016 or an increment of +3.8 points related to the integration of Orange Sierra Leone.

In the historical scope, the growth is of +5.3% compared to 2016 in the comparable basis thus an improvement of +1.5 points (+4.8% in 2016) thanks to the furthered development of the mobile activity pushed through mobile data usages, value-added services and Orange money services.

Following the revenues' growth, the trajectories of profitability have improved, translated by the growth recovery of the EBITDA in the comparable basis by +3.2% compared to a -1.7% decrease in 2016, despite exchange rate impacts, new tax measures (Mali) and unfavorable regulatory decisions (Bissau, Sierra Leone). The Group's EBITDA rate has known a small decline compared

to 2016 in the historical scope's comparable basis (-1 point / 2016 due to revenue streams with charges' impacts being more important (Orange money, VAS, contents, terminals)), decrease in revenues in the core businesses (international incoming, fixed line voice, mobile voice), and high margin contributors. In nominal, the decrease in EBITDA rate is less important than in 2016 despite a dilutive effect of -1.1 point resulting from the integration of Sierra Leone. The net profit registered however a drop by -5.0% in the comparable basis and -6.3% in nominal compared to 2016, due to the significant exchange rate impacts and the surge in the amortization volume following the increase in the depreciable balance, in conjunction with the important level of investments carried out in the last 3 years. The operational and financial results for the 2017 period remain satisfactory overall.

The Group's investments excluding licenses amounted to 184 billion XOF for the 2017 period

representing about 19% of the consolidated turnover, plus an additional 150 billion for licenses, among others in Senegal (50 billion XOF following 50 billion paid in 2016) and in Mali (100 billion). The Group also proceeded to the setup of medium term financing (Senegal and Mali) for coverage of treasury needs accentuated by exceptional disbursements (licenses, frequencies, CAPEX).

Sonatel Group has fulfilled in 2017 important operations for the continuity of its activities around the concession renewal, acquisition of frequencies for the exploitation of 4G in Mali for a period of 15 years, deployment, monitoring of the commercial launch of the optical fiber and the opening of the datacenter, and finally the Orange rebranding in Sierra Leone.

In Senegal, we noted a 0.6% growth recovery of the turnover in the second semester of 2017 following three consecutive semesters of growth decrease recorded between 2015 and 2016.

The redesigned prepaid mobile offers around the "Soleil" project, the equipment boost plans and the recruitment of 4G subscribers substantially contributed to the recruitment of +445 000 new subscribers; subsequent to a decrease recorded in 2016 following compliance operations on the subscribers' base. The acceleration of the 4G deployment in Dakar and in the regions with the implantation of 240 sites combined with field animation plans have provided with rapid development of the active 4G base with more than 285 000 subscribers end 2017. The development of mobile data usage has accelerated in 2017 with the active subscribers surpassing 3 million, roughly 36% of the mobile base. The evolution of the base and the usages has come with a consequent growth of the data revenues and the smartphones penetration rate to 40%. The launch of the flybox and the new offers on fixed Broadband deployed within the Act 1 of the "Internet Revolution" has allowed reestablishing a growth of the fixed line and ADSL base following many years of near-stagnation. The number of active monthly subscribers for Orange Money services has crossed the 1.5 million subscribers' mark thus confirming the good dynamic of this important growth relay.

Revenues' evolution is still marked by the transformation of the mix between declining core businesses (mobile voice, fixed voice, international incoming traffic) and activities positioned as growth relays (mobile data, Orange Money, Value-added services (VAS)) whose sizable rise has

allowed to cover the negative effects from the declining activities and to maintain the trajectories for growing revenues starting from the second semester of 2017. The regression in international incoming traffic volumes remained significant in 2017 under the effect of the SIMBOX fraud from competitors' networks and the further development of alternative methods, amplified by the OTT phenomenon and largely prompted by the high penetration of the mobile data.

However, the decline in the trajectories of profitability though slowing (decrease in EBITDA) thanks to exceptional products and important efforts to maintain expenses, remained relevant

on an organic basis. The decrease in core businesses' revenues on high margin activities was leveled by the growing weight of low margin activities. Nonetheless, generating savings from direct costs (international outgoing, commissions) contributed to the preservation of the EBITDA margin in the face of decreasing revenues and to the progressive amelioration of the level of profitability of Orange Money and Mobile data.

Investments have allowed for the extension, modernization and renewal of networks, and have grown by more than 17 billion in 2017 thus representing 19% of the consolidated turnover in Senegal.

In Mali, Orange obtained from the Government in July 2017 the renewal of its concession and the acquisition of frequencies for 4G exploitation for a period of 15 years. Orange Mali also proceeded to the commercial launch of 4G in Bamako in August 2017. Orange Mali has reinforced its market share in terms of volume at 61% in 2016 thanks to operations on the ground for the recruitment and identification of subscribers. Such actions have resulted in the recruitment of +1.3 million new subscribers. The base level before impacts from the mass terminations in 2016 following the compliance actions on the subscribers' base has been attained and surpassed with the 12.5 million subscribers mark reached. The market has recorded new intensity driven by bundle offers by the two competitors, including an important number of offers.

The strong growth in data usage has continued with a base growth by +38% compared to 2016, an increase in revenues by +78% during the period thus representing 70% of Orange Mali recorded revenues' growth in 2017. The Orange Money activity also reported significant growth thus allowing for the 1.8 million active monthly subscribers bar to be reached, a progression of 18% compared to 2016, for an increase in revenues of 73% on the period thus double the base growth.

The trajectories of profitability are still growing with the contributions from growth relays (mobile data, Orange Money) and the resistance of mobile voice, thus buffering the effects from the decreasing revenues from international incoming and the introduction of new unfavorable fiscal measures. Investments, including for the concession renewal and the acquisition of 4G frequencies, have reached the historical amount of close to 151 billion XOF in 2017 (among which 100 billion were for the concession and the 4G license).

In the Republic of Guinea, Orange Guinea has celebrated in 2017 its 10th-year anniversary and reinforced its leader position with a market share in volume of 62.2% (a +4.6 points increase compared to 2016), thanks to the recruitment of +750 000 new subscribers, despite constraints related to customer identifications. Its leadership has also been reinforced in terms of value with a 62% market share according to the latest publications from the Regulatory Authority (T3 2017).

The mobile subscribers' base has reached the 6.8 million bar, a +12.4% growth in a heightened and aggressive competition context. The development of Orange Money is sustained with a growth of close to 70% in the number of active monthly subscribers and a growth in revenues nearly 2.5 times greater than that recorded on the base.

The sharp increase in the mobile data activity has continued in 2017 with the 2 million active subscribers bar surpassed or +17% compared

to 2016 and a +40% growth on generated revenues. The development of this activity has been favored by the extension of 3G network coverage with the implementation of 155 new sites in 2017.

These operational performances have been however moderated by the significant exchange effects as a result of the strong depreciation of the Guinean franc relative to the Euro and the XOF (-10%). Despite everything, the trajectories of profitability recorded a sustained growth, thus improving the EBITDA margin by 2 points for the period. This amelioration of the operational margin has been possible thanks to a growth of the revenues by +6.2% in 2016.

Orange Guinea's level of investments is 27.3 billion XOF. Reported in XOF, it remains stable compared to 2016, due to the exchange effects (depreciation of the GNF/XOF). Excluding the exchange rate effects, the investments in Guinean franc are reporting a +10.3% growth.

In Guinea Bissau, Orange Bissau celebrated its 10th-year anniversary while reinforcing its leadership with a volume market share of 55.8% representing a +3.8 points growth compared to 2016 and a value market share at 54.7%. The re-conquest of the Bissau Guinean market via the pursuit of the extension of the network coverage, the amelioration of the quality of service and the deployment of the 3G/4G has permitted to reach the 650 000 mobile subscribers' base mark thus representing a +7.7% growth in 2016.

We also note a sharp increase in 2017 of the mobile internet users' base by +53% in 2016, reflected in the increase in revenues to 13.9% of turnover (4.9 points) compared to 2016.

The amelioration of the operational margin has led to the rise in EBITDA rate thanks partly to the increase in revenues and a greater control of the operational expenses thus allowing for a growth in EBITDA in terms of value.

Investments have been made in the amount of 4.6 billion in 2017 for the modernization and securing of networks (mobile access, core), the development of 3G/4G networks, capacity increase in data bandwidth and the construction of an optic ring for the amelioration of the quality of service for fixed internet.

In Sierra Leone, the rebranding of Orange Sierra Leone was carried out in October 2017. The already difficult regulatory environment has been unfavorable to Orange SL throughout the year with fines and financial sanctions imposed by the Regulatory Authority. Network rehabilitation, extension and modernization programs are continuing despite the slow deployment during the 1st semester due to administrative procedures (environmental code compliance in the technical sites).

The trajectories of profitability, apart from the penalizing exogenous factors (strong depreciation of the Leone, regulatory decisions), have also been impacted by the cost structures related to the contractual extension of some outsourced services and by a few remedial costs inherited from the previous management, and also by the tariff control effects especially on international calls, imposed by the regulator in a context depreciating Leone with significant exchange rate impacts. In addition to those elements, operational difficulties related to provisions for optimal network capacities for voice and data traffic flows have been detrimental to the performance of the activity throughout 2017.

Orange SL has engaged the necessary actions for the replacement and rehabilitation the network, for the extension of the 2G/3G network coverage, and for the implantation of a new SI for investments valued at more than 15.3 billion XOF in 2017.

At the operational level, the base has been maintained at around 1.4 million subscribers with an important rate of penetration for data subscribers (44%) and Orange Money (16%).

Financial year 2017 has been marked for the Sonatel Group by:

- Strong financial performances for the Group, reinforced by the integration of Orange SL despite slight dilutive effect on the EBITDA
- Acceleration of the turnover growth and the resumption of growth on the historical scope
- Pursuit of the development of growth relays thus strengthening their contribution to the Group's activity
- Continually mutating environment with structuring evolutions of the telecom sector for the whole scope
- Pursuit of the business model transformation
- Maintenance of the good dynamic for subscribers' recruitment and the base's growth resumption despite the intensity in competition and the tightening of identification conditions
- Evolution of the net profit impacted by growing amortizations and significant exchange rate impacts.

At the country level, the activity has also been marked by:

Senegal

- Maintenance of strong commercial positions in terms of volume and value
- Good retail dynamic (mobile data, Orange Money, fixed bandwidth)
- Repositioning of the mobile prepaid offer via the "Soleil" redesign in response to the intensification of competition around voice and data abundance
- Good dynamic of recruitment notably on the 4G despite identification constraints
- Strengthening of data usage offers (diversification of the purchasing channels, micro pass, smartphones, ...)
- Installation of a committee for social dialogue within Sonatel
- Finalization of the attribution of 3 new MVNO licenses by the regulatory following the opening of the market to 3 ISPs (Internet Service Providers)
- Recrudescence of the SIMBOX fraud on the fourth trimester; launch of the free roaming
- Inauguration of Sonatel's Datacenter
- Commercial launch of the optical fiber pour access for business and residential subscribers.

Mali

- Leadership consolidation on the market
- Strong growth of Data and Orange Money usages
- 4G launch in September by Orange Mali
- Start in operations by the 3rd operator in December 2017
- Sharp increase of the OTT fraud resulting in a decrease in revenues from international incoming
- Acceleration of the transformation of the business model with usage "package deals"
- Start-up of the pilots on bank's financial services (savings-credit) in the development of Orange Money
- Continuous deterioration of political and security situation
- Rate increase of universal access funds from 1% to 2% starting in 2017
- Pursuit of the 2G/3G network swap as part of the modernization of the access network in order to improve the quality of service and ameliorate the client experience

Guinea

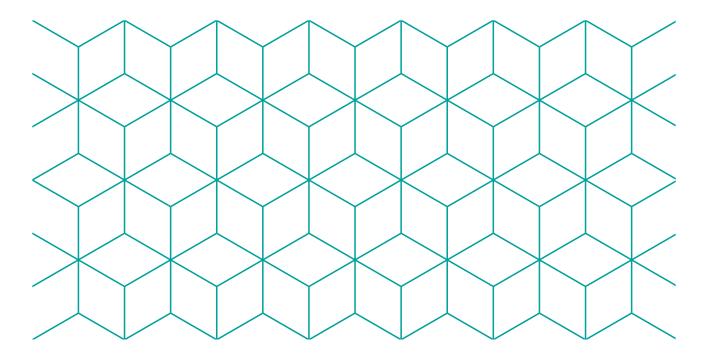
- Strengthened leadership with a market share in terms of volume and value at 62% reported end of December 2017
- Launch of free roaming with 7 countries members of ECOWAS since end of March 2017
- Celebration of the 10 years of Orange Guinea
- Effective 3G coverage in the sub-prefectures in the country
- VAT tax reduction from 20% to 18% in implementation since January 2017
- Announcement of the resumption of activities for Sotelgui (Guinea Telecom)
- Corporate tax decrease except for companies in the telecom sector, maintained at 35%

Bissau

- Consolidation of leadership with an increase in market share in volume and value
- Launch of Orange Money
- Modernization of Mobile access network, core network
- 100% 4G coverage in Bissau city
- Redesign of mobile data tariffs in November 2017
- Strong fiscal and regulatory pressure with the implementation of international traffic control (February) and new taxes (+70% in taxes on dialing and +15% on taxes on frequencies)

■ Sierra Leone

- Rebranding to the Orange brand in October 2017
- 0.02\$ /minute collection by NATCOM on revenues from domestic incoming interconnection
- 400 000\$ fine imposed by the regulator as sanction for poor network quality
- Series of sanctions imposed by the regulator NATCOM
- Continuing depreciation of the value of the SLL in regards to the EURO/XOF (-17.5%)
- Extension of the network coverage within the territory with 45 new sites, among which 26 for 3G
- Continuation of the network modernization program (2G/3G access network setup, migration to the new IN, ...)
- Increase of the "On-net" tariff from SLL 450 to SLL650 (VAT included) in April 2017
- Attribution by the regulator of an operating license to QCell
- Full inventory of the assets





OPERATIONAL ELEMENTS

The evolution of operational data has been marked by the resumption of growth of the mobile data base (+8.8% / 2016 on the perimeter excluding Sierra Leone and +15.1% with the integration of OSL) with the decline of the global base by -1.3% recorded in 2015 following the subscribers' identification operations and the compliance requirements imposed by the regulatory in 2016.

This evolution is a consequence of the maintenance of the dynamic of conquest in all countries of presence and particularly a strong upturn of the trajectories of recruitment in Mali and Senegal. Also to be noted, the fixed line base is growing again (2.7% / 2016) after a stagnation over the past years, thanks to the contribution of ADSL in Senegal, and drawn from price reforms and new connections around de flybox.

The subscribers' base for mobile internet and Orange Money services grow significantly thank to the good commercial dynamic around those two offers. At least 1 subscriber out of 3 in our mobile subscribers' base is active on mobile data and 1 out of 5 active on Orange Money.

The pursuit of growth in outgoing traffic volume and especially "on-net" is strengthening aided by an important level of offers on principally voice usages. In the opposite direction, the regression in international incoming traffic volume although easy by the introduction of corridors' offers between countries in the sub-region has accelerated in 2017. In end 2017, the subscribers' base of the Sonatel Group (fixed line, mobile, and internet) totaled 30.2 million subscribers thus a 15.1% growth compared to 2017.

Base	2015	2016	2017	2016 / 2015	2017 / 2016
Senegal	8 413 127	7 900 150	8 344 083	-6.1%	5.6%
Mali	11 898 450	11 262 654	12 539 918	-5.3%	11.3%
Guinea	5 275 668	6 032 667	6 783 073	14.3%	12.4%
Bissau	558 375	600 384	646 573	7.5%	7.7%
Sierra Leone	1 534 045	1 523 713	1 422 436	-0.7%	-6.6%
Mobiles	27 679 665	27 319 568	29 736 083	-1.3%	8.8%
Fixed line	283 140	277 859	285 294	-1.9%	2.7%
Internet	131 644*	143 620*	144 753	9.1%	0.8%
Total Base	28 094 449	27 741 047	30 166 130	-1.3%	8.7%

^{*} intégration des clients Flybox au Mali

Mobile

The mobile subscribers' base for the Group in 2017 amounted around 30 million or un increase of 15.3% (+3.9 million) principally pulled by the resumption of net connections significant in Mali and Senegal, impacted by subscribers' identification measures in 2015, the pursuit in recruitment important in Guinea and the integration of the subscribers' base in Sierra Leone.

Base	2015	2016	2017	2016/2015	2017/2016
Fixed line	283 140	277 859	285 294	-1.9%	2.7%
Mobile	26 145 620	25 795 855	29 736 083	-1.3%	15.3%
Internet HD	131 644	143 620	144 753	9.1%	0.8%
Total	26 560 404	26 217 334	30 166 130	-1.3%	15.1%

Mobile	2015	2016	2017	2016/2015	2017/2016	% internet mobile Users	% Orange Money Users
Senegal	8 413 127	7 900 150	8 344 083	-6.1%	5.6%	36.2%	18.5%
Mali	11 898 450	11 262 654	12 539 918	-5.3%	11.3%	27.7%	14.6%
Guinea	5 275 668	6 032 667	6 783 073	14.3%	12.4%	28.9%	12.8%
Bissau	558 375	600 384	646 573	7.5%	7.7%	13.8%	0.8%
Sierra Leone			1 422 436	na	na	44.0%	15.7%
Total	26 145 620	25 795 855	29 736 083	-1.3%	15.3%	30.8%	18.5%

Mobile Internet base (in thousand	subscribers)
Senegal	3 019
Mali	3 470
Guinea	1 963
Bissau	89
Sierra Leone	626
Total	9 167

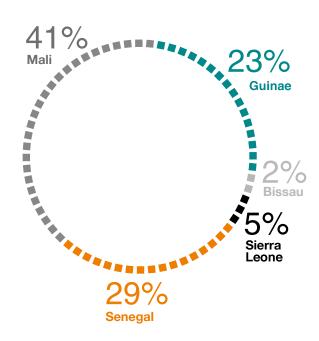
Orange Money base (in thousand subscribers)			
Senegal	1 541		
Mali	1 833		
Guinea	865		
Bissau	5		
Sierra Leone	223		
Total	4 468		

Fixed line

The number of subscribers connected to the fixed line technologies amounted to 285 294 end 2017. The base is resuming with a growth of 2.7% in comparison to 2016 after the decrease recorded in the 2016/2015 period (-1.9%). The performance essentially comes from connections recorded around new ADSL offers and the Flybox launched within the framework of new animation around Internet.

Internet

The number of internet subscribers connected to the ADSL, Flybox, WIMAX solutions and most recently the optical fiber is of 144 753 subscribers end 2017. The internet base progressed by 0.8% compared to 2016, supported by the ADSL growth in Senegal which absorbs the drops on WIMAX (submitted technology) in Mali and Guinea.



Workforce

The number of permanent collaborators in the Group (CDI) is at 3 036 agents en 2017 corresponding to a 7.1% increase (+203 agents) in comparison to 2016. This evolution is essentially explained by the integration of Sierra Leone in 2017, generating workforce Delta of 182 agents and an increase in Mali (+26 agents).

By subsidiary, the workforce breaks down as follows:

Groupe Sonatel	2014	2015	2016	2017	2016/2015	2017/2016
Senegal	1 751	1 807	1 788	1 773	-1.0%	-0.8%
Mali	530	540	583	609	7.9%	4.5%
Guinea	324	354	374	379	5.6%	1.3%
Bissau	85	85	88	92	3.5%	4.6%
Sierra Leone	-	-	-	182	-	-
Total	2 690	2 786	2 833	3 035	1.6%	7.1%

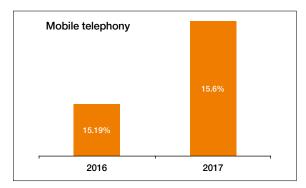
Senegal

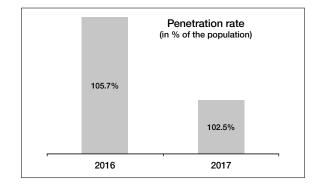
Main micro-economic indicators

	2017	2016	2015
Population (en millions) (1)	15.3	14.8	14.4
Croissance du PIB (en%) (2)	6.8%	+6.6%	+ 5.1%
PIB par habitant (en dollars PPA) (2)	2 678	2 578	2 426

Source: (1) ANSD; (2) FMI, october 2017.

Number of mobile subscribers (in million), mobile penetration rate (in % of the population)





Source: Sonatel Senegal Scope

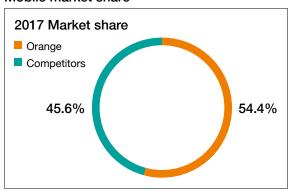
The mobile market is reached 15.6 million SIM cards in 2016, a 3.0% growth (against +1.5% in 2016), an absolute change of +425 000 SIMs. This evolution in the number of mobile subscribers reflects renewed activity following compliance operations carried out in 2017 with an important termination of subscribers no meeting the identification criteria defined by the regulator. A slight decrease in the rate of penetration is recorded from 105.7% in 2016 to 102.5%, a 3.2 points evolution expressing an advanced level of saturation in the market in terms if SIM cards detained by the subscribers.

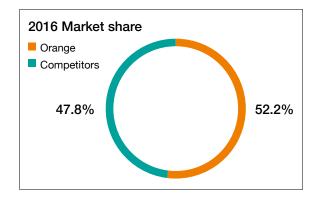
The regulated tariffs for call termination on the mobile have reported no change in 2017.

^{*} Penetration rate (in % of the population).

Competitive environment

Mobile market share





Source: ARTP Publication Mobile market observer T4 2016 (2016 market share) and Sonatel estimates (2017 market share).

There are three operators in the mobile market: Orange, Tigo-Sentel (a subsidiary of Millicom International Group) and Expresso Senegal (subsidiary of Sudan Telecom SUDATEL). Sonatel has been able to regained market share in 2017 (2.2 points / 2016) despite the strong and intense competition between the different actors in the market around ultra-abundant pricing offers around voice and mobile data. Orange has proceeded to a redesign of the prepaid and postpaid mobile offers in the wake of Sonatel's engagement under the "Internet revolution" label to lower internet tariffs in Senegal by 50% between 2016 and 2019 (objective met in January 2016). Orange has also undertaken in November, exclusively in Senegal, to the commercial launch of the optical fiber for the businesses and the residential market. This consolidation of strong commercial positions accompanied by important innovations and the sharing of productivity gains through a drop in prices was made possible by sustained efforts for extend, modernize and renew networks with an emphasis on the 4G deployment in Dakar and in the principal regional capitals of the country. Therefore, the coverage rate of the population by the 4G network is at 30% end with an active 4G base of more than 285 000 subscribers.

Sonatel Senegal perimeter activities

Operational indicators

	2017	2016	2015
Number of subscribers fixed line-mobile-ADSL (In thousand)	8 741	8 276	8 798
Fixed lines	285	278	283
Internet lines (ADSL)	112	98	102
Mobile subscribers	8 344	7 900	8 413
Mobile Internet subscribers	3 019	2 183.3	1 525.1
Orange Money active subscribers	1 541	1 087.9	633.3
Global prepaid mobile ARPU (monthly XOF)	2 794	2 661	2 582

Source: Sonatel internal data (Senegal perimeter)

*Internet Mobile

The number of Orange mobile subscribers almost exclusively constituted of prepaid plans, grew in 2017 by +5.6% following a decrease by -6.1% recorded in 2016. This evolution resulted from the good commercial dynamic in 2017, generating of close to 445 000 subscribers with the contribution of the 4G and benefits derived from the prepaid offers in August 2017.

The number of High-Speed Internet (ADSL) subscribers grew (+13.7%) in 2017, following a number of years of near stagnation thanks notably with the input from recruitments around the new HOME and KEUR-GUI offers, with a price drop (-15%) carried out under the Act 1 of the internet revolution. The fixed line base has also grown compared to 2016 (+2.7%). This increase in the fixed line base also grew compared to 2016 (+2.7%). This gain in fixed line base follows the revitalization the fixed broadband around ADSL and the Flybox.

Orange Money mobile payment offer has more than 1.5 million monthly active subscribers for close to 50% of the active base (4.1 million subscribers) registered for the use of the service. The expansion of the partnership with new merchant payment and bill payment actors and the launch of new offers (transfer with code, sub-region IRT, internet pass purchases ...) has helped raise the transaction volume for the year 2017 to over 137 million for a value of more than 1 227 billion XOF (around 13% of Senegal's GDP).

The development of the mobile internet offers is continuing around the 3G and 4 internet Pass with a base billed for more than 3.0 billion in end 2017 or a 38.3% increase compared to 2016. The deployment of the 4G in Dakar and in the regions has gained momentum with a 30% 4G coverage rate of the population.

The outgoing traffic to Orange mobiles has known a +8.8% increase following the full effect of the enhancement of offers under new prepaid offers launched

in 2017. The voice traffic remains significant, carried by the increase in average usage by subscriber by +16 minutes (monthly AUPU of 149 minutes vs. 133 minutes in 2016), driven by ultra-abundant promotional actions.

The drop in fixed traffic continued in the same pace as 2016 (-8.1%), following a repositioning around internet usage offers.

The international incoming traffic recorded an acceleration of its drop with a -22.9% decrease compared to 2016 following a combination of impacts from the SIMBOX fraud on competitors' networks, the increase in alternative methods uses amplified by the OTT phenomenon. The expansion of corridor offers is to be noted in partnership with operator from the sub-region thus contributing to slowing the decline in revenues caused by the negative volume effects incurred on destinations outside the corridors.

The domestic incoming traffic remains an upward trend with a +10% increase compared to 2016 correlated to ultra-abundant offers from competitors.

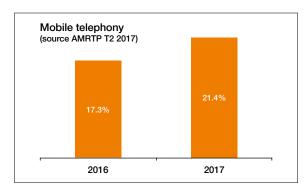
We note an appreciation of the monthly prepaid mobile ARPU compared to 2016 (+5%) at 2 792 XOF related to the growth in recharge levels thanks to revenues generated by mobile data, the reinforcement of the contribution from Orange Money usage, and thanks to the sale of terminals, despite a decrease in incoming traffic revenues (domestic and international), facing an increase in the subscribers' base with no major dilutive effect on the recharge basis. On the other hand, we note a relative stability of the fixed line ARPU.

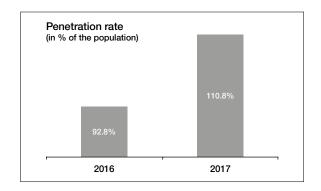
Mali Main macro-economic indicators

	2017	2016	2015
Population (in million) (1)	19.3	18.6	17.0
GDP Growth (in %) (2)	+5.3%	+ 6.0%	+ 5.8%
GDP per capita (in dollar) (3)	2 169	2 091	2 017

Sources: (1) Source Orange Mali, (2) FMI, October 2017

Number of mobile subscribers (in million), mobile penetration rate (in % of the population)





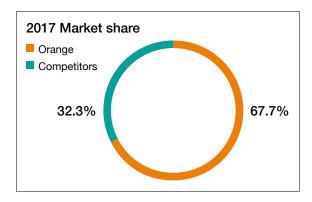
Source: Source: Orange Mali estimates
* Penetration rate (in % of the population).

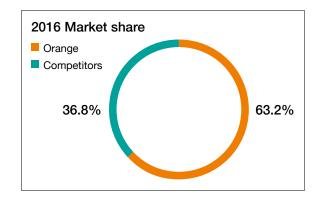
The mobile base has recorded a considerable growth of +1 277 million net connections for Orange Mali in 2017 against a negative base Delta noted in 2016 following the compliance requirements for the subscribers' base (terminations). Following the revival of massive arrivals of SIMs in the market, the mobile penetration rate after a -8.2 points decrease noted in 2016 has recorded an 18 points jump reaching 110.8% end 2017.

Orange Mali has been able to maintain its leadership, with a growing market share of +4.3 points compared to end 2017 following the regulator's publications during the second semester of 2017. Orange Mali had at the end of 2017 a mobile base of 12.5 million active subscribers consisting at 99.9% of prepaid. The main mobile usages are voice and text messages, however, mobile data usage has expanded correlatively with the continued extension of the 3G coverage (3.5 million active mobile internet subscribers, +38.3% compared to 2016), reinforced by the deployment of the 4G in Mali. The development of the mobile financial services' usage around Orange Money is ongoing. The service reported more than 1.8 million subscribers performing transactions every month.

Competitive environment

Mobile market share





Source: AMRTP Publication T2 2017

The announcement of the start-up of activities by the 3rd operator ATEL SA end December 2017 is to be noted, with a commercial launch expected during the 1st trimester of 2018. Moreover, as a remainder, a global license was awarded to ATELSA in January 2013. The already intense competitiveness in 2016 has grown in 2017 with voice and data bundle offers.

Operational indicators

•			
	2017	2016	2015
Number of mobile internet subscribers (in thousand)	12 572.1	11 307.0	11 928.5
HOME-BUSINESS internet subscribers(WIMAX-FLYBOX)	32.1	44.3	30.0
Mobile subscribers	12 540.0	11 262.7	11 898.5
Mobile internet subscribers	3 470.0	2 391.0	1 689.0
Orange Money subscribers (30 days active)	1 833.0	1 550.4	1 196.1
Global prepaid mobile ARPU (monthly in XOF)	1 618	1 912	1 667

Source: Orange Mali

We note a decrease in ARPU in 2017 consequently with an evolution of the subscribers' base more important than the increase in revenues despite contributions drawn from the development of Orange Money and mobile data (revenues growth two times more important than that of the active base).

Orange Money mobile payment offer recorded more than 3.9 million subscribers end 2017 representing 31% of active mobile subscribers. The global volume of transaction has reached the 189 million mark in 2017, a value of more than 2 704 billion XOF (about 30.5% of Mali's projected GDP for 2017).

The development of the mobile internet offer is ongoing thanks to 3G coverage extension and deployment of the 4G to 90 sites in Bamako end December 2017.

The outgoing traffic volume for Orange Mali subscribers has reported a significant growth (+50.1%). This increase essentially relays on "On-net" traffic, consequence of the "bundle" offers and the abundance arising from multiple promotional actions.

The domestic incoming traffic from competing mobile operators is seeing a slowdown from +28.5% in 2016 to +8.7% in 2017 thus reflecting of slowdown "off-net" usages favored by the penetration rate of the multi-SIM, thus largely contributing to the network effect within the same network.

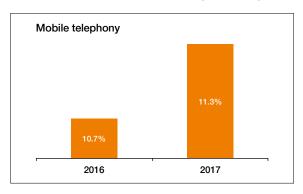
Orange Money's international incoming traffic increased by +20.5% (against -2.3% in 2016). This growth revival following a decrease in 2016 can be explained by the opening of new corridors thus reducing the impacts from the expansion of alternative methods with the popularization of the 0TT solutions through 3G penetration, 4G launch and smartphones. However, those corridor offers generate unfavorable price effects.

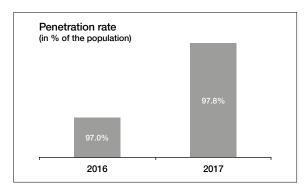
Guinea Main macro-economic indicators

	2017	2016	2015
Population (in million) (1)	11.54	11.06	10.86
GDP Growth (in %) (2)	+6.6%	3.8%	0.0%
GDP per capita (in dollar) (3)	2 039	1 926	1 828

Sources: FMI, October 2017

Number of mobile subscribers (in million), mobile penetration rate (in % of the population)





Source: Orange Guinea 2017

^{*} Penetration rate (in % of the population).

The mobile base in Guinea reported an increase by 0.6 million in SIM cards in 2017 after impacts from declines noted in 2016 following subscribers' identification measures. Hence, the mobile penetration rate has known a +0.8 points rise compared to end 2016 to set at 97.8%.

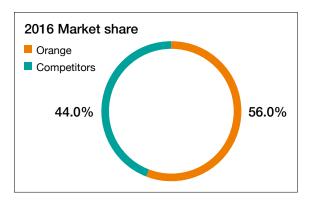
Orange Guinea strengthened its leadership by realizing a market share gain of 4.0 points in 2017 following the data published by the regulator during the 3rd trimester of 2017. With a 62.2% estimated market share end 2017, Orange Guinea's base is at 6.8 million active subscribers (+12.4% compared to 2016) or +750 000 subscribers compared to 2016. This growth is explained by the expansion and densification of the network and the commercial actions that have accompanied the opening of new sites.

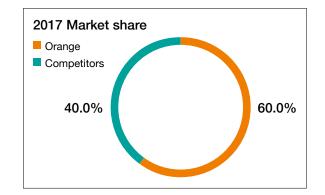
The mobile internet subscribers base is at 1.96 million subscribers against 1.47 million subscribers in 2016, representing a +33% which can be explained the ongoing deployment of the 3G with the opening of 155 new sites in 2017, the expansion of the market's level of equipment in smartphones and a redesign of the Data Pass prices.

The monthly users base for mobile financial services, Orange Money, is at 865 000 subscribers end 2017 or a growth of 374 000 subscribers (+69.9%) compared to 2016. This growth can be explained by the strengthening of the distribution network (deployment of stands across the country) and commercial actions such as new service offers (Bank to wallet) and the deployment of merchant payments.

Competitive environment

Mobile market share





Source: ARPT Guinea publication T3 2017

Orange Guinea has strengthened its leadership in the Guinean market in terms of both volume and value (ARPT Guinea T3 2017 publication). Sustained recruitment rhythm driven by combined actions in opening new sites and commercial animations is to be noted.

Operational indicators

	2017	2016	2015
Mobile subscribers	6 783.1	6 032.7	5 276.0
Mobile internet subscribers	1 962.8	1 672.3	895.2
Orange Money subscribers (30 days active)	864.9	509	135
Global prepaid mobile ARPU (monthly GNF)	26 448	26 006	25 500

Source: Orange Guinea

The increasing trend with the prepaid mobile ARPU denominated in local currency (GNF) further continued in 2017 following an increase in revenues in line with that of the subscribers' base. The average revenue per subscriber on outgoing usages appreciated thanks notably to the monetization of the voice/text messages usages, mobile data usages and the contribution from Orange Money (cash out usage), in the face of decreasing average revenues per subscriber linked to the expansion of incoming traffic, driven by the decrease in the international incoming activity.

The Orange Money mobile payment offer continued its rapid rise and has more than 2.1 million subscribers end 2017 (close to 30% of the mobile base, +4 points compared to 2016).

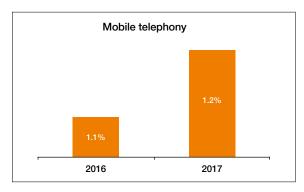
The global traffic from Orange Guinea subscribers was maintained at a high level with a strong increase of +20.7% for outgoing traffic compared to 2016. The evolution of the outgoing traffic is essentially driven by traffic between mobiles propres (network effect). Outgoing traffic to international increased by 5.3%, supported by the expansion of the corridors in the sub-region and impacts from the Free Roaming introduction of some countries part of ECOWAS. The strong growth in "On net" traffic resulted in combined effects of the substantial increase in base (+0.7 million subscribers), the improvement of the quality of the service and the continued extension of the network coverage in new localities.

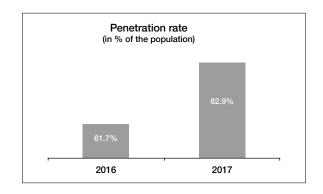
Bissau Operational indicators

	2017	2016	2015
Population (in million) (1)	1.90	1.76	1.50
GDP Growth (in %) (2)	+5.0%	+4.8%	+4.7%
GDP per capita (in dollar) (3)	1 806	1 728	1 659

Sources: ((2) FMI, October 2017,

Number of mobile subscribers (in million), mobile penetration rate (in % of the population)



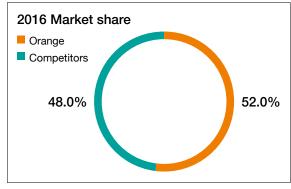


Source: Orange Bissau 2017

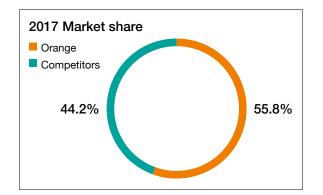
The mobile market in Guinea Bissau has known an increase in the number of SIM cards (+100 000 compared to 2016), projecting a 62.9% penetration rate or a +1.2 points increase compared to 2016.

Competitive environment

Mobile market share



Source: Estimates Orange Bissau



^{*} Penetration rate (in % of the population).

With a mobile base made up of 646 573 active subscribers end 2017 (+7.7% compared to 2016) and a 55.8% market share, Orange strengthened its position as a leader in terms of volume as well as in value.

Operational indicators

	2017	2016	2015
Mobile subscribers	647	600	558
Mobile internet subscribers	89.2	58.2	27.1
Global prepaid mobile ARPU (monthly in XOF)	2 832	2 842	2 892

Source : Orange Bissau

The data base of 89 214 subscribers experienced a strong growth of +53% compared to December 2016. The sharp increase is driven by 4G coverage in Bissau and the 11 BTS coverage program in 3G in the region as well as the numerous actions put in place for terminals and the development of mobile internet usages.

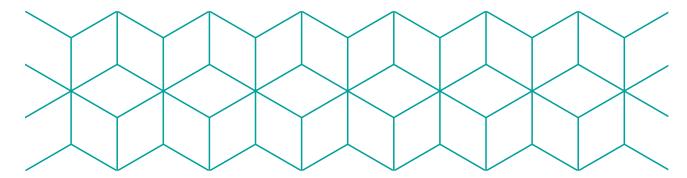
The Wimax base on the other hand recorded a 10% decrease compared to 2016. This decline is essentially due to the migration of residential/business subscribers to 3G+ (Flybox 3G) and the FH solution for business subscribers.

The global voice traffic recorded a 5% growth compared to 2016 mainly because of the decrease in gratuity rate due to the change in the indirect distribution strategy.

The outgoing traffic volume went up by 5% compared to 2016. This growth was realized especially with "Onnet" that grew by 9%, and domestic outgoing that went up by 6%. It is correlated to the growth in base and commercial animations around "bonuses promos" realized every week.

The outgoing traffic to international numbers decreased by -6% with the OTT effect.

The global incoming traffic has known a 6% decrease compared to 2016 mostly because of the OTT effect.



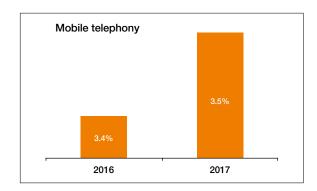
Sierra Leone

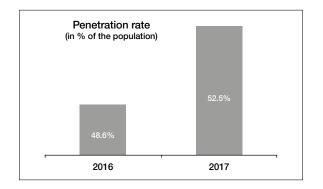
Main macro-economic indicators

	2017	2016
Population (in million) (1)	7.09	7.08
GDP Growth (in %) (2)	+5.4%	+4.3%
GDP per capita (in dollar) (3)	1 791	1 692

Sources: (2) FMI, October 2017

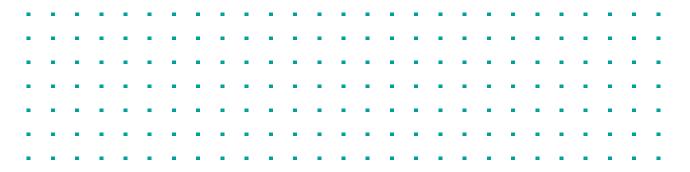
Number of mobile subscribers (in million), mobile penetration rate (in % of the population)





Source : Orange Sierra Leone 2017

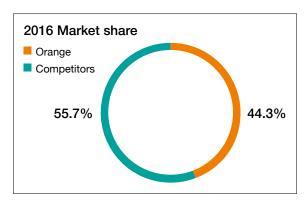
The mobile market in Sierra Leone increased in terms of number of SIM cards (+100 000 compared to 2016), driving the penetration rate to 52.5% or +1.2 points/2016.

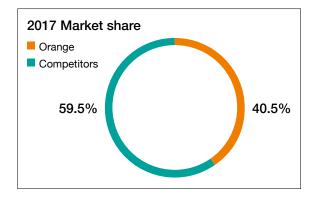


^{*} Penetration rate (in % of the population).

Competitive environment

Mobile market share





Source: Estimates Orange Sierra Leone

With a mobile base of 1 422 436 active subscribers end 2017 (-6.6% compared to 2016) and a 40.5% market share, Orange remains the main challenger in this duopolistic market with Africell.

Operational indicators

	2017	2016
Clients Mobile	1 422.4	1 523.7
Mobile internet subscribers	625.8	621.1
Orange Money subscribers	223.3	168.9
Global prepaid mobile ARPU (monthly in SLL)	19 542	18 230

Source: Orange Sierra Leone

The data base of 223 000 subscribers strongly increase of +32% compared to December 2016. This rise is driven by the resumption of investment program centered on 3G mobile coverage.

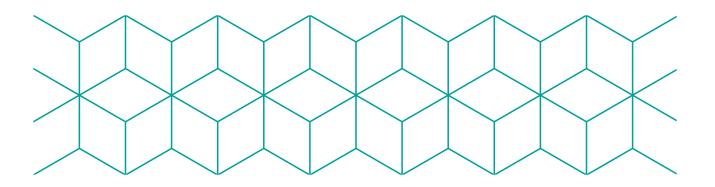
The global outgoing voice traffic decreased by 6.5% compared to 2016, due to the decline in base and problems linked to network quality incurred in early 2017.

The outgoing traffic to international numbers decreased by -10% due to the OTT effect.

The global incoming traffic registered a 20% decrease compared to 2016 mostly due to the OTT effect.

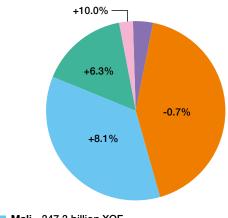
FINANCIAL ELEMENTS Consolidated Group

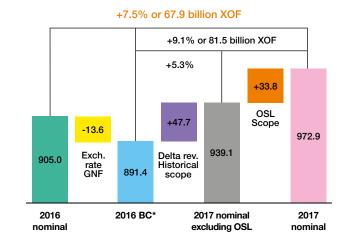
		2016		2017	Variation 2017 YoY			
In billion XOF 2016 com- parable base*	(Scope excluding Orange SL)	Nominal	Comparable base	Scope excluding Orange SL	Comparable Base Ex. Orange SL			
Turnover	905	891.4	972.9	939.1	7.5%	9.1%	3.8%	5.3%
Ebitda	440.5	433.3	452.8	447.0	2.8%	4.5%	1.5%	3.2%
Ebitda margin	48.7%	48.6%	46.5%	47.6%	-2.2 pts	-2.1 pts	-1.1 pt	-1.0 pt
Operating results	323.2	317.8	307.8	306.4	-4.8%	-3.1%	-5.2%	-3.6%
Operating margin	35.7%	35.6	31.6%	32.7%	-4.1 pts	-4 pts	-3.0 pts	-2.9 pts
Net income	215.9	212.9	202.2	203.0	-6.3%	-5.0%	-6.0%	-4.6%
Net margin	23.9%	23.9%	20.8%	21.7%	-3.1 pts	-3.1 pts	-2.2 pts	-2.2 pts
CAPEX	153.9	151.3	183.7	168.4	19.4%	21.4%	9.4%	11.3%
Capex rate	17.0%	16.9%	18.9%	17.9%	+1.9 pt	+2 pts	+0.9 pt	+1 pt
Free cash flow	286.6	282.0	269.0	278.6	-6.1%	-4.6%	-2.8%	-1.2%



1. Turnover

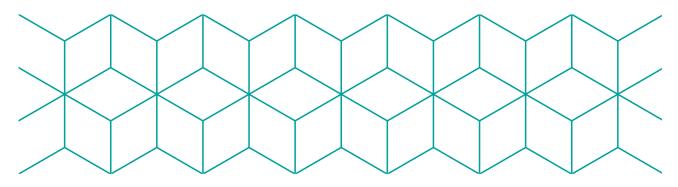






Mali - 347.3 billion XOF
Guinea - 153.6 billion XOF
Bissau - 20.1 billion XOF
Sierra Leone - 33.8 billion XOF
Senegal - 418.1 billion XOF

The turnover of Sonatel group increased to 972.5 billion XOF in 2017, an increase of 7.5% (+67.8 billion compared to 2016). This rise in the turnover on a comparable basis (neutralization of the effect of change of the Guinean franc) is +9.1% compared to 2016 with a +5.3% on the historical perimeter excluding Sierra Leone. Revenues growth is pulled by Mali, Guinea and Bissau thanks to mobile development (data usage and value-added services) and Orange Money activity. Senegal noted a decrease (-2.8 billion) mainly because of its core business activities (international incoming traffic and fixed line) despite the growth in revenue pulled by the low margin activities (mobile data and Orange Money). Sierra Leone brings in an increment of revenues +33.8 billion XOF in the 2017 consolidated period.





Mobile activity remains the main contributor to this growth, thanks to the increase in subscribers base (+8.8), a consistent rise in mobile data uses and VAS growing at 58.4% (17% of the consolidated turnover) and by the Orange Money activity development (rise of 77.4%; 5.3% of the consolidated turnover). Internet, data and integration revenues are increasing too (+4.6 billion representing an increase of 10% compared to 2016) essentially in Senegal (ADSL, flybox and international leased lines), in Mali (flybox) and in Guinea (international leased lines).

The wholesale revenues decline mainly on its international linked components continued (16.4 billion despite +9.4 billion linked to the Sierra Leone's integration), impacted by the erosion of international incoming traffic (VOIP, fraud, OTT) and the decrease in hubbing; but tempered by the rise in revenues from national terminals which was favored by the strong commercial position of Orange and the ultra-abundance on usage to all networks developed by competitors.

Mobile activity represents 716.9 billion XOF representing 73.3% of the consolidated revenues, it remains the main contributor in the formation of the turnover. Revenues have increased by 82 billion compared to 2016 through the good progress of the low margin activities in particular in mobile data, Orange Money and VAS. The growth of prepaid recharge (based on the monetization of mobile data usage and VAS), thanks to a marketing and commercial promotion sustained around promotions in recharge, contributes to maintaining a sustained "prepaid recharge" base significant in within the Orange active base.

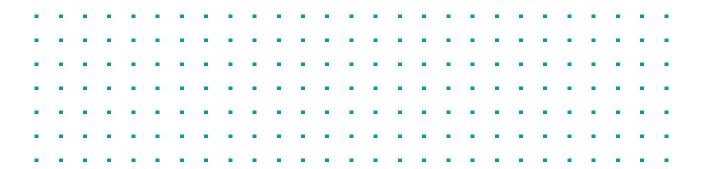
The international incoming turnover: 124.6 billion XOF, representing 12.8% of the consolidated turnover (16.3% in the 2016 period) and recorded a drop of 15.4% in comparison to the 2016 period (-22.6 billion) for all subsidiaries (except Orange Bissau), despite a good impact of 5.3 billion related to the integration of Sierra Leone. The decrease is due essentially to a decline in the international incoming volumes consecutive to the development of alternatives ways, amplified by the OTT phenomenon and SIMBOX fraud.

The fixed line activity realized mainly by Sonatel SA in Senegal and in Mali in a lesser extent, contributed for 3% (representing 30.2 billion XOF) to the consolidated turnover. Revenues generated by this activity decreased by 7.7% compared to 2016 due essentially to the drop in Senegal with the decrease in fixed voice usage, but attenuated by the pursuit to reduce the bill from Government.

National interconnection revenues increased to 34.4 billion XOF which is 3.5% of the consolidated turnover and registered a growth of 20.8% supported mainly by Senegal and Mali. Senegal recorded a growth of 21.6%, following the increase in received volume from competitors with the maintenance of the tariffs for asymmetric terminations in 2016. Mali is also seeing an increase in volume resulting from promotion to all networks offered by the competitor. Guinea reported a decrease due to a price drops despite the increase of the incoming traffic.

The revenues for fixed internet and data amounted to 51.2 billion XOF and represents 5.3% of the group's turnover. They increased by 10% compared to the 2016 period, thanks to a revitalization of the internet offers (renewed internet, Flybox) in Senegal with an internet base growing by 13.4 thousand lines compared to 2016 period, to the residential internet offers around the Flybox in Mali despite a drop of the internet base by 12 thousand compared to 2106, to internet leased lines in Guinea. Bissau's revenues are decreasing with a drop of the WIMAX base and the cannibalization effects from the development of mobile data usage.

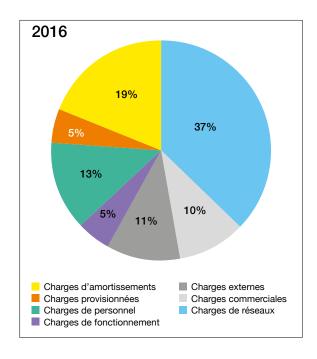
Others wholesale revenues (leased lines, roaming operator) amount to 13.1 billion XOF and represent 1.3% of the turnover. These revenues are increasing compared to the 2016 period (includes +1.7 billion following Sierra Leone's integration). Roaming operator is falling in Senegal and Mali. This is the same for international leased lines revenues in Senegal.

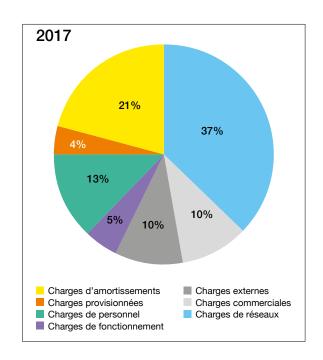


2. 2. Operational charges

The Group's operational charges increased to 706.2 billion, a growth of 12.8% compared to 2016. The augmentation of operational charges can be allocated respectively between depreciation (35%), networks charges (34%), commercials charges (14%), personal charges (13%), external charges (2%), functional charges (2%), and provisioned charges (1%).

Répartition des charges d'exploitation





Networks charges amounted to 261.3 billion. They have increased by 27.4 billion (+12%) compared to 2016, including 18.3 billion XOF coming from Sierra Leone's integration.

This growth registered in 2017 can be explained by:

- Maintenance charges which increased due to Sierra Leone's integration, the outsourcing of the maintenance of passive infrastructures (energy and care-taking), the increase in service platforms, computing fees in Senegal and by GNOC cost growth in Guinea linked to the network's extension.
- Rental fees particularly Mali's rental charges following the evolution of the turnover and the raising of universal access funds to the turnover to 2%; same for FH costs and the interconnection tax in Guinea, related with the increase of the number of sites and the turnover growth.

- Network energy which has increased mainly with the integration of Sierra Leone, on the fuel for sites in Mali and Guinea.
- Network access increased following the growth in national interconnection (volume effect), reduced by the withdrawal of Senegal from the international chargebacks. Indeed, international outgoing costs are decreasing, consequence of the fall in volume, and those from international backbone access thank to an optimization of local capacity and bandwidth charges (drop in Mhz cost, abandonment of STM1 link.

Commercial charges increased to 72.2 billion and reported a growth of 10.9 billion XOF compared to 2016. Increment in commercial charges for Sierra Leone represents 3 billion.

This fluctuation in commercial charges is mainly linked to commissions on the Orange Money transactions combined with the growth in terminal purchases and to the communication charges' growth, reduced by the fall in distributors' commissions (airtime) linked to the development of recharges via Orange Money.

The Group's **external charges** came to 72.4 billion XOF and registered a growth of 1.5 billion compared to the 2016 period. These evolutions resulted mainly in:

- Taxes notably in Mali following the growth in chargebacks to Tartop (tax on the access to telecom network opened to the public) indexed on the turnover (3% to 5% rate)
- Management fees linked to the revenues' growth

This increase is compensated by the decrease in banking costs in Senegal (exceptional growth in 2016) after the financing of the acquisition of Airtel Sierra Leone (excluding EBITDA impact AS it is spread via immobilized charges) and banking commissions; and by the fall in the other external charges mainly in Mali.

Functional charges for the group amounted to 32.9 billion XOF in 2017 and grew by 1.8 billion with 1.7 billion from Sierra Leone, they are relatively stable in Senegal and in Bissau; growing by 0.6 billion in Guinea pulled by the fees and the property charges (rent of the new headquarter), offset by a withdrawal of 0.6 billion in Mali following savings realized on mission charges, fees, the consumables as well as costs from customer relationship centers.

Personal expenses amounted to 94 billion XOF in 2017, an increase by 10.5 billion (that is 13%), among which 3.5 billion linked to the integration of Sierra Leone in addition to the impacts related to position exits.

Provisioned charges amounted to 28.4 billion XOF, an increase by 2% with regards to 2016 or +27.7 billion pulled by the strengthening of the program of free shareholding (Senegal, Guinea Mali). On the other hand, the amount for customers' depreciations is globally decreasing mainly in Senegal, explained by a lesser volume of write-offs in losses of receivables and the reduction in reserves established on the receivables not recovered on the basic salary fixed line (reduction in activity).

Amortizations were 145 billion and increased by 24% compared to 2016; which represents 27.7 billion. This increase resulted from besides the entrance to perimeter of Orange Sierra Leone, to the increase in the amortization base following important investments realized in the last years including for the renewal of licenses and the acquisition of 4G frequencies, and of the evolution of the provisions on certain properties after the exploitation of results from the physical inventory of assets in Senegal and in Bissau.

Main operational balances

Consolidated **EBITDA** strengthened for the group amounts at 452.8 billion in 2017 thus presenting a 2.8% growth, +12.3 billion compared to 2016, thanks to the growth of the turnover (+67.9 billion or 7%) combined with the reduction in the other products (-3.1 billion) and the increase in charges (+52.5 billion). The rate of EBITDA is 46.5% with a 2.1 points decline compared to 2016. The Group's EBITDA on the historical scope registered a revival in growth of 13.7 billion XOF on the comparable basis, favored by sales growth. The integration of Orange Sierra Leone generated an additional operating margin of 5.8 billion XOF.

Consolidated operating profit for the group were at 307.8 billion XOF and decreased by 15.4 billion (-4.8%) compared with 2016 with a margin rate of 31.6%, 4.1 points decrease following the increase in amortization.

The consolidated **financial result** was at -9 billion XOF for the group. It progressed by 1.5 billion compared to 2016 thanks to the combination of:

- Improving exchange results by 12.1 billion XOF following the reduction in foreign exchange losses in Guinea compared to 2016, and the increase of foreign exchange gains.
- Increasing financial charges by 9.9 billion driven by interests on medium term loans and the use of credit spots associated with the decrease investment products.

Consolidated **net income** for the group amounted to 202.2 billion, a 6.3% diminution or 13.7 billion compared to 2016 resulting from the reduction in operating profit, and increase in Outside Ordinary Activities charges, despite an improving financial result and a global decrease in corporate taxes.

2.3 Investments

The level of investment for Sonatel Group is increasing by 19% compared to 2016 among which 94% are related to the network, mainly in Senegal (contribution at 48% level increase) and in Sierra Leone (entered the scope). Investments on networks in Bissau decreased by 17%; for Guinea, they lagged slightly due to the exchange rate effects (10% excluding impact changes).

In comparison with the turnover, the investment rate moved to 19% in 2017 against 17% in 2016.

In million XOF	Realized in 2015	Realized in 2016	Realized in 2016	Nominal 2016 / Nominal 2015	Nominal 2017 / Nominal 2016
Senegal	68 989	71 569	86 005	4%	20%
Networks Information Systems Others	59 757 5 216 4 016	59 813 5 255 6 501	75 808 4 774 5 423	0.1% 1% 62%	27% -9% -17%
Mali	49 203	49 500	50 512	1%	2%
Networks Information Systems Others	46 365 2 137 701	44 121 2 709 2 670	44 901 3 109 2 501	-5% 27% 281%	2% 15% -6%
Bissau	5 920	5 519	4 607	-7%	-17%
Networks Information Systems Others	5 669 143 107	5 242 82 195	4 216 74 318	-8% -43% 82%	-20% -10% 63%
Guinea	33 982	27 319	27 300	-20%	-0.1%
Networks Information Systems Others	32 649 155 1178	26 457 60 802	25 807 209 1 285	-19% -61% -32%	-2% 248% 60%
Sierra Leone	-	-	15 320	na	na
Networks Information Systems Others			12 963 1 880 477	na na na	na na na
Total Group Investment	158 093	153 907	183 744	-3%	19%
In % of turnover	18%	17%	19%		

TURNOVER AND INVESTMENTS PER COUNTRY



The following numbers and comments are related to social amounts for each country.

1. Turnover

The consolidated turnover for Senegal at the end of 2017 was 452.3 billion, representing a 1.5% diminution compared to 2016, related to the continued decrease in the international incoming, the withdrawal in the resale of international capacities and the fixed voice in spite of the growth of the mobile, the fixed internet and the national interconnection.

- The Mobile activity represents 62% of turnover in Senegal (against 58% in 2016), representing 282 billion, a 5.3% increase supported by:
 - Data/VAS thanks to the preservation of the important level of recharging favored by a favorable economic situation, and the increase in "recharger" base which allowed for a steady sale promotions and the repositioning of the prepaid mobile offer via the "sun" in answer to the competitive intensification around voice abundance and data. We also note a strengthening of the data usage offers (diversification of purchase channels, micro pass, smartphones...) and a good dynamic of recruitment especially for 4G in spite of the identification constraints (plan 4G «na barr», rural conquest).
 - Orange Money +5.8 billion related to the combined effect active base development (454 000 subscribers) and the progressive growth of the invoiced services (bill payment and cash out) sustained by a strong animation.
 - Terminal sales +1.2 billion thanks to the politics of popularization of Smartphones (wider range and positive impact of animations (on the ground and subsidized).
 - The decrease in discounts on prepaid recharges related to the reinforcement of the level of recharging via virtual channels (Seddo, O Money) with weaker commissions.
 - A decrease in voice and text messages, under the influence of the crushing average prices impacted by the important level of free access in spite of continued increase in traffic.
- Internet and data activities in Senegal contributed to the revenues at 7%. This represents an increase by 1.14 billion compared to 2016 thanks to the development of the internet activity around the ADSL for the internet leased connections as well as the flybox with a base growth and offers intended to the general public (Home and Home+ and Keurgui) and business offers. The data and integration activity is in diminution carried by the integration on the sales of pabx in particular and the cabling which absorbs the growth in data (VPN access increase) maintained in spite of the strong offensive from the competitors.

- International activities contributed at 14% to the turnover, thus registering a decrease of 26% related to continuously falling international incoming traffic due to the development of the alternative ways amplified by the OTT phenomenon and the off net Simbox fraud, though limited by the contribution from corridors, and that despite their dilutive effect on the prices. The hubbing recorded a drop -23.7% impacted by the opening of subsidiaries' direct links.
- Other wholesale revenues (leased connections and roaming operator) decreased mainly on the resale of international connection capacities with the reduction in the satellite price invoicing.
- Revenues from national interconnection increased by 21.6% compared to 2016 in spite of the preservation of MTRs, following to the sharp rise in the volumes from third-party operators.
- Fixed line activity contributed at 6.5% to the turnover in Senegal, for a decrease of 7.5% compared to 2016 due to the continuation in the decrease in voice revenues, in spite of the attenuation brought by the increase in revenues from general public voice and Internet deals around the ADSL and the flybox.

2. Investments

In 2017, the investments in Senegal reached 86 billion XOF among which 75.8 billion on network. Year 2017 is marked by an increase by 20.2% of the investments. This increase is essentially driven by projects for network access, among which:

- «Mosaic» network modernization with the entrance in Nokia network:
- The increase of the flow capacities in data traffic with the strong increase of the traffic («Tsunami data») which led end H1 to the launch of the deployment project of 6 sectors and the generalization of the UMTS 900:
- The increase in the LTE coverage particularly in zone 3 but also in the religious cities;
- The coverage of highways and the border zone within the framework of the respect of guidelines.

On the service platform, several programs for extension to absorb increasing traffic are being deployed.

A reduction is to be noted on the CAPEX excluding networks and IT because of the purchase in 2016 of operating vehicles and transportation equipment.



The turnover for year 2017 is 355.1 billion, representing a growth in revenues of 8.4%. The growth is mainly driven by:

- Mobile activity whose turnover recorded a 12.3% growth compared to 2016 with the contribution of mobile data and Orange Money:
 - Mobile data: represented 12.3% of the revenues. The growth in 2017 is at 78.5%, with a contribution of 70.1% to the growth in revenues.
 - Orange Money: progressed by 37.3% in 2017 et represented 8.3% of the revenues with a 29.3% contribution to growth.
- Internet revenues progressed by 19.3% thanks to the 4G offers. The internet represents 4% of the revenues 2017 with an 8.5% contribution to growth.

These favorable trends are however limited by:

- International incoming: continued to decline (-8.3%), because of the strong penetration of the OTT; nevertheless, this reduction is limited by the launch of corridors offers.
- Roaming IN revenues: which decreased by -16.2%, considering the security context in Mali and OTTs.

■ 2. Investissements

Investments in 2017 amounted to 50.7 billion concerning essentially the modernization (Mosaic), the densification and the extension of 2G & 3G networks and investments on the 4G network. The global growth of investments is 2% compared to 2016 among which 77% are related to networks and 23% to IT investments.





The Turnover amounted to 161.6 billion XOF thus increasing by 6.2% compared to 2016. On a comparable base, the increase was by 17.2%. Sales growth, strongly impacted by exchange rate effects, is driven by:

- Mobile data representing 12% of turnover (revision of the prices and the growth of the Smartphone base)
- Orange Money, 3% of turnover driven by the growth of the base and the increase in the number of transactions favored by the increase in the partners and the launch of new services
- National interconnection underwent a decrease (impact changes) against an increase excluding impact change in connection to the increase of the volumes.
- International interconnection decreased in comparison with 2016 following the decrease in volumes (OTT impact and Simbox)
- Prepaid voice and VAS which represents 64% of turnover is decreasing with the depreciation of the Guinea franc relative to the XOF.

2. Investments

In 2017, the investments were recorded at 27.3 billion XOF thus a stability compared to 2016 (exchange impacts) against a 10.3% growth excluding exchange impacts. This growth was mainly driven by the constructions of sites, services platforms, energy, core network and the deployment of the optical fiber.

- Mobile, 2G/3G and 4G networks are related to investments made for the launch of 200 sites 2G in addition to one Mobile BTS (TWO-YEAR TECHNICAL DEGREE) and 155 3G sites.
- Core network consists of investments in the acquisition, implementation and installation of MGW, SDM materials, the renewal of the TIBCO License, the expansion of the USSD license and the acquisition of the PCRF and OCF license.
- Energy represents the acquisition of GE BSC Dalein, 26 Tanks, 20 GE, 20 AES and 06 solar sites, Data Center compliance and the reception of 84 GE and 113 rectifiers, connecting sites in Upper and Middle Guinea and acquisition of generating units and equipment for deployment orders.
- Service platforms are related to the acquisition of supplies and installations for the solutions Genesys, AGED, Nomadic, the extension of the Virtualized Platform, the acquisition and the deployment of equipment for the WIFI network.
- Construction of sites The constructions of sites consist of the reception of pylons for KANKAN, LABE AND MAMOU and the services on pylons for the BOKE, TANENE and KATOUGOUMA sites and acquisition of 7auto stable 7 pylons.
- Fixed line and Internet network comprises the linking of 61 2G/3G sites, 25 customers and 4 agencies in optical fiber.

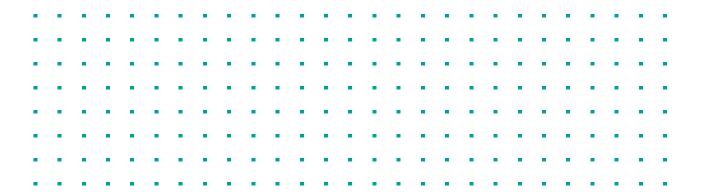


Turnover for Orange Bissau in 2017 reached 23.1 billion XOF which is a 6.3% compared to 2016. This performance results mainly from mobile activity, among which mobile data, voice and VAS.

- The contribution of wholesale to revenues has known a decreased driven by international incoming traffic (despite an increase in volumes related to the Corridor offers), roaming operator; as well as internet and national interconnection.
- The turnover for the mobile activity represents 74.1% of revenues for Orange Bissau. This activity grew by 15.5% compared to 2016 essentially due to the increase of the data usage based on the increase in the penetration with the strengthening and the extension of the network coverage, the improvement of the quality of the network sustained commercial actions.
- Revenues on international interconnection (second contributor to the composition of the turnover with 19%) diminished compared to 2016.

2. Investments

In 2017, investments were at 4.6 billion XOF among which 4.2 billion on network projects. Year 2017 is marked by a 16.5% decrease in investments. This decline can be explained h the projects through projects realized in 2016 in particular for energy and the construction of sites. This impact is however eased by the increase in switching projects.



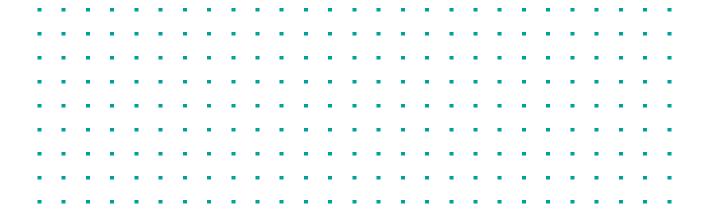


The turnover for Orange Sierra Leone amounted to 33.8 billion XOF, set back of 6.5% compared to 2016. Orange Sierra Leone integrated the scope of consolidation of the group in 2017. Comparisons with 2016 are made for informational purposes.

- Mobile revenues recorded a decrease essentially on voice and mobile data in connection with the diminution in the base thus leading to a reduction in the recharger base thus absorbing all the delta revenue generated by Orange Money (an increase thanks to the augmentation of the number of Orange Money transactions and the introduction of P2P committees) and the value-added services.
- Revenues on wholesale on the other hand, are increasing across all its components in particular Roaming thanks to the new roaming contract signed with Orange during the year, international incoming traffic linked to a price effect (unfavorable volume effect) and national interconnection (growth in the volumes received from the competitors).

■ 2. Investments

Investment expenditures grew by 68% in 2017 compared to 2016, because of the massive investments in the modernization and the extension of 2G / 3G networks, but also on information systems with the update of the interfaces of existing applications and the migration of the Data Center.









NOTES TO READERS CONSOLIDATION SCOPE

The consolidated financial statements include the accounts of Sonatel and all its directly or indirectly controlled subsidiaries. Subsidiaries are incorporated using the full consolidation method. Orange Sierra Leone owned at 50% is consolidated using the full consolidation method in accordance with shareholders' agreement.

Orange Sierra Leone and its subsidiaries specialized in electronic money – Airtel Money Transfer and Airtel Money Commerce - in addition to Orange Finances Mobiles Guinea are integrated in the consolidation scope.

Reciprocal transactions between integrated companies are eliminated.

The consolidated financial statements are presented in XOF. Assets, liabilities and income statements of subsidiaries out of XOF zone are converted at the exchange rate prevailing at the closing period.

The Group's consolidated financial statements are prepared in accordance with the East African System of Accounting (SYSCOA).

Consolidated financial statements: Assets

Assets	Gross	Amort/Prov	Net 31/12/17	Net 31/12/16
Fixed assets				
Fixed charges	898		898	1 200
Intangible assets	479 936	182 330	297 606	77 558
Goodwill	80 372	7 591	72 781	0
Other intangible assets	399 564	174 740	224 825	77 558
Tangible assets	1 674 728	1 022 473	652 255	595 046
Advances and installments	0	0	0	0
Financial assets	156 895	944	155 950	255 536
Deferred taxes	19 393	0	19 393	19 746
Equity affiliates	0	0	0	0
Participation and linked debts	9 999	583	9 416	83 984
Loans and other financial assets	127 503	362	127 141	151 806
Total (I)	2 312 457	1 205 748	1 106 709	929 340
Current assets				
Inventory	15 315	1 079	14 236	16 143
Receivables and assimilated functions	269 031	25 651	243 380	197 128
Receivables	146 280	25 329	120 951	128 217
Other receivables	122 750	322	122 428	68 911
Total (II)	284 345	26 730	257 616	213 271
Assets - Cash flow - Total (III)	231 339	0	231 339	248 690
Total fixed assets	2 828 142	1 232 478	1 595 664	1 391 301

Consolidated financial statements: Liabilities

Liabilities	Net 31/12/17	Net 31/12/16
Equity		
Equity	50 000	50 000
Additional paid-in capital and consolidated reserves	407 353	410 697
Conversion variance	-3 688	-5 699
Net result (part of the consolidated company)	172 454	186 331
Other equity	0	0
Part of the consolidated company	626 119	641 329
Part of minority	89 822	69 799
Equity of total consolidated (A)	715 941	711 128
Financial debts and assiimilated resources		
Deferred taxes	661	673
Loans and financial debts	158 329	1 923
Financial provisions for contigencies ans charges	59 694	59 225
Total (B)	218 685	61 821
Total stable equity $I = (A + B)$	934 626	772 949
Current liabilities		
Accounts payables and related accounts	273 017	188 326
Other debts	241 065	233 351
Total (II)	514 082	421 676
Liabilities - Cash flow Total (III)	146 956	196 676
Total libilities	1 595 664	1 391 301

Consolidated financial statements: Income statement

	2017	2016
Turnover	972 905	905 036
Stocked production	-	-
Immobilized production	4 687	3 877
Other operating revenue	16 800	28 582
I - Production of the year	994 393	937 495
Consumed purchases	61 237	53 420
External services and other consumptions	390 869	357 851
II - Consumption of the year	452 106	411 271
Added value of te activities	542 287	526 224
Staff costs	93 625	83 449
Gross operating profit (gop)	448 662	442 775
Depression and provisions	160 593	131 426
Reversal products	19 718	11 809
Operating profit	307 787	323 158
Financial revenues	10 312	9 879
Financial expenses	18 971	20 305
Ordinary activities results	299 128	312 732
O.O.A Results	-1 662	3 648
Results before tax	297 467	316 379
Tax due on results	93 622	101 655
Deferred tax	-1 659	1 156
Net result of integrated companies	202 186	215 880
Share in net income of equity affiliates	-	-
Net result of the integrated company	202 186	215 880
Part of minority	29 732	29 549
Part of the consoloidated company	172 454	186 331

Financial table of resources and funds: TAFIRE I

Global Cash Flow (GCF)

	Amount million XOF		Amount million XOF
		GOP	448 662
(SA) Financial fees	14 632	(TT) Operating expense transfer	2 200
(SC) Exchange rate loss	3 978	(UA) Financial income	5 431
(SL) Expenses outside ordinary activities	539	(UE) Financial expense transfer	1
(SQ) Participation	0	(UC) Exchange rate profit	4 486
(SR) Income tax	93 622	(UL) O.O.A Product	2 620
		(UN) O.O.A Expense transfer	0
Total (I)	112 770	Total (II)	463 400

GCF: Total (II) - Total (I)	350 630	
Financing from cash flow		
Dividends distributed duing the fisc	al year	191 097
AF = GCF - Dividends distributed of	during the fiscal year	159 533
Working Capital Need Changes (N.W.C)	
Change N.W.C = Inventory change	es + Debt changes + Notes payable changes	

Inventory changes N - (N-1)	Uses (increase +)	Resources (decrease -)
(BC) Goods	0	0
(BD) Raw material and other supplies	0	1 635
(BE) In-progress	0	0
(BF) Manufactured products	0	0
(A) Inventory global net changes	0	1 635

Financial table of resources and funds: TAFIRE I - (Continued)

Change in receivables	Uses	Resources
	(increase +)	(decrease -)
Suppliers, advances paid	0	2 524
Customers	36 292	0
Other receivables	36 836	0
Conversion gap - Assets	3 742	0
Total	76 870	2 524
(B) Global net change in receivables	74 346	0
Debt change	Emplois	Resources
	(increase +)	(decrease -)
Customers, advances paid	55	0
Trade suppliers	0	89 255
Tax liabilities	721	0
Social liabilities	0	2 940
Other liabilities	3 405	0
Conversion gap - liabilities	887	0
Provisions for contingencies	0	2 528
Total	5 068	94 722
(C) Global net change in debt	0	89 654
Change in networking capital = A + B - C	0	16 943
Operating cash surplus OCS = GOP - N.W.C Change - Immobilized production		
	2017	2016
GOP	448 662	442 775
- Changes in NWC (networking capital)	16 943	10 732
- Immobilized production	-4 687	-3 877
O.C.S (Operating cash surplus)	460 919	449 629

Financial table of resources and funds: TAFIRE II

	20)17	2016
	Uses	Resources	U - ; R +
I- Investments and disinvestments			
Fixed charges (increase during period)	0		-1 489
Internal growth			
Acquisitions/Transfers of intangible assets	187 002	0	-54 559
Acquisitions/Transfers of tangible assets	191 240	14 628	-146 642
External growth			
Acquisitions/Transfers of financial assets	35 024	30 608	-112 831
Total Investment	368 031	0	-315 521
II- Change in operating working capital need	0	16 943	10 732
A- Economic uses to be financed FF + GG	351 087	0	-304 789
III- Uses / Resources (B.F. ; O.O.A)	0	35 414	-18 473
IV - Restrained financial uses	25 388		-509
Refund (based on payment schedule) of loans and financial debts			
B- Total uses to be financed	341 061	0	-323 772
V- Internal financing			
Dividends (uses) / CGF (resources)	191 097	350 630	143 613
VI- Equity financing			
Increase in capacity by new contribution		7 700	3 734
Investments from grants		0	0
Equity wthdrawals	0		0

Financial table of resources and funds: TAFIRE II - (Continued)

	2017		2016	
	Uses	Resources	E-;R+	
VII- Financing by loans				
Loans	0	206 198	221	
Other financing debts	0	-1	59	
C - Net financing resources	0	373 430	147 626	
D - Excess or shortage of resources funding (C - B)	0	32 369	-176 146	
VIII - Cash variation				
Net cash				
At the end of the period + or -	84 383	0	52 014	
At the beginning of the period + or -	52 014	0	228 160	
Cash change (+ if uses; - if resources)	32 369	0	-176 146	
Control (Based on N and N-1 balance sheet volumes)	Uses	Res	sources	
	2017	:	2017	
Working capital change : WC (N) - WC (N-1)	17 984		0	
Working capital need change : WCN (N) - WCN (N-1)	0	5	0 353	
Cash change (T): T(N) - T(N-1)	32 369		0	
Total	50 353	5	0 353	

Consolidated financial statements: Table of changes in equity

	Balance before		Social e				Other	Conver-	Count to	Final Bal-
	distribu- tion	Cash distribu- tion	in-kind distribu- tion	Incor- porated reserves	De- crease	Increases	Decreas- es	sion vari- ance	amount transfer	ance after distribu- tion
Equity	50 000							-1 946	1 946	50 000
Issuance, merger, contribution premium	3 572							-253		3 319
Re-evaluation variance	-5 699								2 011	-3 688
Legal reserves	23 098							-389	1	22 710
Statutory and contractual reserves	0									0
Other reserves	424 444						1 432	-2 781	38 967	462 062
Carried over balance	-166						0	0	-20 482	-20 648
Previous year result not yet allocated	0									0
Result of the year	215 880					202 186	-191 097	-2 341	-22 443	202 186
Investment grant	0									0
Regulated provisions	0									0
Total	711 127	0	0	0	0	202 186	-189 665	-7 709	0	715 941

Consolidated financial statements: Table of changes in consolidated debts and off balance sheet financial commitments

	Balance beginning of the year (1)	Incurred debts (2)	Pay- ments (3)	Incorpo- rated to equity (4)	Net conversion variance (5)	Other move- ments (6)	Balance end of year (7)	Collateral of secured debts
Convertible bond debts								
Other bond debts								
Loan and debt credit institutions	475	156 299	282		0		156 492	
Various financial loans and debts	1 448	915	508		-17	0	1 837	
Total	1 923	157 214	791	0	-17	0	158 329	

Off balance sheet consolidated commitments					
	Comm	nitments			
	Given	Received			
	(1)	(1)			
Secured commitments					
With real collaterals		843			
Other secured commitments	8 202	2 843			
Mutual commitments					
In terms of leasing					

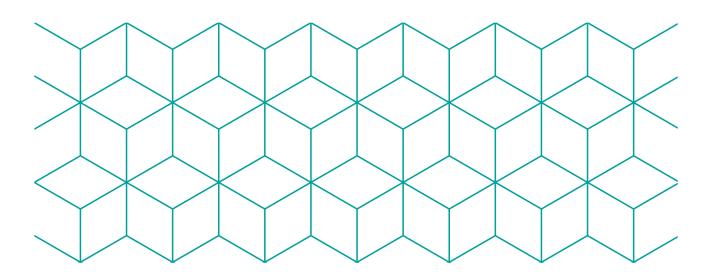
Definite orders

Consolidated financial statements: Table of turnover breakdown (In million of XOF)

	Exercice 2017	
	Turnover	% of turnover
A) Sales allocation by activity		
Fixed lines	30 202	3.11%
Mobiles lines including data	670 788	68.95%
Orange Money	46 149	4.74%
Fixed internet line	39 979	4.11%
National interconnection	34 427	3.54%
International interconnection	124 580	12.80%
Other wholesale (LL, Roaming, Operators)	13 124	1.35%
Data and integration	11 219	1.15%
Other income	2 437	0,25%
Total	972 905	100%
B) Sales allocation by geographic areas		
Africa (UEMOA)	693 550	71.29%
Africa (outside UEMOA)	162 101	16.66%
Asia	2 025	0.21%
America	1 779	0.18%
Europe	113 450	11.66%
Total	972 905	100%

Consolidated financial statements: Workforce by category as of december 31st

	Exercise 2017		Exercise 2016	
	Workforce	Payroll	Workforce	Payroll
Staff under payroll	3 035	87 715	2 840	76 553
Manager and senior executives	1 473	50 201	1 346	42 492
Middle managers	1 022	26 982	1 022	24 832
Foremen	476	9 577	425	8 242
Employees and workers	64	955	47	987
Temporary staff	1 309	5 910	1 257	6 897
Totals	4 344	93 625	4 097	83 449



ALL FIGURES ARE IN MILLION XOF UNLESS OTHERWISE SPECIFIED Net fixed assets

1 IMMOBILIZED CHARGES

2017	2016
898	1 200

They correspond to the acquisition cost of fixed assets.

2 INTAGIBLE ASSETS

- Software licenses, Patents, Trademarks
- Goodwill

Grosse	Amort.	Net 2017	Net 2016
396 487	-174 740	221 747	74 426
3 077	0	3 077	3 132
80 372	-7 591	72 781	0
479 936	-182 331	297 606	77 558

This item is constituted of licenses to operate telecom networks for the mobile and the fixed lines, software licenses, patents and trademarks, as well as assets for Sonatel Mobiles, Sonatel Business Solutions and Orange Guinea.

The increase is due to the renewal of the license for Orange Mali for 100 billion and a complementary 50 billion towards the concession renewal for Sonatel SA.

The 72 781 million in goodwill corresponds to the difference between the acquisition cost of Orange Sierra Leone and our shares in ownership in the mentioned subsidiary.

3 TANGIBLE ASSETS

- Land and enhancement work
- Buildings and facilities
- Operating equipment: switching, transmission lines and networks, energy
- Office furniture and equipment
- Vehicles

Gross	Amort	Net 2017	Net 2016
6 523	-17	6 506	6 062
89 392	-70 418	18 974	34 772
1 481 851	-875 970	605 881	531 337
72 125	-59 034	13 091	15 168
24 836	-17 034	7 803	7 706
1 674 728	-1 022 473	652 255	595 046

The increase in tangible assets from 2016 to 2017 is related to the strengthening of the investment programs thus resulting in the advancement of the following items (netted):

- Land and development work: +443 million,
- Buildings and installations: -15 798 million,
- Transmission: +55 305 million,
- Switching: -1 721 million,
- Data networks: -5 697 million,
- Energy: +1 678 million,
- Lines and networks: +7 005 million,
- Others: +6 580 million,
- Vehicles: +96 million,
- Office furniture and equipment: -2 077 million



ADVANCES AND INSTALLMENTS ON FIXED ASSETS

2017	2016
0	0

Advance payments are paid amounts to suppliers at the start of work.

5 FINANCIAL ASSETS

- Non-consolidated securities
- Staff loans
- Orange Sierra Leone Ioan
- Bonds
- Deposits and guarantees paid
- Deferred taxes Assets

Brute	Prov.	Nette 2017	Nette 2016
9 999	-583	9 416	83 984
123 765	-361	123 404	120 354
0	0	0	27 340
688	0	688	1 362
3 048	-1	3 048	2 749
19 393	0	19 393	19 746
156 894	-944	155 950	255 536

Change in non-consolidated securities is due to integration of Orange Sierra Leone and Orange Finances Mobile Guinea to the consolidation scope as well as a subscription to the capital increase of "Teranga Capital".

The item Staff loans correspond to loans granted to employees.

Orange Sierra Leone loan is equal to 27 340 million and was converted to actions during the subscription to the capital increase of said subsidiary.

The decrease in bonds is explained by coupons reimbursement on government bonds in Senegal.

Deposits and guarantees increased by 352 million due to security deposits transferred to the "Caisse de Dépôt et de Consignations" in Senegal.

Deferred taxes – assets are a result of the temporary differences between the accounting and tax results.



6

NON-CONSOLIDATED SECURITIES

- E-money institutions
- Orange Sierra Leone
- Canal Horizons
- Rascom
- Ico
- Technopole
- Jeune Afrique
- Groupement Orange Services
- Guilab
- Teranga Capital
- GIM UEMOA

Gross	Prov.	Net 2017	Net 2016
0	0	0	136
0	0	0	74 198
5	0	5	5
794	0	794	794
533	-533	0	0
8	0	8	8
100	-50	50	50
4 420	0	4 420	4 464
3 681	0	3 681	4 065
446	0	446	252
12	0	12	12
9 999	-583	9 416	83 984

7

NET INVENTORY

Gross	Prov.	2017	2016
15 315	-1 079	14 236	16 143

Gross inventory essentially consists:

- fuel: 2 million
- lines and networks supplies: 2 666 million
 terminals for subscribers: 6 450 million
- phone cards: 3 413 millionperitelephony: 1 213 million
- internet keys: 319 million - office furniture: 56 million
- en-route inventory: 1 173 million

The decrease is explained partly by the disposal of phone cards (-2 243 million), lines and networks supplies (-189 million), and en-route inventory (-379 million), and the other hand by the storage of terminals including modems and livebox (+1 357 million).

Inventories considered dead (disqualified), dormant (unused for a year) and defective are depreciated at a 100%.

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NET ACCOUNTS RECEIVABLE

- Receivables residential customers
- Receivables Clients State
- Receivabless Clients Operators
- Services to be billed

Gross	Prov.	2017	2016
56 448	-21 886	34 562	27 913
13 196	0	13 196	13 787
46 985	-3 443	43 542	52 690
29 652	0	29 652	33 827
146 280	-25 329	120 951	128 217

The increase in residential clients receivables is thanks to a business growth.

Receivables state (Government of Senegal) is still decreasing.

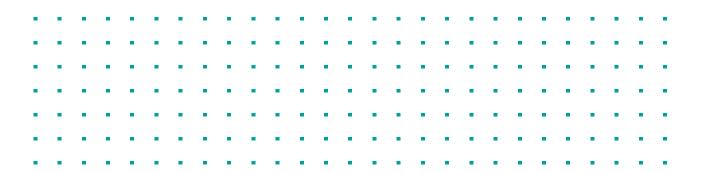
The decrease in receivables operators results from a decrease in international incoming traffic.

Services to be billed take into account billing for December or fourth quarter for 2017 for mobile and fixed lines, internet, business solutions, hubbing, roaming, as well as national and international interconnection.

Doubtful debts are 100% provisioned based on seniority:

- fixed line residential clients for over 6 months,
- mobile clients for over 90 days,
- operators (Africa, Latin America and Asia) for over 12 years and on a case-by-case basis for other countries.

Receivables are considered as bad debts and written off after 5 years apart for operators subject to the discretion of the portfolio managers.



9 OTHER NET RECEIVABLES

- Advances payment to suppliers
- Advance payments to staff
- State taxes and taxes receivable
- Current accounts of the group's companies
- Other debtors
- Regulatory account Asset (conversion differences)

Gross	Prov.	2017	2016
5 472	0	5 472	5 286
740	-54	685	984
75 297	0	75 297	51 883
5 966	0	5 966	4 267
32 647	-268	32 379	5 209
2 629	0	2 629	1 283
122 750	-322	122 428	68 911

The stability of Advance payment to suppliers is explained by the implementation of netting.

The considerable increase in taxes for 23 414 million is explained by:

- an increase by 5 342 million in deducted VAT,
- an increase of the IRVM by 1 227 million consequential on dividends received by Sonatel SA,
- 4 524 million increase in third-party attributions as an asset recovery was undertaken on occupation fee on public domain in favor of a municipality and the Public Market Regulatory Agency,
- an increase on tax imposed on bank transactions by 887 million such amount is due to a greater use of bank funding,
- various advances to governments in the countries of presence.

The increase in inter-company activities justifies the change in balance in the Group's companies current accounts.

The increase by 27 170 million in other debtors is explained by the acquisition of shares to be distributed to the staff.

The increase in exchange rate differences is correlated to the increase in foreign currency receivables at closing date.

NB: Foreign currency receivables are valued at closing price.



10 NET CASH ASSETS

- Banks
- UV Orange Money in circulation (electronic money)
- Cash register
- Treasury
- Investment assets

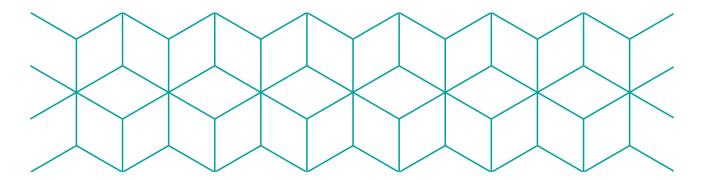
2017	2016
157 578	183 059
66 286	54 413
534	507
3 386	3 038
3 556	7 674
231 339	248 690

There is a decrease of 25 481 million in bank balances.

UV Orange Money in circulation is growing thanks to the development of e-money issuance and distribution by 12 000 million.

The increase in balance in Treasury results from an outsourcing of the collection for roaming to the clearing house.

The decrease in investment assets is explained by the evolution of the mecanism's equity portfolio.



11 EQUITY

- (Ca	pi	ta

- Unavailable reserves
- Other reserves
- Regulated reserves
- Share premium, issuance and fusion
- Conversion gap
- Retained earnings
- Profit attributable to parent company
- Quote minority

2017	2016
50 000	50 000
22 710	23 098
413 579	375 960
48 484	48 484
3 319	3 572
-3 688	-5 699
-20 648	-166
172 454	186 331
29 732	29 549
715 941	711 128

Unavailable reserves correspond to the legal reserve capped at 20% of the social capital of each company. Other reserves are free reserves amounted annually during profit allocations.

Regulated reserves only account for the provision for the renewal of tools and equipment.

The exchange differences are due to the impacts in conversion of the opening capital of Orange Guinea (Guinean Franc) and of Orange Sierra Leone (Leone).

The balance for retained earnings corresponds to the net losses of Orange Finances Mobiles Senegal and Orange Sierra Leone.

Overall, change in equity from 2016 to 2017 results from the allocations of profits in reserves and a non-Group distribution of dividends for 191 096 million.

FINANCIAL LIABILITIES AND ASSIMIMILATE RESSOURCES

 2017
 2016

 - Deferred taxes - liabilities
 661
 673

Deferred taxes – liabilities are generated by the tax adjustment of the gains to be reinvested from the disposition of buildings.

13 LOANS AND FINANCIAL DEBTS

- Bank	loans
--------	-------

- Security deposits
- Accrued interest

2017	2016
152 043	473
1 837	1 447
4 449	2
158 329	1 923

The transformation of the loans from short-term to medium-tern explains the increase in bank loans and accrued interests.

Security deposits consist of payments made by clients as an advance on consumption for taken subscriptions.

PROVISIONS OF RISKS AND CHARGES

- Provisions for disputes
- Provisions for risks
- Pension provisions
- Provisions for other charges

2017	2016
3 270	2 808
4 232	3 000
18 517	17 354
33 674	36 064
59 694	59 225

The appearance of new disputes and risks resulted in an increase in provisions respectively for 462 and 1 232 million.

There was an additional allocation to the pension provisions for 1 163 million.

The decrease in provisions for other charges is correlated to the decrease in provisions for the spread of loyalty bonuses on share packages distributed to staff through a reversal of provisions.

15 ACCOUNTS PAYABLE

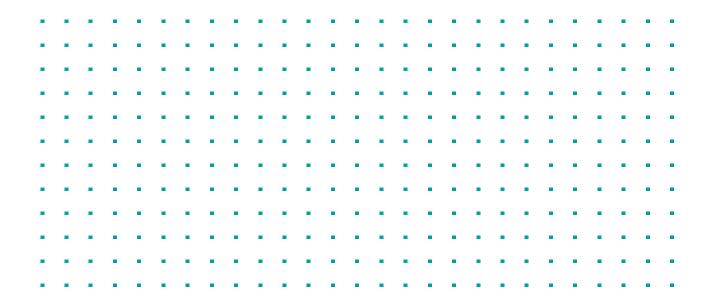
- Trade suppliers
- Invesment suppliers

2017	2016
199 801	152 210
73 216	36 116
273 017	188 326

The increase in trade accounts payable is linked to an increased balance in local suppliers +22 565 million, and to provisions for accrued expenses payable +21 284 million, Orange money supplier balance (biller and merchants) +3,198 million, operators (-4 823 million) and foreign suppliers (+5 367 million).

The increase in investment payables is a result of the rise in contracted debts from local and foreign suppliers for respectively 25 079 and 8 741 million and a provision of 3 226 million for accrued expenses payable.

NB: The contract term for supplier credit is on average 60 days upon receiving the invoice.



16 OTHER LIABILITIES

- Social liabilities
- Tax liabilities
- Current accounts
- Customers advances received
- Other payables
- Regulatory account liabilities (conversion differences)

2017	2016
14 942	12 148
116 618	119 676
1 460	2 705
7 269	6 847
100 500	90 774
277	1 200
241 065	233 351

The increase in social liabilities by 2 794 million resulted from the increase in performance bonuses.

The decrease in tax liabilities by 3,058 million is explained by the combined effect of the following:

- an increase in provisions for income tax on bonuses +3 047 million,
- a decrease of the IS for 6 189 million due to weaker results,
- an increase in the collected VAT by 1 315 million with sales growth.

Current accounts decreased by 1 245 million due to settlements carried out regularly.

Payables Clients increased by 1 649 million as credits granted to operators decreased following the implementation of net rates.

The increase in other liabilities resulted from:

- an increase in Orange Money credit balance with e-money issued for 13 482 million;
- a decrease in deferred revenues by 6 475 million from sold phone cards remaining unused by OML, considering the growth in consumption;
- a reclassification of the investment subsidy received in the ACE project from equity to other liabilities for 1 449 million.

The decrease in exchange differences are related to the volume in loans and debts in foreign currencies at closing date.

17 TREASURY LIABILITIES

2017 2016 - Banks 146 956 196 676

The drop in bank credit balance -49 720 million is due to a transformation of the short-term loans to long-term.



Turnover is comprised of:

- Fixed line
- Mobile (data included)
- Orange Money
- Internet fixed lines
- National Interconnection
- International interconnection
- Autres wholesale (LL, Roaming, Operators)
- Data and Integration
- Other revenues

2017	2016	Var.
30 202	32 708	-7.7%
670 788	607 723	10.4%
46 149	27 068	70.5%
39 979	35 482	12.7%
34 427	28 490	20.8%
124 580	147 243	-15.4%
13 124	12 839	2.2%
11 219	11 068	1.4%
2 434	2 415	0.8%
972 902	905 036	7.5%

The consolidated turnover increased by 7.5% as a result of:

- 7.7% decrease in the fixed line due to a continuous drop of its activities;
- 10.4% growth with the mobile thanks to a sustained strong commercial position, the development of usages (data, VAS);
- powerful growth of Orange Money by 70.5%;
- 12.7% progression of the internet fixed line through the development of Internet offers;
- 20.6% growth of the national interconnection correlated with received volumes from third party operators;
- 15.4% decrease in international interconnection linked to the decrease in international incoming traffic with the augmentation of OTT and the Simbox fraud;
- 2.2% increase in other wholesale products driven by an increase in operator's Roaming and national leased lines despite a decrease in international leased lines;

- 1.4% hike of the integration thanks to timely business billings;
- small increase in other revenues +0.8%.

The following figures highlights the contribution of each subsidiary to the turnover and the gross operating profit.

Contribution to turnover by company can be broken down as follows:

	2017	2016
- Orange Mali	347 307	321 327
- Sonatel Mobiles	291 053	281 805
- Sonatel SA	108 336	127 557
- Orange Guinea	147 851	144 529
- Orange Bissau	20 095	18 270
- Sonatel Multimedia	8 634	7 961
- Sonatel Business Solutions	800	1 068
- Orange Finances Mobiles Senegal	9 279	2 517
- Orange Finances Mobiles Mali	0	0
- Orange Finances Mobiles Guinea	5 728	0
- Orange Sierra Leone	33 822	0
	972 905	905 036

Gross Operating Profit (GOP) contributory by company can be broken down as follows:

	2017	2016
- Sonatel Mobiles	222 923	217 825
- Orange Mali	189 481	184 260
- Orange Guinea	77 767	76 605
- Orange Bissau	10 114	9 091
- Sonatel Multimedia	4 457	5 633
- Sonatel Business Solutions	-4 548	-3 912
- Sonatel SA	-57 652	-44 821
- Orange Finances Mobile Senegal	-1 585	-1 252
- Orange Finances Mobile Mali	-562	-654
- Orange Finances Mobile Guinea	2 603	0
- Orange Sierra Leone	5 664	0
	448 662	442 775

19 CONSUMPTIONS

-	Purchases
-	Transport

- External services

- Taxes

- Other expenses

2017	2016	Var.
59 122	51 338	15%
2 114	2 081	2%
335 081	301 996	11%
39 746	38 382	4%
16 042	17 473	-8%
452 106	411 271	10%

The increase in purchases is due to increased consumptions on the technical sites in fuel and electricity for respectively 2 578 and 1 553 million. Also contributing to the increase is the purchase of terminals for 2 643 million considering sales growth in terminals (notably smartphones) however attenuated by a 1 040 million decrease in purchased prepaid phone cards with the development of virtual top-up cards sales. The improvement in integration offers incited an increase in the purchase of equipment for 634 million. The rise in the purchases of livebox and flybox by 115 million is a result of the development of internet offers. Finally, the dynamism of recruitment incited the purchase of additional sims cards for 774 million.

The small increase in transport costs is due to travel expenses.

The significant activities that explain the increase in external services by 33 085 million are:

- 5 245 and 3 967 million increase respectively in outsourcing and maintenance of the networks following the externalization of some activities, the integration of Sierre Leone in the consolidation scope, newly signed service contracts and the deployment of the optical fiber,
- an increase in commercial fees by 2 182 million following a rebranding in Sierra Leone and the expansion of offers notably with Orange Money,
- 4 856 million decrease in international revenues with the decrease in international incoming traffic as a result of the OTT.
- 2 473 million decrease in capacity leasing expenses with the optimization of bandwith,
- 1,796 million decrease in Roaming expenses with the decrease in IOT traffic,
- repayments for VAS to SMS+ partners and other service platforms increased by 3 050 million following the development of value added services and the growth of data,
- the increase in interconnection expenses towards third-party operators by 8 063 million with the increase in off-net traffic through numerous offers,

- 1 334 million decrease in bank fees resulting from the transfer fees recorded in 2016 with the acquisition of Aitel Sierra Leone,
- 5 458 million increase in commissions to accompany Orange Money expansion offers,
- the increase in fees by 1 718 million with the ongoing transformation plans.
- The increase in information system royalties by 2 803 million as it is outsourced to Orange Sierra Leone,
- The increase in network operating royalties by 5 760 million following the integration of Sierra Leone and traffic growth thanks to the progression in data,
- The increase in other royalties linked to turnover:
 - management fees 1 370 million,
 - brand fees 788 million,

The 1 364 million increase in taxes is explained by :

- an increase in the tax on telecom network access in Guinea and Mali by respectively 111 and 1 402 million,
- 1 623 million increase in non-deductible VAT on activities from e-money institutions outside the VAT scope.

The decrease in other expenses by 1 433 million is due to a decrease in provision for clients depreciation for 910 million and the decrease in other adjustments based on 2016 for 623 million. The drop is furthered by the decline in payables of over 5 years as they are written off as losses 4 187 vs 4 463 million in 2016, coinciding the reverval of provisions for the same amount.



- Staff costs
- Depreciation, amortization and provisions
- Financial expenses
- Expenses excluding Ordinary Activity of Corporation tax

2017	2016	Var.
93 625	83 449	12%
160 593	131 426	22%
18 971	20 305	-7%
19 168	121	15777%
292 357	235 301	24%

The increase in staff expenses by 10 176 million is in response to:

- 1 476 million increase in base salary due to an increase in wages following professional advances and promotions in addition to all indexed pay types including paid leave allowance (+548 million),
- 2 485 million increase in performance bonus following the revalorisation of rates and an increase in payroll,
- 1 865 million increase in severance pay,

- social contributions 504 million,
- subsidising of staff loans 358 million,
- 237 million increase in severance pay and pre-retirement payments following the increase in exiting staff,
- 552 million decrease in temporary staff expenses attained through a policy for expenses optimization.

The increase in depreciation 27 657 million is related to the project to renew mobile access networks.

The increase in provisions by 1 436 million is due to the combined effect of a decrease in the loyalty premium provision by 2 186 million and an increase in the provision for contingencies by 2 401 million.

Financial expenses decreased by 1 335 million following a decrease in exchange rate losses by 11 262 million thanks to the minimal fluctuations of the Guinean franc, but lessened by the increase in interest on loans by 8 441 million and exchange differences on foreign currency debts by 1 548 million.

O.O.A expenses went up by 19 047 million with to the project to modernize network equipment.

21 OTHER INCOME

- Other operating income
- Reversals of provisions and expense transfers
- Immobilized production
- Financial income
- Products out of Ordinary Activity

2017	2016	Var.
16 800	28 582	-41%
19 718	11 809	67%
4 687	3 877	21%
10 312	9 879	4%
17 507	3 768	365%
69 024	57 916	19%

Other operating income decreased by 11 782 million due to numerous adjustments completed last year. Reversals of provisions increased by 7 909 million with the reversals of unjustified provisions.

The 810 million change in immobilized production are related to extension and rehabilitation works on the networks.

Financial income decreased by 433 million due to a decrease in financial investments.

Revenue outside the Ordinary activity increased by 13 738 million essenially with the project to modernize network equipment.

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22 OFF-BALANCE SHEET COMMITMENTS

In 2017, the Group received and distributed off balance sheet commitments as follows:

- a) Guarantees received
- Guarantees from providers
- Staff pledged shares

2017	2016
2 843	655
843	1 146
3 686	1 801

b) Guarantees given

- Blocked term accounts for AFD Dakar 94
- Customs credit deposits
- Market bid deposits
- Guaranteed bonds in favor of the Government (concession renewal)
- Irrevocable lease term deposit
- Certificate of financial standing

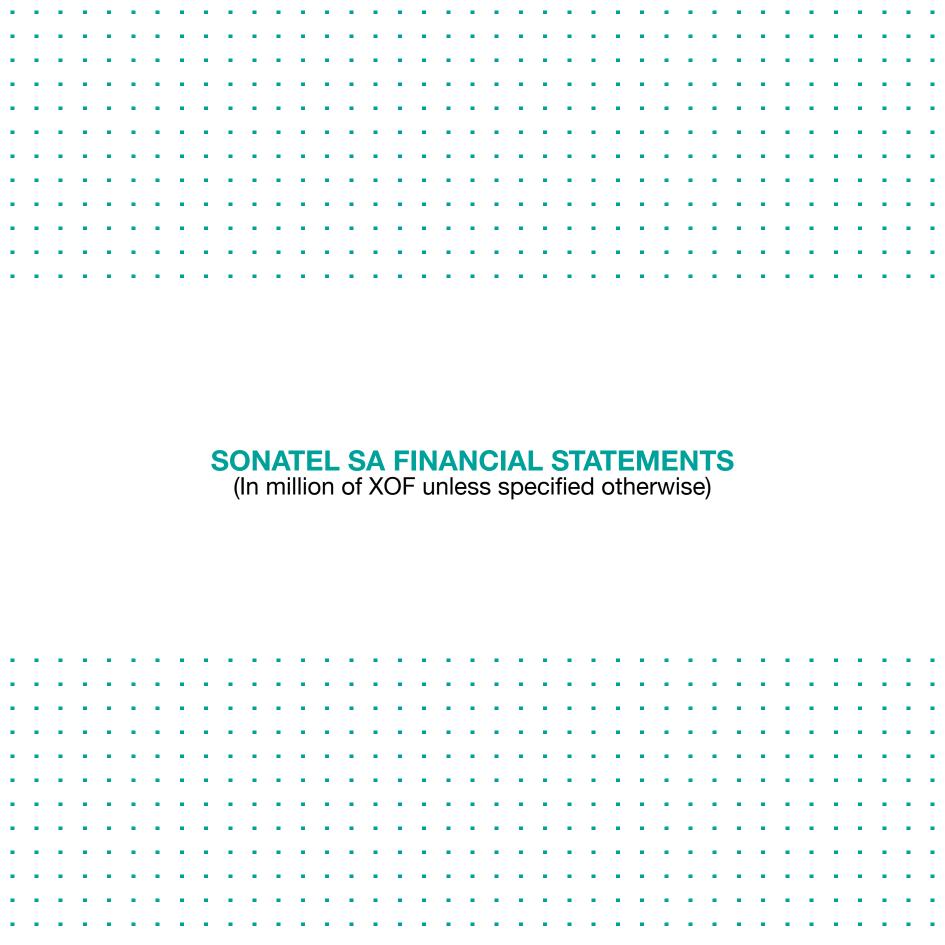
2017	2016
300	300
700	700
1 007	7 549
0	50 000
795	0
5 400	0
8 202	58 549

23 EXECUTIVE RENUMERATION

The overall renumaration amount for 10 highest paid people in 2017 is: 2 032 million.



NRT



Financial statements Sonatel SA: Summarized assets

Assets		2017		2016
	Gross	Amort/Prov	Net	Net
Fixed assets (1)				
Fixed charges	894		894	1 192
Set-up costs and deferred charges	894		894	1 192
Bond redemption premium	0		0	0
Intangible assets	142 123	41 190	100 934	53 301
Research and development charges	13	13	1	1
Patents, licenses and software	142 110	41 177	100 933	53 301
Goodwill	0	0	0	0
Other intangible assets	0	0	0	0
Tangible assets	543 766	418 151	125 615	119 379
Land	3 807	0	3 807	3 764
Buildings	36 813	20 843	15 971	16 865
Installations and arrangments	18 507	13 459	5 048	5 503
Equipment	470 120	374 562	95 558	88 479
Transport equipment	14 520	9 288	5 232	4 766
Advances and installments	0	0	0	0
Financial assets	264 744	931	263 813	273 548
Equity affiliates	179 324	583	178 741	146 336
Other financial assets	85 420	348	85 072	127 212
Total fixed assets (I)	951 528	460 272	491 256	447 420

Financial statements Sonatel SA: Summarized assets (next)

Actif		2017		2016
	Brut	Amort/Prov	Net	Net
Currents assets				
O.O.A Current assets	0	0	0	25
Inventory	2 614	12	2 601	2 984
Goods	0	0	0	0
Raw materials and other supplies	2 614	12	2 601	2 984
In-progress	0	0	0	0
Manufactured products	0	0	0	0
Receivables and assimilated functions	266 380	10 117	256 264	207 468
Suppliers, advances paid	286	0	286	947
Receivables	132 329	9 871	122 458	99 825
Other receivables	133 766	246	133 520	106 696
Total current assets (II)	268 994	10 129	258 865	210 477
Assets - asset flow				
Investments	2 702	0	2 702	7 671
Cash	1	0	1	1
Bank, postal checks, cash	31 458	0	31 458	57 368
Total assets - cash flow (III)	34 161	0	34 161	65 040
Conversion variance - Assets (IV) (probable change loss)	9		9	2
Grand total (I + II + III + IV)	1 254 691	470 401	784 290	722 939

Financial statements Sonatel SA: Summarized liabilites

Liabilities (before repartition)	2017	2016
Equity and assimilated resources		
Equity	50 000	50 000
Shareholders, uncalled-up capital	0	0
Premium and reserves	156 525	169 016
Share, issuance and merger premium	0	0
Revaluation surplus	0	0
Unavailable reserves	10 000	10 000
Free reserves	146 525	159 016
Carried forward balance	0	0
Net income for the period (gain + or loss -)	163 579	154 176
Other equity	3 027	3 186
Investment grants	822	942
Regulated provisions and assimilated funds	2 204	2 244
Total equity (I)	373 130	376 378
Financial debts and assimilated resources		
Loans	114 686	475
Leasing debts and assimilated resources	0	0
Other financial debts	131	129
Financial provisions for contigencies and charges	48 571	52 906
Total financial debts (II)	163 388	53 511
Total stable resources (I + II)	536 518	429 888

Financial statements Sonatel SA: Summarized liabilites (next)

Liabilities (before repartition)	2017	2016
Current liabilities		
Circulating debt and O.O.A. assimilated resources	7 114	5 742
Customers, advances received	144	365
Operating suppliers	66 077	62 557
Tax liabilities	49 590	50 538
Social liabilities	10 225	8 349
Other liabilities	28 476	44 368
Provisions for contigencies	9	2
Total current liabilities (III)	161 634	171 921
Liabilities - Cash flow		
Banks, discounted credit	0	0
Banks, treasury credit	75 134	115 138
Banks, overdrafts	11 005	5 438
Total liabilities - cash flow (IV)	86 139	120 576
Conversion variance -Liabilities (V) (probable exchange gain)	0	553
Grand total (I + II + III +IV+ V)	784 290	722 939

Financial statements Sonatel SA: Income statement summary

Summarized income statement	2017	2016
Sold work, services	289 366	291 756
Immobilized production	2 553	1 930
Miscallaneous revenue	32 507	33 070
Turnover	321 873	324 827
Operating grant	0	0
Other revenues	6 405	5 759
Other purchases	10 618	10 348
- Change in inventory	1 132	66
Transportation	955	1 011
External services	113 421	122 855
Taxes and duties	7 559	9 096
Other expenses	4 965	6 067
Value-added	192 183	183 074
Staff costs	63 351	58 258
Gross operating profit	128 832	124 816
Reversals of provisions	15 375	7 537
Expense transfer	2 661	4 198
Total operating revenues	348 867	344 251
Provisions and depreciation	41 646	33 039
Operating result	105 222	103 513
Financial expenses	8 229	2 406
Exchange rate loss	902	867
Provisions and depreciation	348	332
Total financial expenses	9 479	3 605

Financial statements Sonatel SA: Income statement summary (next)

Commenciated in comments	2017	0040
Summarized income statement	2017	2016
Financial revenues	96 631	88 032
Exchange gain	2 111	338
Reversals of provisions	353	84
Expense transfer	0	0
Total financial revenues	99 094	88 454
Financial result	89 615	84 848
Total revenues from ordinary acitivities	447 962	432 705
Ordinary activities results	194 837	188 361
Accounting value of fixed assets transfers	6	63
O.O.A expenses	10	23
O.O.A provisions	0	1 533
Total O.O.A expenses	16	1 620
Revenues from fixed assets sales	75	1 733
O.O.A revenues	0	660
O.O.A reversals	189	189
Expenses transfer	0	0
Total O.O.A revenues	264	2 582
O.O.A Profit	248	963
Workers' participation	0	0
Tax due on results	31 506	35 148
Revenues Grand Total	448 226	435 287
Net result	163 579	154 176

Financial statements Sonatel SA: TAFIRE I

Global Cash Flow (GCF) G C F =

GOP

- Remaining disbursable charges
- + Remaining collectable revenues

(excluding fixed assets transfers)

		GOP	128 832
(SA) Financial fees	8 229	(TT) Operating expense transfer	2 661
(SC) Exchange rate loss	902	(UA) Financial income	96 631
(SL) Expenses outside ordinary activities	10	(UE) Financial expense transfer	0
(SQ) Participatio	0		
		(UC) Exchange rate profit	2 111
(SR) Income tax	31 506	(UL) O.O.A Products	0
		(UN) Transferts de charges H.A.O	0
Total (I)	40 647	Total (II)	230 235
GCF = Total (II) - Total (I) =	189 587		

FINANCING FOM CASH FLOW (A.F.)

Dividends distributed during the fiscal year	166 667
A F = GCF - Dividends distributed during the fiscal year (1)	22 921

WORKING CAPITAL NEED CHANGES (N.W.C)

Change N.W.C = Inventory change (2) + Debt change (2) + Notes payable change (2)

Inventory changes : N-(N-1)	Uses increase (+)	Resources decrease (-)
(BC) Goods	0	0
(BD) Raw material and other supplies	0	383
(BE) In-progress	0	0
(BF) Manufactured products	0	0
(A) Global net changes in inventory	0	383

- (1) Dividends paid in the period including dividend advances
- (2) Excluding O.O.A items

Financial statements Sonatel SA: TAFIRE I - (next)

Change in receivable : N - (N - 1)	Uses increase (+)	Resources decrease (-)
(BH) Suppliers, advances paid	0	661
(BI) Customers	22 633	0
(BJ) Other receivables	26 823	0
(BU) Conversion gap - Assets	7	0
(B) Global net change in receivables	48 802	

DEBT CHANGE	Uses increase (+)	Resources decrease (-)
(DI) Customers, received advances	221	0
(DJ) Operating suppliers	0	3 520
(DK) Tax liabilities	948	0
(DL) Social liabilities	0	1 875
(DM) Other liabilities	15 892	0
(DN) Provisions for contingencies	0	7
(DV) Conversion gap - Liabilitie	553	0
(C) Global net change in debt	12 212	0
Change in nwc (networking capital) = (A) + (B) + (C)	60 631	0

Operating cash surplus

	2017 Period	2016 Period
GOP	128 832	124 816
- Changes in NWC(- if uses; if resources) (-or+)	-60 631	-18 347
- Immobilized production	-2 553	-1 930
O.C.S (Operating Cash Surplus)	65 648	104 539

Financial statements Sonatel SA: TAFIRE II

	2017		2016
	Uses	Resources	(U - ; R +)
I . Investments and disinvestments			
Fixed charges (increase during period)	0		-1 489
Internal growth			
Acquisitions/Transfers of intangible assets	52 495	0	-52 476
Acquisitions/Transfers of tangible assets	31 689	75	-28 170
External growth			
Acquisitions/Transfers of financial assets	29 618	39 357	-96 650
Total investments	74 370	0	-178 785
II. Change in operating working capital need (cf. Supra : change NWC)	60 631	0	-18 347
A - Economic uses to be financed (FF + FG)	135 001	0	-197 132
III. Uses / resources (B.F., O.O.A)	0	1 396	-3 263
IV. Restrained financial uses (1)	266		-240
Refund (based on payment schedule) of loans and financial debts			
(1) Excluding anticipated repayments done in VII			
B - Total uses to be financed	133 871	0	-200 635

Financial statements Sonatel SA: TAFIRE II - (next)

	20	017	2016
	Uses	Resources	(U - ; R +)
V. Internal financing			
Dividends (uses) / CGF (Resources)	166 667	189 587	12 900
Vi. Equity financing			
Increase in capital by new contribution		0	
Investments from grants		30	
Deduction from capital (including operator withdrawal)	0		0
Vii. Financing by new loans			
Loans (2)	0	114 480	112
Other financing debts (2)	0	-1	0
(2) Anticipated reimbursements written separately in uses			
C- Net financing resources	0	137 429	13 012
D- Excess or shortage of resource funding (C-B)	0	3 558	-187 623
Viii. Cash variation			
Net cash			
At the end of the period + or -51 978			
At the beginning of the period + or -55 536			
Cash variation: + if uses; - if resources	3 558	0	187 623
Control: D = VIII with opposite sign			
I, IV, V, VI, VII : in terms of flows ; II, III, VIII : balance sheet differ	ences.		

Control (based on N and N-1 balance sheet volumes)	Uses	Resources
Working capital need: WC (N) - WC (N-1)	0	62 793
Working capital need change: WCN (N) - WCN (N-1)	59 235	0
Cash variation (T): T(N) - T(N-1)	3 558	0
Total	62 793	62 793

Financial statements Sonatel SA: Table 1 fixed assets changes - 1/4

Labels	Balance as of 31/12/16	Acquisition	Reclassifica- tion	Outflows	Balance as of 31/12/17
Stock exchange entry fees	0	0	0	0	0
Fixed expenses	0	0	0	0	0
Assets acquisition fees	0	0	0	0	0
Fees on several periods	1 192	-298	0	0	894
Fixed charges	1 192	-298	0	0	894
Studies and Research	13	0	0	0	13
Patents and Licences	1 907	0	68 002	0	69 908
UMTS Licenses	32 000	0	0	0	32 000
Concession	0	0	0	0	0
4G License	0	0	0	0	0
Computer software	22 408	0	1 159	4	23 564
Software for switching	3 405	0	1	0	3 406
Software for transmission	4 513	0	665	0	5 178
Software for network and data	3 971	0	481	0	4 452
Research and development expenses	1	0	0	0	1
Patents and Licences in-progress	313	0	-15	0	297
GSM license in-progress	18 000	50 000	-68 000	0	0
UMTS license in-progress	0	0	0	0	0
Software in-progress	2 088	2 495	-1 279	0	3 305
Other rights and intangible assets in-progress	0	0	0	0	0
Intangible assets	88 617	52 495	1 015	4	142 124
Vacant land	2 617	0	0	0	2 617
Land	754	0	0	0	754
Buildings assigned to technical sites	108	0	0	0	108
Land development	148	0	0	0	148
Vacant land development in-progress	136	43	0	0	179
Lands	3 763	43	0	0	3 806

Financial statements Sonatel SA: Table 1 fixed assets changes - 2/4

	9				
Labels	Balance as of 31/12/16	Acquisition	Reclassifi- cation	Outflows	Balance as of 31/12/17
Industrial buildings	6 377	0	2 249	0	8 626
Administrative and commercial buildings	13 991	0	2 349	0	16 340
All administrative office buildings	6 790	0	19	552	6 257
Buildings assigned to technical sites	1 972	0	2	0	1 974
Buildings assigned to housing	1 111	0	0	0	1 111
Tracks and roads	133	0	0	0	133
Other infrastructure works	439	0	0	0	439
Land-use planning and installations	216	0	21	0	236
General office installations	3 765	0	18	0	3 782
Office adjustments	2 932	0	64	0	2 996
Other adjustments, arrangements and installations	11 214	0	55	6	11 263
Buildings in-progress	5 463	1 376	-4 907	0	1 931
Office arrangments and installations in-progress	0	0	0	0	0
Infrastructure works in-progress	0	0	0	0	0
Arrangments, installations in-progress	273	0	-43	0	229
Buildings technical installations and adjustments	54 672	1 376	-173	558	55 317
Sonatel switching equipment	34 764	0	1 397	0	36 161
Public switching equipment	0	0	0	0	0
Transmission equipment	136 872	0	6 862	0	143 734
Network access equipment	36 588	0	9 971	267	46 292
Public lines and network equipment	130 748	0	2 467	0	133 215
Sonatel lines and network equipment	379	0	0	8	372
Energy equipment	43 038	0	8 084	171	50 950
Services platform equipment	0	0	7	0	7
Devices	3 570	0	-150	0	3 421
Network access equipment	49	0	439	0	489
Other operating equipment	61	0	0	0	61
Operating equipment	386 069	0	29 078	446	414 701

Financial statements Sonatel SA: Table 1 fixed assets changes - 3/4

Labels	Balance as of 31/12/16	Acquisition	Reclassifi- cation	Outflows	Balance as of 31/12/17
Office equipment	1 961	0	-1	4	1 956
Technical computer equipment	9 619	0	1 245	1	10 862
Office computer equipment	3 114	0	661	112	3 663
Office furniture	4 422	0	5	7	4 420
Housing equipment	5	0	0	0	5
Housing furniture	2	0	0	0	2
Equipement and furniture	19 124	0	1 909	124	20 909
Lightweight vehicles	10 659	0	2 949	445	13 163
Heavyweight vehicles	170	0	0	0	170
Motorcycles	143	0	2	0	145
Transport equipment	10 972	0	2 951	445	13 478
Other fixed assets	2 538	0	226	1	2 763
Other fixed assets	2 538	0	226	1	2 763
Operating equipment in-progress	79	-70	0	0	9
Public switching equipment in-progress	1 269	1 103	-1 438	0	934
SNT equipment in-progress	0	0	0	0	0
Transmission equipment in-progress	7 136	6 622	-7 457	0	6 301
2G/3G mobile network access infrastructures in- progress	0	0	0	0	0
Lines and network equipment in-progress	0	-1	1	0	0
Lines and network materials in-progress	623	670	-341	0	952
IP routers and giga switch in-progress	0	0	0	0	0
Energy equipment in-progress	5 939	3 459	-8 094	0	1 305
Services platform equipment in-progress	2 517	324	-8	0	2 833
Measuring devices in-progress	651	528	131	0	1 310

Financial statements Sonatel SA: Table 1 fixed assets changes - 4/4

Labels	Balance as of 31/12/16	Acquisition	Reclassifica- tion	Outflows	Balance as of 31/12/17
Network equipment in-progress	6 347	1 522	-904	0	6 964
Network materials in-progress	7 084	11 244	-11 204	0	7 124
Other operating equipment in-progress	10	0	0	0	10
Technical computer equipment in-progress	1 366	1 199	-1 906	0	658
Technical computer equipment in-progress	166	502	-631	0	37
Office and housing equipment in-proress	36	118	5	0	159
Office and housing furniture in-progress	0	0	0	0	0
Transportation material in-progress	1 892	2 100	-2 951	0	1 041
Arrangments and installations in-progress	24	10	0	0	34
Other fixed assets in-progress	2 381	941	-207	0	3 114
Customs on assets in-progress	0	0	0	0	0
Other operating equipment in-progress	0	0	0	0	0
FIXED ASSETS LETTERING	0	0	0	0	0
Material in-progress	37 521	30 271	-35 006	0	32 786
Advances, deposits in software	0	0	0	0	0
Advances on buildings	0	0	0	0	0
Advances on transportation material	0	0	0	0	0
Advances and deposits on other fixed assets	0	0	0	0	0
Advances and deposits on fixed assets	0	0	0	0	0
Grand total	604 468	83 887	0	1 577	686 779

Financial statements Sonatel SA: Table 2 Depreciation changes 1/2

Labels	Balance as of 31/12/16	Increase	Reclassifica- tion	Decrease/ Transfer	Balance as of 31/12/17
Depreciation Research and development	13	0	0	0	13
Depreciation Patents, licenses	2 600	3 529	0	0	6 129
Depreciation Software	32 702	2 348	0	4	35 047
Total 281	35 315	5 877	0	4	41 189
Depreciation development works	0	0	0	0	0
Total 282	0	0	0	0	0
Depreciation administrative and commercial buildings	17 276	1 635	0	552	18 359
Depreciation staff housing	1 042	18	0	0	1 060
Depreciation office arrangments and installations	617	309	0	0	925
Depreciation tracks and roads	132	0	0	0	132
Depreciation other infrastructure works	348	22	0	0	370
Depreciation other arrangments, adjustments and installations	12 895	569	0	6	13 459
Total 283	32 309	2 552	0	558	34 304
Depreciation Sonatel switching equipment	32 913	720	0	0	33 633
Depreciation public switching equipment	0	0	0	0	0
Depreciation transmission equipment	112 924	5 894	0	0	118 818
Depreciation public lines and network equipment	123 265	2 824	0	0	126 089
Depreciation Sonatel lines and network equipment	471	28	0	7	492
Depreciation energy equipment	35 298	3 343	0	171	38 470
Depreciation network access equipment	11	88	0	0	99
Depreciation network and data equipment	29 377	5 075	0	267	34 184
Depreciation other operation equipment	137	0	0	0	137
Total 2841	334 392	17 972	0	445	351 922

Financial statements Sonatel SA: Table 2 Depreciation changes 2/2

Labels	Balance as of 31/12/16	Increase	Reclassi- fication	Decrease/ Transfer	Balance as of 31/12/17
Depreciation office furniture	2 052	336	0	6	2 381
Depreciation housing furniture	3	0	0	0	3
Depreciation office equipment	1 373	202	0	4	1 571
Depreciation housing equipment	6	0	0	0	6
Depreciation techinical computer equipment	9 140	989	0	1	10 128
Depreciation office computer equipment	2 738	548	0	111	3 175
Total 2844	15 312	2 075	0	122	17 264
Depreciation lightweight vehicles	7 838	1 608	0	441	9 004
Depreciation heavyweight vehicles	131	17	0	0	148
Depreciation motorcycles	131	6	0	0	137
Total 2845	8 100	1 631	0	441	9 290
Depreciation adjustments, arrangments and installations	0	0	0	0	0
Total 2847	0	0	0	0	0
Depreciation devices	3 374	16	0	0	3 389
Depreciation other fixed assets	1 800	186	0	1	1 985
Total 2848	5 173	202	0	1	5 374
Grand total	430 602	30 310	0	1 571	459 341

Financial statements Sonatel SA: Table 3 to 5

Table N° 3: Transfer gains and losses

	Gross Amount A	Depreciation applied B	Net book value C = A - B	Transfer price D	+ Gain or - Loss
Intangible assets	4	4	0	0	0
Tangible assets	1 573	1 567	6	75	69
Financial assets	0	0	0	0	0
Total	1 577	1 571	6	75	69

Table N° 4: Balance sheet provisions

	Α		В			С		D = A+B+C	
	Provi-	Increase : provisions			Deci	Decrease : reversals			
Type	sions on opening of period	Operat- ing	Financial	Outside ordinary activities	Operat- ing	Finan- cial	Outside ordinary activities	Provisions on closing of period	
1. Regulated provisions	2 244	0		0	40		0	2 204	
2. Financial provisions for contingencies and charges	52 906	10 979		0	15 315		0	48 571	
3. Provisions for assets depreciation	935	348		0	353		0	930	
Total I	56 086	11 327	0	0	15 708	0	0	51 705	
4. Inventory depreciation	54	12		0	55		0	11	
5. Provisions for depreciation and risks (third-party)	10 020	2 107		0	2 003		0	10 124	
6. Provisions for depreciation and risks (treasury)	3	0	-2		0	0		3	
Total II	10 078	2 119	-2	0	2 058	0	0	10 138	
Total (I) + (II)	66 163	13 446	-2	0	17 766	0	0	61 843	

Table N° 5: Assets under financial loans and assimilated contracts

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Financial statements Sonatel SA: Table N° 6 Loans maturiting at the end of the fiscal year

		Analysis by maturity					Other analysi	is
	Gross Amount		ore than year expired	more than 1 year but less than 2	over 2 years	Amounts in foreign currency	Amounts due to associated companies	Amounts represented by promis- sory notes
Fixed assets receivables (1)	85 420	9 259	0	9 259	58 857	0	0	0
Loans (1)	77 375	9 259	0	9 259	58 857	0	0	0
Receivables linked to participation	0	0	0	0	0	0	0	0
Other financial assets	8 045	0	0	0	0	0	0	0
Current assets receivables (II)	266 389	0	0	0	0	0	0	0
Accounts receivables	286	0	0	0	0	0	0	0
Customers and related accounts	132 329	0	0	0	0	0	0	0
Staff	439	0	0	0	0	0	0	0
Social security and other agencies	0	0	0	0	0	0	0	0
State	33 269	0	0	0	0	0	0	0
International organizations	0	0	0	0	0	0	0	0
Shareholders and groups	26 185	0	0	0	0	0	0	0
Other debtors	54 501	0	0	0	0	0	0	0
O.O.A receivables	0	0	0	0	0	0	0	0
Prepaid expenses	19 380	0	0	0	0	0	0	0
Total (I) + (II)	351 809	9 259	0	9 259	58 857	0	0	0
(1) Loans granted during the period :		-4 403	Received	in repayments	during the	period :		7 118

Financial statements Sonatel SA: Table N° 7 Debts maturiting at the end of the fiscal year

		Analysis by maturity					Other analysi	s
	Gross Amount		re than 1 ear expired	more than 1 year but less than 2	over 2 years	Amounts in foreign currency	Amounts due to associated companies	Amounts represented by promis- sory notes
Financial debts and assimilated resources								
Convertible bonds (1)	0	0	0	0	0	0	0	0
Other bonds (1)	0	0	0	0	0	0	0	0
Loans and debts from credit institutions (1)	114 686	237	0	114 449	0	0	0	0
Other financial debts (1) (2)	131	131	0	0	0	0	0	0
Total (I)	114 817	368	0	114 449	0	0	0	0
Debts on building leases	0	0	0	0	0	0	0	0
Debts on furniture leases	0	0	0	0	0	0	0	0
Debts on assimilated contracts	0	0	0	0	0	0	0	0
Total (II)	0	0	0	0	0	0	0	0

Financial statements Sonatel SA: Table N° 7 Debts maturiting at the end of the fiscal year (next)

			Analysis	by maturity			Other analys	sis
	Gross Amount	not more 1 ye		more than 1 year but less than 2	over 2 years	Amounts in foreign currency	Amounts due to associated companies	Amounts represented by promis- sory notes
Current liabilities debts								
Suppliers and related accounts	66 077	66 077	0	0	0	0	0	0
Customers	144	144	0	0	0	0	0	0
Staff	9 757	9 757	0	0	0	0	0	0
Social security and other social agencies	468	468	0	0	0	0	0	0
State	49 590	49 590	0	0	0	0	0	0
International organizations	0	0	0	0	0	0	0	0
Shareholders and groups	16 449	16 449	0	0	0	0	0	0
Other creditors	12 026	12 026	0	0	0	0	0	0
O.O.A debts	7 114	7 114	0	0	0	0	0	0
Unearned income	0	0	0	0	0	0	0	0
TOTAL (III)	161 625	161 625	0	0	0	0	0	0
TOTAL (I + II + III)	276 442	161 993	0	114 449	0	0	0	0

⁽¹⁾ Loans taken during the period

266

^{114 479}

[/] Loans reimbursed during the peruid

⁽²⁾ Total debts owned to shareholders (individuals)

Financial statements Sonatel SA: Table N° 8 Intermediary consumptions for the fiscal year

Туре	Account number	Amount
Water	6051	181
Electricity	6052	3 735
Other energies	6053	0
Non-storable maintenance supplies	6054	2
Non-storable office supplies	6055	0
Small equipments and tools	6056	75
Transportation on behalf of third-party	613	0
Staff transportation	614	553
Real estate maintenance, repairs	6241	681
Moveable assets maintenance, repairs	6242	164
Advertising, publications and public relations	627	1 820
Telecommunication expenses	628	54 855
Payments to intermediaries and consultants	632	9 085



Financial statements Sonatel SA: Table N°9 income allocation and other other particular elements of the five last periods (in million XOF)

Concerned periods (1) Type of indicators	2017	2016	2015	2014	2013
Capital structure at closing (2)					
Share capital	50 000	50 000	50 000	50 000	50 000
Common share	100	100	100	100	100
Preferred dividend shares (A.D.P) without voting rights	0	0	0	0	0
New shares to be issued	0	0	0	0	0
By conversion of bonds	0	0	0	0	0
By exercising susbcription rights	0	0	0	0	0
Operating income for the period (3)					
Tax-free turnover	321 873	324 827	343 974	355 643	346 392
Ordinary activities profits (excluding provisions and reversals - operating and financial)	221 104	214 111	238 736	240 500	218 382
Workers contribution to profits	0	0	0	0	0
Tax due on results	31 506	35 148	44 761	45 470	40 982
Net income (4)	163 579	154 176	158 492	173 666	147 513
Income per share					
Distributed income (5)	166 667	166 667	166 667	160 000	155 000
Dividend per share (in XOF)	1 667	1 667	1 667	1 600	1 550

Financial statements Sonatel SA: Table N°9 income allocation and other other particular elements of the five last periods (in million XOF) next

Concerned periods (1) Type of indicators	2017	2016	2015	2014	2013
Staff and wages policy					
Average number of workers during the period (6)	1 825	1 767	1 719	1 752	1 821
Average number of external staff	3	3	5	3	5
Total payroll distributed during the period (7)	56 167	51 138	44 530	50 051	46 501
Paid social benefits during the period (8) (social security, social work)	4 491	4 156	3 658	4 429	3 980
External staff payments billed to the company (9)	2 693	2 964	2 932	2 021	1 953

- (1) including period with financial statements given to the Assembly for approbation
- (2) indication in case of partial capital release on non-called-up capital
- (3) Items in this section are listed in the income statement
- (4) The results, when negative, should be put in brackets
- (5) Period N corresponds to suggested dividend at the last period.
- (6) Company's own staff
- (7) Total for accounts 661, 662, 663
- (8) Total for accounts 664, 668
- (9) 667 account



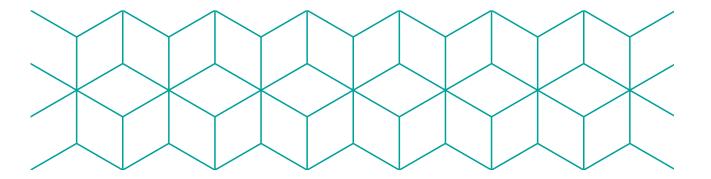
Financial statements Sonatel SA: Table N° 10 2017 fiscal year income allocation project

Assignments	Amount	Origin	Amount
Legal reserves	0	Previous balance carried forward (losses)	0
Statutory or contractual reserves	0	Balance carried forward (recipient)	0
Other (available) reserves		Net income of the fiscal year	163 579
Dividends	166 667	Deductions on free reserves	3 088
Other allocations	0		
Balance carried forward	0		
Total (A)	166 667	Control : Total A = Total B	166 667

Financial statements Sonatel SA: Table N° 11 workforce, wages and external staff

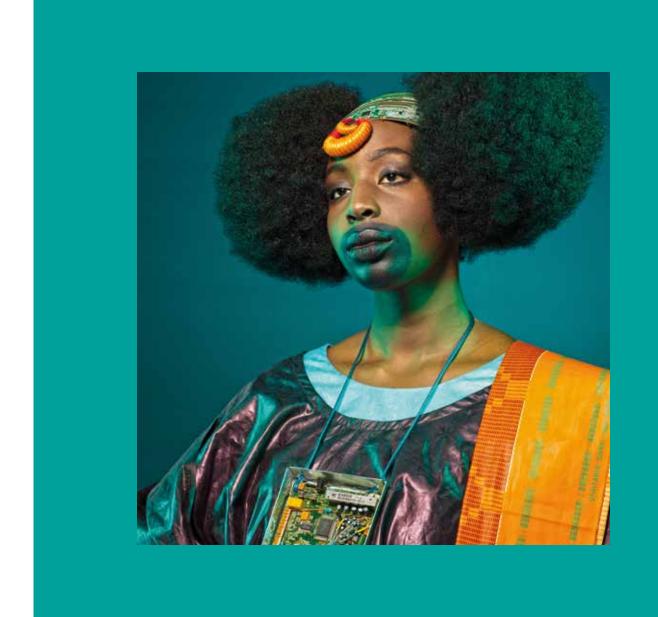
		Wo	rkforce	e (Nur	nbers)		Wages (in million XOF)						
1- Local Staff	Local	staff	Oth UEN coun	ЛОА	Outs		Total	Loca	l staff	UEN	her MOA ntries		side MOA	Total
Qualifications Paid staff	M	F	M	F	М	F		М	F	М	F	М	F	
1. Senior executives	776	480	0	0	0	0	1 256	31 186	19 290	0	0	0	0	50 476
Senior technicians and middle managers	183	137	0	0	0	0	320	4 286	3 209	0	0	0	0	7 494
3. Technicians, supervisors and skilled workers	102	19	0	0	0	0	121	2 052	382	0	0	0	0	2 434
Employees, laborers, workers and apprentices	17	1	0	0	0	0	18	254	0	0	0	0	0	254
Total (1)	1 078	637	0	0	0	0	1 715	37 778	22 881	0	0	0	0	60 658
Permanent														
Seasonal														

M = Male F = Female



Financial statements Sonatel SA: Table N° 11 workforce, wages and external staff (next)

			Wages (in million XOF)						
2- External Staff	Local staff		Other UEMOA countries		Outside UEMOA		Total	Invoiced to the company	
	M	F	M	F	М	F		M	F
1. Senior executives	0	0	0	0	0	0	0	0	0
2. Senior technicians and middle managers	16	10	0	0	0	0	26	61	38
3. Technicians, supervisors and skilled workers	279	282	0	0	0	0	561	1 066	1 077
Employees, laborers, workers and apprentices	94	24	0	0	0	0	118	359	92
Total (2)	389	316	0	0	0	0	705	1 486	1 207
Permanent									
Seasonal									
Total (1 + 2)	1 467	953	0	0	0	0	2 420	39 263	24 088
M = Male F = Female									
		-		-					
		-		•					
		•		•	•	• •			
		-		•	•	• •			
		-	• •	-	•	• •		• •	







- Auditors' General Report on the Consolidated Financial Statements of the Sonatel Group
- Auditors' General Report on the Financial Statements of SONATEL SA
- Agenda of the Ordinary General Assembly



AUDITORS' GENERAL REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

of the Sonatel Group

Consolidated financial statements – For the year ended on December 31, 2017

Dear Shareholders,

In compliance with the terms of our appointment entrusted to us by your General Assembly, we hereby present our report for the year ending on December 31, 2017, on:

- The audit of consolidated financial statements of the SONATEL Group (SONATEL, SONATEL Mobiles, Orange Mali, SONATEL Multimedia, SONATEL Business Solutions, Orange Guinea, Orange Bissau, Orange Finances Mobiles Senegal et Orange Finances Mobiles Mali),
- The specific verifications and information prescribed by the law.

I. Report on the financial statements

We have audited the attached consolidated financial statements of SONATEL including the balance sheet, the income statement, the financial table of resources and uses, as well as the appendix notes to the financial statements of SONATEL for the period from January 1 to December 31, 2017.

Management's responsibility on financial statements

Management is responsible for the establishment and fair presentation of its financial statements, in accordance with the OHADA accounting system and the internal control it deems necessary for the establishment of the financial statements not to contain material misstatement, whether due by fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our audit was made in accordance with auditing standards applicable in Senegal. That we comply with those standards require us to comply with ethical requirements, to plan and to perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The choice of procedures performed, including assessment of the risks that the financial statements contain material misstatements, whether due to fraud or error depend

on the auditor's judgment. In making this risk assessment, the auditor considers the internal control of the entity relevant to the preparation and the fair presentation of the financial statements in order to design appropriate audit procedures in the circumstances, and not in the purpose of expressing an opinion on the effectiveness of the internal control of the entity.

An audit also includes evaluating the appropriateness of the accounting methods, the reasonableness of the accounting estimates made by management and the overall presentation of financial statement.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the consolidated financial statements included in this report are true and fair and give a true and fair view of the consolidated financial position, assets and results of the entities included in the perimeter in accordance with the accounting rules and methods issued by the OHADA Accounting System.

II. Specific Verifications and information

We have also performed the specific verifications required by the OHADA uniform Act relating to Commercial Companies and Economic Interest Groups.

We have no issue to report regarding the fair presentation and consistency of the financial statements of the information given in the report of the Board of Directors and in the documents submitted to shareholders on the financial position and the consolidated accounts of the SONATEL Group.

The Auditors

GARECGO JPA INTERNATIONAL NETWORK MEMBER

RACINE ERNST & YOUNG MEMBER

Mamour FALL, Partner

Makha SY, Partner

On March 30, 2018

ACCOUNTING POLICIES AND METHODS

■ Consolidation principles

Subsidiaries under exclusive control are consolidated using the full consolidation method.

Presentation of the financial statements

Financial statements are prepared in accordance with the SYSCOA method: balance sheet, income statement, cash flow statement (TAFIRE).

Base for the establishment of the financial statements

Financial statements are prepared on a historical cost basis and presented according to the principles and methods accepted in the countries of presence. They comply with the West African Accounting System (SYSCOA) in place since January 1st, 1998.

■ Intangible assets

They are amortized over a five-year period.

«Unbundled» software (invoiced separately from the computer equipment) are capitalized and amortized on an estimated useful life of 3 years.

Exchange differences to distribute are evaluated in accordance with foreign currency operations principles.

Tangible assets

They are evaluated at their acquisition cost which consists of the purchasing price and the forwarding expenses, and amortized under the straight line approach over the below specified estimated periods:

Buildings	20 ans		
Land enhancement work			
Office furniture and accommodation	10 ans		
Office equipment	05 ans		
Fixture, fittings, and installations	10 ans		
Transportation equipment	05 ans		
Switching equipment	10 ans		
Transmission equipment	10 ans		
Lines and network equipment	10 ans		
Energy equipment	10 ans		
Measuring equipment	03 ans		
Others assets	10 ans		

Fixed assets in progress are recorded at their acquisition cost and re-classed as tangible once in service.

Other current assets

They consist of home and vehicle loans to the staff, government loans for the staff to acquire shares of the group (10%), security and guarantee deposits paid on water and electricity subscriptions as well as prepaid rents and equity.

The assets are recorded and evaluated at their historical cost.

On securities, depreciation provisions are taken into account when the closing value is inferior to the historical cost.

Closing value is either the stock price of the listed securities or net asset value for the unlisted securities.

Inventories

Inventories are evaluated at the weighted average cost of purchase.

Retained value for local purchases corresponds to the non-revisable historical cost cited as annexed in the market contract.

Purchasing cost of imported products corresponds to market plus customs duties and transit fees. Depreciation provisions are applied at a 100% on defective, dormant (inventory that registered no activity for a year) and dead (declassified or unused inventory for 3 years) inventories.

Receivables

Accounting services to local clients

Services to local customers are invoiced in XOF on the issue date of the bill and recorded in the 41 accounts.

Unbilled services by the closing date are recorded in the 418 accounts (Accrued income).

Sold top-up cards that are unused are recorded as deferred revenue.

Doubtful debts from residential clients are depreciated at a 100% when:

- left unpaid for more than 6 months for the fixed line;
- left unpaid for more than 90 days on the mobile.

Accounting for revenues from international traffic

Traffic balances are recorded on a monthly, bi-monthly or quarterly basis depending on the account balance for the month, two-month period or quarter, as a credit or debit line once accepted by the concerned foreign correspondent.

A provision is calculated year-end for all traffic balances not yet accepted. They are recorded in 418300 accounts (Accrued income) when the balance is in favor of Sonatel and as Accrued liabilities otherwise in the "Accrued expenses payable" account (408400).

Exchange rate gains and losses are recorded in the balance sheet in accounts 478 and 479 «conversion variance».

Receivables from the foreign correspondent are depreciated on a case-by-case basis depending on the creditworthiness of the correspondent.

■ Foreign currency transactions

Foreign currency operations are converted at the exchange rate prevailing on the date they are recorded. Foreign exchange differences are recorded as currency gains or losses on the settlement date.

Foreign currency accounts are converted at the exchange rate prevailing on closing date. Potential currency gains are recorded as exchange rate gains or losses rather than as revenues. Unrealized exchange rate losses give rise to a provision for risks.

In the income statement

Unrealized exchange rate losses on operations over a year old are recorded as liabilities in the «Provision for exchange rate losses» account and the counterpart is reported as assets in account 478 «Exchange rate differences».

Unrealized exchange rate losses of less than 1 year-old operations are recorded in account 679 with a credit to account 499.

Losses in the cash accounts are reported in the income to offset the Cash account.

Investment grants

They are transferred to the Accruals and Deferred Liabilities. The offset is recorded on the income statement.

■ Provisions for risks and charges

Disputes

All potential risks associated with litigations with third parties are provisioned according to the information provided by the Group's legal services. Unjustified provisions are accounted for in the income statement.

Retirement benefits

Due employee benefits at the time of retirement or in the case of a contractual framework are subject to a provision for expenses.

Deferred taxes

Deferred taxes are recorded to offset the temporary effect of revenues and expenses due to tax considerations. The liability method is applied.

Electronic currency

Orange Money is a mobile payment offering marketed by e-money institutions "EMI" certified by BCEAO or the central bank of Guinea.

It consists of issuing and distributing electronic money or units of value that can be used for commercial transactions.

Currency in circulation is recorded in the 514xxx cash account and offset as debts posted to the 472xxx accounts by category (vendors, biller, merchants and end-consumer).

Issued money not distributed stay in the "EMI" main cash account.

Paid commissions are posted as expenses and offset as revenues.

AUDITORS' GENERAL REPORT ON THE FINANCIAL STATEMENTS of Sonatel SA

Sonatel SA financial statements - For the year ended on December 31, 2017

Dear Shareholders,

In compliance with the terms of our appointment entrusted to us by your General Assembly, we hereby present our report for the year ending December 31, 2017, on:

- The audit of financial statements of the National Telecommunications Company of Senegal Sonatel;
- The specific verifications and information prescribed by law.

I. Report on the financial statements

We have audited the consolidated financial statements including the balance sheet, the income statement, the financial table of resources and uses, as well as the annex notes to the financial statements of your company for the period from January 1 to December 31, 2017.

Management's responsibility on financial statements

Management is responsible for the establishment and fair presentation of its financial statements, in accordance with the OHADA accounting system and the internal control it deems necessary for the establishment of financial statements not to contain material misstatement, whether due by fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our audit was made in accordance with auditing standards applicable in Senegal. That we comply with those standards require us to comply with ethical requirements, to plan and to perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The choice of procedures performed, including assessment of the risks that the financial statements contain material misstatements, whether due to fraud or error; depend on the auditor's judgment. In making this risk assessment, the auditor considers internal control of the entity relevant to the preparation and the fair presentation of the financial statements in order to design appropriate audit procedures in the circumstances, and not in the purpose of expressing an opinion on the effectiveness of internal control of the entity. An audit also includes evaluating the appropriateness of accounting methods, the reasonableness of accounting estimates made by management and the overall presentation of financial statement.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements attached to pages 4 to 47 of this report are true and fair and present a true image of the financial position of the company on 31 December 2017, of its results, its wealth and on the changes in the financial position for the year that ended in accordance with the accounting rules and policies issued by the OHADA Accounting System.

II. Specific verifications and information

We have also performed the specific verifications required by the OHADA Uniform Act relating to Commercial Companies and Economic Interest Groups.

We have no issue to report regarding the fair presentation and consistency of the financial statements of the information given in the report of the Board of Directors and in the documents submitted to shareholders on the financial position and the consolidated accounts of the SONATEL Group.

The Auditors

GARECGO
JPA INTERNATIONAL NETWORK MEMBER

Mamour FALL, Partner

RACINE ERNST & YOUNG MEMBER

Makha SY, Partner

On March 30, 2018



ACCOUNTING POLICIES AND METHODS

■ Basis for establishment of financial statements

The financial statements are established based on accounting principles generally admitted and retained by the OHADA Accounting System: prudence, consistency, accruals principle, historical costs, business continuity, transparency and significant importance.

The annual financial statements are presented according to principles of the OHADA Accounting System and the main rules and methods utilized as follows:

■ Immobilized expenses and intangible assets

The financing expenses relating to loans given for the financing of major investment projects and supported during the completion of these works are capitalized.

They are depreciated over a period of five (5) years.

"Unbundled" software (which is subject of a separate invoicing of computer equipment) are also capitalized and depreciated over an estimated life of three (3) years.

Deferred foreign exchange differences to be amortized are assessed in accordance with the principles on foreign exchange currency operations.

■ Tangible assets

They are valued at their acquisition cost, which include the purchase price and the related costs and depreciated on a straight-line method based on their estimated useful life as follows:

Buildings	20 ans
Land enhancement work	40 ans
Equipment, office furniture and fixtures	5 ans
Fixtures, fittings and installations	8 ans
Transport equipment	3 et 5 ans
Operating equipment - Switching - Transmission - Lines and networks - Energy - Machinery	10 ans 10 ans 10 ans 7 ans 3 ans
Other assets	5 et 10 ans

Current assets are recorded at their cost of acquisition and reclassified as definitive asset at the commissioning.

Other current assets

They concern advances and down payments for the purchase of tangible assets, housing and vehicles loans, Government loans to staff for the acquisition of the company's shares (10 percent), deposits and guarantees paid on water and electricity subscriptions, but also the rents paid in advance, Government PBE securities (levy budget for equipment) and equity investments.

These assets are evaluated and recorded at historical cost.

On securities, provisions for depreciation are recognized when the value at closing is less than the historical cost.

The closing value is either the market price for quoted securities or the net asset value for unquoted securities.

Inventories

Inventories are valued at the weighted average cost of purchases.

The values used for local purchases represent the real and final cost listed on the annex of the purchasing contracts.

The purchasing cost of imported goods is the market price plus customs duties and transit fees. Inventories that have not registered any movement for over a year are depreciated at 100 percent.

Receivables

Accounting services to local clients

The services to local customers are invoiced in XOF at the date of the issuance of the invoice and recorded in the accounts 41.

The services not yet invoiced at the balance sheet date are recorded in the accounts 418 «Accrued income».

Doubtful loans on private customers are depreciated at a 100%.

Accounting for revenues from international traffic

Traffic balances are established monthly, bimonthly or quarterly on the basis of the statements and recorded, after acceptance by the concerned foreign correspondent in a debit or credit account different depending on the month, bimonthly or quarterly balance.

By year-end, a provision is calculated for all traffic balances not yet accepted. It is recorded in account 418300 «Customers, international operators, invoices not received» when the balance is in favor of Sonatel and the 408400 account «Suppliers international operators, invoices not yet received» otherwise.

Foreign currency traffic balances are recorded at the prevailing date of their recognition. Exchange rate differences arising during the settlement of a past due invoices are recorded as foreign exchange gains or loss.

Traffic balances established in foreign currencies are re-calculated at the prevailing rate at the balance sheet date when they are not settled, and the exchange rate differences are dealt with as follows:

- Potential losses of exchange are recognized in expenses for the year;
- Unrealized exchange gains are not recognized as income.

Foreign exchanges losses and gains are recognized in the balance sheet in accounts 478 or 479 «conversion variance».

The claims on foreign operations are depreciated on a case by case basis, depending on the operator's creditworthiness.

Foreign currency transactions

Foreign currency accounts are converted at the exchange rate at the closing date of the year and the resulting amounts are thus reconciled with the values recorded based on the exchange rates at the date of completion of the transactions. The differences are treated as follows:

The balance sheet:

 Potential foreign exchange gains are not recognized as income but recorded in account 479 «conversion variance liabilities» in the balance sheet.

In the income statement:

- The unrealized exchange rate losses on transactions of more than one year are recorded as liabilities in the account "Provision for exchange rate losses" and the counterpart is included in the balance sheet in the account 478 "Exchange rate difference".
- The unrealized exchange losses on transactions within one year are recorded in the account 679 «Expenses accrued on financial risks», with a credit to account 499 «Provisioned risk on operating transactions».
- Losses on cash accounts are recorded in the income statement through the cash account.

Provisions for risks and charges

Disputes

All potential risks of litigation with third parties are provisioned according to information provided by the legal services of the company. Unjustified provisions are reported in the income statement.

Retirement benefits

The allowances due to staff at retirement or on a contractual basis are subject to a provision for risks and charges.

Investment grants

The amortized portion in the year is included in the income statement.

AUDITORS' SPECIAL REPORT ON THE REGULATED agreements of Sonatel SA

Year ended December 31, 2017

To the shareholders,

As auditors of your company, we present our report on regulated agreements.

It is our responsibility to inform you, based on the information provided to us, of the characteristics and essential terms of the agreements that have been notified to us, without having to express an opinion on their usefulness and merits. Under the terms of Article 440 et seq. of the Uniform Act of OHADA relative to the law of commercial companies and the economic interest groups, it is your responsibility to assess the interest in concluding these agreements with a view to their approval.

We have been informed of the execution of the following agreements, concluded during the financial year and previously authorized by the Board of Directors.

We conducted our work according to the standards of the profession; these standards require the implementation of procedures designed to verify the consistency of the information given to us with the basic documents from which they are derived.

1. Loan agreement with Orange Guinea

■ Concerned Administrators

- Mr. Alioune NDIAYE
- Mr. Thierry MARIGNY

Nature and purpose

This loan agreement was authorized during the 173rd meeting of the Board of Directors of Sonatel SA on April 18, 2017 and signed between Orange Guinea and Sonatel SA on May 2, 2017.

It consists of a short-term credit of Euro 22 635 460, for a duration of 10 month taking effect from April 20, 2017. This loan is exclusively destined for Orange Guinea to ease cash flow ahead of the full payment of the net dividends due to Sonatel for the year ended December 31, 2016.

Terms and effects

The loan is granted for a period of ten months, with a yearly rate of 7.5%. Thereby, the loan has to be reimbursed by Orange Guinea in two (2) installments:

- The first installment for September 20, 2017 for the amount of Euro 12 038 562 including interests for the amount of Euro 720 832;
- The second installment for February 20, 2018 for the amount of Euro 11 678 146 with Euro 360 416 in interests for Sonatel SA.

On December 31, 2017, the loan balance was at Euro 9 823 120 or 6 443 million XOF. The interests due to Sonatel SA were at Euro 630 million.

2. Addendum no. 2 to the assistance agreement with Orange Finances Mobiles Senegal (OFMS) of April 14, 2016

Concerned Administrators

- Mr. Alioune NDIAYE
- Mr. Thierry MARIGNY

■ Nature and purpose

It is the second addendum to the assistance agreement between Sonatel SA and OFMS that was authorized during the 173rd meeting of the Board of Directors of Sonatel SA on April 18, 2017. It was signed at the date of May 2, 2017 between the parties, with a retroactive effect from January 1, 2017. The purpose of this addendum n°2 is to specify and complete the services provided in the assistance agreement between the parties on April 14, 2016 and mentioned at the 8th point of this present report. By this endorsement, OFMS gives SONATEL SA a mandate to perform the following services:

- Commercialization of the Orange Money Service,
- Maintenance and innovation of the information systems and particularly the TANGO platform via NOVA+.

■ Terms and effects

All costs incurred by Sonatel as part of the maintenance services and the innovation of the information systems for the Orange Money services will be billed to OFMS.

For the year 2017, the addendum n°2 generated no revenue.

3. Addendums no. 1 and 2 to the cooperation agreement with Orange

Concerned Administrators

- Mr. Bruno METTLING
- Mr. Thierry BRETON
- Mr. Ludovic PECH
- Mr. Fabrice ANDRE
- Mr. Thierry MARIGNY
- Mrs. Fatoumata Sarr DIENG

3.1 Addendum n°1 to the cooperation agreement with Orange

This addendum was signed on July 27, 2017 and extends by three (3) months starting on January 1, 2017 the cooperation agreement signed between ORANGE SA and SONATEL on December 18, 2013 and then effective from January 1, 2014. This addendum n°1 was replaced by the below addendum n°2.

The effects of this agreement and of his addendum are mentioned as the nineteenth point in this present report.

3.2 Addendum n°2 to the cooperation agreement with Orange

This is an addendum signed on July 27, 2017 which aims for:

- The extension of the period for the cooperation agreement signed between SONATEL and Orange SA dated on December 18, 2013 over three years from April 1, 2017;
- The extension of the scope of the SONATEL Group to Orange Finances Mobiles Senegal and Orange Sierra Leone.

The effects of this agreement and of this addendum are mentioned as the nineteenth point in this present report.

4. Addendums no. 1 and 2 to the memorandum of understanding for capping of December 18, 2013

Concerned Administrators

- Mr. Bruno METTLING
- Mr. Thierry BRETON
- Mr. Ludovic PECH
- Mr. Fabrice ANDRE
- Mr. Thierry MARIGNY
- Mrs. Fatoumata Sarr DIENG

4.1 Addendum n°1 to the memorandum of understanding for capping of December 18, 2013

This addendum was signed on July 27, 2017 and extends by three (3) months starting on January 1, 2017 the memorandum of understanding for capping signed on December 18, 2013 between ORANGE SA and SONATEL. This addendum n°1 was replaced by the below addendum n°2.

The effects of this agreement and of its addendum are mentioned at the twentieth point in this present report.

4.2 Addendum n°2 to the memorandum of understanding for capping of December 18, 2013

This is an addendum signed on July 27, 2017 which aims for:

- The extension of the period for the memorandum of understanding for capping signed between SONATEL and Orange SA dated on December 18, 2013 over three years from April 1, 2017;
- The extension of the scope of the SONATEL Group to Orange Finances Mobiles Senegal and Orange Sierra Leone.

The effects of this agreement and of this addendum are mentioned at the twentieth point in this present report.

5. Shareholder loan agreement with the Orange Services Group (OSG)

Concerned Administrators

- Mr. Alioune NDIAYE
- Mr. Fabrice ANDRE
- Mrs. Fatoumata Sarr DIENG

Nature and purpose

This loan agreement was authorized during the 172nd meeting of the Board of Directors of Sonatel SA on February 16, 2017 and signed on January 8, 2018 effective retroactively on April 25, 2017. It consists of a loan without disbursement that releases the OSG from its overdue debt held by SONATEL SA for the amount of XOF 1 000 million turned into a shareholder loan. The parties will agree on modalities for the reimbursement of the balance of SONATEL SA receivables.

Terms and effects

This shareholder loan of XOF 1 000 million at a yearly rate of 7.5% is agreed upon for a period of 24 months with a grace period of 12 months in accordance with the amortization table. For the year 2017, no payment was made.

6. Assistance agreement with Orange (SL) LTD

Concerned Administrators

- Mr. Alioune NDIAYE
- Mr. Fabrice ANDRE

Nature and purpose

It consists of an assistance agreement between SONATEL SA and Orange (SL) LTD authorized during the 171st meeting of the Board of Directors of SONATEL SA on September 18, 2016 and signed on March 1, 2018 to be effective retroactively on July 19, 2016.

This agreement is intended to determine the modalities and conditions under which SONATEL will transfer its expertise to Orange (SL) Ltd and will offer services to Orange (SL) Ltd in order to enable it develop its activities in a competitive and sub-regional development-oriented environment and

to benefit from all the available synergies within the SONATEL Group. This agreement provides, in particular for:

- A transfer of SONATEL's know-how in the areas of strategic, regulatory, financial, technical, commercial and administrative planning, as well as planning for innovation, quality and optimization of processes, purchasing, human resources, and in the areas of management audit, and, fraud and revenue assurance;
- Permanent assistance services through the permanent availability of experts as well as total or partial availability of tools and financial, commercial, technical or operational management software within the bounds of the telecommunication regulations and the rules defined in Senegal and Sierra Leone:
- One-time assistance services upon request of Orange (SL) Ltd.

Terms and effects

In exchange for the transfer of know-how and manpower, Orange (SL) Ltd disburses to SONATEL SA a fixed annual fee calculated based on 3% of the tax-free turnover of the management fees paid directly to the Orange Group.

The services provided by the Director will be billed at XOF 9 million/month per person.

Experts assigned on a permanent basis will be billed at XOF 7 million/month per person.

The billing for the temporary experts stands at XOF 350 000/day per person, excluding transportation and accommodation expenses.

The use of the management software and tools of SONATEL SA will be charged on a pro-rata basis of the used resources.

Base: (amortization amount + maintenance fees) + 15%.

For the year 2017, this agreement generated revenues for the total amount of XOF 1 060 million broken down as follows:

In million XOF	
Seconded staff	433
One-time assistance	5
Management fees	622
Total	1 060

However, in accordance with article 440 of the Uniform Act of OHADA relevant to the rights of commercial businesses and of the Economic Interest Groups, we were informed that execution of the following agreements under the article 438 of the cited and approved in the previous years was maintained in the past fiscal year.

7. Assistance agreement with Orange Finances Mobiles Senegal (OFMS)

Concerned Administrators

- Mr. Alioune NDIAYE
- Mr. Thierry MARIGNY

■ Nature and purpose

This agreement was authorized by the 166th session of the Board of Directors that took place on April 14, 2016. It was signed on the same date between OFMS and SONATEL SA. The agreement was subject to an addendum signed on December 23, 2016. The agreement and addendum took effect retroactively on January 1st, 2016.

The agreement and its addendum n°1stipulates, in particular:

/ A transfer of know-how from SONATEL in the following areas:

- Strategic planning,
- Financial,
- Technical,
- Commercial,
- Management audit,
- Human resources management,
- Purchasing.

/ Management support services, provided by SONATEL to OFMS through the availability of permanent experts;

/ One-time assistance services at the request of OFMS. It involves services in the following areas:

- Legal advice and studies,
- Litigations,
- Finance and accounting,
- The use of SONATEL's management tools,
- SONATEL's expertise in the implementation high-tech equipment ...,
- Specialized services regarding the telephone lines, and operation services.

/ The distribution of the Orange Money product to wholesalers;

/ Cash in and out services for the Orange Money customers in the agencies;

/ Management of the customer hotlines:

/ Assistance in the field of marketing.

Terms and effects

In exchange for the transfer of know-how and staff, OFMS pays a fixed annual management fee to SONATEL SA determined on the basis of 1% of OFMS annual tax-free turnover.

Staff costs assigned on a permanent basis for the governance and management of OFMS will be fully covered by OFMS. SONATEL SA will charge the actual gross cost for the staff assigned on a permanent basis with a 15% margin.

Permanently assigned experts will come up to XOF 7 million/month per person.

The bill for temporary exports will be XOF 350 000/day per person.

Legal advice and studies will be charged by SONATEL SA at the flat rate of XOF 5 million. In case of the use of external experts by SONATEL, OFMS will bear or reimburse the entire fees and charges associated with the recourse.

Assistance services for litigations charged by SONATEL SA consist of reimbursement of attorney, notary and bailiff fees in the production of invoices. In case of the use of external experts by SONATEL, OFMS will bear or reimburse the entire fees and charges associated with the recourse. Management for accounting and fiscal activities will be charged at the flat annual rate of XOF 20 million.

Management for purchasing and logistics activities will be charged annually proportionate to the affected resources.

Management for fraud and revenue assurance activities will be billed at the annual flat rate of XOF 20 million.

Used building, energy and security of administrative sites will be charged annually based on the used square footage.

The use of applications and SI will be billed annually proportional to the licenses exploited by OFMS (base = (amortizations + maintenance charges) + 15%).

/ Distributors commissions

- 0.24% for volumes ≤ XOF 100 billion.
- 0.20% for volumes > XOF 100 billion.

/Hotline: prorated based on the affected resources.

/ Marketing Assistance: proportional to the affected resources.

Commercial contracts will be signed between the parties and invoiced in accordance with the catalog of rates of each party.

The total amount of XOF 2 110 million was recorded for the year 2017 in satisfaction with the agreement. The amount can be broken down as follows:

In million XOF	
Management fees	115
Seconded staff	181
Legal, regulatory and collection services	5
Accounting and taxation assistance	20
Fraud and Revenue Insurance Management	20
Handling of Purchasing and logistics	3
SI Management	2
Marketing and Communication assistance	1 228
Distributor commissions	403
Hotline	133
Total	2 110

8. Concession renewal agreement

Concerned Administrators

- Mr. Thierno FALL
- Mr. Abdoulaye DIOP
- Mr. Bassirou Samba NIASSE

■ Nature and purpose

An agreement was signed on June 21, 2016 between the Government of Senegal and SONATEL SA ahead of the renewal of the concession expiring on August 8, 2017. This agreement also includes the modalities for the purchase of 4G frequencies.

This agreement was first authorized by the Board of Directors of SONATEL SA during their 167th meeting of June 20, 2016.

The concession renewal relates to the establishment and exploitation of the public telecommunication networks and the rendering of telecommunication services for a period of 17 years from August 9, 2017. At the same time, the Government of Senegal is committed to attributing 4G frequencies for a period of 17 years from the date of signature based on the decision to grant frequencies on August 3, 2016.

Terms and effects

The costs for the renewal of the concession agreement of SONATEL SA as well as the attribution of 4G frequencies of total XOF 100 billion can be broken down as follows:

- XOF 68 billion for the renewal of the 2G/3G fixed global license;
- XOF 20 billion for the attribution of 2 x 10 MHz frequencies in the 1800 MHz band;
- XOF 12 billion for the attribution of 2 x 10 MHz frequencies in the 800 MHz band.

The amount is paid in the following manner:

- XOF 50 billion payment in July 2016, following the release in the official journal of the Republic of Senegal of the new versions of the concession agreement and design brief as well as the signing of the decision to grant 4G frequencies. The first installment relates to the payment of XOF 32 billion for the attribution of 4G frequencies and to the payment of XOF 18 billion as down payment for the 2G/3G fixed global license;
- Payment of the balance for XOF 50 billion in January 2017, which is the remaining balance for the renewal of the 2G/3G fixed global license.

For year 2017, SONATEL SA disbursed XOF 50 billion for the payment of the balance.

9. Loan agreement with Orange Mali

Concerned Administrators

- Mr. Alioune NDIAYE
- Mr. Thierry MARIGNY
- Mr. Fabrice ANDRE

■ Nature and purpose

This loan agreement between Orange Mali and SONATEL SA was signed on April 14, 2016.

It consists of a short-term loan of XOF 40 billion for a one-year period as of April 20, 2016. This loan is solely to finance the payment by Orange Mali to SONATEL SA for due dividends for the year 2015.

Terms and effects

The loan granted by SONATEL SA has an annual interest rate of 5%. The interests start from April 20, 2016 and are paid semi-annually. The granted loan is not subject to disbursement from a bank account of Orange Mali. It is to be directly deducted from the dividends due by Orange Mali to SONATEL SA.

The loan was fully repaid during the year 2017 and generated in SONATEL SA books interest revenues for the amount of XOF 306 million.

10. Shareholder loan Orange (SL) Limited

Concerned Administrators

- Mr. Alioune NDIAYE
- Mr. Fabrice ANDRE

Nature and purpose

Sonatel SA acquired on July 19, 2016 50% of the capital of Airtel (SL) Limited (now Orange (SL) Limited) from Atlas Countries Support Nederland B.V. (the seller). This acquisition was authorized by the Board of Directors during its 169th session on July 18, 2016.

In the Investment Protocol terms of July 19, 2016, SONATEL SA was to acquire 50% of the social capital and 50% of the shareholder loan for an amount equivalent to balance of the equity loan and unpaid interests on the date of execution of the operation in Sierra Leone.

Terms and effects

On the acquisition date of the subsidiary Orange (SL) Limited, the latter had a global debt (shareholder loan) of USD 89 739 861 towards the former owner. In accordance with the terms of the acquisition contract, SONATEL SA proceeded to the reimbursement of 50% of the value of the shareholder loan, which is USD 44 869 930 on July 19, 2016.

The loan is attached to a yearly interest rate of 6%.

On December 31, 2017, the interests for the amount of XOF 257 million were recorded and the shareholder loan was converted into shares following the capital increase of Orange (SL) Limited.

11. Cooperation agreement with Orange Mali

Concerned Administrators

- Mr. Alioune NDIAYE
- Mr. Thierry MARIGNY
- Mr. Fabrice ANDRE

Nature and purpose

This consists of a technical cooperation agreement signed in August 2002 between SONATEL SA and Orange Mali in the following areas:

- Transfer of knowledge from SONATEL SA to Orange Mali
- Assistance services on a permanent basis by SONATEL SA in the areas of operational management, technical assistance, engineering and trainings,
- One-time assistance services at the request of Orange Mali for timely and specific projects,
- Provision by SONATEL at the request of Orange Mali of technical and commercial management tools.
- The use by Orange Mali of new SONATEL SA software.

The agreement has been subject to three addendums signed respectively on November 18, 2015, on December 23, 2008 and on December 23, 2011. The second addendum completes the benefits in the cooperation agreement and in addendum n°1 signed between the parties in 2002 and 2005. The third addendum was signed on December 23, 2011 effectively retroactively on January 1, 2011 and its purpose is to modify article 2.2 of the agreement signed in August 2002 relative to the payment of management fees.

In addition to the benefits already in planning in the two initial contracts, the parties agreed to mutually grant each other loans.

■ Terms and effects

In exchange for the provided services, Orange Mali will pay to SONATEL SA a fee computed at 3% of the net social turnover of the management fees, to be directly paid to SONATEL SA in accordance with the contract signed between Orange SA and Orange Mali.

The services provided on a permanent basis by the seconded staff are charged at XOF 7.5 billion per month and per agent for the positions of managing director and director, and for the amount of XOF 5.9 million per month and per agent for the other positions.

Temporary experts missions are charged at XOF 350 000 per day/person.

The use of the software of SONATEL SA will be charged pro-rata for the licenses exploited by Orange Mali based on (amortizations + maintenance charges) x 15%.

In respect with addendum n°2, the amount of the loans agreed upon by a party should not exceed at the time of the loan 60% of the average monthly treasury in the last 6 months.

The interest rate corresponds to the average rate on the last three term deposits enjoyed by the lender, increased by 0.25 point.

If due to the loan agreement the lender contracts a loan, the rate to apply will be the exit rate of said debt, increased by 0.25 point.

The amounts invoiced by SONATEL SA for year 2017 globally rise to XOF 7 875 million and can be broken down as follows:



12. Assistance agreement with Orange Services Group

Concerned Administrators

- Mr. Alioune NDIAYE
- Mr. Fabrice ANDRE
- Mr. Fatoumata Sarr DIENG

Nature and purpose

It consists of an assistance agreement in management by means of available experts on a permanent basis from SONATEL SA to Orange Services Group. This agreement was validated during the 155th meeting of the Board of Directors of SONATEL on September 18, 2014 and during the 14th meeting of the Board of Directors of the Orange Services Group SA.

The agreement was entered into for an unlimited period. It is effective retroactively as of January 1, 2014.

Terms and effects

In the case of a seconded expert, the invoice will be XOF 7 million/month per person (collaborator) and XOF 9 million/month per person if the collaborator is a Managing Director or an Assistant Managing Director.

In the case of a temporary expert, the invoice will be of XOF 350 000/day per person. This invoice does not include travel, accommodation and living expenses.

When it comes to the other assistance services, the invoice should be agreed upon between the parties before the effective launch in the execution of the requested service.

On December 31, 2017, the effects of this agreement did not cover the assistance agreement from permanent experts recorded at the total amount of XOF 116 million.

13. Assistance agreement with Orange Guinea

Concerned Administrators

- Mr. Alioune NDIAYE
- Mr. Thierry MARIGNY

■ Nature and purpose

It consists of an assistance agreement between Orange Guinea and SONATEL SA signed on August 6, 2017 which provides for notably:

- Transfer of knowledge from SONATEL SA to the profit of Orange Guinea in the areas of strategic planning, purchasing, human resources, and financial, technical and commercial management audit;
- Assistance services on a permanent basis from SONATEL SA with the availability of highly qualified personnel notably to exercise managerial positions;
- One-time assistance services at the request of Orange Bissau for timely and specific projects;
- The availability by SONATEL SA management tools for Orange Bissau.

■ Terms and effects

In exchange for the provided services, Orange Guinea will pay to SONATEL SA a fee amounting to 3% of the net turnover of the management fees paid directly to Orange SA in accordance with the contract between Orange SA and Orange Guinea.

For permanent assistance services, Orange Guinea will fully bear all the costs for the expatriate personnel made available by SONATEL SA for the amount of XOF 7 million/month per person. One-time assistance services will be charged by SONATEL SA to Orange Guinea at XOF 350 000/day per person.

The use of SONATEL SA software will be invoiced pro-rata based on the licenses exploited by Orange Guinea as follows: (amortizations + maintenance charges) x 1.15.

The amount recorded for 2017 for this agreement was XOF 3 958 million and can be broken down as follows:

In million XOF	
Seconded staff	578
Management fees	3 155
One-time assistance	2
SI Network	223
Total	3 958

14. Loan agreement with Orange Bissau

■ Concerned Administrators

- Mr. Alioune NDIAYE
- Mr. Thierry MARIGNY

Nature and purpose

This consists of a loan agreement between Orange Bissau and SONATEL SA signed on October 29, 2010 for the availability for Orange Bissau of a XOF 800 million short-term loan for a five-year period with a grace period of a year from the receipt date.

■ Terms and effects

The loan granted by SONATEL SA will be assigned at a 9.5% overall yearly rate. Interests accrue starting on the date the funds are available to Orange Bissau.

For the year 2017, the entire loan was paid back and interests accounted for, all for a total of XOF 7 million.

15. Assistance agreement with Orange Bissau

Concerned Administrators

- Mr. Alioune NDIAYE
- Mr. Thierry MARIGNY

Nature and purpose

This assignment agreement was signed between Orange Bissau and SONATEL SA on August 6, 2007 to provide for:

- Transfer of know-how from SONATEL SA to the profit of Orange Bissau in the areas of strategic planning, purchasing, human resources, and financial, technical and commercial management audit:
- Permanent assistance services from SONATEL SA the availability of highly qualified personnel namely to exercise management positions;
- One-time assistance services at the request of Orange Bissau for One-time and specific projects;
- Availability of management tools for Orange Bissau from SONATEL SA.

This agreement was subject to an addendum n°1 signed on July 9, 2008 with the aim to modify and to eliminate the terms of the agreement from August 6, 2017 relative to permanent personnel costs made available to Orange Bissau by SONATEL SA.

Article 2 to addendum n°1 of the agreement specifies that SONATEL SA will charge Orange Bissau the actual gross cost for the personnel provided on a permanent basis, with no margin as long as the EBITDA of Orange Bissau is negative.

An addendum was signed on December 23, 2011 actively retroactively on January 1, 2011 to modify article 2.2 of the agreement signed on August 6, 2007 relative to the payment of management fees.

■ Terms and effects

In exchange for the provided services, Orange Bissau will reimburse SONATEL SA 3% of the net social turnover of the management fees amounts deposited directly to the account of Orange SA in accordance with the contract signed between Orange SA and Orange Bissau.

In terms of permanent assistance services, Orange Bissau will fully bear to costs for the expatriated personnel made available by SONATEL SA. SONATEL SA will charge Orange Bissau the actual gross cost for the personnel made available on a permanent basis, with no margin as long as the EBITDA of the latter is negative.

One-time assistance services will be invoiced by SONATEL SA to Orange Bissau for the amount of XOF 350 000/day per person.

The use of SONATEL SA software will be charged on a pro-rata basis for the licenses exploited by Orange Bissau with the base: (amortizations + maintenance charges) x 1.15.

The amount recorded for the year 2017 relative to this agreement were XOF 707 million and can be broken down as follows:

In million XOF	
Seconded staff	143
Management fees	487
Network management	77
Total	707

16. Assistance agreement with Sonatel Mobiles

Concerned Administrators

- Mr. Thierry MARIGNY
- Mr. Alioune NDIAYE
- Mr. Fabrice ANDRE
- Mr. Ludovic PECH

Nature and purpose

This agreement was signed on December 21, 2012 (effectively retroactively on September 1, 2012) between SONATEL SA and SONATEL Mobiles. This agreement nullifies and replaces the agreement signed on September 23, 2008 as well as its addendums 1 and 2 on February 11, 2010 and July 20, 2010. This agreement provides among other things:

- / A transfer of know-how from SONATEL SA in the areas of strategic, technical and commercial planning and oversight;
- / A transfer of personnel to SONATEL Mobiles from SONATEL SA;
- / Management assistance services from SONATEL SA to SONATEL Mobiles via the availability of experts on a permanent basis;
- / One-time assistance services at the request of SONATEL Mobiles. It consists in particular of services in the areas of:
- Legal, regulatory and debt recovery,
- Commercial,
- Technical and computer-related,
- Use of SONATEL SA management tools and software,
- SONATEL SA expertise in the implementation of high-tech equipment,
- Management of the marketing and communication activities.
- One Card management (prepaid cards),
- Management and centralization of SONATEL Mobiles treasury by SONATEL SA,
- Management of the accounting and tax activities,
- Purchasing and logistics management,
- Management of the roaming and interconnection activities,
- Various services (site usages, materials, energy,).

This agreement was subject to an addendum authorized by the Board of Directors of SONATEL SA on April 19, 2014. The subject of this addendum was to complete the billing term of a service provided for in the assistance agreement.

Terms and effects

In exchange for the transfer of know-how and personnel, SONATEL Mobiles pays SONATEL SA a fixed annual fee computed based on 5% of the annual turnover.

Costs for personnel assigned on a permanent basis to participate in the governance and management of SONATL Mobiles will be fully covered by SONATEL Mobiles.

Experts assigned on a permanent basis will be invoiced for the amount of XOF 7 million/month per person. The bill for the temporary experts is to be at XOF 350 000/day per person.

Legal, regulatory and recovery assistance services will be charged by SONATEL SA at the flat rate of XOF 250 million.

The distribution of recharge cards and SIMs will be charged at respectively 4% and 10% of the turnover realized from distributors.

The parties agree that SONATEL SA will annually charge SONATEL Mobiles for a pooled management of the technical network: (amortization of pooled equipment + pooled equipment maintenance charges + pooled personnel charges) x 1.15.

The use of SONATEL SA software and management tools (Oracle and Decisional...) will be prorated based on the utilized resources.

In terms of management of marketing and communication activities, SONATEL SA will charge SONATEL Mobiles an annual flat rate equal to 1% of the annual turnover of SONATEL Mobiles outside of the consolidation scope. SONATEL Mobiles will reimburse the communication charges (including advertisement fees) paid by SONATEL SA. Advertisement fees are prorated to the turnover on Year N (excluding whole sale turnover).

Parties agreed that SONATEL Mobiles will bear the costs for the externalized technical hotline services. It will bill SONATEL SA for its part.

For the One-card management (prepaid cards), purchasing management costs of the cards will be charged according to the following method: number of cards used on the fixed line services x weighted average unit cast for the previous year.

SONATEL Mobiles will refund SONATEL SA the part of its turnover due to the latter.

For the Management and centralization of the treasury of SONATEL Mobiles by SONATEL SA:

- Payments received in SONATEL SA points and the write-off will be charged by SONATEL SA to SONATEL Mobiles at a rate of 2% of total amount collected;
- The loans granted mutually will be paid at a predefined rate depending on the nature of the loan. The expenses incurred by the operations on SONATEL SA bank accounts for the account of SONATEL Mobiles will be pro-rated based on the operations carried out;
- A compensation of the current accounts will be disbursed by SONATEL Mobiles based on the amount of the surplus and overdrafts of SONATEL Mobiles.

The management of the accounting and taxation activities will be billed at an annual flat rate of XOF 623 million.

The management of the purchasing and logistics activities will be invoiced at an annual flat rate of XOF 300 million.

The management of the roaming and interconnection activities will be charged at an annual flat rate of XOF 50 million.

The expenses related to 4G licenses will also be charged to SONATEL Mobiles.

For 2017, this agreement generated revenues for the total amount of XOF 41 640 million and can be broken down follows:

In million XOF	
Management fees	14 948
Counter payment collection	585
Marketing and communication: - Annual royalty - Communication fees - Advertising tax	2 930 (202)
One Card management: - Cost of card management - SONATEL shares in turnover	(11) 515
Legal, regulatory and collection assistance	250
Distribution of charging cards and SIM cards	9 320
Technical and IT management	948
Network management	7 290
ACL hotline HANDLING	1 929
Roaming and interconnection	50
Accounting and Taxation	623
Purchasing and logistics	300
Fees related to 4G	2 165
Total	41 640

17. Cooperation agreement with Sonatel Multimedia

Concerned Administrators

- Mr. Thierry MARIGNY

Nature and purpose

This technical assistance agreement was signed on December 21, 2012 (effective retroactively on September 1, 2012) between SONATEL SA and SONATEL Multimedia. This convention nullifies and replaces the agreement signed on December 17, 2007 as well as its addendums 1, 2 and 3 of March 3, 2009, October 15, 2009 and February 11, 2010. This agreement provides for:

- A transfer of SONATEL SA know-how in the areas of strategic, technical, and commercial planning and management audit;
- One-time assistance services (legal advice and studies, assistance in the areas related to litigations, collections of customers' receivables, service commercialization, the use of SONATEL SA management tools, vehicles and expertise, building leasing, hosting in equipment rooms, service providing, handling of the hotline and of the marketing and communication activities as well as the technical and IT activities, management and centralization of the treasury, management of purchasing, accounting and taxation, handling of the one-bill system).

Terms and effects

In exchange for the transfer of know-how, SONATEL Multimedia pays royalty fees (management fees) to SONATEL SA annually for 1% of the annual turnover, excluding taxes.

In terms of legal advice and studies assistance, SONATEL SA charges an annual flat amount of XOF 5 million taxes excluded.

For assistance in litigations, SONATEL SA charges the annual flat amount fee of XOF 5 million taxes excluded.

For accounting and treasury management and the handling of purchasing, inventories and taxation, SONATEL SA charges an annual flat fee of XOF 200 million taxes excluded.

SONATEL Multimedia pays:

- 2% of the amounts received in bill payments received by SONATEL SA;
- A 20% commission for ADSL access and 15% for professional solutions;
- An annual fee of XOF 200 million for technical and IT services;
- For the marketing and communication activities, an annual fee equal to 1% of the annual turnover outside of the group scope;

- XOF 350 000 per expert per day;
- For the one-bill service, an amount prorated to the used resources and 3% of the billed amounts for the service.
- For the use of management tools (Oracle ...), an amount prorated to the committed resources;
- For the handling of the hotline, an amount prorated to the used resources;
- For fees for communication over the internet, an amount equal to the proportion of the SONATEL Multimedia base on the fixed line overall base.

The amortization for SONATEL SA vehicles used by SONATEL Multimedia will be charged on a prorate basis depending on the use of each entity.

For the year 2017, this agreement generated royalties for the amount of XOF 1 334 million broken down as follows:

In million XOF	
Management fees	119
Legal advice and studies	5
Accounting, Treasury, Purchasing, Inventory, Taxes	200
Product marketing	86
Management tools (Oracle)	-
Hotline management	32
Technical and IT	260
Marketing and Communication	83
Use of vehicles	-
One-bill service	230
Litigation	5
Receivables collection	134
SI Mutualization	181
Total	1 334

18. Cooperation agreement with Sonatel Business Solutions

Concerned Administrators

- Mr. Thierry MARIGNY

■ Nature and purpose

This technical assistance agreement is an agreement between SONATEL SA and SONATEL Business Solutions signed on December 28, 2015 but effective retroactively as of June 8, 2015 and stipulates that:

- A transfer of know-how between SONATEL SA and SONATEL Business Solutions;
- Management assistance services on a permanent basis with the availability of experts in the governance and management of the company;
- One-time assistance services for the resolution of issues related to its organization (legal advice and studies, assistance with litigations, the use of SONATEL SA management tools, the use of SONATEL SA expertise, providing services, lease of equipment;
- Management and centralization by SONATEL SA of SONATEL Business Solutions treasury;
- Management of the accounting and taxation activities.

Terms and effects

In exchange for the transfer of know-how, SONATEL Business Solutions agrees to pay SONATEL SA an annual royalty equal to 1.5% of its turnover excluding taxes starting from the second year of operation.

Experts seconded on a permanent basis are billed at actual cost plus a 15% margin. The invoice for temporary experts is at XOF 350 000/day per person.

Legal advice and studies are billed by SONATEL SA for an annual lump sum of XOF 5 million. Assistance in case if litigation is billed based on the production of invoices at actual cost for lawyers, notaries and bailiffs expenses.

SONATEL SA will assist SONATEL Business Solutions in the implementation of accounting or financial management tasks whenever requested by the latter.

The use of SONATEL SA management tools is prorated based on the licenses exploited by SONATEL Business Solutions. (Base = (amortization amount + maintenance fees) x 15%).

Service suppliers are invoiced in accordance with the catalog of tariffs for SONATEL SA products and services.

Rental of equipment from SONATEL SA to SONATEL Business Solutions is charged according to the following terms: [(acquisition cost excl. VAT / amortization period in days) x number of loan days] x 1 15

The amounts recorded by SONATEL SA for the year 2017 under this agreement is XOF 558 million and were broken down as follows:



Cooperation agreement with Sonatel and Orange SA

Concerned Administrators

- Mr. Bruno METTLING
- Mr. Thierry BRETON
- Mr. Ludovic PECH
- Mr. Fabrice ANDRE
- Mr. Thierry MARIGNY
- Mrs. Fatoumata Sarr DIENG

Nature and purpose

It consists of a cooperation agreement signed on December 18, 2013 (effective on January 1, 2014) between SONATEL SA and Orange SA for a three (3) year period.

Through this agreement, Orange SA brings know-how to SONATEL SA and its Senegalese subsidiaries and provides the following services to SONATEL SA and all its subsidiaries:

- Transfer of know-how in all areas of operation and development of a telecommunications company (strategic planning, technical, regulatory, financial, information system, purchasing, etc.);
- Technical assistance on a permanent basis with the provision of permanent experts to participate in the management of the company and its subsidiaries;

- One-time technical assistance with the realization of specific projects, the resolution of issues related to its organization and exploitation.

For 2017, this agreement was subject to two addendums cited in point 3 of this report. Addendums n°1 and n°2 were signed on July 27, 2017 with the aim to extend the duration of the agreement respectively for three months up to March 31, 2017 and for three years as of April 1, 2017. Furthermore, addendum n°2 extends the scope of the SONATEL Group to Orange Finances Mobiles Senegal and Orange Sierra Leone.

Terms and effects

In exchange for the transfer of know-how and services rendered, SONATEL SA pays Orange SA an annual royalty equal to 0.31% of the turnover for the Senegal perimeter (SONATEL SA, SONATEL Mobiles, SONATEL Multimedia, SONATEL Business Solutions, and Orange Finances Mobiles Senegal), net of intragroup activities.

For 2017, the royalties recorded for this agreement and its addendums amounted to XOF 1 403 million.

As part of the cost for providing personnel, SONATEL SA charged back to Orange SA the expatriate staff expenses supported by SONATEL SA and which are outside of the package fixed by Orange SA. The charges re-invoiced by SONATEL SA amounted to XOF 445 million on 31 December 2017.

20. Memorandum of understanding between Sonatel and Orange SA

Concerned Administrators

- Mr. Bruno METTLING
- Mr. Thierry BRETON
- Mr. Ludovic PECH
- Mr. Fabrice ANDRE
- Mr. Thierry MARIGNY
- Mrs. Fatoumata Sarr DIENG

Nature and purpose

A memorandum of understanding was signed on December 18, 2013 (to be effective on January 1, 2014 between SONATEL SA and Orange SA. This memorandum is valid until December 31, 2016.

Orange SA and SONATEL SA agreed that the fee for the transfer of know-how of 0.31% applied on the annual turnover on the Senegal perimeter net of intra-group activities, is computed such that the sum of the royalties for the application of the Orange brand to the Senegal perimeter (SONATEL SA, SONATEL Mobiles, SONATEL Multimedia, SONATEL Business Solutions) and the total amount for the royalties in the transfer of know-how and the assistance services for the SONATEL Group does not exceed 1.43% of the consolidated turnover of the SONATEL Group for the 2013 financial year.

■ Terms and effects

In the event the royalties exceed 1.43% of the consolidated turnover of the SONATEL Group for the 2013 financial year, adjustments will be made such that the amount does not exceed the amount corresponding to 1.43% of the consolidated turnover of the SONATEL Group.

The royalty may not be less than 0.20% of the annual turnover of the Senegal perimeter net intragroup activities.

The SONATEL Group means SONATEL SA and its existing subsidiaries on November 1, 2011. New subsidiaries, registered outside of Senegal and that will join the perimeter of the SONATEL Group after that date, are excluded from the adjustment mechanism in the transfer of know-how.

On December 31, 2017, the surplus in royalty amounted to XOF 498 million with an equal amount effect on SONATEL SA revenues.

21. License agreement for the use of the Orange brand

Concerned Administrators

- Mr. Bruno METTLING
- Mr. Thierry BRETON
- Mr. Ludovic PECH
- Mr. Fabrice ANDRE
- Mr. Thierry MARIGNY
- Mrs. Fatoumata Sarr DIENG

■ Nature and purpose

This consists of a license concession agreement for the Orange brand between Orange Brand Services Limited, Orange SA and SONATEL SA.

These agreements, applicable as from the 2007 financial year, were the subject of an amendment signed on 9 April 2008 and provide for:

- The grant by Orange Brand Services Limited of a nonexclusive license to use the "Orange" brand,
- Authorization to manage and operate the Orange brand internationally, including the right to sublicense the use of the Orange brand in their territory,
- Pre-launch support and brand renaming services by Orange Brand Services Limited,
- Support in terms of marketing and communication in the form of know-how, training, assistance, brand expertise and other information and / or advice to help SONATEL SA and its subsidiaries.

This agreement was concluded for a period of 10 years.

■ Terms and effects

SONATEL SA agrees to pay Orange Brand Services Limited, or any other entity designated by it, an annual fee equal to 1.6 percent of the turnover excluding taxes for the activities marketed under the Orange brand.

The impact of this agreement on the 2017 financial year is XOF 12 million.

22. Reimbursement of Directors' fees

Concerned Administrators

- Mr. Bruno METTLING
- Mr. Thierry BRETON
- Mr. Ludovic PECH
- Mr. Fabrice ANDRE
- Mr. Thierry MARIGNY

■ Nature and purpose

This is a contract signed on 31 March 2012 between the JV (the company BUYIN SA), NatCo (SONATEL SA, SONATEL Multimedia, SONATEL Mobiles and SONATEL Business Solutions) and Orange SA.

The purpose of this contract is to set out the general terms and conditions for the collaboration between the JV and NatCo concerning purchasing activities within the scope of the JV.

The scope of the JV's purchasing activities includes:

- Network technology,
- Customer equipment,
- Service platform.

■ Terms and effects

This collaboration is without financial compensation.

Reimbursement of Directors' fees

In accordance with Article 432 of the OHADA Uniform Act on the law of commercial companies and the economic interest group, the Board of Directors of SONATEL SA, at its meetings of 9 April 2008 and 13 October 2009, authorized the reimbursement of hotel and travel expenses of the Directors between their normal place of business and the place of Board meetings or Board Committee meetings holding.

For 2017 fiscal year, no reimbursement of expenses was made on behalf of the Directors.

The Auditors

GARECGO
JPA INTERNATIONAL NETWORK MEMBER

MEMBRE D'ERNST & YOUNG

Mamour FALL, Partner

Makha SY, Partner

RACINE

On March 30, 2018

AGENDA AND TEXTS OF THE DRAFT RESOLUTIONS OF SONATEL REGULAR GENERAL MEETING DATED TUESDAY 17 APRIL 2017

- **1.** Review and approval of the financial statements for the year ended 31 December 2017,
- 2. Appropriation of profit for the year 2017,
- 3. Ratification of the co-optation of Mr. Bassirou Samba NIASSE,
- 4. Renewal of the term of office of Mr. Bruno METTLING,
- 5. Renewal of the term of office of Mr. Thierry BRUTON,
- 6. Renewal of the term of office of Mr. Fabrice ANDRE,
- 7. Renewal of the term of office of Mr. Ludovic PECH,
- 8. Approval of regulated agreements,
- 9. Powers for completion of formalities.

Draft resolution 1: Review and approval of the financial statements for the year ending december 31, 2017.

The General Assembly, having heard the reading:

- 1. Report of the Board of Directors on the Company's activities for the year ended December 31, 2017 and the financial statements for that year,
- 2. of the General Report of the Statutory Auditors on the financial statements for that year,

Approves the financial statements of SONATEL for the year ended December 31, 2017 as presented, as well as the transactions reflected in these financial statements and summarized in these Reports.

Consequently, taking note of the General Report of the Statutory Auditors, the Ordinary General Meeting gives full and unconditional discharge to the Directors and the Statutory Auditors of the performance of their duties for the year ended 31 December 2017.

Draft resolution 2 : Appropriation of the results for the year 2017.

The General Meeting, approving the proposal of the Board of Directors, decides to allocate the full income for the year ended December 31, 2017 in dividends. In addition, it decides to deduct XOF 3 088 044 627 from the free reserves to be distributed as dividends. Consequently, the Ordinary General Meeting sets the gross dividend for each share at XOF 1 667.

After deduction of 10 percent IRVM withholding tax, the net dividend of XOF 1 500 will be paid as of May 14, 2017.

Draft resolution 3 : Ratification of cooptation of Mr. Bassirou Samba NIASSE.

On the proposal of the Board of Directors and after deliberation, the General Meeting decides to ratify the coopting of Mr. Bassirou Samba NIASSE, co-opted at the meeting of the Board of Directors on November 2, 2017 to replace Mr. Cheikh Tidiane DIOP, who resigned.

Mr. Bassirou Samba NIASSE will remain in office for the remainder of his predecessor's term of office until the Ordinary General Meeting of Shareholders which will decide in 2019 on the financial statements for the year ended December 31, 2018.

Draft resolution 4 : Renewal of the mandate of administrator of Mr.Bruno METTLING.

The General Meeting notes that the term of office of Mr. Bruno METTLING expires at the end of this Ordinary General Meeting. It decides to renew the mandate of Mr. Bruno METTLING for a period of three (3) years which will expire at the end of the Ordinary General Meeting which will decide 2021 on the accounts for the year ended December 31, 2020.

Mr. Bruno METTLING, whose mandate was renewed, declares that he accepts this renewal and specifies that he is not subject to any incompatibility or prohibition that would prevent him from serving as a director.

Draft resolution 5 : Renewal of the mandate of administrator of Mr. Thierry BRETON.

The General Meeting notes that the term of office of Mr. Thierry BRETON expires at the end of this Ordinary General Meeting. It decides to renew the mandate of Mr. Thierry BRETON for a period of three (3) years which will expire at the end of the Ordinary General Meeting which will decide 2021 on the accounts for the year ended December 31, 2020.

Mr. Thierry BRETON, whose mandate was renewed, declares that he accepts this renewal and specifies that he is not subject to any incompatibility or prohibition that would prevent him from serving as a director.

Draft resolution 6 : Renewal of the mandate of administrator of Mr. Fabrice ANDRE.

The General Meeting notes that the term of office of Mr. Fabrice ANDRE expires at the end of this Ordinary General Meeting. It decides to renew the mandate of Mr. Fabrice ANDRE for a period of three (3) years which will expire at the end of the Ordinary General Meeting which will decide 2021 on the accounts for the year ended December 31, 2020.

Mr. Fabrice ANDRE, whose mandate was renewed, declares that he accepts this renewal and specifies that he is not subject to any incompatibility or prohibition that would prevent him from serving as a director.

Draft resolution 7: Renewal of the mandate of administrator of Mr. Ludovic PECH.

The General Meeting notes that the term of office of Mr. Ludovic PECH expires at the end of this Ordinary General Meeting. It decides to renew the mandate of Mr. Ludovic PECH for a period of three (3) years which will expire at the end of the Ordinary General Meeting which will decide 2021 on the accounts for the year ended December 31, 2020.

Mr. Ludovic PECH, whose mandate was renewed, declares that he accepts this renewal and specifies that he is not subject to any incompatibility or prohibition that would prevent him from serving as a director.

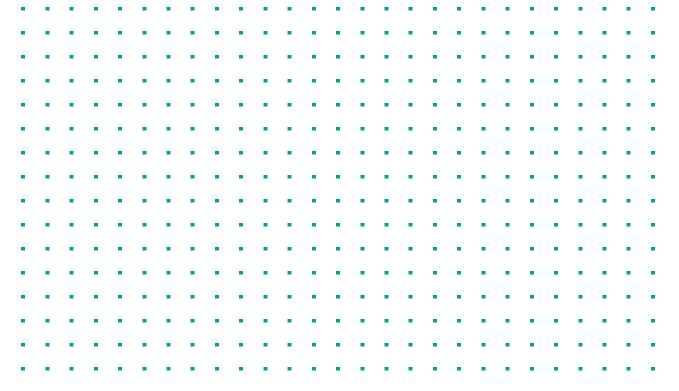
Draft resolution 8 : Approval of regulated conventions.

After hearing the Special Report of the Statutory Auditors on the agreements referred to in articles 438 et seq. of the Uniform Act of OHADA relating to the Law of Commercial Companies and the Economic Interest Grouping, the Ordinary General Assembly approves:

- Cooperation agreement signed with ORANGE,
- Memorandum of understanding for capping with ORANGE,
- Loan agreement signed with ORANGE Guinea,
- Addendum n°2 to the assistance agreement signed with ORANGE Finances Mobiles Senegal.

Draft resolution 9 : Powers for the completion of formalities.

The General Meeting grants full powers to the bearer of originals, copies or extracts of these resolutions to carry out all the formalities prescribed by the law.



Photos: Layepro

Costumes: Jah Gal



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