

# France Telecom Orange

## investor day conquests 2015

### Enterprise

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# leveraging our Enterprise assets to benefit from growth opportunities



## strong position in B2B markets

- an extensive product portfolio
- leader in France
- among the best global players

## leveraging key assets

- global delivery capabilities
- best-in-class customer experience
- engagement of our employees

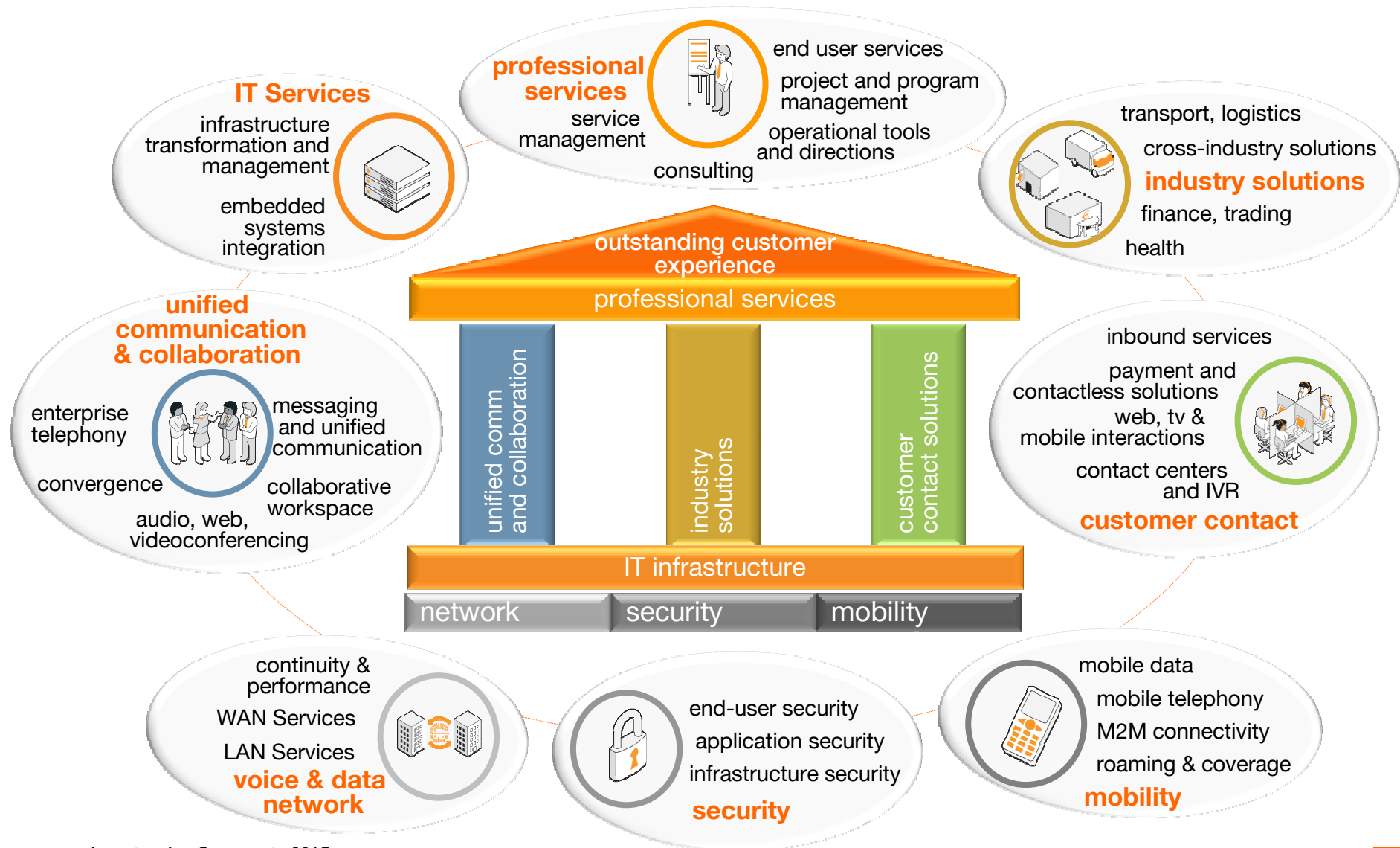
## conquests 2015 ambition

- back to growth
- maintaining EBITDA
- transforming our business

## growth areas

- very high broadband, cloud, video
- emerging markets
- b2b2c opportunities

# Enterprise, an extensive product portfolio to support businesses

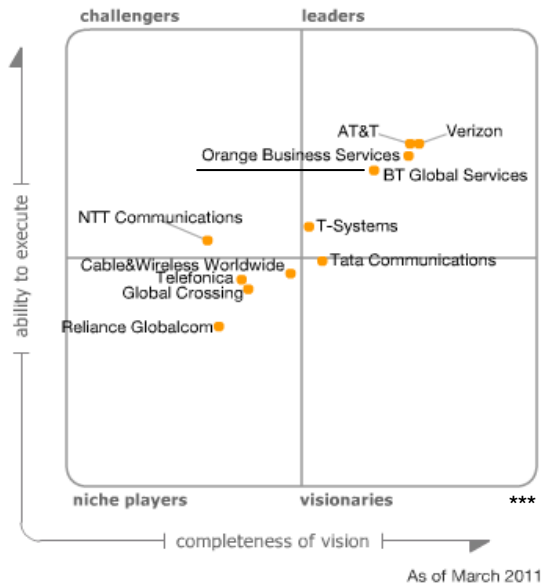


# Enterprise, a strong position in B2B markets

<b>Enterprise France</b>  + <b>Enterprise International (MNCs)</b>	<b>2010</b>  revenue <b>€7.2bn</b>  <b>EBITDA margin*</b> <b>18.3%</b>  <b>EBITDA - Capex</b> <b>€1.0bn</b>
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### leader in France

- serving SMEs and LNA (Large National Accounts) with telecommunications and services
- maintained strong market shares in Fixed Voice and Data services
- consistent strategy in developing connected IT services
- recognized\*\* player in the IT Services market in France for several years



### among the best global players

- ~3,700 multinational customers (MNCs)
- 320,000+ IP VPN access points worldwide
- presence in 160 + countries
- positioned as a leader in the Gartner “Magic Quadrant for Global Network Service Providers” - March 2011 \*\*\*

\* restated for Part-Time senior agreement

\*\* PAC (Pierre Audouin Consultants) 2010 ranking: Orange is Top 6 in the IT services market

\*\*\* Publication Date: 31 March 2011 ID Number: G00210099 © 2011 Gartner, Inc. Magic Quadrant for Global Network Service Providers Neil Rickard, Robert F. Mason.

This Magic Quadrant graphic was published by Gartner, Inc. as part of a larger research note and should be evaluated in the context of the entire report. The Gartner report is available upon request from Orange Business Services.

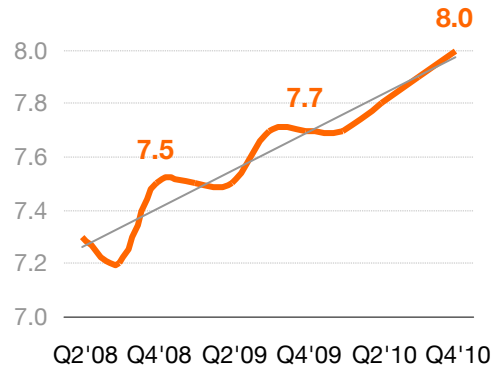


# Enterprise leverages key assets

## best-in-class customer experience & employees' engagement

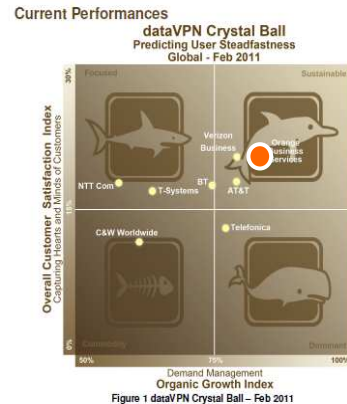
### customer loyalty #1 priority

- continuous improvement in our Customer Loyalty Index
- loyalty is key factor for growth as it impacts pipeline



### best-in-class player

- Orange rated best-in-class global data VPN provider by customers (Telemark benchmarking survey)



### recognized capabilities in delivery

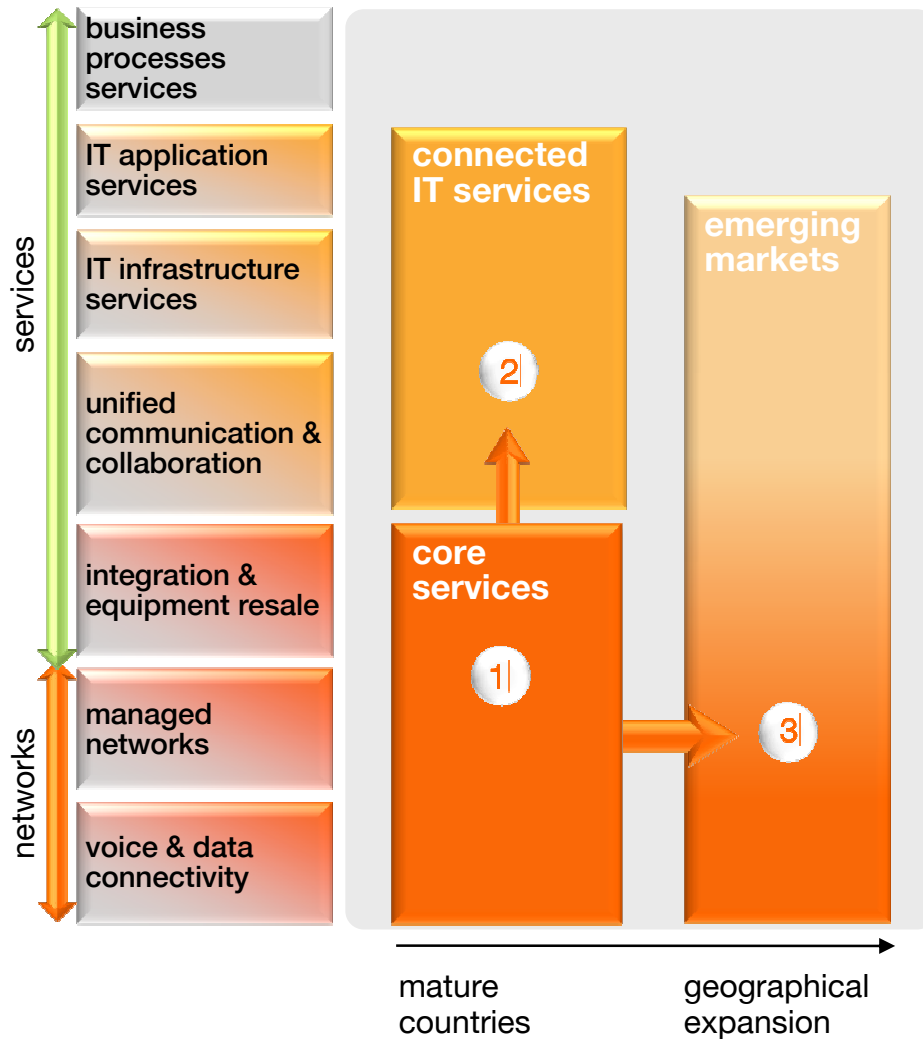
- 4 highly qualified Major Services Centers (MSCs) in Egypt, India, Brazil and Mauritius (3,000 staff)
- field Operations, Customer Service Management, Customer facing experts (2,400 staff in 115 countries)
- ability to deliver worldwide



### the expertise and engagement of our employees are our key asset

- 21,000 employees of which 3,000 are new, professional services skilled, who joined through acquisitions in France and India
- 5,000+ certifications tracked across 30+ different vendors and topics (Cisco, Microsoft, Nortel, Alcatel-Lucent, ITIL practice...)
- to get our employees fully aligned on the strategy: "Conquests 2015 Journey" training
- Enterprise has successfully adapted to crisis conditions in Egypt in order to maintain MSC service: business continuity plan

# our key strategic moves to grow revenue by €300+m by 2015



## 1| develop core services

- help our customers “IP transform”
- very high broadband
- video services

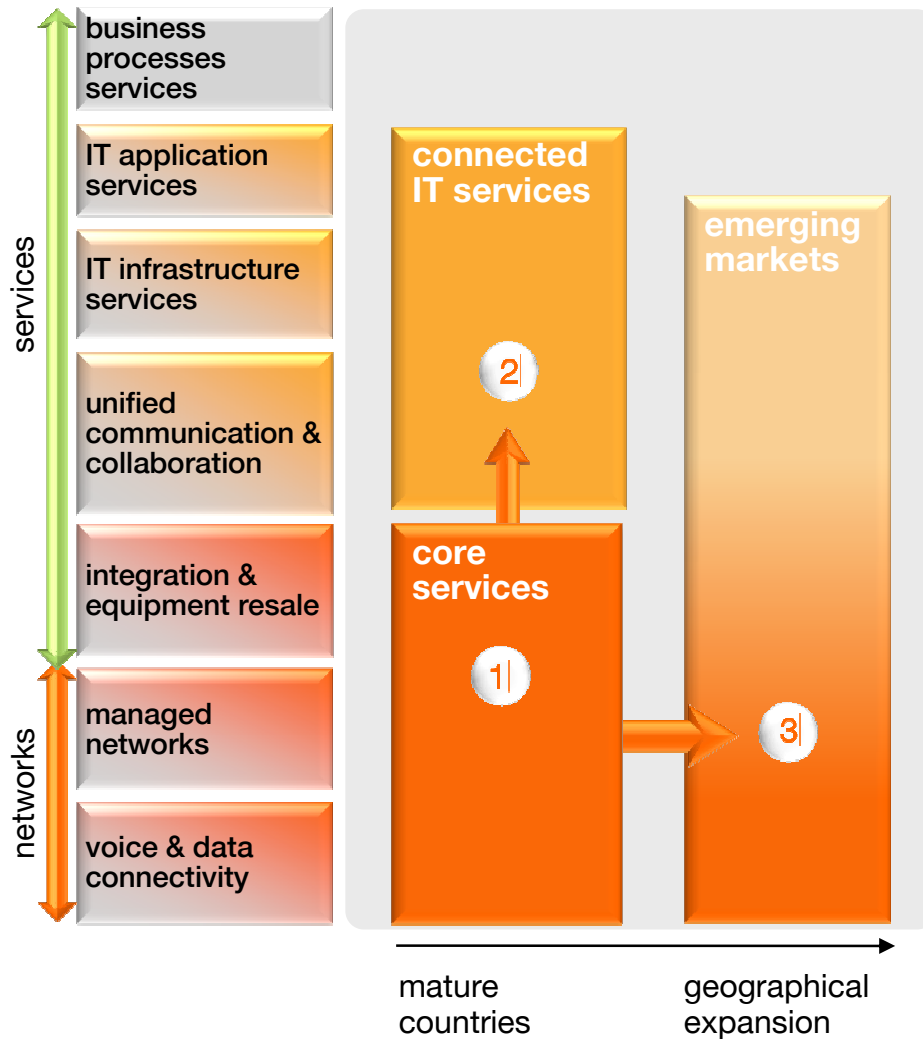
## 2| develop connected IT services

- cloud offers on all the market segments
- become the leader of IT convergence with French SMEs
- leadership position to develop unified communication and collaboration
- focus on selected verticals
- b2b2c as the next wave

## 3| reach €1bn with emerging markets

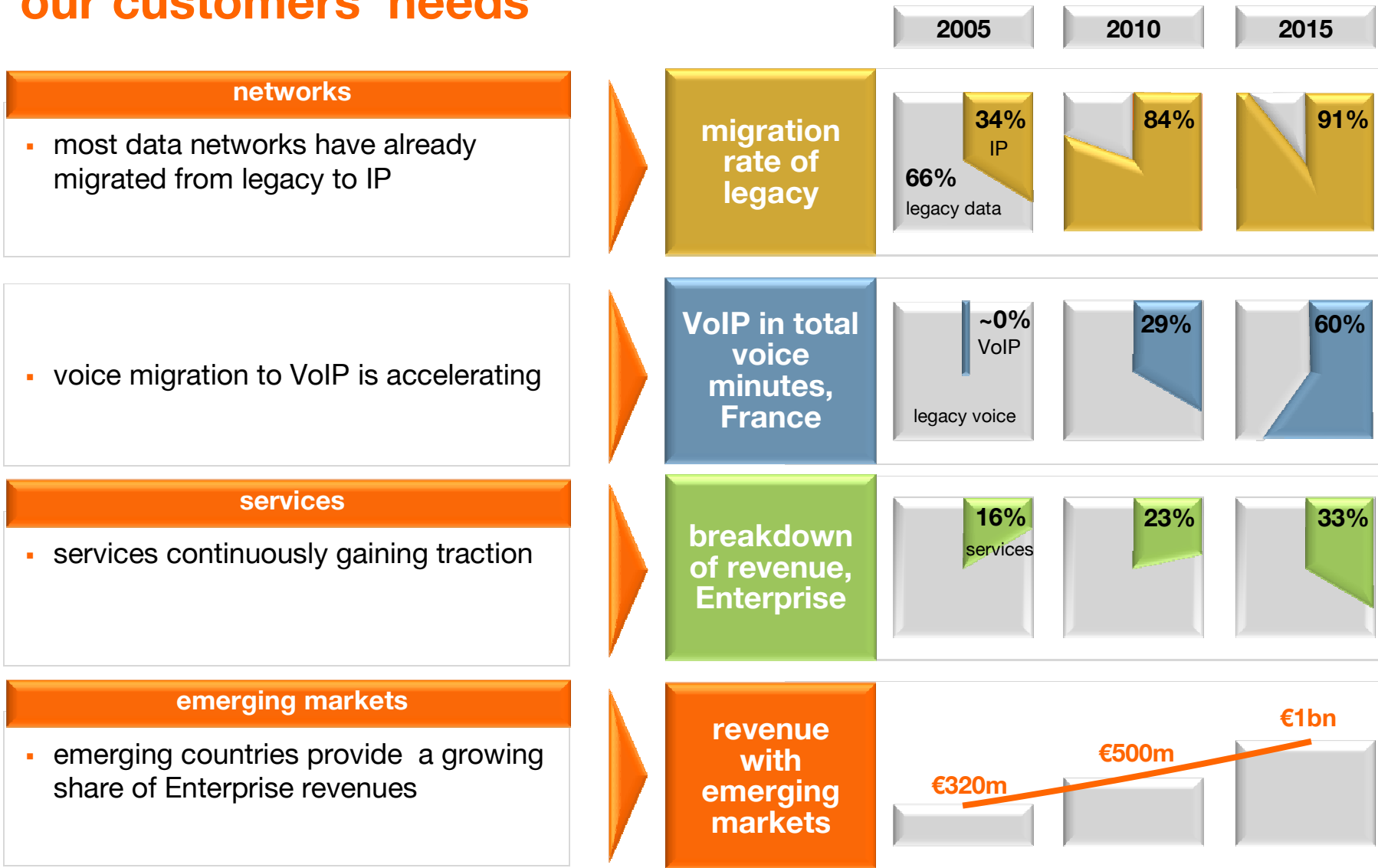
- help our customers go into emerging markets
- help companies from emerging markets go global

# our key strategic moves to maintain EBITDA

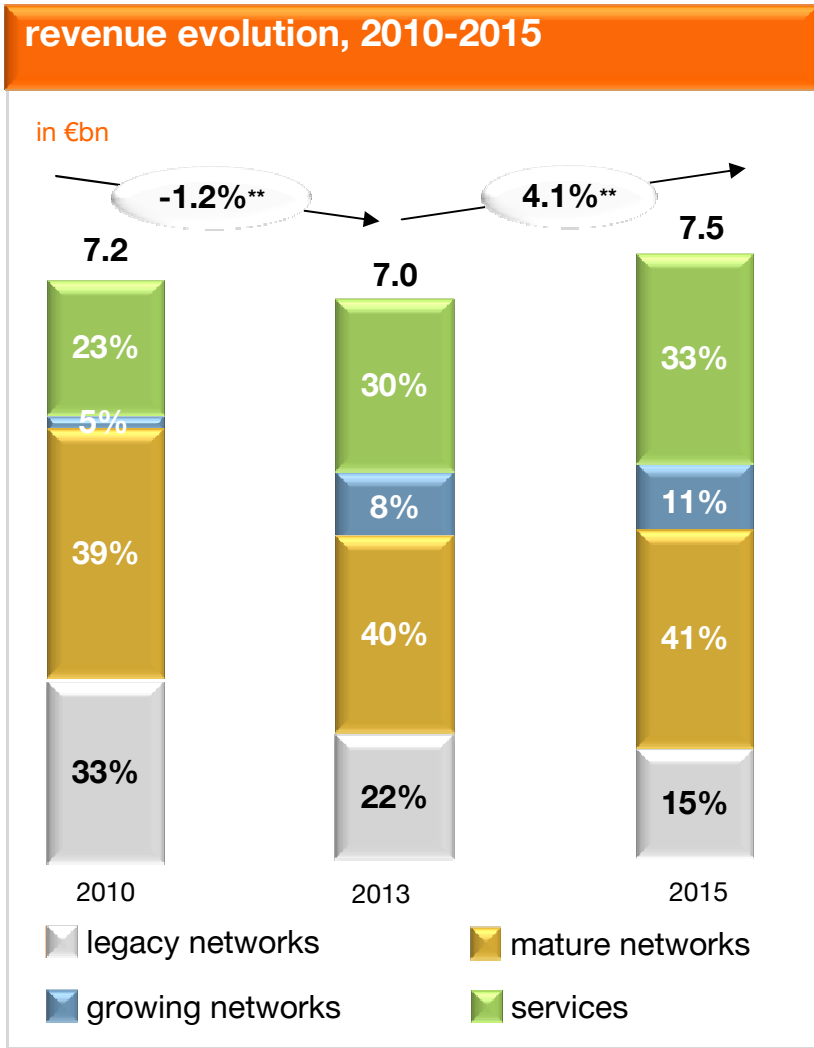


- 1 | protect core services**
  - protect the value of our networks thanks to very high bandwidth and value added services
  - partnerships to reduce international access costs
- 2 | develop connected IT services**
  - platform services with a higher proportion of recurring revenue
  - synergies with Orange France (cloud...)
  - strong profitability management on a per contract basis
- 3 | reach €1bn with emerging markets**
  - prioritize key countries
  - synergies with Orange countries
  - higher margins for services delivered in emerging markets
- 4 | keep improving our cost structure**
  - reshaping corporate activities
  - simplifying our portfolio
  - focus on margin control

# we are transforming our business to support our customers' needs



# growth areas will provide an increasing share of our revenue



### services

- unified communication & collaboration (UC&C)
- IT services and solutions
- cloud services
- customer contact solutions
- security solutions
- verticals (health...)
- b2b2c

**+ €0.8 bn\***

### growing networks

- IP voice
- video
- mobility management
- satellite

**+ €0.5 bn\***

### mature networks

- IP networks including very high broadband
- broadcast

**+ €0.2 bn\***

### legacy networks

- legacy voice and data

**- €1.2 bn\***

**growth with emerging markets**  
**+€0.5 bn\***



# zooming in on main growth areas

## the enterprise market continues to hold solid opportunities

### very high broadband

- FTTH / FFTO
- Ethernet
- satellite for remote areas

### cloud computing

- pay-per-use, scalable
- IaaS (Infrastructure): network, storage, back-up, computing
- Unified communications As A Service
- SaaS: more software vendors are on-line

### security

- remote access
- security suite: desktop, etc.
- device protection
- identity management
- certification
- compliance

### e-health / b2b2c

- eHealth
- smart metering
- connected cars
- e-gov/e-administration
- smart cities

### unified comm

- voice/data & fixed/mobile convergence
- collaborative applications: messaging, conferencing, document sharing
- collaboration 2.0: social platforms, content prod & sharing with Generation Y workers

### customer contact solutions

- multi-channels interactions: web, voice, video, mobile
- call collection
- transactions platform with new payment usages
- cloud or premise based solutions

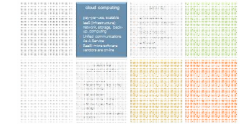
### video

- “seeing is believing”
- telepresence, video conference: intra & inter enterprise
- video content for enterprise: content management, B2C reach

### emerging

globalization of the economy  
reshaping of trading routes, esp. South-South  
most promising emerging countries as trade hubs: China, Russia, Saudi Arabia, India, South Africa, Brazil



# cloud computing services a strong opportunity



cloud computing services

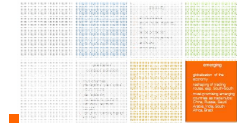
conquests 2015 ambition  
**€500+m**  
revenue in 2015

**€50m**  
revenue in 2010

<h3>market trends</h3> <ul style="list-style-type: none"><li>an addressable market growing faster than the software and IT Services market (2010-15CAGR &gt; 20%; €6 bn in 2010)</li><li>that allows easier penetration of IT Services for newcomers, especially for network operators who can articulate network + IT cloud services</li></ul>	<h3>where we stand</h3> <ul style="list-style-type: none"><li>comprehensive portfolio of IT infrastructure and applications delivered “as a service” to serve SMEs in France and multinational customers</li><li>fast growing pipeline in the last five months</li></ul>
<h3>customer successes</h3> <ul style="list-style-type: none"><li>Collaboration as a Service: +70 customers and 40k users in 1 year</li><li>Security as a Service: 60k users – up 60% since launch in Sept’09</li></ul>  	<h3>Orange levers</h3> <ul style="list-style-type: none"><li>a business for telcos: economies of scale, capex intensive, security, pay per use practice are critical success factors</li><li>Orange network capabilities are key to provide end to end delivery to CIOs</li><li>Enterprise plans investments in ww infrastructure with major partners</li></ul>



# help our customers go into emerging markets help companies from emerging countries go global

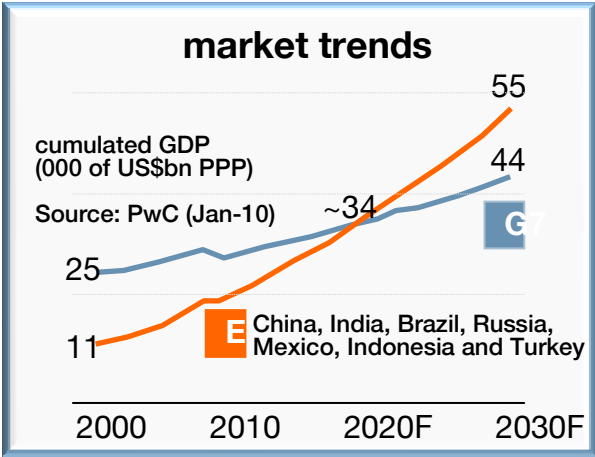


**emerging markets**

**conquests 2015 ambition**

**€1bn**  
organic revenue in 2015

**€500m**  
revenue in 2010



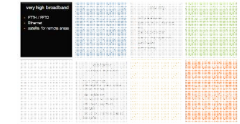
- ### where we stand
- double digit revenue growth of emerging regions
  - strong in Russia
  - Africa #1 plan for MNCs
  - focused acquisitions to complement organic growth and ensure resource availability in the most relevant geographies

- ### customer successes
- strong presence in selected verticals:
    - transport (SITA ...)
    - Ministries of Foreign Affairs
    - shipping
    - mining, oil&gas
- 

- ### Orange levers
- unrivalled presence in emerging markets
  - our 4 Major Service Centers are located in emerging countries (3,000 staff)
  - strong synergies with Orange footprint in MEA



# very high broadband to free up new possibilities for our customers



**very  
high broadband**

**conquests 2015  
ambition**

**€600+m**  
revenue in 2015

**€320m**  
revenue in 2010

## market trends

- consolidation of datacenters
- outsourcing of infrastructures and applications (cloud...)
- video a growing part of collaborative tools

volumes exchanged  
in enterprise networks  
will be multiplied by 4  
in the next 4/5 years

## where we stand

- VHB revenue includes fiber access to Internet, VPN and Ethernet solutions
- 16% of our VPN revenue in France generated from fiber accesses
- Ethernet coverage in 62 Countries (of which 30 in emerging countries)

## customer successes

- Legrand : 1 ultra secured access 1G + 5 accesses 100M in France, 1 site in Italy with International Ethernet Link 100M



## Orange levers

- a cloud and image ready network
- new pricing policy for fiber based IPVPN in France to boost customer demand
- extension of FTTO coverage: from 3,100 cities in 2010 to 4,500 cities in 2015
- leveraging FTTH deployment to upgrade the ADSL accesses of our customers
- further extensions of international Ethernet coverage to emerging countries

# videoconference: visual communication needs our high performance network



video conference

conquests 2015 ambition

**€150m**  
revenue in 2015

**€50m**  
revenue in 2010

**market trends**

- CAGR: 20 % 2011- 2015
- a worldwide market worth €5bn in 2012 (source Gartner)
- growth is mainly coming from services and immersive solutions

**where we stand**

- 400 telepresence rooms sold worldwide (immersive)
- 7,000 end points – meeting rooms
- revenues: +14% in 2010
- + 40% YoY in 1Q 2011

**customer successes**

- AkzoNobel 16-site fully managed Cisco TelePresence 24/7 end-to-end managed services in 3 continents
- Technip: Telepresence interoperated with Tata

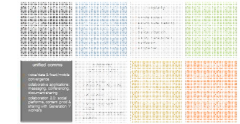


**Orange levers**

- one customer journey whatever the video technology and equipment
- interoperability: any equipment, any network
- extensive network and delivery footprint



# unified communication to facilitate collaboration



unified comm

conquests 2015  
ambition

€1.5bn  
revenue in 2015

€ 1.1bn  
revenue in 2010



## market trends

- CAGR 2011-2015: 14% in unified communications & collaboration infrastructure
- UC&C as a Service will gain market traction in the 2nd half of 2011.

## where we stand

- building complete UC&C solutions with the leading vendors as enablers : Microsoft, Cisco, Avaya, Alcatel-Lucent
- #1 unified communications integrator in France
- launched “all in one” ready solution for French SMB market including broadband, voice and collaborative tools powered by Microsoft

## customer successes

- integrated IP Telephony + managed Call Center services for up to 10,000 ports 
- fully managed, hosted Microsoft solution for unified communication & collaboration for 21,000 users 

## Orange levers

- value added by bringing interoperability, quality of service and a seamless experience whatever the type of access
- combining Orange assets and technologies of selected partners

# Enterprise ambitions for 2013 and beyond

