France Telecom investor day, June 10th 2004:

Building the integrated broadband communication services Group
Entreprise Strategy
We had promised

To grow IT & C services
- MHS: Ministère de la Justice, Réseau de Transport d’électricité, B*Capital-BNPP
- Communication infrastructure: PMU
- VoIP: Total, STMicroelectronics

To launch nomadism offers
- Increase of nomad customer base: +15 000 since Dec. 2003
- Increase in number of Hotspots: from 1000 to 3300
- Pilot customers in the pharmaceutical, automotive, insurance and banking sectors

To increase out-tasking and outsourcing services
- Large deals signed, including
  - AXA
  - ZURICH
  - JTI

To develop e-telephony services
- Launch on May 27th
- E-telephony for SMEs and small sites
  - 10 pilot customers
- Equant voice offering now available in 17 additional countries,
  - bringing the coverage to a total of 93 countries

Together with high focus on quality of service and cost reduction
Voice over IP: a clear leadership for the business market

- Research
  - FTR&D, pilot customer since 2000, with now 2300 IP phones

- Equant, leadership with Voice over IP VPN
  - 93 countries
  - 1300 connected sites
  - 10% of IP customers have already deployed VoIP Solutions

- IP call centre solutions
  - More than 3200 mixed positions & more than 1000 call centre positions

- IPBX management and integration
  - More than 10 000 full-IP positions

- The e-telephony service
  - 10 pilot customers since January 2003

Quality of service & Security are paramount
Our key priorities

- Telephony over IP / Voice over IP
- Broadband services
- Business Everywhere
- Call centres solutions
- Out-tasking and Outsourcing
France Telecom portfolio VoIP / ToIP

Products & Solutions Portfolio

- VoIP VPN
- IP call centers
- IPBX’s and Lan’s
- The e-telephony service (IP Centrex): launched in May 2004
- Convergence on IP VPN & Voice VPN: Q3 2004
- The Internet E-telephony pack: Q4 2004
- Integrated IPBX-IP Centrex: H1 2005

Customer references

ToIP Audit
- Roche
- EUROPA

On site ToIP
- tns sofres
- the sixth sense of business™

Hosted solutions
- ESA
- TOTAL
- ST
- LE ROY MERLIN
- QUELLE
- Ifremer
Telephony over IP: Customer benefits

- Every phone is my phone
- Videoconferencing, IM
- One LAN
- Simplified administration & maintenance
- Reduced maintenance & move add change costs
- On-net traffic costs reduced

Strong benefits related to services and productivity
Communication services integration delivers savings and services to our customers & additional value to the group.
A wide range of broadband services

- **Providing value and service to our SMEs**
  - Oléane Open Trans (Launched in May 2004)
    - A 69€ tariff including hosted mail, security features and a dedicated hot-line

- **Providing high bandwidth for LNAs & MNCs**
  - Symmetrical DSL from 4 Mbit/s in Q2 2004 to 8 Mbit/s in H1 2005
    - Offer with guaranteed throughput, Security and SLAs
  - Optical Ethernet for Metropolitan Area Networks (MAN)
    - MAN in Paris & Lille area (100 Mbit/s to 1Gbit/s)
    - 10 MAN to be opened in Q4 2004

More bandwidth, a better ergonomy enabling more services
Improving workforce productivity: delivering more value to our business customers

The unique strength of an integrated group
Enhance employee efficiency with a single, simple & secure connection to the best network available

Use the best available Network
- PSTN
- ADSL @ Home
- UMTS
- GPRS
- Wi-Fi public

Secure Access Single password

Users’ features
- Connection kit
- Password
- Security strategy
- Users services

IT manager services
- Contract
- Bill
- SLA
- Service deployment
- Reporting
- Administration services & tools
Business Everywhere: a strong nomadic customer base

Our first target
- Orange Business customer base
  - More than 3 millions end-users in Europe
- IP VPN customer base
  - in France

Our references:

- with Equant: more than 1300 IP VPN networks
Improve product & processes: e-contact solutions

Consulting & Audit
- Assessment of existing processes
- Recommandation
- ROI approach

Intelligent Flow management
- Multimedia contact
- Networked call centres and Virtual call centres
- Interactive vocal server and vocal guide

Contact management
- Welcome and magic numbers
- Clic to contact
- Qualimail

Make your customer loyal
Customize your processes & products
Know your customer

Optimize products & processes, helping our customers become more customer intimate
E-contact customer cases studies

- Quick ROI
- Number of calls per headcount increase
- Customer satisfaction increase

- Current organisation & infrastructure use
- Harmonized split of workload between sites
- Unified vision of all resources

- Low added-value task automation
- Easier CRM approach due to CTI
- Quality of service optimisation
- Full Integration in the company processes

- Unified voice & data network
- Evolution toward multimedia solutions, unified messaging & address book
Integration of communication services through a unified IP VPN network

1. IP VPN network
2. Multi-domestic DSL access
3. Nomadic access
4. Light clients
5. Hosted platforms

Service platforms
Transaction systems
Physical networks
Voice IP Centrex

New technologies enable a better integration
OnLine Solutions for the SME market

- My phone e-telephony (Q2 2004)
- My customer care
- Hosted Multicanal contact (H1 2005)
- My e-mail and Internet
- Oléane Open (Q2 2004)
- My network
- Oléane VPN
- My applications
- Partners

Broadband Access

IP network

- GSM
- GPRS
- UMTS
- Wi-Fi
- ADSL

Nomadic Employees

My customer care

My applications

Partners
Integrating communication services for the corporate market

The Appeal of Provider-Managed Solutions

- Required Level of Customer
- Expertise & Resources

Outsourced Solutions

Out-Tasked Options/Managed services

Unmanaged Transport-Centric Services

- Required Level of Provider
- Expertise & Resources

Solutions adapted to the context and needs of each customer
European Enterprises Target Cost Reduction & Business Process Support

Percent of IT executives saying it's a high priority to support the company by:

- Lowering the company's overall operating costs: 45%
- Improving product and/or process quality: 34%
- Improving work force productivity: 30%

Base: IT decision-makers at Western European companies (multiple responses accepted)

Source: December 2003 Forrester Business Technographics Data Overview “Western Europe’s IT Outlook for 2004”

Source: Forrester Research, June 2003 (518 companies), “How Companies Govern Their IT Spending”
An evolving business:
a clear roadmap toward a service company

Solutions

Products

Nomadism

ASP services
Outsourcing

CRM

MHS

CPEs management

Telecom

IT Infrastructure

A real business transformation
## A clear roadmap

<table>
<thead>
<tr>
<th>From out-tasked options to full outsourcing</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2004</td>
<td></td>
<td>• IP VPN solution for franchise &amp; distribution business</td>
</tr>
<tr>
<td>Q4 2004</td>
<td></td>
<td>• End-to-end application monitoring services (flow management)</td>
</tr>
<tr>
<td>Q1 2005</td>
<td></td>
<td>• New applicative services for SMEs</td>
</tr>
<tr>
<td>Q2 2005</td>
<td></td>
<td>• Full convergence on voice VPN &amp; mobile VPN for major accounts</td>
</tr>
<tr>
<td>Q4 2004</td>
<td></td>
<td>• IP Centrex (e-telephony)</td>
</tr>
<tr>
<td>Q1 2005</td>
<td></td>
<td>• Convergence of voice VPN &amp; VoIP</td>
</tr>
<tr>
<td>Q2 2005</td>
<td></td>
<td>• E-telephony internet pack</td>
</tr>
<tr>
<td>Q1 2005</td>
<td></td>
<td>• Integrated IPBX-IP Centrex</td>
</tr>
<tr>
<td>Q4 2004</td>
<td></td>
<td>• New functions in multicontact offers (IVS, vocal recognition)</td>
</tr>
<tr>
<td>Q1 2005</td>
<td></td>
<td>• Hosted contact solutions for SMEs</td>
</tr>
<tr>
<td>Q2 2005</td>
<td></td>
<td>• Offer launch for enterprises</td>
</tr>
<tr>
<td>Q1 2005</td>
<td></td>
<td>• Offer launch for Equant customers</td>
</tr>
<tr>
<td>Q4 2004</td>
<td></td>
<td>• Extension with IM &amp; VoIP &amp; new services</td>
</tr>
<tr>
<td>Q1 2005</td>
<td></td>
<td>• SDLS 4Mg Broadband access</td>
</tr>
<tr>
<td>Q2 2005</td>
<td></td>
<td>• Optical Ethernet in 10 MAN areas</td>
</tr>
<tr>
<td>Q1 2005</td>
<td></td>
<td>• SDSL 8Mg Broadband access</td>
</tr>
</tbody>
</table>

### ToIP offers

<table>
<thead>
<tr>
<th>Q2 2004</th>
<th>Q1 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>• IP Centrex (e-telephony)</td>
<td></td>
</tr>
<tr>
<td>• Convergence of voice VPN &amp; VoIP</td>
<td></td>
</tr>
<tr>
<td>• E-telephony internet pack</td>
<td></td>
</tr>
<tr>
<td>• Integrated IPBX-IP Centrex</td>
<td></td>
</tr>
</tbody>
</table>

### CRM offers

<table>
<thead>
<tr>
<th>Q4 2004</th>
<th>H1 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>• New functions in multicontact offers (IVS, vocal recognition)</td>
<td></td>
</tr>
<tr>
<td>• Hosted contact solutions for SMEs</td>
<td></td>
</tr>
</tbody>
</table>

### BusinessEverywhere offers

<table>
<thead>
<tr>
<th>Q2 2004</th>
<th>H1 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Offer launch for entreprises</td>
<td></td>
</tr>
<tr>
<td>• Offer launch for Equant customers</td>
<td></td>
</tr>
<tr>
<td>• Extension with IM &amp; VoIP &amp; new services</td>
<td></td>
</tr>
</tbody>
</table>

### Broadband offers

<table>
<thead>
<tr>
<th>Q2 2004</th>
<th>H1 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>• SDLS 4Mg Broadband access</td>
<td></td>
</tr>
<tr>
<td>• Optical Ethernet in 10 MAN areas</td>
<td></td>
</tr>
<tr>
<td>• SDSL 8Mg Broadband access</td>
<td></td>
</tr>
</tbody>
</table>