



Press Kit

Orange brings its B2B strategy to new levels

30 months after launching Orange Business Services - *as the brand name for services offered to businesses worldwide* -, which has reinforced its global leadership on the B2B market during this period and is showing profitable growth; the France Telecom group is creating the Enterprise Line of Business.

The Enterprise Line of Business is to be a new driving force to boost Orange B2B strategy to unmatched levels - *financials, portfolio, reach, customers care...*-, by leveraging the strong dynamic of Orange Business Services and of the domestic B2B activities within Orange countries.

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June 2006 / Dec 08: 30 months to position Orange Business Services as the best global operator.

On June 1st 2006, Orange Business Services was launched as the new name for Equant and the business operations of France Telecom and Orange in the global market ; this new ensemble being largely focused on multinational (*MNCs*) and large domestic (*LNAs*) customers.

Since that time, Orange Business Services has confirmed and reinforced its position as the best global operator, as acknowledged by numerous respected awards and recognitions.

In 2008, for the third consecutive year, Orange Business Services was awarded "Best Global Operator" by the World Communication Awards - *which are clearly a reference in the industry* -, while Orange was honoured as "Best Mobile Operator".



Orange Business Services' revenues, which were more than 7.7 billion euros in 2007, grew by 2,3% - 5.7 billion euros - in the first 9 months of 2008. Orange Business Services has successfully and consistently carried out its transformation strategy to move from a pure network provider to a communications integrator, enabling our customers to do "real-time business".

Orange Business Services supports an ever-widening range of communication-critical applications like: customers relationship management - *CRM* -, unified messaging, collaboration, machine-to-machine, advanced access applications among others. These new "real time" communication services allow customers to create new services and revenues, to be flexible and reactive, to optimize costs, to secure operations, to eliminate the barriers of distance and time.

Revenues generated by these new services have significantly increased in the first 9 months of 2008:

- **+8.0%** on a comparable basis for Advanced Business Network Services, ie services supporting our customers' IP transformation - *such as VoIP, convergent services, Telepresence ...* - ;

- **+16.1%** on a comparable basis over the first 9 months of 2008 for Extended Business Services, ie our new "real time" communication services allowing customers to create new services and revenues - *such as Machine to Machine (M2M), e-payment, virtualization ...* - .

Consequently, 30 months after launch, Orange Business Services has succeeded its service expansion, both on a portfolio - *ever-widening range of communication-critical applications*- and on geographical - *reinforced presence in new markets* - stand point ; and has been able to leverage its core competencies to outpace the market level of growth for ICT services.

2008: Orange brings its B2B strategy to new levels

In 2008, the Orange decided to create the Enterprise Line of Business to accelerate growth within the enterprises segment, by leveraging the strong dynamic of Orange Business Services and of the domestic B2B activities within Orange countries.

These domestic B2B activities within Orange countries are very important: SOHOs and small business are n°1 customer segment within Orange, spread out through a dozen Orange countries, and representing more than 8€Bn of revenues – *non audited & non reported figure* - .

Thanks to the Enterprise Line of Business, Orange B2B footprint will be one of the largest in the industry, on a worldwide basis.



Orange is big for business

This new ensemble of B2B assets is quite unique on the global market place:

- On a revenues stand point

- **B2B revenues** represent **30% of the overall Group revenues**, approx 16 €Bn - *non audited & non reported figure* - ;
- the current growth rate of these B2B revenues is over 2%;
- a good profitability ensuring a long standing stability - *during the first 9 months of 2008, the GOM at the Group level were up by 3.3%* -.

- On a portfolio stand point

- through our 3 waves strategy – *connectivity / IP transformation / real-time business* - , we are offering the entire scope of B2B solutions, ranging from network services up to communication critical applications ;
- our roadmap supports the Orange countries' business transformation, in line with their respective development levels.

- On a customer-oriented approach stand point

- our scope of services is able to support all types of company requirements, from local SOHOs to MNCs. SOHOs & SMEs representing more than 60% of our B2B revenues.

- On a geographical presence stand point

- **30 000 people** making our B2B services available in **220 countries & territories**, spread out in 166 countries and ensuring a **key domestic player** position in **27 countries**,
- a dynamic emerging markets approach: strong presence in BRIC countries - *Brazil, Russia, India, China* -, and n°1 market share position in 6 African countries.

The Enterprise Line of Business will drive these ambitions by developing a common vision of the B2B activities, providing support and challenging the countries.



1/ Orange is for business

Orange's business customers benefit from unmatched assets:

- **world's largest network**, present in 166 countries, with network reach in 220 including:
 - **151** countries for IP VPN;
 - **150** countries for Wi-Fi mobile access with Business Everywhere;
 - **102** countries for voice over IP on-net services;
 - **70** countries for DSL access;
- Telepresence-ready in **34** countries (65 cities) and can extend to **104** countries through international leased lines;
- **340,000 IP Phones** installed since '04;
- **314,000 MPLS-based IPVPN connections** on September 30th 2008, - *ie a 9,8% increase compared to 07 - ; #1 in Asia IPVPN market - 18% market share-*;
- **2 million** B2B internet access
- mobile operations in **27** markets;
- extending commercial partnerships to leverage on the FreeMove Alliance in Europe and AT&T in the U.S.;
- **3,79** million mobile devices shipped in 2007;
- **9,3** million mobile connections;
- **1** million M2M SIM cards by end 2008;
- **over 6 million businesses** have already chosen Orange as their trusted supplier.

With such strong assets, we are fully equipped to be a sustainable player and to continue to serve our customers over time.



2/ Orange is big

On top the €7,7 billion of revenues - 2007- generated by Orange Business Services and its' MNCs and large national accounts customers base, significant B2B business is scattered across Orange's multi-domestic operations. The most significant ones are the following ones:

	<i>nb of enterprises customers</i>	<i>customer segment</i>	<i>main activity</i>
Orange France	+260 000 enterprises + 3 million SOHOs	SOHOs, SMEs, MNCs	Fixed, mobile, data, services
Orange Switzerland	+110 000 enterprises & SOHOs	SOHOs, SMES, MNCs	Mobile
Orange Spain	TBC		Mobile
Mobistar	+ 130 000 enterprises & SOHOs	SOHOs, SMEs, Large accounts	Mobile
Orange UK	+ 100 000 enterprises & SOHOs	SOHOs, SMEs, MNCs	Mobile
Orange Poland & Telecom Polska	+1 million, primarily SOHOs	Primarily SOHOs	Fixed, mobile
Orange Romania	+ 200 000 enterprises & SOHOs	SOHOs, SMEs, Large accounts	Mobile
Orange Slovakia	+ 190 000 primarily SOHOs	SOHOs, SMEs, Large accounts	Mobile
Mobinil	+ 12 000 enterprises	SOHOs, SMEs, Large accounts	Mobile

This list only gathers the most significant B2B domestic operations, smaller B2B activities exist in other countries such as Moldova, Ivory Coast, Senegal and there is of course a potential in the places where the Group has recently expanded its presence, such as:

- **Togo**, where the Group entered end of November into exclusive talks for the attribution of a license ;
- **Uganda**, where Orange launched in October telecommunication services ;
- **Armenia**, where Orange acquired a mobile operator license early October.



3/ Orange is innovative

Innovation through our 3 waves strategy

Through our 3 waves strategy, we are offering the entire scope of B2B solutions, ranging from network connectivity up to real-time business services.

These 3 waves are 3 key growth areas which are driving the innovation we offer to our customers.

We are rolling out and acting on these waves strategy and our roadmap is articulated around it.

Connectivity / Wave 1

- we continue to invest in networks, to bring our customers a seamless experience and to have the best enablers for our future growth: our objective is to support our customers' ever growing needs through best-of-class converged network solutions.
- on-site coverage is also on Orange's agenda. Orange customers' have expressed an interest in having on-site coverage in certain business situations where access is limited or simply unavailable. Orange is presently examining the different possibilities to find the solution providing the best service for our customers and the opportunity to introduce new services including femtocells.
- mobile voice is still growing although the key growth area in mobility is mobile data. It is the business market that drove the take up of mobile data solutions with products such as Business Everywhere and the panoply of devices that have stimulated usage and adoption - *eg. dongles*.
- most countries have gone one step further in their strategy and have launched offers combining mobile data solutions with laptops - *eg. in France, UK, Poland, Slovakia, Romania and Spain in 2009*.
- companies using Business Livebox will benefit from Orange Business Services new convergent services in Europe. Business Livebox enables enterprises to simply and progressively migrate toward voice over IP. It integrates classical Internet access services with enterprise sites networking on an xDSL link. Available in three versions, Business Livebox allows businesses to keep their existing telephone equipment and numbers such as analog phones, fax, PBX or IPBX.



- mobile connectivity over our footprint has allowed us to launch the Travel Data Daily packages. Orange Travel' is our single roaming umbrella name for all existing roaming offers for consumers and business customers. Orange Travel has already demonstrated its' success in the roaming market:
 - in 2007 Orange Travel had over 24m customers.
 - Orange Travel seeing double-digits growth in users in Q1 2008 compared with Q1 2007
 - Orange offers roaming services in more than 200 countries with over 350 operators

IP as a convergence enabler / Wave 2

- we want to be the king of IP transformation, to be the only one to help our customers smoothly run such a transformation, to be the only one to know perfectly what works and what does not work.
- new innovative services allow our customers to succeed their IP transformation
 - Business VPN network services part of our IP VPN MPLS services:
 - new continuity services (DSL and 3G) are adapted to each type of access and based on next generation access equipments ;
 - multicast and Telepresence options provides the ability to broadcast video and do video conference through up-to-date backbone equipment and adapted processes.
 - Business VPN network related services :
 - security services for remote sites (IP VPN Protected) and application acceleration services (Network Boost) are developed on customer equipments and embedded in our IP VPN offer.
 - Business Talk & Telephony services :
 - new intelligent converged soft switch is integrated in our network and provides converged voice over IP services taking into account traditional voice technologies (Business Talk Local Services and Business Talk Mobile access).
 - Business Everywhere
 - our customer's mobile workers benefit from the orange worldwide coverage with a unique provider for both network and mobility solutions ;
 - more than 850 000 users worldwide.



- VoIP : launched in several countries - *France, Spain, Belgium, Poland, Romania*- and new countries such as Russia are coming. Through VoIP, IP Centrex has found its' niche market within Europe. We are starting with France and then will move to other countries.

Real-time business / Wave 3

- the way in which business works has changed and we need to evolve with them. More people work on the move as they would if they were at the office, the need to collaborate with dispersed teams, the impact of the current economic climate...;
- Orange's expertise in the collaborative tools area combined with the quality and reach of our IP-VPN network - *Telepresence certified* - allows us to deliver a turnkey solution to our customers. And this is accompanied by end to end SLAs and customer support ;
- Business Together with Microsoft is an innovative solution that integrates collaborative offers into a single user interface in order to improve team efficiency. Since its May 2007 launch, Business Together with Microsoft has been deployed to 150,000 seats. In November 2008, Orange Business Services has enhanced its Business Together with Microsoft portfolio by making available as standard managed services the latest versions of the unified communication and collaboration offerings from Microsoft – *Microsoft Exchange Server 2007, Microsoft Office Communications Server 2007 and Microsoft Office SharePoint Server 2007* – and supporting these services with ITIL® standards-based service management.
- mobile email is one of the key business applications and Orange has a range suited to customers needs, whether they are looking for a solution hosted on internet or a messaging service on their company server. For example, BlackBerry solutions from Orange enables to easily connect to a large number of email accounts such as POP3/IMAP4 ISP, Microsoft® Exchange and IBM Lotus® Domino ... ;
- M2M: we firmly believe that this is a strong strategical growth market and we are already close to 1 million SIMs connected today ;
 - there are key trends which make this market very attractive, such as deregulation of the electricity & automobile industries.
 - one example: fleet management solution for AXA - leading French insurer with over 24,000 exclusive staff and distributors, serving over 9 million clients
 - **Orange Solution :**
 - M2M Fleet Performance solution for fleet management,
 - gather information relating to the location, distance traveled and average speed of vehicles,

- transmit a summary of statistical data to AXA about the company's fleet of vehicles.
- **Result :**
 - better understanding by corporate clients of the driving risk of their vehicle fleets,
 - pro-active intervention has minimized driving risk,
 - ultimately offer reduced rates as a result of reductions in accidents,
 - development of new, innovative services.
- Le Forfait Informatique, pioneering the virtualization services, launched in France and precursor for other countries ;
- Telepresence : our network is TelePresence-ready in 34 countries (65 cities) and can extend to 104 countries through international leased lines. TelePresence is implemented by local Orange teams ;
- Intervention Temps Réel launched in France is one concrete step into this wave ;
- the market growth rate in the real time business area is between 2 and 3%. However, Orange "Extended Business Services" shows a **+16.1%** increase over the first 9 months of 2008.

To go into the 3rd wave, we are supported by :

- Partnerships : we have a flexible approach to partnerships and we adapt our choices to our country clusters - *some countries are mobile-centric, others are already moving forward into fixed activities...-.* We work at optimising global contracts so that each country benefit from it.
 - Lotus partnership for mobile access to mail.
 - Cisco : they are already with us on the "connectivity wave" but they will allow us to bring more value add to our customers as we move into the "IP transformation" & "real-time business" waves.
 - Alcatel : extensions into Poland, Spain. VoIP, PBX.
 - RIM : marketing partner and also a sponsor for Blackberry sales. The Blackberry product is excellent for evangelising mobile data solutions and RIM, with Orange, will go further into the applicative side of the business.
 - with device manufacturers such as Apple (launched in 7 Orange countries & good uptake on B2B market), Nokia (email projects in Spain, Poland), Samsung
 - PC constructors : we are already working with several around embedded SIM projects (eg. HP...) and distribution models.



- Microsoft : on the enterprise market, Orange and Microsoft have formed a strategic partnership to offer a joint solution with the goal of creating new usage scenarios for groupware and unified communications and facilitating their adoption. Orange Business Services is also a Microsoft Gold Partner for Hosting and Application Services (ASP), as well as for a wide range of managed services based on Microsoft applications with support agreements to back them up, including Managed Microsoft Exchange, Microsoft Office Communications Servers, Microsoft Office Sharepoint servers.
- Acquisitions : we have already targeted and, if good opportunities occur, we will continue to target potential acquisitions in specific domains that will support our move into the “real-time business” wave (eg. Néoclès; Diwan, Silicomp in France, GTL in India). In Spain, we acquired Alpi for their managed networks expertise. And we want to progressively enter the world of Software as a Service – SaaS -.

4/ Satisfied customers at the heart of our strategy

Orange implements continuous efforts to achieve an outstanding customer experience.

Our top priority is to improve services delivery by:

- building upon our customer centric and scalable delivery model - *4 Major Service Center platforms + our regional structure and local presence*- in place for two years now ;
- launching of a pragmatic, targeted and focused transformation “Quote to Bill” programme covering the end-to-end quote to bill customer experience ;
- assessing the key building components of the service delivery chain which are : people, processes, tools, business rules, KPI/KPO and practices ;
- identifying, for each of these elements, opportunities for improvements in light of the ambition and manage the implementation of the changes supporting the business transformation.

The Enterprise Line of Business: a driving force

The Enterprise Line of Business optimises and leverages synergies across the Group:

- covering all market segments from professionals to large firms ;
- with a mandate to foster the development of all products and services, Fixed Voice, Internet, Data Networks, Mobile, Services ;



- covering all activities in one country from Presales & Sales, to Operations, Delivery, Customer service, to Marketing and Performance analysis.

Concrete results have already been achieved.:

- the “Connected PC” model introduced on the B2B market in the UK and launched this model in other countries -eg. *Poland, Slovakia, CH, Romania, Moldova and coming soon in Spain and France ...-*
- the Livebox/Flybox launched in Belgium, France, Romania and soon to be launched in Poland and some African countries.

Within the France Telecom Group, the B2B market clearly benefits from economies of scale driven by the volume of the mass market.

Business	Consumer
Business Everywhere	Internet Everywhere
Unik for Business	Unik
Business Livebox	Livebox
VoIP Business	VoIP
Business Talk	Family Talk

We have similar products but for B2B customers we add QoS and SLA commitments.

We see also that the market and customer & individual lifestyles are evolving and the FT Group is in the ideal position to offer combined personal & professional offers.

In 2009, the e-lob roadmap includes among others:

- PC for Business: Orange is moving into the PC area ;
- Converged voice : our multi-country voice strategy ;
- Data roaming launches ;
- M2M: vertical applications ;
- enhancement of our range of mobile mail offers ;
- enhancement of the Unik range, including a multi service provider dimension.