Orange content strategy

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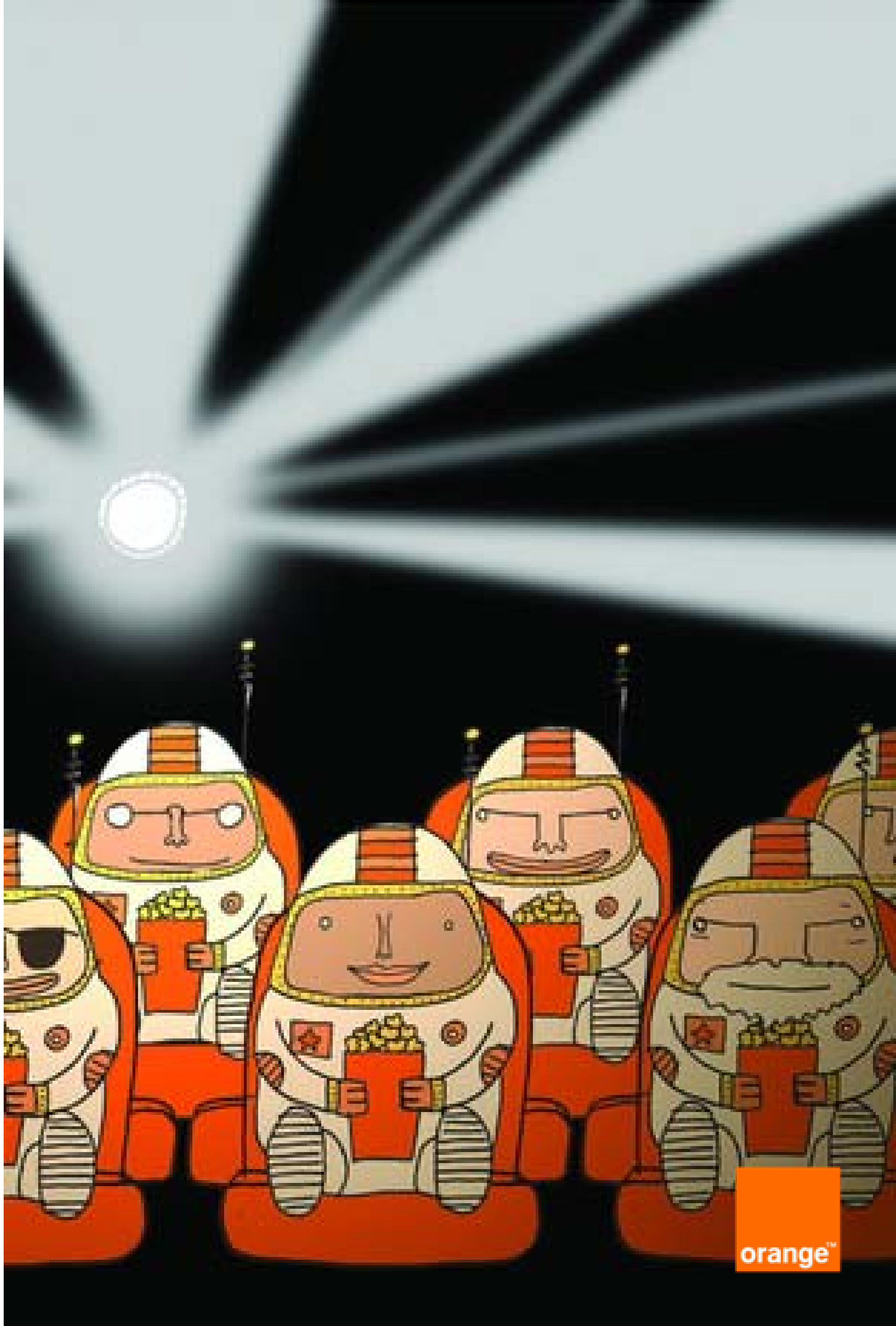
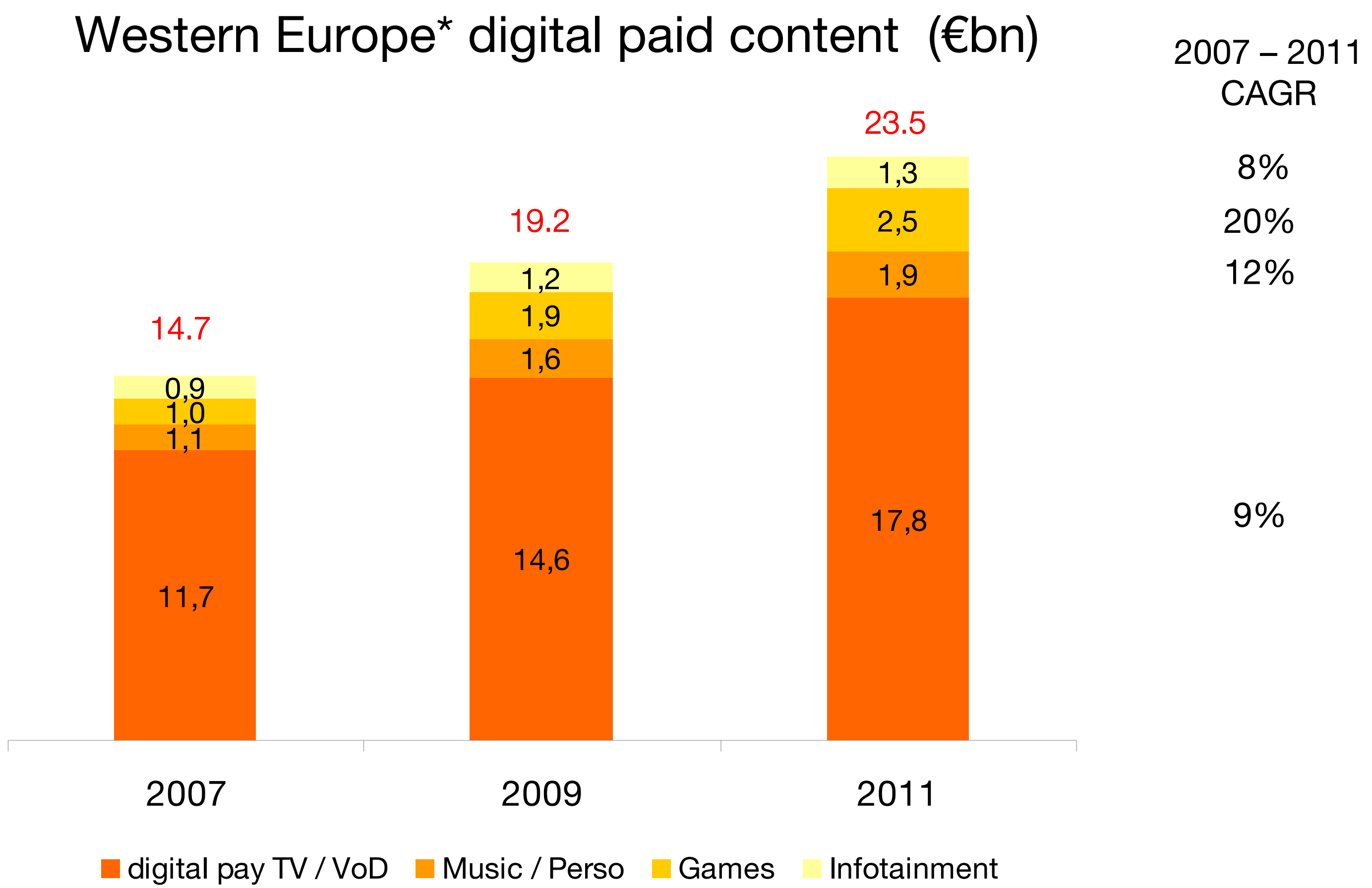
April 1st, 2008



agenda

1. Orange strategy : content everywhere
2. focus on TV
3. new developments
4. conclusion

there are four key content areas to address



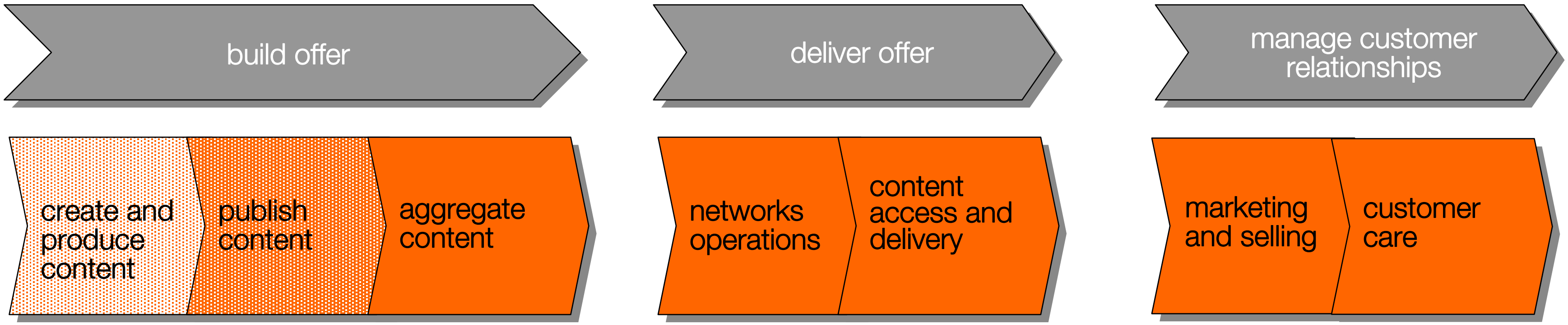
➔ the overall content market is expected to grow ~170% over the next 4 years on FT footprint

*Source : Ovum, Screen Digest, Strategy Analytics (2007-2008)
France, UK, Spain, Poland for fixed content; France, UK, Spain, Poland, Switzerland, Belgium for mobile content; excludes Romania and Slovakia.
Direct paid content, excluding traffic revenues, and excluding advertising.

Orange strategy is “content everywhere”

➔ in Europe, 11% of Orange ADSL customer base is triple play end of 2007, compared to 2.7% end of 2005

our position in the value chain



- create, perform
- hire creators, performers

- publish content services

with partners

- package content services into offer
- protect content and compensate rights owners (DRM)

- build and operate networks

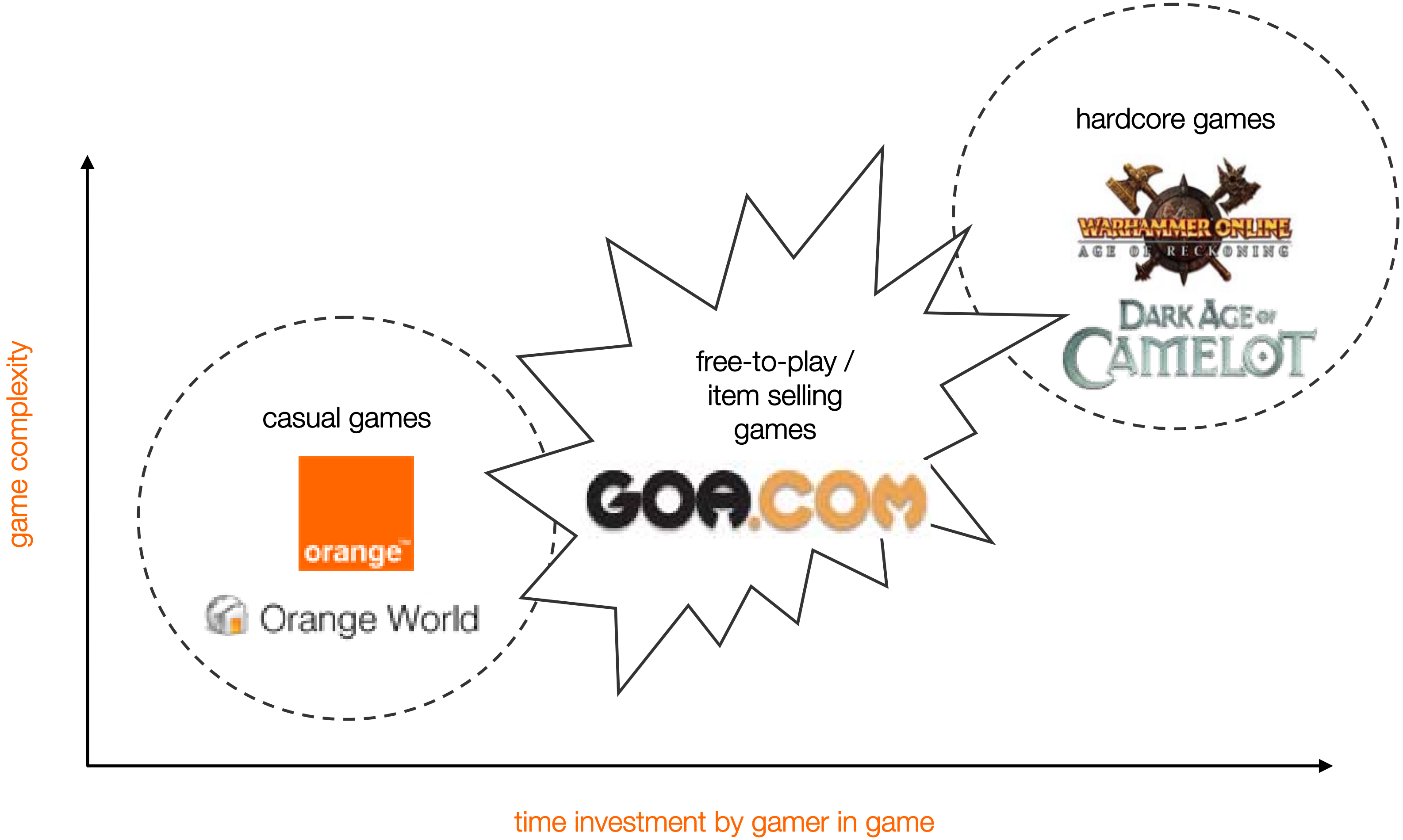
- manage user content experience accross networks
- manage conditional access
- manage decoding
- provide non-comoditized end-user devices (hardware and software)
- manage home networking

- off-line and on-line marketing, merchandising and selling
- community management

- invoicing
- billing
- maintenance

→ we are leveraging existing assets (retail, brand, network, customer management) and developing new skills in content partnerships and content management to offer our customers innovative services

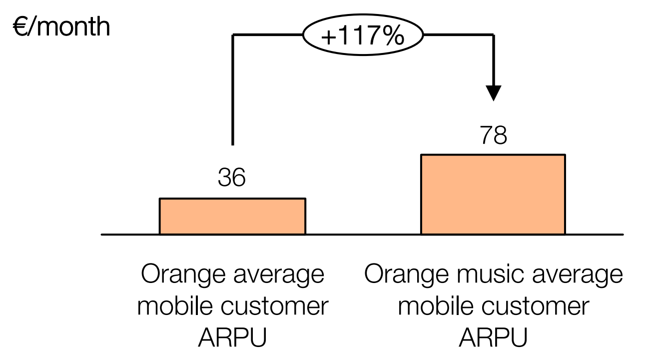
a presence in every online game segment



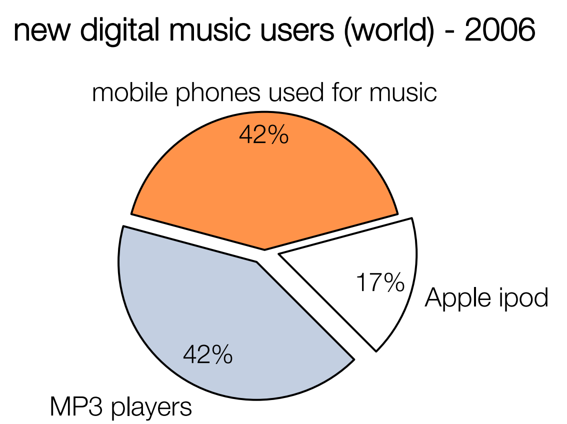
➔ main business purpose is to develop customer ARPU

Orange must maintain a significant position in online music…

… because music is key for the young and online music customers have a high ARPU



… and because competition in music is still open as mobile phones are increasingly used as digital music player



Orange will leverage its position on fixed & mobile to build for an integrated proposition

- I listen to some new music on the radio and my mobile recognizes the title
- I buy the new music on my mobile in one click thanks to my unlimited subscription and it is automatically downloaded on my mobile and my PC
- I can listen to my music on all my terminals
- I can create music compilations on my PC and transfer them to my mobile
- I can send a compilation to a friend who can listen to it thanks to his unlimited subscription

source: Orange, Synovate, Arthur D. Little

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towards a complete cross-platform TV proposition in our markets

family consumption

live TV | on-demand

3D TV (mobile in 2008, PC and TV in 2009-2011)

catch-up TV (TV, mobile, PC)

personal video recorder (TV)

HDTV (TV, mobile)

soccer (TV, mobile)

partners' bouquets (TV, mobile)

subscription VOD (TV, mobile, PC)

Orange pay bouquets (TV, mobile)

VOD (TV, mobile, PC)

Orange basic TV (free TV/VOD) – (TV, mobile)

- live TV on PC is planned for 2008

3 platforms

2 platforms

1 platform

from 2008

TV

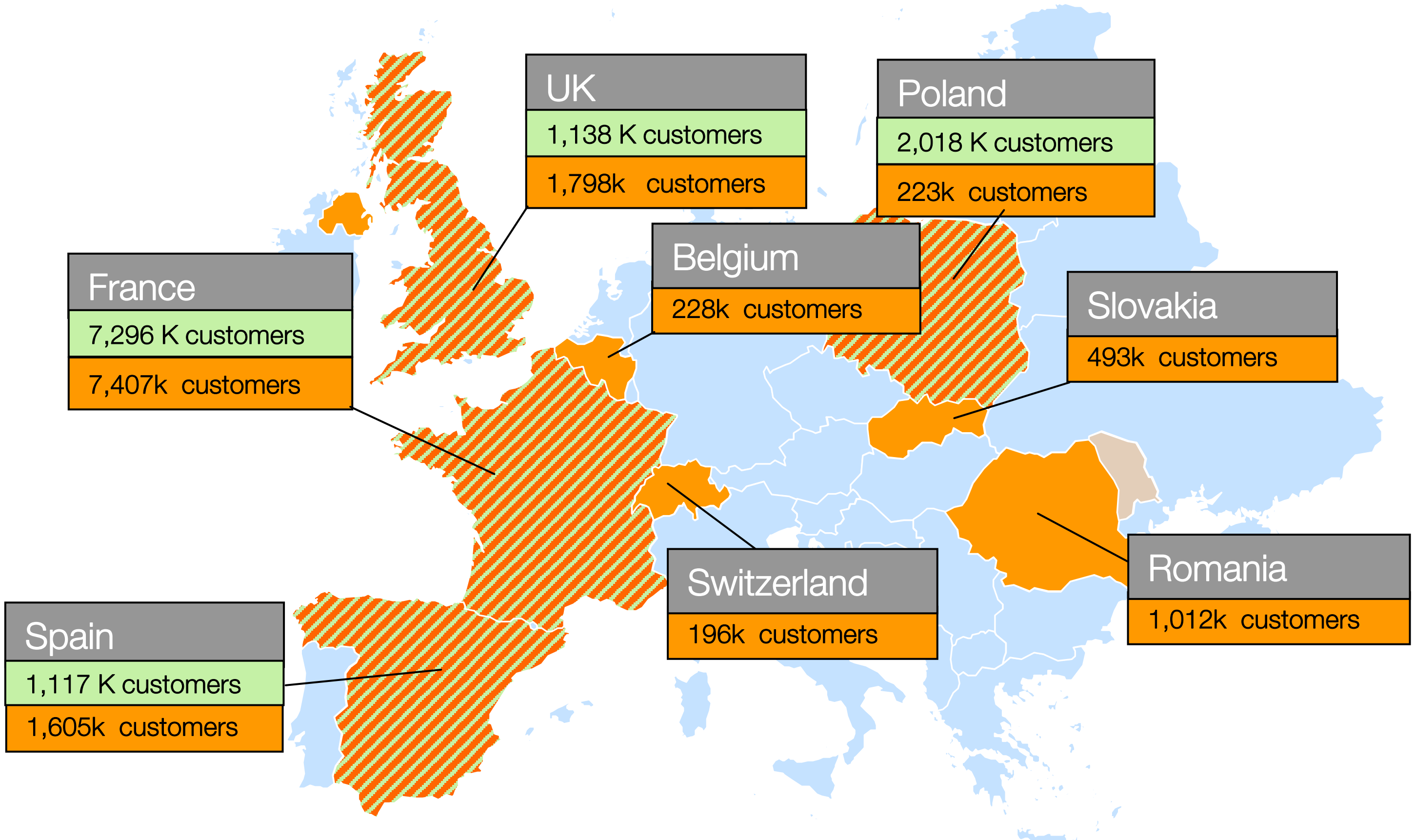
PC

mobile phone

individual consumption

➔ Orange key differentiators are diversity of usage (linear TV *and* on-demand TV) and diversity of context (collective viewing *and* personal viewing)

leveraging our experience in France and benefiting from scale effects across our footprint



Orange ADSL customers

Orange mobile broadband customers

Note : data as of end of 2007

➔ 11.7 million Orange ADSL customers and 12.9 million Orange mobile broadband customers in Europe

in France, Orange TV is included in an attractive triple play offer

- € 29,90 / month
  - 8 Mbps internet access

or

- € 34,90 /month
  - 18 Mbps internet access

all included

- free TV set top box
- Orange free bouquet (around 60 TV channels and services)
- access to premium content (Canalsat/TPS or Orange TV)
- access to VoD
- unlimited calls to fixed mainland France
- including anti-spam option and parental option
- including Musiline (streaming)

options

- time control : € 5 / month incl. PVR and HD set-top box
- multi room TV : € 7 / month

access-related

- VOD : from € 1 to 3,90 per program
- SVOD : € 4,90 per subscription (24/24 Jeunesse, 24/24 Musique, 24/24 Séries)

on-demand

- mes chaînes thématiques : €9,90 / month
- mes chaînes ciné : €9,90 / month
- mes chaînes jeunesse : €4,90 / month
- mes chaînes chinoises : €6,90 / month
- mes chaînes arabes : €4,90 / month
- mes chaînes adultes : €8,90 / month
- Pink X : €8,90 / month
- Nat Géo HD : € / 4,90 month
- Canal+ Le Bouquet : € 31.9 € / month
- CanalSat : €20.9 to 34.9 / month

premium pay TV

mobile TV : new unlimited TV / VOD options were launched March 6th, 2008

TV / VOD

€ 9 / month

TV max

unlimited access to 60+ TV channels & 3,500 videos

of which

€ 6 / month

TV

unlimited access to 20+ TV channels & 3,500 videos

of which

Orange World

unlimited 7/24 access (weather forecast, road traffic, horoscope, new, etc.) included in both options

soccer

Ligue des Champions

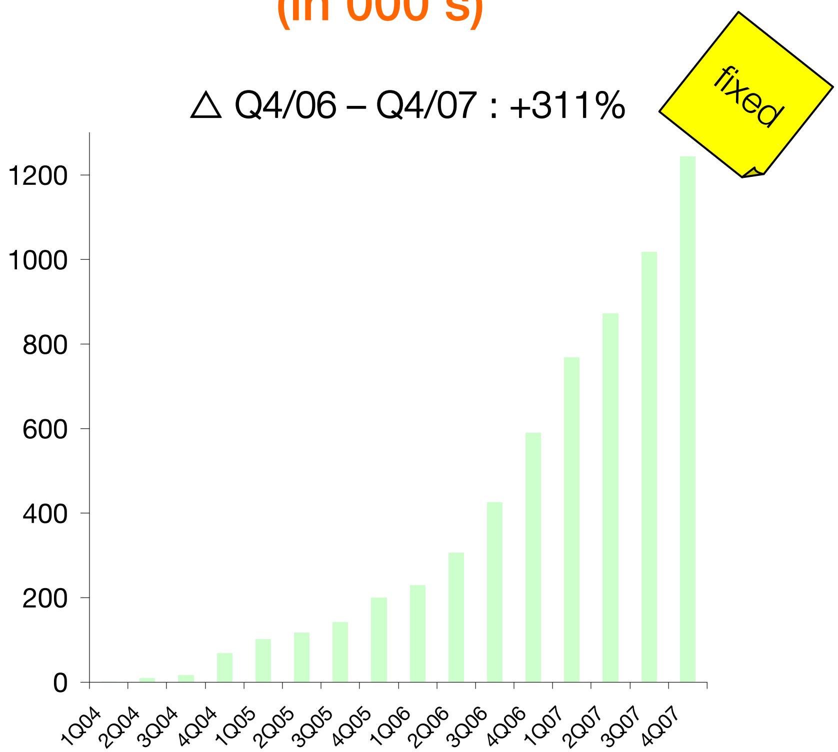
€ 5 / month

unlimited access to videos, SMS, chat and supporters' blogs of your Ligue 1 clubs

→ in mobile, customer ARPU builds-up differently than in fixed

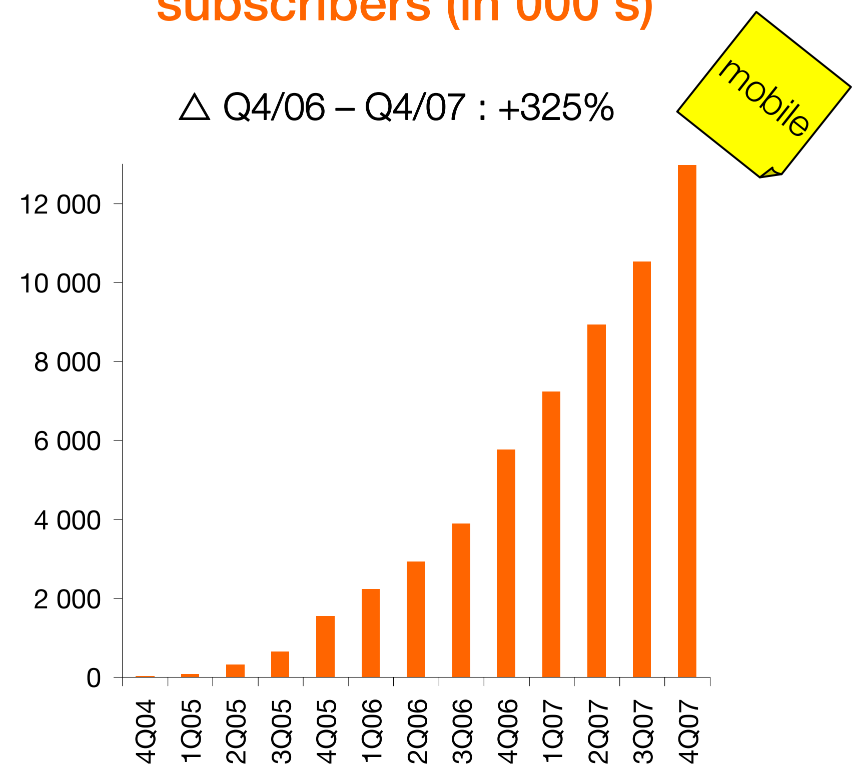
TV is key in acquiring & keeping broadband customers

FT group IPTV subscribers (in 000's)



- TV has become a "must have" for broadband ADSL offers
- exclusive TV content (soccer, sport events) is attracting new subscribers to Orange triple play
- 42% of Orange new ADSL subscribers choose Orange because of TV

FT group mobile broadband* subscribers (in 000's)



- TV is also a key driver for the adoption of 3G and new services
- soccer rights accelerate customer migration to 3G

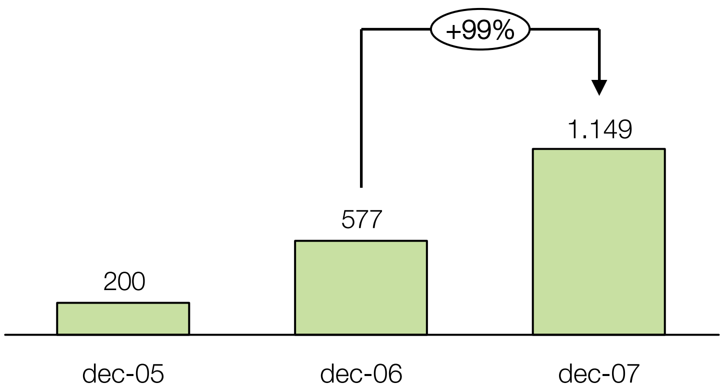
* Edge + 3G

in France, content & usage are taking off

TV over ADSL

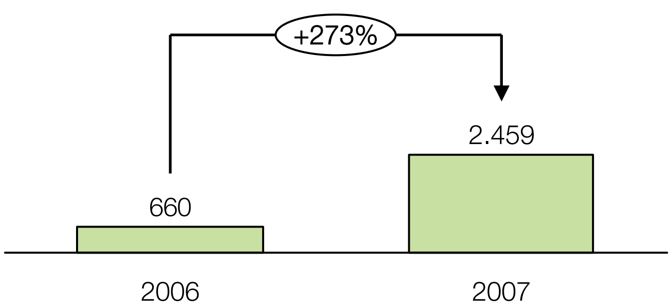
fixed

IPTV customers (000s)



- > 430,000 pay TV customers, end of 2007

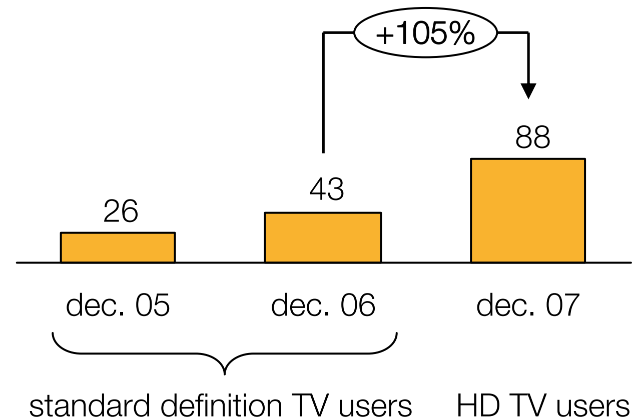
VOD sales (000s)



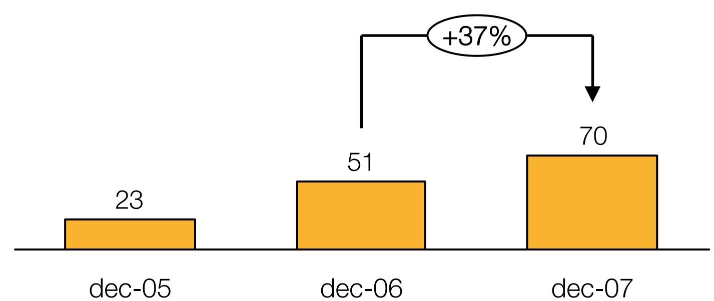
TV on mobile

mobile

average TV usage per active user in France (mn / month)



number of TV/VOD sessions (M)



in France, we have been consistently leading this market and we intend to continue doing so

1st to deploy in France

1st to deploy worldwide

past achievements

- 2002 VoD on PC
- 2003 TV and VoD via ADSL
- 2005 PVR via ADSL
- 2006 HDTV on ADSL
- 2006 subscription VoD

2007

- Orange sports TV

- rewind TV (catch-up)

today

- web TV portal on the Internet

- interactive games on TV
- Launch of our football premium offer in France

new developments

- TV in non ADSL eligible zones
- DVBH
- etc.

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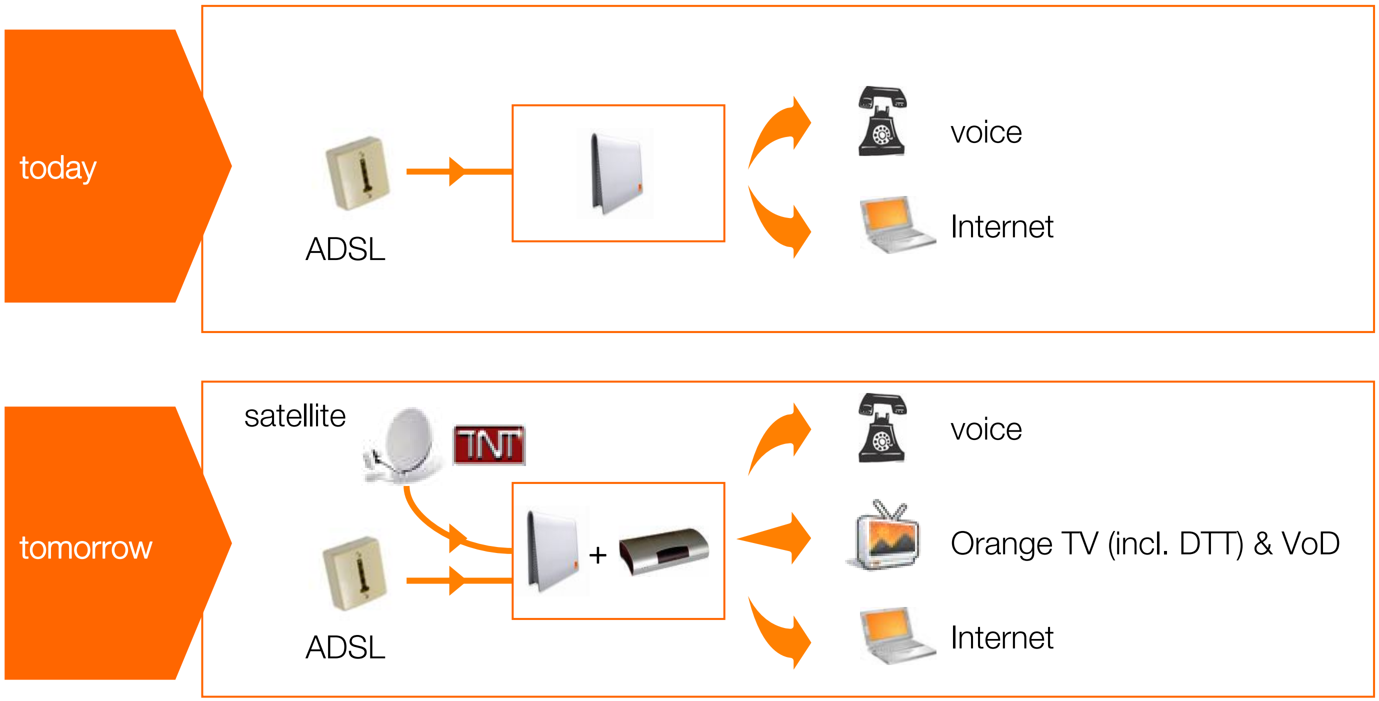
our vision for mass market mobile TV : the best quality everywhere

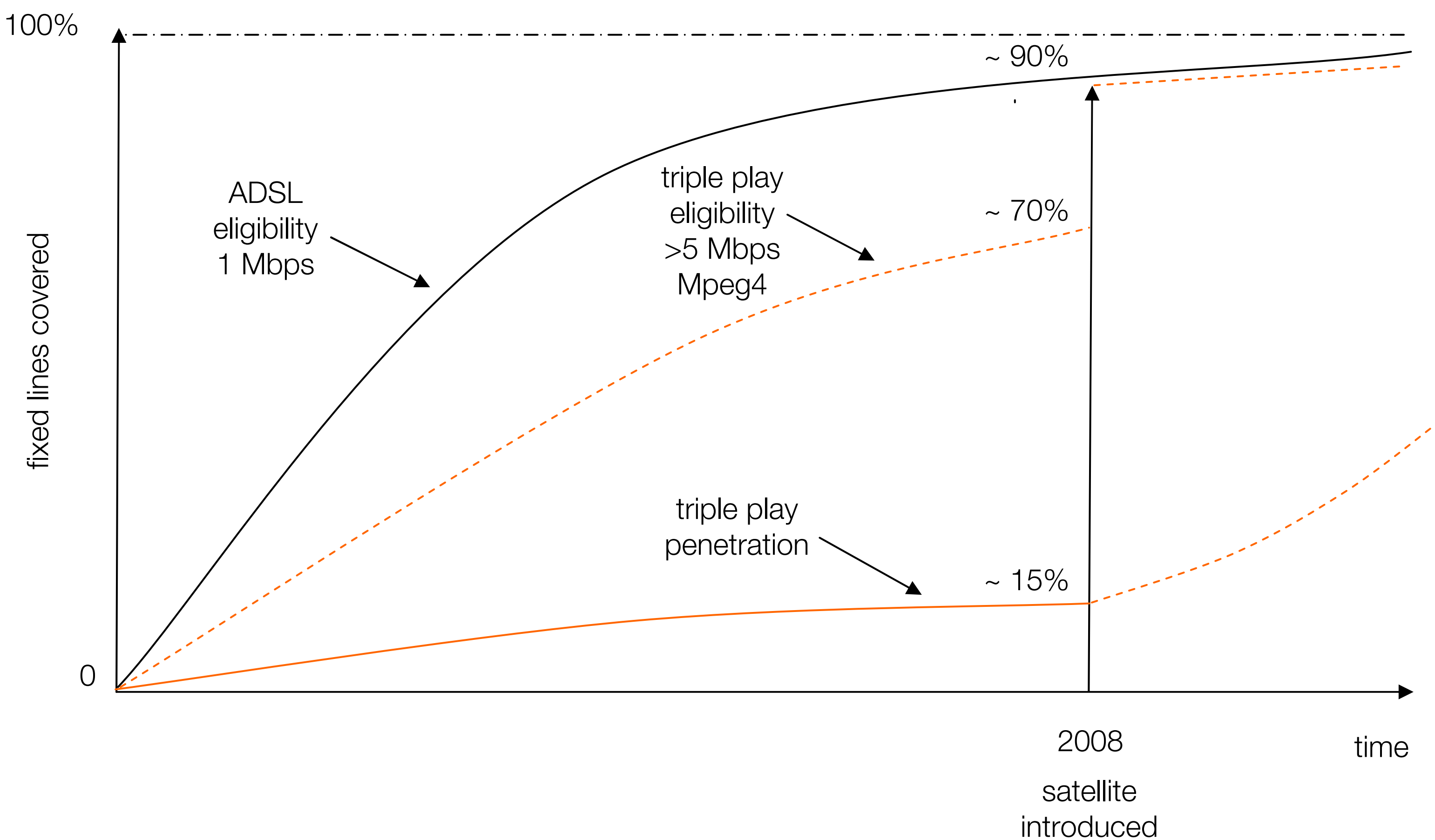
3G / 3G+	Wifi / UMA	DVB-H
➔ unlimited number of channels ➔ VOD ➔ interactive services		➔ unlimited number of simultaneous viewers ➔ limited (~15/20) number of non-interactive channels
➔HD Mobile TV already launched in France and Portugal ➔2008 launches in Spain and Switzerland in 2008	➔Future launch in France: availability of more than 5,2M Livebox and 30k Hotspots	➔One (Orange Austria) will launch DVB-H for Euro 2008 ➔Preparation of future launches in France, Spain, UK and Poland

➔ improving mobile TV coverage, including indoor, with seamless switching between best-of-breed networks, is our 1st priority

extending TV functionality to IPTV non eligible zones in France, Spain and Poland



Orange's move into DTH in France is to extend its triple play coverage to areas not reachable by Orange TV over DSL



Orange Sports TV : more than a channel

broadcast feed

adapted to rights owned

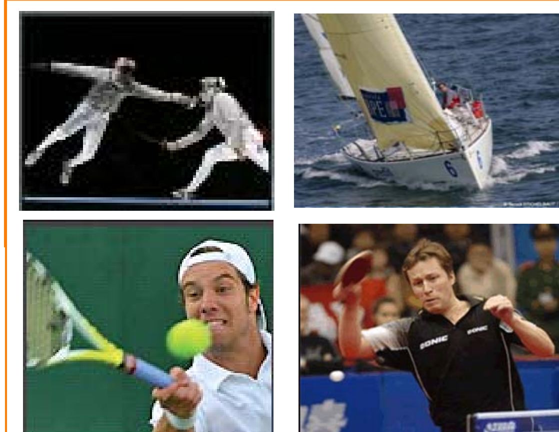
possibility to have a specific programming for each platform in respects of the rights owned.

interactive service

functions of the buttons on remote control

The service consists in links towards programs, videos and constantly updated news.

events dedicated channels



Possibility to broadcast as many live events as desired

→ illustrating diversity of usage (linear TV *and* on-demand TV) and diversity of context (collective viewing *and* personal viewing)

Ligue 1 Everywhere : the very best of football on Orange

TV d'Orange*

* mock-up interface

- live : Saturday night big match, live at 9 pm.
- available on VoD, from sunday 12 pm :
  - L1 magazine
  - matches recaps
  - top goal, top save, etc.

Orange.fr

Orange Mobile

- 8 live matches
- 'near live' VoD (recaps, best actions) on all 10 matches

business rationale

29% of French households are interested in football, with Orange households proportionally even more

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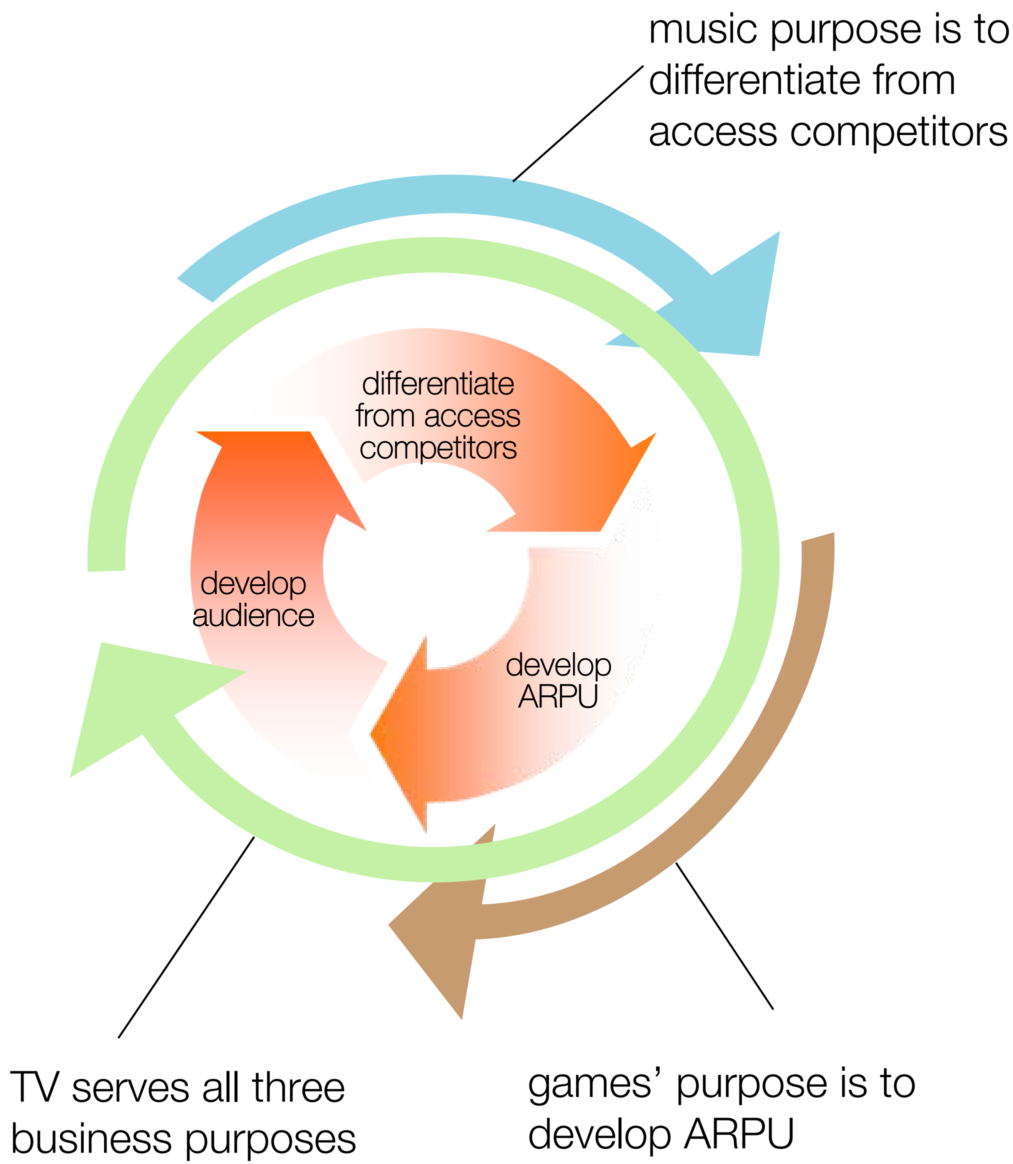
marketing of network- and terminal-agnostic "content everywhere" usage



- the fully integrated operator capable of offering "content-everywhere" will enjoy a premium in the eyes of its customers
- scale effect on Orange footprint for cross-platform content deals and TV ready handset sourcing

appendix

“One” (Orange Austria) will launch DVB-H for Euro 2008

- DVB-H will be launched in June for “Euro 2008”

Offer

basic pack: 12 TV + 4 radio channels

1	2	3	4	5	6	7	8

Made for mobile

9	10	11	12	Radio	13	14	15

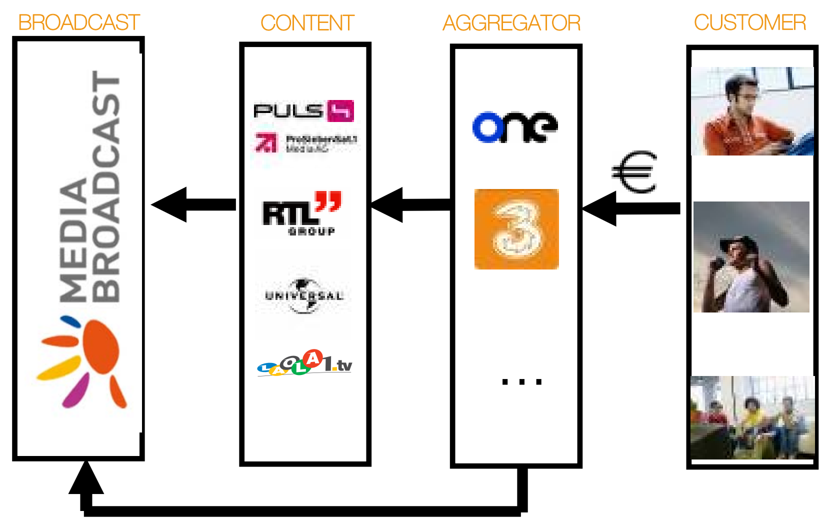
made for mobile

Premium pack
3 TV channels

- launch with Nokia N77 in June 2008 with 40% pop. coverage. Other devices coming after summer and 55% pop.cov. EOY.
- target price : ~€8-9/month (basic pack)

Business model

- network investment made by Media & Broadcast (TDF Group)
- “One” will assume DVB-H distribution through customer subscription and based on a variable cost model



Orange France is planning a DVB-H launch in H1 2009

candidates to a mobile TV license:

major media groups and new entrants including Orange

- on top of the 3 channels pre-empted by the public service, 36 candidates have applied to the "Télévision Mobile Personnelle" licenses
- only 13 channels will be retained in addition to the 3 public ones

estimated calendar:

launch expected in H1 2009

2008				2009	
Q1	Q2	Q3	Q4	Q1	Q2

- *Mid april* – channels audition
- *End may* – selection by the CSA
- *End june* – licenses attribution
- *Fin july* – multiplex constitution
- *September* – call for tender (technical operators)
- suppliers selection
- implementation of head-end and first broadcast sites
- launch