



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 increase out-tasking and outsourcing services

- Large deals signed, including



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 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



On site ToIP



the sixth sense of business™



Hosted solutions



TOTAL



Telephony over IP: Customer benefits



Every phone
is my phone
Videoconferencing, IM

Users



Customer technician
team



One LAN
Simplified administration
& maintenance

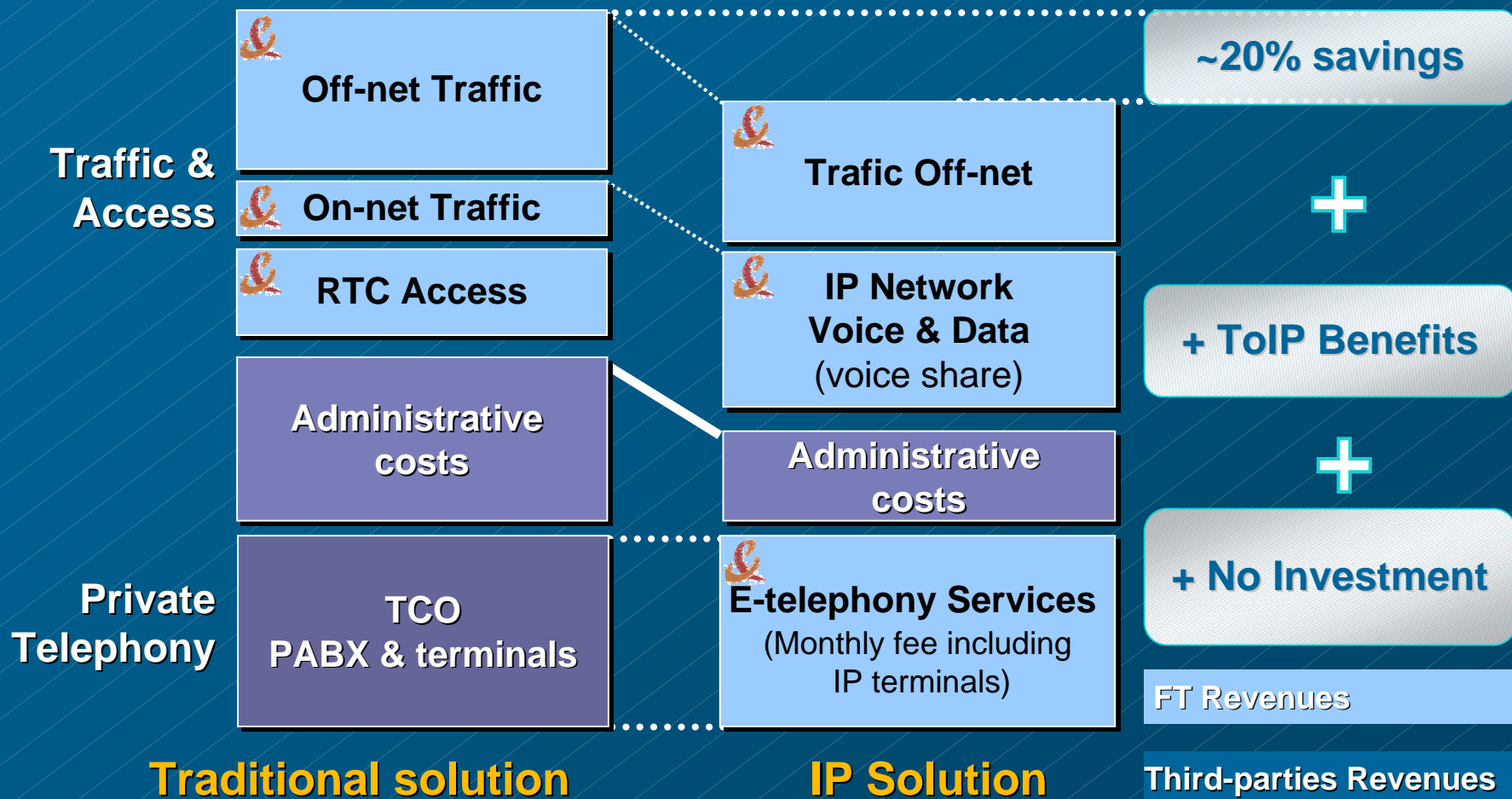
Sourcing / Finance



Reduced maintenance
& move add change costs
On-net traffic costs reduced

Strong benefits related to services and productivity

Optimized network: more services for a lower cost



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

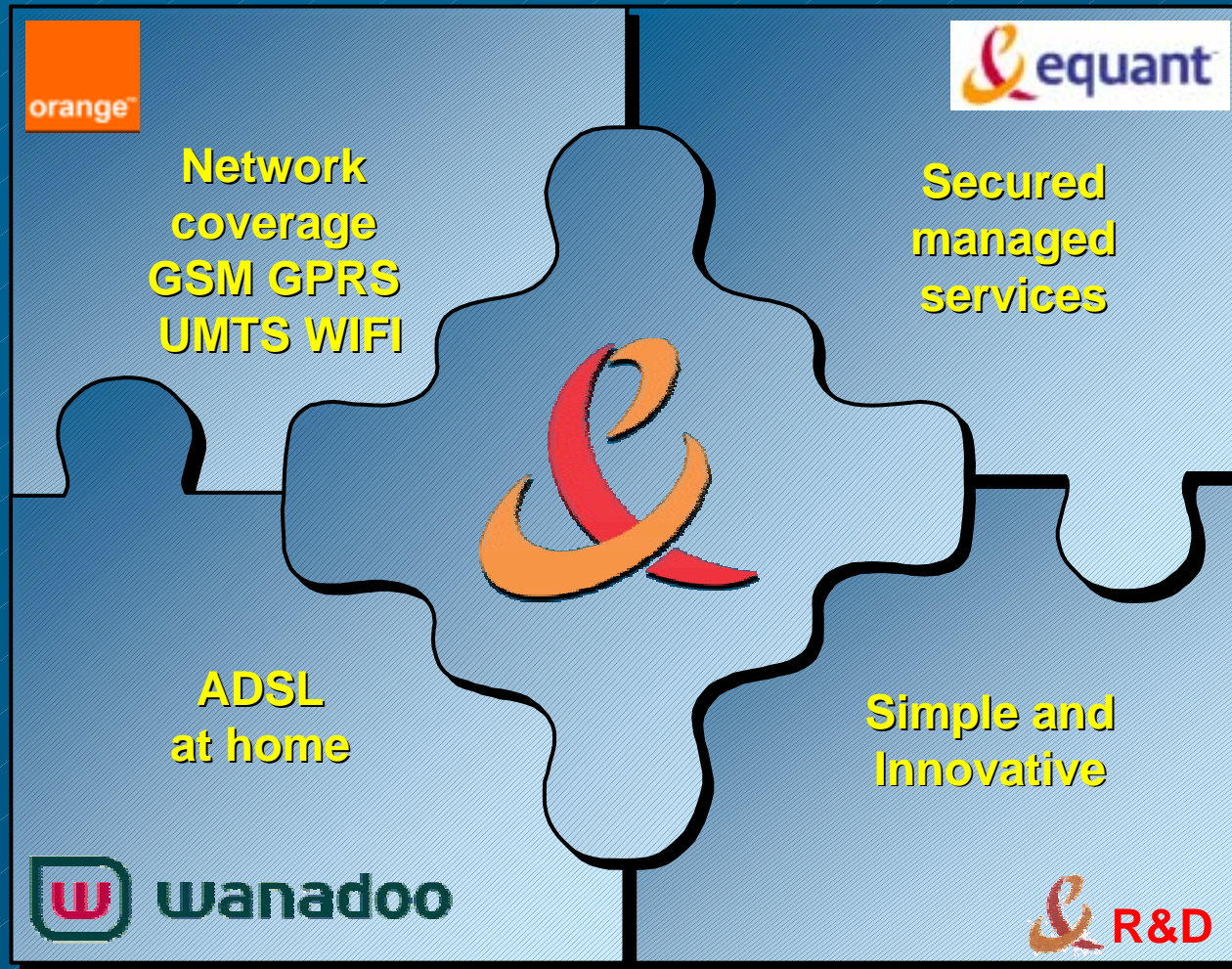
- Oléane Open Trans (Launched in may 2004)
 - A 69€ tariff including hosted mail, security features and a dedicated hot-line

➤ 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 ergonomomy enabling more services

Improving workforce productivity: delivering more value to our business customers



The unique strength of an integrated group



Improve Productivity: Business Everywhere



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

Enhance employee efficiency
with a single, simple & secure connection to the best network available



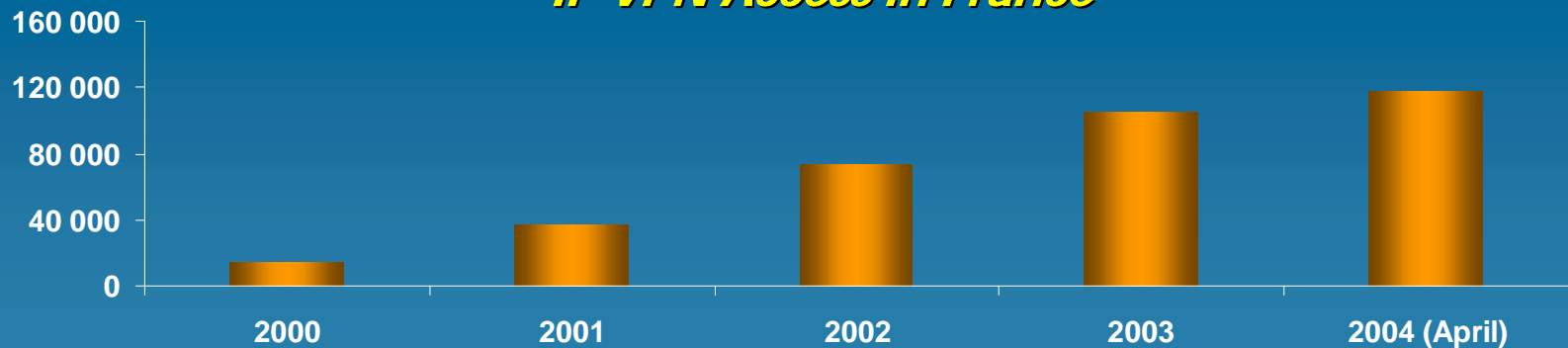
Business Everywhere: a strong nomadic customer base



➤ Our first target

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

IP VPN Access in France



- with Equant: more than 1300 IP VPN networks

➤ Our references:



Improve product & processes: e-contact solutions



Consulting & Audit

- Assessment of existing processes
- Recommendation
- 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



Customer



Know your
customer



**Optimize products & processes,
helping our customers become more customer intimate**

E-contact customer cases studies



AIR FRANCE

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



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

NOUVELLES FRONTIERES

nouvelles-frontieres.fr

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



- Unified voice & data network
- Evolution toward multimedia solutions, unified messaging & address book



Integration of communication services through a unified IP VPN network



2 Multi-domestic DSL access

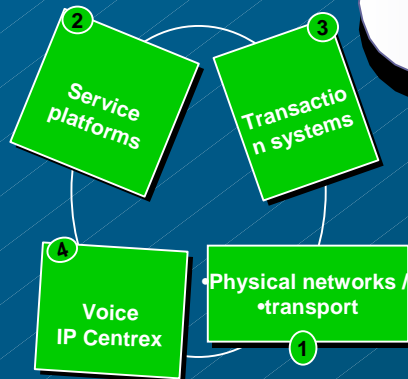
3 Nomadic access



1 IP VPN network

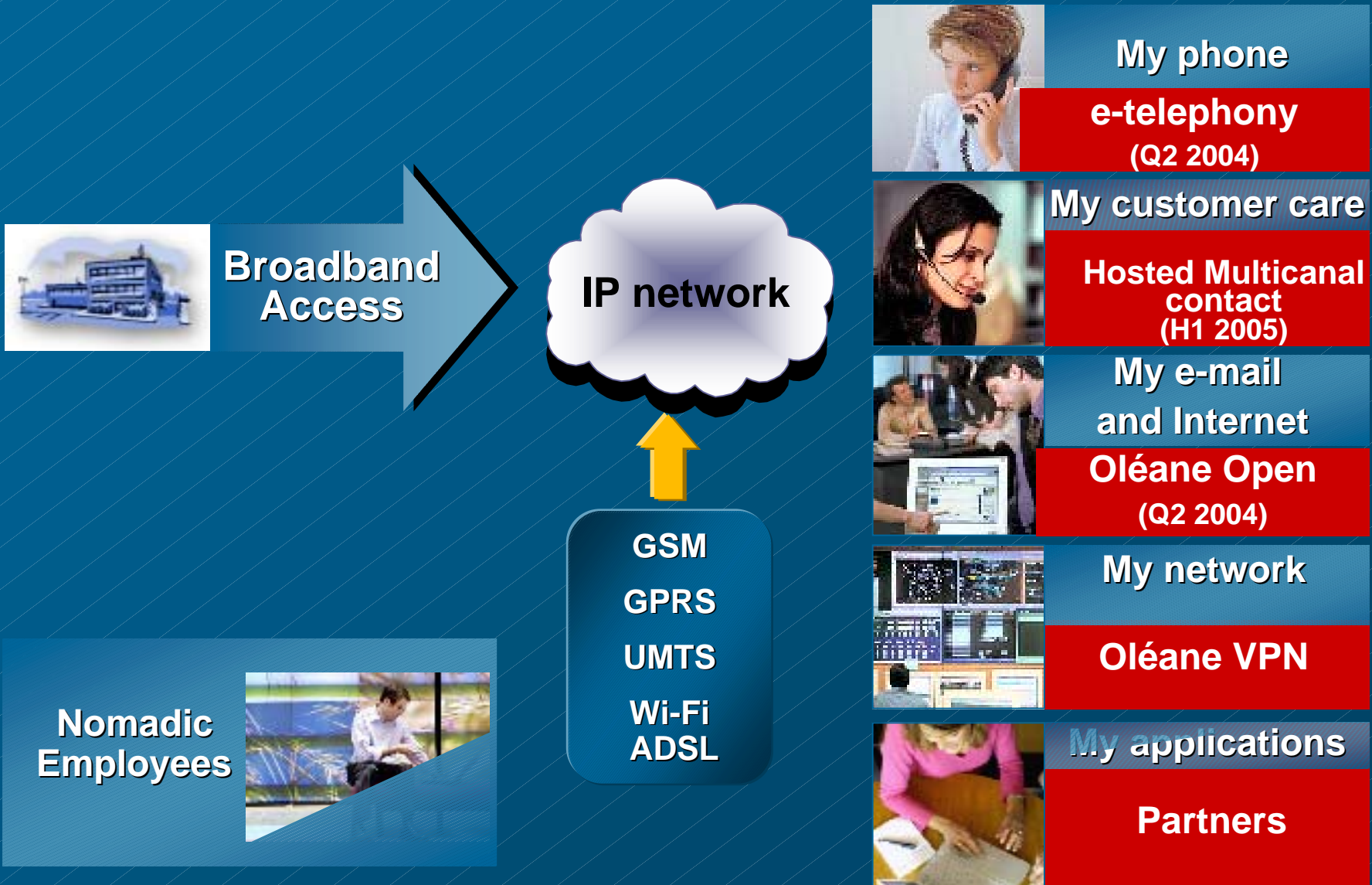
5 Hosted platforms

4 Light clients



New technologies enable a better integration

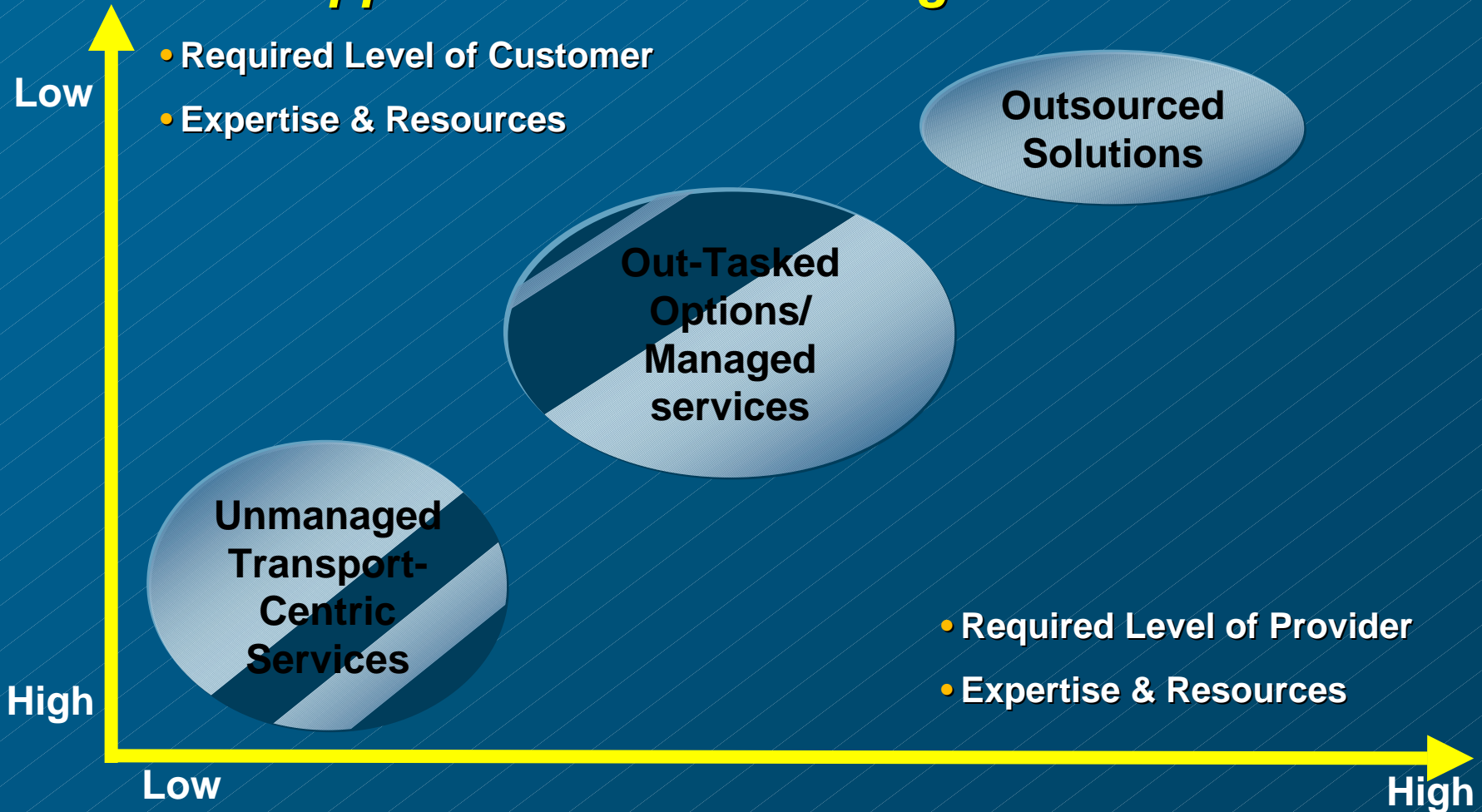
OnLine Solutions for the SME market



Integrating communication services for the corporate market



The Appeal of Provider-Managed Solutions

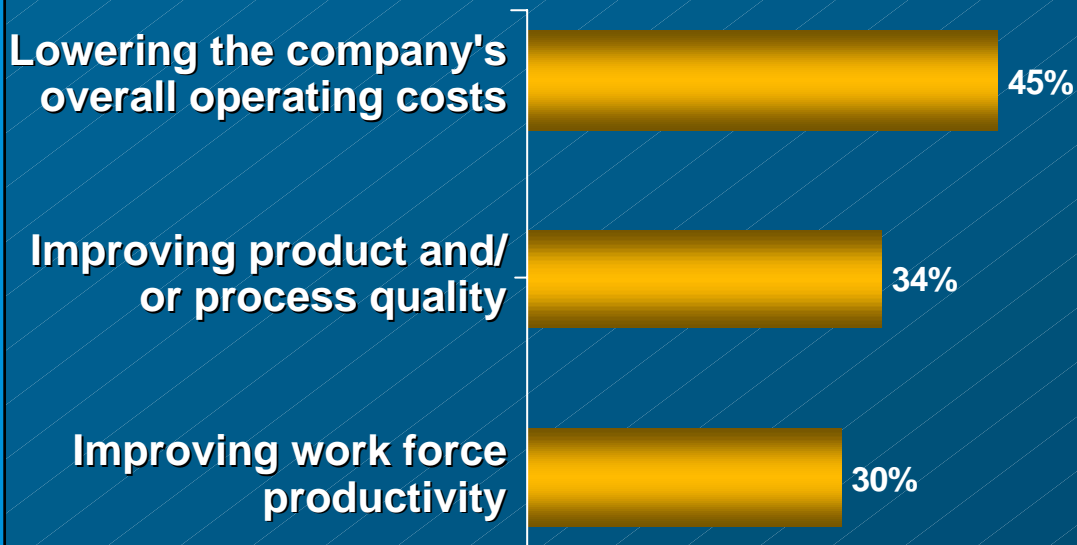


Solutions adapted to the context and needs of each customer

European Enterprises Target Cost Reduction & Business Process Support



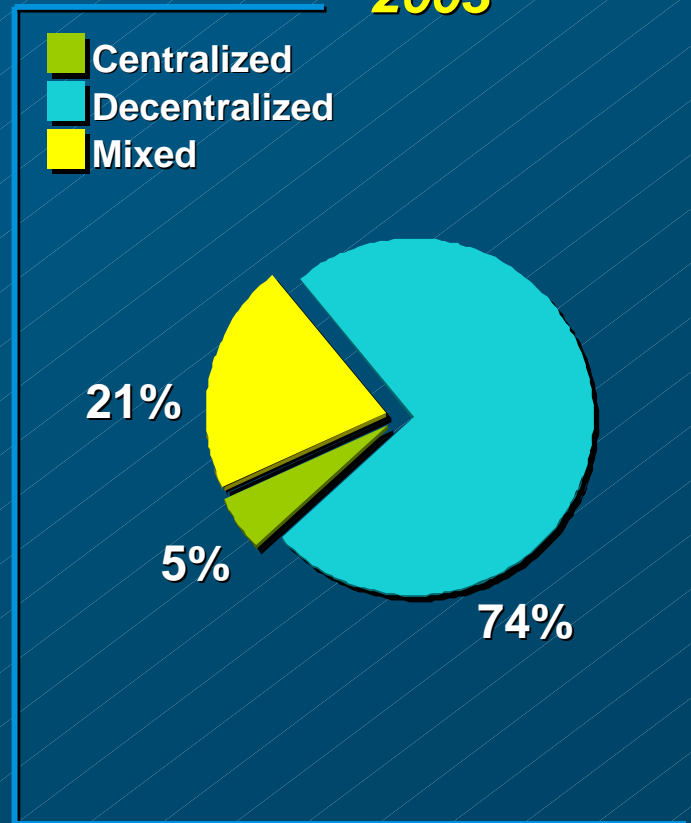
Percent of IT executives saying it's a high priority to support the company by:



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

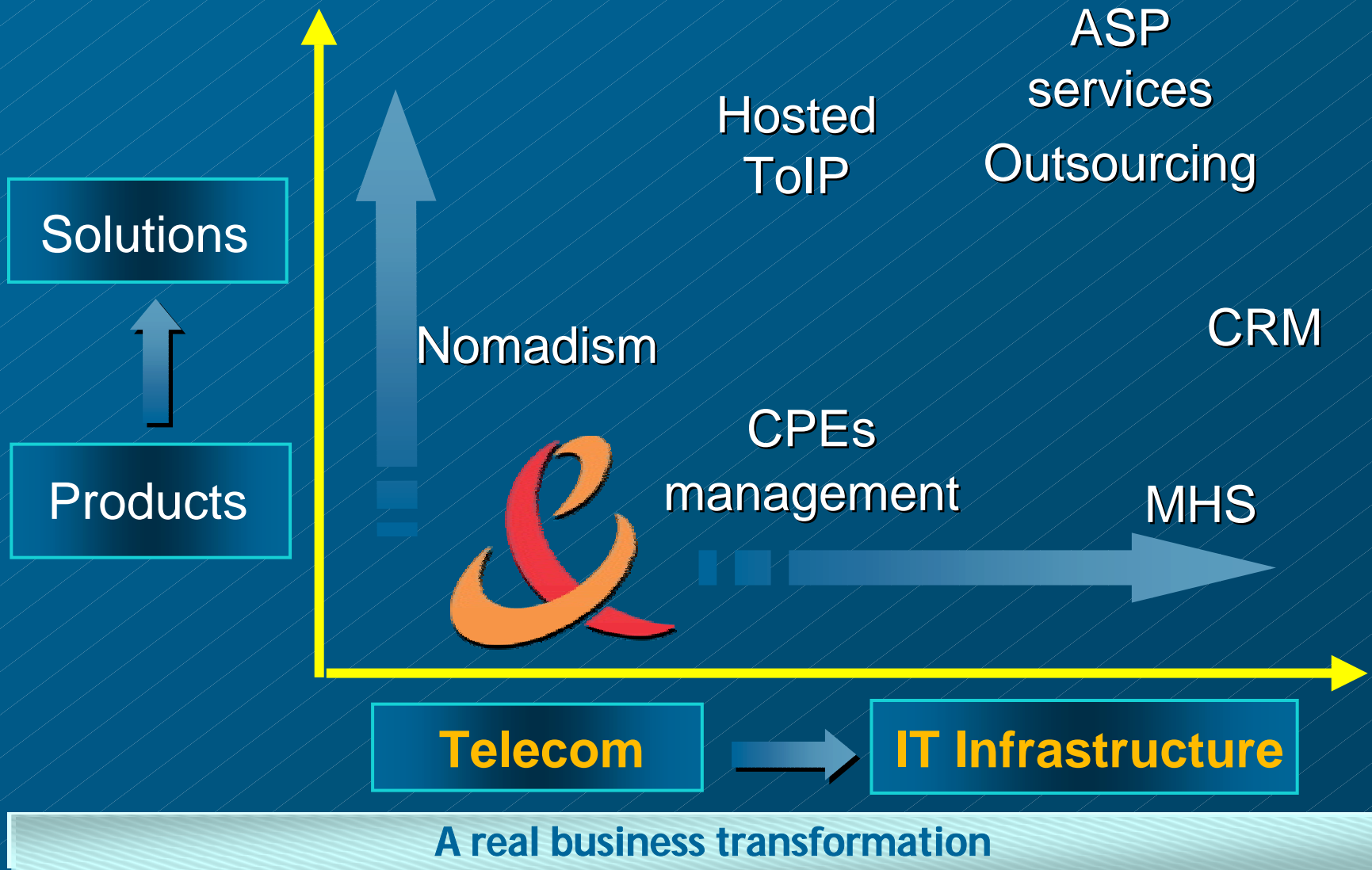
Source: December 2003 Forrester Business Technographics Data Overview "Western Europe's IT Outlook for 2004"

2003



Source: Forrester Research, June 2003 (518 companies), "How Companies Govern Their IT Spending"

An evolving business : a clear roadmap toward a service company



A clear roadmap



	2004	2005	
From out-tasked options to full outsourcing	Q3 2004	H1 2005 H2 2005	• IP VPN solution for franchise & distribution business
	Q4 2004		• End-to-end application monitoring services (flow management)
			• New applicative services for SMEs
			• Full convergence on voice VPN & mobile VPN for major accounts
ToIP offers	Q2 2004	H1 2005	• IP Centrex (e-telephony)
	Q3 2004		• Convergence of voice VPN & VoIP
	Q4 2004		• E-telephony internet pack
			• Integrated IPBX-IP Centrex
CRM offers	Q4 2004	H1 2005	• New functions in multicontact offers (IVS, vocal recognition)
			• Hosted contact solutions for SMEs
BusinessEverywhere offers	Q2 2004	H1 2005	• Offer launch for enterprises
	Q3 2004		• Offer launch for Equant customers
			• Extension with IM & VoIP & new services
Broadband offers	Q2 2004	H1 2005	• SDLS 4Mg Broadband access
	Q4 2004		• Optical Ethernet in 10 MAN areas
			• SDSL 8Mg Broadband access