



france telecom

France Telecom investor day, June 10th 2004:

Building the integrated broadband communication services Group

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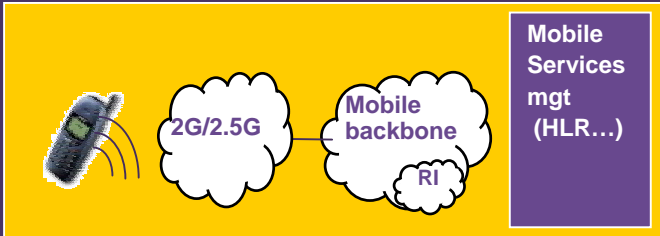
Why a new organization ?



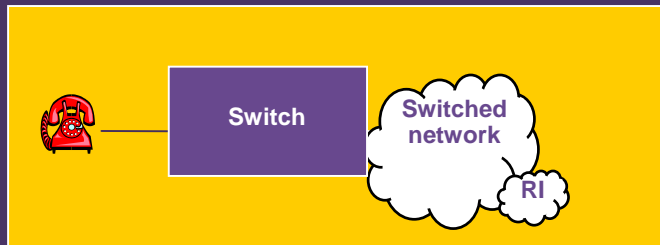
A revolution of our industry's structure



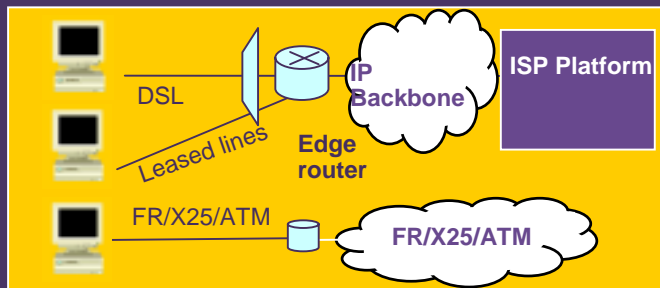
Mobile



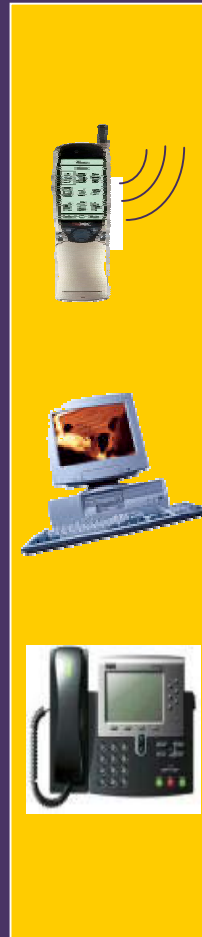
Fixed line (voice)



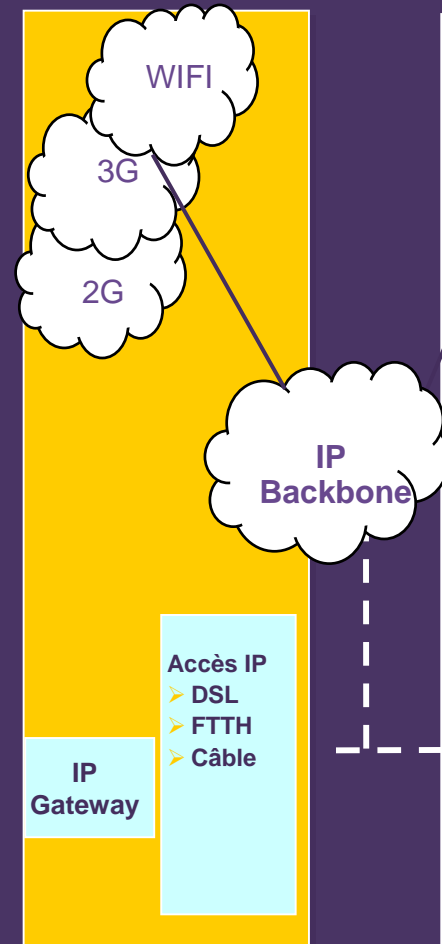
Data



Devices



Open network



Services



Multiplication of IP network services

The customer at the center of his own communication universe



Home

*The most important
change of paradigm in the
sector*

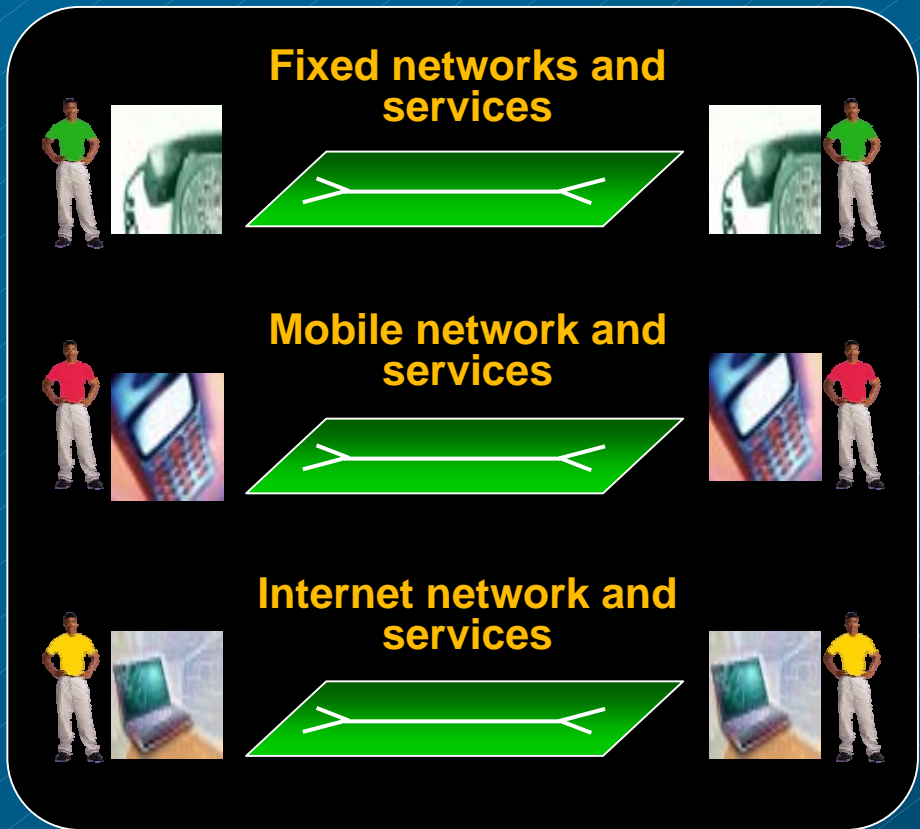
Entreprise

Personal

- Customer designed and multi-access services
- From network centric to customer centric strategy
- Customer at the center of the industry

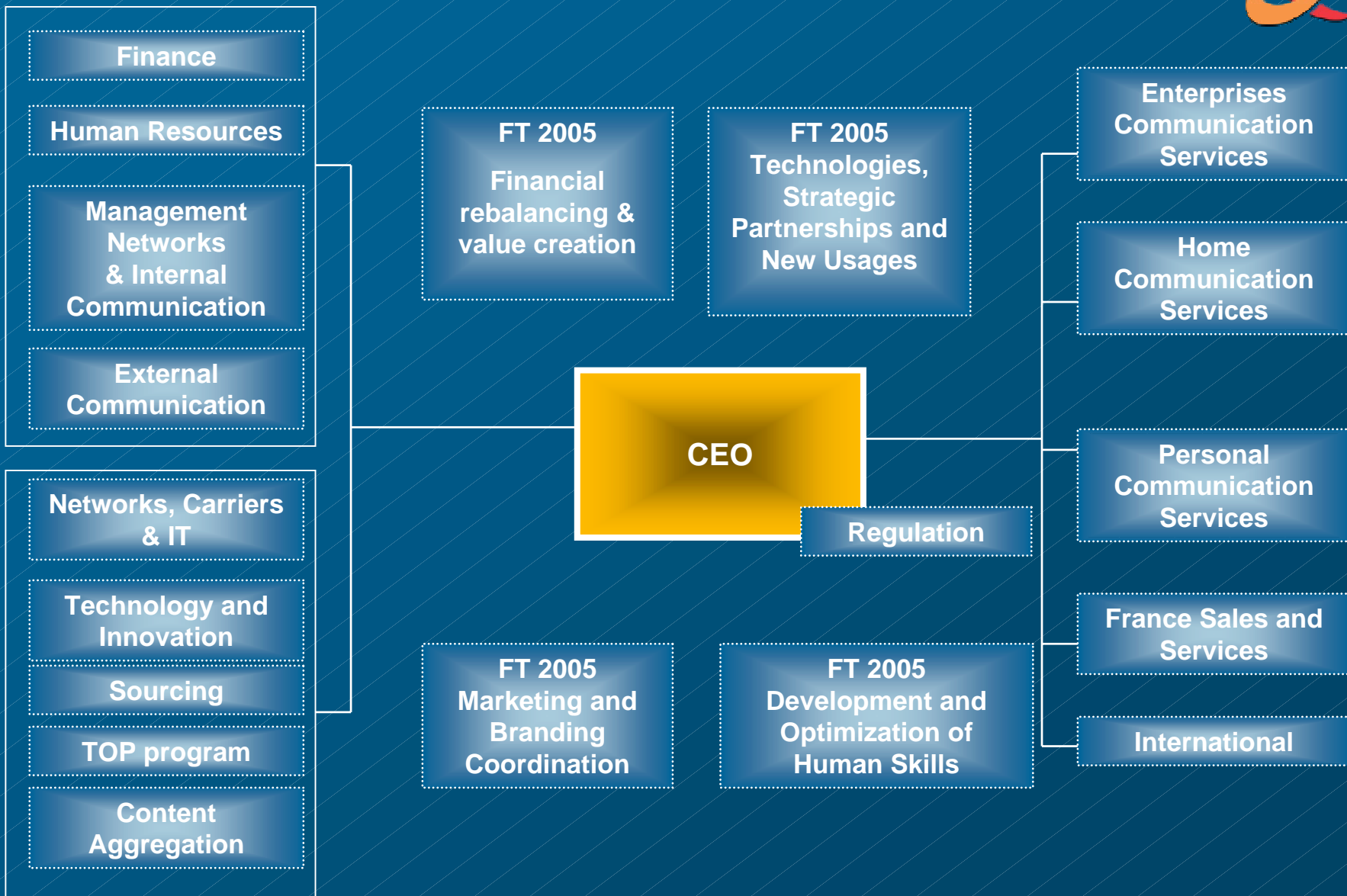
*Multiplication of usages:
What you want, where you want, when you want*

The customer at the center of the organization



From network centric to customer centric

The new organization



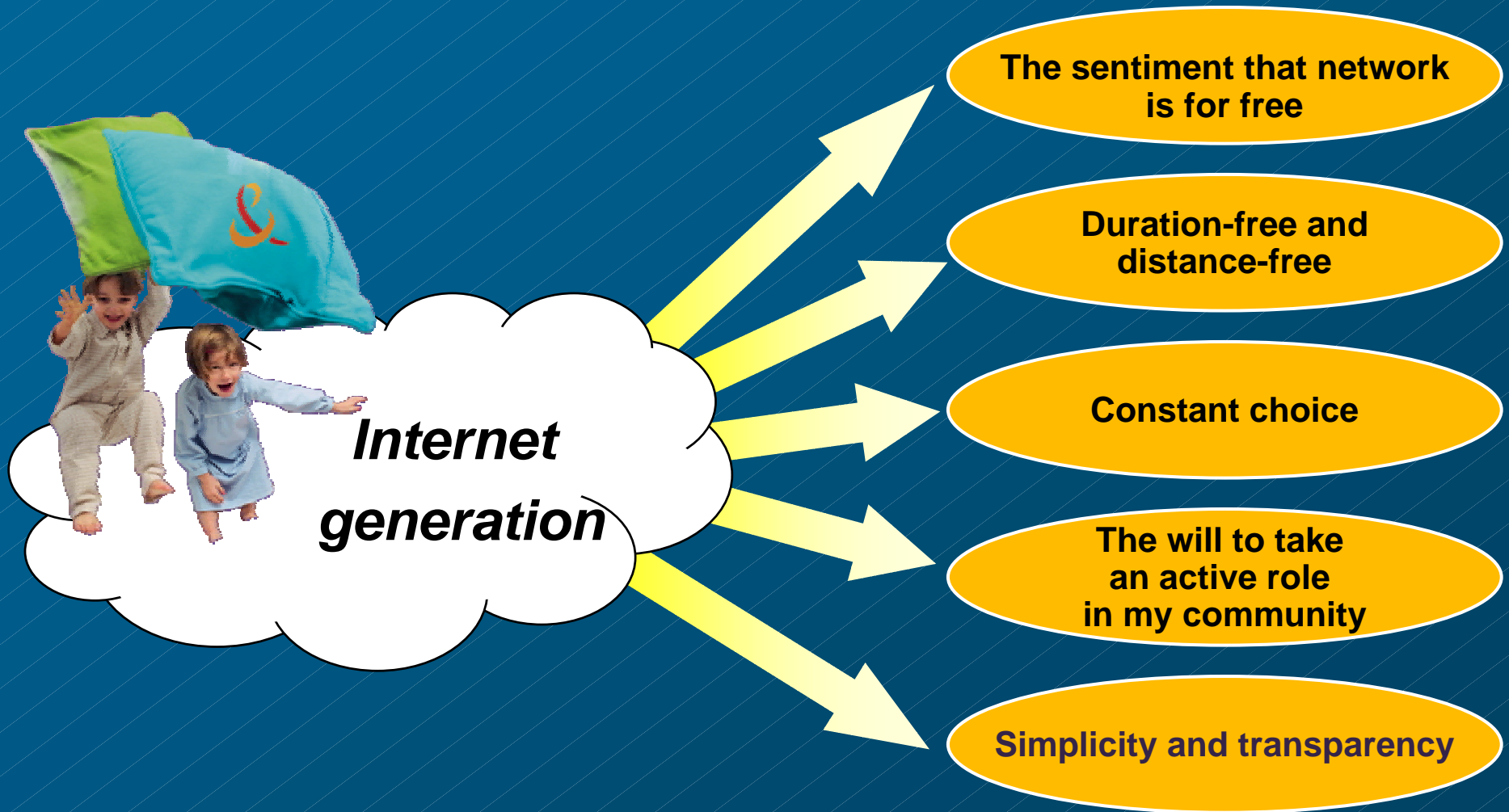
The answer to changes in technologies and customer needs

A serene sunset scene over a body of water. The sun is low on the horizon, creating a bright orange and yellow glow that reflects on the water's surface. The sky transitions from a deep blue at the top to a lighter orange near the horizon. There are some scattered clouds near the horizon line.

What do our customers want ?

**Consumer market
Business**

Telecom operators have inherited from five major disruptions coming from the Internet revolution



Changing consumers' usage patterns



A "single device" telephony constrained by distance and time

Ubiquitous wireless
*Wherever I want,
whenever I want*



New services: voice mail, number identification



Internet revolution:
*Be a player in a world
without limit*

Tariffs free from time and distance

A world of communication organized around new usages (chat, instant messaging, SMS, MMS, e-mail, voice mail, video-mail...)

Customers demand access to premium quality or specific contents

More content through video and broadband

End of 1980's

1990's / beg. of 2000's

Today and tomorrow



That shape behaviour patterns in the information society



**The freedom to
change instantly**

**The freedom to
choose in a world
of abundance**

*Usage patterns
in line with values*

.....
*Offerings that are
simple and adapted
to everyone's need*

Demand for reference brands

.....
*Need for transparency
and trust*

**The freedom to be a
player and to create
communities in a
world without limit**

**The freedom to
master user-friendly
technologies**

Evolving expectations in the consumer market



Abundance

**Network
Communication
management**

Community

*Simplicity and
transparency*

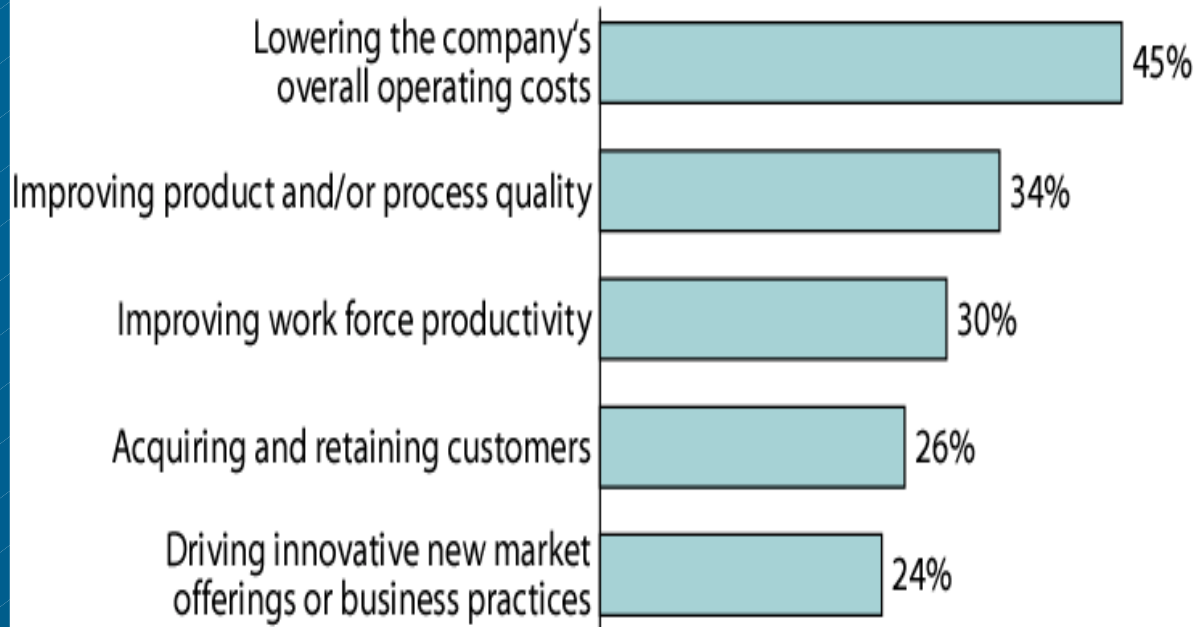
Offers designed for
all individual needs

The service of a
reference operator

Business customer needs



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



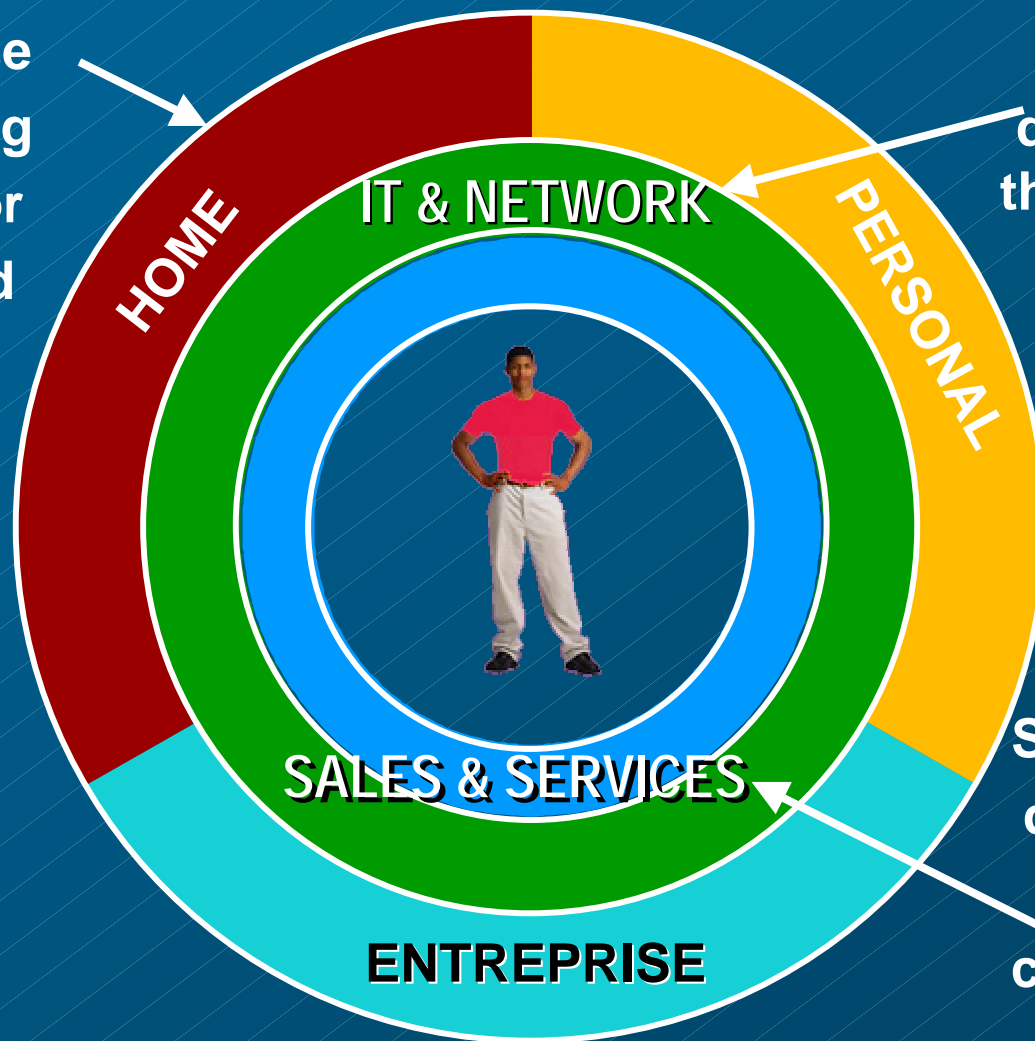
Base: IT decision-makers at Western European companies
(multiple responses accepted)

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

A Group structure consistent with our strategy



Personal, Home and Enterprise are developing all services for their targeted clients



A common IT&Networks division supports the most seamless and efficient service

A stand alone Sales and services division improves and unifies the customer interface

Content aggregation and R&D fueling the whole group

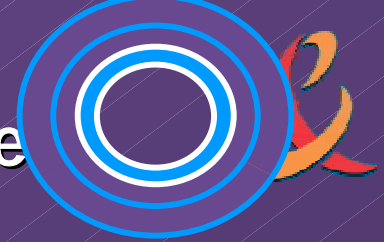
What benefits from being an integrated operator?



- 1. Shaping shared platforms that will support each business line**
- 2. Improve loyalty by designing products and services transversal to business units to improve customer experience**

1- Shaping Shared Platforms

Customer facing: Unified customer interface



mon espace client
France Telecom

Delphine Bertin
Mon espace client

Info pratique

En savoir +

Recommander à un ami

France Telecom

➤ Almost 600,000 customers manage their fixed services through this portal

➤ Starting from July 2004, "Espace Client" will allow customers to manage all their France Telecom Group accounts

– France Telecom, Wanadoo and Orange

➤ This service is also available through an vocal portal

maligne
Je peut tout lui demander

"ESPACE CLIENT MALIGNE"

des nouveaux tarifs à l'heure Haut Débit 10h

Mes forfaits en direct

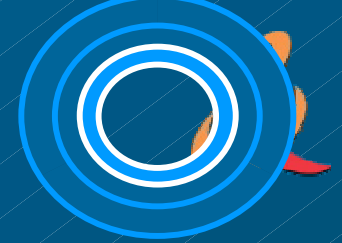
Forfait 5h Locales sur votre ligne 0101010101	
Date	Entre le 20 octobre 2003 à 00:00 et le 15 décembre 2003 à 23:59
Forfait	10000
Consommé	67h7min
Reste à consommer	60h33min jusqu'au 15 décembre 2003

Infos pratiques...



1- Shaping Shared Platforms

Customer facing: international footprint



United Kingdom

- 248 own Orange shops

France

- 620 own FT shops
- 106 Orange exclusive affiliated retailers

Belgium

- 2 own Mobistar shops
- 122 Mobistar exclusive affiliated retailers

Poland

- 192 own TP shops
- 25 own Centertel shops



Roll out best practice of sales and distribution

1- Shaping Shared Platforms

Why a new Network, Carriers & IT Division?



- **Recent and future changes in technology**
 - Predominance of IP
 - Increasingly tight integration of Networks and IT
- **Network and IT skills becoming more and more similar**

*Clear opportunities to further develop synergies
between Network & IT*



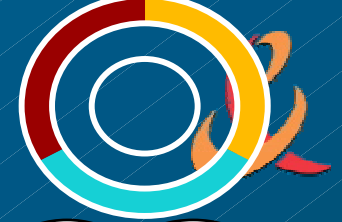
1- Shaping Shared Platforms

Network & IT transformation: 6 TOP initiatives

	Enhance customer experience	Deliver additional savings	"One FT"
1. IT for Global business processes	++	++	++
2. Customer services platforms	+++	+	+++
3. IT integration for Home	+++		+
4. IT Infrastructure rationalization		+++	+
5. Network and field operations	+	++	++
6. Network capacity & traffic spend		++	+

1- Shaping Shared Platforms

Content and aggregation division



Customers

ARPU uplift

- Innovative content-based services
- Differentiating offers driving customer acquisition and loyalty
- Enabling customers to listen or watch programs, whatever, wherever, whenever

Content suppliers

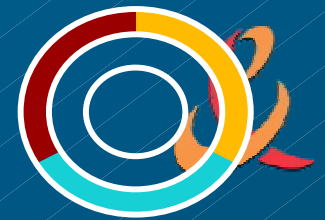
Cost optimization

- Negotiate optimal rights to access content portfolios spread accross all business units
- Offer content providers to address a very large customer base at once



1- Shaping Shared Platforms

R&D now focused on 6 new poles



Home & Personal

Enterprise

Advanced
Middleware
&
Platforms

Technologies

Core
network

Access
network

1 center in
Boston

8 centers in France

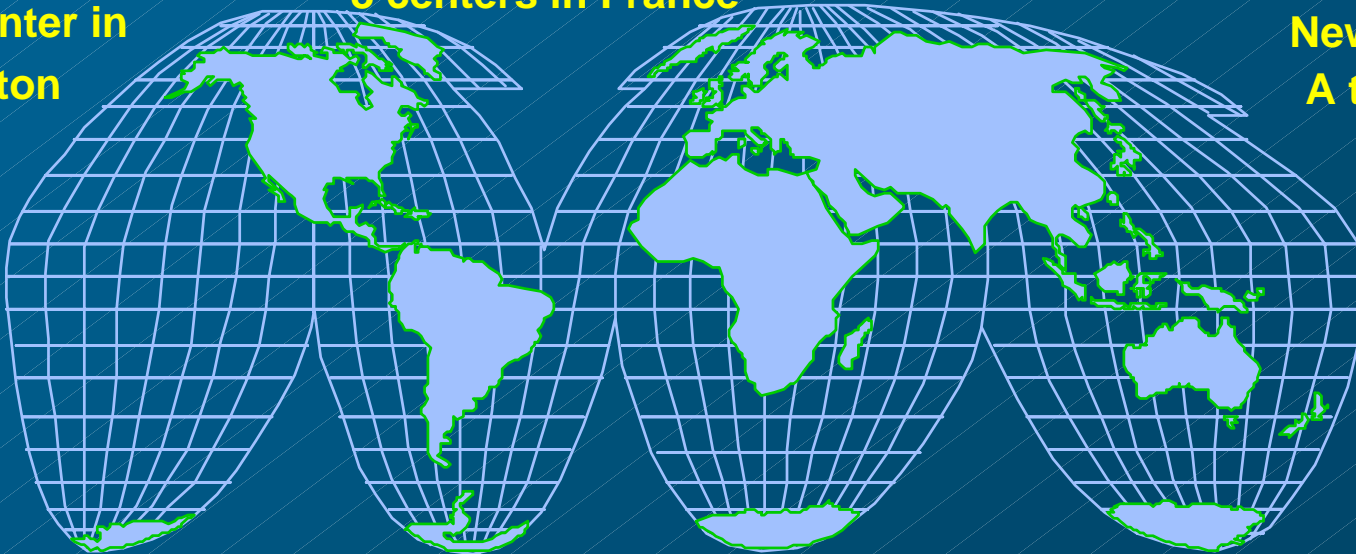
1 center in London

1 center in
Poland (TPSA)

An office in
New Delhi
A team in Beijing

1 center
in Tokyo

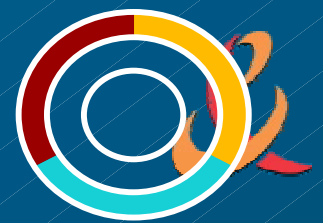
An office
in Seoul



*R&D aligned with customers division requirements
whilst leveraging cross BUs developments*

2 - Improve loyalty

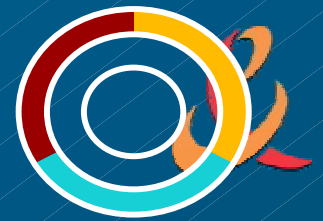
Address customer needs through Strategic Partnerships



Areas Objectives	Personal	Home	Enterprise	Access, Networks, IS, middleware
Reactivate growth	THOMSON interactive mobile entertainment appliances			ALCATEL, SIEMENS NGN-IMS Beyond 3G
Build the integrated operator	Seamless IP multimedia services ERICSSON		Seamless IP MM services NORTEL	Seamless mobility solutions, innovative wireless access networks
Address paradigmatic changes	SAGEM Location-based services			MOTOROLA

2- Improve loyalty

12 Transversal Projects to deliver the appropriate customer experience



Ease of use

- Identity+
- Address+
- Presence / Community+
- Reach+
- Payment+
- **Simplicity+**

Broadband

- Voice+
- Videotelephony+
- ADSL+
- **ADSL multiservice gateway+**
- **DRM+**

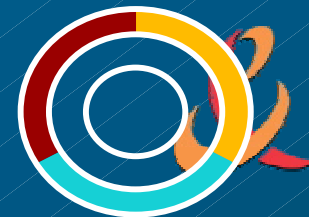
Corporate

- Office+



2 - Improve loyalty

All your contacts at the tip of your fingers ...
and tongue



Mes Contacts

Liste de contacts

Rechercher un contact :

Voir par liste | Voir par fiches | Voir imprimable

Vous avez 95 contacts

Nom	Prénom	Surnom	Maison	Moblie	Travail
<input type="checkbox"/>	Arant	Bode	01 43 25 24 26	06 42 25 24 26	01 42 25 24 26
<input type="checkbox"/>	Dorotea	Dou	02 45 55 55 45	06 45 55 55 45	
<input type="checkbox"/>	Despich	Vanessa	Van	01 52 55 44 55	06 52 55 44 55
<input checked="" type="checkbox"/>	Pécoul	Michel	Mic	01 44 44 55 55	06 44 44 55 55
<input checked="" type="checkbox"/>	Douillard	Laurent	Lolo	05 55 55 55 55	06 55 55 55 55
<input type="checkbox"/>	Marly	David	David	01 44 55 55 22	06 44 55 55 22
<input type="checkbox"/>	Perrenon	Coler	Col	01 22 55 44 77	06 22 55 44 77
<input type="checkbox"/>	Arant		01 43 25 24 26	06 44 44 55 55	
<input type="checkbox"/>	Dorotea	Vanessa	Van	02 45 55 55 45	06 55 55 55 55
<input type="checkbox"/>	Despich	Michel	Mic	01 52 55 44 55	
<input checked="" type="checkbox"/>	Pécoul	Laurent	Lolo	01 44 44 55 55	
<input checked="" type="checkbox"/>	Douillard	David	David	05 55 55 55 55	06 44 55 55 22
<input checked="" type="checkbox"/>	Marly	Coler	Col	01 44 55 55 22	06 44 55 55 22
<input type="checkbox"/>	Perrenon	Michel	Coler	01 22 55 44 77	
<input checked="" type="checkbox"/>	Perrenon	Laurent	Did	01 22 55 44 77	

Ajout direct

Nom Prénom Maison Mobile Travail

Rechercher

- Vocal and portal access to all voice and Internet services
- Voice recognition
- Managed address book through fixed line and Internet
- Available from September 15, as universal address book

Main messages from yesterday's press conference on FT Home



- 1. Free access to the network is a myth**
- 2. Innovative unlimited offers for voice on both PSTN and IP**
- 3. Nationwide coverage for new 2Mb offering**
- 4. Indicative prices for new competitive broadband offers**
- 5. Launch of the "Home Gateway"**



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Thank you



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Agenda



SPEAKER

9h	Introduction	Thierry Breton
10h	FT Home	Olivier Sichel
11h	<i>Pause</i>	
11h30	FT Personal	Sanjiv Ahuja
12h30	FT Enterprise	Barbara Dalibard
13h	<i>Lunch & Demos</i>	
14h	IT&Network	Jean-Philippe Vanot
15h	Sales & Services	Frank Dangeard / Michel Davancens
16h	Conclusion & Q&A	Frank Dangeard / Michel Combes