



# Public Hearing i2010 Brussels, January 26th, 2006

**Marc Fossier**

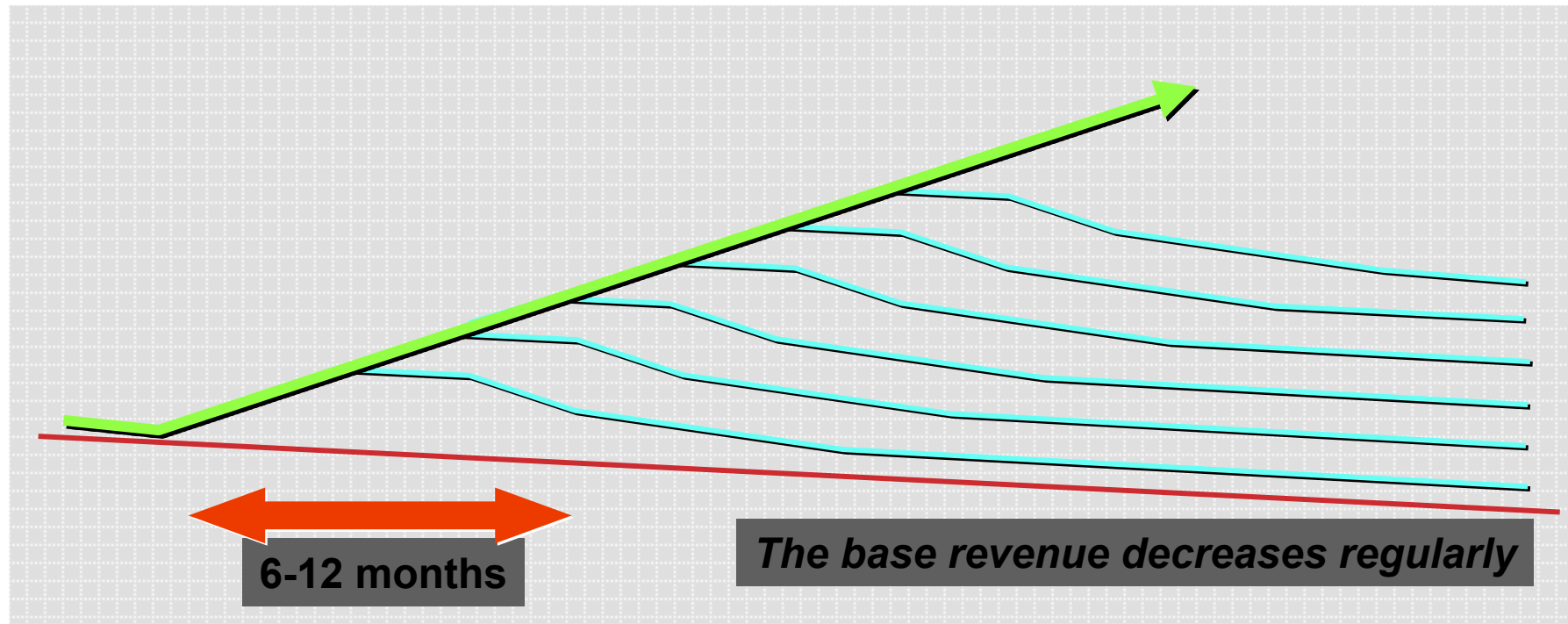
Executive Vice President  
and Chief Technology Officer  
France Télécom Group

# The world of telecom operators is changing fast



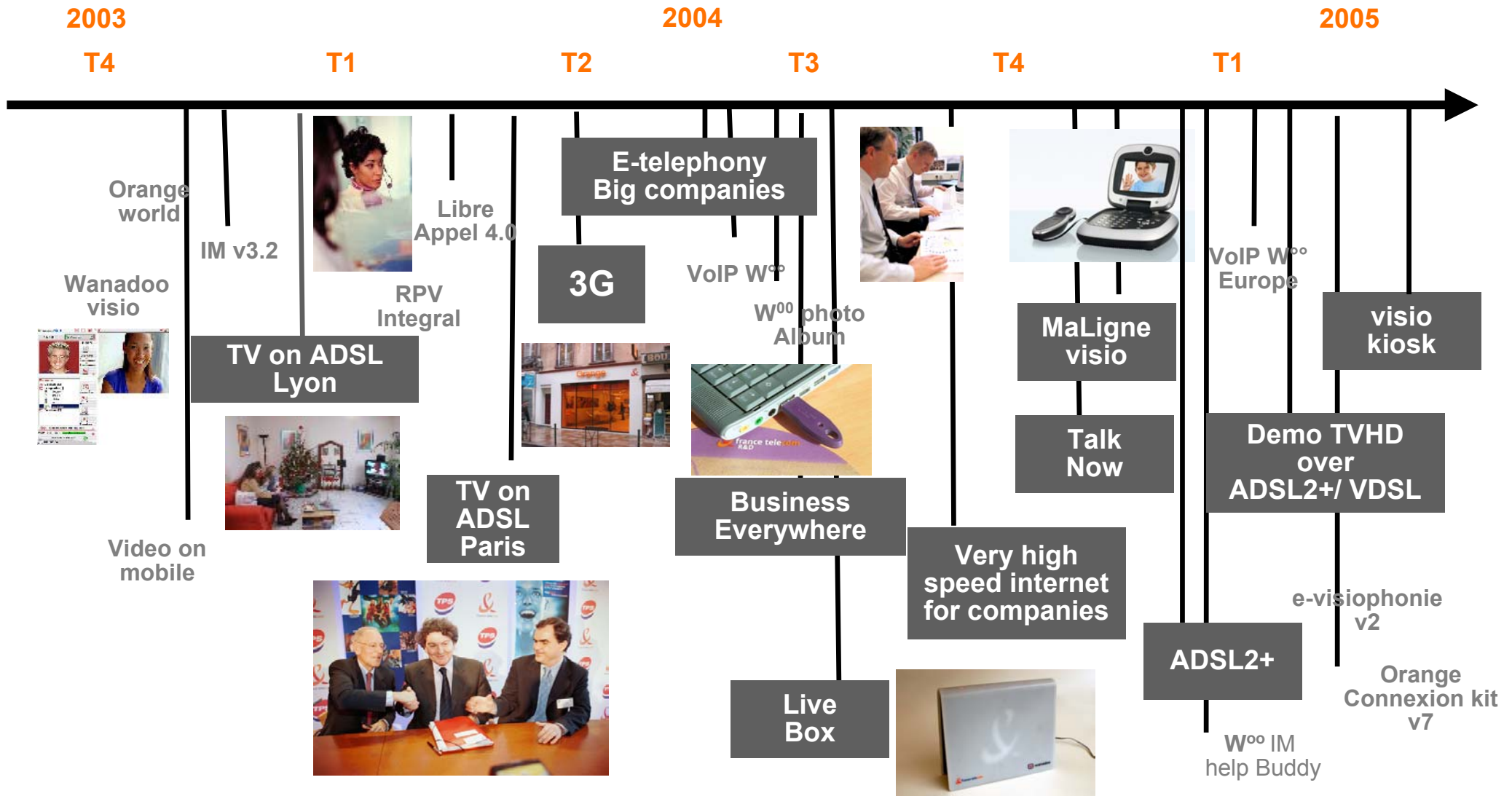
- VoIP is making major inroads in the main revenue stream
  - 10% of total voice traffic is VoIP in 2005
  - We anticipate 30-40% in 2006
- Customers expect broadband access
  - But broadband traffic is dominated by P2P – free services
  - VDSL and / or FFTH for fixed, Beyond 3G for mobile
  - The User is at the centre of the network
- Convergence of ICT opens the way to new competitors
  - CE companies
  - Big 5 (Microsoft, Google, Yahoo!, Intel, HP)
- Regulators are focused on traditional battlefields
  - Return on investment on major capital expenses for the network becomes problematic

# Innovation : a must

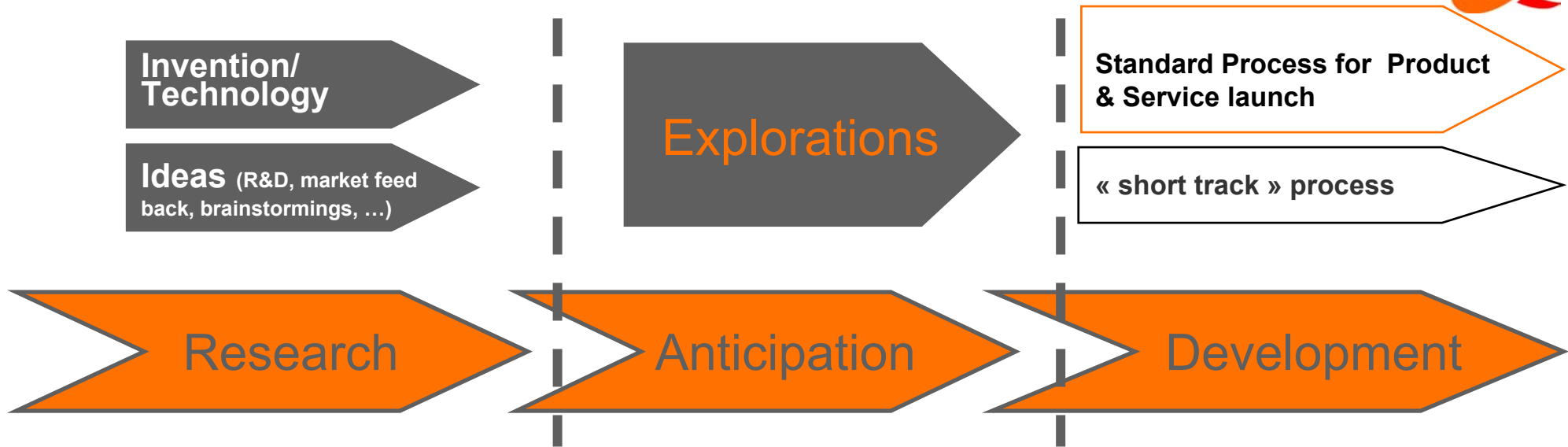


**Durable growth will only come from a strong flow of innovations**

# The rhythm of innovation grows dramatically (200/annum)



# Accelerating Time to Market

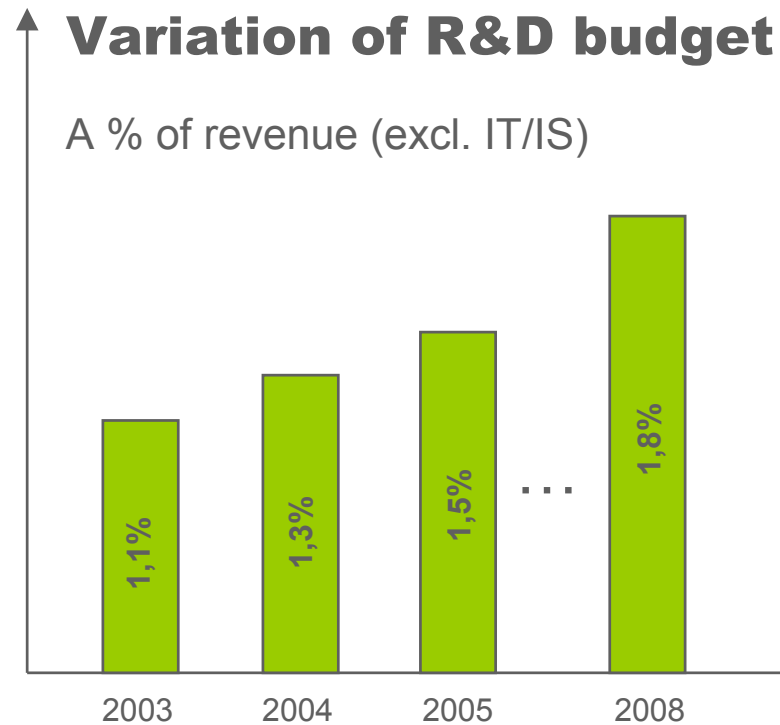


- Increase IP revenue
- Develop critical skills
- Detect disruptive technologies

- Explore technologies, services, usage
- Reduce Time to Market
- Build Integrated Services

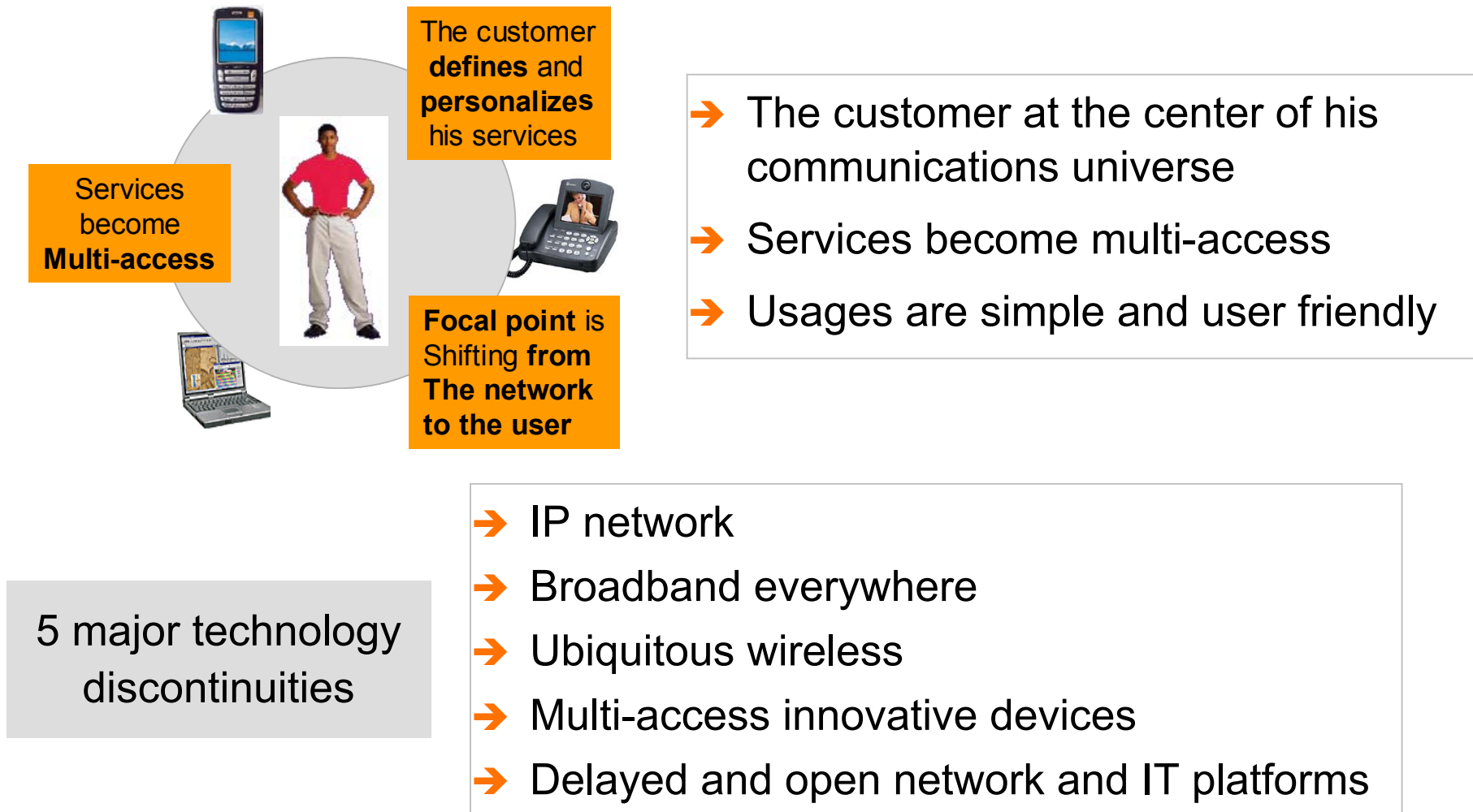
- Industrialization of products, services, network evolution
- Partnerships with manufacturers for more efficiency

# France Telecom is increasing its investments in Research and Innovation



**The largest European investor in R&D**

# The trends FT has identified



**Integrated operator as the incarnation of this paradigm shift**

# NExT Give access to a new world of services



- Unlimited call plans
- FamilyTalk
- Livecom
- ...



- TV over DSL
- Live Tv and mobile video
- Photo transfert
- ...

- Livebox
- Livezoom
- m-coaching
- ...

Consumers



- New IP services
- Connect remote employees
- Connect all corporate sites
- ...

- Project design
- Solution integration
- Customer service
- ...

Businesses

A new generation of telecom services to change everyday lives

# Content everywhere, multi-platforms, multi-territories: one of the key pillars of NExT



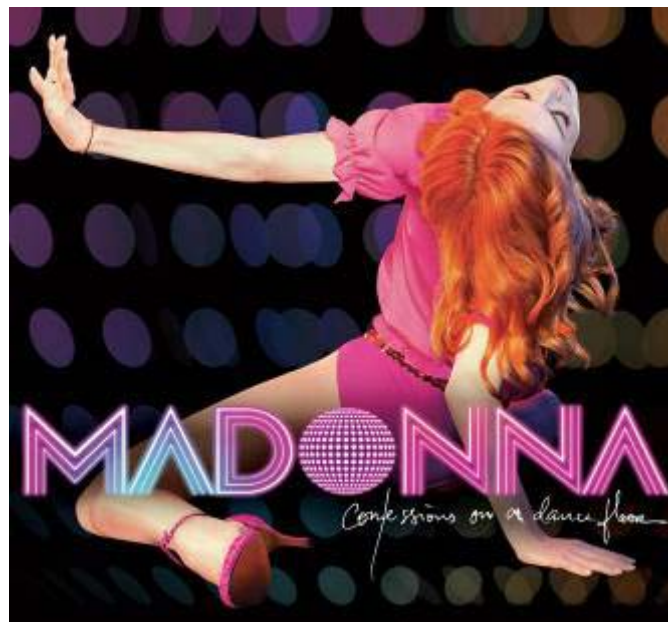
## Sport everywhere

Exclusive soccer & rugby agreements, plus other sports



## Music everywhere

Unique offer across PC, mobile and TV  
Partnering with Warner Music



## TV everywhere

TV bouquets & VOD available through ADSL and 3G, TV, PC, and Mobile

# Build the future through Strategic Partnerships



<i>Spheres</i>	Personal	Home	Enterprise	Access, Networks, IS, Middleware
<i>Objectives</i>				
Reactivate growth	 interactive mobile entertainment appliances			
Build the integrated operator	Home gateway		 Seamless IP MM services	 NGN-IMS Beyond 3G
	 Authentication, Access security			
Address paradigmatic changes	Seamless IP multimedia services 			Seamless mobility solutions, Innovative wireless access networks

Innovating with industry leaders

# i2010 – A European Information Society for growth and employment



- FT welcomes the new Commission strategy for the sector as an ambitious and comprehensive plan:
  - As strengthening innovation and investment in ICTs is one of the priorities of the i2010 action plan.
  
- The Commission stresses that Europe is seriously under-investing in ICTs and lags behind other regions for R&D
  - A serious concern for the industry
  
- Together we have to make sure that the i2010 momentum is maintained and to avoid some “eEurope fatigue”
  
- FT is ready to play its part as already illustrated

# Conclusion



- Speed is paramount
- Understanding of the customer: the customer is at the centre of the network
  - Strategic Marketing
  - Social science, human science and ethnography
- The play ground is worldwide
- Network operators must carry the large investments on backbones and access network and
- Invest in services to generate revenues that will replace voice in a world where IP opens the way to services for free



**The world has changed.**

**There will be no i2010**

**without massive investments**

**in Telecommunication**

**We should create the most**

**favourable conditions**