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IT decision-makers comfortable with outsourcing and out-tasking models to gain access to specialized IT skills

Orange Business Services poll finds 93 percent have undertaken a partial outsourcing model with data centers leading the way

Orange Business Services today announced the results from a recent survey in which CXO-level IT decision-makers confirmed their support for outsourcing and out-tasking models, primarily to gain access to specialized IT skills.

The report, which surveyed more than 600 IT decision-makers from multinational corporations operating in a wide range of industries, revealed that 93 percent have undertaken some form of partial outsourcing or out-tasking projects with data centers (30 percent) leading the way, followed by desktop management (14 percent) and data networks (14 percent). Thirteen percent have outsourced fixed voice networks and nearly 11 percent have moved to a hosted model for enterprise applications.

The leading reason for outsourcing a service was not to reduce costs but to gain access to specialized IT skills available from an outsourced provider. Cost reduction was a close second, while improving service delivery to end users came third.

The results were slightly more predictable when it came to looking at the inhibitions of decision-makers toward outsourcing, with loss of control being ranked first (65 percent). Security ranked fourth in the list of inhibitors, suggesting that worries over the integrity and safety of data have been partially allayed and they are now focused on the more practical issues around moving to an outsourced model.

“The results of the survey are very encouraging with regard to the future of the outsourcing model,” said Helmut Reisinger, senior vice president, Orange Business Services. “Decision-makers clearly understand the benefits such models bring and have moved on from concerns around security and are now focused on ensuring that any investments realize not only the cost savings, but also the knowledge transfer promised by third party providers.”

Perhaps acting as an accelerant to the outsourcing model, joint innovation was cited as being a must-have for the continual improvement and adoption of outsourced services. Joint innovation related to outsourced business model enhancements was either a must-have or nice-to-have for





85.5 percent of respondents while 14.5 percent said that it was not important or they had no opinion on its importance.

Finally, the survey looked at IT governance best practices and certifications with regard to managing both IT spend and infrastructure from financial and regulatory stand points. An impressive 85 percent of respondents were satisfied with their existing governance model.

Regarding compliance, 52 percent said that ITIL played an important or extremely important role in governance. Sarbanes Oxley or Basel II was considered important or extremely important by 44 percent while COBIT was considered important or extremely important by only 15 percent.

The full report is available for downloading at www.orange-business.com in the “focus on...” section of the home page.

About Orange

Orange is the key brand of France Telecom, one of the world's leading telecommunications operators. With 126 million customers, the Orange brand now covers Internet, television and mobile services in the majority of countries where the Group operates. At the end of 2008, France Telecom had consolidated sales of 53.5 billion euros (38.1 billion euros for the first nine months of 2009) and at Sept. 30, 2009, the Group had a customer base of 190 million customers in 32 countries. These include 128.8 million mobile customers and 13.4 million broadband Internet (ADSL) customers worldwide. Orange is the number three mobile operator and the number two provider of broadband Internet services in Europe and, under the brand Orange Business Services, is one of the world leaders in providing telecommunications services to multinational companies.

The Group's strategy, which is characterized by a strong focus on innovation, convergence and effective cost management, aims to establish Orange as an integrated operator and benchmark for new telecommunications services in Europe. Today the Group remains focused on its core activities as a network operator, while working to develop its position in new growth activities. To meet customer expectations, the Group strives to provide products and services that are simple and user-friendly, while maintaining a sustainable and responsible business model that can be adapted to the requirements of a fast-paced and changing eco-system.

France Telecom (NYSE:FTE) is listed on Euronext Paris (compartment A) and on the New York Stock Exchange.

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